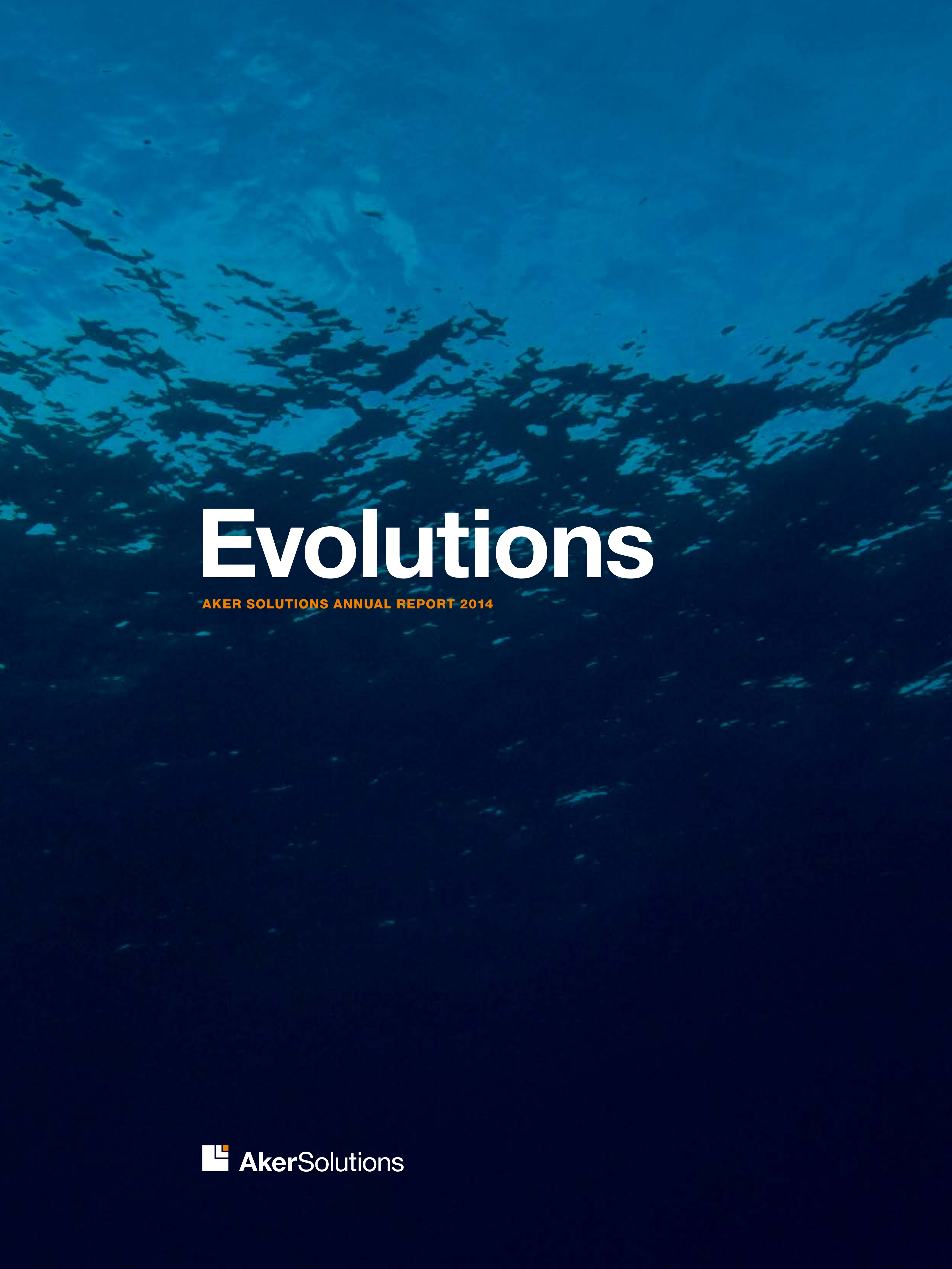


Evolutions

AKER SOLUTIONS ANNUAL REPORT 2014

AkerSolutions

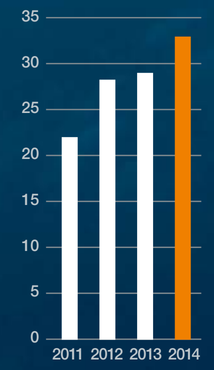
AKER SOLUTIONS has been a driving force offshore Norway since before oil was even discovered. In fact, we delivered the rig that uncovered the giant North Sea Ekofisk field in 1969. That deposit is still going strong and so are we. As one of the key oil services and equipment suppliers, we have taken part in the majority of field developments offshore Norway. Building on a 170-year heritage of engineering excellence, Aker Solutions today is a leading developer in the subsea revolution and offers products and services to maximize oil and gas recovery in the global energy market.

Key Figures

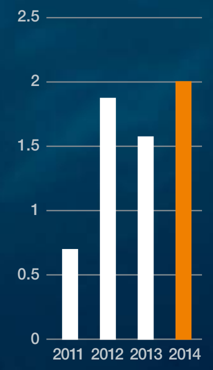
		2014	2013
ORDERS AND RESULTS[1]			
Order backlog December 31	NOK mill	**48,289**	41,185
Order intake	NOK mill	**37,135**	44,370
Operating revenue	NOK mill	**32,971**	29,058
EBITDA[2]	NOK mill	**2,675**	2,079
EBITDA margin[2]	Percent	**8.1%**	7.2%
EBIT[2]	NOK mill	**2,010**	1,580
EBIT margin[2]	Percent	**6.1%**	5.4%
Net profit	NOK mill	**1,300**	1,181
CASHFLOW			
Cashflow from operational activities	NOK mill	**2,645**	2,659
BALANCE SHEET			
Borrowings	NOK mill	**3,828**	3,547
Equity ratio	Percent	**21.5%**	24.6%
Return on equity	Percent	**21.2%**	21.5%
Return on capital employed	Percent	**18.3%**	16.9%
SHARE			
Share price December 31	NOK	**41.55**	N/A
Dividend per share[3]	NOK	**1.45**	N/A
Basic earnings per share (NOK)	NOK	**4.71**	4.31
EMPLOYEES			
Total employees December 31	Own employees	**16,694**	15,968
HSE			
Lost time incident frequency	Per million worked hours	**0.29**	0.28
Total recordable incident frequency	Per million worked hours	**1.24**	1.32
Sick-leave rate	Percent of worked hours	**2.64**	2.53

1) Continuing operations
2) Includes one-off items
3) Proposed dividend for 2014

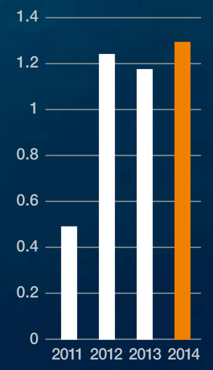
REVENUE
NOK billion



EBIT
NOK billion



NET INCOME
NOK billion



BACKLOG BY AREA

- Subsea 70%
- MMO 26%
- Engineering 4%

EMPLOYEES BY AREA

- Subsea 49%
- MMO 34%
- Engineering 17%

EMPLOYEES BY REGION

- Norway 48%
- Europe, Middle East, Africa 16%
- North America 6%
- South America 9%
- Asia 20%
- Australia 1%

Business Areas

SUBSEA
Aker Solutions combines 40 years of subsea design, manufacturing and installation experience with cutting-edge technology as oil and gas production faces ever-deeper waters and new challenges

MMO
Specialist skills in maintenance, modifications and operations (MMO) to boost oil recovery and extend the lives of mature fields

ENGINEERING
Groundbreaking engineering that's engrained in all we do, from feasibility studies to designing the world's most advanced floating and subsea installations

2014 Highlights

Structure

The company was split in two in September to reduce complexity, realize synergies and bring down costs. The new slimmed-down Aker Solutions focuses on subsea, engineering and maintenance, modifications and operations (MMO). It employs about 17,000 people globally.

Subsea

Aker Solutions in December started delivery of the modules for the world's first subsea gas compressor at Statoil's Åsgard field in the Norwegian Sea. This ground-breaking technology will extend output by 20 years and increase recovery by 282 million barrels of oil equivalents.

Management

Luis Araujo was named CEO in July, coming from the post of regional president for Aker Solutions in Brazil. Svein Stoknes, who headed the subsea area's finance function, became CFO. Øyvind Eriksen remained chairman of the board.

Alliance

Aker Solutions and Baker Hughes in April formed the subsea production alliance to develop solutions that will boost output, increase recovery rates and reduce costs at subsea fields.

Financial

Revenue of NOK 33 billion in 2014 as sales rose in all business areas. EBIT increased to NOK 2 billion and earnings per share climbed to NOK 4.71. The order backlog grew to a healthy NOK 48 billion, helped by key contracts in countries including the UK, Norway, Brazil and Angola.

Talent

Aker Solutions was ranked as Norway's second-most attractive workplace for engineering students in Universum's survey of more than 10,000 students in 2014. About 2,000 new employees were hired in 2014, down from roughly 3,000 in 2013, and the number of jobseekers to register CVs on the company's database rose 60 percent to more than 161,000.

North Sea

One of the company's biggest-ever engineering teams was set up for the initial design and engineering of Statoil's North Sea Johan Sverdrup field, set to go on stream in 2019. Norway's largest oil find in 30 years is expected to produce 550,000-650,000 barrels of oil equivalents per day.

Angola

Aker Solutions in April won a NOK 14 billion contract from Total for a subsea production system at Kaombo, a major field about 150 kilometers off Angola. The contract includes 20 subsea manifolds, 65 vertical subsea wellsets and other services with first deliveries in 2Q 2015.

Brazil

Aker Solutions in April won a more than USD 300 million contract from Petrobras to supply eight manifolds that alternately inject water and gas to increase oil recovery from Brazil's offshore fields in depths of 2,500 meters. Deliveries start in 2016.

UK

The company won two contracts for the Mariner oilfield development in the UK North Sea – a five-year accord with extension options from Statoil in June for maintenance and modifications services and a contract in December from DSME to provide engineering, construction and commissioning services for the field's hook-up phase.

Norway

Aker Solutions won a framework agreement for engineering, modifications and maintenance services for BP-operated oil and gas fields offshore Norway. The contract is valued at as much as NOK 1.8 billion over two years, with an option to extend it to as many as four years.

Capacity

The maintenance, modifications and operations (MMO) workforce capacity was adjusted because of a drop in activity in the Norwegian market.

Management Team

PER HARALD KONGELF
Head of Region Norway

Per Harald Kongelf was named regional head for Aker Solutions in Norway in January 2013. The Norwegian has 25 years of experience in the oil and gas industry, including as president of Aker Solutions' process systems business area. He has an MSc from the Norwegian University of Science and Technology. Kongelf had no shares or stock options in the company at the end of 2014.

TORE SJURSEN
Head of Maintenance, Modifications and Operations

Tore Sjursen was named head of MMO in October 2010. The Norwegian has been with Aker Solutions for 28 years. He has an MSc in mechanical engineering from the Norwegian University of Science and Technology and an MSc in management from Boston University. Sjursen owned 8,366 company shares and held no stock options at the end of 2014.

VALBORG LUNDEGAARD
Head of Engineering

Valborg Lundegaard was named head of engineering in February 2011. The Norwegian chemical engineer has more than 20 years of oil and gas industry experience, including as president of Aker Engineering and Technology. She has a degree from the Norwegian University of Science and Technology. Lundegaard owned 5,185 company shares and held no stock options at the end of 2014.

LUIS ARAUJO
Chief Executive Officer

Brazilian Luis Araujo was named CEO in July 2014. He joined Aker Solutions in 2011 as president for Brazil and led a successful turnaround of the country's subsea unit. His more than 30 years of experience includes senior posts in Wellstream Brazil, ABB, FMC Technologies, Vetco Gray and Coflexip. Araujo owned 32,853 company shares and held no stock options at the end of 2014.

ALAN BRUNNEN
Head of Subsea

Alan Brunnen was named head of subsea in August 2011. Educated at Aberdeen University and London Business School, the Briton has over 30 years of experience in the oil and gas industry, including as managing director of Aker Solutions' subsea unit in Aberdeen and chief operating officer at Stolt Offshore. Brunnen held no company shares or stock options at the end of 2014.

SVEIN STOKNES
Chief Financial Officer

Svein Stoknes was named CFO in September 2014. The Norwegian joined Aker Solutions in 2007 and held numerous key posts, including as head of finance of Aker Solutions' subsea business. Stoknes graduated from the Norwegian School of Management and has an MBA from Columbia Business School. Stoknes owned 14,248 company shares and held no stock options at the end of 2014.

MARK RIDING
Chief Strategic Marketing

Mark Riding was appointed executive vice president of corporate strategic marketing in February 2011. The Briton has over 30 years of oil industry experience, much of it in international management posts. He has a BSc in mining engineering from the University of Birmingham, UK. Riding owned 32,006 company shares and held no stock options at the end of 2014.

INTRODUCTION

Strongly Positioned

LUIS ARAUJO, CHIEF EXECUTIVE OFFICER

AKER SOLUTIONS emerged from 2014 as a leaner and more streamlined company that is well positioned to build on its strengths in subsea and field design. The company was split in two in September when the subsea, umbilicals, engineering and maintenance, modifications and operations areas were spun off to create a new business under the Aker Solutions name.

It was my pleasure to step in as chief executive officer of Aker Solutions in July, moving to Norway from Brazil where I headed our operations since November 2011. Leading a company with an industrial heritage of more than 170 years is a great responsibility and an inspiration. The split last year was a major step in an evolution that began 12 years earlier with the merger of Aker Maritime and Kværner. There have been a number of transactions since to get where we are today: a world-class provider of technologies, project management and field design for the global oil industry.

Aker Solutions is primed to capture growth in the deepwater and subsea markets and to benefit from a shift toward more complex hydrocarbon reservoirs. The split will allow us to realize deeper synergies across the company, to better utilize our expertise and to avoid duplication. We are working ever harder on lowering costs and are intensifying a drive to improve execution in all facets.

The ability to evolve, transform and develop solutions defines our company. An idea jotted down on a napkin thirty years ago is this year becoming a reality as we deliver the world's first subsea compression system for Statoil at Åsgard. We are hard at work on developing the next great leap: the total subsea production and processing system. We are bringing the platform to the seafloor and enhancing communication between installation and the reservoir to boost recovery, extend output life and reduce costs. We are working with many committed partners on these revolutionary developments, including forming an alliance with Baker Hughes to combine its well expertise with our subsea know-how.

Our revenue rose 13 percent in 2014 as sales increased in all areas. Profit margins strengthened, helped in part by improvement programs across the business. Major projects progressed as planned. We had a near-record order backlog of NOK 48 billion at the end of the year, after winning key con-

tracts in countries including the UK, Norway and Brazil. A highlight was the NOK 14 billion order in Angola to deliver the production system at Kaombo, one of the world's biggest subsea projects.

Africa now represents 37 percent of the order backlog, compared with 30 percent for Norway. That's the first time we've had more orders for delivery in a single region outside Norway and is in line with our strategy to grow in key international markets. Benefiting local communities is important in this expansion. We achieved a 99 percent local workforce in Brazil and 69 percent in Angola in 2014.

We are also seeing success in Norway. Last year we assembled our biggest ever front-end engineering and design team to deliver the initial engineering and design plans for the Statoil-operated Johan Sverdrup field, Norway's largest offshore oil find in 30 years.

At the same time, as everyone else in the industry, we have been buffeted by the slump in oil prices and the push to reduce spending. The offshore maintenance and modifications market in Norway was particularly affected and we adjusted our workforce in this area. We made every effort to find new work for these employees as we sought to take care of our staff and safeguard competence.

After a record year in 2013, our order intake was down a bit in 2014 even as tendering was robust in most of our markets. Our healthy order backlog puts us in a strong position. The main task now is to deliver – with an unrelenting focus on operational excellence and ceaseless efforts to lower costs and improve our financial performance.

As part of our streamlining, the annual report now incorporates our corporate responsibility report. Health, safety, environment, integrity and social issues are central to our values. As a signatory to the UN Global Compact, we are committed to supporting its ten principles and strengthening our CR performance. Last year we developed a new integrity policy and ethics training for our employees as part of our anti-corruption compliance program. We will implement this policy in 2015, increase ethics training, improve safety and develop more local talent.

Our people are the backbone of the company. We are committed to providing equal opportunities and a working environment free from discrimination. In 2014, we established a system to ensure equal pay based on local standards, workload and performance. We renewed and enlarged the European Works Council agreement and expanded Aker Care, an in-house health service, at major locations in Norway. Overall HSE performance improved, with a total recordable injury frequency of 1.2, down from 1.3 the year before. As part of our safety monitoring, we recorded 54 serious incidents last year, which resulted in 3 injuries. This is a cause for concern and we are stepping up safety efforts and training.

Our environmental efforts continued last year. We strive to improve our clients' environmental performance through technology innovations and to enhance our own performance by reducing energy consumption and carbon dioxide emissions.

These are challenging times for our industry. The steep slump in oil prices last year was unexpected in its scope for producers that were already seeking to lower costs. Our share price also declined. We anticipate a slowdown in the Norwegian market over the next one to two years, especially for MMO. Major projects such as Johan Sverdrup will help offset some of the decline.

Looking ahead, the baseline is to grow with our key markets and at least hold the line in our core businesses. We expect margins to remain robust in Engineering and gradually recover in MMO. We aim to achieve peer-group margins over time for Subsea.

Few companies are better poised than us to capture growth in offshore oil and gas projects worldwide, through our local content, client relationships, leading technology and engineering. We face current market challenges from a position of strength, with a robust order backlog and a sharp eye on our operational and financial performance

Thank you for your commitment to our company.

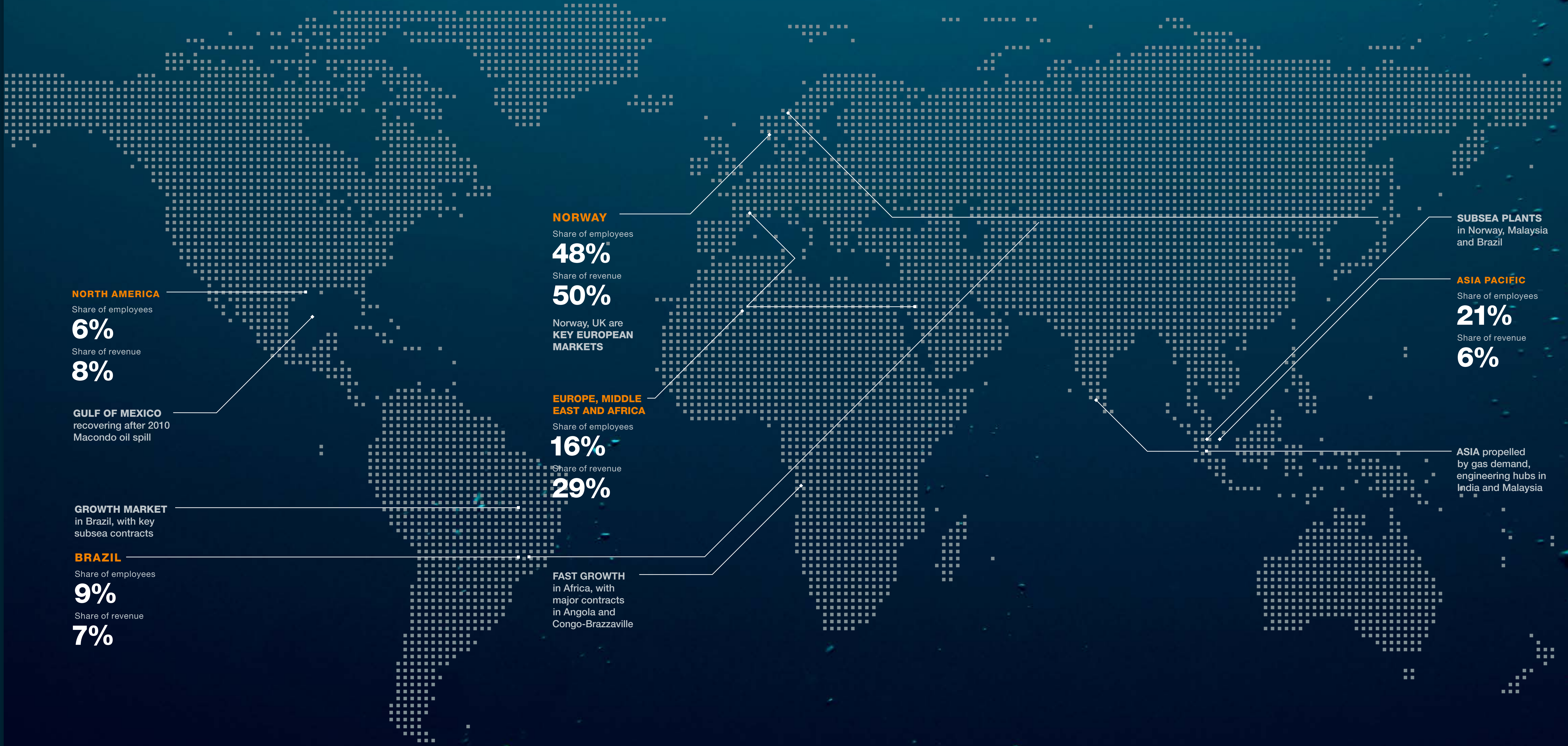
LUIS ARAUJO
Chief Executive Officer

”

We face current market challenges from a position of strength, with a robust order backlog and a sharp eye on our operational and financial performance

Global Expansion

Based in 22 countries in
Europe, Africa, the Americas,
Asia Pacific and Middle East



Revenue is from orders for delivery in a specific country or region

GLOBAL EXPANSION

West Africa Emerges as Key Market

West Africa has become a key market for Aker Solutions as projects in places such as Angola and the Congo-Brazzaville last year propelled the region's order backlog ahead of Norway.

Aker Solutions is set to get 60 percent of its revenue in 2015 from orders for delivery outside Norway, up from about 40 percent in 2013

"IF WE LOOK beyond current oil prices, I think we will see major opportunities here in Angola and elsewhere in Africa from ultra-deepwater developments," said Rafael Loureiro, head of the company's base in Luanda, Angola. Other promising countries include the Congo, Ghana, Mozambique and Tanzania, he said.

Aker Solutions in April last year won a NOK 14 billion contract from France's Total to supply 20 subsea manifolds and 65 vertical subsea wellsets at the giant Kaombo oil field in ultra-deep waters off Angola. Africa constituted 37 percent of the company's order backlog at the end of 2014, followed by Norway at 30 percent.

"It is one of the world's major subsea projects," said Loureiro. "The current phase creates substantial work for Aker Solutions in Norway, Aberdeen, Malaysia and here in Angola," he said, adding that it will be the first time the West African team assembles, tests and installs Aker Solutions' new, vertical Christmas trees.

Aker Solutions started training local staff in Angola in 2002, after winning a contract from Total for a subsea production system at the Dalia oil field. In 2005, the company opened a state-of-the-art base, and then in 2012, landed a second Dalia contract.

According to Loureiro, 69 percent of the workforce is Angolan and the base has had six years without a lost-time incident. To underscore the importance of safety, the time clock was reset last year after a minor incident.

Maintaining international standards of health, safety and the environment can be a challenge in Africa. Other issues include slow deliveries, security, finding personnel and subcontractors, as well as fending off petty corruption. There are also health concerns such as last year's Ebola outbreak.

The Angola base works closely with a new office in Pointe Noire, Congo, that was set up to provide maintenance and other services for the NOK 4.9 billion Total contract from 2013 for a subsea system at the Moho Nord oil project. Cooperation between the two projects is close since both will use the new vertical trees.

Congo country manager Trond Kostveit said: "It is important to draw out as many synergy effects as possible between these two projects."

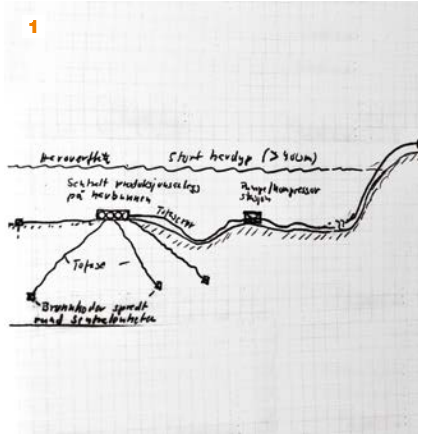
He sees a promising future in Africa, with petroleum discoveries in a region the International Monetary Fund last year said has six of the world's 10 fastest-growing economies. Aker Solutions is also active in Lagos, Nigeria and Ghana.

INNOVATION

Tomorrow's Technology Today

Aker Solutions is delivering the world's first subsea gas compression system to extend the life of the Statoil-operated Åsgard field using a groundbreaking idea that was sketched on a paper napkin 30 years ago.

Our know-how helps clients meet the growing challenges of declining production, increasingly complex reservoirs and escalating costs as the age of easy oil ends



1 Kjell Olav Stinessen's iconic 1985 paper napkin sketch of a future subsea compression system

"IT MAY NOT have been my best drawing, but it was probably my best idea," said Kjell Olav Stinessen, the Norwegian engineer who came up with the system in 1985 on a paper napkin sketch. "Now the whole oil and gas world is watching," he said about the real-life soccer-field-sized version that is a quantum leap for subsea development.

Although he is almost 73 and could retire, Stinessen is staying on to see this through. The award-winning design is expected to extend the life of the Norwegian Sea field by as many as 20 years and extract an extra 282 million barrels of oil equivalents.

The idea pushes the envelope by cutting costs, improving safety and opening for fully-fledged oil and gas production and processing systems on the seafloor.

The Midgard and Mikkel gas reservoirs at Åsgard were developed with seabed installations in 240-310 meters of water some 200 kilometers offshore and linked to the remote Åsgard B floating platform. Declining gas pressure threatened long-term production.

ÅSGARD FIELD

200 km
OFFSHORE DISTANCE

310 m
MAXIMUM DEPTH

Offshore gas compressors that help boost recovery are normally built on expensive platforms but since Åsgard uses subsea systems another solution had to be designed.

"It seemed like a bad idea to have worked so hard to avoid having to build a platform and then have to build one for a gas compressor anyway," said Stinessen. "That was the basic idea."

A subsea compressor also eliminates the risk of fire and explosions or damage from waves or storms and increases efficiency by putting the compressor closer to the well, he said. It can cut costs compared to a platform by 50 percent or more, according to Stinessen.

Back in 1985, the idea was simply not possible with existing technology. Now, 30 years later, the technology, including computers, fiber optics and remotely operated vehicles, have finally caught up with Stinessen's plan.

The system being delivered consists of modules for two sets of compressors, pumps, scrubbers and coolers fitted together like 430-ton Legos in an 1,800-metric ton steel frame. The first parts are already being delivered and the rest are due this year. It will be pieced together from the surface using guide wires and ROVs.

Ingvild Bakken, a specialist engineer, said the huge dimensions reflect a "belt and suspenders" approach to such a pioneering effort.

"You don't have any reference points," she said. "We are putting something like this on the ocean floor for the first time. Now, when it starts running on the seabed, we will gain experience to build on."

Stinessen said they are already seeing ways to slim down future versions.

"It is very, very usable in all places that have offshore gas fields," he said.

1 Spanning generations: Engineers Kjell Olav Stinessen, 72 (right), Louise Thorén, 27 and Ingvild Bakken, 38, break new ground daily on the Åsgard project

Facts

- **Norwegian Sea field about 200 kilometers offshore at depths up to 310 meters**
- **Declining reservoir gas pressure requires compression to increase recovery**
- **Subsea compressor expected to raise production by more than 280 million barrels of oil equivalents over 20 years**
- **System includes template with two compressor sets, coolers, separators and pumps powered by a subsea cable**
- **Project cost framework of almost NOK 15 billion**
- **2010 Ormen Lange subsea gas compression pilot for Shell instrumental in proving the technology viable**

Technology for Safe Arctic Operations

ARCTIC AREAS hold great potential for oil and gas discoveries. Conditions are harsh and require new technology to ensure health and safety. Aker Solutions has a proven record for design innovation and is uniquely positioned to deliver on this. One example is our patented lifeboat protection design. Platform evacuation is a major issue for field developments in the Arctic because of potential disruptions caused by sea or atmospheric ice. Our lifeboat design provides an efficient shield against the Arctic weather and ensures a free-fall launch without affecting operability. It enables inspections and repairs without personnel working above the open sea.

We're committed to the highest quality in all our deliveries as we seek to create value for our customers and shareholders

DELIVERING EXCELLENCE

Pit Stop Draws Industry Attention

Taking inspiration from Formula One pit-stop crews, Aker Solutions in Ågotnes cut the time to refurbish and upgrade a subsea Christmas tree to 17 weeks from more than 52 weeks, sending ripples through the global offshore industry.

1 Aker Solutions' 800-employee subsea facility in Ågotnes, near Bergen, offers life-of-field services

> The inspiration comes from auto racing, where pit crews train to handle one specialized task each
>
> SENIOR PROJECT MANAGER TRYM ATLE LIEN

THE NEW APPROACH was born in 2011, when Statoil said it would need to overhaul as many as 17 trees a year from its Troll and Njord fields. Aker Solutions at the time had capacity for four to six.

"We looked into how to do it," said Trym Atle Lien, senior manager at the Ågotnes subsea facility on Norway's west coast. "Pit Stop was the result."

The inspiration came from auto racing, where pit crews train to handle one highly specialized task, such as changing the left, front wheel in seconds.

In the past, the upgrade and refurbishment of each tree was treated as a new, individual project, with scope and details defined on arrival. Now, Aker Solutions and Statoil agree on a scope for all of the trees, most from the mid-1990s. Specialist teams are assigned to work on individual parts of the tree. This enables longer term planning, ordering of parts and scheduling some six months to a year in advance.

"The job is broken down into small pieces," said Lien. "The tree is stripped down in sub-assemblies when it arrives and then each team goes to work on a single component. They do the same job over and over again and become extremely good."

The first 15 of about 70 trees to be upgraded for Statoil were delivered ahead of schedule. Companies around the world have contacted Ågotnes to learn more about the methods.

"In this particular area, we set the standard for the subsea industry," Lien said.

Pit Stop has proved its worth during a period of sharply declining oil prices and as producers are reviewing costs. The program assures Statoil and other operators that planned maintenance will be carried out on schedule in a cost-effective and environmentally responsible manner. The Pit Stop approach can also be applied to other projects.

Facts

- Troll field holds about 40 percent of Norway's known natural gas reserves. Located in northern North Sea, 65 kilometers off Kollsnes, near Bergen
- Operator Statoil undertaking largest-ever subsea workover program to boost oil recovery and extend field's life to 2030
- Pit Stop project refurbishes and upgrades about 70 subsea trees to as-new standards. Team of 50-85 people delivered first 15 trees ahead of schedule in first year
- A subsea Christmas tree is an advanced set of valves used with associated technologies to control the well flow in a subsea production system. Some resemble a decorated Christmas tree

With more than 90 nationalities represented in our workforce, our diversity and inclusiveness are key strengths

PEOPLE

Space to Grow

Working on designs for complex underwater machines the size of soccer fields or figuring out how to build systems that work in unfathomably deep oceans help make Aker Solutions as exciting as Disneyland for a fresh engineering graduate.

"IT'S LIKE a big box of toys," said Fareez Yusoff, a 27-year-old management trainee from Kuala Lumpur, Malaysia. Aker Solutions is attractive because "it's a big company, forward thinking, technologically advanced and a bit adventurous," he said.

Zoya Bhatnagar from New Delhi, India, long wanted to work in the oil and gas industry and says Aker Solutions stood out when she was taking a Masters degree in economics and business strategy at London's Imperial College. Her topic was the Norwegian continental shelf.

"Aker Solutions is rated as one of the most attractive workplaces for both engineers and business professionals," said Bhatnagar, who's also a management trainee.

The company was ranked as Norway's second-favorite workplace for engineers and the fifth-most attractive for business students in a 2014 survey of more than 10,000 people by the employer branding firm Universum.

Bhatnagar and Fareez won spots in Aker Solutions' two-year International Talent Program, which entails eight months of on-the-job training in each of three projects or locations. So far Bhatnagar has worked for Aker Solutions in Houston, Malaysia and Norway. Changing jobs every eight months was challenging, she said.

"Once you get used to a job, you move on, but I decided to make the most of each eight-month period," she said. "The International Talent Program has a very good reputation in the company, so I had a lot of informal mentors."

Fareez has a Masters degree in offshore and ocean technology from Cranfield University in England. So far, he has worked in Aberdeen and Oslo.

"One of best things about working for Aker Solutions is that they give space for young staff to grow and become leaders. They do not suppress the voice of the younger generation," he said.

Highly Skilled and Diverse

OUR 17,000 employees in more than 20 countries generate and realize the ideas that make Aker Solutions a success. Each of us is dedicated to delivering the highest quality every day.

With over 90 nationalities represented in our workforce, our diversity and inclusiveness are key strengths in an increasingly competitive global environment. We see creativity as a crucial component in fostering productivity.

Aker Solutions is firmly committed to promoting equal opportunities. We employ a wide range of engineers, technicians, operators and other professionals from different cultures and nationalities, reflecting the communities and people we work with daily.

It is essential for us to attract and retain the best talents. We place great emphasis on providing opportunities for our employees to develop their competence and careers. Last year we welcomed about 2,000 new recruits.

Employees

TOTAL	PERMANENT	TEMPORARY
20,974	16,694	4,280
2013: 19,851	2013: 15,968	2013: 3,883

NORWAY	NORTH AMERICA
8,191	923
2013: 8,357	2013: 868

UK	BRAZIL
2,216	1,485
2013: 1,816	2013: 1,259

ASIA PACIFIC	AFRICA
3,595	157
2013: 3,425	2013: 139

AGE GROUPS

<30 22.6%
30-50 57.8%
>50 19.6%

Permanent employees unless otherwise stated.

> Aker Solutions is a fantastic learning facility
>
> **CHIEF HUMAN RESOURCES OFFICER SISSEL LINDLAND**

Seizing Opportunity

AKER SOLUTIONS IS all about nurturing talent, offering opportunities and promoting diversity.

