

**Q2**  
**2009**

**DEEP  
KNOWLEDGE**

**MIDC**

# ODIM ASA, SECOND QUARTER 2009

This report has been compiled in accordance with IAS 34.

ODIM presents unaudited results for the second quarter of 2009.

## STRONG FOCUS ON OPERATIONS AND MARKET DEVELOPMENT

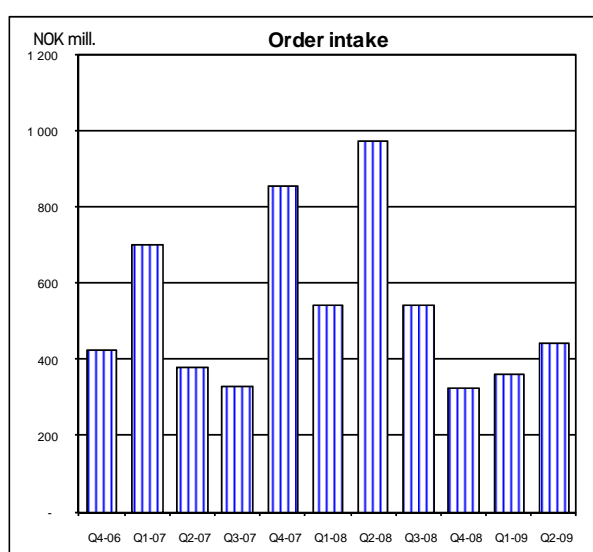
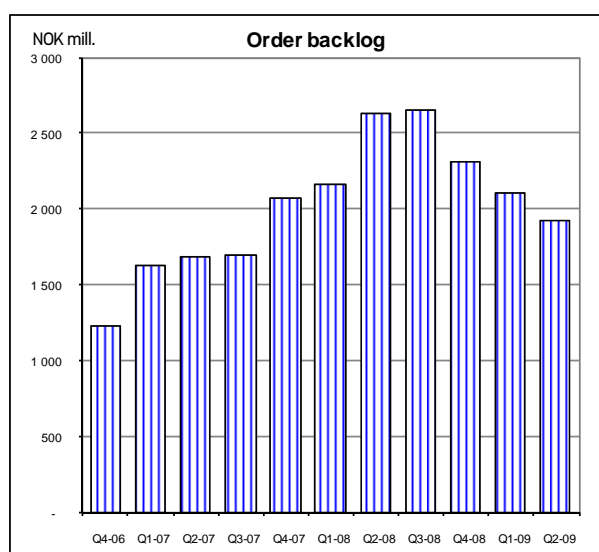
### HIGHLIGHTS OF THE SECOND QUARTER

- First ODIM Smart AHTS™ contract awarded
- Margins affected by change in product-mix with higher R&D costs
- ODIM strengthens After Sales & Service in Asia through the acquisition of Marine Services & Engineering
- New cost cutting programme will be launched in Q3

KEY FINANCIAL FIGURES [NOK MILLION]	ODIM GROUP				
	Q2- 09	Q2- 08	YTD- 09	YTD- 08	2008
Revenues	562.6	502.1	1 120.8	952.2	2 136.5
EBITDA	48.7	91.4	137.1	170.0	397.9
EBIT	25.6	73.4	90.2	132.3	319.1
Profit before tax	28.4	79.0	95.9	143.7	350.2
Profit for the period	19.9	55.8	67.2	101.4	245.1
EBITDA margin	8.7%	18.2%	12.2%	17.8%	18.6%
EBIT margin	4.6%	14.6%	8.0%	13.9%	14.9%
Profit before tax margin	5.0%	15.7%	8.6%	15.1%	16.4%

Revenues for the second quarter came to NOK 562.6 million, up by 12 per cent from the corresponding period of 2008. The EBITDA margin reached 8.7 per cent in the second quarter.

The order intake for the group as a whole was NOK 443 million in the second quarter, giving a backlog of NOK 1 925 million at 30 June. ODIM previously expected that revenue for 2009 would be at least in line with 2008 revenue. However, due to postponements in some projects ODIM now expects 2009 revenue to be approximately on par with 2008.



## FINANCIAL RESULTS

Revenues came to NOK 562.6 million in the second quarter (2008: NOK 502.1 million), an increase of 12 per cent.

EBITDA for the second quarter was NOK 48.7 million (2008: NOK 91.4 million), down by 46.7 per cent. The EBITDA margin was 8.7 per cent for the second quarter (2008: 18.2 per cent).

The contraction in the EBITDA margin relates primarily to reduced activity in segments where margins have historically been relatively high, equivalent to an effect of between NOK 12 and 16 million on EBITDA. Furthermore, the second quarter was affected by NOK 12 million in cost overruns in some new projects which were technological more challenging than expected. Going forward ODIM has introduced a new execution model on complex prototype projects and expects satisfactory profitability in corresponding projects going forward. In addition, EBITDA in the Naval & Power business area was weakened by NOK 4 million due to increased sales efforts on potential new large contracts and cost overruns in some projects.

Third, margin was also influenced by increased capacity costs of NOK 7 million resulting from a sustained high sales effort in a weaker market and high focus on R&D and business development on new products. The intensive marketing of the ODIM Smart AHTS™ anchor handling system represented an important element in this effort, and we are confident that this effort will pay off in the long term.

The margin reduction can also be attributed to some extent to start-up expenses related to implementing a new enterprise resource and planning system (ERP) and further strengthening the organisation in Asia. The new ERP system will gradually give positive effect through more efficient business processes from second half of 2009. The acquisition of Marine Services & Engineering was also finalised in the second quarter, with most of the acquisition costs expensed in this period.

