

Second Quarter Results 2006

Karl Erik Kjelstad, President & CEO
Leif Borge, CFO

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Agenda

- Highlights and key figures
- Financial update
- Closing remarks
- Q & A Session

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L Borge
K E Kjelstad

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Highlights second quarter 2006

- Record high EBITDA of NOK 382 mill
- Record high backlog: NOK 61 billion
- 126 vessels in backlog
- High activity level - 18 vessels delivered
- Strategic acquisitions ensures profitable growth



Aker OSCV 06 L DSV
- Ordered by DOFCON in June 2006



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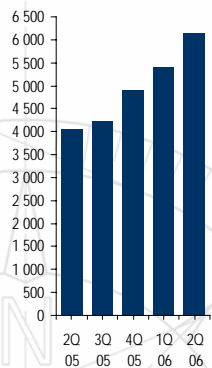
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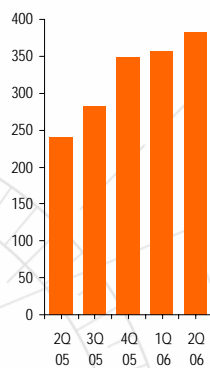
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Key indicators

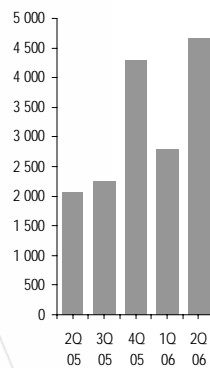
Operating revenues



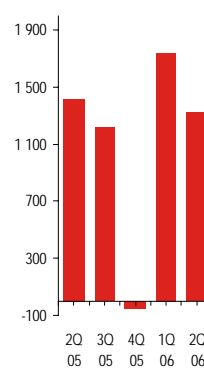
EBITDA



Cash*



Adjusted net working capital**



All amounts in NOK million

* Including short-term interest bearing receivables

** Net working capital + restricted cash

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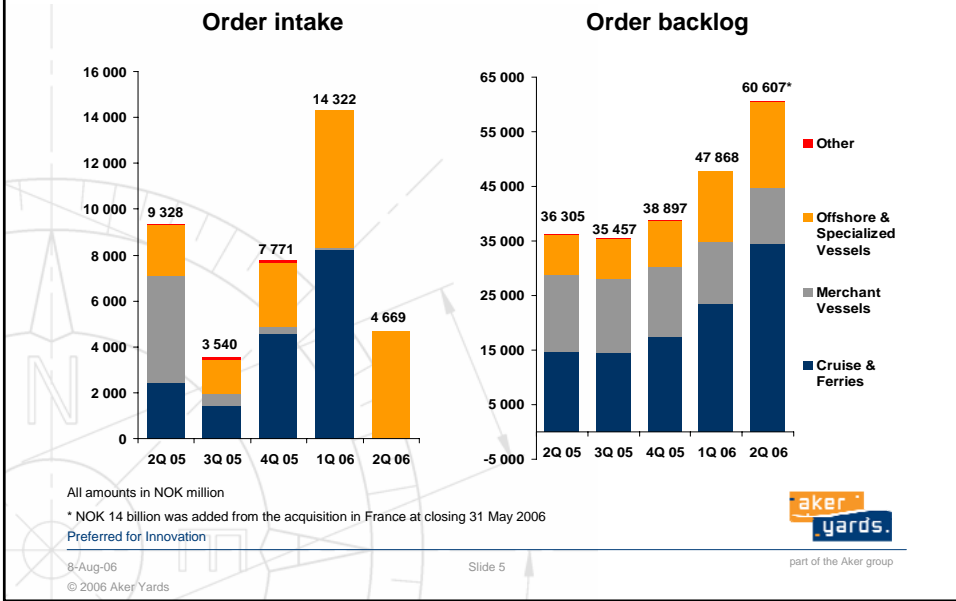
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Order intake and backlog



