

Torvald
Klaveness

KLAVENESS CEMENT LOGISTICS AS

FINANCIAL STATEMENT DECEMBER 31ST, 2012

KLAVENESS CEMENT LOGISTICS AS

Board of directors' report 2012

Klaveness Cement Logistics AS was established 31. May 2005 and is fully owned by Rederiaksjeselskapet Torvald Klaveness. The company has its offices in Oslo, Norway. The company's main activity is operation and development of solutions for freight of cement in Norway, investment in cement vessels and cement shipowning companies.

After the sale of vessels with associated freight contracts in 2010, the company's main activity is investment in subsidiaries, including KCL Shipholding AS which has signed contracts for 2 selfunloading vessels with delivery in 2013, and the ownership interest in the German limited partnership Baltrader Schiffahrtsgesellschaft GmbH & Co. KG, registered in Hamburg. In order to finance the newbuildings, Klaveness Cement Logistics AS has placed the shares in KCL Shipholding AS as a mortgage for the financing.

By the end of 2012, Klaveness Cement Logistics AS owned 60 % of the shares of Baltrader Schiffahrtsgesellschaft mbH & Co. KG. Through a fully owned subsidiary, the company manages a portfolio of contracts for shipping cement mainly in Europe and manages commercially a portfolio of cement vessels towards these contracts.

The company owns by the end of 2012 100 % of Klaveness Cement Logistics AB. The value of the investment is written down in order to reflect the equity of the company as per 31.12.2012.

Klaveness Cement Logistics AS is not directly involved in activity that has a negative impact on the environment.

There are no employees in the company, hence no actions were planned or implemented to promote equality or prevent discrimination.

Net result and financial position

Operating result consist of administrative expenses of NOK 145.996. The financial result consist mainly of write down of shares in Klaveness Cement Logistics AB of NOK 245.502, and realized loss on receivables.

Net loss for the year is NOK 604.858.

The accounts are prepared under the assumption of going concern. Nothing has occurred after the balance date, which may significantly influence the result or the balance sheet. The Board of Directors finds that the accounts represent a true and fair view of the company's equity and debt, financial position and result.

The Board of Directors in Klaveness Cement Logistics AS

Oslo, 31. December 2012
5. March 2013



Lasse Kristoffersen
Styrets leder



Rebekka Glasser Herlofsen
Styremedlem



Morten Skedsmo
Styremedlem



Jarle Kverneggen
Daglig leder

KLAVENESS CEMENT LOGISTICS AS

PROFIT AND LOSS ACCOUNT

		<u>2012</u> <u>NOK</u>	<u>2011</u> <u>NOK</u>
<u>OPERATING REVENUES AND EXPENSES</u>			
Total operating revenues		<u>0</u>	<u>0</u>
Operating expenses, vessels		0	41 024
Other administration expenses	Note 2	-145 996	-183 522
Reversal of provisions/ (provisions) for contract losses	Note 3	0	289 839
Total operating expenses		<u>-145 996</u>	<u>147 341</u>
Operating result		<u>-145 996</u>	<u>147 341</u>
<u>FINANCIAL INCOME AND EXPENSES</u>			
Income from investments in subsidiaries	Note 5	0	-1 920 896
Interest received from group companies		22 036	38 991
Write-down of financial assets	Note 5	-245 502	3 223 895
Interest paid to group companies		0	-628 430
Other financial expenses		-3 212	-1 200
Gain / (loss) on foreign exchange	Note 4	-371 933	-2 352 081
Result of financial items		<u>-598 611</u>	<u>-1 639 721</u>
Ordinary result before tax		<u>-744 607</u>	<u>-1 492 380</u>
Tax on ordinary result	Note 11	139 749	769 243
Net profit / (loss) for the year		<u>-604 858</u>	<u>-723 137</u>
<u>Details on transfers and allocations:</u>			
Net paid / (received) group contribution with tax effect		-1 381 995	-3 256 353
Net paid / (received) group contribution without tax effect		5 000 000	17 000 000
Transferred to / (from) other equity		-4 222 863	-14 466 784
		<u>-604 858</u>	<u>-723 137</u>

