



Ship Finance International Limited
4Q 2014 Results

February 26, 2015

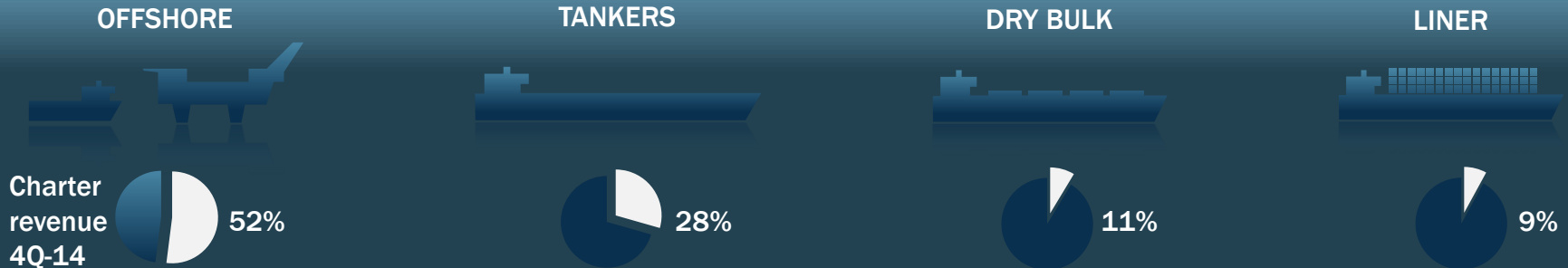
FORWARD LOOKING STATEMENTS

This presentation contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Ship Finance management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although Ship Finance believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Ship Finance cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies, fluctuations in currencies and interest rates, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the markets in which we operate, changes in demand resulting from changes in OPEC's petroleum production levels and world wide oil consumption and storage, developments regarding the technologies relating to oil exploration, changes in market demand in countries which import commodities and finished goods and changes in the amount and location of the production of those commodities and finished goods, increased inspection procedures and more restrictive import and export controls, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, performance of our charterers and other counterparties with whom we deal, timely delivery of vessels under construction within the contracted price, 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, and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission.

4Q 2014 highlights

- **Increased quarterly dividend of \$0.42 per share**
 - » Dividend yield of approximately 11%⁽³⁾
- **Net income of \$25m (\$0.27/share) for the quarter**
 - » \$36m or \$0.39 per share adjusted net income after one-off and non-cash items.
 - » Aggregate charter revenue of \$179m (\$1.92/share)⁽¹⁾
 - » EBITDA⁽²⁾ of \$149m (\$1.59/share)
- **Increased cash flow from assets delivered last 12 months**
 - » 13 x container vessels
 - » 2 x drybulk carriers
 - » 1 x harsh environment jack-up drilling rig



1) Charter revenues includes total charter hire from all vessels and rigs, including assets in 100% owned subsidiaries classified as 'Investment in associates' and accrued cash sweep income/profit share.

2) EBITDA is a non-GAAP measure and includes assets in 100% owned subsidiaries classified as 'Investment in associates'. For more details please see 4Q-14 press release Appendix 1: Reconciliation of Net Income to EBITDA.

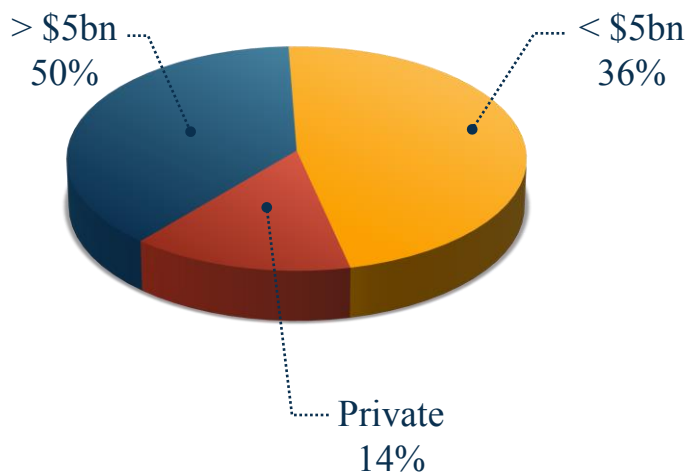
3) Quarterly cash dividend, annualized / SFL share price \$15.34 (Feb 25, 2015)

