

**Q1**  
**2009**

**ODIM**

# DEEP KNOWLEDGE

# ODIM ASA, FIRST QUARTER 2009

This report has been compiled in accordance with IAS 34.

ODIM announces unaudited results for the first quarter of 2009.

## SOLID RESULTS – PROMISING OUTLOOK FOR NEW SOLUTIONS

### HIGHLIGHTS OF THE FIRST QUARTER

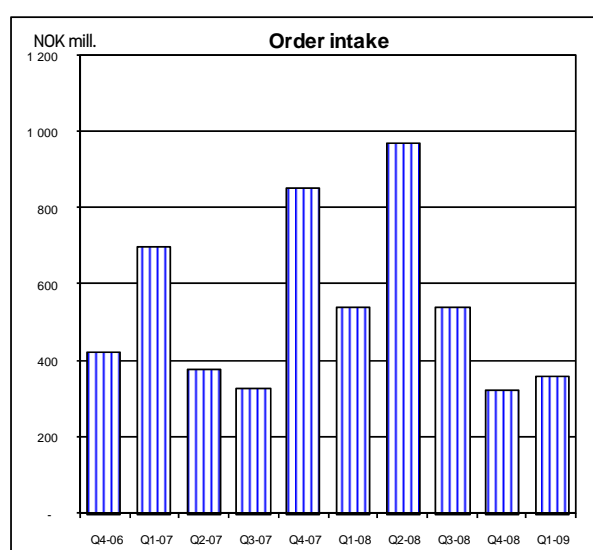
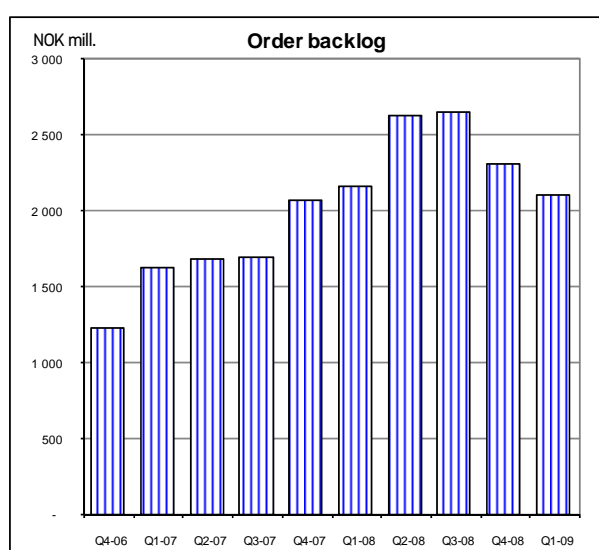
- ODIM strengthens After Sales & Service in Asia through acquisition of Marine Services and Engineering
- ODIM Smart AHTS™ well received in the market
- Breakthrough for automated handling solution for well service, letter of intent worth NOK 210 million
- Record revenue for Naval & Power
- Operations began at Vung Tau in April

### KEY FINANCIAL FIGURES

[NOK MILLION]	ODIM GROUP				
	Q1- 09	Q1- 08	YTD- 09	YTD- 08	2008
Revenues	558.2	450.2	558.2	450.2	2 136.5
EBITDA	88.4	78.5	88.4	78.5	397.9
EBIT	64.6	58.9	64.6	58.9	319.1
Profit before tax	67.6	64.7	67.6	64.7	350.2
Profit for the period	47.3	45.6	47.3	45.6	245.1
EBITDA margin	15.8%	17.4%	15.8%	17.4%	18.6%
EBIT margin	11.6%	13.1%	11.6%	13.1%	14.9%
Profit before tax margin	12.1%	14.4%	12.1%	14.4%	16.4%

Revenues for the first quarter came to NOK 558.2 million, up by 24 per cent from the corresponding period of 2008. The EBITDA margin reached 15.8 per cent in the first quarter.

The order intake for the group as a whole was NOK 359 million in the first quarter, giving a backlog of NOK 2 108 million at 31 March. This provides a platform for a 2009 revenue outlook at least in line with 2008.



## FINANCIAL RESULTS

Revenues came to NOK 558.2 million in the first quarter (2008: NOK 450.2 million), an increase of 24 per cent. EBITDA for the first quarter was NOK 88.4 million (2008: NOK 78.5 million), up by 12.6 per cent. The EBITDA margin was 15.8 per cent for the first quarter (2008: 17.4 per cent).

The lower EBITDA margin relates primarily to specific project performances during the period and the specific product mix among the market segments. One project in Offshore Supply (ODIM ABCS™ automated bulk hose connection system) had a cost overrun in the quarter of about NOK 5 million related to final testing and starting up.

To some extent, the margin reduction can also be attributed to start-up expenses related to strengthening the organisation in Asia - including the assembly and test site at Vung Tau in Vietnam, the quality control site at Shanghai in China, and the after-sales team in Singapore. The benefits of these investments are expected to be seen from 2010.