Second-quarter EBIT was NOK 25.6 million (2008: NOK 73.4 million), a decrease of 65.1 per cent. The difference between EBITDA and EBIT primarily reflects NOK 15.8 million in amortisation of intangible assets.

Profit came to NOK 19.9 million for the second quarter (2008: NOK 55.8 million).

ODIM's order intake was NOK 443 million in the second quarter, with an order backlog of NOK 1 925 million at 30 June 2009. Offshore Service Vessels accounted for 59 per cent of the latter figure. The order backlog includes the NOK 320 million ODIM Smart AHTS™ anchorhandling contract from Havyard announced in June, and the NOK 210 million letter of intent signed in March. Both agreements are conditional on financing and board approval. As announced in November 2008, the backlog at 30 September 2008 included some NOK 200 million in orders with a potential cancellation risk. Cancellations from these orders totalled NOK 64 million in the second quarter 2009.

New orders announced in July added NOK 22 million to the backlog.

## FINANCIAL ISSUES

ODIM remained in a net positive cash position at 30 June. Cash in hand was NOK 135 million (31 December 2008: NOK 293 million). ODIM has drawn down NOK 70 million of the NOK 200 million committed bank credit facility. Cash in hand plus the undrawn credit facility of NOK 130 million provide a total liquidity buffer of NOK 265 million.

Net cash flow from operating activities was negative at NOK 60.4 million in the second quarter, mainly because of a decrease in pre-invoiced production and accounts payable. Cash flow from investing activities came to NOK 16.8 million. Net cash flow in connection with the acquisition of Marine Services & Engineering is NOK 6.2 million. Investments of NOK 6.3 million is related to the new facility at Vung Tau in Vietnam. A total of NOK 135 million had been invested in this project at 30 June. The project has now been completed on schedule and to budget.

Working capital amounted to NOK 301.7 million at 30 June, up by NOK 116.6 million from 31 March. The main factors exerting a negative influence on working capital were:

- consecutive quarters with a low order intake, which reduces prepayments
- new contracts with less favourable payment terms
- customer requirements for delayed delivery
- many projects in a capital-intensive phase leading to large expenditures on materials.

The trend towards potentially larger contracts will create greater future fluctuations in working capital. ODIM has historically received a relatively high portion of prepayments from customers, but is finding that the level of such prepayments is falling. As a result, the group has entered into a dialogue with its banks to establish new credit lines which can meet future requirements for working capital. ODIM has also received the offer of NOK 100 million to finance its operation in Vietnam. This will increase the group's operational flexibility and secure its participation in larger and more complex projects.

Net interest-bearing receivables totalled NOK 54 million at 30 June (2008: NOK 295 million). Equity decreased from NOK 845.9 million to NOK 773.2 million during the second quarter, giving an equity ratio of 48 per cent at 30 June (2008: 41.5 per cent). The reduction in equity can primarily be attributed to the payment of NOK 94.2 million in dividend during June.

NOK 3.5 million was expensed during the second quarter for costs related to the share option programmes established in 2008 and 2009 (2008: NOK 3.5 million).

## MARKET DEVELOPMENTS AND OPERATIONS

The weak global economy is continuing to create a difficult environment for the oil service companies. Energy demand is relatively weak and excess capacity exists in the market. As a result, investment spending on new production capacity has been sharply reduced during the past 12 months. ODIM has tried to compensate for this by increasing its sales efforts. So far these efforts have not given a corresponding increase in the order intake.

In addition, ODIM has increased the R&D activity lately to stimulate demand for the company's products. By continuing to introduce new cost effective solutions to the customers ODIM will maintain the position as the global leader of automated handling systems. The commercialisation of the ODIM Smart AHTS™ during the second quarter is a good illustration of how product development increases market opportunities.

One important factor underlying the current position for new orders is uncertainties over funding for customers, which have effectively extended lead time in a number of projects. As a consequence, ODIM has had spare capacity in certain parts of its organisation while awaiting a final decision on some projects. Maintaining this capacity has had a negative effect on margins. While ODIM has maintained excess capacity in order to secure further growth, the company will launch a comprehensive cost cutting programme in Q3. In addition, it has found that a growing number of customers are more reluctant to placing any orders before they have secured a contract for the new units.

It is important to balance short-term needs with the long-term perspective. Although slack currently exists in the ODIM organisation, maintaining expertise and core competence is crucial for the group's competitive edge. History has shown that market improvements in the oil service sector happen fast, and it is important to be able to respond quickly when the recovery takes place in order to maintain ODIM's position as a global leader in the industry.

In order to expand market opportunities, ODIM has increased the product range in recent years. As a consequence, ODIM is now able to offer larger and more complex systems. While the group would earlier receive inquiries for projects in the NOK 60- 80 million range, the current level is more in the order of NOK 200- 400 million. This trend could mean greater fluctuations in the order intake than has previously been the case. Preparing tenders for larger and more specialised concepts is more time-consuming and costly. This could affect cost developments in certain periods, and that has been the case in the second quarter of 2009. However, through these new large projects ODIM will expand further into the offshore supply-, well intervention and drilling-, and the deepwater markets which significantly will expand the market opportunities.

Like the Offshore Service Vessel business area, the Airborne & Shipboard segment in the Naval & Power business area has been hit by order postponements and delayed decisions by customers. However, ODIM maintains its positive view of the market for this segment on the basis of announced investment programmes. The Nuclear Power segment is steadily improving, and the outlook remains solid. A number of new projects are being introduced to the market, and tendering activity is high. ODIM is well positioned in the market, and will continue to pursue strategic opportunities both organically and through strategic acquisitions.

