



**PACC OFFSHORE SERVICES HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 200603185Z)

**MEDIA RELEASE**

**POSH POSTS NET ATTRIBUTABLE PROFIT OF US\$53.2 MILLION FOR FY14**

- *Revenue maintained at US\$234 million*
- *Maiden Dividend of 1.5 Singapore cents proposed*
- *POSH Xanadu, first of 2 units of 750pax semi-submersible accommodation vessel, delivered*
- *Group's diversified and young fleet provides resilience in challenging market*

Singapore, 17 February 2014

*Full year 2014*

PACC Offshore Holdings Services Ltd today announced that the Group revenue was maintained at US\$234 million against FY13, for the financial year ended 31 December 2014 (FY14) against a backdrop of a challenging operating environment impacted by the sharp decline in oil prices.

Gross profit decreased by 21% to US\$57.2 million due to lower utilisation and higher operating costs.

On a like comparative basis (excluding the assets and operations which were sold to a joint venture), the Group's revenue increased by 2.2% and gross profit would have decreased by 18.1%.

Other operating income in FY14 rose by 15% to US\$58 million (FY13 – US\$50.4 million) comprising mainly gains on sale of vessels of US\$46.7 million and interest income of US\$7.1 million.

The Group's share of results from joint ventures (JV) was a loss of US\$13.6 million in FY14, after taking into account loss of US\$20.8 million from our Mexican operations.

Save for T&I shallow water, the other business segments either improved or maintained revenue for FY14. T&I shallow water reported a drop in revenue due to disposal of a vessel, lower utilisation and charter rates. While OSV segment maintained its gross profit contribution in FY14, other segments reported a drop due primarily to lower utilisation of vessels operated in the T&I and OA segments, as well as a higher cost incurred on a salvage project in the HSER segment. Harbour services under the HSER segment contributed lower gross profit due to higher charter-in cost of vessels.

#### *Fourth Quarter 2014*

For the fourth quarter FY14, Group revenue was flat. Gross profits were lower mainly due to the weaker performance of the OSV and T&I segments. Other operating income was lower due, inter alia, to reduced gains from disposal of vessels. The Group's share from JVs registered a loss of US\$5.0 million in Q4 14 as compared to a loss of US\$6.5 million in Q4 13. This was mainly attributable to a loss of US\$8.3 million from the Group's JVs in Mexico (Q4 13: US\$4.8 million). Overall the Group recorded a net attributable loss of US\$10 million.

#### *POSH Xanadu*

The Group's semi-submersible accommodation vessel (SSAV), the POSH Xanadu is now in Brazil undergoing inspections and trials, and will be deployed by the first quarter of 2015. It has been contracted to Petrobras for one year plus one year with a contract value of US\$80.5 million for the first year.

#### *CEO's Comment*

POSH Chief Executive Officer Gerald Seow said: "The sharp decline in oil prices since the middle of 2014 has forced oil majors and national oil companies to cut back on capital expenditure and that is putting pressure on charter rates. But we believe that our fleet which is diversified and relatively young will remain competitive in the challenging market. Our move into the floatel sector is also timely as our vessels will support production and maintenance activities.

The Mexican offshore oil and gas sector remains uncertain due to various local factors and the declining oil prices. Whilst the Group continues to pursue opportunities in the Mexican market, it is also actively seeking employment opportunities in other regions.

With oil price volatility and uncertainties in the global economy, the Group will focus on cost efficiency and maximise utilisation of its vessels. We are taking steps to reduce operating expenses wherever possible. The climate is challenging but we are confident that POSH is able to navigate through and weather the difficult industry conditions.”

*Proposed Dividend*

As at 31 December 2014, Group net assets grew 40% to US\$1.2 billion from US\$864.3 million at 31 December 2013, due mainly to net proceeds of US\$296.2 million from the issue of new shares during the initial public offer (IPO) in April 2014.

Net proceeds from the IPO were used to reduce bank borrowings. Accordingly, the Group’s total net bank borrowings stood at US\$548.3 million on 31 December 2014, down from US\$796.9 million on 31 December 2013, resulting in a net debt/equity ratio of 45.2%.

The board of directors have proposed a final cash dividend of 1.5 Singapore cents per share for the year, representing a cash payout of 38%.

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## **About POSH**

PACC Offshore Services Holdings Ltd. (POSH) is Asia's largest operator of offshore support vessels, with a diversified fleet servicing offshore oil and gas exploration and production activities. With four distinct operating segments: Offshore Supply Vessels, Transportation and Installation, Offshore Accommodation and Harbour Services and Emergency Response, POSH's offshore support vessels perform anchor handling services, ocean towage and installation, ocean transportation, heavy-lift and offshore accommodation services as well as harbour towage and emergency response services.

As of 31 December 2014, POSH operated a combined fleet of 109 vessels with another 21 vessels on order, comprising Anchor Handling Tug Supply Vessels, Anchor Handling Tugs, Platform Supply Vessels, Light Construction Vessels, accommodation vessels, harbour tugs, crane and deck barges.

The POSH fleet operates worldwide, serving offshore oilfields in Asia, Africa and Latin America, providing vessels and services for projects involving many of the world's major oil companies, as well as many large international offshore contractors.

For more information on POSH, please visit [www.posh.com.sg](http://www.posh.com.sg).

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