

# QUARTERLY IR UPDATES

## 3<sup>rd</sup> Quarter 2013 Financial Results & Updates

22<sup>nd</sup> October 2013



"Transformation for Success"

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# 3Q2013 Highlights

## ► Financials

- Attained revenue of RM450m
- Profit before taxation at RM41m

## ► OBU

- Sailaway of
  - F14DR-A substructure
  - F14/F29 process module
  - Damar Jacket
  - Damar Topside
- The 1<sup>st</sup> material cut for TLP Malikai Deepwater Project's topside

## ► MBU

- Near completion of refurbishment and conversion of 2 MODUs to MOPUs



Sailed Away Of Damar Jacket

1

## Topic

Operational Review

2

3Q2013 Financial Updates

3

New Project SK316

4

Transformation Updates





96% Completed After Some Additional Blasting & Painting Works

5

# FPSO Cendor





8.8 Million Manhours Without LTI And 18,000 MT Tapis-R Deck Is 89% Completed

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# Tapis Enhanced Oil Recovery (EOR) Project





Almost 94% Completed. Sailaway Scheduled To Be 1Q2014

7

# Kebabangan Northern Hub Development



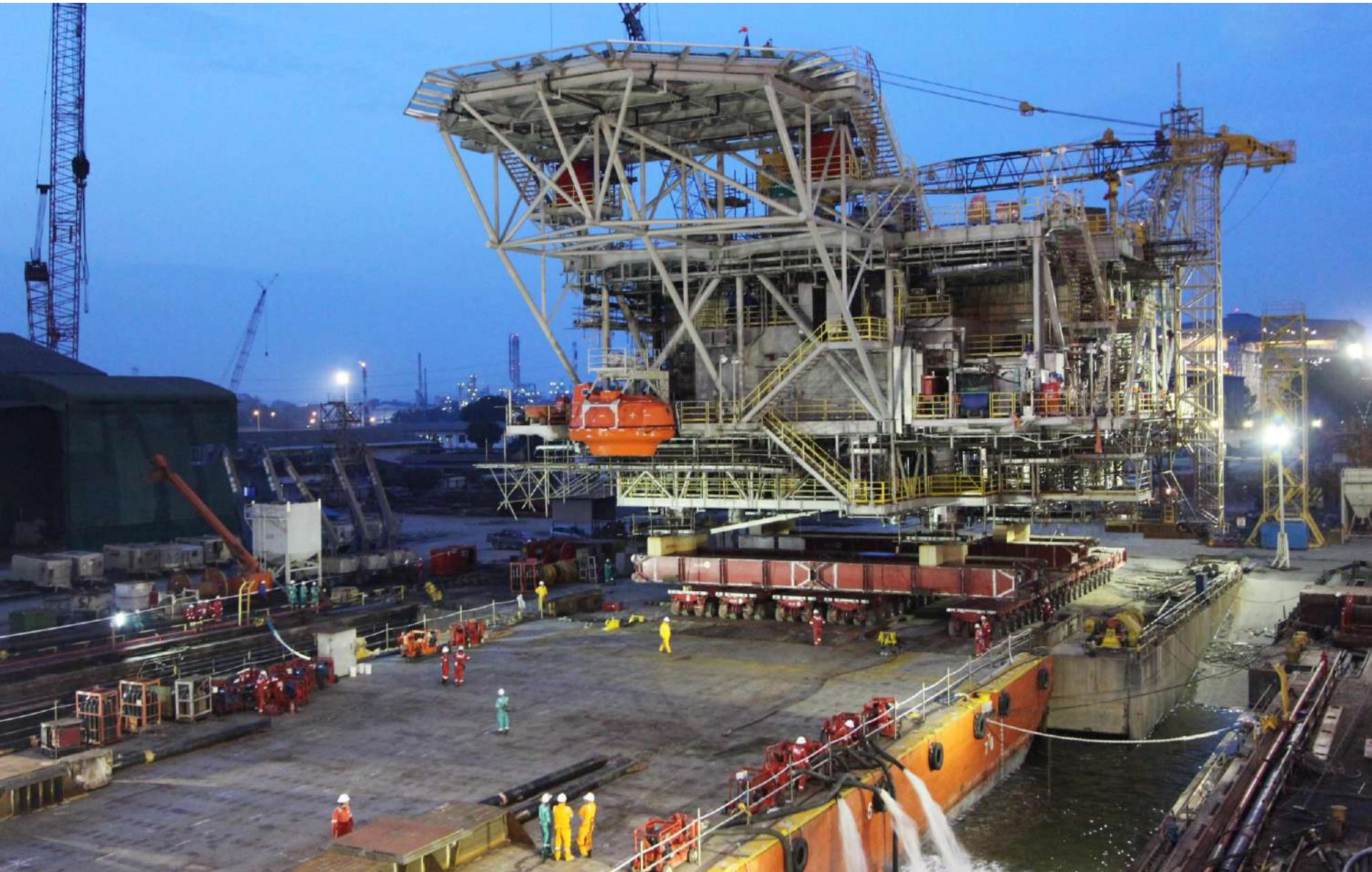


# F14/F29 Topsides, Substructure & Process Module





# Damar Platform Project





# Energy Producer 6





# Income Statement, QoQ

## ► Revenue

- OBU, sailaway and delivery of F14/F29, Damar, Gumusut-Kakap and advanced fabrication of Tapis-R integrated deck
- MBU, improved with refurbishment and conversion of MOPUs to MODUs

## ► Operating profit

- OBU, tail-end profit recognition of some existing projects and yet to recognise profit from newer TLP project
