



**MERMAID MARITIME PUBLIC COMPANY LIMITED**

**บริษัท เมอร์เมด มารีไทม์ จำกัด (มหาชน)**

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**For Immediate Release**

## **Mermaid delivers record breaking FY2014 results with tripling of net profit to USD 45.3 million**

- **Strong order book of USD 470 million; Group has plans to expand operations with recent charter-in of more third party vessels and addition of three of its own new build vessels in 2016, creating room for further earnings growth**
- **Improved performance in all segments combined with boosted profit contribution from Group associate, Asia Offshore Drilling, provides Mermaid with platform to triple earnings**
- **Proposes final dividend of US 0.0047 per share, and a total of USD 6.7 million, equivalent to 15% of the net profit for FY2014 with a further dividend planned to follow**

**SINGAPORE & THAILAND** – 26 November 2014 – Mainboard-listed Mermaid Maritime Public Company Limited (“**Mermaid**”, “**MMT**” or the “**Group**”), a leading provider of subsea and drilling services to the offshore oil and gas industry, is pleased to announce the results for the financial year ended September 30, 2014 (“FY2014”). The Group’s net profit tripled from USD 15.4 million in FY2013 to USD 45.3 million in FY2014.

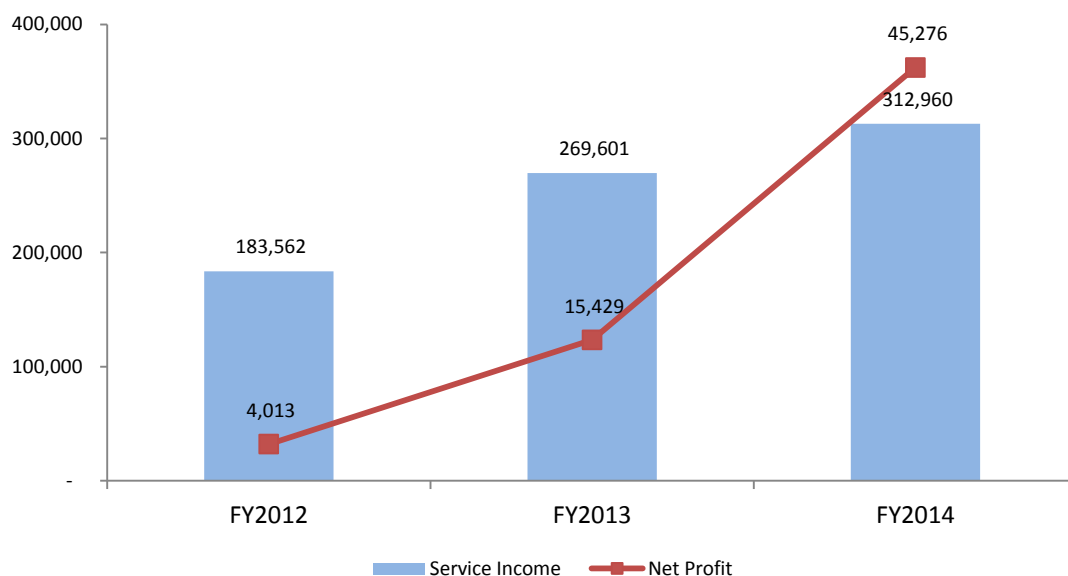
Financial Highlights (USD' 000)	FY2014	FY2013	% Change
<b>Revenue</b>	312,960	269,601	16.1
<b>Gross profit</b>	57,524	50,692	13.5
<b>Gross profit margin</b>	18.4%	18.8%	-
<b>Net profit</b>	45,276	15,429	193.4
<b>Net profit margin</b>	14.5%	5.7%	-
<b>Earnings per share (cents)</b>	0.032	0.020	60.1
<b>NAV per share (cents)</b>	0.40	0.38	5.3

#### **FY2014 Review**

The Group operates one of the youngest shallow water subsea fleets globally and this places Mermaid in an advantageous position due to customer preferences for newer vessels. As both of the Group's subsea and drilling services is also used mainly in the production phase of the oil & gas supply chain, the Group is less exposed to any possible CAPEX cuts and as demand remained relatively intact throughout the year. This has allowed the Group to enjoy strong demand for its services and this is evidenced by the charter-in of additional subsea vessels and a very healthy current order book of USD 470 million.

Total service income of the Group was USD 313.0 million, 16.1% increase for FY2014. Gross profit increased 13.5% to USD 57.5 million, primarily due to higher revenue growth that outpaced the increase in cost of services.

