

KNIGHTSBRIDGE

# Q4 2013 Results

TANKERS LIMITED



[www.knightsbridgetankers.com](http://www.knightsbridgetankers.com)

5 February 2014

# Forward looking statements

MATTERS DISCUSSED IN THIS DOCUMENT MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 PROVIDES SAFE HARBOR PROTECTIONS FOR FORWARD-LOOKING STATEMENTS IN ORDER TO ENCOURAGE COMPANIES TO PROVIDE PROSPECTIVE INFORMATION ABOUT THEIR BUSINESS. FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING PLANS, OBJECTIVES, GOALS, STRATEGIES, FUTURE EVENTS OR PERFORMANCE, AND UNDERLYING ASSUMPTIONS AND OTHER STATEMENTS, WHICH ARE OTHER THAN STATEMENTS OF HISTORICAL FACTS.

KNIGHTSBRIDGE DESIRES TO TAKE ADVANTAGE OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND IS INCLUDING THIS CAUTIONARY STATEMENT IN CONNECTION WITH THIS SAFE HARBOR LEGISLATION. THE WORDS "BELIEVE," "ANTICIPATE," "INTENDS," "ESTIMATE," "FORECAST," "PROJECT," "PLAN," "POTENTIAL," "WILL," "MAY," "SHOULD," "EXPECT" "PENDING" AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS.

THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT ARE BASED UPON VARIOUS ASSUMPTIONS, MANY OF WHICH ARE BASED, IN TURN, UPON FURTHER ASSUMPTIONS, INCLUDING WITHOUT LIMITATION, MANAGEMENT'S EXAMINATION OF HISTORICAL OPERATING TRENDS, DATA CONTAINED IN KNIGHTSBRIDGE'S RECORDS AND OTHER DATA AVAILABLE FROM THIRD PARTIES. ALTHOUGH KNIGHTSBRIDGE BELIEVES THAT THESE ASSUMPTIONS WERE REASONABLE WHEN MADE, BECAUSE THESE ASSUMPTIONS ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT AND ARE BEYOND KNIGHTSBRIDGE'S CONTROL, YOU CANNOT BE ASSURED THAT KNIGHTSBRIDGE WILL ACHIEVE OR ACCOMPLISH THESE EXPECTATIONS, BELIEFS OR PROJECTIONS. KNIGHTSBRIDGE UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT TO CONFORM THE STATEMENT TO ACTUAL RESULTS OR CHANGES IN EXPECTATIONS.

