

First Quarter 2014

Presentation

9th May 2014



First quarter 2014 highlights

- Declared quarterly dividend of 12.50 cents per share
 - Increase of 0.25 cents versus last quarter
 - USD 0.50 per share annualized (Dividend yield of 7.8% p.a.)
 - Payout ratio of 59% of net result after tax
 - Payable on or about 26th of May 2014
- EBITDA was USD 53.2 million compared to USD 48.8 million for the first quarter 2013
- Net Profit after tax was USD 28.6 million (21.3 cents per share) compared to USD 17.1 million in Q1 2013
- In March 2014, Ocean Yield completed a new unsecured bond issue of NOK 600 million, coupon of NIBOR plus 3.90% p.a.
- Steady production on the FPSO Dhirubhai-1 with 100.0% utilisation
- Subsequent to the end of the quarter we have committed to two new investments announced yesterday totalling USD 333 million





Liquified Ethylene Gas Carriers – 3 newbuilds

Vessel:	3 Liquified Ethylene Gas (LEG) Carriers newbuilds
Yard cost:	~USD 243 million (total for the three vessels)
Yard:	Sinopacific Offshore & Engineering, China
Delivery:	August/October/December 2016
Charter:	«Hell and High water» bareboat charter
Term:	15 years, the first ten years have a fixed charter rate and the last five years a floating charter rate
Charterer:	Hartmann Group
Subcharter:	10 year period on Time Charter basis with additional five one-year options to a strong counterparty
EBITDA:	USD 31.5 million per annum
Options:	The Hartmann Group has an option to buy into 1/3 ownership at year 10, alternatively receive a 1/3 profit split from year 11-15

Höegh PCTCs 4900 – 2 X 2010 built

Vessel and charter

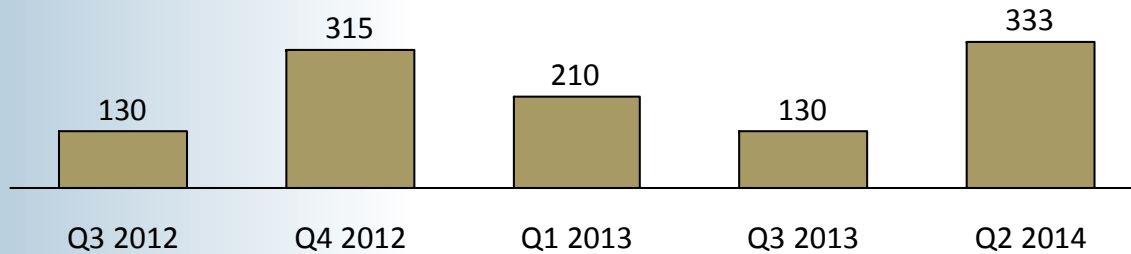
Vessel:	Höegh Beijing and Höegh Xiamen
Type:	PCTC's, 4900 car capacity
Investment:	~USD 90 million
Charter:	«Hell and High water» bareboat charter
Built:	2010
Yard:	Xiamen Shipbuilding Industry Co. Ltd
Charterer:	Höegh Autoliners Shipping AS
Charter guarantor:	Höegh Autoliners Holdings AS
Charter end:	June 2022
Options:	First option at the end of year 5



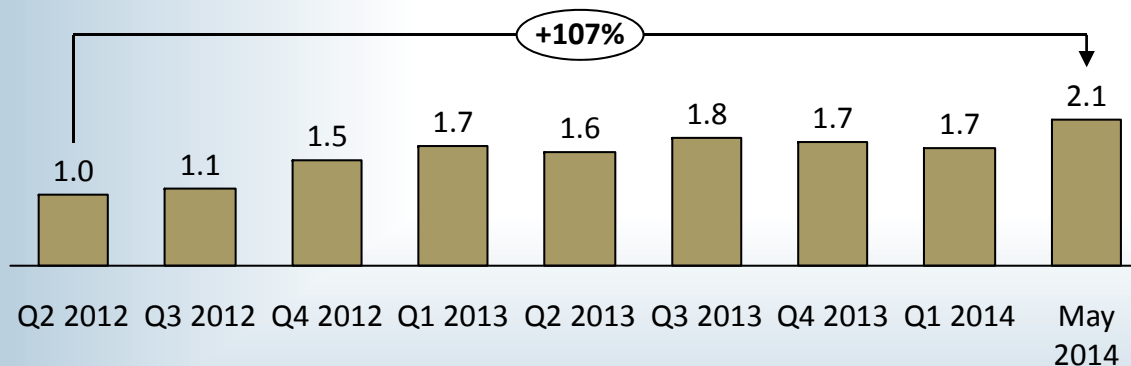
USD 1.1 billion in committed investments to date and USD 2.1 billion in EBITDA backlog



Committed investments (USDm)



Total EBITDA backlog per quarter (USD billion)



