

OCEAN YIELD ASA

Second Quarter and First Half Year 2015 Report





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SECOND QUARTER AND FIRST HALF YEAR 2015 REPORT

Oslo, 9th July 2015, Ocean Yield ASA (“Ocean Yield” or the “Company”) announces results for the second quarter ending 30th June and first half year 2015.

HIGHLIGHTS

- The Board of Directors has declared a dividend of USD 0.1525 per share for Q2 2015. This is an increase of 0.50 cents per share compared with the previous quarter. On an annualized basis, the dividend equals USD 0.61 per share. Based on the closing share price as of 9th July 2015, this is a dividend yield of 7.9% p.a. This is the 7th consecutive dividend increase since the IPO of Ocean Yield in July 2013.
- EBITDA was USD 56.0 million for the second quarter 2015 compared with USD 55.4 million for the second quarter of 2014.
- Net profit after tax was USD 25.8 million for the second quarter 2015 compared with USD 17.1 million for the second quarter of 2014.
- The charter backlog was USD 2.7 billion in revenues and USD 2.6 billion on an EBITDA basis, with an average weighted tenor of 10.1 years.

Selected key financial figures for the second quarter 2015 compared with the second quarter of 2014 and first half year 2015 compared with first half year 2014:

Consolidated key numbers - USD million	Q2 2015	Q2 2014	1H 2015	1H 2014
Revenues	63.2	62.1	125.8	121.8
EBITDA	56.0	55.4	111.2	108.6
Operating result (EBIT)	31.7	31.0	62.6	60.9
Net profit after tax	25.8	17.1	54.0	45.7
Cash & cash equivalents	94.6	102.8	94.6	102.8
Cash and available undrawn credit lines	221.0	102.8	221.0	102.8
Equity ratio	39.1%	40.1%	39.1%	40.1%

MAIN EVENTS DURING THE SECOND QUARTER

- The Board of Directors has declared a quarterly dividend payment of USD 0.1525 per share. This is in line with the Company's strategy to pay attractive and increasing dividends to its shareholders. The dividend of USD 0.1525 per share is on an annualized basis equal to USD 0.61 per share. The dividend will be paid on or about 24th July 2015 to shareholders as of 14th July 2015 registered with the Norwegian Central Securities Depository (the "VPS") as of 16th July 2015 (the "Record Date"). The ex-dividend date will be 15th July 2015.
- In April, Ocean Yield agreed to acquire eight newbuilding chemical tankers for a total consideration of USD 306.8 million in combination with 15-year "hell and high" bareboat charters to Navig8 Chemical Tankers Inc. ("Navig8 Chemical Tankers"). Navig8 Chemical Tankers was established in 2013 by Oaktree and Navig8, with Oaktree as majority owner, controlling about 57 % of the company. Ocean Yield took delivery of the first two 37,000 dwt IMO II chemical carriers built by Hyundai Mipo Dockyard in June and another two vessels are scheduled for delivery in the third quarter. The last four vessels, being 49,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016. The transaction is fully financed by a group of banks with a bank facility covering about 69 % of the gross purchase price, a seller's credit of about 10% and the remaining amount with cash. Navig8 Chemical Tankers has certain options to acquire the vessels during the charter period, with the first option exercisable five years after delivery. Furthermore Ocean Yield has provided Navig8 Chemical Tankers with an interest bearing pre-delivery loan matching the remaining yard instalments for the STX vessels. The pre-delivery loans are secured by assignment of the shipbuilding contracts and refund guarantees. The transaction has been accounted for as a finance lease.
- In April, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% p.a. with quarterly interest payments. The bond issue attracted strong interest and was substantially oversubscribed, closing at the bottom of the indicated price range. The proceeds will be used for further growth and general corporate purposes. The Company has subsequently entered into cross currency interest rate swaps for NOK 1,000 million with an average interest rate of LIBOR + 4.45% p.a.
- In April, Ocean Yield ASA refinanced the debt related to the vessel *Aker Wayfarer* and signed a new revolving credit facility of USD 220 million with maturity in 2021 with a group of banks for the long-term financing of the vessel. The documentation process was finalized in May and the Company had USD 110 million drawn on the loan facility at the end of the second quarter. Prior to the refinancing, USD 107 million was outstanding against the vessel. The loan carries an interest rate of LIBOR + 2.00% p.a. and amortises down to a balloon of USD 120 million in 2021, with the first reduction scheduled in Q3 2016.
- The FPSO *Dhirubhai-1*, which is on long-term charter to Reliance Industries Ltd., showed steady performance during the quarter, with an operational utilisation of 99.2%. In May, operational utilisation was 97.5% due to scheduled periodical maintenance.

