Need for further improvement

Aker Yards ASA reported an EBITDA result of NOK 72 million for the second quarter of 2008 for the continuing operations, up from NOK -162 million in the same period last year. For the first half of 2008 Aker Yards had an EBITDA result of NOK 282 million. Earnings per share (EPS) were NOK -0.48 for the quarter and NOK -0.10 for the first half of 2008. With the deliveries of another three ferries during the quarter, the execution of the ferry orderbook in Finland is progressing as planned.

In the second quarter of 2008, Aker Yards' continuing operations had revenues of NOK 7 922 million, an increase of 31.4 percent compared with NOK 6 027 million in the corresponding period of 2007. The EBITDA result for the second quarter was NOK 72 million, giving an EBITDA margin of 0.9 percent. The EBITDA result in the quarter is negatively influenced by an ongoing project within Offshore & Specialized Vessels. The project, consisting of a series of ten vessels, has suffered from late and poor quality deliveries from sub suppliers affecting the results for 2008. Further, one-off charges of a total of NOK 90 million in Other Operations have affected the EBITDA result in the quarter negatively. Revised guidance for 2008 is an expected EBITDA margin for Aker Yards of two to three percent.

For the first half of 2008, revenues were NOK 15 393 million, an increase of 19.3 percent compared with NOK 12 900 million in the same period of 2007. The EBITDA result was NOK 282 million, compared with NOK 297 million in the corresponding quarter of 2007. The EBITDA margin for the first half of 2008 was 1.8 percent.

Earnings per share (EPS) were NOK -0.48 in the quarter, compared with NOK 1.97 in the same period in 2007. For the first six months of 2008, EPS were NOK -0.10, compared with NOK 4.11 in the same period in 2007.

Order intake was NOK 592 million in the quarter and NOK 1 462 million for the first half of 2008, giving an order backlog of NOK 55 211 million comprising 92 vessels at the end of the period.

In June, STX Norway AS acquired 1 318 350 shares in Aker Yards ASA, taking their total shareholding to 45 883 710 shares. As a consequence of this acquisition, a mandatory offer to acquire all remaining Aker Yards shares was launched by STX Norway AS on 18 July 2008.

After the end of the reporting period, Aker Yards and FLC West completed the transaction announced in March in which FLC West comes in as a 70 percent shareholder in three shipyards in Germany and Ukraine. The transaction strengthens Aker Yards' liquidity, and improves the potential for further development of the three involved yards. The final transaction price is EUR 248.9 million, providing a net gain for Aker Yards of NOK 800 to 850 million compared to book value. The completion of the transaction will affect the third quarter results.

Key financial figures (unaudited)[1]	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**1H 07**	**1H 08**	**2007**
Operating revenues	**6 027**	**6 128**	**7 964**	**7 471**	**7 922**	**12 900**	**15 393**	**26 992**
EBITDA	**-162**	**138**	**-519**	**211**	**72**	**297**	**282**	**-84**
EBITDA-margin (%)	-2,7 %	2,2 %	-6,5 %	2,8 %	**0,9 %**	2,3 %	**1,8 %**	0,0 %
EBITA	**-249**	**47**	**-610**	**121**	**-19**	**121**	**101**	**-442**
EBITA-margin (%)	-4,1 %	0,8 %	-7,7 %	1,6 %	**-0,2 %**	0,9 %	**0,7 %**	-1,4 %
EBIT	-93	41	-490	117	**-23**	272	**93**	-177
Profit after tax from continuing operations	219	-8	-275	41	**-52**	461	**-11**	178
Earnings per share (NOK) continuing operations	1,97	-0,07	-2,53	0,38	**-0,48**	4,11	**-0,10**	1,50
Total assets	27 089	24 902	30 499	31 258	**31 732**	27 089	**31 732**	30 499
Equity	5 722	5 353	5 160	5 186	**5 033**	5 353	**5 033**	5 160
Equity ratio (%)	21,1 %	21,5 %	16,9 %	16,6 %	**15,9 %**	19,8 %	**15,9 %**	16,9 %
Net interest-bearing liabilities (+) / Deposits (-)	815	372	1 854	992	**2 738**	815	**2 738**	1 854
Cash & short-term ib. receivables[2]	5 911	5 752	4 989	5 465	**3 901**	5 911	**3 901**	4 989
Net working capital	-1 087	-1 354	-1 176	-1 268	**285**	-1 087	**285**	-1 176
Order intake	**7 222**	**4 459**	**3 350**	**870**	**592**	**21 787**	**1 462**	**29 596**
Order backlog	**74 109**	**71 021**	**68 160**	**61 550**	**55 211**	**74 109**	**55 211**	**68 160**
Number of employees	15 997	16 346	15 753	15 667	**15 825**	15 997	**15 825**	15 753

[1] *Unless otherwise stated amounts in 1Q 08 and 2Q 08 are related to continuing operations only. All amounts in previous quarters are reclassified to be comparable.*
[2] *Cash and short-term interest-bearing receivables include cash from discontinued operations.*

Report for first half of 2008

First half of 2008

Key events

In the period from 1 January to 30 June 2008, Aker Yards delivered a total of sixteen vessels; two cruise ships, four ferries, and ten offshore vessels.

