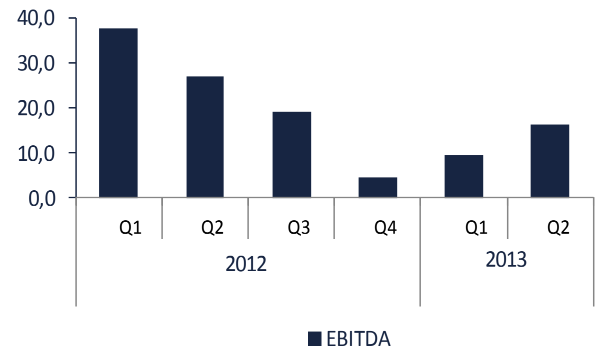
Interim financial report for the first half of 2013

EBITDA as expected, but very unsatisfactory net result

"EBITDA for the first six months of 2013 amounted to USD 25.7m and was in line with our expectations. Counterparty defaults, changes in the business environment for shuttle tankers, increased ordering of fuel-efficient dry cargo tonnage and strategic decisions on our product carriers have decreased the value of the fleet and led to total write-downs of USD 207m impacting very negatively on our net result. After write-downs at period-end, our solvency ratio is 38% and cash available is USD 179m, sufficient to satisfy all covenants.

In response to the accumulated effect of several defaults since 2011 and the sustained challenging market outlook, we will strengthen our cash position by sale of selected assets. More than anything else, JL stands for accountability and by trimming our balance sheet we shall ensure our ability to fulfill our commitments and provide the basis for future investments", says Jan Kastrup-Nielsen, President and CEO.

EBITDA in Q2 2013 amounted to USD 16.3m which was in line with expectations and better than in Q1 2013 which amounted to USD 9.4m.



EBITDA in the first half-year of 2013 amounted to USD 25.7m compared to USD 65.0m in the same period of 2012. The result for first six months of 2012 included one-off settlements and income from JL's accommodation and support vessel activities now part of the 50/50 joint venture, Axis Offshore. On a comparable basis, EBITDA for the first half-year of 2013 was down USD (12.3)m compared to the same period in 2012 of USD 37.6m with the decline primarily related to the dry bulk activities.

Apart from shuttle tankers, vessel values reported by brokers in general stabilised during the first half of 2013.

Impairment and vessel values

A number of factors have during Q2 of 2013 impacted the value of JL's owned vessels and led to write-downs totaling USD 207m due to the following factors:

- A counterparty default by Korean STX Pan Ocean led to untimely redelivery of two capesize bulk carriers to JL. The vessels have been re-employed but it is assumed that the vessels will be "marked for sale" after expiry of present charters.

- Less than expected demand for shuttle tankers in Brazil and significant reduction of broker valuations negatively impact the value of JL's oldest and smallest shuttle tanker.

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- The return of Japanese yards' competitiveness due to depreciation of JPY leading to higher than anticipated ordering of fuel-efficient dry bulk tonnage is likely to challenge the earnings potential for traditional dry bulk carriers in a longer perspective.

- Strategic decision to trim our balance sheet by gradual exit of the product tanker segment.

After write down, the book value of the fleet amounts to USD 1,498m compared to average broker values of USD 1,322m. Net debt amounts to USD 975m similar to 74% of broker values.

Outstanding CAPEX related to the remaining new building program amounts to USD 43m. All vessels are fully financed.

Operating income and result

Operating income amounted to USD (234.9)m compared to USD (34.8)m in 2012 and was apart from write-downs affected by loss from sale of assets of USD (9.5)m compared to USD (46.3)m in the first six months of 2012.

The result for the first half-year 2013 was USD (262.2)m compared to USD (68.0)m in 2012.

