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VARO™

a Fincantieri company

Disclaimer

This presentation should be read in conjunction with Vard Holdings Limited's results for the period ended 31 March 2017 in the SGXNet announcement. Financial figures are presented according to SFRS.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Company's current view of future events.

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1Q 2017 Results Presentation

Vard Holdings Limited

12 May 2017

1Q 2017 key messages

- **Revenue** of NOK 1 777 million, down from NOK 2 023 million in 1Q 2016
- **EBITDA** (before restructuring cost) of NOK 40 million, down from NOK 57 million in 1Q 2016
- **EBITDA margin** (EBITDA before restructuring cost to total operating revenues) of 2.3%, down from 2.8% in 1Q 2016
- **Order intake** of NOK 1 885 million; including two ferries, one krill fishing vessel, and one pelagic trawler
- Two offshore **projects delivered** during 1Q 2017
- 43 vessels in the **order book** as at 31 March 2017, of which 36 are VARD designs
- High **workload in Romania** on the back of increasing order book and cruise ship sections to be delivered to Fincantieri
- New **order prospects** in exploration cruise, fisheries and aquaculture, and nascent interest from the offshore sector



VARD 8 10 | Krill Fishing Vessel for Aker BioMarine

1Q 2017

Business update

Vessel deliveries

Two vessels delivered in 1Q 2017

Skandi Buzios

From Vard Sjøviknes (Norway) to Techdof Brasil



Design: VARD 3 05 | Offshore Subsea Construction and Pipelay Vessel

Far Superior

From Vard Vung Tau (Vietnam) to Farstad Shipping



Design: VARD 3 17 | Subsea / IMR Vessel

New contracts

Four new contracts secured in 1Q 2017

2 Car- and Passenger Ferries for Torghatten Nord



Design: MM 125FD | Delivery: 3Q 2018 and 4Q 2018
Aggregate contract value: Approx. NOK 600 million

1 Krill Fishing Vessel for Aker BioMarine



Design: VARD 8 10 | Delivery: 4Q 2018
Contract value: Approx. NOK 750 million

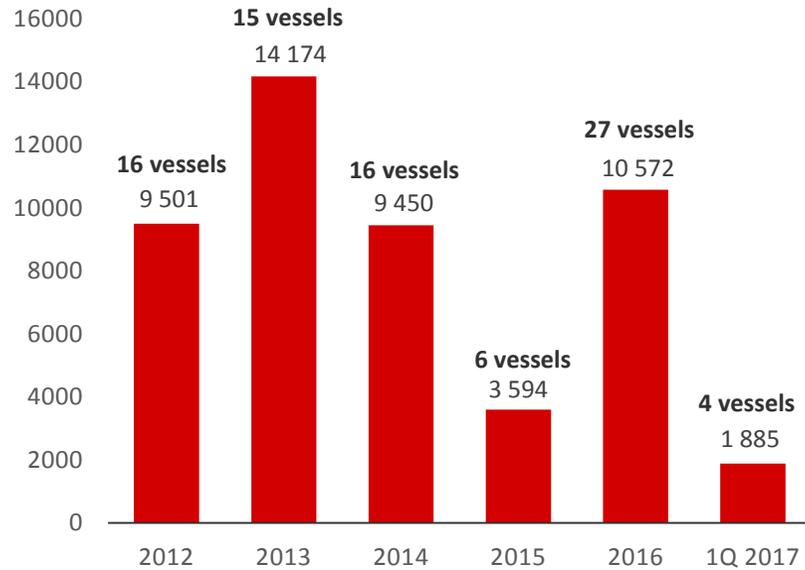
1 Pelagic Trawler for Research Fishing Company



