

Presentation Q4 2015

18th February 2016

Fourth Quarter 2015 financial highlights

- Quarterly dividend increased to USD 0.1625 per share
 - Increase of 0.5 cents versus Q3'15, equal to 14% increase annualized
 - USD 0.65 per share annualized, representing a dividend yield of 10.6% p.a.
- EBITDA was USD 56.6m, compared with USD 56.4m in Q3'15
- EBIT was USD 3.9m compared with USD 32.4m in Q3'15
 - EBIT in Q4'15 includes impairment charge of USD 28.6m related to goodwill
- Net profit after tax was USD 28.3m, compared with USD 22.7m in Q3'15
 - Net profit after tax in Q4'15 includes tax benefit of USD 24.6m
- Net profit after tax adjusted for non-recurring items was USD 28.0m, compared with USD 27.9m in Q3'15



Full year 2015 Results

- Total revenues of USD 256.7m compared with USD 249.3m in 2014
- EBITDA of USD 224.2m compared with USD 216.7m in 2014
- Operating profit of USD 98.9m compared with USD 116.4m in 2014
- Net profit after tax of USD 105.0m compared with USD 100.8m in 2014
- EBITDA charter backlog of USD 2.7bn compared with USD 2.2bn in 2014



Recent events

- American Shipping Company ASA closed its USD 450m senior secured debt refinancing.
 - Consequently, the interest under the Bonds switched from 50% cash and 50% payment-in-kind to 100% cash
 - Positive cash effect of about USD 6m per year
- Agreed to certain amendments to the current agreements with Höegh Autoliners
- Steady production on the FPSO Dhirubhai-1 with operational utilization of 99.8% in Q4 2015
- Initiated the process to secure bank financing on the 3 gas carriers



Amendments to the charter agreements with Höegh Autoliners

- Asset swap of 2 PCTC 8,500 CEU newbuildings
 - Agreed to acquire the sister vessels XS C and XS D with earlier delivery dates with 12 year “hell and high” bareboat charters following a delay in the original newbuilding schedule
 - Agreed to sell XS E and XS F back to Höegh Autoliners
 - Positive initial cash effect of USD 15.6m for Ocean Yield
 - No material profit and loss effect

- Changed from fixed to floating interest rate charters
 - Changed the charter rate on four vessels, XS C, XS D, Jeddah & Xiamen, from fixed to floating LIBOR charter rates
 - No material profit and loss effect based on the forward LIBOR curve at the time of signing



