



Presentation Q2 2016

13th July 2016

Second Quarter 2016 financial highlights

- Quarterly dividend increased to USD 0.1725 per share
 - Increase of 0.5 cents versus Q1'16, equal to 12% increase annualized
 - USD 0.69 per share annualized, representing a dividend yield of 8.6% p.a.
- EBITDA was USD 63.4m, compared with USD 58.7m in Q1'16
 - EBITDA adjusted for finance lease effects was USD 69.3m, compared with USD 63.6m in Q1'16
- EBIT was USD 38.6m compared with USD 34.4m in Q1'16
- Net profit after tax was USD 25.5m, compared with USD 18.6m in Q1'16
 - Adjusted net profit was USD 31.6m, compared with USD 29.0m in Q1'16



Recent events

- Acquisition of 49.5% interest in six mega container vessels with 15-year charter contracts
- Delivery of 3 newbuildings with long-term contracts
- Signed USD 202.5m loan agreement related to 3 gas carriers
- Farstad Shipping ASA has entered into standstill agreement with secured lenders. No change in charter rate to Ocean Yield.
- Steady production on Dhirubhai-1 with 99.7% utilization



Acquisition of 49.5% interest in six mega container vessels with 15 years charter

Vessel details

| | |
|-----------------|----------------------|
| No of vessels | 6 x |
| Vessel type | Container vessel |
| Vessel capacity | 19,500 TEU |
| Delivery | Jul'16 until Feb'17 |
| Yard | Samsung H. I., Korea |

Financial details

| | |
|-------------------|-------------------------------|
| Equity ownership | 49.5% |
| JV Partner | Quantum Pacific Shipping |
| Equity investment | USD 162 million |
| Bank debt | Non-recourse to Ocean Yield |
| Charter type | Bareboat |
| Charter duration | 15 years |
| Charterer | Major European container line |



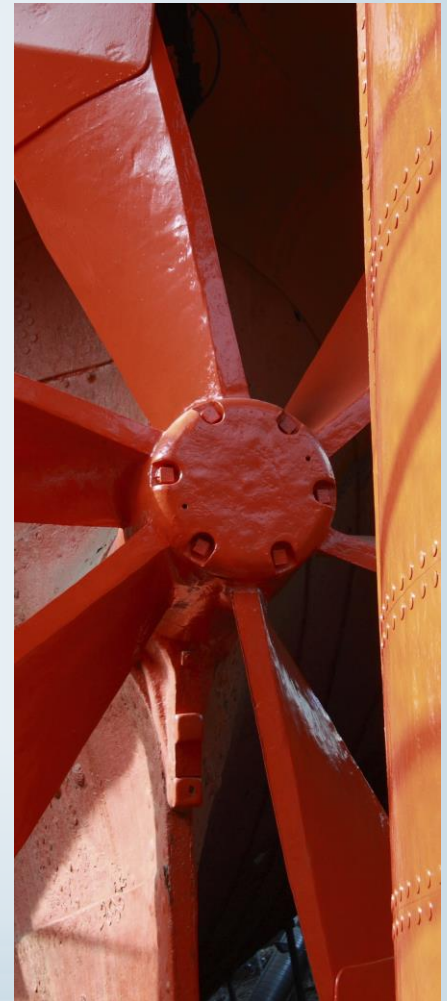
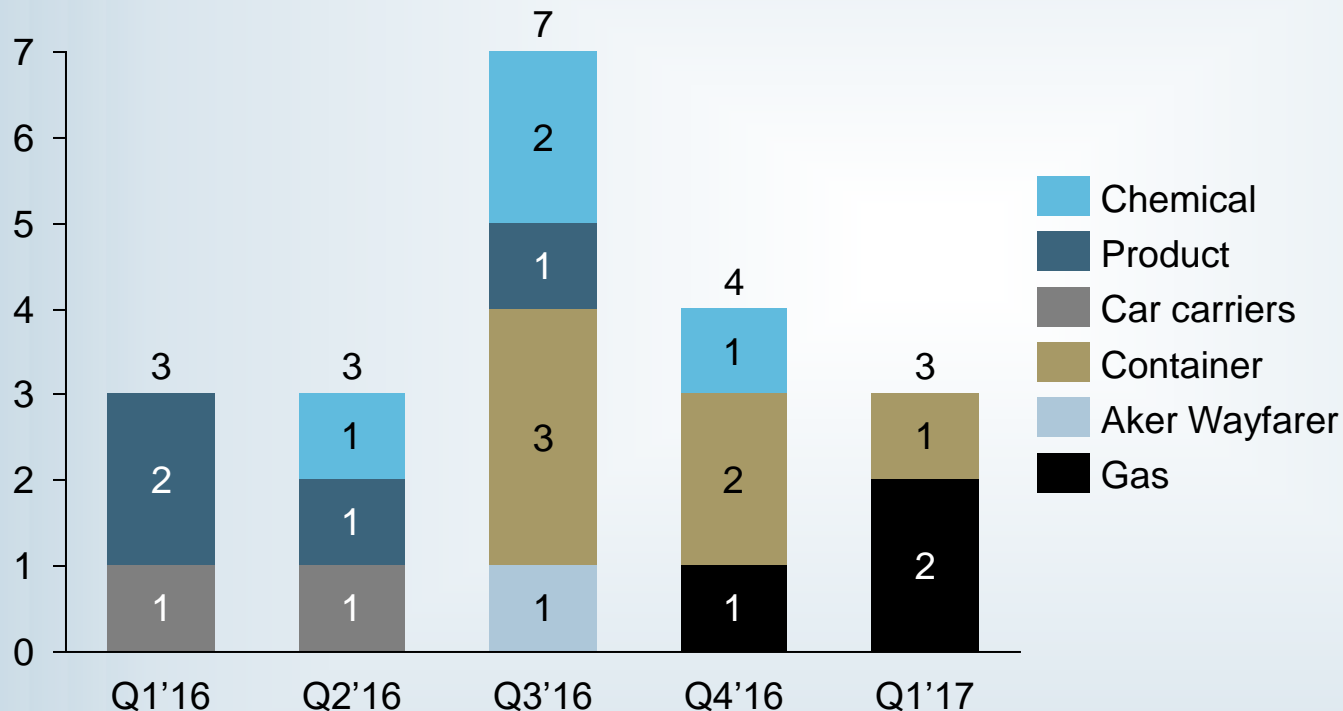
Illustration photo

