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Disclaimer

This presentation should be read in conjunction with Vard Holdings Limited's results for the period ended 30 June 2014 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.

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2Q 2014 Results Presentation

Vard Holdings Limited

22 July 2014

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2Q 2014 Highlights

- Revenue of NOK 2 942 million, unchanged from 2Q 2013
- EBITDA of NOK 189 million, up from NOK 121 million in 2Q 2013
- EBITDA margin (EBITDA to total operating revenues) of 6.4% (2Q 2013: 4.1%)
- Net profit for 2Q and 1H 2014 up from comparable periods in 2013
- Healthy order intake of NOK 2 701 million including vessels in all three major segments. Order intake may vary significantly on a quarter-by-quarter basis
- 43 vessels in the order book as at 30 June 2014, of which 27 are VARD designs
- Stable operations and focus on cost efficiency in Europe; expanding operations following new orders in Vietnam
- Delivery of two vessels from Vard Niterói; changing production profile
- Vard Promar with significant growth in employees amid high-complexity ramp-up of operations
- Acquisition of leading design and engineering company strengthens North American market position

2Q 2014

Business update

Vessel deliveries and new contracts – 2Q 2014

Vessel deliveries

2 AHTS

- Far Sirius from Vard Langsten (Norway) to Farstad Shipping
- Skandi Urca from Vard Niterói (Brazil) to DOF

2 PSVs

- Siem Giant from Vard Niterói (Brazil) to Siem Offshore
- Island Dragon from Vard Brevik (Norway) to Island Offshore

3 OSCVs

- Island Pride from Vard Brevik (Norway) to Island Offshore
- Siem Spearfish from Vard Brattvaag (Norway) to Siem Offshore
- Normand Reach from Vard Aukra (Norway) to Solstad Offshore

New contracts

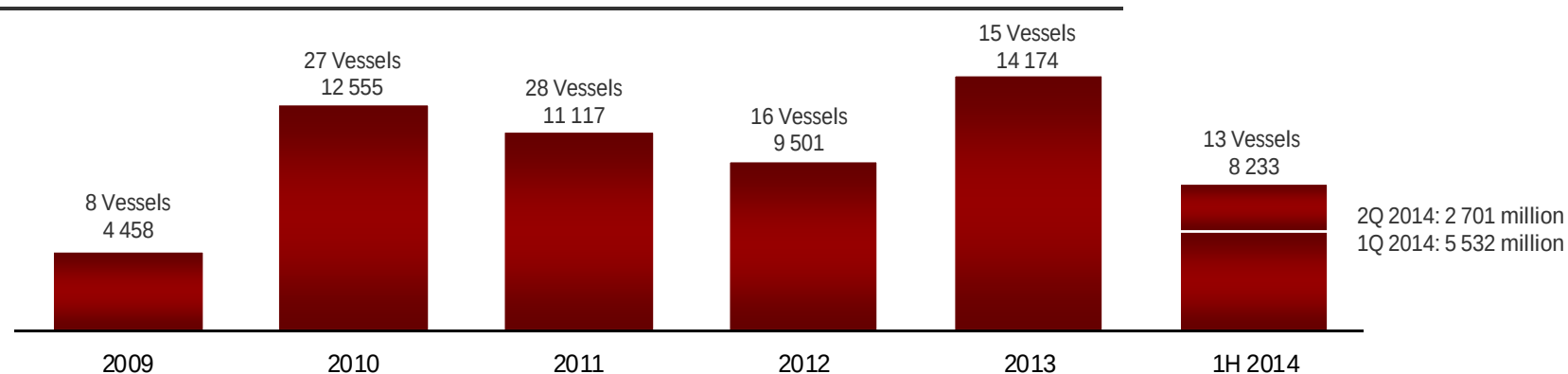
Five new vessel contracts secured in 2Q 2014

- 1 PSV for Carlotta Offshore
- 1 OSCV for Island Offshore
- 1 AHTS for Rem Offshore
- 2 PSVs for Nordic American Offshore

