



First quarter 2005 – Strong order intake

Aker Yards ASA reported an EBITDA of NOK 159 million for the first quarter of 2005, which corresponds to an EBITDA margin of 4.6 percent. The order intake in the first quarter was NOK 11.4 billion, giving a total order backlog of NOK 31.5 billion at the end of the quarter. Aker Yards confirms its guidance for 2005 that foresees a growth in revenues compared with 2004, and aims to have an EBITDA result somewhat above the level of 2004.

Aker Yards had revenues of NOK 3 438 million in the first quarter of 2005, compared with NOK 2 645 million in the corresponding period of 2004. The increase is primarily a result of growing activity in Merchant Vessels, and in Offshore & Specialized Vessels.

Order intake in the first quarter was NOK 11 445 million. The order backlog at the close of the first quarter was NOK 31 487 million, compared with NOK 18 282 million at the end of first quarter 2004. The order backlog in

Cruise & Ferries is now NOK 13 971 million. The order intake continues to improve in all business areas.

Aker Yards achieved an EBITDA of NOK 159 million in the first quarter of 2005, compared with NOK 222 million in the corresponding quarter of 2004. The EBITDA margin for the first quarter of 2005 was 4.6 percent.

For the full year 2005, Aker Yards foresees a growth in revenues, compared with 2004, and aims to have an EBITDA result somewhat above the level of 2004.

Key Financial Figures ¹	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04 ³	1Q 05	2003 ⁴	2004
<i>Amounts in NOK million</i>							
Operating revenues	2 645	3 317	2 702	3 850	3 438	15 865	12 514
EBITDA	222	216	173	179	159	1 610	791
EBITDA-margin (%)	8,4 %	6,5 %	6,4 %	4,6 %	4,6 %	10,1 %	6,3 %
EBITA	159	146	107	110	95	1 347	522
EBITA-margin (%)	6,0 %	4,4 %	4,0 %	2,8 %	2,8 %	8,5 %	4,2 %
EBIT before non-recurring items	154	142	103	102	90	1 231	501
Non-recurring items ²	0	-30	0	-143,4	0	0	-173
EBIT	154	112	103	-41,4	90	1231	328
Profit before tax	161	101	91	-47	93	1 157	306
Profit after tax	108	80	66	-22	65	912	231
Minority interest	-14	0	2	7	2	-17	-5
Majority share	94	80	68	-15,4	67	895	226
Earnings per share (NOK)	4,56	3,88	3,30	-0,75	3,28	43,44	10,97
Total assets	11 837	12 862	13 063	11 908	12 852	13 629	11 908
Equity	4 538	4 588	4 645	4 609	4 584	5 438	4 609
Equity ratio (%)	38,3 %	35,7 %	35,6 %	38,7 %	35,7 %	39,9 %	38,7 %
Net interest-bearing debt (+) / Deposits (-)	-44	-54	77	-790	532	-326	-790
Cash & short-term ib. receivables	3 178	3 296	2 689	3 897	3 107	2 348	3 897
Net working capital	-642	-771	-400	-1 349	-536	476	-1 349
Order intake	3 104	1 117	6 684	6 378	11 445	13 960	17 283
Order backlog	18 282	16 458	20 342	23 366	31 487	18 246	23 366
Number of employees	13 955	13 747	13 371	13 069	13 007	14 235	13 069

¹ First quarter 2004 and 2003 figures are prepared on a pro forma basis as Aker Yards Group was established on 1 April 2004

² Non-recurring items relate to establishing the new group structure, IPO and restructuring in Finland

³ Balance sheet figures are presented after implementation of IAS 39 on 1 January 2005

⁴ Income statement is presented based on NGAAP. Balance sheet figures are presented after transition to IFRS on 1 January 2004





Group financials

The discussion of the financial results should be read together with the financial results, appearing on page 4 onwards.

