Our most important journey

Aker Solutions has been a key part of Norway's offshore industry since before oil was even found. We delivered the rig that discovered the giant Ekofisk deposit in the North Sea in 1969. That field is still going strong and so are we. Building on 175 years of technological and engineering excellence, we are now driving development to help solve the world's energy needs safely and sustainably.

AkerSolutions

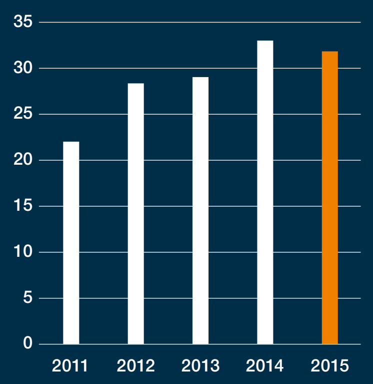
Content

Key Figures

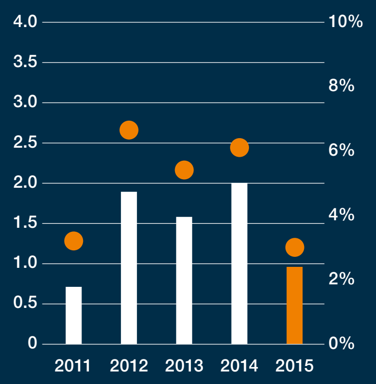
		2015	2014
ORDERS AND RESULTS			
Order backlog December 31	NOK mill	39,684	48,289
Order intake	NOK mill	22,793	37,135
Revenue	NOK mill	31,896	32,971
EBITDA[1]	NOK mill	1,841	2,675
EBITDA margin[1]	Percent	5.8%	8.1%
EBIT[1]	NOK mill	958	2,010
EBIT margin[1]	Percent	3.0%	6.1%
Net profit	NOK mill	383	1,300
CASHFLOW			
Cashflow from operational activities	NOK mill	1,934	2,645
BALANCE SHEET			
Borrowings	NOK mill	3,698	3,828
Equity ratio	Percent	23.9%	21.5%
Return on equity	Percent	5.8 %	21.2%
Return on capital employed	Percent	7.7%	18.3%
SHARE			
Share price December 31	NOK	30.30	41.55
Dividend per share[2]	NOK	0.00	1.45
Basic earnings per share (NOK)	NOK	1.44	4.71
EMPLOYEES			
Total employees December 31	Own employees	15,395	16,694
HSE			
Lost time incident frequency	Per million worked hours	0.49	0.29
Total recordable incident frequency	Per million worked hours	1.34	1.24
Sick-leave rate	Per million worked hours	2.83	2.64

1) Includes special items
2) Proposed dividend for 2015

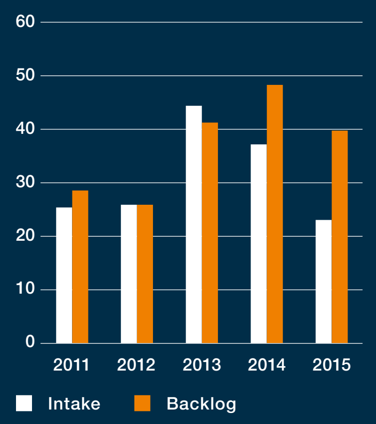
REVENUE
NOK billion



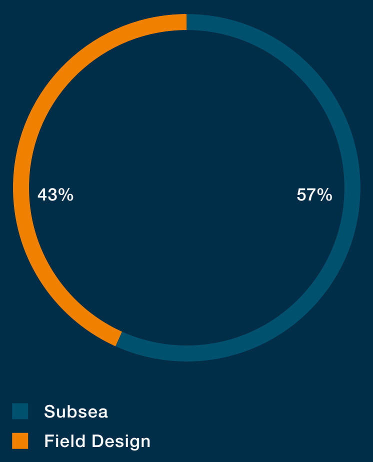
EBIT AND MARGIN
NOK billion, %



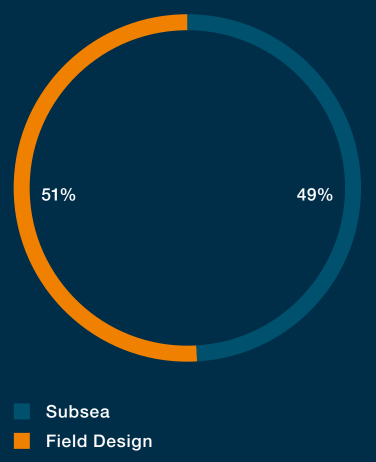
ORDER INTAKE & BACKLOG
NOK billion



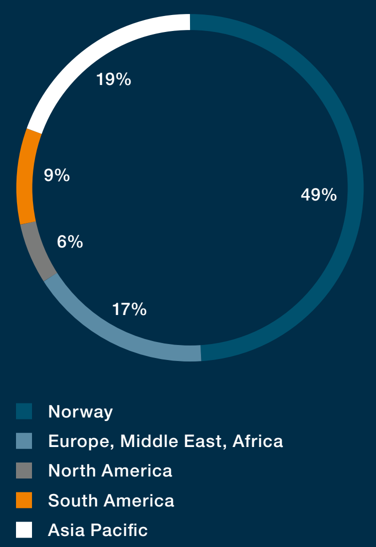
BACKLOG BY AREA



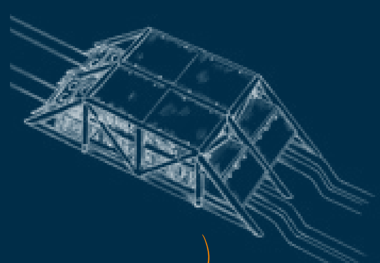
EMPLOYEES BY AREA



EMPLOYEES BY REGION

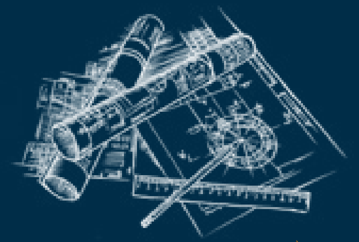


Expertise. From subsea to surface and concept to decommissioning, our technical expertise and strong partnerships provide energy companies what they need to succeed. Our long history of engineering for the most challenging environments delivers superior performance for customers and shareholders worldwide.



Subsea

We cover all phases of a subsea field's life. We design and make what's needed to bring subsea fields into production and then we support and maintain what is in place. We deliver single equipment or complete systems. We handle the whole project, including engineering, procurement, construction, installation and commissioning. We deliver the cutting edge in compression systems, subsea trees, controls, workover systems, manifolds, power cables, umbilicals, tie-ins and connections.



Field Design

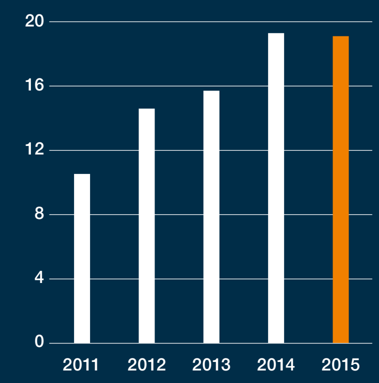
We offer a full range of field design services through our engineering business and maintenance, modifications and operations (MMO) division. We deliver front end engineering design (FEED), detail engineering, procurement services and construction management assistance. We also provide maintenance and modifications services on existing installations, including technical studies, asset integrity management, hook-ups and decommissioning.

FRONT END SPECTRUM

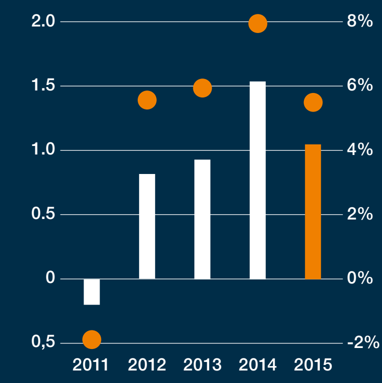
Our Front End Spectrum team draws on expertise from across the company to provide planning and feasibility and concept studies for all field types at all stages. We are able to significantly maximize value when we engage with customers early in a project and can evaluate the overall potential. This early, integrated approach helps ensure all parts of a development are designed to work together optimally to bring down costs and boost productivity.

Subsea

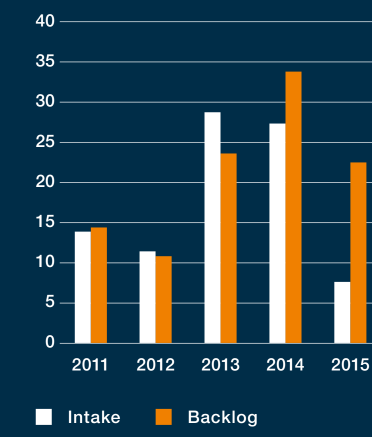
REVENUE
NOK billion



EBIT AND MARGIN
NOK billion, %

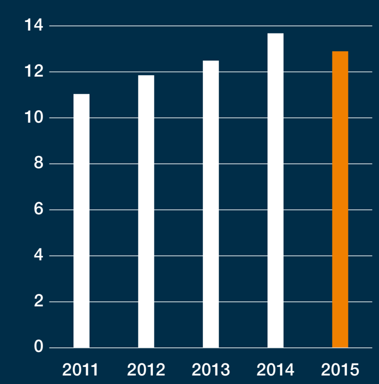


ORDER INTAKE & BACKLOG
NOK billion

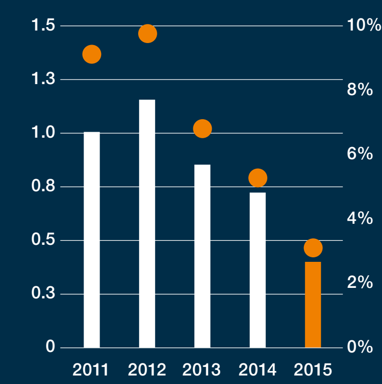


Field Design

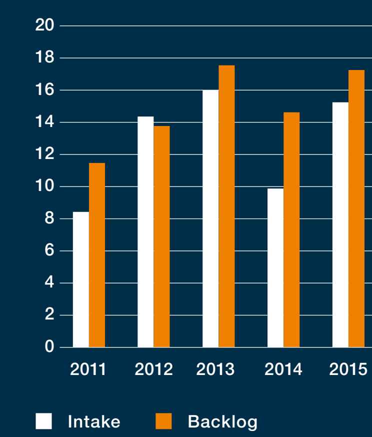
REVENUE
NOK billion



EBIT AND MARGIN
NOK billion, %



ORDER INTAKE & BACKLOG
NOK billion



Worldwide.

Operations in more than 20 countries.

2015 Highlights

Johan Sverdrup

Aker Solutions in January won a NOK 4.5 billion five-year engineering contract from Statoil for work on the Johan Sverdrup field, Norway's largest oil find in three decades.

Executive Team

Tore Sjursen, a 29-year company veteran, was in April named executive vice president for operational improvement and risk management. He will develop and lead companywide improvement agendas. Knut Sandvik succeeded him as head of maintenance, modifications and operations.

Mexico

The company in June won its first order for a project off Mexico from Saipem to supply umbilicals for the Pemex-operated Lakach deepwater natural-gas field. The Gulf of Mexico field is about 98 kilometers offshore in 1,200 meters of water.

Malaysia

Aker Solutions in October won a contract from Murphy Sabah Oil Co., Ltd. for the subsea production system at the Rotan deepwater natural gas development offshore Malaysia.

Subsea Compression

The world's first subsea compression system went on stream in September at Statoil's Åsgard field in the Norwegian Sea. Placing a compressor on the seabed instead of a platform boosts recovery rates, reduces costs, minimizes the environmental footprint and is safer to operate.

Europe and Africa

David Clark was named regional head of Europe and Africa in September. Based in London, Clark has more than 30 years of industry experience.

Baker Hughes

Aker Solutions and Baker Hughes agreed in June to cooperate on early-phase studies to help customers improve the economics and value of oil and gas field developments. The companies in 2014 formed the Subsea Production Alliance.

MAN Diesel

Aker Solutions and MAN Diesel & Turbo in October formed an alliance to develop new, cost-effective subsea compression systems, building on experience and cooperation from the delivery of the world's first such full-scale system at Åsgard.

Capacity

The company reduced its global workforce by 15 percent in 2015 to adjust to a market slowdown. About two-thirds of the reductions were in the Norwegian MMO and subsea businesses.

Vision

Aker Solutions in November presented its new vision to be a leader in forging a sustainable future for the global energy industry and the world it serves.

BP Norway

Aker Solutions in November won a framework contract spanning as many as nine years for maintenance and modifications services at BP-operated oil and gas fields offshore Norway. The companies have worked together in Norway for more than 20 years.

Saipem

In December, the company and Saipem agreed to work together on targeted subsea projects worldwide, combining Aker Solutions' subsea capabilities with the Italian oil and gas contractor's range of subsea engineering through installation services.

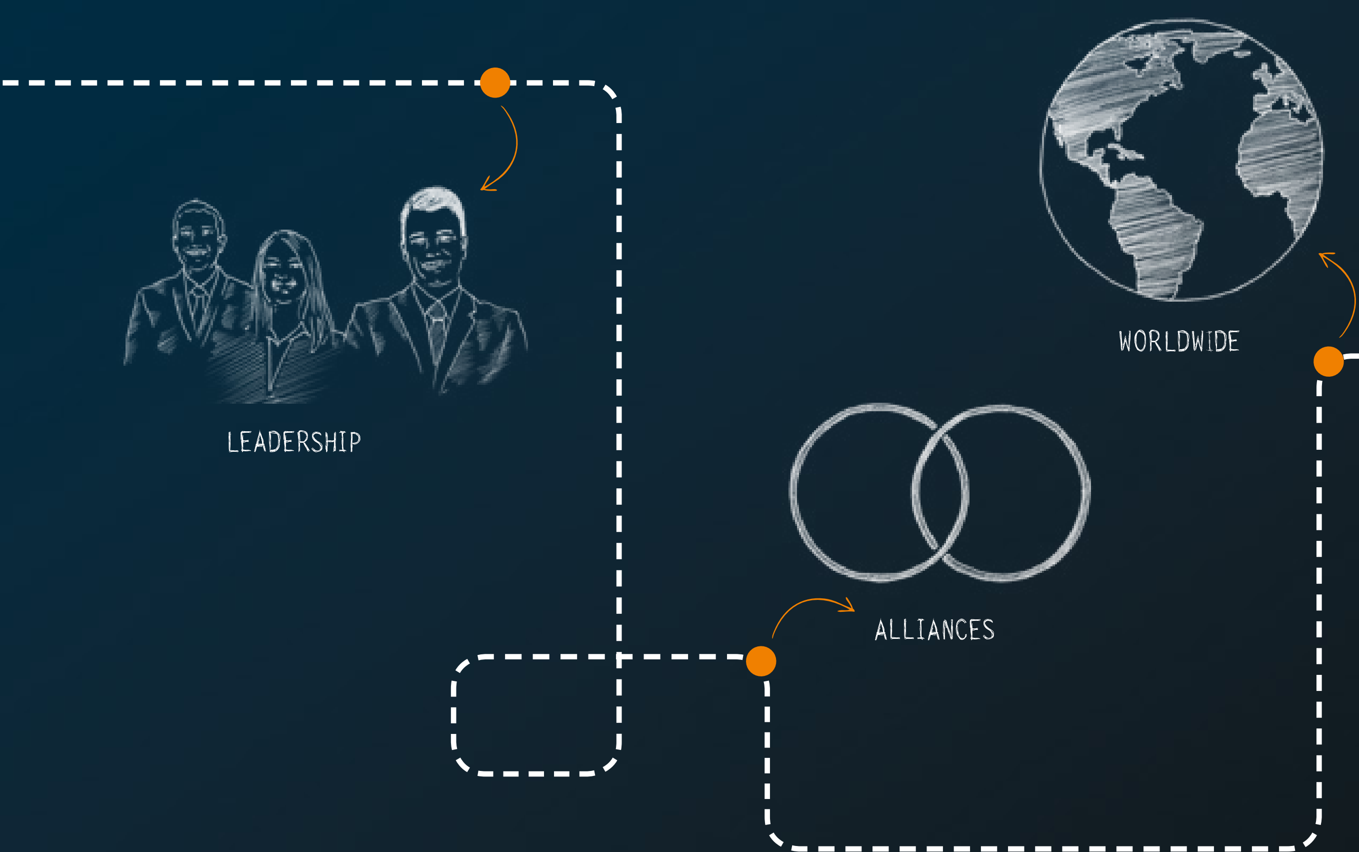
Africa

Key 2015 deliveries included equipment to start drilling in November at the Kaombo development in Angola and components to enable first oil production in December at the Moho field in Congo. Subsea projects in Africa comprised the largest share of the order backlog at year-end.

Improvement

The company in November incorporated existing initiatives into one global program named #thejourney, which targets an improvement in cost-efficiency of at least 30 percent across the business.

Vision. Building on 175 years of technological and engineering excellence, Aker Solutions is at the forefront in forging a sustainable future for the global energy industry and the world it serves. A spirit of collaboration and openness is at the heart of this effort as we set new standards and solve new challenges.



TAKING PART

Kim is part of our journey as an apprentice technician.

A Strong Foundation for Tackling Industry Challenges

Aker Solutions last year introduced a new vision that will build on the strong foundation we have proactively created to tackle the challenges our industry faces.

Collaboration and innovation are central to the vision. Our ambition is to assume a leadership role in forging a sustainable model for the industry and the world it serves.

This is a reflection of the aspirations of our employees, carrying on from the 2014 split that transformed and streamlined how we operate. There are now two main reporting segments, Subsea and Field Design, down from nine business areas earlier. This will help us in our drive for operational excellence across the company.

But we are not resting there and we are examining the challenges on a micro level – project by project – questioning every decision. This is part of #thejourney, a global effort started last year to improve cost efficiency by at least 30 percent. Early feedback indicates that we can lower costs by 50 percent on some projects.

The company has also embarked on valuable partnerships with key peers, including Baker Hughes and MAN Diesel & Turbo. The sharing of knowledge and experience makes us all stronger. Just as we eliminate silos within our company, we are also tearing them down across the industry.

Last year was my second as CEO and we faced some very difficult decisions. The hardest, of course, was seeing valuable colleagues depart. I would like to be able to say that we are done with this phase, but we all have to steel ourselves that things could still get tougher. We are in close dialogue with employee representatives and unions to ensure that all are treated fairly as we also safeguard key competencies to maintain our execution abilities.

Our top and bottom lines were impacted by lower oil prices and spending cuts at oil companies, particularly in Norway, our single-largest market. This was partially offset by an expansion in key markets in Africa, the UK and Asia Pacific. Two-thirds of our revenue was generated outside Norway in 2015, compared with below 50 percent in 2013.

We had consistently strong execution with milestone deliveries, including the world's first subsea gas compression system to Statoil in September. Our equipment also ensured first oil in December at Total's Moho field in Congo and we delivered record volumes of subsea equipment to Petrobras in Brazil. Construction of a new state-of-the-art subsea plant in Brazil and a Luanda base upgrade progressed.

New orders included an engineering, procurement and management assistance assignment for the Johan Sverdrup field, the largest Norwegian oil find in three decades, as well as our first contract offshore Mexico and key MMO agreements in Norway, the UK and Canada. These partly offset the loss of a maintenance and modifications contract with Statoil in December that triggered further workforce reductions this year in the Norwegian MMO unit. We ended 2015 with a healthy order backlog of 40 billion kroner. The largest share, 33 percent, was for subsea work in West Africa.

Our finances are robust. A liquidity buffer of 9 billion kroner at the end of the year gives us good flexibility as we face uncertain markets. Yet first and foremost is the safety of our employees. While we have seen steady health, safety and environment improvements in recent years, we tragically lost a colleague in December when a large wave hit the living quarters of a North Sea rig. We are together with the rig owner and operator investigating the incident to learn what, if anything, could have been done to prevent it.

As a member of the UN Global Compact, we are committed to its principles and to responsible and sustainable business practices. The company is continuing to strengthen its anti-corruption compliance program. There is a high priority in ensuring good corporate governance that safeguards sustainable operations and value creation.

Equal opportunities and a work environment free from discrimination are essential. We are establishing an inclusion and diversity council to promote these issues and we will continue to provide career development opportunities.

This is a pivotal time for our industry. While we are prepared for oil prices to remain lower for longer, we also see that current investments are now insufficient to ensure production levels will remain high enough to satisfy global energy demands ahead. We are preparing for a market recovery by taking the necessary steps to emerge stronger when that time comes.

We are committed to doing our utmost to ensure a sustainable future. We will find the best solutions to bring down costs, boost efficiency and create value. We will develop technology to minimize the environmental footprint while helping meet global energy needs. We will contribute to a positive development of the communities where we operate.

There is no quick fix. But as we celebrate our 175-year anniversary now in 2016, I predict that we will be able tap our considerable reserves of experience and our pioneering spirit to lead the way on this important journey.

LUIS ARAUJO
Chief Executive Officer

> We had consistently strong execution with milestone deliveries, including the world's first subsea gas compression system

Leadership Team

LUIS ARAUJO
Chief Executive Officer

Luis Araujo was named CEO in July 2014 after joining Aker Solutions in 2011 as president for the company's Brazilian operations. The Brazilian has more than 30 years of oil and gas industry experience, including senior posts in GE, Wellstream, ABB and FMC Technologies. He has a BEng in mechanical engineering from Gama Filho University in Brazil and an MBA from the University of Edinburgh in Scotland. Araujo owned 51,773 company shares and held no stock options at the end of 2015.

VALBORG LUNDEGAARD
Head of Engineering

Valborg Lundegaard was named head of the engineering business 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 held 5,185 company shares and had no stock options at the end of 2015.

TORE SJURSEN
Head of Operational Improvement and Risk Management

Tore Sjursen was appointed head of operational improvement and risk Management in April 2015. The Norwegian has been with Aker Solutions for 29 years in different positions, including as head of maintenance, modifications and operations. He has an MSc in mechanical engineering from the Norwegian University of Science and Technology and an MSc in management from Boston University. Sjursen held 8,366 company shares and has no stock options at the end of 2015.

MARK RIDING
Chief Strategic Marketing and Organizational Development

Mark Riding was appointed executive vice president of corporate strategic marketing in February 2011. The Briton has more than 30 years of oil industry experience, much of it in international management posts with Schlumberger. He has a BSc in mining engineering from the University of Birmingham, UK. Riding held 32,006 company shares and had no stock options at the end of 2015.

PER HARALD KONGELF
Regional Head of Norway

Per Harald Kongelf was named regional head for Aker Solutions in Norway in January 2013. The Norwegian has more than 25 years of oil and gas industry experience, including as chief operating officer and head of several business segments at Aker Solutions. He has an MSc from the Norwegian University of Science and Technology. Kongelf had no company shares or stock options at the end of 2015.

KNUT SANDVIK
Head of Maintenance, Modifications and Operations

Knut Sandvik was named head of the maintenance, modifications and operations business in April 2015. The Norwegian has more than 25 years of experience from the offshore industry and has held several leadership positions, including as senior vice president for major subsea projects at Aker Solutions. He holds a degree in offshore and mechanical engineering from Heriot-Watt University in Scotland. Sandvik held 3,036 company shares and had no stock options at the end of 2015.

SVEIN STOKNES
Chief Financial Officer

Svein Stoknes was named CFO in September 2014. The Norwegian joined Aker Solutions in 2007 and has 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 held 21,702 company shares and had no stock options at the end of 2015.

ALAN BRUNNEN
Head of Subsea

Alan Brunnen was named head of the subsea business 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 had no company shares or stock options at the end of 2015.

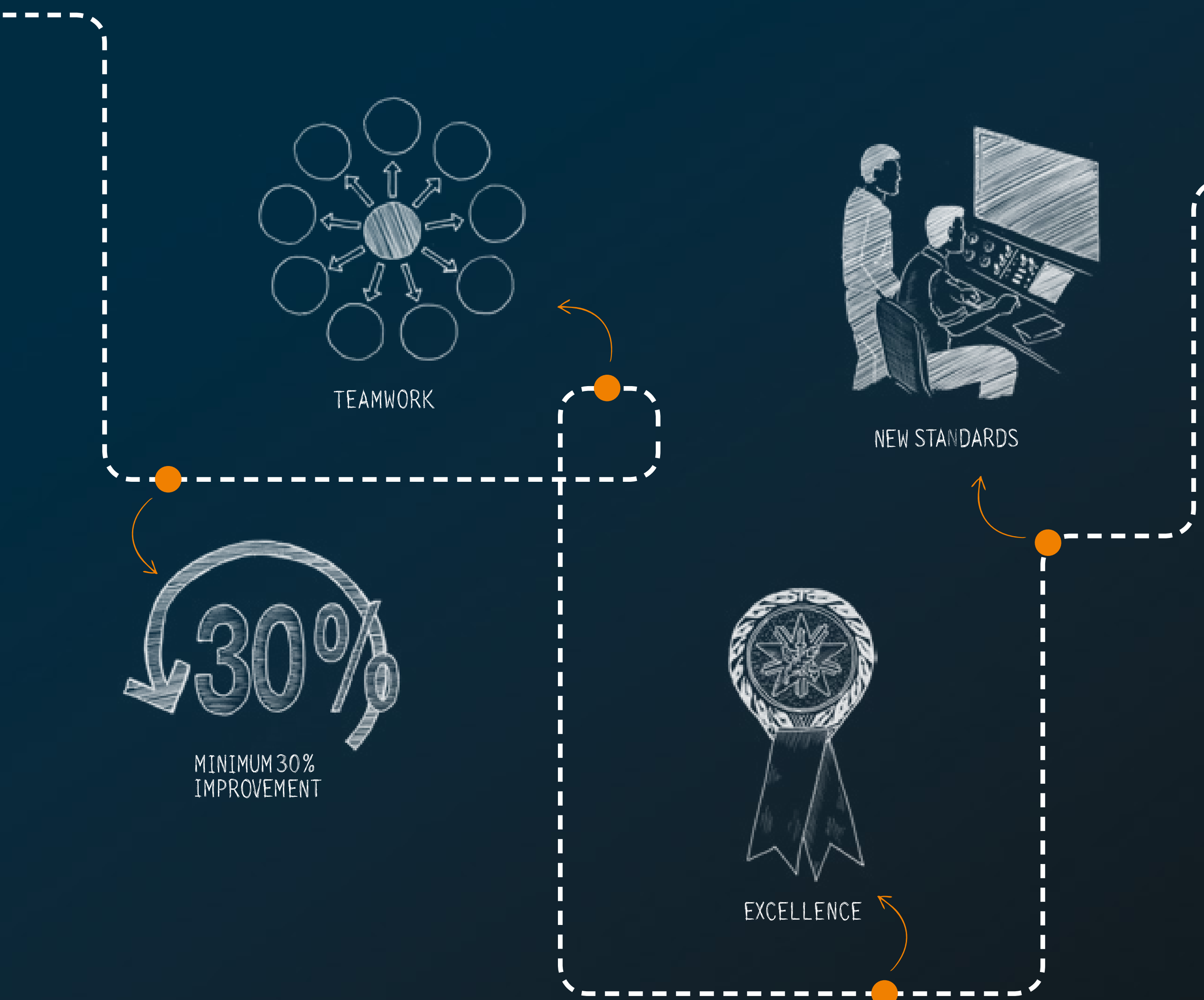
DAVID CLARK
Regional Head of Europe and Africa

David Clark was named regional head of Europe and Africa in September 2015. The Briton joined Aker Solutions from Schlumberger where he most recently served as vice president of production facilities. He has more than 30 years of international experience in the oil and gas industry and has also held leadership positions at Wood Group and Technip. He has a degree in electrical and electronic engineering from Strathclyde University in Scotland. Clark held 1,434 company shares and had no stock options at the end of 2015.

TAKING PART

Ryan and Marcelo are training to be subsea technicians. They've been part of our journey since 2013.

Improvement. We accept only operational excellence as we help build a sustainable industry.



