



# **BELSHIPS**

## REPORT 4TH QUARTER 2014

12 February 2015

**HIGHLIGHTS**

- Operating income of USD 5.5 m (USD 6.7 m)
- EBITDA of USD 2.4 m (USD 2.3 m)
- Net result of USD 0.4 m (USD 0.7 m)
- All vessels operating normally – modern fleet – average age 4.7 years.
- Contract coverage 100% for delivered vessels – USD 97 million fixed charter backlog.

**Fourth quarter 2014 results**

Belships operating income in 4th quarter 2014 was USD 5,484,000 (Q4 2013: USD 6,680,000), while EBITDA amounted to USD 2,414,000 (USD 2,344,000). The decrease in operating income is mainly related to M/T Belaia, which was redelivered in the beginning of March 2014. The Group's operating result amounted to USD 1,227,000 (USD 1,315,000), while total comprehensive income for 4th quarter 2014 was USD 319,000 (USD 693,000). Total comprehensive income for 2014 was USD -1,700,000 (USD -157,000). The decrease in comprehensive income is mainly explained by impairment of ship values and increase in ship operating expenses.

The accounts for 4th quarter of 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting and are consistent with the principles applied in the annual accounts for 2013 and relevant changes to IFRS effective from 1 January 2014. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

**Fleet status**

M/S Belnor, M/S Belstar and M/S Beloceano have continued the long-term contracts to Canpotex of Canada. Canpotex is one of the world's largest exporters of potash, a fertilizer product imported in large volumes by countries such as China, India and Brazil. Net time charter rate is USD 16,000 per day, which is a favorable rate in the present market.

All ships have sailed without significant off-hire, and operating expenses for 4th quarter 2014 are close to budget. Technical management of owned ships is handled by Belships Management (Singapore) with a fleet of 20 ships under technical management.

**Newbuilding program**

Belships newbuilding program with Imabari Shipbuilding in Japan includes 2 x 61,000 dwt eco-design Supramax bulk carriers for delivery in September 2015 and 2nd quarter 2016. In addition Belships has signed a long-term lease agreement incl. purchase option for a slightly larger sister vessel with delivery 1st quarter 2017.

**Financial and corporate matters**

31 December the Group's cash totaled USD 8.1 million compared to USD 7.8 million as per 30 September 2014.

The mortgage debt balance as at 31 December was USD 46.3 million and was reduced by USD 1.3 million during the quarter. Remaining newbuilding commitment amounts to USD 42.4 million. All payments in 2014 have been financed by the Group's surplus liquidity.

In August 2011 Belships entered into an interest rate swap agreement with 2 years forward start at 2.2% with a remaining duration of 3.5 years covering USD 20 million, reducing by USD 5 million per year. Hedging the Group's interest exposure is considered on an ongoing basis. The long-term interest rate has decreased significantly the recent months. Belships expects only a modest increase in the interest rate level for the coming 3-5 years. The hedging level of interest rate exposure is currently around 24%.



At the end of the 4th quarter of 2014, the book value per share amounted to NOK 10.33, while the equity ratio was 56.8%.

**Market highlights**

The predicted Q4 rally started towards end of October but culminated only two weeks later. Capesize-index peaked at USD 27,000/day, whereas Panamax- and Supramax-index went up to around USD 9,300-9,900/day.

The Capesize-index ended the fourth quarter at USD 4,910 per day, whereas the Panamax-index ended at USD 6,953 per day. The Supramax-index ended the quarter at USD 9,383 per day. As per today the Cape index stands at USD 6,739/day, Panamax-index at USD 3,748/day and Supramax-index at USD 5,311/day. These indices are very close to all-time low levels. The valuation of a 5-year old Supramax is approximately USD 20 million according to the Baltic Exchange S&P assessment.

With freight rates so depressed, there is strong pressure on asset prices in all dry bulk sectors. Buyers turn their attention to Japanese tonnage, adding pressure to asset prices for Chinese built tonnage. Another factor is the recent strengthening of USD against JPY, leading to more sales candidates from Japanese owners.

