



2013 SECOND QUARTER REPORT



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Second Quarter Report/ First Six Months 2013
Odfjell SE - Consolidated

Highlights 2Q 2013

- *EBITDA of USD 36 million, reflecting a better utilization of our chemical tanker fleet and a somewhat better market.*
- *Time-charter results up 8% compared with last quarter.*
- *Delivery of Bow Pioneer, the world's largest chemical tanker. The vessel is 75,000 dwt and has a cargo capacity of 86,000 cbm.*
- *Finalization of agreements with Lindsay Goldberg to expand our existing partnership to include substantially all tank terminal assets.*
- *New tank terminal projects in China, USA and Europe.*

Key figures

(USD mill. unaudited)	2Q13	1Q13	2Q12	YTD2013	YTD2012	FY2012
Revenue	294	291	307	585	640	1,212
Gross result	70	58	58	129	129	222
EBITDA	36	27	27	63	68	93
EBIT	8	(6)	(5)	2	6	(43)
Net finance	(10)	(6)	(22)	(16)	(34)	(68)
Tax	(0)	(2)	(1)	(2)	(4)	0
Net result (loss)	(2)	(13)	(28)	(15)	(32)	(111)

Business segments

Chemical Tankers

The second quarter of 2013 turned out better than expected. This was due to better fleet utilization and a somewhat better chemical tanker market. We experienced steady nomination of contract cargoes and improved spot rates. Earnings on a time-charter basis ended up 8% compared to the previous quarter, and the average freight rate per tonne shipped increased by 2%.

Following the termination of the NOCT pool for 45,000 dwt coated ships and the subsequent redelivery of the 13 vessels to NCC during the latter half of the quarter, total cargo volume is down, whilst our contract coverage increased to 56%. The only negative financial impact of the termination is a minor reduction of earned commissions.

Increased congestion at the most important chemical ports added further to our waiting time for occupied berths.



Chemical Tankers (USD mill)	2Q13	1Q13	2Q12	YTD2013	YTD2012	FY2012
Revenue	255	253	269	508	563	1,066
Gross Result	56	43	37	98	86	158
EBITDA	30	18	13	49	39	65
EBIT	6	(4)	(10)	2	(7)	(35)
Net bunker per tonne (USD)	542	557	533	550	547	542

Indices	30.06.13	31.03.13	30.06.12	31.12.12
Odfix (1990 =100) ¹	129	119	104	110
Opex (2002 = 100) ²	175	176	176	173

¹ The Odfix index is a weighted time-charter earnings index for a selection of vessels.

² The Opex index includes owned and bareboat chartered vessels.

LPG/Ethylene

The long-haul ethylene trade picked up in the second quarter as major producers re-entered the market after plant maintenance in the first quarter.

Our results are mixed and below expectations, due to re-positioning, docking and vetting issues, primarily related to crew requirements. We expect improved activity during the second half of 2013. A significant number of newbuildings are however expected from yards and this may negatively affect the markets.

Total revenues for the second quarter were USD 3 million and EBITDA was negative USD 1 million.

Fleet changes

In June we took delivery of *Bow Pioneer*, the world's largest chemical tanker. The vessel, which was delivered from Daewoo Shipbuilding and Engineering in South Korea, is 75,000 dwt and has 30 coated cargo tanks with a total cargo capacity of 86,000 cbm. Her sister vessel is expected to be delivered to National Chemical Carriers in November, and the two vessels will trade under a joint pool agreement. In May we purchased *Bow Engineer*, a 30,000 dwt vessel with 28 stainless steel cargo tanks. The vessel was built in 2004 and has been on time charter to Odfjell since 2006. In addition, we have taken *Celsius Mayfair*, a 20,000 dwt chemical tanker with stainless steel cargo tanks built in 2007, on a two-year time charter. In May *Bow Cheetah*, built in 1988, was sold for recycling,

The newbuilding programme for four 46,000 dwt coated chemical tankers at Hyundai Mipo Yard in Korea for delivery between January and July 2014 is on schedule.

Fleet additions (last 12 months)		DWT	Built	Tanks	Transaction
July 2013	Celsius Mayfair	20,000	2007	Stainless	2 year TC
June 2013	Bow Pioneer	75,000	2013	Coated	New delivery
May 2013	Bow Engineer	30,086	2006	Coated	Purchase
March 2013	UACC Messila	45,352	2012	Coated	1 year TC
March 2013	Bow Nangang	9,000	2013	Stainless	New delivery



March 2013	Chembulk Sydney	14,271	2005	Stainless	1-2 year TC
January 2013	Chembulk Wellington	14,312	2004	Stainless	1-2 years TC
November 2012	Bow Dalian	9,000	2012	Stainless	New delivery
October 2012	Chemroad Hope	33,552	2011	Stainless	1 year TC
September 2012	UACC Masafi	45,352	2012	Coated	1 year TC
September 2012	Bow Guardian	9,000 cbm	2008	LPG	Purchase
August 2012	Bow Gallant	9,000 cbm	2008	LPG	Purchase

Fleet disposals, owned (last 12 months)		DWT	Built	Tanks	Transaction
May 2013	Bow Cheetah	40,257	1988	Coated	Recycling
January 2013	Bow Leopard	39,512	1988	Coated	Recycling
November 2012	Bow Fraternity	45,507	1987	Coated	Recycling
October 2012	Bow Lion	39,423	1988	Coated	Recycling

Tank Terminals

In second quarter our 51% shareholding in tank terminals business contributed an EBITDA of USD 7 million, compared to USD 9 million previous quarter. This includes one-off items of about USD 3 million at Odfjell Terminals (Rotterdam) (OTR).

