



# GCRIEBER

## SHIPPING ASA



## Interim report second quarter and first half year 2014

22 August 2014

## Highlights in the second quarter 2014

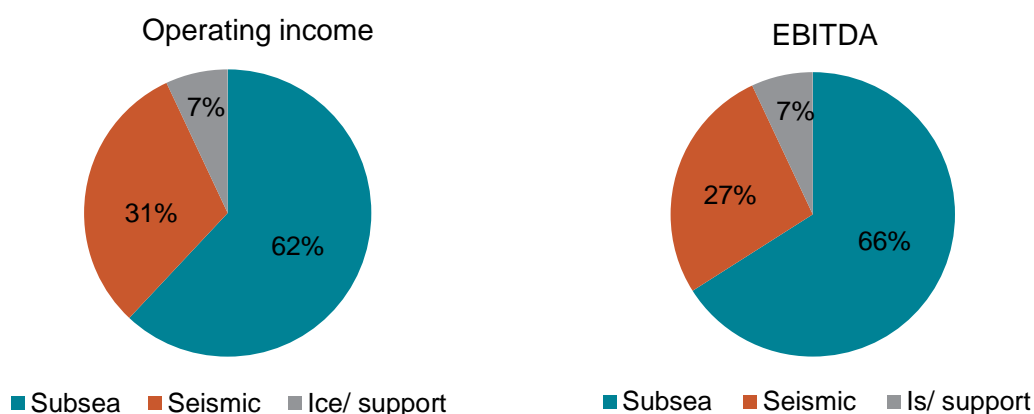
- Upgrading of the «Polar Marquis» completed. The vessel embarked on a contract with Dolphin Geophysical upon delivery.
- Solid contract backlog of NOK 3.0 billion with an average contract duration of 2.4 years.
- Total capacity utilisation of the fleet of 94 percent compared with 96 percent in the second quarter 2013.
- Operating income up to NOK 214.4 million from NOK 173.8 million in the second quarter 2013.
- EBITDA margin of 51 percent, down from 54 percent in the second quarter 2013.
- Profit before tax up to NOK 43.5 million in the second quarter 2014, compared to a loss of NOK 5.7 million in the corresponding period 2013.

## Key figures

| Figures in NOK million           | 2Q 2014 | 2Q 2013 | YTD 2014 | YTD 2013 | 31.12.2013 |
|----------------------------------|---------|---------|----------|----------|------------|
| Operating income                 | 214.4   | 173.8   | 382.3    | 354.9    | 745.5      |
| EBITDA                           | 110.3   | 93.6    | 185.1    | 183.4    | 375.4      |
| EBIT                             | 72.2    | 56.4    | 113.4    | 116.8    | 621.9      |
| Profit before tax                | 43.8    | -20.8   | 85.7     | -30.2    | 361.4      |
| Net profit in the period         | 43.5    | -5.7    | 84.7     | 5.5      | 371.0      |
| Normalised profit before tax (1) | 57.8    | 9.5     | 90.7     | 9.2      | 81.8       |
| Earnings per share               | 1.00    | -0.13   | 1.94     | 0.13     | 8.50       |
| Equity ratio                     | 48.9 %  | 51.4 %  | 48.9 %   | 51.4 %   | 57.7 %     |
| Fleet capacity utilisation       | 94 %    | 96 %    | 91 %     | 98 %     | 96 %       |

(1) Profit bef. tax adjusted for unrealized currency gains/losses, profit from disposals and write-downs (incl. write-downs in assoc. company).

(2) As at 1.1.2014, joint ventures are recognized in the accounts using the equity method. Figures for 2Q 2013 and 31.12.2013 are restated accordingly.



## Operational review

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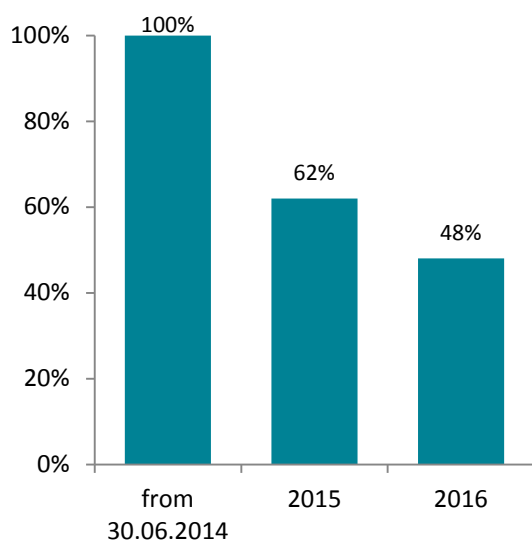
GC Rieber Shipping has a fleet of 11 vessels within the segments subsea, marine seismic and ice/support. In addition the company has one high-end 3D seismic vessel under construction at Kleven Verft scheduled for delivery in the first quarter 2015. The company also operates another three vessels.

