



15 Hoe Chiang Road
 #28-01 Tower Fifteen
 Singapore 089316

Ezra records 22% increase in 1H14 revenue to US\$640.3 million

- ◆ Subsea Services division demonstrates sustained operational profitability since the fourth quarter of FY13
- ◆ Weaker than expected performance by Offshore Support Services division
- ◆ Adjusted EBITDA for 1H14 increased 13% year-on-year
- ◆ Flagship subsea construction vessel *Lewek Constellation* on track for full operational delivery in 2015

SINGAPORE ◆ 11 APRIL 2014

For immediate release

Summary of key highlights of 2Q14 and 1H14:

US\$ million	Second Quarter			First Half		
	2Q13	2Q14	Change (%)	1H13	1H14	Change (%)
Revenue	247.1	300.4	22	525.8	640.3	22
EBITDA	65.0	56.1	(14)	103.7	95.6	(8)
Adjusted EBITDA ¹	35.0	39.5	13	69.9	79.0	13
Profit After Tax ("PAT")	33.0	22.1	(33)	40.9	30.9	(25)
Adjusted PAT ¹	3.0	5.5	83	7.1	14.3	101

Note: ¹Excludes Group's share of gain from disposal of assets held for sale and disposal of fixed assets.

Ezra Holdings Limited ("Ezra" or "the Group"), a leading contractor and provider of integrated offshore solutions to the oil and gas ("O&G") industry, maintained its operational progress, led by the Group's Subsea Services division, **EMAS AMC**. Revenue for the Group in the six months ended 28 February 2014 ("1H14") grew 22% to US\$640.3 million compared to the corresponding period ("1H13"). For the three months ended 28 February 2014



15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

("2Q14"), revenue for the Group also grew 22% to US\$300.4 million compared to the corresponding period ("2Q13").

Adjusted EBITDA for the Group improved to US\$79.0 million in 1H14 from US\$69.9 million in 1H13. Adjusted profit after tax in 1H14 doubled to US\$14.3 million compared to 1H13.

EMAS AMC continues to be the key driver to the revenue growth of the Group, posting an increase in revenue of US\$118.7 million in 1H14 and US\$59.3million in 2Q14. This increase in revenue was driven by the increased fleet capacity following the delivery of two subsea pipelay construction vessels, *Lewek Express* and *Lewek Centurion*, in the fourth quarter of financial year ended 31 August 2013 and the increase in value and number of projects undertaken in the period.

The Group's revenue increase was partially offset by a decrease of US\$7.0 million for 1H14 and US\$6.2 million for 2Q14, from the Offshore Support Services division, **EMAS Marine**. Gross profit margin for the division was also weaker. This was due to the increase in operating costs, which was a result of higher than expected maintenance costs. In addition, the AHT segment saw weaker utilisation during the quarter. The decrease was partially offset by the revenue contributions from two Platform Supply Vessels delivered post-2Q13, *Lewek Avior* and *Lewek Alkaid*.

Ezra also announced that a new senior management team has been put in place for **EMAS Marine**. Mr Bennett Neo and Mr Mike Wallace joined the division in the beginning of 2014 as **EMAS Marine** Chief Executive Officer and Chief Operating Officer respectively. Mr Neo brings with him 20 years of corporate experience with a large portion of it in the oil and gas industry. Mr Wallace has more than 30 years of operational and business development experience in the offshore support industry, spearheading strategic initiatives in companies like Hornbeck Offshore, Tidewater and Trico Marine.

TRIYARDS, the Group's Marine Services division, maintained its momentum in the period with an increase of US\$2.7 million in revenue in 1H14 compared to the corresponding period of 1H13, due to a higher level of operational engineering and fabrication activities. Revenue from the Marine Services division for 2Q14 remains comparable to 2Q13.



15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

Mr Lionel Lee, Ezra's Group CEO and Managing Director, said: "The performance of **EMAS Marine** was a disappointment this quarter but I am pleased that the Group as a whole still turned in a credible performance. This is in no small part due to our Subsea Services division producing three successive quarters of operational profitability. I am also quietly confident about the prospects for EMAS Marine with a new management team in place. They will be highly focused on implementing a robust maintenance programme to bring down operating costs.

"**EMAS AMC** has steadily improved the average utilisation of the subsea fleet in 1H14 year-on-year, strategically deploying our enlarged fleet of modern subsea vessels globally to maintain vessel uptime through the winter period. I am very excited about our ability to deploy *Lewek Express* and *Lewek Centurion* on quality projects. This validates our strategy to augment our leading engineering capabilities with a modern fleet of project enabling subsea construction vessels."

Lewek Constellation, Ezra's flagship subsea construction vessel, is currently in China for the installation of its 3,000 MT Huisman crane and will head to West Africa for her first project in the next quarter. The full delivery of the vessel is on track for 2015 and is expected to lift Ezra's subsea capabilities to the next level.

"We expect to see further earnings growth in 2014 and an increase in our profitability as we leverage economies of scale. We look forward to realising the full financial contribution of *Lewek Express* and *Lewek Centurion*. *Lewek Constellation* is a game-changing vessel and we believe this vessel will further drive growth and profitability in the future," Mr Lee added.

"Let me also take this opportunity to welcome Mr Bennett Neo and Mr Mike Wallace into the EMAS family. With Bennett's corporate experience and Mike's operational and technical expertise, I am confident of seeing better days ahead for the division."

The Group's orderbook remains healthy with more than US\$2.0 billion of contracts, a majority of which is expected to be executed over the next 12 to 18 months.



15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316



The *Lewek Constellation* with her 3,000MT crane installed.

ABOUT THE COMPANY

www.emas.com ♦ SGX mainboard listing: December 2005

EMAS – a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services – is Ezra’s operating brand. With offices across five 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.

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 – created after the acquisition of Aker Marine Contractors AS, a world leader in providing SURF (subsea umbilicals, risers & flowlines) and floater installations – delivers comprehensive seabed-to-surface solutions for the offshore sector, in particular the vibrant subsea segment. Offerings include subsea construction and FPSO installation.

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.



15 Hoe Chiang Road
#28-01 Tower Fifteen
Singapore 089316

EMAS Marine 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, under approximately 45.7%-owned EOC Limited, owns and operates cutting-edge 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 SEUs (self-elevating, mobile offshore units). TRIYARDS provides its integrated engineering, ship construction and fabrication services out of three yard facilities located in Vietnam and the US.

FOR INVESTOR AND ANALYST ENQUIRIES

MR EUGENE CHENG

+65 6590 8088

Investor Relations Email: ir@emas.com

FOR MEDIA ENQUIRIES

MR ALEX TAN

+65 6512 8824

alex.tan@emas.com

MS BERNADETTE LEE

+65 6512 8129

bernadette.lee@emas.com

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