Mastering the Art of Breaking the Cost Curve

Could it be that costs can be lowered by half? That's what early implementation of #thejourney is showing.

The global company effort was started last year to boost cost efficiency by at least 30 percent. It aims to simplify work methods, the organizational set-up, the geographic footprint and the products and services on offer.

Under way now is training of all staff to become "white belts" in cost cutting and efficiency. As in martial arts, new belts will be awarded for each new level of prowess. There will also be orange, silver and, at the top, blue belts for the real experts. The idea was inspired by Lean, a philosophy that aims to improve performance by systematically eliminating things that don't add value.

"We're challenging everything we do by asking whether we really need every component in a product or every step in a work process," said Tore Sjursen, head of operational improvement and risk management at Aker Solutions. "Very often we don't."

The implementation is already reaping dividends with an effect on existing projects and processes that shows up to a 50 percent reduction in lead-time and cost. In Field Design, the company is on track to reducing the cost of its services by 30 percent and the subsea business is working to reduce the number of management and engineering man-hours in projects by 45 percent.

"A culture of continuous improvement is something you create," said Bengt Persson, the company's head of quality. "It's about optimizing everything and having a strong focus on customer value. It's about setting new standards and together with our customers and partners finding ways of working that ensure a sustainable development."

The moves are necessary to strengthen the company's competitiveness and secure jobs after having to make tough capacity adjustment decisions.

Oil companies are reducing investments and shelving projects amid concern over capital constraints after a 70 percent drop in oil prices since June 2014. Jobs are being lost across the industry and fields are being shut down. Aker Solutions is not immune and was forced to let 15 percent of its workforce go in 2015, in stark contrast to 2013 when the company had 100 new recruits a week.

DIRECTION

Scaling new heights as we lower costs.

FOCUSED

Tore Sjursen and Bengt Persson are breaking the cost curve.

“How the industry was operating was simply not sustainable,” said Sjursen. “Even when oil was above 100 dollars, returns were dropping. Now with oil at 30, it’s make-or-break for our industry if we don’t change how we work.”

The company is realistic about these efforts. Getting 15,000 employees to pull in the same direction won’t happen overnight. But the enthusiasm among employees since #thejourney was introduced has been overwhelming. Initial “white belt” training sessions were several times over-booked and seating was scarce in the fully-packed auditoriums globally.

This is a powerful drive to now harness and rests on a strong historical legacy, according to Sjursen.

“We have successfully adapted to new markets, challenges and technologies throughout our 175-year history, relying on a long tradition of collaboration and openness,” he said.

> We’re challenging everything we do

Facts

#THEJOURNEY

- Aims to boost cost efficiency across company by at least 30 percent
- Builds culture of continuous improvement
- Simplifies work methods, organization, geographic footprint, products and services
- Inspired by Lean methodology to maximize value by eliminating waste

Lean Methods Paying Off for Subsea Deliveries

How do you boost on-time delivery even while expanding the scope of a major subsea project?

Just ask our teams in Norway, India, Sweden and the UK. They made excellent use of Lean methodology last year to give momentum to a subsea project that was adapting to an expanding scope of engineering work and new technology development.

The groups worked together across locations to ferret out potential delays, identifying nine main areas to improve engineering planning and execution. In under six months on-time delivery shot up to 97 percent in October. The backlog of engineering work was reduced to about 4,000 hours from 24,000 hours.

“We improved both the productivity and predictability of engineering on this project even as the work scope grew,” said Bengt Persson, Aker Solutions’ head of quality. “Lean methods gave us better tools for managing resources and processes.”

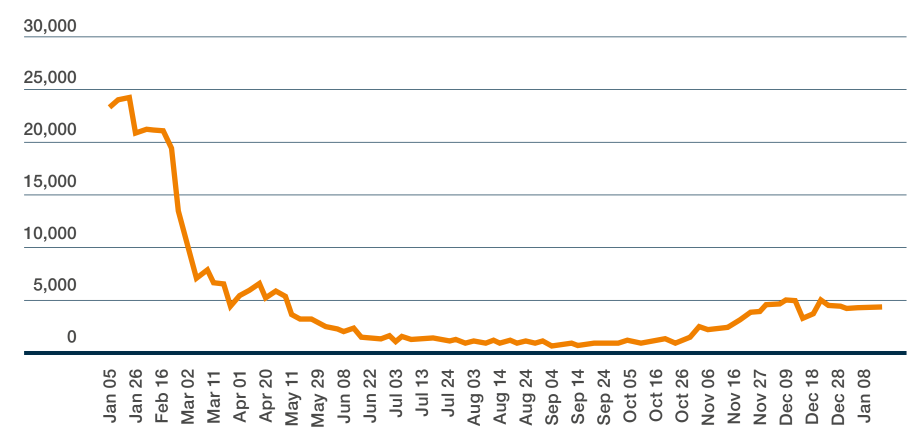
A key element of Lean methodology is to make work processes visual, for instance by writing down the different parts of a process on yellow sticky notes and pinning these to a board in the order the work is carried out. This makes it easier to identify bottlenecks or tasks that can be eliminated, so-called waste.

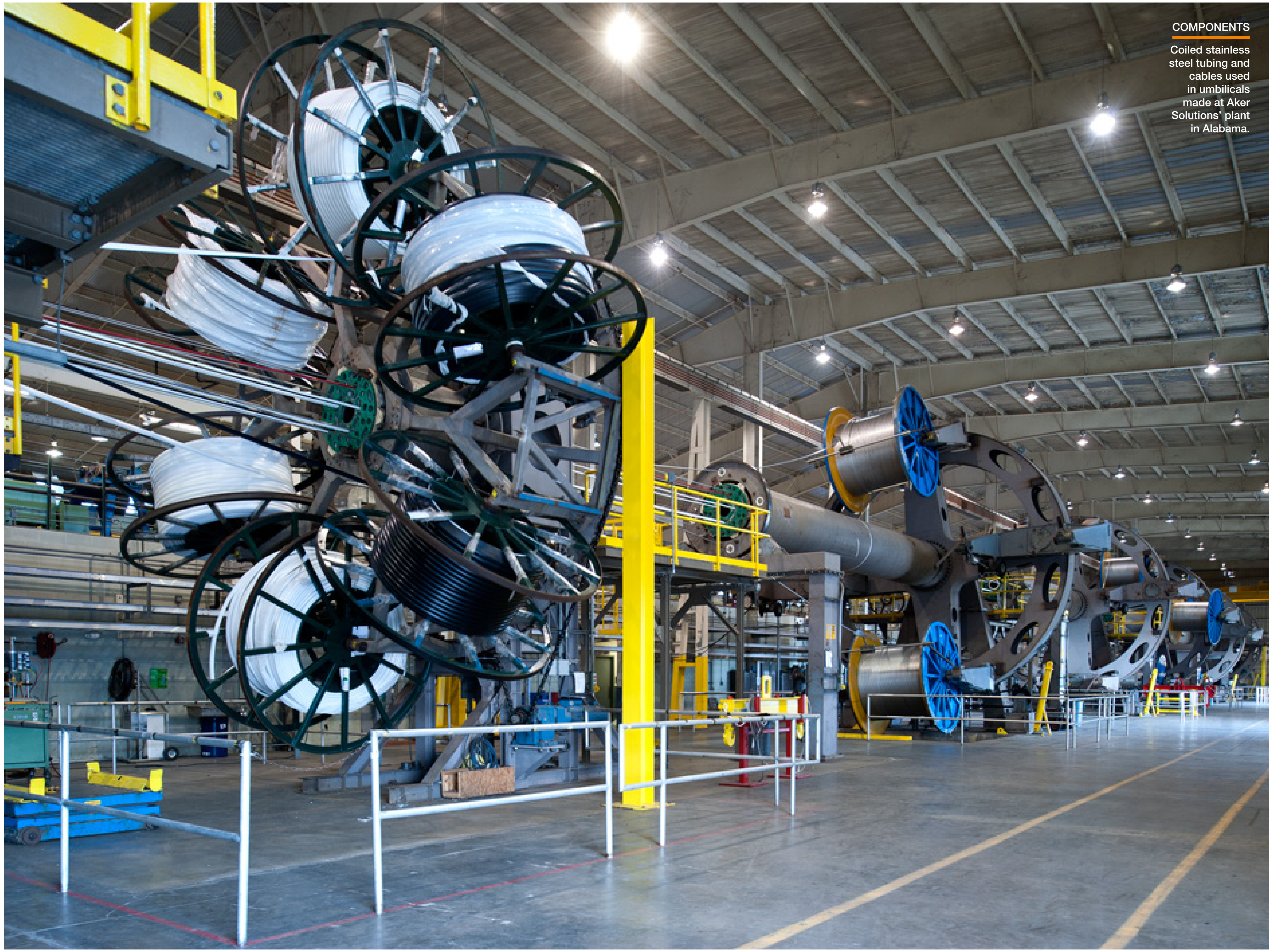
The method helped the subsea teams identify areas needing additional support. Work was broken down into weekly milestones, making it easier to understand how to reach targets.

BETTER TOOLS

Lean methods boosted productivity at a major subsea project.

BACKLOG HOURS SUBSEA PROJECT





COMPONENTS

Coiled stainless steel tubing and cables used in umbilicals made at Aker Solutions' plant in Alabama.

Renegotiating Millions in Supply Chain Costs

An Aker Solutions team is renegotiating hundreds of millions of kroner in reduced supply chain costs to meet demands for lower prices in a tougher market.

A team of lead negotiators is backed by support staff in the "Engine Room," a conference room used for negotiation preparations and research into suppliers' costs and profitability, the market situation and oil company expectations.

The effort is part of #thejourney and Supply Chain's Quick Wins project. It has so far resulted in cost reductions of more than NOK 100 million on active purchase orders in a first phase of talks with major suppliers.

"Oil companies started addressing the escalating costs even when oil was over 100 dollars," said Svein Olsen Mellemsæter, senior vice president for group supply chain management. "We explained the challenge to suppliers and that we need a cost base that is sustainable even with lower oil prices."

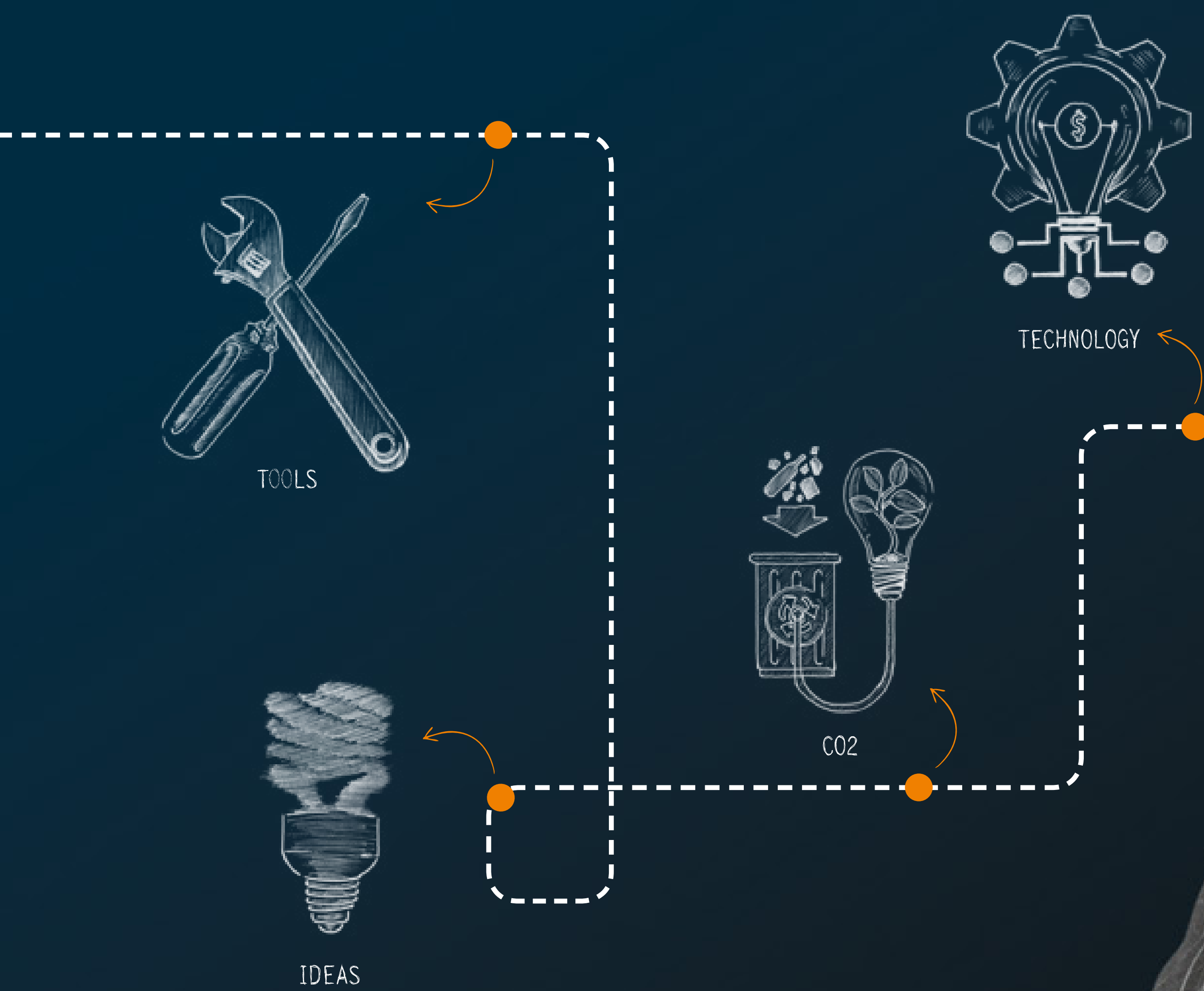
> We need a cost base that is sustainable even with lower oil prices

Facts

Top 10 subsea equipment component procurements in 2015, ranked by share of spending.

1. Machined items
2. Electrical connector instruments
3. Tubing
4. Valves
5. Risers
6. Forgings
7. Steel structures
8. Piping
9. Actuators
10. Fasteners

Innovation. We have the ideas and the tools that will help solve the world's energy needs, safely and sustainably.



TAKING PART

Billie Bold is part of our journey as a subsea production engineer.

Reworking the Technological Edge

Being at the forefront isn't just about coming up with the newest, cutting-edge technologies and systems. It's also about reworking existing solutions to help our industry do things faster, better and cheaper.

Aker Solutions does both with the same intense focus but these challenging times are forcing everyone to really reexamine what is needed.

"There has been a shift," said Hervé Valla, Aker Solutions' chief technology officer. "We see a greater focus on developing need-to-have rather than nice-to-have solutions."

Oil companies are grappling with falling production at maturing fields and increasingly complex reservoirs amid capital constraints and lower oil prices. This has triggered an emphasis on finding the most cost-effective solutions to boost productivity. Developing existing technology and standardizing are central to these efforts.

As an example, the subsea production alliance between Aker Solutions and Baker Hughes in 2015 introduced POWERJump, a fast-track and cost-effective boosting system that's particularly well-suited to increasing production from fields with lower flow rates or individual wells. It was developed using proven technology from both companies and complements and broadens Aker Solutions' subsea boosting technology portfolio.

The company has also with a customer developed multiWOCS, a standardized work-over system used to install subsea trees from any vendor and also use these to perform well-intervention services. This universally applicable technology significantly increases the utilization of each system and simplifies offshore operations. It, too, is based on proven technology.

"You could say we're refining the wheel rather than reinventing it," said Valla. "Going forward our industry needs to think more about standardization – and even industrialization – to ensure a long-term sustainable development."

But sometimes brand new technology is called for. The world's first subsea compression system, which Aker Solutions last year delivered to Statoil for the Åsgard field offshore Norway, increases recovery while reducing development costs and carbon emissions. This was a major milestone for the industry, opening opportunities in deeper waters, harsher environments and farther offshore. Putting the compressor on the seabed rather than a platform improves recovery rates, reduces

NEXT GENERATION

Vectus 6.0 is used to remotely control subsea oil and gas production systems.

Chief Technology Officer Hervé Valla pushes for improvements.

costs, minimizes the environmental footprint and is safer to operate.

Close collaboration with Statoil and Aker Solutions' suppliers was essential to ensure the successful delivery of this breakthrough technology. Aker Solutions is now working on improving future versions to deliver leaner and more cost-efficient solutions. The company in October 2015 teamed up with MAN Diesel & Turbo to develop the next generation in subsea compression systems.

"Innovation has never been more important than in the current, slow market," said Valla. "We have to keep improving."

CULTIVATING IDEAS

Aker Solutions last year stepped up research and innovation efforts in the early phase of technology development, encouraging employees to come up with fresh concepts. Ideas also emerge from collaboration with customers and partners such as Baker Hughes and Man Diesel & Turbo.

The company has set up an innovation board to evaluate and move forward on a myriad of suggestions from employees, outside experts, internal projects, idea banks and research institutions. It is looking for both "smart" standardization and for the ground-breaking technologies that can revolutionize the industry.

Part of this means going outside the oil and gas business to other fields such as aerospace and automotive, known for their industrialization efforts, to gain inspiration. For example, Aker Solutions turned to the telecommunications industry to develop the next generation of subsea electronics remote control systems.

"We integrated a group of people from the telecoms industry into the development team," said Chief Technology Officer Hervé Valla. "Their expertise led to the Vectus 6.0 control system, which is a real step up for the industry in terms of reliability and quality."

The company's Front End Spectrum team also engages early with customers on projects to look at the totality of a development and find solutions that will optimize productivity and bring down break-even costs by as much as 50 percent in some cases. This type of early engagement is expected to increasingly generate ideas for new technology development.

"We have to understand the total value chain from the client's perspective and also the challenges to focus our innovation, incubate ideas and help them mature," Valla said.

GROUNDBREAKING

The world's first subsea compression system went on stream in September 2015.

Learn more about the Åsgard project in our video on http://akersolutions.com/asgard-film

> You could say we're refining the wheel rather than reinventing it

Facts

Aker Solutions builds on its subsea and field design capabilities through investment in research, innovation and technology. The focus is on developing new concepts, technologies and products that lower costs while addressing challenges of declining production at maturing fields, increasingly complex reservoirs, deeper reservoirs and stricter regulation.

R&D investments target four key areas:

- Subsea production products and solutions
- New generation controls and automation systems
- Offshore greenfield developments
- Offshore brownfield modifications to increase oil recovery and extend field life

Electric Actuators – Sophisticated Simplification

Hooking up an electric motor to a gear that opens and closes a simple valve may sound like a fairly easy task.

But now imagine you have to put it at 4,000 meters below the ocean surface in salty waters. And, oh, did we tell you it has to work flawlessly for the next 25 years?

That's what Aker Solutions' new subsea electric actuators are designed to do. The electric motors are used to operate valves in subsea production and processing systems. They replace actuators using hydraulic fluids.

"The subsea industry has been talking about electric actuation for many years, but the technology was not mature enough to deploy on full systems," said Einar Winther-Larssen, all-electric concept line manager at Aker Solutions. "Now, this is changing."

The benefits are many, according to Winther-Larssen. Projects using all-electric systems can skip large hydraulic power units offshore, enabling a leaner umbilical design. These are also friendlier to the environment since no hydraulic fluids are used. Electric actuation includes a control element that improves monitoring, lowers costs and boosts reliability, availability and responsiveness.

The subsea compression system delivered last year for the Statoil-operated Åsgard field off Norway was equipped with an all-electric control system.

The new technology is part of Aker Solutions El-drive program, which aims to develop a configurable set of building blocks for electric actuation to use in products for subsea production and processing. The first stage of the program is now completed with the release of two electric actuator types, a high duty and a low duty. Both are reliable designs that can be installed by a single remotely operated vehicle in vertical or horizontal configurations.

Warming Planet Heats Up Carbon Capture Interest

Aker Solutions has since 2008 developed carbon capture technology that is now hard at work in helping the world tackle one of its major challenges.

The company's carbon capture technology has been proven at six pilot plants in Germany, Scotland, the U.S. and Norway. Central to the process are solvents, called amines, used to capture CO2 in a smokestack-like chamber or column.

The company in December also started preparation for a ground-breaking five-month test at Norway's largest waste-to-energy plant in Klemetsrud in Oslo. This burns about 310,000 tons of waste a year, with some 60 percent of the waste coming from biomass. That means a capture plant there will be carbon negative since CO2 will be removed from the atmosphere.

"This is pioneering technology and a great market opportunity," said Oscar Graff, head of carbon capture and storage (CCS) at Aker Solutions. "Our technology is qualified for cement, coal and gas-fired power stations and now, for the first time anywhere, it is being qualified for waste-to-energy production."

At the 2015 United Nations Climate Change Conference in Paris (COP21), 196 countries agreed that climate-damaging emissions had to be reduced "as soon as possible" to slow global warming.

"If we are going to reduce the emissions, we need CCS as part of the toolbox," said Graff. "If we are going to reduce the carbon dioxide in the atmosphere, we also need technology that is carbon negative."

The Klemetsrud test, funded by government agency Gassnova, uses Aker Solutions' mobile test unit, which was built in 2008 to study CO2 capture from various types of flue gasses.

Prior to Klemetsrud, the test unit spent 18 months at the Norcem cement plant in Brevik, Norway. Because of successful testing there, Aker Solutions is now conducting a feasibility study that could lead to the world's first commercial scale carbon capture facility at a cement plant.

"The CCS technology is ready," says Graff. "Now we are waiting for new policies to contribute to reducing the gap between what it costs to emit CO2 and what it costs to remove it."

CLIMATE

Oscar Graff at the Norwegian Technology Centre Mongstad where Aker Solutions designed and delivered an amine plant used to capture carbon.

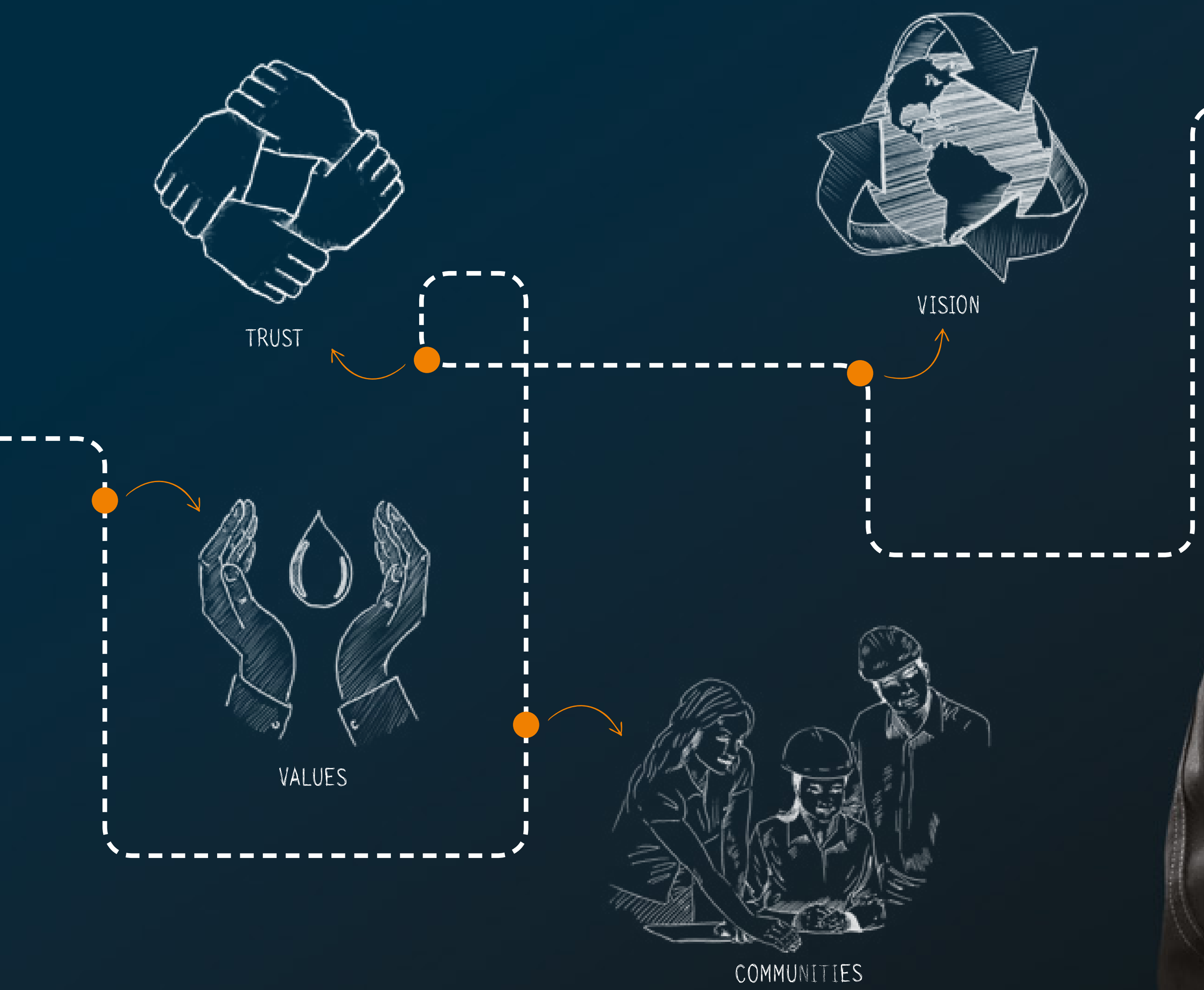
> If we are going to reduce emissions, we need CCS as part of the toolbox

Facts

OUR CCS TECHNOLOGY

- 20 years of experience in developing CCS technology
- Mobile test unit (MTU) acts as complete small scale carbon capture facility
- MTU used to successfully test CO2 capture at cement plant and other sites
- Now being used to test CO2 capture at Norway's largest waste-to-energy plant
- Technology can also be used to enhance oil recovery

Integrity. We operate fairly and honestly to ensure a sustainable future wherever we are.



TAKING PART

Trainee Kim and Production Engineer Kelvin have been part of our journey since joining the company two years ago.

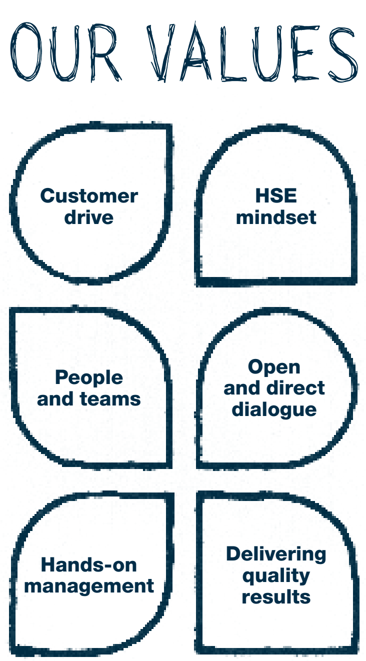
The Integrity Imperative

A key aspect of our new company vision rolled out in November was integrity. It is the bedrock of our behavior and shapes our strategy. It underpins how we make our products and guides how we provide our services.

Integrity is also about commitment. We are committed to quality and reliability, to creating shareholder value and doing this responsibly as well as acting fairly and contributing positively as an employer and as citizens. We are pursuing a vision of taking a leading role in developing a sustainable energy industry to the benefit of all.

I know this will propel us to imagine and develop the new ideas and systems that will allow the industry – and us – to prosper. After all, we have been doing it for almost 200 years.

ØYVIND ERIKSEN
Chairman of Aker Solutions



VALUE DRIVEN

Integrity is at the core of our values, says Chairman Øyvind Eriksen.

Doing the Right Thing. For our 15,000 employees worldwide integrity is at the core of our values wherever we operate.

SAMEER DESHPANDE, 44
Group Head, Piping, From India

There are two ways of doing things: the right way and the wrong way. There is nothing in between. It is about doing the right thing consistently, based on your moral convictions, both in your personal and professional life. You can't have integrity in one area but not another.

