

# Q1

Q1 2014 REPORT



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# HIGHLIGHTS

## KEY FIGURES

NOK 1000	Jan-Mar 2014 (unaudited)	Jan-Mar 2013 (unaudited)	Jan-Dec 2013 (audited)
Operating revenue	-317	312	3 334
Operating profit (-loss) before depreciation (EBITDA)	-1 941	-661	2 562
Operating profit/(-loss) (EBIT)	-1 941	-661	2 562
<b>Net profit/(-loss)</b>	<b>- 1 782</b>	<b>-656</b>	<b>4 329</b>
<b>Total comprehensive income</b>	<b>-30 739</b>	<b>4 673</b>	<b>40 775</b>
<b>Basic and diluted earnings per share NOK</b>	<b>-0,02</b>	<b>-0,01</b>	<b>0,05</b>

## RESULTS

Saga Tankers group reports a net total comprehensive income for the first quarter 2014 of NOK -30.7 million.

EBITDA for the first quarter was NOK -1.9 million.

Earnings per share (EPS) for the first quarter were NOK -0.02.

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 2014 are enclosed.

## Current Investments

The Group currently holds investments in Prospector Offshore Drilling S.A and S.D Standard Drilling PLC, classified as assets held for sale. Changes in market value of NOK -29 million were booked as other comprehensive income in first quarter 2014. An impairment of 0.3 million for these investments were booked as negative operating profit.

The groups shares in Vallhall Arena is classified as associated companies, and has for the first quarter booked a profit share net of depreciation of surplus value of NOK 0.5 million.

The Group has a cash holding of NOK 100.9 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.

## 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, 27 May 2014

The Board of Directors

# CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>NOK 1000</i>	<b>Jan-Mar 2014</b>	<b>Jan-Mar 2013*</b>	<b>Jan-Dec 2013</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Other Income	-	312	58
Net gain / (-loss) from available for sale assets	-317	-	3 276
<b>Operating revenues</b>	<b>-317</b>	<b>312</b>	<b>3 334</b>
General administrative expenses	992	1 026	4 236
Depreciation (note 2)		-	
Impairment	-		
<b>Operating expenses</b>	<b>992</b>	<b>1 026</b>	<b>4 236</b>
Loss(-gain) sale fixed assets (note 2)	-	-53	-53
<b>Operating profit/(-loss)</b>	<b>-1 309</b>	<b>-661</b>	<b>-847</b>
Interest income	159	7	1 769
Interest expense	-	-2	-2
Other financial items	-1 163	-	2 336
<b>Net financial items</b>	<b>-1 004</b>	<b>5</b>	<b>4 103</b>
Share of profit from associates	531	-	1 074
<b>Profit/(-loss) before tax</b>	<b>-1 782</b>	<b>-656</b>	<b>4 329</b>
Taxes	-	-	-
<b>Net profit / (-loss) for the year</b>	<b>-1 782</b>	<b>-656</b>	<b>4 329</b>
Change in available-for-sale assets	-28 956	5 330	36 446
<b>Other comprehensive income</b>	<b>-28 956</b>	<b>5 330</b>	<b>36 446</b>
<b>Total comprehensive income</b>	<b>-30 739</b>	<b>4 673</b>	<b>40 775</b>
<b>Basic and diluted earnings per share NOK</b>	<b>-0,02</b>	<b>-0,01</b>	<b>0,05</b>
Average number of shares in the period	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

\* Restated from USD to NOK

# CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>NOK 1000</i>	<b>31.03.2014</b>	<b>31.12.2013</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Available-for-sale financial assets (note 4)	70 458	99 731
Investment in associates	15 605	15 074
<b>Total non-current assets</b>	<b>86 063</b>	<b>114 805</b>
<b>Current assets</b>		
Other current assets	68	65
Cash and cash equivalents	100 710	102 864
<b>Total Current assets</b>	<b>101 778</b>	<b>102 930</b>
<b>TOTAL ASSETS</b>	<b>186 841</b>	<b>217 735</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	86 777	86 777
Other Equity	883 696	883 696
<b>Total paid-in-capital</b>	<b>970 473</b>	<b>970 473</b>
Accumulated losses	-791 899	-790 117
Other components of equity	7 875	36 831
<b>Total equity</b>	<b>186 449</b>	<b>217 187</b>
<b>Current liabilities</b>		
Other current liabilities and accruals	392	548
<b>Total current liabilities</b>	<b>392</b>	<b>19 505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>186 841</b>	<b>217 735</b>

# CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>NOK 1000</i>	<b>Jan-Dec 2013</b>	<b>Jan-Mar 2013*</b>	<b>Jan-Dec 2013</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit before tax	-1 782	-656	4 329
Profit share from associates	-531	-	-1 074
Interest income	-	7	-
Impairment charge	317	-	17 523
Loss/(gain) sale fixed asset	-	-53	-53
Foreign exchange losses/(gains)	1 163	-	- 2 334
Increase/decrease receivables and prepayments	-3	-134	73
Increase/decrease payables and accruals	-156	-18 678	-18 957
Increase/decrease other provisions	-	-	-
Interest paid	-	-	-
<b>Net cash flow from operating activities</b>	<b>-992</b>	<b>-19 514</b>	<b>-493</b>
Investments in AFS assets	-	-30 276	-66 468
Divestment in AFS assets	-	-	20 308
Proceeds from sale of other fixed assets	-	331	331
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>29 945</b>	<b>-45 829</b>
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>-991</b>	<b>-49 459</b>	<b>-46 322</b>
	-	-	-
<b>Cash and cash equivalents at beginning of period</b>	<b>102 864</b>	<b>146 852</b>	<b>146 852</b>
<b>Cash and cash equivalents at end of period</b>	<b>100 710</b>	<b>97 393</b>	<b>102 864</b>
<b>Net foreign exchange differences (unrealized)</b>	<b>-1 163</b>	<b>-</b>	<b>2 334</b>

\* Restated from USD to NOK

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Jan-Mar 2014 (unaudited)						
<i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Available for sale financial assets reserve	Exchange difference currency translations	Total
<b>Equity as at 1 January 2014</b>	<b>86 777</b>	<b>883 696</b>	<b>-790 117</b>	<b>39 477</b>	<b>-2 648</b>	<b>217 187</b>
Net profit/(-loss)	-	-	-1 782	-	-	-1 782
Other comprehensive income	-	-	-	-28 956	-	-28 956
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-1 782</b>	<b>-28 956</b>	<b>-</b>	<b>-30 739</b>
<b>Equity per ending balance 31 March 2014</b>	<b>86 777</b>	<b>883 696</b>	<b>-791 899</b>	<b>10 523</b>	<b>-2 648</b>	<b>186 449</b>

Jan-Dec 2013 (Audited)						
<i>NOK 1000</i>	Issued capital	Other equity	Accumulated losses	Available for sale financial assets reserve	Exchange difference currency translations	Total
<b>Equity as at 1 January 2013</b>	<b>86 777</b>	<b>883 696</b>	<b>-794 446</b>	<b>3 033</b>	<b>-2 648</b>	<b>176 411</b>
Net profit/(-loss)	-	-	4 329	-	-	4 329
Other comprehensive income	-	-	-	36 446	-	36 446
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4 329</b>	<b>36 446</b>	<b>-</b>	<b>40 775</b>
<b>Equity per ending balance 31 December 2013</b>	<b>86 777</b>	<b>883 696</b>	<b>-790 117</b>	<b>39 477</b>	<b>-2 648</b>	<b>217 187</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 27 May 2014.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2013. 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 NOK. NOK is also the functional currency for all the companies in the Group as of 1 January 2013.

## NOTE 2 – OPERATING SEGMENTS

The Group is investing in financial instruments traded in active markets. These are further described in note 4.

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 3 – SAGA AGNES CLAIM SUMMARY

As informed in the annual report for 2013, 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 most likely be resolved through arbitration. The Group has made no provisions for this claim as it is considered to be unsubstantiated.



#### NOTE 4 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 Mar 2013	31 Dec 2013
At 1 January	99 731	34 648
Additions	-	46 160
Impairment	-317	-17 523
Change in available-for-sale financial assets	-28 956	36 446
<b>Total</b>	<b>70 458</b>	<b>99 731</b>

Available-for-sale financial assets include the following:

	Fair value hierarchy	2014	2013
Listed shares	Level 1	70 458	99 731
<b>Total</b>		<b>70 458</b>	<b>99 731</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

