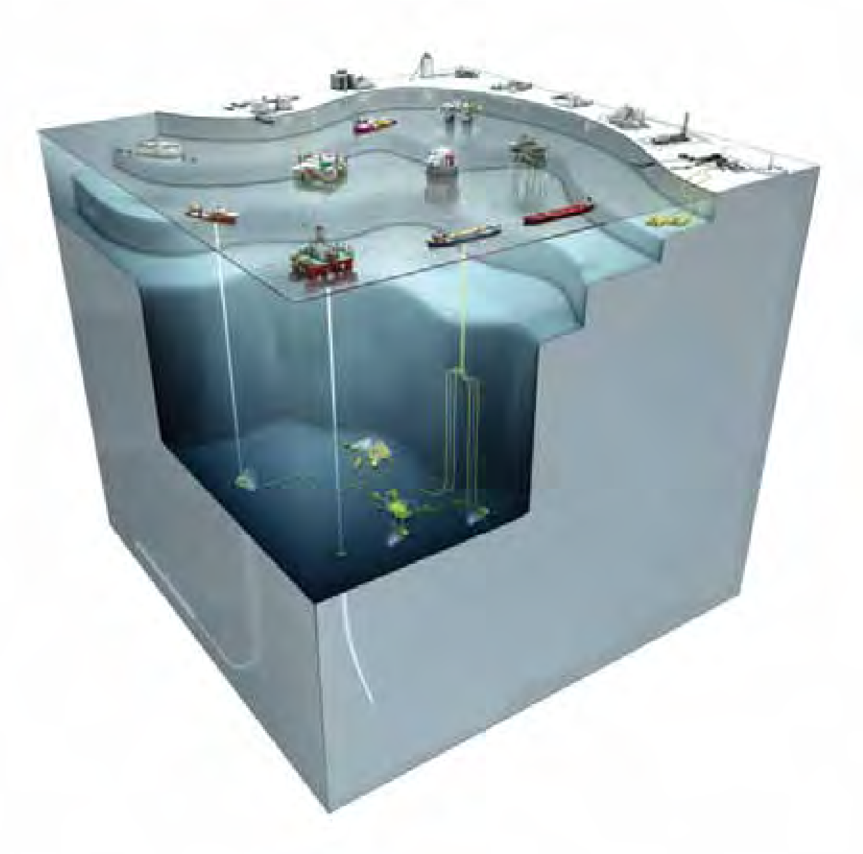
Aker Solutions™

part of Aker

Annual report 2010

Contents



Aker Solutions annual report 2010

Key figures 2010

(Continuing operations only)

Orders and results		2010	2009
Order backlog 31 December	NOK mill	**50 775**	52 740
Order intake	NOK mill	**46 341**	49 048
Operating revenues	NOK mill	**46 267**	49 856
EBITDA	NOK mill	**3 778**	4 095
EBITDA-margin	Percent	**8.2%**	8.2%
Net profit	NOK mill	**1 658**	2 186
Cash flow			
Cash flow from operational activities	NOK mill	**2 131**	4 245
Balance sheet			
Borrowings	NOK mill	**8 224**	7 515
Equity ratio	Percent	**25.9%**	22.8%
Return on equity	Percent	**17.3%**	25.5%
Return on captial employed[1]	Percent	**12.1%**	14.4%
Share			
Share price 31 December	NOK	**99.25**	75.45
Dividend per share[2]	NOK	**2.75**	2.60
Basic earnings per share (NOK)	NOK	**5.96**	7.86
Diluted earnings per share (NOK)	NOK	**5.95**	7.85
Employees			
Employees 31 December	Full time equivalents	**19 444**	19 415
HSE			
Lost time incident frequency	Per million worked hours	**0.83**	0.90
Total recordable incident frequency	Per million worked hours	**2.62**	2.68
Sick leave rate	Percent of worked hours	**2.04**	2.18

1) *Including discontinued operations*
2) *Proposed dividends for 2010*

Letter to shareholders

There are certain milestones that define a company like Aker Solutions. I believe the three-way split of Kværner, from which Aker Solutions emerged back in 2004, was such a moment. I believe that 2010 will also go down in history as one of the more significant years in the history of our company.

One reason for this is that we have managed the aftermath of the 2008-09 financial turmoil quite well. Although revenues declined somewhat, order backlog and profits were relatively stable, despite experiencing unfortunate quality and performance issues that diluted our returns. Reducing such costs is naturally a paramount objective of our continual improvement work in Aker Solutions.

Our earnings before interest, tax, depreciation and amortisation (EBITDA) were NOK 4.3 billion for the year 2010 and the net profit was NOK 2.0 billion. Our financial position is strong and is reflected in the board's proposal to pay NOK 2.75 per share in dividend, in line with our dividend policy.

The numbers from 2010 are now history. Of more importance are the steps we have decided to take for the future; steps which aim to create a more focused Aker Solutions, with a more simplified and transparent structure. We are building an organisation which I believe will accelerate growth and put emphasis on our company values.

First of all, we have divested substantial parts of our non-oil and gas related businesses and we are reallocating our financial and organisational resources. During 2010 we announced several divestments with a combined value of NOK 7 billion. When these transactions were completed in the first quarter of 2011, our net debt was zero, providing a strong foundation for further growth.

Secondly, as we enter into 2011, we prepare for a two-fold future. In May this year, shareholders will be invited to decide on a transfer of our large scale engineering, procurement and construction (EPC) project business to a new company.

The relocated EPC company will have a strong position in the North Sea field development market and key positions in selected international target markets for onshore and offshore EPC projects. The newly structured Aker Solutions will continue to provide engineering solutions, product solutions and field life solutions to the upstream oil and gas industry.

The separation will take place through a de-merger and all Aker Solutions owners will receive shares in the new company. Investors can thereafter adjust their shareholding according to their preferred investment profile. Aker ASA, which through Aker Holding is the leading shareholder in Aker Solutions, has stated that it will maintain its shareholding in both companies after the demerger.

Preparations for these changes are well underway and include the establishment of new organisations and leadership teams for both companies.

In this transition period, it is with great pleasure that I have accepted the board's challenge to continue as executive chairman, and as part of this role also function as CEO. This will allow us to continue the implementation of our strategy at full speed, and at the same time further clarify the profile and mandate of the new President and CEO of the company.

I have appointed a new leadership team which I will work with in this interim period. The composition of the team reflects our ambitions both to keep leadership close to business and to further internationalise Aker Solutions. The new leadership team includes eight business leaders who will report directly to me.

Also a part of the leadership team are six function heads from the corporate centre that have the responsibility for shaping and safeguarding our activities within key functional areas. The corporate centre includes several new functions, which we believe will be particularly important in driving through our strategy.

The following four topics are on the top of our operational improvement agenda:

Customer focus: Build strong and lasting relationships to individual customers and develop regional and country strategies.
Quality and performance: Chase operational excellence (HSE, project management, cost efficiency), reduce quality costs and continue to strengthen performance culture.
People: Retain and attract the best and most competent people and ensure high quality programs for people and leadership development.
Technology: Focus existing technology processes and initiatives in the operating businesses and identify and co-ordinate research and development initiatives.

The above mentioned four priorities are reflected in the new corporate centre with Chief Operating Officer, Chief Technology Officer and Chief Strategic Marketing introduced as new functions within Aker Solutions. My expectation is that with this new organisation we will be better positioned to inspire and to drive the functional priorities across the business units and hence, further improve the performance of Aker Solutions.

Furthermore, with the structural changes and the operational improvement initiatives outlined above, we believe Aker Solutions and the new EPC company are well prepared to face the challenges and opportunities that lie ahead.

It is our intention to see both Aker Solutions and the new EPC company grow. The world needs more oil and gas, and our people and teams have the technology, competence and experience required to produce hydrocarbons in a safe and environmentally careful way.

We believe the fundamentals are in place, for a lot of hard work that still remains.

Øyvind Eriksen
Executive Chairman

Board of directors' report

Summary

Aker Solutions has emerged from the 2008-09 financial turmoil on a strong note. Revenues declined in 2010 but profits remained at similar levels as the previous year. Earnings before interest, tax and depreciation (EBITDA) for the year was NOK 4.3 billion, including businesses accounted for as discontinued operations.

In 2010 order intake was NOK 51.9 billion, on the same level as in 2009. Order backlog at the end of 2010 was NOK 55.4 billion including discontinued operations, marginally down from the end of 2009. Bidding activity increased through 2010, signalling that the company's main markets are on the rebound.

In 2010 Aker Solutions concluded a comprehensive strategy process. In line with the direction set out by the board and management to focus and streamline the business, Aker Solutions agreed to the sale of parts of the Process & Construction (P&C) business area, and the sale of the marine specialist subsidiary Aker Marine Contractors (AMC).

The board also resolved to propose to the general meeting, that the large project EPC (engineering, procurement and construction) business within the Energy Development & Services business area is launched into a new company, separate from the rest of Aker Solutions. This separation is due to be completed in the second half of 2011.

Two focused, well trimmed organisations will emerge, both positioned for growth. Aker Solutions provides product solutions, engineering solutions and field life solutions for the oil and gas industry. The new EPC company, provisionally named Aker Contractors, will have a strong position in the North Sea field development market with key positions in selected international target regions. Both companies were presented at the company's capital markets day in December. They are described in further detail below.

Although operations have improved in many parts of the business, a more detailed analysis reveals opportunities for further improvement and increased profits. The continued losses in the drilling riser business and weak financial performance on a power project in the United States are important reminders in this respect.

The board and management have identified several areas of improvement and actions are under way. The following areas will be specifically addressed: customer relations, quality in project execution, technology and finally, organisational development and recruitment and retention of personnel.

In terms of organisation, a new and more transparent operating business structure was complemented by a corporate centre charged with responsibility and means to chase operational improvements and synergies throughout the company.

Aker Solutions expects that the restructuring will unleash energy and drive in each of the new, streamlined businesses and ultimately contribute to accelerated growth.

The market fundamentals for Aker Solutions are good, but the board would like to point out that any assessment of future conditions are subject to uncertainty. The company expects that annual average growth in the years 2011-2015 could be in the 9-15 percent range, partly as a result of growing markets, growing market shares and revenues from businesses acquired in the period.

Business overview

Principal operations

Aker Solutions provides engineering solutions, product solutions, field life solutions and executes large and complex field development projects for the oil and gas industry.

In 2010 the group had four reporting segments: Energy Development & Services (ED&S), Subsea, Products & Technologies (P&T) and Process & Construction (P&C). Each of these business areas is described below in the "Presentation of the 2010 accounts" section.

The P&C business area was involved in engineering and construction services, primarily in the mining and metals, energy and environmental and downstream oil, gas and petrochemicals industry segments. In December an agreement was reached to divest a significant part of this business. The transaction was completed in February 2011.

Following the sale of the P&C businesses and restructuring of the oil and gas business, a new reporting structure was implemented with effect from March 2011.

The Aker Solutions group is organised in a number of separate legal entities. Aker Solutions is used as the common trademark for most of these entities.

At the end of 2010 the group had 19 444 employes in continued businesses and activities in more than 25 countries. Its head office is in Norway, at Fornebu outside Oslo. The parent company, Aker Solutions ASA, is listed on the Oslo Stock Exchange.

Markets

Demand for Aker Solutions' technology, products and services is driven by the world's increasing consumption of oil and gas for transportation, energy production and industrial purposes.

Market prospects are regarded as good. The world's energy consumption is expected to continue to grow. Combined with declining reserves and reduced oil and gas production in many parts of the world, this is expected to generate a persistent need for new developments.

For many years, the North-West European continental shelf has been the world's primary geographical market for offshore oil and gas activities. Historically, this was also Aker Solutions' home market and a breeding ground for new technologies and solutions.

This region continues to play a key role for Aker Solutions, although the composition of this market is shifting. With the maturing of the oil and gas fields in the region, demand has grown for technologies and solutions required for increased oil and gas recovery, satellite field developments and maintenance and modifications required to extend the lifespan of existing field infrastructure.

Over the past 15-20 years, other

geographical markets have become increasingly important. International oil companies have shifted the focus of their exploration activities to new frontier areas. National oil companies supported by goverments with ambitious development plans are playing an important role in many regions.

Today Brazil represents the most rapidly growing single market in the offshore industry. Other countries with recent strong growth and high national ambitions are found in West Africa, South and South East Asia, around the Caspian Sea and in the Arctic region.

One common denominator for these frontier regions is the fact that remaining oil and gas reserves are increasingly difficult to produce from. New fields are often located in deep waters, tough climate and remote areas. Exploration and production in such regions typically involve development of new technology, deployment of ground-breaking products and large and complex projects.

The oil price influences oil companies' priorities for, and choices between, new developments, upgrades to existing facilities and commitments to improving recovery from producing fields. Oil prices thereby affect activity in Aker Solutions' main markets. The group's share of new deliveries compared with lifecycle services may accordingly vary over time in line with oil price trends.

Aker Solutions' success depends on the trust the company inspires in its customers. The most important success factor for achieving that trust is to deliver quality products and projects predictably according to agreed milestones.

Strategic target areas

In a thorough strategy process in 2010, the board observed that Aker Solutions enjoys a prominent position in many of these geographical markets and industry segments. The company's portfolio of services includes engineering competence, products, technologies and integrated solutions.

Its long tenure in the oil service industry has left it with distinctive relations and experience which are embedded in individuals and in organisational structures. The company also enjoys a growing installed base of products and solutions that represents opportunity for service and repeat sales.

The strategy work also revealed areas where the company clearly has room for improvement. In its concluding strategy meeting, the board pointed to the following three priorities: Firstly: focus the business; secondly: reorganise for greater transparency and better positioning in growing markets; and thirdly: chase operational improvements. As a result, Aker Solutions will begin 2011 with strengthened focus on quality in project execution, technology, customer relations and people and teams.

A more focused portfolio was achieved by divestment of parts of the P&C business area and the marine operation business agreed in 2010. The formation of an international EPC contract company will further streamline operations. These transactions are further described below. Over time, the company will further scale down its financial exposure in ships and marine equipment.

The future Aker Solutions will provide engineering solutions, product solutions and field life solutions for the upstream oil and gas industry. Its range of offerings include deepwater drilling technologies, subsea oil and gas production systems, well services, mooring and offloading systems, well-stream processing technologies, as well as life-of-field solutions through its maintenance, modification and operations business. Aker Solutions will also offer front end engineering design and concept studies as stand-alone services to oil companies and construction companies.

These changes and the corresponding changes to the business segment composition and operating model will result in a more transparent company. It will be able to offer greater flexibility to customers and be well placed to capture opportunities for growth.

The relatively large and complex business areas known from before have been reorganised into new and more focused segments: Engineering Solutions, Product Solutions and Field Life Solutions. Product Solutions consists of the following four sub-segments: Subsea, Drilling Technologies, Mooring & Loading Systems and Process Systems. Field Life Solutions consists of Well Intervention Services, Oilfield Service & Marine Assets and Maintenance, Modifications & Operations.

The new business structure was complemented by a corporate centre charged with responsibility and means to chase operational improvements throughout the company and achieve synergies in key areas across the businesses such as competence sharing, lessons learned, technology and customer relations.

The starting point for reinforcement of operational quality and performance will be the company's six core values: Customer drive, People and teams, Open and direct dialogue, Hands-on management, Delivering results and HSE mindset.

For more than 20 years, the company has worked hard to improve health, safety and environmental (HSE) performance. In the industries which Aker Solutions work, excellence in HSE is considered to be a licence to operate. Consequently this area has had – and will continue to have a special place in the company's culture. Now corresponding efforts will be made to advance and strengthen the other five values.

Report for 2010

Highlights

Operational highlights and milestones for 2010 are described in the business area review later in this report. The main strategic and structural highlights for 2010 were as follows.

Launching Aker Contractors

The new company provisionally named Aker Contractors will be a focused EPC (engineering, procurement and construction) company with a strong position in the North Sea field development market, key positions in selected international target regions, and offerings of distinct offshore products within a global market. The new company will continue to target offshore and onshore EPC field development projects with the ambition to maintain its strong position in the North Sea and further grow its international presence.

Assuming approval from the general meeting, the new company will be established through a demerger. Until this transaction is concluded Aker Contractors will operate as an increasingly self-contained entity with separate board and management.

This new structure will offer customers more flexibility in alternative delivery models for offshore greenfield oil and gas developments. Aker Contractors will position itself for large EPC contracts which typically would involve delivery of complete platforms and integrated solutions.

Sale of P&C

As mentioned above, Aker Solutions decided to divest most of its onshore non-oil and gas related process and construction businesses. Parallel paths were explored with a spin-off and listing of the entity with a new brand as the base case.

At the end of 2010 an agreement was reached to transfer most of Aker Solutions' process and construction businesses to Jacobs Engineering Group. The agreed transaction value is NOK 5.5 billion (USD 913 million). The consideration was settled in cash at completion in February 2011.

For Aker Solutions, the transaction had a positive net cash effect of approximately NOK 3.8 billion (USD 634 million), and a cash to treasury effect of approximately NOK 4.2 billion (USD 701 million). Net gain is estimated to be approximately NOK 2.4 billion (USD 400 million).

The transaction did not include the US EPC centre in Houston, and the Union Construction business located in the US and Canada. They will be part of the new Aker Contractors company described above.

Sale of AMC

In October 2010 an agreement was made to sell Aker Marine Contractors (AMC), a subsidiary within the Subsea business area, to the Singapore listed company Ezra Holdings Ltd (Ezra) in exchange for equity instruments in Ezra and other consideration. Furthermore 50 percent of Aker Solutions' ownership in the Aker Connector (now AMC Connector) installation vessel will be transferred to Ezra.

The transaction was completed in March 2011. AMC is valued at USD 250 million. Of this, USD 50 million was settled in cash, USD 100 million in shares in Ezra Holdings Ltd, equivalent to approximately seven percent ownership, and USD 50 million in a convertible bond with maturity after 36 months. The final USD 50 million plus interest will be settled in cash on and subsequent to delivery of Aker Connector, which is expected to take place in fourth quarter 2011.

New office projects

Aker Solutions has been involved in the development of two major office buildings for the company in Norway. In December 2010, majority ownership of the building in Oslo was transferred to other investors and a letter of intent to sell the Stavanger property was signed.

The two transactions are expected to give a cash effect of approximately NOK 500 million each which will be recognised in 2012 when the buildings are completed. The Oslo transaction was completed in 2010. The sale of the Stavanger property is expected to be concluded in first half of 2011. Aker Solutions will retain an ownership interest of 25 percent in both properties.

Management changes

In June 2010 President & CEO Simen Lieungh left the company. Since then, Chief Financial Officer Leif H Borge has been President of Aker Solutions ASA, while Øyvind Eriksen in his capacity as executive chairman has taken on the role of CEO for the group.

A new leadership team was effective as of March 2011. The team consists of the heads of eight sub-segments and six corporate centre managers and is headed by the executive chairman.

The team composition reflects the new corporate structure and the corporate strategic priorities described above. Chief operating officer, chief technology officer and chief strategic marketing are new functions in the corporate leadership team. Three of the team members are non-Norwegian citizens. Two are women.

Each member of the 2011 corporate leadership team are presented on page 90 of this report. Members of the 2010 executive team are listed on page 41.

The identification and appointment of President & CEO for Aker Solutions and the new company Aker Contractors is ongoing.

Presentation of the accounts

Aker Solutions presents its accounts in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Unless otherwise specified, figures in brackets present comparative data for the corresponding accounting period or balance sheet date for the previous year.

In Aker Solutions' consolidated financial statements, the P&C businesses that have been transferred to Jacobs are classified as discontinued operations. In 2010 these businesses had operating revenues of NOK 4 500 million (NOK 4 221 million) and EBITDA of NOK 522 million (NOK 273 million). Furthermore, AMC is classified as disposal group held for sale.

Income statement

Consolidated operating revenues for 2010 for continuing operations declined by 7.2 percent to NOK 46 267 million (NOK 49 856 million). Earnings before interest, tax, depreciation and amortisation continuing operations (EBITDA) amounted to NOK 3 778 million (NOK 4 095 million), a decrease of 7.7 percent from 2009. The EBITDA margin in 2010 was 8.2 percent (same as in 2009).

The decrease in operating revenues and EBITDA is partly due to fairly low activity within some of Aker Solutions' operations and partly due to phasing of projects. However, due to good execution on some important projects, the EBITDA margin increased somewhat.

Depreciation, impairment charges and amortisation from continuing operations totalled NOK 871 million (NOK 897 million).

Consolidated earnings before interest and taxes from continuing operations (EBIT) were NOK 2 907 million (NOK 3 198 million). Net financial expenses amounted to NOK 552 million (NOK 229 million).

The group hedges currency risk for all project exposures in accordance with well-established practice. Although this provides a full currency hedge, parts of the hedging (about 20 percent) do not meet the requirements for hedge accounting specified in IFRS. This means that fluctuations in the value of the associated hedging instruments are recognised with full effect as financial items in the accounts. The accounting effect appears as an expense of NOK 84 million (income of NOK 161 million) in a separate line under financial items. The underlying projects hedged by the unqualified hedging instruments have had a positive accounting effect of NOK 23 million (negative effect of NOK 81 million), which is recognised as an ordinary operating expense.

Associated companies and joint ventures reported a loss of NOK 32 million (gain of NOK 112 million). The 2009 figure includes a gain of NOK 109 million on the sale of the holding in ODIM ASA.

Tax expense was NOK 697 million (NOK 783 million). This corresponded to an effective tax rate of 29.6 percent (26.4 percent).

Consolidated net profit from continuing operations in 2010 was NOK 1 658 million (NOK 2 186 million). Profit from discontinued operations net of income tax was NOK 352 million (NOK 145 million), and net profit for 2010 was NOK 2 010 million (NOK 2 331 million). This represented basic earnings per share of NOK 7.27 (NOK 8.40). Basic earnings per share for continuing operations were NOK 5.96 (NOK 7.86).

Cash flow

Consolidated cash flows from operating activities depend on a number of factors, including progress with and delivery of projects, changes in working capital and pre-payments from customers. Net cash flow from operations was NOK 2 131 million (NOK 4 245 million).

Net cash flow from investment activities in 2010 was negative NOK 2 109 million (NOK 3 927 million, of which around NOK 1 400 million related to the acquisitions carried out in April 2009). Net cash flow from financing activities was negative NOK 121 million (NOK 278 million), with dividends for the previous year of NOK 700 million (NOK 431 million).

Balance sheet and liquidity

Consolidated interest-bearing debt amounted to NOK 8.2 billion (NOK 7.5 billion) as of 31 December 2010.

Long-term debt consists of five bond loans in the Norwegian market. These loans included one of NOK 572 million maturing in 2011, two of NOK 150 million and NOK 300 million respectively which mature in 2013, and two of NOK 1 913 million and NOK 187 million maturing in 2014. The bond loans have floating interest rates with the exception of the NOK 150 million loan maturing in 2013 and of NOK 1 913 million maturing in 2014, which have a fixed rate.

Parts of the loans with floating rates have been converted to fixed rates through interest swap agreements, and parts of the loans with fixed rates have been converted to floating rates. 44 percent of the total bond loans accordingly have fixed rates. The average remaining term to maturity for these loans is just under three years.

In addition, a syndicated bank facility of EUR 750 million (corresponding to NOK 5 864 million) was established in October 2006, maturing in October 2012. NOK 2 800 million of this facility had been drawn down as of 31 December 2010.

A credit facility of NOK 2 000 million was established by the group in December 2008 with a term of 18 months and an option to extend this period by a further 18 months. The company exercised the extension option in 2010 and the credit facility has a final maturity in December 2011. No drawings had been made on this facility as of 31 December 2010.

A term loan of NOK 750 million with a maturity of five years was established with an international bank during the fourth quarter of 2009 to strengthen the group's financial platform even further. This loan matures in October 2014.

Fixed interest agreements entered into for 2011 on that date covered 46 percent of the total debt.

Consolidated non-current assets totalled NOK 15.9 billion (NOK 16.1 billion) as of 31 December 2010, of which goodwill amounted to NOK 6.2 billion (NOK 7.4 billion). The reduction in goodwill in 2010 is mainly due to reclassification of goodwill to held for sale related to the expected transactions of AMC and P&C.

Net interest-bearing liabilities totalled NOK 4 180 million (NOK 3 705 million) as of 31 December 2010.

Book equity including non-controlling interests totalled NOK 10 354 million (NOK 9 123 million) as of 31 December 2010. Non-controlling interests amounted to NOK 189 million (NOK 147 million). The group's equity ratio was 25.9 percent (22.8 percent) of the total balance sheet as of 31 December 2010.

Consolidated capital adequacy and liquidity are good, and help to ensure that the group is well equipped to meet the challenges and opportunities faced over the next few years.

Segment reviews

From 2011 Aker Solutions will present its accounts with three reporting segments: Product Solutions, Engineering Solutions and Field Life Solutions. Product Solutions include the following sub-segments: Subsea, Drilling Technologies, Process Systems and Mooring & Loading Systems while Field Life Solutions include the sub-segments Maintenance, Modifications & Operations (MMO), Well Intervention Services and Oilfield Services & Marine Assets.

In the review of 2010 accounts below, reporting follows the old business area structure which was effective until March 2011.

Energy Development & Services

The business area experienced high activity in the North Sea maintenance, modifications and operations market and on several international projects including Sakhalin I, Kashagan and Hebron. In addition, some new North Sea developments also contributed to a good workload through the year.

Operating revenues totalled NOK 20 876 million (NOK 19 827 million). EBITDA was NOK 2 040 million (NOK 1 116 million). The EBITDA margin was 9.8 percent, improving from 5.6 percent in 2009. The improvement partly reflected contract formats in the order backlog and improvements in operations. The order backlog as of 31 December 2010 was NOK 26 265 million (NOK 25 396 million).

Maintaining a strong position in the North Sea market and further increasing its international competitiveness were two key targets for the ED&S business area in 2010. Several significant contracts related to new field developments and field life extensions were awarded, supporting this ambition.

The business area reported high activity on the operations in Kazakhstan and Russia throughout 2010 and delivery of the groundbreaking Gjøa semi-submersible from the Stord yard. Within studies and FEEDs, tendering activity has been high with several contract wins.

In order to build flexible, cost-effective delivery models, a joint venture was established with the Kazakh industrial group KazKiproNefteTrans and the cooperation with COOEC's Quingdao yard in China has been further developed.

From March 2011, ED&S was separated into three business segments: Engineering, MMO (a sub-segment within Aker Solutions' reporting segment Field Life Solutions) and Aker Contractors (the EPC business) which will be established as a separately listed company on the Oslo Stock Exchange.

Subsea
The business area performed relatively well in a demanding market. Total operating revenues in 2010 were NOK 11 844 million (NOK 12 972 million). EBITDA was NOK 1 170 million (NOK 1 399 million) and EBITDA margin decreased from 10.8 percent in 2009 to 9.9 percent. The EBITDA was negatively affected by low capacity utilisation for the installation vessels and no well intervention work for the vessel Skandi Aker. Record high well services activity level in the North Sea and increased activity within lifecycle services affected the results positively. The order backlog at the end of 2010 was NOK 15 356 million (NOK 12 395 million).

Key contract awards in 2010 included the USD 300 million Iara & Guara contract offshore Brazil, and the NOK 3.4 billion contract to deliver a subsea gas compression station to Statoil's Åsgard field in the North Sea.

Execution of key projects has been a strong focus throughout the year. Successful deliveries have been made to Dong Energy's two fast-track projects, Trym and Oselvar. In August, first oil was produced from Statoil's demanding Morvin HP/HT field, through a subsea production system from Aker Solutions. The groundbreaking Ormen Lange subsea gas compression pilot project also progressed well, with start-up of system testing commencing as planned in Q4 2010.

The investment programme has continued in 2010. During 2010 Aker Solutions has increased capacity by investments in subsea infrastructure, driven particularly by developments in the North Sea and off Brazil, South-East Asia and West Africa. The group expects to continue this investment programme in the years to come.

The divestment of Aker Marine Contractors was announced in October 2010. The transaction was completed in March 2011 as previously described.

From March 2011 the business area was split in three sub-segments: Subsea, Well Intervention Services and Oilfield Services & Marine Assets. The first is a part of the reporting segment Product Solutions while the last two are part of the reporting segment Field Life Solutions.

Products & Technologies
Products & Technologies experienced lower activity during 2010 compared to 2009. The decline was mainly due to a general slowdown in drilling rig new builds, resulting in a lack of new contracts for complete drilling packages in 2009 and into 2010.

Operating revenues decreased by 19.8 percent from the year before and came to NOK 10 206 million (NOK 12 729 million). EBITDA for 2010 was NOK 859 million (NOK 1 304 million), and profitability decreased to an EBITDA margin of 8.4 percent (10.2 percent).

Profit in the business area was adversely affected by performance issues in the drilling riser business. Mitigating actions were initiated and the issues are expected to be resolved in the first half of 2011.

The order backlog as of 31 December 2010 was NOK 7 360 million (NOK 9 632 million). The main contracts awarded during the year were two complete drilling equipment packages to Daewoo and one for an undisclosed customer, in addition to several smaller contracts within process technologies and offshore and marine equipment.

Four complete drilling equipment packages were delivered during 2010 and ten drilling equipment packages are scheduled for delivery in 2011. The activity within process systems, deck machinery and mooring equipment has been high throughout the year. The installed base of products continues to grow and provides a strong basis for continued growth in lifecycle services.

In August, a new iPort technology centre was opened in Stavanger, combining simulators, technological facilities and services under one roof. In Brazil, a new drilling lifecycle services centre was opened in Rio das Ostras, bringing to the Brazilian market the first 240° dome based drilling equipment simulator. This visualisation and simulator technology has proven to be a powerful tool to increase efficiency in design and operation of offshore products and solutions.

From March 2011 the business area was split in three sub-segments: Drilling Technologies, Process Systems and Mooring & Loading Systems, which will all be part of the reporting segment Product Solutions.

Process & Construction
In 2010 Process & Construction enjoyed high activity within the mining and metals, and energy and environmental segments while other segments within onshore oil, gas and process still experienced slow markets.

Operating revenues fell by 8.7 percent to NOK 8 703 million (NOK 9 534 million). EBITDA was NOK 213 million (NOK 484 million). The EBITDA margin fell to 2.4 percent (5.1 percent). The order backlog stood at NOK 6 594 million at year end 2010 (NOK 9 037 million). These numbers include discontinued operations.

The main reason for the decrease in EBITDA was the delay and cost increases on the Longview power project. This was due to, among other factors, force majeure events, changes to the project, and third party actions in furnishing engineering services, equipment and materials, all of which have directly and adversely impacted Aker Solutions' project work. As a consequence of this, Aker Solutions decided to reverse previously reported profits on this project in third quarter 2010. Additional losses were recognised in fourth quarter 2010.

A major natural gas fired power plant, the Halton Hills Generating Facility for TransCanada Energy Ltd. was completed in Canada. The single biggest contract awarded during the year was the design, supply, installation, construction and commissioning for a Biomass renewable energy plant for RWE in Scotland.

In December, a transfer of the majority of the operations in the Process & Construction business area to Jacobs Engineering Group Inc was agreed. The transaction was closed in February 2011. The transfer does not include the US EPC centre in Houston and the Union Construction business located in the US and Canada, which will all be part of the new Aker Contractors company.

Going concern
Based on the group's financial results and position, the board affirms that the annual accounts for 2010 have been prepared on the assumption that the company is a going concern.

Parent company accounts and allocation of net profit

The parent company, Aker Solutions ASA had a net profit of NOK 3 153 million for 2010 (NOK 1 052 million). Pursuant to the company's dividend policy, the board proposes that an ordinary dividend of NOK 2.75 per share be paid. The board thereby proposes the following allocation of net profit:

Dividend NOK 741 million
Other equity NOK 2 412 million
Total allocated NOK 3 153 million

Unrestricted equity after the proposed dividend payment amounts to NOK 5 874 million.

Dividend

The parent company's dividend policy involves an intention to pay shareholders an annual dividend of 30-50 percent of net profit. The dividend will be paid in cash and/or through share buy-backs.

The board will propose a total dividend of NOK 2.75 per share for 2010 to the annual general meeting. Shareholders will then have received about 38 percent of net profit in the form of share buy-backs and dividend for the fiscal year.

Events after the balance sheet date

In February 2011, Aker Solutions completed the sale of parts of its Process & Construction business area to Jacobs, as previously described.

The transaction value was approximately NOK 5.5 billion and the consideration was settled in cash at completion.

In February 2011, the rulings related to the 2003 contract with Hitachi America Ltd. were presented. Hitachi was awarded damages but the conclusion did not have a material effect on the financial statements of Aker Solutions.

In March 2011, Aker Solutions completed the transfer of ownership of subsidiary Aker Marine Contractors (AMC) to Singapore listed Ezra Holdings Ltd. In the transaction, AMC is valued at USD 250 million, as previously described.

Company, people and community

Corporate governance and risk management

Corporate governance in Aker Solutions is performed within the framework of several different legal regulations and principles. The respective national legal regulations will always prevail at our different locations around the world.

As Aker Solutions exercises ultimate governance and control from its head quarters in Norway, and is listed on Oslo Stock Exchange, Norwegian legislation is naturally a significant framework in terms of company and securities legislation, financial reporting and other corporate issues.

Aker Solutions has therefore adopted the Norwegian code of practice for corporate governance. A special statement on the way Aker Solutions observes the code of practice issued by the Norwegian Corporate Governance Board can be found on page 81 of this annual report.

The corporate governance in Aker Solutions is the traditional model where the shareholders through the annual general meeting appoint the board of directors to act as their representatives in governing the company.

The board of directors sets the strategic direction, the overall governance structure, values and main policies. The policies, of which there are 20, provide direction on acceptable performance and guide decision-making in all parts of the company. The policy framework provides the delegated authority and authorisations of the chief executive officer and the organisation.

Among its members, the board of Aker Solutions has appointed an audit committee. In 2010 this committee was chaired by Ida Helliesen. Other members of the committee at the end of 2010 were Atle Teigland and Lone Fønss Schrøder. Fønss Schrøder replaced Øyvind Eriksen on the audit committe when he assumed the role as executive chairman in June 2010.

Risk management

The intention of the governance framework is to minimise risk through guiding behaviour and decisions in the direction that is most appropriate for the company. The management in Aker Solutions has put in place business processes, management meetings and organisational structures to ensure that the governing framework is being adhered to.

Aker Solutions manages risks based on four main areas.These are the strategic and financial risks, reputation risks, risks related to mergers and acquisitions and the risks related to the operations and project execution.

Strategic risks arise from pursuing the wrong markets, segments, services and products or customers. These are managed through the annual strategy process. In this process the board of directors ensures that the overall direction, markets and customers are reflected in the strategies.

Financial risk includes currency, interest rate, counterparty and liquidity risk. The corporate treasury function is responsible for managing financial market risk and the group's exposure to financial markets. Aker Solutions has defined procedures and routines for managing the group's financial market exposure.

- *Currency risk:* operating units in Aker Solutions identify their own foreign currency exposure and mitigate this via corporate treasury when contracts are awarded. Such cover is provided in the operating unit's functional currency. All major contracts are furthermore hedged in the external market and documented to qualify for hedge accounting. More than 80 percent of project related currency risk exposure either qualify for hedge accounting or are embedded derivatives.

- *Interest rate risk:* it has been decided that 30–50 percent of the group's gross debt will have fixed interest rates with durations related to the outstanding debt at any given time.
  Floating and fixed interest rate loans are combined with interest rate swaps. 46 percent of the borrowings had fixed interest rate at the balance date.

- *Counterparty risk:* assessments are made of major contractual counterparties and sub-contractors. Risk is reduced through bank and parent company guarantees and/or structuring of payment terms. Where bank risk and the placement risk for surplus liquidity are concerned, specific maximum levels have been set for the group's exposure to each financial institution. A special debtor list is signed annually by the group's CFO.

- *Liquidity risk:* the group's policy is to maintain satisfactory liquidity at the corporate level. This liquidity buffer is expressed as the sum of undrawn bank credit facilities and available cash and bank deposits. Working capital will vary over time, depending on the composition of revenues in the various segments – and good liquidity is important.

Reputation risks could typically be both hard to identify and assess as they can appear in many forms and situations. Albeit elusive and intangible in its nature it can nevertheless have the most severe impact on a business. Aker Solutions has chosen to focus reputation risk on assessments of the risks related to countries with special challenges, frameworks for managing risks and making decisions and the processes for ensuring compliance with policies.

Merger and acquisition risks can arise from decisions to invest in other companies. Typically the risks are related to the pricing of an acquisition, buying a company that does not fit well with the existing portfolio or a company with hidden problems. Risks in this category are managed through a special corporate investment committee.

Operations and project execution risks are often more specific and related to potential incidents or challenges in a project or other business operations. These are typically directly managed by the operating businesses and followed up by corporate through the fixed monthly and quarterly review structure and the corporate risk committee

The board receives monthly reports on the company's performance and the status of its most important individual projects.

