



Preliminary Annual and Fourth Quarter Results 2004

Karl Erik Kjelstad, President & CEO
Leif Borge, CFO

Preferred for innovation

Agenda

- | | |
|-------------------------------------|---------------------|
| • Highlights and key figures | K E Kjelstad |
| • Financial update | L Borge |
| • Market segments | K E Kjelstad |
| • Closing remarks | K E Kjelstad |
| • Q & A Session | |

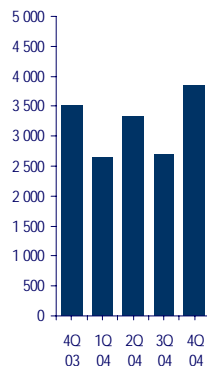
The combination of the shipbuilding activities in Aker and Kvaerner has been accounted for from 1 April 2004. Historical figures in this report are pro forma figures based on the results of the Aker Yards Group and the shipbuilding activities in Kvaerner.

Highlights fourth quarter 2004

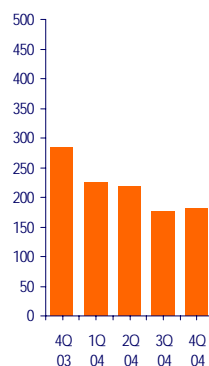
- **NOK 6,4 billion in new orders in the fourth quarter**
 - Good order intake. Backlog up 28 percent from 4Q 2003
 - Despite increased backlog, still not at full capacity utilization
 - 3 letters of intent signed, to a total value of NOK 5.5 bn, of which 2.5 bn. converted to firm contracts in 2005
- **Good operations**
 - 11 vessels delivered in fourth quarter of 2004
 - Operating revenues of NOK 3 850 million in the fourth quarter
 - EBITDA: NOK 182 million for the quarter, which gives a margin of 4.7 per cent
- **Continued positive market development**
- **The restructured Aker Finnyards operational**
 - New, lower cost base secures competitive position
 - Agreement with employee representatives to reduce the workforce by approximately 315 employees
 - A non-recurring charge of NOK 143 mill in 4Q related to the restructuring of the three Finnish yards