ODIM maintains a positive long-term view. The global need for energy will continue to increase, and the group has introduced several unique products which will significantly enhance efficiency and reduce costs for customers. During the second quarter, it was awarded a NOK 320 million contract by Havyard for delivery of the new ODIM Smart AHTS™ anchorhandling solution, which represents a breakthrough for this new game-changing technology. The concept is three times as effective as competing solutions in terms of capacity, economics, safety and the environment, and replaces traditional anchorhandling winches in the deepwater segment.

### OFFSHORE SERVICE VESSELS

The Offshore Service Vessels business area had revenues of NOK 361.7 million in the second quarter (2008: NOK 339.1 million), corresponding to a growth of 6.7 per cent. Although the seismic survey market has quietened down in recent months, a large part of the business area's revenues still come from this segment.

EBITDA was NOK 52.8 million (2008: NOK 72.2 million). The EBITDA margin was 14.6 per cent (2008: 21.3 per cent).

The reduced margin for the business area reflects lower revenues from the seismic segment, which has historically had a higher margin.

Offshore Service Vessels had an order backlog of NOK 1 141 million at 30 June, down by NOK 19 million from the previous quarter. The order intake was NOK 407 million in the second quarter.

### **Seismic**

ODIM ranks as the world's leading supplier of complete cable- handling solutions to seismic survey companies, with a global market share above 90 per cent.

Prospects for seismic surveying are uncertain. The number of vessels has increased substantially from 2005 until today, with the fleet of 3D ships set to rise from about 45 to roughly 100 in 2011 and with streamers per ship also growing. However, there have been cancellations of new builds in recent months. The group is well positioned with a number of national oil companies, which may build new survey vessels independently of the big seismic survey companies.

### **Offshore Supply**

Offshore Supply has secured a contract worth NOK 320 million from Havyard for delivery of the ODIM Smart AHTS™ anchor handling concept. This contract is conditional on financing and final board approval.

ODIM's primary focus in the Offshore Supply segment is to offer safe and efficient systems, and to strengthen the solutions offered. Its goal is to achieve a larger market share for more revenue- intensive system deliveries, such as the game- changing ODIM Smart AHTS™ anchorhandling solution.

### **Oceanographic**

This segment specialises in designing and developing advanced data- collection platforms and automated handling equipment for oceanographic research vessels. Newbuilding projects in the oceanographic segment have increased considerably over the past year, and ODIM is working on a number of major projects worldwide. The group's broad product range and good reputation mean that it is often invited to contribute its deep knowledge as early as the vessel design phase. This gives ODIM considerable opportunities to influence shipping companies and designers at an early stage concerning the handling systems to be installed and the standards which should be set for these. Since such projects are largely driven by national research institutes, their lead times are much longer than is customary in the commercial world.

## **NAVAL & POWER**

This business area had revenues of NOK 54 million in the second quarter (2008: NOK 33.2 million), which is a record. EBITDA was NOK 5.4 million (2008: NOK 7.3 million), with an EBITDA margin of 10 per cent (2008: 22.1 per cent). The EBITDA in the business area was weakened by NOK 4 million due to cost overruns in some Airborne & Shipboards projects and intensive sales effort on potential new contracts. Some of these tenders are expected to be concluded in the third quarter 2009

The total order backlog for this business area at 30 June was NOK 144 million, down by NOK 20 million from the previous quarter. The order intake was NOK 34 million in the second quarter.

The focus in Naval & Power during the first half of 2009 was to capture a high percentage of identified new projects and to handle the expected large increase in projects forecast over the next few years. During the first half of 2009, the business area found that decisions were postponed for quite a large numbers of the new projects identified. Naval & Power will continue to strengthen its organisation and to pursue structural opportunities, particularly in the nuclear power sector.

### **Airborne & Shipboard**

Advanced systems are due to be delivered during 2009 for several new US Navy platforms, both vessels and helicopters. Although no major orders were received in the naval Airborne & Shipboard segment during the second quarter, ODIM is working on a number of opportunities which are likely to be awarded in 2009. The group's prospects for a number of important new naval programme contracts in 2009- 2011 are promising.

### **Nuclear Power**

ODIM continues to see a high level of tendering activity. Current opportunities are focused on providing products and services to existing clients to support maintenance requirements and refurbishment projects at Canadian nuclear facilities. Environmental considerations and rapid global economic development have positioned nuclear power as an essential and significant component of the future energy mix. In the USA, the new administration of President Obama has signalled measures designed to enhance energy self- sufficiency in general and to increase the commitment to nuclear power in particular. Many countries have embraced nuclear energy, with a number of new construction projects under way around the world to meet future electricity generation demands. Key markets include Canada, the USA, South Korea, South Africa, China, India and Ukraine.

## **SUBSEA & DEEPWATER INSTALLATION**

Subsea & Deepwater Installation achieved revenues of NOK 146.9 million in the second quarter (2008: NOK 129.8 million). EBITDA was negative at NOK 9.5 million (2008: positive at NOK 11.9 million). The weak margin reflects projects that turned out to be more technological complex than originally expected. However, ODIM has taken necessary action to improve project execution for these projects and expects satisfactory profitability in corresponding projects going forward.

An order backlog of NOK 639 million for this business area at 30 June represented a decrease of NOK 145 million from the previous quarter. The order intake for Subsea & Deepwater Installation was NOK 3 million in the second quarter. The order backlog includes the letter of intent reported on 27 March. Owing to the need for some clarification and financing, contract confirmation has yet to be received.

The market upturn in this business area has taken longer than expected to materialise.

### **Subsea & Deepwater Installation**

The subsea and deepwater sector will continue to grow even though it experienced a decline in oil prices and market stagnation at the start of 2009. The potential for construction and installation is substantial. Combined with its unique handling solutions for subsea operations, the group has the opportunity to take a leading position in this niche and can exploit the potential immediately.