Risk management at corporate level

Control of risks and compliance with policies represent key activities of the corporate functions. As part of the strategy process in 2010, the strenght of this corporate role was further emphasised and strengthened.

Each corporate function has a global responsibility for following up policies and associated framework for its respective area. This applies regardless of the approach adopted for organising the business, and is pursued in part through a close dialogue with the company's corporate risk and investment committees and through monthly meetings related to financial and operational reporting by the business areas. Each corporate function will also follow up its area of responsibility outside these formal processes through direct dialogue with the businesses.

The corporate functions which are most relevant to risk managment are as follows:

Enterprise Risk coordinates risk management outside the traditional project and financial areas, and monitors and mitigates risks by way of ensuring coordination of the compliance program and overall business ethics standards.

Internal Compliance ensures that the units have established and implemented the necessary systems and routines for ensuring compliance with both financial and operational procedures and systems within the group, and conducts regular visits to and checks of units with consequent reporting of possible improvement measures.

Project and Operational Support provides support for project assessments in the tendering and execution phases, and chairs the corporate risk committee which reviews all major tenders prior to bid approval and evaluates project performance.

Corporate Treasury is responsible for financial market risk and the group's exposure to financial markets, and is a permanent member of the Corporate Investment Committee. Any acquisition, disposal or capex investment that require approval from CEO or CFO is reviewed by this committee prior to final approval.

Corporate Insurance handles the purchase of the group's insurance programme and provides insurance-related support for projects, as well as operating as the group's captive underwriter.

Corporate Tax manages Aker Solutions' tax affairs, delegates responsibilities for compliance with the tax policy and follow up execution of the tax policy in the business. Taxes include, but are not limited to, corporate and personal income taxes, value added taxes (VAT), sales taxes, customs, duties, payroll taxes, employment taxes and stamp duties.

Corporate Business Development ensures that all merger and acquisitions, major restructurings, real estate transactions and strategic partnerships are managed effectively. A key control for Business Development is the Corporate Investment Committee.

Corporate Legal supports all the abovementioned functions in their management of risk, in part through permanent membership of the Corporate Risk and Investment Committees, and is also responsible for contractual and legal follow-up of projects, partners, contracts and disputes.

Risk management in operating entities

Each operating unit is responsible for ensuring compliance with corporate procedures and systems and with all other applicable regulations and legal requirements. The corporate staff and the operating units collaborate closely to identify, monitor, report on and manage risk for the whole group. This ensures compliance with requirements from the board of directors and with internal and external frame conditions and regulations.

The Project Execution Model (PEM™) is a key element in the operating units' operating system. The PEM™ is the methodology followed when executing projects. All risk management processes and controls shall be described in the respective operating system of the business unit. The process descriptions in the PEM™ vary according to the type of business or project being performed but the general requirements of the PEM™ are the same across the company.

The PEM™ has defined phases for projects. The main phases are Feasibility & Concept, Tender & Kick-off, System Definition, Detailing & Fabrication, Assembly & Erection and System Completion. In each of these phases there are defined milestones that the project needs to pass and between all the phases there are gates.

In order for a project to move from one gate to another a gate review is executed.

This follows a set of defined controls and templates, all of which must be passed and completed. Risk review is a key control in the gate review. The gate review is approved by the project manager and all documentation shall be stored for future reference.

All projects in Aker Solutions have a register where identified risks and opportunities are categorised and assessed in terms of impact and probability. Most projects use the standard template in the risk dashboard tool, known as the Risk and Opportunity Register, while some have developed their own registers.

All these risk registers are live documents that support follow-up of all risks in the project as well as the improvement opportunities. It is the responsibility of the manager for any project to manage the risks in the project and to update the risk register. Depending on the size of the project, and the complexity, a project may also have a separate Risk Manager.

Risks in the operating entities are reported to the CEO in monthly operating reviews. These reviews form the main internal management control procedures and reporting line across Aker Solutions. The report consists of a written report and a subsequent review meeting with the CEO, CFO and other functional staff as required.

The operating entities are required to perform regular audits of their projects and operations to ensure they follow the established processes and procedures. Every year management of the unit reviews its operating system to ensure its integrity and relevance to operations. This review includes assessment of opportunities for improvement and the need for changes to the operating system, strategy and objectives.

Aker Solutions has also implemented a Control Self Assessment (CSA) which is compulsory for operating entities. In this process, the operating units assess the quality and relevance of the established control activities. The timing of the CSA is determined by the Corporate CFO. Furthermore, each of the business units is required to conduct an annual evaluation of its internal financial reporting control systems.

Finally, Internal Compliance may also decide to conduct reviews of individual operating units' compliance with systems and procedures. In 2010 such reviews were conducted in 8 units.

Corporate responsibility

Aker Solutions influences the economic position, environment and lives of people and their communities in many parts of the world. This position carries great responsibility and calls for solid governance and risk management within all areas of operation. Environmental, social responsibility and governance issues are deeply embedded in the activity of operating entities as well as the functional resources.

The company's history and values, as well as international norms such as the UN Global Compact, the Global Reporting Initiative and the OECD guidelines, form the basis of Aker Solutions' corporate responsibility (CR) principles and of the way it reports in this area.

A comprehensive set of policies and compliance procedures are in place to ensure that the entities operate according to sound principles in this respect. In 2010 focus has continued to be high on ethics, whistle-blowing and combat of financial crime. Furthermore, the company has conducted a thorough review of all third party representation agreements and updated the country risk management process.

Following this review, the restricted countries list was expanded in 2010 to include Myanmar (Burma), Iran, North Korea, Sudan and Western Sahara (Morocco). These are countries where Aker Solutions will not engage in any new business or investment activities.

Targeted training programmes help to strengthen understanding of, and ensure compliance with Aker Solutions' rules. The code of conduct is available on the group's website.

In 2010, particular attention has been given to business ethics and the code of conduct for operations abroad. An important part of Aker Solutions' strategy is to grow its business and presence in targeted markets outside of Norway. Although the operational conditions and challenges will differ from one market to another, there is only one standard for Aker Solutions' conduct of business world wide; full compliance with applicable laws and internal policies. This is a prerequisite for all our operations. Having in mind the challenges that some businesses and projects might be faced with from time to time, there has been a targeted effort to assist the businesses with, inter alia, awareness training, reviews of agreements and potential partners, the performance of integrity due diligence, the auditing of cooperation partners books and records and the set-up of business structures in new markets. During 2010, the corporate functions and the operating businesses have been re-organised in a manner that will allow for a continuation and even closer follow-up of this work in the years to come.

Aker Solutions became a member of the UN's Global Compact in 2008. Both globally and locally, this opens up opportunities for dialogue and collaboration with other enterprises, voluntary organisations, unions and governmental authorities on a range of crucial issues.

Aker ASA's frame agreement with Norway's United Federation of Trade Unions and the International Metalworkers Federation commits Aker Solutions to working towards good labour relations and to respecting human and workers' rights in the communities in which it operates.

Aker Solutions has extended its successful partnership with the Norwegian Red Cross to the end of 2011. This collaboration incorporates financial support, exchanges of knowledge and voluntary contributions.

Health, safety and the environment

Concern for health, safety and the environment (HSE) is one of Aker Solutions' core values. It has been a top management-driven guiding principle in the business for many years. The fundamental principle and attitude is that all incidents can be prevented. On that basis, Aker Solutions works continuously to prevent incidents which could cause harm to personnel or to material or non-material assets.

Driven by care

The Just Care™ concept was introduced as a common symbol for the group's HSE culture and work in 2005. A key element is that each person accepts personal responsibility for HSE, based on care for people and the environment. Through Just Care™, the HSE message reaches the individual employee more effectively. Managers as role models and a strong commitment to communication and training create attitudes which integrate HSE in everyday work.

A common HSE culture
Education occupies a central place in Aker Solutions' HSE programme. Since it was introduced in 2005, the tailored HSE leadership programme has been completed by more than 2 700 leaders. 200 participated in 2010. This programme equips managers with the competence required to become better role models and to drive HSE improvements.

To reach out to all employees in an efficient way, the group has also developed eLearning programmes for key areas within HSE. These include the Just Care™ culture and HSE as a core value, as well as more specific topics on mastering stress and protecting the environment. More than 77 000 eLearning sessions have been completed since these programmes were introduced in 2007.

Clear expectations
A common HSE operating system for the whole company sets standards for the most important elements in HSE management and leadership. Regular audits uncover possible gaps in relation to expectations, and the necessary counter-measures are identified and initiated. This system also functions as a framework for cross-organisational sharing and learning.

Learning from incidents
On the basis of an analysis of incidents in recent years and exchange of experience in the industry, Aker Solutions developed a new component in its HSE programme in 2008. Entitled Just Rules, this is a set of simple but specific safety regulations for particular work operations which are judged on the basis of experience to pose higher risks.

Since the implementation more than 32 000 employees, contract staff and subcontractor personnel have participated in presentations of Just Rules. By making the most important preventative measures mandatory, clear and simple, Just Rules essentially contributes to preventing serious incidents.

Achievements
Despite continuous efforts to avoid serious incidents, Aker Solutions regrettably suffered 19 serious personal injuries in 2010, compared to 23 in 2009 and 18 in 2008. No fatalities occurred in 2010.

Of these 19 injuries, five involved working at height, two occurred during lifting operations, two from falling objects, three from energy isolation, three from tripping and four from operating hand tools.

The total recordable injury frequency (TRIF) per million working hours fell from 2.7 in 2009 to 2.6 in 2010. The lost-time injury frequency (LTIF) per million working hours declined from 0.9 in 2009 to 0.8. These figures also include Aker Solutions' sub-contractors.

All serious incidents and near misses are investigated and the lessons from them implemented with the aim of preventing similar incidents in the future.

In 2010 the company's umbilicals manufacturing facilities in Mobile, US and Moss, Norway both celebrated five years without lost time incidents and received company-wide recognition for their results. Also in 2010 Aker Solutions was named the winner of the prestigious Malaysian National Occupational Safety & Health Award in the heavy industry manufacturing category.

Sick leave
Sick leave amounted to 2.0 percent of total working hours in 2010, compared with 2.2 percent the year before. Sick leave has remained stable at a low level after a clear decline in 2003-2006. However, it should be noted that differences in local regulations complicate a direct comparison of sick leave between different countries.

Although low in comparison with national average, company statistics show that sick leave in Aker Solutions' Norwegian operations is relatively higher than in other areas of the group, with an average 4.1 percent in 2010.

Special initiatives have been introduced in 2010 with a focus on exercise and nutrition. The company's sponsorship of the 2011 FIS Nordic World Ski Championship and participation in the Aker Aktiv programme is part of this.

Environment
The board takes the view that Aker Solutions' activities pose only a limited direct burden on the environment. No significant unintentional discharges or emissions to the surrounding environment were recorded in 2010.

Total energy consumption by the business in 2010 (figures for 2009 in brackets), based on recorded use of oil, gas and electricity, amounted to 473 950 (588 206) megawatt-hours. Carbon emissions related to this usage are estimated at 109 573 (136 797) tonnes. The methodology used derives from the Greenhouse Gas Protocol – GHG, and Global Reporting Initiative – GRI.

Waste recorded in connection with the business totalled 42 171 (45 744) tonnes, of which 86 percent was recycled. Reporting processes for environmental parameters have been improved, and the figures above are being reported since 2008 with greater accuracy than before.

At the end of 2010, 20 out of 50 operating units were certified to the ISO 14001 environmental standard. An eLearning programme with a particular focus on the environment was introduced during 2008, and 15 000 employees have so far completed it.

The above mentioned HSE leadership development initiatives, eLearning and the management system incorporate clear components which focus attention on the environment. Collectively, these contribute to continuous improvements in environmental awareness and attitudes among managers and other employees.

This inspires the organisation to achieve further gains in environmental performance in Aker Solutions' own activities, and to assist customers in making environmental improvements through the products developed by the group.

Examples can be found in such areas as carbon capture, drilling rigs with a strong environmental performance in arctic conditions, treatment of volatile organic compounds, treatment of sulphur and ammonia discharges, installation equipment and support structures for wind turbines, as well as the next generation of bio fuels.

People and teams
Keeping a workforce of highly skilled and motivated employees and leaders is a key success factor for Aker Solutions. The company continuously strives to increase attractiveness, recruit new talent and develop the competence of people and teams. For most operating entities in Aker Solutions, lack of skilled personnel is regarded as a potential challenge and therefore systematically addressed.

The attention paid by Aker Solutions to

employee and leadership development is regarded as an important competitive advantage. Aker Academy serves as the internal arena for know-how building and employee development throughout the group. It offers programmes in important professional subject areas such as leadership (at various levels), project execution, commercial management and HSE.

In addition, there are online and remote "eLearning" programmes, with a total of 24 000 active users in more than 30 countries. More than 118 000 eLearning courses have been completed by Aker Solutions' people since 2005.

The group's global eLearning portal offers more than 30 tailored programmes covering areas including project execution, HSE (described above), corporate responsibility, cultural awareness and more company-specific, operational topics. Special courses are available in English which is the company's corporate language.

The commitment to eLearning gives all employees access to a cost-effective and accessible range of courses. In addition to boosting professional expertise in key areas, these courses make a strong contribution to building a common corporate culture, as well as providing opportunities for mandatory certification in specific areas.

Corporate programmes offered across the group are supplemented by courses organised by local units, while delivered under the umbrella of the Aker Academy.

Organisation and recruitment

As of 31 December 2010, the overall workforce comprised 24 814 people, including 19 444 employed directly and 5 370 on contract. During the year the overall workforce reduced by 678, as a result of order intake and activities.

Aker Solutions has two main categories of employees: skilled workers and operators (27.8 percent) and white collar staff (72.2 percent).

Of the employees, 50.3 percent worked in Norway, 16.6 percent in the Americas, 16.2 percent in the Asia Pacific region, 15.9 percent in Europe outside Norway and 1.0 percent in Africa and the Middle East. Workforce turnover in 2010 averaged 8.9 percent, an increase of 2.2 percent from the year before.

More than 59 000 applicants from over 30 countries were registered in the group's recruitment system during the year. A total of 2 128 new employees were recruited from this base, with women accounting for 21.3 percent.

In 2010 the third class of Aker Solutions' international trainee programme completed their final assignments. All ten trainees were offered permanent employment in the company. Since 2006 25 employees have been part of the programme. Recruitment for class four is under way. A record number of 989 applications were submitted. Up to 15 will be offered to participate in the 24 month programme which starts in August 2011.

Diversity and equal opportunity

With operations in most parts of the world and activities that typically involve employees from several operating entities and geographical regions, Aker Solutions is enriched by people from many cultures, religions and ethnic groups. Equal opportunity for everyone is an established principle for the group. No differences should exist between genders or ethnic groups.

This commitment to equal opportunity is clearly described in policies and by agreement, for instance in a three-party frame agreement with national and international trade unions. This agreement, which was extended for a new two-year period in 2010, covers general employment terms and employee relations, with specific focus on non-discrimination.

Each entity is encouraged to seek a work pattern which suits both employees and the company, and which ensures a good balance between work and private life. Examples of work patterns include flexible working hours, remote or home working and compressed working weeks. These benefits are regarded as important elements in ensuring equal opportunities.

Equal opportunity for people of both genders is a basic principle in Aker Solutions. For several reasons, mainly related to history and industry tradition, male employees continue to be in majority within the company. Of the total employees 80.7 percent were men.

Requirements are set for diversity in recruitment and people development. Of the total 2 128 new employees in 2010, 21.3 percent were women. The corresponding number for 2009 was 24 percent.

Management development programmes make an important contribution to getting women into senior posts. 26 percent of participants in the company's management development programmes in 2010 were women. A special executive management training programme completed in 2010 had six women participants of a total 27 (22 percent). Two female managers have also participated in McKinsey's Centred Leadership Programme, an external management and networking scheme for senior female executives.

Of the 815 participants in a cultural awareness programme, 212 are women. Women account for 41 percent of the participants in the international trainee programme.

Three of Aker Solutions' six shareholder-elected directors are women. All directors elected by and amongst employees are men. This is in accordance with legal requirements, since women account for less than 20 percent of the overall workforce.

The corporate management team had one female member as of 31 December 2010. Ten percent of employees in senior management positions are women. Average pay in the group is somewhat higher for men than for women. This reflects the fact that, on average, male employees continue to have greater pay seniority than women.

Performance culture and employee rewards

The group's remuneration policy specifies that the same pay will be given for the same work, and that good performance will be rewarded. Key factors in determining pay are the scope and level of responsibility, job requirements, levels of expertise and commitment, results achieved, and local pay levels.

Aker Solutions is working to increase the correspondence between performance and pay. Objectives are set and performance is measured on both team and individual levels, and for both behaviour and commercial dimensions. Objectives are determined on the basis of strategies and budgets for each unit.

At least once a year, manager and employees evaluate the results achieved. This performance dialogue provides the basis for recognition, rewards and career opportunities, and gives direction for potential individual performance improvements.

Performance based pay is regarded as an attractive part of the total remuneration paid to employees. Different variable pay programmes are in place for different types of positions. Annual variable pay is given to employees on the basis of the commercial results achieved by the relevant business unit or project. Managers earn variable pay on the basis of the commercial results for the units they influence and the extent to which they comply with the group's values.

Variable pay for senior executives is spread over several years to encourage long-term achievement of results and a lasting employee relationship. Further details of the remuneration of senior executives are provided in Note 10 Salaries, wages and social security costs to the consolidated financial statements.

Research and development

Aker Solutions has a long standing culture for innovation and technology development. This is founded on a broad and strong engineering community with hands-on experience from project driven engineering and project management through procurement, construction, commissioning and operations.

The ability to continuously develop and qualify new technology to meet our customers' needs and secure our competitive advantage is fundamental to the group and it will continue to be further strengthened going forward.

In 2010, the company's IP position was further developed through new patent filings and granted applications. Total research and development (R&D) investments in 2010 was NOK 329 million (NOK 341 million), of which NOK 157 million has been expensed because the criteria for capitalisation was not met (NOK 164 million). In addition the group received contributions from customers and public funding worth NOK 110 million for R&D (NOK 22 million) related to specific projects.

Aker Solutions strives to maintain investment levels in R&D through the business cycles. For this reason the 2010 R&D spend was only slightly reduced from 2009 levels despite lower overall revenue for the group and fewer projects awarded by customers through the year compared to 2009 levels. However, the customer contribution to product development increased significantly.

The technology development in Aker Solutions is market driven and cost effective. It is often pursued in close cooperation with business partners and customers worldwide. Our skilled engineering teams around the world are focused on understanding the local and global market challenges and translate these into cost effective technical solutions with focus on quality and safety. Aker Solutions' long standing track record and experience from developing and qualifying solutions for the North Sea will continue to be exploited and further to that developed and exported into global markets.

In 2010 the process systems business engineered and fabricated the first full stream multistage cyclonic separation system using three different types of hydrocyclones and compact degassing. With a capacity of 40 000 barrels of liquid per day, the system is designed for de-oiling of heavy oil with very high water production levels. In 2011 this CySep system will be installed on an offshore heavy oil field in the Campos Basin, where performance verification testing will be initiated in co-operation with field operator Petrobras.

Within the MMO business the R&D projects have focused on integrated operations and strategic development of technical integrity management services (TIMS), enhanced structural integrity maintenance programs (SIMP) and implementation of advanced non-destructive testing (NDT) inspection technologies.

These technologies and services will further strengthen our position and capabilities within this area and helps us improve regularity and predictability vital for our clients and authorities. MMO participation in joint industry projects and internal development programmes have strengthened our position in areas such as computational fluid dynamics (Comflow) and within analysis of extreme stresses and fatigue in the tensile- and pressure armour layers of flexible pipes in 2010.

Methods and technologies for the decommissioning market have been developed as a spin-off of performed removal projects. The decommissioning market is growing with 350 platforms to be removed within the next 30 years on the Norwegian and UK sector. Further improvement of the jacket removal technology has been initiated.

Within Subsea, Aker Solutions continued to strengthen its production systems product portfolio. New and further developed products and solutions were commercialised within power, processing and boosting.

Cost effective installation and operation-friendly solutions for gas fields, deepwater applications and complex fluids were prioritised in 2010. During the year, Aker Solutions succeeded in qualifying important product elements which enabled the company to take a lead in several of the segments in which it is competing. Solutions and products for the Brazilian pre-salt fields and solutions for deepwater subsea well intervention were just some of the 2010 achievements.

Within power, processing and boosting, Aker Solutions are working together with major customers and suppliers to qualify and commercialise concepts for subsea gas compression and ultra-deepwater subsea boosting. In subsea gas compression, major milestones were reached in 2010 through successful system integration testing of the Ormen Lange subsea gas compression pilot station and through the award of the Åsgard subsea gas compression project.

The landmark Åsgard project builds on the technology leap achieved through the Ormen Lange subsea gas compression pilot, where challenges within real time condition monitoring and process control, all electric controls, cooling, power distribution, and customising and packaging of topside technologies for subsea environment have been overcome.

Aker Solutions is a leading player in steel tube umbilicals. To be able to address the increasingly more complex and harsh fluids, the company is focusing on qualifying new materials and composites. Work has also been done to further develop and qualify direct electric heating (DEH) cables for risers, pipelines and other applications.

The first of the company's deepwater subsea equipment installation vessels was delivered to Petrobras in early 2010. The second of these vessels – which features a total solution for installation, completion and well intervention – was also completed and delivered for operation in 2010.

Last year, some of the most significant technology achievements for Aker Solutions in the field of drilling technologies were the opening of the iPort centre in Stavanger and the spotlight on new technology awards at Offshore Technology Conference (OTC) where Aker Solutions received a prestigious innovation award for the top drive MH MDDM 1000 AC™.

The iPort centre in Stavanger was inaugurated during the Offshore Northern Seas (ONS) conference in Stavanger in August. The main engine behind the iPort products is a 3D simulator software technology that is used for training, planning and testing purposes in relation to drilling projects. The simulator makes quality assurance of rigs and equipment much easier. Having access to complex information, in the form of images, simplifies project planning and execution, clarifies communication, and reduces risk and cost in addition to having simulators as working tools.

The modular derrick drilling machine (MDDM's) 1000 AC™ was developed in close collaboration with drilling contractor Transocean and was designed as what is described as a radically improved derrick drilling machine that provides enhanced safety, extreme performance efficiency, and drilling uptime.

The companies put considerable effort into identifying the current and future limitations of available top drives and the related design and components. The result of this is the modular derrick drilling machine called MDDM 1000 AC™.

Aker Solutions also commercialised other new drilling products in 2010, such as a new iron roughneck and a new pipe deck pipe handler.

Share and share capital

During 2010, the price of the company's shares rose by 31.5 percent. The closing price as of 31 December was NOK 99.25. Aker Solutions is included in he OBX index of the 25 most liquid shares listed on the Oslo Stock Exchange. This index rose by 18 percent over the same period. No changes occurred in the proportion of the shares owned by the principal shareholder in 2010. Further information on the share and shareholders can be found on page 76 of this annual report.

In connection with the share purchase programme for employees (see page 78), the board was mandated by the annual general meeting on 8 April 2010 to buy back shares up to a total nominal value of NOK 54 800 000, corresponding to ten percent of the issued shares. The mandate applies until the next general meeting, which is due to take place on 6 May 2011.

As of 31 December 2010, Aker Solutions had bought back 680 000 of its own shares with a value of NOK 56.7 million corresponding to 0.2 percent of the issued total.

The board will propose an extension of the mandate from the date of the general meeting's decision until the next ordinary general meeting, but no longer than 30 June 2012. New terms will then be set for the buy-back programme. The board was not mandated in 2010 to increase the share capital.

Acknowledgements

The board extends its thanks to the management and workforce for the commitment displayed in 2010. The quality and expertise built up in Aker Solutions will make important contributions to enhancing the group's competitive advantage in a demanding market.

Fornebu, 9 March 2011
Board of Directors and President & CFO of Aker Solutions ASA

Øyvind Eriksen, Chairman
Lone Fønns Schrøder
Kjell Inge Røkke
Vibeke Hammer Madsen
Mikael Lilius
Ida Helliesen
Atle Teigland
Åsmund Knutsen
Arild Håvik
Arve Toft
Leif Hejø Borge, President & CFO

Declaration by the Board of Directors and President & CFO

The Board and the President & CFO 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 2010 calendar year ended on 31 December 2010.

The Board has based this declaration on reports and statements from the group's Executive Chairman and President & CFO, on the results of the group's activities, and on other information that is essential to assess the group's position.

To the best of our knowledge:

- The 2010 financial statements for the group and parent company 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 group and parent company's assets, liabilities, profit and overall financial position as of 31 December 2010
- The annual report provides a true and fair overview of:
  – the development, profit and financial position of the group and parent company
  – the most significant risks and uncertainties facing the group and the parent company

Fornebu, 9 March 2011
Board of Directors and President & CFO of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Vibeke Hammer Madsen

Mikael Lilius

Ida Helliesen

Atle Teigland

Åsmund Knutsen

Arild Håvik

Arve Toft

Leif Hejø Borge
President & CFO

Financial statements and notes

Aker Solutions group

Aker Solutions ASA

Aker Solutions group

Consolidated income statement 1.1 – 31.12

Amounts in NOK million	*Note*	**2010**	2009
Operating revenue		**46 109**	49 527
Other income		**158**	329
Total revenue and other income	*9*	**46 267**	49 856
Materials, goods and services		**(24 876)**	(27 949)
Salaries, wages and social security costs	*10*	**(12 606)**	(12 511)
Other operating expenses	*11, 12*	**(5 007)**	(5 301)
Total operating expenses		**(42 489)**	(45 761)
Operating profit before depreciation, amortisation and impairment		**3 778**	4 095
Depreciation, amortisation and impairment	*22, 23*	**(871)**	(897)
Operating profit		**2 907**	3 198
Finance income	*13*	**101**	63
Finance expenses	*13*	**(537)**	(565)
Profit (loss) from associated companies and jointly controlled entities	*25*	**(32)**	112
Profit (loss) on foreign currency forward contracts	*13*	**(84)**	161
Profit before tax		**2 355**	2 969
Income tax expense	*14*	**(697)**	(783)
Profit from continuing operations		**1 658**	2 186
Profit from discontinued operations (net of income tax)	*7*	**352**	145
Profit for the period		**2 010**	2 331
Profit for the period attributable to:			
Equity holders of the parent company		**1 957**	2 260
Non-controlling interests		**53**	71
Profit for the period		**2 010**	2 331

Amounts in NOK	*Note*	**2010**	2009
Earnings per share	*32*		
Basic earnings per share		**7.27**	8.40
Diluted earnings per share		**7.25**	8.39
Earnings per share continuing operations			
Basic earnings per share		**5.96**	7.86
Diluted earnings per share		**5.95**	7.85

Aker Solutions group

Consolidated statement of comprehensive income 1.1 – 31.12

Amounts in NOK million	**2010**	2009
Profit for the period	**2 010**	2 331
Other comprehensive income		
Cash flow hedges, effective portion of changes in fair value	**(102)**	(761)
Cash flow hedges, reclassification to income statement	**46**	397
Cash flow hedges, deferred tax	**16**	102
Total cash flow hedges	**(40)**	(262)
Net gain on hedge of net investment in foreign operations, net of tax	**68**	-
Translation differences - equity-accounted investees	**(2)**	(17)
Translation differences - foreign operations	**(73)**	(972)
Other comprehensive income, net of tax	**(47)**	(1 234)
Total comprehensive income for the period, net of tax	**1 963**	1 080
Attributable to:		
Equity holders of Aker Solutions ASA	**1 903**	1 027
Non-controlling interests	**60**	53
Total comprehensive income for the period	**1 963**	1 080

Aker Solutions group

Consolidated balance sheet as of 31 December

Amounts in NOK million	*Note*	**2010**	2009
Assets			
Non-current assets			
Property, plant and equipment	*22*	**7 494**	6 531
Deferred tax assets	*14*	**487**	389
Intangible assets	*23*	**6 783**	7 915
Employee benefit assets	*30*	**95**	167
Non-current interest-bearing receivables	*24*	**225**	184
Other non-current operating assets		**221**	338
Investments in associated companies and jointly controlled entities	*25*	**424**	423
Investments in other companies	*27*	**157**	135
Total non-current assets		**15 886**	16 082
Current assets			
Current tax assets	*14*	**238**	97
Inventories	*17*	**1 686**	1 417
Trade and other receivables	*16*	**14 870**	18 332
Derivative financial instruments	*21*	**386**	372
Current interest-bearing receivables	*24*	**621**	440
Cash and cash equivalents		**3 198**	3 186
Assets classified as held for sale	*7*	**3 136**	-
Total current assets		**24 135**	23 844
Total assets		**40 021**	39 926

Amounts in NOK million	*Note*	**2010**	2009
Equity and liabilities			
Equity			
Issued capital		**548**	548
Treasury shares		**(9)**	(9)
Other capital paid in		**1 534**	1 534
Reserves		**(763)**	(709)
Retained earnings		**8 855**	7 612
Total equity attributable to the equity holders in Aker Solutions ASA		**10 165**	8 976
Non-controlling interests		**189**	147
Total equity		**10 354**	9 123
Non-current liabilities			
Non-current borrowings	*28*	**7 508**	7 335
Employee benefits obligations	*30*	**647**	910
Deferred tax liabilities	*14*	**829**	692
Other non-current liabilities	*29*	**753**	891
Total non-current liabilities		**9 737**	9 828
Current liabilities			
Current borrowings	*28*	**716**	180
Current tax liabilities	*14*	**115**	211
Provisions	*20*	**1 039**	869
Trade and other payables	*19*	**16 278**	19 370
Derivative financial instruments	*21*	**243**	345
Liabilities classified as held for sale	*7*	**1 539**	-
Total current liabilities		**19 930**	20 975
Total liabilities		**29 667**	30 803
Total liabilities and equity		**40 021**	39 926

Fornebu, 9 March 2011
Board of Directors and President & CFO of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Vibeke Hammer Madsen

Mikael Lilius

Ida Helliesen

Atle Teigland

Åsmund Knutsen

Arild Håvik

Arve Toft

Leif Hejø Borge
President & CFO

Aker Solutions group

Consolidated statement of changes in equity 1.1 – 31.12

Amounts in NOK million	Number of shares	Share capital	Treasury shares	Other capital paid in	Retained earnings	Hedging reserve[2]	Currency translation reserve[2]	**Total parent company equity holders**	Non-controlling interests	**Total equity**
Equity as of 1 January 2009	274 000 000	548	(10)	1 534	5 868	410	100	8 450	156	8 606
Profit for the period					2 260			2 260	71	2 331
Other comprehensive income						(262)	(971)	(1 233)	(18)	(1 251)
Total comprehensive income					2 260	(262)	(971)	1 027	53	1 080
Business combination					(14)	14		-		-
Transactions with equity holders										
Dividend		-	-	-	(431)			(431)	(20)	(451)
Treasury shares acquired		-	(1)	-	(19)	-	-	(20)		(20)
Employee share purchase programme[1]			2	-	44	-	-	46		46
Change in non-controlling interests		-	-	-	(96)	-	-	(96)	(42)	(138)
Total transactions with equity holders		-	1	-	(502)	-	-	(501)	(62)	(563)
Equity as of 31 December 2009	274 000 000	548	(9)	1 534	7 612	162	(871)	8 976	147	9 123
Profit for the period					1 957			**1 957**	53	**2 010**
Other comprehensive income						(40)	(14)	**(54)**	7	**(47)**
Total comprehensive income					1 957	(40)	(14)	**1 903**	60	**1 963**
Transactions with equity holders										
Dividend		-	-	-	(700)	-	-	**(700)**	(14)	**(714)**
Treasury shares acquired		-	(1)	-	(56)	-	-	**(57)**		**(57)**
Employee share purchase programme[1]		-	1	-	55	-	-	**56**		**56**
Change in non-controlling interests		-	-	-	(13)	-	-	**(13)**	(4)	**(17)**
Total transactions with equity holders		-	-	-	(714)	-	-	**(714)**	(18)	**(732)**
Equity as of 31 December 2010	274 000 000	548	(9)	1 534	8 855	122	(885)	**10 165**	189	**10 354**

1) See note 10 Salaries, wages and social security costs.
2) See note 32 Capital and reserves.

Aker Solutions group

Consolidated statement of cash flow 1.1 – 31.12

Amounts in NOK million	*Note*	**2010**	2009
Cash flow from operating activities			
Profit for the period continuing operations		**1 658**	2 186
Profit for the period discontinued operations	*7*	**352**	145
Profit for the period		**2 010**	2 331
Adjusted for:			
Income tax expense	*14*	**826**	877
Net interest cost		**460**	411
(Profit) loss on foreign currency forward contracts	*13*	**84**	(161)
Depreciation, amortisation and impairment	*22, 23*	**889**	910
(Profit) loss on disposals and non-cash effects[1]		**(156)**	(332)
(Profit) loss from associated companies and jointly controlled entities		**31**	(114)
Interest paid		**(454)**	(308)
Interest received		**70**	27
Income taxes paid		**(997)**	(1 008)
Changes in other net operating assets		**(632)**	1 612
Net cash from operating activities	*9*	**2 131**	4 245
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(101)**	(1 117)
Acquisition of property, plant and equipment	*22*	**(2 467)**	(2 201)
Proceeds from sale of property, plant and equipment		**742**	40
Proceeds from sale of associates		**24**	622
Other investments		**(82)**	(1 184)
Payment related to increase in interest-bearing receivables		**(225)**	(87)
Net cash from investing activities		**(2 109)**	(3 927)

Amounts in NOK million	*Note*	**2010**	2009
Cash flow from financing activities			
Proceeds from borrowings		**799**	3 341
Repayment of borrowings		**(200)**	(3 116)
Acquisition of non-controlling interests		**(13)**	(78)
Proceeds from non-controlling interests		**8**	-
Repurchase of treasury shares	*31*	**(57)**	(20)
Proceeds from employees share purchase programme	*31*	**56**	46
Dividends paid to non-controlling interests		**(14)**	(20)
Dividends to shareholders in Aker Solutions	*31*	**(700)**	(431)
Net cash from financing activities		**(121)**	(278)
Effect of exchange rate changes on cash and bank deposits		**111**	(682)
Net increase (decrease) in cash and bank deposits		**12**	(642)
Cash and cash equivalents at the beginning of the period		**3 186**	3 828
Cash and cash equivalents at the end of the period[2]		**3 198**	3 186
Of which is restricted cash[3]		**723**	380

1) Includes gain or loss on disposals of property, plant and equipment and gain on acquisitions related to remeasurement of previously held interests.

2) Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 5.1 billion, and is together with cash and cash equivalents giving a total liquidity buffer of NOK 8.3 billion.

3) Restricted cash includes inter alia cash in joint ventures where both partners must agree before use outside the joint venture, and NOK 381 million regarding sale of office building at Fornebu which was released in January 2011.

Aker Solutions group

Notes to the financial statements

Note 1 Corporate information

Aker Solutions ASA (the company) is a limited liability company incorporated and domiciled at Fornebu in Bærum, Norway. The consolidated financial statements of Aker Solutions ASA incorporate the financial statements of the company and its subsidiaries (referred to collectively as "the group" and separately as group companies) and the group's interest in associates and jointly controlled entities.

Aker Solutions provides engineering solutions, product solutions, field life solutions and executes large and complex field development projects for the oil and gas industry.

The company is listed on the Oslo Stock Exchange under the ticker AKSO.

Note 2 Basis for 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 31 December 2010.

The consolidated financial statements were approved by the Board of Directors and President & CFO as shown on the dated and signed balance sheet. The consolidated financial statements will be authorised by the Annual General Meeting on 6 May 2011. Until the latter date the Board of Directors have the authority to amend the financial statements.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value
- The defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

Functional and presentation currency
These consolidated financial statements are presented in NOK, which is Aker Solutions ASA's functional currency. All financial information presented in NOK has been rounded to the nearest million (NOK million), except when otherwise indicated.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Changes in accounting policies
The group has not made any changes in accounting policies in 2010.

The group early adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidation and Separate Financial Statements (2008) for all business combinations occurring in the financial year starting 1 January 2009. The impacts of these adoptions were provided in the annual report for 2009.

IFRIC 16 'Hedges of a net investment in a foreign operation' was effective 1 July 2009. This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. IFRIC 16 is implemented, but does not have a significant effect on the consolidated financial statements.

Note 3 Accounting principles

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

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

Investments in associates and jointly controlled entities
Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity. Joint ventures are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent of the venturers for strategic, financial and operating decisions.

Investments in associates and jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.

The consolidated financial statements include the group's share of the income and expenses and other comprehensive income, after adjustments to align the accounting policies with those of the group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The purpose of the investment determines where the investment is presented in the income statement. When entities are formed to share risk in executing a project or are closely related to Aker Solutions operating activities, the share of the profit or loss is reported as part of Other income in operating profit. Share of the profit or loss on financial investments is reported as part of Financial items.

