

DOF ASA FINANCIAL REPORT

Q2 2014



DOF

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Financial Report Q2 2014

Group income for Q2 totals NOK 2,791 million (NOK 2,493 million), with an operating profit before depreciation (EBITDA) of NOK 866 million (NOK 773 million). Operating profit (EBIT) is NOK 608 million (NOK 470 million). Year to date the Group reports total revenues of NOK 5,032 million (NOK 4,487 million) and EBITDA of NOK 1,826 million (NOK 1,379 million), including gain from sale of assets of NOK 204 million (NOK 5 million).

Average utilisation for the Group's fleet in Q2 was 91% (93%). The Subsea fleet had a utilisation of 92% (95%), and the AHTS and PSV fleet 91% (92%). The Group had, during the quarter, six vessels fully or partly in the North Sea spot market where the utilisation was volatile. The Subsea project fleet's utilisation was 71% (85%) during the period.

The subsidiary Norskan took in Q2 delivery of the newbuilding Skandi Urca from Vard Niterói and the vessel started on a long term charter with Petrobras.

DOF ASA is an international Group of companies operating within three segments; PSV, AHTS and Subsea. The Group owns a modern fleet of vessels with an average age of eight years, a ROV fleet of 68 units including new buildings, and several companies offering engineering services to the subsea market. As of June 2014 the fleet consists of 77 vessels (wholly/partly owned) of which 70 vessels are in operation and 7 are new buildings due for delivery in the period 2015-2017. The fleet including new buildings consist of the following type of vessels: 20 AHTS, 24 PSV and 33 Subsea vessels.

The DOF Group operates the majority of its fleet on long-term contracts. As of 30 June 2014 the nominal value of these contracts totals approx. NOK 27,873 million excluding options and approx. NOK 60,677 million including options. The contract coverage for the second half 2014 is 85% (86%) and for 2015 is 57% (61%).

Q2 Operations

The main part of the Group's PSV and AHTS fleet is operating on long-term contracts, while the Subsea fleet partly operates on long-term contracts and partly in the project market, where the utilisation is affected by the market and seasonal fluctuations. The subsea segment also includes engineering services.

PSV

The PSV fleet included in Q2 24 vessels, of which 20 vessels operated in the North Sea and 4 vessels operated in Brazil. The Group was during the period exposed to the North Sea spot

market with five vessels, where utilisation and revenues were volatile. The fleet obtained 92% (98%) utilisation during the period. One vessel, Skandi Falcon, was in transit from Singapore to the North Sea during the period without income. One vessel, Skandi Captain, secured a fixed contract in June, which was an extension of the existing charter, giving the vessel close to 100% utilisation for the period. The Group holds a minority stake in Skandi Aukra, which ended its contract in West-Africa in May. The vessel has been relocated to the North Sea and has obtained acceptable utilisation and earnings in the spot market during the period. The Brazilian operated PSVs' were on fixed contracts throughout the quarter.

AHTS

The AHTS fleet includes 18 vessels in operation, of which 13 vessels operate in South America, more precisely Brazil and Argentina, two vessels operate in the North Sea and three vessels in Australia/New Zealand. Five vessels are owned 50% through DOF Deepwater AS. The main part of the AHTS fleet is on fixed contracts, and the fleet has obtained a utilisation of 89% (83%) during the period.

The vessels operating in Brazil were committed on fixed contracts during the quarter, two of these vessels mobilised for new contracts. Skandi Ipanema mobilised for a 4-year contract with Petrobras, starting mid-May and this contract includes charter of both vessel and ROV. Further, Skandi Copacabana mobilised for a new 4-year contract with Petrobras. The newbuild Skandi Urca was delivered in April and started on an 8-year contract with Petrobras.

Two vessels, both with start-up on new contracts in Q1, were in Q2 fully utilised on fixed contracts for Total in Argentina. Three vessels have been operating on contracts in New Zealand and Australia.

Two vessels, of which one is owned with a minority share of 20%, operated in the North Sea spot market where both revenues and utilisation were quite weak. Both vessels have in Q3 been moved to the Mediterranean for contracts in this region.

SUBSEA

The Subsea fleet comprises 28 vessels in operations, of which the majority of the fleet is controlled by the subsidiary DOF Subsea.

The activity in the subsea project market has been volatile in some of the regions, in addition to downtime on some vessels between contracts. Average utilisation during Q2 for the project

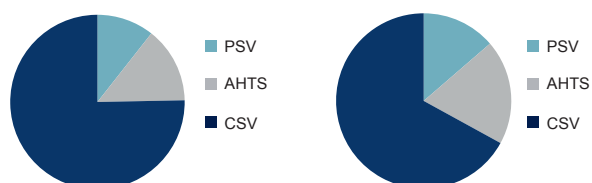
fleet was 72%; 74% in April, 74% in May and 67% in June.

The project activity in Asia Pacific was high in April and May, however somewhat lower in June due to downtime on Skandi Hercules between contracts. The vessels were utilised on projects in Vietnam, Indonesia and Australia. The North Sea project activity was high during the period where increased activity on the Banff field, together with the “call-off” project contract for Statoil contributed positively, while the delay on the Goliat contract caused reduced utilisation for Skandi Skolten in May. The hired vessel Normand Reach was delivered during the second half of the quarter, and was utilised 18 days in June. The project activity in US-Gulf has been good during the period, represented by 4 vessels, of which three are hired in. Harvey Deep-Sea was fully utilised and worked on the same project throughout the period. Chloe Candies sailed to Brazil in April to start on a contract with Saipem, which is expected to last until November. The other vessels had variable utilisation, including Skandi Inspector, which was docked in May/June as preparation for a contract in Canada.

The remaining Subsea fleet is committed on firm contracts and obtained a stable utilisation during the period. The average utilisation was 97% during Q2; 95% in April, 96% in May and 99% in June.

The allocation of Operating income and EBITDA per segment is as follows:

Operating income per segment Q2 2014 Operating Ebitda per segment Q2 2014



Main Items Interim Accounts Q2 - Management Reporting (proportional consolidation)

- Operating income totals NOK 2,791 million (NOK 2,493 million).
- Operating profit before depreciation (EBITDA) totals NOK 866 million (NOK 773 million incl. gain on sale of assets of NOK 5 million).
- Operating profit (EBIT) totals NOK 608 million (NOK 470 million).
- Net financial expenses before unrealised gain/loss on foreign exchange and change in fair value of financial instruments totals NOK -381 million (NOK -307 million).
- Unrealised gain/loss on foreign exchange and change

in fair value of financial instruments totals NOK -26 million (NOK -519 million).

