



## SWIBER HOLDINGS LIMITED

(Incorporated in Singapore)  
(Company Registration Number :200414721N)

### Third Quarter Financial Statement for the Period Ended 30 September 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		
	3rd Qtr of 2008	3rd Qtr of 2007	+ / (-)	9 Months 2008	9 Months 2007	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>REVENUE</b>	<b>130,095</b>	<b>45,416</b>	186.5	<b>325,497</b>	<b>90,092</b>	261.3
Cost of Sales	(104,064)	(29,960)	247.3	(248,828)	(61,869)	302.2
<b>GROSS PROFIT</b>	<b>26,031</b>	<b>15,456</b>	<b>68.4</b>	<b>76,669</b>	<b>28,223</b>	<b>171.7</b>
Other operating income	6,809	11,130	(38.8)	7,880	14,524	(45.7)
Administrative expenses	(10,082)	(5,422)	85.9	(22,018)	(10,239)	115.0
Other operating expenses	(570)	(44)	nm	(701)	(82)	nm
Share of profit of associate and joint venture	498	650	(23.4)	1,726	1,224	41.0
Finance costs	(2,924)	(928)	215.1	(8,395)	(2,103)	299.2
<b>Profit before tax</b>	<b>19,762</b>	<b>20,842</b>	<b>(5.2)</b>	<b>55,161</b>	<b>31,547</b>	<b>74.9</b>
Income tax expense	(1,581)	(1,200)	31.8	(4,413)	(2,060)	114.2
Profit after tax	18,181	19,642	(7.4)	50,748	29,487	72.1
Attributable to :						
<b>Equity holders of the company</b>	<b>16,037</b>	<b>19,725</b>	(18.7)	<b>47,156</b>	<b>29,668</b>	58.9
Minority interest	2,144	(83)	nm	3,592	(181)	nm
	<b>18,181</b>	<b>19,642</b>	<b>(7.4)</b>	<b>50,748</b>	<b>29,487</b>	<b>72.1</b>

nm : not meaningful

#### Notes

	GROUP		GROUP	
	3rd Qtr of 2008	3rd Qtr of 2007	9 Months 2008	9 Months 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	187	676	649	719
Interest on borrowings	(2,631)	(801)	(7,083)	(1,547)
Depreciation	(2,090)	(640)	(5,467)	(1,501)
Foreign exchange gain /(loss)	(734)	511	(451)	679
Negative goodwill written off	-	2,047	-	2,047
Gain on disposal of property, plant and equipment	2,261	-	2,261	2,509
Gain on disposal of assets held for sale	4,500	7,772	4,500	8,446

**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	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current assets :</b>				
Cash and bank balances	63,270	97,686	23,005	24,451
Trade receivables	234,021	100,714	-	-
Inventory	587	224	-	-
Other receivables	60,343	26,067	2,689	815
Amount due from subsidiaries	-	-	250,421	128,566
Assets held for sale	74,552	10,919	-	-
<b>Total current assets</b>	<b>432,773</b>	<b>235,610</b>	<b>276,115</b>	<b>153,832</b>
<b>Non-current assets :</b>				
Property, plant and equipment	294,621	112,900	2,036	1,643
Subsidiaries	-	-	33,838	33,635
Associate	3,966	3,698	-	-
Joint venture	7,804	4,448	-	-
Deferred tax assets	-	18	-	-
Other receivables	12,341	11,591	519	339
Derivative financial instruments	496	1,762	496	1,762
Other assets	-	13	-	-
<b>Total non-current assets</b>	<b>319,228</b>	<b>134,430</b>	<b>36,889</b>	<b>37,379</b>
<b>Total assets</b>	<b>752,001</b>	<b>370,040</b>	<b>313,004</b>	<b>191,211</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	72,601	14,434	-	-
Bonds	20,236	-	20,236	-
Trade payables	55,656	43,946	-	-
Other payables	168,254	49,221	1,680	7,561
Current portion of finance leases	664	80	39	39
Amount due to subsidiaries	-	-	37,927	2
Income tax payable	4,105	2,049	-	-
<b>Total current liabilities</b>	<b>321,516</b>	<b>109,730</b>	<b>59,882</b>	<b>7,602</b>
<b>Non-current liabilities:</b>				
Bank loans	58,423	10,122	-	-
Bonds	143,194	71,147	143,194	71,147
Finance leases	2,315	617	222	317
Employee benefits liabilities	-	67	-	-
Deferred tax liabilities	1,845	878	-	-
<b>Total non-current liabilities</b>	<b>205,777</b>	<b>82,831</b>	<b>143,416</b>	<b>71,464</b>
<b>Capital, reserves and minority interest:</b>				
Share capital	108,205	108,205	108,205	108,205
Treasury shares	(1,590)	-	(1,590)	-
Hedging reserve	496	1,762	496	1,762
Translation reserve	(141)	452	-	-
Retained earnings	113,609	66,453	2,595	2,178
Equity attributable to equity holders of the Company	220,579	176,872	109,706	112,145
Minority interests	4,129	607	-	-
<b>Total equity</b>	<b>224,708</b>	<b>177,479</b>	<b>109,706</b>	<b>112,145</b>
<b>Total liabilities and equity</b>	<b>752,001</b>	<b>370,040</b>	<b>313,004</b>	<b>191,211</b>