In June we concluded the transaction with Lindsay Goldberg to expand our existing partnership to include substantially all tank terminal assets. The new global partnership allows us to pursue a growth agenda for our terminal business. The reduced ownership percentage in the respective tank terminals will be reflected in the P&L from Q3 and onwards.

In June we signed an agreement to enter into a joint venture with the Founder Group to become 50/50 partners for the development of a petrochemical tank terminal in Quanzhou, Fujian Province, China. Odfjell Terminals will acquire from the Founder Group a 50% equity share in the existing Fujian Fangtong Terminals Co Ltd., including land and an existing jetty at a total price of USD 21 million. The objective is to construct a new tank terminal which we will manage and operate.

We also signed a Letter of Intent to purchase Chem-Marine Corporation in South Carolina, USA. Chem-Marine controls a 10.2 hectare site and is located adjacent to our tank terminal currently under construction in Charleston, South Carolina. The property is situated on the Cooper River and has a 250 metre deep-water front and a 12.5 metre draft ship berth, with one dedicated stainless steel line connected to 12,800 cbm of storage in two carbon steel tanks. This acquisition has an estimated value of less than USD 10 million.

Construction of the new terminal in Charleston, USA is on schedule, with start-up planned for the fourth quarter of 2013. The new terminal under construction at Nangang, China (close to Tianjin) is scheduled to be operational by the second quarter of 2014. The expansion at Noord Natie Odfjell Terminals in Antwerp, Belgium is on track to be commissioned around year-end 2013 and total storage capacity will increase to 350,000 cbm.

During second quarter OTR completed the planned re-organization at the terminal. The re-commissioning of tanks and systems, however, is running behind schedule, primarily due to a shortage of engineering capacity. By the end of June, 1,020,000 cbm were approved for usage. Contracts are in place for utilization of all of the available capacity. About three



quarters of this capacity is already in use by customers. With additional tanks being taken into use, the revenues are expected to increase during the third quarter. EBITDA at OTR for the second quarter came in at negative USD 8.4 million, compared to a negative EBITDA of USD 8.3 million previous quarter.

Tank Terminals (USD mill)	2Q13	1Q13	2Q12	YTD2013	YTD2012	FY2012
Revenue	36	35	38	71	79	145
Gross result	16	16	20	32	44	63
EBITDA	7	9	13	15	28	27
EBIT	3	(1)	5	3	12	(8)

EBITDA by geographical segment (USD mill.) ¹	2Q13	1Q13	2Q12	YTD2013	YTD2012	FY2012
Europe	(9)	(8)	(2)	(17)	(1)	(32)
North America	3	4	3	7	7	14
Asia	7	8	7	14	14	27
Middle East	5	5	5	11	8	18
Total	7	9	13	15	28	27

¹ Figures includes tank terminal overhead cost. Pre Lindsay Goldberg transaction.

Finance

During second quarter we secured the refinancing of three second-hand vessels in the total amount of USD 75 million. The acquisition of the Chem Marine facility in Charleston, USA will be funded by an existing US credit facility. We have also refinanced the Odfjell Terminals (Korea) tank terminal at favourable terms. The refinancing of the terminal in Rotterdam is moving forward, and we expect to sign the agreements in the third quarter.

We are continuing our discussions with banks regarding the financing of our newbuilding programme in Korea.

Odfjell announced 18 June that the transaction with Lindsay Goldberg to expand the joint venture with Lindsay Goldberg to include substantially all of Odfjell's tank terminalling business globally had been closed successfully. As part of the transaction, Lindsay Goldberg will have 49% interest in Odfjell Terminals AS ("OTAS"), the holding company for Odfjell's tank terminals activities. In exchange for a 49% share in OTAS, Lindsay Goldberg made a cash investment in OTAS, by way of a capital increase of USD 219.2 million. OTAS will then be owned 51% by Odfjell and 49% by Lindsay Goldberg. Odfjell will realize a book gain of approximate USD 27 million related to the transaction, of which USD 5.4 mill (20%) has been booked in June, and the remaining gain will be booked in August when the internal restructuring related to the transaction have been completed.

The sale of *Bow Cheetah* resulted in a capital loss of USD 2.6 million. Cancellation of some time-charter vessels prior to expiration has resulted in compensation to Odfjell of about USD 3.7 million this quarter.

Key figures (USD mill.)	2Q13	1Q13	4Q12
Cash and available-for-sale investments	235	133	175
Interest bearing debt	1,339	1,284	1,221
Net interest bearing debt	1,104	1,151	1,046
Available drawing facilities	0	14	94
Total equity	832	832	914
Equity ratio	31.5%	32.7%	36.9%

Shareholder information

By the end of June, Odfjell A and B shares were trading at NOK 26.80 and NOK 26.00 respectively, against NOK 29.20 and NOK 29.00 respectively at the close of the previous quarter. By way of comparison, in the same period the Oslo Stock Exchange Benchmark Index decreased 1% and the Transportation Index gained 10%.

