



REVIEW | 2012

New horizons



Late 2012, Dockwise installed the SHP Topside on the earlier launched SHP Jacket using the same barge as for the jacket launch. The SHP Topside, weighing 30,000 tons, is one of the World's heaviest topside. Dockwise Engineering Services, was responsible for the complete transport engineering design along with the installation scope.

Location Bay of Bengal
Coordinates 19°40'26"N, 92°32'34"E

30,000 Tons Delivered



DOCKWISE



Dear reader,

I write with mixed feelings; wistful when I recall what Dockwise has achieved in the past decade, but excited when considering what lies ahead. And the latter, course, is what matters. One can theorise about the value we might have unlocked if allowed a few more years of autonomy. But what was essential to keep in mind was how Dockwise stakeholders, in the broadest sense could prosper. If we consider the interests of employees, clients and suppliers, this had to be as part of a substantially larger Oil & Gas services group. Shareholders, with an acceptance rate of over 99%, have already indicated that the takeover of Dockwise by Royal Boskalis Westminster N.V. is in their best interest. Interestingly, many have indicated that they have either already swapped Dockwise shares for Boskalis, or will do so once the Offer is settled.

How the combination with Boskalis will accelerate Dockwise's achievement of its targets, is explained in this annual review. It also contains reflections on the past decade and the milestones we reached. Of course, this issue comes with amazing pictures of our "inconceivable projects". Although it will be the last annual review for Dockwise as a stand-alone operation, rest assured that the projects we have at hand, either in our backlog or in our sights, and which promise ever more spectacular images, will feature in Boskalis reviews. These have been exciting years explaining the dynamics of our business, and our industry, to financial stakeholders and I would like to thank them for their loyalty. Enjoy reading.

Fons van Lith, Manager Investor Relations

Much to be gained in a market that is growing

'New kid on the block' in Oil & Gas services

The key events in the year 2012 were the construction of Dockwise Vanguard, acquisition of Fairstar and the announcement of Boskalis' proposal. Fairstar brought Dockwise significant strategic benefits.

The integration in Boskalis will enable Dockwise to make major strides in pursuing its growth ambitions. 'This is a very attractive step for the development and growth of our business', says André Goedée.

André Goedée, CEO Dockwise

Boosted by the Fairstar acquisition

Dockwise can look back on a good year, despite concerns about economic developments. This was partly due to the benefits of the acquisition of Fairstar. 'It significantly boosted the speed of our development. Our fleet has been rejuvenated, substantial cash flow has been added and our presence in Australia, an enormously important region, has been strengthened. It was a very good step, even though it had not been part of our original plans. We had previously targeted an acquisition in transport and installation. An Oil & Gas services company, instead of a logistics service provider such as Fairstar.

But this was an opportunity we could not afford to miss. Our company has benefited greatly from this step', emphasises André Goedée.

But there was also a downside to the acquisition of Fairstar. The unexpected extra capital expenditure in Fairstar's fleet surprised the market. Combined with the third quarter results and a cautious outlook for the fourth quarter, this may have caused pressure on the Dockwise share price. That presented Boskalis with a unique opportunity to come forward with an offer. André Goedée comments: 'It would probably have happened anyway at some point. The idea of a merger had been in the air for some time.'

Accelerated implementation of ambitions

The acquisition by Boskalis is expected to enable Dockwise to accelerate the implementation of its ambitions for the future. André Goedée explains his optimism: 'To a large extent, Boskalis offers us the complementary match we were looking for. Together, we can explore options for strengthening our position as an Oil & Gas services provider. Dockwise is no longer a shipping company, transport company or maritime services provider, but an Oil & Gas services provider. That sector accounts for 80% of our sales. Our risk management, the training of our people, our safety policy and our client base are aligned with this. Boskalis also wants to expand further into that sector, which offers higher margins and will reduce its dependence on the dredging industry. We have moved further ahead on this road and that makes us an interesting partner. We can move forward faster together.' The market for Oil & Gas industry services is changing and this is creating room for a new player. Demand is growing and its geographical spread is widening. Internal developments at major players mean they are leaving room for newcomers. Dockwise, André Goedée says, is 'The new kid on the block'.

Enormous opportunities

'We have been able to position ourselves reasonably well in a relatively short time in a small niche of float-overs. But we want more. For instance, installing the jackets and performing the sub-sea activities associated with the installation of a production platform. Those services are largely available within Boskalis. After joining forces, we are still a player with only a small market position. So there is much to be gained in a market that is growing. I see enormous opportunities, in which Dockwise has already invested significantly in the past few years. In building the Vanguard, we reached the absolute top in the market for oil and gas transport. Now we have to make the move into installation in this market and ensure that we expand our growth potential in that area. We can accelerate its implementation under Boskalis. And that is the ambition stated by Boskalis as well. We can be the catalyst for this. It strengthens our chances in this market segment.' Building a market position in the Oil & Gas industry takes a long time. André Goedée: 'You have to have a good track record, a solid reputation, enough capacity and financial resilience. You have to be able to convince the customer that you can successfully take on a project of this size. On our own as Dockwise, we always had to extend ourselves and that made us vulnerable. We were perfectly able to solve this, partly by refinancing, but I am very pleased with the acquisition by Boskalis. It affords us extra certainty going forward. True, going your own way makes you feel that you control your own destiny, but that is difficult in a market environment where macroeconomic developments determine day-to-day sentiment. The acquisition eliminates our vulnerability to macroeconomic impacts. Boskalis is much larger and more diversified and therefore less vulnerable.'

Next step in our growth

'Boskalis offers us room for the next step in our growth. Becoming part of a large group of companies will unlock new growth opportunities for us in the Oil & Gas industry. This offers permanent employment and career development opportunities for the people in our organisation. Within the large entity Boskalis, we will be an even more reliable partner for customers. That is important for the extremely large transport projects we envisage in the years ahead. We are presenting Boskalis with an enormous expansion of its scope for customers they already serve. This is fully in line with our own vision and accelerates our growth. We will not lose our momentum, which is important against the background of the market developments we foresee. The year 2013 will be difficult and full of challenges. But our basis is strong.

Dockwise's presence in Oil & Gas cycles

Exploration & Development Heavy Marine Transport

- High drilling activity
- Global fleet of 700 rigs
- Higher global rig utilization spread
- Higher complexity wells
- Continued development drilling
- Deepwater activity increases

Production Offshore Transport and Installations

- Deepwater platforms
- Increase in size & weight
- Higher complexity in structures
- Greater global activity
- Increase in float over installations
- Increase tenders for topside and jacket installations

Processing Logistical Management Solutions

- Increasing investments
- LNG/LPG/Refineries
- Mining/Power plants
- More remote construction sites
- Environmentally sensitive locations
- Greater use of modular concepts
- Increase in module weight and sizes

time

Upstream

Downstream

GLOBAL

Expanding the group's capacity, rejuvenating our fleet and building backlog

Dear stakeholder,

The offer announced by Royal Boskalis Westminster N.V. ("Boskalis") at the end of 2012 marked the culmination of a period of great progress for Dockwise, including the rejuvenation of our fleet and the consolidation of our leadership positions in several different market segments across the Oil & Gas industry.

The modernization of our fleet has been a two-fold process: the divestment of smaller, lower value vessels and ambitious development through the building of much larger vessels at the high value end of the fleet. Our first new-built the Dockwise Vanguard successfully completed sea trials in late December 2012 to be delivered in January 2013. In addition, the White Marlin was ordered at the end of 2012, and the Finesse, ordered originally by Fairstar was delivered to the Dockwise fleet in late 2012 and has now entered service. Taken together, these vessels will drastically rejuvenate our fleet.

Consolidation of our market-leading position was underlined by the award, and completion of milestone projects such as the launch of the jacket and installation of the record weight topside, by float-over, for the SHWE project in the Bay of Bengal. Furthermore, the acquisition of our competitor, Fairstar Heavy Transport N.V., secured for Dockwise a strong position in logistics management projects such as Gorgon and Ichthys. Achieving a degree of vertical integration would have been our next logical step, and in this respect the acquisition by Boskalis of all outstanding shares of Dockwise will realize the planned scope expansion in the combination of the two companies. In a relatively short period, these steps will transform Dockwise from a niche heavy marine transport company into a major division of a broad offshore services business in several premium markets.

The decision to divest the yacht transportation business was taken in 2011 and although agreement was reached with an interested buyer at an early stage, the transaction has not been concluded. Our determination to divest the business still stands and it will therefore be presented in this report as "assets held for sale".

If sustaining our leadership in the premium segment of heavy lift transport and expanding our transport & installation services were the growth themes for 2012, then this drive in part reflects fiercer and broader competition. Dockwise has sought consistently to raise the bar by adding proprietary know-how to our existing transport solutions and by building our reputation as the provider of exceptional services. The aim has been to confirm our unique position with clients, to increase return on investment and to bring better visibility to our earnings. Our backlog at year end, a record high of USD 674 million, is the best proof that our strategy has successfully met our customers' requirements.

The emergence of Dockwise as the global leader in our industry required intense corporate development and, vitally, access to capital markets. The public listing of the Company in Oslo, and later Amsterdam provided the essential means for Dockwise to grow, rejuvenate and diversify. Looking to the future, the market Dockwise serves exhibit strong growth prospects and the company has never been better equipped to serve its clients. Joining forces with Boskalis will allow us to realize our ambitions. It is for that reason that the Board of Directors has decided in February 2013 to recommend the offer by Boskalis to its shareholders.

Adri Baan, Chairman of the Board of Directors



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Sustainability and Governance

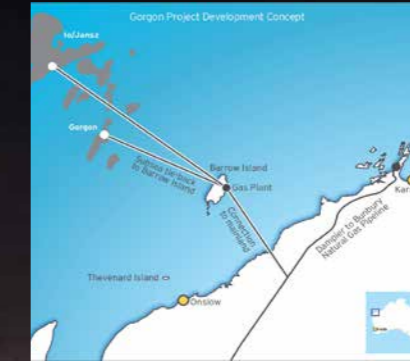
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Local impact: Gorgon Project

In 2010 and 2011 Dockwise and Fairstar were awarded a multi-voyage, multi-vessel LNG modules transportation contract for the Gorgon Project. The Dockwise and Fairstar semi-submersible heavy transport vessels (Mighty Servant III, Fjord, Fjell and Forte) provide marine transportation of modules and other related equipment from various construction sites throughout Asia to Barrow Island.



Barrow Island - where the Gorgon Project is located - is an internationally significant nature reserve. The impact on vulnerable locations can be averted or minimized by shifting the building sites to less vulnerable locations.

As worldwide demand for energy grows rapidly, natural gas – the cleanest burning fossil fuel – will play a vital role in balancing economic growth and environmental responsibilities.

The Gorgon gas project is a natural gas project in Western Australia, involving the development of the Greater Gorgon gas fields, subsea gas-gathering infrastructure, and a Liquefied Natural Gas (LNG) plant on Barrow Island. It is currently under construction and once completed, will become Australia's fourth LNG export development (source: Wikipedia).

Barrow Island - where the Gorgon Project is located – is an internationally significant nature reserve. The impact on vulnerable locations can be averted or minimized by shifting the building sites to less vulnerable locations.

Modularization, the off-site pre-fabrication and assembly of large integrated modules for LNG plants into transportable parts, will significantly reduce the impact on Barrow Island.

Strict regulations

Australia has stringent quarantine requirements to help protect human health, Australia's agricultural industries and its environment (source: Australian government, department of foreign affairs and trade).

The Chevron consortium developed a Quarantine Management System (QMS) for the Gorgon Project which demonstrates excellence in environmental management and sustainable development, consistent with global UN standards. The project's QMS consists of more than 300 procedures, specifications, checklists and guidelines to protect the biodiversity and surrounding waters of Barrow Island (source: www.chevronaustralia.com)

All Dockwise and Fairstar vessels have been prepared to meet Australian Quarantine compliance. All crew and employees have received additional training, and the number of people working on Barrow Island is managed closely to safeguard the quarantine program.



Visit the official Chevron website on Gorgon

Location Barrow Island, West Australia
Coordinates 20°47'53"S, 115°24'21"E



SUSTAINABILITY

Dockwise is committed to sustainable and profitable business

Corporate Sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. A company takes responsibility across the entire supply chain of the company's activities, reports on these consequences, and constructively engages with stakeholders.

Vera Geluk, Sustainability Manager

Sustainability and Corporate Social Responsibility (CSR) have received much attention in recent years due to increased attention with respect to global issues such as human rights, climate change, resource scarcity and community involvement. Stakeholders increasingly press management and boards to focus on opportunities and risks related to environmental and social issues. These efforts reflect the growing belief that a company's environmental and social policies correlate strongly with its risk management approach and financial performance, including in terms of supporting growth and cost-reduction opportunities.

Dockwise is aware of its responsibilities and the issues related to everyday business. To become the contractor of choice for the execution of exceptional heavy marine transport, transport & installation, and logistical management projects, a high performance standard is pursued. Dockwise formulated therefore corporate values and principles that include sustainability, safety and reliability of operations, safeguarding the environment, respect for others and their rights, and innovation and pioneering solutions.

