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VARD™

a Fincantieri company

Disclaimer

This presentation should be read in conjunction with Vard Holdings Limited's results for the period ended 31 December 2015 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

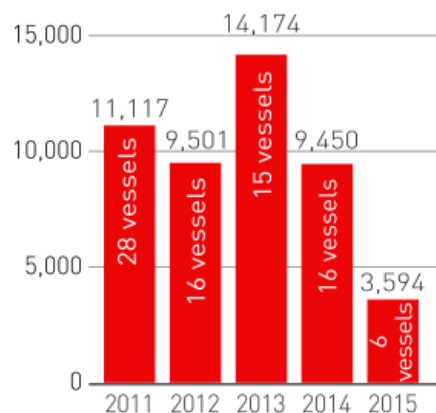
30 April 2016

2015 in review: Key messages

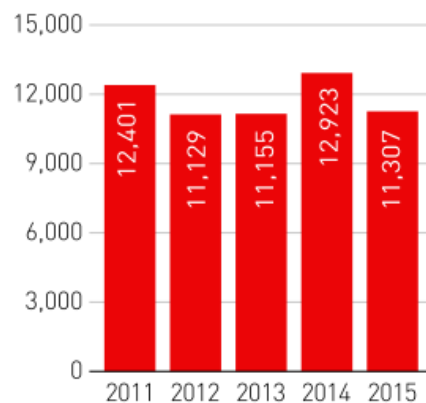
- VARD's core market for offshore oil and gas related vessels is in a severe cyclical downturn
 - Oil prices and OSV fleet utilization at 10-year lows
 - Global Exploration and Production (E&P) spending dropped by ~25% in 2015
 - New project opportunities for VARD primarily in niche markets and new segments
- Financial performance impacted by loss provisions for projects in Brazil, lower utilization at the European yards, restructuring cost, and foreign exchange losses
 - Operations ex-Brazil with positive EBITDA margin for the year
- A new business plan and strategy have been developed that aim to enable VARD to
 - reduce its dependency on the offshore business
 - preserve its core expertise and skilled employee base during the downturn, and
 - utilize its existing shipbuilding capacity until an eventual recovery in its core market
- Cost reduction and efficiency improvement programs are being intensified in order to enhance competitiveness in core and new markets
- Strong support from major shareholder FINCANTIERI through long-term business opportunities and synergies

2015 in review: Key financials

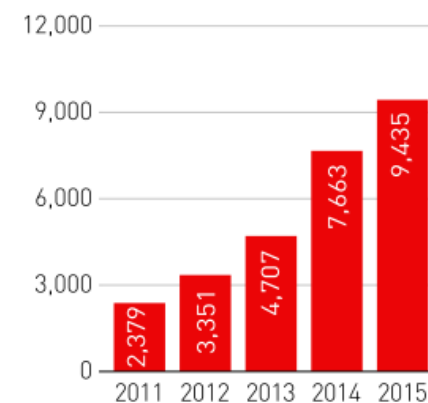
ORDER INTAKE (NOK MILLION)



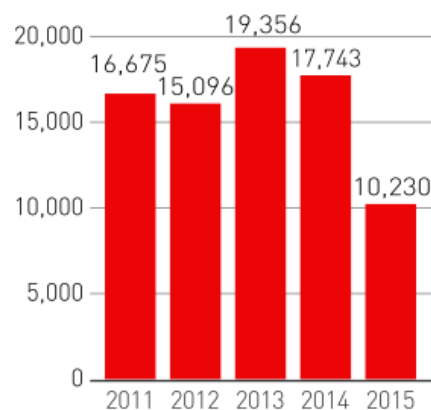
REVENUE (NOK MILLION)



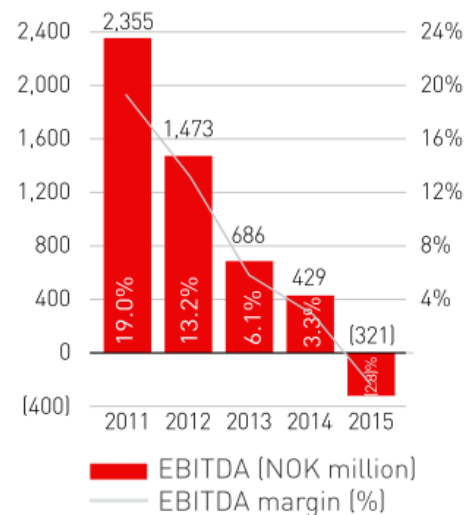
CONSTRUCTION LOANS (NOK MILLION)



