



Consolidated Annual Accounts

Boa Group

2011



Org.nr. 989 023 268

BOA HOLDING AS GROUP

BOARD'S ANNUAL REPORT FOR 2011

Nature and location of activities:

Boa Holding AS is the parent company of the Boa Group. The Group comprises several companies that engage in property, tugboat, salvaging, barge, offshore, plane and helicopter activities in Norway and elsewhere. The administration department is located in Trondheim. In 2011, the Group operated a fleet consisting primarily of anchor handling vessels, construction vessels, barges, tugboats and roll-on roll-off vessels. The Group operates worldwide.

Work environment:

At year-end the Group had approx. 479 employees and, in the opinion of the Board, a good work environment. The total absenteeism rate for the year was around 2,7 %.

Equal opportunity:

The Group operates within a sector that historically has been dominated by men. This is also the case among our staff, in which men form the majority of sailing personnel. Consequently, the percentage of women in leading positions is small.

The company aims to ensure that all possible discrimination based on gender, religion or nationality is subject to immediate follow-up by the management staff onboard the vessels and onshore and that conditions are created that guarantee equal opportunity.

The ratio among men and woman in administration onshore is approx. 23 % women and 77 % men. There are four top positions in the Group management held by a woman.

For the Group, the distribution among the employees is about 8 % women and about 92 % men.

Health, safety, the environment and quality:

The goal of the Group's health, safety, the environment and quality policy is 'zero tolerance' when it comes to injury to persons, damage to ships, work-related illness and environmental damage. This can be achieved by establishing a good work environment and work routines both onboard the vessels and onshore. The risk factors linked to the company's operations are continuously identified and the necessary risk-reducing measures implemented. The Group has established procedures for dealing with accidents and other emergency situations and meets international requirements concerning safeguards against acts of terrorism. The Group aims to be known in the market for providing high-quality services and in accordance with national and international laws and regulations.

To achieve these goals, the Group has established an integrated health, safety, environment and quality control system that is used by both the onshore organisations and those onboard the vessels. The system meets all relevant requirements with regard to international standards as well as requirements and guidelines developed by branch organisations within the offshore and shipping sectors. The system undergoes continuous improvements based on reports from users and annual reviews by customers, authorities and the organisation itself.

The goal for the future with regard to the integrated health, safety, the environment and quality system is to achieve combined certification pursuant to the requirements of the ISM code and ISO 9001:2000 quality standard.

Over the last year it has been one serious work-related injury among employees and contracted personnel. The Group is continuously working to reduce the number of work related injuries.

External environment:

The machinery on the vessels run on fuel and, apart from the emissions from this machinery, the Board does not believe that the ships pollute the external environment beyond what is normal for this type of maritime activity. The Group is continuously working to reduce discharge to sea and air.

Continued operations:

Boa Holding AS (parent company) has positive equity as per December 31, 2011 due to a group contribution from a subsidiary. The company's shareholdings in subsidiaries, in the board's opinion, have significant higher value relative to the book values. The annual accounts for 2011 for the Group were drawn up under the assumption of continued operations.

Review of annual accounts:

The operating profit for the Group in 2011 was MNOK -10.1, compared to MNOK 227.7 in 2010. The change from 2010 is primarily due to a major cost connected to the closing down of ro-ro operations and a loss from the start of a new company in Sweden.

Net financial items were MNOK -235.9, compared to MNOK -179.7 in 2010. The change from 2010 is a result of high expenses due to refinancing.

The tax expenses for 2011 were MNOK -27.4.

The final result was a loss of MNOK 218.6.

Total year end assets were MNOK 4 097.0, compared to MNOK 4 040.8 the previous year. The percentage of shareholder's equity on December 31, 2011 was 31.3 %, compared with 36 % on December 31, 2010.

Financial risk:

Market risk:

The Group is susceptible to changes in currency rates since the Group's earnings and long-term financing is partly in foreign currency. However, the currency risk is reduced somewhat since the operating costs of the Group are in the same currency. The Group always considers entering into forward contracts and other agreements in order to reduce the currency risk.

