

# Swiber Holdings Limited FY2011 Results Briefing

27 February 2012



## Key Highlights

### FY2011

- **Record revenue in FY2011 of approx US\$654.5 million**
  - Revenue rose 40.5% from US\$465.7 million in FY2010 to US\$654.5 million in FY2011
  - This was driven by progressive revenue recognition from various contracts awarded to the Group in the last two years for work concentrated in South Asia region
- **Net Profit for FY2011 increased 7.1% to US\$42.2 million**
- **Achieved record order book of over US\$1.0 billion as at February 2012**
  - Expected to contribute to Group's results over next two years

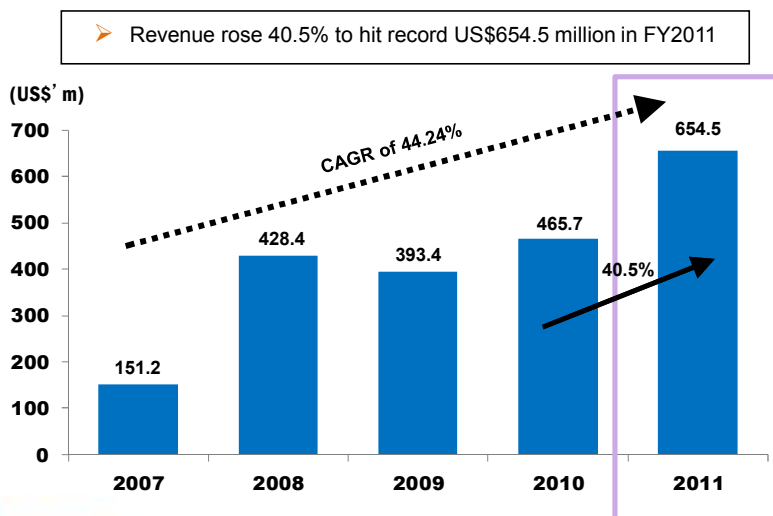


## Financial Highlights

US\$ (million)	FY2011	FY2010	Change (%)
Revenue	654.5	465.7	40.5
Gross Profit	112.9	105.6	6.9
Gross Profit Margin (%)	17.3	22.7	- 5.4 ppt
Net Profit	42.2	39.4	7.1
Net Profit Margin (%)	6.4	8.5	- 2.1 ppt

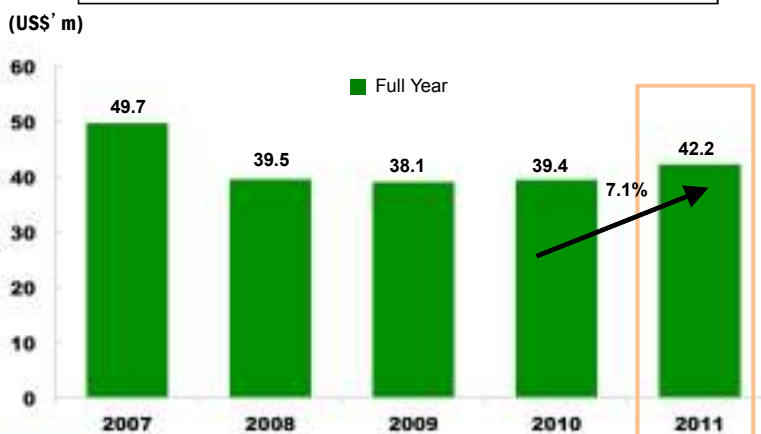


## Turnover Trend



## Net Profit Trend

➤ Net Profit in FY2011 rose 7.1% to US\$42.2 million



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## Statement of Financial Position

US\$' m	31 Dec 2011	31 Dec 2010	Change (%)
Cash & bank balances	116.5	137.8	↓ 15.5
Trade receivables and EWIP	281.4	253.0	↑ 11.2
Current assets	614.7	516.2	↑ 19.1
Non-current assets	766.5	475.8	↑ 61.1
Current liabilities	609.0	320.8	↑ 89.8
Non-current liabilities	248.7	314.9	↓ 21.0
Total equity	523.6	356.3	↑ 47.0

