



Presentation Q1 2017

9th May 2017

First Quarter 2017 financial highlights

- Quarterly dividend increased to USD 0.1850 per share
 - Increase of 0.25 cents vs. Q4
 - 5% increase annualized
 - USD 0.74 per share annualized
 - Dividend yield of 9.9% p.a.
 - 14th consecutive quarterly dividend increase
- EBITDA was USD 71.2m vs. USD 74.4m in Q4
 - EBITDA adjusted for finance lease effects was USD 79.1m vs. USD 82.8m in Q4
 - Reduction mainly explained by USD 4.0m lower income from Lewek Connector
- Net profit after tax was USD 36.8m vs. USD 0.7m in Q4
 - Change in deferred tax (non-cash) was USD 3.7m
- Adjusted net profit was USD 33.4m vs. USD 36.9m in Q4



Recent events

- Successful delivery of two newbuilding container vessels
 - MSC Rifaya and MSC Leanne
- Termination of charter contract for Lewek Connector
 - Entered into a new 4 months bareboat contract at a rate of USD 40,000 /d
 - Expect reduced earnings after cancellation of bareboat contract
 - Vessel marketed for offshore construction and cable installation work



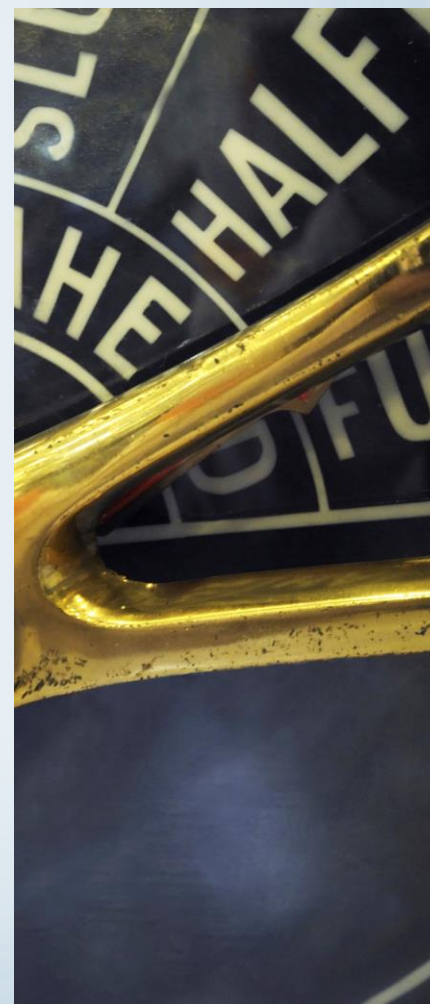
Recent events (cont.)

- Agreement with Farstad to restructure two bareboat charters
 - Charter rates for the next 5 years reduced to NOK 99,400 /d
 - Charter rates increases to NOK 209,300 /d in 2022 and 2023
 - Balloon payment of NOK 128m in 2023 with potential earlier prepayments based on cash sweep
 - Part payment in 316 million shares in Farstad Shipping ASA
- Refinancing of American Shipping Company bonds with nominal value of USD 201 million
 - Net cash proceeds of USD 156 million
 - Subscription of USD 50 million in new five year unsecured bond



