



SWIBER HOLDINGS LIMITED

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

1st Quarter Financial Statement for the Period Ended 31 March 2009

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

	GROUP		
	1st Qtr 2009	1st Qtr 2008	+ / (-)
	US\$'000	US\$'000	%
REVENUE	87,075	70,876	22.9
Cost of Sales	(69,509)	(52,534)	32.3
GROSS PROFIT	17,566	18,342	(4.2)
Other operating income	4,262	461	824.5
Administrative expenses	(5,427)	(5,064)	7.2
Other operating expenses	(1,227)	(801)	53.2
Share of profit of associate and joint venture	1,020	639	59.6
Finance costs	(3,428)	(2,321)	47.7
Profit before tax	12,766	11,256	13.4
Income tax expense	(822)	(901)	(8.8)
Profit after tax	11,944	10,355	15.3
Attributable to :			
Equity holders of the company	9,798	10,317	(5.0)
Minority interests	2,146	38	nm
	11,944	10,355	15.3

nm : not meaningful

Notes

The Group's profit before tax is arrived at after (charging)/crediting the following :

	GROUP	
	1st Qtr 2009	1st Qtr 2008
	US\$'000	US\$'000
Interest income	52	324
Interest on borrowings	(3,068)	(1,253)
Depreciation	(3,507)	(1,214)
Foreign exchange loss	(1,138)	(743)
Gain on disposal of property, plant and equipment	873	-
Gain on disposal of assets held for sale	2,703	-

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

	GROUP		COMPANY	
	31/03/2009	31/12/2008	31/03/2009	31/12/2008
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets :				
Cash and bank balances	35,768	74,669	464	3,524
Trade receivables	82,358	61,986	-	-
Engineering work-in-progress in excess of progress billings	108,415	135,171	-	-
Inventory	579	4,905	-	-
Other receivables	64,726	59,686	6,708	1,458
Amount due from subsidiaries	-	-	240,630	191,265
Non-current assets held for sale	36,303	56,354	-	-
Total current assets	328,149	392,771	247,802	196,247
Non-current assets :				
Property, plant and equipment	300,860	282,455	1,624	1,810
Subsidiaries	-	-	131,688	131,688
Associate	4,287	4,181	-	-
Joint venture	28,518	9,234	-	-
Deferred tax assets	24	25	-	-
Other receivables	20,914	16,915	300	432
Other assets	-	31	-	-
Total non-current assets	354,603	312,841	133,612	133,930
Total assets	682,752	705,612	381,414	330,177
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	29,925	68,507	-	-
Bonds	11,904	11,904	11,904	11,904
Trade payables	103,354	92,473	44	574
Other payables	116,214	110,479	2,385	5,999
Current portion of finance leases	692	701	39	39
Amount due to subsidiaries	-	-	112,842	59,688
Income tax payable	4,168	3,041	-	-
Total current liabilities	266,257	287,105	127,214	78,204
Non-current liabilities:				
Bank loans	44,853	57,700	-	-
Bonds	143,194	143,194	143,194	143,194
Finance leases	1,802	2,086	249	217
Employee benefits liabilities	-	49	-	-
Deferred tax liabilities	3,520	3,540	-	-
Derivative financial instruments	13,479	4,867	13,479	4,867
Total non-current liabilities	206,848	211,436	156,922	148,278
Capital, reserves and minority interest:				
Share capital	108,205	108,205	108,205	108,205
Treasury shares	(2,507)	(2,507)	(2,507)	(2,507)
Hedging reserve	(13,479)	(4,867)	(13,479)	(4,867)
Translation reserve	(997)	(251)	-	-
Retained earnings	115,068	105,270	5,059	2,864
Equity attributable to equity holders of the Company	206,290	205,850	97,278	103,695
Minority interests	3,357	1,221	-	-
Total equity	209,647	207,071	97,278	103,695
Total liabilities and equity	682,752	705,612	381,414	330,177

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

Amount repayable in one year or less, or on demand			
As at 31/03/2009		As at 31/12/2008	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
15,617	26,904	19,208	61,904

Amount repayable after one year			
As at 31/03/2009		As at 31/12/2008	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
46,655	143,194	59,786	143,194