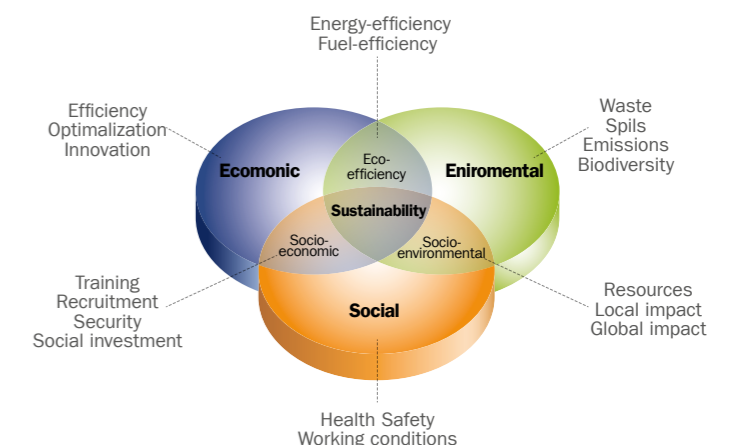
People, Planet, Profit

Since 2012 Dockwise is working more systematically on the implementation of a corporate responsibility framework that includes People, Planet and Profit. The framework is based on international principles¹ and will pinpoint the uniqueness and the operational context of the company. The overall aim is to ensure that a robust and practical system is imbedded in the core business of the company, while making use of the already present business structures and documents. This includes the integrated management system and certification schemes (ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007).

Most material issues

The most material issues are those that have the potential to significantly affect performance, in the view of both the organization and the external stakeholders. The information given by a company should be relevant and should be provided consistently to enable comparability over time. Material topics include those that reflect the organization's strategy, governance and financial performance and the social, environmental and economic context within it operates. The visualization of the maritime sustainability aspects makes the interconnections between the topics apparent:

Maritime sustainability aspects



The framework will provide a solid foundation for further improvements, integration in the business structure, and long term commitments. This vision is fully supported by the management of Dockwise, as shown in the following Management Statement:

André Goedée, CEO of Dockwise

"Sustainability is a pre-requisite for the future of Dockwise. Dockwise has for years now gathered data and initiated various initiatives, but ultimately has to live up to the expectations of the stakeholders, including all of the Dockwise staff around the Globe. Dockwise strives for new initiatives, a better and transparent structure and clear realistic objectives for the next years. An acceptable common direction needs to be composed that will help Dockwise into the next decade."

¹ The framework is based on the ISO 26000: 2010 Guidance on social responsibility, with respect to the GRI 3.1 guidelines, Global Compact, IIRC, IMCA guidelines and the IPIECA/API/OGP Oil & Gas industry guidance on voluntary sustainability reporting.

Innovation: Ballast Water

Almost all types of ships require ballast water, primarily for stability during operations and voyage. While ballast water is essential for safe and efficient shipping operations, it may pose serious ecological, economic, and health problems due to the multitude of aquatic organisms carried in ships' ballast water.

These species include bacteria, microbes, small invertebrates, eggs, cysts and larvae of various species. The transferred species may survive to establish a reproductive population in the host environment, becoming invasive, out-competing native species and multiplying into pest proportions.

The problem was officially recognized in 1992 by the United Nations (UN). The UN requested for the development of rules for ballast water discharge to prevent the spread of invasive species. The International Maritime Organization (IMO) assisted to develop IMO Ballast Water Guidelines and the (not yet ratified) IMO Ballast Water Convention in order to prevent, reduce, and ultimately eliminate the transfer of harmful aquatic organisms and pathogens from ships' ballast water and sediments.

In 2009 the IMO concluded that there were sufficient type-approved (qualified for certification) ballast water treatment technologies available for ships. Dockwise stated that the existing technologies are unsuitable for special qualification vessels like the semi-submersible heavy lift vessels of Dockwise. The amount of ballast water, the time needed for the treatment process, the additional energy use,

the additional space needed, and the hazard for the safety of vessel and cargo during operations were mentioned.

To bring the special type of vessels to the attention of the IMO, Dockwise and other ship owners issued a submission on this topic, which was reviewed by the "Ballast Water Review Group". The BWRG acknowledged the problem, allocated more time and invited member states to come up with suitable solutions. Dockwise proposed an "in-tank treatment" during voyage, whereby only the transported ballast water from one location to another will be treated so the vessel will arrive with sterilized tanks at the destination.

The Dockwise method for internal circulation treatment of ballast water was proposed to the IMO, and the Committee agreed to initiate the development of a unified interpretation clarification before the Convention will enter into force.

Statement:

Dockwise is committed to complying with all applicable laws and regulations. If difficulties arise with the implementation of upcoming legislation, the company will always seek for innovative technical solutions. Also Dockwise will approach and collaborate with relevant stakeholders (regulators, industry, flag states, and trade organizations) to address the problem and find alternatives.

Global overview invasive marine species

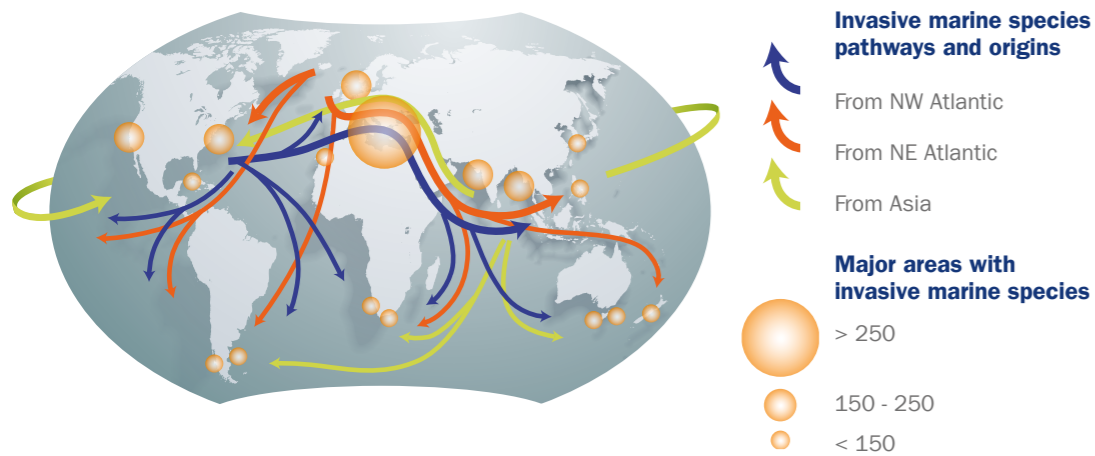


Image courtesy of UNEP/GRID-Arendal Maps and Graphics Library

Dockwise proposed 'in-tank treatment' during voyage



Overview of Ballast Water (BW) capacities, per vessel type

Vessel type	Type 0	Type 1	Type 2	Type 3	Type 5
Average ballast tank capacity (M ³)	222,566	105,596	97,996	56,800	30,432
Average pump capacity* (M ³ /Hr)	21,200	13,700	13,886	6,275	4,800
Average no. of pumps*	4	5	5	8	4

* excluding gravity or partial gravity systems

ENVIRONMENT

Dockwise is fully aware of the environmental risks associated with all operations executed by the company. Dockwise is committed to sustainable and profitable business. This requires balancing short and long- term interests, as well as integrating economic, environmental, and social considerations into business decision making. Dockwise strives to lead the market in an innovative and responsible way, while maintaining high-quality services in a safe manner.

Being sensitive about
the delicate environment
in which we work

Location Koniambo project, New Caledonia
Coordinates 21°0'45"S 164°41'7"E

The most significant environmental impact of Dockwise is the fuel consumption of the fleet and the accompanying (CO₂) emissions of the vessels. Reporting on fuel consumption and emissions is complex due to differences in fleet composition, age of the vessels, utilization of the vessels, distance travelled and cargo transported. All of the above mentioned aspects influence the energy consumption of the fleet. Continuous improvements have been made to report, measure and reduce fuel consumption, all in close cooperation with our Ship Manager Anglo-Eastern.

DNV Clean Notation

Environmental legislation will become stricter over the next few years with regard to emissions to air (such as SO_x and NO_x) and sea pollution (such as ballast water). By adopting the Clean Notations, the ship owner chooses to comply with environmentally friendly regulations and a set of criteria in order to clearly demonstrate to customers and authorities that the company's policy is to be environmentally proactive. The new Dockwise vessels Vanguard, Forte and Finesse have been designed and have been classed with a DNV Clean Notation and provided with hardware and management systems to minimize the burden on the planet. The Fjord also has this annotation.

SECAs

Sulphur Emission Control Areas (SECAs) are protected areas with stricter requirements for bunker fuel compared to other sea areas. The aim of the legislation is to reduce Sulphur Oxide (SO_x) emissions from ships to reduce the acidification of the atmosphere. This is to be achieved by setting a limit on the sulphur content in marine fuels. Dockwise uses the worldwide described fuel grades and sulphur levels and gears up for the global sulphur content reduction programs.

In 2012, Dockwise registered 7 environmental incidents compared to 5 in 2011. Most incidents were, directly or indirectly, related to small, rapidly containable (hydraulic) oil spills on decks of vessels. To improve the overall performance/awareness and to mitigate possible operational risk of pollution, an environmental audit and training program has been implemented for crew and ships. Hardware measures have been taken to increase the barriers to avoid spills and environmental incidents.

In 2012:

- Operational, the focus has been mainly on smart vessel planning and utilization and on weather routing whereby the speed and consumption of the vessels are optimized between port calls. Economic steaming options (slow steaming) are a main part of the focus;
- Smart consumer planning and utilization on board our fleet has been brought to a further level to reduce the total consumption and/or change the grade of fuel in use to reduce the GHG footprint;
- Hull efficiency has been a major focus of attention. Dockwise vessel "Black Marlin" has been provided with a full silicon type of hull coating system after experimenting with silicon based paint on rudders and propellers to reduce the drag. Furthermore the quality tier of the hull coating antifouling systems of various vessel's within the fleet have been improved to further optimize the endurance and performance of the hull;
- Experiments were done within the fleet in relation to reduction of the ballast capacities carried, draught aspects and influence of optimum trim;
- Enhanced environmental objectives and targets have been set for the fleet in close cooperation with our Ship Manager Anglo-Eastern. The Target Plans are yearly extended in order to reduce the impact on the environment, and contain clear performance indicators and a strict time frame.

Overview of the 2012 environmental performance of Dockwise, compared to previous years (2012 statistics based on 22 vessels)

	Unit	2012	2011	2010
Total Greenhouse Gas Emissions CO ₂ Eq.	Tonnes	529,233	507,204	445,716
Sulphur Oxide (SO _x) Emissions	Tonnes	8,365	7,802	6,399
Nitrogen Oxide (NO _x) Emissions	Tonnes	14,105	13,466	12,087
Spills in the water	No.	3	1	1
Spills on deck <1 barrel	No.	3	3	7
Spills on deck >1 barrel	No.	1	1	1
Solid waste				
- Discharged at sea	M ³	350	319	398
- Incinerated onboard	M ³	483	525	461
- Disposed ashore	M ³	1,804	1,149	1,694
- Ballast water Exchange	Tonnes	1,965,099	1,568,975	1,406,040

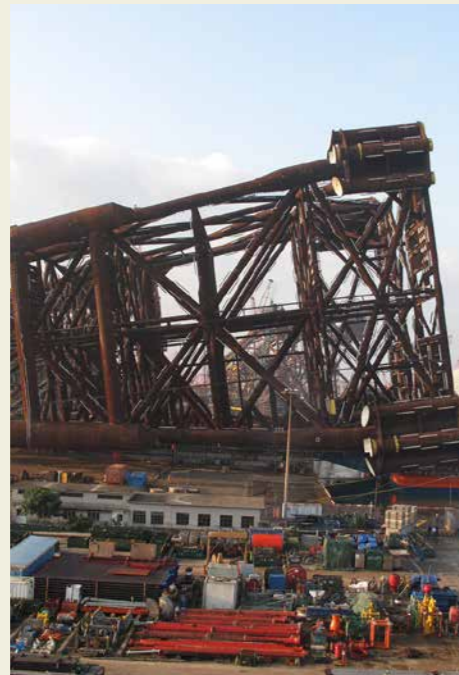
Corporate Highlights



Christening the Finesse

On October 31st, the Finesse was christened at Longxue Shipbuilding in Nansha District, China. The Finesse is a semi-submersible heavy transport vessel built for Fairstar measuring 216 m long and 43 m wide and capable of transporting cargo up to 50,000 tons. The festive event was witnessed by representatives of Dockwise, Fairstar, GSI, CSTC, DNV and clients as well as distinguished guests invited by the supervisory board of Fairstar.

