



# Q1

Unaudited FIRST QUARTER results 2015

“Activity on new build projects increasing”

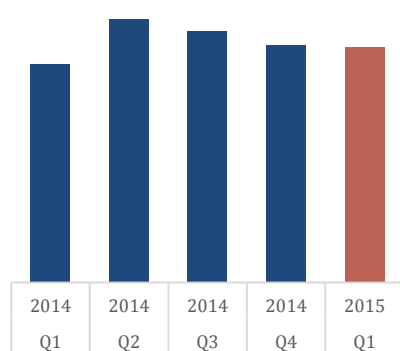
## Headlines



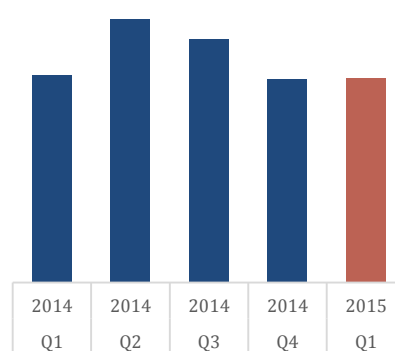
### This Quarter

Operating Revenue	560 mNOK
EBITDA	62 mNOK
Cash Flow from Operations	-1 mNOK
Order Intake*	81 mNOK
TRIF	3,2
Employees**	1 600

### REVENUE



### EBITDA



\* includes frame agreements and exercise of options

\*\* Employees end of quarter



# Group Overview

Highlights for Beerenberg (Beerenberg Holdco II AS consolidated) in the 1<sup>st</sup> quarter 2015 was

- Revenue of MNOK 560
- EBITDA MNOK 62
- EBITDA margin was 11,1%

## Income Statement

Revenue was MNOK 560 in the 1<sup>st</sup> quarter, up 8 % from MNOK 518 in the 1<sup>st</sup> quarter 2014. The activity level in Beerenberg has been stable as increased activity on new build projects has offset the drop in activity in maintenance and modification work.

With an EBITDA of MNOK 62, the EBITDA margin was 11,1 %, down from 12,2 % in 1<sup>st</sup> quarter last year. Lower margin on maintenance and modification projects partly due to transfer of business from offshore to onshore and loss related to a bankruptcy of a partner explains most of the drop in margin.

The earnings before tax (EBT) was MNOK 27 in the 1<sup>st</sup> quarter 2015 compared to MNOK 21 for the same period in 2014.

## Balance Sheet

Total assets was MNOK 1 913 at the end of 1<sup>st</sup> quarter with an equity ratio of 18, 3%. Changes in total assets are driven by higher working capital requirements on new build projects. The overall trend towards tougher business climate is likely to tie up more working capital.

Net interest bearing debt was MNOK 965. Most of Beerenberg debt is long term as a result of the issuing of a senior secured bond in 2<sup>nd</sup> quarter 2014.

## Cash Flow

Cash flow from operations was negative MNOK 1 for the first quarter of 2015 due to an increased working capital. Net investments were MNOK 8 of which the majority relates to a new office building.

## Order Backlog & Market

The market outlook for Beerenberg remains mixed. The drop in oil-price has re-enforced a number of savings initiatives related to maintenance and modification contracts which has impacted the activity level.

The activity on new build projects are increasing with high tender activity in the 1<sup>st</sup> quarter of 2015.

Total order intake of MNOK 81 in 1<sup>th</sup> quarter 2015 (including uncommitted options and frame agreements)

Total order backlog of BNOK 7 includes uncommitted options and frame agreement. The estimated backlog is company's best estimate based on historical utilization and has been adjusted for the lower activity level on offshore work.

## HSEQ

At the end of Q1 2015 Beerenberg had 1600 employees, a reduction of 49 from year end 2014.

In first quarter 2015 Beerenberg recorded 3 incidents compared to 7 same period last year. None of the incidents were according to standard rules and regulations (PTIL/NAV) defined as potentially critical.

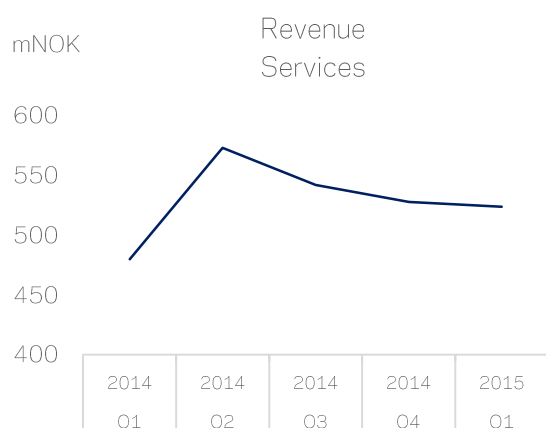
Total recordable incident frequency (TRIF) was 3,2 measured on last twelve months basis (LTM). 1<sup>st</sup> quarter 2015 ended at 2,6 compared to 8,2 1<sup>st</sup> quarter 2014.