Two general meetings were held during the first half of 2008. At the extraordinary general meeting 1 April 2008 it was decided to reject Havyard Invest AS' proposal of a Board election. On the 21 May 2008, a new Board was elected, consisting of three Board members re-elected from the previous Board and three new Board members. There were no changes for the employee-elected Board members.

Also in May, STX received approval from the EU commission for the acquisition of shares in Aker Yards, and have since then enjoyed full voting rights for their shares.

Later in the period, STX, at that time a 39.2 percent shareholder, bought an additional 1 318 350 shares for NOK 63 per share, triggering a mandatory offer from STX for all remaining Aker Yards shares. The mandatory offer was launched 18 July 2008.

In June it was announced that Mr. Torstein Dale Sjøtveit has been appointed new President & CEO of Aker Yards. Mr. Sjøtveit comes from the global industrial company Norsk Hydro, and brings a strong international top management experience. He will start in his new position with Aker Yards at the latest 1 September 2008.

Also during the period, Mr. Ole Heggheim was appointed as new CFO of Aker Yards, coming from a position as EVP Business Development in Aker Yards.

In the first half of 2008, Aker Yards considered different financing alternatives for refinancing of existing debt and general corporate financing. Also, the delayed completion of Aker Yards' sales of 70 percent of its Merchant Vessels Business to FLC West caused a short-term liquidity need at Aker Yards. On 30 June, STX Norway AS agreed to provide short-term financing to Aker Yards in the aggregate amount of NOK 450 million. The loan was repaid in full within 31 July 2008.

Financial results first half of 2008

Unless otherwise stated, all figures reported represent Aker Yards' continuing operations.

The discussion of the financial results should be read together with the tabular information on page 8 onwards.

Aker Yards had revenues in the first half of 2008 of NOK 15 393 million, compared with NOK 12 900 million in the corresponding period in 2007. The increase in revenues of NOK 2 493 million is due to a high activity level at all yards.

In the first half of 2008, Aker Yards had an EBITDA of NOK 282 million, compared with NOK 297 million in the corresponding period in 2007. The EBITDA margin was 1.8 percent whereas the margin was 2.3 percent in the first half of 2007.

EBIT for the first half of 2008 was NOK 93 million. Net financial items were negative with NOK 70 million. Pre-tax profit was NOK 24 million, compared with NOK 510 million in the first half of 2007. In 2007, the results for the first half year were positively affected by recognition of negative goodwill and gain on sale of shares in Aker Invest.

For the first six months of 2008, earnings per share were NOK -0.10 compared with NOK 4.11 in 2007.

Net working capital as of 30 June 2008 was positive with NOK 285 million compared with NOK -1 268 million in the previous quarter and NOK -1 087 million in second quarter 2007. The increase in net working capital is primarily due to the use of own cash to finance projects under construction in France. The total working capital was NOK 3 313 million at the end of the first half year of 2008, compared with NOK 3 615 at the end of the second quarter 2007.

Gross interest bearing debt was NOK 3 539 million at the end of the second quarter 2008, compared with NOK 3 320 million at the end of the previous quarter, and NOK 3 198 million at the end of the second quarter 2007. Net interest-bearing liabilities were NOK 2 738 million, compared with NOK 992 million in the previous quarter. The increase in net interest-bearing liabilities is primarily a result of the reduction in cash, which again is caused by increased use of own cash to finance projects under construction in France, as explained above.

As per 30 June 2008, Aker Yards had a total of NOK 3 797 million in cash and cash equivalents, of which NOK 1 638 million were restricted cash on escrow accounts, mainly as security for guarantees made to customers on prepaid installments. The remaining NOK 2 159 million is located in different business units within Aker Yards. Cash in subsidiaries is mainly capital financed by installments from customers under the shipbuilding contracts. There are certain limitations as for transferring cash from the various subsidiaries to corporate level, such as limitations linked to financial covenants. For that reason, also cash and cash equivalents which are not restricted may not necessarily be available at corporate level.

Financial results second quarter of 2008

Aker Yards had revenues in the second quarter of 2008 of NOK 7 922 million, compared with NOK 6 027 million in the corresponding period in 2007. The increase in revenues of NOK 1 895 million is due to a high activity level at all yards.

In the second quarter of 2008, Aker Yards had an EBITDA of NOK 72 million, compared with NOK -162 million in the corresponding quarter in 2007. The EBITDA margin was 0.9 percent whereas the margin was -2.7 percent in the same period last year.

EBIT for the quarter was NOK -23 million. Net financial items were negative with NOK -28 million. Pre-tax profit for the second quarter was NOK -52 million, compared with NOK 170 million in the second quarter of 2007. Earnings per share were NOK -0.48, compared with NOK 1.97 in the same period last year.