When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and further losses are not recognised except to the extent that the group incurred legal or constructive obligations or has made payments on behalf of the investee.

Jointly controlled operations
Jointly controlled operations involve the use of assets and other resources of the venturers rather than the establishment of a corporation, partnership or other entity. Each venturer uses its own assets and incurs liabilities which represents its own obligations under the agreement. The agreement also determines how the revenues are shared among the venturers.

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

Non-current assets and disposal groups held for sale
Non-current assets and disposal groups are classified as held for sale when their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised, but are considered in the overall impairment testing of the disposal group.

No reclassifications are made for years prior to the year a business is first classified as a held for sale.

Discontinued operations
A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

In the consolidated income statement income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

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

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

- Assets and liabilities, including goodwill and fair value adjustments, for each balance sheet presented are translated at the closing rate on the date of that balance sheet.
- Income and expenses for each income statement are translated at average exchange rates for the year, calculated on the basis of 12 monthly rates.

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges, are included in comprehensive income as a translation reserve. These translation differences are reclassified to the income statement upon disposal of the related operations or when settlement is likely to occur in the near future.

Exchange differences arising on a non-current monetary item where settlement in the near future is not probable forms part of the net investment in that entity. Such exchange differences are recognised in comprehensive income.

Hedging activities
Derivatives are either:

- Hedges of the fair value of assets or liabilities (fair value hedge)
- Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge)
- Hedges of a net investment in a foreign operation (net investment hedge).

Fair value hedges
The change in fair value of the hedging instrument is recognised in the consolidated income statement. The change in fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with corresponding gain or loss recognised in the income statement.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognised in comprehensive income as a hedge reserve. The gain or loss relating to the ineffective portion of derivative hedging instruments is recognised immediately in the income statement within net financial items. Amounts accumulated in hedge reserves are reclassified to the income statement in the periods when the hedged item is recognised in the income statement.

Hedge accounting is discontinued when the group revokes the hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in comprehensive income as a hedge reserve at that time remains in the hedge reserve and is recognised in income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in the hedge reserve is recognised immediately in the income statement.

Net investment hedge
Gains or losses arising from the hedging instruments relating to the effective portions of the net investment hedges are recognised in comprehensive income as translation reserves. These translation reserves are reclassified to the income statement upon disposal of the hedged net investments, offsetting the translation differences from these net investments. Any ineffective portion is recognised immediately in the income statement within net financial items.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

Revenue recognition
Construction contracts
Engineering and construction contract revenues are recognised using the percentage of completion method, based primarily on contract costs incurred to date compared to estimated total contract costs. When the final outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The revenue recognised in one period will be the revenues attributable to the period's progress and the progress to date effect of any changes to the estimated final outcome. Losses on contracts are fully recognised when identified.

Contract revenues include variation orders and incentive bonuses when it is probable that they will result in revenue that can be measured reliably. Disputed amounts and claims are recognised when it is probable the customer will accept the claim and the amount can be measured reliably. Contract costs include costs that relate directly to the specific contract and allocated costs that are attributable to general contract activity. Costs that cannot be attributed to contract activity are expensed. Bidding costs are capitalised when it is probable that the company will obtain the contract. All other bidding costs are expensed as incurred.

See note 4 Accounting estimates and judgements for further description of recognition of construction contract revenue.

Goods sold and services rendered
Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, which is usually when goods are shipped to customers. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date or is invoiced based on hours performed at agreed rates. The stage of completion is normally assessed based on the proportion of costs incurred for work performed to date compared to the estimated total contract costs. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

Other income
Gains and losses resulting from acquisitions and disposal of businesses which do not represent

discontinued operations are included in other income within operating profit. Such gains may result from the remeasurement of a previously held interest in the acquired entity. Changes in the fair value of the deferred consideration from acquisition of a subsidiary or non-controlling interest for transactions after 1 January 2009 will be recognised in other income as gains or losses. Such changes will continue to be adjusted against goodwill for transactions completed prior to 1 January 2009.

Share of profit from associated companies and jointly controlled operations, to the extent that these investments are related to the group's operating activities, are included in Other income within operating profit, as well as gains and losses related to the sale of operating assets.

Expenses

Construction contracts

Expenses attributable to construction contracts are recorded as they are incurred and are often used as a basis for determining progress on the contracts (expenses incurred to date as a ratio of total expected contract expenses). See note 4 Accounting estimates and judgements for further description of recognition of construction contract costs.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease when there are variations in the contractual lease payments due.

Share purchase programme for employees

Aker Solutions employees participate in a share purchase programme whereby an employee can buy Aker Solutions shares at a discount. An employee who is still employed by the group and still holds the shares in September, one and a half year after the close of each annual savins programme, will receive one bonus share for each two shares bought under the programme. The cost of the contribution towards the purchase of the shares is expensed as salary costs immediately. The value of the bonus shares is expensed over the vesting period based on the fair value of each award, adjusted for estimated forfeitures.

Financial income and expense

Financial income and expense comprises interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on derivatives not subject to hedge accounting recognised in the income statement (see Hedging activities). Interest income is recognised in the income statement as it accrues, using the effective interest method.

Income tax

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

Trade and other receivables

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

Construction work in progress

Construction work in progress represents the value of construction work performed less payments by customers. The value of construction work performed is measured at revenue recognised to date. Payments by customers are deducted from the value of the same contract or, to the extent they exceed this value, disclosed as advances from customers.

Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment

The carrying amounts of the group's assets, other than inventories, deferred tax assets and derivatives are reviewed at the end of each reporting period to determine whether there is any indication of impairment. For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated annually. If indication of impairment exists, the asset's recoverable amount is estimated.

Recoverable amount

The recoverable amount of the group's investments in held-to-maturity securities and receivables carried at amortised cost are calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment loss recognition

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss on available-for-sale assets is recognised in equity. Other impairment losses are recognised in the income statement.

An impairment loss recognised in respect of cash-generating units is allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Reversals of impairment

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

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

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

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

Derivative financial instruments
The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. The group also has embedded foreign exchange derivatives which have been separated from their ordinary commercial contracts. The embedded derivatives and the hedging derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

An embedded derivative is any contract embedded in a host contract which meets the definition of a derivative. In Aker Solutions this normally occurs when a commercial contract is agreed to be settled in a foreign currency. Under certain conditions the embedded derivative must be separated from its host contract and the derivative is then to be recognised and measured as any other derivative in the financial statements. Normally this is when a settlement is denominated in a currency different from any of the major contract parties' own functional currency. Typically this happens with deliveries to countries that do not have an international convertible currency, but also in other countries where some clients may wish to use foreign currency settlements as part of their own hedging strategy.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The gain or loss on remeasurement is recognised immediately in the income statement. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging activities).

Property, plant and equipment
Owned assets
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the cost for interest on qualifying assets effective from 1 January 2009, and, where relevant, the estimated costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where components of property, plant and equipment have different useful lives, they are accounted for as separate components.

Leased assets
Leases where the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of the asset's fair value or the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs
The group capitalises the cost of a replacement part or a component of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

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

Intangible assets
Goodwill
All business combinations are accounted for using the acquisition method. Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of acquired businesses or interest in associates or joint ventures that are businesses at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in the investment balance and is tested for impairment as part of the overall balance. Goodwill is carried at cost less accumulated impairment losses (see Impairment). Gains and losses on the disposal of an entity or an interest in an entity include the carrying amount of goodwill relating to the ownership interest sold. Where the fair value of net assets acquired exceeds consideration paid, the resulting gain arising on an acquisition is recognised directly in the income statement.

The acquisition of a company is based upon its strategic fit and anticipated profitability of that company over a long period of time. Goodwill is assumed to have an indefinite useful life because there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which goodwill arose.

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

Research and development
Expenditures on research activities undertaken with the prospect of obtaining new scientific or technical knowledge and understanding is recognised in the income statement as an expense as incurred.

Expenditures on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible as well as being a separable asset. Capitalised costs include the cost of materials, external contractors, direct labour and capitalised interest on qualifying assets arising after 1 January 2009. Other development expenditures are recognised in the income statement as an expense as incurred. Capitalised development expenditures are stated at cost less accumulated amortisation and impairment losses.

Other intangible assets
Other intangible assets that are acquired by the group are stated at cost less accumulated amortisation and impairment losses.

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

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

Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

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

When the benefits of a plan to employees are increased, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, an expense is recognised immediately in the income statement.

To the extent that any subsequent cumulative unrecognised actuarial gain or loss exceeds 10 percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

When the actual calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

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

Financial instruments
Financial instruments in the Aker Solutions group consists of cash and cash equivalents, investments in other companies, derivative financial instruments, non-current interest-bearing receivables, trade and other receivables/payables and non-current borrowings. The categorisation and method for measurement of these items is described in note 33 Financial Instruments.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less. Restricted cash is mainly cash tied up in projects through joint ventures with external parties. The amounts fluctuate with the projects' life cycle and are usually released when the project is delivered or close to delivery.

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

Share capital
Ordinary shares are classified as equity. Repurchase of share capital is recognised as a reduction in equity and is classified as treasury shares.

New standards and interpretations not yet adopted
Standards issued but not yet effective up to the date of issuance of the group's financial statements are listed below. This listing is of standards and interpretations issued, which the group reasonably expects to be applicable at a future date. The group intends to adopt those standards when they become effective.

Revised IAS 24 Related Party Disclosure is applicable effective 1 January 2011. The impact for the group is currently under evaluation, but is not expected to have a significant effect on the consolidated financial statements.

IFRS 9 Financial Instruments: Classification and measurement as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Note 4 Accounting estimates and judgements

Estimates and judgements are continually reviewed and are based on historical experiences and expectations of future events. The resulting accounting estimates will, by definition, seldom accurately match actual results, but are based on the best estimate at the time. Estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

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

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

Progress measurement based on costs has an inherent risk related to the cost estimate as described above. In situations where cost is not seen to properly reflect actual progress, alternative measures such as hours or plan progress are used to achieve more precise revenue recognition. The estimation uncertainty during the early stages of a contract is mitigated by a policy of normally not recognising revenue in excess of costs on large projects before the contract reaches 20 percent completion.

In the group's view, the following project is subject to estimation uncertainty, the outcome of which could have a material impact on the consolidated financial statements:

Longview
The Longview project was awarded to Aker Construction, Inc., an indirect subsidiary of Aker Solutions ASA, in January 2007, in a consortium with Siemens Energy, Inc. The consortium contracts total combined value is approximately USD 1.1 billion with Aker Construction's individual contract valued at approximately USD 654 million. Completion of the project is currently scheduled to occur mid 2011. The project is delayed and costs have increased due to, among other factors, force majeure events, changes to the project, and third party actions in furnishing engineering services, equipment and materials, all of which have directly and adversely impacted Aker Solutions' project work.

Drilling Riser portfolio
The Drilling Riser business, which is fairly new business for Aker Solutions, has been loss-making due to quality problems and execution delays. The production has improved, but in fourth quarter new quality issues appeared on some risers systems that have been delivered, and NOK 328 million was booked in fourth quarter in losses. Around 250 million of the losses are provisions for repair and potential liquidated damages. The remaining drilling riser backlog consists of 13 systems, of which 10 to be delivered in the first half of 2011.

Warranties
A provision is made for expected warranty expenditures. The warranty period is normally two years. Based on experience, the provision is often set at one percent of the contract value, but can also be a higher or lower amount following a specific evaluation of the actual circumstances for each

contract. Both the general one percent provision and the evaluation of project specific circumstances are based on experience from earlier projects. Factors that could affect the estimated warranty cost include the group's quality initiatives and project execution model. Reference is made to note 20 Provisions for further information about provisions for warranty expenditures on delivered projects.

Property, plant and equipment and intangible assets
At every balance sheet date, the group considers whether there are indications of impairment on the book values of long-term assets. If such indications exist, a valuation is performed to assess whether or not the asset should be written down for impairment. Such valuations will often have to be based on estimates of future results for a number of cash flow generating units. References are made to note 22 Property, plant and equipment and note 23 Intangible assets.

Goodwill
In accordance with the stated accounting policy, the group tests annually whether goodwill has suffered any impairment or more frequently if impairment indicators are identified. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are consistent with the market valuation of the group. Further details about goodwill and impairment reviews are included in note 23 Intangible assets.

Income taxes
The group is subject to income taxes in numerous jurisdictions. Significant judgement is required to determine the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions for anticipated tax audit issues are based on estimates of eventual additional taxes. Income tax expense is calculated based on reported income in the different legal entities. Deferred income tax expense is calculated based on the differences between the assets' carrying value for financial reporting purposes and their respective tax basis that are considered temporary in nature. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the many tax jurisdictions where Aker Solutions operates. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the near future, planned transactions or planned tax optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the results for each reporting period. Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change. During the period when tax authorities may challenge the taxable income, management is required to make estimates of the probability and size of possible tax adjustments. Such estimates may change as additional information becomes known. Further details about income taxes are included in note 14 Income tax.

Fair value measurement of contingent and deferred consideration
Contingent and deferred consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. Where the deferred and contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Pension benefits
The present value of the pension obligations depends on a number of factors determined on the basis of actuarial assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. However, it is reasonably certain that such factors will change over the very long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations. The effect on the accounts of such changes is, however, spread over relatively long time periods by the use of the corridor approach, where changes are amortised over many years. Further information about the pension obligations and the assumptions used are included in note 30 Employee benefits - pension.

Note 5 Financial risk management and exposures

Financial risks
The group is exposed to a variety of financial risks: currency risk, interest rate risk, price risk, credit risk, liquidity risk and capital risk. The market risks affects the group's income or the value of financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability and minimise potential adverse effects on the group's financial performance. The Aker Solutions group uses derivative financial instruments to hedge certain risk exposures and seeks to apply hedge accounting in order to reduce the volatility in the income statement.

Risk management is present in every project and is the responsibility of the project managers in cooperation with the central treasury department (Corporate Treasury) to identify, evaluate and hedge financial risks under policies approved by the Board of Directors. The group has well-established principles for overall risk management, as well as policies for the use of derivatives and financial investments. There have been no changes in these policies during the year. All figures below include discontinued operations.

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

The Aker Solutions policy requires group companies to hedge their entire currency risk exposure in any project using forward contracts and currency options. The group's Treasury department manages internal exposures by entering into forward contracts or currency options with the financial market place. The Aker Solutions group has a large number of contracts involving foreign currency exposures and the currency risk policy has been well-established for many years.

For segment reporting purposes, each business unit designates all currency hedge contracts with Corporate Treasury as cash flow hedges. External foreign exchange contracts are designated at the group level as hedges of currency risk on a gross basis, and more than 80 percent of these hedges are done back-to-back and either they qualify for hedge accounting or they are embedded derivatives. When hedges do not qualify for hedge accounting in the external reporting, a correction is performed at group level and is included in the "unallocated" part of the segment reporting. See note 21 Derivative financial instruments for information regarding the accounting treatment of hedging and embedded derivatives.

Currency exposure from foreign currency investments are hedged when this has been specifically decided by management. During 2010 the group had one hedge of net investment in US entities of USD 310 million (terminated in November) and as per December 2010 the group has one hedge of net investments in an EUR entity of EUR 29 million.

The principal and interest amounts of the group's non-current borrowings are denominated in currencies that match the cash flows generated by the group companies holding the loans, primarily NOK, but also GBP and USD. This provides an economic hedge without entering into any derivatives.

The group's exposure to the main foreign currencies

Amounts in million	**2010** USD	**2010** EUR	**2010** GBP	2009 USD	2009 EUR	2009 GBP
Bank	(264)	(84)	(41)	(376)	(52)	(57)
Intercompany loans	218	(13)	32	197	43	36
Balance sheet exposure	**(46)**	**(97)**	**(9)**	(179)	(9)	(21)
Estimated forecast receipts from customers	2 545	162	86	1 932	113	98
Estimated forecast payments to vendors	(369)	(312)	(163)	(539)	(266)	(202)
Cash flow exposure	**2 176**	**(150)**	**(77)**	1 393	(153)	(104)
Forward exchange contracts	**(2 129)**	**243**	**85**	(1 212)	154	124
Net exposure	**1**	**(4)**	**(1)**	2	(8)	(1)

Estimated forecasted receipts and payments in the table above are calculated based on the group's hedge transactions through the Corporate Treasury department. These are considered to be the best estimate of the currency exposure given that all currency exposure is hedged, in accordance with the group's policy. The net exposure is managed by the Corporate Treasury department that is allowed to hold positions within an approved trading mandate. This mandate is closely monitored and reported on a daily basis to the management.

A foreign currency sensitivity analysis indicates that changes in the foreign currency rates have only minor effects on equity and profit and loss. A 10 percent weakening of the NOK against the currencies listed below at 31 December would have increased (decreased) equity and profit and loss by the amounts shown. The selected rate of 10 percent reflects the recent years' changes in currency rates. Changes in currency rates change the values of hedging derivatives. Hedges that qualify for hedge-accounting are reported in the profit and loss according to the progress of projects. The deferred value of the hedging derivative is reported as equity reserve. Any changes to currency rates will therefore affect equity.

The value of hedging instruments that do not qualify for hedge-accounting can not be deferred from profit and loss. Changes in profit and loss are based on changes in fair values of the hedges that do not qualify for hedge-accounting and any ineffectiveness in hedges that are hedge-accounted. The analysis includes only project-related items and assumes that all other variables, in particular interest rates, remain constant. Calculations are based on amounts and foreign currency exchange rates as of 31 December. The analysis is performed on the same basis for 2009.

Although hedge accounting is not applied to all foreign exchange contracts, these contracts are still "economically" hedged. The effect on profit and loss under financial items in the following table, will have an opposite effect on future operating income or expense as progress on projects increases. Equity in the following table is the hedge reserve that follows from the cash flow hedges.

Amounts in NOK million	**2010** Profit before tax	**2010** Equity[1]	2009 Profit before tax	2009 Equity[1]
USD	**1**	**(130)**	2	(106)
EUR	**70**	**56**	38	45
GBP	**71**	**-**	133	1

[1] The effects to equity that follow directly from the effects to profit and loss are not included.

A 10 percent strengthening of the NOK against the above currencies at 31 December 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.

Translation exposure
Translation exposure occurs when foreign operations are translated for inclusion in the financial statements of the Aker Solutions group.

The group has several investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is normally only hedged to the extent of agreed future payments.

Significant exchange rates applied for group consolidation

Currency	Average rate **2010**	Average rate 2009	Closing rate **2010**	Closing rate 2009
USD	**6.074**	6.306	**5.851**	5.778
EUR	**8.049**	8.797	**7.819**	8.304
BRL	**3.443**	3.145	**3.526**	3.321
GBP	**9.377**	9.750	**9.073**	9.292

The next table illustrates Aker Solutions exposure to translation risk. If the Norwegian currency had depreciated 10 percent during 2010, the consolidated statement would be affected with the changes in the table. The sensitivity analysis is only a translation sensitivity and does not reflect changes in competetiveness, derivatives or other effects from currency fluctuations. The table includes discontinued operations.

Amounts in NOK million				10% depreciation of NOK			Change		
	Revenue	EBITDA	Equity	Revenue	EBITDA	Equity	Revenue	EBITDA	Equity
USD	10 382	(316)	2 326	11 420	(348)	2 559	1 038	(32)	233
EUR	2 130	356	1 626	2 343	392	1 789	213	36	163
GBP	5 774	528	2 607	6 352	581	2 868	577	53	261
BRL	1 632	28	152	1 795	31	167	163	3	15
CAD	1 334	69	690	1 468	76	759	133	7	69
NOK	25 514	3 010	1 422	25 514	3 010	1 422	-	-	-
Other	4 001	624	1 341	4 401	686	1 475	400	62	134
Total	50 767	4 300	10 165	53 292	4 429	11 040	2 525	129	874

Interest rate risk
The group's interest rate risk arises from non-current borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. However, as these borrowings are measured at amortised cost, interest rate variations do not effect profit and loss. Group policy is to maintain approximately 30-50 percent of its borrowings in fixed rate instruments using interest rate swaps to achieve this when necessary.

As the group has no significant interest-bearing operating assets, operating income and operating cash flows are substantially independent of changes in market interest rates. At year end, 48 percent of NOK 3 122 million in bonds was fixed for the duration of the bonds through interest rate swaps. In addition we have entered into a NOK 1 300 million fixed rate swap as hedge for drawings on the Revolving Credit Facilities and a NOK 375 million floating rate swap for a NOK 750 million term loan.

An increase of 100 basis points in interest rates during 2010 would have increased (decreased) equity and profit and loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2009.

	2010		2009	
Amounts in NOK million	Profit before tax	Equity[1]	Profit before tax	Equity[1]
Cash and cash equivalents	**24**	**-**	29	-
Interest rate swap	**44**	**35**	66	41
Non-current interest-bearing receivables	**2**	**-**	1	-
Current interest-bearing receivables	**6**	**-**	5	-
Borrowings	**(55)**	**-**	(70)	-
Cash flow sensitivity (net)	**21**	**35**	31	41

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 2010 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

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 investment portfolio is limited and does not include shareholdings in listed companies.

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

Credit risk
Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/instruments fails to meet its contractual obligations, and arises principally from investment securities and group receivables. Investment securities and derivatives are only traded against approved banks. All approved banks are participants in the Aker Solutions loan syndicate and have the highest rating at Moody's and S&P. Credit risk related to investment securities and derivatives is therefore considered to be insignificant.

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

Based on estimates of incurred losses in respect of trade and other receivables, the group establishes a provision for impairment. Provision for loss on debtors are based on individual assessments. Provisions for loss on receivables are low (NOK 115 million in 2010, NOK 201 million in 2009), and higher than the historical losses (NOK 5 million in 2010 and NOK 21 million in 2009). Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payments are due to disagreements related to project deliveries and are solved together with the client or escalated to the local authority, see note 34 Contingent events. The customers are mainly large and highly reputable oil companies with a low credit risk, which reduces the credit risk significantly. Based on the above the group's credit risk is considered to be insignificant.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets, see carrying amounts in note 33 Financial instruments. The group does not hold collateral as security.

Aker Solutions ASA provides parent company guarantees to group companies. For further information, see note 11 Guarantees in the Aker Solutions ASA's accounts.

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

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Corporate Treasury maintains flexibility in funding by maintaining availability under committed credit lines, see note 28 Borrowings.

Management monitors rolling weekly and monthly forecasts of the group's liquidity reserve on the basis of expected cash flow. For information regarding capital expenditures and net operating assets, see note 9 Segment information.

Financial liabilities and the period in which they are mature

2010

Amounts in NOK million	*Note*	**Book value**	**Total undiscounted cash flow[1, 2]**	6 mths and less	6-12 mths	1-2 years	2-5 years	More than 5 years
Borrowings	*28*	**(8 224)**	**(9 767)**	(352)	(762)	(3 836)	(4 804)	(13)
Other non-current liabilities	*29*	**(753)**	**(645)**	(16)	(26)	(210)	(339)	(54)
Net derivative financial instruments	*21*	**143**	**143**	150	(28)	28	(7)	-
Trade and other payables	*19*	**(16 278)**	**(16 278)**	(16 262)	-	(16)	-	-
Total		**(25 112)**	**(26 547)**	(16 480)	(816)	(4 034)	(5 150)	(67)

2009

Amounts in NOK million	*Note*	Book value	Total undiscounted cash flow[1, 2]	6 mths and less	6-12 mths	1-2 years	2-5 years	More than 5 years
Borrowings	*28*	(7 515)	(8 959)	(277)	(194)	(1 077)	(7 394)	(17)
Other non-current liabilities	*29*	(891)	(1 031)	(14)	(24)	(444)	(407)	(142)
Net derivative financial instruments	*21*	27	(3)	(18)	40	(9)	(16)	-
Trade and other payables	*19*	(19 370)	(19 370)	(18 982)	(63)	(325)	-	-
Total		(27 749)	(29 363)	(19 291)	(241)	(1 855)	(7 817)	(159)

1) Nominal currency value including interest.
2) Cash from the sale of the Process & Construction operations was used to repay all of the EUR 750 million revolving credit as per February 2011. See note 37 Subsequent events for information about the sale.

The group policy for the purpose of optimising availability and flexibility of cash within the group is to operate a centrally managed cash pooling arrangement. Such arrangements are either organised with a bank as a service provider, or as a part of the operation of the internal treasury function. 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.

Capital management
The group's objective for managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders while maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. From time to time, the group purchases its own shares in the market; the timing of these purchases is dependent on market prices.

There were no changes in the group's approach to capital management during the year.

In the first quarter of 2007 Aker Solutions announced a buy-back of treasury shares, and in connection with the Annual General Meeting it was decided to cancel parts of the treasury shares. There were additional share buy-backs in 2008, 2009 and 2010 and sales related to the share purchase programme for employees. At year end, the group holds 1.68 percent of outstanding shares. The consolidated statement of changes to equity provides further details.

The group monitors capital on the basis of a gearing ratio (gross debt/EBITDA) and interest coverage ratio (EBITDA/net finance cost). The ratios are calculated from gross debt, including all interest-bearing liabilities as shown in note 33 Financial instruments, EBITDA (earnings before interest, tax, depreciation and amortisation) and finance cost. The reported ratios are well within the requirements in the loan agreements.

Guarantee obligations
The group has provided the following guarantees on behalf of wholly owned subsidiaries as of 31 December 2010 (all obligations are per date of issue):

- Parent company guarantees to group companies: NOK 80.7 billion (NOK 37.3 billion in 2009)
- Indemnity guarantees for fulfilment of lease obligations: NOK 260 million (same as in 2009)
- Counter guarantees for bank/surety bonds: NOK 7.1 billion (NOK 7.3 billion in 2009)

For guarantee obligations on behalf of the jointly controlled entity Aker DOF Deepwater AS see note 25 Investments in associated companies and jointly controlled entities.

Gearing and interest coverage ratios

Amounts in NOK million	**2010**	2009
Gearing ratio		
Gross debt	**8 224**	7 515
EBITDA	**4 300**	4 368
Gross debt/EBITDA[1]	**1.9**	1.7
Interest coverage		
EBITDA	**4 300**	4 368
Net finance cost	**453**	470
EBITDA/Net finance cost	**9.5**	9.3

1) Gearing ratio adjusted for restructuring costs is 1.9 in 2010 (1.6 in 2009).

Note 6 Business combinations and acquisition of non-controlling interests

Business combinations in 2010

Derrick
In May 2010, Aker Solutions entered into an asset purchase agreement with Derrick GmbH & Co. KG for the purchase of a small workshop, including six employees. The acquired business refines and modifies Derrick products to meet European standards, maintains its rental pool and provides services. The acquired business has been set up as a German branch of Step Offshore AS. The purchase price was NOK 28 million.

Acquisition of non-controlling interest in 2010

First Interactive AS
In February 2008, Aker Solutions acquired 60.2 percent of the shares in the company First Interactive AS. The company is a provider of an IT simulation system that enables the oil companies to simulate installations and operations. In August 2010, Aker Solutions acquired the remaining 39.8 percent of the shares and voting interests in First Interactive AS to increase the group's operational control.

NOK 14 million cash was paid to the selling shareholders at the acquisition date. An additional consideration will be due in 2015. The final consideration will be based on the accumulated EBITDA for 2011 to 2014 and is estimated to NOK 8 million, which represents the fair value at the acquisition date. The transaction resulted in a reduction of non-controlling interests of NOK 13 million.

Note 7 Disposal groups and discontinued operations

Aker Marine Contractors - Held for sale
On 22 October 2010, Aker Solutions entered into an agreement to sell its subsidiary Aker Marine Contractors (AMC) to Singapore based Ezra Holdings Ltd (Ezra). In addition, 50 percent of Aker Solutions' ownership in the Aker Connector installation vessel, which will be completed in early 2012, will be transferred to Ezra upon delivery of the vessel. The transaction was completed on 1 March 2011, see note 37 Subsequent events.

As of 31 December 2010, AMC is classified as disposal group held for sale, including allocated goodwill of NOK 270 million. AMC, which is part of Subsea business area, is not considered a separate major line of business so it has not been accounted for as discontinued operations. Aker Connector installation vessel under construction is not classified as held for sale, as it does not meet the held for sale criteria since it is not ready for sale in its current condition.

Process & Construction businesses - Discontinued operations
On 22 December 2010, Aker Solutions entered into a share purchase agreement whereby it has agreed to transfer principal operations within its Process and Construction business area to Jacobs Engineering Group Inc., one of the world's largest and most diverse providers of professional technical services. The transfer does not include the US EPC centre in Houston, nor the Union Construction businesses located in the US and Canada. The transaction was completed on 1 February 2011, see note 37 Subsequent events.

As of 31 December 2010, the P&C businesses that will be sold to Jacobs are classified as a disposal group held for sale, including allocated goodwill of NOK 1 020 million, and accounted for as discontinued operations.

Discontinued operations

Income statement

Amounts in NOK million	**2010**	2009
Revenue	**4 500**	4 221
Operating expenses	**(3 995)**	(3 962)
Financial items	**(24)**	(20)
Profit before tax	**481**	239
Tax	**(129)**	(94)
Net profit from discontinued operations[1]	**352**	145

[1] *Net profit is all attributable to equity holders of Aker Solutions.*

Earnings per share

Amounts in NOK	**2010**	2009
Basic earnings per share (NOK) from discontinued operations	**1.31**	0.54
Diluted earnings per share (NOK) from discontinued operations	**1.30**	0.54

Cash flow

Amounts in NOK million	**2010**	2009
Operating cash flow	**331**	67
Investing cash flow	**(6)**	(51)
Financing cash flow	**(255)**	(174)
Net cash inflow (outflow)	**70**	(158)

Disposal groups classified as held for sale as of 31 December 2010

Assets and liabilities

Amounts in NOK million	AMC	P&C businesses	**Total**
Intangibles	270	1 020	**1 290**
Deferred tax assets	22	46	**68**
Properties, plant and equipment	148	156	**304**
Other non-current assets	1	58	**59**
Total current assets	550	865	**1 415**
Assets held for sale	991	2 145	**3 136**
Non-current liabilities	12	109	**121**
Current liabilities	300	1 118	**1 418**
Liabilities held for sale	312	1 227	**1 539**
Other comprehensive income			
Translation differences	13	(132)	**(119)**

The disposal groups held for sale also had receivables and liabilities to other Aker Solutions entities. These assets and liabilities have been eliminated in the group's consolidated financial statements.

Note 8 Related parties

The group has several related party relationships between parents, associates and joint ventures (note 25 Investments in associated companies and jointly controlled entities and note 26 Jointly controlled operations) and with its directors and executive officers and directors (note 10 Salaries, wages and social security costs).

The largest shareholder Aker Holding AS is controlled by Aker ASA (60 percent) which in turn is controlled by Kjell Inge Røkke through The Resource Group AS. All entities which Kjell Inge Røkke controls (Aker) or has significant influence in are considered related parties to Aker Solutions. These entities are below referred to as entities controlled by Aker in this note.

All transactions with related parties have been based on arm's length terms. Below is a summary of transactions and loan balances between Aker Solutions and related parties.

2010

Amounts in NOK million	Entities controlled by Aker[1]	Associated companies	Joint ventures[2]	**Total**
Operating revenues	437	78	186	**701**
Operating costs	(1)	-	-	**(1)**
Net financial items	9	-	-	**9**
Net interest-bearing items	218	-	(40)	**178**
Other assets	302	-	-	**302**
Other liabilities	(1)	-	-	**(1)**

2009

Amounts in NOK million	Entities controlled by Aker[1]	Associated companies	Joint ventures[2]	Total
Operating revenues	320	55	220	595
Operating costs	(7)	-	-	(7)
Net financial items	(25)	-	-	(25)
Net interest-bearing items	176	-	(36)	140
Other assets	477	-	-	477

1) Includes the jointly controlled entity Aker Clean Carbon.
2) Includes transaction and balances to external parties in the joint ventures (amounts that are not eliminated in the consolidation).

Associated companies and joint ventures
Aker Solutions operates in a market where it is common to establish associated companies and joint ventures to deliver large and complex projects to customers. In such arrangements two or more suppliers have responsibility for parts of a project. Aker Solutions holds stakes in several associated companies and joint ventures related to significant projects in the portfolio.

Aker DOF Deepwater AS
A loan of NOK 218 million (NOK 140 million in 2009) is given to the jointly controlled entity Aker DOF Deepwater (NIBOR 12 months + 1.5 percent). See note 25 Investments in associated companies and jointly controlled entities for information about guarantees provided on behalf of Aker DOF Deepwater.

Entities controlled by Aker
Aker Clean Carbon AS
Aker Solutions has a 50 percent shareholding in Aker Clean Carbon, and the company is jointly controlled by Aker Solutions and Aker. Aker Clean Carbon is in the process to build part of the carbon capture facility at Mongstad near Bergen in Norway in a joint venture with Aker Solutions.

Aker Drilling ASA
In 2005, Aker Drilling and Aker Solutions entered into a contract for the turn-key delivery of two sixth-generation deepwater drilling semi-submersibles. The drilling rigs are equipped with Aker Solutions Dual RamRig™ drilling equipment. Total contract value amounts to NOK 9.1 billion including agreed variation orders. The two H-6e drilling rigs, Aker Spitsbergen and Aker Barents, were substantially delayed due to technical challenges. The rigs are operating successfully with advanced technical solutions and the general gurantee period of 24 months is running until 1 January 2012. In the summer 2010 guarantee work was done on Aker Spitsbergen. A provision has been made for expected similar guarantee work on Aker Barents.

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

Oslo Asset Management
Aker Insurance received investment management services from Oslo Asset Management (previously Aker Asset Management). The annual fee is based on average total capital.

Aker Pensjonskasse
Aker Pensjonskasse was established by Aker ASA to manage the Aker Solutions retirement plan for employees, retirees and related companies. The total paid-in equity was NOK 128 million at the end of 2010 (NOK 103 million in 2009). Premium paid to Aker Pensjonskasse amounts to NOK 101 million in 2010 (NOK 99 million in 2009). Aker Solutions holds 93.4 percent of the shares in the Aker Pensjonskasse.

Aker ASA
Aker Subsea Inc and Aker Kvaerner Wilfab Inc, which are subsidiaries of Aker Solutions, are sponsoring employers of the US pension plan Kvaerner Consolidated Retirement Plan. The principal sponsor for the plan is Kvaerner U.S. Inc, a subsidiary of TH Global plc. Aker has provided a guarantee to the plan in the event that Aker Solutions becomes liable for more than one third of the underfunded element of the plan.

Aker Shiplease AS
In 2009 Aker and Aker Solutions entered into a 10 year bareboat charter contract for vessel Aker Wayfarer. Aker Wayfarer is an offshore construction vessel designed for ultra-deepwater with state of the art equipment. The vessel was delivered in October 2010. Total contract value is NOK 2.4 billion. A lease prepayment was paid in 2009 is included in other non-current operating assets in the balance sheet of NOK 207 million.

The Resource Group TRG AS
On the 24 November Aker Solutions AS sold its 50 percent shareholding in Aker Encore AS to The Resource Group TRG AS for a total cash consideration of NOK 17 million.

Industrial transactions in 2009
On 1 April 2009, Aker Solutions acquired several shareholdings from companies in the Aker group in order to further strengthen its position in the offshore and energy sectors. The acquisitions establish broader foundation for continued industrial development at the interface between energy, the environment and maritime activities in industries with solid long-term growth potential. The transactions carried out resulted in Aker Solutions AS acquiring or increasing its ownership interest in the following businesses:

Aker Oilfield Services AS
Aker Solutions increased the ownership in Aker Oilfield Services from 32.3 to 100 percent. 46 percent of the shares were acquired from Aker Capital AS for a consideration of NOK 595 million.

Midsund Bruk AS
Aker Solutions acquired 100 percent of the shares in Midsund Bruk from Aker Capital AS for a the total consideration of NOK 88 million.

Aker DOF Deepwater AS
Aker Solutions acquired 50 percent of the shares in Aker DOF Deepwater from Aker Capital AS for NOK 190 million. The remaining 50 percent is owned by DOF. The investment is accounted for as a jointly controlled entity.

ODIM ASA
Aker Solutions acquired 33 percent of the shares in ODIM from Aker ASA (10.8 percent) and Aker Invest II KS (22.2 percent). The total consideration amounted to NOK 513 million. The shares were subsequently sold in June 2009.

Aker Clean Carbon AS
Aker Solutions' shareholding in Aker Clean Carbon was increased from 30 to 50 percent through an equity issue of NOK 43 million. The investment is accounted for as a jointly controlled entity.

Note 9 Operating segments

Aker Solutions has in 2010 had four reportable segments which are the strategic business units of the group. The strategic business units offer different products and services, and are managed separately because they operate in different market segments and have different strategies for their projects, products and services. The group's CEO reviews each of the operating segments with the segment management on a monthly basis. The review is based on monthly reporting from the subsidiaries in the operating segments.