- ▶ **Non-current assets** ↑ :
  - Acquisition of derrick pipelay barge, increase in construction work-in-progress in relation to vessels under construction and acquisition of office building
  - Acquisition of shares in Atlantis Navigation AS
  - Subscription of rights issue shares in Vallianz Holdings Limited
  - Increase in deposits and prepayments
- ▶ **Current Liabilities** ↑ :
  - Increase in current borrowing is due mainly to the reclassification of convertible bonds from non-current to current as the bonds may be redeemed at the option of the convertible bond holders in 2012
  - Increase in various input taxes and operating cost accrued



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## Key Financial Ratios

Key ratios	31 Dec 2011	31 Dec 2010	Change(%)
Net Debt / Equity (times)	0.88	0.94	↓ 6.4
NAV per share (US cents)	71.1	64.4	↑ 10.4
Return on Equity (%)	8.9	11.4	↓ 2.5 ppt
Return on Asset (%)	3.1	4.0	↓ 0.9 ppt
EPS per share (US cents) (Basic)	6.3	7.4	↓ 13.5

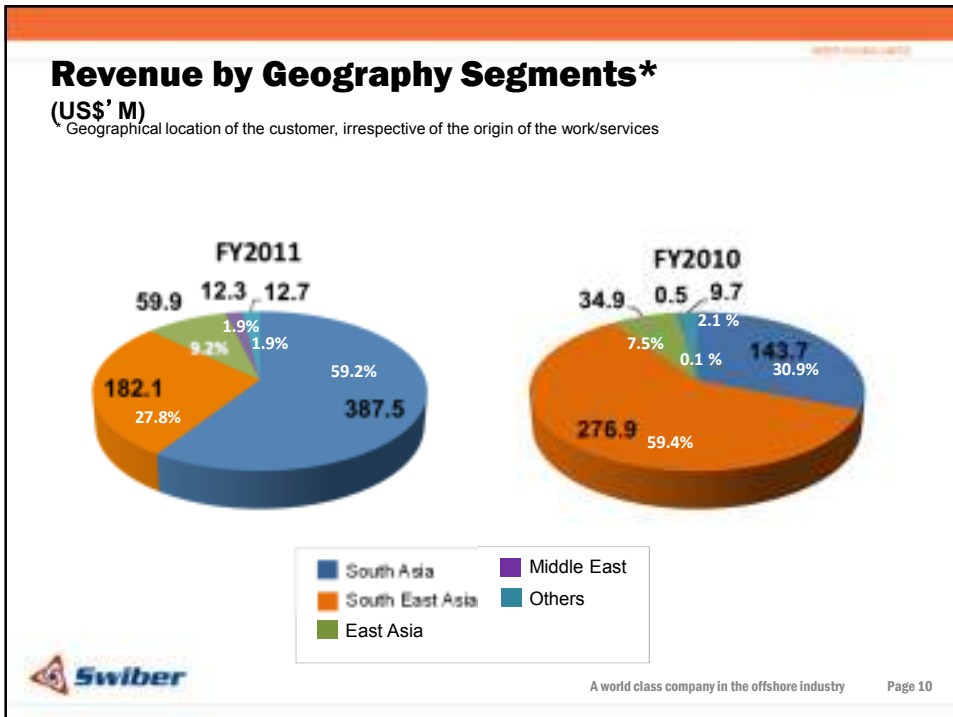
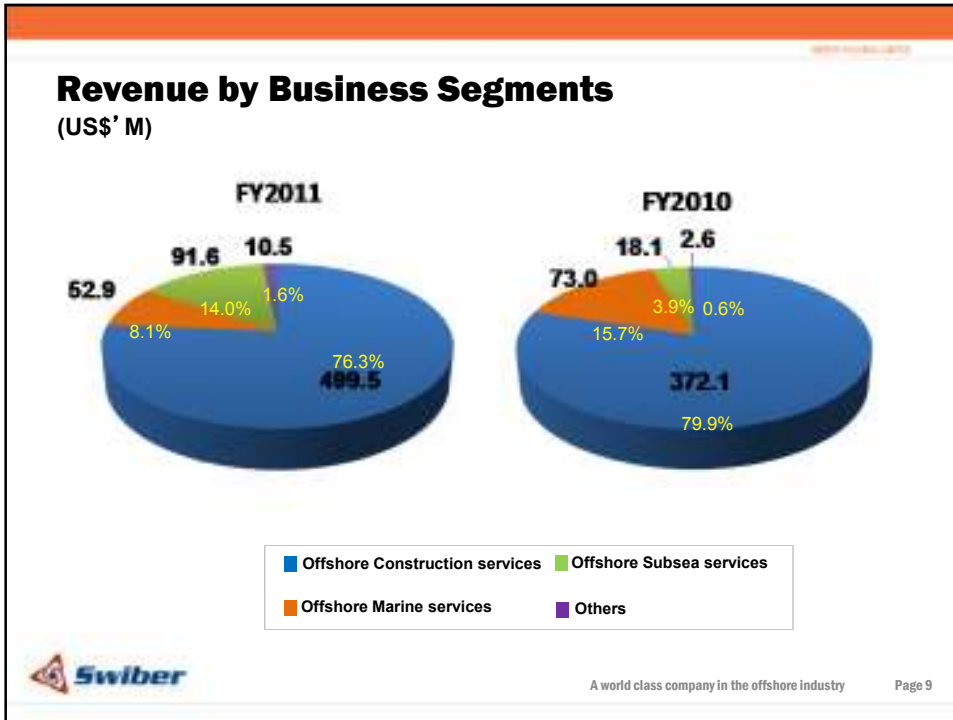


