

REPORT FOR THE 3RD QUARTER OF 2011

30 November 2011



HIGHLIGHTS

(The figures in brackets refer to the same period last year)

- NOCC's consolidated result after tax was NOK -49.1 million (NOK -29.7 million) in Q3-2011 and NOK -45.6 million (NOK -66.8 million) for the first three quarters of 2011 after booking a number of non-recurring items including an impairment loss of NOK -30.4 million relating to two partly owned short sea car carriers.
- The consolidated EBITDA was NOK 31.8 million (NOK 18.7 million) in Q3-2011 and NOK 97.9 million (NOK 50.5 million) for the first three quarters of 2011.
- NOCC's book equity ratio improved from 30.1% 31 December 2010 to 32.1 % as of 30 September 2011.
- The market balance in the deep sea car carrier market, in which NOCC has most of its investments, improved during Q3-2011. The charter market for deep sea car carriers continued a gradual strengthening with charter rates on average above levels concluded during the first half of 2011. This was mainly due to the faster than expected recovery in the Japanese car exports after the earthquake/tsunami in March.
- In Q4-2011 NOCC has concluded new charter contracts for 2 wholly owned deep sea car carriers for a duration of 12 months and a new charter for a partly owned short sea car carrier for a duration of 6 months. Including these charters NOCC's contract coverage is 78% for the first half of 2012 and 53% for the second half of 2012.
- Although the current volatility in the financial markets and weaker growth prospects for 2012 may reduce the expected improvement in the utilization rate for the deep sea car carrier market during 2012, we still expect the car carrier charter market to strengthen towards the end of 2012 partly due to a substantial reduction in deliveries of newbuildings and a continued growth in global car sales.

FLEET CHANGES, CHARTERING AND OPERATIONS

Fleet changes

As of 30 September 2011, NOCC wholly or partly owned a fleet of 11 vessels plus one newbuilding for delivery in Q3-2012. In addition the company has ownership shares in companies chartering in two vessels on bareboat charter for a duration up to March 2012.

The partly owned companies bareboat chartering “Dyvi Adriatic” and “Dyvi Baltic” decided in September 2011 not to utilize its options to extend the bareboat charter for the two vessels and both vessels will be redelivered to its owner at the end of March 2012.

The sale of “Virana” in August 2011, gave a net profit of NOK 7.7 million on a consolidated basis in Q3-2011 after deducting costs of about NOK 0.8 million for mobilization from the last port of discharge to the port of delivery.

Chartering

All of NOCC’s vessels were fully employed on time charters during Q3-2011 and there were no waiting days in between charters. At the date of this report all vessels except the partly owned shortsea vessel “Vibeke” are fully employed on time charters of different duration.

“Vibeke” has been without employment since early October and the partnership in which NOCC holds a 51% share, has decided to lay up the vessel from end November 2011. The same partnership concluded a new time charter for the sister vessel “Vinni” for a duration of 6 months with a charter rate below the rates on the previous charter.

In mid November 2011 NOCC entered into new time charter contracts for “NOCC Kattegat” and “NOCC Caribbean” with a duration of 12 months from January 2012. While “NOCC Caribbean” is fixed in direct continuation of her current charter, NOCC Kattegat will be positioned from the Atlantic Basin to the Far East and will go through the scheduled docking in China before being delivered to the new charterer at the end of January 2012. The concluded charter rates for the two vessels are on average about 4% higher than in the current charter.

The charter for the partly owned car carrier “Hyundai 203” was extended with about one month to the end of December 2011. The vessel will after redelivery from the current charterer go through scheduled repairs linked to the docking in Q3-2011 and be open for new employment in early/mid January 2012.

Operations

Total off-hire for NOCC's fleet in Q3-2011 were about 89 days of which 69 days were linked to dockings and scheduled repairs and about 20 days were non-scheduled off-hire. During the first three quarters of 2011 total off-hire for the consolidated fleet has reached about 244 days of which 194 days relate to dockings and scheduled repairs for the 9 consolidated vessels docked during this period. Total negative P&L effect from lost earnings and related costs from the off-hire are about NOK 9.4 million in Q3-2011 and about NOK 18.6 million for the first three quarters of 2011.

During Q3-2011 "NOCC Coral" and "Hyundai 203" were dry docked in China and Portugal respectively resulting in total about 50 days off-hire. In addition "NOCC Atlantic" went through guarantee repairs at the builder's shipyard in China. While the full repair costs for the repairs of "NOCC Atlantic" were covered by the builder the total off-hire of about 18 days and off-hire costs were on the shipowning partnership's account.