### Capacity utilisation and order backlog

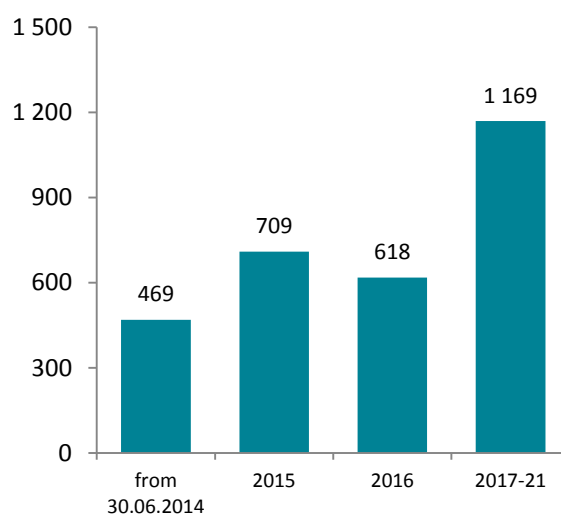
The second quarter 2014 was characterised by stable operations with a capacity utilisation of 94 percent, compared with 96 percent in the corresponding period in 2013. The reduction is due to the upgrading of the «Polar Marquis» since October 2013, leaving the vessel out of operation until it was completed and delivered to Dolphin Geophysical in the second half of May 2014. Total capacity utilisation in the first half 2014 was 91 percent, compared with 92 percent in the first half 2013.

GC Rieber Shipping has a solid contract backlog of NOK 3.0 billion, with an average contract duration of 2.4 years. As shown in the table below, contract coverage for the second half of 2014, 2015 and 2016 is 100 percent, 62 percent and 48 percent, respectively. All figures exclude charterers' extension options.

Contract coverage



Contract backlog (figures in MNOK)



The company's contract portfolio mainly consists of medium-term contracts expected to contribute to stable earnings going forward. The company experiences a solid demand for its fleet across all markets.

### Contract updates

Expected completion of the seismic newbuilding from Kleven Verft is first quarter 2015, and the vessel will embark on a 5-year contract with Dolphin Geophysical upon delivery.

## Financial review

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### Accounting principles

This interim report has been prepared in accordance with IAS 34 «Interim Financial Reporting» and follows the same accounting principles as in the annual financial statement.

Effective 1 January 2014, investments in jointly controlled entities will be recognised in the accounts using the equity method, as the proportionate consolidation method is no longer permitted (IFRS 11).

As a result of these changes, net share in the profit from joint venture entities will be reported on a line below operations as «profit from joint venture». Share of net assets (share of assets minus share of debts) will be reported on a line below financial assets in the balance sheet. Comparable figures from 2013 have been altered.

### Operating income

The group's operating income in the second quarter 2014 was NOK 214.4 million, up 23 percent from operating income of NOK 173.8 million in the second quarter 2013. The increase is mainly due to the start of contract for the newbuilding «Polar Onyx», delivered in March 2014. Operating income for the first half year 2014 amounted to NOK 382.3 million, compared with NOK 354.9 million in the first half year 2013.

### Operating costs

Operating costs for the second quarter amounted to NOK 104.1 million, compared with NOK 80.2 million in the second quarter 2013. This increase is mainly due to operating costs for the newbuilding «Polar Onyx», as well as maintenance costs relating to yard work for two of the vessels. Operating costs in the first half year 2014 was NOK 197.2 million, compared with NOK 171.5 million in the first half year 2013.

### Operating profit

EBITDA amounted to NOK 110.3 million in the quarter, yielding an EBITDA margin of 51 percent. EBITDA for the second quarter 2013 was NOK 93.6 million and EBITDA margin 54 percent. This reduction is mainly due to a reduced EBITDA contribution due to yard work for the «Polar Marquis».

For the first half year 2014 EBITDA was NOK 185.1 million, compared with NOK 183.4 million the year before, corresponding to an EBITDA margin of 48 percent compared with 52 percent for the first half year 2013.

### Net financial items

Net financial items were negative by NOK 28.4 million in the second quarter, compared with a negative NOK 77.2 million in the corresponding quarter 2013. For the first half year 2014, net financial items were negative by NOK 27.8 million, compared with a negative NOK 146.8 million in the first half year 2013. These fluctuations are mainly due to changes in the share of profit from associated company and unrealised currency gain/loss.

The group currently does not use hedge accounting in connection with exchange rates. As a result, exchange rate variations between USD and NOK can have a relatively substantial impact on the accounts, in accordance with IAS 39. Unrealised currency gain/loss has no cash effect for the group.

A weakening of NOK against USD in the quarter resulted in NOK 14.0 million in unrealised currency loss, compared to unrealised currency loss of NOK 24.8 million in the second quarter 2013. Included

is a negative development in the market value of the group's portfolio of financial hedging instruments amounting to NOK 14.2 million in the second quarter of 2014, compared to a correspondingly negative development of NOK 31.0 million in the second quarter of 2013.

