

Third Quarter 2014

Presentation

10 November 2014



Third Quarter 2014 highlights

- Increased quarterly dividend to USD 0.1375 per share
 - Increase of 0.75 cents or 5.8% versus Q2
 - USD 0.55 per share annualized, representing a yield of 8.7% p.a.
- EBITDA was USD 54.2 million compared to USD 55.6 million for the third quarter 2013
 - Negatively impacted by non-recurring provision of USD 2.9m
- Net Profit after tax was USD 24.5 million compared to USD 19.1 million in Q3 2013
 - Net negative non-recurring accounting effects of USD 1.7m
 - Net profit after tax adjusted for non-recurring items was USD 26.2m
- Extension of bareboat charter for *Aker Wayfarer* from 2020 to 2027 in combination with an additional investment of USD 89-98 million against an increased rate
- Took delivery of newbuilding car carrier *Höegh Jeddah* on 5 Sep
- The EBITDA charter backlog increased to USD 2.2 billion with an average weighted tenor of 9.5 years



Attractive and diversified portfolio of oil service and industrial shipping assets

Oil service assets

Floating Production Storage Offloading (FPSO)

Dhirubhai-1



Subsea Equipment Support Vessel

Wayfarer



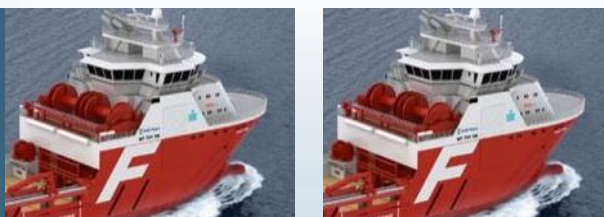
Subsea Construction Vessel

Lewek Connector



Offshore Supply (AHTS)

FAR Senator
FAR Statesman



Industrial shipping and other assets

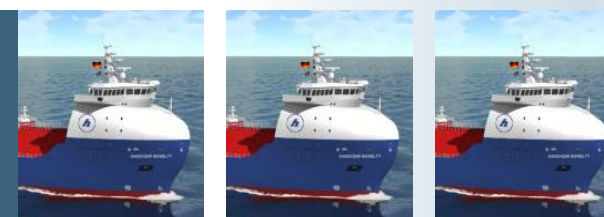
Car Carriers (PCTCs)

2x 8,500 CEU newbuilds
2x 6,500 CEU
2x 4,900 CEU



Liquefied Ethylene Gas Carriers (LEGs)

3x 36,000 cbm newbuilds



Other assets

- Bonds in AMSC with book value of USD 178m and nominal value of USD 193m. AMSC Market cap USD 385m.
- Geco Triton, seismic vessel, with book value of USD 12.4m and no outstanding debt.

All vessels on long term charter with USD 2.2 billion in contracted EBITDA

Unit	Type	Built	Counterparty	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Höegh XS1462F	PCTC	2016	Höegh Autoliners															
Höegh XSI462E	PCTC	2016	Höegh Autoliners															
Wayfarer	OCV	2010	AKOFS Off. / Akastor															
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															
Geco Triton	Seismic	1998	WesternGeco															