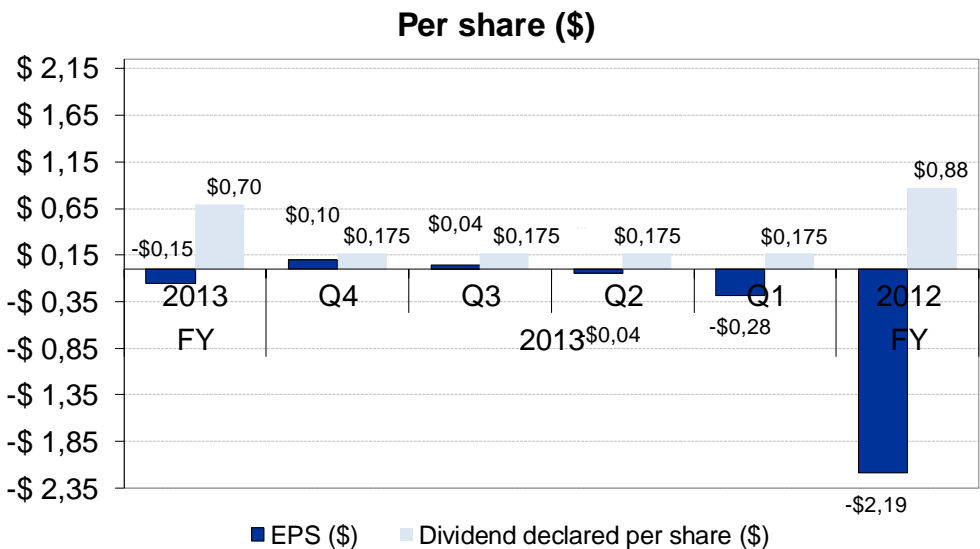
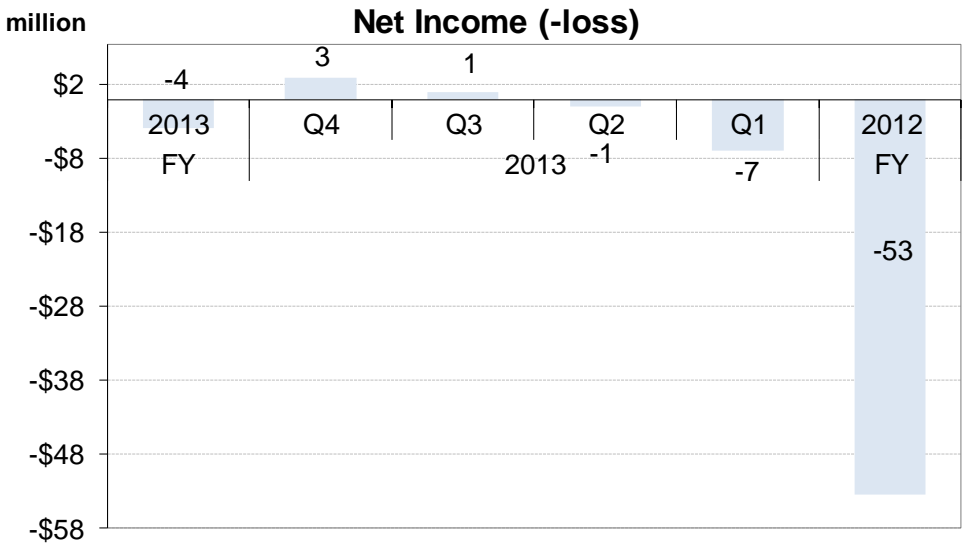
IMPORTANT FACTORS THAT, IN KNIGHTSBRIDGE'S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND VESSEL VALUES, CHANGES IN DEMAND IN THE TANKER MARKET, INCLUDING BUT NOT LIMITED TO CHANGES IN OPEC'S PETROLEUM PRODUCTION LEVELS AND WORLD WIDE OIL CONSUMPTION AND STORAGE, CHANGES IN KNIGHTSBRIDGE'S OPERATING EXPENSES, INCLUDING BUNKER PRICES, DRYDOCKING AND INSURANCE COSTS, THE MARKET FOR KNIGHTSBRIDGE'S VESSELS, AVAILABILITY OF FINANCING AND REFINANCING, ABILITY TO COMPLY WITH COVENANTS IN SUCH FINANCING ARRANGEMENTS, FAILURE OF COUNTERPARTIES TO FULLY PERFORM THEIR CONTRACTS WITH US, CHANGES IN GOVERNMENTAL RULES AND REGULATIONS OR ACTIONS TAKEN BY REGULATORY AUTHORITIES, POTENTIAL LIABILITY FROM PENDING OR FUTURE LITIGATION, GENERAL DOMESTIC AND INTERNATIONAL POLITICAL CONDITIONS, POTENTIAL DISRUPTION OF SHIPPING ROUTES DUE TO ACCIDENTS OR POLITICAL EVENTS, VESSEL BREAKDOWNS, INSTANCES OF OFF-HIRE AND OTHER IMPORTANT FACTORS. FOR A MORE COMPLETE DISCUSSION OF THESE AND OTHER RISKS AND UNCERTAINTIES ASSOCIATED WITH KNIGHTSBRIDGE'S BUSINESS, PLEASE REFER TO KNIGHTSBRIDGE'S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING, BUT NOT LIMITED TO, ITS ANNUAL REPORT ON FORM 20-F.

THIS PRESENTATION IS NOT AN OFFER TO PURCHASE OR SELL, OR A SOLICITATION OF AN OFFER TO PURCHASE OR SELL, ANY SECURITIES OF KNIGHTSBRIDGE.

# Highlights

	Q4 2013	Q3 2013
Net Income million	\$3,01	\$1,01
EPS	\$0,10	\$0,04
EBITDA* (million)	\$7,0	\$4,7
EBITDA per share*	\$0,24	\$0,19
Cash distribution per share	\$0,175	\$0,175

\*EBITDA refers to continuing operations.  
Please see Q4 Press Release for details