The operation of NOCC's fleet during Q3-2011 was satisfactory except for an incident on "NOCC Caribbean" during bunkering off Singapore in July and a damage to the stern ramp of "Hyundai" 203" before the docking in July 2011. The subsequent repairs of "NOCC Caribbean" lead of to about 20 days off-hire. The repairs of the stern ramp of "Hyundai 203" were made together with the docking in July. There were no other non-scheduled off-hire for the NOCC's fleet during Q3-2011.

"NOCC Puebla" (ex. "Dyvi Puebla") completed a docking in China in October involving off-hire of in total about 8 days. "NOCC Kattegat" which will be drydocked in China in January 2012 will mark the end of the current extensive docking program involving 13 vessels carried out over a 16 months period.

RESULTS FOR THE 3RD QUARTER OF 2011 – NORWEGIAN CAR CARRIERS ASA - GROUP

(The figures in brackets refer to the same period last year)

Income statement

NOCC had total Operating revenues of NOK 93.4 million (NOK 87.5 million) in Q3-2011 consisting of NOK 77.5 million (NOK 87.5 million) in Charter revenues and NOK 15.9 million in Other income (NOK 0 million). Total Operating revenues were NOK 285.3 million (NOK 200.7 million) for the first three quarters of 2011.

The Charter revenues were negatively impacted by the high off-hire due to the dockings of “NOCC Coral” and “Hyundai 203” as well as the repairs of “NOCC Caribbean” and “NOCC Atlantic”. Total negative effects on Charter revenues from off-hire amounted to about NOK 9.4 million in Q3-2011 and about NOK 18.5 million for the first three quarters of 2011. Extra off-hire connected to dockings and scheduled repairs beyond a normal evenly spread docking schedule imply reduced revenue of about NOK 5.7 million in Q3-2011 and about NOK 10.4 million for the first three quarters of 2011.

Other income in Q3-2011 of NOK 15.9 million includes a NOK 7.7 million sales gain from the sale of “Virana” and a gain of NOK 8.2 million related to an agreement with former owners in Dyviships IV DIS in connection with the purchase of their ownership interests in 2009.

Total operating expenses in Q3-2011 (including administration costs, but excluding depreciation) amounted to NOK 61.6 million (NOK 68.7 million) and NOK 187.4 million (NOK 150.2 million) for the first three quarters of 2011. Administration costs in Q3-2011 were higher than in a normal quarter due to payment of unperiodised administrative expenses and higher than normal legal and consultancy fees.

Earnings before interest, taxes, depreciation and amortization (EBITDA) was NOK 31.8 million (NOK 18.7 million) in Q3-2011 and NOK 97.9 million (NOK 50.5 million) for the first three quarters of 2011. Ordinary depreciation amounted to NOK 25.7 million (NOK 29.1 million) in Q3-2011 and NOK 76.4 million (NOK 67.8 million) for the first three quarters of 2011. NOK 17.6 million of the depreciation in Q3-2011 was ordinary depreciation of vessels and NOK 8.1 million was depreciation of dry-docking cost. In addition NOCC has booked a NOK 30.4 million impairment loss in Q3-2011 by writing down the book value of the two partly owned short sea vessels “Vinni” and “Vibeke” to a value in line with the broker valuations for the vessels at the end of Q3-2011.

The operating result (EBIT) ended at NOK -24.2 million (NOK -10.4 million) for Q3-2011 and NOK -8.9 million (NOK -17.3 million) for the first three quarters of 2011.

Net financial items amounted to NOK -26.7 million (-NOK 10.6 million) in Q3-2011 and NOK -63.1 million (NOK -28.2 million) for the first three quarters of 2011. Of the net financial items net unrealized losses from financial instruments account for NOK -12.7 million (NOK 4.7 million) in Q3-2011 and NOK -6.3 million (NOK 1.1 million) for the first three quarters of 2011. The lower long term USD interest rate level led to a NOK 7.8 million unrealized loss in Q3-2011 from a higher negative “mark to market” value of interest rate swaps. The appreciation of USD relative to NOK led to a NOK 4.9 million unrealized loss due to a negative “mark to market” value of USD/NOK forward contracts at the end of Q3-2011.