Credit risk:

The risk that the other contracting party will not have the financial means to meet its obligations is considered low. Agreements have not been made for set-offs or other financial tools to minimise the Group's credit risk.

Liquidity risk:

The Group's liquidity position is considered healthy. The decision has not been made to implement measures to change the liquidity profile of the Group.

Appropriation of profits:

The year-end result of the parent company, Boa Holding AS, was MNOK 139.5. The Board proposes the following distribution:

Transferred to other shareholder's equity	MNOK 117.5
Dividends	MNOK 22.0

The company's distributable equity as per December 31 2011 was MNOK 1.4.

Events after the balance sheet date:

No events have taken place after the end of the financial year that would materially affect the evaluation of the Group's profit and loss account or balance sheet as per December 31, 2011.

Future development:

The financial crisis in 2008 and subsequent fall in oil prices has resulted in growing uncertainty about future demand for offshore vessels, and spot rates for AHTS and PSV vessels have been low over the past year. It is also challenging to put in place funding for the Group's newbuilding program. We have recently seen cases of cancellations of newbuilding and contracts with customers. This uncertainty will likely force some players to exit the market. Reduced newbuilding activity will reduce the risk of overcapacity, and in time secure a better balance in the market. The Board is of the opinion that the underlying market outlook remains positive, and one expects offshore activity to strengthen again.

The Group's strategy continues to focus on a modern fleet of large offshore vessels, to adapt to new demands from customers and the increasing activity in deepwater developments. The Group seeks to balance the contract portfolio between spot and long-term contracts.

Trondheim, *31.05.2012*



Ole T. Bjørnevik
Chairman of the Board / CEO

Income statement

Boa Holding AS

Figures in 1 000 NOK

Parent company

Group

2011	2010	Operating income and operating expenses	Note	2011	2010
0	0	Operating income	2	1 009 547	1 207 403
0	0	Other operating income	2	62 966	19 546
<u>0</u>	<u>0</u>	Total operating income		<u>1 072 514</u>	<u>1 226 948</u>
0	0	Payroll expenses	3	298 875	272 895
0	0	Depreciation	4	188 905	177 043
0	0	Write-down fixed assets	4	62 144	13 825
287	1 700	Other operating expenses	3	532 674	535 506
<u>287</u>	<u>1 700</u>	Total operating expenses		<u>1 082 599</u>	<u>999 269</u>
<u>-287</u>	<u>-1 700</u>	Operating result		<u>-10 085</u>	<u>227 679</u>
		Financial income and expenses			
150 000	0	Income from subsidiaries		0	0
487	1 664	Interest income from subsidiaries		0	0
1	397	Interest income		3 494	26 567
0	0	Other financial income		75 911	118 522
0	65 028	Write-down financial fixed assets		4 384	0
0	0	Loss from associates	5	965	54 817
13 174	9 937	Interest expenses to subsidiaries		0	0
1 669	3 266	Interest expenses		181 311	149 797
0	0	Other financial expenses		128 689	120 212
<u>135 644</u>	<u>-76 170</u>	Financial result		<u>-235 944</u>	<u>-179 737</u>
<u>135 358</u>	<u>-77 870</u>	Result before tax		<u>-246 029</u>	<u>47 942</u>
-4 100	-3 596	Tax on ordinary result	16	-27 394	-79 440
<u>139 458</u>	<u>-74 274</u>	Profit for the year		<u>-218 635</u>	<u>127 382</u>
		Brought forward			
22 000	0	Dividend	11	22 000	0
117 458	0	To other equity	11	0	127 382
0	74 274	From other equity	11	240 635	0
<u>139 458</u>	<u>-74 274</u>	Net brought forward		<u>-218 635</u>	<u>127 382</u>

