



# GANGER ROLF ASA

## REPORT FOR THE THIRD QUARTER 2010

### Comments to the accounts for Ganger Rolf ASA

The Group accounts for the third quarter 2010 and as per third quarter 2010 comprise Ganger Rolf ASA and its subsidiaries ("The Group of companies") and the Group of companies' ownership of associates.

Comparable figures for the same period in 2009 in brackets.

### Highlights 3Q 10:

*(Figures in NOK)*

- Net result after tax was NOK 170.9 million (NOK 61.0 million)
- Earnings per share were NOK 5.00 (NOK 1.80)
- Delivery of first newbuilding suezmax tanker from Bohai Shipbuilding Industry

### Financial information

<i>Financial key figures (figures in million NOK except for earnings per share)</i>	<b>3Q 10</b>	<b>3Q 09</b>	<b>Per 3Q10</b>	<b>Per 3Q09</b>	<b>2009</b>
Operating revenue	3,2	1,5	7,4	4,2	8,7
EBITDA	-6,7	-8,1	-22,6	-22,7	-33,7
EBIT	-7,3	-8,7	-24,4	-24,5	-36,1
Net result after tax	170,9	61,0	187,3	613,7	652,7
Average number of shares outstanding	33 853 935	33 853 935	33 853 935	33 853 935	33 853 935
Basic/diluted earnings per share NOK	5,0	1,8	5,5	18,1	19,3
Interest bearing liabilities			762,3	187,4	682,8



## GANGER ROLF ASA

The operating result (EBIT) which mainly reflects the holding company costs, was negative NOK 7 million (negative NOK 8 million). All significant share holdings have been consolidated as associates. Consequently, the parent company is a pure holding company.

Net result from associates accounted for using the equity method, was NOK 208 million (NOK 90 million) in the quarter. The net result comprises share of results from Fred. Olsen Energy ASA (FOE) of NOK 205 million (NOK 144 million), Fred. Olsen Production ASA (FOP) of NOK 12 million (negative NOK 4 million) and the cross ownership contribution from Bonheur ASA of NOK 30 million (NOK 11 million). The cruise activities reported a net result of NOK 19 million (NOK 5 million). First Olsen Ltd. (tankers) had a negative net result of NOK 23 million (positive NOK 3 million) and Fred. Olsen Renewables AS had a net result of negative NOK 23 million (negative NOK 45 million).

Net financial items in the quarter were negative NOK 39 million (negative NOK 30 million). Net result before tax in the quarter was NOK 162 million (NOK 52 million). Net result after estimated tax was NOK 171 million (NOK 61 million).

EBIT year to date were negative NOK 24 million (negative NOK 25 million). Net result from associates accounted for using the equity method year to date was NOK 225 million (NOK 677 million). Net financial items year to date were negative NOK 23 million (negative NOK 51 million), and net result after tax year to date was NOK 187 million (NOK 614 million).

### ***Business segments***

The Group of companies' results for the individual business segments are included in Note 4.

In the following, it is referred to the Group of companies' consolidated business segments presented on 100% basis. Ganger Rolf ASA and Bonheur ASA have an ownership of 50% each in these segments unless otherwise indicated.

**Due to intra group eliminations, the figures are not necessarily identical with each individual company's separate accounts.**

### **Offshore Drilling**

The segment consists of 26.89% ownership of Fred. Olsen Energy ASA with subsidiaries (FOE).

(Figures in NOK million)	3Q 10	3Q 09	Per 3Q 10	Per 3Q 09
Operating revenues	1 657	1 490	4 488	5 472
EBITDA	1 060	851	2 657	3 452
EBIT	731	618	1 793	2 743
Net result	754	529	1 573	2 531



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*Extract from FOE's report for the third quarter 2010 (figures in NOK unless otherwise stated).*

**Note that FOE shows second quarter 2010 in brackets, while Ganger Rolf ASA compares with third quarter 2009.**

### **“Financial information (2<sup>nd</sup> quarter 2010 in brackets)**

Operating revenues in the quarter were 1,656.8 million (1,634.4 million), an increase of 22.4 million compared with the previous quarter. The revenues for offshore drilling division were 1,645.2 million, an increase of 16.8 million. Revenues for the engineering and fabrication division were 11.6 million, an increase of 5.6 million. The increase in revenues within the offshore drilling division is mainly due to a full operating quarter for Borgsten Dolphin and Borgny Dolphin, partly offset by Blackford Dolphin's one month yard stay in Cape Town, South Africa.

Operating costs were 597.1 million (663 million), a decrease of 65.9 million compared with previous quarter. Operating costs within the offshore drilling division decreased by 72.3 million. Operating costs within the engineering and fabrication division increased by 6.4 million mainly due to somewhat higher activity. The decrease in operating costs within the offshore drilling division is mainly due to extra cost in previous quarter related to rigs returning to operations.

Operating profit before depreciation (EBITDA) was 1,059.7 million (971.4 million).

Depreciation amounted to 337.6 million (317.3 million).

Operating profit after depreciation (EBIT) was 722.1 million (654.1 million).

