

KNIGHTSBRIDGE

# Q1 2014 Results

TANKERS LIMITED



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

8 May 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.

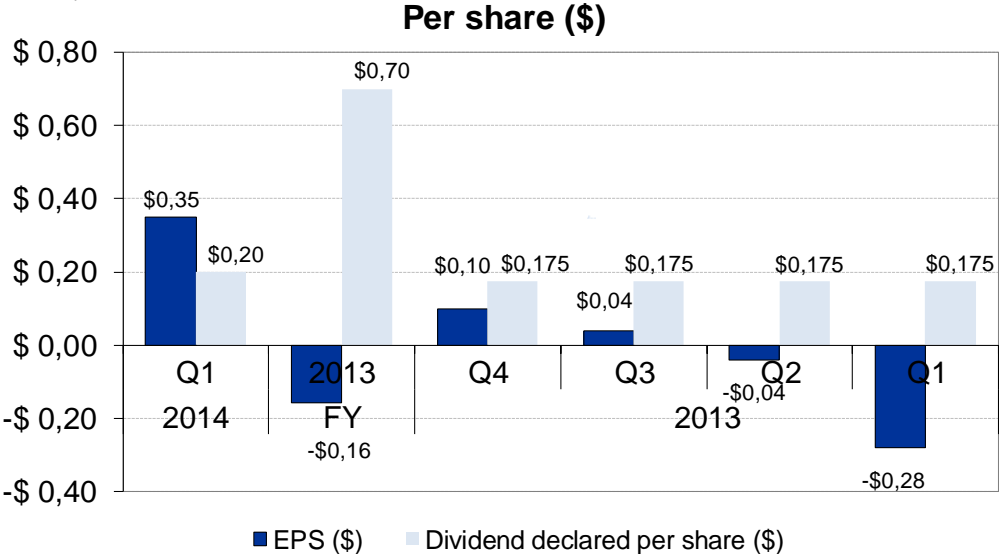
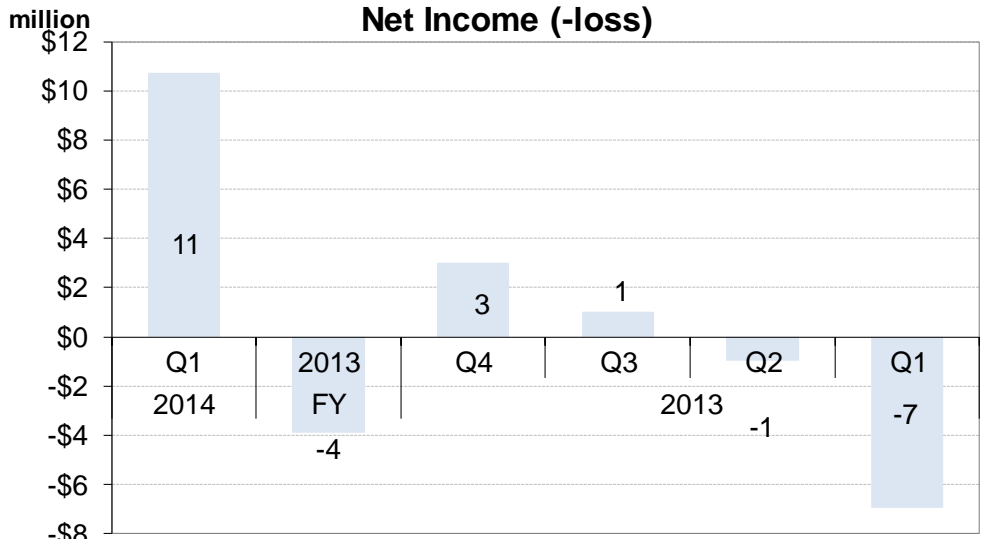
IMPORTANT FACTORS THAT, IN KNIGHTSBRIDGE'S VIEW, COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DISCUSSED IN THE FORWARD-LOOKING STATEMENTS INCLUDE, WITHOUT LIMITATION: THE STRENGTH OF WORLD ECONOMIES AND CURRENCIES, GENERAL MARKET CONDITIONS, INCLUDING FLUCTUATIONS IN CHARTERHIRE RATES AND 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

	Q1 2014	Q4 2013
Net Income million	\$10,72	\$3,01
EPS	\$0,35	\$0,10
EBITDA* (million)	\$14,1	\$7,0
EBITDA per share*	\$0,46	\$0,24
Cash distribution per share	\$0,20	\$0,175

