AKASTOR ASA

THIRD QUARTER RESULTS 2015

3Q Highlights

- EBITDA of NOK -169 million
  - EBITDA of NOK 177 million when adjusted for special items
  - Special items of NOK 346 million charged to EBITDA; mainly NOK 173 million provision for onerous real estate leases and NOK 142 million restructuring costs in MHWirth
  - MHWirth reported EBITDA of NOK -184 million, including both restructuring charge of NOK 142 million and NOK 102 million loss in Managed Pressure Operations (MPO), a wholly-owned MHWirth subsidiary
  - Majority of the other portfolio companies delivered satisfactory operational and financial performance
- EBIT of NOK -1 576 million
  - AKOFS Seafarer impairment of NOK 1 037 million
  - Other impairments of NOK 86 million
- Net debt and working capital were both stable at NOK 6.4 billion and NOK 3.0 billion, respectively; liquidity reserve of NOK 1.6 billion
- Accelerating cost and capacity reductions
  - Portfolio companies have initiated plans to reduce workforce by 33 percent in aggregate
  - MHWirth: expected financial savings of NOK 1.4 billion from initiated workforce reductions
  - AKOFS Seafarer: reduced operating expenses to < USD 10K/day by adjusting operational preparedness
- Akastor has focused priorities:
  - Supporting portfolio companies' efforts to adjust their cost base and strategies to market environments
  - Further developing Akastor as an investment company and value-enhancing owner of businesses
  - Processes ongoing to enhance financial flexibility through productive dialogue with lenders and continuously exploring transaction opportunities

Key Figures: Akastor Group

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and Other income	3 678	5 095	11 917	16 106
EBITDA	(169)	853	149	1 117
EBIT	(1 576)	579	(1 817)	(604)
CAPEX and R&D capitalization	107	257	1 514	739
NCOA	2 955	2 678	2 955	2 678
Net capital employed	14 332	12 897	14 332	12 897
Order intake	2 358	11 356	7 727	20 007
Order backlog	17 781	20 257	17 781	20 257
Employees	6 098	7 597	6 098	7 597

Key Figures: Portfolio Companies

NOK million	MHWirth	Frontica	AKOFS Offshore	Fjords Processing	KOP Surface Products	Real Estate and other
Revenue	1 422	1 145	229	487	338	227
EBITDA	(184)	74	51	17	67	(194)
EBIT	(351)	45	(1 082)	7	53	(249)

01. THIRD QUARTER UPDATE

The market situation for the oil services industry deteriorated further during the third quarter, contributing towards mixed performance across Akastor's portfolio of companies. MHWirth has been most acutely impacted by the current weak market as reflected in its low order intake and reduced earnings recently. The majority of the other portfolio companies have experienced satisfactory operational and financial performance during the quarter. All of Akastor's portfolio companies are focusing on making adjustments to the market situation, including cost and capacity reductions as well as exploring strategic initiatives to strengthen each company's competitive position during this downturn. The working capital for Akastor has been reduced somewhat, but remains at a high level.

Akastor CEO Kristian Røkke comments:

"The business environment affecting Akastor's portfolio companies remains challenging and is expected to weaken further over the coming quarters. We are intensely focused on adjusting each portfolio company's cost base, while preserving organizational capabilities and delivering increased value to customers. Our specialized businesses will be ready for market activity growth when that time comes.

It has been an exciting first few months as Akastor's new CEO and a privilege to engage with the organization's talented personnel. While many signs point toward a prolonged downturn in the offshore and oil service sectors, we are dealing decisively with today's fundamental business realities to both ensure profitability at lower activity levels and to build a stronger Akastor for the long-term."

Results from the Companies

Aggregated revenues for the portfolio companies in the quarter were NOK 3 678 million, down 28 percent compared to the same period in the previous year. The decrease was due to lower activity and weaker market conditions in the oil service industry in general, and the offshore drilling market in particular. Aggregated EBITDA in the quarter was negative NOK 169 million, which included NOK 153 million in restructuring costs and a NOK 173 million charge stemming from provisions related to onerous real estate leases due to a weaker leasing market for subleasing in regions such as Stavanger, Aberdeen and Houston. Hedge transactions not qualifying for hedge accounting had a negative effect of NOK 20 million on the EBITDA. Adjusted EBITDA for 3Q was NOK 177 million.

Financial Situation

The liquidity reserve for Akastor at the end of the third quarter was approximately NOK 1.6 billion, with cash and bank deposits of NOK 1 088 million and undrawn committed credit facilities of NOK 500 million. The working capital level of NOK 3.0 billion has remained relatively stable in the third quarter.