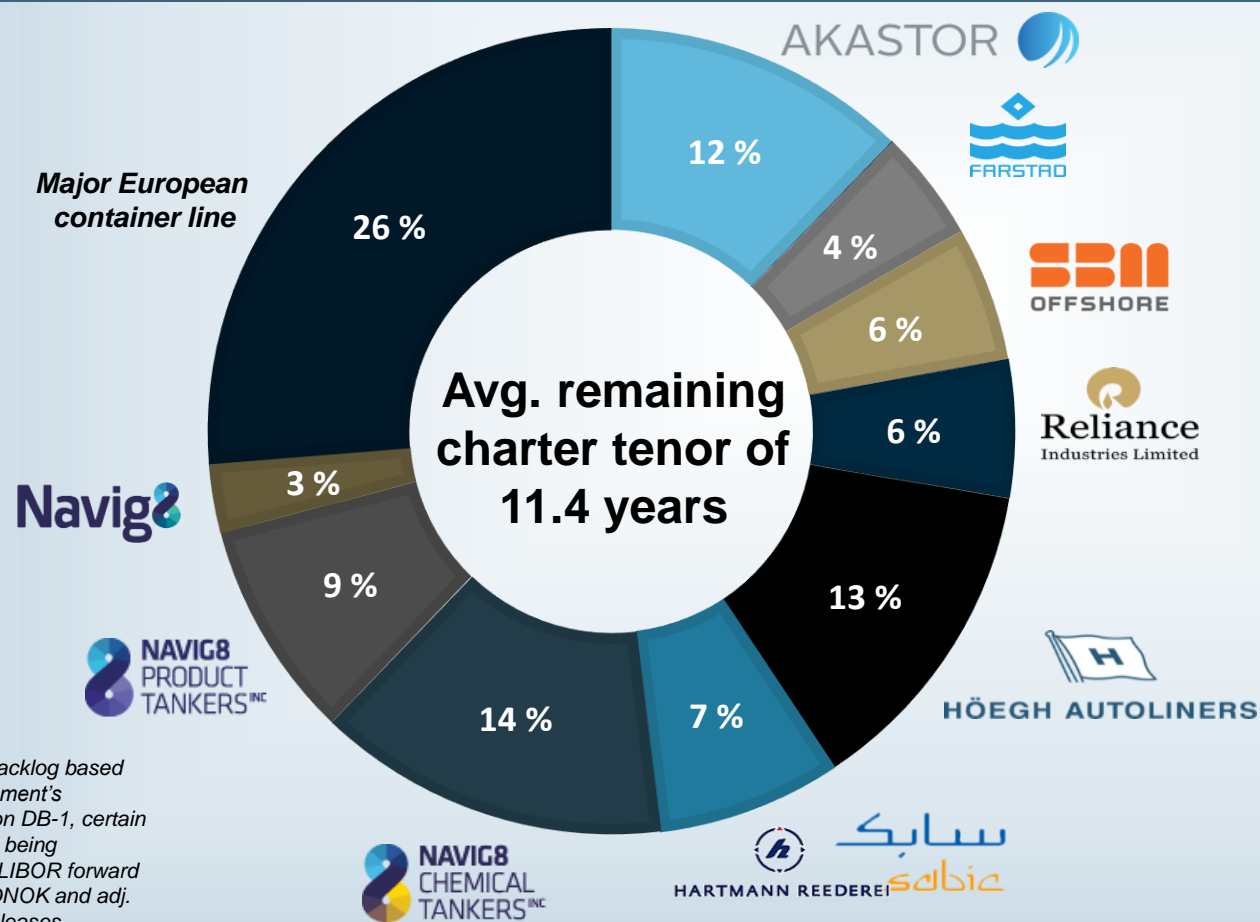
New transactions

- Shipping- and offshore markets
 - Most shipping and offshore segments show signs of having levelled out after a period of decreasing asset values
 - Low asset values should make 2017 an attractive timing for new investments
- Market for sale & leaseback transactions
 - Increased activity level with improved quality of potential transactions
 - Banks are generally more conservative, which makes leasing a more competitive financing alternative
 - Competition from Chinese Leasing Companies
 - Target of USD 350 million in new transactions in 2017 remain unchanged
- Ocean Yield receives strong interest from banks and bond investors