KLAVENESS CEMENT LOGISTICS AS**BALANCE SHEET**

		<u>At December 31, 2012 NOK</u>	<u>At December 31, 2011 NOK</u>
ASSETS			
<u>FIXED ASSETS</u>			
Intangible assets			
Deferred tax asset	Note 11	1 590 772	1 988 465
Total intangible assets		<u>1 590 772</u>	<u>1 988 465</u>
Financial fixed assets			
Investments in subsidiaries	Note 5	36 696 642	36 942 144
Total financial fixed assets		<u>36 696 642</u>	<u>36 942 144</u>
Total fixed assets		<u>38 287 414</u>	<u>38 930 609</u>
<u>CURRENT ASSETS</u>			
Receivables			
Receivables from group companies	Note 6	5 896 821	16 943 699
Total receivables		<u>5 896 821</u>	<u>16 943 699</u>
Cash and bank deposits		<u>0</u>	<u>0</u>
Total current assets		<u>5 896 821</u>	<u>16 943 699</u>
TOTAL ASSETS		<u>44 184 235</u>	<u>55 874 308</u>

KLAVENESS CEMENT LOGISTICS AS

BALANCE SHEET

		At December 31, 2012 NOK	At December 31, 2011 NOK
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Paid-in capital			
Share capital	Note 7, 8	10 000 000	10 000 000
Share premium reserve	Note 8	11 288 440	11 288 440
Other paid-in capital	Note 8	10 687 058	14 305 064
Total paid-in capital		31 975 498	35 593 504
Retained earnings			
Other equity / (uncovered losses)	Note 8	7 198 658	7 803 516
Total retained earnings		7 198 658	7 803 516
Total equity		39 174 157	43 397 020
Current liabilities			
Debt to group companies	Note 9	5 000 000	12 477 288
Other current liabilities	Note 10	10 083	0
Total current liabilities		5 010 083	12 477 288
Total liabilities		5 010 083	12 477 288
TOTAL EQUITY AND LIABILITIES		44 184 235	55 874 308

Oslo, 31 December 2012

5 March 2013




Lasse Kristoffersen
Chairman



Morten Skedsmo
Boardmember



Rebekka Glasser Herolfsen
Boardmember



Jarle Helleberg Kverneggen
Managing Director

KLAVENESS CEMENT LOGISTICS AS

CASH FLOW STATEMENT

(in thousands)	<u>2012 NOK</u>	<u>2011 NOK</u>
Ordinary result before tax	-745	-1 492
Write-downs / (reversal of write-downs)	246	-3 224
Share of profit from subsidiaries	0	1 921
Change in receivables	11 047	26 948
Change in current liabilities	-12 467	-359
Effect of exchange rate changes	0	1 255
A: Net cash flow from operating activities	<u>(1 919)</u>	<u>25 048</u>
Payments received from investments	0	41 303
B: Net cash flow from investment activities	<u>0</u>	<u>41 303</u>
Repayment of long-term debt to group companies	0	-35 307
Payments of group contribution	0	-31 043
C: Net cash flow from financing activities	<u>0</u>	<u>-66 350</u>
Net change in liquidity in the period (A+B+C)	<u><u>(1 919)</u></u>	<u><u>-0</u></u>
Cash and cash equivalents at beginning of period	0	0
Cash and cash equivalents at close of period	<u>0</u>	<u>0</u>
Net change in cash and cash equivalents in the period	<u><u>0</u></u>	<u><u>0</u></u>

KLAVENESS CEMENT LOGISTICS AS

NOTES

Note 1

ACCOUNTING PRINCIPLES

The financial statements have been prepared and presented according to Norwegian Accounting Act and generally accepted accounting principles in Norway. The most important accounting principles applied by the company are described below.