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

<b>Amount repayable in one year or less, or on demand</b>			
As at 30/09/2008		As at 31/12/2007	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
23,265	70,236	14,514	-

<b>Amount repayable after one year</b>			
As at 30/09/2008		As at 31/12/2007	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
60,738	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	
	3rd Qtr of 2008 US\$'000	3rd Qtr of 2007 US\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	19,762	20,842
<b>Adjustments for :</b>		
Interest income	(187)	(676)
Finance costs	2,924	928
Depreciation of property, plant and equipment	2,090	640
Gain on disposal of property, plant and equipment	(2,261)	-
Gain on disposal of assets held for sale	(4,500)	(7,772)
Negative goodwill	-	(2,047)
Provision for employee benefit	(68)	-
Share of profit of associate and joint venture	(498)	(650)
<b>Operating cash flows before movement in working capital</b>	<b>17,262</b>	<b>11,265</b>
Trade receivables	(20,408)	(20,710)
Inventory	(168)	53
Other receivables	(28,900)	(10,488)
Other assets	108	(2)
Trade payables	(2,920)	25,123
Other payables	57,680	10,416
<b>Cash generated from operations</b>	<b>22,654</b>	<b>15,657</b>
Income taxes paid	(1,003)	(259)
Interest paid	(2,631)	(928)
<b>Net cash generated from operating activities</b>	<b>19,020</b>	<b>14,470</b>
<b>Cash flow from investing activities:</b>		
Interest received	187	676
Proceeds on disposal of property, plant and equipment	13,256	-
Proceeds on disposal of assets held for sale	13,000	47,100
Purchases of plant and equipment	(36,297)	(28,912)
Additions to assets held for sale	(19,814)	(44,077)
Minority interest contribution for share capital of subsidiary	31	-
Investment in subsidiary	-	(5,198)
Investment in associate	(57)	-
<b>Net cash used in investing activities</b>	<b>(29,694)</b>	<b>(30,411)</b>
<b>Cash flow from financing activities:</b>		
Repayment of bank loans	(26,137)	(13,850)
Pledged deposits	(1,219)	996
Proceeds on issue of bonds	-	71,148
Proceed on issue of shares	-	78,569
Purchase of treasury shares	(1,590)	-
Share issue expenses	-	(1,998)
Repayment of obligations under finance leases	(289)	(2)
New bank loans raised	74,025	6,692
<b>Net cash from financing activities</b>	<b>44,790</b>	<b>141,555</b>
Net effect of foreign exchange rate changes on consolidation of subsidiaries	(1,160)	225
<b>Net increase in cash and bank balances</b>	<b>32,956</b>	<b>125,839</b>
Cash and cash equivalents at beginning of the period	25,059	7,018
<b>Cash and cash equivalents at end of the period</b>	<b>58,015</b>	<b>132,857</b>
<b>Cash and cash equivalents consist of:</b>		
Cash at bank	36,599	61,762
Cash on hand	56	8
Fixed deposits	26,615	71,879
	<b>63,270</b>	<b>133,649</b>
Less: Pledged deposits	(5,255)	(792)
<b>Total</b>	<b>58,015</b>	<b>132,857</b>