This state-of-the-art vessel is designed for a wide variety of loading and discharge operations such as float-on/off, roll-on/off, skid-on/off, lift-on/off or a combination of these methods. The vessel is dedicated to transport and install cargo such as production platforms, drilling rigs, industrial modular units, dredging equipment and barges for the Oil & Gas and Mining industries.



Shifting Gears on Transport & Installation Strategy

Dockwise successfully installed the mega sized SHP Jacket and SHP Topside for the SHWE field in the Bay of Bengal, marking a significant contribution to the company's strategic direction.

The SHP Jacket, weighing 22,000 tons, is one of the largest ever installed. The flawless launching operation was executed precisely as planned. Later in the year, the accompanying SHP Topside weighing 30,000 tons was installed by means of a float-over operation using the HYSY229 barge. This installation surpasses Dockwise's previous topside installation record of 21,000 tons.

"The successful SHP Topside installation and SHP Jacket launch mark a significant milestone for Dockwise," states Alex Rodenburg, Senior Project Manager. "This further validates Dockwise's evolution into an offshore contracting partner for the transport and installation of Oil & Gas platforms."



Changing the Game

After more than three years since the CEO's ambition to create a game changing vessel in a class all on its own, the Dockwise Vanguard is now available. The vessel, designed to meet the needs of future mega sized platforms, is capable of transporting cargo weighing 117,000 tons, which is 50 percent greater than Dockwise's current largest heavy-lift vessel Blue Marlin and with a 70 percent larger deck area.

The Dockwise Vanguard symbolizes the innovation spirit that drives Dockwise's passion to stay ahead of the curve. The vessel is set to change the game of how mega offshore platforms are transported by opening opportunities once considered impossible such as offshore discharge and offshore dry-docking along with transporting next generation mega sized fully integrated FPS.

Capturing the industry's attention, the acclaimed vessel scored a few contracts prior to being delivered. The vessel will transport the world's largest FPS hull for Chevron on her maiden voyage from South Korea to the US Gulf of Mexico in Q1 2013.

Winner of the 'OTC Spotlight on New Technology Award'

The Dockwise Vanguard was selected winner of the Offshore Technology Conference (OTC) Spotlight on New Technology Award recognizing innovative technologies. In selecting a new technology winner, the jury's decision is based on the following 5 criteria: New, Innovative, Proven, Broad Interest and Significant Impact. The vessel's game changing bowless design along with transport capabilities were leading the award decision.



Strengthening the Logistical Management Pillar

In July, Dockwise acquired Fairstar Heavy Transport N.V. to strengthen the Logistical Management business pillar. The acquisition augmented Dockwise's versatile feet to a total of 25 vessels by adding the Fjord, Fjell and Forte. In early November, the Finesse, the newest addition to the fleet, was christened. During the same period, the company announced the commissioning of a new Type 1 vessel to be named the White Marlin. These new additions advanced the fleet rejuvenation plan with associated capex savings. In addition, the acquisition marks a step change in the focus of the Dockwise fleet to better serve rapidly growing and evolving customer demand in the global Oil & Gas industry.

The acquisition balances Dockwise's presence throughout the Oil & Gas exploration, development and production phases reducing dependence on short term upstream contracts and enhancing visibility on future revenues and earnings.

"The proposed acquisition of Fairstar, and the integration of their four vessels into our fleet significantly accelerates progress towards our strategic objectives," states André Goedée, CEO of Dockwise. "Fairstar's growing position in downstream processing projects, including LNG module transportation developments such as Gorgon and Ichthys, is highly complementary to Dockwise's existing market strengths. The acquisition enhances our ability to provide our clients throughout the Oil & Gas industry with the diverse and project specific services they require."



Building Lasting Relationships

In April, with the signing of a Master Service Agreement (MSA), Technip selected Dockwise as a preferred contractor to provide SPAR transportation services. The MSA contains predefined terms and conditions allowing for both Technip and Dockwise to enhance project efficiency, planning and budgeting. For Technip, the MSA means enhanced transparency, better forecast budgeting and planning flexibility. So far, under this MSA, Dockwise has contracted the transport of BP's Big Dog and Anadarko's Heidelberg. With a proven track record and reliable performance as a basis, Dockwise plans to further expand its MSA portfolio with other top tier customers.

"Essentially, the MSA with Dockwise enables our customers to save time by agreeing upfront on a framework in which a set of terms and conditions have already been accepted," states Jaap Meij, VP Sales Offshore Projects.



Boskalis

Since mid-2000 Boskalis and Dockwise independently have shared a similar ambition: to be an Oil & Gas service provider while being independent of one another's core business of Dredging and Heavy Marine Transport respectively. The step announced by Boskalis on 26 November 2013 may not have been the preferred timing for Dockwise but the strategic rationale is obvious.

As André Goedée, CEO of Dockwise, commented on the Offer to Dockwise's shareholders:

"From the outset, the Dockwise board has identified strategic merit in a combination with Boskalis, building on Dockwise's strategy. The Dockwise team looks forward to becoming part of the Boskalis group and with minimal operational overlap between our companies, we foresee a swift integration. I am confident that the combined expertise, uniquely available within Dockwise and Boskalis, will be successful in offering a broad integrated range of premium services to our current and future clients."



Meet the Management Team

Building a solid future together



More on Management and accountability

<p>Adri Baan (born 1942) Chairman of the Board of Directors and member of the Remuneration Committee, the Audit Committee and the Project Committee of the Board of Directors.</p> <p>First appointed on 30 July 2007.</p>	<p>Tom Ehret (born 1952) Deputy Chairman of the Board of Directors and Chairman of the Project Committee of the Board of Directors.</p> <p>First appointed on 15 October 2007.</p>	<p>Rutger van Slobbe (born 1952) Director and Chairman of the Remuneration Committee and Member of the Audit Committee of the Board of Directors.</p> <p>First appointed on 13 July 2007.</p>	<p>Danny McNease (born 1951) Director.</p> <p>First appointed on 15 October 2007.</p>
<p>Other current positions</p> <ul style="list-style-type: none"> Chairman Supervisory Board Wolters Kluwer N.V. Chairman Supervisory Board Van Gansewinkel N.V. Member Supervisory Board Imtech N.V. Senior advisor of Warburg Pincus UK Member of the Supervisory Board of University of Amsterdam and Amsterdam Medical Center <p>Mr. Baan holds a master's degree in Physics from the University of Amsterdam and is a Dutch citizen.</p>	<p>Other current positions</p> <ul style="list-style-type: none"> Member Supervisory Board SBM Offshore N.V. Member Supervisory Board Huisman Equipment B.V. Non-executive Board member Green Holdings Corporation Non-executive Board member International Sports Media Ltd Non-executive board member Comex SA Senior advisor to Oak Tree Capital Management <p>Mr. Ehret has been trained as a mechanical engineer, has been active in the Oil & Gas services sector for over 30 years and is a French citizen.</p>	<p>Other current positions</p> <ul style="list-style-type: none"> Chairman of the Supervisory Board of Port of Rotterdam N.V. Member of the Supervisory Board of Royal Netherlands Sea Rescue Institution (KNRM) Chairman of the Supervisory Board of Cargonaut B.V. Member of the Supervisory Board of Shipping and Transport College (STC) Rotterdam Co-owner Oxalis Cooperatie U.A. <p>Mr Van Slobbe is a graduate from Rotterdam Port and Transport College and is a Dutch citizen.</p>	<p>Other current positions</p> <ul style="list-style-type: none"> Chairman of the Board of Axon Energy Products Advisor to HitecVision <p>Mr. McNease is a graduate of the University of Southern Mississippi and the Columbia University Executive Program and is a US citizen.</p>

The Board of Directors determines the Company's strategy and strategic decisions. It ensures the implementation of the strategic decisions by Executive Management.

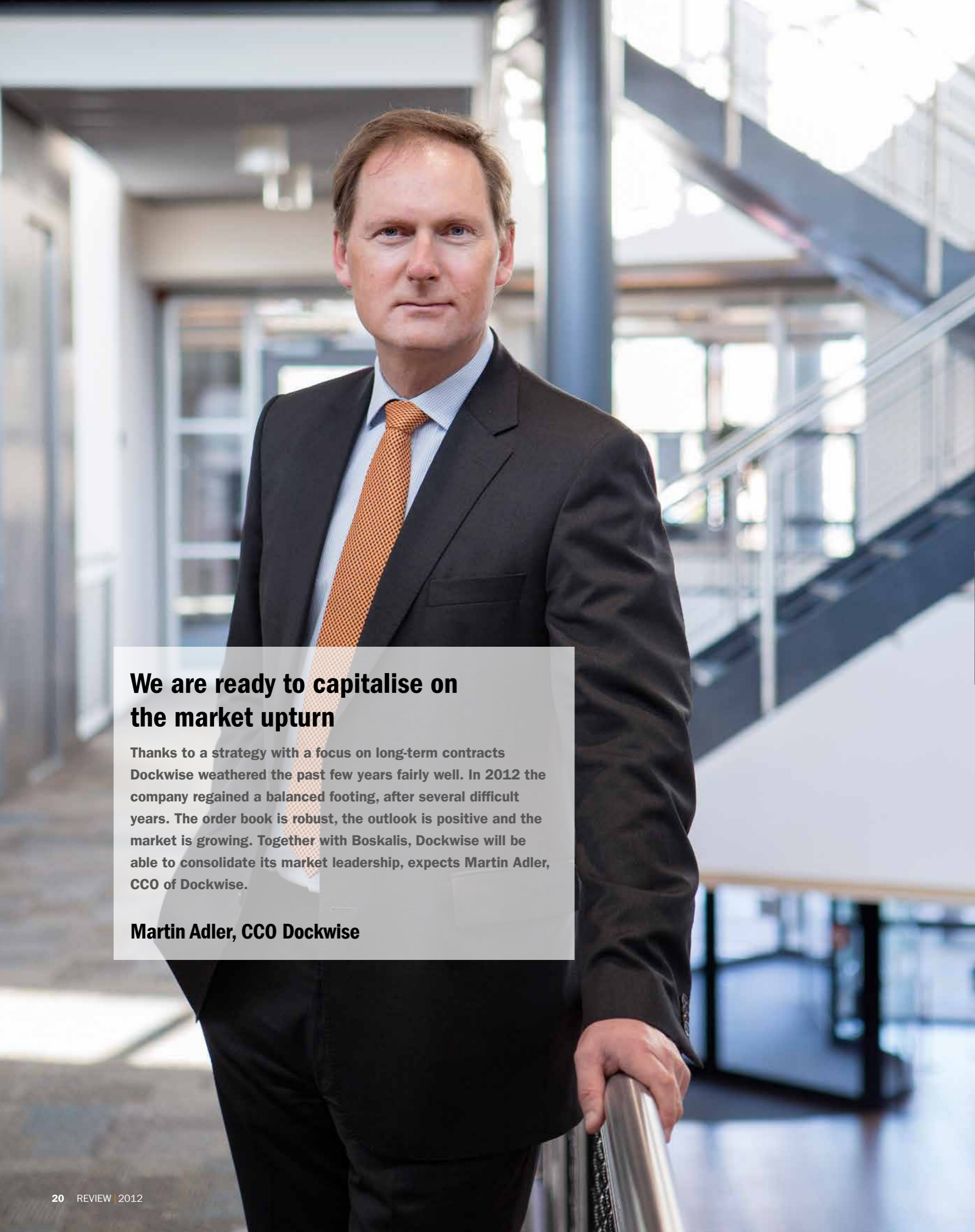
- The functioning and responsibilities of the Board of Directors are determined by law, the Company's bye-laws, Norwegian Code for corporate governance and the Rules of Procedure for the Board of Directors.
- Internal charters define the functioning of the three Board Committees.
- A yearly evaluation under the authority of the Chairman of the Board is carried out to review the Board's and different Board Committee's composition and their functioning.