### Profit in the period

GC Rieber Shipping had a profit of NOK 43.5 million in the second quarter 2014, compared with a loss of NOK 5.7 million in the corresponding period 2013. Profit for the first half year 2014 was NOK 84.7 million, compared with NOK 5.5 million in the first half 2013. The improvement is mainly due to earnings from the newbuilding «Polar Onyx», as well as disposal of the company's stake in Reef Subsea effective 31 December 2013. The stake in Reef Subsea yielded a considerable loss in the second quarter 2013.

### Cash flow

The group had a negative cash flow of NOK 222.7 million as at 30 June 2014. Cash flow from operational activities was positive by NOK 198.2 million, compared with NOK 213.5 million as at 30 June 2013. Cash flow from investment activities was negative by NOK 802.0 million, compared with negative NOK 68.7 million in the corresponding period 2013, mainly relating to the investment in the subsea newbuilding «Polar Onyx». Cash flow from financing activities was positive by NOK 381.2 million, and is related to the drawing of new loans as well as payment of interests and instalments on the group's existing loans. In addition, dividends amounting to NOK 174.8 million were paid in the period.

### Liquidity and financing

In the second quarter 2014, the group paid NOK 45 million in ordinary loan instalments.

The refinancing risk of the group's loan portfolio is low, with an average remaining duration of 4.0 years. At the end of the second quarter 2014, instalments on long-term liabilities for the next 12 months amount to a total of NOK 207 million.

| Interest-bearing liabilities            | 2Q 2014 | 2Q 2013 | YTD 2014 | YTD 2013 |
|---|---------|---------|----------|----------|
| Liabilities at end period (NOK million) | 2,048.2 | 1,570.5 | 2,048.2  | 1,570.5  |
| Average liabilities (NOK million)       | 2,069.5 | 1,624.9 | 1,863.9  | 1,615.3  |
| Average interest incl. margin           | 3.70 %  | 3.67 %  | 3.70 %   | 3.76 %   |
| Proportion of liabilities in USD        | 100 %   | 96 %    | 100 %    | 96 %     |
| Proportion of liabilities in NOK        | 0 %     | 4 %     | 0 %      | 4 %      |

| Liquid assets                                      | 30.06.2014 | 30.06.2013 |
|--|------------|------------|
| Bank and interest-bearing securities (NOK million) | 477.7      | 343.8      |
| Available through credit facility (NOK million)    | 250.0      | 190.0      |

At the end of the first half of 2014, GC Rieber Shipping had a cash holding of NOK 477.7 million, compared with NOK 343.8 million in the first half year 2013. The solid cash holding is in keeping with the company's strategy to maintain a liquidity situation and gearing that secure room for manoeuvre.

As at 30 June 2014 the group had net liabilities (liquid assets minus interest-bearing debts) of NOK 1,570.6 million, compared with net liabilities of NOK 1,295.4 million as at 30 June 2013.

### Equity

GC Rieber Shipping had a booked equity of NOK 2,138.1 million as at 30 June 2013, corresponding to an equity ratio of 48.9 percent, down from 50.2 percent from the end of the second quarter 2013.

## Segments

### Subsea

GC Rieber Shipping owns and operates four vessels in the subsea segment. The vessels are primarily used for inspection, maintenance and repair of subsea installations.

The group's subsea vessels are on medium-term charter contracts. The vessels «Polar Prince» and «Polar King» are chartered to Reef Subsea until December 2014 and February 2015, respectively. «Polar Queen» is chartered to BOA Marine Services until April 2015. In March 2014, GC Rieber Shipping took delivery of the high-end subsea newbuilding «Polar Onyx». The vessel is on a five-year time charter agreement with Ceona Services (UK) Limited.

| Key figures (in NOK million) | 2Q 2014 | 2Q 2013 | YTD 2014 | YTD 2013 |
|------------------------------|---------|---------|----------|----------|
| Operating income             | 132.3   | 70.3    | 226.1    | 146.8    |
| EBITDA                       | 72.3    | 36.6    | 118.4    | 73.9     |
| EBIT                         | 50.5    | 22.9    | 79.8     | 47.7     |
| Capacity utilisation (in %)  | 100 %   | 89 %    | 99 %     | 94 %     |

In the second quarter 2014, GC Rieber Shipping had full capacity utilization for its subsea vessels, compared with 89 percent in the corresponding period 2013. Operating income in the quarter amounted to NOK 132.3 million, up from NOK 70.3 million in the second quarter 2013. EBITDA was NOK 72.3 million, up from NOK 36.6 million in the second quarter last year. The increase in operating income and EBITDA is mainly due to income from the «Polar Onyx», which embarked on a contract in March 2014, as well as higher capacity utilisation of the subsea fleet.

