



GCRIEBER

SHIPPING ASA



Interim report first quarter 2015

13 May 2015

Highlights in the first quarter 2015

- EBITDA margin of 51 percent, compared with 45 percent in the first quarter of 2014
- Loss of NOK 36.3 million, compared with profit of NOK 41.8 million in 2014, mainly due to unrealised currency loss
- Solid contract backlog of NOK 3.5 billion with average contract duration of 2.5 years
- 84 percent fleet capacity utilisation, compared with 89 percent in the first quarter 2014
- Operating income up to NOK 233.9 million, compared with NOK 167.9 million in the first quarter 2014
- New contract for the «Polar King» with DOF Subsea Norway AS
- Bankruptcy in Reef Subsea with major effects in the accounts for 2014

Events after the end of the period

- New five-year charter contract with the Sakhalin Energy Investment Company Ltd. for the crew vessels «Polar Baikal» and «Polar Piltun»

Key figures

Figures in NOK million	1Q 2015	1Q 2014	31.12. 2014
Operating income	223.9	167.9	881.5
EBITDA	114.0	75.9	453.5
EBIT	54.2	41.2	280.2
Profit before tax	-35.6	41.8	-78.5
Net profit in the period	-36.3	41.2	-80.1
Normalised profit before tax (1)	37.1	32.9	253.8
Earnings per share	-0.83	0.26	-1.83
Equity ratio	46.2 %	50.6 %	46.6 %
Fleet capacity utilisation	84 %	89 %	96 %

(1) Profit before tax adjusted for currency gains/losses, profit from disposals, sales gains and write-downs

Operational review

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. The company also operates two additional vessels.

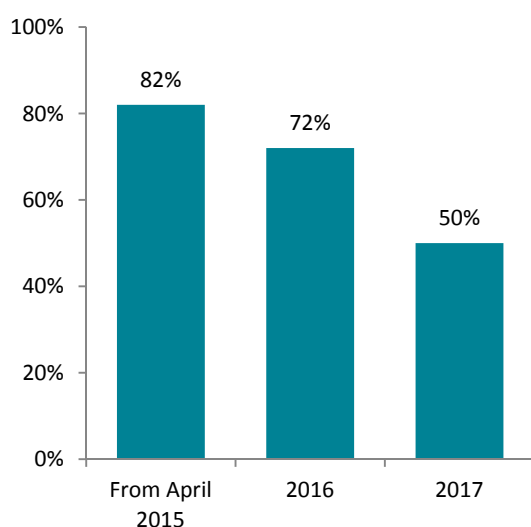
Capacity utilisation and contract backlog

GC Rieber Shipping maintained solid and stable operations in the first quarter. Fleet capacity utilisation was 84 percent, compared with 89 percent in the first quarter of 2014. Time charter contract for the «Polar Prince» with Reef Subsea expired at the end of 2014, and the vessel has been without employment in the quarter. In February 2015, the time charter contract for the «Polar King» with Reef Subsea also expired. The vessel underwent upgrading at Noryards BMV before the start of a new contract with DOF Subsea Norway in April 2015.

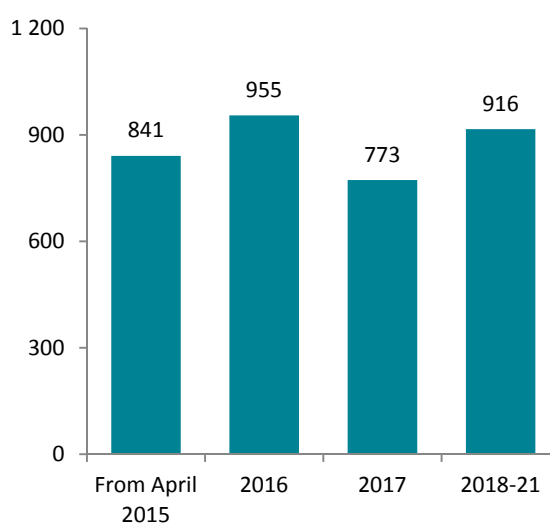
At the end of the quarter the company had a contract backlog of NOK 3.5 billion, compared with NOK 3.1 billion in the corresponding period 2014. The contract portfolio consists mainly of medium-term contracts, with average contract duration of 2.5 years.

As shown in the table below, contract coverage for the last three quarters of 2015, year 2016 and year 2017 is 82 percent, 72 percent and 50 percent, respectively. All figures exclude charterers' extension options.

