OCEAN YIELD ASA

Third Quarter 2016 Report

Contents

THIRD QUARTER 2016 REPORT

Oslo, 2nd November 2016, Ocean Yield ASA (“Ocean Yield” or the “Company”) announces results for the third quarter ending 30th September 2016.

HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 0.1775 per share for Q3 2016. This is an increase of 0.50 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.71 per share. Based on the closing share price as of 2nd November 2016, this is a dividend yield of 8.4% p.a. This is the 12th consecutive dividend increase since the IPO of Ocean Yield in July 2013.

- EBITDA was USD 68.7 million for the third quarter 2016 compared with USD 56.4 million for the third quarter of 2015. Adjusted for finance lease effects, EBITDA was USD 75.6 million in Q3 2016 compared to USD 59.6 million in Q3 2015.

- Net profit before tax was USD 39.7 million for the third quarter 2016 compared with USD 22.7 million for the third quarter 2015

- Net profit after tax was USD 32.7 million for the third quarter 2016 compared with USD 22.7 million for the third quarter of 2015. A tax expense of USD 7.0 million was recorded in the quarter. This relates to changes in deferred tax and has no cash effect.

- Net profit after tax, adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax, was USD 33.4 million compared with USD 28.0 million in Q3 2015.

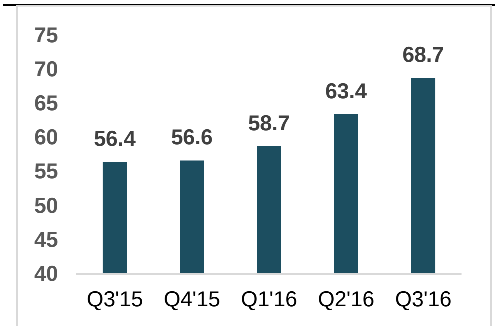
CONSOLIDATED KEY FIGURES

Selected key financial figures for the third quarter 2016 compared with the third quarter of 2015:

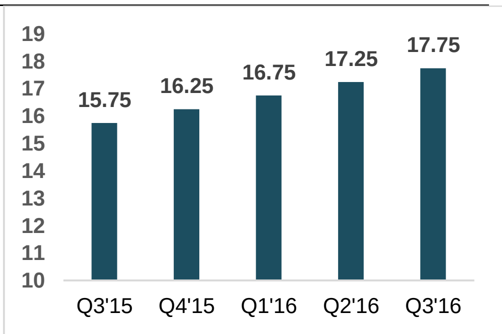
Consolidated key figures USD million	**Q3 2016**	**Q3 2015**	**Jan-Sep 2016**	**Jan-Sep 2015**
Revenues and other income	76.2	65.3	212.4	191.1
EBITDA	68.7	56.4	190.8	167.6
EBITDA adjusted for finance lease effects*	75.6	59.6	208.5	175.3
Operating profit (EBIT)	43.5	32.4	116.5	95.0
Net profit before tax	39.7	22.7	90.9	76.7
Net profit after tax	32.7	22.7	76.7	76.7
Adjusted net profit*	33.4	28.0	93.9	81.8
Cash & cash equivalents	157.4	103.1	157.4	103.1
Equity ratio	32.3%	36.6%	32.3%	36.6%

**Refer to note 17*

EBITDA (USD million)



Dividend per share (USD cents)



MAIN EVENTS DURING THE THIRD QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1775 per share for Q3 2016. The dividend is on an annualized basis equal to USD 0.71 per share. The dividend will be paid on or about 17th November 2016 to shareholders as of 4th November 2016 registered with the Norwegian Central Securities Depository (the "VPS") as of 8th November 2016 (the "Record Date"). The ex-dividend date will be 7th November 2016.

- Ocean Yield took delivery of another five vessels, which all are chartered out long-term. These include three newbuilding mega container vessels, one newbuilding chemical tanker and one newbuilding product tanker. In addition, the modification of the Offshore Construction vessel *Aker Wayfarer* was completed at Kleven Myklebust in July.

- In August, Ocean Yield completed a private placement of 13.5 million new shares, with gross proceeds of NOK 861.6 million, or equivalent to about USD 104.5 million. The share issue attracted strong interest and was heavily oversubscribed. As a result, Aker ASA's shareholding in Ocean Yield was reduced to 66.3%. The proceeds of the share issue will be used for further growth and general corporate purposes.

- In August, an agreement was reached with Overseas Shipholding Group to waive certain of the selling restrictions on the bonds issued by American Shipping Company ASA ("AMSC"), where Ocean Yield controls 93.05% of the bonds. Ocean Yield is now free to dispose of the bonds to a third party in whole or in part, subject to certain conditions. The bonds have maturity in February 2018 and Ocean Yield controls bonds with a par value of USD 200.6 million.

- In September, Ocean Yield successfully completed a new unsecured bond issue of NOK 750 million with maturity date in September 2021. The bond is carrying a coupon of 3 months NIBOR + 4.50% p.a. with quarterly interest payments. The net proceeds from the bond issue was used to refinance existing debt from Aker ASA. In addition, the proceeds will finance future growth and general corporate purposes. Concurrently with the new bond issue, Ocean Yield repurchased NOK 245.5 million of OCY02 with maturity in 2019 and NOK 92.5 million of OCY03 with maturity in 2020 and thereby extending the average maturity of its outstanding bond loans. Following the new bond issue, Ocean Yield has repaid and cancelled NOK 420 million of the NOK 1,000 million credit facility from Aker ASA. At the end of the quarter, NOK 580 million of this facility was available for drawdown in relation to delivery of the container vessels. Subsequent to quarter end, Ocean Yield has reduced the availability of this facility down to NOK 250 million, which remains available for drawdown.

- In September, Ocean Yield agreed to acquire two 45,000 dwt IMO II chemical carriers, built 2013 for a consideration of USD 35 million per vessel in combination with 12-year "hell and high water" bareboat charters to Navig8 Ltd. ("Navig8 Group"). The purchase price included a seller's credit of USD 6.0 million per vessel, which will amortise to zero over the charter period and carries no interest. Navig8 Group has certain options to acquire the vessels during the charter period, with the first option exercisable after five years.

- The FPSO *Dhirubhai-1*, which is on long-term charter to Reliance Industries Ltd., showed steady performance during the quarter. Production was shut-down for 2.1 days during the quarter for planned, periodical maintenance, which resulted in reduced Revenues compared to earlier quarters.