Delivery of newbuildings will give increased earnings already from Q3

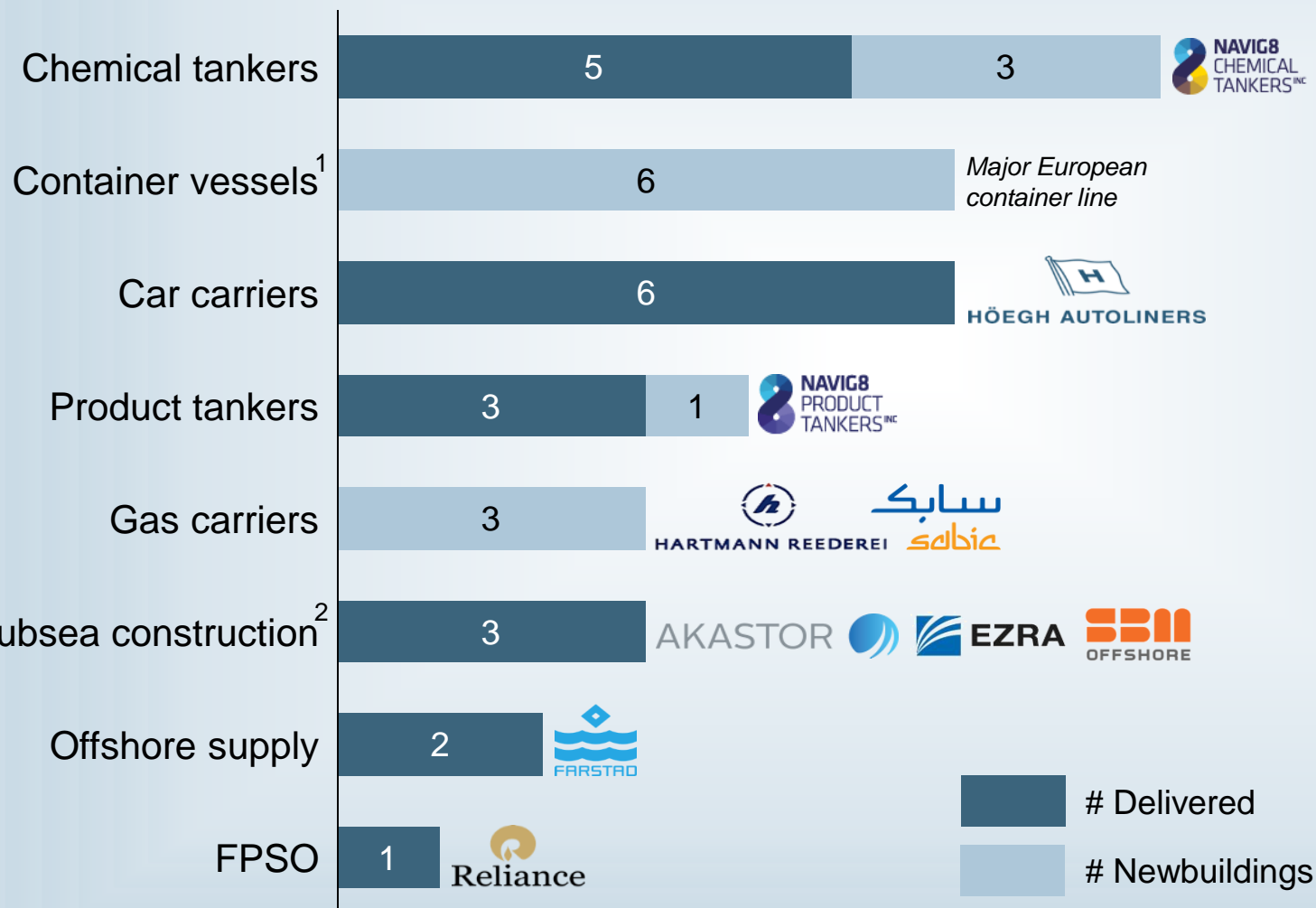


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Delivery schedule (# vessels)