CHANGE IN ACCOUNTING PRINCIPLES

No changes have been made in accounting principles in the current year.

CLASSIFICATION OF ITEMS IN THE ACCOUNTS

Current assets and short-term liabilities include items due less than one year from the balance sheet date, as well as items due more than one year from the balance sheet date, that are related to the operating cycle. Assets intended for permanent ownership or use and receivables with maturities exceeding one year from the balance sheet date are presented as fixed assets. Liabilities with maturity less than one year from the balance sheet date are classified as current. All other debt, including the first year's repayments of long-term debt, is classified as long-term debt.

VALUATION OF ASSETS AND LIABILITIES

Property, plant & equipment

Tangible assets with a limited useful life are depreciated according to a depreciation schedule based on best estimates of expected useful life and taking into account each asset's wear, tear and age. Tangible assets are written down when the carrying value of the asset exceeds the recoverable amount. The recoverable amount is defined as the higher of net sales value and value in use. The value in use is determined by reference to the discounted future net cash flows expected to be generated by the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels at which there are separately identifiable cash inflows. The write down is reversed if the conditions leading to impairment no longer exist.

Current assets

Current assets are valued at the lower of cost and net realisable value. Accounts receivable are related to operations and consist of trade receivables, other short-term receivables and prepayments. For valuation of receivables, see section "Receivables".

Loans

Loans are recognised at cost (the fair value of the consideration received) net of transaction costs associated with borrowing.

Accounts payable

Accounts payable are liabilities related to operations (trade creditors, unpaid public taxes and charges, vacation pay etc.) and other short-term payables. All these items represent interest free liabilities.

In accordance with the Norwegian Accounting Act, some items are valued according to special valuation rules. A more detailed presentation of these is provided under each principle below

ESTIMATES AND ASSUMPTIONS

Preparation of financial statements according to generally accepted accounting principles requires management to use estimates and assumptions that affect the profit and loss account and the valuation of assets and liabilities, and requires disclosure of information about liabilities that, as of the balance sheet date, are not yet certain. Actual figures generally will differ from such estimates. Conditional losses which are likely to occur and which are quantifiable are expensed on a current basis.

The company uses estimates and assumptions in connection with determination of accruals for contract losses.

REVENUE RECOGNITION

Freight revenues and voyage related expenses are recognized on a percentage of completion basis. Degree of completion for spot voyages and CoA voyages is estimated using the number of days the voyage lasts (from discharge to discharge); thereafter, revenues and expenses are accrued over the number of voyage days (determined as the day a vessel leaves a port of loading until it leaves the next port of loading). Vessels that sail from a port of loading without a freight contract at hand generate no revenues until a new contract has been entered into. Voyage related expenses associated with vessels without a freight contract at hand are expensed as they are incurred.

Provisions are made for estimated losses on TC agreements or other freight contracts that have been entered into, when it is deemed likely that such losses will be incurred.

Gains and/or losses that arise from the sale of fixed assets are presented as operating revenues or operating expenses.

KLAVENESS CEMENT LOGISTICS AS

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Note 1

ACCOUNTING PRINCIPLES

INVESTMENTS IN SUBSIDIARIES

Investments are treated as investments in subsidiaries when the company has a direct or indirect controlling influence over that entity. When the company directly or indirectly owns more than 50 percent of the shares in the company and can govern its operational and financial policies, controlling influence is normally achieved.

Investments in subsidiaries are accounted for according to the cost method of accounting. Accordingly, the investment is recognized in the balance sheet based on the acquisition cost, adjusted for certain subsequent payments made and received. Repayments of paid-in capital and payments of retained earnings for periods prior to the ownership period are treated as reductions in the acquisition cost.

When the carrying amount of an investment exceeds its recoverable amount, the investment is written down to the recoverable amount if it is expected that the decline in value is not temporary. The recoverable amount is the higher of its fair value less costs to sell and its value in use. Write-downs are reversed to the extent that the basis for them no longer exists.