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	Treasury shares	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	US\$'000
<b>GROUP</b>								
<b>Balance at 1 July 2007</b>	31,634	-	-	83	26,727	58,444	482	58,926
Issue of shares pursuant to Private Placement	78,569	-	-	-	-	78,569	-	78,569
Share issue expenses	(1,998)	-	-	-	-	(1,998)	-	(1,998)
Profit for the period	-	-	-	-	19,723	19,723	(83)	19,640
Exchange differences arising on translation of foreign operations	-	-	-	225	-	225	(2)	223
<b>Balance at 30 September 2007</b>	<b>108,205</b>	<b>-</b>	<b>-</b>	<b>308</b>	<b>46,450</b>	<b>154,963</b>	<b>397</b>	<b>155,360</b>
<b>Balance at 1 July 2008</b>	108,205	-	6,183	897	97,572	212,857	2,075	214,932
Profit for the period	-	-	-	-	16,037	16,037	2,144	18,181
Exchange differences arising on translation of foreign operations	-	-	-	(1,038)	-	(1,038)	(120)	(1,158)
Loss on cashflow hedges	-	-	(5,687)	-	-	(5,687)	-	(5,687)
Acquisition of interests in subsidiaries	-	-	-	-	-	-	30	30
Repurchase of shares	-	(1,590)	-	-	-	(1,590)	-	(1,590)
<b>Balance at 30 September 2008</b>	<b>108,205</b>	<b>(1,590)</b>	<b>496</b>	<b>(141)</b>	<b>113,609</b>	<b>220,579</b>	<b>4,129</b>	<b>224,708</b>
<b>COMPANY</b>								
<b>Balance at 1 July 2007</b>	31,634	-	-	-	652	32,286	-	32,286
Issue of shares pursuant to Private Placement	78,569	-	-	-	-	78,569	-	78,569
Share issue expenses	(1,998)	-	-	-	-	(1,998)	-	(1,998)
Profit for the period	-	-	-	-	150	150	-	150
<b>Balance at 30 September 2007</b>	<b>108,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>802</b>	<b>109,007</b>	<b>-</b>	<b>109,007</b>
<b>Balance at 1 July 2008</b>	108,205	-	6,183	-	2,409	116,797	-	116,797
Profit for the period	-	-	-	-	186	186	-	186
Loss on cashflow hedges	-	-	(5,687)	-	-	(5,687)	-	(5,687)
Repurchase of shares	-	(1,590)	-	-	-	(1,590)	-	(1,590)
<b>Balance at 30 September 2008</b>	<b>108,205</b>	<b>(1,590)</b>	<b>496</b>	<b>-</b>	<b>2,595</b>	<b>109,706</b>	<b>-</b>	<b>109,706</b>

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 excluding treasury

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 30/09/2008	As at 31/12/2007
Total number of issued shares	421,955,000	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.

	Treasury Shares
Total number shares as at 01/07/08	-
Purchase of shares	2,395,000
Total number shares as at 30/09/08	2,395,000

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)	
	9 Months 2008	9 Months 2007
(i) Based on weighted average number of ordinary shares on issue (US cents)	11.12	7.69
(ii) On a fully diluted basis (US cents)	11.12	7.69
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Shares	424,236,697	385,828,022

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 30/09/2008	as at 31/12/2007	as at 30/09/2008	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)	52.28	41.68	26.00	26.43
Issue share capital at the end of the period	421,955,000	424,350,000	421,955,000	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 for 3<sup>rd</sup> quarter FY2008 increased by approximately US\$84.68 million or 186.5% from US\$45.42 million in the 3<sup>rd</sup> quarter of FY2007 to US\$ 130.10 million in the 3<sup>rd</sup> quarter of FY2008. The growth in revenue resulted from increased activities in the offshore construction projects which comprises mainly of transportation and installation of offshore pipelines and platforms in Malaysia, Brunei, Indonesia and for India project.

The gross profit increased by US\$10.58 million or 68.4% from US\$15.46 million in the 3<sup>rd</sup> quarter of FY2007 to US\$26.03 million in the 3<sup>rd</sup> quarter of FY2008. However, the gross profit margin for the 3<sup>rd</sup> quarter of FY2008 has dropped from approximately 34.03% in the 3<sup>rd</sup> quarter of FY2007 to 20.01% in the 3<sup>rd</sup> quarter of FY2008 is mainly due to the increased usage of third-party vessels.