Charter backlog by client end of Q1 2017

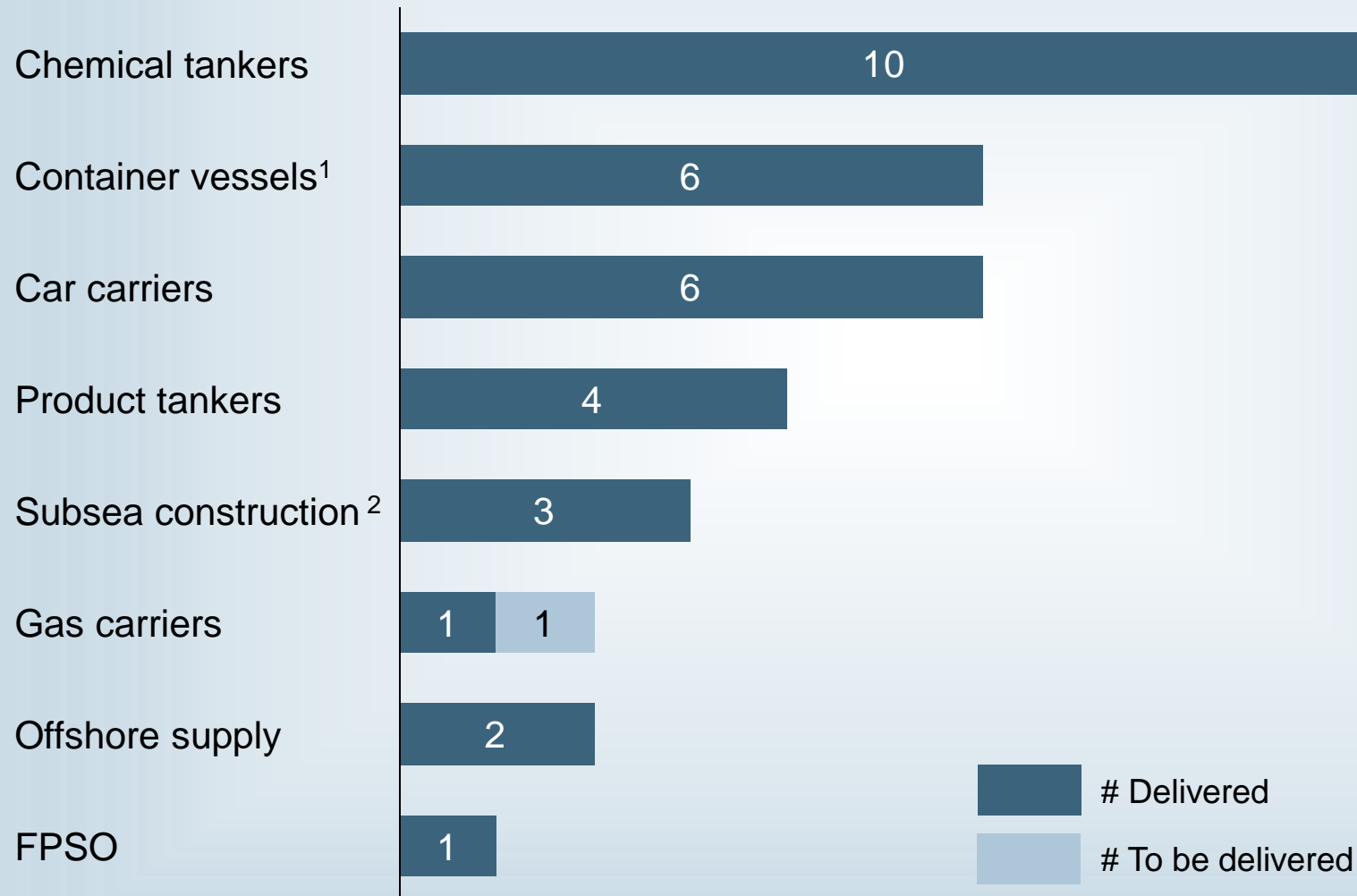
EBITDA* backlog of USD 2.8 billion



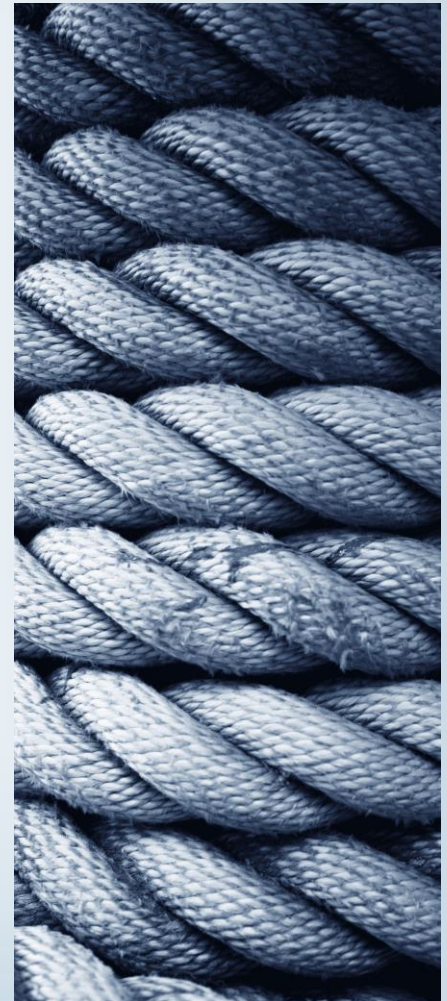
*EBITDA backlog based on management's estimates on DB-1, certain options not being exercised, LIBOR forward curve, USDNOK and adj. for finance leases