In 2012 the Board met 13 times. Certain subjects were prepared by Board Committees (Audit, Remuneration and Project). The following subjects were dealt with in these Board and Committee meetings:

- Quarterly reports and interim and annual financial statements
- Strategy
- The acquisition of Fairstar Heavy Transport N.V.
- The Offer made by Boskalis
- Dockwise's financial position and covenants
- Review of Board Committees activities and reporting
- Investment and divestment decisions
- Preparation of Annual General Meeting of Shareholders
- Composition and remuneration of Executive Management

<p>Jaap van Wiechen (born 1972) Director and Chairman of the Audit Committee of the Board of Directors.</p> <p>First appointed on 4 November 2009</p>	<p>André Goedée (born 1951) Director and Chief Executive Officer. (CEO)</p> <p>CEO since 2003 and first appointed to the Board on 4 May 2007.</p>	<p>Martin Adler (born 1965) Chief Commercial Officer (CCO).</p> <p>Appointed on 1 May 2008</p>	<p>Peter Wit (born 1967) Chief Financial Officer (CFO).</p> <p>Appointed on 1 September 2009</p>
<p>Other current positions</p> <ul style="list-style-type: none"> Director at HAL Investments B.V. Supervisory board member at Atlas Services Group Holding B.V. Koninklijke Boskalis Westminster N.V. FD Mediagroep B.V. InVesting B.V. Mercurius Groep B.V. N.V. Nationale Borgmaatschappij Orthopedie Investments Europe B.V. <p>Mr. Van Wiechen holds a master's degree in econometrics from the Erasmus University of Rotterdam and is a Dutch citizen.</p>	<p>Mr Goedée holds a degree as Master Mariner and has over 40 years of experience in shipping, drilling and heavy marine transport & installation. He is a Dutch citizen.</p>	<p>Mr. Adler holds a master's degree in civil engineering from Delft University of Technology and completed the International Master of Business Administration program (MBA) at the Erasmus University Rotterdam. He is a Dutch citizen.</p>	<p>Other current positions</p> <ul style="list-style-type: none"> Member of the Supervisory Board of Doedijns International B.V. <p>Mr. Wit holds a master's degree in business administration from Groningen University, and a post doctorate degree in controlling from VU Amsterdam. He is a Dutch citizen.</p>





We are ready to capitalise on the market upturn

Thanks to a strategy with a focus on long-term contracts Dockwise weathered the past few years fairly well. In 2012 the company regained a balanced footing, after several difficult years. The order book is robust, the outlook is positive and the market is growing. Together with Boskalis, Dockwise will be able to consolidate its market leadership, expects Martin Adler, CCO of Dockwise.

Martin Adler, CCO Dockwise

Market Update

Looking back over the past five years, Dockwise was faced with unpredictable market movements caused by highly volatile economic conditions. Martin Adler: 'The year 2008 was a superior year, with a high level of activities and good margins. The market collapsed in October of that year, and we decided to shift gears in our focus from near-term to longer-term projects. We were aiming for greater diversification, cost containment and a more active pursuit of orders in the market. It proved difficult to win orders in the years 2009 and 2010. We had a full pipeline of near-term orders, and the impact was therefore limited. While 2011 was another difficult year, it was the year of change, and a clear improvement became visible in the second half of 2011 and in 2012.'

Balanced portfolio

Dockwise has built up a leading position as an oil and gas industry services provider in recent years. Martin Adler comments: 'We currently have every chance to remain the market leader, despite the many challenges. A key driver of our growth is the quality of our processes. We focus closely on our customers' interests. We are passionate and innovative and offer added value in execution and service. That is reflected in our strong backlog of around 700 million

I am very optimistic about this. Execution excellence is the absolute priority, Martin Adler underlines. 'We must stay close to our core competences, and not do things that lie beyond our comfort zone. Because we have everything under a single roof, we are much less dependent on third parties. Together, we can look at other building blocks and develop new business. Together, we can build up a position in new markets and vigorously expand our existing positions. We can do this by executing larger projects and doing more in-house.'

More joint projects

They already have experience of joint projects, says Martin Adler. 'We tender together for the Browse project in Australia. This is a project that we offered jointly within a complex structure, but preparations went very well. We are also already working with Boskalis and Boskalis Offshore on several projects in the North Sea. In the years ahead there will be numerous projects in the market for dismantling drilling platforms, both in the North Sea and in the Gulf of Mexico. We can't do that on our own. We are already in the prequalification stage for a major project in the Gulf of Mexico with Boskalis Offshore. And we are working with Boskalis on several large logistics projects. Those are examples of major projects where working with Boskalis offers a wide range of



dollars and demonstrates that we have a much more balanced portfolio. We are able to focus on processes in which we excel and we are less dependent on the near term.'

The refocused strategy has clearly been fruitful. Martin Adler comments on the clear improvement seen in 2012: 'From 2011, the balance has been restored in the business. We are in control of costs, we have a clear understanding of where the market is headed. Our company is ready to capitalise on the market upturn.' The oil and gas industry offers many new opportunities. 'We are seeing a clear shift of activities towards the Americas. West Africa is becoming more stable, and East Africa, particularly Mozambique, is following suit. South-East Asia remains a very stable market. We are expecting a great deal from the offshore and onshore investments in the Energy & Chemicals industry. Capital expenditure in that sector is growing by some 10% annually.'

Everything under a single roof

In combination with Boskalis, Dockwise will be able to profit greatly from these market developments, Martin Adler expects. 'We have greater financial strength, and that is something that customers want for large projects. Increasingly, customers want a single party to do everything. With Boskalis, we can cater to that need. Larger projects attract better people, which in turn enables us to take on larger projects. This can be accelerated by working with Boskalis.

added possibilities. In the oil and gas industry in particular, the scale of projects is continually expanding.

Everything is getting larger, more complex, more expensive and requires execution in deeper water. Transport and installation is still the limiting factor at present. There is no capacity for this in the market. Dockwise plays a key role in this area. We built the Vanguard for that market. With this vessel, we are acting in anticipation of a development we identified in the market. The ship creates a market.'

At the same time, a key priority, Martin Adler says, is to securely manage risks. 'We are in control on and around the ship. The great threat in terms of quality and safety is a potential loss of reputation. The greatest danger is that routine takes over, creating a chance of a near miss. We are engaged in the execution of demanding contracts, but we are well able to control our responsibilities and liabilities. In execution, we do not go beyond our comfort zone and our management is based on a solid corporate governance structure. After several challenging years, 2012 was a good year for Dockwise. We have to build on this going forward. We operate across the globe, so we are not dependent on the situation in Europe. It is important to continue on a stable footing, despite economic uncertainties.'

INNOVATION

Floating Super Pallets reinventing Industrial Modular Logistics

The FSP concept provides our customers with a high degree of schedule flexibility when compared to the conventional method,” states Kathryn Lewton-Jones, Sales Director Projects. “In the new approach, FSPs eliminate inefficiencies in resource utilization which directly contribute to our customer’s bottom line.

Kathryn Lewton-Jones, Sales Director Projects

Onshore industrial modules are now being transported in a revolutionary way. Our game changing approach incorporates the use of the Dockwise Floating Super Pallets (FSPs), ballastable pontoons specifically developed for module transports.

In our concept the FSP is a standard unit which is ‘piggy backed’ onboard semisubmersible Heavy Transport Vessels (HTVs) – our unit carriers.

Standardization of transportation units revolutionized the industrial world. Think, for example, of the successful standardization of the sea container being transported by a container vessel. The logistical concept is based on the loading and discharging of the unit being disconnected from the physical presence of the unit carrier in a system which provides buffering and float.

These elements have paved the way for today’s complex and advanced logistics management; which Dockwise is now successfully applying to the transportation of onshore industrial modules using the FSPs. This approach offers a credible and proven alternative to conventional methods of module transportation.

The Challenge

Today’s downstream modular transport methods can be inflexible and costly. Project managers responsible for ensuring timely transports of multiple modules often experience schedule uncertainty. Projects that transport modules from multiple fabrication sites are additionally complex and require the maximum flexibility in their module logistics.

In addition, the use of HTVs can be far from optimal; often resulting in HTVs lying idle. In the conventional approach, an HTV arrives at the fabrication yard to commence the loading operation. This phase of the transport is most often inefficient. While the HTV is idle at the quayside, a peak in man-hours occurs during the execution of the loading operation. The same can be observed at the receiving location.

Next to schedule optimization challenges, onshore industrial plants are increasingly being constructed at remote locations, restricted by shallow water, along with stringent environmental and quarantine requirements.

Shallow water environments can limit and even exclude HTVs from loading or discharging cargo. Materials Offloading Facility (MOF) must be developed in order to receive HTVs increasing project costs and complexity.

Industry Stands to Benefit

In the new approach, FSPs eliminate inefficiencies in resource utilization whereby the vessel is mobilized when modules are already loaded on FSPs.

In conjunction with the HTV, multiple FSP sets are in rotation to transport large numbers of modules. While one set is en-route to the destination, the other two or more sets are made available for the loading and discharging operations at both ends.

This ‘drop off & go’ rotation system minimizes the turnaround time of HTVs and largely reduces waiting queue problems along with port congestion. Vessel utilization is increased with

approximately 40% leading to cost efficiency and lower overall cost. The costly man-hour peak activity is flattened resulting in reduced expenses. Furthermore, the FSP can be used as floating storage at the loading and discharge location.

Factoring in environmental best practices in logistical management is increasing important. The FSPs help companies reduce their environmental footprint. FSPs have minimal MOF requirements, thus decreasing environmental impact. Shallow draft coastal and estuarial sites are accessible without major modifications. Moreover, the vessel does not enter the strictly quarantined zone.

Most importantly, the FSPs provide project managers with reliable, predictable and cost effective executions along with the peace of mind that comes with complete schedule flexibility.

The Dockwise Logistical Management Approach

In the traditional approach towards project logistics it is common to contract with multiple parties, charter equipment on a time charter basis, contract with separate onshore and offshore heavy haul service providers, along with multiple transportation contracts with full schedule risk with the project owner.

The Dockwise approach towards logistical management can effectively mitigate demurrage and cancellation risk while ensuring schedule adherence. Our one ‘Lump Sum’ agreement approach offers a single logistical management partner who works with industry leading complimentary equipment providers and is experienced managing subcontractors.

The Technical Side

The FSPs have dual functionality – they are designed for grounding and are also fully ballastable.

Grounding

During a high tide window, the FSP will be towed above the prepared beach area, using tugs. The FSP will settle down on the beaching area during low tide and the sea fastening can be removed. The FSP is equipped with bottom valves, so the water level in the tanks rises with the tide level outside to avoid uprising during the loading or discharging operation. Prior to the FSP being reloaded, the water is released from the ballast tanks during low tide.

Ballasting

The cargo can be loaded or discharged via ballasting. All tanks are ballasted and deballasted by a combination of a passive ballast system using the bottom valves and an active ballast system, consisting of portable, submersible pumps. The maximum single pump capacity is approximately 750 m³ per hour. Tanks can be simultaneously emptied or filled within 2 hours. If needed, all tanks can be cleaned after ballast operation and will drain completely empty by opening bottom drain plugs of all individual tanks while in transit on the HTV.

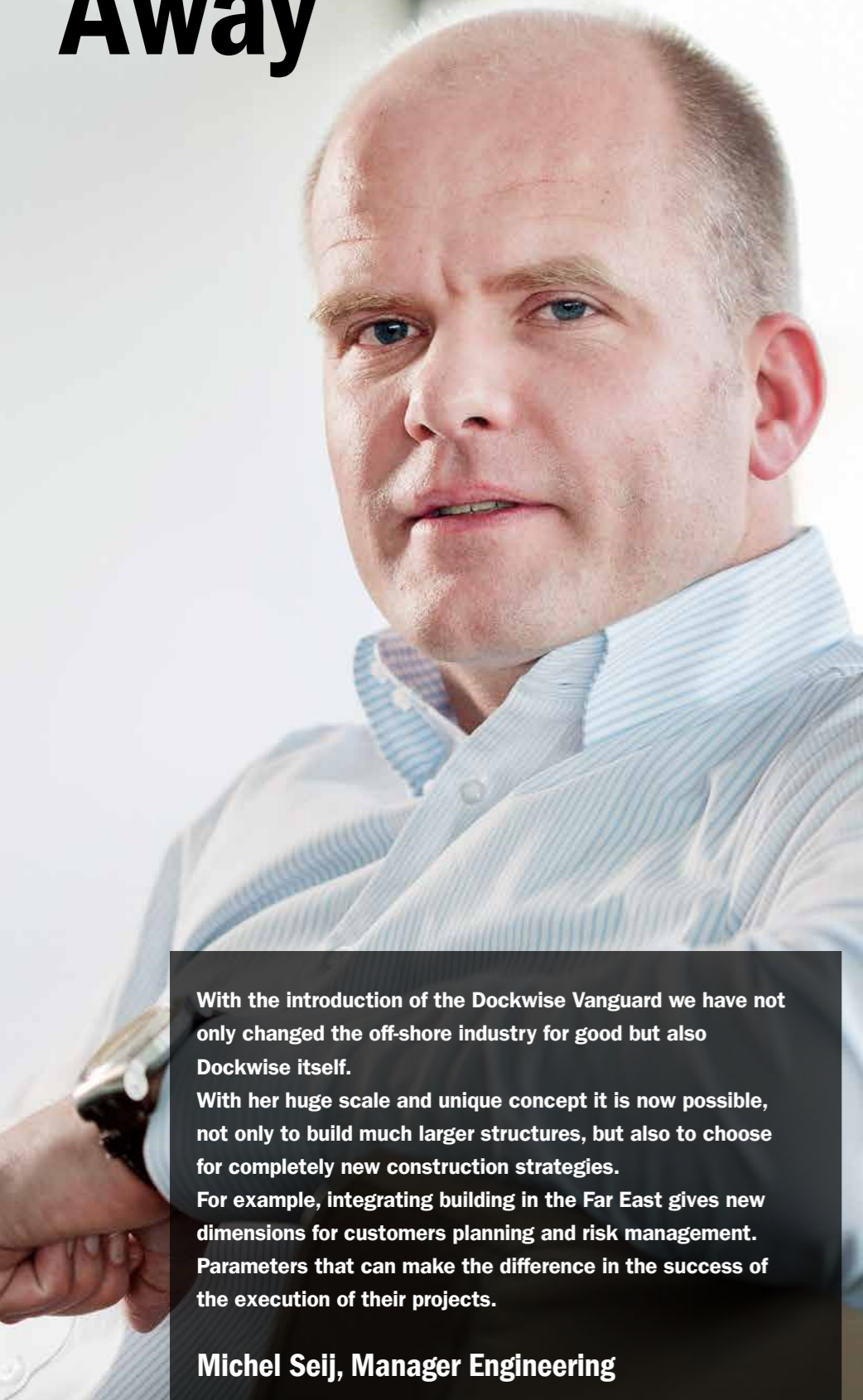


Grounding a Floating Super Pallet and offloading its cargo

FSP main Particulars

Weight: approx. 2,000 tons
Carrying Capacity: up to approx. 5,000 tons
Dimensions: 60x40x6 meters

Anchors Away



With the introduction of the Dockwise Vanguard we have not only changed the off-shore industry for good but also Dockwise itself.