JUSTINE STRAND-BERGESEN, 37
Lead Cost Controller, Finance, From Norway

Words have to match actions, both on a team level, but also for the company. Our company values are more than something we have on our screensavers – we have to live these values in our daily work. That's part of what integrity means to me.

AGIL OMAR, 32
Industrial Mechanic, From Somalia

Honesty, loyalty, creativity, ethical values – these things come to mind when I think about integrity. It's also about respect for colleagues, for your bosses and for the ethical values of your company. I agree with what we say: Integrity is at the core of Aker Solutions.

RACHEL CHEE, 29
Organizational Development Analyst, From Malaysia

Integrity is about doing the right thing even when no one is watching. It's about being true to what you believe is right even when that isn't easy. It's about being the person others can trust and rely on.

WILLIAM PUI MARTINEZ, 29
Project Lead Engineer, From Panama

I think of a person's ability to be honest and open in their dialogue, opinions and actions. It is about having strong principles that you follow when getting things done. There must be consistency between what you say and do.

MARIA BERRONES, 36
Contracts Manager, From Texas

It's not about your title or your job, but about how you do things. It's about consistently doing what is right and sticking to your principles, even under pressure. I always know where my boundaries are.

Diversity and Determination

The Aker Solutions way rests on almost two centuries of discovery and determination. It has taken us from our start as a small mechanical workshop on the Aker River in Oslo to becoming a global enterprise.

We count more than 90 nationalities among our employees. This diversity is a major strength as we collaborate with partners and engage with communities around the world. The ability of our teams to work seamlessly across different cultures and time zones is also a benefit as we push to find the solutions needed to tackle current industry challenges.

Our people range from engineers to technicians, operators and other professionals in fields such as finance, law and organizational development. Our varied backgrounds reflect the many different communities we work in globally.

We are united by a long tradition of values where integrity is at the core. We are committed to promoting equal opportunities and an inclusive workplace worldwide.

One of our top priorities is to safeguard and develop our highly-skilled workforce. We make every effort to provide the opportunities our employees and company need to thrive.

Workforce

TOTAL
17,673
2014: 20,974

NORWAY
7,508
2014: 8,191

UK
2,348
2014: 2,216

ASIA PACIFIC
2,994
2014: 3,595

EMPLOYEES
15,395
2014: 16,694

NORTH AMERICA
868
2014: 923

BRAZIL
1,378
2014: 1,485

AFRICA
187
2014: 157

CONTRACT
2,278
2014: 4,280

AGE GROUPS

<30 19.5%
30-50 59.6%
>50 20.9%

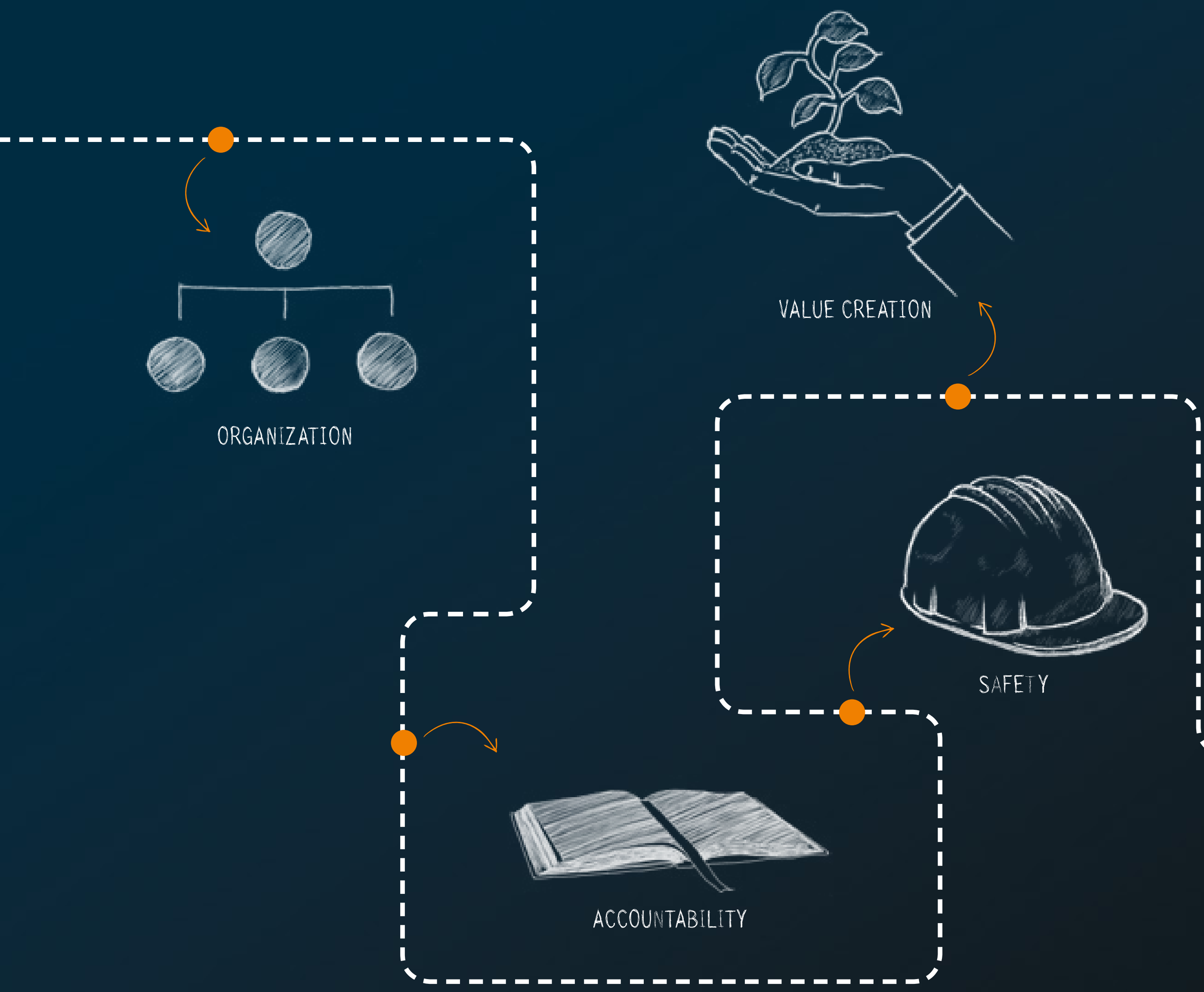
Own employees unless otherwise stated. Included in the numbers are 385 own employees who had their last workday on December 31, 2015.

Learn more about our visions in our video on http://akersolutions.com/vision-film

TAKING PART

Phil leads several major MMO projects and has been part of our journey since 2014.

Governance. We only accept the highest level of responsibility and accountability.



Corporate Governance

Good corporate governance at Aker Solutions shall ensure sustainable operations and value creation over time to the benefit of shareholders and other stakeholders.

Corporate governance is a framework of processes, mechanisms and responsibilities for managing the business and making sure the right objectives and strategies are set and implemented with results that can be measured and followed up.

The board of directors is responsible for ensuring the company conducts business using sound corporate governance. The board sets the standards for corporate governance, ensuring these reflect the Norwegian Code of Practice for Corporate Governance, available on www.nues.no. The audit committee supports the board in making sure the company has internal procedures and systems in place for effective governance processes.

Main elements of the company's corporate governance set-up are outlined below. The full corporate governance report for 2015 is available on http://akersolutions.com/corporate-governance.

GOVERNANCE STRUCTURE

The board has overall responsibility for management of the company. Its mandate is defined by the company's articles of association and any guidelines set at the annual general shareholders' meeting. Day-to-day operations are overseen by the company's executive management team, headed by the chief executive officer, and executed through the business structure.

The chief financial officer and head of operational improvement and risk management between them inform the audit committee of financial, operational and compliance issues.

CORPORATE VALUES AND POLICIES

Aker Solutions' management and operations are governed by the company's values, code of conduct and business-specific policies.

RISK MANAGEMENT

The board and management have a strong focus on risk management and internal controls. The risk management framework contains policies and standard procedures and tools for enforcing these. Risk assessment is also a key internal control mechanism for getting reasonable assurance that objectives are achieved in adherence with laws and regulations and with reliable financial reporting and operational effectiveness and efficiency.

The company's global functions are responsible for areas such as human resources, finance, legal affairs, communications, supply chain management and technology. This responsibility includes ownership of relevant policies, standards and tools, including the operational effectiveness of these, as well as management of risks and controls to ensure achievement of functional objectives. Each business area and operating unit has its own, independent responsibility for complying with company policies and external laws and regulations. The global functions and business areas shall cooperate on identifying, addressing, reporting and handling risks for the company in keeping with requirements set by the board.

There is a standardized risk management process for all projects that includes monthly operational and financial reporting focused on performance and risk indicators. The department for operational improvements and risk management and the finance function monitor project reporting to identify early risk indicators. The overall company risk picture is reported on monthly to the executive management team and quarterly to the audit committee.

FINANCIAL REPORTING

Aker Solutions has a strong focus on quality in internal and external financial reporting. There are policies, procedures and controls to manage the reporting process and ensure financial statements are not materially misstated.

Aker Solutions prepares group consolidated financial statements based on International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) standards set by the European Union. The company each quarter publicly discloses its financial results in accordance with applicable regulations for listed companies on the Oslo stock exchange.

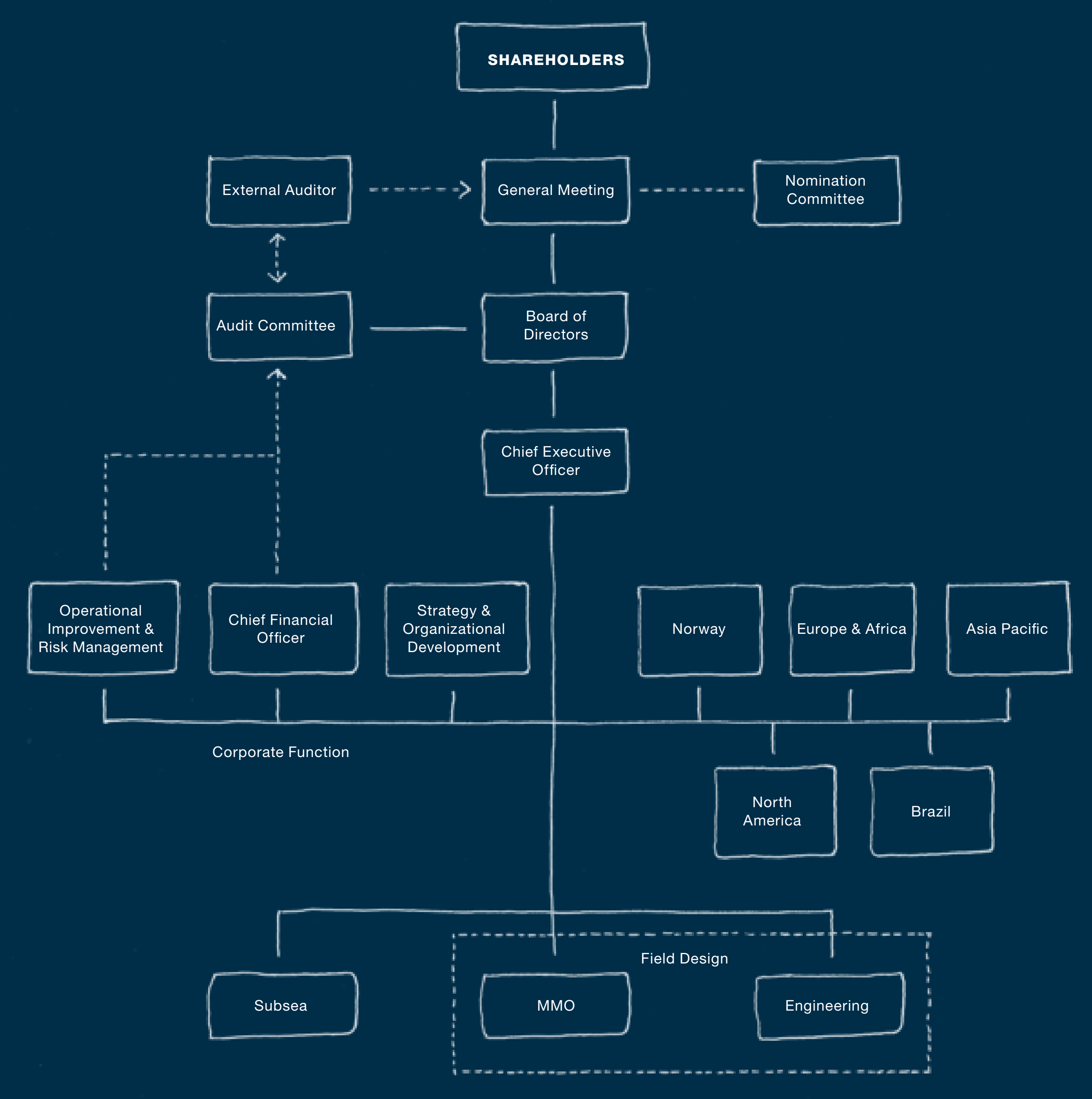
The CFO and global finance function are responsible for the company's internal and external financial reporting. Internal reporting is on a monthly, quarterly and annual basis. External quarterly reports are reviewed by the audit committee and submitted to the board for approval before being published. The same applies to the company's annual financial statements, which are approved at the annual general meeting.

BOARD OF DIRECTORS

Aker Solutions' board has eight members. Five are elected at the annual general shareholders' meeting and three are elected by and from the company's employees. A majority of the shareholder-elected board members are independent of the company executives and important business associates. No company executives sit on the board.

The nomination committee proposes director candidates for election by shareholders. All shareholder appointed directors will be up for election at the April 2016 annual general meeting.

GOVERNANCE STRUCTURE



Risk Factors

Aker Solutions' global operations and exposure to energy markets provide both opportunities and risks that may affect the company's operations, performance, finances, reputation and share price.

MARKET RISKS

Operations and financial results may be affected by:

- Oil companies' exploration, development, production, investment, modification and maintenance activity. These factors are significantly affected by changes in global demand, energy prices and environmental requirements
- Local content requirements in countries of existing or planned operations
- Legislative restrictions or prohibitions on oil and gas activities
- Liabilities under environmental laws or regulations

OPERATIONAL RISKS

Aker Solutions uses both reimbursable and fixed-price contracts. Contracts that include fixed prices for all or parts of a project risk cost overruns that may reduce profits or even cause losses if costs exceed the agreed price.

The company's projects often involve complex design and engineering as well as significant procurement and manufacturing of equipment, supplies and construction management. They may also require development of new technology and solutions. There is a risk of delays in any phase, including those beyond Aker Solutions' control, such as deliveries of supplies and scheduling by subcontractors. Delays may hamper the company's ability to deliver on time and in accordance with contracts, which could have a material adverse effect on Aker Solutions' reputation, performance and finances.

Factors that may have a material adverse effect on the business, results of operations and finances of Aker Solutions include, but are not limited to:

- Loss of business from a significant customer or failure to deliver a significant project as agreed
- Changes to the order backlog, which includes contracts that may be adjusted, cancelled or suspended and consequently do not necessarily represent future revenue
- Uncertainty about future contract awards and their impact on future earnings and profitability
- Aker Solutions' ability to compete effectively and maintain market positions and sales volumes
- Aker Solutions' ability to be at the forefront of technology development
- Technology or intellectual property disputes involving the company, its suppliers or sub-suppliers which could increase or hamper Aker Solutions' ability to deliver products and services or limit its operational freedom.
- Partnerships, joint ventures and other types of cooperation that expose the company to risks and uncertainties outside its control

FINANCIAL RISKS

The company works to manage and control exposure to financial risk to ensure predictable earnings and minimize potential adverse effects on financial performance. It uses financial derivative instruments to hedge some risk exposures and aims to apply hedge accounting whenever possible to reduce volatility from periodic mark-to-market revaluations of financial instruments in the income statement.

Aker Solutions' financial-risk exposure includes:

- Currency risks on commercial transactions, assets, liabilities and net investments in foreign currency
- Interest-rate risks from non-current borrowings issued at variable rates
- Credit risks for counterparties that fail to meet contractual obligations
- Liquidity risks on meeting obligations in loan agreements or obtaining new funding

More information on financial-risk factors is available in note 22 of the financial statements of this report.

Shareholder Information

Aker Solutions has an open and continuous dialogue with the financial-market community to promote an understanding of the business and its long-term value.

OVERVIEW

Aker Solutions ASA's nominal share capital was NOK 293,807,940 at the end of 2015. The total number of issued and outstanding shares was 272,044,389 at par value NOK 1.08 and all shares were fully paid. The company's shares are freely transferable. The company held 377,311 own shares at the end of December 2015.

Aker Solutions ASA is a Norwegian limited liability company listed on the Oslo Stock Exchange under the ticker AKSO. As of December 31, 2015, the company had 13,014 registered shareholders in the Norwegian Central Securities Depository (VPS).

SHARE PERFORMANCE

The company's share price fell to NOK 30.30 at the end of the year from NOK 41.55 a year earlier as oil prices declined amid a global industry slowdown. The average price in the period was NOK 38.48 with a high of NOK 50.55 and a low of NOK 28.09. Daily turnover averaged 825,727 shares and the company had a market capitalization of NOK 8.2 billion at the end of the year.

SHARE DISTRIBUTION

Aker Solutions' largest shareholder is Aker Kværner Holding AS, which is 70 percent owned by Aker ASA. Aker ASA is controlled by The Resource Group TRG AS, a company controlled by Kjell Inge Røkke and his wife, who directly and indirectly held 68.18 percent of Aker's shares at the end of 2015.

SHARE PRICE DEVELOPMENT 2015

BRENT OIL PRICE DEVELOPMENT 2015

VOTING RIGHTS

Aker Solutions ASA has one class of shares – ordinary shares with equal rights. Holders of ordinary shares are entitled to one vote per share at general meetings and to receive dividends. Beneficial owners of shares registered in a nominee account, such as through brokers, dealers or other third parties, may not be able to vote with such shares unless their ownership is registered anew in their names with the Norwegian central securities depository VPS prior to the company's general meeting of shareholders.

ANNUAL MEETING

Aker Solutions' annual general meeting will be held April 7, 2016 at 09:00 AM CET at the company's premises in Snarøyveien 20, Fornebu, Norway. Shareholders may participate in person or by proxy. Those unable to attend may cast their votes electronically in advance using the company's website.

ANALYSTS

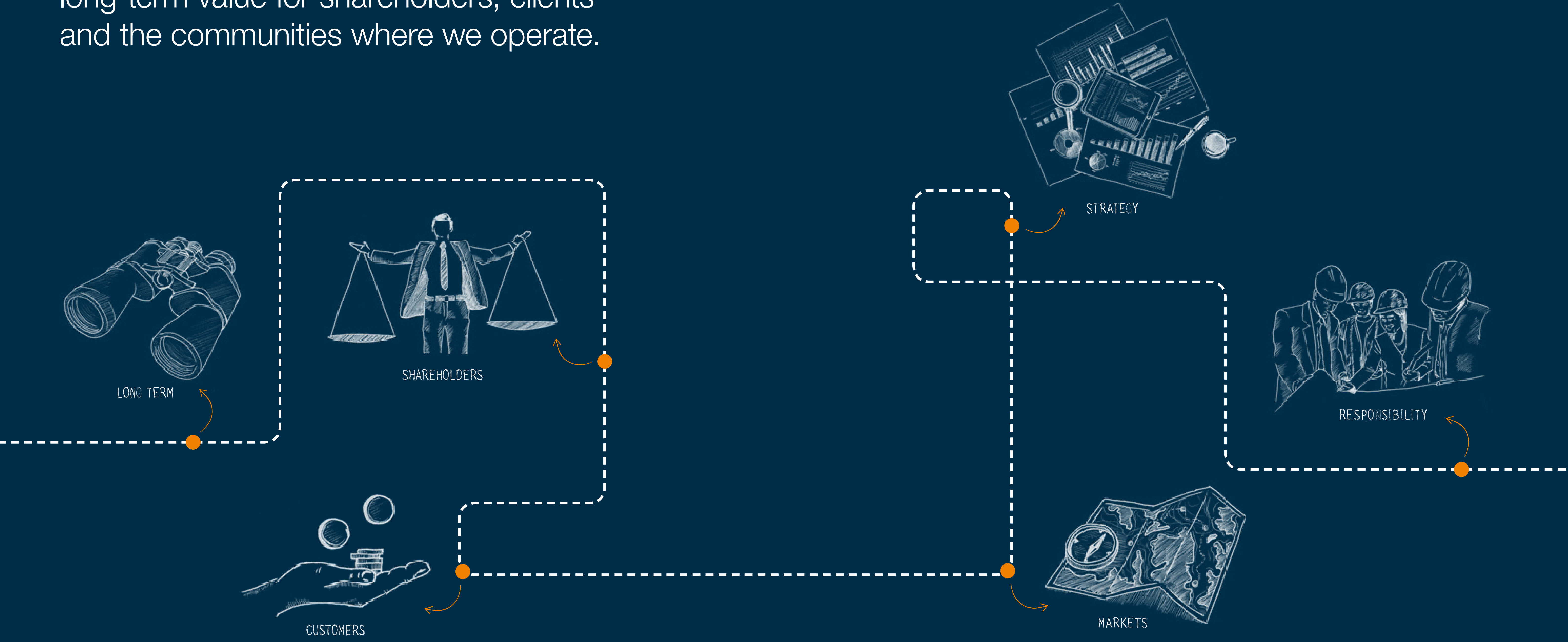
Some 32 analysts in four countries currently cover Aker Solutions. The number and geographic location may change as companies add or drop coverage. An updated list of coverage including analyst contact details is available on the investors' section on our website http://akersolutions.com/investors/share-information.

10 LARGEST SHAREHOLDERS

The shareholder overview is based on an analysis of beneficial ownership and fund manager information provided in response to disclosure of ownership notices issued to custodians in the Aker Solutions ASA VPS share register. While every reasonable effort has been made to verify the data, which was provided by Nasdaq Corporate Solutions, the accuracy of the analysis cannot be guaranteed. Holdings are as of Nov. 17, 2015.

- Aker Kværner Holding AS **40.8%**
- Artisan Partners Limited Partnership **9.2%**
- Aker ASA **6.4%**
- Folketrygdfondet **3.6%**
- T. Rowe Price Associates, Inc. **2.8%**
- Classic Fund Management Aktiengesellschaft **1.9%**
- Swedbank Robur AB **1.6%**
- Deutche Bank AG London **1.6%**
- Danske Capital **1.5%**
- RWC Partners Limited **1.4%**
- Other **29.2%**

Board. We shape the strategy to create long-term value for shareholders, clients and the communities where we operate.



Board of Directors

ØYVIND ERIKSEN
Chairman

Øyvind Eriksen is president and chief executive officer of Aker ASA, which controls 34.8 percent of Aker Solutions' shares. The Norwegian has a law degree from the University of Oslo. While Eriksen at the end of 2015 held no shares or stock options in Aker Solutions directly, he had an ownership interest through his holding of 144,911 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
Deputy Chairman

Anne Drinkwater had an international leadership career with BP including as managing director of the company's Norway business and as group vice president for Egypt, North Africa, Azerbaijan and Asia Pacific. The Briton has a B.Sc. degree in applied mathematics and statistics from Brunel University in London. Drinkwater held 3,500 shares in Aker Solutions and had no stock options at the end of 2015. 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. While Røkke held no shares or stock options directly in Aker Solutions, he had an indirect ownership interest in the company through his investment company The Resource Group TRG AS and its subsidiaries, which he owns with his wife, and which holds 68.18 percent of the shares in Aker ASA, Aker Solutions' main owner. 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 and had no stock options at the end of 2015. Term 2014-2016.

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 and had no stock options at the end of 2015. 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 held 7,328 shares in Aker Solutions and had no stock options at the end of 2015. 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 held 7,842 shares in Aker Solutions and had no stock options at the end of 2015. 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. Karlsen held 5,363 shares in Aker Solutions and had no stock options at the end of 2015. Term: 2014-2017.

Board of Directors' Report

Aker Solutions in 2015 took steps to enhance its competitiveness amid challenging markets. The company introduced a new vision to take more responsibility in finding ways to build a sustainable energy future to the benefit of all.

OVERVIEW

Aker Solutions has two main areas, Subsea and Field Design. Its portfolio of oilfield products, systems and services ranges from concept studies and front-end engineering to subsea production systems and other solutions for extending the lifetime of oil and gas fields. The main customers are international, national and independent oil and gas companies.

The company seeks to be a leader in forging a sustainable future for the global energy industry and the world it serves, building on 175 years of technological and engineering excellence. It is committed to finding solutions to cost-effectively bring oil and gas discoveries into production and maximize recovery while minimizing the environmental footprint.

Aker Solutions employed more than 15,000 people in over 20 countries at the end of 2015. The main office is in Fornebu in Oslo, Norway. Aker Solutions ASA is listed on the Oslo Stock Exchange.

Strategy and Organizational Development

Aker Solutions offers customers subsea technology and field design services to cost-effectively enhance value. It is well positioned to capture growth in deepwater and subsea markets.

The company last year stepped up efforts to improve operations and reduce costs in all parts of the business, incorporating existing initiatives into one global program named #thejourney. The program targets an improvement in cost-efficiency of at least 30 percent across the company and a step-change in its competitiveness. Improvements will in large part be achieved by simplifying the company's work methods, organizational set-up, geographic footprint and products and services. This will give leaner and more efficient processes that enable the company to reduce overall costs of projects and products while improving quality. A key focus of the program is on building a culture of continuous improvement. Collaboration with customers on project improvements is also central to these efforts.

Aker Solutions strengthened its approach in key geographical markets by introducing a governance model consisting of management teams in three regional hubs, Norway, Asia Pacific and Europe and Africa, as well as two countries with expanded mandates, North America and Brazil. This supports a more coordinated customer focus, increases synergies through shared functions and promotes operational excellence across business areas. It's aligned with Aker Solutions' improvement efforts and overall aim to boost competitiveness.

The company's finances are sound and allow for a balanced approach to investments in technology and manufacturing capacity. 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, service revenue and a solid project backlog based on a diverse customer and project mix.

Aker Solutions in 2015 set a new vision to be at the forefront in forging a sustainable future for the global energy industry and the world it serves. A spirit of collaboration and openness shall be at the heart of this effort as the company sets new standards and solves challenges.

Part of the new vision is to take more leadership in the industry. Aker Solutions seeks to move beyond its previous vision of being a preferred partner and take more responsibility in finding ways to build a sustainable future for the company, the industry and a world needing energy.

Customer Focus

Aker Solutions has a holistic and systemic approach to serving global oil and gas companies. Some field design deliveries are made in collaboration with engineering, procurement and construction (EPC) contractors, fabrication players and yards. The company also works with floating production, storage and offloading (FPSO) contractors and offshore installation companies. Aker Solutions in 2015 sharpened its customer focus through targeted and proactive strategies where key account managers worked together across the company to capitalize on business opportunities and strengthen customer relationships.

Where We Operate

Aker Solutions' geographical market organization and global customer approach provides a solid foundation for understanding and engaging with customers and offering products, services and technologies based on their needs.

While Norway is the company's single largest regional market, Aker Solutions in 2015 generated about two-thirds of its revenue from contracts to be delivered outside the country as it expanded in key markets in Africa, UK and Asia Pacific.

Aker Solutions operates in Asia Pacific in countries such as Malaysia, Brunei, India and Australia. Regional customers include South Korean yards that build deepwater production facilities. In Sub-Saharan Africa, the company operates in Angola, Congo-Brazzaville and Nigeria. The company also has a strong local presence in Brazil. The North American market is important because of deepwater activity in the Gulf of Mexico and because large international exploration and production companies are headquartered there.

Market Outlook

Aker Solutions' financial performance depends on activity in global oil and gas markets, which is significantly affected by demand for oil and gas, price volatility and changes in environmental requirements. The steep and sustained decline in oil prices in 2015 caused short- to medium-term uncertainty and many oil producers grappling with capital constraints were forced to curtail spending and postpone projects. Aker Solutions met these challenges with an even bigger focus on cost efficiency and on streamlining its business to boost competitiveness. It also reduced its workforce capacity to better fit market conditions while safeguarding its core competencies.

