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FINANCIAL REPORT - Q1 2011  
DOF Installer ASA

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## Report 1<sup>st</sup> quarter 2011

### Headlines

**DOF Installer ASA entered into 4 new building contracts in 2007 with STX Offshore Norge AS, Aukra.**

**The first vessel Skandi Vega (STX 706) delivered in March 2010 was sold to DOF ASA.**

**The second Vessel Skandi Skolten (STX 707) was delivered in July 2010.**

**The third vessel Skandi Hercules (STX 722) was delivered in December 2010.**

**The fourth vessel Skandi TBN Skansen (STX 723) is expected to be delivered in July 2011.**

**The operating income in first quarter was NOK 36 million, with an EBITDA of NOK 14 million. The numbers are reflecting the fact that Skandi Hercules installed a crane and was trading in the North Sea AHTS spot market until she entered into a BB charter with DOF Subsea Asia.**

### Events first quarter 2011

Skandi Skolten has since delivery been on charter to DOF Subsea Norway AS. During January and February the vessel has been operating in the North Sea spot market, thereafter the vessel sailed to Gulf of Mexico. Skandi Hercules was delivered 2<sup>nd</sup> of December and has operated in the Spot market in the North Sea during 1<sup>st</sup> quarter. In March the vessel installed a 140 tons crane and the vessel was fixed on a 1 year BB charter party to DOF Subsea Asia.

### P&L and Balance first quarter 2011

In the first quarter the operating income was NOK 36.1 million. The operating expenses including depreciation were NOK 35.3 million with NOK 13.2 million in depreciations. Net financial result was negative with NOK 22.5 million giving a pretax loss of NOK 21.7 million.

As per 31<sup>th</sup> of March the total asset was NOK 2 293 million where tangible fixed assets amounted to NOK 2 037 million. The current

assets were NOK 249 million of which NOK 112 million were cash and cash equivalents.

The book equity was NOK 896 million, the total long term liabilities were NOK 1 148 million, whilst the current liabilities were NOK 248 million.

### Share holders

The shares in DOF Installer ASA are owned 78.52 % of DOFCON AS and the remaining 21.48 % is held by 56 shareholders.

### Financing

Skandi Skolten and Skandi Hercules are financed through long term loans with Eksportfinans, GIEK and Nordea on market terms. The financing of the newbuilding Skandi Skansen is on the brink to be finalized. DOF Subsea AS has provided a parent company guarantees as security for the outstanding loan amounts.

### Events after 31<sup>th</sup> of March

On the 10<sup>th</sup> of May DOF Installer ASA launched a private placement of share for the amount of NOK 200 million in order to take delivery of Skandi Skansen. DOFCON AS the majority owner of DOF Installer ASA has underwritten the share issue and will subscribe 78.52 %.

### Market outlook

The market for large AHTS has been weak during January and February with low utilization and weak rates. The supply overhang in the market is expected to remain even though several vessels are departing the North Sea. The Board of directors expects the Spot market will remain weak during the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2011. Skandi Skolten will be trading under the contract with DOF Subsea Norway AS and Skandi Hercules will be on BB to Asia Pacific. The new vessel Skandi Skansen will be trading in the spot market. The Board of Directors are working hard trying to obtain long term contracts on all vessels.

**DOF Installer ASA 24th of May 2011.**

**Contact**

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## Financial Statements March 31, 2011

### DOF Installer ASA Profit and Loss Account (Unaudited)

(NOK 1.000)	31.03.2011	31.03.2010	31.12.2010
Operating revenue	36 120		57 980
Profit from sale of non-current assets			
<b>Total operating income</b>	<b>36 120</b>	-	<b>57 980</b>
Wages and salaries	9 530		11 705
Operating expenses	12 539	43	11 728
<b>Total operating expenses</b>	<b>22 069</b>	<b>43</b>	<b>23 433</b>
<b>Operating profit before depreciation</b>	<b>14 051</b>	<b>-43</b>	<b>34 547</b>
Depreciation	13 234		18 119
Write down			
<b>Operating profit</b>	<b>817</b>	<b>-43</b>	<b>16 429</b>
Other interest income	1 069	266	5 890
Other financial income	135		195
Other interest expenses	-17 462	-863	-19 708
Other financial expenses	-6 308	-3	-4 129
<b>Net financial result</b>	<b>-22 566</b>	<b>-600</b>	<b>-17 752</b>
<b>Pre-tax profit</b>	<b>-21 749</b>	<b>-557</b>	<b>-1 323</b>
Income Tax	-6 090	-156	-371
<b>Result for the period</b>	<b>-15 659</b>	<b>-401</b>	<b>-953</b>
Cash flow hedges	4 604	-	-
<b>Total other comprehensive income</b>	<b>4 604</b>	-	-
<b>Result including other comprehensive income</b>	<b>-11 055</b>	<b>-401</b>	<b>-953</b>

