HAVYARD GROUP ASA

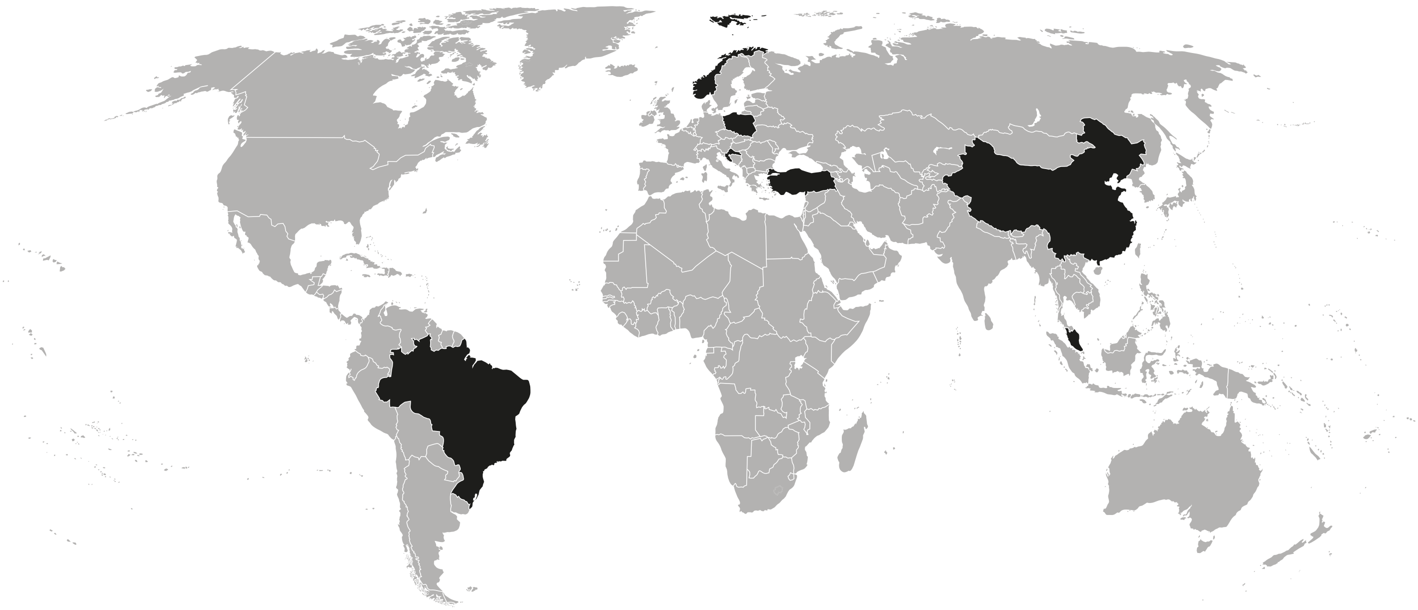
FIRST QUARTER RESULTS 2015

HAVYARD GROUP

HAVYARD GROUP ASA is a fully integrated Ship Technology company and delivers products and services within the complete value chain from vessel design to support of vessels in operation. We focus on having the best competence within all the vital segments of the value chain.

Our vision is Improving Life At Sea and the motivation for our employees is to add value to and improve the situation for all who use our products.

Havyard Group delivers ship designs, ship equipment and construction of advanced vessels for offshore oil production, fishing and fish farming for shipyards and shipowners worldwide.



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DESIGN & SOLUTIONS

HAVYARD DESIGN & SOLUTIONS AS, dep. Fosnavåg

HAVYARD DESIGN & SOLUTIONS AS, dep. Stavanger

HAVYARD DESIGN & ENGINEERING Poland

HAVYARD DESIGN & ENGINEERING Rijeka d.o.o

HAVYARD South America ltda.

HAVYARD China

HAVYARD Far East

SHIP TECHNOLOGY

HAVYARD SHIP TECHNOLOGY AS, dep. Fosnavåg

HAVYARD SHIP TECHNOLOGY AS, dep. Leirvik

HAVYARD SHIP TECHNOLOGY AS, dep. Turkey

HAVYARD PRODUCTION & SERVICE Sp. z o.o.

POWER & SYSTEMS

HAVYARD POWER & SYSTEMS AS, dep. Ålesund

NORWEGIAN ELECTRIC SYSTEMS AS

HAVYARD MMC

HAVYARD MMC AS, dep. Fosnavåg

HAVYARD MMC AS dep. Vigra

HAVYARD MMC AS dep. Tromsø

HAVYARD MMC AS dep. Haugesund

MMC GREEN TECHNOLOGY AS

HIGHLIGHTS

- EBIT of NOK 6 million and EBIT-margin of 1.1 % in first quarter of 2015
- The EBIT-margin in Q1 are influenced by lower capacity utilization in most segments and production of projects where loss provisions were set in earlier periods
- Good control of projects
  - Loss provisions made in fourth quarter 2014 are sufficient
  - Zero result in these projects in 2015 are reducing margins compared to the first quarter of 2014
- Delivery of newbuild no. 118 and 119, Havyard 832 SOV Windmill service vessel
  - Vessel nr. one and two to ESVAGT
- Challenging market for new contracts
- Purchase up to majority share in Norwegian Electric Systems

OUTLOOK

- Offshore market in general effected by declining investments
  - Decisions are postponed and few new projects in the market
  - Use the opportunity for increasing cost-efficiency and continuing the long term diversification strategy
- Havyard have had a diversification strategy the last two years and are prepared to meet the challenges in the offshore market
  - Established and proven design in the windmill service vessel market
  - Leading provider of ICE-breaker vessels
  - Established position in the aquaculture market
    - A market in growth and not correlated with oil price
    - Tough competition from both established and new players
- Repeat contracts on new design are signed and repeat effect gives increased profitability
- The Group depends on new order intake to fill capacity for the coming periods