Fleet overview per Q1 2017

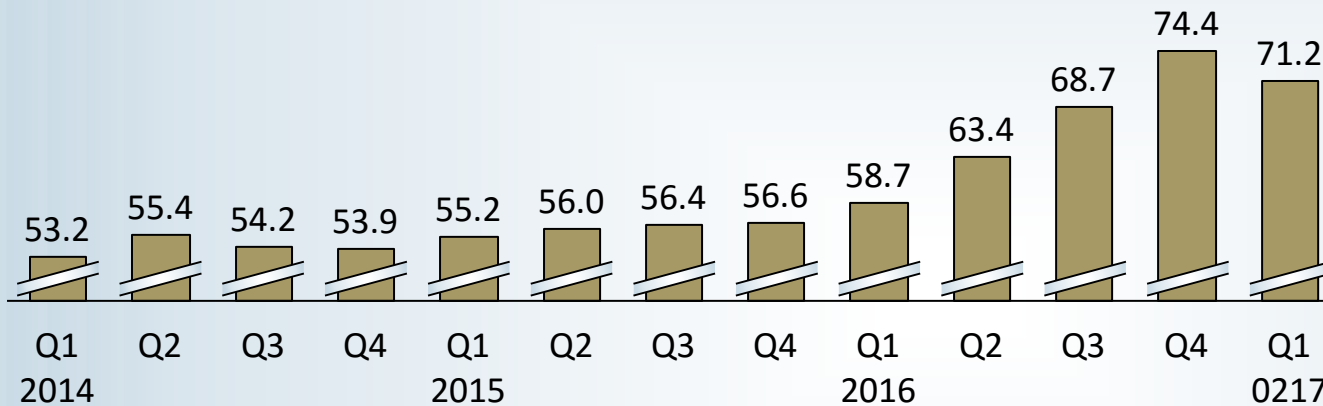


1) 49.5% ownership in six container vessels and 2) 75.0% ownership in SBM Installer

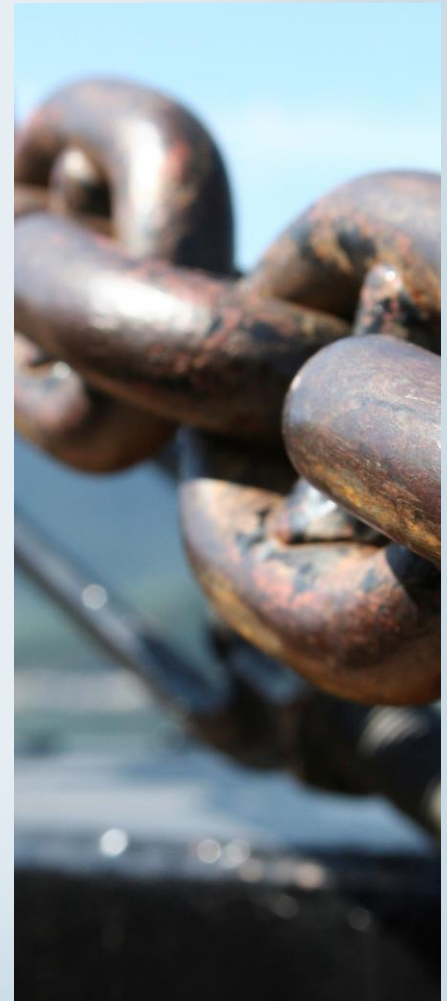
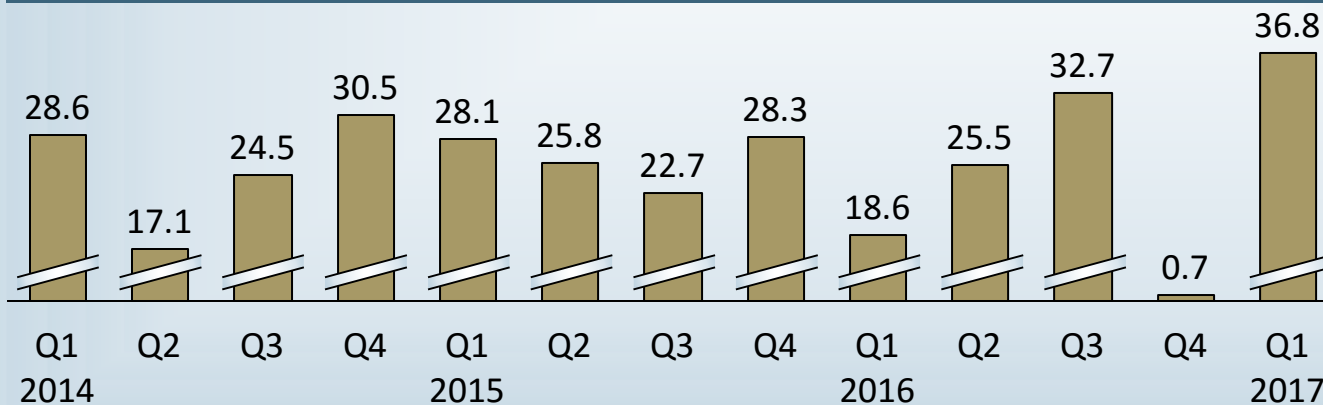


Quarterly EBITDA and net profit

EBITDA per quarter (USDm)