First quarter EBIT was NOK 64.6 million (2008: NOK 58.9 million), an increase of 9.7 per cent. The difference between EBITDA and EBIT primarily reflects NOK 18.9 million in amortisation of intangible assets.

Profit came to NOK 47.3 million for the first quarter (2008: NOK 45.6 million).

ODIM's order intake was NOK 359 million in the first quarter, with an order backlog of NOK 2 108 million at 31 March 2009. Offshore Service Vessels accounted for 55 per cent of this backlog. These figures include the letter of intent worth some NOK 210 million reported on 27 March. Owing to the need for certain clarifications, the final contract has yet to be signed. As announced in November 2008, the backlog at 30 September included some NOK 200 million in orders with a potential cancellation risk. ODIM is maintaining this estimate.

## FINANCIAL ISSUES

ODIM still had a strong cash position at 31 March. Cash in hand was NOK 227 million (31 December 2008: NOK 293 million). In addition, ODIM had an undrawn committed bank credit facility amounting to NOK 200 million, providing a total liquidity buffer of NOK 427 million.

Net cash flow from operating activities was negative at NOK 2 million in the first quarter, mainly because of a decrease in pre-invoiced production and accounts payable. Cash flow from investing activities came to NOK 52.9 million, of which NOK 29 million related to the new facility at Vung Tau in Vietnam. A total of NOK 128.5 million had been invested in this project at 31 March, and project execution is on schedule.

Net interest-bearing receivables totalled NOK 226 million at 31 March (2008: NOK 334 million). Equity increased from NOK 821.5 million to NOK 845.9 million during the first quarter, giving an equity ratio of 49.7 per cent at 31 March (2008: 42.7 per cent).

NOK 2.1 million was expensed during the first quarter for costs related to the share option programmes established in 2008 (2008: NOK 3 million).


ODIM aims to continue its growth in 2009, despite the financial turbulence. The group is pursuing a number of expansion opportunities, including acquisitions.

## MARKET DEVELOPMENTS AND OPERATIONS

Over the past 12 months, a significant change has occurred in market conditions. This has been driven by a decline in oil prices, a lack of project financing and a downturn in the global economy. The result for ODIM has been a fall in the order intake, even if the intake was slightly better during the first quarter than in the fourth quarter of 2008. ODIM is still receiving a number of inquiries from customers for new projects. However, lead times have increased significantly - in part because of uncertainties on the funding side.

ODIM is working actively to adjust to the new market conditions and has increased its marketing efforts. An extensive road show has been pursued in recent months, which has included the introduction of the new ODIM Smart AHTS™ technology to both new and existing customers. Feedback so far has been very positive.

The ODIM Smart AHTS™ anchorhandling solution is a new concept and three times as effective as competing solutions in terms of capacity, economics, safety and environmental protection. It replaces traditional anchorhandling winches with the ODIM CTCU® deepwater technology. Combined with a complete winch system, this can handle and install everything a drilling rig needs for safe and rapid mooring in all water depths and seas. New and efficient mooring methods also substantially reduce fuel consumption by the rig.



So far, ODIM has not experienced any significant price pressure in the market, but rather a price decline from sub-suppliers. The group has long focused on technology and has developed products which enhance the operational efficiency of customers. Reducing cost and increasing safety has therefore been the primary focus of customers. The new ODIM Smart AHTS™ can cut annual costs for a single rig by an amount in the order of NOK 150- 200 million, for instance, while also reducing annual carbon emissions from the rig by up to 50- 100 000 tonnes.

A new trend in the market is fewer but larger projects. While ODIM earlier received inquiries for projects in the NOK 25- 30 million range, projects now lie more in the NOK 200- 300 million range. One explanation could be funding challenges for smaller oil companies, particularly the independents. This development could benefit established players with a proven track record and a solid financial position. Short- term demand for oil services is therefore being driven now by major and national oil companies, and the focus will increasingly be on their market activities. This trend could lead to bigger fluctuations in the future order intake than has been observed historically.

The seismic survey market has been significantly affected by both declining oil prices and shortages of project financing, and the short- term outlook is poor. Construction of new vessels on speculation has come to a complete stop owing to the market outlook. To compensate for this development, ODIM will focus in the future on the after-market and maintain its target for After Sales & Services of providing 15- 20 per cent of total revenue.

Operations in Naval & Power are steadily improving and the outlook remains solid, particularly in the North American region and for the nuclear business. The global need for energy combined with political ambitions to reduce dependence on oil and gas will create significant growth opportunities. A lot of new projects are being introduced to the market and tendering activity is at a high level. ODIM is well positioned in the market, and will actively pursue growth opportunities both organically and through strategic acquisitions.

Despite the weaker overall market outlook, ODIM still sees large pockets of growth which will offer opportunities to continue expanding its business activities.