ORDER BOOK (NOK MILLION)

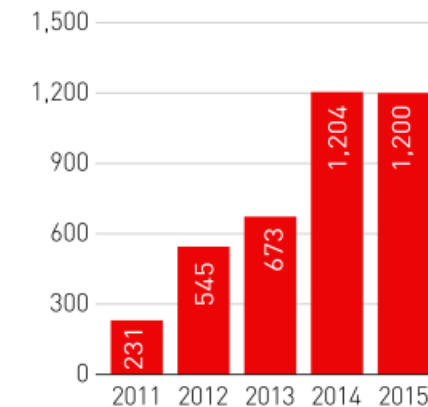


EBITDA AND EBITDA MARGIN*



* 2015 EBITDA before restructuring costs.

LOANS AND BORROWINGS, NON-CURRENT (NOK MILLION)



VARD has developed a business plan with solid long-term prospects

1

VARD to diversify into new vessel segments and geographies

- Leverage existing capabilities and relationships to penetrate offshore wind and aquaculture markets, and pursue offshore opportunities in Middle East growth region
- Utilize synergies with FINCANTIERI to enter cruise and Offshore Patrol Vessel (OPV) segments where FINCANTIERI is present
- Establish production of vessel sections for FINCANTIERI, providing base load for the Tulcea yard in the next years

2

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

- Brattvaag, Langsten and Sjøviknes to concentrate on core market segments and highly specialized vessels
- Aukra to be dedicated to aquaculture market; Brevik also to develop new business opportunities to fill excess capacity
- Further develop Tulcea yard capabilities and capacity to provide highly cost-effective hull production
- Both Braila and Tulcea yards to develop capabilities to deliver complete vessels of lower complexity

3

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

- Promar to realize its full potential when the current challenging order book is completed
- Process initiated with the client Transpetro and other stakeholders in to recover extra cost incurred in LPG carrier project
- Niterói yard to phase out shipbuilding activities after completion of current order book

4

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

- Continued focus on rightsizing of operations
- Operational improvements to increase productivity and quality
- Strengthen procurement efficiency
- Increase scope of work in Romania to lower average cost position

New market opportunities: Exploration cruise vessels



Letter of Intent signed with PONANT in March 2016 for construction of four exploration cruise vessels for delivery between 2018 and 2019

New market opportunities: Fisheries and Aquaculture



Stern trawler contracted by HAVFISK in February 2016

First fish feed barge (right) built by VARD, delivered to Marine Harvest in March 2016



Production of cruise vessel sections for FINCANTIERI strengthens cooperation and provides work for Romanian yards

