



Atlantic Navigation Holdings (Singapore) Limited

(Company registration no. 200411055E)

MEDIA RELEASE

Atlantic Navigation's FY2014 net profit increases by 3.2%, proposes dividend of 0.8 Singapore cents per share

- Net profit of US\$13.4 million on revenue of US\$49.7 million; an increase of 3.2% and 5.7% respectively compared to FY2013
- The Group has secured charters for its new jointly operated vessels, and has two more new vessels scheduled for delivery
- Moving forward, notwithstanding that the Middle East market is expected to remain relatively stable, the Group will exercise caution with its fleet upgrade and expansion given the uncertainty in the oil and gas sector

US\$ million	FY2014	FY2013	% chg⁺⁺
Revenue by segment			
- Marine logistics services	46.8	44.6	5.0
- Ship repair, fabrication & others	2.9	2.4	18.8
Group Revenue	49.7	47.0	5.7
Gross Profit by segment			
- Marine logistics services	19.5	18.7	4.0
- Ship repair, fabrication & others	1.0	0.9	14.7
Group Gross Profit	20.5	19.6	4.5
Gross Profit Margin	41.3%	41.8%	-0.5ppts
Pretax Profit	13.4	13.0	3.2
Net Profit	13.4	13.0	3.2
Basic EPS (US cents)*	5.14	4.98	
Diluted EPS (US Cents) ⁺	5.07	4.98	

* Based on weighted average number of shares of 260.6 million as at 31 December 2014 (31 Dec 2013: 260.6 million)

+ Based on weighted average number of shares as at 31 December 2014, adjusted for the dilutive effect of 3.7 million share options (31 Dec 2013: N/A)

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

27 February 2015 – 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 a net profit of US\$13.4 million for the 12 months ended 31 December 2014 (“FY2014”), compared to US\$13.0 million in the 12 months ended 31 December 2013 (“FY2013”). Group revenue increased from US\$47.0 million in FY2013 to US\$49.7 million in FY2014.

Review of FY2014 Operating Results

The Group's marine logistics services segment ("MLS") contributed US\$46.8 million in revenue in FY2014, a 5.0% increase compared to FY2013. This was mainly due to the addition of two new vessels to the fleet during FY2014, as well as higher revenue from cross chartering contracts compared to FY2013. Ship repair, fabrication and other marine services ("SRM") contributed the remaining US\$2.9 million of revenue in FY2014, compared to US\$2.4 million in FY2013. This was mainly due to a higher level of repairs carried out on third party vessels. The Group's gross profit for FY2014 was US\$20.5 million, an increase of 4.5% compared to FY2013, largely due to an increase in revenue with gross profit margins remaining relatively consistent. MLS gross profit margin was 41.7% in FY2014, compared to 42.1% in FY2013, and SRM had a gross profit margin of 35.1% in FY2014, slightly lower than that in FY2013 of 36.3%.

Marketing and distribution expenses increased by US\$82K in FY2014 from FY2013, mainly due to higher level of business development activities in FY2014. Administrative expenses were 12.3% higher in FY2014, mainly due to a US\$0.2 million charge relating to the grant of share options to employees, US\$0.3 million loss relating to disposal of an old vessel and US\$0.1 million marine insurance expenses in FY2014. Finance costs increased by US\$0.2 million on increased borrowings and charges imposed due to early settlement of an existing loan.

Outlook and Strategy

The Group has two vessels under construction and expects delivery of the first, a 75-metre platform supply vessel, in September 2015, and the second, a self-propelled self-elevating lift boat in March 2016. Beyond this, the Group will be cautious with its fleet upgrade and expansion programme in the short term due to uncertainties in the market in view of the oil price slide.

In the fourth quarter of FY2014, the Group announced its investment in two joint operations whose principal activity is in the ownership of vessels. The two joint operations had each acquired a new anchor handling tug supply vessel with dynamic positioning capability, and the Group had been given an exclusive management contract to manage the vessels. The two vessels arrived at the Group's home port in December 2014 and January 2015 respectively, and charters have been secured for these jointly operated vessels.

"While the decline in oil prices has obviously resulted in a huge shake-up of the oil and gas sector, our core market in the Middle East remains relatively stable with production levels being maintained. Nevertheless, we have heightened our risk management processes to focus on maintaining the high utilisation rate of our fleet, and to guard against the adverse effects of prevailing market forces."

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 16 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 acquisition 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.

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