- MBU, positive contribution from the repair project of two rigs

## ► Net profit

- Lower than statutory tax rate due to ITA arising from Yard Optimisation programme

Income Statement RM m	3Q 2013	2Q 2013
<b>Revenue</b>	<b>449.7</b>	<b>786.7</b>
Offshore	352.7	715.1
Marine	96.9	71.6
<b>Operating Profit</b>	<b>40.6</b>	<b>53.0</b>
Offshore	20.7	35.8
Marine	22.2	15.6
Share Of Profit/(Loss) Of JCE	0.5	-0.4
<b>Profit Before Taxation</b>	<b>41.1</b>	<b>52.7</b>
Taxation	-4.5	-4.8
MI	0.2	0.3
<b>Net Profit</b>	<b>36.4</b>	<b>47.6</b>
<b>EPS Per Share</b>	<b>2.3 sen</b>	<b>3.0 sen</b>

# Income Statement, YoY

## ► Revenue

- OBU, advanced fabrication of Tapis-R integrated deck and progress at FPSO Cendor
- MBU, lower revenue due to completion of FSU Lekas but improved in vessels repair

## ► Operating profit

- OBU, yet to recognise profit from TLP project and higher cost at Tapis EOR project
- MBU, improved margin with a greater number of projects undertaken, including LNG and tanker/chemical vessels repair

## ► Net profit

- Lower than statutory tax rate due to ITA arising from Yard Optimisation programme

Income Statement RM m	9-mth 3Q13	9-mth 3Q12
<b>Revenue</b>	<b>2,158.2</b>	<b>2,472.8</b>
Offshore	1,934.3	2,223.6
Marine	223.8	249.0
<b>Operating Profit</b>	<b>149.3</b>	<b>165.5</b>
Offshore	93.4	110.3
Marine	50.5	51.9
Share Of Profit/(Loss) Of JCE	1.2	-8.0
<b>Profit Before Taxation</b>	<b>150.5</b>	<b>157.5</b>
Taxation	-15.3	-15.5
MI	0.6	0.4
<b>Net Profit</b>	<b>134.6</b>	<b>141.6</b>
<b>EPS Per Share</b>	<b>8.4 sen</b>	<b>8.9 sen</b>