Contract coverage



Contract backlog (figures in MNOK)



Contract updates in the first quarter

GC Rieber Shipping entered into a charter agreement with DOF Subsea Norway AS in March 2015 for GC Rieber Shipping's CSV vessel «Polar King». The charter period is 100 days, starting April and the contract includes a charterer's option to extend for an additional five months.

In April 2015, GC Rieber Shipping, through its 50/50 joint venture with Prisco, entered into a new five-year charter contract with Sakhalin Energy Investment Company Ltd for the two crew vessels «Polar Baikal» and «Polar Piltun». Operations under the new agreement will commence June 2015.

The seismic vessel «Polar Empress» from Kleven Verft is delayed and new expected delivery date is second half of May 2015. The vessel will embark on a five-year contract with Dolphin Geophysical upon delivery.

Financial review

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.

Operating income

GC Rieber Shipping had operating income of NOK 223.9 million in the first quarter of 2015, up from NOK 167.9 million in the corresponding period 2014. The 33.4 percent increase is mainly due to higher income from vessels in operation as well as currency gains. The «Polar Onyx» was delivered from the shipyard in March 2014 and the «Polar Marquis» underwent modifications in the first quarter 2014.

Operating profit

EBITDA for the group in the first quarter of 2015 was NOK 114.0 million, yielding an EBITDA margin of 50.9 percent. For the first quarter 2014 EBITDA was NOK 75.9 million and EBITDA margin 45.2 percent.

Net financial items

Net financial items were negative by NOK 89.8 million in the first quarter of 2015, compared with a positive NOK 0.6 million in the corresponding period 2014.

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 unrealised currency loss of NOK 72.7 million compared with unrealised gain of NOK 8.9 million in the first quarter of 2014. Included is a negative development in the market value of the group's portfolio of financial instruments amounting to NOK 70.4 million in the first quarter of 2015, compared with a correspondingly positive development of NOK 20.7 million in the corresponding period 2014.

Loss in the period

GC Rieber Shipping had a loss of NOK 36.3 million in the first quarter of 2015, compared with a profit of NOK 41.2 million in the corresponding period 2014. The reduction is mainly due to unrealised currency loss.

Cash flow

The group had a negative cash flow of NOK 43.6 million as at 31 March 2015. Cash flow from operational activities was positive by NOK 85.0 million, compared with NOK 99.2 million as at 31 March 2014.

Cash flow from investment activities was negative was NOK 28.4 million, compared with a negative cash flow of NOK 691.5 million in the corresponding period 2014. Cash flow from financing activities was negative by NOK 100.2 million, and is related to payment of interests and instalments on the group's existing loans

Liquidity and financing

In the first quarter 2014, the group has paid NOK 73.0 million in ordinary loan instalments. The average remaining duration of the group's loan portfolio is 2.9 years. Instalments on long-term liabilities for the next 12 months amount to a total of NOK 273 million.

Interest-bearing liabilities	1Q 2015	1Q 2014
Liabilities at end period (NOK million)	2,465.9	2,021.8
Average liabilities (NOK million)	2,508.9	1,638.2
Average interest incl. margin	3.44 %	3.70 %
Proportion of liabilities in USD	100 %	100 %

Liquid assets	31.03.2015	31.03.2014
Bank and interest-bearing securities (NOK million)	459.2	712.8
Available through credit facility (NOK million)	250.0	250.0

As at 31 March 2015 GC Rieber Shipping had liquid assets of NOK 459.2 million, compared with NOK 712.8 million as at 31 March 2014. Net liabilities (liquid assets minus interest-bearing liabilities) amounted to NOK 2,006.7 million, compared with net liabilities of NOK 1,309.0 million as at 31 March 2014.

The group's debt level is in keeping with the strategy to maintain a liquidity situation and gearing that enable room for manoeuvre.

Equity

GC Rieber Shipping had a booked equity of NOK 2,428.5 million as at 31 March 2015, corresponding to an equity ratio of 46.2 percent, compared with an equity ratio of 50.6 percent at the end of the first quarter 2014.

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 «Polar Queen» is chartered to BOA Marine Services until April 2018, while the «Polar Onyx» is chartered to Ceona Services (UK) Limited until March 2019. The «Polar King» is chartered to DOF Subsea Norway until July 2015. Charter contract for the «Polar Prince» expired in December 2014.