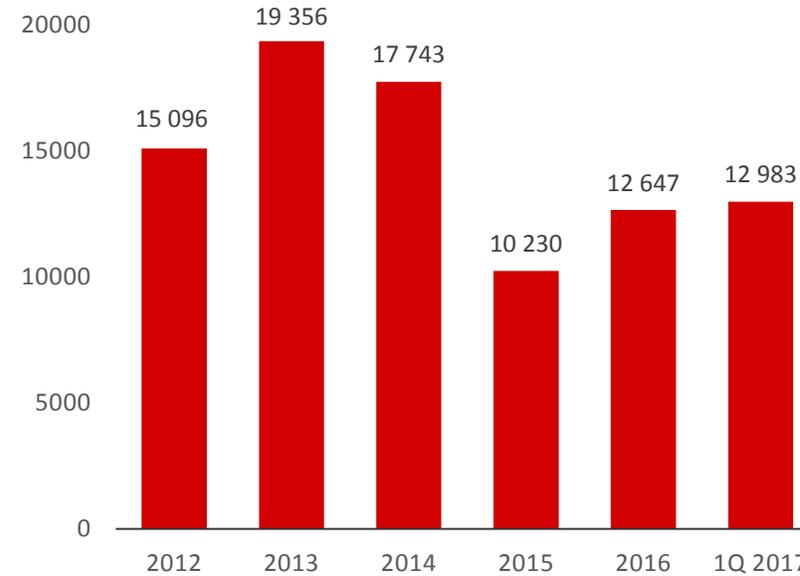
Design: ST-126 | Delivery: 3Q 2018
Contract value: Approx. NOK 350 million

Order book development

New order intake during the period (NOK million)



Order book value at the end of the period (NOK million)

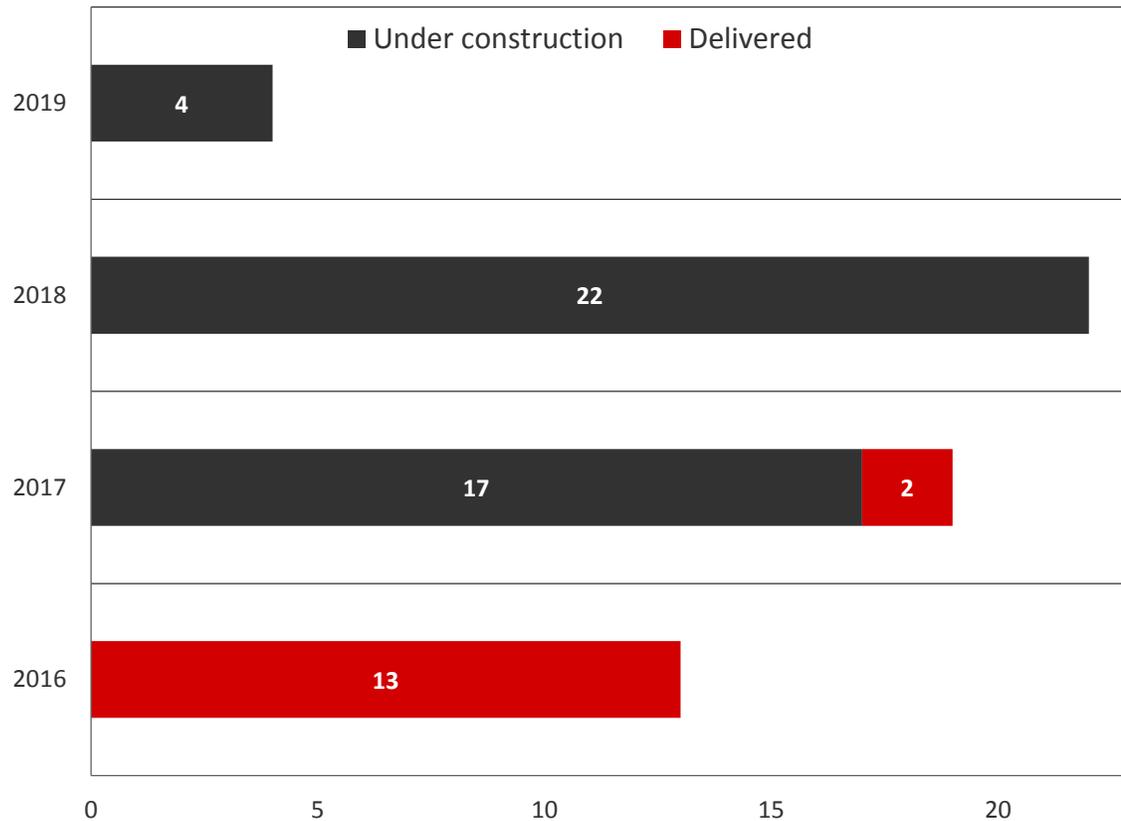


As at 31 March 2017, the Group had 43 vessels in the order book, 36 of which will be of VARD’s own design.