- Pre-tax profit excl. unrealised gain/loss on foreign exchange and change in fair value of financial instruments totals NOK 227 million (NOK 162 million).
- Pre-tax profit totals NOK 201 million (NOK -357 million).
- Net interest bearing debt as of 30 June totals NOK 22,067 million (NOK 22,658 million).
- Book equity including minority interests as of 30 June is NOK 7,365 million (NOK 6,408 million).

Main Items Interim Accounts Q2 - Financial Reporting

The Group has from 1 January 2014 and in accordance with IFRS 11 changed the principles for consolidation of joint ventures. Historically, joint ventures have been consolidated proportionally, but from 1 January 2014, investments in joint ventures should as mentioned above be consolidated in accordance with the equity method. In the opinion of the Board of Directors and management the proportional consolidation method gives a better comprehension of the Group's historical earnings and risk exposure compared to the equity method. DOF's internal reporting (management reporting) is therefore based on proportional consolidation. The same principle is used for the segment reporting.

- Operating income totals NOK 2,669 million (NOK 2,380 million).
- Operating profit before depreciation (EBITDA) totals NOK 804 million (NOK 654 million including gain on sale of assets NOK 5 million).
- Operating profit (EBIT) totals NOK 568 million (NOK 368 million).
- Net financial expenses before unrealised gain/loss on foreign exchange and change in fair value of financial instruments totals NOK -355 million (NOK -287 million).
- Unrealised gain/loss on foreign exchange and net changes in fair value of financial instruments totals NOK -27 million (NOK -414 million).
- Pre-tax result excl. unrealised changes in foreign exchange and financial instruments totals NOK 212 million (NOK -82 million).
- Pre-tax profit totals NOK 185 million (NOK -332 million).
- Net interest bearing debt as of 30 June is NOK 20,332 million (NOK 20,725 million).
- Book equity including minority interest as of 30 June is NOK 7,365 million (NOK 6,408 million).

Tax expense is based on best estimate.

Total balance as of 30 June is NOK 31,642 million (NOK 30,983 million), of which vessels, new buildings and subsea equipment amounts to NOK 24,515 million (NOK 24,351 million). The increase in long term assets from Q1 2014 is due to the delivery of a new building. Capital not employed mainly relates to prepaid instalments on seven new buildings totalling NOK 596 million (NOK 362 million).

Cash flow from operations in Q2 totals NOK 164 million (NOK 162 million). Net cash flow from investment activities totals NOK -655 million (NOK -487 million), and from financing activities NOK 313 million (NOK 139 million).

Cash Flow

MNOK	Q2 2014	Q2 2013
Cash from operating activities	525	495
Net interest paid	-345	-308
Taxes paid	-15	-25
Net cash from operating activities	164	162
Net cash from investing activities	-655	-487
Net cash from financing activities	313	139
Net changes in cash and cash equivalents	-177	-186
Cash and cash equivalents at start of the period	2 062	2 067
Exchange gain/loss on cash and cash equivalents	-1	14
Cash and cash equivalents at the end of the period	1 884	1 894

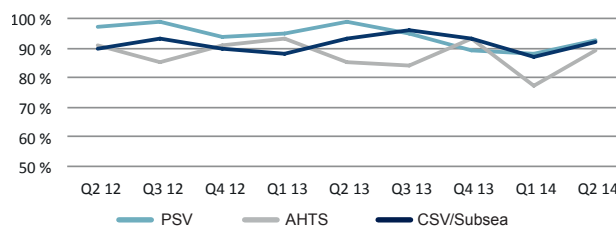
Main Items Accounts Year to Date 2014 - Financial Reporting

Total operating revenues year to date is NOK 4,797 million (NOK 4,266 million). EBITDA is MNOK 1,718 million (NOK 1,203 million), of which gain from sale of asset is NOK 204 million (NOK 5 million). Operating profit year to date is NOK 1,268 million (NOK 638 million). The depreciations are slightly reduced in 2014 compared to same period last year, mainly due to the adjustments of residual values in accordance with the prevailing accounting principles, where market values should be used as basis for residual values when calculating depreciation. Net financial expenses total NOK -661 million (NOK -1,066 million), of which unrealised gain/loss on foreign exchange on long-term debt and change in fair value of financial instruments totals NOK -50 million (NOK -450 million). The implementation of hedge accounting has led to less volatility related to the financial results year to date.

Cash flow from operating activities year to date totals NOK 381 million (NOK 175 million). Net cash flow from investment activities totals NOK -302 million (NOK -1,127 million), and from finance activities NOK -406 million (NOK 893 million).

Average utilisation of the fleet has year to date been 90% (97%) for the PSV fleet, 81% (88%) for the AHTS fleet and 90% (92%) for the Subsea fleet.

Fleet utilisation



Financing and Capital Structure as of June

The Group's remaining commitment for vessels under construction totals approx. NOK 6,900 million as per 30 June and covers seven vessels with scheduled delivery from 2015-2017. The building contracts are all fixed-price contracts with payment terms which include part-payments prior to delivery. Four vessels are under construction at Vard, Brazil, and three vessels at Vard, Norway. Four of the new buildings are owned 50/50 through a joint venture company between DOF Subsea and Technip. All new buildings are secured on long-term contracts.

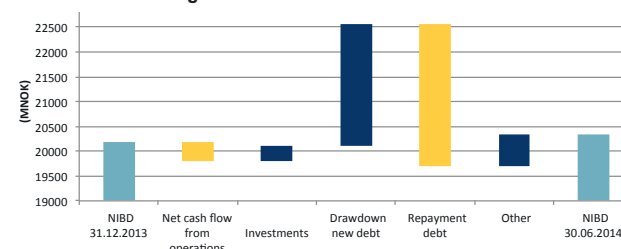
The Group's subsidiary Norskan increased its long term debt in April upon the delivery of the new building Skandi Urca in Brazil. The vessel is the first out of three vessels to be delivered, and long-term financing has been agreed with BNDES and GIEK & commercial bank.

The subsidiary DOF Subsea has in April paid the bond loan DOFSUB04 in full, with a net cash effect of NOK 454 million. DOF Subsea has in addition refinanced one vessel during the period.

The portion of long-term debt secured with fixed rate of interest is approx. 57%, and includes debt with fixed interest debt in BNDES. The Group's net interest bearing debt ratio on total assets is 65%.

The development of interest bearing debt year to date is as follows:

Net Interest Bearing Debt 31.12.13 - 30.06.14



Vessels and equipment constitute approx. 77% of total assets. The market value of the Group's vessels are based on broker estimates (free of charter) as per June 2014 and shows steady development year to date, even though they are marginally down for parts of the PSV and AHTS segment. The obtained broker estimates represent a considerable excess value compared to book values as of 30 June 2014, and based thereupon the fair value (NAV) per share is NOK 79.