EBITDA and operating income by business segment

	EBITDA			Operating Income		
	1st half		Full year	1st half		Full year
USDm	2013	2012	2012	2013	2012	2012
Lauritzen Bulkers	(12.8)	10.6	4.0	(181.2)	(53.1)	(243.2)
Lauritzen Kosan	17.2	20.8	35.7	5.0	7.2	10.3
Lauritzen Tankers	11.9	7.5	14.3	(33.9)	3.0	(40.9)
Lauritzen Offshore	13.6	28.8	40.4	(20.6)	10.8	16.1
Other/not allocated	(4.0)	(2.7)	(5.7)	(4.1)	(2.7)	(5.9)
	25.7	65.0	88.7	(234.9)	(34.8)	(263.6)

Lauritzen Bulkers

Average spot market earnings for dry bulk carriers were lower during the first half-year of 2013 than in the first half of 2012 and below our rate expectations. In particular the handysize and supramax segments were severely hit by decline in grain shipments due to poor crops in exporting regions in 2012 and the full effect of the delivery schedule of newbuildings in 2012.

Total number of ship days was 20,166 compared to 20,623 in the first half of 2012.

EBITDA was USD (12.8)m compared to USD 10.6m in 2012 due to sustained depressed market conditions and one-offs included in the first half-year result for 2012. Operating income was USD (181.2)m compared to USD (53.1)m in 2012 due to write-downs and loss on sale of assets.

Lauritzen Kosan

After a weak start to the year, movements of petrochemical gasses picked up but the fragile global economy restricted long haul trades which led to a slight spot market decline during the first half of the year compared to the same period in 2012.

Total number of ship days was 7,707 compared to 7,608 in the first half of 2012.

EBITDA was USD 17.2m compared to USD 20.8m in 2012 and operating income was USD 5.0m compared to USD 7.2m in 2012. The decline was primarily caused by higher spot market exposure due to less contract coverage as a consequence of the tightening of the sanctions against Iran effective from May 2012.

Lauritzen Tankers

Previous years' closure of refineries in Europe, Japan and Australia was one of the driving factors behind increased imports of refined oil products to these regions which together with increasing US exports to South America and West Africa contributed to the positive spot market for products tankers in the first half of 2013.

Total number of ship days was 2,493 compared to 2,273 in the first half of 2012.

EBITDA was USD 11.9m compared to USD 7.5m in 2012 due to increased fleet and improved markets. Operating income was USD (33.9)m compared to USD 3.0m in 2012 due to write-downs.

Lauritzen Offshore

EBITDA was USD 13.6m compared to USD 28.8m in 2012 and operating income was USD (20.6)m compared to USD 10.8m in 2012. The reduction of EBITDA reflects that JL's Accommodation and Support Vessel activities were sold to part-owned Axis Offshore Pte. Ltd. as per 1 July 2012. Operating income was heavily affected by a write-down on JL's oldest and smallest shuttle tanker, *Dan Eagle*.

Net financials and cash position

Net financial items for the first half of 2013 amounted to USD (21.2)m compared to USD (31.2)m in the same period in 2012. The improvement was mainly due to adjustments of JPY debt due to the depreciation of JPY against USD.

Cash and securities amounted to USD 176m at the end of June 2013 (USD 135m in 2012). Including undrawn facilities cash available amounted to USD 179m (USD 202m in 2012).

Interest bearing debt amounted to USD 1,151m at 30 June 2013, down USD 189m compared to period-end 2012, mainly due to conversion of two subordinated loans from the Lauritzen Foundation to equity in April 2013.

Outlook for 2013

For the second half of 2013, prospects for the world economic growth and trade are expected to improve compared to the first six months of the year despite a minor downward revision of the growth prospects for emerging market. Conditions in financial markets are expected to further this process.

Dry bulk supply growth in 2013 will be higher than expected at the start of the year due to higher deliveries and lower scrappings. Net fleet growth during the second half of 2013 is expected to be lower than in the first half whereas demand growth remains robust, and thus spot market earnings are expected to be slightly better towards the end of the year. Seasonal weakness in shipments of refined oil products and petrochemical gases is expected during Q3 with a strengthening in Q4. The freight outlook for gas carriers and product tankers is anticipated to be fairly flat during the second half compared to the first half of 2013.