## **OFFSHORE SERVICE VESSELS**

The Offshore Service Vessels business area had revenues of NOK 416.4 million in the first quarter (2008: NOK 344.4 million), corresponding to a growth of 20.9 per cent. Even though the seismic survey market has quietened down in recent months, a large part of the business area's revenues still comes from this segment.

EBITDA was NOK 71.1 million (2008: NOK 67.8 million). The EBITDA margin was 17.1 per cent (2008: 19.7 per cent).

Offshore Service Vessels had an order backlog of NOK 1 160 million at 31 March, down by NOK 306 million from 31 December. The order intake was NOK 111 million in the first quarter.

## **Seismic**

ODIM ranks as the world's leading supplier of complete cable- handling solutions to seismic survey companies, with a global market share above 90 per cent. This market segment secured an order of NOK 21 million in the first quarter for the delivery of automated handling equipment to an international customer.

Prospects for seismic surveying are uncertain. The number of vessels has increased substantially from 2005 until today, with the fleet of 3D ships set to rise from about 45 to roughly 100 in 2011 and with streamers per ship also expanding. ODIM expects new seismic survey vessels will continue to be ordered. The group is well positioned with a number of national oil companies, which will build new survey vessels independently of the big seismic survey companies.

## **Offshore Supply**

Offshore Supply has secured contracts worth a total of NOK 18 million for handling systems due to be delivered during the second quarter of 2010. ODIM's primary focus in the Offshore Supply segment is to offer safe and efficient systems, and to strengthen the solutions offered. Its goal is to achieve a larger market share for more revenue-intensive system deliveries, such as the game- changing ODIM Smart AHTS™ anchorhandling solution. The total value of a complete system offering is about NOK 300 million.

During the development phase for the ODIM Smart AHTS™, an active dialogue has been pursued with leading international oil companies such as Shell, BP, Petrobras, StatoilHydro and Aker Exploration. This identified a growing need for cost- saving anchorhandling vessels. With this concept, the group's ambition is to establish the future standard for complete automated anchorhandling systems. ODIM sees that its systems are now required in the market, and is involved in several inquiries.



## Oceanographic

This segment specialises in designing and developing advanced data- collection platforms and automated handling equipment for oceanographic research vessels. Newbuilding projects in the oceanographic segment have increased considerably over the past year, and ODIM is working on a number of major projects worldwide. The group's broad product range and good reputation mean that it is often invited to contribute its deep knowledge as early as the vessel design phase. This gives ODIM considerable opportunities to influence shipping companies and designers at an early stage on the handling systems to be installed and the standards which should be set for these. Since such projects are largely driven by national research institutes, their lead times are much longer than is customary in the commercial world.

## NAVAL & POWER

This business area had revenues of NOK 46 million in the first quarter (2008: NOK 21.1 million), which is a record for Naval & Power. EBITDA was NOK 9.3 million (2008: NOK 3.8 million), with an EBITDA margin of 20.3 per cent (2008: 18.2 per cent).

Significant efforts were made to support the newbuilding programme and to pursue research and development activities which will translate into future orders.

The total order backlog for this business area at 31 March reached NOK 164 million, down by NOK 32 million from the previous quarter. The order intake was NOK 15 million in the first quarter.

The focus in Naval & Power during the first half of 2009 is to capture a high percentage of identified new projects and to handle the expected large increase in projects forecast over the next few years. The business area will continue to strengthen its organisation and actively pursue acquisition opportunities, particularly in the nuclear power sector.

## Airborne & Shipboard

Advanced systems will be delivered during 2009 for several new US Navy platforms, both vessels and helicopters. Although no major orders were received in the naval Airborne & Shipboard segment during the first quarter, ODIM is working on a number of high- probability opportunities which it expects to be awarded in 2009. The group's prospects for a number of important new naval programme contracts in 2009- 2011 are very promising, leading off with the recent start of a new winch and handling system programme for the Royal Australian Navy's air warfare destroyers. This is a three- ship programme, with Ultra Electronics of the UK as ODIM's client and the prime sonar contractor.

## Nuclear Facilities Support

ODIM continues to see a high level of tendering activity with excellent probabilities for winning orders. Current opportunities are focused on providing products and services to existing clients to support maintenance requirements and refurbishment projects at Canadian nuclear facilities. Environmental considerations and rapid global economic development have positioned nuclear power as an essential and significant component of the future energy mix. In the USA, the new administration of President Obama has signalled measures designed to enhance energy self-sufficiency in general and to increase the commitment to nuclear power in particular. Many countries have embraced nuclear energy, with a number of new construction projects underway around the world to meet future electricity generation demands. Key markets include Canada, the USA, South Korea, South Africa, China, India and Ukraine.