The following summary describes the operations in each of Aker Solutions' reportable segments:

Energy Development & Services
Energy Development & Services (ED&S) develops new oil and gas production facilities offshore and on land, as well as life cycle services for the operational phase of such installations. The business area delivers the full value chain from studies, front-end design and detailed engineering, through procurement, project management, fabrication and hook-up, to installation, maintenance and modifications.

Subsea
Subsea is a global provider across the value chain of subsea and sub-surface technologies, solutions and services. Subsea offerings cover all phases of the life of fields, from concept screening and design through manufacturing, installation and commissioning to operational support and maintenance services. Subsea's ability as a provider of subsea production systems is backed by an extensive portfolio of additional capabilities such as well services, marine operations and geological services.

Products & Technologies
Products & Technologies (P&T) is a leading global provider of specialised products and services to the upstream oil and gas industry, based on proprietary technology and know-how. Key deliverables include advanced drilling equipment, systems and risers, upstream processing technology and mooring systems, as well as loading and offloading technology.

Process & Construction
Process & Construction (P&C) is a global provider of onshore engineering and construction services to the natural resources and energy markets. P&C supplies niche process expertise with high-technology content and know-how for projects across chemicals, polymers, syngas and refining, mining and metals, onshore liquefied natural gas (LNG) receiving terminals, power generation, biofuels, carbon capture, acid plants, nuclear plants, and water treatment.

In December 2010, Aker Solutions entered into a share purchase agreement whereby it has agreed to transfer principal operations within its Process and Construction business area to Jacobs Engineering Group Inc. The transfer does not include the US EPC centre in Houston, nor the Union Construction businesses located in the US and Canada. As of 31 December 2010, businesses to be sold are classified as disposal group held for sale and discontinued operations, see note 7 Disposal groups and discontinued operations.

Following the sale of P&C businesses and restructuring of the oil and gas business, a new reporting structure will be implemented with effect from March 2011. Reporting of operating segments in 2010 follows the 2010 business area structure because the financial information has not yet been organised to reflect the new structure and is curenctly not being reviewed by the chief operating decisionmaker.

Measurement of segment performance
Performance is measured by segment operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT), as included in the internal management reports that are reviewed by the group's CEO. Segment profit, together with key financial information as described below, gives the CEO relevant information in evaluating the results of the operating segments and is relevant in evaluating the results of the segments relative to other entities operating within these industries. Inter-segment pricing is determined on an arm's length basis.

There are varying levels of integration between ED&S, Subsea and P&T, which all deliver products and services to customers within the oil and gas industry globally and where the group's expertise and products can be exploited in interaction with each other. P&C has also used the group's processes and expertise when delivering their products and services to the process, metal and energy-sectors. The accounting policies of the reportable segments are the same as described in note 2 Basis of preparation and note 3 Accounting principles, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against Corporate Treasury and hedge accounting is applied independently of whether the hedge qualify for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges to secure that the consolidated financial statement is in accordance with IFRS is made as an adjustment at corporate level. This means that the group's segment reporting reflect all hedges as qualifying even though they may not qualify in accordance with IFRS.

2010 - Operating segments

Amounts in NOK million	*Note*	ED&S	Subsea	P&T	P&C	**Total operating segments**	Other	Elim.	Discontinued operations	**Total**
External revenue and other income										
Construction contracts		14 346	7 031	6 783	6 608	**34 768**	-	-	(3 419)	**31 349**
Services revenue		5 443	4 247	2 163	1 929	**13 782**	111	-	(950)	**12 943**
Products		-	376	1 014	44	**1 434**	-	-	(44)	**1 390**
Other		575	97	(2)	-	**670**	2	-	-	**672**
Total external revenue and other income		20 364	11 751	9 958	8 581	**50 654**	113	-	(4 413)	**46 354**
Inter-segment revenue		512	93	248	122	**975**	2 942	(3 917)	(87)	**(87)**
Total operating revenue and other income		20 876	11 844	10 206	8 703	**51 629**	3 055	(3 917)	(4 500)	**46 267**
EBITDA		2 040	1 170	859	213	**4 282**	18	-	(522)	**3 778**
Depreciation, amortisation and impairment	*22, 23*	(134)	(517)	(129)	(30)	**(810)**	(78)	-	17	**(871)**
EBIT		1 906	653	730	183	**3 472**	(60)	-	(505)	**2 907**
Order intake (unaudited)		21 688	14 827	7 855	8 298	**52 668**	2 994	(3 785)	(5 536)	**46 341**
Order backlog (unaudited)		26 265	15 356	7 360	6 594	**55 575**	-	(153)	(4 647)	**50 775**
Own employees (unaudited)	*35*	9 297	5 779	3 034	2 951	**21 061**	909	-	(2 526)	**19 444**

	Note	ED&S	Subsea	P&T	P&C	**Total operating segments**	Other	Elim.	Disposal groups held for sale	**Total**
Assets										
Current operating assets		4 565	5 539	4 806	3 536	**18 446**	445	(565)	(1 384)	**16 942**
Non-current operating assets		3 408	8 794	1 845	1 369	**15 416**	830	-	(1 653)	**14 593**
Operating assets		7 973	14 333	6 651	4 905	**33 862**	1 275	(565)	(3 037)	**31 535**
Tax-related assets										**725**
Investment in associates										**424**
Investments in other companies										**157**
Cash and interest-bearing receivables										**4 044**
Assets held for sale										**3 136**
Total assets										**40 021**
Liabilities										
Current operating liabilities		(6 300)	(4 981)	(3 979)	(3 530)	**(18 790)**	(737)	565	1 402	**(17 560)**
Non-current operating liabilities		(314)	(95)	(132)	(57)	**(598)**	(118)	-	69	**(647)**
Operating liabilities		(6 614)	(5 076)	(4 111)	(3 587)	**(19 388)**	(855)	565	1 471	**(18 207)**
Tax-related liabilities										**(944)**
Net interest-bearing borrowings										**(8 224)**
Other liabilities										**(753)**
Liabilities held for sale										**(1 539)**
Total liabilities										**(29 667)**
Net current operating assets	*15*	(1 735)	558	827	6	**(344)**	(292)	-	18	**(618)**
Net capital employed	*15*	1 851	10 385	2 817	2 230	**17 283**	1 977	-	(2 089)	**17 171**
Cash flow										
Cash flow from operating activities		2 723	32	793	(1 290)	**2 258**	(127)	-		**2 131**
Acquisition of property, plant and equipment	*22*	(48)	(1 659)	(205)	(24)	**(1 936)**	(531)	-		**(2 467)**

2009 - Operating segments

Amounts in NOK million	*Note*	ED&S	Subsea	P&T	P&C	Total operating segments	Other	Elim.	Discontinued operations	Total
External revenue and other income										
Construction contracts		10 702	8 126	8 874	7 579	35 281	(67)	-	(2 712)	32 502
Services revenue		7 330	4 226	2 110	1 861	15 527	186	-	(1 312)	14 401
Products		-	329	1 097	32	1 458	-	-	(32)	1 426
Other		1 275	159	202	1	1 637	55	-	(1)	1 691
Total external revenue and other income		19 307	12 840	12 283	9 473	53 903	174	-	(4 057)	50 020
Inter-segment revenue		520	132	446	61	1 159	3 215	(4 374)	(164)	(164)
Total operating revenue and other income		19 827	12 972	12 729	9 534	55 062	3 389	(4 374)	(4 221)	49 856
EBITDA		1 116	1 399	1 304	484	4 303	65	-	(273)	4 095
Depreciation, amortisation and impairment	*22, 23*	(176)	(450)	(171)	(23)	(820)	(90)	-	13	(897)
EBIT		940	949	1 133	461	3 483	(25)	-	(260)	3 198
Order intake (unaudited)		26 887	12 568	6 621	6 913	52 989	3 437	(4 426)	(2 952)	49 048
Order backlog (unaudited)		25 396	12 395	9 632	9 037	56 460	15	(199)	(3 536)	52 740
Own employees (unaudited)	*35*	9 535	5 276	3 027	3 343	21 181	952	-	(2 718)	19 415

	Note	ED&S	Subsea	P&T	P&C	Total operating segments	Other	Elim.	Total
Assets									
Current operating assets		5 685	6 845	5 497	2 925	20 952	(179)	(652)	20 121
Non-current operating assets		3 554	7 577	1 764	1 357	14 252	699	-	14 951
Operating assets		9 239	14 422	7 261	4 282	35 204	520	(652)	35 072
Tax-related assets									486
Investment in associates									423
Investments in other companies									135
Cash and interest-bearing receivables									3 810
Total assets									39 926
Liabilities									
Current operating liabilities		(5 927)	(6 594)	(4 471)	(4 014)	(21 006)	(230)	652	(20 584)
Non-current operating liabilities		(511)	(89)	(129)	(51)	(780)	(130)	-	(910)
Operating liabilities		(6 438)	(6 683)	(4 600)	(4 065)	(21 786)	(360)	652	(21 494)
Tax-related liabilities									(903)
Net interest-bearing borrowings									(7 515)
Other liabilities									(891)
Total liabilities									(30 803)
Net current operating assets	*15*	(242)	251	1 026	(1 089)	(54)	(409)	-	(463)
Net capital employed	*15*	3 081	8 457	2 838	1 213	15 589	1 258	-	16 847
Material non cash items									
Other income (gain from business combinations)[1]		-	159	170	-	329	-	-	329
Cash flow									
Cash flow from operating activities		1 670	1 698	55	(131)	3 292	953	-	4 245
Acquisition of property, plant and equipment	*22*	141	1 851	127	40	2 159	42	-	2 201

1) Gain on remeasurement of previously held interests in Wirth GMBH and Aker Oilfield Services AS

Major customers
Revenue from one customer of the segments ED&S and Subsea represents approximately NOK 10.2 billion (NOK 10.2 billion in 2009) of the group's total revenue.

Geographical information
Geographical segment revenue is presented on the geographical location of customers. Non-current segment assets and capital expenditures are based on the geographical location of the assets.

	Operating revenues		Non-current segment assets		Capital expenditure	
Amounts in NOK million	**2010**	2009	**2010**	2009	**2010**	2009
Norway	**17 099**	20 586	**10 935**	9 985	**1 869**	1 536
Europe	**6 103**	7 658	**3 032**	3 220	**249**	273
North America	**6 954**	7 181	**125**	1 166	**165**	115
Asia	**11 308**	11 168	**771**	825	**70**	184
Other	**4 803**	3 263	**441**	330	**114**	93
Total	**46 267**	49 856	**15 304**	15 526	**2 467**	2 201

Note 10 Salaries, wages and social security costs

Amounts in NOK million	*Note*	**2010**	2009
Salaries and wages including holiday allowance		**10 474**	10 169
Social security tax/National insurance contribution		**1 388**	1 323
Pension cost	*30*	**352**	648
Other employee costs		**392**	371
Salaries, wages and social security costs		**12 606**	12 511

Loans to employees are shown in note 24 Interest-bearing receivables. No guarantees are granted to any employee.

Share purchase programme for employees
Approximately 3 500 employees participate in a share purchase programme where each employee purchases Aker Solutions shares for NOK 1 250 per month at market price. The employee pays NOK 1 125, while the company contributes the remaining NOK 125. Employees who are still employed by the company in September 2012 will receive one bonus share for every two shares bought under the programme and retained at that time. At the end of 2010 a total of 522 041 shares had been bought under programme 2 for a total of NOK 45.875 million. This can potentially give rise to 261 021 bonus shares in September 2012. Programme 2 was started in March 2010 and will end in February 2011. For programme 1 started in March 2009 and ended February 2010, a total of 1 016 738 shares were bought and can potentially give rise to 508 369 bonus shares in September 2011. During 2010, a total of 650 301 shares (888 478 shares in 2009) have been bought under the programmes. Invitations have been issued for a new programme 3 for the period from March 2011 to February 2012 with bonus shares to be issued in September 2013. The company's contribution to the purchase of the shares as well as the value of the bonus shares are expensed as salary expenses.

Directors and nomination committee's annual fees
The board fees for 2010 were NOK 5 150 000, including NOK 400 000 transferred to the labour union covering occupational activities in the group. The board fee for Øyvind Eriksen includes fee for his role as Executive Chairman after Simen Lieungh stepped down from his position as President & CEO in June 2010. Fees to the reward committee were NOK 75 000 (corresponding to 2009). No fees were paid to the audit committee in 2010. The Board of Directors did not receive any other payments in 2010 or 2009. The members of the Board of Directors have no agreements that entitle them to any extraordinary remuneration.

Fees paid to the nomination committee in 2010 for the previous year amounted to NOK 120 000, NOK 30 000 per member (NOK 90 000 in 2009).

Board of directors[1]

2010

Amounts in NOK	Board meeting attendance	Extraordinary board meeting attendance	Reward committee	Board fees
Øyvind Eriksen[2]	13 of 13	4 of 4	25 000	2 900 000
Lone Fønss Schrøder	13 of 13	4 of 4		250 000
Ida Helliesen	13 of 13	4 of 4		250 000
Vibeke Hammer Madsen	12 of 13	4 of 4	25 000	250 000
Mikael Lilius	11 of 13	3 of 4		250 000
Kjell Inge Røkke[2]	10 of 13	3 of 4	25 000	250 000
Atle Teigland[3]	13 of 13	4 of 4		150 000
Åsmund Knutsen[3]	12 of 13	3 of 4		150 000
Arild Håvik[3]	12 of 13	4 of 4		150 000
Arve Toft[3]	11 of 13	4 of 4		150 000

2009

Amounts in NOK	Board meeting attendance	Extraordinary board meeting attendance	Reward committee	Board fees
Øyvind Eriksen[2, 4]	7 of 7	10 of 10		300 000
Martinus Brandal[2, 4]	2 of 2	2 of 2		100 000
Bjørn Flatgård[4]	2 of 2	2 of 2	25 000	125 000
Lone Fønss Schrøder[4]	6 of 7	9 of 10		125 000
Heidi M Petersen[4]	1 of 2	2 of 2		62 500
Ida Helliesen[4]	6 of 6	7 of 7		145 833
Vibeke Hammer Madsen	9 of 9	11 of 12	25 000	250 000
Leif-Arne Langøy[2, 4]	2 of 2	1 of 2	25 000	104 167
Mikael Lilius[4]	5 of 6	6 of 7		145 833
Siri Fürst[4]	2 of 2	1 of 2		62 500
Kjell Inge Røkke[2, 4]	6 of 7	9 of 10		187 500
Atle Teigland[3]	9 of 9	12 of 12		150 000
Åsmund Knutsen[3]	9 of 9	12 of 12		150 000
Ingebrigt Forus[3, 4]	2 of 2	2 of 2		37 500
Arild Håvik[3, 4]	6 of 7	9 of 10		112 500
Arve Toft[3]	9 of 9	12 of 12		150 000

1) Members of the Board of Directors are elected for two years at the general meeting.

2) According to policy in Aker, fees to directors employed in Aker companies will be paid to the Aker companies, not to the directors in person. The same policy is implemented for fees for the reward committee. Therefore, board fees and reward comittee fees for Øyvind Eriksen were paid to Aker ASA. Board fees and reward comittee fees for Kjell Inge Røkke were paid to The Resource Group. The board fee for Øyvind Eriksen includes fee for his role as Executive Chairman after Simen Lieungh stepped down from his position as President & CEO in June 2010. The board fee will be approved by the Annual General Meeting on 6 May 2011.

3) According to agreement with and initiative from the employees, NOK 100 000 (NOK 100 000 in 2009) is transferred to the labour union covering occupational activities in the group, for each board member elected from the employees.

4) As of April 2009, Øyvind Eriksen replaced Martinus Brandal as Chairman of the Board. As of April 2009 Heidi M Petersen, Bjørn Flatgård, Siri Fürst and Ingebrigt Forus resigned as Directors of the Board. As of the same date Kjell Inge Røkke, Lone Fønns Schrøder and Arild Håvik entered as Directors of the Board. As of June 2009, Leif-Arne Langøy resigned as Director of the Board. As of the same date, Ida Helliesen and Mikael Lilius entered as Directors of the Board.

The audit committee
Aker Solutions has an audit committee comprising three of the directors, which held eight meetings in 2010. Until 15 June 2010, the audit committee comprised Ida Helliesen (Chairperson), Øyvind Eriksen and Atle Teigland. As of 15 June 2010, the audit committee comprises Ida Helliesen (Chairperson), Lone Fønns Schrøder and Atle Teigland.

The nomination committee
The Aker Solutions ASA nomination committee comprised the following individuals as of 31 December 2010: Leif-Arne Langøy (Chairman), Gerhard Heiberg, Kjeld Rimberg and Mette Wikborg.

The reward committee
The reward committee has three members elected by and among the Board of Directors. As of 31 December 2010 the members of the reward committee are Øyvind Eriksen (Chairman), Vibeke Hammer Madsen and Kjell Inge Røkke.

The reward committee ensures that the company's reward policy serves the interest of the shareholders and that the company has internally consistent and externally competitive remuneration of executives.

Guidelines for remuneration to the President & CEO and the members of the executive management team
The main purpose of the executive reward programme 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, a few standard employee benefits and a variable pay programme.

The President & CEO and the executive management team participate in the standard pension and insurance schemes applicable to all employees. The company practice standard employment contracts and standard terms and conditions regarding notice period and severance pay for the President & CEO and the members of the executive management team. The company does not offer share option programmes to any managers or employees.

The objective of the variable pay programme is to contribute to the company achieving good financial results and management according to the company's values and business ethics.

The variable pay programme is based on the achievement of financial and personal performance targets, leadership performance in accordance with the company's values and the development of the company's share price compared to the development of the general stock index at Oslo stock exchange. The programme represents a potential for an additional variable pay up to the value of 94.5 percent of base salary. Earnings are paid over three years. The first half of the variable pay is paid the following year. The remaining amount is paid two years later with the addition of a retention element provided the executive is still employed by the company. The maximum payment in any calendar year is one annual base salary. The actual reward for the executive management team for 2010 was according to the guidelines of the company. The variable pay in 2010 relates to amounts earned in 2009 and 2007. In addition to the ordinary variable pay programme, a discretionary variable pay was introduced to the executive management team in 2010 with payment in February 2011. The accrued amount for the discretionary variable pay is NOK 9.4 million as of 31 December 2010.

Remuneration to members of the executive management team
Total taxable remuneration of the executive management team for 2010 was NOK 36.1 million (NOK 25.9 million in 2009). In addition, Aker Solutions also incurred NOK 792 518 in 2010 (NOK 780 572 in 2009) in pension costs for the executive management team.

2010

Amounts in NOK		Base salary[1]	Variable pay[2]	Other benefits[3]	**Total taxable remuneration**	Pension benefit earned/ cost to company[4]
Simen Lieungh[5,6]	1 January - 16 June	2 470 596	2 938 675	8 157	**5 417 428**	93 004
Leif Hejø Borge	1 January - 31 December	3 304 174	464 813	23 846	**3 792 833**	60 565
Niels Didrich Buch	1 January - 31 December	2 048 676	753 831	23 845	**2 826 352**	108 691
Geir Arne Drangeid	1 March - 31 December	1 484 359	-	4 404	**1 488 763**	49 544
Mads Andersen	1 January - 31 December	2 641 946	1 892 018	23 730	**4 557 694**	101 856
Karl Erik Kjelstad	1 January - 31 December	2 969 123	1 307 048	5 285	**4 281 456**	59 608
Per Harald Kongelf	1 January - 31 December	2 329 490	1 765 141	24 308	**4 118 939**	109 714
Gary Mandel	1 January - 31 December	3 284 003	1 645 224	-	**4 929 227**	62 926
Jarle Tautra	1 January - 12 October	2 364 424	1 764 040	25 003	**4 153 467**	121 507
Tore Sjursen	12 October - 31 December	529 630	-	1 688	**531 318**	25 103
Total		23 426 421	12 530 790	140 266	**36 097 477**	792 518

2009

Amounts in NOK		Base salary[1]	Variable pay[2]	Other benefits[3]	Total taxable remuneration	Pension benefit earned/ cost to company[4]
Simen Lieungh[5]	1 January - 31 December	4 340 937	1 506 943	24 102	5 871 982	147 136
Leif Hejø Borge	1 January - 31 December	2 599 744	122 923	23 767	2 746 434	57 925
Niels Didrich Buch	1 January - 31 December	1 914 607	135 556	23 767	2 073 929	94 912
Mads Andersen	1 January - 31 December	2 423 577	1 714 036	23 767	4 161 380	88 746
Karl Erik Kjelstad	1 July - 31 December	1 366 731	-	2 552	1 369 283	28 544
Per Harald Kongelf	1 January - 31 December	1 993 060	737 398	24 214	2 754 672	99 476
Gary Mandel	1 February - 31 December	2 929 230	-	-	2 929 230	124 764
Jarle Tautra	1 January - 31 December	2 599 590	1 414 340	20 170	4 034 100	139 069
Total		20 167 476	5 631 196	142 339	25 941 011	780 572

1) *Includes paid holiday allowances.*

2) *The variable pay in 2010 are amounts earned in 2009 and 2007 in addition to holiday allowance on variable pay paid in 2009.*

3) *Other benefits include insurance agreements, which is membership in the standard employee scheme and an additional executive group life and disability insurance with a maximum cover of NOK 4 323 050.*

4) *Pension benefits include the standard employee pension scheme, a pension compensation scheme related to the transfer from a benefit scheme to a pension contribution scheme and a disability pension scheme.*

5) *Includes management pension rights where contributions stopped in 2002. The schemes were wound up following the merger between Kvaerner and Aker Maritime.*

6) *In addition to the base salary, Simen Lieungh was paid NOK 2 250 498 in the six months notice period and holiday allowances of NOK 487 927 for 2010 was paid in January 2011. Simen Lieungh will be paid a 14 months severance pay from 1 January 2011 to 29 February 2012 totalling NOK 5 251 168.*

With the exception of Geir Arne Drangeid who has 3 months of agreed period of notice, and Tore Sjursen who does not have severance pay, all members of the executive management team has six months of agreed period of notice and six months severance pay. All members also have standard employee defined contribution plan as described in note 30 with the exception of Gary Mandel who has a standard US employee defined contribution plan.

There are no loans granted to members of the executive management team.

Share-based payments
Including the members of the executive management team, a total of 52 managers are entitled to variable pay under the programme described on the previous page. The total accrual for variable pay programme is NOK 128.5 million as of 31 December 2010 (NOK 40.5 million in 2009). The development of the company's share price is an element of the variable pay programme.

Share-based element of variable pay

Amounts in NOK	**2010**	2009
Paid in the year	**-**	-
Expensed in the year	**9 668 144**	1 396 635
Accrued at the end of the year	**11 064 779**	1 396 635

Directors' and executive management team's shareholding
The following number of shares were owned by the directors and the members of the executive management team (and their related parties) as of 31 December 2010.

	Shares
Atle Teigland, Director	1 981
Åsmund Knutsen, Director	3 286
Arild Håvik, Director	381
Arve Toft, Director	381
Leif Hejø Borge, executive vice president & CFO	20 381
Niels Didrich Buch, executive vice president	381
Mads Andersen, executive vice president	12 776
Karl Erik Kjelstad, executive vice president	2 500
Gary Mandel, executive vice president	1 601
Tore Sjursen, executive vice president	252

The overview includes only direct ownership of Aker Solutions shares and does not include Kjell Inge Røkke's indirect ownership through his ownership in Aker ASA.

Note 11 Operating leases

Leases as lessee

Total non-cancellable operating lease commitments[1]

Amounts in NOK million	**2010**	2009
Contracts due within one year	**982**	662
Contracts running from one to five years	**2 978**	2 168
Contracts running for more than five years	**2 794**	1 182
Total	**6 754**	4 012

1) Operating lease commitments do not include commitments related to disposal groups held for sale.

Minimum sublease payment to be received in the future amount to NOK 28 million (NOK 371 million in 2009), and relates mainly to sublease of buildings.

Lease and sublease payments recognised in the income statement

2010

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	**Total**
Minimum lease payments	627	638	224	40	**1 529**
Contingent payments	1	-	-	-	**1**
Sublease income	(55)	-	-	-	**(55)**
Total	573	638	224	40	**1 475**

2009

Amounts in NOK million	Buildings	Vessels	Plant, equipment and machinery	Other	Total
Minimum lease payments	659	355	191	46	1 251
Contingent payments	1	-	-	-	1
Sublease income	(54)	-	-	-	(54)
Total	606	355	191	46	1 198

Operating lease costs for buildings relates to rental on a large number of locations worldwide. Aker Solutions has a twelve year leasing agreement with Norwegian Property for headquarters, Aker Hus, at Fornebu, Bærum expiring in 2019 . Aker Solutions also has entered into a twelve year lease agreement with Fornebu Gate 2 AS for a new office building at Fornebu. This agreement will start when the building is completed (estimated 2012).

Vessel lease costs relates to BOA Sub C and BOA Deep C which are operated by Aker Marine Contractors and Skandi Aker, Skandi Santos and Wayfarer which are operating by Aker Oilfield Services.

Other plant and machinery costs primarily include leasing of IT equipment, cars and inventory. Leasing of IT equipment is based on a three year agreement with Hewlett Packard International Bank PLC. Inventory and ICT equipment are leased from SG Finans. There is no option to purchase the equipment and it cannot be sublet.

None of the leases include significant contingent rent.

Leases as lessor

Total non-cancellable operating lease payments receivable

Amounts in NOK million	**2010**	2009
Contracts due within one year	**254**	-
Contracts running from one to five years	**805**	-
Contracts running for more than five years	**-**	-
Total	**1 059**	-

Operating lease income relates to the vessel Skandi Santos which is on a five year charter agreement that started in March 2010. NOK 212 million was recognised as lease income in 2010.

Note 12 Other operating expenses

Other operating expenses amount to NOK 5.0 billion in 2010 (NOK 5.3 billion in 2009). The expenses include audit fees, operating lease costs (note 11 Operating leases) and other expenses mainly related to premises, electricity, maintenance, travelling, IT-equipment and insurance fees.

Fees to KPMG[1]

	Audit		Other assurance services		Tax services		Other services	
Amounts in NOK million	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
Aker Solutions ASA	**3**	4	**-**	-	**-**	-	**-**	-
Subsidiaries	**27**	33	**7**	3	**9**	9	**4**	3
Total	**30**	37	**7**	3	**9**	9	**4**	3

1) Fee to auditors include audit fee in discontinued operations.

Note 13 Finance income and expenses

Recognised in profit and loss

Amounts in NOK million	**2010**	2009
Net change in fair value of non-qualifying hedge instruments	**(84)**	161
Interest income on bank deposits measured at amortised cost	**91**	32
Net foreign exchange gain	**14**	-
Ineffective portion of changes in fair value of hedging instruments	**-**	(1)
Other finance income	**(4)**	32
Finance income	**101**	63
Interest expense on financial liabilities measured at amortised cost	**(554)**	(531)
Interest expense on financial liabilities measured at fair value[1]	**(32)**	(68)
Capitalisation of borrowing costs[2]	**49**	61
Net foreign exchange loss	**-**	(27)
Finance expenses	**(537)**	(565)
Net finance expenses recognised in profit and loss	**(520)**	(341)

1) Interest on deferred and contingent payments, see note 29 Other non-current liabilities.
2) See note 22 Property, plant and equipment.

Some foreign exchange hedge transactions do not qualify for hedge accounting under IFRS, primarly because a large number of internal hedge transactions are grouped and netted before external hedge transactions are established. The non-qualifying hedge instruments are mainly foreign exchange forward contracts. The corresponding contracts (hedged items) to the hedging derivatives are calculated to have an equal, but opposite effect, and both the derivatives and the hedged items are reported as financial results. The net amount therefore reflects the difference in timing between the non-qualifying hedging instrument and the future transaction (hedged item). The exposure from foreign currency embedded derivatives is hedged, but cannot qualify for hedge accounting and is therefore included in 'Net foreign exchange gain/loss'. Hedge accounting and embedded derivatives are explained in note 21 Derivative financial instruments.

See note 33 Financial instruments for information of the finance income and expense generating items.

Note 14 Tax

Income tax expense

Amounts in NOK million	**2010**	2009
Current tax expense		
Current year	**948**	1 027
Adjustments for prior years	**(214)**	(140)
Total current tax expense	**734**	887
Deferred tax expense		
Origination and reversal of temporary differences	**98**	12
Benefit of recognised tax loss carry-forwards and timing differences originated in previous periods	**(6)**	(22)
Total deferred tax expense	**92**	(10)
Total tax expense	**826**	877
Attributable to continuing operations	**697**	783
Attributable to discontinued operations	**129**	94

Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate of 28 percent in Norway.

Amounts in NOK million	**2010**	2009
Profit before tax, continuing operations	**2 355**	2 969
Profit before tax, discontinued operations	**481**	239
Profit before tax, total	**2 836**	3 208
Expected income taxes (28 percent) of profit before tax	**794**	898
Tax effects of:		
Prior year adjustments (current and deferred tax)[1]	**(42)**	(121)
Effect of items booked against equity	**(7)**	-
Permanent differences[2]	**6**	(95)
Effect of unrecognised timing differences and tax loss	**76**	105
Change in tax rates	**(9)**	23
Differences in tax rates from 28 percent	**(30)**	15
Other[3]	**38**	52
Income tax expense, continuning and discontinued operations	**826**	877
Effective tax rate	**29%**	27%
Tax effect of differences	**32**	(21)

1) Amount in 2009 relates mainly to US where recognised tax liabilities in prior years have been derecognised due to various clarifications related to actual tax liabilities.

2) Amount in 2009 includes acquisition gains related to remeasurement of previously held interests at fair value and gain from sale of shares in ODIM.

3) Relates mainly to withholding tax.

Recognised deferred tax assets and liabilities

	Assets		(Liabilities)		Net	
Amounts in NOK million	**2010**	2009	**2010**	2009	**2010**	2009
Property, plant and equipment	**(14)**	(5)	**(107)**	(120)	**(121)**	(125)
Pensions	**97**	84	**49**	101	**146**	185
Projects under construction	**(236)**	(490)	**(1 319)**	(1 438)	**(1 555)**	(1 928)
Tax loss carry-forwards	**160**	337	**711**	1 044	**871**	1 381
Other	**548**	463	**(205)**	(279)	**343**	184
Total	**555**	389	**(871)**	(692)	**(316)**	(303)
Attributable to continuing operations	**487**		**(829)**		**(342)**	
Attributable to disposal groups held for sale	**68**		**(42)**		**26**	

Change in net recognised deferred tax assets and liabilities

Amounts in NOK million	Property, plant and equipment	Pensions	Projects under construction	Tax loss carry-forwards	Other	Total
Balance as of 1 January 2009	(144)	137	(1 786)	1 375	106	(312)
Recognised in profit and loss	58	48	(141)	35	12	12
Recognised in equity	-	-	-	-	6	6
Additions through business combinations	(58)	-	(6)	(6)	87	17
Currency translation differences	19	-	5	(23)	(27)	(26)
Balance as of 31 December 2009	(125)	185	(1 928)	1 381	184	(303)
Prior year adjustments (current and deferred tax)[1]	(40)	(39)	378	(507)	115	**(93)**
Recognised in equity		(2)	(1)	2	2	**1**
Additions through business combinations	-	2	-	(3)	26	**25**
Disposal of subsidiaries	41	-	-	2		**43**
Currency translation differences	1	-	(4)	(3)	16	**10**
Balance as of 31 December 2010	(123)	146	(1 555)	872	343	**(317)**

Tax loss carry-forwards

Amounts in NOK million	Norway	Europe other	North America	South America	Asia Pacific	Other	Total
2011[1]	-	-	5	-	-	-	5
2016 and later	-	298	603	-	443	-	1 344
Indefinite	2 252	96	-	-	11	-	2 359
Total tax loss carry-forwards	2 252	394	608	-	454	-	3 708
Unrecognised tax loss carry-forwards[2]	1	298	32	-	434	-	765

1) There are no tax loss carry-forwards that expires in the period 2012 until 2015.
2) Mainly expiry date more than 5 years.

Geographical overview of tax positions

2010

Amounts in NOK million	Current tax expense	Deferred tax expense	Total tax expense	Net deferred tax liability	Net payable tax liability
Norway	65	207	271	(593)	(13)
Europe	181	(1)	179	(91)	(33)
North America	(114)	(17)	(131)	251	159
South America	113	(46)	70	79	(23)
Asia[1]	491	(49)	442	35	48
Other countries	(2)	(2)	(5)	3	(1)
Total	**734**	**92**	**826**	**(316)**	**137**

2009

Amounts in NOK million	Current tax expense	Deferred tax expense	Total tax expense	Net deferred tax liability	Net payable tax liability
Norway	2	48	50	(492)	14
Europe	274	2	276	(88)	(93)
North America	123	(55)	68	230	(55)
South America	74	11	85	32	44
Asia[1]	410	(16)	394	15	(23)
Other countries	4	-	4	-	(1)
Total	887	(10)	877	(303)	(114)

1) Tax related to Aker Solutions' activity in Kazakhstan is reported under Asia.

Note 15 Net capital employed

Amounts in NOK million	*Note*	**2010**	2009
Inventories	*17*	**1 686**	1 417
Trade and other receivables	*16*	**14 870**	18 332
Provisions	*20*	**(1 039)**	(869)
Trade and other payables	*19*	**(16 278)**	(19 370)
Derivative financial instruments, net	*21*	**143**	27
Net current operating assets		**(618)**	(463)
Employee benefit assets	*30*	**95**	167
Other non-current operating assets		**221**	338
Intangible assets	*23*	**6 783**	7 915
Property, plant and equipment	*22*	**7 494**	6 531
Employee benefits obligations	*30*	**(647)**	(910)
Interest-bearing receivables	*24*	**846**	624
Investments	*25, 27*	**581**	558
Cash excl. cash pool arrangement		**2 416**	2 087
Total		**17 171**	16 847

Note 16 Trade and other receivables

Amounts in NOK million	*Note*	**2010**	2009
Trade receivables[1, 2, 3]		**5 941**	6 791
Less provision for impairment of receivables		**(115)**	(201)
Trade receivables, net		**5 826**	6 590
Advances to suppliers		**440**	732
Work in progress	*18*	**4 753**	6 456
Other receivables[1]		**3 851**	4 554
Total		**14 870**	18 332

1) Trade receivables include NOK 205 million due after one year (NOK 297 million in 2009). Book value of trade and other receivables is approximately equal to fair value.

2) Trade receivables are financial instruments and an impairment loss of NOK 23 million (NOK 21 million in 2009) was recognised in cost of sales.

3) Receivables from related parties at the end of 2010 is NOK 95 million (NOK 160 million in 2009).

Aging of trade receivables

Amounts in NOK million	**2010**	2009
Current	**3 942**	4 172
Past due 0-30 days	**715**	1 023
Past due 31-90 days	**334**	479
Past due 91 days to one year	**745**	820
Past due more than one year	**205**	297
Total	**5 941**	6 791

Note 17 Inventories

Amounts in NOK million	**2010**	2009
Stock of raw materials	**936**	1 007
Goods under production	**360**	-
Finished goods	**390**	410
Total	**1 686**	1 417

Inventories carried at fair value less cost to sell	**61**	303
Write-down of inventories in the period	**12**	28

Note 18 Construction contracts

Amounts in NOK million	Note	2010	2009
Value of work performed on uncompleted contracts		**79 358**	97 751
Invoiced		**74 605**	91 295
Work in progress to be invoiced		**4 753**	6 456
Trade receivables, net	*16*	**5 826**	6 590
Recoverable on construction contracts		**10 579**	13 046
Advances from customers	*19*	**4 315**	5 575

Largest projects in progress at year end 2010 (unaudited)

Project	Business segment	Customer	Estimated delivery
Skarv	ED&S	BP	2011
Statfjord Latelife	ED&S	Statoil	2011
Oseberg B Drilling upgrade	ED&S	Statoil	2013
Kollsnes	ED&S	Statoil	2011
Mongstad Test Centre	ED&S	Aker Clean Carbon	2011
Kashagan HUC	ED&S	Agip	2011
Sakhalin 1	ED&S	Exxon	2012
Gudrun Jacket	ED&S	Statoil	2011
Ekofisk 2/4L Jacket	ED&S	ConocoPhillips	2012
MMO frame agreement	ED&S	Statoil	2014
Nordsee Ost	ED&S	Essent wind	2012
Clair Ridge	ED&S	BP	2013
Sleipner SPORT	ED&S	Statoil	2013
TMT2	P&T	Daewoo	2011
Songa Eclipse	P&T	Jurong	2011
CNOOC	P&T	CNOOC	2011
Odebrecht 3	P&T	Daewoo	2012
Petroserve 2	P&T	Daewoo	2012
Gorgon	P&T	Chevron	2015
Spectra	P&T	Spectra	2011
Trym/Oselvar	Subsea	Dong	2011
Ormen Lange SCS Pilot	Subsea	Statoil	2011
Goliat	Subsea	ENI	2014
Åsgard Compression	Subsea	Statoil	2014
45 Trees	Subsea	Petrobras	2012
Iara/Guara	Subsea	Petrobras	2013
Longview Power Project	P&C	Longview Power	2011
Gulf LNG	P&C	Gulf LNG Energy	2011

Note 19 Trade and other payables

Amounts in NOK million	2010	2009
Trade creditors[1, 2]	**2 945**	3 891
Advances from customers	**4 315**	5 575
Accrued operating and financial costs	**6 003**	7 790
Other current liabilities[3]	**3 015**	2 114
Total	**16 278**	19 370

1) Trade creditors include NOK 16 million due after one year (NOK 325 million in 2009). Book value of trade creditors and other current liabilities is approximately equal to fair value.

