Aker Philadelphia Shipyard (OSE: AKPS)

Q1 2015 Results

6 May 2015

Highlights

- ✓ First quarter Adjusted EBITDA was USD 6.9 million compared to USD 24.7 million in Q1 2014. Q1 2014 Adjusted EBITDA included the one-time gain on the sale of the profit sharing interests in Hulls 017 and 018 to Crowley
- ✓ Finalized a new four-year collective bargaining agreement with the Philadelphia Metal Trades Council on 3 February 2015
- ✓ Philly Tankers announced the long-term charter of its two 50,000 dwt product tankers under contract with AKPS (Hulls 025-026) on 26 February 2015
- ✓ The AKPS-Crowley joint venture announced that it had received a commitment for a USD 325 million facility for post-delivery financing of its four 50,000 dwt product tankers under contract with AKPS (Hulls 021-024) on 12 March 2015
- ✓ Delivered Hull 020, the second and last aframax vessel for SeaRiver, on 13 March 2015
- ✓ Executed definitive documentation for the previously announced USD 60.0 million secured term loan through the Welcome Fund loan program on 16 March 2015
- ✓ Total cash and cash equivalents of USD 65.0 million at 31 March 2015, including USD 7.0 million of restricted cash related to the SeaRiver contract
- ✓ Order backlog of USD 939.0 million on 31 March 2015 with last delivery in December 2018
- ✓ Q4 2014 quarterly dividend paid totaling USD 3.0 million

Subsequent Events

- ✓ On 15 April 2015, the AKPS Annual General Meeting was held. All proposals were approved and the Board of Directors is unchanged
- ✓ On 6 May 2015, the AKPS Board approved a quarterly dividend for Q1 2015 of USD 0.25 per share

Operations and Shipping Investments

Vessel Construction

At the end of the first quarter of 2015, AKPS had four vessels under construction – the four product tankers for the AKPS-Crowley joint venture (Hulls 021-024). Hull 020 was delivered on 13 March 2015 and is in service with SeaRiver. Delivery of Hull 020 marked the conclusion of the two-ship project for SeaRiver and completion of the two largest ships ever built in Philadelphia, Pennsylvania. Hull 021, the first product tanker for the AKPS-Crowley joint venture, was launched on 7 April 2015 and is now entering the final production and completion phases. On 23 April 2015, the first block of Hull 023 was placed in the Building Dock, joining Hull 022. Hull 024 continues to be in the prefabrication stage. AKPS is increasing the rate of production and the first steel plates for Hull 025, the first product tanker under contract with Philly Tankers, were cut on 29 April 2015.

The majority of purchasing and engineering activities for the product tanker series (Hulls 021-028) are completed. Preliminary purchasing and engineering activities for the Matson project (Hulls 029 and 030) are continuing. The Company continues to actively manage its exposure to foreign currency and material pricing for its backlog. AKPS's workforce is in-line with historical norms and will continue to be adjusted according to its backlog and production activities.

Shipping Investments

AKPS's current portfolio of shipping assets consists of a potential exposure toward eight product tankers through its future interests in the four-ship AKPS-Crowley joint venture and its investment in Philly Tankers. All of the AKPS-Crowley joint venture vessels (Hulls 021-024) and the two firm Philly Tankers vessels (Hulls 025 and 026) have commitments for long-term charters. These assets provide a mechanism for AKPS to achieve returns on the ownership, chartering and operation of the vessels it builds, in addition to returns on traditional shipbuilding activities. The Company continues to explore strategic initiatives and potential transactions with regards to its shipping assets to maximize shareholder value.

Health, Safety, Security and Environment (HSSE)

AKPS's 12-month trailing average for its Lost Time Incident Frequency Rate (LTIFR), as defined by the Occupational Safety and Health Administration (OSHA), at the end of Q1 2015 was 1.0 compared to 0.6 at the same time in 2014. This compares to an OSHA comparable industry average of 2.4. AKPS's 12-month trailing average for its Total Recordable Incident Rate (TRIR), as defined by OSHA, at the end of Q1 2015 was 3.5 compared to 4.6 at the same point in 2014, a decrease of 24%. The TRIR for the OSHA comparable industry average is 7.6.

