



2013 THIRD QUARTER REPORT



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Third Quarter Report 2013 Odfjell SE - Consolidated

Highlights 3Q 2013

- EBITDA of USD 37 million, reflecting stable earnings both from chemical tankers and tank terminals.
- Time-charter results down 4 % compared with last quarter due to increased voyage expenses.
- Odfjell Terminals (Rotterdam) is working on a revised business plan, scheduled to be completed within year end, and has decided to possibly redevelop most of the older areas of the terminal. Current book value of OTR assets is USD 241 million. As a possible consequence of the revised business plan, impairment of certain OTR assets, including customer relationships and goodwill totalling net USD 54 million, will be evaluated.
- Odfjell signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for the construction of four LPG/Ethylene gas carriers of 17,000 cbm. The contract includes options for additional vessels.
- Two transactions in the Norwegian bond market were completed, rising in total NOK 500 million.

Key figures

(USD mill. unaudited)	3Q13	2Q13	YTD2013	3Q12	YTD2012	FY2012
Revenue	296	294	882	276	916	1,212
Gross result	66	70	193	41	170	222
EBITDA	37	36	100	8	76	93
EBIT	23	8	25	(25)	(20)	(43)
Net finance	(13)	(10)	(29)	(15)	(49)	(68)
Tax	(0)	(0)	(2)	2	(2)	0
Net result (loss)	9	(2)	(6)	(39)	(71)	(111)

Business segments

Chemical Tankers

Activity over the summer and through the third quarter held steady, and was in line with the second quarter on both contract nominations and spot activity. Contract coverage was 52% at the end of the third quarter, with the current contract/spot balance allowing flexible trading of our deep-sea fleet. Odfjell's regional trade is gradually improving. No significant technical or operational issues were experienced during the quarter.

The average price of bunker purchased during the quarter was approximately USD 623 per metric ton, basically the same as previous quarter. About USD 3.4 million was collected through bunker adjustment clauses, in addition to USD 1.8 million gained under bunker



hedging contracts, however net bunker cost per tonne increased due to overall less hedge coverage.

Cancellation of some time-charter vessels prior to expiration resulted in compensation to Odfjell of about USD 4.7 million this quarter, included in Gross result.

Chemical Tankers (USD mill)	3Q13	2Q13	YTD2013	3Q12	YTD2012	FY2012
Revenue	262	255	771	245	808	1,066
Gross Result	52	56	151	38	124	158
EBITDA	30	30	79	15	53	65
EBIT	7	6	9	(9)	(17)	(35)
Net bunker per tonne (USD)	565	542	555	516	537	542

Indices	30.09.13	30.06.13	30.09.12	31.12.12
Odfix (1990 =100) ¹	120	129	102	110
Opex (2002 = 100) ²	168	175	173	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

Third quarter the spot market was below expectation, mainly because Asian refiners followed their Middle East counterparts in taking their plants through planned and unplanned shutdowns. This led to a distressed market over the last quarter. In addition, vessels previously tied up on long-term charter contracts were released to the spot market. West of Suez the market was slightly better, with several cargoes moving transatlantic. US exports have also improved.

Total revenues for third quarter came in at USD 2 million, with EBITDA at minus USD 1 million.

Fleet changes

In September Odfjell signed shipbuilding contracts with Nantong Sinopacific Offshore & Engineering Co., Ltd for the construction of four LPG/Ethylene carriers of 17,000 cbm. Deliveries are scheduled between October 2015 and May 2016, and the contract price in total is about USD 180 million. We have secured options for delivery of up to four additional gas carriers. This newbuilding order is an important step in our strategy to grow and become a significant operator in the gas market.

In August we entered into two new time-charter contracts, the Golden Top (12,705 dwt) and Southern Koala (21,290 dwt). In November Odfjell, jointly with our 50/50 Chilean joint venture partner CSAV, purchased the Bow Andino (16,121 dwt), which until the purchase was on long-term time-charter contract to Odfjell. Also in November, Odfjell sold Bow Eagle (24,700 dwt), backed by a one-year time-charter with the new owner.