The Group's main financial covenants in existing loan agreements are based upon minimum value adjusted equity ratio of 30% or minimum 20% if the Group's contract coverage exceeds 70% for the next 12 months, and a minimum cash covenant of NOK 500 million for the Group. The Group reports book equity ratio of 23% of total assets and a value adjusted equity ratio of 36%. The Group's free liquidity as of June 30 is NOK 1,192 million and the Group's contract coverage for 2014 is 85%. The Group is in compliance with its financial covenants as of 30 June 2014.

Shareholders

There were no significant changes in the shareholders structure during the period. As of 30 June, the company had 3,095 shareholders. The share price per 30 June was NOK 29.50 per share.

The Fleet

As per end of June the Group's fleet totals 70 vessels in operation and 7 vessels under construction. The vessels under construction are two AHTS, one construction support vessel and four PLSVs (owned 50% with Technip). The Group also holds minority stakes in two additional vessels; Skandi Aukra and Skandi Iceman. Finally, DOF Subsea owns and operates a fleet of 49 ROVs and has another 19 on order.

DOF Subsea has one construction vessel, Hull no. 800 (Skandi Africa), under construction at Vard, Norway with planned delivery in 2015. The vessel has a LOA of 161m and a beam 32m and will be equipped with a 900 ton crane. The vessel will enter into a 5-year contract with Technip upon delivery. DOF Subsea has secured long-term financing for the vessel.

A joint venture company owned by DOF Subsea and Technip has ordered four PLSVs, of which two are to be built in Norway and two in Brazil. All vessels are secured 8+8 years contracts with Petrobras. The vessels will be equipped to operate in ultra-deep water; the Norwegian built vessels will be equipped with 650 ton pipe-laying towers and the Brazilian built vessels will be equipped with 350 ton pipe-laying towers. The vessels will be delivered in the period from 2016 to 2017. The vessels

are secured on long-term funding via export credits in Norway and Brazil.

Norskan has, as per end June, two out of a series of three AHTS under construction at Vard, Brazil. The first vessel, Skandi Urca, was delivered in April, and the other two have expected delivery in 2015. The vessels have secured long-term contracts and also long-term financing.

DOF Subsea has per end June four external vessels on TC contracts. Harvey Deep-Sea is hired for a period of four years from mid-2013, and Chloe Candies and Ross Candies for periods of 1+1 year. All vessels are Jones Act vessels and are utilised for DOF Subsea's activity in the Gulf of Mexico. DOF Subsea has entered into an agreement to hire Normand Reach for a period of 2+2x1 year, and this vessel will be utilised for the project activity in the Atlantic region. The vessel is a new building and was delivered in June 2014.

AKOFS 2 has declared its purchase option on Skandi Aker, and the vessel will be delivered to new owner in February 2015.

New Contracts

The Group's fleet operates world-wide, with the most important operational areas being the North Sea, Africa, Brazil and Asia/Australia.

DOF Subsea has during the period been awarded several new contracts for its project activity both in the Atlantic region and Asia, and secured good utilisation in Q3. In North America, DOF Subsea has secured an 80-day contract for Skandi Inspector in Canada, and the vessel mobilised for the contract in June. Subsea7 has exercised the last option on Skandi Seven, and this contract now ends in March 2017. Subsea7 has further exercised its option on Skandi Neptune and the vessel is committed until Q1 2016.

Skandi Captain (PSV) was in June awarded an 18+6 months contract with Nexen Petroleum UK Ltd. in the North Sea UK Sector. Skandi Chieftain has entered into a 1-year contract with Petrobras with start-up in June and further, Skandi Yare secured a new 4-year contract with Petrobras in July with estimated start-up late 2014. DOF Rederi secured in July two firm contracts in the Mediterranean for two AHTS vessels.

The Market

The North Sea spot market has been weaker than expected for both the PSV and AHTS segment, and the trend has continued into Q3. Despite the fact that several vessels have left the North Sea, this has not had the expected effect on

utilisation and prices in the spot market. A small amount of large clients in the North Sea have demanded fewer vessels this summer season compared to last year, which indicates a weaker market in the region going forward. As per end of June, 305 vessels operated in the North Sea market, of which 96 vessels operated in the spot market.

The Brazilian market shows continued demand for vessels, with several contract awards so far this year and continued high tender activity within all segments. The subsea project market in Asia/ Australia has been weaker during 2014 compared to last year, as expected. High supply in this region for planned activity next year gives expectations about higher activity in 2015.

Outlook

The Group has as per August 70 vessels in operation, of which the main part of the fleet is secured on long-term contracts.

The Group is for the time being exposed to the North Sea spot market with five PSVs. The earnings from this fleet are uncertain based on expectations of a continued weak market. The Group maintains its strategy to have the majority of the fleet on longterm contracts, and is actively working with securing firm contracts for this part of the fleet.

The number of DOF Subsea vessels on firm time charter contracts is expected to be stable for the remaining part of the year and the activity for the subsea project fleet is expected to be volatile in the various regions.

The Board of Directors expects at present better operational EBITDA for second half of 2014 than achieved by the Group for the first half 2014. The Board of Directors further refers to the Group presentation for Q2, 2014 at www.dof.no.

Declaration from the Board of Directors and the CEO

We declare that to the best of our knowledge the financial statements for the period 1 January to 30 June 2014, are prepared in accordance with IAS34 accounting standards for interim reporting, and that the information provided gives a true and fair view of the Company's assets, liabilities, profit and loss, and overall financial position.

We also declare, that to the best of our knowledge the first half 2014 report provides a true and fair overview of important events during the accounting period and their influence on the interim account, as well as the most significant risks and uncertainties facing the Group during the following accounting period, in addition to material transactions with related parties.