HAVYARD 832 SOV WINDMILL SERVICE VESSEL


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SIEMENS

FINANCIAL SUMMARY

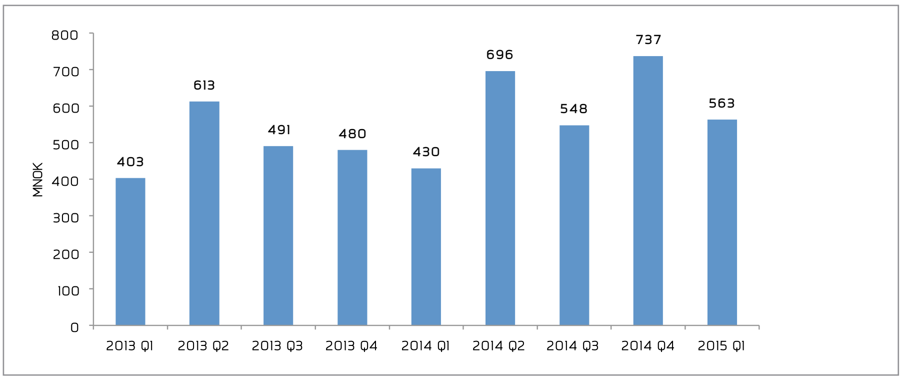
Financial result Havyard Group ASA

MNOK	Q1 15	Q1 14	2014
Operating revenues	563	430	2 411
Cost of sales	397	265	1 764
Payroll expences	116	102	416
Other operating exp.	38	30	165
Operating expences	551	397	2 345
EBITDA	12	33	66
Depreciation	6	5	21
EBIT	6	28	45
Net financial	22	0	-6
Profit before tax	28	28	39

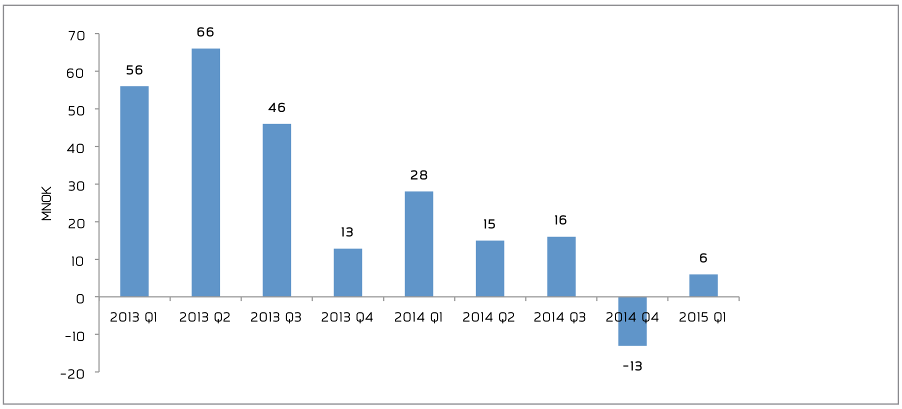
Group key figures

	Q1 15	Q1 14	2014
Operating revenue	563	430	2 411
EBITDA	12	33	66
EBIT	6	28	45
EBIT-margin	1,1 %	6,5 %	1,9 %
Profit before tax	28	28	39
Earnings per share	1,17	0,88	1,24
NIBD	117	74	167
Working Capital	192	124	164

Operating revenue



EBIT



INCOME STATEMENT

The operating revenue for the Group in the first quarter of 2015 was NOK 563,1 million, compared to NOK 429.7 million in the corresponding period of 2014. The increase is mainly due to increased activity at the shipyard in Leirvik. There have been two vessels for outfitting in the first quarter of 2015, while there was only one vessel for outfitting in the first quarter of 2014.

For the first quarter of 2015, the Group recorded earnings before interest and tax (EBIT) of NOK 6.1 million, while the EBIT for the first quarter of 2014 was NOK 27.8 million. The EBIT margin in the first quarter of 2015 is 1.1 % compared to 6.4 % in the first quarter of 2014.

The margins for the first quarter of 2015 are affected by three loss projects in the Ship Technology segment. All the losses were accounted for in 2014, and the provision that was made is sufficient. This shows that the Group has increased control in the production, and that these projects have reached its bottom level. In the first quarter, the Ship Technology segment has zero profit on the loss projects and this reduces the margins compared to the corresponding period of 2014.

FINANCIAL POSITION

The total assets in the Group have been reduced from NOK 1,736.4 million to NOK 1,535.5 million from the year-end 2014 to the end of first quarter of 2015. The decrease is mainly due to lower activity at the balance date, which gives higher amount of work in progress and construction loans.

The total equity has increased from NOK 596.3 million to NOK 629.7 million in the period from the end of 2014 to the end of first quarter 2015. The increase is mainly due to profit of acquisitions in subsidiaries. The equity ratio has increased from 34 % in the end of 2014 to 41 % in the first quarter of 2015, due to profit of acquisitions in subsidiaries.

Investments in financial assets and investments in associates decreased from NOK 343.8 million at year-end 2014 to NOK 333.4 million at the end of first quarter 2015. The reason for the reduction is acquisitions in subsidiaries previously classified as an associate.

Current assets have decreased from NOK 1,045.1 million in the end of 2014 to NOK 813.9 million in the first quarter of 2015. The reason is lower activity on balance sheet date.

Total liabilities are NOK 905.8 million in the first quarter of 2015, compared to NOK 1 140.0 million in 2014. The main reason for the decrease is lower activity on balance sheet date.