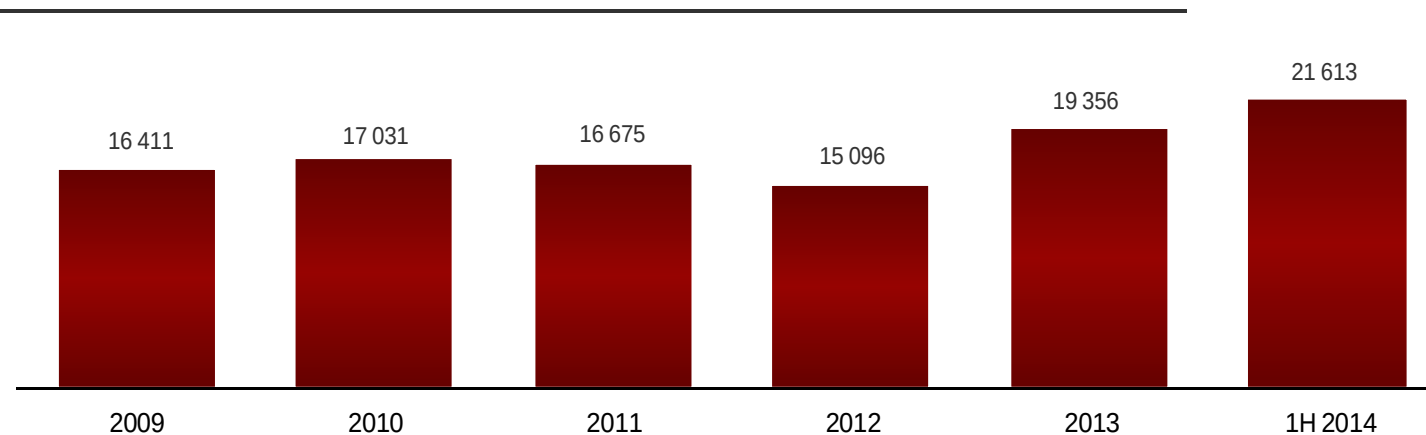
As at 30 June 2014, the Group had 43 vessels in the order book,
27 of which will be of VARD's own design.

Order book development

New order intake during the period (NOK million)¹⁾



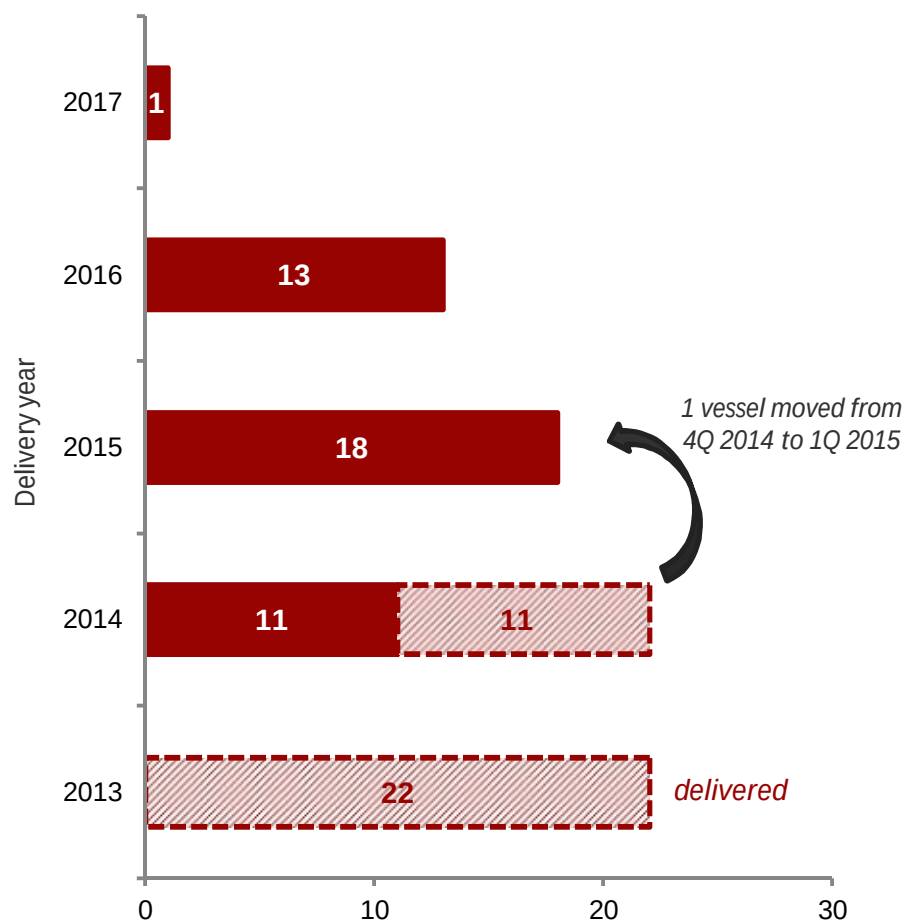
Order book value at the end of the period (NOK million)¹⁾