Discontinued operations

Discontinued operations remain consolidated in the Group's financial statements, which means that any internal transactions between continuing and discontinuing operations are eliminated in the consolidation. As a consequence, the amounts ascribed to continuing and discontinuing operations are revenues and expenses only from external transactions. The profit and loss statements for prior periods have been reclassified to be comparable. External assets and liabilities, excluding cash and cash equivalents, are presented separately as held for sale in the balance sheet with effect from the time Aker Yards entered into the agreement. The balance sheet has not been reclassified for prior periods.

Risk elements going forward

Aker Yards' business operations imply an inherent risk which demands careful control and follow-up. For the coming six months, main risk elements are related to execution of the existing backlog and market developments.

Aker Yards has a total of 92 highly complex, technically advanced vessels on order for delivery over the next three years. This implies an inherent risk related to project execution. Failure to meet schedule or performance guarantees or increases in contract costs can result in non-recoverable costs, which could exceed revenues from the applicable project.

Although the workload is approaching a more normalized level, activity will continue to be high both within Aker Yards' operations and in the shipbuilding industry in general during the second half of 2008. High activity in the shipbuilding industry may lead to resource shortages as well as risk associated with making deliveries on time and on budget. Cost increases and delays resulting from a heated suppliers market can not be excluded.

Shipbuilding in general is subject to risk related to economic fluctuations and has historically been a cyclical industry. The general economic climate, including oil price, world trade, and consumer spending, may influence Aker Yards' customers' willingness to order new vessels as well as their creditworthiness.

General economic developments also influence Aker Yards' exposure to financial risk, related to elements such as exchange rates, interest, bank guarantees and access to liquidity. Although the transaction with FLC West strengthens Aker Yards' financial capacity and liquidity, the company will continuously evaluate its corporate financing and may choose to refinance existing debt.

Transactions with closely related parties

On 30 June, STX Norway AS, a 40.4 percent shareholder, agreed to provide short-term financing to Aker Yards in the aggregate amount of NOK 450 million. The loan carried an interest rate of NIBOR +1.5 percent and was repaid in full within 31 July 2008.

Events after the end of the reporting period

Since the end of the second quarter, Aker Yards has reported to the Oslo Stock Exchange new contracts with DOF ASA and Island Offshore for a total of four vessels.

On 18 July 2008, STX launched a mandatory offer to acquire all issued and outstanding shares of Aker Yards ASA which are not already owned by STX Norway AS. The offer price is NOK 63 per share, and the offer period lasts from and including 18 July 2008 to and including 16.30 CET on 15 August 2008. In compliance with the Securities Trading Act section 6-16, the Board of Aker Yards ASA has at 8 August 2008 issued a statement in which the Board provides their views on the STX bid and a recommended course of action to the shareholders.

On 29 July 2008, the transaction with FLC West announced in March was completed. The final transaction price has been set to EUR 248.9 million. This provides a net gain of NOK 800 to 850 million compared to book value for Aker Yards, or approximately NOK 7.5 per Aker Yards share. In addition to FLC West's previous prepayments of EUR 50 million, FLC West has paid the remaining EUR 198.9 million as part of the completion of the transaction. As part of the transaction, Aker Yards ASA will take ownership of contracts for four container ships for delivery in 2010. Placing these contracts in the market will be considered in due course.

The three involved yards have from first quarter 2008 been reported as discontinued business. The completion of the transaction will positively affect Aker Yards' third quarter financial results. A negative financial development in some of the projects in the discontinued business will have a negative effect on earnings per share for Aker Yards up until the third quarter 2008.

Health, Safety and Environment (HSE)

No fatal or major accidents occurred in the second quarter of 2008. The quarterly lost time incident (LTI) frequency rate, defined as the number of lost time accidents per million worked hours, ended up on 7.5 this quarter, down from 8.7 in the previous quarter. Proactive reporting and handling of safety observations continue to increase reflecting high local safety attention. This is an important reason for the improvements observed within HSE. Sick leave in Finland is still too high and several actions are being implemented in order to reduce it further. The sick leave for most of the Norwegian yards had a positive trend in the quarter.

Business Area information

Cruise & Ferries

In NOK million	2Q 07	2Q 08	YTD 2007	YTD 2008	2007
Operating revenues	3 685	4 901	7 894	9 837	16 824
EBITDA	-121	161	168	311	-175
EBITDA margin %	-3,3 %	3,3 %	2,1 %	3,0 %	-1.0 %
Order intake	2 425	132	13 187	132	14 514
Order backlog	47 185	28 990	47 185	28 990	39 254

Financial results - Cruise & Ferries

The Cruise & Ferries business area had second quarter 2008 revenues of NOK 4 901 million, compared with NOK 3 685 million in the corresponding period in 2007. The EBITDA for the business area was NOK 161 million in the second quarter, giving an EBITDA margin of 3.3 percent.

Cruise & Ferries had order intake of NOK 132 million in the second quarter. At the end of the quarter, the Cruise & Ferries business area had an order backlog of NOK 28 990 million, consisting of 14 vessels. This is a decrease of 38.6 percent from the NOK 47 185 million in order backlog at the end of second quarter 2007.

Orders and deliveries - Cruise & Ferries

During the second quarter, four vessels, of which three ferries and one cruise ship, were delivered from the Cruise & Ferries business area.

