TTS GROUP ASA

Q2 Results 2016

18th of August 2016

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Agenda

- **2nd quarter headlines and market outlook**
- 2nd quarter consolidated accounts
- Segment info
- Shareholder structure
- Summary

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2nd quarter 2016 - headlines

- In a challenging market the quarterly revenue has improved compared to 1st quarter, and is in line with 2nd quarter 2015
- Continued improvement in underlying operations, with an EBITDA year to date of MNOK 59, compared to MNOK 34 in the same period 2015
- Good visibility for 2016 revenue, with contract coverage for construction activity of close to 100% for 2nd quarter 2016
- The strategic process that was announced in February 2015 is closed
- Full focus on developing a robust strategy for “stand alone” scenario

Ship-type focus organization

Current TTS product portfolio (2015 turnover and EBITDA)

RoRo/Cruise/Navy

Turnover: NOK 641m
EBITDA: NOK 62m

Cargo handling solutions for
–Car carriers
–RoPax vessels
–RoRo vessels
–Cruise ships
–Specialized vessels
–Port handling equipment
–Navy

Container/Bulk/ Tank

Turnover: NOK 973m
EBITDA: NOK 141m

Cargo handling solutions incl. winches, cranes and hatch covers for
–Container ships
–Bulk carriers
–Tankers

Multipurpose/ General Cargo

Turnover: NOK 259m
EBITDA: NOK -13m

Heavy lift cranes, mooring winches, hatch covers and side loading systems for
–Multipurpose vessels
–Cargo ships
–Installation vessels for wind farms

Shipyard Solutions

Turnover: NOK216m
EBITDA: NOK 18m

Production lines and systems for
–Shipyards cargo handling
–Transfer systems for docking and launching.

Services

Turnover: NOK 591m
EBITDA: NOK 76m

Complete services within maintenance,
spare parts
interval agreements
life time services

Offshore

Turnover: NOK 359m
EBITDA: NOK -102m

Offshore cranes for
offshore vessels
offshore installations
Hangar and side doors