## Cashflow Statement for FY2011

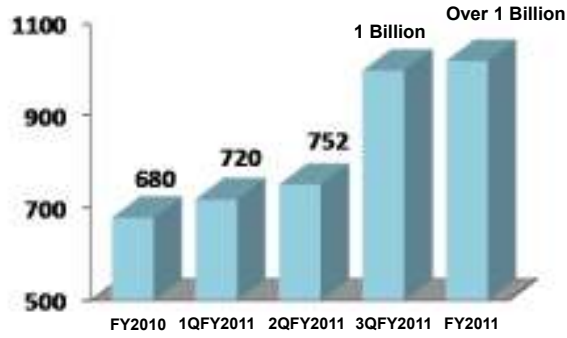
US\$' m	FY2011	FY2010
Operating cashflow before movement in working capital	103.2	73.2
Net cash generated from/ (used in) operating activities	18.1	(115.5)
Net cash (used in)/ generated from investing activities	(159.4)	48.7
Net cash generated from financing activities	127.8	114.1
Cash & Cash equivalents at end of year	110.3	123.9

- ▶ **Net Cash inflow from operating activities in FY2011 :**  
The inflow was mainly a result of
  - I. An increase in trade receivables and EWIP of US\$28.5 million;
  - II. An increase in other receivables of US\$77.4 million; and
  - III. An increase in trade and other payables of US\$113.6 million;
  - IV. An increase in inventories of US\$60.0 million.
- ▶ **Net Cash outflow from investing activities in FY2011 :**  
The outflow was due to:
  - I. Capital expenditure of US\$157.2 million;
  - II. Purchased of assets held for sale of US\$11.5 million and investment in associates of total US\$19.3 million;
  - III. Offset by proceeds from disposal of property, plant and equipment and assets held for sale of US\$17.2 million.
- ▶ **Net Cash inflow from financing activities in FY2011:**  
The inflow was due to:
  - I. New bank borrowings and proceeds on issue of bonds amounting to US\$375.8 million
  - II. Offset by repayment of bank loans and redemption of bonds amounting to US\$248.1 million





### Order book (US\$' m)



- ▶ As February 2012, the Group's order book stands at over US\$ 1.0 billion, with recent series of contract wins for the Group and the Middle East JV to perform offshore construction projects and vessel chartering services in Southeast Asia, South Asia, and the Middle East regions.
- ▶ Demand for EPIC work is expected to increase in prominence in the near-term.



