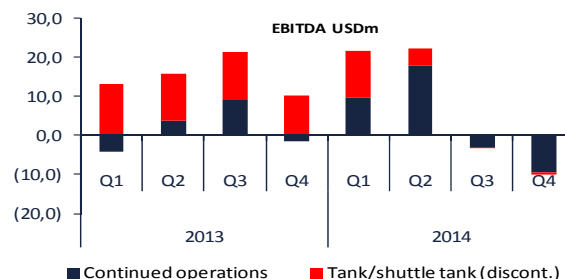


## Financial report for 2014

### Difficult market environment

*“Early 2014 an undercurrent of optimism for improvements of the global economy and shipping markets, in particular in dry bulk, prevailed. However, reality proved this optimism misplaced and 2014 turned out to be considerably more difficult and demanding than originally expected,” says Jan Kastrup-Nielsen, President and CEO.*

In Q4 2014, EBITDA from continuing operations amounted to USD (9.5)m, down on USD (2.1)m in Q3 and USD (1.5)m in Q4 2013. At year-end 2014, the Baltic Dry Index (BDI) stood at 782 compared to 2,277 at year-end 2013.



J. Lauritzen's net results for 2014 were USD (165.7)m compared to USD (284.6)m in 2013. The results were in line with expectations expressed in our announcement to Oslo Børs in December 2014. Results were unsatisfactory in financial terms but an outcome consistent with a very difficult year.

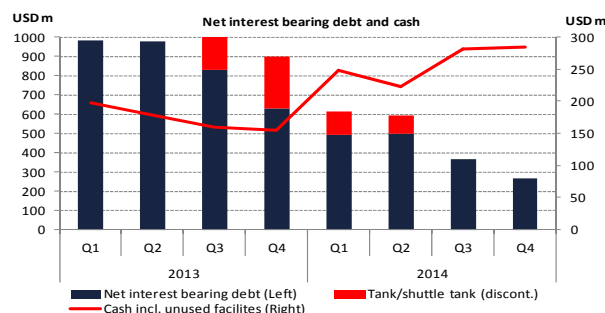
The results were heavily impacted by special items totalling USD (118.9)m, in particular due to impairment and provisions totalling USD (161.0)m. In 2013, special items totalled USD (136.1)m also mainly related to impairment. Furthermore, net results for 2014 included USD 18.7m profit from discontinued operations compared to USD (47.8)m in 2013.

On a comparable basis, excluding special items and profit from discontinued operations, the net results for 2014 were USD (65.6)m compared to USD (100.7)m for 2013.

### Main initiatives and events:

- During 2014, significant adjustments to our business portfolio were completed including the exit from the product tanker and shuttle tanker segments.
- At delivery bank financing was secured for four supramax and two handysize newbuildings contracted early 2014 for delivery in 2016-18.
- Refinancing of USD 226m bank facilities originally scheduled to mature in 2015-17 was completed.

At year-end 2014, the solvency ratio amounted to 47% (2013: 39%) and cash and undrawn committed credit facilities stood at USD 284m (2013: USD 154m). Net debt amounted to USD 268m equal to 37% of broker values (in 2013 USD 631m and 62%, respectively).



### Contacts:

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Birgit Aagaard-Svendsen, Executive Vice President & CFO, phone + 45 33 96 84 10

For further information, please refer to JL's Annual Report 2014 and report on Corporate Responsibility available at [www.j-l.com](http://www.j-l.com)

### **Outlook for 2015**

We have little doubt that we are facing a 2015 where it is difficult to find any creditable reasons for our markets to improve considerably. The gas carrier earnings will continue to be impacted by slow global economic growth, dry bulk suffers from severe oversupply and offshore activities are hampered by low oil prices.

Low energy prices may provide the beginning of an upturn as households all over the world feel the increased spending power and starts consuming. It is however unlikely for this to have an impact short-term and we believe that our three business areas will be faced with a year of hard work and little financial reward.

EBITDA for 2015 before special items is expected to be within the range USD (20)m and USD 30m, compared to USD 15m in 2014.