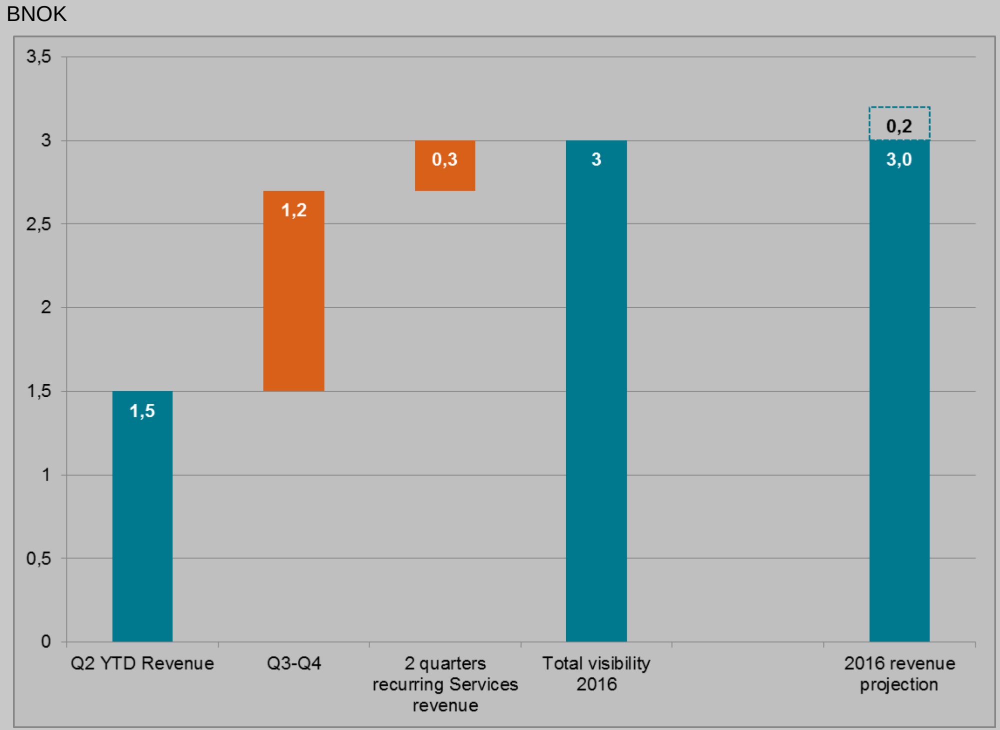
Key advantages of the ship type focus

- Key account – 20% of ship owners owns 80% of the global fleet
- One face to the market
- More value per sale, packaged deliveries
- Broader service offering per ship type -> Leading to TTS as total service provider

Product platform to support life time services -> TTS a total Service provider

High visibility on 3Q-4Q 2016 revenue

Order backlog for delivery 2016 – TTS Group excl. Offshore

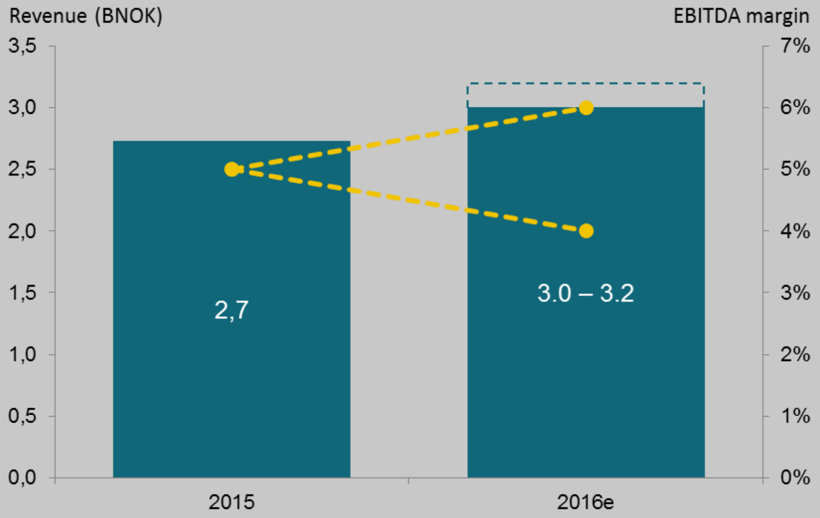


- Bulk market depressed except for upside in mega-size tonnage
- Car carriers market softer, but higher activity for Ropax and liner RoRo
- Mega container saturating. Shift to feeder +4000 TEU
- High activity on cruise building in Europe and China
- Tank and Gas peak ended
- Positive market for shiplift continues
- Still risk of cancellations for bulk.

Heading towards 2016 financial projection

- Revenues for TTS Group excluding Offshore expected to grow to NOK 3,0-3,2 bn in 2016
- EBITDA margin for TTS Group excluded Offshore expected to reach 4-6%, in line with 2015. 2016 earnings profile expected to be back-loaded
- TTS expect stable revenues for the Group into 2017 with ambition for margins to improve towards industry average levels
- Offshore excluded as the offshore market is expected to remain weak. However TTS exposure considered to be modest after capacity reductions through 2015-2016

Key financials - TTS Group excluding Offshore



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Profit and loss statement

	2nd quarter		Full year		
MNOK	2016	2015	2015	2014	2013
Turnover	822	816	3 051	2 454	2 693
EBITDA	32	138	155	105	-130
Operating profit	24	117	32	61	-164
Net financial items	-23	2	-47	1	-37
Profit/loss before tax	1	118	-15	63	-201
Net result continued business	-6	109	-40	-22	-227
Net result incl discontinued business	-6	109	-40	18	-204
of which attributable to equity holders	-8	101	-49	18	-204
of which attributable to non-controlling interest	3	8	9	-	