Board of Directors of DOF ASA, 20 August 2014

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Chairman

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Accounts Q2 2014 - management reporting

Condensed consolidated income statement and balance

(MNOK)	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
Operating income	2 791	2 493	5 032	4 487	9 754
Operating expenses	-1 925	-1 728	-3 411	-3 123	-6 651
Net profit from associated and joint ventures	-	3	2	9	1
Net gain on sale of tangible assets	-	5	204	5	8
Operating profit before depreciation EBITDA	866	773	1 826	1 379	3 112
Depreciation	-258	-303	-490	-605	-1 193
Operating profit - EBIT	608	470	1 336	773	1 919
Finance income, finance cost and realised gain/loss on currencies	-381	-307	-755	-656	-1 332
Net unrealised gain/loss on currencies and net changes of fair value on financial instruments	-26	-519	56	-558	-612
Net financial costs	-407	-827	-700	-1 214	-1 944
Profit (loss) before taxes	201	-357	636	-440	-25
Taxes	-13	90	-43	90	-27
Profit	188	-267	594	-350	-52
Profit attributable to					
Non-controlling interest	96	-9	302	-39	139
Controlling interest	92	-258	292	-311	-191
Profit and diluted profit per share ex non-controlling interest	0,83	-2,32	2,63	-2,80	-1,72

Balance

(MNOK)	30.06.2014	30.06.2013	31.12.2013
ASSETS			
Intangible assets	724	784	781
Tangible assets	27 740	27 201	26 890
Non-current financial assets	292	363	258
Total non-current assets	28 757	28 347	27 928
Receivables	2 892	2 584	2 503
Cash and cash equivalents	1 969	2 142	2 314
Total current assets	4 861	4 727	4 817
Total assets	33 617	33 074	32 745
EQUITY AND LIABILITIES			
Equity	7 365	6 408	6 346
Non-current provisions and commitments	146	154	155
Non-current liabilities	19 665	22 074	21 421
Current liabilities	6 441	4 438	4 822
Total liabilities	26 253	26 666	26 399
Total equity and liabilities	33 617	33 074	32 745

Accounts Q2 2014

Condensed consolidated income statement

(MNOK)	Note	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
Operating income		2 669	2 380	4 797	4 266	9 289
Operating expenses		-1 900	-1 689	-3 355	-3 046	-6 499
Net profit from associated and joint ventures	5	35	-42	72	-23	67
Net gain on sale of tangible assets		-	5	204	5	8
Operating profit before depreciation EBITDA		804	654	1 718	1 203	2 865
Depreciation		-237	-286	-450	-565	-1 113
Impairment loss		-	-	-	-	-
Operating profit - EBIT		568	368	1 268	638	1 752
Financial income		19	19	43	37	76
Financial costs		-329	-337	-681	-689	-1 357
Net realized gain/loss on currencies		-45	31	-73	36	37
Net unrealized gain/loss on currencies		2	-458	57	-468	-570
Net changes in fair value of financial instruments		-29	44	-7	18	-6
Net financial costs		-383	-700	-661	-1 066	-1 820
Profit (loss) before taxes		185	-332	607	-428	-68
Taxes	10	3	65	-14	78	16
Profit (loss) for the period		188	-267	594	-350	-52
Profit attributable to						
Non-controlling interest		96	-9	302	-39	139
Controlling interest		92	-258	292	-311	-191
Profit and diluted profit per share ex non-controlling interest		0,83	-2,32	2,63	-2,80	-1,72

Condensed statement of comprehensive income

(MNOK)	Note	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
Profit (loss) for the period		188	-267	594	-350	-52
Items that will be subsequently reclassified to profit or loss						
Currency translation differences (CTA)		161	-94	198	48	-44
Hedges	4	125	6	230	-9	-178
Items that will not be reclassified to profit or loss						
Defined benefit plan actuarial gain (loss)		-	-	-	-	1
Other comprehensive income/loss net of tax		286	-88	428	39	-222
Total comprehensive income/loss		474	-355	1 022	-312	-275
Total comprehensive income/loss net attributable to						
Non-controlling interest		154	-25	381	-34	91
Controlling interest		320	-330	640	-278	-366

Condensed consolidated statement of financial position

(MNOK)	Note	30.06.2014	30.06.2013	31.12.2013
ASSETS				
Deferred tax assets		288	340	328
Goodwill		426	405	418
Intangible assets		715	746	746
Vessel and equipments		23 919	23 990	23 483
Newbuildings		596	362	406
Tangible assets		24 515	24 351	23 888
Investment in associated and joint ventures	5	1 324	898	1 172
Other non-current receivables		366	589	283
Non-current financial assets		1 690	1 487	1 455
Total non-current assets		26 920	26 584	26 090
Trade receivables		2 028	1 923	1 832
Other receivables		810	582	594
Current receivables		2 838	2 505	2 426
Restricted deposits		693	849	734
Cash and cash equivalents		1 192	1 045	1 484
Cash and cash equivalents incl. restricted deposits	6	1 884	1 894	2 219
Total current assets		4 723	4 399	4 645
Total assets		31 642	30 983	30 735
EQUITY AND LIABILITIES				
Paid in equity		1 452	1 452	1 452
Other equity		2 569	2 040	1 929
Non-controlling interests		3 344	2 916	2 965
Total equity		7 365	6 408	6 346
Deferred taxes		74	87	78
Other provisions		44	37	48
Non-current provisions and commitments		118	124	126
Bond loan	7	4 820	4 411	4 722
Debt to credit institutions	4, 7	12 720	15 343	14 460
Derivatives	7	345	350	356
Other non-current liabilities		35	189	47
Non-current liabilities		17 920	20 293	19 585
Current part of bond loan and debt to credit institutions	7	4 536	2 784	3 147
Accounts payable		1 142	897	1 040
Other current liabilities		562	477	490
Current liabilities		6 240	4 158	4 678
Total liabilities		24 277	24 575	24 388
Total equity and liabilities		31 642	30 983	30 735

Condensed consolidated statement of equity

(MNOK)	Paid-in capital	Retained earnings	Currency translation differences	Total	Non-controlling interest	Total equity
Balance at 01.01.2014	1 452	2 196	-267	1 929	2 965	6 346
Total comprehensive income/loss		360	280	640	381	1 022
Transaction with non-controlling interests		-		-	-3	-3
Balance at 30.06.2014	1 452	2 556	13	2 569	3 344	7 365
Balance at 01.01.2013	1 452	2 409	-92	2 317	2 950	6 720
Total comprehensive income/loss	-	-316	38	-278	-34	-312
Transaction with non-controlling interests	-	-	-	-	-1	-1
Balance at 30.06.2013	1 452	2 094	-54	2 040	2 916	6 408

Key figures

		Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
EBITDA margin ex net gain on sale of vessel	1)	30 %	27 %	32 %	28 %	31 %
EBITDA margin	2)	30 %	27 %	36 %	28 %	31 %
EBIT margin	3)	21 %	15 %	26 %	15 %	19 %
Cashflow per share	4)	4,04	3,30	9,06	5,29	14,60
Profit per share ex. non-controlling interest *)	5)	0,83	-2,32	2,63	-2,80	-1,72
Profit per share ex. unrealized gain/loss	6)	1,94	1,32	4,89	0,90	4,71
Return on net capital	7)			8 %	-5 %	-1 %
Equity ratio	8)			23 %	21 %	21 %
Value adjusted equity	9)			36 %	37 %	38 %
Value adjusted equity per share	10)			79	76	81
Net interest bearing debt				20 332	20 725	20 184
Net interest bearing debt ex. unemployed capital				19 736	20 363	19 779
No of shares		111 051 348	111 051 348	111 051 348	111 051 348	111 051 348
Outstanding number of shares		111 051 348	111 051 348	111 051 348	111 051 348	111 051 348

*) Diluted number of share is the same as number of shares

1) Operating profit before net gain on sale of vessel and depreciation in percent of operating income.