New contracts 2006

Cruise & Ferries Merchant Vessels Offshore & Specialized Vessels

JAN	FEB	MAR	APR	MAY	JUN
16.01.06 PSV UT751E Farstad Shipping Aker Yards, Brevik	06.02.06 Cruise Vessel Genesis RCI Aker Yards, Finland	14.04.06 Cruise Vessel MSC Aker Yards, France	06.04.06 PSV ST 216 L CD Volstad Shipping Aker Yards, Brattvaag	09.05.06 2 x PSV UT 755 LN Nordcapital Aker Yards, Norway	07.06.06 ROV Aker ROV 02 CD Olympic Shipping AS Aker Yards, Norway
19.01.06 Roro ferry Brittany Ferries Aker Yards, Finland	13.02.06 2 x PSV VS 470 MK II Siem Offshore Aker Yards, Aukra	17.03.06 Aker OSCV 06 L DOF Aker Yards, Saviknes	07.04.06 PSV UT 755 LN Island Offshore Aker Yards, Brevik		26.06.06 Aker DSV 06 DOF Aker Yards, Norway
	20.02.06 PSV UT 755 LN Island Offshore Aker Yards, Brevik	17.03.06 Aker OSCV 06 DOF Aker Yards, Brazil	07.04.06 4 x PSV UT 755 LN Nordcapital Aker Yards, Norway		26.06.06 Aker OSCV-06L DSV DOFCON Aker Yards, Norway
		24.03.06 8 x AHTS VS 472 AP Møller - Maersk Aker Yards, Norway	24.04.06 2 x PSV UT 755 LN Greatship (India) Aker Yards		27.06.06 UT 761 CD Farstad Shipping Aker Yards, Norway
		27.03.06 PSV UT 751 E Farstad Shipping Aker Yards, Brevik	27.04.06 Ramform Vessel Petroleum Geo-Services Aker Yards, Norway		
		27.03.06 AHTS UT 712 L Farstad Shipping Aker Yards, Brevik			
		30.03.06 Aker ROV 06 GEO Aker Yards, Brazil			

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New contracts 2006

Cruise & Ferries

Merchant Vessels

Offshore & Specialized Vessels

JUL	AUG	SEP	OCT	NOV	DEC
<p>06.07.06 2 x PSV UT 755 LN Sneingen AS Aker Yards, Norway</p>					
<p>17.07.06 4 x container / cargo ships Norlisk Nickel Aker Yards, Germany</p>					
<p>24.07.06 Construction vessel Aker OSCV 06 DOFCON Aker Yards, Brazil</p>					
<p>08.08.06 2 x bunkering tankers Maritima Aker Yards, Braila</p>					

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Profitable growth from 12 to 30 billion turnover

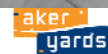


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Profit and loss statement

2005	Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	YTD 2005	YTD 2006
16 607	Operating revenues	4 053	4 219	4 897	5 397	6 144	7 491	11 541
-15 583	Operating expenses	-3 813	-3 937	-4 553	-5 040	-5 767	-7 092	-10 807
5	Other net income	0	0	5	0	5	0	5
1 029	EBITDA	240	282	348	357	382	399	739
6.2	EBITDA-margin (in %)	5.9	6.7	7.1	6.6	6.2	5.3	6.4
765	EBITA	171	217	281	292	305	266	597
680	EBIT	168	212	209	290	303	258	593
-1	Net financial items	34	-15	-23	1	-22	37	-21
25	Share of profit from associated companies	1	18	6	16	6	1	22
704	Profit before tax	203	215	192	307	287	296	594
73	Tax	-47	-44	192	-86	-68	-75	-154
777	Profit after tax	156	171	384	221	219	221	440
37.50	Earnings per share, NOK	7.37	8.35	18.50	10.39	9.29	10.65	19.68

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Cash flow

2005	Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	YTD 2005	YTD 2006
916	Cash flow from operations	195	264	315	177	383	337	560
-996	Change in working capital	-724	20	579	-1 633	878	-1 595	-755
-80	Cash Flow from operating activities	-529	284	894	-1 456	1 261	-1 258	-195
-387	Cash Flow from investing	-64	-66	-224	-83	612	-97	529
692	Cash Flow from financing	-277	1	992	-27	252	-301	225
225	Net increase / decrease (-) in cash and cash equivalents	-870	219	1 662	-1 566	2 125	-1 656	559
-76	Effect of FX changes	-48	-41	24	-9	-35	-59	-44
3 765	Cash and cash equivalents at beginning of period	2 968	2 050	2 228	3 914	2 339	3 765	3 914
3 914	Cash and cash equivalents at end of period	2 050	2 228	3 914	2 339	4 429	2 050	4 429