Chinese steam coal imports dropped sharply in 2014 to an annualized pace of just 135 million tons, the lowest level in more than three years. Most of this decline has come from Indonesian supplies, hitting the Panamax segment in particular. The Chinese government last year introduced a ban on dirty coal as part of China's environmentally friendly agenda. Coal will still be important for China, where new technologies for cleaner burning is required to generate sufficient power, due to difficulties related to replacing coal as a power source.

In 2014 Chinese iron ore imports amounted to 932 million tons, or approx. 14% higher compared to the year before. The ton-mile growth was not as high since a significant part of Chinese iron ore import was sourced from Australia, rather than Brazil.

**Strategy**

Belships is concentrating 100% on the dry bulk market, with 3 x 58,000 dwt Supramax in service and 3 x Supramax newbuildings under construction by Imabari Shipbuilding in Japan for delivery from September 2015 until 1st quarter 2017. The newbuildings will be actively marketed for long-term employment at a time closer to delivery, but Belships is in preliminary discussions with a few carefully selected charterers.

**Outlook**

Typically low steel demand during winter in China has continued to erode iron ore and steel prices with spot iron ore for delivery to China closing this week at around USD 62/ton. Demand and prices for iron ore and steel will remain low until activity picks up after Chinese New Year towards the end of February.

With increased capacity of iron ore from Australia and Brazil, the international iron ore prices have dropped more than 50% over the last 12 months. China will be encouraged to continue the import rather than exploit their domestic resources with low FE content.

Lately Belships has seen an increased activity in conversions of capesize newbuilding contracts to LR 1 tankers, and scrapping of older tonnage has also picked up considerably. Both these factors will

contribute positively towards a better market balance going forward. Most importantly, new ordering of bulk carriers has more or less come to a complete stop.

With international crude oil prices moving up again, the bunker price will follow in tandem. This will underpin the attractiveness of fuel efficient eco design newbuildings.

Belships' vessels are chartered out long-term on a fixed rate to a reputable counterpart, and short term market fluctuations will therefore not affect the Group's cash flow. The charter parties represent a future nominal gross hire of USD 97 million.

Focus will be to further develop Belships as an owner/operator of modern bulk carriers to reputable counterparts. Our ambition is to build a portfolio of quality vessels and robust charter parties that will generate distributable cash flows.

Oslo, 12 February 2015  
THE BOARD OF BELSHIPS ASA

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## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

### BELSHIPS ASA

USD 1 000	Q4 2014	Q4 2013	2014	2013
<i>Note</i>				
Freight revenue	4 394	5 555	17 912	22 094
Management fees	1 090	1 125	4 167	3 879
<b>Operating income</b>	<b>5 484</b>	<b>6 680</b>	<b>22 079</b>	<b>25 973</b>
Time-charter hire	0	-1 164	-804	-4 660
Ship operating expenses	-1 214	-1 234	-5 434	-5 059
Operating expenses ship management	-1 064	-1 152	-3 741	-3 706
General and administrative expenses	-792	-786	-3 540	-3 214
<b>Operating expenses</b>	<b>-3 070</b>	<b>-4 336</b>	<b>-13 519</b>	<b>-16 639</b>
<b>Operating result (EBITDA)</b>	<b>2 414</b>	<b>2 344</b>	<b>8 560</b>	<b>9 334</b>
Depreciation and amortization	-1 187	-1 029	-4 274	-4 251
Impairment of non-current assets	0	0	-3 200	-2 700
<b>Operating result (EBIT)</b>	<b>1 227</b>	<b>1 315</b>	<b>1 086</b>	<b>2 383</b>
Interest income	59	63	124	142
Interest expenses	-481	-586	-1 961	-2 040
Other financial items	-41	68	-277	-681
Currency gains/(-losses)	-326	-132	-550	208
<b>Net financial items</b>	<b>-789</b>	<b>-587</b>	<b>-2 664</b>	<b>-2 371</b>
<b>Result before taxes</b>	<b>438</b>	<b>728</b>	<b>-1 578</b>	<b>12</b>
Taxes	-20	-32	-23	-166
<b>Net result</b>	<b>418</b>	<b>696</b>	<b>-1 601</b>	<b>-154</b>
Hereof non-controlling interests	27	24	80	60
Hereof majority interests	391	672	-1 681	-214
<b>Other comprehensive income</b>				
Actuarial gain/(loss) on defined benefit plans	-99	-3	-99	-3
<b>Total comprehensive income</b>	<b>319</b>	<b>693</b>	<b>-1 700</b>	<b>-157</b>
Hereof non-controlling interests	27	24	80	60
Hereof majority interests	292	669	-1 780	-217
Earnings per share (US cent)	0.67	1.48	-3.63	-0.47
Diluted earnings per share (US cent)	0.67	1.48	-3.62	-0.46