Distributions from subsidiaries are recorded in the profit and loss when they represent a distribution of earned equity relating to the period of ownership of the subsidiary. Such distributions are recorded in the parent company accounts in the year during which an allocation for the payments was made in the accounts of the subsidiary.

TAX

Tax expense in the profit and loss account includes both tax payable for the period, adjustment of previous years' tax expense, and changes in deferred tax liability and deferred tax asset. The year's payable tax is the tax expense that falls due for payment as a result of the period's taxable profit. Deferred tax represents the tax that on the balance sheet date is associated with profit for the year and previous years and that will fall due for payment in subsequent periods. The deferred tax asset comprises tax already paid but not yet expensed in the accounts and future tax savings associated with loss carry forwards. Deferred tax and deferred tax asset are calculated using 28 percent of the value of the temporary differences between accounting and tax values and the tax loss to be carried forward at the close of the accounting year. Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed in the same period and under the same tax regime are offset. Net deferred tax benefit is entered in the balance sheet to the extent it is likely that it will be used.

PRESENTATION CURRENCY AND FUNCTIONAL CURRENCY

The company presents its accounts in NOK. The company's functional currency is USD.

Transactions in foreign currencies are translated into account currency using the exchange rate in effect on the date of the transaction. Monetary assets and liabilities in foreign currency are translated into account currency using the exchange rate in effect on the balance sheet date. Exchange differences arising from translations into account currency are recorded in the income statement. Non-monetary assets and liabilities measured at historical cost in foreign currency are translated into the account currency using the historical exchange rate. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate on the date of the determination of the fair value. Assets and liabilities hedged with currency forward contracts are valued at the contract strike currency rate.

The following exchange rate have been applied to the company's 2012 accounts; year-end, NOK USD; average rate for the year, 1 USD. The following exchange rates have been applied to the company's 2011 accounts: year-end, 6,0065NOK USD 5,6079; average rate for the year, USD.

RECEIVABLES

Receivables are recorded at their nominal value, less expected losses. Provisions for losses are made following assessment of each receivable.

RELATED PARTIES

Transactions with related parties are conducted at arm's length on market terms.

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Note 1

ACCOUNTING PRINCIPLES

Interest on long-term loans and debt among companies in the Torvald Klaveness group, is calculated at arm's length. A floating interest rate is used as a basis (for example, 3-month NIBOR/LIBOR or 6-month NIBOR/LIBOR). Among companies wholly owned by Rederiaksjeselskapet Torvald Klaveness or other companies that comprise wholly owned companies in the Torvald Klaveness group, a margin is added to the floating interest rate, depending on the purpose of the loan. The margin is typically set at the Torvald Klaveness group's funding cost. For loans to companies that are not wholly owned but included in the Torvald Klaveness Group, an evaluation of risk is made (based on external funding costs where available), and the rate is thereafter adjusted pursuant to such evaluation.

For outstanding accounts between closely related parties and companies within the group, interest is calculated at arm's length. For this purpose, close associates are defined as individuals or companies that directly or indirectly own an interest in Rederiaksjeselskapet Torvald Klaveness or that are associated with such persons or companies. Typically, a floating interest rate is applied (for example, 3-month or 6-month NIBOR). A margin is added depending on the purpose of the loan, the risk and expected term to maturity of the loan. For agreements not based on floating interest, a fixed interest rate is used that corresponds to the interest level that applies in the market at large, under the same terms and conditions, at the time of entrance into the loan agreement.

CASH FLOW STATEMENT

The cash flow statement is prepared and presented according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term liquid investments with settlement within three months.