Cost Improvement Initiatives

Given the current situation in the oil and energy markets, Akastor is working to ensure that each portfolio company is effectively managing the necessary changes, including accelerating cost reduction activities. The implemented reduction in workforce for all Akastor companies so far in 2015 is 20 percent, down by 1 500 employees to 6 098 at the end of September 2015.

02. UPDATE ON THE PORTFOLIO COMPANIES

Akastor has six reporting businesses: MHWirth, Frontica Business Solutions, AKOFS Offshore, Fjords Processing, KOP Surface Products and Real Estate & other holdings.

mhwirth

MHWirth

The current down cycle in the offshore drilling market continued through the quarter with further decreases in both floater utilization rates and day-rates due to a continued oversupply of floaters. Floater utilization fell to approximately 78 percent for the active fleet, and 70 percent when including the passive fleet, despite high levels of scrapping so far in the current down cycle. No newbuild orders for high-end floaters have been placed so far this year and a number of owners have canceled newbuilds under construction.

These market conditions have resulted in a revenue drop for MHWirth of 35 percent year to date, as compared to the same period last year. In response, MHWirth has throughout 2015 adjusted organizational capacity and has announced personnel reductions of approximately 1 800 people, corresponding to a reduction of 42 percent compared to year-end 2014. The financial impact of these reductions is expected to amount to around NOK 1 400 million with restructuring costs of NOK 60 million recognized in the first half of 2015 and NOK 142 million in the third quarter. MHWirth will continue to make necessary adjustments to its cost base in accordance with market conditions to ensure profitability of the company at lower activity levels.

Revenue was NOK 1 422 million in the third quarter, down 42 percent compared to third quarter last year. This was mainly driven by reduced revenue on large projects due to lack of order intake and backlog phasing. EBITDA in the third quarter of 2015 was negative NOK 184 million, including the restructuring costs of NOK 142 million, of which NOK 84 million was provision for office leases that will not be used going forward. Drilling Lifecycle Services delivered strong results during the quarter driven by a high level of spare parts sales to operating rigs and supply chain improvements.

MPO, a business delivering equipment for managed pressure drilling that was acquired in 2013, had a negative EBITDA in the quarter of approximately NOK 102 million. Financial performance has been challenging due to current industry conditions. MHWirth is currently evaluating strategic alternatives for MPO.

The working capital level (NCOA) of MHWirth remained stable, albeit at a high level, at NOK 3.3 billion in the quarter, and is still impacted by delayed deliveries and delayed payments from customers on some larger projects. Order intake in the third quarter was NOK 692 million.

A significant portion of MHWirth's backlog is for delivery of seven drilling packages to Jurong Shipyard in Singapore, for operations in Brazil. Due to the financial uncertainty of Jurong's client, Sete Brazil, the reduced pace of progress will continue until a conclusion is reached on the Brazil situation. This situation continues to impact MHWirth's working capital.

MHWirth does not see signs that indicate a market recovery in the foreseeable future and has therefore assumed in its operational plans, which will be continuously monitored, that no new high-end floaters will be ordered in 2016 and 2017. The number of active rigs with MHWirth equipment in operation has declined during 2015, and as a result, the activity in upgrades and modifications is expected to decline during 2016. Thus, revenues from Drilling Lifecycle Services are expected to drop somewhat going forward.

Key Figures: MHWirth

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	1 422	2 432	5 214	7 971
EBITDA	(184)	207	(177)	700
EBIT	(351)	80	(561)	424
CAPEX and R&D capitalization	69	206	329	509
NCOA	3 260	2 852	3 260	2 852
Net capital employed	6 427	5 541	6 427	5 541
Order intake	692	1 662	2 413	5 373
Order backlog	6 410	10 526	6 410	10 526
Employees	3 334	4 255	3 334	4 255

Frontica

Frontica had revenues of NOK 1 145 million in the quarter, down from NOK 1 366 million in the previous year. EBITDA ended at NOK 74 million, with an EBITDA margin of 6.5 percent, up from 5.6 percent in third quarter last year, primarily driven by effects of the capacity adjustment within Business Solutions carried through earlier this year. The booked order intake in the quarter of NOK 1 088 million reflects adjustments to expected volume from existing contracts in the coming 12 months. During the third quarter, Frontica improved its net current operating assets by NOK 128 million compared to 2Q 2015, primarily driven by the establishment of a factoring agreement in the UK.

The revenue drop compared to the same period in 2014 is a result of lower activity level among Frontica's key clients stemming from the slow-down in the oil services market. Frontica expects this development to continue over the coming quarters. However, Frontica continues to see opportunities emerging from a continuing trend of outsourcing among potential clients and an increased focus on reducing costs. The company is continuing its efforts to optimize its cost base and streamline service offerings in order to strengthen its competitive position.