EBITDA for the full year is expected to be in the range of USD 40-60m and thus lower than earlier communicated in the range USD 60-80m primarily due to consequences of the aforementioned default in the dry bulk business in the second quarter of 2013 and uncertainty surrounding the recovery of the dry bulk market.

The net result for 2013 is anticipated to remain unsatisfactory with an expected loss of USD (310-340)m. In JL's continuous efforts to adjust the tonnage portfolio, additional sale of assets may further negatively affect the result for 2013, but is expected to have a positive effect on JL's cash position. JL expects to also fulfill all covenants at year-end 2013.

As of 1 July, 50% of remaining vessel days in 2013 are open. Freight rate changes of open vessel days of USD 1,000/day will impact the full-year profit before tax by about USD 10m.

Currency and interest rate fluctuations may affect the result.

Group key financial ratios

Key figures	**1st half**		**Full Year**
	2013	**2012**	**2012**
Profit margin	(75.4)%	(9.5)%	(37.9%)
Solvency ratio	38%	44%	37%
Solvency ratio (JL's share of equity)	38%	44%	37%
Return on equity	(65.2)%	(11.7)%	(34.1%)
Return on invested capital	(26.1)%	(3.1)%	(13.5%)

For definitions of financial ratios please refer to the Annual report for 2012.

Conference call

A conference call for investors and analysts will be held on **Friday, 16 August, 2013 at 10:00 a.m**. (CPH time) where Birgit Aagaard-Svendsen, Executive Vice President & CFO of J. Lauritzen A/S, will make a presentation of JL's Interim Report for the first 6 months of 2013 and take questions subsequently.

The presentation slides will be made available at www.j-l.com from Friday, August 16, 2013 at 09:00 a.m. (CPH time). Navigate to Financial Information > Investor Relations > Presentations, in order to locate the presentation.

Those who wish to participate in the conference call should use the following dial-in details: 70 25 23 00 (Denmark) or 70 25 67 00 (Denmark) or +44 208 817 9311 (international) and use the audience passcode: 52822951#.

Forward-looking statements

The interim financial report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of JL, may cause actual developments and actual results to differ materially from expectations contained in the interim financial report.

Management statement

The Board of Directors and Executive Management have today discussed and approved the interim report of J. Lauritzen A/S (the Group) for the period 1 January to 30 June 2013.

The interim report has been prepared in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim reports for listed companies. The interim report has not been audited or reviewed by the company’s independent auditors.

In our opinion the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2013 and of the results of the Group's operations and cash flows for the period 1 January 2013 to 30 June 2013.

Further, in our opinion, the Management's review (page 1-5) gives a fair review of the development in the Group's operations and financial matters, the result of the Group's operations and financial position as a whole and describes the significant risks and uncertainties affecting the Group.

Copenhagen, 15 August 2013.

Executive Management:

Jan Kastrup-Nielsen President & CEO	Birgit Aagaard-Svendsen Exec. Vice President & CFO

Board of Directors:

Bent Østergaard Chairman	Ingar Skaug Vice Chairman	Peter Poul Lauritzen Bay
Niels Heering	Marianne Wiinholt	Søren Berg*
Ulrik Danstrøm*	Jan Lystlund Sørensen*	