# Balance Sheet

## ➤ Total assets of RM4.8bn

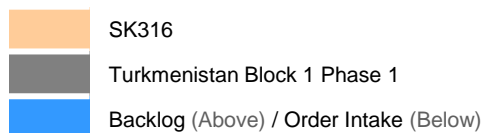
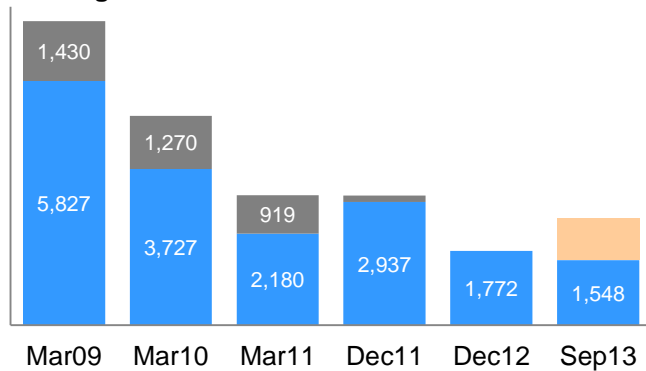
- Progress billings from ongoing projects contributed to receivables especially at OBU
- Lower cash balances
  - At OBU for more recently secured projects, due to timing differences between cost incurred by MHB against progress billing to clients
  - More working capital required
- Utilised revolving credit facility

## ➤ NTA per share of RM1.51

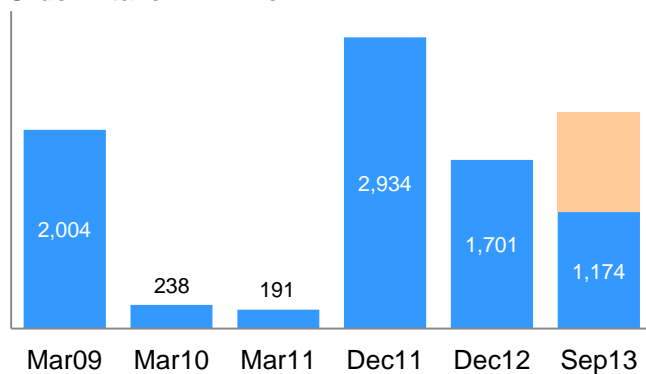
Balance Sheet RM m	Sep 2013	Dec 2012
Non-Current Assets	1,847.4	1,800.9
Inventories	12.8	11.6
Receivables	2,367.7	2,114.4
Cash	544.8	890.3
Others	0.6	0.1
<b>Total Assets</b>	<b>4,773.3</b>	<b>4,817.3</b>
Shareholders' Funds	2,481.9	2,506.1
Payables	1,965.4	2,281.7
Others	326.0	29.5
<b>Total</b>	<b>4,773.3</b>	<b>4,817.3</b>
<b>NTA Per Share</b>	<b>RM1.51</b>	<b>RM1.53</b>