## Corporate Highlights



## Young Fleet of 53 Vessels

### Construction Vessels

1. Swiber Conquest (Pipelay barge) \*
2. 1MAS-300 (Pipelay barge)\*\*
3. Swiber Concorde (Pipelay crane barge) \*
4. Aziz (Derrick pipelay Barge)\*\*
5. Resolute (Derrick pipelay barge) \*
6. Swiber PJW3000 (Derrick lay barge) \*\*
7. Magnificent (Crane vessel)
8. Kreuz Supporter (Dive support work barge)
9. Swiber Victorious (Dive support accommodation barge) \*\*
10. Kreuz Glorious (Accommodation Barge)
11. Swiber Atlantis (Dive support work barge) \*\*
12. Holmen Arctic (former Swiber SLB1) (Submersible barge)

### Offshore Vessels:

Utility / towing tugs

1. Swiber 99
2. Swiber Raven\*\*
3. Swiber Charlton\*\*
4. Swiber Carina\*\*

### AHT/AHTS

1. Swiwar Venturer\*\*
2. Swiwar Challenger\*\*
3. Swiwar Victor\*\*
4. Swiwar Surya\*\*
5. Swiber Trader
6. Swiber Singapore
7. Swiber Navigator\*
8. Swiber Explorer\*
9. Swiber Gallant\*
10. Swiber Vallant\*
11. Swiber Ada\*
12. Swiber Torunn\*
13. Swiber Sandefjord\*
14. Swiber Oslo\*
15. Swiber Else-Marie\*
16. Swiber Anne Christine\*
17. Vallianz Hope\*\*

### AHT/AHTS (Cont'd)

18. Swiber Mary-Ann\*
19. Swiber Bhanwar\*\*
20. Swiber Anna
21. Swiber Lina
22. Rawabi 1 \*\*
23. Rawabi 2\*\*
24. Swiber Pearl
25. Swiber Peacock

### Cargo / Flat top barge


1. Swiber 123\*\*
2. Swiber 255
3. Swiber 282
4. Kreuz 231
5. Kreuz 232
6. Kreuz 241
7. Kreuz 281
8. Kreuz 282
9. Kreuz 283
10. Kreuz 284
11. Newcruz 331
12. Newcruz 332

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### 12 Construction Vessels

\*Under S&L \*\*Owned by JV Company and Associates

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




### 41 offshore vessels



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## FY2012 - FY2013 Vessel Delivery Plan

VESSEL NAME	2012	2013
<b>Derrick Crane Barge</b>		
Swiber Kaizen 4000		1
<b>Submersible cum Launch Barge</b>		
Holmen Pacific	1	
Holmen Atlantic	1	
Total	2	1

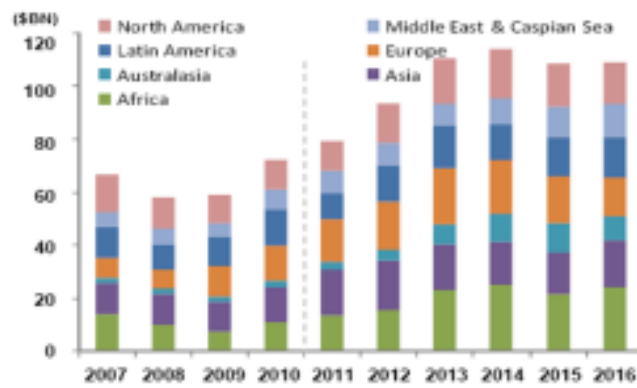


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## Outlook and Strategy



### Global EPCI Capex by Region



- Capex Growth forecast in all major regions, highest levels expected in Africa, Middle East and Asia

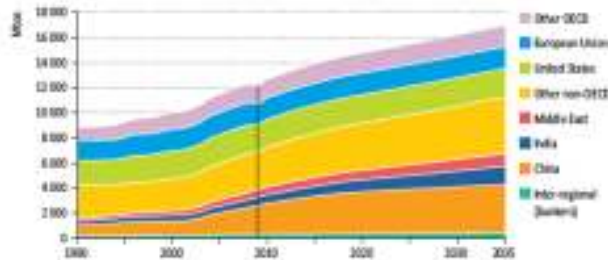


Source: Infield Market Overview, 2011

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## World Primary Energy Demand (by region)



