



**stx** OSV

Offshore & Specialized Vessels



# Disclaimer

*This presentation should be read in conjunction with STX OSV Holdings Limited's results for the period ended 31 December 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.*



# 4Q and FY 2011 Results Presentation

**STX OSV Holdings Limited**

14 February 2012

**stx**osv



# Key messages

- **Revenue** of NOK 12 401 million for FY 2011, up 4% from NOK 11 881 million in FY 2010
- **EBITDA** of NOK 2 355 million for FY 2011, up 77% from NOK 1 330 million in FY 2010
- **EBITDA margin**, representing EBITDA to total operating revenues, increased to 19.0% for FY 2011, from 11.2% in FY 2010
- Final **dividend** of SGD 10 cents per share to be recommended for FY 2011
- **Order intake** of NOK 6 027 million in 4Q 2011 including NOK 3 289 million for eight LPG carriers to be constructed at new yard in Brazil. Order intake may vary significantly on a quarter-by-quarter basis
- 54 vessels in the **order book**<sup>1)</sup> as at 30 December 2011, of which 32 of own design
- Strong track record in **operations** maintained throughout 2011
- **Brazil new yard** project gaining momentum
- Improved **new order wins** in 4Q 2011 and strong **market fundamentals** – but timing for sustained upturn in order activity still uncertain

1) Includes firm orders only



4Q 2011

 **Business update**

# Vessel deliveries and new contracts in 4Q 2011

## Vessel deliveries

### 2 AHTS

- Skandi Pacific from Vung Tau (Vietnam) to Aker DOF Deepwater
- Skandi Amazonas from Niteroi (Brazil) to DOF

### 4 PSVs

- Stril Orion from Søviknes (Norway) to Simon Møkster
- Island Centurion from Brevik (Norway) to Island Offshore
- Rem Server from Langsten (Norway) to Rem Offshore
- Skandi Feistein from Aukra (Norway) to DOF

### 1 OSCV

- AMC Connector from Søviknes (Norway) to EMAS AMC

### 1 Ice-breaking tug

- Mangystau-5 from Braila (Romania) to JSC Circle Marine Invest

### 2 Other specialized vessels

## New contracts

### Six new vessel contracts secured<sup>1)</sup> in 4Q 2011

- 1 PSV for Troms Offshore
- 2 PSVs for Island Offshore
- 1 Fishing trawler for Remøy Fiskeriselskap
- 1 Research vessel for Norwegian Defence Logistics Organisation
- 1 Forage carrier for Eidsvaag

### Eight additional contracts made effective

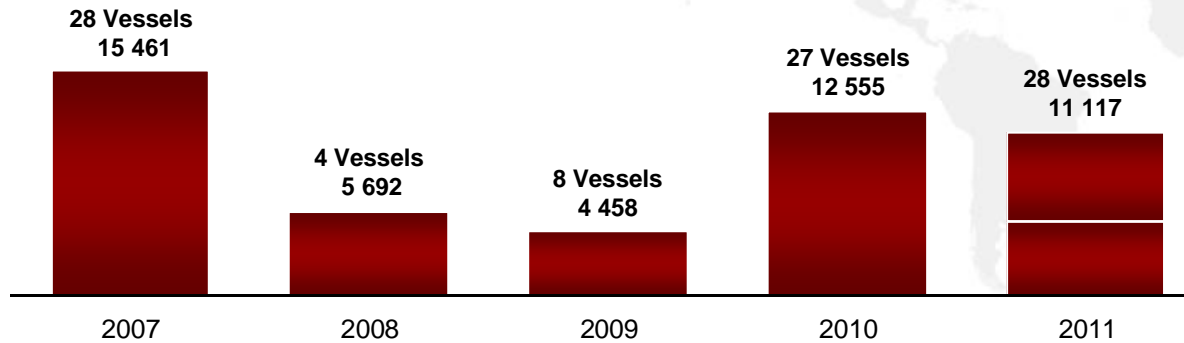
- 8 LPG carriers for Transpetro

As of 31 December 2011, the Group had 54 vessels in the order book<sup>1)</sup>, 32 of which will be of STX OSV's own design.

1) Includes firm orders only

# Order book development

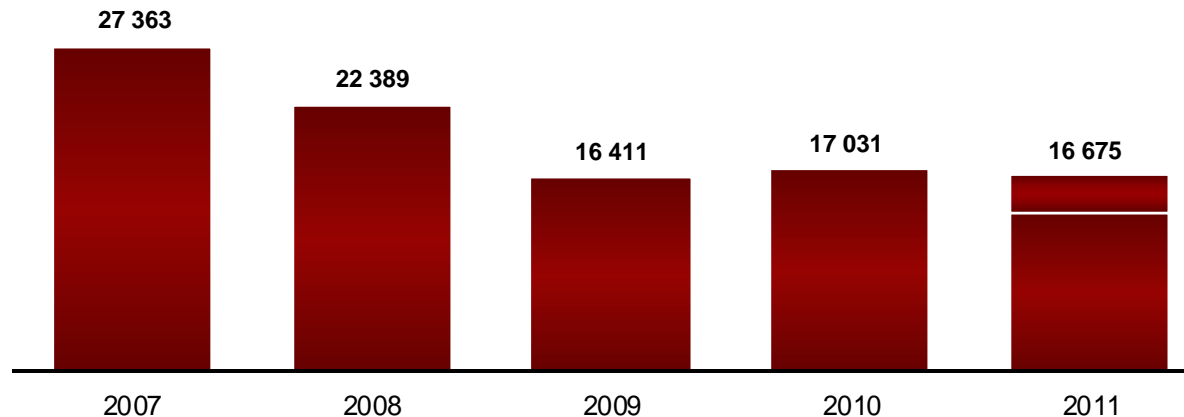
New order intake during the period (NOK million)<sup>1)</sup>



