



# Swiber Holdings Limited : 3QFY2010 Results Briefing

12 November 2010



# 3QFY2010 Financial Highlights

*A world class company in the offshore industry*



# 3QFY2010 – Key Highlights

## **27.5% revenue increase to US\$122.4 million in 3QFY2010**

- ❑ Contributions recognised from projects carried out in South East Asia and South Asia.

## **79.9% surge in gross profit to US\$26.5 million**

- ❑ Gross margin up to 21.7%, as compared to 15.4% in FY2009

## **Net profit for 3QFY2010 was US\$8.0 million, a decline from US\$16.4 million in 3QFY2009, mainly due to:**

- ❑ Fair value accounting
- ❑ Forex losses
- ❑ Finance costs relating to issuance of 5% Convertible Bond
- ❑ Business expansion efforts contributing to higher administrative expense

## **Strong order book of US\$800 million**

# Financial Highlights

US\$ (million)	<u>3Q2010</u>	<u>3Q2009</u>	<u>Change (%)</u>	<u>9M2010</u>	<u>9M2009</u>	<u>Change (%)</u>
Revenue	122.4	96.0	27.5	313.8	293.9	6.8
Gross Profit	26.5	14.8	79.9	68.0	56.1	21.2
Net Profit	8.0	16.4	(51.3)	30.4	47.5	(36.0)
Gross Profit Margin (%)	21.7	15.4	6.3 pt	21.7	19.1	2.6 pt
EPS (US cts) (Basic)	1.4	3.2	(56.3)	5.7	9.0	(36.7)

# Balance Sheet

US\$m	30 Sept 2010	30 June 2010	31 Mar 2010
Cash & bank balances	106.8	78.5	82.7
Trade receivables and WIP	301.6	294.1	285.9
Current assets	514.5	557.4	633.0
Non-current assets	444.7	387.3	347.9
Current liabilities	346.5	454.8	508.6
Non-current liabilities	259.8	167.6	165.4
Total equity	352.9	322.3	306.9

# Key Financial Ratios

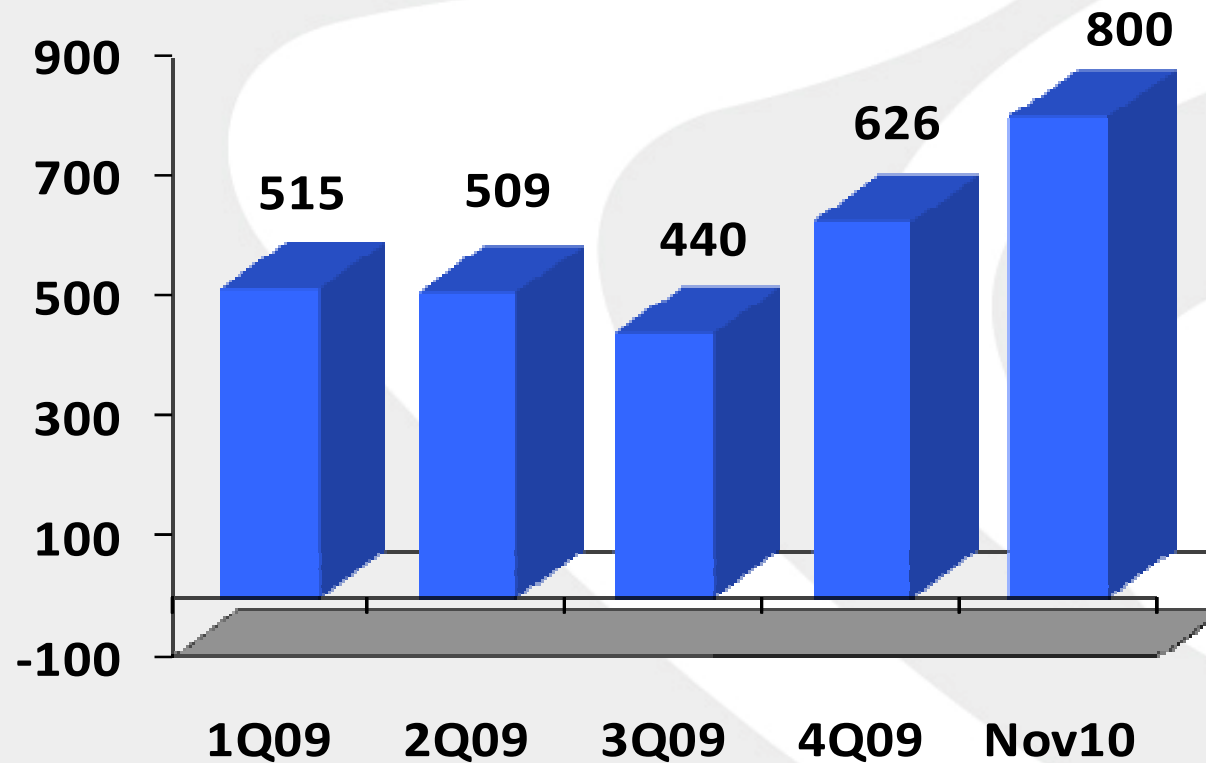
Key ratios	30 Sept 2010	30 June 2010	31 Mar 2010
Net Debt / Equity (times)	0.86	0.91	0.81
NAV per share (US cents)	64.0	62.7	59.6
Return on Equity (%) (Annualised)	11.9	13.8	10.6
Return on Asset (%) (Annualised)	4.2	4.7	3.3