### Marine seismic

GC Rieber Shipping owns and operates three high-end seismic vessels: «Polar Duke», «Polar Duchess» and «Polar Marquis», all of which are chartered to Dolphin Geophysical. The contracts expire in May 2016, April 2017 and November 2017, respectively. GC Rieber Shipping also has one high-end 3D seismic vessel under construction at Kleven Verft, scheduled for delivery in the first quarter 2015. The newbuilding will then embark on a five-year time charter with Dolphin Geophysical.

| Key figures (in NOK million) | 2Q 2014 | 2Q 2013 | YTD 2014 | YTD 2013 |
|------------------------------|---------|---------|----------|----------|
| Operating income             | 66.5    | 77.5    | 124.5    | 155.1    |
| EBITDA                       | 29.7    | 40.9    | 50.4     | 74.5     |
| EBIT                         | 11.8    | 19.7    | 16.1     | 39.9     |
| Capacity utilisation (in %)  | 82 %    | 100 %   | 74 %     | 100 %    |

GC Rieber Shipping had a capacity utilisation of 82 percent for the seismic vessels in the second quarter 2014, compared with 100 percent in the corresponding period 2013. The reduction is mainly due to scheduled yard work and upgrading of the «Polar Marquis», completed in the second half of May, after which the vessel embarked on a contract with Dolphin Geophysical. As a result of the upgrade the «Polar Marquis» is now capable of towing 16 streamers and has completed a first survey where the vessel towed a total of 14 streamers.

The upgrading of the «Polar Marquis» resulted in a drop in operating income to NOK 66.5 million in the second quarter 2014, from NOK 77.5 million in the second quarter 2013. EBITDA was NOK 29.7 million for the second quarter 2014, compared with NOK 40.9 million the year before.

## Ice/Support

GC Rieber Shipping owns four and operates one additional vessel in the ice/support segment, of which one ice-breaker and two crew vessels are owned through a 50/50 joint venture in Russia. As at 1 January 2014, these are reported as «profit from joint venture» and will therefore not appear in the table below, but be referred to under Joint Venture later in the report.

The «Ernest Shackleton» is on a bareboat charter to the British Antarctic Survey until august 2015, for operations in Antarctica. Furthermore, the company operates the vessel «HMS Protector» for the British Ministry of Defence («MoD»).

| Key figures (in NOK million) | 2Q 2014 | 2Q 2013 | YTD 2014 | YTD 2013 |
|------------------------------|---------|---------|----------|----------|
| Operating income             | 15.5    | 26.1    | 31.8     | 53.1     |
| EBITDA                       | 8.2     | 16.1    | 16.3     | 35.0     |
| EBIT                         | 9.9     | 13.7    | 17.6     | 29.2     |
| Capacity utilisation (in %)  | 100 %   | 100 %   | 100 %    | 100 %    |

(1) As at 1.1.2014, joint ventures are recognized in the accounts using the equity method. Figures for 2Q 2013 and 31.12.2013 are restated accordingly.

The vessels in this segment had full capacity utilization in the second quarters of both 2014 and 2013. Operating income in the second quarter 2014 was NOK 15.5 million, compared to NOK 26.1 million in the second quarter 2013. EBITDA ended at NOK 8.2 million, compared to NOK 16.1 million in 2013. The decrease in operating income and EBITDA is due to the sale of the «HMS Protector» in September 2013.

## Joint venture

The «Polar Pevek» and the crew vessels «Polar Piltun» and «Polar Baikal» are owned through a 50/50 joint venture with Primorsk Shipping Corporation, and are operated by the group's ship management company in Yuzhno-Sakhalinsk.

The «Polar Pevek» is chartered to Exxon Neftegas until 2021 and operates out of the DeKastri oil terminal, assisting tankers carrying oil from the Sakhalin I offshore field outside eastern Russia. The two crew vessels are chartered to the Sakhalin Energy Investment Corporation until 2014 and are employed in the Sakhalin II field.

The group's 50 % stake in these vessels are reported on a separate line in the profit and loss statement under «Profit from joint venture», effective 1 January 2014. The group's share in the profit amounted to NOK 3.0 million in the second quarter 2014, compared with NOK 0,7 million in the second quarter 2013. Profit for the first half 2014 was NOK 4.0 million, compared with NOK 0.7 million in the corresponding quarter 2013.



## Shareholder information

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The company's shares are listed on Oslo Børs with the ticker RISH. The company's holding of own shares is 150,800, i.e. 0.34 percent of the shares in the company

In the second quarter 2014, the group's shares have been traded between NOK 40.00 and NOK 53.00. The last price recorded in the second quarter of 2014 was NOK 43.00, which on the basis of a total of 43,662,000 outstanding shares values the group's equity at approximately NOK 1.9 billion. At the end of the second quarter of 2014, the company had 258 shareholders. 93.7 percent of the shares were owned by the 20 largest shareholders. Please refer to note 7 for a list of the 20 largest shareholders in the company as at 30 June 2014.

