



MERMAID MARITIME PUBLIC COMPANY LIMITED

บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)

(Reg. No. 0107550000017)

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For Immediate Release

## Mermaid Delivers Satisfactory Performance in Transitional Three-Month Year-Ending 31 December 2014

- Fiscal year end changed to December 31; Company will report one-time, transitional three month year ending 31 December 2014 (“5Q2014”)
- Solid topline performance with 5Q2014 revenue improving to USD98.9 million, higher 13% quarter on quarter, 18% year on year
- Sustained order book of USD470 million underpins good revenue visibility for 2015 and part 2016

*“Notwithstanding weaker industry fundamentals, Mermaid Maritime continues to deliver satisfactory one-time, transitional 3-month performance in our fiscal year-end change to December 31. While Mermaid Maritime will not be spared from the industry recalibration to the lower oil price environment, the Group’s cost leadership focus and superior financial position will enable the group to better weather the slowdown.*”

--- Mr. Chalermchai Mahagitsiri, Chief Executive Officer

March 2, 2015

	For the quarter ended 31 Dec, 2014	For the quarter ended 31 Dec, 2013	Change
	USD million	USD million	
Revenue from services	98.9	83.8	18.0%
Share of profit from associates	6.9	7.1	-2.8%
Profit attributable to shareholders	4.3	13.2	-67.4%
Cash and cash equivalents at the end of period	89.4	172.2	-48.1%
Earnings per share	0.3 US cents	0.94 US cents	-68.1%

**SINGAPORE & THAILAND** – 2 March 2015 – Mainboard-listed Mermaid Maritime Public Company Limited (“Mermaid”, “MMT” or the “Group”), a leading provider of subsea and drilling services for the global offshore oil and gas industry, is pleased to announce USD4.3m earnings for the transitional three month for financial year ending 31 December 2014 (“FY2014”). With the group changing its accounting period from September 30 to December 31, this will be one-time, transitional reporting. The transitional three-month performance (“5Q2014”) includes an one-off impairment loss on vessel of USD1.5m, excluding which, core earnings was USD5.8m, down 56% yoy.

#### **Satisfactory Core Earnings US\$6m for 5Q2014**

Group reported total revenue of USD98.9 million for 5Q2014, an increase of 18% year on year (“yoy”) as compared to USD83.8 million for 1Q2014 (quarter ended 31 December, 2013). With cost of services rising a faster 28% to USD86.5 million on more chartered in vessels, gross profit fell 24% yoy to USD12.4 million for 5Q2014.

Subsea Group reported service income of USD94.7 million, and gross profit of USD12.0 million for the quarter, with a gross profit margin of 12.6% compared to 17.8% for the financial year ending September 2014. While demand utilisation for Subsea Group’s owned vessels remained solid, utilisation for its chartered in vessels was affected by new project timing issue partly weighed by unfavourable weather condition. The Group also had dry docked 2 vessels in the fleet during the quarter.

Drilling Group reported service income of USD4.6 million for 5Q2014. MTR-1 was still on standby during the quarter, while MTR-2 completed its project in December 2014. Drilling group generated gross profits of USD0.4 million, as both day rate and utilization rate in the period were lower.

The share of profits from drilling associate Asia Offshore Drilling (“AOD”) for 5Q2014 was USD6.9 million. During the quarter, jack-up rigs namely AODI, AODII and AODIII achieve higher utilization rates of 99%, 100% and 100% respectively, compared to utilization rate for the twelve months period ended 30 September 2014 of 89%, 98% and 96% respectively.

The Group booked impairment charge of USD1.5m on its vessel, Mermaid Siam. Excluding the one-off charge, the Group reported core earnings USD5.8m for 5Q2014, a decline of 56% yoy when compared to USD13.2 million for same period in previous year.

#### **Stronger Balance Sheet underpinned by strong cashflows**

Given the strong operating and investment cashflow, cash and cash equivalents improved from USD80.5 million as at 30 September 2014, to USD 89.4 million as at 31 December 2014. Group repaid part of the debt during the period and net gearing ratio improved from 6.5% as at 30 September 2014 to 4.1% as at 31 December 2014.

#### **One-off, transitional dividends 0.40 US cents to reward shareholders**

The Group has proposed a dividend of 0.40 US cents to reward shareholders in addition to the previously announced dividend of 0.47 US cents. The total dividends of 0.87 US cents for FY2014 will represent a payout ratio of 25%.

*Commenting on the performance of the Group and the outlook, Mr. Chalermchai Mahagitsiri, Chief Executive Officer of Mermaid said, "Underpinned by our conscious positioning to focus on the less volatile shallow water drilling and the production side of the oil and gas supply chain, our business has been and will continue to be relatively resilient. Our contract backlog remains solid at USD470 million, sufficient to sustain our assets utilization in the next 12 months. Coupled with continued steady contribution from our drilling associate Asia Offshore Drilling, this will underpin our earnings and cashflows amidst the challenging market environment.*

*Admittedly, the lower oil prices will bring new challenges for the Group. While the Group will continue to be rigorous in optimizing our performance to gain larger cost advantage, we will step up our client engagement and support to stay ahead of competition. Our relatively strong financial position will put us in good stead for opportunistic asset portfolio enhancements, especially as more distressed assets emerge in the downturn.*

*We have proposed a dividend of 0.40 US cents for 5Q2014, on top of the final dividend of 0.47 US cents paid earlier in February 2015, as a token of appreciation for our shareholders' continued support; we look forward to rewarding shareholders on a consistent and long-term basis, along with the growth of the Group on an uneven path."*

**About Mermaid Maritime Public Company Limited (Bloomberg Code: MMT SP)**

Mermaid is well established and recognized by the industry for its high quality services delivered professionally, safely and efficiently, and has developed a strong blue chip customer base that includes some of the world's largest Oil and Gas Majors. With world class operations, logistics and maintenance bases in key geographical locations, Mermaid is able to facilitate the expeditious and efficient mobilisation of vessels, personnel and equipment to customer locations.

Mermaid's subsea division is represented by Mermaid Subsea Services, which operates as a unified structured unit across markets offering customers a comprehensive range of subsea solutions through a suite of specialized subsea vessels, diving equipment, remotely operated vehicles, and a highly competent technical and operations workforce operating out of Thailand, Indonesia, Singapore, Qatar, United Arab Emirates and Saudi Arabia.

Mermaid's drilling division comprises Mermaid Drilling, which provides tender-assist drilling and accommodation barge services through its ownership and investments of two (2) tender rigs, and associate interest in Asia Offshore Drilling with three (3) high specification premium jack-up drilling rigs recently delivered in 2013 from the construction yard in Singapore and now deployed in the Middle East. Mermaid Drilling also has an additional two (2) 'performance class' new build tender rigs under construction in China with delivery scheduled for 2016.

The company's vision is to be a premium service provider in the oil and gas services industry and to consistently deliver enhanced return to its shareholders. To this end, the company's mission is to deliver a world class service to the region from within the region.

For more information, please visit [www.mermaid-maritime.com](http://www.mermaid-maritime.com)

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Issued for and on behalf of Mermaid Maritime Public Company Limited By Financial PR Pte Ltd

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