



DOF ASA Q4 2010

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Group income for Q4 totalled NOK 1,574 million (NOK 1,161 million), with an operating result before depreciation (EBITDA) of NOK 454 million (NOK 295 million). Consolidated income in 2010 was NOK 5,462 million (NOK 4,327 million) with EBITDA of NOK 1,709 million (NOK 1,234 million).

The DOF Group received delivery of three AHTS vessels in the quarter: Skandi Hercules, Skandi Peregrino and Skandi Ipanema. Two of these vessels started on long-term contracts in Brazil at the end of December.

The pipe-laying vessel (PLSV), Skandi Vitória, was delivered in October and started on a long-term contract with Petrobras. This vessel is the PLSV built in Brazil.

In November, DOF ASA issued a 4.5 year bond loan of NOK 600 million, which was partly utilised to redeem a bond loan due in 2011.

In October, DOF Installer carried out a share issue of NOK 200 million. Subsequent to the issue, DOF Subsea now owns 78.5% of the company.

DOF ASA is an international group involved in the ownership and operation of a fleet comprising supply and subsea vessels and engineering companies providing services to the subsea market. The Group has a modern fleet with an average age of 6.8 years, adjusted in terms of market values to an average age of 3.8 years. As of January, the fleet (partly/wholly owned) comprises 70 vessels (including newbuildings) with fleet composition as follows: 23 AHTS, 22 PSV and 25 CSV. In addition, the Group owns a fleet of 45 ROVs.

The main share of DOF ASA's fleet operates on long-term contracts. As of February, the financial nominal value of these contracts totalled approximately NOK 20 billion, including options with a value of approximately NOK 35 billion. A significant share of the Group's contracts is in Brazil. Contractual coverage in 2011 is 75% with 57% for 2012.

Main items in the interim accounts for Q4

- Operating income amounted to NOK 1,574 million (NOK 1,161 million).
- Operating result before depreciation (EBITDA) totalled NOK 454 million (NOK 295 million).

- The operating result (EBIT) was NOK 112 million (NOK -155 million).
- Total financial costs before unrealised gain/loss on foreign exchange were NOK -352 million (NOK 141 million).
- Unrealised gain/loss on foreign exchange totalled NOK 101 million (NOK -143 million).
- The pre-tax result was NOK -139 million (NOK -157 million).
- Net interest-bearing debt as of 31 December 2010 amounted to NOK 15,407 million (NOK 11,073 million).
- Prepaid instalments on new-buildings as of 31 December 2010 were NOK 1,932 million (NOK 4,595 million).
- Book equity including minority interests as of 31 December 2010 was NOK 6,639 million (NOK 6,809 million).

Comments to fourth quarter operations

The supply fleet in the North Sea reported satisfactory technical operations during the quarter. Fleet utilisation has been close to 100%, with the exception of one vessel which operated on the spot market in the fourth quarter. This vessel reported varying utilisation and earnings for the quarter. When compared with the third quarter, the supply fleet in Brazil has had a lower degree of utilisation. Two vessels were off-hire due to breakdown and technical improvements. Skandi Admiral started on a long-term contract for Petrobras in October. During the quarter, Norskan in Brazil took over the operation of two newbuildings, Skandi Peregrino and Skandi Ipanema, which both started on contracts in the last half of December.

DOF Subsea had an average degree of utilisation of approx. 89% for the fourth quarter. This is in line with the degree of utilisation for the third quarter. The level of activity in the North Sea has been satisfactory, while the market in Asia/Australia has been variable. Skandi Hercules was delivered at the start of December and has since been operating on the spot market in the North Sea. The pipe-laying vessel, Skandi Vitória, started on a contract for Petrobras in October. Geograph completed its assignment for Statnett in Hardanger then sailed to Brazil to start on a 5-year contract for Petrobras. This contract is expected to start in February 2011.

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Financial result and tax

Norskan operates with BRL as functional currency. Significant fluctuations between BRL and USD have a considerable impact on the accounts, even though Norskan has a limited degree of exposure to foreign exchange as all long-term contracts are hedged in the same currencies as the operating and financial costs.

The financial result includes a cost item for unrealised foreign exchange loss of NOK 77 million, relating to the reclassification of hedge accounting.

The estimated tax cost reflects different tax regimes, including taxation for shipping companies, voluntary settlement scheme and significant in-house restructuring in 2010.