Production of hull sections for FINCANTIERI at Vard Tulcea



Synergies between VARD and FINCANTIERI

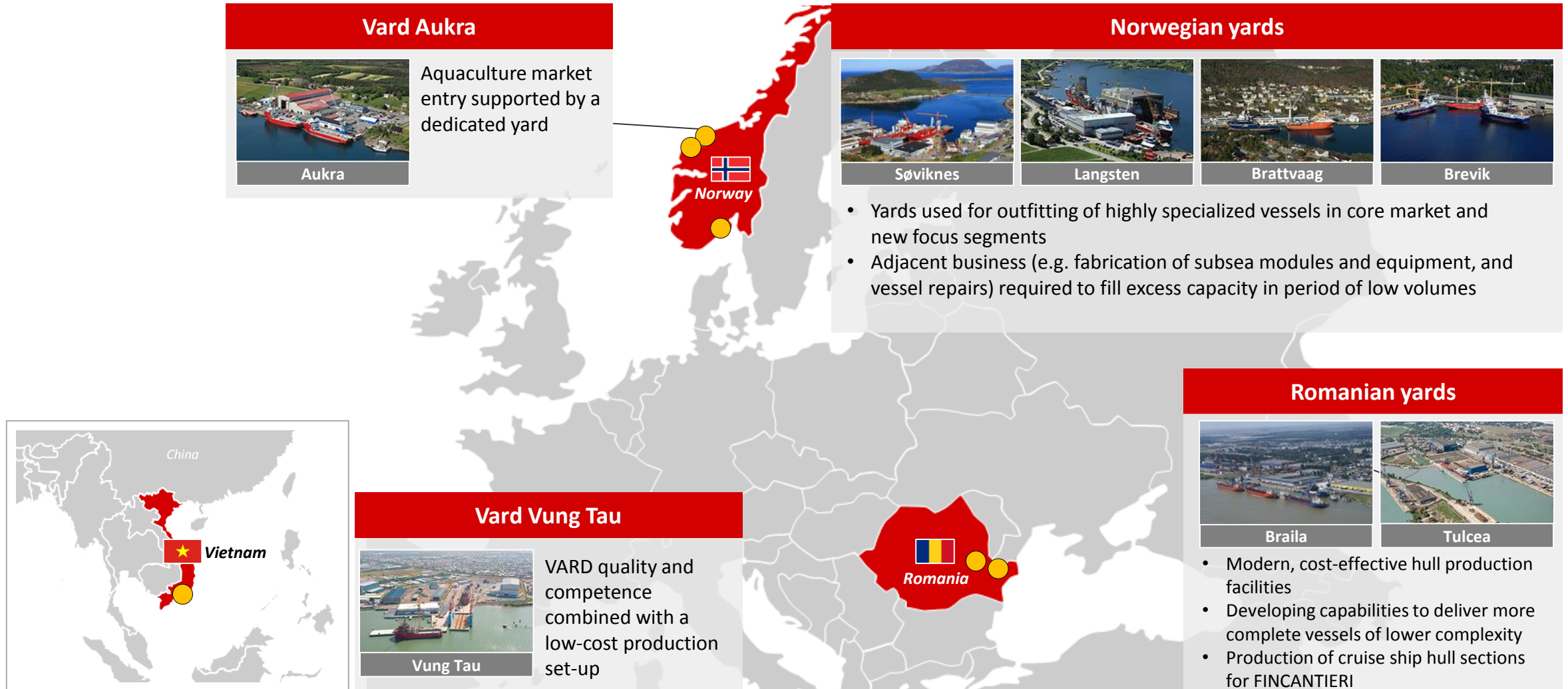
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- Long term production gives stability for Romanian yards
- Best practice sharing
- Know-how transfer on passenger vessels

FINCANTIERI

- Increase capacity through access to high quality and reliable/efficient production assets
- Flexible hull production set-up
- Risk mitigation – reduce pressure on own value chain and manage order backlog

Production footprint adapted to new market strategy



Construction and delivery of large and complex projects from existing orderbook continues



Norway: OSCV for Solstad under construction at Vard Brattvaag – largest vessel ever built by VARD

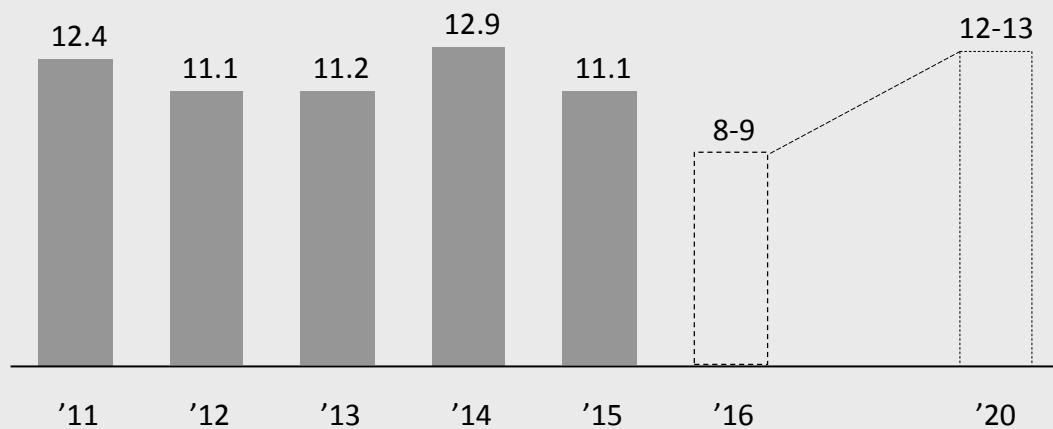


Brazil: AHTS «Skandi Paraty» delivered from Vard Niterói to DOF on 20 April 2016

Medium-term recovery to 12-13 BNOK in revenue targeted; low point expected in 2016 but with positive EBITDA margins

Revenue target

Figures in BNOK



Outlook

- Deterioration of offshore vessel market resulting in revenue drop for 2015 and further drop expected for 2016
- Target to reach previous highs in revenue again by 2020
- Comprehensive cost and efficiency program initiated to improve margins
- Short term margins impacted by restructuring and market entry into new segments, but positive EBITDA margin expected for 2016