From the Lorient shipyard in France, the ro-pax ferry *Ile de Groix* was delivered to Morbihan in May 2008. Also in the quarter, the fast passenger-car ferry *Viking XPRS* was delivered from Helsinki and the *SuperSpeed 2* was delivered to Color Line from the yard in Rauma.

The *Independence of the Seas* was delivered in April 2008 from the Turku shipyard. This is the third ship in the series of what is the world's largest cruise ship sailing today.

After the end of the quarter, the cruise ferry *Baltic Princess* was delivered to Tallink. This is the fourth sophisticated cruise ferry Aker Yards has delivered for Tallink, and the production of a fifth is proceeding in the Rauma yard for delivery in spring 2009.

The order backlog in Finland also includes the revolutionary Oasis-class cruise ships for Royal Caribbean under construction in Turku. The *Oasis of the Seas* and *Allure of the Seas* will become the world's largest cruise vessels when they are delivered in 2009 and 2010, and the ships will have unforeseen features that make the vessels true destinations in themselves.

In France, the yard in Saint-Nazaire is occupied with five cruise vessels in the order book; three vessels for MSC Cruises and two for Norwegian Cruise Line. At the Lorient shipyard production of three smaller LNG ferries is proceeding for delivery in 2009.

At the end of the quarter, the order backlog for Cruise & Ferries consisted of 14 vessels.

The dialogue regarding a possible order for a fourth ship in the Freedom class is ongoing between Aker Yards and Royal Caribbean. The vessel would be delivered in the second half of 2011. The placement of the order is still subject to a number of conditions, including Board approval and finalization of terms and conditions.

In the second quarter, Aker Yards and P&O Ferries signed a letter of intent for building two large car-passenger ferries. The total contract price for both vessels is approximately EUR 360 million. The vessels are scheduled for delivery in 2010 and 2011 respectively and the intention is to build the vessels in Rauma.

Operation and market comments - Cruise & Ferries

With the deliveries of another three ferries during the quarter, the challenges related to execution of the large ferry orderbook in Finland are now behind us. The workload at the Finnish yards is at a normalized level, and the yard in Saint-Nazaire in France is well positioned for controlled growth. Nevertheless, increasing oil prices and upward raw material prices are still affecting the operations, further adding the pressure on finding new ways of cost savings.

With a clear ambition to strengthen the operational focus in the business area Cruise & Ferries, Aker Yards has taken measures to strengthen the management team. In July, Martin Landtman was recruited as manager for the Finnish yards, and, together with the manager for the yards in France and the manager for sales and marketing, he will be reporting directly to the CEO. This new model is expected to enable the business area operate more efficiently, and to pursue new contracts going forward.

The Cruise Lines International Association (CLIA) estimates that 12.6 million people worldwide went on a cruise in 2007, a 4.6 percent increase over 2006. CLIA believes demand will hold, with a projected 12.8 million passengers for 2008 despite the weakening economy. This shows that the cruise market is still growing, but at a somewhat slower speed than in recent years. Europe and other new markets represent the key areas for growth.

For the cruise ship operators, justifying new ship orders becomes increasingly difficult with a softening economy, weak US dollar, and continuing escalation of steel and oil prices. This may have a temporary dampening effect on newbuilding activity. However, the cruise industry has proven to be resilient during periods with weaker economic growth in the past. Challenging market conditions may also lead cruise ship operators to further investigate the possibilities to order newbuilds from Asian shipyards.

The ferry markets continue to develop positively. Growth is also expected within lifecycle services, as the fleet of late 1990's newbuilds will need upgrades. A notable driver is also the rising environmental awareness requiring limitation of emissions. Aker Yards' lifecycle services unit is now able to provide such solutions, and have signed several conversion and modernization contracts recently.

Also the cabins business units' activities are performing well. The innovative curved *New Wave* cabins for Norwegian Cruise Line's new cruise ships were introduced in May.

Offshore & Specialized Vessels

In NOK million	2Q 07	2Q 08	YTD 2007	YTD 2008	2007
Operating revenues	2 153	2 802	4 274	4 980	9 072
EBITDA	104	47	253	190	550
EBITDA margin %	4,8 %	1,7 %	5,9 %	3,8 %	6,1 %
Order intake	4 715	388	8 473	1 258	14 925
Order backlog	23 928	24 129	23 928	24 129	26 300

Financial results – Offshore & Specialized Vessels

The business area Offshore & Specialized Vessels had revenues in the second quarter of NOK 2 802 million. This represents a NOK 649 million increase in the business area's revenues, compared with the corresponding quarter of 2007. Offshore & Specialized Vessels achieved an EBITDA of NOK 47 million in the second quarter of 2008 with an EBITDA margin of 1.7 percent.

The EBITDA result in the quarter is negatively influenced by a series of ten anchor handling tug supply vessels currently under construction. The negative development in this project, partly due to delayed and poor quality deliveries from sub suppliers, will affect the results within Offshore & Specialized Vessels for the remainder of 2008. The last vessel in the series is scheduled for delivery towards the end of 2009.

