



# **FRONTLINE LTD.**

**4th. Quarter results**

**Shipping klubben, March 16, 1998**



## Accounting principles /estimates

- LOF's results have been consolidated for the period from November 1st.
- ICB has been accounted for at market value as of 31.12. change in market value has been / will be booked directly against equity.
- Accounting estimate for economic life of vessels has been extended from 20 to 25 years.
- Loan fees for the ICB investment will be expensed over 12 months.
- Loan fees in connection with the LOF takeover has been accounted for as part of the acquisition cost.
- Gain on sale of 3 LOF panamaxes has been eliminated against excess value for the same vessels as of 01.11.97

# Profit & Loss 1996 -1997

1996 Oct-Dec	1997 Oct-Dec		1997 Jan-Dec	1996 Jan-Dec
45 330	80 331	Freight revenues	259 695	178 179
-17 846	-19 661	Voyage expenses	-62 498	-67 708
<b>27 484</b>	<b>60 670</b>	<b><i>Income on time charter basis</i></b>	<b>197 197</b>	<b>110 471</b>
3 135	0	Gain from sale of vessels	0	6 188
-9 819	-15 503	Ship operating expenses	-48 076	-34 926
-8 094	-6 778	Charterhire expenses	-25 734	-34 670
-3 258	-1 919	Administrative expenses	-11 190	-8 184
<b>9 448</b>	<b>36 470</b>	<b><i>Operating profit before depreciation (EBITDA)</i></b>	<b>112 197</b>	<b>38 879</b>



## Time charter income

Income on timecharter basis (USD per day per ship)\*

<b>Q 4 1997</b>		<b>1997</b>	<b>1996</b>
42 500	VLCC	32 700	27 700
26 000	Suezmax	24 800	26 800
24 500	OBO	25 500	23 000

\* Basis = Calendar days minus off-hire. Figures after deduction for broker commission.



