



HALF YEAR RESULTS as per 30 June 2014

28/08/2014 5.45 pm
Regulated information

The board of directors of EXMAR has approved the accounts for the period ending 30th June 2014. This press release also refers to the one distributed on 31st July 2014 (provisional results).

Highlights of recent developments are:

- **Significant Capital Gains on the sale of older LPG tonnage and strong LPG rates still going forward**
- **Strengthening of the Balance Sheet with USD 114 million unsecured Bond successfully closed in July to finance new offshore and LNG projects**
- **Intention to form and list the MLP (Master Limited Partnership) in the US before the end of the year**
- **LNG portfolio contributing in accordance with its respective charters**

Consolidated income statement according IFRS (in million USD)	Application IFRS 10 & 11		Proportionate Consolidation	
	First Semester 2014	First Semester 2013 restated	First Semester 2014	First Semester 2013
Turnover	71,8	90,8	170,9	227,1
EBITDA	0,4	53,6	80,9	101,6
Depreciations, amortizations and impairment losses	-3,3	-7,7	-22,9	-27,8
Operating result (EBIT)	-2,9	45,9	58,0	73,8
Financial Result:	10,3	29,2	-5,6	17,2
- Of which Change in Fair Value of Financial Derivatives	2,8	21,9	2,8	27,1
Share in the result of equity accounted investees	45,0	15,7	0,0	-0,2
Result before taxes	52,4	90,8	52,4	90,8
Income taxes	-0,5	-0,6	-0,5	-0,6
Consolidated result after taxation	51,9	90,2	51,9	90,2
- Share of the group in the result	51,9	90,2	51,9	90,2
Information per share (in USD per share)	First Semester 2014	First Semester 2013 restated	First Semester 2014	First Semester 2013
Weighted average number of shares during the period	56.824.868	56.391.640	56.824.868	56.391.640
EBITDA	0,01	0,95	1,42	1,80
EBIT	-0,05	0,81	1,02	1,31
Consolidated result after taxation	0,91	1,60	0,91	1,60

All figures mentioned in this press release have been prepared under IFRS (International Financial Reporting Standards).

The Group (using the proportionate consolidation method) had an operating result (EBIT) of USD 58 million for the first semester 2014 including USD 25.9 million capital gain on sale of assets (2013: EBIT of USD 73.8 million, including 52.8 USD million capital gain on the sale of 50% of EXMAR LPG to Teekay LNG Partners). The financial result has been positively influenced by the change in fair value of interest rate derivatives entered to hedge the interest rate exposure on long-term financing of the fleet, which resulted in a non-cash unrealized profit of USD 2.8 million (2013: USD 27.1 million), and by the sale of the shares Teekay for an amount of USD 1.6 million (2013: USD 4.5 million). The consolidated result after taxation for the first half 2014 amounts to USD 51.9 million (2013: USD 90.2 million).

Change in Accounting Policy

As previously announced, the Company is applying the new accounting standards IFRS 10 and IFRS 11 as of 1st January 2014. As a result, the consolidation method applied to joint ventures has changed and the comparative figures for 2013 have been restated. All the joint ventures in which the company has an interest have now been accounted for using the equity method and the contribution by such joint ventures is now reported in the income statement under the line "Share of profit (loss) of equity accounted investees". For information purposes, the Company included the consolidated income statement as if EXMAR would have continued to apply proportionate consolidation for its joint ventures for the first semester 2014. For more details about the impact of the first-time adoption of IFRS 10 and IFRS 11, we also refer to note 3 "Significant accounting policies".

In addition, EXMAR has applied a new depreciation policy for its LNG fleet as of 1st January 2014. The economic life for the Group's LNG vessels has been extended from 30 to 35 years. This change in accounting estimate is reflected as from 1st January 2014 and comparative figures have not been restated. Depreciation cost relating to LNG vessels is therefore lower by USD 1.9 million for the first semester of 2014.



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OUTLOOK SECOND SEMESTER

LNG : For the second half of 2014 we expect all vessels to contribute in line with the first semester under their respective charters. No dry-docks are foreseen on the LNG fleet during the rest of 2014.