With her huge scale and unique concept it is now possible, not only to build much larger structures, but also to choose for completely new construction strategies.

For example, integrating building in the Far East gives new dimensions for customers planning and risk management. Parameters that can make the difference in the success of the execution of their projects.

Michel Seij, Manager Engineering

Visit the Dockwise Vanguard website



The world's Largest Vessel of its Kind

The Dockwise Vanguard has been designed to serve the premium end of the heavy marine transport industry. The vessel's capabilities enable our clients to consider transport opportunities which were until now considered unthinkable, such as transporting fully integrated offshore units or Offshore Dry-docking of FPSOs. The vessel offers significant benefits to clients with respect to design flexibility, construction philosophy and risk mitigation.

Heavy Marine Transport

The Dockwise Vanguard transports next generation offshore structures such as FPSOs, SEMIs, SPARs and TLPs weighing up to 117,000 MT. These exceptional transport projects improve schedule flexibility, mitigate risk and enable interface optimization. These are key business drivers in considering exceptionally large dry-transportation solutions over traditional wet tow.

Offshore Dry-docking

The Dockwise Vanguard's technical innovation surfaces a completely new offshore service: Offshore Dry-docking. With the significant presence of FPSOs in remote areas often lacking support infrastructure, Offshore Dry-docking service becomes increasingly interesting. The Dockwise Vanguard's FPSO dry-docking service offers inspection, maintenance and repair opportunities (amongst others) at different conditional modes. While dry-docked onboard the vessel's deck, the FPSO remains connected to its mooring and turret system while keeping the riser systems intact and with the possibility of continuing limited production. Furthermore, the FPSO will still be capable to freely weathervane around the turret mooring.



THINK

BIGGEST

Transport of the world's largest floating production structure hull for Chevron on Vanguard's maiden voyage from South Korea to the US Gulf of Mexico



Location Silli-do Island, South Korea
Coordinates 34°54'23"N, 128°35'48"E

A sustainable business is created by building strong customer relationships with services exceeding customer expectations. But if you want to exceed customer expectations you have to know first what these expectations are. Active listening to each customer is the essence of a successful company. Our organization is building strong customer relationships and focusing on understanding these individual customer needs.

What is it that keeps customers awake when it comes to the critical aspects of their projects?

How can we help our customers with innovative solutions for these issues?

What are our customers' obstacles in all areas connected to the marine transport and/or installation of an extreme heavy cargo?

How can we contribute to the success of our customers and build a strong relationship?

We want to offer a tailor-made 'one-stop-shop' approach for our customers. Therefore, we often operate in multidisciplinary partnerships to support our customer's projects. In doing so, we not only meet, but exceed their expectations by offering a comprehensive solution.

Dockwise is introducing a collection of strategic programs to strengthen customer relationships, understanding customer satisfaction and ultimately contributing to our customer's success. For example, we are implementing a Customer Relation Management (CRM) program throughout the company to support customer focus.

The program is a global information system, being kept up-to-date by all commercial and operational departments. The intranet based CRM system contains all pertinent client information: e.g., contact details, business roles, project information - executed and upcoming, meeting reports, client expectations and satisfaction ratings. The CRM platform centralizes both project and customer knowledge and enables employees to access the information at anyplace, at anytime, to provide best-in-class service. The vast collection of vital knowledge is accessible for our team, enabling a change towards a customer focused mindset and subsequently delivering a tailor-made solution for our customer using a Key Account Management approach.

Next to CRM, our Quality Assurance department nowadays contacts every client after a project is finished via a survey. In this survey, we ask our key contacts to evaluate the overall

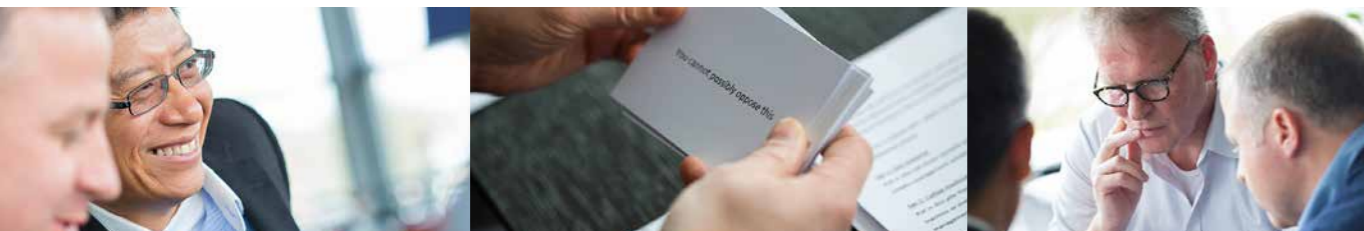
The Strategy & Marketing Department plays a central role in capturing relevant market insights, understanding customer's needs, creating new services with a competitive advantage and building a strong brand image. In communication with customers, sales and marketing managers should raise critical questions to unearth the underlying challenges our customers are confronted with:

project execution performance. Each survey is reported throughout our company and, if necessary, improvement measures are undertaken. The feedback and the measures are again shared with the respective customer.

We have introduced a Master Service Agreement designed to reward loyal customers. Under this agreement our customers have the opportunity to optimize their schedule commitments for future transports. Until today, Master Service Agreements have been signed on the transportation of drilling rigs with several rig contractors such as Seadrill, Transocean and Rowan and EPIC contractors such as Keppel and Technip.

As trust underpins the relationship with our clients, we have started Knowledge Sharing Workshops with customers. In these workshops, we share our extensive knowledge on our Heavy Marine Transport, Offshore Transport & Installation and Logistical Management services. Sharing knowledge to achieve mutual time and cost benefits has resulted in extending project scope, due to better understanding of our comprehensive service capabilities. In 2012 Workshops on float-overs were organized with Statoil and Petrobras in Brazil, with Petronas in Kuala Lumpur and with Pemex in Mexico.

Dockwise is well positioned to further grow and diversify its business. In order to achieve this, we are building a customer centric organization designed to continuously exceeds customer's expectations by actively listening to its customer's needs.



Customer Intimacy

Understanding your customer starts with listening

In 2005, Dockwise launched its growth strategy to add value to its customers by offering additional services to its core business, heavy marine transport. To become a fully dedicated Oil and Gas services provider, Dockwise commenced offering offshore transport and installation along with logistical management services. "In 2006 Edward Legierse joined the company to set up the Strategy & Marketing Department. Next to building market & competitor intelligence, brand image and strategic business plans, he introduced the customer oriented approach." A main purpose of the Dockwise Strategy & Marketing Department is to support the company with a process by which it can create an added value for customers and build strong customer relationships

Edward Legierse, VP Marketing

International Presence



From left to right:
Robb Erickson, VP Sales HMT Houston; **Sheng Zeng**, General manager Shanghai;
Jan Wolter Oosterhuis, Area Manager SE Asia (Singapore)

North America



Heavy Marine Transport (HMT) in the Americas was brisk for 2012.

Drilling rig activity centered around jack-up rigs moving from various locations in West Africa, China, and the far east to Mexico where PEMEX has been ramping up exploration activities in order to turn around depletion of reserves. This has been a combination of new build and secondhand rigs. Other Oil & Gas support equipment such as pipe-lay and derrick barges moved into Mexico as well.

The U.S. based drilling contractors were active with various job-specific moves through the year and that activity level remains relatively steady. Post Macondo drilling, activity in the U.S. Gulf has

been slowly picking up which portends more deep water semis and drill ships operating there in the years ahead. The Port & Marine infrastructure market helped optimize the fleet schedule with a wide variety of cargos such as grain and fuel barges and lift boats, from the U.S. Gulf to West Africa and destinations in Central and South America.

The Houston office increased commercial staff in order to focus on furthering key account management and to maintain leadership in HMT business.

South East Asia



South East Asia continues to be a very active market for Dockwise.

Therefore, management decided to expand the local teams to strengthen Dockwise's regional market position characterized by high tender activity, especially in Malaysia where Carigali Hess signed a float-over contract to install a 15,200 ton topside.

Heavy Marine Transport (HMT) remains a key focus for the region that is fueled by increased activity in the rig fabrication market. Next to increased activity, more and more drilling contractors and marine service providers select Singapore as their regional head office. These combined developments resulted in a record HMT order intake for 2012.

2013 will be a year of continued tender activity and development. In the coming years, many new Oil & Gas fields will come online, and existing fields will be upgraded with new booster compression platforms or new production facilities. Oil majors and national oil companies in South East Asia have now widely accepted the float-over installation method as the base case for installation of topsides over 6,000 tons. This improvement in field development installation philosophy will generate significant opportunities for Dockwise. When coupled with the recent merger with Boskalis, new opportunities for larger scope projects will open for Dockwise, especially in the offshore Transport & Installation segment.

China



China is set to reap from its steadily growing offshore industry as the country's shipyards capacity and capabilities are meeting the requirements of oil majors and national oil companies.

To meet the growing demand in the Chinese offshore industry, the Shanghai office has built lasting relationships with local decision makers and influencers by forming strategic relationship networks.

To anticipate local growth, the Shanghai office grew its commercial, procurement, engineering, and operations teams to ensure customer's current and future needs are met. The office established a professional commercial team, consisting of sales and marketing, to implement the corporate strategy. As functional supports to Dockwise worldwide, the local marketing team conducts market research, supports sales and keeps the company abreast to industry developments.

The Shanghai office is now well organized and has built the right relationships to help the Chinese yards grow as their established international counterparts.

North Sea Delivery

Dockwise transported the Seafox 5, a multi-purpose self-elevating platform weighing 19,300 tons, from Singapore to Rotterdam. This support vessel is specifically designed to meet all the requirements for installation and support services in the deeper water depths of the Southern and Central North Sea for clients in the offshore wind and Oil & Gas industry.



Christmas in July

Noble Clyde Boudreaux weighing 32,800 tons was loaded on the Mighty Servant 1 (MS1) on July 22nd in Angra dos Reis, Brazil and transported to Dampier, Australia where it was discharged. The MS1 along with its cargo has been in Cape Town for a period of three weeks to prepare the rig for operation in Australian waters by cleaning the rig of foreign species in order to comply with strict Australian environmental standards.



Sapura 3000

Dockwise transported Sapura Acergy's Sapura 3000, a heavy lift and pipe laying vessel weighing 21,800 tons, onboard COOEC's HYSY 278 from Singapore to Ciudad Del Carmen, Mexico. Sapura 3000 is the most advanced and versatile vessel for conventional and deepwater construction activities. The purpose-built vessel is unique, having dynamic positioning in deep and shallow water.



Delivery Mega Sized ETLP Hull

Big Foot hull, weighing 35,000 tons, to be the World's deepest TLP installation. Dockwise has safely transported the Chevron-operated Extended Tension Leg Platform (ETLP) hull from Silli-do Island, South Korea around Cape of Good Hope and discharged at Corpus Christi, USA. The mega sized hull will be used for the Big Foot field, considered to be one of the largest and deepest oil discoveries in the Gulf of Mexico.



Installation Milestone

In March, Dockwise was contracted by Hyundai Heavy Industries to install the SHP Jacket and SHP Topside for SHWE field at the Bay of Bengal offshore Myanmar. The 22,000 ton SHP Jacket was launched in 110 meters water depth, using World's second largest installation launch barge, the HYSY229. In December, Dockwise installed the 30,000 ton SHP Topside by means of a float-over.



Smooth Execution

On the 1st of February, Shell's Mars B TLP hull was safely transported from Samsung Heavy Industries yard in Geoje, South Korea to Corpus Christi, USA, where it will be mated with the topsides that are being built by Kiewit Offshore Service. The massive hull, weighing 32,700 tons, was transported 15,500 nautical miles and was smoothly executed ahead of schedule.



Stacking New Heights

Another record breaking milestone for Dockwise as the Blue Marlin transports Veka's three enormous pontoons, 13 inland transport barges, two connected hull vessels and one tanker all stacked five high, reaching 42 meters.