As of the first quarter 2005, Aker Yards is reporting according to IFRS. A transition document, describing the elements that are affecting results and balance sheet, has been filed with the Oslo Stock Exchange, and is available at www.akeryards.com.

For Aker Yards the main effects of the transition to IFRS were increase in equity capital due to capitalization of its pension fund in Finland, as well as cancellation of goodwill amortization. For further details, see the transition document.

Financial results

Aker Yards had revenues in the first quarter of 2005 of NOK 3 438 million, compared with NOK 2 645 million in the corresponding period in 2004. This represents an increase in revenues of NOK 793 million.

In the first quarter of 2005 Aker Yards achieved an EBITDA of NOK 159 million, which represents a decrease of NOK 63 million compared with the corresponding quarter in 2004.

Aker Yards achieved an EBITDA margin of 4.6 percent during the first quarter of 2005. The margin was negatively influenced by capacity costs of NOK 40 million, mainly at the yards in Helsinki and Rauma, however, the costs were lower than expected. In addition, the margin for the group was affected by low margins in Merchant Vessels due to high steel prices.

The EBIT after non-recurring items was NOK 90 million. Aker Yards pre-tax profit for the first quarter was NOK 93 million, which represents a NOK 68 million decline, compared with the first quarter of 2004.

Financial items were positive with NOK 3 million due to gain on sale of shares, and positive interest bearing items.

Earnings per share were NOK 3.28 for the first quarter.

Segment information

Cruise & Ferries

(in NOK million)	1Q 04	1Q 05	2003	2004
Operating revenues	1 111	946	7 828	4 391
EBITDA	156	62	1 041	625
EBITDA margin %	14,0 %	6,6 %	13,3 %	14,2 %
Order intake	35	4 854	4 894	6 689
Order backlog	6 864	13 971	8 173	10 229

The Cruise & Ferries business area achieved first-quarter 2005 revenues of NOK 946 million.

The EBITDA for the business area was NOK 62 million in the fourth quarter, with an EBITDA margin of 6.6 %. No vessels were delivered in the period, and several major projects are still in an early construction phase.

At the end of the first quarter, the Cruise & Ferries business area had an order backlog of NOK 13 971 million. Synergies from the reorganization of the yards in Finland are already starting to take effect.

Cruise & Ferries booked new orders of NOK 4 854 million in the first quarter of 2005. RCCL ordered its third cruise vessel in the Freedom Class during the quarter. Further, a letter of intent was signed with Color Line, to build a sister vessel to Color Fantasy, delivered from Aker Finnyards in December 2004. The letter of intent with NCL for building of a cruise vessel was terminated in April.

The momentum in the market is still developing positively, with focus on deliveries in 2008 and onwards.

Merchant Vessels

(in NOK million)	1Q 04	1Q 05	2003	2004
Operating revenues	689	1 070	3 500	3 731
EBITDA	39	14	181	75
EBITDA margin %	5,7 %	1,3 %	5,2 %	2,0 %
Order intake	2 129	4 435	6 656	3 596
Order backlog	8 831	10 778	7 693	7 449

The business area Merchant Vessels had revenues of NOK 1 070 million in the first quarter, an increase of NOK 381 million relative to the corresponding period last year.

In the first quarter, Merchant Vessels had an EBITDA of NOK 14 million, compared with NOK 39 million in the corresponding quarter in 2004. The reduction in the EBITDA result is reflecting revised project estimates, charged in the fourth quarter 2004, due to high steel prices and the strong Rumanian currency. The EBITDA margin for the first quarter of 2005 was 1.3 %.

The Merchant Vessels business area booked new orders of NOK 4 435 million in the first quarter of 2005, consisting of 13 container vessels.

The order backlog is at NOK 10 778 million; which is up NOK 1 947 million, compared with the corresponding quarter in 2004. Three vessels were delivered in the quarter.





There is high activity in the market, and newbuilding prices are increasing, but ability to secure long lead items, such as main engines, is a constraint.