Note: Includes variation orders, repair and conversion, and equipment sales

Order book status

Order book as of 31 March 2017 (# of vessels)



Type	Norway	Romania	Vietnam	Brazil	Total
Offshore					4
MCV ⁽¹⁾					
Cruise	4				
Other					
Offshore	1			1	22
MCV		9	3		
Cruise	2				
Other	5			1	
Offshore	7+1		1	1	17+2
MCV		4	4		
Cruise					
Other				1	
Offshore	6		1	1	13
MCV					
Cruise					
Other	1	1		3	

(1) Module Carrier Vessels

Order book by region and vessel type

By region

Region	Order book 31 Dec 2016	Deliveries 1Q 2017	Order intake 1Q 2017	Order book 31 Mar 2017
Norway	16	1	4	19
Romania	13	-	-	13
Vietnam	8	1	-	7
Brazil	4	-	-	4
Total	41	2	4	43

By vessel type

Vessel type	Order book 31 Dec 2016	Deliveries 1Q 2017	Order intake 1Q 2017	Order book 31 Mar 2017
AHTS	-	-	-	-
PSV	3	-	-	3
OSCV	9	2	-	7
MCV ⁽¹⁾	20	-	-	20
Cruise	6	-	-	6
Other	3	-	4	7
Total	41	2	4	43

(1) Module Carrier Vessels

Operations – Norway

- Medium to low workload; temporary layoffs at several of the yards
- Repair, conversion and upgrade work ongoing
- Maintenance program for Norwegian Coast Guard vessels initiated
- Pelagic trawler contracted for delivery from Vard Langsten, to be built entirely in Norway
- Two OSCVs for Topaz Energy and Marine under construction at Vard Brattvaag
- Vard Søviknes preparing for arrival of first cruise ship hull for PONANT from Romania; mock-up of cabin interiors approved



Cabin design for exploration cruise vessels for PONANT

Operations – Romania

- High workload at the yards, especially at Vard Tulcea
- Two large ship sections for Fincantieri under construction
- Substantial demand for new employees; hiring of more than 500 workers underway
- Increasing use of subcontractors
- Progress on MCV projects according to plan
- Hull construction for cruise projects for PONANT ongoing; steel cutting on Hapag-Lloyd projects started



OSCV for Topaz Energy and Marine departing from Vard Tulcea

Operations – Vietnam

- Stable operations
- Seven MCVs in the order book; healthy yard utilization
- Good progress on MCV projects
- First vessel successfully launched and currently in commissioning phase



First MCV for Topaz Energy and Marine launched at Vard Vung Tau

Operations – Brazil

- Two PLSVs for Dofcon Navegação (DOF and TechnipFMC) and two LPG carriers for Transpetro under construction
- Insufficient workload in early phases of vessel construction; focus on outfitting and commissioning
- Pursuing leads to secure additional work for the yard



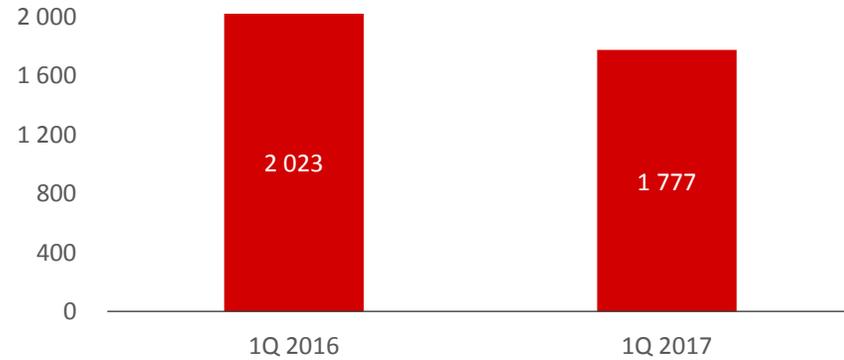
Vard Promar – PLSV for Dofcon Navegação under construction