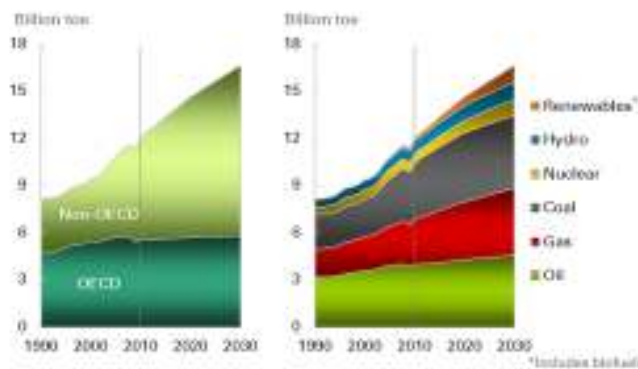
- According to IEA, world energy demand is projected to continue to grow up to 2035
- Douglas Westwood states that the underlying driver for all activity, both onshore and offshore, is the growth in global energy demand which, for the medium term at least, means demand for hydrocarbons (predominantly oil and gas).
- Oil demand has recovered quickly since the recession. Global oil consumption increased 1.8 million bpd in 2010 hit new highs of 87.6 million bpd.
- The IEA has forecast that world annual oil consumption will grow to 106 million bpd in 2030.

Source: World Energy Outlook 2011



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## Energy Consumption Growth



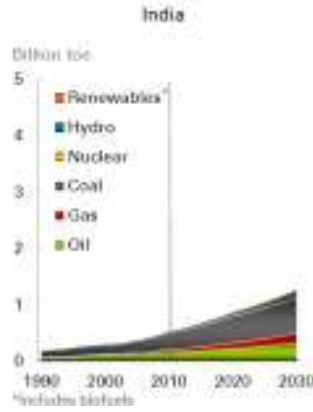
- World primary energy consumption is projected to grow by 1.6% p.a. over the period 2010 to 2030, adding 39% to global consumption by 2030, with coal, oil, and gas as the primary drivers.

Source: BP Energy Outlook 2030 (2012)



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## Energy Demand in India



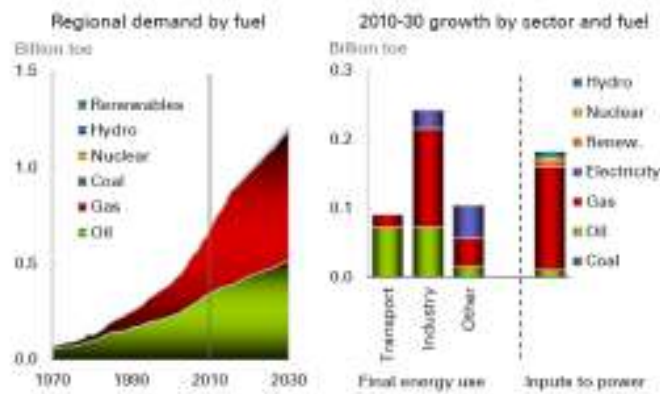
- By 2030, India will be one of the world's largest energy consumers, with energy sources mainly coming from coal, oil, and gas.



Source: BP Energy Outlook 2030 (2012)

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## Energy Demand in Middle East



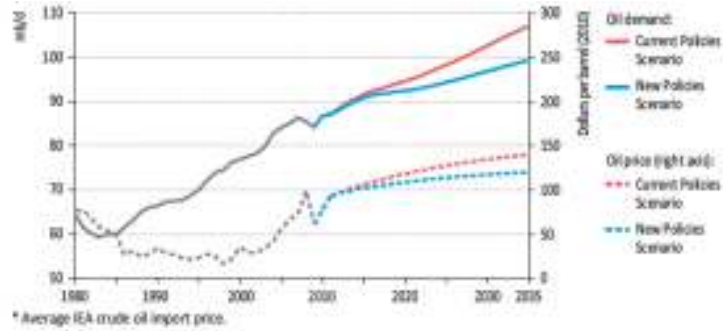
- The Middle East region continues to rely on oil and natural gas for nearly all of its energy demand.
- Oil constitutes 74% of the region's energy production, but will drop to 67% by 2030 as gas production expands. Nonetheless, from 2010 to 2030 oil supply is expected to expand by 10 Mb/d and gas production by 41 Bcf/d, both higher increments than over the past two decades.



