



Aker ASA

Second-quarter and half-year results 2017

Second-quarter 2017 highlights

Financial key figures

(Aker ASA and holding companies)

- The net asset value (“NAV”) of Aker ASA and holding companies (“Aker”) decreased by 11.5 per cent in the second quarter to NOK 28.8 billion, compared to NOK 32.6 billion as per 31 March 2017. Adjusted for dividend the NAV decreased 7.9 per cent. Per-share NAV amounted to NOK 388 as per 30 June 2017, compared to NOK 439 as per 31 March 2017 (prior to a NOK 16 dividend allocation).
- The Aker share decreased 12.7 per cent in the second quarter, adjusted for dividend. This compares to a 1.6 per cent increase in the Oslo Stock Exchange’s benchmark index (“OSEBX”).
- The value of Aker’s Industrial Holdings portfolio decreased to NOK 30.2 billion in the second quarter, from NOK 33.0 billion at the end of the first quarter. The value of Aker’s Financial Investments portfolio stood at NOK 5.8 billion at the end of the second quarter, compared to NOK 7.6 billion as per 31 March 2017. The NOK 1.8 billion quarterly decline is mainly explained by a lower cash position.
- Cash and liquid fund investments stood at NOK 2.1 billion at the end of the second quarter, down from NOK 4.3 billion as per 31 March 2017. The main cash inflow was dividends received, mainly from Ocean Yield and Aker BP, while the main cash outflows were dividend payment, repayment of debt and a loan provided to Aker BioMarine.
- The value-adjusted equity ratio was 80 per cent after dividend payment. This compares to 80 per cent as of 31 March 2017, prior to dividend allocation.

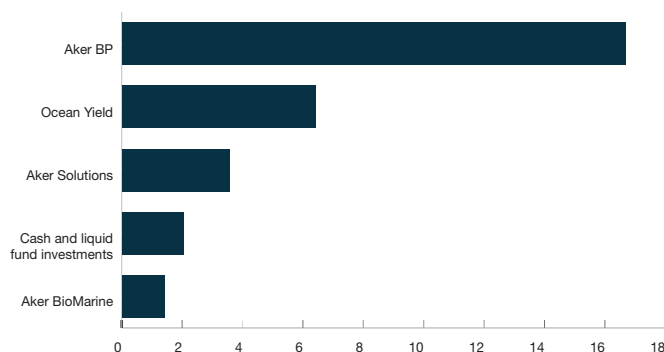
Key events in the quarter

- In April, Aker BP entered into long-term framework agreements with key suppliers of engineering services, construction, electro/IT/control room systems as well as transportation and installation of fixed facilities offshore. The Engineering & Procurement contract was awarded to Aker Solutions, while the Construction & Hook-up agreement was awarded to Kvaerner. All framework agreements have durations of six years with an option for four additional years.
- In June, Ocean Yield announced the investment in one Suezmax tanker on 14-year bareboat charter to Okeanis Marine Holdings SA. The purchase price, net of a seller’s credit, was USD 47 million. Ocean Yield also announced the investment in two Platform Supply Vessels on long-term charters to Aker BP from BP Shipping for a total consideration of USD 105.3 million. All three vessels were delivered to Ocean Yield in June.
- In June, Akastor entered into an agreement to sell KOP Surface Products to The Weir Group PLC for USD 114 million on a debt- and cash-free basis. The transaction is expected to close in the third quarter.
- In June, Aker BP completed the issuance of USD 400 million in senior notes with maturity in 2022. The notes carry 6 per cent interest. Aker BP intends to use the net proceeds of the offering to repay the existing subordinated bond due 2022 in full and use the balance to repay drawn amount under the revolving borrowing base credit facility.
- In June, Solstad Offshore announced the completion of the merger between Solstad Offshore ASA, Farstad Shipping ASA and Deep Sea Supply Plc. The new company name is Solstad Farstad ASA.
- In June, Aker exercised the option to extend the maturity of the USD 250 million term loan facility by one year to 2020. In addition, the loan agreement was amended to include an option to redraw the loan up to the original amount until 30 June 2018. As per the end of the second quarter, Aker had repaid USD 75 million of the loan.

Main contributors to gross asset value

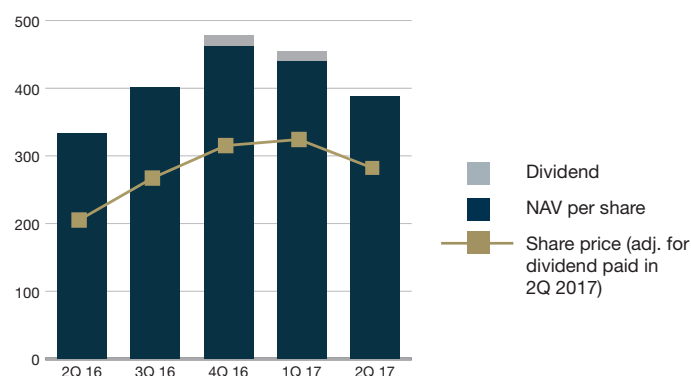
(NOK billion)

Representing 84 per cent of total gross asset value of NOK 36.1 billion



Net asset value and share price

(NOK per share)



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker’s underlying value and is a key determinant of the company’s dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Net asset value is gross asset value less liabilities.

Letter from the CEO

Dear fellow shareholders,

We just past the one year anniversary for the announcement of Aker BP. That transaction transformed Aker far beyond the shareholder values gained to date. The privilege of collaborating with BP as shareholders in Aker BP is a source of daily inspiration to us and the dialogue has already had a positive impact on other Aker portfolio companies. Aker has for decades benefited from long term business relationships with leading oil companies and that remains to be a formula for success as we are taking the group into the future.

Such longer term value drivers are important to keep in mind while reporting a second quarter with financial performance adversely impacted by continued oil price volatility. Our net asset value dropped 7.9 per cent and the Aker share price declined 12.7 per cent in the period, dividend adjusted. Year-on-year, however, Aker's NAV is up 21.5 per cent and the share price appreciation is 36.5 per cent, dividend adjusted.

Although the value development in the quarter is negative, I remain cautiously optimistic, partly because the value changes were triggered by oil price volatility and partly because our operating entities continue to perform well.

- All our oil service businesses continue to improve operational excellence, enhance competitiveness, strengthen customer relationships, win new contracts in a continued challenging market, and explore strategic options in order to further improve competitiveness.
- Akastor will strengthen its balance sheet further by divesting KOP Surface Products to The Weir Group.
- Aker BP successfully issued a USD 400 million US high yield bond and is well prepared for continued growth on the Norwegian Continental Shelf ("NCS"). In parallel, we continue the work to make Aker BP less exposed to oil price volatility by improving cost efficiency through lean operations, supplier alliances and new technologies.
- Ocean Yield manages counterparty risks well and continued last quarter its dividend accretive growth as the company acquired two PSVs from BP and one Suezmax tanker from Okeanis Marine Holdings, and
- Aker BioMarine combines continued organic growth with new investments in order to fortify its position as an innovative biotechnology company with a leading position as supplier of krill based products.



Although the value development in the quarter is negative, I remain cautiously optimistic, partly because the value changes were triggered by oil price volatility and partly because our operating entities continue to perform well



"The fourth industrial revolution" triggered by new technologies is a key issue in business today. A couple of years ago, we acknowledged that Aker was lacking the capabilities required to identify and drive the digital change at the speed required to win. Rather than hiring consultants, we decided to join forces with what we believe are some of the most talented IT professionals in Norway. As a result, Aker is now in the process of acquiring a majority shareholding in Cognite, a digitalization company incorporated by John Markus Lervik earlier this year. As this is virgin territory for most of us, I take it for granted that we will make – and learn from – our fair share of mistakes. But with support from John Markus and his team I am confident that Aker BP, other Aker group companies and external customers of Cognite will be better prepared and equipped to take advantage of new digital technologies as a competitive advantage and a differentiation factor.