The strong performance was primarily boosted by the profit contribution from the associate company, Asia Offshore Drilling ("AOD"), and also due to growth in gross profit contributions from the Group's own subsea and the drilling segments. The share of profit from AOD increased six folds to USD 31.1 million from USD 4.4 million in FY2013, as AOD I, AOD II and AOD III were fully operational in FY2014 as compared to only AOD I being operational in FY2013 given that AOD II and AOD III were still under construction in FY2013.



The Group's subsea business reported service income growth of 15.9% to USD 289.1 million, primarily supported by the Saudi Aramco project, other projects in the Middle East region and healthy growth from projects in Indonesia. This segment's operating profit increased 6.3% to USD 23.8 million and could have been higher but for one vessel being on standby for crane modification and engine improvement in FY2014 which has now been resolved.

The Group's drilling business registered service income growth of 18.2% to USD 27.8 million as all the revenue was generated by MTR-2 that enjoyed a utilization rate of 98% in FY2014 as compared to 43% in FY2013. MTR-1 was on standby for FY2014. The higher utilization of MTR-2 helped to reverse the loss-making situation in FY2013, as operating profit of USD 4.4 million was generated in FY2014.

The Group is also proposing a final dividend of USD 6.7 million, equivalent to 15 percent of the net profit for FY2014. This is because under applicable Thai law, the Group can only declare dividends limited to its retained earnings on a non-consolidated basis. As flow of earnings generated in FY2014 from the Group's subsidiaries and associates are due to be repatriated back to the Company over the financial quarter ending 31 December 2014, the Board intends to consider another dividend for that financial quarter ending 31 December 2014 that will, in aggregate with the aforesaid final dividend, add up to about 25 percent of the net profits for FY2014.

***Mr. Chalermchai Mahagitsiri, Chief Executive Officer of Mermaid said, "The Group delivered an outstanding performance for FY2014. The encouraging financial performance is testimony of our resilient business model as our operations have exposure to mostly shallow water fields and to the***

*production phase of the oil and gas supply chain. Shallow water fields are more defensive and oil price volatility has a lower impact on these fields as break-even points are much lower.*

*In addition, we also enjoy a presence in cabotage and restricted regions that are benefiting from a concerted local expansion effort.*

*The utilization rate in our Middle East operations has been satisfactory and we believe the production in the Middle East will stand relatively strong, providing a cushion for our operations there.*

*Our order book of USD 470 million will also bring in steady revenue. Moreover, our new builds are currently under construction in China and is scheduled join our fleet in 2016, adding further credence to our growth story.*

*We have faith in our business strategy and in our execution capabilities. We have made, and we will continue to make solid steps towards the mission of becoming a premium service provider to the oil and gas industry and to consistently deliver enhanced returns to shareholders.*

*We continue to maintain a healthy balance sheet with low gearing and we are in a commanding position to make most of any opportune situation that may arise.”*

**About Mermaid Maritime Public Company Limited (Bloomberg Code: MMT SP)**

Mermaid is well established and recognized by the industry for its high quality services delivered professionally, safely and efficiently, and has developed a strong blue chip customer base that includes some of the world's largest Oil and Gas Majors. With world class operations, logistics and maintenance bases in key geographical locations, Mermaid is able to facilitate the expeditious and efficient mobilisation of vessels, personnel and equipment to customer locations.

Mermaid's subsea division is represented by Mermaid Subsea Services, which operates as a unified structured unit across markets offering customers a comprehensive range of subsea solutions through a suite of specialized subsea vessels, diving equipment, remotely operated vehicles, and a highly competent technical and operations workforce operating out of Thailand, Indonesia, Singapore, Qatar, United Arab Emirates and Saudi Arabia.

Mermaid's drilling division comprises Mermaid Drilling, which provides tender-assist drilling and accommodation barge services through its ownership and investments of two (2) tender rigs, and associate interest in Asia Offshore Drilling with three (3) high specification premium jack-up drilling rigs recently delivered in 2013 from the construction yard in Singapore and now deployed in the Middle East. Mermaid Drilling also has an additional two (2) 'performance class' new build tender rigs under construction in China with delivery scheduled for 2016.

The company's vision is to be a premium service provider in the oil and gas services industry and to consistently deliver enhanced return to its shareholders. To this end, the company's mission is to deliver a world class service to the region from within the region.

For more information, please visit [www.mermaid-maritime.com](http://www.mermaid-maritime.com)

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Issued for and on behalf of Mermaid Maritime Public Company Limited By Financial PR Pte Ltd

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