Key Figures: Frontica

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	1 145	1 366	3 837	4 271
EBITDA	74	77	195	241
EBIT	45	52	114	169
CAPEX and R&D capitalization	5	8	30	54
NCOA	(425)	(225)	(425)	(225)
Net capital employed	189	207	189	207
Order intake	1 088	3 634	3 386	6 538
Order backlog	2 235	2 356	2 235	2 356
Employees	1 029	1 391	1 029	1 391

AKOFS Offshore

Revenue in AKOFS Offshore was NOK 229 million in the third quarter compared to NOK 279 million a year earlier. AKOFS Offshore had two vessels in operations, both performing well with stable operations, and one vessel with no activity during the quarter. The EBITDA result for AKOFS Offshore was NOK 51 million in the quarter. Order intake was NOK 107 million, and backlog at the end of the quarter was NOK 6 395 million.

Skandi Santos continued to build on its strong track record in Brazil and operated at close to full utilization throughout the quarter.

Aker Wayfarer continued working offshore Germany at full utilization during the quarter. Following completion of the contract end October, the vessel will proceed as planned with preparations at a yard in Norway for the 5+5 year contract in Brazil, including the 5-year Special Periodical Survey , equipment installation and mobilization of crews. The Aker Wayfarer is expected to commence operations in Brazil during 3Q 2016.

AKOFS Seafarer was idle during the third quarter. The market outlook is expected to be challenging going forward and a decision was made in the quarter to further reduce cost by adjusting operational preparedness. Following these cost reductions, operating expenses for the vessel whilst lying idle are expected to be less than USD 10 000 per day with full effect expected to materialize during the latter part of 4Q 2015.

In the third quarter, an impairment loss of NOK 1 037 million related to AKOFS Seafarer was recognized. The vessel is being, and will continue to be, actively marketed for work in the subsea construction and service market as well as Light Well Intervention (LWI), however the impairment was triggered by the current weak market conditions which are expected to continue in the short to medium term.

Key Figures: AKOFS Offshore

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	229	279	583	1 287
EBITDA	51	564	58	125
EBIT	(1 082)	500	(1 248)	(1 096)
CAPEX and R&D capitalization	13	(8)	1 040	1
NCOA	(160)	(86)	(160)	(86)
Net capital employed	4 966	4 092	4 966	4 092
Order intake	107	5 456	293	5 998
Order backlog	6 395	5 495	6 395	5 495
Employees	102	124	102	124

Fjords Processing

Revenues of Fjords Processing were NOK 487 million in the quarter, down from NOK 530 million in third quarter 2014. EBITDA for the quarter ended at NOK 17 million, with an EBITDA margin of 3.5 percent, up from -1.6 percent last year. Order intake in the quarter was NOK 391 million, down from 605 million in the same period previous year.

The decrease in revenues and order intake compared to last year was driven by lower activity within certain areas of Fjords, specifically within Equipment and Packages in the Americas where the market situation remains challenging. However, Fjords projections look encouraging with an expected increase in activity for the remaining part of 2015.

Key Figures: Fjords Processing

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	487	530	1 354	1 632
EBITDA	17	(9)	43	43
EBIT	7	(16)	16	24
CAPEX and R&D capitalization	9	18	30	26
NCOA	(8)	(312)	(8)	(312)
Net capital employed	614	208	614	208
Order intake	391	605	1 327	1 693
Order backlog	1 148	1 319	1 148	1 319
Employees	542	622	542	622

KOP Surface Products

Revenue in KOP Surface Products was NOK 338 million, an increase of 16.1 percent, compared to one year earlier. In USD terms, revenue declined by 12.2 percent versus third quarter of 2014, whereas EBITDA increased by 36.9 percent compared to 3Q 2014. EBITDA ended at NOK 67 million with a margin of 19.7 percent in the quarter, compared to 12.7 percent in the same period last year. The margin increase was driven by improved operational performance and cost efficiency.

Order intake was NOK 108 million in the quarter, giving a backlog of NOK 264 million at the end of the quarter. The market outlook for KOP Surface Products remains soft and as a consequence, both the activity level and financial results of KOP Surface Products are expected to be substantially weaker in the quarters ahead compared to performance so far in 2015.