POST QUARTER EVENTS

- Subsequent to quarter end, Ocean Yield has taken delivery of another chemical tanker from STX, Korea on long term bareboat charter to Navig8 Chemical Tankers Inc. In addition, Ocean Yield has taken delivery of the first of the two 45,000 dwt. chemical tankers chartered to the Navig8 Group after quarter end. A loan facility of USD 49 million was signed with a group of banks for the long-term financing of the vessels.

- Also subsequent to quarter end, Ocean Yield announced an agreement with certain parties related to its gas carriers under construction at Sinopacific Offshore & Engineering, China ("SOE"), scheduled for 15-year "hell and high water" bareboat charters to the Hartmann Group ("Hartmann"), Germany, with 10-year sub-charters to SABIC Petrochemicals B.V. SOE filed for receivership in August 2016, following CIMC Enric's decision to withdraw from the acquisition of a majority stake in the shipyard earlier this year. The construction of Vessel no. 1 is going according to plan and the Vessel is expected to be delivered in November 2016 and will thereafter enter into its long term charter with Hartmann/SABIC. For Vessel no. 2, Sumec Marine Co. Ltd., will finance and finalise the construction of the vessel at the Dayang Shipyard. The expected delivery date for Vessel no. 2 will be 1st July 2017. The bareboat charter with Hartmann and the sub-charter contract to SABIC have been amended accordingly. For Vessel no. 3 it has been agreed, in collaboration with Hartmann/SABIC, that this vessel is cancelled. Ocean Yield has paid USD 16.2 million in pre-delivery instalments to the shipyard, which is secured by bank guarantees. Subsequent to quarter end, these funds have been repaid to the Company with 5% interest following cancellation of the shipbuilding contract. Funds repaid will be re-invested into new projects. The cancellation is not expected to have any significant accounting effect in the fourth quarter. Following this cancellation, Ocean Yield has also cancelled the relevant tranche relating to the last vessel under the loan facility.

THIRD QUARTER FINANCIAL REVIEW

- **Total revenues and other income** for Q3 2016 were USD 76.2 million compared with USD 65.3 million for Q3 2015. Of the Total revenues, USD 60.9 million is classified as Operating revenue, USD 13.5 million classified as Finance lease revenue and USD 1.8 million as Income from investment in associates. Due to several of the Company's long term charters being classified as finance leases, the charter hire received is higher than what is reported according to IFRS, as only the interest income under a finance lease is recognized in the Profit & Loss.

  Revenues were positively affected by delivery of another five vessels during the quarter, being the container vessels *MSC Diane*, *MSC Ingy* and *MSC Eloane*, the chemical tanker *Navig8 Topaz,* the LR2 product tanker *Navig8 Supreme* and the completion of the modification of the *Aker Wayfarer.* The modification of *Aker Wayfarer* was completed on time and approximately 12% below budget. In addition, the car carrier *Höegh Trapper* and the product tanker *Navig8 Steadfast* contributed with full quarter earnings, as these two vessels were delivered during Q2 2016.

  Income from investment in associates were USD 1.8 million in Q3 2016 and is related to the 49.5% investment in six mega container vessels. Revenues were negatively affected with USD 1.8 million due to shutdown of the FPSO for periodical maintenance for 2.1 days during the third quarter. Discussions are being held with the charterer with respect to the impact on revenues as a consequence of a shutdown.

- **Vessel operating expenses**, which are solely related to the operation of the FPSO *Dhirubhai-1*, were USD 4.6 million for Q3 2016, compared with USD 4.4 million for Q3 2015. Operating Expenses were higher than normal due to periodical maintenance expensed during the third quarter. Wages and other personnel expenses were USD 1.7 million for Q3 2016, compared with USD 3.5 million for Q3 2015. The reduction in Q3 2016 compared with Q3 2015 is mainly related to reduced provisions for the share incentive plan for employees in Ocean Yield. Other operating expenses were USD 1.2 million during Q3 2016 compared with USD 1.0 million for Q3 2015.

- **EBITDA** was USD 68.7 million in Q3 2016 compared with USD 56.4 million in Q3 2015. Adjusted for finance lease effects, the EBITDA was USD 75.6 million in Q3 2016 compared with USD 59.6 million in Q3 2015. The increase in EBITDA is related to delivery of further vessels to the fleet, where another five vessels were delivered during the quarter.

- **Depreciation and amortization** was USD 25.2 million in Q3 2016, compared with USD 24.1 million in Q3 2015. The increase in depreciation is mainly related to delivery of the car carriers *Höegh Tracer* and *Höegh Trapper* during the past 12 months, where both vessels are accounted for as operating leases. The five newbuildings delivered during Q3 2016 are all accounted for as finance leases and will have no effect on depreciation going forward.

- **Financial income** was USD 4.8 million in Q3 2016 compared with USD 4.5 million in Q3 2015. This amount relates mainly to interest income from the investment in bonds issued by AMSC. Ocean Yield holds bonds with a book value of USD 196.2 million at the end of the quarter. This is 97.8% of par value, which was USD 200.6 million.

- **Financial expenses** were USD 15.7 million in Q3 2016, compared with USD 8.9 million in Q3 2015. The increase compared to Q3 2015 is partially related to increased long-term debt as a result of vessel deliveries, in addition to several non-recurring items that were recognized during the quarter. USD 0.5 million of interest expenses is related to the repurchase of NOK 338 million in unsecured bonds which was done concurrently with the NOK 750 million bond issue in September. USD 0.4 million of interest expenses is related to upfront fees on the NOK 1,000 million credit facility provided by Aker ASA in connection with acquisition of six mega container vessels. USD 0.5 million is a non-cash interest expense related to the potential decommissioning cost for the FPSO upon expiry of the contract, as explained in Note 16.

- **Foreign exchange** losses were USD 8.8 million in Q3 2016, compared with a gain of USD 19.5 million in Q3 2015. The foreign exchange amounts are mainly a result of the movements in the USD/NOK exchange rate, since Ocean Yield's bond loans are denominated in NOK. The Company's cross currency swaps and interest rate hedges entered into in connection with the financing of the Company's vessels were positive with USD 15.9 million, compared with negative USD 24.8 million in Q3 2015. Of the 15.9 million, USD 13.2 million is related to a positive mark-to-market change related to the

Company's cross currency swaps that are done in connection with issuance of NOK bonds. The foreign exchange gains and mark-to-market of derivatives had no significant cash impact.

- **The Net profit before tax** for Q3 2016 was USD 39.7 million compared with USD 22.7 million for Q3 2015.

- **Change in deferred tax** was negative USD 7.0 million in Q3 2016, compared with USD 0.0 million in Q3 2015. The change in deferred tax is partly a result of the strengthening of the NOK against the USD, as this results in a tax profit. The amount recognized in Q3 2016 results in a reduction of deferred tax assets on the balance sheet. Hence, tax payable in the quarter is zero. As most of the Company's vessels are within the Norwegian tonnage tax system, taxable profits are mainly derived from the FPSO and the bonds held in AMSC. The Company will not be subject to payable tax as long as the Company has net operating losses available to offset taxable income.

