Viking Supply Ships A/S
Group Annual Report
2014

Registration no. 33 36 97 94

Contents

Front picture: Balder Viking on ice-breaking duty.

Viking Supply Ships has chosen to publish a consolidated annual report that does not comprise the financial statements of the parent company Viking Supply Ships A/S. In accordance with Section 149 of the Danish Financial Statements Act, this consolidated annual report is therefore an extract of the Group's full annual report. The full annual report, including the parent company financial statements, can upon approval at the Annual General Meeting, be obtained from the Danish Business Authority. Appropriation of profit for the year and proposed dividends from the parent company are disclosed in note 18 to the consolidated annual report. The full annual report comprises the Statement of the Board of Directors and Management and the independent auditors' report disclosed on pages 11 and 12.

DIRECTORS' REPORT

Viking Supply Ships A/S (VSS) core business is offshore and icebreaking services to major oil companies primarily in the North Sea, Arctic and Subarctic waters. VSS is a leading player in the Arctic and Subarctic offshore segment, with extensive expertise in performing operations in harsh environments. Customer adaptation and creativity, combined with a leading position in safe and environmental friendly operations, are some of the key success factors. The fleet comprises a total of 13 vessels. Three are combined icebreakers/AHTS vessels, four are new ice-class AHTS vessels, one is a conventional AHTS vessel and five are modern PSV vessels. Additionally VSS, on behalf of the Swedish Maritime Administration, has commercial management of five state-owned icebreakers. The dedicated crews have extensive experience with icebreaking and offshore work in harsh weather conditions. The AHTS fleet, combined with crew and ice management competence, is tailor-made to operate in ice conditions. There has been an increased contract activity in this niche. VSS is committed to have a substantial part of the fleet on longer term contracts, and have a focus on increasing the contract coverage and the contract backlog. VSS has delivered offshore services in Arctic waters for oil majors like Shell, ENI, Husky, Cairn Energy, Rosneft and Exxon Mobil.

VSS head office is located in Copenhagen, Denmark with local presence in Norway, Sweden, Scotland, Russia and Canada. Early 2015 the decision was taken to close down the Aberdeen office in Scotland to further centralise functions in Copenhagen in order to remain competitive in the PSV segment, refer to note 19.

The successful completion of the consultancy project with a major international oil company marked a shift away from pure ship-owning activities for the company. Part of VSS' long term strategy is to further increase the importance of the services segment within the company.

The early termination of the contract for four AHTS vessels, communicated in late 2014, will impact VSS contract coverage and financial results for 2015. VSS is currently assessing several contract opportunities both in Arctic and non-Arctic regions and has a clear ambition to increase the contract coverage for the VSS fleet. The market for medium sized PSV vessels in the North Sea has been more challenging than expected, and VSS is now considering term opportunities in nearby regions for these vessels.

As expected, the result for 2014 improved compared to 2013. 2014 was characterised by a positive, yet volatile, development in both rates and utilisation in the North Sea spot market and a stable supply of vessels. The AHTS vessels obtained a utilisation of 77% (73%) and average fixture rates of NOK 462,200 (324,000) in the year. The PSV vessels obtained a utilisation of 71% (76%) and average fixture rates of GBP 10,300 (11,000) in the year.

Net sales for the year totalled MNOK 1,742 (MNOK 1,007) and operating profit before depreciation (EBITDA) was MNOK 718 (MNOK 299). This was in line with expectations.

Significant events during Q1

- VSS declared the purchase options on the bareboat charter operated PSV vessels Sol and Freyja Viking, with purchase dates 15 May and 6 October respectively.
- VSS refinanced the secured bank loan financing Magne and Brage Viking by signing a new secured bank loan agreement of MUSD 105 maturing in 2018. The refinancing generated free liquidity of MNOK 57.

Significant events during Q2

- VSS received notice of cancellation of the 2014 drilling season for Tor Viking and was entitled to a compensation fee for the cancellation.
- Following the cancellation, Tor Viking was awarded a contract with another major oil company for a period of 11 months in the Far East, which commenced in June 2014. The charterer has the option to extend the contract with 2x6 months, subject to vessel availability. The total value of the firm contract period is MUSD 34.5.
- Sakhalin Energy exercised the first of three 4 months options on Vidar Viking. The vessel is now on firm contract until April 2015.
- Four AHTS vessels started performing under a major oil company contract at the end of May.
- VSS refinanced the secured bank loan financing the PSV fleet by signing a new secured bank loan agreement of MNOK 445 maturing in 2016. The purpose of the refinancing was to extend the existing loan agreement and to facilitate the purchase of the PSV vessels Sol and Freyja Viking which were on long term bareboat charters to VSS. Sol Viking was purchased in connection with the refinancing and Freyja Viking was purchased on 6 October.
- The Shore Operation Center in Moscow was staffed and equipped and became fully operational. All seafarers finalised their education at the Viking Ice Academy.

Significant events during Q3

- VSS completed the refinancing of the three AHTS Icebreakers Tor, Balder and Vidar Viking by signing a secured bank loan agreement. The new secured bank loan agreement of MNOK 617 matures in 2019. The refinancing generated free liquidity of MNOK 120.
- The 1985 built SBS Cirrus was sold and delivered to its new owners. The transaction generated a positive impact of MNOK 0.9 on the Q3 results.
- The Shore Operation Center in Moscow entered the closing down period and the Kara Sea Consultancy Project entered into the demobilisation phase.
- VSS repaid the MNOK 100 senior unsecured bond loan issued in June 2013.

Significant events during Q4

- VSS received a compensation fee due to the cancellation of the 2014 drilling season for Tor Viking and also received an early termination of the contract for Loke, Brage, Magne and Balder Viking for the 2015 and optional 2016 and 2017 drilling seasons, and were entitled to an early cancellation fee. These fees were recognised in the Q4 2014 results.
- Sakhalin Energy exercised the second of three 4 months options on Vidar Viking. The vessel is now on firm contract until August 2015.
- VSS purchased the PSV vessel Freyja Viking, which had been on a long term bareboat contract to VSS. To finance the purchase, VSS drew the last tranche on the secured bank loan financing the PSV vessels.
- The Shore Operation Center in Moscow was put on stand-by. The Kara Sea Consultancy Project was completed successfully for the 2014 drilling season but was terminated for the 2015 drilling season. It was decided to establish the Services segment as a stand-alone legal entity within VSS effective as of January 2015. The legal entity was named Viking Ice Consultancy AS with base in Kristiansand, Norway.

Risks

VSS is characterised by a high degree of international operations and VSS is thus exposed to a number of both operational and financial risks. These risks include fluctuations in spot rates and utilisation in the offshore segment and development in exchange rates of mainly USD and GBP.

VSS works actively to identify, assess and manage these risks. Reference is made to note 17, where the identified specific risks of the business are described in further detail.

Safety and Environment

VSS strives to achieve the best possible solutions that exceed customer expectations and provide customers with greater value. VSS performs its operations and services in such a way that the impact on the environment is as low as reasonably practicable and so that international and national environmental laws are adhered to. VSS continuously implements improvements to its vessels and operations, which reduces environmental impact each year. All employees have the responsibility of safely performing their assignments in accordance to company guidelines and highest safety and environmental standard. Continuously VSS, through exercises, increases the skills and readiness for normal shipboard operations and emergency situations for every personnel based on board as well as onshore. The objective is to create a work environment without accidents, and customer relations with highest level of quality, by adhering to the following principles:

- Zero accidents, environmental or material damage
- Compliance with all applicable Health, Safety and Environmental (HSE) legislation
- Healthy working conditions
- Clear tangible targets
- Require every employee to take personal responsibility for HSE by focusing on own behaviour
- Innovation and development alongside customers
- To reduce impact on the environment through energy efficiency

By focusing on these, VSS has achieved a 2014 without significant accidents. The safety work is something that VSS continuously improves and during 2014 VSS had quarterly safety campaigns on board the vessels. The areas for the campaigns were Hands and Fingers, Line-of-fire, Safety links and Behaviour based safety. These campaigns improved the reporting of safety observations and during 2015 this will continue with new safety campaigns. High reporting of safety observations means less accidents and incidents.

VSS is certified for International Organisation for Standardisation (ISO) 14001:2004 and ISO 9001:2008 and has during 2014 started with the certification process for Occupational Health and Safety Advisory Services (OHSAS) 18001. This will be ready during the first part of 2015 and will thereby make a complete certificate for environment, quality and work environment on both vessel and in offices.

As part of improving the office work environment VSS has dedicated representatives to continually evaluate the work space. In 2014 there has been a focus on ergonomic improvements. External consultants have assisted VSS in upgrading the work space tailoring it to each individual.

For several years VSS has been evaluating suppliers in the areas of safety and security, environment, quality and work environment. This makes suppliers more involved in the VSS strategy and also makes the cooperation with suppliers stronger. VSS has adhered to all legislation and has no outstanding issues with authorities regarding HSE legislation.

Energy efficiency is an important part of the operation of vessels, and this is an area, where VSS has improved during 2014, as a new voyage reporting tool was implemented on the vessels. The tool will be further improved during 2015 and will be of great help in operating vessels in the most energy efficient ways at all possible times. Also VSS vessels are using low sulphur fuel to reduce emission.

Further we refer to the Safety and Environment section of VSS homepage.
(http://www.vikingsupply.com/vision-hseq).