Key Figures: KOP Surface Products

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	338	291	917	784
EBITDA	67	37	190	110
EBIT	53	28	149	85
CAPEX and R&D capitalization	8	12	15	27
NCOA	442	356	442	356
Net capital employed	744	649	744	649
Order intake	108	137	462	722
Order backlog	264	536	264	536
Employees	693	816	693	816

Real Estate and Other Holdings

Real Estate and Other Holdings reported revenues of NOK 227 million in the quarter, with a negative EBITDA of NOK 194 million. The two businesses Step Oiltools and First Geo delivered a total EBITDA of NOK 11 million in the quarter. The real estate portfolio delivered an EBITDA of NOK 12 million after a loss of NOK 6 million from selling a minor Norwegian property. A provision of NOK 173 million was made in the quarter related to onerous leases as a result of a weaker leasing market for subleasing in regions such as Stavanger, Aberdeen and Houston.

Key Figures: Real Estate and Other Holdings

NOK million	3Q 15	3Q 14	YTD 15	YTD 14
Operating revenue and other income	227	155	632	599
EBITDA	(194)	(23)	(161)	(101)
EBIT	(249)	(65)	(288)	(211)
CAPEX and R&D capitalization	4	20	69	121
NCOA	(154)	93	(154)	93
Net capital employed	1 393	2 200	1 393	2 200
Order intake	105	150	360	444
Order backlog	1 545	261	1 545	261
Employees	398	443	398	443

03. FINANCIAL RESULTS 3Q

Akastor, and its portfolio companies, are exposed to markets that have seen a decline in oil prices over the past few quarters. Weakening fundamentals and oil companies reducing E&P spend have had an impact across the oil services industry, including Akastor's portfolio companies. The effect has, in particular, affected MHWirth, which saw a significant reduction in results in 3Q.

The Akastor group's revenue was down 28 percent in the third quarter from the same quarter one year earlier, to NOK 3 678 million. The cost reduction initiatives will take effect gradually as from next year. The lower revenue level has resulted in capacity costs impacting the overall EBITDA for the third quarter.

EBITDA was negative NOK 169 million for the third quarter. Depreciation, amortization and impairments amounted to NOK 1 408 million for 3Q. Net financial items were NOK -198 million for the third quarter. Net financial items were impacted negatively by impairment loss of NOK 80 million related to the shares in Ezra.

Net tax benefit was NOK 397 million in 3Q giving an effective tax rate of 22.4 percent in the quarter. The effective tax rate is mainly explained by the mix of revenue the group earns in jurisdictions with various tax rates and non-tax deductible impairment loss related to Ezra shares. The effective tax rate is also affected by tax effects from fluctuations in currency from entities that are taxable in other currency than the functional currency.

The result for the third quarter period was a loss of NOK 1 377 million.

Financial Position

Cashflow from operations was positive NOK 15 million for the Akastor group in the third quarter.

Net current operating assets were reduced by NOK 191 million in the quarter to NOK 2 955 million at the end of September.

Net cash flow from investing activity was negative NOK 144 million in the quarter. Net interest-bearing debt increased by around NOK 300 million, to NOK 6.4 billion at the end of the third quarter.

The liquidity reserve at the end of the quarter was around NOK 1.6 billion, with cash and bank deposits of NOK 1 088 million and undrawn committed credit facilities of NOK 500 million.

Akastor secured a SGD 25 million financing in September, by selling 207 million Ezra shares to DNB Markets and simultaneously entering into a forward purchase agreement for the same number of shares, maturing on December 23, 2015.

The equity ratio was 32.1 percent at the end of the third quarter. Gross interest-bearing debt was NOK 7.6 billion at the end of the third quarter, including the financial lease on Aker Wayfarer of NOK 1.6 billion.

Related party transactions

Please see note 8 for a summary of significant related party transactions that occurred in 3Q 2015.

Principle, Risk and Uncertainty

Akastor ASA and each of its' portfolio companies are exposed to various forms of market, operational and financial risks. The market situation for the oil services industry is very challenging with low activity and weak market conditions. Further, the financial results will be affected by project execution by the portfolio companies and customer behavior. Results also depend on costs, both the portfolio companies' own costs and those charged by suppliers, as well as interest expenses, exchange rates and customers' ability to pay. In addition these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, i.e. political decisions on international sanctions that impact supply and demand and environmental regulations. Akastor and its portfolio companies also engage in mergers and acquisitions and other transactions that could expose the companies to financial and other non-operational risks, such as warranty claims and price adjustment mechanisms.

Akastor has established governing documents and systems to manage its exposure to the financial markets. These systems cover, among other things, currency-, interest rate-, tax-, counterparty- and liquidity risks. Akastor works systematically to manage risk in all of its portfolio companies. Akastors' annual report for 2014 provides more information on risks and uncertainties.

The Akastor Share

The company had a market capitalization of NOK 3.1 billion on October 30, 2015. The company owned 2 776 376 Akastor shares at the end of the quarter.

Oslo, October 30, 2015
The Board of Directors and CEO of Akastor ASA

Financial Calendar

Fourth quarter and preliminary results 2015, February 17, 2016.