Financial Information

First Quarter 2015 Results

Operating revenues and other income for the quarter were USD 70.1 million compared to USD 77.4 million in the first quarter of 2014. Q1 2015 operating revenues and other income were comprised primarily of continued progress on the AKPS-Crowley joint venture project whereas Q1 2014 operating revenues and other income were primarily driven by progress on the SeaRiver project and the one-time gain of USD 32.3 million on the sale of the profit sharing interests in Hulls 017 and 018 to Crowley.

As noted above, AKPS maintains an economic interest in the four vessels comprising the AKPS-Crowley joint venture with deliveries in 2015 and 2016. As a result of this economic interest, under IFRS, 49.9% of the gross profit on each of these vessels will be deferred and recognized over its lifetime commencing with its delivery. Due to this accounting treatment, AKPS will also report Adjusted EBITDA, which is defined here as EBITDA plus deferred shipbuilding profits. The Company believes presenting Adjusted EBITDA is useful to investors as it provides another measure of AKPS's profitability from its operation, as if AKPS had no economic interest in the AKPS-Crowley joint venture vessels, and more closely represents earnings from shipbuilding activities.

EBITDA for the quarter was USD 3.9 million compared to USD 24.2 million in the first quarter of 2014. Adjusted EBITDA for the quarter was USD 6.9 million compared to USD 24.7 million in the first quarter of 2014. A main driver of EBITDA and Adjusted EBITDA in Q1 2014 was the one-time gain of USD 32.3 million on the sale of the profit sharing interests in Hulls 017 and 018 to Crowley.

Net financial items for the quarter were negative USD 1.5 million compared to negative USD 0.2 million in Q1 2014. The negative impact is primarily attributable to unrealized currency losses on foreign exchange forward contracts and certain cash balances held in Norwegian Kroner.

Net income for the quarter was USD 0.3 million compared to net income of USD 17.8 million for the first quarter of 2014. The difference was due to the above-mentioned factors.

Balance Sheet
As of 31 March 2015, total assets were USD 322.9 million compared to USD 268.4 million on 31 December 2014. The increase was primarily driven by an increase in vessels-under-construction receivable.

The Company's overall debt level increased in 2015 to USD 93.7 million at quarter-end compared to total debt at year-end 2014 of USD 57.2 million. The increase was mainly due to the initial draw on the Caterpillar construction loan facility and receipt of the first tranche of the Welcome Fund loan.

Cash and cash equivalents (excluding restricted cash related to the SeaRiver contract) were USD 58.0 million at quarter-end, compared to USD 40.5 million at 31 December 2014. The increase of USD 17.5 million was primarily due to increases in both construction financing and long-term debt, the release of USD 13.0 million of restricted cash from escrow and continued customer milestone payments offset by the dividend paid and increases in vessels-under-construction receivable.

Cash and cash equivalents at quarter-end excludes the restricted cash balance of USD 7.0 million related to the SeaRiver project which is expected to be released in March 2016.

Total equity decreased to USD 135.5 million at the end of the quarter from USD 138.2 million at year-end 2014 due to the dividend paid.

Financing
The Company has a USD 120 million loan facility with Caterpillar Financial Services Corporation (Cat Financial) for construction financing on the four AKPS-Crowley joint venture vessels. The Company had drawn USD 16 million under this facility as of 31 March 2015.

The Company also has a secured five-year term loan for up to USD 60 million from PIDC Regional Center, LP XXXI through the Welcome Fund loan program. Total amounts drawn under this facility at 31 March 2015 were USD 20 million.

Shareholder Distributions
The AKPS Board approved a dividend for the quarter of USD 0.25 per share that will be paid on or about 22 May 2015 to shareholders of the Company of record on 12 May 2015. The Company expects to continue to pay a regular quarterly dividend of USD 0.25 per share for the foreseeable future, with ambitions of increasing the amount over time.

Outlook

Shipbuilding
The contracts with Crowley (Hulls 021-024), Philly Tankers (Hulls 025 and 026), and Matson (Hulls 029 and 030) provide for shipbuilding activity with delivery dates through 2018. As of 31 March 2015, AKPS had an order backlog of USD 939 million.

Philly Tankers currently holds an option for Hulls 027-028 with deliveries in 2017. AKPS is confident in the demand for these two vessels and expects them to be constructed either for Philly Tankers or for others if the existing option is not declared.