SECOND QUARTER FINANCIAL REVIEW

- Total revenues for Q2 2015 were USD 63.2 million compared with USD 62.1 million for Q2 2014. The Company took delivery of two chemical tankers in June, which contributed positively to revenues. The FPSO *Dhirubhai-1* showed steady performance with operational utilisation of 99.2 % in the quarter. Vessel operating expenses, which are solely related to the operation of the FPSO *Dhirubhai-1*, were USD 3.1 million for Q2 2015, compared with USD 3.5 million for Q2 2014. Wages and other personnel expenses were USD 3.1 million for Q2 2015, compared with USD 2.2 million for Q2 2014. The increase is mainly related to the share linked management incentive program and comes as a result of the substantial increase in the Ocean Yield share price during the first half of 2015. Other operating expenses were USD 1.0 million for Q2 2015 compared with USD 1.0 million for Q2 2014.
- Depreciation and amortization was USD 24.2 million in Q2 2015, compared with USD 24.4 million in Q2 2014.
- Financial income was USD 4.6 million in Q2 2015 as compared with USD 4.7 million in Q2 2014. This amount relates mainly to interest income from the investment in bonds issued by American Shipping Company ASA ("AMSC"). The bonds carry a coupon of LIBOR + 6.00% p.a., of which 50% is payable in cash and 50% is payment-in-kind. AMSC announced on July 6th 2015 that it has received a commitment letter from a group of lenders for a new loan facility which will refinance the existing secured long term debt related to its product tankers on charter to OSG. Following the closing of this new loan, which according to AMSC is expected to happen in Q3 2015, the cash element of the interest payable on the bonds will increase to 70%, and further increase to 90% twelve months thereafter. Ocean Yield holds bonds with a book value of USD 186.7 million at the end of the quarter. This is about 94.5% of par value, which was USD 197.5 million.
- Financial expenses were USD 9.1 million in Q2 2015, as compared with USD 14.9 million in Q2 2014. The figure for Q2 2014 includes one-off expenses of USD 0.4 million relating to buy back of Ocean Yield bonds issued in 2012 and USD 5.5 million relating to the refinancing of a loan facility secured by the Company's car carriers, which was completed in May 2014. Foreign exchange losses were USD 0.2 million in Q2 2015, compared with a gain of USD 2.0 million in Q2 2014. 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. Mark-to-market of derivatives was negative USD 1.0 million in Q2 2015, as compared with USD 5.3 million in Q2 2014. The negative mark-to-market amount is mainly related to the cross currency interest rate swaps on the Company's unsecured bond loans and various interest rate swaps entered into in connection with the financing of the Company's vessels. The foreign exchange gains and negative mark-to-market amounts had no cash impact.
- Income tax expense was USD 0.0 million in Q2 2015, compared with USD 0.4 million in Q2 2014.
- The Net profit after tax for Q2 2015 was USD 25.8 million compared with USD 17.1 million for Q2 2014.
- At the end of the second quarter, the company had cash of USD 94.6 million, compared with USD 102.8 million at the end of the second quarter 2014. In addition, the Company had available undrawn credit facilities of USD 126.4 million at the end of the quarter, resulting in total available liquidity of USD 221.0 million.
- Book equity was USD 730.7 million at the end of Q2 2015, compared with USD 707.1 million at the end of Q2 2014. The equity ratio was 39.1% compared with 40.8% in Q2 2014. Total assets were USD 1,869.7 million in Q2 2015, compared with USD 1,734.2 million in Q2 2014.