The market outlook is deemed challenging as oil companies reduce capital investments. Project postponements are increasingly seen and the commercial environment is tough with increasing pressure on prices. There are some signs that cost-cutting efforts across the industry are starting to have an effect as project break-even costs are coming down. This may enable some major projects to be sanctioned in the next 12-18 months. With the exception of the North Sea Johan Sverdrup project, activity offshore Norway is expected to remain subdued over the next year. Aker Solutions' greatest growth potential is outside of Norway, where the company has been expanding in recent years.

The underlying, long-term outlook remains positive. Declining reserves and lower petroleum production in many parts of the world are expected to generate a need for investments in new developments and increased recovery from existing fields. Aker Solutions is poised to take advantage of the long-term shift toward more complex offshore resources. The company is well-placed in key growth regions of the global deepwater and subsea markets to provide the capabilities and technology to tackle the challenges of lowering development costs and improving recovery rates.

Corporate Responsibility

Aker Solutions works proactively to ensure sustainability, integrity and responsibility in its operations. Corporate responsibility at Aker Solutions is about making good and sustainable business decisions that add value to the company, its stakeholders and society. Corporate responsibility considerations are integrated in internal processes and business operations and tailored to diverse local contexts and stakeholder expectations. The company is a member of the UN Global Compact and is committed to its 10 principles. Aker Solutions is also a member of Trace International, an international organization promoting transparency and anti-corruption. The company's commitment to human and labor rights is also covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Solutions reports and communicates on corporate responsibility based on recommendations from the Global Reporting Initiative (GRI). More information is available in the company's corporate responsibility report for 2015 on www.akersolutions.com/cr-reports.

Corporate Governance

Corporate governance is a framework of values, responsibilities, processes and documents to control the business and to ensure sustainable value creation for shareholders and other stakeholders. The board of directors is responsible for ensuring sound corporate governance at Aker Solutions. The audit committee supports the board in ensuring the company has internal procedures and systems in place for effective processes based on the principles set out in the Norwegian Code of Practice for Corporate Governance. More information on corporate governance is available on pages 42-43 of this report and in the corporate governance report for 2015 on www.akersolutions.com/corporate-governance.

Ethical and Political Risks

Aker Solutions could potentially become involved in unethical behavior, either directly or through third parties or partners. The company has operations in countries associated with high political, reputational and corruption risks. Risks of this kind 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 except those in section 2.4 relate to the consolidated financial statements for the group, since the parent company has very limited operations.

Consolidated Financial Results

Aker Solutions' revenue declined to NOK 32 billion in 2015 from NOK 33 billion the prior year amid a market slowdown, particularly in the North Sea. Earnings before interest and taxes (EBIT) fell to NOK 1 billion from NOK 2 billion a year earlier, impacted by NOK 416 million in costs of restructuring and reducing workforce capacity and NOK 265 million to cover lease costs on vacated office space in Norway, the UK and Asia. Earnings were also impacted by an unrealized loss of NOK 94 million on non-qualifying hedges and NOK 22 million in IT-system separation costs related to the 2014 company demerger. The company booked NOK 163 million in impairment charges on technology and other intangible assets as well as property and equipment. Excluding these special items EBIT fell to NOK 1.9 billion from NOK 2.2 billion a year earlier.

Interest income was NOK 76 million in 2015 compared with NOK 55 million the previous year. Interest expenses were NOK 348 million versus NOK 204 million a year earlier. The year-ago figure reflects that part of the company's loans belonged to business areas that were separated from Aker Solutions in the demerger in September 2014. The company booked a negative NOK 1 million in net other financial items that include the effects of foreign exchange movements and capitalization of interest costs. Aker Solutions hedges currency risk for all significant project exposures. About 20 percent of the hedged exposure does not meet hedge accounting requirements specified by IFRS rules.

Income before tax decreased to NOK 685 million in 2015 from NOK 1.8 billion the year before. Income tax expenses were NOK 302 million, down from NOK 516 million in 2014. This corresponds to an effective tax rate of 44 percent and 28 percent, respectively, for each year. The percentage increase is due to higher levels of taxes on deliveries of equipment to Africa. Net income was NOK 383 million, compared with NOK 1.3 billion the previous year. Earnings per share were NOK 1.44 versus NOK 4.71.

The board of directors has proposed that no dividend payment be made for 2015. While Aker Solutions had a solid financial position at the end of 2015, the board deems it prudent to exercise caution amid uncertainty about the outlook for the oil and gas industry. The company maintains its policy of paying a dividend of between 30 and 50 percent of net profit over time.

Subsea Financial Results

The subsea business provides technologies and products, including subsea production systems, umbilicals and power cable systems. The segment covers all phases of the life of fields, from concept screening and design through manufacturing, installation and commissioning to operational support and maintenance services.

Subsea revenue was NOK 19.1 billion in 2015, compared with NOK 19.3 billion the year before, as demand for subsea services declined, particularly in Norway. This was partially offset by revenue from projects in Africa. The EBIT margin narrowed to 5.5 percent from 8 percent a year earlier, affected by NOK 166 million in costs of restructuring and reducing workforce capacity. Excluding special items, the margin was 7.1 percent, compared with 8.1 percent a year earlier.

The full-year order intake was NOK 7.7 billion, down from NOK 27.3 billion the prior year when the intake included a NOK 14 billion contract for the Kaombo development in Angola. The order backlog was NOK 22.5 billion at the end of 2015 versus NOK 33.7 billion a year earlier.

Field Design Financial Results

Field Design provides key services, products and technologies in field development, including engineering, project management, fabrication

KEY FIGURES FOR SUBSEA

Amounts in NOK million	2015	2014
Revenue	**19,101**	19,293
EBITDA	**1,778**	2,058
EBITDA margin	**9.3%**	10.7%
EBITDA (excl. special items)	**1,944**	2,058
EBITDA margin (excl. special items)	**10.2%**	10.7%
EBIT	**1,045**	1,536
EBIT margin	**5.5%**	8.0%
EBIT (excl. special items)	**1,357**	1,568
EBIT margin (excl. special items)	**7.1%**	8.1%
Order intake	**7,660**	27,306
Order backlog	**22,476**	33,702
Employees	**7,449**	8,103

KEY FIGURES FOR FIELD DESIGN

Amounts in NOK million	2015	2014
Revenue	**12,920**	13,710
EBITDA	**543**	868
EBITDA margin	**4.2%**	6.3%
EBITDA (excl. special items)	**793**	852
EBITDA margin (excl. special items)	**6.1%**	6.2%
EBIT	**404**	725
EBIT margin	**3.1%**	5.3%
EBIT (excl. special items)	**672**	749
EBIT margin (excl. special items)	**5.2%**	5.5%
Order intake	**15,263**	9,899
Order backlog	**17,235**	14,609
Employees	**7,772**	8,380

and offshore construction services. The segment consists of the engineering and maintenance, modifications and operations (MMO) businesses.

Field Design revenue decreased to NOK 12.9 billion in 2015 from NOK 13.7 billion a year earlier, primarily because of a slowdown in the Norwegian MMO market as oil companies scaled back spending. This was partly offset by growth in countries such as Canada, Brunei and the UK for MMO, which generated 53 percent of its revenue outside of Norway in 2015 compared with 31 percent the prior year. Field Design's EBIT margin narrowed to 3.1 percent from 5.3 percent a year earlier, impacted mainly by NOK 250 million in costs of reducing workforce capacity and restructuring. Excluding special items, the margin was 5.2 percent in 2015 versus 5.5 percent in 2014.

The order intake rose to NOK 15.3 billion in the year from NOK 9.9 billion in 2014. New orders included a five-year contract from Statoil valued at NOK 4.5 billion to provide engineering, procurement and management assistance (EPMA) services at the Johan Sverdrup oilfield in the North Sea. The company also won a contract from ExxonMobil for engineering, procurement, construction and maintenance services at the Hebron oilfield offshore Canada. It secured a framework agreement for maintenance and modifications services at BP-operated oil and gas fields offshore Norway. The NOK 3.2 billion contract has a fixed period of five years and may be extended by as many as four years. The MMO business was also awarded a framework contract to provide engineering and construction services at several offshore facilities in the UK North Sea. This agreement has a fixed period of five years and an option to be extended by as many years. The order backlog was NOK 17.2 billion at the end of 2015, up from NOK 14.6 billion a year earlier.

Parent Company Financial Statements

Aker Solutions ASA is the parent company of the Aker Solutions group and its business is the ownership and management of the group's subsidiaries. Aker Solutions ASA has outsourced all company functions to other companies within the group, mainly Aker Solutions Holding AS. Assets and liabilities related to the corporate treasury function are held by Aker Solutions ASA. Aker Solutions ASA had a net loss of NOK 211 million in 2015.

The parent company's dividend policy is to pay shareholders 30 to 50 percent of net profit as an annual dividend over time. The dividend will be paid in cash or share buybacks or a combination of both. The board of directors proposed that no dividend payment be made for 2015 as it was deemed prudent to exercise caution amid uncertainty about the outlook for the oil and gas industry.

More information on the allocation of profits can be found in the income statement of the parent company on pages 118-132 of this report.

Cashflow

Consolidated cashflow from operating activities depends on a number of factors, including progress on and delivery of projects, changes in working capital and prepayments from customers. Net cashflow from operating activities was NOK 1.9 billion in 2015, compared with NOK 2.6 billion a year earlier. Net current operating assets developed favorably to a negative NOK 1.6 billion at the end of the year 2015 from a negative NOK 688 million a year earlier. Working capital may fluctuate considerably due to large milestone payments on projects.

Aker Solutions' investments totaled NOK 1.3 billion in 2015, compared with NOK 1.4 million a year earlier. These were mainly in the subsea area and included construction of a new facility in Brazil, expansion of facilities in Angola and several technology development projects. Investments in technology development and IT were NOK 449 million, compared with NOK 554 million a year earlier. Spending related to financing activities was NOK 323 million, down from NOK 2.8 billion the prior year, and included NOK 3 billion in demerger considerations paid to Akastor.

FINANCIAL POSITION

Assets, Equity and Liability

Non-current assets totaled NOK 10.5 billion at the end of 2015, compared with NOK 9.8 billion a year earlier. Of this, goodwill and other intangible assets amounted to NOK 6.2 billion, up from NOK 5.8 billion the year before. The company had a net cash holding of NOK 301 million at the end of the year, compared with net interest-bearing debt of NOK 397 million the prior year. Net debt consists of current and non-current borrowings excluding cash and interest-bearing receivables. The company's debt includes bond loans in the Norwegian market, bank loans with Nordic and international banks, 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 3.9 billion, helped by customer pre-payments on projects. Undrawn and committed long-term revolving bank credit facilities were NOK 5 billion, giving a total liquidity buffer of NOK 8.9 billion. Capital adequacy and liquidity were generally deemed solid at the end of 2015, 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 6.6 billion at the end of 2015, compared with NOK 5.9 billion a year earlier. The company's equity ratio was 23.9 percent of the total balance sheet, up from 21.5 percent a year 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 company's financial performance. Financial risk management and exposure are described in detail in note 22. The main financial risks are summarized below:

- Currency risk: Aker Solutions has international operations and is exposed to currency risk on commercial transactions. The currency risk on all major contracts is hedged in the external market. More than 80 percent of this either qualifies for hedge accounting or is presented separately as embedded derivative hedges.
- Liquidity risk: The corporate treasury department ensures sufficient flexibility in funding by maintaining availability under committed credit lines. The company monitors rolling weekly and monthly forecasts of the company's liquidity reserve based on expected cashflows.
- Interest rate risk: The company's interest rate risk stems from external borrowing issued at variable rates.
- Credit risk: The credit risk related to customers' ability to pay is assessed in the bid phase and during execution of a project.

Going Concern

In accordance with the Norwegian Accounting Act, the board confirms that the financial statements have been prepared on the basis of the going-concern assumption.

RESEARCH, INNOVATION AND TECHNOLOGY DEVELOPMENT

Aker Solutions builds on its strengths in key subsea and field design markets through investment in research, innovation and technology. The focus is to develop new concepts, technologies and products that address challenges while lowering costs. The offshore oil and gas industry is moving into an era of declining production at maturing fields, increasingly complex reservoirs, deeper waters and stricter regulation.

The research and development (R&D) portfolio investments in 2015 involved more than 30 main projects, leading to the filing of 21 patents. Total R&D expenditure was NOK 642 million, of which NOK 431 million was capitalized and NOK 211 million expensed.

R&D is managed by the technology organization. The purpose is to share resources and aggregate best practice and knowledge to ensure it's aligned with the company's strategy.

R&D investments target four key areas: (1) subsea production products and solutions including technologies developed by the Subsea Production Alliance, (2) new generation controls and automation systems, (3) offshore greenfield developments and (4) offshore brownfield modifications to increase oil recovery and extend field life.

All these priorities and activities were reflected in 2015 R&D portfolio investments, striking a balance between near-term project-driven product development, medium-term feasibility studies and market-driven development and investments in longer-term technologies.

New technology development is focused on cost reduction and the bottom line as well as on elevating capabilities. As an example, the subsea production alliance between Aker Solutions and Baker Hughes in 2015 introduced POWERJump, a fast-track and cost-effective boosting system that's particularly well-suited to increasing production from fields with lower flow rates or individual wells. It's built using proven technology from both companies and complements and broadens Aker Solutions' subsea boosting technology portfolio. Aker Solutions' Front End Spectrum team is also expected to increasingly generate ideas that will lead to technology development. The team draws on expertise from across the business and engages with customers early in a project to evaluate the overall potential and find solutions that will reduce costs and boost productivity.

The world's first subsea compression system, which Aker Solutions in 2015 delivered to Statoil for the Åsgard field offshore Norway, is a good example of new technology that increases recovery while reducing total development costs. The technology is a major milestone for the industry, opening opportunities in deeper waters, harsher environments and areas farther from shore. The Åsgard system is designed for large flow rates and is built to be reliable, efficient and flexible. Close collaboration with Statoil and Aker Solutions' suppliers was essential to ensure the successful delivery of this breakthrough technology. Aker Solutions is working on improving future versions to deliver leaner and more cost-efficient subsea compression solutions. The company and MAN Diesel & Turbo in October 2015 formed an alliance to develop the next generation in subsea compression systems.

Aker Solutions last year stepped up research and innovation efforts in the early phase of technology development, encouraging employees to develop ideas and concepts to ensure a steady stream of innovation for the technology and qualification pipeline. Aker Solutions engages with university researchers to develop competence, create technologies and attract top students to its workforce.

HEALTH, SAFETY AND ENVIRONMENT

Aker Solutions strives to safeguard the health, safety and environment (HSE) of its employees and to prevent all unfavorable incidents. The company works continuously to prevent incidents that could harm personnel, material or non-material assets through a companywide system that sets the standard for HSE management and leadership. Regular audits shall uncover possible shortcomings, so that countermeasures can be identified and initiated. The HSE system works as a framework for cross-organizational sharing and learning. The company's Just Care concept is a symbol for HSE culture and efforts and is backed by the principle that HSE is the personal responsibility of every employee. Just Care will be further developed in 2016 to ensure that HSE and security remain top priorities.

Safety

Sadly, the company suffered one fatality in 2015. A veteran employee was killed on December 30 when a large wave hit the living quarters of the COSL Innovator drilling rig. The incident is under investigation.

Aker Solutions had 48 serious incidents last year, of which 15 caused personal injury or material damage, 23 were near misses and 10 observed risks. The company investigates all such incidents and near misses to learn and improve safety. Serious incidents largely stemmed from falling objects, lifting operations, use of tools and equipment, work at height and pressure testing. Several incidents involved people working for subcontractors, resulting in a renewed effort to ensure that suppliers also adhere to and train personnel to follow the company's safety procedures.

The total recordable injury frequency (TRIF) per million working hours was 1.34 in 2015, up from 1.24 in 2014. The lost-time injury frequency (LTIF) per million working hours was 0.49 in 2015, compared with 0.33 in 2014. The company targets a TRIF and LTIF of below 1.3 and 0.3, respectively. The figures include subcontractors.

Health and Working Environment

Sick leave amounted to 2.8 percent of total working hours in 2015, compared with 2.7 percent the prior year. Variations on national laws and practices make it difficult to directly compare sick leave rates between countries. Rates for Aker Solutions staff in Norway were low by national standards, but generally higher than for employees in other countries.

The new health initiative Aker Care was kicked off in 2014 to provide employees at major locations in Norway easy access to a variety of "in-house" services from health personnel.

The Aker Active initiative also helped motivate staff to participate in physical activity and training.

Security

In a more volatile global security environment, identifying and analyzing security threats and implementing appropriate measures to protect employees, clients and assets are a major priority. There has been a continuous increase in formal requirements from key clients to ensure that security risks are adequately managed. Aker Solutions in 2015 continued to establish a robust security culture and implemented a new security policy. As cultural awareness is the cornerstone of any security operation, the company in 2015 studied and adapted to the international voluntary principles on security and human rights as part of security risk assessments at most locations.

Security incidents in 2015 included armed robbery, burglaries, theft, fraud and threats. No physical injuries to personnel were reported. There was no impact on productivity or materials. Several international incidents also triggered responses and preventive measures.

Emergency Preparedness

Improvements in emergency preparedness continued in 2015 with an emphasis on more training and exercises. There were several new members of the corporate emergency response team, necessitating an overhaul of the strategic crisis management and methodology for emergencies.

Several actual mobilizations of local emergency response teams occurred in 2015 and processes were initiated to draw lessons from the events. The latest test on preparedness came from the mobilization in connection with the fatality on December 30. While the incident is still under investigation, all levels of the emergency response teams were notified, mobilized and acted according to established plans and procedures.

Environment

Aker Solutions' activities generally have a limited direct impact on the environment. No significant, unintentional environmental discharges or emissions were recorded in 2015.

Aker Solutions works to protect the environment in two ways: First, by offering products, systems and services that are environmentally safe and help reduce the environmental footprint of customers' operations, and second, by seeking to reduce its own direct impact.

Recent examples of environmentally-friendly solutions include the Subsea Containment Assembly – a wellhead capping system designed to contain a well-control incident by creating a seal to prevent oil leaks. Another solution is the Åsgard subsea compression system, which will reduce energy consumption and CO2 emissions by 50 percent compared with traditional compressor solutions, according to the operator, Statoil. The solution will also increase the oil recovery rate to 84 percent from 59 percent at the Mikkel field and to 87 percent from 67 percent at the Midgard deposit.

Aker Solutions' total energy consumption, based on recorded use of oil, gas and electricity, increased to 126,750 megawatt hours (MWh) in 2015 from 116,339 MWh the year before. Total carbon dioxide emissions amounted to 27,193 tons in the year, up from 21,188 tons in 2014. An undesirable increase in energy consumption and associated CO2 emissions must be seen in light of Aker Solutions' work as a client-driven company, since activity varies greatly from year to year depending on the project load. Compared to 2013, we see a reduction in both energy consumption and CO2 emissions.

Aker Solutions also focuses on waste reduction, which is highly project dependent. In 2015, the company recorded total waste of 34,875 tons, compared with 26,636 tons a year earlier. Some 86 percent of the waste was sent for recycling.

Aker Solutions uses its HSE leadership development initiatives, eLearning and management system to encourage employees to focus on the environment and inspire the organization to improve its environmental profile and develop products that help customers do the same.

SAFEGUARDING DIVERSITY AND EQUAL OPPORTUNITY

Aker Solutions had 15,395 own employees, representing more than 90 nationalities, and 2,278 contract staff at the end of 2015. Women made up about 20 percent of the workforce, excluding contract staff. The employees' diverse backgrounds and wide range of skills are an asset for the company in a competitive global environment.

The company is committed to non-discrimination and equal opportunity, regardless of gender, nationality or other factors. It seeks to reach the desired workforce balance through clear requirements for diversity in recruitment, development of individuals and programs supporting equal opportunity, as described in the company's people policy. Aker Solutions last year decided to establish an Inclusion and Diversity Council chaired by the chief executive officer. The council will be operational in 2016 and its main purpose will be to raise awareness and spread knowledge on these issues throughout the company.

Aker Solutions' organizational development function seeks to promote gender and global diversity among current and future leaders. Measures include systemizing the annual processes for global talent management and assessment, regular leadership reviews with the executive management and building a robust talent pipeline. The strategy includes assigning prospects a variety of roles, stretching their abilities and scouting out and attracting talent from inside and outside the company.

Aker Solutions is strongly committed to equal opportunity and enabling local staff to move into management. This is mandatory in some places under rules for local content and participation that promotes job creation for nationals. Local management teams are charged with including and building on local talent, ensuring legal compliance and securing long-term operations. The company is also a partner of Global Future, an organization focused on increasing cross-cultural competence in companies and supporting highly-skilled staff with multicultural backgrounds.

More information on diversity and equal opportunity is available in the company's 2015 corporate responsibility report.

RISK FACTORS

The market situation and current outlook for the oil-services industry is considered challenging. Aker Solutions is exposed to various forms of market, operational and financial risks that could affect performance, the ability to meet strategic goals and the company's reputation.

Financial results are affected by project execution, customer behavior and market developments, including fluctuations in energy prices. Results are also impacted by costs, both the company's own and those charged by suppliers, as well as customers' ability to pay. Aker Solutions is through its business activities exposed to legal, regulatory and political risks, such as decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behavior. The company is exposed to financial market risks including changes in currency rates, interest rates, tax, credit and counterparty risks, as well as risks associated with access to and terms of financing.

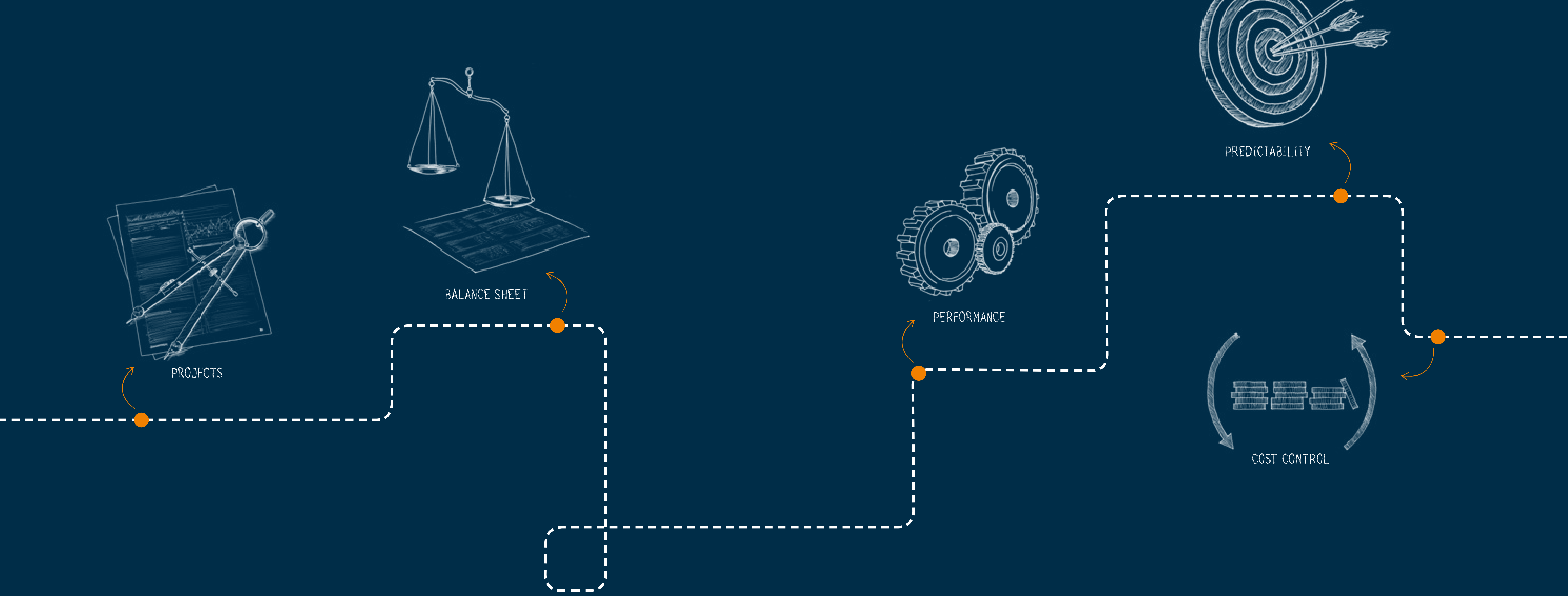
Recent market developments may lead to further capacity adjustments and changes in the valuation of the company's assets and liabilities. This includes further restructuring obligations, onerous leases, impairments and increased credit risk impacting the valuation of trade receivables.

Aker Solutions has company-wide policies, procedures and tools that identify, evaluate and respond to risks actively and systematically. More information on risk factors is available on pages 44-45 of this report and note 22.

Fornebu, March 10, 2016
Board of Directors of Aker Solutions ASA

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

Financials. We seek to maximize returns by striving for top and bottom line excellence.



Consolidated Financial Statements

AKER SOLUTIONS GROUP PER DECEMBER 31, 2015

Content

Declaration by the Board of Directors and Chief Executive Officer

The board and chief executive officer 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 2015 calendar year ended on December 31, 2015.

This declaration is based on reports and statements from the chief executive officer, chief financial officer and on the results of the group's business as well as other essential information provided to the board to assess the position of the parent company and group.

