

MERMAID MARITIME PUBLIC COMPANY LIMITED

Analyst Presentation

Financial Quarter 02/2010

25 May 2010





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Contents



-  Analysis of consolidated P&L statement
-  Segmental analysis
-  Financial ratios and debt repayment schedule
-  Analysis of consolidated balance sheet

Analysis of consolidated P&L statement





Consolidated P&L statements

Period: Q2/09 vs Q2/10 vs Q1/10 (3-month period)



	Q2/09	Q2/10	Q1/10	Increase (decrease) between Q2/10 vs Q1/10		Selected Explanation
	31/03/09	31/03/10	31/12/09	USD'000	%	
	USD'000	USD'000	USD'000			
Service income	29,379	22,213	33,252	(11,039)	(33)	Decreased mainly due to MOS's revenues of USD 11.1 million resulted from lower utilisation days of Mermaid Commander and Team Siam from 81 days and 92 days in Q1/10 to 38 and 69 days in Q2/10, respectively, and a decrease in average day rates from USD 34,457/day in Q1/10 to USD 20,067/day in Q2/10.
Cost of services	(25,671)	(23,066)	(25,659)	(2,593)	(10)	Decreased due mainly to a decrease in MOS's cost of services of USD 2.5 million which was related to a decrease of business activities.
Gross profit (losses)	3,708	(853)	7,593	(8,446)	(111)	Decreased due to a decrease in MOS's gross margin of USD 8.6 million which was related to lower utilisation of Mermaid Commander and Team Siam, and a decrease in day rates.
Interest income	34	11	25	(14)	(56)	
Gains (losses) on exchange rates	474	789	422	367	87	Increased from gain on foreign currency exchange rate of cash at bank due mainly to the weakening of Thai Baht currency in Q2/10 as compared with Q1/10.
Net gains (losses) on disposal and write-off of property, plant and equipment	107	39	8	31	388	Increased from sale of one vessel, Mermaid Responder in this quarter.
Other income	308	-	217	(217)	(100)	
Administrative expenses	(4,123)	(4,444)	(3,500)	944	27	Increased due mainly to a payment of financial bonus in January 2010 of USD 0.7 million and administrative expenses of Subtech (acquired in March 2010) of USD 0.2 million.
Operating profit (losses)	508	(4,458)	4,765	(9,223)	(194)	



Consolidated P&L statements

Period: Q2/09 vs Q1/10 vs Q2/10 (3-month period)



	Q2/09	Q2/10	Q1/10	Increase (decrease) between Q2/10 vs Q1/10		Selected Explanation
	31/03/09	31/03/10	31/12/09	USD'000	%	
	USD'000	USD'000	USD'000			
Share of profits (losses) from associates	(368)	234	156	78	50	Increased due to a increase of utilisation rate of vessels in AME.
Profits (losses) before finance costs and income taxes	140	(4,224)	4,921	(9,145)	(186)	
Finance costs	(618)	(468)	(506)	(38)	(8)	Decreased relative to the loan repayments in the quarter as compared with Q1/10.
Profits (losses) before income taxes	(478)	(4,692)	4,415	(9,107)	(206)	
Income taxes	(1,209)	(1,237)	(490)	747	152	Increased due mainly to a deferred tax asset derecognition of USD 0.6 million in this quarter from the payments of employee benefits in this quarter of USD 2.1 million.
Net profits (losses) for the period	(1,687)	(5,929)	3,925	(9,854)	(251)	Decreased mainly from lower utilisation rate and day rates of MOS in this quarter as compared with previous quarter.
EBITDA (Including FX Impact)	4,444	806	9,431	(8,625)	(91)	
EBITDA (Excluding FX Impact)	3,970	17	9,009	(8,992)	(100)	