# Profit & Loss

TANKERS LIMITED

	2012 Oct-Dec	2013 Oct-Dec	INCOME STATEMENT <i>(in thousands of \$)</i>	2013 Jan-Dec	2012 Jan-Dec
	<b>8 608</b>	<b>13 467</b>	<b>Operating revenues</b>	<b>37 546</b>	<b>37 315</b>
			<b>Operating expenses</b>		
	240	2 925	Voyage expenses	6 809	4 323
	2 072	2 043	Ship operating expenses	7 897	7 608
	1 206	1 508	Administrative expenses	4 937	4 259
	2 795	2 793	Depreciation	11 079	11 117
	<b>6 313</b>	<b>9 269</b>	<b>Total operating expenses</b>	<b>30 722</b>	<b>27 307</b>
	<b>2 295</b>	<b>4 198</b>	<b>Net operating income</b>	<b>6 824</b>	<b>10 008</b>
			Other income (expenses)		
	49	6	Interest income	41	106
	(924)	(592)	Interest expenses	(2 827)	(3 765)
	(122)	(129)	Other financial items	(508)	(475)
	<b>(997)</b>	<b>(715)</b>	<b>Total other expenses</b>	<b>(3 294)</b>	<b>(4 134)</b>
	<b>1 298</b>	<b>3 483</b>	<b>Net income from continuing operations</b>	<b>3 530</b>	<b>5 874</b>
	<b>(1 574)</b>	<b>(472)</b>	<b>Net (loss) income from discontinued operations</b>	<b>(7 433)</b>	<b>(59 303)</b>
	<b>(276)</b>	<b>3 011</b>	<b>Net (loss) income</b>	<b>(3 903)</b>	<b>(53 429)</b>
	0,05	0,12	Basic (loss) earnings per share from continuing operations (\$)	0,14	0,24
	(0,06)	(0,02)	Basic (loss) earnings per share from discontinued operations(\$)	(0,29)	(2,43)
	(0,01)	0,10	Basic (loss) earnings per share(\$)	(0,15)	(2,19)

# Income on T/C basis and Opex

	2013 FY	Q4	2013 Q3	Q2	Q1	2012 FY
TCE Earnings Capesize (\$ per day per vessel)	21 100	28 600	21 000	16 900	17 900	22 500
Ship operating expenses Capesize (\$ per day per vessel)	5 200	5 300	5 100	5 100	5 200	5 000