To the best of our knowledge:

- the 2015 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, 2015
- 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 10, 2016
Board of Directors of Aker Solutions ASA

Øyvind Eriksen Chairman	**Anne Drinkwater** Deputy Chairman	**Kjell Inge Røkke** Director
Koosum Kalyan Director	**Stuart Ferguson** Director	**Atle Teigland** Director
Åsmund Knutsen Director	**Hilde Karlsen** Director	**Luis Araujo** Chief Executive Officer

Income Statement

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2015	2014
Revenue	3,4	**31,896**	**32,971**
Materials, goods and services		**-12,979**	-13,561
Personnel expenses	5	**-11,750**	-11,171
Other operating expenses	6	**-5,326**	-5,565
Operating expenses before depreciation, amortization and impairment		**-30,055**	**-30,296**
Operating income before depreciation, amortization and impairment		**1,841**	**2,675**
Depreciation, amortization and impairment	10,11	**-882**	-665
Operating income		**958**	**2,010**
Interest income	7	**76**	55
Interest expenses	7	**-348**	-204
Net other financial items	7	**-1**	-45
Income before tax		**685**	**1,817**
Income tax	9	**-302**	-516
Net income		**383**	**1,300**
Net income attributable to:			
Equity holders of the parent company		**392**	1,280
Non-controlling interests		**-8**	20
Net income		**383**	**1,300**
Earnings per share in NOK (basic and diluted)	8	**1.44**	**4.71**

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

Other Comprehensive Income (OCI)

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2015	2014
Net income		**383**	**1,300**
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified subsequently to profit or loss:			
Cashflow hedges, effective portion of changes in fair value		**-1,385**	-2,103
Cashflow hedges, reclassification to income statement		**1,135**	411
Cashflow hedges, deferred tax	9	**39**	465
Translation differences - foreign operations		**907**	1,213
Total		**696**	**-14**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plans	18	**89**	-161
Remeasurements of defined benefit pension plans, deferred tax	9	**-21**	44
Effect of change in tax rate from accumulated actuarial assumptions		**-10**	-
Total		**58**	**-117**
Other comprehensive income (loss), net of tax		**753**	**-131**
Total comprehensive income		**1,137**	**1,169**
Total comprehensive income attributable to:			
Equity holders of the parent company		**1,119**	1,116
Non-controlling interests		**17**	53
Total comprehensive income		**1,137**	**1,169**

Balance Sheet

Consolidated statement as of December 31

Amounts in NOK million	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	10	**3,962**	3,603
Intangible assets	11	**6,207**	5,763
Deferred tax assets	9	**332**	380
Other non-current assets		**36**	27
Total non-current assets		**10,537**	**9,773**
Current assets			
Current tax assets		**118**	106
Inventories	13	**814**	862
Trade and other receivables	14	**10,985**	12,042
Derivative financial instruments	24	**1,295**	1,187
Interest-bearing receivables	25	**117**	82
Cash and cash equivalents	15	**3,862**	3,339
Total current assets		**17,192**	**17,618**
Total assets		**27,729**	**27,391**

Amounts in NOK million	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**294**	294
Treasury shares	16	**-1**	-1
Reserves	16	**721**	-7
Retained earnings		**5,382**	5,391
Total equity attributable to the parent		**6,397**	**5,677**
Non-controlling interests		**234**	**216**
Total equity		**6,630**	**5,893**
Non-current liabilities			
Non-current borrowings	17	**3,137**	3,154
Pension obligations	18	**572**	670
Deferred tax liabilities	9	**283**	699
Other non-current liabilities		**27**	22
Total non-current liabilities		**4,018**	**4,545**
Current liabilities			
Current tax liabilities		**9**	41
Current borrowings	17	**561**	674
Provisions	20	**1,294**	581
Trade and other payables	21,28	**12,222**	13,075
Derivative financial instruments	24	**2,995**	2,581
Total current liabilities		**17,081**	**16,953**
Total liabilities		**21,099**	**21,498**
Total liabilities and equity		**27,729**	**27,391**

Fornebu, March 10, 2016
Board of Directors of Aker Solutions ASA

Øyvind Eriksen *(signed)*
Chairman

Anne Drinkwater *(signed)*
Deputy Chairman

Kjell Inge Røkke *(signed)*
Director

Koosum Kalyan *(signed)*
Director

Stuart Ferguson *(signed)*
Director

Atle Teigland *(signed)*
Director

Åsmund Knutsen *(signed)*
Director

Hilde Karlsen *(signed)*
Director

Luis Araujo *(signed)*
Chief Executive Officer

Cashflow

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2015	2014
CASHFLOW FROM OPERATING ACTIVITIES			
Net income		**383**	**1,300**
Adjustments for:			
Income tax	9	**302**	516
Net interest cost		**320**	244
(Profit) loss on foreign currency forward contracts	7	**-46**	-51
Depreciation, amortization and impairment	10,11	**882**	665
Other (profit) loss on disposals and non-cash effects		**25**	-29
Net income after adjustments		**1,866**	**2,646**
Changes in operating assets and liabilities		**1,022**	536
Cash generated from operating activities		**2,888**	**3,182**
Interest paid		**-288**	-320
Interest received		**76**	90
Income taxes paid		**-742**	-307
Net cash from operating activities		**1,934**	**2,645**
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	10	**-841**	-816
Payments for capitalized development	11	**-449**	-554
Acquisition of subsidiaries, net of cash acquired		**-3**	-51
Proceeds from sale of property, plant and equipment		**3**	41
Other investing activities		**-8**	12
Net cash from investing activities		**-1,299**	**-1,368**
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**696**	177
Repayment of borrowings		**-598**	-143
Paid dividends		**-394**	-
Net purchase of treasury shares and share purchase program	16	**-6**	-129
Net contribution from (to) parent		**-**	-2,734
Other financial activities		**-21**	-
Net cash from financing activities		**-323**	**-2,829**
Effect of exchange rate changes on cash and bank deposits		**211**	**428**
Net increase (decrease) in cash and bank deposits		**522**	**-1,124**
Cash and cash equivalents at the beginning of the period		**3,339**	**4,463**
Cash and cash equivalents at the end of the period	15	**3,862**	**3,339**

Equity

Consolidated statement of changes in equity

Amounts in NOK million	Share capital	Treasury share reserve	Retained earnings	Hedging reserve	Translation reserve	Pension reserve	**Equity attributable to parent**	Non-controlling interests	**Total equity**
Equity as of January 1, 2014	294	-	5,693	238	-63	69	**6,231**	156	**6,387**
Net income			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**
Net income			392				392	-8	383
Other comprehensive income				-211	881	58	728	26	753
Total comprehensive income			**392**	**-211**	**881**	**58**	**1,119**	**17**	**1,137**
Dividends			-394				-394		-394
Treasury shares		-	8				8		8
Employee share purchase program			-14				-14		-14
Equity as of December 31, 2015	**294**	**-1**	**5,382**	**-1,287**	**1,998**	**10**	**6,397**	**234**	**6,630**

Notes to the Consolidated Financial Statements

For the year ended December 31

Note 1 Company Information

Aker Solutions is an oil service company providing subsea technologies and field design services including engineering, modification, maintenance and decommissioning services. The group employs more than 15,000 people with operations in about 20 countries world-wide, with head office based in Fornebu, Norway.

The parent company, Aker Solutions ASA, is a Norwegian limited liability company listed on the Oslo Stock Exchange under the ticker AKSO. The consolidated financial statements of Aker Solutions incorporate the financial statements of the company and its subsidiaries (collectively referred to as "the group" or "the company" and separately as group companies) and the group's interest in associated entities. The Resource Group TRG AS is the ultimate parent company of Aker Solutions ASA.

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, 2015.

The consolidated financial statements were approved by the board of directors and the chief executive officer (CEO) as shown on the dated and signed balance sheet. The consolidated financial statements will be authorized at the Annual General Meeting on April 7, 2016. Until this date the board of directors has the authority to amend the financial statements.

FINANCIAL REPORTING PRINCIPLES

The relevant financial reporting principles are described in each note to the consolidated financial statements. Aker Solutions focuses on describing the reporting within the IFRS framework rather than repeating the actual text of the standard, unless the text is considered important for understanding the content of the note.

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 on each reporting date. The financial information presented in Norwegian kroner (NOK) has been rounded to the nearest million (NOK million), therefore the subtotals and totals in some tables may not equal the sum of the amounts shown. Certain of the comparative figures have been adjusted to conform to the presentation adopted in the current year, including note 4 Operating Segments, note 7 Finance Income and Expenses and note 24 Derivative Financial Instruments.

The demerger from Akastor ASA (formerly named Aker Solutions ASA) in September 2014 was considered to be a common control transaction outside the scope of IFRS 3 Business Combinations. Book values have been used to present 2014 figures as if Aker Solutions had presented separate consolidated financial statements the whole year.

PRESENTATION CURRENCY

These consolidated financial statements are presented in Norwegian kroner (NOK) which is Aker Solutions ASA´s functional currency. The financial statements of the subsidiaries are translated into NOK at an average yearly rate for the income statement and at the rate per December 31 for the balance sheet. Exchange differences arising from the translation of subsidiaries are recognized in other comprehensive income and accumulated in equity.

CONSOLIDATION

The consolidated financial statements comprise the parent company Aker Solutions ASA, its subsidiaries and a share of profit and equity of associated companies using the equity method. 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 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.

JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The items where judgements and estimates have been made are described in each of the following notes:

- Note 3 Revenue
- Note 9 Tax
- Note 10 Property, Plant and Equipment
- Note 11 Intangible Assets
- Note 12 Impairment of Assets
- Note 13 Inventories
- Note 14 Trade and Other Receivables
- Note 18 Pension Obligations
- Note 20 Provisions

NEW FINANCIAL REPORTING PRINCIPLES

No significant new accounting principles have been adopted in 2015. The IASB has issued three new standards that are expected to impact the financial reporting of the group in the future. 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

Effective in 2018

The new standard for financial instruments is not expected to significantly change the reported figures of the group. The following changes are expected to impact the reported figures upon transition to IFRS 9:

- Around 80 percent of the group's foreign currency hedges qualify for hedge accounting under the current IAS 39 standard. The percentage of qualifying hedges is expected to increase under IFRS 9 as the hedge accounting model is more aligned with risk management, including prospective testing and less restrictive requirements on qualifying hedging instruments. This is expected to result in less foreign currency effects reported under financial items.
- The effect of classification of financial instruments and the expected credit loss principle are not expected to have material impact on the financial reporting, but will be assessed further.

The new standard for financial instruments was issued in July 2014 and will be effective for accounting periods starting January 1, 2018. The group will not consider early adoption of IFRS 9 until the standard has been endorsed by the EU.

IFRS 15 Revenue From Contracts With Customers

Effective in 2018

The new standard for revenue recognition is not expected to significantly change how the group recognizes revenue. The progress-based measurement of revenue over time will still be the main method for the construction contracts in Subsea and Field Design. The service contracts are still expected to be recognized over time as services are delivered. The following changes are expected to impact the reported figures upon transition to IFRS 15:

- Waste cost has to be identified and expensed immediately, and will not be considered as part of project cost recognized according to progress as under the current IAS 11. The group is currently working to define examples of waste cost in order to be in compliance with the new standard.
- Tender cost is expected to be mainly expensed as incurred under the new standard. The current IAS 11 requires that tender costs are capitalized if award is considered to be probable.
- Variable consideration (such as bonuses and incentives) and change of scope (such as variation orders and amendments) have a higher threshold for revenue recognition in the new IFRS 15 than under the current IAS 11. This is only to a limited degree expected to impact the financial figures, since the group is already practicing a high threshold for including this type of revenue.

Other changes are currently not expected to be material. However, this may change as clarifications are issued by the IASB or as practice develops in the industry. The new revenue standard was issued in May 2015 and will be effective for accounting periods starting January 1, 2018. It is expected that the group will use the retrospective implementation method in 2018, with restatement of comparative figures for 2017. IFRS 15 has not yet been endorsed by the EU.

IFRS 16 Leasing

Effective in 2019

The current assessment is that the new standard for leasing will significantly change how the group accounts for its lease contracts. Aker Solutions has a significant number of lease contracts for land and buildings that are currently accounted for under IAS 17 as operating leases. IFRS 16 eliminates the current dual accounting model when leasing assets, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, there will be a single on-balance sheet model that is similar to current financial leases accounting. Only leases for small items such as computers and office equipment will be exempt. The following changes are expected to impact the reported figures upon transition to IFRS 16:

- Assets and liabilities in the group are expected to increase with an amount close to the net present value of future lease payments
- Earnings before interest, taxes, depreciation and amortization (EBITDA) will increase as the lease payments will be presented as depreciation and finance cost rather than operating expenses
- Operating cashflow will increase and investing and financing cashflow will decrease as the lease payments will no longer be considered as operational

The new standard for leases was issued January 13, 2016 and will be effective for accounting periods starting January 1, 2019. IFRS 16 has not yet been endorsed by the EU.

Other new or revised accounting standards are not considered to have a material impact on the Aker Solutions consolidated financial statements.

Note 3 Revenue

Construction contracts for the sale of subsea production equipment and modifications on oil and gas installations account for more than half of the revenue in Aker Solutions. These contracts typically last more than one year and up to as long as five years. The total estimated contract revenue and cost in construction contracts are critical financial reporting estimates that may require significant management judgment. Aker Solutions also has service contracts for engineering and maintenance on oil and gas installations. These contracts are usually reimbursable with lower risk, but can have various incentive schemes and bonus arrangements where management judgment is required. A limited portion of the revenue relates to product sales.

FINANCIAL REPORTING PRINCIPLES

Construction Contracts

The construction contracts consist of engineering, procurement and construction (EPC) contracts for manufacturing or modification of assets. Revenue and cost for construction contracts is recognized using the stage of completion method. The stage of completion method is determined by the method that best reflects the work performed. Depending on the nature of the contract, the following two main methods are used in order to determine progress:

- Technical or physical completion
- Cost incurred of total cost

The compensation format in the construction contracts is lump sum, reimbursable or a mix. The following principles are used:

- Options for additional scope of work are included in the contract when exercised by the buyer
- Variation orders for changes in the scope of work are recognized when they are probable and can be measured reliably
- Incentive payments based on various key performance indicators are included in contract revenue when the contract is sufficiently advanced so it is probable that the specified performance targets will be met, and the amounts can be measured reliably
- Disputed amounts and claims are only recognized when negotiations have reached an advanced stage, customer acceptance is probable and the amounts can be measured reliably
- No revenue is recognized if there is significant uncertainty regarding recovery of consideration

Contract costs include those that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Tender costs are capitalized when it is probable that the company will obtain the contract. The project management team uses its experience from similar projects and develops a detailed cost estimate based on the drawings and specifications in the contract and the assumptions made in the tender phase. The specific risks associated with the contract are estimated and a risk contingency is included in the cost forecast based on a probability weighting of the possible outcomes.

The estimation uncertainty during the early stages of a construction contract is mitigated by a principle of not recognizing profit before the contract reaches 20 percent completion. However, management can on a project-by-project basis give approval of earlier profit recognition if cost estimates are considered reliable due to repeat projects, proven technology, proven execution model or high level of committed cost.

During execution, total forecasted revenue and cost in addition to the stage of completion are updated each reporting date. The full loss is recognized immediately when identified on loss-making contracts.

Service Contracts

Service contracts mainly consist of engineering services, subsea aftersales services and maintenance frame agreements for oil and gas installations. The compensation format is mainly reimbursable with incentive schemes. Service revenue is recognized in the period in which the services are rendered or by using the stage of completion method. The stage of completion is normally assessed based on the proportion of cost incurred for work performed to date compared to the estimated total contract cost. Service revenue is only recognized to the extent it is probable and the revenue, cost and the progress can be measured reliably.

Product Sales

Product revenue is recognized when the significant risks and rewards have been transferred to the buyer, usually upon delivery.

Other Income

Other income relates to sub-lease income, gains and losses from sale of fixed assets, share of profit from operational equity accounted investees and changes in the value of contingent considerations from acquisitions of subsidiaries.

JUDGMENTS AND ESTIMATES

It can be challenging to estimate the expected revenue and cost in construction and service contracts, in particular if the project is experiencing operational challenges. The judgments and estimates in construction and service contracts are described below.

Estimate of Total Contract Cost

The estimate of total contract cost is a critical financial reporting estimate for construction contracts in particular. Remaining project cost depends on the ability to properly execute the engineering and design phase, availability of skilled resources, manufacturing capacity, productivity factors, performance of subcontractors and sometimes also weather conditions. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that cost estimates may change significantly.

Liquidated Damages (LD)

LDs are penalties for not achieving defined milestones. LDs are common in construction contracts, but can also be present in service contracts. If a project does not meet the defined milestone in a contract, a provision reducing project revenue is made when considered probable that an LD will be imposed. The estimated LD provision is highly judgmental and based on experience with similar LD situations and negotiations with customers.

Change of Scope (Variation Orders)

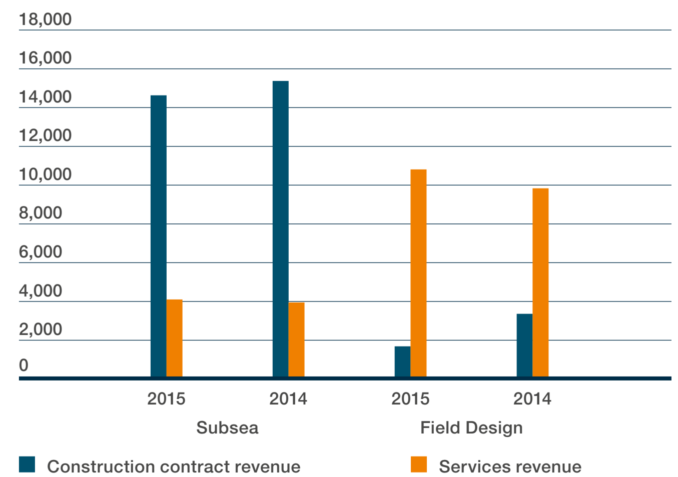
The construction and service contracts may have significant changes in scope of work and variation orders are normally agreed upfront. However, unapproved variation orders may be included in the project revenue where recovery is assessed as probable and other criteria are met.

Incentive Payments

Incentive payments are integral and significant parts of contract revenue on many service contracts and may also exist on construction contracts. Incentive payments include key performance indicators, bonuses, target sum mechanisms and productivity measures and can potentially both increase and decrease revenue. Incentive payments are generally included when there is a high level of probability that the milestones or key performance indicators will be met. There is a risk that the actual payment of incentives differs from the estimated amount.

CONSTRUCTION CONTRACTS AND SERVICE REVENUE

The graph below presents the amounts of service and construction revenue per operating segment.



AMOUNTS IN THE BALANCE SHEET RELATING TO CONSTRUCTION AND SERVICE REVENUE

Work in Progress (WIP) on Construction Contracts

Work in progress (WIP) on construction contracts is presented in the balance sheet as amounts due to or from customers. The presentation of WIP as an asset or liability depends on the financial status of the individual projects. All individual projects with higher cost incurred than invoiced amount are summarized in the balance sheet and presented as trade and other receivables in the balance sheet. All individual projects with higher invoiced amount than cost incurred are summarized and presented as trade and other payables in the balance sheet. Advances are presented separately as a liability as such advances represent payments from customers in excess of the work performed.

Amounts in NOK million	2015	2014
Amounts due from customers for construction work	2,365	3,527
Amounts due to customers for construction work	-1,037	-1,958
Advances received from customers	-4,958	-3,923
Construction contracts in progress, net position	**-3,630**	**-2,354**
Cost incurred and recognized profits (less losses) from project start to period end	42,129	50,213
Retentions	-	119

Total incurred cost and recognized profits for all ongoing construction contracts is shown above. Retentions are money held back by the customer until specific conditions are met.

Accrued and Deferred Revenue on Service Contracts

Service contracts where performed work exceeds invoiced amounts are presented as trade and other receivables in the balance sheet. Service contracts where invoiced amounts exceed work performed are presented as a trade and other payables in the balance sheet.

Amounts in NOK million	2015	2014
Accrued operating revenue from service contracts	2,032	1,568
Deferred revenue for service contracts	-162	-114
Service contracts in progress, net position	**1,870**	**1,454**

▶ **See note 4** for more information about revenue per segment
▶ **See note 14** for more information about other receivables
▶ **See note 21** for more information about other payables

Note 4 Operating Segments

Aker Solutions has two operating segments. Subsea provides production equipment and maintenance services to the subsea market. Field Design provides offshore engineering and maintenance services in addition to modifications. The two operating segments Subsea and Field Design are managed separately, have different strategies and risks and offer different solutions to its customers.

ACCOUNTING PRINCIPLES

Operating segments are components of the group regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The group's CEO (chief executive officer) is the chief decision maker in Aker Solutions. The accounting principles of the operating segments are the same as described in this annual report, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against corporate treasury. Hedge accounting is applied independently of whether the hedge qualifies 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 and reported in the "other" segment. This means that the group's segment reporting reflects all hedges as qualifying even though they may not qualify according to IFRS.

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 delivers 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 hardware such as subsea trees, control systems, workover systems, tie-in and connection systems, manifolds, umbilicals, power cables and compression systems. The market for advanced and integrated subsea production system is continuously developing and combines hardware, subsea processing and the management of reservoir performance into a full field concept. Lifecycle services on subsea installations include maintenance, repairs and spares supply in addition to operational and technical support.

FIELD DESIGN

Field Design provides engineering services on greenfield and brownfield developments in addition to maintenance and modification services for oil and gas fields. The engineering services include concept studies, front-end engineering and design (FEED), field planning, detailed engineering, procurement services and construction management services. The maintenance and modifications services include maintenance, modifications, asset integrity management (AIM) and hook-up services. 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 commercial risks and operations in the same economic climate with the same markets and customers. They also have similar operational characteristics as they share resources and use the same type of KPI's to monitor the business.

OTHER

The "other" segment includes unallocated corporate costs, onerous lease cost and the effect of hedges not qualifying for hedge reporting. Lease decisions are taken by the corporate center and onerous lease cost has for that reason been reported in the "other" segment in the internal management reporting.

SEGMENT PERFORMANCE

2015 Amounts in NOK million	Note	Subsea	Field Design	Total operating segments	Other	Intra-group elimination	Total
Income statement							
Construction revenue		14,858	1,709	**16,567**	123		**16,690**
Services revenue		4,181	10,829	**15,009**	9		**15,018**
Products revenue		72	17	**89**	-		**89**
Other revenue		1	58	**59**	40		**98**
Total external revenue		**19,112**	**12,612**	**31,724**	**172**		**31,896**
Inter-segment revenue		**-12**	**308**	**297**	**102**	**-398**	**-**
Total revenue		**19,101**	**12,920**	**32,021**	**273**	**-398**	**31,896**
Operating income before depreciation, amortization and impairment		1,778	543	**2,321**	-480		**1,841**
Depreciation and amortization	10, 11	-588	-121	**-709**	-11		**-719**
Impairment	10, 11	-145	-18	**-163**	-		**-163**
Operating income		**1,045**	**404**	**1,449**	**-490**		**958**
Assets							
Current operating assets		9,211	2,878	**12,089**	164	-335	**11,918**
Non-current operating assets		7,727	2,239	**9,967**	205		**10,172**
Derivative financial instruments		2,512	1	**2,513**	-1,218		**1,295**
Operating assets		**19,450**	**5,119**	**24,569**	**-849**	**-335**	**23,384**
Liabilities							
Current operating liabilities		9,682	3,739	**13,421**	439	-335	**13,525**
Non-current operating liabilities		126	420	**546**	25		**572**
Derivative financial instruments		3,569	25	**3,594**	-600		**2,995**
Operating liabilities		**13,378**	**4,185**	**17,562**	**-135**	**-335**	**17,091**
Net current operating assets		-472	-861	**-1,332**	-275	-	**-1,607**
Net capital employed		4,702	-362	**4,339**	3,689	-	**8,029**
Cashflow							
Cashflow from operating activities		1,307	1,178	**2,485**	-551		**1,934**
Acquisition of property, plant and equipment	10	-669	-26	**-695**	-146		**-841**
Capitalized development	11	-404	-39	**-443**	-7		**-449**
Order intake (unaudited)		7,660	15,263	**22,923**	287	-418	**22,793**
Order backlog (unaudited)		22,476	17,235	**39,712**	-	-27	**39,684**
Own employees (unaudited)		7,449	7,772	**15,221**	174		**15,395**

Note 4 Operating Segments (Continued)

2014 Amounts in NOK million	Note	Subsea	Field Design	Total operating segments	Other	Intra-group elimination	Total
Income statement							
Construction revenue		15,335	3,508	**18,843**	123		**18,967**
Services revenue		3,924	9,868	**13,793**	9		**13,802**
Products revenue		70	51	**121**	-		**121**
Other revenue		-	45	**45**	37		**82**
Total external revenue		**19,330**	**13,472**	**32,802**	**169**		**32,971**
Inter-segment revenue		**-37**	**238**	**200**	**36**	**-236**	**-**
Total revenue		**19,293**	**13,710**	**33,003**	**205**	**-236**	**32,971**
Operating income before depreciation, amortization and impairment		2,058	868	**2,926**	-252		**2,675**
Depreciation and amortization	10, 11	-488	-103	**-591**	1		**-591**
Impairment	10, 11	-34	-40	**-74**	-		**-74**
Operating income		**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	10	-687	-81	**-767**	-48		**-816**
Capitalized development	11	-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 (unaudited)		8,103	8,380	**16,483**	211		**16,694**

RECONCILIATIONS OF INFORMATION ON OPERATING SEGMENTS TO IFRS MEASURES

Amounts in NOK million	Note	2015	2014
Assets			
Total operating segment assets		**23,384**	23,567
Tax-related assets	9	**332**	380
Other investments	26	**13**	14
Non interest-bearing receivables		**-**	-
Cash and interest-bearing receivables		**3,999**	3,431
Consolidated assets		**27,728**	**27,391**
Liabilities			
Total operating segment liabilities		**17,091**	16,949
Tax-related liabilities	9	**283**	699
Net interest-bearing borrowings	17	**3,698**	3,828
Other non-current liabilities		**27**	22
Non interest-bearing liabilities		**-**	-
Consolidated liabilities		**21,099**	**21,498**

MAJOR CUSTOMERS

One major customer represented 22 percent of total revenue in 2015, of which NOK 2.4 billion (2014: NOK 5.0 billion) in Subsea and NOK 4.8 billion (2014: NOK 4.3 billion) in Field Design. Another major customer represented 20 percent of total revenue in 2015, of which NOK 6.2 billion (2014: NOK 4.2 billion) in Subsea and NOK 0.4 billion (2014: NOK 0.9 billion) in Field Design. Aker Solutions has long-term contracts with these two customers. Both customers are large international oil companies.

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.

	Revenue		Non-current operating assets		Capital expenditure fixed assets	
Amounts in NOK million	**2015**	2014	**2015**	2014	**2015**	2014
Norway	**16,263**	19,538	**4,497**	4,476	**201**	218
UK	**6,657**	5,309	**2,819**	2,314	**122**	75
USA	**2,662**	2,601	**649**	531	**32**	99
Brazil	**2,280**	2,049	**962**	745	**411**	288
Malaysia	**1,014**	1,298	**566**	574	**4**	30
Brunei	**1,009**	806	**4**	7	**-**	11
Other countries	**2,010**	1,370	**674**	723	**71**	95
Total	**31,896**	**32,971**	**10,172**	**9,369**	**841**	**816**

Note 5 Personnel Expenses

FINANCIAL REPORTING PRINCIPLES
Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave, price reduction in employee share purchase program and other employee benefits. The benefits are recognized in the year in which the associated services are rendered by the employees.

PERSONNEL EXPENSES

Amounts in NOK million	2015	2014
Salaries and wages including holiday allowance	**9,133**	8,850
Social security contribution	**1,158**	1,219
Pension cost	**586**	583
Restructuring cost related to downsizing of personnel	**262**	-
Other employee benefits	**611**	520
Personnel expenses	**11,750**	**11,171**

EMPLOYEE SHARE PURCHASE PROGRAM
Aker Solutions employees were invited to participate in a share purchase program in 2015 whereby an employee could buy up to NOK 60,000 of Aker Solutions shares at a 25 percent reduction of cost price in addition to a discount of NOK 1,500. To encourage a long-term commitment to the company, a three-year lock-in period was part of the arrangement. The total number of employees that participated in the program in 2015 totaled 1,479 compared to 2,333 in the prior year. The price reduction the employees receive upon purchase of the shares is expensed as salary costs immediately. If allowed under local laws, 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.

Loans to employees related to the share purchase program amounted to NOK 40 million per December 31, 2015, compared to NOK 67 million in the prior year.

▶ **See note 18** for more information about the pensions cost and obligation
▶ **See note 20** for more information about restructuring provision related to downsizing of personnel
▶ **See note 27** for more information about the share purchase program for managers

Note 6 Other Operating Expenses

Amounts in NOK million	2015	2014
Rental and other cost for land and buildings	**1,410**	1,254
Office equipment	**1,143**	1,366
External consultants and hired-ins	**404**	282
Travel expenses	**520**	613
Insurance	**185**	262
Other expenses	**1,664**	1,788
Other operating expenses	**5,326**	**5,565**

▶ **See note 19** for more information about operating leases

Note 7 Financial Income and Expenses

FINANCIAL REPORTING PRINCIPLES
Interest income and expenses include effects from using the effective interest rate method where fees, interest paid, transaction costs and other premiums are deferred and amortized over the expected life of the instrument. Effects from net present value calculations of assets and liabilities are also included.

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Foreign exchange gains and losses also include the effects from translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date. The profit on foreign exchange forward contracts include effects from derivatives that do not qualify for hedge accounting and embedded derivatives in addition to the ineffective portion of qualifying hedges.

FINANCIAL INCOME AND EXPENSES

Amounts in NOK million	2015	2014
Interest income	**76**	**55**
Interest expenses on financial liabilities measured at amortized cost	**-330**	-187
Interest expenses on financial liabilities measured at fair value	**-18**	-17
Interest expenses	**-348**	**-204**
Capitalized interest cost	**40**	13
Net foreign exchange loss	**-115**	-102
Profit (loss) on foreign currency forward contracts	**46**	51
Other financial income	**30**	6
Other financial expenses	**-3**	-14
Net other financial items	**-1**	**-45**

▶ **See note 24** for more information about derivative financial instruments
▶ **See note 25** for more information about financial assets and liabilities

Note 8 Earnings Per Share and Dividends

FINANCIAL REPORTING PRINCIPLES
The calculation of basic and diluted earnings per share is based on the income 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 therefore equal to weighted average number of ordinary shares. Treasury shares are not included in the weighted average number of ordinary shares. Potential dividends proposed by the board of directors will not be recognized in the balance sheet.

