

BW LPG

Q1 2014 Results Presentation

23 May, 2014



BW LPG



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First quarter 2014 highlights

- Declared options for two newbuilds at Hyundai Heavy Industries to be delivered in 2016, increasing new build program to 8 VLGCs
- Fleet utilisation continued to be above industry average and contributed positively to earnings
- Earnings and results continue to reflect a firm market, with significant strength by end of the quarter
- TCE earnings of USD 100.4 million compares to USD 52.2 million in the first quarter 2013
- EBITDA continues to trend positively with Q1 2014 EBITDA of USD 51.5 million compared to USD 20.4 million in Q1 2013
- Net profit of USD 30.8 million compares to a loss of USD 13.7 million in Q1 2013
 - Improved EBITDA by USD 31.1 million (153%) compared to Q1 2013
 - No fleet impairment booked in Q1 2014 (Q1 2013: USD 17.8 million)
- Key Metrics

	Q1	Annualised
EPS ¹	\$ 0.23	\$0.90
ROE ²	3.1%	12.2%
ROCE ²	2.2%	8.9%
Debt Equity	59.0%	n/a



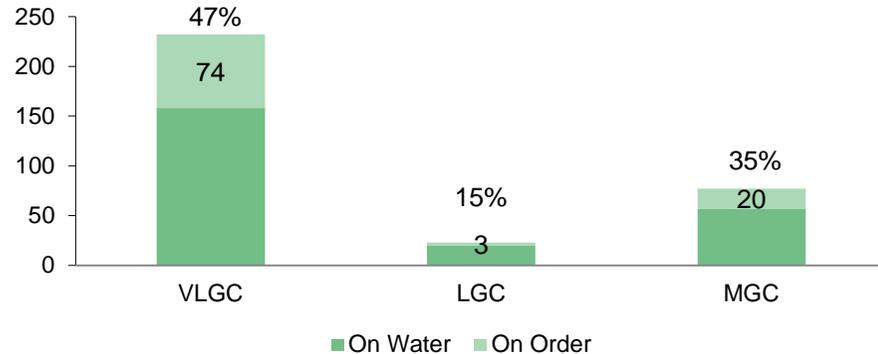
Note:

1) EPS is computed basis number of shares outstanding as of 31 March 2014

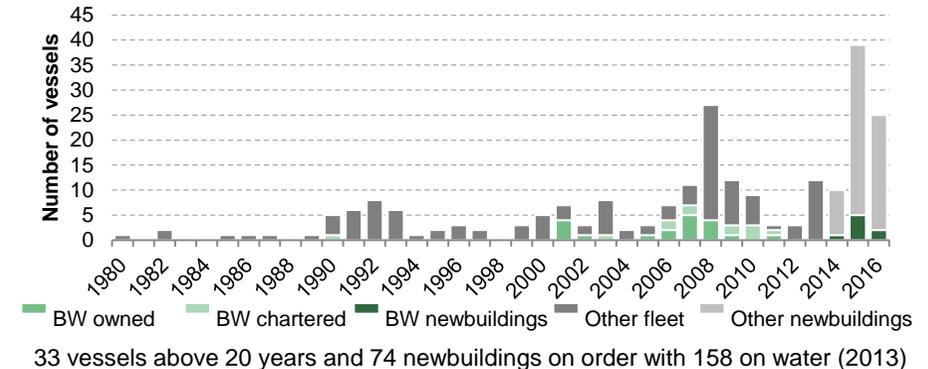
2) ROE and ROCE will be represented as a rolling 12 months average starting in Q4 2014

Fleet and new build orderbook

Global LPG Fleet Size and New Build (2013)