YEAR TO DATE FINANCIAL REVIEW

- Total revenues for the first half 2015 were USD 125.8 million as compared with USD 121.8 million for the first half 2014. EBITDA was USD 111.2 million for the first half 2015, compared with USD 108.6 million for the first half 2014. Depreciation was USD 48.5 million, compared with USD 47.7 million in the first six months of 2014. Operating Profit was USD 62.6 million as compared with USD 60.9 million for the first half 2014.
- Financial income was USD 9.0 million for the first half 2015, compared with USD 20.7 million for the first half 2014. Financial income in the first half of 2014 includes a one- off effect from the amendments of the bonds in American Shipping Company of USD 11.5 million, that was recognized in Q1 2014. Financial expenses were USD 18.2 million in the first half 2015, compared to USD 29.3 million in the first half of 2014. The figure

for the first half 2014 includes one-off effects related to the repurchase of bonds and the refinancing of the car carriers, where accrued commitment fees and bank fees related to the old loans were recognized in the Profit & Loss. Net Profit after tax was USD 54.0 million in the first half 2015, compared to USD 45.7 million for the first half 2014.

FLEET STATUS

The charter backlog at the end of the second quarter was USD 2.7 billion in revenues and USD 2.6 billion on an EBITDA basis and the average remaining contract tenor (weighted by EBITDA) was 10.1 years.

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)	EBITDA Backlog USDm*
Navig8 Chemical (8 vessels)	Chemical	Navig8 Chemical	2030/2031	15.0	439
Aker Wayfarer	Subsea	Akastor	Sep-27	12.3	422
Höegh Car Carriers (6 vessels)	Car Carrier	Höegh Autoliners	Jun-22/Apr-26	10.8	416
Dhirubhai-1	FPSO	Reliance	Sep-18	3.2	390
LEG Carrier (3 vessels)	Gas Carriers	Hartmann/SABIC	Sep/Dec -26	10.0	315
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	7.3	279
SBM Installer	Subsea	SBM Offshore	Dec-26	11.5	180
Far Senator / Far Statesman	AHTS	Farstad Supply	Mar/June-25	9.8	167
Total					2,607
Number of vessels (including 13 newbuildings)			23		

* 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 and the forward USD LIBOR interest rates for floating rate lease agreements.

RISKS

The Company is exposed to a number of risks, including counterparty risk, operating risk on the FPSO *Dhirubhai-1*, interest rate risk, currency risk, vessel construction risk and residual value risk. The reduction in oil prices does not have a direct impact on the Company, as all vessels are on fixed, long-term charters. However, if the oil price should stay low for an extended period, some of the Company's counterparties may be negatively affected. For a more detailed description of risk factors, please refer to the annual report for 2014, which is available on www.oceanyield.no.

STRATEGY AND OUTLOOK

Ocean Yield continues to evaluate new investment opportunities that should further increase both earnings and dividend capacity and has recently raised additional debt capital to prepare the Company for further growth.

Ocean Yield has over the last 12 months made substantial investments in modern vessels with long term charters. The contract backlog has become significantly more diversified across several segments and has now an average tenor of 10.1 years. The EBITDA, adjusted for finance lease effects, is expected to increase by about 40% over the next 18 months due to delivery of 11 newbuildings. A strong financial position and stable earnings from long term charters should make it possible for the company to continue the growth strategy and at the same time pay attractive and increasing quarterly dividends.

9th July 2015
Ocean Yield ASA

Trond Brandsrud

Chairman

Kjell Inge Røkke

Director

Annicken Gann Kildahl

Director

Anne Christin Døvig

Director

Jens Ismar

Director

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CEO

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Directors' responsibility statement:

Today, the Board of Directors and the company's chief executive officer reviewed and approved the interim financial report and the unaudited condensed interim consolidated financial statements for the second quarter and the first half of 2015.

The interim, condensed, consolidated financial statements have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

To the best of our knowledge:

The interim, condensed, consolidated financial statements for the second quarter and the first half of 2015 have been prepared in accordance with applicable accounting standards. The interim, condensed, consolidated financial statements provide a true and fair picture of the Company's assets, liabilities, financial position, and profit as of 30 June 2015. The interim financial report for the first six months of 2015 also includes a fair overview of the development and performance of the business, and it also provides a true and fair description of the most important risks and uncertainties the group may face.

