

built on trust™



VARD™

a Fincantieri company

Disclaimer

This presentation should be read in conjunction with Vard Holdings Limited's results for the period ended 31 December 2016 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.



Annual General Meeting

Vard Holdings Limited

20 April 2017

In February 2016, VARD announced the cornerstones of its new strategy and business plan

1

VARD to diversify into new vessel segments and geographies

2

Updated yard structure in Europe to reflect new target markets and reduce overall cost base

3

Decision to maintain presence in Brazilian market but with operations adapted to expected future local market demand

4

Lowering of cost position critical to succeed in core and new markets

What have we achieved so far?

Diversification into new vessel segments and geographies



Contracts for six exploration cruise vessels signed



Contracts for 20 vessels for clients in the Middle East and Caspian region signed



Market entry into aquaculture business



Production of cruise vessel hull sections for Fincantieri

Updated yard structure in Europe

- Expansion of facilities at Vard Tulcea to enable highly cost-effective hull production
- Vard Tulcea and Vard Braila to deliver fully-outfitted vessels from Romania
- Vard Langsten and Vard Søviknes being readied for outfitting of cruise vessels
- Vard Aukra repositioned to develop aquaculture business, together with newly acquired Storvik Aqua
- Vard Brevik developing new business opportunities – e.g. ferry contracts



Vard Tulcea – enlarged launching barge Atlante II

Operations in Brazil adapted to market situation

- Niterói yard closed down; key resources relocated to Vard Promar
- Ownership stake in Vard Promar increased to 95.15%, resulting in more balanced financial structure and greater strategic flexibility
- Major rightsizing process completed at Vard Promar



Vard Promar – PLSV for Dofcon Navegação under construction

Lowering of cost position

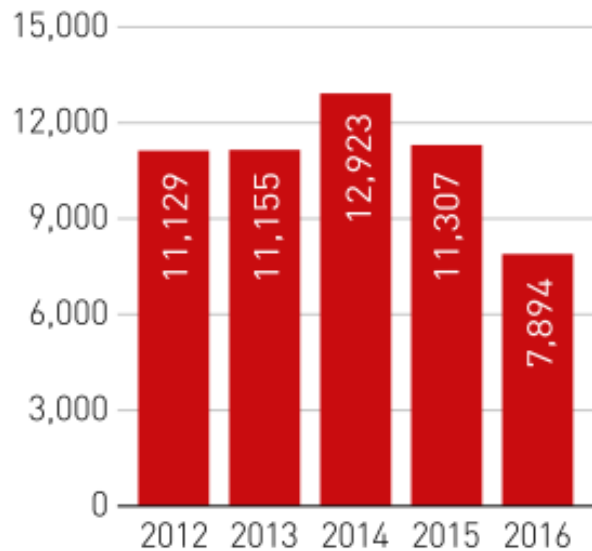
- Investments in increased capacity and capabilities in Vard Tulcea to support the new business plan
 - Second panel line
 - Extension of the launching barge
 - Expansion of building berth
 - New gantry crane
- Streamlining of the organization and flexible adjustment of the workforce to minimize cost of underutilization
- Continuous improvement program to maintain cost competitiveness
- Portfolio review of subsidiary companies



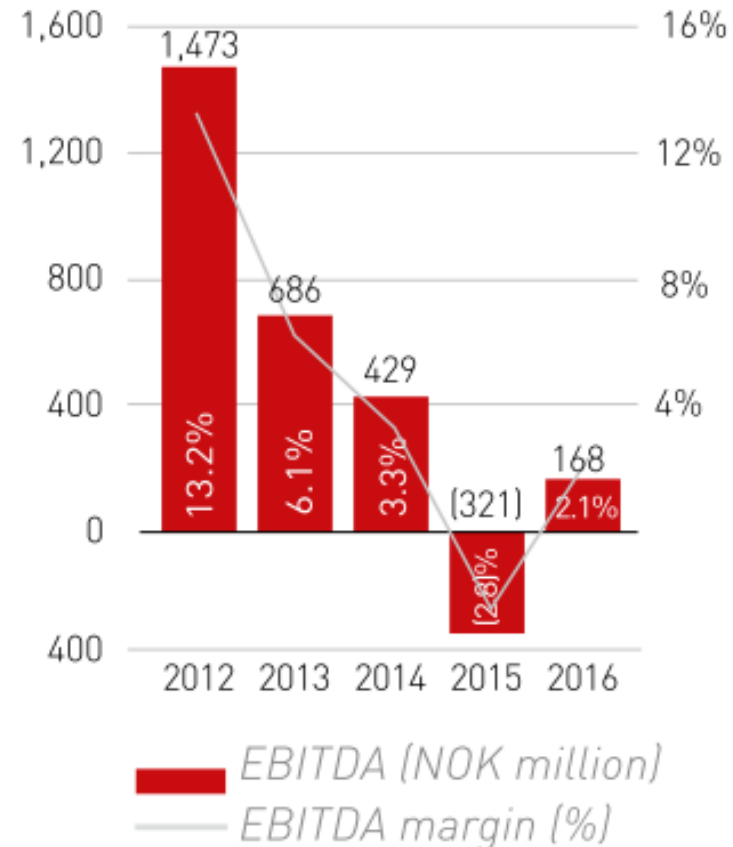
Vard Tulcea – view of the fabrication hall

