



**WORLD WIDE SUPPLY AS
Q2 - 2014 INTERIM REPORT**

WORLD WIDE SUPPLY AS INTERIM ACCOUNTS 2nd QUARTER 2014

The quarter in brief

World Wide Supply AS is 100% owner of six Plattform Supply Vessels. All delivered from Damen Shipyard in the period from June 28th to December 17th 2013.

During second quarter two Vessels have served a contract for GdF in the North Sea. Four Vessels operated partly in the spotmarket in the North Sea before they left for Brazil early May. All four Vessels commenced their four years contracts with Petrobras late June.

The World Wide Supply Group's operating income for the 2nd quarter was NOK 60,4 million. The EBITDA was positive with NOK 18,1 million (30 % EBITDA margin) and EBIT was positive with NOK 9,3 million after deduction of NOK 8,8 million in depreciation. Net financial costs was NOK 26,8 million resulting in a pre-tax loss of NOK 17,5 million.

Operations

Average utilization of the fleet was 42 % for the quarter. The low utilization rate is due to a slow spotmarket combined with four Vessels mobilizing for Brazil. These vessels commenced their four years contract with Petrobras at the end of 2nd quarter 2014. The remaining two Vessels are on term contracts with GDF in the UK sector of the North Sea. The fixed period is expected to last until end 2014. In addition there are option until mid 2015.

Profit and loss Q2-2014

Operating income was NOK 60,4 million for the 2nd quarter, while operating expenses were NOK 42,3 million. Depreciation was NOK 8,8 million. Net financial expenses were NOK 26,8 million. There is not calculated any tax for the period. There will be no payable tax, only change in deferred tax.

Profit and loss 30.06.2014

Operating income was NOK 83,8 million as per 2nd quarter, while operating expenses were NOK 79,1 million. Depreciation was NOK 17,5 million. Net financial expenses were NOK 49,3 million. There is not calculated any tax for the period. There will be no payable tax, only change in deferred tax.

Balance sheet 30.06.2014

Total assets were NOK 1 440,2 million compared to NOK 1 330 million as of 31st December 2013. Tangible assets amounted to NOK 1 246,5 million including conversion costs for four of the group's Vessels (compared to NOK 1 234,6 million at 31.12.2013). Based on valuations from two independant shipbrokers at 30.06.2014 the value of the Vessels was NOK 1 302,1 million. The group's current assets were NOK 162,4 million of which NOK 100,3 million in cash.

The company accomplished a capital increase at the end of 2nd quarter of a total gross amount of NOK 130 million.

Book equity was NOK 479,1 million corresponding to NOK 3,15 per share while value adjusted equity was NOK 534,7 million corresponding to NOK 3,52 per share.

At the end of the quarter the Group had long term interest bearing debt in the amount of USD 150 million. In addition there are short term interest bearing debt of EUR 3,55 million to the Yard after the vessel conversions.

Market outlook

As from end of June 2014 the entire World Wide Supply fleet are employed on fixed contracts. The gross value of the fixed contracts are approximately NOK 975 million and the value of the optional periods are about NOK 1 billion.

Financial risks

The Group uses financial instruments to manage its foreign currency risk in charter hire. The Group has fixed rate on the long-term debt so there is no risk to interest rate. The Group has an active approach to currency risk and it is entered into agreements that reduce this risk. The Group's long-term debt is in US dollars. It is signed long-term time charters for four of its vessels with rate in US dollars. Payment to the company in that currency has a cash flow that covers the interest on its long-term loan in US dollars. Therefore there is no risk associated with the payment of interest on long-term debt.

Employees

The Group had at June 30th 163 employees of which 160 sailors including hired personnel.

Responsibility statement

We hereby declare that to the best of our knowledge, the information in this report provides a fair and true description of the Group's assets, liabilities, financial position and result as a whole. We also declare that this interim report gives a true and fair view of the development and performance of the business and the position of the Group, as well as a description of the most central risks and uncertainty factors that the Group is facing.

Board of Directors

World Wide Supply AS

August 26th 2014

Knut Herman Gjøvaag
Chairman

Frede Klinkby Uldbæk
Board member

Mette Lundh Håkestad
Board member

Johan Odvar Odfjell
Board member

Ann Magritt Bjåstad Vikebakk
Board member

Jostein Sætrene
CEO

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CONDENSED CONSOLIDATED INCOME STATEMENT

<i>Amounts in NOK 1000</i>	Note	Q2-2014	30.06.2014	2013
Freight revenues		60 400	83 813	20 390
Operating income		60 400	83 813	20 390
Crewing expenses		22 243	42 808	19 162
Operating expenses vessels		16 289	29 086	19 711
Administrative expenses		3 805	7 165	13 571
Total operating expenses		42 337	79 059	52 444
Operating result pre depreciation (EBITDA)		18 063	4 754	-32 054
Depreciation	4	8 783	17 451	7 524
Operating profit (EBIT)		9 280	-12 697	-39 578
Financial income	3	4 410	6 383	50 112
Financial expenses	3	31 188	55 694	34 040
Net financial items		-26 778	-49 311	16 072
Result before tax		-17 498	-62 008	-23 506
Income tax		-	-	6 347
Result for the period		-17 498	-62 008	-29 853

CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in NOK 1000

	Note	30.06.2014	31.12.2013
ASSETS			
Fixed assets			
<i>Intangible fixed asset</i>			
Deferred tax asset		283	283
<i>Tangible fixed assets</i>			
Vessels	4	1 246 497	1 234 573
<i>Financial fixed assets</i>			
Investment in shares		3 514	3 750
Prepaid expenses		27 540	-
Total fixed assets		1 277 834	1 238 606
Current assets			
Inventory		13 547	4 204
Accounts receivable		1 817	9 389
Other short-term receivables		46 752	3 700
Cash and bank deposits		100 250	74 129
Total current assets		162 366	91 422
TOTAL ASSETS		1 440 200	1 330 028
EQUITY AND LIABILITIES			
Equity			
Share capital		2 204	2 204
Paid in not registered capital		13 000	-
Share premium reserve		333 596	221 796
Total paid in capital		348 800	224 000
Other equity		130 261	194 597
Total equity	5	479 061	418 597
Liabilities			
<i>Long term liabilities</i>			
Pension liability		106	106
Bond		895 184	879 878
Total long term liabilities		895 290	879 984
Current liabilities			
Accounts payable		47 753	19 063
Public duties payable		4 015	2 845
Other short term liabilities		14 081	9 539
Total current liabilities		65 849	31 447
TOTAL EQUITY AND LIABILITIES		1 440 200	1 330 028

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in NOK 1000

30.06.2014 2013

Cash flow from operating activities

Profit before tax	-62 008	-23 506
Depreciaton	17 451	7 524
Change in inventory	-9 344	-4 204
Change in trade receivables	7 572	-158
Change in trade payables	28 690	16 866
Differences in pension liability	-	106
Effect of exchange fluctuations	12 979	-2 619
Change in other provisions	-37 347	124 222
Net cash flow from operating activities	-42 007	118 231

Cash flow from investment activities

Purchase of fixed assets	-29 368	-1 242 097
Purchase of shares/parts in other companies	-	-3 750
Received from investment in shares/parts	236	-
Change in long term receivables	-27 540	-
Net cash flow from investment activities	-56 672	-1 245 847

Cash flow from financing activities

Proceeds from long term loans	-	879 878
New equity received, net	124 800	88 808
Changes of ownership subsidiaries	-	228 298
Net cash flow from financing activities	124 800	1 196 984

Net change in cash and cash equivalents	26 121	69 368
Cash and cash equivalents at 01.01.	74 129	4761
Cash and cash equivalents at end of period	100 250	74 129

NOTES TO INTERIM CONDENSED CONSOLIDATED ACCOUNTS

Note 1 General

The interim condensed consolidated accounts for 2nd quarter 2014 are prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

This interim accounts report does not include all the information and disclosure required in the Annual financial statments, and should be red in conjunction with the group's Annual financial statements as of December 31st 2013.

The Group has followed the same accounting principles and methods as used in the last Annual Report.

Note 2 Segment information

All six Vessels are of the same design; Damen PSV 3300 CD.

They are all Plattform Supply Vessels and two of them have in Q2-2014 operated in the North Sea, while the four others have operated in Brazil from end June.

Income from North Sea in Q2-14	21 706
Income from Brazil in Q2-14 including mob-fee	38 694

Note 3 Financial income and expenses

	Q2-2014	30.06.2014	2013
Financial income are:			
Foreign exchange profits	1 782	2 816	30 362
Interest income	-	2	604
Other financial income including unrealized exchange profits	2 628	3 565	19 146
Total financial income	4 410	6 383	50 112
Financial expenses are:			
Foreign exchange losses	1 215	2 275	17 339
Interest expenses	18 960	36 517	13 476
Other financial expenses including unrealized exchange losses	11 013	16 902	3 225
Total financial expenses	31 188	55 694	34 040

Note 4 Tangible fixed assets

	Vessels	Maintenance	Total
Acquisition cost 01.01.	1 223 461	18 636	1 242 097
Additions	28 938	430	29 368
Accumulated cost 30.06.2014	1 252 399	19 066	1 271 465
Accumulated depreciation 30.06.2014	-22 257	-2 711	-24 968
Book value	1 230 142	16 355	1 246 497
Depreciation for the period	15 551	1 900	17 451

Note 5 Equity

	Share capital	Share premium reserve	Other equity	Total equity
Equity 01.01.2014	2 204	221 795	194 598	418 597
Change in equity 2014				
Capital increase, net	13 000	111 800		124 800
Conversion fluctuations subsidiaries			-2 328	-2 328
Result for the period			-62 008	-62 008
Equity 30.06.2014	15 204	333 595	130 262	479 061
Equity 2013				
Equity 01.01.2013	1 359	133 832	-1 089	134 102
Change in equity 2013				
Change in ownership subsidiaries			228 159	228 159
Increase of paid in capital	845	100 576		101 421
Emission costs		-12 613		-12 613
Conversion fluctuations subsidiaries			-2 619	-2 619
Result for the period			-29 853	-29 853
Equity 31.12.2013	2 204	221 795	194 598	418 597