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
November 2013	Bow Andino	16,121	2000	Stainless	Purchase, J/V
October 2013	Bow Eagle	24,700	1988	Coated	1 year TC
August 2013	Southern Koala	21,290	2010	Stainless	2 years TC
August 2013	Golden Top	12,705	2004	Stainless	2,5 year TC
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

Fleet disposals, owned (last 12 months)		DWT	Built	Tanks	Transaction
October 2013	Bow Eagle	24,700	1988	Coated	Sale
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

Our shareholding in tank terminals business contributed an EBITDA of USD 7 million in third quarter, the same as in previous quarter.

With the exception of OTR, terminal results were largely in line with expectations. Increased throughput in the United States beginning end of second quarter has continued, and has extended into early fourth quarter. Activity in Asia is broadly speaking on budget, but occupancy challenges have emerged in Korea as a result of considerable additional capacity coming on stream in Ulsan the past two years.

OTR's third-quarter EBITDA came in at minus USD 7.9 million, only a slight improvement compared to second quarter's minus USD 8.4 million. The third-quarter EBITDA result included USD 3.0 million in non-recurring items. Capacity approved for use at the end of the third quarter was just over 1 million cbm. Occupancy at the end of September was 85% of commercially available capacity. All tanks in the new part of the terminal are in operation. Active cost control efforts continue.

New regulatory requirements and the submission of an application by OTR for a renewed environmental permit, have made it prudent to halt temporarily further re-commissioning of old tank capacity at the terminal. In the meantime OTR has initiated an intensive process of developing a revised business plan. This plan, which is scheduled to be completed within year end, will reflect the regulatory environment and address future business opportunities given the strategic location of the terminal.



Current book value of OTR assets is USD 241 million. As a possible consequence of the revised business plan, impairment of certain OTR assets, including customer relationships and goodwill totalling USD 54 million, will be evaluated.

Tank Terminals (USD mill)	3Q13	2Q13	YTD2013	3Q12	YTD2012	FY2012
Revenue	33	36	104	32	111	145
Gross result	13	16	45	4	49	63
EBITDA	7	7	22	(7)	23	27
EBIT	17	3	20	(16)	(3)	(8)

EBITDA by geographical segment (USD mill.) ¹	3Q13	2Q13	YTD2013	3Q12	YTD2012	FY2012
Europe	(8)	(9)	(25)	(21)	(22)	(32)
North America	4	3	10	4	11	14
Asia	7	7	21	7	22	27
Middle East	4	5	15	4	13	18
Total	7	7	22	(7)	23	27

¹ Revenue and profit from the terminals included in the Lindsay Goldberg transaction in 2013 are recognized according to the new ownership percentages from 1 September.

Finance

In September Odfjell completed two transactions in the Norwegian bond market. NOK 400 million was raised through a tap issue of the existing senior unsecured bonds maturing in December 2015, following which a total of NOK 600 million remains outstanding. Additional NOK 100 million of our own bond holdings (ODF04), maturing in April 2017, were re-issued, following which the total amount outstanding is NOK 600 million. Both offerings were oversubscribed. The net proceeds from the transactions will be used for repayment of bonds maturing in December and for general corporate purposes.

Two of the four vessels under construction in Korea have been financed through a long-term sale/lease-back structure, which will be effective at delivery of the vessels. Financing of the two remaining vessels is expected to be concluded soon. Over the next two quarters, financing covering 5 – 6 existing vessels will mature. We are in the process of refinancing these vessels at terms more favourable than the current financing.

The agreement for the refinancing of the terminal in Rotterdam was signed in the beginning of November. The refinancing of existing debt will generate surplus liquidity, and contains an additional tranche for drawing additional funds against completed capital expenditure projects.

Following the completion of the Lindsay Goldberg transaction, Odfjell has booked a total capital gain of USD 24.5 million. USD 19.5 million of this gain was booked in the third quarter, and USD 5 million was booked in the second quarter. Profit and loss figures from the



terminals included in the transaction are recognized according to the new ownership percentages from 1 September.