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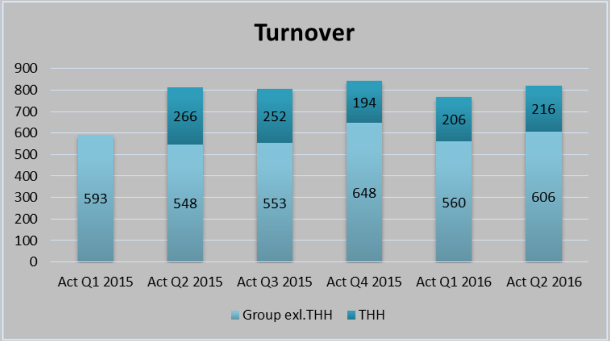
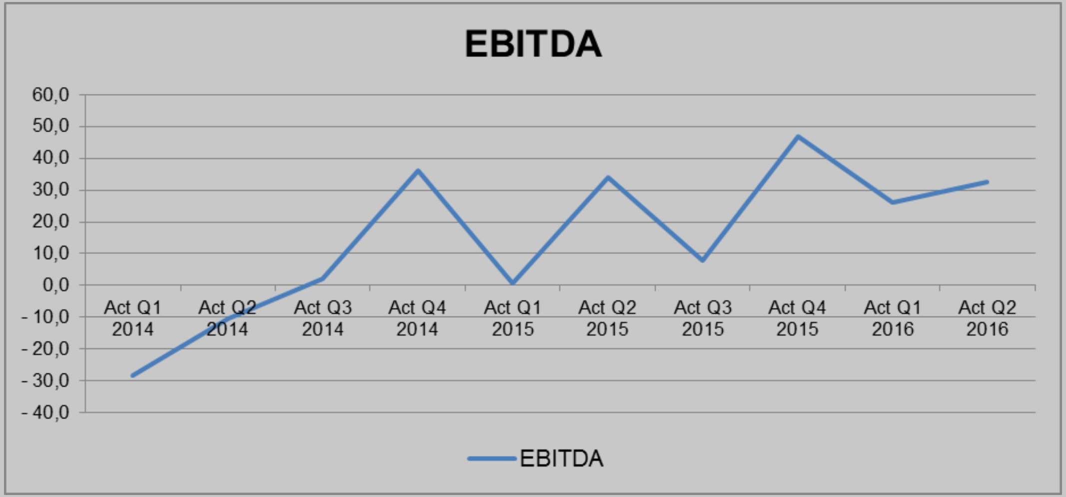
Turnover and EBITDA development





Note:
- EBITDA Q4 2014 of MNOK 36 is excl. positive pension effect of MNOK 101, of total EBITDA MNOK 137
- EBITDA Q2 2015 of MNOK 34 is excl. one off THH adjustment effects of MNOK 104, of total EBITDA MNOK 138
- EBITDA Q3 2015 of MNOK 8 is excl. one off Offshore inventory write down of MNOK 20, of total EBITDA MNOK-12
- EBITDA Q4 2015 of MNOK 47 is excl. negative effect from Offshore restructuring cost of MNOK 18, of total EBITDA 29

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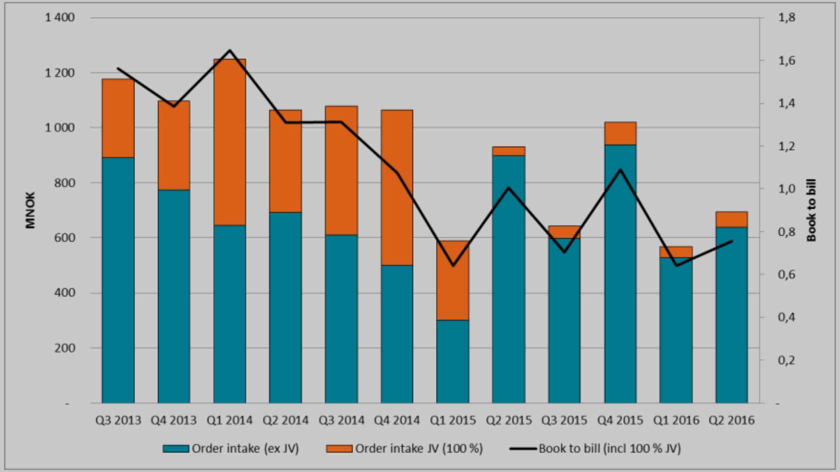
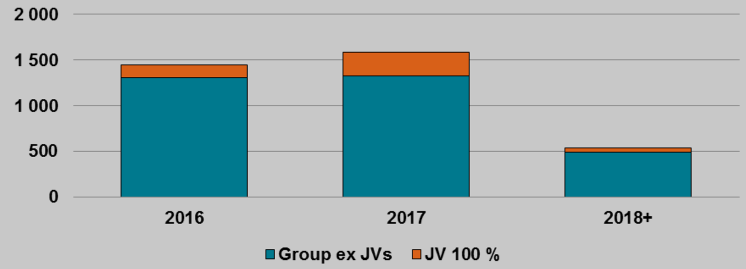
Order intake and order backlog