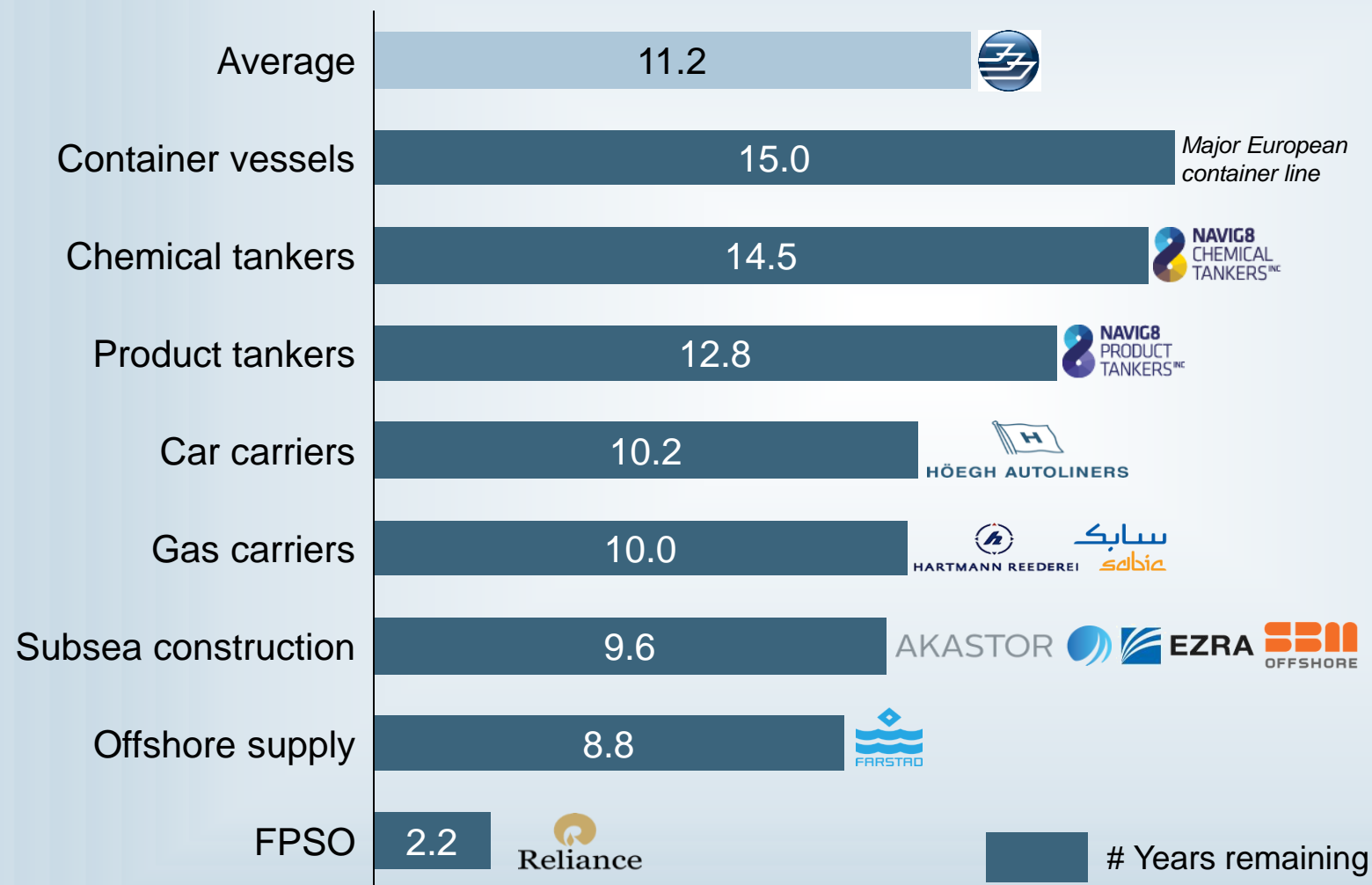


Fleet overview Q2 2016



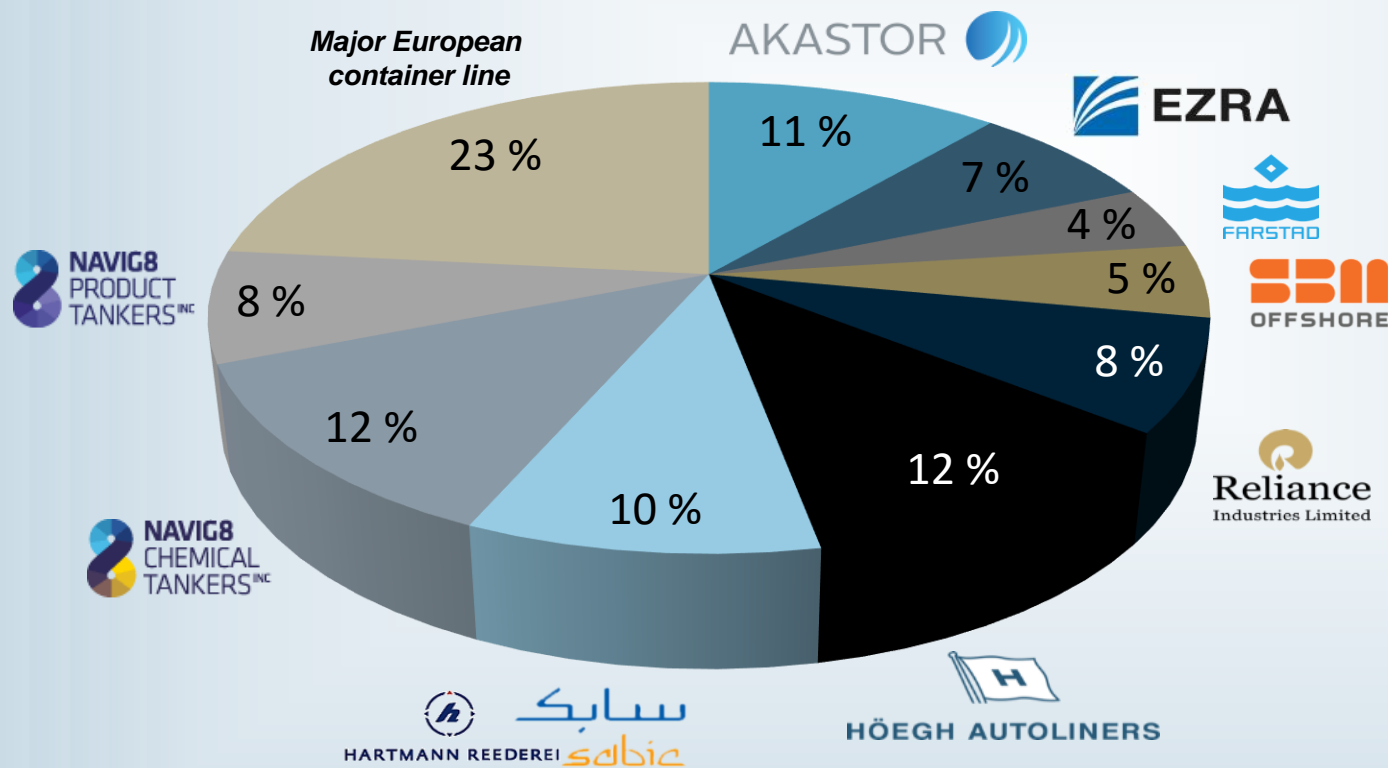
1) 49.5% ownership in six container vessels, 2) 75.0% ownership in SBM Installer

Remaining charter tenor by client



Charter backlog by client

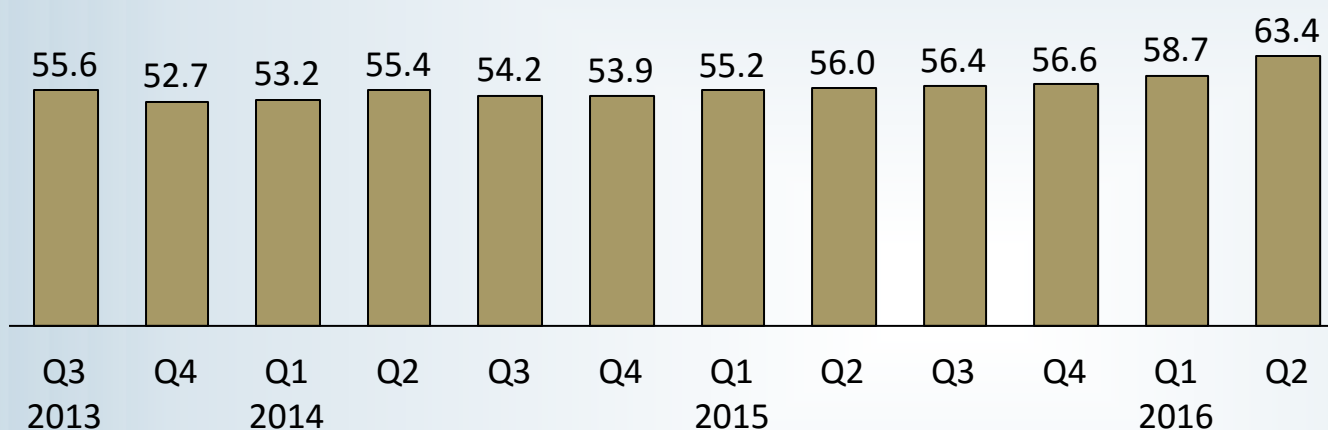