Offshore and Specialized Vessels

(in NOK million)	1Q 04	1Q 05	2003	2004
Operating revenues	631	1 145	4 222	3 430
EBITDA	84	88	596	289
EBITDA margin %	13,3 %	7,7 %	14,1 %	8,4 %
Order intake	820	2 064	2 410	6 520
Order backlog	2 409	6 382	2 254	5 441

The business area Offshore & Specialized Vessels had revenues in the first quarter of NOK 1 145 million. This represents a NOK 514 million increase in the business area's revenues, compared with the corresponding quarter of 2004.

Offshore & Specialized Vessels achieved an EBITDA of NOK 88 million in the first quarter of 2005 with an EBITDA margin 7.7 %.

Order intake for the first quarter continues its positive development from 2004, reflecting higher activity in the market. This will positively influence revenues and results from the second quarter of 2005. The general positive development in the market continues, in particular for AHTS vessels. Owners are in particular focusing on projects with short delivery time.

Offshore & Specialized Vessels had an order backlog of NOK 6 382 million at the end of the period. Four vessels were delivered in the quarter.

The contract with Swire Pacific Offshore has been confirmed, and the cancellation right is no longer valid. Construction of the first two of these three ice breaking supply vessels has started.

Other

(in NOK million)	1Q 04	1Q 05	2003	2004
Operating revenues	214	277	315	961
EBITDA	-57	-6	-208	-198
Order backlog	178	356	126	247

“Other” includes activities not directly related to shipbuilding projects, as well as overhead cost of yards that are not covered by projects.

Financial investments

Net working capital as of 31 March 2005 was NOK -536 million compared with NOK -1 349 million in the previous quarter and NOK -642 million in first quarter 2004. The first quarter increase in net working capital is reflecting a build-up of work in progress. The net interest-bearing debt at the end of the first quarter was NOK 532 million, compared with NOK -790 million at the end of fourth quarter 2004.

Other matters

As of 19 April 2005 the company had 20 602 164 shares outstanding, distributed among 3 006 shareholders.

Outlook

For the full year of 2005, Aker Yards foresees a growth in revenues, compared with 2004, and aims to have an EBITDA result somewhat above the level of 2004.

Events after the end of the reporting period

New orders and letters of intent reported to the Oslo Stock Exchange since the end of the first quarter amount to approximately NOK 550 million. The letter of intent to build one cruise vessel for NCL, announced in December 2004 was terminated. An option to build one cruise ferry for delivery in 2007 has been given to Tallink.

Oslo, 22 April 2005

The Board of Directors

Aker Yards ASA





Tabular information

The combination of the shipbuilding activities of Aker and Kvaerner, excluding Kvaerner Philadelphia, has been recorded in the accounts effective from 1 April 2004. Historical figures in this report are pro forma figures based on the results of these entities as if the combination took place on 1 January 2003.

Profit and loss statement

Amounts in NOK million	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003 (NGAAP)	2004
Operating revenues	2 645	3 317	2 702	3 850	3 438	15 865	12 514
Operating expenses	-2 423	-3 101	-2 529	-3 671	-3 280	-14 255	-11 723
EBITDA	222	216	173	179	159	1 610	791
Ordinary depreciation	-63	-70	-66	-70	-63	-263	-269
Amortization of intangible assets	-5	-4	-4	-8	-5	-116	-21
Non-recurring items ¹	0	-30	0	-143	0	0	-173
EBIT	154	112	103	-41	90	1 231	328
Financial items	7	-11	-12	-6	3	-74	-22
Profit before tax	161	101	91	-47	93	1 157	306
Tax	-53	-21	-25	25	-28	-245	-75
Profit after tax	108	80	66	-22	65	912	231
Minority interest	-14	0	2	7	2	-17	-5
Majority share	94	80	68	-15	67	895	226
Earnings per share	4,56	3,88	3,30	-0,75	3,28	43,44	10,97
Diluted earnings per share	4,56	3,88	2,94	-0,77	2,87	43,44	9,90