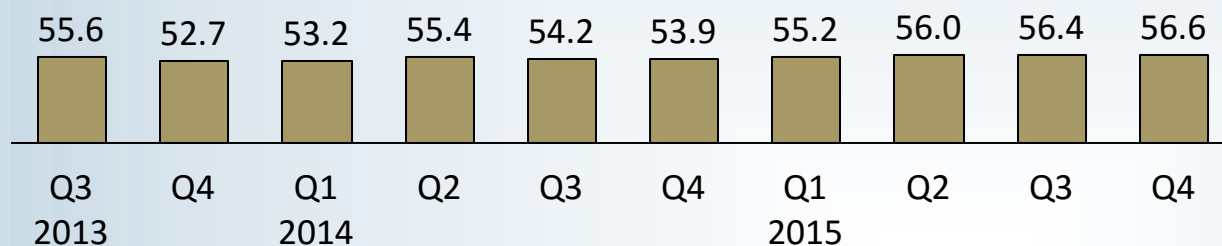
Expected delivery schedule newbuildings

Project	Vessel	Type	Exp. delivery
Navig8 Product Tankers	Steadfast	LR2 115,000 dwt	February 2016
Navig8 Product Tankers	Symphony	LR2 115,000 dwt	March 2016
Höegh Autoliners	XS C	PCTC 8,500 CEU	March 2016
Navig8 Chemical Tankers	Navig8 Turquoise	Chemical carrier, MR	April 2016
Höegh Autoliners	XS D	PCTC 8,500 CEU	May 2016
Navig8 Product Tankers	Supreme	LR2 115,000 dwt	May 2016
Navig8 Chemical Tankers	Navig8 Topaz	Chemical carrier, MR	July 2016
Navig8 Product Tankers	Sanctity	LR2 115,000 dwt	July 2016
Navig8 Chemical Tankers	Navig8 Tourmaline	Chemical carrier, MR	August 2016
Navig8 Chemical Tankers	Navig8 Tanzanite	Chemical carrier, MR	September 2016
Hartmann	S1034	LEG	Q4 2016
Hartmann	S1035	LEG	Q1 2017
Hartmann	S1036	LEG	Q1 2017

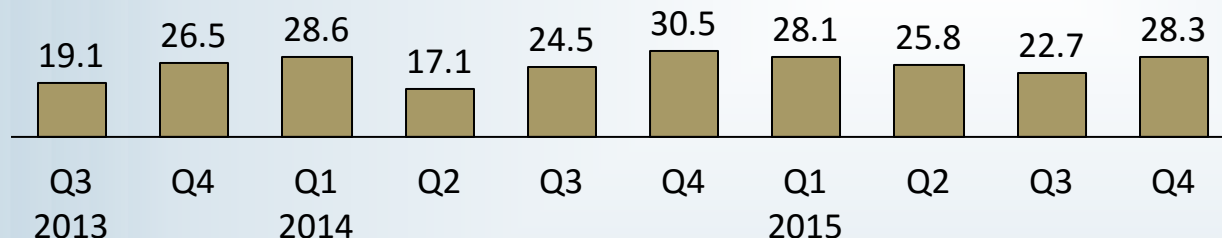


Another quarter with steady EBITDA

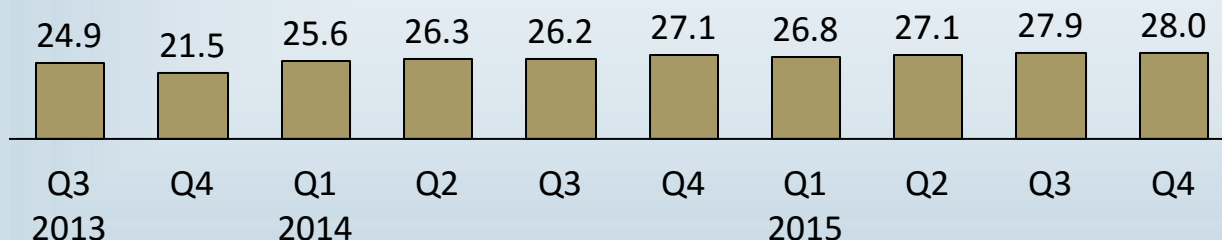
EBITDA¹ per quarter (USDm)



Net profit per quarter (USDm)



Net profit per quarter adjusted for non-recurring items (USDm)

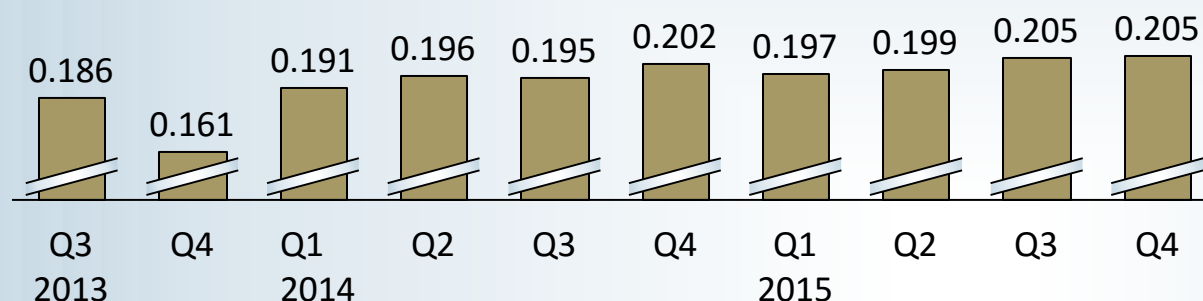


Q4 EBITDA adjusted for finance lease effects was USD 59.8m.

