

For Immediate Release

VARD COMMENCES 2014 WITH EXCEPTIONALLY HIGH ORDER INTAKE

- *Exceptionally high order intake of NOK 5.5 billion, securing eight new vessels in 1Q2014*
- *Order book at five-year high*
- *Stable first quarter revenue of NOK 2.7 billion*
- *Successful completion of one more vessel at Vard Niterói*
- *Group retains positive outlook for subsea support and construction vessels*

Singapore, 29 April 2014 – Vard Holdings Limited (“VARD”, and together with its subsidiaries, the “Group”), one of the major global designers and shipbuilders of offshore and specialised vessels, today announced its financial results for the first quarter ended 31 March 2014 (“1Q2014”).

Order book value at five-year high; strong order intake reinforces visibility

VARD recorded an exceptionally high order intake of NOK 5.5 billion in 1Q2014, securing eight new vessel contracts and improving the Group’s visibility with a further extension of the order book. Order book value at the end of the quarter amounted to a five-year high of NOK 21.8 billion, representing a 13% increase from the full year 2013 (“FY2013”), and a 41% increase from the same quarter in the preceding year (“1Q2013”).

The order intake includes an arctic Anchor Handling Tug Supply (“AHTS”) vessel for Bourbon – the first AHTS contracted since 2012 –, an Offshore Subsea Construction Vessel (“OSCV”) for Solstad Offshore – VARD’s largest ever single vessel order –, a Diving Support and Construction Vessel for leading subsea group Technip, and three Platform Supply Vessels (“PSV”) to be built at the Group’s yard in Vietnam, two of which for new customer Mermaid Marine Australia.

During the quarter, VARD successfully delivered four vessels out of Norway and Romania, and its order book as at 31 March 2014 stood at 45, of which 27, or 60%, will be of VARD’s own design.

Stable top line with robust cash flow position

In 1Q2014, VARD generated stable revenue of NOK 2.7 billion, representing a slight 2.7% dip from 1Q2013. EBITDA margin (representing EBITDA to total operating revenues) ticked upwards for the third consecutive quarter ending at 6.4%, against a high EBITDA margin of 11.1% for 1Q2013.

The Group’s cash position improved with nearly NOK 400 million since the end of FY2013, and cash and cash equivalents at the end of the quarter stood at a robust NOK 2.1 billion, mainly due to an increase in operating cash flows, coupled with the effect of lower cash flows used for investing activities.

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Overall improved load situation and utilization of yards

During the quarter, one of the delayed vessels at Vard Niterói was completed, reducing the yard's load from its peak in the fourth quarter of the last financial year. Of the three remaining projects, one vessel has successfully concluded its sea trial and is slated for delivery in May.

Vard Promar, the Group's second Brazil yard, is in the final stage of construction, with the installation of the gantry crane to be finalized in July 2014. The yard currently has a headcount of about 1,210 employees, and construction of its first shipbuilding projects, a series of LPG carriers, is advancing.

On the back of three new contracts secured during the quarter, Vard Vung Tau's order book lengthened, and yard utilization improved immediately. All projects at the Vietnam yard are progressing well.

The investment program at Vard Tulcea in Romania was completed, leading to a positive development in productivity. The hull yards in Romania experienced high workload in 1Q2014, while the outfitting yards in Norway generally observed a good level of yard utilisation. The four vessels delivered in 1Q2014 all came from VARD's Norwegian yards.

Positive outlook from continued strong demand for subsea support and construction vessel segment

The Group remains positive on order activity for the full year 2014, but also considers the order intake in 1Q2014 to be exceptional. VARD expects to see continued strong demand from the subsea support and construction vessel segment despite concerns over the rising production cost in the oil & gas industry. Average vessel size and complexity are expected to continue to increase.

VARD believes there will be incremental growth opportunities from new business development, such as the establishment of Vard Marine, the new design and engineering subsidiary in Canada, announced on 17 March 2014.

Roy Reite, Chief Executive Officer and Executive Director of VARD, commented, "We have had a promising start to the new year, and continue to reinforce our position as a market leader, and strengthen partnerships with new and repeat customers. We are excited for the upcoming projects in 2014 and are confident of building upon our solid fundamentals to tap on future growth opportunities."

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About VARD

Vard Holdings Limited ("VARD"), together with its subsidiaries (the "Group"), is one of the major global designers and shipbuilders of offshore and specialized vessels used in the offshore oil and gas exploration and production and oil services industries. Headquartered in Norway and with 10,000 employees, VARD operates ten strategically located shipbuilding facilities, including five in Norway, two in Romania, two in Brazil and one in Vietnam.

VARD's long shipbuilding traditions, cutting-edge innovation and technology coupled with its global operations ensure access to the fastest growing oil exploration markets. The Group's expertise and track record in constructing complex and highly customized offshore and specialized vessels have earned it recognition from industry players and enabled it to build strong relationships with its customers.

VARD was listed on the Main Board of the Singapore Exchange on 12 November 2010. Majority shareholder Fincantieri Oil & Gas S.p.A., a wholly owned subsidiary of FINCANTIERI S.p.A., owns 55.63% in the Group. Headquartered in Trieste, Italy, FINCANTIERI is one of the world's largest shipbuilding groups and has, over its 200 years of maritime history, built more than 7,000 vessels.

www.vard.com

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