## Operating expenses USD/Day

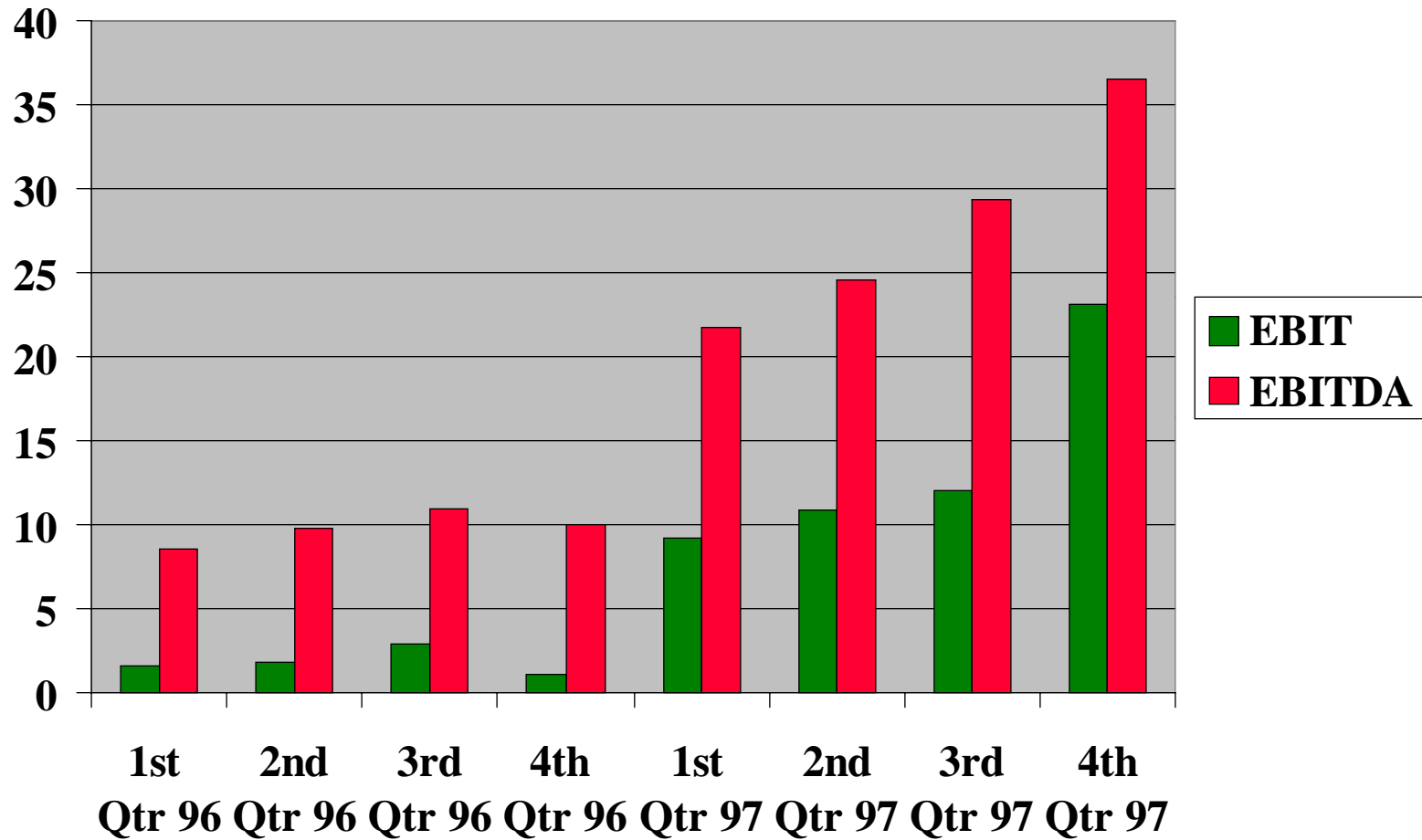
VLCC	6 700
Suezmax	7 500
OBO	7 000

Operating expenses include dry docking provisions and insurance

Offhire: 7.3 days per vessel



# EBIT - EBITDA Development



# Profit & Loss 1996 -1997

1996 Oct-Dec	1997 Oct-Dec		1997 Jan-Dec	1996 Jan-Dec
-9 321	-13 270	Ordinary depreciation	-56 721	-33 752
<i>127</i>	<i>23 200</i>	<i>Operating profit after depreciation (EBIT)</i>	<i>55 476</i>	<i>5 127</i>
1 542	1 345	Financial income	4 255	3 643
-7 267	-16 477	Financial expenses	-46 897	-26 207
1 182	1 169	Results from associated companies	4 598	3 471
<b>-4 416</b>	<b>9 237</b>	<b>Income before taxes</b>	<b>17 432</b>	<b>-13 966</b>
0	-37	Taxes	-43	-15
0	6	Minority's part of result LOF	6	0
<b>-4 416</b>	<b>9 206</b>	<b>Net profit/loss after tax</b>	<b>17 395</b>	<b>-13 981</b>



# Balance Sheet

## December 31, 1997

(USD 1000)	1997 December 31	1996 December 31
<b>Assets</b>		
Cash and bank deposits	87 035	58 003
Other current assets	33 602	25 949
Ships and newbuildings	1 019 064	831 981
Associated companies	3 754	3 580
Investments in marketable equity securities	187 066	0
Other assets	2 603	1 600
<b><i>Fixed assets</i></b>	<b><i>1 333 124</i></b>	<b><i>921 113</i></b>
<b>Stockholders' equity and liabilities</b>		
Short-term liabilities	39 542	31 471
Current portion of long-term debt	241 815	53 934
Long-term liabilities	532 483	508 008
Minority interests	23 500	0
Stockholders' equity	495 785	327 700
<b><i>Total stockholders' equity and liabilities</i></b>	<b><i>1 333 124</i></b>	<b><i>921 113</i></b>






## # of Shares

01.01.97	Opening balance		98 550 000
03.07.97	Redomiciled	(348 493)	98 201 507
20.08.97	Private placement	10 000 000	108 201 507
10.09.97	Private placement	21 000 000	129 201 507
25.09.97	Private placement	3 000 000	132 201 507
25.09.97	Non cash issue	4 500 000	136 701 507
31.12.97	# of shares outstanding		<b>136 701 507</b>
Average # of shares for 1997			<b>109 723 607</b>
L.O.F. Amalgamation date			141 277 343
L.O.F. Amalgamation date			461 058 609
Option, post amalgamation			2 910 000
Warrants, post amalgamation			27 245 588
Fully diluted shares, post amalgamation			491 214 197



# Newbuilding Program

	<u>Yard</u>	<u>Delivery</u>	<u>dwt</u>
<i>SUEZMAX NEWBUILDINGS</i>			
N/B 1078 Front Fighter (Firm)	Hyundai	Jun - 98	153 000
N/B 1079 Front Hunter (Firm)	Hyundai	Jul - 98	153 000
N/B 1087 Front Warrior (Firm)	Hyundai	Jul - 98	153 000
N/B 1181 Front Arrow (Firm)	Hyundai	Jan - 00	153 000
N/B 1182 Front Sword (Firm)	Hyundai	Apr - 00	153 000
 <i>VLCC NEWBUILDINGS (Firm, but subject to financing)</i>			
N/B 1106 Front Century	Hyundai	Aug - 98	308 000
N/B 1107 Front Champion	Hyundai	Jan - 99	308 000
N/B 1127 Front Chief	Hyundai	Feb - 99	308 000
N/B 1150 Front Commander	Hyundai	Apr - 99	308 000
N/B 1151 Front Crown	Hyundai	Jul - 99	308 000



# Shareholders in Frontline LTD.

## March 16, 1998

<u>Shareholders</u>	<u>Millions of shares</u>	<u>Percen- tage</u>
Hemen Holding Ltd.	65.9	48.2%
Odin Norden	8.1	5.9%
Morgan & Stanley	5.5	4.0%
Odin Norge Aksjefondet	4.7	3.4%
Brown Brothers Harriman	4.2	3.1%
SE - Banken	2.7	2.0%
Storebrand Livsforsikring	2.5	1.8%
Morgan Guaranty	2.0	1.4%
Chase Manhattan Bank	1.8	1.3%
<u>Other shareholders</u>	<u>39.3</u>	<u>28.9%</u>
Total	136.7	100.0%