Source: BP Energy Outlook 2030 (2012)

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## World Primary Oil Demand and Oil Price



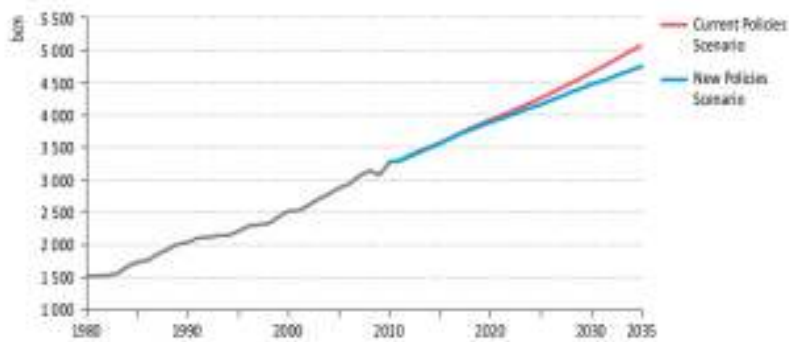
- Demand for oil continues to grow over the *Outlook period* driven mainly by developing countries
- The Current Policies Scenario, in which only existing policies are assumed to be in effect, sees oil demand reaching 107 mb/d by 2035, a 24% increase over 2010 levels, or an average annual increase of 0.8%.
- In the New Policies Scenario, which takes account of policy commitments and cautious implementation of published targets, oil demand reaches 99 mb/d by 2035, a 15% increase over year 2010 levels (0.5% per year).

Source: World Energy Outlook 2011



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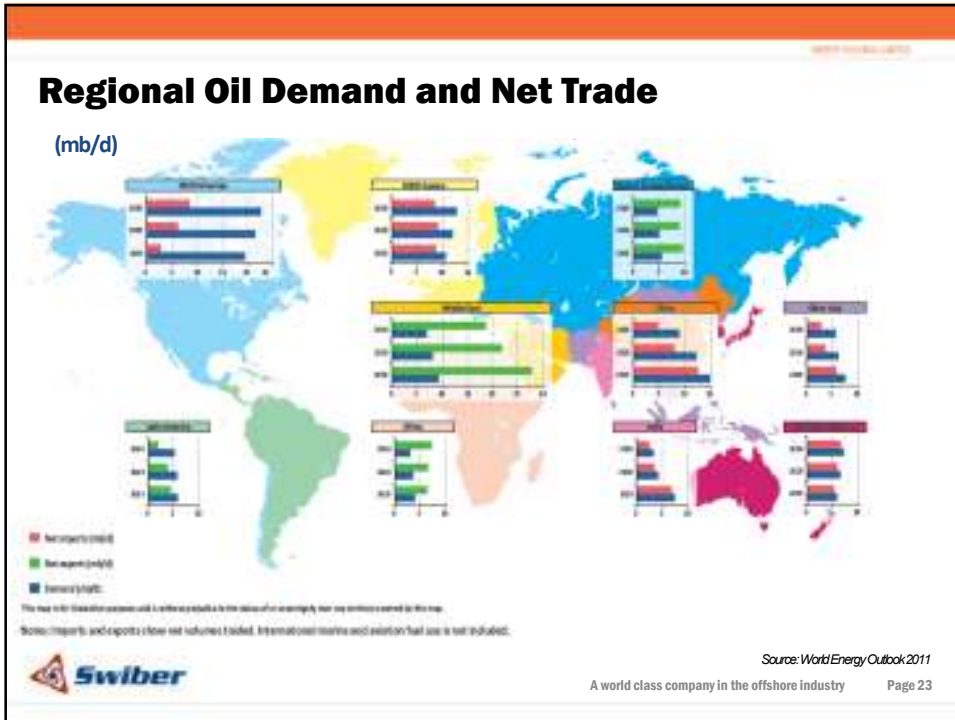
## World Primary Natural Gas Demand