Balance sheet

Boa Holding AS

Figures in 1 000 NOK

Parent company

Group

2011	2010	Assets	Note	2011	2010
		Fixed assets			
		Intangible assets			
0	0	Concessions, patents etc		6 560	0
10 910	6 810	Deferred tax asset	16	151 668	98 931
<u>10 910</u>	<u>6 810</u>	Total intangible assets		<u>158 228</u>	<u>98 931</u>
		Tangible fixed assets			
0	0	Buildings and land	4	10 356	1 388
0	0	Fictures and fitting etc.	4	6 659	5 273
0	0	Vessels, barges and helicopters	4, 17	2 337 762	2 464 961
0	0	Newbuilding contracts	4	1 043 727	1 099 077
<u>0</u>	<u>0</u>	Total tangible fixed assets		<u>3 398 503</u>	<u>3 570 698</u>
		Financial fixed assets			
112 159	75 085	Investments in subsidiaries	5	0	0
160 000	0	Loans to group companies		0	0
0	0	Investments in associated comp. and joint ventures	5, 17	8 995	9 960
0	12 080	Loans to associated companies and joint ventures	8	550	12 630
0	0	Investments in shares	6, 17	4 202	4 202
0	0	Other receivables	3, 8, 12	33 646	17 476
<u>272 159</u>	<u>87 165</u>	Total financial fixed assets		<u>47 393</u>	<u>44 268</u>
<u>283 070</u>	<u>93 976</u>	Total fixed assets		<u>3 604 124</u>	<u>3 713 897</u>
		Current assets			
0	0	Inventories	9, 17	16 448	4 949
		Receivables			
0	0	Trade receivables	7, 17	128 596	216 934
<u>0</u>	<u>0</u>	Other receivables		52 455	64 869
<u>0</u>	<u>0</u>	Total receivables		<u>181 050</u>	<u>281 803</u>
		Investments			
0	0	Bonds		327	318
<u>0</u>	<u>0</u>	Total investments		<u>327</u>	<u>318</u>
42	61	Cash and bank deposits	17, 18	295 002	39 795
<u>42</u>	<u>61</u>	Total current assets		<u>492 827</u>	<u>326 866</u>
<u>283 111</u>	<u>94 037</u>	Total assets		<u>4 096 951</u>	<u>4 040 763</u>

Balance sheet

Boa Holding AS

Figures in 1 000 NOK

Parent company

Group

2011	2010		Note	2011	2010
		Equity and liabilities			
		Restricted equity			
1 200	1 100	Share capital	10, 11	1 200	1 100
4 080	4 080	Share premium reserve	11	4 080	4 080
<u>5 280</u>	<u>5 180</u>	Total restricted equity		<u>5 280</u>	<u>5 180</u>
		Retained earnings			
24 460	-92 997	Other equity	11	1 277 337	1 450 048
<u>24 460</u>	<u>-92 997</u>	Total retained earnings		<u>1 277 337</u>	<u>1 450 048</u>
<u>29 740</u>	<u>-87 817</u>	Total equity		<u>1 282 617</u>	<u>1 455 228</u>
		Liabilities			
		Provisions			
0	0	Other provisions	14	39 756	33 901
<u>0</u>	<u>0</u>	Total provisions		<u>39 756</u>	<u>33 901</u>
		Other long term liabilities			
0	0	Bonds	13, 17	1 162 500	0
0	0	Liabilities to financial institutions	13, 17	948 702	1 398 358
231 335	144 852	Liabilities to subsidiaries	15	0	0
<u>0</u>	<u>0</u>	Other long term liabilities		16 850	97 574
<u>231 335</u>	<u>144 852</u>	Total other long term liabilities		<u>2 128 052</u>	<u>1 495 932</u>
		Current liabilities			
0	0	Liabilities to financial institutions		4 424	72 062
36	0	Trade creditors		466 785	635 914
0	0	Tax payable	16	23 677	122 680
0	0	Public duties payable		8 173	7 924
22 000	0	Dividends		22 000	0
<u>0</u>	<u>37 002</u>	Other short term liabilities		121 468	217 122
<u>22 036</u>	<u>37 002</u>	Total short term liabilities		<u>646 526</u>	<u>1 055 702</u>
<u>253 371</u>	<u>181 854</u>	Total liabilities		<u>2 814 334</u>	<u>2 585 535</u>
<u>283 111</u>	<u>94 037</u>	Total liabilities and equity		<u>4 096 951</u>	<u>4 040 763</u>

Trondheim 31.05.2012



Ole T. Bjørnevik
Chairman of the Board / CEO

Note 1 Accounting principles

The financial statement have been prepared in accordance with the Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles in Norway.