EVENTS AFTER THE BALANCE SHEET DATE

Assets and liabilities that are recorded in the balance sheet may be based on assumptions and uncertainties. Events that occur after the balance sheet date and that result in new information that leads to a reassessment of an item of asset or liability, are accounted for accordingly. Examples of such events after the close of the balance sheet date are legal decisions, payments and settlements received from customers that had been outstanding, final determination of bonuses or other performance-dependent remuneration. Material events after the balance sheet date are presented in a separate note to the financial statement.

COMPARATIVE FIGURES

Comparative figures are adjusted to reflect material changes in accounting principles and significant errors in previous years' financial statements. Significant changes in accounting principles are presented as a separate item under accounting principles.

If changes are made to the classification and grouping of accounting items, comparative figures are correspondingly adjusted.

KLAVENESS CEMENT LOGISTICS AS

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Note 1

NUMBER OF EMPLOYEES

The company has no employees.

The managing director is in-sourced from another company within the group. No management fee has been invoiced internally for management of this company, since this service is not considered a significant cost factor.

Members of the Board of Directors are employees of other companies within the group. No special remuneration has been paid to the various members of the Board of Directors, because such positions of office are a part of their regular employment. Compensation for Board work is thus included in the regular salary of such employees.

Note 2

REMUNERATION TO THE AUDITOR

	2012	2011
	NOK	NOK
Fee for statutory audit, including VAT	18 750	40 000
Total	18 750	40 000

Note 3

SALE OF SHIPS WITH CONTRACT

	2012	2011
	NOK	NOK
Reversal of allocations/ (allocations) for contract losses	0	289 839
P&L effect of sold vessels with contract	0	289 839

In march 2010 the company sold both vessels with contract.

Note 4

FOREIGN EXCHANGE - GAIN AND LOSS RECORDED

	2012	2011
	NOK	NOK
Realised gain currency /(loss) long term liabilities	0	-644 516
Realised gain currency /(loss) short term receivables	-371 933	-1 707 565
Total	-371 933	-2 352 081

KLAVENESS CEMENT LOGISTICS AS

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Note 5

INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES, AND JOINT VENTURES

Company	Date of acquisition	Location	Company's share capital	Par value	Number of shares	Direct ownership (in %)	Direct + indirect owner-ship (in %)	Voting rights (in %)
Investments in subsidiaries								
Norwegian limited liability companies								
KCL Shipholding AS	01.01.2005	Oslo	100 000	100	1 000	100,0 %	100,0 %	100,0 %
Other companies								
Klaveness Cement Logistics AB	22.12.2005	Stockholm	SEK 575 000	SEK 100	5 750	100,0 %	100,0 %	100,0 %
Baltrader Schiffahrtsgesellschaft mbH&Co	01.01.2009		EUR 1 610 000			60,0 %	60,0 %	60,0 %

KLAVENESS CEMENT LOGISTICS AS

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Note 5 cont.