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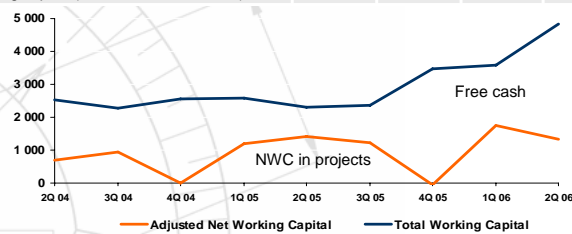
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Working capital

Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06
Current operating assets	6 907	6 956	9 668	11 556	9 730
- Current operating liabilities	-5 592	-6 027	-6 927	-6 844	-8 502
- Construction loans	-1 083	-802	-3 577	-3 922	-1 050
= Net working capital	232	127	-836	790	178
+ Cash and bank deposits *)	2 050	2 228	3 914	2 339	4 429
+ Current interest bearing receivables	12	12	383	444	235
= Total working capital	2 294	2 367	3 461	3 573	4 842
*) Of which restricted cash at end of period	1 184	1 090	785	951	1 147
Adjusted net working capital (NWC + restricted cash)	1 416	1 217	-51	1 741	1 325



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Net interest bearing liabilities

Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06
Long term interest bearing liabilities	1 226	1 317	2 241	2 009	3 298
+ Short term interest bearing liabilities (excluding construction loans)	218	104	139	221	115
- Long term interest bearing receivables	-137	-139	-168	-200	-208
- Current interest bearing receivables	-12	-12	-383	-444	-235
- Cash and bank deposits	-2 050	-2 228	-3 914	-2 339	-4 429
+ Project related cash	1 688	1 537	1 037	997	2 121
Net interest bearing liabilities	933	579	-1 048	244	662

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Assets

YE 2005	Amounts in NOK million	Per half year 2005	Per half year 2006
2 352	Property, plant & equipment	2 189	2 945
1 378	Goodwill	1 437	1 382
21	Other intangible assets	23	31
247	Deferred tax assets	49	202
132	Associated companies	124	190
36	Available-for-sale financial assets	29	42
168	I B long term receivables	137	208
22	Other long term assets	101	22
4 356	Total non-current assets	4 089	5 022
9 668	Current operating assets	6 907	9 730
383	I B short term receivables	12	235
10 051	Total receivables and current assets	6 919	9 965
3 914	Cash and bank deposits	2 050	4 429
13 965	Total current assets	8 969	14 394
18 321	Total assets	13 058	19 416

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Liabilities

YE 2005	Amounts in NOK million	Per half year 2005	Per half year 2006
5 037	Equity	4 421	5 310
46	Minority interest	48	75
5 083	Total equity	4 469	5 385
2 241	I B liabilities	1 226	3 298
140	Deferred tax liability	152	174
176	Non-current provisions	177	274
38	Other long term liabilities	141	111
2 595	Total non-current liabilities	1 696	3 857
3 577	Construction loans	1 083	1 050
139	Other short term I B liabilities	218	115
280	Current provisions	314	507
6 647	Current operating liabilities	5 278	8 502
10 643	Total current liabilities	6 893	10 174
18 321	Total equity and liabilities	13 058	19 416

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Strong focus on HSE

- Lost Time Incidents (LTI) improved from 13 to 10
- Substantial efforts at all yards paying off
- Too early to conclude that the trend has been permanently shifted
- Continuous improvement important