Consolidation principles

The consolidated financial statement comprises Boa Holding AS and subsidiaries, where the company has controlling interest as a result of legal or actual control. The consolidated accounts are established in accordance with uniform accounting principles for similar transactions within all companies included in the consolidated financial statement. All essential transactions and outstanding accounts between companies within the group are eliminated. Investments in companies in which the group has considerable influence (associates and joint ventures) are valued in the consolidated financial statement in accordance with the equity method. Considerable influence generally means that the group owns 20 to 50 percent of the voting capital.

Principle rule for recording and categorising assets and debts

Assets intended for long-term ownership or usage are categorised as fixed assets. Other assets are categorised as current assets. Accounts receivable that mature within one year are categorised as current assets. Similar criteria are used to categorise short-term and long-term debts.

Fixed assets are valued at purchase cost, and depreciated over the economic lifetime. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out. Fixed assets are depreciated linearly.

Current assets are valued at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

Assets and debt in foreign currency

Liquid funds and debt in foreign currency are converted to the rate applicable on the balance sheet date.

Capitalised interests

Interest related to ships under construction are capitalized.

Shares in associates, joint ventures and subsidiaries

Investments in subsidiaries are valued according to the cost method and written down at the actual value if the decrease in value is not temporary, and it is considered necessary in accordance with generally accepted accounting principles. Dividend from subsidiaries are recorded as other financial income. The same applies to investments in associates and joint ventures.

Other shares classified as fixed assets

Shares and investments in general partnerships and limited partnerships in which the company does not have considerable influence are valued according to the cost method. Investments are written down at the actual value if the decrease in value is not expected to be temporary. Profits received from the companies are recognised as other financial income.

Bonds classified as fixed assets

Bonds are recognised at purchase cost. Bonds are written down at the actual value if the decrease in value is not expected to be temporary.

Investments classified as floating assets

Market-based financial instruments, including shares included in a trading portfolio, are recognised at the actual value on the balance sheet date.

Inventories

Inventories are recognised at the lowest of purchase cost and net sales value.

Notes to 2011 Annual Report

Receivables

Accounts receivable and other receivables are entered at nominal value after deducting the provision for expected losses. The provision for losses is based on an individual assessment of the separate claims.

Bank deposits, cash, etc.

Bank deposits, cash, etc includes cash, bank deposits and other forms of payment which mature less than three months from the acquisition date.

Revenue

On sale of goods:

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and control has been transferred to the customer, normally on delivery to the customer. Revenues are booked at the net sales value at the time of the transaction.

On sale of services:

Revenues from the sale of services are recognised in the income statement according to the project's level of completion. Revenues are booked at the net sales value at the time of the transaction.

Expenses

Expenses are recognised in the same period as the related revenues. In those instances in which there is no clear connection between expenses and revenues, the distribution is determined based on discretionary criteria. Other exceptions from the classification principle are disclosed when relevant.

Pension

Contribution pension plan

The company has a contribution-based obligatory company pension scheme for onshore personnel. This is expensed at date of payment.

Performance-based scheme

The company also has a performance-based company pension scheme for maritime personnel. The liability is valued annually and the balance is classified as long-term provisions (receivables) in the balance sheet.

Government subsidies

The group receives a subsidy from the Norwegian Maritime Directorate in connection with the employment of Norwegian maritime personnel. The subsidy is entered as a reduction under the group's salary costs.

Taxes

Tax expenses are grouped with operating profit before tax. Taxes are recognised directly in equity to the extent that they relate to equity transactions.

Tax expenses consist of tax payable (tax on financial income for the year) and changes in deferred taxes. Tax expenses are divided between ordinary returns and returns from extraordinary items according to the tax base. Deferred tax and deferred tax assets are presented net in the balance sheet.

Miscellaneous

All numbers are presented in 1 000 NOK.

Note 2 Revenues

Group

Per business area	2011	2010
Shipping activities	941 286	1 225 484
Helicopter/planes	131 228	1 464
Total	1 072 514	1 226 948

Note 3 Personnel expenses, number of employees, employee loans, etc.

