

# Second quarter 2015

Bergen 20 August 2015

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## Agenda

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- Highlights Q2 2015
- Operational review
- Financial review
- Summary and outlook



"Polar Onyx"

## Highlights second quarter

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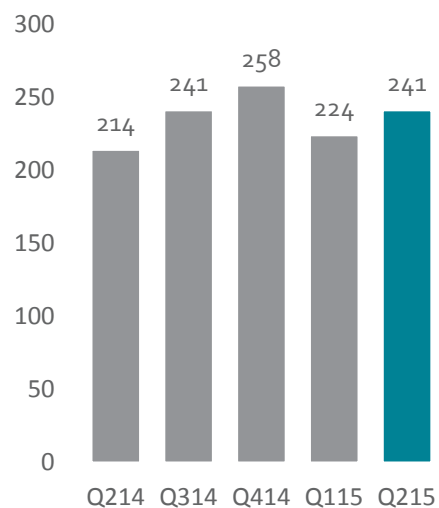
- Stable and good operations
- Fleet utilisation of 89 %
- Delivery of new seismic vessel “Polar Empress”
- Sale of subsea vessel “Polar Prince”
- Refinancing of five vessels successfully completed
- New charter agreement for crew boats “Polar Baikal” and “Polar Piltun”



## Key figures

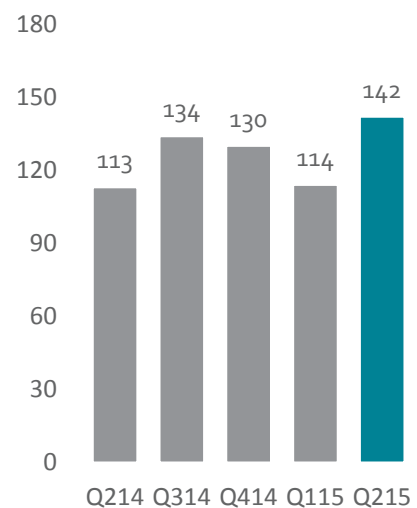
### REVENUES

NOK million



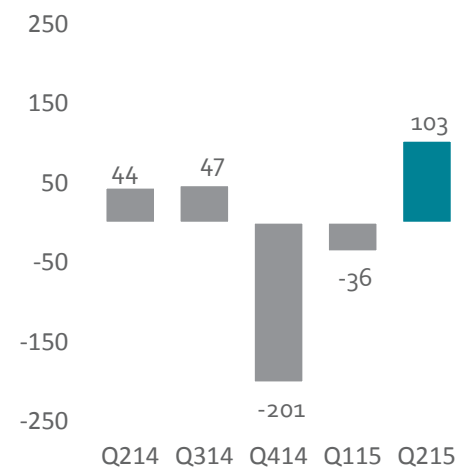
### EBITDA

NOK million



### NET PROFIT

NOK million



# Operational Review

## Q2 2015



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## Contract update

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- DOF Subsea Norway AS declared a one-month option of extension for "Polar King"
- New charter agreement with Sakhalin Energy Investment Company Ltd for the two crewboats "Polar Baikal" and "Polar Piltun"
  - Five years duration, effective from June 2015



"Polar King"



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## Delivery of new seismic vessel “Polar Empress”

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- Advanced 3D seismic vessel with 22 streamers and ice class 1A\*
- Delivered from Myklebust Verft (Kleven) 26 May 2015
- Five years contract with Dolphin Geophysical from delivery
- Successfully in operation directly from delivery



“Polar Empress”