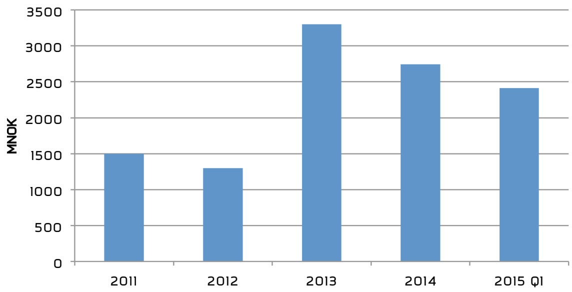
CASH FLOW

The aggregate cash flow from operating activities is negative with NOK 4.3 million in the first quarter of 2015, compared to a negative cash flow of NOK 44.4 million in the corresponding period of 2014. Delivery of two vessels during the period had a positive cash flow for the construction WIP because the repayment of construction loans. Low operating profit in the period provides weak cash flow of the operations.

The aggregate cash flow from investing activities is negative with NOK 21.3 million in the first quarter of 2015, compared to a negative cash flow of NOK 5.7 million in the first quarter of 2014. The cash flow from investing activities in the first quarter of 2015 is mainly a result of an acquisition in subsidiaries.

The aggregate cash flow from financing activities is negative with NOK 0.7 million compared to a negative cash flow of NOK 28.5 million in the corresponding period of 2014. The cash flow from financing activities relates primarily to raise loans in connection with a new administration building in Leirvik completed in 2014, and payment of dividends.

ORDER STATUS, DELIVERIES AND BACKLOG



Order backlog

The order book is approximately NOK 2.415 million as of the first quarter of 2015. NOK 1.215 million are related to work in 2015, while NOK 1.200 million are related to 2016.

All segments in the Group needs new order intake to fill capacity in the coming periods.

Two vessels were finalized and delivered during the first quarter of 2015:

- Newbuild no. 118 and 119
  - Havyard 832 SOV windmill service vessels to ESVAGT

For the remaining three quarters of 2015 and 2016, the order backlog includes one PSV, one Service Operation Vessel (SOV), three AHTS Icebreakers, one fishing vessel and one live fish carrier.

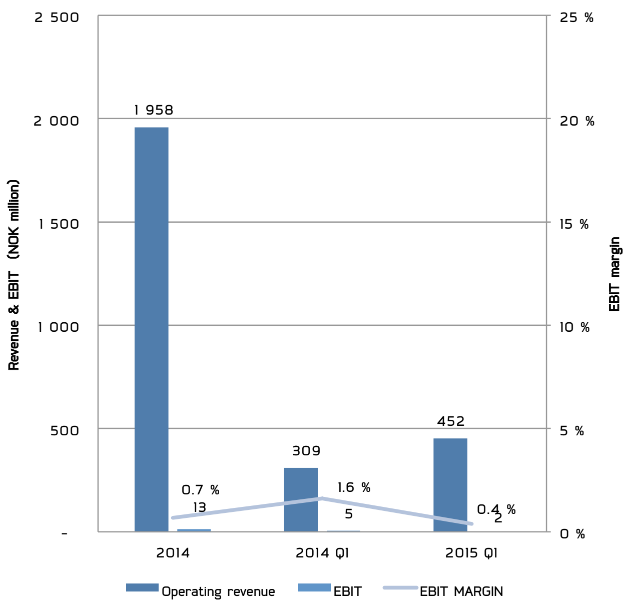
In addition to this, the order backlog includes design contracts and equipment packages, both to domestic and foreign costumers for vessels built at yards worldwide.

Deliveries from MMC and Power & Systems are also included in the order backlog. These orders include advanced diesel- and hybrid-electric propulsion system, design, engineering and equipment for live-fish carries and fishing boats and also refrigeration systems, control and bridge systems.

More information regarding the order backlog and status is found under each segment.

SEGMENTS
SHIP TECHNOLOGY

The operating revenue was NOK 451.6 million in the first quarter of 2015, compared to NOK 309.2 million in the corresponding period of 2014. This increase in operating revenue reflects higher activity at the yard than in the corresponding period of 2014, where only one vessel was at the yard for outfitting. The operating revenue for Q1-Q4 2014 was NOK 1 958 million. The operating profit (EBIT) in the first quarter in 2015 was NOK 1.7 million, compared to NOK 5.0 million in the corresponding period of 2014 and NOK 13.2 million in Q1-Q4 2014. The corresponding margins were 0.4 % in Q1 15, compared to 1.6 % in Q1 14 and 0.7 % in 2014.



The following vessels have been docked at the shipyard in Leirvik for the outfitting phase during 2014:

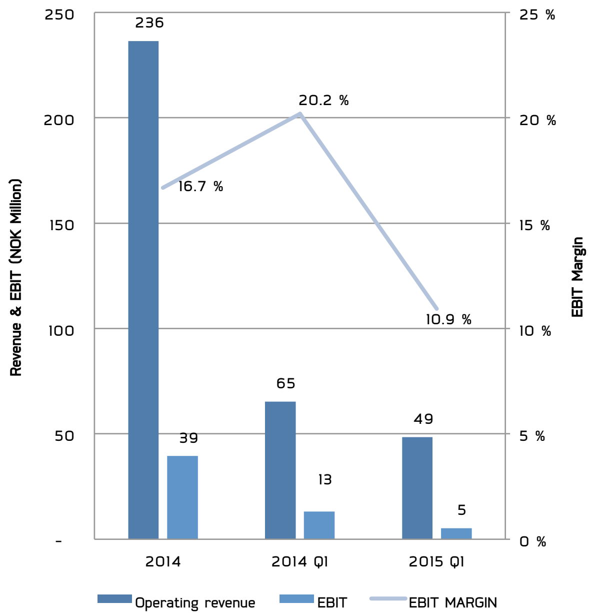
- Newbuild no. 118, a prototype Havyard 832 SOV windmill service vessel to ESVAGT, delivered in February 2015
- Newbuild no. 119, a sistership of 18, also for ESVAGT, delivered in March 2015
- Newbuild no. 121, a fishing vessel of the Havyard 535 design

Newbuild no. 118 and 121 have not had any result effect in the first quarter of 2015. The reason for this is that these two projects were loss projects where all losses were accounted for in 2014. The provisions made in 2014 are sufficient, and this shows that the control in the production is restored and that these projects have reached the bottom point.