# Order Intake & Backlog

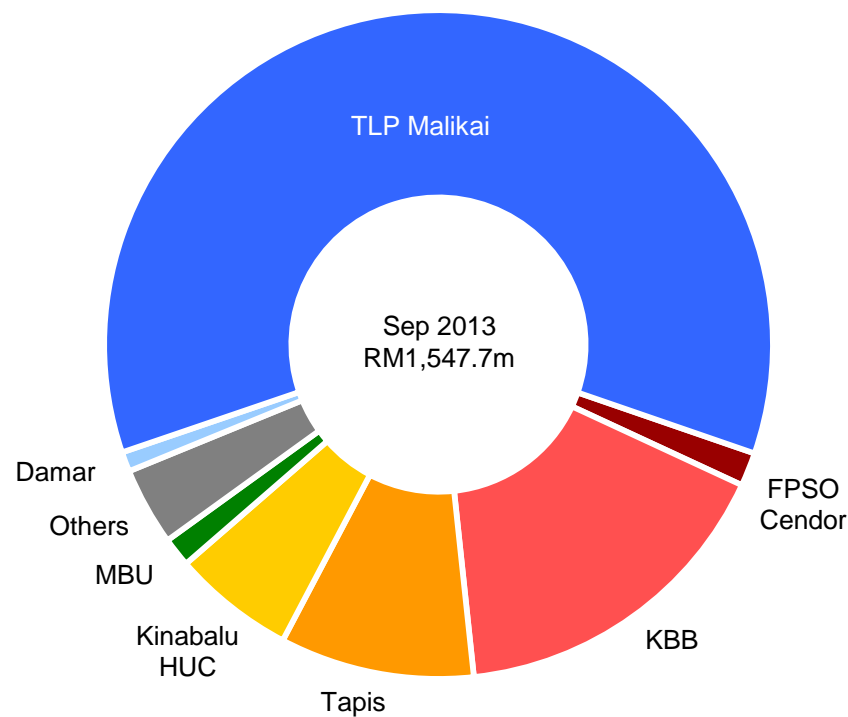
**Backlog RM million**



**Order Intake RM million**

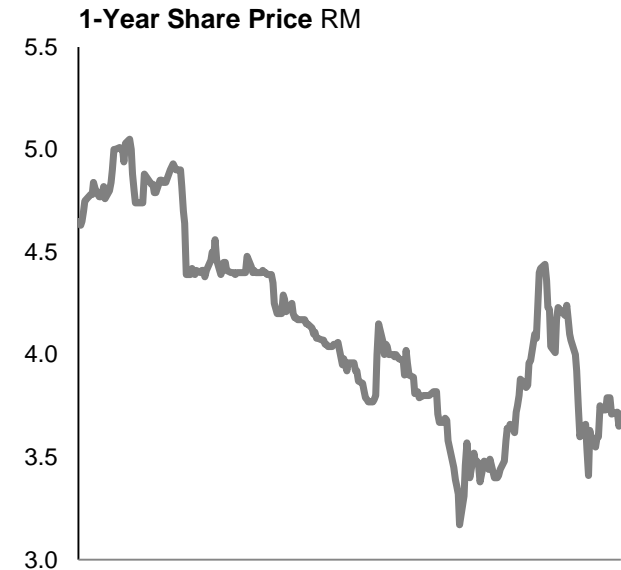
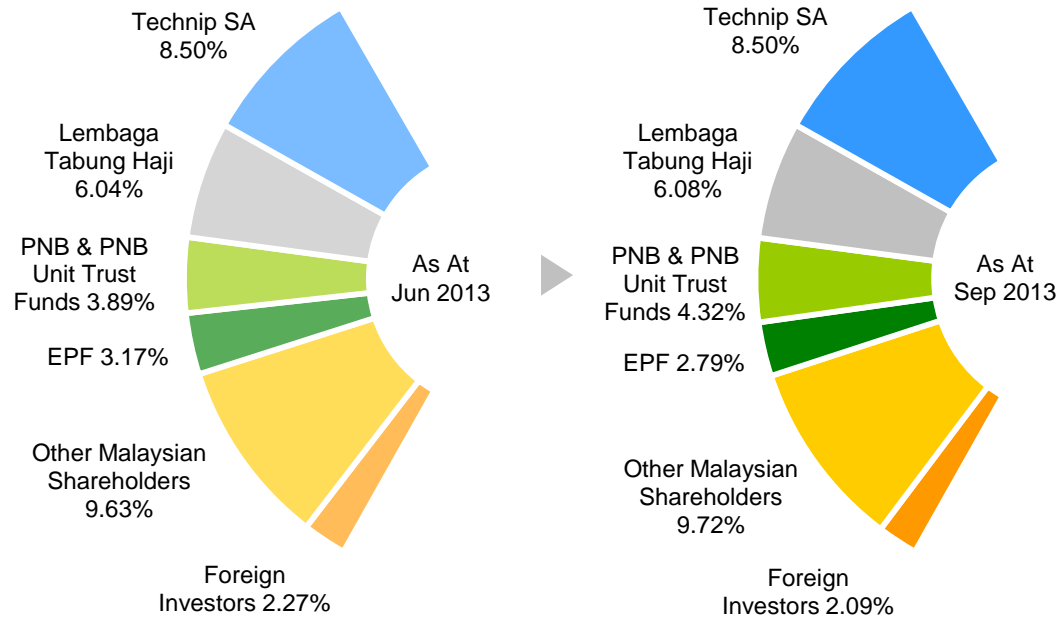