Order intake per quarter 2013-2016 including 100 % of JV*)

Book to bill = Order intake / Revenues

*) From 2Q2015 THH is consolidated into Group.
Order intake 2013-1Q2015: THH + TBH; from 2Q2015: TBH only

Order backlog per 30.06.2016 is MNOK 3570 including 100 % of JV company

Divided per year of delivery

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Balance sheet

MNOK	30.06.2016	30.06.2015	31.12.2015
Non-current assets	1049	1136	1 106
Current assets	1793	2014	1 920
TOTAL ASSETS	**2842**	**3150**	**3 025**
Equity	778	883	855
Gross interest bearing liabilities	497	509	523
Other liabilities and provisions	1567	1758	1 647
TOTAL EQUITY AND LIABILITIES	**2842**	**3150**	**3 025**

Net interest bearing debt / Covenants:

- Net interest bearing debt increased to MNOK 340,
- Total consolidated cash MNOK 252 per 30.06.2016, of which MNOK 198 is in 50% owned subsidiaries
- Unutilized credit facilities MNOK 124
- Group equity ratio including subordinated convertible debt is 30,7 % at the end of Q2 2016
- Covenants at Q2 2016 are met

Equity, of which:

	30.06.2016	31.03.2016
Equity holders	617	632
Non-controlling interest	161	204
Total	**778**	**836**

TTS Group ASA – Turnover and EBITDA Q2 2016

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Turnover: MNOK 822
EBITDA: MNOK 32

RoRo/Cruise/Navy

Turnover: MNOK 158
EBITDA: MNOK -1

Container/Bulk/ Tank

Turnover: MNOK 291
EBITDA: MNOK 18

Offshore

Turnover: MNOK 59
EBITDA: MNOK -2

Multi Purpose/ General Cargo

Turnover: MNOK 101
EBITDA: MNOK -1

Shipyard Solutions

Turnover: MNOK 72
EBITDA: MNOK 18

Services

Turnover: MNOK 138
EBITDA: MNOK 14

RoRo / Cruise / Navy

Cargo handling solutions for car carriers, cruise ships and specialized vessels as well as port handling equipment.

	Q2 Periodic		Q2 YTD		Full Year
MNOK	**2016**	**2015**	**2016**	**2015**	**2015**
Turnover	158	160	302	319	641
EBITDA	-1	16	10	31	62
Order backlog	769	785	769	785	941

- Strong position in a PCTC-market passing its peak, but with higher activity for Ropax and RoRo
- Increased activity within the cruise sector
- 2Q earnings affected by loss on a project MNOK 10

Container / Bulk / Tank

Cargo handling solutions for container ships, tankers and bulk carriers; including winches, cranes and hatch covers.

