



## THIRD QUARTER 2015

### Financials

*(Figures in brackets refer to the corresponding period of 2014)*

Operating profit for the third quarter amounted to USD 71.3 million (USD 93 million). Depreciation increased to USD 26.3 million (USD 16.6 million), mainly due to recent completion of capital expenditure projects, including the new build Safe Boreas.

Net financial costs amounted to USD 15.6 million (USD 17.7 million). Capitalised interest costs relating to new builds and projects equalled USD 4.8 million (USD 1.9 million).

Net profit equalled USD 53.2 million (USD 67.4 million), corresponding to diluted earnings per share of USD 0.23 (USD 0.29).

Total assets at 30 September amounted to USD 2 342 million (USD 1 769 million). Net interest-bearing debt equalled USD 1 222.7 million (USD 773.3 million), while the book equity ratio declined to 33.2 per cent (41.1 per cent).

### Operations

Utilisation of the vessels was 81 per cent (96 per cent).

Regalia, Safe Bristolia and Safe Boreas were fully contracted in the North Sea during the quarter. Safe Caledonia commenced on contract on the UKCS in early July 2015. Safe Concordia was on contract in Brazil throughout the quarter.

Safe Regency, Safe Lancia, Safe Hibernia and Safe Britannia were fully contracted in Mexico throughout the quarter with a further extension to the Safe Britannia charter until the end of

December 2015. Prosafes has been informed that Pemex payment terms will be up to 180 days until further notice from September 2015.

Safe Astoria completed her contract at the Malampaya facility with Shell Philippines in early September, and was on transit dayrate until mid-September. Safe Astoria is now located in Batam, Indonesia, undergoing minor works.

Jasminia remained off-hire and is located offshore Mexico.

### Dividend

The Board of Directors reaffirms the long-term dividend policy as described in the Q3 2014 report.

However, in light of the near term reduction in industry activity levels, the Board has decided to temporarily suspend dividend payments. The Board believes that this will be beneficial for the company, both from a commercial, financial and strategic perspective, and it will improve financial robustness and optionality.

### New builds and projects

Construction of the new builds is progressing within the timeframes previously communicated.

The conversion of Safe Scandinavia to a tender support vessel continued during the third quarter. The vessel is expected to commence operations offshore at Oseberg East for Statoil towards the end of the fourth quarter of 2015.

**Outlook**

With continued low and highly uncertain oil prices and E&P companies' capital expenditure being under pressure, the oil and gas services market remains challenging. However, cost reductions in the E&P sector are expected to contribute to more projects becoming economically viable. This, combined with continued focus on asset integrity and maintenance, could create future opportunities.

Tendering activity for near term accommodation work has slowed down, but medium term opportunities are progressing with the oil companies beginning to demonstrate higher activity levels from 2018 onwards.

Prosafe is well placed in this competitive landscape, with a high quality and versatile fleet and an unmatched operational track record in respect of accommodation operations worldwide.