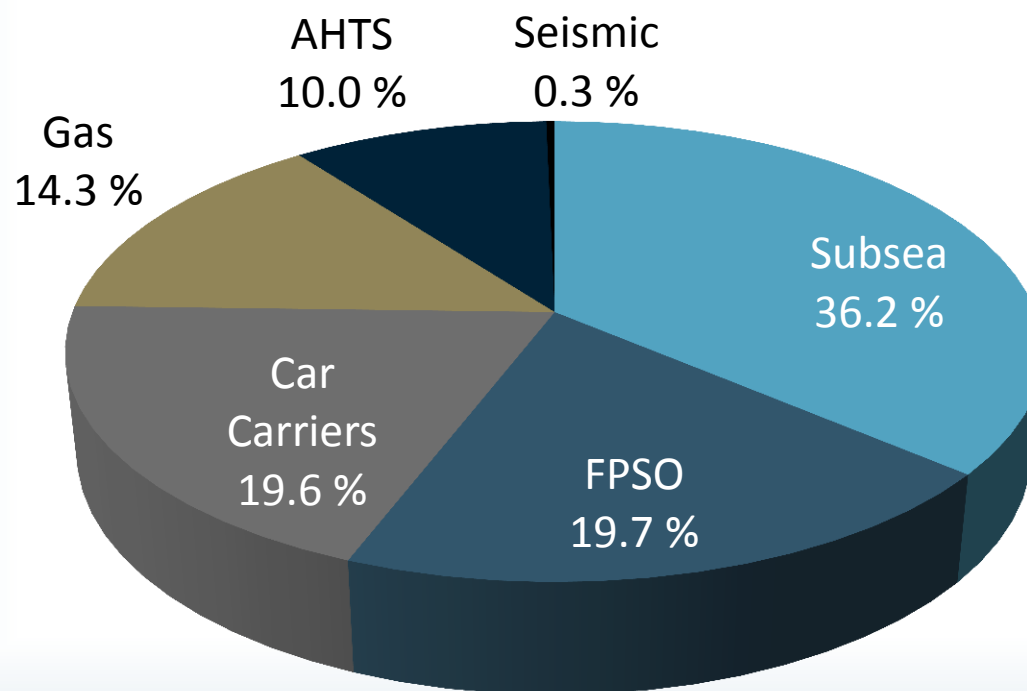
Under construction

Fixed dayrate

Floating dayrate

Strong sector diversification

Contracted EBITDA per segment*



*Per end Q3 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

Aker Wayfarer – Modification and contract extension

- Background:** AKOFS Offshore awarded a 5+5 year contract with Petrobras to provide subsea services offshore Brazil.
- Upgrade:** Investment of USD 89-98m to become a *Deepwater Subsea Equipment Support Vessel*, allowing it to install and retrieve subsea trees and modules.
- Charterer:** AKOFS Offshore with guarantee from Akastor (and AKSO as the transaction was done before the split).
- Options:** AKOFS Offshore has purchase options with strike of USD 180m in Aug 21, USD 90m in Aug 26 and USD 59m in Sep 27.
- Charter Term:** Current bareboat charter unchanged.
Extension of bareboat from Sep 20 and until Sep 27.
Additional bareboat rate from completion in May 16 and until Sep 27 to cover the additional investment.
- Cash day rate:**
- | | |
|--|-------------|
| Current BB rate until Sep 20: | NOK 579,183 |
| Extension of BB rate from Sep 20 until Sep 27: | USD 50,495 |
| Additional BB rate from Q3 16 until Q3 21: | USD 35,650 |
| Additional BB rate from Q4 21 until Sep 27: | USD 32,700 |
- (Rates based on an investment of USD 89 million)*



Aker Wayfarer model with new equipment installed

Successful delivery of our fourth car carrier

Vessel: *Höegh Jeddah*

Delivery: 5th of September 2014

Yard: DSME Mangalia, Romania

Capacity: 6,500 car equivalent units

Charterer: Höegh Autoliners

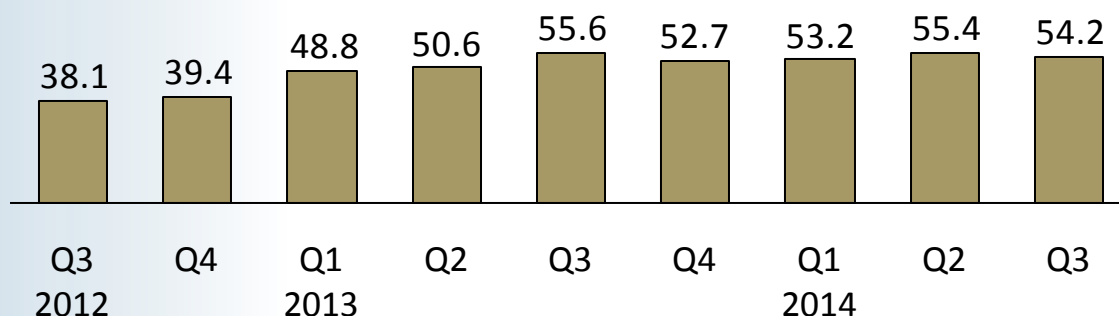
Term: 12 year “hell & high water”
bareboat contract

Other: Sister vessel to *Höegh Jacksonville* that was delivered in April 2014
Full contribution towards EBITDA in Q4 of USD 1.8m vs. Q3 of USD 0.5m