1) Includes firm orders only. Includes variation orders and trading packages

Order book status

Order book as of 30 June 2014 (# of vessels)



Delivery year	Norway / Romania	Brazil	Vietnam	Total
2017		1 OSCV		1
2016	2 AHTS 6 OSCV	1 OSCV 3 Other	1 PSV	13
2015	6 PSV 3 OSCV 1 Other	1 AHTS 4 Other	3 PSV	18
2014	2 AHTS 5 PSV 5 OSCV 4 Other	2 AHTS 1 PSV 1 Other	2 PSV	22
2013	3 AHTS 9 PSV 3 OSCV 4 Other	1 PSV	2 PSV	22

Order book by region and vessel type

By Region	Order book 31 Mar 2014	Deliveries 2Q 2014	Order intake 2Q 2014	Order book 30 Jun 2014
Norway / Romania	26	5	4	25
Brazil	14	2	-	12
Vietnam	5	-	1	6
Total	45	7	5	43

By Vessel Type	Order book 31 Mar 2014	Deliveries 2Q 2014	Order intake 2Q 2014	Order book 30 Jun 2014
AHTS	5	2	1	4
PSV	13	2	3	14
OSCV	15	3	1	13
Other	12	-	-	12
Total	45	7	5	43

Operations – Romania, Norway, Vietnam

Romania

- Following completion of investments in physical assets, now focus on organizational efficiency, and identification of bottlenecks in the production system
- Continued efforts to drive down cost and increase competitiveness

Norway

- Overall stable operations
- Generally high activity level, but with variations in yard utilization due to uneven project flow

Vietnam

- Recent orders leading to high activity level and improved visibility
- Expanding operations

Operations – Brazil (Vard Niterói)

Two vessels successfully delivered from Vard Niterói during 2Q

- Pro 30 «Skandi Urca» (AHTS to DOF) delivered on 8 April 2014
- Pro 32 «Siem Giant» (PSV to Siem) delivered on 15 May 2014

Two more vessels to be delivered from the original Niterói order book

- Pro 31 and Pro 33 (both AHTS for DOF)
- Delivery in 4Q 2014 and 2Q 2015 respectively

Two LPG tankers for Transpetro undergoing completion in Niterói

- Contractually part of the Vard Promar portfolio
- EP 01 in outfitting stage at quayside; expected delivery 4Q 2014
- Last subcontracted hull (EP 02) received from Rio Nave shipyard. Reduced risk but requiring additional work; expected delivery in 1Q 2015

Downscaling of activities in Niteroi to reflect a changing production profile

- Reduction of workforce in steel fabrication / hull construction activities

Pro32 «Siem Giant» delivered from Vard Niterói



Pro 32 «Siem Giant»



Bridge deck



Forward thruster room



Engine room



Compressors

Vard Niterói: Vessels under construction



Operations – Brazil (Vard Promar)

Vessels under construction

- EP 01 & 02 undergoing completion and outfitting at Niteroi
- EP 03 close to launching; EP 04 block assembly and hull erection; EP 05 steel cutting and unit assembly