Net financial expenses were positive 47.7 million (135.2 million).

Profit before tax was 769.8 million (518.9 million).

Net profit, including an estimated tax charge of 25.2 million (10.8 million), was 744.6 million (508.1 million).

Basic earnings per share were 11.3 (7.7).”

## **Floating Production**

The segment consists of 30.77% ownership of Fred. Olsen Production ASA with subsidiaries (FOP).

### **Floating production**

(Figures in NOK million)	3Q 10	3Q 09	Per 3Q 10	Per 3Q 09
Operating revenues	186	179	537	500
EBITDA	96	81	256	216
EBIT	47	18	37	27
Net result	24	-8	-63	-14

*Extract from FOP's report for the third quarter 2010.*



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### “Financial information

Comparable figures for the corresponding period in 2009 are in brackets below.

Revenues in the quarter were USD 30.2 million (USD 29.7 million) including a capital gain of USD 1.6 million on the sale of FSO Knock Dee for green scrapping. Impairment on Knock Dee to scrap value was taken in the 2<sup>nd</sup> quarter as the option to employ Knock Dee on a contract at the Pinauna field offshore Brazil expired without being declared. EBITDA was USD 15.6 million (USD 13.2 million).

After depreciation of USD 8.0 million (USD 10.4 million) the operating profit (EBIT) was USD 7.6 million (USD 2.8 million) for the quarter.

The revenues for the first nine months of 2010 were USD 88.1 million (USD 77.6 million) with an EBITDA of USD 42 million (USD 33.5 million). Year to date EBIT was USD 5.9 million (USD 4.1 million), which includes USD 11.5 million impairment write down on FSO Knock Dee in 2<sup>nd</sup> quarter and subsequent sale.

Net financial expenses were USD 1.9 million (USD 3.8 million) in 3<sup>rd</sup> quarter. For the first nine months net financial expenses were USD 10.5 million (USD 5.5 million). Net financial expenses are charged with USD 4.0 million in unrealized marked-to-market revaluation of fixed rate interest swaps and foreign exchange contracts year to date (USD 0.7 million profit). Profit before tax was USD 5.7 million (loss USD 1 million) in the quarter and loss of USD 4.6 million (loss USD 1.4 million) for the first nine months.

Net profit after estimated tax was USD 3.4 million (loss USD 1.5 million) in the quarter and year to date net loss after tax of USD 10.6 million (loss USD 2.3 million). In 4<sup>th</sup> quarter 2009 the company changed its accounting policy in relation to treatment of withholding taxes, see note 2 for further clarification.

FOP ASA board has today decided to call for an Extraordinary Shareholders Meeting to propose a restructuring of its equity capital by way of transfers from Share Premium Reserves to Free Reserves. The purpose of the proposed restructuring is to improve the financial flexibility of the company.

### Market Outlook

The market for FPSOs is continuing to improve with an increasing number of projects to be awarded during the next coming quarters. Projects for West Africa in the mid-range segment are on the horizon, an important market for FOP.

The majority of contracts awarded so far in 2010 have been for turnkey deliveries, high-end leased units or fast-track redeployment of existing units. Competition remains limited, with fewer contractors realistically positioned to bid and finance projects.”

### Renewable energy

Renewable Energy consists of 50% ownership of Fred. Olsen Renewables AS with subsidiaries (FOR).

(Figures in NOK million)	3Q 10	3Q 09	Per 3Q 10	Per 3Q 09
Operating revenues	115	65	231	199
EBITDA	73	38	127	117
EBIT	26	2	32	26
Net result	-46	-90	-155	-30

Fred. Olsen Renewables with subsidiaries (FOR) owns and operates four wind farms in Scotland (Crystal Rig, Crystal Rig II, Rothes and Paul's Hill) and two turbines in Sweden. At the end of 3<sup>rd</sup> quarter, the



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company had 316.7 MW in production. In addition FOR has a project portfolio onshore and offshore under development in UK, Norway, Sweden and Canada.

FOR had operating revenues of NOK 115 million in the quarter (NOK 65 million). The generation increased from 98.2 GWh to 169.6 GWh compared with the same quarter last year. The increase is due to Crystal Rig II (CR2) coming into full operation in July. Generation during the quarter, excluding CR2, has been lower than the 3<sup>rd</sup> quarter 2009 due to less wind. EBITDA were NOK 73 million (NOK 38 million).

Year to date FOR had operating revenues of NOK 231 million (NOK 199 million). Generation increased in the period from 320.2 GWh to 368.6 GWh due to CR2 commencing generation in 2010. Generation excluding CR2 was lower than 2009 due to less wind during the year. EBITDA were NOK 127 million (NOK 117 million).

Crystal Rig II commenced full operation in July 2010, on time and budget. The Lista wind farm project (102 MW) was granted Enova investment support in May of up to NOK 388 million. The grant is currently awaiting approval from EFTA Surveillance Authority (ESA).

### Cruise

Cruise consists of 50% indirect ownership of Fred. Olsen Cruise Lines Ltd, with subsidiaries (FOCL), located in Ipswich UK.