2) Trade creditors include NOK 2 million to related parties at the end of 2010 (0 in 2009).

3) Other current liabilities includes NOK 451 million related to deferred and contingent considerations assumed in business combinations. See note 29 Other non-current liabilities for further description.

Note 20 Provisions

Amounts in NOK million	Warranties	Other	Total
Balance as of 1 January 2010	573	296	**869**
Provisions made during the year	406	236	**642**
Provisions used during the year	(177)	(91)	**(268)**
Provisions reversed during the year	(73)	(43)	**(116)**
Currency translation differences	5	12	**17**
Reclassification to liabilities held for sale	(62)	(43)	**(105)**
Balance as of 31 December 2010	672	367	**1 039**
Expected timing of payment			
Non-current	382	48	**430**
Current	290	319	**609**
	672	367	**1 039**

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

Other
Other includes mainly provisions for loss contracts. Provisions for loss contract are deducted from the value of the same contracts in work in progress or, to the extent they exceed this value, disclosed as provisions.

Note 21 Derivative financial instruments

The Aker Solutions group uses derivative financial instruments to hedge foreign exchange and interest rate exposures. In addition, there are embedded foreign exchange forward derivatives separated from ordinary commercial contracts. Further information regarding risk management policies in the group is available in note 5 Financial risk management and exposures.

The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivative's undiscounted cashflows. Given the Aker Solutions group hedging policy and the assumption that the projects are cash neutral, this table also indicates when the cash flows related to project expenses are expected to impact profit and loss. The majority of project revenues are recognised in accordance with IAS 11 using the percentage of completion method. This may result in different timing of cash flows related to project revenues and revenue recognition.

2010

Amounts in NOK million	Assets at fair value	Liabilities at fair value	Net fair value	Total undiscounted cash flow[1]	6 mths or less	6-12 mths	1-2 years	2-5 years[2]
Forward foreign exchange contracts								
Cash flow hedges	**57**	**(92)**	**(35)**	**(77)**	3	(27)	(30)	(23)
Fair value hedges	**134**	**-**	**134**	**134**	134	-	-	-
Embedded derivatives included in ordinary commercial contracts	**(163)**	**8**	**(155)**	**(245)**	(112)	(56)	(65)	(12)
Not hedge accounted	**289**	**(121)**	**168**	**243**	122	45	62	14
Interest rate swaps								
Option contracts	**8**	**(7)**	**1**	**1**	1	-	-	-
Cash flow and fair value hedges	**61**	**(31)**	**30**	**30**	(6)	(10)	46	-
Total	**386**	**(243)**	**143**	**86**	142	(48)	13	(21)

2009

Amounts in NOK million	Assets at fair value	Liabilities at fair value	Net fair value	Total undiscounted cash flow[1]	6 mths or less	6-12 mths	1-2 years	2-5 years[2]
Forward foreign exchange contracts								
Cash flow hedges	140	(58)	82	66	53	11	2	-
Fair value hedges	41	(19)	22	27	30	(2)	(1)	-
Embedded derivatives included in ordinary commercial contracts	11	(4)	7	(105)	(28)	(36)	(26)	(15)
Not hedge accounted	173	(230)	(57)	38	(69)	70	23	14
Interest rate swaps								
Option contracts	1	(2)	(1)	(1)	(1)	-	-	-
Cash flow and fair value hedges	2	(28)	(26)	(28)	(3)	(3)	(7)	(15)
Not hedge accounted	4	(4)	-	-	-	-	-	-
Total	372	(345)	27	(3)	(18)	40	(9)	(16)

1) *Undiscounted cash flows are translated to NOK using the exchange rates on the balance sheet date.*
2) *No derivative financial instruments mature after 5 years.*

Derivative financial instruments are classified as current assets or liabilities. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the maturity of the hedged item is less than 12 months. If the hedged item is related to projects, such as work in progress or trade receivables, the hedging derivative is always classified as a current asset or liability.

Foreign exchange derivatives
Corporate Treasury hedge the group's future transactions in foreign currencies with external banks. Approximately 80 percent of the exposure to foreign exchange variations in future cash flows are related to a few large projects. The currency exposure in these projects have been hedged back-to-back in order to meet the requirements for hedge accounting. They are either subject to hedge accounting or separated embedded derivatives. All other hedges are not designated as IAS 39 hedges and will have an effect on profit or loss. Most hedges qualifying for hedge accounting are classified as cash flow hedges (hedges of highly probable future revenues and/or expenses). Some hedges that will clearly qualify as hedges of firm commitments are classified as fair value hedges.

Embedded derivatives are foreign exchange derivatives separated from construction contracts. The main reason for separation is that the agreed payment is in a currency different from any of the major contract parties' own functional currency. The embedded derivatives represent currency exposures, which is hedged against external banks. Since the embedded derivatives are measured and classified in the same way as their hedging derivatives, they will have an almost equal, opposite effect to profit and loss. In the table above, the derivatives hedging the embedded derivatives are included in Forward foreign exchange contracts - not hedge accounted.

The hedged transactions in foreign currency that are subject to cash flow hedge accounting are highly probable future transactions expected to occur at various dates during the next one to four years, depending on progress in the projects. Gains and losses on forward foreign exchange contracts are recognised in comprehensive income and reported as hedging reserve in equity until it will be recognised in the income statement in the period or periods during which the hedged transactions affect the income statement. This is generally within 12 months from the balance sheet date unless the gain or loss is over the life of the asset.

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

2010

Amounts in NOK million	Fair value of all hedging instruments	Recognised in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps[1]	**(22)**	**-**	**(22)**
Forward exchange contracts	**(35)**	**(31)**	**(4)**
Total	**(57)**	**(31)**	**(26)**

2009

Amounts in NOK million	Fair value of all hedging instruments	Recognised in profit and loss	Deferred in equity (the hedging reserve)
Interest rate swaps[1]	(11)	-	(11)
Forward exchange contracts	82	40	42
Total	71	40	31

1) 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.

The purpose of the hedging instrument is to secure a situation where the hedged item and the hedging instrument together represent a predetermined value independent of fluctuations of exchange rates. Revenue and expense on the underlying construction contracts are recognised in the income statement in accordance with progress. Consequently, NOK negative 31 million of the value of the forward contracts have already affected the income statement indirectly as revenues and expenses are recognised based on updated forecasts and progress. The NOK negative 4 million that are currently recorded directly in the hedging reserve, will be reclassified to income statement over approximately the next three years.

Interest rate swaps
As of 31 December 2010, Aker Solutions has one bond of NOK 150 million with a fixed interest rate of 6 percent and one bond of NOK 1 913 million with a fixed interest rate of 8.7 percent. At year end, there were interest rate swaps with floating interest with a notional value of NOK 1 100 hedging the fixed interest bonds. In addition, Aker Solutions has three bonds totalling NOK 1 056 million at floating interest rates and NOK 400 million are swapped to fixed interest. NOK 1 300 million of drawings under committed facilities are swapped to 12 months fixed rate from 15 January 2010. A credit facility of NOK 750 million with floating interest was established in 2009 where NOK 375 million are swapped to fixed interest. Floating interest is mainly tied to NIBOR and LIBOR.

Hedge accounting is applied using the cash flow hedge accounting model which means that gains and losses on interest rate swap from floating to fixed interest rates as of 31 December 2010 are recognised in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. Fair value hedge accounting is applied for hedging of the fixed interest bonds, see note 28 Borrowings.

The fair value amounts of the outstanding interest rate swap contracts as of 31 December 2010 were NOK 30 million (negative NOK 26 million in 2009).

Note 22 Property, plant and equipment

Amounts in NOK million	Buildings and sites	Machinery, equipment and software	Under construction	Total
Historical cost				
Balance as of 1 January 2009	1 951	5 285	671	7 907
Additions through business combinations[1]	333	71	524	928
Additions[2]	130	847	1 224	2 201
Disposals	(64)	(170)	(55)	(289)
Currency translation differences	(115)	(281)	(27)	(423)
Balance as of 31 December 2009	2 235	5 752	2 337	10 324
Additions through business combinations	-	8	-	**8**
Additions[2]	228	1 553	686	**2 467**
Disposals	(313)	(193)	(133)	**(639)**
Currency translation differences	38	(11)	6	**33**
Reclassification to assets held for sale	(162)	(220)	(133)	**(515)**
Balance as of 31 December 2010	2 026	6 889	2 763	**11 678**
Accumulated depreciation				
Balance as of 1 January 2009	(806)	(2 491)	-	(3 297)
Depreciation for the year[3]	(82)	(721)	-	(803)
Impairment loss	-	(48)	-	(48)
Disposals	98	129	-	227
Currency translation differences	10	118	-	128
Balance as of 31 December 2009	(780)	(3 013)	-	(3 793)
Depreciation for the year[3]	(107)	(723)	-	**(830)**
Impairment loss	-	(2)	-	**(2)**
Disposals	104	141	-	**245**
Currency translation differences	(9)	(5)	-	**(14)**
Reclassification to assets held for sale	42	168	-	**210**
Balance as of 31 December 2010	(750)	(3 434)	-	**(4 184)**
Book value				
as of 31 December 2009	1 455	2 739	2 337	6 531
as of 31 December 2010	1 276	3 455	2 763	**7 494**
Of which financial leases				
as of 31 December 2009	4	199	-	203
as of 31 December 2010	-	160	-	**160**

1) Additions through business combinations relate mainly to the acquisition of Aker Oilfield Services AS, Aker Wirth GmbH, Midsund Bruk AS and Fornebu Gate 2 AS in 2009.

2) NOK 49 million of borrowing costs have been capitalised in 2010 and are included in the amount (NOK 61 million in 2009).

3) NOK 16 million relates to discontinued operations (NOK 13 million in 2009).

Additions
Approximately 28 percent of additions in 2010 are related to the investment programme in Aker Oilfield Services AS (50 percent in 2009) and 20 percent in the buildings at Fornebu and Hinna.

Commitments
By the end of December 2010 Aker Solutions has entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 876 million, mainly related to the investment programme in K2 Hotellbygg AS, Jattåvågen AS and Aker Oilfield Services AS. The commitments will to a large extent become payable in 2011.

Disposals
In December 2010 Aker Solutions sold shares in a building project related to the construction of a new building at Fornebu to K2 Eiendom AS. As Aker Solutions is responsible for the completion of the facilities within specific timeframes and budgets, the accounting gain will be booked in 2012 when the buildings are completed. The deferred income related to the 25 percent ownership in K2 Eiendom AS has been deducted directly from the investment, see note 25 Investments in associated companies and jointly controlled entities. The remaning deferred income is recognised in Other non-current liabilities, see note 29 Other non-current liabilities.

Depreciation
Assets are mainly depreciated on a straight-line basis over their expected economic lives as follows:

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

Estimates for residual values are reviewed annually.

Security
See note 28 Borrowings for information about bank borrowings which are secured by property, plant and equipment.

Note 23 Intangible assets

Amounts in NOK million	Intangible assets excl. goodwill	Goodwill	Total
Balance as of 1 January 2009	160	6 959	7 119
Additions	177	-	177
Additions through business combinations[1]	220	1 260	1 480
Adjustment	-	(338)	(338)
Disposals	-	(112)	(112)
Amortisation for the year	(38)	-	(38)
Impairment loss	-	(21)	(21)
Currency translation differences	(24)	(328)	(352)
Balance as of 31 December 2009	495	7 420	7 915
Additions	172	-	**172**
Adjustment	-	95	**95**
Amortisation for the year	(57)	-	**(57)**
Currency translation differences	(6)	(45)	**(51)**
Reclassification to assets held for sale	(2)	(1 289)	**(1 291)**
Balance as of 31 December 2010	602	6 181	**6 783**

1) The increase in other intangible assets in 2009 of NOK 220 million relates mainly to customer contracts (NOK 160 million) and patents and trademarks (NOK 45 million).

Research and development costs
NOK 172 million have been capitalised in 2010 related to development activities. In addition, research and development costs of NOK 157 million have been expensed during the year because the criteria for capitalisation was not met (NOK 164 million in 2009). In addition, research and development costs paid by customers totalled NOK 110 million in 2010 (NOK 22 million in 2009).

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

Goodwill
The increase in goodwill in 2009 is caused by the acquisitions of Aker Oilfield Services AS, Aker Wirth GmbH and Midsund Bruk AS.

The adjustment in 2010 relates mainly to increase of goodwill related to the acquisition of Aker Qserv Ltd in 2008 due to a change in the estimated deferred and contingent consideration.

Allocation of goodwill by operating segments

Amounts in NOK million	**2010**	2009
Energy Development & Services	**2 318**	2 317
Subsea	**2 776**	2 687
Products & Technologies	**1 119**	1 157
Process & Construction	**1 125**	1 123
Other	**132**	136
Total	**7 470**	7 420
Reclassification to assets held for sale	**(1 289)**	-
Total continuing operations	**6 181**	7 420

Impairment testing for cash-generating units containing goodwill
Goodwill originates from a number of acquisitions. Management monitors goodwill impairment at the business segment level which is also considered the cash-generating unit (CGU) due to the level of integration within the CGUs.

Recoverable amounts are based on value in use calculations. The calculations use cash flow projections based on the future cash flow, budgets and strategic forecasts for the periods 2011-2013 and an annual growth of 2.5 percent for subsequent periods.

WACC assumptions for impairment testing	Post tax WACC	Pre tax WACC
Energy Development & Services	10.4%	13.4%
Subsea	10.4%	12.9%
Products & Technologies	10.4%	13.2%
Process & Construction	9.2%	13.3%

For all business areas, the recoverable amounts are higher than the carrying amounts and consequently the analysis indicates that no impairment is required. Cash flow estimates are sensitive to the ability to maintain volume and margin assumptions. As a sensitivity analysis, recoverable amount has been calculated using discount rates up to 16 percent after tax, without effect on the conclusions. Also, sensitivity analysis of other estimates with a reasonable change in assumptions does not give grounds for impairment charges.

Note 24 Interest-bearing receivables

Current interest-bearing receivables
Current interest-bearing receivables were NOK 621 million (NOK 440 million in 2009). Aker Insurance AS had a portfolio of obligations, certificates and shares as of 31 December 2010 amounting to NOK 420 million (NOK 424 million in 2009) and Aker Powergas Pvt Ltd had investments in a mutual fund of NOK 198 million (NOK 13 million in 2009).

Non-current interest-bearing receivables

Amounts in NOK million	**2010**	2009
Loans to employees[1]	**5**	6
Loans to related parties[2]	**218**	176
Other	**2**	2
Total	**225**	184

1) Average interest rate for loans to employees was 2.46 percent in 2010 (3.58 percent in 2009).

2) Aker DOF Deepwater AS and Caspian Sea Solutions BV (Aker DOF Deepwater AS and Aker Clean Carbon AS in 2009), see note 8 Related parties.

See note 5 Financial risk management and exposures for information regarding credit risk management in the Aker Solutions group.

Note 25 Investments in associated companies and jointly controlled entities

Jointly controlled entities are accounted for using the equity method.

Associated companies and jointly controlled entities are defined as related parties to Aker Solutions. See note 8 Related parties for overview of transactions and balances between Aker Solutions and the associated companies and joint ventures.

Investments in associated companies and jointly controlled entities

2010

Amounts in NOK million	Book value as of 1.1.2010	Additions/ Disposals/ Payments	Profit (loss)[5]	Currency and other adjustments	**Book value as of 31.12.2010**
Aker Clean Carbon AS[1]	49	52	(23)	-	**78**
Aker DOF Deepwater	190	-	(8)	-	**182**
Aker Caspian BV	82	18	(11)	-	**89**
K2 Eiendom AS[2]	-	55	-	(55)	**-**
Other companies	102	(42)	17	(2)	**75**
Total	423	83	(25)	(57)	**424**

2009

Amounts in NOK million	Book value as of 1.1.2009	Additions/ Disposals/ Payments	Profit (loss)[5]	Currency and other adjustments	Book value as of 31.12.2009
Aker Oilfield Services AS[3]	260	(256)	(4)	-	-
Aker Clean Carbon AS[1]	19	43	(13)	-	49
Aker DOF Deepwater	-	190	-	-	190
ODIM ASA[4]	-	(109)	109	-	-
Other companies	165	15	22	(18)	184
Total	444	(117)	114	(18)	423

1) Associate until 1 April 2009, thereafter jointly controlled entity.

2) In December 2010 Aker Solutions sold the office part of its new building at Fornebu to K2 Eiendom AS and at the same time acquired 25 percent ownership in the company. The investment has been reduced by the gain related to the 25 percent ownership. See note 22 Property, plant and equipment for further description of the transaction.

3) Subsidiary from 1 April 2009.

4) 33 percent of ODIM ASA was acquired on 1 April 2009 and sold on 29 June 2009. Profit after tax includes dividends of NOK 15 million paid out in May 2009 and sales gain of NOK 94 million.

5) NOK 7 million is recognised in Other income in 2010. NOK 2 million in 2009 relates to discontinued operations.

Summary of financial information for significant associated companies and jointly controlled entities (100 percent basis)

2010

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker Clean Carbon AS[1]	Oslo, Norway	50.0%	50.0%	223	86	137	263	(45)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	887	733	154	37	90
Aker Caspian BV[1]	Zoetermeer, Netherlands	50.0%	50.0%	207	33	174	-	(18)
K2 Eiendom AS[2]	Oslo, Norway	25.0%	25.0%	733	532	201	-	(2)
Power Maintenance and Constructors, LLC[2]	Hammond, USA	49.0%	49.0%	70	28	41	569	1
Nippon Pusnes Co Ltd[2, 3]	Tokyo, Japan	28.0%	28.0%	244	161	84	617	28
K-WAC Ltd[1]	Brentford, UK	33.0%	30.0%	166	84	82	516	44

2009

Amounts in NOK million	Business office	Percentage of voting rights	Percentage held	Assets	Liabilities	Equity	Revenues	Net profit (loss)
Aker Clean Carbon AS[1]	Oslo, Norway	50.0%	50.0%	205	124	81	210	(36)
Aker DOF Deepwater AS[1]	Storebø, Norway	50.0%	50.0%	393	329	64	4	4
Power Maintenance and Constructors, LLC[2]	Hammond, USA	49.0%	49.0%	71	31	40	848	1
Nippon Pusnes Co Ltd[2, 3]	Tokyo, Japan	28.0%	28.0%	199	155	44	149	8
K-WAC Ltd[1]	Brentford, UK	33.0%	30.0%	345	271	74	660	56

1) *Jointly controlled entity. Assets and liabilities are mainly non-current.*
2) *Associated company.*
3) *Reporting date is 31 March.*

Guarantee obligations
Aker Solutions ASA has issued payment guarantees to STX Singapore Offshore Pte Ltd for 50 percent of all amounts payable by Aker DOF Deepwater AS under the contract to construct four vessels. Aker Solutions remaining commitments amount to NOK 450 million as of 31 December 2010 provided Aker DOF Deepwater enters into long-term financing agreements of 70 percent of contract value.

In addition, Aker Solutions ASA has issued financial guarantees in favor of Eksportfinans/BNP Paribas under ECA loans granted Aker DOF Deepwater AS related to financing of two vessels. Liability is capped at 50 percent of drawn amount (USD 46.5 million as of 31 December 2010).

Note 26 Jointly controlled operations

The group has interests in several jointly controlled operations whose principal activities are construction contracts. The group's share of assets, liabilities, income and expenses of jointly controlled operations are included in the consolidated financial statements. The material agreements and entities are listed below.

Jointly controlled operations are defined as related parties to Aker Solutions. See note 8 Related parties for overview of transactions and balances between Aker Solutions and jointly controlled operations.

Percentage share	**2010**	2009
ASC-ERSAI Consortium	**50%**	50%
AET-Varisal	**50%**	50%
KAC - Kiewit and Aker Contractors	**50%**	-
Halton Hills Power Partners Joint Venture	**50%**	50%
AK/IHI Gulf	**50%**	50%
Cameron LNG (Sempra)	**50%**	50%
JV Yansab	**50%**	50%
ASO/IHI	**50%**	50%
Aker Kvaerner Clough Murray & Robertsen Joint Venture[1]	**-**	61%
AKTIV Joint Venture[1]	**-**	40%
Anglian Water 4 Joint Venture[1]	**-**	50%
KAT Nuclear[1]	**-**	45%

1) Reclassified as as disposal groups and discontinued operations in 2010, see note 7 Disposal groups and discontinued operations.

Note 27 Investments in other companies

Amounts in NOK million	**2010**	2009
Balance as of 1 January	**135**	123
Additions	**22**	12
Balance as of 31 December	**157**	135

Investments in other companies mainly relate to investments in Aker Pensjonskasse. The investment is held at book value as fair value cannot be reliably measured.

Note 28 Borrowings

This note provides information about the contractual terms of group's interest-bearing loans and borrowings which are measured at amortised cost. For more information about the the group's exposure to interest rates, foreign currency and liquidity risk, see note 5 Financial risk management and exposures.

2010

Amounts in million	Currency	Nominal currency value	**Book value**	Interest rate[4]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341324	NOK	572	**572**	2.51%	1.05%	3.56%	01.12.2011	Floating, 3 months
ISIN NO 0010341332	NOK	300	**299**	2.51%	1.35%	3.86%	01.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	**150**	6.00%		6.00%	01.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	**1 988**	8.70%		8.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	**185**	2.62%	4.75%	7.37%	26.06.2014	Floating, 3 months
Total bonds[1]			**3 194**					
Revolving credit facility	EUR	750	**2 792**	2.40%	0.73%	3.13%	25.10.2012	LIBOR + Margin[2]
Revolving credit facility	NOK	2 000	**-**		2.00%		19.12.2011	LIBOR + Margin[3]
Total credit facility			**2 792**					
Term loan	NOK	750	**755**	2.58%	2.00%	4.58%	01.10.2014	NIBOR, 3 months
Brazilian Development Bank EXIM loan	BRL	155	**548**	4.50%			08.10.2012	Fixed
Brazilian Development Bank EXIM loan	BRL	233	**817**	4.50%			23.12.2013	Fixed
Other loans			**118**					
Total borrowings			**8 224**					
Current borrowings			**716**					
Non-current borrowings			**7 508**					
Total			**8 224**					

2009

Amounts in million	Currency	Nominal currency value	Book value	Interest rate[4]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341324	NOK	572	570	2.01%	1.05%	3.06%	01.12.2011	Floating, 3 months
ISIN NO 0010341332	NOK	300	297	2.01%	1.35%	3.36%	01.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	149	6.00%		6.00%	01.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	1 953	8.70%		8.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	185	2.13%	4.75%	6.88%	26.06.2014	Floating, 3 months
Total bonds[1]			3 154					
Revolving credit facility	EUR	750	2 886		0.83%		25.10.2012	LIBOR + Margin[2]
Revolving credit facility	NOK	2 000	-		1.75-2.50%		19.12.2011	LIBOR + Margin[3]
Total credit facility			2 886					
Term loan	NOK	750	753	2.00%	2.00%	4.00%	01.10.2014	NIBOR, 3 months
Brazilian Development Bank EXIM loan	BRL	155	519	4.50%			08.10.2012	Fixed
Other loans			203					
Total borrowings			7 515					
Current borrowings			180					
Non-current borrowings			7 335					
Total			7 515					

1) *The book value is calculated by reducing the nominal value of NOK 3 122 million by total issue costs related to the new financing of NOK 32 million (NOK 12 million in 2009). Accrued interest and issue costs related to the bonds are included.*
2) *The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 40 percent of the margin.*
3) *The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 50 percent of the margin.*
4) *The interest rate applicable for the floating rate loans are the interest rate fixed over year end.*

Norwegian bonds
Aker Solutions has issued five bonds which mature in one, three (two loans) and four years (two loans). The bonds which matures in one and three years were issued on 1 December 2006, while the other two bonds were issued on 26 June 2009. The bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market. Three of the bonds are issued based on a floating interest rate plus a predefined margin. The bonds with notional value of NOK 150 million and NOK 1 913 million have a fixed interest rates of 6.0 and 8.7 percent respectively.

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.

The bonds issued in 2006 are listed on the Oslo Stock Exchange.

Bank debt
The bank debt consists of a revolving credit facility of NOK 2 000 million maturing in December 2011 and a revolving credit facility of EUR 750 million maturing in October 2012. The facilities are provided by a syndicate of high quality Nordic and international banks. The EUR 750 million facility was drawn by NOK 2 800 million at end of year 2010 whilst the NOK 2 000 million facility remained undrawn. A term loan of NOK 750 million maturing in October 2014, established in 2009, was fully drawn at end of year 2010. The terms and conditions include restrictions which are customary for these kinds of facilities, including inter alia negative pledge provisions and restrictions for acquisitions, disposals and mergers. There are also certain provisions of change of control included in the agreements. There are no restrictions for dividend payments – both revolving credit facilities and the term loan are unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio. See note 5 Financial risk management and exposures for more information regarding capital risk in the group.

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. The revolving facility is hedged to fixed rate through an interest rate swap for NOK 1 300 million.

Financial liabilities and the period in which they mature

2010

Amounts in NOK million	**Book value**	**Total undiscounted cash flow**	6 mths and less	6-12 mths	1-2 years	2-5 years	More than 5 years
ISIN NO 0010341324	**(572)**	**(572)**	-	(572)	-	-	-
ISIN NO 0010341332	**(299)**	**(300)**	-	-	-	(300)	-
ISIN NO 0010342587	**(150)**	**(150)**	-	-	-	(150)	-
ISIN NO 001050461.6	**(1 988)**	**(1 913)**	-	-	-	(1 913)	-
ISIN NO 001050460.8	**(185)**	**(187)**	-	-	-	(187)	-
Interest on bonds		**(955)**	(226)	(50)	(236)	(443)	-
Total	**(3 194)**	**(4 077)**	(226)	(622)	(236)	(2 993)	-
Revolving credit facility (EUR 750 million)[1]	**(2 792)**	**(2 800)**	-	-	(2 800)	-	-
Revolving credit facility (NOK 2 000 million)	**-**	**-**	-	-	-	-	-
Total credit facility	**(2 792)**	**(2 800)**	-	-	(2 800)	-	-
Term loan (NOK 750 million)	**(755)**	**(750)**	-	-	-	(750)	-
Brazilian Development Bank EXIM loan	**(1 365)**	**(1 365)**	-	-	(548)	(817)	-
Other loans	**(118)**	**(118)**	(28)	(26)	(44)	(8)	(12)
Interest on revolving credit facility and other bank debt		**(657)**	(98)	(114)	(208)	(236)	(1)
Total borrowings	**(8 224)**	**(9 767)**	(352)	(762)	(3 836)	(4 804)	(13)

2009

Amounts in NOK million	Book value	Total undiscounted cash flow	6 mths and less	6-12 mths	1-2 years	2-5 years	More than 5 years
ISIN NO 0010341324	(570)	(572)	-	-	(572)	-	-
ISIN NO 0010341332	(297)	(300)	-	-	-	(300)	-
ISIN NO 0010342587	(149)	(150)	-	-	-	(150)	-
ISIN NO 001050461.6	(1 953)	(1 913)	-	-	-	(1 913)	-
ISIN NO 001050460.8	(185)	(187)	-	-	-	(187)	-
Interest on bonds		(834)	(187)	(29)	(216)	(402)	-
Total	(3 154)	(3 956)	(187)	(29)	(788)	(2 952)	-
Revolving credit facility (EUR 750 million)	(2 886)	(2 900)	-	-	-	(2 900)	-
Revolving credit facility (NOK 2 000 million)	-	-	-	-	-	-	-
Total credit facility	(2 886)	(2 900)	-	-	-	(2 900)	-
Term loan (NOK 750 million)	(753)	(750)	-	-	-	(750)	-
Brazilian Development Bank EXIM loan	(519)	(516)	-	-	-	(516)	-
Other loans	(203)	(203)	(10)	(66)	(95)	(17)	(15)
Interest on revolving credit facility and other bank debt		(634)	(80)	(99)	(194)	(259)	(2)
Total borrowings	(7 515)	(8 959)	(277)	(194)	(1 077)	(7 394)	(17)

1) *Cash from the sale of principal Process & Construction operations was used to repay all of the EUR 750 million revolving credit as per February 2011. See note 37 Subsequent events for information about the sale.*

Mortgages and guarantee liabilities
The group has NOK 26 million in mortgage liabilities (NOK 29 million in 2009), which are secured by pledges on property, plant and equipment with book values of NOK 26 million.

Note 29 Other non-current liabilities

Amounts in NOK million	**2010**	2009
Deferred and contingent considerations	**293**	676
Deferred income	**182**	-
Other	**278**	215
Total	**753**	891

Deferred and contingent considerations
Aker Solutions has acquired subsidiaries and non-controlling interest where final consideration is deferred and to a certain degree dependent on future earnings in the acquired companies. The total estimated consideration is measured at fair value using a discount rate equal to market rates for borrowings. The discount rate is based on market rates on the acquisition dates and varies between 5 and 6.5 percent. Deferred considerations to be paid during 2011 amount to NOK 451 million and are reported as current liabilities, see note 19 Trade and other payables. The deferred and contingent considerations reported in other non-current liabilities as of 31 December 2010 relates mainly to the acquisition of Aker Wirth (2009), Step Offshore (2009), First Interactive (2010) and TH GLobal (2006).

Deferred income
Deferred income relates to the estimated gain from disposal of the office building at K2 Eiendom AS. As Aker Solutions is responsible for the completion of the facilities within specific timeframes and budgets, the accounting gain will be booked in 2012 when the buildings are completed. The deferred income related to the 25 percent ownership in K2 Eiendom AS has been deducted directly from the book value of the investment, see note 25 Investments in associated companies and jointly controlled entities.

Other
Other liabilities are mainly liabilities in Aker Insurance AS. Actuary estimated insurance provisions for reported injuries and incurred but not reported injuries amounts to NOK 176 million (NOK 165 million in 2009).

Note 30 Employee benefits - pension

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

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

Norwegian employers are obliged to provide an employment pension plan, which can be organised as a defined benefit plan or as a defined contribution plan. The Norwegian companies have closed the earlier defined benefit plans in 2008 and are now providing defined contribution plans for all of their employees under 60 years of age. Employees who where 58 or more in 2008, when the change took place, are still in the defined benefit plan. This is a funded plan and represent most of the funded pension liability reported in the tables below.

In 2008 paid up policies were set up for accrued rights for employees who were moved to the new defined contribution plan. These paid up policies were provided based on actuarial demographic assumptions required to be used in Norway at the time. It was known that these assumptions would have to be adjusted and a provision was set up for the anticipated cost of NOK 65 million for this. It has subsequently been appreciated that this cost is being absorbed by the pension fund and the provision is now released to income statement in 2010.

The annual contribution expensed for the new defined contribution plan was NOK 258 million (NOK 244 million in 2009). Aker Solutions contributions to this plan are at the maixmum level accepted by Norwegian tax legislation.

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

AFP is an early retirement arrangement organised by Norwegian employers the main Labour Union organisation in Norway (LO) and the Norwegian State. The "old AFP" arrangement was established to provide pension between the age of 62 to 67 for employees who retired before the general retirement age of 67. In a recent pension reform individual employees are given a choice of retirement age, but with lower pension with earlier retirement. The old AFP arrangement has been stopped and the remaining recognised obligation of NOK 266 million has been released to the income statement in 2010. This release was net of a provision of NOK 74 million to cover underfinancing of current liabilities in "old AFP". A "new AFP" plan is being established from 2011 to provide additional life long pensions to employees that retire early to compensate for the reduction in the ordinary pension entitlements. The Norwegian Accounting Standards Board have issued a comment concluding that the "new AFP" plan is a multi-employer defined benefit plan. The "new AFP" plan exposes the participating entities to actuarial risk associated with employees of other entities with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual participating entities. Sufficient information is not available to use defined benefit accounting and the "new AFP" plan is accounted for as a defined contribution plan.

Pension plans outside Norway
Pensions plans outside Norway are predominatly defined contribution plans.

Net periodic pension cost (return)

Amounts in NOK million	**2010**	2009
Defined benefit plans		
Service cost	**189**	189
Interest on projected benefit obligation	**113**	127
Expected return on plan assets	**(112)**	(123)
Net amortisations and deferrals	**105**	125
Curtailments and settlements	**(335)**	-
Administration cost	**19**	14
Social security tax	**24**	29
Pension cost defined benefit plans	**3**	361
Pension cost defined contribution plans	**417**	369
Total pension cost	**420**	730
Attributable to continuing operations	**352**	648
Attributable to discontinued operations	**68**	82

Status of pension plans reconciled with the balance sheet

2010

Amounts in NOK million	Funded	Unfunded	**Total**
Defined benefit plans			
Accumulated benefit obligation	1 906	649	**2 555**
Effect of projected future compensation levels	91	6	**97**
Projected benefit obligation (PBO)	1 997	655	**2 652**
Social security tax on plan assets in excess of (less than) PBO	22	74	**96**
Plan assets at fair value	1 884	3	**1 887**
Plan assets in excess of (less than) PBO	(135)	(726)	**(861)**
Unrecognised net (gain) loss	275	22	**297**
Net employee benefit assets (employee benefit obligations)	140	(704)	**(564)**
Reclassified to disposal groups held for sale	41	(53)	**(12)**
Total	99	(651)	**(552)**
Employee benefit assets	95	-	**95**
Employee benefit obligations	4	(651)	**(647)**
Total	99	(651)	**(552)**

2009

Amounts in NOK million	Funded	Unfunded	Total
Defined benefit plans			
Accumulated benefit obligation	2 034	730	2 764
Effect of projected future compensation levels	93	99	192
Projected benefit obligation (PBO)	2 127	829	2 956
Social security tax on plan assets in excess of (less than) PBO	33	106	139
Plan assets at fair value	1 825	-	1 825
Plan assets in excess of (less than) PBO	(335)	(935)	(1 270)
Unrecognised net (gain) loss	409	118	527
Net employee benefit assets (employee benefit obligations)	74	(817)	(743)
Reclassified to disposal groups held for sale	-	-	-
Total	74	(817)	(743)
Employee benefit assets	167	-	167
Employee benefit obligations	(93)	(817)	(910)
Total	74	(817)	(743)

Economic assumptions

Norwegian plans	**2010**	2009
Discount rate	**4.00%**	4.40%
Asset return	**5.40%**	6.40%
Salary progression	**3.75-4.00%**	4.00-4.25%
Pension indexation	**2.50%**	3.00%

The discount rate is based on the Norwegian ten-year government bond rate. The asset return is expected to be higher than the discount rate because the assets are invested in instruments with a higher risk than government bonds. Experience has shown that the rate of return on pension assets has been about 1-2 percent higher than discount rate over an extended period of time.

Generally, a one percent increase in the discount rate will lead to approximately 10-15 percent decrease in service cost/projected benefit obligation. This is lower than an expected effect of approximately 20 percent as the benefit obligation in Aker Solutions consist mainly of pensioners and employees over 60.

Plans outside Norway
Basis for the Canadian plans are a discount rate of 6.25 percent (7.5 percent in 2009), an expected rate of return on assets of 7.25 percent (7.25 percent in 2009) and an expected salary increase of 3.5 percent (3.5 percent in 2009).

Basis for the German plan is a discount rate of 4.5 percent (5.0 percent in 2009) and an expected salary increase of 2.0 percent (same as in 2009).