The ordinary general meeting, held 10 April 2014, approved to pay dividends of NOK 1.0 per share and an additional dividend of NOK 3.0 per share, in total NOK 4.0 per share.

## Risks and uncertainties

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As described in GC Rieber Shipping's annual report for 2013, GC Rieber Shipping is exposed to a number of risks due to the fact that the company operates in a global market. The board of directors of GC Rieber Shipping therefore focuses on efforts to identify and manage risk, and routines have been established with the aim of limiting and reducing the total risk exposure to an acceptable level. The main categories of risk factors are market risks, financial risks and operational risks.

Please see the company's annual report for 2013 for a more detailed account the company's risk management and the most principal risk and uncertainty factors. No major changes have taken place since, besides macro-economic conditions and risks associated with these.

## Outlook

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GC Rieber Shipping takes a long-term positive view of the markets in which the company operates, based on the expectations that the offshore market will remain stable for many years to come.

In the short-term we experience that oil companies are putting new projects on hold. The effect of this is becoming apparent the seismic industry in terms of reduced levels of activity. All major seismic companies have therefore reported weaker accounting figures, and a great number are entering winter season with a limited contract backlog. The market is expected to tighten even more in the coming quarters.

The company owns four vessels in the subsea segment. Three vessels are operating within the IMR segment (Inspection, Maintenance and Repair) with contracts expiring in the first and second quarter of 2015. IMR is less exposed to reduced investments among oil companies compared with the part of the subsea industry that is directed at new projects. GC Rieber Shipping also experiences a relatively good demand for the company's modern and advanced subsea vessels, but at the same time experiences that potential clients are more cautious than before, and that decision making processes take longer as a result of a slower market.

No significant changes have taken place in the ice/support segment, and GC Rieber Shipping's market outlook remains unaltered. The company has activities in this segment in Russia through a joint venture with a Russian partner, including a 50 percent stake in the «Polar Pevek» and two crew



vessels. The turmoils in the Ukraine have created a tense situation in Russia. Norway has recently joined EU's sanctions against Russia. These sanctions do not affect the joint venture's existing contracts for the «Polar Pevek» and the crew vessels. The political risk related to Russia is nevertheless raised, and the company monitors this development closely.

## About GC Rieber Shipping

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GC Rieber Shipping's business within offshore/shipping includes ownership in specialized vessels, high-quality marine ship management and project development within the segments subsea, marine seismic and ice/support. The group has a unique competence in offshore operations in harsh environments as well as design, development and maritime operation of seismic vessels.

GC Rieber Shipping currently operates 14 advanced special purpose vessels for defined markets within the subsea, ice/support and marine seismic segments, of which the company owns 11. In addition, GC Rieber Shipping has one high-end subsea newbuilding for delivery in the first quarter 2015.

The company has its registered office and headquarters in Bergen and an additional ship management company in Yuzhno-Sakhalinsk (Russia). The company is listed on Oslo Børs with the ticker RISH. Further information is available on the company's website [www.gcrieber-shipping.com](http://www.gcrieber-shipping.com).

## Responsibility statement

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We confirm, to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2014 has been prepared in accordance with the IAS 34 – Interim Financial Reporting, and that the information gives a true and fair view of the group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred in the accounting period and their impact on the financial statements, a description of the principal risks and uncertainties for the coming accounting period, and major related parties' transactions. For further details on risks and uncertainties that the company is exposed to, shareholders are advised to refer to the company's annual report for 2013.

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### Bergen, 21 August 2014

The Board of Directors and Chief Executive Officer in GC Rieber Shipping ASA

Paul-Chr. Rieber, Chairman  
Hans Olav Lindal, Vice Chairman  
Kristin Færøvik, member  
Tove Lunde, member  
Georg Nygaard, member

