



## OCEAN YIELD AS

Preliminary Fourth Quarter 2012  
Results



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## Preliminary Fourth Quarter 2012 Results

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Oslo, 6<sup>th</sup> February, 2013 Ocean Yield AS (“Ocean Yield” or the “Company”) announces preliminary results for the fourth quarter ending 31<sup>st</sup> December, 2012.

### Highlights

- Consolidated EBITDA was USD 39.4 million for the fourth quarter 2012, and USD 151.4 million on a pro-forma basis for the full year 2012
- Consolidated Net Profit after tax was USD 11.3 million for the fourth quarter 2012 and USD 44.7 million on a pro-forma basis for the full year 2012
- The FPSO Dhirubhai-1 had a planned maintenance shutdown during the fourth quarter. The effect on revenues versus third quarter 2012 was negative with USD 4.1 million
- On 12<sup>th</sup> October 2012, Ocean Yield acquired the offshore construction and cable lay vessel *Lewek Connector* and entered into a 10-year bareboat charter with EMAS AMC AS. Total consideration was USD 315 million. *Lewek Connector* contributed with USD 8.5 million in EBITDA during the fourth quarter 2012
- The Board of Directors recommends a cash dividend payment of USD 40 million for the year 2012, equivalent to USD 0.4 per share
- Selected key financial figures for the quarter compared to the previous quarter and on a pro-forma basis for the full year of 2012:

Consolidated Key numbers - USD million	Q4 2012	Q3 2012	Jan-Dec 2012 (pro-forma)
Revenues	50.8	46.0	188.0
EBITDA	39.4	38.1	151.4
Net profit	11.3	12.1	44.7
Earnings per share* – USD	0.11	0.12	0.45
Cash	104.6	202.2	
Total assets	1 498.4	1 282.7	
Interest bearing debt	858.4	650.3	
Net interest bearing debt	753.8	448.1	
Total equity	533.0	520.6	
Equity ratio (%)	35.6	40.6	

\* 100 million outstanding shares

### Main events during the fourth quarter

- On 12<sup>th</sup> October 2012 Ocean Yield acquired the offshore construction and cable lay vessel *Lewek Connector* and entered into a 10-year bareboat charter with EMAS AMC AS. Total consideration was USD 315 million. The *Lewek Connector* was built in 2011 and is a large and sophisticated subsea construction vessel. The bareboat charter is fully guaranteed by Ezra Holdings Ltd. EMAS AMC AS will have options to acquire the vessel during the charter period, with the first option being exercisable after five years. Since the seller of the vessel was a 50/50

joint-venture between Ezra Holdings Ltd. and Aker Solutions ASA, the transaction was executed according to Aker's principles for related party transactions.

- The FPSO *Dhirubhai -1*, which is on a long-term charter to Reliance Industries Ltd., had a planned maintenance shutdown that was performed in November and lasted for 6.7 days. The planned maintenance shutdown affected revenues for the Dhirubhai-1 negatively with USD 4.1 million for the quarter in addition to one-off provisions related to pensions and claims of approximately USD 2.5 million.
- The *Aker Wayfarer*, the *Lewek Connector* and the *Geco Triton* received charter hire as per their respective bareboat agreements
- Ocean Yield owns 93% of the senior unsecured bonds (AMSC 07/18 FRN C) in American Shipping Company ("AMSC"). AMSC bareboat charters ten vessels to Overseas Shipholding Group, Inc. ("OSG") which in turn has chartered out the vessels to major oil companies. On 14<sup>th</sup> November 2012, Overseas Shipholding Group, Inc. ("OSG") filed for Chapter 11 under the United States Bankruptcy Code.

Later, on 15<sup>th</sup> January 2013, AMSC released a notice to its investors that the bankruptcy court had approved OSG's request to continue to perform all of its obligations under the bareboat charters with AMSC. AMSC also confirmed in the release that OSG, so far, had continued to make all of its charter payments to AMSC on time. This is in line with our expectations as the bareboat charter rates payable by OSG is below the current market rates.

