



**Atlantic Navigation Holdings (Singapore) Limited**

(Company registration no. 200411055E)

## MEDIA RELEASE

### Atlantic Navigation's vessel charters resilient amid turbulent oil and gas market

- Revenue stable for the Group's core marine logistics services segment
- Net profit of US\$3.3 million for 2Q2015, US\$7.7 million for HY2015
- Recently secured a 3+1 year contract worth US\$6 million for a crew boat deployment in Oman; the vessel has been purchased and is expected to be deployed by end August 2015

#### Results Snapshot

US\$ million	2Q2015	2Q2014	% chg <sup>++</sup>	HY2015	HY2014	% chg <sup>++</sup>
Revenue by segment						
- Marine logistics services	<b>11.5</b>	11.4	1.1	<b>24.4</b>	21.9	11.1
- Ship repair, fabrication & others	<b>0.4</b>	1.0	(54.7)	<b>1.3</b>	1.7	(19.0)
<b>Group Revenue</b>	<b>12.0<sup>#</sup></b>	12.4	(3.3)	<b>25.7</b>	23.6	8.9
Gross Profit by segment						
- Marine logistics services	<b>5.1</b>	4.9	3.2	<b>10.8</b>	9.4	15.1
- Ship repair, fabrication & others	<b>0.3</b>	0.4	(26.8)	<b>0.7</b>	0.6	32.4
<b>Group Gross Profit</b>	<b>5.4</b>	5.3	1.1	<b>11.5</b>	9.9 <sup>#</sup>	16.1
<b>Gross Profit Margin</b>	<b>44.8%</b>	42.9%	+1.9ppts	<b>44.8%</b>	42.0%	+2.8ppts
Pretax Profit	<b>3.3</b>	3.6	(6.8)	<b>7.7</b>	6.6	16.8
<b>Net Profit</b>	<b>3.3</b>	3.6	(6.8)	<b>7.7</b>	6.6	16.8
Basic EPS (US cents)*	<b>1.28</b>	1.38		<b>2.97</b>	2.54	
Diluted EPS (US cents) <sup>+</sup>	<b>1.26</b>	1.36		<b>2.92</b>	2.51	

\* Based on weighted average number of shares of 260.6 million as at 30 June 2015 (30 June 2014: 260.6 million)

+ Based on weighted average number of shares as at 30 June 2015, adjusted for the dilutive effect of 4.05 million share options (30 June 2014: 3.40 million)

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

# The figures may not add up due to rounding

**6 August 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 net profit of US\$3.3 million for the three months ended 30 June (“2Q”) 2015, a 6.8% decrease from 2Q2014, with higher gross profit margins being partially offset by higher non-operating expenses. For the first six months ended 30 June (“HY”) 2015, net profit grew 16.8% to US\$7.7 million from HY2014.

#### Review of 2Q2015 Operating Results

The Group's revenue decreased by 3.3% from US\$12.4 million in 2Q2014 to US\$12.0 million in 2Q2015. The decrease was mainly due to a lower level of repairs undertaken on third party vessels,

resulting in a drop in revenue for the ship repair, fabrication and other marine services segment. The Group's marine logistics services segment, however, saw a 1.1% rise in revenue from 2Q2014 to US\$11.5 million in 2Q2015, with a slight improvement in gross profit margin from 43.3% to 44.1% for this segment.

The Group recorded a non-operating expense of US\$368K in 2Q2015, being a provision for an unauthorised withdrawal from the bank account of a subsidiary. The matter had been reported to the Singapore Police Force and is currently being investigated. Excluding this provision, the Group would have recorded an increase in net profit by 3.5% from 2Q2014 to US\$3.7 million in 2Q2015.

### **Review of HY2015 Operating Results**

Revenue grew 8.9% from HY2014 to US\$25.7 million in HY2015, with gross profit increasing by 16.1% to US\$11.5 million driven by higher gross profit margins from both segments. Administrative expenses increased by 15.3% from HY2014 to US\$2.7 million in HY2015 due to increases in staff costs, and provisions for services and other contractual obligations. Finance costs decreased by 21.0% from HY2014 to US\$649K in HY2015 due to lower borrowings. Net profit grew 16.8% from HY2014 to US\$7.7 million in HY2015.

### **Outlook and Strategy**

On 30 June 2015, the Group announced that it had secured a contract with a new customer for a crew boat to be deployed in Oman, on a 3+1 year contract worth US\$6.0 million. The vessel has been purchased for US\$4.5 million and is expected to be delivered by mid-August 2015. The Group also has two new vessels currently being built to expand its fleet – a 75-metre platform supply vessel and a self-propelled self-elevating lift boat, with deliveries expected in October 2015 and April 2016 respectively.

**“Despite the challenges facing the oil and gas sector, our financial performance has been resilient with improving gross margins largely attributable to lower operating costs as the Group implemented effective cost control and management program in 2015. Furthermore, the Group had secured new contracts which provide stability for its earnings moving forward. We will also continue our efforts to develop strategic and synergistic opportunities both within our core market and beyond.”**

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

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### **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 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 Catalyst (stock code: 5UL) since 1 October 2012.

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