2) Operating profit before depreciation in percent of operating income.

3) Operating profit in percent of operating income.

4) Pre-tax result + depreciation and write downs +/- unrealized gain/loss on currencies +/- net changes in fair value of financial instruments/average no of shares.

5) Result ex non-controlling interest share)/average no. of shares.

6) Result incl non-controlling interest + net unrealized currency gain/loss + net changes fair value of financial instruments)/average no of shares.

7) Result incl non-controlling interest/total equity

8) Total equity/Total balance

9) Equity adjusted for excess values from broker valuation/Total assets adjusted for excess values from brokers valuation.

10) Value adjusted equity/ Outstanding number of shares.

Condensed statement of cash flow

(MNOK)	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
Profit before taxes	185	-344	607	-428	-52
Profit/loss on disposal of tangible assets	-	-5	-204	-5	-8
Depreciation and impairment of tangible assets	237	286	450	565	1 113
Net interest cost	354	347	682	681	1 281
Changes in accounts receivables	-445	-362	-196	-577	-486
Changes in accounts payable	227	188	102	314	457
Foreign exchange gain/losses	6	343	-77	401	551
Changes in other working capital	-4	-	-195	-98	-187
Share of profit/loss from associates	-35	42	-72	23	-67
Cash from operating activities	525	495	1 097	875	2 602
Net interest paid	-345	-308	-692	-672	-1 288
Taxes paid	-15	-25	-24	-28	-29
Net cash from operating activities	164	162	381	175	1 285
Payments received for sale of tangible assets	7	82	934	82	87
Purchase of tangible assets	-629	-582	-1 167	-1 225	-1 455
Purchase of shares and associates	-1	-	-1	-	-29
Other investments	-31	12	-68	15	36
Net cash from investing activities	-655	-487	-302	-1 127	-1 361
Proceeds from borrowings	1 616	714	2 451	2 286	3 186
Repayment of borrowings	-1 303	-576	-2 854	-1 394	-2 754
Payments from non-controlling interests	-	-	-3	1	-99
Net cash from financing activities	313	139	-406	893	333
Net changes in cash and cash equivalents	-177	-186	-328	-58	257
Cash and cash equivalents at the start of the period	2 062	2 067	2 219	1 940	1 940
Exchange gain/loss on cash and cash equivalents	-1	14	-7	12	22
Cash and cash equivalents at the end of the period	1 884	1 894	1 884	1 894	2 219

Notes to the Accounts

Note 1 General

DOF ASA (the “Company”) and its subsidiaries (together, the “Group”) own and operate a fleet of PSV, AHTS, subsea vessels and service companies offering services to the subsea market worldwide.

The Company is a public limited company, which is listed on the Oslo Stock Exchange and incorporated and domiciled in Norway. The head office is located at Storebø in the municipality of Austevoll, Norway.

These condensed interim financial statements were approved for issue on 20 August 2014. These condensed interim financial statements have not been audited.

Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS.

The accounting policies adopted are consistent with those of the previous financial year, except as described below:

Amendment to IFRS 10, 11 and 12 on transition guidance

These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

IFRS 10, ‘Consolidated financial statements’

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It defines the principle of control, and establishes controls as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. It also sets out the accounting requirements for the preparation of consolidated financial statements. The implementation of IFRS 10 has no effect on the historical financial statements of the Group.

IFRS 11, ‘Joint arrangements’

IFRS 11 focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

The Group has historically applied the proportional consolidation method when accounting for joint ventures. As a consequence of the new standard, the Group will have to change their accounting of joint ventures to the equity method. For comparison purpose, the Group has restated 2013 financial statements.

Changes from proportional consolidation as a method, to use equity method, do not effect profit /loss or equity, but gives effects on other balance sheet and profit/loss items. The effect using equity method compared with proportional consolidation method for Q2 2014 are a reduction in EBITDA with NOK 61 mill. Total assets and total liabilities has been reduced with NOK 1 975 million. The equity ratio has increased from 22% to 23%.

Net income of associates and joint venture has been presented separately in the income statement as part of EBITDA. Net income from associates was previously presented as part of financial results.

IFRS 12, 'Disclosures of interests in other entities'

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standards will be adopted in the calendar year 2014. The implementation has no significant effect on the historical financial statements of the Group.

IAS 27 (revised 2011), 'Separate financial statements'

IAS 27 (revised 2011) includes the requirements relating to separate financial statements. The revised standard will not be adopted before the calendar year 2014. The implementation has no significant effect on the historical financial statements of the Group.

IAS 28 (revised 2011), 'Associates and joint ventures'

IAS 28 (revised 2011) includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. See effect described in relation to changes in IFRS 11.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013, with the exception of changes in estimates that are required in determining the provision for income taxes.

Note 2 Impact implementations IFRS 11

RESULT	Q2 2014			YTD Q2 2014		
(MNOK)	Management reporting (Proportional consolidation)	IFRS 11 Impact	Q2 2014	Management reporting (Proportional consolidation)	IFRS 11 Impact	YTD Q2 2014
Operating income	2 791	-122	2 669	5 032	-234	4 797
Operating expenses	-1 925	26	-1 900	-3 411	56	-3 355
Net profit from associated and joint ventures	-	35	35	2	70	72
Net gain on sale of tangible assets	-	-	-	204	-	204
Operating profit before depreciation EBITDA	866	-61	804	1 826	-108	1 718
Depreciation	-258	21	-237	-490	40	-450
Operating profit - EBIT	608	-40	568	1 336	-68	1 268
Finance income, finance cost and realised gain/loss on currencies	-381	25	-355	-755	44	-711
Net unrealised gain/loss on currencies and net changes of fair value on financial instruments	-26	-1	-27	56	-5	50
Net financial costs	-407	24	-383	-700	39	-661
Profit (loss) before taxes	201	-16	185	636	-29	607
Taxes	-13	16	3	-43	29	-14
Profit (loss)	188	-	188	594	-	594