While AKPS is mainly focused on product tankers and large containerships, AKPS continues to pursue prospects for new construction projects in other areas of the Jones Act market, including shuttle tankers, short-sea shipping vessels, off-shore service vessels, barges, and wind turbine installation vessels. LNG propulsion continues to be a consideration for potential owners and AKPS is well-positioned to leverage its experience from the Matson containership design.

Shipping
The fundamental outlook for Jones Act tanker shipping remains firm based on several market transactions during Q1. Notably, in February, Philly Tankers announced it entered into binding long-term charter contracts with a domestic end-user for its two 50,000 dwt product tankers under contract with AKPS (Hulls 025-026).

In the short and medium term, available tonnage continues to be limited compared to expected demand. The Company continues to believe that new tonnage planned to come online in 2016 and 2017 will be effectively absorbed in the market.

Risks

Operational risk is the ability to deliver vessels under existing contracts at the agreed time, quality, functionality and cost. Delivering projects in accordance with the contract terms and the anticipated cost framework represents a substantial risk element, which is expected to be the most significant factor affecting AKPS's financial performance. Results also depend on costs of goods and services, both AKPS's own and those charged by suppliers, and on interest expense, exchange rates and customers' ability to pay. AKPS is dependent on commitments for debt financing and has exposure in the financial markets, including currency, interest rate, counterparty and liquidity risks. AKPS has established guidelines and systems to manage this exposure. AKPS faces risks related to its shipping assets, including the risk of failure to secure time charters and take-out financing for the underlying vessels. To the extent these are not secured on a timely basis or on market terms, it could have a negative effect on AKPS's business and financial performance. AKPS faces risks related to the options for its building slots, including the risk that those options are not declared and the underlying vessels are ultimately sold for less favorable terms. If this risk was to materialize, then it could have a negative effect on AKPS's financial performance. For a further analysis of risks, please refer to the 2014 AKPS annual report.

Oslo, Norway
6 May 2015
Board of Directors and Chief Executive Officer
Aker Philadelphia Shipyard ASA

Amounts in USD millions (except shares and per share information)	Q1 Unaudited 2015	Q1 2014	Full Year 2014 *
Operating revenues and other income	70.1	77.4	272.7
Operating expenses	(66.2)	(53.2)	(240.6)
Operating income before depreciation - EBITDA	**3.9**	**24.2**	**32.1**
Depreciation	(1.9)	(1.8)	(7.4)
Operating income - EBIT	**2.0**	**22.4**	**24.7**
Net financial items	(1.5)	(0.2)	(5.8)
Income before tax	**0.5**	**22.2**	**18.9**
Tax expense	(0.2)	(4.4)	(5.3)
Income after tax **	**0.3**	**17.8**	**13.6**
Weighted average number of shares	**12,107,901**	**11,397,392**	**12,170,960**
Basic and diluted earnings per share (USD)	**0.03**	**1.56**	**1.12**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD millions	Q1 Unaudited 2015	Q1 2014	Full Year 2014 *
Income after tax	0.3	17.8	13.6
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the period **	**0.3**	**17.8**	**13.6**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in USD millions	Unaudited 31-Mar 2015	31-Dec 2014 *
Assets		
Non-current assets		
Property, plant and equipment	51.8	52.9
Restricted cash	-	7.0
Deferred tax assets	2.2	0.3
Equity-accounted investees	56.2	56.0
Other non-current assets	0.2	0.2
Total non-current assets	**110.4**	**116.4**
Current assets		
Vessels-under-construction receivable	137.4	87.9
Restricted cash	7.0	13.0
Prepayments and other receivables	10.1	10.6
Cash and cash equivalents	58.0	40.5
Total current assets	**212.5**	**152.0**
Total assets	**322.9**	**268.4**
Equity and liabilities		
Total equity	**135.5**	**138.2**
Non-current liabilities		
Interest-bearing long-term debt	20.7	0.7
Non-current portion of note payable	-	10.8
Other long-term liabilities	8.2	7.2
Total non-current liabilities	**28.9**	**18.7**
Current liabilities		
Customer advances, net	44.1	26.1
Interest-bearing short-term debt	0.2	0.2
Note payable	56.8	45.5
Construction loan	16.0	-
Taxes, trade payables and accrued liabilities	41.4	39.7
Total current liabilities	**158.5**	**111.5**
Total liabilities	**187.4**	**130.2**
Total equity and liabilities	**322.9**	**268.4**