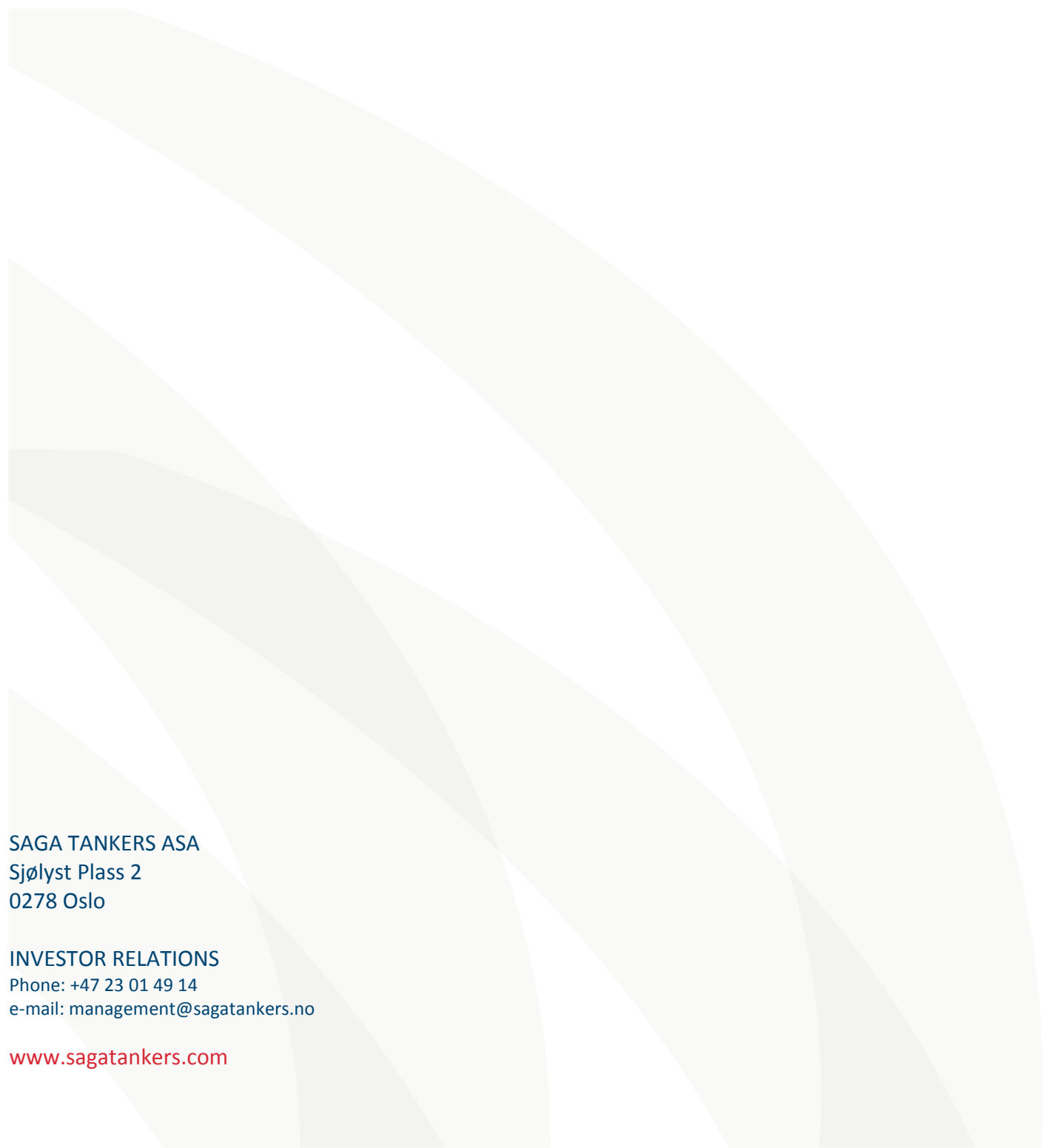
The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- 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 31.03.2014. Impairment of financial assets has been recognized through the income statement.

#### NOTE 5 – 20 LARGEST INVESTORS

	NAME	03.04.2014
1	SPETALEN	96,55 %
2	KOLBERG MOTORS AS	0,31 %
3	NORDSTJERNEN AS	0,27 %
4	KOLBERG	0,27 %
5	SKIBSAKTIESELSKAPET ABACO	0,23 %
6	RAMS AS	0,18 %
7	JEBSEN	0,13 %
8	NISTUÅ II AS	0,12 %
9	GADD HOLDING	0,12 %
10	MYKLAND INVEST AS	0,12 %
11	NGUYEN	0,12 %
12	PAK INVEST AS	0,09 %
13	KRISTIAN HODNE AS	0,09 %
14	VOLDMO	0,08 %
15	INITIUM INVEST AS	0,07 %
16	NORDNET PENSJONSFORSIKRING	0,07 %
17	ARAMIS FLEKKEFJORD AS	0,06 %
18	BAKER KARLSEN EIENDOM AS	0,05 %
19	BUSINESSPARTNER AS	0,05 %
20	PEDRO EIENDOM	0,05 %
	<b>TOTAL</b>	<b>99,03 %</b>



SAGA TANKERS ASA  
Sjølyst Plass 2  
0278 Oslo

INVESTOR RELATIONS  
Phone: +47 23 01 49 14  
e-mail: [management@sagatankers.no](mailto:management@sagatankers.no)

[www.sagatankers.com](http://www.sagatankers.com)