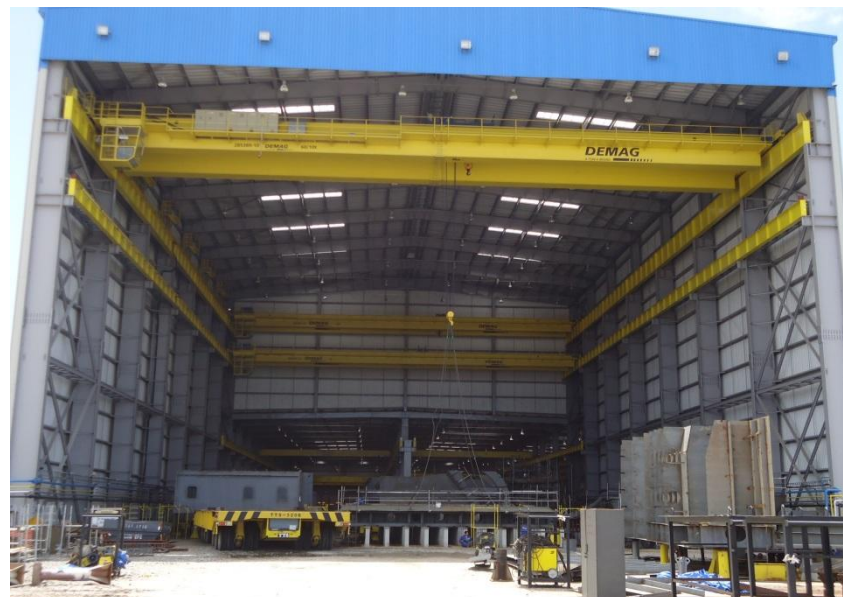
Organizational development

- Currently about 1 420 own employees at the yard
- About 500 employees added between February and May, many of which still in training and not yet fully integrated in the work flow, resulting in temporarily lower productivity
- Additional expat resources from Europe mobilized to strengthen the organization and implement measures to improve productivity

Operational situation

- Demanding, high-complexity ramp-up of operations
- Throughput and productivity development in 2Q hampered by adverse climatic conditions and country-wide protests in Brazil
- Some cases of *force majeure* but additional cost incurred to mitigate impact on delivery schedule

Vard Promar: Vessels under construction



Acquisition of leading marine engineering and design company in North America

- Acquisition of STX Canada Marine Inc. for NOK 65 million announced on 4 July 2014; now operating under Vard Marine name
- Leading marine engineering and design company providing a broad range of naval architecture and marine engineering services world-wide
- 75 employees; head office in Vancouver (Canada) and branch offices in Ottawa and Houston
- Range of vessel types complementary to VARD's existing product portfolio; focus on OSVs for the US (Jones Act) market
- Long-standing relationships to shipyards and clients in the region; leading design market share with >20% of the overall OSV orderbook in the US
- Allows VARD to work with existing and new clients on projects for the North American market, and strengthen its sales of design and equipment packages to clients world-wide

Recent Vard Marine designs

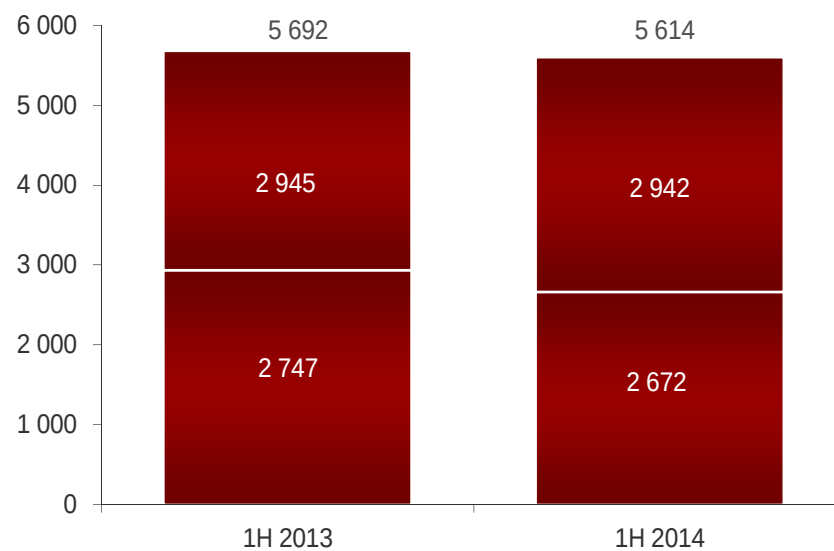


2Q 2014

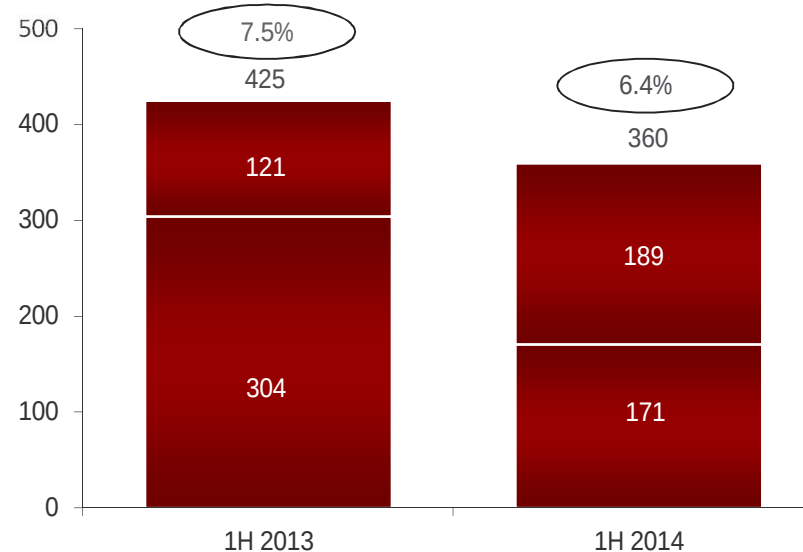
Financial highlights

Revenues and margins

Revenues (NOK million)