Key indicators

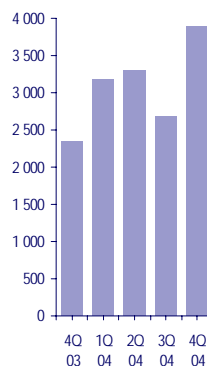
Operating revenues



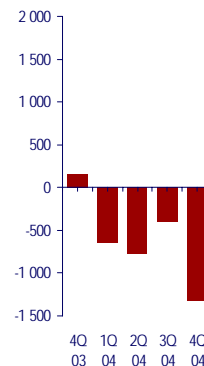
EBITDA



Cash*



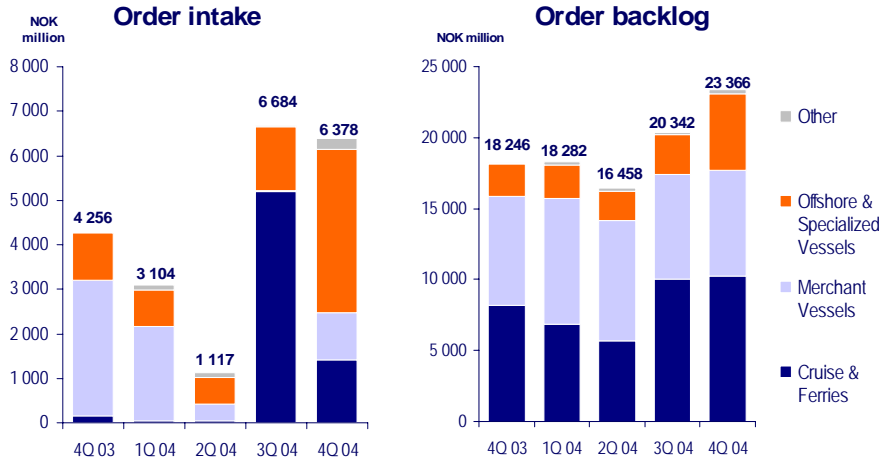
Net working capital



All amounts in NOK million

* Including short-term interest bearing receivables

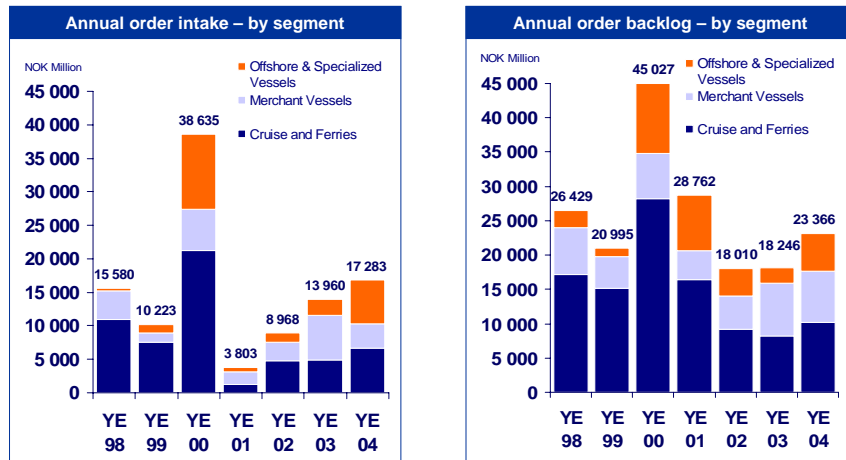
Order backlog



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... but still room for more orders



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Capacity utilization

Cruise & Ferries – a mixed bag

Rauma: Low activity until construction of Tallink and B&N vessels commences

Turku: High activity, strong backlog

Helsinki: Low utilization, needs new, firm orders

Merchant Vessels - good order backlog

Reluctance to commit to new projects due to uncertainties concerning steel prices

New projects subject to customers committing to floating steel price

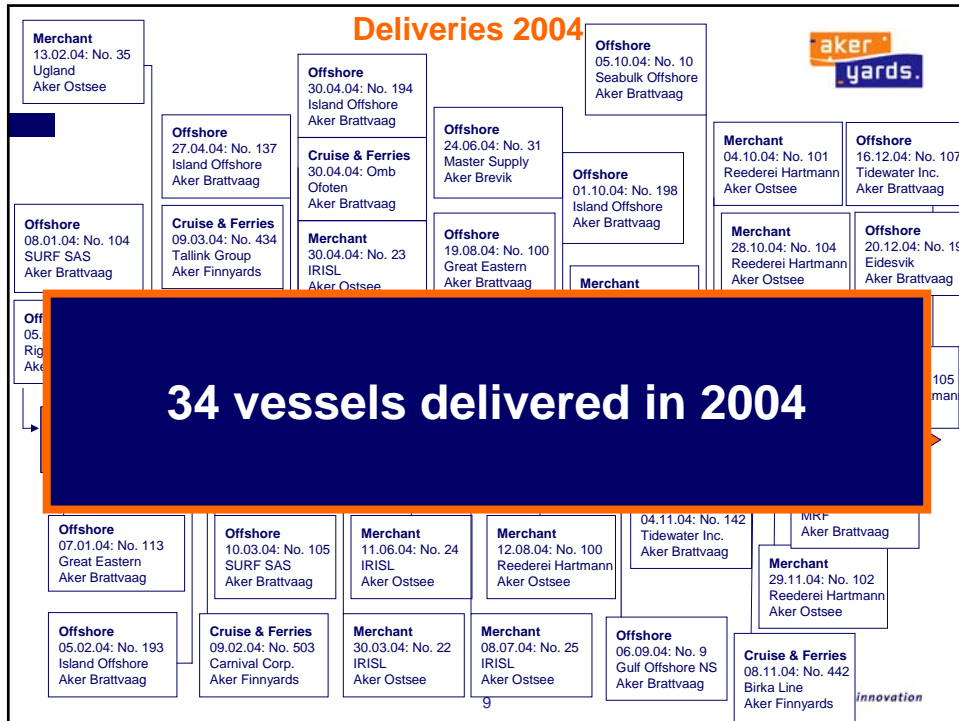
Removal of CGT limitations in Germany gives opportunities in 2005, and will have full effect from 2006

Offshore and Specialized Vessels – increased activity

Despite high order intake, yard activity will remain moderate until second quarter 2005