# Cashflow

US\$m	3QFY2010	3QFY2009
Operating cashflow before movement in working capital	13.1	9.5
Net cash used in operating activities	(63.9)	14.6
Net cash generated from / (used in) investing activities	44.2	(14.7)
Net cash from financing activities	41.9	17.5
Cash & cash equivalents at end of period	97.6	71.8

- ▶ **Net cash outflow from operating activities:** Mainly due to an increase in trade and other receivables of US\$19.5 million and a decrease in other payables of US\$61.2 million
- ▶ **Net cash inflow from investing activities:** Mainly due to proceeds from disposal of assets held for sale of total US\$150.9 million. This cash inflow was however partially offset by purchase of property, plant and equipment and assets held for sales of US\$81.6 million and investment in associates of US\$35.9 million
- ▶ **Net cash inflow from financing activities:** Due to net bank borrowings amounted to US\$27.7 million, net proceeds on issue of bonds amounted to US\$1.1 million and contribution from non-controlling interest as a result of the IPO of a subsidiary, KHL, amounted to US\$15.3 million

## Order book (US\$'m)



- ▶ As of Nov 2010, order book stands at approximately US\$800 million
- ▶ Expected to contribute to the Group's results over the next two years, barring unforeseen circumstances





# Corporate Highlights

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# Fleet Updates

## Vessel launched on 1 November 2010

Derrick Piplay Barge: Swiber PJW3000:

- One of the largest in the Asia-Pacific region
- Most significant asset for Swiber
- To strengthen market share in the Asia Pacific and Middle-East region



## Current fleet size

50 vessels: 38 offshore vessels and 12 construction vessels

# Current Fleet: 50 Vessels : 80% less than 4 Years Old

## Construction Vessels

1. **Swiber Conquest** (Pipelay barge) \*
2. **1MAS-300** (Pipelay barge) \*\*
3. **Swiber Concorde** (Pipelay crane barge) \*
4. **Aziz** (Derrick pipelay Barge)
5. **Swiber Chai** (Derrick pipelay barge) \*
6. **Swiber PJW3000** (Derrick lay barge) \*\*
7. **Magnificent** (Crane vessel)
8. **Swiber Supporter** (Dive support work barge)
9. **Swiber Victorious** (Dive support accommodation barge) \*\*
10. **Swiber Chai** (Derrick pipelay barge)
11. **Swiber Atlantis** (Dive support work barge) \*\*
12. **Swiber SLB-1** (Submersible barge)

## 12 Construction Vessels

\*Under S&L

\*\*Owned by JV Company

Expanded fleet puts Swiber in a strong position to service outstanding order book and pursue offshore projects  
"Swiber PJW3000"



## Offshore Vessels:

### Utility / towing tugs

1. **Swiber 99**
2. **Swiber Eagle**
3. **Swiber Raven**

### AHT/AHTS

1. **Swiwar Venturer\*\***
2. **Swiwar Challenger\*\***
3. **Swiwar Victor\*\***
4. **Swiwar Crusader\*\***
5. **Swiber Captain**
6. **Swiber Trader**
7. **Swiber Singapore**
8. **Swiber Navigator\***
9. **Swiber Explorer\***
10. **Swiber Gallant\***
11. **Swiber Valiant\***
12. **Swiber Ada\***
13. **Swiber Torunn\***
14. **Swiber Sandefjord\***
15. **Swiber Oslo\***
16. **Swiber Else Marie\***
17. **Swiber Anne Christine\***
18. **Vallianz Samson**
19. **Swiber Mary Anne\***
20. **Swiber Bhanwar**

## Cargo / Flat top barge

1. **Swiber 123**
2. **Swiber 251**
3. **Swiber 252**
4. **Swiber 255**
5. **Swiber 282**
6. **Swiber 283**
7. **Kreuz 231**
8. **Kreuz 232**
9. **Kreuz 281**
10. **Kreuz 282**
11. **Kreuz 283**
12. **Kreuz 284**
13. **Kreuz 331**
14. **Kreuz 332**
15. **Kreuz 241**

## 38 offshore vessels

# Vessel Delivery Plan Up to 2012 (54 Vessels)

	FY2010	FY2011	FY2012
<b>Utility Tug / AHTS</b>	Swiber Charlton	Swiber Lina Swiber Carina	
<b>Pipelay barge</b>			Swiber PJW4000
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>1</b>