Total EBITDA backlog*

USD 2.1 billion

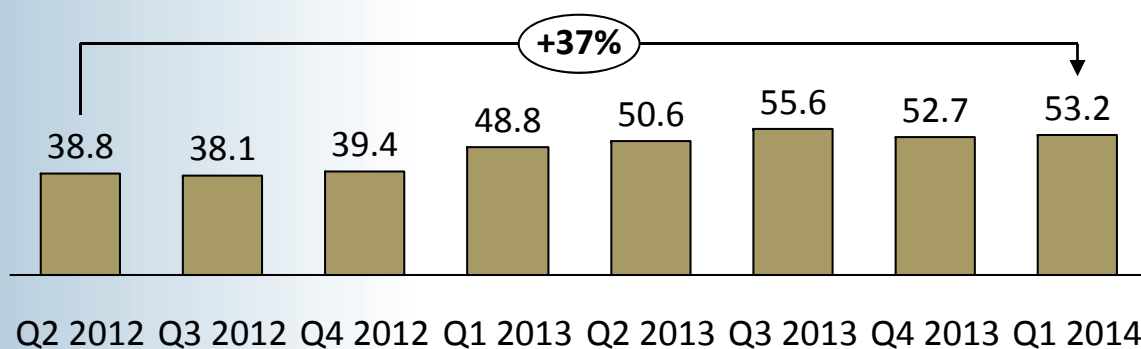
Average duration*

7.3 years

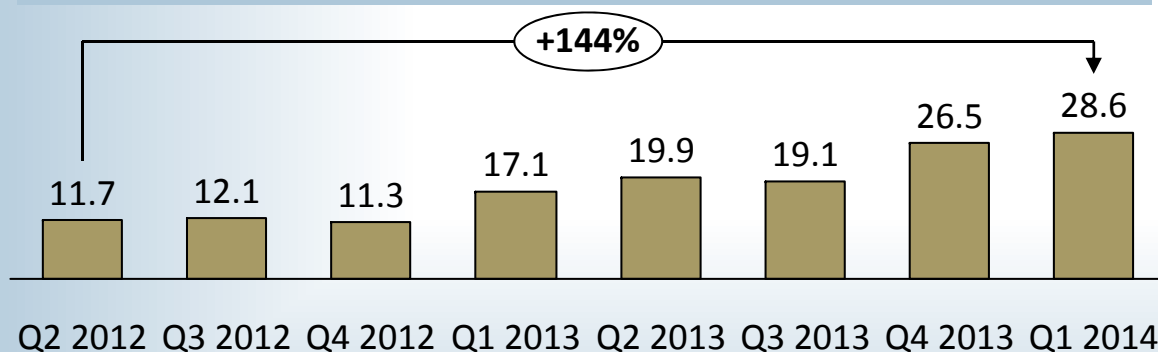
* Per end Q1 2014, including three LEG newbuilds and two car carriers committed post Q1 2014. EBITDA as reported, incl. mob. fees. Figures are based on management's estimates regarding operating expenses on the Dhirubhai-1 which may be subject to change in addition to certain purchase options in bareboat charter contracts not being exercised

Development in key financials

EBITDA per quarter (USDm)



Net profit per quarter (USDm)



*As per close 08.05.2014 – Q1 2014 dividend annualized, shareprice of NOK 37.8 and NOK/USD 5.86

Dividend Yield

7.8%* p.a

Q1 Quarterly Dividend payable in Q2 2014

12.5 Cents
Per share

P&L

Income statement

<i>Amounts in USD million</i>	1st Quarter 2014	1st Quarter 2013	Jan - Dec 2013
Operating revenues	59.7	56.6	239.0
Vessel operating expenses	(3.5)	(3.9)	(14.2)
Wages and other personnel expenses	(1.8)	(1.7)	(9.5)
Other operating expenses	(1.1)	(2.2)	(7.6)
EBITDA	53.2	48.8	207.7
Depreciation and amortization	(23.4)	(24.2)	(101.6)
Impairment charges and other non-recurring items	-	-	-
Operating profit	29.9	24.7	106.1
Financial income	16.0	4.4	19.7
Financial expenses	(14.4)	(8.1)	(35.6)
Foreign exchange gains/losses	(0.7)	0.2	(0.1)
Mark to market of derivatives	1.3	(3.4)	(10.0)
Net financial items	2.2	(6.9)	(26.0)
Net Profit before tax	32.1	17.8	80.2
Income tax expense	(3.4)	(0.7)	2.5
Net Profit after tax	28.6	17.1	82.7

Comments

- Operating Expenses: Lower than budgeted in Q1 related to the FPSO Dhirubhai-1
- Depreciation: Lower depreciation on FPSO as certain equipment has been depreciated to zero over a five year period. Also adjusted depreciation on Aker Wayfarer.
- Financial Income: One-off profit of USD 11.5 million related to refinancing of AMSC bonds in January.
- Financial Expenses: One-off costs related to buy back of OCY 01 bonds of USD 6.0 million
- Tax: Related to profit on AMSC bonds. Expected to be non-cash.