Balance sheet

The Group's net interest-bearing liabilities as of 31 December 2010, including unemployed capital, total approximately NOK 13,475 million (NOK 6,478 million). The increase in net interest-bearing debt results from the delivery of newbuildings. The Group received delivery of seven vessels (4 CSV and 3 AHTS) in 2010, of which one vessel was sold. Four of these vessels have started on long term contracts. As of 31 December 2010, cash reserves totalled NOK 2,645 million.

Net cash flow from investments in the period are NOK - 5 442 mill (NOK - 3 264 mill) and net cash flow from financing activities are NOK 4 841 mill (NOK 2 048 mill).

Financing and capital structure

In November, DOF ASA issued a 4.5-year unsecured bond loan of NOK 600 million and redeemed parts of the bond loan which matures in June 2011 and 2013. The cash effect of this transaction totalled approx. NOK 300 million, set aside to redeem the bond loan which matures in June 2011.

In October, DOF Subsea issued a new 3.5-year bond loan of NOK 750 million and redeemed part of the bond loan which matures in March 2011. The cash effect of this transaction amounted to approx. NOK 550 mill.

The remaining commitments for the Group in terms of vessels under construction amount to approx. NOK

7,500 million and cover deliveries in the period from 2011 to 2013. External financing planned for this newbuilding programme totals approx. NOK 6,800 million, of which approx. NOK 5,300 million has been secured long-term financing. Funding has been planned via FMM/BNDES for all vessels to be built in Brazil.

In November, DOF Installer carried out a capital expansion of NOK 200 million with the issue of 10,000,000 shares. DOF Subsea owns 78.5 % of the company subsequent to this transaction.

In December, the Group executed a scheduled refinancing program for a fleet of 10 vessels and entered into new loan agreements corresponding to NOK 2,255 million. In addition, new loans of approx NOK 1,230 million was drawn in connection with the delivery of newbuildings. The Group's financial balance sheet and position at year-end is deemed sufficient to meet the scheduled investments.

Shareholders

There were no significant changes in the company shareholders during the quarter. As of 31 December 2010, the company had 4,314 shareholders. The share price as of 31 December 2010 was NOK 49.40 (NOK 38.50).

The fleet/business activities

In October, DOF Subsea received delivery of Skandi Vitoria, the first pipe-laying vessel to be built in Brazil. The vessel's design is STX OSCV 06 and she is partly owned (50/50) by DOF Subsea and Technip. After delivery, the vessel started on a 4-year contract for Petrobras.

DOF Installer ASA, a subsidiary of DOF Subsea, received delivery of Skandi Hercules in December, this a third vessel in a series with the same design: STX AH 04. The vessel is a large AHTS with 35,000 horsepower and traction of over 350 tons. She will also be fitted with a 140 ton crane and ROVs. Plans for the vessel include operations on the AHTS/subsea project market worldwide.

Aker DOF Deepwater (50/50 owned by DOF and Aker Solutions) received delivery of Skandi Peregrino in November, from STX Vietnam. This vessel is a medium-large AHTS, design STX AH 08. After delivery, the vessel

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sailed to Brazil and started on a 3-year contract for Statoil.

In December, Norskan received delivery of Skandi Ipanema, a medium-large AHTS, design STX AH 05. The vessel started on a contract for OGX in the last half of December. Sanko Bay has been utilised as frontrunner for this contract since April last year.

Market/new contracts

The Group's fleet mainly operates in the North Sea, Brazil and Asia/Australia.

DOF Subsea has experienced a high level of activity within its project business in the North Sea/West Africa in the fourth quarter, with the exception of one vessel which had a low degree of utilisation in December. DOF Subsea UK entered into two contracts in Q4 for Saipem in Angola regarding subsea installations and surveying services.

In Brazil, DOF Subsea has long-term contracts for its entire fleet of vessels and ROVs. The degree of utilisation has been good for the quarter.

DOF Subsea Asia's vessel Geobay was in transit from the North Sea to Asia during a period of time in Q4. This resulted in low earnings for this region.

The spot market in the North Sea has been weak during Q4 and this trend continues in Q1 2011. DOF currently has one vessel on this market. As of December, 98 vessels were operating on the spot market in the North Sea.

In January, DOF entered into two 6-year contracts with Conoco Phillips for two PSVs with STX 09 design. Estimated starts of these contracts are third quarter 2011 and first quarter 2012.