Total order intake in the quarter amounted to NOK 388 million. Offshore & Specialized Vessels had an order backlog of 73 ships at a total value of NOK 24 129 million at the end of the period. This is an increase of 0.8 percent from previous year.

Orders and deliveries - Offshore & Specialized Vessels

During the second quarter, Aker Yards delivered six vessels from the Offshore & Specialized Vessels business area, including *Island Wellserver* to Island Offshore which will perform light well intervention for StatoilHydro on a six year contract together with *Island Frontier* delivered in 2004.

No newbuilding contracts were entered into in the quarter, but after the end of the period, Aker Yards has received orders for four new offshore vessels. In July, Aker Yards signed a contract with DOF ASA for building of three Anchor Handling Tug Supply vessels (AHTS). All the vessels will be of Aker Yards' own design and equipped for operations in the Brazilian market. The three ships are scheduled for delivery in 2010 and 2011.

Later in July, Aker Yards signed a contract with Island Offshore for building of a well intervention vessel to Island Offshore. The vessel will be based on the same design as *Island Wellserver*, delivered from Aker Yards earlier this year. The vessel is specially equipped for operations in the North Sea market. The value of the contract is approximately NOK 1.2 billion including equipment supplied by the owners. The well intervention unit is scheduled for delivery in 2011.

Operation and market comments - Offshore & Specialized Vessels

The activity level at the yards constructing Offshore & Specialized Vessels continues to be high, with good capacity utilization both for hull construction in Romania and at the outfitting yards in Norway.

Aker Yards' own designs have gained ground in the market. Most new orders are based on Aker Yards' own designs, and the design expertise has become an important competitive factor and part of the business area's value chain.

The underlying drivers for offshore activity worldwide are still developing positively, especially within deepwater locations and arctic regions. However, with a large newbuilding orderbook and long lead times for new vessels, a temporary slowdown of order intake, especially for the more standard PSV's and AHTS vessels, is not unlikely. Until the vessels on order have been delivered and absorbed in the market, newbuilding activity may continue to be lower than what it has been in the past couple of years.

With market growth in new, demanding environments, offshore tasks are growing in complexity. Arctic and deep water operations require advanced vessels tailor-made for such activities. Additionally, stricter age requirements from charterers and more environmental and safety regulations create demand for vessels with innovative solutions and features for fuel saving, emission reductions and safety focus. Aker Yards is well positioned within these segments and pursue there markets actively.

Other Operations

In NOK million	2Q 07	2Q 08	YTD 2007	YTD 2008	2007
Operating revenues	189	220	733	577	1 096
EBITDA	-146	-135	-126	-218	-461
Order intake	82	72	127	72	157
Order backlog	2 996	2 092	2 996	2 092	2 606

Financial results – Other Operations

The segment Other Operations includes the yard in Florø in Norway, units for development and sales of LNG technologies, arctic technologies and other solutions. Corporate costs are also presented under this segment. Prior periods' revenue and results have been reclassified to be comparable.

Other Operations had revenues of NOK 220 million in the second quarter, an increase of NOK 31 million relative to the corresponding period last year. In the second quarter, Other Operations had an EBITDA of NOK -135 million, compared with NOK -146 million in the corresponding quarter in 2007. The EBITDA result in the quarter was negatively influenced by one-off charges of a total of NOK 90 million. The one-off charges are related to a not realized loss to the expected market price of on six small tankers under construction, and an adjustment to the expected value of a claim.

Order intake in the second quarter was NOK 72 million, giving an order backlog at the end of the quarter of NOK 2 092 million.

Operation and market comments – Other Operations

The yard in Florø is building a series of six chemical tankers for Stolt-Nielsen. The first vessel in the series was delivered in February, and the second ship is scheduled for delivery in the second half of 2008. Improvement measures have been implemented to address challenges related to cost and efficiency at the yard.

The Florø yard's backlog for five more chemical tankers stretches to 2010. The yard is evaluating how it may benefit from increased cooperation with the group's other yards, particularly the yards in Norway.

After the end of the quarter, the rental agreement of premises in Førde has been terminated and after this Aker Yards has no remaining production there.

The Okean yard in Ukraine delivers hulls to Florø for outfitting. The contractual agreement between Florø and Okean for further hull deliveries will remain effective also after the transaction with FLC West.

Aker Yards is also recognized for its world leading expertise for Arctic technologies, based on its own ice and arctic laboratory and R&D centre in Finland.

For both the LNG and the Arctic technology teams, there are synergies with other units in the group, as well as stand alone market opportunities. The transaction with FLC West for merchant vessels may provide additional opportunities for Aker Yards to further contribute with niche technologies as a result of the transaction.

Other matters

As of 7 August 2008 the number of outstanding shares was 113 607 085, distributed among 2 195 shareholders. Aker Yards holds 5 000 000 treasury shares.

As per 7 August 2008 STX Norway AS has reported to have received acceptances for a total of 50 306 shares under the mandatory offer to acquire shares in Aker Yards. Including these shares, STX Norway AS controls a total of 45 934 016 shares in the company, corresponding to 40.43 percent of total votes and shares.