Segmental analysis

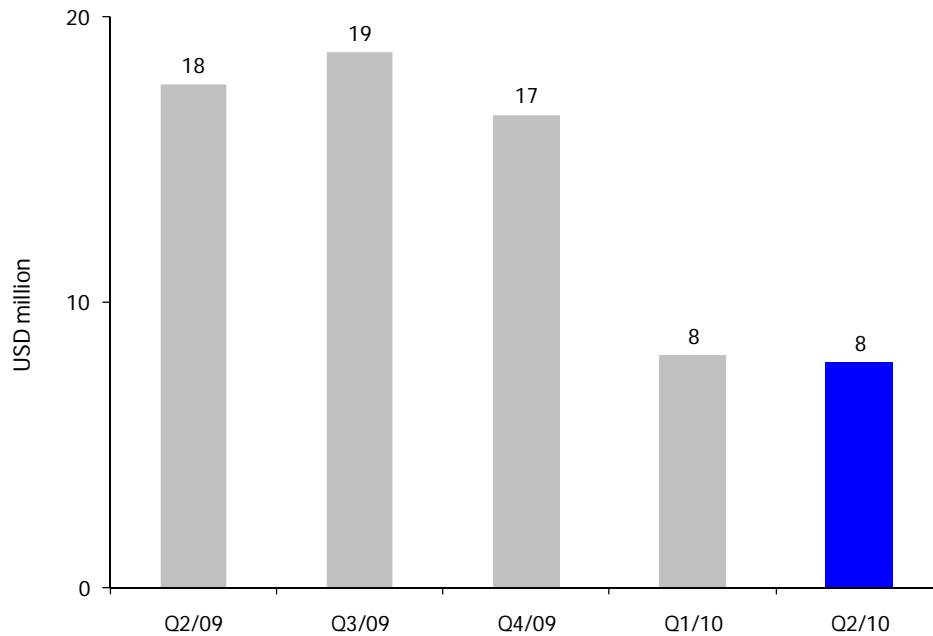




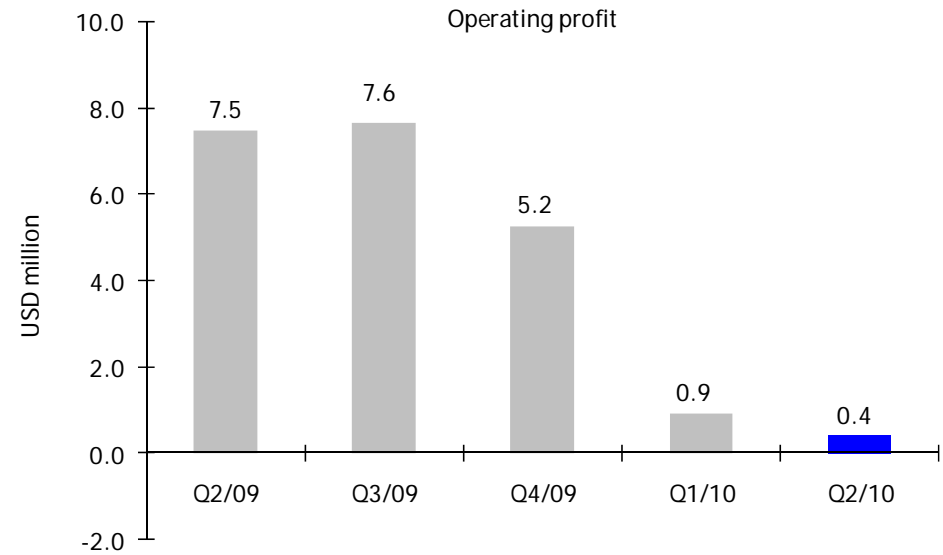
Mermaid Drilling



Service Income



Operating profit and margin (Excl. Forex)



Operating margin				
Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
42%	41%	32%	11%	5%

Mermaid Drilling's performance driven by MTR-2



Mermaid Drilling



MTR-1

- 🌀 Continue to market extensively for available work.
- 🌀 Ongoing discussions for accommodation/workover barge work.
- 🌀 Daily operating cost reduced to minimum while awaiting next contract.

MTR-2

- 🌀 Under contract with Chevron in Indonesia.
- 🌀 Contract utilization remains at 99% levels.
- 🌀 Existing contract extended until new contract award on higher day rates receives approval from Indonesian regulators.

MTR-1 available for work & MTR-2 continues to be fully utilized



Mermaid Drilling



KM-1 (Newbuild)

- ❁ Construction under progress.
- ❁ In discussions with yard on resolving outstanding issues and delivery date.