9th July 2015
Ocean Yield ASA

Trond Brandsrud
Chairman

Kjell Inge Røkke
Director

Annicken Gann Kildahl
Director

Anne Christin Døvigen
Director

Jens Ismar
Director

Lars Solbakken
CEO



DECK 9
HOLD 2

DECK 8
HOLD 2

DECK 7
HOLD 2

Ocean Yield ASA Group condensed consolidated financial statements for the second quarter and first half year 2015

Income statement

<i>Amounts in USD million</i>	Note	1st Quarter 2015	2nd Quarter 2015	2nd Quarter 2014	1st Half 2015	1st Half 2014	Jan - Dec 2014
Operating revenues		57.7	58.1	62.1	115.8	121.8	243.3
Finance lease revenue		4.9	5.1	-	10.1	-	6.0
Total revenues	5	62.6	63.2	62.1	125.8	121.8	249.3
Vessel operating expenses	6	(4.1)	(3.1)	(3.5)	(7.2)	(7.1)	(14.6)
Wages and other personnel expenses	7	(2.1)	(3.1)	(2.2)	(5.2)	(4.0)	(9.5)
Other operating expenses		(1.3)	(1.0)	(1.0)	(2.3)	(2.1)	(8.4)
EBITDA	5	55.2	56.0	55.4	111.2	108.6	216.7
Depreciation and amortization	10	(24.2)	(24.2)	(24.4)	(48.5)	(47.7)	(96.4)
Loss from sale/disposals of vessels and equipment		-	(0.1)	-	(0.1)	-	(3.8)
Operating profit		31.0	31.7	31.0	62.6	60.9	116.4
Financial income	8	4.4	4.6	4.7	9.0	20.7	30.2
Financial expenses		(9.1)	(9.1)	(14.9)	(18.2)	(29.3)	(50.2)
Foreign exchange gains/losses		14.8	(0.2)	2.0	14.5	1.3	29.6
Mark to market of derivatives	9	(12.9)	(1.0)	(5.3)	(14.0)	(4.0)	(22.5)
Net financial items		(2.8)	(5.8)	(13.5)	(8.6)	(11.3)	(12.9)
Net profit before tax		28.2	25.8	17.5	54.0	49.6	103.6
Income tax expense		(0.0)	0.0	(0.4)	(0.0)	(3.9)	(2.8)
Net profit after tax		28.1	25.8	17.1	54.0	45.7	100.8
Attributable to:							
Equity holders of the parent		28.2	25.4	17.1	53.5	45.7	100.7
Non-controlling interests		(0.0)	0.5	-	0.4	-	0.1
Net profit after tax		28.1	25.8	17.1	54.0	45.7	100.8
Weighted avg. number of shares outstanding		134.1	134.6	134.0	134.5	134.1	134.1
Basic and diluted earnings per share (USD)		0.21	0.19	0.13	0.40	0.34	0.75

Total comprehensive income

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
Amounts in USD million	2015	2015	2014	2015	2014	2014
Net profit after tax for the period	28.1	25.8	17.1	54.0	45.7	100.8
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX						
Items that will not be reclassified to the income statement:						
Re-measurements of defined benefit liability	-	-	-	-	-	(0.2)
Total for items that will not be reclassified to the income statement	-	-	-	-	-	(0.2)
Items that are or may be reclassified to the income statement:						
Reclassification of gains on available for sale financial assets included in Financial Income	-	-	-	-	(8.4)	(8.4)
Currency translation differences	(6.4)	2.3	(1.9)	(4.1)	(1.0)	(19.9)
Total for items that are or may be reclassified to the income statement	(6.4)	2.3	(1.9)	(4.1)	(9.4)	(28.3)
Total change in other comprehensive income, net of income tax	(6.4)	2.3	(1.9)	(4.1)	(9.4)	(28.4)
Total comprehensive income for the period	21.7	28.2	15.2	49.9	36.3	72.3
Attributable to:						
Equity holders of the parent	21.7	27.7	15.2	49.4	36.3	72.3
Non-controlling interests	(0.0)	0.5	-	0.4	-	0.1
Total comprehensive income for the period	21.7	28.2	15.2	49.9	36.3	72.3