As of 30 June 2013 Odfjell had a market capitalization of about NOK 2,300 million, which is equivalent to about USD 381 million.

Prospects

Chinese growth is at a somewhat lower level than expected, and is poised for the weakest expansion since 1990. As a possible indicator of a slow down, June exports fell 3.1% from a year earlier. The new Government is clamping down on certain sectors of the economy and is implementing new policies which may result in a slower, but more sustainable growth. The investment stimulus that sparked the 2009 recovery led to an unprecedented lending boom, which has left many local governments with record liabilities increasing the risk for further slow-down.

Key Euro zone statistics have favourably surprised the markets in the past quarter. The manufacturing industry resumed growth after two years of contraction and Europe's economy is forecast to return to slight growth this quarter. However, the high levels of unemployment remain a challenge, impacting growth prospects.

The development of the US shale gas industry is providing cheaper energy and feedstock for the US chemical industry. How this issue will impact the dynamics of the chemical parcel trade is uncertain, but we believe over time this will contribute positively to both cargo volume and distances carried.

Based on the above macro-economic picture, and the fact that there are no material changes to the supply/demand situation, we believe that the next 12 to 24 months will see improvement in our segments. However, given the continued underperforming overall global economic growth, combined with the "supply overhang" of ships we only expect the second half results of 2013 to be moderately better than the previous two quarters. The terminal results are expected to remain stable, but are likely to improve as more capacity comes into service.

Statement of Responsibility

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first six months of 2013, which have been prepared in accordance with IAS 34 Interim Financial Statements, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Bergen, 22 August 2013

THE BOARD OF DIRECTORS OF ODFJELL SE



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Chairman



Irene Waage Basili



Åke H. Gregetsen



Christine Rødsæther



B.D. Odfjell



Jannicke Nilsson



Jan A. Hammer
President/CEO



ODFJELL GROUP

STATEMENT OF COMPREHENSIVE INCOME	1Q13	2Q13	2Q12 ³⁾	YTD 2013	YTD 2012 ³⁾	FY 2012 ³⁾
(USD mill)						
Gross revenue	291	294	307	585	640	1 212
Net income from associates and joint ventures	0	0	0	1	0	1
Voyage expenses	(122)	(116)	(137)	(237)	(285)	(532)
Time-charter expenses	(44)	(39)	(44)	(83)	(88)	(173)
Operating expenses	(68)	(69)	(68)	(137)	(138)	(285)
Gross result	58	70	58	129	129	222
General and administrative expenses	(32)	(34)	(31)	(66)	(61)	(129)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	27	36	27	63	68	93
Depreciation	(31)	(31)	(33)	(62)	(65)	(132)
Capital gain (loss) on non-current assets	(1)	3	(1)	2	2	(4)
Operating result (EBIT)	(6)	8	(5)	2	6	(43)
Interest income	1	1	1	2	1	3
Interest expenses	(13)	(12)	(13)	(25)	(26)	(53)
Other financial items	4	1	(8)	5	(8)	(16)
Currency gains (losses)	2	(0)	(1)	2	(1)	(3)
Net financial items	(6)	(10)	(22)	(16)	(34)	(68)
Result before taxes	(11)	(2)	(27)	(14)	(28)	(111)
Taxes	(2)	(0)	(1)	(2)	(4)	0
Net result	(13)	(2)	(28)	(15)	(32)	(111)
OTHER COMPREHENSIVE INCOME						
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:						
Cash flow hedges changes in fair value	(2)	(1)	(8)	(4)	4	26
Cash flow hedges transferred to profit and loss statement	(2)	(0)	(3)	(3)	(6)	(15)
Net gain/(loss) on available-for-sale investments	(0)	(0)	(0)	(0)	1	1
Exchange rate differences on translating foreign operations	(4)	3	(8)	(0)	(2)	11
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:						
Net actuarial gain/(loss) on defined benefit plans	-	-	(3)	-	(5)	(10)
Other comprehensive income	(9)	2	(22)	(7)	(9)	13
Total comprehensive income	(22)	(1)	(50)	(23)	(41)	(98)
Net result allocated to:						
Non-controlling interests	0	0	0	0	0	0
Owner of parent	(13)	(2)	(28)	(15)	(32)	(111)
Total comprehensive income allocated to:						
Non-controlling interests	0	0	(0)	-	0	0
Owner of parent	(22)	(1)	(50)	(23)	(41)	(97)
Earnings per share (USD) – basic/diluted	(0.16)	(0.03)	(0.35)	(0.19)	(0.41)	(1.37)

STATEMENT OF FINANCIAL POSITION	1Q13	2Q13	2Q12³⁾	FY2012³⁾
(USD mill)				
Intangible assets	107	107	113	110
Ships	1 198	1 272	1 143	1 190
Newbuilding contracts	88	40	103	103
Tank terminals	441	454	597	448
Other non-current assets	76	75	73	70
Investments in associates and joint ventures	22	22	22	23
Non-current receivables	65	74	56	49
Total non-current assets	1 996	2 044	2 107	1 993
Current receivables	168	162	136	139
Bunkers and other inventories	19	25	26	37
Derivative financial instruments	6	1	9	7
Available-for-sale investments	15	9	21	17
Cash and cash equivalents	118	226	141	153
Total current assets	325	423	333	358
Assets held for sale	223	173	-	224
Total assets	2 543	2 641	2 440	2 569
Paid in equity	199	199	80	83
Other equity	626	633	852	825
Non-controlling interests	7	-	6	7
Total equity	832	832	938	914
Non-current liabilities	127	123	137	130
Derivatives financial instruments	15	15	23	16
Non-current interest bearing debt	1 041	1 095	1 088	995
Total non-current liabilities	1 183	1 233	1 248	1 141
Current portion of interest bearing debt	243	244	120	226
Derivative financial instruments	20	13	29	24
Current liabilities	137	149	105	136
Total current liabilities	400	406	254	386
Liabilities held for sale	129	171	-	129
Total equity and liabilities	2 543	2 641	2 440	2 569