## SUBSEA & DEEPWATER INSTALLATION

Subsea & Deepwater Installation achieved revenues of NOK 95.8 million in the first quarter (2008: NOK 84.8 million). EBITDA was NOK 7.9 million (2008: NOK 6.9 million).


An order backlog of NOK 784 million at 31 March for this business area represented an increase of NOK 138 million from 31 December. The order intake for Subsea & Deepwater Installation was NOK 234 million in the first quarter. This figure includes the letter of intent reported on 27 March. Owing to the need for some minor clarifications, contract confirmation has yet to be received.

## Subsea & Deepwater Installation

ODIM was awarded a contract worth NOK 17 million in the first quarter by a customer in Asia for delivery of an ODIM ABAS™ cargo rail crane.

The subsea and deepwater sector will continue to grow even though it experienced a decline in oil prices and market stagnation at the start of 2009. The potential for construction and installation is substantial, both in the short term and in a longer perspective. Combined with ODIM's unique handling solutions for subsea operations, the group has the opportunity to take a leading position in this niche and is exploiting this potential immediately.

ODIM has developed unique automated handling systems which reduce the cost, complexity and risk of deepwater operations. Providing a technological concept for using fibre rope instead of steel wire as a lifting line, the ODIM CTCU®



cable traction control unit allows operators to work at unlimited depths and permits the use of smaller offshore vessels to install large and heavy subsea structures. Few installation vessels are available, and contractors need the ODIM CTCU® technology to be able to tender for projects in ultra- deep water. ODIM's proven technology and systems increase efficiency and safety for operators while using less energy.

### **Well Intervention & Drilling**

Activity in this market segment is primarily pursued by ODIM JMC in Stavanger, which designs the equipment required for safe and efficient well service rig- up and operation. The bulk of this equipment has been specially developed for offshore operations in rough weather and with stringent requirements for operational safety and efficiency.

ODIM has signed a letter of intent with an international customer for the delivery of a system worth about 210 million. The system includes automated handling solutions to support the maintenance of subsea wells. The project is due for delivery by the end of 2010.

Most of tomorrow's crude production will probably be provided by improved oil recovery (IOR) from existing fields rather than new discoveries. This demands that the reservoir is stimulated with the aid of intervention tools. ODIM's strategy is to offer complete systems for well intervention with wire and coiled tubing, primarily from ships. A total of 5 000 subsea wells are currently on stream, and very few ships/rigs can do this work. Demand is therefore growing sharply. ODIM has developed complete systems, and uses its expertise with well service products to handle the operational challenges. ODIM is also making a strong commitment to simplified well solutions which complement the intervention systems. This involves drilling without a riser for top hole and well completion. A complete topside package for ships can therefore include a system for intervention and light drilling. Modular drilling systems are offered for temporary installation on existing platforms.

### **AFTER SALES & SERVICE**

The After Sales & Service market looks promising for the near future. ODIM is building an international network to capture customer needs for service around the world. The group is confident that it is looking at strong growth in this area, and further acquisitions will be considered to build international capacity.

Today's offshore vessels operate around the globe, so it is vital for ODIM to develop an international network for After Sales & Service. Under present market conditions, failing to keep vessels busy costs a great deal. ODIM must be available at short notice if equipment needs repairing or upgrading, and has to provide a first- class service.

Over the past couple of years, ODIM has expanded into important oil cities such as Houston and Singapore. Formal establishment in Brazil is under way with the founding of a legal company, and further expansion of the group's operations will follow. ODIM has great confidence in the After Sales & Service market, and will continue to expand its network into other areas where present and potential customers are located.

After Sales & Service accounted for about 10 per cent of group revenues in the first quarter. ODIM expects to increase revenues from this activity significantly in the time to come, and aims to derive 15- 20 per cent of its total revenues from the area within the next two- three years.


### **OUTLOOK**

The outlook for the oil service industry has deteriorated in recent months, with indications of reduced exploration and production spending by the oil companies in 2009 compared with 2008. ODIM will have high capacity utilisation in 2009, and still expects revenue for the year to be at least on a par with 2008. However, the group is monitoring market developments closely and will quickly adapt if the outlook for the oil industry service sector remain uncertain. ODIM is well prepared to meet the challenges in the short term.

No deterioration of the client portfolio was experienced during the first quarter of 2009, and ODIM has identified about NOK 200 million of the contract portfolio as being at risk. This represents about 10 per cent of the total order backlog. The majority of ODIM's customers are still well funded and also represent a number of major players in the segments in which they operate.

ODIM has a relatively flexible production organisation which can adapt quickly to changes in the demand pattern. First of all, spare capacity in parts of the organisation can be moved to other production facilities. Terms can also be renegotiated with sub- suppliers. Second, ODIM makes extensive use of contract labour and temporary employees who will function as a buffer in making changes to capacity utilisation. Only limited use has been made of these options so far. ODIM also has a strong balance sheet with an equity ratio of 49.7 per cent, and will use this financial strength to improve its competitive position even further.