BALANCE	Balance 30.06.2014		
(MNOK)	Management reporting (Proportional consolidation)	IFRS 11 Impact	30.06.2014
ASSETS			
Intangible assets	724	-9	715
Tangible assets	27 740	-3 226	24 515
Non-current financial assets	292	1 398	1 690
Total non-current assets	28 757	-1 837	26 920
Receivables	2 892	-53	2 838
Cash and cash equivalents	1 969	-85	1 884
Total current assets	4 861	-138	4 723
Total assets	33 617	-1 975	31 642
EQUITY AND LIABILITIES			
Equity	7 365	-	7 365
Non-current provisions and commitments	146	-28	118
Non-current liabilities	19 665	-1 745	17 920
Current liabilities	6 441	-202	6 240
Total liabilities	26 253	-1 975	24 277
Total equity and liabilities	33 617	-1 975	31 642
Net interest bearing liabilities	22 067	-1 735	20 332

Note 3 Segment information - management reporting

Operating income, EBITDA and EBIT per segment

	Q2 2014	Q2 2013	YTD Q2 2014	YTD Q2 2013	2013
Operating Income					
PSV	296	283	592	555	1 113
AHTS	393	338	659	673	1 322
CSV	2 103	1 872	3 781	3 259	7 319
Total	2 791	2 493	5 032	4 487	9 754
EBITDA *)					
PSV	118	112	223	220	452
AHTS	167	142	284	306	619
CSV	581	519	1 319	853	2 041
Total	866	773	1 826	1 379	3 112
EBIT *)					
PSV	72	74	141	145	304
AHTS	115	85	185	194	403
CSV	421	311	1 010	435	1 212
Total	608	470	1 336	774	1 919

*) EBITDA and EBIT includes gain on sale of vessel in the CSV segment in the amount of NOK 204 million in 1st quarter 2014.

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Note 4 Hedges

The Group has in 2013 started applying cash flow hedge accounting related to foreign exchange rate risk on expected highly probable income in USD, using a non derivative financial hedging instrument. This hedging relationship is described below.

Cash flow hedge involving future highly probable income

In 2013, the Group started applying hedge accounting related to the cash flow hedging of expected highly probable income in USD, from its operations in Brazil.

The cash flow hedges hedge a portion of the foreign currency risk arising from highly probable income in USD relating to time charter contracts on vessels owned by the companies DOF Navagacao Ltda, Norskan Offshore Ltda and DOF Subsea Navagacao Ltda.

The hedging instruments are portions of the companies' long term debt denominated in USD. The risk being hedged in each hedging relationship is the spot element of the forward currency rate of USD/BRL. The future highly probable income has a significant exposure to the spot element as the spot element is the main part of the forward rate. The long term debt is translated from USD to BRL at spot rate on the balance sheet date every reporting period.

The effective portion of changes in fair value of the instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the expected income is recognised.

Note 5 Investment in associated and joint ventures

The Company's investment in associates and joint ventures as of 30.06.2014

Joint ventures	Ownership
DOFTech DA	50 %
DOFCON Brasil AS incl. subsidiaries	50 %
DOF Deepwater AS	50 %
DOF Iceman AS	50 %
Associated companies	
Master & Commander	20 %
PSV Invest II AS (Skandi Aukra)	15 %
Iceman AS (Skandi Iceman)	20 %
DOF OSM Services AS	50 %
Balance	30.06.2014
Balance 31.12.2013	136
Restatement IFRS 11	1 036
Balance 31.12.2013 IFRS 11	1 172
Addition	1
Profit (loss)	72
Profit (loss) through OCI	79
Balance 30.06.2014	1 324

See Note 2 regarding the presentation of the implementation of IFRS 11

Note 6 Cash and cash equivalent

	30.06.2014	30.06.2013	31.12.2013
Restricted cash *)	693	849	734
Cash and cash equivalent	1 192	1 045	1 484
Total cash and cash equivalent	1 884	1 894	2 219

*) Including restricted cash related to non-current loan from Eksportfinans.

Note 7 Interest bearing liabilities

	30.06.2014	30.06.2013	31.12.2013
Non-current interest bearing liabilities			
Bond loan	4 820	4 411	4 722
Debt to credit institutions	12 720	15 343	14 460
Total non-current interest bearing liabilities	17 540	19 754	19 182
Current interest bearing liabilities			
Bond loan	339	650	454
Debt to credit institutions	3 529	1 871	2 100
Utilised credit facilities	453	24	368
Total current interest bearing liabilities	4 321	2 545	2 922
Total interest bearing liabilities	21 861	22 299	22 104
Net interest bearing liabilities			
Cash and cash equivalents *)	1 884	1 894	2 219
Net derivatives	-356	-403	-357
Non-current receivables	-	83	58
Total net interest bearing liabilities	20 332	20 725	20 184

*) A non-current loan has been provided by Eksportfinans and is invested as a restricted deposit in DNB. The loan is fully repaid in 2021. The cash deposit is included in restricted deposits.

Covenants regarding non-current liabilities to credit institutions:

- The Group net asset value should be higher than 30% or higher than 20% if the contract coverage for the fleet is greater than 70%.
- The Group shall have available cash of least NOK 500 million at all times.

Per 30.06.2014 the value adjusted equity ratio is 36%, free liquidity is NOK 1 192 million, and contract coverage is 85%. The Group is in compliance with its financial covenants as of 30.06.2014.

Note 8 Events after balance date

Skandi Yare has in July secured a new four years contract with Petrobras.

DOF Subsea has in August 2014 been awarded multiple contracts in Asia region, Atlantic region and North America region, with a total value of approx. NOK 830 million.

Note 9 Transaction with related parties

Transactions with related parties are governed by market terms and conditions in accordance with the "arm's length principle". The transactions are described in the Annual report for 2013. There are no major changes in the type of transactions between related parties.

Note 10 Taxes

Taxes per 30 June 2014 are a preliminary estimate.

The subsidiary, DOF Rederi AS has made legal proceedings against the Norwegian Tax Authorities (Sentralskattekontoret for Storbedrifter) regarding extra tax paid (korreksjonsskatt) when adopting new Norwegian tonnage tax regime. 4 th July 2014 Gulating Appeal gave judgement in DOF Rederi AS' favor. The Norwegian Tax Authorities have in August appealed the judgment in the appellate court to the Norwegian Supreme Court. It remains to be seen whether the Supreme Court will allow the case to be heard there. A negative outcome of a possible Supreme Court process will in any case not have an adverse impact on the financial statements, as the tax in question was paid and included in the financial statements for 2010.