Movement in pension obligation and plan asset[1]

Amounts in NOK million	**2010**	2009
Projected benefit obligation as of 1 January	**2 956**	2 813
Service cost incl. cost related to the compensation plan	**189**	189
Interest on projected benefit obligation	**113**	127
Benefits paid by the plan	**(112)**	(252)
Curtailment and settlement	**25**	5
Acquisition and disposal	**(352)**	11
Change in unrecognised (gain) loss	**(180)**	71
Currency translation differences	**13**	(8)
Projected benefit obligation as of 31 December	**2 652**	2 956
Plan assets at fair value as of 1 January	**1 825**	1 872
Expected return on plan assets	**112**	123
Contributions paid into the plan	**101**	99
Benefits paid by the plan	**(73)**	(254)
Curtailment and settlement	**(4)**	-
Change in unrecognised gain (loss)	**(58)**	-
Administration costs	**(19)**	(15)
Currency translation differences	**3**	-
Plan assets at fair value as of 31 December	**1 887**	1 825

1) *Includes disposal groups held for sale and discontinued operations*

Analyses of the plan assets (Norwegian plans)

Major categories of plan assets in percent of total plan assets	**2010**	2009
Equity instruments	**6.0%**	4.4%
Debt instruments	**92.4%**	93.9%
Other assets	**1.6%**	1.7%
Plan assets	**100.0%**	100.0%

Overview of net pension obligation

Amounts in NOK million	**2010**	2009	2008	2007	2006
Projected benefit obligation	**2 652**	2 973	2 813	4 350	4 034
Plan assets at fair value	**1 887**	1 826	1 872	2 662	2 438
Net pension obligation	**(765)**	(1 147)	(941)	(1 688)	(1 596)
Change in unrecognised (gain) loss projected benefit obligation	(180)	71	18	(40)	615
Change in unrecognised gain (loss) plans assets	(58)	-	(159)	(199)	101

Note 31 Capital and reserves

Share capital
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. Total outstanding shares are 274 000 000 at par value NOK 2 per share, same as in 2009. All issued shares are fully paid.

Share buy-back
At the 2007 Annual General Meeting authorisation was given to repurchase up to 27.4 million shares, representing 10 percent of the share capital of Aker Solutions ASA. Aker Solutions ASA reduced the shareholdings with 20 067 treasury shares in 2010 and as of 31 December 2010 Aker Solutions ASA holds 4 590 978 treasury shares representing 1.68 percent of total outstanding shares.

Summary of purchase and sale of treasury shares

Amounts in NOK million	Number of shares	Consideration
Treasury shares as of 1 January 2009	4 966 830	686
Purchase	436 200	20
Sale	(832 119)	(45)
Treasury shares as of 31 December 2009	4 570 911	661
Purchase	**680 000**	**57**
Sale	**(659 933)**	**(56)**
Treasury shares as of 31 December 2010	**4 590 978**	**662**

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

Dividends

	2010	2009
Paid dividend per share (NOK)	**2.60**	1.60
Total dividend paid (NOK million)	**700**	431
Ordinary dividend per share proposed by the Board of Directors (NOK)	**2.75**	2.60

Hedging reserve
The hedging reserve relates to cash flow hedges of future revenues and expenses against exchange rate fluctuations. The income statement effects of such instruments are recognised in accordance with the progress of the underlying construction contract as part of revenues or expenses as appropriate. The hedging reserve represents the value of such hedging instruments that are not yet recognised in the income statement. The underlying nature of a hedge is that a positive value on a hedging instrument exists to cover a negative value on the hedged position, see note 13 Financial income and expenses.

Currency translation reserve
The currency translation reserve includes exchange differences arising from the translation of the net investment in foreign operations, and foreign exchange gain or loss on loans defined as hedges on net investments, see note 13 Financial income and expenses.

Net investments have been hedged in 2010 with a gain of NOK 68 million. Accumulated gain on net investment hedges from 2005 is NOK 217 million. The net investment hedge in 2010 relates mainly to investments in the United States, see note 5 Financial risk management and exposures.

Note 32 Earnings per share

Aker Solutions ASA holds 4 590 978 treasury shares at year end 2010 (4 570 911 in 2009). Treasury shares are not included in the weighted average number of ordinary or diluted shares.

Basic earnings per share
The calculation of basic earnings per share as of 31 December 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	2010	2009
Profit attributable to ordinary shares (NOK million)	**1 957**	2 260
Profit attributable to ordinary shares from continuing operations (NOK million)	**1 605**	2 115
Issued ordinary shares as of 1 January	**274 000 000**	274 000 000
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	**269 267 952**	269 138 497
Basic earnings per share (NOK)	**7.27**	8.40
Basic earnings per share for continuing operations (NOK)	**5.96**	7.86

Diluted earnings per share
The calculation of diluted earnings per share as of 31 December 2010 is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effect of rights to receive bonus shares in connection with the employee share purchase programme and all dilutive potential ordinary shares.

	2010	2009
Profit attributable to ordinary shares (NOK million)	**1 957**	2 260
Profit attributable to ordinary shares from continuing operations (NOK million)	**1 605**	2 115
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	**269 267 952**	269 138 497
Expected effect of right to receive bonus shares	**564 701**	175 278
Weighted average number of ordinary shares outstanding (diluted) for the year	**269 832 653**	269 313 775
Diluted earnings per share (NOK)	**7.25**	8.39
Diluted earnings per share for continuing operations (NOK)	**5.95**	7.85

Note 33 Financial instruments

This note summarises each class of financial instruments and gives an overview of book and fair value of the group's financial instruments and the accounting treatment of these instruments. The table below also shows on what level in the measurement hierarchy the group's financial instruments measured at fair value are considered to be in regard to how objective the measuring method is.

Assets as of 31 December 2010

Amounts in NOK million	*Note*	Level 1	Level 2	Level 3	Amortised cost	**Total carrying amount**
Cash and cash equivalents		3 198	-	-	-	**3 198**
Investments in other companies	*27*	-	-	157	-	**157**
Derivative financial instruments	*21*	-	386	-	-	**386**
Non-current interest-bearing receivables	*24*	-	-	-	225	**225**
Other non-current operating assets		-	-	-	221	**221**
Trade and other receivables	*16*	-	-	-	14 870	**14 870**
Current interest-bearing receivables	*24*	317	300	-	4	**621**
Total loans and receivables		317	300	-	15 320	**15 937**
Total assets classified as financial instruments		3 515	686	157	15 320	**19 678**
Current assets		3 515	686	-	14 874	**19 075**
Non-current assets		-	-	157	446	**603**
Total assets		3 515	686	157	15 320	**19 678**

Liabilities as of 31 December 2010

Amounts in NOK million	*Note*	Level 1	Level 2	Level 3	Amortised cost	**Total carrying amount**
Derivative financial instruments	*21*	-	(243)	-	-	**(243)**
Non-current borrowings	*28*	-	-	-	(7 508)	**(7 508)**
Other non-current liabilities	*29*	-	-	-	(753)	**(753)**
Trade and other payables	*19*	-	-	-	(16 278)	**(16 278)**
Current borrowings	*28*	-	-	-	(716)	**(716)**
Total financial liabilities		-	-	-	(25 255)	**(25 255)**
Total liabilities classified as financial instruments		-	(243)	-	(25 255)	**(25 498)**
Current liabilities		-	(243)	-	(16 994)	**(17 237)**
Non-current liabilities		-	-	-	(8 261)	**(8 261)**
Total liabilities		-	(243)	-	(25 255)	**(25 498)**

Assets as of 31 December 2009

Amounts in NOK million	*Note*	Level 1	Level 2	Level 3	Amortised cost	Total carrying amount
Cash and cash equivalents		3 186	-	-	-	3 186
Investments in other companies	*27*	-	-	135	-	135
Derivative financial instruments	*21*	-	372	-	-	372
Non-current interest-bearing receivables	*24*	-	-	-	184	184
Other non-current operating assets		-	-	-	338	338
Trade and other receivables	*16*	-	-	-	18 332	18 332
Current interest-bearing receivables	*24*	218	206	-	16	440
Total loans and receivables		218	206	-	18 870	19 294
Total assets classified as financial instruments		3 404	578	135	18 870	22 987
Current assets		3 404	578	-	18 348	22 330
Non-current assets		-	-	135	522	657
Total assets		3 404	578	135	18 870	22 987

Liabilities as of 31 December 2009

Amounts in NOK million	*Note*	Level 1	Level 2	Level 3	Amortised cost	Total carrying amount
Derivative financial instruments	*21*	-	(345)	-	-	(345)
Non-current borrowings	*28*	-	-	-	(7 335)	(7 335)
Other non-current liabilities	*29*	-	-	-	(891)	(891)
Trade and other payables	*19*	-	-	-	(19 370)	(19 370)
Current borrowings	*28*	-	-	-	(180)	(180)
Total financial liabilities		-	-	-	(27 776)	(27 776)
Total liabilities classified as financial instruments		-	(345)	-	(27 776)	(28 121)
Current liabilities		-	(345)	-	(19 550)	(19 895)
Non-current liabilities		-	-	-	(8 226)	(8 226)
Total liabilities		-	(345)	-	(27 776)	(28 121)

The first level in the above table, fair value based on prices quoted in an active market for identical assets or liabilities, includes cash and financial instruments that are calculated based on observable prices on identical instruments.

The second level in the above table, fair value based on price inputs, other than quoted prices, which are derived from observable market transactions in an active market for identical assets or liabilities, includes currency or interest derivatives and interest bonds. These will typically be when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.

The third level in the above table, fair value based on unobservable inputs, includes financial instruments for which fair values are calculated on the basis of input and assumptions that are not from observable market transactions. This is typically investments in other companies and pension fund. The fair value presented in this category are mainly based on internal assumptions. The internal assumptions are only used in the absence of quoted prices from an active market or other observable price inputs for the financial instruments subject to the valuation.

Loans and receivables and financial liabilities
Loans and receivables and financial liabilities are measured at amortised cost. Due to the short-term nature, the carrying amount is a reasonable approximation of fair values, with the exception of financial borrowings, which are detailed in the table below.

	2010		2009	
Amounts in NOK million	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Bonds[1]	**3 194**	**3 236**	3 154	3 064
Other borrowings[2]	**5 030**	**5 033**	4 361	4 369
Total borrowings	**8 224**	**8 269**	7 515	7 433

1) Fair value is quoted prices for the bonds noted on the Oslo Stock Exchange. Notional amount is best approximation for the new bonds.

2) Credit facilities have floating interest and the notional amount is a reasonable approximation of fair values. Notional values of other loans are also expected to be a good approximation of fair values.

Note 34 Contingent events

Legal proceedings
Given the scope of the group's worldwide operations, group companies are inevitably involved in legal disputes in the course of their activities. Provisions have been made to cover the expected outcome of the disputes in so far as negative outcomes are likely and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties, and resulting liabilities may exceed recorded provisions.

Blind Faith
Aker Solutions has delivered a semi-submersible hull for Chevron Corporation's Blind Faith platform. The platform has been installed in the Gulf of Mexico, and production started in November 2008. Aker Solutions has initiated arbitration proceedings regarding compensation for various changes to the work and associated acceleration work. Chevron Corporation has presented various warranty claims and other claims against Aker Solutions and initiated a separate arbitration process in Houston. The disputes relate to both the contract for the construction and delivery of the hull and the separate contract for the tow and installation of the platform. Hearings in the two cases are to commence in the first and second quarter of 2011 respectively and should be completed in the second or third quarter of 2011. A final award is expected in the third quarter of 2011. Although there can be no assurance regarding the outcome, the expectation is that this will not have a material impact on Aker Solutions' financial position or results.

Note 35 Number of employees (unaudited)

	2010[1]	2009
Energy Development & Services	**9 297**	9 535
Subsea	**5 779**	5 276
Products & Technologies	**3 034**	3 027
Process & Construction	**425**	3 343
Other	**909**	952
Total Aker Solutions employees	**19 444**	22 133
Contract staff	**5 370**	7 804
Total	**24 814**	29 937
Employees in Norway	**10 972**	11 189
Employees outside Norway	**8 472**	10 944
Total Aker Solutions employees	**19 444**	22 133

1) Employees in 2010 is for continuing operations only.

Note 36 Group companies as of 31 December 2010

Company	Location	Country	Ownership (percent)[1]
Aker Solutions ASA	**Fornebu**	**Norway**	**100**
Aker Advantage Pty Ltd	Melbourne	Australia	100
Aker Marine Contractors Pty Ltd	Perth	Australia	100
Aker Process Systems Pty Ltd	Welshpool	Australia	100
Aker Solutions Australia Pty Ltd	Melbourne	Australia	100
Aker Solutions Oil & Gas Australia Pty Ltd	Melbourne	Australia	100
Aker Subsea Pty Ltd	Melbourne	Australia	100
Aker Wirth Australia Pty	Argenton	Australia	100
Aker Solutions Belgium NV/SA	Antwerp	Belgium	100
Aker Oilfeld Services Ltda	Rio de Janeiro	Brazil	100
Aker Solutions do Brasil Ltda	Curitiba	Brazil	100
Aker Chemetics Offshore Services Inc	Vancouver	Canada	100
Aker Construction Canada Ltd	Ontario	Canada	100
Aker Solutions Canada Inc	Vancouver	Canada	100
Aker Solutions Newfoundland Ltd[2]	Newfoundland	Canada	100
Aker Solutions Oilfield Services Canada Inc	Newfoundland	Canada	100
Aker Solutions Chile S.A.	Santiago	Chile	100
Aker Cool Sorption (Beijing) Technology Co Ltd	Beijing	China	100
Aker E&T (Shanghai) Co Ltd[3]	Shanghai	China	100
Aker Projects (Shanghai) Co Ltd	Shanghai	China	100
Aker Global Employment Ltd	Limasol	Cyprus	100
Aker Solutions Cyprus Ltd	Limasol	Cyprus	100
Aker Cool Sorption AS	Glostrup	Denmark	100
Aker Operations APS	Glostrup	Denmark	100
Aker Offshore OY	Pori	Finland	100
Aker Process Systems SAS	Vincennes Cedex	France	100
Aker Process GmbH	Lagenfeld	Germany	100
Aker Wirth GmbH	Erkelenz	Germany	100
Aker MH (India) Pvt Ltd[7]	Mumbai	India	100
Aker Powergas Pvt Ltd[2]	Mumbai	India	64
Aker Powergas Subsea Pvt Ltd	Mumbai	India	64
PT Aker Solutions E & C Indonesia Snd Bhd	Jakarta	Indonesia	100
PT Aker Solutions Indonesia	Jakarta	Indonesia	100
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Engineering Malaysia Snd Bhd	Kuala Lumpur	Malaysia	90
Aker Process Systems Asia Pacific Sdn Bhd	Shah Akam	Malaysia	100
Aker Solutions India Snd Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions Malaysia Snd Bhd	Kuala Lumpur	Malaysia	100
Phoenix Polymers Malaysia Ltd	Kuala Lumpur	Malaysia	100
Aker Solutions Asia Pacific Snd Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions (Mauritius) Ltd	Port Louis	Mauritius	100
Aker Solutions SA de CV	Lomas de Chaputtepec	Mexico	100
Aker Advantage BV	Gravenhage	Netherlands	100
Aker Oilfield Services BV	Amsterdam	Netherlands	100
Aker Process BV	Zoetermeer	Netherlands	100
Aker Process Engineering Services BV	Maastrichts	Netherlands	100
Aker Solutions BV	Zoetermeer	Netherlands	100
Aker Solutions Nigeria Ltd	Lagos State	Nigeria	100
Aker Advantage AS	Bergen	Norway	100
Aker Advantage Group AS[4]	Fornebu	Norway	100
Aker Business Services AS	Fornebu	Norway	100
Aker Contracting Russia AS	Fornebu	Norway	100
Aker Egersund AS	Egersund	Norway	100
Aker Elektro AS	Stord	Norway	100
Aker Engineering & Technology AS	Fornebu	Norway	100
Aker Geo AS	Stavanger	Norway	100
Aker Installation FP AS	Fornebu	Norway	100
Aker Insurance AS	Fornebu	Norway	100
Aker Insurance Services AS	Fornebu	Norway	100
Aker Jacket Technology AS	Verdal	Norway	100
Aker Kværner Contracting International (Spain) AS	Fornebu	Norway	100

Company	Location	Country	Ownership (percent)[1]
Aker Kværner Contracting Italy AS	Fornebu	Norway	100
Aker Marine Contractors AS	Fornebu	Norway	100
Aker MH AS	Kristiansand	Norway	100
Aker Midsund Bruk AS[5]	Midsund	Norway	100
Aker O&G Group AS	Fornebu	Norway	100
Aker Offshore Partner AS	Stavanger	Norway	100
Aker Oilfield Services AS	Oslo	Norway	100
Aker Oilfield Services Operations AS	Oslo	Norway	100
Aker Oilfield Services Shipholding AS	Oslo	Norway	100
Aker Operations AS	Stavanger	Norway	100
Aker P&C Americas AS	Fornebu	Norway	100
Aker P&C Europe AS	Fornebu	Norway	100
Aker P&C Group AS	Fornebu	Norway	100
Aker Piping Tecnology AS	Verdal	Norway	100
Aker Porsgrunn AS	Porsgrunn	Norway	100
Aker Process System International AS	Fornebu	Norway	100
Aker Process Systems AS	Fornebu	Norway	100
Aker Pusnes AS	Arendal	Norway	100
Aker Sakkyndig Virksomhet AS	Verdal	Norway	100
Aker Solutions AS	Fornebu	Norway	100
Aker Solutions Contracting AS	Lysaker	Norway	100
Aker Solutions Contracting Kazakhstan AS[2]	Fornebu	Norway	100
Aker Stord AS	Stord	Norway	100
Aker Subsea AS	Fornebu	Norway	100
Aker Subsea Russia AS	Fornebu	Norway	100
Aker Verdal AS	Verdal	Norway	100
Aker Well Service AS	Stavanger	Norway	100
AKOFS 1 AS	Oslo	Norway	100
AKOFS 2 AS	Oslo	Norway	100
AKOFS Angola AS	Oslo	Norway	100
AKOFS Wayfarer AS[2]	Fornebu	Norway	100
AMC Connector AS[6]	Oslo	Norway	100
Dovre Maling AS[2]	Verdal	Norway	100
Drilltech AS	Kristiansand S	Norway	100
First Interactive AS[8]	Stavanger	Norway	100
Hinna Base AS[2]	Stavanger	Norway	100
Jåttåvågen AS	Stavanger	Norway	93
K2 Hotellbygg AS[2]	Fornebu	Norway	93
KB eDesign AS	Oslo	Norway	100
Kværner Engineering AS Abu Dhabi Branch	Fornebu	Norway	100
Kværner Eureka AS	Tranby	Norway	100
Maritime Promeco AS	Kristiansand S	Norway	100

Company	Location	Country	Ownership (percent)[1]
Norwegian Contractors AS	Fornebu	Norway	100
Step Offshore AS	Hvalstad	Norway	100
Subsea Africa AS[2]	Oslo	Norway	100
Vind Sammenstilling AS[2]	Verdal	Norway	100
Aker Solutions Peru SA	San Isidro	Peru	100
Aker Kvaerner Caribe LLP	San Juan	Puerto Rico	98
Aker Kvaerner Gotech LLC	Al-Khobar	Saudi Arabia	51
Aker Process Gulf Ltd	Al-Khobar	Saudi Arabia	100
Aker MH (Singapore) Pte Ltd	Singapore	Singapore	100
Aker Solutions (Services) Pte Ltd	Singapore	Singapore	100
Aker Solutions Singapore Pte Ltd	Singapore	Singapore	100
Aker Wirth SCS Singapore Pty	Singapore	Singapore	100
Wirth CC Südafrica	Germiston	South Africa	100
Wirth Mining Service Pty Ltd	Middelburg	South Africa	100
Aker Pusnes Korea Co Ltd	Busan	South Korea	80
Pusnes Korea Industries Co Ltd[2]	Busan	South Korea	100
Kvaerner Water AB	Ørnskjøldsvik	Sweden	100
Aker Cool Sorption Siam Ltd	Rayong	Thailand	99
Aker Cool Sorption Thailand Ltd	Rayong	Thailand	100
Aker Kvaerner (Thailand) Ltd	Bangkok	Thailand	100
Aker Kvaerner E&C (Thailand) Ltd	Bangkok	Thailand	100
Aker Kvaerner E&C Holdings (Thailand) Ltd	Bangkok	Thailand	100
Aker Advantage Ltd	London	UK	100
Aker Business Services Ltd	London	UK	100
Aker Engineering & Technology Ltd	London	UK	100
Aker MH UK Ltd	Aberdeen	UK	100
Aker Offshore Partner Ltd	London	UK	100
Aker Process Ltd	London	UK	100
Aker Process Systems Ltd	Aberdeen	UK	100
Aker Qserv Ltd	Aberdeen	UK	100
Aker Solutions Angola Ltd	Maidenhead	UK	100
Aker Solutions DC Trustees Ltd	London	UK	100
Aker Solutions E & C International Ltd	London	UK	100
Aker Solutions E&C Ltd	Stockton on Tees	UK	100
Aker Solutions India Ltd	Cardiff	UK	100
Aker Subsea Ltd	Maidenhead	UK	100
Aker Well Services Ltd	Aberdeen	UK	100
Phoenix Polymers International Ltd	Aberdeen	UK	100
Qserv Pipeline & Process Ltd	London	UK	100
Woodfield Systems Co Ltd	Kent	UK	100
Aker Kvaerner Well Service LLC	Muscat	The Emirates	70
Aker MH FZE	Dubai	The Emirates	100

Company	Location	Country	Ownership (percent)[1]
Aker Advantage Inc	Houston	USA	100
Aker Business Services Inc	Houston	USA	100
Aker Construction Inc	Pensylvania	USA	100
Aker Field Development Inc	Houston	USA	100
Aker Industrial Constructors Inc	Pennsylvania	USA	100
Aker Kvaerner Pharmaceuticals LLC	Houston	USA	100
Aker Kvaerner Power Inc	Charlotte	USA	100
Aker Kvaerner Process Systems US Inc	Houston	USA	100
Aker Kvaerner US LLP	Houston	USA	100
Aker Kvaerner Willfab Inc	Williamsport	USA	100
Aker Marine Contractors US Inc	Houston	USA	100
Aker Maritime US Inc	Delaware	USA	100
Aker Metals Inc	Tuscon	USA	100
Aker MH Inc	Katy	USA	100
Aker Michigan Inc	Michigan	USA	100
Aker Oil & Gas US LLC	Houston	USA	100
Aker P&C Inc	Houston	USA	100
Aker P&C US Inc	Houston	USA	100
Aker Solutions Americas Inc	Wilmington	USA	100
Aker Solutions Chile Corporation	Houston	USA	100
Aker Solutions USA Corporation	Houston	USA	100
Aker Strategic Operations Inc	Washington	USA	100
Aker Subsea Inc	Houston	USA	100
Aker US Holdings Inc	Houston	USA	100
Aker Well Services Inc	Houston	USA	100
Aker Wirth International LP	Houston	USA	90
Aker Wirth Management Inc	Dover	USA	100
DSI Constructors	Houston	USA	100
Kvaerner Process Services Inc	Houston	USA	100
RIG Specialities Inc	Houston	USA	100
Wirth Service Inc	North Charleston	USA	100

1) Ownership equaling the percentage of voting shares.
2) New companies in 2010
3) Changed name from Aker E&C (Shanghai) Co Ltd
4) Changed name from Kogas AS
5) Changed name from Midsund Bruk AS
6) Changed name from AKOFS 4 AS
7) Increased ownership from 51 percent in 2009
8) Increased ownership from 60 percent in 2009

Note 37 Subsequent events

Dividend
The Board of Directors of Aker Solutions will propose an ordinary dividend of NOK 2.75 per share.

Completion of sale of its principal Process and Construction businesses
Aker Solutions has on 1 February 2011 completed the sale of the principal operations within its Process and Construction business area to Jacobs Engineering Group Inc. (Jacobs). As disclosed on 22 December 2010, the transaction does not include the US EPC centre in Houston, and the Union Construction business located in the US and Canada. Aker Solutions retains Aker Projects (Shanghai) Company Limited until such time as the requisite regulatory clearances in China have been obtained.

The transaction value is estimated to be approximately NOK 5.5 billion (USD 913 million), subject to closing adjustments Net gain for Aker Solutions compared to book value of the businesses is estimated to be a total of NOK 2.4 billion (USD 400 million). The purchase price as determined prior to any adjustments based on the closing date balance sheet has been paid in cash, of which USD 30 million to an escrow account pending China regulatory clearance for the sale of Aker Projects (Shanghai) Company Limited to Jacobs.

Hitachi–Council Bluffs power plant
In February 2011 the rulings from Phase 2 hearings were announced related to the 2003 contract with Hitachi America Ltd. Hitachi was awarded damages but the conclusion did not have a material effect on the financial statements of Aker Solutions.

Completion of sale of Aker Marine Contractors
Aker Solutions has on 1 March 2011 completed the transfer of ownership of subsidiary Aker Marine Contractors (AMC) to Singapore listed Ezra Holdings Ltd. In the transaction, AMC is valued at USD 250 million. Ezra has settled the transaction by paying Aker Solutions USD 50 million in cash, USD 100 million in shares in Ezra Holdings Ltd, and USD 50 million in a convertible bond with maturity after 36 months. The share instruments have been valued on weighted average price per share over the last 30 days preceding signing. The final USD 50 million plus interest will be settled in cash on and subsequent to delivery of the AMC Connector vessel. Upon delivery of AMC Connector, Ezra will take 50 percent ownership in the vessel owning company. The other half will remain under Aker Solutions ownership.

Aker Solutions ASA

Income statement 1.1 – 31.12

Amounts in NOK million	*Note*	**2010**	2009
Operating revenue		**48**	18
Operating expenses	*2*	**(237)**	(113)
Operating loss		**(189)**	(95)
Income from investments in subsidiaries		**3 018**	900
Net financial items	*3*	**384**	307
Profit before tax		**3 213**	1 112
Income tax expense	*4*	**(60)**	(60)
Profit for the period		**3 153**	1 052
Profit for the period distributed as follows:			
Proposed dividends		**741**	701
Other equity		**2 412**	351
Profit for the period		**3 153**	1 052
Group contribution against investment in shares		**187**	260

Aker Solutions ASA

Balance sheet 1.1 – 31.12

Amounts in NOK million	*Note*	**2010**	2009
Assets			
Deferred tax asset	*4*	**37**	16
Investments in group companies	*5*	**7 256**	7 071
Non-current interest-bearing receivables from group companies	*7*	**8 000**	13 993
Other non-current interest-bearing receivables	*8*	**220**	178
Total non-current assets		**15 513**	21 258
Current interest-bearing receivables from group companies	*7*	**10 791**	3 770
Non-interest bearing receivables from group companies	*7*	**3 310**	1 469
Other current receivables	*9*	**486**	326
Cash in cash pool system	*7*	**298**	1 100
Total current assets		**14 885**	6 665
Total assets		**30 398**	27 923
Equity and liabilities			
Issued capital		**548**	548
Treasury shares		**(9)**	(9)
Share premium reserve		**4 279**	4 279
Other equity		**5 911**	3 509
Total equity	*6*	**10 729**	8 327
Non-current borrowings	*10*	**6 169**	6 689
Total non-current borrowings		**6 169**	6 689
Current borrowings	*10*	**572**	104
Current borrowings from group companies	*7*	**11 111**	10 918
Provision for dividend	*6*	**741**	701
Non interest-bearing liabilities from group companies	*7*	**730**	821
Other current liabilities	*9*	**346**	363
Total current liabilities		**13 500**	12 907
Total liabilities and equity		**30 398**	27 923

Fornebu, 9 March 2011
Board of Directors and President & CFO of Aker Solutions ASA

Øyvind Eriksen
Chairman

Lone Fønns Schrøder

Kjell Inge Røkke

Vibeke Hammer Madsen

Mikael Lilius

Ida Helliesen

Atle Teigland

Åsmund Knutsen

Arild Håvik

Arve Toft

Leif Hejø Borge
President & CFO

Aker Solutions ASA

Statement of cash flow 1.1 – 31.12

Amounts in NOK million	**2010**	2009
Profit before tax	**3 213**	1 112
Changes in other net operating assets	**(3 685)**	(525)
Net cash from operating activities	**(472)**	587
Proceeds from borrowings	**-**	2 850
Repayment of borrowings	**(100)**	(2 480)
Changes in net borrowings from group companies	**470**	(856)
Proceeds from employees share purchase program	**56**	46
Repurchase of treasury shares	**(56)**	(20)
Dividends to shareholders	**(700)**	(431)
Net cash from financing activities	**(330)**	(891)
Net increase (decrease) in cash and bank deposits	**(802)**	(304)
Cash in cash pool system at the beginning of the period	**1 100**	1 404
Cash in cash pool system at the end of the period[1]	**298**	1 100

[1]) *Unused credit facilities in NOK and EUR amounted to NOK 5.1 billion as described in note 10 borrowings.*

Aker Solutions ASA

Notes to the financial statements

Note 1 Accounting principles

Aker Solutions ASA is a company domiciled in Norway. The accounts are presented in conformity with Norwegian legislations and Norwegian generally accepted accounting principles.

Investment in subsidiaries and associates
Investments in subsidiaries and associates are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are according to good accounting practice recognised when the impairment is considered not to be temporary and reversed if the basis for the write-down is no longer present.

Dividends and other distributions are recognised as income the same year as they are appropriated in the subsidiary. If the dividend exceeds accumulated profits in the subsidiary after the day of acquisition the payment is treated as a reduction of the carrying value of the investment.

Classification and valuation of balance sheet items
Current assets and current liabilities include items due within one year or items that are part of the operating cycle. The rest is classified as fixed assets/non-current debt.

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

Fixed assets are valued at cost less accumulated depreciation, but are written down to fair value if impairment is not expected to be temporary. Non-current debts are initially valued at transaction value less attribute transaction cost. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

Trade receivables and other receivables are recognised at nominal value less provision for expected losses. Provision for expected losses is considered on an individual basis.

The cash flow statement is established according to the indirect method. Cash in cash pool system is the parent company's cash as well as net deposits from subsidiaries in the group cash pooling systems owned by the parent company. Correspondingly, the parent company's current debt to group companies will include the same net deposits in the group's cash pooling system.

Costs for purchase of own shares including transaction costs are accounted for directly against equity. Sale of own shares are done according to stock- exchange quotations at the time of award and accounted for as increase in equity.

Foreign currency and interest swaps
Cash, receivables and foreign currency debt are valued at the exchange rate at the end of the fiscal year. Subsidiaries have entered into agreements with the parent company to hedge their foreign exchange exposure. In the parent company, this risk is hedged in the external financial markets. All agreements are booked at fair value with any gains or losses booked against the income statement.

In order to reduce the financial market exposure, interest swap agreements are entered. The market value of interest rate swaps classified as cash flow hedging (from floating to fixed interest) is accounted for directly against equity and reflected in the profit and loss in line with the future interest. The value of interest rate swaps classified as fair value hedging (from fixed to floating interest) is accounted for through profit and loss. At the same time is a corresponding adjustment to the carrying value of the borrowing accounted for.

Tax
Tax expense in the income statement comprises current tax and changes in deferred tax. Deferred tax is calculated as 28 percent of temporary differences between accounting and tax values as well as any tax losses carry forward at the year end. Net deferred tax assets are recognised only to the extent it is probable that they will be utilised against future taxable profits.

Note 2 Operating expenses

There are no employees in Aker Solutions ASA and hence no salary or pension related costs and also no loan or guarantees related to the executive management team. Group management and corporate staff are employed by other Aker Solutions companies and costs for their services as well as other parent company costs are charged to Aker Solutions ASA. Remuneration to and shareholding of acting managing director Leif Hejø Borge, is described in note 10 Salaries, wages and social security costs in the consolidated accounts.

Fees to KPMG for statutory audit of the parent company amounted to NOK 3 million and fees for other assurance services amounted to NOK 1.4 million excluding VAT.

Note 3 Net financial items

Amounts in NOK million	**2010**	2009
Interest income from group companies	**926**	845
Interest expense to group companies	**(144)**	(137)
Net interest group companies	**782**	708
Interest income from external companies	**10**	7
Interest expense to external	**(417)**	(415)
Net interest external	**(407)**	(408)
Write-down on financial fixed assets	**(185)**	(12)
Other financial income	**4**	4
Other financial expense	**(57)**	-
Net foreign exchange gain	**247**	15
Net other financial items	**194**	19
Net financial items	**384**	307

Note 4 Tax

Amounts in NOK million	**2010**	2009
Calculation of taxable income		
Profit before tax	**3 213**	1 112
Group contribution without tax	**(3 000)**	(900)
Permanent differences	**1**	-
Change in timing differences	**57**	439
Transferred to (utilisation of) tax loss carried forward	**-**	(289)
Taxable income	**271**	362
Positive and (negative) timing differences		
Write down on current interest-bearing receivables from group companies	**(197)**	(12)
Unrealised gain(loss) on forward exchange contracts	**93**	(35)
Interest rate swaps	**(27)**	(11)
Basis for deferred tax	**(131)**	(58)
Deferred tax in income statement	**29**	13
Deferred tax in equity	**8**	3
Deferred tax asset	**37**	16
Tax expense		
Origination and reversal of temporary differences in income statement	**16**	122
Benefit of tax losses recognised	**-**	(80)
Payable tax	**(73)**	(101)
Withholding tax paid	**(3)**	(1)
Total tax expense in income statement	**(60)**	(60)

Note 5 Investments in group companies

Amounts in NOK million	Registered office	Share capital	Number of shares held	**Book value**	Percentage owner-/ voting share
Aker P&C Group AS	Fornebu, Norway	500	500 000	**1 067**	100%
Aker O&G Group AS	Fornebu, Norway	1 110	1 110 000	**5 870**	100%
Aker Oilfield Services AS[1]	Oslo, Norway	321	10 379 470	**319**	32.29%
Total investments in group companies				**7 256**	

1) The remaining 67,71 percent of the shares in Aker Oilfield Services AS are held by Aker Solutions AS meaning that Aker Solutions ASA direct and indirect owns 100 percent of the shares.

Aker Solutions ASA has in 2010 given group contributions with tax to tier-subsidiaries. The equity value of these are booked against the shares in the subsidiaries holding these tier-subsidiaries. Thereby the value of the shares in Aker O&G Group AS are increased by NOK 138 million and the shares in Aker Oilfield Services AS are increased by NOK 49 million.

Note 6 Shareholders' equity

Amounts in NOK million	Share capital	Own shares	Share premium	Other equity	**Total**
Equity as of 1 January 2009	548	(10)	4 279	3 105	7 922
Change in 2008 dividend				(1)	(1)
Shares issued to employees trough share program		2		44	46
Share buy back		(1)		(19)	(20)
Profit for the period				1 052	1 052
Proposed dividend				(701)	(701)
Cash flow hedge[1]				29	29
Equity as of 31 December 2009	548	(9)	4 279	3 509	8 327
Change in 2009 dividend				1	**1**
Shares issued to employees through share program[2]		1		55	**56**
Share buy back[3]		(1)		(55)	**(56)**
Profit for the period				3 153	**3 153**
Proposed dividend				(741)	**(741)**
Cash flow hedge[1]				(11)	**(11)**
Equity as of 31 December 2010	548	(9)	4 279	5 911	**10 729**

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

2) The Board of Directors of Aker Solutions ASA has approved a share purchase program for employees . Employees participating in the program are committed to a monthly saving and the number of shares awarded are dependent of the share price at the time of award. Participants still holding the shares at the date for award of bonus shares will receive one share for every two shares bought under the program. The costs of the program are covered by each company.
Bonus share award for the March 2009 to February 2010 program will take place in September 2011. The number of participart are 4 034 with 1 016 570 shares bought under the program still held by end of 2010 thereby giving right to 508 285 bonus shares. Bonus share award for the March 2010 to February 2011 program will take place in September 2012. The number of participants are 3 685 with 475 314 shares bought under the program still held by end of 2010 thereby giving right to 237 657 bonus shares.

3) During 2010 a total of 680 000 own shares have been acquired in the market. The number of own shares held by end of 2010 were 4 590 978 and are held for the purpose of being used for future awards under the share saving program for employees, as settlement in future corporate acquisitions or for other purpose as decided by the Board of Directors.

Proposed dividend exclude dividend on owns shares held as of 31 December.

The share capital of Aker Solutions ASA is divided into 274 000 000 shares with a nominal value of NOK 2. The shares can be freely traded. An overview of the company's largest shareholders is to be found in page 78 Share and shareholder information.

Note 7 Receivables and borrowings from group companies

Amounts in NOK million	**2010**	2009
Group companies deposits in the cash pool system	**8 687**	9 076
Group companies borrowings in the cash pool system	**(138)**	(213)
Aker Solutions ASA's net borrowings in the cash pool system	**(8 251)**	(7 763)
Cash in cash pool system	**298**	1 100
Current interest-bearing receivables from group companies	**10 791**	3 770
Non-current interest-bearing receivables from group companies	**8 000**	13 993
Current borrowings from group companies	**(11 111)**	(10 918)
Other net interest-bearing receivables from group companies	**7 680**	6 845
Non interest-bearing receivables from group companies	**3 310**	1 469
Current non interest-bearing borrowings from group companies	**(730)**	(821)
Net non interest-bearing receivables from group companies	**2 580**	648
Total net receivables from group companies	**10 558**	8 593

All current receivables/borrowings are due within one year.