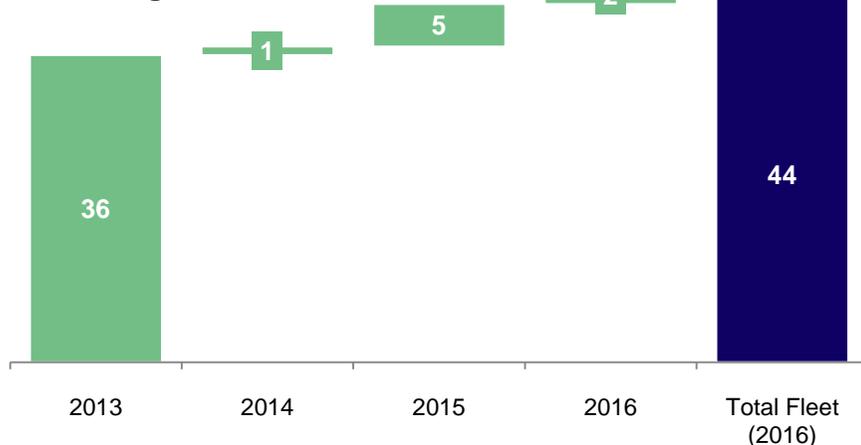


VLGC Fleet Profile¹



BW LPG fleet growing through 2014-2016

Net changes to total fleet



BW LPG Fleet Outlook

- The first HHI newbuilding is scheduled to deliver in Oct 2014
- 2 VLGC options were exercised in Feb 2014 for delivery in the first half of 2016 bringing our total orderbook to 8 vessels
- 2 expiring time charter-in vessels were each renewed for 12 months further
- Other accretive growth opportunities continue to remain a focus

Source: Internal

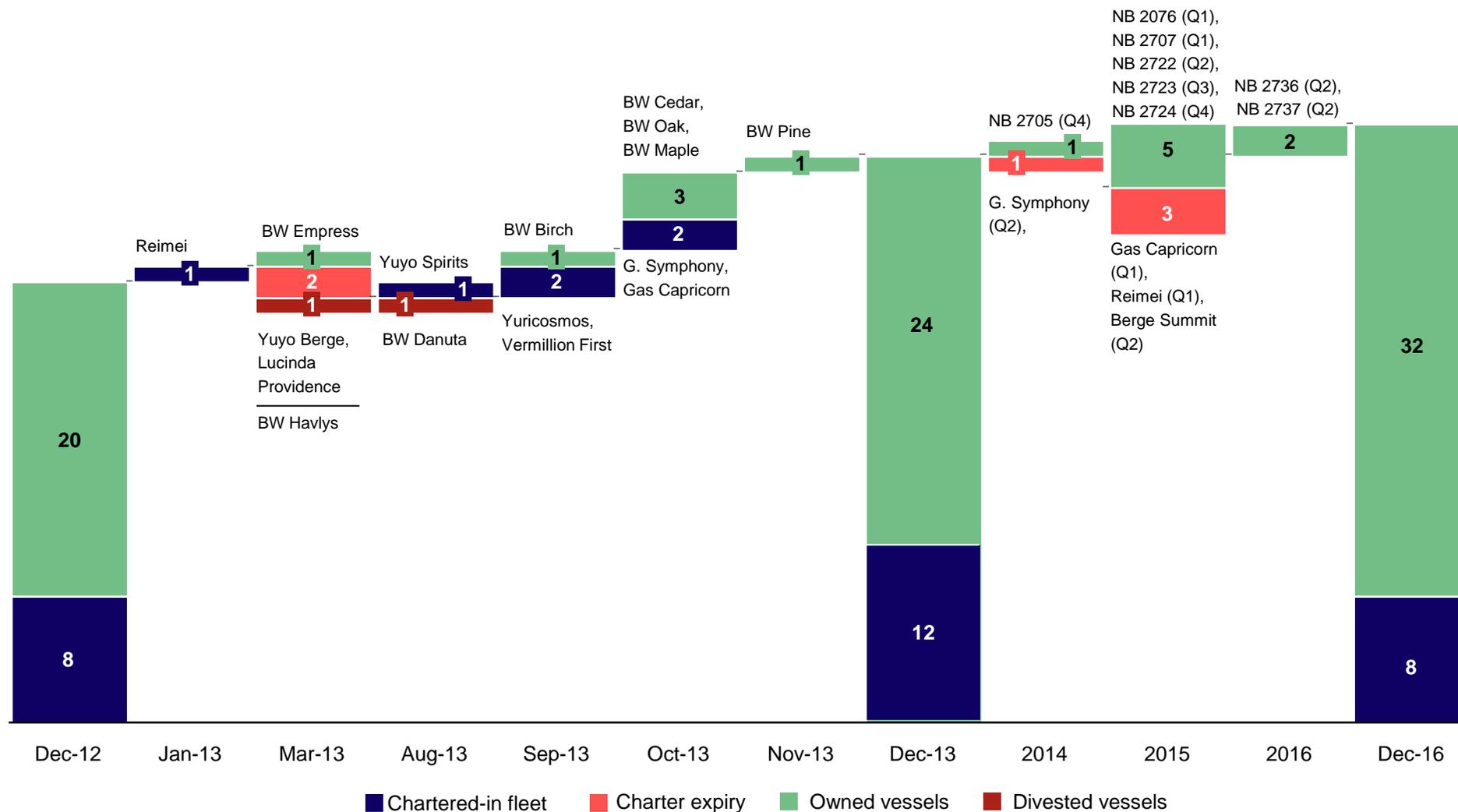
1) Fleet profile and orderbook showing sailing fleet and confirmed orders as of 22 April 2014.