Market Outlook

- ❁ Market still showing requirement for new tender rig demand and some contract extensions.
- ❁ Preference for newer rigs and equipment observed, some client tenders stipulate maximum age restrictions.
- ❁ Review of further acquisitions / newbuild opportunities ongoing.

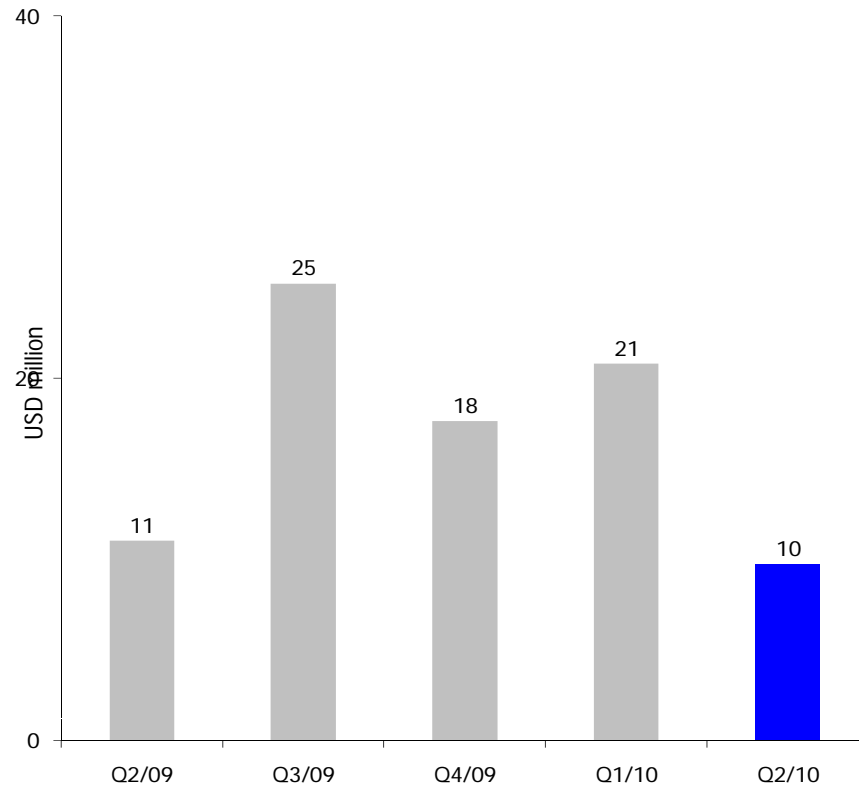
Continue to explore expansion opportunities



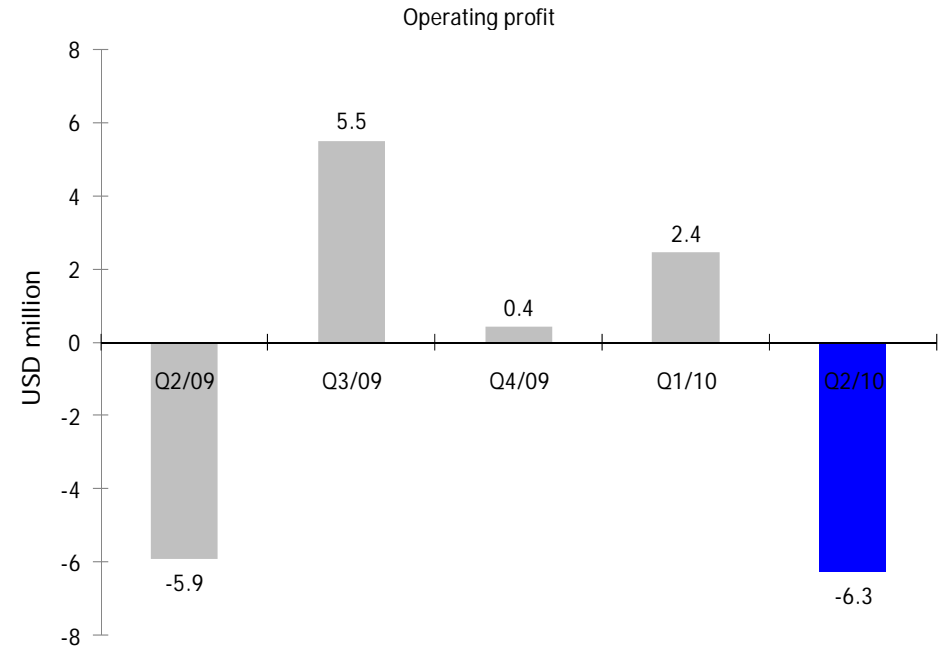
Mermaid Offshore Services



Service Income



Operating profit and margin (Excl. Forex)