#### Fleet status:

- Current charter backlog as of the end Q4 is USD 1.7 billion in revenues and USD 1.5 billion in EBITDA
- Average remaining contract tenor (weighted by EBITDA) as of end Q4 was 7.2 years

Vessel	Vessel type	Client	Contract expiry	Remaining tenor (years)
Dhirubhai-1	FPSO	Reliance	Sep-18	5.7
Aker Wayfarer	Subsea	Aker Solutions	Sept-20	7.8
Lewek Connector	Subsea	Ezra/EMAS AMC	Oct-22	9.8
Höegh 4401 (newbuild)*	Car Carrier	Höegh Autoliners	Apr-26	12.0
Höegh 4402 (newbuild)*	Car Carrier	Höegh Autoliners	Aug-26	12.0
Geco Triton	Seismic	WesternGeco	Dec-15	2.9

\* Contract start for *Höegh 4401 / 4402* is expected to be April 2014 and August 2014 respectively

#### Outlook:

- *Dhirubhai-1* is expected to have normal operations in first quarter 2013, which should have a positive effect on results
- The Company currently has a strong financial position and is actively evaluating new investment opportunities within Oil-Service and Industrial Shipping
- The company is evaluating to raise additional equity for growth and intends to list on the Oslo Stock Exchange within the next 6-24 months, market conditions permitting.

The Board of Directors  
Ocean Yield AS  
Oslo, February 6<sup>th</sup>, 2013

Company contact: Lars Solbakken, Chief Executive Officer +47 24 13 01 90  
Eirik Eide, Chief Financial Officer +47 24 13 01 91

## Ocean Yield group condensed pro forma financial statement for the fourth quarter 2012

Income statement	Note	4th Quarter	3rd Quarter	2nd Quarter	Pro forma Jan - Dec
		2012	2012	2012	2012
<i>Amounts in USD million</i>					
Operating revenues	3	50.8	46.0	45.8	188.0
Cost of goods and services		(4.1)	(3.4)	(4.2)	(16.3)
Wages and other personnel expenses		(2.9)	(2.1)	(1.4)	(10.1)
Other operating expenses		(4.5)	(2.4)	(1.3)	(10.2)
<b>EBITDA</b>	3	<b>39.4</b>	<b>38.1</b>	<b>38.8</b>	<b>151.4</b>
Depreciation and amortization		(24.1)	(20.4)	(20.6)	(85.9)
Impairment charges and other non-recurring items		0.1	0.3	(3.3)	(5.9)
<b>Operating profit</b>		<b>15.4</b>	<b>18.0</b>	<b>15.0</b>	<b>59.7</b>
Financial income		2.7	3.2	2.6	11.4
Financial expenses		(8.7)	(6.3)	(6.1)	(24.7)
Mark to market of derivatives		0.5	(2.3)	-	(1.7)
<b>Profit before tax</b>		<b>10.0</b>	<b>12.6</b>	<b>11.5</b>	<b>44.6</b>
Income tax expense		1.3	(0.4)	0.2	-
<b>Net Profit</b>		<b>11.3</b>	<b>12.1</b>	<b>11.7</b>	<b>44.7</b>

Total comprehensive income		4th Quarter	3rd Quarter	2nd Quarter	Pro forma Jan - Dec
		2012	2012	2012	2012
<i>Amounts in million</i>					
Result for the period		11.3	12.1	11.7	44.7
Other comprehensive income, net of income tax					
Currency translation differences		1.4	8.3	(7.4)	9.4
<b>Total comprehensive income for the period</b>		<b>12.7</b>	<b>20.5</b>	<b>4.3</b>	<b>54.0</b>