The Polar Code

The Polar Code is a new mandatory regulative framework for vessels operating in arctic waters. The Polar Code is due to enter into force on 1 January 2017. The Polar Code is intended to cover the full range of shipping-related matters relevant to navigation in waters surrounding the two poles – ship design, construction and equipment, operational and training concerns, search and rescue and equally important, the protection of the unique environment and eco-systems of the polar regions.

In November 2014 the International Maritime Organisation (IMO) adopted the International Code for Ships Operating in Polar Waters (Polar Code), and related amendments to the International Convention for the Safety of Life at Sea (SOLAS). This marked a historic milestone in the Organisation’s work to protect ships and people aboard them, both seafarers and passengers, in the harsh environment of the waters surrounding the two poles. The Polar Code and SOLAS amendments were adopted during the 94th session of IMO’s Maritime Safety Committee (MSC).

The Polar Code will apply to new ships constructed after 1 January 2017. Ships constructed before 1 January 2017 will be required to meet the relevant requirements of the Polar Code by the first intermediate or renewal survey, whichever occurs first after 1 January 2018.

Because it contains both safety and environment related provisions, the Polar Code will be mandatory under both SOLAS and the International Convention for the Prevention of Pollution from Ships (MARPOL). In October 2014, IMO’s Marine Environment Protection Committee (MEPC) approved the necessary draft amendments to make the environmental provisions in the Polar Code mandatory under MARPOL. The MEPC is expected to adopt the Code and associated MARPOL amendments at its next session in May 2015 with an entry-into-force date to be aligned with the SOLAS amendments.

As VSS personnel have years of experience working in the Polar Regions, VSS is actively contributing to shaping the new Polar Code. Thus the voice of VSS is heard not only in the market, but also within the regulatory framework.

When the Polar Code is implemented, it will not only enhance the safe operation in the region, but also give VSS a competitive advantage both in respect of assets and personnel skills, as the VSS staff to a wide extend already have received the necessary training from VSS Ice Academy, and as the VSS fleet is built to an ice class that will comply with the requirements in the new Polar Code.

It is VSS’ aim to have all the ice classed vessels certified in accordance with the Polar Code, when the legal framework for such a certification is in place. Further VSS Ice Academy will strive to offer training in accordance with the Polar Code, when requirement for such training is in place.

Human Rights

Though VSS does not have a specific policy for human rights, VSS strives to set a positive footprint on the world, and has actively contributed during 2014 by donating a Search and Rescue Vessel to improve safety along the Norwegian coast line. VSS has also made donations to organisations working with improving children's opportunities.

Code of Conduct

VSS expanded and improved its Code of Conduct in 2014, which was presented and approved by the Board of Directors in September 2014. The Code of Conduct is based on the VSS values Safety, Teamwork, Trust, Respect and Flexibility, and is constructed to be the cornerstone of the VSS Corporate Social Responsibility (CSR) programme. The main points in the Code of Conduct are zero tolerance for corruption, prohibition against facilitation payments and guidelines for gifts and business hospitality.

VSS is working to implement its own Corporate Social Responsibility guidelines.

Diversification

VSS is actively striving to achieve a diverse team throughout the board of directors, the management group and the rest of the organisation. All employees in VSS should experience equal opportunities for developing their careers, regardless of gender, religion, age and nationality. Diversity will always be considered when promoting and recruiting employees. VSS currently employs 8 different nationalities onshore and 11 different nationalities at sea, up from 7 different nationalities onshore and 10 different nationalities at sea in 2013.

To support equal opportunities, VSS has implemented the following initiatives:

- Corporate policies to allow equal opportunities
- Standardised recruitment policies to ensure equal treatment
- Support to develop individual career plans

The management group consists of 5 men and 1 woman. VSS aims to increase the underrepresented gender in the management group to at least 40%. To achieve this, VSS strives to make sure that each gender is represented by at least one when promoting or hiring for management group positions. During 2014 no changes have been made to the management group.

The Board of Directors consists of 5 men and 0 women. In order to increase diversity in the Board of Directors, a goal has been set that the underrepresented gender should constitute at least 20% by 2018. During 2014 no changes have been made to the Board of Directors.

Market events 2014 and market expectations 2015

During the first half of 2014, the oil companies' focus on reducing the overall cost level within the offshore industry became evident. Several oil companies reported to be cash negative, despite an oil price stable at levels above USD 100. Despite this, activity levels on rig and offshore activity were expected to remain at high levels.

During the second half of 2014, the price for oil started to decrease, moving away from the USD 100-110 band at which it had been trading. Based on increased supply and reduced economic growth, which resulted in lower growth in demand, the price decreased to around USD 50, the lowest level seen since the beginning of 2009.

Over the last couple of years, increased oil production has been weakening the market balance for oil suppliers. At the same time, global growth has not rebounded as anticipated after the financial crisis a few years ago. Consequently, the demand for energy has not increased as much as expected, which further has stressed the market balance. At an oil price of USD 50, much of the production required to cover the current demand is not viable, and the current oil price level is probably not sustainable in the long run. Further the reduced oil prices are likely to stimulate the economic growth needed to boost future demand. VSS believes that the current cost reduction seen among oil companies is healthy for the long term development of the market. Most of the industry seems to agree that the oil price will rebound to a level between USD 70-90 in the long run, which when considering cost reductions within the industry is not a threat towards Arctic exploration and production.

In the long run VSS has a positive market outlook within the offshore industry as a whole. Despite this, VSS foresee more challenging environments for the offshore industry during the next couple of years. VSS expects reduced rig activity in the short run, with reduced utilisation and scrapping being a likely result for rig owners. Rig activity is the most important driver for the offshore supply vessel market, and as a result VSS expects that demand will be weaker than earlier anticipated. Artic oil companies are expected to narrow their focus to comprise of fewer projects, and delays should be expected for some projects.

2014 marked a successful start for the oil exploration in the Kara Sea and also saw increased activity in the Russian Pechora Sea. Russian Arctic has been described as the key driver for offshore industry development in harsh and arctic environments. The geopolitical situation and ongoing US and EU sanctions have reduced the outlook in the short run. Offshore vessels are not directly impacted by the sanctions, but due to lack of equipment and capital, activity in the region is expected to be significantly reduced through 2015. The Russian Arctic and Subarctic areas are considered to be important regions for VSS. VSS has a significant share of its business in Subarctic areas which are not impacted by the sanctions. VSS considers the future outlook in the region as positive however VSS is carefully monitoring the political situation in the region.

AHTS market

The North Sea AHTS market was assumed to strengthen during 2014, on the basis of increased rig activity and high project activity reducing the amount of vessels available in the North Sea market.

During the winter months, several vessels entered the North Sea, which caused the average fleet to increase compared to previous years. The market had also expected to see additional demand from Brazil, which did not happen. This put further pressure on the North Sea market balance. Despite increasing activity in the region, the predicted increase in demand failed to materialise, giving a relatively modest North Sea market across 2014.

In 2014 several vessels exited the North Sea for large parts of the year to support offshore operations in Arctic parts of Russia. As activity is influenced in the Russian Arctic region due to the current sanctions, VSS expects that the ample supply seen in the North Sea will continue going forward. The North Sea is the only well-functioning spot market in the global offshore market, and lower utilisation worldwide raises the risk for vessels in lack of term opportunities to enter the North Sea market. It is difficult to give an accurate prediction of the North Sea rig activity during 2015, but VSS expects the working rig fleet to be reduced compared to 2014.

VSS still expects investments in the North Sea to remain at high levels in 2015, despite a reduction from the levels seen in 2014.

Despite reduced outlook in Arctic regions in the short run, VSS expects contract opportunities in Arctic areas in 2015. VSS is experiencing increased demand in regions such as Sakhalin, and VSS also expects drilling activity to recommence in Alaska during the summer of 2015.

PSV market

The PSV market has been influenced by high order books over the last few years. The new-building activity has been based on the expected growth in the global fleet of working rigs. As the rig fleet is not growing in the pace that was previously expected, lower utilisation for platform supply vessels is to be expected.

In the North Sea this has caused the market conditions to worsen for medium sized vessels, such as those operated by VSS. VSS believes that this development will continue going forward. As a result VSS has decided to pursue term opportunities not only in the North Sea, but also in other regions.

Services and Ship Management markets

At the end of 2014 the successful completion of the consultancy contract with a major international oil company marked a shift away from pure ship-owning activities for VSS. Part of VSS' long term strategy is to further increase the importance of the services segment within the company. Effective as of 1 January 2015, Viking Supply Ships has decided to set up a separate entity for the services segment comprising services related to ice management. The ambition is to industrialise on the competencies built over the last decade within ice management and logistics when operating in ice. The company was named Viking Ice Consultancy and the company is based in Kristiansand. VSS considers the market outlook to be positive for the segment in the long run, but reduced activity in Arctic regions will have an impact on the segment in the short run.

Despite the termination of the 2015 drilling season, VSS initiated discussions with the client regarding a limited work scope for the 2015 season including services such as monitoring and maintenance. Overall VSS sees several project initiatives in ice and harsh environment areas and is actively pursuing such contract opportunities.