Income from associated companies amounted to NOK 1.9 million (NOK 0.1 million) in Q3-2011 and NOK 13.9 million (NOK 0.1 million) for the first three quarters of 2011. The income from associated companies in Q3-2011 relates to the investment in the 34.5% owned Dyviships XII, a company bareboat chartering the vessel “Dyvi Baltic”.

The result after tax amounted to NOK -49.1 million (NOK -29.7 million) in Q3-2011 and NOK -45.6 million (NOK -66.8 million) for the first three quarters of 2011. Excluding minorities the result for shareholders was NOK -34.4 million (NOK -26.7 million) in Q3-2011 and NOK -41.1 million (NOK -60.1 million) for the first three quarters of 2011.

Statement of financial position as at 30 September 2011

Total assets at the end of Q3-2011 amounted to NOK 1 905.1 million against NOK 1 602.8 million as of 31 December 2010. Vessels had a book value of NOK 1 542.5 million as of the end of Q3-2011 of which the value of the newbuilding contract with Hyundai Heavy Industries (‘HHI’) amounted to NOK 83.7 million. The book value of vessels as of 31 December 2010 was NOK 1 139.1 million.

Bank deposits amounted to NOK 281.9 million at the end of Q3-2011 against NOK 303.7 million as of 31 December 2010.

The book equity at the end of Q3-2011 was NOK 610.9 million against NOK 482.7 million at the end of December 2010. The main factors impacting the book equity during the first 3 quarters in 2011 have been the NOK 125 million share issue in Q1-2011, the net results for the first three quarters of 2011 and the consolidation of the 53% owned partnership owning “NOCC Atlantic” from Q1-2011.

Total liabilities at the end of Q3-2011 amounted to NOK 1 294.1 million. At the end of Q3-2011 NOK 1 024.5 million were long term liabilities and NOK 269.7 million were current liabilities. As of 31 December 2010 total liabilities amounted to NOK 1 120.1 million of which NOK 772.5 million were long term liabilities and NOK 347.6 million were current liabilities.

THE CAR CARRIER MARKET

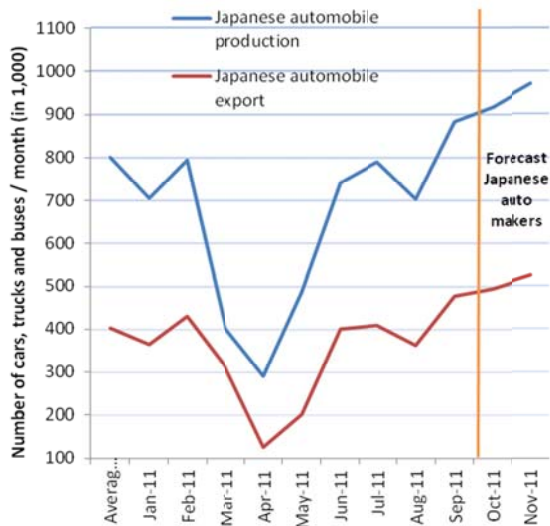
The deep sea car carrier market has continued a modest, but steady improvement during Q3-2011 and into Q4-2011 despite turbulent financial markets and the recent flooding in Thailand.

The positive development in global car sales continued in Q3-2011 and in October 2011. While most markets show positive year-on-year sales growth, car sales in many regions have cooled down compared to the early part of 2011. The US car market is a notable exception where car sales have rebounded in September and in October 2011 after weak sales during Q2-2011 due to supply problems after the Japanese tsunami/ earthquake. Seasonally adjusted US car sales in October 2011 was the strongest since early 2011 and the prospects for US car sales are positive due to the pent up demand for new cars after the supply problems this spring and several years of historically low sales.

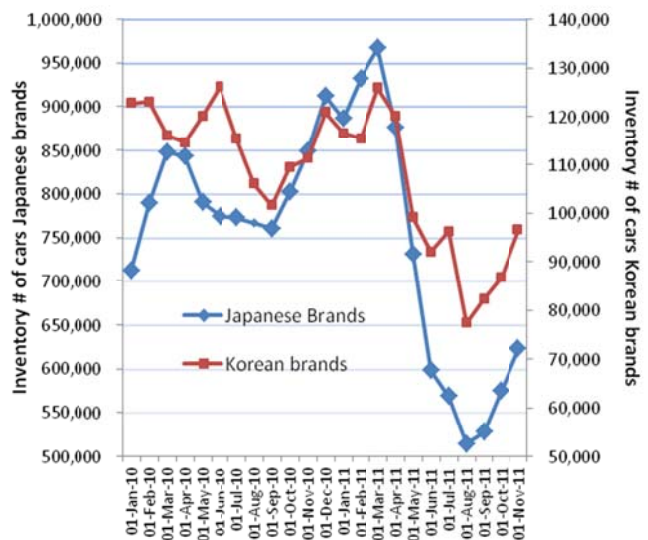
Japanese car manufacturers have geared up production and increased exports substantially after the factory holidays in August with September car exports being the highest since 2008. The Korean car exports continued its strong development during Q2-2011 and through Q3-2011 and car exports from Korea in both Q2-2011 and Q3-2011 were the highest in the respective quarters ever recorded.