Balance Sheet

		31 March	30 June	30 June	31 December
<i>Amounts in USD million</i>	<i>Note</i>	<i>2015</i>	<i>2015</i>	<i>2014</i>	<i>2014</i>
ASSETS					
Vessels and equipment	10	1 271.8	1 269.1	1 366.4	1 308.0
Intangible assets		38.3	38.3	38.3	38.3
Deferred tax assets		11.4	11.4	10.5	11.4
Restricted cash deposits		20.1	20.1	20.1	20.1
Finance lease receivables and related assets	12	155.1	235.3	-	159.7
Investments in AMSC bonds	8	183.8	186.7	174.8	180.9
Other interest-bearing long term receivables		0.7	0.7	0.5	0.5
Total non-current assets		1 681.1	1 761.8	1 610.7	1 719.0
Trade receivables and other interest-free receivables		16.3	13.4	20.7	15.6
Cash and cash equivalents		72.7	94.6	102.8	76.4
Total current assets		89.0	108.0	123.5	92.0
Total assets		1 770.1	1 869.7	1 734.2	1 810.9
EQUITY AND LIABILITIES					
Share capital		222.8	222.8	222.3	222.3
Treasury shares		(0.0)	(0.2)	(0.3)	(0.0)
Other paid-in capital		455.2	455.2	432.8	453.8
Total paid-in capital	14	678.1	677.9	654.8	676.1
Retained earnings and translation reserves		34.6	41.7	52.3	32.0
Total equity attributable to equity holders of the parent		712.6	719.7	707.1	708.1
Non-controlling interests		10.5	11.0	-	10.6
Total equity		723.2	730.7	707.1	718.7
Interest-bearing debt	13	824.5	926.3	811.5	852.9
Deferred tax liabilities		(0.0)	0.0	1.0	(0.0)
Pension liabilities		0.4	0.5	0.3	0.6
Mobilization fee and advances		38.7	36.2	69.5	41.2
Other interest-free long term liabilities		1.7	2.0	1.4	1.7
Total non-current liabilities		865.3	965.0	883.7	896.3
Interest-bearing short term debt	13	124.5	116.0	117.6	141.6
Current provisions		-	-	-	1.4
Mark to market of derivatives		46.6	47.7	15.2	33.7
Trade and other payables		10.4	10.4	10.7	19.2
Total current liabilities		181.6	174.1	143.4	195.9
Total liabilities		1 046.9	1 139.0	1 027.1	1 092.2
Total equity and liabilities		1 770.1	1 869.7	1 734.2	1 810.9

Change in Equity

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014	2014
Balance at the beginning of the period	718.7	723.2	710.2	718.7	703.7	703.7
Net profit after tax for the period	28.1	25.8	17.1	54.0	45.7	100.8
Other comprehensive income	(6.4)	2.3	(1.9)	(4.1)	(9.4)	(28.4)
Total comprehensive income	21.7	28.2	15.2	49.9	36.3	72.3
New equity in Ocean Yield ASA	2.0	-	-	2.0	1.9	1.9
Dividend	(19.2)	(19.9)	(16.8)	(39.0)	(33.2)	(69.1)
Net change in treasury shares	-	(0.8)	(1.6)	(0.8)	(1.6)	(0.7)
Non-controlling interests	-	-	-	-	-	10.5
Balance at the end of the period	723.2	730.7	707.1	730.7	707.1	718.7