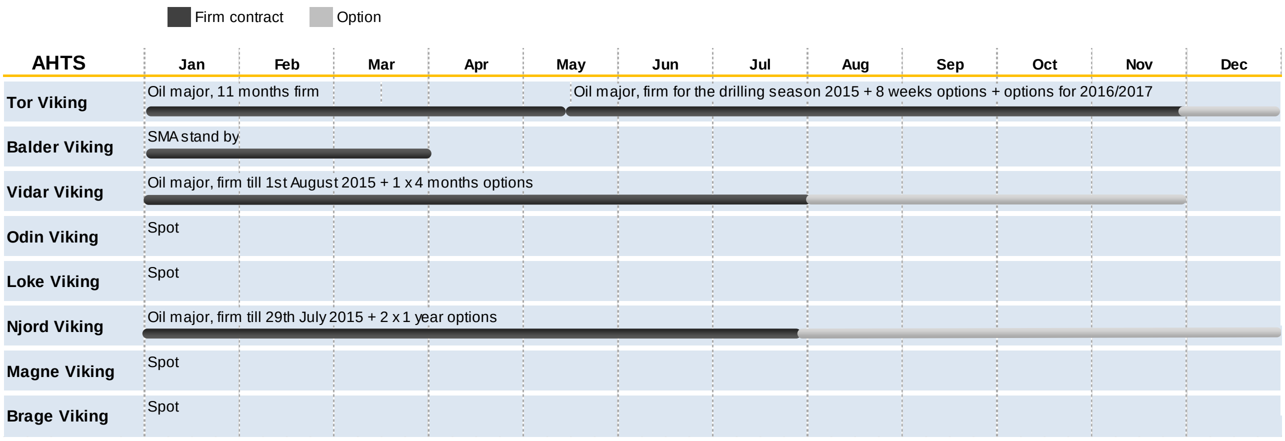
VSS' primary activity within Ship Management is the management agreement with the Swedish Maritime Administration. The market for ship management services is considered to remain unchanged in 2015.

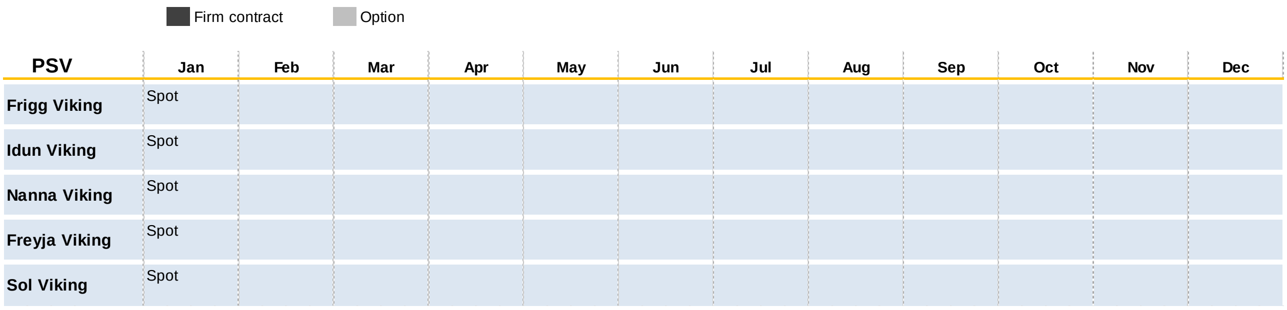
Result expectations 2015

The most important external factors affecting VSS results for 2015 are:

- Global development in oil companies exploration and production
- Development in oil price
- Sanctions against Russia
- Rig activity compared to number of vessels in the North Sea

VSS expects the overall business environment in the first quarter of 2015 to be challenging, nevertheless, VSS still sees several contract opportunities and project initiatives in ice and harsh environment areas which could turn out positive for the remaining quarters of 2015. At the entrance to 2015 VSS had a total contract coverage of 25% for the year (42%).





For 2015, VSS expects that revenue and profitability will decrease compared to 2014, refer to note 1 important estimations and note 17 risks.

KEY FIGURES

(MNOK)	2014	2013	2012	2011
Total revenue	1,741.5	1,006.9	897.6	152.9
Operating profit before depreciation (EBITDA)	718.2	299.4	196.3	12.6
Operating profit (EBIT)	524.4	43.8	5.5	-29.5
Net financials	-217.2	-102.8	-162.7	-21.4
Result for the period	291.8	-51.6	-157.2	-62.4
Total assets	4,697.6	4,203.5	4,237.3	3,320.1
Equity	2,024.5	1,719.2	1,722.9	1,558.0
Investments in tangible fixed assets	273.3	49.4	31.2	1,017.0
Profit margin	30.1%	4.3%	0.6%	-19.3%
Equity ratio	43.1%	40.9%	40.7%	46.9%
Return on shareholders' equity	15.6%	-3.0%	-9.6%	-8.0%
Total contract backlog	956.8	3,046.4	1,170.2	1,382.4
Average number of employees	468	457	405	98

Key figures
Profit margin is calculated as operating profit before net financials divided by total revenue.
Equity ratio is calculated as equity divided by total assets.
Return on shareholders' equity is calculated as result for the period divided by average equity.

FINANCIAL HIGHLIGHTS

Result for the period

Total revenue was MNOK 1,742 (MNOK 1,007). Total operating costs were MNOK 1,023 (MNOK 708) and operating profit before depreciation (EBITDA) was MNOK 718 (MNOK 299). Operating profit (EBIT) was MNOK 524 (MNOK 44).

Depreciation was MNOK 195 (MNOK 176) and impairment was MNOK 0 (MNOK 80).

Net financials were MNOK 217 (MNOK 103). Financial costs include unrealised currency loss of MNOK 92 (gain MNOK 34) and realised value adjustment loss on interest rate swaps of MNOK 11 (loss MNOK 4).

The result for the year was a gain of MNOK 292 (loss MNOK 52).

Tax

The companies in VSS are taxed according to location and activity. Almost all activities are taxed under the tonnage tax scheme where the taxable income is calculated based on the tonnage of the fleet. An exception is the activities in the Services segment. In 2014 there was a tax expense of MNOK 15 (tax income of MNOK 7).

Balance sheet

Total assets as of 31 December, 2014 were MNOK 4,698 (MNOK 4,204).

Vessels and equipment were MNOK 3,888 (MNOK 3,670).

The equity of MNOK 2,025 (MNOK 1,719) was impacted by the gain for the year of MNOK 292 (loss MNOK 52) and exchange rate adjustments with a gain of MNOK 13 (gain MNOK 48).

Total short- and long-term interest bearing loans were MNOK 2,393 (MNOK 2,296).

Cash flow

Cash flow from operating activities was MNOK 477 (MNOK 116).

Cash flow from investing activities was negative MNOK 333 (negative MNOK 49).

Cash flow from financing activities was negative MNOK 127 (negative MNOK 31).

Legal cases

VSS has no significant pending legal disputes.

Financial statement of the Parent

The result for the year was a gain of MNOK 290 (loss MNOK 204). The result improved due to the North Sea spot market and favourable term contracts.

Total assets as of 31 December 2014 were MNOK 3,402 (MNOK 3,718) and equity was MNOK 1,837 (MNOK 1,547).

VSS is publishing a consolidated annual report that does not comprise the financial statements of the VSS parent company. In accordance with Section 149 of the Danish Financial Statements Act, this consolidated annual report is therefore an extract of the VSS annual report.

Related parties

RABT has controlling influence. For information on ownership and related party transactions refer to note 15.

STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

Today, the Board of Directors and the management have discussed and approved the annual report of Viking Supply Ships A/S for the financial year 1 January - 31 December 2014.

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act. The parent company financial statements have been prepared in accordance with Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and company's financial position at 31 December 2014 and of the results of the group and company's operations and consolidated cash flows for the financial year 1 January - 31 December 2014.

In our opinion, the management's review includes a fair review of the of the development in the Group's and the Parent Company's operations and financial conditions, of the results for the year and of the financial position of the Group and Parent as well as a review of the more significant risks and uncertainty facing the Group and the Parent Company.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 18 May 2015

Board of Directors:

Christen Sveaas
Chairman

Anders Folke Patriksson
Vice chairman

Tom Ruud

Lars Håkan Larsson

Per Magnus Sonnorp

Managing Director:

Christian W. Berg

INDEPENDENT AUDITORS' REPORT

To the shareholder of Viking Supply Ships A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Viking Supply Ships A/S for the financial year 1 January – 31 December 2014, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company and consolidated statement of comprehensive income and consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act. Further the consolidated financial statements are prepared in accordance with additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (the consolidated financial statements), the Danish Financial Statements Act (the parent company financial statements) and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2014 and of the results of the Group's and the parent company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act in respect of the consolidated financial statements and in accordance with the Danish Financial Statements Act in respect of the parent company financial statements.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 18 May 2015
Ernst & Young
Godkendt Revisionspartnerselskab

Niels-Jørgen Andersen	Leon Stokkebye
State Authorised Public Accountant	State Authorised Public Accountant

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(MNOK)	Note	2014	2013
Total Revenue	2,3	**1,741.5**	**1,006.9**
Direct voyage costs		-48.5	-43.6
Operating costs	2,4	-851.0	-559.6
General and administrative expenses	4,5	-123.8	-104.3
Total operating costs		**-1,023.4**	**-707.5**
Operating profit before depreciation (EBITDA)		**718.2**	**299.4**
Net gain on sale of fixed assets	8	0.9	-
Depreciation	8	-194.7	-175.6
Impairment		-	-80.0
Operating profit (EBIT)		**524.4**	**43.8**
Financial income	6	2.8	2.8
Financial costs	6	-220.0	-105.7
Net financials		**-217.2**	**-102.8**
Pre-tax result		**307.1**	**-59.0**
Taxes	7	-15.3	7.4
Result for the year		**291.8**	**-51.6**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MNOK)	2014	2013
Result for the year	**291.8**	**-51.6**
Comprehensive income to be reclassified to profit loss in later periods		
Translation effect foreign operations	13.4	48.0
Other comprehensive income net of tax	**13.4**	**48.0**
Total comprehensive income for the year	**305.3**	**-3.6**