Just ask Chief Human Resources Officer Sissel Lindland. She has risen through the ranks after starting as a 19-year-old HR assistant.

"I was just finished with secondary school and wondered whether to go to university or get a job," she said. The oil business was booming, workers were in short supply and she joined Aker Solutions just days after answering an ad.

Since then Lindland has held such posts as senior vice president for human resources, acting chief of staff at Aker Yards ASA and president of Aker Business Solutions. Her resume includes setting up a shared services unit and serving on boards in several countries.

Keys to her success were mentoring, opportunity, training, changing views of corporate diversity and a willingness to try something new, all of which she says still apply for others.

"I've never held a position for more than five years before being given a new opportunity and I've never said 'no' to a challenge," she said.

Lindland encourages Aker Solutions' employees to be proactive and seek out new challenges. The company offers opportunities worldwide and across all business areas.

"I've seen the company go through three decades of reorganizations, mergers, acquisitions and splits, but one thing remains the same: Aker Solutions is a fantastic learning facility."

Teens Test Engineering Challenges

AKER SOLUTIONS seeks to promote interest in science and technology among the younger generations. The Engineerium interactive technology center, established by the company in 2012, launched the "Engineering Challenge" in 2014 to give secondary school students a taste of the world of science and engineering. Students are divided into teams, each pretending to be an oil-services business vying for a contract from a company that has struck oil in the Barents Sea, off northern Norway. As in real life, the best technological idea alone is not enough, since plans must also address such issues as health, safety, environment and viable economics. Teams use the center's interactive installations to find the information they need. The competition is free for school classes and more than 2,300 students have so far participated. Aker Solutions hopes some will become its future engineers.

RESPONSIBILITY

Responsible Operations

Corporate responsibility at Aker Solutions is about making good, sustainable business decisions. CR principles are integrated with our operations to benefit the company, our stakeholders and society.

We tailor our efforts to local contexts to ensure business relevance and the greatest positive impact for the community

OUR APPROACH

CR should be closely linked to our daily operations in the societies where we are present. We tailor our efforts to the local context to ensure business relevance and the greatest positive impact for the community. The focus on ethical business conduct is deeply rooted in our corporate values. Integrating CR helps us improve processes and mindsets, motivate our employees and make us a more attractive supplier and business partner. CR furthers our vision to be the preferred partner in the oil and gas industry.

A Solid Foundation

Aker Solutions' global Corporate Responsibility Strategy 2013-2017, approved by the board of directors in 2013, sets the vision and goals. It was developed based on an assessment of sustainability risks and on communication with stakeholders.

The strategy builds on four main areas: integrity, society, environment and people. It provides a detailed framework including clear objectives for the direction and ambition of our CR activities.

These are:

- To ensure that values created by operations benefit the communities where we are present and are used to stimulate economic and social development
- To protect the health, safety, human rights and well-being of our workforce
- To do our part to reduce negative environmental effects of the global oil and gas industry by providing leading technology and environmentally safe products and by reducing the impact of our own operations
- To be transparent about how we operate and the impact we have on society

A set of goals and focus areas were last year defined to turn these objectives into tangible and measurable activities. The global CR strategy provides a framework and direction for our organization to ensure we all work toward the same goals. Unless otherwise stated, year-earlier figures in this report have been adjusted for the split of Aker Solutions in September 2014.

Local Commitment

Tailoring strategy and activities to suit local conditions is at the core of our approach to corporate responsibility and is essential in bringing real value to the business and to our local stakeholders. We use our global CR approach as a framework for developing strategies that suit the specific contexts, needs and impacts of a particular region. In 2014, local CR strategies were developed for Norway and India and are under way for North America, Brazil and the UK.

Aker Solutions established a CR network in 2013 to pursue activities that support local commitment and implementation of the global CR strategy. The network consists of 12 representatives from all regions and business areas except Africa, where we are seeking a member. The network works to achieve and monitor CR goals with support from management teams. In 2014, the network's main focus was defining specific goals and establishing regional strategies.

Stakeholder Engagement

Aker Solutions engages in dialogue with internal and external stakeholders to ensure our CR efforts are relevant to our context, market and strategy as well as to meet the expectations and information needs of stakeholders.

Our stakeholders are in a position to affect or be affected by Aker Solutions. We have a broad range of stakeholders who we engage with through several channels. These include our internal CR network, management meetings, seminars and workshops, articles and interactive blogs on the company intranet, feedback from training courses and dialogue with customers, including structured feedback on our HSE performance after project completion. We receive input from forums such as the UN Global Compact Nordic Network and various anti-corruption initiatives. We seek to discuss, benchmark and align our CR activities internally and with international best practices.

We will in 2015 seek to follow up on the extensive dialogue we had in 2011 with internal and external stakeholders, including suppliers, customers, trade unions and investors in different regions and markets. These efforts were used to better understand our stakeholders' interest in and influence on our business. The engagement provided valuable input to the global CR strategy and our CR reporting. We had aimed to conduct new dialogue in 2014, but the split made that impractical.

For an overview of our engagement with external stakeholders, see appendix 2.

Governance

Good corporate governance structures and practices help reduce risks and ensure sustainable value creation. Aker Solutions is committed to ensuring sound governance and an effective framework for managing CR risks.

The board of directors is ultimately responsible for the company's CR and governance activities. The audit committee supports the board in the execution of its responsibility. Development and oversight of the CR strategy, performance and reporting is delegated to the corporate function, Business Integrity and Compliance (BIC), which reports to the executive vice president for HSE, risk and compliance. Regional heads and country managers are responsible for safeguarding the implementation of the CR strategy in their

We expect the highest standards of ethical behavior and integrity from each of us, everywhere

Code of Conduct

Aker Solutions' code of conduct outlines our commitments and requirements for ethical business practices and personal conduct. It describes what we expect of our employees, subsidiaries, subcontractors, representatives and other partners and explains the company's policies in the following areas of particular ethical importance:

- Corruption, including bribery and facilitation payments
- Conflict of interest
- Export controls
- Fair competition
- Gifts and hospitality
- Human rights
- Insider information
- Money laundering
- Sponsoring and donations

It also explains how to respond when unprofessional or unethical behavior is observed or suspected. The code is available on www.akersolutions.com/en/Global-menu/CR/Code-of-conduct.

regions. Executive vice presidents of business areas are responsible for ensuring the strategy is implemented in their areas. The CR network is responsible for supporting efforts, and to set and meet goals in each business area.

The company has policies on CR and governance issues, including safety, the environment, business ethics and integrity. These provide instructions and operational guidelines for employees to ensure our operations comply with internal and external regulations. Policies and procedures are updated each year, based on risk assessments by the business areas, regions and corporate functions. The corporate center monitors compliance and ensures implementation and effectiveness of policies and procedures. Assurance activities are carried out by the HSE, risk and compliance organization.

2015 Targets and Initiatives

- Complete stakeholder dialogue to identify expectations toward Aker Solutions
- Develop materiality assessment based on input from stakeholder dialogue
- Improve internal communication on CR efforts

INTEGRITY

Aker Solutions' corporate values and code of conduct guide our policies, operations and behavior. They define who we are and how we want to be perceived across business units, regions and cultures. The highest standards of ethical behavior and integrity are expected from all in the company. This is the foundation for building trust internally, with our customers and other stakeholders.

Managing Integrity Risks

Being the preferred business partner means being trusted in every aspect of how we do business. Our code of conduct is the framework for managing integrity risks and informs all employees of the ethical standards they are expected to meet.

In 2014, we started work to supplement the code with a new business integrity policy that sets out clear responsibilities and procedures for managing integrity risks at all business levels. This includes new monitoring and reporting procedures to ensure strong control and follow-up on compliance. The policy will be implemented in 2015, after which the code will be updated to reflect additional principles set forth in the policy.

Aker Solutions employees and directors must each year as part of their performance dialogues sign a statement to confirm they have read the code and performed their jobs in accordance with its terms. Suppliers and subcontractors of Aker Solutions must also sign a declaration confirming that they act responsibly and in compliance with the principles in the code.

Zero Tolerance

Corruption, including bribery and facilitation payments, is not acceptable in any form. Aker Solutions is committed to fair and open competition and does not engage in anti-competitive practices or other activities that violate anti-trust laws.

The company continuously works to improve its anti-corruption compliance program through employee training, raising awareness, country risk assessments and by reducing the number of third-party representatives. Every effort is made to ensure the company complies with all applicable anti-corruption regulation.

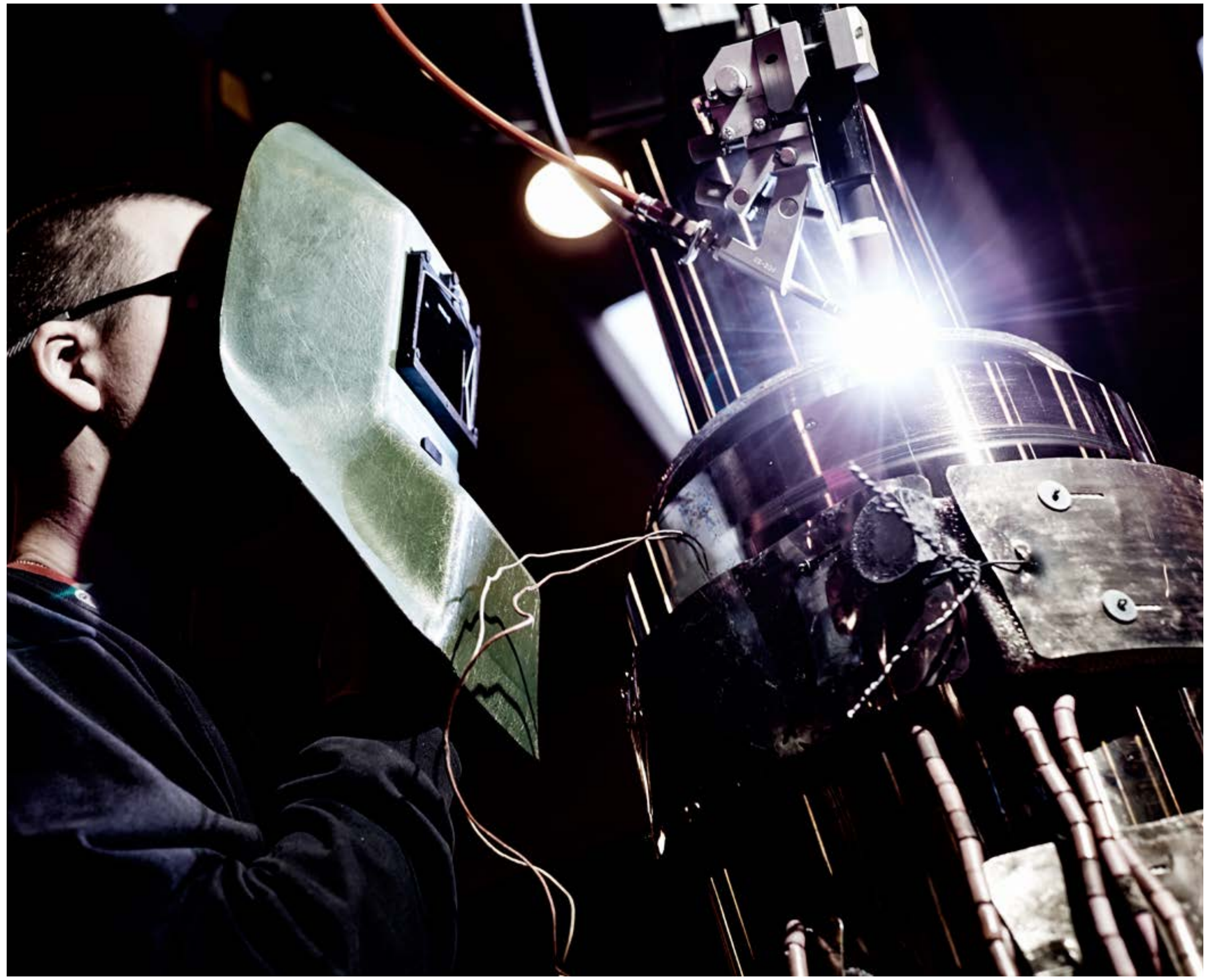
The compliance program was strengthened in a number of areas in 2014 covering anti-corruption, country risk and corporate responsibility. The new business integrity policy will improve internal integrity compli-

India Strategy

THE IMPORTANCE and relevance of tailoring our CR activities to local conditions are highlighted in our operations in India, where national regulation stipulates how CR should be governed and what constitutes such activities. To comply with these requirements in keeping with our own global strategy, three focus areas were defined:

- Support large-scale causes such as disaster relief and poverty reduction
- Enable skills enhancement, healthcare and education of socially and economically challenged persons to improve their well-being and livelihoods in the Indian state of Maharashtra
- Champion engineering education in India by strengthening linkages between industry and academia. Facilitate cross-sharing of experiences and resources at Aker Solutions to boost competency

The focus areas are supported by guidelines and procedures to ensure the integrity of projects and that they have measurable positive impacts for the beneficiaries.



Knowing What to Do

WE WORK SYSTEMATICALLY to inform our employees of Aker Solutions' approach to business ethics and anti-corruption and to teach them how to handle a risk or breach. Mandatory classroom training for all office-based employees has run successfully for four years. The training teaches employees how to recognize and respond to risks and will be updated in 2015. This training will also be supported by a new e-learning course in 2015, consisting of modules covering human and labor rights, anti-corruption and bribery, gifts and hospitality and conflict of interest. The course will be a mandatory refresher and must be completed within two years after the classroom training. An e-learning program for business ethics will be introduced in our onboarding program for new employees.

ance procedures in all business areas by using a risk-based approach to integrity issues. We are making it mandatory for all office staff to complete training within the first six months of their employment.

A new e-learning program will in 2015 be rolled out as a refresher of the business ethics course and be mandatory for all office employees. There will be increased effort to improve reporting procedures to ensure we know where to focus our training and awareness activities.

Business Ethics Classroom Course – Participants per year

Year	Completed (active employees only)
2011	178
2012	5,628
2013	2,214
2014	813
Grand Total	**8,833**

Aker Solutions also analyzes and assesses whether an individual country or project could pose a risk of involvement in corrupt practices, human rights abuse, breach of sanctions, environmental damage or put the health and safety of our employees at risk. We won't bid on projects if the risk is deemed too high. Several compliance reviews and audits were completed in 2014. When audits reveal possible breaches of policies and procedures, action plans are set in motion to mitigate risks and improve processes, including follow-ups. The company has sought to reduce the use of third-party representatives, such as sales agents, and imposed stringent compliance and approval procedures to ensure that any representative acting on behalf of the company operates by the expected and required ethical and integrity standards.

Reporting Ethical Concerns
Aker Solutions opened a whistleblowing channel in 2010 that allows anyone to report suspected violations of corporate values, the code of conduct or any other governing policy. Reporting can be done anonymously on the company's external website, by internal e-mail or to a trusted HR manager. In 2014, improvements in reporting methods, including statistics and trends, allowed us to analyze, identify and address weaknesses in our control systems. A new whistleblower and investigation procedure is being developed to increase transparency and strengthen internal processes.

Most cases reported through the whistleblowing channel concern employee relations and HR issues. When a report is substantiated, follow-up action is initiated, ranging from internal communication and policy updates to warnings and dismissals. In 2014, 112 cases were received through the whistleblowing channel, with several reports leading to disciplinary actions that included dismissals. This was up from 40 cases reported in 2013; a trend that signals that our business ethics training and awareness activities are working. The increase puts us close to global benchmarks for hotline reporting for a company of our size.

Building Trust
Aker Solutions believes in the value of open and honest internal and external dialogue. The company sees transparency as essential in an industry that can have a significant impact on local communities, as highlighted in our corporate responsibility strategy for 2013-2017. Aker Solutions operates globally, including in places that depend heavily on oil and gas revenue, suffer from poverty or face corruption challenges. Sharing information in an open and transparent manner is necessary to build trust where we do business.

The table below reflects our 2014 revenues, investments and employees by country based on the location of the Aker Solutions' company recognizing the revenue.

Country	Employees excl. contractors[1]	Revenue[2]	Investments in assets[3]
Norway	8,191	20,102	592
UK	2,216	6,081	193
India	1,515	632	30
Malaysia	1,498	1,924	43
Brazil	1,485	2,056	315
USA	804	2,704	133
Brunei	483	806	11
Sweden	123	123	2
Angola	123	225	-
Canada	119	268	12
Australia	96	143	-
Congo	21	417	-
Nigeria	13	87	-
Cyprus	4	347	50
China	3	9	-
Other	-	12	-
Sum of countries	16,694	35,935	1,381
Eliminations[2]	-	(2,964)	-
Total Aker Solutions	16,694	32,971	1,381

1) The locations of employees are based on the location of the company where they are employed. Branches are therefore included in the figures for the legal entity.
2) Revenue figures per country include internal and external revenues and are based on location of the Aker Solutions company that has recognized the revenue. Intercompany sales are subtracted in the line "eliminations" to present external Aker Solutions revenues as in the income statement.
3) Investments in assets includes investments in property, plant and equipment in addition to intangible assets. Investments presented here do not include acquisition of other companies.

TOTAL STAFF
20,974
2013: 19,851

PERMANENT EMPLOYEES
16,694
2013: 15,968

2015 Targets and Initiatives
- Implement the Business Integrity Policy
- Develop and implement a whistleblower and investigation procedure
- Perform a compliance risk assessment for Aker Solutions to map our integrity risk profile
- Continue focus on business ethics training
- Introduce new e-learning modules on business ethics
- Utilize cross-functional resources to review compliance by improving cooperation between the business areas

SOCIETY

The oil and gas industry has the potential to support positive social and economic developments in the countries where it is present. Aker Solutions recognizes this responsibility. It is our goal to ensure that we benefit local communities and build good relations based on transparent communications with local stakeholders to ensure our long-term presence.

Such a goal can be a challenge when operating in parts of the world that present political and reputational risks and it is important that we are vigilant about being ethical and responsible in our business dealings. Aker Solutions takes steps to ensure that we do not negatively impact development of communities, the environment or human rights while also contributing to local employment, economic growth and the transfer of knowledge and technology.

Contributing to Local Economies
Aker Solutions' most direct contribution to local economies is through local content, which includes hiring personnel and suppliers from the area and providing training and education. Countries such as Angola and Brazil require a minimum percentage of local content. The company views local con-

BUSINESS ETHICS CLASSROOM COURSES

8,833

PARTICIPANTS 2011-2014

COUNTRY RISK ASSESSMENTS

30

2013: 26

tent as a good business practice even when not required because it lowers costs, gives a better understanding of local conditions and gives the community a boost.

Programs for local content are tailored for each location to ensure sustainability and relevance. This requires close collaboration with suppliers, local governments, training and educational institutions and business communities.

Respecting Human Rights

Aker Solutions sometimes does business in places where human and labor rights are at risk and where there's a risk of becoming implicated in violations through our own activities or through our supply chain. We support and respect internationally recognized human rights standards as expressed in the UN Guiding Principles on Business and Human Rights. We are committed to avoid complicity in any form of human rights violations. This commitment is part of our obligations as a signatory of the UN Global Compact and is emphasized in our code of conduct, new business integrity policy and people policies.

Human rights considerations are an integral part of our business decisions. We have developed a country risk standard as a tool to ensure that we do not become complicit in activities with negative effects on our surroundings. This procedure requires certain background checks and analyses of potential projects in markets associated with high non-financial risks such as complicity in human rights abuses or corruption, political and security risk, ethical dilemmas, and risk of supporting violence or abetting conflict. We assess potential human rights risks related to location, projects or services delivered, partners involved or sourcing of materials. We can decide to decline a project or market if it is deemed high risk. The country risk standard also includes an internal watch list of markets seen as posing high political and reputational risk, including risk for human rights violations. The list is updated every six months to reflect any changes in the global geo-political environment. During 2014, more markets were classified as high risk and we placed even stronger emphasis on compliance with the country risk standard, which might explain the increase in early risk assessments to 30 in 2014 from 26 the year before.

Mapping and assessing human rights risks are the first steps toward managing them. Other activities include training of relevant personnel to recognize situations with potential human rights issues and continuously communicating our stand to employees through training courses and internal communication. Safeguarding the human rights of our workforce, our subcontractors and suppliers is a high priority that is integrated into our employee policies and processes and our supplier assessment program. In 2015, a new e-learning module on human and labor rights will be launched to ensure that our employees are aware of and understand our internal rules and international commitments to human rights.

Doing Our Part

Aker Solutions supports a variety of good causes and projects as part of our efforts to build good relations with stakeholders. The company is especially interested in civic partnerships that have a strong local impact and are mutually beneficial. Projects are selected and managed by regional and local offices that know the communities' needs. In 2014, we supported and engaged in projects ranging from donating to Doctors Without Borders, participating in the National Multiple Sclerosis Society's fundraising bike ride in Houston, refurbishing a school in São José dos Pinhais, planting trees in Kuala Lumpur to celebrating International Women's Day in India.

ENVIRONMENT

Aker Solutions recognizes that the oil and gas industry can have significant impact on the environment, including the risk of oil spills, CO_2 emissions, waste and the use of natural resources. Sustainable management is essential to the future of the industry and the company.

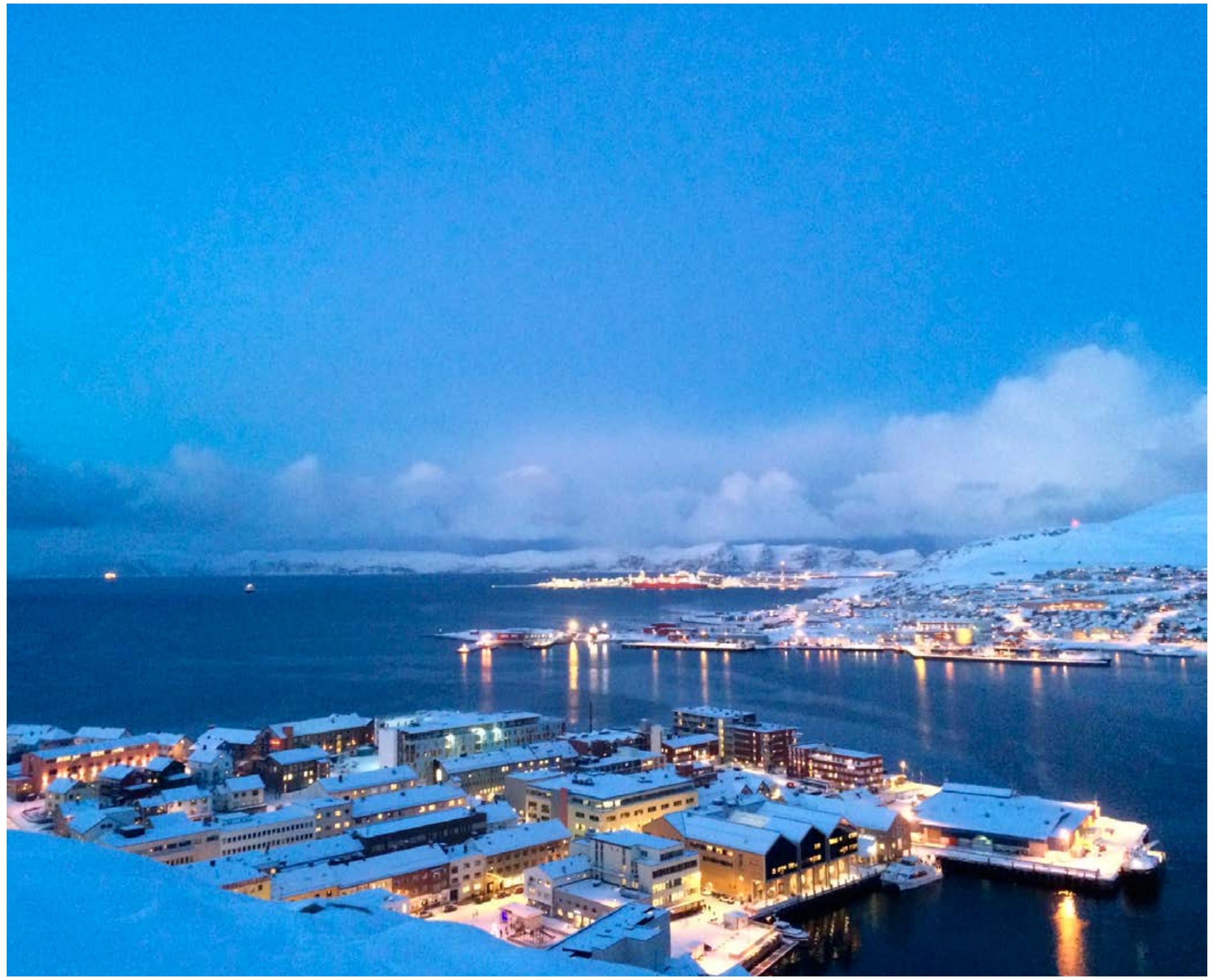
Aker Solutions takes a proactive and precautionary approach to environmental management. We strive to minimize the environmental impact of our own and our customers' activities by providing technology, products and services that are environmentally sound. We manage our environmental impact by reducing energy consumption and emissions, and handling waste and spills. We continuously challenge ourselves to reduce our environmental footprint, which is one of the main goals in the Corporate Responsibility Strategy 2013-2017.

Environmental Safety Through Technology

Aker Solutions has identified significant opportunities to address environmental impact through our products and services by being at the forefront of technological developments and predicting customer needs. As a preferred partner, it is increasingly important that we contribute to the performance of our clients. Recent examples of environmentally friendly solutions include, among others, subsea factory solutions, including compression and boosting, that avoid huge surface production rigs, and subsea systems with electronic operations rather than hydraulic oil.

Strong Local Presence in Norway

IN NORWAY'S far north, the Arctic cities of Tromsø, Sandnessjøen and Hammerfest have a local tradition of delivering quality projects to customers such as Statoil, BP, Shell and Eni. These achievements were possible because of Aker Solutions' long-term strategy for developing capacity and competence in the region. The company not only hires local staff and uses local suppliers, but also collaborates closely with local companies such as Helgeland V&M in Sandnessjøen.



Building Skills in Congo

IN CONGO-BRAZZAVILLE, we have taken our responsibility for developing local talent seriously, including bringing 16 of our new employees to Norway for comprehensive training. The program started in September 2013, when four locally educated engineers began training in Norway to gain the added skills needed in our operations. Each of the four will have a new specialty as a subsea tree engineer, workover engineer, controls engineer and quality control inspector. A further 12 colleagues headed to Norway last year for training as offshore and workshop technicians and HSE inspectors.

ENERGY CONSUMPTION (MWH)
▼ 13%
116,339 MWH

TOTAL CO2 EMISSIONS
▼ 27%
21,188 MWH

Managing Our Footprint

Aker Solutions' commitment to continuously reducing its environmental impact is expressed in our Health, Safety and Environment (HSE) policy:

- The company designs products and services to have no undue environmental impact and to be safe and efficient in consuming energy and natural resources
- Our operations are conducted with efficient use of materials and energy, minimum waste and damage to the environment
- We seek to ensure that our products can be recycled or disposed of safely in accordance with customer requirements

The HSE policy is implemented through the management system, e-learning and various leadership development initiatives. Programs are in place to monitor and improve energy use and to reduce CO_2 emissions and waste. Identifying and managing potential environmental risks are integral aspects of the company's project tendering and execution, ensuring that appropriate measures are taken for each project and location. These activities contribute to increased environmental awareness in Aker Solutions and among our customers.

Aker Solutions was not subject to any significant fines or sanctions for non-compliance with environmental laws and regulations in 2014. We monitor governmental guidelines, directives and regulations on the environment so that we are informed and prepared for changes.

Reducing Energy Consumption and Emissions

As a global provider to the oil and gas industry, Aker Solutions' activities and impact depend almost entirely on the needs and operations of our customers. The results measured at the corporate level depend largely on the type of projects the company is performing. Some major projects run for several years, and energy consumption varies depending on the phase. Offshore hook-up and decommissioning phases are energy consuming while engineering phases are not. This is why we see fluctuations in our environmental performance even as we are in the midst of a strong push to be energy and resource efficient. Because of the strong correlation between the customer project portfolio and energy usage, Aker Solutions has decided not to set a target for our own CO_2 emissions. We still accept responsibility for CO_2 emissions and direct our efforts and resources to areas we can control. This includes choosing the best available technology, reducing energy consumption in offices and workshops by upgrading to more energy-efficient technology, reducing travel through use of video conferencing and improving logistics to reduce long-distance material transport.

The company's energy consumption, based on recorded use of oil, gas and electricity, fell to 116,339 megawatt hours (MWh) in 2014 from 134,404 MWh a year earlier. Since consumption is linked to the level of project activity, we view energy intensity as the key performance indicator (KPI) and measure energy consumption per million worked hours. The energy intensity for 2014 decreased 23 percent from 2013. Total CO_2 emissions declined to 21,188 metric tons in 2014 from 29,050 tons the year before. This positive development may be explained by an increase in engineering work and a decrease in offshore activity. We aim to map energy usage more closely going forward to determine which part of the organization causes the largest fluctuations. Energy usage and intensity at our production facilities will vary with project type, while it should be more stable in office environments.

RECYCLING FACTOR

94%

2013: 86%

RECYCLED WASTE (TONS)

25,126

2013: 13,482

Handling Waste and Spills

Waste production is also linked to the project portfolio. A decommissioning project will produce more waste than other kinds of projects. Total waste in 2014 was 26,636 metric tons, an increase of more than 10,000 tons from 2013 due to the nature of our product portfolio. Aker Solutions maintains a strong focus on waste management, and strives to improve each year, which includes the goal of an at least 80 percent recycling rate. In 2014, the recycling factor rose to 94 percent from 86 percent in 2013, with all business areas exceeding a 90 percent recycling factor.

There is always room for improvement, often at the local level. Aker Solutions headquarters at Fornebu was in 2014 designated a key local initiative. All waste handling agreements were revised to save cost and reduce the environmental impact. The Fornebu case is now used as a best practice example for other locations.

Client projects often require the replacement of hazardous components. Authorized, specialist companies handle all hazardous waste. The company collected 420 tons of hazardous waste in 2014, a decrease from 431 tons in 2013. This is also subject to variations in our project portfolio.

While there were no accidental oil spills in 2014, the risk is always at the forefront of planning. Aker Solutions works hard on prevention but is well prepared to respond should one occur. These measures are managed through good operational controls, regular equipment maintenance and drills for emergencies and oil spill response.

	2014	2013
Energy consumption[1] (MWh)	116,339	134,404
Energy Intensity (MWh per million worked hours)	2,627	3,405
Energy Intensity (GJ)	418,820	483,854
Energy Intensity (GJ per million worked hours)	9,458	12,259
CO_2 Emissions[2] (Metric tons)	21,188	29,050
CO_2 Emissions (Metric tons per million worked hours)	478	736
Recycled Waste (Metric tons)	25,126	13,482
Total Waste (Metric tons)	26,636	15,482
Recycling Factor[3] (%)	94	86
Hazardous Waste (Metric tons)	420	431
Accidental Oil Spills (number)	-	-

1) Travel activity is not incorporated into Energy Consumption
2) Travel activity is not incorporated into the CO_2 emissions
3) Water recycling is not incorporated into this number, even though recycling is performed at sites where water is scarce.

2015 Targets and Initiatives

- Zero oil spills and a recycling factor of 90 percent
- Perform Life Cycle Assessments (LCAs) on key products to assess environmental impact associated with all stages of a product's lifecycle
- Continue to apply Best Available Technology (BAT) analyses in engineering and design phases of projects to ensure solutions with minimum environmental impact
- Collect data from travel agencies and IT department to analyze impact of Travel Policy
- Conduct comparative studies of offices and workshops as part of mapping of energy usage and carbon dioxide emissions per location to identify best practice improvement opportunities and solutions

Preparing for the Worst

AKER SOLUTIONS in Egersund, Norway in October simulated a 100,000-liter oil spill. The purpose of the drill was to gain practical experience in handling an uncontrolled event. The drill included the local police, firefighters and rescue boats to provide a realistic training experience.

HAZARDOUS WASTE (TONS)
420
2013: 431

TOTAL WASTE (TONS)
26,636
2013: 15,482

SUPPLY CHAIN MANAGEMENT

Suppliers and subcontractors help to ensure that Aker Solutions delivers high-quality, on-time services to customers. We exercise responsible supply chain management and expect integrity and respect for human and labor rights among our suppliers. The procurement process is performed in alignment with the principles of the Aker Solutions code of conduct.

Responsible Supply Chain Management

Aker Solutions is committed to engaging suppliers that consistently operate in accordance with our values, comply with national laws and regulations and meet the company's requirements for health and safety, quality management, environment, ethics, anti-corruption and social responsibility, including human rights and labor standards.

Aker Solutions has developed a Supplier Qualification and Information System (SQiS) to ensure the required standards from its suppliers. The system helps to measure and predict supplier performance through a rigorous qualification, monitoring and performance evaluation process, providing a fact-based approach to supplier selection and development.

All suppliers are required to sign the Supplier and Subcontractor Declaration, confirming that they act responsibly in their organizations and with their own subcontractors. We last year updated our supplier qualification questionnaire to include more questions on human rights, anti-corruption and corporate responsibility, including higher requirements related to the CR certification from the International Standards Organization (ISO26000) and Social Accountability International (SA8000). Further, audits are conducted to verify answers in the questionnaire and investigate a supplier's ability to meet Aker Solutions requirements.

The SQiS also includes risk screenings for political, corruption and HSE risks on a country level and make this information more accessible to all buyers. Combined with the individual screening of suppliers, this gives a good understanding of the risk picture for our suppliers. Any deviation from our requirements is entered into the Supplier Risk Dashboard.

In 2014, 877 new suppliers were qualified and listed on the Qualified Supplier List (QSL). A key requirement of being listed on the QSL is that the supplier must sign the Supplier and Subcontractor Declaration.