## Business Segments

From December 2014 Beerenberg has changed its organization to optimize and focus its business. As a consequence it has merged the former Cold Work Concepts and Maintenance and modification division into one segment, Services. The Benarx division which consists of advanced insulation topside and subsea remains unchanged.

### Services

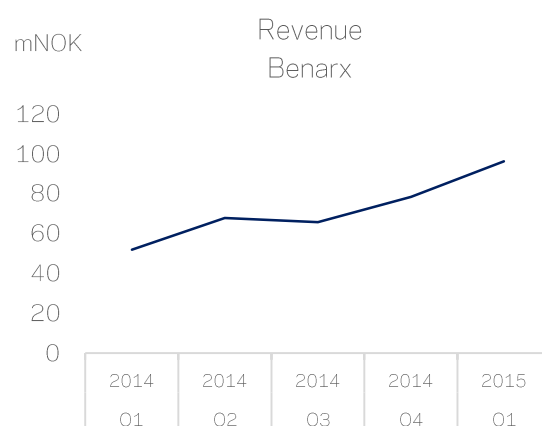
The Services segment reports an increased revenue q-o-q from MNOK 480 to MNOK 524 for the 1<sup>st</sup> quarter 2015. The increase in revenue relates to new build projects while there has been a reduction in activity in maintenance and modification. EBITDA was MNOK 44 in 1<sup>st</sup> quarter, down from MNOK 60 in 1<sup>st</sup> quarter 2014. Lower margins on maintenance and modification contracts partly due to transfer of business from offshore to onshore in addition to a loss related to a bankruptcy of a partner explains the reduction in earnings.



### Benarx

The Benarx division (Prefabricated insulation topside and subsea) continues to grow. Revenue was MNOK 96, a q-o-q growth of 85 %.

EBITDA and EBITDA margin in the quarter was MNOK 18 (18,6 %) compared to MNOK 3 (6,6 %) in 1<sup>st</sup> quarter 2014.







FIGURES & NOTES

# Figures for Beerenberg Holdco II

## Condensed Consolidated Income Statement

Group Summary		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2014	2015	2015	2014	2014
Operating revenues and other income	6	517,8	560,3	560,3	517,8	2 306,3
Operating Expenses		454,4	498,0	498,0	454,4	2 026,0
<b>EBITDA</b>	<b>7</b>	<b>63,4</b>	<b>62,3</b>	<b>62,3</b>	<b>63,4</b>	<b>280,4</b>
Depreciation		7,5	7,8	7,8	7,5	31,1
<b>EBITA</b>		<b>55,9</b>	<b>54,5</b>	<b>54,5</b>	<b>55,9</b>	<b>249,3</b>
Amortisation		10,2	10,2	10,2	10,2	41,0
<b>Operating profit (EBIT)</b>		<b>45,7</b>	<b>44,3</b>	<b>44,3</b>	<b>45,7</b>	<b>208,3</b>
Financial expenses	4	25,0	17,5	17,5	25,0	149,3
<b>Profit before tax (EBT)</b>		<b>20,6</b>	<b>26,7</b>	<b>26,7</b>	<b>20,6</b>	<b>59,0</b>
Estimated tax		5,6	7,2	7,2	5,6	18,0
<b>Net profit</b>		<b>15,1</b>	<b>19,5</b>	<b>19,5</b>	<b>15,1</b>	<b>41,0</b>
Profit for the period is attributable to:						
Shareholders of the parent company		15,1	19,5	19,5	41,0	41,0
Basic earnings per share (NOK)		0,06	0,07	0,07	0,15	0,15
<i>EBITDA margin</i>		12,2 %	11,1 %	11,1 %	12,2 %	12,2 %
<i>EBITA margin</i>		10,8 %	9,7 %	9,7 %	10,8 %	10,8 %

## Condensed Consolidated Statement of Comprehensive Income

		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2014	2015	2015	2014	2014
Net profit for the period		15,1	19,5	19,5	15,1	41,0
Other comprehensive income:						
Conversion differences		0,2	0,0	0,0	0,2	-0,2
Change in value of derivatives		-3,2	1,3	1,3	-3,2	-1,1
Total comprehensive income		12,1	20,8	20,8	12,1	39,8