Contact Information

Tore Langballe
Head of Communication
and Investor Relations
Tel: +47 21 52 58 10
E-mail: tore.langballe@akastor.com
Visiting Address: Oksenøyveien 10,
NO-1366 Lysaker, Norway

For more information, please visit
www.akastor.com/investors

AKASTOR GROUP INTERIM FINANCIAL STATEMENTS THIRD QUARTER 2015

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK million	*note*	Third quarter 2015	2014	First three quarters 2015	2014	Full year 2014
Operating revenues and other income		3 678	5 095	11 917	16 106	21 432
Operating expenses		(3 847)	(4 243)	(11 768)	(14 989)	(20 052)
Operating profit before depreciation, amortization and impairment (EBITDA)		**(169)**	**853**	**149**	**1 117**	**1 380**
Depreciation and amortization		(284)	(215)	(823)	(664)	(922)
Impairment	*5*	(1 123)	(59)	(1 143)	(1 057)	(1 164)
Operating profit (loss)		**(1 576)**	**579**	**(1 817)**	**(604)**	**(706)**
Net financial items	*6*	(198)	(339)	(520)	(551)	(947)
Profit (loss) before tax		**(1 775)**	**240**	**(2 337)**	**(1 155)**	**(1 653)**
Tax income (expense)		397	(49)	411	243	266
Profit (loss) from continuing operations		**(1 377)**	**190**	**(1 926)**	**(912)**	**(1 387)**
Net profit from discontinued operations [1)]		-	299	-	3 907	3 880
Profit (loss) for the period		**(1 377)**	**490**	**(1 926)**	**2 995**	**2 493**

[1)] See note 2

Attributable to:					
Equity holders of Akastor ASA	(1 377)	483	(1 926)	2 984	2 482
Non-controlling interests	-	6	-	11	11
Earnings per share (NOK)	(5.08)	1.78	(7.11)	10.97	9.13
Earnings per share (NOK) continuing operations	(5.08)	0.69	(7.11)	(3.35)	(5.09)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK million	Third quarter 2015	2014	First three quarters 2015	2014	Full year 2014
Net profit (loss) for the period	(1 377)	490	(1 926)	2 995	2 493
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges, effective portion of changes in fair value	12	(123)	(296)	(764)	(942)
Cash flow hedges, reclassification to income statement	58	(175)	89	(60)	345
Cash flow hedges, tax effect	(21)	78	67	220	155
Change in fair value reserve	-	(34)	-	(117)	(185)
Currency translation differences	450	(15)	619	220	956
Net items that may be reclassified to profit or loss	**498**	**(269)**	**480**	**(501)**	**329**
Items that will not be reclassified to profit or loss:					
Remeasurement gain (loss) net defined benefit liability	-	(92)	-	(93)	(70)
Deferred tax of remeasurement gain (loss) net defined benefit liability	-	25	-	25	19
Net items that will not be reclassified to profit or loss	**-**	**(67)**	**-**	**(68)**	**(51)**
Total comprehensive income for the period, net of tax	**(879)**	**154**	**(1 447)**	**2 426**	**2 771**
Attributable to:					
Equity holders of Akastor ASA	(879)	142	(1 447)	2 405	2 750
Non-controlling interests	-	11	-	21	21

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	*note*	September 30 2015	December 31 2014
Deferred tax assets		453	214
Intangible assets		3 249	3 122
Property, plant and equipment		6 887	6 469
Investment property		637	707
Other non-current operating assets		603	691
Investments		500	610
Non-current interest-bearing receivables		86	131
Total non-current assets		**12 416**	**11 946**
Current operating assets	*9*	11 156	11 204
Current interest-bearing receivables		54	205
Cash and cash equivalents		1 088	1 075
Total current assets		**12 297**	**12 485**
Total assets		**24 713**	**24 430**
Equity attributable to equity holders of Akastor ASA		7 933	9 378
Total equity		**7 933**	**9 378**
Deferred tax liabilities		64	483
Employee benefit obligations		481	473
Other non-current liabilities		408	285
Non-current borrowings		7 195	4 720
Total non-current liabilities		**8 148**	**5 961**
Current operating liabilities	*9*	8 201	8 782
Current borrowings		431	308
Total current liabilities		**8 632**	**9 090**
Total liabilities and equity		**24 713**	**24 430**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