ODIM has developed unique automated handling systems which reduce the cost, complexity and risk of deepwater operations. Providing a technological concept for using fibre rope instead of steel wire as a lifting line, the ODIM CTCU® cable traction control unit allows operators to work at unlimited depths and permits the use of smaller offshore vessels to install large and heavy subsea structures. Few installation vessels are available, and contractors need the ODIM CTCU® technology to be able to tender for projects in ultra- deep water. ODIM's proven technology and systems increase efficiency and safety for operators while using less energy.

### **Well Intervention & Drilling**

Activity in this market segment is primarily pursued by ODIM JMC in Stavanger, which designs the equipment required for safe and efficient well service rig- up and operation. The bulk of this equipment has been specially developed for offshore operations in rough weather and with stringent requirements for operational safety and efficiency.

ODIM is currently working on some interesting opportunities, but the decision process has taken longer than originally expected.

## **AFTER SALES & SERVICE**

The After Sales & Service market looks promising for the near future. ODIM is building an international network to capture customer needs for service around the world. The group is confident that it is still looking at growth in this area, and further acquisitions will be considered to build international capacity.

Today's offshore vessels operate around the globe, so it is vital for ODIM to develop an international network for After Sales & Service. Under present market conditions, failing to keep vessels busy costs a great deal. ODIM personnel must be available at short notice if equipment needs repairing or upgrading, and must provide a first- class service.

Over the past couple of years, ODIM has expanded into important oil cities. ODIM has great confidence in the After Sales & Service market, and will continue to expand its network into other areas where present and potential customers are located.

After Sales & Service accounted for about nine per cent of group revenues in the second quarter. ODIM expects to increase revenues from this activity significantly in the time to come, and aims to derive 15- 20 per cent of its total revenues from the area within the next two- three years.

## OTHER MATTERS

### OWNERSHIP

Rolls- Royce acquired 33 per cent of the shares (NOK 45 per share) in ODIM on 29 June 2009 from Aker Solutions ASA, and become the group's principal shareholder. As previously communicated, ODIM in May appointed SEB Enskilda as a financial advisor to assist in a strategic review to maximise shareholder value.

### RECEIVABLES

One of ODIM's customers went into receivership owing the group NOK 28 million. The amount is secured through an on- demand guarantee from a bank with a first- class rating. ODIM has claimed the amount under the guarantee, but has not yet received payment owing to discussions with the bank.

ODIM has an overdue receivable from a customer amounting to NOK 14 million. This receivable derives from a letter of intent under which ODIM was to be compensated for accrued costs if the project was terminated.

ODIM has not recognised any losses in these cases and will take the necessary action to collect the amounts due.

### ACQUISITION OF MARINE SERVICES & ENGINEERING PTE LTD

ODIM acquired the privately owned Singapore- based company Marine Services & Engineering Pte Ltd (now ODIM Marine Services) in May 2009.

This purchase will strengthen the group's proximity to customers in the fast- growing Asian market, and will immediately add substantial capacity for After Sales & Service in the region.

The acquisition price is initially set at SGD 2.2 million. The previous owners will also receive all equity exceeding SGD 1 million at 1 May 2009 (the acquisition date). That amounts to SGD 0.6 million. At a later date, the previous owners may receive an earn- out based on EBIT for the fiscal years 2009, 2010 and 2011. The earn- out model specifies certain levels for EBIT and earn- out percentages. These are a cumulative EBIT between SGD 2.4 million and SGD 15 million, with earn- outs between 40 and 10 per cent. The maximum earn- out amounts to SGD 3.6 million, in which case ODIM's share would be SGD 11.4 million.

The potential earn- out has not been taken into account in the fair value analysis.

**FAIR VALUE ANALYSIS OF MARINE SERVICES & ENGINEERING PTE. LTD.**

[NOK 1000]	Pre- aquisition carrying amounts	Fair value adjustments	Recognised value on acquisition
<b>ASSETS</b>			
Contracts and customer list	-	6 507	6 507
<b>Total intangible assets</b>	-	<b>6 507</b>	<b>6 507</b>
<b>Total tangible assets</b>	<b>2 905</b>	-	<b>2 905</b>
<b>Total non- current assets</b>	<b>2 905</b>	<b>6 507</b>	<b>9 412</b>
<b>Inventories</b>	<b>3 298</b>	-	<b>3 298</b>
<b>Total receivables</b>	<b>3 151</b>	-	<b>3 151</b>
Bank deposits	3 493	-	3 493
<b>Total current assets</b>	<b>9 942</b>	-	<b>9 942</b>
<b>TOTAL ASSETS</b>	<b>12 847</b>	<b>6 507</b>	<b>19 354</b>
<b>EQUITY AND LIABILITIES</b>			
Deferred taxes	185	1 171	1 356
<b>Total provision for liabilities</b>	<b>185</b>	<b>1 171</b>	<b>1 356</b>
<b>Total current liabilities</b>	<b>5 501</b>	-	<b>5 501</b>
<b>Total liabilities</b>	<b>5 686</b>	<b>1 171</b>	<b>6 857</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 686</b>	<b>1 171</b>	<b>6 857</b>
Net identifiable assets	7 161	5 336	12 497
Fair value of purchased assets and liabilities:			
Net assets			12 497
Goodwill			-
<b>Total consideration/purchase price</b>			<b>12 497</b>
Costs:			
Purchase price paid cash			12 497
Costs associated with the acquisition			-
<b>Total costs</b>			<b>12 497</b>
Cash outflow on acquisition:			
Net cash acquired with the subsidiary			3 493
Cash paid			12 497
<b>Net cash outflow</b>			<b>9 004</b>

Pre- acquisition carrying amounts were determined on the basis of applicable IFRSs immediately before the acquisition. Acquired assets, liabilities and contingent liabilities are recognised at their estimated fair value. A discount rate of 10 per cent has been applied in calculating the fair value of customer relationships.