## Condensed Consolidated Balance Sheet

Group Summary				
Amounts in NOK million	Note	Q1 31.03.2014	Q1 31.03.2015	FY 31.12.2014
Goodwill		890,1	883,9	883,9
Intangible assets		214,0	176,9	187,2
Buildings and other property		21,2	14,6	15,2
Machinery and equipment		151,2	179,4	184,0
Tools, Office machinery and similar assets		2,8	9,3	4,3
Financial Fixed Assets		0,0	0,1	0,0
<b>Total non-current assets</b>		<b>1 279,4</b>	<b>1 264,2</b>	<b>1 274,5</b>
Inventories		58,0	50,3	38,8
Trade Debtors		216,5	333,3	215,0
Earned Not Invoiced Revenue (WIP)		181,2	168,5	238,7
Other Short Term Receivables		30,9	29,3	22,6
Prepayments		2,6	2,8	1,1
Bank Deposit		46,5	65,1	90,6
<b>Total Current Assets</b>		<b>535,8</b>	<b>649,2</b>	<b>606,9</b>
<b>TOTAL ASSETS</b>		<b>1 815,2</b>	<b>1 913,4</b>	<b>1 881,4</b>
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		20,6	64,5	22,2
Current year result after est. Tax		15,1	19,5	41,0
<b>Total equity</b>		<b>302,7</b>	<b>351,0</b>	<b>330,2</b>
Deferred tax		70,5	48,0	40,3
Pension Liability		5,7	7,7	7,9
Warranty		3,5	4,0	4,0
Financial Lease loan		7,7	4,5	5,7
Loan financial institutions	4	655,1	0,0	0,0
Bond	4	0,0	1 025,5	1 024,0
Loan from parent company	4	332,4	0,0	0,0
Derivatives		5,0	29,0	33,0
<b>Total non-current liabilities</b>		<b>1 079,9</b>	<b>1 118,7</b>	<b>1 115,0</b>
<b>Current Liabilities</b>				
Overdraft & S/T debt		55,9	0,4	0,4
Trade Creditors		99,2	131,7	137,4
Current Tax Payable		0,0	32,0	38,5
Social Security, VAT and other taxes		52,2	80,2	79,6
Accruals		98,7	72,2	66,1
Deferred Revenue		12,0	0,0	10,5
Other Current Liabilities		114,7	127,2	103,6
<b>Total Current Liabilities</b>		<b>432,6</b>	<b>443,7</b>	<b>436,2</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>1 815,2</b>	<b>1 913,4</b>	<b>1 881,4</b>



## Condensed Consolidated statement of change in equity

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2015	26,7	240,3	0,0	-1,6	64,8	330,2
Profit for the year					19,5	19,5
Other Comprehensive Income				1,3		1,3
Equity as per 31.03.2015	26,7	240,3	0,0	-0,3	84,3	351,0

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2014	26,7	240,3	-1,2	-0,7	25,5	290,6
Profit for the year					15,1	15,1
Other Comprehensive Income			0,2	-3,2		-3,0
Equity as per 31.03.2014	26,7	240,3	-1,0	-3,9	40,5	302,7

## Condensed Consolidated Statement of Cash Flow

	Note	Q1 2014	Q1 2015	YTD 2015	YTD 2014	FY 2014
EBITDA		63,4	62,3	62,3	63,4	280,4
Taxes paid		-8,6	-6,5	-6,5	-8,6	-13,5
Change in net working capital		-37,6	-53,8	-53,8	-37,6	-44,1
Changes to other time restricted items		-2,0	-2,5	-2,5	-2,0	-1,2
<b>Net Cash flow from operating activities</b>		<b>15,1</b>	<b>-0,6</b>	<b>-0,6</b>	<b>15,1</b>	<b>221,6</b>
Capex		-13,1	-7,7	-7,7	-13,1	-68,7
<b>Net cash flow from investing activities</b>		<b>-13,1</b>	<b>-7,7</b>	<b>-7,7</b>	<b>-13,1</b>	<b>-68,7</b>
Repayment of interest bearing debt	4	-13,4	-1,3	-1,3	-13,4	-1 150,8
Purchase of shares		0,0	0,0	0,0	0,0	6,2
Net incoming payment from Bond		0,0	0,0	0,0	0,0	1 078,5
<b>Interest paid</b>		<b>-14,1</b>	<b>-16,0</b>	<b>-16,0</b>	<b>-14,1</b>	<b>-68,1</b>
<b>Net cash flow from financing activities</b>		<b>-27,5</b>	<b>-17,3</b>	<b>-17,3</b>	<b>-27,5</b>	<b>-134,2</b>
<b>Total cash flow</b>		<b>-25,4</b>	<b>-25,5</b>	<b>-25,5</b>	<b>-25,4</b>	<b>18,7</b>
Opening balance net bank deposits		71,9	90,6	90,6	71,9	71,9
Closing balance net bank deposits		46,5	65,1	65,1	46,5	90,6