Outlook

Activity at the yards continues to be high within all business areas.

Cruise passenger growth continues, although at a slightly slower speed than in previous years, with Europe being among the areas with the strongest growth.

However, a softening economy, weak US dollar, and continuing escalation of prices of raw materials may have a temporary dampening effect on cruise newbuilding activity going forward.

A large newbuilding orderbook and long lead times within the Offshore & Specialized Vessels business area may lead to a temporary slow-down of order intake, especially for the more standardized vessel types.

The market for vessels operating in challenging environment such as arctic and deep water regions continues to develop positively.

As in previous years, Aker Yards expects quarterly fluctuations in the results, mainly due to the phasing of major projects. The Board expects an EBITDA margin of two to three percent for the full year.

Responsibility Statement

We, the Board of Directors of Aker Yards ASA, confirm that, to the best of our knowledge, the condensed set of financial statements for the first half year of 2008 which has been prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of Aker Yards' consolidated assets, liabilities, financial position and results of operations. We also confirm that, to the best of our knowledge, the first half 2008 report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year, as required under the Norwegian Securities Trading Act section 5–6 fourth paragraph.

Oslo, 7 August 2008

Svein Sivertsen
Board Chairman and acting CEO

Su-Jou Kim
Board member

Ole Melberg
Deputy Chairman

Terje Nerås
Board member

Carola Teir-Lehtinen
Board member

Karl Johan Breivik
Board member

Françoise Gri
Board member

Arne Otto Rogne
Board member

Mimi K. Berdal
Board member

Ole André Heggheim
Managing Director

Tabular information

Profit and loss statement (unaudited)[1)]

	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**2007**	**2008**	**2007**
Operating revenues	**6 027**	**6 128**	**7 964**	**7 471**	**7 922**	**12 900**	**15 393**	**26 992**
Operating expenses	-6 189	-5 990	-8 483	-7 261	**-7 850**	-12 604	**-15 111**	-27 076
Other net income	-	-	-	-	**-**	-	**-**	-
EBITDA	**-162**	**138**	**-519**	**211**	**72**	**297**	**282**	**-84**
Ordinary depreciation	-87	-91	-92	-90	**-91**	-176	**-181**	-358
Amortization and write-downs	-4	-6	-6	-4	**-4**	-9	**-8**	-21
EBIT before non recurring items	**-253**	**41**	**-616**	**117**	**-23**	**112**	**93**	**-463**
Impairment of goodwill / recognition of negative goodwill	160	-	126	-	**-**	160	**-**	286
Other non recurring items	-	-	-	-	**-**	-	**-**	-
EBIT	**-93**	**41**	**-490**	**117**	**-23**	**272**	**93**	**-177**
Net financial items	260	-58	-27	-41	**-28**	232	**-70**	147
Share of profit of associated companies	3	-	-5	-	**-**	6	**-**	2
Profit before tax	**170**	**-17**	**-521**	**76**	**-52**	**510**	**24**	**-28**
Tax	49	10	246	-34	**-**	-49	**-34**	206
Profit from continuing operations	**219**	**-8**	**-275**	**41**	**-52**	**461**	**-11**	**178**
Profit from discontinued operations	-19	20	-48	-54	**-81**	-58	**-135**	-87
Profit after tax	**200**	**12**	**-323**	**-12**	**-134**	**403**	**-146**	**92**
Minority interests	-	3	10	1	**-1**	-	**-**	13
Equity holders of Aker Yards ASA	200	15	-313	-11	**-135**	403	**-146**	104
Earnings per share								
Earnings per share	1,80	0,16	-2,81	-0,12	**-1,24**	3,60	**-1,36**	0,95
Diluted earnings per share	1,80	0,16	-2,81	-0,12	**-1,24**	3,60	**-1,36**	0,95
Earnings per share for continuing operations								
Earnings per share for continuing operations	1,97	-0,07	-2,53	0,38	**-0,48**	4,11	**-0,10**	1,50
Diluted earnings per share for continuing operations	1,97	-0,07	-2,53	0,38	**-0,48**	4,11	**-0,10**	1,50

[1)] *Amounts in 1Q 08 and 2Q 08 are related to continuing operations only. All amounts in previous quarters are reclassified to be comparable.*

Balance sheet (unaudited)

Assets

Amounts in NOK million	**30.06.2007**	**30.06.2008**	**31.12.2007**
Property, plant & equipment	**3 361**	**2 747**	3 450
Goodwill	1 615	**1 293**	1 626
Other intangible assets	78	**34**	47
Total intangible assets	**1 694**	**1 327**	**1 672**
Deferred tax assets	573	**621**	713
Associated companies	5	**5**	4
Available for sale financial assets	101	**31**	34
Interest-bearing long term receivables	326	**38**	35
Other long term assets	29	**39**	32
Total financial assets	**1 035**	**734**	**818**
Total non-current assets	**6 090**	**4 808**	**5 940**
Current operating assets	15 056	**17 773**	19 562
Interest-bearing short term receivables	338	**104**	359
Total receivables and other current assets	**15 394**	**17 877**	**19 921**
Cash and bank deposits	**5 606**	**3 797**[1)]	**4 638**
Total current assets	**21 000**	**21 674**	**24 559**
Assets held for sale	**-**	**5 250**	**-**
Total assets	**27 089**	**31 732**	**30 499**