In the short term, ODIM has increased its focus on marketing efforts and has dedicated more resources to promoting operations in After Sales & Services. The start-up in Brazil is going according to plan and ODIM is already involved in some projects. The group will also increase its maintenance capacity in Asia. ODIM is confident that it is looking at strong growth in this area, and further acquisitions will be considered in order to build international capacity.

The ramp-up of the Asian operation is going according to plan, and ODIM initiated operations at Vung Tau in April 2009. This assembly and test facility is already involved in projects for ODIM subsidiaries. Activity will gradually be increased as production of standard equipment is moved to Asia. The initiative in Vietnam will make a positive contribution to the EBITDA margin. The ramp-up in China is also developing according to plan, and ODIM is now well represented in the region. The group established a network of agents during the first quarter 2009, and is now well positioned when general market conditions improve. In the immediate future, it will pursue new business opportunities and still finds the region attractive.

ODIM is currently involved in several possible large projects, some of which are expected to be awarded relatively soon. However, the group will not initiate projects which involve it in increased financial risk and will not enter into contracts before relevant financial guarantees have been established. While it has historically received a relatively high portion of prepayments from customers, ODIM expects prepayment levels to come down to a more normal level in the future.

Although short-term risk and uncertainties in the market have increased, ODIM sees many opportunities for the future. Its order backlog of NOK 2.1 billion offers good prospects and capacity utilisation for 2009. The introduction of the new ODIM Smart AHTS™ has been received positively by the market, and ODIM is well positioned to utilise the commercial potential of this solution. The group will continue to launch new solutions and technologies which create better products and services for customers, in addition to focusing on cost and increased efficiency.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

2 April 2009: Pursuant to a mandate from the general meeting, the board of ODIM ASA resolved on 2 April 2009 to implement a new allocation under the share option programme for group employees. This programme runs over three years (2008-10), with an annual allocation of roughly 2.5 per cent of the share capital. The options awarded can be exercised at the earliest one year after the allocation for 50 per cent of the total, and two years for the remaining 50 per cent. A total of 1 185 980 options conferring the right to purchase shares at a price of NOK 29.30 have been allocated.

2 April 2009: Aker Solutions AS acquired 33 per cent of the shares in ODIM ASA from Aker ASA and Aker Invest II KS, and thereby became the group's largest shareholder.

5 May 2008: ODIM strengthens its After Sales & Service segment in Asia by acquiring Marine Services & Engineering. The group continued its strategic commitment to After Sales & Service with the acquisition of Marine Services & Engineering Pte Ltd in Singapore for NOK 10 million, equivalent to slightly less than 2 x 2008 EBITDA. This purchase reinforces its closeness to clients in the fast-growing Asian market, and will immediately provide substantial capacity for After Sales & Service in the region.

Hareid, 5 May 2009

The board of directors of  
ODIM ASA

**PROFIT AND LOSS ACCOUNT**
**ODIM GROUP**

[NOK MILLION]	Q1- 09	Q4- 08	Q3- 08	Q2- 08	Q1- 08	YTD- 09	YTD- 08	2008
<b>Operating revenues</b>	<b>558.2</b>	<b>672.5</b>	<b>511.8</b>	<b>502.1</b>	<b>450.2</b>	<b>558.2</b>	<b>450.2</b>	<b>2 136.5</b>
Material and services	291.1	355.3	307.8	269.5	239.7	291.1	239.7	1 172.3
Change in inventories of work in progress	2.1	30.2	(41.6)	(7.1)	(4.4)	2.1	(4.4)	(23.0)
Payroll expenses	131.3	130.2	105.8	109.2	97.5	131.3	97.5	442.7
Other operating expenses	45.8	30.0	40.4	39.0	38.7	45.8	38.7	148.2
Bad debts and provision for bad debts	(0.4)	(1.9)	0.1	-	0.1	(0.4)	0.1	(1.6)
<b>Total operating expenses</b>	<b>469.8</b>	<b>543.8</b>	<b>412.5</b>	<b>410.7</b>	<b>371.7</b>	<b>469.8</b>	<b>371.7</b>	<b>1 738.7</b>
<b>EBITDA</b>	<b>88.4</b>	<b>128.7</b>	<b>99.3</b>	<b>91.4</b>	<b>78.5</b>	<b>88.4</b>	<b>78.5</b>	<b>397.9</b>
Ordinary depreciation	4.9	5.4	3.6	4.0	2.6	4.9	2.6	15.7
Amortization intangible assets	18.9	16.9	15.2	14.0	17.0	18.9	17.0	63.0
<b>Total depreciation and amortisation</b>	<b>23.8</b>	<b>22.3</b>	<b>18.8</b>	<b>18.0</b>	<b>19.7</b>	<b>23.8</b>	<b>19.7</b>	<b>78.8</b>
<b>EBIT</b>	<b>64.6</b>	<b>106.4</b>	<b>80.5</b>	<b>73.4</b>	<b>58.9</b>	<b>64.6</b>	<b>58.9</b>	<b>319.1</b>
Financial income	3.2	14.0	6.8	6.3	6.7	3.2	6.7	33.7
Financial expenses	0.1	0.5	0.6	0.7	0.8	0.1	0.8	2.6
<b>Profit before tax</b>	<b>67.6</b>	<b>119.8</b>	<b>86.7</b>	<b>79.0</b>	<b>64.7</b>	<b>67.6</b>	<b>64.7</b>	<b>350.2</b>
Tax expense	20.3	38.0	24.8	23.1	19.2	20.3	19.2	105.1
<b>Profit for the period</b>	<b>47.3</b>	<b>81.9</b>	<b>61.9</b>	<b>55.8</b>	<b>45.6</b>	<b>47.3</b>	<b>45.6</b>	<b>245.1</b>
Earnings per share (NOK 1)	1.00	1.74	1.31	1.20	1.00	1.00	1.00	5.27
Diluted earnings pr share (NOK 1)	1.00	1.74	1.31	1.19	0.98	1.00	0.98	5.26
Number of shares *1)	47 107 984	47 107 984	46 450 382	45 355 336	45 355 336	47 107 984	45 355 336	46 511 874
Diluted number of shares *2)	47 107 984	47 352 347	46 841 435	46 666 259	46 666 259	47 107 984	46 666 259	46 640 508
Share options *3)	1 174 670	1 230 870	1 106 120	2 172 520	2 172 520	1 174 670	2 172 520	1 192 970