EARNINGS PER SHARE (EPS)

	2015	2014
Income attributable to ordinary shares (NOK million)	**392**	1 280
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	**271,287,405**	271,838,994
Basic and diluted earnings per share (NOK)	**1.44**	4.71

DIVIDENDS
The board of directors proposed that no dividend payment be made for 2015 as it was deemed prudent to exercise caution amid uncertainty about the outlook for the oil and gas industry.

▶ **See note 24** for more information about derivative financial instruments
▶ **See note 25** for more information about financial assets and liabilities

Note 9 Tax

FINANCIAL REPORTING PRINCIPLES

Income tax in the income statement consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

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 that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years and taxes on dividends recognized in the year.

Deferred Tax

Deferred tax is recognized for 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 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 identified in acquisitions. 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. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available in order to utilize the credits.

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 underlying construction contract.

JUDGMENTS AND ESTIMATES

The group is subject to income taxes in numerous jurisdictions, and judgment may be involved when determining the taxable amounts. Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods. In particular, management judgment is required when assessing the valuation of unused losses, tax credits and other deferred tax assets. The recoverability is assessed by estimating taxable profits in future years. The discounted amount from these profits is compared to net present value of the tax assets. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect future reporting periods.

INCOME TAX

Amounts in NOK million	2015	2014
Current income tax		
Current year	**481**	256
Adjustments for prior years	**-89**	-30
Total current income tax	**393**	**226**
Deferred income tax		
Origination and reversal of temporary differences	**-100**	306
Write down of tax loss carry-forwards and deferred tax assets	**48**	-
Change in Norwegian tax rate from 27 to 25 percent	**-39**	-
Adjustment for prior periods	**-**	-16
Total deferred income tax	**-91**	**290**
Total income tax	**302**	**516**

TAXES IN OTHER COMPREHENSIVE INCOME (OCI)

Amounts in NOK million	2015	2014
Cashflow hedges, deferred tax	**39**	465
Remeasurement of defined benefit pension plans	**-31**	44
Deferred tax charged to OCI	**8**	**509**

EFFECTIVE TAX RATE

The table below reconciles the reported income tax expenses to the tax expenses if the tax rate of 27 percent in Norway was applied.

Amounts in NOK million	2015		2014	
Income before tax	**685**		1 817	
Income tax when applying Norwegian tax rate of 27 percent	**185**	**27.0%**	491	27.0%
Tax effects of:				
Differences in tax rates from 27 percent	**7**	**1.0%**	13	0.7%
Non-deductible expenses	**4**	**0.6%**	29	1.6%
Effect of withholding tax	**202**	**29.4%**	36	2,0%
Current year effect of tax incentives	**-16**	**-2.4%**	-19	-1.1%
Tax effects from demerger (taxable gains)	**-**	**0.0%**	13	0.7%
Prior year adjustments (current tax)	**-89**	**-12.9%**	-30	-1.7%
Prior year adjustments (deferred tax)	**-**	**0.1%**	-16	-0.9%
Deferred tax from write down (or reversal) of deferred tax assets (excluding tax loss)	**48**	**6.9%**	-	0.0%
Change in tax rates	**-39**	**-5.7%**	-	0.0%
Income tax and effective tax rate	**302**	**44.0%**	**516**	**28.4%**

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities		Net	
Amounts in NOK million	2015	2014	2015	2014	2015	2014
Property, plant and equipment	**19**	34	**-111**	-98	**-92**	-63
Pensions	**136**	179	**-**	-	**136**	179
Projects under construction	**-**	5	**-1,559**	-1,466	**-1,559**	-1,462
Tax loss carry-forwards	**571**	400	**-**	-1	**571**	399
Intangible assets	**4**	17	**-291**	-251	**-286**	-234
Provisions	**314**	145	**-8**	-8	**305**	136
Derivatives	**440**	387	**-**	-	**440**	387
Other	**581**	344	**-47**	-4	**534**	339
Total before offsetting	**2,066**	**1,510**	**-2,016**	**-1,829**	**49**	**-319**
Offsetting	**-1,734**	-1,130	**1,734**	1,130		
Total	**332**	**380**	**-283**	**-699**	**49**	**-319**

Note 9 Tax (Continued)

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, 2014	-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**	**388**	**338**	**-319**
Recognized in profit and loss	-9	-11	-74	189	-42	182	12	-155	91
Recognized in other comprehensive income (OCI)	-	-31	-	-	-	-	39	-	8
Prepaid withholding tax	-	-	-	-	-	-	-	334	334
Currency translation differences	-20	-	-23	-18	-9	-12	1	15	-66
Balance as of December 31, 2015	**-92**	**136**	**-1,559**	**571**	**-286**	**305**	**440**	**534**	**49**

TAX LOSS CARRY-FORWARDS AND UNRECOGNIZED DEFERRED TAX ASSETS

2015

Amounts in NOK million	Expiry within 5 years	Expires 2021 and later	Indefinite	Total	Unrecognized tax loss carry-forwards	Unrecognized other tax assets
Norway	-	-	1,987	1,987	-	-
Europe excluding Norway	-	232	2	234	188	-
North America	-	166	-	166	34	-
South America	-	-	302	302	-	-
Asia Pacific	-	1	583	584	583	43
Other	243	-	69	312	243	-
Total	**243**	**399**	**2,943**	**3,584**	**1,048**	**43**

The tax loss carry-forwards relate to tax losses in previous years that can be used as credits in taxes payable in future years. The tax loss carry-forwards are estimated to be used within seven years.

Note 10 Property, Plant and Equipment

The majority of property, plant and equipment relate to subsea manufacturing plants and service bases in Norway, Brazil, Malaysia, US and the UK. A new subsea manufacturing plant currently under construction in Brazil is planned to be opened in the second quarter 2016. Fixed assets also include furniture and fittings in office buildings.

FINANCIAL REPORTING PRINCIPLES

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately. 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

Borrowing costs are capitalized as part of the cost of the asset when significant. The cost of self-constructed assets includes the cost of materials, direct labor, production overheads and borrowing cost.

JUDGMENT AND ESTIMATES

Judgment is involved when determining the depreciation period and when assessing impairment. Impairment is assessed for individual assets and for cash generating units as a whole. The impairment testing of a cash generating unit involves judgmental assumptions about future market development, cashflows, determination of WACC, growth rate and other assumptions that may change over time.

PROPERTY, PLANT AND EQUIPMENT

Amounts in NOK million	Buildings and sites	Machinery and equipment	Under construction	Total
Historical cost				
Balance as of January 1, 2014	1,031	3,589	604	**5,224**
Additions	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**
Additions	33	289	559	**882**
Transfer from assets under construction	93	329	-423	-
Disposals and scrapping	-7	-66	-	-73
Currency translation differences	95	232	-85	242
Balance as of December 31, 2015	**1,436**	**4,970**	**813**	**7,219**
Accumulated depreciation				
Balance as of January 1, 2014	-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**
Depreciation for the year	-73	-492	-	-565
Impairment	-15	-12	-	-27
Disposals and scrapping	6	64	-	70
Currency translation differences	-34	-135	-2	-171
Balance as of December 31, 2015	**-431**	**-2,810**	**-16**	**-3,257**
Book value as of December 31, 2014	**906**	**1,949**	**748**	**3,603**
Book value as of December 31, 2015	**1,057**	**2,108**	**797**	**3,962**

Note 10 Property, Plant and Equipment (Continued)

Borrowing Cost
Additions for buildings and sites include NOK 40 million of capitalized borrowing costs in 2015 with an average capitalization rate of 8.4 percent, compared to NOK 13 million in 2014 with an average capitalization rate of 6 percent. The capitalized borrowing costs relate to the subsea manufacturing plant under construction in Brazil.

Commitments
By the end of December 2015 Aker Solutions had entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 168 million (NOK 540 million per December 31, 2014), mainly related to the new subsea plant under construction in Brazil.

Impairments
Impairment losses for property, plant and equipment were NOK 27 million in 2015, of which NOK 21 million relate to Subsea and NOK 6 million relate to Field Design, compared to NOK 13 million in the previous year relating to the subsea segment.

▶ **See note 12** for information about impairment testing
▶ **See note 17** for information about PPE being held as security for borrowings

Note 11 Intangible Assets

The research and development (R&D) programs at Aker Solutions are closely monitored to secure the desired technological achievements in time and at acceptable cost levels. R&D programs that meet certain criteria are capitalized and amortized over the expected useful life. Intangible assets also include goodwill and other assets identified in mergers and acquisitions in addition to IT systems.

FINANCIAL REPORTING PRINCIPLES

Capitalized Development
All research and development (R&D) programs are reviewed by the chief technology committee before any costs are incurred. The technology development at Aker Solutions is graded according to a technology readiness level (TRL) consisting of eight phases. R&D costs are expensed as incurred until a program has completed the concept phase. Development cost is only capitalized if the product or process is technically and commercially feasible and the business case shows a positive return. Capitalized development mainly includes internal labor costs in addition to materials for the development program. The capitalized development is normally amortized over five years on a straight-line basis, but some programs that have a clear differentiating offering and a longer economic benefit may be amortized up to seven years. For development projects in progress, a full impairment test is performed annually or in the quarter impairment indicators are identified.

Goodwill
Goodwill represents the consideration paid in excess of identifiable assets and liabilities in business combinations. Goodwill has an indefinite useful life and is tested for impairment annually, or when impairment indicators are triggered.

JUDGMENTS AND ESTIMATES

The decision to capitalize a development program involves management judgment. There are strict internal rules defining what qualifies for capitalization, and the documentation of this assessment is monitored centrally. Management makes assessment of future market opportunities, ability to successfully achieve the desired technological solution and the time and cost it takes to develop it. These factors may change over time.

Impairment indicators are assessed for individual development projects and for cash generating units as a whole. The impairment testing of a cash generating unit involves judgmental assumptions about future market development, cashflows, determination of WACC, growth rate and other assumptions that may change over time.

INTANGIBLE ASSETS

Amounts in NOK million	Capitalized development	Goodwill	Other	Total
Balance as of January 1, 2014	1,095	3,777	208	5,080
Additions	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**
Additions	431	-	17	449
Amortization for the year	-120	-	-35	-155
Impairment	-89	-	-47	-136
Reclassification	-56	-	56	-
Currency translation differences	96	194	-5	286
Balance as of December 31, 2015	**1,841**	**4,171**	**195**	**6,207**

Capitalized development consists of internal development programs that qualify for capitalization. The majority of goodwill dates back to the merger between Kvaerner and Aker in 2004 in addition to other mergers and acquisitions in the past. Other intangible assets includes IT systems and technology development acquired through business combinations.

RESEARCH AND DEVELOPMENT EXPENSES

The research and development expenses amounted to NOK 211 million in 2015 compared to NOK 185 million in 2014.

▶ **See note 12** for more information about impairment testing

Note 12 Impairment of Assets

The market for the oil services companies has become challenging as the oil price has declined significantly during 2015. Impairment indicators have been identified for several CGUs (cash generating units) in Aker Solutions, triggering several impairment tests being performed. The impairment testing resulted in impairment losses of NOK 136 million for intangible assets and NOK 27 million for property, plant and equipment in 2015.

FINANCIAL REPORTING PRINCIPLES

Individual Assets

Individual fixed assets are assessed for impairment triggers every quarter to identify assets that are damaged, no longer in use or will be disposed. Capitalized development is assessed for impairment triggers every quarter to identify development programs where the technological development or commercial outlook for that specific technology is no longer feasible. Capitalized development programs that have not been completed are subject to annual impairment test with updates of the business case, assessing status on technical achievements and reviewing cost incurred compared to budget in order to identify if any of the capitalized cost should be expensed. The asset is written down to recoverable amount, if lower than book value.

Assets in a CGU

Impairment is assessed for all assets as part of a cash generating unit (CGU). A CGU is the lowest level of independent revenue generated by the assets, which is usually the lowest level where a separate market exists for the output from the CGU. Impairment indicators are reviewed quarterly for all assets with assessment of market conditions, technological development, change in order backlog, change in discount rate and other elements that may impact the value of the assets in the CGU. Assets are usually tested using the value-in-use approach determined by discounting expected future cashflows. Impairment losses are recognized for assets in CGUs where net present value of future cashflows is lower than book value.

Goodwill

Groups of CGUs that include goodwill are tested for impairment annually, or when impairment triggers have been identified. The company does not have other assets than goodwill with indefinite useful lives.

JUDGMENTS AND ESTIMATES

The impairment testing of assets is by nature highly judgmental as it includes estimates such as future expected cashflows, discount rate and growth rate. In particular, future cashflows are uncertain as they are impacted by market developments beyond Aker Solutions control. The oil price impacts the investment levels in capex and maintenance projects by the oil companies which in turn impact the market in which Aker Solutions operate. Information about sensitivities in the testing is given below.

CASH GENERATING UNITS (CGU)

CGUs have been identified when testing fixed and intangible assets and may represent a plant or a group of plants which are deemed to produce independent cash inflows. CGUs have been grouped together when testing goodwill and represent the business areas of Aker Solutions. Goodwill has been allocated to business areas as this is the level where synergies are expected and goodwill is monitored. For example, whereas goodwill is tested on a subsea business area level, the capitalized development and property, plant and equipment in Subsea is tested separately at CGU level for Norway, US, UK, Malaysia and Brazil.

CASHFLOW ASSUMPTIONS

Expectations about the long-term oil prices are important when assessing the future market development for the products and services of Aker Solutions. It has been assumed that the downturn in the market will remain through 2016 and 2017, with a recovery in 2018. The long term oil price per barrel has been estimated to be around USD 70. In the current price environment, this assumption is particularly volatile. Four year cashflows from the budget and strategy process in 2015 have been used for the estimates of future cashflows. The budgets are based on firm orders in the backlog and identified prospects in addition to expected order intake from service contracts. The budgeted cashflows used in the impairment tests reflect organic growth only. Other parameters in the assessment are the mix of products and services and level of operating expenses.

DISCOUNT AND GROWTH RATE

Estimated future cashflows are discounted to their present value using the weighted average cost of capital (WACC), which is a post-tax discount rate. The WACC is based on a risk free interest rate, a risk premium and average beta values of peers within the subsea and field design market. A growth rate of 1.5 percent has been used to calculate terminal value after the four-year period.

IMPAIRMENT TESTING OF INDIVIDUAL ASSETS

When reviewing the individual capitalized development, certain development programs were identified where the technology or commercial outlook no longer justified the value. In total, NOK 89 million was impaired in the subsea operating segment as a result of this testing. In addition, individual furniture and fittings were impaired in Subsea and Field Design of NOK 11 million and NOK 6 million, respectively.

IMPAIRMENT TESTING OF ASSETS IN CGUs

The impairment testing of assets in CGUs resulted in impairment losses for two CGUs. Impairment losses were identified for a smaller subsea CGU in the UK of NOK 35 million related to intangible assets and NOK 10 million related to fixed assets. Recoverable amount for remaining fixed assets was NOK 15 million as of December 31, 2015. Another smaller field design CGU in the UK had impairment losses of NOK 12 million relating to capitalized development with recoverable amount for remaining assets of NOK 22 million as of December 31, 2015. The reason for both these impairment losses was a decline of the market outlook for the products and services sold by the CGUs. The value-in-use method was used with a WACC of 8.7 percent and 9.0 percent, respectively.

Some CGUs are more sensitive to changes than others if the long-term market outlook is further depressed than what has been anticipated in the current impairment testing. The company is continuously monitoring the market development and will perform impairment testing if impairment triggers are identified.

IMPAIRMENT TESTING OF GOODWILL

The goodwill in each of the three business areas identified as separate CGUs is shown in the following table.

Amounts in NOK million	**2015**	2014
Subsea	2,862	2,671
Maintenance, Modifications and Operations (MMO)	849	848
Engineering	460	457
Total goodwill as of December 31	**4,171**	**3,976**

The WACC used in the impairment testing of goodwill is shown below.

	Post-tax WACC	Pre-tax WACC
Subsea	**8.6%**	10.7%
Maintenance, Modifications and Operations (MMO)	**8.9%**	11.0%
Engineering	**8.9%**	11.3%

A growth rate of 1.5 percent has been used to determine the terminal value. The average annual growth of revenue in the four-year cashflows ranges from 3.2 to 11.0 percent. The annual impairment testing of goodwill did not result in any impairment losses.

Multiple sensitivity tests have been run to address the current uncertainty in the oil services market. The impairment testing is sensitive to changes in the long-term oil price which most likely will have an impact on the expected order intake. The testing is also sensitive to changes in the discount rate, growth rates, product mix and cost levels. Sensitivity testing of goodwill includes changing various assumptions for reasonably possible changes given the current market situation. This includes changing the discount rate and growth rate in addition to reducing the expected cashflows in the future.

The recoverable amounts exceed book value for all scenarios in all the CGUs in the goodwill impairment testing. The asset base in MMO and Engineering is low and the recoverable amount is significantly higher than book values in these impairment tests. Subsea has a higher asset base, but the recoverable amount is still significantly higher than book values in the impairment test. Due to the current market uncertainties and the fact that Subsea has a significant goodwill balance, sensitivities are included below. The following table illustrates some of the key sensitivities and the extent required in order to trigger impairment of goodwill in Subsea.

	Subsea
Highest post-tax WACC that can be used without resulting in impairment	14.7%
Lowest growth rate that can be applied to the terminal value without resulting in impairment	-10.0%
Lowest reduction of free cashflows that can be used without resulting in impairment	-52.0%

Note 13 Inventories

FINANCIAL REPORTING PRINCIPLES
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 cost to complete and selling expenses. The cost of inventories is based on the first-in first-out principle and includes expenditures for bringing them to their existing location and condition.

JUDGMENTS AND ESTIMATES
The assessment of obsolete and slow-moving inventory in order to determine inventory write-downs is subject to management judgment. The selling price in the market has to be estimated, and there is a risk that the actual selling price turns out to be lower than the amount estimated by management.

INVENTORIES

Amounts in NOK million	2015	2014
Stock of raw materials	789	828
Goods under production	11	18
Finished goods	14	16
Total	**814**	**862**
Total inventories at cost	986	965
Inventory write-downs to net realizable value	-172	-103
Total	**814**	**862**
Inventory write-down expenses in the period	115	51

There are no securities pledged over inventories.

Note 14 Trade and Other Receivables

FINANCIAL REPORTING PRINCIPLES
Trade and other receivables are recognized at the original invoiced amount, less an allowance for doubtful receivables. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

JUDGMENTS AND ESTIMATES
Judgment is involved when determining the allowance for doubtful receivables. The allowance is based on individual assessments of each receivable. The customers of Aker Solutions are mainly large, international oil companies.

TRADE AND OTHER RECEIVABLES

Amounts in NOK million	2015	2014
Trade receivables	4,286	4,118
Trade receivables, related parties	121	422
Less provision for impairment of receivables	-143	-40
Trade receivables, net	**4,264**	**4,501**
Advances to suppliers	232	444
Amounts due from customers for construction work	2,365	3,527
Accrued operating revenue from service contracts	2,032	1,568
Other receivables	2,091	2,003
Total	**10,985**	**12,042**

BAD DEBT PROVISION

Amounts in NOK million	2015	2014
Balance as of January 1	-40	-35
Provisions made during the year	-109	-5
Provisions used during the year	5	7
Provisions reversed during the year	12	-
Currency translation differences	-12	-6
Balance as of December 31	**-143**	**-40**

AGING OF TRADE RECEIVABLES

Amounts in NOK million	2015	2014
Not overdue	3,549	3,926
Past due 0-30 days	297	116
Past due 31-90 days	195	288
Past due 91 days to one year	279	130
Past due more than one year	87	81
Total	**4,407**	**4,540**

▶ **See note 3** for more information about amounts due from customers for construction and service contracts
▶ **See note 22** for more information about credit risk
▶ **See note 28** for more information about receivables to related parties

Note 15 Cash and Cash Equivalents

FINANCIAL REPORTING PRINCIPLES

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

AVAILABLE LIQUIDITY

Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 5.0 billion, compared to NOK 3.9 billion in the prior period. Together with cash and cash equivalents, this gives a total liquidity buffer of NOK 8.9 billion, compared to NOK 7.3 billion in the prior period.

TRADE AND OTHER RECEIVABLES

Amounts in NOK million	2015	2014
Cash pool	**1,692**	1,649
Other cash at banks	**2,170**	1,691
Total	**3,862**	**3, 339**

Certain countries have by local laws imposed restrictions on transferring cash funds out of the country through financing arrangements, repayment of equity or payments of dividends. The cash in these countries amounted to NOK 688 million at December 31, 2015 compared to NOK 702 million in the prior year.

▶ **See note 17** for more information about borrowings
▶ **See note 23** for more information about capital management

Note 16 Equity

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, 2015. 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.

TREASURY SHARES

The group purchases its own shares (treasury shares) to meet the obligation under the employee share purchase program. 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.

Amounts in NOK million	Number of shares	Consideration
Treasury shares as of December 31, 2014	664,258	34
Purchase	1,450,699	53
Sale	-1,737,646	-61
Treasury shares as of December 31, 2015	**377,311**	**26**

HEDGING RESERVE

The hedge reserve relates to effects of cashflow hedges that are not yet recognized in the income statement. The hedging effects are recognized in the income statement according to the progress of the underlying construction contract.

TRANSLATION RESERVE

The currency translation reserve includes foreign exchange differences arising from the translation of the subsidiaries into the presentation currency of the consolidated statements.

PENSION 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).

▶ **See note 2** for more information about currency translation of subsidiaries
▶ **See note 18** for more information about the pension obligation
▶ **See note 24** for more information about hedging

Note 17 Borrowings

FINANCIAL REPORTING PRINCIPLES
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.

NORWEGIAN BONDS
The group has issued two bonds in the Norwegian bond market denominated in Norwegian kroner. 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.

BONDS AND BORROWINGS

2015 Amounts in NOK 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	**1,502**	1.15%	4.25%	5.40%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1,000	**1,005**	1.11%	4.20%	5.31%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**2,507**					
Revolving credit facility (NOK 5,000 million)	NOK	-	**-**	1.05%	0.85%	1.90%	03.07.19	NIBOR + Margin[2]
Total credit facility			**-**					
Brazilian Development Bank EXIM loan - Itau	BRL	145	**321**	5.50%	0.00%	5.50%	15.07.16	Fixed, quarterly
Brazilian Development Bank EXIM loan - HSBC	BRL	50	**111**	5.50%	0.00%	5.50%	15.08.16	Fixed, quarterly
ITAU - BNDS	BRL	20	**44**	12,50%	0.00%	12.50%	15.12.17	Fixed, quarterly
BNP - NCE	BRL	50	**111**	16.35%	0.00%	16.35%	12.07.18	Fixed, biannually
ITAU - NCE	BRL	135	**300**	16.65%	0.00%	16.65%	16.07.18	Fixed, biannually
CAPEX SUBSEA - BNDES	BRL	111	**245**	8.40%	0.00%	8.40%	17.01.22	Fixed, quarterly
CAPEX SUBSEA - MACHINE - BNDES	BRL	6	**12**	3.50%	0.00%	3.50%	17.01.22	Fixed, quarterly
CAPEX SUBSEA - PROJECT - BNDES	BRL	1	**2**	7.00%	0.00%	7.00%	17.01.22	Fixed, quarterly
R&D - FINEP - SUBSEA	BRL	11	**24**	7.00%	0.00%	7.00%	15.12.22	Fixed, monthly
Brazilian Development Bank EXIM loans			**1,170**					
Total other loans			**21**					
Total borrowings			**3,698**					
Current borrowings			**561**					
Non-current borrowings			**3,137**					
Total borrowings			**3,698**					

2014 Amounts in NOK 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	-	**-**	1.48%	0.75%	2.23%	01.06.16	NIBOR + 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**					

1) The book value is calculated by reducing the nominal value of NOK 2,500 million (NOK 2,500 million in 2014) by total issue costs related to the new financing of NOK 11 million (NOK 15 million in 2014). Amount includes NOK 18 million of accrued interest related to the bonds (NOK 20 million in 2014).

2) The margin applicable to the facility is decided by a price grid based on the gearing ratio with 0.85 percent as the lowest margin (0.75 percent in 2014). A fee will be added to the margin for utilization of the facility. Commitment fee on not utilized facility is 35 percent of the applicable margin.

Note 17 Borrowings (Continued)

MATURITY OF BONDS AND BORROWINGS

2015

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	1,502	1,617	40	40	1,537	-	-
ISIN NO 0010661051	1,005	1,204	26	26	53	1,099	-
Total	**2,507**	**2,821**	**66**	**66**	**1,590**	**1,099**	**-**
Brazilian Development Bank EXIM loans	1,170	1,489	102	505	111	509	262
Other loans	21	21	-	21	-	-	-
Total other loans	**1,191**	**1,510**	**102**	**526**	**111**	**509**	**262**
Total borrowings	**3,698**	**4,331**	**168**	**592**	**1,701**	**1,608**	**262**

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**

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

The group has NOK 7 million in mortgage liabilities, which is secured by pledges on property, plant and equipment with book values of NOK 6 million.

▶ **See note 23** for more information about the capital management
▶ **See note 24** for more information about interest rate derivatives
▶ **See note 25** for more information about financial assets and liabilities

Note 18 Pension Obligations

FINANCIAL REPORTING PRINCIPLES

Aker Solutions operates a number of pension plans around the world. The most common type of plan is the defined contribution plan, where Aker Solutions makes contributions to the employee's individual pension account. Aker Solutions still has some closed defined benefit plans and impact of these is gradually reduced.

Defined Contribution Plans

A defined contribution plan is a type of retirement plan where the employer makes contributions on a regular basis to the employees individual pension account. The benefits received by the employee are based on the employer contributions and gains or losses from investing the capital. Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Defined Benefit Plans

A defined benefit plan is a type of pension plan where the employer promises an annual pension on retirement based on a percentage of the salary upon retirement and the employee's earnings history, years of service and age. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

The defined benefit obligation 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 change of the defined benefit obligation as a result of the change of assumptions (actuarial gains and losses) and the return on plan assets are recognized immediately in other comprehensive income (OCI). Net interest expenses and other expenses related to defined benefit plans are recognized in the income statement.

JUDGMENTS AND ESTIMATES

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.

THE PENSION PLANS IN NORWAY

The main pension arrangement in Norway is a general pension plan organized by the Norwegian state providing a basic pension entitlement to all tax payers. The additional pension plan all Norwegian employers are obliged to provide represents limited additional pension entitlements. The following pension plans exist in Norway:

Defined Contribution Plan

All employees in Norway have been offered participation in a defined contribution plan. The annual contributions expensed to the Norwegian plan were NOK 326 million. The estimated contribution expected to be paid in 2016 is NOK 296 million.

Defined Benefit Plan

The Norwegian companies in Aker Solutions closed the defined benefit plans in 2008. Employees who were 58 years or older in 2008 are still members of the defined benefit plan. This funded plan represents most of the funded pension liability reported in the tables below. The estimated contribution expected to be paid during 2016 is NOK 84 million.

Compensation Plan

All employees in 2008 who had a calculated loss of more than NOK 1,000 per year upon transition to the defined contribution plan were offered compensation. 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 - A Tariff Based Pension Agreement

AFP is a tariff based lifelong retirement arrangement that can be withdrawn from the age of 62 organized by the main labor unions and the Norwegian state. The information required to estimate the pension obligation from this 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.

PENSION PLANS OUTSIDE NORWAY

Pension plans outside Norway are predominately defined contribution plans. The estimated contributions expected to be paid in 2016 is NOK 184 million to the plans outside Norway.

