ANNUAL REPORT

OCEAN YIELD

2014


HÖEGH JACKSONVILLE
UTILITY STATION
LP SKID
HP SKID

CONTENTS

OCEAN YIELD IN BRIEF

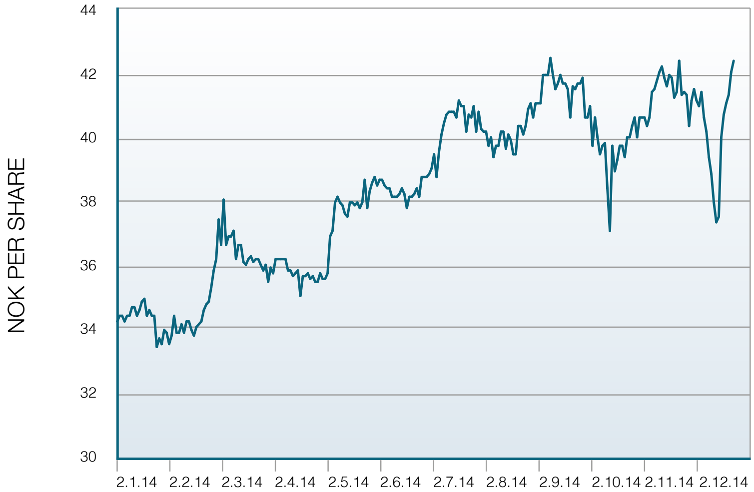
Ocean Yield is a ship owning company with investments within industrial shipping and oil-service. The Company focuses on modern assets with long-term charters to solid counterparties and has a significant contract backlog, which offers visibility with respect to future earnings and dividend capacity. Ocean Yield was established with the ambition to pay attractive and growing dividends to its shareholders and has paid quarterly dividends since the IPO in 2013.

The Ocean Yield Group was established on March 31st 2012 with a portfolio of oil-service assets previously controlled by Aker ASA. Since then, the Company has committed a total of USD 1.3 billion in new investments, all towards assets with long-term charters within industrial shipping and oil-service. In July 2013, the Company completed an IPO with a listing on the Oslo Stock Exchange. The IPO raised approximately USD 150 million in new equity. A mix of institutional international investors and Norwegian retail investors joined Aker ASA as shareholders. Ocean Yield has raised capital in the bond market, which has been used to fund further investments within oil-service, car carriers and gas carriers. The Company's business strategy, which is to enter into long-term charters gives clear visibility with respect to earnings and dividend capacity for the shareholders. Ocean Yield has a multi-segment strategy, with the aim to invest in industrial shipping and oil-service assets on long-term charters to counterparties of solid credit quality. The Company focuses mainly on bareboat charters with duration from five to fifteen years. The Company will continue to grow and diversify its portfolio of long-term charters going forward with the aim to continue to pay attractive and increasing quarterly dividends.

Consolidated key numbers - USD million	Q4 2014	Q3 2014	Q2 2014	Q1 2014	2014	2013
Revenues	62.1	65.4	62.1	59.7	249.3	239.0
EBITDA	53.9	54.2	55.4	53.2	216.7	207.7
Net profit before tax	29.0	24.9	17.5	32.1	103.6	80.2
Net profit after tax	30.5	24.5	17.1	28.6	100.8	82.7
Basic and diluted earnings per share – USD	0.23	0.18	0.13	0.21	0.75	0.71
Average no. of shares (million)	134.1	134.1	134.1	134.0	134.1	116.7
Cash	76.4	148.2	102.8	147.1	76.4	132.9
Total assets	1 810.9	1 770.3	1 734.2	1 671.9	1 810.9	1 672.2
Interest bearing debt	994.5	979.3	929.1	870.4	994.5	871.8
Net interest bearing debt	898.1	810.9	806.3	703.3	898.1	718.9
Total equity	718.7	710.0	707.1	710.2	718.7	703.7
Equity Ratio	39.7%	40.1%	40.8%	42.5%	39.7%	42.1%

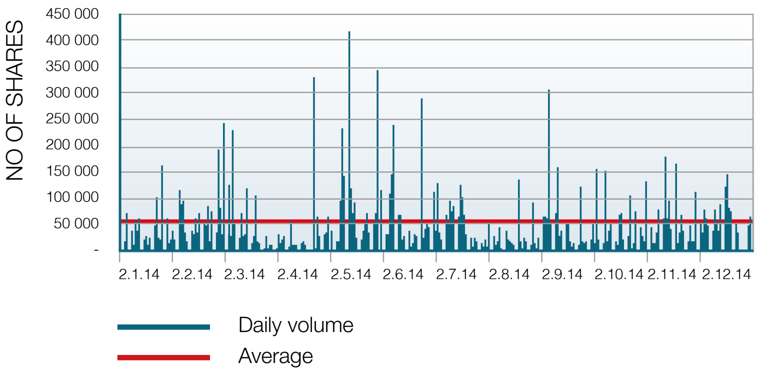
OCEAN YIELD SHARE PRICE IN 2014

The share price of Ocean Yield has developed positively also during 2014, with the share closing at NOK 44.00 on December 30th 2014, compared to the closing price on December 30th 2013 of NOK 34.70 per share. The initial IPO price in July 2013 was NOK 27.00 per share.



DAILY VOLUME OCEAN YIELD SHARE

Average daily volume traded during the year was 55,702 shares. During the first quarter of 2015, average daily volume has improved significantly, and was on average 131 989 shares from 2 January to the end of February 2015.



DIVIDENDS

Ocean Yield has an ambition to pay high and increasing dividends to its shareholders. During 2014, the Company paid a total dividend of USD 0.515 per share, with USD 0.1225 per share announced for Q4 2013, USD 0.125 per share in connection with the Q1 2014 results, USD 0.13 per share in connection with the Q2 2014 results and USD 0.1375 per share in connection with the Q3 2014 results.

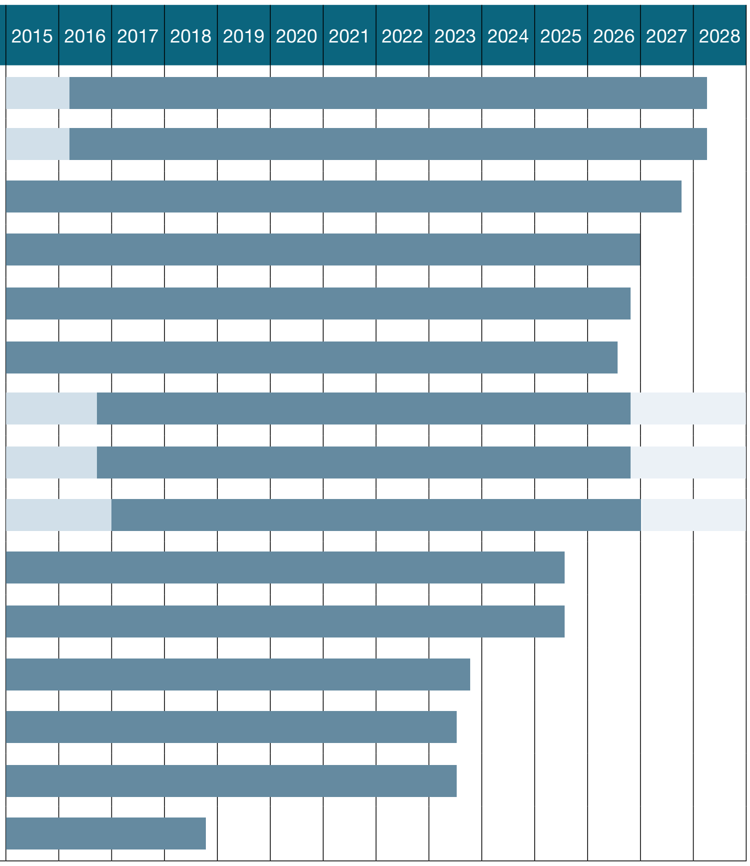
In connection with the announcement of the Q4 2014 financial results, a dividend of USD 0.1425 per share was announced. On an annualized basis, this equaled USD 0.57 per share.

CHARTER BACKLOG

At year-end 2014, the Company owned a fleet of 15 vessels, including 5 newbuildings due for delivery in 2016. All vessels are chartered out on long-term contracts, providing a high degree of earnings stability. The table below shows the Company's charter backlog, specified per vessel and counterpart. As per the end of 2014, the Company's charter backlog was USD 2.3 billion in revenues and USD 2.2 billion on an EBITDA basis. Average remaining contract tenor (weighted by EBITDA) was 9.5 years.

The chart below shows the vessel name, type, duration of contract and charterer for each vessel.

Unit	Type	Built	Counterparty
Höegh XSI462F	PCTC	2016	Höegh Autoliners
Höegh XSI462E	PCTC	2016	Höegh Autoliners
Wayfarer	OCV	2010	AKOFS/Akastor
SMB Installer	DSV	2013	SMB Offshore
Höegh Jeddah	PCTC	2014	Höegh Autoliners
Höegh Jacksonville	PCTC	2014	Höegh Autoliners
LEG Carrier – S1034	LEG	2016	Hartmann/SABIC
LEG Carrier – S1035	LEG	2016	Hartmann/SABIC
LEG Carrier – S1036	LEG	2016	Hartmann/SABIC
FAR Senator	AHTS	2013	Farstad Supply
FAR Statesman	AHTS	2013	Farstad Supply
Lewek Connector	OCV	2011	EMAS/Ezra Holding
Höegh Beijing	PCTC	2010	Höegh Autoliners
Höegh Xiamen	PCTC	2010	Höegh Autoliners
Dhirubhai-1	FPSO	2008	Reliance

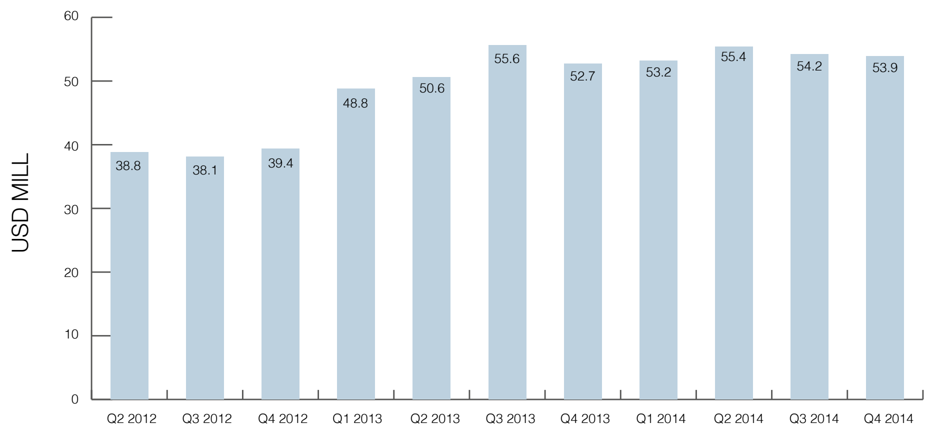


Figures are based on management's estimates regarding operating expenses on the Dhirubhai-1 which may be subject to change, in addition to the assumption that certain purchase options in bareboat charter contracts are not being exercised and adjusted for finance lease effects on Aker Wayfarer

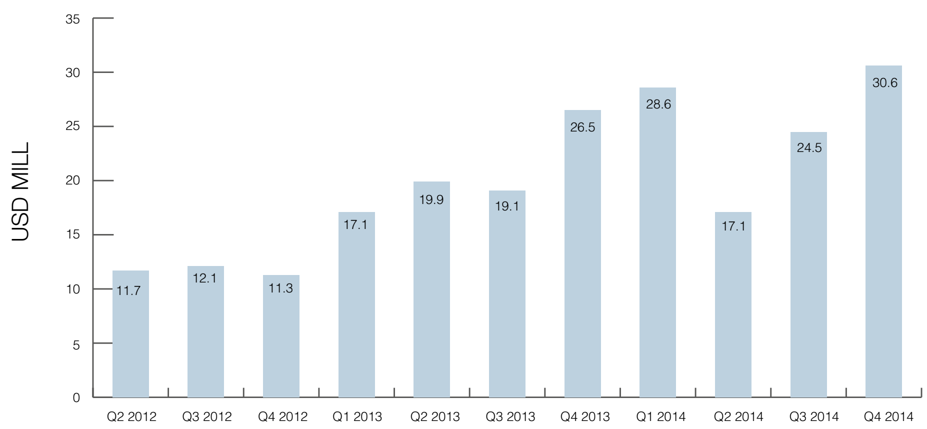
All the Company's vessels, except for the FPSO Dhirubhai-1, are chartered out on bareboat charter contracts, where the operating risk lies on the charterer. For the FPSO, the Company has full operational risk of the vessel, through its subsidiary, Aker Floating Production AS.

Since the inception in 2012, the Company has grown its quarterly EBITDA by 39%, reflecting additional vessel investments. Net profit has grown by 162% since the beginning, as shown in the two graphs below.

EBITDA per quarter



Net profit per quarter



Company Facts as of 31.12.2014	
Ticker	OCY.OL
No of shares outstanding	134 192 111
No of shareholders approx	2 600
Market capitalization USD	799 million
Market capitalization NOK	5 904 million
Free float	26.8%
Largest shareholder (Aker ASA)	73.2%

HISTORICAL TIMELINE

MARCH 2012

Establishment of Ocean Yield based on oil-service assets with long term-charters previously owned by Aker ASA. Management and Board of Directors were recruited.

JULY 2012

Successful placement of NOK 600 million in senior unsecured bonds with maturity in 2017. Coupon of NIBOR + 6.50% p.a.

SEPTEMBER 2012

Announcement of investment in two newbuilding PCTC vessels of 6,500 CEU capacity with 12-year bareboat charters to Höegh Autoliners, with delivery in April and September 2014.

OCTOBER 2012

Announcement of the acquisition of the offshore construction and cable lay vessel Lewek Connector with 10-year bareboat charter to the Ezra Group.

MARCH 2013

Announcement of investment in two new Anchor handling tug supply vessels (AHTS) with 12 year charters to Farstad Supply AS, with delivery in March and June 2013.

JULY 2013

Successful closing of Initial Public Offering and listing of the Company on the Oslo Stock Exchange, with net proceeds of USD 145 million. New Board of Directors in place from the time of listing.

SEPTEMBER 2013

Announcement of investment in two newbuilding PCTC vessels of 8,500 CEU capacity with 12-year bareboat charters to Höegh Autoliners, scheduled for delivery in 2016.

NOVEMBER 2013

Initiating quarterly dividends to its shareholders.

DECEMBER 2013

Announced recapitalisation of American Shipping Company including amendments to the bond agreement.

MARCH 2014

Successful placement of NOK 600 million in senior unsecured bonds with maturity in 2019. Coupon of NIBOR + 3.90% p.a. NOK 432 million of outstanding bonds maturing in 2017 were bought back and cancelled.

MAY 2014

Announced investment in three newbuilding gas carriers of 36,000 cbm with long term charters and investment in two 2010 built car carriers with long-term charters to Höegh Autoliners.

JULY 2014

Successful placement of NOK 400 million in senior unsecured bonds with maturity in 2019. The bonds were placed with an implicit pricing of NIBOR + 3.65% p.a. The remaining bonds with maturity in 2017 were called and cancelled.

SEPTEMBER 2014

Announced extension of the bareboat charter for "Aker Wayfarer" until 2027 in combination with a USD 90 million modification investment in the vessel.

DECEMBER 2014

Announced investment in Diving Support and Offshore Contruction vessel with long term charter to SBM Offshore.

DECEMBER 2014

Announced the sale of the seismic vessel "Geco Triton" to Western Geco.

DECEMBER 2014

Successful closing of a new bank facility of up to USD 50.5 million related to the FPSO Dhirubhai-1.

MESSAGE FROM THE CEO

A YEAR OF STRONG GROWTH!

2014 proved to be a hectic year for Ocean Yield, with strong growth related to new investments and further diversification of our fleet with long-term charters. Our substantial contract backlog gives visibility with respect to future earnings and together with a solid balance sheet, make the Company well positioned both for further growth and to pay attractive and increasing dividends to our shareholders.

LARS SOLBAKKEN
CHIEF EXECUTIVE OFFICER

During the year, we committed to several new investments including three newbuilding gas carriers, two modern car carriers, the modification of the Aker Wayfarer and finally the investment in an offshore construction and diving support vessel, all in combination with long term bareboat charters. Since Ocean Yield was established in 2012, we have now committed to investments in new assets of about USD 1.3 billion, which will contribute positively to our earnings and dividend capacity going forward.

Our first investment announced in 2014 was three newbuilding gas carriers, with long-term bareboat charters to the Hartmann Group in Germany, which in turn has entered into a 10-year time charter agreement with SABIC. The vessels are innovative both with respect to design and main engine, which makes them highly efficient for SABIC's purpose, which is to transport ethane from the US to the UK.

Later in the year, we expanded our relationship with Höegh Autoliners (Höegh), buying another two modern car carriers with long-term bareboat charters back to Höegh. We also successfully took delivery of two newbuilding car carriers, the Höegh Jacksonville and the Höegh Jeddah, which were delivered to us in April and September 2014. DSME Mangalia Heavy Industries delivered two vessels of very high quality on time and on budget, which are now being operated on long-term charters by Höegh. We also have two newbuildings under construction in this segment, which are scheduled for delivery in 2016, taking our total number of car carriers to six vessels.

In September we announced an extension of the bareboat charter for the offshore construction vessel Aker Wayfarer until 2027, in combination with a USD 90 million modification of the vessel. The Aker Wayfarer will be modified to become a Deepwater subsea equipment support vessel, which will allow it to install and retrieve subsea trees and modules on the seabed. The investment will be funded by Ocean Yield against an increase in the charter rate starting as from redelivery of the vessel from the yard in June 2016.

In December we announced the investment in an offshore construction and diving support vessel, with long term charter to the SBM Group. The SBM Group provides floating production solutions to the offshore energy industry, over the full product life-cycle. This investment is structured as a joint ownership, where SBM owns 25% of the vessel-owning company.

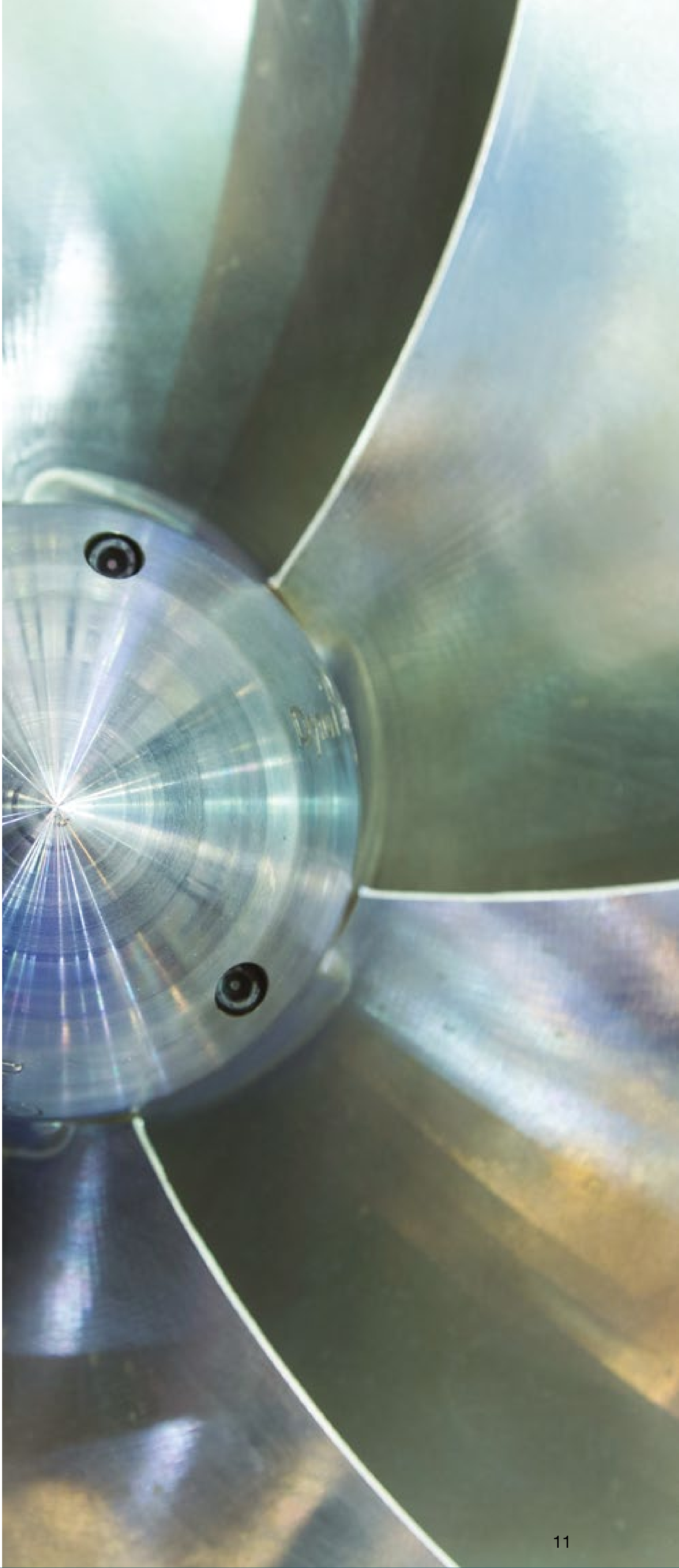
The rest of the fleet performed as per their contractual agreements. One of our most important assets, the FPSO Dhirubhai-1, continued to show stable production and high utilization during the year. The team in Aker Floating Production, who operates the FPSO, has shown strong commitment and dedication during the year, maintaining their excellent track record of operation with very high utilization and no lost time incidents.

Our investment in bonds in American Shipping Company ASA (AMSC) continued to increase in value during the year and we now have bonds in AMSC with a nominal value of about USD 194 million. The credit quality of AMSC improved in 2014 after a recapitalization of the company early in the year.

OUTLOOK

During the fourth quarter we have experienced quite volatile markets with a substantial reduction in the price of oil. Despite the fact that some of the shipping and oil-service segments may be challenging in 2015, we do not expect this to have any negative effect on the earnings of Ocean Yield as all vessels are on long term charter to relatively strong counterparties. The current market may provide interesting investment opportunities and we intend to continue with our investment strategy with focus on modern vessels with long term charters to strong counterparties. With respect to future growth, we already have five newbuildings under construction and one vessel that will be modified, which will contribute to a growth in EBITDA of about 30%, once all vessels are delivered.

Ocean Yield has increased the dividend every quarter after the IPO in July 2013. With a substantial contract backlog and a strong balance sheet the Company should be well positioned to continue to pay attractive and increasing quarterly dividends going forward.



BOARD OF DIRECTORS' REPORT

From left: Jens Ismar, Annicken Gann Kildahl, Kjell Inge Røkke, Anne-Christin Døvigen and Trond Brandsrud.

Ocean Yield showed strong performance during 2014, as the Company continued to grow and diversify its portfolio of long-term charters, reaching a total of USD 1.3 billion of committed investments since the start up in 2012. Ocean Yield continues to develop in accordance with the plans and expectations of the Board, and further growth is expected during 2015.

The Company completed several new investments during the year. Two new investments were made within the oil-service sector, one investment within the gas sector and one in within the car-carrier sector. In addition, the Company raised NOK 1,000 million of unsecured bonds in the market, while NOK 600 million of bonds were bought back and subsequently cancelled. The Company's cost of capital has been significantly reduced since the start up in 2012, which enables it to be even more competitive when bidding for new long-term lease business.

Ocean Yield's quarterly dividend model has been well received among investors, and the Company expects to continue to develop and diversify its portfolio of assets, with the aim to continue to expand dividend capacity going forward.

THE GROUP'S OPERATIONS AND FLEET

Ocean Yield's existing business portfolio consists of several investments within the maritime sector. The fleet, at year-end 2014 consisted of one FPSO, two offshore-construction vessels, one offshore construction and diving support vessel, two anchor handling vessels, six car carriers (where two are newbuildings under construction) and three newbuilding gas carriers. In addition, the Company has a financial investment in American Shipping Company's unsecured bond (AMSC 07/18 FRN C). All vessels are chartered out long-term. The FPSO is on charter to Reliance Ltd. until September 2018. The offshore construction vessel Aker Wayfarer is on charter to a subsidiary of Akastor ASA until 2027. The offshore construction and cable laying vessel Lewek Connector, is on long-term charter to a subsidiary of Ezra Holdings Ltd., while the two anchor handling vessels are chartered out to Farstad Supply AS. The Company's six car carriers are all chartered out to Höegh Autoliners, and the three newbuilding gas vessels are chartered out to Hartmann in Germany, which in turn has a time-charter to SABIC. Our latest investment, the diving support and offshore construction vessel SBM Installer is chartered out to the SBM Offshore Group until 2026.

Ocean Yield's head office is in Oslo, Norway.

REVIEW OF 2014

In March 2014, Ocean Yield completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The purpose of the bond issue was to refinance existing debt and for general corporate purposes. The bonds carry a coupon of NIBOR + 3.90% per annum. In connection with the placement, the Company repurchased NOK 432 million of its outstanding bonds (OCY01) in the market which had maturity in July 2017.

In May 2014, Ocean Yield entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany, where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a 10 year period on time charter basis, with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of the Saudi-Arabian petrochemical company SABIC. The total investment is estimated to be approximately USD 243 million.

Also in May 2014, Ocean Yield announced the acquisition of two Pure Car Truck Carriers (PCTC) of 4 900 car capacity with long-term bareboat charters to Höegh Autoliners ("Höegh"). The vessels, which were built in 2010, are bareboat chartered to Höegh for a period of 8 years. The total investment was approximately USD 90 million.

In July 2014, the Company successfully completed a tap issue for another NOK 400 million of unsecured bonds at a price of 101.05. The pricing reflected a credit spread of NIBOR + 3.65% p.a. at the time of issuance. Later in July 2014, the company issued a call notice on the remaining bonds outstanding under OCY 01, which were subsequently cancelled.

In September 2014, a subsidiary of Aker Oilfield Services ("AKOFS"), which at the time was a subsidiary of Aker Solutions ASA (which later has become Akastor ASA), had been awarded a contract over five years by Petrobras to provide subsea intervention services offshore Brazil, with the vessel "Aker Wayfarer". The vessel will be modified in order to become a deepwater subsea equipment support vessel, which will allow it to install and retrieve subsea trees and modules, including subsea structures and manifolds. Ocean Yield ASA agreed with AKOFS that the investment of approximately USD 90 million would be funded by Ocean Yield. The existing bareboat charter rate for the vessel will continue unchanged until September 2020 and a new bareboat rate for the vessel has been agreed for the period from 2020 until 2027. In addition, a bareboat charter rate covering the modification work will be payable from delivery of the vessel from the yard in second half of 2016 until expiry of the charter in 2027.

In December 2014, Ocean Yield announced the acquisition of the diving support and offshore construction vessel "SBM Installer" with a long-term bareboat charter guaranteed by SBM Holding Inc. SA. ("SBM"). The vessel, which was built in 2013, was acquired for USD 150 million and chartered back to SBM for a fixed period of 12 years. SBM has certain options to acquire the vessel during the bareboat charter period, with the first option exercisable after five years. Ocean Yield established a new single purpose company for the ownership of the vessel, in which SBM owns 25%. The vessel was delivered later that same month and financed with a non-recourse USD 110 million bank facility at attractive terms.

Also in December 2014, Ocean Yield announced the sale of the 1991-built seismic vessel, "Geco Triton". The vessel was sold to Western Geco, who has been chartering the vessel since 1998.

Finally, in December 2014, Ocean Yield announced the successful close of a USD 50.5 million increase to an existing bank facility. The proceeds will go towards general corporate purposes and to finance the equity portion of new investments. The maturity of the new facility is in September 2018.

Ocean Yield continued its shareholder-friendly model of paying high and increasing quarterly dividends to its shareholders during the year. For 2014, USD 69.1 million was paid out in dividends. Compared to the net profit for the year, this is a payout ratio of 68%. The annual General meeting has authorized the Board of Directors of Ocean Yield to resolve and declare dividends for the financial quarters up until the next ordinary general meeting in April 2015. The General Meeting in April 2015 will vote on a new authorization to the Board, for payment of quarterly dividends up until the General Meeting in 2016.

For Q4 2014, the Board of Directors declared a dividend of USD 0.1425 per share. This was approved by the Board of Directors on February 25th 2015 and was paid on March 12th 2015. The dividend in Q4 2014 compares to earnings per share of USD 0.23, which is a pay-out ratio of 62%. The pay-out ratio provides for continued growth of the Company's investment capacity and continued growth in dividends going forward.

Ocean Yield continues to hold its investment in unsecured bonds issued by American Shipping Company ASA. As of year-end 2014 Ocean Yield owned 93.05% of the unsecured bonds (ISIN NO 001 0356512, the "Bonds") issued by American Shipping Company ("AMSC") in 2007. The Bonds had a nominal value as of the end of 2014 of approximately USD 194.4 million and were held at book value of USD 180.9 million.

The FPSO Dhirubhai-1 showed stable and high utilization in 2014, with only minimal operational downtime. The operational utilization was 99.46% in 2014, which is a confirmation of the quality of the vessel and the operations.

FINANCIAL REVIEW

CONSOLIDATED FIGURES - INCOME STATEMENT

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31st December 2014.

Total revenues for the year 2014 was USD 249.3 million compared to USD 239.0 million for the year 2013. Operating Profit before depreciation and amortization was USD 216.7 million, compared to USD 207.7 million for the year 2013. Financial income was USD 59.8 million in 2014 compared to USD 19.7 million for 2013. Financial income includes interest earned and gain on the bonds issued by American Shipping Company AS, where Ocean Yield owns 93.05% of the bonds outstanding. A one-off pre-tax profit of USD 11.5 million was recognized in Q1 2014 on the bonds. The bonds carry a coupon of LIBOR + 6.00% per annum, of which 50% may be "Paid-in-Kind". The cash element payable on the bonds increases over time if the bonds are not refinanced within June 30th 2016. In addition financial income include net foreign exchange gains of USD 29.6 million, compared with a foreign exchange loss of USD 0.1 million in 2013. The gain in 2014 is mainly related to the appreciation of the USD against the NOK in the second half of the year.

Financial expenses were USD 72.7 million compared to USD 45.6 million for the year 2013. The increase in interest expenses is mainly related to loans for the financing of additional vessels and expenses in connection with the refinancing of Ocean Yield's bond loan and refinancing of bank debt. Financial expenses also include change in mark-to-market of derivatives, which was negative USD 22.5 million compared with negative USD 10.0 million in 2013. This is related to various interest rates swaps entered into in connection with the financing of vessels and a cross-currency interest rate swap for Ocean Yield's bond loan, where parts of the bond loan has been swapped from NOK into USD.

Net profit after tax for the year was hence USD 100.8 million, compared to USD 82.7 million for 2013. Basic and diluted earnings per share were USD 0.75 per share, based on a weighted average of 134.1 million shares outstanding in the year. This compares to basic and diluted earnings per share of USD 0.71 per share in 2013, based on a weighted average of 116.7 million shares outstanding during 2013.

BUSINESS SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. Ocean Yield's operating segments are as follows;

- *FPSO*
- *Other Oil Service*
- *Gas Carriers*
- *Car Carriers*
- *Other*

FPSO

Aker Floating Production, which owns and operate the FPSO Dhirubhai-1, reported Operating Revenues of USD 136.8 million in 2014, compared to USD 139.2 million for the year 2013. Operating profit before depreciation and amortisation was USD 111.7 million, compared to USD 116.1 million in 2013. Operating profit was USD 54.6 million, compared to USD 50.7 million in 2013. Net profit after tax for the year was USD 48.5 million, compared to USD 44.1 million in 2013. The operational utilization for the Dhirubhai-1 was 99.46% in 2014, compared

to 99.9% in 2013. The figure for 2014 includes a safety shutdown of 1.6 days in October 2014 in connection with the cyclone Hud-hud.

