

# Q1

Q1 2013 REPORT



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# HIGHLIGHTS

## KEY FIGURES

USD 1000	Q1 2013 (unaudited)	Q1 2012 (unaudited)	YTD 2013 (unaudited)	2012 (unaudited)
Gross freight revenue	0	3 274	0	7 391
Operating revenue	56	3 252	56	7 391
Operating profit (-loss) before depreciation (EBITDA)	-107	1 522	-107	3 868
Operating profit/(-loss) (EBIT)	-107	1 528	-107	3 850
<b>Net profit/(-loss)</b>	<b>-107</b>	<b>1 381</b>	<b>-107</b>	<b>3 661</b>
<b>Total comprehensive income</b>	<b>-230</b>	<b>1 381</b>	<b>-230</b>	<b>4 209</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0,00</b>	<b>0,02</b>	<b>0,00</b>	<b>0,05</b>

## RESULTS

Saga Tankers group reports a net total comprehensive income for the first quarter 2013 of USD -0.2 million.

The Group has sold all vessels and had as such no freight revenues during the quarter.

EBITDA for the first quarter was negative USD -0.1 million.

Earnings per share (EPS) for the first quarter were USD 0.00.

The Group has during the quarter invested in financial instruments quoted in active markets. These investments are further described in note 5.

The average number of shares in the quarter was 86,777,409. As per the end of the period, the outstanding number of shares was 86,777,409.

The Group's condensed unaudited financial statements for the first quarter of 2013 are enclosed.

### Current Investments

The Group currently holds investments in Prospector Offshore Drilling S.A, S.D Standard Drilling PLC, Northern Energy ASA and partnership shares in Vallhall Arena. Changes in market value of USD 0.4 million for these investments was

booked as other comprehensive income in first quarter 2013.

The Group has a cash holding of USD 16.9 million.

### Future

The Group will continuously evaluate investment opportunities that may arise based on the present framework surrounding the industries in which it operates.

Whether the Group will invest in asset or equity depends on investment opportunities that may arise as well as the equity and funding market at the time being. The Company does not rule out investing in debt related instruments in industries in which the Company operates.

### SUBSEQUENT EVENTS

SD Standard Drilling distributed USD 1.22 per share as return of capital 10 May 2013 which increased the cash holding of the Group with USD 2.9 million. A dividend of USD 0.26 per share has also been declared with estimated payment 4 June 2013.

### STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this report may constitute forward looking statements.

The forward looking statements in this report are based on various assumptions, many of which are based upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult to predict and beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 29 May 2013

The Board of Directors

# CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>USD 1000</i>	<b>Q1 2013</b>	<b>Q1 2012</b>	<b>YTD 2013</b>	<b>2012</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Gross freight revenues	-	3 274	-	7 391
Voyage related expenses	-	- 22	-	- 136
Other Income	56	-	56	-
<b>Operating revenues</b>	<b>56</b>	<b>3 252</b>	<b>56</b>	<b>7 255</b>
Operating expenses vessels	-	763	-	1 736
General administrative expenses	180	967	180	1 651
Depreciation (note 2)	-	4	-	18
Impairment	-	-	-	-
Loss(-gain) sale fixed assets (note 2)	-17	-	-17	-
<b>Operating expenses</b>	<b>163</b>	<b>1 734</b>	<b>163</b>	<b>3 405</b>
<b>Operating profit/(-loss)</b>	<b>-107</b>	<b>1 518</b>	<b>-107</b>	<b>3 850</b>
Interest income	1	-	1	2
Interest expense	-	-128	-	-261
Other financial items	-	-9	-	70
<b>Net financial items</b>	<b>1</b>	<b>-136</b>	<b>1</b>	<b>-189</b>
<b>Profit/(-loss) before tax</b>	<b>-107</b>	<b>1 381</b>	<b>-107</b>	<b>3 661</b>
Taxes	-	-	-	-
<b>Net profit/(-loss)</b>	<b>-107</b>	<b>1 381</b>	<b>-107</b>	<b>3 661</b>
Change in available-for-sale assets	394	-	394	548
Currency translation differences	-517	-	-517	-
<b>Other comprehensive income</b>	<b>-123</b>	<b>-</b>	<b>-123</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-230</b>	<b>1 381</b>	<b>-230</b>	<b>4 209</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>-0,00</b>	<b>0,02</b>	<b>0,00</b>	<b>0,05</b>
Average number of shares in the period	86 777 409	86 777 409	86 777 409	86 777 409
Number of shares outstanding at period end	86 777 409	86 777 409	86 777 409	86 777 409

# CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>USD 1000</i>	<b>31.03.2013</b>	<b>31.12.2012</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Vessels and other assets (note 2)	-	42
Available-for-sale financial assets (note 5)	14 565	8 712
<b>Total non-current assets</b>	<b>14 565</b>	<b>8 754</b>
<b>Current assets</b>		
Trade receivables	1	-
Other current assets	48	25
Cash and cash equivalents	16 875	26 281
<b>Total Current assets</b>	<b>16 925</b>	<b>26 306</b>
<b>TOTAL ASSETS</b>	<b>31 490</b>	<b>35 060</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	14 620	14 620
Share premium	7 498	7 498
Other Equity	141 327	141 327
Accumulated losses	-132 527	-132 421
Other components of equity	425	548
<b>Total equity</b>	<b>31 343</b>	<b>31 572</b>
<b>Current liabilities</b>		
Other current liabilities and accruals	147	3 488
<b>Total current liabilities</b>	<b>147</b>	<b>3 488</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31 490</b>	<b>35 060</b>

# CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>USD 1000</i>	<b>YTD 2013</b>	<b>2012</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit before tax	-107	3 661
Interest income	1	-
Interest expenses	-	261
Depreciation	-	18
Impairment charge	-	-
Loss sale fixed asset	-17	-104
Increase/decrease Inventories	-	-
Increase/decrease receivables and prepayments	-25	1 196
Increase/decrease payables and accruals	-3 341	-229
Increase/decrease other provisions	0	847
<b>Net cash flow from operating activities</b>	<b>-3 489</b>	<b>6 746</b>
Investments in Financial assets	-5 459	- 8 166
Investments in tangible fixed assets	-	-
Proceeds from sale of vessel	-	30 931
Proceeds from sale of other fixed assets	59	
<b>Net cash flow from investing activities</b>	<b>- 5 400</b>	<b>22 765</b>
Repayments of long term borrowings	-	-19 800
Payments of interest expenses	-	-261
Interest income	-	-
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-20 061</b>
Effects of exchange rate change on cash (unrealized)	-517	
<b>Net change in cash and cash equivalents</b>	<b>- 9 046</b>	<b>9 450</b>
		-
<b>Cash and cash equivalents at beginning of period</b>	<b>26 281</b>	<b>16 831</b>
<b>Cash and cash equivalents at end of period</b>	<b>16 875</b>	<b>26 281</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q1 2013 (unaudited)							
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Available for sale financial assets reserve	Exchange difference currency translations	Total
Equity as at 1 January 2013	14 620	7 498	141 327	-132 421	548	-	31 572
Net profit/(-loss)	-	-	-	-107	-	-	-107
Other comprehensive income	-	-	-	-	394	-517	-123
<b>Total comprehensive income</b>	-	-	-	-107	394	-517	-230
<b>Equity per ending balance 31 March 2013</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-132 527</b>	<b>942</b>	<b>-517</b>	<b>31 343</b>

2012 (audited)							
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Available for sale financial assets reserve	Exchange difference currency translations	Total
Equity as at 1 January 2012	14 620	7 498	141 327	-136 082	-	-	27 363
Net profit/(-loss)	-	-	-	3 661	-	-	3 661
Other comprehensive income	-	-	-	-	548	-	548
<b>Total comprehensive income</b>	-	-	-	<b>3 661</b>	<b>548</b>	-	<b>4 209</b>
<b>Equity per ending balance 31 December 2012</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-132 421</b>	<b>548</b>	<b>-</b>	<b>31 572</b>

# NOTES

## NOTE 1 – BASIS FOR PREPARATION

The Company's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU and requirements in the Norwegian Securities Trading Act. This condensed interim financial statement for the first quarter is adopted by the Board of Directors on 29 May 2013.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2012. Available for sale financial assets are measured at fair value. Changes in fair value are booked as other comprehensive income provided that no impairment is present.