Q2 EBITDA* backlog of USD 3.3 billion with avg. tenor of 11.2 years



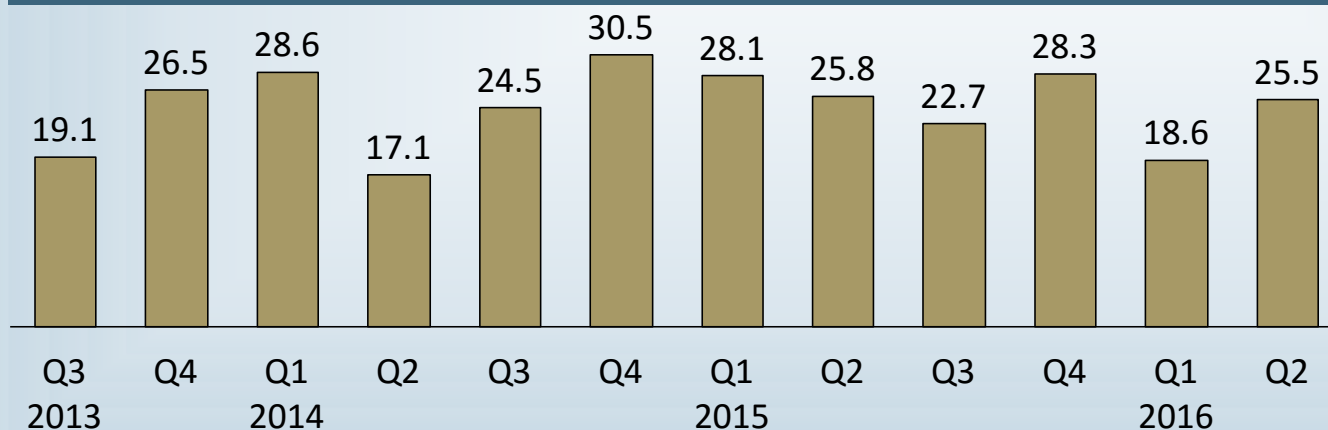
*EBITDA backlog based on management's estimates on DB-1, certain options not being exercised, LIBOR forward curve, USDNOK and adj. for finance leases