\*1) Weighted average number of shares in the period.

\*2) Using treasury stock method. If striking price on outstanding share options are lower than market price no diluting effect is shown.

\*3) Outstanding share options at end of period.

**CHANGES IN EQUITY**
**ODIM GROUP**

[NOK MILLION]	YTD - 09	YTD - 08	2008
Translation differences	(15.8)	(5.2)	20.1
Net effect of secured currency loan at market value	1.8	(0.6)	(3.8)
Change in cash flow hedges	(11.0)		32.0
Adjustment related to unexercised share options	2.1	1.8	10.8
Capital increase from cash contributions/exercise of options	-	55.1	66.9
<b>Net income recognised directly in equity</b>	<b>(22.8)</b>	<b>51.2</b>	<b>125.9</b>
Profit for the period	47.3	45.6	245.1
<b>Total recognised income and expense for the period</b>	<b>24.4</b>	<b>96.8</b>	<b>371.0</b>
Attributable to:			
Equity holders of the company	24.4	96.8	371.0
<b>Total recognised income and expense for the period</b>	<b>24.4</b>	<b>96.8</b>	<b>371.0</b>
Equity at start of period	821.5	450.4	450.4
<b>Equity at end of period</b>	<b>845.9</b>	<b>547.2</b>	<b>821.5</b>



## BALANCE SHEET

[NOK MILLION]	31 MAR 09	31 MAR 08	31 DEC 08
<b>ASSETS</b>			
Patents, licenses, non- compete and similar rights	232.1	171.0	261.9
Goodwill	120.6	108.0	121.9
Other intangible assets	17.9	6.4	15.7
<b>Total intangible assets</b>	<b>370.6</b>	<b>285.4</b>	<b>399.5</b>
<b>Total tangible assets</b>	<b>225.0</b>	<b>62.0</b>	<b>205.8</b>
Deferred tax asset	1.1	-	-
Shares in associated companies	1.9	1.7	2.1
Shares in other companies	1.4	3.0	1.4
Other long- term receivables	6.7	7.2	2.7
Pension funds	0.0	1.5	0.0
<b>Total financial assets</b>	<b>11.1</b>	<b>13.5</b>	<b>6.1</b>
<b>Total non- current assets</b>	<b>606.7</b>	<b>361.0</b>	<b>611.5</b>
<b>Inventories</b>	<b>154.1</b>	<b>77.5</b>	<b>132.3</b>
Accounts receivable	150.5	88.4	153.6
Accrued income	442.0	310.3	438.7
Prepayment to suppliers	37.9	64.3	42.2
Other receivables	54.6	41.7	57.4
Value of forward contracts	29.2	-	44.4
<b>Total receivables</b>	<b>714.3</b>	<b>504.6</b>	<b>736.2</b>
Cash and cash equivalents	226.7	338.0	293.0
<b>Total current assets</b>	<b>1 095.1</b>	<b>920.2</b>	<b>1 161.5</b>
<b>TOTAL ASSETS</b>	<b>1 701.8</b>	<b>1 281.1</b>	<b>1 773.0</b>
<b>[NOK MILLION]</b>	<b>31 MAR 09</b>	<b>31 MAR 08</b>	<b>31 DEC 08</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	23.6	23.0	23.6
Share premium reserve	73.5	62.3	73.5
Translation differences	(15.1)	(3.5)	18.2
Hedging reserve	21.0	-	32.0
Retained earnings	742.9	465.4	674.2
<b>Total equity</b>	<b>845.9</b>	<b>547.2</b>	<b>821.5</b>
Pension liabilities	0.4	2.3	0.4
Deferred tax	171.1	38.9	158.4
<b>Total provisions</b>	<b>171.5</b>	<b>41.2</b>	<b>158.8</b>
Long- term loans	1.0	1.1	1.0
<b>Total non- current liabilities</b>	<b>172.5</b>	<b>42.3</b>	<b>159.8</b>
Short- term loans	-	2.6	11.2
Accounts payable	191.9	112.8	228.9
Taxes payable	0.1	0.7	0.0
Public duties payable	27.5	20.0	28.9
Preinvoiced production	275.2	379.9	341.8
Other payables	188.6	175.6	181.0
<b>Total current liabilities</b>	<b>683.4</b>	<b>691.6</b>	<b>791.8</b>
<b>Total liabilities</b>	<b>855.9</b>	<b>733.9</b>	<b>951.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 701.8</b>	<b>1 281.1</b>	<b>1 773.0</b>

