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FIRST QUARTER 2015

FINANCIAL STATEMENTS

Published 13 May 2015

VARD™
a **Fincantieri** company

Vard Holdings Limited

Incorporated in Singapore | Company Registration No. 201012504K
Unaudited results for the first quarter ended 31 March 2015

First Quarter 2015 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

(All amounts in NOK millions unless otherwise stated)

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1 UNAUDITED FINANCIAL STATEMENTS

(a)(i) Statement of Comprehensive Income (Group)

	Group		
	1Q-2015 ended 31.03.15	1Q-2014 ended 31.03.14	Change %
Revenue	3,063	2,672	14.6%
Materials, subcontract costs and others	(2,189)	(1,799)	21.7%
Salaries and related costs	(663)	(552)	20.1%
Other operating expenses	(146)	(150)	-2.7%
EBITDA before restructuring cost	65	171	-62.0%
Restructuring cost	(6)	-	
Depreciation, impairment and amortization	(50)	(48)	4.2%
Operating profit	9	123	-92.7%
Financial income	75	33	127.3%
Financial costs	(291)	(39)	646.2%
Net	(216)	(6)	n/m
Share of results of associates	1	2	n/m
Profit (loss) before tax	(206)	119	n/m
Income tax expense	(20)	(34)	-41.2%
Profit (loss) for the period	(226)	85	n/m
Profit (loss) for the period attributable to:			
Equity holders of the Company	(92)	92	n/m
Non-controlling interest	(134)	(7)	n/m
Profit (loss) for the period	(226)	85	n/m
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	173	(14)	n/m
Other comprehensive income for the period, net of income tax	173	(14)	n/m
Total comprehensive income for the period	(53)	71	n/m
Total comprehensive income attributable to:			
Equity holders of the Company	8	78	-89.7%
Non-controlling interest	(61)	(7)	n/m
Total comprehensive income for the period	(53)	71	n/m

Notes:

(*) N/M - Not meaningful.

(**) As a result of rounding differences, numbers or percentages may not add up to the total.

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1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(a)(ii) Notes to the Statement of Comprehensive Income

	Group		
	1Q-2015 ended 31.03.15	1Q-2014 ended 31.03.14	Change %
Interest income	7	10	n/m
Dividend income	-	-	n/m
Foreign exchange gain	67	20	235.0%
Other financial income	1	3	n/m
Financial income	75	33	127.3%
Interest expense	(15)	(1)	n/m
Foreign exchange loss	(274)	(37)	640.5%
Other financial expenses	(2)	(1)	n/m
Financial expenses	(291)	(39)	646.2%
Net financial items	(216)	(5)	n/m
Depreciation of property, plant and equipment	(47)	(47)	0.0%
Amortization of intangibles	(1)	-	n/m
Impairment charges	-	(1)	n/m
Depreciation, impairment charges and amortization	(48)	(48)	0.0%
Bad debt	-	-	n/m
Provisions for doubtful debts	-	4	n/m
Allowance for doubtful debts and bad debts written off / - back	-	4	n/m

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1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(b)(i) Statement of Financial Position