Quarterly EBITDA and net profit

EBITDA per quarter (USDm)

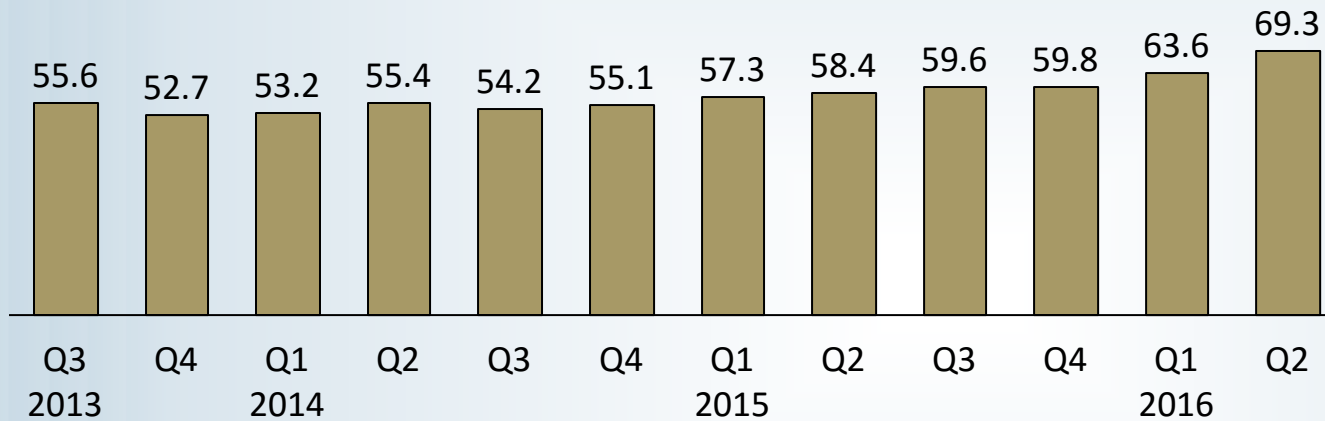


Net profit per quarter (USDm)

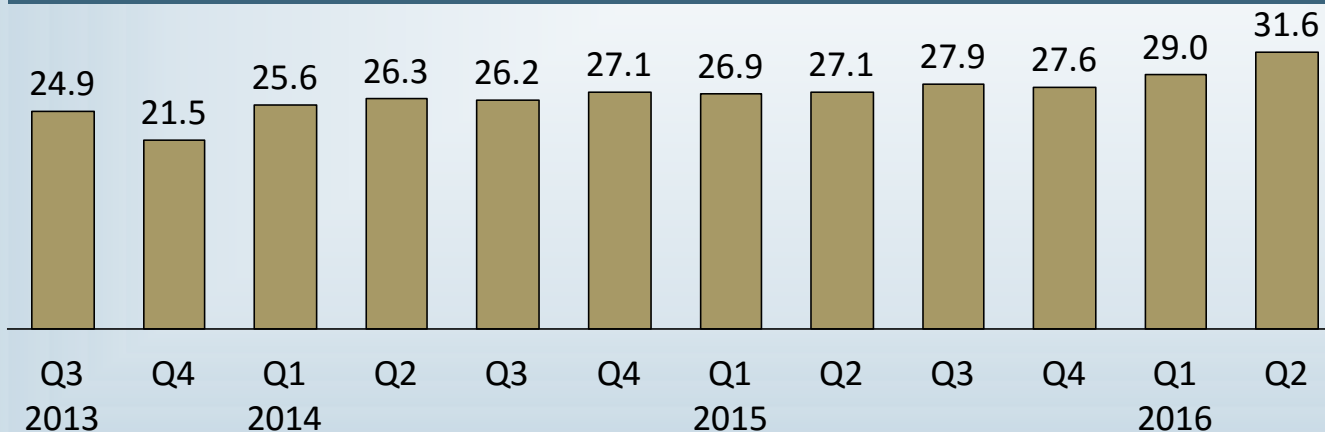


Adjusted EBITDA and net profit

EBITDA adjusted for finance lease effects (USDm)