We expect car exports from the Far East to remain at a high level during the next 3-6 months due to a continued restocking need. Stocks of Japanese and Korean cars world wide are by early November still historically low despite the recent months increased production and shipments.

Japanese automobile production and exports (Source Japanese Automobile Manufacturers Association)



US inventory levels of Japanese and Korean cars 2010-2011 (Source: Automotive News)



The orderbook of car carriers has been reduced further during Q3-2011 and so far in Q4-2011. By mid November 2011 the deep sea car carrier orderbook represents less than ten percent of the current fleet. Scrapping of car carriers continues steadily, and 12 deep sea car carriers have been scrapped so far in 2011. With expected continued delays of delivery of newbuildings and scrapping at the current pace, the fleet growth will be substantially reduced in 2012 and there will be almost no fleet growth in 2013.

PROSPECTS

With the completion of the current docking program in early 2012, the number of off-hire days is expected to be reduced considerably during 2012 compared to 2011. Fewer dockings are also expected to have a positive effect on the operating costs of NOCC's fleet in 2012. Although new charters for NOCC's deep sea vessels have been fixed on gradually higher charter rates during 2011, the current time charter rates are still at historically low levels. Despite the expected operational improvements the current rate levels are insufficient to return NOCC to profitability during the first 3 quarters of 2012. We do, however, expect a much stronger charter market towards the end of 2012 due to the substantial reduction in the delivery of newbuildings combined with a continued increase in demand for deep sea car carriers.

NORWEGIAN CAR CARRIERS ASA - GROUP INCOME STATEMENT

(NOK 1,000)	Q3 2011 Unaudited	Q3 2010 Unaudited	1.1 - 30.9 2011 Unaudited	1.1 - 30.9 2010 Unaudited
OPERATING REVENUES				
Charter revenues	77,518	87,478	259,304	200,677
Other income	15,931		25,996	
Total operating revenues	93,448	87,478	285,300	200,677
OPERATING EXPENSES				
Operating expenses vessels	46,547	55,754	149,546	124,807
Administration expenses vessels	1,033	820	3,454	3,102
Other administrative expenses	14,061	12,168	34,386	22,270
Total operating expenses	61,641	68,742	187,387	150,179
EBITDA	31,807	18,736	97,913	50,498
Ordinary depreciation	25,675	29,130	76,414	67,810
Impairment loss	30,352		30,352	
OPERATING RESULT (EBIT)	(24,220)	(10,394)	(8,853)	(17,312)
FINANCIAL INCOME AND EXPENSES				
Other financial income	1,233	3,619	2,788	4,625
Net gain/(loss) on exchange	127	561	(3,443)	(3,782)
Net gain/ (loss) on financial instruments	(12,748)	4,707	(6,279)	1,098
Interest and other financial expenses	(15,331)	(19,527)	(56,156)	(30,160)
NET FINANCIAL ITEMS	(26,719)	(10,640)	(63,090)	(28,219)
Income associated companies	1,868	104	13,899	104
RESULT BEFORE TAX FROM CONTINUING OPERATIONS	(49,070)	(20,930)	(58,043)	(45,427)
Taxes	0	(21)	(9)	(80)
RESULT AFTER TAX FROM CONTINUING OPERATIONS	(49,070)	(20,951)	(58,052)	(45,507)
RESULT AFTER TAX FROM DISCONTINUED OPERATIONS	0	(8,713)	12,408	(21,325)
RESULT AFTER TAX	(49,069)	(29,664)	(45,643)	(66,832)
RESULT ATTRIBUTABLE TO				
Minority interests	(14,719)	(2,982)	(4,585)	(6,726)
Majority interests/ Shareholders	(34,350)	(26,682)	(41,058)	(60,106)
Average number of shares outstanding	133,026	98,811	124,364	98,811
Ordinary and diluted earnings per share	-0.26	-0.27	-0.33	-0.61