(Figures in NOK million)	3Q 10	3Q 09	Per 3Q 10	Per 3Q 09
Operating revenues	491	491	1 286	1 387
EBITDA	132	119	228	183
EBIT	79	69	76	32
Net result	39	9	-43	-124

FOCL owns and operates four cruise ships, MV Black Watch, MV Braemar, MV Boudicca, and MV Balmoral.

Operating revenues in the quarter were NOK 491 million (NOK 491 million). The comparison with last year is distorted by the sale of MV Black Prince in the 4<sup>th</sup> quarter 2009, the 2010 dockings and lower exchange rate of GBP against NOK. Operating result before depreciation (EBITDA) was NOK 132 million (NOK 119 million). Operating result (EBIT) for the quarter was NOK 79 million (NOK 69 million). Number of passenger days total 348 301 for the quarter and passenger yields have improved. The improvement in yields has been achieved by increasing the Company's forward booking position during last year and the improving economic conditions globally. Higher price on fuel oil in the quarter impacted the result negatively compared with the same quarter last year.

### Shipping

Shipping consists as per end of the quarter of the ownership of the two tankers Knock Sheen and Knock Clune, which are owned through First Olsen Ltd. (FOL, 50% owned), the 50% ownership of Oceanlink Ltd and the 50% ownership of Fred. Olsen Windcarrier AS, a company developing installation vessels for offshore wind turbines.



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(Figures in NOK million)	3Q 10	3Q 09	Per 3Q 10	Per 3Q 09
Operating revenues	70	64	227	268
EBITDA	-7	-16	-6	35
EBIT	-55	-45	-137	-57
Net result	-82	-58	-159	-102

Operating revenues in the quarter were NOK 70 million (NOK 64 million) and EBITDA were negative NOK 7 million (negative NOK 16 million). Impairment and depreciation were NOK 44 million, of which impairment in 3th quarter 2010 amounted to NOK 34 million. Net result before minority interest was negative NOK 82 million (negative NOK 58 million).

During the quarter First Olsen Ltd. had 2 suezmax vessels in operation after delivery of the newbuilding Knock Clune (dwt 163.000) from the Bohai shipyard in China in July 2010. In addition, the suezmax Knock Sheen has been on charter at USD 15.000 per day (+ profit split). The charter expires in January 2011.

The first of the two suezmax newbuildings previously sold on to Nordic American Tanker Shipping Ltd. ("NAT") was delivered from the yard, Bohai Shipbuilding Industry, in July 2010. However, the buyer refused to take delivery and was advised by First Olsen Ltd. that this was regarded as breach of his obligations under the agreement between the parties. Knock Clune Ltd Pte therefore cancelled the said agreement and will hold NAT liable for any and all losses and expenses in accordance with law and contract.

The second suezmax newbuilding is expected to be delivered from the yard in the 4<sup>th</sup> quarter 2010.

In May 2010, due to financial difficulties, Oceanlink Ltd initiated discussions with its financial creditors in order to identify a possible basis for continued operation. Agreements were reached in late June which allowed the company to continue trading.

As from 1<sup>st</sup> June the company operates 2 AHTS vessels on bareboat charter with purchase options/obligations and 4 reefer vessels on bareboat charter for various periods. In addition the company owns one reefer vessel. All of the five reefer vessels will continue trading in the Seatrade pool. At the end of the year, three of the vessels will be redelivered to their owners. The two AHTS vessels are on time charter, of which one in Norway and one in Brazil.

In October, one of the two specialized transport and installation vessels for offshore wind turbines under construction, "Brave Tern", was awarded a six month contract, commencing at delivery from the yard in June 2012.

### Other investments

Other Investments mainly consist of an ownership of 17.80% of NHST Media Group AS, 30.29% of GenoMar AS, 6.3% of IT Fornebu Holding AS as well as 50% of the service companies Fred. Olsen Brokers AS, Fred. Olsen Travel AS, AS Fred. Olsen Fly- og Luftmateriell and FO Capital Ltd.

### NHST Media Group AS

NHST Media Group AS includes the newspapers Dagens Næringsliv, TradeWinds, Upstream, Europower, Fiskaren, Recharge and Nautisk Forlag.



## **GANGER ROLF ASA**

NHST Media Group AS had revenues of NOK 261 million (NOK 229 million) in the quarter. The growth in the revenues reflects better market conditions, greater market shares and initiatives undertaken. The group is sharpening its focus on the development of digital products.

EBITDA in the quarter were negative NOK 4 million (negative NOK 17 million), and result after tax was negative NOK 10 million (negative NOK 20 million).

As per the 3<sup>rd</sup> quarter revenues were NOK 814 million (NOK 748 million), while EBITDA were NOK 59 million (negative NOK 12 million). Result after tax was NOK 22 million (negative NOK 33 million).

### **GenoMar AS**

Operating revenues in the third quarter 2010 were NOK 9 million (NOK 4.0 million). Increased revenues are mainly due to the Malaysia operation which had not commenced in the corresponding period last year. Malaysia sales were contributing for around 60% of the revenues in the quarter, which is an off-peak season for fingerling sales in China. The recent flood has also affected the operations negatively.