A couple of years ago, we acknowledged that Aker was lacking the capabilities required to identify and drive the digital change at the speed required to win. Rather than hiring consultants, we decided to join forces with what we believe are some of the most talented IT professionals in Norway



Initiatives like Cognite are important for individual business enterprises. Step changes are likely to be achieved in both productivity and cost efficiency. New technology is expected to be a main contributor for Aker BP to achieve its target to reduce average production cost per barrel below USD 7 and sanction new projects at a break even oil price of USD 35 or less. These are our individual targets, but I believe that even more can be realized through collaboration. As an example, I can hardly imagine the amount of efficiency potential if regulators, operators and suppliers manage to put their act together and develop a common digital platform for projects and operations on the NCS.



New technology is expected to be a main contributor for Aker BP to achieve its target to reduce average production cost per barrel below USD 7 and sanction new projects at a break even oil price of USD 35 or less



More integrated business models and methods of collaborations (including IT systems) between operators and suppliers bilaterally could also make the oil and gas industry more sustainable. Aker can't change the industry at large, but together with trusted business partners we can find a more efficient and profitable way forward for our own enterprises.

I wish you all a great summer!



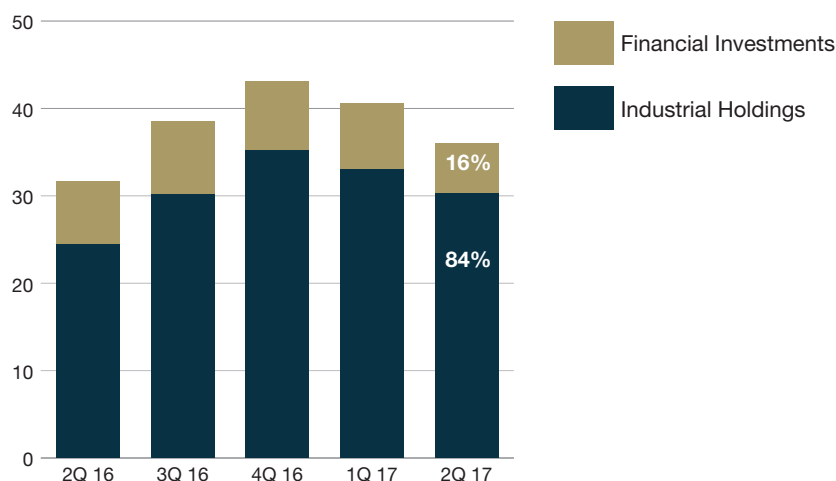
Øyvind Eriksen
President and CEO

Aker ASA and holding companies Assets and net assets value

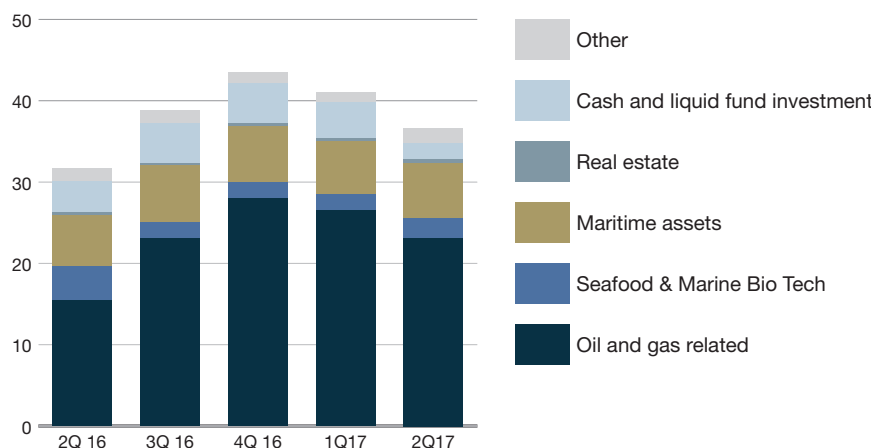
Net asset value (NAV) composition - Aker ASA and holding companies

	As of 31.12.2016		As of 31.03.2017		As of 30.06.2017	
	NOK/share	NOK million	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	473	35 139	444	33 017	407	30 243
Financial Investments	107	7 951	102	7 577	78	5 822
Gross assets	580	43 089	546	40 594	485	36 065
Total liabilities (4Q and 1Q before dividend allocations)	(118)	(8 755)	(108)	(8 005)	(97)	(7 238)
NAV (4Q and 1Q before dividend allocations)	462	34 335	439	32 589	388	28 827
Net interest-bearing receivables/(liabilities)		(2 751)		(2 740)		(4 202)
Number of shares outstanding (million)		74.282		74.296		74.296

Gross assets (NOK billion)



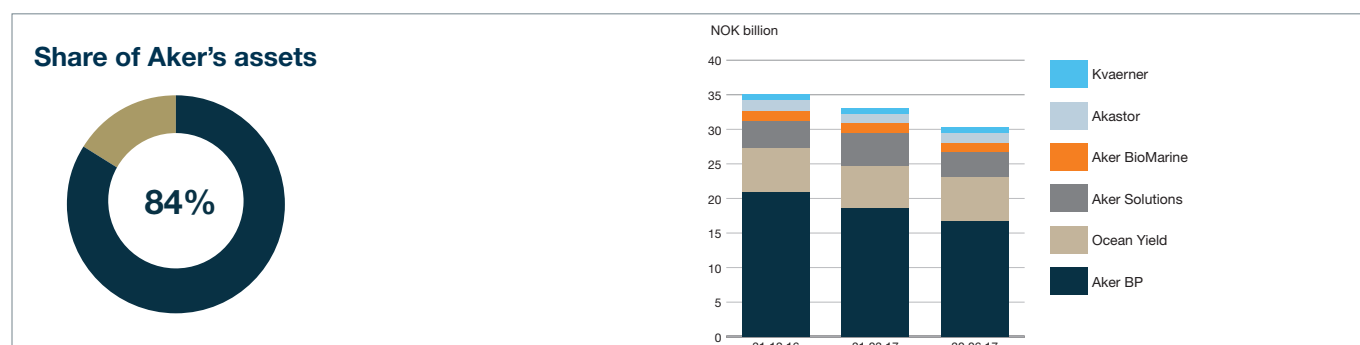
Gross assets per sector (NOK billion)



Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. The same valuation principles apply to fund investments. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and fund investments in the Financial Investments segment. Other assets consist mainly of intangibles and tangible fixed assets. The charts above show the composition of Aker's assets. The business segments are discussed in greater detail on pages 5-7 of this report.

Aker – Segment information

Industrial Holdings



Amounts in NOK million	Ownership in %	31.03.2017	2Q 17			30.06.2017	
		Value	Net investments	Received dividends	Other changes	Value change	Value
Aker BP	40.0	18 590	-	(210)	-	(1 695)	16 685
Ocean Yield	66.2	5 993	-	(152)	-	569	6 410
Aker Solutions	34.8	4 894	-	-	-	(1 328)	3 566
Aker BioMarine*	100.0	1 405	7	-	-	-	1 411
Akastor	36.7	1 302	-	-	-	80	1 383
Kvaerner	28.7	834	-	-	-	(46)	788
Total Industrial Holdings		33 017	7	(362)	-	(2 419)	30 243

*Reflected at book value

The total value of Aker's Industrial Holdings decreased by NOK 2.8 billion in the second quarter to NOK 30.2 billion, mainly due to a NOK 2.4 billion negative value change of the listed holdings. Aker received NOK 362 million in dividend payments from Aker BP and Ocean Yield in the quarter. The value of Aker's Industrial Holdings stood at NOK 35.1 billion as of 31 December 2016.