The construction of the world's first floating liquefaction unit **Caribbean FLNG** at Wison Heavy Industry's shipyard in Nantong, China is progressing as planned. Start of operations is scheduled from second half of 2015.

EXMAR and Pacific Rubiales ENERGY (through its affiliate Pacific Midstream Holding Corp.), ordered a floating storage and regasification unit (FSRU) in February 2014. The unit is currently being constructed by Wison Offshore and Marine and is expected to be delivered to the joint venture by mid-2016. The marketing of this FSRU with prospective clients is ongoing. Negotiations for the construction of a second floating liquefaction unit in British Columbia (BC LNG) are progressing well.

OFFSHORE: The accommodation barges **KISSAMA**, **NUNCE** and **OTTO 5** continue operating offshore Cameroon, Angola and Nigeria respectively. They will contribute fully to the results until the end of 2014.

LPG : The Midsize (MGC) market, backed by limited vessel availability from both the VLGC and LGC segments as well as the smaller Handysize, has remained firm during the summer months with a couple of record high fixtures. Market sentiment for the Midsize segment remains positive for the balance of 2014 and well into 2015.

The VLGC market has reached and is maintaining historically high levels. During the coming quarters additional export terminal capacity will be coming on stream and the expectation is that a significant percentage of VLGC tonnage could be absorbed. **BW TOKYO** has been fixed for 2 years (of which 40% at floating rate) and will benefit from these favorable market conditions. The results for the third quarter will be positively influenced by the capital gain of USD 9.3 million on the sale of the **FLANDERS HARMONY** (85,000 m³ - built 1993).

For the small pressurized vessels continuing lack of activity both East and West, closure of refineries, current political uncertainty over Black Sea trading, and a series of newbuilding vessels due for entering the market during the coming months, are all factors hinting towards a period of continued downward pressure for these vessels.

SERVICES AND HOLDING: Results are expected to be in line with the first semester.

INTERIM DIVIDEND

The board of directors approved the distribution of a gross interim dividend of EUR 0.20 per share (EUR 0.15 net per share). The net interim dividend will be payable to the holders of registered shares and to the holders of dematerialized shares (through their financial institution) on 5 September 2014. (ex-date 2 September 2014 – record-date 4 September 2014).

STATUTORY AUDITOR

The statutory auditor, KPMG Bedrijfsrevisoren – Réviseurs d'Entreprises, represented by Filip De Bock confirms that the review work, which is finished in substance, did not reveal any significant correction that should be made to the accounting information included in the press release.

STATEMENT ON THE TRUE AND FAIR VIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE FAIR OVERVIEW OF THE INTERIM MANAGEMENT REPORT

The Board of Directors, represented by Nicolas Saverys and Patrick De Brabandere, and the Executive Committee, represented by Nicolas Saverys and Miguel de Potter, hereby confirm that, to the best of their knowledge, the condensed consolidated interim financial statements for the six months period ended 30 June 2014, which has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report includes a fair overview of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

ANNEX

- Consolidated statement of financial position
- Consolidated statement of profit or loss
- Consolidated statement of comprehensive income
- Consolidated statement of changes in equity
- Consolidated statement of cash flows

Condensed consolidated interim financial statements for the period ended 30 June 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of USD)