Group

	2011	2010
Salaries	220 762	186 898
Subsidies from Norwegian Maritime Directorate	-237	-385
Employer's national insurance contribution	15 797	10 660
Pension contribution	4 737	3 293
Other personnel expenses	9 110	45 723
Hired in staff	48 706	26 705
Total personnel costs	298 875	272 895

Number of man-labour years employed	479	450
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Management remuneration	Salary	Other
CEO	875	46
Board of Directors		

Loan and securities to shareholders, management personnel and employees

	Amount	Interest rate	Securities
Employees	18 738	0 - 5 %	Real estate

Auditor	Group	Parent company
Deloitte, audit	1 275	117
Deloitte, other services	3 220	71
Deloitte, lawyer	859	
Other companies, audit	47	
Sum	5 401	188

Notes to 2011 Annual Report

Note 4 Fixed assets

Group

Intangible assets

Acc. cost on Jan. 1	5 261
Additions	5 736
Disposals	0
Acc. cost on Dec. 31	10 997

Acc. depreciation on Jan. 1	
Depreciation current year	
Write-down current year	4 437
Acc. depreciation on Dec. 31	4 437

Book value on Dec. 31	6 560
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	Ships/planes/ helicopters	Ships under construction	Fictures and fitting	Property	Total
Acc. cost on Jan. 1	3 400 381	1 102 714	11 000	11 696	4 525 790
Additions	499 097	359 084	2 171	10 475	870 827
Disposals	-897 793	-370 671	-38	-3 427	-1 271 929
Acc. cost on Dec. 31	3 001 685	1 091 127	13 133	18 744	4 124 688
Acc. depreciation on Jan. 1	757 289	47 400	3 413	8 059	816 161
Acc. depreciation disposals	-327 923	0	0	0	-327 923
Depreciation current year	176 859	0	3 052	329	180 239
Write-down current year	57 698	0	9	0	57 707
Acc. depreciation on Dec. 31	663 923	47 400	6 474	8 388	726 184
Book value on Dec. 31	2 337 762	1 043 727	6 659	10 356	3 398 503

Economic life	10-25 years	N/A	3-6 years	20 years
Depreciation schedule	Linear	N/A	Linear	Linear

Annual lease amount on fixed assets not included on the balance sheet	8 407	982	647
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Financial lease agreements for ships recognised in the balance sheet (assets)	15 193
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Book value of financial leases ships (liabilities)	177 078
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The depreciation in the income statement also includes depreciation on plane components with NOK 8.666.316,-.

Note 5 Shareholdings in subsidiaries, associated companies and joint ventures

Group	Year of Office aquisition address	Share	Equity 31.12.11	Results 2011
Subsidiaries (Norwegian)				
Boa Offshore AS	1979 Trondheim	100 %	348 687	-5 272
T.A. Kittilsen Shipping AS	1998 Brevik	100 %	4 288	1 128
Boa Shipping AS	2000 Trondheim	100 %	453 033	-74 584
Boa Eiendom AS	2000 Trondheim	100 %	44 539	-1 135
Boa OCV AS	2002 Trondheim	100 %	680 678	80 154
Boa SBL AS	2008 Trondheim	100 %	213 179	-14 617
Boa Barges AS	2008 Trondheim	100 %	200 393	-4 448
Taubåtkompaniet AS	2008 Trondheim	100 %	58 337	2 967
Boa PSV AS	2011 Trondheim	100 %	126 995	-13
Det Nordenfj. Dampskibss. AS	2006 Trondheim	100 %	73 995	-26 098
Nordenfjeldske Luftfart AS	2006 Trondheim	100 %	42 849	1 786
Nordenfjeldske Offshore AS	2006 Trondheim	100 %	2 225	-30
Nordenfjeldske Shipping AS	2006 Trondheim	100 %	966	-17
Helitrans AS	2006 Stjørdal	100 %	33 157	-9 917
Subsidiaries (foreign)				
Rederi AB	2005 Sverige	90 %	-1 614	617
Boa Marine S.A	2006 Gdynia i Polen	100 %	-434	-222
Boa Offshore LLC	2008 USA	100 %	-3 200	-4 229
Boa Marine Services Inc.	2009 USA	100 %	444	899
Boa Tugs AB	2011 Sverige	100 %	4 926	-35 750
Associated companies				
Royal Garden Invest AS	2003 Trondheim	25 %	-1 608	-522
Alio AS	2006 Trondheim	25 %	1 742	-58
Trondheim Maritime Senter AS	2007 Trondheim	25 %	605	-94
Fremo Næringspark AS	2007 Trondheim	20 %	21 357	-398
KS Royal Garden Invest	2003 Trondheim	22,5 %	22 829	-3 760

