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Ezra's FY1H2015 results keep apace amidst volatile oil and gas environment

- ◆ Revenues remain firm for FY1H2015, adjusted EBITDA increased by 10% year on year to US\$87.5 million
- ◆ Maintains a healthy backlog of US\$2.3 billion, with majority of contracts to be executed over the next 24 months
- ◆ Flagship subsea construction vessel *Lewek Constellation* on track for operations for Noble Energy

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For immediate release

Summary of key highlights of FY2Q2015 and FY1H2015:

US\$ million	Second Quarter			First Half		
	FY2Q2015	FY2Q2014	Change (%)	FY1H2015	FY1H2014	Change (%)
Revenue	302.0	300.4	1	623.0	640.3	(3)
EBITDA	42.7	56.1	(24)	142.8	95.6	49
Adjusted EBITDA ¹	42.8	40.0	7	87.5	79.4	10
Profit After Tax ("PAT")	4.7	22.1	(79)	65.3	30.9	111
Adjusted PAT ¹	4.8	6.0	(20)	10.0	14.7	(32)

Note: ¹Excludes the Group's gain/loss from disposal/written off/impairment of fixed assets, impairment of goodwill and gain from bargain purchase/reclassification due to consolidation of EMAS Offshore Limited.

Ezra Holdings Limited ("Ezra" or the "Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas ("O&G") industry, has maintained profitable results amidst a highly volatile O&G environment in the six months ended 28 February 2015 ("FY1H2015").

The Group maintained its revenues in FY1H2015 and quarter ended 28 February 2015 ("FY2Q2015") with marginal changes. FY1H2015 revenue eased by 3% to US\$623 million while FY2Q2015 revenue increased by 1% to US\$302 million.



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The Group posted EBITDA of US\$142.8 million in FY1H2015, increasing by almost 50% from the US\$95.6 million in the corresponding period ("FY1H2014"). Adjusted EBITDA has also improved by 10% year-on-year ("y-o-y") to US\$87.5 million in FY1H2015. For FY2Q2015, EBITDA was 24% lower at US\$42.7 million while adjusted EBITDA was 7% higher at US\$42.8 million.

Revenue from **EMAS AMC**, Ezra's Subsea Services division, decreased by US\$26.8 million in FY1H2015 due to fewer project closeouts, greater mix of projects under earlier phases of execution, as well as mandatory dry docking for vessels *Lewek Express* and *Lewek Champion*. However, EMAS AMC's flagship subsea construction vessel *Lewek Constellation* will commence on her inaugural pipelay project in the Gulf of Mexico for Noble Energy shortly. Even before her completion, *Lewek Constellation* has secured several projects amounting to almost US\$500 million. These projects will be executed over the next 18 months. *Lewek Constellation* is expected to contribute to the Group's revenue from FY3Q2015 onwards.

EMAS Offshore Limited, the Group's Offshore Support and Production Services division, saw FY1H2015 revenue decrease by US\$24.2 million due to the absence of contribution from a leased-in vessel returned in FY2H2014, as well as weakness in the shallow water offshore support vessel segment. However, its deep water capable vessels enjoyed a higher than industry average utilisation rate. EMAS Offshore Limited's earnings were cushioned by contribution from its floating production storage and offloading ("FPSO") facilities, which maintained almost 100% uptime in the quarter.

TRIYARDS, the Group's Marine Services division, reported an increase of US\$33.7 million in revenue for FY1H2015. The contribution was supported by ongoing liftboat projects at different stages of construction, contribution from Strategic Marine entities acquired in FY1Q2015, and a higher level of other industrial and offshore fabrication projects activities from existing operations. TRIYARDS has also just announced new contracts worth US\$100 million, bringing the total number of contract wins to five since the beginning of calendar year 2015 valued at approximately US\$275 million.

With the completion of *Lewek Constellation*, the Group has come to the end of its subsea capex cycle. Ezra continues to focus on its efforts on deleveraging and free cash flow generation, with gearing to peak at its current 1.15x.

Mr Lionel Lee, Ezra's Group CEO and Managing Director, said: "The O&G industry continues to face ongoing headwinds. In spite of that, Ezra has managed to maintain its operational profitability this quarter. The Group's strategy to streamline core operations and focus on cash flow generation is well underway, and we are seeing some of the results of it. We are maintaining our cost discipline with greater focus on cost-base rationalisation and optimisation to improve margins and shareholder value. We also seek to rationalise non-core assets to accelerate the deleveraging of and strengthening the Group's balance sheet.



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While the current environment is challenging and will cause volatility in our results, we are cautiously optimistic that the long-term fundamentals of the oil and gas industry will remain encouraging.”

The Group’s backlog stands at approximately US\$2.3 billion², the majority of which is expected to be executed over the next 24 months.



Lewek Constellation, an ice-classed, multi-lay offshore construction vessel with ultra-deep water pipe laying and heavy lift capabilities

ABOUT THE COMPANY

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EMAS – a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services – is Ezra’s operating brand. With offices across six continents, it delivers best-value solutions to the oil and gas (O&G) industry by combining its global footprint and proven engineering skills with a diverse offering of premium assets and services designed to fully meet clients’ needs.

² The Group’s backlog is inclusive of a backlog of US\$491 million from the two FPSOs, *Lewek EMAS* and *Perisai Kamelia* that EMAS Offshore Limited has stakes in.



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Operating in unison, Ezra's core divisions are able to execute a full spectrum of seabed-to-surface engineering, construction, marine and production services anywhere in the world.

EMAS AMC is a global EPCIC service provider of comprehensive subsea-to-surface solutions for the offshore oil and gas industry, especially in the SURF and Subsea Tie-Back sector. Core business services include subsea installation of umbilicals/power cables, pipelines as well as platforms, FPSO and floater installations.

EMAS Energy provides well intervention and drilling services both onshore and offshore, offering fully integrated solutions that combine its marine assets with state-of-the-art intervention equipment and services.

EMAS Marine, under subsidiary company EMAS Offshore Limited, manages and operates a young, versatile fleet of advanced offshore support vessels, offering an extensive range of maritime services that cater to the client's needs throughout a field's life cycle.

EMAS Production, also under subsidiary company EMAS Offshore Limited, owns and operates FPSO (floating production, storage and offloading) facilities, offering services that support the post-exploration needs of offshore fields, such as FPSO conversion management.

TRIYARDS is fast becoming an acknowledged leader in developing advanced and customised solutions for world-class vessels. By focusing on sophisticated platforms and equipment that can tackle even the most complex offshore projects, it has already established itself as a front runner in the fabrication of liftboats (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of yard facilities located in Singapore, Vietnam and the US.

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Other media releases on the company can be accessed at www.emas.com