GenoMar AS carried out an offering of new shares to existing shareholders in August to secure financing for the takeover of the equipment as well as management of the processing plant in Malaysia. In total NOK 18 mill was raised from existing share holders of which Bonheur ASA and Ganger Rolf ASA obtained 87% of the new shares, increasing the companies' total shareholding in GenoMar AS to approximately 61% combined.

The build-up of the Malaysian operation has proven to be more challenging than expected and it will take longer time to reach a satisfactory profitability.

### **IT Fornebu Holding AS (ITFH - previously IT Fornebu Eiendom AS and IT Fornebu AS)**

Ganger Rolf ASA and Bonheur ASA each hold 6.3% of the shares in ITFH.

The Terminal building of 35 000 square meters (sqm.) and the other buildings are fully let.

Contracts have been signed with well known IT related companies for 81% of the total area of the new portal buildings (in total 5 buildings of in total about 28 000 sqm).

All contracts related to the building project for the new Statoil office building of 65 500 sqm BTA are signed.

According to the lease agreement about 2 500 Statoil employees can move into the new building during the autumn of 2012.

A 50% owned subsidiary of ITFH has signed an agreement with the Nordic hotel group Scandic where ITFH will build a hotel on Fornebustranda next to the new office building of Statoil. The hotel will have a floor space of about 17 000 sqm.



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(NOK million) - unaudited

## CONDENSED INCOME STATEMENT

Revenues	3,2
Operating costs	-9,9
<b>Operating result before depreciation (EBITDA)</b>	<b>-6,7</b>
Depreciation	-0,7
<b>Operating result (EBIT)</b>	<b>-7,3</b>
Share of result from associates	208,2
Result before finance	200,9
Financial revenues	-16,2
Financial costs	-22,5
Net financial items	-38,8
<b>Result before tax (EBT)</b>	<b>162,2</b>
Estimated tax cost	8,7
<b>Net result after estimated tax</b>	<b>170,9</b>
Hereof minority interests	-
Hereof majority interests	170,9
Basic earnings / Diluted earnings per share (NOK)	5,0
Basic earnings /Diluted earnings per share from continued operations (NOK )	5,0

## CONSOLIDATED

	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Revenues	3,2	1,5	7,4	4,2	8,7
Operating costs	-9,9	-9,6	-30,0	-26,8	-42,4
<b>Operating result before depreciation (EBITDA)</b>	<b>-6,7</b>	<b>-8,1</b>	<b>-22,6</b>	<b>-22,7</b>	<b>-33,7</b>
Depreciation	-0,7	-0,6	-1,9	-1,8	-2,4
<b>Operating result (EBIT)</b>	<b>-7,3</b>	<b>-8,7</b>	<b>-24,4</b>	<b>-24,5</b>	<b>-36,1</b>
Share of result from associates	208,2	90,4	225,3	677,4	732,2
Result before finance	200,9	81,7	200,8	652,9	696,1
Financial revenues	-16,2	8,1	25,4	35,1	40,7
Financial costs	-22,5	-37,9	-48,3	-85,7	-106,2
Net financial items	-38,8	-29,8	-22,9	-50,6	-65,5
<b>Result before tax (EBT)</b>	<b>162,2</b>	<b>52,0</b>	<b>177,9</b>	<b>602,3</b>	<b>630,6</b>
Estimated tax cost	8,7	9,1	9,4	11,4	22,1
<b>Net result after estimated tax</b>	<b>170,9</b>	<b>61,0</b>	<b>187,3</b>	<b>613,7</b>	<b>652,7</b>
Hereof minority interests	-	-	-	-	-
Hereof majority interests	170,9	61,0	187,3	613,7	652,7
Basic earnings / Diluted earnings per share (NOK)	5,0	1,8	5,5	18,1	19,3
Basic earnings /Diluted earnings per share from continued operations (NOK )	5,0	1,8	5,5	18,1	19,3





# GANGER ROLF ASA

(NOK million) - unaudited

## CONSOLIDATED

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Jan-Sep 2010	Jan-Sep 2009
<b>Profit for the period</b>	187,3	613,7
<b>Other comprehensive income</b>		
Hedging effects:		
- Effective portion of changes in fair value of interest hedges	-0,1	0,0
Fair value effects related to financial instruments:		
- Net change in fair value of available-for-sale financial assets	17,2	-58,8
- Net change in fair value of available-for-sale financial assets transferred to profit or loss	0,7	6,5
Other comprehensive income from associates	4,1	-520,5
Other comprehensive income due to cross ownership	3,8	-87,9
Other comprehensive income for the period	1,9	8,6
Additional tax ("korreksjonsskatt")	0,0	-31,2
Income tax on other comprehensive income	-0,5	-0,3
<b>Other comprehensive income for the period, net of income tax</b>	<b>27,2</b>	<b>-683,6</b>
<b>Total comprehensive income for the period</b>	<b>214,5</b>	<b>-69,9</b>
<b>Attributable to:</b>		
Equity holders of the parent	214,5	-69,9
<b>Total comprehensive income for the period</b>	<b>214,5</b>	<b>-69,9</b>