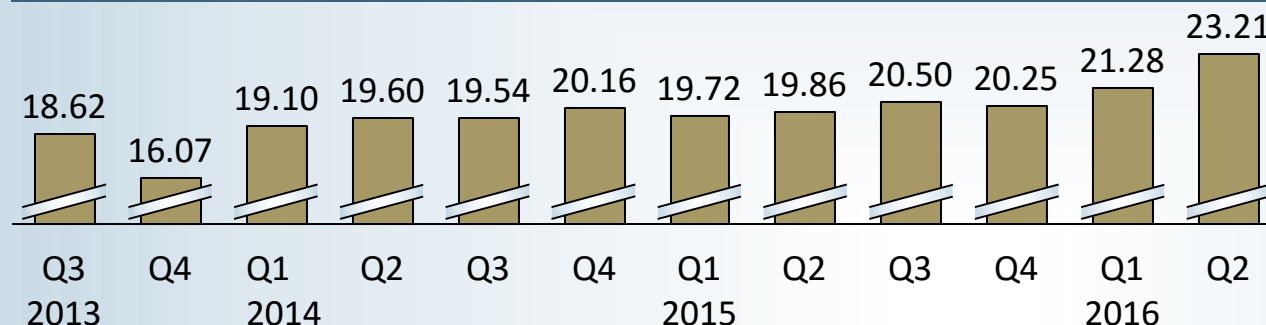


Adjusted net profit (USDm)

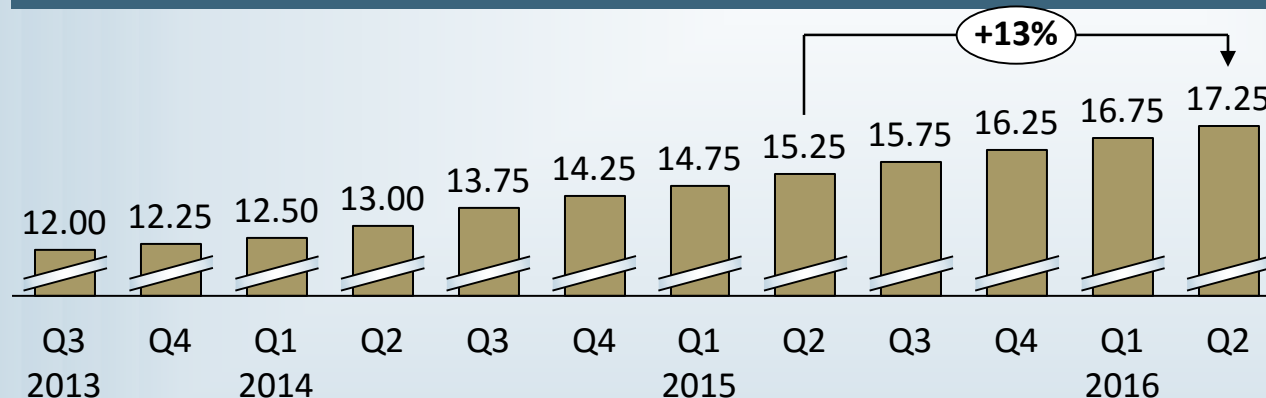


Growth in cash dividends for 11 consecutive quarters

Adjusted earnings per share (USD cents)²



Dividend per share (USD cents)



Dividend yield

8.6%¹ p.a.

Pay-out ratio on adjusted Q2 EPS

74%

Adjusted earnings yield

11.6%¹ p.a.

¹As per 12.07.2016 - Q2 2016 dividend annualized, share price of NOK 67.50 and NOK/USD 8.4

²Reported EPS has been adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax

P&L

Income statement

| | Q1 | Q2 | Q2 | FY |
|--|---------------|--------------|--------------|---------------|
| <i>Amounts in USD million</i> | 2016 | 2016 | 2015 | 2015 |
| Operating revenues | 58.8 | 60.8 | 58.1 | 233.1 |
| Finance lease revenue | 7.3 | 9.3 | 5.1 | 23.6 |
| Total revenues | 66.1 | 70.1 | 63.2 | 256.7 |
| Vessel operating expenses | (4.8) | (4.0) | (3.1) | (15.5) |
| Wages and other personnel expenses | (1.6) | (1.3) | (3.1) | (12.6) |
| Other operating expenses | (1.0) | (1.4) | (1.0) | (4.5) |
| EBITDA | 58.7 | 63.4 | 56.0 | 224.2 |
| Depreciation and amortization | (24.3) | (24.8) | (24.2) | (96.7) |
| Impairment charges and other non recurring items | - | - | (0.1) | (28.6) |
| Operating profit | 34.4 | 38.6 | 31.7 | 98.9 |
| Financial income | 4.6 | 4.5 | 4.6 | 18.2 |
| Financial expenses | (10.0) | (11.5) | (9.1) | (37.6) |
| Foreign exchange gains/losses | (13.2) | 2.8 | (0.2) | 41.5 |
| Mark to market of derivatives | 6.0 | (4.8) | (1.0) | (40.5) |
| Net financial items | (12.8) | (9.0) | (5.8) | (18.4) |
| Net profit before tax | 21.7 | 29.5 | 25.8 | 80.4 |
| Tax payable | - | - | - | (0.4) |
| Change in deferred tax | (3.1) | (4.1) | 0.0 | 25.0 |
| Income tax expense | (3.1) | (4.1) | 0.0 | 24.6 |
| Net profit after tax | 18.6 | 25.5 | 25.8 | 105.0 |
| Earnings per share (USD) | 0.14 | 0.19 | 0.19 | 0.77 |

Comments

Revenues

- Increased revenue from delivery of six vessel during H1 2016

Financial expenses

- Increased drawings on long-term debt in relation to newbuildings
- Includes USD 0.5m 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, hence, zero payable tax in the quarter.