**CONSOLIDATED BALANCE SHEETS****BELSHIPS ASA**

USD 1 000		2014	2013
<b>ASSETS</b>	<i>Note</i>		
<b>Fixed assets</b>			
Ships		88 920	95 424
Newbuilding instalments	2	14 125	5 650
Other fixed assets		2 345	3 088
<b>Total fixed assets</b>		<b>105 390</b>	<b>104 162</b>
<b>Current assets</b>			
Trade debtors		44	12
Other receivables		967	968
Cash and cash equivalents		8 064	14 282
<b>Total current assets</b>		<b>9 075</b>	<b>15 262</b>
<b>Total assets</b>		<b>114 465</b>	<b>119 424</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid-in capital		43 563	43 305
Retained earnings		21 080	23 252
Non-controlling interests		408	401
<b>Total equity</b>		<b>65 051</b>	<b>66 958</b>
<b>Long-term liabilities</b>			
Mortgage debt	3	40 651	42 460
Financial instruments		515	816
Pension obligations		1 138	1 644
<b>Total long-term liabilities</b>		<b>42 304</b>	<b>44 920</b>
<b>Short-term liabilities</b>			
Current portion of mortgage debt	3	5 000	5 138
Trade creditors		381	562
Other short-term liabilities		1 729	1 846
<b>Total short-term liabilities</b>		<b>7 110</b>	<b>7 546</b>
<b>Total equity and liabilities</b>		<b>114 465</b>	<b>119 424</b>

**CONSOLIDATED CASH FLOW STATEMENTS****BELSHIPS ASA**

<b>USD 1 000</b>	<b>2014</b>	<b>2013</b>
<b>Cash flow from operating activities</b>		
Net result before taxes	-1 578	12
Adjustments to reconcile profit before tax to net cash flows:		
Depreciations on fixed assets	4 274	4 251
Impairment of ships	3 200	2 700
Share-based compensation expense	259	12
Difference between pension exps. and paid pension premium	-262	-197
Net finance costs	2 664	2 371
Working capital adjustments:		
Change in trade debtors and trade creditors	-213	65
Change in other short-term items	-91	-362
Interest received	124	142
Interest paid	-1 961	-2 040
Income tax paid	-35	-75
<b>Net cash flow from operating activities</b>	<b>6 381</b>	<b>6 879</b>
<b>Cash flow from investing activities</b>		
Prepayment newbuilding contracts	-8 475	-5 650
Paid out on purchase of other investments	-898	-221
<b>Net cash flow from investing activities</b>	<b>-9 373</b>	<b>-5 871</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term debt	-51 661	-10 993
Proceeds from new loan	50 000	0
Payment of transaction costs related to new loan	-575	0
Dividend paid to shareholders	-393	0
Share issue (net)	0	14 293
<b>Net cash flow from financing activities</b>	<b>-2 629</b>	<b>3 300</b>
Net change in cash and cash equivalents during the period	-5 621	4 308
Cash and cash equivalents at 1 January	14 282	10 204
Change currency NOK deposits	-597	-230
<b>Cash and cash equivalents at end of period</b>	<b>8 064</b>	<b>14 282</b>



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### BELSHIPS ASA

USD 1 000

	Majority interest						Non-controlling interests	Total equity
	Paid-in				Retained			
	Share capital	Treasury shares	Share premium reserves	Other paid-in equity	Other equity			
As at 31 December 2014								
Equity as at 31 December 2013	14 272	-166	13 751	15 448	23 252	401	66 958	
Net result for the period	0	0	0	0	-1 681	80	-1 601	
Other comprehensive income	0	0	0	0	-99	0	-99	
Total comprehensive income	0	0	0	0	-1 780	80	-1 700	
Dividend to shareholders	0	0	0	0	-393	0	-393	
Share-based compensation exp.	0	0	0	259	0	0	259	
Non-controlling interest transactions	0	0	0	0	0	-73	-73	
Equity as at 31 December 2014	14 272	-166	13 751	15 707	0	21 079	408	65 051