INVESTMENTS IN SUBSIDIARIES

	KCL Shipholding AS	Klaveness Cement Logistics AB	Baltrader Schiffahrtsgesellschaft mgH & Co	TOTAL SUBSIDIARIES
NOK				
Book value				
Direct ownership interests	100,0 %	100,0 %	60,0 %	
Acquisition cost as of 1 January 2011	30 000 000	77 810 734	4 664 563	112 475 297
(Write-downs) / reversal of write-downs	0	-34 991 953	-541 690	-35 533 643
Book value as of 1 January 2011	30 000 000	42 818 781	4 122 873	76 941 654
Share of payments recorded to income	0	-1 920 896	0	-1 920 896
Gain / (loss) upon liquidation of company	0	0	0	0
(Write-down of shares / ownership interests)	0	3 223 895	0	3 223 895
Total profit items	0	1 302 999	0	1 302 999
Transfers to/ from company due to dividends/group contributions/changes in capital	0	-41 302 509	0	-41 302 509
Total changes, adjustments to book value	0	-41 302 509	0	-41 302 509
Book value as of 31 December 2011	30 000 000	2 819 271	4 122 873	36 942 144
Share of equity in the company:				
Share of equity as of 1 January 2011	61 611 202	42 818 842	540 835	104 970 879
Share transferred to / (from) the company by payments received/(payments)/ (dividend)/group contrib./merger	0	-43 223 405	0	-43 223 405
Share of profit for the year / translation difference	-6 865 443	3 237 646	509 361	-3 118 436
Share of equity as of 31 December 2011, direct ownership interest	54 745 759	2 833 083	1 050 196	58 629 038
Direct + indirect ownership interest	100,0 %	100,0 %	60,0 %	
Share of equity as of 31 December 2011, direct + indirect ownership interest	54 745 759	2 833 083	1 050 196	58 629 038
NOK				
Book value				
Direct ownership interests	100,0 %	100,0 %	60,0 %	
Acquisition cost as of 1 January 2012	30 000 000	34 587 329	4 664 563	69 251 892
(Write-downs) / reversal of write-downs	0	-31 768 058	-541 690	-32 309 748
Book value as of 1 January 2012	30 000 000	2 819 271	4 122 873	36 942 144
Share of payments recorded to income	0	0	0	0
Gain / (loss) on realization of company	0	0	0	0
Write-down of shares / ownership interests	0	-245 502	0	-245 502
Total profit items	0	-245 502	0	-245 502
Increases / (reductions) of ownership interests incl. change of paid-in capital	0	0	0	0
Transfers to/ from the company upon dividend payments/capital changes	0	0	0	0
Mergers	0	0	0	0
Total other changes	0	0	0	0
Book value as of 31 December 2012	30 000 000	2 573 769	4 122 873	36 696 642
Share of equity in the company:				
Share of equity as of 1 January 2012	54 745 759	2 833 083	1 050 196	58 629 038
Increases / (reductions) of ownership interests	0	0	0	0
Share transferred to / (from) the company upon payments received/(payments)/ (dividends)	0	0	0	0
Share of profit for the year (incl. currency gain/loss adjustments)	16 396 618	-259 314	200 345	16 337 649
Other changes (incl. currency gain/loss adjustments)	0	0	0	0
Share of equity as of 31 December 2012, direct ownership interests	71 142 377	2 573 769	1 250 540	74 966 687
Direct + indirect ownership interests	100,0 %	100,0 %	60,0 %	
Share of equity as of 31 December 2012, direct + indirect ownership interests	71 142 377	2 573 769	1 250 540	74 966 687
Liabilities:				
Share of liabilities	0	0	0	0

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Note 6		At December 31, 2012	At December 31, 2011
<u>INTRAGROUP RECEIVABLES</u>	Interest rate	<u>NOK</u>	<u>NOK</u>
<u>Short-term receivables</u>			
Klavness Finans AS		3 977 384	16 929 350
Klavness Maritime Logistics AS		0	14 349
Bulktransfer Inc - group contribution with tax-related effect		1 919 437	0
Total short-term receivables		<u>5 896 821</u>	<u>16 943 699</u>

Short-term intragroup receivables are defined as items that fall due within one year after the close of the accounting year.

Several companies in the group participate in a multi-currency group account system operated by DNB ASA. Klavness Finans AS is the account holder of the group account system. Group companies' deposits and withdrawals in the accounts system are regulated by the group account agreements and treated as receivables / liabilities in the account of Klavness Finans AS, and classified accordingly in the annual accounts. All companies that participate in the group account system are jointly and severally liable for any deficit in the group account structure.

KLAVENESS CEMENT LOGISTICS AS

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Note 7

SHARE CAPITAL AND SHAREHOLDER INFORMATION

The company's share capital comprises the following share classes:

	Number	Par value	Book value
Ordinary shares	1 000	10 000	10 000 000
Total	1 000	10 000	10 000 000

Ownership structure

Shareholders as of 31 December:

	Number of shares	Ownership interest	Votes (in %)
Rederiaksjeselskapet Torvald Klaveness	1 000	100 %	100 %
Total number of shares	1 000	100 %	100 %

The company is a subsidiary of Rederiaksjeselskapet Torvald Klaveness; as such, it is exempt from the requirement to prepare consolidated accounts, cf. Section 3-7 of the Accounting Act of 1998.