# GANGER ROLF ASA

## CONSOLIDATED

### CONDENSED STATEMENT OF FINANCIAL POSITION

(NOK million) - unaudited

	30.09.2010	30.09.2009	31.12.2009
Deferred tax asset	23,5	11,0	14,3
Property, plant and equipment	42,8	37,8	37,6
Investments in associates	4 867,3	3 932,6	4 035,4
Other financial fixed assets	645,9	384,9	433,6
<b>Non-current assets</b>	<b>5 579,5</b>	<b>4 366,3</b>	<b>4 520,9</b>
Trade and other receivables	37,5	24,7	21,0
Cash and cash equivalents *)	110,1	821,4	1 134,4
<b>Current assets</b>	<b>147,6</b>	<b>846,1</b>	<b>1 155,4</b>
<b>Total assets</b>	<b>5 727,1</b>	<b>5 212,3</b>	<b>5 676,3</b>
Share capital	42,3	42,3	42,3
Share premium reserve	25,9	25,9	25,9
Retained earnings	4 724,3	4 724,7	4 767,5
<b>Equity</b>	<b>4 792,6</b>	<b>4 793,0</b>	<b>4 835,7</b>
Non-current interest bearing liabilities	762,3	187,4	682,8
Other non-current liabilities	106,3	87,7	107,1
<b>Non-current liabilities</b>	<b>868,6</b>	<b>275,1</b>	<b>789,9</b>
Current interest bearing liabilities	0,0	0,0	0,0
Other current liabilities	65,9	144,2	50,7
<b>Current liabilities</b>	<b>65,9</b>	<b>144,2</b>	<b>50,7</b>
<b>Total equity and liabilities</b>	<b>5 727,1</b>	<b>5 212,3</b>	<b>5 676,3</b>

\*) In addition, share of cash and cash equivalents held by associates at 30 September 2010 amount to 1 554.6 million.

Oslo, 3 November 2010  
The Board of Directors



# GANGER ROLF ASA

## CONSOLIDATED

### STATEMENT OF CHANGES IN EQUITY

(NOK million) - unaudited

	Share Capital	Own shares	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total equity
Balance at 1 January 2009	45,4	-3,0	25,9	56,9	0,0	83,6	4 938,5	5 147,2
Total comprehensive income for the period	0,0	0,0	0,0	-520,5	0,0	-52,3	502,9	-69,9
Dividends to shareholders	0,0	0,0	0,0	0,0	0,0	0,0	-284,4	-284,4
Redemption of own shares	-3,0	3,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Balance at 30 September 2009</b>	<b>42,3</b>	<b>0,0</b>	<b>25,9</b>	<b>-463,6</b>	<b>0,0</b>	<b>31,3</b>	<b>5 157,0</b>	<b>4 793,0</b>
Balance at 1 January 2010	42,3	0,0	25,9	-463,9	-0,6	27,5	5 204,5	4 835,7
Total comprehensive income for the period	0,0	0,0	0,0	2,1	-0,1	18,0	194,4	214,5
Dividends to shareholders	0,0	0,0	0,0	0,0	0,0	0,0	-247,8	-247,8
Purchase of shares in associate	0,0	0,0	0,0	0,0	0,0	0,0	-9,8	-9,8
<b>Balance at 30 September 2010</b>	<b>42,3</b>	<b>0,0</b>	<b>25,9</b>	<b>-461,8</b>	<b>-0,7</b>	<b>45,5</b>	<b>5 141,3</b>	<b>4 792,6</b>

#### Share capital and share premium

Par value per share	NOK 1.25
Number of shares issued	33 853 935
Number of own shares	0

#### Translation reserve

The reserve represents exchange differences resulting from the consolidation of associated companies having other functional currencies than NOK.

#### Hedging reserve

The reserve comprises the effective portion of cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

#### Fair value reserve

The reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.



# GANGER ROLF ASA

## CONSOLIDATED

### CONDENSED STATEMENT OF CASHFLOW

<i>(NOK million) - unaudited</i>	<b>Jan-Sep 2010</b>	<b>Jan-Sep 2009</b>
<b>Cash flow from operating activities</b>		
Net result after tax	187,3	613,7
<i>Adjustments for:</i>		
Depreciation	1,9	1,8
Net of investment income, interest expenses and net unrealized foreign exchange gains	33,8	-4,2
Share of result from associates	-225,3	-677,4
Net gain on sale of property, plant and equipment and other investments	0,0	-1,6
Tax cost	-9,4	-11,4
Operating profit before changes in working capital and provisions	-11,7	-79,2
Increase (-) / decrease in trade and other receivables	-16,8	-2,2
Increase / decrease (-) in current liabilities	8,2	11,3
Cash generated from operations	-20,4	-70,1
Interest paid	-25,6	0,0
<b>Net cash from operating activities</b>	<b>-46,0</b>	<b>-70,1</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	52,1	168,6
Interest and dividends received	243,4	569,6
Acquisitions of property, plant and equipment and other investments	-1 062,3	-34,3
<b>Net cash from investing activities</b>	<b>-766,8</b>	<b>703,9</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	241,0	107,8
Repayment of borrowings	-168,1	-1,0
Dividends paid	-284,4	-528,1
<b>Net cash from financing activities</b>	<b>-211,5</b>	<b>-421,4</b>
Net increase in cash and cash equivalents	-1 024,2	212,4
Cash and cash equivalents at 1 January	1 134,4	609,0
<b>Cash and cash equivalents at 30 September</b>	<b>110,1</b>	<b>821,4</b>