Key figures (USD mill.)	3Q13	2Q13	3Q12	4Q12
Cash and available-for-sale investments	213	235	131	175
Interest bearing debt	1,326	1,339	1,286	1,221
Net interest bearing debt	1,113	1,104	1,156	1,046
Available drawing facilities	102	0	31	94
Total equity	829	832	952	914
Equity ratio	33.8%	31.5%	38.1%	36.9%

Shareholder information

By end September, Odfjell A and B shares were trading at NOK 40.10 and NOK 39.00 respectively, against NOK 26.80 and NOK 26.00 respectively at the close of the previous quarter. In the same period the Oslo Stock Exchange Benchmark Index gained 7% and the Transportation Index gained 15%.

As of 30 September 2013 Odfjell had a market capitalization of about NOK 3,400 million, which is equivalent to about USD 576 million.

Prospects

The US economy and the US dollar are finally looking up, which is good news for our business generally.

The European economy is still lagging but is showing some modest improvement.

The big question is the strength of China's economy. Excessive credit growth, rising local government debt and weaker export momentum may cap the Chinese recovery, from the last two quarters of slowdown.

Based on the above we expect a slow but steady increase in demand for our services. Ordering of product tankers is picking up, whilst the orderbook within the core chemical segment still remains modest.

We expect the final quarter of 2013 to be similar to or slightly better for our chemical tankers than the third quarter. As to terminals, with the exception of Odfjell Terminals (Rotterdam), we expect continued stable results.

Bergen, 13 November 2013



ODFJELL GROUP

STATEMENT OF COMPREHENSIVE INCOME	1Q13	2Q13	3Q13	3Q12 ³⁾	YTD 2013	YTD 2012 ³⁾	FY 2012 ³⁾
(USD mill)							
Gross revenue	291	294	296	276	882	916	1 212
Net income from associates and joint ventures	0	0	0	0	1	0	1
Voyage expenses	(122)	(116)	(127)	(118)	(365)	(403)	(532)
Time-charter expenses	(44)	(39)	(37)	(43)	(121)	(130)	(173)
Operating expenses	(68)	(69)	(68)	(75)	(205)	(214)	(285)
Gross result	58	70	64	41	193	170	222
General and administrative expenses	(32)	(34)	(28)	(33)	(93)	(94)	(129)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	27	36	37	8	100	76	93
Depreciation	(31)	(31)	(33)	(33)	(95)	(98)	(132)
Capital gain (loss) on non-current assets	(1)	3	19	0	20	2	(4)
Operating result (EBIT)	(6)	8	23	(25)	25	(20)	(43)
Interest income	1	1	2	1	5	2	3
Interest expenses	(13)	(12)	(14)	(14)	(39)	(39)	(53)
Other financial items	4	1	(5)	(2)	0	(10)	(16)
Currency gains (losses)	2	(0)	4	(1)	5	(2)	(3)
Net financial items	(6)	(10)	(13)	(15)	(29)	(49)	(68)
Result before taxes	(11)	(2)	10	(40)	(4)	(68)	(111)
Taxes	(2)	(0)	(0)	2	(2)	(2)	0
Net result	(13)	(2)	9	(39)	(6)	(71)	(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	21	4	27	26
Cash flow hedges transferred to profit and loss statement	(2)	(0)	(3)	(6)	(6)	(12)	(15)
Net gain/(loss) on available-for-sale investments	(0)	(0)	0	1	0	1	1
Exchange rate differences on translating foreign operations	(4)	3	(10)	6	(11)	4	11
Net other comprehensive income not being reclassified to profit or loss in subsequent periods:							
Net actuarial gain/(loss) on defined benefit plans	-	-	-	(3)	-	(8)	(10)
Other comprehensive income	(9)	2	(5)	19	(12)	11	13
Total comprehensive income	(22)	(1)	5	(19)	(18)	(58)	(98)
Net result allocated to:							
Non-controlling interests	0	0	0	0	0	0	0
Owner of parent	(13)	(2)	9	(39)	(6)	(71)	(111)
Total comprehensive income allocated to:							
Non-controlling interests	0	0	0	0	-	0	0
Owner of parent	(22)	(1)	5	(19)	(18)	(58)	(97)
Earnings per share (USD) – basic/diluted	(0.16)	(0.03)	0.12	(0.49)	(0.08)	(0.90)	(1.37)