### As at 31 December 2013

Equity as at 31 December 2012	6 722	-166	7 009	15 436	23 469	319	52 789	
Net result for the period	0	0	0	0	-214	60	-154	
Other comprehensive income	0	0	0	0	-3	0	-3	
Total comprehensive income	0	0	0	0	-217	60	-157	
Share issue	7 550	0	6 742	0	0	0	14 292	
Share-based compensation exp.	0	0	0	12	0	0	12	
Non-controlling interest transactions	0	0	0	0	0	22	22	
<b>Equity as at 31 December 2013</b>	<b>14 272</b>	<b>-166</b>	<b>13 751</b>	<b>15 448</b>	<b>23 252</b>	<b>401</b>	<b>66 958</b>	

## KEY FINANCIAL FIGURES

### BELSHIPS ASA

		2014	2013
EBITDA	USD 1000	8 560	9 334
Interest coverage ratio		0.37	1.01
Current ratio	%	127.64	202.25
Equity ratio	%	56.83	56.07
Earnings per share	US cent	-3.63	-0.47
Earnings per share	NOK	-0.23	-0.03
Book value per share	NOK	10.33	8.70
Number of issued shares (excluding treasury shares)		46 804 000	46 804 000
Average number of issued shares (excluding treasury shares)		46 804 000	33 679 000





## NOTES TO THE CONSOLIDATED ACCOUNTS

*The figures are not audited*

### Note 1 Segment information

#### **BELSHIPS ASA**

USD 1 000	January - December 2014					
	<i>Dry cargo</i>	<i>Product tank</i>	<i>Technical managm.</i>	<i>Admini- stration</i>	<i>Group transacts.</i>	<i>Total</i>
Freight revenue	16 846	774	0	0	292	17 912
Management fees	0	0	4 288	618	-739	4 167
<b>Operating income</b>	<b>16 846</b>	<b>774</b>	<b>4 288</b>	<b>618</b>	<b>-447</b>	<b>22 079</b>
Time-charter hire	0	-804	0	0	0	-804
Ship operating expenses	-5 865	0	0	0	431	-5 434
Operating expenses ship management	0	0	-3 741	0	0	-3 741
General and administrative expenses	-47	-10	0	-3 499	16	-3 540
<b>Operating expenses</b>	<b>-5 912</b>	<b>-814</b>	<b>-3 741</b>	<b>-3 499</b>	<b>447</b>	<b>-13 519</b>
<b>Operating result (EBITDA)</b>	<b>10 934</b>	<b>-40</b>	<b>547</b>	<b>-2 881</b>	<b>0</b>	<b>8 560</b>
Depreciation and amortization	-4 126	0	-51	-97	0	-4 274
Impairment of non-current assets	-3 200	0	0	0	0	-3 200
<b>Operating result (EBIT)</b>	<b>3 608</b>	<b>-40</b>	<b>496</b>	<b>-2 978</b>	<b>0</b>	<b>1 086</b>
Interest income	0	0	37	87	0	124
Interest expenses	-1 942	0	0	-19	0	-1 961
Other financial items	-270	0	-32	25	0	-277
Currency gains/(-losses)	-10	0	20	-560	0	-550
<b>Net financial items</b>	<b>-2 222</b>	<b>0</b>	<b>25</b>	<b>-467</b>	<b>0</b>	<b>-2 664</b>
<b>Result before taxes</b>	<b>1 386</b>	<b>-40</b>	<b>521</b>	<b>-3 445</b>	<b>0</b>	<b>-1 578</b>
Taxes	0	0	-23	0	0	-23
<b>Net result</b>	<b>1 386</b>	<b>-40</b>	<b>498</b>	<b>-3 445</b>	<b>0</b>	<b>-1 601</b>
Hereof non-controlling interests	0	0	80	0	0	80
Hereof majority interests	1 386	-40	418	-3 445	0	-1 681
<b>Other comprehensive income</b>						
Actuarial loss on defined benefit plans	0	0	0	-99	0	-99
<b>Total comprehensive income</b>	<b>1 386</b>	<b>-40</b>	<b>498</b>	<b>-3 544</b>	<b>0</b>	<b>-1 700</b>
Hereof non-controlling interests	0	0	80	0	0	80
Hereof majority interests	1 386	-40	418	-3 544	0	-1 780