2016 in review: Key financials – Income statement

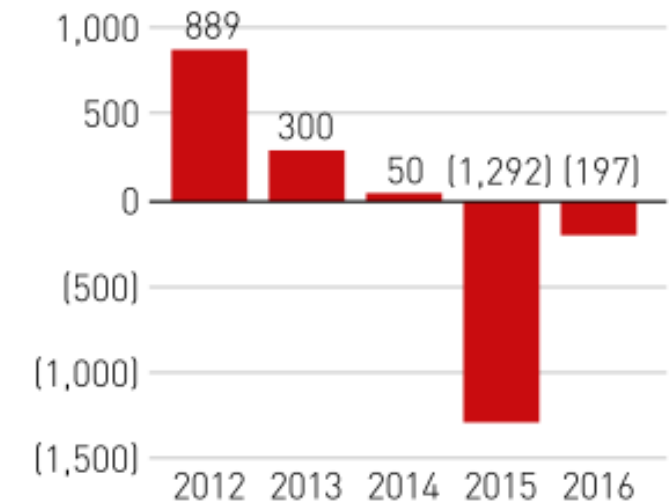
Revenue
(NOK million)



EBITDA and EBITDA margin

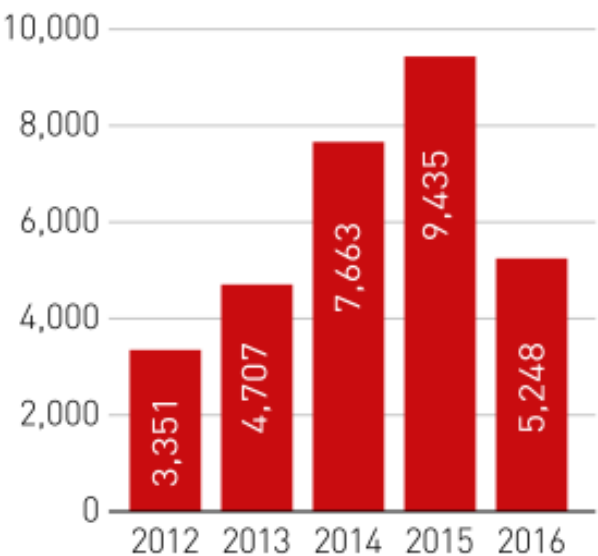


Profit (loss) for the period
(NOK million)

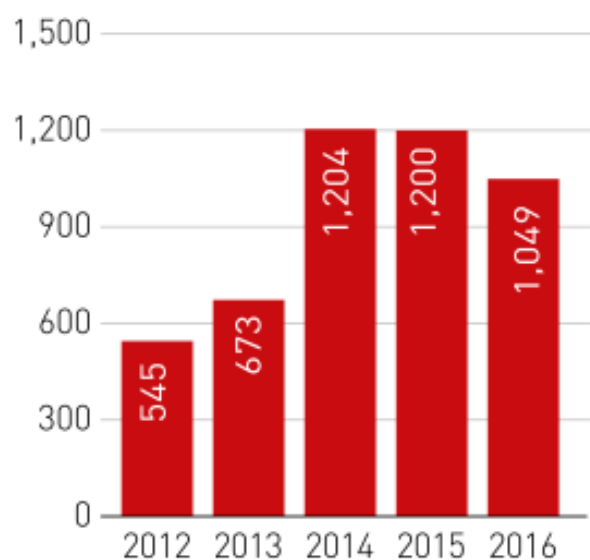


2016 in review: Key financials – Balance sheet

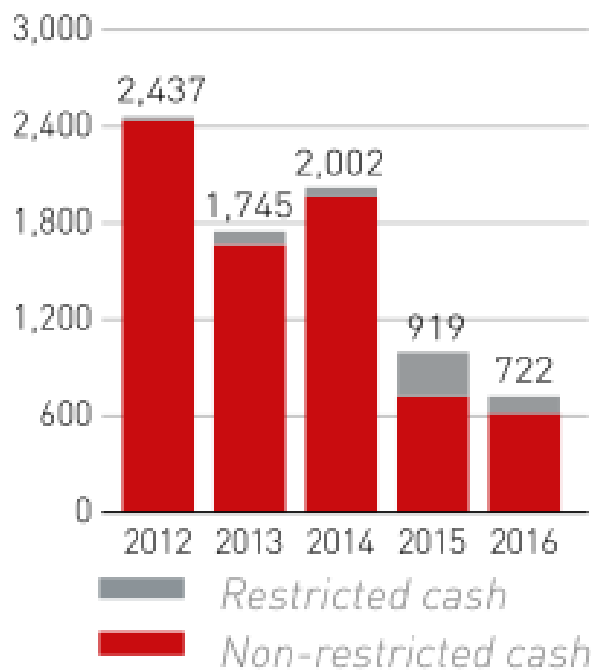
Construction loans
(NOK million)