Of the NOK 2.4 billion negative value change in the second quarter, Aker BP stood for NOK 1.7 billion, Aker Solutions for NOK 1.3 billion and Kvaerner for NOK 46 million. This was partly offset by a value increase of NOK 569 million in Ocean Yield and NOK 80 million in Akastor.

The book value of Aker's non-listed holding, Aker BioMarine, remained at NOK 1.4 billion as per 30 June 2017. In the second quarter, Aker increased its ownership stake in Aker BioMarine to 100.0 per cent from 99.5 per cent at the end of the first quarter.

Aker BP

Aker BP is a fully-integrated E&P company operating on the NCS. Aker BP continues to deliver solid operational performance and produced on average 142.7 kboed in the second quarter. The company maintains an ambitious organic growth plan and continues to mature its non-sanctioned project portfolio. This year, Valhall West Flank, Snadd (Skarv tie-back) and Storklakken (Alvheim tie-back) have all passed concept selection and are on track for PDO submission before year-end. At the end of the second quarter, Aker BP raised USD 400 million in senior notes carrying 6 per cent fixed interest with maturity in 2022. The new bond loan will further strengthen the company's financial position and contribute to additional diversification of the capital structure. The company intends to use the net proceeds to fully repay the existing subordinated bond due 2022 and use the balance to repay drawn amount under the revolving borrowing base credit facility. Aker BP paid a dividend of USD 0.185 per share in the

quarter. The company maintains a strong balance sheet and Aker views the dividend policy of paying an annual dividend of at least USD 250 million per year towards Sverdrup first oil as robust, even at lower oil price levels.

Ocean Yield

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within oil services and shipping. The company targets fixed, long-term bareboat charters to credit-worthy counterparties. In the second quarter, Ocean Yield announced the acquisition of a Suezmax tanker on 14-year bareboat charter to Okeanis Marine Holdings SA. The net purchase price was USD 47 million. Ocean Yield also announced the acquisition of two Platform Supply Vessels from BP Shipping on long-term charter to Aker BP for a total consideration of USD 105.3 million. The transactions will provide additional diversification to the backlog, both on segment and counterparty level. Furthermore, Ocean Yield announced the extension of the bareboat charter for the Lewek Connector for three months, plus up to two months optional extension. Aker supports Ocean Yield's strategy of building a larger company over time through making value-accretive transactions and diversifying its portfolio further. At the end of the second quarter, Ocean Yield had USD 236 million in available liquidity which provides the company with ample investment capacity going forward. The company's estimated EBITDA backlog stood at USD 2.9 billion per the end of the second quarter and the average remaining contract tenor (weighted by EBITDA) was 11.4 years. The company raised its dividend in the second quarter by 0.25 cents per share quarter-on-quarter.

Aker Solutions

Aker Solutions is a global oil services company providing services, technologies, and product solutions within subsea and field design. Improving operational efficiency, reducing the cost base and nurturing existing and developing new customer relations are high on Aker's ownership agenda for Aker Solutions. In addition, Aker remains open to consider new alliances or structural alternatives if they are beneficial for the company and its shareholders. In the second quarter, Aker Solutions reported NOK 400 million in EBITDA adjusted for one-off expenses, and the company is well on track to deliver on its improvement program, which targets cost efficiency of NOK 9 billion across the business compared to the 2015 cost level. While operations are progressing according to plan, order intake remains a key priority for the company. In April, Aker Solutions secured a framework agreement from Aker BP to provide engineering and procurement services for new offshore field installations. Furthermore, a number of large contracts in the subsea space are expected to be awarded over the next twelve months, and the company is actively positioning itself to take its fair share. The company reported an order intake of NOK 3.0 billion in the quarter, bringing its backlog to NOK 30.7 billion at the end of the second quarter. Aker Solutions has been active in M&A over the last year through acquisitions of Norwegian oil service provider Reinertsen and Brazilian oil service provider C.S.E., and the company continues to monitor relevant opportunities that may arise.

Akastor

Akastor is an oil-services investment company with a flexible mandate for active ownership and long-term value creation. Aker encourages Akastor to play an active role in M&A, both to free up cash through the realization of assets and to selectively consider opportunities that could arise in the oil service downturn, albeit in a disciplined manner. The key event for Akastor in the second quarter was the agreement to divest KOP Surface Products to The Weir Group PLC. The agreed price on debt- and cash-free basis is USD 114 million, and closing is expected in the third quarter. The divestment of KOP Surface Products is the fifth significant transaction over the last twelve months and upon completion Akastor will have realized approximately NOK 3.5 billion of cash from sale of assets. The key remaining assets after the transaction are MHWirth and AKOFS Offshore. Akastor's net debt ended at NOK 3.3 billion (including a NOK 1.6 billion lease liability for the Aker Wayfarer vessel) in the second quarter, while the liquidity reserve stood at NOK 1.6 billion. Akastor continues to work closely with its portfolio companies to support cost saving programs, operational improvements and strategic initiatives to strengthen competitiveness and position them for a market recovery.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health and animal nutrition markets. In the second quarter, the company reported USD 30 million in revenues and USD 6 million in EBITDA. While sales of Superba™ Krill Oil and Quill™ Aqua are developing well, profitability was impacted by higher production costs and overhead expenses. In the quarter, Aker BioMarine acquired the harvesting vessel Juvel, including associated patents and intellectual property from the bankruptcy estate of Emerald Fisheries. To finance the Juvel transaction and capital expenditures for the new krill harvesting vessel, Aker BioMarine entered into a loan agreement with Aker, providing the company with liquidity funding through a revolving credit facility, of which USD 45 million was drawn at the end of the second quarter. Aker continues to evaluate various options related to the long-term value creation plan for Aker BioMarine, which includes both capital expenditures and acquisitions to create a larger and more robust company. Investments may require further funding from Aker.

Kvaerner

Kvaerner is an oil and gas-related EPC company, mainly focused on the NCS. The company continued its solid operational performance in the second quarter and reported an adjusted EBITDA of NOK 216 million, corresponding to an adjusted margin of 14.4 per cent. In April, Kvaerner signed a framework agreement with Aker BP covering construction and hook-up of fixed offshore platform, including topsides and steel jacket substructures. The order backlog ended at NOK 9.0 billion in the second quarter. The market is slowly improving for Kvaerner and a number of projects are expected to be sanctioned over the next 6-18 months. The company maintains committed to cutting costs and increasing efficiency to boost competitiveness in order to secure new contracts. Aker supports Kvaerner's ambitions to explore strategic opportunities. The company ended the second quarter with NOK 2.9 billion in cash, in addition to an NOK 2.0 billion undrawn credit facility, providing a significant liquidity buffer.