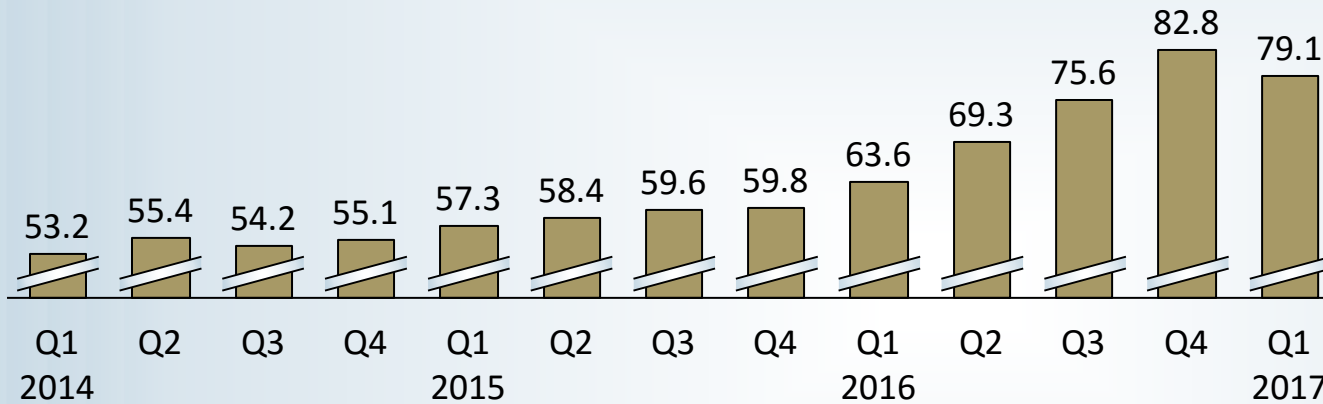


Net profit per quarter (USDm)

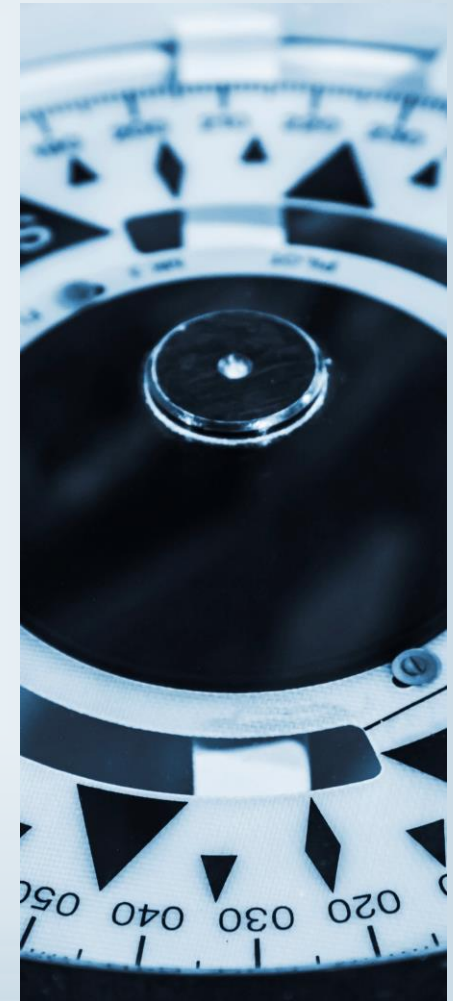
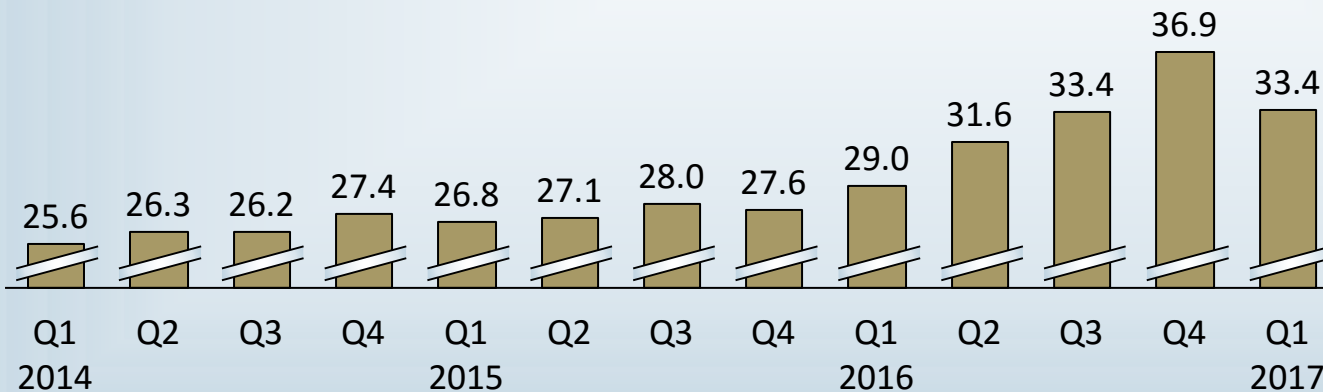


Adjusted EBITDA and net profit

EBITDA adjusted for finance lease effects (USDm)