Source: World Energy Outlook 2011



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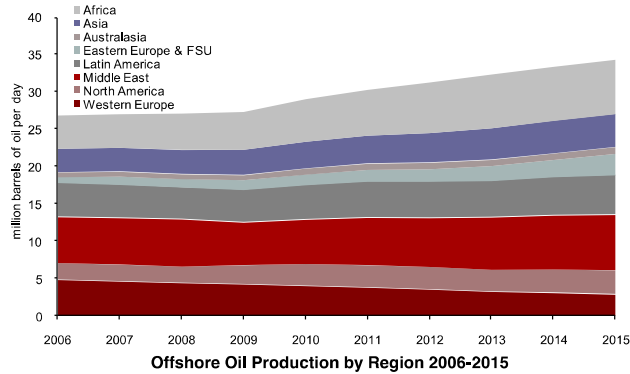
### Regional Oil Demand and Net Trade

- Trade between the major regions increases from 37 mb/d in 2010 to more than 48 mb/d in 2035, growing 11 mb/d over the projection period
- Net imports to China exceed 12.5 mb/d by 2035, up by almost 8 mb/d from current levels. India's net imports grow by over 4 mb/d to nearly 7 mb/d – the second-largest increase. The reliance on imports in developing Asia, as a whole increases from 56% of total oil needs in 2010 to 84% in 2035.
- Among the exporting regions, the Middle East sees the biggest increase in net exports, which expand by more than 9 mb/d to almost 28 mb/d by the end of the projection period.

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Source: World Energy Outlook 2011  
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## Global Offshore Oil Production



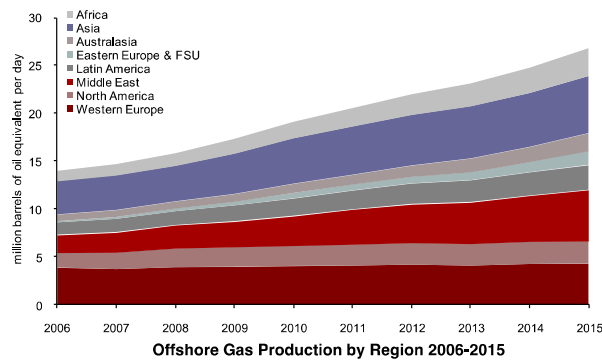
- Global offshore oil production, which at 29.0 million bpd in 2010, is predicted to grow steadily over the forecast period, reaching 34.3 million bpd in 2015.
- The Middle East in 2010 accounts for around 21% of global offshore oil production and is forecast to increase its production by 26% to around 7.5 million bpd in 2015.



Source: Douglas Westwood

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## Global Offshore Gas Production



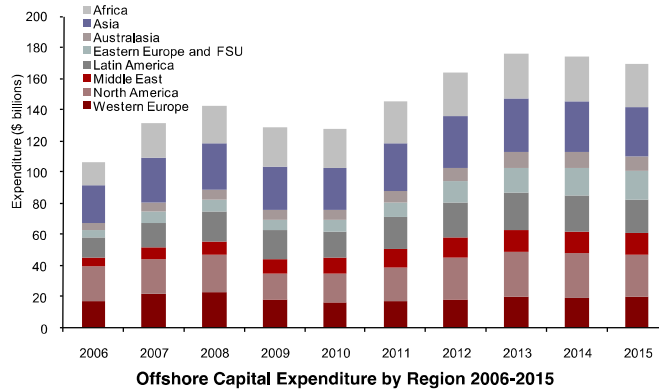
- Global offshore gas production is expected to increase substantially from 19.1 million boepd in 2010 to 26.8 million boepd in 2015.
- In 2010, Asia and Western Europe are the largest offshore gas producing regions producing 4.8 million boepd and 4.1 million boepd respectively in 2010. Both regions are expected to grow during the forecast period
- Western Europe is predicted to grow at a much slower rate than other regions and is expected to be overtaken by the Middle East in 2013.