\*EBITDA refers to continuing operations.  
Please see Q1 Press Release for details



## Profit &amp; Loss

<b>INCOME STATEMENT</b> <i>(in thousands of \$)</i>	<b>2014</b> <b>Jan-Mar</b>	<b>2013</b> <b>Jan-Mar</b>	<b>2013</b> <b>Jan-Dec</b>
<b>Operating revenues</b>	<b>20 105</b>	<b>6 469</b>	<b>37 546</b>
<b>Operating expenses</b>			
Voyage expenses	1 599	133	6 809
Ship operating expenses	3 042	1 973	7 897
Administrative expenses	1 384	1 070	4 937
Depreciation	2 647	2 744	11 079
<b>Total operating expenses</b>	<b>8 672</b>	<b>5 920</b>	<b>30 722</b>
<b>Net operating income</b>	<b>11 433</b>	<b>549</b>	<b>6 824</b>
Other income (expenses)			
Interest income	5	20	41
Interest expenses	(564)	(845)	(2 827)
Other financial items	(114)	(150)	(508)
<b>Total other expenses</b>	<b>(673)</b>	<b>(975)</b>	<b>(3 294)</b>
<b>Net income (loss) from continuing operations</b>	<b>10 760</b>	<b>(426)</b>	<b>3 530</b>
<b>Net (loss) income from discontinued operations</b>	<b>(42)</b>	<b>(6 512)</b>	<b>(7 433)</b>
<b>Net (loss) income</b>	<b>10 718</b>	<b>(6 938)</b>	<b>(3 903)</b>
Basic earnings (loss) per share from continuing operations (\$)	0,35	(0,02)	0,14
Basic loss per share from discontinued operations(\$)	-	(0,26)	(0,29)
Basic earnings (loss) per share(\$)	0,35	(0,28)	(0,15)

## Income on T/C basis and Opex

	2014 Q1	Q4	2013			2013 FY
			Q3	Q2	Q1	
TCE Earnings Capesize (\$ per day per vessel)	25 200	28 600	21 000	16 900	17 900	21 100
Ship operating expenses Capesize (\$ per day per vessel excl drydock)	5 400	5 300	5 100	5 100	5 200	5 200

# Balance Sheet

(in thousands of \$)	2014 Dec 31	2013 Mar 31	2013 Dec 31
<b>ASSETS</b>			
<i>Short term</i>			
Cash and cash equivalents	107 469	63 354	98 250
Other Current assets	4 740	4 231	6 491
<i>Long term</i>			
Restricted cash	15 000	15 000	15 000
Vessels net	260 101	271 083	262 747
Newbuildings	26 900	15 374	26 706
Vessels held for sale	-	16 766	-
Deferred charges	547	1 097	664
<b>Total assets</b>	<b>414 757</b>	<b>386 905</b>	<b>409 858</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<i>Short term</i>			
Current portion of long-term debt	-	12 646	-
Other current liabilities	6 765	11 860	7 417
<i>Long term</i>			
Long term debt	95 000	95 000	95 000
Other long term liabilities	-	750	-
Stockholders' equity	312 992	266 649	307 441
<b>Total liabilities and stockholders' equity</b>	<b>414 757</b>	<b>386 905</b>	<b>409 858</b>