[1)] *Includes cash from discontinued operations*

Equity and liabilities

Amounts in NOK million	**30.06.2007**	**30.06.2008**	**31.12.2007**
Paid-in capital	712	**702**	702
Other paid-in capital	3 000	**3 000**	3 000
Other reserves	-152	**-205**	-206
Retained earnings	2 110	**1 494**	1 623
Total equity attributable to equity holders of the parent	**5 670**	**4 991**	**5 119**
Minority interest	52	**41**	41
Total equity	**5 721**	**5 033**	**5 160**
Long term interest-bearing liabilities	**2 510**	**2 525**	**2 417**
Deferred tax liability	88	**9**	17
Non-current provisions	279	**222**	411
Other long-term liabilities	659	**356**	517
Total non-current liabilities	**3 536**	**3 112**	**3 361**
Construction loans	3 921	**7 243**	6 987
Other short term interest-bearing liabilities	688	**1 014**	894
Current provisions	314	**290**	558
Current operating liabilities	12 908	**9 955**	13 538
Total current liabilities	**17 831**	**18 503**	**21 977**
Total liabilities	**21 367**	**21 615**	**25 339**
Liabilities held for sale	-	**5 085**	-
Total equity and liabilities	**27 089**	**31 732**	**30 499**

Statement of changes in shareholders equity (unaudited)

Amounts in NOK million	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of share-holders	Minority interests	Total equity
Equity as of 1 January 2008	**434**	**268**	**3 000**	**-205**	**1 622**	**5 119**	**41**	**5 160**
Net profit	-	-	-	-	-146	-146	-1	-146
Translation differences	-	-	-	-	19	19	-	19
Equity as of 30 June 2008	**434**	**268**	**3 000**	**-205**	**1 494**	**4 991**	**41**	**5 033**

Amounts in NOK million	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of share-holders	Minority interests	Total equity
Equity as of 1 January 2007	**454**	**268**	**3 000**	**11**	**2 349**	**6 082**	**64**	**6 146**
Change in minority interest	-	-	-	-	-	-	-12	-12
Net profit	-	-	-	-	403	403	-	403
Translation differences	-	-	-	-164	-	-164	-	-164
Dividend to shareholders	-	-	-	-	-400	-400	-	-400
Treasury shares	-10	-	-	-	-241	-251	-	-251
Equity as of 30 June 2007	**444**	**268**	**3 000**	**-153**	**2 110**	**5 670**	**52**	**5 722**

Amounts in NOK million	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of share-holders	Minority interests	Total equity
Equity as of 1 January 2007	**454**	**268**	**3 000**	**11**	**2 349**	**6 082**	**64**	**6 146**
Change in minority interest	-	-	-	-	-6	-6	-9	-15
Fair value changes	-	-	-	-13	-	-13	-	-13
Net profit	-	-	-	-	104	104	-13	91
Translation differences	-	-	-	-203	-	-203	-1	-204
Dividend to shareholders	-	-	-	-	-400	-400	-	-400
Treasury shares	-20	-	-	-	-425	-445	-	-445
Equity as of 31 December 2007	**434**	**268**	**3 000**	**-205**	**1 622**	**5 119**	**41**	**5 160**

Cash Flow (unaudited)1)

	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**2007**	**2008**	**2007**
CF from operations	9	2	-375	196	**46**	236	**242**	-137
+ Change in working capital	162	55	-442	384	**-1 666**	148	**-1 282**	-239
= CF from operating activities	172	57	-817	580	**-1 621**	385	**-1 041**	-376
+ CF from investing activities	-44	98	-221	90	**-120**	-191	**-29**	-314
+ CF from financing activities	-442	-117	20	-2	**228**	-650	**226**	-747
Net increase/decrease in cash and cash equivalents	**-314**	**38**	**-1 018**	**668**	**-1 512**	**-456**	**-844**	**-1 437**
Effect of FX rate changes	-90	-118	132	44	**-42**	-184	**3**	-172
Cash and cash equivalents at beginning of period	**6 011**	**5 606**	**5 525**	**4 638**	**5 350**	**6 247**	**4 638**	**6 247**
Cash and cash equivalents at end of period	**5 606**	**5 525**	**4 638**	**5 350**	**3 797**	**5 606**	**3 797**	**4 638**
Restricted cash at end of period	2 877	2 412	3 020	2 467	**1 638**	2 877	**1 638**	3 020

[1)] *The statement includes cash flows from discontinued operations.*

Working capital (unaudited)1)

Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**
Current operating assets	12 628	10 517	17 553	17 584	**17 773**
- Current operating liabilities	-9 953	-8 302	-12 003	-9 636	**-10 245**
- Construction loans	-3 763	-3 569	-6 726	-9 216	**-7 243**
= Net working capital	**-1 087**	**-1 354**	**-1 176**	**-1 268**	**285**
+ Cash and bank deposits	4 395	4 584	3 831	4 380	**2 924**
+ Current interest-bearing receivables	308	230	351	114	**104**
= Total working capital	**3 615**	**3 459**	**3 005**	**3 227**	**3 313**