Highlights 2004

- **Good operations and project execution**
 - 34 vessels delivered
 - Romania producing both hulls and complete vessels

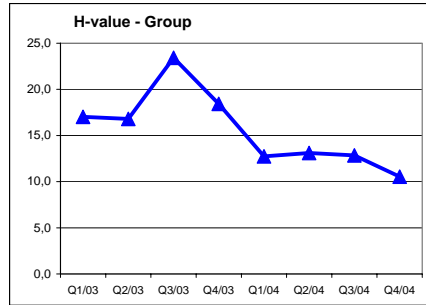


Highlights 2004

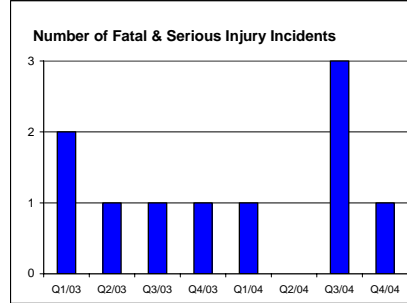
- **Good operations and project execution**
 - 34 vessels delivered
 - Romania producing both hulls and complete vessels
- **NOK 17,3 billion in new orders in 2004**
 - Good order intake, particularly in Offshore and Specialized Vessels
 - Backlog up 28 percent from 2003

innovation

Improvements needed in HSE

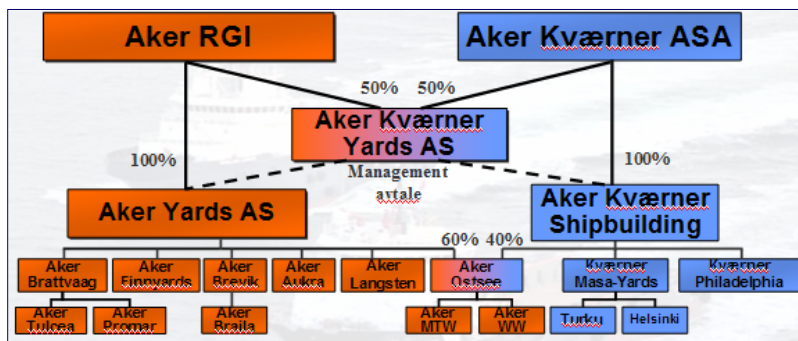


H-value = number of Lost Time Incidents per 1,000,000 manhours



2004: 2 fatal + 3 serious injury

From a complex structure...



...to a streamlined business approach



...to a streamlined business approach



...to a streamlined business approach



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- Highlights and Key figures K E Kjelstad
- **Financial update** **L Borge**
- Market perspectives K E Kjelstad
- Closing remarks K E Kjelstad
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Profit and loss statement

| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 | 2003 | 2004 |
|---------------------------------|--------|--------|--------|--------|---------------|---------|----------------|
| Operating revenues | 3 513 | 2 645 | 3 317 | 2 702 | 3 850 | 15 865 | 12 514 |
| Operating costs | -3 228 | -2 420 | -3 098 | -2 526 | -3 667 | -14 255 | -11 711 |
| EBITDA | 285 | 225 | 219 | 176 | 182 | 1 610 | 802 |
| EBITDA-margin (in %) | 8.1 | 8.5 | 6.6 | 6.5 | 4.7 | 10.1 | 6.4 |
| EBITA | 218 | 162 | 149 | 110 | 112 | 1 347 | 533 |
| EBITA-margin (in %) | 6.2 | 6.1 | 4.5 | 4.1 | 2.9 | 8.5 | 4.3 |
| EBIT before non-recurring items | 172 | 137 | 125 | 85 | 84 | 1 231 | 431 |
| Non-recurring items | 0 | 0 | -30 | 0 | -143 | 0 | -173 |
| EBIT | 172 | 137 | 95 | 85 | -59 | 1 231 | 258 |
| Net financial items | 15 | 7 | -11 | -12 | -6 | -74 | -22 |
| Pretax profit | 187 | 144 | 83 | 73 | -64 | 1 157 | 236 |
| Tax | -12 | -52 | -19 | -23 | 19 | -245 | -75 |
| Net profit | 175 | 93 | 64 | 50 | -45 | 912 | 161 |
| Earnings per share, NOK | 8.51 | 3.81 | 3.08 | 2.51 | -1.85 | 42.91 | 7.60 |