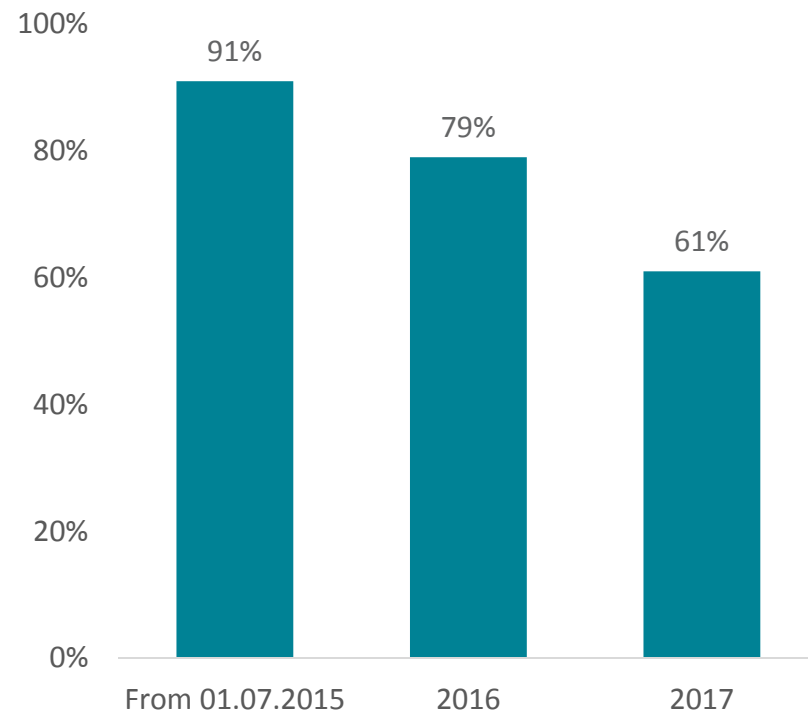


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## Contract backlog of NOK 3.2 billion\* per 30 June 2015