OTHER OIL SERVICE

The segment Other Oil Service consists of Ocean Yield's investments in offshore construction, seismic and anchor handling vessels that operate within the oil-service sector. More specifically, this is related to the subsea construction vessel Aker Wayfarer, the subsea construction and cable-lay vessel Lewek Connector, the seismic vessel Geco Triton (sold in December 2014), the anchor-handling-tug-supply vessels Far Senator and Far Statesman and the offshore construction and diving support vessel SBM Installer that was acquired in December 2014. Other Oil Service had total revenues of USD 100.0 million in 2014, compared to USD 99.8 million in 2013. Operating Profit before depreciation and amortisation was USD 99.7 million, compared to USD 99.4 million in 2013. Net profit after tax was USD 46.3 million in 2014, compared to USD 44.0 million in 2013.

GAS CARRIERS

Ocean Yield's investment in gas carriers is related to newbuilding contracts for three Liquefied Ethylene Gas carriers on long term charters. The newbuilding contracts were entered into in May 2014, and the vessels are scheduled for delivery during the second half of 2016. Hence, Operating Revenues in this segment were zero in 2014. Operating profit before depreciation and amortization was USD 0.0 million in 2014 and Net Profit after tax was negative USD 0.1 million.

CAR CARRIERS

Ocean Yield's investments in car carrier vessels are related to four vessels on long-term charters and two newbuilding contracts for vessels of 8,500 CEU capacity that are scheduled for delivery in January and April 2016. The newbuildings are chartered out on a bareboat basis for 12-years from delivery. Ocean Yield took delivery of four vessels during 2014, where two vessels were newbuildings and two vessels were built in 2010. Operating Revenues were 12.5 million in 2014 compared to zero in 2013. Operating profit before depreciation and amortization was USD 12.3 million compared to negative USD 0.1 million in 2013. Net profit after tax was negative USD 2.1 million in 2014 compared to negative USD 1.6 million in 2013. The Net Profit in 2014 was negatively affected by financial charges of USD 12.3 million, where USD 5.5 million was related to the refinancing of a loan facility and USD 4.4 million was related to negative mark-to-market of interest rate swaps in connection with the long term financing of the vessels.

OTHER

This segment includes all other investments, with the most significant being the bonds issued by American Shipping Company ASA, where Ocean Yield owns 93.05% of the bonds. AMSC bareboat charters ten vessels to Overseas Shipholding Group, Inc. ("OSG"). As this is a financial investment, there are no Operating Revenues related to this segment. Financial income related to the AMSC bonds was USD 18.0 million in 2014, compared to USD 17.3 million in 2013. In December 2013 AMSC carried out a recapitalization of the company where the bond loan agreement was amended. AMSC raised approximately USD 162 million in new equity, which was registered in January 2014 and at the same time the terms of the loan were amended. This substantially improved the credit quality of the counterparty for Ocean Yield and also improved the value of the bonds. Due to the significant changes in terms, the bonds under the amended bond loan agreement were considered to be a new loan, and the bonds under the old terms were thus derecognized on 3 January 2014. This resulted in a financial gain of USD 11.5 million (before tax) in 2014.

FINANCIAL POSITION AS OF DECEMBER 31 2014

The Ocean Yield Group had total assets as of December 31st 2014 of USD 1,810.9 million, compared to USD 1,672.2 million for 2013. Book Equity was USD 718.7 million, resulting in an equity ratio of 39.7 %. Cash and Cash equivalents at year end were USD 76.4 million and Total interest bearing debt was USD 994.6 million. Net interest bearing debt was USD 898.1 million, compared to USD 718.9 million in 2013.

CASH FLOW

Net Cash flow from operating activities was USD 183.3 million in 2014, compared to USD 156.5 million for 2013. The difference between the Operating profit before depreciation and amortisation of USD 216.7 million and Net cash flow from operating activities is mainly due to mobilisation fees, advances and deferred revenue of USD 11.0 million recognized for the year, other financial expenses of USD 2.4 million, net interest paid of USD 27.5 million, taxes paid of USD 0.5 million and net change in working capital of USD 8.1 million. Cash flow from investing activities was negative USD 373.7 million for the year, compared to negative USD 260.0 million for 2013, as a result of investment in two car carriers and one offshore construction vessel. In addition, the Company has paid instalments on the three ethylene gas carriers, final instalments in relation to delivery of two car carriers during 2014 and further instalments on two newbuilding car carriers under construction with delivery in 2016. Net cash flow from financing was USD 135.0 million, compared to USD 133.6 million for 2013. This includes repayment of debt of USD 281.5 million, payment of dividends of USD 69.1 million and new debt of USD 474.0 million in the year. This compares to issuance of new long term debt of USD 178.7 million, repayment of debt of USD 132.3 million, dividends of USD 56 million and new equity of 143.3 million in 2013. Net cash flow for the year 2014 was negative USD 55.4 million, resulting in cash and cash equivalents of USD 76.4 million at the end of the year. The Company's operating cash flow is sufficient to cover ordinary instalments under the Company's debt facilities. The Company normally finances new investments with a combination of debt and equity, where the operating cash flow from each new investment is sufficient to cover the debt assumed for the relevant project. In addition, the Company had USD 20.1 million of restricted cash deposits. The Group held no marketable securities at the end of the year. The Group has remaining capital expenditure commitments related to its newbuildings of USD 393.5 million, where a total of USD 395.9 million of bank financing is estimated. Of this, USD 144.5 million has already been secured.

PARENT COMPANY – OCEAN YIELD ASA

The net profit after tax for the parent company Ocean Yield ASA was USD 57.9 million for the year 2014 compared to USD 37.5 million for the year 2013. The result is mainly due to dividends from Ocean Yield's subsidiaries. Total assets were USD 1 061.2 million and total equity was USD 682.8 million resulting in an equity ratio of 64% in the parent company. Total long-term debt was USD 320.3 million, of which USD 37.2 million is long-term debt to Group companies.

PRESENTATION OF ANNUAL ACCOUNTS

Ocean Yield's annual accounts comprise the following main parts: income statement, total comprehensive income, balance sheet, cash flow statement, change in equity and a summary of significant accounting policies and other explanatory information for the Ocean Yield Group and its parent company Ocean Yield ASA. Ocean Yield's consolidated Group financial statement has been prepared and presented in accordance with International Financial Reporting Standards (IFRS), adopted as accounting standards by the EU. The financial statements of the parent company Ocean Yield ASA have been prepared and presented in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

GOING CONCERN ASSUMPTION

Pursuant to section 3-3a of the Norwegian accounting act, it is confirmed that the annual accounts have been prepared based on the assumption that Ocean Yield is a going concern and the Board confirms that this assumption continues to apply.

FINANCING

During 2014, the Company entered into several new debt agreements.

In June 2014, Ocean Yield entered into a USD 250.0 million term loan and revolving credit facility with a group of banks, related to the company's six car carriers, of which two are still under construction.

In December 2014, Ocean Yield entered into an agreement with two banks for a loan of up to USD 110 million. The purpose of the loan was to provide long-term financing for the acquisition of the offshore construction and diving support vessel "SBM Installer".

In December 2014, the Company entered into an agreement with a bank to increase an existing loan facility with another USD 50.5 million. The facility is secured against the FPSO "Dhirubhai-1" and has maturity in September 2018.

EVENTS AFTER THE BALANCE SHEET DATE

In January 2015, Ocean Yield agreed with the banks financing the Aker Wayfarer to convert the existing loan facility from NOK into USD. The loan was converted at a USD/NOK exchange rate of 7.70, resulting in a total of USD 107.1 million outstanding under this loan facility at the time of conversion.

In January 2015 certain members of senior management have acquired through a share issue a total of 353,385 shares in the Company. The acquisition of shares was made as part of the Company's management incentive program.

RISK AND RISK MANAGEMENT

MARKET RISK

All of Ocean Yield's vessels are on long-term contracts and are hence not directly exposed to short- or medium-term market risk, as these contracts typically have a fixed charter rate throughout the entire period. The Company is, however exposed to market risk and residual value risk related to its vessels upon expiry or renewal of a charter contract.

OPERATING RISK

As most of Ocean Yield's vessels are on bareboat charter contracts, the Company is not exposed to operating risk for these vessels, as this is the responsibility of the charterer. However, for the FPSO "Dhirubhai-1", the Company is responsible for the operations and maintenance of the vessel and hence has full operating risk. The operational utilization for the "Dhirubhai-1" was 99.46% in 2014, compared to 99.9% in 2013. The figure for 2014 includes a safety shutdown of 1.6 days in October 2014 in connection with the cyclone Hud-hud. In addition we have performance risk on the shipyards responsible for the construction related to our newbuildings.

FINANCIAL RISK

Ocean Yield's strategy is to mitigate financial risk, where appropriate, using derivative instruments. This is mainly related to interest rate risk and currency risk. The Company will enter into fixed interest rate agreements for portions of its debt facilities from time to time, in order to protect the Company's dividend capacity from large fluctuations in interest rates. The ratio of fixed interest rate contracts to its total debt portfolio may vary from time to time, depending on the Company's view of the market.

Ocean Yield's financial accounts are presented in USD and most of its revenues are denominated in USD, hence there is limited currency exchange risk in the Company. However, two of the vessels, "Far Senator" and "Far Statesman" are on long term bareboat charter contracts which are denominated in NOK. The bareboat contract for the vessel "Aker Wayfarer" was previously denominated in NOK, but approximately 70% of the charter rate has been converted to USD with effect from January 2015. The investment in bonds in American Shipping Company ASA was also denominated in NOK up until year-end 2013, but this has with effect from January 3rd 2014 been changed into USD. Ocean Yield's bond loan of NOK 1 000 million is issued in NOK. In order to reduce some of the currency effect related to the bond loan Ocean Yield has entered into an interest and currency swap with maturity in 2017, where NOK 590 million has been swapped from NOK to USD In addition, the Company has some exposure to NOK through office rental expenses and salaries for Norwegian personnel at its head office in Oslo. Through Aker Floating Production AS, the Company has some exposure to Indian Rupees for expenses locally in India. As such, Ocean Yield may from time to time, enter into derivative contracts in order hedge currency risk related to its fixed revenues.

COUNTERPARTY RISK

Ocean Yield has inherent credit risk through the fact that a counterparty may not be able to meet its obligations under a long term charter contract. In order to mitigate this, the Company charters out the vessels to internationally well recognized companies within the shipping and offshore industry, where several of them are listed on international stock exchanges and have a public rating. Ocean Yield strives to do business with companies that are leading in their sector and adhere to the highest level of operational quality. Compliance with international sanction provisions and international laws and regulations is a pre-requisite for all our counterparties.

Ocean Yield also has credit risk related to its trade receivables. In addition, the Company has credit risk exposure related to the bonds in AMSC. AMSC raised approximately USD 162 million in new equity in December 2013, which substantially improved the credit quality of the counterparty for Ocean Yield and also increased the value of the bonds. The Company's cash and cash equivalents are placed with major international banks with strong credit ratings.

SUSTAINABILITY

Ocean Yield's activities are exposed to sustainability challenges and opportunities in the areas where we operate and through our supply chain. Compliance with national, regional and international rules, laws and conventions is self-evident in Ocean Yield, but business ethics and sustainability extend beyond compliance. These efforts build trust among our stakeholders, which is vital to our business. We shall strive to conduct our business in a way that makes people proud to work with, and for, Ocean Yield.

The section 3-3c in the Norwegian Accounting Act requires that large companies account for their efforts to integrate corporate social responsibility in their business strategies and day-to–day operations. Ocean Yield ASA has chosen to report on its efforts to integrate human rights, labour standards, the environment and anti-corruption measures in a separate document in the Annual Report 2014 approved by the Board of Directors, see page 32 Sustainability in Ocean Yield. The document also covers the requirements set out in section 3-3a, paragraph 9, 10 and 12 in the Norwegian Accounting Act. The assessment encompasses Ocean Yield ASA and subsidiaries consolidated into the Group accounts.

CORPORATE GOVERNANCE

The Company has adopted and implemented a corporate governance regime which, in all material respects, complies with the Norwegian code of practice for Corporate Governance Code. A Copy of the Corporate Governance Statement can be found on the Company's web site, www.oceanyield.no

RESEARCH AND DEVELOPMENT

Ocean Yield has not engaged in research and development during 2014.

ALLOCATION OF PROFIT AND DIVIDEND FOR OCEAN YIELD ASA

In 2014, Ocean Yield has paid USD 69.1 million in dividends. A dividend of USD 0.1425 per share, or USD 19.1 million in total, was approved by the Board of Directors on February 25th 2015. This was paid on March 12th 2015 and is reflected in the accounts of the parent company Ocean Yield ASA.

The Board of Directors proposes the following allocation of net profit: USD 71.8 million in dividends and USD 13.9 will be transferred from retained earnings.

FUTURE PROSPECTS

Ocean Yield has 100% of its vessels on long-term charter. With the planned delivery of two car carriers with long-term employment to Höegh Autoliners in 2016 and three gas carriers on long term charter to Hartmann/SABIC towards the end of 2016, in addition to the modification of one vessel, the Company expects to see growth in EBITDA of about 30% once all vessels are delivered. Despite the fact that some of the shipping and oil-service segments may be challenging in 2015, we believe it may also provide interesting opportunities where long-term contracts with strong counterparties may be secured. With a substantial contract backlog and a strong balance sheet the Company should be well positioned to continue to pay attractive and increasing quarterly dividends going forward.

OSLO, 19 MARCH 2015
OCEAN YIELD ASA

TROND BRANDSRUD CHAIRMAN	**KJELL INGE RØKKE** DIRECTOR	**JENS ISMAR** DIRECTOR
ANNE-CHRISTIN DØVIGEN DIRECTOR	**ANNICKEN GANN KILDAHL** DIRECTOR	**LARS SOLBAKKEN** CEO

FPSO

Key information Dhirubhai-1

Design life	Years	20
Living quarter	Beds	104
Production capacity oil	Bpd	60 000
Production capacity gas	Mill sm3/d	9
Injection capacity gas	Mill sm3/d	3
Storage capacity	Mill bbls	1.3
Well	no	7

AKER FLOATING PRODUCTION AS

ANOTHER YEAR OF STABLE PERFORMANCE

Aker Contracting FP ASA converted the Suezmax tanker Polar Alaska into the Floating Production Storage and Offloading (FPSO) unit Dhirubhai-1 (DB-1) in 2007-2008. The FPSO is chartered out to the Indian oil company Reliance Industries Ltd. (RIL) for a firm period of 10 years. The contract is split between a Bareboat-charter contract and an Operations and Maintenance contract. Aker Contracting FP ASA is the formal owner of DB-1 and is the party to the Bareboat charter contract, while AFP Operations AS is managing the Operation and Maintenance Contract. Both companies are 100% owned by the holding company Aker Floating Production AS. Until March 2012, Aker Floating Production AS was a public company listed on the Oslo Stock Exchange. As from March 2012, the company delisted and is today 100% owned by Ocean Yield ASA. The objective of Aker Floating Production AS is to manage the ownership of DB-1 and the related contracts and agreements.

DB-1 is located off the east coast of India, 52 km from the city of Kakinada in the Indian state Andhra Pradesh. Reliance Industries Ltd. is the operator of the gas/condensate/oil field called the MA-field, located within the KG-D6 block. Reliance has a 60 % share in the license while the partners BP and Niko Resources have a 30% and 10% share, respectively. DB-1 started production on 21st September 2008.

ORGANISATION

DB-1 is operated and managed by an integrated organization. Aker Floating Production has through continuous focus on health, safety, security, environment and quality (HSEQ) and criticality analysis developed a robust operation with an excellent track record.

DB-1 is managed from Aker Floating Production's offices in Oslo, Norway. The onshore organization includes 13 people at the Oslo office and 12 people employed by a third party management company in the Kakinada base facility. The base has successfully supported DB-1 with all logistical needs on a "24/7" basis and handles all materials and personnel movements to and from the FPSO.

Through real time transfer of data and by use of an integrated management system, efficient and timely support is offered to DB-1 around the clock from the onshore organizations. A total of 101 people employed through a crewing agent are working on-board the DB-1 on a rotational basis. Operational personnel on board at any one time are 60-65 persons, including catering and service personnel. The employees in Oslo are Norwegian nationals while the employees at the base organisation in Kakinada are Indian nationals. The offshore personnel are mainly Indian and Polish nationals. To maintain the HSEQ and utilisation track record, the organisation is focusing on proactive identification of potential future operational and maintenance challenges, in combination with relevant training.

DB1 OPERATIONS

The technical average uptime in 2014 was 99,46% including 1.6 days of shutdown in October 2014, which reflects the high degree of facility maintenance and operational management performance. Once again, the robustness of the facility and the quality of the operations are confirmed. In October 2014, the FPSO was shut down for 1.6 days as a safety precaution, in relation to the cyclone Hud-Hud, which caused adverse weather conditions. Inspection verified that the cyclone did not cause any damage to DB-1 and production resumed accordingly. In 2014, an extensive compressor maintenance program was executed. So far it has been completed successfully, well within the planned duration, and without any incidents or impact to uptime. For 2015, a three-day production shutdown is planned for maintenance.

Annual surveys were completed by DNV GL and IRS in July 2014 while annual inspection by the flag state was completed in October. All Class and flag state certificates are through these audits revalidated without any conditions.

COMMERCIAL

The contract with Reliance runs for 10 years and expires on 20th September 2018. RIL has the option to purchase the DB-1 at any time during the contract period, with the final option being USD 255 million in 2018. There is no option for extension of the present contract beyond September 2018. The total operating revenue in 2014 was USD 136.8 million. The EBITDA was USD 111.7 million. A total of USD 72.7 million was made in loan repayments during the year. Interest bearing debt as of 31st December was USD 213.0 million and the book value of the Dhirubhai-1 was USD 497.6 million, including goodwill of USD 38.3 million.

SUCCESSFUL
VESSEL DELIVERIES

The Höegh Jacksonville under the naming ceremony in Hamburg, April 2014.

During 2014, Ocean yield took delivery of two newbuilding car carriers from Daewoo Shipbuilding and Marine Engineering's shipyard in Romania, Daewoo Mangalia Heavy Industries (DMHI). Hull 4401, was named "Höegh Jacksonville" and was delivered on April 30th 2014. Hull 4402 was named "Höegh Jeddah" and was delivered on September 4th 2014. Both vessels are chartered to Höegh Autoliners on 12-year bareboat charters. Höegh Autoliners has previously taken delivery of a series of 10 PCTCs from DSME and the two vessels were built based on the same specifications, with relevant updates.

The naming ceremony of the Höegh Jacksonville took place in Hamburg, Germany while the naming ceremony of the Höegh Jeddah took place in Mangalia, Romania.

ETHYLENE NEWBUILDINGS

In May 2014, Ocean Yield entered into three newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany. Hartmann has sub-chartered the vessels for a 10-year period on time charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC.

SABIC announced in 2014 that they will upgrade their cracker at Teeside, United Kingdom, to using ethane from the U.S. as feedstock. The cracker upgrade is scheduled to be completed during 2016. The three gas carriers will be used for the shipments of ethane from the US to the UK post the conversion of the cracker, and Hartmann will conduct full vessel operations.

This project marked Ocean Yield's entry into the gas segment and was made possible through the collaboration with the Hartmann Group of Germany. The vessels will be the world's first ethane fuelled eco-friendly gas carriers fitted with a new "Star-Trilobe"-tank, which allows for an increase in cargo capacity by nearly 30%, reducing shipping costs through economies of scale for the end-user. The design of the vessels is also innovative, as Hartmann, in co-operation with engineering consultants HB Hunte Engineering developed a unique, new type of vessel; Ethylene Carrier ECO STAR 36K with „Svelte"-bow design.

The new vessel type differs fundamentally from conventional gas carriers: As the first of its kind, its superstructures will be located at the bow. This results in optimized distribution of weight and, therefore, a reduced demand for ballast water – which again leads to reduced fuel consumption and emissions. The new "Svelte" bow design enables the vessel to improve seakeeping at higher transit speeds and improved fuel efficiency.

The latest generation of the MAN B&W dual fuel 2-stroke engine on diesel combustion principle will be installed on board these ships. This type of engine is characterized by its particularly high reliability and low fuel consumption. Its low emissions meet the requirements of IMO Tier II.

ECO STAR 36K will be able to operate on HFO, MDO and gas oil, as well as LNG, and, as a world novelty, on ethane. Furthermore, it can utilize the boil-off gas from its cargo. The vessel's autonomous gas fuel tanks are constructed for ethane and LNG and enable an operating range of about 10,000 nautical miles. Additionally, the novelty design encompasses heavy fuel tanks for the same distance. If necessary, it is possible to switch over from gas to diesel operation and vice versa immediately.

FLEET OVERVIEW

FAR SENATOR AND FAR STATESMAN

Vessel type:	*Anchor Handling Tug Supply (AHTS)*
Built:	*Far Senator delivered in March 2013, and Far Statesman delivered in June 2013*
Key features:	
LOA:	*87.4m*
Breadth Moulded:	*21m*
Main Engines:	*2 x 4500KW + 4 x 2230KW = 24371.2BHP*
Gross tonnage:	*6107mt*
Deck dimensions:	*754.72m²*
Bollard pull:	*258mt*
Yard:	*Vard Langsten*

The Farstad AHTSs are high-end AHTS vessels built at Vard Langsten, Norway. The first vessel, the Far Senator, was delivered in March 2013 and the second vessel, the Far Statesman, was delivered in June 2013. The vessels are specially designed for towing and anchoring of rigs and other offshore installations. The table above sets out certain key technical data relating to the vessels. Both vessels are chartered out long-term to Farstad Supply AS.

LEWEK CONNECTOR

Vessel type:	*Ultra deepwater multi-purpose, flex-lay subsea construction vessel / DP3.*
Built/converted:	*2011*
Key features:	*• 2 subsea cranes (400mt/100 mt capacity) • Carousels, 6 000 mt above deck • 3 000 mt below deck • DP3 • 140 people accommodation • 2100m² deck area • 156.9 meters length • 32 meters width*
Yard:	*STX*

The Lewek Connector is a large and sophisticated subsea construction vessel. The vessel is equipped for subsea installation in harsh environments and can operate down to 3,000 meters water depth. It is further outfitted with Dynamic Positioning, class 3 (DP3) technology for operations in harsh environments. The Lewek Connector is able to install power cables and umbilicals, using its two heave-compensated offshore cranes and a vertical lay system with pay-load capacity of 9,000 tons. The table above sets out certain key technical data relating to the vessel.

AKER WAYFARER

Vessel type:	*Multi-purpose construction vessel*
Built/converted:	*2010*
Key features:	*• 2 subsea cranes (400mt/100mt capacity) • DP3 • 140 people accommodation • 2 210 m2 deck area.*
Yard:	*STX, Langsten*

The Aker Wayfarer is an offshore construction vessel designed for ultra-deepwater with state of the art equipment. The vessel is environmental friendly with low fuel consumption, low exhaust emissions, and has precautions in accordance with DNV GL's "Clean" class requirements incorporated into the vessel design. The size and transit speed of the 157 meter long vessel along with DP3 and IMO MODU code classification makes for a secure and flexible working platform with a large operational window for installation and construction work in rough weather conditions around the world. The table above sets out certain key technical data relating to the vessel.

HÖEGH JACKSONVILLE/HÖEGH JEDDAH

Vessel type:	*Pure Car and Truck Carrier (PCTC)*
Built:	*Höegh Jacksonville was delivered in April 2014 and Höegh Jeddah was delivered in September 2014*
Key features:	*6 500 car capacity*
Yard:	*Daewoo Mangalia Heavy Industries S.A.*

The Höegh Jacksonville and Höegh Jeddah are PCTCs with 6,500 car capacity. The vessels were built at Daewoo-Mangalia Heavy Industries S.A., Daewoo Shipbuilding & Marine Engineering's shipyard in Mangalia, Romania. The charterer, Höegh Autoliners, has previously taken delivery of a series of ten PCTCs from Daewoo Shipbuilding & Marine Engineering, and the two vessels were built based on the same specifications with relevant updates. The vessels were successfully delivered in April and September 2014, respectively. The table above sets out certain key data relating to the vessels.

HÖEGH XSI462E / XSI462F

Vessel type:	*Pure Car and Truck Carrier (PCTC)*
Built:	*To be delivered in 2016*
Key features:	*8 500 car capacity*
Yard:	*Xiamen Shipbuilding Industry Co. Ltd*

The Höegh XSI462E and XSI462F are PCTCs with 8,500 car capacity. The vessels are being built at Xiamen Shipbuilding Industry Co. Ltd. in China. The charterer, Höegh Autoliners, has previously taken delivery of a series of five PCTCs from Xiamen Shipbuilding Industry Co. Ltd. The vessels are expected to be delivered in 2016. The table above sets out certain key data relating to the vessels.

HÖEGH BEIJING / HÖEGH XIAMEN

Vessel type:	*Pure Car and Truck Carrier (PCTC)*
Built:	*2010*
Key features:	*4,900 car capacity*
Yard:	*Xiamen Shipbuilding Industry Co. Ltd*

The Höegh Beijing and Höegh Xiamen are PCTCs with 4,900 car capacity. The vessels were delivered from Xiamen Shipbuilding Industry Co. Ltd ("Xiamen") in 2010 and were acquired by Ocean Yield from Höegh Autoliners ("Höegh") in June 2014. The vessels are chartered on 8-year "hell and high water" bareboat charter contracts to Höegh Autoliners ("Höegh") until June 2022. The table above sets out certain key data relating to the vessels.

LEG CARRIERS (S1034/1035/1036)

Vessel type:	*Ethylene gas carriers*
Built:	*To be delivered in 2016*
Key features:	*36,000 cbm*
Yard:	*Sinopacific Offshore & Engineering, China*

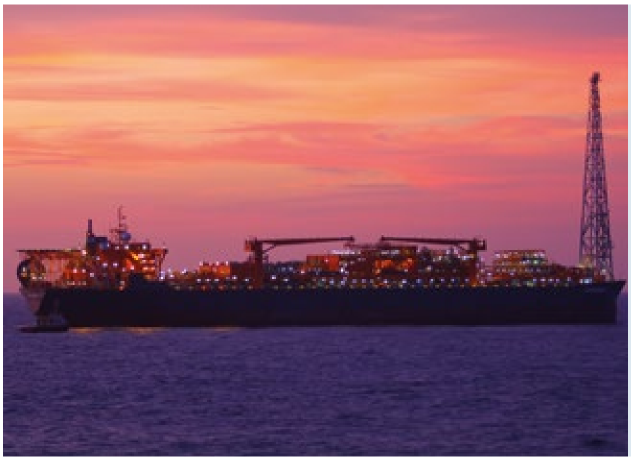
Ocean Yield has entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany, where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a 10 year period on Time Charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC. The table above sets out certain key data relating to the vessels.

SBM INSTALLER

Vessel type:	*Offshore construction and diving support vessel*
Built:	*2013*
Key features:	*DP 3 class, 275 ton crane, 100 people accommodation , 12 man saturated diving system*
Yard:	*Keppel Singmarine, Singapore*

Ocean Yield has acquired the diving support and offshore construction vessel "SBM Installer". The vessel, which was built by Keppel Singmarine, Singapore, in 2013, was delivered to the company in December 2014. The vessel will be chartered back to SBM Holding ("SBM") for a fixed period of 12 years on a "hell and high water" bareboat contract. Ocean Yield has established a single purpose company for the ownership of the vessel, in which SBM will own 25%. SBM provides floating production solutions to the offshore energy industry, over the full product life-cycle. The table above sets out certain key data relating to the vessel.

DHIRUBHAI-1



Vessel type:	*FPSO*
Built/converted:	*2008*
Key features:	
Water depth:	*1200 meters at FPSO location*
Mooring:	*Disconnectable turret*
Oil Production Capacity:	*60 000 bopd*
Gas Export Capacity:	*300 mmscufd (9 million cbm/d)*
Yard:	*Jurong Shipyard*

The Dhirubhai-1 is an FPSO which is operating offshore on the east coast of India at 1,200 meters water depth. More than 60 people have their daily working place on the vessel. The vessel was converted from an oil tanker into an FPSO in 2008. For further information, see separate chapter regarding the FPSO within this annual report. The table above sets out certain key technical data relating to the vessel.


INSTALLER

MANAGEMENT

LARS SOLBAKKEN

CEO

Before joining Ocean Yield, Mr. Solbakken served as CEO of Norwegian Car Carriers ASA from 2009 through March 2012. From 2006 to 2009 he served as CEO of Ship Finance Management AS and through that position, he also served as CEO of Ship Finance International Limited. In the period from 1997 through 2006, Mr. Solbakken was employed as General Manager of Fortis Bank in Norway and was also responsible for the bank's shipping and oil service activities in Scandinavia. From 1987 to 1997, Mr. Solbakken served in several positions in Nordea Bank (previously Christiania Bank). He was Senior Vice President and Deputy for the shipping and offshore and aviation group, head of equity issues and merger and acquisition activities and General Manager for the Seattle Branch. Prior to joining Nordea Bank, Mr. Solbakken worked five years in Wilh. Wilhelmsen ASA as Finance Manager. Mr. Solbakken has a Master of Science degree from the Norwegian School of Economics (NHH).

EIRIK EIDE

CFO

Before joining Ocean Yield, Mr. Eide served as CFO of Ship Finance Management AS, and through that position, he served as CFO of Ship Finance International Ltd. Mr. Eide has approximately 17 years' experience from shipping and finance. His employment background includes the position as Head of Shipping and Corporate Finance at Orkla Finans AS, Director Fortis Bank (Nederland) N.V., Oslo Branch and Senior Vice President, DnB NOR (Oslo and London). Mr. Eide has a Master of Science degree from the Norwegian School of Management (BI).

OTHER KEY PERSONNEL

AXEL BUSCH-CHRISTENSEN

VP INVESTMENTS

Before joining Ocean Yield, Mr. Busch worked in McKinsey & Company as a consultant serving primarily the oil and gas industry. Prior to McKinsey Mr. Busch worked with M&A in Carnegie, a Nordic investment bank. Mr. Busch has a bachelor degree from the Norwegian School of Economics (NHH). Prior to his bachelor Mr. Busch attended the Petty Officer School of the Norwegian Royal Navy.

MARIUS MAGELIE

VICE PRESIDENT

Before joining Ocean Yield, Mr. Magelie worked in the Nordic investment bank ABG Sundal Collier since 2008 as an equity analyst and later as partner, focusing on companies and sub-sectors within the shipping and cruise industry. Prior to ABGSC, Mr. Magelie worked with equity research in Kaupthing, a Nordic investment bank. Mr. Magelie has a Master of Science in Financial Economics from Norwegian School of Management (BI).