*) Elected by the employees

Financial statements – JL Group

INCOME STATEMENT - CONDENSED	**2013**	2012	**2013**	2012	2012
USD '000	**1st half**	**1st half**	**2nd quarter**	**2nd quarter**	**Full year**
Revenue	311,663	365,817	158,541	185,355	695,558
Other operating income	6,706	6,263	2,958	3,200	13,825
Costs	(292,668)	(307,059)	(145,207)	(161,426)	(620,644)
Profit before depreciation (EBITDA)	25,701	65,021	16,292	27,129	88,738
Profit/(loss) on sale of assets	(9,462)	(46,343)	(9,411)	(46,258)	(102,356)
Depreciations and w rite-dow ns	(251,131)	(53,442)	(229,063)	(27,507)	(249,958)
Operating income	(234,891)	(34,764)	(222,182)	(46,635)	(263,576)
Share of profit in joint ventures	(5,643)	(992)	(3,209)	(3,010)	(26,203)
Net financial items	(21,201)	(31,209)	(11,044)	(19,015)	(59,451)
Profit/(loss) before tax	(261,735)	(66,965)	(236,435)	(68,661)	(349,230)
Income tax	(165)	(240)	(108)	(185)	783
Profit/(loss) for the period	(261,900)	(67,205)	(236,543)	(68,845)	(348,447)
Attributable to:					
The J. Lauritzen Group (JL result)	**(262,192)**	**(68,010)**	**(236,584)**	**(69,111)**	**(349,743)**
Non-controlling interests	292	805	40	266	1,296
	(261,900)	(67,205)	(236,543)	(68,845)	(348,447)

STATEMENT OF COMPREHENSIVE INCOME	**2013**	2012	**2013**	2012	2012
USD '000	**1st half**	**1st half**	**2nd quarter**	**2nd quarter**	**Full year**
Profit/(loss) for the period	(261,900)	(67,205)	(236,543)	(68,845)	(348,447)
Other comprehensive income					
Items that can be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	1,686	(3,170)	1,538	(4,496)	144
Fair value adjustment of hedging instruments during the perioc	3,032	(6,243)	7,140	(3,929)	(9,284)
Hedging instruments transferred to financial expenses	5,368	4,632	2,746	2,347	11,008
Fair value adjustment of shares available for sale	86	(232)	585	(1,452)	818
Other comprehensive income net of tax	10,173	(5,013)	12,010	(7,530)	2,685
Non-current derivative financial instruments	(251,727)	(72,218)	(224,534)	(76,375)	(345,762)
Attributable to:					
The J. Lauritzen Group	(252,019)	(73,023)	(224,574)	(76,641)	(347,058)
Non-controlling interests	292	805	40	266	1,296
	(251,727)	(72,218)	(224,534)	(76,375)	(345,762)

FINANCIAL POSITION	2013	2012	2012
USD '000	30-Jun	30-Jun	31-Dec
ASSETS			
Vessels, property and equipment	1,553,542	2,021,403	1,752,449
Shares available for sale	26,096	24,607	26,010
Deferred tax assets	655	2,707	655
Investment in joint ventures	129,781	98,485	130,247
Receivable from joint ventures	10,144	21,324	21,985
Non-current assets	1,720,217	2,168,526	1,931,346
Bunkers	10,007	15,220	16,755
Trade receivables	21,481	9,975	5,250
Other receivables and prepayments	68,641	84,773	82,751
Tax receivables	1,162	1,276	1,117
Derivative financial instruments	5,646	3,214	11,000
Securities	-	1,504	157
Cash at hand and in bank	176,135	134,563	267,000
	283,073	250,526	384,030
Assets held for sale	-	133,281	-
Current assets	283,073	383,806	384,030
Total assets	2,003,290	2,552,332	2,315,376
EQUITY AND LIABILITIES			
Share capital	62,355	60,633	60,633
Retained earnings	698,303	1,088,403	806,670
Reserves	(5,062)	(22,933)	(15,235)
JL's share of equity	755,597	1,126,103	852,069
Non-controlling interests	663	2,761	371
Equity	756,260	1,128,865	852,440
Long-term provisions	-	111	-
Non-current derivative financial instruments	21,414	25,659	12,140
Long-term borrowings	1,061,056	1,256,926	1,284,709
Non-current liabilities	1,082,470	1,282,695	1,296,849
Current portion of long-term borrowings	89,937	83,329	90,387
Trade payables	17,643	13,554	14,740
Other current liabilities	27,653	18,496	34,954
Derivative financial instruments	26,234	25,095	25,988
Provisions	3,093	298	18
Current liabilities	164,560	140,772	166,087
Total liabilities	1,247,031	1,423,467	1,462,936
Total equity and liabilities	2,003,290	2,552,332	2,315,376