2) The BW LPG fleet timeline assumes that vessels on time charter-in will be renewed at charter expiry.



BW LPG fleet timeline

Timeline based on current contracts



Note: the fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry. However, most of these time charter-in contracts have purchase options attached to them

Q1 2014 income statement

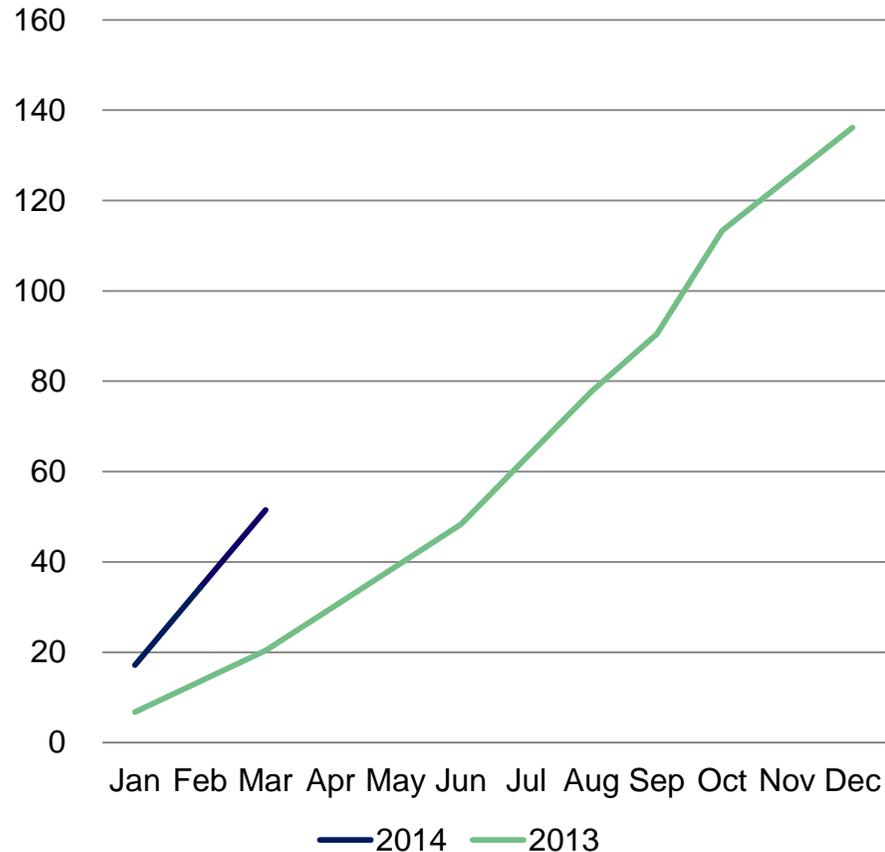
Unaudited figures in USD thousands

	(Reviewed) Q1 2014	Q1 2013
Revenue	150,760	84,925
Voyage expenses	(50,369)	(32,736)
TCE income	100,391	52,189
Other operating income	835	124
Charter hire expense	(24,249)	(13,783)
Other operating expenses	(25,452)	(18,168)
Operating profit before depreciation, amortisation and impairment	51,525	20,362
Loss on disposal of property, plant and equipment	-	(882)
	51,525	19,480
Amortisation charge	(1,228)	(1,774)
Depreciation charge	(15,675)	(12,712)
Write-back of impairment charge/(impairment charge) - net	-	(17,772)
Operating profit/(loss)	34,622	(12,778)
Finance expense – net	(3,846)	(944)
Profit/(loss) before tax and other comprehensive income for the financial period	30,776	(13,722)
Income tax	(23)	-
Profit/(loss) after tax for the financial period	30,753	(13,722)
Items that may be subsequently reclassified to income statement		
- Cash flow hedges	288	-
Total comprehensive income/(loss) for the financial period	31,041	(13,722)