The order backlog as of the first quarter of 2015 is NOK 2.120 million. The order backlog includes one PSV, one Service Operation Vessel (SOV), three AHTS Icebreakers, one fishing vessel and one live fish carrier.

SEGMENTS
DESIGN & SOLUTIONS

The progression in the projects is overall satisfactory. Some of the prototype projects have higher time consumption than budgeted, and some of the external projects are below budgeted time consumption. Capacity utilization is somewhat lower than in previous periods.



For the first quarter of 2015, the operating revenue is NOK 48.5 million. This is a decline of NOK 16.9 million from the corresponding period in 2014. The reason for this is mainly lower activity on external projects than in Q1 14. The operating revenue for Q1-Q4 2014 was NOK 236.5.

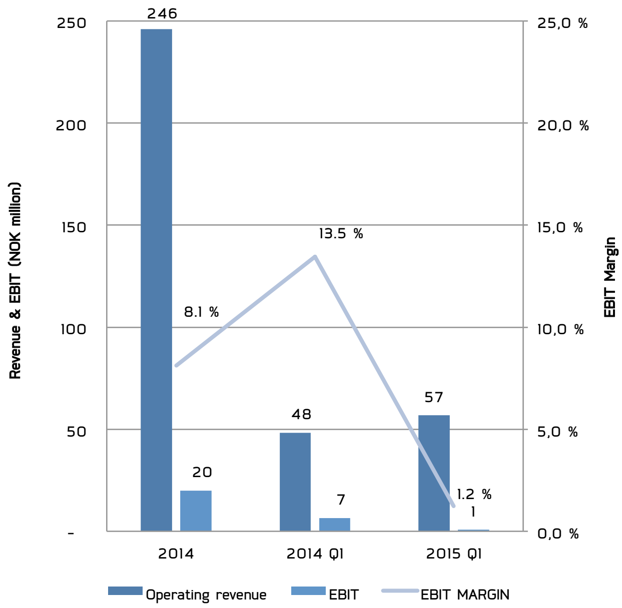
The operating result (EBIT) for the first quarter of 2015 is NOK 5.3 compared to NOK 13.2 in the first quarter of 2014. The EBIT-margin has declined from 20.2 % in Q1 14 to 10.9 % in Q1 15. The main reason for the decline in EBIT and EBIT-margin is lower share of work on external projects than in Q1 14. The operating result (EBIT) for Q1 – Q4 2014 was NOK 39.4 million, corresponding to a margin of 16.7 %.

Total order backlog for this segment is approximately NOK 140 million, where approximately NOK 25 million is internal deliveries. Total external order backlog is NOK 115 million.

SEGMENTS
POWER & SYSTEMS

The Power & Systems segment has increased the operating revenue by NOK 8.5 million to NOK 56.8 million in the first quarter of 2015 compared to NOK 48.3 million in the corresponding period of 2014. Of the total segment revenue of NOK 56.8 million, Norwegian Electric Systems (NES) contributes with NOK 34.5 million.

The operating profit (EBIT) for the first quarter of 2015 is NOK 0.7 million compared to NOK 6.6 million in the corresponding period of 2014. The reason for the lower margins is lower capacity utilization and work on projects where loss provisions were set in earlier periods. In Q1 – Q4 2014, the operating revenue was NOK 246.1 million and the operating profit (EBIT) was NOK 20.0 million, corresponding to an operating margin of 8.1 %.



After a restructuring process in Q1 15, Havyard Production and services (HPR) is a part of the Ship Technology segment from 01.01.2015. The reason for this restructuring is that Havyard Ship Technology is the largest customer and that HPR has expanded and now delivers services to the whole value chain in the Ship Technology segment, and not just electricians. By integrating these two companies the Group will realize beneficial synergies.

Havyard increased its owner share for 37.9 % to 50.5 % in Norwegian Electric Systems at the end of January 2015. The purchase price for 12.6 % was 18.3 million. NES is included in the figures from February 2015. In previous periods Havyard´s share in NES was included in financial income.

The order backlog for the Power and Systems segment is 215 million. 130 million are internal deliveries. The external order book is 85 million.

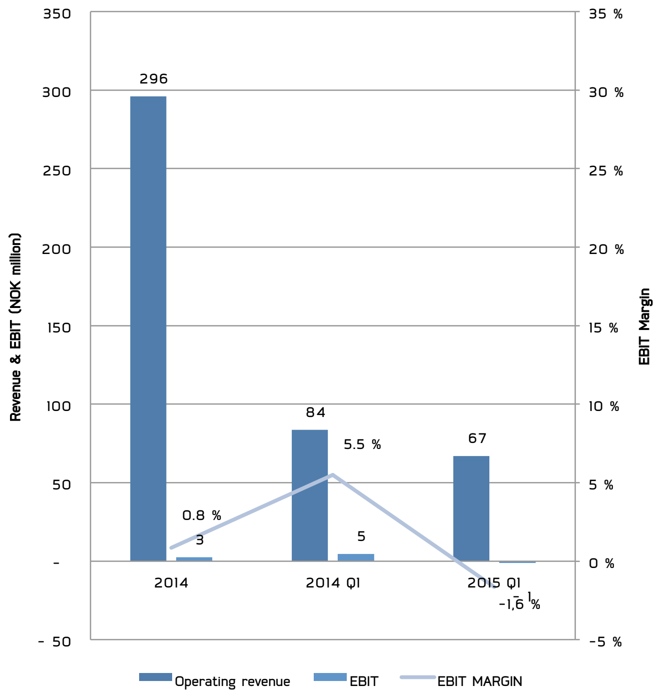
SEGMENTS
MMC

The operating revenue has decreased from NOK 83.6 million in the first quarter in 2014 to NOK 67.0 in the first quarter of 2015. The decrease of NOK 16.6 million is mainly related to lower capacity utilization. The operating revenue for Q1-Q4 2014 was NOK 296.1 million.