KRISTINE KOSI

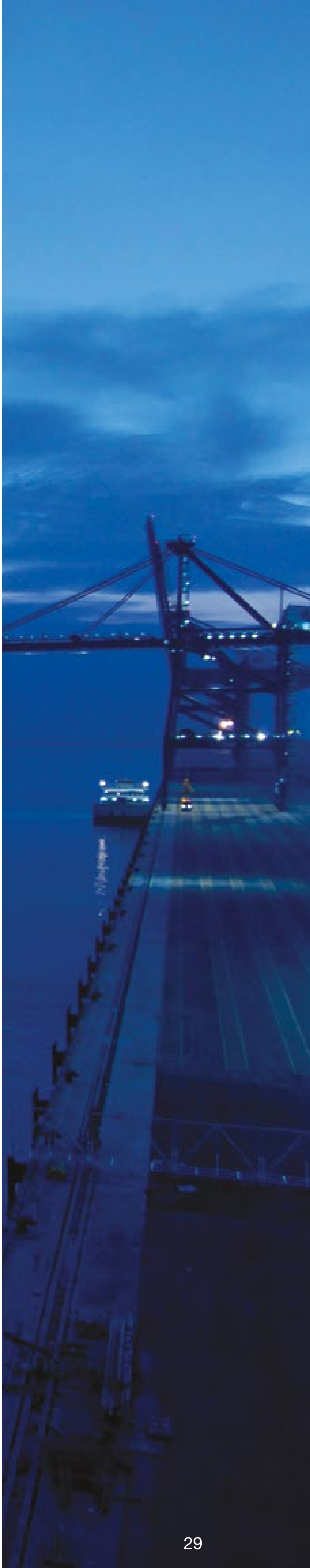
CHIEF ACCOUNTING OFFICER

Before joining Ocean Yield, Ms. Kosi was Group Accounting Manager in Umoe AS, an investment company involved in industrial investments, shipping, food production and catering. Before that she worked as Senior Associate with PwC AS, working as an auditor. Ms. Kosi has a Master of Science degree from the Norwegian School of Management (BI) and is a Chartered Accountant.

HÅVARD GARSETH

MANAGING DIRECTOR
– AKER FLOATING PRODUCTION AS

Mr. Håvard Garseth is Managing Director of Aker Floating Production. Previously he was the company's Senior Vice President and Operation Manager and Project Manager for the FPSO Dhirubhai-1. Prior to this he has held various positions in Vetco Aibel (2000 – 2006) most recently as Manager Projects and Services, in Technology and Products department. He has also worked in Shell International (Holland, Oman and Djibouti) and Saga Petroleum in Norway. He is a graduate of the University of Science and Technology (NTNU) in Trondheim and holds a Master Degree (Msc) in Petroleum Engineering.



BOARD OF DIRECTORS

TROND BRANDSRUD

CHAIRMAN

Trond Brandsrud joined Aker ASA in April 2010 after three years as CFO in Seadrill Limited. Prior to joining Seadrill in 2007, Mr. Brandsrud worked for Royal Dutch Shell for more than 20 years. At Shell, he held several key finance positions in Norway as well as internationally. He also has extensive experience from major offshore field development projects and held several senior management roles in Shell's upstream and downstream sectors. Mr. Brandsrud has a MSc degree from the Norwegian School of Economics (NHH).

KJELL INGE RØKKE

DIRECTOR

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke owns 67.8 percent of Aker ASA through The Resource Group TRG AS and subsidiaries which he co-owns with his wife. Mr. Røkke is currently chairman of Aker ASA, director of Aker Solutions, Kværner, Akastor and Det norske oljeselskap.

ANNE-CHRISTIN DØVIGEN

DIRECTOR

Anne-Christin Døvigen is a consultant to Tufton Oceanic (Middle East) Ltd, a fund management firm. Mrs. Døvigen has extensive experience from the international investment banking industry and has held senior positions at JPMorgan, HSBC and Jefferies International. Mrs. Døvigen has throughout her professional career worked on a number of capital markets and other investment and corporate banking transactions within the maritime sector. She holds a Bachelor with Honours in Economics and Finance from Strathclyde University in Scotland.

JENS ISMAR

DIRECTOR

Jens Ismar is the CEO of Western Bulk ASA a Norwegian stock-listed dry bulk company with a commercially controlled fleet of over 120 vessels. Mr. Ismar has a long and diversified background from the shipping industry. Before joining Western Bulk in September 2008, he was with BW Gas as Director for the Chartering and Operations Division. He has also been employed by Inge Steensland AS, Stemoco Shipping AS and Lorentzen & Stemoco AS. Mr. Ismar has a Bachelor of Business Administration from the Lund University in Sweden.

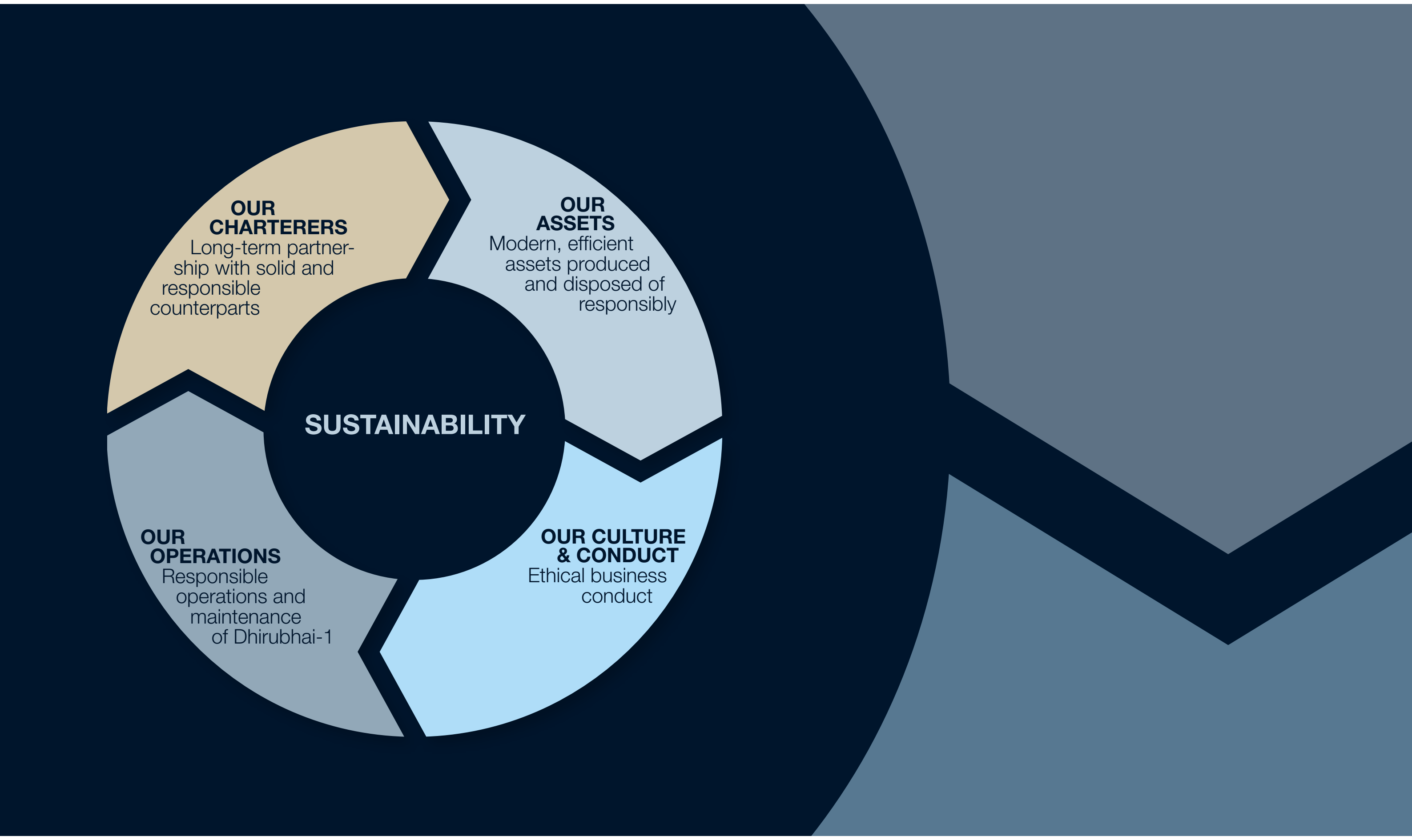
ANNICKEN GANN KILDAHL

DIRECTOR

Annicken Gann Kildahl is the CFO at Grieg Star, a Norwegian shipping company with one of the world's largest open hatch fleets. Mrs. Kildahl has held the position as CFO since 2003 after joining the Grieg Group in 2000. Mrs. Kildahl has extensive experience in corporate finance, asset management and international financing, primarily in relation to the shipping industry. She has previously held positions in the shipping department in Sparebanken NOR and the Torvald Klaveness Group. Mrs. Kildahl has a Master of Business and Economics from the Norwegian School of Management (BI) and is an authorised finance analyst (AFA) from the Norwegian School of Economics (NHH).

SUSTAINABILITY

IN OCEAN YIELD



Compliance with national, regional and international rules, laws and conventions is self-evident in Ocean Yield, but business ethics and sustainability extend beyond compliance. These efforts build trust among our stakeholders, which is vital to our business. We shall strive to conduct our business in a way that makes people proud to work with, and for, Ocean Yield. Ocean Yield's responsibilities and sustainability challenges are defined within four key areas (as illustrated in figure 1):

- *ASSETS - Modern, efficient assets produced and disposed of responsibly*
- *CHARTERERS - Partnering with solid and responsible counterparts*
- *CULTURE & CONDUCT - Ethical business conduct*
- *OPERATIONS - Responsible operations and maintenance of Dhirubhai-1*

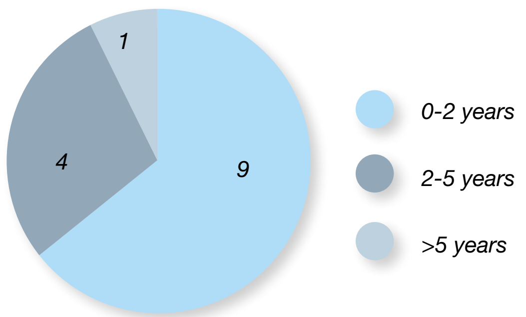
OUR ASSETS

PRINCIPLES

We shall aim to ensure that our assets are:

- *Modern and efficient. This implies that they make use of the latest technology, and are developed to meet ever growing challenges related to environmental impacts and resource efficiency*
- *Produced responsibly. Our vessels shall be built by reputable shipyard partners that have high standards for environmental management, as well as workers' safety, rights and wellbeing.*

THE AGE OF OUR FLEET



EFFORTS AND RESULTS

OUR FLEET

Our fleet as of year-end 2014 consists of modern and efficient vessels carrying the world recognized DNV GL classification. As illustrated in the figure above our fleet consists of young vessels, where the majority is built within the last two years. The fleet consists of a diverse range of vessel types including: Pure Car/Truck Carriers (PCTCs), Offshore Construction Vessels (OCVs), Anchor Handling Tug Supply (AHTS) vessels, a Floating Production Storage and Offloading (FPSO) vessel and three Liquid Ethane Gas (LEG) vessels under construction. All of our vessels are on long term bareboat charters except for the FPSO Dhirubhai-1, where Ocean Yield also has the operating responsibility.

OUR REVOLUTIONARY LEG CARRIERS

The 3 new ECO STAR 36K's, under construction by Sinopacific Offshore & Engineering for SABIC, come with a multitude of environmental and efficiency innovations. These include the "Star-Trilobe" tank allowing an increase in cargo capacity by nearly 30%, reducing shipping costs through economies of scale. Unlike conventional gas carriers the superstructures of the ships are located at the bow, optimizing weight distribution which reducing ballast water demand and therefore increases fuel efficiency. Furthermore the "Svelte" bow design improves fuel efficiency even further at higher speeds. The most novel feature of the ship is its ability to utilize MDO, HFO, LNG and even ethane in its clean burning MAN B & W dual fuel 2 stroke engine. This allows for versatility in fuel supply and low GHG emissions when running on LNG or ethane.

For more information see page 21.

SHIP BUILDING

We choose reputable shipyard partners from around the world. Currently we have 5 new vessels under construction in China. These include two large 8500 car capacity PCTCs being built by Xiamen Shipbuilding Industry Co. for Höegh Autoliners, and three innovative liquid ethane carriers (LEGs) being built by Sinopacific Offshore & Engineering for Hartmann/SABIC. We have a responsibility for the conditions in which these vessels are being built, and therefore we only work with reputable suppliers. The contracts themselves include requirements regarding the high quality of the vessels, which must be delivered in accordance with the agreed specifications such as dead weight, fuel efficiency and speed. During construction we carry out audits in cooperation with our chartering partners to ensure that our requirements are met.

AMBITIONS

We aim to continue to invest in modern, fuel efficient vessels with eco-design where possible, in partnership with charterers that focus on their environmental responsibility, in order to minimize any negative impact on the environment.

OUR CHARTERERS

PRINCIPLES

We shall aim to build partnerships with our charterers:

- *That are long term*
- *With solid counterparts. This also implies that our partners are responsible and conduct their business with integrity. We will conduct thorough due diligence of potential partners, assessments that shall include considerations of reputability, trustworthiness and their approach to management of environmental and social issues.*
- *With clear expectations with regards to responsible conduct. These expectations shall include maintenance of the vessels, management of environmental impacts and compliance with any oil pollution laws and environmental laws and regulations, and relations and interaction with sanctioned countries including war zones.*

EFFORTS AND RESULTS

We make efforts to ensure that our counterparts are solid and responsible. Part of these efforts is a thorough due diligence of the solidity, trustworthiness and reliability of the potential counterparts. All of our counterparts are well reputed and manage sizeable fleets.

We are committed to ensuring that our partnerships are long term. As of year-end 2014 average remaining contract tenor (weighted by EBITDA) was 9.5 years. An overview of our partners and the tenor of the contract can be found in in the table on the next page.

Our bareboat contracts places clear expectations on appropriate use and maintenance of our vessels. This is not only to maximize the useful lives of the vessels through good upkeep, but it also rules out illegal or dangerous activities such as use in areas of violent conflict. Vessels must be kept in safe working order in compliance with international conventions, codes and regulations including the International Convention for Safety of Life at Sea 1974 (SOLAS), the STCW 95, the ISM Code and the ISPS Code. Vessels must also be insured against damage by the counterparty and at all times be in compliance with laws and regulations including environmental laws and regulations. This includes the counterparty taking full responsibility in the event of an environmental pollution incident such as an oil spill.

Overview of our counterparties:

Counter-party	Vessels (Fixed dayrate until)	Summary of Counterpart
Höegh Autoliners	Höegh XS1462F (2028) Höegh XS1462E (2028) Höegh Jeddah (2026) Höegh Jacksonville (2026) Höegh Beijing (2022) Höegh Xiamen (2022)	Operates around 60 PCTCs managed from a worldwide network of around 20 offices in four regions. Customers include global manufacturers of new cars, heavy machinery and rolling goods. In 2013, carried about 2 million car equivalent units (ceu) and made over 3500 port calls.
SBM Offshore	SBM Installer (2026)	SBM Offshore is a leader in floating production and mooring systems, production operations as well as terminals and services.
AKOFS Offshore (Akastor)	Wayfarer (2027)	Akastor is a Norway-based oil-services investment company with a portfolio of industrial holdings, real estate and other investments.
Hartmann/SABIC	LEG Carrier- S1034 (2026) LEG Carrier- S1035 (2026) LEG Carrier- S1036 (2026)	Hartmann Reederei is a Germany based shipping company managing more than 30 gas carriers and many other vessels such as containers and bulkcarriers. SABIC Petrochemicals BV, a subsidiary of SABIC, one of the world's leading manufacturers of chemicals, fertilizers, plastics and metals.
Farstad Supply	FAR Senator (2025) FAR Statesman (2025)	Farstad is a Norwegian based provider of specialized offshore tonnage to the oil and gas industry, managing 65 vessels.
EMAS/Ezra Holding	Lewek Connector (2022)	EMAS is a global offshore contractor with a modern fleet of construction vessels.
Reliance	Dhirubhai-1 (2018)	The Reliance Group is India's largest private sector enterprise, with businesses in the energy and materials value chain.

AMBITIONS

We aim to continue to develop our portfolio of investments in vessels with long term charters to internationally well recognized companies within the shipping and offshore industry. Our ambition is to continue to do business with companies that are of solid credit quality with a strong reputation and preferably being listed on an international stock exchange.

OUR CULTURE AND CONDUCT

PRINCIPLES

WORKPLACE

We will strive for a workplace where:

- *The interests of our employees are protected, including their health and safety.*
- *Diversity is valued. The Company prohibits discrimination against any employee on the basis of age, gender, sexual orientation, disability, race, nationality, political opinions, religion or ethnic background, or any other basis prohibited by law. The Company does not tolerate harassment or degrading treatments in any form by or towards employees.*
- *Every employee has the opportunity to develop their individual skills and talents.*

ENGAGING WITH STAKEHOLDERS

- *Ocean Yield will communicate relevant business information in full and on a timely basis to its employees and external stakeholders*
- *Ocean Yield is committed to providing the financial markets with quality information on its financial and operational status, enabling investors and analysts to maintain a correct picture of the financial situation as well as risks and opportunities facing in the future.*
- *Ocean Yield will provide accurate disclosure information to the financial markets in line with all relevant laws and regulations for listed companies on the Oslo Stock Exchange.*

ANTI-CORRUPTION AND BRIBERY

Ocean Yield is opposed to all forms of corruption and will make active efforts to ensure that it does not occur in the Company's business activities. Please refer to the Group's anti-corruption policy for further details, which can be found at www.oceanyield.no.

ENVIRONMENT

Ocean Yield will act responsibly with an ambition to reduce direct and indirect negative influences on the external environment. Ocean Yield will adhere to relevant international and local laws and standards, seeking to minimize the environment impact.

EFFORTS AND RESULTS

We acknowledge the benefits of setting down our policies and principles to ensure a common understanding and approach, and to maintain consistency for the future. In 2014 we therefore developed a code of conduct and an anti-corruption policy. We are also in the process of introducing an independent whistle blower function to ensure that breeches with our policies or laws can be reported without repercussion.

We believe in the value of diversity, and equal opportunity for men and women is a clear policy in Ocean Yield. Women accounted for 28% of the total number of employees as of year-end 2014 (21% in 2013). The Board of Directors consists of three men and two women.

We achieved a sick leave rate of 0.95% in 2014 (1.65% in 2013).

AMBITIONS

Going forward we will work to ensure that our code of conduct and polices are understood and implemented. This includes a continued zero tolerance policy towards corruption and an equal opportunities employee policy with the aim of fostering an inclusive and diverse working environment. We will also work to ensure that all employees are familiar with, and uses our independent whistleblower function once this has been formally approved.

OUR OPERATIONS

As the FPSO Dhirubhai-1 is the only vessel where Ocean Yield has the responsibility for operating the vessel, this section of "our operations" relates only to the operations of Dhirubhai-1.

PRINCIPLES

Our FPSO has committed to several sustainability related polices including a code of conduct, anti-corruption, an environmental, and an occupational health and safety policy. We operate according to the ISM code, ISO 9001 and ISO 14001 and all international, local and contractual requirements.

HEALTH AND SAFETY

The health and safety of our staff comes first and foremost in all our operations. Key policies we have adopted include to:

- *Abide by the International Safety Management (ISM) code.*
- *Provide a safe and secure working environment that ensures the well-being and good health of employees, clients' representatives contractor personnel and others affected by our operations.*
- *Have a safety standard based on the Incident and Injury Free principle, since we believe that most injuries to personnel can be prevented.*
- *Safeguard the assets of the Company by employing adequate procedures and systems in order to prevent unauthorized intrusion in offices, ships and computers and safeguard employees.*
- *Provide training information and procedures for safe work and appropriate equipment to safeguard against risks to the health of personnel*
- *Execute projects and design and manage operations to minimize exposure to Occupational Health and Safety impacts and provide work places with minimal exposure to hazards.*

ENVIRONMENT

We take our environmental responsibilities seriously. Continued improvements and a commitment to comply with international, local and regulatory requirements are central to our approach. Key policies we have adopted include:

- *An aim for zero negative effect on the environment through no oil spillage and minimal oil in produced water.*
- *Targets to increase waste segregation and recycling as well as the amount of waste generated.*
- *Plans to keep chemical use as low as practically possible.*
- *Conducting our operations as efficiently as possible regarding material and energy use. Our main consumption of non-renewable resources is through fuel use. As a result we closely monitor our fuel usage and strive to maximize process efficiency and minimize consumption to increase the sustainability of our operations.*
- *Provide training, information and procedures to our employees regarding prevention of pollution to air and sea.*

COMMUNITY

We have an impact on local communities and we shall therefore give back to these communities.

EFFORTS AND RESULTS

HEALTH AND SAFETY

All personnel operating the FPSO are trained in firefighting, sea survival, first aid, helicopter evacuation and emergency response. Specific training is often on the job as this has proven most effective for vocational work. However before work on a project commences a thorough plan must be made to check that crew members have appropriate training and to anticipate risks involved. We also maintain strict standards regarding the use of personal protective equipment (PPE) and keeping work environments clean, tidy and safe at all times. Inspections to ensure high quality are carried out. Furthermore before employees travel offshore they must acquire an approved and up-to-date health certificate.

Lost Time Incidents (LTIs) have once again been avoided during 2014, and we are proud to be able to say that the total time without an LTI is now over 5 years.

Subject	Target 2013	Actual 2013	Target 2014	Actual 2014
Fatal Injuries	0	0	0	0
Lost time Incidents (LTI)	0	0	0	0
Sickness/occupational disease	<2% of total man-hours	<2%	<2% of total man-hours	<2%

KPI achievements in 2013 and 2014 regarding Health, Safety and Quality related to the operations of Dhirubhai-1.

ENVIRONMENT

We provide training, information and procedures to our employees to minimize our environmental footprint. Through our continued ISO 14001 compliance with robust KPIs, targets and monitoring, we strive to have the least negative impact we can on the environment. We regularly review our environmental policy to ensure we achieve the best possible results. In 2014 we once again achieved our target of 0 litres of accidental oil spillage into the environment. Our produced water also contained well below the legal limit of 40ppm oil-in-water at 23ppm down slightly from 2013.

Subject	Target 2013	Actual 2013	Target 2014	Actual 2014	Change from 2013
Annual oil spill	0 ltr	0 ltr	0 ltr	0 ltr	0 ltr
Produced water Quality (oil-in-water)	<40 ppm	24 ppm	<40 ppm	23ppm	-1ppm

2013 & 2014 environmental KPIs related to the operations of Dhirubhai-1.

COMMUNITY

Through our subsidiary, Aker Floating Production AS, we have taken an initiative to support the local community by donating to the UMA Educational & Technical Society, an Indian charity that works to improve the quality of life for disadvantaged people with a particular focus on helping those with disabilities achieve greater independence. We have this year continued the support of the UMA Educational & Technical Society. Previously we have contributed to fund the acquisition and installation of a 3kW solar power installation, and in 2014 we have contributed towards construction of a workshop for the fabrication and fitting of disability aids in Kakinada. This workshop replaces a substandard quality steel shed to aid this charity's good work helping improve the lives of disabled men, women and children in Kakinada.

AMBITIONS

Going into 2015 we will continue to improve our environmental performance. Continuing on from previous years we aim for no negative impact on the environment through zero spillage and minimal oil in produced water. Regarding waste we are setting targets to reduce food waste further on-board DB-1 and increase paper recycling further. We will also set targets for other environmental indicators.

DIRECTOR'S RESPONSIBILITY STATEMENT

Today, the Board of Directors and the Company's Chief Executive Officer reviewed and approved the Board of Directors' report and the consolidated and separate annual financial statements of Ocean Yield ASA for the year ending and as of 31 December 2014.

Ocean Yield's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied as per 31 December 2014. The separate financial statements of Ocean Yield ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31st December 2014. The Board of Directors' report for the Group and the parent company meets with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31 December 2014.

TO THE BEST OF OUR KNOWLEDGE:

- *The consolidated and separate annual financial statements for 2014 have been prepared in accordance with applicable accounting standards.*
- *The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and profit/loss as a whole per 31 December 2014 for the Group and for the parent company.*
- *The board of directors' report includes a true and fair review of the*
  - *development and performance of the business and the position of the Group and the parent company,*
  - *the principal risks and uncertainties the Group and the parent company may face.*

OSLO, 19 MARCH 2015
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

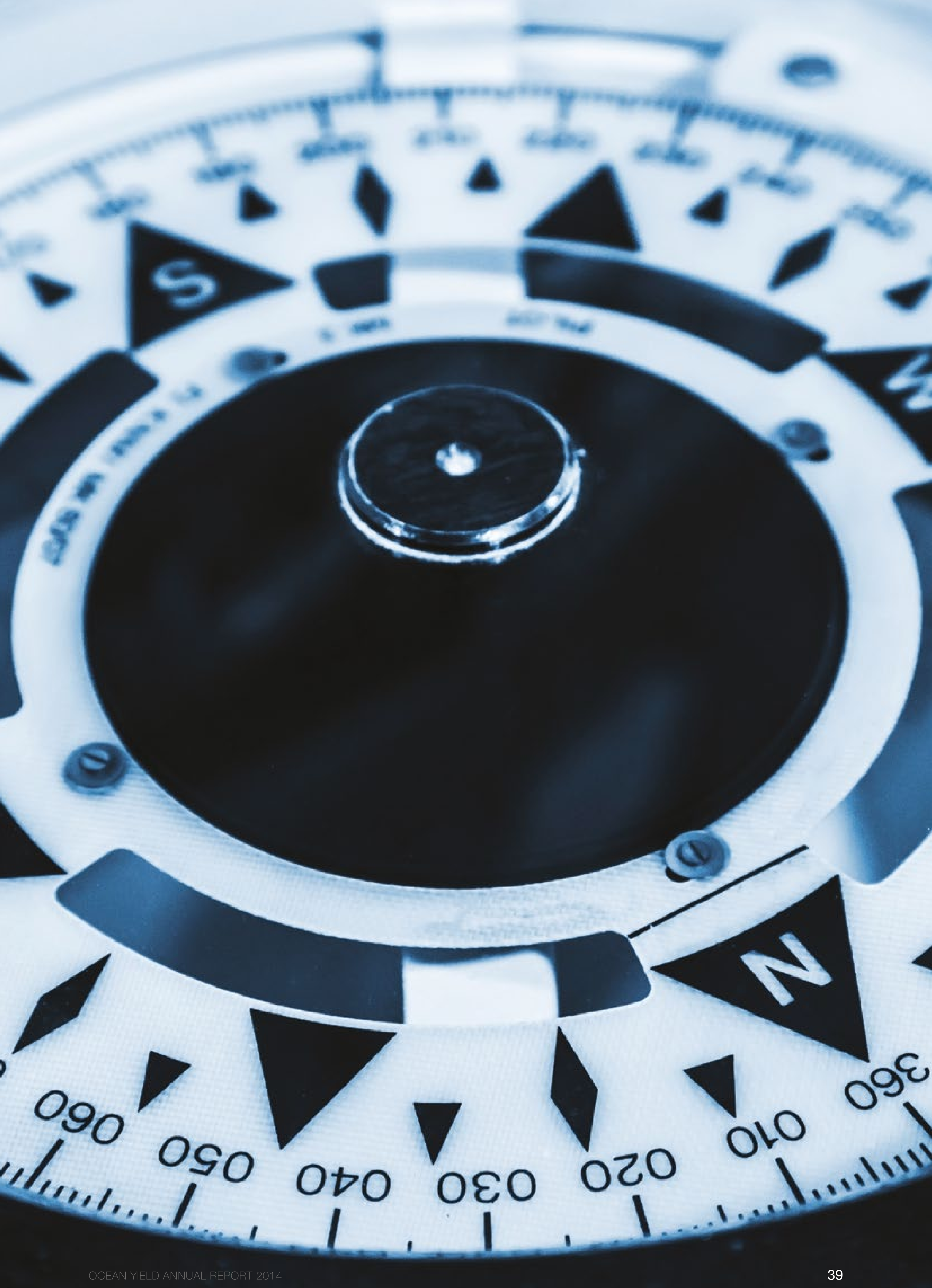
KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO


S
N
360
010
020
030
040
050
060

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

Income statement and total comprehensive income

Income statement

Continuing operations

Amounts in USD million	Note	2014	2013
Operating revenues	8	243.3	239.0
Finance lease revenue	15	6.0	-
Total revenues		**249.3**	239.0
Vessel operating expenses		-14.6	-14.2
Wages and other personnel expenses	9	-9.5	-9.5
Other operating expenses	9	-8.4	-7.6
Operating profit before depreciation and amortization		**216.7**	207.7
Depreciation and amortization	13,14	-96.4	-101.6
Loss from sale of vessels	10	-3.8	-
Operating profit		**116.4**	106.1
Financial income	11	59.8	19.7
Financial expenses	11	-72.7	-45.6
Net financial items	**11**	**-12.9**	-26.0
Net profit before tax		**103.6**	80.2
Income tax expense	12	-2.8	2.5
Net profit after tax from continuing operations		**100.8**	82.7
Attributable to:			
Equity holders of the parent		100.7	82.7
Non-controlling interests		0.1	-
Net profit after tax from continuing operations		**100.8**	82.7
Basic earnings per share (USD)	18	**0.75**	0.71
Diluted earnings per share (USD)	18	**0.75**	0.71

Total comprehensive income

Amounts in USD million	Note	2014	2013
Net profit after tax		100.8	82.7
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX			
Items that will not be reclassified to the income statement			
Remeasurements of defined benefit liability (asset)		-0.2	0.1
Total for items that will not be reclassified to the income statement		-0.2	0.1
Items that may be reclassified to the income statement			
Change in fair value of available for sale financial assets	15	-	8.4
Reclassification of gains on available for sale financial assets included in Financial Income	15	-8.4	-
Currency translation differences		-19.9	-9.7
Total for items that may be reclassified to the income statement		-28.3	-1.3
Total change in other comprehensive income, net of income tax		-28.4	-1.3
Total comprehensive income		**72.3**	81.4
Attributable to:			
Equity holders of the parent		72.3	81.4
Non-controlling interests		0.1	-
Total comprehensive income		**72.3**	81.4

Balance sheet at 31 December

Amounts in USD million	Note	2014	2013
ASSETS			
Vessels and other fixed assets	13	**1 308.0**	1 281.1
Intangible assets	14	**38.3**	38.3
Deferred tax assets	12	**11.4**	10.5
Interest-bearing long term receivables	15	**347.2**	192.9
Other non-current assets	15	**14.0**	-
Total non-current assets		**1 719.0**	1 522.9
Trade receivables and other interest-free receivables	16	**15.6**	16.4
Cash and cash equivalents	17	**76.4**	132.9
Total current assets		**92.0**	149.3
Total assets		**1 810.9**	1 672.2

Amounts in USD million	Note	2014	2013
EQUITY AND LIABILITIES			
Share capital		**222.3**	221.6
Treasury shares		**-0.0**	-
Other paid-in capital		**453.8**	452.6
Total paid-in capital	18	**676.1**	674.2
Translation and other reserves		**-30.6**	-2.3
Retained earnings		**62.7**	31.8
Total equity attributable to equity holders of the parent		**708.1**	703.7
Non-controlling interests	19	**10.6**	-
Total equity		**718.7**	703.7
Interest-bearing debt	21	**852.9**	744.8
Deferred tax liabilities	12	**-**	0.2
Pension liabilities	22	**0.6**	0.4
Other interest-free long term liabilities	23	**42.8**	68.9
Total non-current liabilities		**896.3**	814.3
Interest-bearing short term debt	21	**141.6**	127.0
Current provisions	25	**1.4**	-
Trade and other payables	26	**52.9**	27.1
Total current liabilities		**195.9**	154.1
Total liabilities		**1 092.2**	968.4
Total equity and liabilities		**1 810.9**	1 672.2

OSLO, 19 MARCH 2015
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Changes in Equity

Amounts in USD million	Share capital	Share Premium	Treasury shares reserve	Trans-lation reserve	Fair value reserve	Retained earnings	Share-holders equity	Non-controlling interests	Total
Balance at 31 December 2012	**175.6**	**400.4**	**-**	**-1.0**	**-**	**-42.0**	**532.9**	-	**532.9**
Profit for the year	-	-	-	-	-	82.7	82.7	-	**82.7**
Other comprehensive income	-	-	-	-9.7	8.4	0.1	-1.3	-	**-1.3**
Total comprehensive income	**-**	**-**	-	-9.7	8.4	82.7	81.4	-	**81.4**
Issuance of ordinary shares	55.3	92.9	-	-	-	-	148.1	-	**148.1**
Expenses related to raising new equity, net of tax	-	-3.5	-	-	-	-	-3.5	-	**-3.5**
Dividend	-	-16.0	-	-	-	-40.0	-56.0	-	**-56.0**
Impact of implementing IAS 19R, net of tax	-	-	-	-	-	0.8	0.8	-	**0.8**
Change of functional curren-cy in Ocean Yield ASA	-9.3	-21.1	-	-	-	30.3	-	-	**-**
Balance at 31 December 2013	**221.6**	**452.6**	**-**	**-10.7**	**8.4**	**31.8**	**703.7**	-	**703.7**
Profit for the year	-	-	-	-	-	100.7	100.7	0.1	**100.8**
Other comprehensive income	-	-	-	-19.9	-8.4	-0.2	-28.4	-	**-28.4**
Total comprehensive income	-	-	-	-19.9	-8.4	100.5	72.3	0.1	**72.3**
Issuance of ordinary shares	0.7	1.2	-	-	-	-	1.9	-	**1.9**
Dividend	-	-	-	-	-	-69.1	-69.1	-	**-69.1**
Treasury shares acquired	-	-	-2.3	-	-	-	-2.3	-	**-2.3**
Treasury shares sold	-	-	2.3	-	-	-0.6	1.7	-	**1.7**
Non-controlling interests	-	-	-	-	-	-	-	10.5	**10.5**
Balance at 31 December 2014	**222.3**	**453.8**	**-**	**-30.6**	**-**	**62.7**	**708.1**	**10.6**	**718.7**

Cash Flow Statement

Amounts in USD million	Note	2014	2013
Net profit before tax		**103.6**	80.2
Taxes paid		**-0.5**	-0.2
Net interest expense		**15.4**	8.8
Interest paid		**-38.1**	-27.4
Interest received		**10.6**	0.5
Sales losses/gains	10	**3.8**	-
Depreciation and amortization	13,14	**96.4**	101.6
Unrealized foreign exchange gain/loss and other non-cash items		**-30.3**	0.4
Changes in other net operating assets and liabilities		**22.4**	-7.3
Net cash flow from operating activities		**183.3**	156.5
Acquisition of vessels and other fixed assets	13,14	**-367.8**	-255.5
Proceeds from sales of vessels and other fixed assets		**8.2**	-
Repayment of finance lease receivable		**4.0**	-
Net cash flow from other non-current assets		**-16.5**	-
Net cash flow from interest-bearing long term receivables		**-1.6**	-4.5
Net cash flow from investing activities		**-373.7**	-260.0
Proceeds from issuance of long-term interest-bearing debt	21	**474.0**	178.7
Repayment of long-term interest-bearing debt	21	**-281.5**	-132.3
Proceeds from issuance of short-term interest-bearing debt	21	**-**	20.0
Repayment of short-term interest-bearing debt	21	**-**	-20.0
Dividend paid		**-69.1**	-56.0
Net proceeds from issuance of ordinary shares		**1.9**	143.3
Non-controlling interests	19	**10.5**	-
Net change in treasury shares		**-0.7**	-
Net cash flow from financing activities		**135.0**	133.6
Net change in cash and cash equivalents		**-55.4**	30.1
Effects of changes in exchange rates on cash		**-1.2**	-1.7
Cash and cash equivalents at 1 January		**132.9**	104.6
Cash and cash equivalents at 31 December	17	**76.4**	132.9

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

Ocean Yield ASA is a Norwegian company, domiciled in Oslo, Norway, with business address Fjordalleén 16, Oslo. The Ocean Yield Group was established at the end of March 2012, with Ocean Yield ASA as the parent company. In July 2013 the company was listed on Oslo Stock Exchange.