2015 Targets and Initiatives

- Incorporatespecific contract requirements for HSE training, supervision and reporting
- Review of Qualified Supplier List related to HSE, human rights, society and labor practices

EMPLOYEES

Securing Skilled Employees

Attracting and retaining highly-skilled and motivated employees globally are key to Aker Solutions' success. The company has a diverse workforce, which it seeks to maintain and motivate through procedures to strengthen management of recruitment, training, benefits, welfare rights in the workplace and dialogue between employees and management.

Rewarding Hard Work

Aker Solutions invests substantially in the retention and development of talent to ensure those skills turn into a competitive advantage. We want to motivate current and future employees with opportunities for international experience, for turning innovative ideas into solutions and for long-term careers with competitive rewards and an understanding of diverse local needs.

Aker Solutions offers competitive pay, benefits and extensive welfare programs to full-time and part-time employees. Such programs depend on the laws and practices in the countries where we operate and benefits include one or more of the following: Life insurance, healthcare, disability cover, retirement provisions and share ownership.

In 2014, a new reward standard procedure was introduced outlining key principles and responsibilities to ensure a common global practice for all employees. The reward procedure supports managers and human resource professionals in making consistent and fair decisions on employees' remuneration both by region and globally. Together with correct positioning of the jobs in the Aker Solutions career model, standard procedures and guidelines help facilitate 'equal pay' that takes the employee's workload and performance into consideration.

Managing Performance

Aker Solutions wants every employee to know what is expected of them and how we view their contribution to the company. Performance dialogues between managers and staff are key to managing expectations, achievements and development. Discussions on an employee's priorities and objectives foster a sense of responsibility and commitment to good performance. A career model was rolled out in 2014, offering employees and managers training and information sessions on effective ways to discuss performance and career choices. It also describes career tracks for professionals and leaders that facilitate movement of people across departments and business areas.

Safeguarding Diversity and Equal Opportunity

Aker Solutions' diverse workforce ensures that we have a wide range of skills and

A Collaborative Approach in Brazil

IN DECEMBER 2014, Aker Solutions in Brazil hosted the Brazilian Supplier Day attended by 180 key strategic suppliers. The event provided a collaborative and open environment in which to discuss our approach to such issues as business ethics and responsible supply chain management. There was also a competition with nominations in 21 categories, including Best Supplier in HSE and Best Supplier of the Year 2014.

European Works Council

AKER ASA renewed the agreement on the European Works Council in 2013 and in 2014 in accordance with EU Directive 94/95 EC. Aker ASA European Works Council has been expanded to include employee representatives from Aker Solutions Brazil to achieve a more global council. The main purpose of the agreement is to ensure and develop a forum for communication, consultation and information between management and employee representatives. Aker Solutions also established an Employee Consultative Forum covering all Aker Solutions' companies in the UK, and held elections of employees' representative.

Aker Solutions is strongly committed to equal opportunities and works to increase the number of local people in its management teams

insights. We are committed to equal opportunity and non-discrimination, as described in the company's code of conduct, personnel handbook and agreements with national and international trade unions.

The human resources organization is responsible for compliance with the people policy by setting specific requirements for diversity in recruitment and employee development, as well as supporting equal opportunity programs. Each business area and region is responsible for developing local procedures to promote equal opportunity and diversity, while ensuring compliance with local legislation.

Equal opportunity for men and women is a fundamental principle at Aker Solutions. Male-dominated industries, including the oil and gas sector, provide challenges for equal gender opportunity. Women accounted for 20 percent of Aker Solutions' own employees by the end of 2014 and about 22 percent of managers were female. Aker Solutions fulfills the requirements of the Norwegian Company Act for gender representation on the board of directors. Two of five shareholder-elected directors are women. One of three employee representatives is a woman. The corporate management group had one female member as of December 31, 2014.

Aker Solutions is strongly committed to equal opportunity and works to increase the number of local people in its management teams. This is mandatory in some places under local content and local participation regulations aimed at promoting job creation for residents.

Turnover and Exit Process

Aker Solutions has a structured exit process that aims to ensure that departing employees can leave with dignity and a positive view of the company. Structured exit interviews are conducted, compiled and analyzed to help understand why people choose to leave. This serves as a strategic tool to reduce employee turnover globally. The global workforce turnover averaged 6.2 percent in 2014. The human resources department ensures that downsizing and cutbacks are conducted in accordance with local legislation and with appropriate help from the company for affected employees. The notice period ranges from one to 24 weeks depending on length of service.

Employee Representation

Good industrial relations are an important part of our history and culture. We encourage employee representation in our business units worldwide. This is also part of our commitment to human and labor rights. Employees have the right to be heard, represented and to form and join trade unions of their own choice. Employee representatives provide employees with influence and lines of communication through participation in working committees, on the board of directors and in operational improvement and organizational change projects.

Aker Solutions is committed to the global framework agreement for the development of good working relations, an agreement between Aker ASA and the Norwegian United Federation of Trade Unions, Tekna, the Norwegian Society of Engineers and Technologists (NITO) and IndustriALL Global Union trade unions.

HR Function Targets and Initiatives

- Be preferred employer for top performers in oil and gas industry globally through integrated talent management process that crosses borders and business areas
- Continue to focus on robust governance and leading practices and infrastructure to improve HR operations across business areas globally
- Complete successful global shift in workforce from the West to a skilled workers in emerging markets
- Achieve globally connected workforce that is seamlessly sourced, developed and managed
- Deliver operational excellence through high-quality execution, synergy realization, cost effectiveness, cost savings and standardization

HEALTH, SAFETY AND WORKING ENVIRONMENT

Safety is at the core of our operations. We often work in challenging conditions, and it is essential that we do everything possible to ensure the safety of our employees, customers, subcontractors, consultants and other parties.

Zero Incident Mindset

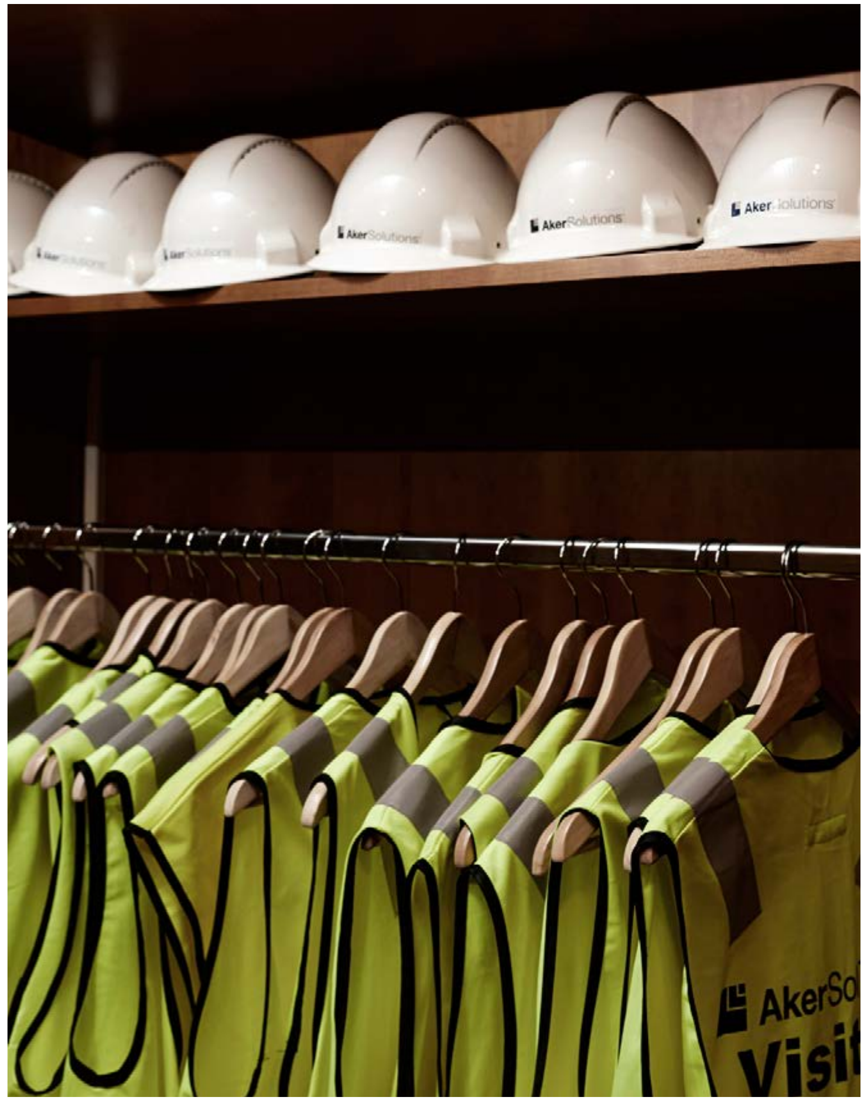
Aker Solutions strives for zero incidents. Our Health, Safety and Environment (HSE) operating system is essential in ensuring that management and business areas continuously focus on HSE performance.

Our global Just Care program was established in 2005 to underscore the responsibility of every employee in protecting health and safety. In our industry, certain types of work can account for many of the serious incidents. As a result, Aker Solutions launched Just Rules, a mandatory program for all employees that focuses on safety, preventing injuries and saving lives. In 2014, the Just Rules were revised to include two new rules for pressure testing and use of tools to reflect a shift toward workshop-based projects from traditional shipyard and construction work. Following this update, the Just Rules scheme was revitalized globally through training, awareness campaigns, inspections and compliance checks.

Important elements for building the zero incident mindset include the mandatory

Creating HSE Mindset in Brunei

AKER SOLUTIONS took over management of the Offshore Reliability, Maintenance & Construction (ORMC) project in Brunei in 2013/14. The challenge was to ensure full integration of the Aker Solutions zero incident mindset in an organization made up of subcontractors with no offshore experience, a different language and culture, and with a 50 percent local workforce in the first year of operation. Hard work, determination and a tailored safety plan resulted in great HSE results of a lost time injury frequency of 0.6 and a total recordable incident of 1.7 in 3 million exposure hours. The project is now aiming at zero injuries in 2015. The ORMC project also won the Aker Solutions Just Care Safety award for dedication and performance.



HSE Leadership Program courses over two half days for selected top managers to focus on the link between HSE and business results. Course content is updated at five-year intervals, and the program ensures that managers pay adequate attention to Just Care and HSE initiatives and include them in business decisions. As of January 2015, we were nearing the goal of training 2,000 managers set in 2012. The program will continue in 2015 and then be arranged as needed.

We have also implemented HSE training for employees, including mandatory e-learning programs for all employees plus short, "quick hit" lessons called Nano-learning. HSE training programs at various production sites are tailored to suit local operations.

Safety Performance
One of our employees suffered a permanent disability injury in 2014, with a fingertip severed by rotating machinery. Other 2014 incidents involved on- and offshore slips, trips and falls and injuries while operating hand tools and equipment. A subcontracted driver was assaulted, robbed and stabbed in Luanda, Angola, while on duty with an Aker Solutions vehicle. The driver suffered lacerations. We carefully study each incident so we can learn to avoid similar mishaps.

In 2014, the Lost Time Injury Frequency (LTIF) was 0.3, the same level as in 2013. The Total Recordable Injury Frequency (TRIF) score of 1.2 was better than our goal of under 1.3. We always work for a 'best year ever' injury record with the ultimate goal of zero incidents per year.

In recent years, we have witnessed a shift from life-threatening or disabling injuries to more minor ones. In 2014, most lost time injuries were minor bone fractures of the hands or feet, twisted ankles and smaller cuts, suggesting progress toward our zero-injury goal. We pay close attention to near misses and high-risk observations.

In 2011, the number of near misses and risk observations registered fell to an all-time low, leading us to suspect underreporting. Consequently, in 2012, we had a campaign for the registration of near misses and risky situations, resulting in an increase in incidents reported over the past two years. Knowing about and learning from incidents and near misses help us avoid them in the future.

In early 2014, we noted a trend of near-miss incidents involving forklifts, and launched a corporate awareness campaign for forklift operators. Business units followed up with site-specific training and increased focus on forklift safety. The effectiveness of the campaign will be evaluated during 2015.

	2014	2013
Lost Time Incident Frequency (LTIF) including subcontractors	0.3	0.3
Total Recordable Incident Frequency (TRIF) including subcontractors	1.2	1.3
Fatalities, including subcontractors	-	-
Sick leave rate (%)	2.6	2.5

Knowledge Sharing and Monitoring
We took several steps in 2014 to help share knowledge within the company. We revised the Health, Safety and Environment intranet site and released a new version of the Just Care interactive e-learning course that includes security training in addition to traditional topics. HSE information is also shared through online libraries, e-learning courses and incident registrations in the company's Synergi database. In addition, we set up an interactive HSE community on Arena, our internal webpage, as a global discussion and networking forum for HSE professionals and others. The community also shares knowledge through blogs and document folders.

Aker Solutions monitors leading and lagging HSE indicators with a key performance indicator (KPI) dashboard. Management teams often use this barometer internally and externally as a quick and easy-to-understand overview of HSE performance. Management teams also do annual self-assessments for all business units and larger projects, and are required to present a plan to address any shortcomings.

Security and Emergency Preparedness
Aker Solutions continuously seeks to improve strategic and operational security by adapting to a more complex global security environment and increasing demands from customers. Protecting employees, clients and assets with optimized processes for identifying, analyzing and mitigating potential threats remains in the highest focus for Aker Solutions. In depth security risk assessments also help us address and adapt to the international Voluntary Principles on Security and Human Rights, first set up by extraction companies, governments and NGOs in 2000.

Aker Solutions in 2014 worked to raise the level of emergency preparedness through improvement of plans, systems and extensive training. No incidents requiring a mobilization of the emergency resources occurred in the year. All minor incidents are registered and evaluated, and the knowledge gained is shared inside and outside the company. Testing safety and security preparedness through minor incidents and exercises is an important learning tool for the company, and, like training and development, will remain in focus in 2015.

From Sick Leave to Wellness
The company's commitment to its employees' health and wellbeing goes beyond preventing illness and injuries. The company seeks to provide an environment that encourages a healthy lifestyle, and thus reducing the risk of staff having to go on sick leave. The Aker Active program last year rolled out "The Challenge," in which employees are encouraged to push each other toward more exercise, healthy nutrition and stress management.

Sick leave in Aker Solutions went up to 2.6 percent of total working hours in 2014 from 2.5 percent in 2013.

Travel Risk Assessment
Visiting places with poor sanitation and unfamiliar microorganisms can increase the risk of contracting a disease or worsening an existing health problem. To reduce the chance of either problem, the corporate HSE team last year revised the Travel Risk Assessment form to include basic questions on health prior to journeys to areas that the company International SOS defines as high or extreme medical risk.

2015 Targets and Initiatives
- Achieve best health and safety performance ever with no fatalities, a lost time incident frequency less than 0.3, a total recordable incident frequency less of than 1.2 and a sick leave rate below 2.6 percent
- Implementation of an HSE strategy for 2015-2017, including long-term goals for health, safety, security, emergency response, and environment
- Implementation of internal project to improve such things as internal procedures, standards and tools, further develop 'Fit for Travel' medical assessments, agree on a common corporate audit program, and deliver a monitoring and mitigation program for site security risks

LOST TIME INCIDENT FREQUENCY
0.3
2013: 0.3

TOTAL RECORDABLE INCIDENT FREQUENCY
1.2
2013: 1.3

Managing the Ebola Virus

AKER SOLUTIONS responded quickly to the Ebola outbreak in West Africa by setting up a corporate HSE task force to help protect employees and operations in high-risk areas by drawing on information from the World Health Organization and International SOS. Emergency plans were drafted and weekly updates were sent to the appropriate managers. The team also established travel restrictions and drew up practical disease prevention guidelines for local staff and visitors. The swift and concerted action has so far helped keep all employees safe, while avoiding any shutdown of operations in West Africa.

Healthcare Initiative

AKER CARE is a health initiative for our permanent employees that started in 2012 and is now staffed and equipped for a level of health care that we aim to make the best and most unique in the Norwegian oil and gas sector. The first health center at company headquarters at Fornebu was followed with on-site centers in Trondheim, Bergen, Stavanger, and in Egersund (under construction). There will be satellite offices at facilities at Ågotnes, Tranby and Moss, which, along with some smaller sites, will have regular visits from healthcare personnel.

PARENTAL LEAVE PERMANENT EMPLOYEES

	Female	Male	Total
Norway			
Employees taking parental leave in 2013	123	226	**349**
% still employed in Aker Solutions 12 months after parental leave ended	89.4%	86.3%	**87.4%**
UK			
Employees taking parental leave in 2013	32	30	**62**
% still employed in Aker Solutions 12 months after parental leave ended	81.3%	90.%	**85.5%**
Malaysia			
Employees taking parental leave in 2013	37	96	**133**
% still employed in Aker Solutions 12 months after parental leave ended	91.9%	83.3%	**85.7%**
India			
Employees taking parental leave in 2013	70	347	**417**
% still employed in Aker Solutions 12 months after parental leave ended	80.%	81.3%	**81.1%**

KEY STAFF FIGURES[1]	**2014**	**2013**
Total staff	20,974	19,851
Permanent employees, Office[2]	12,218	12,067
Permanent employees Non-Office[2]	4476	3,901
Temporary employees	4,280	3,883
Permanent employees, Global[2]	16,694	15,968
North America	923	868
Brazil	1,485	1,259
Africa	157	139
Asia Pacific	3,595	3,425
Europe (ex-Norway and UK)	127	104
UK	2,216	1,816
Norway	8,191	8,357
Part-time permanent employees (UK)	1.4%	1.9%
Part-time permanent employees (Norway)	0.9%	1.0%
Age groups permanent employees		
<30	22.6%	23.3%
30-50	57.8%	57.3%
>50	19.6%	19.4%
Recruited		
Permanent employees, Office[3]	1,464	2,261
Permanent employees, Non-Office[3]	517	646
Age groups recruited[3]		
<30	41.5%	39.2%
30-50	52.4%	53.0%
>50	6.1%	7.5%
Turnover	6.2%	Incomparable due to split
Gender Distribution % female		
Permanent employees, Office[2]	26.6%	27.0%
Permanent employees, Non-Office[2]	3.2%	3.4%

1) The figures in this table are estimated to reflect Aker Solutions and exclude numbers from Akastor.
2) Permanent and temporary employees on our payroll (judicially employed)
3) Permanent employees

"The leaner, more focused Aker Solutions is designed to boost the company's competitiveness, creating more value for customers and shareholders"

ØYVIND ERIKSEN, CHAIRMAN

Board of Directors

Aker Solutions' board has eight directors. Five are elected by shareholders and three by employees

ØYVIND ERIKSEN
Chairman

Øyvind Eriksen is president and chief executive officer of Aker ASA, which controls 34.1 percent of Aker Solutions' shares. The Norwegian has a law degree from the University of Oslo and is director/chairman of the Oslo-based law firm BA-HR. While Eriksen at the end of 2014 held no shares or stock options in Aker Solutions directly, he had an ownership interest through his holding of 100,000 shares in Aker ASA and 0.2 percent of the shares in TRG Holding AS through a privately-owned company. Term: 2014-16.

ANNE DRINKWATER
Director

Anne Drinkwater had a leadership career with BP before stepping down in 2012 from her final post as managing director of the company's Norway unit. The Briton has a B.Sc. degree in applied mathematics and statistics from Brunel University, London. Drinkwater held 3,500 shares in Aker Solutions and had no stock options at the end of 2014. Term: 2014-2016.

KJELL INGE RØKKE
Director

Kjell Inge Røkke, Aker ASA's main owner, launched his business career with the purchase of a trawler in the U.S. in 1982 and gradually built a leading worldwide fisheries business. The Norwegian became Aker's largest shareholder in 1996. At the end of 2014, Røkke held 67.8 percent in Aker ASA through his investment company TRG AS and its subsidiaries, which he co-owns with his wife, Anne Grete Eidsvig. Term: 2014-2016

KOOSUM KALYAN
Director

Koosum Kalyan worked for Shell as a senior business development manager for Africa from 2000-2008. The South African has a law and economics degrees from the University of Durban. She has completed the Senior Executive Management Program at the London Business School and worked in the mining and electricity sectors. Kalyan held no shares in Aker Solutions at the end of 2014. Term: 2014-16.

STUART FERGUSON
Director

Stuart Ferguson is a consultant with Flux Oilfield Technology Ltd., which assists oil-services companies. The Briton has a B.Sc. in chemical engineering from the University of Birmingham. He has held leadership posts in Weatherford International Inc., including as chief technology officer and senior vice president. Ferguson held no shares in Aker Solutions at the end of 2014. Term: 2014-2016.

ATLE TEIGLAND
Director

Atle Teigland is a full-time Aker Solutions union representative who was first elected to the board by fellow employees in 2004. The Norwegian is a certified electrician and joined the company in 1978. He has also served on the boards of Aker and Aker RGI. Teigland owned 5,608 shares in Aker Solutions and had no stock options at the end of 2014. Term: 2014-2017.

ÅSMUND KNUTSEN
Director

Åsmund Knutsen was elected to the board by company employees in 2004. The Norwegian has a Master's degree in hydrodynamics from the University of Oslo and has worked for the company since 1991. He is a full-time union representative for the company's office workers. Knutsen owned 6,408 shares in Aker Solutions and had no stock options at the end of 2014. Term: 2014-2017.

HILDE KARLSEN
Director

Hilde Karlsen was elected to the board by company employees in 2011. The Norwegian has a B Sc. in mechanical engineering from Norway's Narvik University College and has worked at Aker Solutions since 1992. She owned 3,643 shares in Aker Solutions and had no stock options at the end of 2014. Term: 2014-2017.

Board of Directors' Report

Aker Solutions was split in two in September 2014 to reduce complexity, realize synergies and bring down costs.

OVERVIEW

Aker Solutions is a global provider of products, systems and services to the oil and gas industry. Its engineering, design and technology bring discoveries into production and maximize recovery. The company seeks to be the preferred partner for upstream oil and gas solutions.

The portfolio of oilfield products, systems and services ranges from concept studies and front-end engineering to subsea production systems and other solutions to extend the life of petroleum fields. The main customers are international, national and independent oil and gas companies worldwide. Aker Solutions employed about 17,000 people in 22 countries at the end of 2014. The main office is in Fornebu outside Oslo in Norway. The parent company, Aker Solutions ASA, is listed on the Oslo Stock Exchange.

Strategy and Organizational Development

Aker Solutions was split in two in September 2014 to reduce complexity, realize synergies and bring down costs. The subsea, umbilicals, engineering and maintenance, modifications and operations (MMO) units were spun off to create a new company using the Aker Solutions name. The remaining units formed the oil-services investment company Akastor.

Aker Solutions emerged from the split a leaner, more focused company with two business segments: Subsea, including the subsea and umbilicals units, and Field Design, comprising the engineering and maintenance, modifications and operations (MMO) areas. The corporate center was also streamlined and responsibility for operational functions such as supply chain management and technology were moved to the business areas to better utilize their expertise across the company, eradicate duplication and strengthen processes.

The company is well placed to capture growth in key deepwater and subsea markets through its leading technology and offshore field design capabilities. It seeks to develop cost-effective solutions that create value for its customers, while taking advantage of its narrower business scope to achieve greater operational and commercial synergies that will boost profitability and shareholder returns. Aker Solutions has an experienced management team committed to operational excellence.

Growth prospects in the global oilfield services industry grew more uncertain last year as oil companies scaled back spending and delayed projects amid concern over capital and the steep oil price drop in the second half of the year. This was particularly evident in the Norwegian MMO market, where activity declined considerably. Aker Solutions adjusted its workforce capacity to the situation. It intensified efforts to reduce costs in all parts of the company. This included cost-savings programs in all business areas and functions, as well as the pursuit of deeper synergies across the group. The company also renegotiated terms with suppliers and contractors to adapt to changing market conditions. It continued a major push to improve quality in execution and initiated a program to test work methods and processes at key projects and develop new best practices.

Aker Solutions' finances are sound and allow for further investments in technology and manufacturing capacity to support organic growth. The company has an asset-light business model and targets high returns on capital employed to secure strong cash generation. Industry cyclicality shall partly be offset by framework contracts with key customers, service revenue and a large brownfield and greenfield project backlog.

Aker Solutions strives to achieve the highest levels of safety, reliability and performance. Employees are encouraged to live by the company's values of having a health, safety and environment (HSE) mindset, customer drive, open and direct dialogue, hands-on management, quality results and to focus on people and teams.

Customer Focus

Aker Solutions' customer base is more homogenous following the demerger and consists mainly of international, national and independent oil and gas companies. This enables a more coordinated and systemic approach to customers. The company in 2014 rolled out a new framework for customer engagement where key account managers across the business work together to form proactive, targeted strategies aimed at capitalizing on opportunities and strengthening customer relationships. The company also works closely with its suppliers to meet customer needs. Some field design deliveries are made in collaboration with engineering, procurement and construction (EPC) contractors, fabrication companies and yards. The company also works with floating production, storage and offloading (FPSO) contractors and offshore installation companies.

Where We Operate

Aker Solutions' regional matrix organization and global customer approach provide a solid foundation for understanding and engaging with customers and for offering products, services and technologies based on client needs.

The company's single-largest regional market is the North Sea where Aker Solutions has a strong footprint in Norway and the UK. Key project wins last year in Brazil and Sub-Saharan Africa put the company in a strong position for further international growth. About two-thirds of the order backlog at the end of the year was from projects to be delivered outside Norway, with Africa constituting the largest share at 37 percent, compared with 30 percent for Norway. Half of the company's revenue was generated outside its home market, up from about 40 percent in 2013. This share is expected to increase as the company moves forward with a target set five years ago to have 60 percent of its revenue from orders delivered outside Norway in 2015.

In Asia Pacific, Aker Solutions operates in countries such as Malaysia, Brunei, India and Australia. Customers in this region include South Korean yards that build deepwater production facilities for international markets. In Sub-Saharan Africa, the company has operations in Angola, Congo-Brazzaville and Nigeria. It also has a strong presence in Brazil where Aker Solutions is building a new subsea facility in Curitiba. North America remains important because of petroleum activity in the deepwater Gulf of Mexico and the region's position as a hub for large international exploration and production companies.

Market Outlook

Demand for Aker Solutions' technology, products and services is driven by continued global growth in oil and gas used for transportation, energy production and industrial operations. The company operates mainly in the industry's offshore, upstream segment, and the long-term market prospects are deemed to be good. Declining reserves and lower petroleum production in many parts of the world are also expected to generate an ongoing need for investments in new developments and technology to increase recovery from existing fields. Fluctuations in petroleum prices typically influence companies' decisions to invest in new developments, upgrade existing facilities and improve recovery from producing fields. A 50 percent decline in oil prices in the second half of 2014 and concerns about capital constraints among oil companies increased uncertainty about the shorter-term outlook. The underlying, long-term outlook for offshore and deepwater developments remains positive and Aker Solutions is primed to benefit from a shift toward more complex offshore reservoir production.

Corporate Responsibility

Corporate responsibility at Aker Solutions is about making good and sustainable business decisions that add value to the company, its stakeholders and society. The company seeks to increase the positive effects and reduce potential negative consequences of its operations. Aker Solutions is a member of the UN Global Compact and is committed to its ten principles. It also adheres to the Global Framework Agreement (GFA) between Aker ASA and the trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna, which outlines key responsibilities related to human and trade union rights. Aker Solutions reports and communicates on corporate responsibility based on recommendations from the Global Reporting Initiative (GRI).

Corporate Governance

Corporate governance is a framework of values, responsibilities and governing documents to control the business and ensure sustainable value creation over time. The board of directors is responsible for ensuring Aker Solutions has sound corporate governance. The audit committee supports the board in ensuring the company has internal procedures and systems in place for effective corporate governance processes. Aker Solutions' corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance and are available on akersolutions.com/corporate-governance

Ethical and Political Risks

Aker Solutions could become involved in unethical behavior, either directly or through third parties or partners, or involved in countries where international sanction regimes are in place. Such ethical and political risks are managed through regular country analyses, mandatory awareness training, compliance reviews and regular integrity due diligence.

FINANCIAL PERFORMANCE

Aker Solutions presents its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts relate to the consolidated financial statements for the group, unless otherwise stated. The parent company has limited operations.

Aker Solutions' separation into two companies was registered with the Norwegian Registry of Business Enterprise on September 26, 2014. All figures in this report are presented as if the demerger had occurred at the start of the earliest reported period.

Financial Results of the Group

Consolidated revenue rose 14 percent to NOK 33 billion in 2014 from a year earlier. Earnings before interest and taxes (EBIT) increased to NOK 2 billion from NOK 1.6 billion a year earlier. Earnings in 2014 were impacted by demerger costs of NOK 90 million, increased capacity costs in the Norwegian MMO business and NOK 74 million in write-downs of equipment, property and technology.

Net financial expenses rose to NOK 194 million in 2014 from NOK 4 million the previous year.

Aker Solutions hedges currency risks for all significant project exposure. While this provides a full currency hedge, about 20 percent of the hedged exposure does not meet the requirements for hedge accounting specified in IFRS. Value fluctuations in the associated hedging instruments are recognized at fair value under financial items in the income statement. In 2014, these effects appeared as an accounting gain of NOK 51 million versus NOK 180 million the year before.

Pretax profit climbed to NOK 1.8 billion in 2014 from NOK 1.6 billion in 2013. Tax expenses rose to NOK 516 million in 2014 from NOK 397 million a year earlier, corresponding to an effective tax rate of 28.4 percent and 25.1 percent, respectively, for each year. The increase was caused by increased profits in countries with higher tax rates and more withholding of tax. Net profit for the year ended at NOK 1.3 billion, compared with NOK 1.2 billion the previous year. Earnings per share were NOK 4.71 in 2014, compared with NOK 4.31 a year earlier.

The board proposes a dividend of NOK 1.45 a share for 2014, in line with the policy to pay between 30 percent and 50 percent of net profit as a dividend.

Financial Results of the Subsea Business Segment

(includes Subsea and Umbilicals)

Amounts in NOK mill	2014	2013
Operating revenue	**19,293**	15,703
EBITDA	**2,058**	1,316
EBITDA margin	**10.7%**	8.4%
EBIT	**1,536**	931
EBIT margin	**8.0%**	5.9%
NCOA	**(332)**	311
Net capital employed	**3,989**	4,038
Order intake	**27,306**	28,691
Order backlog	**33,702**	23,584
Employees	**8,103**	7,336

SUBSEA EX UMBILICALS

Operating revenue	**16,864**	13,670
EBITDA	**1,790**	1,317
EBITDA margin	**10.6%**	9.6%
EBIT	**1,339**	982
EBIT margin	**7.9%**	7.2%
Order intake	**26,035**	25,648
Order backlog	**32,472**	21,399

UMBILICALS

Operating revenue	**2,437**	2,036
EBITDA	**268**	(2)
EBITDA margin	**11.0%**	(0.1%)
EBIT	**196**	(51)
EBIT margin	**8.1%**	(2.5%)
Order intake	**1,290**	3,045
Order backlog	**1,234**	2,185

The subsea business delivers technologies, products and services to increase production and cost-effectively enhance the life of fields for customers globally. The business develops concepts and designs for field developments, manufactures and installs products including subsea production systems, umbilicals and power cable systems, and provides operational support and maintenance through the life of a field. The subsea reporting segment consists of the subsea and umbilicals units.

Revenue in the subsea segment, including umbilicals, rose 23 percent in 2014 to NOK 19.3 billion from a year earlier. Growth was driven by progress on major subsea projects and high activity at the U.S. umbilicals plant. The EBIT margin increased to 8 percent from 5.9 percent a year earlier, helped by improved execution in the umbilicals unit. While tendering was robust, the order intake dropped 5 percent in the year to NOK 27.3 billion as oil companies delayed awarding some large umbilicals contracts. This decline was somewhat offset by key subsea contract wins, including a NOK 14 billion order for a subsea production system for the Kaombo development in Angola and a contract of more than USD 300 million to supply subsea manifolds in Brazil. The order backlog was NOK 33.7 billion at the end of the year, up from NOK 23.6 billion twelve months earlier.

Subsea sales, excluding umbilicals, rose 23 percent to a record NOK 16.9 billion in 2014 from the previous year, boosted by progress on key projects and robust service activity in all regions. The EBIT margin was 7.9 percent, compared with 7.2 percent the year before. The order intake rose to a record NOK 26 billion from NOK 25.6 billion a year earlier. This gave a backlog of NOK 32.4 billion at the end of the year, compared with NOK 21.4 billion a year earlier.

The umbilical unit's revenue increased 20 percent to NOK 2.4 billion in 2014 from a year earlier, helped by progress on projects in the U.S. The EBIT margin improved to 8.1 percent in the period from a negative 2.5 percent a year earlier because of stronger project execution and higher utilization levels at the plants in the U.S. and Norway. The order intake decreased to NOK 1.3 billion in 2014 from NOK 3 billion a year earlier as project awards were delayed. This led to a backlog of NOK 1.2 billion at the end of 2014, compared with NOK 2.2 billion twelve months earlier.

Financial Results of the Field Design Business Segment

(includes Engineering and MMO)

Amounts in NOK mill	2014	2013
Operating revenue	**13,710**	12,502
EBITDA	**868**	959
EBITDA margin	**6.3%**	7.7%
EBIT	**725**	855
EBIT margin	**5.3%**	6.8%
NCOA	**71**	(304)
Net capital employed	**11**	(214)
Order intake	**9,899**	15,982
Order backlog	**14,609**	17,530
Employees	**8,380**	8,483
MMO		
Operating revenue	**10,005**	9,671
EBITDA	**401**	686
EBITDA margin	**4.0%**	7.1%
EBIT	**341**	625
EBIT margin	**3.4%**	6.5%
Order intake	**6,953**	12,079
Order backlog	**12,684**	14,939
ENGINEERING		
Operating revenue	**3,899**	3,002
EBITDA	**467**	273
EBITDA margin	**12.0%**	9.1%
EBIT	**384**	229
EBIT margin	**9.9%**	7.6%
Order intake	**3,137**	4,072
Order backlog	**1,982**	2,643

Field Design provides services, products and technologies for petroleum field developments, including engineering, project management, fabrication and offshore construction services. The reporting segment is comprised of the engineering and maintenance, modifications and operations (MMO) areas.