STATEMENT OF FINANCIAL POSITION	1Q13	2Q13	3Q13	3Q12 ³⁾	FY2012 ³⁾
(USD mill)					
Intangible assets	107	107	107	113	110
Ships	1 198	1 272	1 256	1 194	1 190
Newbuilding contracts	88	40	46	120	103
Tank terminals	441	454	482	614	448
Other non-current assets	76	75	77	74	70
Investments in associates	22	22	22	23	23
Non-current receivables	65	74	48	55	49
Total non-current assets	1 996	2 044	2 038	2 192	1 993
Current receivables	168	162	165	136	139
Bunkers and other inventories	19	25	31	25	37
Derivative financial instruments	6	1	3	12	7
Available-for-sale investments	15	9	10	22	17
Cash and cash equivalents	118	226	203	109	153
Total current assets	325	423	412	303	358
Assets held for sale	223	173	-	-	224
Total assets	2 543	2 641	2 451	2 495	2 569
Paid in equity	199	199	199	80	83
Other equity	626	633	630	834	825
Non-controlling interests	7	-	-	6	7
Total equity	832	832	829	921	914
Non-current liabilities	127	123	118	144	130
Derivatives financial instruments	15	15	17	17	16
Non-current interest bearing debt	1 041	1 095	1 128	1 149	995
Total non-current liabilities	1 183	1 233	1 262	1 311	1 141
Current portion of interest bearing debt	243	244	198	137	226
Derivative financial instruments	20	13	12	27	24
Current liabilities	137	149	150	100	136
Total current liabilities	400	406	360	264	386
Liabilities held for sale	129	171	-	-	129
Total equity and liabilities	2 543	2 641	2 451	2 495	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	-	4	15	1	(78)	(58)	(0)	(58)
Equity as at 30.09.2012	80	17	(8)	2	823	834	6	921
Equity as at 1.1.2013	83	24	(12)	0	812	824	6	914
Comprehensive income	-	(11)	(1)	0	(6)	(18)	-	(18)
Other adjustments	-	-	-	-	(18)	(18)	-	(18)
Share repurchases	(3)	-	-	-	(39)	(39)	-	(42)
Disposal minority	-	-	-	-	-	-	(6)	(6)
Equity as at 30.09.2013	80	13	(13)	1	749	750	-	829

PROFITABILITY	1Q13	2Q13	3Q13	3Q12³⁾	YTD2013	YTD2012³⁾	FY2012³⁾
Earnings per share (USD) - basic/diluted	(0.16)	(0.03)	0.12	(0.49)	(0.08)	(0.90)	(1.37)
Return on total assets ¹⁾	0.1%	2.3%	3.00%	(8.0%)	1.50%	(1.7%)	(2.3%)
Return on equity ¹⁾	(5.5%)	(2.1%)	(2.4%)	(16.1%)	(1.7%)	(9.7%)	(11.3%)
Return on capital employed ¹⁾	(0.9%)	1.2%	1.7%	(4.9%)	1.2%	(1.2%)	(2.0%)
FINANCIAL RATIOS							
Average number of shares (mill.) ²⁾	82.0	80.2	78.6	78.6	79.7	78.6	80.6
Basic/diluted equity per share (USD)	10.5	10.6	10.5	12.0	10.5	12.0	11.9
Share price per A-share (USD)	5.0	4.5	6.68	4.0	6.68	4.0	4.3
Debt repayment capability (Years)	14.8	10.6	15.5	NA	12.1	35	46
Current ratio	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Equity ratio	32.7%	31.5%	33.8%	36.9%	33.8%	36.9%	35.6%
USD/NOK rate at period end	5.83	6.03	6.0	5.71	6.00	5.71	5.59
CASH FLOW STATEMENT							
(USD mill)	1Q13	2Q13	3Q13	3Q12³⁾	YTD2013	YTD2012³⁾	FY2012
CASH FLOW FROM OPERATING ACTIVITIES							
Profit before income taxes	(11)	(2)	10	(40)	(4)	(68)	(111)
Taxes paid in the period	(11)	(14)	-	2	(25)	(18)	1
Depreciation and impairment	31	31	33	33	95	98	132
Capital (gain) loss on non-current assets	1	(3)	(19)	-	(20)	(2)	4
Inventory (increase) decrease	18	(7)	(5)	1	6	12	(1)
Trade debtors (increase) decrease	(4)	(6)	(9)	4	(19)	14	12
Trade creditors increase (decrease)	1	2	(17)	2	(15)	(2)	(5)
Difference in pension cost and pension premium paid	(4)	(2)	4	1	(2)	3	4
Effect of exchange differences	(2)	3	(4)	1	(2)	2	3
Other current accruals	(39)	108	(72)	(2)	(4)	(7)	(8)
Net cash flow from operating activities	(20)	111	(80)	2	10	30	31
CASH FLOW FROM INVESTING ACTIVITIES							
Sale of non-current assets	4	4	-	-	8	35	45
Investment in non-current assets	(25)	(77)	(8)	(111)	(111)	(163)	(212)
Investments in shares and in other companies	1	(0)	(0)	-	1	(21)	(21)
External investments in terminal companies	-	42	50	(1)	92	-	-
Available-for-sale investments	2	5	(0)	1	7	3	9
Changes in non-current receivables	(14)	(3)	30	(1)	13	5	12
Net cash flow from investing activities	(32)	(29)	71	(112)	10	(142)	(168)