CONSOLIDATED BALANCE SHEET

(MNOK)	Note	2014	2013
ASSETS			
Vessels and equipment		3,887.5	3,669.8
Tangible assets	8	**3,887.5**	**3,669.8**
Restricted cash		-	37.2
Other non-current receivables		75.4	31.6
Financial assets	11	**75.4**	**68.8**
Total non-current assets		**3,962.9**	**3,738.6**
Inventories	9	21.7	24.2
Accounts receivables	10	305.8	118.7
Other current receivables		90.3	83.8
Cash and cash equivalents	11	316.9	238.2
Total current assets		**734.7**	**464.9**
Total assets		**4,697.6**	**4,203.5**

(MNOK)	Note	2014	2013
EQUITY AND LIABILITIES			
Share capital		0.5	0.5
Retained Earnings and reserves		1,879.0	1,718.7
Proposed dividend		145.0	-
Total equity	18	**2,024.5**	**1,719.2**
Long-term bond loan	12	191.9	359.9
Long-term interest bearing loans	12	1,932.7	1,647.4
Other non-current liabilities	13	28.6	33.1
Non-current liabilities		**2,153.2**	**2,040.4**
Short-term bond loan		**-**	98.8
Short-term interest bearing loans	12	268.7	189.6
Accounts payable	17	154.0	38.4
Other current liabilities	14	97.2	117.1
Current liabilities		**519.9**	**443.9**
Total liabilities		**2,673.1**	**2,484.3**
Total Equity and liabilities		**4,697.6**	**4,203.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(MNOK)	Share capital	Translation reserve	Share Premium	Retained earnings	Proposed dividend	Total equity
Shareholders' equity Dec. 31, 2011	**0.5**	**5.9**	**1,614.0**	**-62.4**	**-**	**1,558.0**
Group contributions	-	-	380.7	-	-	380.7
Result for the period	-	-	-	-157.2	-	-157.2
Other comprehensive income	-	-58.6	-	-	-	-58.6
Shareholders' equity 31 December 2012	**0.5**	**-52.8**	**1,994.7**	**-219.6**	**-**	**1,722.9**
Result for the period	-	-	-	-51.6	-	-51.6
Other comprehensive income	-	48.0	-	-	-	48.0
Shareholders' equity 31 December 2013	**0.5**	**-4.8**	**1,994.7**	**-271.2**	**-**	**1,719.2**
Result for the period	-	-	-	146.8	145.0	291.8
Other comprehensive income	-	13.4	-	-	-	13.4
Shareholders' equity 31 December 2014	**0.5**	**8.7**	**1,994.7**	**-124.4**	**145.0**	**2,024.5**

CONSOLIDATED CASH FLOW STATEMENT

(MNOK)	Note	2014	2013
Operating activities			
Profit / loss for the year		291.8	-51.6
Adjustments for:			
Net gain on sale of fixed assets	8	-0.9	-
Depreciation, amortisation and impairment	8	194.7	255.6
Financial expenses, net	6	217.2	102.8
Income taxes		15.3	-7.4
Working capital adjustments:			
Change in receivables and other current assets		-193.2	-31.7
Change in payables, accrued liabilities and deferred tax		88.2	5.6
Taxes paid	7	-3.0	-11.7
Interest paid	6	-135.9	-148.5
Interest received	6	2.7	2.8
Net cash flows from operating activities		**477.0**	**115.9**
Investing activities			
Drydocking		-40.2	-
Purchase of marketable securities / other financial assets		-41.5	-
Purchase of vessels and equipment	8	-273.3	-49.4
Proceeds from sale of vessels and equipment	8	21.6	-
Net cash flows used in investing activities		**-333.4**	**-49.4**
Financing activities			
Change in cash collateral and long-term receivable	11	37.2	25.0
Proceeds from loans	12	1,668.8	174.7
Repayment of loans	12	-1,832.9	-203.4
Change in associated companies loans including other non-cash items		-	-27.5
Net cash flows from financing activities		**-126.9**	**-31.2**
Currency translation effect on cash and cash equivalents		62.0	5.8
Cash and cash equivalents, beginning of year		238.2	197.1
Cash and cash equivalents, end of year		**316.9**	**238.2**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation
The consolidated Financial Statements of VSS have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, as well as additional Danish requirements applying to presentation of annual reports of large enterprises of reporting class C.

Basis of consolidation
The consolidated accounts include the Parent Company, Viking Supply Ships A/S and subsidiaries. Subsidiaries are classified as companies in which Viking Supply Ships A/S has a controlling influence through holding more than 50% of the voting rights, or in which Viking Supply Ships A/S can exercise controlling influence through contracts or other agreements.

Business combinations
Viking Supply Ships A/S uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Viking Supply Ships A/S. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs related to acquisitions are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. VSS recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. The portion of the purchase price that exceeds the acquisition's net assets, valued at fair value, is recognised as goodwill and is subject to annual impairment testing. If the purchase price is lower than the net assets, the difference is recognised directly in profit and loss.

VSS-internal transactions and balance-sheet items and unrealised gains on transactions between VSS companies are eliminated. Unrealised losses are also eliminated, unless the transaction represents evidence for the need to recognise impairment.

Translation of foreign currencies
All transactions included in the financial reports for each VSS company are valued and recognised in the currency of the primary economic environment in which the respective VSS Company operates, its "functional currency." Goodwill and adjustments in fair value arising from the acquisition of foreign operations are treated as assets and liabilities in these operations and are translated at closing-date rates.

The consolidated financial statements of VSS and the parent company are presented in NOK. The parent company's functional currency is NOK. The currency exchange rate between NOK/DKK was 81.58 as at 31 December 2014 (88.59). The average exchange rate for 2014 was 89.27 (95.65).

For VSS companies that have a functional currency that is different to VSS reporting currency, the balance sheets are translated at the closing date rate and income statements are translated at the average exchange rate for the year, whereby the translation difference is recognised in other comprehensive income. In the case of divestment or liquidation of such companies, the accumulated translation difference is recognised under capital gains/losses.
Income statement items are translated at the transaction-date rate and any exchange-rate differences are entered in the profit/loss for the year.

Revenues
Revenues and expenses related to voyages are recognised successively in relation to the voyage degree of completion on the balance sheet date. The voyage degree of completion is calculated on the basis of the number of travel days on the balance sheet date in relation to the total number of travel days for the voyage. Other revenues, such as those for Services and external Ship Management assignments, are recognised only after agreement is reached with the customer and the service has been delivered. Direct overhead costs that are invoiced to the customer are recognised as gross amounts in profit and loss. Costs for personnel employed in VSS are recognised as gross amounts including crews on external vessels.

Interest revenues are recognised in profit and loss distributed across the period of maturity, applying the effective interest method.

Dividend revenues are recognised when the right to receive payment has been established.

Direct voyage costs
Expenses directly attributable to voyages, such as bunkers and harbour expenses are recognised in profit and loss under the heading Direct voyage costs.

Operating cost
Other expenses attributable to the operation of vessels, such as repairs, maintenance, lubricants and crew cost are recognised in profit and loss under the heading Operating cost.

General and administrative expenses
Administrative cost such as personnel cost for shore based staff and other office related cost is recognised under the heading General and administrative expenses.

Income taxes
Tax comprises the amount estimated to be paid for the period including income subject to Danish and foreign tonnage tax and changes in deferred tax.

VSS recognises deferred tax on temporary differences between the carrying amount and tax value of assets and liabilities. Deferred tax assets are only recognised if it is probable that the temporary differences can be utilised against future taxable surpluses. The current nominal tax rate in each country is used in calculating deferred tax. Deferred tax liabilities for temporary differences pertaining to investments in subsidiaries and associated companies are not recognised in the consolidated accounts as long as no decision on profit taking has been made. In all cases, the Parent Company can steer the timing for the reversal of the temporary differences, and it is not considered probable that a reversal will occur in the foreseeable future. The tax effect of items recognised in profit and loss is recognised in profit and loss. The tax effect of items recognised directly against other comprehensive income is recognised against other comprehensive income.

Tangible fixed assets
Tangible fixed assets as described below are recognised at cost or after deductions for accumulated depreciation according to plan and possible impairment.

Expenses that raise the value or return of the asset through, for example, capacity enhancements or cost rationalisation, increase the carrying amount of the asset. Expenses incurred by the re-flagging of vessels are capitalised in accordance with this principle.

Expenses for major inspection measures are capitalised as fixed assets, since they are considered to increase the vessel's fair value and are depreciated on a straight-line basis over the vessel's useful life. Other outlay for repairs and maintenance is classed as expenses. Dry-dock expenses within VSS are also capitalised in accordance with this principle and are depreciated over a period of 2.5–5 years, which is the normal time between dry-dockings. Expenses, including interest, pertaining to vessels under construction are capitalised as fixed assets.

Depreciation of vessels according to plan is based on an individual assessment of each vessel's useful life and subsequent remaining residual value. Impairment is recognised if the asset's estimated recoverable amount is lower than its carrying amount. The residual value and useful life of assets are tested on each balance-sheet date and adjusted if necessary. The type of fixed asset with the greatest residual value comprises vessels for which the residual value comprises the estimated scrap value at the end of the vessels' useful life.