Field Design revenue increased 10 percent to NOK 13.7 billion in 2014 from a year earlier as demand for engineering services rose and key projects progressed in Norway, India and Malaysia. The EBIT margin in the same period decreased to 5.3 percent from 6.8 percent as improved engineering margins were tempered by challenges in the Norwegian MMO market. The order intake was NOK 9.9 billion, down from NOK 16 billion a year earlier. This brought the backlog to NOK 14.6 billion at the end of 2014, compared with NOK 17.5 billion in 2013.

MMO's revenue increased 3.5 percent from a year earlier to NOK 10 billion in 2014. The EBIT margin in the same period narrowed to 3.4 percent from 6.5 percent as lower activity in the Norwegian market caused overcapacity. Aker Solutions in the second half of the year adjusted the workforce to the market, reducing capacity costs. MMO's order intake declined to NOK 7 billion in 2014 from NOK 12 billion a year earlier. The backlog was NOK 12.7 billion at the end of the year, compared with NOK 14.9 billion the year before.

While activity levels slumped in the Norwegian MMO market, the business experienced robust demand for its services outside Norway in countries including Canada, Brunei and the UK. The share of revenue from outside Norway constituted about a third of overall MMO sales at the end of 2014, up from 18 percent a year earlier. The unit won key orders in 2014 including a hook-up and commissioning contract in December from DSME for the UK Mariner project, as well as a five-year maintenance and modifications accord in June from Statoil for the same development.

Sales in the engineering area rose 30 percent from a year earlier to NOK 3.9 billion in 2014 as key projects progressed. The EBIT margin increased to 9.9 percent from 7.6 percent the year before, mainly driven by higher capacity utilization as the company assembled one of its biggest-ever engineering teams to deliver the front-end engineering and design (FEED) work for the Johan Sverdrup development in Norway. The order intake was NOK 3.1 billion in 2014, compared with NOK 4.1 billion a year earlier. This brought the backlog to NOK 2 billion at the end of the year, compared with NOK 2.6 billion 12 months earlier. The backlog does not reflect the five-year engineering, procurement and management assistance (EPMA) contract Aker Solutions won in January 2015 for the Johan Sverdrup project. The accord is part of a framework agreement signed in December 2013 for Aker Solutions to provide EPMA services for as many as 10 years at the development. It came after Statoil, the field's operator, exercised an option.

Parent Company Results and Proposed Dividend

Aker Solutions ASA is the parent company of the Aker Solutions group. Its business is the ownership and management of the group's subsidiaries. Aker Solutions ASA has outsourced all company functions to Aker Solutions Holding AS and other companies in the group. Assets and liabilities related to the corporate treasury function are held by Aker Solutions ASA. Aker Solutions ASA had a net loss of NOK 95 million in 2014.

Aker Solutions' policy is to pay shareholders between 30 and 50 percent of consolidated net profit as an annual dividend in cash or share buybacks or a combination of both. The board has proposed an ordinary dividend of NOK 1.45 a share for 2014, amounting to 30 percent of net profit. More information on the allocation of profits can be found in Aker Solutions ASA's financial statements.

Cashflow for the Group

Consolidated cashflow from operating activities depends on several factors, including project progress and delivery, changes in working capital and prepayments from customers. Net cashflow from operating activities was NOK 2.6 billion in 2014, the same as a year earlier. While cashflow may fluctuate considerably due to large milestone and advance payments, this is normally evened out over a project's lifetime.

Aker Solutions made investments worth NOK 1.4 billion in 2014, down from NOK 2.1 billion a year earlier. Investments in properties and equipment amounted to NOK 816 million, compared with NOK 996 million a year earlier. Investments in technology development were NOK 555 million, compared with NOK 498 million a year earlier. The investments were mainly driven by subsea expansion projects in Brazil and Norway as well as subsea-related technology development projects. Financing activities led to spending of NOK 2.8 billion in 2014, including a demerger consideration of NOK 3 billion. This compares with a net cash inflow of NOK 723 million the year before.

FINANCIAL POSITION

Assets, Equity and Liability

Non-current assets totaled NOK 9.8 billion at the end of 2014, compared with NOK 8.6 billion a year earlier. Of this, goodwill and other intangible assets amounted to NOK 5.8 billion versus NOK 5 billion the year before. Borrowings were NOK 3.8 billion at the end of 2014, compared with NOK 3.6 billion a year earlier. Borrowings include bond loans in the Norwegian market, local financing in Brazil and some smaller loan facilities between group subsidiaries and local banks. The liquidity reserves were solid at the end of the year with cash and bank deposits of NOK 3.3 billion, compared with NOK 4.5 a year earlier. Undrawn and committed long-term revolving bank credit facilities were NOK 4 billion, giving a total liquidity buffer of NOK 7.3 billion. Capital adequacy and liquidity were deemed solid at the end of 2014, putting the company in a good position to meet challenges and opportunities over the next years.

The book value of equity including non-controlling interests was NOK 5.9 billion at the end of 2014, compared with NOK 6.4 billion a year earlier. The company's equity ratio was 21.5 percent of the total balance sheet at the end of 2014, down from 24.6 percent 12 months earlier.

Financial Risks

The objective of financial risk management is to manage and control financial risk exposures to increase predictability of earnings and minimize potential adverse effects on the group's financial performance. Financial risk management and exposure are described in detail in note 24. The main financial risks are outlined below:

- Currency risk: Aker Solutions has international operations and is exposed to currency fluctuations in a competitive market. Signed contracts are hedged in the external market and more than 80 percent of project-related currency risk exposure either qualifies for hedge accounting or is presented separately as embedded derivatives and therefore includes an economic hedge.
- Liquidity risk: The corporate treasury department, acting as the company's internal bank, ensures sufficient liquidity by maintaining availability under committed credit facilities with a number of Nordic and international banks. The company monitors rolling weekly and monthly forecasts of the group's liquidity reserve based on expected cashflows.
- Interest rate risk: The group's interest rate risk stems from external borrowings issued at variable rates.
- Credit risk: The credit risk related to customers' ability to pay is assessed in the bid phase.

Going Concern

Based on Aker Solutions' financial results and position, the board affirms that the annual accounts for 2014 were prepared on the assumption that the company is a going concern.

RESEARCH, INNOVATION AND TECHNOLOGY DEVELOPMENT

Aker Solutions emerged from the company split in 2014 as a more streamlined business building on its strengths in the subsea and field design areas. This narrower focus is underpinned by a stronger and more concentrated push in research, innovation and technology development, which is key to securing future profitable growth and market leadership.

The company seeks to use its know-how and technology to create value for its customers as the industry faces growing challenges from declining production at maturing fields, increasingly complex reservoirs, escalating costs and stricter regulation. As the age of so-called easy oil recovery draws to a close, there is growing interest in new concepts, technologies and products that address these challenges.

Aker Solutions is well suited to meet these challenges through its deepwater, subsea and harsh environment technology. The company's research and development (R&D) investments have shifted from a focus on filling product gaps to developing cost-effective products, technologies and services needed to address the challenges the industry faces. As part of this strategy, Aker Solutions in 2014 formed an alliance with Baker Hughes to develop solutions that will boost output, increase recovery rates and reduce costs at subsea fields.

The company's R&D investments center on four areas. These are advanced subsea production products and solutions, including technologies developed by the alliance with Baker Hughes, new generation subsea controls and automation systems, offshore greenfield developments and offshore brownfield modifications to increase oil recovery and extend the life of fields.

These priorities were reflected in 2014 R&D portfolio investments, which encompassed near-term project-driven product development, medium-term feasibility studies and market driven development, as well as investments in longer-term, higher-risk innovation. R&D portfolio investments involved more than 200 projects in 2014 and led to the filing of 34 patents. Total R&D expenditure was NOK 740 million, of which NOK 554 million was capitalized and NOK 185 million expensed.

Aker Solutions also encourages employees to develop ideas and concepts that ensure a steady stream of innovation for the technology development and qualification pipeline. The company in 2014 implemented a systematic approach to fostering such innovation and development. It also increased its involvement in university research aimed at developing new competence and products.

HEALTH, SAFETY AND ENVIRONMENT

Aker Solutions strives to prevent all unfavorable incidents and to safeguard the health, safety and environment (HSE) of its employees. The company continuously works to prevent incidents that could harm personnel, material or non-material assets through a company-wide system that sets the standard for key aspects of HSE management and leadership. Regular audits uncover possible shortcomings and mitigating measures are identified and initiated. The HSE system functions as a framework for cross-organizational sharing and learning. The company's Just Care concept is a symbol for its HSE culture and efforts, and is based on a key idea launched in 2005 that HSE is the personal responsibility of each and every employee. Just Care will be developed further in 2015 to ensure safety remains a top priority.

Safety

Aker Solutions had 54 serious incidents in 2014, of which 14 caused personal injury or material damage, 26 were near misses and 15 were observed risks. The incidents largely stemmed from falling objects, lifting operations, mobile equipment, pressure testing and security situations. Several involved people working for subcontractors, resulting in a renewed effort by Aker Solutions to ensure that suppliers also adhere to and train personnel to follow safety procedures. Aker Solutions investigates all serious incidents and near misses to learn from these and improve.

The total recordable injury frequency (TRIF) per million working hours was 1.24 in 2014, down from 1.32 in 2013. The lost-time injury frequency (LTIF) per million working hours was 0.29 in 2014, compared with 0.28 the year before. The figures include Aker Solutions' subcontractors.

Health and Working Environment

Sick leave amounted to 2.6 percent of total working hours in 2014, compared with 2.5 percent the year before. Variations in national laws and practices make it difficult to directly compare sick-leave rates between countries in the Aker Solutions system. Rates for staff in Norway were low by national standards, but generally higher than for employees in other countries.

The company's health initiative Aker Care was expanded in 2014, providing employees in major locations in Norway easy access to a variety of "in-house" services from health personnel. Elements of the initiative will be brought to the global organization in 2015. Aker Care will also join forces with Aker Active to campaign for increased physical activity among all Aker Solutions' employees globally. Aker Active last year had several initiatives to motivate staff, mainly in Norway, to participate in more physical activity and training.

Security

Security is in constant focus and requires tireless development, in part to meet increasingly stringent demands from clients. A series of security risk assessments were conducted in 2014 as part of a program that will continue in 2015 until all business units have been reviewed.

Emergency Preparedness

The company works hard at emergency preparedness. In 2014, Aker Solutions had an active program of training and exercises in close cooperation with regional and national authorities in all the company's regions. While there were no major incidents last year, the company continued to study and learn from minor occurrences.

Environment

Aker Solutions' activities generally have a limited environmental impact and no significant, accidental emissions or discharges by the company were reported last year.

The company seeks to reduce its own direct impact on the environment. It also offers products, systems and services that help reduce customers' environmental footprint. For example, Aker Solutions has developed a subsea control system that runs on electricity rather than hydraulic oil that could cause pollution if it leaked. In 2012, the company took over Aker Clean Carbon AS, a leading technology firm in carbon capture and sequestration and made it part of the existing engineering business unit.

The company's total energy consumption, based on recorded use of oil, gas and electricity, decreased to 113,339 megawatt hours (MWh) in 2014 from 134,404 MWh in 2013, while carbon dioxide emissions fell to 21,188 tons from 29,050 tons in 2013. These encouraging trends show that energy-saving efforts and new, more energy-effective facilities have been successful. Delivery of more energy-efficient products and services in 2014 compared to 2013 may also have contributed.

While the company continues to focus on waste reduction, annual amounts vary greatly because of large differences in projects from one year to the next. In 2014, the company recorded total waste materials of 26,636 tons, compared with 15,482 tons a year earlier.

Aker Solutions strives to make each year the 'best ever' in recycling, with a company-wide minimum of 80 percent. Last year, the company achieved a recycling factor of 94 percent, up from 86 percent the previous year and with all business areas exceeding 90 percent in 2014.

Aker Solutions uses HSE leadership development initiatives, e-Learning and management systems to encourage employees to focus on the environment. These efforts also inspire the organization to improve its own environmental profile and develop products that help customers do the same.

PEOPLE AND TEAMS

Aker Solutions' workforce totaled 16,694 own employees and 4,280 contract staff at the end of 2014. The company has two main categories of own employees, office and non-office workers. The first group accounted for 73 percent of the workforce and the second comprised 27 percent. Norway had the largest share of own employees at 49 percent, followed by about 22 percent in the Asia Pacific region, 14 percent in Europe, excluding Norway, 9 percent in Brazil, 5 percent in North America and 1 percent in Africa and the Middle East. Nearly four-fifths of the about 2,000 own employees recruited last year were outside Norway.

Diversity

Aker Solutions is committed to equal opportunity and non-discrimination, as described in the company's values, code of conduct, policies and agreements. The company in 2008 signed a global framework agreement with national and international trade unions that was renewed in 2013. As a signatory to this accord, Aker Solutions commits to ensuring equal opportunities and treatment of employees regardless of cultural origin, gender, religion, political conviction, nationality, sexual orientation, disability or other irrelevant factors.

The company's human resources department is responsible for safeguarding compliance with ethical standards, equal opportunities and non-discrimination. The company conducts yearly audits and reviews to ensure these standards are implemented throughout the organization. As an example, a human-resources audit of all Aker Solutions subsidiaries in India was conducted in 2014, with equality and diversity as important topics. This included control of the implementation of the country's sexual harassment act, which seeks to protect women from harassment in the workplace. Aker Solutions plans to conduct similar HR audits in other countries in 2015.

Equal opportunity for women and men is a fundamental principle. Women constituted 20 percent of the workforce at the end of 2014 and men represented 80 percent. The company promotes equal opportunities by setting specific requirements for diversity in recruitment and individual development and by supporting programs dedicated to equal opportunity.

About 22 percent of Aker Solutions' managers were women at the end of 2014. The company fulfills the legal requirements of the Norwegian Company Act for gender representation on the company's board of directors where two out of five shareholder-elected members are female and one of three employee-elected representatives is a woman. The executive management team had one female member as of December 31, 2014.

The company works to increase the number of local people in its management teams. This is also mandatory in some places under local content and local participation regulations aimed at promoting job creation for residents.

A framework for a global career model was rolled out in 2014 to help employees explore opportunities for future development at the company. The model describes and illustrates a professional and leader career track and aims to facilitate movement of people across departments and business areas. A set of learning and development programs to support professional, leadership and project execution competence development were executed in 2014.

Workforce turnover averaged 6.2 percent in 2014. Aker Solutions provides competitive remuneration to attract, retain and support development of employees, including variable pay programs to reward company and individual performance among some groups of employees. Extensive welfare programs are common. Health, insurance, pension plans and other benefit programs are adjusted to comply with local requirements and practices.

The company last year held an annual program entitling eligible employees to buy Aker Solutions shares for as much as NOK 60,000 each at a 25 percent price reduction and a fixed discount of NOK 1,500. A group of senior managers were also entitled to buy shares for up to 25 percent of their base salaries at the reduced price. A total of 2,336 employees in eight countries took part in the 2014 program and bought shares for about NOK 95 million.

For information about the remuneration of senior executives, please see note 29.

Performance Culture
Aker Solutions' remuneration policy specifies equal pay for equal work and emphasizes that good performance should be rewarded. Key factors in determining pay are the scope and level of responsibility, job requirements, level of expertise and commitment, results achieved and local pay levels.

Aker Solutions seeks to increase the correlation between performance and pay. Objectives are set and performance is measured at team and individual levels and for behavior in keeping with the company's values, business ethics and financial results.

At least once a year, managers and employees evaluate the results achieved in the previous period as part of the global performance management process. The performance dialogue provides the basis for recognition, rewards and career opportunities and gives direction for potential individual performance improvements.

Performance-based pay is seen as an attractive part of the total remuneration to employees. Variable pay programs are in place for different types of positions. Annual variable pay is awarded to employees and managers based on the financial performance of the relevant business unit or project and the extent to which the employees adhere to the company's values. Variable pay for senior executives is earned over a three-year period with the main aim of encouraging a strong and sustainable performance-based culture that supports growth in shareholder value.

ACKNOWLEDGEMENTS

The board sincerely thanks the management and staff for their dedication in 2014. The company split that created the new Aker Solutions was an important step in further streamlining the business, strengthening operations and improving profitability. This is expected to boost Aker Solutions' competitiveness in a challenging market and create additional shareholder value.

Fornebu, March 12, 2015
Board of Directors of Aker Solutions ASA

Øyvind Eriksen Chairman	**Kjell Inge Røkke** Director	**Anne Drinkwater** Director	**Koosum Kalyan** Director
Stuart Ferguson Director	**Atle Teigland** Director	**Åsmund Knutsen** Director	**Hilde Karlsen** Director

"From a strong financial position our focus now is to realize the full benefits of the demerger through reduced complexity, lower costs and deeper synergies across the business"

SVEIN STOKNES, CHIEF FINANCIAL OFFICER

Consolidated Financial Statements

AKER SOLUTIONS GROUP PER DECEMBER 31, 2014

Declaration by the Board of Directors and CEO

The board and CEO have today considered and approved the annual report and financial statements for the Aker Solutions group and its parent company Aker Solutions ASA for the 2014 calendar year ended on December 31, 2014.

This declaration is based on reports and statements from the CEO, CFO and/or on the results of the group's business as well as other information that is essential to assess the parent company's and the group's position which have been provided to the board of directors.

To the best of our knowledge:

- the 2014 financial statements for the parent company and the group have been prepared in accordance with all applicable accounting standards
- the information provided in the financial statements gives a true and fair portrayal of the parent company's and the group's assets, liabilities, financial position and results taken as a whole as of December 31, 2014
- the board of directors' report for the parent company and the group provides a true and fair overview of:
  - the development, performance and financial position of the parent company and the group taken as a whole
  - the most significant risks and uncertainties facing the parent company and the group

Fornebu, March 12, 2015
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Kjell Inge Røkke
Director

Anne Drinkwater
Director

Koosum Kalyan
Director

Stuart Ferguson
Director

Atle Teigland
Director

Åsmund Knutsen
Director

Hilde Karlsen
Director

Luis Araujo
CEO of Aker Solutions ASA

Consolidated Income Statement

FOR THE YEAR ENDED DECEMBER 31

Amounts in NOK million	Note	2014	2013[1]
Operating revenue		**32,942**	29,052
Other income		**29**	6
Total revenue and other income	5	**32,971**	**29,058**
Materials, goods and services		**(13,561)**	(13,752)
Salaries, wages and social security costs	6	**(11,171)**	(9,775)
Other operating expenses	7	**(5,565)**	(3,452)
Operating expenses before depreciation, amortization and impairment		**(30,296)**	**(26,979)**
Operating profit before depreciation, amortization and impairment		**2,675**	**2,079**
Depreciation, amortization and impairment	11, 12	**(665)**	(499)
Operating profit		**2,010**	**1,580**
Finance income	8	**71**	52
Finance expenses	8	**(315)**	(235)
Profit (loss) on foreign currency forward contracts	8	**51**	180
Profit before tax		**1,817**	**1,577**
Income tax expense	10	**(516)**	(397)
Profit for the period		**1,300**	**1,181**
Profit for the period attributable to:			
Equity holders of the parent company		**1,280**	1,174
Non-controlling interests		**20**	7
Profit for the period		**1,300**	**1,181**
Earnings per share in NOK (basic and diluted)	9	**4.71**	**4.31**

1) Historical figures have been restated, see note 31 Corrections of Prior Period.

The subtotals and totals in some of the tables may not equal the sum of the amounts due to rounding.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31

Amounts in NOK million	Note	2014	2013[1]
Profit for the period		**1,300**	**1,181**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Cashflow hedges, effective portion of changes in fair value		**(2,103)**	510
Cashflow hedges, reclassification to income statement		**411**	(138)
Cashflow hedges, deferred tax	10	**465**	(97)
Sum cashflow hedges, net of tax		**(1,227)**	**275**
Translation differences - foreign operations		**1,213**	412
Total		**(14)**	**687**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plans	20	**(161)**	(22)
Remeasurements of defined benefit pension plans, deferred tax	10	**44**	6
Total		**(117)**	**(16)**
Other comprehensive income, net of tax		**(131)**	**671**
Total comprehensive income for the period, net of tax		**1,169**	**1,852**
Attributable to:			
Equity holders of the parent company		**1,116**	1,850
Non-controlling interests		**53**	2
Total comprehensive income for the period, net of tax		**1,169**	**1,852**

1) Historical figures have been restated, see note 31 Corrections of Prior Period.

Consolidated Statement of Financial Position

Amounts in NOK million	Note	Dec 31, 2014	Dec 31, 2013[1]
ASSETS			
Non-current assets			
Property, plant and equipment	11	**3,603**	3,072
Deferred tax assets	10	**380**	444
Intangible assets	12	**5,763**	5,080
Other non-current assets		**27**	17
Total non-current assets		**9,773**	**8,613**
Current assets			
Current tax assets		**106**	136
Inventories	14	**862**	588
Trade and other receivables	16, 30	**12,042**	11,242
Derivative financial instruments	26	**1,187**	698
Interest-bearing receivables	30	**82**	106
Non interest-bearing receivables	30	**-**	129
Cash and cash equivalents	17	**3,339**	4,463
Total current assets		**17,618**	**17,362**
Total assets		**27,391**	**25,975**

1) Historical figures have been restated, see note 31 Corrections of Prior Period.

Amounts in NOK million	Note	Dec 31, 2014	Dec 31, 2013[1]
EQUITY AND LIABILITIES			
Equity			
Issued capital	18	**294**	294
Treasury shares	18	**(1)**	-
Reserves	18	**(7)**	244
Retained earnings		**5,391**	5,693
Total equity attributable to the parent		**5,677**	**6,231**
Non-controlling interests		**216**	**156**
Total equity		**5,893**	**6,387**
Non-current liabilities			
Non-current borrowings	19	**3,154**	3,533
Employee benefits obligations	20	**670**	524
Deferred tax liabilities	10	**699**	1,203
Other non-current liabilities		**22**	75
Total non-current liabilities		**4,545**	**5,335**
Current liabilities			
Current tax liabilities		**41**	25
Current borrowings	19	**674**	14
Provisions	22	**581**	582
Trade and other payables	23, 30	**13,075**	11,259
Derivative financial instruments	26	**2,581**	502
Non interest-bearing liabilities	30	**-**	1,871
Total current liabilities		**16,953**	**14,253**
Total liabilities		**21,498**	**19,588**
Total liabilities and equity		**27,391**	**25,975**

1) Historical figures have been restated, see note 31 Corrections of Prior Period.

Fornebu, March 12, 2015
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Kjell Inge Røkke
Director

Anne Drinkwater
Director

Koosum Kalyan
Director

Stuart Ferguson
Director

Atle Teigland
Director

Åsmund Knutsen
Director

Hilde Karlsen
Director

Luis Araujo
Chief Executive Officer

Consolidated Statement of Changes in Equity

Amounts in NOK million	Share capital	Treasury shares	Retained earnings	Hedging reserve[1]	Currency translation reserve[1]	Defined benefit plan actuarial gains (losses)[1]	Total parent company equity holders	Non-controlling interests	Total equity
Equity as of January 1, 2013	**294**	**-**	**4,562**	**-37**	**-480**	**85**	**4,424**	**154**	**4,578**
Profit for the period[2]	-	-	1,174	-	-	-	1,174	7	1,181
Other comprehensive income	-	-	-	275	417	(16)	676	(5)	671
Total comprehensive income	**-**	**-**	**1,174**	**275**	**417**	**(16)**	**1,850**	**2**	**1,852**
Changes in parent's investment	-	-	(43)	-	-	-	(43)	-	(43)
Equity as of December 31, 2013[2]	**294**	**-**	**5,693**	**238**	**(63)**	**69**	**6,231**	**156**	**6,387**
Profit for the period	-	-	1,280	-	-	-	1,280	20	1,300
Other comprehensive income	-	-	-	(1,227)	1,180	(117)	(164)	33	(131)
Total comprehensive income	**-**	**-**	**1,280**	**(1,227)**	**1,180**	**(117)**	**1,116**	**53**	**1,169**
Changes in parent's investment	-	-	(1,524)	(87)	-	-	(1,611)	-	(1,611)
Treasury shares	-	(1)	(34)	-	-	-	(35)	-	(35)
Employee share purchase program	-	-	(24)	-	-	-	(24)	-	(24)
Change in non-controlling interests	-	-	-	-		-	-	7	7
Equity as of December 31, 2014	**294**	**(1)**	**5,391**	**(1,076)**	**1,117**	**(48)**	**5,677**	**216**	**5,893**

1) See note 18 Capital and Reserves for more information.
2) Historical figures have been restated, see note 31 Corrections of Prior Period.

Consolidated Statement of Cashflows

FOR THE YEAR ENDED DECEMBER 31

Amounts in NOK million	Note	**2014**	2013
CASHFLOW FROM OPERATING ACTIVITIES			
Profit for the period		**1,300**	**1,181**
Adjustments for:			
Income tax expense	10	**516**	397
Net interest cost		**244**	183
(Profit) loss on foreign currency forward contracts	8	**(51)**	(180)
Depreciation, amortization and impairment	11,12	**665**	499
Other (profit) loss on disposals and non-cash effects		**(29)**	(4)
Profit after adjustments		**2,646**	2,075
Changes in operating assets and liabilities		**536**	948
Cash generated from operating activities		**3,182**	**3,023**
Interest paid		**(320)**	(256)
Interest received		**90**	84
Income taxes paid		**(307)**	(192)
Net cash from operating activities		**2,645**	**2,659**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	11	**(816)**	(996)
Payments for capitalized development	12	**(554)**	(498)
Acquisition of subsidiaries, net of cash acquired		**(51)**	(619)
Proceeds from sale of property, plant and equipment		**41**	1
Other investing activities		**12**	2
Net cash from investing activities		**(1,368)**	**(2,110)**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**177**	531
Repayment of borrowings		**(143)**	(667)
Repurchase of treasury shares	18	**(129)**	-
Net contribution from (to) parent[1]		**(2,734)**	859
Net cash from financing activities		**(2,829)**	**723**
Effect of exchange rate changes on cash and bank deposits		**428**	36
Net increase (decrease) in cash and bank deposits		**(1,124)**	**1,308**
Cash and cash equivalents at the beginning of the period		**4,463**	3,155
Cash and cash equivalents at the end of the period	17	**3,339**	**4,463**

1) The amount includes a demerger consideration of NOK 3,000 million paid to Akastor ASA as part of the demerger process. The amount also includes group contribution paid to Akastor before the demerger and other demerger effects.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31

Note 1 Company Information

Aker Solutions ASA (the company) is a Norwegian limited liability company. The company was demerged from Akastor ASA and listed on the Oslo Stock Exchange on September 26, 2014 under the ticker AKSO. The historical results of Aker Solutions' operations, financial position and cashflows have been presented based on historical book values as if the re-organization occurred at the beginning of the earliest period presented. The consolidated financial statements of Aker Solutions incorporate the financial statements of the company and its subsidiaries (collectively referred to as "the group" and separately as group companies) and the group's interest in associates and jointly controlled entities. The ultimate parent of Aker Solutions ASA is The Resource Group TRG AS.

Aker Solutions is an oil service company providing subsea technologies and field design services including engineering, modification and maintenance. The group employs about 17,000 people with operations in about 20 countries world-wide, with head office in Fornebu, Norway.

Note 2 Basis of Preparation

STATEMENT OF COMPLIANCE

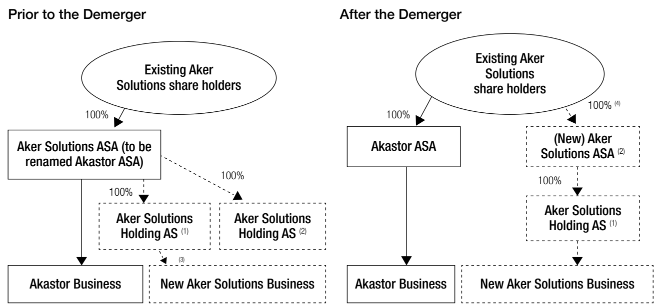
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of December 31, 2014.

The consolidated financial statements were approved by the board of directors and the CEO as shown on the dated and signed balance sheet. The consolidated financial statements will be authorized by the annual general meeting on April 9, 2015. Until this date the board of directors have the authority to amend the financial statements.

AKASTOR DEMERGER

In 2014 several transactions occurred to demerge the business from Akastor ASA and reorganize the Aker Solutions businesses under the ownership of Aker Solutions ASA and Aker Solutions Holding AS. The transactions primarily involved demergers of companies, transfer of shares in subsidiaries and sale of assets.

The effect of the demerger and the related transactions are illustrated below:



The demerger is considered to be a common control transaction outside the scope of IFRS 3 Business Combinations. IFRS 3 Business Combinations does not provide specific guidance on how to account for common control transactions. Aker Solutions has established policies to account for these transactions in order to present historical figures as if the group had prepared separate financial statements in the past. Book values have been used to account for all restructuring transactions as if the re-organization occurred at the beginning of the first period presented.

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and net employee defined benefit liability which are measured at fair value at each reporting date.

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in NOK, which is Aker Solutions ASA's functional currency. The financial information presented in NOK has been rounded to the nearest million (NOK million), which means the subtotals and totals in some tables may not equal the sum of the amounts shown.

USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although management believes these assumptions to be reasonable, given historical experience, actual amounts and results could differ from these estimates. The items involving a higher degree of judgment or complexity, and items where assumptions and estimates are material to the consolidated financial statements are disclosed in note 4 Accounting estimates and judgments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any change of estimates is recognized in the period in which the estimate is revised.

CHANGES IN ACCOUNTING POLICIES

Except for the changes below, the group has consistently applied the accounting policies set in note 3 Accounting Principles to all periods presented in these consolidated financial statements.

The group has adopted the following new standards, with initial application date of January 1, 2014:

- IFRS 10 Consolidated Financial Statements provides clearer guidance when an entity has control and hence, has to consolidate results. Adoption of this IFRS has not affected the group's financial statements directly. However, Aker ASA has under IFRS 10 control of Kværner ASA, Akastor ASA and Aker Solutions ASA. Following this change, Kvaerner and Akastor was reported as a related party of Aker Solutions as from 2014.
- IFRS 11 Joint Arrangements provides a wider definition of what is considered to be a joint arrangement. Aker Solutions has two joint arrangements of small value considered to be in scope of the joint arrangement standard. The implementation of the new standard did not result in any restatement of historical figures.
- IFRS 12 Disclosure of Interests in Other Entities gives new requirements on notes disclosures for shareholding in other companies. These requirements are incorporated into note 28 Subsidiaries and Interest in Other Companies.

None of these standards have materially impacted the financial statements of Aker Solutions, since the investments were already accounted for in line with the new standards.

Note 3 Accounting Principles

The principal accounting principles applied in the preparation of these consolidated financial statements are set out below. These principles have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF CONSOLIDATION

Business Combinations

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the group. Control is the power to direct activities that significantly affect the investors return.

The group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred, plus
- the recognized amount of any non-controlling interests in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, less
- the net recognized amount (generally at fair value) of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognized immediately in the income statement. Transaction costs, other than those associated with the issue of debt or equity securities incurred in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. Changes in the fair value of the contingent consideration from acquisition of a subsidiary or non-controlling interest for transactions will be recognized in Other Income as gains or losses.

Acquisitions of Non-Controlling Interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. When assessing control, voting rights that are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Investments in Associates

Associates are those entities in which the group has significant influence, but not control or joint control, over the relevant activities. Significant influence is presumed to exist when the group holds twenty percent or more of the voting power of another entity. All associates are accounted for using the equity method.

Investments in Joint Arrangements

Joint arrangements are those requiring unanimous consent from all controlling parties in order to reach decisions over relevant activities which significantly affect the returns of the arrangement. Joint ventures are accounted for using the equity method, and joint operations are accounted for by recognizing the share of the asset, liability, revenue and cost owned.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Loss of Control

On the loss of control, the group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the income statement.

FOREIGN CURRENCY

Foreign Currency Transactions and Balances

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the exchange rates on the date the fair value was determined.

Investments in Foreign Operations

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The results and financial position of all the group entities that have a functional currency different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments, for each balance sheet presented are translated at the closing rate on the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates for the year, calculated on the basis of monthly rates.

Exchange differences arising from the translation of the net investment in foreign operations are included in comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal of the related operations or when settlement is likely to occur in the near future. Exchange differences arising on non-current monetary items where settlement in the near future is not probable forms part of the net investment in that entity. Such exchange differences are recognized in comprehensive income.

REVENUE

Construction Contracts

Construction contract revenue is recognized using the percentage of completion method. Stage of completion is determined by the method that measures reliably the work performed. Depending on the nature of the contract, the two main methods used by Aker Solutions to assess stage of completion are:

- technical completion
- contract costs incurred to date compared to estimated total contract cost

When the final outcome of a contract cannot be reliably estimated, contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. The revenue recognized in one period will be the revenues attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Losses on contracts are fully recognized when identified. Options for additional assets are included in the contract when exercised by the buyer. In the rare circumstances that the option is a loss contract, the full loss is recognized when it is probable that the options will be exercised.

See note 4 Accounting Estimates and Judgments for further description of recognition of construction contract revenue.

Services

Revenue is recognized in the period in which the services are rendered or by using the percentage of completion method. The stage of completion is normally assessed based on the proportion of costs incurred for work performed to date compared to the estimated total contract costs. Service revenue is only recognized to the extent they are probable and the revenue, the cost and the progress can be measured reliably.

Variation Orders and Incentive Payments

Variation orders are recognized as revenue when it is probable that they will result in revenue that can be measured reliably. Incentive payments are only recognized when the contract is sufficiently advanced so it is probable the specified incentive milestones will be met or exceeded, and the amounts can be measured reliably. Disputed amounts and claims are only recognized when negotiations have reached an advanced stage, customer acceptance is highly likely and the amounts can be measured reliably. No revenue is recognized if there is significant uncertainty regarding recovery of consideration due.