STATEMENT OF CHANGES IN EQUITY (USD mill)	Paid in equity	Exchange rate differences	Cash flow hedge reserves	Available for sale reserve	Retained equity	Total other equity	Non-controlling interests	Total equity
Equity as at 1.1.2012 ³⁾	80	13	(23)	1	901	892	6	979
Comprehensive income	-	(2)	(2)	1	(37)	(41)	0	(41)
Equity as at 30.06.2012	80	11	(25)	1	864	852	6	938
Equity as at 1.1.2013	83	24	(12)	0	812	824	6	914
Comprehensive income	-	(0)	(6)	(0)	(15)	(22)	-	(22)
Other adjustments	-	-	-	-	(18)	(18)	-	(18)
Share repurchases	(3)	-	-	-	(39)	(39)	-	(42)
Disposal minority	-	-	-	-	6	6	(6)	-
Equity as at 30.06.2013	80	24	(18)	0	746	752	-	832

PROFITABILITY	1Q13	2Q13	2Q12³⁾	YTD2013	YTD2012³⁾	FY2012³⁾
Earnings per share (USD) - basic/diluted	(0.16)	(0.03)	(0.35)	(0.19)	(0.41)	(1.37)
Return on total assets ¹⁾	0.1%	2.3%	(4.9%)	0.7%	(0.6%)	(2.3%)
Return on equity ¹⁾	(5.5%)	(2.1%)	(11.4%)	(3.7%)	(6.7%)	(11.3%)
Return on capital employed ¹⁾	(0.9%)	1.2%	(1.1%)	0.1%	0.4%	(2.0%)
FINANCIAL RATIOS						
Average number of shares (mill.) ²⁾	82.0	80.2	78.6	80.2	78.6	80.6
Basic/diluted equity per share (USD)	10.5	10.6	12.2	10.6	12.2	11.9
Share price per A-share (USD)	5.0	4.5	5.4	4.5	5.4	4.3
Debt repayment capability (Years)	14.8	10.6	61.2	12.2	17.2	46
Current ratio	1.0	1.0	1.2	1.0	1.2	1.1
Equity ratio	32.7%	31.5%	38.4%	31.5%	38.4%	35.6%
USD/NOK rate at period end	5.83	6.03	5.98	6.03	5.98	5.59
CASH FLOW STATEMENT						
(USD mill)	1Q13	2Q13	2Q12	YTD13	YTD12	FY2012
CASH FLOW FROM OPERATING ACTIVITIES						
Profit before income taxes	(11)	(2)	(26)	(14)	(28)	(111)
Taxes paid in the period	(11)	(14)	(12)	(25)	(20)	1
Depreciation and impairment	31	31	33	62	65	132
Capital (gain) loss on non-current assets	1	(3)	(1)	(2)	(2)	4
Inventory (increase) decrease	18	(7)	9	11	10	(1)
Trade debtors (increase) decrease	(4)	(6)	7	(10)	10	12
Trade creditors increase (decrease)	1	2	(3)	2	(4)	(5)
Difference in pension cost and pension premium paid	(4)	(2)	1	(6)	2	4
Effect of exchange differences	(2)	3	1	2	1	3
Other current accruals	(39)	108	10	69	(5)	(8)
Net cash flow from operating activities	(20)	111	18	90	28	31
CASH FLOW FROM INVESTING ACTIVITIES						
Sale of non-current assets	4	4	26	8	35	45
Investment in non-current assets	(25)	(77)	(17)	(102)	(52)	(212)
Investments in shares and in other companies	1	(0)	(20)	1	(20)	(21)
External investments in terminal companies	-	42	-	42	-	-
Available-for-sale investments	2	5	4	7	3	9
Changes in non-current receivables	(14)	(3)	2	(17)	4	12
Net cash flow from investing activities	(32)	(29)	(4)	(61)	(30)	(168)

	1Q13	2Q13	2Q12	YTD2013	YTD2012	FY2012
CASH FLOW FROM FINANCING ACTIVITIES						
New interest bearing debt	100	103	109	204	121	439
Payment of interest bearing debt	(41)	(76)	(126)	(117)	(157)	(361)
Treasury shares transaction	(42)	-	-	(42)	-	33
Net cash flow from financing activities	18	27	(17)	45	(37)	111
Effect on cash balances from currency exchange rate fluctuations	(1)	(0)	(1)	(1)	(1)	(0)
Net change in cash and cash equivalents	(35)	109	(4)	73	(39)	(27)
Opening cash and cash equivalents	153	118	145	153	180	180
Ending cash and cash equivalents	118	226	141	226	141	153

- 1) Return ratios are based on annualised results, except for non-recurring items that are included in the relevant period.
- 2) On 1 October 2012 Odfjell SE entered into a Total Return Swap (TRS) agreement with DNB Markets. The TRS comprised 5,891,166 A-shares and 2,322,482 B-shares with pre agreed strike prices. The TRS was terminated 5 February 2013.
- 3) See note 7.