NOK million	First three quarters 2015	2014	Full year 2014
Profit (loss) for the period	(1 926)	2 995	2 493
Profit (loss) for the period - discontinued operations	-	(3 907)	(3 880)
Depreciations, amortization and impairment continuing operations	1 966	1 721	2 086
Other adjustments for non-cash items and changes in operating assets and liabilities	(1 115)	(500)	(211)
Net cash from operating activities	**(1 075)**	**309**	**488**
Acquisition of property, plant and equipment	(1 353)	(1 032)	(1 302)
Payments for capitalized development	(140)	(504)	(639)
Proceeds from sale of subsidiaries, net of cash	27	5 891	5 948
Acquisition of subsidiaries, net of cash acquired	(12)	(126)	(126)
Cash flow from other investing activities	160	408	618
Net cash from investing activities	**(1 318)**	**4 637**	**4 499**
Change in external borrowings	2 296	(4 793)	(4 193)
Dividends to shareholders	-	(1 115)	(1 115)
Cash flow from other financing activities	1	4	(28)
Net cash from financing activities	**2 296**	**(5 904)**	**(5 336)**
Effect of exchange rate changes on cash and bank deposits	110	8	142
Net increase (decrease) in cash and bank deposits	**13**	**(950)**	**(206)**
Demerger of New Aker Solutions	-	(1 064)	(1 064)
Cash and bank deposits at the beginning of the period	1 075	2 345	2 345
Cash and bank deposits at the end of the period	**1 088**	**331**	**1 075**

The statement includes discontinued operations prior to their disposal unless otherwise stated.

Cash flow from discontinued operations

NOK million	First three quarters 2014	Full year 2014
Net cash from operating activities	635	589
Net cash from investing activities	4 569	4 574
Net cash from financing activities	177	142
Effect on cash flow from discontinued operations	**5 381**	**5 305**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent	Non controlling interests	Total equity
Equity as of January 1, 2015	8 636	742	**9 378**	-	**9 378**
Total comprehensive income	(1 926)	480	**(1 447)**	-	**(1 447)**
Treasury shares	-	2	**2**		**2**
Equity as of September 30, 2015	**6 710**	**1 223**	**7 933**	**-**	**7 933**
Equity as of January 1, 2014	13 022	192	**13 214**	161	**13 375**
Total comprehensive income	2 984	(579)	**2 405**	21	**2 426**
Dividends	(1 115)	-	**(1 115)**	-	**(1 115)**
Demerger of New Aker Solutions	(5 475)	282	**(5 193)**	(182)	**(5 375)**
Equity as of September 30, 2014	**9 416**	**(105)**	**9 311**	**-**	**9 311**

NOTES

NOTE 1 - GENERAL

Akastor (the group) consists of Akastor ASA and its subsidiaries. Akastor ASA is a limited liability company incorporated and domiciled in Norway and whose shares are publicly traded.

On September 26, 2014, the demerger of Akastor was completed and Aker Solutions Holding ASA ("New Aker Solutions"), a subsidiary of Akastor ASA established for the purposes of the demerger, was listed on the Oslo Stock Exchange on September 29, 2014. At the same time Aker Solutions ASA changed name to Akastor ASA.

The group is an oil-services investment company with a portfolio of industrial holdings, real estate and other investments. Akastor is listed on the Oslo Stock Exchange under the ticker AKA. Please refer to note 34 *Group companies* in Akastor's Annual Report 2014 for more information on the group's structure.

Akastor's Annual Report for 2014 is available on www.akastor.com.

NOTE 2 - BASIS FOR PREPARATION

The condensed consolidated financial statements of Akastor comprise the group and the group's interests in equity-accounted investees. As a result of rounding differences, numbers or percentages may not add up to the total.

Akastor's condensed interim financial statements for the nine months ended September 30, 2015 are prepared in accordance with International Accounting Standard (IFRS) 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of annual consolidated financial statements, and should be read in conjunction with Akastor's Annual Report 2014. The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as for the year ended December 31, 2014.

The condensed consolidated interim financial statements are unaudited.

Net profit from discontinued operations for 2014

Net profit from discontinued operation for the interim reporting periods in 2014 does not correspond to the interim reports for 2014 due to the correction of errors that was implemented in the accounts in 4Q 2014. The adjustments made for each interim period are summarized as below:

NOK million	1Q 14	2Q 14	3Q 14	4Q 14
Net profit from discontinued operations	53	52	4	-

NOTE 3 - JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements as for the period ended December 31, 2014.

NOTE 4 - OPERATING SEGMENTS

Akastor identifies its reportable segments and discloses segment information under IFRS 8 *Operating Segments*. See note 6 *Operating segments* in Akastor's Annual Report 2014 for descriptions of Akastor's management model and operating segments as well as accounting principles used for segment reporting.

When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against Corporate Treasury and hedge accounting is applied independently of whether the hedge qualifies for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges is made as an adjustment at corporate level in order to secure that the consolidated financial statements are prepared in accordance with IFRS. This means that the group's segment reporting reflects all hedges as qualifying even though they may not qualify for hedge accounting in accordance with IFRS.