EBITDA cumulative trend

Unaudited figures in USD millions

YTD EBITDA development



Comments

- VLGC TCE Income for Q1 2014 was in line with expectations with VLGC TCE per day at USD 32,700 for the quarter
- LGC TCE Income was below expectations in Q1 2014 at USD 20,400 per day due to commercial waiting time and technical downtime
- EBITDA continues to trend positively driven by continued strong utilisation and a historically firm rate environment by end of Q1

Q1 2014 balance sheet and cash flow

Unaudited figures in USD thousands

Balance sheet	(Reviewed) 31 Mar 2014	(Audited) 31 Dec 2013
Total non-current assets	1,400,827	1,377,574
Total current assets	198,668	253,839
Total assets	1,599,495	1,631,413
Total shareholder's equity	1,005,799	974,729
Total non-current liabilities	441,444	504,603
Total current liabilities	152,252	152,081
Total liabilities	593,696	656,684
Total equity and liabilities	1,599,495	1,631,413
Cash flow	(Reviewed) Q1 2014	Q1 2013
<u>Cash flows from operating activities</u>		
Profit/(loss) for the financial period	30,776	(13,722)
Adjustments	19,962	33,055
Operating cash flow before working capital changes	50,738	19,333
Changes in working capital	18,260	27,904
Cash generated from operations	68,998	47,237
Taxes paid	-	(108)
Net cash provided by operating activities	68,998	47,129
Net cash used in investing activities	(39,800)	(38,873)
Net cash used by financing activities	(68,805)	(3,518)
Net (decrease)/increase in cash and cash equivalents	(39,607)	4,738