The operating profit (EBIT) of NOK -1.1 million in the first quarter of 2015 is a decline from the first quarter of 2014 when the operating profit was NOK 4.6 million. The main explanation to the lower result is primarily lower capacity utilization in the Fish Handling segment, and the fact that MMC is still working in some projects where provisions for losses were set in 2014.

In the first quarter of 2015 the EBIT-margin is -1.6 %, compared to 5.5 % in the first quarter of 2014 and 0.8 % for Q1-Q4 2014.

The order backlog for MMC is approximately NOK 130 million, where NOK 35 million is internal deliveries to the Ship Technology segment. External order backlog is approximately NOK 95 million.



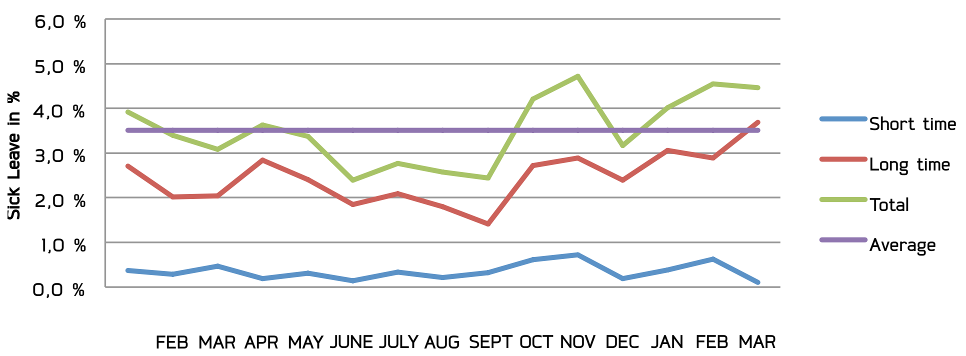
HEALTH, SAFETY & QUALITY

The Groups average total sick leave in the 15 months period January 2014 to March 2015 is 3.51 %. The average in the three first months of 2015 is 4.38 %. The sick leave has been steadily decreasing during 2013 and 2014, but has now increased somewhat in 2015. The reduction in 2013 and 2014 is a result of a long term focus on Inclusive working condition, job presence during sick leave and occupational health care. The increase in 2015 is considered to be of temporary character.

During the last 12 months the Group has had a total of 15 injuries resulting in absence from work. This figure includes the subcontractors at the ship yard in Leirvik. An extensive action plan is implemented with the target of reducing injuries both for own employees and subcontractors, and this has reduced the number of injuries.

In addition to health and safety the Group is focusing on quality. Internal audits in accordance with ISO 9001/ISO 14001, several supplier audits and audits from costumers were performed in 2014 and this process continues in 2015. Quality deviations are measured, documented in action lists and handled as quickly and effectively as possible.

Sick leave Group 2014 and 2015



PRINCIPAL RISKS AND UNCERTANTIES

Havyard Group defines operational risk as the ability to deliver at the right time, with the right quality and at the right cost. The delivery of vessels, design packages and equipment in accordance with these parameters are a substantial risk element, and is the most significant factor that affects Havyard Group´s financial results.

Other risk factors are interest rates, exchange rates and our customers' ability to meet its obligations.

Havyard Group works systematically with risk management in all its segments and subsidiaries. All managers are responsible for risk management and internal control within their business segment. Reference is made to the annual report for 2014 for a further description of risk factor and risk management.

Fosnavåg, 21 Maymai 2015
The Board of Directors and CEO
Havyard Group ASA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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Havyard Group ASA

(NOK 1,000)	2015 Q1	2014 Q1	2014
	(unaudited)		
Sales revenues	560 472	429 002	2 401 597
Other operating revenues	2 645	681	9 208
Operating revenues	**563 117**	**429 683**	**2 410 805**
Cost of sales	396 796	265 318	1 763 601
Payroll expenses etc.	116 261	101 654	416 329
Other operating expenses	37 617	29 812	164 659
Operating expenses	**550 674**	**396 784**	**2 344 589**
Operating profit before depreciation and amortization - EBITDA	**12 443**	**32 899**	**66 215**
Depreciation	6 277	5 112	21 064
Operating profit - EBIT	**6 166**	**27 787**	**45 152**
Profit of purchase in associate	22 603	-	-
Financial income	3 808	3 056	20 256
Financial expenses	5 720	4 674	32 344
Share of profit/loss of associate	949	1 908	6 036
Profit before tax	**27 806**	**28 077**	**39 100**
Income tax expense	1 081	7 251	9 089
Profit for the period	26 725	20 826	30 010
Attributable to :			
Equity holders of parent	26 297	19 889	27 992
Non-controlling interest	428	937	2 018
Sum	**26 725**	**20 826**	**30 010**
Earnings per share (NOK)	1,17	0,88	1,24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Havyard Group ASA

(NOK 1,000)	2015 Q1	2014 Q1	2014
	(unaudited)		
Profit for the period	**26 725**	**20 826**	**30 010**
Other comprehensive income			
Items that will be reclassified to income statement			
Translation differences			
Fair value adjustment avaliable-for-sale financial assets			
Total	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**26 725**	**20 826**	**30 010**
Attributable to :			
Equity holders of parent	26 297	19 889	27 992
Non-controlling interest	428	937	2 018
Total	**26 725**	**20 827**	**30 010**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

ASSETS

	2015 Q1	2014
	(unaudited)	
Non current assets		
Goodwill	60 094	23 918
Licenses, patents and R&D	65 950	59 912
Property, plant and equipment	262 174	263 549
Investment in associates	76 950	88 190
Loan to associates	15 194	14 817
Investment in financial assets	172 071	172 071
Other non current receivable	69 200	68 827
Total non current assets	**721 633**	**691 284**
Current Assets		
Inventory	44 985	40 673
Accounts receivables	93 928	79 123
Other receivables	97 627	88 274
Construction WIP in excess of prepayments	356 455	642 464
Cash and cash equivalents	220 916	194 562
Total Current Assets	**813 911**	**1 045 096**
TOTAL ASSETS	1 535 544	1 736 380