Aker Solutions ASA is the owner of the cash pool system arrangements with DnBNOR, Nordea, The Royal Bank of Scotland and Banc Itau. The cash pool systems cover a majority of the group geographically and assure good control and access to the group's cash. Group companies' participation in the cash pool systems are decided by each company's Board of Directors and confirmed by a statement of participation. The participants in the cash pool system are joint and several liable and it is therefore important that Aker Solutions as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub account can be set-off against any credit balance. A debit balance does hence represent a claim on Aker Solutions ASA and a credit balance a borrowing from Aker Solutions ASA.

The cash pool systems were showing a net balance of NOK 298 million per 31 December. This amount is reported in Aker Solutions ASA's accounts as short term borrowings from group companies and as cash in cash pool system.

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

Other current receivables and other current liabilities include unrealised forward exchange contracts with group companies as described in note 12 Financial risk management and financial instruments as well as receivables and liabilities related to NOK 3 018 million in group contributions received and NOK 258 million in group contributions paid and other short term group receivables/liabilities.

Note 8 Other non-current interest-bearing receivables

Amounts in NOK million	**2010**	2009
Other non-current interest-bearing receivables	**220**	178
Total other non-current interest-bearing receivables	**220**	178

Other interest-bearing receivables consist of loans to the two jointly controlled companies, Caspian Sea Solutions BV of NOK 8 million and Aker Dof Deepwater AS of NOK 210 million. In addition to this they comprise a deposit in Stiftelsen Aker Solutions Kompensasjonsording of NOK 2 million.

Note 9 Other current receivables and current liabilities

Amounts in NOK million	**2010**	2009
Other current receivables	**486**	326
Other current liabilities	**(346)**	(363)
Net other current receivables and liabilities excluding tax and dividend	**140**	(37)
Dividend	**(741)**	(701)
Deferred tax assets	**37**	16
Deferred tax liabilities	**-**	-
Net other current liabilities	**(564)**	(722)

Other current receivables and other current liabilities include unrealised forward exchange contracts with external counterparts as well as unrealised receivables and losses related to interest rate swaps and accrued costs as described in note 12 Financial risk management and financial instruments.

Note 10 Borrowings

Contractual terms of group's interest-bearing loans and borrowings which are measured at amortised cost. For more information about the the group's exposure to interest rates, foreign currency and liquidity risk, see note 12 Financial risk management and financial instruments.

2010

Amounts in million	Currency	Nominal currency value	**Book value**	Interest rate[4]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341324	NOK	572	**572**	2.51%	1.05%	3.56%	01.12.2011	Floating, 3 months
ISIN NO 0010341332	NOK	300	**299**	2.51%	1.35%	3.86%	01.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	**150**	6.00%		6.00%	01.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	**1 988**	8.70%		8.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	**185**	2.62%	4.75%	7.37%	26.06.2014	Floating, 3 months
Total bonds[1]			**3 194**					
Revolving credit facility	EUR	750	**2 792**	2.40%	0.73%		25.10.2012	LIBOR + Margin[2]
Revolving credit facility	NOK	2 000	**-**		1.75-2.50%		19.12.2011	LIBOR + Margin[3]
Total credit facility			**2 792**					
Term loan	NOK	750	**755**	2.58%	2.00%	4.58%	01.10.2014	NIBOR, 3 months
Total borrowings			**6 741**					
Current borrowings			**572**					
Non-current borrowings			**6 169**					
Total			**6 741**					

2009

Amounts in million	Currency	Nominal currency value	Book value	Interest rate[4]	Fixed interest margin	Interest coupon	Maturity date	Interest terms
ISIN NO 0010341324	NOK	572	570	2.01%	1.05%	3.06%	01.12.2011	Floating, 3 months
ISIN NO 0010341332	NOK	300	297	2.01%	1.35%	3.36%	01.12.2013	Floating, 3 months
ISIN NO 0010342587	NOK	150	149	6.00%		6.00%	01.12.2013	Fixed, annual
ISIN NO 001050461.6	NOK	1 913	1 953	8.70%		8.70%	26.06.2014	Fixed, annual
ISIN NO 001050460.8	NOK	187	185	2.13%	4.75%	6.88%	26.06.2014	Floating, 3 months
Total bonds[1]			3 154					
Revolving credit facility	EUR	750	2 886		0.83%		25.10.2012	LIBOR + Margin[2]
Revolving credit facility	NOK	2 000	-		1.75-2.50%		19.12.2011	LIBOR + Margin[3]
Total credit facility			2 886					
Term loan	NOK	750	753	2.00%	2.00%	4.00%	01.10.2014	NIBOR, 3 months
Total borrowings			6 793					
Current borrowings			104					
Non-current borrowings			6 689					
Total			6 793					

1) The book value is calculated by reducing the nominal value of NOK 3 122 million by total issue costs related to the new financing of NOK 32 million (NOK 12 million in 2009). Accrued interest and issue costs related to the bonds is included.
2) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 40 percent of the margin.
3) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 50 percent of the margin.
4) The interest rate applicable for the floating rate loans are the interest rate fixed over year end.

Norwegian bonds
Aker Solutions has issued five bonds which mature in one, three (two loans) and four years (two loans). The bonds which matures in one and three years were issued on 1 December 2006, while the other two bonds were issued on 26 June 2009. The bonds are denominated in Norwegian kroner and are issued in the Norwegian bond market. Three of the bonds are issued based on a floating interest rate plus a predefined margin. The bonds with notional value of NOK 150 million and NOK 1 913 million have a fixed interest rates of 6.0 and 8.7 percent respectively.

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.

The bonds issued in 2006 are listed on the Oslo Stock Exchange.

Bank debt
The bank debt consists of two revolving credit facilities of EUR 750 million with initial maturity in October 2012 and NOK 2 000 million maturing in December 2011. The facilities are provided by a bank syndicate consisting of Nordic and high quality international banks. The EUR 750 million facility was drawn to NOK 2 800 million at year end 2010 and the NOK 2 000 million facility was undrawn. In addition, a credit facility of NOK 750 million with initial maturity in October 2014 was established in 2009 and was fully drawn at December 2010. The terms and conditions include restrictions which are customary for this kind of facility, including inter alia negative pledge provisions and restrictions on acquisitions, disposals and mergers. There are also certain changes of control provisions included. The facility includes no dividend restrictions and is unsecured.

The financial covenants are based on two sets of key financial ratios; a gearing ratio based on gross debt/EBITDA and an interest coverage ratio based on EBITDA/net finance costs. The financial covenants are tested on a quarterly basis. The margin applicable to the facility is based on a price grid determined by the gearing ratio. See note 5 Financial risk management and exposures to the consolidated accounts for more information regarding capital risk in the group.

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. The revolving facility is hedged to fixed rate through an interest rate swap for NOK 1 300 million.

Financial liabilities and the period in which they mature

2010

Amounts in NOK million	Book value	**Total undiscounted cash flow**	6 mths and less	6-12 mths	1-2 years	2-5 years
ISIN NO 0010341324	(572)	**(572)**	-	(572)		-
ISIN NO 0010341332	(299)	**(300)**	-	-	-	(300)
ISIN NO 0010342587	(150)	**(150)**	-	-	-	(150)
ISIN NO 001050461.6	(1 988)	**(1 913)**	-	-	-	(1 913)
ISIN NO 001050460.8	(185)	**(187)**				(187)
Interest on bonds		**(955)**	(226)	(50)	(236)	(443)
Total	(3 194)	**(4 077)**	(226)	(622)	(236)	(2 993)
Revolving credit facility (EUR 750 million)[1]	(2 792)	**(2 800)**	-	-	(2 800)	
Revolving credit facility (NOK 2 000 million)	-	**-**	-	-	-	-
Total credit facility	(2 792)	**(2 800)**	-	-	(2 800)	-
Term loan (NOK 750 million)	(755)	**(750)**	-	-	-	(750)
Interest on revolving credit facility and other bank debt		**(513)**	(68)	(81)	(150)	(214)
Total borrowings	(6 741)	**(8 140)**	(294)	(703)	(3 186)	(3 957)

2009

Amounts in NOK million	Book value	**Total undiscounted cash flow**	6 mths and less	6-12 mths	1-2 years	2-5 years
ISIN NO 0010341324	(570)	(572)	-	-	(572)	-
ISIN NO 0010341332	(297)	(300)	-	-	-	(300)
ISIN NO 0010342587	(149)	(150)	-	-	-	(150)
ISIN NO 001050461.6	(1 953)	(1 913)	-	-	-	(1 913)
ISIN NO 001050460.8	(185)	(187)				(187)
Interest on bonds		(834)	(187)	(29)	(216)	(402)
Total	(3 154)	(3 956)	(187)	(29)	(788)	(2 952)
Revolving credit facility (EUR 750 million)	(2 886)	(2 900)	-	-	-	(2 900)
Revolving credit facility (NOK 2 000 million)	-	-	-	-	-	-
Total credit facility	(2 886)	(2 900)	-	-	-	(2 900)
Term loan (NOK 750 million)	(753)	(750)	-	-	-	(750)
Interest on revolving credit facility and other bank debt		(550)	(66)	(80)	(166)	(238)
Total borrowings	(6 793)	(8 156)	(253)	(109)	(954)	(6 840)

1) *Cash from the sale of the Process & Construction business was used to repay all of the EUR 750 million revolving credit as per February 2011. Se note 7 Disposal groups and discontinued operations to the consolidated accounts for information about sale.*

Note 11 Guarantees

Amounts in NOK million	2010	2009
Parent company guarantees to group companies[1]	80 912	37 341
Counter guarantees for bank/surety bonds[2]	7 672	7 284
Total	**88 584**	44 625

1) Parent Company Guarantees to support subsidiaries in contractual obligations towards clients.

2) Bank guarantees and surety bonds are issued on behalf of Aker Solutions subsidiaries, and counter indemnified by Aker Solutions ASA.

Note 12 Financial risk management and financial instruments

Currency risk and balance sheet hedging

	2010		2009	
Amounts in NOK million	**Assets**	**Liabilities**	Assets	Liabilities
Options	**8**	**(7)**	1	(2)
Forward exchange contracts with group companies	**244**	**(378)**	353	(370)
Forward exchange contracts with external counterparts	**419**	**(187)**	274	(290)
Total	**671**	**(572)**	628	(662)

Aker Solutions ASA enters into approximately 10 000 currency hedging contracts with subsidiaries a year at a total value of about NOK 59 billion. Large contracts are hedged back-to-back with external banks, while minor contracts are hedged after internal netting. Contracts that are hedged directly represents about 80% of the total exposure but only a small number of the total contracts. The treasury function within Aker Solutions ASA has a mandate to hold small 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 at a market to market basis. All instruments are booked at fair value as per 31 December.

Equity investments in foreign subsidiaries are normally not hedged.

Interest rate risk

	2010		2009	
Amounts in NOK million	**Assets**	**Liabilities**	Assets	Liabilities
Interest rate swaps - cash flow and fair value hedge	**61**	**(31)**	2	(28)
Interest rate swaps not subject to hedge accounting	**-**	**-**	4	(4)
Total	**61**	**(31)**	6	(32)

According to internal policy should about 30-50 percent of the company's gross external borrowing be at fixed interest rates with duration according to the remaining duration of the borrowing. As per year end about 31% of the external borrowings were at fixed interest. Hedge accounting is applied through both cash flow and fair value hedging. As of 31 December 2010, Aker Solutions group had one bond of NOK 150 million with fixed interest rates at 6 percent and one bond of NOK 1 913 million with fixed interest rate of 8.7 percent. At year end, there were interest rate swaps with floating interest hedging NOK 1 100 million of the fixed interest bonds. In addition, Aker Solutions had three bonds totalling NOK 1 056 million at floating interest rates and hereof NOK 400 million were swapped to fixed interest. NOK 1 300 million of drawings under committed facilities are swapped to 12 months fixed rate from 15 January 2010. A credit facility of NOK 750 million with floating interest was established in 2009 where NOK 375 million are swapped to fixed interest.

Floating interest is mainly tied to NIBOR and LIBOR. Hedge accounting is applied using the cash flow hedge accounting model which means that gains and losses on interest rate swap from floating to fixed interest rates as of 31 December 2010 are recognised in the hedging reserve in equity and will be continuously released to the income statement until the repayment of the bank borrowings. The value of interest rate swaps classified as fair value hedging (from fixed to floating interest) is accounted for through profit and loss. At the same time is a corresponding adjustment to the carrying value of the borrowing accounted for.

Credit risk

Credit risk relates to loans to subsidiaries and associated companies, overdraft in the group cash pool, hedging contracts, guarantees to subsidiaries and deposits with external banks. Loans to subsidiaries are assessed by the internal credit committee. Loss provisions are made in situations of negative equity and were the company is not expected to be able to fulfil it's loan obligations from future earnings. External deposits and forward contracts are done according to a list of approved banks and primarily with banks were the company also have a borrowing relation. The existence of netting agreements between Aker Solutions ASA and the relations 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 are managed through maintaining sufficient cash and available credit facilities. The development in the groups and thereby Aker Solutions ASA available liquidity is continuously monitored through weekly and monthly cash forecasts, annual budgets and long term planning.

Note 13 Related parties

Aker Solutions ASA's contract with Intellectual Property Holding AS and agreement with Aker ASA regarding pension obligation in US are described in note 8 Related parties to the consolidated accounts.

Note 14 Shareholders

As of 31 December 2010

Shareholders with more than 1 percent shareholding

Company	Nominee	Number of shares held	Owership
Aker Holding AS		110 333 615	40.27%
Folketrygdfondet		10 802 522	3.94%
State Street Bank & Trust Co	x	10 568 829	3.86%
JPMorgan Chase Bank	x	8 110 997	2.96%
Bank of New York Mellon	x	7 348 640	2.68%
The Nortern Trust C.O.	x	4 951 919	1.81%
State Street Bank & Trust Co	x	4 830 832	1.76%
JPMorgan Chase Bank	x	4 773 864	1.74%
Aker Solutions ASA		4 590 978	1.68%
Fidility Fund-Europ.Growth		4 382 723	1.60%
Clearstream Banking	x	4 124 671	1.51%

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

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 2010, 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 December 31, 2010, and the income statement and the statement of 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 Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting standards and practices 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 Managing Director 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.

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

Independent auditor's report
Aker Solutions ASA

Opinion on the separate financial statement

In our opinion, the parent company's financial statements give a true and fair view of the financial position of Aker Solutions ASA as at December 31, 2010, 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 give a true and fair view of the financial position of Aker Solutions ASA and its subsidiaries as at December 31, 2010, 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

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 concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit 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 company's 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, 16 March 2011
KPMG AS

Asbjørn Ness
State Authorized Accountant (Norway)

Share and shareholder information

Aker Solutions is committed to maintaining an open and direct dialogue with its investors, analysts and the financial market in general.

One goal is that the share price will reflect the company's underlying value by making all share price-relevant information available to the market at the right time. Weight is also given to equal treatment of the various players in the financial market concerning access to such information. Aker Solutions' objective is that its shareholders will achieve a competitive return on their shares over time through a combination of dividend, share buy-backs and the rise in the share price.

The Aker Solutions share is listed on the Oslo Stock Exchange's main OBX list (ticker: AKSO), and is registered in the Norwegian Central Securities Depository with DnB NOR Bank as registrar. Its securities registration number is ISIN NO0010215684. Aker Solutions ASA was listed on the Oslo Stock Exchange on 2 April 2004.

The share in 2010

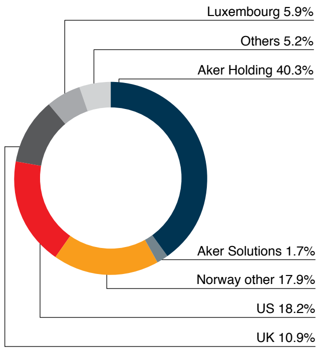
The closing share price as of 31 December 2010 was NOK 99.25, which gave the company a total market capitalisation of NOK 27.2 billion (20.7 billion as of year end 2009). A total of 502.3 million Aker Solutions shares were traded during 2010, representing 3.1 times the company's freely tradable stock. The latter amounted to 59.73 percent of total issued shares in 2009, with the remaining 40.27 percent owned by Aker Holding AS. The share was traded on all the 252 possible trading days. The average daily volume traded was 2.0 million shares, which represents a turnover rate of 183.3 percent.

Shares and share capital

Aker Solutions ASA has 274 000 000 ordinary shares with a par value of NOK 2 (see the consolidated financial statements on page 23). Aker Solutions has a single share class and each share carries one vote. The company owned 4 590 978 of its own (treasury) shares at 31 December 2010, or 1.7 percent of the total. No shares were issued in 2010.

Shareholders

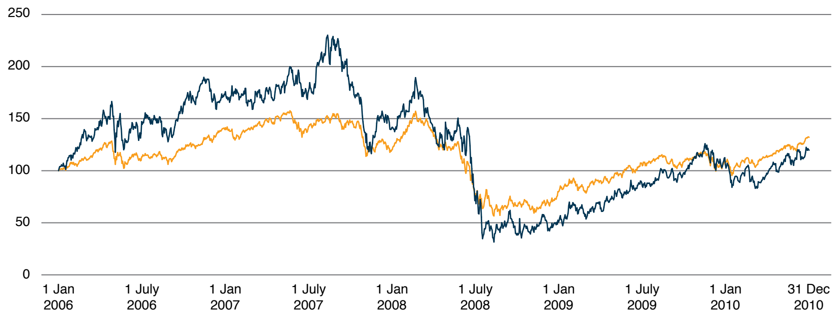
By geographical area
as of 31 Dec. 2010



Source: Norwegian Central Securities Depository (VPS)

Indexed share price development in NOK

■ Aker Solutions ■ Oslo Børs benchmark index



Key figures for the Aker Solutions share 2010

		2010	2009
Highest closing share price	NOK	**104.4**	77.2
Lowest closing share price	NOK	**68.9**	29.40
Average closing share price	NOK	**85.8**	53.09
Closing price as of 31 Dec.	NOK	**99.25**	75.45
Market capitalisation as of 31 Dec.	NOK million	**27 194**	20 673
Daily turnover	No. of shares	**1 993 282**	2 380 833
Turnover ratio	Percent	**183.3**	218.1
Own (treasury) shares as of 31 Dec.	No. of shares	**4 590 978**	4 643 285
Shares issued and outstanding as of 31 Dec.	No. of shares	**274 000 000**	274 000 000
Basic earnings per share	NOK		8.40
Earnings per share continuing operations	NOK		8.39
Credit rating	Fitch	**BBB-**	BBB-
Non-Norwegian shareholders	Percent	**43.5**	45.0

Shareholder structure

Aker Solutions had 10 584 shareholders as of 31 December 2010, of whom 1 470 (13.9 percent) were non-Norwegian. At year end 43.5 percent of the shares were owned by foreign investors, a slight decrease from 45 percent the year before. 70.8 percent of the share capital was owned by the company's 20 largest shareholders at year end 2010. The largest shareholder in Aker Solutions is Aker Holding AS, which owned 40.27 percent of the shares as of 31 December 2010. Aker ASA holds a controlling 60 percent stake in Aker Holding. The Norwegian Government owns 30 percent of Aker Holding's shares and Swedish companies SAAB AB and Investor AB hold 7.5 percent and 2.5 percent respectively. For more information on the principal shareholder, see the chapter concerning corporate governance on page 82.

Dividend policy

The company's goal is that the average dividend over time should amount to 30-50 percent of the Aker Solutions group's net profit through cash payments and/or share buy-backs. The size of the dividend is assessed in relation to alternative uses for the funds and the desire to continue strengthening the financial structure. The Board will propose to the Annual General Meeting that a total dividend of NOK 2.75 per share be paid for 2010, corresponding to 38 percent of the net annual profit per share. The dividend will be paid out to shareholders of record on the date of the Annual General Meeting.

The following table shows the dividends per share paid by Aker Solutions for the period 2007–2010:

Year	Dividend
2007	NOK 3.00
2008	NOK 1.60
2009	NOK 2.60
2010 – Proposed	NOK 2.75

Current board mandates

The Annual General Meeting of Aker Solutions held on 8 April 2010 mandated the board of directors to acquire the company's own shares up to a total par value of NOK 54 800 000. This mandate also covers the use of treasury shares as security. The lowest price per share to be paid under this mandate is NOK 1, the highest is NOK 300. The board is otherwise free to determine the way in which treasury shares should be bought or sold. The mandate is valid until the 2011 Annual General Meeting or until 30 June 2011, whichever occures first.

Acquisition of own shares

The company's share buy-back programme continued under the board mandate granted by the 2010 Annual General Meeting. The board has authorised the company's management to buy back up to five percent of the outstanding shares. This programme runs until the next Annual General Meeting on 6 May 2011. As of 31 December 2010, 680 000 shares had been acquired under the mandate. The board of Aker Solutions will propose that the mandate be extended from the date of the Annual General Meeting's decision until the next Annual General Meeting.

Geographic distribution of ownership as of 31 December 2010

Nationality	Number of shares	Ownership (in %)
Non-Norwegian shareholders	123 267 264	43.47
Norwegian shareholders	150 732 736	56.53
Total	**274 000 000**	**100**

Ownership structure by size of shareholding as of 31 December 2010

Shares held	Number of shareholders	Percent of share capital
1-100	1 559	0.03
101-1 000	7 404	0.99
1 001-10 000	1 151	1.30
10 001-100 000	287	3.91
100 001-500 000	121	9.44
More than 500 000	62	84.33
Total	**10 584**	**100**

Share purchase programme for employees

The share purchase programme for employees that was established in January 2009 was re-launched in 2010. Around 17 200 employees were invited to participate in January 2010, of these 3 759 signed up. They were offered the opportunity to purchase shares in Aker Solutions up to a ceiling of NOK 15 000 per employee and at a discount of up to NOK 1 500 per employee over the 12-month duration (March 2010 to February 2011) of the programme. The price per share was calculated on the basis of the average volume-weighted share price on the Oslo Stock Exchange the day before the shares were allocated. Employees who retain their shares until 3 September 2012 and who remain continuously employed by Aker Solutions throughout the period, will be entitled to receive free bonus shares at the rate of one bonus share for every two shares purchased under the programme. A total of 3 500 employees bought a total of 525 077 shares through the programme in 2010. It has been resolved to continue the programme on the same terms in 2011. Around 14 000 employees in Norway, the UK, the US and Canada were invited to participate in January 2011. 3 690 signed up.

Stock option programme

Aker Solutions ASA had no stock option programmes as of 31 December 2010.

Nomination committee

Pursuant to its articles of association, Aker Solutions has a nomination committee with at least three members. Its composition must reflect the interests of shareholders, and the members must be independent. The nomination committee has the following members:

- Leif-Arne Langøy (chairman), 2009-2011
- Gerhard Heiberg, 2010-2012
- Kjeld Rimberg, 2009-2011
- Mette Wikborg, 2009-2011

The deadline for submitting proposals for board and nomination committee candidates for the upcoming term is at the end of November the year prior to the Annual General Meeting. Shareholders who wish to contact Aker Solutions ASA's nomination committee may do so using the following e-mail address: ir@akersolutions.com.

Annual General Meeting

The Annual General Meeting is normally held in April. Written notice is sent to all shareholders individually or to their custodian bank. The Articles of Association of the company stipulate that documents pertaining to matters to be deliberated by the General Meeting shall only be made available on the company's website, and not normally be sent physically by post to the shareholders unless required by statute. Shareholders or their proxies must be physically present at the General Meeting in order to vote, in accordance with the instructions found on the company's website and in the meeting notice. For more information on the Annual General Meeting, see the chapter concerning corporate governance on page 83.

20 largest shareholders as of 31 December 2010

Name	Nominee	Number of shares held	Ownership (in %)
Aker Holding AS		110 333 615	40.27
Folketrygdfondet		10 802 522	3.94
State Street Bank	x	10 574 461	3.86
JPMorgan Chase Bank	x	8 110 997	2.96
Bank of New York Mellon	x	7 423 928	2.71
State Street Bank & Trust CO.	x	5 472 873	2.00
The Northern Trust C.O.	x	4 948 119	1.81
JPMorgan Chase Bank	x	4 773 864	1.74
Aker Solutions ASA		4 590 978	1.68
Fidelity Funds Europe		4 382 723	1.60
Clearstream Banking	x	4 124 671	1.51
Goldman Sachs & CO	x	2 484 301	0.91
Vital Forsikring ASA		2 389 996	0.87
JPMorgan Chase Bank	x	2 373 379	0.87
JPMorgan Chase Bank	x	2 055 177	0.75
DnB NOR Bank ASA		1 902 186	0.69
The Northern Trust	x	1 855 138	0.68
State Street Bank	x	1 808 643	0.66
Bank of New York Mellon	x	1 793 856	0.65
Bank of New York Mellon	x	1 696 296	0.62
Total, 20 largest shareholders		**193 897 723**	**70.78**
Other shareholders		80 102 277	29.22
Total		**274 000 000**	**100**

Source: Norwegian Central Securities Depository (VPS)

Investor relations

Aker Solutions wants to maintain a good and open dialogue with shareholders, financial analysts and the financial markets in general. In addition to meetings with analysts and investors, the company stages regular presentations in important European and US financial centres. The company's website at www.akersolutions.com provides the opportunity to subscribe to news about Aker Solutions via e-mail. All press releases, including archived material, are available on the site. That also applies to interim and annual reports, prospectuses, presentations, the company's articles of association, financial calendar, investor relations and corporate governance policies, and other information. Aker Solutions holds an annual capital markets day open to all stakeholders, where key executives provide updated information about the business and market conditions. Shareholders can contact the company at ir@akersolutions.com. Aker Solutions has been awarded the information and English symbols presented by the Oslo Stock Exchange to companies which satisfy its recommendations on informing the stock market. For details, see www.oslobors.no.

Registrar

Shareholders can contact Aker Solutions' registrar if they have any questions concerning their holding:

DnB NOR Bank ASA
Securities service
Stranden 21
NO-0021 Oslo
Norway

Telephone: +47 22 48 27 70
Telefax: +47 22 48 11 71
www.dnbnor.com

Financial calendar 2011

6 May 2011	Annual General Meeting
6 May 2011	1st quarter results 2011
12 August 2011	2nd quarter results 2011
3 November 2011	3rd quarter results 2011
8 December 2011	Capital markets day 2011

Analysts

The following research analysts provide analytic coverage of Aker Solutions (as of 31 December 2010):

Company	Name	Phone
ABG Sundal Collier	Anders Hagen	+4722016048
Arctic Securities	Kjetil Garstad	+4748403224
Bank of America Merrill Lynch	Fiona Mclean	+442079956099
Barclays	Mick Pickup	+442031346695
CA Cheuvreux	Geoffroy Stern	+33141897379
Carnegie	Chr. Frederik Lunde	+4722009379
Danske Bank	Endre Storløkken	+4785407071
Deutsche Bank	Christyan F. Malek	+442075458249
DnBNOR	Lars-Daniel Westby	+4722948983
Fearnley Fonds	Truls Olsen	+4722936393
First Securities	Pål H. Dahl	+4723238198
Fondsfinans	Petter Narvestad	+4723113040
Goldman Sachs	Henry Tarr	+442075525981
Handelsbanken	Haakon Amundsen	+4722940995
HSBC	David Phillips	+442079912344
JP Morgan	Andrew Dobbing	+442071556134
Nordea	Anne S. Ulriksen	+4722486867
Terra	Eglé Domataité	+37052461919
Pareto	Andreas Stubsrud	+4724132116
Royal Bank of Scotland	Phillip Lindsay	+442076785486
RS Platou Markets	Terje Mauer	+4790970424
SEB Enskilda	Terje Fatnes	+4721008538
UBS	Amy Wong	+442075681235
Unicredit	David Thomas	+442078267895

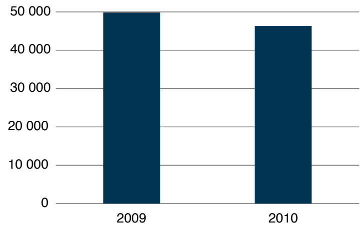
Analytical information

(Continuing operations)

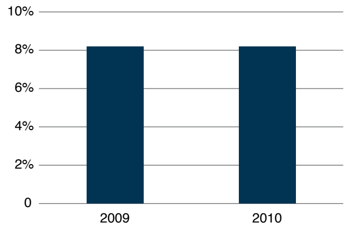
Amounts in NOK million	**2010**	2009
Order backlog 31 December	**50 775**	52 740
Order intake	**46 341**	49 048
Revenue	**46 267**	49 856
EBITDA	**3 778**	4 095
EBITDA-margin	**8.2%**	8.2%
Profit before tax	**2 355**	2 969
Rate of taxation	**29.6%**	26.4%
Net profit from continuing operations	**1 658**	2 186
Basic earnings per share	**5.96**	7.86
Cash flow from operating activities	**2 131**	4 245
Cash flow from investing activities	**(2 109)**	(3 927)
Cash flow from financing activities	**(121)**	(278)
Cash flow per share	**0.04**	(2.34)
Total capital	**40 021**	39 926
Borrowings	**8 224**	7 515
Equity ratio	**25.9%**	22.8%
Liquidity ratio[1]	**121.1%**	113.7%
Gearing ratio	**67.3%**	72.2%
Return on total capital	**7.4%**	8.6%
Return on equity	**17.3%**	25.5%
Return on capital employed[2]	**12.1%**	14.4%

1) Includes assets classified as held for sale of NOK 3 136 million and liabilities classified as held for sale of NOK 1 539 million
2) Including discontinuing operations

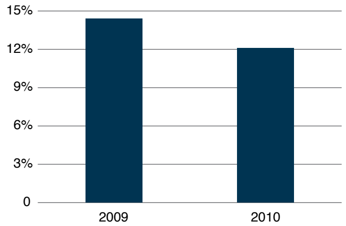
Revenue
Amounts in NOK



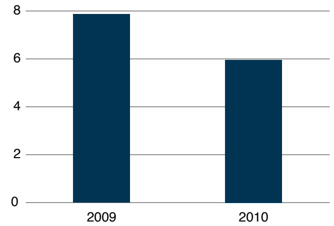
EBITDA margin



Return on capital employed



Earnings per share
Amounts in NOK



Corporate governance

Aker Solutions aims to ensure that the maximum possible value is created for its shareholders over time. Good corporate governance shall ensure an appropriate distribution of roles between the owners, the board of directors and the leadership group, and also contribute to reducing risk and ensuring sustainable value creation.

The corporate governance principles of the group are laid down by the board of directors of Aker Solutions. The principles are based on the Norwegian Code of Practice for Corporate Governance, dated 21 October 2010 (the «Code of Practice»). Below follows an account outlining how Aker Solutions has implemented the Code of Practice. This account follows the same structure as the Code of Practice and covers all sections thereof. Deviations from the Code of Practice are discussed under the relevant section.

Section 1: Implementation and reporting on corporate governance

Good corporate governance shall ensure that appropriate goals and strategies are adopted, that the adopted strategies are implemented in practice, and that the results achieved are subject to measurement and follow-up. The principles shall also contribute to ensuring that the activities of the group are subject to adequate controls. An appropriate distribution of roles and adequate controls shall contribute to the largest possible value creation over time, for the benefit of the owners and other stakeholders.

Basic corporate values and ethical guidelines

Aker Solutions wishes to contribute to sustainable social development through responsible business practices. The board of directors has defined a set of basic corporate values for the group to ensure this. The ethical guidelines and other policy documents of the company have been drafted on the basis of these basic corporate values. Aker Solutions has a total of 20 policies, which provide, inter alia, business practice guidance within a number of key areas. These policy documents express the position of the company with regard to, inter alia, corporate responsibility, whilst at the same time providing operational guidelines that apply to individual employees, thus ensuring compliance within the various functions operated by the company. All policies are updated and revised in 2010. In 2009, Aker Solutions developed and implemented its own «Code of Conduct» for the group, which was applied in 2010 and which also will be applied 2011. It summarises the corporate responsibility principles adopted by Aker Solutions and other key requirements governing the business practices of the company. The Code of Conduct is a brief summary of key principles laid down in the group's guidelines, annual reports and corporate responsibility reports. Discussion and clarification of the basic corporate values adopted by the group, as well as its ethical guidelines and corporate social responsibility principles, are available on the Aker Solutions website www.akersolutions.com/CR.

The company has implemented procedures to ensure that Aker Solutions' projects globally are conducted in compliance with the company's own guidelines. For key areas like HSE, anti-corruption and human rights, the controls are effected through internal procedures, some of which are elaborate. In case of doubt, issues may be referred for deliberation at group level, where they are examined by the group function enterprise risk. As far as the main projects of the company are concerned, the complex extended effects and risks are reviewed by a committee with a broad representation, which makes recommendations on whether to pursue with the relevant projects.

Section 2: Business

The objectives of the company, as defined in its articles of association, are «to own or carry out industrial- and other associated businesses, management of capital and other functions for the Group, and to participate in or acquire other businesses». The principal strategies of the group are presented in the annual report. Each year, the board of directors evaluates the strategy, goals and guidelines of the company through designated strategy processes. Information concerning the financial position and principal strategies of the company, and any changes thereto, is disclosed to the market in the context of the company's quarterly reporting and in designated market presentations.

Section 3: Equity and dividends

The book equity of the group as per 31 December 2010 is NOK 10 354 million, which represents an equity ratio of 25.6 percent. The dividend policy of Aker Solutions is set out in the Share and Shareholder Information chapter on page 77 of the annual report. The dividend policy is one of the factors that were taken into account when the board of directors prepared its proposal for the allocation of the profit for the year 2010.

Authorisations for the board of directors

Proposals from the board of directors for future authorisations shall be restricted to defined purposes and shall remain in effect until the next annual general meeting. Existing authorisations for the board of directors to acquire own shares are described in the Share and Shareholder Information chapter on page 77 of the annual report. As of year-end, there are no authorisations for board of directors to increase the share capital of the company.

Share purchase programme for employees

Aker Solutions wants its employees to be able to participate in Aker Solutions as owners, and to benefit from any increase in the value of the company, and thereby contribute to an even closer relationship between the employees and the company, as well as to enhance interest in the creation of value within the company. A share purchase programme for employees was therefore introduced in 2009, and it has subsequently been resolved to extend this into both 2010 and 2011. The contents of the share purchase programme are described in more detail in Note 10 Salaries, wages and social security costs, to the consolidated financial statements. The sale of shares to employees pursuant to the programme is realised from the own shares held at any given time, or by acquiring additional treasury shares pursuant to existing authorisations for the board of directors.

Section 4: Equal treatment of shareholders and transactions with close associates

The company has only one class of shares, and all shares carry equal rights. Existing shareholders shall have pre-emptive rights to subscribe for shares in the event of share capital increases, unless otherwise indicated by special circumstances. If the pre-emptive rights of existing shareholders are waived in respect of a share capital increase, the reasons for such waiver shall be explained by the board of directors. Transactions in own shares are effected via the Oslo Stock Exchange.

In the event of any material transactions between the company and shareholders, directors, senior executives or close associates thereof, which do not form part of ongoing projects pursued in the ordinary course of the company's business, the board of directors shall arrange for an independent assessment. The same shall, generally speaking, apply to the relationship between Aker Solutions and the Aker Group. Any cooperation projects with e.g. Aker Clean Carbon AS, in which Aker Solutions holds a 50 percent ownership interest, and any contracts in the ordinary course of the company's business with other listed companies in which Aker ASA holds ownership interests, will nevertheless normally be negotiated and concluded at arm's length without any independent assessment necessarily being arranged for.

Aker Solutions has prepared guidelines ensuring that directors and senior executives notify the board of directors if they have any material direct or indirect personal interest in any agreement concluded by the group. The rules of procedure for the board of directors of Aker Solutions stipulate that the directors and the chief executive officer shall not participate in the preparation, deliberation or resolution of any matters that are of such special importance to themselves, or any of their close associates, that they must be deemed to have a prominent personal or financial interest in such matters. The relevant director and the chief executive officer shall raise the issue of his or her competence whenever there may be cause to question it.

The chairman of the board of directors, Øyvind Eriksen, and one other director, Kjell Inge Røkke, are indirect shareholders of both Aker ASA and Aker Solutions. Since their relative indirect ownership interests in Aker ASA exceed their ownership interests in Aker Solutions, the said directors will not participate in the board of directors' deliberation of matters that concern commercial relationships between Aker Solutions and Aker ASA. The same principle is applied if Aker Solutions contracts with other companies in which the said directors hold direct or indirect ownership interests that exceed, in relative terms, their ownership interests in Aker Solutions.

If incompetence is concluded, the relevant director will not be granted access to any documentation, etc., prepared to the board of directors prior to the deliberation of the relevant matter either.

In general, Aker Solutions applies a strict norm as far as competence assessments are concerned. In cases where the chairman of the board of directors does not participate in the deliberations, the deputy chairman of the board of directors chairs the meeting.

As far as the other officers and employees of Aker Solutions are concerned, transactions with close associates are comprehensively addressed and regulated in the group's rules of ethics.