### CONTRACT COVERAGE\*

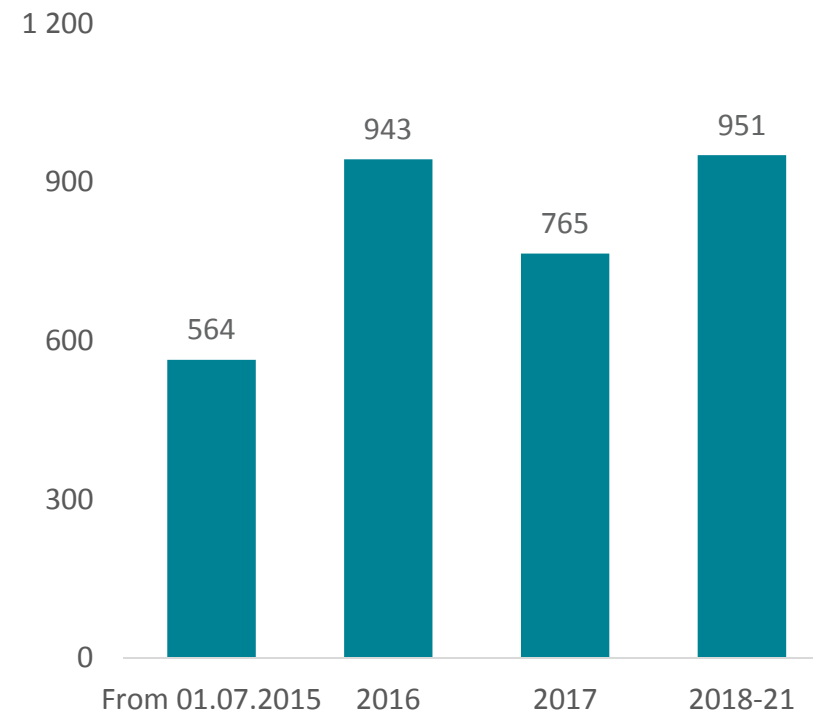
Utilisation rate



\* Excluding options

### CONTRACT BACKLOG\*

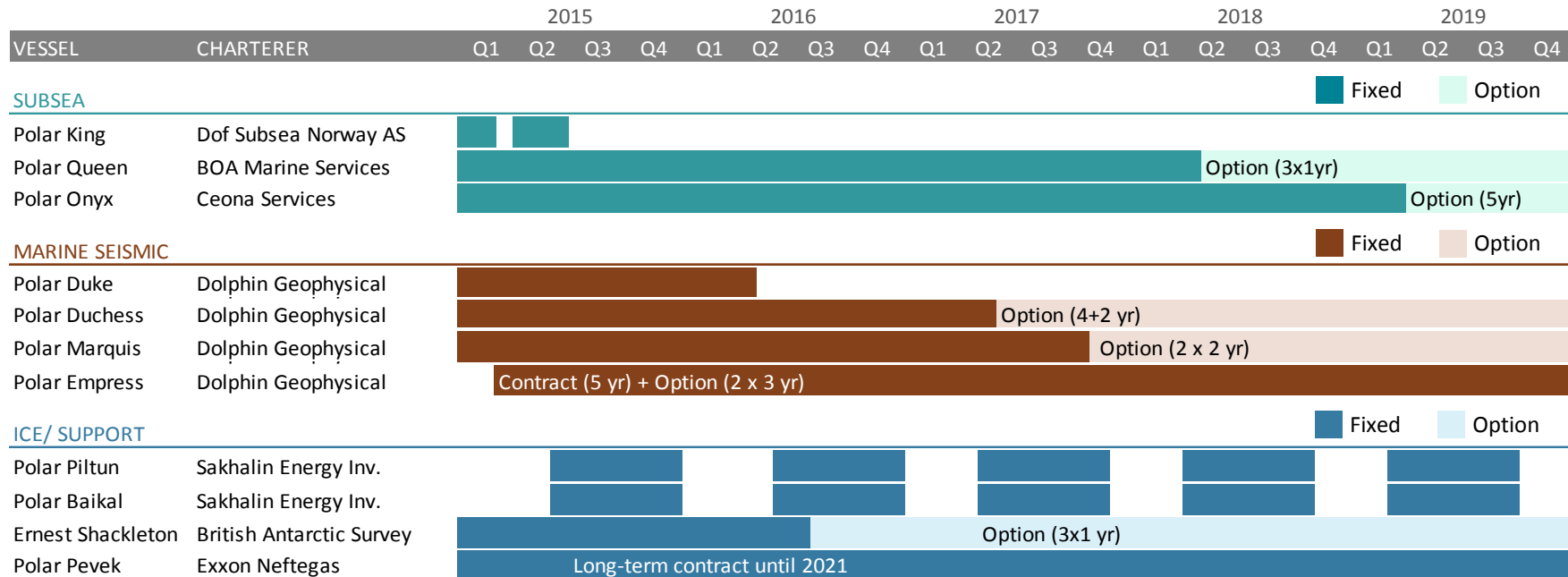
NOK million







## Average duration of contract portfolio is 2.4 years



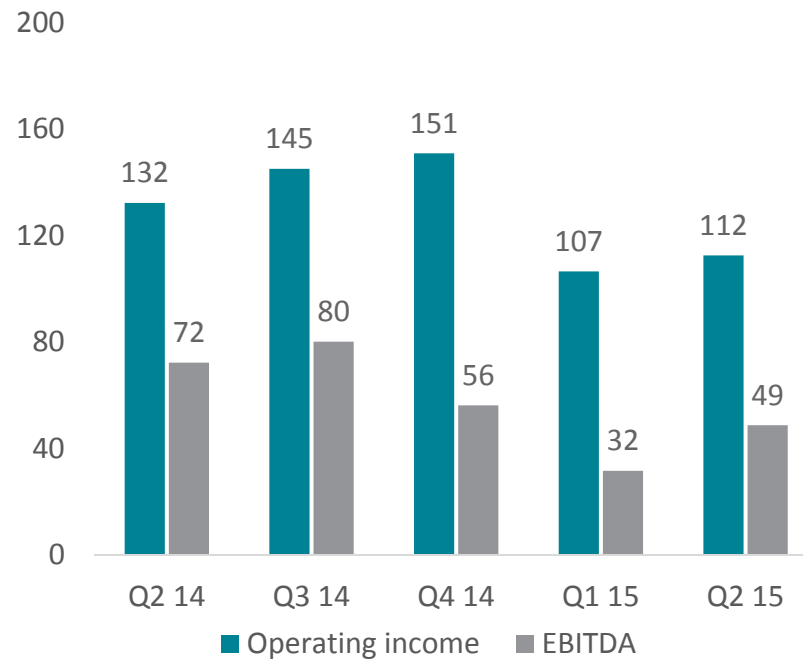
Note: Per July 2015

# Subsea



- Fleet utilisation 76 percent
  - 100 percent in Q2 2014
  - Sale of “Polar Prince” in June
  - “Polar Prince” and “Polar King” not on charter part of the quarter
- Market
  - Uncertain and expectant
  - Sustained price pressure and time-consuming decision processes