CASH FLOW STATEMENT - CONDENSED	2013	2012
USD '000	1st half	1st half
Cash flow from:		
Operations before financial items	19,422	25,212
Ordinary operations before tax	(10,042)	3,867
Operating activities	(10,252)	3,185
Investment activities	(49,854)	(179,453)
Financing activities	(28,183)	76,753
Changes for the period in cash and cash equivalents	**(88,289)**	**(99,516)**
Cash and cash equivalents at beginning of the period	267,000	234,132
Currency adjustments on cash and cash equivalents	(2,578)	(53)
Cash and cash equivalents at the end of the period	**176,133**	**134,563**
Undrawn committed credit facilities at end of period *)	3,027	67,289
Financial ressources at the end of the period	**179,160**	**201,852**
Committed facilities available upon delivery of vessels	45,500	58,500
Financial ressources incl. committed facilities available upon delivery of vessels	**224,660**	**260,352**

**) In addition JL has an unsecured overdraft facility of DKK 100m for multi-currency short-term financing needs.*

EQUITY STATEMENT

USD '000	Share capital	Hedging instruments	Shares available for sale	Translation gain/loss	Reserves	Retained earnings	Total	Non-controlling interests	Total
Equity 1/1 2013	60,633	(31,668)	22,063	(5,630)	(15,235)	806,670	852,068	371	852,440
Profit/(loss) for the period	-	-	-	-	-	(262,192)	(262,192)	-	(262,192)
Other compr. Income	-	8,401	86	1,686	10,173	-	10,173	292	10,464
Total compr. income	-	8,401	86	1,686	10,173	(262,192)	(252,019)	292	(251,727)
Transaction with owners:									
Capital increase	1,722	-	-	-	-	153,825	155,547	-	155,547
Equity 30/06 2013	**62,355**	**(23,267)**	**22,149**	**(3,943)**	**(5,062)**	**698,303**	**755,597**	**663**	**756,260**
Equity 1/1 2012	60,633	(33,391)	21,245	(5,773)	(17,920)	1,156,413	1,199,126	1,956	1,201,082
Profit/(loss) for the period	-	-	-	-	-	(68,010)	(68,010)	-	(68,010)
Other compr. Income	-	(1,611)	(232)	(3,170)	(5,013)	-	(5,013)	805	(4,208)
Total compr. income	-	(1,611)	(232)	(3,170)	(5,013)	(68,010)	(73,023)	805	(72,218)
Equity 30/06 2012	**60,633**	**(35,002)**	**21,013**	**(8,943)**	**(22,933)**	**1,088,403**	**1,126,103**	**2,761**	**1,128,865**

1. Accounting policies

Basis for consolidation
The interim report comprises the condensed consolidated financial statements of J. Lauritzen A/S

Accounting policies
The present unaudited interim financial report has been prepared in accordance with IAS 34 '*Interim Financial Reporting'*, and additional Danish disclosure requirements for interim reports of listed companies.

The presentation of derivative financial instruments in the statement of financial position has been amended. Fair value of derivative financial instruments has been split in a non-current part and a current part reflecting the maturity of the financial instruments. Previously the full amount was presented as current. Comparison figures have been amended.

Apart from this amendment to presentation and the below mentioned adoption of new, amended or revised accounting standards, accounting policies are unchanged from those applied in the Annual Report 2012 of J. Lauritzen A/S.

Effective 1 January 2013 J. Lauritzen A/S has adopted Amendments to IAS 1, Amendments to IFRS 1, Amendments to IFRS 7, IFRS 13, IAS 19 (amended 2011), IFRIC 20 and Annual improvements to IFRSs 2009-2011. These IFRSs have not affected recognition and measurement.