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Cash flow

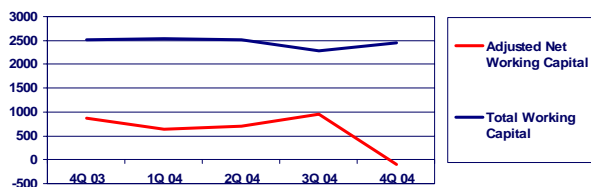
| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 | 2003 | 2004 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash flow from operating activities | 246 | 219 | 116 | 161 | 464 | 1 426 | 961 |
| Change in working capital | 482 | 1 121 | -19 | -396 | 726 | 104 | 1 432 |
| Cash Flow from operations | 728 | 1 340 | 97 | -234 | 1 190 | 1 530 | 2 393 |
| Cash Flow from investing | -31 | -139 | 74 | -65 | -88 | -181 | -218 |
| Cash Flow from financing | -137 | -343 | -131 | -292 | 149 | -896 | -617 |
| Net increase (decrease) in cash and cash equivalents | 560 | 858 | 40 | -591 | 1 251 | 453 | 1 558 |
| Effect of FX changes | 75 | -23 | 9 | -4 | -47 | 193 | -65 |
| Cash and cash equivalents at beginning of period | 1 637 | 2 272 | 3 107 | 3 156 | 2 561 | 1 626 | 2 272 |
| Cash and cash equivalents at end of period | 2 272 | 3 107 | 3 156 | 2 561 | 3 765 | 2 272 | 3 765 |

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Working capital

| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 |
|--|--------|--------|--------|--------|---------------|
| Other current operating assets | 5 825 | 4 259 | 5 328 | 6 159 | 3 691 |
| - Other current operating liabilities | -4 267 | -3 908 | -4 477 | -4 065 | -4 544 |
| - Construction loans | -1 399 | -992 | -1 621 | -2 494 | -594 |
| = Net working capital | 159 | -641 | -770 | -400 | -1 447 |
| + Cash and bank deposits *) | 2 272 | 3 108 | 3 156 | 2 561 | 3 765 |
| + Current interest bearing receivables | 76 | 70 | 140 | 128 | 132 |
| = Total working capital | 2 507 | 2 536 | 2 525 | 2 289 | 2 450 |
| *) Of which restricted cash at end of period | 709 | 1 289 | 1 471 | 1 351 | 1 345 |
| Adjusted net working capital (NWC + restricted cash) | 868 | 648 | 701 | 951 | -102 |



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Net interest bearing debt

| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 |
|--|-------|-------|-------|-------|--------------|
| Long term interest bearing debt | 1 780 | 1 841 | 1 645 | 1 333 | 1 453 |
| + Short term interest bearing debt | 30 | 65 | 35 | 28 | 95 |
| - Long term interest bearing receivables | 146 | 149 | 39 | 37 | 42 |
| - Current interest bearing receivables | 76 | 70 | 140 | 128 | 132 |
| - Cash and bank deposits *) | 2 272 | 3 108 | 3 156 | 2 561 | 3 765 |
| + project related cash | 816 | 1 376 | 1 601 | 1 441 | 1 408 |
| Net Interest Bearing Debt | 132 | -45 | -54 | 77 | -984 |

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Assets

| Amounts in NOK million | YE 02 | YE 03 | 3Q 04 | 4Q 04 |
|---|---------------|---------------|---------------|---------------|
| Intangible fixed assets | 1 623 | 1 637 | 1 577 | 1 534 |
| Tangible fixed assets | 2 174 | 2 415 | 2 328 | 2 254 |
| I B long-term receivables | 99 | 146 | 37 | 42 |
| Other long-term assets | 155 | 54 | 53 | 85 |
| Total fixed assets | 4 051 | 4 252 | 3 995 | 3 915 |
| I B current assets | 1 589 | 76 | 128 | 132 |
| Other operating current assets | 6 222 | 5 825 | 6 159 | 3 691 |
| Total receivables and current assets | 7 811 | 5 901 | 6 287 | 3 822 |
| Total cash and bank deposits | 1 626 | 2 272 | 2 561 | 3 765 |
| Total current assets | 9 437 | 8 173 | 8 848 | 7 588 |
| Total assets | 13 488 | 12 425 | 12 843 | 11 503 |