**CASH FLOW STATEMENT**
**ODIM GROUP**

<b>[NOK MILLION]</b>	<b>Q1- 09</b>	<b>Q1- 08</b>	<b>YTD- 09</b>	<b>YTD- 08</b>	<b>2008</b>
Profit before tax	67.6	64.7	67.6	64.7	350.2
Taxes paid	(3.7)	(11.1)	(3.7)	(11.1)	(27.4)
Interest paid	0.1	0.8	0.1	0.8	2.6
Amortization and depreciation	23.8	19.7	23.8	19.7	78.8
Change in accrued income	(3.3)	60.2	(3.3)	60.2	(47.1)
Changes in inventories	(21.8)	(29.5)	(21.8)	(29.5)	(84.8)
Changes in receivables	15.3	(12.1)	15.3	(12.1)	(45.8)
Changes in accounts payables	(36.9)	(42.0)	(36.9)	(42.0)	63.5
Difference expenced pension - paid premiums	-	-	-	-	(0.4)
Changes in preinvoiced production	(66.5)	65.4	(66.5)	65.4	0.3
Changes in other current balance sheet items	23.4	12.8	23.4	12.8	8.1
<b>Net cash flow from operating activities</b>	<b>(2.0)</b>	<b>128.9</b>	<b>(2.0)</b>	<b>128.9</b>	<b>298.1</b>
Purchase of tangible assets	(36.4)	(20.0)	(36.4)	(20.0)	(153.9)
Purchase of intangible assets	(0.5)	(1.4)	(0.5)	(1.4)	(11.2)
Net cash effect from investment in new subsidiaries	(16.0)	(31.5)	(16.0)	(31.5)	(121.4)
Shares in associates and other investments	-	(0.9)	-	(0.9)	0.5
<b>Net cash flow from investing activities</b>	<b>(52.9)</b>	<b>(53.7)</b>	<b>(52.9)</b>	<b>(53.7)</b>	<b>(286.0)</b>
Capital increase through cash contribution	-	8.6	-	8.6	20.0
Change in long- term loans and liabilities	-	-	-	-	(0.2)
Change in current loans/overdraft facility	(11.2)	(14.2)	(11.2)	(14.2)	(5.6)
Interest paid	(0.1)	(0.8)	(0.1)	(0.8)	(2.6)
<b>Net cash flow from financing activities</b>	<b>(11.4)</b>	<b>(6.4)</b>	<b>(11.4)</b>	<b>(6.4)</b>	<b>11.7</b>
<b>Net change in cash and cash equivalents</b>	<b>(66.3)</b>	<b>68.7</b>	<b>(66.3)</b>	<b>68.7</b>	<b>23.8</b>
Cash and cash equivalents 1 Jan	293.0	269.3	293.0	269.3	269.3
<b>Cash and cash equivalents 31 Dec</b>	<b>226.7</b>	<b>338.0</b>	<b>226.8</b>	<b>338.0</b>	<b>293.0</b>

