



SWIBER HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration Number :200414721N)

2nd Quarter Financial Statement for the Period Ended 30 June 2008

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP			GROUP		
	2nd Qtr of 2008	2nd Qtr of 2007	+ / (-)	1H 2008	1H 2007	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
REVENUE	124,526	25,356	391.1	195,402	44,676	337.4
Cost of Sales	(92,230)	(17,901)	415.2	(144,764)	(31,909)	353.7
GROSS PROFIT	32,296	7,455	333.2	50,638	12,767	296.6
Other operating income	610	2,790	(78.1)	1,071	3,394	(68.4)
Administrative expenses	(6,872)	(3,040)	126.1	(11,936)	(4,817)	147.8
Other operating expenses	670	(6)	nm	(131)	(38)	244.7
Share of profit of associate and joint venture	589	446	32.1	1,228	574	113.9
Finance costs	(3,150)	(942)	234.4	(5,471)	(1,175)	365.6
Profit before tax	24,143	6,703	260.2	35,399	10,705	230.7
Income tax expense	(1,931)	(500)	286.2	(2,832)	(860)	229.3
Profit after tax	22,212	6,203	258.1	32,567	9,845	230.8
Attributable to :						
Equity holders of the company	20,802	6,291	230.7	31,119	9,943	213.0
Minority interest	1,410	(88)	nm	1,448	(98)	nm
	22,212	6,203	258.1	32,567	9,845	230.8

nm : not meaningful

Notes

	GROUP		GROUP	
	2nd Qtr of 2008	2nd Qtr of 2007	1H 2008	1H 2007
	US\$'000	US\$'000	US\$'000	US\$'000
The Group's profit before tax is arrived at after (charging)/crediting the following :				
Interest income	138	21	462	43
Interest on borrowings	(3,150)	(545)	(4,452)	(746)
Depreciation	(2,163)	(493)	(3,377)	(884)
Foreign exchange gain /(loss)	1,026	(206)	284	168
Gain on disposal of property, plant and equipment	-	2,509	-	2,509
Gain on disposal of assets held for sale	-	466	-	674

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets :				
Cash and bank balances	29,094	97,686	2,229	24,451
Trade receivables	213,613	100,714	1,441	-
Inventory	419	224	-	-
Other receivables	31,660	26,067	1,670	815
Amount due from subsidiaries	-	-	236,266	128,566
Assets held for sale	35,481	10,919	-	-
Total current assets	310,267	235,610	241,606	153,832
Non-current assets :				
Property, plant and equipment	299,166	112,900	1,749	1,643
Subsidiaries	-	-	33,835	33,635
Associate	4,073	3,698	-	-
Joint venture	7,142	4,448	-	-
Deferred tax assets	19	18	-	-
Other receivables	12,417	11,591	636	339
Derivative financial instruments	6,183	1,762	6,183	1,762
Other assets	108	13	-	-
Total non-current assets	329,108	134,430	42,403	37,379
Total assets	639,375	370,040	284,009	191,211
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	24,166	14,434	-	-
Bonds	20,235	-	20,236	-
Trade payables	58,576	43,946	-	-
Other payables	110,574	49,221	3,183	7,561
Current portion of finance leases	670	80	39	39
Amount due to subsidiaries	-	-	349	2
Income tax payable	4,490	2,049	-	-
Total current liabilities	218,711	109,730	23,807	7,602
Non-current liabilities:				
Bank loans	58,970	10,122	-	-
Bonds	143,194	71,147	143,194	71,147
Finance leases	2,598	617	211	317
Employee benefits liabilities	68	67	-	-
Deferred tax liabilities	902	878	-	-
Total non-current liabilities	205,732	82,831	143,405	71,464
Capital, reserves and minority interest:				
Share capital	108,205	108,205	108,205	108,205
Hedging reserve	6,183	1,762	6,183	1,762
Translation reserve	897	452	-	-
Retained earnings	97,572	66,453	2,409	2,178
Equity attributable to equity holders of the Company	212,857	176,872	116,797	112,145
Minority interests	2,075	607	-	-
Total equity	214,932	177,479	116,797	112,145
Total liabilities and equity	639,375	370,040	284,009	191,211

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand			
As at 30/06/2008		As at 31/12/2007	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
24,836	20,235	14,514	-

Amount repayable after one year			
As at 30/06/2008		As at 31/12/2007	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
61,568	143,194	10,739	71,147

Details of any collateral :

The Group's borrowings are secured by way of :