Other Income

Other income includes gains and losses resulting from changes in the fair value of contingent considerations from acquisition and sales of subsidiaries or non-controlling interest. Other income also includes share of profit from equity accounted investees to the extent these investments are related to the group's operating activities, as well as gains and losses related to the sale of operating assets.

OPERATING EXPENSES

Construction Contracts

Contract costs include those that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed. Bidding costs are capitalized when it is probable that the company will obtain the contract. All other bidding costs are expensed as incurred. See note 4 Accounting Estimates and Judgments for further description of recognition of construction contract costs.

Lease Expenses

Operating lease expenses are recognized in the income statement on a straight-line basis over the term of the lease. Any lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

Financial Income and Expense

Financial income and expense includes interest income and expense on financial assets and liabilities, foreign exchange gains and losses, dividend income and gains and losses on derivatives. Interest income and expense include calculated interest using the effective interest method, in addition to discounting effects from assets and liabilities measured at fair value. Gains and losses on derivatives include effects from derivatives that do not qualify for hedge accounting and embedded derivatives, and also the ineffective portion of qualifying hedges.

TAX

Income Tax

Income tax in the income statement for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or in comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, recognized at the same time as the liability to pay the related dividend.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for:

- goodwill not deductible for tax purposes
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit
- differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Withholding Tax

Withholding tax and any related tax credits are generally recognized in the period they are incurred. Withholding tax and related tax credits directly related to construction contracts are recognized according to the progress of the construction contract, and follow the same recognition criteria as the construction contract.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the cost of interest on qualifying assets, production overheads and the estimated costs of dismantling and removing the assets and restoring the site on which they are located. If components of property, plant and equipment have different useful lives, they are accounted for as separate components.

Borrowing costs directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready are capitalised as part of the cost of the asset. The group capitalizes the cost of a replacement part or a component of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation is normally recognized on a straight-line basis over the estimated useful lives of property, plant and equipment. The production unit method is used for depreciation in limited number of circumstances when appropriate.

INTANGIBLE ASSETS

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the initial recognition of goodwill, see Business Combinations. Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

When the group disposes of an operation within a cash generating unit (CGU) or group of CGU's to which goodwill has been allocated, a portion of the goodwill is included when determining the gain or loss on disposal. The portion of the goodwill allocated is measured based on the relative values of the operation disposed and the portion of the CGU retained at the date of partial disposal, unless it can be demonstrated that another method better reflects the goodwill associated with the operation disposed of. The same principle is used for allocation of goodwill when the group reorganises its businesses.

Research and Development

Expenditures related to research activities with the purpose of obtaining new scientific or technical knowledge is expensed in the income statement as incurred. Development activities involve a plan or design for the production of new or substantially improved products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group intends to complete the development and has sufficient resources to complete development and to use or sell the asset.

The expenditures capitalized include the cost of materials and labour costs that are directly attributable to preparing the asset for its intended use and capitalized interest on qualifying assets. Other development expenditures are recognized in the income statement as expenses as incurred.
Capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses.

Other Intangible Assets

Acquired intangible assets are stated at cost less accumulated amortization and impairment losses.

Subsequent Expenditures

Subsequent expenditures on capitalized intangible assets are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are expensed as incurred.

Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortized from the date they are available for use.

IMPAIRMENT OF ASSETS

The carrying amounts of the group's operating assets, other than employee benefit assets, inventories and deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. Cash-generating units (CGU) containing goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognized in the income statement. An impairment loss recognized first to goodwill and then to the other assets in the unit (group of units) on a pro rata basis. An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount, and the change can be objectively related to an event occurring after the impairment was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

CONSTRUCTION WORK IN PROGRESS

Construction work in progress represents the aggregate amount of costs incurred and recognized profits, less the sum of recognized losses and progress billings. The presentation in the balance sheet of the construction work in progress depends on the financial status of the individual projects. All projects with net amounts due from customers are summarised in the balance sheet and presented as an asset, and all projects with net amounts due to customers are summarised and presented as a liability in the balance sheet. Advances are presented separately as a liability as such advances represent payments from customers in excess of the work performed.

SERVICE WORK IN PROGRESS

Service contracts where performed work exceeds invoiced amounts are presented as a receivable, and service contracts where invoiced amounts exceed work performed are presented as a liability in the balance sheet.

PROVISIONS

A provision is recognized in the balance sheet when the group has an obligation as a result of a past event that can be estimated reliably and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cashflows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Onerous Contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

EMPLOYEE BENEFITS

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Defined Benefit Plans

The group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the balance sheet date on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations.

Measurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income (OCI). The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Employee Share Purchase Program

Aker Solutions employees are invited to participate in a share purchase program whereby an employee can buy Aker Solutions shares at a discount. The discount the employees receive upon purchase of the shares is expensed as salary costs immediately.

Share-Based Payment Transactions

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognized at the current fair value determined at each balance sheet date.

FINANCIAL ASSETS, LIABILITIES AND EQUITY

Financial assets and liabilities in the group consists of investments in other companies, trade and other receivables, interest-bearing receivables, cash and cash equivalents, trade and other payables, interest-bearing borrowings and equity.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Other Investments

Other investments include equity securities where the group has neither control nor significant influence, usually represented by less than twenty percent of the voting power. Investments in equity securities are measured at cost when (a) there are not quoted market price in an active market, and (b) fair value cannot be reliably measured.

Trade and Other Receivables

Trade receivables are recognized at the original invoiced amount, less an allowance made for doubtful receivables. Other receivables are recognized initially at fair value. Trade and other receivables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables. Provision is made when there is objective evidence that the group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Interest-Bearing Receivables
Interest-bearing receivables include loans to related parties and other receivables with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognized initially at fair value and subsequent measurement at amortized cost using the effective interest method, less any impairment losses. The interest rate element is disregarded if insignificant, which is normally the case for current interest-bearing receivables.

Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less.

Trade and Other Payables
Trade payables are recognized at the original invoiced amount. Other payables are recognized initially at fair value. Trade and other payables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest-Bearing Borrowings
Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Share Capital
Ordinary shares are classified as equity. Repurchase of share capital is recognized at cost as a reduction in equity and is classified as treasury shares. No gain or loss is recognized in the income statement on the purchase or sale of the groups own equity instruments.

DERIVATIVE FINANCIAL INSTRUMENTS
The group uses derivative financial instruments such as currency forward contracts, currency options and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. These derivative financial instruments are accounted for as cashflow hedges since future cashflows are hedged (rather than committed revenues and expenses). The group also has embedded foreign exchange derivatives which have been separated from their ordinary commercial contracts. Derivative financial instruments are recognized initially and subsequently at fair value, and changes in fair value are accounted for as described below.

Cashflow Hedges
Hedging of the exposure to variability in cashflows attributable to a particular risk or a highly probable future cashflow is defined as a cashflow hedge. The effective portion of changes in the fair value is recognized in other comprehensive income as a hedge reserve. All foreign exchange exposure is hedged, of which about 80 percent qualifies for hedge accounting. The gain or loss relating to the ineffective portion of derivative hedging instruments is recognized immediately in the income statement within finance income and expense. Amounts accumulated in hedge reserves are reclassified to the income statement in the periods when the hedged item is recognized corresponding with the hedged item in the income statement.

Hedge accounting is discontinued when the hedge no longer qualifies for hedge accounting. Disqualification occurs when the hedging instrument expires, is sold, terminated or exercised, when a forecast transaction is no longer expected or the hedge is no longer effective. When a hedge is disqualified the cumulative gain or loss that was deferred in the hedge reserve is recognized immediately in financial income and expense in the income statement.

Embedded Derivatives
An embedded derivative is any contract embedded in a host contract which meets the definition of a derivative. Under certain conditions the embedded derivative must be separated from its host contract and the derivative is then to be recognized and measured at fair value. Embedded derivatives must be separated when the settlement for a commercial contract is denominated in a currency different from any of the major contract parties' own functional currency, or when the cross-border contract currency is not considered as a commonly traded currency in the transaction area. Changes in the fair value of separated embedded derivatives are recognized immediately in the income statement corresponding with the hedged item. All foreign currency exposure is hedged, so the hedging instrument to the embedded derivative will also have corresponding opposite fair value changes in the income statement.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED
A number of new standards, amendments to standards and interpretations are expected to be endorsed by the EU. The following new standards are expected to have an impact on the Aker Solutions financial statements:

- IFRS 9 Financial Instruments becomes mandatory for the group's 2018 consolidated financial statements. The new standard can change the classification and measurement of financial assets. The extent of the impact has not been determined.
- IFRS 15 Revenue from Contracts with Customers becomes mandatory for the group's 2017 consolidated financial statements. The new standard is expected to change how Aker Solutions recognize construction contract and service revenue and expense. The extent of the impact has not been determined.

Note 4 Accounting Estimates and Judgements

Estimates and judgments are continuously reviewed and are based on historical experiences and expectations of future events. The accounting estimates will, by definition, seldom precisely match actual results. They are based on the best estimate at the time. Estimates and assumptions with a potential significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below.

PROJECT ACCOUNTING
The percentage-of-completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed.

The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders, claims and incentive payments. In many projects there are frequent changes in scope of work resulting in a number of variation orders. Normally the contracts with customers include procedures for presentation and agreement of variation orders. Incentive payments upon achieving certain milestones are often a part of the compensation format. At any point in time, there will be unapproved variation orders, claims and incentives included in the project revenue where recovery is assessed as probable and other criteria are met. This assessment is adjusted by management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Even though management has extensive experience in assessing the outcome of such negotiations, uncertainties exist.

Remaining project costs depend on productivity factors and the cost of inputs. Weather conditions, the performance of subcontractors and others with an impact on schedules, commodity prices and currency rates can all affect cost estimates. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that estimates may change significantly. A risk contingency is included in forecasted project cost based on the risk register that is prepared for every project.

Progress measurement based on costs incurred has an inherent risk related to the cost estimate as described above. In situations where cost incurred is not seen to properly reflect actual progress, alternative measures such as hours or physical progress are used to achieve more precise revenue recognition. The estimation uncertainty during the early stages of a contract is mitigated by a policy of normally not recognizing revenue in excess of costs on large lump sum projects before the contract reaches 20 percent completion. However, management can on a project-by-project basis give approval of earlier recognition if cost estimates are considered reliable. Cost estimates can be considered reliable in situations of repeat projects, proven technology, proven execution model or when committed costs are high so there is a low risk of material changes to the cost estimates.

WARRANTIES
A provision is made for expected warranty expenditures. The warranty period is normally two years. Based on experience, the provision is set as a percentage of the contract value depending on the type of contract. The provision can also be a higher or lower amount following a specific evaluation of the actual circumstances for each contract. Both the general provision and the evaluation of project specific circumstances are based on experience from previous projects. Factors that could affect the estimated warranty cost include the group's quality initiatives and project execution model. Reference is made to note 22 Provisions for further information about provisions for warranty expenditures on delivered projects.

TENDER COSTS
The group capitalize development cost when it is considered probable that the tender will be won. All tenders are assessed for write-off at each balance sheet date, and are based on management judgment.

CAPITALIZED DEVELOPMENT AND OTHER INTANGIBLE ASSETS
At every balance sheet date, the group considers whether there are indications of impairment on the book values of capitalised development and other intangible assets. If such indications exist, a valuation is performed to assess whether or not the asset should be written down for impairment. All development projects in progress are tested for impairment annually. Valuations are based on estimates of future cashflows relating to the specific development or asset. References are made to note 12 Intangible Assets and note 13 Impairment of Assets.

GOODWILL
Goodwill is tested for impairment annually or more frequently if impairment indicators are identified. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of management judgment. Further details of goodwill and impairment testing are included in note 13 Impairment of Assets.

INCOME TAXES
The group is subject to income taxes in numerous jurisdictions. Significant judgment is required to determine the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods. Provisions for anticipated tax issues are based on estimates of potential additional taxes.

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the near future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the results for each future reporting period. Further details about income taxes are included in note 10 Tax.

PENSION BENEFITS
The present value of the pension obligations depends on a number of factors determined on the basis of actuarial assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. However, it is reasonably certain that such factors will change over the very long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations with immediate recognition in other comprehensive income. Further information about the pension obligations and the assumptions used are included in note 20 Pension Obligations.

LEGAL CLAIMS
Given the scope of the group's worldwide operations, group companies may inevitably be involved in legal disputes in the course of their activities. Provisions have been made to cover the expected outcome of the disputes when a negative outcome is likely and reliable estimates can be made. However, the final outcome of these cases is usually difficult to predict and may exceed provisions.

Note 5 Operating Segments

Operating segments are components of a business that are regularly reviewed by the chief operating decision makers to assess performance and be able to allocate resources. The group's CEO (chief executive officer) is considered to be the chief operating decision maker in Aker Solutions. Aker Solutions is an oil service company with two operating segments representing the strategic business units of the group; Subsea and Field Design. The strategic business units are managed separately and offer different products and services due to different market segments and different strategies for their projects and services.

SUBSEA

Subsea offerings cover all phases of the life of subsea fields, from concept screening and design through manufacturing, installation and commissioning to operational support and maintenance services. Aker Solutions deliver both single subsea equipment and complete subsea systems. The hardware deliveries are organized as projects and include engineering, procurement and construction (EPC) and often also installation and commissioning. The subsea systems include products such as compression systems, subsea trees, control systems, workover systems, tie-in and connection systems, manifolds, umbilicals and power cables. The Umbilicals product line provides cost effective and technically advanced subsea control umbilicals and power cable systems. The market for advanced and integrated subsea production system is continuously developing and will combine hardware, subsea processing and the management of reservoir performance into a full field concept. Lifecycle services on subsea installations includes maintenance, repairs and spares supply in addition to operational and technical support.

FIELD DESIGN

Field Design offers engineering services on greenfield developments and brownfield installations in addition to maintenance and modification services for existing installations. This operating segment includes two business areas in Aker Solutions that are organized separately and provide individual management reporting to the CEO. The business areas of Engineering ("ENG") and Maintenance, Modifications and Operations ("MMO") are aggregated into the Field Design segment due to similar risk factors, similar economic characteristics and similar contract format (reimbursable man-hours).

The ENG business area offers engineering services on greenfield developments, including front-end engineering and design (FEED), feasibility services, field planning, concept screening and selection, concept definition, project execution strategy, detailed engineering, procurement services and construction management assistance.

The MMO business provides various services on existing (brownfield) oil installations. The services range from FEED, technical studies, modification projects, maintenance services, Asset Integrity Management (AIM) services, hook-up services and decommissioning services.

OTHER

The "other" segment includes unallocated corporate costs. In 2013, the "other" segment also includes figures for the "newbuild topside" business which is no longer a significant strategic business area for Aker Solutions.

MEASUREMENT OF SEGMENT PERFORMANCE

Segment performance is measured by EBIT (earnings before interest and taxes) as included in the internal management reports that are reviewed by the group's CEO. Segment profit, together with key financial information as described below, gives the CEO relevant information in evaluating the results of the operating segments. The information is relevant in evaluating the results of the segments relative to other companies operating within these industries.

There are varying levels of integration between the business areas, which all deliver products and services to customers within the oil and gas industry globally and where the group's expertise and products can be exploited in interaction with each other.

ACCOUNTING PRINCIPLES

The accounting principles of the operating segments are the same as described in note 2 Basis of Preparation and note 3 Accounting Principles, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against corporate treasury and hedge accounting is applied independently of whether the hedge qualify for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges to secure that the consolidated financial statements are in accordance with IFRS is made as an adjustment at the corporate level. This means that the group's segment reporting reflects all hedges as qualifying even though they may not qualify in accordance with IFRS.

COMPARISON TO PRIOR PERIODS

Although ENG, MMO and Subsea previously released figures as business areas in the former Aker Solutions (now renamed Akastor) before the demerger, the figures are not directly comparable. The main reason is that the Surface product line previously included in Subsea has been transferred to Akastor. Further, the reporting structure related to certain cross-business area projects has changed in the internal management reporting which is also reflected in the figures presented below. The "Newbuild Topside" product line included in the "other" segment has historically been reported in both ENG and MMO. Further, the figures for Subsea have been restated, see note 31 Correction of Prior Period.

2014

Amounts in NOK million	Note	Subsea	Field Design	Total operating segments	Other	Intra-group elimination	Total
INCOME STATEMENT							
Construction contracts		15,335	4,690	**20,026**	123	-	**20,149**
Services revenue		3,924	8,686	**12,610**	9	-	**12,619**
Products		70	51	**121**	-	-	**121**
Other		-	45	**45**	37	-	**82**
Total external revenue and other income		19,330	13,472	**32,802**	169	-	**32,971**
Inter-segment revenue		(37)	238	**200**	36	(236)	**-**
Total operating revenue and other income		**19,293**	**13,710**	**33,003**	**205**	**(236)**	**32,971**
Operating profit before depreciation, amortization and impairment		2,058	868	**2,926**	(252)	-	**2,675**
Depreciation and amortization	11, 12	(488)	(103)	**(591)**	1	-	**(591)**
Impairment	11, 12	(34)	(40)	**(74)**	-	-	**(74)**
Operating profit		**1,536**	**725**	**2,261**	**(251)**	**-**	**2,010**
ASSETS							
Current operating assets		9,659	3,548	**13,207**	205	(402)	**13,010**
Non-current operating assets		7,065	2,002	**9,067**	303	-	**9,369**
Derivative financial instruments		1,819	4	**1,823**	(636)	-	**1,187**
Operating assets		**18,543**	**5,554**	**24,096**	**(128)**	**(402)**	**23,567**
LIABILITIES							
Current operating liabilities		9,991	3,477	**13,468**	632	(402)	**13,698**
Non-current operating liabilities		130	507	**637**	33	-	**670**
Derivative financial instruments		3,029	34	**3,063**	(481)	-	**2,581**
Operating liabilities		**13,150**	**4,018**	**17,168**	**183**	**(402)**	**16,949**
Net current operating assets		(332)	71	**(261)**	(427)	-	**(688)**
Net capital employed		3,989	11	**4,000**	3,685	-	**7,685**
CASHFLOW							
Cashflow from operating activities		2,515	132	**2,646**	(2)	-	**2,645**
Acquisition of property, plant and equipment	11	(687)	(81)	**(767)**	(48)	-	**(816)**
Capitalized development	12	(510)	(43)	**(554)**	-	-	**(554)**
Order intake (unaudited)		27,306	9,899	**37,205**	190	(260)	**37,135**
Order backlog (unaudited)		33,702	14,609	**48,311**	(15)	(6)	**48,289**
Own employees		8,103	8,380	**16,483**	211	-	**16,694**

Note 5 **Operating segments cont.**

2013

Amounts in NOK million	Note	Subsea	Field Design	Total operating segments	Other	Intra-group elimination	Total
INCOME STATEMENT							
Construction contracts		12,571	4,892	**17,463**	1,167	-	**18,630**
Services revenue		3,132	7,176	**10,307**	4	-	**10,311**
Products		-	42	**42**		-	**42**
Other		-	63	**63**	12	-	**75**
Total external revenue and other income		15,703	12,173	**27,875**	1,183	-	**29,058**
Inter-segment revenue		-	329	**329**	-	(329)	**-**
Total operating revenue and other income		**15,703**	**12,502**	**28,205**	**1,183**	**(329)**	**29,058**
Operating profit before depreciation, amortization and impairment		1,316	959	**2,275**	(195)	-	**2,079**
Depreciation and amortization	11, 12	(371)	(104)	**(475)**	(10)	-	**(485)**
Impairment	11, 12	(14)	-	**(14)**	-	-	**(14)**
Operating profit		**931**	**855**	**1,786**	**(205)**	**-**	**1,580**
Profit (loss) from equity-accounted investees		**-**	**(4)**	**(4)**	**-**	**-**	**(4)**
ASSETS							
Current operating assets		8,990	2,940	**11,929**	184	(148)	**11,965**
Non-current operating assets		5,842	2,214	**8,056**	99	-	**8,155**
Derivative financial instruments		868	5	**873**	(175)	-	**698**
Operating assets		**15,700**	**5,159**	**20,859**	**107**	**(148)**	**20,817**
LIABILITIES							
Current operating liabilities		8,679	3,244	**11,922**	93	(148)	**11,867**
Non-current operating liabilities		101	383	**483**	41	-	**524**
Derivative financial instruments		598	25	**623**	(121)	-	**502**
Operating liabilities		**9,377**	**3,651**	**13,028**	**13**	**(148)**	**12,893**
Net current operating assets		311	(304)	**7**	91	-	**98**
Net capital employed		4,038	(214)	**3,824**	3,085	-	**6,908**
CASHFLOW							
Cashflow from operating activities		2,100	837	**2,937**	(278)	-	**2,659**
Acquisition of property, plant and equipment	11	(676)	(302)	**(978)**	(17)	-	**(996)**
Capitalized development	12	(435)	(63)	**(498)**	-	-	**(498)**
Order intake (unaudited)		28,691	15,982	**44,673**	20	(323)	**44,370**
Order backlog (unaudited)		23,584	17,530	**41,114**	83	(12)	**41,185**
Own employees		7,336	8,483	**15,819**	149	-	**15,968**

RECONCILIATIONS OF INFORMATION ON REPORTABLE SEGMENTS TO IFRS MEASURES

Amounts in NOK million	Note	2014	2013
ASSETS			
Total operating segment assets		**23,567**	20,817
Tax-related assets	10	**380**	444
Other investments	28	**14**	14
Non interest-bearing receivables		**-**	129
Cash and interest-bearing receivables		**3,431**	4,570
Consolidated assets		**27,391**	**25,975**
LIABILITIES			
Total operating segment liabilities		**16,949**	12,893
Tax-related liabilities	10	**699**	1,203
Net interest-bearing borrowings	19	**3,828**	3,547
Other non-current liabilities		**22**	75
Non interest-bearing liabilities		**-**	1,871
Consolidated liabilities		**21,498**	**19,588**

MAJOR CUSTOMERS

Revenue from two customers to both segments represents approximately NOK 14.5 billion (NOK 11.9 billion in 2013) of the group's total revenue.

GEOGRAPHICAL INFORMATION

Geographical revenue is presented on the basis of geographical location of the selling company. Non-current segment assets and capital expenditures are based on the geographical location of the company owning the assets.

	Operating revenue and other income		Non-current assets		Capital expenditure	
Amounts in NOK million	**2014**	2013	**2014**	2013	**2014**	2013
Norway	**19,538**	19,722	**4,490**	4,450	**218**	374
UK	**5,309**	3,897	**2,314**	1,895	**75**	193
USA	**2,601**	1,461	**531**	369	**99**	66
Brazil	**2,049**	1,484	**746**	427	**288**	114
Malaysia	**1,298**	1,205	**574**	508	**30**	128
Other countries	**2,176**	1,289	**729**	521	**105**	121
Total	**32,971**	**29,058**	**9,384**	**8,169**	**816**	**996**

Note 6 Salaries

Amounts in NOK million	Note	2014	2013
Salaries and wages including holiday allowance		**8,850**	7,952
Social security tax/National insurance contribution		**1,219**	1,063
Pension cost	20	**583**	493
Other employee costs		**520**	267
Salaries, wages and social security costs		**11,171**	**9,775**

Share purchase program for employees

Aker Solutions' share purchase program in 2014 gave each employee the opportunity to purchase shares of up to NOK 60,000 with a 25 percent reduction of cost price in addition to an amount of NOK 1,500. To the extent possible under local law, the shares purchased by each employee were funded by a loan provided by the local employer company. The loan is repaid by salary deductions over a period of 12 months. To encourage a long-term commitment to the company, a three-year lock-in period was part of the arrangement.

Loans to employees amounted to NOK 67 million per December 31, 2014, compared to zero in the prior year.

Note 7 Other Operating Expenses

Other operating expenses amount to NOK 5,565 million in 2014 (NOK 3,452 million in 2013) of which NOK 1,254 million relate to cost for premises, NOK 1,366 million relate to office equipment and NOK 613 million relate to travel expenses.

AUDIT FEES TO KPMG

Amounts in NOK million	Aker Solutions ASA		Subsidiaries		Total	
	2014	2013	**2014**	2013	**2014**	2013
Audit	**4**	3	**12**	9	**16**	12
Other assurance services	**18**	-	**3**	1	**21**	1
Tax services	**-**	-	**2**	1	**2**	1
Other non-audit services	**-**	-	**2**	1	**2**	1
Total	**22**	**3**	**19**	**12**	**41**	**15**

Fees for other assurance services in 2014 relate to the demerger and listing process.

Note 8 Finance Income and Expenses

Amounts in NOK million	2014	2013
Interest income on bank deposits measured at amortized cost	**55**	48
Net foreign exchange gain	**10**	4
Other finance income	**6**	-
Finance income	**71**	**52**
Interest expense on financial liabilities measured at amortized cost	**(181)**	(210)
Interest expense on financial liabilities measured at fair value	**(6)**	-
Net foreign exchange loss	**(110)**	-
Other financial expenses	**(18)**	(25)
Finance expenses	**(315)**	**(235)**
Profit (loss) on foreign currency forward contracts	**51**	**180**
Net finance expenses recognized in profit and loss	**(194)**	**(4)**

See note 27 Financial Instruments for information regarding the finance income and expense generating items.

FOREIGN CURRENCY FORWARD CONTRACTS

Some foreign exchange hedge transactions do not qualify for hedge accounting under IFRS, primarily because a large number of internal hedge transactions are grouped and netted before external hedge transactions are established. The non-qualifying hedge instruments are mainly foreign exchange forward contracts. The corresponding contracts (hedged items) to the derivatives are calculated to have an equal, but opposite effect. Both the derivatives and the hedged items are reported as financial income and expense. The net amount therefore reflects the difference in timing between the non-qualifying hedging instrument and the future transaction (economically hedged item). The exposure from foreign currency embedded derivatives which do not qualify for hedged accounting is included in net foreign exchange gain/loss. Hedge accounting and embedded derivatives are explained in note 26 Derivative Financial Instruments.

Note 9 Earnings per Share

Aker Solutions ASA holds 664,258 treasury shares at year end 2014. Treasury shares are not included in the weighted average number of ordinary shares. The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding. Aker Solutions does not have any diluted shares. Weighted average number of diluted shares is equal to weighted average number of ordinary shares.

	2014	2013
Profit attributable to ordinary shares (NOK million)[1]	**1,280**	1,174
Weighted average number of issued ordinary shares for the year adjusted for treasury shares[2]	**271,838,994**	272,044,389
Basic and diluted earnings per share (NOK)[1]	**4.71**	4.31

1) Historical figures have been restated, see note 31 Corrections of Prior Period.
2) Earnings per share has been presented as if the number of shares of 272,044,389 issued in the demerger from Akastor was outstanding for all periods prior to the demerger.

Note 10 Tax

INCOME TAX EXPENSE

Amounts in NOK million	**2014**	2013
Current tax expense		
Current year	**256**	205
Adjustments for prior years	**(30)**	(23)
Total current tax expense	**226**	**182**
Deferred tax expense		
Origination and reversal of temporary differences	**306**	239
Adjustment for prior periods	**(16)**	4
Change in tax rate	**-**	(42)
Write down of tax loss and deferred tax assets	**-**	14
Total deferred tax expense	**290**	**215**
Total tax expense	**516**	**397**

TAXES IN OTHER COMPREHENSIVE INCOME (OCI)

Cashflow hedges, deferred tax	**465**	(97)
Remeasurement of defined benefit pension plans	**44**	6
Deferred tax charged to OCI	**509**	**(91)**

EFFECTIVE TAX RATE

The table below reconciles the reported income tax expense to the tax expense if the tax rate of 27 percent in Norway was used. This is a change from the previous period from 28 percent due to a change in the corporate tax rate in Norway.

Amounts in NOK million	**2014**		2013	
Profit before tax	**1,817**		1,577	
Expected income taxes (27 percent) of profit before tax (2013: 28 percent)	**491**	**27.0%**	442	28.0%
Tax effects of:				
Differences in tax rates from 27 percent (2013: 28 percent)	**13**	**0.7%**	(39)	(2.5%)
Non-deductible expenses	**29**	**1.6%**	(7)	(0.4%)
Net effect of withholding tax	**36**	**2.0%**	-	0.0%
Current year effect of R&D tax relief	**(19)**	**(1.1%)**	-	0.0%
Tax effects from demerger (taxable gains)	**13**	**0.7%**	-	0.0%
Prior year adjustments (current tax)	**(30)**	**(1.7%)**	(23)	(1.5%)
Prior year adjustments (deferred tax)	**(16)**	**(0.9%)**	4	0.3%
Previously unrecognized tax losses used to reduce payable tax	**-**	**0.0%**	(32)	(2.0%)
Deferred tax from write down (or reversal) of deferred tax assets (excl tax loss)	**-**	**0.0%**	14	0.9%
Change in tax rates	**-**	**0.0%**	(42)	(2.7%)
Other	**-**	**0.0%**	80	5.1%
Income tax expense and effective tax rate	**516**	**28.4%**	**397**	**25.1%**

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities		Net	
Amounts in NOK million	**2014**	2013	**2014**	2013	**2014**	2013
Property, plant and equipment	**34**	50	**(98)**	(124)	**(63)**	(74)
Pensions	**179**	145	**-**	-	**179**	145
Projects under construction	**5**	23	**(1,466)**	(1,523)	**(1,462)**	(1,500)
Tax loss carry-forwards	**400**	649	**(1)**	-	**399**	649
Intangible assets	**17**	7	**(251)**	(225)	**(234)**	(218)
Provisions	**145**	236	**(8)**	(19)	**136**	217
Derivatives	**387**	10	**-**	(84)	**387**	(74)
Other	**344**	123	**(4)**	(27)	**339**	96
Total before offsetting	**1,510**	**1,243**	**(1,829)**	**(2,002)**	**(319)**	**(759)**
Offsetting	**(1,130)**	(799)	**1,130**	799	**-**	-
Total	**380**	**444**	**(699)**	**(1,203)**	**(319)**	**(759)**

CHANGE IN NET RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

Amounts in NOK million	Property, plant and equipment	Pensions	Projects under construction	Tax loss carry-forwards	Intangible assets	Provisions	Derivatives	Other	Total
Balance as of January 1, 2013	(63)	146	(1,247)	348	(181)	196	12	106	(683)
Recognized in profit and loss	(16)	(4)	(239)	222	(10)	(1)	(1)	2	(47)
Recognized in equity	-	12	-	-	-	-	-	-	12
Combined carve-out effects	3	(7)	(13)	99	(15)	29	(84)	(9)	3
Additions through business combinations	-	-	-	-	(24)	-	-	(1)	(25)
Currency translation differences	2	(2)	(1)	(20)	12	(7)	(1)	(2)	(19)
Balance as of December 31, 2013	**(74)**	**145**	**(1,500)**	**649**	**(218)**	**217**	**(74)**	**96**	**(759)**
Recognized in profit and loss	33	3	78	(251)	(31)	(59)	10	(73)	(290)
Recognized in other comprehensive income (OCI)	-	44	-	-	-	-	465	-	509
Recognized in equity	(12)	(14)	(41)	(18)	23	(29)	(14)	292	188
Currency translation differences	(9)	-	-	19	(7)	7	-	23	32
Balance as of December 31, 2014	**(63)**	**179**	**(1,462)**	**399**	**(234)**	**136**	**387**	**339**	**(319)**

Note 10 **Tax cont.**

TAX LOSS CARRY-FORWARDS AND UNRECOGNIZED DEFERRED TAX ASSETS

2014

Amounts in NOK million	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
Expiry within 5 years	-	-	-	-	-	-	-
Expires in 2020 and later	-	219	265	-	-	1	485
Indefinite	842	2	4	429	429	1	1,707
Total tax loss carry-forwards	**842**	**221**	**269**	**429**	**429**	**2**	**2,192**
Unrecognized tax loss carry-forwards	-	166	25	-	416	-	607
Unrecognized other tax assets	-	-	-	-	63	-	63

Tax losses are recognized in the balance sheet to the extent that realistic forecasts of future results show that Aker Solutions will be able to use the tax losses before they expire.

Note 11 **Property, Plant and Equipment**

Amounts in NOK million	Buildings and sites	Machinery, equipment	Under construction	Total
HISTORICAL COST				
Balance as of January 1, 2013	686	2,980	541	4,207
Additions through business combinations	14	1	-	15
Additions[1]	149	320	527	996
Transfer from assets under construction	93	322	(415)	-
Disposals and scrapping	(7)	(12)	-	(19)
Currency translation differences	96	(22)	(49)	25
Balance as of December 31, 2013	**1,031**	**3,589**	**604**	**5,224**
Additions[1]	45	200	582	**827**
Transfer from assets under construction	109	355	(464)	**-**
Disposals and scrapping	(140)	(289)	2	**(427)**
Currency translation differences	177	330	37	**544**
Balance as of December 31, 2014	**1,222**	**4,185**	**761**	**6,168**
ACCUMULATED DEPRECIATION				
Balance as of January 1, 2013	(302)	(1,540)	-	(1,842)
Depreciation for the year	(53)	(351)	-	(404)
Disposals and scrapping	25	51	-	76
Currency translation differences	7	11	-	18
Balance as of December 31, 2013	**(323)**	**(1,829)**	**-**	**(2,152)**
Depreciation for the year	(65)	(428)	-	**(493)**
Impairment	-	(2)	(11)	**(13)**
Disposals and scrapping	122	186	-	**308**
Currency translation differences	(50)	(163)	(2)	**(215)**
Balance as of December 31, 2014	**(316)**	**(2,236)**	**(13)**	**(2,565)**
Book value as of December 31, 2013	**708**	**1,760**	**604**	**3,072**
Book value as of December 31, 2014	**906**	**1,949**	**748**	**3,603**

1) Includes NOK 13 million of capitalized borrowing costs in 2014 with an average capitalization rate of 6 percent (NOK 3 million in 2013 with an average capitalization rate of 6 percent).

COMMITMENTS

By the end of December 2014 Aker Solutions has entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 540 million (NOK 542 million per December 31, 2013), mainly related to the new Subsea plant under construction in Brazil.