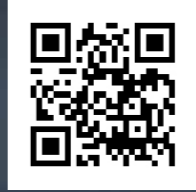
Aircraft Carrier on Deck

Dockwise transported the Australian Landing Helicopter Dock hull (ALHD) Canberra onboard the Blue Marlin. The Canberra, weighing 19,000 tons and measuring 230 meters in length, was delivered to the Royal Australian Navy on October 28th after a 12,000 nautical mile voyage from Punta Langosteira, Spain to Melbourne, Australia. Extensive grillage was engineered on top of the Blue Marlin to support the 55 meter overhang at the stern.



SAFETY

Learn more at
the Dockwise Safety website



Be Smart, Work Safe

At Dockwise, our goal is clear and our message is strong: a zero accident policy, both on board vessels and in offices. Safety starts with you.

Chris Heupers, Manager QHSE

Safety is a priority within Dockwise and a pillar of our corporate fabric. At Dockwise, we believe that all injuries can be prevented. The world is our workplace, and we maintain a high level of focus, awareness, and commitment to the prevention and awareness of safety throughout our organization.

Be Smart, Work Safe Program Pillars:

- Lead Safety - Dockwise leaders from executive management and supervisory staff directly operating on projects and vessels;
- Experience Safety - Dockwise worldwide staff displaying proactive behavior in and beyond their day-to-day activities;
- Sail Safety - Masters, officers and crew onboard Dockwise vessels working towards enhanced safety performance.



Security

The worldwide operational practices of Dockwise have as a consequence transits through high risk areas like the Gulf of Aden and the Indian Ocean.

The vessels of Dockwise are extremely vulnerable to piracy, due to their design and accompanying features. They provide relative easy access to pirates.

In order to protect the Dockwise crew, cargo and vessels when transiting through high risk areas, the Security Council at Dockwise decided in 2011 to include armed protection as an additional anti-piracy protection measure. The Security Council adopted a practical and comprehensive policy to address maritime security and to counter piracy. Measures consist of, among others, armament and the deployment of highly trained Vessel Protection Detachments (VPDs) onboard the vessels. This partnership with the Royal Dutch Marines has set a global benchmark in protecting people, cargo and vessels.

In 2012 twenty voyages through high risk areas were assisted by VPDs (armed marines of the Royal Dutch Navy).



Safety First

Safety message from André Goedée, Dockwise CEO

At Dockwise, we continue to find new ways to deepen safety behavior throughout the organization. Since 2007, we have made significant strides to enhance safety behavior through various communications vehicles. We have been successful to effect change by modeling behavior and integrating safety at the core of our business. We understand the importance of safety and do not compromise on safety. In fact, we take great lengths to ensure safety is top of mind all the time

Our commitment to *Safety Excellence* is an evergreen process. We continuously look for new initiatives that improve our safety performance. Most recently, we invited all management to participate in a specially designed safety leadership program to further align the Dockwise safety vision across departments and regions. This program urged management to take responsibility for safety. The principle of this safety program rolled out to employees, urging them to take responsibility for their own actions, that of their colleagues and to ensure a safe working environment for all. By owning the responsibility for safety, employees are empowered to extend their *Safety Circle of Influence*.

I am particularly proud of adopting a new measure that further soils our safety roots. The *Safety Starts with You* campaign is another initiative designed to encourage all employees, anywhere between management and the ultimate fiber (hands on deck), to increase their safety awareness.

We advocate 'safety is a 24 hour responsibility'. I believe safety should not be just associated with work. Rather, safety should be top of mind: at home, while exercising, when traveling. As we approach this high level of safety consciousness, I am fully convinced we are taking steps in the right direction.

We continuously look for new ways to not only communicate, but to also connect employees. We recently adopted an enterprise social network with which employees now interact and engage each other around safety topics, lessons learned and other initiatives. With this social media platform, we are moving away from one-way communication to two-way dialog around safety.

By enhancing our own circle of influence, we extend our safety responsibility throughout the organization in an interconnected way.

Health & Safety

Dockwise is fully committed to protect the health and safety of employees, sub-contractors and third parties involved in all operations. This is ensured through full compliance with legislation and application of rigorous QHSES standards, systematic anticipation, prevention and management of hazards and risks and implementation of structured approach to the planning, execution and control of business processes and activities in pursuit of excellence. Dockwise QHSES management, leadership and commitment are the cornerstones of this effort. Dockwise measures to create the right circumstances for the employees:

Asbestos

All ships within the Dockwise fleet have been subjected to an asbestos survey/analysis and are provided with an asbestos management plan. Significant measures are taken during repair and docking periods and supplier's selection to avoid asbestos containing materials to be brought back on board.

Safety Leadership Program

Effective safety management requires visible safety leadership from (senior) management, and continuous improvement of safety awareness amongst all employees and crew. Through the Safety Leadership Program, the (senior) management of Dockwise demonstrates and engages employees and crew into appropriate safety behavior. The awareness behavior needed for a positive safety culture cascades down from management to the supervisory staff directly operating projects and vessels and ultimately to all employees and crew.

Safety training matrix

By training and motivating staff on safety issues, it is to be expected that employees and crew display a more pro-active safety behavior, which will result in an increased safety performance. For all job positions within Dockwise the training matrix sets a minimum standard for critical HSES activities, specific job competencies, general project requirements and project specific requirements that apply to specified job positions.

Dockwise's performance on health and safety is measured, among others, by the type and number of incidents reported. These reports can relate to vessels, projects or the office environment. The target remains a zero safety and security incident policy, with intermediate goals to reduce safety and security-related incidents to As Low As Reasonably Practical (ALARP).

Additionally, in 2011 several leading performance indicators were implemented to reduce reliance on lagging indicators such as Lost Time Injuries (LTI). The main leading performance indicators include the Lessons Learned Rating (LLR) and STOPTM cards.

Analysis from LTI's revealed that most of the 5 LTI's were related to slips, trips and falls onboard the vessels. To address this, a joint Dockwise/Anglo-Eastern safety campaign was launched in 2011 to focus on the recognition and prevention of such incidents. Although number of LTI's went up, it should be noted that performance on total Recordable (LTI, MTC and RWC) incidents improved from 16 to 11. Management considers the continued increase in near miss reports and STOP-cards a positive development. The fact that unsafe issues are reported in an open, transparent and supportive safety culture ensures a continued process towards improved safety performance.

Prevention of diseases

Dockwise operates on a global scale, with worldwide offices and operational practices. In order to keep the workforce as healthy as possible and to avoid the occurrence of disease, several preventative measures have been taken by Dockwise. To prevent occupational diseases, an Ergo Coach is made available for office employees to improve workplace conditions. Possible risks include repetitive movements, temperature extremes, and static postures that arise from improper work methods and improperly designed workstations.

In order to protect employees against diseases while travelling abroad, a preventative system is set up including vaccinations, antimalarials and travel advice. Health promotion efforts are taken by providing monthly financial support for employees to participate in sport activities. In addition all employees can make use of voluntary periodic medical exams at a private clinic.

Overview of the 2012 health and safety performance of Dockwise compared to previous years, including statistics of subcontractors on Dockwise projects (2012 statistics based on 22 vessels):

Lagging indicators	2012	2011	2010
Fatalities	0	0	0
Lost Time Injuries (LTI)	5	4	5
Medical Treatment Case / Restricted Workday Case (MTC/RWC)	6	12	8
First Aid Case (FAC)	32	24	16
Damage Reports	63	54	73
Near Miss Reports	188	147	123
Environmental Incidents	12	6	9
Security Incidents	2	0	1
Lost Time Injury Frequency (LTIF) per 1,000,000 hours	0.83	0.68	0.92
Total Recordable Case Frequency (LTI+RWC+MTC per 1,000,000 hours)	1.83	2.71	2.39
Leading indicators			
STOP-cards (supervisors/crew)	1,050	772	345
Safety Observation Frequency Rating (SOFR)	78.8	-	-
Lessons Learned Rating (LLR)	0.33	-	-

LTIF/TRCF/LLR values are calculated in accordance with IMCA guidelines.

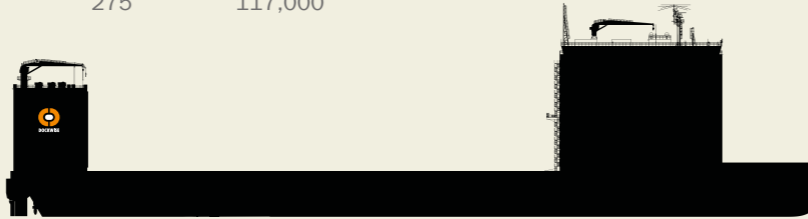




Fleet Overview

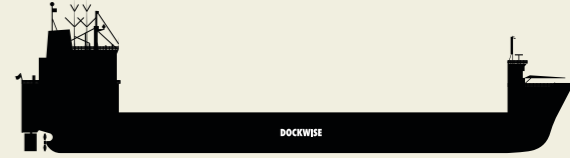
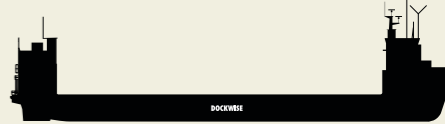
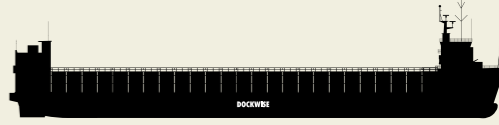
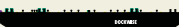
The world's largest semi-submersible heavy transport fleet

Dockwise invented and developed the heavy lift industry. For a long period this was based on operating semi- submersible vessels to transport a large and heavy cargo from one place in the world to a port of destination. And this is still the case for the high- end of this service: Dockwise is the unrivaled market leader in the top- end heavy lift maritime transportation industry. The manufacturing of Dockwise Vanguard again confirmed this in 2012. And with the completion of White Marlin in 2014, Dockwise will operate the four largest vessels of its kind in the world.

The core competence of Dockwise over time has developed to weight transfers in maritime conditions. Transfers from quaysides to floating equipment vice versa in sheltered environments but also transfers offshore from floating equipment to pre- installed fixed or floating structures. By adding related services like engineering, procurement and project management to the core transport activities, Dockwise has become an offshore contractor for Transport and Installation services. The use of a semi- submersible ship is no longer the starting point but the transport and installation of bigger and heavier pre-fabricated production equipment. Sometimes this is done by

vessel, but not necessarily. The SHWE project is a good example of this. How does this impact our fleet? Dockwise will maintain its presence by ownership of ships in the top- end of the industry, setting the standard for size and weight. In addition Dockwise may own or rent other equipment like for example launch- barges to launch and install jackets and to install even larger production platforms. The fleet of 25 (including White Marlin) is rejuvenated and may over time decrease when divesting the low- end. Most vessels are crewed and managed by Anglo-Eastern. The vessels are registered in Curacao and sail under the flag of the Kingdom of the Netherlands.

Type	Specifications	Name of vessel	Width (M)	Length (M)	Deadweight
Type 0	Flat Deck with open stern and bow	Dockwise Vanguard	70	275	117,000
					
Type I	Flat Deck with open stern	Blue Marlin	63	225	76,000
		Mighty Servant 1	50	191	45,000
		White Marlin	63	216	72,000
					
Type II	Flat Deck with open stern	Mighty Servant 3	40	181	28,000
		Black Marlin	42	218	57,000
		Transshelf	40	173	34,000
		HYSY 278	42	222	53,000
					
		Forte	43	216	48,000
		Finesse	43	216	48,000
					
Converted tanker		Transporter	45	217	54,000
		Target	45	217	54,000
		Treasure	45	217	54,000
		Talisman	45	217	54,000
		Trustee	45	217	54,000
		Triumph	45	217	54,000
					

Type	Specifications	Name of vessel	Width (M)	Length (M)	Deadweight
Type III	Flat Deck with open stern	Fjord	45	159	24,000
		Fjell	36	147	18,000
					
	Flat Deck with tanker capacity	Swan	32	181	30,000
		Swift	32	181	32,000
		Tern	32	181	30,000
		Teal	32	181	32,000
					
Type IV	Flat Deck with open stern	Super Servant 3	32	139	14,000
					
Type V		Super Servant 4	32	169	18,000
		Yacht Express	32	209	16,000
					
FSP	Floating Super Pallet	FSP101	40	60	5,000
		FSP102	40	60	5,000
					



Explore the Dockwise fleet overview

Drilling for Success

Location Rio de Janeiro
Coordinates 22°46'34"S, 43°17'34"W

The Sevan Driller II (Brasil) semisubmersible cylindrical drilling unit weighing 35,000 tons was transported from the Cosco Qidong Shipyard, China to Rio de Janeiro, Brazil onboard the Dockwise Might Servant 1. The rig arrived on April 29th having sailed a busy 10,000 nautical mile sea route. The floating platform, which will be used to drill both exploratory and developmental wells, is set to begin operations in the Santos Basin that holds an estimated oil reserve of between thirty and fifty billion barrels. Discovered in 2007, it was one of the most exciting oil discoveries of the new century and is set to turn Brazil into an oil superpower.