- **The Net profit after tax** for Q3 2016 was USD 32.7 million compared with USD 22.7 million for Q3 2015. Adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and change in deferred tax, the net profit after tax was USD 33.4 million as compared with USD 28.0 million in Q3 2015.

- **Cash & cash equivalents** at the end of the third quarter were USD 157.4 million, compared with USD 103.1 million at the end of the third quarter 2015. In addition, the Company had pre-positioned USD 47.9 million in cash in connection with delivery of two vessels that took place immediately after quarter end. Furthermore, the Company has committed credit facilities in place for its vessel deliveries as further described in Note 14.

- **Book equity** was USD 826.5 million at the end of Q3 2016, compared with USD 702.8 million at the end of Q3 2015. The main change in book equity is a result of the USD 104.5 million private placement that was completed in August 2016. The equity ratio was 32.3% compared with 36.6% in Q3 2015. Total assets were USD 2,555.8 million in Q3 2016, compared with USD 1,986.1 million in Q3 2015.

YEAR TO DATE FINANCIAL REVIEW

- **Total revenues and other income** for the first nine months of 2016 were USD 212.4 million as compared with USD 191.1 million for the first nine months of 2015. The increase reflects delivery of additional vessels to the fleet, where thirteen newbuildings have been delivered during the past twelve months.

- **EBITDA** was USD 190.8 million for the first nine months of 2016, compared with USD 167.6 million for the first nine months of 2015. Adjusted for finance lease effects, the adjusted EBITDA was 208.5 million in first nine months of 2016, compared with USD 175.3 million in the first nine months of 2015.

- **Depreciation** was USD 74.2 million, compared with USD 72.6 million in the first nine months of 2015. The increase is related to delivery of vessels accounted for as operating leases.

- **Operating Profit** was USD 116.5 million as compared with USD 95.0 million for the first nine months of 2015.

- **Financial income** was USD 13.9 million for the first nine months of 2016, compared with USD 13.5 million for the first nine months of 2015. This is mainly related to Ocean Yield's investment in unsecured bonds issued by AMSC.

- **Financial expenses** were USD 37.3 million in the first nine months 2016, compared to USD 27.1 million in the first nine months of 2015. The majority of the increase is related to deliveries of additional vessels to the fleet and drawings on long-term debt facilities, in addition to up-front fees on certain debt facilities and repurchase of bonds in the market.

- **Net Profit before tax** was USD 90.9 million for the first nine months of 2016 compared with USD 76.7 million for the first nine months of 2015.

- **Net Profit** after tax was USD 76.7 million in the first nine months 2016, compared to USD 76.7 million for the first nine months 2015. The figure for the first nine months of 2016 includes a foreign exchange loss of USD 19.2 million and a gain of USD 17.0 million relating to mark-to-market of derivatives, giving a net loss of USD 2.2 million related to foreign exchange fluctuations and a mark-to-market of derivatives. This compares to a foreign exchange gain of USD 34.1 million and a loss on mark-to-market of derivatives of USD 38.8 million, giving a net loss of USD 4.7 million for the first nine months of 2015. Also, the net profit for the first nine months of 2016 includes a deferred tax expense of USD 14.1 million compared to zero tax expense for 2015. Adjusted for non-recurring items, currency fluctuations, mark-to-market of derivatives and changes to deferred tax (as detailed in Note 17) the adjusted Net Profit was USD 93.9 million for the first nine months 2016 compared with USD 81.8 million in the first nine months of 2015.

CHARTER BACKLOG

The charter backlog at the end of the third quarter, adjusted for the cancellation of the gas carrier announced after quarter end, was USD 3.2 billion on an adjusted EBITDA[1] basis. The average remaining contract tenor (weighted by EBITDA) was 11.2 years. The total fleet as of the end of Q3 2016 was 35 vessels, including 9 vessels for delivery. Following the cancellation of the gas carrier and vessels delivered subsequent to quarter end, the fleet counts 34 vessels, including 7 vessels for delivery. 6 vessels are owned 49.5% by Ocean Yield and one vessel is owned 75%.

RISKS

Ocean Yield is exposed to a number of risks, including counterparty risk, financing risk, interest rate risk, currency risk, vessel construction risk (including risk for late delivery of vessels) and residual value risk. The Company is also exposed to operating risk on the FPSO *Dhirubhai-1*, and may be subject to demobilisation risk on the FPSO if the purchase option upon contract expiry is not exercised. As all vessels are fixed on long-term charters, the volatility in market conditions does not have a direct impact on Ocean Yield. However, a continued situation with low activity in the oil-service sector may lead to certain counterparties being adversely affected, which again may lead to potential amendments to charter contracts. In particular, Farstad Shipping ASA has entered into a stand-still agreement with its banks and are currently in discussions with its creditors. For a more detailed description of risk factors, please refer to the annual report for 2015, which is available on www.oceanyield.no.

OUTLOOK

As of Q3 2016, Ocean Yield has taken delivery of 12 vessels and the company still has another 7 vessels with planned delivery during the fourth quarter. In addition, the Company expect to take delivery of another 2 vessels in 2017. The 7 vessels which will be delivered during the fourth quarter, together with full quarter earnings effect from those vessels delivered during the third quarter, will contribute to increased revenues in Q4 compared to Q3 2016.

The Company has good access to funding in the capital markets, proven by the USD 104.5 million equity raise completed during August and the NOK 750 million bond issue completed in September. Ocean Yield's cash position is strong and the Company is as such in a position 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. This will continue to strengthen the liquidity position and ability to grow the portfolio even further.

Ocean Yield expects to continue its dividend policy of paying attractive and increasing dividends to the shareholders.

