



stx OSV

Offshore & Specialized Vessels



1Q 2011 Results Presentation

STX OSV Holdings Limited

9 May 2011

stxosv



Disclaimer

This presentation should be read in conjunction with STX OSV Holdings Limited's results for the period ended 31 March 2011 in the SGXNet announcement. Financial figures are presented according to SFRS.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Company's current view of future events.



■ Agenda

- Business update
- Financial highlights
- Outlook





Key messages

- **Revenue** of NOK 3,192 million for 1Q 2011, up 21% from NOK 2,646 million in 1Q 2010
- **EBITDA** of NOK 439 million for 1Q 2011, up 54% from NOK 286 million in 1Q 2010
- **EBITDA margin**, representing EBITDA to total operating revenues, increased to 13.8%, from 10.8% in 1Q 2010
- **Order intake** of NOK 1,182 million in line with expectations. Order intake may vary significantly on a quarter-by-quarter basis
- 46 vessels in **order book** as at 31 March 2011, of which 34 of own design
- **Higher activity level** in the offshore market and expectation for order momentum to accelerate towards the second half of 2011



1Q 2011

 **Business update**

Vessel deliveries and new contracts in 1Q 2011

Vessel deliveries

2 AHTS

- KL Sandefjord from Langsten (Norway) to K Line Offshore
- Skandi Emerald from Vung Tau (Vietnam) to Aker DOF Deepwater

2 PSVs

- KL Brisfjord from Brevik (Norway) to K Line Offshore
- Skandi Gamma from Søviknes (Norway) to DOF

2 OSCVs

- Skandi Niterói, Construction Vessel from Niterói (Brazil) to DOF
- Normand Oceanic, Offshore Subsea Construction and Maintenance Vessel from Brattvaag (Norway) to Solstad Offshore

New contracts

Three new vessel contracts secured in 1Q 2011, all for delivery from Norway

- 1 PSV to Norsesea Group
- 2 PSVs to undisclosed customers

Total new order intake of NOK 1,182 million in 1Q 2011

- Total also includes variation orders, trading packages, and currency adjustments

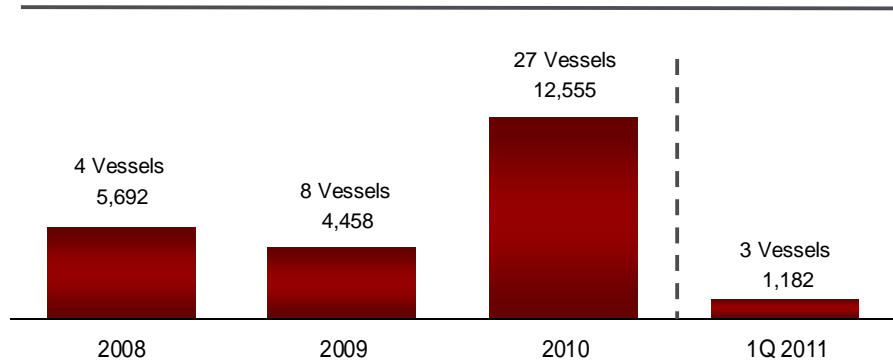
Three more contracts announced after the end of the quarter

Contracts for eight LPG carrier for an approximate value of NOK 3 billion not yet made effective (not included in order book)

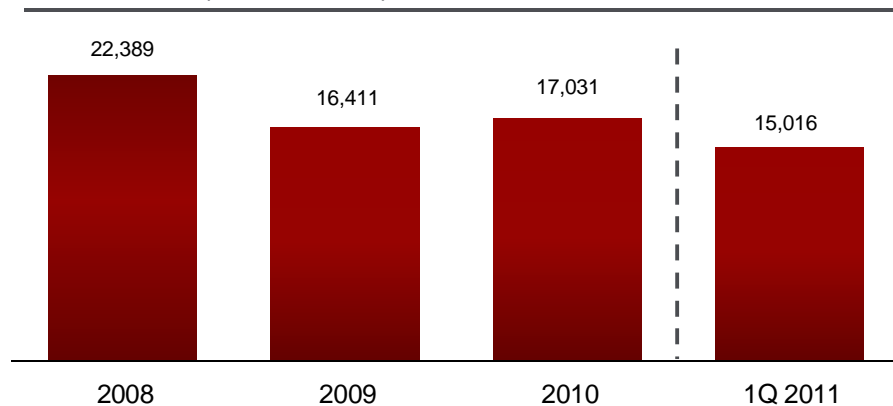
As of 31 March, the Group had 46 vessels in the order book, 34 of which will be of STX OSV's own design.