Irene Waage Basili, CEO

**GC RIEBER SHIPPING ASA**  
**Second quarter and half year 2014**  
**Consolidated accounts**  
**(Unaudited)**

| <b>Profit &amp; Loss Account</b><br><b>(NOK 1000)</b>   | <b>2Q 14</b>   | <b>2Q 13</b>   | <b>30.06.2014</b> | <b>30.06.2013</b> | <b>31.12.2013</b> |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| Charter income  | 191 793        | 165 384        | 339 612           | 333 939           | 685 846           |
| Other operating income  | 22 583         | 8 461          | 42 703            | 20 955            | 59 625            |
| <b>Total income</b>   | <b>214 377</b> | <b>173 844</b> | <b>382 316</b>    | <b>354 894</b>    | <b>745 470</b>    |
| Operating expenses  | -104 121       | -80 248        | -197 192          | -171 528          | -370 072          |
| <b>Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets</b> | <b>110 256</b> | <b>93 596</b>  | <b>185 123</b>    | <b>183 366</b>    | <b>375 398</b>    |
| Depreciation  | -41 171        | -32 257        | -75 811           | -66 323           | -132 095          |
| Write-downs   | 0              | 0              | 0                 | 0                 | -10 309           |
| Gains (losses) on sale of fixed assets  | 108            | -5 644         | 108               | -950              | 375 054           |
| Gain on sale of subsidiary  | 3 034          | 665            | 4 023             | 692               | 13 860            |
| <b>Operating profit</b>   | <b>72 227</b>  | <b>56 361</b>  | <b>113 444</b>    | <b>116 784</b>    | <b>621 908</b>    |
| Profit from associated companies  | 0              | -38 272        | 0                 | -77 765           | -155 511          |
| Financial income  | 9 640          | 3 873          | 14 089            | 6 745             | 13 301            |
| Financial expenses  | -20 670        | -19 466        | -32 228           | -34 095           | -69 685           |
| Realized currency gains (losses)  | -3 392         | 1 449          | -4 550            | -3 140            | 7 053             |
| Unrealized currency gains (losses)  | -13 959        | -24 756        | -5 074            | -38 527           | -55 697           |
| <b>Net financial income and expenses</b>  | <b>-28 382</b> | <b>-77 171</b> | <b>-27 763</b>    | <b>-146 783</b>   | <b>-260 538</b>   |
| <b>Profit before taxes</b>  | <b>43 845</b>  | <b>-20 810</b> | <b>85 680</b>     | <b>-29 999</b>    | <b>361 370</b>    |
| Taxes   | -327           | 15 073         | -957              | 35 466            | 9 649             |
| <b>PROFIT</b>   | <b>43 518</b>  | <b>-5 737</b>  | <b>84 723</b>     | <b>5 467</b>      | <b>371 019</b>    |
| Earnings and diluted earnings per share   | 1,00           | -0,13          | 1,94              | 0,13              | 8,50              |

| <b>Statement of Comprehensive Income</b><br><b>(NOK 1000)</b> | <b>2Q 14</b>  | <b>2Q 13</b>  | <b>30.06.2014</b> | <b>30.06.2013</b> | <b>31.12.2013</b> |
|---|---------------|---------------|-------------------|-------------------|-------------------|
| Profit for the period   | 43 518        | -5 736        | 84 723            | 5 467             | 371 019           |
| Other comprehensive income                                    | 0             | 0             | 0                 | 0                 | 0                 |
| Foreign currency translation subsidiaries                     | 36 812        | 33 896        | 30 068            | 51 896            | 77 650            |
| Changes in pension estimates                                  | 0             | 0             | 0                 | 0                 | -2 143            |
| <b>Comprehensive income for the period</b>                    | <b>80 330</b> | <b>28 159</b> | <b>114 791</b>    | <b>57 363</b>     | <b>446 526</b>    |

**GC RIEBER SHIPPING ASA**  
**Second quarter and half year 2014**  
**Consolidated accounts**  
**(Unaudited)**

| <b>Balance Sheet</b><br>(NOK 1000)  | <b>30.06.2014</b> | <b>30.06.2013</b> | <b>31.12.2013</b> |
|-------------------------------------|-------------------|-------------------|-------------------|
| <b>ASSETS</b>                       |                   |                   |                   |
| <u>FIXED ASSETS</u>                 |                   |                   |                   |
| Deferred tax asset                  | 57 396            | 82 948            | 58 773            |
| Vessels                             | 3 265 213         | 2 425 336         | 2 337 244         |
| Newbuilding contracts               | 98 234            | 133 591           | 246 499           |
| Machinery and equipment             | 551               | 20 225            | 551               |
| Financial fixed assets              | 93 241            | 334 362           | 263 099           |
| Long term receivables               | 184 619           | 0                 | 24 335            |
| <i>Total fixed assets</i>           | 3 699 253         | 2 996 462         | 2 930 500         |
| <u>CURRENT ASSETS</u>               |                   |                   |                   |
| Inventories                         | 3 228             | 3 092             | 4 784             |
| Receivables                         | 188 786           | 177 913           | 182 090           |
| Quoted financial investments        | 27 021            | 25 037            | 17 967            |
| Cash and bank deposits              | 450 629           | 318 751           | 673 308           |
| <i>Total current assets</i>         | 669 665           | 524 793           | 878 148           |
| <b>Total assets</b>                 | <b>4 368 918</b>  | <b>3 521 254</b>  | <b>3 808 647</b>  |
| <b>EQUITY AND LIABILITIES</b>       |                   |                   |                   |
| <u>EQUITY</u>                       |                   |                   |                   |
| Restricted equity                   | 95 196            | 95 196            | 95 196            |
| Retained earnings                   | 2 042 902         | 1 713 597         | 2 102 759         |
| <i>Total equity</i>                 | 2 138 098         | 1 808 793         | 2 197 955         |
| <u>LIABILITIES</u>                  |                   |                   |                   |
| Provision for liabilities           | 13 475            | 12 556            | 13 475            |
| Other long-term liabilities         | 1 840 810         | 1 408 491         | 1 279 199         |
| Current liabilities                 | 376 535           | 291 415           | 318 019           |
| <i>Total liabilities</i>            | 2 230 819         | 1 712 462         | 1 610 693         |
| <b>Total equity and liabilities</b> | <b>4 368 918</b>  | <b>3 521 254</b>  | <b>3 808 647</b>  |