[1] *Figures are based on management's estimates which may be subject to change. These include assumptions on operating expenses on the Dhirubhai-1, certain purchase options in bareboat charter contracts not being exercised, adjustments made for finance lease effects, investments in joint ventures, currency effects and the forward USD LIBOR interest rates for floating rate lease agreements.*

2nd November 2016
Ocean Yield ASA

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Ocean Yield ASA Group condensed consolidated financial statement for the third quarter 2016

INCOME STATEMENT

Amounts in USD million	Note	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
Operating revenues		60.8	60.9	58.7	180.5	174.5	233.1
Finance lease revenue		9.3	13.5	6.6	30.1	16.6	23.6
Income from investment in associates	**13**	-	1.8	-	1.8	-	**-**
Total revenues and other income	**5**	**70.1**	**76.2**	**65.3**	**212.4**	**191.1**	**256.7**
Vessel operating expenses	6	(4.0)	(4.6)	(4.4)	(13.4)	(11.6)	(15.5)
Wages and other personnel expenses	7	(1.3)	(1.7)	(3.5)	(4.6)	(8.7)	(12.6)
Other operating expenses		(1.4)	(1.2)	(1.0)	(3.6)	(3.3)	(4.5)
EBITDA	5	**63.4**	**68.7**	**56.4**	**190.8**	**167.6**	**224.2**
Depreciation and amortization	11	(24.8)	(25.2)	(24.1)	(74.2)	(72.6)	(96.7)
Impairment charges and other non-recurring items		-	-	0.1	-	-	(28.6)
Operating profit		**38.6**	**43.5**	**32.4**	**116.5**	**95.0**	**98.9**
Financial income	8	4.5	4.8	4.5	13.9	13.5	18.2
Financial expenses		(11.5)	(15.7)	(8.9)	(37.3)	(27.1)	(37.6)
Foreign exchange gains/losses		2.8	(8.8)	19.5	(19.2)	34.1	41.5
Mark to market of derivatives	9	(4.8)	15.9	(24.8)	17.0	(38.8)	(40.5)
Net financial items		**(9.0)**	**(3.9)**	**(9.7)**	**(25.7)**	**(18.3)**	**(18.4)**
Net profit before tax		**29.5**	**39.7**	**22.7**	**90.9**	**76.7**	**80.4**
Tax payable		-	-	-	-	(0.0)	(0.4)
Change in deferred tax		(4.1)	(7.0)	0.0	(14.1)	(0.0)	25.0
Net profit after tax		**25.5**	**32.7**	**22.7**	**76.7**	**76.7**	**105.0**
Attributable to:							
Equity holders of the parent		25.5	31.9	22.7	76.1	76.3	104.0
Non-controlling interests		(0.1)	0.8	(0.0)	0.7	0.4	1.0
Net profit after tax		**25.5**	**32.7**	**22.7**	**76.7**	**76.7**	**105.0**
Weighted avg. number of shares outstanding		134.6	138.1	134.5	135.8	134.5	134.5
Basic and diluted earnings per share (USD)		**0.19**	**0.23**	**0.17**	**0.56**	**0.57**	**0.77**

TOTAL COMPREHENSIVE INCOME

Amounts in USD million	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
Net profit after tax for the period	25.5	32.7	22.7	76.7	76.7	105.0
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX						
Items that will not be reclassified to the income statement:						
Re-measurements of defined benefit liability	-	-	-	-	-	0.1
Total for items that will not be reclassified to the income statement	**-**	-	**-**	-	**-**	**0.1**
Items that are or may be reclassified to the income statement:						
Share of other comprehensive income from investment in associates	-	1.7	-	1.7	-	-
Currency translation differences	(0.6)	1.8	(5.5)	3.8	(9.6)	(11.1)
Total for items that are or may be reclassified to the income statement	**(0.6)**	**3.5**	**(5.5)**	**5.6**	**(9.6)**	**(11.1)**
Total change in other comprehensive income, net of income tax	**(0.6)**	**3.5**	**(5.5)**	**5.6**	**(9.6)**	**(11.0)**
Total comprehensive income for the period	**24.9**	**36.2**	**17.2**	**82.3**	**67.1**	**94.0**
Attributable to:						
Equity holders of the parent	24.9	35.4	17.2	81.7	66.7	93.0
Non-controlling interests	(0.1)	0.8	(0.0)	0.7	0.4	1.0
Total comprehensive income for the period	**24.9**	**36.2**	**17.2**	**82.3**	**67.1**	**94.0**

BALANCE SHEET

Amounts in USD million	Note	30 June 2016	30 September 2016	30 September 2015	31 December 2015
ASSETS					
Vessels and equipment	11	1 338.5	1 301.0	1 250.4	1 239.5
Intangible assets		9.8	9.8	38.3	9.8
Deferred tax assets		29.2	22.2	11.5	36.4
Restricted cash deposits		22.9	23.6	23.6	24.6
Finance lease receivables and related assets	12	555.4	614.0	355.5	388.1
Investments in AMSC bonds	8	194.9	196.2	189.6	192.6
Investments in associates	13	1.6	165.4	-	-
Other interest-bearing long term receivables		0.6	0.7	0.6	0.6
Total non-current assets		**2 152.9**	**2 332.9**	**1 869.6**	**1 891.6**
Trade receivables and other interest-free receivables		18.2	17.6	13.4	15.5
Restricted cash deposits		-	47.9	-	-
Cash and cash equivalents		110.8	157.4	103.1	117.7
Total current assets		**129.0**	**222.9**	**116.4**	**133.2**
Total assets		**2 281.9**	**2 555.8**	**1 986.1**	**2 024.8**
EQUITY AND LIABILITIES					
Share capital		223.0	239.6	222.8	222.8
Treasury shares		(0.1)	(0.1)	(0.1)	(0.1)
Other paid-in capital		455.7	543.6	455.2	455.2
Total paid-in capital	18	**678.6**	**783.1**	**678.0**	**678.0**
Retained earnings and translation reserves		21.0	33.1	13.8	19.2
Total equity attributable to equity holders of the parent		**699.6**	**816.3**	**691.8**	**697.2**
Non-controlling interests		9.5	10.2	11.0	11.6
Total equity		**709.1**	**826.5**	**702.8**	**708.8**
Interest-bearing debt	15	1 207.4	1 323.6	1 015.8	974.8
Pension liabilities		0.2	0.3	0.5	0.3
Mobilization fee and advances		41.2	37.9	33.7	31.2
Mark to market of derivatives		66.8	22.0	67.0	68.7
Non-current provisions – decommissioning liabilities	16	27.5	28.0	24.9	26.6
Other interest-free long term liabilities		2.7	2.9	2.1	2.2
Total non-current liabilities		**1 346.0**	**1 414.8**	**1 143.9**	**1 103.9**
Interest-bearing short term debt	15	173.6	161.9	121.4	184.1
Liability related to investment in associates	13	-	86.5	-	-
Mark to market of derivatives		6.3	35.3	5.6	5.6
Trade and other payables		46.8	30.9	12.4	22.5
Total current liabilities		**226.8**	**314.6**	**139.4**	**212.1**
Total liabilities		**1 572.8**	**1 729.3**	**1 283.3**	**1 316.0**
Total equity and liabilities		**2 281.9**	**2 555.8**	**1 986.1**	**2 024.8**