The amendment of IAS 1 requires items of Other comprehensive income, classified by nature, to be grouped into those that may be reclassified subsequently to the Income statement when specific conditions are met and those that will not.

2. Operating segments

USDm	Lauritzen Bulkers	Lauritzen Kosan	Lauritzen Tankers	Lauritzen Offshore	Total reportable segments	Non-reportable segments	Un-allocated	Total Group
1st half 2013								
Revenue	152.2	101.5	38.9	18.0	310.6	0.0	1.0	311.7
EBITDA	(12.8)	17.2	11.9	13.6	29.7	0.1	(4.1)	25.7
Operating income	(181.2)	5.0	(33.9)	(20.6)	(230.7)	0.1	(4.2)	(234.9)
Profit/(loss)	(198.1)	5.1	(41.0)	(21.1)	(255.0)	(0.1)	(6.8)	(261.9)
1st half 2012								
Revenue	186.3	105.5	31.5	41.9	365.2	0.6	0.0	365.8
EBITDA	10.6	20.8	7.5	28.8	67.7	(2.6)	(0.1)	65.0
Operating income	(53.1)	7.2	3.0	10.8	(32.1)	(2.6)	(0.1)	(34.8)
Profit/(loss)	(67.6)	6.6	(0.6)	4.2	(57.4)	(9.6)	(0.2)	(67.2)

The revenue reported represents revenue from external customers. There is no inter-segment revenue.

3. Impairment write-down

Impairment test is carried out at the lowest level for which there is separately identifiable cash inflow (cash generating units, CGU) when there is indication that the carrying amount of vessels and other non-current assets exceed the recoverable amounts which is the higher of fair value less costs of disposal and value in use. At the end of first half of 2013, the following factors indicated that impairment losses had incurred:

- A counterparty default by Korean STX Pan Ocean led to untimely redelivery of two capesize bulk carriers to JL. The vessels have been re-employed but it is assumed that the vessels will be "marked for sale" after expiry of present charters.

- Less than expected demand for shuttle tankers in Brazil and significant reduction of broker valuations negatively impact the value of JL's oldest and smallest shuttle tanker.

- The return of Japanese yards' competitiveness due to depreciation of JPY leading to higher than anticipated ordering of fuel-efficient dry bulk tonnage is likely to challenge the earnings potential for traditional dry bulk carriers in a longer perspective.

- Strategic decision to trim our balance sheet by gradual exit of the product tanker segment.

Accordingly, an impairment test has been carried out for all JL's CGUs. Significant changes to key assumptions compared to the impairment test carried out in the annual report 2012 comprise:

- Changes of the composition of CGUs as the cash inflow will be separated:
    - Lauritzen Bulkers' two capesize bulk carriers on the STX Pan Ocean contract have been separated from the large bulk CGU to its own CGU as sale of the vessels is expected.
    - Lauritzen Offshore's oldest and smallest shuttle tanker has been separated from the large shuttletank CGU due to its special size and age profile and that the cash inflow is independent.

- The longer term earning potential for the fleet of non-ECO design handysize and supramax bulk carriers has been downward adjusted to reflect the expected impact of ECO-designed vessels. The average age of JL-owned handysize and supramax vessels affected by the revised estimate is approximately three years and the effect has been adapted as from vessel age of 10 years.

Other key assumptions including the discount factor of 7% are unchanged.

Based on the factors above and the impairment test, JL's management concluded that the carrying amount exceeded the recoverable amount of certain GCU's and therefore write-down of vessels and vessels under construction were needed.