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	
	1st Qtr 2009	1st Qtr 2008
	US\$'000	US\$'000
Operating activities		
Profit before income tax	12,766	11,256
Adjustments for :		
Interest income	(52)	(324)
Finance costs	3,428	2,321
Depreciation of property, plant and equipment	3,507	1,214
Property, plant and equipment written off	-	1
Gain on disposal of assets held for sales	(2,703)	-
Gain on disposal of property, plant & equipment	(873)	-
Provision for employee benefit	(49)	-
Share of profit of associate and joint venture	(1,020)	(639)
Operating cash flows before movement in working capital	15,004	13,829
Trade receivables	(20,372)	(9,924)
Engineering work-in-progress in excess of progress billings	26,756	(35,895)
Inventory	4,326	(321)
Other receivables	(9,039)	(19,032)
Other assets	31	2
Trade payables	10,881	31,489
Other payables	5,735	(3,087)
Cash generated from / (used in) operations	33,322	(22,939)
Income taxes refund / (paid)	286	(128)
Interest expense paid	(3,428)	(2,321)
Net cash generated from / (used in) operating activities	30,180	(25,388)
Investing activities:		
Interest income received	52	324
Proceeds on disposal of property, plant and equipment	42,630	-
Proceeds on disposal of assets held for sale	53,313	-
Purchases of property, plant and equipment	(58,339)	(94,198)
Additions to non-current assets held for sale	(35,889)	(1,738)
Investment in joint venture	(18,375)	(49)
Net cash used in investing activities	(16,608)	(95,661)
Financing activities:		
Repayment of bank loans	(80,359)	(15,078)
Pledged deposits	49	11,005
Proceed on issue of bonds	-	72,047
Repayment of obligations under finance leases	(293)	(81)
New bank loans raised	28,930	41,150
Net cash (used in) / generated from financing activities	(51,673)	109,043
Net decrease in cash and bank balances	(38,101)	(12,006)
Cash and cash equivalents at beginning of the period	68,087	82,632
Net effect of foreign exchange rate changes on the balance of cash held in foreign currency	(751)	572
Cash and cash equivalents at end of the period	29,235	71,198
Cash and cash equivalents consist of:		
Cash at bank	28,908	31,150
Cash on hand	56	48
Fixed deposits	6,804	44,049
	35,768	75,247
Less: Pledged deposits	(6,533)	(4,049)
Total	29,235	71,198

1(d) A statement of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		COMPANY	
	1st Qtr 2009	1st Qtr 2008	1st Qtr 2009	1st Qtr 2008
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	11,944	10,355	2,195	140
Other Comprehensive Income / (expenses) :				
Exchange differences arising on translation of foreign operations	(756)	572	-	-
Net movement in hedging reserve*	(8,612)	2,546	(8,612)	2,546
Total comprehensive income / (expenses) for the period	2,576	13,473	(6,417)	2,686
Attributable to :				
Equity holders of the company	440	13,435	(6,417)	2,686
Minority interests	2,136	38	-	-
	2,576	13,473	(6,417)	2,686

* The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. These are designated and effective as cash flow hedges and the fair value thereof has been deferred in equity.

1(e)(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 reserves	Retained earnings	Equity attributable to equity holders of the company	Minority interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
GROUP								
Balance at 1 January 2008	108,205	-	1,762	452	66,453	176,872	607	177,479
Total comprehensive income for the period	-	-	2,546	572	10,317	13,435	38	13,473
Acquisition of interest in subsidiary	-	-	-	-	-	-	1	1
Balance at 31 March 2008	108,205	-	4,308	1,024	76,770	190,307	646	190,953
Balance at 1 January 2009	108,205	(2,507)	(4,867)	(251)	105,270	205,850	1,221	207,071
Total comprehensive income / (expenses) for the period	-	-	(8,612)	(746)	9,798	440	2,136	2,576
Balance at 31 March 2009	108,205	(2,507)	(13,479)	(997)	115,068	206,290	3,357	209,647
COMPANY								
Balance at 1 January 2008	108,205	-	1,762	-	2,178	112,145	-	112,145
Total comprehensive income for the period	-	-	2,546	-	140	2,686	-	2,686
Balance at 31 March 2008	108,205	-	4,308	-	2,318	114,831	-	114,831
Balance at 1 January 2009	108,205	(2,507)	(4,867)	-	2,864	103,695	-	103,695
Total comprehensive income / (expenses) for the period	-	-	(8,612)	-	2,195	(6,417)	-	(6,417)
Balance at 31 March 2009	108,205	(2,507)	(13,479)	-	5,059	97,278	-	97,278

- 1(e)(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 shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable

- 1(e)(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 31/03/2009	As at 31/12/2008
Total number of issued shares	421,355,000	421,355,000

Total issued shares as at 31 March 2009 excluding treasury shares of 2,995,000.