Outlook

The company has a high contractual coverage for its supply fleet and has had a limited degree of exposure to the spot market. There is therefore a low level of uncertainty regarding the earnings in 2011.

The subsea segment expects a fall in earnings in Q1 when compared with Q4 due to the transit of several vessels to new areas for operations and the execution of scheduled upgrades. The earnings for the whole year are expected to be higher than 2010.

In total, the Group plans to take delivery of 10 newbuildings (partly/wholly owned) in 2011. The newbuilding programme consist of three advanced subsea vessels, while four AHTS vessels and three PSVs.

The Board of Directors currently expects earnings for the Group to be higher in 2011 than in 2010.

The Board of Directors for DOF ASA, 23 February 2011

Helge Møgster
(Chairman of the Board)

Helge Singelstad

Oddvar Stangeland

Wenche Kjølås

Britt Mjellem

Mons Aase
(CEO)

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THE GROUPS SUMMARIZED PROFIT AND LOSS ACCOUNT

(MNOK)	Note	Q4 2010	Q4 2009	2010	2009
Operating income	2	1.574	1.161	5.462	4.327
operating expenses vessels	2	1.121	866	3.753	3.094
Operating profit before depreciation EBITDA	2	454	295	1.709	1.234
Depreciation		342	271	1.166	837
Write-down		-	179	-	179
Operating profit - EBIT		112	-155	543	218
Net profit from associated companies		3	24	-5	192
other financial items		-355	117	-839	-163
Unrealized profit/ loss on currencies		101	-143	100	758
Net financial costs		-251	-2	-743	787
Pre-tax profit		-139	-157	-200	1.005
Taxes	7	56	-176	102	201
Result		-195	19	-302	803
Currency translation differences		180	30	88	87
Other income and costs		-0	-12	-1	-16
Other comprehensive income		180	18	87	70
Total comprehensive income		-15	36	-215	873
Profit attributable to					
Minority		-76	-64	-130	201
Majority		-119	83	-171	602
Total comprehensive income attributable to					
Minority		-17	-12	-93	62
Majority		-	43	-121	722

Key Figures

		Q4 2010	Q4 2009	2010	2009
EBITDA margin	1)	29 %	25 %	31 %	29 %
EBIT margin	2)	7 %	-13 %	10 %	5 %
Cashflow per share	3)	0,50	6,97	8,40	12,10
Profit per share ex. minority interest	4)	-1,30	0,94	-1,88	6,87
Profit per share ex. unrealized loss/gain	5)	-3,26	1,84	-4,41	0,52
Return on net capital	6)	-3 %	0 %	-5 %	12 %
Equity ratio	7)	25 %	31 %	25 %	31 %
Net interest bearing debt		15.407	11.073	15.407	11.073
Net interest bearing debt ex. unemployed capital		13.475	6.478	13.475	6.478
No of shares		91.037.975	87.730.811	91.037.975	87.730.811
Face value per share		2	2	2	2

1(Operating profit before depreciation in percent of operating income)

2 (Operating profit in percent of operating income)

3 (Result incl. minority share ex unrealized gain/loss on currencies/average no of shares)

4 (Result ex minority share)/average no. of shares

5 (Result before taxes +depreciation +unrealized loss on currencies +minority)/average no of

6 (Profit after taxes in percent of booked equity)

7 (Equity/total capital)

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THE GROUPS'S SUMMARIZED BALANCE SHEET

(MNOK)	Note	31.12.2010	31.12.2009
ASSETS			
Intangible assets		493	476
Fixed assets		21.541	17.263
Financial assets		289	89
Total non current assets		22.323	17.827
Receivables		2.008	1.744
Cash and cash equivalents	4	2.645	2.214
Total current assets		4.653	3.957
Total Assets		26.976	21.785
EQUITY AND LIABILITIES			
Subscribed equity		860	860
Retained earnings		3.050	3.171
Minority interest		2.729	2.777
Total Equity		6.639	6.809
Provisions for commitment		512	603
Other long-term liabilities		16.427	11.371
Total long-term liabilities		16.939	11.973
Debt to credit institutions	6	1.888	2.128
Other short term liabilities		1.510	874
Total short term liabilities		3.397	3.002
Total liability and equity		26.976	21.785