Associated companies and joint ventures are valued in accordance with the equity method in the consolidated accounts.

The group also includes the subsidiaries Boa Ltd. and Boa Ltd. Malta. These companies have no activities and are considered immaterial in the consolidated accounts.

Associated companies

	Royal Garden Invest AS 25 %	Alio AS 25 %	KS Royal Garden Invest 22,5 %
Acquisition costs	25	403	8 775
Share of equity at acquisition			
Attributed goodwill			
Book value Jan. 1	0	439	5 983
Share of current year result	-56	-14	-846
Additions/disposals			
Adjustments to equity	56	11	
Book value Dec. 31	0	436	5 137

	Fremo Næringspark AS 20 %	Trondheim Maritime Senter AS 25 %	Total
Acquisition costs	4 800	202	14 205
Book value Jan. 1	3 363	175	9 960
Share of current year result	-80	-24	-1 019
Additions/disposals			0
Adjustments to equity	-12		54
Book value Dec. 31	3 271	151	8 995

Total share of current year result and book value at Dec. 31 in associated companies and joint ventures.

	Year result	Book value
Associated companies this year result	-1 019	8 995
Associated companies corrections	54	0
Associated companies loss from sale		0
Total	-965	8 995

Boa Holding AS was the owner of 50 % of the shares in Det Nordenfjeldske Dampskibsselskap AS. This ownership is from 01.01.2011 increased to 100 %.

Note 6 Other shares and bonds

Group Company	Share	Acq. costs	Book value	Market value
Midnor Bestik (stiftelse)	0,5 %	10	10	21
Newtron Line		90	0	0
Såkorn Invest Midt-Norge AS	7 %	625	0	100
EMGS ASA		135	135	13
Dynapel Inc		10	10	10
Texi AS	2 %	400	400	400
Taklift AS	10,2 %	250	250	250
Sonowand	12,3 %	5 600	3 392	3 392
Åfjord Utvikling AS	3,0 %	6	6	6
Total		7 126	4 202	4 192

Note 7 Accounts receivable

The group's accounts receivable are recorded at nominal value, reduced by the provision for bad debts by NOK 64 187 047. The corresponding provision last year was NOK 41 925 880.

Note 8 Long-term receivables

Group

	2011	2010
Receivables against associated companies	550	12 630
Other long-term receivables	33 646	17 476

Note 9 Inventory

The bunker inventory was scanned on December 31, 2011. Inventory is valued at the lowest of purchase cost and bunker market price on the balance sheet date.

Note 10 Shareholder information

Shareholders	Shares	Class	Equity share	Voting share
Ole T. Bjørnevik	728	A	72,8 %	100 %
Boa 1 AS	68	B	6,8 %	0 %
Boa 2 AS	68	B	6,8 %	0 %
Boa 3 AS	68	B	6,8 %	0 %
Boa 4 AS	68	B	6,8 %	0 %
Total	1 000		100 %	100 %

The parent company's share capital is NOK 1.200.000, distributed among 1 000 shares of par value NOK 1 200.