Hedge transactions not qualifying for hedge accounting represent in 3Q 2015 an accounting loss to EBITDA of NOK 20 million (gain of NOK 32 million in 3Q 2014) and a gain under financial items of NOK 37 million (loss of NOK 228 million in 3Q 2014). Corresponding year-to-date figures are an accounting loss of NOK 1 million to EBITDA (gain of NOK 33 million in 2014) and a gain under financial items of NOK 74 million (loss of NOK 227 million in 2014).

3Q 2015

NOK million	MHWirth	Frontica Business Solutions	AKOFS Offshore	Fjords Processing	KOP Surface	Real estate & other holdings	Elimina-tions	Total
External revenue and other income	1 405	999	229	487	338	220	-	**3 678**
Internal revenue	17	146	-	-	-	7	(170)	**-**
Total revenue	1 422	1 145	229	487	338	227	(170)	**3 678**
Operating profit before depreciation, amortization and impairment (EBITDA)	(184)	74	51	17	67	(194)	-	**(169)**
Operating profit (loss) (EBIT)	(351)	45	(1 082)	7	53	(249)	-	**(1 576)**
Capital expenditure and R&D capitalization	69	5	13	9	8	4	-	**107**
Cash flow from operating activities	(195)	191	(14)	(58)	52	40	-	**15**

3Q 2014

NOK million	MHWirth	Frontica Business Solutions	AKOFS Offshore	Fjords Processing	KOP Surface	Real estate & other holdings	Elimina-tions	Total
External revenue and other income	2 417	1 436	279	528	291	144	-	**5 095**
Internal revenue	14	(70)	-	2	-	12	42	**-**
Total revenue	2 432	1 366	279	530	291	155	42	**5 095**
Operating profit before depreciation, amortization and impairment (EBITDA)	207	77	564	(9)	37	(23)	-	**853**
Operating profit (loss) (EBIT)	80	52	500	(16)	28	(65)	-	**579**
Capital expenditure and R&D capitalization	206	8	(8)	18	12	20	-	**257**
Cash flow from operating activities	178	(26)	(97)	136	61	(139)	-	**114**

First three quarters 2015

NOK million	MHWirth	Frontica Business Solutions	AKOFS Offshore	Fjords Processing	KOP Surface	Real estate & other holdings	Elimina-tions	Total
External revenue and other income	5 149	3 302	582	1 349	917	617	-	**11 917**
Internal revenue	66	534	-	5	-	15	(620)	**-**
Total revenue	5 214	3 837	583	1 354	917	632	(620)	**11 917**
Operating profit before depreciation, amortization and impairment (EBITDA)	(177)	195	58	43	190	(161)	-	**149**
Operating profit (loss) (EBIT)	(561)	114	(1 248)	16	149	(288)	-	**(1 817)**
Capital expenditure and R&D capitalization	329	30	1 040	30	15	69	-	**1 514**
Cash flow from operating activities	(938)	359	(231)	(123)	158	(300)	-	**(1 075)**
Net current operating assets (NCOA)	3 260	(425)	(160)	(8)	442	(154)	-	**2 955**
Net capital employed	6 427	189	4 966	614	744	1 393	-	**14 332**

First three quarters 2014

NOK million	MHWirth	Frontica Business Solutions	AKOFS Offshore	Fjords Processing	KOP Surface	Real estate & other holdings	Elimina-tions	Total
External revenue and other income	7 943	3 884	1 286	1 627	784	581	-	**16 106**
Internal revenue	27	387	-	5	-	18	(437)	**-**
Total revenue	7 971	4 271	1 287	1 632	784	599	(437)	**16 106**
Operating profit before depreciation, amortization and impairment (EBITDA)	700	241	125	43	110	(101)	-	**1 117**
Operating profit (loss) (EBIT)	424	169	(1 096)	24	85	(211)	-	**(604)**
Capital expenditure and R&D capitalization	509	54	1	26	27	121	-	**739**
Cash flow from operating activities	(663)	201	(66)	220	42	(60)	-	**(326)**
Net current operating assets (NCOA)	2 852	(225)	(86)	(312)	356	93	-	**2 678**
Net capital employed	5 541	207	4 092	208	649	2 200	-	**12 897**

NOTE 5 - SIGNIFICANT EVENTS

Restructuring

In 2015, MHWirth had to undertake a necessary reduction of its global work force due to the very challenging rig market, affecting both MHWirth and its customers. The reduction in workforce is estimated to be 1 800 people including contractors. In the third quarter, a restructuring cost of NOK 142 million is recognized as operating expenses and the total restructuring cost recognized in the first three quarters amounts to approximately NOK 202 million.