Cash flow statement

	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2015	2015	2014	2015	2014	2014
Profit before tax	28.2	25.8	17.5	54.0	49.6	103.6
Depreciation and amortization	24.2	24.2	24.4	48.5	47.7	96.4
Other changes in operating activities	(19.5)	(0.9)	2.4	(18.9)	(10.4)	(16.7)
Net cash flow from operating activities	32.9	49.2	44.3	83.6	86.9	183.3
Acquisition of vessels and equipment	0.7	(17.5)	(135.0)	(18.4)	(136.0)	(367.8)
Proceeds from sale of vessels	-	-	-	-	-	8.2
Acquisition of vessels accounted for as finance lease	-	(65.2)	-	(65.2)	-	-
Repayment on finance lease receivables	2.1	2.4	-	4.5	-	4.0
Net cash flow from other non-current assets	(0.2)	(16.4)	-	(16.6)	-	(16.5)
Net change in long-term interest-bearing receivables	(0.2)	0.0	(0.9)	(0.2)	(1.5)	(1.6)
Net cash flow from investing activities	2.4	(96.7)	(135.9)	(95.9)	(137.4)	(373.7)
Proceeds from issuance of long-term interest-bearing debt	17.3	284.4	153.6	301.7	252.5	474.0
Repayment of long-term interest-bearing debt	(38.9)	(194.4)	(87.5)	(233.3)	(199.2)	(281.5)
Dividends paid	(19.2)	(19.9)	(16.8)	(39.0)	(33.2)	(69.1)
Proceeds from issuance of new equity	2.0	-	(0.0)	2.0	1.9	1.9
Non-controlling interests	-	-	-	-	-	10.5
Net change in treasury shares	-	(0.8)	(1.6)	(0.8)	(1.6)	(0.7)
Net cash flow from financing activities	(38.8)	69.3	47.7	30.5	20.5	135.0
Net change in cash and cash equivalents	(3.5)	21.8	(43.9)	18.2	(30.1)	(55.4)
Exchange rate differences	(0.1)	0.1	(0.4)	(0.0)	(0.0)	(1.2)
Cash and cash equivalents at the beginning of the period	76.4	72.7	147.1	76.4	132.9	132.9
Cash and cash equivalents at the end of the period	72.7	94.6	102.8	94.6	102.8	76.4

Notes to the condensed consolidated interim financial statements for Ocean Yield ASA for the second quarter and first half year 2015

Note 1 Introduction – Ocean Yield ASA

Ocean Yield ASA is a company domiciled in Norway. The condensed consolidated interim financial statements for the second quarter and first half year ending 30 June 2015 comprise Ocean Yield ASA and its subsidiaries (together referred to as the “Group”). The financial statement for the second quarter and first half year 2015 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 2014 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 2014.

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 9 July 2015.

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 2014.

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 at and for the year ended 31 December 2014.

Note 5 Operating segments

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

Total revenues	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2014	2015	2014	2015	2014	2014
FPSO	34.1	34.2	34.2	68.3	68.1	136.8
Other Oil Service	22.5	22.7	26.4	45.2	52.2	100.0
Gas Carriers	-	-	-	-	-	-
Car Carriers	6.0	6.1	1.5	12.1	1.5	12.5
Other Shipping	-	0.2	-	0.2	-	-
Total revenues	62.6	63.2	62.1	125.8	121.8	249.3

EBITDA	1st Quarter	2nd Quarter	2nd Quarter	1st Half	1st Half	Jan - Dec
<i>Amounts in USD million</i>	2014	2015	2014	2015	2014	2014
FPSO	28.5	29.9	29.2	58.4	57.9	111.7
Other Oil Service	22.2	22.7	26.3	44.9	52.1	99.7
Gas Carriers	(0.0)	-	(0.0)	-	(0.0)	(0.0)
Car Carriers	6.0	6.1	1.5	12.0	1.4	12.3
Other Shipping	-	0.2	-	0.2	-	-
Other companies and eliminations	(1.5)	(2.9)	(1.7)	(4.4)	(2.8)	(6.9)
EBITDA	55.2	56.0	55.4	111.2	108.6	216.7

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 3.1 million in Q2 2015 compared with USD 2.2 million in Q2 2014, and USD 5.2 million in the first half 2015 compared with USD 4.0 million in the first half of 2014. This includes all land based personnel in Ocean Yield and Aker Floating Production, which counted a total of 18 persons as of Q2 2015.

The Company's share related bonus payments are accrued on a quarterly basis.

Note 8 Financial income

Financial income in Q2 2015 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. The bonds carry an interest of LIBOR + 6.00% p.a. with an interest structure of 50/50 PIK/cash interest. The bonds have been classified as Interest bearing long-term receivables and are measured at amortized cost using the effective interest method less any impairment losses. In the second quarter of 2015, Interest income of USD 4.5 million was recorded related to the AMSC bonds, and in the first half of 2015 USD 8.9 million have been recorded as interest income related to the bonds.