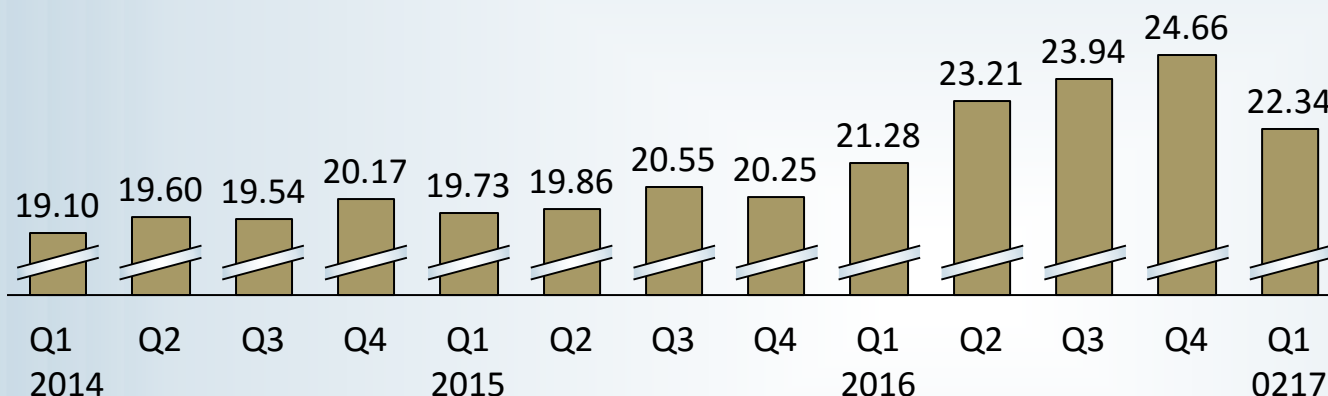


Adjusted net profit (USDm)

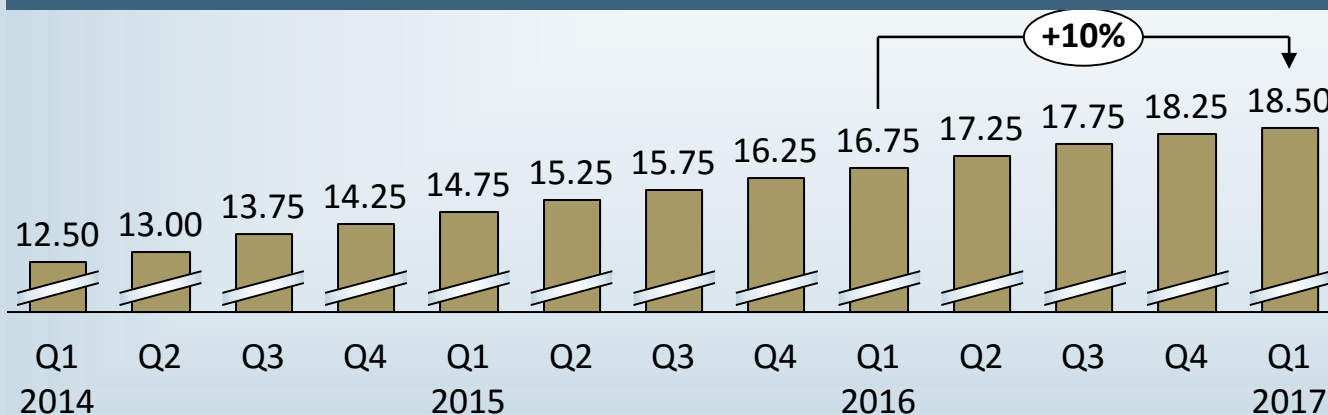


Growth in cash dividends for 14 consecutive quarters

Adjusted earnings per share (USD cents)¹



Dividend per share (USD cents)



Dividend yield

9.9%² p.a.

Pay-out ratio on adjusted Q1 EPS

83%

Adjusted earnings yield

11.9%² p.a.

¹See Q1 2017 Financial Report Note 18

²Per 08.05.2017, Q1 2017 DPS annualized, share price of NOK 64.75, NOK/USD of 8.6.

Profit & loss

Income statement

	Q4	Q1
<i>Amounts in USD million</i>	2016	2017
Operating revenues	61.2	57.2
Finance lease revenue	15.8	16.1
Income from investment in associates	4.9	5.3
Total revenues and other income	82.0	78.6
Vessel operating expenses	(4.4)	(4.2)
Wages and other personnel expenses	(1.5)	(1.8)
Other operating expenses	(1.6)	(1.4)
EBITDA	74.4	71.2
Depreciation and amortization	(25.5)	(24.5)
Impairment charges and other non recurring items	(36.2)	-
Operating profit	12.7	46.8
Financial income	5.0	9.2
Financial expenses	(17.7)	(17.0)
Foreign exchange gains/losses	13.3	(0.6)
Mark to market of derivatives	(10.2)	2.1
Net financial items	(9.6)	(6.2)
Net profit before tax	3.1	40.5
Tax payable	(0.2)	(0.0)
Change in deferred tax	(2.2)	(3.7)
Income tax expense	(2.4)	(3.7)
Net profit after tax	0.7	36.8
Non-controlling interests	0.7	0.4
Equity holders of the parent	0.0	36.4
Earnings per share (USD)	0.00	0.25