EQUITY AND LIABILITIES

	2015 Q1	2014
	(unaudited)	
Equity		
Share capital	1 126	1 126
Share premium reserve	5 462	5 462
Treasury shares	-7	-7
Retained earnings	599 974	583 750
Non-controlling interest	23 154	6 009
Total equity	629 709	596 340
Long term liabilities		
Deferred tax liability	58 955	48 447
Bond loan	147 219	146 941
Loans and borrowings, non-current	75 394	61 574
Other long-term liabilities	1 926	2 191
Total long term liabilities	283 494	259 153
Current liabilities		
Accounts payables	103 845	149 267
Taxes payable	3 428	3 925
Provision for dividend	-	-
Public duties payables	10 056	19 310
Construction loans	134 493	515 540
Loans and borrowings, current	27 605	38 230
Prepayments in excess of construction WIP	144 620	53 164
Other current liabilities	198 294	101 451
Total current liabilities	**622 341**	**880 887**
Total liabilities	**905 835**	**1 140 040**
TOTAL EQUITY AND LIABILITIES	**1 535 544**	**1 736 380**

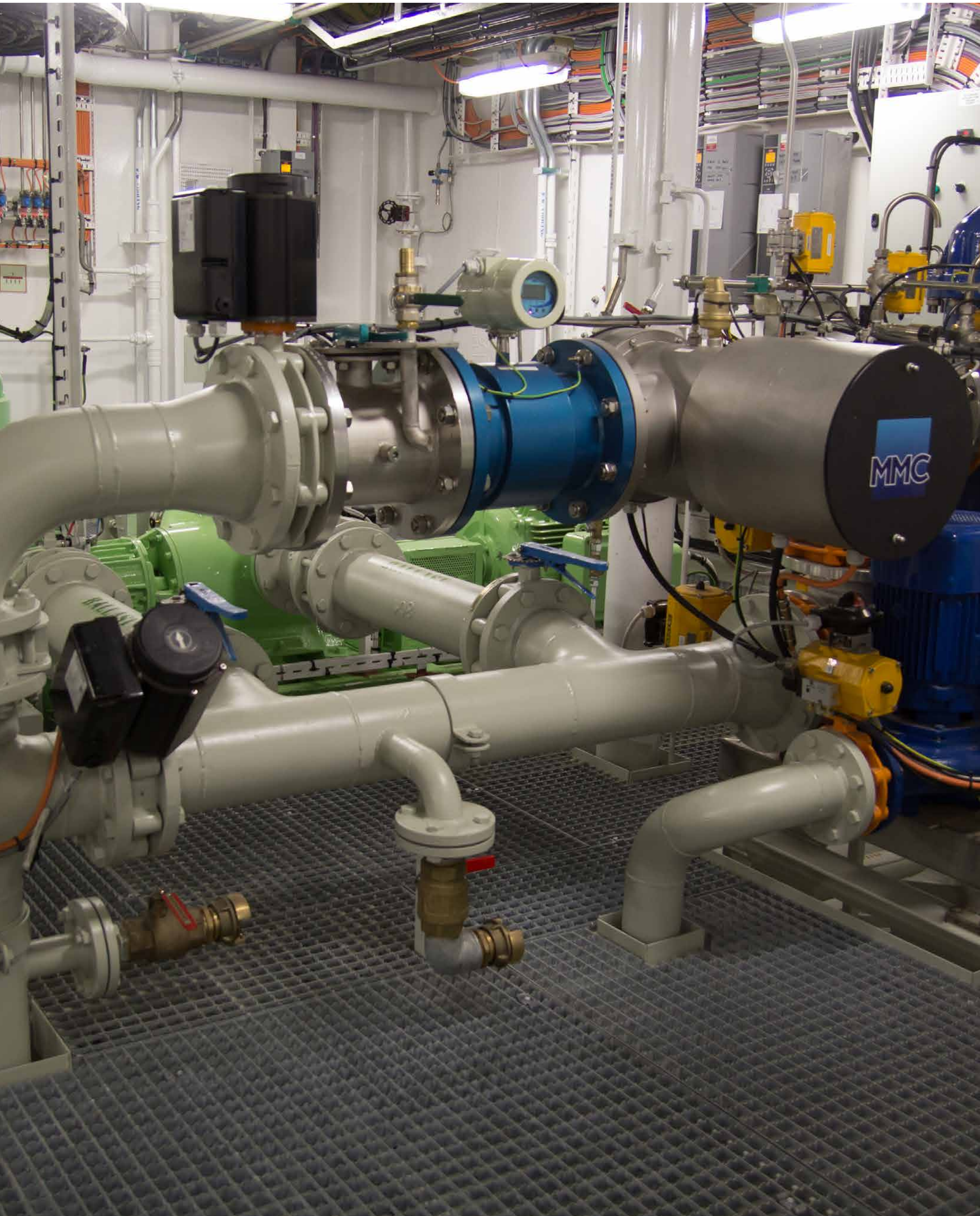
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Havyard Group ASA

(NOK 1,000)

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2015	1 126	5 462	-7	583 750	590 331	6 009	596 340
Profit & loss	0	0	0	26 297	26 297	428	26 725
Other comprehensive income	0	0	0	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0
Purchase of subsidiaries	0	0	0	0	0	16 716	16 716
Dividends	0	0	0	-10 073	-10 073	0	-10 073
	0	0	0	0	0	0	0
March 31, 2015	1 126	5 462	-7	599 974	606 555	23 154	629 709