TOTAL PENSION COST

Amounts in NOK million	**2015**	2014
Defined benefit plans	**75**	85
Defined contribution plans	**511**	498
Total	**586**	**583**

Note 18 Pension Obligations (Continued)

MOVEMENT IN BENEFIT LIABILITY

Tables below relate to the movement in the pension obligation for defined benefit plans. It is mainly the Norwegian entities that has defined benefit plans, other defined benefit plans are insignificant.

Amounts in NOK million	2015	2014
Balance as of January 1	**670**	524
Current service and administration cost	**60**	85
Interest cost (income)	**15**	17
Included in profit or loss	**75**	**102**
Actuarial loss (gain) arising from financial assumptions	**-79**	202
Actuarial loss (gain) arising from experience adjustments	**-10**	-41
Included in OCI - Remeasurements loss (gain)	**-89**	**161**
Contributions paid into the plan	**-75**	-92
Benefits paid by the plan	**-11**	-19
Other movements	**2**	-6
Other	**-84**	**-117**
Balance as of December 31	**572**	**670**
Represented by:		
Net liability recognized (funded)	**89**	194
Net liability recognized (unfunded)	**483**	476
Balance as of December 31	**572**	**670**

ASSETS IN THE DEFINED BENEFIT PLAN

Equity securities	**29**	36
Bonds	**1,184**	1,241
Derivatives	**-**	-3
Fund/private equity	**47**	29
Total plan assets at fair value	**1,260**	**1,303**

The equity securities are invested globally, and the value is based on quoted price at the reporting date without any deduction for estimated future selling cost. The bond investment is mainly in Norwegian municipalities. Norwegian municipalities are assumed to have a rating equal to AA, but there is no official rating for the majority of these investments. The remaining bond investment is primarily in the Norwegian market within bonds classified as being “Investment Grade”.

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:

	2015	2014
Discount rate	**2.60%**	2.5%
Asset return	**2.60%**	2.5%
Salary progression	**2.50%**	3.25%
Pension indexation	**0.75%**	1.25%
Mortality table	**K2013 BE**	K2013 BE
Life expectancy at age 65 for pensioners, males	**21.3**	20.4
Life expectancy at age 65 for pensioners, females	**24.4**	23.2

The discount rate is based on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations. The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board.

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, 2015 by the amounts shown below.

Amounts in NOK million	Increase	Decrease
Discount rate (1% movement)	-234	216
Future salary growth (1% movement)	22	-20
Future pension growth (1% movement)	215	-153
Expected life of pensioners (1 year movement)	58	n/a

A one percent increase of discount rate increases the benefit obligation by 13 percent, which is within the expected range of 10-15 percent. The expected impact on the plans in Aker Solutions is lower than the 20 percent generally expected in the market. This is because 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 is not expected to be significant.

▶ **See note 5** for more information about salary expenses
▶ **See note 27** for more information about pension arrangements for the management

Note 19 Operating Leases

FINANCIAL REPORTING PRINCIPLES
Operating lease expenses are recognized in the income statement on a straight-line basis over the term of the lease. Rent free periods and other lease incentives received are recognized as an integral part of the total lease expenses over the term of the lease. The group does not have any financial leases. Sub-lease income is recognized as operating revenue. The minimum lease payment includes the annual rental as defined in the lease agreement, the effect of onerous lease provisions are not included in the table below.

LEASE EXPENSES AND SUB-LEASE INCOME
Aker Solutions leases a number of production sites and office buildings worldwide. The leases typically run for a period of 10-15 years, with an option to renew the lease at market conditions. Other leasing contracts relate to IT and office equipment with an average life of 3-5 years with no renewal option included in the contracts.

2015

Amounts in NOK million	Buildings, plants and sites	**Other**	Total
Minimum lease payments	833	11	893
Sub-lease income	-67	-	-67
Total	**815**	**11**	**826**

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**

LEASE COMMITMENTS
Future lease commitments for non-cancellable operating leases are shown in the table below.

Amounts in NOK million	**2015**	2014
Less than one year	867	706
Between one and five years	3,251	3,149
More than five years	4,975	4,943
Total	**9,093**	**8,798**

Future minimum sub-lease payments to be received in the future amount to NOK 247 million and relate mainly to sub-lease of office buildings. NOK 65 million is due within one year, NOK 157 million from one to five years and NOK 24 million is due after five years.

▶ **See note 6** for more information about operating expenses for land and buildings
▶ **See note 20** for more information about onerous lease provisions
▶ **See note 28** for more information about leasing contracts with related parties

Note 20 Provisions

FINANCIAL REPORTING PRINCIPLES
A provision is a liability with uncertain timing and amount. Provisions are recognized when a cash outflow is considered probable, the amount can be reliably estimated and the obligation is a result of a past event. All provisions are presented as short-term as they are part of the operating cycle.

JUDGMENTS AND ESTIMATES
The provisions are estimated based on a number of assumptions and are in nature highly judgmental. The various provisions with assumptions and estimation uncertainties are discussed below.

PROVISIONS

2015

Amounts in NOK million	Warranties	Onerous contracts	Restructuring	Other	Total
Balance as of January 1, 2015	538	-	-	43	**581**
Provisions made during the year	194	372	270	78	**914**
Provisions used during the year	-24	-43	-8	-12	**-87**
Provisions reversed during the year	-157	-2	-	-	**-159**
Unwind of discount and effect of change in discount rate	-	-6	-	-	**-6**
Reclassification	4	-	-	-4	**-**
Currency translation differences	35	2	-	12	**50**
Balance as of December 31, 2015	**591**	**323**	**262**	**118**	**1,294**
Expected timing of payment as at December 31, 2015					
Due within twelve months	89	152	257	92	**589**
Due after twelve months	502	171	5	26	**704**
Total	**591**	**323**	**262**	**118**	**1,294**

WARRANTIES
The provision for warranties relates to expected re-work and improvements for products and services delivered to customers. The warranty period is normally two years. The provision is based on the historical average warranty expenses for each type of contract and an assessment of the value of delivered products and services currently in the warranty period. The provision can also be a higher or lower amount following a specific evaluation of the actual circumstances for each contract. The final warranty cost may differ from the estimated warranty provision.

ONEROUS CONTRACTS
The onerous contracts provision relates to separable parts of leased office buildings that have been vacated or will be vacated in the near future by Aker Solutions. Future lease commitments and future expected sublease income have been discounted to present value using a market rate of 6.1 percent. The provision is sensitive to changes in the discount rate and assumptions relating to the sublease period and the sublease revenue.

RESTRUCTURING PROVISION
The restructuring provision relates to capacity adjustments as a result of the downturn in the oil services sector. The significant decline in oil prices and current market conditions have resulted in lower order intake, pressure on cost and necessary workforce reductions. The restructuring provision relates to expected employee costs for permanent and temporary redundancies for first-half 2016. The provision has been estimated based on assumptions of number of employees affected, salary levels, notice period, idle time assumed during notice period and severance pay. The provision is sensitive for changes in any of these assumptions.

OTHER
Other provisions relate to other liabilities with uncertain timing or amount.

CONTINGENT LIABILITIES
Disputes with customers are normally settled during the final negotiations with the customers upon delivery and provided for in the projects accounts. However, given the scope of the group's worldwide construction and service operations there is a risk that legal claims may arise in the future for deliveries where revenue has been recognized in the past. Legal and tax claims are assessed on a regular basis. Management has assessed that there are no significant contingent liabilities that needs to be disclosed as at December 31, 2015 (2014: nil).

▶ **See note 19** for more information about leases

Note 21 Trade and Other Payables

FINANCIAL REPORTING PRINCIPLES

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

TRADE AND OTHER PAYABLES

Amounts in NOK million	2015	2014
Trade creditors[1]	1,517	1,603
Trade creditors, related parties	153	412
Amount due to customers for construction work	1,037	1,958
Advances received from customers	4,958	3,923
Accrued operating and financial costs	2,435	2,774
Deferred revenue for service contracts	162	114
Public duties and taxes	688	786
Other current liabilities	1,273	1,505
Total	**12,222**	**13,075**

1) Trade creditors include NOK 13 million (NOK 1 million in 2014) due after one year.

▶ **See note 3** for more information about advances and amounts due to customers for construction and service contracts
▶ **See note 28** for more information about receivables to related parties

Note 22 Financial Risk Management and Exposures

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 uses derivatives to hedge certain risk exposures and aims to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic market-to-market revaluation of financial instruments in the income statement.

Risk management of financial risks is performed in every project and is the responsibility of the project manager. They cooperate 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, assets and liabilities and net investments in foreign operations. Commercial transactions and 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 related to USD, EUR, BRL 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 foreign currency hedge contracts with corporate treasury as cashflow hedges or as hedges of separated embedded derivatives. Corporate treasury enters into external foreign exchange contracts separately for revenue and cost exposure. More than 80 percent of the value of the hedging instruments either qualify for hedge accounting or are hedges of separated embedded derivatives. Corporate treasury monitors hedges not qualifying for hedge accounting and disqualification effects are reported in the "other" segment. Currency exposure from investments in foreign currencies is only hedged when specifically instructed by management.

Different regulatory rules may 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.

Exposure to Currency Risk

Estimated forecasted cashflows 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.

	2015			2014		
Amounts in NOK million	USD	EUR	GBP	USD	EUR	GBP
Bank	-23	-32	-79	1	-42	-31
Intercompany loans	-102	-91	28	-40	-88	28
Balance sheet exposure	**-125**	**-123**	**-51**	**-39**	**-130**	**-3**
Estimated forecast receipts from customers	1,295	55	127	1,834	67	120
Estimated forecast payments to vendors	-331	-166	-305	-161	-299	-415
Cashflow exposure	**964**	**-111**	**-178**	**1,673**	**-232**	**-295**
Forward exchange contracts	**-837**	**236**	**229**	**-1,631**	**365**	**298**
Net exposure	**2**	**2**	**-**	**3**	**3**	**-**

Note 22 Financial Risk Management and Exposures (Continued)

Sensitivity Analysis - Financial Instruments

A strengthening 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 in the table below. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonable to expect 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.

	2015		2014	
Amounts in NOK million	Profit (loss) before tax	Equity increase (decrease)	Profit (loss) before tax	Equity increase (decrease)
USD (15 percent weakening of NOK)	**-437**	**-972**	-574	-1,667
EUR (15 percent weakening of NOK)	**120**	**194**	156	341
GBP (15 percent weakening of NOK)	**38**	**303**	168	515

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.

Sensitivity Analysis - Currency Translation of Subsidiaries

A change in foreign currency will also impact the income and balance sheet when translating the group companies into the presentation currency which is NOK. The effect of change in the various currencies will impact the group accounts in the following manner:

	2015			
Amounts in NOK million	Revenue	EBIT	Profit (loss) before tax	Equity increase (decrease)
USD (15 percent weakening of NOK)	502	33	23	356
EUR (15 percent weakening of NOK)	-	9	12	220
GBP (15 percent weakening of NOK)	999	65	59	574
BRL (15 percent weakening of NOK)	342	36	29	43

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 affect profit and loss when held to maturity.

As the group has no significant interest-bearing operating assets, operating income and operating cashflow 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 2015 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

	2015		2014	
Amounts in NOK million	Profit (loss) before tax	Equity increase (decrease)[1]	Profit (loss) before tax	Equity increase (decrease)[1]
Cash and cash equivalents	28	-	33	-
Interest rate swap	20	40	20	58
Borrowings	-37	-	-27	-
Cashflow sensitivity (net)	**11**	**40**	**26**	**58**

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 2015 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

GUARANTEES

The group has provided the following guarantees on behalf of wholly owned subsidiaries as of December 31, 2015 (all guarantees are per date of issue):

- Non-financial parent company guarantees related to project performance on behalf of group companies: NOK 65 billion (NOK 56.6 billion in 2014).
- Financial parent company indemnity guarantees for fulfillment of loan and lease commitments: NOK 2.5 billion (NOK 1.5 billion in 2014).
- Financial guarantees including counter guarantees for bank/surety bonds and guarantees for pension obligations to employees: NOK 4.4 billion (NOK 5.3 billion in 2014).

Guarantee on Behalf of Akastor

Aker Solutions was demerged from Akastor in 2014, and parties in a demerger have joint liability according to Norwegian law. If an obligation that arose prior to the completion of the demerger is not met by 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. The remaining value of the financial guarantees where Aker Solutions has a secondary joint liability was NOK 3.6 billion per December 31, 2015 compared to NOK 4.6 billion per December 31, 2014.

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 units 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 22 Financial Risk Management and Exposures (Continued)

CREDIT RISK
Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/instruments fails 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).

Revenues are mainly related to large and long-term projects closely followed up in terms of payment up front and in accordance with agreed milestones. Normally, lack of payment is due to disagreements related to project deliveries and is solved together with the customers.

The credit risk has generally increased during the year due to the downturn in the market. The majority of the customers are highly rated oil companies where the credit risk is considered to be limited. Risk related to lower rated companies is monitored closely. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets. The group does not hold collateral as security.

LIQUIDITY RISK
Liquidity risk is the risk that the group is unable to meet 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. Management monitors rolling weekly and monthly forecasts of the group's liquidity reserve on the basis of expected cashflow. Due to the dynamic nature of the underlying businesses, corporate treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Financial Liabilities and the Period in Which They Mature

2015

Amounts in NOK million	Book value	Total cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	-3,698	-4,331	-168	-592	-1,701	-1,608	-262
Net derivative financial instruments	-1,700	-1,700	-1,012	-257	-350	-82	-
Trade and other payables	-12,222	-12,222	-9,166	-1,757	-1,300	-	-
Total liabilities	**-17,620**	**-18,252**	**-10,345**	**-2,605**	**-3,351**	**-1,690**	**-262**
Financial guarantees		-6,913	-636	-486	-724	-1,586	-3,481

2014

Amounts in NOK million	Book value	Total cashflow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	-3,828	-4,582	-205	-665	-717	-2,838	-158
Net derivative financial instruments	-1,394	-1,394	-401	-246	-439	-308	-
Trade and other payables	-13,075	-13,075	-9,806	-3,269	-	-	-
Total liabilities	**-18,297**	**-19,051**	**-10,412**	**-4,180**	**-1,156**	**-3,146**	**-158**
Financial guarantees		-6 704	-745	-195	-1,185	-2,787	-1,792

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. The group policy is not applied in countries where local laws prohibit international cash pool arrangements.

▶ **See note 14** for more information about trade and other receivables
▶ **See note 17** for more information about borrowings
▶ **See note 21** for more information about trade and other payables
▶ **See note 23** for more information about capital management
▶ **See note 24** for more information about derivatives
▶ **See note 25** for more information about financial assets and liabilities

Note 23 Capital Management

The objective of Aker Solutions' capital management policy is to optimize the capital structure to ensure sufficient and timely funding over time to finance its activities at the lowest cost, in addition to investing in projects and businesses which will increase the company's return on average capital employed (ROACE) over time.

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.

FUNDING POLICY
Liquidity Planning
Aker Solutions has a strong focus on its liquidity 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 minimum liquidity reserve of NOK 3 billion, including cash and undrawn committed credit facilities. As per end of 2015, this liquidity reserve amounted to NOK 8.9 billion and was composed of an undrawn committed credit facility and bank deposits.

Funding of Operations
Aker Solutions' group funding policy states that all operating units will be funded through corporate treasury. This ensures optimal availability and transfer of cash within the group, better control of the group's overall debt as well as discounted funding for its operations. The group policy is not applied in countries where local laws prohibit international cash pool arrangements.

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.

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 in the Norwegian capital market
- the issue of debt instruments in foreign capital markets

DEBT COVENANTS
As per end of 2015, the capital structure of Aker Solutions was 33 percent from bank and export credit agency (ECA) debt and 67 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, 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 as shown in the table below.

Aker Solutions has the following debt covenants for the revolving facility:
- The company's gearing ratio shall not exceed 3.5 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.

Aker Solutions has the following debt covenant for the bonds:
- The company's gearing ratio shall not exceed 4.0 and is calculated from the consolidated total borrowings to the consolidated EBITDA.

These guidelines aim to maintain a strong financial position for Aker Solutions, which enables the company to comply with its covenants on existing debt and to maintain satisfactory external credit rating to ensure reliable access to capital over time.

Gearing and interest coverage ratios at December 31[1]

Amounts in NOK million	2015	2014
Gearing ratio		
Gross debt	**3,698**	3,828
Cash and cash equivalent	**3,862**	3,339
EBITDA	**2,355**	2,769
Gross debt/EBITDA	**1.6**	**1.4**
Net debt/EBITDA	**-0.1**	**0.2**
Interest coverage		
EBITDA	**2,355**	2,769
Net finance cost	**254**	131
EBITDA/Net finance cost	**9.3**	**21.2**

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

▶ **See note 17** for more information about borrowings

Note 24 Derivative Financial Instruments

The group has future cashflows that are to be settled in a foreign currency, and forward contracts are the most common derivative to hedge such exposure. The policy is that all foreign exchange exposure is hedged, of which at least 80 percent shall be done back-to-back and qualify for hedge accounting or be hedges of separated embedded derivatives. The group may also use currency options for cashflows that are not firm and has certain interest rate swaps.

FINANCIAL REPORTING PRINCIPLES

Cashflow Hedges of Foreign Currency

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. The derivatives are recognized initially and subsequently at fair value in the balance sheet, and the effective portion of changes in the fair value is recognized in other comprehensive income as a hedge reserve.

Some hedged transactions do not qualify for hedge accounting under IFRS, primarily because internal hedge transactions are grouped and netted before external hedge transactions are established. Both the derivatives and the foreign exchange effects of the hedged receivable or payable will be reported as financial income and expenses with corresponding and opposite effects. The net amount therefore reflects the difference in timing between these two. Hedging instruments not qualifying for hedge accounting include derivatives used by corporate treasury to hedge the residual exposure of the group as part of its risk mandate. As of year-end 2015, these hedging instruments only include currency forwards, currency options, interest swaps and foreign exchange swaps.

Hedge accounting is discontinued with immediate recognition in finance income and expenses in the income statement when the hedge no longer qualifies for hedge accounting, for example upon sale, expiration, termination or when a forecasted transaction is no longer highly probable. The derivative financial instruments are classified as current assets or liabilities as they are part of the operating cycle.

Foreign Currency as Embedded Derivatives

Embedded derivatives may exist in contracts with a currency other than the currency of the contracting partners. The embedded derivative will under certain circumstances be separated and recognized at fair value in the balance sheet and changes recognized in the income statement. These entries will result in corresponding and opposite effects compared to the hedging instrument. Aker Solutions has adopted the following separation criteria for embedded derivatives. The embedded derivative needs to be separated if 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.

Cashflow Hedges of Interest Rates

Hedge accounting is applied using the cashflow model for interest rate swaps which means that gains and losses from floating to fixed interest rates as of December 31, 2015 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 market-to-market revaluation of the interest rate swaps whose fair value tends to reach zero upon maturity.

FAIR VALUES AND MATURITY

The following table presents the fair value of the derivatives and a maturity analysis of the derivatives undiscounted cashflows. Given the Aker Solutions hedging policy and the assumption that 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 differences between cashflow and revenue recognition.

2015

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	536	536	263	110	153	11	-
Fair value adjustments to hedged assets[2]	624	624	49	232	290	52	-
Embedded derivatives in ordinary commercial contracts	66	66	44	11	8	2	-
Financial instruments not hedge accounted	70	70	66	-	4	-	-
Total financial instrument assets	**1,295**	**1,295**	**422**	**354**	**455**	**65**	**-**
LIABILITIES							
Cashflow hedges	-2,351	-2,351	-923	-592	-726	-110	-
Fair value adjustments to hedged liabilities[2]	-555	-555	-496	-19	-35	-5	-
Embedded derivatives in ordinary commercial contracts	-	-	-	-	-	-	-
Financial instruments not hedge accounted	-15	-15	-15	-	-	-	-
Total forward foreign exchange contracts	**-2,920**	**-2,920**	**-1,434**	**-611**	**-761**	**-114**	**-**
Cashflow hedges interest rate instruments	-75	-75	-	-	-43	-32	-
Total financial instrument liabilities	**-2,995**	**-2,995**	**-1,434**	**-611**	**-804**	**-146**	**-**

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	254	254	141	64	45	5	-
Fair value adjustments to hedged assets[2]	764	764	583	68	82	31	-
Embedded derivatives in ordinary commercial contracts	125	125	76	16	26	6	-
Financial instruments not hedge accounted	44	44	44	-	-	-	-
Total financial instrument assets	**1,187**	**1,187**	**844**	**148**	**153**	**42**	**-**
LIABILITIES							
Cashflow hedges	-1,826	-1,826	-599	-375	-592	-260	-
Fair value adjustments to hedged liabilities[2]	-619	-619	-608	-17	1	4	-
Embedded derivatives in ordinary commercial contracts	-4	-4	-1	-3	-	-	-
Financial instruments not hedge accounted	-37	-37	-37	-	-	-	-
Total forward foreign exchange contracts	**-2,486**	**-2,486**	**-1,245**	**-394**	**-591**	**-255**	**-**
Cashflow hedges interest rate instruments	-95	-95	-	-	-	-95	-
Total financial instrument liabilities	**-2,581**	**-2,581**	**-1,245**	**-394**	**-591**	**-350**	**-**

1) Cashflows from matured derivatives are translated to NOK using the exchange rates on the balance sheet date.
2) Fair value of settled derivatives not yet booked in P&L are recognized in balance sheet and will be reclassified to the income statement over the next years as the projects progress.

Note 24 Derivative Financial Instruments (Continued)

UNSETTLED HEDGES

The table below shows the unsettled cashflow hedges' impact on profit and loss and equity (not adjusted for tax).

	2015			2014		
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	-75	-	-75	-95	-	-95
Forward exchange contracts (cashflow hedges)	-1,814	-819	-995	-1,572	-278	-1,293
Total	**-1,889**	**-819**	**-1,070**	**-1,667**	**-278**	**-1,388**

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 expenses on the underlying construction contracts are recognized in the income statement in accordance with progress. Consequently, negative NOK 819 million (negative NOK 278 million in 2014) 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 995 million (negative NOK 1,293 million in 2014) that are currently recorded directly in the hedging reserve, will be reclassified to income statement over the next years.

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, excluding accrued interest rates of the swaps, tax and deferred settlements related to matured instruments.

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).

▶ **See note 17** for more information about borrowings
▶ **See note 22** for more information about financial risk management and exposures
▶ **See note 23** for more information about capital management
▶ **See note 25** for more information about financial assets and liabilities

Note 25 Financial Assets and Liabilities

FINANCIAL REPORTING PRINCIPLES

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. Financial assets and liabilities are offset 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.

THE FAIR VALUE HIERARCHY

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 are 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 input 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 input, 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, 2015

	Carrying value							Fair value			
Amounts in NOK million	Fair value - hedging instruments	Financial assets at FVTPL	Loans and receivables	Available for sale	Financial liabilities at FVTPL	Other financial liabilities	**Total**	Level 1	Level 2	Level 3	**Total**
Cash and cash equivalents	-	-	3,862	-	-	-	**3,862**	-	-	-	**-**
Marketable shares	-	117	-	-	-	-	**117**	117	-	-	**117**
Other investments[1]	-	-	-	13	-	-	**13**	-	-	13	**13**
Forward foreign exchange contract	1,295	-	-	-	-	-	**1,295**	-	1,295	-	**1,295**
Non-current receivables	-	-	23	-	-	-	**-**	-	-	-	**-**
Trade and other receivables	-	-	10,985	-	-	-	**10,985**	-	-	-	**-**
Financial assets	**1,295**	**117**	**14,870**	**13**	**-**	**-**	**16,295**	**117**	**1,295**	**13**	**1,425**
Forward foreign exchange contracts	-2,916	-	-	-	-	-	**-2,916**	-	-2,916	-	**-2,916**
Interest rate instruments	-78	-	-	-	-	-	**-78**	-	-78	-	**-78**
Current bonds and borrowings[3]	-	-	-	-	-	-561	**-561**	-	-561	-	**-561**
Deferred consideration	-	-	-	-	-16	-	**-16**	-	-	-16	**-16**
Other non-current liabilities	-	-	-	-	-	-10	**-10**	-	-	-10	**-10**
Trade and other payables	-	-	-	-	-	-12,222	**-12,222**	-	-	-	**-**
Non-current borrowings[2 3]	-	-	-	-	-	-3,137	**-3,137**	-	-3,076	-	**-3,076**
Financial liabilities	**-2,995**	**-**	**-**	**-**	**-16**	**-15,930**	**-18,941**	**-**	**-6,632**	**-26**	**-6,658**

Note 25 Financial Assets and Liabilities (Continued)

FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2014

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

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 credit facilities, long-term debt and other short-term loans with floating interest, notional amount is used as approximation of fair values.

▶ **See note 14** for more information about trade and other receivables
▶ **See note 15** for more information about cash and cash equivalents
▶ **See note 17** for more information about borrowings
▶ **See note 21** for more information about trade and other payables
▶ **See note 24** for more information about derivatives

Note 26 Subsidiaries and Interest in Other Companies

FINANCIAL REPORTING PRINCIPLES

Subsidiaries

The consolidated statements include all entities controlled by Aker Solutions ASA. 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. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

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 between twenty and fifty percent of the voting power of another entity. All associates are accounted for using the equity method.

Available-For-Sale Investments

Available-for-sale investments are those entities in which the group does not have significant influence, which is usually entities were the group holds less than twenty percent of the voting power.

SUBSIDIARIES

Aker Solutions has 49 subsidiaries in 23 countries at the reporting date. There have not been any acquisitions or disposals of subsidiaries in 2015. Aker Subsea AS, Aker Solutions MMO AS, Aker Offshore Partner Ltd and Aker Subsea Ltd 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, 2015 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 Canada Inc	Vancouver	Canada	100
Aker Solutions Asset Integrity and Management Canada Inc	Newfoundland	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 Co Ltd	Geoje	Korea	100
Aker Solutions Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions India Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions APAC Sdn Bhd	Shah Akam	Malaysia	48
Aker Solutions Umbilical Asia Pacific Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Engineering Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	90
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions de Mexico	Mexico City	Mexico	100
Aker Solutions Mozambique Ltda	Maputo	Mozambique	100
Aker Solutions BV	Zoetermeer	Netherlands	100
Aker Solutions Nigeria Ltd	Ikoyi-Lagos	Nigeria	100
Aker Subsea AS	Fornebu	Norway	100
Aker Installation FP AS	Fornebu	Norway	100
Aker Solutions Russia AS	Fornebu	Norway	100
Ingeniør Harald Benestad AS	Lierskogen	Norway	100
Aker Engineering & Technology AS	Fornebu	Norway	100
KB eDesign AS	Fornebu	Norway	100
Aker Solutions MMO AS	Stavanger	Norway	100
Aker Operations AS	Stavanger	Norway	100

Note 26 Subsidiaries and Interest in Other Companies (Continued)

Company	Location	Country	Percent
Aker Egersund AS	Egersund	Norway	100
Aker Insurance Services AS	Fornebu	Norway	100
Aker Solutions Africa AS	Fornebu	Norway	100
Aker Process Gulf Company Ltd	Al-Khobar	Saudi Arabia	100
Aker Solutions Saudi Arabia Limited	Dhahran	Saudi Arabia	100
K Water AB	Ørnskjøldsvik	Sweden	100
Aker Solutions AB	Gothenburg	Sweden	100
Aker Solutions Tanzania Ltd	Dar es Salaam	Tanzania	100
Aker Subsea Ltd	Maidenhead	UK	100
Aker Solutions Angola Ltd	Maidenhead	UK	100
Enovate Systems Ltd	Aberdeen	UK	100
Aker Engineering & Technology Ltd	London	UK	100
Aker Engineering Malaysia Ltd	Leeds	UK	100
Aker Offshore Partner Ltd	London	UK	100
International Design Engineering and Services Ltd	Glasgow	UK	100
Aker Solutions USA Corporation	Houston	USA	100
Aker Solutions Inc	Houston	USA	100

ENTITIES WHERE AKER SOLUTIONS DOES NOT HAVE THE MAJORITY OF SHARES

Aker Solutions has 49 percent of the shares in Aker Solutions Enterprises LDA in Angola and 48 percent in Aker Solutions APAC Sdn Bhd in Malaysia. However, Aker Solutions has control over relevant activities through shareholders agreements. The subsidiaries are fully consolidated and the non-controlling interest share of profit and equity is presented in the income statement and in the balance sheet.

