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SWIBER REPORTS 66.0% SURGE IN NET PROFIT TO US\$20.9 MILLION IN 2Q2012

- *Revenue rises 27.1% to US\$229.6 million*
- *Record order book of approximately US\$1.6 billion, expected to contribute to Group's results over the next two years*
- *Strengthened capabilities place Swiber in big league; well-positioned for large contract wins*

Financial Highlights (for the second quarter and six months ended June 30, 2012)

	2Q2012 (3M)	2Q2011 (3M)	Change (%)	1H2012 (6M)	1H2011 (6M)	Change (%)
Revenue (US\$'m)	229.6	180.6	27.1	424.0	331.2	28.0
Gross profit (US\$'m)	32.7	26.6	22.6	71.1	51.1	39.2
Gross profit margin (%)	14.2	14.7	(0.5) % pt	16.8	15.4	1.4 % pt
Profit before tax(US\$'m)	25.9	17.0	51.9	43.2	30.6	41.3
Net profit (US\$'m)	20.9	12.6	66.0	33.5	24.5	36.9
Net profit margin (%)	9.1	7.0	2.1 % pt	7.9	7.4	0.5 % pt

Singapore – August 14, 2012 – Swiber Holdings Limited (“Swiber” or together with its subsidiaries, the “Group”), a world class integrated construction and support services provider to the offshore oil and gas industry, today reported a 66.0 % surge in net profit to US\$20.9 million for the three months ended June 30, 2012 (“2Q2012”). This was achieved on the back of a 27.1% increase in revenue to US\$229.6 million over the same period.

The good topline performance was driven by progressive revenue recognition from offshore construction contracts awarded to the Group, concentrated in the South Asia and Southeast Asia region.

Gross profit correspondingly increased by 22.6% to US\$32.7 million in 2Q2012 from US\$26.6 million in 2Q2011, notwithstanding higher cost of sales. Gross profit margin held steady at 14.2% in 2Q2012.

For 2Q2012, Swiber saw a 54.0% increase in other operating income to US\$11.5 million arising from gain on disposal of associate and fair value gains from convertible bonds. The Group also recorded a share of profit of US\$4.1 million from associates and joint ventures as compared to a share of loss of US\$455,000 in the same corresponding period. The absence of foreign exchange loss in 2Q2012 as compared to a loss of US\$1.5 million in 2Q2011 resulted in a reduction in the Group's other operating expenses. At the same time, in line with business expansion and higher bank borrowings, the Group incurred higher administrative expenses of US\$13.5 million and finance costs of US\$7.3 million respectively in 2Q2012, which had some impact on bottomline.

Overall, net profit for 2Q2012 increased by 66.0% to US\$20.9 million.

Said Mr. Francis Wong, Group Chief Executive Officer and President of Swiber, "We are heartened to see that our order book remains robust at approximately US\$1.6 billion, including approximately US\$1.0 billion from new contract wins this year. These were secured from oil majors for projects to be performed in Mexico, the Middle East, Southeast Asia and South Asia, which will give us strong order book that provide visibility beyond 2013.

“With our enlarged and young fleet of 56 vessels, increased balance sheet flexibility after our primary placement and the issue of medium term bonds, we are well positioned to continue to bid for major contracts.

“At the same time, we will continue to pursue cost synergy between different regions to take advantage of the different work seasons, vessel utilisation and business operations, for greater cost efficiencies.”

Other Performance Review

For the half year ended June 30, 2012 (“HY2012”), the Group achieved a 28.0% increase in revenue to US\$424.0 million as compared to US\$331.2 million in the same corresponding period last year (“HY2011”).

Correspondingly, gross profit climbed 39.2% to US\$71.1 million in HY2012 from US\$51.1 million in HY2011. For HY2012, the Group reported an improvement in gross profit margin to 16.8% from 15.4% in HY2011.

Net profit rose 36.9% to US\$33.5 million in HY2012 due to a 158.7% surge in share of profit from associates to US\$6.6 million and lower other operating expenses at US\$2.8 million arising from lower foreign exchange losses. For this period, the Group experienced a 50.6% decline in other operating income to US\$9.1 million due to fair value gains on convertible bonds and realised gain on interest rate swap contract in the past corresponding period. Administrative expenses increased to US\$27.3 million due mainly to the inclusion of first three months depreciation of an office building acquired at end 1Q2011 and as more employees were recruited to support the Group's business expansion. Higher finance cost at US\$13.5 million was due mainly to higher bank borrowings and higher principal amount and interest rate of the multicurrency medium term notes.

Swiber's basic earnings per share, based on its 2Q2012 results, was 2.5 US cents from 0.8 US cents in 2Q2011, while net asset value per share rose to 71.4 US cents as at June 30, 2012, from 71.1 US cents as at FY2011.

Growth Strategies & Outlook

With oil prices forecasted to be at a sustainable level of US\$100 per barrel on average in the near term¹, the Group is of the opinion that growth in offshore production will remain robust. Due to the need to operate and maintain a vast and aging infrastructure, sustainable oil prices, buoyant new offshore field development activities and rampant price inflation for equipment and services, energy analysts forecasts that over \$355 billion is expected to be spent on offshore operations and maintenance throughout 2012 to 2016², with production services dominating this sector. Energy analysts also expect subsea capital expenditure to increase dramatically throughout 2012 to 2016, with an expenditure of almost \$135 billion on subsea hardware.

The Group has built up its resources and a sizeable fleet in recent years and will continue to focus on winning new contracts from major oil and gas players and penetrate into new markets.

Commenting on the momentum for 2012, Mr. Wong added: "Given the structural growth in demand for energy in the emerging economies, offshore exploration and development will continue to gain prominence in the near-term, notwithstanding the macro economic uncertainties. With our enhanced capabilities and modern fleet of vessels capable to meet the most stringent demand, we will continue to leverage on our strong standing in the offshore services market to bid for new major contracts. We believe this places us in a good stead to ride the positive trend of the offshore industry."

Sources:

- (1) OPEC Monthly Oil Market Report (August 2012), IEA Oil Market Report (August 10, 2012), US Energy Information Administration Short Term Energy Outlook (August 2012)
- (2) Douglas Westwood, *The World Subsea Hardware Market Forecast (2012-2016)*; Douglas Westwood, *The World Subsea Hardware Market Forecast (2012-2016)*



A World Class Company

In the Offshore Industry

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About Swiber Holdings Limited

Listed on November 8, 2006, Swiber is a world class integrated construction and support services provider to the offshore oil and gas industry, offering a wide range of offshore Engineering, Procurement, Construction, and Installation (“EPCI”) and marine support and diving support services across the Asia Pacific and the Middle East region. 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 55 vessels, comprising 41 offshore vessels and 14 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. 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 and 2011 and brand value of US\$79 million as of 2011. This has reaffirmed Swiber rapid growth as an EPCI player well-positioned to capitalise on the booming offshore industry.





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