**Note 1 Segment information, continued**

USD 1 000						2014					2013				
	Dry cargo	Product tank	Techn. manag.	Admin/ Grp.tr.	Total	Dry cargo	Product tank	Techn. manag.	Admin/ Grp.tr.	Total	Dry cargo	Product tank	Techn. manag.	Admin/ Grp.tr.	Total
<b>1Q</b>															
Freight revenue	4 233	774	0	91	5 098	4 137	1 118	0	89	5 344	4 137	1 118	0	89	5 344
Management fees	0	0	1 016	-35	981	0	0	1 013	-26	987	0	0	1 013	-26	987
<b>Operating income</b>	<b>4 233</b>	<b>774</b>	<b>1 016</b>	<b>56</b>	<b>6 079</b>	<b>4 137</b>	<b>1 118</b>	<b>1 013</b>	<b>63</b>	<b>6 331</b>	<b>4 137</b>	<b>1 118</b>	<b>1 013</b>	<b>63</b>	<b>6 331</b>
Time-charter hire	0	-804	0	0	-804	0	-1 143	0	0	-1 143	0	-1 143	0	0	-1 143
Ship operating expenses	-1 493	0	0	109	-1 384	-1 429	0	0	106	-1 323	-1 429	0	0	106	-1 323
Operating expenses ship management	0	0	-922	0	-922	0	0	-825	0	-825	0	0	-825	0	-825
General and administrative expenses	-11	-10	0	-827	-848	-6	-11	0	-834	-851	-6	-11	0	-834	-851
<b>Operating expenses</b>	<b>-1 504</b>	<b>-814</b>	<b>-922</b>	<b>-718</b>	<b>-3 958</b>	<b>-1 435</b>	<b>-1 154</b>	<b>-825</b>	<b>-728</b>	<b>-4 142</b>	<b>-1 435</b>	<b>-1 154</b>	<b>-825</b>	<b>-728</b>	<b>-4 142</b>
<b>Operating result (EBITDA)</b>	<b>2 729</b>	<b>-40</b>	<b>94</b>	<b>-662</b>	<b>2 121</b>	<b>2 702</b>	<b>-36</b>	<b>188</b>	<b>-665</b>	<b>2 189</b>	<b>2 702</b>	<b>-36</b>	<b>188</b>	<b>-665</b>	<b>2 189</b>
Depreciation and amortization	-964	0	-12	-21	-997	-1 028	0	-13	-20	-1 061	-1 028	0	-13	-20	-1 061
<b>Operating result (EBIT)</b>	<b>1 765</b>	<b>-40</b>	<b>82</b>	<b>-683</b>	<b>1 124</b>	<b>1 674</b>	<b>-36</b>	<b>175</b>	<b>-685</b>	<b>1 128</b>	<b>1 674</b>	<b>-36</b>	<b>175</b>	<b>-685</b>	<b>1 128</b>
<b>2Q</b>															
Freight revenue	3 992	0	0	68	4 060	4 328	1 130	0	90	5 548	4 328	1 130	0	90	5 548
Management fees	0	0	1 195	-31	1 164	0	0	879	-30	849	0	0	879	-30	849
<b>Operating income</b>	<b>3 992</b>	<b>0</b>	<b>1 195</b>	<b>37</b>	<b>5 224</b>	<b>4 328</b>	<b>1 130</b>	<b>879</b>	<b>60</b>	<b>6 397</b>	<b>4 328</b>	<b>1 130</b>	<b>879</b>	<b>60</b>	<b>6 397</b>