This subsidiary contributed a net profit of NOK 0.8 million over the two months to 30 June 2009.

## **OUTLOOK**

ODIM will continue to address a challenging market by introducing new cost-effective solutions and unique technology to the customers. One example of this ambition is the new ODIM Smart AHTS™ concept, which was successfully introduced to the market during the first half of 2009. The first contract was secured in June.

Steps are being taken by ODIM to identify a range of measures to adjust its cost base to current market conditions. The group will seek to reduce capacity costs, maintain its focus on low-cost outsourcing and purchasing, and optimise staffing between different locations. ODIM still has opportunities to exploit the flexibility of its organisation by moving capacity internally. At the same time, ensuring that the cost optimisation programme will not undermine ODIM's existing expertise and technological advantage is crucial. The scope of the cost optimisation programme will be determined during the third quarter of 2009, and both this and the results achieved will be communicated to the market.

ODIM has previously identified about NOK 200 million of the total contract portfolio as being at risk. During the second quarter, orders totalling NOK 64 million were cancelled. This means that the high-risk part of the order backlog at 30 June amounted to NOK 136 million. That is less than 10 per cent of the total order backlog of NOK 1.9 billion.

Some risk is also associated with the NOK 320 million ODIM Smart AHTS™ anchorhandling contract placed by Havyard and the NOK 210 million letter of intent signed in March, since both are conditional on financing. All the parties involved are currently working to obtain the necessary credit facilities. ODIM evaluates that the risk for not succeeding to convert the NOK 210 million letter of intent signed in March 2009, to an effective contract, has somewhat increased.

The group's operation in Vietnam was opened in April and its ramp-up in China is progressing on schedule. ODIM is now well represented in the region, and is working actively to create a network of agents which can help to increase activity. As previously communicated, ODIM will gradually expand the operation in Vietnam and the full effect of this establishment will kick in from 2010. ODIM is convinced that its efforts in this region will both enhance its competitive edge and contribute positively to margin development.

The order backlog of NOK 1.9 billion offers a relatively good workload for the rest of 2009. However, ODIM needs to increase its order intake in coming months in order to reach a satisfactory level for 2010. ODIM previously expected that revenue for 2009 would be at least in line with 2008 revenue. However, due to postponements in some projects ODIM now expects 2009 revenue to be approximately on par with 2008.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

15 July 2009: A subsea and deepwater installation contract worth NOK 22 million was awarded to ODIM by AKOFS 4 AS, an Aker Oilfield Services company. The delivery comprises two automated ODIM LARS™ launch and recovery systems for remotely operated vehicles (ROVs). The delivery date is in the first quarter of 2010.

27 July 2009: Jogeir Romestrand announced his decision to step down as CEO of ODIM ASA. Arild Hatløy has been appointed acting CEO. Romestrand's severance pay is estimated to be NOK 4.8 million and will be recognised in full during the third quarter.

29 July 2009: ODIM issued a warning that its margin had weakened during the second quarter.

Hareid, 11 August 2009

The board of directors of  
ODIM ASA



## STATEMENT

The board of directors of ODIM ASA has today considered and approved the condensed consolidated financial statements for the six months ending 30 June 2009 with comparative figures for the corresponding period of 2008.

In the opinion of the board of directors and the group management,

- a) the financial statements have been prepared in accordance with the IFRS (including IAS 34 on interim financial reporting) as adopted by the European Union, and the information in the financial statements represents a true and fair view of the group's assets, liabilities and financial position and the result of the group's operations.
- b) The directors' report presents a true and fair view of important events in the accounting period as well as any risks and uncertainties which may affect operations during the second half of 2009.

Hareid, 11 August 2009

The board of directors and group management of  
ODIM ASA

PROFIT AND LOSS ACCOUNT [NOK MILLION]	ODIM GROUP							
	Q2- 09	Q1- 09	Q4- 08	Q3- 08	Q2- 08	YTD- 09	YTD- 08	2008
<b>Operating revenues</b>	<b>562.6</b>	<b>558.2</b>	<b>672.5</b>	<b>511.8</b>	<b>502.1</b>	<b>1 120.8</b>	<b>952.2</b>	<b>2 136.5</b>
Material and services	370.9	291.1	355.3	307.8	269.5	662.0	509.2	1 172.3
Change in inventories of work in progress	(34.2)	2.1	30.2	(41.6)	(7.1)	(32.1)	(11.5)	(23.0)
Payroll expenses	129.8	131.3	130.2	105.8	109.2	261.0	206.7	442.7
Other operating expenses	47.4	45.8	30.0	40.4	39.0	93.2	77.8	148.2
Bad debts and provision for bad debts	0.0	(0.4)	(1.9)	0.1	-	(0.3)	0.1	(1.6)
<b>Total operating expenses</b>	<b>513.9</b>	<b>469.8</b>	<b>543.8</b>	<b>412.5</b>	<b>410.7</b>	<b>983.8</b>	<b>782.3</b>	<b>1 738.7</b>
<b>EBITDA</b>	<b>48.7</b>	<b>88.4</b>	<b>128.7</b>	<b>99.3</b>	<b>91.4</b>	<b>137.1</b>	<b>170.0</b>	<b>397.9</b>
Ordinary depreciation	7.2	4.9	5.4	3.6	4.0	12.2	6.7	15.7
Amortization intangible assets	15.8	18.9	16.9	15.2	14.0	34.8	31.0	63.0
<b>Total depreciation and amortisation</b>	<b>23.1</b>	<b>23.8</b>	<b>22.3</b>	<b>18.8</b>	<b>18.0</b>	<b>46.9</b>	<b>37.7</b>	<b>78.8</b>
<b>EBIT</b>	<b>25.6</b>	<b>64.6</b>	<b>106.4</b>	<b>80.5</b>	<b>73.4</b>	<b>90.2</b>	<b>132.3</b>	<b>319.1</b>
Financial income	3.1	3.2	14.0	6.8	6.3	6.3	12.9	33.7
Financial expenses	0.4	0.1	0.5	0.6	0.7	0.5	1.5	2.6
<b>Profit before tax</b>	<b>28.4</b>	<b>67.6</b>	<b>119.8</b>	<b>86.7</b>	<b>79.0</b>	<b>95.9</b>	<b>143.7</b>	<b>350.2</b>
Tax expense	8.4	20.3	38.0	24.8	23.1	28.7	42.3	105.1
<b>Profit for the period</b>	<b>19.9</b>	<b>47.3</b>	<b>81.9</b>	<b>61.9</b>	<b>55.8</b>	<b>67.2</b>	<b>101.4</b>	<b>245.1</b>
Earnings per share (NOK 1)	0.42	1.00	1.74	1.31	1.20	1.43	2.21	5.27
Diluted earnings pr share (NOK 1)	0.42	1.00	1.74	1.31	1.19	1.43	2.20	5.26
Number of shares *1)	47 107 984	47 107 984	47 107 984	47 107 984	46 450 382	47 107 984	45 905 884	46 511 874
Diluted number of shares *2)	47 180 941	47 107 984	47 107 984	47 352 347	46 841 435	47 107 984	46 201 827	46 640 508
Share options *3)	2 338 130	1 174 670	1 192 970	1 230 870	1 106 120	2 338 130	1 106 120	1 192 970