Liabilities

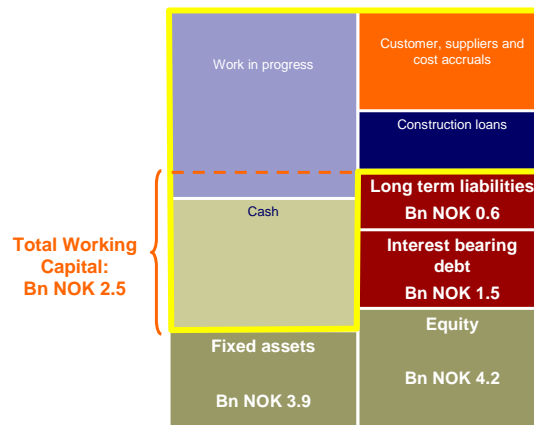
| Amounts in NOK million | YE 02 | YE 03 | 3Q 04 | 4Q 04 |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Equity | 4 184 | 4 264 | 4 422 | 4 201 |
| Minority interest | 56 | 53 | 35 | 25 |
| Total equity | 4 240 | 4 317 | 4 457 | 4 226 |
| Non IB long-term debt | 404 | 632 | 467 | 591 |
| I B long-term debt | 1 449 | 1 780 | 1 333 | 1 453 |
| Total long-term debt | 1 853 | 2 412 | 1 800 | 2 044 |
| Short-term I B debt | 2 047 | 30 | 28 | 95 |
| Construction loans | 1 935 | 1 399 | 2 494 | 594 |
| Other current operating liabilities | 3 413 | 4 267 | 4 065 | 4 544 |
| Total current liabilities | 7 395 | 5 696 | 6 586 | 5 233 |
| Total equity and liabilities | 13 488 | 12 425 | 12 843 | 11 503 |

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Capital structure

- key issue to succeed in the international shipbuilding industry



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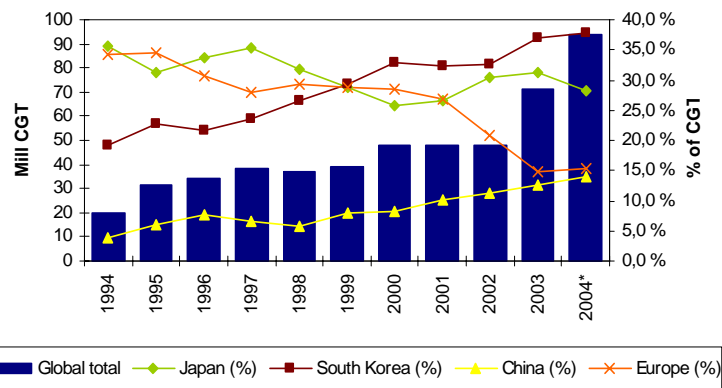
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Global orderbook quadrupled in 10 years

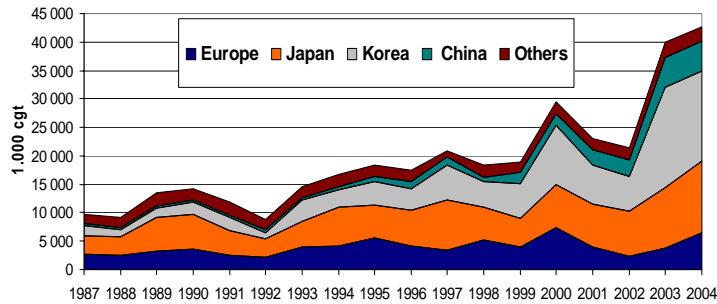
Order book per region



* Latest year to date figure
Source: Clarkson Research Studies, January 2005

Europe represents 15 % of order intake...