Total write-downs of total USD (207)m can be specified by CGUs as follows:

Operating segment	**CGU**	**Write-downs, USDm**		
		Vessels	Vessels under construction	Total
Lauritzen Bulkers	Small bulk carriers	(61)	-	(61)
Lauritzen Bulkers	Large bulk carriers	-	-	-
Lauritzen Bulkers	Two capes "marked for sale"	(77)	-	(77)
Lauritzen Kosan	All gas carriers	-	-	-
Lauritzen Tankers	All product tankers	(27)	(14)	(41)
Lauritzen Offshore	Large shuttle tankers	-	-	-
Lauritzen Offshore	Small shuttle tanker	(28)	-	(28)
JL group total		(193)	(14)	(207)

4. Vessels, property and equipment

USDm	Vessels	Vessels under construction	Land & Buildings	Machinery, tools and equipment	Total
2013					
Cost as at 1 January	2,180,658	73,894	3,053	19,480	2,277,085
Exchange rate adjustments	108	-	(11)	(36)	61
Additions	3,740	64,052	-	(241)	67,551
Transfer from vessels under constr.	38,471	(38,471)	-	-	-
Disposals	(10,343)	-	-	-	(10,343)
Transfered to assets held for sale	-	(10,222)			(10,222)
Cost as at 30 June	2,212,634	89,253	3,042	19,203	2,324,132
Depr. and write-down, 1 January	(478,745)	(34,829)	(491)	(10,458)	(524,523)
Exchange rate adjustments	13	-	2	19	33
Transfer from vessels under constr.	(4,189)	4,189	-	-	-
Depreciation	(42,933)	-	(44)	(1,149)	(44,126)
Write down	(193,427)	(13,578)	-	-	(207,005)
Disposals	4,919	-	-	111	5,030
Depr. and write-down as at 30 June	(714,362)	(44,218)	(533)	(11,477)	(770,590)
Balance as at 30 June	1,498,272	45,035	2,509	7,726	1,553,542
2012					
Cost as at 1 January	2,266,757	255,436	3,399	19,301	2,544,893
Exchange rate adjustments	524	-	22	(15)	531
Additions	4,272	160,518	-	129	164,918
Transfer from vessels under constr.	362,632	(362,632)	-	-	-
Disposals	(1,349)	-	-	-	(1,349)
Transfered to assets held for sale	(338,959)	-	(341)	-	(339,300)
Cost as at 30 June	2,293,878	53,322	3,080	19,415	2,369,694
Depr. and write-down, 1 January	(298,074)	(23,490)	(460)	(8,027)	(330,051)
Exchange rate adjustments	(389)	-	(17)	(53)	(459)
Transfer from vessels under constr.	(13,342)	13,342	-		-
Depreciation	(52,108)	-	(144)	(1,190)	(53,442)
Disposals	1,349	-	-	-	1,349
Transfered to assets held for sale	34,219	-	92	-	34,311
Depr. and write-down as at 30 June	(328,345)	(10,148)	(529)	(9,270)	(348,292)
Balance as at 30 June	1,965,532	43,174	2,551	10,145	2,021,402

5. Fair value measurement of financial instruments

The techniques used for calculation of fair values in this interim report are consistent with the Annual Report of 2012 to which reference is made.

Carrying amount of financial instruments recognized in the statement of financial position at amortized cost does not differ materially from their fair value with the exception of issued corporate bonds. At June 30 fair value of issued bonds amounted to USD 191,0m, whereas the carrying amount totalled USD 196.4m.

Fair value hierarchy

With the exception of shares available for sale of USD 26.1m (Level 3), all financial instruments at fair value are stated on the basis of observable market prices (Level 2), directly as prices or indirectly derived from prices.

Financial instruments categorized at Level 3 have developed as follows:

USD ‘000	**2013** **1. half**	2012 **1. half**	2012 **Full year**
Book value at 1 January	26.010	24.788	24.788
Purchase during the year	-	51	404
Fair value adjustment of shares availbale for sale recognised on other comprehensive income	86	(232)	818
Book value end of period	26.096	24.606	26.010

6. Events after the balance sheet date

There have been no events after the balance sheet date that could materially affect the accounts as presented.