## Balance Sheet

<i>Amounts in USD million</i>	Note	31 December 2012	30 September 2012	Pro forma 31 Dec 2011
<b>ASSETS</b>				
Vessels and equipment	4	1 157.7	849.5	918.4
Intangible assets		38.3	38.3	38.4
Deferred tax assets		10.1	12.1	8.5
Other shares		-	-	-
Restricted cash deposits		20.0	20.0	20.0
Investments in AMSC Bonds		151.8	146.1	133.4
<b>Total non-current assets</b>		<b>1 378.0</b>	<b>1 066.0</b>	<b>1 118.7</b>
Trade receivables and other interest-free receivables		15.8	14.5	17.1
Cash and cash equivalents		104.6	202.2	61.6
<b>Total current assets</b>		<b>120.4</b>	<b>216.7</b>	<b>78.7</b>
<b>Total assets</b>		<b>1 498.4</b>	<b>1 282.7</b>	<b>1 197.4</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		175.6	175.6	166.8
Other paid-in capital		400.4	400.4	380.3
<b>Total paid-in capital</b>		<b>576.0</b>	<b>576.0</b>	<b>547.1</b>
Retained earnings and translation reserves		(43.0)	(55.4)	(68.2)
<b>Total equity attributable to equity holders of the parent</b>		<b>533.0</b>	<b>520.6</b>	<b>478.9</b>
<b>Total equity</b>		<b>533.0</b>	<b>520.6</b>	<b>478.9</b>
Interest-bearing loans	5	746.6	580.0	532.2
Deferred tax liabilities		-	2.5	-
Pension liabilities		1.6	0.6	0.9
Mobilization fee and advances		86.7	90.5	101.7
Other interest-free long term liabilities		1.8	1.8	1.8
<b>Total non-current liabilities</b>		<b>836.7</b>	<b>675.5</b>	<b>636.6</b>
Interest-bearing short term debt	5	111.8	70.3	69.4
Trade and other payables		17.0	16.4	12.6
<b>Total current liabilities</b>		<b>128.7</b>	<b>86.7</b>	<b>81.9</b>
<b>Total liabilities</b>		<b>965.4</b>	<b>762.2</b>	<b>718.5</b>
<b>Total equity and liabilities</b>		<b>1 498.4</b>	<b>1 282.7</b>	<b>1 197.4</b>
<b>Equity ratio (%)</b>		<b>35.6</b>	<b>40.6</b>	<b>40.0</b>

## Change in equity

<i>Amounts in USD million</i>	4rd Quarter	3rd Quarter	2nd Quarter	Pro forma
	2012	2012	2012	Jan - Dec 2012
Balance at the beginning of the period	521	500	496	479
Profit for the period	11	12	12	45
Other comprehensive income	1	8	(7)	9
<b>Total comprehensive income</b>	<b>13</b>	<b>20</b>	<b>4</b>	<b>54</b>
<b>Balance at the end of the period</b>	<b>533</b>	<b>521</b>	<b>500</b>	<b>533</b>

## Cash flow statement

<i>Amounts in USD million</i>	Note	4th Quarter	3rd Quarter	2nd Quarter	Pro forma
		2012	2012	2012	Jan - Dec 2012
Profit before tax		10.0	12.6	11.5	44.6
Sales losses/gains (-) and write-downs		-	(0.3)	3.3	6.0
Depreciation and amortization		24.1	20.4	20.6	85.9
Other changes in operating activities		(4.8)	(0.5)	(8.2)	(17.9)
<b>Net cash flow from operating activities</b>		<b>29.3</b>	<b>32.2</b>	<b>27.2</b>	<b>118.7</b>
Proceeds from sales of property plant and equipment	4	-	-	11.2	11.2
Acquisition of property, plant and equipment	4	(327.3)	-	-	(327.3)
<b>Net cash flow from investing activities</b>		<b>(327.3)</b>	<b>-</b>	<b>11.2</b>	<b>-316.1</b>
Proceeds from issuance of long-term interest-bearing debt	5	234.6	100.3	-	334.9
Repayment of long-term interest-bearing debt	5	(32.0)	(13.1)	(21.8)	(96.6)
<b>Net cash flow from financing activities</b>		<b>202.6</b>	<b>87.2</b>	<b>(21.8)</b>	<b>238.3</b>
<b>Net change in cash and cash equivalents</b>		<b>-95.4</b>	<b>119.4</b>	<b>16.5</b>	<b>40.8</b>
Exchange rate differences		(2.3)	4.4	(1.9)	2.2
Cash and cash equivalents at beginning of the period		202.2	78.4	63.7	61.5
<b>Cash and cash equivalents at the end of the period</b>		<b>104.6</b>	<b>202.2</b>	<b>78.4</b>	<b>104.6</b>