1. Legal mortgage over certain vessels / assets
2. Corporate guarantees from Swiber Holdings Limited (for certain loans)

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP	
	2nd Qtr of 2008 US\$'000	2nd Qtr of 2007 US\$'000
Cash flows from operating activities		
Profit before tax	24,143	6,703
Adjustments for :		
Interest income	(138)	(21)
Finance costs	3,150	942
Depreciation of property, plant and equipment	2,163	493
Gain on disposal of property, plant and equipment	-	(2,509)
Gain on disposal of assets held for sale	-	(466)
Share of profit of associate and joint venture	(589)	(446)
Operating cash flows before movement in working capital	<u>28,729</u>	<u>4,696</u>
Trade receivables	(67,080)	(5,781)
Inventory	125	-
Other receivables	12,613	375
Other assets	(97)	(2)
Trade payables	(16,859)	(1,771)
Other payables	64,440	6,495
Cash generated from operations	<u>21,871</u>	<u>4,012</u>
Income taxes paid	(239)	(132)
Interest paid	(3,150)	(942)
Net cash generated from operating activities	<u>18,482</u>	<u>2,938</u>
Cash flow from investing activities:		
Interest received	138	21
Proceeds on disposal of property, plant and equipment	15	24,618
Proceeds on disposal of assets held for sale	-	2,050
Purchases of plant and equipment	(92,644)	(15,519)
Additions to assets held for sale	(22,824)	(22,395)
Investment in associate	(98)	-
Investment in joint venture	(1,693)	(1,818)
Net cash used in investing activities	<u>(117,106)</u>	<u>(13,043)</u>
Cash flow from financing activities:		
Repayment of bank loans	(24,309)	(4,519)
Pledged deposits	13	709
Proceeds on issue of bonds	20,235	-
Repayment of obligations under finance leases	(165)	(16)
New bank loans raised	56,817	17,508
Net cash from financing activities	<u>52,591</u>	<u>13,682</u>
Net effect of foreign exchange rate changes on consolidation of subsidiaries	(108)	(7)
Net (decrease) / increase in cash and bank balances	(46,141)	3,570
Cash and cash equivalents at beginning of the period	<u>71,199</u>	<u>3,448</u>
Cash and cash equivalents at end of the period	<u><u>25,058</u></u>	<u><u>7,018</u></u>
Cash and cash equivalents consist of:		
Cash at bank	25,006	7,014
Cash on hand	52	4
Fixed deposits	4,036	1,788
	<u>29,094</u>	<u>8,806</u>
Less: Pledged deposits	(4,036)	(1,788)
Total	<u><u>25,058</u></u>	<u><u>7,018</u></u>

During the period, property, plant and equipment amounting to US\$1,646,000 (2Q FY2007 : nil) were acquired under finance leases.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Equity attributable to equity holders of the company	Minority interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
GROUP							
Balance at 1 April 2007	31,634	-	90	20,436	52,160	568	52,728
Profit for the period	-	-	-	6,291	6,291	(88)	6,203
Exchange differences arising on translation of foreign operations	-	-	(7)	-	(7)	2	(5)
Balance at 30 June 2007	31,634	-	83	26,727	58,444	482	58,926
Balance at 1 April 2008	108,205	4,308	1,024	76,770	190,307	646	190,953
Profit for the period	-	-	-	20,802	20,802	1,410	22,212
Exchange differences arising on translation of foreign operations	-	-	(127)	-	(127)	19	(108)
Gain on cashflow hedges	-	1,875	-	-	1,875	-	1,875
Balance at 30 June 2008	108,205	6,183	897	97,572	212,857	2,075	214,932
COMPANY							
Balance at 1 April 2007	31,634	-	-	1,294	32,928	-	32,928
Loss for the period	-	-	-	(642)	(642)	-	(642)
Balance at 30 June 2007	31,634	-	-	652	32,286	-	32,286
Balance at 1 April 2008	108,205	4,308	-	2,318	114,831	-	114,831
Loss for the period	-	-	-	91	91	-	91
Gain on cashflow hedges	-	1,875	-	-	1,875	-	1,875
Balance at 30 June 2008	108,205	6,183	-	2,409	116,797	-	116,797

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares**

Not applicable

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30/06/2008	As at 31/12/2007
Total number of issued shares	424,350,000	424,350,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the consolidated financial statements of the Group for financial year ended 31 December 2007.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately**

Earnings per Ordinary Share for the period based on net profit attributable to Shareholders :	GROUP (Year-to-date)	
	1H 2008	1H 2007
(i) Based on weighted average number of ordinary shares on issue (US cents)	7.33	2.69
(ii) On a fully diluted basis (US cents)	7.33	2.69
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Shares	424,350,000	369,000,000