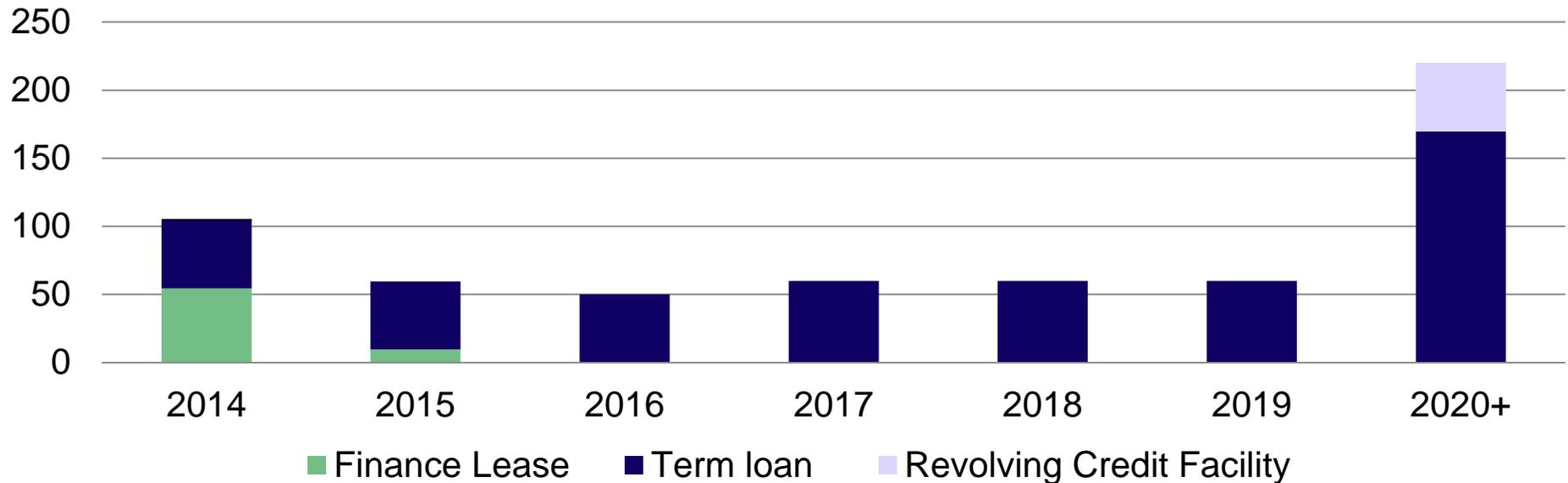
Financing

Unaudited figures in USD millions

Gross debt	542.9
Cash	(71.3)
Net debt	471.6

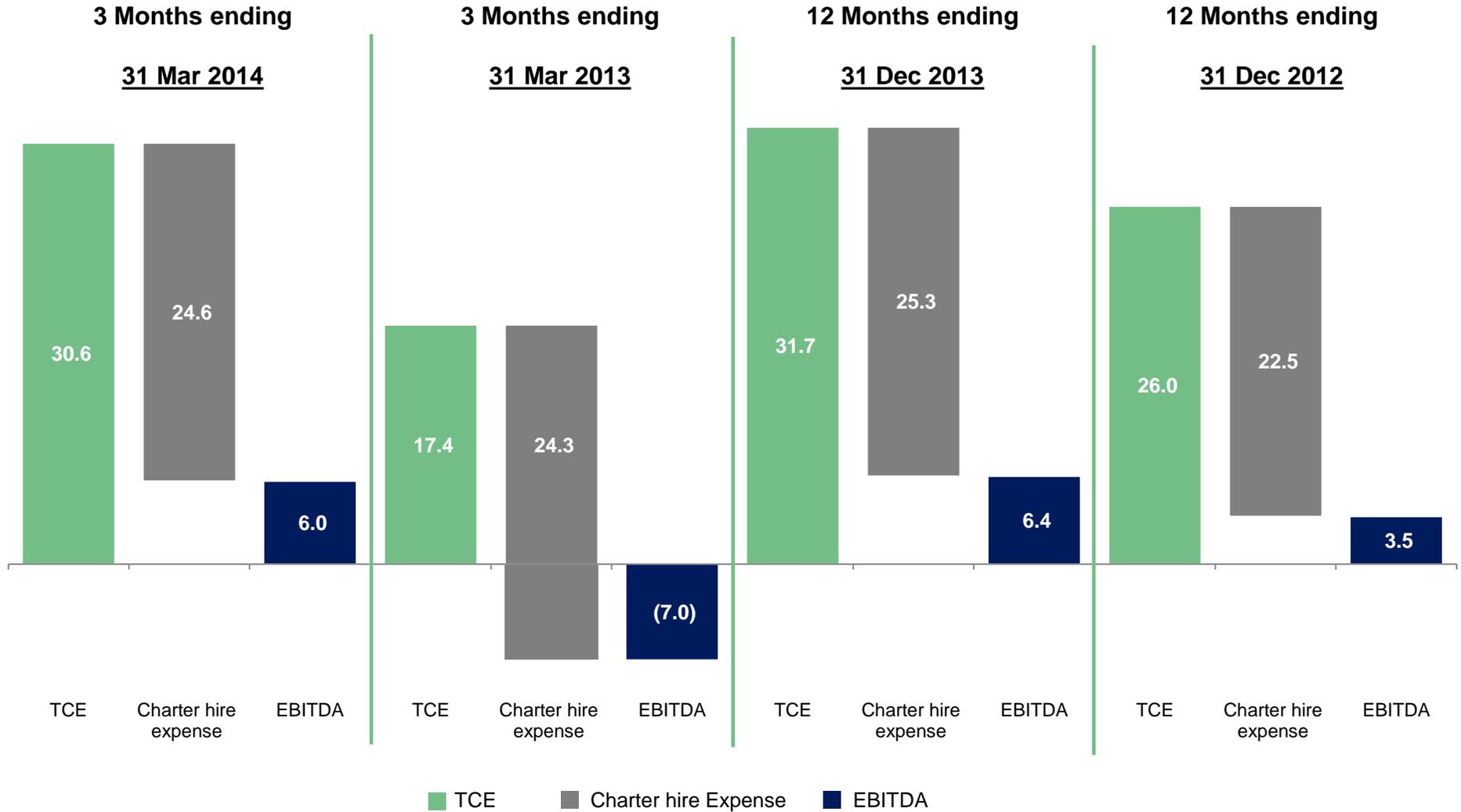
- Available liquidity of USD 271.3 million
- Strong capacity to make new acquisitions