## Financial Statements March 31, 2011

### DOF Installer ASA Balance Sheet (Unaudited)

(NOK 1.000)	31.03.2011	31.03.2010	31.12.2010
Intangible assets	6 090	19 985	-
Tangible fixed assets	2 037 588	564 064	2 009 978
<b>Total fixed assets</b>	<b>2 043 678</b>	<b>584 050</b>	<b>2 009 978</b>
Bunkers	6 930		1 535
Receivables	130 446	7 142	111 170
Cash and cash equivalents	112 313	70 734	187 011
<b>Total current assets</b>	<b>249 689</b>	<b>77 876</b>	<b>299 716</b>
<b>Total assets</b>	<b>2 293 367</b>	<b>661 926</b>	<b>2 309 695</b>
<b>(NOK 1.000)</b>	<b>31.03.2011</b>	<b>31.03.2010</b>	<b>31.12.2010</b>
Subscribed equity	896 118	580 334	907 173
Retained earnings			
<b>Total Equity</b>	<b>896 118</b>	<b>580 334</b>	<b>907 173</b>
Debt to credit institutions	1 148 718		1 175 119
<b>Total Long Term Liabilities</b>	<b>1 148 718</b>	<b>-</b>	<b>1 175 119</b>
12 months instalments on long term debt	107 833	-	107 833
Other current liabilities	140 698	81 592	119 571
<b>Total Short Term Liabilities</b>	<b>248 531</b>	<b>81 592</b>	<b>227 404</b>
<b>Total Liabilities</b>	<b>1 397 249</b>	<b>81 592</b>	<b>1 402 522</b>
<b>Total Equity and Liabilities</b>	<b>2 293 367</b>	<b>661 926</b>	<b>2 309 695</b>

## Statement of Equity

(NOK 1.000)	31.03.2011	31.12.2010
<b>Equity period start</b>	<b>907 173</b>	<b>561 122</b>
Result including comprehensive income	-11 055	-1 323
Capital increases		347 374
<b>Total changes of equity in the period</b>	<b>-11 055</b>	<b>346 051</b>
<b>Equity at period end</b>	<b>896 118</b>	<b>907 173</b>

## DOF Installer ASA Summarized Cashflow Statement

(NOK 1.000)	30.03.2011	31.12.2010
Cash flow from operating activities	-42 750	63 640
Cash flow from investing activities	-5 547	-1 517 959
Cash flow from financing activities	-26 401	1 642 183
<b>Changes in cash and cash equivalents</b>	<b>-74 698</b>	<b>187 864</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>187 010</b>	<b>854</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>112 313</b>	<b>187 010</b>

## Notes to the Condensed Financial Statements

### Note 1 General

This interim report has been prepared in accordance with the standard for interim reporting (IAS34). Amendments to the standards and their interpretation may result in amended figures. The accounting principles and calculation methods applied for the last annual accounts published have been applied to this document. The Q1 report is unaudited.

### Note 2 Operating Income and EBITDA

DOF Installer's assets are Skandi Skolten (STX707), Skandi Hercules (STX722) and Skandi TBN Skansen (STX 723). Skandi Skolten has since delivery in July 2010 been on charter to DOF Subsea Norway AS. Skandi Hercules, delivered in December 2010, has operated in the North Sea AHTS spot market during Q1 2011. In March the vessel installed a 140 tons crane and was fixed on a 1 year BB charter party to DOF Subsea Asia. Skandi TBN Skansen is expected to be delivered in July 2011.

### Note 3 Events After Balance Sheet Date

On the 10th of May DOF Installer ASA launched a private placement of share for the amount of NOK 200 million in order to take delivery of Skandi Skansen.

### Note 4 Bank Deposit

Bank deposit	31.03.2011	31.03.2010	31.12.2010
Cash and cash equivalent	112 313	70 734	187 011
Of which is restricted cash	-	-	-
Free cash and cash equivalent	112 313	70 734	187 011

### Note 5 Transactions With Related Parties

DOF Subsea AS has provided a parent company guarantees as security for the outstanding loan amounts on Skandi Skansen and Skandi Hercules. There has been no other material transactions between related parties in Q1 2011. Shareholders on 31th of March 2011 are unchanged since 31th December 2010. DOFCON AS, a fully owned subsidiary of DOF Subsea AS, owns 78,52 % of the total shares pr March 31 2011.

### Note 6 Taxes

Taxes per March 31, 2011 are estimated. Tax income MNOK 6,1.

### Note 7 Tangible fixed assets

DOF Subsea Group, including DOF Installer ASA has changed the estimation of useful life and residual values for vessels:

There will be no decomposition, except for periodical maintenance. Useful life for the vessels in the group is still 20 years. Best estimated value after 20 years is set to 50% of original purchase price. There will be an individual assessment of useful life if vessels are retained in the group after 20 years. Contracts, marked conditions, type of vessel etc., will be factors to be considered in the individual assessment.

The effects of these changes give a decreased depreciation in Q1 2011 of MNOK 8 for DOF Installer ASA.