Key figures

(x USD 1,000)

	2012	2011 Restated
INCOME		
Revenues	539,444	398,646
Gross margin	286,502	221,992
EBITDA ³	174,172	133,761
EBITDA adjusted ^{1,3}	181,072	133,761
Depreciation and amortization	103,071	122,990
EBIT ³	71,101	11,771
Net finance costs	49,580	43,831
Earnings after tax ³	21,076	(32,988)
Earnings after tax adjusted ^{1,2,3}	40,176	1,912
BALANCE SHEET		
Property, plant and equipment	1,365,853	868,257
Intangible assets	639,749	581,178
Equity ³	1,236,118	961,315
Net debt	747,720	479,573
CASH FLOW		
Operating	104,519	128,197
Investment	(366,837)	(151,180)
Finance	271,723	(11,459)
Increase / (decrease) in cash and cash equivalents	9,405	(34,442)
EVA		
NOPAT	96,405	50,551
WACC (for EVA purposes)	10.1%	9.9%
EVA (Economic Value Added)	(56,595)	(72,966)
PER SHARE		
Average number of shares outstanding x 1,000	33,822	26,343
Earnings in USD ⁴	0.623	(1.252)
Equity in USD ³	36.55	36.49
Highest price (NOK)	135.00	166.00
Lowest price (NOK)	76.25	65.50
Highest price (EUR)	18.45	20.88
Lowest price (EUR)	10.36	8.26
RATIOS (on end of year basis)		
Equity / Net debt	1.7	2.0
Net debt / EBITDA	4.3	3.6
Interest cover (EBITDA / net financing costs)	3.5	3.1
Average number of employees (FTE)	383	326
Order book excl. DYT in USD million	674	531

- 1) Excludes one off expenses relating to the Fairstar transaction of some USD 4.4 million and additional costs relating to the Boskalis offer of some USD 2 million.
- 2) Excludes amortization of the backlog and trade name of some USD 10 million, fair value adjustment of the previously held equity investment in Fairstar of USD 4.0 million loss and renegotiated financing fees Fairstar of some USD 1.8 million profit (2011: impairments and book losses on assets USD 33.6 million and non recurring finance income and costs USD 1.8 million).
- 3) The comparative figures for 2011 have been restated for the early adoption of IAS 19R Employee benefits.
- 4) The comparative earnings per share have been restated for the effect of the rights issue in 2012.



Visit the Dockwise
Annual Report 2012

Figure 1: Revenues

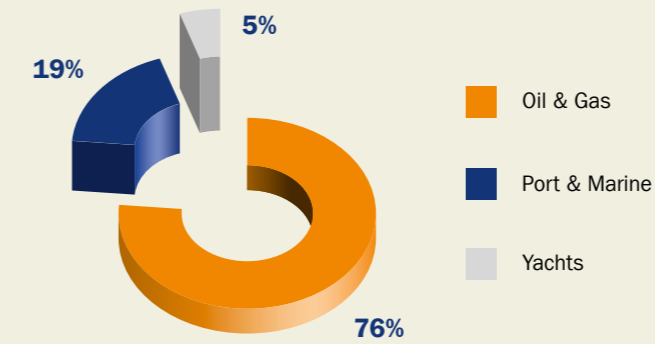


Table 1: Revenue drivers

	2012	2011	2010	2009
Oil price WTI (USD) ¹	94	99	91	79
Oil demand (million barrels per day) ²	90	89	88	84
Gross World Product growth ³	3.3%	4.9%	4.6%	3.1%

- 1) source west texas intermediate WTI
- 2) source international energy agency
- 3) source CIA world factbook; adjusted for inflation

Table 2: Revenue split

	2012		2011		2010		2009	
	USD mln	%	USD mln	%	USD mln	%	USD mln	%
Heavy Marine Transport	380	70	270	68	276	63	373	78
Offshore/onshore	129	24	93	23	127	29	61	13
Yacht Transport	30	6	36	9	36	8	44	9
Revenues	539	100	399	100	439	100	478	100
MS 3 compensation							13	
Adjusted Revenues							491	

Figure 2: Vessel utilization in %



Revenues

Dockwise offers a range of marine transportation and related services to primarily the Oil & Gas Industry, Port & Marine Industry and Yacht transportation

Yacht Transportation is not a core business. The Company decided to sell the entire business. Results of Yacht Transportation are reported as 'discontinued operations', 'assets held for sale' and 'liabilities held for sale'. The Yacht Transportation business is seasonal with greater activity in spring and fall than at other times in the year. In 2012 the Yacht Transport business was sailing with two vessels versus three in 2011 leading to an increase in vessel utilization but at the same time reducing the revenue by some USD 6 million to USD 30 million.

Revenues are segmented into long-term offshore / onshore transportation (and installation) contracts and shorter-term Heavy Marine Transport contracts. The contracts in Port & Marine and Yacht Transportation are generally of a shorter-term nature. The revenue split for 2012 came in as per table 2.

Full year revenue increased due to an increase of the Dockwise fleet and higher utilization rates (74% versus 68% for full year 2011). Development of utilization is reflected in Figure 2. Prices across the year remained stable.

The utilization rate for each of the vessels is calculated by dividing the number of days the vessels are booked (from the point of mobilization or start of preparation, to the point at which the contract is completed) by 365 days. With maintenance on average ten percent of days a year, maximum utilization would be around 90%.

In 2012 Dockwise transported 44 jack-up drilling rigs (2011: 34) underpinning the assumption that on an annual basis approximately 7 to 10% of the global jack-up rig fleet moves inter-basin.

Revenue backlog

Revenue backlog represents the aggregate value of the Company's signed contracts (and letters of award or intent for certain large contracts) minus the revenues recognized from those contracts. The backlog is therefore the main indicator for future revenues. To the extent work advances on contracts, revenue is recognized.

The decrease of the backlog in Q4 2012 was mainly caused by a reversal of USD 70 million for a contract as a result of recent developments regarding the financial stability of the final customer and sponsor of a major E&P project where Dockwise is contracted for. The remaining amount is due to the execution of projects partially offset by order intake.

Contract related expenses

Contract related expenses include fuel, harbor dues, canal dues and expenses related to preparing a vessel and securing cargo for the voyage. As a consequence of developments regarding the financial stability of the final customer and sponsor of a major E&P project where Dockwise is involved, Dockwise has recognized a one off negative gross margin of some USD 12 million in Q4 2012. Adjusted for this one-off the contract related expenses in 2012 for Dockwise's Heavy Lift operations were 45% of revenues, which is in line with 2011 (44%).

Vessel operating expenses

Vessel operating expenses consist of crewing costs, insurance premiums and repair and maintenance costs. Vessel operating expenses in 2012 increased which is mainly caused by the increase of the Dockwise fleet with 4 operational vessels in the second half year of 2012.

Depreciation and amortization

The 2012 depreciation and amortization includes an impairment of USD 6.5 million for DYT assets and amortization of back-log and trade-name of USD 10 million relating to the Fairstar acquisition. In 2011 depreciation and amortization included USD 29 million impairment loss on DYT assets and USD 4.2 million relating to the Explorer. Adjusted for these items depreciation and amortization is in line with 2011.

Table 3 sets out the Company's margins and profits for the periods indicated:

For the Year ended 31 December 2012						
(x USD 1 mln)	2012		2011		2010	
			Restated			
Revenue	539		399		439	
Contract related expenses	253		177		168	
Gross margin	286	53%	222	56%	271	62%
Vessel operating expenses	53		44		48	
Depreciation and amortization	103		123		98	
Gross profit	130	24%	55	14%	125	28%
Administrative expenses	59		43		47	
Other expenses	-		-		9	
Results from operating activities	71	13%	12	3%	69	16%
Net finance income / (costs)	(50)		(44)		(52)	
Income tax credit / (expense)	-		(1)		-	
Profit / (Loss) for the year	21	4%	-33	-8%	17	4%

Table 4: Revenue backlog

(x USD 1 mln)	2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Backlog	397	471	512	531	587	810	766	674
For next year	151	200	186	245	209	287	323	347

Figure 3: Backlog in USD million

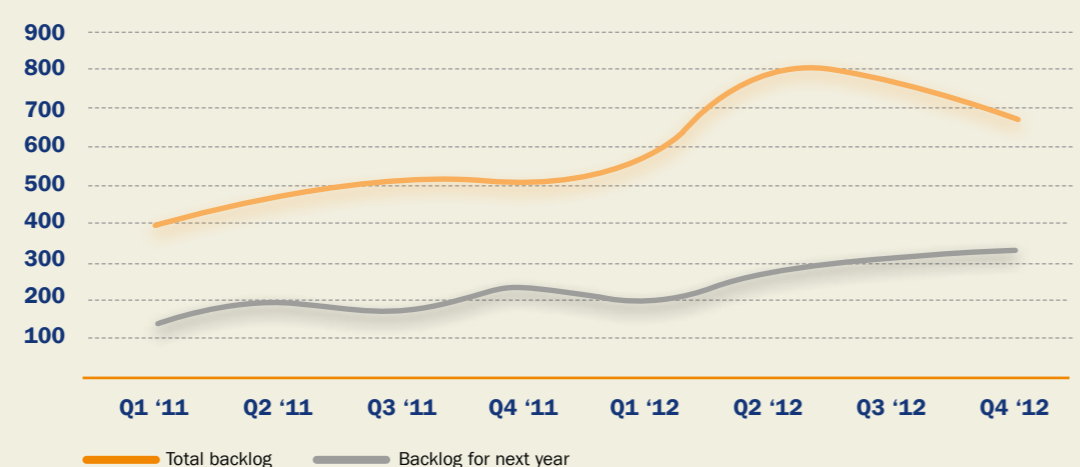


Table 5: Cash flows for the years 2010-2012

(x USD 1 mln)	2012	2011	2010
Net cash from operating activities	104	128	116
Net cash used in investing activities	(367)	(151)	(37)
Net cash from / (used in) financing activities	272	(11)	(58)
Net increase / (decrease) in cash and cash equivalents	9	(34)	21

Table 6: Capital expenditure

(x USD 1 mln)	2012	2011	2010
Life time extension program	17	4	8
New vessels and conversions	169	109	2
Survey and docking	36	23	24
Project related Equipment and other	10	18	6
Total	232	154	40

Table 7: Required CAPEX

(x USD 1,000)	2013	2014	Total
Dockwise Vanguard	51	-	51
White Marlin	60	55	115
Total capital commitments	111	55	166

Net finance income / (costs)

Financial income comprises interest income from cash deposits. Interest from cash deposits in 2012 and 2011 were almost nil. Financial expenses increased to USD 50 million from USD 44 million in 2011. The increase of USD 6 million net finance costs is due to the consolidation of Fairstar and interest payable on USD 50 million preference shares. The average cash interest rate¹ for 2012 was some 6.7% and the average hedge ratio² for Dockwise for 2012 was some 82%.

1) Average cash interest rate is defined as interest expenses (Libor, margin and net expenses under IRS contracts excluding one-off and non-cash items) in the period divided by the average amount of loans outstanding in the period.
2) Average hedge ratio is defined as the average IRS notional amount in the period divided by the average amount of loans outstanding in the period.

Income tax credit / (expense)

Dockwise is considered a tax resident of The Netherlands. The majority of its income is subject to the Dutch tonnage tax regime. This system assesses tax on a dead weight tonnage capacity of the fleet.

Liquidity and cash resources

Dockwise's liquidity needs are principally related to financing its existing operations, survey and docking and lifetime extension programs for its vessels. They will also include the requirement to pay the capital expenditure for the new vessel White Marlin. Dockwise's principal sources of funding have been cash from operations and from bank borrowings.

Net Operating Working capital

Net Operating Working capital (excluding cash and cash equivalents and derivatives and current maturities of interest bearing borrowings) remained stable at USD 53 million negative as at 31 December 2012 compared to 31 December 2011.

Cash flows

Cash from operating activities decreased with USD 24 million as a result of a negative working capital movement of USD 61 million compared to 2011. Net cash used in investing activities includes the acquisition of Fairstar of approximately USD 135 million. The remaining amount relates to CAPEX. Net cash from financing activities mainly relates to the right issue in 2012 (USD 248

Administrative expenses

Administrative expenses (SG&A) in 2012 are higher compared to 2011 which is largely due to the one off expenses relating to the Fairstar acquisition (USD 4 million), the Boskalis offer (USD 2 million) and the effect of early adoption of IAS19R (USD 1 million). Adjusted for these one-off items the 2012 administrative expenses were 10 % of revenues (2011: 11%).

EBITDA

EBITDA is profit before interest, tax, depreciation and amortization. EBITDA margin is calculated by dividing EBITDA for the period by revenues for that same period. EBITDA margin for 2012 was 32% compared to 34% in 2011.

million) and the issue of preference shares (USD 50 million) partly compensated by the repayment of the A facility (USD 28 million).