CHANGE IN EQUITY

Amounts in USD million	Share capital	Other paid-in capital	Treasury shares reserve	Translation reserve	Retained earnings	Share-holders equity	Non-controlling interests	Total equity
Balance at 31 December 2014	**222.3**	**453.8**	**(0.2)**	**(30.6)**	**62.8**	**708.1**	**10.6**	**718.7**
Correction of decommissioning obligation from previous years	-	-	-	-	(24.9)	(24.9)	-	(24.9)
Balance at 1 January 2015	**222.3**	**453.8**	**(0.2)**	**(30.6)**	**37.9**	**683.2**	**10.6**	**693.8**
Net profit after tax for the period	-	-	-	-	104.0	104.0	1.0	105.0
Other comprehensive income	-	-	-	(11.1)	0.1	(11.0)	-	(11.0)
Total comprehensive income	**-**	**-**	**-**	**(11.1)**	**104.1**	**93.0**	**1.0**	**94.0**
Issuance of ordinary shares	0.6	1.4	-	-	-	2.0	-	2.0
Dividend	-	-	-	-	(80.7)	(80.7)	-	(80.7)
Treasury shares acquired	-	-	(1.1)	-	-	(1.1)	-	(1.1)
Treasury shares sold	-	-	1.0	-	(0.1)	0.9	-	0.9
Balance at 31 December 2015	**222.8**	**455.2**	**(0.3)**	**(41.7)**	**61.1**	**697.2**	**11.6**	**708.8**
Net profit after tax for the period	-	-	-	-	76.1	76.1	0.7	76.7
Other comprehensive income	-	-	-	3.8	1.7	5.6	-	5.6
Total comprehensive income	**-**	**-**	**-**	**3.8**	**77.8**	**81.7**	**0.7**	**82.3**
Issuance of ordinary shares	16.8	88.3	-	-	-	105.1	-	105.1
Dividend	-	-	-	-	(67.7)	(67.7)	(2.0)	(69.7)
Balance at 30 September 2016	**239.6**	**543.6**	**(0.3)**	**(37.8)**	**71.2**	**816.3**	**10.2**	**826.5**

CASH FLOW STATEMENT

Amounts in USD million	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
Profit before tax	29.5	39.7	22.7	90.9	76.7	80.4
Depreciation, amortization and impairment	24.8	25.2	24.1	74.2	72.6	125.3
Income from investment in associates	-	(1.8)	-	(1.8)	-	-
Net interest expenses (+)	6.8	10.4	4.3	22.6	13.2	18.9
Interest paid	(10.1)	(11.7)	(7.9)	(29.8)	(24.0)	(31.8)
Interest received	3.4	3.4	1.6	10.1	4.7	6.5
Unrealized foreign exchange gain/loss	(2.9)	10.9	(21.7)	21.7	(35.4)	(42.7)
Mark to market of derivatives	4.8	(15.9)	24.8	(17.0)	38.8	40.5
Other changes in operating activities	(1.1)	(1.4)	1.6	(23.1)	(13.4)	(7.9)
Net cash flow from operating activities	**55.3**	**58.7**	**49.6**	**147.8**	**133.2**	**189.2**
Acquisition of vessels and equipment	(45.4)	(1.1)	(16.1)	(90.0)	(34.4)	(52.2)
Acquisition of vessels accounted for as finance lease	(47.7)	(47.7)	(65.3)	(149.8)	(130.5)	(130.5)
Repayment on finance lease receivables	5.9	6.9	3.2	17.7	7.7	10.8
Investments in other non-current assets	(34.9)	(16.9)	(60.2)	(91.6)	(76.8)	(113.6)
Investments in associated companies	(1.6)	(73.8)	-	(75.4)	-	-
Net change in long-term interest-bearing receivables	2.9	(0.8)	(3.5)	1.0	(3.7)	(4.7)
Transfer to restricted cash deposits	-	(47.9)	-	(47.9)	-	-
Net cash flow from investing activities	**(120.8)**	**(181.2)**	**(141.9)**	**(435.9)**	**(237.8)**	**(290.1)**
Proceeds from issuance of long-term interest-bearing debt	140.1	211.0	144.8	495.4	446.5	513.1
Repayment of long-term interest-bearing debt	(36.4)	(123.3)	(23.7)	(203.4)	(257.0)	(291.5)
Dividends paid	(22.5)	(23.2)	(20.5)	(67.7)	(59.5)	(80.7)
Dividend paid to non-controlling interests	(2.0)	-	-	(2.0)	-	-
Net proceeds from issuance of new equity, net of costs related to the issuance	0.6	104.5	(0.0)	105.1	2.0	2.0
Net change in treasury shares	-	-	0.3	-	(0.5)	(0.3)
Net cash flow from financing activities	**79.8**	**168.9**	**100.9**	**327.4**	**131.4**	**142.6**
Net change in cash and cash equivalents	**14.2**	**46.4**	**8.6**	**39.3**	**26.9**	**41.7**
Exchange rate differences	(0.1)	0.3	(0.1)	0.4	(0.1)	(0.3)
Cash and cash equivalents at the beginning of the period	96.6	110.8	94.6	117.7	76.4	76.4
Cash and cash equivalents at the end of the period	**110.8**	**157.4**	**103.1**	**157.4**	**103.1**	**117.7**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT FOR OCEAN YIELD ASA FOR THE THIRD QUARTER 2016

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the third quarter and nine months ending 30 September 2016 comprise Ocean Yield ASA and its subsidiaries (together referred to as the "Group"). The financial statement for the third quarter and nine months ending 30 September 2016 includes the financial statements of the parent company, Ocean Yield ASA and its subsidiaries.

The consolidated financial statements of the Group for the year ended 31 December 2015 and quarterly reports are available at www.oceanyield.no.

Note 2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by EU, and the Norwegian additional requirements in the Securities Trading Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015.

These condensed consolidated interim financial statements, which have not been subject to audit or review by independent accountants, were approved by the Board of Directors on 2 November 2016.

Note 3 Significant accounting principles

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

Note 4 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant judgments made by management in preparing these condensed consolidated interim financial statements in applying the Group's accounting policies, and the key sources of estimation uncertainty, are the same as those applied to the consolidated financial statements as of the year ended 31 December 2015.

Note 5 Operating segments

Ocean Yield identifies segments based on the Group's management and internal reporting structure.