The 2014 consolidated financial statements of Ocean Yield ASA incorporate the financial statements of the Company and its subsidiaries owned as of 31 December 2014 (referred to collectively as the "Group" and separately as group companies).

The Group has investments in vessels within oil-service and industrial shipping. All vessels are at the end of 2014 chartered out on long term contracts.

NOTE 2 BASIS FOR PREPARATION AND NEW AND AMENDED STANDARDS

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2014.

The consolidated financial statements for 2014 were approved and authorized for issue by the Board of Directors on 19 March 2015. The consolidated financial statements will be presented to the Annual General Meeting on 22 April 2015 for approval.

BASIS OF PREPARATION

The establishment of the Ocean Yield Group, through a combination of businesses under common control, was recorded in the accounts as if the businesses had always been part of the same group for all periods presented using values reflected in the group accounts of Aker ASA.

The accounting principles presented herein have been applied consistently for the period and for the companies presented in the consolidated financial statements. Comparative figures are reclassified if necessary in accordance with any changes in accounting principles.

BASIS OF MEASUREMENT

Preparation of the financial statements is based on historical cost, with the following exceptions:

- *Derivative financial instruments are measured at fair value*
- *Financial assets available for sale are measured at fair value*

Principles used to determine fair value are described in greater detail in note 4.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

These consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of Ocean Yield ASA and most of the group companies. Some group companies have NOK as functional currency.

All financial information presented in USD has been rounded to the nearest million with one decimal, except when otherwise stated. Due to rounding differences there may be some minor inconsistency between figures and percentages and total lines.

USE OF ESTIMATES AND JUDGMENT

Preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of guidelines and principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered relevant under the circumstances. The resulting accounting estimates will, by definition, seldom match actual results, but are based on the best estimate at the time.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimates are revised if the change affects that period, or prospectively for changes in estimates such as the useful lives of vessels or in estimated salvage values.

Estimates and assumptions that could have a significant impact on the carrying amounts of assets and liabilities within the next financial year are discussed below.

IMPAIRMENT OF VESSELS

Ocean Yield has significant investments in vessels. At every balance sheet date the Group considers whether there are any indications of impairment on the book values of these vessels. If such indications exist, a valuation is performed to assess whether the vessel is impaired or not. Evaluating whether a vessel is impaired or if an impairment should be reversed, requires a high degree of judgment and may to a large extent depend upon the selection of key future assumptions. References are made to note 13 Vessels and other fixed assets.

IMPAIRMENT OF GOODWILL

In accordance with applicable accounting principles, the Group performs impairment tests at each annual balance sheet date or more frequently if impairment indicators are identified, to determine whether goodwill recorded in the balance sheet is subject to any impairment. The recoverable amount is determined based on the present value of estimated cash flows for the cash-generating unit. Such determination requires the use of estimates that are consistent with the market valuation of the Group. References are made to note 14 Intangible assets.

CLASSIFICATION OF LEASE AGREEMENTS

All of the Group's vessels are chartered on long term contracts. At the inception of the lease agreements an assessment is carried out evaluating whether the agreements should be classified as either operating leases or finance leases. This assessment involves the use of estimates and assumptions about fair values of the leased vessels and expected future values. This includes estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments. In lease agreements where there are purchase options, an assessment is made whether it is reasonably certain that any of the purchase options will be exercised by the lessee. References are made to note 8 Operating lease revenue.

DEFERRED TAX ASSETS

The Group has a significant amount of tax losses carried forward. Valuation of deferred tax assets is dependent on management's assessment of future taxable income which includes an evaluation of the Group's earnings history. Expected recoverability is a result of expected taxable income estimates based on objective information and assumptions that management believes are reasonable and supportable. Economic conditions may change and lead to a different conclusion regarding recoverability, and such change may affect the result for each future reporting period. References are made to note 12 Tax.

FINANCIAL ASSETS MEASURED AT FAIR VALUE

When prices are not directly observable in an active market, the fair value of financial assets is calculated by the Group based on internal assumptions as well as directly observable market information, including forward and yield curves for currencies and interest rates. Changes in internal assumptions and forward curves could materially impact the internally computed fair value of the financial assets. References are made to note 26 Financial instruments.

NEW AND AMENDED STANDARDS NOT YET ADOPTED BY THE GROUP

A number of standards, amendments to standards and interpretations are not effective for the period ended 31 December 2014 and have not been applied in preparing these consolidated financial statements;

- *The implementation of IFRS 9 Financial Instruments is mandatory from 1 January 2018, and may result in certain amendments to the measurement and classification of financial instruments.*
- *Implementation of IFRS 15 Revenue from Contracts with Customers is mandatory from 1 January 2017. The new standard is not expected to have significant impact on the financial statements of Ocean Yield ASA.*

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

A number of standards, amendments to standards and interpretations are effective from 1st January 2014 and have been applied in preparing these consolidated financial statements; IFRS 10 Consolidated Financial statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, in addition amendments to the standards IAS 27

Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The new standards and amendments to standards have not had any significant impact on the 2014 consolidated financial statements of Ocean Yield ASA.

IFRS 10

IFRS 10 introduces changes to the control definition used when determining whether an entity is controlled and should be consolidated or not. The standard has not led to significant changes in entities deemed to be controlled by Ocean Yield ASA.

IFRS 12

IFRS 12 introduces changes to an entity's disclosures about its interests in other entities. The standard has led to some changes in the notes related to Ocean Yield's investments in subsidiaries.

NOTE 3 ACCOUNTING PRINCIPLES

GROUP ACCOUNTING AND CONSOLIDATION PRINCIPLES

SUBSIDIARIES

Subsidiaries are entities over which the Group has control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated accounts from the day control is achieved and until control ceases.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

FUNCTIONAL CURRENCY

Initial recording of items included in the financial statements of each subsidiary is in its functional currency, i.e., the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in United States Dollars (USD), which is the functional currency of the parent company.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the entities functional currency using the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities in foreign currencies are translated into the entities functional currency using the exchange rates on the balance sheet date. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as foreign exchange gains/losses.

GROUP COMPANIES

Financial statements of group companies whose functional currencies are different from the presentation currency (USD) are translated to USD in the following way:

- *Balance sheet items are translated using the exchange rates on the balance sheet date*
- *Profit or loss items are translated using the average exchange rates for the period (if the average exchange rates for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used).*
- *All resulting translation differences are recognized in other comprehensive income*

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Acquisition costs for an item of property, plant and equipment are recognized as an asset if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be reliably measured. Acquisition cost includes expenditures directly attributable to the asset's acquisition. Borrowing costs attributable to the acquisition, construction or production of a qualifying asset is recognized as part of the acquisition cost of that asset. Other borrowing costs are expensed.

When significant parts of an item of property, plant, and equipment have different useful lives, major components are accounted for as separate items of property, plant, and equipment.

SUBSEQUENT COST

Ordinary repairs and maintenance costs are charged to the profit and loss in the financial period when they are incurred. The cost of major upgrades and rebuilding projects is included in the asset's carrying amount when it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. Major upgrades and rebuilding projects are depreciated over the useful lives of the related assets.

DEPRECIATION

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment, taking its residual value into consideration. Useful life is considered to be the period over which an asset is expected to be available for use by Ocean Yield.

Estimated useful lives for the current and comparative periods are as follows:

Vessels 10-25 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

Gains and losses on the disposal of assets are determined by comparing the disposal proceeds with the carrying amount.


74
72
70
68

LEASE AGREEMENTS (AS LESSOR)

All vessels owned by the Group at year-end 2014 are chartered out on long term contracts. All the agreements are classified as either operating leases or finance leases based on an assessment of the terms of the lease agreements. When assessing whether an agreement is an operating lease or a finance lease, estimates of the fair value of the vessels at the end of the lease periods and calculations of the present value of the minimum lease payments is the most important factors. In lease agreements where there are purchase options, an assessment is made whether it is reasonably certain that any of the purchase options will be exercised by the lessee.

OPERATING LEASE

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. Payments received under operating leases, net of any incentives paid to the charterer, are recognized in the profit and loss on a straight-line basis over the period of the lease term. Lease assets held pursuant to an operating lease are included in the balance sheet based on the nature of the asset. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

FINANCE LEASE

Leases in which substantially all of the risks and rewards of ownership are transferred to the charterer are classified as finance leases. At the inception of the lease the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as a non-current receivable. Over the lease term interest on the net investment is recognized in the profit and loss as operating income in a way that produces a constant rate of return on the investment.

LEASE AGREEMENTS (AS LESSEE)

OPERATING LEASE

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the profit and loss account on a straight-line basis over the period of the lease term.

INTANGIBLE ASSETS

GOODWILL

All business combinations in the Group are recognized using the acquisition method. Goodwill on acquisitions of subsidiaries represents the difference between the cost of the acquired entity and the fair value of the net identifiable assets acquired. In subsequent measurements goodwill is valued at acquisition cost, less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment

FINANCIAL ASSETS

The Group classifies its non-derivative financial assets into the following four categories: loans and receivables, cash and cash equivalents financial assets at fair value through profit and loss and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are presented as current if they contractually will expire or otherwise are expected to be recovered within 12 months after the balance sheet date, or if they are held for the purpose of being traded. Otherwise they are classified as non-current. The Group initially recognizes loans and receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

LOANS AND RECEIVABLES

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. At year-end 2014 loans and receivables comprise bonds and trade and other receivables.

CASH AND CASH-EQUIVALENTS

Cash and deposits on call with banks and other short-term highly liquid investments with original maturities of three months or less, constitute cash and cash equivalents.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial instrument is classified as recorded at fair value through profit and loss if it is designated as such at initial recognition or held for trading. Financial instruments are designated at fair value through profit and loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognized in profit and loss as incurred upon initial recognition. Financial assets at fair value through profit and loss are measured at fair value and changes therein are recognized in profit and loss. At year-end 2014 the Group does not have any financial assets at fair value through profit and loss.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value. Impairment losses are recognized in the income statement as they arise. Any other variation in value is recorded through other comprehensive income. Interest on available-for-sale assets is calculated using the effective interest method. The interest income is recognized in the income statement. When an investment is derecognized, the cumulative gain or loss in the fair value reserve is transferred to the income statement. At year-end 2014 the Group had no available-for-sale financial assets.

FINANCIAL DERIVATIVES

The Group uses financial derivative instruments to hedge its exposure to foreign exchange and interest-rate risks. No hedge accounting is applied as of year-end 2014. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit and loss.

SHARE CAPITAL

ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

TREASURY SHARES

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the surplus or deficit resulting from the transaction is transferred to/from retained earnings.

TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are de-recognized or impaired.

FINANCIAL LIABILITIES

The Group classifies its non-derivative financial liabilities into the financial liabilities measured at amortized cost category. Such financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition these financial liabilities are measured at amortized cost using the effective interest method. At year-end 2014 non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

CURRENT AND DEFERRED INCOME TAX

Income tax on the profit and loss statement for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is the anticipated tax payable on the taxable income for the year, using current tax rates at the balance sheet date, and any adjustment to tax payable related to previous years.

Deferred income tax is stated, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used. Deferred tax is not recognized for the following temporary differences:

- *Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.*
- *Differences relating to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that they will not reverse in the foreseeable future.*
- *Tax-increasing temporary differences upon initial recognition of goodwill.*

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax is measured on an undiscounted basis.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on current tax rates (and tax laws) at the balance sheet date. Tax consequences relating to items recognized directly in equity are recognized in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and if the deferred tax relates to the same taxable entity or the same tax authority.

Most of the Groups vessels qualify under the Norwegian Tax Tonnage regime, where operating results are subject to a tax of approximately 0%. Financial income within the regime is taxable at a rate of 27% (changed from 28% 1.1.2014).

EMPLOYEE BENEFITS

DEFINED BENEFIT PLANS

For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The cost of providing pensions is charged to the profit and loss so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are charged or credited to equity in other comprehensive income in the period in which they arise

DEFINED CONTRIBUTION PLANS

For defined contribution plans, contributions are paid into pension insurance plans. Once the contributions have been paid, there are no further payment obligations. Contributions to defined contribution plans are charged to the profit and loss in the period to which the contributions relate.

SHARE-BASED PAYMENTS

Share-based payments are accounted for in accordance with IFRS 2 Share-based Payment. Share-based payment expense is measured at fair value over the service period. All changes in fair value are recognized in the income statement.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be measured reliably.

PROVISIONS

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economics benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

REVENUE RECOGNITION

Revenue is recognized only if it is probable that future economic benefits will flow to Ocean Yield, and that these benefits can be measured reliably.

OPERATING LEASE REVENUE

Revenue related to vessel charter agreements that are classified as operating leases are recognized on a straight line basis over the lease term, and are classified as operating revenues in the income statement. Contingent rental income, such as bonuses earned based on utilisation, is recognized in profit and loss as earned. Payments received from mobilization fees and change orders are recognized on a straight-line basis over the lease term. The remaining part is recognized in the balance sheet as deferred income.

Income related to the Dhirubhai-1 FPSO is recognized net of local with-holding tax, as this represents the gross inflows of economic benefits received by the Group.

FINANCE LEASE REVENUE

For vessel charter agreements that are classified as finance leases the net present value of the minimum lease payments and any discounted unguaranteed residual value are recognized as a interest-bearing long term receivable. Over the lease term interest on the net investment is recognized in the profit and loss as operating revenue in a way that produces a constant rate of return on the investment.

IMPAIRMENT

NON-FINANCIAL ASSETS

The carrying amounts of the Group's assets, other than deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a relevant pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss. Recognition of impairment losses of cash-generating units is allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amount of the other assets in the unit.

An impairment loss on goodwill is not reversed. For assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's balance sheet carrying amount does not exceed the carrying amount, net of depreciation or amortization, calculated as if no impairment loss had been recognized.

FINANCIAL ASSETS

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of the asset that can be estimated reliably.

The recoverable amount of the Group's financial assets carried at amortized cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short term to maturity are not discounted.

An impairment loss on financial assets carried at amortized cost, is reversed if a subsequent increase in the recoverable amount can be objectively connected to an event occurring after the impairment loss was recognized in the profit and loss.

DIVIDENDS

Dividends are recorded in the Group's financial statements in the period in which they are approved. Currently the General Meeting has authorized the Board of Directors to resolve and declare dividends based on the Company's annual financial statements for 2013. The authorization is valid until the Annual General Meeting in 2015.

EARNINGS PER SHARE

The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the year, after deduction of the average number of treasury shares held over the period. The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all dilutive potential ordinary shares that were outstanding during the period, that is:

- *The net profit for the period attributable to ordinary shares is increased by the after-tax amount of dividends and interest recognized in the period in respect of the dilutive potential ordinary shares, and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.*
- *The weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares, increases the weighted average number of ordinary shares outstanding.*

NOTE 4 DETERMINATION OF FAIR VALUE

Accounting principles and note disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information on the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The Group implemented the new standard IFRS 13 in 2013, and all fair value estimates have been calculated in accordance with this standard. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability*

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by

selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- *Level 2 Valuation techniques for which input that is significant to the fair value measurement is directly or indirectly observable.*
- *Level 3 Valuation techniques for which input that is significant to the fair value measurement is unobservable.*

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair values have been estimated using the following methods:

VESSELS AND OTHER FIXED ASSETS

The fair value of vessels and other fixed assets recognized as a result of a business combination is based on market prices for similar items. When determining the fair value of vessels expected useful life, condition compared to similar vessels and the amount of tonnage in the segment is considered.

GOODWILL

Goodwill resulting from business combinations is initially recognized at fair value at the acquisition date as part of the business combination, and subsequently re-measured as part of impairment testing using discounted cash flows.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

The fair value of available-for-sale financial assets is based on their listed market price, if available. If a listed market price is not available the fair value is estimated as the present value of future cash flows, discounted with an applicable discount rate.

At year-end 2014 the Group has no available for sale financial assets.

LOANS AND OTHER LONG TERM RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of loans and other long term receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. The Groups most significant long term receivable is the bonds in American Shipping Company ASA. The fair value calculation of the bonds is explained in greater detail in note 26.

FINANCE LEASE RECEIVABLES

Fair value is determined for disclosure purposes. The fair value of finance lease receivables is estimated as the present value of future cash flows, discounted with an applicable discount rate. As of year-end 2014 the Group has one finance lease receivable related to the vessel Aker Wayfarer. The fair value calculation of this is explained in greater detail in note 26.

TRADE AND OTHER RECEIVABLES

The fair value of trade receivables and other receivables is estimated at the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

DERIVATIVES

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds), and taking changes in Ocean Yield's credit risk into account. The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest and also taking changes in Ocean Yield's credit risk into account.

NON-DERIVATIVE FINANCIAL LIABILITIES

Fair value is determined for disclosure purposes. The fair value of liquid listed bonds is based on quoted market prices, while the fair value of other liabilities is calculated based on the present value of future cash flows of principal and interests, discounted at the market rate of interest at the balance sheet date.

SHARE-BASED PAYMENTS*

The Group has at year-end 2014 a cash settled share based payments arrangement. During the vesting period, at the end of each reporting period, the services acquired and the liability incurred are measured at the fair value of the liability. The fair value of the liability is calculated as the difference between the base price (NOK 34.70 in 2014) and the closing price of the shares at each reporting date, multiplied by the number of synthetic shares allocated to the scheme participant. For more information see note 30.

* *Measurements and disclosure requirements of IFRS 13 does not apply to share-based payments. It is however included here as the liability is measured at fair value.*

NET PENSION LIABILITIES

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

NOTE 5 FINANCIAL RISK AND EXPOSURE

FINANCIAL RISK

The Ocean Yield Group is exposed to different types of financial risk including credit-, liquidity- and market risk (e.g. interest- and currency risk). The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Ocean Yield's financial results. The Group is using different financial instruments to actively manage its financial exposure.

Ocean Yield ASA has developed a policy on how the financial risk is monitored. The risk is monitored continuously and reported on a regular basis. The main companies in the Group have developed similar policies and guidelines based on the individual company's exposure to the different kinds of financial risks.

CAPITAL MANAGEMENT

One important objective of Ocean Yield finance policy is to secure financial headroom both on a short- and long term basis to be able to achieve strategic goals. Ocean Yield wants to maintain a strong capital base and aims at a conservative investment strategy with limited risks. Key investment criteria will among others be:

- *Firm contracts with a duration of 5-12 years*
- *Targeted segments are oil service and industrial shipping*
- *Limited direct market exposure*

Ocean Yield has an intention to pay regular and increasing dividends to its shareholders reflecting the expected long-term earnings and cash flows. As a consequence, Ocean Yield started paying quarterly dividends from Q3 2013. USD 0.52 per share has been paid in dividends during 2014. In February 2015, in connection with the announcement of the Q4 2014 results, Ocean Yield declared a dividend of USD 0.1425 per share, which at the time of declaration equalled a dividend yield of approximately 9.4% on an annualized basis.

The Aker Floating Production AS Group ('AFP') has a secured bank loan, where the agreement contains restrictions on dividend payments. AFP is restricted from distributing dividends in excess of 50% of the excess cash resulting from payments received under the charter contract for the Dhirubhai-1, less instalments and interest payments on the bank loan and certain other items. Extraordinary charter-hire payments are not included. Any dividends or other distribution in a financial year may only be made if AFP applies an amount equal to 50% of excess cash to further reduce the amount outstanding under facility A (see note 21) in that financial year. As of year-end 2014 AFP has available funds from such extraordinary charter-hire payments which may be distributed.

CREDIT RISK

The management of Ocean Yield ASA and its main companies have developed guidelines in regards to credit risk. The exposure to credit risk is monitored on an ongoing basis within the Group guidelines.

The Group's principal financial assets are bank deposits and cash, bonds, finance lease receivables, trade and other receivables and derivatives. The Group's exposure to credit risk is mainly related to the bonds in American Shipping Company ASA ("AMSC"), finance lease receivable related to the vessel Aker Wayfarer and trade receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. Credit assessments are performed on all customers requesting credit over a certain amount.

FINANCIAL INTEREST-BEARING LONG TERM RECEIVABLES

Financial interest-bearing long term receivables mainly consist of the bonds in AMSC and a finance lease receivable related to the vessel Aker Wayfarer, where Aker Oilfield Services (part of Akastor ASA) is the counterparty. Management does not expect any counterparty to fail to meet its obligations. AMSC raised approximately USD 162 million in new equity in January 2014, which substantially improved the credit quality of the counterparty for Ocean Yield and also improved the value of the bonds.

TRADE RECEIVABLES

Ocean Yield's maximum exposure to credit risk for trade receivables against industrial customers with a rating of BBB or lower was USD 14.9 million at end of 2014 (USD 13.9 million year-end 2013).

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held with banks and financial intuitions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

DERIVATIVE FINANCIAL INSTRUMENTS

Transactions involving derivative financial instruments are with counterparties with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligation.

EXPOSURE TO CREDIT RISK

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The maximum exposure to credit risk at the reporting date was:

Maximum exposure to credit risk:

		2014		
Amounts in USD million	**Note**	**Receivables at amortized cost**	**Cash and long-term deposit**	**Total**
Financial interest-bearing long term receivables	15	341.1	20.1	361.2
Trade receivables, other interest-free short term receivables	16	15.6	-	15.6
Cash and cash equivalents	17	-	76.4	76.4
Total		**356.7**	**96.5**	**453.1**

		2013			
Amounts in USD million	**Note**	**Available for sale financial assets**	**Receivables at amortized cost**	**Cash and long-term deposits**	**Total**
Financial interest-bearing long term receivables	15	168.3	-	20.1	188.4
Trade receivables, other interest-free short term receivables	16	-	16.4	-	16.4
Cash and cash equivalents	17	-	-	132.9	132.9
Total		168.3	16.4	152.9	337.6

The aging trade receivables and provisions for impairment loss are as follows:

Amounts in USD million	Gross trade receivables 2014	Provision for impairment Loss 2014	Gross trade receivables 2013	Provision for impairment Loss 2013
Not past due	11.0	-	12.4	-
Past due 0-30 days	0.6	-0.6	-	-
Past due 31-120 days	0.9	-	0.1	-
Past due 121 - 365 days	0.1	-	1.3	-
Past due more than one year	2.4	-1.1	1.1	-1.1
Total trade receivables	14.9	-1.7	14.9	-1.1

The movement in allowance for impairment loss during the year was:

Amounts in USD million	2014	2013
Balance 1 January	1.1	1.1
Impairment loss recognized in profit and loss	0.6	-
Reversal or use of previously recognized impairment loss	-	-
Balance 31 December	1.7	1.1

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its obligations when due. Management monitors monthly forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The figures in the table below represents the contractual undiscounted cash flows related to the Groups liabilities. Interest have been calculated using the interest rates as of year end.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

		2014 Contractual cash flows incl. estimated interest payments					
Amounts in USD million	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	860.0	-959.3	-87.0	-70.8	-142.7	-338.7	-320.2
Unsecured bond issues	134.5	-165.8	-3.6	-3.6	-7.3	-151.2	-
Interest rate swaps	6.9	-37.7	-1.0	-1.3	-5.1	-23.1	-7.2
Forward exchange contracts	26.9	-24.8	-0.3	-0.4	-0.7	-23.4	-
Current provisions	1.4	-1.4	-1.4	-	-	-	-
Trade and other payables	19.1	-19.1	-19.1	-	-	-	-
Total contractual cash flows for liabilities	1 048.8	-1 208.0	-112.5	-76.0	-155.7	-536.4	-327.5

Overview of contractual maturities of financial liabilities, including estimated interest payments specified per category of interest-bearing liabilities:

	2013 Contractual cash flows incl. estimated interest payments						
Amounts in USD million	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Secured loans	774.4	-831.4	-81.9	-64.0	-128.8	-274.6	-282.2
Unsecured bond issues	97.4	-128.7	-4.2	-4.2	-8.3	-112.0	-
Interest rate swaps	2.1	-14.6	-0.9	-1.0	-1.9	-7.3	-3.5
Forward exchange contracts	9.1	-3.8	0.2	0.2	0.5	-4.7	-
Trade and other payables	15.9	-15.9	-15.9	-	-	-	-
Total contractual cash flows for liabilities	898.9	-994.4	-102.7	-68.9	-138.6	-398.5	-285.7

CURRENCY RISK

Ocean Yield operates in the international market which leads to various types of currency exposure for the Group. Currency risks arise through ordinary, future business transactions, capitalized assets and liabilities and when such transactions have been made against payment in a currency other than the functional currency of the respective group company. In addition, currency risk may arise from investments in foreign subsidiaries.

Ocean Yield defines levels for the hedging of expected future cash flows. The Company may from time to time utilize currency forward contracts and currency option contracts to reduce currency exposure.

EXPOSURE TO CURRENCY RATE RISK

The functional currencies of Ocean Yield ASA and its subsidiaries reflect the primary economic environment in which the entities operates. Ocean Yield ASA and most of its subsidiaries has USD as functional currency. Some group companies have NOK as functional currency. For the subsidiaries with functional currency in USD the revenues and interest bearing debt is mainly denominated in USD. For the subsidiaries with functional currency in NOK the revenues and interest bearing debt is mainly denominated in NOK. Hence there is limited currency risk related to the subsidiaries of Ocean Yield ASA.

As of year-end 2014 the Group's exposure to currency risk is mainly related to the bond loan in Ocean Yield ASA, which is denominated in NOK, and the finance lease receivable related to the vessel Aker Wayfarer, where USD 33.7 million of the total finance lease receivable of USD 145.7 million is denominated in NOK. To reduce some of the currency effect related to the bond loan Ocean Yield ASA has entered into an interest and currency swap with maturity in 2017. NOK 590 million (total bond loan is NOK 1 000 million) has been swapped from NOK to USD, and the interest rate on the bond loan, which is 3M NIBOR + 3.90% p.a. has been swapped to 3M LIBOR + 4.60% p.a.

If the USD had appreciated with 10% versus NOK at year-end 2014 the effects on the above mentioned items would have been as follows:

Amounts in USD million	Profit before tax	Equity
Agio on Bond loan OCY02	12.2	8.9
Disagio on Finance lease receivable	-3.1	-2.2
Change in MTM cross currency interest rate swap	-8.0	-5.9
Total	1.1	0.8

The consolidated financial statements are presented in USD. As some entities have NOK as functional currency the Group recognizes translation differences due to changes in the NOK exchange rate. The table below illustrates Ocean Yield Group's sensitivity to translation differences. If the USD had been 10% stronger through 2014, the effects in the consolidated financial statement would have been as shown in table:

Amounts in USD million	Operating revenue	Profit before tax	Equity
USD	194.1	73.6	626.0
NOK	55.2	29.9	92.7
Total	249.3	103.6	718.7
Change with USD 10% appreciation versus NOK	-5.0	-2.7	-8.4
Ocean Yield when 10% USD appreciation	244.3	100.8	710.2

INTEREST RATE RISK

The Group's interest rate risk arises from long term borrowings and receivables. Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk.

The Group has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. To manage some of the interest rate risk the Group has entered into interest rate swaps related to vessel financings, where floating rate payments have been swapped to fixed rate payments. The Group has not applied hedge accounting.

EXPOSURE TO INTEREST RATE RISK

As at 31 December the interest rate profile of the Group's interest-bearing financial instruments were as follows:

Amounts in USD million	2014	2013
Fixed rate instruments:		
Financial assets	**145.7**	-
Financial liabilities	**-539.2**	-418.6
Net fixed rate instruments	**-393.5**	-418.6
Variable rate instruments:		
Financial assets	**277.9**	321.2
Financial liabilities	**-455.4**	-453.2
Net variable rate instruments	**-177.5**	-132.0
Net interest-bearing debt (-)/asset (+)	**-571.0**	-550.6

SENSITIVITY ANALYSIS RELATED TO INTEREST RATES

Borrowings and receivables issued at variable rates expose the Group to cash flow interest rate risk. At year-end 2014 the Group has USD 177.5 million in net variable rate instruments. An increase in the LIBOR rate of 100 basis points would increase the Group's annual expenses of USD 0.2 million and an increase in the NIBOR rate of 100 basis points would increase the Group's annual interest expenses of USD 1.6 million. The figures do not include changes in MTM of interest rate swaps.

NOTE 6 BUSINESS COMBINATIONS

No business combinations occurred in 2014 or 2013.