DEPRECIATION

Estimates for residual values are reviewed annually. Assets are mainly depreciated on a straight-line basis over their expected economic lives as follows:

- Machinery and equipment	3 - 15 years
- Buildings	8 - 30 years
- Sites	No depreciation

SECURITY

See note 19 Borrowings for information about bank borrowings which are secured by property, plant and equipment.

Note 12 Intangible Assets

Amounts in NOK million	Development costs	Goodwill	Other	**Total**
Balance as of January 1, 2013	649	3,111	73	3,833
Capitalized development	498	-	-	498
Acquisition through business combinations	-	503	131	634
Amortization for the year	(64)	-	(18)	(82)
Impairment	(13)	-	-	(13)
Currency translation differences	25	163	22	210
Balance as of December 31, 2013	**1,095**	**3,777**	**208**	**5,080**
Capitalized development	554	-	-	**554**
Amortization for the year	(76)	-	(22)	**(98)**
Impairment	(61)	-	-	**(61)**
Currency translation differences	67	199	22	**288**
Balance as of December 31, 2014	**1,579**	**3,976**	**208**	**5,763**

RESEARCH AND DEVELOPMENT EXPENSE

Amounts in NOK million	**2014**	2013
Gross research and development cost	**185**	150
Funded by customers	**-**	(18)
Research and development expense	**185**	**132**

Intangible assets with finite useful lives are amortized over the expected economic life, ranging between 5-10 years.

Note 13 Impairment of Assets

GOODWILL
Impairment indicators are reviewed every quarter. Full impairment testing of goodwill occurs annually in the fourth quarter after the budget process has been completed. The majority of goodwill dates back to the merger between Kvaerner and Aker in 2004. The goodwill is tested using the value-in-use approach determined by discounting expected future cashflows.

The business areas are identified as the cash generating units (CGU). The goodwill allocated to each CGU is presented in the table below:

Amounts in NOK million	**2014**	2013
Subsea	**2,671**	2,475
Maintenance, Modifications and Operations (MMO)	**848**	848
Engineering	**457**	454
Total goodwill per December 31	**3,976**	**3,777**

Assumptions
Five year cashflows from budget and strategy process in 2014 have been used as estimate of future cashflows. The figures were prepared when the oil prices were USD 70-80 per barrel. Although the oil prices have been further reduced, the budget assumptions are in line with the current long-term expectations. The budgets are based on firm orders in the backlog, identified prospects in addition to expected order intake from development and service of new fields and modifications and maintenance of existing fields. The budget cashflows are adjusted to exclude cashflows from capex that have not yet been committed. The cashflows used reflect organic growth only.

The table below shows the weighted average cost of capital (WACC) used in the impairment testing

	Post tax WACC	Pre tax WACC
Subsea	**7.77%**	9.17%
Maintenance, Modifications and Operations	**8.56%**	10.51%
Engineering	**8.56%**	10.64%

Risk free interest rates used in determination of WACC is based on a 10 year Norwegian state treasury bond rate of 2.05 percent at the time of the impairment testing. The rates are based on the average beta values of peers within the field design and subsea market. Debt leverage was estimated to 20 percent in all CGU's. Growth rate of 2.5 percent has been used to calculate terminal value after the 5-year period.

Sensitivity analysis
Several sensitivity analyses has been run in 2014 to address the increased uncertainty in the market. The recoverable amounts in the various scenarios exceed book value with a considerable amount for all CGU's.

INTANGIBLE ASSETS
The value of intangible assets other than goodwill was NOK 1,787 million per December 31, 2014 compared to NOK 1,303 million in 2013. The majority relates to capitalized development, see note 12 Intangible Assets.

Impairment indicators are reviewed for all development projects every quarter, with assessment of market changes, technical development, incurred costs compared to budget and other issues that might potentially reduce the value of the capitalized development.

For development projects that have not been finalized and amortization has not started, a full impairment test is performed annually. The annual impairment process occurs in the fourth quarter after the budget process has been completed. The impairment test is done for each development project by updating the initial business case that was used when approving the development. The impairment testing is done using a value-in-use approach. This means that all future cashflows are re-assessed and a new net present value is calculated. Impairment losses are recognized for projects where net present value of future cashflows does not exceed book value of expected capitalized amount upon completion of the development.

Impairment losses of NOK 61 million have been recognized in 2014 (NOK 13 million in 2013) as a result of the annual impairment testing, of which NOK 22 million relate to Subsea and NOK 39 million to Field Design. The impairment was a result of negative development in the market outlook for the technology.

OTHER ASSETS
Other operating assets mainly consist of property, plant and equipment. These are tested for impairment whenever there are indications of reduction in value. Each plant is usually determined to represent the cash generating unit (CGU) on which the impairment test is performed. Impairment losses for property, plant and equipment was NOK 13 million in 2014 (zero in 2013), see note 11 Property, Plant and Equipment. The impairment losses relate to the subsea business area.

Note 14 Inventories

Amounts in NOK million	**2014**	2013
Stock of raw materials	**828**	511
Goods under production	**18**	3
Finished goods	**16**	73
Total	**862**	**588**
Inventories carried at net realizable value	**266**	126
Write-down of inventories in the period	**51**	48

Note 15 Construction Contracts

Amounts in NOK million	Note	**2014**	2013
Construction revenue in the period	5	**20,149**	18,630
Amounts due from customers for construction work	16	**3 527**	3,275
Amounts due to customers for construction work	23	**(1,958)**	(865)
Advances received from customers	23	**(3,923)**	(2,821)
Construction contracts in progress, net position		**(2,354)**	**(412)**

CONSTRUCTION CONTRACTS IN PROGRESS AT THE END OF THE REPORTING PERIOD

Aggregate amount of cost incurred and recognized profits (less losses) to date	**50,213**	38,429
Retentions	**119**	113

Note 16 Trade and Other Receivables

Amounts in NOK million	Note	**2014**	2013
Trade receivables		**4,118**	3,311
Trade receivables, related parties	30	**422**	537
Less provision for impairment of receivables		**(40)**	(46)
Trade receivables, net		**4,501**	**3,802**
Advances to suppliers		**444**	439
Amount due from customers for construction work	15	**3,527**	3,275
Accrued operating revenue from service contracts		**1,568**	1,525
Other receivables		**2,003**	2,200
Total		**12,042**	**11,242**

Impairment losses on trade receivables of NOK 5 million (NOK 32 million in 2013) has been recognized in operating expenses. Book value of trade and other receivables is approximately equal to fair value.

AGING OF TRADE RECEIVABLES

Amounts in NOK million	**2014**	2013
Not overdue	**3,926**	3,171
Past due 0-30 days	**116**	380
Past due 31-90 days	**288**	84
Past due 91 days to one year	**130**	55
Past due more than one year	**81**	158
Total	**4,540**	**3,848**

Note 17 Cash and Cash Equivalents

Amounts in NOK million	**2014**	2013
Restricted cash	**227**	1
Cash pool	**1,649**	3,577
Other cash at banks	**1,464**	885
Total	**3,339**	4,463

Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 4 billion. Together with cash and cash equivalents, this gives a total liquidity buffer of NOK 7.3 billion.

Note 18 Capital and Reserves

SHARE CAPITAL

Aker Solutions ASA was founded May 23, 2014 with a nominal share capital of NOK 293,807,940 through the issuance of 272,044,389 shares. The total outstanding shares are 272,044,389 at par value NOK 1.08 per share as of December 31, 2014. All issued shares are fully paid. Aker Solutions ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at general meetings.

SUMMARY OF PURCHASE AND SALE OF TREASURY SHARES

Amounts in NOK million	Number of shares	Consideration
Treasury shares as of May 23, 2014	-	-
Purchase	3,131,000	129
Sale	(2,466,742)	(95)
Treasury shares as of December 31, 2014	**664,258**	**34**

The group purchases treasury shares to meet the obligation under the employee share purchase program.

The board of directors has proposed to pay 1.45 kroner per share in cash dividend to shareholders, equal to 30 percent of net income. The dividend proposed by the board has not been provided.

HEDGING RESERVE

The hedge reserve relates to cashflow hedges of future revenues and expenses against exchange rate fluctuations. The income statement effects of such instruments are recognized in accordance with the progress of the underlying construction contract as part of revenues or expenses as appropriate. The hedge reserve represents the value of such hedge instruments that are not yet recognized in the income statement. The underlying nature of a hedge is that a positive value on a hedge instrument exists to cover a negative value on the hedged position, see note 8 Financial Income and Expenses and note 26 Derivative Financial Instruments.

CURRENCY TRANSLATION RESERVE

The currency translation reserve includes exchange differences arising from the translation of the net investment in foreign operations.

DEFINED BENEFIT PLAN ACTUARIAL GAINS (LOSSES) RESERVE

The defined benefit plan actuarial gains and losses reserve includes remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest).

Note 19 Borrowings

Contractual terms of group's interest-bearing loans and borrowings are measured at amortized cost. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 24 Financial Risk Management and Exposures.

2014

Amounts in million	Currency	Nominal currency value	**Carrying amount (NOK)**	Interest rate	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010647431	NOK	1,500	**1,500**	1.62%	4.25%	5.87%	06.06.17	Floating, 3M +fix margin
ISIN NO 0010661051	NOK	1,000	**1,005**	1.63%	4.20%	5.83%	09.10.19	Floating, 3M +fix margin
Total bonds[1]			**2,505**					
Revolving credit facility (NOK 4,000 million)	NOK	-	**-**	3.14%	0.00%	3.14%	01.06.16	IBOR + Margin[2]
Total credit facility			**-**					
Brazilian Development Bank EXIM loan - Itau	BRL	155	**433**	8.00%	0.00%	8.00%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**140**	8.00%	0.00%	8.00%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - Itau	BRL	145	**405**	5.50%	0.00%	5.50%	15.07.16	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**141**	5.50%	0.00%	5.50%	15.08.16	Fixed, quarterly
R&D - FINEP - SUBSEA	BRL	10	**28**	5.00%	0.00%	5.00%	15.12.22	Fixed, monthly
CAPEX SUBSEA - BNDES	BRL	40	**112**	6.40%	0,00 %	6.40%	17.01.22	Fixed, quarterly
Brazilian Development Bank EXIM loans			**1,258**					
Total other loans			**65**					
Total borrowings			**3,828**					
Current borrowings			**674**					
Non-current borrowings			**3,154**					
Total borrowings			**3,828**					

2013

Amounts in million	Currency	Nominal currency value	**Carrying amount (NOK)**	Interest rate	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010647431	NOK	1,500	**1,498**	1.67%	4.25%	5.92%	06.06.17	Floating, 3M +fix margin
ISIN NO 0010661051	NOK	1,000	**1,002**	1.68%	4.20%	5.88%	09.10.19	Floating, 3M +fix margin
Total bonds[1]			**2,500**					
BRAZILIAN DEVELOPMENT BANK EXIM LOAN								
Brazilian Development Bank EXIM loan - Itau	BRL	155	**404**	8.00%	0.00%	8.00%	15.08.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**131**	8.00%	0.00%	8.00%	15.07.15	Fixed, quarterly
Brazilian Development Bank EXIM loan - Itau	BRL	145	**378**	5.50%	0.00%	5.50%	23.07.16	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**131**	5.50%	0.00%	5.50%	15.08.16	Fixed, quarterly
Brazilian Development Bank EXIM loans			**1,044**					
Total other loans			**3**					
Total borrowings			**3,547**					
Current borrowings			**14**					
Non-current borrowings			**3,533**					
Total borrowings			**3,547**					

1) The book value is calculated by reducing the nominal value of NOK 2,500 million (NOK 2,500 million in 2013) by total issue costs related to the new financing of NOK 15 million (NOK 20 million in 2013). Accrued interest related to the bonds are included by NOK 20 million (NOK 20 million in 2013).
2) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.

NORWEGIAN BONDS
All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market. The bonds are issued based on a floating interest rate plus a predefined margin. The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions. All bonds issued are listed on the Oslo Stock Exchange. Aker Solutions strategy is to have between 30-50 percent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

Note 19 Borrowings cont.

FINANCIAL LIABILITIES AND THE PERIOD IN WHICH THEY MATURE

2014

Amounts in NOK million	Carrying amount	**Total cashflow[1]**	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010647431	1,500	**1,808**	44	44	88	1,632	-
ISIN NO 0010661051	1,005	**1,297**	29	29	59	1,180	-
Total	**2,505**	**3,105**	**73**	**73**	**147**	**2,812**	**-**
Brazilian Development Bank EXIM loans	1,274	**1,408**	60	592	570	28	158
Other loans	49	**72**	72	-	-	-	-
Total other loans	**1,323**	**1,480**	**132**	**592**	**570**	**28**	**158**
Total borrowings	**3,828**	**4,585**	**205**	**665**	**717**	**2,840**	**158**

2013

Amounts in NOK million	Carrying amount	Total cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010647431	1,498	1,811	44	44	89	1,634	-
ISIN NO 0010661051	1,002	1,338	29	29	59	176	1,045
Total	**2,500**	**3,149**	**73**	**73**	**148**	**1,810**	**1,045**
Brazilian Development Bank EXIM loans	1,044	1,176	49	35	577	515	-
Other loans	3	3	3	-	-	-	-
Total other loans	**1,047**	**1,179**	**52**	**35**	**577**	**515**	**-**
Total borrowings	**3,547**	**4,328**	**125**	**108**	**725**	**2,325**	**1,045**

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

MORTGAGES AND GUARANTEE LIABILITIES

The group has NOK 7.5 million in mortgage liabilities, which is secured by pledges on property, plant and equipment with book values of NOK 17 million.

Note 20 Pension Obligations

Aker Solutions pension costs represent the future pension entitlement earned by employees in the financial year. In a defined contribution plan the company is responsible for paying an agreed contribution to the employee's pension assets. In such a plan this annual contribution is also the cost. In a defined benefit plan it is the company's responsibility to provide a certain pension. The measurement of the cost and the pension liability for such arrangements are subject to actuarial valuations. Aker Solutions has gradually moved from defined benefit arrangements to defined contribution plans. Consequently, the impact of the remaining defined benefit plans is gradually reduced.

PENSION PLANS IN NORWAY

The main pension arrangement in Norway is a general pension plan organized by the Norwegian state. This arrangement provides the main general pension entitlement of all Norwegians. All pension arrangements by employers, consequently represent limited additional pension entitlements.

Norwegian employers are obliged to provide an employment pension plan, which can be organized as a defined benefit plan or as a defined contribution plan. The Norwegian companies in Aker Solutions closed the defined benefit plans in 2008 and are now providing defined contribution plans for all of their employees under 64 years of age.

DEFINED CONTRIBUTION PLAN

The annual contributions expensed to the norwegian plan was NOK 338 million. The estimated contributions expected to be paid in 2015 is NOK 364 million.

DEFINED BENEFIT PLAN

Employees who were 58 years or older in 2008 are still members of the defined benefit plan. This is a funded plan and represent most of the funded pension liability reported in the tables below.

The estimated contributions expected to be paid during 2015 are NOK 72 million.

COMPENSATION PLAN

To ensure that the employees were treated fairly in transition to the new defined contribution plan the company introduced a compensation plan. The basis for deciding the compensation amount is the difference between calculated pension capital in the defined benefit plan and the value of the defined benefit plan at the age of 67 years. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the compensation amount will be reduced. The plan is classified and accounted for as a defined benefit plan.

AFP - EARLY RETIREMENT ARRANGEMENT

AFP is an early retirement arrangement organized by Norwegian employers, the main labor union organization in Norway (LO) and the Norwegian state. The initial AFP arrangement was established to provide pension between the age of 62 to 67 for employees who retired before the general retirement age of 67.

In a recent pension reform individual employees are given a choice of retirement age, but with lower pension with earlier retirement. The information required to calculate the share of the new plan as a defined benefit plan is not available from the plan administrator. Aker Solutions therefore accounts for the plan as if it was a defined contribution plan. The annual premiums have increased since inception and are expected to increase further.

PENSION PLANS OUTSIDE NORWAY

Pension plans outside Norway are predominately defined contribution plans. The estimated contributions expected to be paid in 2015 is NOK 166 million to the plans outside Norway.

TOTAL PENSION COST

Amounts in NOK million	**2014**	2013
Defined benefit plans	**85**	126
Defined contribution plans	**498**	367
Total	**583**	**493**

Note 20 **Pension Obligations cont.**

MOVEMENT IN NET DEFINED BENEFIT LIABILITY

Amounts in NOK million	**2014**	2013
Balance as of January 1	**524**	520
Current service and administration cost	**85**	126
Interest cost (income)	**17**	17
Included in profit or loss	**102**	**143**
Actuarial loss (gain) arising from demographic assumptions	**-**	60
Actuarial loss (gain) arising from financial assumptions	**202**	(25)
Actuarial loss (gain) arising from experience adjustments	**(41)**	(13)
Included in OCI - Remeasurements loss (gain)	**161**	**22**
Contributions paid into the plan	**(92)**	(86)
Benefits paid by the plan	**(19)**	(32)
Other movements	**(6)**	(43)
Other	**(117)**	**(161)**
Balance as of December 31	**670**	**524**
Represented by:		
Net liability recognized (funded)	**194**	94
Net liability recognized (unfunded)	**476**	430
Balance as of December 31	**670**	**524**

PLAN ASSETS

Equity securities	**36**	57
Bonds	**1,241**	1,227
Derivatives	**(3)**	(1)
Fund/private equity	**29**	35
Total plan assets at fair value	**1,303**	**1,318**

The equity portfolio is invested globally. The fair value of the equity investments is based on their quoted price at the reporting date without any deduction for estimated future selling cost. The investment in bonds is done in the Norwegian market and most of the bonds are unlisted. The market value at year end is based on official prices provided by the Norwegian Securities Dealers Association. The bond investments have on average a high credit rating. Most of the investments are in Norwegian municipalities with a credit rating of AA.

The fair value of derivatives that are not exchange traded are estimated at the amount that the company would receive or pay to terminate the contract at the reporting date taking into account the current market conditions. Derivatives are only used for hedging purposes. The investments in fund/private equity are mainly in funds that invest in listed securities and where the fund value is based on quoted prices.

DEFINED BENEFIT OBLIGATION - ACTUARIAL ASSUMPTIONS

The information below relates only to Norwegian plans as these represent the majority of the plans. The following were the principal actuarial assumptions at the reporting date:

	2014	2013
Discount rate	**2.5%**	4.1%
Asset return	**2.5%**	4.1%
Salary progression	**3.25%**	3.75%
Pension indexation	**1.25%**	1.9%
Mortality table	**K2013**	K2013

The discount rate is based on the Norwegian high quality corporate bond rate. The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board. Generally, a one percent increase in the discount rate will lead to an approximately 10-15 percent decrease in service cost/projected benefit obligation. This is lower than an expected effect of approximately 20 percent as the benefit obligation in Aker Solutions consists mainly of pensioners and employees over 60 years of age. It should also be expected that fluctuations in the discount rate would lead to fluctuations in the pension indexations. The total effect of fluctuations in economic assumptions are not expected to be significant.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current life expectancy underlying the values of the defined benefit obligation at the reporting date is shown below.

Life expectancy at age of 65 for current pensioners	**2014**	2013
Males	**20.4**	20.4
Females	**23.2**	23.2

SENSITIVITY ANALYSIS

Changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as of December 31, 2014 by the amounts shown below.

Amounts in NOK million	Increase	Decrease
Discount rate (1% movement)	(184)	219
Future salary growth (1% movement)	28	(25)
Future pension growth (1% movement)	213	(181)

The defined benefit obligation is expected to be increased with NOK 56 million if the expected life of pensioners is increased with one year. The change in discount rate assumptions would affect plan assets in the income statement in next period as it would change the estimated asset return, but have no effect on pension assets as of year end.

Note 21 Operating Leases

Aker Solutions leases a number of production sites and office buildings worldwide. The leases typically run for a period of 12-15 years, with an option to renew the lease at market conditions. Other leases primarily include leasing of IT and office equipment in addition to vehicles and machinery. These leases have an average life of 3-5 years with no renewal option included in the contracts.

Lease expense and sub-lease income

2014

Amounts in NOK million	Buildings, plants and sites	Other	**Total**
Minimum lease payments	671	40	**711**
Sub-lease income	(72)	-	**(72)**
Total	**599**	**40**	**639**

2013

Amounts in NOK million	Buildings, plants and sites	Other	Total
Minimum lease payments	631	20	651
Sub-lease income	(10)	-	(10)
Total	**621**	**20**	**641**

Sub-lease payments to be received in the future amount to NOK 309 million and relate mainly to sub-lease of buildings. NOK 69 million is due within one year, NOK 227 million from one to five years and NOK 13 million are due after five years. Sub-lease income is recognized as other operating revenue.

Non-cancellable operating lease commitments

Amounts in NOK million	**2014[1]**	2013
Contracts due within one year	**706**	589
Contracts running from one to five years	**3,149**	2,336
Contracts running for more than five years	**4,943**	3,233
Total	**8,789**	**6,158**

1) See also note 30 Related Parties for information regarding lease commitments.

Note 22 Provisions

2014

Amounts in NOK million	Warranties	Other	**Total**
Balance as of January 1, 2014	546	36	**582**
Provisions made during the year	76	9	**85**
Provisions used during the year	(18)	(9)	**(27)**
Provisions reversed during the year	(108)	(3)	**(111)**
Currency translation differences	42	10	**52**
Balance as of December 31, 2014	**538**	**43**	**581**

Expected timing of payment as at December 31, 2014

Within the next twelve months	116	64	**180**
After the next twelve months	422	(21)	**401**
Total	**538**	**43**	**581**

WARRANTIES

The provision for warranties relates mainly to the possibility that Aker Solutions, based on contractual agreements, needs to perform guarantee work related to products and services delivered to customers. See note 4 Accounting Estimates and Judgments for further description.

Note 23 Trade and Other Payables

Amounts in NOK million	Note	**2014**	2013
Trade creditors[1]		**1,603**	1,499
Trade creditors, related parties	30	**412**	601
Amount due to customers for contract work and advances	15	**5,881**	3,687
Accrued operating and financial costs		**2,774**	3,607
Public duties and taxes		**786**	699
Deferred revenue for service contracts		**114**	366
Other current liabilities[2]		**1,505**	799
Total[3]		**13,075**	**11,259**

1) Trade creditors include NOK 1 million in 2014 (zero in 2013) due after one year.
2) Other current liabilities include NOK 4 million in 2014 (NOK 18 million in 2013) related to deferred considerations assumed in business combinations.
3) Historical figures have been restated, see note 31 Corrections of Prior Period.

Book value of trade creditors and other current liabilities is approximately equal to fair value.

Note 24 Financial Risk Management and Exposures

FINANCIAL RISKS

The group is exposed to a variety of financial risks: currency risk, interest rate risk, price risk, credit risk, liquidity risk and capital risk. The market risks affect the group's income or the value of financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimize potential adverse effects on the group's financial performance. Aker Solutions group uses financial derivative instruments to hedge certain risk exposures and aims to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic mark-to-market revaluation of financial instruments in the income statement.

Risk management is performed in every project. It is the responsibility of the project managers, in cooperation with local finance managers and corporate treasury to identify, evaluate and hedge financial risks under policies approved by the board of directors. The group has well-established procedures for overall risk management, as well as policies for the use of derivatives and financial investments. There have not been any changes in these policies during the year.

CURRENCY RISK

The group operates internationally and is exposed to currency risk on commercial transactions, recognized assets and liabilities and net investments in foreign operations. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the group company. The group's exposure to currency risk is primarily to USD, EUR and GBP but also several other currencies.

The Aker Solutions policy requires business units to mitigate currency exposure in all projects. Corporate treasury manages internal exposures by entering into forward contracts or currency options with the financial market place. The Aker Solutions group has a large number of contracts involving foreign currency exposures and the currency risk policy has been well-established for many years.

For segment reporting purposes, each business unit designates all currency hedge contracts with corporate treasury as cashflow hedges or as an embedded derivative. External foreign exchange contracts are designated at group level as hedges of currency risk on a gross basis. More than 80 percent of the value either qualify for hedge accounting or are embedded derivatives. Non-qualifying hedges are adjusted at group level and included in the "unallocated" part of the segment reporting. See note 26 Derivative Financial Instruments for information regarding the accounting treatment of hedging.

Different regulatory rules may also put restrictions on free flow of cash in some jurisdictions. Aker Solutions will always strive to minimize these balances and maximize cash available for treasury.

Currency exposure from investments in foreign currencies are only hedged when specifically instructed by management.

Exposure to currency risk

Estimated forecasted receipts and payments in the table below are calculated based on the group's hedge transactions through corporate treasury. These are considered to be the best estimate of the currency exposure. The net exposure is managed by corporate treasury which is allowed to hold positions within an approved trading mandate. This mandate is closely monitored and reported on a daily basis to management.

	2014			2013		
Amounts in million	USD	EUR	GBP	USD	EUR	GBP
Bank	1	(42)	(31)	-	-	-
Intercompany loans	(40)	(88)	28	75	-	24
External loans	-	-	-	-	-	-
Balance sheet exposure	**(39)**	**(130)**	**(3)**	**75**	**-**	**24**
Estimated forecast receipts from customers	1,834	67	120	1,253	102	154
Estimated forecast payments to vendors	(161)	(299)	(415)	(332)	(232)	(332)
Cashflow exposure	**1,673**	**(232)**	**(295)**	**921**	**(130)**	**(178)**
Forward exchange contracts	**(1,631)**	**365**	**298**	**(992)**	**128**	**158**
Net exposure	**3**	**3**	**-**	**4**	**(2)**	**4**

Sensitivity analysis

A weakening of EUR, USD and GBP against all other currencies as of December 31 would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and income statement by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Figures in the table below only include the effect in income statement and equity for change in currency regarding financial instruments and do not include effect from operating cost and revenue.

	2014		2013	
Amounts in NOK million	Profit (loss) before tax	Equity increase (decrease)	Profit (loss) before tax	Equity increase (decrease)
USD (15 percent weakening of NOK)	(574)	(1,667)	(596)	(1,032)
EUR (15 percent weakening of NOK)	156	341	579	641
GBP (15 percent weakening of NOK)	168	515	(5)	173

A 15 percent strengthening of the NOK against the above currencies at December 31 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant. The sensitivity analysis does not include effects on the consolidated result and equity from changed exchange rates used for consolidation of foreign subsidiaries.

The primary currency-related risk is the risk of reduced competitiveness abroad in the case of a strengthened NOK. This risk relates to future commercial contracts and is not included in the sensitivity analysis above.

INTEREST RATE RISK

The group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the group to cashflow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. However, as these borrowings are measured at amortized cost, interest rate variations do not effect profit and loss when held to maturity.

As the group has no significant interest-bearing operating assets, operating income and operating cashflows are substantially independent of changes in market interest rates. At year end, approximately 80 percent of NOK 2,500 million in bonds was fixed for the duration of the bonds through interest rate swaps.

An increase of 100 basis points in interest rates during 2014 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect of increase of 100 basis points in interest rates

	2014		2013	
Amounts in NOK million	Profit (loss) before tax	Equity increase (decrease)[1]	Profit (loss) before tax	Equity increase (decrease)[1]
Cash and cash equivalents	33	-	31	-
Interest rate swap	20	58	20	84
Non-current interest-bearing receivables	-	-	-	-
Current interest-bearing receivables	-	-	-	-
Borrowings	(27)	-	(25)	-
Cashflow sensitivity (net)	**26**	**58**	**26**	**84**

1) Not including tax effect on hedge reserve or effects to equity that follow directly from the effects to profit and loss.

A decrease of 100 basis points in interest rates during 2014 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

GUARANTEE OBLIGATIONS

The group has provided the following guarantees on behalf of wholly owned subsidiaries as of December 31 (all obligations are per date of issue):

- Non-financial parent company guarantees related to project performance on behalf of group companies: NOK 56.6 billion (NOK 38.1 billion in 2013).
- Financial parent company indemnity guarantees for fulfillment of lease obligations is NOK 1.5 billion (NOK 2.5 billion in 2013).
- Financial guarantees including counter guarantees for bank/surety bonds and guarantees for pension obligations to employees: NOK 5.3 billion (NOK 3.8 billion in 2013).

Guarantee obligations on behalf of Akastor

If an obligation that arose prior to the completion of the demerger is not met either party, the other party will have secondary joint liability for such obligation. This statutory liability is unlimited in time, but is limited in amount to the net value allocated to the non-defaulting party in the demerger. This means that Aker Solutions have a secondary joint liability capped at 64.8 percent of all obligations existing in Akastor at the time of the demerger. The value of financial guarantees in Akastor existing at the time of the demerger was NOK 7.1 billion, of which Aker Solutions have secondary joint liability for NOK 4.6 billion.

PRICE RISK

The group is exposed to fluctuations in market prices both in the investment portfolio and in the operating businesses related to individual contracts.

The businesses may be exposed to changes in market price for raw materials, equipment and development in wages. This is managed in the bid process by locking in committed prices from vendors as basis for offers to customers or through escalation clauses with customers.

Note 24 **Financial Risk Management and Exposures cont.**

CREDIT RISK

Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/instruments fail to meet contractual obligations, and arise principally from investment securities and receivables. Investment securities and derivatives are only traded against approved banks. All approved banks are participants in the Aker Solutions loan syndicate and have investment grade ratings. Credit risk related to investment securities and derivatives is therefore considered to be insignificant.

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using credit assessment tools available (e.g. Dun & Bradstreet and Credit Watch). Sales to customers are settled in cash.

Based on estimates of incurred losses in respect of trade and other receivables, the group establishes a provision for impairment losses. Provision for loss on debtors are based on individual assessments. Provisions for loss on receivables were NOK 40 million in 2014 (NOK 46 million in 2013). Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payments are due to disagreements related to project deliveries and are solved together with the client or escalated to the local authority.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets, see carrying amounts in note 27 Financial Instruments. The group does not hold collateral as security.

LIQUIDITY RISK

Liquidity risk is the risk the group will encounter difficulty in meeting the obligations associated with its financial liabilities. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, corporate treasury maintains flexibility in funding by maintaining availability under committed credit lines, see note 19 Borrowings.

Management monitors rolling weekly and monthly forecasts of the group's liquidity reserve on the basis of expected cashflow. For information regarding capital expenditures and net operating assets, see note 5 Operating Segments.

Financial liabilities and the period in which they mature

2014

Amounts in NOK million	Note	Book value	Total cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	19	(3,828)	(4,582)	(205)	(665)	(717)	(2,838)	(158)
Net derivative financial instruments	26	(1,394)	(1,394)	(149)	(261)	(558)	(425)	-
Trade and other payables	23	(13,075)	(13,075)	(9,806)	(3,269)	-	-	-
Total liabilities		**(18,297)**	**(19,051)**	**(10,160)**	**(4,195)**	**(1,275)**	**(3,263)**	**(158)**
Financial guarantees			(6 704)	(745)	(195)	(1 185)	(2 787)	(1 792)

2013

Amounts in NOK million	Note	Book value	Total cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	19	(3,547)	(4,328)	(125)	(108)	(725)	(2,325)	(1,045)
Net derivative financial instruments	26	196	196	29	80	147	(57)	(3)
Trade and other payables	23	(11,259)	(11,259)	(8,444)	(2,815)	-	-	-
Total liabilities		**(14,610)**	**(15,391)**	**(8,540)**	**(2,843)**	**(578)**	**(2,382)**	**(1,048)**
Financial guarantees			(3,840)	(600)	(69)	(578)	(1,601)	(993)

1) Nominal currency value including interest.

The group policy for the purpose of optimizing availability and flexibility of cash within the group is to operate centrally managed cash pooling arrangements. Such arrangements are either organized with a bank as a service provider, or as a part of the operation of corporate treasury. An important condition for the participants (business units) in such cash pooling arrangements is that the group as an owner of such pools is financially viable and is able to prove its capability to service its obligations concerning repayment of any net deposits made by business units.

Note 25 **Capital Management**

CAPITAL MANAGEMENT

The objective of Aker Solutions' capital management policy is to maximize value creation for its shareholder through:

- investing in projects and business areas which will increase the company's return on average capital employed (ROACE) over time
- optimizing the company's capital structure to ensure both sufficient and timely funding over time to finance its activities at the lowest cost

Aker Solutions operates via a long term strategy in the business areas which is also in line with the business nature of the offshore industry with contracts lasting up to 5 years or longer.

INVESTMENT POLICY

Aker Solutions' capital management is based on a rigorous investment selection process which considers not only Aker Solutions' weighted average cost of capital and strategic orientation but also external factors such as market expectations and extrinsic risk factors. This selection process is coupled with a centralized approval process for all capital expenditures to be incurred by the group. As a result, Aker Solutions strives to ensure annual dividends of approximately 30-50 per cent of the group's net profit for the year.

FUNDING POLICY

Liquidity planning

Aker Solutions has a strong focus on its liquidity situation in order to meet its working capital needs short term and to ensure solvency for its financial obligations long term. The group's internal policy is to have a constant minimum liquidity reserve of NOK 3 billion, including cash and undrawn committed credit facilities. As per end of 2014, this liquidity reserve amounted to NOK 7.3 billion and was composed of an undrawn committed credit facility and bank deposits.

Funding of operations

Aker Solutions' group funding policy implies that all operations shall meet their funding needs directly via corporate treasury. This ensures optimal availability and transfer of cash within the group, better control of the company's overall debt and as well as discounted funding for its operations.

Funding duration

Aker Solutions emphasizes financial flexibility and steers its capital structure accordingly to ensure a balance between liquidity risk and refinancing risk. In this perspective, loans and other external borrowings are to be renegotiated well in advance of their due date and the average term to maturity for existing loans is to be at a minimum of two years.