EBITDA (NOK million) and EBITDA Margin (%)

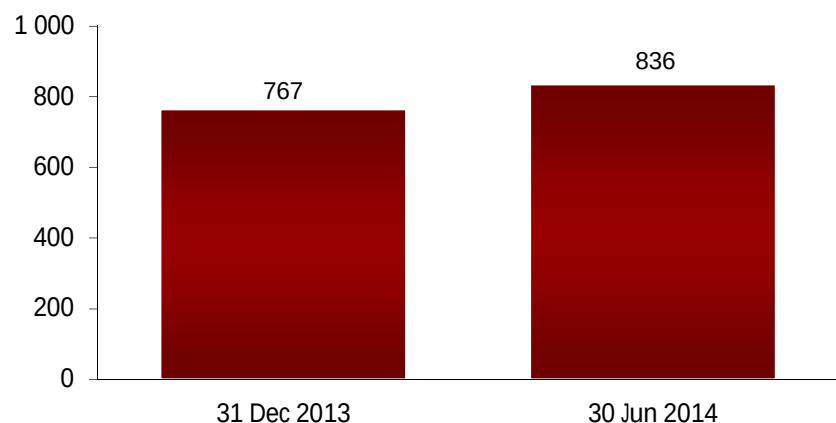


Statement of income – major items

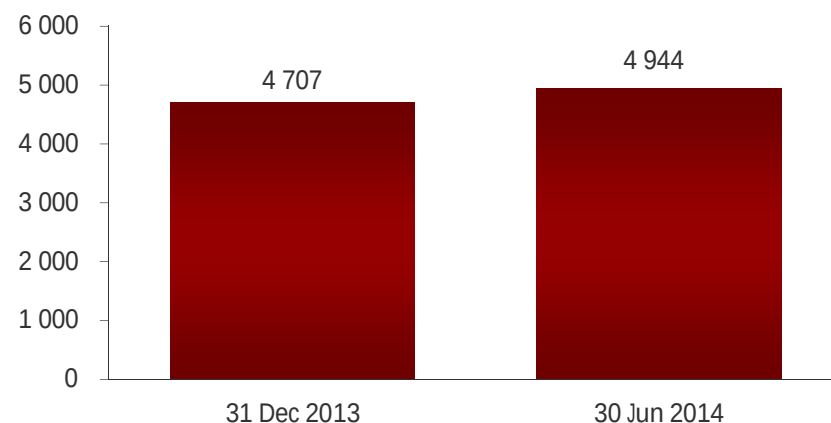
(NOK million)	2Q ended 30 June		D (%)	1H ended 30 June		D (%)
	2014	2013		2014	2013	
Revenue	2 942	2 945	-0.1%	5 614	5 692	-1.4%
Materials, subcontract cost and others	(1 993)	(2 163)	-7.9%	(3 792)	(3 986)	-4.9%
Salaries and related costs	(611)	(518)	18.0%	(1 163)	(1 003)	16.0%
EBITDA	189	121	56.2%	360	425	-15.3%
<i>EBITDA %</i>	6.4%	4.1%	<i>n/m</i>	6.4%	7.5%	<i>n/m</i>
Operating profit	140	20	600.0%	263	295	-10.8%
Net financial income / (cost)	10	16	-37.5%	4	4	n/m
Profit before tax	155	35	342.9%	274	299	-8.4%
Profit for the period	105	(44)	n/m	190	136	39.7%