	Group			Company		
	As at 31.03.15	As at 31.12.14	Change %	As at 31.03.15	As at 31.12.14	Change %
Property, plant and equipment	2,394	2,535	-5.6%	-	-	n/m
Intangible assets	338	338	0.0%	-	-	n/m
Investment in subsidiary	-	-	n/m	2,142	2,142	0.0%
Investment in associates	328	327	0.3%	-	-	n/m
Other investments	61	61	0.0%	-	-	n/m
Interest-bearing receivables, non-current	336	336	0.0%	656	632	3.8%
Non-current derivatives	84	1	n/m	-	-	n/m
Other non-current assets	53	55	-3.6%	-	-	n/m
Deferred tax assets	120	133	-9.8%	-	-	n/m
TOTAL NON-CURRENT ASSETS	3,714	3,786	-1.9%	2,798	2,774	0.9%
Inventories	555	466	19.1%	-	-	n/m
Construction WIP in excess of prepayments	8,594	9,200	-6.6%	-	-	n/m
Trade and other receivables	1,747	1,638	6.7%	43	49	-12.2%
Current derivatives	270	400	-32.5%	-	-	n/m
Other current assets	1,638	1,427	14.8%	-	-	n/m
Interest-bearing receivables, current	509	530	-4.0%	70	70	0.0%
Cash and cash equivalents	1,692	2,002	-15.5%	24	10	n/m
TOTAL CURRENT ASSETS	15,005	15,663	-4.2%	137	129	6.2%
TOTAL ASSETS	18,719	19,449	-3.8%	2,935	2,903	1.1%
Paid up capital	4,138	4,138	0.0%	4,138	4,138	0.0%
Restructuring reserve	(3,190)	(3,190)	0.0%	(1,411)	(1,411)	0.0%
Other reserves	362	262	38.2%	-	-	n/m
Retained earnings	2,830	2,922	-3.1%	203	170	19.4%
Total equity attributable to equity holders of the Comp.	4,140	4,132	0.2%	2,930	2,897	1.1%
Non-controlling interest	(329)	(268)	22.8%	-	-	n/m
TOTAL EQUITY	3,811	3,864	-1.4%	2,930	2,897	1.1%
Loans and borrowings, non-current	1,270	1,204	5.5%	-	-	n/m
Deferred tax liabilities	62	72	-13.9%	2	2	n/m
Non-current derivatives	1	47	-97.9%	-	-	n/m
Other non-current liabilities	98	3	n/m	-	-	n/m
Provisions, non-current	125	126	-0.8%	-	-	n/m
TOTAL NON-CURRENT LIABILITIES	1,556	1,452	7.2%	2	2	n/m
Loans and borrowings, current	579	406	42.6%	-	-	n/m
Construction loans	7,473	7,663	-2.5%	-	-	n/m
Prepayments in excess of construction WIP	740	848	-12.7%	-	-	n/m
Trade and other payables	1,476	2,418	-39.0%	1	1	n/m
Current derivatives	2,625	2,180	20.4%	-	-	n/m
Income tax payable	119	192	-38.0%	1	2	n/m
Provisions, current	163	171	-4.7%	-	-	n/m
Other current liabilities	177	255	-30.6%	1	1	n/m
TOTAL CURRENT LIABILITIES	13,352	14,133	-5.5%	3	4	n/m
TOTAL LIABILITIES	14,908	15,585	-4.3%	5	6	n/m
TOTAL EQUITY AND LIABILITIES	18,719	19,449	-3.8%	2,935	2,903	1.1%

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1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities	As at 31.03.15		As at 31.12.14	
	Secured	Unsecured	Secured	Unsecured
Loans and borrowings, current	579	-	406	-
Construction loans *	7,473	-	7,663	-
Total Amount repayable in one year or less, or on demand	8,052	-	8,069	-
<i>* Construction loans are in general treated as short term maturing on vessel delivery.</i>				
Loans and borrowings, non-current	1,270	-	1,204	-
Total Amount repayable after one year	1,270	-	1,204	-
Total	9,322	-	9,273	-

Details of debt secured by collaterals

Currency	Facility in currency	Drawn amount in currency	Drawn amount in NOK	Current portion in NOK	Non-current portion in NOK
NOK	387	229	229	32	197
USD	188	164	1,287	324	963
EUR	30	27	232	124	108
BRL	42	41	101	99	2
Total			1,849	579	1,270

The following assets have been pledged as security for the loans:

- Property plant and equipment in Vard Group AS
- Property plant and equipment in Vard Promar SA
- Property plant and equipment in Vard Tulcea SA
- Equipment in Vard Niterói SA
- Shares in Vard Vung Tau Ltd.
- Shares in Vard Promar SA

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(All amounts in NOK millions unless otherwise stated)

1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(c) Statement of Cash Flows (Group)