- 1(e)(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 01/01/09	2,995,000
Purchase of shares during the year	-
Total number shares as at 31/03/09	2,995,000

- 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.**

Except as disclosed in item 5 below, 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 2008.

- 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.**

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 January 2009. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the financial statements.

The followings are the new and revised FRSs that are relevant to the Group :

- FRS 1 - Presentation of Financial Statements (Revised)
- FRS 108 - Operating Segments

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per Ordinary Share for the period based on net profit attributable to Shareholders :	GROUP (Year-to-date)	
	1st Qtr 2009	1st Qtr 2008
(i) Based on weighted average number of ordinary shares on issue (US cents)	2.33	2.43
(ii) On a fully diluted basis (US cents)	2.33	2.43
Weighted average number of shares in issue for basic and diluted Earnings per Ordinary Share	421,355,000	424,350,000

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 issuer at the end of the:-**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	as at 31/03/2009	as at 31/12/2008	as at 31/03/2009	as at 31/12/2008
Net asset value per ordinary share based on issued share capital at the end of the financial period (US cents)	48.96	48.85	23.09	24.61
Issue share capital at the end of the period	421,355,000	421,355,000	421,355,000	421,355,000

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 discussion of the following:-**

- (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 1st quarter FY2009 grew by approximately US\$16.2m or 22.9% from US\$70.9m in the 1st quarter of FY2008 to US\$87.1m in the 1st quarter of FY2009. The growth in revenue resulted from increased activities in EPCIC projects which comprises mainly of transportation and installation of offshore pipelines and platforms in Malaysia, Brunei, Indonesia and India.

The gross profit declined marginally by US\$0.8m or 4.2% from US\$18.3m in the 1st quarter of FY2008 to US\$17.6m in the 1st quarter of FY2009. Gross profit margin for the 1st quarter of FY2009 dropped from approximately 25.9% in the 1st quarter of FY2008 to 20.2% in the 1st quarter of FY2009 due to higher cost of sales. Cost of sales rose US\$17.0m or 32.3% from US\$52.5m in the 1st quarter of FY2008 to US\$69.5m in the 1st quarter of FY2009. The higher cost of sales was a result of the roll-over effect of the delayed deliveries of our pipelay barge and dive-support work barge. The pipelay barge and dive-support work barge, expected to have been delivered in the 3rd quarter of FY2008, were delivered in January 2009 and February 2009 respectively. Without the benefit of deploying both vessels for the whole quarter, higher costs was incurred for multiple mobilizations and de-mobilizations of vessels for projects.

Other operating income rose by US\$3.8m or 824.5% from US\$0.5m in the 1st quarter of FY2008 to US\$4.3m in the 1st quarter of FY2009. The rise in other operating income can be attributable to the gain on disposal of vessels amounting to US\$3.6m in the 1st quarter of FY2009 arising primarily from the sale of vessels under sales and leaseback transactions.

Administrative expenses increased by approximately by US\$0.4m or 7.2% from US\$5.1m in the 1st quarter of FY2008 to US\$5.4m in the 1st quarter of FY2009 reflecting the increased business activities.

Other operating expenses increased by approximately by US\$0.4m or 53.2% from US\$0.8m in the 1st quarter of FY2008 to US\$1.2m in the 1st quarter of FY2009, mainly due to foreign exchange translation losses relating to Malaysia and Indonesia subsidiary.

Share of profit of associate and joint venture grew US\$0.4m or 59.6% from US\$0.6m in the 1st quarter of FY2008 to US\$1.0m in the 1st quarter of FY2009. The growth was due to an increased fleet for joint venture partner, Swiwar Offshore Pte Limited, resulting in higher earnings as well as contribution from associate, Principia Asia Pacific Engineering Pte Ltd (incorporated in April 2008).

Finance costs for the Group increased by approximately US\$1.1m or 47.7% from US\$2.3m in the 1st quarter of FY2008 to US\$3.4m in 1st quarter of FY2009 due to increase in bank loans and issuance of bonds.

With the increase in vessel fleet, depreciation rose by US\$2.3m or 188.9% from US\$1.2m in 1st quarter of FY2008 to US\$3.5m in 1st quarter of FY2009.