* Annual 2014 financial information is derived from audited financial statements.
** All attributed to the equity holders of AKPS.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in USD millions	Three Months Ended 31 Mar. Unaudited 2015	2014 *	Full Year 2014 *
As of beginning of period	138.2	114.0	114.0
Proceeds from shares issued, net of transaction costs	-	63.7	63.7
Dividends	(3.0)	-	(43.1)
Purchase of treasury shares	-	-	(10.0)
Total comprehensive income for the period **	0.3	17.8	13.6
As of end of period	**135.5**	**195.5**	**138.2**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in USD millions	Three Months Ended 31 Mar. Unaudited 2015	2014 *	Full Year 2014 *
Net cash used in operating activities	(14.6)	(59.2)	(67.9)
Investments in property, plant and equipment	(0.8)	(1.8)	(5.5)
Investment in equity-accounted investees	-	-	(6.0)
Distribution received from equity-invested investees	-	-	5.5
Sale of profit sharing, net of transaction costs	-	39.7	39.7
Net cash (used in)/from investing activities	(0.8)	37.9	33.7
Proceeds from shares issued, net of transaction costs	-	63.7	63.7
Dividends	(3.0)	-	(43.1)
Purchase of treasury shares	-	-	(10.0)
Proceeds from interest-bearing long-term debt	20.0	-	-
Proceeds from construction loan	16.0	-	-
Repayment of interest-bearing debt	(0.1)	(4.5)	(4.7)
Net cash from financing activities	32.9	59.2	5.9
Net change in cash and cash equivalents	**17.5**	**37.9**	**(28.3)**
Cash and cash equivalents at beginning of period	40.5	68.8	68.8
Cash and cash equivalents at end of period	**58.0**	**106.7**	**40.5**

* Annual 2014 financial information is derived from audited financial statements.
** All attributed to the equity holders of AKPS.

Notes to the condensed interim consolidated financial statements for the 1st quarter 2015

1. Introduction – Aker Philadelphia Shipyard ASA

Aker Philadelphia Shipyard ASA (AKPS) is a Company domiciled in Norway. The condensed interim consolidated financial statements for the three-month periods ended 31 March 2015 and 31 March 2014 are comprised of AKPS and its direct and indirect wholly-owned subsidiaries, including Aker Philadelphia Shipyard, Inc. (APSI).

This interim report has not been subject to audit or review by independent auditors.

The audited consolidated financial statements of AKPS as of and for the year ended 31 December 2014, which include a detailed description of accounting policies and significant estimates, are available at www.akerphiladelphia.com.

2. Basis of preparation

These condensed interim consolidated financial statements reflect all adjustments, in the opinion of AKPS's management, that are necessary for a fair presentation of the results of operations for the periods presented. Operating results for the three-month periods are not necessarily indicative of the results that may be expected for any subsequent quarter or year.

3. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of AKPS as of and for the year ended 31 December 2014.

4. Significant accounting principles

The accounting policies applied by AKPS in these condensed interim consolidated financial statements are substantially the same as those applied by AKPS in its audited consolidated financial statements as of and for the year ended 31 December 2014.

There have not been any new IFRS standards or interpretations which were effective 1 January 2015 that have had a significant impact on Q1 2015.

5. Use of estimates

The preparation of condensed interim consolidated 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 interim consolidated financial statements in applying AKPS's accounting policies, and the key sources of estimation uncertainty, are the same as those that are applied to the audited consolidated financial statements as of and for the year ended 31 December 2014 unless described elsewhere in this report.

6. Tax estimates

Income tax expense is recognized in each interim period based on the best estimate of the expected annual income tax rates.

7. Share capital and equity

At 31 March 2015, AKPS had 12,107,901 ordinary shares (excluding 466,865 own shares) at a par value of NOK 10 per share. There were no share issuances or repurchases in Q1 2015. Accordingly, 12,107,901 ordinary shares was used in the calculation of earnings per share for the quarter ended 31 March 2015. For the quarter ended 31 March 2014, a weighted average of 11,397,392 ordinary shares was used for purposes of calculation of earnings per share.