Order book development 1Q 2011

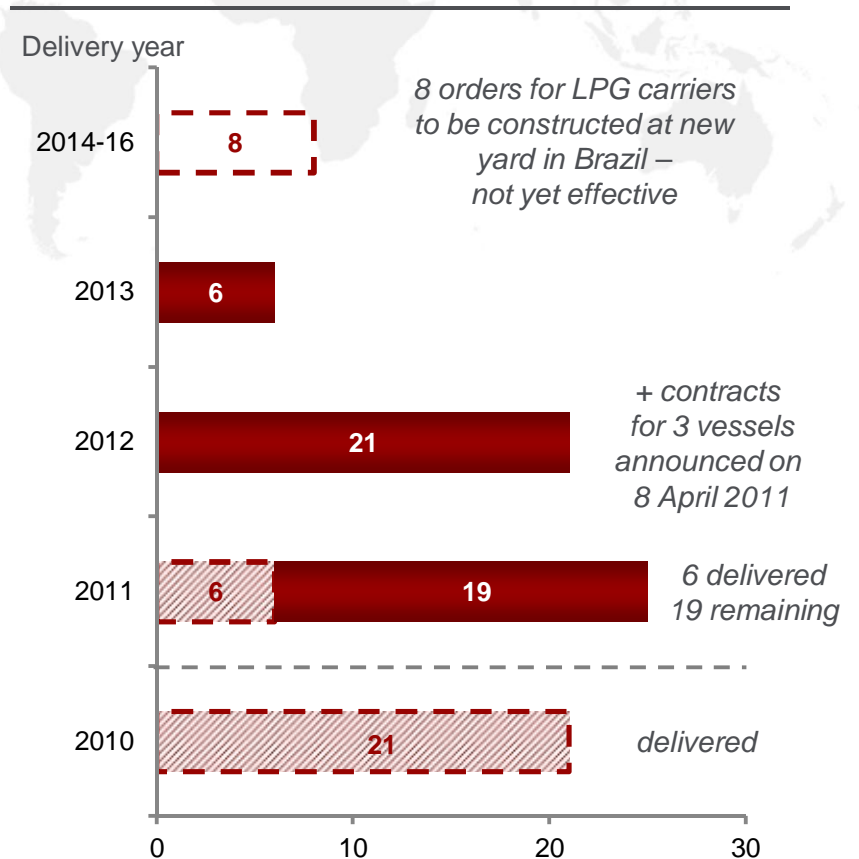
Order intake (NOK million)¹⁾



Order book (NOK million)²⁾



Order book as of 31 March 2011 (# of vessels)



1) Includes variation orders, trading packages, and currency adjustments

2) Includes variation orders and trading packages

Order book by region and vessel type – 1Q 2011

By Region	Order book 31 Dec. 2010	Deliveries 1Q 2011	Order intake 1Q 2011	Order book 31 Mar. 2011
Norway / Romania	34	4	3	33
Brazil	9	1	-	8
Vietnam	6	1	-	5
Total	49	6	3	46

By Vessel Type	Order book 31 Dec. 2010	Deliveries 1Q 2011	Order intake 1Q 2011	Order book 31 Mar. 2011
AHTS	12	2	-	10
PSV	26	2	3	27
OSCV	4	2	-	2
Other	7	-	-	7
Total	49	6	3	46