Principal shareholder

Aker ASA holds 60 percent of the shares of Aker Holding AS, which held 40.27 percent of the shares of Aker Solutions as per 31 December 2010. Proposition No. 88 (2006–2007) to the Storting (parliament) contains more detailed information concerning the establishment of Aker Holding AS and the agreement between Aker ASA and the other shareholders of Aker Holding AS. The board of directors is of the view that it is positive for Aker Solutions that Aker ASA assumes the role of an active owner and is actively involved in matters of major importance to the group and to all shareholders. The cooperation with Aker ASA offers Aker Solutions, inter alia, access to special knowhow and resources within strategy, transactions and funding. Moreover, Aker ASA offers network and negotiation resources from which Aker Solutions benefits in various contexts. This complements and strengthens Aker Solutions without curtailing the autonomy of the group. It may be necessary to offer Aker ASA special access to commercial information in connection with such cooperation. Any information disclosed to Aker's representatives in such a context will be disclosed in compliance with the laws and regulations governing the stock exchange and the securities market. Aker Solutions is not deemed, within the meaning of the Public Limited Companies Act, to be a close associate of Aker ASA, or any company in which Aker ASA holds ownership interests, but the board of directors and the executive management team of Aker Solutions are nevertheless very conscious that all relations with other Aker companies shall be premised on commercial terms and structured in line with the arm's length principle. Transactions are made public in accordance with the rules and regulations governing companies listed on the Oslo Stock Exchange. Furthermore, transactions of a certain magnitude between Aker Solutions and companies within the Aker ASA group will be handled in accordance with the procedures in Section 3-8 of the Public Limited Companies Act. See also the discussion of transactions with close associates in Note 8 Related parties, to the consolidated financial statements.

Section 5: Freely negotiable shares

The shares are listed on the Oslo Stock Exchange and are freely transferable. No transferability restrictions are laid down in the articles of association.

Section 6: General meetings

The company encourages shareholders to attend the general meeting. It is a priority for the company to hold the general meeting as soon as possible after year end. Notices convening general meetings, including comprehensive documentation relating to the items on the agenda, hereunder the recommendation of the nomination committee, are made available on an ongoing basis on the company's website no later than 21 days prior to the general meeting. The articles of association of the company stipulate that documents pertaining to matters to be deliberated by the general meeting shall only be made available on the company's website, and not normally be sent physically by post to the shareholders unless required by statute.

The deadline for registering intended attendance is as close to the general meeting as possible. Shareholders who are unable to attend may vote by proxy. Moreover, information concerning both the registration procedure and the filing of proxies is included in the notice convening the general meeting and on the registration form. The company also aims to structure, to the extent practicable, the proxy form such as to enable the shareholders to vote on each individual item on the agenda. The articles of association stipulate that the general meetings shall be chaired by the chairman of the board of directors or a person appointed by said chairman.

It is intended for the board of directors, the chairman of the nomination committee and the company's auditor to attend the general meeting.

It is a priority for the nomination committee that the board of directors shall work in the best possible manner as a team, and that the background and competence of the directors shall complement each other. As a consequence, the board of directors will propose that the shareholders are invited to vote on the full board composition proposed by the nomination committee as a group, and not on each member separately.

As it is a priority for the general meeting to be conducted in a sound manner, with all shareholder votes to be cast, to the extent possible, on the basis of the same information, the company has thus far not deemed it advisable to recommend either the introduction of an electronic attendance. The company will contemplate the introduction of such arrangements on an ongoing basis in view of, inter alia, the security and ease of use offered by available systems.

The board of directors will however propose for the annual general meeting for 2010 to vote for an amendment of Aker Solutions' articles of association to allow for advance voting options at future general meetings.

Minutes of general meetings will be published as soon as practicable on the announcement system of the Oslo Stock Exchange, www.newsweb.no (ticker: AKSO), and on the company's own website, www.akersolutions.com, in the Investor section.

Section 7: Nomination committee

The articles of association stipulate that the company shall have a nomination committee. The nomination committee shall have no less than three members, who shall normally serve for a term of two years. The current members of the nomination committee are Leif-Arne Langøy (chairman), Gerhard Heiberg, Kjeld Rimberg and Mette Wikborg. The terms of Leif-Arne Langøy, Kjeld Rimberg and Mette Wikborg expire in 2011.

A majority of the members of the nomination committee are independent of the board of directors and the executive management of the company. The articles of association charge the nomination committee with proposing candidates for appointment as directors. The nomination committee shall also propose the fee payable to the directors.

The composition of the nomination committee shall reflect the interests of all shareholders, in addition to its members' independence from the board of directors and the executive management. The members and the chairman of the nomination committee are appointed by the general meeting, which also determines the reward of the committee. The annual general meeting for 2010 will, in accordance with the Code of Practice, be presented with guidelines governing duties of the nomination committee, for approval.

Information concerning the nomination committee and deadlines for making suggestions or proposing candidates for directorships are available on the company's own website, www.akersolutions.com, in the Investor section.

Section 8: Corporate assembly and board of directors: Composition and independence

It has been agreed with the employees that the company shall have no corporate assembly. The right of the employees to be represented and participate in decision making is safeguarded through, inter alia, expanded employee representation on the board of directors. The articles of association stipulate that the board of directors shall comprise six to ten persons, one third of whom shall be elected by and amongst the employees of the group. In addition, up to three shareholder-appointed alternates may be appointed.

The proposal of the nomination committee will normally include a proposed candidate for appointment as chairman of the board of directors, which appointment is made by the shareholders in the general meeting. The board of directors appoints its own deputy chairman. According to the Public Limited Companies Act, the directors are appointed for a term of two years at a time unless otherwise stated in the company's articles of association.The board of directors will however propose for the annual general meeting for 2010 to vote for an amendment of Aker Solutions' articles to allow for the flexibility for appointing directors for terms of minimum one year and maximum three years.

The board of directors comprised ten directors as of 31 December 2010, six of whom were elected by the shareholders and four of whom were elected by and among the employees. The current composition of the board of directors is described on page 88 of the annual report, where information about the background and affiliations of the directors can also be found. The company encourages the directors to hold shares of the company. The shareholdings of the directors as of 31 December 2010 are set out in Note 10

Salaries, wages and social security costs, to the consolidated annual statements. A majority of the directors elected by the shareholders are independent of the executive personnel and important business associates. None of the executive personnel of the company are directors thereof.

The composition of the board of directors aims to ensure that the interests of all shareholders are attended to and that the company has the knowhow, resources and diversity it needs at its disposal. At least half of the directors elected by the shareholders are independent from the principal shareholder of the company.

The terms of all directors expire in 2011. The reasoned proposals of the nomination committee for candidates to become shareholder-appointed directors will be published on the company's website and on the Oslo Stock Exchange, via www.newsweb.no, as soon as available. The appointment of employee representatives to the board of directors will be conducted as prescribed by the Public Limited Companies Act and the Representation Regulations. The board of directors has appointed a designated appointment committee charged with implementing the appointment of such employee representatives, which committee comprises representatives of the employees and of the executive management team.

Section 9: The work of the board of directors

The board of directors adopts an annual plan for its work, with an emphasis on goals, strategy and implementation. Furthermore, there are rules of procedure for the board of directors, which govern areas of responsibility, duties and the distribution of roles between the board of directors, the chairman of the board of directors and the chief executive officer. The rules of procedure for the board of directors also include provisions on convening and chairing board meetings, on decision making, on the duty and right of the chief executive officer to disclose information to the board of directors, on the duty of confidentiality, as well as on competence, etc.

In June 2010, President & CEO Simen Lieungh left the company. Since then, chief financial officer Leif H. Borge has been acting president of Aker Solutions ASA, while Øyvind Eriksen in his capacity as executive chairman has taken on the role as CEO for the group. The board is very focused on attracting the correct CEO candidate, and the recruitement prosess was still ongoing as per the publishing of this statement.

The board of directors has held 13 ordinary board meetings in 2010, which have been attended by an average of 9.2 directors (out of a total of 10), with all directors having been in attendance at 6 of the meetings (46%). In addition, 4 extraordinary board meetings have been held, which have been attended by an average of 9.3 directors (out of a total of 10), with all directors attending the same extraordinary meeting in 1 of these meetings (25%).

The need for extraordinary board meetings may typically arise because the internal authorisation structure of the company requires the board of directors to deliberate and approve material tenders to be submitted by the company, whilst the deadlines for such submission often change, thus potentially making it difficult to fit this into the calendar of ordinary board meetings.

An overview of current directors' participation in ordinary and extraordinary board meetings in 2010 is provided in Note 10 Salaries, wages and social security costs, to the consolidated financial statements of the group. The chief executive officer (or in the absence thereof, the acting president in cooperation with the executive chairman), prepares cases for deliberation by the board of directors, in consultation with the chairman of the board of directors. Weight is attached to having matters prepared and presented in such a way that the board of directors is provided with an adequate basis for its deliberations. The board of directors has overall responsibility for the management of Aker Solutions and shall, through the chief executive officer, ensure that its activities are organised in a sound manner. The board of directors shall, inter alia, adopt plans and budgets for the business, and keep itself informed of the financial position of, and development within, Aker Solutions. This encompasses the annual planning process of Aker Solutions, with the adoption of overall goals and strategic choices for the group, as well as financial plans, budgets and forecasts for the group and the business areas. The board of directors performs annual evaluations of its work and its knowhow in accordance with the rules of procedure for the board of directors.

Audit committee

Aker Solutions has an audit committee comprising three of the directors, which held eight meetings in 2010. Until 15 June 2010, the audit committee comprised Ida Helliesen (chairperson), Øyvind Eriksen and Atle Teigland. As from 15 June 2010, the audit committee comprises Ida Helliesen (chairperson), Lone Fønns Schrøder and Atle Teigland.

Generally speaking, at least one of the members of the committee shall have relevant accounting or auditing qualifications. The audit committee has a mandate and a working method that complies with statutory requirements. The committee will participate, on behalf of the board of directors, in the quality assurance of guidelines, policies and other governing instruments pertaining to Aker Solutions ASA. The audit committee performs a qualitative review of the quarterly and annual reports of Aker Solutions, which include the group reports.

Reward committee

The board of directors of Aker Solutions has a reward committee comprising three of the directors, which normally holds at least four meetings a year. The current members of the committee are Øyvind Eriksen, Kjell Inge Røkke and Vibeke Hammer-Madsen.

The committee prepares and recommends proposals for the board of directors relating to the salary and terms of the chief executive officer, as well as the guidelines and principles governing the reward of executive personnel within the group at any given time. The reward committee also approves, based on the recommendation of the chief executive officer, the salary and terms of those who report directly to the chief executive officer.

Section 10: Risk management and internal control

Aker Solutions manages risk through an internal framework comprising guidelines, procedures, standards and process tools intended to ensure good business operations and provide unified and reliable financial reporting. The framework is anchored in the various group functions. The group has defined risk into four main areas:

- Financial and strategic: Market and customer developments may influence the earnings and future prospects of the company
- Operational and project-related: Delivery and quality risk in the implementation of projects and in the production of products and services
- Reputational: Events that may affect the reputation of Aker Solutions amongst customers, government authorities, the general public, suppliers and other stakeholders
- Mergers and acquisitions: Risk relating to the divestment, acquisition or restructuring of businesses

The managerial and organisational model of the company implies that individual group functions have a global responsibility for following up on their respective areas of specialisation and the frameworks associated therewith. Such responsibility includes risk management. This applies irrespective of how one has chosen to organise the businesses, and involves, inter alia, a close dialog within the corporate risk committee and the investment committee of the company, as well as monthly meetings relating to financial and operational reporting from the business areas. Individual group functions follow up on their area of responsibility, also outside these forums, through a direct dialog with the businesses, both in connection with specific projects and as part of knowhow development to enhance risk management. The overall risk management effort is primarily handled by the following group functions, in close cooperation with the business areas:

- Enterprise risk coordinates the management of risk outside the traditional project and financial areas, and has overall responsibility for the development of the company's framework, basic corporate values, corporate responsibility policy, anti-corruption effort and ethical guidelines
- Project and operational support assists in connection with project assessments in the tender phase and the implementation phase. The unit chairs the corporate risk committee which is responsible for assessing risk and giving advice to the group executive management team in respect of all major tenders that the group contemplates for submission
- Accounting and control is responsible for the financial reporting and financial assessments made in relation thereto. In addition, the unit chairs the group's investment committee. The investment committee shall give advice to the group executive management team concerning risk exposure in major capital investments
- Treasury is responsible for financial market risk and the group's exposure in financial markets, and is a permanent member of the investment committee of the group
- Insurance is charged with the procurement of the group's insurance programme and assists with the insurance-related follow-up of projects, as well as the operation of the group's captive underwriter
- Legal assists all of the abovementioned functions in their handling of risks by, inter alia, being a permanent member of the project risk committee and the investment committee, and is also responsible for the contractual and legal follow-up of projects, partners, agreements, disputes and the relationship with the governmental framework
- Tax handles the various tax risks of the group, relating to, inter alia, transactions, operational activities, tax returns and the preparation of financial statements

In addition to the said group functions, the business areas have their own management teams and finance/staff functions tailored to their organisations and activities.

As a supplement to the group functions' own control of risks and procedures, the internal control unit has independent responsibility for auditing the units' establishment and implementation of necessary systems and procedures within both the financial and the operational processes. This unit performs regular controls of the units, with subsequent reporting of any improvement measures. The leadership group is provided with a summary of all audits carried out on the businesses.

Each business has independent responsibility for adherence to the internal framework of the group and compliance with external laws and regulations at any given time. This involves close cooperation between the staff functions and the business areas with a view to identifying, monitoring, reporting and handling risk for the entire group in conformity with, inter alia, the requirements laid down by the audit committee and the board of directors. Moreover, all businesses within the group evaluate, on an ongoing basis, their own adherence to the framework and whether established control activities work appropriately. This is done by using, inter alia, a standard form with a number of verification questions relating to the company's guidelines and procedures. The audit committee of the board of directors assists the board of directors with ensuring that the company has internal procedures and systems that ensure good corporate governance, effective internal controls and good risk management – particularly in relation to financial reporting. The audit committee holds regular meetings with the chief financial officer and the responsible group functions in this regard.

The group's businesses report monthly on the financial, operational and market status within their respective areas, including matters relating to important projects. The reports are reviewed in physical meetings with the chief executive officer and the chief financial officer before the board of directors receives its monthly report on the financial performance of the company, as well as a description of the status concerning the most important projects of the company. The business areas are responsible for monthly financial follow-up and reporting.

Page 10 of the annual report contains a more detailed description of the company's handling of the operational and financial risk associated with the business activities.

Section 11: Reward of the board of directors

The reward of the board of directors reflects its responsibilities, knowhow and time commitment, as well as the complexity of the business. The reward is proposed by the nomination committee, and is not performance-related or linked to options in Aker Solutions. More detailed information about the reward of individual directors in 2010 is provided in Note 10 Salaries, wages and social security costs, to the consolidated financial statements for the group. Neither should the directors, nor companies with which they are affiliated, accept specific paid duties for Aker Solutions beyond their directorships. If they nevertheless do so, the board of directors shall be informed and the reward shall be approved by the board of directors. No reward shall be accepted from anyone other than the company or the relevant group company in connection with such duties.

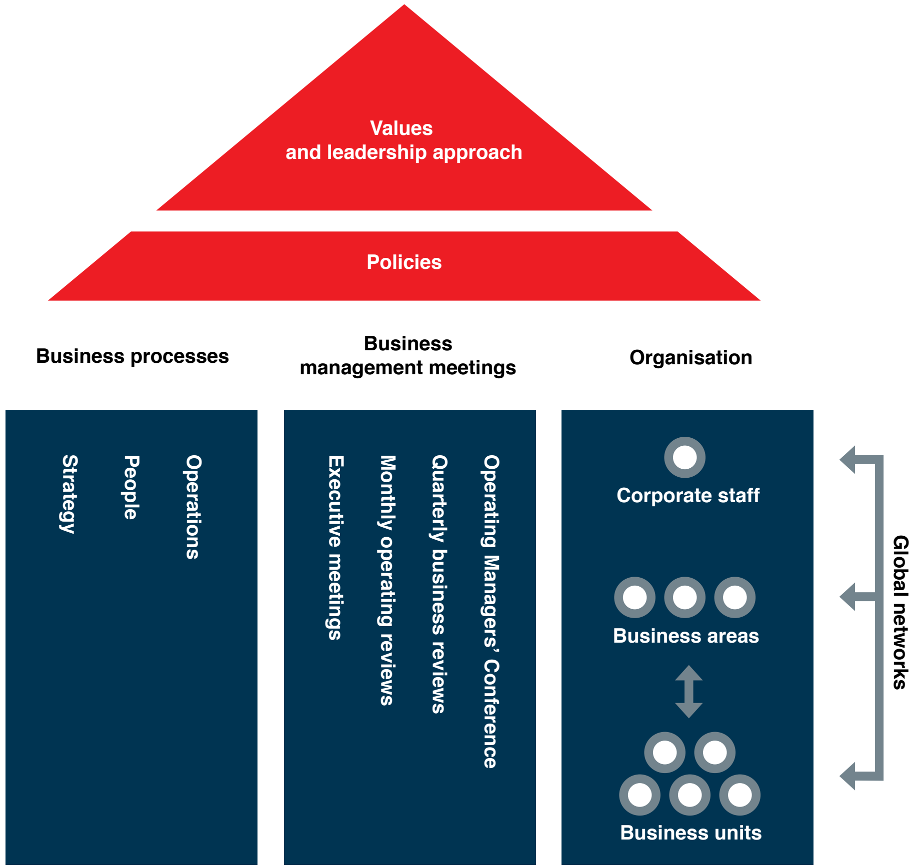
Section 12: Reward of executive personnel

The board of directors has adopted designated guidelines for the reward of executive management pursuant to the provisions of Section 6-16a of the Public Limited Companies Act. Aker Solutions has no option schemes or programmes for the allotment of shares to employees for 2011, but a share purchase programme was introduced for 2009, and it has subsequently been decided to extend this to both 2010 and 2011. Additional details pertaining thereto are available on page 39 in Note 10 Salaries, wages and social security costs, to the consolidated financial statements. Details pertaining to the reward for 2010 for individual executives are provided in Note 10 to the consolidated financial statements for the group. The executive reward guidelines of the company are set out in Note 10, and will consequently be submitted to the general meeting. The reward committee prepares and recommends proposals to the board of directors on the reward of the chief executive officer. The chief executive officer determines the reward of executive management on the basis of the guidelines laid down by the board of directors, see also the discussion on the reward committee of the board of directors in Section 9. All performance-related reward within the group has been made subject to a cap.

Section 13: Information and communications

Aker Solutions has prepared a designated IR policy, which is available on the company's website. The company's reporting of financial and other information is based on openness and the equal treatment of all securities market players. The long-term purpose of the IR function is to ensure access for the company to capital on competitive terms, whilst at the same time ensuring that the shareholders are provided with the most correct pricing of the shares that can be achieved. This shall take place through the correct and timely distribution of price-sensitive information, whilst ensuring, at the same time, that the company is in compliance with applicable rules and market practices. Reference is also made to the above discussion concerning the flow of information between Aker Solutions and Aker ASA in connection with their cooperation within, inter alia, strategy, transactions and funding.

All stock exchange announcements and press releases are made available on the



company's website, www.akersolutions.com, and stock exchange announcements are also available on www.newsweb.no. All information sent to the shareholders is posted on the company's website at the same point of time. The company holds open presentations in connection with the reporting of financial performance, and these presentations are broadcast live via the internet. A capital markets day is also hosted annually, and is open to all interested parties. The financial calendar of the company is available on page 79 of the annual report and on the company's website.

Section 14: Take-overs

Aker ASA has undertaken to retain control of Aker Holding AS for a minimum of ten years from June 2007. The board of directors has not deemed it appropriate to adopt specific guidelines for takeover situations for as long as the ownership cooperation context within Aker Holding AS remains intact.

Section 15: Auditors

The auditors annually present a plan for the implementation of the audit work to the audit committee. In addittion, the auditors have provided the board of directors with a written confirmation to the effect that the independence requirement is met. The auditors attend the meeting in the audit committee that deliberates the consolidated financial statements, and the auditors have reviewed any material changes to the accounting principles of the company, or to the internal controls of the company, with the audit committee. The board of directors may meet with the auditors without the chief executive officer or other members of the leadership group being in attendance. Moreover, the board of directors will as from 2011 hold a minimum of one annual meeting with the auditors without the chief executive officer or other members of the group executive management team being in attendance. The Audit committee stipulates guidelines on the scope for using the auditors for other services than auditing, and makes recommendations to the board of directors concerning the appointment of external auditors and the approval of the auditors' fees. Fees payable to the auditors, separated into those relating to auditing and those relating to other services, is specified in Note 12 Other operating expenses, to the consolidated financial statements for the group.

Board of directors

Øyvind Eriksen
Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA. He has a law degree from the University of Oslo. And in 1990 he joined the Norwegian law firm BA-HR. In 1996 he became a partner, in 2003 a board member and chairman. At BA-HR, Mr Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke.
Mr Eriksen is chairman of the board of Aker Holding AS, a board member of Reitangruppen AS, Aker Clean Carbon AS, The Resource Group TRG AS, TRG Holding AS and other companies. As of 31 December 2010 he holds no shares in the company and has no stock options.
Mr Eriksen is a Norwegian citizen. He has been elected for the period 2009-2011.

Mikael Lilius
Deputy chairman

Mikael Lilius was President and CEO of Fortum Corporation from 2000 to May 2009. From 1990, Mr Lilius was chief executive of Sweden's Incentive AB, a pharmaceuticals company which changed its name to Gambro AB in 1998. Mr Lilius is chairman of the board of the Finnish company Huhtamäki Oyj and a member of the board of Wärtsilä Oyj Abp and Evli Pankki Oyj. He is also chairman of the board of East Office of Finnish Industries. Mr Lilius is a graduate of the Swedish School of Economics and Business Administration in Helsinki. As of 31 December 2010 he holds no shares in the company and has no stock options. Mr Lilius is a Finnish citizen. He has been elected for the period 2009-2011.

Vibeke Hammer Madsen
Director

Vibeke Hammer Madsen has been CEO of HSH (The Federation of Norwegian Commercial and Service Enterprises) since 2002. Prior to this, she was a partner in the PA Consulting Group. From 1993 to 1999 Ms Hammer Madsen was a vice president holding various positions in Statoil. Today Ms Hammer Madsen, a graduate of the Norwegian School of Radiography, holds a range of board positions. As of 31 December 2010, she holds no shares in the company, and has no stock options. Ms Hammer Madsen is a Norwegian citizen. She has been elected for the period 2009-2011.

Ida Helliesen
Director

Ida Helliesen joined Norsk Hydro in 1980, where she held a number of leading positions; including chief financial officer for the last eight years before her retirement in 2007. From 2007 until the spring of 2009, she assisted Hydro on a number of issues, including the completion of the merger between Hydro's oil and energy business and Statoil. Ms Helliesen is a director of the executive board of Norway's Central Bank, Statistics Norway and Skagerak Energi AS. She has an MSc in business economics from the Norwegian School of Economics and Business Administration. As of 31 December 2010, she holds no shares in the company, and has no stock options. Ms Helliesen is a Norwegian citizen. She has been elected for the period 2009-2011.

Kjell Inge Røkke
Director

Entrepreneur and industrialist Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business, harvesting white fish and processing it at sea. In 1996, Mr Røkke purchased enough Aker shares to become Aker's largest shareholder and owns today 67.8% of Aker ASA through The Resource Group TRG AS, which he owns together with his wife. Mr Røkke is chairman of the board of Aker ASA, Aker BioMarine ASA and Det norske Oljeselskap ASA. As of 31 December 2010 he holds no shares in the company and has no stock options.
Mr Røkke is a Norwegian citizen. He has been elected for the period 2009-2011.

Lone Fønss Schrøder
Director

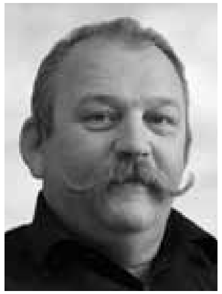
Lone Fønss Schrøder has a law degree from the University of Copenhagen and a Master of Economics from Copenhagen business school. Ms Fønss Schrøder has broad international experience acquired during 21 years in senior management, including board positions at A.P. Møller-Maersk A/S. She is among others chairperson for the audit committee at Volvo, deputy chairman of the Board of Aker ASA, a non-executive director of Volvo PV in Sweden and NKT A/S in Denmark, as well as non-executive director and member of the audit committee at Vattenfall AB and Svenska Handelsbanken AB in Sweden. As of 31 December 2010 she holds no shares in the company and has no stock options. Ms Fønss Schrøder is a Danish citizen. She has been elected for the period 2009-2011.

Atle Teigland
Director

Atle Teigland was elected by the employees of Aker Solutions to the board of directors in October 2004. He also served on the boards of Aker and Aker RGI for several years. Mr Teigland is a group union representative for Aker Solutions on a full-time basis and has been employed by Aker Elektro AS since 1978. Mr Teigland is a certified electrician. As of 31 December 2010 he holds 1 981 shares in the company, and has no stock options. Mr Teigland is a Norwegian citizen. He has been elected for the period 2009-2011.

Åsmund Knutsen
Director

Åsmund Knutsen was elected by the employees of Aker Solutions to the board of directors in October 2004. Since 1991 he has held various positions in Aker Engineering & Technology AS and is now a group union representative for white-collar employees on a full-time basis. Mr Knutsen holds an MSc in hydrodynamics from Oslo University. As of 31 December 2010, he holds 3 286 shares in the company, and has no stock options. Mr Knutsen is a Norwegian citizen. He has been elected for the period 2009-2011.



Arild Håvik
Director

Arild Håvik was elected by the employees of Aker Solutions to the board of directors in March 2009. Mr Håvik has been employed by Aker Solutions since 1990 and has been a local union representative for Aker Offshore Partner AS on a full-time basis for the last four years. Mr Håvik is a scaffolder and sheet metal worker and holds a certificate of apprenticeship in the two disciplines. As of 31 December 2010, he holds 381 shares in the company, and has no stock options. Mr Håvik is a Norwegian citizen. He has been elected for the period 2009-2011.

Arve Toft
Director

Arve Toft was elected by the employees of Aker Solutions to the board of directors in March 2007. Mr Toft is a group union representative for Aker Solutions on a full-time basis and has been employed by the company since 1983. Mr Toft is a certified mechanic and scaffolder and has been a main safety delegate at Aker Stord AS for five years. As of 31 December 2010, he holds 381 shares in the company, and has no stock options. Mr Toft is a Norwegian citizen. He has been elected for the period 2009-2011.

Executive chairman and President

Øyvind Eriksen
Executive chairman

Øyvind Eriksen is President & CEO of Aker ASA. In his capacity as Executive Chairman in Aker Solutions ASA he took on the CEO role in June 2010 until a new President and CEO is appointed. Mr Eriksen has a law degree from the University of Oslo. And in 1990 he joined the Norwegian law firm BA-HR. In 1996 he became a partner, and in 2003 a board member and chairman. At BA-HR, Mr Eriksen worked closely with Aker and Aker's main shareholder, Kjell Inge Røkke. Mr Eriksen is chairman of the board of Aker Holding AS and a board member of Reitangruppen AS, Aker Clean Carbon AS, The Resource Group TRG AS, TRG Holding AS and other companies. As of 31 December 2010 he holds no shares in the company and has no stock options. Mr Eriksen is a Norwegian citizen.

Leif Borge
President & Chief Financial Officer

Leif Borge joined Aker Solutions in 2008. Previously he has been CFO of Aker Yards ASA since 2002, after serving as CFO of Zenitel NV, Stento ASA and Vitana, a subsidiary of Rieber & Søn ASA in the Czech Republic. Mr Borge is a graduate of the Pacific Lutheran University in Washington State. As of 31 December 2010, he holds, through a privately owned company, 20 381 shares in the company, and has no stock options. Mr Borge is a Norwegian citizen.

Business management

Mads Andersen
Head of Subsea

Mads Andersen joined Aker Solutions in 2000 and has been an EVP since 2003. He has more than 20 years experience in the upstream oil and gas industry. Mr Andersen has held a range of technical and managerial positions in oilfield service and oil companies including Schlumberger and Saga Petroleum (now Statoil). Mr Andersen is a graduate from the University of Glasgow and the Norwegian School of Management. As of 31 December 2010, he holds 12 776 shares in the company and has no stock options. Mr Andersen is a Norwegian citizen.

Michael Hambly
Head of Process Systems

Michael Hambly joined Aker Solutions in 2005 and has been President of the Aker Process Systems Group since October 2008. Mr Hambly was appointed Head of Process Systems in March 2011. Mr Hambly has 14 years of experience in the oil and gas industry and has held several business leadership positions in Canadian and American oilfield service companies. Prior to joining the oil and gas business, Mr Hambly served as an officer in the Canadian Armed Forces for over 14 years. Mr Hambly holds a BSc in Mechanical Engineering from the Royal Military College of Canada. As of 31 December 2010, he holds 381 shares in the company and has no stock options. Mr Hambly is a Canadian and British citizen.

Leif Haukom
Head of Mooring and Loading Systems

Leif Haukom joined Aker Solutions in 1981 and has 30 years of experience from the offshore industry. Mr Haukom has held a number of various positions within technical and project/company management. Mr Haukom has acted as company president since 1997, and managed Aker Pusnes the last 8 years. Mr Haukom is appointed Head of Mooring and Loading systems from March 2011. Mr Haukom holds a BSc in mechanical engineering from the University of Agder, with additional training in economics and management skills. As of 31 December 2010 he holds 381 shares in the company and has no stock options. Mr Haukom is a Norwegian citizen.

Thor Arne Håverstad
Head of Drilling Technologies

Thor Arne Håverstad joined Aker Solutions in 1989. He has close to thirty years experience from the oil and gas industry. Mr Håverstad was appointed EVP in January 2011. From 2009-2010 he was president of Aker Solutions' drilling business in Kristiansand and he has also held a range of technical and managerial positions within the company. Prior to this, Mr Håverstad held various positions within project and engineering management, technical safety and advisory work for the offshore industry as well as seven years of research for SINTEF, Norway. Mr Håverstad holds a PhD from the Norwegian University of Science and Technology. As of 31 December 2010 he holds 5 752 shares in the company and has no stock options. Mr Håverstad is a Norwegian citizen.

Karl Erik Kjelstad
Head of Oilfield Services & Marine Assets

Karl Erik Kjelstad joined Aker Solutions as EVP in July 2009 from the position of Senior Partner & President, Maritime Technologies at Aker ASA. Mr Kjestad has been with the Aker group since 1998 and was President & CEO of Aker Yards ASA from January 2003 - June 2007. Prior to joining Aker, Mr Kjelstad was senior consultant at PA Consulting Group and from 1992-1996 held various management positions in the TTS Group. Mr Kjelstad holds a MSc in marine engineering from the Norwegian University of Science and Technology. As of 31 December 2011, Mr Kjelstad holds, through a privately owned company, 2 500 shares in the company and has no stock options. Mr Kjelstad is a Norwegian citizen.

Valborg Lundegaard
Head of Engineering

Valborg Lundegaard was appointed Head of the Engineering business area in February 2011. Ms Lundegaard has more than 20 years experience from the oil and gas industry and has held a number of key positions in Aker Solutions, including corporate and project management. From 2008 Ms Lundegaard was president of Aker Engineering and Technology. Ms Lundegaard is a member of the board of Simtronics ASA and Songa Offshore SE. Ms Lundegaard holds a degree in chemical engineering from the Norwegian University of Science and Technology. As of 31 December 2010, she holds no shares in the company and has no stock options. Ms Lundegaard is a Norwegian citizen.

Wolfgang Puennel
Head of Well Intervention Services

Wolfgang Puennel was appointed Head of Well Services business area, comprising of the operating entities Aker Geo, Aker Well Services and Aker Qserv, in February 2011. Mr Puennel has more than 25 years experience in the upstream oil and gas industry. Mr Puennel has held a range of senior management positions in oilfield service and oil companies including Weatherford and Maurel & Prom. Mr Puennel holds a MSc in petroleum engineering and a BSc in mining engineering from the Technical University of Clausthal, Germany. As of 31 December 2010, he holds no shares in the company and has no stock options. Mr Puennel is a German citizen.

Tore Sjursen
Head of Maintenance, Modifications and Operations

Tore Sjursen was appointed EVP of the MMO business area in October 2010. Mr Sjursen has been with Aker Solutions for 24 years in different positions in field development and MMO. From 2009-2010 Mr Sjursen was head of Aker Solutions Energy Development and Services (ED&S) International in Australia. Mr Sjursen holds a MSc in mechanical engineering from Norwegian University of Science and Technology and a MSc in management from Boston University. As of 31 December 2010, he holds 252 shares in the company and has no stock options. Mr Sjursen is a Norwegian citizen.

Corporate centre functions

Niels Didrich Buch
Chief of Staff

Niels Didrich Buch joined Aker Solutions in 1999 and was appointed Chief of Staff & EVP in 2008. From 2005 Mr Buch was head of corporate business development in Aker Solutions and previously he held various other positions in the company, in corporate legal. Before this Mr Buch worked ten years with the Norwegian Foreign Service, including six of them abroad in Asia and Europe. Mr Buch holds a law degree from the University of Oslo. As of 31 December 2010, he holds 381 shares in the company and has no stock options. Mr Buch is a Norwegian citizen.

Åsmund Bøe
Chief Technology Officer

Åsmund Bøe was appointed Chief Technology Officer & EVP in June 2010. Mr Bøe is responsible for the overall corporate technology portfolio of Aker Solutions. Before joining Aker Solutions, Mr Bøe worked 15 years for Schlumberger on international assignments in varied senior positions. Mr Bøe brings with him experience from upstream oil & gas operations, personnel and strategic business development. Mr Bøe holds a BSc (Hons – first class) in offshore mechanical engineering from the Herriot-Watt University, UK. As of 31 December 2010, he holds no shares in the company and has no stock options. Mr Bøe is a Norwegian citizen.

Per Harald Kongelf
Chief Operating Officer
Acting CEO of Aker Contractors

Per Harald Kongelf was appointed EVP of the Energy Development & Services business area in October 2010. Mr Kongelf has 25 years' experience in the oil and gas industry. Mr Kongelf was previously EVP of the Products & Technologies business area and president of Aker Solutions' process systems business unit. Before that Mr Kongelf worked as an investment manager in the Statkraft Group and in Aker Solutions. Mr Kongelf holds an MSc from the Norwegian University of Science and Technology. As of 31 December 2010, he holds no shares in the company and has no stock options.
Mr Kongelf is a Norwegian citizen.

Sissel Lindland
Chief HR Officer

Sissel A. Lindland returned to Aker Solutions in 2008 after having served as SVP Human Resources and acting Chief of Staff in Aker Yards ASA and STX Europe since 2006. With a background in human resources, organisational and business development, Ms Lindland has held various advisory and management position within the Aker group since 1984. In 2005-2006 Ms Lindland was President of Aker Business Services. As of 31 December 2010, she has 381 shares in the company, and has no stock options.
Ms Lindland is a Norwegian citizen.

Mark Riding
Chief Strategic Marketing

Mark Riding was appointed EVP of corporate strategic marketing in February 2011. Mr Riding will co-ordinate contact and relationship with key customers, country strategies and corporate M&A opportunities. Mr Riding is an oil and gas industry professional with over 28 years experience in varied senior roles and overseas assignments. In his most recent position, Mr Riding was responsible for deepwater corporate strategic planning, sales, and technology development worldwide at Schlumberger headquarters in Paris. Mr Riding holds a BSc (Hons – first class) in mining engineering from the University of Birmingham, UK. As of 31 December 2010, he holds no shares in the company and has no stock options.
Mr Riding is a British citizen.

Company information

Aker Solutions ASA
Snarøyveien 36
1364 Fornebu

Postal address:
P.O. Box 169
NO-1325 Lysaker

Telephone: +47 67 51 30 00
Telefax: +47 67 51 30 10

E-mail: ir@akersolutions.com
Web: www.akersolutions.com

Reports via the Internet

The quarterly and annual reports of Aker Solutions are available via the Internet. Aker Solutions encourages its shareholders to subscribe to the company's annual reports via the electronic delivery system of the Norwegian Central Securities Depository (VPS). Please note that VPS services (VPS Investortjenester) are designed primarily for Norwegian shareholders. Subscribers to this service receive annual reports in PDF format by email. VPS distribution takes place at the same time as distribution of the printed version of Aker Solutions' annual report to shareholders who have requested it.

Quarterly reports, which are generally only distributed electronically, are available from the company's website and other sources. Shareholders who are unable to receive the electronic version of interim reports, may subscribe to the printed version by contacting Aker Solutions' investor relations staff.

Design:
Haugvar Communication & Design

Photos and illustrations:
Aker Solutions
Xvision

Translation:
Hansen & Engedal

Layout:
Bolt Communication AS

Interactive PDF:
Teigens Design

Print:
RKGrafisk AS