Notes to the consolidated financial statements

Note 1 – Accounting principles

Odfjell SE is ultimate parent company of the Odfjell Group. Odfjell SE is a public listed company traded on the Oslo Stock Exchange. The company's address is Conrad Mohrsv. 29, Bergen, Norway.

Basis of preparation

The interim consolidated financial statements for Odfjell Group have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". The interim financial statements are unaudited.

Significant accounting principles

The accounting principles used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2012. These consolidated condensed financial statements should be read in conjunction with the 2012 annual financial statements, which include a full description of the Group's accounting principles.

IASB has issued some standards or Interpretation, which are effective from 1 January 2014 or later:

IFRS 9 Financial Instruments
 IFRS 10 Consolidated Financial Statements
 IFRS 11 Joint Arrangement
 IFRS 12 Disclosure of Involvements with Other Entities
 IAS 27 Separate Financial Statement (revised)
 IAS 28 Investments in Associates and Joint Ventures (revised)

It is expected that changes in IFRS 11 will have material effect in how Odfjell presents its joint arrangement. Net result will not be changed, while total assets will be reduced and equity ratio will increase. Odfjell has presented figures based on equity method in a separate note, see note 9. All other changes are expected to have no or only immaterial effect on the financial statement.



Note 2 – Segment information

(USD mill)	1Q13	2Q13	2Q12	YTD13	YTD12	FY2012
Chemical Tankers	253	255	269	508	563	1 066
LPG/Ethylene	4	3	-	8	-	6
Tank Terminals	35	36	38	71	79	145
Gross revenue from internal customers	(1)	(1)	(1)	(1)	(3)	(5)
Total gross revenue	291	294	307	585	640	1 212
Chemical Tankers	18	30	13	49	39	65
LPG/Ethylene	(0)	(1)	-	(1)	-	1
Tank Terminals	9	7	13	15	28	27
Total operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	27	36	27	63	68	93
Chemical Tankers	(4)	6	(10)	2	(7)	(35)
LPG/Ethylene	(1)	(2)	-	(2)	-	(0)
Tank Terminals	(1)	3	5	3	12	(8)
Total operating result (EBIT)	(6)	8	(5)	2	6	(43)
Chemical Tankers	(14)	(11)	(27)	(25)	(35)	(97)
LPG/Ethylene	(2)	(2)	-	(4)	-	(1)
Tank Terminals	3	10	(1)	13	3	(13)
Total net result	(13)	(2)	(28)	(15)	(32)	(111)
Chemical Tankers	1 630	1 661	1 623	1 661	1 623	1 634
LPG/Ethylene	59	57	-	57	-	102
Tank Terminals	632	750	820	750	820	609
Assets held for sale	223	173	-	173	-	224
Total assets	2 543	2 641	2 443	2 641	2 443	2 569

Note 3 - Net interest bearing liabilities

(USD mill)	2Q13	2Q12	FY2012
Loans from financial institutions – floating interest rate	719	708	602
Financial leases	174	201	191
Bonds	211	185	211
Current portion interest bearing debt (incl. bonds)	244	120	226
Transaction costs	(9)	(6)	(9)
Subtotal interest bearing debt	1 340	1 208	1 221
Held for sale	78	-	105
Total interest bearing debt	1 418	1 208	1 325
Cash and cash equivalent	(226)	(141)	(153)
Available for sale investments	(9)	(21)	(17)
Interest bearing liabilities	1 203	1 046	1 156
Held for sale	(11)	-	(17)
Net interest bearing liabilities	1 172	1 046	1 138

Note 4 – Transactions with related parties

In the normal course of the conduct of its business, the Group enters into a number of transactions with related parties. Odfjell considers these arrangements to be on reasonable market terms.

Note 5 – Non-current assets

(USD mill)	2Q13	2Q12	FY2012
Net carrying amount beginning (incl. held for sale)	1 999	1 964	1 964
Investments in non-current assets	102	52	213
Sale of non-current assets	(49)	(33)	(46)
Depreciation and impairment	(60)	(65)	(127)
Exchange differences	4	(2)	(4)
Assets held for sale	(154)	-	(188)
Net carrying amount end	1 842	1 916	1 811

Note 6 – Intangible assets

(USD mill)	2Q13	2Q12	FY2012
Net carrying amount beginning (incl. held for sale)	113	115	115
Depreciation and impairment	(2)	(2)	(4)
Exchange differences	(1)	-	2
Assets held for sale	(3)	-	(3)
Net carrying amount end	107	113	110

Note 7 – Implementation of IAS 19 in 2012 figures

According to IAS 19 Employee Benefits, which came into effect per 1 January 2013, the corridor mechanism has been removed and unrecognised net actuarial gain and losses are recognised in other comprehensive income. Changes have been applied for retrospectively in accordance with IAS 8 Accounting Policies.