Net profit after tax adjusted for non-recurring items

Adjustments	
<i>Amounts in USD million</i>	1st Quarter 2014
Profit after tax	28.6
- One-off adjustment to Financial Income	11.5
- One-off adjustment to Financial Expenses	(6.0)
- Foreign exchange gains/losses	(0.7)
- Mark to market of derivatives	1.3
- Tax	(3.1)
Net profit after tax adjusted for non-recurring items	25.6

Comments

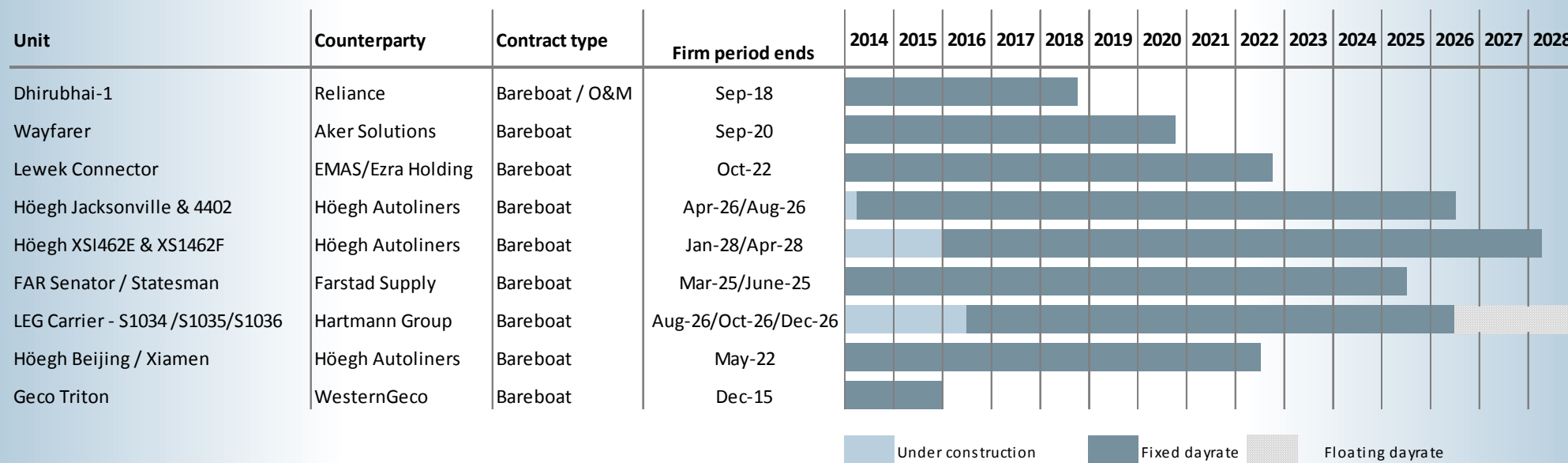
- AMSC bonds: Reclassification of fair value adjustments previously reported in other comprehensive income
- Costs related to repurchase of OY bonds
- Related to interest rate swaps on vessel loans and Ocean Yield bond loan
- AMSC bonds: Reclassification of tax on fair value adjustments previously reported in other comprehensive income. Expected to be offset against tax losses carried forward, which is off balance sheet

Balance sheet

Balance sheet

<i>Amounts in USD million</i>	31 March 2014	31 March 2013	<i>Amounts in USD million</i>	31 March 2014	31 March 2013
ASSETS			Total equity	710.2	546.8
Vessels and equipment	1 263.4	1 241.0	Interest-bearing debt	760.5	800.9
Intangible assets	38.3	38.3	Deferred tax liabilities	0.6	0.6
Deferred tax assets	10.8	9.2	Pension liabilities	0.1	0.3
Restricted cash deposits	20.1	20.0	Mobilization fee and advances	65.2	80.9
Investments in AMSC Bonds	171.7	148.0	Other interest-free long term liabilities	1.1	(0.0)
Other non-current assets	5.1	0.0	Total non-current liabilities	827.5	882.6
Total non-current assets	1 509.4	1 456.6	Interest-bearing short term debt	109.9	93.0
-	-	-	Trade and other payables	24.2	16.8
Trade receivables and other interest-free receivables	15.4	18.9	Total current liabilities	134.1	109.8
Cash and cash equivalents	147.1	63.7	Total liabilities	961.6	992.4
Total current assets	162.5	82.7	Total equity and liabilities	1 671.9	1 539.2
Total assets	1 671.9	1 539.2			

USD 2.1 billion in contracted EBITDA*



* Per end Q1 2014, including three LEG newbuilds and two car carriers committed post Q1 2014. EBITDA as reported, incl. mob. fees. Figures are based on management's estimates regarding operating expenses on the Dhirubhai-1 which may be subject to change in addition to certain purchase options in bareboat charter contracts not being exercised

Ocean Yield – Summary and outlook

- Declared increased quarterly dividend of 12.50 cents per share
- Steady performance of the FPSO Dhirubhai
- We have passed USD 1.1 billion in committed new investments with the Höegh and the Hartmann transactions announced yesterday totalling USD 333 million
- Current EBITDA backlog is USD 2.1 billion





The background image shows the hull of a ship with several depth markings. On the upper part, there is a vertical column of markings: '2', '8M', '8', and '6'. On the lower part, there is a diagonal column of markings: '7M', '8', '6', '4', '2', and '6M'. The ship is moving through the water, creating a wake.

Q&A session



OCEAN YIELD