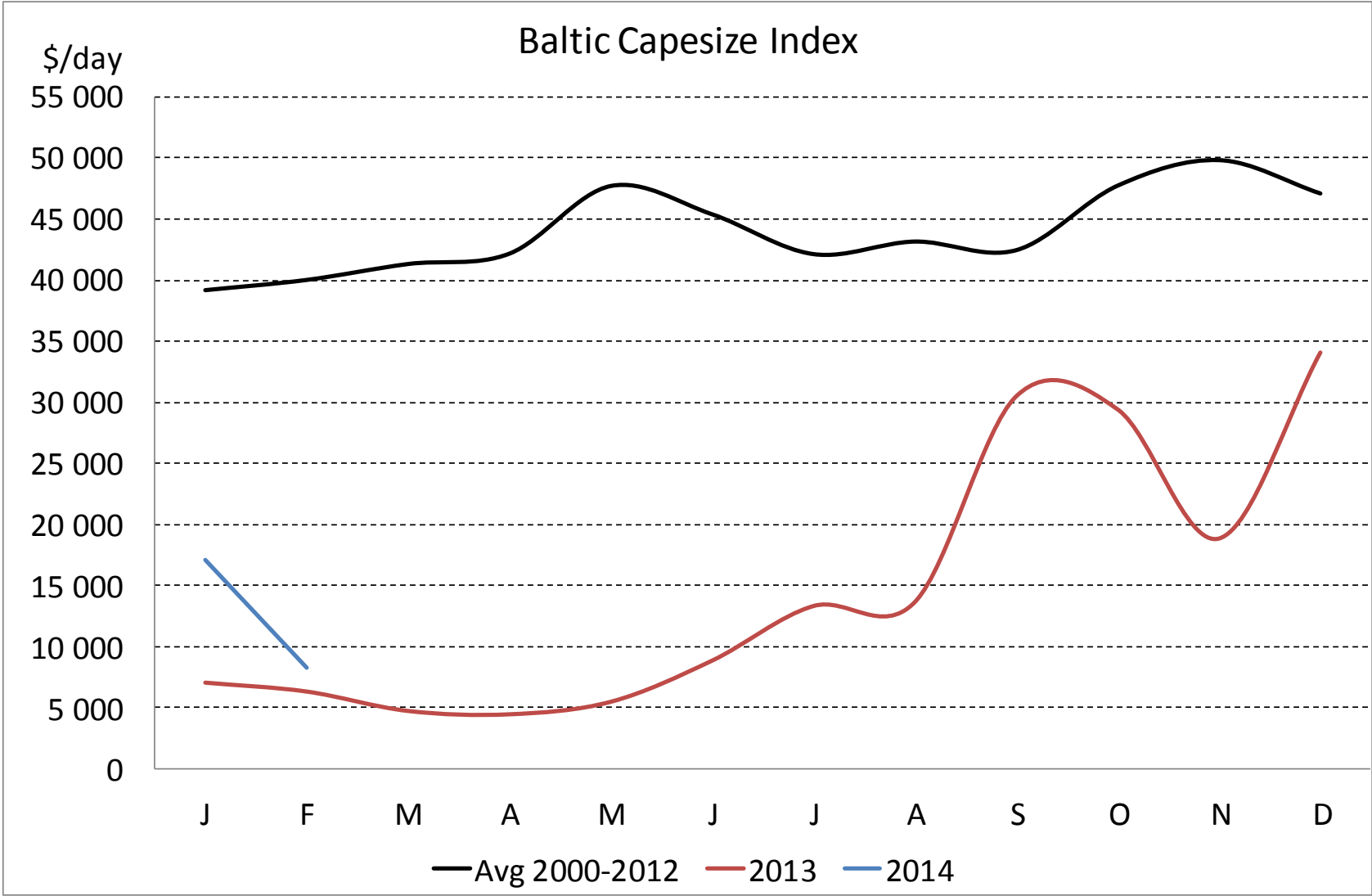
# Balance Sheet

<b>Balance sheet</b> (in thousands of \$)	<b>2013</b> <b>Dec 31</b>	<b>2012</b> <b>Dec 31</b>
<b>ASSETS</b>		
<i>Short term</i>		
Cash and cash equivalents	98 250	79 259
Other Current assets	6 491	6 590
<i>Long term</i>		
Restricted cash	15 000	15 000
Vessels net	262 747	273 826
Newbuildings	26 706	-
Vessels held for sale	-	21 523
Deferred charges	664	1 222
<b>Total assets</b>	<b>409 858</b>	<b>397 420</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<i>Short term</i>		
Current portion of long-term debt	-	4 700
Other current liabilities	7 417	6 798
<i>Long term</i>		
Long term debt	95 000	106 978
Other long term liabilities	-	1 250
Stockholders' equity	307 441	277 694
<b>Total liabilities and stockholders' equity</b>	<b>409 858</b>	<b>397 420</b>

# The Capesize Fleet

<b>Vessel</b>	<b>Dwt</b>	<b>Built</b>	<b>Employment</b>	<b>Estimated Expiry</b>
Belgravia	170,500	2009	5 years t/c	August 2014
Battersea	170,500	2009	Spot Market	
Golden Future	176,000	2010	Index related TC	January 2015
Golden Zhejiang	176,000	2010	Index related TC	November 2014
Newbuilding TBN	182,000	2015		
Newbuilding TBN	182,000	2015		
Newbuilding TBN	180,000	2015		
Newbuilding TBN	180,000	2015		