	Share capital	Share premium reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	Total equity
January 1, 2014	1 126	5 462	-16	640 865	647 437	21 002	668 439
Profit & loss	0	0	0	0	20 826	0	20 826
Other comprehensive income	0	0	0	0	0	0	0
Purchase/sale of treasury shares	0	0	0	0	0	0	0
Put option minority interest	0	0	0	0	0	0	0
Dividends	0	0	0	0	-24 996	0	-24 996
March 31, 2014	1 126	5 462	-16	640 865	643 267	21 002	664 269


MMC

CONSOLIDATED STATEMENT OF CASHFLOW

Havyard Group ASA

(NOK 1,000)	2015 Q1	2014 Q1	2014
	(Unaudited)		
CASH FLOW FROM OPERATIONS			
Profit/(loss) before tax	27 806	28 077	39 100
Taxes paid	-1 807	-22 824	-57 903
Depreciation	6 277	5 112	21 064
Profit of purchase in associates	-22 603	-	-
Impairment	-	-	-
Share of (profit)/loss from associates	-949	-1 908	-6 036
Changes in inventory	973	5 465	-1 801
Net changes in construction loans	-381 047	182 213	380 752
Changes in accounts receivables/construction WIP	299 838	-206 437	-377 893
Changes in accounts payable	-52 506	-55 449	20 989
Changes in prepayments from customers	72 369	-1 981	-179 638
Changes in other current receivables/liabilities	47 375	23 352	15 233
Net cash flow from/(to) operating activities	**-4 274**	**-44 380**	**-146 133**
CASH FLOW FROM INVESTMENTS			
Investments in property, plant and equipment	-2 304	-4 898	-42 585
Investment in intangible assets	-1 702	-1 767	-20 290
Investment in/disposal of financial assets	-	-	136 824
Purchase of subsidiaries	-18 270		
Interest income	1 727	2 656	12 626
Dividends received	-	-	1 990
Changes in long term receivables	-750	-1 642	-4 968
Net cash flow used in investing activities	**-21 299**	**-5 651**	**83 597**
CASH FLOW FROM FINANCING ACTIVITIES			
New long term debt	15 994	-	146 400
Repayment long term debt	-2 439	-5 755	-43 020
Purchase of minority shares in Havyard MMC	-	-	-25 191
Interest costs	-4 132	-1 869	-13 475
Purchase/sale of treasury shares	-	-	5 999
Dividends	-10 073	-20 833	-94 996
Net cash flow from/ (used in) financing activities	**-650**	**-28 457**	**-24 283**
Net change in cash and cash equivalents	**-26 223**	**-78 488**	**-86 819**
Cash and cash equivalents at start of the period	**194 562**	**281 381**	**281 381**
Cash and cash equivalents from purchase of subsidiaries	52 783		
Cash and cash equivalents at end of the period	221 122	202 893	194 562
Restricted bank deposits at the end of the period	86 891	147 235	114 377
Available cash and cash equivalents at the end of the period	**134 231**	**55 658**	**80 185**

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Havyard Group ASA

1. General information

Havyard Group ASA is a public limited company based in Norway, and its head office is located in Fosnavåg, Herøy. The group in total employs 719 people as of 31 March 2015, of whom approximately 620 are employed in Norway.

Havyard Group ASA was incorporated as a public limited company 25 February 2014, and was listed on the Oslo Stock Exchange 1 July 2014.

2. Basis of preparation and changes to the Group's accounting policies

The Interim Condensed Consolidated Financial Statements for the period ended 31 March 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Interim Condensed Consolidated Financial Statements are not subject to audit, and do not include all the information and disclosures required in the annual Financial Statements. It should be read in conjunction with the Group's annual Financial Statements as of 31 December 2014.

The same use of accounting principles and estimates has been applied as in the Financial Statements for 2014.

3. Segment information

(NOK 1,000)	2015 Q1 Ship Technology	Design & Solution	Power & Systems	MMC	Elimination / Other	Havyard Group
Total operating revenue	451 633	48 546	56 760	67 004	(60 826)	563 117
Operating profit /loss EBITDA	5 108	6 208	1 415	(37)	(251)	12 443
Depreciation	3 457	917	753	1 026	124	6 277
Operating profit/(loss) (EBIT)	**1 651**	**5 291**	**662**	**(1 063)**	**(375)**	**6 166**
Net financial items	(856)	552	918	(1 173)	26 754	26 195
Share of profit/(loss) from associate	-	-	-	-	948	949
Profit/(Loss) before tax	**795**	**5 843**	**1 580**	**(2 236)**	**26 378**	**32 360**

"Elimination / Other" contains parent company items and elimination of intra-group transactions.

(NOK 1,000)	2014 Q1 Ship Technology	Design & Solution	Power & Systems	MMC	Elimination / Other	Havyard Group
Total operating revenue	309 230	65 372	48 317	83 561	(76 796)	429 684
Operating profit /loss EBITDA	7 087	14 086	6 676	5 711	(661)	32 899
Depreciation	2 050	866	109	1 074	1 013	5 112
Operating profit/(loss) (EBIT)	**5 037**	**13 220**	**6 567**	**4 637**	**(1 674)**	**27 787**
Net financial items	(543)	(388)	(6)	(2 161)	1 480	(1 618)
Share of profit/(loss) from associate	-	-	-	-	1 908	1 908
Profit/(Loss) before tax	**4 494**	**12 832**	**6 561**	**2 476**	**1 714**	**28 077**

"Elimination / Other" contains parent company items and elimination of intra-group transactions.