	Group	
	1Q-2015 ended 31.03.15	1Q-2014 ended 31.03.14
OPERATING ACTIVITIES		
Profit before tax	(206)	119
Adjustments for:		
Net interest income	8	(9)
Unrealised foreign exchange gain/loss	174	(31)
Depreciation, impairment and amortization	50	48
Change in pension assets and liabilities	-	1
Share of results of associates	(1)	(2)
Operating cash flows before movements in working capital	25	126
Inventories	(88)	(17)
Construction work in progress	551	(437)
Proceeds from construction loans	1,654	4,005
Repayment of construction loans	(1,734)	(2,927)
Trade and other receivables, incl. other interest bearing receivables	(271)	(239)
Trade and other payables, incl. other liabilities	(606)	(124)
Provisions	(9)	(1)
Cash generated from / (used in) operations	(478)	386
Interest received	5	4
Interest paid	(2)	(1)
Income tax paid	(81)	(78)
Cash flows from/ (used in) operating activities	(556)	311
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	(60)	(72)
Purchase of intangible assets	(4)	(1)
Issuance of new non-current interest bearing receivables	-	(10)
Proceeds from repayment of non-current interest bearing receivables	-	77
Issuance of new short-term interest-bearing receivables	(1)	(6)
Acquisition of equity interest in associates	-	(11)
Cash flows used in investing activities	(64)	(23)
FINANCING ACTIVITIES		
Proceeds from loans and borrowings	196	24
Repayment of loans and borrowings	(26)	(26)
Cash flows from/ (used in) financing activities	170	(2)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(450)	286
Effects of currency translation differences on cash and cash equivalents	(59)	(2)
Cash and cash equivalents excl. restricted cash at beginning of financial period	1,966	1,663
Cash and cash equivalents excl. restricted cash at end of financial period	1,457	1,947
Restricted cash at end of financial period	235	174
Cash and cash equivalents at end of financial period included restricted cash	1,692	2,121

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1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(d)(i) Statements of
Changes in Equity

Changes in Equity								
Group	Paid up Capital	Restructu- ring Reserve	Currency Translation Reserve	Fair Value Reserve	Retained Earnings	Total Equity Attributable To Equity Holders of the Company	Non- controlling Interest	Total Equity
At 1 January 2015	4,138	(3,190)	120	142	2,922	4,132	(268)	3,864
Comprehensive income								
Profit for the period	-	-	-	-	(92)	(92)	(134)	(226)
Other comprehensive income	-	-	100	-	-	100	73	173
Total comprehensive income	-	-	100	-	(92)	8	(61)	(53)
At 31 March 2015	4,138	(3,190)	220	142	2,830	4,140	(329)	3,811
At 1 January 2014	4,138	(3,190)	-	167	2,573	3,688	20	3,708
Comprehensive income								
Profit for the period	-	-	-	-	92	92	(7)	85
Other comprehensive income	-	-	-	-	(14)	(14)	-	(14)
Total comprehensive income	-	-	-	-	78	78	(7)	71
At 31 March 2014	4,138	(3,190)	-	167	2,651	3,766	13	3,779
Statements of Changes in Equity								
Company					Paid up Capital	Restructu- ring Reserve	Retained Earnings	Total Equity
At 1 January 2015					4,138	(1,411)	170	2,897
Comprehensive income								
Profit for the period					-	-	33	33
Total comprehensive income for the period					-	-	33	33
At 31 March 2015					4,138	(1,411)	203	2,930
At 1 January 2014					4,138	(1,411)	118	2,845
Comprehensive income								
Profit for the period					-	-	9	9
Total comprehensive income for the period					-	-	9	9
At 31 March 2014					4,138	(1,411)	126	2,853

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1 UNAUDITED FINANCIAL STATEMENTS (cont.)

(d)(ii) Share Capital

There were no ordinary shares issued in 1Q 2015. There are no treasury shares as at 31 March 2015 and as at 31 March 2014.

Share Options

There were no outstanding options to subscribe for shares as at 31 March 2015 (31 March 2014: 0).

(d)(iii) Number of Issued Shares excluding Treasury Shares

The number of issued shares (excluding treasury shares) as at 31 March 2015 is 1,180,000,000 ordinary shares (31 December 2014: 1,180,000,000 ordinary shares)

(d)(iv) Sales, Transfers, Disposals, Cancellations and/or use of Treasury Shares

Not applicable. The Company has no treasury shares.

2 AUDIT

The figures have not been audited nor reviewed by the auditors.

3 AUDITORS' REPORT

Not applicable.

4 ACCOUNTING POLICIES

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2014.

5 CHANGES IN ACCOUNTING POLICIES

The Group has changed the sum line "EBITDA" to "EBITDA before restructuring cost". Restructuring cost is defined as cost related to termination benefits to employees related to reduction in workforce, and other cost incurred as a consequence of temporary or permanent reduction of capacity. There were no such cost in 2014 hence the change does not require any adjustment in previous periods. "EBITDA" is used as shortform for "EBITDA before restructuring cost" through the remainder of this report.