Time-charter hire	0	0	0	0	0	0	-1 165	0	0	-1 165	0	-1 165	0	0	-1 165
Ship operating expenses	-1 521	0	0	109	-1 412	-1 300	0	0	106	-1 194	-1 300	0	0	106	-1 194
Operating expenses ship management	0	0	-790	0	-790	0	0	-788	0	-788	0	0	-788	0	-788
General and administrative expenses	0	0	0	-1 165	-1 165	-8	-24	0	-807	-839	-8	-24	0	-807	-839
<b>Operating expenses</b>	<b>-1 521</b>	<b>0</b>	<b>-790</b>	<b>-1 056</b>	<b>-3 367</b>	<b>-1 308</b>	<b>-1 189</b>	<b>-788</b>	<b>-701</b>	<b>-3 986</b>	<b>-1 308</b>	<b>-1 189</b>	<b>-788</b>	<b>-701</b>	<b>-3 986</b>
<b>Operating result (EBITDA)</b>	<b>2 471</b>	<b>0</b>	<b>405</b>	<b>-1 019</b>	<b>1 857</b>	<b>3 020</b>	<b>-59</b>	<b>91</b>	<b>-641</b>	<b>2 411</b>	<b>3 020</b>	<b>-59</b>	<b>91</b>	<b>-641</b>	<b>2 411</b>
Depreciation and amortization	-963	0	-13	-20	-996	-1 037	0	-13	-19	-1 069	-1 037	0	-13	-19	-1 069
<b>Operating result (EBIT)</b>	<b>1 508</b>	<b>0</b>	<b>392</b>	<b>-1 039</b>	<b>861</b>	<b>1 983</b>	<b>-59</b>	<b>78</b>	<b>-660</b>	<b>1 342</b>	<b>1 983</b>	<b>-59</b>	<b>78</b>	<b>-660</b>	<b>1 342</b>
<b>3Q</b>															
Freight revenue	4 292	0	0	68	4 360	4 401	1 152	0	94	5 647	4 401	1 152	0	94	5 647
Management fees	0	0	966	-34	932	0	0	949	-31	918	0	0	949	-31	918
<b>Operating income</b>	<b>4 292</b>	<b>0</b>	<b>966</b>	<b>34</b>	<b>5 292</b>	<b>4 401</b>	<b>1 152</b>	<b>949</b>	<b>63</b>	<b>6 565</b>	<b>4 401</b>	<b>1 152</b>	<b>949</b>	<b>63</b>	<b>6 565</b>
Time-charter hire	0	0	0	0	0	0	-1 188	0	0	-1 188	0	-1 188	0	0	-1 188
Ship operating expenses	-1 531	0	0	107	-1 424	-1 415	0	0	107	-1 308	-1 415	0	0	107	-1 308
Operating expenses ship management	0	0	-965	0	-965	0	0	-941	0	-941	0	0	-941	0	-941
General and administrative expenses	0	0	0	-735	-735	0	-11	0	-727	-738	0	-11	0	-727	-738
<b>Operating expenses</b>	<b>-1 531</b>	<b>0</b>	<b>-965</b>	<b>-628</b>	<b>-3 124</b>	<b>-1 415</b>	<b>-1 199</b>	<b>-941</b>	<b>-620</b>	<b>-4 175</b>	<b>-1 415</b>	<b>-1 199</b>	<b>-941</b>	<b>-620</b>	<b>-4 175</b>