NOTE 7 OPERATING SEGMENTS

Ocean Yield defines operating segments based on the Group's internal management- and reporting structure. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group's chief operating decision maker, responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the Board of Directors, CEO and CFO.

Recognition and measurement applied to segment reporting are consistent with the accounting principles applied when preparing the consolidated financial statements. Transactions between segments are conducted at market terms and conditions.

Ocean Yield's operating segments is as follows:

- *FPSO*
  This segment relates to the Group's investment in floating production, storage and offloading vessels (FPSO). As of 31 December 2014 this segment consists of the FPSO Dhirubhai-1.

- *Other Oil Service*
  Vessels operating within the oil sector, except for FPSOs are included in this segment. As of 31 December 2014 this segments includes the two anchor handling tug supply vessels (AHTS) Far Senator and Far Statesman, the construction vessel Aker Wayfarer, the offshore construction and cable laying vessel Lewek Connector and the diving support and offshore construction vessel SBM Installer. The segment also includes the seismic vessel Geco Triton, which was sold in December 2014.

- *Gas Carriers*
  This segment includes the Group's investments in gas carriers. As of 31 December 2014 the Group has entered into newbuilding contracts for three liquified ethylene gas (LEG) carriers of 36 000 cbm capacity, which will be delivered in 2016.

- *Car Carriers*
  This segment includes the Group's investments in car carriers. As of 31 December 2014 the Group has four pure car truck carriers (PCTC); Höegh Beijing, Höegh Xiamen, Höegh Jacksonville and Höegh Jeddah. The Group has also newbuilding contracts for two PCTCs, which will be delivered in 2016.

- *Other*
  This segment includes all other investments, with the most significant being the bonds issued by American Shipping Company ASA, where the Group owns 93.05% of the bonds. American Shipping Company ASA has ten product tankers operating under long term bareboat charter contracts with the Overseas Shipholding Group (OSG) in the US. The bonds (AMSC 07/18 FRN C) mature in February 2018.

2014 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other and eliminations	Total
Operating revenues	136.8	94.0	-	12.5	-	**243.3**
Finance lease revenue	-	6.0	-	-	-	**6.0**
Total revenues	136.8	100.0	-	12.5	-	**249.3**
Operating expenses	-25.1	-0.3	-	-0.2	-6.9	**-32.6**
Operating profit before depreciation and amortization	111.7	99.7	-	12.3	-6.9	**216.7**
Depreciation and amortization	-57.1	-34.0	-	-5.3	-	**-96.4**
Loss from sale of vessels	-	-3.8	-	-	-	**-3.8**
Operating profit (loss)	54.6	61.8	-	7.0	-6.9	**116.4**
Interest income	0.1	0.5	-	-	18.2	**18.7**
Other financial income	0.1	5.8	-	-	35.1	**41.1**
Interest expense	-5.2	-22.6	0.1	-	-6.5	**-34.2**
Other financial expenses	-1.0	-0.3	-	-12.3	-24.9	**-38.5**
Net profit (loss) before tax	48.6	45.2	-0.1	-5.1	15.0	**103.6**
Income tax expense	0.0	1.1	-	3.0	-6.9	**-2.8**
Net profit (loss) after tax	48.5	46.3	-0.1	-2.1	8.1	**100.8**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other and eliminations	Total
ASSETS						
Vessels and other fixed assets	459.3	585.2	24.9	238.6	-	**1 308.0**
Goodwill	38.3	-	-	-	-	**38.3**
Deferred tax assets	-	6.0	-	3.1	2.4	**11.4**
Interest-bearing long term receivables and other non-current assets	20.1	159.7	-	-	181.4	**361.2**
Interest-bearing long term receivables, internal	-	37.2	-	-	-37.2	**-**
Total non-current assets	517.7	788.1	24.9	241.7	146.6	**1 719.0**
Trade receivables and other interest-free receivables	15.5	0.1	-	-	-	**15.6**
Interest-bearing short term receivables, internal	4.0	2.4	-	-	-6.4	**-**
Cash and cash equivalents	43.1	17.2	0.2	0.4	15.6	**76.4**
Total current assets	62.6	19.7	0.2	0.4	9.1	**92.0**
Total assets	580.3	807.8	25.1	242.1	155.7	**1 810.9**
EQUITY AND LIABILITIES						
Total equity	327.6	272.7	0.1	76.4	41.9	**718.7**
Interest-bearing long term debt	116.2	464.3	-	137.9	134.5	**852.9**
Interest-bearing long term debt, internal	17.0	6.8	24.9	-	-48.8	**-**
Pension liabilities	0.4	-	-	-	0.2	**0.6**
Other interest-free long term liabilities	33.7	1.7	-	7.5	-	**42.8**
Total non-current liabilities	167.3	472.8	24.9	145.4	85.9	**896.3**
Interest-bearing short term debt	79.8	51.1	-	10.7	-	**141.6**
Interest-bearing short term debt, internal	-	-	-	3.7	-3.7	**-**
Current provisions	1.4	-	-	-	-	**1.4**
Trade and other payables	4.2	11.2	0.1	5.9	31.6	**52.9**
Total current liabilities	85.3	62.3	0.1	20.3	27.9	**195.9**
Total liabilities	252.7	535.1	25.0	165.7	113.8	**1 092.2**
Total equity and liabilities	580.3	807.8	25.1	242.1	155.7	**1 810.9**

2013 - Operating segments

Income statement

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other and eliminations	Total
Operating revenues	139.2	99.8	-	-	-	**239.0**
Operating expenses	-23.0	-0.4	-	-0.1	-7.8	**-31.3**
Operating profit before depreciation and amortization	116.1	99.4	-	-0.1	-7.8	**207.7**
Depreciation and amortization	-65.4	-36.1	-	-	-	**-101.6**
Operating profit (loss)	50.7	63.3	-	-0.1	-7.8	**106.1**
Interest income	0.3	3.4	-	-	14.0	**17.8**
Other financial income	-	-	-	-	1.8	**1.9**
Interest expense	-6.4	-22.1	-	1.9	-6.5	**-33.1**
Other financial expenses	-0.8	-0.5	-	-3.5	-7.6	**-12.5**
Net profit (loss) before tax	43.8	44.1	-	-1.7	-6.0	**80.2**
Income tax expense	0.3	-0.1	-	0.1	2.1	**2.5**
Net profit (loss) after tax	44.1	44.0	-	-1.6	-3.9	**82.7**

Balance Sheet

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other and eliminations	Total
ASSETS						
Vessels and other fixed assets	515.8	713.7	-	51.7	-	**1 281.1**
Goodwill	38.3	-	-	-	-	**38.3**
Deferred tax assets	-	4.4	-	0.1	6.0	**10.5**
Interest-bearing long term receivables	20.1	-	-	-	168.3	**188.4**
Interest-bearing long term receivables, internal	-	60.7	-	-	-60.7	**-**
Other non-current assets	-	-	-	4.5	-	**4.5**
Total non-current assets	574.2	778.8	-	56.3	113.6	**1 522.9**
Trade receivables and other interest-free receivables	16.4	1.4	-	-	-1.3	**16.4**
Cash and cash equivalents	50.9	37.3	-	0.3	44.3	**132.9**
Total current assets	67.3	38.7	-	0.3	43.0	**149.3**
Total assets	641.5	817.5	-	56.6	156.6	**1 672.2**
EQUITY AND LIABILITIES						
Total equity	303.2	192.8	-	15.6	192.2	**703.7**
Interest-bearing long term debt	195.6	451.7	-	-	97.4	**744.8**
Interest-bearing long term debt, internal	17.0	89.9	-	12.7	-119.7	**-**
Deferred tax liabilities	-	0.2	-	-	-	**0.2**
Pension liabilities	0.3	-	-	-	0.1	**0.4**
Other interest-free long term liabilities	42.7	26.3	-	-	-	**68.9**
Total non-current liabilities	255.6	568.1	-	12.7	-22.2	**814.3**
Interest-bearing short term debt	76.9	50.2	-	-	-	**127.0**
Interest-bearing short term debt, internal	-	-	-	25.2	-25.2	**-**
Trade and other payables	5.8	6.4	-	3.1	11.8	**27.1**
Total current liabilities	82.7	56.5	-	28.3	-13.4	**154.1**
Total liabilities	338.3	624.7	-	41.1	-35.6	**968.4**
Total equity and liabilities	641.5	817.5	-	56.6	156.6	**1 672.2**

Geographical areas

Amounts in USD million	2014	2013
Total revenue based on location of customer:		
India	**136.8**	138.2
Norway	**111.8**	100.8
Switzerland	**0.7**	-
Total	**249.3**	239.0
Total vessels, equipment and intangibles by company location:		
Norway	**1 346.4**	1 305.8
USA	**-**	13.7
Total	**1 346.4**	1 319.5

IMPORTANT CUSTOMER

The Group has three customers that each account for more than 10% of the Group revenue in 2014. Recognized revenue related to these customers in 2014 was USD 137 million, USD 38 million and USD 34 million, respectively.

NOTE 8 OPERATING LEASE REVENUE

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases.

Total operating lease revenue per segment:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Total 2014	2013
Ordinary lease revenue	102.6	92.5	-	12.0	**207.0**	196.6
Contingent rent	5.0	-	-	-	**5.0**	5.2
Total operating lease revenue	107.6	92.5	-	12.0	**212.1**	201.8
Finance lease revenue	-	6.0	-	-	**6.0**	-
Other operating revenue	20.2	-	-	-	**20.2**	19.4
Sale of assets	-	-	-	-	**-**	1.0
Mobilization fee, advances and deferred revenue	9.0	1.5	-	0.5	**11.0**	16.8
Total revenues	136.8	100.0	-	12.5	**249.3**	239.0

Future minimum lease payments under non-cancellable operating lease agreements

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Total 2014	2013
Duration less than one year	102.2	73.1	-	23.4	**198.7**	211.8
Duration between one and five years	279.1	290.7	102.3	155.3	**827.4**	874.2
Duration over five years	-	309.4	212.4	246.6	**768.4**	603.6
Total future minimum lease payments	381.4	673.3	314.6	425.3	**1 794.5**	1 689.7
Other order backlog	80.4	-	-	-	**80.4**	99.5
Total	461.8	673.3	314.6	425.3	**1 875.0**	1 789.2

FPSO

The Ocean Yield Group has entered into a charter contract and an operation and maintenance contract with Reliance Industries Ltd for the lease and operations of the FPSO Dhirubhai-1 for a 10 year period that started in September 2008. Reliance has an option to purchase the FPSO, exercisable at any point over the time of the duration of the contracts.

The charter contract is treated as an operating lease and included in the revenue from operating leases above. The operation and maintenance contract is not classified as an operating lease agreement under IAS 17, and the revenue from this contract is reported under other operating revenue in the table above.

The agreements contain mechanisms for lease rental adjustment for downtime and shutdowns. The lease rental and the operating dayrate is payable in full at 95% uptime (or 5% downtime) of Dhirubhai-1. In case of shutdowns the lease rental is not payable in the shutdown period. Furthermore lease rental payable on a monthly basis is adjusted for downtime experienced during the month. Downtime is a function of monthly loss of production measured against targeted production and is a consequence of reduction, stoppage in the oil and/or gas production or gas flaring for reasons attributable to Aker Floating Production ("AFP"), such as equipment breakdown, maintenance and acts and omissions of AFP personnel. At downtime less than 5%, the monthly compensation is increased by a bonus where maximum achievable bonus is 5%. At downtime exceeding 5% the charter contract monthly compensation will be reduced in 1 % steps up to 9%. With downtime above 9% the monthly compensation will be reduced by a percentage equal to the downtime. For the operation and maintenance contract the monthly compensation will be reduced by steps of 1% up to 15% downtime. For downtime above 15% the monthly reduction will not exceed 10%.

Budgeted downtime is included in the calculation of the non-cancellable future lease payments reported above. This has been estimated based on the experience from the first six years of operations. In 2014 the achieved uptime was 99.46%.

The estimated downtime includes planned shutdowns for maintenance in 2016 and 2018, and additional estimated shutdowns at specific intervals every year. Potential bonus is not included in the non-cancellable lease rental income reported above.

OTHER OIL SERVICE

The Group's subsea construction vessel Aker Wayfarer has been operating on a ten year bareboat charter to Aker Oilfield Services (AKOFS). The charter contract for Aker Wayfarer was amended and extended in 2014, and as a result of the amendments and extension of the bareboat charter, the accounting of the vessel has been changed from operating lease to finance lease. The book value of the vessel has been derecognized from the balance sheet, and an receivable equal to the net investment in the lease have been recognized as an interest-bearing long term receivable, see note 15. The contract was signed in September 2014 and as a consequence, operating lease revenue reported above includes revenue from Aker Wayfarer for the period January to September 2014. Future minimum lease payments under non-cancellable operating lease agreements reported above do no longer include charter hire for the vessel.

The Group acquired the offshore construction vessel and cable lay vessel Lewek Connector in October 2012 and entered into a 10-year bareboat charter with EMAS AMC AS, a wholly-owned subsidiary of Ezra Holdings Ltd. ("Ezra"). The bareboat charter is fully guaranteed by Ezra. EMAS has options to acquire the vessel during the charter period, with the first option being exercisable after five years. The agreement does not contain any contingent rent components.

The Group acquired in 2013 two anchor handling tug supply vessels, Far Senator and Far Statesman. The vessels have been chartered on 12-year bareboat charter contracts to Farstad Supply AS. Farstad has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

The Group acquired in December 2014 the diving support and offshore construction vessel SBM Installer. The vessel has been chartered on a 12-year bareboat charter contract guaranteed by SBM Holding Inc. SA. SBM has options to acquire the vessel during the charter period, with the first option being exercisable after five years. The agreement does not contain any contingent rent components.

The seismic vessel Geco Triton was chartered to the Schlumberger subsidiary Western Geco with a bareboat contract ending in December 2015. The vessel was however sold to Western Geco in December 2014.

GAS CARRIERS

The Group has in 2014 entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a ten year period on time charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann have the option to buy an ownership share of 1/3 of the entities owning the vessels after ten years, or alternatively receive a 1/3 profit share from year eleven to year fifteen. As the charter hire in the last five years is floating, only the first ten years have been included in the non-cancellable lease rental income reported above.

CAR CARRIERS

The Group entered in 2012 into newbuilding contracts for two pure car truck carriers (PCTC) of 6,500 car capacity with Daewoo Shipbuilding & Marine Engineering's. The vessel Höegh Jacksonville was delivered in April 2014 and the vessel Höegh Jeddah was delivered in September 2014. The vessels are chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

The Group entered in 2013 into newbuilding contracts for two PCTCs of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. The vessels will be delivered in January and April 2016, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The agreements do not contain any contingent rent components.

The Group has in 2014 acquired two PCTCs of 4,900 car capacity, built in 2010. The vessels Höegh Beijing and Höegh Xiamen are chartered on 8-year bareboat charter contracts to Höegh Autoliners. Höegh Autoliners has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The charter hire is subject to a LIBOR related adjustment. The LIBOR adjustment has not been included in the non-cancellable lease rental income reported above.

NOTE 9 WAGES, PERSONNEL EXPENSES AND OTHER OPERATING EXPENSES

Wages and personnel expenses consist of the following:

Amounts in USD million	2014	2013
Wages	**8.0**	7.6
Social security contributions	**1.0**	1.0
Pension costs	**0.5**	0.5
Other expenses	**0.0**	0.3
Total	**9.5**	9.5
Average number of employees	**18**	18
Number of employees at year end	**18**	19

Geographical split of number of employees per region

Norway	**18**	18
Other regions	**-**	1
Total	**18**	19

Other operating expenses consist of the following:

Amounts in USD million	2014	2013
External consultants and services other than audit	**0.5**	2.8
Services from related parties	**1.0**	0.8
Legal dispute, see note 31	**3.4**	-
Other operating expenses	**3.5**	4.0
Total	**8.4**	7.6

Payments/fees to auditors of the Ocean Yield Group included in other operating expenses above, are distributed as follows:

Amounts in USD thousand	Ordinary auditing	Other assurance services	Tax advisory services	Other non-audit services	2014	2013*
Ocean Yield ASA	135.9	7.0	18.0	15.1	**176.0**	510.4
Other consolidated companies	112.6	30.7	2.0	2.4	**147.6**	260.8
Total	248.5	37.7	20.0	17.5	**323.7**	771.2

**Other non-audit services in 2013 included USD 296 thousand which was recognized directly against equity. This was related to the IPO in 2013.*

The figures are exclusive of VAT.

NOTE 10 LOSS FROM SALE OF VESSELS

Amounts in USD million	2014	2013
Loss from sale of vessels	**-3.8**	**-**
Total	**-3.8**	**-**

The loss from sale of vessels reported above is related to the vessel Geco Triton, which was sold in December 2014. The sales price was USD 8.2 million and included full compensation for the remaining charterhire until December 2015.

NOTE 11 FINANCIAL INCOME AND FINANCIAL EXPENSES

Net financial income/expense recognized in profit and loss:

Amounts in USD million	2014	2013
Interest income on investments available for sale	**-**	17.3
Interest income on bank deposits and receivables at amortized cost	**18.7**	0.5
Gain on available for sale financial assets	**11.5**	-
Net foreign exchange gain	**29.6**	-
Net other financial income	**-**	1.9
Total financial income	**59.8**	19.7
Interest expense on financial obligations measured at amortized cost to external companies	**-34.2**	-33.1
Net foreign exchange loss	**-**	-0.1
Change in mark to market of derivatives	**-22.5**	-10.0
Loss from de-recognition of financial obligations measured at amortized cost	**-13.5**	-
Net other financial expenses	**-2.5**	-2.4
Total financial expenses	**-72.7**	-45.6
Net financial items	**-12.9**	-26.0

The financial income and expenses above include the following interest income and costs in respect of assets (liabilities) not recognized at fair value through profit and loss:

Total interest income on financial assets	**18.7**	17.8
Total interest cost on financial liabilities	**-32.6**	-26.3

Financial items in other comprehensive income consist of the following:

Amounts in USD million	2014	2013
Change in fair value reserve, before tax	**-**	11.5
Reclassification of gains on available for sale financial assets included in Financial Income, before tax	**-11.5**	-
Total	**-11.5**	11.5

NOTE 12 TAX

Income tax expense

Amounts in USD million	2014	2013
Current tax expense:		
Tax expense current year	**-1.7**	-0.4
Total current tax expense	**-1.7**	-0.4
Deferred tax expense:		
Origination and reversal of temporary differences	**-1.1**	3.3
Change in tax rate	**-**	-0.4
Total deferred tax expense	**-1.1**	2.9
Total income tax expense	**-2.8**	2.5

Temporary differences consist of		
Vessels and other fixed assets	**112.2**	159.0
Receivables	**-3.5**	-3.5
Capitals gains and loss reserve	**-11.9**	-18.2
Deferred income	**-27.4**	-42.3
Withholding tax	**-83.0**	-94.7
Other differences	**15.1**	6.3
Total	**1.6**	6.6
Tax losses	**-255.2**	-326.6
Deferred tax base assets	**-253.6**	-319.9
Deferred tax assets	**68.5**	86.4
Deferred tax assets and liabilities not recognized	**-57.0**	-76.1
Net deferred tax assets and liabilities	**11.4**	10.3

Net deferred tax assets and liabilities recorded as follows:

Deferred tax assets	**11.4**	10.5
Deferred tax liabilities	**-**	-0.2
Net deferred tax assets and liabilities	**11.4**	10.3

Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used. Estimates of future taxable profits show that the Group may be able to utilize significant parts of the tax loss carry forwards. However, as a consequence of limited historic taxable earnings, the Group has recognized only a limited amount as of 31 December 2014 and 2013.

The tax losses carried forward reported above is mainly related to Norwegian entities, and has no expiration date. Withholding tax paid in India on revenue related to Dhirubhai -1 is reported in the temporary differences above in the line withholding tax. This can be deducted from tax payables in Norway for the next five years.

The tax rate in Norway changed from 28% to 27% from 1 January 2014.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Amounts in USD million	Comprehensive income before tax	Tax 2014	Comprehensive income after tax
Reclassification of gains on available for sale financial assets included in Financial Income	-11.5	3.1	-8.4
Remeasurements of defined benefit liability (asset)	-0.2	0.1	-0.2
Currency translation differences	-19.9	-	-19.9
Other comprehensive income	**-31.6**	**3.2**	**-28.4**

Amounts in USD million	Comprehensive income before tax	Tax 2013	Comprehensive income after tax
Changes in fair value of available for sale financial assets	11.5	-3.1	8.4
Remeasurements of defined benefit liability (asset)	0.1	-	0.1
Currency translation differences	-9.7	-	-9.7
Other comprehensive income	1.9	-3.1	-1.3

The income tax (charged)/credited directly to equity during the year is as follows:

Amounts in USD million	Before tax Tax	Tax 2014	After tax tax
Total	**-**	**-**	**-**

Amounts in USD million	Before tax Tax	Tax 2013	After tax tax
Expenses related to raising new equity	-4.8	1.3	-3.5
Impact of implementing IAS 19R	1.1	-0.3	0.8
Total	-3.8	1.0	-2.7

Reconciliation of effective tax rate

Amounts in USD million	2014	2013
Profit before tax	**103.6**	80.2
Nominal tax rate in Norway (27% in 2014, 28 % in 2013)	**-28.0**	-22.4
Effect of tax rates in foreign jurisdictions	**-**	-0.3
Revenue not subject to tax	**0.5**	-
Expenses not deductible for tax purposes	**-14.4**	-0.8
Adjustment to gross revenue (due to withholding tax in India)	**-4.5**	-1.6
Utilization of previously unrecognized tax losses	**19.7**	10.5
Tax losses for which no deferred income tax asset was recognized	**-0.5**	-0.5
Companies within tonnage tax legislation	**14.3**	11.8
Other differences	**10.1**	5.9
Total income tax expenses	**-2.8**	2.5

The tax figures are based on preliminary estimates of non-taxable income, non-tax deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated in relation to the tax returns and may differ from the estimates above.

Movement in net deferred tax assets and liabilities is as follows:

31.12.2014

Amounts in USD million	Net balance at 1 January	Recognized in profit and loss	Recognized in OCI	Recognized directly in equity	Translation difference	Net balance at 31 December
Vessels and other fixed assets	-42.9	12.7	-	-	-	-30.3
Receivables	0.9	-	-	-	-	0.9
Capital gains and loss reserve	4.9	-1.7	-	-	-	3.2
Deferred income	11.4	-4.0	-	-	-	7.4
Withholding tax	25.6	-3.2	-	-	-	22.4
Other differences	-1.7	-5.6	3.2	-	0.1	-4.1
Tax losses	88.2	-18.2	-	-	-1.1	68.9
Deferred tax assets and liabilities not recognized	-76.1	19.0	-	-	-	-57.0
Net deferred tax assets (+) and liabilities (-)	10.3	-1.1	3.2	-	-1.0	11.4

31.12.2013

Amounts in USD million	Net balance at 1 January	Recognized in profit and loss	Recognized in OCI	Recognized directly in equity	Translation difference	Net balance at 31 December
Vessels and other fixed assets	-50.3	7.4	-	-	-	-42.9
Receivables	1.9	-0.9	-	-	-	0.9
Capital gains and loss reserve	7.1	-2.2	-	-	-	4.9
Deferred income	15.5	-4.1	-	-	-	11.4
Withholding tax	23.0	2.5	-	-	-	25.6
Other differences	0.6	-0.2	-3.1	1.0	-	-1.7
Tax losses	97.1	-8.4	-	-	-0.5	88.2
Deferred tax assets and liabilities not recognized	-84.9	8.9	-	-	-	-76.1
Net deferred tax assets (+) and liabilities (-)	10.1	2.9	-3.1	1.0	-0.5	10.3

NOTE 13 VESSELS AND OTHER FIXED ASSETS

	Vessels			Advances on vessels under construction		Machinery, vehicles	
Amounts in USD million	**FPSO**	**Other Oil Service**	**Car Carriers**	**Gas Carriers**	**Car Carriers**	**FPSO**	**Total**
Cost balance at 1 January 2013	875.8	634.8	-	-	12.3	4.8	**1 527.7**
Capital expenditure	1.3	213.5	-	-	39.3	1.4	**255.5**
Disposals	-	-	-	-	-	-3.5	**-3.5**
Effect of movements in foreign exchange	-	-34.0	-	-	-	-0.2	**-34.2**
Cost balance at 31 December 2013	877.1	814.3	-	-	51.6	2.5	**1 745.6**
Capital expenditure	0.1	150.2	178.1	24.8	14.2	0.4	**367.8**
Disposals	-	-44.5	-	-	-	-	**-44.5**
Effect of movements in foreign exchange	-	-50.3	-	-	-	-	**-50.3**
Reclassification	-	-	39.9	-	-39.9	-	**-**
Change from operating lease to finance lease	-	-239.4	-	-	-	-	**-239.4**
Cost balance at 31 December 2014	**877.2**	**630.2**	**218.1**	**24.8**	**25.9**	**2.9**	**1 779.1**
Accumulated depreciation and impairment losses at 1 January 2013	-297.2	-68.0	-	-	-	-4.7	**-369.9**
Depreciation charge of the year	-65.3	-36.1	-	-	-	-0.2	**-101.6**
Impairment	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	3.5	**3.5**
Effect of movements in foreign exchange	-	3.5	-	-	-	0.1	**3.6**
Accumulated depreciation and impairment losses at 31 December 2013	-362.5	-100.6	-	-	-	-1.3	**-464.4**
Depreciation charge of the year	-56.8	-34.0	-5.3	-	-	-0.3	**-96.4**
Impairment	-	-	-	-	-	-	**-**
Disposals	-	32.5	-	-	-	-	**32.5**
Effect of movements in foreign exchange	-	4.7	-	-	-	-	**4.7**
Change from operating lease to finance lease	-	52.6	-	-	-	-	**52.6**
Accumulated depreciation and impairment losses at 31 December 2014	**-419.3**	**-45.0**	**-5.3**	**-**	**-**	**-1.6**	**-471.2**
Balance at 31 December 2013	514.6	713.6	-	-	51.6	1.2	**1 281.1**
Balance at 31 December 2014	458.0	585.2	212.7	24.8	25.9	1.3	**1 308.0**


DECK 9
HOLD 2
DECK 8
HOLD 2
DECK 7
HOLD 2

CAPITAL EXPENDITURE

OTHER OIL SERVICE

The subsea, construction vessel Aker Wayfarer has been operating on a 10 year bareboat charter to Aker Oilfield Services (AKOFS). The contract originally ran until September 2020, but in 2014 the bareboat charter has been extended with 7 years, until 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020, and a new bareboat charter rate in USD has been agreed for the period from 2020 until 2027. In December 2014 Ocean Yield and AKOFS agreed to change approximately 70% of the charter rate from January 2015 until September 2020 from NOK to USD. AKOFS have in 2014 been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for the Petrobras charter an investment of approximately USD 90 million is needed on the vessel. With this investment Aker Wayfarer will become a deep-water subsea equipment support vessel, allowing it to install and retrieve subsea trees and modules. Due to this additional investment, an additional charter rate in USD will be included from completion in May 2016 until September 2027. AKOFS has options to acquire the vessel during the charter period, with the first option being exercisable in 2021. As a result of the amendments and extension of the bareboat charter, the accounting of the vessel has been changed from operating lease to finance lease. The book value of the vessel has been de-recognized from the balance sheet, and an receivable equal to the net investment in the lease has been recognized as an interest-bearing long term receivable, see note 15.

The Group has in 2014 acquired the diving support and offshore construction vessel SBM Installer. The vessel, which was built in 2013, was delivered in December 2014 and is chartered back to SBM Holding ("SBM") for a period of 12 years. Ocean Yield has established a single purpose company for the ownership of the vessel, in which SBM owns 25%. SBM has options to acquire the vessel during the charter period, with the first option being exercisable after five years. The total price of the vessel was USD 150 million.

GAS CARRIERS

The Group has in 2014 entered into newbuilding contracts for three LEG (Liquefied Ethylene Gas) carriers of 36,000 cbm capacity, to be built at Sinopacific Offshore & Engineering, China. The vessels are scheduled for delivery in August, October and December 2016 respectively, and will after delivery be chartered on 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), where the first ten years have a fixed charter rate and the last five years a floating charter rate. Hartmann has sub-chartered the vessels for a ten year period on time charter basis with additional five one-year options to SABIC Petrochemicals BV, a subsidiary of Saudi Arabian petrochemical company SABIC. The total investment is estimated to be approximately USD 243 million. The contract price will be paid in six installments, where 60% of the contract price will be paid upon completion and delivery. During the construction period the ship builder has the title to and the risk of the vessels. In 2014 USD 24.3 million have been paid in advances. In addition USD 0.3 in acquisition related expenses and USD 0.2 million in borrowing costs has been capitalized as part of the acquisition cost of the vessels. The borrowing costs have been calculated using an interest rate of LIBOR +4.60% p.a. The lease agreements do not contain any purchase options. However, a purchase option and profit share agreement has been entered into between the parties, where Hartmann have the option to buy an ownership share of 1/3 of the entities owning the vessels after ten years, or alternatively receive a 1/3 profit share from year eleven to year fifteen.

CAR CARRIERS

The Group has in 2014 acquired two Pure Car Truck Carriers (PCTC) of 4 900 car capacity; Höegh Xiamen and Höegh Beijing. The vessels, which were built in 2010, were delivered to Ocean Yield in June 2014 and are chartered to Höegh Autoliners (Höegh) for a period of 8 years. Höegh has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The total price of the vessels was USD 90 million.

In 2012 the Group entered into newbuilding contracts for two pure car truck carriers (PCTC) of 6,500 car capacity with Daewoo Shipbuilding & Marine Engineering's. The vessels; Höegh Jacksonville and Höegh Jeddah were delivered in April and September 2014, respectively, and are chartered on 12-year bareboat charter contracts to Höegh Autoliners (Höegh). Höegh has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The total price of the vessels was USD 125 million, where USD 37 million was paid in advances in 2012 and 2013. In addition USD 3 million in borrowing cost (USD 1.1 million relates to 2014) has been capitalized as part of the acquisition cost of the vessels. This has been calculated using an interest rate of LIBOR +4.60% p.a. (LIBOR +7.07% p.a. in the period until 26.03.2014).

The Group entered in 2013 into newbuilding contracts for two pure car truck carriers (PCTC) of 8,500 car capacity with Xiamen Shipbuilding Industry Co. Ltd. The vessels will be delivered in January and April 2016, and will after delivery be chartered on 12-year bareboat charter contracts to Höegh Autoliners (Höegh). Höegh has options to acquire the vessels during the charter period, with the first options being exercisable after five years. The total investment is estimated to be approximately USD 125 million. The contract price will be paid in four installments, where 70% of the contract price will be paid upon completion and delivery. During the construction period ship builder has the title to and the risk of the vessels. In 2014 USD 12.2 million have been paid in advances. In addition USD 0.8 million in borrowing costs has been capitalized in 2014 as part of the acquisition cost of the vessels. This has been calculated using an interest rate of LIBOR +4.60% p.a. (LIBOR +7.07% p.a. in the period until 26.03.2014).

DEPRECIATION

Depreciation is recognized in profit and loss on a straight-line basis over the estimated useful lives of each major component of an item of property, plant and equipment.

Estimated useful lives for the current and comparative periods are as follows:

Vessels: 10-25 years

Machinery, vehicles: 3-15 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting period.

EFFECT OF EXCHANGE RATE FLUCTUATIONS

The effect of exchange rate fluctuations decreased the value of vessels and other fixed assets with USD 45.6 million in 2014. These are translation differences that are mainly attributable to the fluctuations in the NOK/USD ratio for the vessels Far Senator and Far Statesman, which are accounted for in NOK. The 2014 figure also includes exchange rate fluctuations related to the vessel Aker Wayfarer before the bareboat agreement was amended and extended, and the accounting of the vessel was changed from operating lease to finance lease.