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6 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share (attributable to Equity holders of the Company) for the current financial period reported on and the corresponding period of the immediately preceeding financial year:

		Group		
		1Q-2015	1Q-2014	Change
		ended	ended	
		31.03.15	31.03.14	%
(i)	Earnings for the period (in NOK millions)	-92	92	n/m
	Earnings for the period (in SGD millions)	-16	19	n/m
	Weighted average number of shares (in millions)	1,180	1,180	0.0%
(ii)	Earnings per share (NOK)	-0.08	0.08	-200.0%
	Earnings per share (SGD cents)	-1.36	1.61	-184.5%
(iii)	Diluted earnings per share (NOK)	-0.08	0.08	-200.0%
	Diluted earnings per share (SGD cents)	-1.36	1.61	-184.5%
	Adjusted weighted average number of shares (in millions)	1,180	1,180	0.0%
Exchange rates:		31.03.15	31.03.14	
	SGD/NOK	5.891	4.767	23.6%

The SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting date as shown above.

7 NET ASSETS VALUE PER ORDINARY SHARE

Net assets value (for the Issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the current financial period reported on and immediately preceeding financial year:

	Group			Company		
	As at	As at	Change %	As at	As at	Change %
	31.03.15	31.12.14		31.03.15	31.12.14	
Net assets value at the end of the period (NOK millions)	4,140	4,132	0.2%	2,930	2,897	1.1%
Net assets value at the end of the period (SGD millions)	703	735	-4.4%	497	515	-3.5%
Number of shares (millions)	1,180	1,180	0.0%	1,180	1,180	0.0%
Net assets value per ordinary share (NOK)	3.51	3.50	0.3%	2.48	2.46	0.8%
Net assets value per ordinary share (SGD)	0.60	0.62	-3.2%	0.42	0.44	-4.5%
Exchange rates:	31.03.15	31.12.14		31.03.15	31.12.14	
SGD/NOK	5.891	5.622	4.8%	5.891	5.622	4.8%

The SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting date as shown above.

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8 REVIEW OF GROUP PERFORMANCE

(a) Statement of comprehensive income:

Revenues for the first quarter of 2015 were NOK 3.06 billion, up from NOK 2.67 billion in the corresponding period of 2014. The increase in revenues is caused by higher activity at the yards and with subcontractors.

Operating profit for the first quarter was NOK 9 million, down from NOK 123 million in the corresponding period of 2014. EBITDA before restructuring cost was NOK 65 million compared to NOK 171 million in the corresponding quarter last year. Restructuring cost of NOK 6 million mainly relates to statutory termination benefits to redundant staff at the yard in Niterói.

The EBITDA margin was reduced from 6.4% in the first quarter of 2014 to 2.1% in the first quarter of 2015. The reduced margin is caused by weaker than expected performance at some of the yards.

In the Group's European organization, comprising the shipyards in Romania and Norway, the activity level at most of the yards was high. As a consequence of variation orders for several projects leading to extended delivery dates, production schedules have been adjusted, resulting in an improved workload balance at the yards. As expected, the new order intake was weak in the quarter, resulting in reduced activity at some of the yards from the second half of 2015. Measures have been put in place to reduce costs related to lower capacity utilization and increase flexibility as the activity at the yards declines. The European yards delivered four vessels in first quarter of 2015.

Operations at the yard in Vietnam are stable and yard utilization is good. The yard delivered one vessel in the quarter. On 13 March 2014, VARD informed that the contracts related to two vessels currently under construction were terminated. VARD intends to complete the vessels and resell them to new customers. The terminations do not have any impact on the reported EBITDA for the quarter.

In Brazil, the downsizing of operations at Niterói continues while the activity level at the yard is still high, with four vessels in advanced production stages during the first quarter of 2015. Testing and commissioning work was ongoing on two projects, while two more vessels are in the outfitting stage. There have been some cost overruns mainly related to the completion phase of the AHTS Pro31. This vessel was finally delivered to the customer on 4 May 2015.

At the new shipyard, Vard Promar, additional cost overruns were incurred especially related to the completion phase for the first LPG carriers. The efficiency in the early production phases has reached an acceptable level, and the Group expects that the completion of the remaining LPG vessels will be more efficient compared to the first vessels. Special focus is now on also improving the later production stages. Resources from the European shipyards are being mobilized to support the development. The progress of the PLSV projects is according to schedule. The staffing level at the yard has been stable during the quarter.