Results and Returns for Industrial Holdings¹⁾

Amounts in NOK million	Aker Solutions		Akastor		Kvaerner	
	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17
Revenue	6 969	5 425	1 326	873	1 859	1 502
EBITDA	563	305	(135)	18	96	219
EBITDA margin (%)	8.1	5.6	(10.2)	2.1	5.2	14.6
Net profit continued operations	131	33	(575)	(321)	15	144
Closing share price (NOK/share)	35.50	37.71	9.29	13.75	7.60	10.20
Quarterly return (%) ³⁾	33.5	(27.1)	6.2	6.2	7.8	(5.6)

Amounts in USD million	Aker BP		Ocean Yield		Aker BioMarine	
	2Q16	2Q17	2Q16	2Q17	2Q16	2Q17
Revenue	256	595	70	82	27	30
EBITDA ²⁾	211	470	63	74	11	6
EBITDA margin (%)	82.6	79.1	90.4	90.4	40.4	19.0
Net profit continued operations	6	60	26	31	5	0
Closing share price (NOK/share)	101.40	123.50	60.50	65.25	N/A	N/A
Quarterly return (%) ³⁾	63.5	(9.1)	11.5	9.5	N/A	N/A

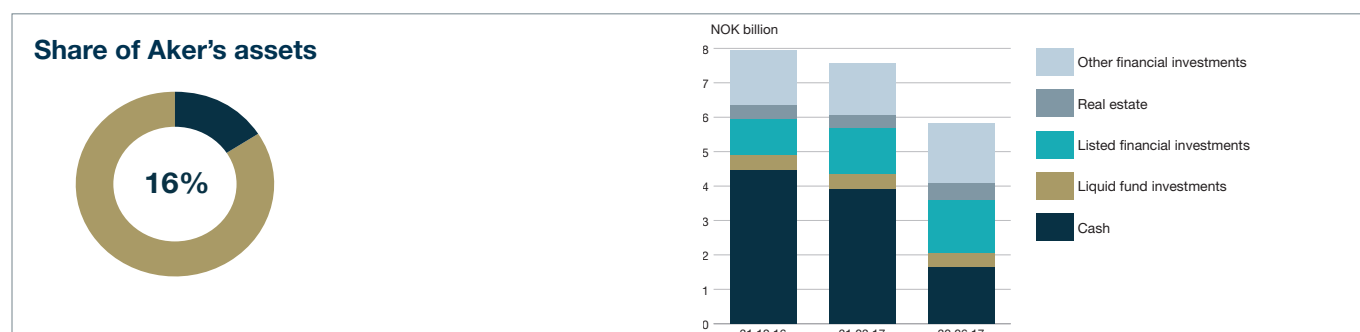
¹⁾ The figures refer to the results reported by the companies. Reference is made to the respective companies' quarterly reports for further details.

²⁾ For Aker BP, EBITDAX is used.

³⁾ The figures refer to total shareholder return, i.e. share price development and dividend payments.

Aker – Segment information

Financial Investments



	31.12.2016		31.03.2017		As of 30.06.2017	
	NOK/share ¹⁾	NOK million	NOK/share ¹⁾	NOK million	NOK/ share ¹⁾	NOK million
Cash	60	4 466	53	3 921	22	1 630
Liquid fund investments	6	410	6	410	6	422
Listed financial investments	14	1 055	18	1 353	20	1 520
Real estate	6	426	5	376	7	509
Other financial investments	21	1 594	20	1 517	23	1 742
Total Financial Investments	107	7 951	102	7 577	78	5 822

¹⁾ The investment's contribution to Aker's per-share NAV.

Financial Investments comprise Aker's cash, liquid fund investments, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 5.8 billion as of 30 June 2017, down from NOK 7.6 billion as of 31 March 2017 and NOK 8.0 billion as of 31 December 2016. The decrease is mainly explained by a lower cash position.

Aker's **Cash holding** stood at NOK 1.6 billion at the end of the second quarter, down from NOK 3.9 billion as of 31 March 2017 and NOK 4.5 billion per year-end 2016. The primary cash inflow in the quarter was NOK 376 million in received dividends. The primary cash outflows were NOK 1.2 billion in dividends paid, NOK 520 million in repayment of the AKER07 bond loan, a NOK 380 million drawdown of a loan provided to Aker BioMarine, NOK 283 million in investments, NOK 210 million in partial repayment of debt under the USD term loan facility, and NOK 150 million in net interest paid and operating expenses.

Aker held NOK 422 million in **Liquid fund investments** at the end of the second quarter, on par with prior quarter and year-end 2016.

The value of **Listed financial investments** stood at NOK 1.5 billion as of 30 June 2017, compared to NOK 1.4 billion as of 31 March 2017 and NOK 1.1 billion as of 31 December 2016. The value of Aker's investment in Philly Shipyard increased to NOK 597 million, compared to NOK 414 million in the prior quarter, while the value of Aker's direct and indirect investment in American Shipping Company was NOK 324 million at the end of the second quarter, compared to NOK 432 million as of 31 March 2017. Aker's shares in Solstad Farstad was valued at NOK 562 million as per 30 June 2017. Aker's share investments in Solstad Offshore and

Farstad Shipping were valued at NOK 459 million in the prior quarter. The increase is primarily explained by Aker converting a NOK 250 million loan into 20 million shares in Solstad Farstad following completion of the merger, partly offset by a value reduction. Finally, Aker's shares in Cxense decreased to NOK 37 million compared to NOK 47 million as of 31 March 2017.

Aker's **Real estate** exposure increased by NOK 133 million in the quarter to NOK 509 million from NOK 376 million per 31 March 2017 as Aker contributed equity capital to repay external debt and to fund the acquisition of an ongoing residential project. Aker's real estate exposure stood at NOK 426 million as of 31 December 2016. The value of Aker's current real estate holdings mainly reflects ongoing residential projects, as well as the value of land at Fornebu and Aberdeen.

Other financial investments amounted to NOK 1.7 billion in the second quarter, up from NOK 1.5 billion as of 31 March 2017 and NOK 1.6 billion as of 31 December 2016. Other financial investments consist of equity investments, receivables, and other assets. The value of Aker's receivables was NOK 1.1 billion at the end of the second quarter, up from NOK 915 million as of 31 March 2017. Receivables rose primarily due to a NOK 380 million drawdown of a loan provided to Aker BioMarine, partly offset by a NOK 250 million loan conversion to shares in Solstad Farstad.

Aker ASA and holding companies

Combined balance sheet

Amounts in NOK million	31.12.2016	31.03.2017	30.06.2017
Intangible, fixed, and non-interest bearing assets	191	196	238
Interest-bearing fixed assets	1 114	965	962
Investments ¹⁾	17 381	17 725	17 761
Non interest-bearing short-term receivables	43	148	76
Interest-bearing short-term receivables	-	-	134
Cash	4 466	3 921	1 630
Assets	23 194	22 955	20 801
Equity	13 251	13 761	13 563
Non interest-bearing debt	1 612	1 569	310
Interest-bearing debt, external	8 331	7 625	6 928
Equity and liabilities	23 194	22 955	20 801
Net interest-bearing receivables (debt)	(2 751)	(2 740)	(4 202)
Equity ratio (%)	57	60	65

¹⁾ Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting practices (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The total book value of assets was NOK 20.8 billion at the end of the second quarter 2017, down from NOK 23.0 billion and NOK 23.2 billion at the end of the first quarter and as per year-end 2016, respectively.

Intangible, fixed and non-interest bearing assets stood at NOK 238 million, on par with the prior quarter and year-end 2016.

Interest-bearing fixed assets stood at NOK 962 million at the end of the second quarter, on par with with the prior quarter. The main changes in the quarter were a NOK 380 million drawdown of a loan provided to Aker BioMarine, offset by a NOK 250 million loan conversion into shares in Solstad Farstad and repayment of loans provided to Fornebuporten Holding and American Shipping Company. Interest-bearing fixed assets stood at NOK 1.1 billion at year-end 2016.