CONTRACTUAL OBLIGATIONS

The Group has the following remaining contractual obligations at 31 December 2014 related to the purchase of vessels:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Total
Already paid	-	14.0	24.3	24.9	**63.2**
Due in 2015	-	19.3	48.6	12.5	**80.3**
Due in 2016	-	55.9	170.1	87.2	**313.2**
Total investment	**-**	**89.2**	**243.0**	**124.6**	**456.7**
Total remaining payments	**-**	**75.2**	**218.7**	**99.6**	**393.5**
Estimated/secured bank financing	50.5*	71.4	180.0	94.0*	**395.9**

**Already secured bank commitments*

The obligations above related to the Other Oil Service segment is related to the modification work on the vessel Aker Wayfarer. The accounting related to the vessel was changed from operating lease to finance lease in 2014, see description on the previous page. Instalments related to the modification work are presented with the finance lease receivable, see note 15, and is not included in vessels and other fixed assets. Ocean Yield expects that about 80% of the modification work will be funded by bank financing.

The obligations above related to the Gas Carriers segment is related to three LEG carriers, scheduled for delivery in August, October and December 2016. Ocean Yield expects that about USD 180 million of the investment in the three gas carriers will be funded by bank financing.

The obligations above related to the Car Carriers segment is related to two PCTC vessels, which will be delivered in January and April 2016. Long term financing have been secured for the two PCTC vessels for a total of USD 94 million.

For more information about the vessels see section Capital Expenditure on the previous page. For more information regarding the financing see note 21.

NOTE 14 INTANGIBLE ASSETS

Movements in intangible assets are shown below:

	Goodwill	
Amounts in USD million	**2014**	**2013**
Cost balance at 1 January	**125.8**	125.8
Cost balance at 31 December	**125.8**	125.8
Accumulated amortization and impairment losses at 1 January	**-87.5**	-87.5
Accumulated amortization and impairment losses at 31 December	**-87.5**	-87.5
Carrying amount at 31 December	**38.3**	38.3

IMPAIRMENT TESTING FOR CASH GENERATING UNITS CONTAINING GOODWILL

The Company is reviewing goodwill for impairment on a yearly basis or more frequently if circumstances indicate any impairment. The test is performed at year end. An impairment loss is recognized if the estimated recoverable amount is lower than the carrying amount of the asset.

The main objective for the Ocean Yield Group in making impairment calculations is to ensure consistency in the assumptions being used. Any changes in the assumptions from prior periods are explained.

On 31 December 2014, goodwill of USD 38 million is related to the subsidiary Aker Floating Production.

AKER FLOATING PRODUCTION

The goodwill originates from the acquisition of Aker Contracting FP ASA in 2006, which had developed the AKER S.M.A.R.T concept for constructing a generic, cost effective FPSO. No write-downs were made in 2014 or 2013.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. For Aker Floating Production this is found by calculating the value in use. This has been determined by estimating the contractual discounted cash flows, including terminal value. The calculations are based on future cash flows, budgets and strategic objectives. Currently the FPSO is on a contract with Reliance Industries Ltd. that expires in September 2018. The projected cash flows used in the calculations cover the period until this contract expires, and are based on Aker Floating Productions long term budget. The cash flows represents management's best estimate and reflects the organization's experience with current operations.

The projected cash flows are estimated using dayrates as defined by the charter and the operation and maintenance contracts, where the dayrates from the operation and maintenance contract annually increases with five percent. Bonus has been included based on estimated FPSO downtime. The estimated FPSO downtime includes planned shutdowns for maintenance in 2016 and 2018, and additional estimated shutdowns with a reduction in bonus payments at specific intervals every year. The achieved uptime in 2014 was 99.46%

Operating expenses have been included with an annual increase of five to seven percent. In addition, expenses due to wear and tear of equipment have been included. Other indirect expenses are estimated with an annual increase of two to three percent. As terminal value in the calculation, the purchase option price in 2018 of USD 255 million is used. The cash flows are adjusted with estimated tax expenses.

The cash flows used in the calculations are after tax. Thus, the applied discount rate is also after tax. The discount rate used is 6.37%, which equals a pre tax rate of 9.79%. The discount rate is estimated as a weighted average of the required return on equity and expected borrowing costs, at an expected long-term equity ratio of 35 percent. The capital asset pricing model for a peer group of companies within the same sector has been applied when calculating the WACC. As debt cost a USD swap rate has been used, with a margin that reflects long term financing in the current market.

Calculating the value in use, by estimating the contractual discounted cash flows requires subjective judgments. The calculation is also subject to estimates that may fluctuate. A sensitivity analysis is performed based on two key scenarios that management considers to be the most obvious and relevant to show how changes in the base assumptions influence the value in use:

A) An increase in the discount rate of 50 percent

B) An increase in downtime to 5% throughout the period i.e. bonus is not payable any months in the period

Neither scenario A nor B caused any impairment.

The calculation of value in use is sensitive with regards to variations in the terminal value. Other alternatives to the purchase option may lead to a higher or a lower value in use.

Consequently, the remaining goodwill of USD 38 million is adequately supported by the projected cash flows from the FPSO Dhirubhai-1 contract.

NOTE 15 INTEREST-BEARING LONG TERM RECEIVABLES AND OTHER NON-CURRENT ASSETS

Amounts in USD million	2014	2013
Restricted deposits	**20.1**	20.1
American Shipping Company ASA bonds	**180.9**	168.3
Finance lease receivables and related assets	**159.7**	-
Other interest-bearing long term receivables	**0.5**	4.5
Total interest-bearing long term receivables and other non-current assets	**361.2**	192.9

RESTRICTED DEPOSITS

Restricted funds relates to the loan agreement in Aker Floating Production.

AMERICAN SHIPPING COMPANY ASA BONDS

Ocean Yield owns 93.05% of the unsecured bonds American Shipping Company ASA 07/18, (ISIN NO0010356512), with maturity in February 2018. (the "Bonds"). In December 2013 AMSC carried out a recapitalization of the company where the bond loan agreement was amended. In the amended bond loan agreement the bond loan is denominated in USD with an interest of LIBOR +6.00% p.a. (previously denominated in NOK with an interest of NIBOR +4.75% p.a.). The structure of the loan was changed from an all-PIK-interest structure to 50/50 PIK/cash interest. The cash interest portion will further increase to 70% as from the refinancing of AMSC's external bank debt (which matures in June 2016), and to 90% as from 12 months after such refinancing. Finally, 100% of the interests will be payable in cash as from 24 months after such refinancing has taken place. Until the refinancing of the senior secured bank facility, AMSC will have an option to extend the maturity date of the Bonds from 28th February 2018 to 28th February 2021. If this extension option is exercised the margin of the bonds will increase by 2.5 % p.a. In addition the margin will increase by 0.5 % p.a. for every 12-month period the bond is outstanding after the extension option is exercised.

The amendments to the bond loan agreement had effect from 3 January 2014. Due to the significant changes in terms the bonds under the amended bond loan agreement is considered to be a new loan, and the bonds under the old terms have thus been derecognized on 3 January 2014. This resulted in a financial gain of USD 11.5 million (before tax) in 2014. The bonds under the amended agreement were recognized at their fair value 3 January 2014, and have been classified as loans and receivables. Subsequent to initial recognition the bonds are measured at amortized cost using the effective interest method less any impairment losses.

FINANCE LEASE RECEIVABLES AND RELATED ASSETS

Finance lease receivables and related assets of USD 159.7 million at 31 December 2014 are related to the vessel Aker Wayfarer.

The subsea, construction vessel Aker Wayfarer has been operating on a 10 year bareboat charter to Aker Oilfield Services (AKOFS). The contract originally ran until September 2020, but in 2014 the bareboat charter has been extended with 7 years, until 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020, and a new bareboat charter rate in USD has been agreed for the period from 2020 until 2027. In December 2014 Ocean Yield and AKOFS agreed to change approximately 70% of the charter rate from January 2015 until September 2020 from NOK to USD. AKOFS has in 2014 been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for the Petrobras charter an investment of approximately USD 90 million is needed on the vessel. With this investment Aker Wayfarer will become a deep-water subsea equipment support vessel, allowing it to install and retrieve subsea trees and modules. Due to this modification work, an additional charter rate in USD will be included from completion in May 2016 until September 2027. AKOFS has options to acquire the vessel during the charter period, with the first option being exercisable in 2021.

As a result of the amendments and extension of the bareboat charter, the accounting of the vessel has been changed from operating lease to finance lease. The book value of the vessel has been de-recognized from the balance sheet, and an receivable equal to the net investment in the lease has been recognized as an interest-bearing long term receivable. The de-recognition of the vessel and the recognition of the finance lease receivable did not result in a significant Profit and loss effect in 2014. Over the lease term interest on the net investment is recognized in the profit and loss as operating revenue in a way that produces a constant rate of return on the investment during the contract period adjusted from time to time due to changes in the estimated residual value.

Instalments related to the modification work are presented with the finance lease receivable. The instalments are however not included in the net investment used for calculating the finance lease interest. The investment related to the modification work will be included in the net investment at the completion date, which is expected to be in May 2016.

The net finance lease receivables and related assets as of 31 December 2014 was as follows:

Amounts in USD million	Gross Investment in finance lease receivables	Effect of Discounting	Present value of minimum lease payments
Lease payments receivable:			
Less than one year	28.5		26.5
Between one and five years	161.7		106.3
More than five years	304.0		86.1
Lease investments:			
Between one and five years	-89.2		-73.3
Total finance lease receivables	**405.1**	**-259.4**	**145.7**
Instalments related to modification work on Aker Wayfarer			14.0
Total finance lease receivables and related assets			**159.7**

The gross investment above includes an unguaranteed residual value of USD 59 million.

NOTE 16 TRADE AND OTHER SHORT TERM INTEREST-FREE RECEIVABLES

Trade and other short term interest-free receivables comprise of the following items:

Amounts in USD million	2014	2013
Trade receivables	**14.9**	14.9
Provision for impairment of trade receivables	**-1.7**	-1.1
Other short term interest-free receivables	**2.3**	2.5
Total	**15.6**	16.4

NOTE 17 CASH AND CASH EQUIVALENTS

The Group has the following amount of cash and cash equivalents:

Amounts in USD million	2014	2013
Total	**76.4**	132.9

Of this is USD 1.8 million restricted. In addition the Group has USD 20.1 million in restricted cash classified as long term assets (see note 15).

NOTE 18 EARNINGS PER SHARE, DIVIDEND PER SHARE AND PAID-IN EQUITY

Earnings per share

Calculation of profit from continued and discontinued operations to equity holders of the Group:

Amounts in USD million	2014	2013
Continued operations:		
Net profit (loss) after tax from continued operations	**100.8**	82.7
Non-controlling interests	**0.1**	-
Profit from continued operations attributable to equity holders of the Group	**100.7**	**82.7**
Ordinary shares issued at 31 December	**134 192 111**	133 783 514
Treasury shares at 31 December	**(23 070)**	-
Ordinary shares outstanding at 31 December	**134 169 041**	133 783 514
Weighted average number of shares (basic)	**134 085 241**	116 733 050
Basic earnings per share (USD)	**0.75**	0.71
Weighted average number of shares	**134 085 241**	116 733 050
Effect of shares from incentive scheme on issue*	**968**	1 001
Weighted average number of shares (diluted)	**134 086 209**	116 734 051
Diluted earnings per share (USD)	**0.75**	0.71

*In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. The Company can require that a part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus is settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years. For more details regarding the management incentive scheme see the consolidated financial statements for Ocean Yield Group ASA, note 28. In 2014 USD 2.4 million has been expensed related to the share price increase bonus. In February 2015 353 385 new shares were subscribed under the incentive scheme. These shares have been included in the calculation of diluted earnings per share above.

Dividends

Amounts in USD million	2014	2013
Total dividend paid	**69.1**	56.0
Declared dividend for the 4th quarter	**19.1**	16.4

Paid in capital

At 31 December 2014 Ocean Yield ASA share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	134 192 111	134 192 111
Par value	10	1.7
Total par value (million)	**1 341.9**	222.3
Share capital (million)	1 341.9	222.3
Other paid in capital (million)	2 736.5	453.8
Treasury shares (million)	(0.2)	(0.0)
Total paid in capital (million)	**4 078.2**	676.1

All shares have equal voting rights and are entitled to dividends.

Change in number of shares:

	2014	2013
Number of shares outstanding 1.1	**133 783 514**	100 000 000
IPO	**-**	33 736 110
Issue of shares related to management incentive scheme	**408 597**	47 404
Treasury shares aquired	**-350 000**	-
Treasury shares sold	**326 930**	-
Number of shares outstanding 31.12	**134 169 041**	133 783 514

CURRENT BOARD AUTHORIZATIONS

At the Annual General Meeting, held on 28 April 2014, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 130 million in connections with acquisitions, mergers, de-mergers or other transfers of business and an authorization to increase the share capital with maximum NOK 10 million in connection with the employee share programme. The Board was also given the authorization to acquire treasury shares up to an aggregate nominal value of NOK 8 million in connection with the employee share programme. The authorizations are valid until the 2015 Annual General Meeting.

The 20 largest shareholders as of 31 December 2014

Shareholders	Number of shares	Percent
Aker ASA [1)]	98 242 575	73.2 %
Goldman Sachs & Co Equity Segregat	10 214 321	7.6 %
Schroder Internation.Selection FD	4 051 100	3.0 %
JP Morgan Clearing Corp.	2 794 266	2.1 %
JP Morgan Chase Bank N.A. London	1 777 022	1.3 %
Fidelity Funds - Nordic Fund/Sicav	1 203 977	0.9 %
UBS Securities LLC	1 069 611	0.8 %
SEB STO, Sec. FIN/CFD	789 888	0.6 %
Finmarine AS [2)]	734 726	0.5 %
The Bank of New York Mellon SA/NV	702 058	0.5 %
MP Pensjon Pk	535 113	0.4 %
SIX Sis AG	532 000	0.4 %
Barclays Capital INC	494 635	0.4 %
Anaxo Capital AS	438 300	0.3 %
Brown Brothers Harriman & Co. Bost	358 000	0.3 %
VPF Nordea Norge Verdi	351 580	0.3 %
Morgan Stanley & Co. LLC	333 963	0.2 %
Nergaard Investment Partners AS	211 030	0.2 %
DNB Bank ASA	168 300	0.1 %
State Street Bank and Trust Co	167 699	0.1 %
Other	9 021 947	6.7 %
Total	**134 192 111**	**100%**

1) Kjell Inge Røkke controls 67.8% of the shares in Aker ASA through his ownership of the TRG companies.
2) Finmarine AS is owned by the CEO Lars Solbakken.

Ocean Yield ASA is a subsidiary of Aker ASA, and part of Aker ASAs consolidated financial statements. Aker ASA has offices at Fjordalleen 16 and the consolidated 2014 financial statements for Aker ASA are when available, to be found at www.akerasa.com.

NOTE 19 GROUP ENTITIES AND NON-CONTROLLING INTERESTS

Ocean Yield ASA is a holding company with financial investments, and the parent company in the Ocean Yield Group. Single purpose companies have been established for the ownership of the Group's vessels. As of year-end 2014 the Group consists of the subsidiaries presented in the table below. Companies owned directly by Ocean Yield ASA are highlighted.

			Business address	
Amounts in USD million	**Group's ownership in%**	**Group's share of votes in%**	**City location**	**Country**
Aker Floating Production AS	100.00	100.00	Oslo	Norway
AFP Operations AS	100.00	100.00	Oslo	Norway
Aker Contracting FP ASA	100.00	100.00	Oslo	Norway
Aker Floating Operations Publ Ltd	100.00	100.00	Limassol	Cyprus
Aker Invest AS	100.00	100.00	Oslo	Norway
Aker Invest II KS	100.00	100.00	Oslo	Norway
American Champion, Inc	100.00	100.00	Seattle	USA
New Pollock LP, Inc	99.00	99.00	Seattle	USA
Aker Ship Lease AS	100.00	100.00	Oslo	Norway
Aker Ship Lease 1 AS	100.00	100.00	Oslo	Norway
Aker Ship Lease 2 AS	100.00	100.00	Oslo	Norway
Connector 1 Holding AS	100.00	100.00	Oslo	Norway
Connector 1 AS	100.00	100.00	Oslo	Norway
F-Shiplease Holding AS	100.00	100.00	Oslo	Norway
F-Shiplease AS	100.00	100.00	Oslo	Norway
LH Shiplease AS	100.00	100.00	Oslo	Norway
LH Shiplease 1 AS	100.00	100.00	Oslo	Norway
Ocean Holding AS	100.00	100.00	Oslo	Norway
OCY Albany AS	100.00	100.00	Oslo	Norway
OCY Severn AS	100.00	100.00	Oslo	Norway
OCY Severn 2 AS	100.00	100.00	Oslo	Norw ay
OCY Severn 3 AS	100.00	100.00	Oslo	Norway
OCY Thelon AS	100.00	100.00	Oslo	Norway
OS Installer AS	75.00	75.00	Oslo	Norway

Non-controlling interests

The table below summarizes the information related to the Group's subsidiaries that has material non-controlling interests

Amounts in USD million	OS Installer AS
Non-controlling interests percentage	**25%**
Non-current assets	**149.9**
Current assets	**1.5**
Non-current liabilities	**-101.3**
Current liabilities	**-7.8**
Net assets	**42.3**
Carrying amount of non-controlling interests	**10.6**
Operating revenues	**0.7**
Net profit after tax	**0.3**
Other comprehensive income	**-**
Total comprehensive income	**0.3**
Profit allocated to Non-controlling interests	**0.1**
Other comprehensive income allocated to Non-controlling interests	**-**
Cash flows from operating activities	**0.8**
Cash flows from investment activities	**-150.2**
Cash flows from financing activities	**150.9**
Net change in cash and cash equivalents	**1.5**

The non-controlling interests reported above are related to the subsidiary OS Installer AS. Ocean Yield acquired in December 2014 the vessel SBM Installer. The vessel is chartered to SBM Holding ("SBM") for a period of 12 years. A single purpose company, OS Installer AS was established for the ownership of the vessel, in which SBM owns 25%. Ocean Yield and SBM have entered into a shareholder agreement, where certain matters require the consenting vote of SBM. Ocean Yield is however still considered to have control, as Ocean Yield is exposed to variable returns and has the ability to affect those returns through its power over OS Installer AS.

NOTE 20 FOREIGN CURRENCY EXCHANGE RATES

In the consolidated accounts of Ocean Yield, the following exchange rates have been applied in translating the accounts of subsidiaries with functional currency other than USD.

Country/Region	Currency		Average rate 2014	Rate at 31 Dec. 2014	Average rate 2013	Rate at 31 Dec. 2013
Norway	NOK	100	15.87	13.50	17.02	16.48
The European Union	EUR	1	1.33	1.22	1.33	1.38

The average rate and the closing rate at 31 December have been applied in translation of profit and loss and balance sheet items, respectively. The average rate is used in translation of profit and loss. If the average exchange rate for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used.

NOTE 21 INTEREST-BEARING DEBT

Interest-bearing debt is allocated as follows:

Amounts in USD million	2014	2013
Secured bank loans	**860.0**	774.4
Unsecured bond loans	**134.5**	97.4
Total	**994.6**	871.8

Whereof 1. year installments:

Amounts in USD million	2014	2013
Secured bank loans	**141.6**	127.0
Total	**141.6**	**127.0**
Long- term Interest-bearing debt	**852.9**	744.8

Change in the Group´s interest-bearing debt:

Amounts in USD Million	Secured loans	Unsecured bond loans	2014	2013
Interest- bearing debt at 1 January	774.4	97.4	**871.8**	858.4
New loans	310.7	163.3	**474.0**	198.7
Instalments	-176.1	-	**-176.1**	-152.3
Repurchase	-	-105.5	**-105.5**	-
Loss from repurchase	-	8.1	**8.1**	-
Amortization of loan fees	1.1	0.3	**1.4**	6.1
Effect of movement in foreign exchange	-50.1	-29.1	**-79.2**	-39.0
Interest-bearing debt at 31 December	**860.0**	**134.5**	**994.6**	**871.8**

The contractual terms of interest-bearing debt as at 31 December 2014 are as follows:

Amounts in million	Type	Collateral	Book value of asset used as collateral	Currency	Nominal interest rate	Maturity	Carrying amount in million nominal currency	Carrying amount USD million 2014	Carrying amount USD million 2013
FPSO									
DNB syndicated loan	Secured loan	Dhirubhai-1	458.0	USD	Libor + 1.50%	2018	196.0	**196.0**	**272.5**
Total FPSO			458.0					**196.0**	**272.5**
Other Oil Service									
Eksportkreditt Norge AS	Secured loan	Aker Wayfarer	159.7	NOK	Nibor + 1.05% **	2022	821.8	**110.9**	**152.4**
Eksportkreditt Norge AS	Secured loan	Lewek Connector	281.6	USD	Libor + 1.38% **	2024	169.4	**169.4**	**187.2**
DNB Livsforsikring	Secured loan	Lewek Connector		USD	Libor + 1.50% **	2024	15.7	**15.7**	**17.5**
Eksportkreditt Norge AS	Secured loan	Far Senator Far Statesman	153.8	NOK	3.69% **	2025	818.5	**110.5**	**144.8**
DNB Bank ASA/ ING Bank N.V.	Secured loan	SBM Installer	149.9	USD	Libor + 1.50%	2019	108.9	**108.9**	**-**
Total Other Oil Service			**744.9**					**515.4**	**501.9**
Car Carriers									
Nordea Bank Norge ASA/ ABN Amro Bank N.V./ Skandinaviska Enskilda Banken AB	Secured loan	Six Car Carriers*	238.6	USD	Libor +2.25%	2021	148.6	**148.6**	**-**
Total Car Carriers			238.6					**148.6**	**-**
Ocean Yield ASA									
Unsecured bond issue 14/19 FRN	Unsecured bond loan			NOK	Nibor + 3.90%	2019	997.5	**134.5**	**97.4**
Total Ocean Yield ASA								**134.5**	**97.4**
Total interest-bearing debt								**994.6**	**871.8**
Whereof 1. year installments								**141.6**	**127.0**
Total interest-bearing long-term debt								**852.9**	**744.8**

* *Höegh Beijing, Höegh Xiamen, Höegh Jacksonville, Höegh Jeddah, Höegh XS1462E and Höegh XS1462F.*

** *In addition guarantee fees are payable on these loans. For more details see the information regarding the relevant loan on the next pages.*

FPSO

DHIRUBHAI-1

The bank loan is secured in the vessel Dhirubhai-1.The loan is repaid in instalments payable every third month and matures on the earliest of (i) the expiry of the charter contract of Dhirubhai-1, for any reason, and (ii) 31 May 2018. In addition to the quarterly instalments the loan agreement contains a cash sweep provision pursuant to which the loan shall be repaid with 50% of Aker Contracting FP ASA's excess cash for each financial year.

The loan agreement comprises of a term loan facility (facility A) of up to USD 565 million and a guarantee facility (facility B) of up to USD 18 million for Aker Contracting FP ASA's obligations under the charter contract and the operation and maintenance agreement for the Dhirubhai-1. In 2013 an additional subordinated facility (Facility C) of USD 17 million was included in the loan agreement. In December 2014 Facility C was further increased to USD 50.5 million. At year-end 2014 USD 17 million had been drawn under Facility C, with Ocean Yield ASA as the counterparty. This was however transferred to DNB Bank ASA in January 2015.

Facility A carries an interest rate of LIBOR plus 1.50% per annum. The Company has used interest rate derivatives in order to effectively fix the LIBOR interest rate under facility A for a principal amount of USD 50 million at 0.869% p.a. (until July 2016), and USD 50 million at 0.6% p.a. (until February 2016). Under the guarantee facility, facility B, a guarantee commission of the aggregate of 0.60% per annum and incurred costs or fees are paid. Facility C carried an interest rate of LIBOR plus 4.0% per annum. This was changed to LIBOR + 2.75% per annum in January 2015 when the loan was transferred to DNB Bank ASA.

The facility includes financial covenants on Aker Floating Production Group, which include a blocked cash account with a deposit of USD 20 million, a debt service cover ratio of minimum 1.15, minimum book equity (on a consolidated basis) of USD 200 million and an equity ratio of at least 25%. The Group was in compliance with covenants at year-end 2014 and 2013.

The facilities A and B are not guaranteed by Ocean Yield ASA.

OTHER OIL SERVICE

WAYFARER

The bank loan is secured in the vessel Aker Wayfarer. In addition the shares in Aker Ship Lease 1 AS (the owner of Aker Wayfarer) has been pledged (book value 31 December 2014 NOK 974 million). The facility comprises of a term loan facility of NOK 1,238 million, which is guaranteed in full by a NOK 247.6 million commercial guarantee issued by DNB Bank as original commercial guarantor, and a NOK 990.4 million guarantee policy issued by GIEK. The term loan carried an interest of NIBOR + 1.05% p.a. The guarantee commission to GIEK and DnB accrues at a rate of 1.75% per annum.

In January 2015 the loan and guarantees were converted from NOK to USD, using a USD/NOK exchange rate of 7.70. The interest rate on the term loan is now LIBOR+ 0.58% p.a. The guarantee commission is unchanged at a rate of 1.75% p.a.

Instalments and interest are paid semi-annually. The facility matures in October 2022, but the commercial guarantee issued by DnB has to be renewed after five years, which will be in 2015. Previously the loan was funded by Eksportfinans ASA, but was moved to Eksportkreditt Norge AS in 2013.

The facility is not guaranteed by Ocean Yield ASA.

The facility includes financial covenants which include a minimum liquidity of NOK 10 million (changed to USD 1.3 million in January 2015), and a debt to equity ratio in Aker ASA which cannot exceed 0.8. The Group was in compliance with covenants at year-end 2014 and 2013.

Ocean Yield is in the process of refinancing the vessel, in order to optimise the long-term financing with the extended bareboat charter. The new facility will include a refinancing of existing debt and long-term financing of the modification work of the vessel.

LEWEK CONNECTOR

The bank loans are secured in the vessel Lewek Connector. In addition the shares in Connector 1 AS (the owner of Lewek Connector) has been used as pledge (book value 31 December 2014 USD 80 million). The facility comprises of a facility A tranche of approximately USD 215 million with Eksportkreditt Norge AS as lender, and a facility B tranche of approximately USD 19 million with DNB Livsforsikring AS as lender. The facility A tranche is guaranteed in full by a commercial guarantee of USD 85 million issued by DNB Bank as commercial guarantor and a guarantee policy issued by GIEK of USD 130 million.

The facility A tranche carries an interest rate of LIBOR plus 1.38% per annum and the facility B tranche carries an interest of NIBOR plus 1.5% per annum. The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 50 million at 0.71% p.a. (until May 2017), USD 50 million at 0.885% p.a. (until December 2016) and USD 75 million at 1.275% p.a. (Until August 2017). The commercial guarantee and the GIEK guarantee is subject to a guarantee commission of 1.60% per annum.

Instalments on both facilities are paid semi-annually. The loan matures in May 2024. The commercial guarantee is, however, subject to renewal in May 2017.

Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants under which the borrower (on a consolidated basis) must maintain a debt service cover ratio of no less than 1.2:1. In addition the Ocean Yield Group must maintain an equity ratio of minimum 25% on a consolidated basis, an aggregate book value of total equity of at least USD 300 million, an interest cover ratio of no less than 2:1, a positive working capital and a minimum liquidity above USD 25 million, or USD 40 million in the event the interest cover ratio is less than 2.5:1, of which at least 50% shall be held in the borrower and/or Ocean Yield ASA. Further, the minimum fair market value of the vessel shall not be less than 130% of the outstanding loans under the facility. The Group was in compliance with covenants at year-end 2014 and 2013.

FAR SENATOR/FAR STATESMAN

The bank loans are secured in the vessels Far Senator and Far Statesman. In addition the shares in F-Shiplease AS (the owner of Far Senator and Far Statesman) has been used as pledge (book value 31.12.14 NOK 302 million). The facility comprise of two term loan facilities split in sub-facilities: a term loan facility A of up to NOK 916.2 million with Eksportkreditt Norge AS as lender, divided into a facility A1 commitment of NOK 458.1 million and a facility A2 commitment of NOK 458.1 million; and a term loan facility B of up to NOK 68.7 million with Swedbank AB as lender, divided into a facility B1 commitment of up to NOK 34.3 million and a facility B2 commitment of up to NOK 34.3 million. The facility A tranche is guaranteed by commercial guarantees of NOK 300 million issued by Swedbank AB and NOK 100 million issued by Sparebanken Møre and guarantee issued by GIEK of NOK 516.2 million.

The facility A loans carry fixed interest rates of 3.69% per annum, whereas the facility B loans carry floating interest rates of NIBOR plus 3.5% per annum. Guarantee commissions of 1.60% per annum accrue from day to day in respect of the commercial guarantees and the GIEK guarantees.

Instalments on facility A are paid semi-annually. The facility A matures in 2025. Facility B shall be paid in full five years after delivery of the vessels, unless extended. The commercial guarantees are subject to renewal after five years from the delivery of the respective vessel, which will be in 2018.

Ocean Yield ASA has guaranteed the borrower's obligations under the facility.

The facility includes financial covenants as to equity ratio, interest cover ratio and minimum liquidity at the Ocean Yield Group level. At all times, the Groups equity ratio shall not be less than 25%, the interest cover ratio not less than 2.00:1, and the minimum liquidity not less than the higher of USD 25 million and 3% of net interest-bearing debt. Further, the minimum fair market value of the vessels shall not be less than 120% of the outstanding loans under the facility. The Group was in compliance with covenants at year-end 2014 and 2013.

SBM INSTALLER

The bank loan is secured in the vessel SBM Installer. The facility amounts to USD 110 million and DNB Bank ASA and ING Bank N.V are lenders.

The Facility carries an interest of LIBOR + 1.5% per annum. The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 55 million at an average rate of 1.73% p.a. (until December 2019) and USD 55 million at an average rate of 1.74% p.a. (until December 2019).

Instalments and interests are paid quarterly, with final maturity after five years.

The facility is not guaranteed by Ocean Yield ASA.

The facility includes financial covenants as to equity ratio, interest cover ratio, debt service cover ratio and working capital for OS Installer AS (the borrower). At all times, the equity ratio shall not be less than 25%, the interest cover ratio not less than 2.00:1, the debt service cover ratio not less than 1.2:1 and the working capital shall be positive. Further, the minimum fair market value of the vessel shall not be less than 115% (increases to 120% after two years) of the outstanding loan under the facility. The borrower was in compliance with covenants at year-end 2014.

CAR CARRIERS

HÖEGH VESSELS

In June 2014, Ocean Yield signed a new credit facility with a group of banks in a total loan amount of USD 250 million. The loan matures in August 2021 and is secured against the Group's six Pure Car Truck Carriers (PCTC). At the same time the USD 92 million pre- and post-delivery term loan facility with Skandinaviska Enskilda Banken as agent and the USD 94 million term loan and revolving facility with Nordea Bank Norge ASA as agent were cancelled. The credit facility was completed on competitive terms, reducing the margin by one percentage point related to the financing of Höegh Jacksonville and Höegh Jeddah and 0.65% relating to the newbuildings Höegh XS1462E and Höegh XS1462F. Due to the refinancing, accrued commitment fees and upfront bank fees related to the loans that were cancelled, have been recognized with USD 5.5 million in the 2014 income statement as financial expenses.

The loan is secured in the vessels Höegh Xiamen, Höegh Beijing, Höegh Jacksonville and Höegh Jeddah and the newbuildings XS1462E and XS1462F that will be delivered in 2016. ABN Amro Bank N.V, Nordea Bank Norge ASA and Skandinaviska Enskilda Banken AB are mandated lead arrangers. The loan comprise of three facilities; a Term Loan Facility of USD 54.75 million, a Revolving Credit Facility of USD 54.75 million and a Newbuilding Facility of USD 140.5 million.