# GANGER ROLF ASA

## **Note 1 - Introduction**

The Group accounts for the third quarter 2010 comprise Ganger Rolf ASA and its subsidiaries ("The Group of companies") and the Group of companies' ownership of associates. The quarterly accounts of 2010 and the Group of companies' accounts for 2009 may be obtained by contacting Fred. Olsen & Co., Oslo, or at [www.ganger-rolf.com](http://www.ganger-rolf.com).

## **Note 2 – Financial framework and accounting principles**

The interim accounts have been prepared in accordance with Oslo Stock Exchange rules and regulations and IAS 34 "Interim Financial Reporting". The accounts do not include all information required for annual accounts and should be read in conjunction with the Group of companies' annual accounts for 2009 and the previous interim reports issued in 2009 and 2010. The interim financial report for the third quarter 2010 was adopted by the company's Board on 3<sup>rd</sup> November 2010.

The accounting principles are described in the Group of companies' annual accounts. The Group of companies' annual accounts are prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union, and its interpretations, and the requirements following from the Norwegian Accounting Act, stock exchange rules and regulations, that were mandatory to apply at 30<sup>th</sup> September 2010.

## **Note 3 - Estimates**

The preparation of interim accounts involves the use of appraisals, estimates and assumptions influencing the amounts stated for assets and obligations, revenues and costs. Actual results may differ from these estimates.

The most important appraisals when applying the Group accounting principles and the primary sources of estimate uncertainties are the same for the preparation of interim accounts as for the 2009 Group accounts. There is uncertainty associated with the estimates which are applied on the calculation of taxes related to the Norwegian tonnage tax regime, according to a legal decision on 12<sup>th</sup> February 2010. For further information see note 6 – Taxes.



# GANGER ROLF ASA

## Note 4 – Segment information

3.quarter	Offshore drilling		Floating production		Renewable energy		Cruise		Shipping		Other investments		Total fully consolidated companies	
Fully consolidated companies	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09
Revenues	0	0	0	0	0	0	0	0	0	0	3	2	3	2
Operating costs	0	0	0	0	0	0	0	0	0	0	-10	-10	-10	-10
Oper. result before depr. (EBITDA)	0	0	0	0	0	0	0	0	0	0	-7	-8	-7	-8
Depreciation / Write down	0	0	0	0	0	0	0	0	0	0	-1	-1	-1	-1
Operating result (EBIT)	0	0	0	0	0	0	0	0	0	0	-7	-9	-7	-9

3.quarter	Offshore drilling		Floating production		Renewable energy		Cruise		Shipping		Other investments		Total associates	
Associates	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09	3Q.10	3Q.09
Revenues	445	401	93	90	58	33	245	246	35	32	14	17	891	817
Operating costs	-161	-172	-45	-49	-21	-13	-179	-186	-39	-40	-18	-22	-463	-483
Oper. result before depr. (EBITDA)	285	229	48	40	37	19	66	60	-4	-8	-4	-5	428	335
Depreciation / Write down	-86	-60	-24	-31	-23	-18	-27	-25	-24	-14	-1	12	-185	-137
Operating result (EBIT)	199	168	24	9	13	1	40	34	-28	-22	-5	7	243	197

Per 3.quarter	Offshore drilling		Floating production		Renewable energy		Cruise		Shipping		Other investments		Total fully consolidated companies	
Fully consolidated companies	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09
Revenues	0	0	0	0	0	0	0	0	0	0	7	4	7	4
Operating costs	0	0	0	0	0	0	0	0	0	0	-30	-27	-30	-27
Oper. result before depr. (EBITDA)	0	0	0	0	0	0	0	0	0	0	-23	-23	-23	-23
Depreciation / Write down	0	0	0	0	0	0	0	0	0	0	-2	-2	-2	-2
Operating result (EBIT)	0	0	0	0	0	0	0	0	0	0	-24	-24	-24	-24

Per 3.quarter	Offshore drilling		Floating production		Renewable energy		Cruise		Shipping		Other investments		Total associates	
Associates	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09	Jan-Sep10	Jan-Sep09
Revenues	1 207	1 471	268	250	116	99	643	693	113	134	46	45	2 392	2 694
Operating costs	-492	-543	-140	-142	-52	-41	-529	-602	-116	-117	-54	-51	-1 384	-1 496
Oper. result before depr. (EBITDA)	714	928	128	108	63	59	114	91	-3	17	-8	-5	1 009	1 198
Depreciation / Write down	-226	-184	-109	-94	-48	-46	-76	-75	-65	-46	-3	11	-528	-435
Operating result (EBIT)	488	744	19	13	16	13	38	16	-68	-29	-11	6	481	763

### Companies fully consolidated in the accounts

#### Other investments

Ganger Rolf ASA, Laksa AS, Knock Holding Group and Borgå Group.