Interest expenses for the first quarter of 2015 were NOK 15 million, up from NOK 1 million in the corresponding period in 2014. The interest expenses have increased as a consequence of increased borrowings, and reduced capitalization of borrowing cost related to assets under construction.

The foreign exchange market has been volatile in the first quarter of 2015. USD has strengthened 21% against BRL and 9% against NOK, resulting in net foreign exchange losses in the period at NOK 207 million, of which NOK 174 million are unrealized and NOK 33 million are realized. NOK 171 million of the unrealized losses relate to the yard construction loan at Vard Promar denominated in USD with a 15 years maturity. The loan is denominated in USD to reflect USD revenue streams from contracts in Brazil, while the functional currency is BRL.

Profit before tax was NOK 206 million negative in the first quarter of 2015, compared to NOK 119 million positive in the first quarter of 2014. Income tax expense was NOK 20 million compared to NOK 34 million in the corresponding period last year. The effective tax rate is high because no deferred tax asset has been recognised related to entities generating losses in Brazil.

For the aforementioned reasons profit for the period declined from NOK 85 million in the first quarter of 2014 to a loss of NOK 226 million in the first quarter of 2015.

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8 REVIEW OF GROUP PERFORMANCE (cont.)

(b) Statement of financial position:

Total non-current assets are at the same level when comparing 31 March 2015 with 31 December 2014.

Total current assets decreased from NOK 15.66 billion as at 31 December 2014 to NOK 15.00 billion as at 31 March 2015. This was mainly due to a decline in cash and cash equivalents of NOK 310 million and movements in project related working capital items.

Total non-current liabilities increased from NOK 1.45 billion as at 31 December 2014 to NOK 1.55 billion as at 31 March 2015. The increase in non-current liabilities relate to currency translation effects and unrealised currency losses on long term borrowings, and a negative change in fair value of non-current FX derivatives used for hedging.

Total current liabilities decreased from NOK 14.13 billion as at 31 December 2014 to NOK 13.53 billion as at 31 March 2015. Current loans and borrowings have increased with 42.6% mainly because of new short term bank financing in some of the subsidiaries. Construction loans have decreased by NOK 190 million when comparing 31 March 2015 with 31 December 2014, mainly because of the repayment of loans related to delivered vessels exceeding the drawn amounts related to the vessels currently under construction. Trade and other payables amounted to NOK 1.48 billion as at 31 March 2015 compared to NOK 2.42 billion at year-end 2014. The reduction of 39% is caused by the delivery of vessels in the period. Current derivatives have increased from NOK 2.18 billion as at 31 December 2014 to NOK 2.63 billion as at 31 March 2015. All the derivatives are foreign exchange derivatives held for hedging purposes. The increased negative market value of the derivatives is mainly caused by the strengthening of USD compared to NOK. The negative change in fair value of the derivatives causes a corresponding change in the value of Construction WIP and other current assets.

(c) Statement of cash flows:

The cash flow from operating activities was NOK 556 million negative for the first quarter of 2015 compared to NOK 311 million positive in the corresponding period of 2014. Cash flow from operating activities can fluctuate significantly from period to period due to changes in working capital. In spite of deliveries of several vessels in the quarter, the movements in working capital are negative mainly because of some large projects that require high working capital investments exceeding the available construction loan financing of these projects.

Cash flow used in investing activities was NOK 64 million for the first quarter of 2015, compared to NOK 23 million in the corresponding period of 2014. The difference is primarily caused by limited cash flows related to interest bearing receivables and no cash flow related to associated companies in first quarter of 2015.

Cash flow from financing activities was NOK 170 million in the first quarter of 2015 compared to NOK 2 million negative in the corresponding period of 2014. Instalments on non-current borrowings have been stable. NOK 162 million of the proceeds from loans and borrowings relate to short term financing while NOK 34 million are long term.

During the first quarter of 2015, a net decrease in cash and cash equivalents by NOK 450 million was due to the aforementioned reasons. Including movements in restricted cash and effects of currency translation differences on cash and cash equivalents, the reduction was NOK 310 million.

