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SWIBER RECORDS 68.3% INCREASE IN HY2014 NET PROFIT TO US\$63.0 MILLION

- *HY2014 net profit lifted mainly by higher other operating income*
- *EBITDA margin increased 13.2 percentage points to 27.6%*
- *Order book of approximately US\$610 million as at 30 June 2014*
- *Actively bidding for major projects to grow its order book over next two quarters*

Financial Highlights

	HY2014 (6M)	HY2013 (6M)	Change (%)
Revenue (US\$'m)	418.8	551.8	(24.1)
EBITDA ¹ (US\$'m)	115.7	79.6	45.4
EBITDA margin (%)	27.6	14.4	13.2 ppt
Profit before tax (US\$'m)	68.0	49.1	38.4
Net profit (US\$'m)	63.0	37.4	68.3
Net profit margin (%)	15.0	6.8	8.2 ppt

¹ Earnings before interest, taxes, depreciation and amortization

Singapore – August 13, 2014 – Swiber Holdings Limited (**“Swiber” or together with its subsidiaries, the “Group”**), a leading, global integrated construction and support services provider to the offshore oil and gas industry, today reported that it has achieved net profit of US\$63.0 million for the six months ended June 30, 2014 (“HY2014”), up 68.3% from US\$37.4 million in the same period a year ago. This was lifted mainly by higher other operating income which increased significantly by US\$97.5 million to US\$112.4 million in HY2014.

Revenue in HY2014 however declined 24.1% to US\$418.8 million from US\$551.8 million in HY2013 as a result of lower revenue recognition from existing projects which were substantially completed in FY2013. New projects awarded since the start of the year have not commenced and hence did not contribute to Group revenue in HY2014.

For the year-to-date, Swiber has won contracts worth a total of US\$315 million, which entail EPIC (engineering, procurement, installation and construction) projects across Southeast Asia and Latin America.

Commented Mr. Francis Wong, Group Chief Executive Officer and President of Swiber, “Riding on the strong momentum in the offshore sector, we have been actively bidding for major projects in our existing and target markets in Asia Pacific, Middle East, Latin America and West Africa. We have stepped up our business development efforts in Latin America and landed several contracts earlier in 2014 for subsea development and other projects in this market. Barring any unforeseen circumstances, the Group expects to see an improvement in our order book over the next two quarters.” As at 30 June 2014, Swiber has an order book of approximately US\$610 million.

Financial Performance Review

In line with the decline in Group revenue, cost of sales in HY2014 decreased to US\$392.8 million from US\$464.8 million in HY2013. Correspondingly, gross profit dipped to US\$26.1 million in HY2014 from US\$87.0 million previously.

Other operating income increased to US\$112.4 million in HY2014, from US\$14.9 million in HY2013. This was boosted mainly by a net gain of US\$95.1 million from the disposal of the Group's subsidiaries.

In line with the streamlining of its operations, the Group's administrative expenses in HY2014 decreased to US\$29.9 million from US\$32.7 million in the same period a year ago. Other operating expenses in HY2014 however increased to US\$27.6 million, primarily as a result of a fair value loss on option shares. Finance expenses also climbed to US\$29.8 million in HY2014 due to higher borrowings and issuance of debt securities.

Share of profit of associates and joint ventures in HY2014 rose 61.8% year-on-year to US\$16.8 million, due mainly to contribution from the Group's associates in both Indonesia and Singapore.

As a result of the substantial increase in other operating income, as well as stronger gains from associates and joint ventures, the Group's EBITDA rose to US\$115.7 million in HY2014 from US\$79.6 million in HY2013. Correspondingly, EBITDA margin increased from 14.4% to 27.6% over the same period.

Swiber's basic earnings per share increased to 8.3 US cents in HY2014 from 4.0 US cents in HY2013, while net asset value per share rose to 96.8 US cents per share as at 30 June 2014 compared to 89.7 US cents per share as at 31 December 2013.

Growth Strategies and Outlook

The capital expenditures of global E&P operators, including National Oil Companies (NOCs), International Oil Companies (IOCs) and independent operators, are expected to remain healthy, buoyed by the structural demand for oil and high oil prices.

With respect to global fixed platform capital expenditure, industry analysts² believe that Asia is likely to account for a majority 37% share while emerging markets such as West Africa are expected to account for a larger share in the future. Latin America is expected to see a 29% increase in expenditure from 2014 to 2017 in comparison to the last five years. According to the latest market forecast from industry analysts³, world subsea expenditure is expected to surge to \$117 billion between 2014 and 2018, representing growth of over 80% from the preceding five-year period.

² 'Fixed Platforms Oil and Gas Market Report to 2017', Infield, 2013.

³ 'Report predicts surge in world subsea expenditure', Offshore Magazine, May 23, 2014

Said Mr. Wong, “Besides focusing on our core markets in Asia Pacific, the Group is moving swiftly to strengthen our foothold in other growth markets such as Latin America. We believe the anticipated growth of the oil and gas exploration and production activities in Latin America, particularly with the energy reforms in Mexico, will present huge business opportunities for energy players. Over the past two years, Swiber has already formed an excellent base in Mexico to take advantage of the imminent opportunities. We will continue to build on our presence, network and track record to carve a stronger local reputation for ourselves in Latin America.

Moving ahead, we will maintain a strong emphasis on improving the Group’s operational performance. Besides pursuing new contracts to strengthen our order book, we will continue to be prudent and work on maximising cost efficiencies. With a significant portion of projects commencing in the fourth quarter of 2014, the Group expects the last quarter to be higher compared to the first three quarters of 2014.”

About Swiber Holdings Limited

Listed on November 8, 2006, Swiber is a leading global offshore construction services provider to the oil and gas industry, offering a wide range of Engineering, Procurement, Installation, and Construction (“EPIC”) services complemented by its in-house marine support and engineering capabilities, across the Asia Pacific, Middle East, and Latin America regions. Since its foundation in 1996, Swiber has been dedicated to building the company into a leader in the offshore oil and gas industry. Today, Swiber is a public-listed company on the Singapore Stock Exchange with an eminent position among global offshore oil and gas engineering and construction organisations. With an extensive and growing operating fleet of 51 vessels, comprising 38 offshore vessels and 13 construction vessels, and more than 2500 employees in over 40 different nationalities in strategically located offices in the region, the Swiber name is synonymous with excellence, safety, innovation and value among its customers. Swiber was featured on Forbes Asia’s “Best under a Billion” list, an honour given to the top 200 Asia-Pacific companies with consistent growth in both sales and profits over three years. Swiber continues to rank as one of the nation’s “Top 100 Brands” in the Brand Finance’s Annual Report of “Singapore’s Intangible Assets and Brands” consecutively. Swiber has been awarded the Singapore Corporate Governance Award by Securities Investors Association (Singapore) (“SIAS”) in recognition of Swiber’s exemplary Corporate Governance and Transparency practices. All these reaffirm Swiber's rapid growth as an EPIC player that is well-positioned to capitalise on the upswings of the offshore oil and gas sphere.

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