1Q 2017

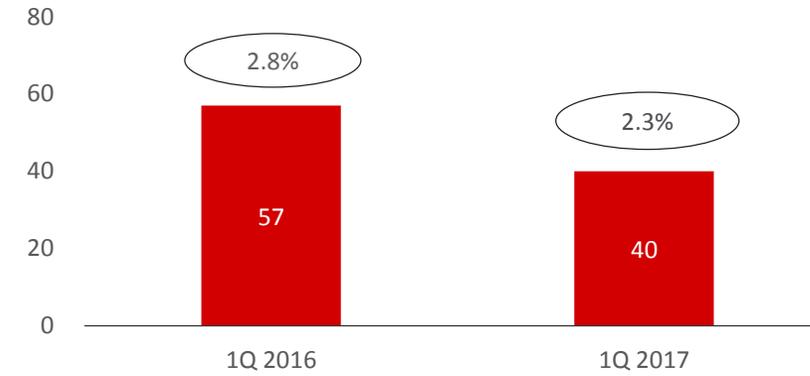
Key financials

Revenues, EBITDA and net income

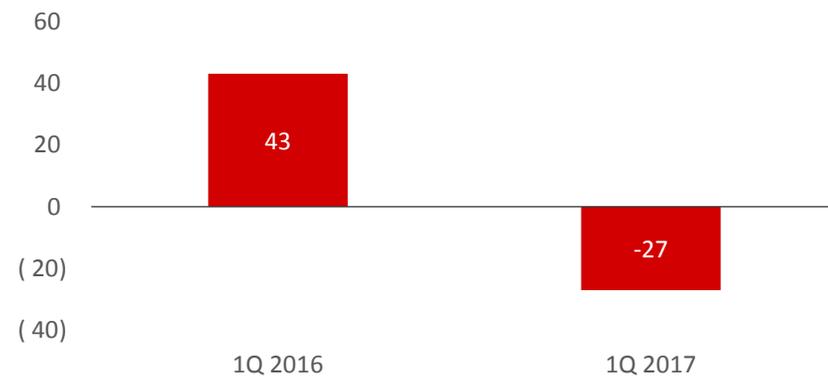
Revenues (NOK million)



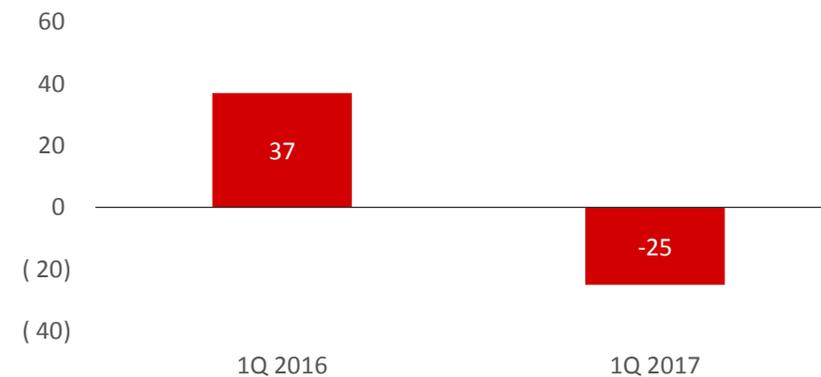
EBITDA (NOK million)



Profit (loss) for the period (NOK million)



Profit (loss) attributable to equity holders of the Company (NOK million)