8. Interest-bearing debt

The following shows material changes in interest-bearing debt during 2015:

Amounts in USD millions	Long-term debt	Short-term debt	Total interest-bearing debt
Balance 31.12.14	**11.5**	**45.7**	**57.2**
Issuance of debt	20.0	16.6	36.6
Repayment of debt	-	(0.1)	(0.1)
Reclass of debt	(10.8)	10.8	-
Balance 31.03.15	**20.7**	**73.0**	**93.7**

The Company has a loan agreement with Caterpillar Financial Services Corporation (Cat Financial) for a USD 120 million loan facility for construction financing on the four product tankers under contract with Crowley Maritime Corporation. The loan is subject to a maximum borrowing amount of USD 58-60 million per vessel and is secured by a first lien on Hulls 021-024. The loan accrues interest at three-month Libor plus 3.0% as defined in the loan agreement. USD 16 million is drawn under the facility at 31 March 2015.

APSI has a secured term loan of up to USD 60 million with PIDC Regional Center, LP XXXI, a partnership between CanAm Enterprises and PIDC. The loan has a five-year term and is initially secured by a second lien on Hulls 021-024 during construction. After the vessels are delivered, the lender will have a lien on the economic interests in the vessels under the AKPS-Crowley joint venture. The loan has a fixed interest rate of 2.75% through maturity. This loan was made through the Welcome Fund loan program, a source of low-cost capital generally available to commercial, retail, industrial or non-profit firms that create significant job growth and are located in or planning to locate to the City of Philadelphia. USD 20 million is drawn under the term loan at 31 March 2015.

In return for shares in Philly Tankers, the Company contributed a promissory note with a face value of USD 58 million to the equity capital of Philly Tankers. This note will be reduced dollar-for-dollar as the shipyard spends its own funds on the construction of Hulls 025 and 026. As this note was issued as an interest-free instrument, the Company has discounted its value and is imputing interest expense on the discounted amount at a rate of 3.56% per annum. The full amount is due and payable on the earlier of the date of delivery of Hull 026 or 30 November 2018.

9. Related party transactions

Converto Capital Fund AS, an investment fund controlled by Aker ASA, is the majority shareholder of AKPS, owning 57.6% of its total outstanding shares as of 31 March 2015. In addition, Kristian Rokke, the Chairman of the Board of Directors of AKPS, is a Board member of TRG Holding AS, which owns 66.7% of the total outstanding shares of Aker ASA as of 31 March 2015. AKPS believes that related party transactions are made on terms equivalent to those that prevail in arm's length transactions.

AKPS has service agreements with Aker ASA and certain of its affiliates which provide specified consulting, accounting, tax, financial and administrative services. All payables under these agreements are paid within the normal course of business.

Related administrative costs and financial statement amounts for the three-month period ending 31 March 2015 were USD 47 thousand (USD 37 thousand for the same period in 2014).

APSI entered into an administrative services agreement with Philly Tankers LLC (PTLLC) whereby APSI will supply certain administrative and commercial services to PTLLC. Related revenues for the three-month period ending 31 March 2015 were USD 30 thousand (USD 0 for the same period in 2014).

10. Capitalized interest

	Q1	
Amounts in USD millions	**2015**	**2014**
Interest expense	(0.7)	(0.2)
Interest capitalized on construction contracts	0.1	-
Net interest expense	**(0.6)**	**(0.2)**

11. Construction contracts

The order backlog is USD 939.0 million at 31 March 2015 and represents an obligation to deliver vessels that have not yet been produced for the Company's customers: Crowley, Philly Tankers and Matson. Order backlog consists of future revenues and is subject to adjustment based on change orders as defined in the construction contracts.

Amounts in USD millions	Order backlog 31.03.15	Order intake 3 months to 31.03.15	Order backlog 31.12.14
	939.0	**(1.1)**	**1,012.9**

The recognized profit on long-term contracts in process for the periods that ended:

Amounts in USD millions	31.03.15
Contract revenue recognized as revenue to date	214.7
Less: recognized contract expenses	(202.7)
Recognized profit to date	**12.0**
Contract costs incurred to date	**224.6**

AKPS is recognizing revenues and expenses for the four-tanker order from Crowley as one project. As of 31 March 2015, the Crowley project was approximately 46% complete.