The company is included in the consolidated accounts of Rederiaksjeselskapet Torvald Klaveness, Drammensveien 260, P.O. Box 182 Skøyen, NO-0212 Oslo, Norway. The annual accounts of Rederiaksjeselskapet Torvald Klaveness are available at this address.

Note 8

EQUITY

NOK	Share capital	Own shares	Share premium fund	Other paid-in equity	Other equity	Total equity
Equity as of 1 January 2011	10 000 000	0	11 288 440	28 048 711	8 526 653	57 863 802
Profit for the year					-723 137	-723 137
Net group contribution received/ (paid) without tax effect				-17 000 000		-17 000 000
Net group contribution received/ (paid) with tax effect				3 256 353		3 256 353
Equity as of 31 of December/1 January 2012	10 000 000	0	11 288 440	14 305 064	7 803 516	43 397 020

CHANGE IN EQUITY DURING THE YEAR

Profit for the year					-604 858	-604 858
Net group contribution received/ (paid) without tax effect				-5 000 000		-5 000 000
Net group contribution received/ (paid) with tax effect				1 381 995		1 381 995
Equity as of 31 December 2012	10 000 000	0	11 288 440	10 687 058	7 198 658	39 174 157

Tax-related paid-in capital consists of:	Share capital	10 134 198
	Share premium fund	100 000 000
		<u>110 134 198</u>

KLAVENESS CEMENT LOGISTICS AS

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Note 9	At December 31, 2012	At December 31, 2011
<u>LIABILITIES TO GROUP COMPANIES</u>	<u>NOK</u>	<u>NOK</u>
<u>Current liabilities:</u>		
Klaveness Finans AS - group contribution with tax effect	0	-4 522 712
Klaveness Finans AS- group contribution without tax effect	5 000 000	17 000 000
Total liabilities	<u>5 000 000</u>	<u>12 477 288</u>

Current liabilities are defined as liabilities that fall due within one year after the close of the accounting year.

Note 10	At December 31, 2012	At December 31, 2011
<u>OTHER LIABILITIES</u>	<u>NOK</u>	<u>NOK</u>
<u>Current liabilities:</u>		
Other current liabilities	10 083	0
Total current liabilities	<u>10 083</u>	<u>0</u>

Current liabilities are defined as liabilities that fall due within one year after the end of the accounting year.

KLAVENESS CEMENT LOGISTICS AS

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Note 11

A. TAX EXPENSE

Tax expense in the profit and loss account consists of:

	2012 NOK	2011 NOK
Change in deferred tax / deferred tax asset	397 693	497 116
Effect of group contribution	-537 442	-1 266 359
Total tax expense	-139 749	-769 243

B. CALCULATION OF TAX BASIS - TAX PAYABLE

	2012 Basis	2012 Tax 28 %	2011 Basis	2011 Tax 28 %
Profit before tax	-744 607	-208 490	-1 492 380	-417 866
Non-deductible interest expenses	0	0	48 082	13 463
Accounting profit on distributions of capital from subsidiaries	0	0	1 920 896	537 851
Accounting write-down of shares / ownership interests	245 502	68 741	-3 223 895	-902 691
Subtotal - permanent differences	245 502	68 741	-1 254 917	-351 377
Change in temporary differences	-1 420 332	-397 693	-1 775 415	-497 116
Total tax basis and tax payable before group contribution	-1 919 437	-537 442	-4 522 712	-1 266 359
Group contribution to KLAVENESS CEMENT LOGISTICS AS from:				
Bulktransfer Inc	1 919 437	537 442	4 522 712	1 266 359
Subtotal - group contribution	1 919 437	537 442	4 522 712	1 266 359
Use of tax losses carried forward	0	0	0	0
Transfer to losses carried forward	0	0	0	0
Total tax basis and tax payable	-0	-0	0	-0