¹ Non-recurring items relate to establishing the new group structure, IPO and restructuring in Finland





Cruise and Ferries

Amounts in NOK million	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003 (NGAAP)	2004
Operating revenues	1 111	1 194	897	1 189	946	7 828	4 391
EBITDA	156	146	99	224	62	1 041	625
EBITA	138	128	83	207	46	885	556
EBIT	138	128	82	208	46	851	556
Order intake	35	39	5 204	1 411	4 854	4 894	6 689
Order backlog	6 864	5 683	10 051	10 229	13 971	8 173	10 229

Merchant Vessels

Amounts in NOK million	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003 (NGAAP)	2004
Operating revenues	689	848	1 007	1 187	1 070	3 500	3 731
EBITDA	39	39	56	-60	14	181	75
EBITA	23	15	37	-75	-2	109	0
EBIT	21	14	35	-77	-4	105	-8
Order intake	2 129	389	16	1 062	4 435	6 656	3 596
Order backlog	8 831	8 460	7 318	7 449	10 778	7 693	7 449

Offshore & Specialized Vessels

Amounts in NOK million	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003 (NGAAP)	2 004
Operating revenues	631	1 024	697	1 079	1 145	4 222	3 430
EBITDA	84	91	74	41	88	596	289
EBITA	74	75	60	29	75	516	238
EBIT	74	74	58	30	75	516	236
Order intake	820	592	1 434	3 674	2 064	2 410	6 520
Order backlog	2 409	2 106	2 854	5 441	6 382	2 254	5 441

Other (eliminations and not distributed)

Amounts in NOK million	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003 (NGAAP)	2004
Operating revenues	214	251	101	395	277	315	961
EBITDA¹	-57	-60	-56	-26	-6	-208	-198
EBITA¹	-76	-72	-73	-52	-24	-163	-272
EBIT ¹	-79	-74	-72	-59	-27	-241	-283
Order backlog	178	209	119	247	356	126	247

¹ Excluding non-recurring items



Balance sheet

Assets

<i>Amounts in NOK million</i>	01.01.2004 ¹	31.03.2004	30.06.2004	30.09.2004	01.01.2005 ²	31.03.2005
Property, plant & equipment	2 415	2 404	2 337	2 328	2 353	2 348
Goodwill	1 454	1 454	1 453	1 451	1 452	1 450
Other intangible assets	103	80	104	92	68	57
Total intangible assets	1 557	1 534	1 557	1 543	1 520	1 507
Available-for-sale financial assets	43	55	38	34	68	56
Interest-bearing long term receivables	146	149	39	37	42	38
Other long term assets	246	259	268	273	284	288
Total financial assets	435	463	345	344	394	382
Total non-current assets	4 407	4 401	4 239	4 215	4 267	4 237
Current operating assets	6 874	4 259	5 328	6 159	3 744	5 508
Interest-bearing short term receivables	76	70	140	128	132	139
Total receivables and other current assets	6 950	4 329	5 467	6 287	3 876	5 647
Cash and bank deposits	2 272	3 108	3 156	2 561	3 765	2 968
Total current assets	9 222	7 437	8 623	8 848	7 641	8 615
Total assets	13 629	11 837	12 862	13 063	11 908	12 852

Equity and liabilities

<i>Amounts in NOK million</i>	01.01.2004 ¹	31.03.2004	30.06.2004	30.09.2004	01.01.2005 ²	31.03.2005
Share capital	412	412	412	412	412	412
Other reserves	3 074	3 074	3 074	3 074	3 074	3 074
Retained earnings	1 899	1 024	1 067	1 124	1 097	1 047
Total equity attributable to equity holders of the parent	5 385	4 510	4 553	4 610	4 583	4 533
Minority interest	53	28	35	35	26	51
Total equity	5 438	4 538	4 588	4 645	4 609	4 584
Interest-bearing debt	688	1 207	1 437	1 125	1 434	1 425
Deferred tax liability	178	213	199	216	167	185
Other long-term liabilities	264	280	297	283	297	310
Total non-current liabilities	1 130	1 700	1 933	1 624	1 898	1 919
Construction loans	2 448	992	1 621	2 494	594	881
Other short term interest-bearing debt	664	699	243	236	308	306
Current operating liabilities	3 950	3 908	4 477	4 065	4 499	5 163
Total current liabilities	7 061	5 599	6 341	6 795	5 401	6 349
Total liabilities	8 191	7 299	8 274	8 418	7 299	8 269
Total equity and liabilities	13 629	11 837	12 862	13 063	11 908	12 852