\* Vessels are jointly built with JV partners

\*\* Vessels that are under sale and leaseback arrangements



# Strategy and Outlook

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# Industry Outlook

## Macro-environment

- ▶ **Rising world oil demand in 2010, 2011 <sup>(1)</sup>**
- ▶ **U.S. Energy Information Administration projects that world oil consumption will grow by 1.57 million barrels per day in 2010 and also by 1.51 million bbl/d in 2011<sup>(2)</sup>**
- ▶ **Developing countries, such as China, Saudi Arabia and Brazil : big drivers for oil demand**
- ▶ **In 2010, oil consumption expected to rise : China 5.5%, India 3% and Asia 3.5%<sup>(3)</sup>**
- ▶ **Trend in asset prices (vessels) looks encouraging and oversupply situation will improve in time to come <sup>(4)</sup>**

## Offshore Oil & Gas

- ▶ **Tendering activities remain healthy <sup>(4)</sup>**
- ▶ **Increasing activities in the oil and gas sector supported by stable oil prices**
- ▶ **Recent listing of subsea business through Kreuz Holdings sets a major milestone**
- ▶ **Expand range of services through acquisition of new operating assets**

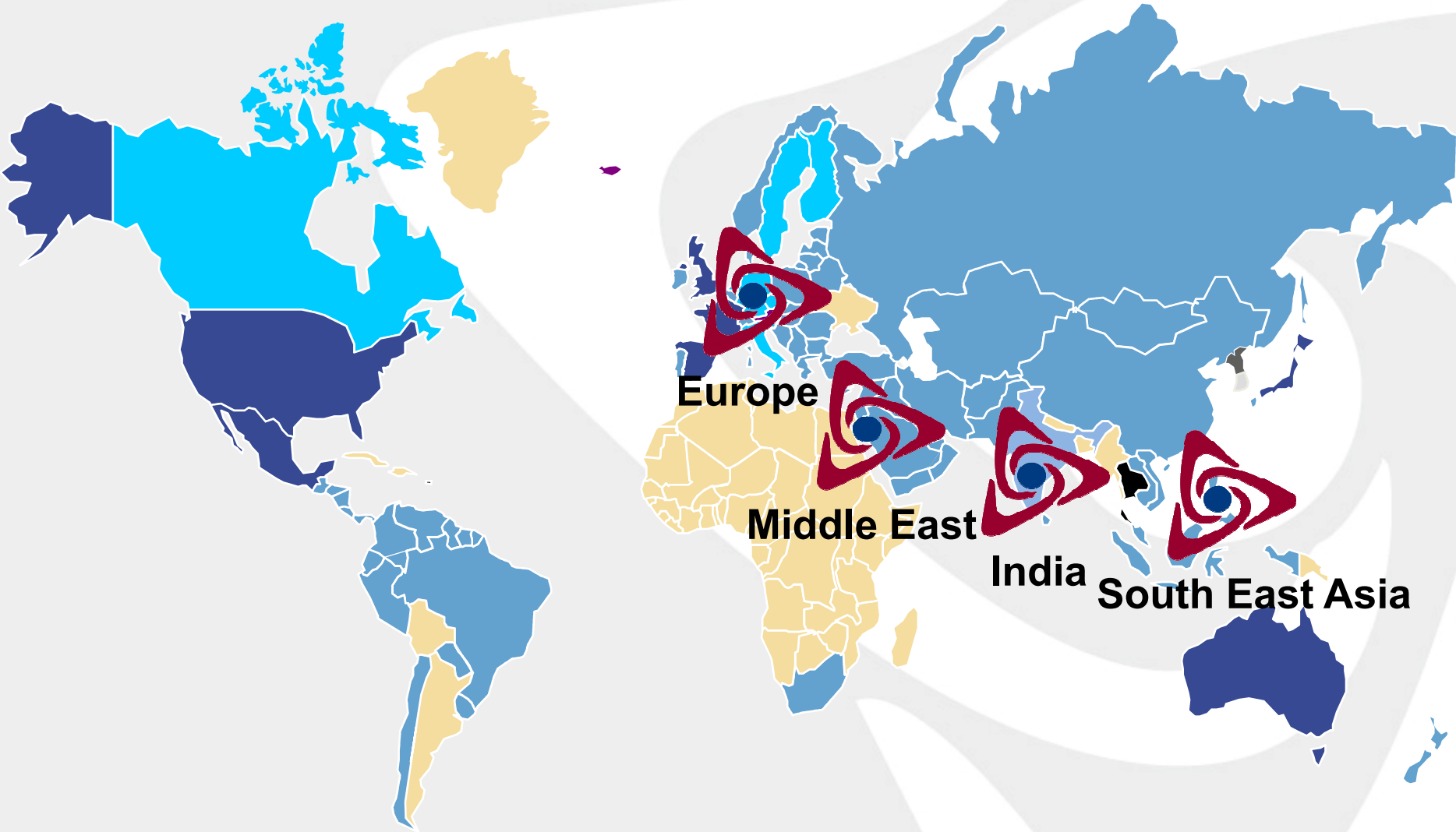
(1) International Energy Agency (IEA) - August 11, 2010

(2) Short-term energy outlook, U.S. Energy Information Administration, August 10, 2010

(3) Economist Intelligence Unit, August, 2010

(4) DnB NOR Markets, November 9, 2010

# Our Focus



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Thank You

Q&A session