Key figures (in NOK million)	1Q 2015	1Q. 2014
Operating income	106.6	93.8
EBITDA	31.7	46.0
EBIT	0.6	29.2
Capacity utilisation (in %)	63 %	99 %

GC Rieber Shipping had a capacity utilisation of 63 percent for the subsea vessels in the first quarter of 2015, compared with 99 percent in the corresponding period 2014. The reduction is due to lack of contract for the «Polar Prince» throughout the period and for the «Polar King» for parts of the period.

Operating income amounted to NOK 106.6 million in the quarter, up from NOK 93.8 million in the corresponding period 2014. This increase in operating income is mainly due to currency gains and the start of contract for the «Polar Onyx» in March 2014. EBITDA ended at NOK 31.7 million in the first quarter of 2015, compared with NOK 46.0 million in the first quarter 2014.

GC Rieber Shipping made a loss provision of NOK 211 million in the accounts for the fourth quarter 2014 relating to the bankruptcy in Reef Subsea. No further provisions concerning this involvement have been made in the accounts for the first quarter 2015.

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. Contracts expire in May 2016, April 2017 and November 2017, respectively.

In addition the high-end, seismic vessel «Polar Empress» is scheduled for delivery in the second half of May 2015. The newbuilding will then embark on a five-year time charter with Dolphin Geophysical.

Key figures (in NOK million)	1Q 2015	1Q 2014
Operating income	112.4	57.9
EBITDA	73.8	20.7
EBIT	47.0	4.3
Capacity utilisation (in %)	100 %	67 %

GC Rieber Shipping had full capacity utilisation for the seismic vessels in the first quarter 2015, compared with 67 percent in the corresponding period 2014. The low capacity utilisation in the first quarter 2014 is related to the planned upgrade of the «Polar Marquis», resulting in a lower operating income and operating profit.

Operating income for the quarter was NOK 112.4 million, up from NOK 57.9 million in the first quarter of 2014. EBITDA ended at NOK 73.8 million, compared with NOK 20.7 million in the first quarter 2014.

Ice/Support

GC Rieber Shipping owns four vessels in the ice/support segment, of which one ice-breaker and two crew vessels are owned through two 50/50 joint ventures. As at 1 January 2014, these are reported as «profit from joint venture» and will therefore not be included in the operating income in the table below, but will be included in EBITDA and EBIT in the table. In addition the vessels will be dealt with under Joint Venture later in the report.

The «Ernest Shackleton» is on a bareboat charter to the British Antarctic Survey until august 2016, for operations in Antarctica

Key figures (in NOK million)	1Q 2015	1Q 2014
Operating income	4.9	16.2
EBITDA	8.4	8.1
EBIT	6.7	7.7
Capacity utilisation (in %)	100 %	100 %

The ice/support segment had full capacity utilisation both in the first quarter 2015 and the first quarter 2014, yielding operating income of NOK 4.9 million. EBITDA ended at NOK 8.4 million, of which NOK 3.8 million constitute the share of the profit from joint venture (see below). In comparison the company

had operating income of NOK 16.2 million and an EBITDA of NOK 8.1 million in the first quarter 2014. This reduction in operating income and EBITDA is mainly due to the termination of management contract for the vessel «HMS Protector» in September 2014.

Joint venture

The ice-breaker «Polar Pevek» is owned through a 50/50 joint venture with Maas Capital Offshore. The crew vessels «Polar Piltun» and «Polar Baikal» are owned through a 50/50 joint venture with Primorsk Shipping Corporation. The vessels are operated by the group's ship management company in Yuzhno-Sakhalinsk. GC Rieber Shipping's 50 percent stake is reported on a separate line in the profit and loss statement under «profit from joint venture».

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 entered a five-year time charter agreement with the Sakhalin Energy Investment Corporation in April 2015, operating the Sakhalin II field.

The group's share in the profit for the first quarter 2015 amounted to NOK 3.8 million, compared with NOK 1.0 million in the first quarter of 2014.

Shareholder information

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 first quarter 2015, the group's shares have been traded between NOK 26.0 and NOK 37.0. The last price recorded in the first quarter of 2015 was NOK 26.0, which on the basis of a total of 43,662,000 outstanding shares values the group's equity at approximately NOK 1.1 billion. At the end of the first quarter 2015, the company had 275 shareholders. 92.8 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 31 March 2015.

Outlook

GC Rieber Shipping's operations are exposed to the development in the markets for petroleum products. The dramatic drop in oil prices that started in the second half of 2014 resulted in an all-time low USD 45 per barrel for Brent Crude oil in the middle of January 2015. April was a good month for the price of oil, however, with an approximately 20 percent increase for Brent Crude oil. The increase has not been strong enough though for the price to be likely to exceed USD 100 per barrel any time soon. Even though the price of oil is expected to grow in a longer perspective, the development is surrounded by a great deal of uncertainty in the months ahead. As a result of the falling prices of oil, the oil companies have taken extensive measures to reduce costs and limit exploration for new deposits, which is evident from the level of activities for sectors such as seismic and subsea.