NORWEGIAN CAR CARRIERS ASA - GROUP
STATEMENT OF COMPREHENSIVE INCOME

(NOK 1,000)	Q3 2011 Unaudited	Q3 2010 Unaudited	1.1 - 30.9 2011 Unaudited	1.1 - 30.9 2010 Unaudited
RESULT AFTER TAX	(49,069)	(29,664)	(45,643)	(66,832)
Fair value adjustment		2,296		2,296
Translation differences	50,024	(47,073)	(3,896)	(15,238)
Total comprehensive income	954	(74,441)	(49,540)	(79,774)
Total comprehensive income attributable to				
Shareholders of the parent company	3,131	(59,193)	(42,308)	(70,138)
Minority interests	(2,177)	(15,248)	(7,232)	(9,636)
Total comprehensive income for the year	954	(74,441)	(49,540)	(79,774)

NORWEGIAN CAR CARRIERS ASA - GROUP

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

ASSETS		
(NOK 1,000)	30/09/2011 Unaudited	31/12/2010
FIXED ASSETS		
<i>Intangible assets</i>		
Deferred tax asset	29,818	30,849
<i>Long-term operating assets</i>		
Fittings and vehicles	2,502	1,045
Vessels	1,542,534	1,139,053
Total long-term assets	1,545,036	1,140,098
<i>Financial fixed assets</i>		
Investments in associated and other companies	2,299	66,209
Pension funds	3,402	2,538
Other long-term receivables	8,343	2,444
Total financial fixed assets	14,044	71,191
TOTAL FIXED ASSETS	1,588,898	1,242,138
CURRENT ASSETS		
Accounts receivables and other current assets	34,238	24,374
Assets held for sale	0	32,625
Bank deposits	281,948	303,664
TOTAL CURRENT ASSETS	316,185	360,663
TOTAL ASSETS	1,905,083	1,602,801

NORWEGIAN CAR CARRIERS ASA - GROUP

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

EQUITY AND LIABILITIES

(NOK 1,000)	30/09/2011 Unaudited	31/12/2010
EQUITY		
Share capital	399,078	297,823
Share premium reserve	78,217	74,449
Other paid-in capital	2,683	1,952
Retained earnings	(2,839)	18,048
Minority interests	133,802	90,415
TOTAL EQUITY	610,941	482,687
LONG TERM LIABILITIES		
Secured debt on vessels	758,687	549,580
Bond loan	215,781	214,198
Derivatives	34,471	3,799
Other long-term debt	15,536	4,939
Total long term liabilities	1,024,475	772,516
CURRENT LIABILITIES		
Current portion of long term debt	173,277	201,547
Other current liabilities	74,492	79,523
Provisions	6,134	35,568
Derivatives	12,550	28,766
Public duties payable	3,214	2,194
Total current liabilities	269,667	347,598
TOTAL LIABILITIES	1,294,142	1,120,114
TOTAL EQUITY AND LIABILITIES	1,905,083	1,602,801

NORWEGIAN CAR CARRIERS ASA - GROUP

CONDENSED STATEMENT OF CASH FLOWS

(NOK 1.000)	1.7 - 30.9 2011 Unaudited	1.7 - 30.9 2010 Unaudited	1.1 - 30.9 2011 Unaudited	1.1 - 30.9 2010 Unaudited
Cash flow from operating activities	38,000	7,326	75,704	28,281
Interest paid	(24,505)	(3,727)	(53,913)	(14,269)
Total cash flow from operations	13,495	3,599	21,791	14,012
Cash flow from investments	22,162	(262,313)	(20,141)	(214,873)
Cash-flow from financial activities	(48,542)	492,295	(22,487)	422,233
Change in cash	(12,885)	233,581	(20,837)	221,372
Bank deposits at start of period	292,009	74,272	303,664	64,885
Net gain/loss on exchange	2,824	3,518	(879)	(2,736)
Bank deposits at end of period	281,948	311,371	281,948	283,521