	1Q13	2Q13	3Q13	3Q12	YTD2013	YTD2012	FY2012
CASH FLOW FROM FINANCING ACTIVITIES							
New interest bearing debt	100	103	83	103	287	224	439
Payment of interest bearing debt	(41)	(76)	(97)	(26)	(214)	(183)	(361)
Treasury shares transaction	(42)	-	-	-	(42)	-	33
Net cash flow from financing activities	18	27	(14)	77	31	40	111
Effect on cash balances from currency exchange rate fluctuations	(1)	(0)	0	-	(1)	(0)	(0)
Net change in cash and cash equivalents	(35)	109	(23)	(32)	50	(72)	(27)
Opening cash and cash equivalents	153	118	226	141	153	180	180
Ending cash and cash equivalents	118	226	203	109	203	109	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	3Q13	3Q12	YTD13	YTD12	FY2012
Chemical Tankers	253	255	262	245	771	808	1 066
LPG/Ethylene	4	3	2	1	10	1	6
Tank Terminals	35	36	33	32	104	111	145
Gross revenue from internal customers	(1)	(1)	(2)	(2)	(3)	(4)	(5)
Total gross revenue	291	294	296	276	882	916	1 212
Chemical Tankers	18	30	30	15	79	53	65
LPG/Ethylene	(0)	(1)	(1)	(1)	(2)	(1)	1
Tank Terminals	9	7	7	(7)	22	23	27
Total operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	27	36	37	8	100	76	93
Chemical Tankers	(4)	6	7	(9)	9	(17)	(35)
LPG/Ethylene	(1)	(2)	(2)	(1)	(4)	(1)	(0)
Tank Terminals	(1)	3	17	(16)	20	(3)	(8)
Total operating result (EBIT)	(6)	8	23	(25)	25	(20)	(43)
Chemical Tankers	(14)	(11)	(0)	(23)	(25)	(58)	(97)
LPG/Ethylene	(2)	(2)	(2)	(1)	(6)	(1)	(1)
Tank Terminals	3	10	12	(16)	25	(13)	(13)
Total net result	(13)	(2)	9	(39)	(6)	(71)	(111)
Chemical Tankers	1 630	1 661	1 615	1 593	1 615	1 593	1 634
LPG/Ethylene	59	57	65	62	65	62	102
Tank Terminals	632	750	771	843	771	843	609
Assets held for sale	223	173	-	-	-	-	224
Total assets	2 543	2 641	2 451	2 498	2 451	2 498	2 569

Note 3 - Net interest bearing liabilities

(USD mill)	3Q13	3Q12	FY2012
Loans from financial institutions – floating interest rate	672	774	602
Financial leases	169	195	191
Bonds	294	185	211
Current portion interest bearing debt (incl. bonds)	198	137	226
Transaction costs	(8)	(5)	(9)
Subtotal interest bearing debt	1 325	1 287	1 221
Held for sale	-	-	105
Total interest bearing debt	1 325	1 287	1 325
Cash and cash equivalent	(203)	(109)	(153)
Available for sale investments	(10)	(22)	(17)
Interest bearing liabilities	1 113	1 156	1 156
Held for sale	-	-	(17)
Net interest bearing liabilities	1 113	1 156	1 138
(USD mill)	3Q13	3Q12	FY2012
New interest bearing debt	83	103	439
Payment of interest bearing debt	(97)	(26)	(361)