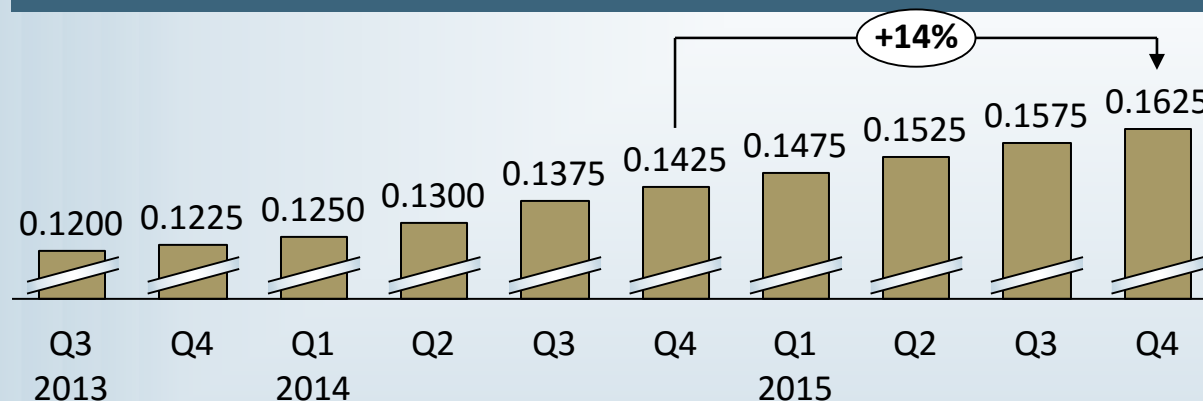
Q4 net profit adjusted for non-recurring items was USD 28.0m.

Declared growth in cash dividends for the 9th consecutive quarter

Adjusted earnings per share (USD)²



Dividend per share (USD)



Dividend yield

10.6%¹ p.a.

Pay-out ratio on adjusted Q4 EPS

79%

Adjusted earnings yield

13.4%¹ p.a.

¹As per 17.02.2016 - Q4 2015 dividend annualized, share price of NOK 52.50 and NOK/USD 8.6

²Reported EPS has been adjusted for non-recurring items and minority interest

P&L

Income statement

	Q3	Q4	Q4	Jan - Dec	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014
Operating revenues	58.7	58.6	56.1	233.1	243.3
Finance lease revenue	6.6	7.0	6.0	23.6	6.0
Total revenues	65.3	65.6	62.1	256.7	249.3
Vessel operating expenses	(4.4)	(3.9)	(3.9)	(15.5)	(14.6)
Wages and other personnel expenses	(3.5)	(4.0)	(2.4)	(12.6)	(9.5)
Other operating expenses	(1.0)	(1.2)	(1.9)	(4.5)	(8.4)
EBITDA	56.4	56.6	53.9	224.2	216.7
Depreciation and amortization	(24.1)	(24.1)	(23.1)	(96.7)	(96.4)
Impairment charges and other non recurring items	0.1	(28.6)	(3.8)	(28.6)	(3.8)
Operating profit	32.4	3.9	27.1	98.9	116.4
Financial income	4.5	4.7	4.7	18.2	30.2
Financial expenses	(8.9)	(10.5)	(9.6)	(37.6)	(50.2)
Foreign exchange gains/losses	19.5	7.4	22.4	41.5	29.6
Mark to market of derivatives	(24.8)	(1.7)	(15.5)	(40.5)	(22.5)
Net financial items	(9.7)	(0.1)	2.0	(18.4)	(12.9)
Net profit before tax	22.7	3.7	29.0	80.4	103.6
Income tax expense	0.0	24.6	1.5	24.6	(2.8)
Net profit after tax	22.7	28.3	30.5	105.0	100.8
Weighted average number of shares outstanding	134.5	134.6	134.1	134.5	134.1
Earnings per share (USD)	0.17	0.21	0.23	0.77	0.75

Comments

Finance lease revenue

- Navig8 Chemical Tankers contributed with USD 2.3m in Q4 vs. USD 1.7m in Q3. Cash received was USD 3.3m in Q4.