Total revenues *Amounts in USD million*	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
FPSO	34.7	33.2	34.8	102.6	103.1	138.3
Other Oil Service	22.1	25.0	22.6	69.0	67.8	90.1
Gas Carriers	-	-	-	-	-	-
Car Carriers	8.5	10.1	6.1	25.3	18.2	24.2
Container vessels	-	1.8	-	1.8	-	-
Other Shipping	4.7	6.2	1.7	13.7	1.9	4.2
Total revenues	**70.1**	**76.2**	**65.3**	**212.4**	**191.1**	**256.7**

EBITDA *Amounts in USD million*	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
FPSO	29.2	27.0	29.0	85.0	87.5	117.1
Other Oil Service	22.1	24.9	22.5	68.9	67.5	89.8
Gas Carriers	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Car Carriers	8.5	10.1	6.1	25.3	18.2	24.1
Container vessels	-	1.8	-	1.8	-	-
Other Shipping	4.7	6.1	1.7	13.6	1.9	4.2
Other companies and eliminations	(1.2)	(1.3)	(3.0)	(3.8)	(7.4)	(11.0)
EBITDA	**63.4**	**68.7**	**56.4**	**190.8**	**167.6**	**224.2**

Note 6 Vessel operating expenses

Vessel operating expenses are related to operating expenses for the Dhirubhai-1.

Note 7 Wages and other personnel expenses

Wages and personnel expenses were USD 1.7 million in Q3 2016 compared with USD 3.5 million in Q3 2015, and USD 4.6 million in the first nine months of 2016 compared with USD 8.7 million in the first nine months of 2015. These figures include all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 21 persons as of Q3 2016.

Note 8 Financial income

In the third quarter of 2016, financial income of USD 4.8 million was recorded, compared to USD 4.5 million in the third quarter of 2015, and in the first nine months of 2016 USD 13.9 million has been recorded, compared to USD 13.5 million in 2015. Financial income is mainly related to the investment in AMSC bonds. Ocean Yield owns 93.05% of the unsecured bonds issued by American Shipping Company ASA 07/18, with maturity in February 2018.

Note 9 Mark to market of derivatives and other financial instruments recorded at fair value

Mark-to-market of derivatives was positive USD 15.9 million in Q3 2016. This is mainly related to one cross currency interest rate swap related to the bond issue OCY 02, where NOK 590 million has been swapped from NIBOR + 3.90% p.a. to LIBOR + 4.603% p.a., three cross currency interest rate swaps related to OCY 03, where NOK 1,000 million has been swapped from NIBOR + 4.00% p.a. to LIBOR +4.45% p.a. and one cross currency interest rate swap related to OCY04 where NOK 400 million has been swapped from NIBOR + 4.50% p.a. to LIBOR +4.94% p.a. In addition the Group has entered into several interest rate swaps related to vessel financings. At the end of September 2016 the cross currency interest rates swaps are the Group's most significant financial instruments recorded at fair value, and are considered by the Group to be level 2 financial instruments under the fair value hierarchy.

Amounts in USD million	Change Q3 2016	Change Jan-Sep 2016	MTM as of 30 September 2016
Cross Currency Interest Rate Swaps	13.2	25.0	(36.5)
Interest rate swaps	2.7	(8.0)	(20.8)
Total	**15.9**	**17.0**	**(57.3)**

Amounts in USD million	Change Q3 2015	Change Jan-Sep 2015	MTM as of 30 September 2015
Cross Currency Interest Rate Swaps	(17.5)	(28.2)	(55.1)
Interest rate swaps	(7.3)	(10.6)	(17.4)
Total	**(24.8)**	**(38.8)**	**(72.5)**

Note 10 Income tax

Income tax expense of USD 7.0 million was recognized in Q3 2016, compared with USD 0 million in Q3 2015, and USD 14.1 million was recognized in the first nine months of 2016 compared with USD 0 million in the first nine months of 2015. The change in deferred tax is partly a result of the strengthening of the NOK against the USD, as this results in a tax profit. The amounts are related to change in deferred tax following the recognition of deferred tax assets in Q4 2015.

Note 11 Vessels and equipment

Material changes in vessels and equipment during 2016:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other /elim	Total
Balance at 1 January	402.8	532.1	66.2	230.9	7.6	1 239.5
Acquisitions	-	-	-	130.7	-	130.7
Advances	-	-	8.8	-	3.3	12.1
Disposals (Delivery of vessel to Höegh)	-	-	-	(18.5)	-	(18.5)
Depreciation	(42.8)	(21.7)	-	(9.1)	(0.6)	(74.2)
Effect of movements in foreign exchange	-	11.4	-	-	-	11.4
Balance at 30 September 2016	**360.0**	**521.9**	**74.9**	**334.0**	**10.2**	**1 301.0**

Vessels defined as finance leases are not included in Note 11 but included in Note 12 Finance lease receivables and related assets

Note 12 Finance lease receivables and related assets

Finance lease receivables and related assets of USD 614.0 million at 30 September 2016 are related to the vessel Aker Wayfarer, eight chemical tankers, where two vessels are under construction, and four product tankers.

The modification of Aker Wayfarer was completed in July 2016. The vessel is on long-term charter until 2027 and will receive an additional charter rate reflecting the modification investment as from 6th July 2016. The modification investment was completed on time and below budget, where the total modification cost was approximately USD 78 million. This amount is now included in the finance lease receivable.

In Q3 2016 USD 13.5 mill has been recognized as finance lease revenue related to the vessels that have been delivered compared to USD 6.6 million in Q3 2015. In the first nine months of 2016 USD 30.1 million has been recognized as finance lease revenue compared to USD 16.6 million in the first nine months of 2015. On a cash basis, USD 19.9 million was received in bareboat hire during the third quarter of 2016 compared to USD 9.7 million in Q3 2015. In the first nine months of 2016 USD 45.9 million was received in charter hire, compared to USD 24.3 million in the first nine months of 2015.

The net finance lease receivables as of 30 September 2016 was as follows:

	Other Oil Service (Aker Wayfarer)			**Other Shipping (Chemical and Product tankers)**			**Total**
Amounts in USD million	Gross Investment in finance lease receivables	Effect of Discounting	Present value of minimum lease payments	Gross Investment in finance lease receivables	Effect of Discounting	Present value of minimum lease payments	Present value of minimum lease payments
Lease payments receivable:							
Less than one year	40.3		37.2	41.3		39.8	77.1
Between one and five years	178.8		112.2	198.8		158.1	270.4
More than five years	206.1		55.4	352.3		179.1	234.5
Total finance lease receivables	**425.1**	**(220.3)**	**204.9**	**592.3**	**(215.3)**	**377.1**	**581.9**
Related assets			-			32.1	32.1
Total finance lease receivables and related assets			**204.9**			**409.2**	**614.0**
Unguaranteed residual values included above	57.8	(46.2)	11.6	101.6	(61.0)	40.6	52.1

Note 13 Investments in associates

Ocean Yield had as of 30 September 2016 the following investments in associates:

BOX Holdings Inc.

