

## NEWS RELEASE

### **Swiber Posts Net Profit of US\$40.1 Million in 9M2014**

- Lower revenue in 9M2014 as new projects scheduled to start in 4Q2014
- Group continues to focus on EPIC services for shallow water E&P activities in Asia and Latin America
- Order book of approximately US\$535 million as at 12 November 2014

**Singapore, 12 November 2014** – Swiber Holdings Limited (“Swiber” or together with its subsidiaries, “the Group”), a leading global provider of integrated offshore construction and support services to the oil and gas industry, today reported a net profit of US\$40.1 million for the nine months ended 30 September 2014 (“9M2014”). This was a decline of 22.8% from US\$51.9 million in the same period last year (“9M2013”).

Group revenue in 9M2014 contracted by 36.3% to US\$526.2 million compared to US\$826.0 million in 9M2013, mainly due to lower revenue recognition from ongoing projects which were substantially completed in FY2013. In addition, the activities for its new EPIC (engineering, procurement, installation and construction) projects have not commenced in the three months ended 30 September 2014 (“3Q2014”).

As a result of lower revenue, the Group’s gross profit margin narrowed to 5.1% in 9M2014 from 15.3% previously, due to under absorption of fixed costs.

However, other operating income surged to US\$114.6 million from US\$13.6 million in 9M2013, driven mainly by the gain from the disposal of a group of subsidiaries. In line with the streamlining of its operations, the Group’s administrative expenses were also pared to US\$45.0 million in 9M2014 from US\$49.9 million previously.

Other operating expenses and finance expenses increased to US\$27.4 million and US\$47.2 million respectively in 9M2014, due to higher net fair value loss on financial instruments, and higher borrowings and issuance of debt securities. On the other hand, the Group recognised a larger share of profit of associates and joint ventures amounting to US\$29.1 million during 9M2014.

The impact of lower revenue, coupled with higher other operating and finance expenses, was partially buffered by stronger other operating income, reduced administrative expenses, and higher share of profit of associates and joint ventures during 9M2014. As a result, Swiber’s earnings per share eased to 5.0 US cents in 9M2014 from 5.2 US cents in 9M2013.

For 3Q2014, the Group reported a net loss of US\$22.9 million compared to a net profit of US\$14.5 million in 3Q2013. This was attributable primarily to a 60.9% decrease in revenue to US\$107.3 million which caused gross profit to fall to US\$847,000 from US\$39.0 million in 3Q2013. The top line in 3Q2014 was lower as revenue from ongoing projects was substantially recognised during FY2013.

Said Mr. Francis Wong, Group Chief Executive Officer and President of Swiber, “The new projects that Swiber clinched earlier this year are scheduled to start from the final quarter of the year. At the same time, we have been actively bidding for new orders in our target markets, particularly in Southeast Asia which is our primary revenue driver, as well as in South Asia, Latin America and West Africa. As an affirmation of our commitment to the development of Mexico’s oil and gas industry, Swiber is flying the Mexican flag on five of our vessels. This further establishes Swiber as a local key player as we continue to step up our level of local support to our clients and potential customers operating in Mexico.”

Mr. Wong added, “While global oil prices have experienced a decline recently, we believe shallow water field development work will continue to take place and generate demand for EPIC services. Swiber’s business model focuses mainly on the execution of EPIC projects for shallow water exploration and production (E&P) activities. Having built a sound reputation in this domain, we will continue to seize opportunities in growth markets across the Asia Pacific, Latin America and West Africa.”

As at 12 November 2014, the Group’s order book stood at approximately US\$535 million. Barring unforeseen circumstances, it anticipates the order book to grow as the Group continues to actively bid for new projects in its target markets.

Going forward, Swiber will also continue to place a strong emphasis on enhancing its operational performance and maximising cost efficiencies. As part of its reorganisation efforts to streamline the Group’s business operations, Swiber recently announced the proposed sale of its 100% interest in Newcruz International Pte. Ltd. (“NIPL”) and its 49% stake in PTSB Holdings Pte. Ltd. (“PTSB Holdings”) for US\$36.1 million to Vallianz Holdings Limited (“Vallianz”). The Group presently holds a 23.36% stake in Vallianz, which is a fast growing provider of offshore support vessels and integrated marine solutions to the oil and gas industry.

While NIPL and PTSB are complementary to Swiber’s EPIC business, their businesses do not form part of the Group’s core activities. As such, the proposed sale is expected to help to lower the Group’s overall cost structure and sharpen its operational focus. As a major shareholder of Vallianz, the Group will also continue to benefit from the potential synergies that could be derived from this reorganisation.

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*This news release should be read in conjunction with the Group's announcement posted on the SGX website on 12 November 2014.*

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### **About Swiber Holdings Limited**

Swiber is a world class integrated construction and support services provider to the offshore oil and gas industry, offering a wide range of offshore EPIC and marine support services across the Asia Pacific, Middle East, and Latin America regions.

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 has established an eminent position among global offshore oil and gas engineering and construction organisations. With an extensive and growing operating fleet of 81 vessels, comprising 68 offshore vessels and 13 construction vessels, and more than 3000 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.

Swiber was listed on the Main Board of the Singapore Stock Exchange on 8 November 8, 2006.

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 to 2012. In 2012, Swiber has emerged a winner in Securities Investors Association (Singapore) ('SIAS')'s Singapore Corporate Governance Award. All these reaffirm Swiber's rapid growth as an EPIC player that is well-positioned to capitalise on the upswings of the offshore oil and gas sphere.

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