<b>Operating result (EBITDA)</b>	<b>2 761</b>	<b>0</b>	<b>1</b>	<b>-594</b>	<b>2 168</b>	<b>2 986</b>	<b>-47</b>	<b>8</b>	<b>-557</b>	<b>2 390</b>	<b>2 986</b>	<b>-47</b>	<b>8</b>	<b>-557</b>	<b>2 390</b>
Depreciation and amortization	-1 054	0	-11	-29	-1 094	-1 037	0	-17	-38	-1 092	-1 037	0	-17	-38	-1 092
Impairment of non-current assets	-3 200	0	0	0	-3 200	-2 700	0	0	0	-2 700	-2 700	0	0	0	-2 700
<b>Operating result (EBIT)</b>	<b>-1 493</b>	<b>0</b>	<b>-10</b>	<b>-623</b>	<b>-2 126</b>	<b>-751</b>	<b>-47</b>	<b>-9</b>	<b>-595</b>	<b>-1 402</b>	<b>-751</b>	<b>-47</b>	<b>-9</b>	<b>-595</b>	<b>-1 402</b>
<b>4Q</b>															
Freight revenue	4 329	0	0	65	4 394	4 323	1 141	0	91	5 555	4 323	1 141	0	91	5 555
Management fees	0	0	1 111	-21	1 090	0	0	1 160	-35	1 125	0	0	1 160	-35	1 125
<b>Operating income</b>	<b>4 329</b>	<b>0</b>	<b>1 111</b>	<b>44</b>	<b>5 484</b>	<b>4 323</b>	<b>1 141</b>	<b>1 160</b>	<b>56</b>	<b>6 680</b>	<b>4 323</b>	<b>1 141</b>	<b>1 160</b>	<b>56</b>	<b>6 680</b>
Time-charter hire	0	0	0	0	0	0	-1 164	0	0	-1 164	0	-1 164	0	0	-1 164
Ship operating expenses	-1 320	0	0	106	-1 214	-1 340	0	0	106	-1 234	-1 340	0	0	106	-1 234
Operating expenses ship management	0	0	-1 064	0	-1 064	0	0	-1 152	0	-1 152	0	0	-1 152	0	-1 152
General and administrative expenses	-36	0	0	-756	-792	-37	-10	0	-739	-786	-37	-10	0	-739	-786
<b>Operating expenses</b>	<b>-1 356</b>	<b>0</b>	<b>-1 064</b>	<b>-650</b>	<b>-3 070</b>	<b>-1 377</b>	<b>-1 174</b>	<b>-1 152</b>	<b>-633</b>	<b>-4 336</b>	<b>-1 377</b>	<b>-1 174</b>	<b>-1 152</b>	<b>-633</b>	<b>-4 336</b>
<b>Operating result (EBITDA)</b>	<b>2 973</b>	<b>0</b>	<b>47</b>	<b>-606</b>	<b>2 414</b>	<b>2 946</b>	<b>-33</b>	<b>8</b>	<b>-577</b>	<b>2 344</b>	<b>2 946</b>	<b>-33</b>	<b>8</b>	<b>-577</b>	<b>2 344</b>
Depreciation and amortization	-1 145	0	-15	-27	-1 187	-984	0	-14	-31	-1 029	-984	0	-14	-31	-1 029
<b>Operating result (EBIT)</b>	<b>1 828</b>	<b>0</b>	<b>32</b>	<b>-633</b>	<b>1 227</b>	<b>1 962</b>	<b>-33</b>	<b>-6</b>	<b>-608</b>	<b>1 315</b>	<b>1 962</b>	<b>-33</b>	<b>-6</b>	<b>-608</b>	<b>1 315</b>