■ Strong operational performance

- Generally stable operations and good project execution
 - Continued positive trend in key HSE (Health, Safety and Environment) indicators
 - High rate of on-time deliveries
 - Favorable business environment; though signs of activity picking up, currently no constraints in supplier markets
- Reaping benefits from healthy activity level and increased efficiency, especially in Romania
 - Cost efficiency measures implemented in anticipation of increased competition, bearing fruit earlier than expected
 - Improved operational performance and advances in engineering capabilities in Romania allow for optimization of work split and seamless integration in the Romania-Norway value chain
- Delivery of several large and highly complex projects during the quarter
- Good project execution and efficiency gains main reasons for the strong financial results



■ Development of Brazil new yard project on track

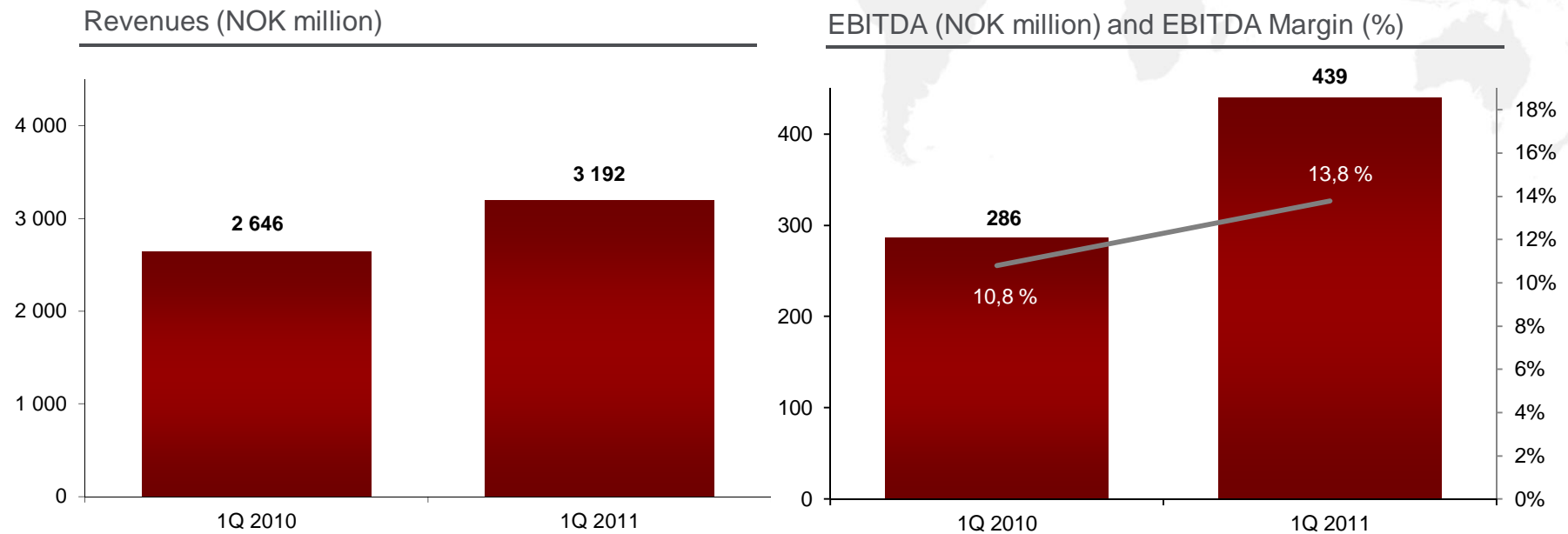
- New shipyard development at Suape, Pernambuco, Brazil
- Planning and permitting process in progress
- Environmental license for construction of the new shipyard was granted on 30 March 2011
- Shipyard construction is expected to start in mid-2011 as planned
 - Construction of the first vessels estimated to start in 2012
 - Full operations of the new shipyard scheduled for 2013
- Contracts with Transpetro for construction of 8 LPG carriers to be made effective following approvals from Brazil's Merchant Marine Fund (FMM)