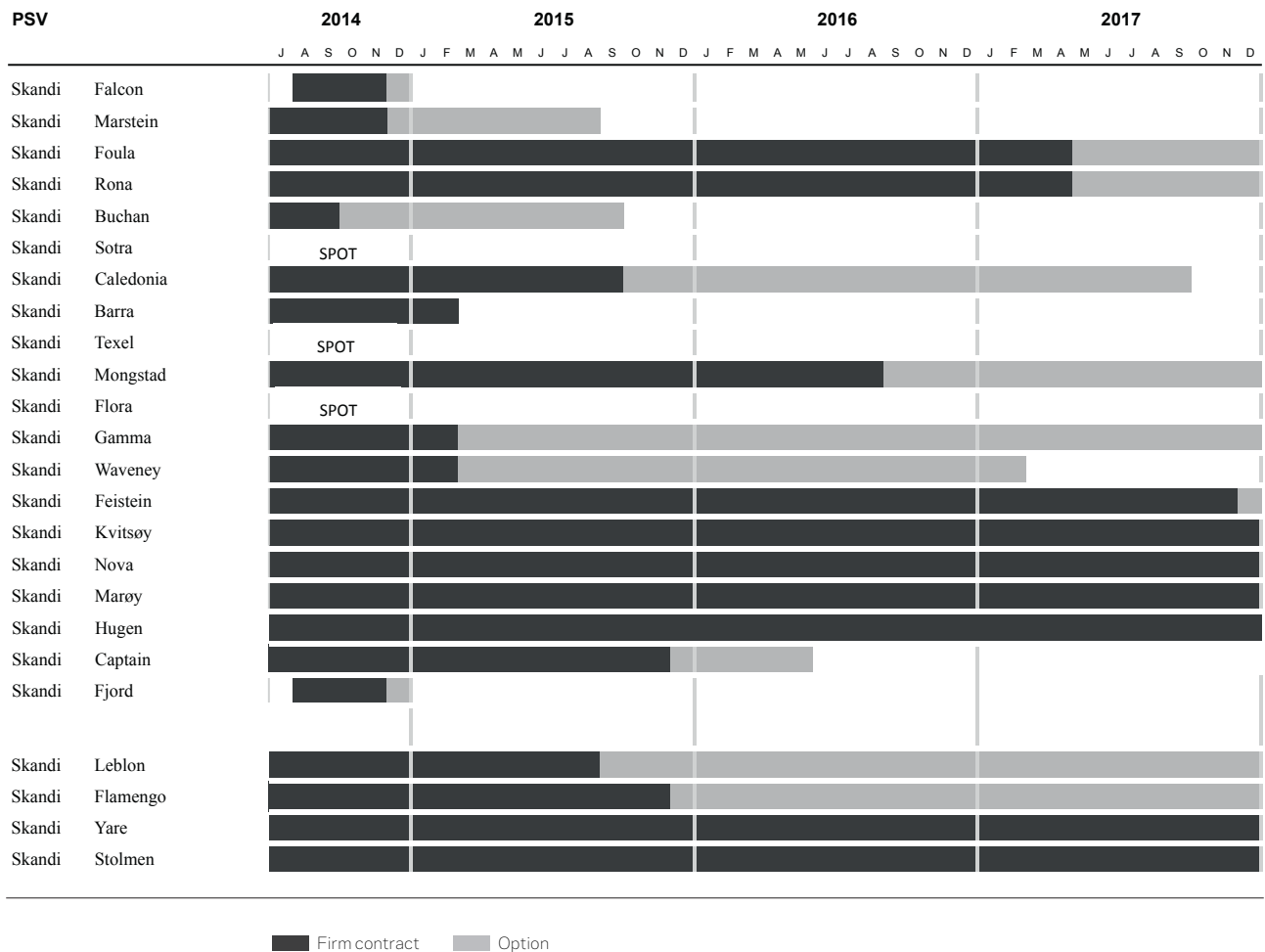
Note 11 Share capital and shareholders

Largest shareholders as of 30.06.2014

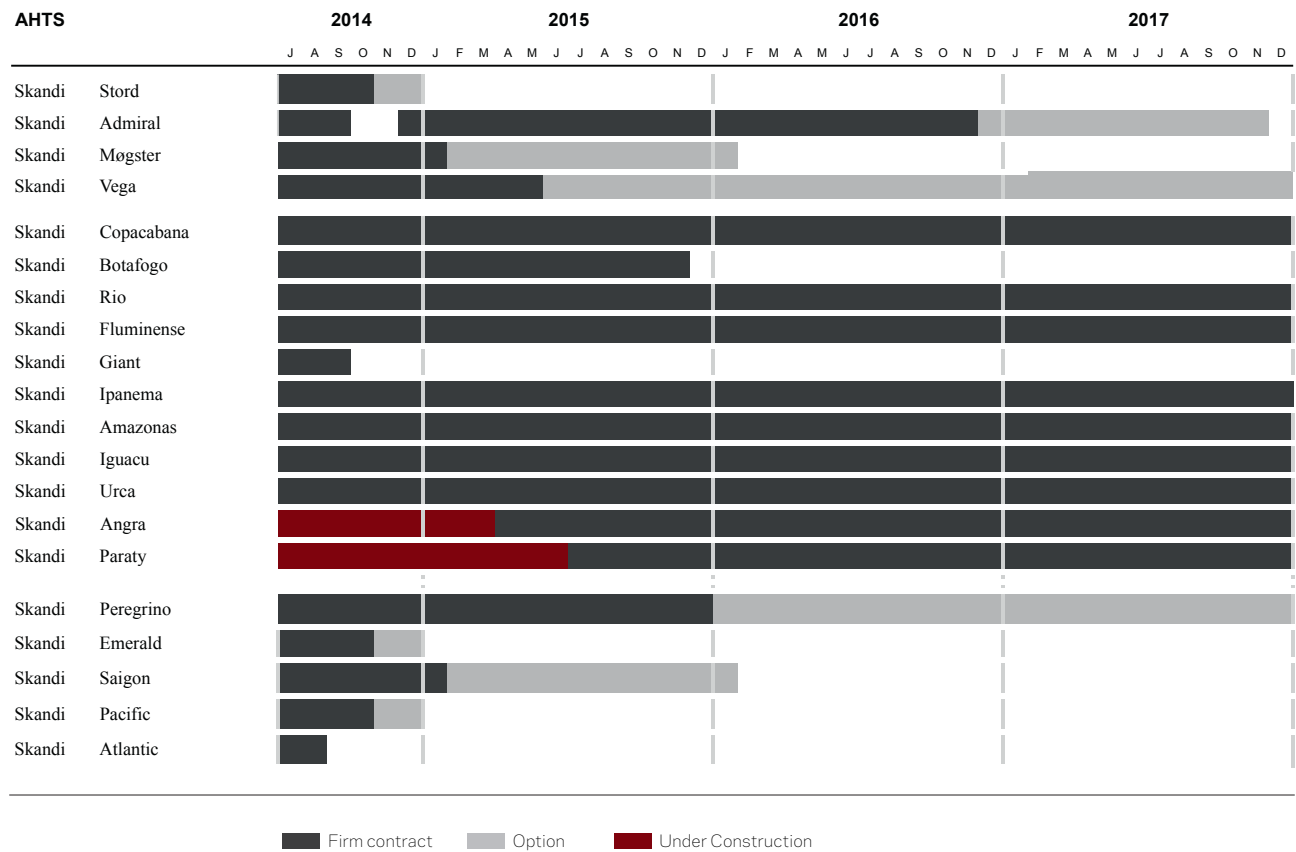
Name	No. shares	Shareholding	Voting shares
MØGSTER OFFSHORE AS	56 876 050	51,22 %	51,22 %
PARETO AKSJE NORGE	6 678 728	6,01 %	6,01 %
SKAGEN VEKST	5 762 213	5,19 %	5,19 %
ODIN OFFSHORE	2 750 000	2,48 %	2,48 %
PARETO AKTIV	2 711 676	2,44 %	2,44 %
MP PENSJON PK	2 312 629	2,08 %	2,08 %
PARETO VERDI	1 286 336	1,16 %	1,16 %
MOCO AS	1 094 184	0,99 %	0,99 %
VESTERFJORD AS	1 027 650	0,93 %	0,93 %
KANABUS AS	1 004 684	0,90 %	0,90 %
FORSVARETS PERSONELLSERVICE	835 000	0,75 %	0,75 %
THE NORTHERN TRUST CO.	827 214	0,74 %	0,74 %
ODIN MARITIM	812 800	0,73 %	0,73 %
VERDIPAPIRFONDET DNB SMB	695 246	0,63 %	0,63 %
VERDIPAPIRFONDET WARRENEWICKLUND NO	583 612	0,53 %	0,53 %
CITIBANK, N.A.	563 923	0,51 %	0,51 %
MOMENTUM INVESTMENTS INC	500 000	0,45 %	0,45 %
MUSTAD INDUSTRIER AS	500 000	0,45 %	0,45 %
BKK PENSJONSKASSE	478 000	0,43 %	0,43 %
PACTUM AS	467 581	0,42 %	0,42 %
Total	87 665 262	79,03 %	79,03 %
Total other shareholders	23 386 086	20,97 %	20,97 %
Total no. of shares	111 051 348	100 %	100,00 %