**GC RIEBER SHIPPING ASA**  
**Notes to Second quarter and half year 2014**  
**Consolidated accounts**  
**(Unaudited)**

| <b>Cash Flow Statement</b><br>(NOK 1000) | <b>30.06.2014</b> | <b>30.06.2013</b> | <b>31.12.2013</b> |
|--|-------------------|-------------------|-------------------|
| EBITDA                                   | 185 123           | 183 366           | 375 398           |
| Change in net current assets             | 13 027            | 30 150            | 59 431            |
| Net cash from operating activities       | 198 151           | 213 516           | 434 829           |
| Acquisition of tangible fixed assets     | -798 497          | -64 057           | -237 629          |
| Sale of tangible fixed assets            | 108               | 0                 | 557 994           |
| Other investing activities               | -3 598            | -4 677            | -91 018           |
| Net cash from investment activities      | -801 987          | -68 734           | 229 347           |
| New loans and repayments                 | 575 542           | 43 591            | -97 310           |
| Dividend payment                         | -174 648          | -43 662           | -43 662           |
| Net interest paid                        | -19 737           | -22 671           | -46 607           |
| Net cash from financing activities       | 381 157           | -22 742           | -187 579          |
|  | 0                 | 0                 | 0                 |
| Net change in liquidity                  | -222 679          | 122 040           | 476 597           |
| Liquidity at beginning of period         | 673 308           | 196 711           | 196 711           |
| <b>Liquidity at end of period</b>        | <b>450 629</b>    | <b>318 751</b>    | <b>673 308</b>    |

| <b>Equity statement</b><br>(NOK 1000) | <b>Share capital</b> | <b>Own shares</b> | <b>Share premium reserve</b> | <b>Other equity</b> | <b>Total equity</b> |
|---------------------------------------|----------------------|-------------------|------------------------------|---------------------|---------------------|
| Balance at 01.01. 2013                | 78 863               | -271              | 16 604                       | 1 699 896           | 1 795 092           |
| Profit for the year                   |                      |                   |                              | 446 525             | 446 525             |
| Dividends to shareholders             |                      |                   |                              | -43 662             | -43 662             |
| <b>Balance at 31.12.2013</b>          | <b>78 863</b>        | <b>-271</b>       | <b>16 604</b>                | <b>2 102 760</b>    | <b>2 197 954</b>    |
| Balance at 01.01.2014                 | 78 863               | -271              | 16 604                       | 2 102 760           | 2 197 955           |
| Profit for the year                   |                      |                   |                              | 114 791             | 114 791             |
| Dividends to shareholders             |                      |                   |                              | -174 648            | -174 648            |
| <b>Balance at 30.06.2014</b>          | <b>78 863</b>        | <b>-271</b>       | <b>16 604</b>                | <b>2 042 903</b>    | <b>2 138 098</b>    |

| <b>Segment Reporting</b><br>(NOK 1000)  | <b>2Q 14</b>   | <b>2Q 13</b>   | <b>30.06.2014</b> | <b>30.06.2013</b> | <b>31.12.2013</b> |
|---|----------------|----------------|-------------------|-------------------|-------------------|
| Ice/support   | 15 539         | 26 052         | 31 778            | 53 064            | 115 043           |
| Subsea  | 132 294        | 70 313         | 226 087           | 146 787           | 319 122           |
| Seismic   | 66 544         | 77 510         | 124 450           | 155 073           | 311 305           |
| <b>Operating income</b>   | <b>214 377</b> | <b>173 875</b> | <b>382 316</b>    | <b>354 924</b>    | <b>745 470</b>    |
| Ice/support   | 8 190          | 16 143         | 16 301            | 35 009            | 72 187            |
| Subsea  | 72 344         | 36 581         | 118 393           | 73 867            | 155 539           |
| Seismic   | 29 721         | 40 874         | 50 429            | 74 491            | 148 589           |
| <b>Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets</b> | <b>110 256</b> | <b>93 597</b>  | <b>185 123</b>    | <b>183 367</b>    | <b>376 315</b>    |
| Ice/support   | 9 877          | 13 752         | 17 575            | 29 163            | 450 073           |
| Subsea  | 50 542         | 22 908         | 79 771            | 47 710            | 90 335            |
| Seismic   | 11 808         | 19 702         | 16 098            | 39 911            | 81 500            |
| <b>Operating profit</b>   | <b>72 227</b>  | <b>56 362</b>  | <b>113 444</b>    | <b>116 784</b>    | <b>621 908</b>    |