# Capesize Earnings

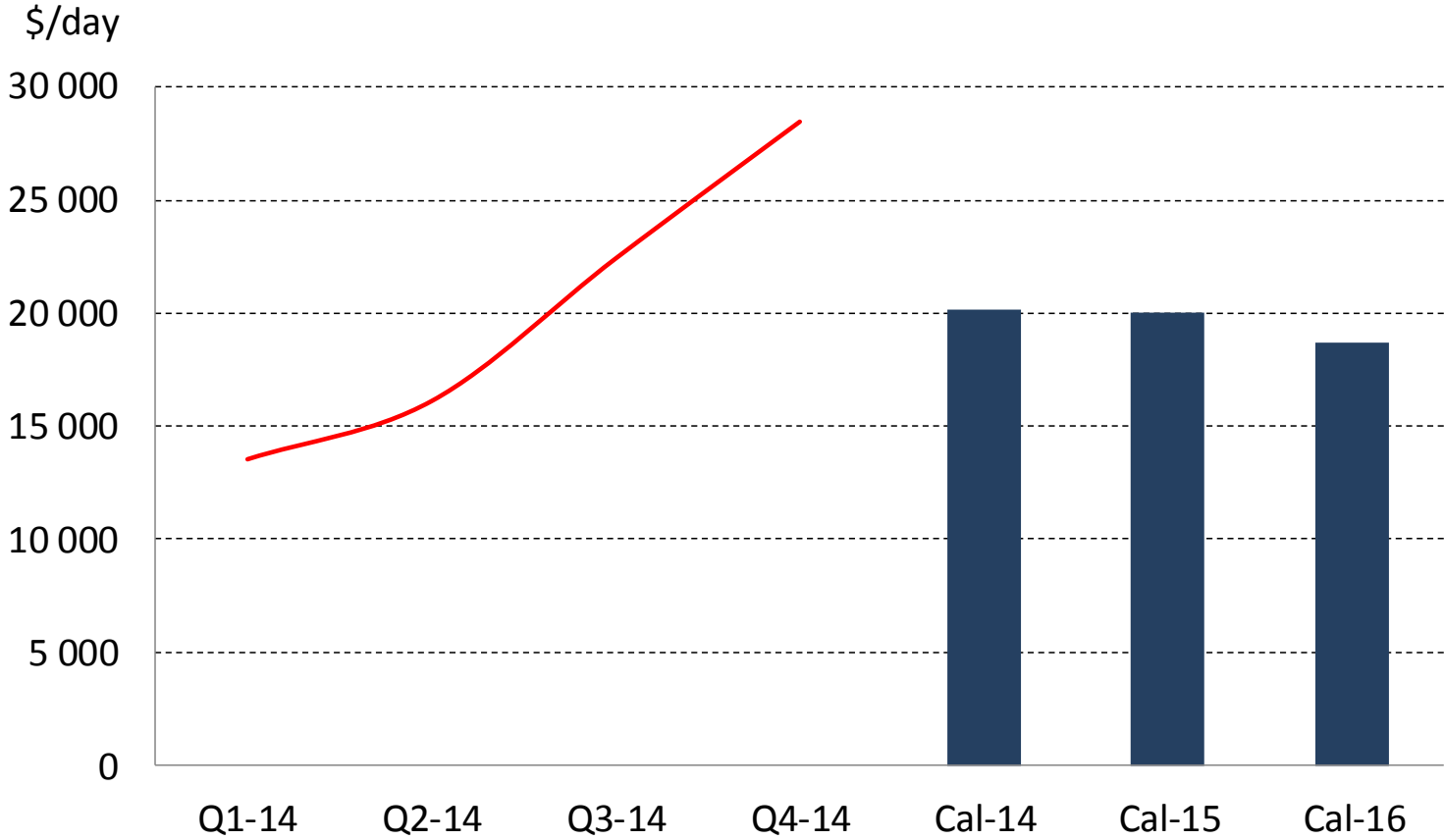


Source: Clarksons, Feb 2014

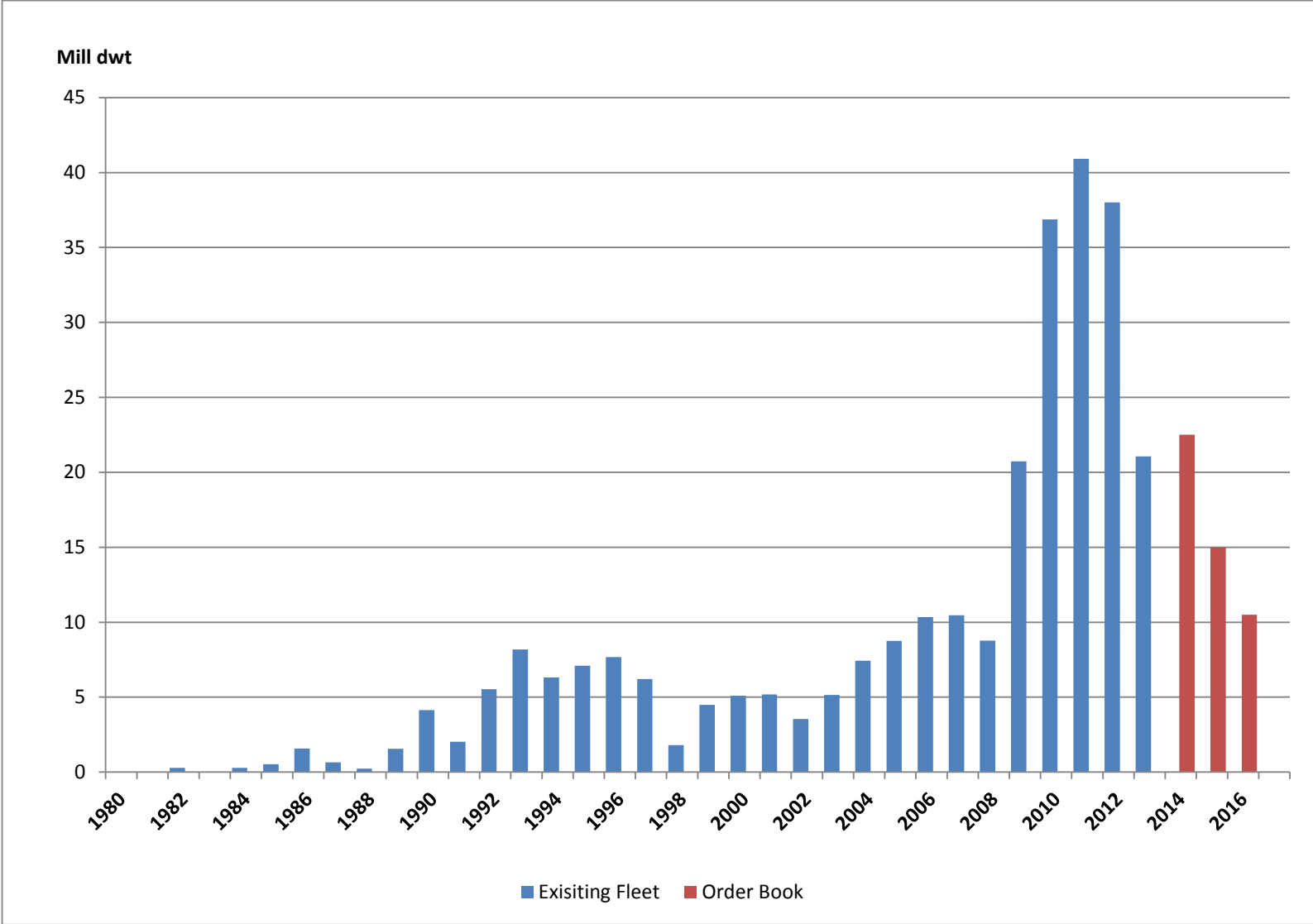


# Current Dry FFA Market

Average of 4 T/C Routes for Baltic Capesize Index



# Existing Capesize fleet by year built and order book



Source: RS Platou Jan 2014

# Dry Bulk – Existing fleet and order book

Bulk carriers	Existing fleet *	On order	Del. 2013	Rest 2014	2015	2016	2017+	On order in % of exist. fleet
<b>Handysize</b>								
10-14,999 dwt	2.7	0.1	0.0	0.0	0.0	0.0	0.0	2.0
15-19,999 dwt	4.8	0.2	0.1	0.2	0.0	0.0	0.0	4.6
20-29,999 dwt	29.9	1.1	0.8	1.0	0.1	0.0	0.0	3.8
30-39,999 dwt	47.2	11.8	4.8	5.1	5.2	1.2	0.2	25.0
Total	84.5	13.2	5.7	6.3	5.4	1.2	0.2	15.6
<b>Handymax / Supramax</b>								
40-52,999 dwt	53.6	2.0	2.3	1.7	0.3	0.0	0.0	3.7
53-64,999 dwt (blt > 1999)	93.9	24.1	9.8	9.7	9.8	4.4	0.3	25.6
Total	147.5	26.1	12.2	11.4	10.0	4.4	0.3	17.7
Total	232.1	39.2	17.8	17.7	15.5	5.6	0.4	16.9
<b>Panamax / Kamsarmax</b>								
65-84,999 dwt**	149.6	27.1	15.3	16.0	7.2	3.8	0.2	18.1
<b>Post Panamax</b>								
85-119,999 dwt	48.3	3.5	4.5	2.2	1.0	0.3	0.0	7.1
<b>Capesize</b>								
120,000 dwt +	277.3	48.0	21.1	22.5	15.0	10.5	0.0	17.3
<b>Grand total</b>	<b>707.2</b>	<b>117.8</b>	<b>58.7</b>	<b>58.4</b>	<b>38.6</b>	<b>20.3</b>	<b>0.6</b>	<b>16.7</b>
No of vessels	9,681	1,431	716	718	494	208	11	

\* Scrapped vessels removed from the fleet when sold for scrap

\*\* Incl 60,000 - 64,999 built year 2000 and before