Funding cost

Aker Solutions aims to have a diversified selection of funding sources in order to reach the lowest possible cost of capital. These funding sources include:

- the use of banks based on syndicated credit facilities or bilateral agreements
- the issue of debt instruments on the Norwegian capital market
- the issuance of debt instruments in the foreign capital market

As per end of 2014, the capital structure of Aker Solutions was 34 percent from bank and export credit (ECA) debt and 66 percent from bonds issued in the Norwegian market. The group monitors capital on the basis of a gearing ratio (gross and net debt/EBITDA) and interest coverage ratio (EBITDA/net finance cost). The ratios are calculated from gross debt, including all interest-bearing liabilities as shown in note 27 Financial Instruments, cash and cash equivalents, EBITDA (earnings before interest, tax, depreciation, amortization and adjusted for certain items as defined in the loan agreement) and finance cost. The reported ratios are well within the requirements in the loan agreements.

Aker Solutions has strict internal guidelines regarding key financial ratios:

- The company's gearing ratio shall not exceed 3.0 and is calculated from the net consolidated total borrowings to the consolidated EBITDA.
- The company's interest coverage ratio must not be less than 3.5, calculated from the consolidated EBITDA to consolidated net finance cost.

GEARING AND INTEREST COVERAGE RATIOS AT DECEMBER 31[1]

Amounts in NOK million	2014	2013
Gearing ratio		
Gross debt	**3,828**	3,546
Cash and cash equivalent	**3,339**	4,463
EBITDA	**2,769**	2,080
Gross debt/EBITDA	**1.4**	**1.7**
Net debt/EBITDA	**0.2**	**(0.4)**
Interest coverage		
EBITDA	**2,769**	2,080
Net finance cost	**131**	163
EBITDA/Net finance cost	**21.2**	**12.8**

1) Debt and EBITDA is adjusted for certain items as defined in the loan agreement.

Note 26 Derivative Financial Instruments

The Aker Solutions group uses derivative financial instruments to hedge foreign exchange and interest rate exposures. In addition, there are embedded foreign exchange forward derivatives separated from ordinary commercial contracts. Further information regarding risk management policies in the group is available in note 24 Financial Risk Management and Exposures. The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivatives undiscounted cashflows. Given the Aker Solutions group hedging policy and the assumption projects are cash neutral, this table also indicates when the cashflows related to project expenses are expected to impact profit and loss. The majority of project revenues are recognized in accordance with IAS 11 using the percentage of completion method. This may result in differeces between cashflow and revenue recognition.

Instruments that do not qualify for hedge accounting include the external instruments used to price embedded derivatives as well as other derivative instruments used by corporate treasury to hedge the residual exposure of the group as part of its risk mandate. As of December, these instruments only include currency forwards and FX swaps.

Fair value of derivative financial instruments with maturity

2014

Amounts in NOK million	Instruments at fair value	Total cashflow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
ASSETS							
Cashflow hedges	1,149	1,149	872	145	98	35	-
Not hedge accounted	38	38	35	3	-	-	-
Total forward foreign exchange contracts	**1,187**	**1,187**	**907**	**148**	**98**	**35**	**-**
Total assets	**1,187**	**1,187**	**907**	**148**	**98**	**35**	**-**
LIABILITIES							
Cashflow hedges	(2,421)	(2,421)	(995)	(405)	(656)	(365)	-
Embedded derivatives	(28)	(28)	(24)	(4)	-	-	-
Not hedge accounted	(37)	(37)	(37)	-	-	-	-
Total forward foreign exchange contracts	**(2,486)**	**(2,486)**	**(1,056)**	**(409)**	**(656)**	**(365)**	**-**
Cashflow hedges	(95)	(95)	-	-	-	(95)	-
Total interest rate instruments	**(95)**	**(95)**	**-**	**-**	**-**	**(95)**	**-**
Total liabilities	**(2,581)**	**(2,581)**	**(1,056)**	**(409)**	**(656)**	**(460)**	**-**

2013

Amounts in NOK million	Instruments at fair value	Total cashflow[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
ASSETS							
Cashflow hedges	554	554	188	113	196	57	-
Embedded derivatives	81	81	46	11	11	13	-
Not hedge accounted	63	63	41	6	9	7	-
Total forward foreign exchange contracts	**698**	**698**	**275**	**130**	**216**	**77**	**-**
Total assets	**698**	**698**	**275**	**130**	**216**	**77**	**-**
LIABILITIES							
Cashflow hedges	(410)	(410)	(216)	(44)	(58)	(92)	-
Embedded derivatives	(5)	(5)	(5)	-	-	-	-
Not hedge accounted	(48)	(48)	(23)	(6)	(11)	(8)	-
Total forward foreign exchange contracts	**(463)**	**(463)**	**(244)**	**(50)**	**(69)**	**(100)**	**-**
Cashflow hedges	(39)	(39)	(2)	-	-	(34)	(3)
Total interest rate instruments	**(39)**	**(39)**	**(2)**	**-**	**-**	**(34)**	**(3)**
Total liabilities	**(502)**	**(502)**	**(246)**	**(50)**	**(69)**	**(134)**	**(3)**

1) Cashflows from matured derivatives are translated to NOK using the exchange rates on the balance sheet date.

The group uses derivative financial instruments such as currency forward contracts, currency options and interest rate swaps to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. Derivative financial instruments are classified as current assets or liabilities as they are a part of the operating cycle.

FOREIGN EXCHANGE DERIVATIVES

Corporate treasury hedges the group's future transactions in foreign currencies with external banks. Approximately 80 per cent of the exposure to foreign exchange variations in future cashflows are related to a few large projects. The currency exposure in these projects have been hedged back-to-back in order to meet the requirements for hedge accounting. They are either subject to hedge accounting or separated embedded derivatives. All other hedges not designated as IAS 39 hedges will have a direct effect on profit or loss. Hedges qualifying for hedge accounting are classified as cashflow hedges (hedges of highly probable future revenues and/or expenses).

Embedded derivatives are foreign exchange derivatives separated from construction contracts. The reason for separation is that the agreed payment is in a currency different from any of the major contract parties' own functional currency, or that the contract currency is not considered to be commonly used for the relevant economic environment defined as the countries involved in the cross-border transaction. The embedded derivatives represent currency exposures, which are hedged against external banks. Since the embedded derivatives are measured and classified in the same way as their hedging derivatives, they will have an almost equal, opposite effect to profit and loss. In the table above, the derivatives hedging the embedded derivatives are included gross in forward foreign exchange contracts – not hedge accounted.

The hedged transactions in foreign currency that are subject to cashflow hedge accounting are highly probable future transactions expected to occur at various dates during the next one to four years, depending on progress in the projects. Gains and losses on forward foreign exchange contracts are recognized in comprehensive income and reported as hedging reserve in equity until they are recognized in the income statement in the period or periods during which the hedged transactions affect the income statement.

Unsettled cashflow hedges' impact on profit and loss and equity (not adjusted for tax)

	2014			2013		
Amounts in NOK million	Fair value of all hedging instruments	Recognized in profit and loss	Deferred in equity (the hedge reserve)	Fair value of all hedging instruments	Recognized in profit and loss	Deferred in equity (the hedge reserve)
Interest rate swaps	(95)	-	(95)	(39)	-	(39)
Forward exchange contracts (cashflow hedges)	(1,547)	(268)	(1,279)	252	41	211
Total	**(1,642)**	**(268)**	**(1,374)**	**213**	**41**	**172**

Note 26 Derivative Financial Instruments cont.

The value of the interest swaps is attributable to changes in the interest swap curve for Norwegian kroner during the period from inception of the hedge to the balance sheet date. It excludes the accrued interest rates of the swaps accumulated during the period. The value of the hedge reserve is before tax to allow comparison with the value of the hedging derivatives; this value does not include deferred settlements related to matured instruments.

The purpose of the hedging instrument is to secure a situation where the hedged item and the hedging instrument together represent a predetermined value independent of fluctuations of exchange rates. Revenue and expense on the underlying construction contracts are recognized in the income statement in accordance with progress. Consequently, negative NOK 268 million (positive NOK 41 million in 2013) of the value of the forward contracts have already impacted the income statement indirectly as revenues and expenses are recognized based on updated forecasts and progress. The negative NOK 1,279 million (positive NOK 211 million in 2013) that are currently recorded directly in the hedging reserve, will be reclassified to income statement over the next years.

INTEREST RATE SWAPS

Aker Solutions has two bonds totaling NOK 2,500 million at floating interest rates out of which NOK 2,000 million are swapped to fixed interest. Floating interest is mainly tied to Inter-bank offered rates (NIBOR for NOK and LIBOR for other currencies).

Hedge accounting is applied using the cashflow hedge accounting model which means that gains and losses on interest rate swap from floating to fixed interest rates as of December 31, 2014 are recognized in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. This is achieved based on the periodic mark-to-market revaluation of the interest rate swaps whose fair value tend to zero upon maturity.

Note 27 Financial Instruments

The table below lists the group's financial instruments, both assets and liabilities. Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. All other financial instruments are classified by the main group of instruments as defined in IAS 39. Both carrying amount and fair value is shown for all financial instruments.

For financial instruments measured at fair value, the levels in the fair value hierarchy are:

- Level 1 - Fair values are based on prices quoted in an active market for identical assets or liabilities.
- Level 2 - Fair values are based on price inputs other than quoted prices. Such prices are derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3 - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2014

		Carrying value						Fair value[4]		
Amounts in NOK million	Note	Fair value - hedging instruments	Loans and receivables	Available for sale	Financial liabilities at FVTPL	Other financial liabilities	Total	Level 2	Level 3	Total
Cash and cash equivalents	17	-	3,339	-	-	-	**3,339**	-	-	**-**
Other investments		-	-	14	-	-	**14**	-	14	**14**
Forward foreign exchange contract	26	1,187	-	-	-	-	**1,187**	1,187	-	**1,187**
Trade and other receivables	16	-	12,042	-	-	-	**12,042**	-	-	**-**
Financial assets		**1,187**	**15,381**	**14**	**-**	**-**	**16,582**	**1,187**	**14**	**1,201**
Forward foreign exchange contracts	26	(2,486)	-	-	-	-	**(2,486)**	(2,486)	-	**(2,486)**
Interest rate instruments	26	(95)	-	-	-	-	**(95)**	(95)	-	**(95)**
Current bonds and borrowings[3]	19	-	-	-	-	(674)	**(674)**	(674)	-	**(674)**
Deferred consideration		-	-	-	(16)	-	**(16)**	-	(16)	**(16)**
Other non-current liabilities		-	-	-	-	(6)	**(6)**	-	(6)	**(6)**
Trade and other payables	23	-	-	-	-	(13,075)	**(13,075)**	-	-	**-**
Credit facility and other non-current borrowings[3]	19	-	-	-	-	(3,154)	**(3,154)**	(3,154)	-	**(3,154)**
Financial liabilities		**(2,581)**	**-**	**-**	**(16)**	**(16,909)**	**(19,506)**	**(6,409)**	**(22)**	**(6,431)**

FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2013

		Carrying value						Fair value[4]		
Amounts in NOK million	Note	Fair value - hedging instruments	Loans and receivables	Available for sale	Financial liabilities at FVTPL	Other financial liabilities	Total	Level 2	Level 3	Total
Cash and cash equivalents	17	-	4,463	-	-	-	**4,463**	-	-	**-**
Other investments[1]		-	-	14	-	-	**14**	-	14	**14**
Forward foreign exchange contract	26	698	-	-	-	-	**698**	698	-	**698**
Trade and other receivables	16	-	11,242	-	-	-	**11,242**	-	-	**-**
Financial assets		**698**	**15,705**	**14**	**-**	**-**	**16,417**	**698**	**14**	**712**
Forward foreign exchange contracts	26	(463)	-	-	-	-	**(463)**	(463)	-	**(463)**
Interest rate instruments	26	(39)	-	-	-	-	**(39)**	(39)	-	**(39)**
Current bonds and borrowings[2, 3]	19	-	-	-	-	(14)	**(14)**	(14)	-	**(14)**
Deferred consideration		-	-	-	(31)	-	**(31)**	-	(31)	**(31)**
Other non-current liabilities		-	-	-	-	(44)	**(44)**	-	(44)	**(44)**
Trade and other payables	23	-	-	-	-	(11,259)	**(11,259)**	-	-	**-**
Credit facility and other non-current borrowings[2, 3]	19	-	-	-	-	(3,533)	**(3,533)**	(3,554)	-	**(3,554)**
Financial liabilities		**(502)**	**-**	**-**	**(31)**	**(14,850)**	**(15,383)**	**(4,070)**	**(75)**	**(4,145)**

1) All available for sale investments are designated as such upon initial recognition. Fair value cannot be measured reliably as the financial instrument is not traded in an active market. The best estimate of fair value is initial purchase price.
2) Fair value is quoted prices for the bonds noted on the Oslo Stock Exchange.
3) For bonds, credit facilities, long term debt and other short-term loans with floating interest, notional amount is used as approximation of fair values.
4) There are no instruments in level 1 in the fair value hierarchy.

Note 28 Subsidiaries and Interest in Other Companies

The parent company Aker Solutions ASA is listed on the Oslo Stock Exchange and located in Fornebu, Norway.

SUBSIDIARIES
Aker Solutions has 50 subsidiaries in 22 countries. Two wholly owned subsidiaries individually account for more than 10 percent of the revenue in the group and are considered material. The group holds the majority of the voting shares in all subsidiaries except two, see description below. There are no material non-controlling interests in the group. Subsidiaries fully owned or controlled by Aker Solutions as of December 31, 2014 are listed below. If not stated otherwise, ownership equals the percentage of voting shares.

Company	Location	Country	Percent
Aker Solutions Enterprises LDA	Luanda	Angola	49
Aker Solutions Pty Ltd	Melbourne	Australia	100
Aker Solutions do Brasil Ltda	Curitiba	Brazil	100
Aker Solutions Sdn Bhd	Seria	Brunei	100
Aker Solutions Asset Integrity and Management Canada Inc	Newfoundland	Canada	100
Aker Solutions Canada Inc	Vancouver	Canada	100
Aker Subsea (Shenzhen) Co. Ltd	Shenzhen	China	100
Aker Solutions Congo SA	Point-Noire	Congo	100
Aker Solutions Cyprus Ltd	Limassol	Cyprus	100
Aker Solutions SAS	Paris	France	100
Aker Solutions Ghana Ltd	Adabraka	Ghana	90
Aker Powergas Pvt Ltd	Mumbai	India	68
Aker Powergas Subsea Pvt Ltd	Mumbai	India	68
Aker Solutions Korea	Geoje	Korea	100
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Engingeering Malaysia Sdn Bhd2	Kuala Lumpur	Malaysia	90
Aker Process Systems Asia Pacific Sdn Bhd	Shah Akam	Malaysia	48
Aker Solutions India Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions Umbilical Asia Pasific Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions de Mexico	Mexico City	Mexico	99
Aker Solutions BV	Zoetermeer	Netherlands	100
Aker Solutions Nigeria Ltd	Ikoyi-Lagos	Nigeria	100
Aker Egersund AS	Egersund	Norway	100
Aker Engineering & Technology AS	Fornebu	Norway	100
Aker Installation FP AS	Fornebu	Norway	100
Aker Insurance Services AS	Fornebu	Norway	100
Aker Operations AS	Stavanger	Norway	100
Aker Solutions Contracting Kazakhstan AS	Fornebu	Norway	100
Aker Solutions Holding AS	Fornebu	Norway	100
Aker Solutions MMO AS	Stavanger	Norway	100
Aker Subsea AS	Fornebu	Norway	100
Aker Subsea Russia AS	Fornebu	Norway	100
AKSO ESP AS	Fornebu	Norway	100
Ingeniør Harald Benestad AS	Lierskogen	Norway	100
KB eDesign AS	Oslo	Norway	100
Phaze Technologies AS	Lierskogen	Norway	100
Aker Process Gulf Company Ltd	Al-Khobar	Saudia Arabia	100
Aker Solutions AB	Gothenburg	Sweden	100
Kværner Water AB	Ørnskjøldsvik	Sweden	100
Aker Solutions Tanzania Ltd	Dar es Salaam	Tanzania	100
Aker Engineering & Technology Ltd	London	UK	100
Aker Engineering Malaysia Ltd	Leeds	UK	100
Aker Offshore Partner Ltd	London	UK	100
Aker Solutions Angola Ltd	Maidenhead	UK	100
Aker Subsea Ltd	Maidenhead	UK	100
Enovate Systems Ltd	Aberdeen	UK	100
International Design Engineering and Services Ltd	Glasgow	UK	100
Aker Solutions Inc	Houston	USA	100
Aker Solutions USA Corporation	Houston	USA	100

There are no disposals or acquisitions of subsidiaries in 2014. Aker Solutions increased its ownership in the subsidiaries Ingeniør Harald Benestad AS and Phaze Technologies AS from 82 percent to 100 percent in 2014.

Entities were Aker Solutions does not have the majority of voting shares:
Aker Solutions has 49 percent of the shares in Aker Solutions Enterprises LDA in Angola and 48 percent in Aker Process Systems Asia Pacific Sdn Bhd in Malaysia. However, Aker Solutions has control over relevant activities through shareholders agreements.

INTEREST IN OTHER COMPANIES
The group's interest in other companies is not material. The book value of two equity accounted associated companies per December 31, 2014 was less than NOK 1 million, same as previous year. The book value of six available-for-sale investments per December 31, 2014 totalled NOK 14 million, same as previous year. There are two joint venture investments that has zero value, same as previous year. There is one joint operations that had revenue and cost of zero in 2014 and 2013.

Note 29 Management Remuneration

BOARD OF DIRECTORS
The current board of directors has been elected by the general meeting to serve for an appointment period starting on September 29, 2014 at the time of the demerger and ending on the date of the 2016 annual general meeting. Fees to the board of directors are approved by the annual general meeting, each time for the period since the last annual meeting (or, as the case may be, since the time of appointment). Fees in the table below relate only to the three months after the establishment of the new board at the time of the demerger.

The fees in the table below represent what is recognized as expenses (for the applicable period) in the income statement based on assumptions of fees to be approved at the annual general meeting to be held in April 2015 rather than what has been paid out in 2014. The directors did not receive any other fees from the company than listed below, except for employee elected directors who have received salary as employees. No agreements exist which entitle the directors to any extraordinary compensation.

2014

Amounts in NOK	Board meeting attendance	Audit Committee	Board Fees[1]
Øyvind Eriksen	3 of 3	-	150,000
Kjell Inge Røkke	0 of 3	-	85,000
Stuart Ferguson	3 of 3	21,250	110,000
Anne Drinkwater	3 of 3	38,750	135,000
Koosum Kalyan	3 of 3	-	110,000
Atle Teigland	2 of 3	21,250	42,500
Åsmund Knutsen	3 of 3	-	42,500
Hilde Karlsen	2 of 3	-	42,500
Total		**81,250**	**717,500**

1) Board fees in 2014 includes an allowance of NOK 12,500 per meeting per physical attendance for board members residing outside the nordic countries.

As per normal practice in Aker companies, the fee allocated to Øyvind Eriksen will be paid to Aker ASA and the fee allocated to Kjell Inge Røkke will be paid to The Resource Group TRG AS.

The directors having comprised the interim board of Aker Solutions ASA (previously Aker Solutions Holding ASA) in the period from incorporation May 23, 2014 until first day of listing September 29, 2014, all of such directors being employees of the company, are not entitled to any fees or compensation for the directorship.

THE AUDIT COMMITTEE
The audit committee of Aker Solutions held two meetings in 2014, i.e. in the period after listing of Aker Solutions ASA on September 29, 2014. As of December 31, 2014, the audit committee comprises of Anne Drinkwater (chairperson), Stuart Ferguson and Atle Teigland.

REMUNERATION TO THE MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM

The main purpose of the executive remuneration program is to encourage a strong and sustainable performance-based culture, which supports growth in shareholder value. The total remuneration to executives consists of a market based salary, standard employee benefits and a variable pay program.

The Chief Executive Officer (CEO) and the executive management team participate in the standard pension and insurance schemes applicable to all employees. The company practice standard employment contracts and standard terms and conditions regarding notice period and severance pay for the CEO and the members of the executive management team. The company does not offer share option programs to executives or other employees.

The objective of the variable pay program is to contribute to the company achieving good financial results, increase in shareholder value and execution of leadership according to the company's values and business ethics.

The variable pay program for the CEO is rewarding the annual performance of the Aker Solutions share price development (including dividend) above the average share price development of a peer group of companies. No payment is due to the CEO unless the Aker Solutions share price development exceeds the share price development of the peer group companies. The maximum achievable payment is 66.7 percent of annual base salary.

The variable pay program for the members of the executive management team consists of three parts and is based on the achievement of company financial results and the executive's individual performance objectives, development of the share price of Aker Solutions ASA and conditions on continued employment. The variable pay is earned over a period of three years.

- The first part of the variable pay is earned during the first year and is based on financial results and the executive's individual performance objectives. The maximum value of this part is 66.7 percent of base salary. The executives are paid 50 percent of this variable pay after the first year, and 50 percent is deferred until after the third year.
- The second part is conditional on that the executive is still employed after three years, where the executive receives an additional 50 percent of the variable pay as earned the first year.
- The third part of the program is based on the share price after three years and is dependent on the executive still being employed at that time. Calculation of the share price payment is based on the sum of the value of the first and second part of the variable pay program. This sum is then multiplied by the percentage increase of the Aker Solutions ASA share price over the change in the general stock index at the Oslo Stock Exchange (OSEBX) over the three year period. The share based payment has a maximum value of 20 percent of base salary at that time.

In addition to the ordinary variable pay programs, the executive management is from time to time granted a discretionary variable pay. There were no discretionary payments made in 2014.

The remuneration to the executive management team in 2014 was according to guidelines of the company.

The remuneration of the executive management team (EMT) for 2014 is shown in the table below. EMT of Aker Solution was established and operational from July 1, 2014. Accordingly, remuneration for EMT is presented for the second half of 2014. The salary figures for 2014 represent expensed remuneration rather than what is paid out in the period.

2014

Amounts in NOK	Job title	Period	Base salary[1]	Variable pay expense[2]	Other benefits[3]	**Total taxable remuneration**	Pension benefit earned/cost to company[4]
Luis Araujo	Chief Executive Officer	July 1 - Dec. 31	3,920,000	-	647,979	**4,567,979**	226,639
Alan Brunnen	Head of Subsea	July 1 - Dec. 31	1,896,321	1,127,236	4,994	**3,028,551**	251,631
David Currie	Regional President of UK	July 1 - Dec. 31	1,496,275	-	611,530	**2,107,805**	119,702
Per Harald Kongelf	Regional President of Norway	July 1 - Dec. 31	1,651,440	653,280	10,853	**2,315,573**	115,201
Valborg Lundegaard	Head of Engineering	July 1 - Dec. 31	1,349,600	851,997	12,964	**2,214,561**	126,583
Mark Riding	Chief Strategic Marketing	July 1 - Dec. 31	1,340,080	525,702	408,205	**2,273,987**	79,185
Tore Sjursen	Head of MMO	July 1 - Dec. 31	1,467,760	576,746	5,179	**2,049,685**	104,923
Svein Stoknes	Chief Financial Officer	July 1 - Dec. 31	1,460,291	607,443	5,116	**2,072,850**	71,785
Erik Wiik	Regional President of North America	July 1 - Dec. 31	1,389,263	825,935	239,450	**2,454,648**	149,145
Total			**15,971,030**	**5,168,339**	**1,946,270**	**23,085,639**	**1,244,793**

1) Includes accrued holiday allowances.
2) Based on estimated variable pay earned during the second half of 2014. No payments were made during second half of 2014.
3) Other benefits include insurance agreements, such as membership in the standard employee scheme and an additional executive group life and disability insurance. The amount also includes housing and relocation costs, international salary compensation, children schooling costs, auto allowance and termination payment.
4) Pension benefits include the standard employee pension scheme, a pension compensation scheme (for transfer from benefit to contribution scheme), a disability pension scheme and certain management compensation for various pension schemes.

All members of the executive team have a standard employee defined contribution pension plan. See description in note 20 Pension Obligations.

SHARE-BASED PAYMENTS

The development of the company's share price is an element of the variable pay program, of which the future share price is an element of the calculation. The accrual related to the future share based payment of the variable pay is estimated with the basis of the share price at year-end. The accrual consists of variable pay programs for three preceding years.

The Aker Solutions ASA share price decreased during 2014. For the executive management as included in the table above, the share-price related variable pay accrual was zero as of December 31, 2014. The paid share price related variable pay in 2014 was zero.

SHARE PURCHASE PROGRAM FOR MANAGEMENT

Aker Solutions' share purchase program for the executive managers is based on the general program for all employees as described in note 6 Salaries, but with a higher maximum amount.

In total 30 executives and senior managers participated in the separate management share program allowing eligible managers to purchase shares for an amount equal to 25 percent of their base salary with a reduction of 25 percent on the share price. To encourage a long-term commitment to the company, a three-year lock-in period was part of the arrangement. Shares purchased under the management program were settled in cash by the participants, unless otherwise specifically agreed.

The managers were also offered to participate in the ordinary share purchase program for employees. Shares purchased under the ordinary program are funded by a loan from the employer company to each participant. The outstanding loans related to the 2014 share purchase programs for participants within the executive management team are reported in the same table showing their shareholdings. There are no other loans, securities or guarantees granted nor any advances, salary payment given to the executive management team members.

DIRECTORS' AND EXECUTIVE MANAGEMENT TEAM'S SHAREHOLDING

The following number of shares were owned by the directors and the members of the executive management team (and their related parties) as of December 31, 2014:

	Job title	Number of shares owned[1]	Outstanding loan balances in NOK[2]
Øyvind Eriksen	Chairman of the board	-	-
Kjell Inge Røkke	Board member	-	-
Stuart Ferguson	Board member	-	-
Anne Drinkwater	Board member	3,500	-
Koosum Kalyan	Board member	-	-
Atle Teigland	Board member	5,608	-
Åsmund Knutsen	Board member	6,408	-
Hilde Karlsen	Board member	3,643	-
Luis Araujo	Chief Executive Officer	32,853	43,500
Alan Brunnen	Head of Subsea	-	-
David Currie	Regional President of UK	-	-
Per Harald Kongelf	Regional President of Norway	-	-
Valborg Lundegaard	Head of Engineering	5,185	-
Mark Riding	Chief Strategic Marketing	32,006	43,500
Tore Sjursen	Head of MMO	8,366	-
Svein Stoknes	Chief Financial Officer	14,248	375,000
Erik Wiik	Regional President of North America	9,802	43,500

1) The overview includes only direct ownership of Aker Solutions shares and does not include Øyvind Eriksen and Kjell Inge Røkke's indirect ownership through their ownership in Aker ASA.
2) Loan amounts are to be repaid over 12 months by salary deductions, except the loan granted to Svein Stoknes, CFO. His loan was given to fund the shares purchased under the share purchase program. The loan shall be repaid in full, including interest, no later than March 31, 2018. The interest rate was 2.5 percent in December 2014 and equals the interest rate applicable to employee loans.

Note 29 **Management Renumeration cont.**

TERMINATION AGREEMENTS

The members of the executive management team have the following agreements upon termination of employment:

	Notice period	Severance pay
Luis Araujo	3 months	6 months
Alan Brunnen	3 months	6 months
David Currie	3 months	6 months
Per Harald Kongelf	6 months	6 months
Valborg Lundegaard	3 months	6 months
Mark Riding	3 months	6 months
Tore Sjursen	3 months	6 months
Svein Stoknes	3 months	6 months
Erik Wiik	3 months	6 months

Note 30 **Related Parties**

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would potentially not be undertaken between unrelated parties. All transactions in the Aker Solutions group with related parties have been based on arm's length terms.

The largest shareholder of Aker Solutions is Aker Kværner Holding AS which is controlled by Aker ASA (70 percent). Aker ASA is controlled by The Resource Group TRG AS, a company controlled by Kjell Inge Røkke. The Resource Group TRG AS is the ultimate parent company of Aker Solutions ASA. All entities owned by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Solutions. These entities include companies like Akastor ASA, Kværner ASA and Ocean Yield and are referred to as Aker entites in this note.

Below is a summary of transactions and loan balances between Aker Solutions group and its related parties.

SUMMARY OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Amounts in NOK million

2014	Other Aker entities	Akastor entities	**Total**
INCOME STATEMENT			
Operating revenues	2,330	309	**2,639**
Operating costs	(213)	(4,170)	**(4,383)**
Net financial items	-	5	**5**
BALANCE SHEET			
Trade receivables	262	160	**422**
Interest-bearing receivables	-	82	**82**
Trade payables	(19)	(393)	**(412)**
Accrued operating expenses and other liabilities	-	(57)	**(57)**
Current interest-bearing loan	-	(64)	**(64)**

2013	Other Aker entities	Akastor entities	**Total**
INCOME STATEMENT			
Operating revenues	1,850	267	**2,117**
Operating costs	(254)	(4,313)	**(4,567)**
Net financial items	-	8	**8**
BALANCE SHEET			
Trade receivables	397	140	**537**
Group contribution and dividends, receivable	-	129	**129**
Interest-bearing receivables	-	106	**106**
Trade payables	(33)	(568)	**(601)**
Group contribution and dividends, payable	-	(1,871)	**(1,871)**

Below is description of the most significant related party transactions and balances in 2014

RELATED PARTY TRANSACTIONS WITH AKASTOR

Aker Solutions have entered into a number of agreements and arrangements with Akastor including;

- a main separation agreement addressing various separation issues between Akastor group and Aker Solutions group following the completion of the demerger.
- an agreement concerning ownership and licensing rights to intellectual propery and know-how as well as several bilateral license agreements between Akastor and Aker Solutions entities based on the principles and allocation of technology in the Technology Agreement.
- - agreements for shared services as well as agreements for hired in personnel, real estate leases and lease agreements from Akastor. The amount charged for these services are NOK 4.0 billion (NOK 3.8 billion in 2013).
- an agreement for provisioning of transitional services not covered by Akastor to Aker Solutions.
- various agreements addressing commercial separation issues between members of the Akastor and Aker Solutions groups, for example in relation to joint and shared initiatives, on-going, committed or contemplated projects, non-project specific cooperation and shared frame agreements as well as disputes. These agreements include an agreement between entities within the Subsea reporting segment and entities within the Fjords Processing business unit of the Akastor group regarding development of certain process technologies and an agreement between Subsea and MHWirth regarding the use and development of well control technologies.

In addition, Aker Solutions has secondary joint liability for obligations existing in Akastor at the time of the demerger, see note 24 Financial Risk Management and Exposures for further information.

RELATED PARTY TRANSACTIONS WITH OTHER AKER COMPANIES

Fornebuporten

In 2013, Aker Solutions entered a long-term lease agreement with Fornebuporten AS (a subsidiary of Aker ASA) starting in 2016 for offices to be built in Fornebu, near Oslo. The duration of the contract is 12 years, with two additional five-year options. The annual rent is NOK 80 million which will be adjusted annually according to the consumer price index. The building is scheduled for completion in June 2016. Following the demerger of the Aker Solutions group in 2014, the lease obligation is assumed by Aker Solutions Holding AS.

Abstract (Cornwall) Ltd

In August 2014, Aker Solutions entered a long-term lease agreement with Abstract (Cornwall) Ltd. which is a subsidiary of Aker ASA. Total annual rent is GBP 7.74 million over 20 years, with three additional five-year options. The first 12 months of the lease are rent-free. The rent will be adjusted every five years based on changes in the retail price index. The building is expected to be ready for occupation in the second quarter of 2015. The office buildings were subsequently sold from Aker to an external party.

Intellectual Property Holding AS

Aker Solutions has an agreement with Intellectual Property Holding which holds all rights, titles and interests in and to registered trademarks and domain names containing "Aker". According to the agreement, Aker Solutions has acquired the right to use the "Aker" name in combination with "Solutions".

Kvaerner

Aker Solutions delivers both services and products to Kvaerner. Aker Solutions provides engineering, technical procurement and other related services as sub-contractor to Kvaerner. Further, Aker Solutions provides fabrication of modules as a sub-contractor to large oil installations delivered by Kvaerner. Skilled personnel has been hired out both ways between Aker Solutions and Kvaerner, especially within offshore trades in high activity periods. Aker Solutions has also used Kvaerner as sub-contractor for minor pre-fabrications.

Det norske oljeselskap ASA

Aker Solutions delivers installation and maintenance services to Det norske oljeselskap at Alvheim, Bøyla and Vilje fields.

Aker Pensjonskasse

Aker Pensjonskasse was established by Aker ASA to manage the retirement plan for employees and retirees in Aker Solutions as well as related Aker companies. Aker Solutions pension arrangements represents approximately 30 percent of the total pension fund. Premium paid to Aker Pensjonskasse amounts to NOK 92 million in 2014 (NOK 86 million in 2013).

Union fees

Aker Solutions has agreed to provide support to the group's union representative function reflecting an overall agreeement entered into by Aker ASA. The contribution in 2014 was NOK 127,500.

Note 31 Corrections of Prior Period

During 2014 Aker Solutions has identified some misstatements relating to the timing of certain service revenues and costs resulting in an overstatement of EBIT in 2013. The effect on the 12 months ended December 31, 2013 is a reduction of EBIT of NOK 83 million and a change in EBIT margin from 5.7 percent to 5.4 percent. The misstatements relate to the subsea operating segment. There is no impact on other comprehensive income or the operating, investing and financing cashflows. The corrections and the restated figures for the group are presented below.