Comments

Revenues

- Revenues from Lewek Connector reduced by USD 4.0m
- Full quarter earnings from GasChem Beluga

Depreciation

- Reduced depreciation on Lewek Connector

Financials

- Financial income includes USD 5.7m gain from sale of AMSC bonds
- Financial expenses includes USD 0.4m of non-cash interest related to build-up of potential de-mobilization expense

Deferred tax expense

- Change in deferred tax is offset against deferred tax asset on balance sheet

Adjusted net profit

Adjustments			Comments	
	Q4 2016	Q1 2017		
<i>Amounts in USD million</i>				
Net profit	0.7	36.8		
- Impairment charges	36.2	-	• Largely related to the vessel Lewek Connector	
- Gain on AMSC bonds	-	(5.7)		
- Cancellations/repayment of loans	0.9	0.1	• Related to Aker ASA / Hartmann facility	
- Foreign exchange gains/losses	(13.3)	0.6	• Mainly related to bond and bank loans in NOK	
- Mark to market of derivatives	10.2	(2.1)	• USD/NOK cross currency and interest rate swaps	
- Tax payable	-	-		
- Changes in deferred tax, net	2.2	3.7	• Non-cash and offset against deferred tax assets on balance sheet	
Adjusted net profit	36.9	33.4		

Balance sheet

Balance sheet

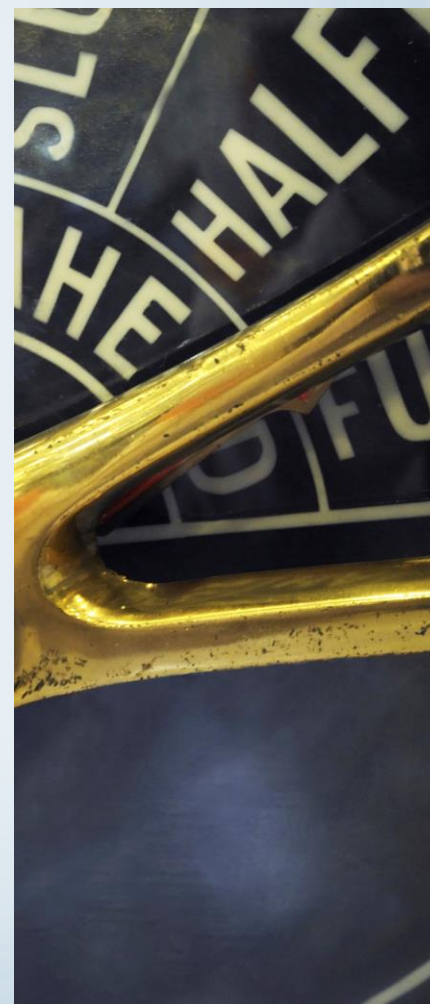
	Q4	Q1
ASSETS (USDm)	2016	2017
Goodwill	9.8	9.8
Vessels and equipment	1,243.8	1,228.6
Investments in associates	187.4	186.6
Finance lease receivables and related assets	703.5	695.9
Investments in AMSC Bonds	197.5	50.7
Restricted cash deposits	23.8	23.3
Other non-current assets	1.2	1.5
Shares in Farstad Shipping ASA	0.0	12.5
Deferred tax assets	20.5	16.7
Total non-current assets	2,387.5	2,225.5
Trade- and other interest-free receivables	21.7	23.3
Cash and cash equivalents	165.5	96.1
Total current assets	187.2	119.4
Total assets	2,574.7	2,344.9

	Q4	Q1
EQUITY AND LIABILITIES (USDm)	2016	2017
Equity to holders of the parent	804.2	813.5
Non-controlling interests*	11.0	11.3
Total equity	815.2	824.8
Interest-bearing debt	1,380.4	1,256.7
Mob fee, advances and deferred revenue	37.4	45.2
Mark to market of derivatives	26.1	24.1
Non-current provisions and other	28.8	29.3
Total non-current liabilities	1,472.7	1,355.3
Interest-bearing short term debt	173.4	106.2
Liability related to associates	57.7	0.0
Mark to market of derivatives	41.3	41.3
Trade and other payables	14.4	17.3
Total current liabilities	286.8	164.8
Total liabilities	1,759.5	1,520.1
Total equity and liabilities	2,574.7	2,344.9
Equity ratio	31.7 %	35.2 %

*Non-controlling interest of USD 11.3 million relates to the vessel SBM Installer