Investments amounted to NOK 17.8 billion in the second quarter compared to NOK 17.7 billion as per 31 March 2017. The main changes in the quarter were the loan conversion into shares in Solstad Farstad and the increased investment in Fornebuporten Holding. This was offset by write-downs of the book value of Aker's direct investment in Aker Solutions and Solstad Farstad. Investments stood at NOK 17.4 billion as per year-end 2016.

Non interest-bearing short-term receivables decreased to NOK 76 million in the second quarter, compared to NOK 148 million at the end of the first quarter. The decrease is primarily due to value reduction on the total return swaps related to American Shipping Company. Non interest-bearing short-terms receivables stood at NOK 43 million per 31 December 2016.

Interest-bearing short-term receivables rose to NOK 134 million in the second quarter, from nil in the prior quarter and at year-end 2016.

Aker's **Cash** stood at NOK 1.6 billion at the end of the second quarter, down from NOK 3.9 billion as per the end of the first quarter and NOK 4.5 billion as per year-end 2016.

Equity amounted to NOK 13.6 billion at the end of the second quarter, compared to NOK 13.8 billion as per 31 March 2017 and NOK 13.3 billion as per 31 December 2016. The decrease in the second quarter is primarily due to Aker posting a loss before tax of NOK 201 million.

Non interest-bearing debt stood at NOK 310 million in the second quarter, down from NOK 1.6 billion in the prior quarter and year-end 2016. The decrease is mainly explained by the payment of NOK 1.2 billion in dividend.

Interest-bearing debt, external fell by NOK 698 million in the second quarter to NOK 6.9 billion. The decrease is primarily related to a NOK 500 million repayment of the AKER07 bond loan (call premium excluded) and a NOK 210 million partial repayment of debt under the USD term loan facility.

Aker ASA and holding companies

Combined income statement

Amounts in NOK million	2Q 16	1Q 17	2Q 17	1H 16	1H 17	Year 2016
Sales gain	90	-	-	278	-	1 906
Operating expenses	(48)	(63)	(54)	(108)	(118)	(198)
EBITDA	42	(63)	(54)	171	(118)	1 708
Depreciation	(21)	(4)	(4)	(26)	(7)	(32)
Value change	326	134	(392)	11	(258)	(8)
Net other financial items	395	444	249	503	693	950
Profit/(loss) before tax	742	511	(201)	659	310	2 617

Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting practices (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2016 annual report.

The income statement for Aker ASA and holding companies shows a loss before tax of NOK 201 million for the second quarter 2017. This compares to a profit before tax of NOK 511 million in the prior quarter. The NOK 310 million profit in the first half of 2017 compares to a NOK 659 million profit in the first half of 2016. As in previous periods, the income statement is mainly affected by value changes in share investments and dividends received.

Operating expenses in the second quarter were NOK 54 million compared to NOK 63 million in the prior quarter. Operating expenses for the first half of 2017 were NOK 118 million, compared to NOK 108 million in the first half of 2016.

Value change in the second quarter was negative NOK 392 million, mainly reflecting the value decrease of Aker's direct holding in Aker Solutions and Solstad Farstad. The value change in the quarter compares to a positive value change of NOK 134 million in the prior quarter. Value changes for the first half of 2017 and 2016 were negative NOK 258 million and positive NOK 11 million, respectively.

Net other financial items in the second quarter amounted to NOK 249 million, compared to NOK 444 million in the first quarter. The decrease is primarily explained by negative mark-to-market adjustments on Aker's total return swaps related to American Shipping Company. Aker received NOK 376 million in dividends in the second quarter, compared to NOK 410 million in the first quarter. Net other financial items amounted to NOK 693 million in the first half of 2017, compared to NOK 503 million in the first half of 2016.

The Aker Share

The company's share price decreased to NOK 274 at the end of the second quarter 2017 from NOK 332 three months earlier. In addition, a NOK 16 dividend was paid to shareholders in May. The company had a market capitalisation of NOK 20.4 billion as per 30 June 2017.

As per 30 June 2017, the total number of shares in Aker amounted to 74 321 862 and the number of outstanding shares was 74 295 513. As per the same date, Aker held 26 349 own shares.

Group consolidated accounts

The Aker Group's consolidated accounts are presented from page 12 onwards. Detailed information on revenues and pre-tax profit for each of Aker's operating segments is included in note 9 on page 18 of this report.

Risks

Aker ASA and each portfolio company are exposed to various forms of market, operational and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses long-standing expertise. The company has established a model for risk management based upon identifying, assessing and monitoring major financial, strategic and operational risks in each business segment, drawing up contingency plans for those risks and closely monitoring the consolidated risk picture. The identified risks and how they are managed are reported to the Aker Board on a regular basis. Aker continuously works to improve its risk management process.

The main risks that Aker ASA and holding companies are exposed to are related to the value changes of the listed assets due to market price fluctuations. The development of the global economy, and energy prices in particular, as well as currency fluctuations, are important variables in predicting near-term market fluctuations. Aker ASA and holding companies are also exposed to risk of insufficient access to external financing. The company seeks to mitigate this risk by maintaining a solid cash buffer and by proactively planning for refinancing activities.

The companies in Aker's portfolio are, like Aker, exposed to commercial risks, financial risks and market risks. In addition these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, i.e. political decisions on petroleum taxes, environmental regulations and operational risks, including major accidents which may have significant financial impact.

Crude oil prices continue to remain at low levels and volatility has increased, resulting in greater uncertainty in the oil and gas sector. Lower oil prices have impacted revenues and the challenging environment for offshore oil services may adversely affect the financial strength of some of Aker's portfolio companies' counterparties.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2016.

Outlook

Investments in listed shares comprised 84 per cent of the company's assets as per 30 June 2017. About 64 per cent of Aker's investments was associated with the oil and gas sector, 19 per cent with the maritime industry, seafood and marine biotechnology 7 per cent, cash and liquid fund investments represented 6 per cent, and other assets 5 per cent. Aker's NAV will thus be influenced by fluctuations in commodity prices, exchange rates and developments on the Oslo Stock Exchange, as well as operational performance.

The cutbacks in E&P spending, driven by oil and gas companies' focus on free cash flow amid lower crude prices, have put the oil service industry under pressure. Aker expects overall activity levels to remain subdued also in 2017 as E&P companies take a cautious approach to new investments until oil prices demonstrate a sustained recovery. Aker's portfolio companies in the oil and gas sector will therefore continue to reduce their cost base in line with activity levels, while at the same time strengthen their competitiveness through increased productivity, efficiency and standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects, which may result in more projects being sanctioned in the short to medium term. Aker remains positive about the longer-term outlook for oil and gas and will therefore continue to seek counter-cyclical investment opportunities in the sector.

Aker's strong balance sheet, liquidity and undrawn credit facilities enable the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investments when they materialise. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio, and to consider new investment opportunities.

Fornebu, 17 July 2017
Board of Directors and President and CEO

Financial calendar 2017

23 November Presentation of 3Q 2017

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Ticker codes:

AKER NO in Bloomberg

AKER.OL in Reuters

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Alternative Performance Measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties, and they are meant to provide an enhanced insight into operations, financing and future prospects of the group. The definitions of these measures are as follows:

- **EBITDA** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Order backlog** represents the estimated value of remaining work on signed contracts.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.