The seismic sector is experiencing a considerable pressure on prices and reduced earnings. The market expects the fluctuating price of oil to continue to result in a weak market throughout 2015 and

into 2016. GC Rieber Shipping has full contract coverage for its seismic fleet into the second quarter 2016.

GC Rieber Shipping has four subsea vessels, of which three operate within the construction and IMR segment (Inspection, Maintenance and Repair). The latter segment is generally less exposed to reduced investments among oil companies compared with the part of the subsea industry that is directed at new projects. But the oil companies' focus on costs has also resulted in postponements of scheduled maintenance. GC Rieber Shipping has secured a short-term contract with DOF Subsea for the «Polar King» with an option for an extension, and is actively working to find new solutions for the «Polar Prince». The mood in the market seems to be cautious, with increased pressure on prices and delayed decision-making processes. The focus is expected to be on shorter contracts to maintain a healthy level of activities in the segment.

The market for the ice/support segment is stable and activities unchanged. The uncertainty for GC Rieber Shipping is linked to the political developments in Russia and a possible escalation of the conflict between Russia and the Ukraine that could result in trade sanctions against Russia.

In light of the uncertainty in the market, GC Rieber Shipping will continue to work actively to adapt operations of vessels and the organisation to a lower cost level.

About GC Rieber Shipping

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 specialized competence in offshore operations in harsh environments as well as design, development and maritime operation of offshore vessels.

GC Rieber Shipping currently operates 13 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 seismic newbuilding under construction.

The company has its headquarter and a ship management company 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

Bergen, 12 May 2015

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
1st Quarter 2015
Consolidated accounts
(Unaudited)

Profit & Loss Account (NOK 1000)	1Q 15	1Q 14	31.12.2014
Charter income	211 302	147 819	803 031
Other operating income	12 608	20 120	78 429
Total income	223 911	167 939	881 460
Operating expenses	-113 726	-93 071	-451 358
Profit from joint venture	3 795	989	23 373
Operating profit before depreciation, write-downs and gains (losses) on sale of fixed assets	113 979	75 857	453 475
Depreciation	-59 752	-34 640	-173 426
Gains (losses) on sale of fixed assets	0	0	108
Operating profit	54 227	41 217	280 157
Write-downs financial assets	0	0	-160 000
Financial income	1 614	4 449	21 536
Financial expenses	-23 069	-11 558	-107 124
Realized currency gains (losses)	4 381	-1 158	2 920
Unrealized currency gains (losses)	-72 722	8 885	-115 948
Net financial income and expenses	-89 796	618	-358 615
Profit before taxes	-35 569	41 835	-78 458
Taxes	-694	-630	-1 614
PROFIT	-36 263	41 205	-80 073
Earnings and diluted earnings per share	-0,83	0,94	8,50
Statement of Comprehensive Income (NOK 1000)	1Q 15	1Q 14	31.12.2014
Profit for the period	-36 263	41 205	-80 073
Other comprehensive income:			
Foreign currency translation	160 478	-6 745	371 402
Changes in pension estimates	0	0	-10 393
Comprehensive income for the period	124 216	34 461	280 936

GC RIEBER SHIPPING ASA
1st Quarter 2015
Consolidated accounts
(Unaudited)

Statement of financial position (NOK 1000)	31.03.2015	31.03.2014	31.12.2014
ASSETS			
FIXED ASSETS			
Deferred tax asset	63 295	58 331	63 989
Vessels	4 183 200	3 124 841	3 893 403
Newbuilding contracts	179 162	96 226	170 216
Machinery and equipment	17 011	551	261
Financial fixed assets	152 243	87 619	135 980
Long term receivables	32 366	183 956	29 740
<i>Total fixed assets</i>	4 627 278	3 551 525	4 293 590
CURRENT ASSETS			
Inventories	8 438	3 687	4 768
Receivables	156 009	143 951	142 457
Quoted financial investments	11 265	20 922	15 374
Cash and bank deposits	447 968	691 870	491 560
<i>Total current assets</i>	623 679	860 431	654 159
Total assets	5 250 957	4 411 956	4 947 748
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity	95 196	95 196	95 196
Retained earnings	2 333 263	2 137 220	2 209 047
<i>Total equity</i>	2 428 459	2 232 416	2 304 243
LIABILITIES			
Provision for liabilities	28 226	13 475	28 226
Other long-term liabilities	2 193 206	1 834 991	2 086 404
Current liabilities	601 066	331 075	528 875
<i>Total liabilities</i>	2 822 499	2 179 540	2 643 505
Total equity and liabilities	5 250 957	4 411 956	4 947 748