# Notes

## Note 1 - General

Beerenberg Holdco II AS is a company domiciled in Norway. The consolidated financial statements of Beerenberg Holdco II comprise the company and its subsidiaries, together referred to as the Group. The Beerenberg Holdco II Group was established 01. March 2013, as a result of the Beerenberg Holdco II AS acquisition of all shares in Beerenberg Holding AS.

Beerenberg is delivering products and services to its customer in complex environments implying substantial operational risk with regards to quality, cost, time and not at least to injuries and accidents (HSE). Beerenberg works systematically to mitigate and manage risk on all levels. The annual report for 2014 provides further information on risks and uncertainties applicable to Beerenberg.

Beerenberg Holdco II AS is wholly owned by Beerenberg Holdco I AS which is wholly owned by Beerenberg Invest AS. Shareholders in Beerenberg Invest are specified in table below.

Shareholders Beerenberg Invest	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV L.P.	802 555	80,3 %	216 058 717	81,2 %	216 861 272	81,2 %
AlpInvest Partners 2012 I B.V.	92 121	9,2 %	24 931 110	9,4 %	25 023 231	9,4 %
AlpInvest Partners 2012 II B.V.	23 319	2,3 %	6 310 883	2,4 %	6 334 202	2,4 %
Management	82 005	8,2 %	18 699 290	7,0 %	18 781 295	7,0 %
Total	1 000 000	100,0 %	266 000 000	100,0 %	267 000 000	100,0 %

## Note 2 - Basis for preparation

The interim financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and their interpretations adopted by the International Accounting Standards Board (IASB).

The interim report does not include all the information required for full annual consolidated financial statements, and should be read in conjunction with the financial statements of the Group for 2014. The accounting policies applied in the interim financial statements is the same as those described in the annual report for 2014. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The Annual Report for 2014 is available at [www.Beerenberg.com](http://www.Beerenberg.com)

### Note 3 - Judgments, estimates and assumptions

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statement, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in the estimates were consistent with those applied to the consolidated financial statements as at and for the period ended 31. December 2014.

### Note 4 – Bond and covenants

A bond of MNOK 1100 was issued in Q2 2014. In the same quarter long term loans to financial institutions and long term loan from the parent company Beerenberg Holdco I AS was fully repaid. In Q4 2014 the Group have repurchased own Bonds with face value totaling MNOK 55.

The Bond implies covenants related to Incurrence testing, and quarterly Net Total Leverage ratio test ( below 9.0). The Group is in compliance with covenants as of 31.03.2015.

### Note 5 – Related party transactions

No related party transactions were conducted in Q1 2015.

## Note 6 – Revenue by Segment

From December 2014 Beerenberg changed its organization to optimize and focus its business. The former Cold Work Concepts and Maintenance and modification division was merged into one segment, Services. Segment figures for Services for Q1 2014 and YTD 2014 are for the two previous segments Cold Work Concepts and Maintenance & Modifications combined. The Benarx business segment, which consists of advanced insulation topside and subsea, remains unchanged.

		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2014	2015	2015	2014	2014
Services		479,9	523,8	523,8	479,9	2 123,0
Benarx		51,9	96,3	96,3	51,9	264,0
Eliminations		-14,0	-59,8	-59,8	-14,0	-80,8
<b>Total</b>		<b>517,8</b>	<b>560,3</b>	<b>560,3</b>	<b>517,8</b>	<b>2 306,3</b>

## Note 7 – EBITDA by Segment

		Q1	Q1	YTD	YTD	FY
Amounts in NOK million	Note	2014	2015	2015	2014	2014
Services		59,8	44,4	44,4	59,8	256,1
Benarx		3,4	17,9	17,9	3,4	27,3
Other		0,1	0,0	0,0	0,1	-3,0
<b>Total</b>		<b>63,4</b>	<b>62,3</b>	<b>62,3</b>	<b>63,4</b>	<b>280,4</b>

## Note 8 – Subsequent events

No events have occurred after the reporting date that are of significant impact when considering the financial position or result in the Group as of 31.03.2015.