Purchase of AKOFS Seafarer vessel

The purchase of AKOFS Seafarer was executed in February 2015 and is included in capital expenditure in AKOFS Offshore. The purchase price was USD 122.5 million, all financed with new bank debt.

Impairment loss of fixed assets

In the first three quarters of 2015, total impairment loss of fixed assets amounts to NOK 1 143 million. An impairment loss of NOK 1 037 million (USD 122 million) related to AKOFS Seafarer vessel was recognized in the third quarter. The impairment was triggered by the current weak market conditions which are expected to continue in the short to medium term. Further, NOK 72 million was related to impairment of property, plant and equipment as well as intangible assets that were no longer expected to be utilized in MHWirth.

Provision for onerous lease contracts

A provision of NOK 173 million was recognised in the third quarter related to onerous leases as a result of a weaker leasing market for subleasing in regions such as Stavanger, Aberdeen and Houston.

Borrowings

Borrowings have increased from NOK 5.0 billion to NOK 7.6 billion in the first three quarters of 2015. This is mainly explained by the new bank debt of USD 125 million related to purchase of AKOFS Seafarer, increased borrowings by NOK 1 billion under the Revolving Credit Facility and SGD 25 million through forward contract with Ezra shares, as well as increased borrowing of BRL 110 million related to new MHWirth plant under construction in Brazil.

NOTE 6 - NET FINANCIAL ITEMS

	Third quarter		First three quarters		Full year
NOK million	2015	2014	2015	2014	2014
Net interest expenses on financial liabilities measured at amortized costs	(57)	(83)	(139)	(286)	(297)
Financial charges under finance leases	(73)	-	(214)	-	(57)
Impairment on available for sale assets	(80)	(27)	(181)	(27)	(97)
Net foreign exchange gain (loss)	2	10	(16)	-	55
Profit (loss) on foreign currency forward contracts	37	(228)	74	(227)	(372)
Profit (loss) from equity accounted investees	(16)	(1)	(27)	8	(126)
Other financial income (expenses)	(11)	(10)	(18)	(20)	(53)
Net financial items	**(198)**	**(339)**	**(520)**	**(551)**	**(947)**

Impairment on available for sale assets is related to Akastor's shareholding in Ezra Holdings Limited.

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. See note 33 *Financial instruments* in Akastor's Annual Report 2014 for more information about valuation methodologies and the group's financial instruments. The estimated fair values of material financial instruments are as below:

NOK million	Fair value hierarchy	Fair value as of September 30, 2015	Fair value as of December 31, 2014
Current operating assets			
- Forward foreign exchange contract	Level 2	2 377	2 199
Current operating liabilities			
- Forward foreign exchange contract	Level 2	(2 343)	(1 841)
Non-current liabilities			
- Non-current borrowings	Level 2	(7 220)	(4 748)

NOTE 8 - RELATED PARTIES

Akastor believes that all transactions with related parties have been carried out based on arm's length terms. For detailed descriptions of related party transactions, please refer to note 35 Related parties in Akastor's Annual Report 2014.

Below is a summary of transactions and balances between Akastor and significant related parties - Aker Entities.

Income statement

NOK million	Third quarter 2015	Third quarter 2014	First three quarters 2015	First three quarters 2014
Operating revenue	978	1 129	3 284	3 583
Operating costs	(74)	(45)	(197)	(301)
Net financial items	(73)	-	(214)	(5)

Balance sheet - Assets (Liabilities)

NOK million	September 30, 2015	September 30, 2014
Trade receivables	253	563
Interest-bearing receivables	-	110
Assets under finance lease (Aker Wayfarer)	1 714	1 500
Trade payables	(47)	(84)
Finance lease liability (Aker Wayfarer)	(1 587)	(1 372)
Interest-bearing liability	(5)	(301)

NOTE 9 - CURRENT OPERATING ASSETS AND LIABILITIES

NOK million	September 30 2015	December 31 2014
Current operating assets:		
Inventories	1 571	1 785
Trade receivables	3 434	2 997
Amounts due from customers for construction work	1 996	2 325
Advances to suppliers	233	226
Accrued operating revenue	436	576
Current tax assets	6	43
Other receivables	3 479	3 254
Total current operating assets	**11 156**	**11 204**
Current operating liabilities:		
Trade payables	878	1 505
Amounts due to customers for construction work, including advances	2 401	2 170
Provisions	533	395
Current tax liabilities	78	97
Accrued operating expenses and other liabilities	4 311	4 616
Total current operating liabilities	**8 201**	**8 782**

AKASTOR

www.akastor.com/investors