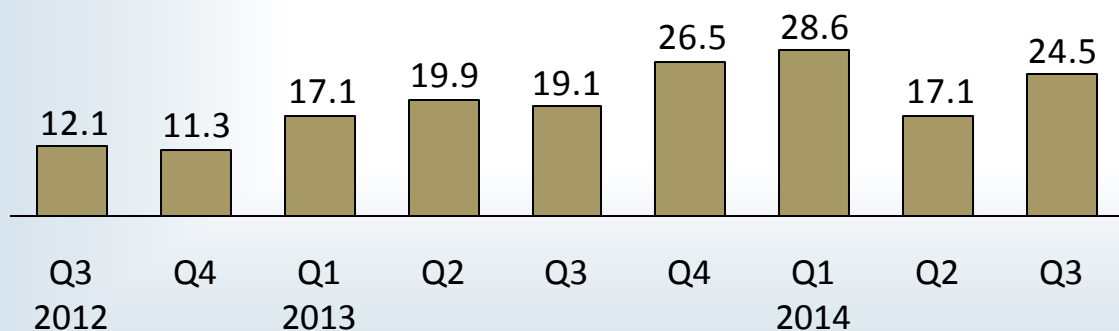


Development in EBITDA and net profit

EBITDA per quarter (USDm)



Net profit per quarter (USDm)**



Q3 EBITDA was USD 57.1m, adjusted for non-recurring items.

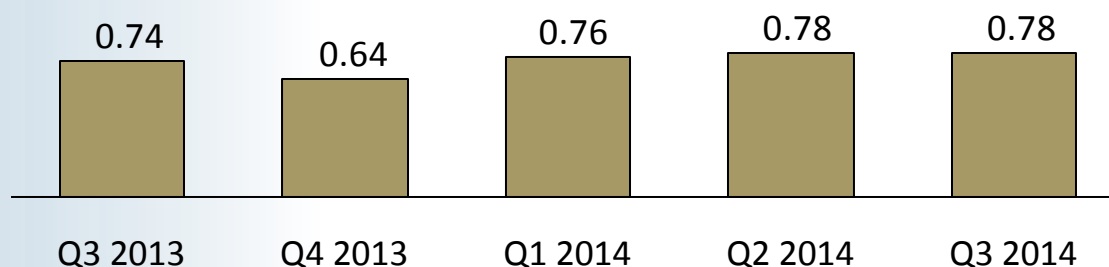
Committed projects will increase quarterly EBITDA once delivered.

*Recurring EBITDA is adjusted for USD 2.9m non-recurring provision in AFP.

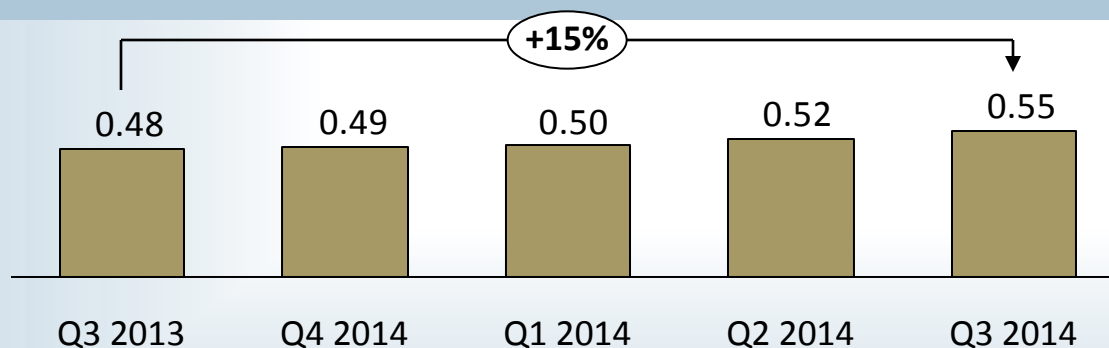
**Net profit was negatively impacted by a total non-recurring items of USD 1.7 million.

Adjusted Net Profit and Dividend per share

Adj. Net profit per share, annualized basis (USD)**



Dividend per share, annualized basis (USD)



Dividend yield

8.7%* p.a

Pay-out ratio on adjusted Q3 EPS

70%

Adjusted earnings yield

12.3%* p.a

*As per close 10.11.2014 – Q3 2014 dividend annualized, share price of NOK 42,90 and NOK/USD 6,75

**Reported EPS has been adjusted for non-recurring items. Reported EPS for Q3'13, Q4'13, Q1'14, Q2'14 and Q3'14 was USD 0.14, USD 0.20, USD 0.21, USD 0.13 and USD 0.18, respectively.