Recent events

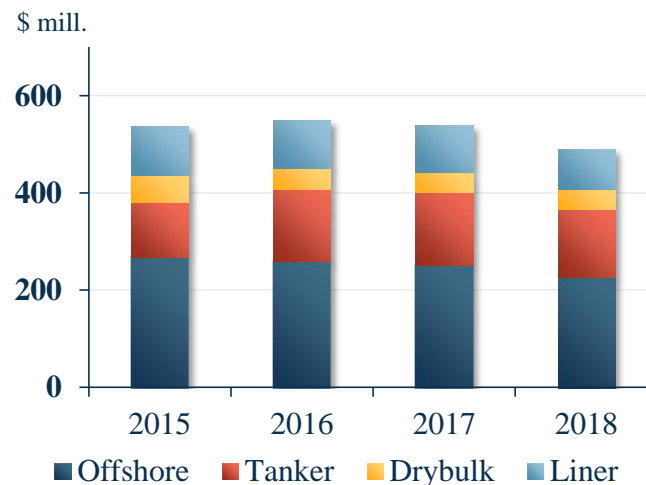
- **All four 8,700 TEU container newbuildings delivered**
 - » 7-year time-charters to Hamburg-Süd container line
 - » Approximately \$46m annual EBITDA, full cash flow effect from 2Q 2015
- **Increased cash sweep effect from vessels on charter to Frontline**
 - » \$11.3m accumulated in 4Q 2014
 - » \$32.7m full-year 2014 cash sweep is payable in March 2015
- **Sale of ultra-deepwater drillship West Polaris**
 - » Seadrill Limited exercised a purchase option in December 2014
 - » Sale of the shares in the asset owning subsidiary; \$111m cash received in January 2015
 - » \$6.1m book gain recorded in 4Q 2014
- **Disposal of 5 x 2,800 TEU feeder-size container vessels**
 - » Negative cash flow and P&L effect from the vessels in 2014
 - » Delivered to new owners in February 2015
 - » \$11.8m book impairment recorded in 4Q 2014

\$3.9 billion charter backlog⁽¹⁾

Charterers by Mkt. Cap



Revenues per segment



1) Fixed charter backlog as of December 31, 2014, excluding future cash sweep/profit share, subsequent sales and purchase options declared, net of any seller's credit and assuming certain call options are not exercised
 2) 2015-2017 estimated revenues as per charter backlog as of December 31, 2014. Excluding any Cash Sweep, Profit Sharing and re-chartering after end of current charter.

Offshore assets and counterparties

- **Seadrill**

- » 2 x UDW units (West Hercules, West Taurus), built 2008
- » Harsh-environment jackup drilling rig (West Linus), built 2014
- » 9-14 years remaining charter, fully guaranteed by Seadrill
- » West Linus employed on 5-year (+options) sub-charter to ConocoPhillips
- » Listed on NYSE/OSE: Mkt.cap ~\$5.8bn⁽¹⁾

- **Apexindo**

- » Jack-up drilling rig (Soehanah), built 2007
- » Consecutive sub-charters to Total E&P Indonesie from delivery
- » \$27m annual EBITDA, and only \$57.5m in bank loans
- » Listed on Jakarta Stock Exchange: Mkt.cap ~\$700m⁽¹⁾

- **Deep Sea Supply**

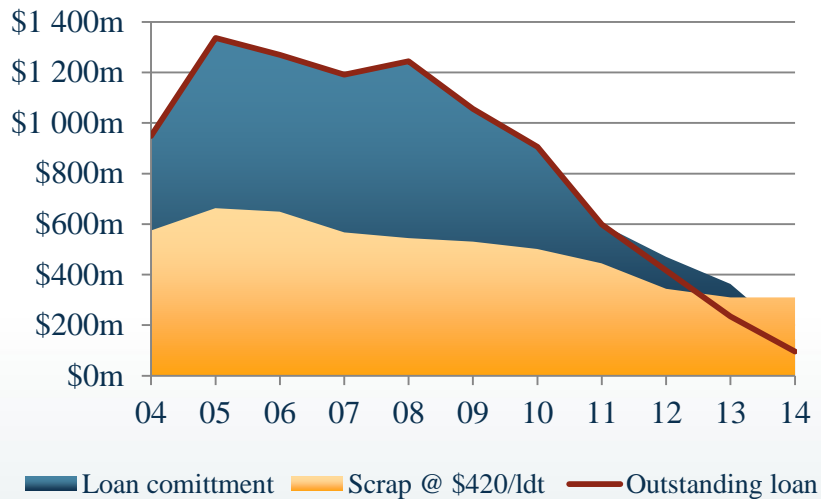
- » 2 x PSVs built 2007 and 4 x AHTS built 1998-2007
- » Approximately 5 years remaining charter
- » Deep Sea Supply Plc. is listed on OSE: Mkt.cap ~\$140m⁽¹⁾



Vessels and cash flow

- 12 VLCCs and 5 Suezmaxes
- \$17.4m base EBITDA contribution in 4Q 2014
- \$11.3m cash sweep contribution in the quarter