New orders (in CGT)



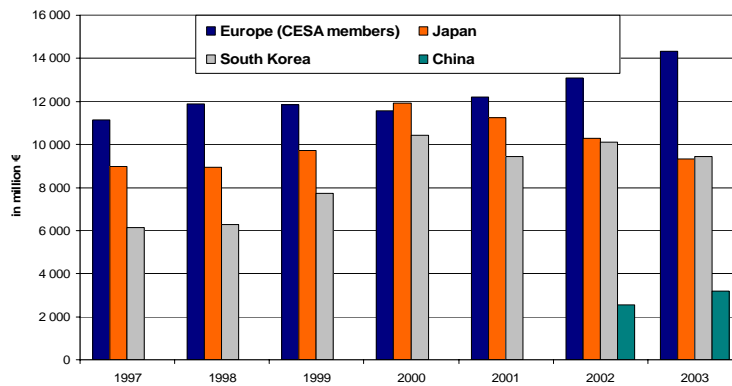
Source: CESA 2004

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...but 40 % of the turnover

Turnover of main shipbuilding areas



Source: CESA 2004

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Cruise & Ferries 2004

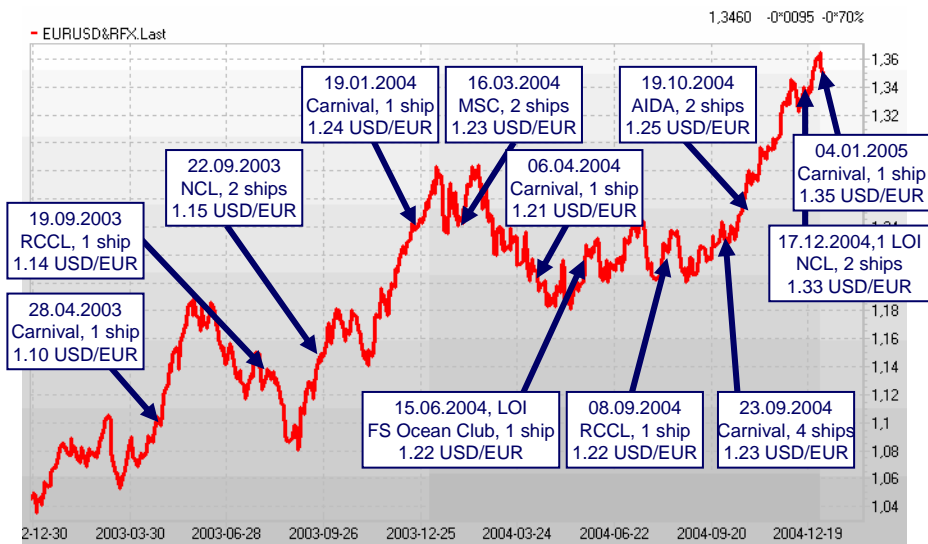
- Increased activity in the market during 2004
- Restructuring in Finland in place
- NOK 6,7 billion in new orders in 2004
- Order intake significantly higher than 2003, but below ambitions
- Production of current backlog as planned



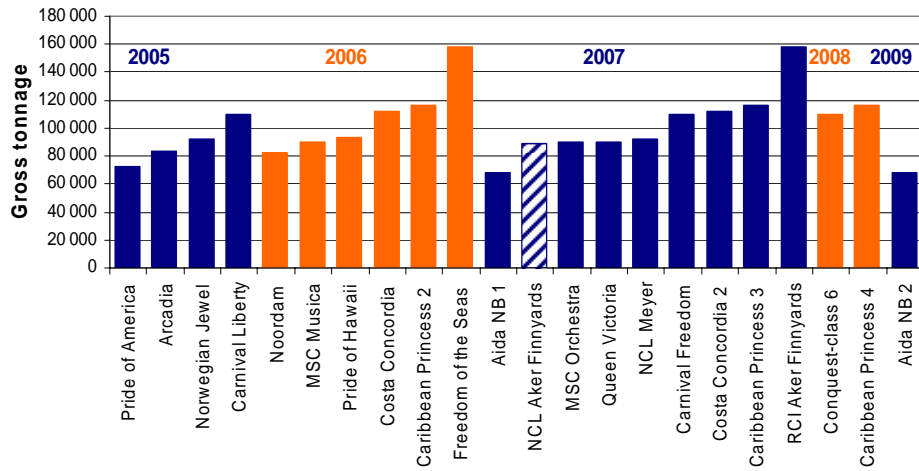
M/S Birka Paradise

| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 | 2003 | 2004 |
|------------------------|-------|-------|-------|--------|--------|-------|--------|
| Operating revenues | 1 856 | 1 111 | 1 194 | 897 | 1 189 | 7 828 | 4 391 |
| EBITDA | 259 | 156 | 146 | 99 | 224 | 1 041 | 625 |
| EBITDA margin (in %) | 13.9 | 14.0 | 12.2 | 11.0 | 18.9 | 13.3 | 14.2 |
| Order intake | 149 | 35 | 39 | 5 204 | 1 411 | 4 894 | 6 689 |
| Order backlog | 8 173 | 6 864 | 5 683 | 10 051 | 10 229 | 8 173 | 10 229 |