Source: Douglas Westwood

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## Offshore Capital Expenditure



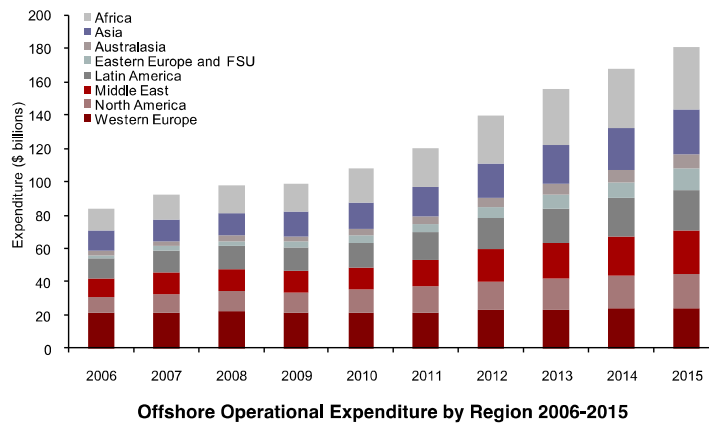
- From 2011 onwards DW forecast significant growth in offshore capital expenditure for all regions.



Source: Douglas Westwood

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## Offshore Operational Expenditure

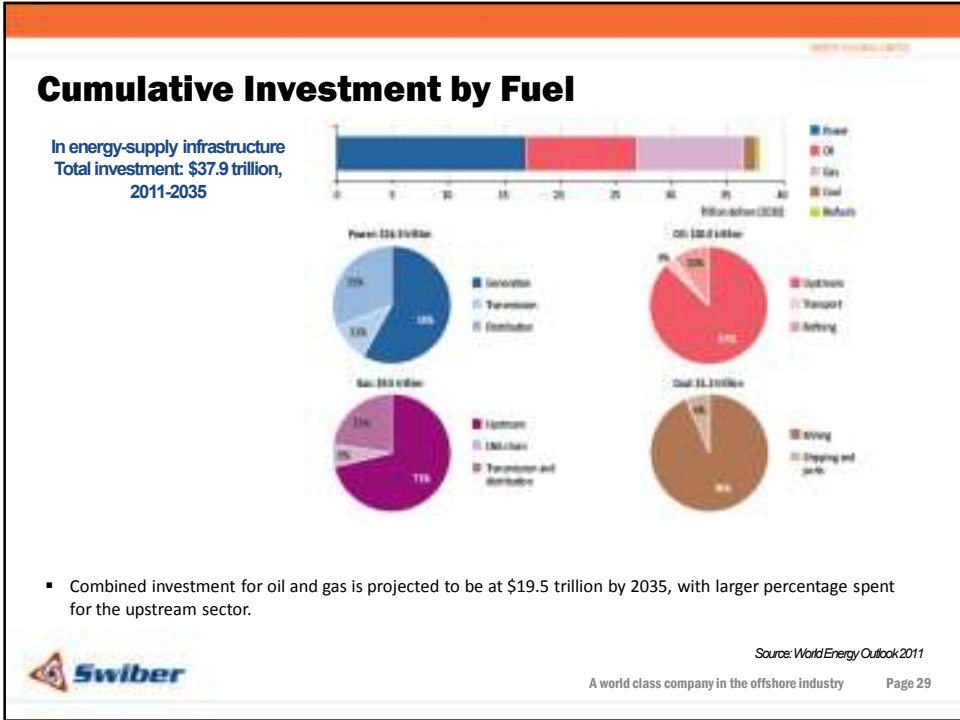


- Beyond 2010 the continuing growth in offshore production is expected to drive global Opex to \$180 billion in 2015.



Source: Douglas Westwood

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### Strategy

- ▶ Strengthen our position as an experienced and reputable offshore service provider in the market
- ▶ Well positioned to bid for major contracts
  - Continues to focus on winning new contracts
- ▶ Prudent in managing business operations and cost efficiencies
- ▶ Exploring new opportunities to leverage on strong track record
- ▶ Order book of over US\$1.0 billion as at February 2012, expected to contribute to the Group's results over the next two years, barring unforeseen circumstances

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**Thank You**

**Q&A session**