Financing relating to FRO vessels



- Loan amount well below scrap value⁽²⁾



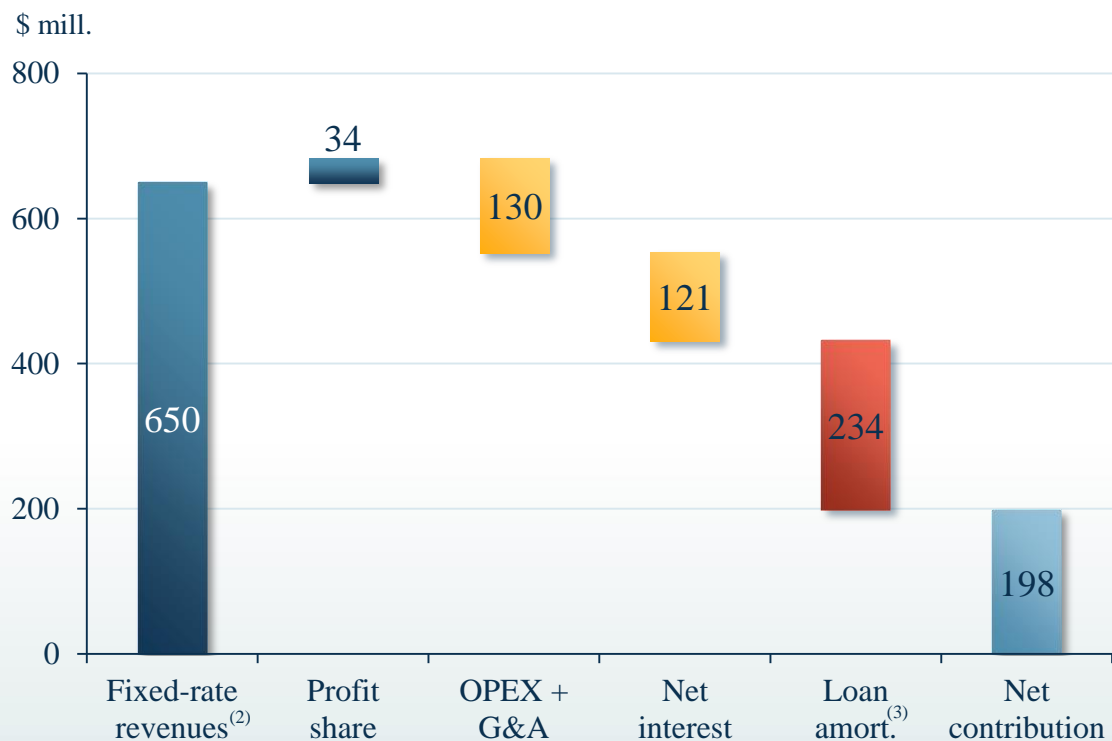
1) Source: Clarkson Research Services

2) As of December 31, 2014

Contributions from projects last 12 months⁽¹⁾

- **Large performing fleet with significant cash flow**

- » \$553m EBITDA-equivalent last twelve months
- » \$198m net cash flow from projects after interest and debt amortization⁽³⁾



1) Not as accounted per US GAAP – used as an internal guideline to assess the Company's core business.

2) Fixed charter revenues and return on financial investments

3) Ordinary installments relating to the Company's projects. Excluding amortization on loans relating to vessels on charter to Frontline due to low leverage and excluding prepayments when vessels are sold.

SFL operational performance

- **Pro-forma illustration of cash flow ⁽¹⁾**
 - » Not as accounted for under US GAAP
 - » Used as an internal guideline to assess the Company's performance
 - » Excluding extraordinary and non-cash items and profit share

	4Q 2014		3Q 2014	
	\$ mill.	\$/share	\$ mill.	\$/share
Charter hire				
VLCC	22.9	0.25	25.5	0.27
Suezmax ⁽²⁾	10.7	0.11	10.2	0.11
Chemical Tankers	1.5	0.02	1.5	0.02
Liner (Container and Car Carriers)	18.7	0.20	14.0	0.15
Drybulk	16.1	0.17	15.2	0.16
Offshore	92.7	0.99	95.7	1.03
Sum charter hire	162.6	1.74	162.2	1.74
Vessel operation expenses⁽²⁾ and G&A	(28.6)	(0.31)	(26.7)	(0.29)
Profit share	11.4	0.12	8.0	0.09
Financial investments	3.3	0.04	2.5	0.03
EBITDA including accumulated cash sweep	148.8	1.59	146.0	1.56

1) Including cash flow in subsidiaries accounted for as 'investment in associate'

2) In this table, revenues and vessel operating expenses for Suezmaxes trading in the spot market are net of voyage expenses