Update on bank loans

- Dhirubhai-1 loan facility amendment
 - Prepaid USD 37.8m (cash management reasons) down to USD 30m
 - Three quarterly instalments of USD 10m with first instalment in Q1'18
 - USD 20.0m in restricted cash has been released in Q2'18
 - Substantial free cash flow from vessel going forward
- Lewek Connector loan facility
 - Removal of bareboat charter requirement against USD 15.2m prepayment
 - Outstanding amount after repayments in May'17 will be USD 122m
 - Next 5 semi-annual installments will be reduced by 31% each
 - Commercial bank guarantee to be extended by three years
- Farstad loan facility
 - Obtained lenders credit approvals for the changes in the bareboat charters
 - Commercial bank guarantee to be extended with another 4 years from 2018
- Revolving bank facilities of USD 117.3m remains available for drawdown



Financing of newbuilding program

Contractual obligations and financing (USDm)

	Gas carrier
Already paid	32.4
Remaining payments in 2017	48.6
Total contractual obligations	81.0
Total remaining payments	48.6
Secured bank financing	67.5
Estimated surplus cash	18.9

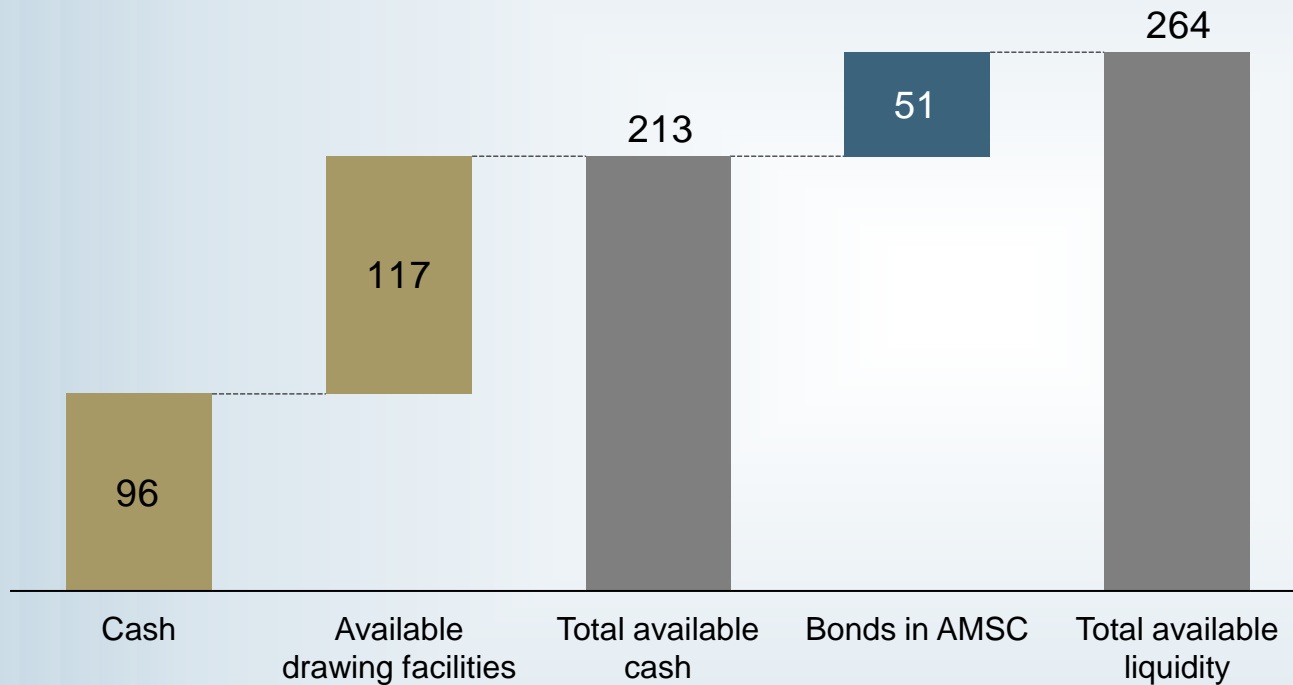
Comments

- Contractual obligations related to GasChem Orca with expected delivery in June/July 2017



Strong liquidity position

Cash and securities available for sale per Q1'17 (USD million)



Comments

- Restricted cash of USD 20 million has been released in Q2'17



Outlook

- New investments
 - Available liquidity of USD 264 million and book equity ratio of 35% gives substantial investment capacity
 - Low asset values should make 2017 an attractive timing for new investments
 - Increased activity and improved deal pipeline
 - Expanding deal origination team
- 2017 earnings
 - Reduced earnings from Lewek Connector
 - Positive impact from vessels delivered in 2016/2017 and potential new investments
- Dividends
 - Expect to continue to pay attractive and increasing dividends





OCEAN YIELD