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

Mark-to-market of derivatives was negative USD 1.0 million in Q2 2015. 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. and 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. In addition the Group has entered into several interest rate swaps related to vessel financings. At the end of June 2015 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.

Note 10 Vessels and equipment

Material changes in vessels and equipment during 2015:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other/elim	Total
Balance at 1 January	459.3	585.2	24.7	234.7	4.1	1 308.0
Acquisitions	0.4	(0.0)	0.2	-	-	0.6
Advances	-	-	16.4	-	1.3	17.8
Disposals	(0.1)	-	-	-	-	(0.1)
Depreciation	(28.6)	(14.7)	-	(5.0)	(0.1)	(48.5)
Effect of movements in foreign exchange	-	(8.7)	-	-	-	8.7)
Balance at 30 June 2015	430.9	561.8	41.3	229.7	5.3	1 269.1

Note 11 Contractual obligations

Ocean Yield had as per 30 June 2015 the following contractual obligations related to the purchase of vessels:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Gas Carriers	Car Carriers	Other Shipping	Total
Already paid	-	18.1	40.5	24.9	77.3	160.8
2015 (Q3-Q4)	-	15.1	32.4	12.7	95.4	155.6
2016	-	55.9	170.1	87.2	103.9	417.1
Total contractual obligations	-	89.2	243.0	124.7	276.6	733.5
Total remaining payments	-	71.1	202.5	99.8	199.4	572.8
Estimated / secured bank financing	33.5*	89.2*	180.0	94.0*	162.0*	558.7
Estimated payments to be funded by cash						14.1

*Already secured bank commitments

The obligations above related to the Other Oil Service segment are related to the modification work on the vessel Aker Wayfarer. The vessel Aker Wayfarer is accounted for as a finance lease, see note 12. Instalments related to the modification work are presented with the finance lease receivable, and is not included in vessels and equipment in note 10. Ocean Yield has secured financing for 100% of the modification work.

The obligations above related to the Gas Carriers segment are related to three LEG carriers, scheduled for delivery in Q3 and Q4 2016. Ocean Yield expects that about USD 180 million of the investment in the three gas carriers will be funded by bank financing.

The obligations above related to the Car Carriers segment are related to two PCTC vessels, which will be delivered in January and April 2016. Long term financing has been secured for the two PCTC vessels for a total of USD 94 million.

The obligations above related to the new segment named *Other Shipping* are related to six chemical tankers under construction. The figures are net of the seller's credit in the transaction. Out of the first four vessels, being 37,000 dwt IMO II chemical carriers built by Hyundai Mipo Dockyard, Korea, two have been delivered during Q2 2015 while another two are scheduled for delivery in Q3 2015. The last four vessels, being 48,000 dwt IMO II chemical carriers built by STX Korea, are scheduled for delivery in Q1-Q3 2016. The vessels are accounted for as finance leases, see note 12. Instalments related to the last four vessels are presented with the finance lease receivables, and are not included in vessels and equipment in note 10. Long term financing has been secured for the vessels for a total of USD 212 million.

Note 12 Finance lease receivables and related assets

Finance lease receivables and related assets of USD 235 million at 30 June 2015 are related to the vessel Aker Wayfarer and eight chemical tankers, where six vessels are under construction.

The vessel Aker Wayfarer is accounted for as a finance lease. The vessel is chartered to AKOFS Offshore AS (AKOFS), a wholly owned subsidiary of Akastor ASA until 2027. AKOFS has options to purchase the vessel in 2021, 2026 and 2027. AKOFS has been awarded a 5 + 5 year contract with Petrobras to provide subsea intervention services offshore Brazil. In order to outfit the vessel for this, a modification of approximately USD 90 million will be made to the vessel. Instalments related to this modification work are presented with the finance lease receivable. The instalments are however not included in the net investment used for calculating the finance lease interest. The investment related to the modification work will be included in the net investment at the completion date, which is expected to be in May 2016.