Profit & loss

INCOME STATEMENT <i>(in thousands of \$ except per share data)</i>	Three months ended		Full year	Full year
	Dec 31, 2014	Sep 30, 2014	2014	2013 <i>(audited)</i>
Charter revenues - operating lease	55 448	51 759	201 879	156 238
Charter revenues - finance lease	32 338	34 618	136 151	166 172
Revenues classified as Repayment of investment in finance leases	(10 543)	(11 256)	(44 300)	(52 320)
Profit share income	166	142	1 094	770
Cash sweep income	11 253	7 906	32 663	-
Total operating revenues	88 662	83 169	327 487	270 860
Gain on sale of assets and termination of charters	3 830	4 904	23 931	18 025
Vessel operating expenses	(31 158)	(30 571)	(119 470)	(105 534)
Administrative expenses	(1 774)	(1 816)	(7 609)	(7 549)
Depreciation	(18 501)	(17 231)	(67 393)	(58 436)
Vessel impairment charge	(11 800)	-	(11 800)	-
Total operating expenses	(63 233)	(49 618)	(206 272)	(171 519)
Operating income	29 259	38 455	145 146	117 366
Results in associate	10 472	9 006	33 497	28 200
Interest income from associates and long term investments	6 299	6 300	24 857	22 617
Interest income, other	3 799	2 667	15 594	7 463
Interest expense	(19 001)	(18 660)	(74 810)	(75 920)
Amortization of deferred charges	(3 061)	(2 786)	(11 271)	(11 305)
Gain on sale of associate	6 055	-	6 055	-
Other financial items	(259)	(83)	(1 358)	(4 512)
Mark to Market of Derivatives	(8 426)	(313)	(14 895)	5 297
Taxes	-	-	-	-
Net income	25 137	34 586	122 815	89 206
Basic earnings per share (\$)	0,27	0,37	1,32	1,00
Weighted average number of shares	93 402 261	93 364 815	93 330 622	89 508 000
Common shares outstanding	93 404 000	93 394 000	93 404 000	93 260 000

Balance sheet

BALANCE SHEET	Dec 31, 2014	Sep 30, 2014	Dec 31, 2013 (audited)
<i>(in thousands of \$)</i>			
ASSETS			
<i>Short term</i>			
Cash and cash equivalents	50 818	32 623	58 641
Available for sale securities	73 656	62 299	76 925
Amount due from related parties	152 491	38 140	13 249
Other current assets	63 260	67 503	143 389
<i>Long term</i>			
Newbuildings and vessel deposits	87 567	103 837	126 008
Vessels and equipment, net	1 377 133	1 317 729	1 089 616
Investment in finance leases	709 014	828 842	858 260
Investment in associate	53 457	51 820	40 987
Amount due from related parties - Long term	425 325	517 334	579 562
Deferred charges	36 958	37 598	41 478
Other long-term assets	11 875	11 709	17 868
Total assets	3 041 554	3 069 434	3 045 983
LIABILITIES AND STOCKHOLDERS' EQUITY			
<i>Short term</i>			
Short term and current portion of long term interest bearing debt	182 415	319 684	389 888
Other current liabilities	30 231	21 602	28 587
Amount due to related parties	1 109	6 050	13 965
<i>Long term</i>			
Long term interest bearing debt	1 550 044	1 458 710	1 346 991
Other long term liabilities	124 263	80 624	74 619
Stockholders' equity	1 153 492	1 182 764	1 191 933
Total liabilities and stockholders' equity	3 041 554	3 069 434	3 045 983

- **Strong liquidity position**

- » \$213m in total available liquidity at quarter end
 - \$51m cash and cash equivalents
 - \$162m freely available under revolving credit lines
- » \$74m in available for sale securities
 - Mainly senior secured bonds
 - Excluding \$119m in 7.25% amortizing Frontline notes⁽¹⁾

- **Capex = net cash contribution**

- » 2 x 8,700 TEU container vessels under construction at quarter end
- » Both vessels delivered January 2015
- » \$43m positive cash effect on delivery



1) Face value as of December 31, 2014

- **Increased quarterly dividend of \$0.42 per share**
 - » 11% dividend yield⁽¹⁾
- **Reported net income of \$25.1m or \$0.27 per share**
 - » \$36m or \$0.39 per share adjusted net income after one-off and non-cash items.
- **EBITDA⁽²⁾ equivalent cash flow of \$149m from our 100% owned vessels and rigs**
- **Successful delivery of two remaining 8,700 TEU container vessels**
- **Investment opportunities in all our segments**



1) Quarterly cash dividend (annualized) / SFL share price of \$15.34 (Feb 25, 2015)

2) EBITDA is a non- GAAP measure and includes assets in 100% owned subsidiaries classified as 'Investment in associates'. For more details please see 4Q-14 press release Appendix 1: Reconciliation of Net Income to EBITDA.