Aker Group

Condensed consolidated financial statements for the first half 2017

Consolidated income statement

Amounts in NOK million	Note	January-June		Year
		2017	2016	2016
		Restated*	Restated*	Restated*
Operating revenues	9	18 792	21 689	43 348
Operating expenses		(16 324)	(19 429)	(37 564)
Operating profit before depreciation and amortisation		2 468	2 260	5 784
Depreciation and amortisation	10	(1 293)	(1 295)	(2 595)
Impairment charges and other non-recurring items		(28)	(133)	(1 538)
Operating profit		1 146	833	1 652
Net financial items		(567)	(590)	(1 993)
Share of earnings in equity accounted companies	11	230	(69)	(600)
Profit before tax	9	810	173	(941)
Income tax expense		(137)	(81)	(360)
Net profit/loss from continuing operations		672	92	(1 301)
Discontinued operations:				
Profit and gain on sale from discontinued operations, net of tax	12	399	447	16 368
Profit for the period		1 071	539	15 066
Equity holders of the parent		626	512	14 412
Minority interests		446	27	654
Average number of shares outstanding (million)	7	74,3	74,2	74,2
Basic earnings and diluted earnings per share continuing business (NOK)		12,81	3,78	(8,97)
Basic earnings and diluted earnings per share (NOK)		8,41	6,90	194,11

*) See Note 12

Consolidated statement of comprehensive income

Amounts in NOK million	January-June		Year
	2017	2016	2016
Profit for the period	1 071	539	15 066
Other comprehensive income, net of income tax:			
Items that will not be reclassified to income statement:			
Defined benefit plan actuarial gains (losses)	(1)	-	(42)
Other changes	-	14	14
Items that will not be reclassified to income statement	(1)	14	(28)
Items that may be reclassified subsequently to income statement:			
Changes in fair value of financial assets	17	(38)	7
Changes in fair value cash flow hedges	144	(26)	93
Reclassified to profit or loss: changes in fair value of available-for-sale financial assets, translation and cash flow hedges	54	(244)	(624)
Currency translation differences	(134)	(1 248)	(1 482)
Change in other comprehensive income from equity accounted companies	(595)	(41)	1 389
Items that may be reclassified subsequently to income statement	(513)	(1 597)	(618)
Other comprehensive income, net of income tax	(514)	(1 583)	(646)
Total comprehensive income for the period	557	(1 044)	14 421
Attributable to:			
Equity holders of the parent	48	(231)	14 506
Minority interests	510	(813)	(85)
Total comprehensive income for the period	557	(1 044)	14 421

Consolidated balance sheet

Amounts in NOK million	Note	At 30.06 2017	At 30.06 2016	At 31.12 2016
Assets				
Non-current assets				
Property, plant & equipment	10	22 689	24 641	22 693
Intangible assets	10	9 418	10 613	9 429
Deferred tax assets		1 617	1 626	1 608
Investments in equity accounted companies	11	20 185	939	20 668
Other shares		1 078	945	1 016
Interest-bearing long-term receivables		6 060	5 446	7 451
Other non-current assets		315	667	193
Total non-current assets		61 361	44 876	63 059
Current assets				
Inventory, trade and other receivables		15 000	21 068	15 836
Calculated tax receivable		378	140	359
Interest-bearing short-term receivables		483	233	513
Cash and bank deposits		7 964	10 409	12 718
Total current assets		23 825	31 850	29 426
Assets classified as held for sale		533	53 102	207
Total assets		85 719	129 828	92 692
Equity and liabilities				
Paid in capital		2 331	2 331	2 330
Retained earnings and other reserves		18 373	4 822	19 512
Total equity attributable to equity holders of the parent	7	20 703	7 154	21 842
Minority interest		18 471	20 414	18 177
Total equity		39 174	27 568	40 019
Non-current liabilities				
Non-current interest-bearing debt	8	23 477	24 766	23 909
Deferred tax liabilities		289	187	275
Provisions and other long-term liabilities		2 520	3 078	2 760
Total non-current liabilities		26 287	28 031	26 943
Current liabilities				
Current interest-bearing debt	8	4 992	5 000	6 392
Tax payable, trade and other payables		15 107	22 198	19 111
Total current liabilities		20 100	27 197	25 503
Total liabilities		46 387	55 228	52 446
Liabilities classified as held for sale		158	47 032	227
Total equity and liabilities		85 719	129 828	92 692

Consolidated cash flow statement

Amounts in NOK million	Note	January-June		Year
		2017	2016	2016
			Restated*	Restated*
Profit before tax		810	173	(941)
Depreciation and amortisation		1 293	1 295	2 595
Other items and changes in other operating assets and liabilities		(2 436)	2 346	7 715
Net cash flow from operating activities		(333)	3 814	9 369
Proceeds from sales of property, plant and equipment	10	9	204	1 329
Proceeds from sale of shares and other equity investments		359	444	457
Disposals of subsidiary, net of cash disposed		(94)	521	4 612
Acquisition of subsidiary, net of cash acquired		(268)	(118)	(216)
Acquisition of property, plant and equipment	10	(2 061)	(6 493)	(9 813)
Acquisition of equity investments in other companies		(804)	(121)	(1 450)
Acquisition of Aker BP shares and net cash disposed in Det norske		-	-	(5 472)
Acquisition of vessels accounted for as finance lease		(398)	(864)	(2 089)
Net cash flow from other investments		1 784	(284)	(788)
Net cash flow from investing activities		(1 473)	(6 711)	(13 430)
Proceeds from issuance of interest-bearing debt	8	3 985	9 786	14 312
Repayment of interest-bearing debt	8	(5 556)	(4 774)	(6 775)
New equity		-	5	859
Own shares and purchase of minority interests		5	(16)	(213)
Dividends paid		(1 406)	(1 039)	(1 379)
Net cash flow from financing activities		(2 973)	3 962	6 804
Net change in cash and cash equivalents		(4 778)	1 065	2 743
Effects of changes in exchange rates on cash		(29)	(297)	(360)
Cash and cash equivalents at the beginning of the period		12 771	10 388	10 388
Cash and cash equivalents at end of period		7 964	11 156	12 771
Classified as assets held for sale prior period		-	(747)	(53)
Cash and cash equivalents at end of period		7 964	10 409	12 718

Consolidated statement of changes in equity

Amounts in NOK million	Total paid-in capital	Total translation and other reserves	Retained earnings	Total equity of equity holders of the parent	Minority interests	Total equity
Balance at 31 December 2015	2 327	3 403	2 227	7 957	21 462	29 419
Profit for the year 2016	-	-	14 412	14 412	654	15 066
Other comprehensive income	-	116	(22)	94	(739)	(646)
Total comprehensive income	-	116	14 391	14 506	(85)	14 421
Dividends	-	-	(742)	(742)	(637)	(1 379)
Own shares	3	-	7	9	-	9
Share-based payment transactions	1	-	2	2	-	2
Total contributions and distributions	3	-	(734)	(730)	(637)	(1 367)
Acquisition and sale of minority	-	-	120	120	(87)	32
Issuance of shares in subsidiary	-	-	(10)	(10)	869	859
Total changes in ownership without change of control	-	-	110	110	782	892
Loss of control in subsidiaries	-	-	-	-	(3 345)	(3 345)
Balance at 31 December 2016	2 330	3 518	15 994	21 842	18 177	40 019
Profit for the period Jan - June 2017	-	-	626	626	446	1 071
Other comprehensive income	-	(578)	-	(578)	64	(514)
Total comprehensive income	-	(578)	625	48	510	557
Dividends	-	-	(1 188)	(1 188)	(218)	(1 406)
Share-based payment transactions	-	-	2	2	-	2
Total contributions and distributions	-	-	(1 187)	(1 186)	(218)	(1 405)
Acquisition and sale of minority	-	-	-	-	3	3
Total changes in ownership without change of control	-	-	-	-	3	3
Balance at 30 June 2017	2 331	2 941	15 432	20 703	18 471	39 174