\*1) Weighted average number of shares in the period.

\*2) Using treasury stock method. If striking price on outstanding share options are lower than market price no diluting effect is shown.

\*3) Outstanding share options at end of period.

CHANGES IN EQUITY [NOK MILLION]	ODIM GROUP		
	YTD - 09	YTD - 08	2008
Translation differences	(7.5)	(8.4)	20.1
Net effect of secured currency loan at market value	(1.5)	(1.7)	(3.8)
Change in cash flow hedges	(17.6)	-	32.0
Dividend paid	(94.2)	-	-
Adjustment related to unexercised share options	5.2	4.6	10.8
Capital increase from cash contributions/exercise of options	-	66.9	66.9
<b>Net income recognised directly in equity</b>	<b>(115.5)</b>	<b>61.4</b>	<b>125.9</b>
Profit for the period	67.2	101.4	245.1
<b>Total recognised income and expense for the period</b>	<b>(48.3)</b>	<b>162.9</b>	<b>371.0</b>
Attributable to:			
Equity holders of the company	(48.3)	162.9	371.0
<b>Total recognised income and expense for the period</b>	<b>(48.3)</b>	<b>162.9</b>	<b>371.0</b>
Equity at start of period	821.5	450.4	450.4
<b>Equity at end of period</b>	<b>773.2</b>	<b>613.3</b>	<b>821.5</b>

## BALANCE SHEET

## ODIM GROUP

[NOK MILLION]	30 JUN 09	30 JUN 08	31 DEC 08
<b>ASSETS</b>			
Patents, licenses, non- compete and similar rights	228.9	259.9	261.9
Goodwill	121.4	117.8	121.9
Other intangible assets	18.2	8.4	15.7
<b>Total intangible assets</b>	<b>368.4</b>	<b>386.2</b>	<b>399.5</b>
<b>Total tangible assets</b>	<b>226.8</b>	<b>118.5</b>	<b>205.8</b>
Deferred tax asset	3.9	0.2	-
Shares in associated companies	2.2	1.8	2.1
Shares in other companies	1.4	1.0	1.4
Other long- term receivables	6.0	7.2	2.7
<b>Total financial assets</b>	<b>13.4</b>	<b>10.2</b>	<b>6.1</b>
<b>Total non- current assets</b>	<b>608.6</b>	<b>514.9</b>	<b>611.5</b>
<b>Inventories</b>	<b>177.4</b>	<b>79.4</b>	<b>132.3</b>
Accounts receivable	173.4	125.9	153.6
Accrued income	411.7	345.9	438.7
Prepayment to suppliers	32.3	69.2	42.2
Other receivables	53.6	48.2	57.4
Value of forward contracts	19.9	-	44.4
<b>Total receivables</b>	<b>691.0</b>	<b>589.2</b>	<b>736.2</b>
Cash and cash equivalents	134.8	296.3	293.0
<b>Total current assets</b>	<b>1 003.2</b>	<b>964.9</b>	<b>1 161.5</b>
<b>TOTAL ASSETS</b>	<b>1 611.8</b>	<b>1 479.7</b>	<b>1 773.0</b>
<b>[NOK MILLION]</b>	<b>30 JUN 09</b>	<b>30 JUN 08</b>	<b>31 DEC 08</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	23.6	23.6	23.6
Share premium reserve	73.6	73.5	73.5
Translation differences	9.6	(7.9)	18.2
Hedging reserve	14.4	-	32.0
Retained earnings	652.0	524.1	674.2
<b>Total equity</b>	<b>773.2</b>	<b>613.3</b>	<b>821.5</b>
Pension liabilities	0.4	2.3	0.4
Deferred tax	190.7	91.8	158.4
<b>Total provisions</b>	<b>191.1</b>	<b>94.1</b>	<b>158.8</b>
Long- term loans	80.7	1.4	1.0
<b>Total non- current liabilities</b>	<b>271.8</b>	<b>95.6</b>	<b>159.8</b>
Short- term loans	0.2	0.2	11.2
Accounts payable	165.7	159.2	228.9
Taxes payable	0.8	-	0.0
Public duties payable	23.0	37.6	28.9
Preinvoiced production	209.8	465.6	341.8
Other payables	167.4	108.3	181.0
<b>Total current liabilities</b>	<b>566.9</b>	<b>770.9</b>	<b>791.8</b>
<b>Total liabilities</b>	<b>838.7</b>	<b>866.4</b>	<b>951.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 611.8</b>	<b>1 479.7</b>	<b>1 773.0</b>