Contract Coverage

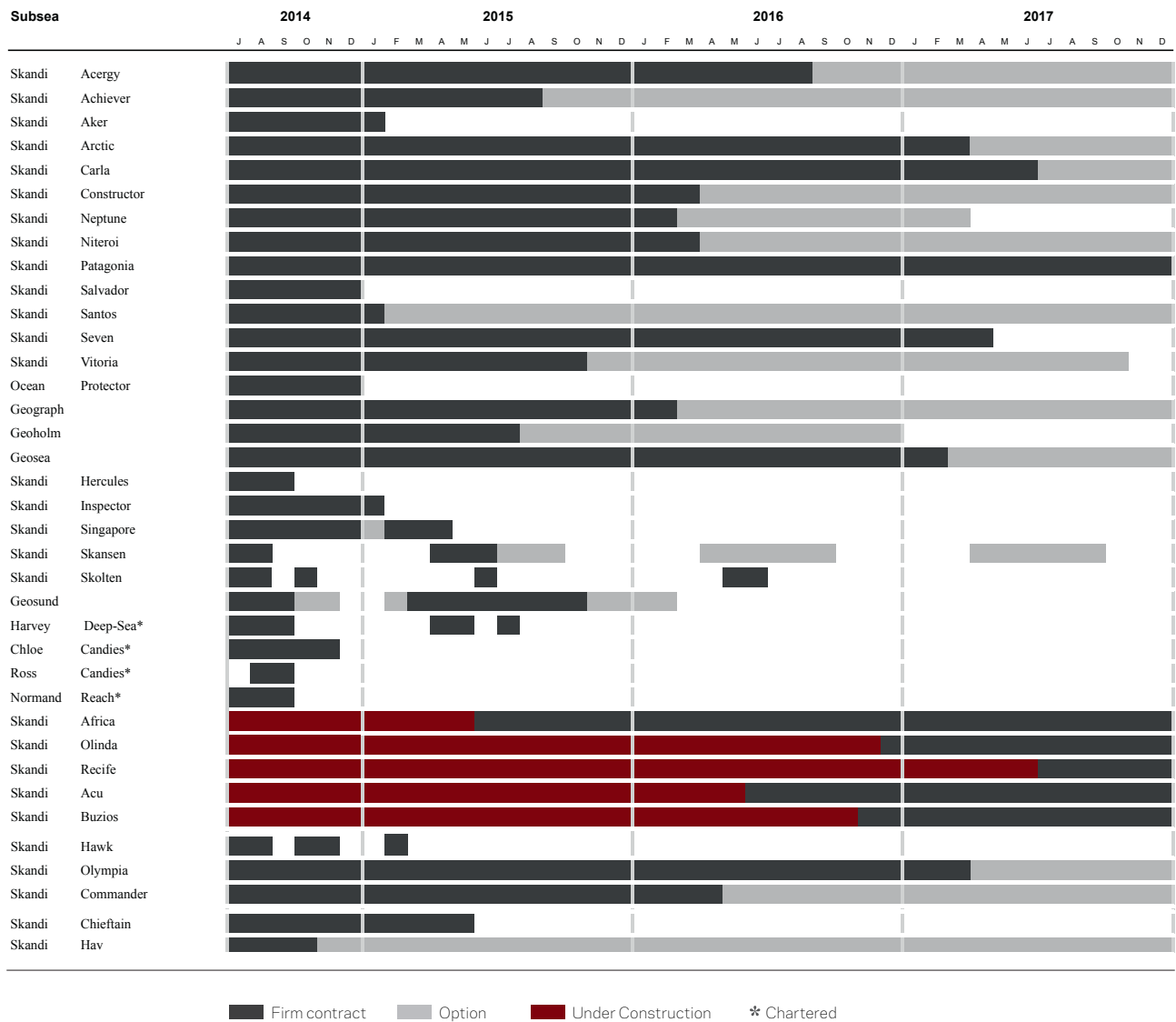
PSV contract coverage



AHTS contract coverage



CSV contract coverage



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