#### Associates

#### Offshore drilling

Fred Olsen Energy ASA.

#### Floating production

Fred. Olsen Production ASA.



## GANGER ROLF ASA

### **Renewable energy**

Fred. Olsen Renewables AS and Protura AS (2009 only).

### **Cruise**

Fred. Olsen Cruise Lines Ltd.

### **Shipping**

*Tankers:* First Olsen Ltd – Tankers

*Shipping activities:* First Olsen Ltd – Shipping activities, Oceanlink Ltd and Fred. Olsen Windcarrier AS.

### **Other investments**

Fred. Olsen Travel AS, Fred. Olsen Brokers AS, Fred. Olsen Fly- og Luftmateriell AS, Stavnes Byggeselskap AS, Oslo Shipholding AS, GenoMar AS, Fred. Olsen Cruise Lines Pte. Ltd, FO Capital Ltd, Bonheur ASA and First Olsen Ltd – Others.

## **Note 5 – Interest bearing loans**

The parent company, Ganger Rolf ASA, has interest bearing loans to associates of NOK 267.5 million as per 30<sup>th</sup> September 2010.

On 11<sup>th</sup> December 2009 Bonheur ASA completed a NOK 1,000 million 5 years unsecured bond issue with Ganger Rolf ASA as guarantor. Settlement date was 15<sup>th</sup> December 2009 and maturity date is 15<sup>th</sup> December 2014. Ganger Rolf ASA has borrowed NOK 500 million of the proceeds from the bond issue from Bonheur ASA at identical terms.

On 19<sup>th</sup> October 2010 Bonheur ASA completed a NOK 600 million 3 years unsecured bond issue with Ganger Rolf ASA as guarantor. Settlement date was 29<sup>th</sup> October 2010 and maturity date is 29<sup>th</sup> October 2013. The bond loan will be recognised in the statement of financial position from fourth quarter 2010. Ganger Rolf ASA has borrowed NOK 300 million of the proceeds from the bond issue from Bonheur ASA at identical terms.

## **Note 6 - Taxes**

Early October 2008 Ganger Rolf ASA and Bonheur ASA received a notice of change from the Inland Revenue regarding the taxable income for 2006 following a change of conditions in a convertible loan given to Fred. Olsen Energy ASA. The change may lead to a payable tax liability of NOK 125 million in each company. Both companies are disputing the notice of change.

Early January 2009 a merged former subsidiary of Ganger Rolf ASA and Bonheur ASA received a notice of change from the Inland Revenue regarding the taxable income for 1999 following a corporate restructuring in 1999 / 2000. The company has been in the court (Tingretten) and lost its case, but will consider whether to appeal this decision to a higher court or not.

The Supreme Court has concluded that the transition rules adopted by the Government in December 2007 regarding the transition from the old tax regime to the new tonnage tax system is in breach of the Constitution, paragraph 97. Based on this ruling an associate of Ganger Rolf ASA has reversed a previous tax expense charged in 2007. The effect is a tax income of NOK 113 million which has been included in the accounts for 2009. The net effect on Ganger Rolf ASA is a tax income of NOK 69 million. The accounting treatment of other financial consequences for the Group of companies of the above ruling is pending further clarification from the Ministry of Finance.



# GANGER ROLF ASA

## Note 7 - Ganger Rolf ASA (Parent company – NGAAP)

In December 2009 Bonheur ASA completed a five year, unsecured NOK 1 000 million bond issue, guaranteed by Ganger Rolf ASA (the Company), in the Norwegian market. In accordance with rules set out in the bond agreement between Bonheur ASA and Norsk Tillitsmann ASA (Bond trustee), the condensed financial statements for Ganger Rolf ASA (parent company) is reported in the following.

The unaudited accounts for the parent company have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway (NGAAP) and is based on the same accounting policies as disclosed in the Company's annual report for 2009 (page 53).

(NOK million) - unaudited

### CONDENSED INCOME STATEMENT

Revenues	7,4
Operating costs	-29,4
<b>Operating result before depreciation (EBITDA)</b>	<b>-22,0</b>
Depreciation	-1,9
<b>Operating result (EBIT)</b>	<b>-23,9</b>
Financial revenues	265,8
Financial costs	-69,2
Net financial items	196,6
<b>Result before tax (EBT)</b>	<b>172,7</b>
Estimated tax cost	9,2
<b>Net result after estimated tax</b>	<b>181,9</b>