Straight-line amortisation according to plan is based on the following useful lives:

– Vessels	25–30 years
– Docking and major overhaul measures	2.5–5 years
– Other equipment	3–10 years

The residual value and useful lives of the assets are assessed annually and adjusted if necessary at the balance sheet date.

Impairment
For assets subject to amortisation or depreciation according to plan, an assessment is made regarding whether the value of the asset should be impaired whenever there are indications that its carrying amount is higher than its recoverable value.

The recoverable amount is the higher of an assets net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, whereas value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased, though the carrying amount of the asset may not exceed the carrying amount that would have been determined had the impairment loss not been recognised in prior years.

Financial assets
Financial assets are classified according to the following categories: Loans and accounts receivable and Financial assets available for sale. The classification is determined for the purpose of the investment at the time of acquisition. The classification is reviewed annually. Financial assets for sale are valued at fair value with transaction expenses.

Loan and accounts receivable
Loans and accounts receivable are initially recognised at fair value and subsequently at amortised cost using the effective interest method less any provision for reduction in value. A provision for value reduction of accounts receivable is made when it is clear that VSS will not receive the full amount.

Borrowing
Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is subsequently recognised at amortised cost. Any difference between the amount received and the repayment amount is recognised in profit and loss, distributed over the loan period using the effective interest method.

Leasing agreements
Operational leasing agreements are recognised straight-line over the lease period in profit and loss as revenue where VSS is the lessor and as operating costs where VSS is the lessee.

Inventories
Inventories have been valued at the lower of cost and net realisable value. Inventories mainly comprise bunker and lubricating oils. Valuation has been made in accordance with the FIFO principle.

Equity
Equity consists of share capital, group contribution, translation reserve and retained earnings. Only the share capital is restricted from dividend distribution, however reference is made to note 16 regarding other restrictions.

Cash-flow statements
The cash-flow statements are prepared in accordance with the indirect method. The recognised cash flow comprises only transactions entailing payments received or paid out.

Cash and cash equivalents
Cash and cash equivalents include cash and bank balances, maturing within three months. Restricted cash and cash equivalents are recognised as financial fixed assets.

New and revised standards and interpretations
In the financial year, the VSS implemented all new IFRSs, revised standards and IFRIC interpretations, as adopted by the EU, becoming effective in the financial year 2014. The following new standards and amendments became effective as of 1 January 2014:

- Investment Entities – Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements
- Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 Financial Instruments: Presentation
- Recoverable Amount Disclosures for Non-Financial Assets — Amendments to IAS 36 Impairment of Assets

- Novation of Derivatives and Continuation of Hedge Accounting — Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 21 Levies
- Improvements to IFRSs – 2010-2012 Cycle: Amendments to IFRS 13 – Short-term receivables and payables
- Improvements to IFRSs – 2011-2013 Cycle: Amendments to IFRS 1 – Meaning of 'effective IFRS'

None of these standards and amendments impact the VSS consolidated financial statements.

VSS has not included disclosures relating to amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets in the above section as this amendment has been early adopted in VSS financial statements for the year ended 31 December 2013.

In some jurisdictions, the adoption of IFRS for reporting purposes may be subject to a specific legal process (e.g., in the European Union or Australia). In those jurisdictions, the effective dates may therefore be different from the IASB's effective dates. Nevertheless, all new standards and interpretations must be considered for disclosure as standards issued but not yet effective in accordance with IAS 8.30 when an entity provides a complete set of financial statements, irrespective of whether the legal process referred to above has been completed.

New and revised standards and interpretations not yet effective
The IASB has issued a number of new standards, revised standards and interpretations which have not yet become effective, but will come into effect in the financial year 2015 or later. VSS intends to adopt these standards, if applicable, when they become effective. Where the effective date in the EU is different from the IASB's effective date, plans are to implement the amendments at the EU effective date.

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 19 Defined Benefit Plans
- Annual improvements 2010-2012 Cycle
- Annual improvements 2011-2013 Cycle
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants
- Amendments to IAS 27: Equity Method in Separate Financial Statements

Of the above new and revised standards and interpretations not yet effective amendments to IAS 19, Annual improvements 2010-2012 Cycle and Annual improvements 2011-2013 Cycle have been adopted by the EU. None of these three standards and amendments impact the VSS consolidated financial statements.

Significant estimations and assessments
Estimations and assessments are conducted continuously and based on historical experience and reasonable assumptions of future development.

Important estimations and assumptions for accounting purposes
Management of VSS is required to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. These estimates form the basis for making judgments about the reported financial position and result of operations and cash flow that are not readily apparent from other sources. Actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and if necessary, changes are recognised in the period in which the estimate is revised.

The estimations with the greatest impact for VSS are useful lives of tangible fixed assets and their residual values, identifying impairment indicators/performing impairment tests and determining taxation in different countries.

Impairment indicators exist due to volatile earnings and assets held in other currencies than the leading market currency for the fleet.

The fleet consists of two cash generating units (AHTS & PSV) and the units are evaluated and reviewed individually. These reviews are made whenever events or changes in circumstances indicate that the carrying amount for owned vessels may not be fully recoverable. In such instances, an impairment loss will be recognised based on the difference between the highest of value in use and the net selling price compared to the carrying amount.

In developing estimates of recoverable amounts, VSS makes an assessment of the vessels' future earnings from the continued use in its own operations as well as an assessment of the net selling price at the balance sheet date. In developing estimates of value in use, VSS makes assumptions about future freight rates, ship operating expenses, dry dock costs and the remaining useful lives of the vessels. In developing estimates of the net selling prices, VSS reviews reported sales and purchase prices and prices for new buildings for similar vessels, market demand and general market conditions.

Although Management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are by nature subjective. In order to support Management's own assumptions, valuations for the owned vessels are obtained from internationally acknowledged shipbrokers.

The key assumptions used in the value at use calculation and in the assessment of owned vessels, for 2014 are as follows:

- The cash flows are based on known tonnage.
- The vessels are expected to generate normal income for at least 30 years.
- Estimates of freight rates are based on the extensive experience and knowledge of the market.
- Operating expenses and dry dock costs are estimated based on experience and knowledge of the market as well as plans and initiatives outlined in the operating budgets.
- The weighted average cost of capital (WACC) used to discount the forecasted cash flows was 7%.

Based on these principles and estimates, VSS has concluded that no vessels are impaired.

For the AHTS fleet there was no indications that the carrying amount may not be fully recoverable.

In 2013 Management evaluated the values of the PSV segment and concluded that the vessels of VSS (Holdings) Limited (UK) were impaired resulting in an impairment loss of MNOK 80 based on the difference between net selling price and carrying amount. The impairment was primarily caused by the depreciated NOK versus GBP during 2013. The broker valuations showed stable values in NOK and after the impairment the carrying amount of the PSV fleet was in line with the market values in NOK. In 2014 Management evaluated the values of the PSV segment and concluded that the vessels of VSS (Holdings) Limited (UK) might be impaired. As in 2013 NOK continued its depreciation versus GBP during 2014. Further as in 2013 the broker valuations in 2014 showed stable values in NOK. To determine an indication of impairment VSS has calculated the value in use based on discounted cash flows using the principles set out above. Based on fixtures rates, utilisation, contract coverage, cost levels and currency exchange levels VSS has made discounted cash flows covering a period of 15 years. All significant assumptions have been estimated using prudent input. The impairment test is sensitive to changes in the underlying assumptions. Based on a book value of MNOK 882 and a calculated value in use of MNOK 890, VSS does not find the need to perform an impairment write-down of the PSV fleet or to reverse the impairment write-down made in 2013.

Determining the useful life of tangible fixed assets and their residual values is subject to significant judgment. The residual values and useful lives are assessed annually. In 2013 management assessed the residual value of VSS vessels to 30% of the purchase price based on peer group analysis and vessel price history. For 2014 the management reviewed and confirmed the assessment.

VSS operates in different countries with different tax systems. Significant judgement is required in determining the taxation in the different countries, especially whether the conditions for use of tonnage taxation is fulfilled.

2. Segment information

The segment information is presented in accordance with the internal reporting structure and includes four segments – AHTS, PSV, Services and Ship Management.