NORWEGIAN CAR CARRIERS ASA - GROUP

CONDENSED RECONCILIATION OF EQUITY

(NOK 1.000)	1.1 - 30.9 2011 Unaudited	1.1 - 30.9 2010 Unaudited	2010 Audited
Total equity and minority int. outgoing balance	(610,941)	(247,091)	(482,687)
Total equity and minority int. ingoing balance	(482,687)	(262,620)	(262,620)
Change in the period	128,254	(15,529)	220,067
Estimation adjustment amortised cost			14321
Comprehensive income/(loss) of the period	(49,540)	(5,334)	(69,495)
Issue of shares	124,997	(1,499)	202,748
Incorporation and issue cost	(5,509)		(5,982)
Options to employees	731	734	1,707
Other equity changes	4,362		(1,254)
Purchase of group asset			89,030
Effect of associated company to subsidiary	78,360		
Purchase of minority's interest	(3,647)		(4,137)
Paid in from minority	2,370	1,197	5,996
Dividend to minority	(23,870)	(10,627)	(12,867)
Reconciliation of change in the period	128,254	(15,529)	220,067

NORWEGIAN CAR CARRIERS ASA - GROUP

NOTES TO THE INTERIM REPORT

Note 1 Accounting Principles

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "Interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year 2010 for Norwegian Car Carriers ASA Group (NOCC), which have been prepared in accordance with IFRS as endorsed by the EU. The accounting policies implemented are consistent with those of the annual financial statements for NOCC for the year ended 31 December 2010.

Note 2 Consolidation of Dyvi PCTC I DIS as a subsidiary

On January 3, 2011, The Norwegian Car Carriers Group (NOCC) purchased an additional 1.5% share in the silent partnership Dyvi PCTC I DIS, which is the owner of the 2009 built car carrier "Dyvi Atlantic". After this purchase NOCC's ownership in Dyvi PCTC I DIS was increased to 50%. With effect from 1st quarter 2011, Dyvi PCTC I DIS has been consolidated into the accounts of NOCC as NOCC from this point assumes a controlling interest in the silent partnership.

NOCC's ownership in Dyvi PCTC I DIS was presented as an investment in associated and other companies as of 31 December 2010 with a value of NOK 65.75 million. The transaction resulted in a financial gain of NOK 9.7 million and increased equity of NOK 78.36 million in the first quarter of 2011.

On April 15, 2011, the NOCC Group purchased an additional 3% share in Dyvi PCTC I DIS, bringing the ownership up to 53%.

Note 3 Newbuilding contract

The value of the newbuilding contract for hull number 2,534 with Hyundai Heavy Industries amounts to NOK 83.7 million as of 30 September 2011. Remaining payment obligations under the newbuilding contract amounts to NOK 312.4 million with the NOK/USD exchange rate as of 30 September 2011.

ENCLOSURE TO THE REPORT FOR 3RD QUARTER OF 2011
FLEET LIST 30 SEPTEMBER 2011

Name	Type	Built	Capacity CEU	Share of ownership 30 September 2011	Expiry of time charter (status 30 November 2011)
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1) OWNED / PARTLY OWNED VESSELS

HHI hull No. 2534	PCTC	2012	6,500	100.0 %	-
NOCC Atlantic ¹⁾	PCTC	2009	6,754	50.0%	April 2014
NOCC Kattegat	PCTC	2004	5,379	100.0%	Jan. 2013
NOCC Pamplona	PCTC	2000	4,287	100.0%	Oct. 2012
NOCC Puebla ²⁾	PCTC	1999	4,287	100.0%	Dec. 2012
NOCC Caribbean ³⁾	PCTC	1988	4,804	100.0%	Jan. 2013
NOCC Caspian ⁴⁾	PCTC	1987	5,387	100.0%	Nov. 2012
NOCC Coral ⁵⁾	PCTC	1987	5,387	100.0%	July 2012
Hyundai No. 203	PCTC	1988	5,065	51.0%	Dec. 2011
Vinni	PCTC / RoRo	1994	2,300	51.0%	April 2012
Vibeke	PCTC / RoRo	1996	2,300	51.0%	<i>Laid up</i>
Helena	RoRo	1991	3 225 lm	100.0%	July 2016

2) BAREBOAT CHARTERED VESSELS (to be redelivered March 2012)

Dyvi Baltic	PCTC	1989	4,049	34.47%	March 2012
Dyvi Adriatic	PCTC	1988	4,049	56.0%	March 2012

- 1) Renamed from "Dyvi Atlantic"
 2) Renamed from "Dyvi Puebla"
 3) Renamed from "Cypress Pass"
 4) Renamed from "Morning Mermaid"
 5) Renamed from "Hyundai 206"