



Atlantic Navigation Holdings (Singapore) Limited
(Company registration no. 200411055E)

MEDIA RELEASE

Atlantic Navigation net profit grew by 5% in FY2015 amid oil and gas slump

- Margins were boosted by internal cost control and management programme, resulting in higher net profit despite marginal revenue growth
- Took delivery of 2 new vessels in early 2016; management will exercise caution in future fleet upgrading and expansion given the market weakness
- Offshore projects still ongoing in the Middle East, but charter rates likely to come under increasing pressure

US\$ million	FY2015	FY2014	% chg ⁺⁺
Revenue by segment			
- Marine logistics services	47.3	46.8	1.0
- Ship repair, fabrication & others	2.5	2.9	(13.8)
Group Revenue	49.8	49.7	0.2
Gross Profit by segment			
- Marine logistics services	20.6	19.5	5.9
- Ship repair, fabrication & others	1.3	1.0	28.5
Group Gross Profit	21.9	20.5	7.0
Gross Profit Margin	44.1%	41.3%	+2.8ppts
Pretax Profit	14.1	13.4	5.0
Net Profit	14.1	13.4	5.0
Basic EPS (US cents)*	5.39	5.14	
Diluted EPS (US Cents) ⁺	5.30	5.07	

* Based on weighted average number of shares of 260.6 million as at 31 December 2015 (31 December 2014: 260.6 million)

+ Based on weighted average number of shares as at 31 December 2015, adjusted for the dilutive effect of 4.5 million share options (31 December 2014: 3.7 million)

++ The percentage change is computed based on the dollar amounts rounded to the nearest thousand

26 February 2016 – Atlantic Navigation Holdings (Singapore) Limited (“Atlantic Navigation” or the “Company”, and together with its subsidiaries, the “Group”), a leading provider of marine logistics services in the Middle East, has reported net profit of US\$14.1 million for the twelve months ended 31 December 2015 (“FY2015”), an increase of 5.0% compared to FY2014. The Group’s business proved to be resilient despite widespread weakness in the oil and gas sector, though the financial results for the fourth quarter of FY2015 were somewhat impacted, with net profit of US\$2.4 million on revenue of US\$11.0 million as compared to higher net profit of US\$3.9 million on revenue of US\$13.0 million in the third quarter of FY2015.

Review of FY2015 Operating Results

The Group's marine logistics services ("MLS") segment generated US\$47.3 million in revenue, a marginal 1.0% increase over FY2014. This was due to an increase in chartering revenue mainly arising from vessels added to the Group's fleet in FY2015, offset by a decrease in chartering revenue for third party vessels.

Ship repair, fabrication and other marine services ("SRM") segment contributed US\$2.5 million, a decrease of 13.8% from FY2014, mainly due to a lower level of repairs undertaken on third party vessels. Gross profit margin improved for both segments as the Group's cost control and management program resulted in reduced service costs for the MLS segment, and the SRM segment reaped higher margins on work completed in FY2015.

Administrative expenses decreased by US\$0.1 million, in the absence of a one-off US\$0.3 million loss from the sale of an old vessel in FY2014. Finance costs decreased by US\$0.2 million due to a lower level of borrowings in FY2015. There was, however, a non-operating expense of US\$0.4 million incurred in FY2015 due to a provision for an unauthorised withdrawal of funds.

Outlook and Strategy

The Group took delivery of two vessels in early 2016, a 90-metre self-elevating unit lift boat in January 2016 and a 75-metre platform supply vessel in February 2016. The latter is expected to be deployed in March 2016 under a new charter agreement that the Group had successfully secured through a tender bid.

"There is still a significant level of project activity in the Middle East, and our fleet has been kept occupied despite the broader slowdown in oil and gas markets. However, we expect vessel charter rates to come under increasing pressure. We are cognisant of the potential risks to our business and have stepped up efforts to maintain our fleet utilisation rates, while keeping a lid on operational costs."

Mr. Wong Siew Cheong, Executive Chairman and CEO of Atlantic Navigation

About Atlantic Navigation Holdings (Singapore) Limited (Bloomberg: ATL SP, Reuters: ATLA.SI)

Atlantic Navigation Holdings (Singapore) Limited is an investment holding company with a vertically integrated offering of marine logistics services as well as ship repair and maintenance services. It owns, operates, and charters its fleet of 19^{#1} offshore support vessels to leading offshore oil and gas companies primarily in the Middle East, India and Africa. It also manages the sourcing and cross-chartering of third party vessels to match customers' requirements where necessary. Additionally, the Group provides ship repair, fabrication, maintenance, and other services at its workshop facility in Sharjah, UAE.

The Group was established in the UAE in 1997, and completed a reverse takeover of Fastube Limited on 30 July 2012. The entity was renamed as Atlantic Navigation Holdings (Singapore) Limited and has been trading under this name on SGX Catalist (stock code: 5UL) since 1 October 2012.

^{#1} Excluding 2 vessels held for sale

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