Profit and loss as well as tangible fixed assets and interest bearing debt are distributed as follows for 2014:

(MNOK)	2014 AHTS	2014 PSV	2014 Services	2014 Ship Mgmt.
Total Revenue	**1,151.9**	**159.1**	**311.8**	**118.7**
Direct voyage costs	-39.0	-9.5	-	-
Operating costs	-429.0	-148.0	-279.1	-118.7
Total operating costs	**-468.0**	**-157.5**	**-279.1**	**-118.7**
Operating profit before depreciation (EBITDA)	**683.9**	**1.6**	**32.7**	**-**
Net gain on sale of fixed assets	-	0.9	-	-
Depreciation	-153.9	-40.8	-	-
Operating profit (EBIT)	**530.0**	**-38.3**	**32.7**	**-**
Financial income	2.8	-	-	-
Financial costs	-205.8	-19.1	4.8	-
Net financials	**-203.0**	**-19.1**	**4.8**	**-**
Pre-tax result	**327.0**	**-57.4**	**37.5**	**-**
Taxes	-5.9	-	-9.4	-
Result for the period	**321.1**	**-57.4**	**28.1**	**-**

(MNOK)	2014 AHTS	2014 PSV	2014 Services	2014 Ship Mgmt.
Total tangible fixed assets	3,006.0	881.5	-	-
Total interest bearing debt	1,933.8	459.5	-	-

Profit and loss as well as tangible fixed assets and interest bearing debt are distributed as follows for 2013:

(MNOK)	2013 AHTS	2013 PSV	2013 Services	2013 Ship Mgmt.
Total Revenue	**729.8**	**170.6**	**-**	**106.5**
Direct voyage costs	-36.3	-7.3	-	-
Operating costs	-656.6	-141.4	-	-106.5
Total operating costs	**-452.3**	**-148.8**	**-**	**-106.5**
Operating profit before depreciation (EBITDA)	**277.6**	**21.8**	**-**	**-**
Net gain on sale of fixed assets	-	-	-	-
Depreciation & Impairment	-87.1	-110.4	-	-
Operating profit (EBIT)	**132.3**	**-88.5**	**-**	**-**
Financial income	2.8	-	-	-
Financial costs	-95.2	-10.5	-	-
Net financials	**-92.4**	**-10.5**	**-**	**-**
Pre-tax result	**39.9**	**-99.0**	**-**	**-**
Taxes	7.4	-	-	-
Result for the period	**47.3**	**-99.0**	**-**	**-**

(MNOK)	2013 AHTS	2013 PSV	2013 Services	2013 Ship Mgmt.
Total tangible fixed assets	3,102.4	567.4	-	-
Total interest bearing debt	2,051.9	243.8	-	-

There are no significant revenue transactions between the segments.

3. Revenues

Secondary segments (split by geography)

(MNOK)	2014	2013
Denmark	-	-
Scandinavia	312.4	276.8
Rest of Europe	375.1	448.7
Rest of the world	1,054.0	281.4
Total revenue	**1,741.5**	**1,006.9**

For 2014 one customer (three) makes up more than 10% of the total revenue for VSS. In the rest of the world revenue of MNOK 1,045 is related to Russia (MNOK 151).

4. Personnel expenses

Crew and office personnel

(MNOK)	2014	2013
Salaries	342.0	301.8
Social costs	29.0	57.8
Pension costs	42.1	33.5
Other personel costs	48.1	42.8
Total	**468.2**	**435.9**

Of the MNOK 468 (MNOK 436), MNOK 76 (MNOK 62) relates to G&A and MNOK 392 (MNOK 374) relates to Operating costs.

G&A costs include remuneration paid to key management personnel as follows:

(MNOK)	2014	2013
Salaries and short-term benefits	11.2	9.3
Pension costs	1.1	1.0
Share-based payments	-	-
Total	**12.3**	**10.3**

Key management personnel consist of the Chief Executive Officer, the Chief Financial Officer, the Chief Commercial Officer and the Chief Operating Officer. Remuneration to the Chief Executive Officer has not been disclosed separately as there is just one director.

Through a fixed management fee VSS pays RABT for the work that the Board of Directors carry out on behalf of VSS. The Board of Directors fee amounted to MNOK 1 (MNOK 1).

Crew on VSS vessels are employed by VSS. Crew costs are included in operating costs. During 2014 VSS had 468 employees in average (457).

Pensions

Certain VSS companies have contributory employee pension plans. These plans are defined contribution plans and, accordingly, the employer's pension contributions are expensed as incurred.

5. Audit fees

Audit fees are specified as follows:

(MNOK)	2014	2013
Fees for audit assignments E&Y	0.9	0.9
Total	**0.9**	**0.9**

6. Net financials

Financial Income

(MNOK)	2014	2013
Interest income on short term deposits	2.8	2.8
Total Financial income	**2.8**	**2.8**

Financial costs

(MNOK)	2014	2013
Interest cost Bank borrowings	-79.0	-98.2
Interest cost Bond borrowings	-37.8	-37.4
Net foreign exchange gains	-92.4	34.1
Interest rate swaps	-10.7	-4.2
Total Financial costs	**-220.0**	**-105.7**

7. Taxes

The companies in VSS are taxed according to location and activity. All of VSS vessels are taxed under tonnage tax schemes in either Denmark, Norway or United Kingdom where the taxable income is calculated based on the tonnage of the fleet. Companies not taxed under the tonnage tax scheme are taxed according to local income tax legislation.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amount of assets and liabilities and the corresponding tax base used in the computation of taxable income or as applicable under the tonnage tax schemes under which VSS vessels operate. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to utilise the temporary deductible differences, including any tax loss carry forwards.

VSS has no deferred tax assets recognised due to uncertainty related to the future utilisation. As the income in general is subject to tonnage tax, the utilisation is considered to be unlikely and thus not considered as contingency assets.

The tax expense of MNOK 15 (positive MNOK 7) is made up of MNOK 0 (positive MNOK 10) related to tonnage tax and MNOK 15 (MNOK 3) related to ordinary income tax. Tax of MNOK 6 (positive MNOK 7) is related to tax in the AHTS segment and tax of MNOK 9 (MNOK 0) is related to tax in the Services segment.

8. Tangible assets

(MNOK)	Vessels	Equipment	Total
Balance 31 December 2012	**3,960.0**	**2.6**	**3,962.7**
Additions	47.8	1.6	49.4
Currency translation adjustment	98.1	0.2	98.3
Balance 31 December 2013	**4,106.0**	**4.4**	**4,110.4**
Additions	310.0	2.2	312.1
Disposals	-44.0	-0.4	-44.4
Currency translation adjustment	144.8	-0.5	144.3
Balance 31 December 2014	**4,516.8**	**5.6**	**4,522.4**

Accumulated depreciation	Vessels	Equipment	Total
Balance 31 December 2012	**187.5**	**1.3**	**188.8**
Impairment loss	80.0	-	80.0
Depreciation	174.8	0.8	175.6
Currency translation adjustment	-4.2	0.3	-3.8
Balance 31 December 2013	**438.2**	**2.4**	**440.6**
Depreciation	193.7	1.0	194.7
Disposals	-22.9	-	-22.9
Currency translation adjustment	22.5	0.0	22.6
Balance 31 December 2014	**631.5**	**3.5**	**634.9**

Carrying amount	Vessels	Equipment	Total
31 December 2013	**3,667.8**	**1.9**	**3,669.8**
31 December 2014	**3,885.3**	**2.2**	**3,887.5**

Vessels with a net book value of MNOK 3,885 (MNOK 3,668) have been pledged as security for interest bearing loans. Further assignments of insurance payments and earnings have been given as security.

9. Inventories

Inventories comprise bunkers and lubricating oil. No write-downs or reversals have been recognised on inventories.

10. Accounts receivables

Trade receivables, net of allowances for doubtful receivables, are specified as follows:

(MNOK)	2014	2013
Not due	183.1	115.1
1-30 days overdue	101.1	3.5
31-90 days overdue	21.6	-
Over 90 days overdue	-	-
Allowance for doubtful receivables	-	-
Accounts receivables	**305.8**	**118.7**

Trade receivables are subject to an individual assessment of potential loss. Considerations of credit risk are explained in note 17.

11. Financial assets

Restricted cash primarily consist of deposits with reputable banks. Restricted cash is not assessed to be subject to a particular credit risk. Sellers credit is related to the sale of Odin Viking in 2012.

During 2014 VSS has purchased external corporate bonds carrying a coupon interest rate of 8.4%. Bonds are measured as Level 1 in the fair value hierarchy.

Development in financial assets is specified as follows:

(MNOK)	Restricted Cash	Sellers Credit	Bonds	Total
Balance 31 December 2012	**61.1**	**30.2**	**-**	**91.3**
Disposals	-25.0	-1.3	-	-26.3
Currency translation adjustment	1.1	2.7	-	3.8
Balance 31 December 2013	**37.2**	**31.6**	**-**	**68.8**
Additions	-	-	43.1	43.1
Disposals	-37.2	-1.6	-	-38.8
Market value adjustment	-	-	-4.9	-4.9
Currency translation adjustment	-	7.2	-	7.2
Balance 31 December 2014	**-**	**37.2**	**38.2**	**75.4**

Total restricted and available cash is as follows:

(MNOK)	2014	2013
Restricted cash	-	37.2
Free cash and cash equivalents	316.9	238.2
Cash and cash equivalents	**316.9**	**275.4**

Maximum credit risk amounts to carrying amount of accumulated receivables and free cash and cash equivalents, MNOK 713 (MNOK 441).

12. Interest bearing loans

The vessels owned by VSS are primarily financed through bank loans with pledge in the vessels. Further securities have been given in the form of pledge in revenue and insurance policies.

The interest bearing liabilities are associated with so-called covenants, according to which VSS must fulfil certain key ratios. VSS is proactively managing the risk. At the balance date all covenants were in compliance.

The early termination of the contract for the 2015 and optional 2016 and 2017 drilling seasons received in December 2014 caused two of the AHTS vessels not to have sufficient contract coverage pursuant to the loan agreement for the relevant vessels. In line with the terms of the loan agreement, VSS has agreed with the lenders to provide additional security in an amount of MUSD 18.8. The amount in deposit will vary up or down and the variation is dependent upon currency exchange rates, amortisations under the loan and vessel valuations. If the vessels yet again will reach the contract coverage agreed in the loan agreement, the obligation of providing additional security will cease.