Operating margin				
Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
-54%	22%	3%	12%	-65%

Lower utilization & slight day rate pressure experienced



Mermaid Offshore Services



Utilization

- ❁ FQ2/2010 utilization levels similar to FQ2/2009 with slight pressure on rates.
- ❁ Contract awards observed to be increasing, but mainly for short term work.
- ❁ Order book currently at +USD 50 million. Utilization levels will increase with new contracts.
- ❁ Still awaiting results from large number of tenders submitted.

Business Updates

- ❁ Acquired Subtech to accelerate entry into Middle East and Persian Gulf.
- ❁ Purchased DP2 DSV 'Mermaid Siam' in January 2010.
- ❁ Newbuild DP2 DSV 'Mermaid Asiana' maiden project commence June 2010.
- ❁ Newbuild DP2 DSV 'Mermaid Endurer' delivery scheduled for FQ3/2010.

Utilization recovery seen plus new DP2 DSVs coming on-line



Mermaid Offshore Services



Allied Marine & Equipment

- ❁ DP2 ROV and air-dive support vessel 'Allied Achiever' delivered in January 2010 to support AME's ongoing sub-sea contracts in Malaysia.
- ❁ Profit contribution to Mermaid Offshore increased in FQ2/2010.

Seascope Surveys

- ❁ Continues to compliment Mermaid Offshore's service solutions and also providing survey and related services independently.

Related companies continues to perform

Financial Ratios and Debt Repayment Schedule





Selected financial ratios



	Q2/10	Q1/10
Average receivable turnover (days)	111	85
Average payable turnover (days)	23	24
Gross debt to equity ratio (Times)	0.23	0.24
Net asset value per share* (USD)	0.55	0.55
Gross debt to EBITDA (Times)	2.79	2.71

* using outstanding issued shares at end of period

Retaining financial flexibility to fund future opportunities



Debt repayment schedule



I) As at 31 March 2010, total outstanding long-term debt was equivalent to USD 99.0** million

Loan Repayment Schedule (USD Million)										
	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Repayment amount	9.9	24.5	21.5	14.1	10.4	5.8	5.5	2.3	1.3	3.7

** The Thai Baht loan is converted to USD by using selling rate as at 31 March 2010.

II) As at 31 March 2010, undrawn loan facilities for vessel/rig acquisitions are as follows:

	USD Million
Mermaid Asiana	40.2
Mermaid Endurer	49.9
KM-1	52.0
Mermaid Siam ("Team Siam")	33.8
Total	175.9

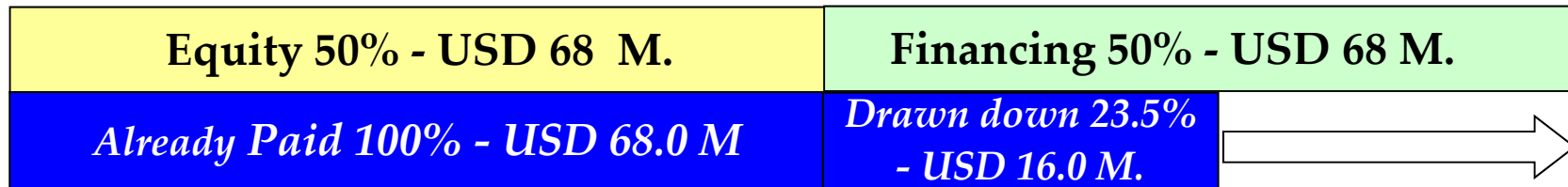
98% of total debt denominated in USD including loan swap



Newbuild payment progress



🌀 Tender rig 'KM-1' - USD 136 M.



As at 25 May 2010

🌀 DP2 'Mermaid Endurer' - USD 91.0 M.