Income statement

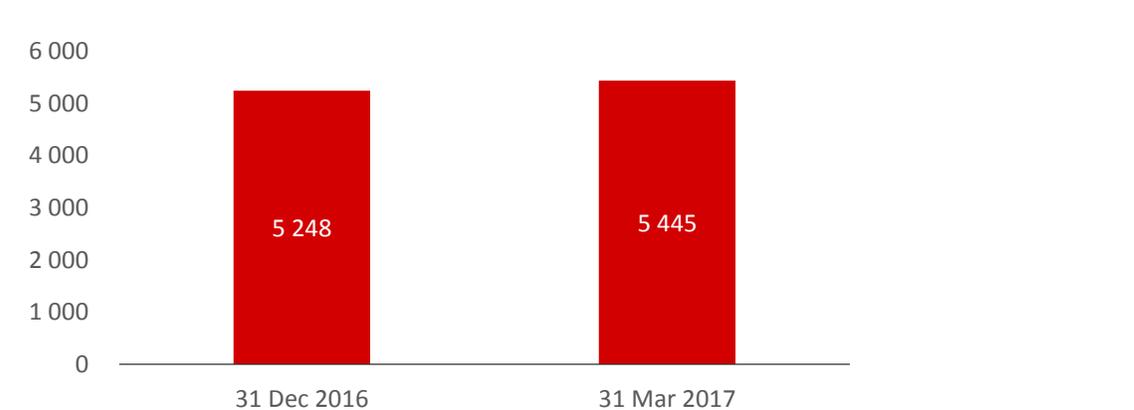
(NOK million)	1Q ended 31 March	
	2017	2016
Revenue	1 777	2 023
EBITDA before restructuring cost	40	57
EBITDA margin (%)	2.3%	2.8%
Restructuring cost	(6)	(11)
Depreciation, impairment and amortization	(53)	(51)
Operating profit (loss)	(19)	(5)
Net financial income / (cost)	(4)	48
Profit (loss) before tax	(23)	43
Profit (loss) for the period	(27)	43
Non-controlling interest	(2)	6
Profit (loss) attributable to equity holders of the Company	(25)	37