Impairment charges

- Related to goodwill in Aker Contracting FP ASA and originates from the company's establishment in 2006.

Financial expenses

- Includes USD 1.7m of non-cash interest related to build-up of potential de-mobilization expense

Income tax gain

- Deferred tax assets that previously has not been recognized in the balance sheet.

Adjusted net profit after tax¹

Adjustments			Comments	
	Q3 2015	Q4 2015		
<i>Amounts in USD million</i>				
Profit after tax	22.7	28.3		
- Loss from sale of vessels and equipment	(0.1)	-	• Related to Dhirubhai-1	
- Impairment charges and other items	-	28.6	• Goodwill impairment related to Dhirubhai-1	
- One-off adjustment to Financial Income	-	-		
- One-off adjustment to Financial Expenses	-	1.4	• Related to build-up of potential de-mobilization expenses	
- Foreign exchange gains/losses	(19.5)	(7.4)	• Mainly related to bond and bank loans in NOK	
- Mark to market of derivatives	24.8	1.7	• USD/NOK cross currency and interest rate swaps	
- Tax	-	(24.6)	• Deferred tax assets previously not recognized in the balance sheet	
Net profit after tax adjusted for non-recurring items	27.9	28.0		

1) Adjusted for non-recurring items, foreign exchange gains and losses, m-t-m of derivatives and non-cash financial and tax expenses

Balance sheet

Balance sheet

	Q3	Q4
<i>Amounts in USD million</i>	2015	2015
ASSETS		
Vessels and equipment	1 250.4	1 239.5
Intangible assets	38.3	9.8
Deferred tax assets	11.5	36.4
Restricted cash deposits	23.6	24.6
Finance lease receivables and related assets	355.5	388.1
Investments in AMSC Bonds	189.6	192.6
Other non-current assets	0.6	0.6
Total non-current assets	1 869.6	1 891.6
Trade receivables and other interest-free receivables	13.4	15.5
Cash and cash equivalents	103.1	117.7
Total current assets	116.4	133.2
Total assets	1 986.1	2 024.8

Non-controlling interest of USD 11.6 million relates to the SBM transaction

	Q3	Q4
	2015	2015
EQUITY AND LIABILITIES		
Equity to holders of the parent	716.7	697.2
Non controlling interests	11.0	11.6
Total equity	727.6	708.8
Interest-bearing loans	1 015.8	974.8
Mobilization fee and advances	33.7	31.2
Mark to market of derivatives	67.0	68.7
Non-current provisions	-	26.6
Other interest-free long term liabilities	2.6	2.5
Total non-current liabilities	1 119.0	1 103.9
Interest-bearing short term debt	121.4	184.1
Mark to market of derivatives	5.6	5.6
Trade and other payables	12.4	22.5
Total current liabilities	139.4	212.1
Total liabilities	1 258.5	1 316.0
Total equity and liabilities	1 986.1	2 024.8
Equity ratio	36.6 %	35.0 %

Bond overview

Bond terms

	OCY02	OCY03
Outstanding amount	NOK 1,000 million	NOK 1,000 million
Coupon	NIBOR + 3.90% p.a.	NIBOR + 4.00% p.a.
Maturity	March 2019	April 2020
Tap issue	NOK 400m @ NIBOR + 3.65% p.a. in July 2014	