Cash and cash equivalents, and construction loans

Net Cash (NOK million)¹

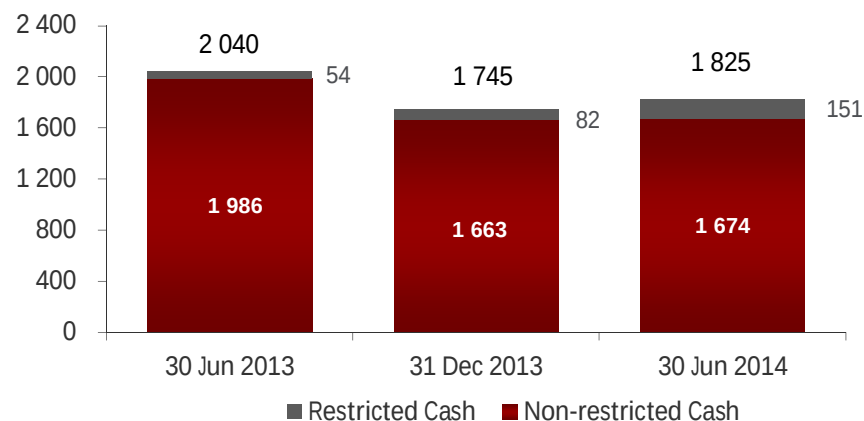


Construction Loans (NOK million)



(1) Cash and cash equivalents less sum of short-term and long-term interest bearing liabilities, excluding construction financing

Cash and Cash Equivalents (NOK million)



Major balance sheet items

(NOK million)	As at	
	30 June 2014	31 Dec 2013
Non-current assets	3 380	3 281
Current assets	10 322	10 390
Total assets	13 702	13 671
Total equity	3 838	3 708
Loans and borrowings and construction loans	5 220	5 012
Trade and other payables and construction work in progress	3 356	3 616
Other current liabilities	372	452
Long-term loans and borrowings	713	673
Other non-current liabilities	203	210
Total liabilities	9 864	9 963
Total equity and liabilities	13 702	13 671

Cash flow highlights

(NOK million)	2Q ended 30 June		1H ended 30 June	
	2014	2013	2014	2013
Cash flows from operating activities	(123)	58	188	(277)
Cash flows from investing activities	(133)	(176)	(156)	(328)
Cash flows from financing activities	(15)	139	(17)	165
Net change in cash and cash equivalents	(271)	21	15	(440)
Cash and cash equivalents excluding restricted cash at the beginning of the financial period	1 947	1 969	1 663	2 418
Effects of currency translation differences	(2)	(4)	(4)	9
Cash and cash equivalents excluding restricted cash at the end of the financial period	1 674	1 986	1 674	1 986
Restricted cash at the end of financial period	151	54	151	54
Cash and cash equivalents at the end of the financial period	1 825	2 040	1 825	2 040

Earnings per share

	2Q ended 30 June		1H ended 30 June	
	2014	2013	2014	2013
Earnings for the period (NOK millions)	140	-20	232	168
Earnings for the period (SGD millions)	28	-4	47	36
Weighted average number of shares (millions)	1 180	1 180	1 180	1 180
Earnings per share (NOK)	0.12	-0.02	0.20	0.14
Earnings per share (SGD cents)	2.37	-0.34	3.98	3.05
Adj. weighted average number of shares (millions)	1 180	1 181	1 180	1 181
Diluted earnings per share (NOK)	0.12	-0.02	0.20	0.14
Diluted earnings per share (SGD cents)	2.37	-0.34	3.98	3.05
Exchange rates (SGD/NOK)	4.930	4.606	4.930	4.606

Note: Earnings per ordinary share for the financial period attributable to equity holders of the parent.
SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

Net asset value per share

	As at	
	30 June 2014	31 December 2013
Net asset value at the end of the period (NOK millions)	3 867	3 688
Net asset value at the end of the period (SGD millions)	784	767
Number of shares (millions)	1 180	1 180
Net asset value per ordinary share (NOK)	3.28	3.13
Net asset value per ordinary share (SGD)	0.66	0.65
Exchange rate (SGD/NOK)	4.930	4.809

Note: Net asset value at the end of the financial period, and at the end of the last financial year, attributable to equity holders of the parent.

SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

2Q 2014

Outlook

Outlook

- Industry-wide trend towards cost-efficient assets
- Continued demand for highly specialized OSCVs and subsea support vessels, while North Sea OSV day rates are under pressure
- VARD order flow supported by growing and more international client base, but slow-down in new order intake expected compared to exceptional 1H 2014
- High visibility from existing order book, good yard utilization and stable operations in Europe and Vietnam
- Focus on cost to retain competitiveness amid strong international competition
- Improved throughput and productivity development critical to reach production targets at Vard Promar
- Integration of Vard Marine a key step towards expansion in North America

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2Q 2014

Q&A

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