	Q2 Periodic		Q2 YTD		Full Year
MNOK	**2016**	**2015**	**2016**	**2015**	**2015**
Turnover	291	318	561	385	973
EBITDA **	18	111	22	113	141
Order backlog *)	1 718	2 075	1 718	2 075	2 090

(*) Order reserve includes 50% of order reserve in equity consolidated investments in China

(**) One of effect from consolidating TTS Hua Hai included in full year 2015 of MNOK 104

- Increased demand for mega-size bulk, but medium sized bulk remains challenging
- Saturation of market for mega container ships replaced by container feeder vessels
- Reduced tanker new build activity, but some enquiries for VLCCs

Offshore

Cranes for offshore vessels and offshore installations.

	Q2 Periodic		Q2 YTD		Full Year
MNOK	**2016**	**2015**	**2016**	**2015**	**2015**
Turnover	59	92	130	171	359
EBITDA	-2	-8	2	-32	-102
Order backlog	173	273	173	273	219

(*) During 2015, EBITDA was reduced by MNOK 38 related to restructuring cost and inventory impairment

- Capacity adjustments continue through 2016 to adapt cost to order book
- Risk and exposure at a controllable level in a harsh offshore market

Multipurpose / General Cargo

Heavy lift cranes, mooring winches, hatch covers and side loading systems for multipurpose vessels and cargo ships.

MNOK	Q2 Periodic 2016	Q2 Periodic 2015	Q2 YTD 2016	Q2 YTD 2015	Full Year 2015
Turnover	101	38	172	132	259
EBITDA	-1	1	-5	-3	-13
Order backlog	373	637	373	637	573

- 2016 turnover improved from 2015
- Short term marked challenging
- Longer term market potential promising, both for multi purpose heavy lift and for heavy lift installation vessels for the wind farm industry

Shipyard Solutions

Production lines and systems for cargo handling to shipyards, focusing on transfer systems for docking and launching.

	Q2 Periodic		Q2 YTD		Full Year
MNOK	2016	2015	2016	2015	2015
Turnover	72	43	142	93	216
EBITDA	18	0	25	4	17
Order backlog	317	251	317	251	204

- Stable activity and acceptable margins
- 2Q result affected by gain MNOK 9 from sale of property
- Promising market prospects for ship-lifts and other shipyard systems, where TTS has a strong market position
- TTS Liftec continues to deliver positive results, in a market with increased competition

Services

Complete services within maintenance, including spare parts, interval agreements and life time service.

	Q2 Periodic		Q2 YTD		Full Year
MNOK	2016	2015	2016	2015	2015
Turnover	138	161	276	298	591
EBITDA	14	20	27	33	76

- 2Q 2016 turnover and EBITDA below the same quarter last year
- Service market expected to be stable with acceptable margins going forward
- Current installed base of approximately 23 000 units of equipment on approximately 8000 vessels is a good basis for further services business development

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Shareholder structure at August 17th 2016

Skeie Technology AS	26,16 %
Rasmussengruppen AS	13,29 %
Skeie Capital Invest	4,85 %
Goldman Sachs Int.	4,50 %
Holberg Norge Verdipapirfondet v/Holberg Fondsforvaltning	4,34 %
Barrus Capital AS	4,00 %
Skagen Vekst	3,51 %
Pima AS c/o Eirik Flatebø	2,82 %
Cipi Lamp Ucits Sweden	2,58 %
Mertoun Capital AS	2,04 %
10 largest shareholders	68,09 %
Other	31,91 %
Total	100,00 %

Skeie Technology AS, Skeie Capital Investment AS and members of the Skeie family hold in total 32,02%.

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Summary

- Overall financial performance Q2 and first half 2016 in right direction
- Despite challenging market conditions and focus on structural initiatives, TTS has been able to defend market position
- Strong order book covering ~100% of remaining 2016 new build activity projection
- Revised stand alone strategy with focus on profitability under preparation
- Further capacity adjustments to bridge short term drop in activity level in certain business segments will be evaluated second half of 2016
- Short term market outlook soft, but certain segments with significant growth potential
- Mid to long term – market is expected to bounce back
- Offshore exposure reduced (below 10% of group turnover) in a market which is expected to remain slow
- Process initiated in February 2015 to explore strategic opportunities closed


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