As a result of the changes the following adjustments have been made to the financial statements (USD 1 000):

As of 1 January 2012:

Decrease in pension assets: USD 2 800
 Increase in pension liabilities: USD 20 623
 Decrease in opening other equity: USD 23 423

As of 30 June 2012:

Decrease in pension assets: USD 2 800
 Increase in pension liabilities: USD 25 729
 Decrease in other equity: USD 28 529
 Net cost recognised in other comprehensive income: USD 5 106

As of 31 December 2012:

Decrease in pension assets: USD 1 637
 Increase in pension liabilities: USD 31 995
 Decrease in other equity: USD 33 632
 Net cost recognised in other comprehensive income: USD 10 210



Note 8 – Held for sale

Odfjell announced 18 June that the transaction with Lindsay Goldberg to expand the joint venture with Lindsay Goldberg to include substantially all of the Odfjell's tank terminals business globally had been closed. As part of the transaction, Lindsay Goldberg will have a 49% interest in Odfjell Terminals AS ("OTAS"), the holding company for Odfjell's tank terminals activities. In exchange for a 49% share in OTAS, Lindsay Goldberg made a cash investment in OTAS, by way of a capital increase of USD 219.2 million. OTAS will then be owned 51% by Odfjell and 49% by Lindsay Goldberg. Odfjell will realize a book gain of approximate USD 27 million related to the transaction, of which USD 5.4 mill (20%) has been booked in June, and the remaining gain will be booked in August when the internal restructuring related to the transaction have been completed.

Assets and liabilities classified as held for sale (USD 1 000):

Assets	2Q13	1Q13	FY 2012
Intangible assets	2 187	2 785	2 837
Tank terminals	145 488	181 996	184 356
Other non-current assets	6 862	8 558	8 694
Non-current receivables	3 085	3 854	3 746
Total non-current assets	157 623	197 193	199 632
Current receivables	4 593	6 480	6 281
Bunkers and other inventories	411	494	492
Cash and cash equivalents	10 536	18 344	17 335
Total current assets	15 540	25 317	24 109
Total assets held for sale	173 163	222 510	223 741
Liabilities			
Non-current liabilities	6 183	7 039	6 887
Derivatives financial instruments	2 583	5 060	4 381
Non-current interest bearing debt	72 544	93 219	94 072
Total non-current liabilities	81 310	105 318	105 340
Current portion of interest bearing debt	5 882	9 079	10 543
Current liabilities	83 432	14 589	13 018
Total current liabilities	89 314	23 668	23 561
Total liabilities held for sale	170 624	128 986	128 900

Note 9 – Figures presented based on equity method

Changes in IFRS 11 will have material effect in how Odfjell presents its joint arrangement. Odfjell has decided to wait until January 1st 2014 to implement equity method. Below are figures presented based on equity method.

STATEMENT OF INCOME (EQUITY METHOD)	2Q13	1Q13	FY2012
(USD mill)			
Gross revenue	256	256	1 066
Net income from associates and joint ventures	(1)	(4)	(10)
Voyage expenses	(115)	(121)	(530)
Time-charter expenses	(39)	(43)	(173)
Operating expenses	(48)	(48)	(202)
Gross result	53	40	150
General and administrative expenses	(27)	(25)	(99)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	26	14	50
Depreciation	(23)	(22)	(98)
Capital gain (loss) on non-current assets	3	(1)	(6)
Operating result (EBIT)	6	(9)	(54)
Interest income	(0)	0	2
Interest expenses	(7)	(9)	(40)
Other financial items	1	4	(14)
Currency gains (losses)	(2)	3	(2)
Net financial items	(8)	(1)	(54)
Result before taxes	(2)	(10)	(108)
Taxes	(0)	(3)	(3)
Net result	(2)	(13)	(111)

STATEMENT OF FINANCIAL POSITION (EQUITY METHOD)	2Q13	1Q13	FY2012
(USD mill)			
Ships	1 267	1192	1 185
Newbuilding contracts	40	88	103
Tank terminals	-	-	-
Other non-current assets	55	56	57
Investments in associates and joint ventures	337	314	332
Loan to associates and joint ventures	65	30	29
Non-current receivables	68	59	44
Total non-current assets	1 833	1 739	1 750
Current receivables	125	129	107
Bunkers and other inventories	25	17	36
Derivative financial instruments	1	6	7
Available-for-sale investments	9	14	17
Cash and cash equivalents	202	83	122
Total current assets	362	249	288
Net assets held for sale	3	94	95
Total assets	2 197	2 084	2 133
Paid in equity	199	199	80
Other equity	633	626	824
Non-controlling interests	-	7	7
Total equity	832	832	914
Non-current liabilities	48	43	49
Derivatives financial instruments	12	10	11
Non-current interest bearing debt	957	888	860
Total non-current liabilities	1 017	941	920
Current portion of interest bearing debt	205	202	183
Derivative financial instruments	13	20	24
Current liabilities	130	90	92
Total current liabilities	348	312	299
Total equity and liabilities	2 197	2 084	2 133

Under the equity method the Group's share of net result in associates and joint ventures for the year is included in net result. The Group's interests in joint ventures and associates are carried on the balance sheet at an amount that reflects its share of the net assets of the company. The carrying value of investment in a joint venture or associate will never be negative, unless the Group has incurred or guaranteed obligations in respect of the company. Goodwill is included in the carrying amount of the investment and is not amortized.