2014

(NOK 1,000)	Ship Technology	Design & Solution	Power & Systems	MMC	Elimination / Other	Havyard Group
Total operating revenue	1 958 019	236 498	246 122	296 084	(325 918)	2 410 805
Operating profit /loss EBITDA	25 183	42 821	20 421	7 352	(28 642)	67 134
Depreciation	11 960	3 370	429	4 863	442	21 064
Operating profit/(loss) EBIT	**13 223**	**39 451**	**19 992**	**2 489**	**(29 084)**	**46 071**
Net financial items	(199)	(6 658)	1 918	(5 955)	(1 195)	(12 089)
Share of profit/(loss) from associate	-	-	-	-	11 666	11 666
Profit/(Loss) before tax	**13 024**	**32 793**	**21 910**	**(3 466)**	**(18 613)**	**45 648**

Elimination/Other includes IPO costs of NOK 15 million
"Elimination / Other" contains parent company items and elimination of intra-group transactions.

4. Non-current financial investments

2014

Company	Ownership share/ voting share	Business office	Equity as of last year (100%)	Result as of last year (100%)	Carrying amount
P/F 6. September 2006	10.9%	Færøyene	526 668	134 107	61 818
Vestland Offshore Invest AS	16.8%	Torangsvåg	563 254	-14 614	80 187
Other non-current financial investments					30 066
Carrying amount as of 31.12.14					**172 071**

2015 Q1

Company	Ownership share/ voting share	Business office	Equity as of last year (100%)	Result as of last year (100%)	Carrying amount
P/F 6. September 2006	10.9%	Færøyene	673 975	97 112	61 818
Vestland Offshore Invest AS	16.8%	Torangsvåg	583 632	20 379	80 187
Other non-current financial investments					30 066
Carrying amount as of 31.03.15					**172 071**

All investments are unquoted equity shares and are classified as level 3 investments.

Changes in carrying amount from 31.12.14 to 31.03.15:

Level 3 investments 31.12.14	172 071
Level 3 investments 31.03.15	172 071

5. Acquisition of subsidiaries

On 26 January 2015, Havyard Group ASA ("Havyard") acquired 12.6 % of the shares in Norwegian Electric Systems AS ("NES") for NOK 18.3 million, increasing its ownership in NES to 50.5 %. The acquisition is paid in cash and is financed from existing cash balance in Havyard Group ASA.

Norwegian Electric Systems AS is a high-tech electrical company with a focus on diesel electric and hybrid electric systems for the global maritime market. The company employs 36 persons, and delivers main switchboards, generators, motors and complete systems including engineering.

Securing majority ownership in NES represents an important step in Havyard´s strategic growth, and is consistent with a long term strategy in Havyard of controlling larger parts of the value chain. It also secures that the two companies will obtain synergies, especially within product development and production.

The acquisition date for accounting purposes is set to 1 February 2015. The acquisition is regarded as a business combination and has been accounted for using the purchase price method of accounting in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the cash consideration to fair value of assets and liabilities from Norwegian Electric Systems AS. Fair value is determined based on guidance in IFRS 13

The acquisition consists of:	
Book value previously owned shares	17 018
Profit on previously owned shares	22 603
Cash decreased for control premium	13 270
Total acquisition for allocation	**52 891**

The recognised amounts of assets and liabilities assumed as at the date of the acquisition were as follows.

Amounts in NOK million	**01.02.15**
R&D	5 505
Equipment and other fixed assets	2 701
Inventories	5 284
Trade accounts payable	49 278
Other short-term receivables	26 652
Cash and cash equivalents	52 783
Total assets	**142 205**
Deferred tax	8 995
Trade creditors	37 085
Tax payable	1 310
Public duties payable	2 343
Other short-term liabilities	59 955
Total liabilities	**108 688**
Total identifiable net assets at fair value	33 517
Group share (50,5%)	16 716
Goodwill arising on acquisition	36 175
Share of identifiable added value at net value	52 891

The goodwill arises principally because of expected synergies, especially within product development and production.
The purchase price allocation is preliminary and may be adjusted during the year.

From the date of acquisition to 31 March 2015 NES contributed NOK 34,5 million to group operating revenues and NOK 0,6 million to group profit. If the acquisition had taken place at the beginning of the year, Havyard group operating revenues and profit of the year 2015 would have been NOK 51,7 million and NOK 0,8 million, respectively.

6. Share capital and shareholder information

	2015 Q1	2014
Number of ordinary shares	22 528 320	22 528 320
Par value (NOK)	0.05	0.05
Share capital (NOK)	**1 126 416**	**1 126 416**

All shares have equal rights.

2015
The Group has paid a dividend of MNOK 10.1 in March 2015.

2014
The General meeting held 26.03.14 decided to split the shares in the ratio 1:20. After the split, the number of shares is 22 528 320. The nominal amount is NOK 0.05.

Dividends and group contributions
The Group has paid a dividend of MNOK 60.0 in October 2014, and MNOK 10.1 in December 2014. In addition, the Group has paid dividend of MNOK 24.8 based on the 2013 financial statement.

Shareholders as of 31.03.2015	Controlled by	Number of shares	Ownership
Havila Holding AS		14 300 000	63,5 %
Geir Johan Bakke AS	Geir Johan Bakke (CEO)	1 202 520	5,3 %
SEB Private Bank S.A. (Nom)		568 300	2,5 %
Morgan Stanley & CO. LLC (Nom)		495 146	2,2 %
Goldman Sachs & CO Equity (Nom)		489 308	2,2 %
MSIP Equity		468 182	2,1 %
Erle Invest AS		406 538	1,8 %
Goldman Sachs Int. equity (Nom)		295 234	1,3 %
Solsten Investment Funds PLC		269 500	1,2 %
Jonfinn Ulfstein		242 980	1,1 %
Arve Helsem Leine		242 980	1,1 %
Stig Magne Espeseth		242 980	1,1 %
Other shareholders (<1 %)		3 304 652	14,7 %
Number of shares		**22 528 320**	**100,0 %**

Ultimate controlling company of the Group is Havila Holding AS. Boardmembers Hege Sævik Rabben and Vegard Sævik have indirect ownership in the group through their ownership in Havila Holding AS.

Parent company Havila Holding AS is a limited company based in Norway, and its head office is located in Fosnavåg, Herøy.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