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(All amounts in NOK millions unless otherwise stated)

(d) Brazil tax claim

The previously reported tax claim in Brazil is still awaiting a decision in the second out of three levels of appeals within the Brazilian administrative tax authorities. VARD intends to continue to defend its position through further appeals and by all legal means at its disposal. The Company has in cooperation with its legal counsel assessed the likelihood of a favourable ruling in the second or third appeal as more likely than not and hence no provision for the claim has been made.

9 VARIANCE FROM FORECAST STATEMENT

Reference is made to the forecast statement provided in the report for the third quarter of 2014 where it was stated that VARD expected to see a return to positive EBITDA margins in the fourth quarter of 2014, and further improvements in 2015. The EBITDA margin in first quarter of 2015 is below the margin in the fourth quarter of 2014. Reference is made to paragraph 10 in this report for VARD's current expectations for the full financial year of 2015.

10 PROSPECTS

At the end of the first quarter of 2015, the order book value amounted to NOK 15.63 billion, down from NOK 17.74 at the end of 2014 and NOK 21.84 at the end of the first quarter of 2014. Aggregate order value at the end of the quarter was NOK 26.77 billion, and the order book comprised 32 vessels, of which 18 will be of VARD's own design.

The rapid decline in the order book both in terms of value and number of vessels reflects the current high pace of revenue recognition stemming from still high activity level at most yards, combined with a very challenging market environment, resulting in no new vessel contracts during the quarter. It also includes the effect of the termination of two contracts during the quarter.

New order prospects continue to be weak in the near and medium term. While oil prices have recovered somewhat from their lows in the first quarter, expectations for new investments by oil and oil services companies are much reduced, and OSV fleet owners are suffering from temporary overcapacity in most segments and markets that VARD serves, resulting in unsustainable charter rates, idling of vessels, and very limited demand for new projects. Counterparty risk is increased as a result of the current market environment. Competition for the limited number of new projects currently under development in the market is fierce.

As a result of the shortfall in new orders, the Company expects lower utilization of its shipyards for the second half of 2015 and in particular in 2016, starting with the yards in Romania and subsequently also affecting operations in Norway and potentially Vietnam. The Niterói shipyard in Brazil is already in a phase of downsizing, while the new shipyard Vard Promar has secured sufficient work through 2016.

To address the challenges arising from lower demand, increased competition and lower capacity utilization, VARD is currently implementing a strict cost cutting program across all units, with the aim to increase flexibility and reduce overheads, and improve efficiency and cost control in the projects. Work is ongoing with key suppliers to increase overall competitiveness. Initiatives for adjusting capacity are underway, including reductions of outsourced and subcontracted labour, temporary and permanent reductions in the own work force, and organizational changes.

Operationally, managing the transition from still high workload and the delivery of large complex projects, to a situation of underutilization in Europe, will be one of the key challenges in the near to medium term. The other focus area will be Brazil, with the pending delivery of the remaining vessels from Niterói requiring adjustments at that yard, and the need for continued development and improvement of operational stability and efficiency at the new shipyard Vard Promar. At the same time, the Company continues to invest in new business development especially in the areas of equipment and systems, as well as in research and development (R&D) and innovation.

As a consequence of the above, VARD expects the EBITDA margin (before restructuring cost) for the full financial year of 2015 to be broadly in line with the EBITDA margin for the financial year of 2014. As in this quarter, the net profit in the coming periods will be strongly influenced by the volatility in foreign exchange rate between BRL and USD.

First Quarter 2015 Financial Statements

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

(All amounts in NOK millions unless otherwise stated)

11 DIVIDEND

(a) Current financial period reported on:

Any dividend declared for the current financial period reported on?
No

(b) Corresponding period of preceding financial year:

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

12 INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	1Q-2015 ended 31.03.15	1Q-2014 ended 31.03.14	1Q-2015 ended 31.03.15	1Q-2014 ended 31.03.14
Fincantieri Group				
Sale of electrical equipment to Fincantieri	-	-	27	-
Sale of electrical package to Fincantieri	-	-	4	-
Secondment of personnel to VARD	-	-	2	-
Support service to Yard Management in Vard	-	-	1	-
Total	-	-	34	-

13 CONFIRMATION BY THE BOARD

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the first quarter ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr Roy Reite
Executive Director & CEO
13 May 2015