FINANCIAL RATIOS – EQUITY METHOD

	2Q13	1Q13	FY2012
Equity ratio	37.8%	39.9%	42.9%

FLEET & TERMINAL OVERVIEW as per 19 August 2015

CHEMICAL TANKERS OWNED:

SHIP	YEAR		CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
	BUILT	DWT			
Bow Pioneer	2013	75 000	86 000	-	30
Bow Nangang	2013	9 156	10 523	10 523	14
Bow Dalian	2012	9 156	10 523	10 523	14
Bow Fuling	2012	9 156	10 523	10 523	14
Bow Lind	2011	46 047	48 698	-	29
Bow Elm	2011	46 098	48 698	-	29
Flumar Brasil	2010	51 188	55 452	-	14
Bow Saga ¹	2007	40 085	52 126	52 126	40
Bow Sirius ¹	2006	49 539	52 155	52 155	40
Bow Sea	2006	49 511	52 107	52 107	40
Bow Engineer	2006	30 086	36 274	36 274	28
Flumar Maceio	2006	19 975	21 713	21 713	22
Bow Summer	2005	49 592	52 128	52 128	40
Bow Spring ¹	2004	39 942	52 127	52 127	40
Bow Star	2004	39 832	52 127	52 127	40
Bow Sun	2003	39 842	52 127	52 127	40
Bow Firda	2003	37 427	40 645	40 645	47
Bow Chain	2002	37 518	40 621	40 621	47
Bow Andes	2000	16 020	17 120	17 120	22
Bow Fortune	1999	37 395	40 619	40 619	47
Bow Master	1999	6 046	7 018	7 018	14
Bow Mate	1999	6 001	7 004	7 004	14
Bow Pilot	1999	6 008	7 005	7 005	14
Bow Sailor	1999	6 008	7 011	7 011	14
Bow Cecil	1998	37 369	40 515	33 236	47
Bow Flora	1998	37 369	40 515	33 236	47
Bow Balearia	1998	5 846	6 075	6 075	20
Bow Oceanic	1997	17 460	19 616	19 616	24
Bow Bracara	1997	5 846	6 071	6 071	20
Bow Brasilia	1997	5 800	6 067	6 067	20
Bow Cardinal	1997	37 446	41 487	34 208	52
Bow Faith	1997	37 479	41 487	34 208	52
Bow Aratu	1997	13 843	15 834	15 834	29
Bow Querida	1996	10 106	11 181	11 181	18
Bow Cedar	1996	37 455	41 488	41 488	52
Bow Atlantic	1995	17 460	19 588	19 588	24
Bow Fagus	1995	37 375	41 608	34 329	52
Bow Clipper	1995	37 221	41 596	34 328	52
Bow Flower	1994	37 221	41 492	34 213	52
Bow Eagle	1988	24 728	32 347	19 662	25
Bow Victor	1986	33 000	34 500	21 975	31

TIME CHARTERED/POOL:

UACC Messila	2012	45 352	52 256	-	22
UACC Masafi	2012	45 352	52 256	-	22
Chemroad Hope	2011	33 552	37 161	37 161	18
SG Pegasus	2011	13 086	14 523	14 523	16
Stream Luna	2010	19 998	22 161	22 161	20
Bow Tone	2009	33 625	37 974	37 974	16
Bow Hector	2009	33 694	37 384	37 384	16
Southern Ibis	2009	19 905	22 158	22 158	20
Southern Jaguar	2009	19 997	22 157	22 157	20
Stream Mia	2008	19 702	22 094	22 094	26
Bow Sagami	2008	33 641	38 000	38 000	16
Bow Harmony	2008	33 619	38 052	38 052	16
Bow Kiso	2008	33 641	37 974	37 974	16
Bow Heron	2008	33 707	37 365	37 365	16
Celsius Mayfair	2007	19 999	21 714	21 714	20
Bow Fuji	2006	19 805	22 140	22 140	22
Bow Plata	2006	19 807	22 143	22 143	22
Crystal Topaz ³	2006	11 340	11 870	11 870	20
Crystal Diamond ³	2006	11 340	11 870	11 870	20
Moyra	2005	19 806	22 838	22 838	18
Bow Sky ²	2005	40 005	52 126	52 126	40
Bow Architect	2005	30 058	36 290	36 290	28
Celcius Monaco	2005	19 999	21 851	21 851	22
Chembulk Sydney	2005	14 271	16 571	16 571	20
Chembulk Wellington	2004	14 312	15 591	15 591	20
Bow Santos ²	2004	19 997	21 846	21 846	22
Bow Asia ²	2004	9 901	11 088	11 088	20
Bow Singapore ²	2004	9 888	11 089	11 089	20
Bow Americas	2004	19 707	22 735	22 735	36
Bow Andino	2000	16 121	17 622	17 622	30
Crystal Amaranto ³	1999	9 887	10 893	10 893	24
Crystal Skye ³	1998	9 554	10 442	10 442	24
Bow Jubail ²	1996	37 499	41 488	34 209	52
Bow Mekka ²	1995	37 272	41 606	34 257	52
Bow Riyadh ²	1995	37 221	41 492	34 213	52
Crystal Amethyst ³	1994	8 104	9 346	9 346	17
Crystal Emerald ³	1994	8 143	9 346	9 346	17
Crystal Pearl ³	1994	8 143	9 346	9 346	17
Bow Baha	1988	24 728	32 363	19 662	25
JBU Sapphire ³	2009	19 860	22 144	22 144	16
JBU Opal ³	2009	19 865	22 129	22 129	16
JBU Onyx ³	2008	19 865	21 712	21 712	16
Northern Wolverine	2006	16 000	18 397	10 056	35
Northern Lynx	2003	16 533	18 397	10 056	35
Crystal Atlantica	2000	16 630	17 350	17 350	22
Number of ships:	86	2 194 183	2 479 472	2 008 361	

¹ Vessel beneficially owned through financial lease.