Larnaca, 4 November 2015

The Board of Directors of Prosafe SE

## CONDENSED CONSOLIDATED INCOME STATEMENT

(Unaudited figures in USD million)	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
Operating revenues	154.1	92.5	169.5	370.8	394.6	548.7
Operating expenses	(56.5)	(51.0)	(59.9)	(159.3)	(175.9)	(236.1)
<b>EBITDA</b>	<b>97.6</b>	<b>41.5</b>	<b>109.6</b>	<b>211.5</b>	<b>218.7</b>	<b>312.6</b>
Depreciation	(26.3)	(18.7)	(16.6)	(62.0)	(47.8)	(64.3)
<b>Operating profit</b>	<b>71.3</b>	<b>22.8</b>	<b>93.0</b>	<b>149.5</b>	<b>170.9</b>	<b>248.3</b>
Interest income	0.0	0.1	0.2	0.1	0.3	0.3
Interest expenses	(8.2)	(12.8)	(10.0)	(31.2)	(27.1)	(37.3)
Other financial items	(7.4)	5.7	(7.9)	(17.6)	(4.9)	(20.0)
<b>Net financial items</b>	<b>(15.6)</b>	<b>(7.0)</b>	<b>(17.7)</b>	<b>(48.7)</b>	<b>(31.7)</b>	<b>(57.0)</b>
<b>Profit before taxes</b>	<b>55.7</b>	<b>15.8</b>	<b>75.3</b>	<b>100.8</b>	<b>139.2</b>	<b>191.3</b>
Taxes	(2.5)	(3.6)	(7.9)	(8.4)	(11.4)	(12.5)
<b>Net profit</b>	<b>53.2</b>	<b>12.2</b>	<b>67.4</b>	<b>92.4</b>	<b>127.8</b>	<b>178.8</b>
<b>EPS</b>	<b>0.23</b>	<b>0.05</b>	<b>0.29</b>	<b>0.39</b>	<b>0.55</b>	<b>0.76</b>
<b>Diluted EPS</b>	<b>0.23</b>	<b>0.05</b>	<b>0.29</b>	<b>0.39</b>	<b>0.55</b>	<b>0.76</b>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited figures in USD million)	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
<b>Net profit for the period</b>	<b>53.2</b>	<b>12.2</b>	<b>67.4</b>	<b>92.4</b>	<b>127.8</b>	<b>178.8</b>
Foreign currency translation	(0.8)	2.0	(0.6)	(0.7)	(6.4)	(6.2)
Revaluation hedging instruments	(23.6)	12.7	7.0	(28.1)	(21.2)	(38.0)
<b>Other comprehensive income</b>	<b>(24.4)</b>	<b>14.7</b>	<b>6.4</b>	<b>(28.8)</b>	<b>(27.6)</b>	<b>(44.2)</b>
<b>Comprehensive income</b>	<b>28.8</b>	<b>26.9</b>	<b>73.8</b>	<b>63.6</b>	<b>100.2</b>	<b>134.6</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited figures in USD million)	30.09.15	30.06.15	30.09.14	31.12.14
Goodwill	226.7	226.7	226.7	226.7
Vessels	1 698.3	1 611.5	1 004.1	1 027.3
New builds	213.6	211.1	293.7	311.8
Other non-current assets	5.5	6.0	5.2	5.7
<b>Total non-current assets</b>	<b>2 144.1</b>	<b>2 055.3</b>	<b>1 529.7</b>	<b>1 571.5</b>
Cash and deposits	85.2	94.9	145.6	122.4
Other current assets	112.9	91.5	93.6	122.9
<b>Total current assets</b>	<b>198.1</b>	<b>186.4</b>	<b>239.2</b>	<b>245.3</b>
<b>Total assets</b>	<b>2 342.2</b>	<b>2 241.7</b>	<b>1 768.9</b>	<b>1 816.8</b>
Share capital	65.9	65.9	65.9	65.9
Other equity	711.2	694.7	660.7	682.6
<b>Total equity</b>	<b>777.1</b>	<b>760.6</b>	<b>726.6</b>	<b>748.5</b>
Interest-free long-term liabilities	81.9	59.4	45.2	55.9
Interest-bearing long-term debt	1 277.3	1 185.6	919.4	830.1
<b>Total long-term liabilities</b>	<b>1 359.2</b>	<b>1 245.0</b>	<b>964.6</b>	<b>886.0</b>
Other interest-free current liabilities	175.3	203.1	77.7	182.3
Current portion of long-term debt	30.6	33.0	0.0	0.0
<b>Total current liabilities</b>	<b>205.9</b>	<b>236.1</b>	<b>77.7</b>	<b>182.3</b>
<b>Total equity and liabilities</b>	<b>2 342.2</b>	<b>2 241.7</b>	<b>1 768.9</b>	<b>1 816.8</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(Unaudited figures in USD million)	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
Profit before taxes	55.7	15.8	75.3	100.8	139.2	191.3
Unrealised currency (gain)/loss on debt	(25.7)	9.8	(20.4)	(45.7)	(24.4)	(83.7)
Loss on sale of non-current assets	1.2	0.0	0.0	1.2	0.0	2.3
Depreciation	26.3	18.7	16.6	62.0	47.8	64.3
Financial income	0.0	(0.1)	(0.2)	(0.1)	(0.3)	(0.3)
Financial costs	8.2	12.8	10.0	31.2	27.1	37.3
Change in working capital	(49.2)	9.3	23.8	3.0	(12.3)	63.0
Other items from operating activities	(4.4)	(1.1)	(9.4)	(11.2)	(18.9)	(25.9)
<b>Net cash flow from operating activities</b>	<b>12.1</b>	<b>65.2</b>	<b>95.7</b>	<b>141.2</b>	<b>158.2</b>	<b>248.3</b>
Acquisition of tangible assets	(116.3)	(177.6)	(43.1)	(635.8)	(150.1)	(211.0)
Proceeds from sale of tangible assets	0.0	0.0	0.0	0.0	0.0	0.3
Interests received	0.0	0.1	0.2	0.1	0.3	0.3
<b>Net cash flow from investing activities</b>	<b>(116.3)</b>	<b>(177.5)</b>	<b>(42.9)</b>	<b>(635.7)</b>	<b>(149.8)</b>	<b>(210.4)</b>
Proceeds from new interest-bearing debt	170.0	80.0	162.2	1 280.0	332.2	332.2
Repayment of interest-bearing debt	(55.0)	0.0	(99.0)	(756.5)	(168.0)	(198.0)
Dividends paid	(12.3)	(11.4)	(37.8)	(35.0)	(113.3)	(125.8)
Interests paid	(8.2)	(12.8)	(10.0)	(31.2)	(27.1)	(37.3)
<b>Net cash flow from financing activities</b>	<b>94.5</b>	<b>55.8</b>	<b>15.4</b>	<b>457.3</b>	<b>23.8</b>	<b>(28.9)</b>
<b>Net cash flow</b>	<b>(9.7)</b>	<b>(56.5)</b>	<b>68.2</b>	<b>(37.2)</b>	<b>32.2</b>	<b>9.0</b>
Cash and deposits at beginning of period	94.9	151.4	77.4	122.4	113.4	113.4
<b>Cash and deposits at end of period</b>	<b>85.2</b>	<b>94.9</b>	<b>145.6</b>	<b>85.2</b>	<b>145.6</b>	<b>122.4</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited figures in USD million)	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
Equity at beginning of period	760.6	745.1	690.6	748.5	739.7	739.7
Comprehensive income for the period	28.8	26.9	73.8	63.6	100.2	134.6
Dividends	(12.3)	(11.4)	(37.8)	(35.0)	(113.3)	(125.8)
<b>Equity at end of period</b>	<b>777.1</b>	<b>760.6</b>	<b>726.6</b>	<b>777.1</b>	<b>726.6</b>	<b>748.5</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### NOTE 1: GENERAL INFORMATION