Financial covenants

	Q4 2015	Q3 2015
Minimum Book Equity of 25%	35.0%	36.6%
Minimum Cash of \$ 25 Million or 3% of interest bearing debt	117.7	103.1
EBITDA/ Interest expenses > 2.5x	6.49x	6.71x

Company shadow rating*: BB/BB-

*Company shadow ratings by 4 investment banks; 3xBB and 1xBB-



Contractual obligations and financing

Contractual obligations and financing

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total
Already paid	-	34.1	64.8	31.1	92.6	222.6
2016	-	55.1	81.0	93.6	239.8	469.5
2017	-	-	97.2	-	-	97.2
Total contractual obligations	-	89.2	243.0	124.7	332.4	789.3
Total remaining payments	-	55.1	178.2	93.6	239.8	566.8
Estimated / secured bank financing	-	69.2 ¹	180.0 ²	94.0 ¹	224.1 ¹	567.3
Estimated payments to be funded by cash						-0.5

¹Already secured bank commitments

²Estimated bank financing

Comments

- Initiated the process of securing bank financing of the three gas carriers, which is scheduled to be finalized in Q2 2016
- Unrestricted cash of USD 117.7m at the end of Q4



Diversified fleet of modern fuel efficient vessels

Product Tankers
LR2 115,000 dwt
Steadfast, Symphony,
Supreme & Sanctity



Chemical Tankers
37,000 dwt IMO2
Aronaldo, Aquamarine,
Amessi & Azotic



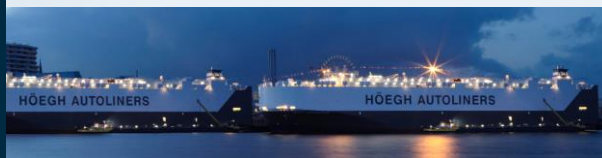
MR IMO2
Turquoise, Topaz,
Tourmaline & Tanzaniaite



Car Carriers
PCTC 8,500 CEU
XSC & XSD



PCTC 6,500 CEU
Jacksonville & Jeddah



PCTC 4,900 CEU
Beijing & Xiamen



**Liquefied Ethylene
Gas Carriers**
3 x 36,000 cbm



**Diving Support &
Construction Vessel**
SBM Installer



**Subsea Equipment
Support Vessel**
Aker Wayfarer



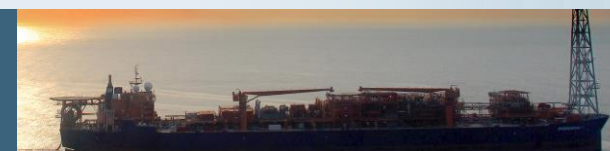
Offshore Supply
FAR Senator
FAR Statesman



**Subsea
Construction**
Lewek Connector



FPSO
Dhirubhai-1



BONDS
AMSC

Bonds in American Shipping Company with
book value USD 193m and par value USD 201m

Summary

- Increased quarterly dividends for the 9th consecutive quarter to USD 0.1625 per share.
- 2016 and 2017 is expected to be challenging years for companies within oil-service sector. Some of Ocean Yield's counterparties may also be negatively affected by challenging market conditions.
- Despite the difficult oil-service market, Ocean Yield has a strong financial position with all vessels on long-term charter
- Increased diversification and growth in earnings with delivery of another 13 newbuildings in three different shipping segments
- The dividend policy remains unchanged