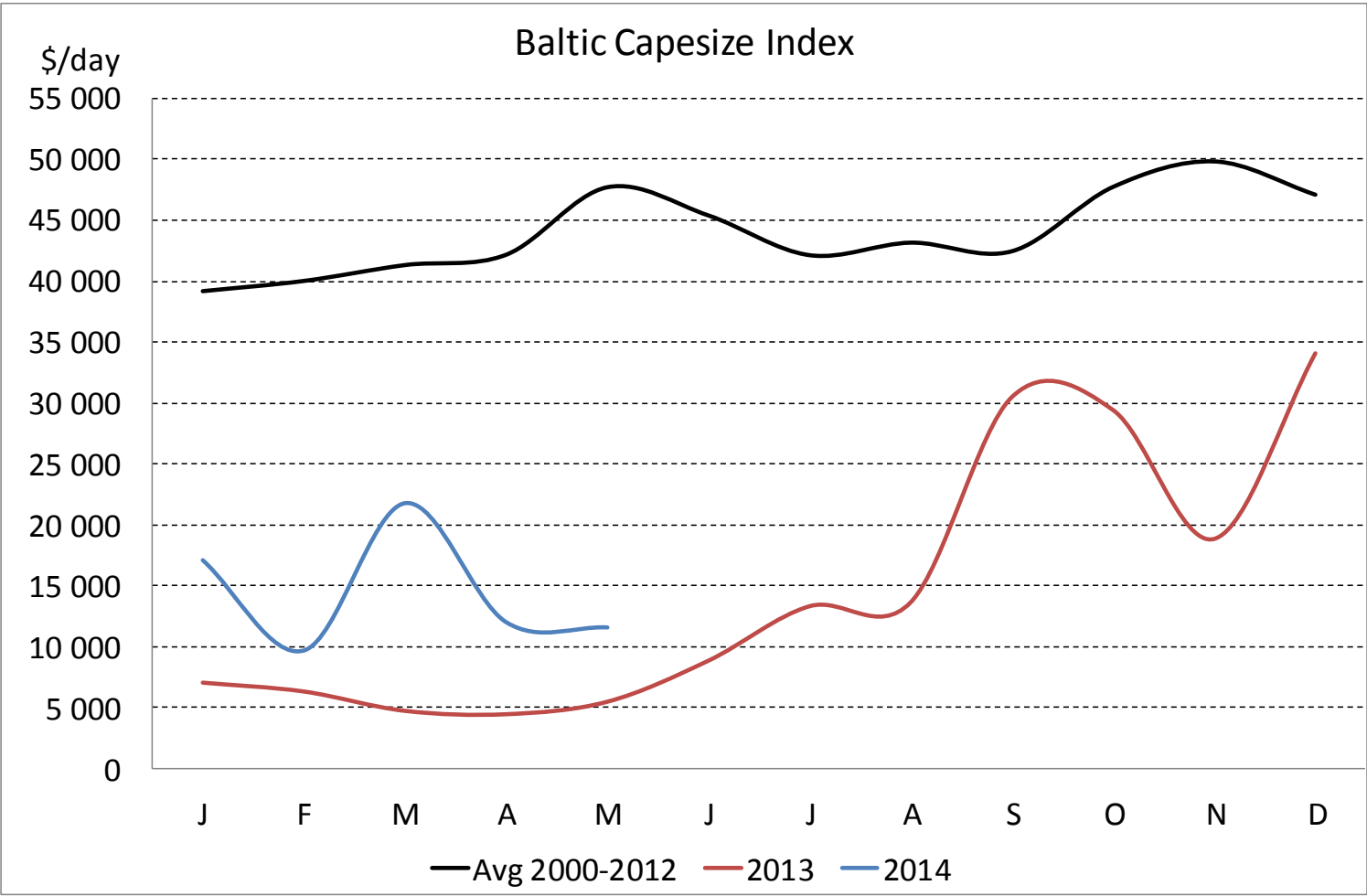
# The Capesize Fleet

Vessel	Dwt	Built	Employment	Estimated Expiry
Belgravia	170 500	2009	5 years t/c	August 2014
Battersea	170 500	2009	Spot Market	
Golden Future	170 500	2010	Index related TC	January 2015
Golden Zhejiang	170 500	2010	Index related TC	November 2014
KSL China	179 100	2013	Spot Market	

Newbuildings	Dwt	Built*	Yard
KSL Seattle	180 000	2014	SWS
KSL Singapore	180 000	2014	SWS
Newbuilding TBN	180 000	2014	SWS
Newbuilding TBN	180 000	2014	SWS
Newbuilding TBN	180 000	2014	SWS
Newbuilding TBN	182 000	2015	JMU
Newbuilding TBN	182 000	2015	JMU
Newbuilding TBN	180 000	2015	Daehan
Newbuilding TBN	180 000	2015	Daehan