The facilities carry an interest rate of LIBOR plus 2.25% per annum. Interest is paid quarterly. The Term Loan facility and the Newbuilding facility are repaid in quarterly consecutive instalments, with the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021. The Revolving facility shall be repaid at the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021.

The Company has used interest rate derivatives in order to effectively fix the interest rate under the facility for a principal amount of USD 46 million at an average rate of 1.64% p.a. (until April 2018), USD 47 million at an average rate of 3.59% p.a. (Until January 2021), and USD 47 million at an average rate of 3.72% p.a. (until January 2021).

The facility includes financial covenants as to equity ratio, interest coverage ratio and minimum liquidity, working capital and equity at Ocean Yield Group level. At all times, the Groups equity ratio shall not be less than 25%, the interest cover ratio not be less than 2.00:1, the minimum liquidity not less than the higher of USD 25 million and 3% of its net interest-bearing debt, the working capital not less than USD 0 million and the total book equity not less than USD 300 million. Further, the minimum fair market value of the vessels shall at no times be less than 120% of the outstanding loans under the facilities. The Group was in compliance with covenants at year-end 2014.

As of 31 December 2014, USD 156 million, of the total of USD 250 million has been drawn under the Facility.

OTHER

OCEAN YIELD ASA

In March 2014 Ocean Yield successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The bond loan has a coupon of 3 months NIBOR + 3.90% p.a. In addition a tap issue of NOK 400 million was completed in July 2014 at a price of 101.05. The price equalled a credit spread of NIBOR+ 3.65% p.a. Parts of the net proceeds have been used to repurchase the bonds under OCY 01 issued in 2012, which subsequently have been cancelled. As a consequence of the repurchase and cancelling of the OCY01 bonds, accrued fees of USD 8.0 million have been recognized in the 2014 income statement as financial expenses. As of 31 December 2014 the Group has NOK 1,000 million outstanding in OCY 02 with maturity in March 2019.

As a consequence of the refinancing, the cross currency interest rate swap related to the bond loan has been amended in 2014. NOK 590 million of the bond loan has been swapped from NOK to USD (USD 102.6 million). The interest rate on the bond loan has been swapped to 3M LIBOR + 4.60% p.a.

The bond loan is subject to covenants customary in the Norwegian bond market with respect to, among other things, corporate actions, preservation of equity and restrictions on further encumbrances and financial indebtedness. Under the bond loan Ocean Yield shall not, during the term of the bond loan, make any dividend payment or similar equity distribution unless the liquidity, immediately after any such distribution exceeds the higher of USD 40 million and 3% of net interest-bearing debt. Ocean Yield shall further, at all times during the term of the bond loan, maintain on a consolidated basis, (a) a minimum equity ratio of 25%, (b) a liquidity of no less than the higher of USD 25 million and 3% of net interest-bearing debt, and (c) an interest rate coverage ratio (EBITDA to net interest cost) of no less than 2.0:1. Ocean Yield was in compliance with covenants at year-end 2014.

NOTE 22 PENSION EXPENSES AND PENSION LIABILITIES

The Ocean Yield Group's Norwegian companies mainly cover their pensions through group pension plans in life insurance companies. Under IAS 19R, Employee benefits plans have been treated, for accounting purposes, as defined benefit plans. The Norwegian companies in the Group are subject to the Norwegian law of mandatory occupational pension and the Group meets the requirements of this legislation. The Group's companies outside Norway have pension plans based on local practice and regulations.

Certain companies have pension plans for which the employer provides an agreed-upon contribution that is managed in separate pension savings plans (defined contribution plans) or makes contributions that are included in joint plans with other employers (multi- employer plans). The contributions are recorded as pension expenses for the period. The Group also has uninsured pension liabilities for which provisions have been made.

The discount rate in 2014 is based on the Norwegian high-quality corporate bond rate. The assumptions used are in line with the recommendations of the Norwegian Accounting Standards Board. Actuarial calculations have been made to determine pension liabilities and pension expenses in connection with the Group's defined benefit plans. The following assumptions have been made when calculating liabilities and expenses in Norway.

	Balance 2014	Profit/loss 2014 and balance 2013	Profit/loss 2013
Expected return	**2.5 %**	4.1 %	4.0 %
Discount rate	**2.5 %**	4.1 %	3.8 %
Wage growth	**3.3 %**	3.8 %	3.5 %
Pension adjustment	**1.3 %**	1.9 %	1.9 %

Pension expense recognized in profit and loss:

Amounts in USD million	2014	2013
Expense related to benefits earned in this period	**0.4**	0.4
Interest expense accrued on pension liabilities	**0.1**	0.1
Expected return on pension funds	**-0.1**	-
Pension expense recognized from defined benefit plans	**0.4**	0.4
Contribution plans (employer's contribution)	**0.1**	0.1
Total pension expense recognized in profit and loss	**0.5**	0.5

Changes in present value for benefit based pension liability:

Amounts in USD million	2014	2013
Pension liabilities as at 1 January	**1.6**	1.5
Included in profit and loss		
Expense related to pensions vested this period	**0.4**	0.4
Interest expense on pension liabilities	**0.1**	-
Included in OCI		
Remeasurements (loss)/ gain	**-0.3**	-0.3
Effect of movement in exchange rate	**-0.3**	-0.1
Pension liabilities as at 31 December	**1.5**	1.6

Change in fair value pension funds:

Amounts in USD million	2014	2013
Fair value of pension funds as at 1 January	**1.2**	1.1
Included in profit and loss		
Expected return on pension funds	**0.1**	-
Administration	**-**	-
Included in OCI		
Remeasurements (loss)/ gain	**-0.6**	-0.1
Effect of movement in exchange rate	**-0.2**	-0.1
Other		
Contribution paid by the employer	**0.4**	0.3
Fair value of pension funds as at 31 December	**0.9**	1.2

Net pension fund and liabilities

Amounts in USD million	2014	2013
Defined benefit obligation at 31 December	**-1.5**	-1.6
Fair value of plan assets at 31 December	**0.9**	1.2
Pension liabilities at 31 December	**-0.6**	**-0.4**

The major categories of plan assets as a percentage of the fair value of total plan assets is as follows:

	2014	2013
Bonds	**32.60%**	36.40%
Bonds - loans and receivables	**46.70%**	44.00%
Money market	**11.50%**	11.70%
Equities	**6.50%**	5.50%
Other	**2.70%**	2.70%

NOTE 23 OTHER INTEREST FREE LONG-TERM LIABILITIES

Other long term debt and liabilities comprise the following items:

Amounts in USD million	2014	2013
Interest-free long term debt to related parties	**-**	25.4
Other interest-free long term debt	**42.8**	43.5
Total	**42.8**	68.9

Long term interest-free debt to related parties was the remainder of a prepayment from Aker Oilfield Services to Ocean Yield ASA's subsidiary Aker Ship Lease related to lease of the vessel Aker Wayfarer. The charter contract for Aker Wayfarer was amended and extended in 2014, and as a result of the amendments and extension of the bareboat charter, the accounting of the vessel has been changed from operating lease to finance lease. The book value of the vessel has been de-recognized from the balance sheet, and an receivable equal to the net investment in the lease has been recognized as an interest-bearing long term receivable, see note 15. The prepayment is now included in this finance lease receivable.

Other interest-free long term debt mainly consists of deferred income in Aker Floating Production and a prepaid charter hire related to the PCTC vessels Höegh Xiamen and Höegh Beijing. At year-end 2014 USD 33.7 million was related to Aker Floating Production and USD 7.5 million was related to the vessels Höegh Xiamen and Höegh Beijing.

NOTE 24 OPERATING LEASES

At 31 December the future minimum lease payments under non-cancellable leases was payable as follows:

Amounts in USD million	2014	2013
Less than one year	**0.1**	-
Between one and five years	**1.5**	-
More than five years	**1.2**	-
Total	**2.9**	-

Amounts recognized in profit and loss

Amounts in USD million	2014	2013
Lease expenses	-	-
Contingent rent expenses	-	-
Total	**-**	-

The figures reported above is related to an office lease agreement that Ocean Yield entered into with Fornebuporten AS, a subsidiary of Aker ASA in 2014. The offices are under construction at Fornebu, near Oslo, and are scheduled for completion in third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

NOTE 25 PROVISIONS

Amounts in USD million	Legal claims	Total
Balance as at 1 January 2014	-	-
Provisions made during the year	1.6	1.6
Provisions used during the year	-	-
Provisions reversed during the year	-	-
Currency exchange adjustments	-0.1	-0.1
Balance as at 31 December 2014	**1.4**	**1.4**

Legal claims relates to a dispute regarding insurance settlement in Aker Floating Production, see Note 31.

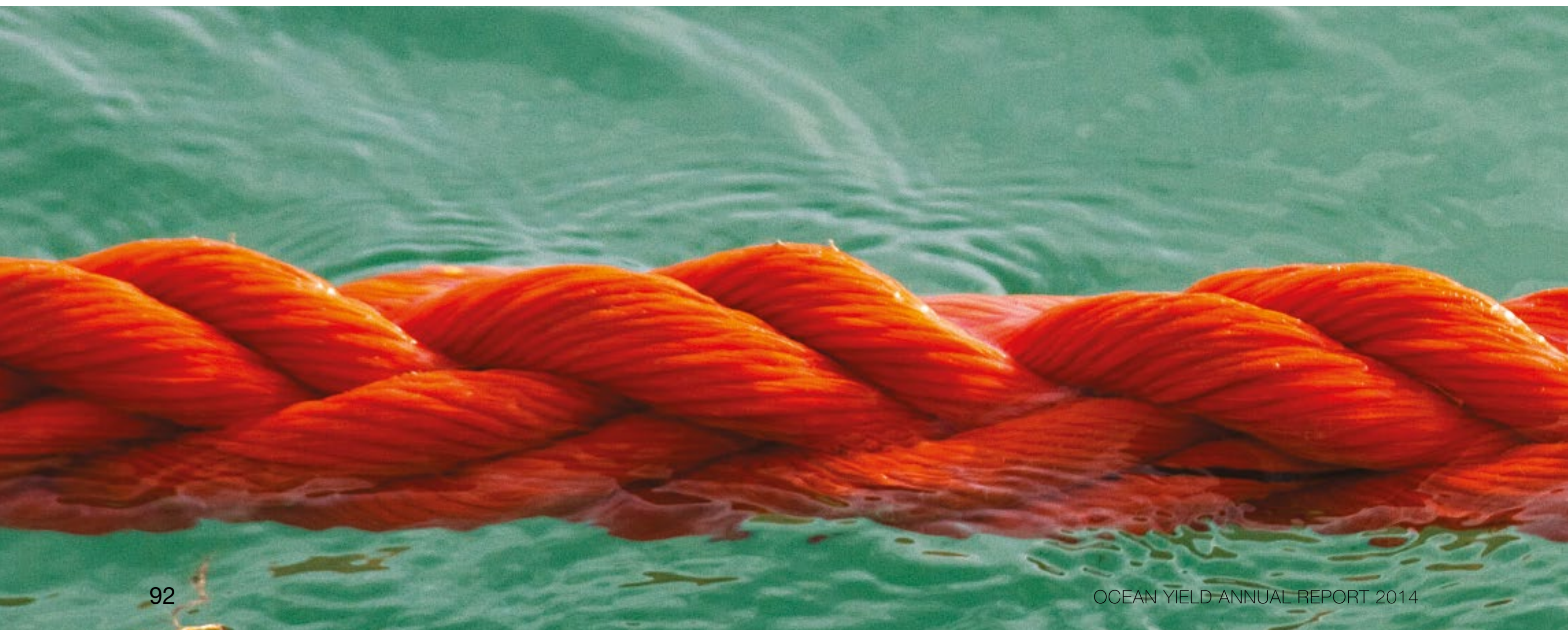
NOTE 26 FINANCIAL INSTRUMENTS

See also note 5 Financial risk and exposure.

Fair value and carrying amounts

Fair value information for financial assets and financial liabilities not measured at fair value is not included if the carrying amount is a reasonable approximation of fair value. The estimates of fair value together with the carrying amounts shown in the balance sheet are as follows:

31.12.2014	Carrying Amount				Fair Value		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value							
Finance lease receivables and related assets	-	159.7	-	159.7	-	-	248.5
Bonds	-	180.9	-	180.9	-	-	180.9
Other interest-bearing long term receivables	-	0.5	-	0.5	-	-	-
Trade and other short term receivables	-	15.6	-	15.6	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 15)	-	96.5	-	96.5	-	-	-
Total financial assets carried at amortized cost	-	453.1	-	453.1	-	-	429.4
Financial liabilities carried at fair value							
Interest rate swaps	6.9	-	-	6.9	-	6.9	-
Foreign exchange contracts	26.9	-	-	26.9	-	26.9	-
Total financial liabilities carried at fair value	33.8	-	-	33.8	-	33.8	-
Financial liabilities carried at amortized cost							
Bonds and convertible loans	-	-	134.5	134.5	-	-	131.9
Other interest-bearing debt	-	-	860.0	860.0	-	868.5	-
Interest-free short term financial liabilities	-	-	19.1	19.1	-	-	-
Total financial liabilities carried at fair value	-	-	1 013.7	1 013.7	-	868.5	131.9



31.12.2013	Carrying Amount					Fair Value		
Amounts in USD million	**Designated at fair value**	**Loans and receivables**	**Available for sale**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets carried at fair value								
Available for sale financial assets	-	-	168.3	-	168.3	-	-	168.3
Total financial assets carried at fair value	-	-	168.3	-	168.3	-	-	168.3
Financial assets carried at amortized cost								
Trade and other short term receivables	-	16.4	-	-	16.4	-	-	-
Cash and cash equivalents (including long term restricted deposits, see note 15)	-	153.0	-	-	153.0	-	-	-
Total financial assets carried at amortized cost	-	169.4	-	-	169.4	-	-	-
Financial liabilities carried at fair value								
Interest rate swaps	2.1	-	-	-	2.1	-	2.1	-
Foreign exchange contracts	9.1	-	-	-	9.1	-	9.1	-
Total financial liabilities carried at fair value	11.2	-	-	-	11.2	-	11.2	-
Financial liabilities carried at amortized cost								
Bonds and convertible loans	-	-	-	97.4	97.4	105.3	-	-
Other interest-bearing debt	-	-	-	774.4	774.4	-	780.0	-
Interest-free short term financial liabilities	-	-	-	15.9	15.9	-	-	-
Total financial liabilities carried at amortized cost	-	-	-	887.7	887.7	105.3	780.0	-

There were no transfers between levels 1 and 2, or 2 and 3 during 2014 or 2013 for assets and liabilities that are measured at fair value.

The change in fair value of assets/liabilities categorized within level 3 is as follows:

Amounts in USD million	Available for sale financial assets	Total
At 1 January 2013	151.8	**151.8**
PIK Interests recognized in profit and loss as financial income	18.2	**18.2**
Change in fair value recognized in other comprehensive income	11.5	**11.5**
Translation differences	-13.2	**-13.2**
At 31 December 2013	168.3	**168.3**
De-recognition of bonds (see note 15)	-168.3	**-168.3**
Reclassification of fair value changes reported in other comprehensive income	-11.5	**-11.5**
Gain from de-recognition of bonds recognized in profit and loss as financial income	11.5	**11.5**
At 31 December 2014	-	**-**

The available for sale financial assets consisted of the bonds in AMSC. In December 2013 AMSC carried out a recapitalization of the company where the bond loan agreement was amended with effect from 3 January 2014. For more details see note 15. Due to the significant changes in terms the bonds under the amended bond loan agreement is considered to be a new loan, and the bonds under the old terms have thus been derecognized on 3 January 2014. This resulted in a financial gain of USD 11.5 million (before tax) in 2014. The bonds under the amended agreement were recognized at their fair value 3 January 2014, and have been classified as loans and receivables.

The Ocean Yield Group has as of 31 December 2014 two assets and one liability that are placed within level 3 of the fair value hierarchy, where the fair value calculation is based on few observable inputs. For both assets and the liability the fair value is determined for disclosure purposes. The valuation techniques are as follows:

ASSET/LIABILITY — **VALUATION TECHNIQUE**

AMSC BONDS

Discounted cash flows:

The fair value has been calculated by discounting the estimated cash flows with an applicable discount rate.

As there are limited observable prices for the bonds the fair value has been calculated by discounting the estimated cash flows with an applicable discount rate. The estimated cash flows used in the calculations reflects the amendments to the bond loan agreement. The three months forward LIBOR curve has been applied in the calculations. It is further assumed that the cash interests increases to 70% in Q3 2016. In the amended bond loan agreement AMSC has been given the option to extend the maturity of the loan from February 28, 2018 to February 28, 2021.This has not been included in the estimated cash flows. If this option is exercised the interest margin will increase with 250 basis points and all interest will be payable in cash. The estimated cash flows are discounted using a discount rate of 10.6%. This gives a fair vaue of USD 180.9 million, which equals 93% of the amount outstanding as of 31 December 2014.

FINANCE LEASE RECEIVABLE – AKER WAYFARER

Discounted cash flows:

The fair value has been calculated by discounting the estimated cash flows with an applicable discount rate.

The estimated cash flows used in the calculations reflects the amended bareboat contrac Forward USD/NOK exchange rates have been applied in the calculations, as the lease agreement contains both NOK and USD cash flows. Instalments to be paid related to the modification work have been included in the cash flows. The cash flows also include an unguaranteed residual value of USD 59 million. The estimated cash flows are discounted using a discount rate of 7.1%. This gives a fair value of USD 248.5 million.

BOND LOAN

Quoted price close to year-end:

The fair value has been estimated based on market transactions in desember 2014.

As there have been a limited amount of transactions related to the bond loan, there are limited observable inputs for the bond loan, and the fair value calculation have thus been placed within level 3 in the fair value hierarchy. As the quoted price relates to transactions between market participants it’s considered to reflect fair value. As of year-end 2014 the fair value of the bond loan is considered to be USD 131.9 million, which equals 97.7% of the amount outstanding as of 31 December 2014. This is based on a price quoted 12 December 2014.

NOTE 27 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder is Aker ASA, with 73.2% of the shares. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group, and thus related parties for Ocean Yield. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for the Ocean Yield Group.

TRANSACTIONS WITH KJELL INGE RØKKE

Ocean Yield does not have any outstanding accounts, neither has there been any transactions during 2014 with Kjell Inge Røkke except remuneration as a board member in Ocean Yield ASA (see note 28).

TRANSACTION WITH AKER ASA

Ocean Yield ASA rents office space and has a service agreement with Aker ASA which provides certain accounting, financial and administration services to Ocean Yield ASA and its subsidiaries. In 2014 the Group has paid USD 1.0 million to Aker ASA for such services. As of year-end 2014 Ocean Yield does not have any commitments or material outstanding accounts with Aker ASA. Neither has any guarantees been given or received between the parties.

TRANSACTIONS WITH AKASTOR ASA

The subsea, construction vessel Aker Wayfarer has been operating on a 10 year bareboat charter to Aker Oilfield Services (AKOFS), a subsidiary of Akastor ASA. The contract originally ran until September 2020, but in 2014 the bareboat charter has been amended and extended with 7 years, until 2027. The existing bareboat charter rate for the vessel will continue unchanged until September 2020, and a new bareboat charter rate in USD has been agreed for the period from 2020 until 2027. In December 2014 Ocean Yield and AKOFS agreed to change approximately 70% of the charter rate from January 2015 until September 2020 from NOK to USD. AKOFS has in 2014 been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for the Petrobras charter an investment of USD approximately 90 million is needed on the vessel. With this investment Aker Wayfarer will become a deep-water subsea equipment support vessel, allowing it to install and retrieve subsea trees and modules. Due to this additional investment, an additional charter rate in USD will be included from completion in May 2016 until September 2027. AKOFS has options to acquire the vessel during the charter period, with the first option being exercisable in 2021.

TRANSACTIONS WITH FORNEBUPORTEN AS

Ocean Yield has in 2014 entered into an office lease agreement with Fornebuporten AS, a subsidiary of Aker ASA, for offices that are under construction at Fornebu, near Oslo. The offices are scheduled for completion in the third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

TRANSACTIONS WITH AMERICAN SHIPPING COMPANY ASA

Ocean Yield owns 93.05% of the outstanding, unsecured bonds issued by American Shipping Company, for more information see note 15.

The CEO of Ocean Yield, Lars Solbakken was until 1 December 2014 a board member in American Shipping Company ASA.

TRANSACTIONS WITH EMPLOYEES OF OCEAN YIELD ASA

The Executive team of Ocean Yield ASA and certain other key employees have acquired shares in Ocean Yield ASA during 2014 as part of the Company's incentive scheme. For more information regarding the incentive scheme and shares owned by the executive team see note 28, 29 and 30.

At the Annual General Meeting held 28 April 2014 the General Meeting granted loans to the Executive team and certain other key employees for the purpose of acquiring shares in Ocean Yield ASA. For more information regarding the loans to the executive team see note 28.

NOTE 28 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN OCEAN YIELD'S EXECUTIVE TEAM

Remuneration to the Board of Directors	2014		2013	
	NOK	USD	NOK	USD
Trond Brandsrud (Chairman of the board from 27. April 2013)	675 000	107 143	-	-
Kjell Inge Røkke	450 000	71 429	-	-
Jens Ismar (Board member from 5.July 2013)	450 000	71 429	-	-
Anne-Christin Døvigen (Board member from 5. July 2013)	450 000	71 429	-	-
Annicken Gann Kildahl (Board member from 5 July 2013)	540 000	85 714	-	-
Svein Aaser (Chairman of the board until 27. April 2013)	-	-	193 151	32 877
Tom Grøndahl (Board member until 27. April 2013)	-	-	90 137	15 342
Katrine Mourud Klaveness (Board member until 5. July 2013)	-	-	-	-
	2 565 000	407 143	283 288	**48 219**

The remuneration reported above for 2014 includes both remuneration for 2013 and 2014, which all have been paid in 2014.

According to policy in Aker, fees to directors employed in Aker companies will be paid to the Aker company where the director is employed, and not to the director in person. Therefore Trond Brandsrud receives no remuneration for directorship in Ocean Yield. Instead Aker ASA received NOK 675 000 for Trond Brandsrud in 2014. No payments were made to Aker ASA in 2013. The board fee for Kjell Inge Røkke was paid to The Resource Group in 2014. No payments were made to The Resource Group in 2013.

ORGANIZATIONAL STRUCTURE IN OCEAN YIELD

The executive team of Ocean Yield at the end of 2014 consists of CEO Lars Solbakken and CFO Eirik Eide.

DIRECTIVE OF REMUNERATION OF THE CEO AND THE COMPANY'S EXECUTIVE TEAM

The accumulated remuneration to the executives consists of a fixed salary, standard pension- and insurance terms for employees and a variable salary (see section Incentive scheme). The main purpose of the system for management remuneration is to stimulate a strong and lasting profit oriented culture leading to an increasing value of the Company. The Executive team is member of a collective pension and insurance scheme applicable to all employees. The collective pension and insurance scheme is for salaries up to 12G. The Company offers standard employment contracts and standard employment conditions with respect to notice period and severance pay for the CEO and others in the Executive team. The employment contract of the members of the executive team can be terminated with 3 month notice.

The remuneration to the CEO and executive team in 2014 was according to the guidelines of Ocean Yield.

INCENTIVE SCHEME

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. Under the incentive scheme, a specified number of synthetic shares are allocated to the scheme participants. Each scheme participant annually receives a cash bonus equal to the difference of a base price and the closing price of the shares on the Oslo Stock Exchange on the last trading day during a relevant year, multiplied by the number of synthetic shares allocated to that scheme participant (a "share price increase bonus"). Each scheme participant further receives an amount equal to the dividend paid per share multiplied by the number of synthetic shares allocated to that scheme participant, as of the date of payment of any such dividend on the shares (a "dividend bonus"). The Company can require that a part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus is settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years.

REMUNERATION TO THE CEO AND CFO

Lars Solbakken is the CEO of Ocean Yield ASA. His appointment can be terminated by both parties with 3 months' notice. If the contract is terminated by the company, Lars Solbakken has the right to 3 months' notice and 3 months' salary from the date of termination. This salary will not be paid if he continues in another company within the Aker group.

The remuneration plan for Lars Solbakken includes a fixed salary, standard pension- and insurance plan for employees and he is part of the incentive scheme that was implemented in 2013. Lars Solbakken has been allocated 1,100,000 synthetic shares under the incentive scheme. In 2014 Lars Solbakken received a fixed salary of USD 553,948 (USD 590,478 in 2013), and a bonus of USD 2,184,935 (USD 2,159,712 in 2013). The value of additional remuneration was USD 2,638 in 2014 (USD 3,848 in 2013) and net pension expense in 2014 for Lars Solbakken was USD 49,037 (USD 56,600 in 2013). At the Annual General Meeting held 28 April 2014 a loan facility of up to USD 971,673 was granted to Lars Solbakken for the purpose of acquiring shares in Ocean Yield ASA. Interest is calculated at a rate equal to the prevailing "normrente" for loans to employees as published by the Norwegian Tax Authorities. The Loan shall be repaid after five years, or six months after termination of Lars Solbakken's employment contract. The loan shall be secured by a first priority share pledge, where a number of Ocean Yield ASA shares with a market value equal to twice the loan amount are used as security. As of year-end 2014 no amounts have been drawn under this loan facility.

Eirik Eide is the CFO of Ocean Yield ASA. His appointment can be terminated by both parties with 3 months' notice. The remuneration plan for Eirik Eide includes a fixed salary, standard pension and insurance plan for employees and he is part of the incentive scheme that was implemented in 2013. Eirik Eide has been allocated 350,000 synthetic shares under the incentive scheme. In 2014 Eirik Eide received a fixed salary of USD 349,508 (USD 318,464 in 2013), and a bonus of USD 695,206 (USD 709,132 in 2013).The value of additional remuneration was USD 2,638 in 2014 (USD 3,597 in 2013) and the net pension expense for Eirik Eide was USD 40,911 in 2014 (USD 44,850 in 2013). At the Annual General Meeting held 28 April 2014 a loan facility of up to USD 539,818 was granted to Eirik Eide for the purpose of acquiring shares in Ocean Yield ASA. Interest is calculated at a rate equal to the prevailing "normrente" for loans to employees as published by the Norwegian Tax Authorities. The Loan shall be repaid after five years, or six months after termination of Eirik Eide's employment contract. The loan shall be secured by a first priority share pledge, where a number of Ocean Yield ASA shares with a market value equal to twice the loan amount are used as security. As of year-end 2014 Eirik Eide has borrowed USD 269,909 under this loan facility.

The CEO and CFO have no other remuneration than what is described above. Accordingly they have no stock option rights or profit sharing in their contracts.

NOTE 29 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

As of 31 December 2014 the Board of Directors, CEO and other members of the Executive team owned the following number of shares in Ocean Yield ASA:

Lars Solbakken, CEO[1)]	734 726
Eirik Eide, CFO[2)]	180 072
Trond Brandsrud, Chairman of the Board[3)]	37 037

[1)] *Shares owned by the Company Finmarine AS, which is controlled by Lars Solbakken*

[2)] *Shares owned by Eirik Eide and the Company Kleiver Invest AS, which is controlled by Eirik Eide*

[3)] *Shares owned by the Company Nordbrand Invest AS, which is controlled by Trond Brandsrud*

Director Kjell Inge Røkke, together with his wife owns 100% of The Resource Group TRG AS (TRG AS) which in turn owns 99.45% of TRG Holding AS, which again owns 66.66% of Aker ASA. Aker ASA is the largest shareholder of Ocean Yield ASA, with 73% ownership. In addition TRG AS owns 1.14% in Aker ASA directly.

NOTE 30 SHARE-BASED PAYMENT ARRANGEMENTS

At 31 December 2014 the Group had the following share-based payment arrangements:

SHARE PRICE INCREASE BONUS (CASH SETTLED)

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. For more information regarding the incentive scheme see note 28.

Each scheme participant annually receives a cash bonus equal to the difference of a base price and the closing price of the shares, multiplied by a number of synthetic shares allocated to that scheme participant (a "share price increase bonus"). As this bonus is based on the development of the market price of the shares in Ocean Yield, it is accounted for in accordance with IFRS 2. The Company can require that a part of the bonus is settled in shares, and the scheme participant can require that the entire share price increase bonus is settled in shares rather than cash. However, as the Group has an obligation to settle most of the bonus in cash, the bonus is treated as a cash settled arrangement.

The share price increase bonus is calculated based on the development of the share price during a relevant year. This is the vesting period, as the bonus is earned year-end. During the vesting period, at the end of each reporting period, the services acquired and the liability incurred are measured at the fair value of the liability. Changes in fair value are recognized in profit and loss as operating expenses. The fair value of the liability is calculated as the difference of the base price (NOK 34.70 in 2014) and the closing price of the shares at each reporting date (NOK 44.00 year-end 2014), multiplied by the number of synthetic shares allocated to the scheme participant.

Expenses recognized in profit and loss:

USD million	2014	2013
Cash-settled share-based payment liability	2.4	2.0
Total expenses related to share-based payments	2.4	2.0

NOTE 31 CONTINGENCES AND LEGAL CLAIMS

Aker Floating Production AS (AFP) has since 2008 had an on-going dispute regarding insurance settlement for a piping rupture incident that occurred in 2008 on board the FPSO Dhirubhai-1. The dispute is related to the Hull and Machinery insurance cost coverage of repair works and fuel consumption during shutdown for repairs. AFP won the court case against the insurance companies in the District Court in 2013; however, the insurance companies appealed the ruling to the Courts of Appeal, which in October 2014 ruled in their favour. In relation to this ruling, a negative effect of USD 2.9 million has been recorded in the Profit and Loss in 2014. USD 1.3 million of this is a reversal of previous expected recovery. Of the total liability, USD 1.6 million is a provision to cover the insurance companies' legal expenses. Aker Floating Production appealed the ruling to the Supreme Court, but the appeal was not admitted.

NOTE 32 EVENTS AFTER THE BALANCE SHEET DATE

In January 2015, Ocean Yield agreed with the banks financing the Aker Wayfarer to convert the existing loan facility from NOK into USD. The loan was converted at a USD/NOK exchange rate of 7.70, resulting in a total of USD 107.1 million outstanding under this loan facility at the time of conversion.

In January 2015 certain members of senior management have acquired through a share issue a total of 353,385 shares in the Company. The acquisition of shares was made as part of the Company's management incentive program.