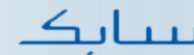
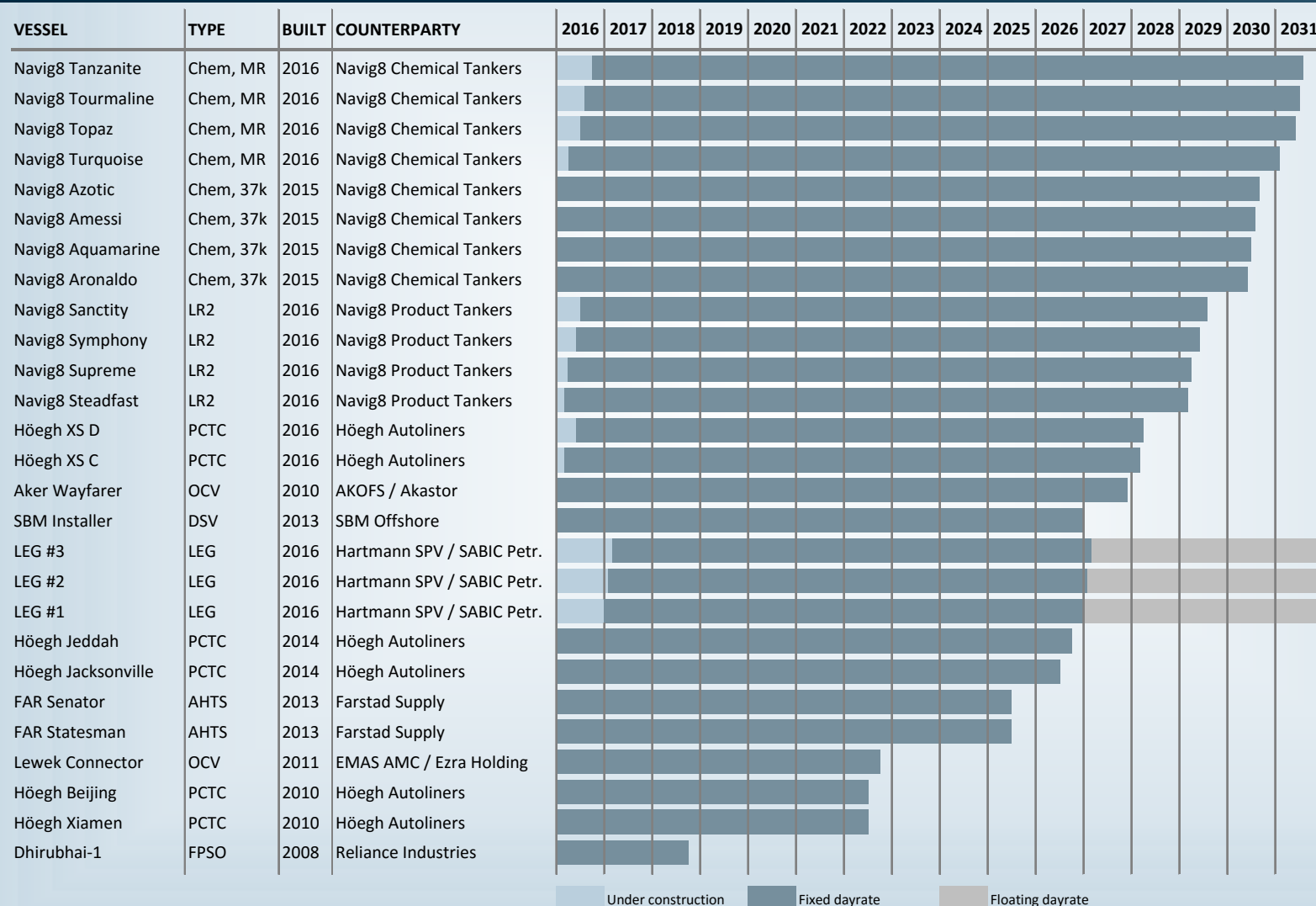