Steady order flow in a turbulent environment



Cruise ship order book

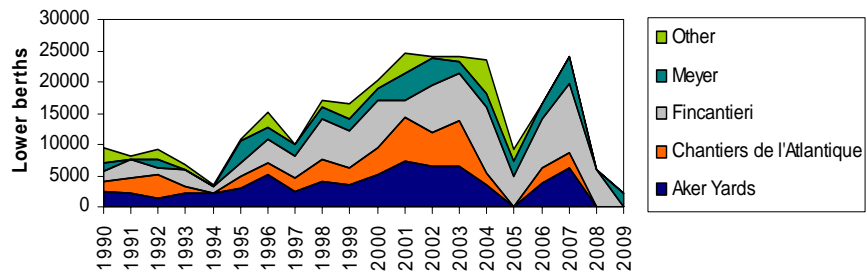


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Global cruise order book

Cruise newbuildings by lower berths – per delivery year and shipyard



Source: Platou Economic Research

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Merchant Vessels 2004

- Streamlined operations
- Increased steel prices and stronger Romanian currency affecting profitability in Q4
- German subsidies clarified
- Strong Euro challenging
- High activity in the market, newbuilding prices on the rise



| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 | 2003 | 2004 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|
| Operating revenues | 891 | 689 | 848 | 1 007 | 1 187 | 3 500 | 3 731 |
| EBITDA | 25 | 39 | 39 | 56 | -60 | 181 | 75 |
| EBITDA margin (in %) | 2.8 | 5.7 | 4.6 | 5.6 | -5.0 | 5.2 | 2.0 |
| Order intake | 3 054 | 2 129 | 389 | 16 | 1 062 | 6 656 | 3 596 |
| Order backlog | 7 693 | 8 831 | 8 460 | 7 318 | 7 449 | 7 693 | 7 449 |

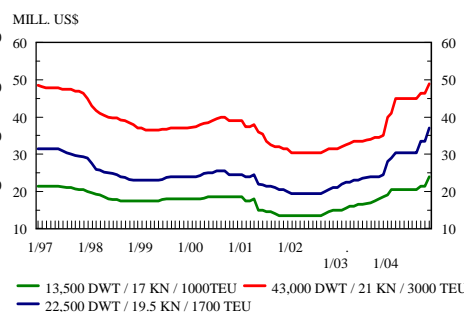
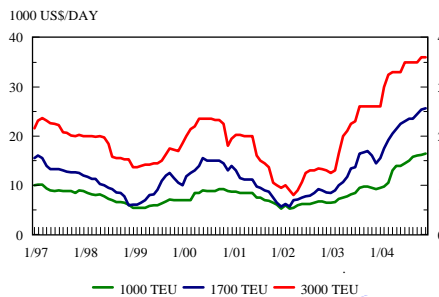
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Strong container market

Charter rates for container ships

Newbuilding prices for container ships



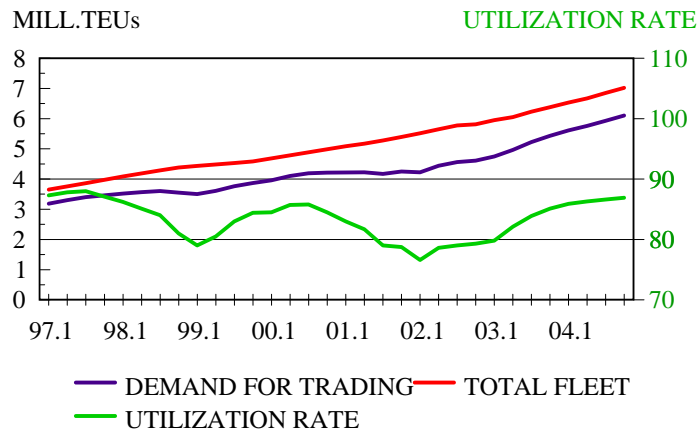
Source: Platou Economic Research

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...high utilization of existing fleet