**Backlog RM million**



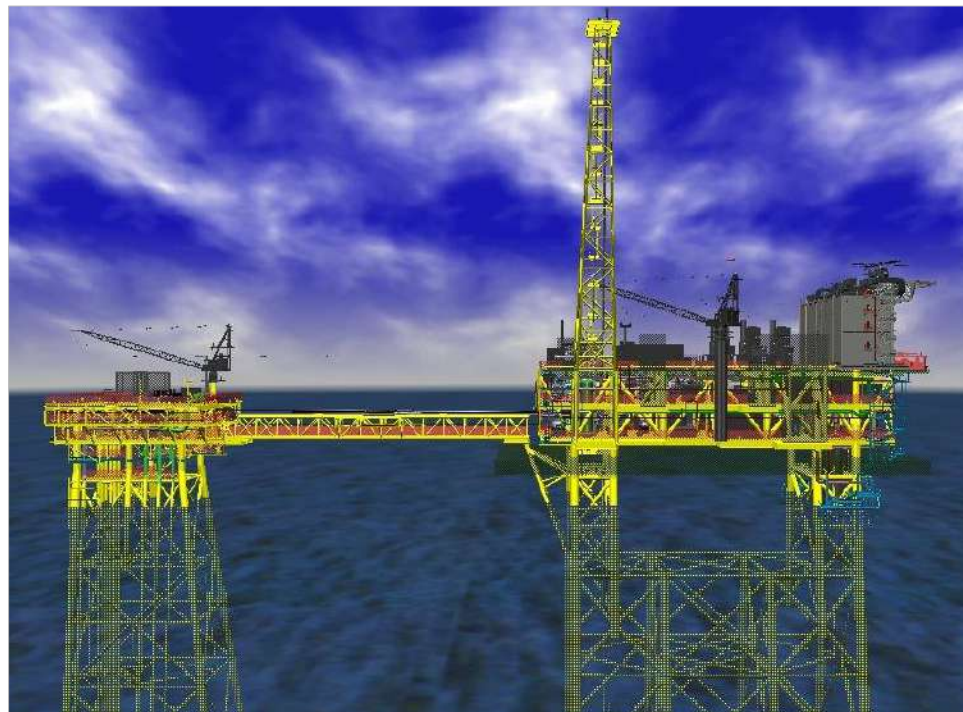


# Shareholding Information



# SK316, Project Information

Key Areas	Information
Client, Project Description	PETRONAS Carigali Sdn Bhd is developing the NC3 gas fields located approximately 180 km north of Bintulu, Sarawak, in Block SK316 within a water depth of 104-107m. The client holds operatorship of Block SK316 with an interest of 90% while E&P Malaysia Venture holds 10%. The platform would produce 660 MMscfd of gas
Contract Value*	>RM1,000 million
Contract Type	Lump-sum
Partner	Technip Geo-Production (M) Sdn Bhd
Work Scope	Front End Engineering Design (FEED) followed with Early Detailed Engineering Work (EDEW) and Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) contract
Structures	<ul style="list-style-type: none"> <li>• Central Processing Platform</li> <li>• Wellhead Platform</li> <li>• Bridge between CPP and WHP</li> <li>• 2 Jackets</li> </ul>
Total Weight	Approximately 26,400MT
Complete By	4Q2015