Ocean Yield has agreed to acquire a 49.5% equity interest in six newbuilding container vessels which are owned by Quantum Pacific Shipping and are chartered to a major European container line.on 15-year bareboat charters The vessels, with capacity of about 19,500 TEU, are being built at Samsung Heavy Industries, South Korea. In July, the first two vessels, the MSC Diana and the MSC Ingy, were delivered, and in September the third vessel, the MSC Eloane was delivered. The remaining three vessels are scheduled for delivery between November 2016 and February 2017.

Ocean Yield's equity investment in the transaction will be approximately USD 162 million in total, and will be accounted for using the equity method. As of 30 September 2016 the investment in associates reflects the full equity commitment for all six vessels, while a liability of USD 86.5 million have been recognized reflecting a deferred equity commitment, as the remaining obligation is settled in part upon delivery of each of the three vessels not yet delivered. The purchase price allocation as of September 2016 is preliminary and may be subject to change when more information is available.

	As of 30 September 2016
Amounts in USD million	BOX Holdings Inc (Group)
Country	Marshall Islands
Ownership and voting rights	49.5%
Carrying amount of investment in associates:	
Non-currents assets	459.2
Current assets	0.8
Non-current liabilities	(356.7)
Current liabilities	(33.3)
Net assets (100%)	70.0
Share of net assets (49.5%)	**34.6**
Adjustment to carrying value of investment:	
Finance lease receivables	15.3
Hedging reserve	28.1
Deferred consideration	86.5
Consideration paid related to vessels not yet delivered	0.9
Carrying amount of investment in associates	**165.4**

Income from investment in associates:	**Q3 2016**
Operating revenues	7.1
Operating expenses	(0.2)
Financial items	(3.0)
Net profit (100%)	**3.9**
Share of net profit (49.5%)	**1.9**
Adjustment to finance lease revenue	(0.2)
Income from investment in associates	**1.8**

Total comprehensive income from investment in associates:	**Q3 2016**
Net profit (100%)	3.9
Other comprehensive income	3.5
Total comprehensive income	**7.4**
Share of comprehensive income(49.5%)	**3.7**
Adjustment to finance lease revenue	(0.2)
Total comprehensive income from investment in associates	**3.5**

Note 14 Contractual obligations

Ocean Yield had as per 30 September 2016 the following contractual obligations related to the purchase of vessels:

Amounts in USD million	Other Oil Service	Gas Carriers	Container Vessels	Other Shipping	Total
Already paid	-	72.9	0.9	32.3	106.0
2016	-	72.9	57.7	98.9	229.4
2017	-	97.2	28.8	-	126.0
Total contractual obligations	**-**	**243.0**	**87.4**	**131.2**	**461.5**
Total remaining payments	-	170.1	86.5	98.9	355.5
Secured bank financing	14.8	202.5	72.0	89.0*	378.4
Surplus cash					**22.9**

*Based on credit approved term sheet, where the credit facility has been signed post quarter end and USD 19 million shown as restricted cash.

The obligations above related to the Gas Carriers segment are related to three LEG carriers, scheduled for delivery in Q4 2016 – Q1 2017. However, in October 2016 Ocean Yield announced that the third vessel was cancelled, and that the second vessel is delayed and expected to be delivered in July 2017. The table above includes the commitment for the third vessel and does not reflect the changes that was announced in October, as this was post quarter end. For more information see note 19. In July 2016 Ocean Yield signed a loan agreement with a group of banks for a USD 202.5 million credit facility for the financing of the vessels. USD 67.5 mill of this was cancelled in October 2016 as a consequence of the cancellation of the third vessel.

The obligations above related to the new segment *Container* are related to Ocean Yields commitment for its 49.5% interest in three mega container vessels under construction. The vessels with capacity of about 19,500 TEU, are under construction at Samsung Heavy Industries, South Korea and are scheduled for delivery between November 2016 and February 2017. The investment will be funded by own cash and a drawing facility from Aker ASA, as further detailed in note 15.

The obligations above related to the segment Other Shipping are related to two chemical tankers under construction and two chemical tankers built in 2013. The figures are net of seller's credit in the transactions. The two chemical tankers under construction, being 49,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q4 2016. Long term financing has been secured for the vessels for a total of USD 56 million. In September, Ocean Yield agreed to acquire two 45,000 dwt IMO II chemical carriers, built 2013. Total consideration was USD 35 million per vessel, which includes a seller's credit of USD 6 million per vessel. Subsequent to quarter end, the first vessel was delivered early October 2016 and the second vessel is expected to be delivered in November 2016. Also, post quarter end, a loan facility in the amount of USD 49 million has been signed with a group of banks financing the two vessels.

Note 15 Interest-bearing debt

Material changes in interest-bearing debt (short term and long term) during 2016:

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other /elim	Total
Balance at 1 January	167.5	501.2	-	137.5	127.3	225.4	1 158.9
New loans	17.3	42.4	-	94.0	203.9	142.7	500.3
Paid loan fees	-	(0.2)	(1.1)	(0.3)	(1.2)	(2.0)	(4.8)
Instalments	(68.9)	(22.1)	-	(10.4)	(8.7)	(93.4)	(203.4)
Effect of movements in foreign exchange and loan fees amortized	0.9	8.6	-	0.4	0.5	24.2	34.5
Total interest-bearing debt	**116.9**	**529.8**	**(1.1)**	**221.2**	**321.8**	**296.9**	**1 485.5**

Amounts in USD million	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Other /elim	Total
Long-term interest-bearing debt	49.0	482.7	(1.1)	204.2	291.8	296.9	1 323.6
1st year instalments	67.8	47.2	-	17.0	30.0	-	161.9
Total interest-bearing debt	**116.9**	**529.8**	**(1.1)**	**221.2**	**321.8**	**296.9**	**1 485.5**

In June 2016 Ocean Yield entered into a drawing facility agreement with Aker ASA. The Facility of NOK 1,000 million matures in February 2018, corresponding with the maturity of the bonds held by Ocean Yield in American Shipping Company. The loan carries an interest rate of NIBOR + 4.5% p.a. During Q3 2016 Ocean Yield has drawn and then repaid and cancelled NOK 420 million of this credit facility. Subsequent to quarter end, in October 2016 an additional NOK 330 million was also cancelled. NOK 250 million remains available for drawdown in relation to delivery of the container vessels at the Company's request.