OCEAN YIELD ASA FINANCIAL STATEMENTS AND NOTES

Income statement

Amounts in USD million	Note	2014	2013
Total revenues		**-**	-
Salaries and other personnel related expenses	3,11	**-5.8**	-5.9
Other operating costs	4	**-1.2**	-2.0
Operating profit (+)/loss (-)		**-7.0**	-8.0
Income from investment in subsidiaries	5,8	**65.5**	62.5
Financial Income	5	**30.1**	2.1
Financial Expenses	5	**-38.2**	-25.2
Net profit before tax		**50.4**	31.4
Income tax expenses (-) / Income (+)	6	**7.4**	6.1
Net profit after tax		**57.9**	37.5
Allocation of profit/loss for the year:			
Profit (+) / loss (-)		57.9	37.5
Dividend	10	-71.8	-32.5
Transferred from (+) / allocated to (-) retained earnings		13.9	-5.0
Total		-	-

Balance sheet at 31 December

Amounts in USD million	Note	2014	2013
ASSETS			
Deferred tax asset	6	**18.2**	10.7
Shares in subsidiaries	7	**823.7**	685.4
Long-term interest-bearing receivables from Group companies	8	**201.8**	144.9
Other long-term interest-bearing receivables		**0.5**	-
Total non-current assets		**1 044.1**	841.0
Short-term interest bearing receivables from Group companies	8	**-**	-
Short-term interest free receivables from Group companies	8	**2.8**	13.1
Cash and cash equivalents	9	**14.3**	42.1
Total current assets		**17.1**	55.2
Total assets		**1 061.2**	896.2
EQUITY AND LIABILITIES			
Share capital		**222.3**	221.6
Treasury shares		**-0.0**	-
Other paid-in capital		**453.8**	452.6
Total paid-in equity		**676.1**	674.2
Retained earnings		**6.7**	21.0
Total retained earnings		**6.7**	21.0
Total equity	10	**682.8**	695.2
Long-term interest-bearing liabilities to Group companies	8,12	**37.2**	70.5
Long-term interest-bearing liabilities	12	**148.6**	-
Bond loan	12	**134.5**	97.4
Pension liabilities	11	**0.2**	0.1
Total non-current liabilities		**320.5**	167.9
Short-term interest-bearing liabilities to Group companies		**6.4**	-
Short-term interest free liabilities to Group companies	8	**-**	1.5
Dividend	10	**19.7**	16.4
Other short-term liabilities	14,15	**31.8**	15.1
Total current liabilities		**58.0**	33.0
Total liabilities		**378.4**	200.9
Total equity and liabilities		**1 061.2**	896.2

OSLO, 19 MARCH 2015
OCEAN YIELD ASA

TROND BRANDSRUD
CHAIRMAN

KJELL INGE RØKKE
DIRECTOR

JENS ISMAR
DIRECTOR

ANNE-CHRISTIN DØVIGEN
DIRECTOR

ANNICKEN GANN KILDAHL
DIRECTOR

LARS SOLBAKKEN
CEO

Cash Flow Statement

Amounts in USD million	Note	2014	2013
Profit before tax		**50.4**	31.4
Dividends and Group contributions from subsidiaries	8	**-65.5**	-62.5
Write down/reversed write down of shares in subsidiaries		**-1.7**	2.2
Net interest income		**6.7**	10.0
Interest paid		**-12.1**	-9.0
Interest received		**3.5**	0.6
Unrealized foreign exchange gain/loss and other non-cash items		**-21.9**	2.8
Change in other short term items		**20.5**	11.8
Cash flow from operating activities		**-20.0**	-12.7
Acquisition of shares in subsidiaries		**-31.5**	-
Dividends and Group contributions received from subsidiaries	8	**63.9**	44.1
Net change in long-term interest-bearing receivables from Group Companies	8	**-206.1**	-95.9
Net change in short-term interest-bearing receivables from Group Companies	8	**8.1**	-
Cash flow from investing activities		**-165.6**	-51.8
Proceeds from issuance of interest-bearing long-term external debt	12	**316.2**	-
Repayment of interest bearing long-term external debt		**-110.0**	-
Proceeds from issuance of interest-bearing long-term debt to Group companies	8	**12.4**	8.7
Proceeds from issuance of interest-bearing short-term debt to Group companies		**6.4**	-
Proceeds from issuance of interest bearing short-term debt, related parties		**-**	20.0
Repayment of interest bearing short-term debt, related parties		**-**	-20.0
Dividends paid	10	**-69.1**	-56.0
Net proceeds from issuance of ordinary shares	10	**1.9**	143.3
Cash flow from financing activities		**157.8**	96.0
Cash flow for the year		**-27.9**	31.5
Cash and cash equivalents at January 1.		**42.1**	10.6
Cash and cash equivalents at December 31.	9	**14.3**	42.1

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES

Ocean Yield ASA is a company domiciled in Norway. The financial statements are prepared in accordance with Norwegian legislation and Norwegian generally accepted accounting principles.

FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency and presentation currency of Ocean Yield ASA is USD, as this is the primary economic environment in which Ocean Yield ASA and its subsidiaries operate. The functional currency of Ocean Yield ASA was changed from NOK to USD 1 July 2013.

REVENUE RECOGNITION

Revenue is recognized when the service is provided. The Company is providing certain management services and other services to its subsidiaries. These services comprise of advisory services in areas of business strategy, financing and accounting.

INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities over which Ocean Yield ASA has control. Investments in subsidiaries are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value are according to good accounting practice recognized when the impairment is not considered to be temporary and reversed if the basis for the write-down is no longer present.

DIVIDENDS FROM SUBSIDIARIES

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. Dividends, group contributions and other distributions are usually recognized in the profit and loss as financial income. Whenever dividends exceeds the share of retained profit after the acquisition, the excess represents a refund of invested capital, and the dividend is subtracted from the value of the investment in the balance sheet.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Current assets and short term liabilities comprise of items that are due within one year from the time of acquisition. Other items are classified as non-current asset / long term liability.

Current assets are valued at the lower of acquisition cost and fair value. Short-term debt is recognized at its nominal value at the time of recognition.

Non-current assets are valued at acquisition cost but written-down to fair value if impairment is not expected to be temporary. Long-term debt is initially recognized at its nominal value. Subsequent to initial recognition, interest-bearing long-term debt is stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

RECEIVABLES

Trade receivable and other receivables are carried at par value after subtraction of provision for expected loss. Provision for loss is made based on individual assessments of each receivable.

LEASES

Leases for which the Company assumes substantially all the risks and rewards of the ownership are capitalized and depreciated. The purchase price, less any advance rent paid, is presented as debt and the rent paid for the lease is treated as interest on and repayment of debt. All other leases are classified as operating leases and the costs are charged to the relevant operating expense on a straight-line basis over the lease term.

FOREIGN CURRENCY

Ocean Yield ASA's functional currency and presentation currency is US Dollars (USD). Transactions in foreign currency are translated into USD using the exchange rate at the time of transaction. Monetary items in foreign currency are valued at the rate of foreign exchange on the balance sheet date. Non-monetary items that are measured at historic cost in foreign currency are translated into USD using the exchange rate at the time of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated into USD using the exchange rate at the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

DERIVATIVES

Foreign exchange contracts that do not qualify for hedge accounting are recognized at fair value. Other derivatives that do not qualify for hedge accounting are recognized at the lowest of fair value and cost. Changes in fair value are reported as financial income/expense.

SHARE-BASED PAYMENTS

Share-based payment expense is measured at fair value over the service period. All changes in fair value are recognized in the income statement.

PENSION LIABILITY

DEFINED BENEFIT PLANS

For defined benefit plans, the liability recognized is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The cost of providing pensions is charged to the profit and loss so as to spread the regular cost over the service lives of employees. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are charged or credited to equity in the period in which they arise.

TAX

The tax cost in the profit and loss statement includes both tax payable for the period and changes in deferred tax.

The income tax rate for companies in Norway changed from 28% to 27% from 1 January 2014.

Deferred tax is calculated based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences which reverse or can be reversed in the same period are offset. Net deferred tax assets are recognized to the extent that it is probable that they can be utilized.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

THE USE OF ESTIMATES

The preparation of the financial statements, under the generally accepted accounting principles, requires that management uses the best estimates and assumptions that affect the profit and loss statement, the valuation of assets and liabilities as well as information regarding disclosure of contingent assets and liabilities on balance sheet date.

Contingent losses that are probable and quantifiable are expensed on an ongoing basis.

NOTE 2 FINANCIAL MARKET RISK

The Company is exposed to several types of financial risk, the most significant of which are credit, liquidity, foreign exchange and interest rate risk. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimise any negative impacts on Ocean Yield's financial results.

CREDIT RISK

Credit risk relates to loans to subsidiaries, guarantees to subsidiaries and deposits with external banks.

Cash and cash equivalents are held with banks and financial institutions with sound credit-ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that Ocean Yield ASA will be unable to fulfill its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Management monitors monthly forecasts of the liquidity reserve on the basis of expected cash flows.

CURRENCY RISK

Ocean Yield ASA and its subsidiaries operate in the international market which leads to various types of currency exposure. Ocean Yield ASAs functional currency is USD. The currency exposure in Ocean Yield ASA is primarily related to NOK. Operating expenses and the bond loan are denominated in NOK. To reduce the currency effect Ocean Yield ASA has entered into an interest and currency swap for the NOK bond loan with maturity in 2017. The bond loan has been swapped from NOK to USD and the interest rate on the bond loan has been swapped from 3M NIBOR + 3.90% p.a. into 3M LIBOR + 4.60% p.a.

INTEREST RATE RISK

Ocean Yield's interest rate risk arises from external borrowings, internal borrowings and internal receivables. Borrowings and receivables issued at variable rates expose Ocean Yield ASA to cash flow interest rate risk.

Ocean Yield ASA has prepared guidelines for management of interest rate risks. The interest rate policy of Ocean Yield defines levels for the hedging of expected future cash flows. As of year-end 2014 Ocean Yield has two interest rate swaps with forward start in October 2016 and January 2017.

Also see Note 5 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 3 SALARIES AND OTHER PERSONNEL EXPENSES

Salaries and other personnel expenses consist of the following:

Amounts in USD million	2014	2013
Salaries	4.6	5.1
Social security contribution	0.7	0.4
Pension cost (see note 11)	0.1	0.1
Other benefits	0.4	0.3
Total salaries and other personnel expenses	**5.8**	**5.9**
Average number of employees	4	3
Full time employee equivalents	4	3

NOTE 4 OTHER OPERATING EXPENSES

Auditor's fee is included in other expenses consists of the following:

Amounts in USD thousand	2014	2013
Ordinary audit	135.9	86.9
Tax advisory services	18.0	2.3
Other non-audit services*	22.1	421.2
Total	**176.0**	**510.4**

*Other non-audit services in 2013 include USD 296 thousand which was recognized directly against equity. This was related to the IPO in 2013.

The figures are exclusive of VAT

NOTE 5 FINANCIAL ITEMS

Amounts in USD million	2014	2013
Dividends and group contributions from subsidiaries	**65.5**	62.5
Income from investment in subsidiaries	**65.5**	62.5
Interest income from companies within the Group	**3.4**	2.0
Other interest income	**0.4**	0.1
Net foreign exchange gain	**24.6**	-
Net reversed write down of shares in subsidiaries	**1.7**	-
Financial income	**30.1**	2.1
Interest expenses to companies within the Group	**-0.7**	-3.5
Other interest expenses	**-9.8**	-8.6
Net foreign exchange loss	**-**	-1.1
Unrealized loss on interest and currency exchange swaps	**-18.4**	-8.4
Net write down of shares in subsidiaries	**-**	-2.2
Other financial expenses	**-9.3**	-1.4
Financial expenses	**-38.2**	-25.2

Net reversed write down in 2014 is mainly related to the investment in Aker Ship Lease AS. In addition write downs have been made on the investments in Aker Invest AS and Aker Invest II KS.
Write down in 2013 is related to the investment in Aker Ship Lease AS.
Specification of shares in subsidiaries can be found in note 7.

NOTE 6 DEFERRED TAX

The table below shows the difference between accounting and tax values at the end of 2014 and 2013 respectively, as well as changes in the differences, deferred tax assets at the end of each year and the change in deferred tax assets.

Amounts in USD million	2014	2013
Differences in interest and currency swap	**-27.5**	-9.1
Net pension liability	**-0.1**	-0.1
Capital gains and loss reserve	**0.4**	0.5
Loan fees amortized	**2.7**	-
Total differences	**-24.6**	-8.6
Tax losses carried forward	**-42.7**	-30.9
Total deferred tax basis	**-67.2**	-39.5
Net deferred tax asset (27%)	**-18.2**	-10.7
Recognized deferred tax asset	**-18.2**	-10.7

Deferred income tax assets are recognized for all deductible temporary differences and all carry-forwards of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and carry-forwards can be used.

The tax loss carried forward has no expiration date.

The income tax for companies in Norway changed from 28% to 27% from 1 January 2014.

Estimated taxable profit

Amounts in USD million	2014	2013
Profit before tax	**50.4**	31.4
Permanent differences in net non-taxable income (-) / expenses (+)	**-78.1**	-55.1
Change in temporary differences	**15.9**	8.1
Estimated taxable income	**-11.8**	**-15.6**
Tax payable (27% in 2014, 28% in 2013) in the profit and loss account	-	-

Income tax expense/income:

Amounts in USD million	2014	2013
Tax payable in the profit and loss account	-	-
Change in deferred tax	7.4	6.1
Total tax expense (-) / income (+)	**7.4**	**6.1**

The 2014 figures above are based on estimates of different non-deductible taxable income, non-deductible items and differences between accounting and tax items. The final calculations will be made in the income-tax return and may differ from estimates above.

Explanation as to why tax expense/income differs from 27% (28% in 2013) of profit before tax:	2014	2013
27% (28%) tax on profit before tax	**-13.6**	-8.8
27% (28%) tax on permanent differences	**21.1**	15.4
Tax on expenses recognized directly against equity	**-**	-1.3
Change in tax rate	**-**	-0.4
Correction from previous years	**-**	1.1
Estimated tax expense (-)/ income (+)	**7.4**	6.1
Effective tax rate (tax expense compared with profit/loss before tax)	14.8%	19.4%

NOTE 7 SHARES IN SUBSIDIARIES

Shares in subsidiaries include the following companies at December 31 2014:

Amounts in USD million	Ownership in %	Votin share in %	Location, city	Equity as of Dec. 31.2014	Profit before tax 2014	Book value
Aker Floating Production AS	100.00	100.00	Oslo	327.6	48.6 [1]	**292.4**
Aker Invest AS	100.00	100.00	Oslo	1.4	0.1	**5.12** [2]
Aker Invest II KS	90.00	90.00	Oslo	37.4	0.6 [1]	**33.6** [3]
Aker Ship Lease AS	100.00	100.00	Oslo	50.2	24.5 [1]	**113.4**
Connector 1 Holding AS	100.00	100.00	Oslo	100.4	14.5 [1]	**77.4**
F-Shiplease Holding AS	100.00	100.00	Oslo	41.1	5.3 [1]	**50.0**
LH Shiplease AS	100.00	100.00	Oslo	17.1	-0.6 [1]	**14.4**
Ocean Holding AS	100.00	100.00	Oslo	158.2	29.0	**140.8**
OCY Albany AS	100.00	100.00	Oslo	7.6	-6.0	**14.9**
OCY Severn AS	100.00	100.00	Oslo	-	-	**-**
OCY Severn 2	100.00	100.00	Oslo	-	-	**-**
OCY Severn 3	100.00	100.00	Oslo	-0.1	-0.1	**-**
OCY Thelon AS	100.00	100.00	Oslo	51.7	1.6	**50.1**
OS Installer AS	75.00	75.00	Oslo	42.3	0.3	**31.5**
Total						**823.7**

[1] 100% of the Group's equity as of December 31, and the Group's profit before tax 2014
[2] Book value includes USD 0.3 million in impairment charges
[3] Book value includes USD 0.2 million in impairment charges

NOTE 8 RECEIVABLES, BORROWINGS AND TRANSACTIONS WITH GROUP COMPANIES

Long-term interest bearing receivables from Group companies consist of the following items:

Amounts in USD million	2014	2013
Aker Contracting FP AS	**17.0**	17.0
Aker Ship Lease 1 AS	**6.8**	36.8
Connector 1 AS	**-**	4.2
F-Shiplease Holding AS	**-**	49.0
LH Shiplease 1 AS	**17.1**	25.2
LH Shiplease AS	**91.1**	-
Ocean Holding AS	**4.6**	-
OCY Albany AS	**12.3**	12.7
OCY Severn 2 AS	**8.3**	-
OCY Severn 3 AS	**8.3**	-
OCY Severn AS	**8.3**	-
OCY Thelon AS	**27.8**	-
Long-term interest-bearing receivables from Group companies	**201.8**	144.9

The receivables have a maturity of more than one year. Interest terms on the receivables are according to market.

Short-term interest free receivables from Group companies consist of the following items:

Amounts in USD million	2014	2013
Group Contribution Ocean Holding AS	**2.6**	9.9
Group Contribution F-Shiplease Holding AS	**-**	0.4
Other short-term receivable Group companies	**0.2**	2.7
Short-term interest free receivables from Group companies	**2.8**	13.1

Long-term interest bearing liabilities to Group companies consist of the following items:

Amounts in USD million	2014	2013
Aker Ship Lease AS	**3.2**	39.5
New Pollock LLP	**30.5**	21.2
Aker Invest AS	**-**	9.8
Connector 1 AS	**3.5**	-
Long-term interest bearing liabilities to Group companies	**37.2**	70.5

Long term liabilities to Group companies have a maturity of more than five years and interest is set at market terms.

Short-term interest-bearing liabilities to Group companies consist of the following items:

Amounts in USD million	2014	2013
Aker Ship Lease 1 AS	**2.4**	-
Aker Contracting FP ASA	**4.0**	-
Short-term interest-bearing liabilities to Group companies	**6.4**	**-**

Short-term interest free liabilities to Group companies consist of the following items:

Amounts in USD million	2014	2013
Other short-term liabilities Group companies	**-**	1.5
Short-term interest free liabilities to Group companies	**-**	1.5

Dividends and Group contributions received from Group companies

Amounts in USD million	2014	2013
Dividend from Aker Floating Production AS	**24.0**	44.1
Dividend from Aker Ship Lease AS	**16.9**	-
Dividend from Connector 1 Holding AS	**15.0**	-
Dividend from F-Shiplease Holding AS	**5.9**	-
Dividend from Aker Invest AS	**1.1**	-
Dividend from Aker Invest II KS	**-**	8.0
Group Contribution from Ocean Holding AS	**2.6**	9.9
Group Contribution from F-Shiplease Holding AS	**-**	0.4
Dividends and Group contributions received from Group companies	**65.5**	62.5

NOTE 9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are distributed as follows:

Amounts in USD million	2014	2013
Cash restricted	**0.2**	0.2
Cash unrestricted	**14.1**	42.0
Total	**14.3**	42.1

NOTE 10 SHAREHOLDERS' EQUITY

Changes in shareholders' equity is as follows:

	Share capital	Treasury shares	Other paid in capital	Retained earnings	Total equity
Shareholders' equity 31 December 2012	175.6	-	400.4	13.2	**589.2**
Share issue	55.3	-	92.9	-	**148.1**
Expenses related to raising new equity, net of tax	-	-	-3.5	-	**-3.5**
Dividend	-	-	-16.0	-16.4	**-32.5**
Profit for the year	-	-	-	37.5	**37.5**
Translation differences	-	-	-	-43.6	**-43.6**
Change of functional currency	-9.3	-	-21.1	30.3	**-**
Shareholders' equity 31 December 2013	221.6	-	452.6	21.0	**695.2**
Share issue	0.7	-	1.2	-	**1.9**
Dividend	-	-	-	-71.8	**-71.8**
Profit for the year	-	-	-	57.9	**57.9**
Treasury shares acquired	-	-2.3	-	-	**-2.3**
Treasury shares sold	-	2.3	-	-0.6	**1.7**
Other changes	-	-	-	0.2	**0.2**
Shareholders' equity 31 December 2014	**222.3**	0.0	**453.8**	**6.7**	**682.8**

Paid in capital

At 31 December 2014 Ocean Yield ASA's share capital consists of the following:

	in NOK	in USD
Number of ordinary shares	**134 192 111**	134 192 111
Par value	**10**	1.7
Total par value (million)	**1 341.9**	222.3
Share capital (million)	**1 341.9**	222.3
Other paid in capital (million)	**2 736.5**	453.8
Treasury shares (million)	**(0.2)**	(0.0)
Total paid in capital (million)	**4 078.2**	676.1

All shares have equal voting rights and are entitled to dividends.

Change in number of shares:

	2014	2013
Number of shares outstanding 1.1	**133 783 514**	100 000 000
IPO	**-**	33 736 110
Issuance of shares related to management incentive scheme	**408 597**	47 404
Treasury shares acquired	**-350 000**	-
Treasury shares sold	**326 930**	-
Number of shares outstanding 31.12	**134 169 041**	133 783 514

In 2013, Ocean Yield ASA implemented an incentive scheme pursuant to which the members of the Executive team and certain other key employees are entitled to bonuses calculated on the basis of the development of the market price of the shares and dividends paid on the shares. The Company can require that a part of the share price increase bonus is settled in shares. In addition the scheme participant can require that the share price increase bonus is settled in shares rather than cash and the parties can agree to settle any dividend bonus in shares rather than cash. In cases of settlement of bonus in shares, the settlement shares shall be subscribed or purchased by the scheme participant at a price equal to the closing price less 20%. The shares must be held by the scheme participant for three years. For more details regarding the management incentive scheme see the consolidated financial statements for Ocean Yield Group ASA, note 28. As of year-end 2014 a provision of USD 2.4 million was made related to the share price increase bonus. In February 2015 353 385 new shares were subscribed under the incentive scheme.

The 20 largest shareholders as of 31 December 2014

Shareholders	Number of shares	Percent
Aker ASA [1]	98 242 575	73.2%
Goldman Sachs & Co Equity Segregat	10 214 321	7.6%
Schroder Internation.Selection FD	4 051 100	3.0%
JP Morgan Clearing Corp.	2 794 266	2.1%
JP Morgan Chase Bank N.A. London	1 777 022	1.3%
Fidelity Funds - Nordic Fund/Sicav	1 203 977	0.9%
UBS Securities LLC	1 069 611	0.8%
SEB STO, Sec. FIN/CFD	789 888	0.6%
Finmarine AS [2]	734 726	0.5%
The Bank of New York Mellon SA/NV	702 058	0.5%
MP Pensjon Pk	535 113	0.4%
SIX Sis AG	532 000	0.4%
Barclays Capital INC	494 635	0.4%
Anaxo Capital AS	438 300	0.3%
Brown Brothers Harriman & Co. Bost	358 000	0.3%
VPF Nordea Norge Verdi	351 580	0.3%
Morgan Stanley & Co. LLC	333 963	0.2%
Nergaard Investment Partners AS	211 030	0.2%
DNB Bank ASA	168 300	0.1%
State Street Bank and Trust Co	167 699	0.1%
Other	9 021 947	6.7%
Total	**134 192 111**	**100%**

[1] Kjell Inge Røkke controls 67.8% of the shares in Aker ASA through his ownership of the TRG companies.

[2] Finmarine AS is owned by the CEO Lars Solbakken.

Ocean Yield ASA is a subsidiary of Aker ASA, and part of Aker ASAs consolidated financial statements. Aker ASA has offices at Fjordalleen 16 and the consolidated 2014 financial statements for Aker ASA are when available, to be found at www.akerasa.com.

Dividends

Amounts in USD million	2014	2013
Total dividend paid	**69.1**	56.0
Proposed dividend for the 4th quarter	**19.1**	16.4

CURRENT BOARD AUTHORISATIONS

At the Annual General Meeting, held on 28 April 2014, Ocean Yield ASA's shareholders gave the board an authorization to increase the share capital with maximum NOK 130 million in connections with acquisitions, mergers, de-mergers or other transfers of business and an authorization to increase the share capital with maximum NOK 10 million in connection with the employee share programme. The board was also given the authorization to acquire treasury shares up to an aggregate nominal value of NOK 8 million in connection with the employee share programme. The authorizations are valid until the 2015 Annual General Meeting.

NOTE 11 PENSION COSTS AND PENSION LIABILITIES

According to the Norwegian law on occupational pensions, (Lov om tjenestepensjon) the Company is required to provide a pension plan for all its employees. The Company's pension plans do meet the legal requirements set out by the law.

Ocean Yield ASA covers its pension liabilities mainly through a group pension plan in a life insurance company. For accounting purposes the plan has been treated as a defined benefit plan.

The schemes provide defined future benefits. These benefits depend mainly on the number of years the individual is a member of the plan, the level of salary at time of retirement and the level of the benefits provided by the Norwegian National Insurance scheme.

Actuarial calculations have been made based on the following assumptions:

	2014	2013
Expected return	**2.5 %**	4.1 %
Discount rate	**2.5 %**	4.1 %
Wage growth	**3.3 %**	3.8 %
Pension adjustment	**1.3 %**	1.9 %
Number of employee that are part of the pension scheme yearend	**5**	4

Pension expense recognized in profit and loss:

Amounts in USD million	2014	2013
Expense related to benefits earned in this period	**0.1**	0.1
Interest expense accrued on pension liabilities	**-**	-
Social security contribution	**-**	-
Total pension expense recognized in profit and loss	**0.1**	0.1

Changes in present value for benefit based pension liability:

Amounts in USD million	2014	2013
Pension liabilities as at 1 January	**0.2**	0.1
Expense related to pensions vested this period	**0.1**	0.1
Interest expense on pension liabilities	**-**	-
Remeasurements (loss)/ gain	**0.1**	-
Effect of movement in exchange rate	**-**	-
Pension liabilities as at 31 December	**0.4**	0.2

Change in fair value pension funds:

Amounts in USD million	2014	2013
Fair value of pension funds as at 1 January	**0.1**	-
Expected return on pension funds	**-**	-
Remeasurements (loss)/ gain	**-**	-
Contribution paid by the employer	**0.1**	0.1
Fair value of pension funds as at 31 December	**0.2**	0.1

Net pension fund and liabilities

Amounts in USD million	2014	2013
Defined benefit obligation at 31 December	**-0.4**	-0.2
Fair value of plan assets at 31 December	**0.2**	0.1
Pension liabilities at 31 December	**-0.2**	-0.1

NOTE 12 INTEREST-BEARING DEBT

Interest-bearing debt consist of the following:

Amounts in USD million	2014	2013
Interest bearing liabilities to Group companies, see note 8	**43.6**	70.5
Secured bank loans	**148.6**	-
Bond loan	**134.5**	97.4
Total	**326.7**	167.9

In March 2014 Ocean Yield successfully completed a new unsecured bond issue of NOK 600 million with maturity in March 2019. The bond loan has a coupon of 3 months NIBOR + 3.90% p.a. In addition a tap issue of NOK 400 million was completed in July 2014 at a price of 101.05. The price equalled a credit spread of NIBOR+3.65% p.a. Parts of the net proceeds have been used to purchase back the bonds under OCY 01 issued in 2012, which subsequently have been cancelled. As a consequence of the repurchase and cancelling of the OCY01 bonds, accrued fees of USD 8.0 million have been recognized in the income statement as financial expenses. As of 31 December 2014 the Group has NOK 1,000 million outstanding in OCY 02 with maturity in March 2019.

As a consequence of the refinancing, the cross currency interest rate swap related to the bond loan has been amended in 2014. NOK 590 million of the bond loan has been swapped from NOK to USD (USD 102.6 million). The interest rate on the bond loan has been swapped to 3M LIBOR + 4.60% p.a.

In June 2014, Ocean Yield signed a new credit facility with a group of banks in a total loan amount of USD 250 million. The loan matures in August 2021 and is secured against the Group's six Pure Car Truck Carriers (PCTC). The loan comprise of three facilities; a Term Loan Facility of USD 54.75 million, a Revolving Credit Facility of USD 54.75 million and a Newbuilding Facility of USD 140.5 million. The facilities carry an interest rate of LIBOR plus 2.25% per annum. Interests are paid quarterly. The Term Loan Facility and the Newbuilding facility are repaid in quarterly consecutive instalments, with the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021. The Revolving Facility shall be repaid at the final maturity date falling five years from the last vessel delivery, but no later than 31 August 2021.

Ocean Yield ASA has loan and guarantee commitments that contain certain financial covenants. At yearend 2014, Ocean Yield ASA is in compliance with all such financial covenants.

NOTE 13 MORTGAGES AND GUARANTEE OBLIGATIONS

Guarantee obligations are as follows:

Amounts in USD million	2014	2013
Loan guarantees Connector 1 Holding AS	**185.2**	204.6
Loan guarantees F-Shiplease Holding AS	**110.5**	144.9
Total guarantee obligations	**295.6**	349.5

The shares in Connector 1 Holding AS and F-shiplease Holding AS are used as pledge under the loan facilities where Ocean Yield ASA is guarantor. The book value of the shares is specified in note 7.

NOTE 14 OTHER SHORT TERM LIABILITIES

Other short-term liabilities consist of the following:

Amounts in USD million	2014	2013
Accrued interest external	**0.2**	1.9
Unrealized loss on interest and currency exchange swaps	**27.5**	9.1
Other	**4.1**	4.1
Total	**31.8**	15.1

NOTE 15 FINANCIAL INSTRUMENTS

At yearend Ocean Yield ASA had the following financial instruments recognized at fair value:

2014

Amounts in USD million	Carrying amount	Fair value	Unrealized loss on interest and currency exchange swaps recognized in profit and loss
Foreign exchange contracts	-26.9	-26.9	-17.8
Interest rate swaps	-0.6	-0.6	-0.6
Total	**-27.5**	**-27.5**	**-18.4**

2013

Amounts in USD million	Carrying amount	Fair value	Unrealized loss on interest and currency exchange swaps recognized in profit and loss
Foreign exchange contracts	-9.1	-9.1	-8.4
Total	**-9.1**	**-9.1**	**-8.4**

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, the fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on the present value of future cash flows, calculated based on observable market rates and exchange rates on the reporting date, including accrued interest.

NOTE 16 OPERATING LEASES

Ocean Yield has in 2014 entered into an office lease agreement with Fornebuporten AS, a subsidiary of Aker ASA in 2014. The offices are under construction at Fornebu, near Oslo, and are scheduled for completion in third quarter 2015. The lease period is seven years. Ocean Yield has the option to extend the lease period with 5 + 5 years.

Annual rent is approximately USD 0.4 million. Ocean Yield expects that about 70% of the office space will be sublet to its subsidiary Aker Floating Production AS.

NOTE 17 SALARY AND OTHER REMUNERATION TO THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN OCEAN YIELD'S EXECUTIVE TEAM

See note 28 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 18 SHARES OWNED BY THE BOARD OF DIRECTORS, CEO AND OTHER EMPLOYEES IN THE EXECUTIVE TEAM

See note 29 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 19 SHARE-BASED PAYMENTS

See note 30 in the consolidated financial statements for Ocean Yield ASA Group.

NOTE 20 TRANSACTIONS AND AGREEMENTS WITH RELATED PARTIES

Ocean Yield's largest shareholder is Aker ASA, with 73.2% of the shares. Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke and his family through The Resource Group AS (TRG AS). All companies controlled by Kjell Inge Røkke are considered as related parties for the Aker group, and thus related parties for Ocean Yield. In addition all subsidiaries and associated companies of Aker ASA are considered to be related parties for Ocean Yield ASA.

Transactions with Kjell Inge Røkke

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

Transaction with Aker ASA

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

Transactions with Fornebuporten AS

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

Transactions with employees of Ocean Yield ASA

See note 27 in the consolidated financial statements for Ocean Yield ASA Group.

Transactions with subsidiaries of Ocean Yield ASA

Ocean Yield has loans to and from several of its subsidiaries. For more details regarding the amounts and counterparties see note 8.

All transactions with related parties are done at market rates and in accordance with the arm's lengths principle.

NOTE 21 CONTINGENCIES AND LEGAL CLAIMS

No material contingencies has been identified at the end of the year.

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

See note 32 in the consolidated financial statements for Ocean Yield ASA Group.


JEDDAH

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Annual Shareholders' Meeting of Ocean Yield ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Ocean Yield ASA, which comprise the financial statements of the parent company Ocean Yield ASA and the consolidated financial statements of Ocean Yield ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2014, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the balance sheet as at 31 December 2014, and the income statement and the statement of total comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Board of Directors and the CEO are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the CEO 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 on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ocean Yield ASA as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Ocean Yield ASA and its subsidiaries as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

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

Opinion on Accounting 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 management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 19 March 2015
KPMG AS

Tom Myhre
State Authorized Public Accountant

OCEAN YIELD

HEADQUARTER
Fjordalleen 16
Oslo, Norway

POSTAL ADRESS
PO Boks 1423 Vlka
NO-0115 Oslo
Norway

Tel.: +47 24 13 00 00
Fax: +47 24 13 01 01

www.oceanyield.no