SK316

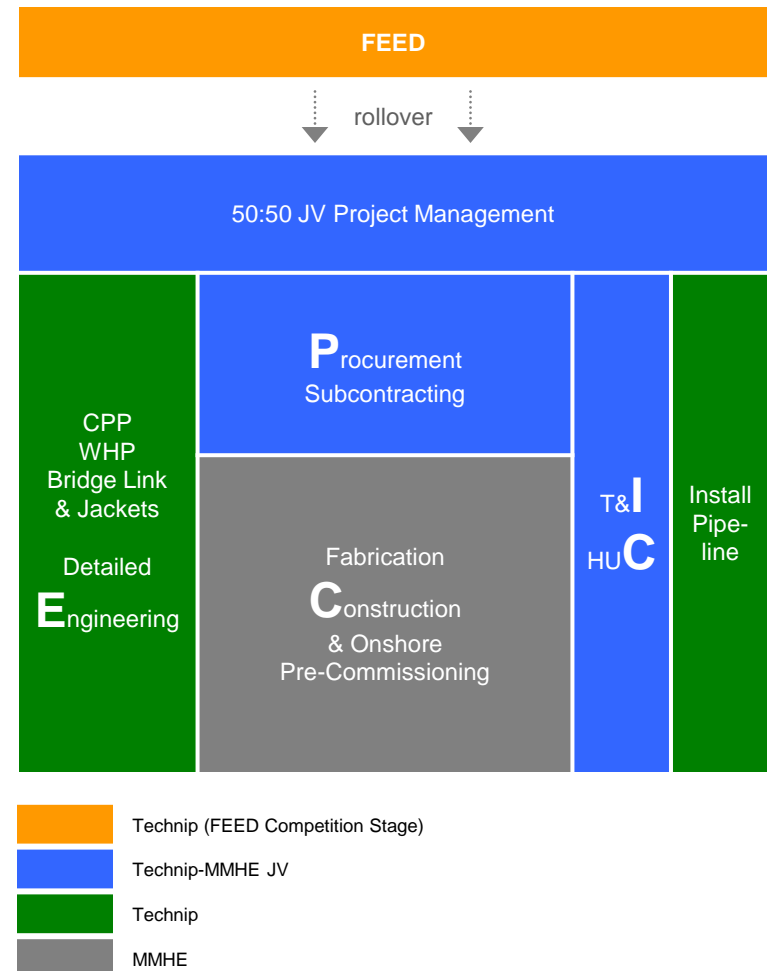
# SK316, Scope Of Work

## ► Milestone JV project

- FEED competition among international firms
- Open competitive bidding. FEED done rolled over to EPCIC contract for execution
- Combining and complementing JV partners' experience, expertise and assets for a complete, most competitive turnkey solution
- Engineering by Technip Kuala Lumpur and fabrication by MMHE Pasir Gudang