Customer milestone payments as of 31 March 2015 and 31 March 2014 totaled USD 144.0 million and USD 274.2 million, respectively. Up to USD 30.0 million of the milestone payments received for Hulls 025 and 026 are secured by a lien on the Company's shares in Philly Tankers until 31 December 2015.

Customer advances, net as of 31 March 2015 and 31 March 2014 totaled USD 44.1 million and USD 7.1 million, respectively. These represent customer milestone payments net of work-in-process and earned profit.

As of 31 March 2015, APSI has non-cancellable purchase commitments for materials and equipment of approximately USD 133.8 million for the construction of Hulls 021-030.

12. Operating revenues and other income

	Q1	
Amounts in USD millions	**2015**	**2014**
Operating revenues	69.9	45.1
Profit in equity-accounted investees	0.2	-
Gain-on-sale of profit shares	-	32.3
Operating revenues and other income	**70.1**	**77.4**

13. Financial instruments

As of 31 March 2015, the Company accounts for its forward exchange contracts with a notional value of USD 51.4 million at fair value (fair value of a USD 2.6 million liability at 31 March 2015). These contracts are the only assets and liabilities accounted for at fair value. As disclosed in the Company's 2014 annual report, the fair value of forward exchange contracts are determined by market observable inputs. Other than as noted above, there are no significant deviations between carrying amounts of financial assets and liabilities and their fair values due to short-term maturities.

14. Commitments and contingencies

On 6 November 2013, AKPS executed definitive agreements for a joint venture with Crowley Maritime Corporation and certain of its affiliates (Crowley) related to the ownership, operation and chartering of four product tankers. The vessels will be delivered in 2015 and 2016 and Crowley will maintain control over the ownership, technical operation, and commercial management of the vessels. AKPS and Crowley will share approximately 49.9% and 50.1%, respectively, in the economic benefits from the vessels. It is anticipated that AKPS will have an investment in the joint venture of approximately USD 110 million once all four vessels are delivered. The actual amount of the investment will depend upon the total capital cost of the vessels to the joint venture and the net amount of takeout financing upon delivery of the vessels. The vessels owned by the joint venture will be subject to mortgage debt residing at the joint venture. Due to the nature of the transaction, approximately 49.9% of the gross profits on each vessel being constructed by APSI for the joint venture will be deferred and recognized ratably over the life of such vessel once it is delivered. As of 31 March 2015, the Company had deferred USD 12.0 million in profit which is recorded as a reduction in revenues and included in vessels-under-construction receivable on the statement of financial position. All four vessels have multi-year charters in place.

As part of the transactions contemplated by the Authorization Agreement executed by APSI and Philadelphia Shipyard Development Corporation (PSDC) in 2011, APSI agreed to a new termination event under its shipyard lease, pursuant to which PSDC has the right to recapture the shipyard if APSI fails to maintain an average of at least 200 full-time employees at the shipyard for 90 consecutive days, subject to the right of APSI to complete work-in-process projects and a one-time, limited cure right which allows APSI to restore the lease to a 5-year term under certain circumstances. Based on its current construction schedule and backlog, AKPS expects that it will have at least 200 full-time employees on staff for the foreseeable future.

15. Use and reconciliation of non-GAAP financial measures

	Q1		
	Unaudited		**Full Year**
Amounts in USD millions	**2015**	**2014**	**2014**
EBITDA	3.9	24.2	32.1
plus: deferred shipbuilding profits for Hulls 021-024	3.0	0.5	9.0
Adjusted EBITDA	**6.9**	**24.7**	**41.1**

Non-GAAP financial 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 a non-GAAP financial measure:

Adjusted EBITDA which is defined as EBITDA plus deferred shipbuilding profits

16. Events after 31 March 2015

The Company's annual general meeting was held on 15 April 2015. At this meeting, the Board was authorized to make dividend payments, increase share capital and purchase own shares. All other proposals were approved and the Board of Directors is unchanged. Minutes from the annual general meeting are posted on the Company's website.

On 6 May 2015, the Board of Directors authorized a dividend of USD 0.25 per share. The dividend payment will take place on or about 22 May 2015 to shareholders of the Company of record on 12 May 2015. The shares will be traded exclusive dividend from and including 13 May 2015.

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