**CASH FLOW STATEMENT**
**ODIM GROUP**

[NOK MILLION]	Q2- 09	Q2- 08	YTD- 09	YTD- 08	2008
Profit before tax	28.4	79.0	95.9	143.7	350.2
Taxes paid	1.7	(5.3)	(2.0)	(16.3)	(27.4)
Interest paid	0.4	0.7	0.5	1.5	2.6
Amortization and depreciation	23.1	18.0	46.9	37.7	78.8
Change in accrued income	30.3	(15.9)	27.0	44.3	(47.1)
Changes in inventories	(20.1)	(1.8)	(41.9)	(31.3)	(84.8)
Changes in receivables	(12.9)	(37.2)	2.4	(49.3)	(45.8)
Changes in accounts payables	(29.7)	39.6	(66.7)	(2.4)	63.5
Difference expenced pension - paid premiums	-	1.5	-	1.5	(0.4)
Changes in preinvoiced production	(65.5)	58.8	(132.0)	124.1	0.3
Changes in other current balance sheet items	(16.1)	(52.3)	7.3	(39.5)	8.1
<b>Net cash flow from operating activities</b>	<b>(60.4)</b>	<b>85.1</b>	<b>(62.5)</b>	<b>214.0</b>	<b>298.1</b>
Purchase of tangible assets	(6.9)	(45.2)	(43.3)	(65.1)	(153.9)
Purchase of intangible assets	(3.6)	(2.0)	(4.1)	(3.4)	(11.2)
Net cash effect from investment in new subsidiaries	(6.2)	(89.9)	(22.2)	(121.4)	(121.4)
Shares in associates and other investments	-	1.9	-	1.0	0.5
<b>Net cash flow from investing activities</b>	<b>(16.8)</b>	<b>(135.2)</b>	<b>(69.7)</b>	<b>(188.9)</b>	<b>(286.0)</b>
Capital increase through cash contribution	0.0	11.2	0.0	19.8	20.0
Change in long- term loans and liabilities	79.7	0.3	79.7	0.3	(0.2)
Change in current loans/overdraft facility	0.2	(2.4)	(11.0)	(16.6)	(5.6)
Interest paid	(0.4)	(0.7)	(0.5)	(1.5)	(2.6)
Dividend paid	(94.2)	-	(94.2)	-	-
<b>Net cash flow from financing activities</b>	<b>(14.7)</b>	<b>8.4</b>	<b>(26.1)</b>	<b>2.0</b>	<b>11.7</b>
<b>Net change in cash and cash equivalents</b>	<b>(91.9)</b>	<b>(41.7)</b>	<b>(158.2)</b>	<b>27.0</b>	<b>23.8</b>
Cash and cash equivalents start of period	226.7	338.0	293.0	269.3	269.3
<b>Cash and cash equivalents end of period</b>	<b>134.8</b>	<b>296.3</b>	<b>134.8</b>	<b>296.3</b>	<b>293.0</b>

**SEGMENT INFORMATION**
**ODIM GROUP**

<b>OFFSHORE SERVICE VESSELS</b>	Q2- 09	Q1- 09	Q4- 08	Q3- 08	Q2- 08	YTD- 09	YTD- 08	2008
Revenues	361.7	416.4	507.4	390.3	339.1	778.1	683.5	1 581.2
EBITDA	52.8	71.1	107.8	81.9	72.2	123.9	140.0	329.7
EBIT	42.0	60.6	98.6	74.8	64.7	102.6	122.9	296.2
EBITDA margin	14.6%	17.1%	21.2%	21.0%	21.3%	15.9%	20.5%	20.9%
EBIT margin	11.6%	14.5%	19.4%	19.2%	19.1%	13.2%	18.0%	18.7%
<b>NAVAL &amp; POWER</b>	<b>Q2- 09</b>	<b>Q1- 09</b>	<b>Q4- 08</b>	<b>Q3- 08</b>	<b>Q2- 08</b>	<b>YTD- 09</b>	<b>YTD- 08</b>	<b>2008</b>
Revenues	54.0	46.0	43.7	37.3	33.2	100.0	54.2	135.1
EBITDA	5.4	9.3	10.0	6.7	7.3	14.8	11.2	27.8
EBIT	0.6	4.7	4.8	2.6	4.6	5.3	7.8	15.2
EBITDA margin	10.0%	20.3%	22.9%	18.0%	22.1%	14.8%	20.6%	20.6%
EBIT margin	1.1%	10.1%	11.0%	7.1%	13.7%	5.3%	14.3%	11.3%
<b>SUBSEA &amp; DEEPWATER INSTALLATION</b>	<b>Q2- 09</b>	<b>Q1- 09</b>	<b>Q4- 08</b>	<b>Q3- 08</b>	<b>Q2- 08</b>	<b>YTD- 09</b>	<b>YTD- 08</b>	<b>2008</b>
Revenues	146.9	95.8	121.4	84.2	129.8	242.7	214.6	420.2
EBITDA	- 9.5	7.9	10.9	10.6	11.9	- 1.6	18.8	40.4
EBIT	- 17.0	- 0.7	3.0	3.0	4.1	- 17.7	1.6	7.7
EBITDA margin	- 6.5 %	8.3 %	9.0 %	12.6 %	9.1 %	- 0.7 %	8.8 %	9.6 %
EBIT margin	- 11.6 %	- 0.7 %	2.5 %	3.6 %	3.2 %	- 7.3 %	0.8 %	1.8 %