Adjusted net profit after tax¹

| Adjustments | | | Comments | |
|--------------------------------------|-------------|-------------|--|--|
| | Q1 | Q2 | | |
| <i>Amounts in USD million</i> | 2016 | 2016 | | |
| Profit after tax | 18.6 | 25.5 | | |
| - Impairment charges and other items | - | - | | |
| - Foreign exchange gains/losses | 13.2 | (2.8) | • Mainly related to bond and bank loans in NOK | |
| - Mark to market of derivatives | (6.0) | 4.8 | • USD/NOK cross currency and interest rate swaps | |
| - Tax payable | - | - | | |
| - Changes in deferred tax, net | 3.1 | 4.1 | • Changes in deferred tax | |
| Adjusted net profit after tax | 29.0 | 31.6 | | |

1) Adjusted for non-recurring items, FX, m-t-m of derivatives and change in deferred tax

Balance sheet

| Balance sheet | | | | |
|--|----------------|----------------|--|--|
| | Q1 | Q2 | | |
| USD million | 2016 | 2016 | | |
| ASSETS | | | | |
| Vessels and equipment | 1 293.1 | 1 338.5 | | |
| Intangible assets | 9.8 | 9.8 | | |
| Deferred tax assets | 33.3 | 29.2 | | |
| Restricted cash deposits | 25.7 | 22.9 | | |
| Finance lease receivables | 479.0 | 555.4 | | |
| Investments in AMSC Bonds | 193.8 | 194.9 | | |
| Investments in associated companies | - | 1.6 | | |
| Other non-current assets | 0.6 | 0.6 | | |
| Total non-current assets | 2 035.4 | 2 152.9 | | |
| | | | | |
| Trade receivables and other receivables | 21.6 | 18.2 | | |
| Cash and cash equivalents | 96.6 | 110.8 | | |
| Total current assets | 118.2 | 129.0 | | |
| Total assets | 2 153.6 | 2 281.9 | | |
| EQUITY AND LIABILITIES | | | | |
| Total equity to equity holders of the parent | 696.7 | 699.6 | | |
| Non-controlling interests | 11.5 | 9.5 | | |
| Total equity | 708.2 | 709.1 | | |
| | | | | |
| Interest-bearing debt | 1 117.8 | 1 207.4 | | |
| Mobilization fee and advances | 36.4 | 41.2 | | |
| Mark to market of derivatives | 62.6 | 66.8 | | |
| Non-current provisions | 27.1 | 27.5 | | |
| Other interest-free long term liabilities | 2.8 | 2.9 | | |
| Total non-current liabilities | 1 246.6 | 1,346.0 | | |
| Interest-bearing short term debt | 163.0 | 173.6 | | |
| Mark to market of derivatives | 5.8 | 6.3 | | |
| Trade and other payables | 30.1 | 46.8 | | |
| Total current liabilities | 198.8 | 226.8 | | |
| Total liabilities | 1 445.4 | 1 572.8 | | |
| Total equity and liabilities | 2 153.6 | 2 281.9 | | |
| Equity ratio | 32.9 % | 31.1 % | | |

Non-controlling interest of USD 9.5 million relates to the SBM transaction

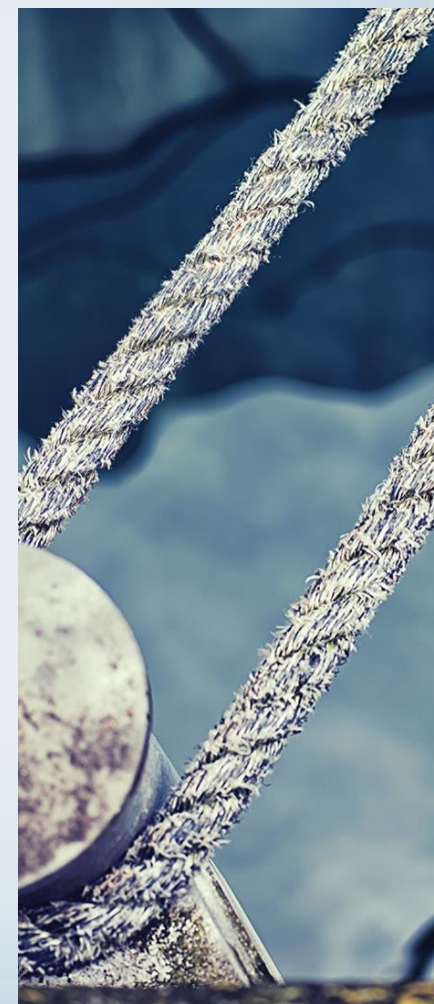
Contractual obligations and financing

Contractual obligations and financing

| <i>Amounts in USD million</i> | Other Oil Service | Gas Carriers | Container Vessels | Other Shipping | Total |
|--------------------------------------|----------------------|-----------------|----------------------|-------------------|--------------|
| Already paid | 64.4 | 72.9 | 1.6 | 62.2 | 201.1 |
| 2016 | 24.8 | 72.9 | 131.3 | 94.1 | 323.1 |
| 2017 | - | 97.2 | 28.8 | - | 126.0 |
| Total contractual obligations | 89.2 | 243.0 | 161.8 | 156.3 | 650.2 |
| Total remaining payments | 24.8 | 170.1 | 160.1 | 94.1 | 449.1 |
| Secured bank financing | 18.2 | 202.5 | 119.4 | 91.3 | 431.4 |
| Estimated cash payments | | | | | 17.7 |