	30 June 2014	31 December 2013 (restated) (*)
ASSETS		
NON-CURRENT ASSETS	626.361	585.097
Vessels (including vessels under construction)	70.184	69.173
Offshore - operational	2.558	4.608
Vessels under construction	67.626	64.565
Other property, plant and equipment	5.149	5.168
Intangible assets	443	526
Investments in equity accounted investees	165.622	115.085
Borrowings to equity accounted investees	384.638	392.831
Other investments	136	2.104
Derivative financial instruments	190	210
CURRENT ASSETS	216.707	242.941
Available-for-sale financial assets	9.560	12.774
Trade and other receivables	79.877	74.109
Current tax assets	2.794	2.990
Cash and cash equivalents	122.690	149.389
Assets classified as held for sale	1.786	3.679
TOTAL ASSETS	843.069	828.038
EQUITY AND LIABILITIES		
TOTAL EQUITY	435.969	406.928
Equity attributable to owners of the Company	435.780	406.640
Share capital	88.812	88.812
Share premium	209.902	209.902
Reserves	85.131	3.134
Result for the period	51.935	104.792
Non-controlling interest	189	288
NON-CURRENT LIABILITIES	329.761	339.259
Borrowings	306.213	312.781
Employee benefits	4.274	4.400
Provisions	2.393	2.399
Derivative financial instruments	16.881	19.679
CURRENT LIABILITIES	77.339	81.851
Borrowings	14.084	13.855
Trade and other payables	59.765	62.865
Current tax liability	3.490	5.131
TOTAL EQUITY AND LIABILITIES	843.069	828.038

(*) The figures per 31 December 2013 have been restated following the adoption of IFRS 11 Joint Arrangements, see note 3 'significant accounting policies'.



CONDENSED CONSOLIDATED INCOME STATEMENT AND CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of USD)

	6 months ended 30 June 2014	6 months ended 30 June 2013 (restated) (*)
CONDENSED CONSOLIDATED INCOME STATEMENT		
Revenue	71.766	90.771
Capital gain on disposal of assets	1.366	52.866
Other operating income	2.652	1.891
Operating income	75.784	145.528
Goods and services	-41.459	-66.097
Personnel expenses	-29.702	-23.492
Depreciations and amortisations	-2.877	-7.737
Impairment loss	-499	-21
Provisions	0	243
Other operating expenses	-4.194	-2.521
Capital loss on disposal of assets	-1	-12
Result from operating activities	-2.948	45.891
Interest income	11.587	11.888
Interest expenses	-6.427	-10.770
Other finance income	6.902	29.231
Other finance expenses	-1.762	-1.203
Net finance costs	10.300	29.146
Result before income tax and share in the result of equity accounted investees	7.352	75.036
Share in the result of equity accounted investees, net of tax	45.024	15.737
Result before income tax	52.376	90.773
Income tax expense	-429	-623
Result for the period	51.947	90.150
Attributable to:		
Non-controlling interest	12	-3
Owners of the Company	51.935	90.153
Result for the period	51.947	90.150
Basic earnings per share (in USD)	0,91	1,60
Diluted earnings per share (in USD)	0,91	1,59
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Result for the period	51.947	90.150
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	-219	-378
Net change in fair value of cash flow hedges transferred to profit and loss	0	178
Net change in fair value of cash flow hedges - effective portion (hedge accounting)	132	367
Net change in fair value of available-for-sale financial assets	-1.067	-976
Total other comprehensive income for the period	-1.154	-809
Total comprehensive income for the period	50.793	89.341
Total comprehensive income attributable to:		
Non-controlling interest	6	-5
Owners of the Company	50.787	89.346
Total comprehensive income for the period	50.793	89.341

(*) The figures per 30 June 2013 have been restated following the adoption of IFRS 11 Joint Arrangements, see note 3 'significant accounting policies'.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of USD)