2013

Amounts in NOK million	Before restatement	Corrections	After restatement
INCOME STATEMENT			
Operating revenues	29,125	(67)	29,058
Operating expenses	(26,963)	(16)	(26,979)
Operating profit before depreciation, amortization and impairment	2,162	(83)	2,079
Operating profit	1,662	(83)	1,580
Profit before tax	1,660	(83)	1,577
Profit for the period	1,263	(83)	1,181
Basic earnings per share	4.62	(0.31)	4.31
BALANCE SHEET			
Trade and other payables	10,975	83	11,058
Equity	6,469	(83)	6,387

PARENT COMPANY

Financial Statements

AKER SOLUTIONS ASA PER DECEMBER 31, 2014

Income Statement

FOR THE YEAR ENDED DECEMBER 31

Amounts in NOK million	Note	2014
Operating revenue	2	18
Operating expenses	2	(165)
Operating loss		**(147)**
Income from investments in subsidiaries	5	119
Net financial expenses	3	(146)
Loss before tax		**(174)**
Income tax	4	79
Loss for the period		**(95)**
Loss for the period distributed as follows:		
Proposed dividends		394
Other equity		(489)
Loss for the period		**(95)**

Statement of Financial Position

Amounts in NOK million	Note	Dec 31, 2014
ASSETS		
Deferred tax asset	4	25
Investments in group companies	5	10,676
Non-current interest-bearing receivables from group companies	9	453
Other non-current interest-bearing receivables	6	2
Total non-current assets		**11,155**
Current interest-bearing receivables from group companies	9	1,538
Non-interest bearing receivables from group companies	9	93
Financial instruments	10	2,780
Cash in cash pool system	9	1,717
Total current assets		**6,128**
Total assets		**17,283**
EQUITY AND LIABILITIES		
Issued capital		294
Other equity		3,375
Total equity	7	**3,669**
Non-current borrowings	9	2,462
Total non-current liabilities		**2,462**
Current borrowings	8	49
Current borrowings from group companies	9	7,512
Provision for dividend	7	394
Non interest-bearing liabilities from group companies	9	254
Financial instruments	10	2,878
Other current liabilities		65
Total current liabilities		**11,152**
Total liabilities		**13,614**
Total liabilities and equity		**17,283**

Fornebu, March 12, 2015
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Kjell Inge Røkke
Director

Anne Drinkwater
Director

Koosum Kalyan
Director

Stuart Ferguson
Director

Atle Teigland
Director

Åsmund Knutsen
Director

Hilde Karlsen
Director

Luis Araujo
President & CEO

Statement of Cashflow

FOR THE YEAR ENDED DECEMBER 31

Amounts in NOK million	2014
Loss before tax	(174)
Changes in net operating assets and liabilities	317
Net cash from operating activities	**143**
Payment related to increase in interest-bearing receivables	(2)
Net cash from investing activities	**(2)**
Increase in investments in subsidiaries	(944)
Payment of demerger consideration[1]	(3,000)
Changes in borrowings to group companies	(272)
Changes in borrowings from group companies	2,215
Net cash from financing activities	**(2,001)**
Net increase (decrease) in cash and bank deposits	**(1,860)**
Cash in cash pool system at the beginning of the period	3,577
Cash in cash pool system at the end of the period[2]	**1,717**

1) Demerger consideration paid to Akastor as part of the demerger process.
2) Unused credit facilities amounted to NOK 4,000 million.

Notes to the Parent Company Financial Statements

FOR THE YEAR ENDED DECEMBER 31

Note 1 Accounting Principles

Aker Solutions ASA was incorporated on May 23, 2014 and is domiciled in Norway. Aker Solutions ASA was incorporated as a wholly owned subsidiary of Akastor ASA to be the parent company and owner of certain entities and operation within the subsea and field design segments. The company was demerged from Akastor and listed on the Oslo Stock Exchange on September 26, 2014.

The demerger was a common control transaction without change in ownership. The continuity method was used when accounting for the demerger, meaning assets and liabilities were recognized using historical book values. These financial statements have been prepared as if the demerger occured January 1, 2014.

The financial statements are prepared in accordance with Norwegian legislation and Norwegian generally accepted accounting principles.

REVENUE RECOGNITION

Revenue is recognized in the period which the services are rendered. Operating revenue consist mainly of income from parent company guarantees (PCG). The PCGs are invoiced when the guarantees are issued, and the revenue is recognized evenly over the lifetime of the guarantee.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present.

Dividends and other distributions are recognized as income the same year as they are appropriated in the subsidiary. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction of the carrying value of the investment.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Assets and liabilities are presented as current when they are due within one year or they are part of the operating cycle. Other assets and liabilities are classified as non-current.

Current assets are valued at the lowest of cost and fair value. Current liabilities are valued at nominal value at the time of recognition.

Non-current receivables are measured at cost less impairment losses that are not considered to be temporary. Non-current liabilities are initially valued at transaction value less attributable transaction cost. Subsequent to initial recognition, interest-bearing non-current borrowings are measured at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

Trade and other receivables are recognized at the original invoiced amount less allowances for expected losses. Provision for expected losses is considered on an individual basis.

CASH

Cash in cash pool system is the parent company's cash and includes net deposits from subsidiaies. Correspondingly, a negative cash amount represents debt to the subsidiaries.

The cashflow statement has been prepared using the indirect method.

SHARE CAPITAL

Repurchase of share capital is recognized at cost as a reduction in equity and is classified as treasury shares. No gain or loss is recognized in the income statement on the purchase or sale of the company's own shares.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement.

DERIVATIVE FINANCIAL INSTRUMENTS

Subsidiaries have entered into financial derivative agreements with the parent company to hedge their foreign exchange exposure. The parent company does not engage in hedging activities other than as a counterpart in financial derivative agreements with the subsidiaries. The parent company uses derivatives from external banks to mitigate the foreign exchange exposure from the financial derivative agreements with the subsidiaries.

Aker Solutions ASA does not apply hedge accounting to any of the currency derivative financial instruments. All financial assets and liabilities related to foreign exchange contracts are revalued at fair value in respect to exchange rate movements each period.

In order to reduce the interest rate risk related to external borrowings, Aker Solutions also enters into interest swap agreements. The market value of interest rate swaps classified as cashflow hedges (where the interest rate of the debt is switched from floating- to fixed interest rate) is accounted for directly against equity while the corresponding interest payments are reflected in the profit and loss to neutralise potential changes in interest levels.

The value of interest rate swaps classified as fair value hedges (from fixed to floating interest rate) is accounted for through profit and loss. A corresponding adjustment to the carrying value of the liability is accounted for.

TAX

Tax expense in the income statement comprises current tax and changes in deferred tax. Deferred tax is calculated as 27 percent of temporary differences between accounting and tax values as well as any tax losses carred forward at the year end. Net deferred tax assets are recognized only to the extent it is probable that they will be utilized against future taxable profits.

Note 2 Operating Revenue and Expenses

Operating revenue comprises NOK 18 million in income from parent company guarantees.

There are no employees in Aker Solutions ASA and hence no salary or pension related costs and also no loan or guarantees related to the executive management team. Group management and corporate staff are employed by other Aker Solutions companies and costs for their services as well as other parent company costs are charged to Aker Solutions ASA. Remuneration to and shareholding of managing director Luis Araujo, is described in note 29 Management Remuneration in the consolidated accounts.

Costs incurred by Akastor and external advisors for establishing Aker Solutions ASA with subsidiaries as a stand alone group listed on the Oslo Stock Exchange, that has been charged to Aker Solutions ASA, totals NOK 90 million.

Audit fees to KPMG

2014	Audit fee	Audit related services (including demerger)	Non-audit	**Total**
	4	18	0	**22**

NOK 16 million of the above NOK 18 million was recharged from Akastor.

Note 3 Net Financial Items

Amounts in NOK million	2014
Interest income from group companies	133
Interest expense to group companies	(91)
Net interest group companies	**42**
External interest income	5
External interest expence	(203)
Net interest external	**(198)**
Other financial expense	(1)
Foreign exchange loss	(247)
Foreign exchange gain	257
Net other financial items	**9**
Net financial items	**(146)**

Note 4 Tax

Amounts in NOK million	2014
CALCULATION OF TAXABLE INCOME	
Loss before tax	(174)
Group contribution without tax	(119)
Change in timing differences	(6)
Taxable income	**(418)**
POSITIVE AND (NEGATIVE) TIMING DIFFERENCES	
Unrealized gain(loss) on forward exchange contracts	3
Interest rate swaps	(95)
Basis for deferred tax	**(92)**
Deferred tax in income statement	(1)
Deferred tax in equity	26
Deferred tax asset	**25**
TAX (EXPENSE)/BENEFIT	
Origination and reversal of temporary differences	79
Total tax (expense)/benefit in income statement	**79**

Note 5 Investments in Group Companies

Amounts in NOK million	Registered office	Share capital	Number of shares held	Percentage owner-/ voting share	Book value
Aker Solutions Holding AS	Fornebu, Norway	3,240	30	100%	**10,476**
AKSO ESP AS	Fornebu, Norway	40	1	100%	**200**
Total investments in subsidiaries					**10,676**

AKER SOLUTIONS HOLDING AS
In 2014 the share capital of Aker Solutions Holding AS was increased by NOK 2,496 million as an effect of the demerger from Akastor AS. The share capital was also increased by NOK 744 million to NOK 3,240 million by conversion of debt. Group contributions without tax effect from Aker Solutions Holding AS recognized as revenue from investments in subsidiaries amounted to NOK 119 million. Group contributions without tax effect from Aker Solutions Holding AS recognized as increase of investment in group companies amounted to NOK 381 million. Group contributions from Aker Solutions MMO AS recognized as increase of investment in Aker Solutions Holding AS amounted to NOK 223 million.

AKSO ESP AS
In 2014 the share capital of AKSO ESP AS was increased by NOK 40 million by capital injection. The total capital injection amounted to NOK 200 million.

Note 6 Other Non-Current Interest-Bearing Receivables

Amounts in NOK million	2014
Deposit Norsk Tillitsmann Pensjon AS	2
Total other non-current interest-bearing receivables	**2**

Note 7 Shareholders' Equity

Amounts in NOK million	Share capital	Hedging reserve	Retained earnings	Total
Equity at date of inception May 23, 2014	1	-	-	**1**
Capital reduction	(1)	-	-	**(1)**
Separation from Akastor ASA (Aker Solutions ASA) September 26, 2014	294	(33)	3,934	**4,195**
Loss for the period	-	-	(95)	**(95)**
Proposed dividend	-	-	(394)	**(394)**
Cashflow hedge[1]	-	(36)	-	**(36)**
Equity as of December 31, 2014	**294**	**(69)**	**3,445**	**3,669**

1)The value of interest swap agreements changing interest from floating to fixed interest is recognized directly in equity and will be released to income together with the corresponding interest expense.

Aker Solutions ASA was newly formed in 2014. There were no outstanding shares in 2013. Aker Solutions ASA's share capital has a value of NOK 294 million which was obtained through the issuance of 272,044,389 shares upon demerger, each with par value of NOK 1.08. Upon the demerger other capital of NOK 3,934 million was transferred from Akastor ASA to Aker Solutions ASA. This transaction primarily involve transfer of shares in subsidiaries. The board of directors have proposed a dividend of NOK 1.45 per share for 2014.

Note 8 Borrowings

Contractual terms of group's interest-bearing loans and borrowings which are measured at amortized cost. For more information about the group's exposure to interest rates, foreign currency and liquidity risk, see note 24 Financial Risk Management and exposures in the consolidated accounts.

2014

Amounts in NOK million	Currency	Nominal currency value	Carrying amount (NOK)	Interest rate[3]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010647431	NOK	1,500	1,500	1.62%	4.25%	5.87%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1,000	1,005	1.63%	4.20%	5.83%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**2,505**					
Revolving credit facility (NOK 4,000 million)	NOK	-	-	3.14%	0.00%	3.14%	01.06.16	IBOR + Margin[2]
Total credit facility			**-**					
Total other loans			7					
Total borrowings			**2,511**					
Current borrowings			49					
Non-current borrowings			2,462					
Total			**2,511**					

1) The book value is calculated by reducing the nominal value of NOK 2,500 million by total issue costs related to the new financing of NOK 15 million. Accrued interest related to the bonds are included at NOK 20 million.
2) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.
3) The interest costs are calculated using either the last fixed rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

NORWEGIAN BONDS

All bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market. The bonds are issued based on a floating interest rate plus a predefined margin. The bonds are issued with Norsk Tillitsmann as trustee and the loan agreements are based on Norsk Tillitsmann's standard loan agreement for such bonds. The bonds are unsecured on a negative pledge basis and include no dividend restrictions. All bonds issued are listed on the Oslo Stock Exchange. Aker Solutions strategy is to have between 30-50 percent of borrowings at fixed interest rates. To the extent that this is not reflected in the loan agreements, swap transactions are entered into.

FINANCIAL LIABILITIES AND THE PERIOD IN WHICH THEY MATURE

2014

Amounts in NOK million	Carrying amount	Total undiscounted cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
ISIN NO 0010647431	1,500	1,808	44	44	88	1,632	-
ISIN NO 0010661051	1,005	1,297	29	29	59	1,180	-
Total	**2,505**	**3,105**	**73**	**73**	**147**	**2,812**	**-**
Revolving credit facility (NOK 4,000 million)	-	-	-	-	-	-	-
Other loans	7	7	7	-	-	-	-
Total other loans	**7**	**7**	**7**	**-**	**-**	**-**	**-**
Total borrowings	**2,511**	**3,112**	**80**	**73**	**147**	**2,812**	**-**

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).

Note 9 Receivables and Borrowings from Group Companies

Amounts in NOK million	2014
Group companies deposits in the cash pool system	5,497
Group companies borrowings in the cash pool system	(185)
Aker Solutions ASA's net borrowings in the cash pool system	(3,595)
Cash in cash pool system	**1,717**
Current interest-bearing receivables from group companies	1,538
Non-current interest-bearing receivables from group companies	453
Current borrowings from group companies	(7,512)
Other net interest-bearing receivables from group companies	**(5,521)**
Current non interest-bearing receivables from group companies	93
Current non interest-bearing borrowings from group companies	(254)
Net non interest-bearing receivables from group companies	**(161)**
Total net receivables from group companies	**(3,966)**

All current receivables and borrowings are due within one year.

Aker Solutions ASA is the owner of the cash pool system arrangements with DNB, Nordea and The Royal Bank of Scotland. The cash pool systems cover a majority of the group geographically and assure good control and access to the group's cash. Participation in the cash pool is vested in the group policy and decided by each company's board of directors and confirmed by a statement of participation. Certain entities in Brazil, Angola and other locations do not participate in the cash pool arrangements due to local restrictions. The participants in the cash pool system are joint and severably liable and it is therefore important that Aker Solutions as a group is financially viable. Any debit balance on a sub account can be offset against any credit balance. Hence a debit balance represents a claim on Aker Solutions ASA and a credit balance a borrowing from Aker Solutions ASA.

The cash pool systems were showing a net balance of NOK 1,717 million per December 31. This amount is reported in Aker Solutions ASA's accounts as short term borrowings from group companies and as cash in cash pool system.

Aker Solutions ASA is the group's central treasury function and enters into borrowings and deposit agreements with group companies. Deposits and borrowings are agreed at market terms and are dependent on the group companies' credit rating and the duration of the borrowings.

Note 10 Financial Risk Management and Financial Instruments

CURRENCY RISK

	2014	
Amounts in NOK million	Assets	Liabilities
Forward exchange contracts with group companies	2,476	(900)
Forward exchange contracts with external counterparts	304	(1,881)
Total	**2,780**	**(2,781)**

Aker Solutions ASA have entered into forward exchange contracts with subsidiaries in 2014 with a total value of about NOK 58 billion. Large contracts are hedged back-to-back with external banks, while minor contracts are hedged based on internal matching principles. Contracts that are hedged directly represents about 80 percent of the total exposure but only a small number of the total contracts. These contracts have no significant impact on Aker Solutions ASA's income statement.

Aker Solutions ASA does not apply hedge accounting to any of the currency derivative financial instruments.

The treasury function within Aker Solutions ASA also has a mandate to hold limited positions in the currency and interest markets. The mandate has limits that are strictly defined and is operated under a strict stop-loss regime. Open positions are continuously monitored on a mark to market basis.

All instruments are booked at fair value as per December 31.

INTEREST RATE RISK

	2014	
Amounts in NOK million	Assets	Liabilities
Interest rate swaps - cashflow hedge (against equity)	-	(97)
Total	**-**	**(97)**

Interest rate swaps are applied to achieve the internal policy that 30-50 percent of the company's gross external borrowing shall be at fixed interest rates, with duration matching the remaining duration of the borrowing. Interest terms on the borrowing are described in note 8 Borrowings. At year end, approximately 80 percent of NOK 2,500 million in bonds was fixed for the duration of the bonds through interest rate swaps.

Hedge accounting is applied using the cashflow hedge accounting model which means that gains and losses on interest rate swaps from floating to fixed interest rates are recognized in the hedging reserve in equity. As of December 31, 2014 a net loss of NOK 71 million (NOK 97 million before tax) is recognized in equity and will be continuously released to the income statement until the repayment of the borrowings via the mark-to-market revaluation process.

CREDIT RISK

Credit risk relates to loans to subsidiaries and associated companies, overdraft in the group cash pool, hedging contracts, guarantees to subsidiaries and deposits with external banks. Loans to subsidiaries are assessed by the internal credit committee. Loss provisions are made in situations of negative equity and were the company is not expected to be able to fulfill it's loan obligations from future earnings. External deposits and forward contracts are done according to a list of approved banks and primarily with banks were the company also have a borrowing relation. The existence of netting agreements between Aker Solutions ASA and the related banks reduces the credit risk.

LIQUIDITY RISK

Liquidity risk relates to the risk that the company will not be able to meet its debt and guarantee obligations and is managed through maintaining sufficient cash and available credit facilities. The development in the group's and thereby Aker Solutions ASA's available liquidity is continuously monitored through weekly and monthly cash forecasts, annual budgets and long term planning.

Note 11 Guarantees

Amounts in NOK million	2014
Parent company guarantees to group companies[1]	58,017
Counter guarantees for bank/surety bonds[2]	5,252
Total guarantee liabilities	**63,269**

MATURITY OF GUARANTEE LIABILITIES:	
6 months and less	1,036
6-12 months	1,195
1-2 years	18,279
2-5 years	23,777
5 - years	18,981

1) Parent company guarantees to support subsidiaries in contractual obligations towards clients.
2) Bank guarantees and surety bonds are issued on behalf of Aker Solutions subsidiaries, and counter indemnified by Aker Solutions ASA.

Note 12 Related Parties

Transactions with subsidiaries and related parties are described on a line by line basis in the following notes:

Other services	Note 2
Financial items	Note 3
Investments	Note 5
Cash pool	Note 9
Receivables and borrowings	Note 9
Guarantees	Note 11
Foreign exchange contracts	Note 10

All transactions with related parties are entered into at market rates and in accordance with the arm's lengths principle.

Note 13 Shareholders

SHAREHOLDERS WITH MORE THAN 1 PERCENT SHAREHOLDING

Per December 31, 2014

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110,333,615	40.56%
State Street Bank & Trust Company	NOM	18,278,890	6.72%
Aker ASA		17,331,762	6.37%
State Street Bank & Trust Company	NOM	9,175,826	3.37%
Clearstream banking S.A	NOM	5,339,608	1.96%
SIS SIX AG	NOM	5,024,965	1.85%
UBS Securities LLC	NOM	4,664,433	1.78%
Folketrygdfondet		3,972,444	1.46%
The Bank of New York Mellon	NOM	3,632,713	1.34%
J.P. Morgan Chase	NOM	3,503,819	1.29%
The Bank of New York Mellon SA/NV	NOM	2,950,095	1.08%
Danske Bank	NOM	2,845,094	1.05%
Fidelity Funds Europe		2,723,094	1.00%

Auditor's Report

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To the Annual Shareholders' Meeting of Aker Solutions ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Aker Solutions ASA, which comprise the financial statements of the parent company Aker Solutions ASA and the consolidated financial statements of Aker Solutions ASA and its subsidiaries. The parent company's financial statements comprise the statement of financial position as at 31 December 2014, the income statement and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the statement of financial position as at 31 December 2014, and the income statement and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Chief Executive Officer's Responsibility for the Financial Statements

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

KPMG

Independent auditor's report 2014
Aker Solutions ASA

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements
In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements
In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Aker Solutions ASA and its subsidiaries as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements
Opinion on the Board of Directors' report including the corporate social responsibility reporting and the statement on Corporate Governance
Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report including the corporate social responsibility reporting and in the statement on Corporate Governance concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 13 March 2015
KPMG AS

Arve Gevoll
State authorised public accountant

About This Report

Reporting Principles
This report presents Aker Solutions ASA's financial and corporate responsibility performance and activities in 2014. It complies with the legal requirements for company reporting as specified in the Norwegian Accounting Act ("Regnskapsloven") and the Norwegian Accounting Act for reporting on corporate social responsibility. Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The report is also our Communication on Progress in 2014 to the UN Global Compact and presents our continued commitment to implementing the principles of the UN Global Compact.

Aker Solutions has published CR reports since 2006, with annual releases since 2010. Our CR report for 2014 is based on the Global Reporting Initiative (GRI) guidelines version 3.0. Our overview of disclosure according to GRI, including references to sections of the report where GRI indicators are included, can be found at the end of the report.

The content of this report has been shaped by our analysis of material impacts and our stakeholders' expectations obtained through monitoring and dialogue. The scope of issues in the 2014 report has not changed substantially from the prior-year report.

Report Boundaries
We have prepared the report on the basis of the GRI reporting principles and guidance on boundaries. Aker Solutions demerged from Akastor and was listed on the Oslo stock exchange on September 29, 2014. The historical operational and financial figures for the group are presented as if the demerger occurred at the start of the earliest period presented in this report. Companies under control of Aker Solutions ASA are included in the reported figures. Acquired subsidiaries are included from the acquisition date and sold entities are excluded to reflect continued operations.

Data Quality
We continue to work to improve our data quality to enhance the reporting processes and transparency. All significant projects report monthly on their operational and financial performance and risk indicators via a web-based solution. We have improved our human resources data reporting procedures and our procedures for collecting country-by-country data.

APPENDIX 1

G3 Content Index

GRI APPLICATION LEVEL B

STANDARD DISCLOSURES PART I: Profile Disclosures - 2014

1. STRATEGY AND ANALYSIS

Disclosure		Level of Reporting	Section in Report
1.1	Statement from the most senior decision-maker of the organization	Fully	Strongly positioned
1.2	Description of key impacts, risks, and opportunities	Partly	Responsible operations

2. ORGANIZATIONAL PROFILE

Disclosure		Level of Reporting	Section in Report
2.1	Name of the organization	Fully	Front cover
2.2	Primary brands, products, and/or services	Fully	Evolutions www.akersolutions.com/en/Global-menu/Products-and-Services/
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	Fully	Global Expansion Note 28: Subsidiaries and Interest in Other Companies www.akersolutions.com/en/Global-menu/About-us/Corporate-structure/
2.4	Location of organization's headquarters	Fully	Board of Directors' Report
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	Global Expansion About this Report
2.6	Nature of ownership and legal form	Fully	Board of Directors' Report
2.7	Markets served	Fully	Global Expansion
2.8	Scale of the reporting organization	Fully	Key Figures
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Fully	Strongly positioned
2.10	Awards received in the reporting period	Not	

3. REPORT PARAMETERS

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
3.1	Reporting period (eg, fiscal/calendar year) for information provided	Fully	About this Report (full calendar year 2014)
3.2	Date of most recent previous report (if any)	Fully	About this Report
3.3	Reporting cycle (annual, biennial, etc)	Fully	About this Report
3.4	Contact point for questions regarding the report	Fully	Appendix
3.5	Process for defining report content	Fully	About this Report
3.6	Boundary of the report	Fully	About this Report
3.7	Limitations on the scope or boundary of the report	Fully	About this Report
3.8	Basis for reporting on joint ventures and other entities	Fully	About this Report
3.9	Data measurement techniques and the bases of calculations	Fully	Responsible Operations
3.10	Explanation of the effect of any re-statements	N/A	N/A
3.11	Significant changes from previous reporting periods	Fully	About this Report
3.12	Table identifying the location of the Standard Disclosures in the report	Fully	This Table
3.13	Policy and current practice with regard to seeking external assurance for the report	Fully	The report has no external assurance. We are considering external assurance of future reporting.

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure
4.1	Governance structure of the organization	Fully	Responsible Operations Board of Directors' Report www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Fully	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.3	Number of members of the highest governance body that are independent and/or non-executive members	Fully	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Fully	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	Fully	Note 29: Management Remuneration
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Fully	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.7	Process for determining the qualifications and expertise of the members of the highest governance body	Not	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.8	Internally developed values statement, codes of conduct, and principles	Fully	Code of Conduct
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Fully	Responsible Operations, www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.10	Processes for evaluating the highest governance body's own performance	Fully	www.akersolutions.com/en/Global-menu/Investors/Corporate-governance/
4.11	Application of precautionary approach	Fully	Environment
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Fully	Board of Directors' Report Responsible Operations Employees Society
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Fully	Board of Directors' Report Responsible Operations Employees Society
4.14	List of stakeholder groups engaged by the organization	Fully	Appendix 2
4.15	Basis for selection of stakeholders with whom to engage	Partially	Responsible Operations
4.16	Approaches to stakeholder engagement	Fully	Responsible Operations
4.17	Key topics and concerns raised through stakeholder engagement and the organizations response	Fully	Responsible Operations

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

Disclosure		Level of Reporting	Location of Disclosure
	Disclosure on Management Approach: Economic	Fully	Board of Directors' Report
	Disclosure on Management Approach: Environment	Fully	Responsible Operations
	Disclosure on Management Approach: Labor	Fully	Responsible Operations
	Disclosure on Management Approach: Human Rights	Fully	Responsible Operations
	Disclosure on Management Approach: Society	Fully	Responsible Operations
	Disclosure on Management Approach: Product Responsibility	Fully	Responsible Operations

STANDARD DISCLOSURES PART III: Performance Indicators

ECONOMIC

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Economic Performance			
EC1	Direct economic value generated and distributed	Fully	Consolidated Financial Statements Responsible Operations
EC2	Financial implications and other risks and opportunities due to climate change	Not	
EC3	Coverage of the organization's defined benefit plan obligations	Partly	Consolidated Financial Statements
EC4	Significant financial assistance received from government	Not	
Market Presence			
EC5	Wage ratios	Partly	Consolidated Financial Statements
EC6	Spending on locally-based suppliers	Partly	Responsible Operations
EC7	Procedures for local hiring of senior management	Fully	Employees
Indirect Economic Impacts			
EC8	Infrastructure investments and services for public benefit	Not	
EC9	Significant indirect economic impacts	Fully	Responsible Operations Society

ENVIRONMENTAL

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Materials			
EN1	Materials used by weight or volume	Not	
EN2	Percentage of materials used that are recycled input materials	Not	
Energy			
EN3	Direct energy consumption by primary energy source	Fully	Environment
EN4	Indirect energy consumption by primary source	Partly	Environment
EN5	Energy saved due to conservation and efficiency improvements	Fully	Environment
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and energy reductions achieved	Partly	Environment
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Partly	Environment
Water			
EN8	Total water withdrawal by source	Not	
EN9	Water sources significantly affected by withdrawal of water	Not	
EN10	Percentage and total volume of water recycled and reused	Not	
Biodiversity			
EN11	Location in areas of high biodiversity value outside protected areas	Partly	Environment
EN12	Impacts of activities, products, and services on biodiversity in protected or high biodiversity value areas	Partly	Environment
EN13	Habitats protected or restored	Not	
EN14	Strategies, actions and future plans for managing impacts on biodiversity	Partly	Environment
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not	
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	Fully	Environment Board of Directors' Report: Environment
EN17	Other relevant indirect greenhouse gas emissions by weight	Not	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Partly	Environment (Aker Solutions has chosen not to set a target for CO2 emissions)
EN19	Emissions of ozone-depleting substances by weight	Not	
EN20	NOx, SOx, and other significant air emissions by type and weight	Not	
EN21	Total water discharge by quality and destination	Not	
EN22	Total weight of waste by type and disposal method	Fully	Board of Directors' Report: Environment Environment
EN23	Total number and volume of significant spills	Fully	Environment
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous	Fully	Environment
EN25	Water bodies and related habitats significantly affected by discharges of water and runoff	Not	
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Partly	Environment
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Not	
Compliance			
EN28	Significant fines and sanctions for non-compliance with environmental laws and regulations	Fully	Environment
Transport			
EN29	Significant environmental impacts of transporting products, goods, materials and labor	Not	
Overall			
EN30	Total environmental protection expenditures and investments by type	Not	

SOCIAL: LABOR PRACTICES AND DECENT WORK

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Employment			
LA1	Total workforce by employment type, employment contract, and region	Fully	Employees
LA2	Total number and rate of employee turnover by age group, gender, and region	Partly	Employees
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Fully	Employees
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements	Fully	Employees Responsible Operations
LA5	Minimum notice period(s) regarding significant operational changes	Fully	Employees
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	Not	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Fully	Health, Safety and Working Environment
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Fully	Health, Safety and Working Environment
LA9	Health and safety topics covered in formal agreements with trade unions	Partly	Responsible Operations

Training and Education			
LA10	Average hours of training per year per employee by employee category	Partly	Responsible Operations
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Fully	Employees
LA12	Percentage of employees receiving regular performance and career development reviews	Partly	Employees
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Partly	Board of Directors' Report
LA14	Ratio of basic salary of men to women by employee category	Not	

SOCIAL: HUMAN RIGHTS

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Investment and Procurement Practices			
HR1	Significant investment agreements that include human rights clauses or that have undergone human rights screening	Fully	Society
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Partly	Society
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights, including percentage of employees trained	Partly	Society
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken	Not	
Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	Partly	Society
Child Labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	Not	
Forced and Compulsory Labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	Not	
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Not	
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not	

SOCIAL: SOCIETY

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Fully	Society
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption	Partly	Integrity Society
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Partly	Integrity
SO4	Actions taken in response to incidents of corruption	Fully	Integrity
Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying	Not	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions	Not	
Anti-competitive Behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not	
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not	

SOCIAL: PRODUCT RESPONSIBILITY

Indicator	*Disclosure*	*Level of Reporting*	*Location of Disclosure*
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	Partly	Environment
Health, Safety and Working Environment			
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	Not	
Product and Service Labelling			
PR3	Product and service information required	Not	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning labeling	Not	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Not	
Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Not	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	Not	
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy	Not	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not	

APPENDIX 2
Overview of Stakeholder Engagement

Banks	Aker Solutions' engagement with banks includes group financing discussions and meetings on financial products such as hedging, cash management and guarantees. The company has frequent contact with its banks via e-mails and phone calls as part of the risk management processes.
Board of Directors	Aker Solutions' board of directors and audit committee meet regularly during the year to, among other things, oversee the company's performance and management of corporate responsibility and integrity risks. The board approves the annual report, including the responsibility sections.
Communities	Aker Solutions in 2014 interacted on a regular basis with the communities where it operates. For example, during the building of a new manufacturing plant in São dos Pinhais, Aker Solutions in Brazil spent 5 percent of the credit provided by the Brazilian Development Bank on social projects. A community dialogue and mapping were initiated to define the needs of nearby communities and identify what to support. Some 400 residents participated in the survey. Based on the input received, education was identified as the most prominent need. A school project was initiated to build and rebuild classrooms and facilities at two local schools.
Customers	Aker Solutions has continuous and close dialogue with all its customers in ongoing projects and contracts. The company also engages with customers through established roles, forums and meetings to address longer term customer engagement and interaction. Executive meetings 1-2 times a year between representatives from Aker Solutions and customers such as Statoil, Total, Shell and BP are carried out to safeguard these important customer relationships and the company's performance.
Employees	Aker Solutions engages with its employees in a range of formal and informal settings. Employee engagement activities typically include development and performance dialogues, regular meetings with employee-elected representatives and efforts to ensure a good working environment free from harassment and discrimination. The company also engages with employees in more informal settings such as through the Aker Active initiative, sports events and other social activities. During reorganization processes, such as the demerger process in 2014, the company seeks to approach employees in a structured and transparent process.
Governments and Local Authorities	Aker Solutions interacts with governments and local authorities when required in the countries where it operates. Interaction usually involves meetings on local legislation, local content requirements and general requirements and expectations related to the company's local operations. In Norway, there has also been dialogue with the Ministry of Trade, Industry and Fisheries about Aker Solutions' corporate responsibility.
Investors	Aker Solutions engages with investors on a frequent basis. The company participates in major financial industry conferences and seminars globally, on average two each month. The company took part in several conferences in 2014, including the Barclays Global Energy Conference (New York), Pareto Oil and Offshore Conference (Oslo), Goldman Sachs Natural Resources Conference (London), Bank of America Global Energy Conference (Miami), Barclays Swiss Conference (Zurich) and Cowen Ultimate Energy Conference (New York).
Media	Aker Solutions frequently engages with the media, both proactively and in response to requests. The company receives several inquiries a week from daily press and business magazines in Norway and internationally. It invites media to press seminars, press conferences and other events. It publishes press releases on earnings, contract wins, partnerships and other issues. The company also offers exclusive interviews with key staff on a non-regular basis. Aker Solutions in 2014 held press conferences on quarterly earnings and the company split. It held press events to highlight key projects such as the Johan Sverdrup FEED work and delivery of the Åsgard subsea compression system modules.
Non-Governmental Organizations	Aker Solutions' interaction with NGOs varies. In some places it is ongoing, in others less regular. As an example, the company in India cooperates with NGOs to enable skills enhancement, healthcare and education of socially and economically challenged persons. In 2014, a donation was given to Amnesty International on behalf of the company instead of offering Christmas gifts to employees.
Stock Exchange	As a listed company on the Oslo stock exchange, Aker Solutions is subject to a number of requirements under applicable Norwegian securities trading legislation and regulations established by the exchange. The company maintains a close dialogue with the exchange, particularly in relation to reporting obligations.
Suppliers	Aker Solutions has continuous interaction with its suppliers through regular meetings, site visits and audits both prior to and during engagements. The company follows up and evaluates suppliers' performance, gives guidance and advice when needed, and conducts investigations to ensure its suppliers operate at the standards required. The company in 2014 undertook several supplier site visits and audits.
Trade Unions	Group Union conveners held regular meetings in 2014 with Aker Solutions' Chief HR Officer. Meetings with the CEO were held as and when needed. Unions took part in task forces on organizational matters, such as the process prior to the demerger of Aker Solutions and had separate meetings/discussions with the CEO. Trade unions were also involved in discussions on how to best protect own employees when facing overcapacity and followed up on the results of the actions.

AkerSolutions

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