P&L

Income statement

<i>Amounts in USD million</i>	3rd Quarter 2014	3rd Quarter 2013	Jan - Sep 2014	Jan - Sep 2013
Operating revenues	65.4	61.8	187.2	178.4
Vessel operating expenses	(3.7)	(3.7)	(10.8)	(11.5)
Wages and other personnel expenses	(3.1)	(1.0)	(7.1)	(5.5)
Other operating expenses	(4.5)	(1.5)	(6.6)	(6.4)
EBITDA	54.2	55.6	162.8	155.0
Depreciation and amortization	(25.7)	(25.6)	(73.4)	(74.8)
Impairment charges and other non recurring items	-	-	-	-
Operating profit	28.5	30.0	89.4	80.2
Financial income	4.8	5.0	25.5	16.7
Financial expenses	(11.2)	(8.8)	(40.5)	(26.3)
Foreign exchange gains/losses	5.8	(3.3)	7.1	(3.4)
Mark to market of derivatives	(3.0)	(2.7)	(7.0)	(9.4)
Net financial items	(3.6)	(9.8)	(14.9)	(22.4)
Net profit before tax	24.9	20.2	74.5	57.8
Income tax expense	(0.4)	(1.1)	(4.3)	(1.6)
Net profit after tax	24.5	19.1	70.2	56.2
Weighted average number of shares outstanding	134.1	132.3	134.1	110.9
Earnings per share (USD)	0.18	0.14	0.52	0.51

Comments

- Other operating expenses: Includes a USD 2.9 million non-recurring provision in connection with Aker Floating Production's insurance dispute from 2008.
- Financial expenses: Includes USD 1.6m in repurchase of bonds.

Net profit after tax adjusted for non-recurring items

Adjustments			Comments	
	2nd Quarter	3rd Quarter		
<i>Amounts in USD million</i>	2014	2014		
Profit after tax	17.1	24.5		
- One-off adjustment to Financial Income	-	-		
- One-off adjustment to Financial Expenses	5.9	1.6	■ Relates to repurchase of bonds	
- Foreign exchange gains/losses	(2.0)	(5.8)		
- Mark to market of derivatives	5.3	3.0		
- Other non-recurring items	-	2.9	■ Relates to non-recurring provision in connection with Aker Floating Production's insurance dispute	
Net profit after tax adjusted for non-recurring items	26.3	26.2		

Balance sheet

Balance sheet

	30 September 2014	30 September 2013		30 September 2014	30 September 2013
<i>Amounts in USD million</i>			<i>Amounts in USD million</i>		
ASSETS			Total Equity	710.0	687.8
Vessels and equipment	1 194.6	1 304.0	Interest-bearing loans	858.7	803.8
Intangible assets	38.3	38.3	Deferred tax liabilities	2.6	-
Deferred tax assets	11.6	7.6	Pension liabilities	0.3	0.5
Interest-bearing long term receivables	364.0	177.9	Mobilization fee and advances	43.7	71.6
Total non-current assets	1 608.5	1 527.8	Other interest-free long term liabilities	1.6	-
			Total non-current liabilities	906.9	875.9
Trade receivables and other interest-free receivables	13.6	16.9	Interest-bearing short term debt	120.6	108.0
Cash and cash equivalents	148.2	148.7	Trade and other payables	32.8	21.7
Total current assets	161.8	165.6	Total current liabilities	153.3	129.7
Total assets	1 770.3	1 693.4	Total liabilities	1 060.3	1 005.6
			Total equity and liabilities	1 770.3	1 693.4

Strategy and outlook

- Increased quarterly dividend by 5.8% to 13.75 cents per share
- Substantial capacity to further increase dividends
 - Committed investments of USD 1.2bn since establishment, of which USD 430m committed YTD, which secures strong earnings growth over the next few years
 - Strong balance sheet allows for further investments without raising new equity
 - Pay-out ratio adjusted for non-recurring items only 70%
- Softer equity- and bond markets has made sale & leasebacks relatively more attractive as source of funding. We are optimistic with respect to our ability to grow our portfolio of vessels





OCEAN YIELD