	Share capital	Share premium	Retained earnings	Reserve for treasury shares	Translation reserve	Fair value reserve	Hedging reserve	Share-based payments reserve	Total	Non-controlling interest	Total equity
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2014											
1 January 2014	88,812	209,902	161,285	-60,867	-4,331	2,781	-554	9,610	406,640	288	406,928
Comprehensive result for the period											
Result for the period			51,935						51,935	12	51,947
Total other comprehensive result for the period			-213		-1,067	132			-1,148	-6	-1,154
Total comprehensive result for the period	0	0	51,935	0	-213	-1,067	132	0	50,787	6	50,793
Transactions with owners of the Company											
Dividends paid			-23,637						-23,637	-106	-23,743
Share-based payments								0	0		0
- Share options exercised			-2,634	4,737				-548	1,555		1,555
- Share based payments transactions								437	437		437
Total transactions with owners of the Company	0	0	-26,271	4,737	0	0	0	-111	-21,645	-106	-21,751
30 June 2014	88,812	209,902	186,949	-56,130	-4,544	1,714	-422	9,499	435,780	188	435,969
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS PER 30 JUNE 2013											
1 January 2013	88,812	209,902	136,438	-72,092	-5,829	5,501	-6,707	10,764	366,785	188	366,973
Comprehensive result for the period											
Result for the period			90,153						90,153	-3	90,150
Total other comprehensive result for the period			-376		-976	545			-807	-2	-809
Total comprehensive result for the period	0	0	90,153	0	-376	-976	545	0	89,346	-5	89,341
Transactions with owners of the Company											
Dividends paid			-29,503						-29,503		-29,503
Share-based payments								0	0		0
- Share options exercised			-3,105	5,604				-689	1,810		1,810
- Share based payments transactions								138	138		138
Total transactions with owners of the Company	0	0	-32,608	5,604	0	0	0	-551	-27,555	0	-27,555
30 June 2013	88,812	209,902	193,983	-66,488	-6,205	4,525	-6,162	10,213	428,574	183	428,757

The notes are an integral part of these condensed consolidated interim financial statements



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of USD)

	NOTE	6 months ended 30 June 2014	6 months ended 30 June 2013 (restated) (*)
OPERATING ACTIVITIES			
Result for the period		51.947	90.150
Share of result of equity accounted investees		-45.024	-15.737
Depreciations and amortisations		2.877	7.737
Impairment loss		499	21
Changes in the fair value of derivative financial instruments		-2.798	-21.935
Net interest income/expenses		-5.160	-1.118
Income tax expense		429	623
Net gain on sale of available for sale financial assets		-1.550	-4.505
Net gain on sale of assets	5	-1.366	-52.854
Exchange differences		150	-348
Dividend income		-379	-1.457
Equity settled share-based payment expenses (option plan)		437	138
Gross cash flow from operating activities		62	715
Decrease/increase of trade and other receivables		-7.060	4.521
Increase/decrease of trade and other payables		-3.107	6.349
Increase/decrease in provisions and employee benefits		0	-421
Cash generated from operating activities		-10.105	11.164
Interest paid		-6.357	-8.088
Interest received		11.888	11.888
Income taxes paid/received		-1.614	-2.514
NET CASH FROM OPERATING ACTIVITIES		-6.188	12.450
INVESTING ACTIVITIES			
Acquisition of intangible assets		-164	-150
Acquisition of vessels, vessels under construction and other property, plant and equipment		-3.641	-12.725
Proceeds from the sale of intangible assets		-23	80
Proceeds from the sale of vessels and other property, plant and equipment	5	3.250	0
Proceeds from borrowings to equity accounted investees	6	5.145	6.216
New borrowings to equity accounted investees	6	-880	0
Acquisition of available for sale financial assets		-2.471	0
Proceeds from the sale of available for sale financial assets		6.649	12.898
Acquisition of / proceeds from the sale of subsidiaries, associates and other investments		0	128.878
NET CASH USED IN INVESTING ACTIVITIES		7.865	135.197
FINANCING ACTIVITIES			
Dividends paid		-23.637	-29.503
Dividends received (including equity accounted investees)		379	2.457
Payment for settlement of derivatives		0	0
Proceeds from treasury shares		1.565	1.807
Proceeds from new borrowings	8	544	700
Repayment of borrowings	8	-6.882	-8.871
NET CASH (USED IN) FROM FINANCING ACTIVITIES		-28.031	-33.410
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		-26.354	114.237
RECONCILIATION OF NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS			
Net cash and cash equivalents at 1 January		149.389	130.798
Net increase/decrease in cash and cash equivalents		-26.354	114.237
Exchange rate fluctuations on cash and cash equivalents		-345	-219
NET CASH AND CASH EQUIVALENTS AT 30 JUNE		122.690	244.816

(*) The figures per 30 June 2013 have been restated following the adoption of IFRS 11 Joint Arrangements, see note 3 'significant accounting policies'.