**Note 2 Newbuilding contracts**

Belships ASA has placed order for two newbuilding contracts for fuel efficient Supramax bulk carriers from Imabari Shipbuilding Co. Ltd. The ships will be delivered during the second half of 2015 and first half of 2016. Total newbuilding cost amounts to USD 56.5 million of which USD 5.65 million was paid in June 2013, additional USD 5.65 million was paid in June 2014 and USD 2.83 million was paid in September 2014, in total USD 14.13 million are paid.

Remaining instalments	%	USD mill. per ship	Scheduled due date Hull S-K085	Scheduled due date Hull S-K086
#3	10 %	2.83	Paid September 2014	30 March 2015
#4: Launching	10 %	2.83	3 months before delivery	3 months before delivery
#5: Delivery	60 %	16.95	Sept 2015	Mar/Apr 2016

**Note 3 Mortgage debt**

Mortgage debt as of 31 December 2014 was USD 46.3 million. Arrangement fee and other costs related to drawdown of the new loan is recorded as a reduction of debt in the balance sheet and amortized over the loan period in accordance with the amortized cost principle.



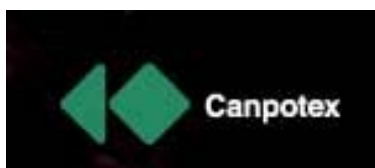
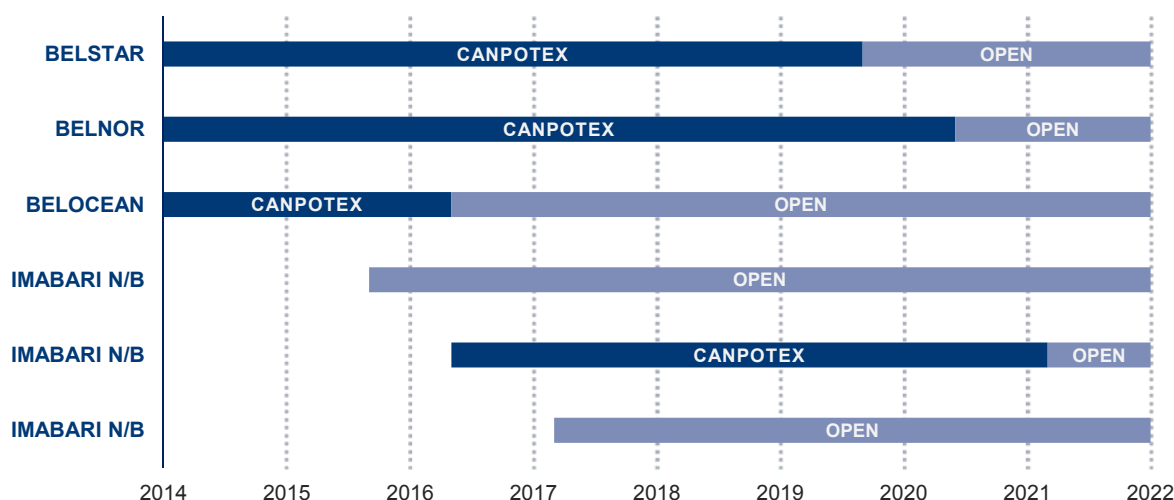
## FLEET LIST

As at 31 December 2014

Ship		Ownership	Built year	Dwt	Employment	T/C-rate (net USD/day)
<b>Supramax</b>						
M/S Belstar	1	100 %	2009	58 018	T/C to 08/19	16 000
M/S Belnor	1	100 %	2010	58 018	T/C to 05/20	16 000
M/S Belocean	1	100 %	2011	58 018	T/C to 03/21	16 000
Imabari newbuilding	2	100 %	2015	61 000		
Imabari newbuilding	2	100 %	2016	61 000		
Imabari newbuilding	3	T/C	2017	63 000		

- 1) In case of any sale, Belships has an option to cancel two of the three time charter parties after respectively 5 and 7 years from the ships were delivered.
- 2) Belships has signed an agreement with Canpotex Shipping Services Ltd to replace M/S Belnor or M/S Belocean with one of the newbuildings. The rate will be adjusted to USD 17.300/day net with effect from the date of delivery and until the expiry of the existing c/p period.
- 3) Delivery during 1st quarter of 2017 for long-term lease with purchase option. Charter period is eight years with three annual renewal options. Purchase option may be exercised at the end of year 4 to JPY 3.01 billion, with an annual decrease of JPY 110 million.

## CHARTER COVERAGE



Canpotex was established in 1972 by three Canadian potash producers: Agrium, Mosaic and PotashCorp. Canpotex manages transportation and has invested in 5,000 specialized railcars and two port terminals. Canpotex has supplied over 185 million mt of potash since 1974 to customers in countries like Australia, Brazil, China, India, Indonesia and Japan.

**20 LARGEST SHAREHOLDERS***As at 5 February 2015*

Name	Number of shares	%
SONATA AS	28 856 030	60.94%
TIDSHIPS AS	6 201 058	13.10%
Longbow Limited	2 308 680	4.88%
SKANDINAVISKA ENSKIL A/C CLIENTS ACCOUNT	958 297	2.02%
GEMSCO AS	703 188	1.49%
TIDEMAND SVERRE JØRGEN	582 782	1.23%
BELSHIPS ASA	498 000	1.05%
CARLINGS AS	400 000	0.84%
IMPORTER AS	338 476	0.71%
TIDINVEST II AS	315 414	0.67%
JENSSEN & CO A/S	302 816	0.64%
CHREM CAPITAL AS	270 000	0.57%
KONTRARI AS	250 000	0.53%
SØLAND LIV	240 000	0.51%
GRANADA MANAGEMENT A	220 000	0.46%
STEEN CARL ERIK	207 203	0.44%
ABG SUNDAL COLLIER N MARKET-MAKING INNLAN	180 023	0.38%
JSL AS	175 000	0.37%
ASL HOLDING AS	175 000	0.37%
NAGATSUKA TORU	149 000	0.31%
OTHER SHAREHOLDERS	4 021 033	8.49%
Total outstanding shares	47 352 000	100.00%

**BELSHIPS**

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