**SEGMENT INFORMATION**
**ODIM GROUP**

<b>OFFSHORE SERVICE VESSELS</b>	<b>Q1- 09</b>	<b>Q4- 08</b>	<b>Q3- 08</b>	<b>Q2- 08</b>	<b>Q1- 08</b>	<b>YTD- 09</b>	<b>YTD- 08</b>	<b>2008</b>
Revenues	416.4	507.4	390.3	339.1	344.4	416.4	344.4	1 581.2
EBITDA	71.1	107.8	81.9	72.2	67.8	71.1	67.8	329.7
EBIT	60.6	98.6	74.8	64.7	58.2	60.6	58.2	296.2
EBITDA margin	17.1%	21.2%	21.0%	21.3%	19.7%	17.1%	19.7%	20.9%
EBIT margin	14.5%	19.4%	19.2%	19.1%	16.9%	14.5%	16.9%	18.7%
<b>NAVAL &amp; POWER</b>	<b>Q1- 09</b>	<b>Q4- 08</b>	<b>Q3- 08</b>	<b>Q2- 08</b>	<b>Q1- 08</b>	<b>YTD- 09</b>	<b>Q1- 08</b>	<b>2008</b>
Revenues	46.0	43.7	37.3	33.2	21.1	46.0	21.1	135.1
EBITDA	9.3	10.0	6.7	7.3	3.8	9.3	3.8	27.8
EBIT	4.7	4.8	2.6	4.6	3.2	4.7	3.2	15.2
EBITDA margin	20.3%	22.9%	18.0%	22.1%	18.2%	20.3%	18.2%	20.6%
EBIT margin	10.1%	11.0%	7.1%	13.7%	15.3%	10.1%	15.3%	11.3%
<b>SUBSEA &amp; DEEPWATER INSTALLATION</b>	<b>Q1- 09</b>	<b>Q4- 08</b>	<b>Q3- 08</b>	<b>Q2- 08</b>	<b>Q1- 08</b>	<b>YTD- 09</b>	<b>Q1- 08</b>	<b>2008</b>
Revenues	95.8	121.4	84.2	129.8	84.8	95.8	84.8	420.2
EBITDA	7.9	10.9	10.6	11.9	6.9	7.9	6.9	40.4
EBIT	-0.7	3.0	3.0	4.1	-2.5	-0.7	-2.5	7.7
EBITDA margin	8.3 %	9.0 %	12.6 %	9.1 %	8.2 %	8.3 %	8.2 %	9.6 %
EBIT margin	-0.7 %	2.5 %	3.6 %	3.2 %	-2.9 %	-0.7 %	-2.9 %	1.8 %

ORDER BACKLOG						ODIM GROUP			
[NOK MILLION]	Q1-09	Q4-08	Q3-08	Q2-08	Q1-08	Q4-07	Q3-07	Q2-07	Q1-07
Offshore Service Vessels	1 160	1 466	1 826	1 869	1 564	1 424	1 261	1 251	1 227
Naval & Power	164	196	168	138	86	101	119	132	103
Subsea & Deepwater Installation *)	784	646	664	622	512	545	315	304	301
<b>Sum order backlog end of period</b>	<b>2 108</b>	<b>2 307</b>	<b>2 658</b>	<b>2 629</b>	<b>2 162</b>	<b>2 070</b>	<b>1 695</b>	<b>1 688</b>	<b>1 632</b>
ORDER INTAKE									
[NOK MILLION]	Q1-09	Q4-08	Q3-08	Q2-08	Q1-08	Q4-07	Q3-07	Q2-07	Q1-07
Offshore Service Vessels	111	147	347	644	484	488	257	265	561
Naval & Power	15	72	66	86	5	6	15	64	7
Subsea & Deepwater Installation *)	234	103	127	239	53	358	58	49	133
<b>Sum order intake in period</b>	<b>359</b>	<b>322</b>	<b>540</b>	<b>969</b>	<b>542</b>	<b>852</b>	<b>330</b>	<b>378</b>	<b>701</b>

\* Includes letter of intent worth NOK 210 million.



## STATEMENT OF COMPLIANCE

This financial report has been prepared in accordance with international financial reporting standards (IFRS) IAS- 34 Interim Financial Reporting. It does not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the ODIM group for the year ended 31 December 2008.

The annual report for 2008 is available at [www.odim.com](http://www.odim.com).

## ACCOUNTING POLICIES

The accounting policies applied by the group in this interim report are the same as those applied by the group in its consolidated financial statements for the year ended 31 December 2008.

## DISCLAIMER FOR FORWARD- LOOKING STATEMENTS

This quarterly report includes and is based, inter alia, on forward- looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward- looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for ODIM ASA and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the ODIM's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although ODIM ASA believes that its expectations and the information in this report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this report. ODIM ASA nor any other company within the ODIM group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the report, and neither ODIM ASA, any other company within the ODIM group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the report. ODIM ASA undertakes no obligation to publicly update or revise any forward- looking information or statements in the report.

## FACTS ABOUT ODIM ASA

ODIM ASA is a fast- expanding Norwegian technology group which develops and sells advanced automated handling solutions, primarily cable- handling systems and winches for use on offshore and naval vessels. The group occupies a leading position in selected market segments.

Through its subsidiaries in North America, it is also solidly rooted in the defence and power sectors.

In addition to its established market segments, ODIM will be making a heavy commitment to the very promising deepwater market.

For further information, visit [www.odim.com](http://www.odim.com) or contact:

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