### Parent, NGAAP

	Jan-Sep 2010	Jan-Sep 2009	Jan-Dec 2009
Revenues	7,4	4,2	8,7
Operating costs	-29,4	-26,2	-41,6
<b>Operating result before depreciation (EBITDA)</b>	<b>-22,0</b>	<b>-22,1</b>	<b>-32,9</b>
Depreciation	-1,9	-1,8	-2,4
<b>Operating result (EBIT)</b>	<b>-23,9</b>	<b>-23,9</b>	<b>-35,3</b>
Financial revenues	265,8	539,1	588,1
Financial costs	-69,2	-92,3	-135,1
Net financial items	196,6	446,7	453,0
<b>Result before tax (EBT)</b>	<b>172,7</b>	<b>422,9</b>	<b>417,7</b>
Estimated tax cost	9,2	10,9	14,8
<b>Net result after estimated tax</b>	<b>181,9</b>	<b>433,8</b>	<b>432,5</b>

### CONDENSED BALANCE SHEET

Deferred tax asset	23,1
Property, plant and equipment	41,2
Investments in subsidiaries	333,1
Investments in associates	3 525,1
Other financial fixed assets	703,3
<b>Non-current assets</b>	<b>4 625,8</b>
Trade and other receivables	77,1
Cash and cash equivalents	98,3
<b>Current assets</b>	<b>175,4</b>
<b>Total assets</b>	<b>4 801,2</b>
Share capital	42,3
Share premium reserve	25,9
Retained earnings	2 939,8
<b>Equity</b>	<b>3 008,0</b>
Non-current interest bearing liabilities	1 687,5
Other non-current liabilities	62,3
<b>Non-current liabilities</b>	<b>1 749,8</b>
Current interest bearing liabilities	0,0
Other current liabilities	43,4
<b>Current liabilities</b>	<b>43,4</b>
<b>Total equity and liabilities</b>	<b>4 801,2</b>

	30.09.2010	30.09.2009	31.12.2009
Deferred tax asset	23,1	10,0	14,0
Property, plant and equipment	41,2	36,2	36,0
Investments in subsidiaries	333,1	332,7	333,1
Investments in associates	3 525,1	2 680,3	2 717,3
Other financial fixed assets	703,3	391,3	500,8
<b>Non-current assets</b>	<b>4 625,8</b>	<b>3 450,5</b>	<b>3 601,1</b>
Trade and other receivables	77,1	95,4	60,5
Cash and cash equivalents	98,3	754,6	1 126,7
<b>Current assets</b>	<b>175,4</b>	<b>850,0</b>	<b>1 187,2</b>
<b>Total assets</b>	<b>4 801,2</b>	<b>4 300,5</b>	<b>4 788,3</b>
Share capital	42,3	42,3	42,3
Share premium reserve	25,9	25,9	25,9
Retained earnings	2 939,8	3 048,9	2 757,9
<b>Equity</b>	<b>3 008,0</b>	<b>3 117,1</b>	<b>2 826,1</b>
Non-current interest bearing liabilities	1 687,5	1 031,4	1 586,4
Other non-current liabilities	62,3	51,8	57,6
<b>Non-current liabilities</b>	<b>1 749,8</b>	<b>1 083,1</b>	<b>1 644,1</b>
Current interest bearing liabilities	0,0	0,0	0,0
Other current liabilities	43,4	100,2	318,1
<b>Current liabilities</b>	<b>43,4</b>	<b>100,2</b>	<b>318,1</b>
<b>Total equity and liabilities</b>	<b>4 801,2</b>	<b>4 300,5</b>	<b>4 788,3</b>





# GANGER ROLF ASA

Parent, NGAAP

## CONDENSED STATEMENT OF CASHFLOW

<i>(NOK million) - unaudited</i>	<b>Jan-Sep 2010</b>	<b>Jan-Sep 2009</b>
<b>Cash flow from operating activities</b>		
Net result after tax	181,9	433,8
<i>Adjustments for:</i>		
Depreciation	1,9	1,8
Net of investment income, interest expenses and net unrealized foreign exchange gains	-185,4	-495,1
Net gain on sale of property, plant and equipment and other investments	-0,3	-2,4
Tax income	-9,2	-10,9
Operating profit before changes in working capital and provisions	-11,2	-72,9
Increase (-) / decrease in trade and other receivables	-16,9	-2,0
Increase / decrease (-) in current liabilities	8,2	11,3
Cash generated from operations	-19,9	-63,6
Interest paid	-25,6	0,0
<b>Net cash from operating activities</b>	<b>-45,5</b>	<b>-63,7</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	47,5	168,6
Interest and dividends received	243,4	568,8
Acquisitions of property, plant and equipment and other investments	-1 062,3	-34,8
<b>Net cash from investing activities</b>	<b>-771,4</b>	<b>702,5</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	241,0	107,8
Repayment of borrowings	-168,1	-1,0
Dividends paid	-284,4	-528,1
<b>Net cash from financing activities</b>	<b>-211,5</b>	<b>-421,4</b>
Net increase in cash and cash equivalents	-1 028,4	217,5
Cash and cash equivalents at 1 January	1 126,7	537,0
<b>Cash and cash equivalents at 30 September</b>	<b>98,3</b>	<b>754,6</b>