<b>ORDER BACKLOG</b>						<b>ODIM GROUP</b>			
<b>[NOK MILLION]</b>	<b>Q2-09</b>	<b>Q1-09</b>	<b>Q4-08</b>	<b>Q3-08</b>	<b>Q2-08</b>	<b>Q1-08</b>	<b>Q4-07</b>	<b>Q3-07</b>	<b>Q2-07</b>
Offshore Service Vessels *)	1 141	1 160	1 466	1 826	1 869	1 564	1 424	1 261	1 251
Naval & Power	144	164	196	168	138	86	101	119	132
Subsea & Deepwater Installation **)	639	784	646	664	622	512	545	315	304
<b>Sum order backlog end of period</b>	<b>1 925</b>	<b>2 108</b>	<b>2 307</b>	<b>2 658</b>	<b>2 629</b>	<b>2 162</b>	<b>2 070</b>	<b>1 695</b>	<b>1 688</b>
<b>ORDER INTAKE</b>									
<b>[NOK MILLION]</b>	<b>Q2-09</b>	<b>Q1-09</b>	<b>Q4-08</b>	<b>Q3-08</b>	<b>Q2-08</b>	<b>Q1-08</b>	<b>Q4-07</b>	<b>Q3-07</b>	<b>Q2-07</b>
Offshore Service Vessels	407	111	147	347	644	484	488	257	265
Naval & Power	34	15	72	66	86	5	6	15	64
Subsea & Deepwater Installation	3	234	103	127	239	53	358	58	49
<b>Sum order intake in period</b>	<b>443</b>	<b>359</b>	<b>322</b>	<b>540</b>	<b>969</b>	<b>542</b>	<b>852</b>	<b>330</b>	<b>378</b>

\* Reduced with cancellation of order worth 64 million.

\*\* Includes letter of intent worth NOK 210 million.

## NOTES

ODIM ASA (the company) is a company domiciled in Norway. The consolidated financial statements of ODIM ASA comprise the company and its subsidiaries (together referred to as the group or the ODIM group) and the group's interests in associates.

## STATEMENT OF COMPLIANCE

This financial report has been prepared in accordance with international financial reporting standard (IFRS) IAS- 34 on interim financial reporting. It does not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the ODIM group for the year ended 31 December 2008.

The annual report for 2008 is available at [www.odim.com](http://www.odim.com).

## ACCOUNTING POLICIES

The accounting policies applied by the group in this quarterly report are the same as those applied by the group in its consolidated financial statements for the year ended 31 December 2008.

### TAX

Income tax expense is recognised in each interim period on the basis of the best estimate of expected annual income tax rates.

### IFRS AND IFRIC INTERPRETATIONS NOT YET IN EFFECT

The following new and revised standards and interpretations issued but yet to take effect have not been applied in preparing the consolidated financial statements. No detailed assessment has yet been made of the effect these standards and interpretations might have on the financial statements. An overview of the preliminary assessments made by the executive management is provided below:

Standard/interpretation	date of coming into effect	planned adoption by group
IFRIC 18 - Transfers of assets *)	1 Jul 09	Fiscal 2009
IFRIC 17 - Distributions of Non- cash assets to owners *)	1 Jul 09	Fiscal 2009
Amended IAS 27 - Consolidated and separate financial statement *)	1 Jul 09	Fiscal 2009
Amendment to IFRS 39 - Eligible hedged items *)	1 Jul 09	Fiscal 2009
Revised version of IFRS 1 *)	1 Jul 09	Fiscal 2009
Revised IFRS 3 - Business combination *)	1 Jul 09	Fiscal 2009

\*) Standard expected to have insignificant or no effect on the consolidated financial statements.

### NOTE 1. USE OF ESTIMATES IN PREPARING THE FINANCIAL STATEMENT

Management has used estimates and assumptions which have affected the measurement of assets, liabilities, revenues, expenses and information about potential obligations. This applies particularly to the recognition of revenue relating to long- term manufacturing contracts, pension obligations, share- based remuneration, valuation of goodwill and impairment, depreciation periods, residual value and information about amounts reported in the accounts for fixed assets. Future events may lead to these estimates being changed. Estimates and the underlying assumptions are evaluated continuously. Changes in accounting estimates are recognised during the period in which the changes arise. If the changes are also applicable to future periods, the effect is distributed over the current and future periods.

In preparing this interim financial statement, the significant judgements made by the management in applying the group's accounting policies and 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 2008.

### NOTE 2. DIVIDEND PAID

In accordance with the decision made in ODIM's annual general meeting of 25 May 2009, ODIM has paid a dividend of NOK 2 per share, totalling up to NOK 94.2 million. The payment was made on 9 June 2009.

## DISCLAIMER FOR FORWARD- LOOKING STATEMENTS

This quarterly report includes and is based, inter alia, on forward- looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward- looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for ODIM ASA and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the ODIM's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although ODIM ASA believes that its expectations and the information in this report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this report. ODIM ASA nor any other company within the ODIM group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the report, and neither ODIM ASA, any other company within the ODIM group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the report. ODIM ASA undertakes no obligation to publicly update or revise any forward- looking information or statements in the report.

## FACTS ABOUT ODIM ASA

ODIM ASA is a technology group which develops and sells advanced automated handling solutions, primarily cable-handling systems and winches for use on offshore and naval vessels. The group occupies a leading position in selected market segments.

Through its subsidiaries in North America, it is also solidly rooted in the defence and power sectors.

In addition to its established market segments, ODIM will be making a heavy commitment to the very promising deepwater market.

For further information, visit [www.odim.com](http://www.odim.com) or contact:

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