



## PACC OFFSHORE SERVICES HOLDINGS LTD.

MEDIA RELEASE**POSH POSTS Q2 FY15 PROFIT OF US\$6.1 MILLION**

- Q2 FY15 revenue up 22% YoY to US\$71 million
- Offshore Accommodation vessels, 750-pax Semi-Submersible Accommodation Vessel (POSH Xanadu) and 238-pax Light Construction Vessel (POSH Endurance) made first full revenue contribution
- Share of JV's results registered US\$3.3 million profit

Group Financial Performance

	Second Quarter Ended		
	30 June 2015 US\$'000	30 June 2014 US\$'000	% change
Revenue	71,022	58,270	22
Gross Profit	14,466	17,555	-18
Share of joint ventures' results	3,304	300	1001
Net profit attributable to shareholders (" <b>NPAT</b> ")	6,110	11,870	-49

**SINGAPORE, 5 August 2015** – Offshore marine services provider, PACC Offshore Services Holdings Ltd. ("**POSH**" or the "**Group**"), today announced results for the second quarter ended 30 June 2015 ("**Q2 FY15**").

The Group reported a year-on-year ("**YoY**") revenue growth of 22% to US\$71 million in the quarter. This was primarily driven by the Offshore Accommodation ("**OA**") segment, which benefited from the full maiden contributions from its 750-pax POSH Xanadu semi-submersible accommodation vessel ("**SSAV**") and 238-pax POSH Endurance light construction vessel ("**LCV**") as they commenced charters.

Gross profit fell 18% YoY to US\$14.5 million, primarily due to the Offshore Supply Vessels ("**OSV**") segment being affected by lower charter and utilisation rates as well as higher operating and repair expenses.

The Group's NPAT was US\$6.1 million in Q2 FY15, down from US\$11.9 million a year ago. The Group had a healthier share of profits from joint ventures of US\$3.3 million, compared to US\$0.3 million a year ago, on higher contribution from its POSH Terasea joint venture. The decline in NPAT growth compared to the previous corresponding period was mainly due to lower other operating income of US\$1.9 million, compared to the US\$6.6 million gain in Q2 FY14.

**For the six months ended June 30 2015** (“H1 FY15”), POSH reported a 16% increase in revenue to US\$128.6 million over the previous corresponding period on higher contribution from the OA segment. Gross profit fell 33% to US\$22.5 million on lower charter rates for the OSV and Transportation & Installation (“T&I”) segments, lower fleet utilisation and higher operating costs. NPAT in H1 FY15 was US\$6.1 million, down from US\$48.5 million a year ago, in part because the Group booked a US\$1.9 million gain from the sale of vessels compared with US\$34.8 million a year ago.

The Group generated net operating cash flow of US\$5.3 million in 1H FY15. It remains in a strong financial position, with a net gearing of 0.46 times.

### **Business Segment Performance**

	Revenue			Gross Profit		
	Six months ended			Six months ended		
	30 June 2015 US\$'000	30 June 2014 US\$'000	% change	30 June 2015 US\$'000	30 June 2014 US\$'000	% change
Offshore Supply Vessels	64,287	62,111	4	3,178	17,386	-82
Offshore Accommodation	39,425	13,587	190	14,673	4,910	199
Transportation & Installation	14,094	24,461	-42	3,231	9,250	-65
Harbour Services & Emergency Response	10,801	11,039	-2	1,378	1,828	-25

#### **Offshore Supply Vessels (“OSV”)**

OSV revenue grew 4% YoY to US\$64.3 million (H1 FY14: US\$62.1 million) mainly due to an enlarged fleet. Gross profit decreased by 82% to US\$3.2 million mainly due to lower charter and utilisation rates, and higher operating/repair costs.

#### **Offshore Accommodation (“OA”)**

The OA segment recorded a nearly two-fold increase in revenue in H1 FY15 to US\$39.4 million (H1 FY14: US\$13.6 million) due to contribution from POSH Xanadu as well as from POSH Endurance which commenced their maiden charters during the period. Accordingly, gross profit improved to US\$14.7 million.

#### **Transportation & Installation (“T&I”)**

T&I segment revenue decreased by 42% to US\$14.1 million with gross profit declining 65% to US\$3.2 million mainly due to disposal of vessels in 1H FY14.

**Business Segment Performance (cont'd)****Harbour Services & Emergency Response (“HSER”)**

HSER registered a 2% decrease in revenue to US\$10.8 million in H1 FY15 from US\$11 million in the previous corresponding period due to an absence of salvage jobs in the six-month period under review.

**Industry Outlook**

Oil prices are expected to remain volatile in the coming quarters despite early signs of stability in 2Q2015. In the wake of falling revenues, oil companies initiated cost saving programs, deferring exploration and field-development activities. It is expected that there will be limited exploration and greenfield development.

With high availability of vessels, we expect pressure on rates to continue.

**Mr Gerald Seow, Chief Executive Officer of POSH**, said, “Our performance remains stable even amid the volatile oil-price environment. POSH remains confident of the longer-term prospects of the industry and will continue pursuing growth opportunities even as we rationalise existing operations and continue optimising our fleet.”

“To position ourselves for the sector’s recovery, we have accelerated market penetration into key markets including the Middle East.”

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**About PACC Offshore Services Holdings Ltd. (“POSH”)**

POSH is a leading offshore marine services provider with operating experience and specialised expertise in offshore and marine oil field services. We operate a young and diverse fleet that is one of the largest globally. Our highly experienced team has been consistently recognised by customers for their professionalism and commitment to service quality and safety. In addition, our proven international track record serves as a benchmark for us to continuously raise the bar on operational excellence.

Our core competencies spread across four key business segments: Offshore Supply Vessels, Transport & Installation, Offshore Accommodation and Harbour Services & Emergency Response.

***1) Offshore Supply Vessels***

Our largest segment operates multifunctional vessels that provide support during the exploration, field development/ construction and production phases of the oil & gas life cycle. We operate one of the youngest fleets of mid water and deepwater Anchor Handling Tug Supply Vessels (“**AHTS**”) and Platform Supply Vessels (“**PSV**”).

***2) Offshore Accommodation***

Our fastest growing segment operates a fleet of vessels that offer a range of accommodation and “walk-to-work solutions” for professionals involved in the construction and/or maintenance of offshore field structures and platforms. Among the fleet of accommodation vessels, we operate the world’s largest deepwater semi-submersible accommodation vessel for up to 750 offshore personnel.

***3) Transportation & Installation***

This segment supports marine contractors in construction and maintenance of oilfield infrastructure and pipelines both in shallow and deep waters. We are the leading operator in the deepwater space through our joint venture POSH Terasea, that has the largest deepwater Anchor Handling Tug (“**AHT**”) fleet globally.

***4) Harbour Services & Emergency Response***

We own, operate and manage vessels that support harbour towage operators and shipyards, for which we have a public towing licence by the Maritime Port Authority of Singapore. We also provide worldwide emergency assistance to vessels that require assistance and clean-up operations for spills.