**GC RIEBER SHIPPING ASA**  
**Second quarter 2014**  
**Group**  
**(Unaudited)**

**Note 1 Foreign currency**

GC Rieber Shipping Group uses the Norwegian krone (NOK) as its presentation currency. Several subsidiaries have US Dollar (USD) as their functional currency. Consequently, accounting standard IAS 21 will apply. A fluctuation in the USD/NOK exchange rate affects the company's equity and result, as the group's debt are mainly in USD and most of the vessels are recorded in the accounts in and converted to the USD/NOK exchange rate on the balance sheet date. For subsidiaries with USD and GBP as functional currency, the translation differences on vessels and liabilities are recognized directly in equity. Translation differences also arise in respect of subsidiaries that have the USD as their functional currency, and hold liquid assets in NOK. Here the value of the liquid reserves in NOK translated to USD will be determined by the exchange rate on the balance sheet date and the translation difference will be recognized in profit and loss as unrealized currency gain/loss.

**Note 2 General information**

GC Rieber Shipping ASA is registered and domiciled in Norway, with its head office in Bergen. The consolidated interim accounts for the group include GC Rieber Shipping ASA with its subsidiaries and the groups' investment in associated companies. The group accounts for fiscal year 2013 were approved by the board of directors on 12 March 2014. The consolidated financial statement for the year ended 31 December 2013 with notes and auditor's report are available on our website at [www.gcrieber-shipping.com](http://www.gcrieber-shipping.com).

**Note 3 Accounting principles**

The Group's financial reporting is in accordance with International Financial Reporting Standards (IFRS). The consolidated interim accounts at 30 June 2014 have been prepared in accordance with IAS34 Interim financial reporting. The interim financial statements are unaudited and do not include all the information required in full annual financial statements, and therefore should be read in conjunction with the 2013 group accounts. The condensed, consolidated quarterly financial statements were approved by the board of directors on 21 August 2014.

**Note 4 Estimates**

Preparation of interim financial statements requires use of assessments, estimates and assumptions that affect accounting principles and reported amounts for equity and liabilities, income and costs. The actual result may differ from these estimates. When preparing this consolidated interim financial statement, the management has used the same critical assessments related to application of accounting principles as were used for the group financial statements for the financial year that ended on 31 December 2013 and the most important sources of estimate uncertainty are the same as for preparation of the 2013 group financial statements.

**Note 5 Related parties**

The group makes purchase and sales transactions with related parties as part of the normal business operations. Note 20 of the 2013 annual report describes transactions with related parties. There have been no material changes or transactions in connection with related parties that make a material impact on the group's position or profit for the period.

**Note 6 Financial risk management**

GC Rieber Shipping makes a continuous and thorough assessment of operational and financial risk factors. The group's objectives and principles for financial risk management are in accordance with what has been stated in the group financial statements for 2013.

**GC RIEBER SHIPPING ASA****Second quarter 2014****Group****(Unaudited)****Note 7 Overview of shareholders****The 20 largest shareholders in GC Rieber Shipping ASA as of 30 June 2014 (outstanding shares):**

| <b>Name</b>                | <b>Number of shares</b> | <b>Owner's share</b> |
|----------------------------|-------------------------|----------------------|
| GC RIEBER AS               | 30 861 735              | 70,4 %               |
| AS ODIN II                 | 5 003 555               | 11,4 %               |
| LEIF HILMAR SØRENSEN       | 909 000                 | 2,1 %                |
| PARETO AKSJE NORGE         | 671 640                 | 1,5 %                |
| JOHANNE MARIE MARTENS      | 400 000                 | 0,9 %                |
| DELTA A/S                  | 359 387                 | 0,8 %                |
| BENEDICTE MARTENS NES      | 356 250                 | 0,8 %                |
| STORKLEIVEN AS             | 350 161                 | 0,8 %                |
| TANNLEGE RANDI ARNESEN AS  | 300 000                 | 0,7 %                |
| PARETO AKTIV               | 273 120                 | 0,6 %                |
| RANDI JEBSEN ARNESEN       | 245 000                 | 0,6 %                |
| DAG FREDRIK JEBSEN ARNESEN | 206 000                 | 0,5 %                |
| TORHILD MARIE RONG         | 161 500                 | 0,4 %                |
| GC RIEBER SHIPPING ASA     | 150 800                 | 0,3 %                |
| BERGEN RÅVAREBØRS II AS    | 148 668                 | 0,3 %                |
| TIGO AS                    | 141 359                 | 0,3 %                |
| TRIOFA 2 AS                | 141 359                 | 0,3 %                |
| MARIUS NØST ARNESEN        | 128 000                 | 0,3 %                |
| PAUL (PAAL) RIEBERS FOND   | 124 754                 | 0,3 %                |
| PARETO VERDI               | 124 170                 | 0,3 %                |
| OTHER SHAREHOLDERS         | 2 756 342               | 6,3 %                |
| <b>OUTSTANDING SHARES</b>  | <b>43 812 800</b>       | <b>100,0 %</b>       |