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)	3Q13	3Q12	FY2012
Net carrying amount beginning (incl. held for sale)	1 999	1 964	1 964
Investments in non-current assets	110	163	213
Sale of non-current assets	(155)	(33)	(46)
Depreciation and impairment	(92)	(95)	(127)
Exchange differences	(2)	2	(4)
Assets held for sale	-	-	(188)
Net carrying amount end	1 861	2 001	1 811

Note 6 – Intangible assets

(USD mill)	3Q13	3Q12	FY2012
Net carrying amount beginning (incl. held for sale)	113	115	115
Depreciation and impairment	(4)	(3)	(4)
Exchange differences	1	1	2
Assets held for sale	-	-	(3)
Disposal assets held for sale	(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 September 2012:

Decrease in pension assets: USD 2 800
 Increase in pension liabilities: USD 28 282
 Decrease in other equity: USD 31 082
 Net cost recognised in other comprehensive income: USD 7 659

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 – Fair value and financial instruments

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The measurement used by Odfjell is either level 1 or 2, where level 1 is quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has access to at the measurement date, and level 2 are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. For some non-derivative financial assets and liabilities we consider carrying amount to be the best estimate of fair value due to short maturity date and valid terms, i.e. current receivables and payables.

During the third quarter of 2013 there have been no transfers between levels of the fair value hierarchy. The group accounts for transfers between levels of the fair value hierarchy from the date of the event or change in circumstances that caused the transfer.

Assets and liabilities which are measured at fair value in the Consolidated Balance Sheet and their level of the fair value hierarchy were as follows:

	3Q13 Level 1	3Q13 Level 2	3Q12 Level 1	3Q12 Level 2
Recurring fair value measurement				
Financial assets at fair value through profit or loss:				
Derivatives instruments – non hedging	-	-	-	1
Derivatives instruments - hedging	-	3	-	11
Financial liabilities at fair value through profit or loss:				
Derivatives instruments – non hedging	-	26	-	25
Derivatives instruments - hedging	-	3	-	19
Available-for-sale-investments	10	-	22	-

Note 9 – 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 has acquired 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 is now owned 51% by Odfjell and 49% by Lindsay Goldberg. Odfjell realized a book gain of USD 24.5 million related to the transaction.

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

Assets	3Q13	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 10 – 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)	3Q13	2Q13	1Q13	FY2012
(USD mill)				
Gross revenue	258	256	256	1 066
Net income from associates and joint ventures	30	(1)	(4)	(10)
Voyage expenses	(127)	(115)	(121)	(530)
Time-charter expenses	(37)	(39)	(43)	(173)
Operating expenses	(47)	(48)	(48)	(202)
Gross result	79	53	40	150
General and administrative expenses	(18)	(27)	(25)	(99)
Operating result before depreciation, amortisation and capital gain (loss) on non-current assets (EBITDA)	61	26	14	50
Depreciation	(23)	(23)	(22)	(98)
Capital gain (loss) on non-current assets	(5)	3	(1)	(6)
Operating result (EBIT)	32	6	(9)	(54)
Interest income	1	(0)	0	2
Interest expenses	(8)	(7)	(9)	(40)
Other financial items	(4)	1	4	(14)
Currency gains (losses)	(11)	(2)	3	(2)
Net financial items	(21)	(8)	(1)	(54)
Result before taxes	11	(2)	(10)	(108)
Taxes	(2)	(0)	(3)	(3)
Net result	9	(2)	(13)	(111)