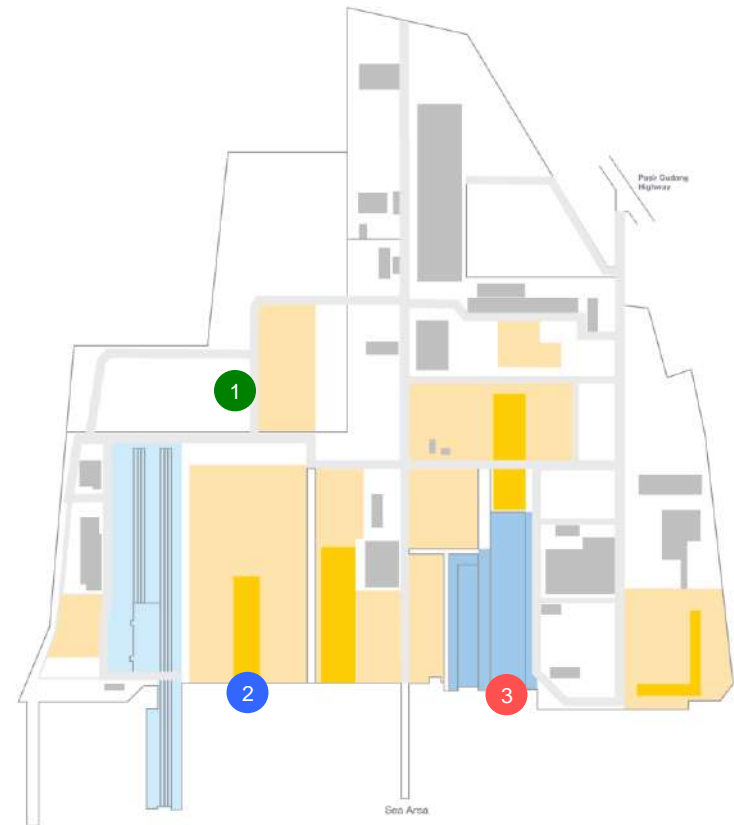
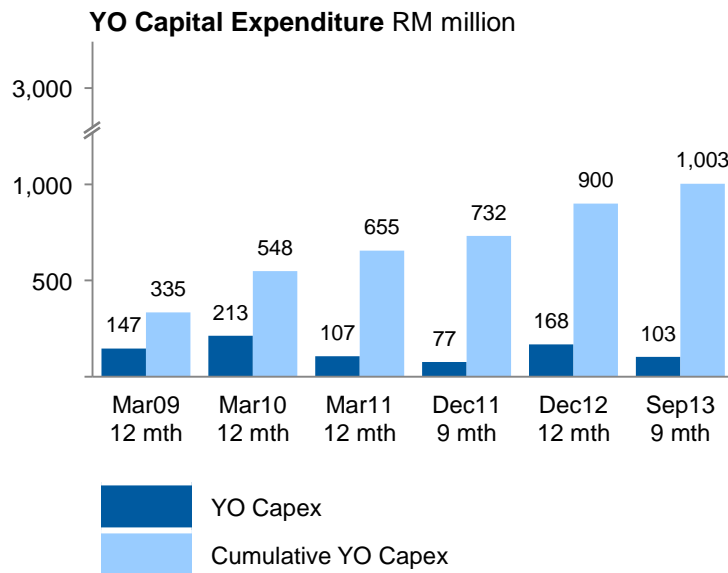
## ► MHB

- Successful model to bid competitively for an increasingly widely adopted tender process
- Enhance project risk management
- Capitalise on available fabrication capacity following the completion of notable projects
- Continue to leverage on collaboration and partnership with Technip





# Yard Optimisation Programme



## ► MMHE West Yard

- ① M&E Idemitsu Land
- ② 55,000MT bulkhead and quaywall
- ③ Fabrication of dock gate No.1

## ► MMHE East Yard

- 25,000MT bulkhead & east wharf extension

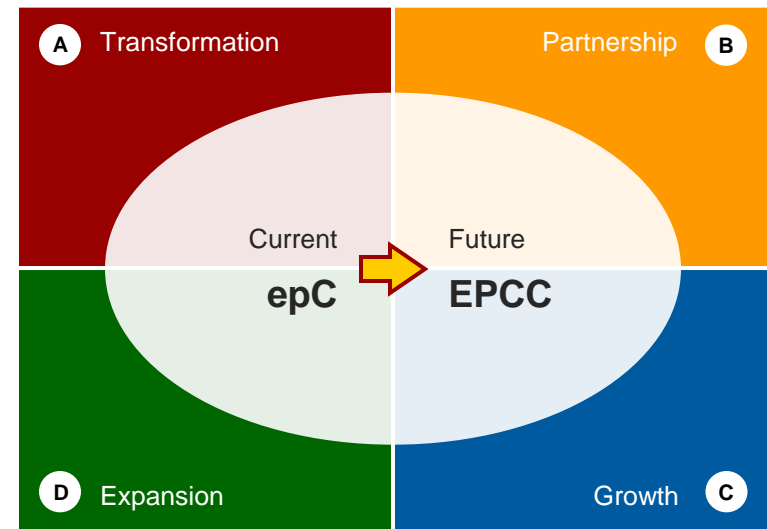
# Accelerating Transformation

## ► Challenging landscape

- Lump sum contracts
- Faster project delivery
- Full EPC work scope

## ► Further actions

- Rejuvenate management
- Fit organisation
- Performance management
- Project excellence
- Cost reduction
- Strategic collaborations



# Thank You Terima Kasih



“Transformation for Success”

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