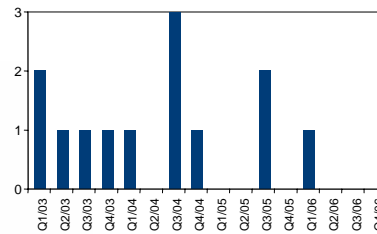
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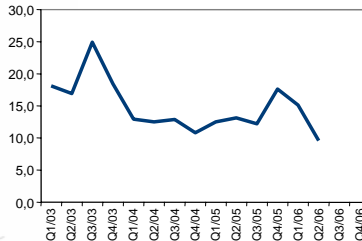
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Number of Fatal & Serious Injury Incidents



H-value - Group



H-value = number of Lost Time Incidents per 1,000,000 manhours



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More than 500 new employees recruited in 2Q

- Focus on securing key personnel
- Innovative profiling gives results when competing for the best people
- Systematic approach to developing people



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Cruise & Ferries 2Q 2006

Market reflections:

- Activity coming back to the high 2001-2003 level
- New generation of large cruise ships
- Main focus on Post Panama vessels
- Small and new operators becoming more active
- Ferry market stable, but still fierce competition



MSC Musica
- delivered to MSC June 2006

2005	Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	YTD 2005	YTD 2006
5 703	Operating revenues	1 517	1 491	1 749	2 156	2 571	2 463	4 727
456	EBITDA	138	120	136	178	195	200	373
8.0	EBITDA margin (in %)	9.1	8.0	7.8	8.3	7.6	8.1	7.9
13 279	Order intake	2 429	1 438	4 558	8 221	0	7 283	8 221
17 559	Order backlog	14 762	14 601	17 559	23 634	34 489	14 762	34 489



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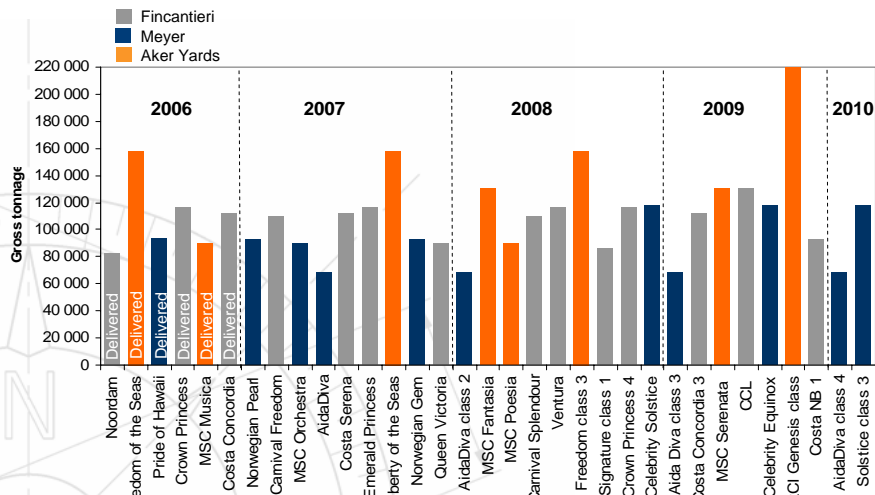
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Global cruise ship order book



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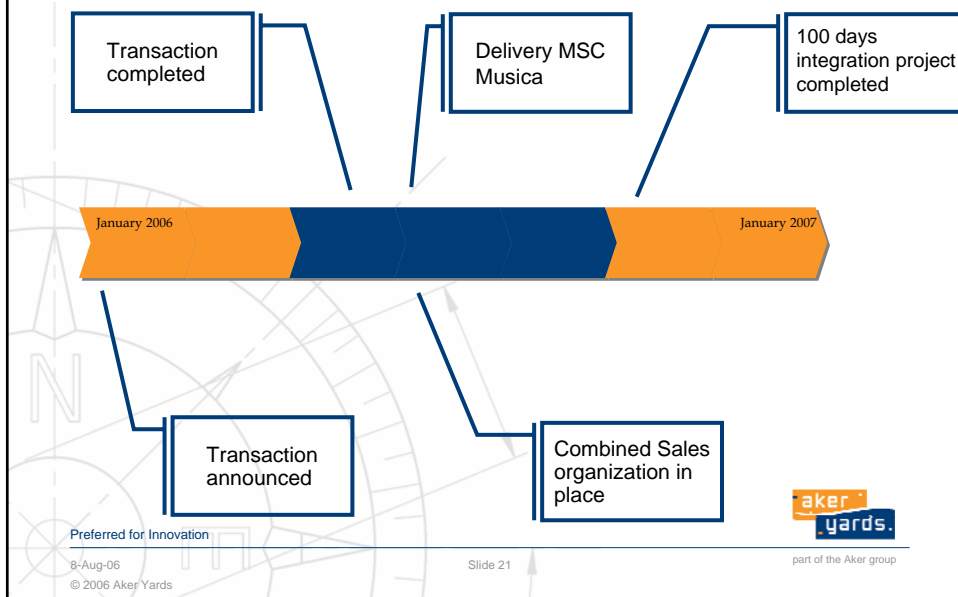
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Integration of French yards well underway