Loan repayments



Charter-in vessels per voyage day

Unaudited figures in USD thousands



Dividend policy

The Board of Directors has determined the dividend policy of BW LPG with a view to providing a degree of predictability and transparency on the determination of dividend payouts

- Targeted payout is to be 50% of net profits after tax
- Considerations will be made for appropriate limits on leverage, capital expenditure plans, financing requirements, appropriate financial flexibility, and anticipated cash flows
- In addition to cash dividends, BW LPG may buy back shares as a part of total distribution of capital to shareholders
- BW LPG strives to maintain balance sheet strength that is appropriate to the volatility of the market, maintaining leverage below 60%, taking into account committed and likely capital expenditures



BW LPG – summary and outlook

- BW LPG remains positive on the market outlook for the LPG transportation sector, in particular for VLGCs especially in 2014 – 2015
- Hyundai Heavy Industries (HHI) has communicated that there may be a 30 day delay in the delivery of BW LPG's first and second vessels. This delay will not have a material impact to BW LPG's financial results
- Newbuildings delivering within the next two years add to the orderbook, resulting in a conservative outlook for 2016. BW LPG is well positioned to continue to maintain our strong financial position with our expectations for 2016
- Growth opportunities exist, and BW LPG is committed to sourcing and executing the most value accretive prospects
- BW LPG has a strong balance sheet which provides ample room to invest



Q&A session

Appendix

Leading international board of directors

Strong board of directors



Andreas Sohmen-Pao - *Chairman of the Board*

- CEO of BW Group
- Non-executive director of BW Offshore
- Board member of The Esplanade Co Ltd (Singapore) and the National Parks Board (Singapore)



John B. Harrison – *Vice Chairman*

- Independent Non-executive Director at BW Group, AIA Group Limited and Hong Kong Stock Exchanges and Clearing Limited
- Former Deputy Chairman of public accounting firm KPMG International
- Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants



Dato' Jude P Benny - *Member of the Board*

- Managing Partner of Joseph Tan Jude Benny, which he founded in 1988
- Named as the Maritime Lawyer of the Year, 2012, for Singapore by Best Lawyers
- Director of the Maritime and Port Authority of Singapore



Andreas Beroutsos - *Member of the Board*

- Executive Vice President of Caisse the Depot et Placement du Quebec
- Former Managing Partner of One Point Capital Management and Navigos Capital Management
- Former Senior Managing Director at Eton Park Capital Management
- Former Director (senior partner) with McKinsey & Company in New York
- Former Member of the General Council of the Hellenic Financial Stability Fund



Anne Grethe Dalane - *Member of the Board*

- Business Process Owner, Sales at Yara International, been with Yara since 2003
- Former executive positions at Norsk Hydro in Human Resources, Corporate Strategy and Finance
- Board experience includes Hafslund, EDB Business Partners and Prosafe



Anders Onarheim - *Member of the Board*

- Board member of Reach Subsea and other investment firms
- Former Managing Director in companies within the investment bank Carnegie Group
- Previously worked with Goldman Sachs and Merrill Lynch

Experienced management team



Nicholas Murray Gleeson - *Chief Executive Officer*

- Joined BW LPG from his position as Group CFO of BW Group, having previously also held the role of CFO, BW Gas Ltd
- More than 20 years of business experience as CFO and in other senior finance roles
- Australian Chartered Accountant and holds a Bachelor of Commerce in Accounting from the Australian National University and an MBA from INSEAD



Vijay Kamath - *Chief Financial Officer*

- Joined BW LPG from FSL Asset Management where he was SVP and CCO
- More than 20 years of experience in banking, financial management, sales and other functions
- Master of Management Studies and Bachelor of Science from Goa University, India



Andrew Hoare - *Chief Commercial Officer*

- Joined BW LPG from his position as VP Commercial and Operations at BW Maritime which he joined in 2003
- More than 20 years of experience in the shipping industry
- Masters in Arts (Honours) in Management with International Relations from the University of St. Andrews, Scotland and an MBA from Ashridge Management College, London



Sugato Roy – *Head of fleet supervision*

- Joined BW LPG from his position as Head of Technical Operations at Navig8 Ship Management where he played an integral role in setting up their Ship Management division in Singapore
- More than 27 years of experience in the shipping industry, having built up extensive sailing experience at sea and ship management experience on shore



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