1Q 2011

 **Financial highlights**

Margin improvement on higher revenue base



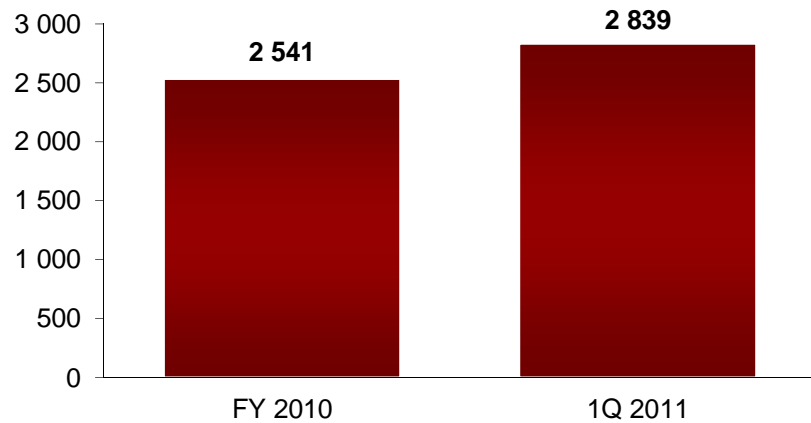
Statement of income – major items

Period ended 31 March	(NOK million)		D (%)	(SGD million)
	2011	2010		2011
Revenue	3 192	2 646	21%	724
Materials, subcontract cost and others	(2 201)	(1 815)	21%	499
Salaries and related costs	(441)	(431)	2%	100
EBITDA	439	286	54%	100
Operating profit	409	256	60%	93
Profit before tax	425	383	11%	96
Profit for the year	312	245	28%	71

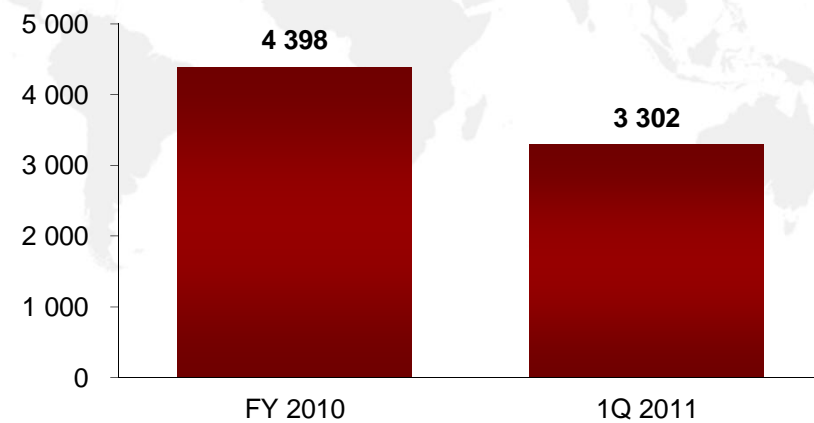
Note: SGD amounts are included for information purposes only, and are translated from NOK based on the average exchange rate during the reporting period

Cash and cash equivalents, and construction loans

Net Cash (NOK million)¹

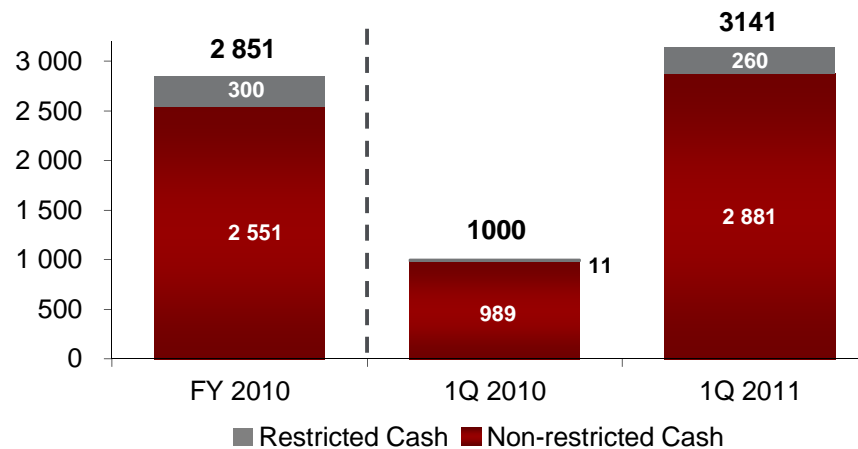


Construction Loans (NOK million)