STATEMENT OF FINANCIAL POSITION (EQUITY METHOD)	3Q13	2Q13	1Q13	FY2012
(USD mill)				
Ships	1 256	1 267	1192	1 185
Newbuilding contracts	40	40	88	103
Tank terminals	-	-	-	-
Other non-current assets	55	55	56	57
Investments in associates and joint ventures	454	337	314	332
Loan to associates and joint ventures	-	65	30	29
Non-current receivables	42	68	59	44
Total non-current assets	1 847	1 833	1 739	1 750
Current receivables	124	125	129	107
Bunkers and other inventories	30	25	17	36
Derivative financial instruments	3	1	6	7
Available-for-sale investments	9	9	14	17
Cash and cash equivalents	108	202	83	122
Total current assets	275	362	249	288
Net assets held for sale	-	3	94	95
Total assets	2 122	2 197	2 084	2 133
Paid in equity	199	199	199	80
Other equity	630	633	626	824
Non-controlling interests	-	-	7	7
Total equity	829	832	832	914
Non-current liabilities	53	48	43	49
Derivatives financial instruments	14	12	10	11
Non-current interest bearing debt	952	957	888	860
Total non-current liabilities	1 018	1 017	941	920
Current portion of interest bearing debt	159	205	202	183
Derivative financial instruments	12	13	20	24
Current liabilities	104	130	90	92
Total current liabilities	275	348	312	299
Total equity and liabilities	2 122	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

	3Q13	2Q13	1Q13	FY2012
Equity ratio	39.1%	37.8%	39.9%	42.9%

FLEET & TERMINAL OVERVIEW as per 12 November 2013

CHEMICAL TANKERS OWNED:

SHIP	YEAR BUILT	DWT	CBM	STAINLESS STEEL, CBM	NUMBER OF TANKS
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 Andino	2000	16 121	17 622	17 622	30
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 Balearia	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 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	52 565	-	22
Chemroad Hope	2011	33 552	37 161	37 161	18
SG Pegasus	2011	13 086	14 523	14 523	16
Southern Koala	2010	21 290	20 008	20 008	20
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
Celsius Monaco	2005	19 999	21 851	21 851	22
Chembulk Sydney	2005	14 271	16 571	16 571	20
Golden Top	2004	12 705	13.388	13.388	22
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
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 Riyad ²	1995	37 221	41 492	34 213	52
Bow Eagle	1988	24 728	32 347	19 662	25
Crystal Pearl ³	1994	8 143	9 346	9 346	17
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:	85	2 187 203	2 448 439	1 990 029	2 353

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 BUILT	DWT	CBM	TYPE	NUMBER OF TANKS
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
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CHEMICAL TANKERS	Hyundai Mipo Dockyard., Ltd	2014	46 000		Odfjell
	"	2014	46 000		Odfjell
	"	2014	46 000		Odfjell
	"	2014	46 000		Odfjell
LPG/ETHYLENE CARRIERS	YARD	DELIVERY	CBM	OWNER	COMMENT
	Nantong Sinopacific Offshore & Engineering Co., Ltd	2015	17 000	Odfjell	Optional 4
	"	2015	17 000	Odfjell	
	"	2016	17 000	Odfjell	
	"	2016	17 000	Odfjell	
	Number of newbuildings:	8			
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	Q3 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
Oiltanking Odfjell Terminal Singapore Ltd	Singapore	25.5 %	12 000	-	Q1 2015
Odfjell Terminals Quanzhou (Fujian)	Quanzhou, China	25.5%	184 000	-	Q1 2016
Total expansion terminals	3 new terminals		501 291	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 I, Brazil		75 710	-	35
Granel Quimica Ltda	Ladario, Brazil		8 060	-	6
Granel Quimica Ltda	Trifunfo, 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		68 580	10 190	102
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		765 536	40 600	466
OWNED BY RELATED PARTIES*)	LOCATION		CBM		COMPLETION
Granel Quimica Ltda	Aracruz, Brazil		30 000	-	ready Q3 2015
Granel Quimica Ltda	Santos II, Brazil		52 000	-	ready Q4 2015
Granel Quimica Ltda	Sao Luis II, Brazil		52 750	-	ready Q3 2014
Terquim S.A.	Mejillones, Chile		50 000	-	ready Q3 2015
Granel Quimica Ltda	Palmas, Brazil		10 000	-	ready Q2 2014
Total expansion tank terminals partly owned by related parties	4 new terminals		194 750		
Grand total (incl. related tank terminals partly owned by related parties)	22 existing terminals		5 315 891	292 713	

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

**) Odfjell SE's indirect ownership share



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