KEY FIGURES  
NOK million



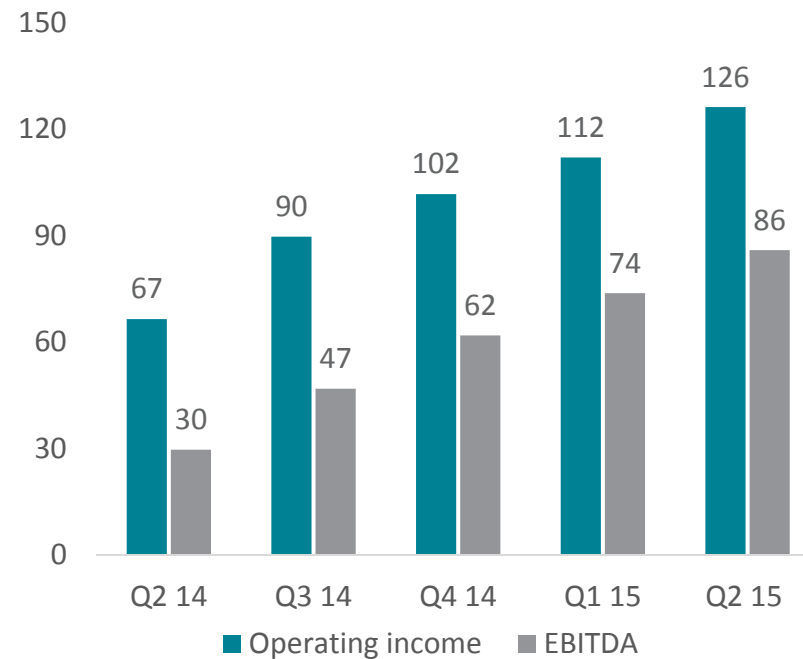


## Marine Seismic

- Fleet utilisation 100 percent
  - 82 percent in Q2 2014
  - Less vessels in operation in Q2 2014 due to yard stay for “Polar Marquis”
  - Delivery of “Polar Empress” in May 2015
- Market
  - Turbulent, marked by price pressure and weak earnings

### KEY FIGURES

NOK million



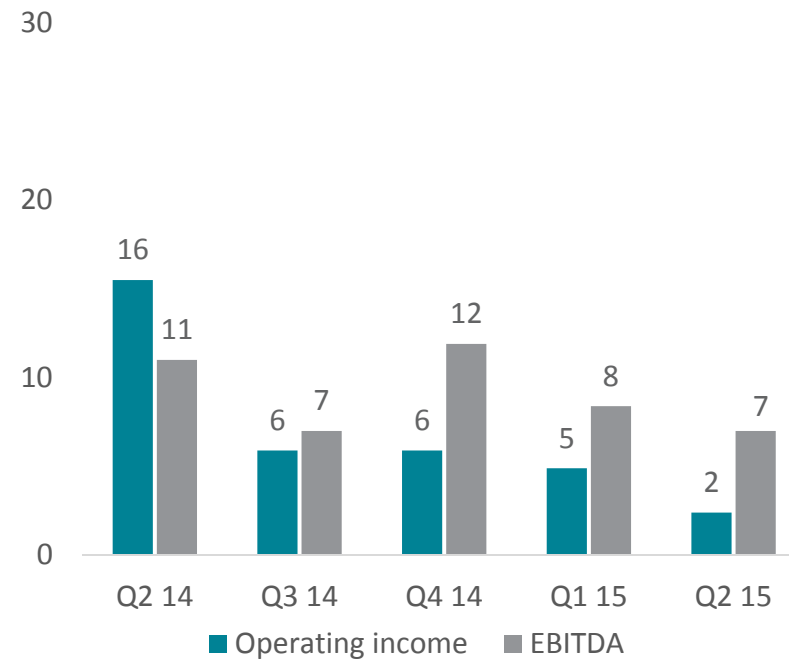


## Ice/ Support

- Fleet utilisation 100 percent
  - 100 percent in Q2 2014
  - Management agreement for “HMS Protector” expired September 2014
  - EBITDA contribution of NOK 4,5 million from joint venture companies
- Market
  - Generally stable development