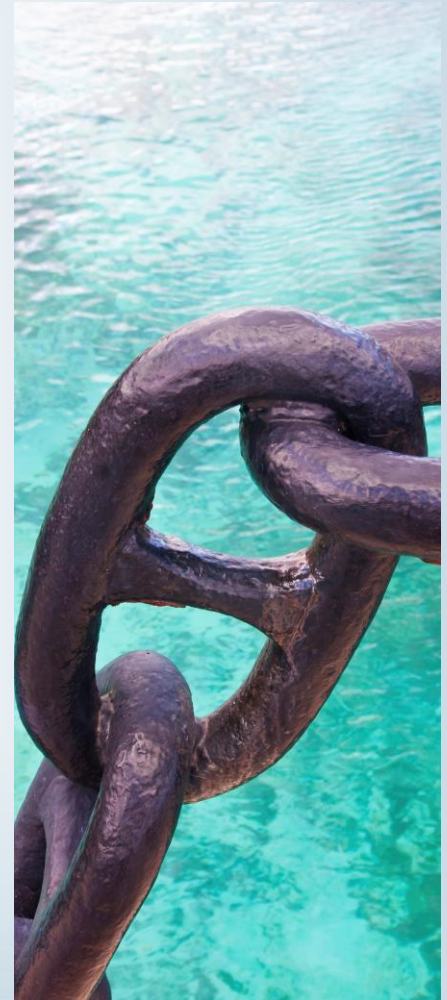
Comments

- Unrestricted cash of USD 110.8m at the end of Q2 2016
- In addition, cash receivable of USD 15.6m related to Höegh Autoliners prepayment of charter hire in Q3 and Q4 2016



Summary

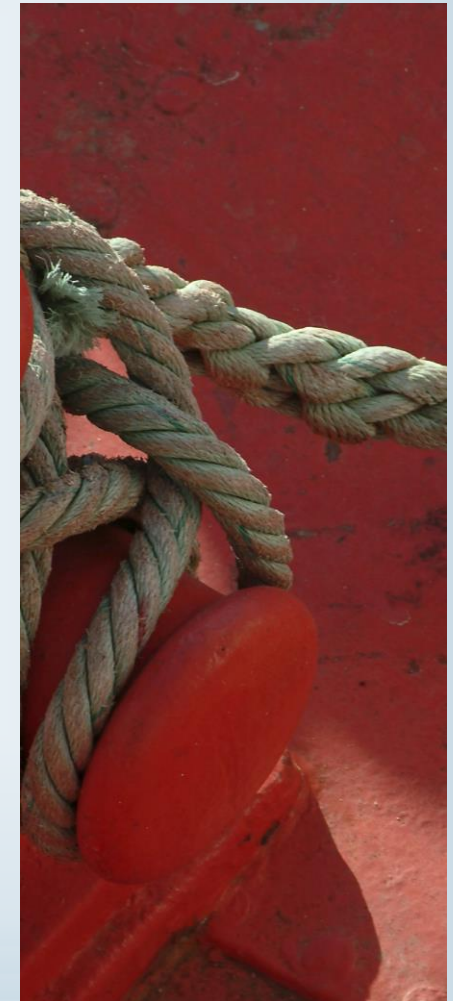
- The delivery of newbuildings in addition to the container investment and the completion of Aker Wayfarer is expected to give increased earnings already from Q3 2016
- Expects to continue to make new investments in modern vessels on long-term charter in order to build a substantially larger and even more diversified company
- With EBITDA backlog of USD 3.3bn and increased earnings from delivery of newbuildings, the Company expects to continue its dividend policy of paying attractive and increasing dividends



Appendix

Expected delivery schedule newbuildings and modification

| Project | Vessel | Type | Exp. delivery |
|--------------------------|-------------------|----------------------|----------------------------|
| Quantum Pacific JV | MSC Diana | Container 19,500 TEU | <i>Delivered July 2016</i> |
| Quantum Pacific JV | MSC Ingy | Container 19,500 TEU | <i>Delivered July 2016</i> |
| Akastor / AKOFS Offshore | Aker Wayfarer | Modification | <i>Delivered July 2016</i> |
| Navig8 Chemical Tankers | Navig8 Topaz | Chemical carrier, MR | July 2016 |
| Navig8 Product Tankers | Navig8 Supreme | LR2 110,000 dwt | August 2016 |
| Navig8 Chemical Tankers | Navig8 Tourmaline | Chemical carrier, MR | September 2016 |
| Quantum Pacific JV | MSC Eloane | Container 19,500 TEU | September 2016 |
| Navig8 Chemical Tankers | Navig8 Tanzanite | Chemical carrier, MR | October 2016 |
| Hartmann | S1035 | LEG | Q4 2016 |
| Quantum Pacific JV | MSC Mirjam | Container 19,500 TEU | November 2016 |
| Quantum Pacific JV | MSC Rifaya | Container 19,500 TEU | December 2016 |
| Hartmann | S1034 | LEG | Q1 2017 |
| Quantum Pacific JV | Hull #2158 | Container 19,500 TEU | February 2017 |
| Hartmann | S1036 | LEG | Q1 2017 |





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