Merchant Vessels 2Q 2006

Market reflections

- The market for container vessels shows improvement after a calmer period
- Chemical tanker market expected to develop positively
- Working on several projects for delivery from 2009 onwards.



Stadt Wismar
- delivered to Thien & Heyenga June 2006

2005	Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	YTD 2005	YTD 2006
4 577	Operating revenues	1 097	1 201	1 209	1 393	1 434	2 167	2 827
145	EBITDA	37	48	46	41	39	51	80
3.2	EBITDA margin (in %)	3.4	4.0	3.8	3.0	2.7	2.4	2.8
9 891	Order intake	4 670	505	281	93	44	9 105	137
12 583	Order backlog	14 207	13 392	12 583	11 192	10 155	14 207	10 155

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Aker Yards strengthens its position as the preferred arctic shipbuilder

- Four double-acting container / cargo ships for arctic operations ordered by Norilsk Nickel, with option for a fifth newbuilding
- Follows Norilsk Nickel's recent deployment of the first vessel of this type, MS Norilskiy Nickel
- Delivery from Aker Yards, Germany between 3Q 2008 and 1Q 2009
- Contract value: EUR 320 million



MS Norilskiy Nickel
Delivered from Aker Yards, Finland April 2006

Vessel description:

Length and beam: 169 m long and 23.1 m wide

Deadweight: 14,500 / 18,000 tonnes

Container capacity: approx. 650 TEU, with 21 reefer sockets

Engine and performance: diesel electric (3 x 6,650 kW generator sets)

Speed: 15.5 knots in calm water (with 9,000 kW shaft power)

Design: Aker Yards' double-acting container/cargo ship for arctic operation



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Rationale for repositioning Merchant Vessels

Coming from:

- Limited margins historically
- Un-diversified merchant portfolio
- Limited low cost steel capacity available

Strategic aim:

- Move towards more value added and specialized vessels
- Diversified portfolio (chemical tankers, small tankers, arctic)
- Establish own low cost steel capacity



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Strategic repositioning of Merchant Vessels



Damen Shipyards Okean

Number of employees: 3 000

Production facilities:

- 2 production lines
- 354 m x 60 m x 14 m dry dock
- 1 floating dock
- 2 gantry cranes of 320 t

Product portfolio:

- Dry cargo vessels
- Combifreighters
- Heavy cargo vessels

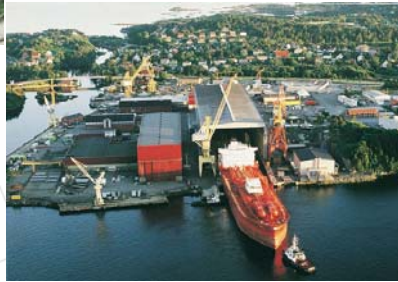
Kleven Florø

Number of employees: 300

Production facilities:

