

## NEWS RELEASE

### **Swiber Posted Net Profit of US\$31.2 Million in FY2014**

- Revenue decreased 30.1% to US\$726.5 million
- Awarded more than US\$1 billion of new contracts in recent months
- Well-positioned to capitalise on future opportunities due to the Group's focus on EPIC services for shallow water oil and gas field development activities

**Singapore, 27 February 2015** – Swiber Holdings Limited (“Swiber” or together with its subsidiaries, “the Group”), a leading global provider of integrated offshore construction and support services to the oil and gas industry, today reported a net profit of US\$31.2 million for the financial year ended 31 December 2014 (“FY2014”).

Net profit for FY2014 decreased substantially from US\$90.9 million last year due mainly to a 30.1% contraction in Group revenue to US\$726.5 million. The top line declined as revenue from ongoing projects was substantially recognised during FY2013 while new projects commenced only in the fourth quarter of FY2014 and FY2015. Around 66% of the Group's revenue was derived from Southeast Asia, 27% from Latin America with the remaining 6% from South Asia and other markets.

As a result of lower revenue, the Group's gross profit margin narrowed to 2.4% in FY2014 from 16.4% previously, due to under absorption of fixed costs.

However, other operating income soared to US\$126.1 million from US\$66.6 million in FY2013, lifted mainly by a net gain on disposal of a group of subsidiaries and associates of US\$101.8 million. The Group also benefited from an increase in share of profit from associates and joint ventures to US\$41.5 million in FY2014, up 40.7% from US\$29.5 million in the previous year.

The Group's efforts to streamline its operations during FY2014 are also paying off as its administrative expenses fell by 30.3% to US\$55.3 million. On the other hand, other operating expenses increased by 64.2% to US\$28.5 million due to higher net fair value loss on financial instruments, while finance expenses climbed 39.5% to US\$65.5 million on higher borrowings, issuance of debt securities and negative carry between new issuance of debt securities and repayment of maturing debt securities.

As a result, the Group's earnings per share for FY2014 decreased to 3.6 US cents from 10.2 US cents in FY2013. Net asset value per share increased to 92.4 US cents as at 31 December 2014, from 89.7 US cents as at 31 December 2013.

Although market conditions have become more challenging from the latter half of 2014, Swiber has proven its ability to continue securing new contracts. In fact, we recently won two of the largest contracts in the Group's history in West Africa and South Asia with total value exceeding US\$1 billion. Besides pressing ahead with our efforts to strengthen the Group's orderbook during FY2014, we also took the opportunity to streamline our operations to sharpen our focus on offshore construction services for shallow water oil and gas field developments."

The Group believes that the impact on shallow water oil and gas field development and production operations would be lower compared to deep water activities and projects in the exploration stage.

Said Mr Wong, "The Group's EPIC activities focus on the field development stage, that is, post- exploration and appraisal stages when customers have decided to commence development activities. In addition, our expertise is in providing EPIC services for shallow water oil and gas projects which have lower break-even costs as compared to deep water projects. As such, the Group is of the view that our business would be less affected by the industry's expenditure cuts, and that we are better positioned to capitalise on future bidding opportunities."

As at 27 February 2015, the Group had a record order book of US\$1.4 billion. As the Group actively pursues new project tenders in its target markets, it will adopt a prudent and cautious approach in light of the oil price volatility and take the necessary steps to mitigate such risks. To improve its competitive standing, the Group is continually working on strengthening its capabilities in higher-value EPIC services and improving its operational performance, while maximising cost efficiencies.

*This news release should be read in conjunction with the Group's announcement posted on the SGX website on 27 February 2015.*

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### **About Swiber Holdings Limited**

Swiber is a world class integrated construction and support services provider to the offshore oil and gas industry, offering a wide range of offshore EPIC and marine support services 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 has established an eminent position among global offshore oil and gas engineering and construction organisations. With an extensive and growing operating fleet of 81 vessels, comprising 68 offshore vessels and 13 construction vessels, and more than 3000 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.



*A Leading Global Company  
In the Offshore Industry*

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Swiber was listed on the Main Board of the Singapore Stock Exchange on 8 November 8, 2006.

In September 2008, 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 ascend the ranks of the nation's "Top 100 Brands" in the Brand Finance's Annual Report, ranking as one of the nation's top 100 Brands in the Brand Finance's Annual Report of "Singapore's Intangible Assets and Brands" with AA- Brand Rating consecutively for 2010 to 2012. In 2012, Swiber has emerged a winner in Securities Investors Association (Singapore) ('SIAS')'s Singapore Corporate Governance Award. 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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