SUMMARIZED CASH FLOW STATEMENT

(MNOK)	2010	2009
Cash flow from operation activity	1.033	599
Cash flow from investment activity	-5.442	-3.264
Cash from financial activity	4.841	2.048
Changes in cash over the period	431	-618
Liquid assets at the beginning of the period	2.214	2.832
Liquid assets at the end of the period	2.645	2.214

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STATEMENT OF CHANGES IN EQUITY

	Subscribed equity	Currency Differences	Retained equity	Total retained equity	Minority interests	Total equity
Balance 01.01.2009	620	-	2.450	2.450	2.429	5.499
Net earnings in the period	-	-	651	651	152	803
Other comprehensive income	-	70	-	70	-	70
Capital increase	240	-	-	-	-	240
Transaction with minority	-	-	-	-	196	196
Balance 31.12.2009	860	70	3.101	3.171	2.777	6.809
Balance 01-01-2010	860	70	3.101	3.171	2.777	6.809
Net earnings in the period	-	-	-171	-171	-130	-302
Other comprehensive income	-	52	-	52	36	88
Capital increase	-	-	-	-	-	-
Capital from minority	-	-	-	-	45	45
Balance 31.12.2010	860	123	2.929	3.051	2.728	6.639

SHARE CAPITAL AND SHAREHOLDERS

Largest shareholders as of 31.12.10

Name	No. shares	Shareholding	Voting shares
MØGSTER OFFSHORE AS	46.210.050	50,76 %	50,76 %
ODIN NORGE	6.044.552	6,64 %	6,64 %
SKAGEN VEKST	4.954.800	5,44 %	5,44 %
PARETO AKSJE NORGE	4.901.407	5,38 %	5,38 %
PARETO AKTIV	2.233.300	2,45 %	2,45 %
MP PENSJON PK	1.845.600	2,03 %	2,03 %
ODIN OFFSHORE	1.751.900	1,92 %	1,92 %
PARETO VERDI	1.008.898	1,11 %	1,11 %
VESTERFJORD AS	873.650	0,96 %	0,96 %
DNB NOR SMB	800.000	0,88 %	0,88 %
MUSTAD INDUSTRIER AS	590.000	0,65 %	0,65 %
HOLBERG NORGE	515.550	0,57 %	0,57 %
MOCO AS	498.100	0,55 %	0,55 %
SKANDINAVISKA ENSKILDA BANKEN	415.015	0,46 %	0,46 %
PACTUM AS	400.000	0,44 %	0,44 %
CITIBANK N.A. NEW YORK BRANCH	390.565	0,43 %	0,43 %
ODIN NORGE II	380.340	0,42 %	0,42 %
FORSVARETS PERSONELLSERVICE	356.200	0,39 %	0,39 %
ODIN MARITIM	339.800	0,37 %	0,37 %
POSH AS	282.600	0,31 %	0,31 %
Total	74.792.327	82,16 %	82,16 %
Total other shareholders	16.245.648	17,84 %	17,84 %
Total no of shares	91.037.975	100 %	100 %

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Notes to the Condensed Financial statements

Note 1 General

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

The interim report has not been audited and should be read in the context of the annual report for 2009. The Financial statement are unaudited.

Note 2 Segment information

Operating income and EBITDA per segment

Operating Income	Q4 2010	Q4 2009	2010 YTD	2009 YTD
PSV	184	200	747	709
AHTS	234	207	877	711
CSV	1.156	782	3.838	2.907
Not allocated	-	-28	-	-
Total	1.574	1.161	5.462	4.327

EBITDA	Q4 2010	Q4 2009	2010 YTD	2009 YTD
PSV	70	32	270	231
AHTS	90	45	370	292
CSV	293	199	1.069	712
Not allocated	-	20	-	-
Total	453	295	1.709	1.234

Note 3 Events after balance sheet date

There have been no significant events after balance sheet date with any effect on the accounts

Note 4 Cash and cash equivalent

	31.12.2010	31.12.2009
Cash and cash equivalent	2.645	2.214
Of which is restricted cash	-948	-1.131
Free cash and cash equivalent	1.697	1.083

Note 5 Transaction with related parties

There have been transactions with related parties in 4 Quarter, including establish of PSV Invest I AS. The transactions is done at market terms.

Note 6 Short-Term of long-term debt

Short term debt of long terms debt amount to NOK 1 888 mill at 31.12.2010.

Note 7 Taxes

Taxes per 31.December 2010 are an estimate.

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