GC RIEBER SHIPPING ASA
Noter 1st Quarter 2015
Consolidated accounts
(Unaudited)

Cash Flow Statement (NOK 1000)	1Q 15	1Q 14	2014
EBITDA	113 979	75 857	453 475
Change in net current assets	-28 992	23 317	26 043
Net cash from operating activities	84 987	99 174	479 519
Acquisition of tangible fixed assets	-28 400	-692 038	-894 160
Sale of tangible fixed assets	0	0	108
Other investing activities	0	544	-3 597
Net cash from investment activities	-28 400	-691 494	-897 650
New loans and repayments	-72 989	619 627	467 038
Dividend payment	0	0	-174 648
Net interest paid	-27 190	-7 756	-56 007
Net cash from financing activities	-100 179	611 871	236 383
Net change in liquidity	-43 592	19 551	-181 748
Liquidity at beginning of period	491 560	673 308	673 308
Liquidity at end of period	447 968	692 859	491 560

Equity statement (NOK 1000)	Share capital	Own shares	Share premium reserve	Other equity	Total equity
Balance at 01.01. 2014	78 863	-271	16 604	2 102 760	2 197 955
Profit for the year				280 936	280 936
Dividends to shareholders				-174 648	-174 648
Balance at 31.12.2014	78 863	-271	16 604	0	2 304 243
Balance at 01.01. 2015	78 863	-271	16 604	2 209 048	2 304 243
Profit for the year				124 216	124 216
Dividends to shareholders					0
Balance at 31.03.2015	78 863	-271	16 604	2 333 263	2 428 458

Segment Reporting (NOK 1000)	1Q 15	1Q 14	31.12.2014
Ice/support	4 864	16 240	43 574
Subsea	106 631	93 794	522 062
Seismic	112 415	57 906	315 825
Operating income	223 911	167 940	881 460
Ice/support	8 436	8 111	39 299
Subsea	31 721	46 049	254 915
Seismic	73 822	20 708	159 262
Operating profit before depreciation, write-downs	113 979	74 868	453 476
Ice/support	6 652	7 698	33 461
Subsea	588	29 229	165 852
Seismic	46 987	4 290	80 844
Operating profit	54 227	41 217	280 157

GC RIEBER SHIPPING ASA
First quarter 2015
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 USD/NOK exchange rate on the balance sheet date. For subsidiaries with USD 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 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 Group's investment in associated companies. The Group accounts for fiscal year 2014 were approved by the Board of Directors on 12 March 2015. The consolidated financial statement for the year ended 31 December 2014 with notes and auditor's report are available on our website at 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 31 March 2015 have been prepared in accordance with IAS 34 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 2014 Group accounts. The condensed, consolidated quarterly financial statements were approved by the Board of Directors on 12 May 2015.

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 2014 and the most important sources of estimate uncertainty are the same as for preparation of the 2014 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 18 of the 2014 annual report describe 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 2014.

GC RIEBER SHIPPING ASA
First quarter 2015
Group
(Unaudited)

Note 7 Overview of shareholders

The 20 largest shareholders in GC Rieber Shipping ASA as of 31 March 2015 (outstanding shares):

Name	Number of shares	Owner's share
GC Rieber AS	30 861 735	70,4 %
AS Javipa	3 056 222	7,0 %
GC Rieber AS Understøttelsesfond	1 523 074	3,5 %
Trioship Invest AS	909 000	2,1 %
Pareto Aksje Norge	556 227	1,3 %
Johanne Marie Martens	400 000	0,9 %
Storkleiven AS	371 687	0,8 %
Delta A/S	360 000	0,8 %
Benedicte Martens Nes	356 250	0,8 %
Pelicahn AS	348 396	0,8 %
Tannlege Randi Arnesen AS	300 000	0,7 %
Pareto Aktiv	285 120	0,7 %
Randi Jebsen Arnesen	255 000	0,6 %
Dag Fredrik Jebsen Arnesen	208 000	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 %
Pareto Verdi	137 970	0,3 %
Other Shareholders	3 140 433	7,2 %
Outstanding Shares	43 812 800	100,0 %