The eight chemical tankers that will be chartered to Navig8 Chemical Tankers Inc. are accounted for as finance leases. At the delivery of the vessels a receivable equal to the net investment in the lease is recognized as an interest-bearing long term receivable. Income is reported in the income statement as finance lease revenue in a way that produces a constant rate of return on the investment during the contract period adjusted from time to time due to changes in the estimated residual value. Pre-delivery advances related to the four chemical tankers that are scheduled for delivery in Q1-Q3 2016 are presented with the finance lease receivables. The pre-delivery advances are at this point not included in the net investment used for calculating the finance lease interest, but will be included from the time of vessel delivery.

In Q2 2015 USD 5.1 mill has been recognized as finance lease revenue related to the vessel Aker Wayfarer and the two chemical tankers that have been delivered. On a cash basis, USD 7.6 million was received in bareboat hire during the quarter.

The net finance lease receivables as of 30 June 2015 was as follows:

<i>Amounts in USD million</i>	Gross Investment in finance lease receivables	Effect of discounting	Present value of minimum lease payments
<i>Lease payments receivable:</i>			
Less than one year	36.3		33.8
Between one and five years	200.1		135.9
More than five years	358.3		113.2
<i>Lease investments:</i>			
Less than one year	-89.2		-78.4
Between one and five years	-		-
More than five years	-		-
Total finance lease receivables	505.5	-301.0	204.5
Instalments paid related to modification of Aker Wayfarer			18.5
Pre-delivery advances related to chemical tankers			12.3
Total finance lease receivables and related assets			235.3

The gross investments above include unguaranteed residual values of a total of USD 79 million.

Note 13 Interest-bearing debt

Material changes in interest-bearing debt (short term and long term) during Jan - June 2015:

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Car Carriers	Other Shipping	Other/elim	Total
Balance at 1 January	196.0	515.4	148.6	-	134.6	994.6
New loans	17.0	111.0	-	50.0	131.2	309.2
Paid loan fees	-	(2.3)	(0.4)	(3.4)	(1.4)	(7.5)
Instalments	(47.7)	(125.5)	(60.1)	-	-	(233.3)
Effect of movements in foreign exchange and loan fees amortized	0.4	(9.7)	0.2	-	(11.6)	(20.7)
Total interest-bearing debt	165.7	488.9	88.3	46.6	252.8	1 042.3

<i>Amounts in USD million</i>	FPSO	Other Oil Service	Car Carriers	Other Shipping	Other/elim	Total
Long-term	100.4	452.2	77.6	43.3	252.8	926.3
Short-term loan	-	-	-	-	-	-
1st year instalments	65.3	36.6	10.7	3.3	0.0	116.0
Total interest-bearing debt	165.7	488.9	88.3	46.6	252.8	1 042.3

In April, Ocean Yield ASA signed a new revolving credit facility of USD 220 million with maturity in 2021 with a group of banks for the refinancing of the vessel Aker Wayfarer. The documentation process was finalized in May and the Company had USD 110 million drawn on the loan facility at the end of the second quarter. The loan carries an interest rate of LIBOR + 2.00% p.a. and amortises down to a balloon of USD 120 million in 2021, with the first reduction scheduled in Q3 2016.

In April, Ocean Yield closed a new unsecured bond issue of NOK 1,000 million with maturity in April 2020. The bonds carry a coupon of NIBOR + 4.00% p.a. with quarterly interest payments. The bond issue attracted strong interest and was substantially oversubscribed, closing at the bottom of the indicated price range. The proceeds will be used for further growth and general corporate purposes. The Company has subsequently entered into cross currency interest rate swaps for NOK 1,000 million with an average interest rate of LIBOR + 4.45% p.a.

Note 14 Share capital and dividends

In Q2 2015 certain members of senior management have acquired a total of 44,640 shares in the Company. The purchase of shares was made as part of the Company's management incentive program. As of 30 June 2015, the Company had a share capital of NOK 1,346,285,750 divided into 134,628,575 ordinary shares, each having a par value of NOK 10.00. Total number of treasury shares held were 128,430.

In Q2 2015 USD 19.9 million was paid in dividends, following the announcement of the Q1 2015 Results.

Note 15 Events after the balance sheet date

N/A