C. RECONCILIATION OF NOMINAL AND ACTUAL TAX RATES:

	2012	2011
Profit before tax	-744 607	-1 492 380
Expected income tax according to the nominal taxation rate (28%)	-208 490	-417 866
Tax effect, shares and units	68 741	-902 691
Tax effect, distribution capital	0	537 851
Tax effect, non-deductible interest	0	13 463
Tax expense for the year	-139 749	-769 243
Effective tax rate	18,77 %	51,54 %

KLAVENESS CEMENT LOGISTICS AS

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Note 11

D. DEFERRED TAX / (DEFERRED TAX ASSET)

Specification of the tax effect of temporary differences:

NOK	Status at January 1, 2012	Change	Status at December 31, 2012	Tax effect at December 31, 2012 28 %	Status at December 31, 2011	Tax effect at December 31, 2011 28 %
Temporary differences, gains and losses account	-7 101 661	1 420 332	-5 681 329	-1 590 772	-7 101 661	-1 988 465
Total temporary differences that have not been specially adjusted	-7 101 661	1 420 332	-5 681 329	-1 590 772	-7 101 661	-1 988 465
Tax losses carried forward	0	0	0	0	0	0
Total temp. differences - basis for calc. deferred tax/deferred tax asset	-7 101 661	1 420 332	-5 681 329	-1 590 772	-7 101 661	-1 988 465

Deferred tax / (deferred tax asset) recorded in the balance sheet
Change in deferred tax / (deferred tax asset)

-1 590 772	-1 988 465
397 693	

Comment regarding capitalization of deferred tax asset:

The deferred tax asset is recorded in its entirety since the underlying differences are expected to be reversed through future earnings.

To the Annual Shareholders' Meeting in
Klaveness Cement Logistics AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Klaveness Cement Logistics AS, which comprise the balance sheet as at 31 December 2012, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Managing Director's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements of Klaveness Cement Logistics AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2012 and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements*Opinion on the Board of Directors' report*

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

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Managing Director have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 5 March 2013
ERNST & YOUNG AS



Kristin Hagland
State Authorised Public Accountant

PROTOKOLL
fra styremøte i
KLAVENESS CEMENT LOGISTICS AS

5. mars 2013 ble det avholdt styremøte i ovennevnte aksjeselskap på selskapets kontor.

Følgende deltok:

Lasse Kristoffersen, styrets leder
Rebekka Glasser Herlofsen, styremedlem
Morten Skedsmo, styremedlem

Samtlige styremedlemmer var følgelig representert. Daglig leder, Jarle Kverneggen, deltok også på møtet.

Det var ingen innsigelser til innkallingen eller sakslisten. Styremøtet ble erklært lovlig satt.

Styrets leder, Lasse Kristoffersen, ledet møtet. Han redegjorde for saken, som gjaldt behandlingen av årsregnskapet og årsberetningen. Styrets forslag er at underskudd på kr. (604 858) disponeres som følger:

Netto mottatt konsernbidrag med skattemessig effekt	kr. (1 381 995)
Netto avgitt konsernbidrag uten skattemessig effekt	kr. 5 000 000
Overført til annen egenkapital	kr. (4 222 863)
Samlet overskudd	kr. (604 858)

Etter tilfredsstillende behandling ble følgende enstemmige **beslutning** fattet:

**De fremlagte forslag til årsregnskap og årsberetning vedtas og fremmes
generalforsamlingen for godkjenning.**

Mer forelå ikke til behandling.

Protokollen ble opplest og godkjent.

Oslo, 5. mars 2013


Lasse Kristoffersen
Styreformann


Rebekka Glasser Herlofsen
Styremedlem


Morten Skedsmo
Styremedlem