INTEREST IN OTHER COMPANIES

The group's interest in other companies is not material. The book value of four equity accounted associated companies per December 31, 2015 was less than NOK 1 million with nil profit included, same as previous year. The book value of six available-for-sale investments per December 31, 2015 was NOK 13 million, compared to NOK 14 million in the previous year.

Note 27 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. The audit committee held six meetings in 2015 and comprise of Anne Drinkwater (chairperson), Stuart Ferguson and Atle Teigland.

The fees in the table below represent what is recognized as expenses in the income statement based on expected fees to be approved at the annual general meeting to be held in April 2016. The directors did not receive any other fees except for employee elected directors who have received salary as employees. No agreements exist which entitle the directors to any extraordinary compensation and no board members have loans in the company.

	December 31, 2015	2015			2014 (for the period September 29-December 31)		
Amounts in NOK	Number of shares owned[1]	Board meeting attendance	Audit Committee	Board Fees[2]	Board meeting attendance	Audit Committee	Board Fees
Øyvind Eriksen, Chairman[3]	-	10 of 11	-	600,000	3 of 3	-	150,000
Anne Drinkwater, Deputy Chairman	3,500	11 of 11	205,000	515,000	3 of 3	38,750	135,000
Kjell Inge Røkke[3]	-	1 of 11	-	340,000	0 of 3	-	85,000
Stuart Ferguson	-	10 of 11	115,000	415,000	3 of 3	21,250	110,000
Koosum Kalyan	-	11 of 11	-	415,000	3 of 3	-	110,000
Atle Teigland	7,328	11 of 11	115,000	170,000	2 of 3	21,250	42,500
Åsmund Knutsen	7,842	11 of 11	-	170,000	3 of 3	-	42,500
Hilde Karlsen	5,363	11 of 11	-	170,000	2 of 3	-	42,500
Total			**435,000**	**2,795,000**		**81,250**	**717,500**

1) The number of shares owned covers direct ownership of Aker Solutions ASA only and does not include Øyvind Eriksen's and Kjell Inge Røkke's indirect ownership. During 2015, Atle Teigland and Hilde Karlsen increased their shareholding with 1,720 shares each and Åsmund Knutsen increased his shareholding with 1,434 shares.

2) Board fees include an allowance of NOK 12,500 per meeting per physical attendance for board members residing outside the Nordic countries.

3) 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.

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 variable pay program for the CEO is based on the annual performance of the Aker Solutions ASA share price development above the combined average share price development of the Philadelphia Oil Service Sector Index (PHLX) and the Oslo Stock Exchange Benchmark Index (OSEBX). No payment is due to the CEO unless the Aker Solutions ASA share price development exceeds the development of these indexes. The maximum achievable payment is 66.7 percent of annual base salary.

The variable pay program for the other members of the executive management team consists of three parts and is based on the achievement of company financial results, 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 the basis that the executive is still employed after three years, where the executive receives an additional 50 percent of the variable pay as earned in 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 2015. The remuneration to the executive management team in 2015 was according to guidelines of the company.

The remuneration of the executive management team is shown in the table below. The salary figures below represent expensed remuneration rather than what is paid out in the period. The 2014 table includes second-half of the year only, since the executive management team after the demerger of Aker Solution was established and operational from July 1, 2014.

Note 27 Management Remuneration (Continued)

2015

Amounts in NOK	Role	Period	Base salary	Variable pay expenses[1]	Other benefits[2]	Total taxable remuneration	Pension benefit earned/cost to company[3]
Luis Araujo	Chief Executive Officer	Jan. 1 - Dec. 31	7,086,154	-	1,030,914	**8,117,068**	87,320
Alan Brunnen	Head of Subsea	Jan. 1 - Dec. 31	4,488,163	1,987,671	12,708	**6,488,542**	883,943
David Clark	Regional Head of Europe and Africa	Sep. 21 - Dec. 31	844,442	172,542	926,461	**1,943,445**	188,305
David Currie	Regional Head of UK	Jan. 1 - Jan. 8	80,485	-	368,890	**449,375**	3,541
Per Harald Kongelf	Regional Head of Norway	Jan. 1 - Dec. 31	2,985,295	1,239,157	38,722	**4,263,174**	203,924
Valborg Lundegaard	Head of Engineering	Jan. 1 - Dec. 31	2,546,082	1,101,578	42,264	**3,689,924**	224,762
Mark Riding	Chief Strategic Marketing	Jan. 1 - Dec. 31	3,277,306	1,396,971	415,804	**5,090,081**	292,502
Knut Sandvik	Head of MMO	Apr. 1 - Dec. 31	1,595,946	765,851	7,318	**2,369,115**	152,212
Tore Sjursen	Head of Op. Improvements and Risk Mgt[4]	Jan. 1 - Dec. 31	2,689,142	955,543	28,206	**3,672,891**	186,358
Svein Stoknes	Chief Financial Officer	Jan. 1 - Dec. 31	2,632,000	1,155,874	25,562	**3,813,436**	146,874
Erik Wiik	Regional Head of North America	Jan. 1 - Mar. 4	798,459	-	197,270	**995,729**	61,304
Total			**29,023,474**	**8,775,187**	**3,094,119**	**40,892,780**	**2,431,045**

1) Based on estimated variable pay expensed during the year.
2) Other benefits include membership in the standard employee benefit scheme and an additional executive group life and disability insurance, housing, relocation costs, international salary compensation, children schooling costs, auto allowance, phone and broadband allowance, sign-on fee and termination payment. .
3) 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.
4) Formal job title for Tore Sjursen is Head of Operational Improvements and Risk Management.

2014

Amounts in NOK	Role	Period	Base salary	Variable pay expenses[1]	Other benefits[2]	Total taxable remuneration	Pension benefit earned/cost to company[3]
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 Head of UK	July 1 - Dec. 31	1,496,275	-	611,530	**2,107,805**	119,702
Per Harald Kongelf	Regional Head 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 Head 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) Based on estimated variable pay expensed during the year.
2) Other benefits include membership in the standard employee benefit scheme and an additional executive group life and disability insurance, housing, relocation costs, international salary compensation, children schooling costs, auto allowance and termination payment.
3) 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.

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 company does not offer share option programs to executives or other employees. The accrual for the share-price related variable pay for the executive management team was nil as of December 31, 2015 (same as previous year).

SHARE PURCHASE PROGRAM FOR MANAGEMENT

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

In total 23 executives and senior managers participated in the separate management share program allowing eligible managers to purchase shares for an amount up 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.

The managers were also offered to participate in the ordinary share purchase program for employees where the shares purchased are funded by a loan from the employer company to each participant. The outstanding loan balances related to the share purchase program are reported below. There are no other loans, securities or guarantees granted nor any advances, salary payment given to the executive management team members.

SHAREHOLDING AND TERMINATION AGREEMENTS

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 below table sets out information of notice period and severance pay as well as loans and shareholding applicable to the executive management team.

Amounts in NOK	Role	Number of shares owned	Outstanding loan balances in NOK[1]	Notice period	Severance pay
Luis Araujo	Chief Executive Officer	51,773	43,500	3 months	6 months
Alan Brunnen	Head of Subsea	-	-	3 months	6 months
David Clark	Regional Head of Europe and Africa	1,434	36,000	3 months	6 months
Per Harald Kongelf	Regional Head of Norway	-	-	6 months	6 months
Valborg Lundegaard	Head of Engineering	5,185	-	3 months	6 months
Mark Riding	Chief Strategic Marketing	32,006	-	3 months	6 months
Knut Sandvik	Head of MMO	3,036	-	3 months	6 months
Tore Sjursen	Head of Improvements and Risk	8,366	-	3 months	6 months
Svein Stoknes	Chief Financial Officer	21,702	375,000	3 months	6 months

1) 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 of 2014 and shall be repaid in full, including interest, no later than March 31, 2018. The interest rate of this loan equals the statutory interest rate applicable to employee loans.

▶ **See note 5** for more information about salaries and the share purchase program for employees
▶ **See note 18** for more information about the pension arrangements

Note 28 Related Parties

FINANCIAL REPORTING PRINCIPLES

Related party relationships are defined to be entities outside the Aker Solutions group that are under control (either directly or indirectly), joint control or significant influence by the owners of Aker Solutions. 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.

RELATED PARTIES OF AKER SOLUTIONS

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. In this respect, 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 ASA and are referred to as Aker entities in this note.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Amounts in NOK million	2015	2014
Income statement		
Operating revenues	**1,372**	2,639
Operating costs	**-4,067**	-4,383
Net financial items	**-**	5
Balance sheet		
Trade receivables	**121**	422
Interest-bearing receivables	**-**	82
Trade payables	**-153**	-412
Accrued operating expenses and other liabilities	**-**	-57
Current interest-bearing loan	**-1**	-64

THE MAJOR RELATED PARTIES TRANSACTIONS

Below is a description of the significant related party transactions and balances in 2015.

Shared Services, Hire of Personnel and Lease Agreements with Akastor

Aker Solutions and Akastor have entered into agreements under which subsidiaries of Akastor deliver shared services, provide personnel for hire and sub-lease office facilities and other real estate to Aker Solutions. The total amount charged for these services are NOK 3.6 billion in 2015 (NOK 4.0 billion in 2014).

Separation Issues (Demerger) with Akastor

Aker Solutions is a party to various agreements addressing commercial separation issues between Akastor and Aker Solutions as a result of the demerger in 2014, including joint and shared initiatives for development projects with Fjords Processing and MH Wirth and for non-project specific cooperation and handling of disputes. In addition, Aker Solutions has secondary joint liability for obligations existing in Akastor at the time of the demerger.

Lease Agreements with Aker

Aker Solutions has in previous years entered into lease agreements with companies that were owned by Aker at the time, but have subsequently been sold to external parties. In 2013, Aker Solutions entered a 12-year lease agreement with Fornebuporten AS for offices in Fornebu (Norway) with annual rent of NOK 80 million per year commencing in 2Q 2016. In 2014, Aker Solutions entered into a 20-year lease contract with Abstract (Cornwall) Ltd for offices in Aberdeen with annual rent of GBP 7.74 million per year that commenced in June 2015.

Commercial Sub-Contracts with Kvaerner and Det norske oljeselskap

Aker Solutions both buys from and delivers services and products to Kvaerner through sub-contractor agreements. Aker Solutions holds several agreements for delivery of equipment and services to Det norske oljeselskap for various oil fields offshore Norway.

Other

Other agreements with related parties include:

- Aker Solutions has an agreement with Intellectual Property Holding AS concerning trademark and domain name rights to the Aker Solutions name. There was no cost in 2015.
- Aker Solutions support to the group's union representative function with NOK 510,000 in 2015
- Aker Solutions contributed NOK 75 million in 2015 (NOK 92 million in 2014) to Aker Pensjonskasse, which is a fund established by Aker to manage the retirement plan for employees and retirees in Aker Solutions and other Aker companies.

▶ **See note 14** for more information about trade and other receivables
▶ **See note 19** for more information about operating leases
▶ **See note 21** for more information about trade and other payables
▶ **See note 22** for more information about guarantee commitments for Akastor

Note 29 Audit Fees

KPMG is the auditor of the group. The table below presents the fees paid to the auditor.

	Aker Solutions ASA		Subsidiaries		Total	
Amounts in NOK million	**2015**	2014	**2015**	2014	**2015**	2014
Audit	**2**	4	**13**	12	**15**	16
Other assurance services	**1**	18	**-**	3	**1**	21
Tax services	**-**	-	**3**	2	**3**	2
Other non-audit services	**-**	-	**1**	2	**1**	2
Total	**2**	**22**	**18**	**19**	**20**	**41**

Parent Company Financial Statements

AKER SOLUTIONS ASA PER DECEMBER 31, 2015

Content

Income Statement

For the year ended December 31

Amounts in NOK million	Note	2015	2014
Operating revenue	2	**23**	18
Operating expenses	2	**-117**	-165
Operating income (loss)		**-94**	**-147**
Income from investments in subsidiaries	5	**-**	119
Net financial income (expenses)	3	**-188**	-146
Income (loss) before tax		**-282**	**-174**
Income tax	4	**70**	79
Net income		**-211**	**-95**
Net income for the period distributed as follows:			
Proposed dividends		**-**	394
Other equity		**-211**	-489
Net income		**-211**	**-95**

Balance Sheet

Statement as of December 31

Amounts in NOK million	Note	2015	2014
ASSETS			
Deferred tax asset	4	**88**	25
Investments in group companies	5	**10,676**	10,676
Non-current interest-bearing receivables from group companies	8	**663**	453
Other non-current interest-bearing receivables		**2**	2
Total non-current assets		**11,429**	**11,155**
Current interest-bearing receivables from group companies	8	**341**	1,538
Non-interest bearing receivables from group companies	8	**67**	93
Financial instruments	9	**2,995**	2,780
Cash and cash equivalents	8	**2,693**	1,717
Total current assets		**6,095**	**6,128**
Total assets		**17,524**	**17,283**
EQUITY AND LIABILITIES			
Issued capital		**294**	294
Other equity		**3,165**	3,375
Total equity	6	**3,459**	**3,669**
Non-current borrowings	7	**2,462**	2,462
Total non-current liabilities		**2,462**	**2,462**
Current borrowings	7	**18**	49
Current borrowings from group companies	8	**8,581**	7,512
Provision for dividend	6	**-**	394
Non interest-bearing liabilities from group companies	8	**33**	254
Financial instruments	9	**2,929**	2,878
Other current liabilities		**42**	65
Total current liabilities		**11,603**	**11,152**
Total liabilities		**14,065**	**13,614**
Total liabilities and equity		**17,524**	**17,283**

Fornebu, March 10, 2016
Board of Directors of Aker Solutions ASA

Øyvind Eriksen
Chairman

Anne Drinkwater
Deputy Chairman

Kjell Inge Røkke
Director

Koosum Kalyan
Director

Stuart Ferguson
Director

Atle Teigland
Director

Åsmund Knutsen
Director

Hilde Karlsen
Director

Luis Araujo
Chief Executive Officer

Cashflow

Statement for the year ended December 31

Amounts in NOK million	2015	2014
Income (loss) before tax	**-282**	-174
(Profit) loss on foreign currency forward contracts	**-163**	52
Changes in operating assets and liabilities	**-227**	265
Net cash from operating activities	**-672**	**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
Payment of dividend	**-394**	-
Changes in borrowings to group companies	**-211**	-272
Changes in borrowings from group companies	**2,266**	2,215
Proceeds from employees share purchase program	**61**	-
Repurchase of treasury shares	**-74**	-
Net cash from financing activities	**1,648**	**-2,001**
Net increase (decrease) in cash and cash equivalents	**976**	**-1,860**
Cash and cash equivalents at the beginning of the period	**1,717**	3,577
Cash and cash equivalents at the end of the period[2]	**2,693**	**1,717**

1) Demerger consideration paid to Akastor as part of the demerger process.
2) Unused credit facilities amounted to NOK 5,000 million.

The cashflow statement has been prepared using the indirect method.

Note 1 Company Information

Aker Solutions ASA is the parent company and owner of Aker Solutions Holding AS. Aker Solutions ASA is domiciled in Norway and listed on the Oslo Stock Exchange. The financial statements of the parent company are prepared in accordance with Norwegian legislation and Norwegian Generally Accepted Accounting Principles.

Aker Solutions ASA was incorporated on May 23, 2014 after a demerger from Akastor ASA (formerly named Aker Solutions ASA). The demerger was a common control transaction without change in ownership and accounted for using the continuity method, meaning that assets and liabilities were recognized using historical book values as if the demerger occurred January 1, 2014.

Note 2 Operating Revenue and Expenses

REVENUE
Operating revenue comprises NOK 23 million in 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.

EXPENSES
There are no employees in Aker Solutions ASA and hence no salary, pensions, 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 27 Management Remuneration in the consolidated financial statement.

Audit fees to KPMG

Amounts in NOK million	2015	2014
Audit fee	**1.7**	4.4
Audit related services	**0.7**	18.4
Non-audit fees	**-**	-
Total	**2.4**	**21.8**

▶ **See note 10** for more information about guarantees

Note 3 Financial Income and Expenses

FINANCIAL REPORTING PRINCIPLES
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.

Derivative Financial Instruments
Subsidiaries have entered into financial derivative contracts 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 contracts with the subsidiaries. The parent company uses derivatives from external banks to mitigate the foreign exchange exposure from the financial derivative contracts 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 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. The corresponding interest payments are reflected in the profit and loss to neutralize 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.

FINANCIAL INCOME AND EXPENCE

Amounts in NOK million	2015	2014
Interest income from group companies	**49**	133
Interest expenses to group companies	**-16**	-91
Net interest group companies	**33**	**42**
External interest income	**25**	5
External interest expenses	**-263**	-203
Net external interest	**-238**	**-198**
Other financial expenses	**-2**	-1
Foreign exchange loss[1]	**-4,507**	-4,526
Foreign exchange gain[1]	**4,526**	4,537
Net other financial items	**17**	**9**
Net financial income (expenses)	**-188**	**-146**

1) The 2014 numbers are restated to reflect the change in classification done in 2015

▶ **See note 7** for more information about borrowings
▶ **See note 9** for more information about financial risk management and financial instruments

Note 4 Tax

FINANCIAL REPORTING PRINCIPLES

Tax expenses in the income statement comprise current tax and changes in deferred tax. Deferred tax is calculated as 25 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Net deferred tax assets are recognized only to the extent that it is probable they will be utilized against future taxable profits.

DEFERRED TAX ASSET AND TAX EXPENSES

Amounts in NOK million	2015	2014
Calculation of taxable income		
Income (loss) before tax	**-282**	-174
Group contribution without tax	**-**	-119
Change in timing differences	**-146**	-6
Taxable income	**-427**	**-299**
Positive and (negative) timing differences		
Unrealized gain (loss) on forward exchange contracts	**149**	3
Interest rate swaps	**-75**	-95
Loss carry-forward	**-428**	-
Basis for deferred tax	**-354**	**-92**
Deferred tax in income statement	**70**	-1
Deferred tax in equity	**19**	26
Deferred tax asset	**88**	**25**
Income tax (expenses) benefit		
Origination and reversal of temporary differences	**70**	79
Total income tax (expenses) benefit	**70**	**79**

EFFECTIVE TAX RATE

Amounts in NOK million	2015
Income (loss) before tax	-282
Income tax 27%	76
Permanent differences (27%)	-
Change in tax rate from 27% to 25%	6
Total income tax (expenses) benefit	**70**

Note 5 Investments in Group Companies

FINANCIAL REPORTING PRINCIPLES

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.

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%	**10,676**
Total investments in group companies					**10,676**

In 2015, Aker Solutions Holding AS merged with AKSO ESP AS, a company owned by Aker Solutions ASA. The merger was accounted for based on the principles of continuity of book values.

INCOME FROM INVESTMENTS IN GROUP COMPANIES

Amounts in NOK million	2015	2014
Group contributions	**-**	119
Total income from investments in group companies	**-**	**119**

Note 6 Shareholders' Equity

FINANCIAL REPORTING PRINCIPLES

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.

SHAREHOLDERS' EQUITY

Amounts in NOK million	Share capital	Treasury shares	Hedging reserve	Retained earnings	Total
Equity as of December 31, 2014	294		-69	3,445	3,669
Shares issued to employees through share purchase program[2]		2		59	61
Share buy back[3]		-2		-72	-74
Loss for the period				-211	-211
Cashflow hedge[1]			13		13
Equity as of December 31, 2015	**294**	**-**	**-56**	**3,220**	**3,459**

1) The value of interest swap agreements changing interest from floating to fixed is recognized directly in equity and will be released to income together with the corresponding interest expenses.
2) Aker Solutions subsidiaries operate a share purchase programmed for employees. The subsidiaries purchase shares from Aker Solutions ASA in order to settle obligations to the employees under the schemes. During 2015 a total of 1,737,646 shares were sold under the program.
3) During 2015 a total of 2,114,957 treasury shares were acquired in the market. The number of treasury shares held by end of 2015 was 377,311 and are being held for the purpose of future awards under the share purchase program for employees, as settlement in future corporate acquisitions or for other purposes as decided by the board of directors.

▶ **See note 3 and 10** for more information about the hedging reserve for interest rate swap agreements

Note 7 Borrowings

FINANCIAL REPORTING PRINCIPLES

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. This is done over the period of the borrowings on an effective interest basis.

BONDS AND BORROWINGS

2015

Amounts in NOK 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	1,502	1.15%	4.25%	5.40%	06.06.17	Floating, 3M+fix margin
ISIN NO 0010661051	NOK	1,000	1,005	1.11%	4.20%	5.31%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**2,507**					
Revolving credit facility (NOK 5,000 million)[2]	NOK	-	-27	1.05%	0.85%	1.90%	03.07.19	NIBOR + Margin
Total credit facility			**-27**					
Total borrowings			**2,480**					
Current borrowings			18					
Non-current borrowings			2,462					
Total			**2,480**					

2014

Amounts in NOK 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	1,004	1.63%	4.20%	5.83%	09.10.19	Floating, 3M+fix margin
Total bonds[1]			**2,504**					
Revolving credit facility (NOK 4,000 million)	NOK	-	-	1.48%	0.75%	2.23%	01.06.16	NIBOR + 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 negative NOK 11 million. Accrued interest related to the bonds is included by NOK 18 million.
2) The margin applicable to the facility is decided by a price grid based on the gearing ratio with 0.85 percent as the lowest margin (0.75 percent in 2014). A fee will be added to the margin for utilization of the facility. Commitment fee on not utilized facility is 35 percent of the applicable margin. Carrying amount includes deferred refinancing cost of negative NOK 27 million.

Note 7 Borrowings (Continued)

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. The strategy of Aker Solutions 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

2015

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	1,502	1,617	40	40	1,537	-	-
ISIN NO 0010661051	1,005	1,204	26	26	53	1,099	-
Total	**2,507**	**2,821**	**66**	**66**	**1,590**	**1,099**	**-**
Revolving credit facility (NOK 5,000 million)	-	-	-	-	-	-	-
Total borrowings	**2,507**	**2,821**	**66**	**66**	**1,590**	**1,109**	**-**

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	1,004	1,297	29	29	59	1,180	-
Total	**2,504**	**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).

▶ **See note 3** for more information about financial income and expenses
▶ **See note 9** for more information about the company's exposure to interest rates and liquidity risk

Note 8 Receivables and Borrowings from Group Companies

FINANCIAL REPORTING PRINCIPLES

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.

RECEIVABLES AND BORROWINGS WITH GROUP COMPANIES

Amounts in NOK million	2015	2014
Group companies deposits in the cash pool system	5,139	5,497
Group companies borrowings in the cash pool system	-	-185
Aker Solutions ASAs net borrowings in the cash pool system	-3,448	-3,595
Cash in cash pool system	**1,692**	**1,717**
Current interest-bearing receivables from group companies	341	1,538
Non-current interest-bearing receivables from group companies	663	453
Current borrowings from group companies	-8,581	-7,512
Other net interest-bearing receivables (borrowings) from group companies	**-7,577**	**-5,521**
Current non interest-bearing receivables from group companies	67	93
Current non interest-bearing borrowings from group companies	-33	-254
Net non interest-bearing receivables (borrowings) from group companies	**33**	**-161**
Total net receivables (borrowings) from group companies	**-5,852**	**-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 and Nordea. 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 severally 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 in the cash pool. Hence a debit balance on a sub-account represents a claim on Aker Solutions ASA and a credit balance on a sub-account a borrowing from Aker Solutions ASA.

The cash pool systems were showing a net balance of NOK 1,692 million per December 31, 2015. This amount is reported in Aker Solutions ASAs accounts as short-term borrowings from group companies and as cash in the 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 9 Financial Risk Management and Financial Instruments

CURRENCY RISK

Aker Solutions ASA has entered into forward exchange contracts with other entities in the group in 2015 with a total value of approximately NOK 36 billion. Large contracts are hedged back-to-back with external banks, while minor contracts are hedged based on internal matching principles. Contracts hedged directly with external banks represent about 80 percent of the total group exposure, but are still limited to a small number of contracts. 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.

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 market to market basis.

The fair value of foreign exchange forward contracts and options is presented in the table below.

	2015		2014	
Amounts in NOK million	Assets	Liabilities	Assets	Liabilities
Forward exchange contracts with group companies	**2,640**	**-874**	2,476	-900
Forward exchange contracts with external counterparts	**323**	**-1,945**	304	-1,881
Forward exchange options with external counterparts	**32**	**-110**	-	-97
Total	**2,995**	**-2,929**	**2,780**	**-2,878**

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

INTEREST RATE RISK

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 7 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. That means 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, 2015 a net loss of NOK 56 million (NOK 75 million before tax) is recognized in equity and will be continuously released to the income statement until the repayment of the borrowings via the market-to-market revaluation process.

The fair value of interest rate swaps is presented in the table below.

	2015		2014	
Amounts in NOK million	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cashflow hedge (against equity)	**-**	**-75**	-	-97
Total	**-**	**-75**	**-**	**-97**

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 where the company is not expected to be able to fulfill its loan obligations from future earnings. External deposits and forward contracts are done according to a list of approved banks and primarily with banks where the company also has 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.

▶ **See note 3** for more information about financial income and expenses
▶ **See note 7** for more information about borrowings

Note 10 Guarantees

Amounts in NOK million	2015	2014
Parent company guarantees to group companies[1]	**68,965**	58,017
Counter guarantees for bank/surety bonds[2]	**4,397**	5,252
Total guarantee liabilities	**73,362**	**63,268**
Maturity of guarantee liabilities:		
6 months and less	**14,694**	1,036
6-12 months	**5,267**	1,195
1-2 years	**12,613**	18,279
2-5 years	**12,362**	23,777
5 - years	**28,425**	18,981

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

▶ **See note 3** for more information about revenue from guarantees

Note 11 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 8
Receivables and borrowings	Note 8
Foreign exchange contracts	Note 9
Guarantees	Note 10

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

Note 12 Shareholders

Shareholders with more than 1 percent shareholding per December 31 are listed below.

2015

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110 333 615	40,56 %
State Street Bank & Trust Company S/A SSB CLIENT	NOM	17 965 839	6,60 %
Aker ASA		17 331 762	6,37 %
Folketrygdfondet		11 421 898	4,20 %
J.P. Morgan Chase	NOM	7 617 901	2,80 %
State Street Bank & Trust Company A/C CLIENT	NOM	5 419 338	1,99 %
Swedbank Robur Nordenfon		4 421 014	1,63 %
SIS SIX AG	NOM	4 275 107	1,57 %
The Bank of New York BNYM SA/NV - BNY GCM	NOM	4 046 537	1,49 %
Morgan Stanley & Co. MS & CO LLC MSCO CLI	NOM	3 838 276	1,41 %
Clearstream Banking S.A	NOM	3 227 683	1,19 %
The Bank of New York Mellon	NOM	3 128 243	1,15 %

2014

Company	Nominee	Number of shares held	Ownership
Aker Kværner Holding AS		110,333,615	40.56%
State Street Bank & Trust Company S/A SSB CLIENT	NOM	18,278,890	6.72%
Aker ASA		17,331,762	6.37%
State Street Bank & Trust Company A/C CLIENT	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 balance sheet as at 31 December 2015, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2015, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement 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 2015
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 2015, 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 2015, 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 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 and in the statement on Corporate Governance concerning the financial statements, the going concern assumption and the coverage of the loss 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, 11 March 2016
KPMG AS

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State Authorized Public Accountant

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