

# Q4

Q4 2013 REPORT



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# HIGHLIGHTS

## KEY FIGURES

NOK 1000	Oct-Dec 2013 (unaudited)	Oct-Dec 2012 (unaudited)	Jan-Dec 2013 (unaudited)	Jan-Dec 2012 (unaudited)
Operating revenue	-67	-	20 858	-
Operating profit (-loss) before depreciation (EBITDA)	-1 060	-1 348	-847	-9 610
Operating profit/(-loss) (EBIT)	-1 060	-1 377	-847	-9 715
Net profit from discontinued operations	-	-482	-	32 126
<b>Net profit/(-loss)</b>	<b>2 617</b>	<b>-1 452</b>	<b>4 329</b>	<b>21 311</b>
<b>Total comprehensive income</b>	<b>20 164</b>	<b>-1 665</b>	<b>40 775</b>	<b>12 381</b>
<b>Basic and diluted earnings per share NOK</b>	<b>0,03</b>	<b>-0,02</b>	<b>0,05</b>	<b>0,25</b>

## RESULTS

Saga Tankers group reports a net total comprehensive income for the fourth quarter 2013 of NOK 20.2 million.

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

EBITDA for the fourth quarter was NOK -1.1 million..

Earnings per share (EPS) for the fourth quarter were NOK 0.05.

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 fourth quarter of 2013 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 17,5 million for these investments were booked as other comprehensive income in fourth quarter 2013.

The groups shares in Vallhall Arena is classified as associated companies, and has for the fourth quarter booked a profit share net of depreciation of surplus value of NOK 1.1 million.

The Group has a cash holding of NOK 102.9 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 February 2014

The Board of Directors

# RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January 2013 to 31 December 2013 have been prepared in accordance with IFRS, as adopted by the EU, and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations. Furthermore, we confirm that the Report of the Board provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, 27 February 2014

The Board of Directors

Øystein Stray Spetalen  
Chairman

Martin Nes  
Board member

Brita Eilertsen  
Board member

Espen Lundaas  
CEO

# CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>NOK 1000</i>	<b>Oct-Dec 2013</b>	<b>Oct-Dec 2012</b>	<b>Jan-Dec 2013</b>	<b>Jan-Dec 2012</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Other Income	58	-	58	-
Net gain / (-loss) from available for sale assets	-125	-	20 799	-
<b>Operating revenues</b>	<b>-67</b>	<b>-</b>	<b>20 858</b>	<b>-</b>
General administrative expenses	993	1 348	4 236	9 610
Depreciation (note 2)	-	29	-	105
Impairment	-	-	17 523	-
Loss(-gain) sale fixed assets (note 2)	-	-	-53	-
<b>Operating expenses</b>	<b>993</b>	<b>1 377</b>	<b>21 705</b>	<b>9 715</b>
<b>Operating profit/(-loss)</b>	<b>-1 060</b>	<b>-1 377</b>	<b>-847</b>	<b>-9 715</b>
Interest income	1 762	18	1 769	12
Interest expense	-	-	-2	-1 519
Other financial items	842	389	2 336	407
<b>Net financial items</b>	<b>2 603</b>	<b>407</b>	<b>4 103</b>	<b>-1 100</b>
Share of profit from associates	1 074	-	<b>1 074</b>	-
<b>Profit/(-loss) before tax</b>	<b>2 617</b>	<b>-970</b>	<b>4 329</b>	<b>-10 815</b>
Taxes	-	-	-	-
<b>Net profit/(-loss) From continuing operations</b>	<b>2 617</b>	<b>-970</b>	<b>4 329</b>	<b>-10 815</b>
Discontinued operations				
Profit for the year from discontinued operations	-	-482	-	32 126
<b>Net profit / (-loss) for the year</b>	<b>2 617</b>	<b>-1 452</b>	<b>4 329</b>	<b>21 311</b>
Change in available-for-sale assets	17 547	3 033	36 446	3 033
Currency translation differences	-	-3 245	-	-11 962
<b>Other comprehensive income</b>	<b>17 547</b>	<b>-212</b>	<b>36 446</b>	<b>-8 929</b>
<b>Total comprehensive income</b>	<b>20 164</b>	<b>-1 665</b>	<b>40 775</b>	<b>12 381</b>
<b>Basic and diluted earnings per share NOK</b>	<b>0,03</b>	<b>-0,02</b>	<b>0,05</b>	<b>0,25</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>NOK 1000</i>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Vessels and other assets (note 2)	-	278
Available-for-sale financial assets (note 5)	99 731	34 648
Investment in associates	15 074	14 000
<b>Total non-current assets</b>	<b>114 805</b>	<b>48 926</b>
<b>Current assets</b>		
Other current assets	65	138
Cash and cash equivalents	102 864	146 852
<b>Total Current assets</b>	<b>102 930</b>	<b>146 990</b>
<b>TOTAL ASSETS</b>	<b>217 735</b>	<b>195 916</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	86 777	86 777
Share premium	44 850	44 850
Other Equity	838 846	838 846
Accumulated losses	-790 117	-794 446
Other components of equity	36 831	385
<b>Total equity</b>	<b>217 187</b>	<b>176 411</b>
<b>Current liabilities</b>		
Other current liabilities and accruals	548	19 505
<b>Total current liabilities</b>	<b>548</b>	<b>19 505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>217 735</b>	<b>195 916</b>

# CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>NOK 1000</i>	<b>Jan-Dec 2013</b>	<b>Jan-Dec 2012</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit before tax	4 329	21 311
Profit share from associates	-1 074	
Interest expenses	-	1 519
Depreciation	-	105
Impairment charge	17 523	-
Loss/(gain) sale fixed asset	-53	-605
Foreign exchange losses/(gains)		- 9 056
Increase/decrease receivables and prepayments	73	6 972
Increase/decrease payables and accruals	-18 957	-1 333
Increase/decrease other provisions	-	11 304
Interest paid		-1 519
<b>Net cash flow from operating activities</b>	<b>1 841</b>	<b>28 698</b>
Investments in AFS assets	-46 130	-33 534
Investment in Associates		-14 000
Proceeds from sale of vessel	-	180 049
Proceeds from sale of other fixed assets	331	
<b>Net cash flow from investing activities</b>	<b>-45 829</b>	<b>132 515</b>
Repayments of long term borrowings	-	-115 256
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-115 256</b>
<b>Net change in cash and cash equivalents</b>	<b>-43 988</b>	<b>45 957</b>
		-
<b>Cash and cash equivalents at beginning of period</b>	<b>146 852</b>	<b>100 895</b>
<b>Cash and cash equivalents at end of period</b>	<b>102 864</b>	<b>146 852</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Jan-Dec 2013 (unaudited)							
<i>NOK 1000</i>	Issued capital	Share premium	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>44 850</b>	<b>838 846</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>-</b>	<b>4 329</b>	<b>36 446</b>	<b>-</b>	<b>40 775</b>
<b>Equity per ending balance 30 September 2013</b>	<b>86 777</b>	<b>44 850</b>	<b>838 846</b>	<b>-790 117</b>	<b>39 477</b>	<b>-2 648</b>	<b>217 187</b>

Jan-Des 2012 (unaudited)							
<i>NOK 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Available for sale financial assets reserve	Exchange difference currency translations	Total
<b>Equity as at 1 January 2012</b>	<b>86 777</b>	<b>44 850</b>	<b>838 846</b>	<b>-815 757</b>	<b>-</b>	<b>9 314</b>	<b>164 030</b>
Net profit/(-loss)	-	-	-	21 311	-	-	21 311
Other comprehensive income	-	-	-	-	3 033	-11 962	-8 929
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 311</b>	<b>3 033</b>	<b>-2 648</b>	<b>12 381</b>
<b>Equity per ending balance 31 December 2012</b>	<b>86 777</b>	<b>44 850</b>	<b>838 846</b>	<b>-794 446</b>	<b>3 033</b>	<b>-2 648</b>	<b>176 411</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 fourth quarter is adopted by the Board of Directors on 27 February 2014.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2012, with the exception of functional currency and presentation currency which has been changed from USD to NOK 1 January 2013. Comparable figures from periods prior to this date, has been recalculated to NOK for presentation purposes. 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 – VESSELS AND OTHER ASSETS

<i>NOK 1000</i>	<b>Other assets</b>	<b>Total</b>
Acquisition cost, 1 January 2013	575	<b>575</b>
Acquisition of assets	-	-
Sale of assets	-575	<b>-575</b>
<b>Acquisition cost, ending balance 31 December 2013</b>	-	-
Accumulated depreciation, 1 January 2013	-297	<b>-297</b>
Depreciation	-	-
Accumulated depreciation sold assets	297	<b>297</b>
<b>Accumulated depreciation, ending balance 31 December 2013</b>	-	-
<b>Net carrying amount, ending balance 31 December 2013</b>	-	-

Other fixed assets were sold during the first quarter. Sales price was TNOK 331, resulting in gain of TNOK 53

## 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 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 most likely be resolved through arbitration. The Group has made no provisions for this claim as it is considered to be unsubstantiated.

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

	31 Dec 2013	31 Dec 2012
At 1 January	34 648	-
Additions	46 160	31 615
Impairment	-17 523	-
Change in available-for-sale financial assets	36 446	3 033
<b>Total</b>	<b>99 731</b>	<b>34 648</b>

Available-for-sale financial assets include the following:

	Fair value hierarchy	2013	2012
Listed shares	Level 1	99 731	34 648
<b>Total</b>		<b>99 731</b>	<b>34 648</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 31.12.2013. Impairment of financial assets has been recognized through the income statement.

## NOTE 6 – 20 LARGEST INVESTORS

	NAME	06.01.2014
1	SPETALEN	95,89 %
2	SELACO AS	0,65 %
3	KOLBERG MOTORS AS	0,31 %
4	KOLBERG	0,31 %
5	NORDSTJERNEN AS	0,27 %
6	SKIBSAKTIESELSKAPET ABACO	0,23 %
7	RAMS AS	0,18 %
8	JEBSEN	0,13 %
9	NISTUÅ II AS	0,12 %
10	MYKLAND INVEST AS	0,12 %
11	GADD HOLDING	0,12 %
12	NGUYEN	0,12 %
13	T SANDVIK AS	0,10 %
14	PAK INVEST AS	0,09 %
15	VOLDMO	0,08 %
16	INITIUM INVEST AS	0,07 %
17	KRISTIAN HODNE AS	0,07 %
18	ARAMIS FLEKKEFJORD AS	0,06 %
19	PIKHAUGEN II AS	0,06 %
20	BUSINESSPARTNER AS	0,05 %
	<b>TOTAL</b>	<b>99,04 %</b>



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