Cash and cash equivalents, and loans and borrowings

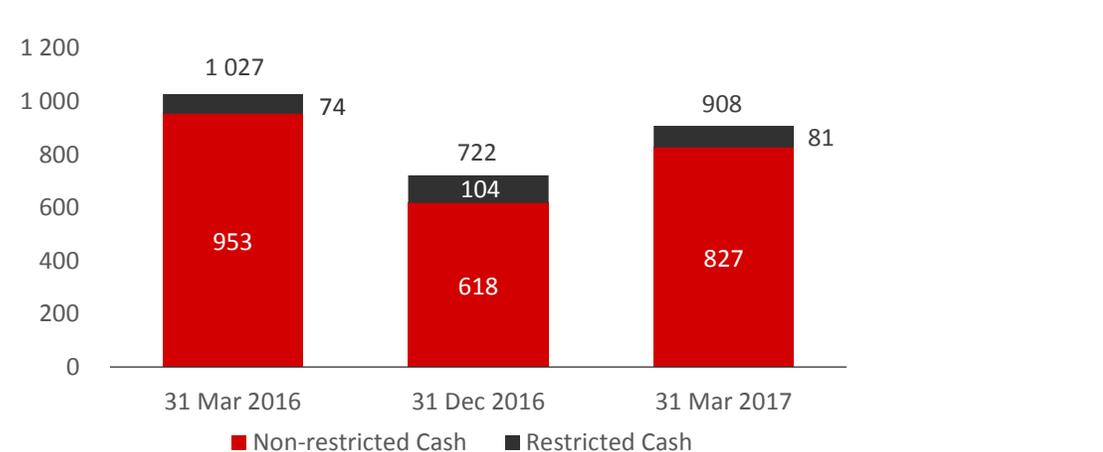
Net cash (NOK million)¹



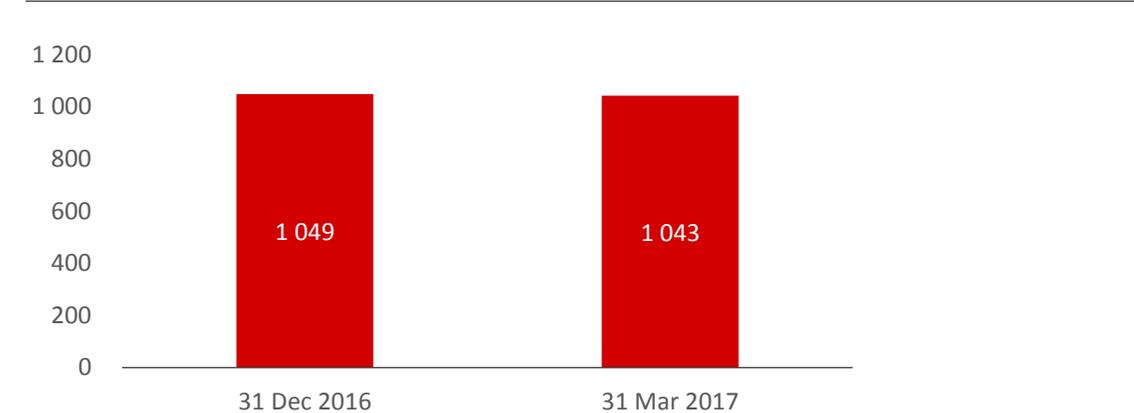
Construction loans (NOK million)



Cash and cash equivalents (NOK million)



Loans and borrowings, non-current (NOK million)



Balance sheet

(NOK million)	As at:	
	31 March 2017	31 December 2016
Non-current assets	4 090	3 892
Cash and cash equivalents	908	722
Other current assets	9 005	8 904
Total assets	14 003	13 518
Total equity	2 261	2 295
Loans and borrowings, non-current	1 043	1 049
Other non-current liabilities	852	819
Construction loans	5 445	5 248
Other current liabilities	4 402	4 107
Total liabilities	11 742	11 223
Total equity and liabilities	14 003	13 518

Cash flow statement

(NOK million)	1Q ended 31 March	
	2017	2016
Cash flows from / (used in) operating activities	243	317
Cash flows from / (used in) investing activities	(93)	(35)
Cash flows from / (used in) financing activities	56	(52)
Net change in cash and cash equivalents	206	230
Effects of currency translation differences	3	3
Cash and cash equivalents excluding restricted cash at the beginning of the financial period	618	720
Restricted cash at the end of the financial period	81	74
Cash and cash equivalents at the end of the financial period	908	1 027

Earnings per share

	1Q ended 31 March	
	2017	2016
Earnings for the period (NOK million)	(25)	37
Earnings for the period (SGD million)	(4)	6
Weighted average number of shares (million)	1 180	1 180
Earnings per share (NOK)	(0.02)	0.03
Earnings per share (SGD cents)	(0.34)	0.51
Exchange rates (SGD/NOK)	6.137	6.152

Note: Earnings per ordinary share for the financial period attributable to equity holders of the Company
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

Net assets value per share

	As at:	
	31 March 2017	31 December 2016
Net assets value at the end of the period (NOK million)	2 234	2 265
Net assets value at the end of the period (SGD million)	364	380
Number of shares (million)	1 180	1 180
Net assets value per ordinary share (NOK)	1.89	1.92
Net assets value per ordinary share (SGD)	0.31	0.32
Exchange rate (SGD/NOK)	6.137	5.965

Note: Net assets value for the Group per ordinary share based on issued share capital of the issuer
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

1Q 2017
Outlook

Outlook

- New project opportunities in diverse markets for specialized vessels
 - Still healthy demand from exploration cruise vessel segment
 - Position in the fisheries and aquaculture segment strengthened through recent contracts for krill fishing vessel, pelagic trawler, and live fish transportation vessel
 - Nascent interest from the offshore sector for individual vessel types
- Majority of offshore projects in the order book nearing completion; shift towards cruise vessels and other specialized vessels in all stages of production
- Development of capacity and capabilities to the requirements of the new, diversified portfolio
- Variable workload in Norway in the near to medium term; high load in Romania while Brazil still challenging
- Risk still inherent in the offshore project portfolio; continuously working to mitigate risk and strengthen financial robustness



1Q 2017

Q&A