### Foreign currency

The financial statements are presented in USD, while NOK is the functional currency for all the companies in the Group.

## NOTE 2 – VESSELS AND OTHER ASSETS

<i>USD 1000</i>	<b>Other assets</b>	<b>Total</b>
Acquisition cost, 1 January 2013	88	<b>88</b>
Acquisition of assets	-	-
Sale of assets	-88	<b>-88</b>
<b>Acquisition cost, ending balance 31 March 2013</b>	-	-
Accumulated depreciation, 1 January 2013	-46	<b>-46</b>
Depreciation	-	-
Accumulated depreciation sold assets	46	<b>46</b>
<b>Accumulated depreciation, ending balance 31 March 2013</b>	-	-
<b>Net carrying amount, ending balance 31 March 2013</b>	-	-

Other fixed assets were sold during the quarter. Sales price was TUSD 59, resulting in gain of TUSD 17

## NOTE 3 – OPERATING SEGMENTS

During 2012, the Company operated only one type of vessel, VLCC. All the vessels were sold during or before 2012.

The Company has during Q1 2013 acquired financial instruments traded in active markets. These are further described in note 5.

For management purposes, the Company's business is not organized into separate operating segments and hence only has one reportable operating segment which is in line with the consolidated figures presented in this report. Group financing is also monitored on a Group basis.

## NOTE 4 – SAGA AGNES CLAIM SUMMARY

As informed in the annual report for 2012, the Charterers of Saga Agnes AS has presented the Group with a claim of about USD 2 million related to the time charterparty for the vessel "Saga Agnes. The matter will be resolved through arbitration. The Group has made no provisions for this claim.



## NOTE 5 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2013	2012
At 1 January	8 712	-
Additions	5 460	8 163
Change in available-for-sale financial assets	394	548
<b>At 31 March 2013/31 December 2012</b>	<b>14 565</b>	<b>8 712</b>

Available-for-sale financial assets include the following:

	Fair value hierarchy	2013	2012
Unlisted shares	Level 3	275	275
Partnership shares	Level 3	2 230	2 230
Listed shares	Level 1	12 059	6 206
<b>Total</b>		<b>14 565</b>	<b>8 712</b>

The entire change in available-for-sale financial assets during the quarter relates to financial instruments that fall within the level 1 category of the fair value hierarchy. The fair value hierarchy is described below.

### Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data, for example discounted cash flow technique.

The financial assets are denominated in NOK and are measured at fair value. Listed shares are valued at values quoted in active markets as of 31.03.2013. Partnership shares/Unlisted shares (level 3) were acquired during the end of 2012 from an independent third party, where the acquisition cost is still considered to be their fair value. None of the financial assets is impaired.

## NOTE 6 – SUBSEQUENT EVENTS

SD Standard Drilling distributed USD 1.22 per share in equity 10 May 2013 which increased the cash holding of the Group with USD 2.9 million. A dividend of USD 0.26 per share has also been declared with estimated payment 4 June 2013.

## NOTE 7 – 20 LARGEST INVESTORS

	NAME	02.04.2013
1	SPETALEN	95,18 %
2	AVANZA BANK AB	0,47 %
3	UNION TANKERS AS	0,46 %
4	ASTRUP FEARNLEY A/S	0,36 %
5	KOLBERG	0,31 %
6	KOLBERG MOTORS AS	0,31 %
7	NORDSTJERNEN AS	0,28 %
8	MOUNT AIRY SHIPPING & TRADING LTD	0,24 %
9	SKIBSAKTIESELSKAPET ABACO	0,23 %
10	RAMS AS	0,18 %
11	NISTUÅ II AS	0,13 %
12	RHIANNON AS	0,13 %
13	GADD HOLDING	0,12 %
14	MYKLAND INVEST AS	0,12 %
15	SKAGENKAIEN EIENDOM AS	0,12 %
16	PAK INVEST AS	0,09 %
17	NORSVEIS AS	0,08 %
18	VOLDMO	0,08 %
19	INITIUM INVEST AS	0,07 %
20	DNB NOR MARKETS	0,07 %
	<b>TOTAL</b>	<b>99,04 %</b>



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