Prosafe SE is a public limited company domiciled in Larnaca, Cyprus. Prosafe SE is listed on the Oslo Stock Exchange with ticker code PRS. The consolidated financial statements for the third quarter of 2015 were authorised for issue in accordance with a resolution of the board of directors on 4 November 2015. The accounting figures are unaudited.

### NOTE 2: ACCOUNTING PRINCIPLES

This interim financial report has been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting. The accounting principles adopted are consistent with those of the previous financial year.

### NOTE 3: NEW BUILDS

As of 31 December 2014 Prosafe had two vessels - Safe Boreas and Safe Zephyrus - under construction at Jurong in Singapore plus two vessels under construction at Cosco in China - Safe Eurus and Safe Notos. Prosafe took delivery of the Safe Boreas in January 2015, and in Q2 2015 the vessel commenced a contract with Lundin for support in connection with the hook-up and commissioning of the Edvard Grieg platform.

### NOTE 4: REFINANCING

In February 2015, the company secured a new credit facility for the refinancing of the existing USD 1,100 million and USD 420 million credit facilities. The credit facility, which has a maturity of seven years, consists of two term loan tranches of USD 800 million (drawn on closing) and USD 200 million (drawn on delivery of the Safe Zephyrus) and a revolver loan tranche of USD 300 million. The availability under the term loan tranches is reduced semi-annually, starting 6 months after delivery of the tranche security, with an amount that reduces the term loan commitments to zero by the final maturity. The annual interest rate on the credit facility is 1.90 per cent above 3-month LIBOR for the first five years and 2.15 per cent above 3-month LIBOR thereafter.

Financial covenants:

Liquidity: Minimum USD 65 million (including up to USD 25 million of total commitments available for utilisation)

Leverage ratio: Net debt/EBITDA must not exceed 5.0 (4.5 after 3rd anniversary)

Value adjusted equity ratio: Minimum 35 per cent

Collateral maintenance: Market value vessels/Total outstanding loans above 150 per cent

KEY FIGURES	Q3 15	Q2 15	Q3 14	9M 15	9M 14	2014
Operating margin	46.3 %	24.6 %	54.9 %	40.3 %	43.3 %	45.3 %
Equity ratio	33.2 %	33.9 %	41.1 %	33.2 %	41.1 %	41.2 %
Return on equity	28.3 %	6.7 %	37.8 %	16.2 %	23.2 %	23.9 %
Net interest bearing debt (USD million)	1 222.7	1 123.7	773.8	1 222.7	773.8	707.7
Number of shares (1 000)	235 973	235 973	235 973	235 973	235 973	235 973
Average no. of outstanding shares (1 000)	235 973	235 973	235 973	235 973	235 973	235 973
USD/NOK exchange rate at end of period	8.50	7.86	6.45	8.50	6.45	7.43
Share price (NOK)	23.70	27.20	37.58	23.70	37.58	23.00
Share price (USD)	2.79	3.46	5.83	2.79	5.83	3.10
Market capitalisation (NOK million)	5 593	6 418	8 868	5 593	8 868	5 427
Market capitalisation (USD million)	658	817	1 375	658	1 375	730

#### NOTES TO KEY FIGURES

Operating margin = (Operating profit / Operating revenues) \* 100

Equity ratio = (Equity / Total assets) \* 100

Return on equity = Annualised [Net profit / Average book equity]

Net interest-bearing debt = Interest-bearing debt - Cash and deposits