[1)] *Amounts in 1Q 08 and 2Q 08 are related to continuing operations only. All amounts in previous quarters are reclassified to be comparable.*

Net interest bearing liabilities (unaudited)1)

Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**
Long term interest-bearing liabilities	2 510	2 533	2 417	2 429	**2 525**
+ Short term interest-bearing liabilities (excl. construction loans)	688	706	894	891	**1 014**
- Long term interest-bearing receivables	-326	-163	-35	-29	**-38**
- Current interest-bearing receivables	-308	-230	-351	-114	**-104**
- Cash and bank deposits	-4 395	-4 584	-3 831	-4 380	**-2 924**
+ project related cash	2 646	2 109	2 761	2 195	**2 266**
= Net interest bearing liabilities	**815**	**372**	**1 854**	**992**	**2 738**

[1)] *Amounts in 1Q 08 and 2Q 08 are related to continuing operations only. All amounts in previous quarters are reclassified to be comparable.*

Business Area information (unaudited)[1)]

Cruise & Ferries

	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**2007**	**2008**	**2007**
Operating revenues	3 685	4 090	4 841	4 936	**4 901**	7 894	**9 837**	16 824
EBITDA	**-121**	**104**	**-447**	**150**	**161**	**168**	**311**	**-175**
EBITDA-margin (%)	-3,3 %	2,5 %	-9,2 %	3,0 %	**3,3 %**	2,1 %	**3,2 %**	-1,0 %
EBITA	**-175**	**49**	**-502**	**90**	**102**	**61**	**192**	**-392**
EBIT before non recurring items	**-177**	**49**	**-503**	**89**	**100**	57	**189**	**-398**
Order intake	2 425	239	1 088	-	**132**	13 187	**132**	14 514
Order backlog	47 185	41 655	39 254	34 218	**28 990**	47 185	**28 990**	39 254

Offshore & Specialized Vessels

	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**2007**	**2008**	**2007**
Operating revenues	2 153	1 873	2 925	2 179	**2 802**	4 274	**4 980**	9 072
EBITDA	**104**	**143**	**154**	**143**	**47**	**253**	**190**	**550**
EBITDA-margin (%)	4,8 %	7,6 %	5,3 %	6,6 %	**1,7 %**	5,9 %	**3,8 %**	6,1 %
EBITA	**81**	**118**	**129**	**118**	**22**	**207**	**140**	**454**
EBIT before non recurring items	78	118	127	117	**22**	204	**139**	449
Order intake	4 715	4 190	2 262	870	**388**	8 473	**1 258**	14 925
Order backlog	23 928	26 526	26 300	25 120	**24 129**	23 928	**24 129**	26 300

Other Operations

	Quarterly results					Year-to-date		Full year
Amounts in NOK million	**2Q 07**	**3Q 07**	**4Q 07**	**1Q 08**	**2Q 08**	**2007**	**2008**	**2007**
Operating revenues	189	165	198	357	**220**	733	**577**	1 096
EBITDA	**-146**	**-109**	**-226**	**-83**	**-135**	**-126**	**-218**	**-461**
EBITA	**-156**	**-120**	**-236**	**-88**	**-142**	**-149**	**-230**	**-505**
EBIT before non recurring items	-156	-124	-240	-89	**-144**	-151	**-233**	-515
Order intake	82	30	-	-	**72**	127	**72**	157
Order backlog	2 996	2 840	2 606	2 212	**2 092**	2 996	**2 092**	2 606

[1)] Amounts in 1Q 08 and 2Q 08 are related to continuing operations only. All amounts in previous quarters are reclassified to be comparable.

Notes to the unaudited interim financial statements 2nd quarter 2008

Note 1 Reporting entity

Aker Yards ASA is a company domiciled in Norway. The interim financial statements for the second quarter 2008 ended 30 June comprise Aker Yards ASA and its subsidiaries (together referred to as the "Group" and the Group's interests in associates).

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available at www.akeryards.com.

Note 2 Statement of compliance

These interim financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

These interim financial statements were approved by the Board of Directors 7 August 2008.

Note 3 Significant accounting principles

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007.

Note 4 Estimates

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

The significant judgments made by management in preparing these interim financial statements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2007.

Note 5 Interest bearing loans

For interest bearing loan the following repayments and new debts were done in the second quarter and first half of 2008;

Amounts in NOK million	**2Q 2008**	**1H 2008**
Opening balance	**3 320**	**3 311**
Revolving credit facility	50	50
Short term loan STX Norway AS	450	450
Repayment AKY01	-256	-256
Net change other interest bearing debt	-11	-13
Currency translation	-14	-3
Closing balance	**3 539**	**3 539**

Definitions

EBITDA = Earnings before interest, tax, depreciation and intangible assets amortization
EBITA = Earnings before interest, tax and intangible assets amortization
EBIT = Earnings before interest and tax

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