

VARD HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Registration No. 201012504K)

PROFIT GUIDANCE FOR 3Q 2014 ENDING 30 SEPTEMBER 2014

The Board of Vard Holdings Limited (the "Company" and together with its subsidiaries, the "Group") wishes to make reference to the 2Q 2014 financial results announcement for the period ended 30 June 2014, announced on 22 July 2014, where the Company highlighted the importance of improved throughput and productivity development at the new Vard Promar shipyard in Brazil, and reported stable operations in Europe.

In Brazil, significant investments have been made in strengthening the organization in order to reach production targets at Vard Promar. However, slower-than-expected improvements in throughput and productivity at the new shipyard are impacting profitability during the ramp-up phase. Additional cost was also incurred for the two vessels in the Promar order book that were built at a third-party yard and are currently undergoing outfitting at Vard Niterói.

During the third quarter, the overall performance of the European shipyards was stable and the Group benefits from the close cooperation between its Romanian and Norwegian yards. Nevertheless, the Group has revised its estimates for a limited number of projects in its European order book where cost overruns were incurred. As a result of mitigating actions taken, no impact on the delivery schedule is expected.

Resulting from the above, the Company expects a marginally negative EBITDA result for the third quarter ending 30 September 2014 ("3Q 2014").

Separately, regarding the tax claim received from authorities in Brazil and announced on 5 August 2014, the Board wishes to clarify that following further assessment of its legal position, the Company intends not to make any provisions for the tax claim in its financial accounts.

BY ORDER OF THE BOARD

Roy Reite
Executive Director and Chief Executive Officer
14 October 2014