The Group's profit after tax increased by 15.3% from US\$10.4m in 1st quarter of FY2008 to US\$11.9m in the 1st quarter of FY2009. The increase was due primarily to higher operating income and share of profit from associate and joint venture marginally offset by higher other operating expenses and finance costs.

Review of Balance Sheet :

The Group's total equity increased as a result of the profit for the 3-month period ended 31 March 2009. The net debt to equity ratio as at 31 March 2009 was 0.94 times. The net debt to equity ratio as at 31 December 2008 was 1.01 times. The lower debt ratio reflects the success of the Group's strategy of being asset light through sales and leaseback as well as joint venture arrangements.

The US\$18.4m or 6.5% increase in the property, plant and equipment from US\$282.5m as at 31 December 2008 to US\$300.9m as at 31 March 2009 was primarily due to the increase of vessels as part of our capex programme. The operating fleet of vessels increased from 32 vessels as at 31 December 2008 to 36 vessels as at 31 March 2009.

Joint venture rose US\$19.3m or 208.8% from US\$9.2m as at 31 December 2008 to US\$28.5m as at 31 March 2009 mainly due to the subscription by ICON Capital Corp in Victorious LLC.

The increase in the Group's trade receivables of US\$20.4m or 32.9% from US\$ 62.0m as at 31 December 2008 to US\$82.4m as at 31 March 2009 was mainly due to the increased activities.

Work-in-progress declined by US\$26.8m or 19.8% from US\$135.2m as at 31 December 2008 to US\$108.4m as at 31 March 2009 primarily due to completion of projects in Brunei, Malaysia and India.

Current other receivables rose by US\$5.0m or 8.4% from US\$59.7m as at 31 December 2008 to US\$64.7m as at 31 March 2009. Non-current other receivables rose by US\$4.0m or 23.6% from US\$16.9m as at 31 December 2008 to US\$20.9m as at 31 March 2009. The increase for both current and non-current other receivables is mainly due to increase in deposits and prepayments relating to vessel and equipment expenditure as well as project related work.

The US\$20.1m or 35.6% decrease in assets held for sale from US\$56.4m as at 31 December 2008 to US\$36.3m as at 31 March 2009 is attributable to disposals of vessels in relation to the sale and lease back transactions.

As a result of debt repayments as well as sale and leaseback arrangements, current bank loans decreased US\$38.6m or 56.3% from US\$68.5m as at 31 December 2008 to US\$29.9m as at 31 March 2009 while non-current bank loans decreased US\$12.8m or 22.3% from US\$57.7m as at 31 December 2008 to US\$44.9m as at 31 March 2009.

Of the US\$11.9m current bonds, we have made repayment of US\$11.7m in the 2nd quarter of 2009. The remaining \$0.2m will be repaid in the 3rd quarter of 2009. With regards to the non-current bonds of US\$143.2m, US\$71.2m will be due in 3rd quarter of 2010 and US\$72.0m will be due in 1st quarter of 2011.

In line with the higher cost of sales and operating expenses, trade and other payables increased US\$10.9m or 11.8% to US\$103.4m as at 31 March 2009 from US\$92.5m as at 31 December 2008 and US\$5.7m or 5.2% from US\$110.5m as at 31 December 2008 to US\$116.2m as at 31 March 2009 respectively.

Review of Cash flow statement :

The Group's net cash inflow from operating activities 1st quarter of FY2009 of US\$30.2m was mainly attributable to cashflow from operating activities of US\$15.0m and US\$15.2m increase in working capital during the 1st quarter of FY2009. The increase in working capital was mainly due to lower engineering work-in-progress as a result of billings during the 1st quarter.

The net cash outflow of US\$16.6m in investing activities was mainly attributed to the investment of US\$18.4m in joint venture Victorious LLC. Proceeds from disposal of assets were offset by cash used for acquisition of assets.

The net cash outflow from financing activities of US\$51.7m was mainly due to net bank repayments of US\$51.4m.

As a result of the above movements, the cash and cash equivalent decreased to US\$29.2m in the 1st quarter of FY2009.

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 31 March 2009, the Group has an order book of US\$515m as compared with the order book of US\$476m in March 2008.

Despite the challenging conditions prevailing in the shallow waters oil and gas activities in Asia Pacific and Middle East, the Group remains confident of the long term fundamentals of the oil and gas industry. The Group will maintain its prudent approach in the current environment.

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 31 March 2009

13. Statement By Directors Pursuant to SGX Listing Rule 705 (5)

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 comprehensive 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
14-May-09