- 200 x 40 m sheltered drydock
- 3 quays
- Crane capacity of 440 t

Product portfolio: Chemical tankers, juice carriers



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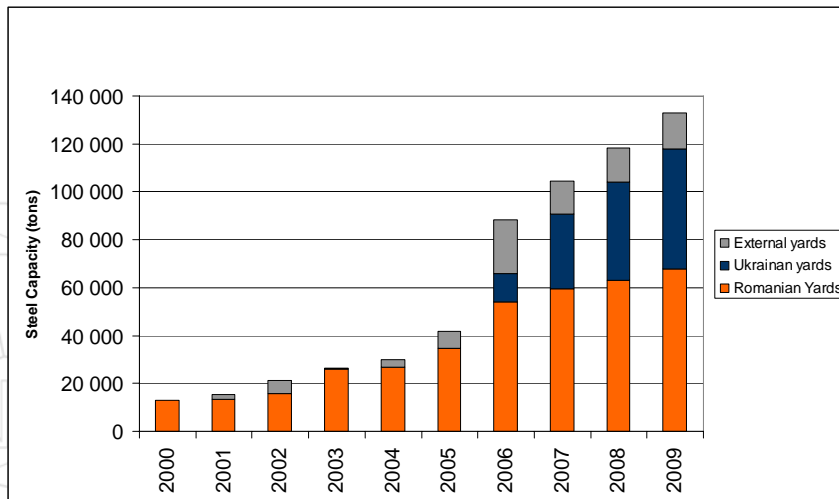
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Low cost steel capacity – Black Sea



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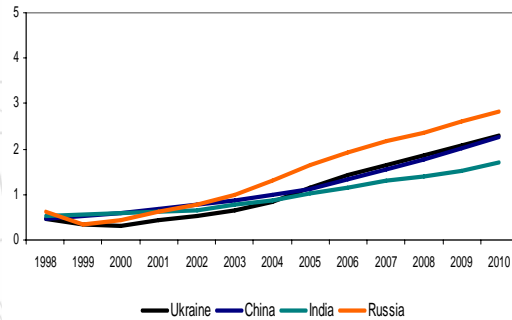
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Ukrainian shipbuilding know-how and cost level creates new opportunities

Cultural and physical proximity makes Ukraine an attractive investment opportunity



Labor cost per hour
Average cost of labor per hour (pay and non-pay costs)

Source: The Economist Intelligence Unit Limited 2005

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Offshore & Specialized Vessels 2Q 2006

Market reflections

- Market is still strong
- PSV and AHTS: demand for larger and more specialized vessels
- Increased demand for large, specialized vessels
- Subcontractors and equipment is the main constraint



UT 761 CD

- ordered by Farstad Shipping in 2Q 2006

2005	Amounts in NOK million	2Q 05	3Q 05	4Q 05	1Q 06	2Q 06	YTD 2005	YTD 2006
5 599	Operating revenues	1 304	1 363	1 787	1 677	1 889	2 449	3 566
442	EBITDA	97	96	161	140	142	185	282
7.9	EBITDA margin (in %)	7.4	7.0	9.0	8.4	7.5	7.6	7.9
8 587	Order intake	2 210	1 495	2 818	5 975	4 606	4 274	10 581
8 595	Order backlog	7 190	7 396	8 595	13 015	15 889	7 190	15 889

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Norwegian Offshore ship owners key drivers for Innovation

- Aker Yards order book:
 - 40 offshore vessels on order with Norwegian owners
 - Aggregate value of contracts: Approx. NOK 13 bn



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- Record high backlog: NOK 61 billion
- 126 vessels in backlog
- High activity level - 18 vessels delivered
- Strategic acquisitions ensures profitable growth



Aker OSCV 06 L DSV
- Ordered by DOFCON in June 2006



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17 yards in 7 countries employing 20 000 people



1. Aker Yards, Brattvaag
2. Aker Yards, Søviknes
3. Aker Yards, Langsten
4. Aker Yards, Aukra
5. Aker Yards, Tulcea
6. Aker Yards, Brazil
7. Aker Yards, Brevik
8. Aker Yards, Braila
9. Aker Yards, Turku
10. Aker Yards, Helsinki
11. Aker Yards, Rauma
12. Aker Yards, Lorient
13. Aker Yards, Saint Nazaire
14. Aker Yards, Wismar
15. Aker Yards, Warnemünde
16. Damen Shipyards Okean
17. Aker Yards, Fiore

One of the world's largest shipbuilders

Comprises 17 yards in 7 countries

20,000 employees

Listed on the Oslo Stock Exchange

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*joint venture

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