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the**

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	as at 30/06/2008	as at 31/12/2007	as at 30/06/2008	as at 31/12/2007
Net asset value per ordinary share based on issued share capital at the end of the financial period (US cents)	50.16	41.68	27.52	26.43
Issue share capital at the end of the period	424,350,000	424,350,000	424,350,000	424,350,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the financial period reported on.**

Review of Group's performance :

The Group's revenue increased by approximately US\$99.17 million or 391.1% from US\$25.36 million in the 2nd quarter of FY2007 to US\$ 124.53 million in the 2nd quarter of FY2008. The increase was mainly attributed to revenue derived from offshore construction projects. In the 2nd quarter of FY2008, we were executing 6 projects simultaneously in Malaysia, Brunei and Indonesia comprising mainly of transportation and installation of offshore pipelines and platforms whereas in 2nd quarter of FY2007 there were only 2 offshore construction projects with one in Malaysia and the other in Brunei.

The gross profit increased by approximately US\$24.84 million or 333.2% from US\$7.46 million in the 2nd quarter of FY2007 to US\$32.30 million in the 2nd quarter of FY2008 as a result of increase in revenue.

Finance costs increased by approximately US\$2.21 million or 234.4% from US\$942,000 in 2nd quarter of FY2007 to US\$3.15 million in 2nd quarter of FY2008. The increase was due mainly to the drawdown of MTN bonds.

Depreciation increased by approximately US\$1.67 million or 338.7% from US\$493,000 in 2nd quarter of FY2007 to US\$2.16 million in 2nd quarter of FY2008. The increase was due mainly to the increase in our fleet of vessels

Other operating income decreased by approximately US\$2.18 million or 78.1% from US\$2.79 million in the 2nd quarter of FY2007 to US\$0.61 million in the 2nd quarter of FY2008. The increase was due mainly to the gain on disposal of vessels of US\$2.98 million recognised in the 2nd quarter of FY2007.

Administrative expenses increased by approximately US\$3.83 million or 126.1% from US\$ 3.04 million in the 2nd quarter of FY2007 to US\$6.87 million in the 2nd quarter of FY2008. The increase was due mainly to increase in headcount and generally administrative expenses to support the increased business activities.

With the above, the Group's profit after tax increased by approximately 258.1% or from US\$6.2 million in 2nd quarter FY2007 to US\$22.21 million in the 2nd quarter of FY2008.

Review of Balance Sheet and Cash flow :

The Group's total equity increased as a result of the profit for the 6-month period ended 30 June 2008. The net debt to equity ratio has increase from 0.53 times as at 31 December 2007 to 1.03 times as at 30 June 2008 mainly due to the increase in borrowings. The increase in Group's borrowings mainly comprises of increase in bank borrowings and issue of MTN bonds to finance the Group's fleet expansion programme and working capital. The Group's interest cover is at 8.95 times in 2nd quarter of FY2008.

The increase in the Group's property, plant and equipment for the period ended 30th June 2008 was mainly due to the increase of vessels as part of our the fleet expansion programme.

The increase in Group's trade and other receivables during the first half of FY2008 was mainly due to increase in business activities and deposits received from the disposal of vessels respectively.

The increase in Group's other payables was mainly due to outstanding progressive payments to shipyards for two vessels currently under construction.

Net cash generated from operating activities and financing activities during the period was offset by purchases of vessels and assets held for sale.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N/A

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As at 30 June 2008, the Group has an order book of approximately US\$664 million (this includes the conditional LOI for the installation of platforms and pipelines in the Gulf of Thailand for a period of five years with a value estimated to be in the region of US\$50 million per year) as compared with the order book of less than US\$220 million in June 2007. The current offshore oil and gas activities will continue to remain buoyant in the next 12 months and the Group expects the current fleet expansion programme, particularly the increase in the number of construction vessels, will allow the Group to expand geographically and to bid and grow its order book.

Notwithstanding the positive business outlook, it is mindful of the general cautious world business climate presently. The Group takes a vigilant stance of the unfolding global economic trends as it executes its expansion plans.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No interim dividend has been declared for the period ended 30 June 2008

13. Statement By Directors Pursuant to SGX Listing Rule 705 (4)

To the best of our knowledge, nothing has come to the attention of the Directors which may render the unaudited interim financial results (comprising the income statement, balance sheet, cash flow statement and statement of changes in equity, together with the accompanying notes) presented in this announcement to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Goh Kim Teck
Chairman
13-Aug-08

The initial public offering of the shares of Swiber Holdings Limited was sponsored by Westcomb Capital Pte Ltd