Capital Expenditure

Table 6 sets forth the Company's capital expenditures relating to the periods indicated. Dockwise expects to make capital expenditures of USD 35 million (average) in total per year for survey and docking of current vessels. For 2012 this CAPEX amounted to USD 36 million (USD 23 million in 2011). Dockwise intends to finance this capital expenditure for maintenance primarily through the cash flow generated from operations. The first installment of the White Marlin was financed from the rights issue of USD 250 million in 2012 and the Finesse was financed by the ING Facility.

In 2012 USD 169 million CAPEX was required for the new built vessels Dockwise Vanguard (USD 92 million), Finesse (USD 44 million) and White Marlin (USD 33 million). This was mainly generated from cash flow from operations.

STRONG POSITION



Our financial position will be much stronger

The acquisition of Fairstar and the financing of future growth appeared to be the most significant challenges for Dockwise in 2012. The integration in Boskalis will immediately extend Dockwise's financial potential and accordingly offer greater scope for future growth, Peter Wit, CFO of Dockwise expects.

Peter Wit, CFO Dockwise



Fairstar - an unexpected opportunity

For strategic reasons, Dockwise had already considered the possibility of acquiring Fairstar, but it decided against going ahead with this as it did not expect to be able to reach agreement with Fairstar's management. But things suddenly changed in the summer of 2012. Peter Wit: 'The largest shareholder approached us, and almost simultaneously we were asked by several large Norwegian institutional investors to help them solve problems they were having with Fairstar. This meant that at least one of the conditions for an acquisition had been met, namely that you must be sure of the backing of shareholders representing at least 51% of the shares. The other two conditions were that it had to be possible to finance the acquisition without putting pressure on our own company's financing. And in addition no problems were allowed to arise for the financing of Fairstar.'

Financing both companies, so soon after major capital expenditure for the new super vessel, the Dockwise Vanguard, made the situation particularly complex for Dockwise. 'This was a challenge that we managed to resolve successfully with our shareholder HAL and advisers.' The management's stance was in fact the largest problem in the acquisition itself. The company had entered into significant liabilities in 2011 to build a new ship worth EUR 110 million, without communicating this externally. In the end. 'We turned this problem into a major opportunity. Financially a good match was ultimately achieved and the new ship, the White Marlin, is an excellent addition to our fleet. It will be a magnificent vessel.'

Another challenge was the insolvency of a very large customer. Peter Wit comments: 'We are normally very well protected against this kind of risk, but that was not the case in this particular instance. This cost us around EUR 12 million in terms of our bottom line in 2012. Although 2012 was a good year in itself, this caused a setback that clearly dented investors' confidence and pushed the share price down significantly. The offer by Boskalis was therefore a unique opportunity for investors to achieve a substantial premium on the share price towards the close of the year.'

Joint forces

Dockwise's management recommended the offer to its shareholders on 13 February. Peter Wit: 'Together with a number of shareholders we eventually achieved a price of EUR 18.50. The combination is good for both companies.'

The cost of capital will fall immediately and that is important in a capital-intensive business. We incurred major capital expenditure for building the Vanguard and acquiring Fairstar. But the acquisition of Fairstar did enable us to rejuvenate our fleet in a single step. Our investment programme is largely completed as a result, except perhaps for the investment in a launch barge. That is something that we can now consider together with Boskalis. As a group we have greater financial possibilities. Together, we also have a much broader scope and are able to provide more financial guarantees.

Large customers such as oil companies look at the enterprise value of suppliers. Dockwise was already on its way to growing to a size that meets the requirements, but now we have achieved this in a single step. And the leverage in the balance

sheet has also been eliminated. We were overleveraged, while Boskalis was underleveraged. This has been neutralised by our combination. Also, interest expense will be down significantly on an annual basis. That represents the largest cost synergy.'

Challenging year

Apart from the challenging issues concerning the financing and the unexpected offer by Boskalis, Dockwise faced other challenges as well in 2012. 'One of these was the intended sale of Dockwise Yacht Transport (DYT). Unfortunately, the identified buyer of DYT did not manage to secure financing, and the sale has therefore not yet been completed.'

The necessary extension of the covenant with the banks also led to uncertainty among investors. The offer from Boskalis interrupted this, otherwise we certainly would have successfully completed the refinancing.

The fourth quarter results were fully in line with expectations, the Dockwise Vanguard was taken into service, as was the Finesse, Fairstar's second new vessel. We were therefore doing well. The underlying business performance was excellent, despite the challenging market conditions. In a year that was not easy, we achieved EUR 100 million operating cash after interest and EBITDA of EUR 174 million.'

While he firmly believes that Dockwise could have continued on its own, Peter Wit sees the acquisition by Boskalis as an excellent step in strategic terms. 'Boskalis is buying relatively cheap cash flow. Boskalis is the global market leader in a niche market that is close to the niche in which we are the market leaders. We see very substantial opportunities in offshore energy projects where customers want new interfaces.'

We have a rejuvenated fleet in the top end of the market. We have excellent relations with customers in the oil and gas industry. We have a project organisation with relevant experience of this type of high-value projects and can deliver at an excellent price. In the past year we took significant steps to further improve the project management model. This was achieved by a major improvement initiative in support by automated systems, enabling every project manager to see at the end of a week who exactly did what on a project worldwide. We also launched a highly focused fit-for-purpose project for risk management.

The main focus in the year ahead will be on the integration of Dockwise in Boskalis. Peter Wit says: 'On the day when the transaction is closed, all existing loans will be repaid and be replaced by loans from Boskalis. In addition, the corporate structure can be considerably simplified by eliminating financing vehicles. Dockwise and Fairstar will move to a single financing structure. We will continue to improve our ICT structure and roll out the risk management.'

Together with Boskalis we can review options for pursuing synergies in joint purchasing. Fairstar is performing wholly in line with our expectations. But the difficult market conditions are set to continue and 2013 will therefore be another challenging year".

Aircraft Carrier on Deck

Dockwise transported the Australian Landing Helicopter Dock hull (ALHD) Canberra onboard the Blue Marlin. Extensive grillage was engineered to support the 55 meter overhang at the stern.



Watch the movie of the Blue Marlin loading the ALHD Canberra

Location Punta Langosteira, Spain
Coordinates 43°41'40"N, 8°29'30"W

Consolidated Income Statement

For the Year ended 31 December 2012						
(x USD 1,000)	2012			2011		
	Continuing operations	Discontinued operations	Total	Continuing operations Restated	Discontinued operations	Total Restated
Revenue	509,403	30,041	539,444	362,291	36,355	398,646
Direct costs	(382,233)	(26,901)	(409,134)	(274,158)	(69,259)	(343,417)
Gross profit	127,170	3,140	130,310	88,133	(32,904)	55,229
Other income	0	0	0	25	0	25
Administrative expenses	(56,012)	(3,197)	(59,209)	(39,861)	(3,622)	(43,483)
Results from operating activities	71,158	(57)	71,101	48,297	(36,526)	11,771
Finance income	98	0	98	78	0	78
Finance costs	(49,678)	0	(49,678)	(43,909)	0	(43,909)
Net finance income / (costs)	(49,580)	0	(49,580)	(43,831)	0	(43,831)
Profit / (Loss) before income tax	21,578	(57)	21,521	4,466	(36,526)	(32,060)
Income tax credit / (expense)	(445)	0	(445)	(928)	0	(928)
Profit / (Loss) for the year	21,133	(57)	21,076	3,538	(36,526)	(32,988)
Attributable to:						
Owners of the Company	21,133	(57)	21,076	3,538	(36,526)	(32,988)
Non-controlling interests	0	0	0	0	0	0
Profit / (Loss) for the year	21,133	(57)	21,076	3,538	(36,526)	(32,988)
Earnings per share:						
Basic earnings per share (in USD)	0.625	(0.002)	0.623	0.134	(1.386)	(1.252)
Diluted earnings per share (in USD)	0.622	(0.002)	0.620	0.134	(1.386)	(1.252)

This is a customized selection from the Annual Report 2012.

The information on this print has been derived from the audited financial statements 2012 of Dockwise Ltd. KPMG has issued an unqualified auditor's report on these financial statements.



Download the full Annual Report 2012

Consolidated Balance Sheet

As at 31 December 2012		
(x USD 1,000)	31 Dec 2012	31 Dec 2011 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	1,365,853	868,257
Intangible assets	639,749	581,178
Employee benefits	2,037	6,314
	2,007,639	1,455,749
Current assets		
Inventories	28,504	18,264
Current tax assets	471	454
Trade and other receivables	75,421	40,677
Cash and cash equivalents	48,092	38,687
Assets held for sale	49,222	64,447
	201,710	162,529
Total assets	2,209,349	1,618,278
EQUITY		
Capital and reserves attributable to owners of the Company		
Issued share capital	198,207	126,428
Share premium	1,040,802	863,657
Reserves	(16,388)	(25,316)
Retained earnings	(8,033)	29,534
Unappropriated result	21,076	(32,988)
	1,235,664	961,315
Non-controlling interests	454	0
Total equity	1,236,118	961,315
LIABILITIES		
Non-current liabilities		
Non-current interest-bearing borrowings	503,082	477,044
	503,082	477,044
Current liabilities		
Current maturities of interest-bearing borrowings	288,494	35,106
Trade and other payables	173,850	131,975
Provisions	0	80
Liabilities held for sale	7,805	12,758
	470,149	179,919
Total liabilities	973,231	656,963
Total equity and liabilities	2,209,349	1,618,278

Consolidated Statement of Cash Flows

For the Year ended 31 December 2012		
(x USD 1,000)	2012	2011 Restated
Cash flows from operating activities		
Profit / (Loss) for the year	21,076	(32,988)
<i>Adjustments for:</i>		
- Depreciation and impairment losses property, plant and equipment	88,690	108,416
- Amortization and impairment losses intangible assets	14,381	14,574
- Gain on sale of property, plant and equipment	0	(25)
- Decrease / (Increase) employee benefits	548	(596)
- Equity settled share based payments	1,150	1,681
- Net finance costs	49,580	43,831
- Income tax (credit) / expense	445	928
Operating cash flow before movements in working capital	175,870	135,821
<i>Changes in:</i>		
Decrease / (Increase) inventories	(5,995)	(1,555)
Decrease / (Increase) current receivables	(30,710)	8,590
(Decrease) / Increase current liabilities	13,075	30,026
(Decrease) / Increase provisions	(80)	(142)
Cash generated from operating activities	152,160	172,740
Interest (paid) / received	(47,179)	(40,207)
Transaction costs related to borrowings	0	(3,207)
Income tax (paid) / received	(462)	(1,129)
	(47,641)	(44,543)
Net cash from operating activities	104,519	128,197
Cash flows from investing activities		
Acquisition of property, plant and equipment	(229,647)	(152,136)
Acquisition of intangible assets	(2,589)	(1,611)
Acquisition of subsidiary, net of cash acquired	(134,601)	0
Proceeds from sale of property, plant and equipment	0	2,567
Net cash used in investing activities	(366,837)	(151,180)

For the Year ended 31 December 2012		
(x USD 1,000)	2012	2011 Restated
Cash flows from financing activities		
New loan facilities net of bank fees	102,374	0
New loan facilities related parties	50,000	0
Repayment of borrowings	(122,278)	(11,809)
Proceeds of issue of share capital	250,760	0
Transaction costs related to share issue	(2,257)	350
Acquisition of non-controlling interests	(6,876)	0
Net cash from / (used in) financing activities	271,723	(11,459)
Net increase / (decrease) in cash and cash equivalents	9,405	(34,442)
<i>Cash and cash equivalents at beginning of the year</i>	<i>38,687</i>	<i>73,129</i>
Cash and cash equivalents at end of the year	48,092	38,687

The World is Our Workplace

Our global network of offices ensures that we can provide our clients with the customized solutions their projects demand. With commercial offices located in Breda, Busan, Fort Lauderdale, Genova, Houston, Moscow, Perth, Rio de Janeiro, Rotterdam, Shah Alam, Shanghai, Singapore, and Yokohama we are able to meet our customers' needs 24/7, 365 days a year.

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Coordinates 21°0'45" S 164°41'7" E

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Pieter Brouwers and Fons van Lith

Design:

Peter Barratt-Jones

Lay-out:

Rethinking Group Design

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Dockwise employees and Vincent van den Hoogen

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Disclaimer

This print contains certain financial information in summarized form. The contents of this version are qualified in their entirety by reference to the full Annual Report 2012 of Dockwise Ltd.



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Jacket launch movie



At Dockwise, passion inspires our innovation and fuels our quest to realize the inconceivable every day. Dockwise is proud to operate the world's largest fleet of semi-submersible vessels, and serve the market as leader in providing exceptional transport and installation services worldwide.

We've designed our Annual Review to provide you with an informative, real, and engaging overview of our business during the past year, as well as our proposed strategy for success for the years to come. This annual review is not designed to advertise how great we are as a company. Instead, it is designed to tell our story – through the voices of those who work for Dockwise around the globe, 24/7, 365 days a year, providing the solutions, the expertise, and the success that drives our business each day, and truly make Dockwise unique.



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