Balance at 31 December 2015	2 327	3 403	2 227	7 957	21 462	29 419
Profit for the period Jan - June 2016	-	-	512	512	27	539
Other comprehensive income	-	(743)	-	(743)	(840)	(1 583)
Total comprehensive income	-	(743)	512	(231)	(813)	(1 044)
Dividends	-	-	(742)	(742)	(321)	(1 062)
Own shares	1	-	(5)	(4)	-	(4)
Share-based payment transactions	4	-	19	22	-	22
Total contributions and distributions	4	-	(728)	(724)	(321)	(1 044)
Acquisition and sale of minority	-	-	151	151	81	233
Issuing shares in subsidiary	-	-	-	-	5	5
Total changes in ownership without change of control	-	-	151	151	86	238
Balance at 30 June 2016	2 331	2 660	2 162	7 154	20 414	27 568

Notes to the Aker Group condensed consolidated financial statements for the first half 2017

1. Introduction – Aker ASA

Aker ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the first half of 2017, ended 30 June 2017, comprise Aker ASA and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly-controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2016 and quarterly reports are available at www.akerasa.com.

2. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the additional requirements in the Norwegian Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2016.

These condensed consolidated interim financial statements were approved by the Board of Directors on 17 July 2017.

A number of standards, amendments to standards and interpretations are not yet effective for the period ended 30 June 2017, and have not been applied in preparing these consolidated financial statements. The expected impacts as described below may change as clarifications are issued by the IASB or as practice develops in the industry.

IFRS 9 Financial Instruments will be effective from 1 January 2018. The standard addresses the classification measurement and recognition of financial assets and financial liabilities and will replace the guidance in IAS 39 that relates to the classification and measurements of financial instruments. The effect of classification of financial instruments and the expected credit loss principles are not expected to have material impact on the group’s financial position. The percentage of qualifying hedges is however expected to increase under IFRS 9 as the hedge accounting model is more aligned with risk management. Based on preliminary assessments, the group does not anticipate significant impacts on its consolidated financial statements of the new standard, but additional disclosures are being required. On transition to IFRS 16, the group will apply the standard retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings as of January 1, 2018.

IFRS 15 Revenue from contracts with customers will be effective from 1 January 2018. The standard will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction contracts and the related interpretations when it becomes effective. IFRS 15 introduces a five-step model that applies to revenue arising from contracts with customers. The group has worked on assessing the impact of the new standard for some time, and is now in a phase where specific contracts are assessed in order to identify differences and implementations effects. The current assessment is that a progress-based recognition of revenue over time is still expected to be the applicable method for most of the projects in Aker. There will however be a higher threshold for recognising revenue from incentive schemes and tender cost is expected to be mainly expensed as incurred under the new standard. Based in preliminary assessments, the group does not anticipate significant impacts on its consolidated financial statements of the new standard, but additional disclosures are being required. On transition to IFRS 15, the group will apply the standard retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings as of January 1, 2018.

IFRS 16 Leases will be effective from 1 January 2019. The standard introduces a single, on-balance sheet lease accounting model for lessees, with optional exemptions for short-term leases and leases of low value items. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. As a result of the new standard, assets and liabilities will increase with a value close to the net present value of future lease payments and EBITDA will increase as the lease payments will be presented as depreciation and finance cost. The group has started an initial assessment of the potential impact on its consolidated financial statements, but is still in an early stage. The group has not yet determined on the transition approach to apply IFRS 16, or quantified the impact on its consolidated financial statements.

3. Significant accounting principles

The accounting policies applied by the group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended 31 December 2016. The group’s accounting principles are described in the Aker ASA annual financial statements for 2016.

4. Acquisition of subsidiaries

On April 7, 2017, Aker Solutions entered into an agreement to acquire Reinertsen's Norwegian oil and gas services business to strengthen the position as a leading maintenance and modifications supplier offshore Norway. About 700 employees and a backlog containing key maintenance and modifications contracts with Statoil, including a framework agreement of as many as 10 years awarded in December 2015, was part of the deal. Annual revenue from the business was NOK 800 million in 2016. The agreement excludes Reinertsen's borrowings as of December 19, 2016, when the company went into debt negotiation proceedings.

The transaction was structured as an asset deal with a purchase price of NOK 213 million. Transaction costs of NOK 3.4 million has been recognised as other operating expenses in the income statement. Goodwill resulting from the transaction is mainly attributable to the expected synergies by moving Reinertsen employees in Trondheim and Bergen to Aker Solutions offices in addition to synergies from assembled workforce. The purchase price allocation presented at the time of this report is preliminary.

The recognised amounts of assets and liabilities assumed at time of acquisition were as follows:

Amounts in NOK million	
Property, plant, and equipment	6
Intangible assets	45
Total assets	51

Other current liabilities	58
Total liabilities	58

Total identifiable net assets at fair value	(7)
Goodwill arising on acquisition	219
Total consideration paid on acquisition	213

Operating revenue in acquired business after acquisition	111
Profit for the period in acquired business after acquisition	3

The above valuation is based on current available information about fair values as of the acquisition date. If new information becomes available within 12 months from the acquisition date, the fair value assessment in the PPA may change, in accordance with guidance in IFRS 3.

5. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimate uncertainty, are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2016.

6. Pension, tax and contingencies

Calculation of pension cost and liability is done annually by actuaries. In the interim financial reporting, pension costs and liabilities are based on the actuarial forecasts. Income tax expense is recognised in each interim period based on the best estimate of the expected annual income tax rates.

7. Share capital and equity

As of 30 June 2017 Aker ASA had issued 74 321 862 ordinary shares at a par value of NOK 28 per share. Total own shares were 26 349. Average outstanding number of shares is used in the calculation of earnings per share in all periods in 2016 and 2017.

At year-end 2016, the board of directors suggested a dividend of NOK 16.00 per share for 2016, a total of NOK 1 188 million. The dividend distribution was approved at the Annual General Meeting in April 2017 and paid in May 2017.

8. Interest-bearing debt

Material changes in interest-bearing debt (current and non-current) during 2017:

Amounts in NOK million	Non-current	Current	Total
Balance at 1 January 2017	23 909	6 392	30 300
Drawn Revolving Credit facility in Aker Solutions	-	1 300	1 300
Drawn bank facility in Ocean Yield	1 900	-	1 900
Drawn bank facility in Akastor	434	-	434
Establishment fee, other new loans and changes in credit facilities	52	299	351
Total funds from issuance of non-current and current debt	2 386	1 599	3 985
Repayment of USD bank facility in Aker ASA and holding companies	(421)	-	(421)
Repayment of bonds in Aker Solutions	-	(1 500)	(1 500)
Repayment of bonds in Aker ASA and holding companies	(500)	(500)	(1 000)
Repayment of bank facility in Ocean Yield	(591)	(1 402)	(1 993)
Other repayments	(642)	-	(642)
Total repayments of non-current and current debt	(2 154)	(3 402)	(5 556)
Acquisition of subsidiaries	123	-	123
Exchange rate differences and other changes	(787)	403	(384)
Balance at end of period	23 477	4 992	28 469

9. Operating segments

Aker identifies segments based on the group's management and internal reporting structure.