¹ Balance sheet is presented after transition to IFRS on 1 January 2004

² Balance sheet is presented after implementation of IAS 39 on 1 January 2005. Effects are mainly a reduction of Interest-bearing debt and corresponding increase in equity of NOK 56 million. For further description see Transition Document.

Cash Flow

<i>Amounts in NOK million</i>	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003	2004
CF from operations	219	116	161	464	142	1 426	961
+ Change in working capital	1 122	-19	-395	726	-871	104	1 432
= CF from operating activities	1 341	97	-234	1 190	-729	1 530	2 393
+ CF from investing activities	-139	74	-65	-88	-33	-181	-218
+ CF from financing activities	-343	-131	-292	149	-24	-896	-617
Net increase/decrease in cash and cash equivalents	859	40	-591	1 251	-786	453	1 558
Effect of FX rate changes	-23	9	-4	-47	-11	193	-65
Cash and cash equivalents at beginning of period	2 272	3 107	3 156	2 561	3 765	1 626	2 272
Cash and cash equivalents at end of period¹	3 108	3 156	2 561	3 765	2 968	2 272	3 765
Restricted cash at end of period	1 289	1 471	1 351	1 345	1 742	709	1 345

Statement of changes in shareholders equity

<i>Amounts in NOK million</i>	Quarterly results					Full year	
	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05	2003	2004
As of beginning of period	4 264	4 510	4 553	4 610	4 527	4 223	4 264
IFRS transition	1 121	0	0	0	56	0	0
Dividends and Group contribution	-962	-19	0	0	-118	-842	-981
Net profit	94	80	68	-15	67	895	226
New share capital	0	0	0	0	0	230	0
Proforma effects	0	0	0	0	0	62	0
Translation differences	-7	-18	-11	-68	1	-251	-103
Equity	4 510	4 553	4 610	4 527	4 533	4 317	3 406

Working capital

<i>Amounts in NOK million</i>	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05
Current operating assets	4 259	5 328	6 159	3 744	5 508
- Current operating liabilities	-3 908	-4 477	-4 065	-4 499	-5 163
- Construction loans	-992	-1 621	-2 494	-594	-881
= Net Working capital	-642	-771	-400	-1 349	-536
+ Cash and bank deposits	3 108	3 156	2 561	3 765	2 968
+ Current interest-bearing receivables	70	140	128	132	139
= Total Working capital	2 536	2 525	2 290	2 548	2 571



Net interest bearing debt

<i>Amounts in NOK million</i>	1Q 04	2Q 04	3Q 04	4Q 04	1Q 05
Long term interest-bearing debt	1 207	1 437	1 125	1 434	1 425
+ Short term interest-bearing debt (excl. construction loans)	699	243	236	308	306
- Long term interest-bearing receivables	-149	-39	-37	-42	-38
- Current interest-bearing receivables	-70	-140	-128	-132	-139
- Cash and bank deposits	-3 108	-3 156	-2 561	-3 765	-2 968
+ project related cash	1 376	1 601	1 441	1 408	1 947
= Net interest bearing debt	-44	-54	77	-790	532

Definitions

This report is consistent with IAS 34, and the accounting principles in the report are consistent with the principles which will be used for annual reporting, and are described in the IFRS transition document filed with the Oslo Stock Exchange in April 2004, and is available at www.akeryards.com.

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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