Other operating income decreased by approximately US\$4.32 million or 38.8% from US\$11.13 million in the 3<sup>rd</sup> quarter of FY2007 to US\$6.81 million in the 3<sup>rd</sup> quarter of FY2008. The decreased in other operating income was due primarily to the reduction in gain on disposal of vessels amounting to US\$1.01 million and negative goodwill written off of US\$2.05 million on the acquisition of Kreuz Shipbuilding & Engineering Pte Ltd in the 3<sup>rd</sup> quarter of FY2007.

Administrative expenses increased by approximately by US\$4.66 million or by 85.9% from US\$5.42 million in the 3<sup>rd</sup> quarter of FY2007 to US\$10.08 million in the 3<sup>rd</sup> quarter of FY2008 and this is mainly due to increase in headcount from 181 in 3<sup>rd</sup> quarter FY2007 to 568 in 3<sup>rd</sup> quarter of FY2008 and general administrative expenses to support the increased business activities.

Finance costs for the Group increased by 215.1% due primarily to increase in bond and bank loans.

Depreciation increased by approximately US\$1.45 million or 226.6% from US\$640,000 in 3<sup>rd</sup> quarter of FY2007 to US\$2.09 million in 3<sup>rd</sup> quarter of FY2008 and this was due mainly to the increase in our fleet of vessels.

The Group's profit after tax reduced by approximately 7.4% from US\$19.64 million in 3<sup>rd</sup> quarter of FY2007 to US\$18.18 million in the 3<sup>rd</sup> quarter of FY2008. The reduction was due primarily to higher administrative expenses & finance costs and lower other operating income for the period.

Review of Balance Sheet :

The Group's total equity increased as a result of the profit for the 9-month period ended 30 September 2008. The net debt to equity ratio as at 30 September 2008 is 1.04 times mainly due to the increase in bank borrowings and funds raised from the bond issued to finance the Group's capex programme and working capital.

The increase of the Group's property, plant and equipment for the period ended 30 September 2008 was due primarily to the increase of vessels as part of our capex programme. The fleet of vessels increased from 15 vessels in 3<sup>rd</sup> quarter of FY2007 to 21 vessels in 3<sup>rd</sup> quarter of FY2008 and the number of vessels under construction increased from 8 vessels in 3<sup>rd</sup> quarter of FY2007 to 11 vessels in 3<sup>rd</sup> quarter of FY2008.

The increase in the Group's Trade Receivables for the 9-month period of FY2008 was mainly due to increase in business activities and the increase in Other Debtors is due to payment due from disposal of vessel and deposits for purchase of vessels.

The increase in the Group's Other Payables was mainly due to the amount of deposits received from the sales of vessels under sales & leasebacks arrangements and recognition of progression billings from the shipyard.

Review of Cash flow statement :

The Group's operating activities in 3<sup>rd</sup> quarter of FY2008 generated net cash inflow of US\$19.02 million. This was mainly attributed to the cash flow from operating project of US\$17.26 million and US\$1.76 million increase in working capital during the 3<sup>rd</sup> quarter of FY2008.

The net cash outflow of US\$29.69 million in investing activities was mainly attributed to the purchase of vessels and vessels held for sales of US\$56.11 million offset by the proceeds of US\$26.26 million from the disposal of vessels.

The net cash from financing activities of US\$44.79 million mainly due to the net bank borrowings of US\$47.89 million offset by pledged deposit of US\$1.20 million, purchase of treasury shares of US\$1.59 million and repayment of obligations under finance lease of US\$289,000.

As a result of the above movements, the cash and cash equivalent decreased to US\$63.27 million in the 3<sup>rd</sup> quarter of FY2008.

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 September 2008, the Group has an order book of approximately US\$607 million as compared with the order book of less than US\$180 million in September 2007.

Despite the current financial crisis, the Group expects the current shallow waters offshore oil and gas activities in Asia Pacific and Middle East will continue to remain at the current trend in the next 12 months and the Group is confident that the long-term fundamentals and outlook of offshore oil and gas industry remain positive.

In view of the current challenging global economic conditions and financial outlook, the Group is taking a vigilant and cautious approach in conducting its business.

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 September 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  
Executive Chairman and CEO  
14-Nov-08