In July 2016 Ocean Yield signed a loan agreement with a group of banks for a USD 202.5 million credit facility for the financing of the three Liquefied Ethylene Gas carriers on long term charter to the Hartmann Group, with SABIC Petrochemicals BV being the sub-charterer of the vessels for 10 years. The credit facility will finance USD 67.5 million out of the contract price of USD 81 million per vessel, with a tenor of 10- years from delivery, and will be repaid on an annuity basis down to a balloon of USD 22.5 million per vessel at maturity. The margin is on competitive terms and in line with previous transactions completed by Ocean Yield. Following Ocean Yields announcement to cancel the third vessel in October 2016 the tranche relating to this vessel was also cancelled. For more information regarding delivery of the vessels see note 19.

In September 2016, Ocean Yield successfully completed a new unsecured bond issue of NOK 750 million with maturity in September 2021, carrying a coupon of 3 months NIBOR + 4.50% p.a. with quarterly interest payments. The net proceeds from the bond issue will be used to refinance existing debt from Aker ASA, finance future growth and for general corporate purposes. Concurrently, Ocean Yield repurchased NOK 245.5 million of OCY02 with maturity in 2019 and NOK 92.5 million of OCY 03with maturity in 2020, to extend the average maturity of its outstanding bond loans.

Note 16 Non-current provisions

Amounts in USD million	Decommissioning obligation	**Total**
Balance at 1 January 2016	(26.6)	**(26.6)**
Accretion expense	(1.4)	**(1.4)**
Balance at 30 September 2016	**(28.0)**	**(28.0)**

The non-current decommissioning obligation reported above is related to the FPSO Dhirubhai-1. The unit is currently on a contract with Reliance Industries Ltd. (RIL) that expires in September 2018. RIL has in accordance with the contract an option to purchase Dhirubhai-1. If RIL exercises the purchase option, any decommissioning cost will be for their account. However, if the purchase option is not exercised or the contract is not extended, the Dhirubhai-1 must be demobilized from the field at the end of the current contract in September 2018.

The amount and timing of settlement in respect of the potential decommissioning cost are uncertain and dependent on a number of factors. A total decommissioning cost of USD 32 million in September 2018 has been estimated, where USD 28.0 million has been recognised in the balance sheet as of Q3 2016, representing the present value of the obligation.

RIL exercising the purchase option has been viewed as the most likely scenario. However, IFRS requires that the present value of the estimated decommissioning cost should be included as part of the acquisition cost of Dhirubhai-1 with a corresponding provision, due to the potential decommissioning obligation arising from the installation.

Prior to Q4 2015, the Group had not reflected the effects of the estimated decommissioning provision for the Dhirubhai-1, which has been operating since September 2008, in its financial statements. The Group did not restate its 2014 financial statements for this error as it determined that the impact to equity as of 1 January 2014 or to the income statements for the year ended 31 December 2014 would not be material. To reflect this a correction was made to the opening equity of Ocean Yield in 2015, and consequently the equity and non-current provisions as of 30 September 2015 have been restated in the Q3 2016 report. The effects are as follows:

Amounts in USD million	Q3 2015 previously reported	Correction of error	**Q3 2015 restated**
Total equity	727.6	(24.9)	**705.8**
Non-current provisions	-	24.9	**24.9**

Note 17 Use and reconciliation of Alternative performance measures

Alternative performance measures are defined as numerical measures that either exclude or include amounts that are not excluded or included in the comparable measures calculated and presented in accordance with GAAP (i.e. IFRS).

The following financial measure may be considered an alternative performance measure:

- EBITDA: Earnings before financial items, income taxes, depreciation, amortization and impairment charges
- EBITDA adjusted for finance lease effects: EBITDA adjusted for Repayment of finance lease receivables.
- Adjusted net profit: Net profit adjusted for impairment charges, foreign exchange gains/losses, fair value adjustments of derivatives, changes in deferred tax and non-recurring items.

The Company believes presenting EBITDA, *EBITDA adjusted for finance lease effects* and *Adjusted net profit* as useful to investors as they provide other useful measures of Ocean Yield's profitability from its operations. Regarding *EBITDA adjusted for finance lease effects*, the Company believes it is useful for investors to present information showing all vessels accounted for on a consistent basis. Regarding, *Adjusted net profit*, the Company considers *Adjusted net profit* to be a relevant performance criteria.

EBITDA is disclosed in the condensed consolidated income statement as a separate line item. Reconciliations of other alternative performance measures to the financial statements are as follows:

Amounts in USD million	2nd Quarter 2016	3rd Quarter 2016	3rd Quarter 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
EBITDA	63.4	68.7	56.4	190.8	167.6	224.2
Repayment on finance lease receivables	5.9	6.9	3.2	17.7	7.7	10.8
EBITDA adjusted for finance lease effects	**69.3**	**75.6**	**59.6**	**208.5**	**175.3**	**235.0**
Net profit after tax	25.5	32.7	22.7	76.7	76.7	105.0
Impairment charges	-	-	(0.1)	-	-	28.6
Repurchase of bonds	-	0.5	-	0.5	-	-
Repayment of loan to Aker ASA	-	0.4	-	0.4	-	-
Foreign exchange gains/losses	(2.8)	8.8	(19.5)	19.2	(34.1)	(41.5)
Mark to market of derivatives	4.8	(15.9)	24.8	(17.0)	38.8	40.5
Change in deferred tax	4.1	7.0	(0.0)	14.1	0.0	(25.0)
Other non-recurring items	-	-	0.1	-	0.4	0.5
Adjusted Net profit	**31.6**	**33.4**	**28.0**	**93.9**	**81.8**	**108.1**

Note 18 Share capital and dividends

In August, Ocean Yield completed a private placement of 13.5 million new shares, with gross proceeds of NOK 861.6 million, or equivalent to about USD 104.5 million. The share issue attracted strong interest and was heavily oversubscribed. As a result, Aker ASA's shareholding in Ocean Yield was reduced to 66.2%. The proceeds of the share issue will be used for further growth.

In Q3 2016 certain members of senior management have acquired a total of 140,000 shares in the Company. The purchase of shares was made as part of the Company's management incentive program.

As of 30 September 2016, the Company had a share capital of NOK 1,483,514,320 divided into 148,351,432 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 42,813.

In Q3 2016 USD 23.2 million was paid in dividends, following the announcement of the Q2 2016 Results.

Note 19 Events after the balance sheet date

Subsequent to quarter end, the following events have taken place:

- Cancellation of one gas carrier under construction at Sinopacific Offshore and Engineering, China.
- Delivery of one newbuilding chemical tanker.
- Signing of a USD 49 million loan agreement for the long-term financing of two chemical tankers.

Please refer to the section "Post Quarter Events" earlier in the report for further details and description of these events.