² Vessel on bare-boat charter.

³ Vessel on variable time charter/pool.

LPG/ETHYLENE CARRIERS OWNED:

SHIP	YEAR		CBM	TYPE	NUMBER OF TANKS
	BUILT	DWT			
Bow Gallant	2 008	10 282	8 922	LPG/Ethylene	2
Bow Guardian	2 008	10 282	8 922	LPG/Ethylene	2

ON ORDER:

YARD	DELIVERY	DWT	OWNER	COMMENT
Hyundai Mipo Dockyard, Ltd	2014	46 000	Odfjell	

"	2014	46 000	Odfjell
"	2014	46 000	Odfjell
"	2014	46 000	Odfjell
Number of newbuildings:	4	184 000	

TANK TERMINALS	LOCATION	OWNER SHIP**)	CBM	STEEL, CBM	TANKS
Odfjell Terminals (Rotterdam) BV	Rotterdam, NL	51%	1 636 100	32 550	281
Odfjell Terminals (Houston) Inc	Houston, USA	51%	331 334	82 033	100
Odfjell Terminals (Jiangyin) Co Ltd	Jiangyin, China	28.05 %	99 800	30 000	22
Odfjell Terminals (Dalian) Ltd	Dalian, China	25.5 %	119 750	18 350	51
Odfjell Terminals (Korea) Co Ltd	Onsan, Korea	25.5 %	313 710	15 860	85
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	25.5 %	365 051	13 520	79
Oiltanking Odfjell Terminal & Co. LLC	Sohar, Oman	15.17 %	1 294 780	-	66
Noord Natie Odfjell Terminals	Antwerp, Belgium	12.75%	296 780	50 800	230
Exir Chemical Terminals PJSCO	BIK, Iran	35 %	22 000	1 000	18
Vopak Terminal Ningbo Ltd	Ningbo, China	12.5%	71 050	8 000	39
Total terminals	10 terminals		4 550 355	252 113	971

PROJECTS AND EXPANSIONS	LOCATION	OWNER SHIP**)	CBM	STEEL, CBM	COMPLETION
Odfjell Terminals (Charleston) LLC	Charleston, USA	51%	79 491	-	Q4 2013
Odfjell Nangang Terminals (Tianjin) Co.,Ltd	Tianjin, China	24.99%	145 000	7 000	Q2 2014
Noord Natie Odfjell Terminals	Antwerp, Belgium	12.5%	50 000	-	Q4 2013/Q1 2014
Odfjell Terminals (Houston) Inc	Houston, USA	51%	30 800	30 800	Q2 2014
Odfjell Terminals Fujian (Quanzhou)	Quanzhou, China	25.5%	184 000	-	Q1 2016
Total expansion terminals	3 new terminals		489 291	37 800	

TANK TERMINALS PARTLY OWNED BY RELATED PARTIES*)	LOCATION	CBM	STEEL, CBM	TANKS
Depositos Quimicos Mineros S.A.	Callao, Peru	52 980	1 600	43
Granel Quimica Ltda	Santos I, Brazil	97 720	19 880	99
Granel Quimica Ltda	Rio Grande, Brazil	61 150	2 900	32
Granel Quimica Ltda	Sao Luis, Brazil	75 710	-	35
Granel Quimica Ltda	Ladario, Brazil	8 060	-	6
Granel Quimica Ltda	Triunfo, Brazil	12 030	-	2
Granel Quimica Ltda	Teresina, Brazil	7 640	-	6
Odfjell Terminals Tagsa S.A.	Buenos Aires, Argentina	38 826	530	56
Odfjell Terminals Tagsa S.A.	Campana, Argentina	62 980	10 190	88
Terquim S.A.	San Antonio, Chile	32 840	-	25
Terquim S.A.	Mejillones, Chile	16 870	-	7
IMTT-Quebec	Quebec, Canada	293 130	5 500	53
Total tank terminals partly owned by related parties	12 terminals	759 936	40 600	452

OWNED BY RELATED PARTIES*)	LOCATION	CBM	COMPLETION
Granel Quimica Ltda	Aracruz, Brazil	30 000	- ready Q3 2014
Granel Quimica Ltda	Santos II, Brazil	52 000	- ready Q4 2013
Terquim S.A.	Mejillones, Chile	50 000	- ready Q3 2013
Granel Quimica Ltda	Palmas, Brazil	10 000	- ready Q2 2014
Total expansion tank terminals partly owned by related parties	3 new terminals	142 000	-

Grand total (incl. related tank terminals partly owned by related parties) 22 terminals 5 310 291 292 713

*) Tank terminals and projects partly owned by Odfjell family.

**) Odfjell SE's indirect ownership share



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