Note 11 Shareholder's equity

Parent company	Share capital	Share premium reserve	Other equity	Total equity
Book equity on Jan. 1	1 100	4 080	-92 997	-87 817
Paid in capital	100			100
Dividend			-22 000	-22 000
Year result			139 458	139 458
Book equity on Dec. 31	1 200	4 080	24 460	29 740

Group**This years change in equity**

Book equity on Jan. 1	1 455 228
Year result	-218 635
Dividends	-22 000
Currency differences subsidiaries	-292
Subsidiaries	-1 643
Remission of debt	71 979
Change of principles	-2 120
Paid in capital	100
Book equity on Dec. 31	1 282 617

	Share capital	Share premium reserve	Other equity	Total equity
Book equity on Jan. 1	1 100	4 080	1 450 048	1 455 228
Paid in capital	100			100
Year result			-218 635	-218 635
Dividends			-22 000	-22 000
Adjustments to equity			67 923	67 923
Book equity on Dec. 31	1 200	4 080	1 277 337	1 282 617

Note 12 Pension costs and net pension liabilities

The company is obliged to have a company pension scheme in accordance with the Norwegian Pension Act for all employees.

The company has performance-based pension schemes for a total of 45 persons. These schemes entitle the employee to certain future payments. This primarily depends on the number of years of employment, the salary level upon reaching retirement age and the size of the contribution from the National Insurance. These obligations are covered through an insurance company.

Pension cost

	2011	2010
Net present value of pension build-up this year	499	362
Interest costs for pension obligation	160	140
Return on pension funds	-198	-133
Estimated deviation recorded	93	35
Administrative costs	60	65
Accrued employer's contribution	73	61
Net costs after employer's contribution	686	529

Pension obligation

	2011	2010
Pension obligation	-5 732	-3 535
Pension funds (at market value)	4 577	2 241
Accrued employer's contribution	-163	-182
Deferred obligation for (losses)/profits	4 216	1 594
Net pension funds	2 898	118

Financial assumptions

	2011	2010
Interest rate	3,8 %	4,6 %
Expected return	4,1 %	5,4 %
Salary increase	3,5 %	4,0 %
G-regulation	3,25 %	3,75 %
Regulation of continuous pension	0,10 %	1,30 %
Employer's contribution rate	14,1 %	14,1 %
Voluntary resignation before the age of 40	0,0 %	0,0 %
Voluntary resignation after the age of 40	0,0 %	0,0 %

Actuary predictions for demographic factors and resignations are based on commonly used assumptions within the insurance industry.

Note 13 Long-term debts

Instalment profile:

	2012	2013	2014	2015	2016	→
Instalments	152 319	176 174	172 353	168 540	964 477	481 203

Note 14 Other provisions for obligations

Balance sheet items relates to provisions for future maintenance costs. The provision is calculated based on the expected due date for the next periodic maintenance. Changes in estimates are recognised over the remaining period up to the next dry-docking.

Note 15 Intercompany balances

Parent company

Long-term liabilities	2011	2010
Boa Offshore AS	231 335	144 852
Total	231 335	144 852

Note 16 Taxes

Parent company

Tax expenses current year:	2011	2010
Changes in deferred taxes	-4 100	-3 596
Payable taxes		
Tax expenses in P&L	-4 100	-3 596

Changes in deferred taxes	2010	2010
Tax losses carried forward	-38 965	-24 323
Net tax asset (liability)	-38 965	-24 323
Net deferred tax at 28%	-10 910	-6 810

Group

Tax expenses current year:	2011	2010
Changes in deferred taxes	-52 739	-111 974
Payable taxes	24 386	32 421
Tonnage tax	79	112
Corrections prior year	880	
Tax expenses in P&L	-27 394	-79 440

Taxes payable in balance sheet:	2011	2010
Calculated tonnage tax	127	119
Taxes payable	23 549	122 562
Taxes payable in balance sheet	23 676	122 680

Calculation of tax base for the year ordinary

taxation:	2011	2010
Result before taxes	-137 214	-159 683
Permanent differences	137 102	68 514
Changes in timing differences	-164 417	-19 172
Loss carried forward used	0	0
Tax base for the year	-164 529	-110 341

Notes to 2011 Annual Report

Calculation of tax base for the year

shipping taxation:	2011	2010
Profit and loss account	82 755	103 444
Financial result	0	-2 534
Loss carried forward used	0	-1 444
Tax base for the year	82 755	99 466