(1) Cash and cash equivalents less sum of short-term and long-term interest bearing liabilities, excluding construction financing

Cash and Cash Equivalents (NOK million)



Major balance sheet items

As at	(NOK million)		(SGD million)
	31 Mar 2011	31 Dec 2010	31 Mar 2011
Non-current assets	1 607	1 668	367
Current assets	10 983	10 585	2 510
Total assets	12 590	12 253	2 877
Total equity	2 735	2 418	625
Loans and borrowings	3 351	4 442	766
Trade and other payables and construction work in progress	5 453	4 324	1246
Other current liabilities	542	471	124
Interest-bearing long-term liabilities	253	266	58
Other non-current liabilities	256	332	59
Total liabilities	9 855	9 835	2252
Total equity and liabilities	12 590	12 253	2877

Note: SGD amounts are included for information purposes only, and are translated from NOK based on the exchange rate prevailing at the reporting date

Cash flow highlights

Period ended 31 March	(NOK million)	
	2011	2010
Cash flows from operating activities	398	80
Cash flows used in investing activities	(62)	(378)
Cash flows from financing activities	11	17
Net change in cash and cash equivalents	347	(280)
Cash and cash equivalents at the beginning of financial period	2 551	1 267
Effects of currency translation differences	(17)	2
Cash and cash equivalents excluding restricted cash at the end of financial period	2 881	989
Restricted cash at the end of financial period	260	11
Cash and cash equivalents at the end of financial period	3 141	1 000

Note: SGD amounts are included for information purposes only, and are translated from NOK based on the average exchange rate during the reporting period

Earnings per share

Period ended 31 March	2011	2010
Earnings for the period (NOK millions)	310	242
Earnings for the period (SGD millions)	71	57
Number of shares (millions)	1 180	1 000
Earnings per share (NOK)	0.26	0.24
Earnings per share (SGD)	0.06	0.06
Diluted earnings per share (NOK)	0.26	0.24
Diluted earnings per share (SGD)	0.06	0.06

Note: Earnings per ordinary share for the financial period attributable to equity holders of the parent.
EPS numbers are included for information purposes only, and do not represent actual FRS numbers.
SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates

Net asset value per share

As at	31 Mar 2011	31 Dec 2010
Net asset value at the end of the period (NOK millions)	2 693	2 378
Net asset value at the end of the period (SGD millions)	616	521
Number of shares (millions)	1 180	1 180
Net asset value per ordinary share (NOK)	2.28	2.02
Net asset value per ordinary share (SGD)	0.52	0.44

Note: Net asset value for the Group at the end of the financial period, and at the end of the last financial year, based on number of ordinary shares in issue. NAV per share numbers are included for information purposes only, and do not represent actual FRS numbers. SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates



1Q 2011

 Outlook



Outlook

- Higher activity level in the offshore market translates into increased level of project inquiries for STX OSV
- Industry expectations for vessel utilization to continue to increase, and for day rates for PSVs and AHTS vessels to pick up in 2012. We expect new order momentum to accelerate towards the second half of 2011
- Demand for OSCVs is also likely to improve through 2011 and accelerate in 2012-13
- The shift towards deeper water exploration and operations in harsh environments will continue to drive order momentum for advanced vessels
- STX OSV believes it is fundamentally well-positioned to seize opportunities when the market picks up, and reinforce its market position

1Q 2011

Q&A