Aker's investment portfolio is comprised of two segments: Industrial Holdings and Financial Investments.

Recognition and measurement applied in the segment reporting are consistent with the accounting policies in the condensed consolidated interim financial statements.

Operating revenues	January-June		Year
	2017	2016	2016
Amounts in NOK million	Restated*		Restated*
Industrial holdings			
Aker Solutions	10 598	13 432	25 557
Akastor	1 816	2 556	4 975
Ocean Yield	1 363	1 151	2 473
Aker BioMarine	487	445	981
Kvaerner	3 056	4 087	7 896
Eliminations	(418)	(494)	(1 203)
Total industrial holdings	16 902	21 178	40 679
Financial investments and eliminations	1 890	511	2 670
Aker group	18 792	21 689	43 348
Profit before tax			
Amounts in NOK million	January-June		Year
	2017	2016	2016
	Restated*		Restated*
Industrial holdings			
Aker Solutions	143	457	273
Akastor	(648)	(1 166)	(2 245)
Aker BP (equity accounted, 40 per cent share)	435	-	(225)
Ocean Yield	635	433	790
Aker BioMarine	(32)	42	(12)
Kvaerner	278	54	214
Eliminations	39	52	110
Total industrial holdings	850	(128)	(1 095)
Financial investments and eliminations	(40)	301	154
Aker group	810	173	(941)

*) See Note 12

10. Property, plant and equipment and intangible assets

Material changes in property, plant and equipment and intangible assets during 2017:

Amounts in NOK million	Property, plant and equipment	Intangible assets	Total
Balance at 1 January 2017	22 693	9 429	32 123
Other proceeds from sales of property plant and equipment	(9)	-	(9)
Total proceeds	(9)	-	(9)
Acquisition of vessels and equipment in Ocean Yield	1 382	-	1 382
Other acquisitions	588	91	679
Acquisition of property, plant and intangible assets	1 970	91	2 061
Acquisition and sale of subsidiaries	6	264	270
Depreciation and amortisation continued operations	(1 092)	(201)	(1 293)
Depreciation and amortisation discontinued operations	(16)	(5)	(21)
Impairment continued operations	(4)	(24)	(28)
Reclassification	(311)	-	(311)
Exchange rates differences and other changes	(452)	18	(434)
Balance at end of period	22 784	9 573	32 357
Classified as assets held for sale	(95)	(155)	(250)
Balance at end of period adjusted for assets held for sale	22 689	9 418	32 107

11. Investments in equity accounted companies

Material changes in associates and joint ventures in 2017.

Amounts in NOK million	Aker BP	Box Holding	Other	Total
Balance at 1 January 2017	17 936	1 616	1 116	20 668
Acquisitions/disposals	-	489	(319)	170
Share of profits/losses	435	100	(19)	516
Change due to exchange differences and hedges	(491)	(75)	(29)	(595)
Dividends received	(418)	(82)	(106)	(606)
Other equity changes	-	(489)	521	32
Balance at end of period	17 462	1 559	1 164	20 185

Share of profits/losses of NOK 516 million in total, is partly recognised with NOK 286 million as other income and NOK 230 million as financial items.

12. Discontinued operations

Discontinued operations within Akastor

On January 6, 2017, Akastor completed the transaction to sell Frontica's staffing business (Frontica Advantage) to NES Global Talent (NES) in exchange for a minority shareholding in the combined entity. Akastor holds an initial 15.2% economic ownership interest in NES after the transaction. The disposal resulted in an accounting gain of NOK 383 million, presented as Net profit from discontinued operations. Frontica Advantage was classified as discontinued operations and as held-for-sale as of December 31, 2016.

On June 12, 2017, Akastor entered into a definitive agreement sell KOP Surface Products to the Weir Group PLC (Weir) for a consideration of USD 114 million on a debt- and cash-free basis. The transaction is expected to be completed in Q3 2017, subject to customary closing conditions. KOP Surface Products is classified as discontinued operations and as held-for-sale as of June 30, 2017.

Results classified as discontinued operations

Classified as discontinued operations in 2017:

Amounts in NOK million	January - June 2017			January - June 2016			Year 2016		
	Operations within Akastor	Other and elim	Aker Group	Operations within Akastor	Other and elim	Aker Group	Operations within Akastor	Other and elim	Aker Group
Operating revenues	172	-	172	188	(5)	183	335	(10)	325
Operating expenses, depreciation, amortisation and impairment	(175)	-	(175)	(208)	5	(203)	(415)	10	(405)
Financial items	1	-	1	-	-	-	1	-	1
Profit before tax	(2)	-	(2)	(19)	-	(19)	(79)	-	(79)
Tax expense	2	-	2	(1)	-	(1)	15	-	15
Net profit from operating activities	(1)	-	(1)	(20)	-	(20)	(64)	-	(64)
Gain on sale of discontinued operations	379	-	379	-	-	-	-	-	-
Net profit from discontinued operations	378	-	378	(20)	-	(20)	(64)	-	(64)

Classified as discontinued operations previous years:

Aker BP	-	326	13 382
Havfisk	-	105	1 566
Norway Seafoods	-	(21)	82
Operations within Akastor	-	(266)	734
Operations within Kvaerner	21	230	345
Other and eliminations	-	92	323
Total profit from discontinued operations	399	447	16 368

Earnings per share of discontinued operations

Amounts in NOK	January - June 2017	January - June 2016	Year 2016
Basic earnings per share from discontinued operations	(4,39)	3,11	203,08
Diluted earnings per share from discontinued operations	(4,39)	3,11	203,08

Cash flow from discontinued operations

Amounts in NOK million	January - June 2017		Year 2016				
	Operations within Akastor	Total	Aker BP	Havfisk	Norway Seafoods	Operations within Akastor	Total
Net cash flow from operating activities	(19)	(19)	4 820	248	(24)	(31)	5 013
Net cash flow from investing activities	(97)	(97)	(6 865)	(12)	(5)	2 328	(4 554)
Net cash flow discontinued operations	(116)	(116)	(2 045)	236	(29)	2 297	459
Classified as discontinued operations previous years:							
Operations within Kvaerner		(14)					4
Total from discontinued operations		(116)					463

13. Transactions with related parties

There were no significant transactions with related parties in first half 2017. See also note 32 in the group annual accounts for 2016.

14. Events after the balance sheet date

There have not been any major events after the balance sheet date.

Directors' responsibility statement

Today, the Board of Directors and the company's chief executive officer reviewed and approved the unaudited condensed interim consolidated financial statements and interim financial report as of 30 June 2017 and the first six months of 2017.

The interim consolidated financial statement has been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

- The interim consolidated financial statement for the first six months of 2017 has been prepared in accordance with applicable accounting standards.
- The information disclosed in the accounts provides a true and fair portrayal of the Group's assets, liabilities, financial position, and profit as of 30 June 2017. The interim management report for the first six months of 2017 also includes a fair overview of key events during the reporting period and their effect on the financial statement for the first half-year of 2017. It also provides a true and fair description of the most important risks and uncertainties facing the business in the upcoming reporting period.

Fornebu, 17 July 2017
Aker ASA

Kjell Inge Røkke
Chairman

Finn Berg Jacobsen
Deputy Chairman

Anne Marie Cannon
Director

Kristin Krohn Devold
Director

Kristian Røkke
Director

Karen Simon
Director

Atle Tranøy
Director

Arnfinn Stensø
Director

Tommy Angeltveit
Director

Amram Hadida
Director

Øyvind Eriksen
President and CEO