Deferred tax change:	2011	2010
Fixed assets	-12 942	-78 786
Inventories	-2 242	
Receivables	-3 988	-6 445
Profit and loss account	252 133	384 407
Liabilities	1 685	-705
Short-term liabilities	2 897	118
Tax losses carried forward	-921 373	-661 809
Share in KS company	11 744	9 896
Total	-672 086	-353 324
Deferred tax benefit not recorded	130 416	
Base for calculating deferred tax	-541 670	-353 324

Net deferred tax at 28%	-151 668	-98 931
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The shipowning companies in the group are taxed in accordance with the Norwegian shipowning tax regime.

Note 17 Pledges and guarantees, etc.

Group

Book debt secured by pledge:	2011	2010
Debts to credit institutions	1 650 448	1 261 565
Accrued interest	20 003	12 404
Total	1 670 451	1 273 969

Book value of pledged assets	2011	2010
Bank deposits	157 007	1 658
Accounts receivable	65 327	47 056
Ships	1 648 742	2 031 430
Shares/bonds	488 732	353 328
Group receivables	417 359	
Inventories	13 799	
Total	2 790 966	2 433 472

Guarantee liabilities	3 313	3 408
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Boa Holding AS has provided jointly and severally security (as guarantor) to the subsidiaries, limited to NOK 850 784 437,-.

Notes to 2011 Annual Report

Note 18 Bank deposits

Restricted deposits	2011	2010
Employees' tax deduction	5 032	2 519
Other restricted deposits	3 365	6 592
Total	8 397	9 111

Boa Holding AS - group

Cash flow statement

Figures in 1 000 NOK

Parent company			Group	
2010	2011		2011	2010
		Cash flow from operating activities		
-77 870	135 358	Profit before income taxes	-246 029	47 942
		Other income	57 595	54 553
	-150 000	Gain on investments in subsidiaries		
		Income tax payable	-123 468	-35 288
65 028		Depreciation and write-down	251 049	190 868
		Gain on sale of tangible fixed assets	7 499	-67 413
		Gain on sale of financial fixed assets	-9	264
		Currency gain/-loss	2 269	-7 754
		Changes in inventories	-1 191	-620
		Changes in trade receivables	108 228	-75 773
66		Changes in other receivables	21 213	12 380
-208	36	Changes in trade creditors	-186 740	-69 822
-4 172	86 483	Changes in receivables from subsidiaries		
4 808	-37 002	Changes in other short-term liabilities	-209 173	160 812
-12 348	34 875	Net cash flow from operating activities	A	-318 757
		Cash flow from investing activities		
		Investing activities		
		Sale of tangible fixed assets	195 558	371 978
		Purchase of tangible fixed assets	-197 229	-275 759
		Sale of financial fixed assets	0	11 000
	-37 074	Purchase of financial fixed assets	-4 384	-13
12 309	2 080	Changes in other investments	-2 734	16 064
12 309	-34 994	Net cash flow from investing activities	B	-8 789
		Cash flow from financing activities		
		Raised long term liabilities	1 613 190	-315 239
		Paid in long term liabilities	-1 041 012	
		Changes in liabilities	5 355	-13 477
100	100	Paid in equity	100	100
100	100	Net cash flow from financing activities	C	577 633
61	-19	Net changes in cash and cash equivalents	A+B+C	250 088
0	61	Cash and cash equivalent at 01.01		39 795
		Cash and cash equivalent from incoming subsidiaries		5 119
61	42	Cash and cash equivalents at 31.12		295 002
				39 795

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Boa Holding AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Boa Holding AS, which comprise the financial statements of the parent company, showing a profit of NOK 139.458.000,-, and the financial statements of the group, showing a loss of NOK 218.635.000,-. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at 31.12.2011, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Boa Holding AS and of the group as at 31.12.2011, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report and the the allocation of the profit*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and the proposal for the the allocation of the profit complies with the law and regulations and that the information is consistent with the financial statements.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 11.06.2012
Deloitte AS

Harald J. Lydersen (sign.)
State Authorised Public Accountant (Norway)

[Translation has been made for information purposes only]