As a result of secured additional term contract coverage after the balance date the lenders have agreed to reduce the MUSD 18.8 to MUSD 12.6, refer note 19. The MUSD 12.6 has been provided to the lenders prior to the reporting date.

In March 2014 VSS refinanced the secured bank loan financing Magne and Brage Viking, by signing a new secured bank loan agreement of MUSD 105 maturing in 2018. The refinancing generated free liquidity of MNOK 57.

In May 2014 VSS refinanced the secured bank loan financing the PSV fleet, by signing a new secured bank loan agreement of MNOK 445 maturing in 2016. The purpose of the refinancing was to extend the existing loan agreement and to facilitate the purchase of the PSV vessels Sol and Freyja Viking which were on long term bareboat charters to VSS. Sol Viking was purchased in connection with the refinancing and Freyja Viking was purchased on 6 October.

In September 2014 VSS completed the refinancing of the three AHTS Icebreakers Tor, Balder and Vidar Viking by signing a secured bank loan agreement. The new secured bank loan agreement of MNOK 617 matures in 2019. The refinancing generated free liquidity of MNOK 120.

In connection with the above refinanced loans, RABT has been removed as guarantor. At balance sheet date the VSS loan portfolio does not include any guarantees, covenants or cross default conditions between VSS and RABT.

In March 2012 VSS issued a 5 year senior unsecured bond loan in the Norwegian capital market, with maturity in March 2017, totaling MNOK 300. The bond agreement has a limit of MNOK 750. The net proceeds from the bond shall be employed for investments, capital expenditures related to fleet expansion and general corporate purposes. The bond was listed on Nordic ABM in Oslo on 28 June 2012. In March 2013 an additional MNOK 85 was drawn in a tap issue. As at balance sheet date VSS is holding nominal MNOK 189 of this bond, consequently nominal MNOK 196 is outstanding on a net basis.

In June 2013 VSS issued a 15 month senior unsecured bond loan in the Norwegian capital market, with maturity on 24 September 2014, totaling MNOK 100. The bond was listed on Nordic ABM in Oslo on 25 June 2013. During Q3 2014 the full MNOK 100 was repaid.

The VSS net outstanding bond loans had a market value of MNOK 197 (MNOK 397) and MNOK 0 (MNOK 103) respectively, based on listed price at the end of 2014. Bonds are measured as Level 1 in the fair value hierarchy.

VSS has 40% (11%) of its interest bearing debt in USD and 19% (0%) in GBP. The remaining loans are denominated in NOK. VSS has 10% (33%) of the total loan portfolio swapped into fixed interest rate. Additionally 0% (4%) of the total interest bearing debt is carrying fixed interest.

VSS will during Q2 2015 receive a loan of MNOK 73 from RABT to be repaid during 2015 and early 2016 in relation to the proposed dividend for 2014, refer to note 18. The loan will be given on an arm's length basis.

Interest bearing loans consist of the following, all measured at amortised cost:

(MNOK)	2014	2013
Bond loan	191.9	359.9
Current part of bond loan	-	98.8
Long-term debt to credit institutions	1,932.7	1,647.4
Short-term debt to credit institutions	268.7	189.6
Total interest bearing liabilities	**2,393.3**	**2,295.7**

The development in loans was as follows:

(MNOK)	2014	2013
Balance at 1 January	2,295.7	2,290.0
New loans drawn	1,691.0	185.0
Repayment of loans	-1,831.6	-203.4
Loans acquired	-	-
Effects of exchange rate changes	244.7	23.3
Amortized loan costs	-6.4	0.7
Total	**2,393.3**	**2,295.7**

The instalments excluding future interest payments are as follows:

(MNOK)	2014	2013
0-1 year	268.7	282.0
1-2 years	624.2	1,183.5
2-3 years	364.7	101.6
3-4 years	766.9	392.7
4-5 years	368.8	177.5
5 years and beyond	-	158.3
Total	**2,393.3**	**2,295.7**

13. Other non-current liabilities

Other non-current liabilities consist of the following:

(MNOK)	2014	2013
Financial instruments	23.4	19.7
Prepayments from the Swedish Maritime Administration	5.2	13.4
Other non-current liabilities	**28.6**	**33.1**

Refer to note 17 regarding financial instruments.

14. Other current liabilities

Other current liabilities consist of the following:

(MNOK)	2014	2013
Other liabilities	16.5	30.7
Related parties	3.3	0.2
Tax payable	8.8	2.6
Accruals	68.6	83.6
Other current liabilities	**97.2**	**117.1**

15. Transactions with related parties

VSS is a 100% owned subsidiary of TransAtlantic AB (RABT). RABT is a limited liability company registered in Sweden, with its domicile in Gothenburg, and corporate registration number 556161-0113. RABT is listed on the Small Cap list of the NASDAQ OMX Nordic Exchange in Stockholm. The postal address for RABT is Box 8809, SE-402 71 Gothenburg, Sweden and the street address is Lilla Bommen 4a.

RABT is organised in two separate business areas (ring-fenced legal entities) – Viking Supply Ships and TransAtlantic AB.

RABT is majority-owned by the Norwegian investment company Kistefos AS. Kistefos AS has 70.4% of the share capital and 63.3% of the votes as of 31 December 2014. Kistefos AS is registered in Norway, with its domicile in Oslo. VSS is included by full consolidation in the Kistefos AS annual report.

The consolidated financial reports for RABT and Kistefos can be downloaded at www.rabt.se and www.kistefos.no.

Transactions with related parties are specified as follows:

(MNOK)	2014	2013
Revenue	0.1	0.8
General and administrative expenses	2.5	6.1
Financial costs	0.0	0.3
Related party payable, net	3.3	0.2

The related party payable, net is unsecured and with RABT. The amount will be settled in cash.

For payments to key management personnel refer to note 4.

16. Commitments and other contingent liabilities

Leasing
VSS leases vessels, buildings and equipment through operational leasing agreements.

VSS has contracts regarding the leasing of one AHTS vessel. This contract has a remaining duration on the lease of six years. The numbers for 2013 included the leasing of two PSV vessels. VSS purchased these two PSV vessels during 2014.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(MNOK)	2014	2013
0-1 year	58.1	69.4
1-2 years	56.7	46.5
2-3 years	56.6	46.1
3-4 years	56.3	46.1
4-5 years	56.0	45.9
5 years and beyond	54.5	90.1
Total lease payments	**338.3**	**344.0**

Leasing payments in 2014 amounted to MNOK 72 (MNOK 82).

Pledges
Non-current tangible assets of MNOK 3,885 have been pledged against loans (MNOK 3,668).

Bank deposits and Escrow accounts of MNOK 1 have been pledged against loans (MNOK 175).

Dividend restrictions
VSS has issued corporate bonds which are listed on the Oslo ABM. According to the agreement, a maximum of 50% of consolidated profits after taxes, based on the financial statements of the previous financial year, can be distributed as dividends.

17. Financial instruments and risk

VSS is characterised by a high degree of international operations and thus exposed to a number of operational and financial risks. VSS works actively to identify, assess and manage these risks.

The Board of Directors has identified these risks and developed a plan to avoid or minimise the impact on the consolidated income statement and balance sheets through various measures. Through clear policies and reporting paths, it is stated how these risks shall be managed and how presentation is to be made. The VSS policy is to work with various types of insurance or financial instruments to minimise various types of risks.

Interest rate risks
The VSS business is capital intensive. Long-term loans are the principal form of financing. Accordingly, interest rate fluctuations may have a major impact on VSS earnings and cash flow. To reduce this risk, interest levels are hedged using interest rate swaps. Such interest rate swaps have the economic effect of conversion from floating interest rates

to fixed interest rates. VSS has chosen not to use hedge accounting and reflects the changes in fair value through the profit and loss.

At 31 December 2014, VSS had a total interest rate swap portfolio of MNOK 246 (MNOK 754) on a fixed basis with an average outstanding duration of 3.8 years (1.7 years). The average fixed rate was 3.9% (3.9%).

Market values as at 31 December:

(MNOK)	2014	2013
Long term commitment	17.2	12.7
Short term commitment	6.2	7.0
Commitment, net	23.4	19.7

(MNOK)	Market value	Recognized in profit and loss	Market value	Recognized in profit and loss
	2014	2014	2013	2013
Interest Rate Swap contracts	23.4	-3.7	19.7	17.0

The Group enters into derivative financial instruments with financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps contracts. The most frequently applied valuation techniques include forward pricing models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot rates. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk.

Interest contracts changing from variable to fixed loans are recognised in the consolidated profit and loss at the same time as the hedged interest costs. The market value to be recognised in future financial years is expected to be realised within 4 years (5 years).

For VSS an increase in the interest rate of 1% will have a negative impact of MNOK 21 (MNOK 15) on the result for the year.

Interest on external loans is distributed as follows:

(MNOK)	2014	2013
Borrowings by interest rate levels:		
0-3%	-	-
3-6%	2,201.4	1,837.0
6%-	191.9	458.7
Total	**2,393.3**	**2,295.7**
Of which inclusive interest rate swaps:		
Fixed	246.0	852.8
Floating	2,147.3	1,442.9
Total	**2,393.3**	**2,295.7**

At 31 December 2014, after taking the effect of interest rate swaps into account, 10% (37%) of the total interest bearing debt is carrying a fixed rate of interest.

Financial assets and liabilities measured at fair value

The following table provides an analysis of financial assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 Inputs for the asset or liability that are not based on observable market data.