Loans and borrowings,
non-current (NOK million)

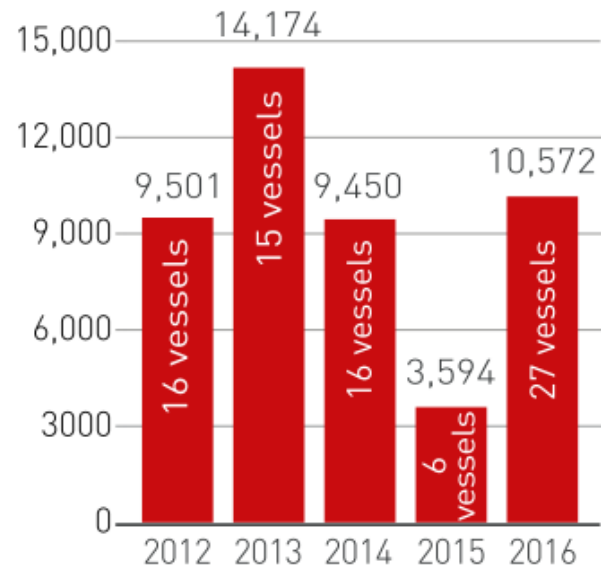


Cash and cash equivalents
(NOK million)

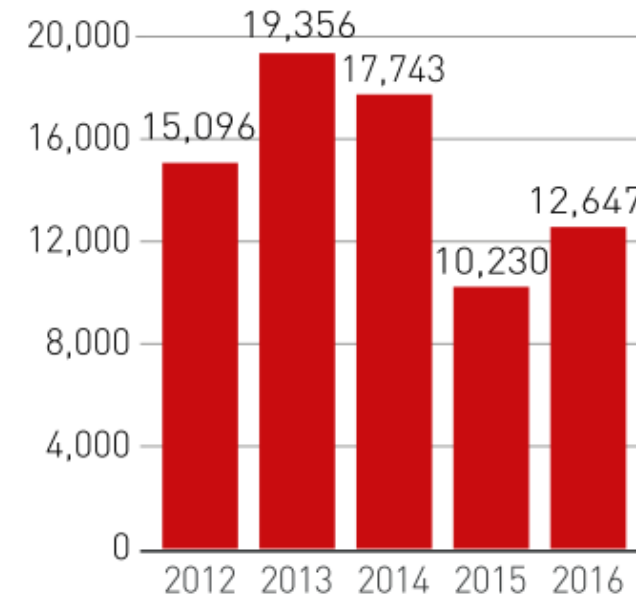


2016 in review: Key financials – Order book

Order intake
(NOK million)



Order book
(NOK million)



As at 31 December 2016, the Group had 41 vessels in the order book, 35 of which will be of VARD's own design.

13 vessel deliveries across all yards and segments during 2016



1. Deep Explorer, 2. Bourbon Arctic, 3. Skandi Açú, 4. Nao Galaxy, 5. Nao Horizon, 6. MMA Brewster, 7. Barbosa Lima Sobrinho, 8. Darcy Ribeiro, 9. Newfoundland Victor, 10. Breivik Junior, 11. Lucio Costa, 12. Normand Maximus, 13. Skandi Paraty

Marine Opportunities

As the world changes,
demand for products and services evolves with it.



ENERGY

*A broad range of specialized vessels for oil and gas
and emerging offshore energy industries*



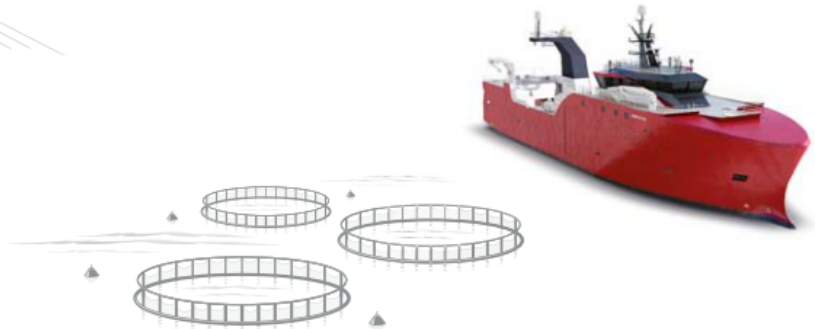
SECURITY

*Vessels built to secure and monitor
seas and coastal waters*



ADVENTURE

*Luxury expedition cruise vessels designed for adventures
in polar and exotic environments*



SEAFOOD

*Bespoke vessels and the solutions for the fisheries and
aquaculture industries designed for efficiency and sustainability*