## Notes to the condensed pro forma consolidated interim financial statements for the Ocean Yield for the fourth quarter 2012

### 1. Introduction – Ocean Yield AS

Ocean Yield AS is a company domiciled in Norway. The condensed consolidated interim financial statements for the fourth quarter of 2012, ended 31 December 2012, comprise Ocean Yield AS and its subsidiaries (together referred to as the "Group"). The pro forma financial statement for the full year 2012 include the financial statements of the parent company, Ocean Yield AS and its subsidiaries owned at end of 4th Quarter 2012.

The quarterly reports are available at [www.oceanyield.no](http://www.oceanyield.no).

### 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. These condensed pro forma consolidated interim financial statements were approved by the Board of Directors on 6<sup>th</sup> February 2012.

### Note 3 Operating segments

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

	Pro forma			
<b>Operating revenues</b>	4th Quarter	3rd Quarter	2nd Quarter	Jan - Dec
<i>Amounts in USD million</i>	2012	2012	2012	2012
Aker Floating Production (Dhirubhai 1)	30.4	34.5	34.4	133.1
Aker ShipLease (Aker Wayfarer)	10.4	10.1	10.0	40.6
New Pollock (Geco Triton)	1.5	1.5	1.4	5.8
Connector (Lewek Connector)	8.5			8.5
<b>Operating revenues</b>	<b>50.8</b>	<b>46.0</b>	<b>45.8</b>	<b>188.0</b>

	Pro forma			
<b>EBITDA</b>	4th Quarter	3rd Quarter	2nd Quarter	Jan - Dec
<i>Amounts in USD million</i>	2012	2012	2012	2012
Aker Floating Production (Dhirubhai 1)	20.1	27.3	27.9	98.9
Aker ShipLease (Aker Wayfarer)	10.4	10.1	10.0	40.6
New Pollock (Geco Triton)	1.4	1.4	1.4	5.7
Connector (Lewek Connector)	8.5			8.5
Ocean Yield AS	(1.1)	(0.7)	(0.5)	(2.3)
Other companies and eliminations	(0.0)			(0.0)
<b>EBITDA</b>	<b>39.4</b>	<b>38.1</b>	<b>38.8</b>	<b>151.4</b>

### Note 4 Vessels and equipment

Material changes in vessels and equipment during 2012:

<i>Amounts in USD million</i>	Dhirubhai-1	Aker Wayfarer	Geco Triton	SMART 2	Lewek Connector	Advance LH Shiplease	Total
Balance at 1 January	644	240	17	18		-	918
Depreciation	(65)	(15)	(2)	-	(4)		(86)
Impairment				(6)			(6)
Sale SMART 2				(11)			(11)
Acquisition					315	12	327
Effect of movements in foreign exchange		15					15
<b>Balance at 31 December</b>	<b>579</b>	<b>240</b>	<b>15</b>	<b>-</b>	<b>312</b>	<b>12</b>	<b>1 158</b>

### Note 5 Interest bearing debt

Material changes in interest-bearing debt (short term and long term) during 2012:

<i>Amounts in USD million</i>	Dhirubhai-1	Aker Wayfarer	Ocean Yield AS	Lewek Connector	Total
Balance at 1 January	413	188	-	-	602
New loans	-	-	102	235	337
Loan fees			(2)	(1)	(3)
Repayments	(69)	(18)		(10)	(97)
Effect of movements in foreign exchange	-	13	6	-	20
<b>Total interest-bearing liabilities (31.12.2012)</b>	<b>344</b>	<b>184</b>	<b>105</b>	<b>224</b>	<b>858</b>
Long-term	270	166	105	205	746
1st year instalments	74	18	-	20	112
<b>Total interest-bearing liabilities (31.12.2012)</b>	<b>344</b>	<b>184</b>	<b>105</b>	<b>224</b>	<b>858</b>