### KEY FIGURES

NOK million



## Financial review

### Q2 2015



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## Income statement

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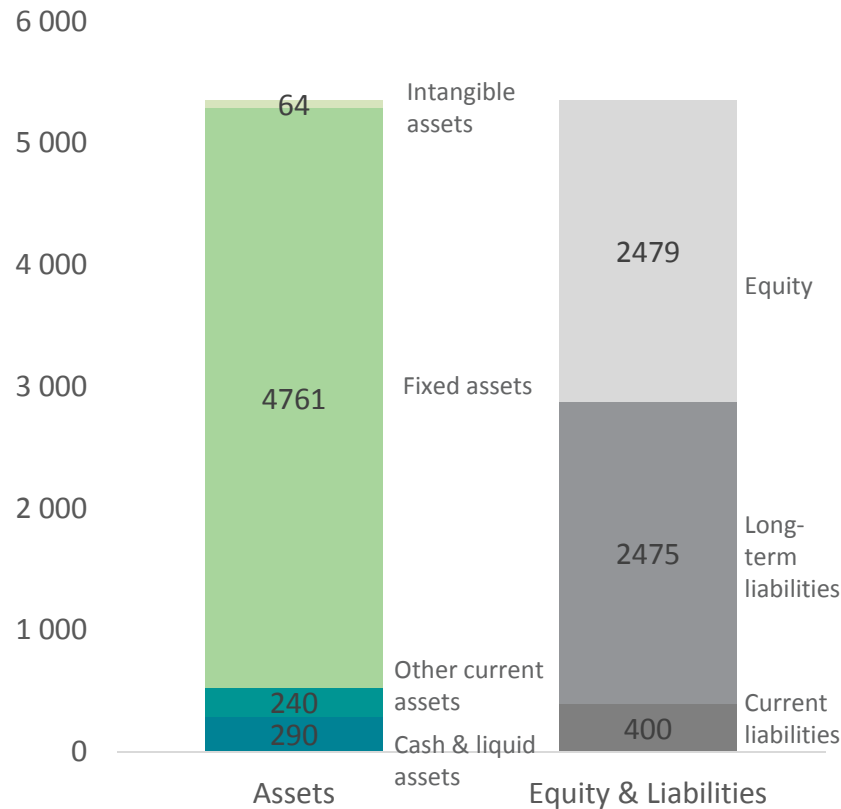
NOK mill	Q2 2015	Q2 2014	1H 2015	1H 2014	2014
<b>Operating income</b>	<b>240.8</b>	<b>214.4</b>	<b>464.7</b>	<b>382.3</b>	<b>881.5</b>
EBITDA	141.7	113.3	255.6	189.1	453.5
<b>EBIT</b>	<b>97.5</b>	<b>72.2</b>	<b>151.7</b>	<b>113.4</b>	<b>280.2</b>
Net financial income and expenses	5.6	-28.4	-84.2	-27.8	-358.6
Profit before tax	103.1	43.8	67.6	85.7	-78.5
<b>Net profit in the period</b>	<b>103.4</b>	<b>43.5</b>	<b>67.1</b>	<b>84.7</b>	<b>-80.1</b>
Normalized profit before tax (1)	54.5	57.8	91.6	90.7	253.8
Earnings per share	2.37	1.00	1.54	1.94	-1.83

(1) Profit bef. tax adjusted for unrealised currency gains/losses, profit from disposals and write-downs.



## Balance sheet per 30.06.2015

NOK million



- Total balance NOK 5 353 million
- Equity ratio 46.3 percent
- Cash position NOK 290 million
- Net debt NOK 2 548 million
- Average duration of loan portfolio is 5.7 years
- June 2015:
  - Refinancing of five vessels
  - USD 225 million loan facility, whereof USD 46.25 as credit facility
  - Fully financed until 2020

## Outlook

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- Market view short term
  - Uncertainty regarding the oil price development cause continued pressure on cost cuts and further reductions in the investment activity
  
- Uncertain trends in segments
  - Subsea: Expectant, short term focus
  - Marine Seismic: Challenging market and weak results
  - Ice/support: Stable and unchanged activity



## Summary

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- Stable and good operations, but challenging market
- Delivery of new seismic vessel “Polar Empress”
- Refinancing of five vessels successfully completed
- New time charter for crew boats “Polar Baikal” and “Polar Piltun”



“Polar Marquis”



/ THANK YOU FOR LISTENING !

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