As at 25 May 2010

Equity fully paid and loans active

Analysis of consolidated balance sheet





Consolidated balance sheets as at 31 March 2010 and 31 December 2009



Assets	31 Mar 10 USD'000	31 Dec 09 USD'000	Change 31 Mar 10 vs 31 Dec 09		Selected Explanation
			USD'000	%	
Cash & Deposits (included of fixed deposits over 3 months presented as short-term investments)	51,402	131,560	(80,158)	(61)	Decreased mainly due to the investments in Subtech of USD 3.9 million (net cash on Subtech's book) and payments for vessel/rig installments including purchase of equipment of USD 66.9 million and loan repayments of USD 4.5 million, and payments for employee's benefits of USD 2.1 million.
Trade Debtors	24,780	30,177	(5,397)	(18)	Decreased due to a decrease in revenues from USD 33.2 million in 1QFY10 to USD 22.2 million in 2QFY10.
Related Debtors	1	8	(7)	(88)	
Supplies and Spare Parts	3,960	3,567	393	11	Increased due to fuel oil for Mermaid Asiana of USD 0.2 million and fuel oil for Mermaid Sapphire of USD 0.2 million.
Other Current Assets	9,711	6,618	3,093	47	Increased mainly due to advance for business expenses of USD 2.9 million which was mainly from advance payments to engineering consultant on behalf of shipyard regarding the rig construction.
Other L-T Assets	35,779	33,719	2,060	6	Increased mainly due to a goodwill from new investments in two subsidiary companies of USD 2.0 million.
Property, Plant, and Equipment and Intangible Assets, net	439,205	374,943	64,262	17	Increased mainly due to newbuild installments and acquisitions for: <ul style="list-style-type: none"> - tender rig (KM-1) of USD 3.6 million; - DP2 vessel (Mermaid Endurer) of USD 1.9 million; - saturation diving system (Equipment) of USD 2.7 million, - ROV support vessel (Mermaid Sapphire) of USD 0.6 million, - purchase of Team Siam of USD 24.1 million; and - Mermaid Asiana of USD 35.9 million; offset with - depreciation of USD 5.0 million.
Total Assets	564,838	580,592	(15,754)	(3)	



Consolidated balance sheets as at 31 March 2010 and 31 December 2009



Liabilities	31 Mar 10 USD'000	31 Dec 09 USD'000	Change 31 Mar 10 vs 31 Dec 09		Selected Explanation
			USD'000	%	
Trade Creditors	4,234	7,452	(3,218)	(43)	Decreased due to a decrease in payment day from 24 days in 1QFY10 to 23 days in 2QFY10.
Related Creditors	338	351	(13)	(4)	
Current Portion: L-T Borrowings	18,019	16,794	1,225	7	See L-T borrowings
Other Current Liabilities	25,153	20,100	5,053	25	Increased mainly due to an increase of non-trade payables in MKR-1 of USD 3.4 million from rig construction, and accrued expenses for business in Mermaid Offshore of USD 1.2 million and in Subtech, which was acquired in March 2010, of USD 1.2 million.
Other Non-Current liabilities	492	701	(209)	(30)	
L-T Borrowings	83,659	91,492	(7,833)	(9)	Net decreased mainly due to : - gain on translation adjustments of USD 0.6 million; - gain on foreign currency exchange rate of USD 1.5 million; and - loan repayments of USD 4.5 million.
Total Liabilities	131,895	136,890	(4,995)	(4)	



Consolidated balance sheets as at 31 March 2010 and 31 December 2009



Equity	31 Mar 10	31 Dec 09	Change 31 Mar 10 vs 31 Dec 09		Selected Explanation
	USD'000	USD'000	USD'000	%	
Share Capital & Share premium	327,574	327,574	-	-	
Legal reserves	1,227	1,227	-	-	
Shareholders Funds	89,698	95,525	(5,827)	(6)	Decreased from net loss in Q2/10.
Difference of translation adjustment	(5,311)	(1,222)	(4,089)	(335)	
Minorities	19,755	20,598	(843)	(4)	Decreased mainly due to the loss for the period of USD 0.1 million and loss on translation adjustment of USD 0.7 million.
Total Equity	432,943	443,702	(10,759)	(2)	
Total Liabilities + Equity	564,838	580,592	(15,754)	(3)	

Questions & Answers