Net results are expected to be in the range USD (70)m and USD (20)m, up compared to the USD (166)m in 2014 where special items had a net impact of USD (119)m on the net results.

Currency and interest rate fluctuations as well as effects from the sale of assets, if any, may impact the result.

### **Forward-looking statements**

The Annual 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 Annual Report.

### **Conference call**

A conference call for investors and analysts will be held on **Thursday, 26 February, 2015 at 10:00 am (CPH time)** where Birgit Aagaard-Svendsen, Executive Vice President & CFO of J. Lauritzen A/S, will present JL's 2014 Annual Report and take questions subsequently.

The presentation slides will be made available at [www.j-l.com](http://www.j-l.com) from Thursday, 26 February, 2015 at 09:00am (CPH time). Navigate to About Us > 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: 6346 1918#.

## Financial statements – JL Group

| <b>INCOME STATEMENT - CONDENSED</b>                             | <b>2014</b>        | 2013            | <b>2014</b>      | 2013             |
|---|--------------------|-----------------|------------------|------------------|
| USD '000  | <b>4th quarter</b> | 4th quarter     | <b>Full year</b> | Full year        |
| Revenue   | 72,169             | 122,786         | 443,295          | 500,904          |
| Voyage related costs  | 6,678              | (33,945)        | (92,222)         | (149,228)        |
| Time-charter equivalent income                                  | 78,848             | 88,840          | 351,073          | 351,676          |
| Other operating income  | 1,588              | 2,400           | 8,550            | 10,961           |
| Hire of chartered vessels                                       | (53,114)           | (55,787)        | (201,434)        | (213,589)        |
| Operating costs of vessels                                      | (22,853)           | (25,212)        | (94,587)         | (96,439)         |
| Administrative costs  | (14,005)           | (11,747)        | (48,292)         | (45,293)         |
| Operating income before depreciation (EBITDA) and special items | (9,536)            | (1,506)         | 15,310           | 7,316            |
| Profit/(loss) on sale of vessels and other assets               | 291                | 189             | 13,594           | (7,622)          |
| Depreciation  | (13,714)           | (14,866)        | (56,018)         | (63,438)         |
| Share of profit in joint ventures                               | (3,013)            | 2,438           | (949)            | (5,998)          |
| Operating income (EBIT) before special items                    | (25,971)           | (13,745)        | (28,063)         | (69,742)         |
| Special items, net  | (150,588)          | 1,180           | (118,908)        | (136,127)        |
| Financial items, net  | (8,282)            | (5,592)         | (40,433)         | (30,749)         |
| Profit/(loss) from continuing operations before tax             | (184,841)          | (18,157)        | (187,404)        | (236,618)        |
| Income tax  | 2,888              | 322             | 2,919            | 137              |
| Profit/(loss) from continuing operations                        | (181,953)          | (17,835)        | (184,485)        | (236,481)        |
| Profit/(loss) from discontinued operations                      | (92)               | (1,516)         | 18,743           | (47,835)         |
| Profit/(loss) for the year                                      | (182,045)          | (19,351)        | (165,742)        | (284,317)        |
| Attributable to:  |                    |                 |                  |                  |
| <b>The J. Lauritzen Group</b>                                   | <b>(182,045)</b>   | <b>(19,348)</b> | <b>(165,742)</b> | <b>(284,613)</b> |
| Non-controlling interests                                       | (0)                | (3)             | 0                | 297              |
|   | (182,045)          | (19,351)        | (165,742)        | (284,317)        |

| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                                 | <b>2014</b>        | 2013        | <b>2014</b>      | 2013      |
|--|--------------------|-------------|------------------|-----------|
| USD '000   | <b>4th quarter</b> | 4th quarter | <b>Full year</b> | Full year |
| Profit/(loss) for the period   | (182,045)          | (19,351)    | (165,742)        | (284,317) |
| <i>Items that can be reclassified subsequently to profit or loss:</i>    |                    |             |                  |           |
| Other comprehensive income:  |                    |             |                  |           |
| Exchange differences on translating foreign operations                   | (2,948)            | 188         | (1,466)          | 1,892     |
| Fair value adjustment of hedging instruments                             | (2,884)            | (481)       | (7,172)          | 1,248     |
| Deferred gains/(loss) on hedging instr. transfer to Financial items, net | 2,366              | 4,223       | 9,760            | 12,397    |
| Fair value adjustment of shares available for sale                       | (842)              | 531         | (2,587)          | 1,444     |
| Other comprehensive income net of tax                                    | (4,308)            | 4,461       | (1,465)          | 16,981    |
| Total comprehensive income for the period                                | (186,352)          | (14,890)    | (167,207)        | (267,336) |
| Attributable to:   |                    |             |                  |           |
| The J. Lauritzen Group   | (186,352)          | (14,887)    | (167,207)        | (267,632) |
| Non-controlling interests  | (0)                | (3)         | 0                | 297       |
|  | (186,352)          | (14,890)    | (167,207)        | (267,336) |

| <b>FINANCIAL POSITION</b>                         | <b>2014</b>      | 2013             |
|---|------------------|------------------|
| USD '000  | <b>31-dec</b>    | 31-dec           |
| <b>ASSETS</b>                                     |                  |                  |
| Vessels, property and equipment                   | 808,215          | 1,030,333        |
| Investment in joint ventures                      | 89,158           | 101,086          |
| Deferred tax assets                               | 3,600            | 297              |
| Shares available for sale                         | 40,840           | 43,427           |
| Receivable from joint ventures                    | 9,343            | 9,821            |
| Other receivables                                 | 541              | 0                |
| <b>Non-current assets</b>                         | <b>951,697</b>   | <b>1,184,964</b> |
| Bunkers   | 9,683            | 12,264           |
| Trade receivables                                 | 16,817           | 24,925           |
| Other receivables                                 | 16,668           | 26,334           |
| Prepayments                                       | 7,641            | 9,772            |
| Derivative financial instruments                  | 11,435           | 3,015            |
| Securities  | 9,711            | 10,000           |
| Cash at hand and in bank                          | 184,388          | 154,145          |
|   | <b>256,342</b>   | <b>240,455</b>   |
| Assets held for sale                              | -                | 451,368          |
| <b>Current assets</b>                             | <b>256,342</b>   | <b>691,822</b>   |
| <b>Total assets</b>                               | <b>1,208,040</b> | <b>1,876,787</b> |
| <b>EQUITY AND LIABILITIES</b>                     |                  |                  |
| Share capital                                     | 62,356           | 62,356           |
| Retained earnings                                 | 510,139          | 675,881          |
| Reserves  | 281              | 1,747            |
| J. Lauritzen's share of equity                    | 572,776          | 739,983          |
| Non-controlling interests                         | -                | 668              |
| <b>Equity</b>                                     | <b>572,776</b>   | <b>740,651</b>   |
| Long-term provisions                              | 33,343           | -                |
| Non-current derivative financial instruments      | 31,782           | 23,126           |
| Long-term borrow ings                             | 359,209          | 731,291          |
| <b>Non-current liabilities</b>                    | <b>424,334</b>   | <b>754,418</b>   |
| Current portion of long-term borrow ings          | 102,648          | 63,447           |
| Trade payables                                    | 10,969           | 12,849           |
| Other current liabilities                         | 23,065           | 21,463           |
| Provisions  | 26,713           | -                |
| Prepayments                                       | 200              | 191              |
| Derivative financial instruments                  | 46,105           | 15,097           |
| Current tax payables                              | 1,229            | 1,952            |
|   | <b>210,930</b>   | <b>114,998</b>   |
| Liabilities associated w ith assets held for sale | -                | 266,719          |
| <b>Current liabilities</b>                        | <b>210,930</b>   | <b>381,718</b>   |
| <b>Total liabilities</b>                          | <b>635,264</b>   | <b>1,136,135</b> |
| <b>Total equity and liabilities</b>               | <b>1,208,040</b> | <b>1,876,787</b> |