Financial assets and liabilities are categorised by levels as follows:

(MNOK)	2014 Market value	Level 1	Level 2	Level 3
Interest Rate Swap liability	23.4	-	23.4	-
Bond asset	38.2	38.2	-	-

(MNOK)	2013 Market value	Level 1	Level 2	Level 3
Interest Rate Swap liability	19.7	-	19.7	-
Bond asset	-	-	-	-

For all other financial assets and liabilities the carrying amounts are reasonable approximations of fair values.

Credit risks

Credit risks, or the risk of counterparties defaulting, are controlled by monitoring procedures and credit approval procedures. VSS has a policy that limits the amount of credit exposure to any single counterparty.

VSS only provides short credit. These credits are mainly provided to major customers, with whom VSS has a long-term relationship. New customers are subject to a credit check prior to credit being provided. When longer-term credit is provided, this is secured by collateral. VSS credit risk to clients is therefore considered as low. Credit risk as below is based on balance sheet date.

For credit days, refer to note 10.

Market risks

The general economic trend in the countries where VSS is active is a crucial factor for financial development, since the economic trend has a major effect on the oil prices which in turn impact the demand for offshore shipping services. The trend in markets other than those where VSS is active can also affect demand for VSS services, since the maritime transport market is highly international. VSS endeavours to maintain close contact with its customers and to sign long-term contracts with them to restrict the impact of economic fluctuations. Earnings can be impacted by the loss of a vessel. These costs can be minimised through active service and damage-prevention work, resulting in lower risk of major individual cost increases.

Currency risks

Offshore shipping is a highly international business, which means that only a portion of VSS cash flow is generated in NOK and this means that currency fluctuations may have a major impact on VSS earnings and cash flows. The foreign exchange risk is primarily restricted by matching the exposure to revenues in various currencies with costs in the corresponding currency. In the same manner, assets in a certain currency are matched with liabilities in the same currency. As at 31 December 2014 no hedging instruments were used.

VSS exposure to changes in currency exchange levels primarily relate to USD-denominated vessel loans, GBP- and USD-denominated earnings and DKK-, SEK-, USD- and GBP-denominated operating expenses. Other assets and liabilities are to a large degree denominated in NOK.

Everything else being equal, the result for the period will be positively impacted with MNOK 59 (negative MNOK 5) basis a 10% increase in NOK against USD, negatively impacted with MNOK 39 (negative MNOK 22) basis a 10% increase in NOK against GBP and will not be significantly impacted (positive MNOK 24) basis a 10% increase in GBP against USD.

Everything else being equal, comprehensive income for the period will be negatively impacted with MNOK 14 (negative MNOK 17) basis a 10% increase in NOK against GBP.

The result for the period is not expected to be materially impacted by other exchange rate fluctuations.

Assets and liabilities are categorised by currencies as follows:

	2014				
	Assets		Liabilities		Total
(MNOK)	Cash	Accounts receivables	Interest bearing debt	Accounts payable	Net Liability position
NOK	33.3	22.4	956.7	14.4	915.3
USD	224.3	246.4	977.1	84.2	590.7
GBP	28.7	37.0	459.5	16.2	410.0
SEK	25.6	-	-	31.8	6.1
EUR	2.2	-	-	4.8	2.6
DKK	2.3	-	-	1.9	-0.4
CAD	0.4	-	-	0.2	-0.1
Other currency	0.0	-	-	0.5	0.5
Total	**316.9**	**305.8**	**2,393.3**	**154.0**	**1,924.6**

	2013				
	Assets		Liabilities		Total
(MNOK)	Cash	Accounts receivables	Interest bearing debt	Accounts payable	Net Liability position
NOK	179.3	12.5	2,051.9	13.0	1,873.1
USD	14.6	31.8	243.8	0.6	198.1
GBP	14.0	44.7	-	17.3	-41.5
SEK	23.1	1.0	-	2.8	-21.3
EUR	1.1	-	-	3.7	2.6
DKK	2.3	-	-	0.8	-1.5
CAD	3.9	28.7	-	0.3	-32.3
Other currency	-	-	-	-	-
Total	**238.2**	**118.7**	**2,295.7**	**38.4**	**1,977.2**

Liquidity risk

VSS monitors the liquidity risk on an ongoing basis with the aim at all times to have adequate cash, overdraft facilities and committed bank loans to meet current and future obligations. VSS manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flow, and by matching the maturity profiles of financial assets and liabilities. VSS actively engages with financing providers to negotiate the necessary terms to ensure that adequate facilities will remain available during all periods.

Currently, main liquidity risk derives from volatility in the freight rates which impact cash flows from operations.

VSS expects to meet its cash flow obligations with operating cash flows, and financing facilities or disposal of vessels, if necessary.

Maturing loans are expected to be refinanced. Liquidity risk can be split in short and long term liquidity risk follows:

	Contractual cash flows beyond 2014			
(MNOK)	0-1 year	1-5 years	5- years	Total
Total interest bearing liabilities	355.5	2,318.8	-	2,674.3
Accounts payable	154.0	-	-	154.0
Other current liabilities	97.2	-	-	97.2
Interest contract	6.2	17.2	-	23.4
Total	**612.9**	**2,336.0**	**-**	**2,948.9**

(MNOK)	Contractual cash flows beyond 2013 0-1 year	1-5 years	5- years	Total
Total interest bearing liabilities	408.0	2,194.4	-	2,602.4
Accounts payable	38.4	-	-	38.4
Other current liabilities	117.1	-	-	117.1
Interest contract	7.0	12.7	-	19.7
Total	**570.4**	**2,207.2**	**-**	**2,777.6**

Apart from the bond loan, as described in note 12, market value of all of the above liabilities equals book value.

Bunker risks

Cost changes for bunker oil can have a significant impact on earnings. Time charters often include clauses that imply that the customer carries the risk of price changes.

Capital management

VSS capital structure shall secure the operation of current business and enable the desired future investments and performance. VSS manages its own capital structure and carries out all necessary amendments to the capital structure, based on continuous assessments of the economic conditions under which the operations take place. As part of this review, Management considers the cost of capital and the risks associated with each class of capital.

18. Share capital

The Company's share capital consists of 5,000 (5,000) authorised, issued and fully paid shares at a par value of 105 NOK, each representing one class of ordinary shares which carry no right to fixed dividends.

No dividends were paid during 2014 (MNOK 0). Proposed dividend of MNOK 145 on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December, refer to note 12.

19. Events occurring after the reporting period

VSS has taken the decision to make an organisational restructuring of the PSV Segment from Aberdeen to Copenhagen. The decision is taken to remain competitive and reduce costs. The Aberdeen office will be closed with effect from 1 July 2015.

According to one of VSS loan agreements, VSS has agreed to provide additional security, refer to note 12.

VSS has entered into a contract with an Oil-major for the charter of Brage Viking. The vessel is firm until December 2017, with options to extend the contract until June 2019.

VSS has entered into a new contract with an oil and gas company for Vidar Viking. The vessel is now firm until August 2016, with options to extend the vessel until February 2017.

At Rederi AB Transatlantic's (RABT) Annual General Meeting it was resolved, in accordance with the proposal of the Board of Directors, to amend the Articles of Association resulting in the change of name from Rederi AB Transatlantic to Viking Supply Ships AB (VSS AB). The Board of VSS AB has decided to appoint Christian W. Berg as CEO of VSS AB with immediate effect, Mr. Berg will also continue as CEO of VSS A/S.

VSS has been awarded a management contract to operate the Swedish Maritime Administration (SMA) ice-breaker fleet for a period of seven years. The contract is a continuation of a current management contract which commenced in 2000.

20. Companies included in the consolidated financial statements

Subsidiaries owned by Parent Company [1]	Corp. Reg. No.	Registered office	Pct. of share capital
Viking Supply Ships AB [2]	556858-2463	Gothenburg	100
Viking Supply Ships Crewing AB	556426-8646	Gothenburg	100
Viking Icebreaker Management AB	556679-1454	Gothenburg	100
Arctic Ice Management AB	556807-0972	Gothenburg	100
Viking Icebreaking & Offshore AS	979437943	Kristiansand	100
Viking Supply Ships AS	981240030	Kristiansand	100
Viking Spesialtonnasje AS	987069295	Oslo	100
Viking Supply Ships Crewing ApS	33775199	Copenhagen	100
Viking Supply Ships 3 ApS [3]	33775172	Copenhagen	0
Viking Supply Ships 4 ApS [3]	33859082	Copenhagen	0
Viking Supply Ships 5 ApS	34471800	Copenhagen	100
Viking Supply Ships (Holdings) Limited	SC303430	Aberdeen	100
SBS Aberdeen Ltd	SC250818	Aberdeen	100
SBSL (Holdings) Ltd	SC180512	Aberdeen	100
SBS Marine Ltd	SC202464	Aberdeen	100
Viking Supply Ships (Canada) Ltd	71705	St. John's	100
Viking Ice Consultancy AS	913740998	Kristiansand	100
Viking Supply Ships Ltd	1107746094060	Moscow	100

1) The Parent Company in VSS is Viking Supply Ships A/S, 33369794 , with its registered office at Islands Brygge 57, 2300 Copenhagen S.
2) Following the name change of RABT to Viking Supply Ships AB this company has been renamed to Viking Supply Ships Management AB.
3) Viking Supply Ships 3 ApS and Viking Supply Ships 4 ApS have been merged into Viking Supply Ships A/S effective from 1 January 2014.