\*Estimated delivery

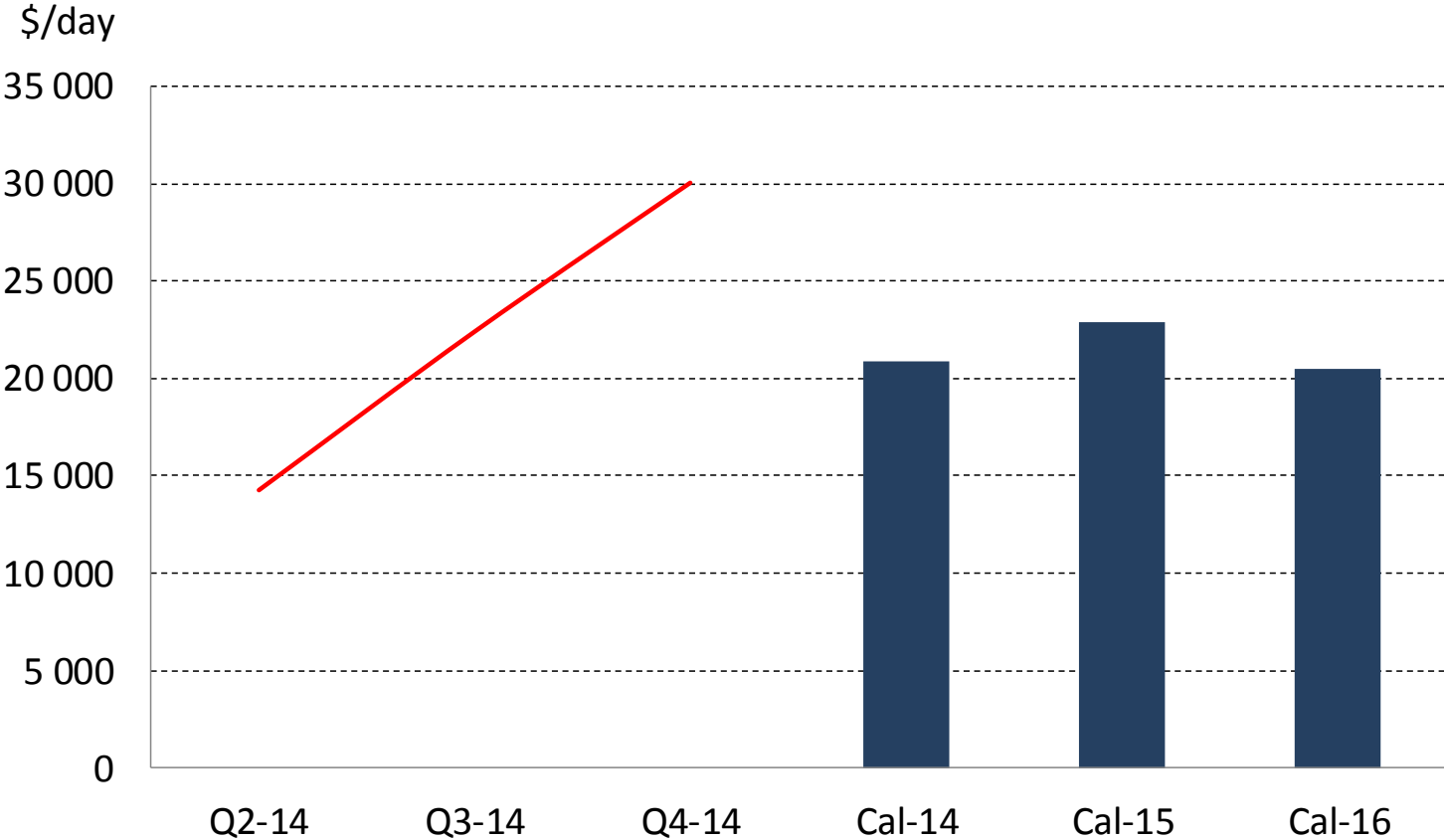
# Capesize Earnings



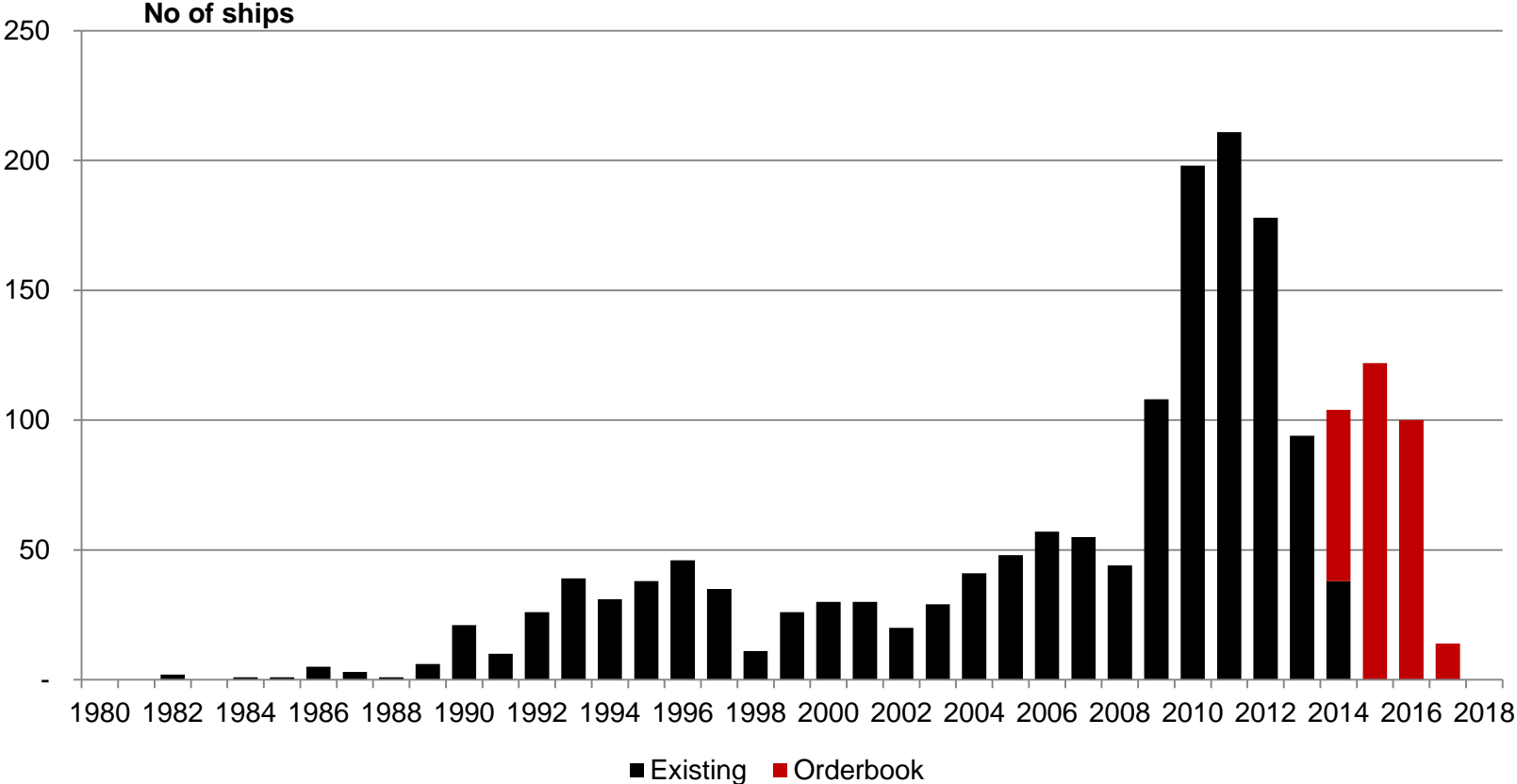


# Current Dry FFA Market

Average of 4 T/C Routes for Baltic Capesize Index



# Existing Capesize fleet by year built and order book



# Dry Bulk – Existing fleet and order book

Bulk carriers	Existing fleet *	On order	Del. 2014	Rest 2014	2015	2016	2017+	On order in % of exist. fleet
<b>Handysize</b>								
10-14,999 dwt	2.8	0.1	0.0	0.0	0.0	0.0	0.0	2.4
15-19,999 dwt	5.0	0.2	0.0	0.1	0.0	0.0	0.0	3.8
20-29,999 dwt	30.5	0.9	0.2	0.6	0.2	0.0	0.0	2.9
30-39,999 dwt	49.1	13.2	1.5	3.9	7.0	2.0	0.2	26.8
Total	87.4	14.3	1.8	4.6	7.3	2.1	0.2	16.4
<b>Handymax / Supramax</b>								
40-52,999 dwt	54.7	2.3	0.9	1.3	0.8	0.1	0.1	4.2
53-64,999 dwt (blt > 1999)	101.8	32.5	2.6	7.3	15.3	8.5	1.4	32.0
Total	156.5	34.9	3.5	8.5	16.1	8.7	1.5	22.3
Total	243.9	49.2	5.3	13.2	23.4	10.8	1.8	20.2
<b>Panamax / Kamsarmax</b>								
65-84,999 dwt**	151.6	28.1	5.5	9.4	10.5	7.4	0.9	18.6
<b>Post Panamax</b>								
85-119,999 dwt	49.3	3.0	1.0	1.4	1.0	0.6	0.0	6.2
<b>Capesize</b>								
120,000 dwt +	286.8	60.2	7.4	14.2	23.1	19.8	3.2	21.0
<b>Grand total</b>	<b>731.5</b>	<b>140.6</b>	<b>19.2</b>	<b>38.2</b>	<b>58.1</b>	<b>38.5</b>	<b>5.8</b>	<b>19.2</b>
No of vessels	9,998	1,666	234	484	731	395	56	

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

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