

News Release

Swiber reports net loss of US\$0.2 million for 1QFY16

- *Pre-tax profit more than triples to US\$8.5 million, revenue up 16.0% to US\$191.3 million*
- *Strong contributions from South Asia projects*
- *Gross margins improves to 15.5% with stringent cost controls*

Singapore, 13 May 2016 – Swiber Holdings Limited, a global provider of engineering, procurement, installation and construction (EPIC) services to the offshore industry, has reported a net loss of US\$0.2 million for the first quarter ended 31 March 2016 (1QFY16).

The negative bottom line resulted mainly from higher income tax expense of US\$8.7 million against US\$2.2 million previously.

The top line view was more sanguine. Group revenue rose 16.0% to US\$191.3 million compared to US\$164.9 million in 1QFY15 due mainly to new contracts secured in the last 12 months despite depressed market conditions. In particular, revenue from ongoing projects in South Asia contributed 92.2% or US\$176.4 million, with the balance coming from Latin America.

Group pre-tax profit more than tripled to US\$8.5 million in 1QFY16 from US\$2.3 million in the same quarter last year. Gross profit margin improved to 15.5% in 1QFY16 from 11.8% in the previous corresponding period, helped by stringent control on operating costs and lower procurement and subcontract costs.

Other operating income dropped 52.7% to US\$1.4 million in 1QFY16 from US\$2.9 million previously, reflecting the absence of fair value gain on a financial derivative of bank borrowings of US\$0.7 million and gain on disposal of property, plant and equipment of US\$0.5 million.

The share of profit from associates and joint ventures fell 41.5% to US\$2.8 million following lower contributions from certain joint ventures and associates.

Group administrative expenses declined 12.4% to US\$7.1 million due to the Group's cost optimisation programme. A net foreign exchange loss of US\$2.8 million caused other operating expense to rise 46.7% to US\$4.3 million from US\$2.9 million. Finance costs were maintained at US\$13.9 million. These include interest on bank borrowings and finance charges/debt issuance cost on debt securities.

Deputy Group Chief Executive Officer and Group President Mr Darren Yeo said: "Our first quarter results reflected our efforts in securing new contracts, especially in South Asia, despite difficult market conditions. We continued to focus on maximising cost efficiencies amid the tough operating environment.

"While business sentiment in the oil and gas industry remains depressed, the Group believes that the impact on shallow water field development and production activities, where Swiber is an established provider, will be lower."

Mr Yeo added that Swiber's focus on field development rather than exploration stage of the production cycle in the oil and gas industry makes it less vulnerable to changes in oil prices and the industry's expenditure cuts. The Group has also instituted a more stringent cost control programme.

"We continue to make headway in our turnaround effort by improving our operational performance while maximising cost efficiencies. This puts us in a better position to capitalise on future bidding opportunities," Mr Yeo said.

Its order book now stands at US\$1.2 billion. Swiber continues to see opportunities in its field of expertise and is working actively on new project tenders in its target markets in South Asia, Southeast Asia, West Africa and Latin America. It will also adopt a prudent and cautious approach due to the fluctuation of oil prices and take the necessary steps to mitigate such risks.

Total borrowings at 31 March 2016 increased to US\$1,020.3 million compared with US\$1,016.8 million at 31 December 2015, due to appreciation of the US dollar against the Singapore currency notes payable, and partially offset by repayment of borrowings during the period. Group net debt-to-equity ratio was 1.57 as at 31 March 2016 compared with 1.59 as at 31 December 2015.

Group loss per share for 1QFY16 was 0.6 US cents against a loss of 0.4 US cents in 1QFY15. Net asset value per share remained at 105.6 US cents as at 31 March 2016, the same as 31 December 2015.

-The End -

About Swiber Holdings Limited

An SGX-listed company, 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. Swiber is now recognized among global offshore oil and gas engineering and construction organisations. It currently owns an operating fleet of 13 construction vessels supported by its in-house offshore support vessels, with more than 2,700 employees in over 35 different nationalities. Headquartered in Singapore, Swiber has offices in Brunei, India, Indonesia, Malaysia, Mexico, Myanmar and Vietnam.



*A Leading Global Company
In the Offshore Industry*

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