Supply, demand & utilization rate – cellular container fleet



Source: Platou Economic Research

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Offshore and Specialized Vessels 2004

- Backlog up 141 % from 2003
- Increased activity in the market
- Two projects delivered with negative results



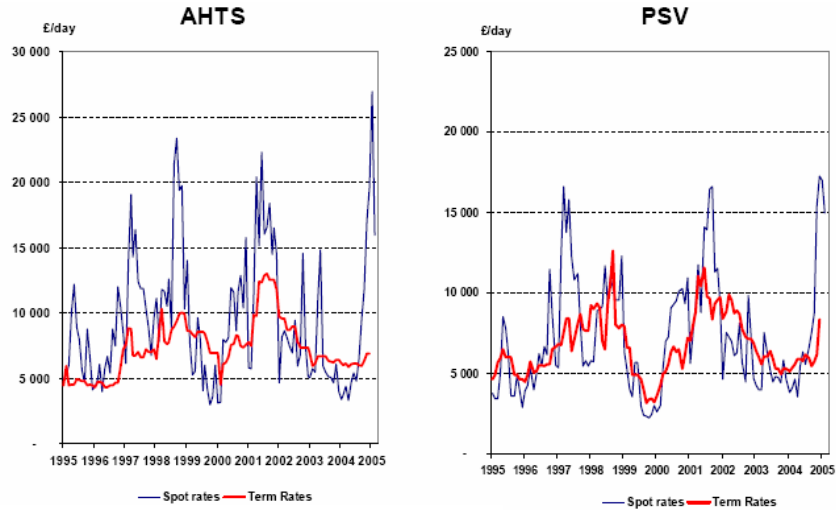
M/S Viking Avant

| Amounts in NOK million | 4Q 03 | 1Q 04 | 2Q 04 | 3Q 04 | 4Q 04 | 2003 | 2004 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|
| Operating revenues | 574 | 631 | 1 024 | 696 | 1 079 | 4 222 | 3 430 |
| EBITDA | 141 | 84 | 91 | 73 | 41 | 595 | 289 |
| EBITDA margin (in %) | 24.6 | 13.3 | 8.9 | 10.5 | 3.8 | 14.1 | 8.4 |
| Order intake | 1 053 | 820 | 592 | 1 434 | 3 674 | 2 410 | 6 520 |
| Order backlog | 2 254 | 2 409 | 2 106 | 2 854 | 5 441 | 2 254 | 5 441 |

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Current spot rates at historic high level

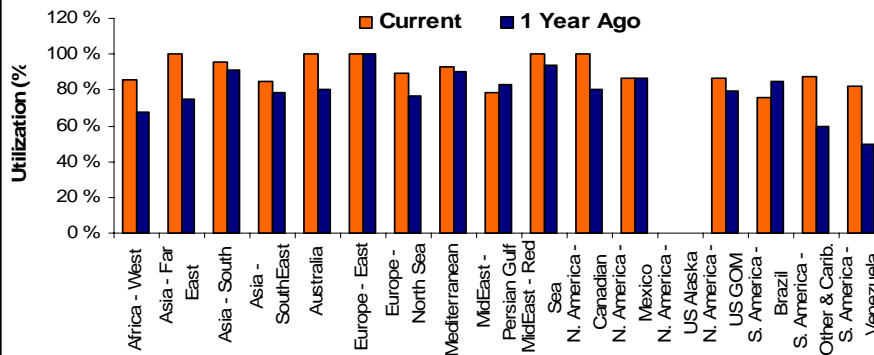


Source: First Securities

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Rig utilization rates close to 100 %



Source: Rigzone, January 2005

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- **Closing remarks K E Kjelstad**
- **Q & A Session**

Highlights 2004

- Good operations and project execution
- Aker Yards ASA successfully established
 - Restructured
 - Refinanced
 - Listed
- NOK 17,3 billion in new orders in 2004
- Financial targets achieved



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