Appendix

EBITDA* backlog of USD 2.7bn with average tenor of 10.3 years



OCEAN YIELD



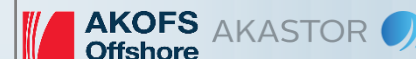
HARTMANN REEDEREI



HÖEGH AUTOLINERS



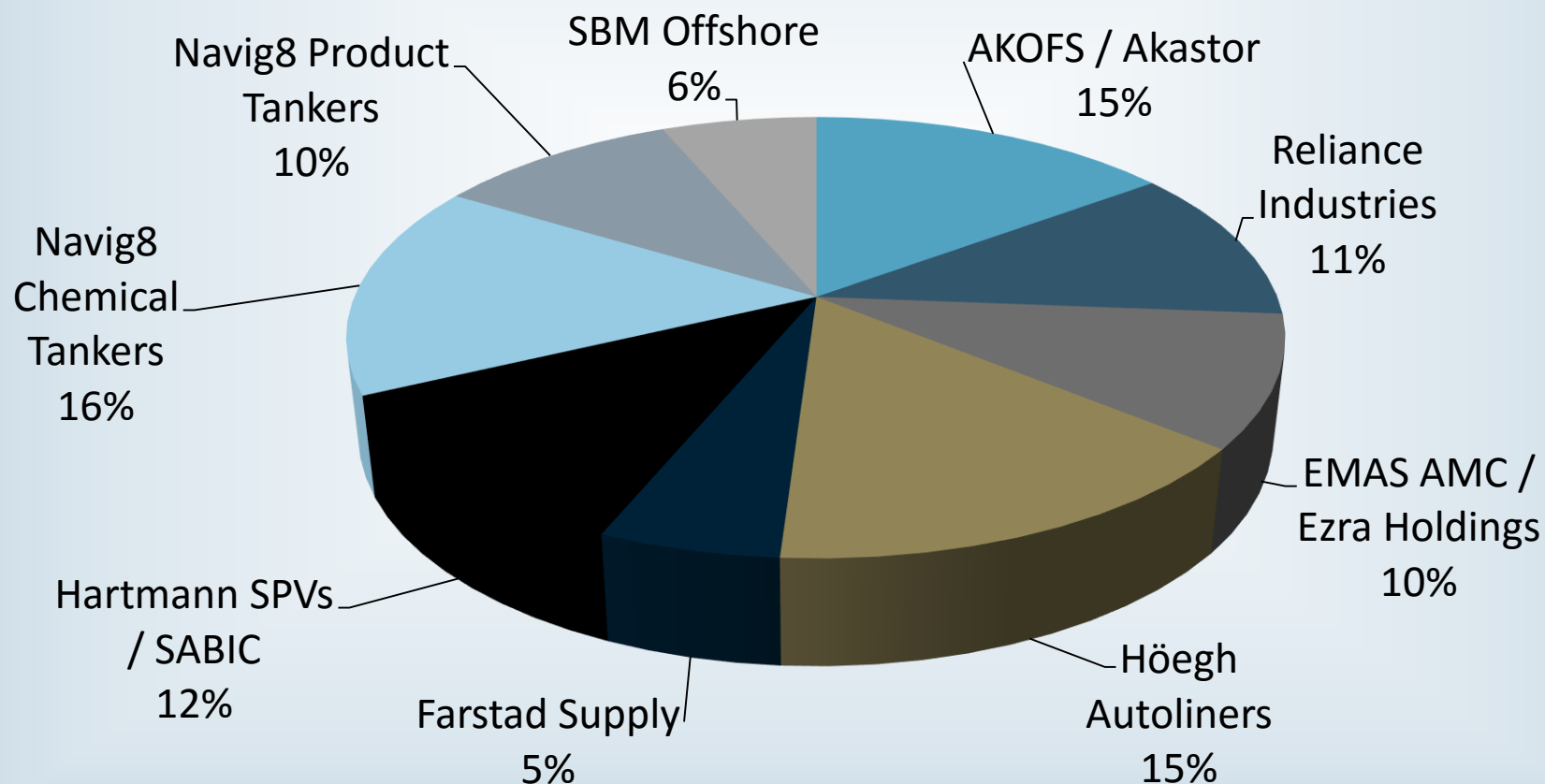
Reliance Industries Limited
Growth is Life



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

EBITDA* backlog of USD 2.7bn with average tenor of 10.3 years

Charter backlog by counterparty



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



OCEAN YIELD