4Q 2011: NOK 6 027 million

9M 2011: NOK 5 090 million

Order book at the end of the period (NOK million)<sup>1)</sup>

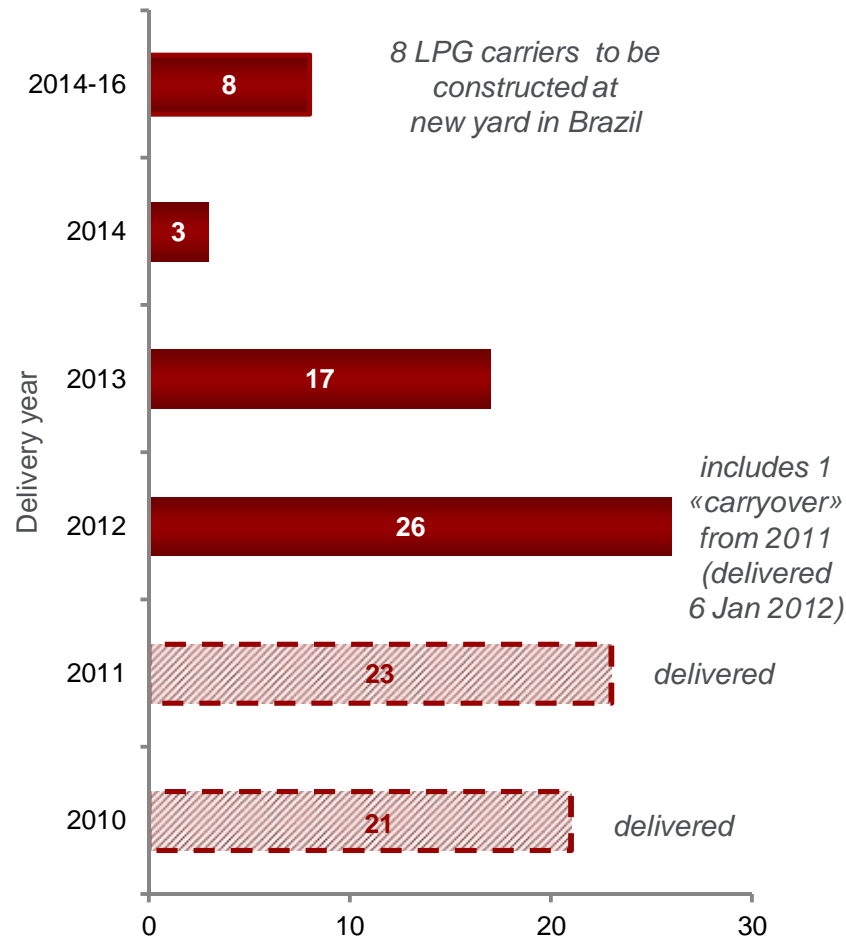


Includes NOK 3 289 for 8 LPG carriers to be constructed at new yard in Brazil

1) Includes firm orders only. Includes variation orders and trading packages

# Order book status

Order book as of 31 Dec. 2011 (# of vessels)



Note: Includes firm orders only



Delivery year	Norway / Romania	Brazil	Vietnam	Total
2014-16		8 Other		8
2014		1 AHTS		3
		2 Other		
2013	2 AHTS 7 PSV 4 Other	1 AHTS 1 PSV	2 PSV	17
2012	17 PSV 1 OSCV 2 Other	2 AHTS 2 PSV	1 AHTS 1 PSV	26

# Order book by region and vessel type – 4Q 2011

By Region	Order book 30 Sep. 2011	Deliveries 4Q 2011	Order intake 4Q 2011	Order book 31 Dec. 2011
Norway / Romania	37	8	6	35
Brazil	8	1	8	15
Vietnam	5	1	-	4
<b>Total</b>	<b>50</b>	<b>10</b>	<b>14</b>	<b>54</b>



By Vessel Type	Order book 30 Sep. 2011	Deliveries 4Q 2011	Order intake 4Q 2011	Order book 31 Dec. 2011
AHTS	9	2	-	7
PSV (incl. MRV)	31	4	3	30
OSCV	2	1	-	1
Other	8	3	11	16
<b>Total</b>	<b>50</b>	<b>10</b>	<b>14</b>	<b>54</b>

Note: Includes firm orders only



## Strong track record in operations maintained throughout 2011

- Stable operations with improvements in productivity as well as key health, safety and environment (HSE) indicators
- Successful project deliveries and release of risk contingencies to profit at the end of complex projects contributing to exceptional financial results
  
- **Norway and Romania**
  - Good yard utilization and excellent performance
  - High rate of on-time deliveries
- **Brazil**
  - Yard operating at maximum capacity
  - Constraints in the subcontractor market leading to some delays; limited economic impact
  - Agreement with Rio Nave shipyard for subcontracting of hull production to mitigate risk of delays
- **Vietnam**
  - Continued successful development of the organization
  - Two out of three vessels in 2011 delivered ahead of time



# Improved new order wins in 4Q – but timing for sustained upturn in order activity still uncertain

- Order intake in 4Q 2011 much improved compared to 3Q 2011
  - Orders for existing yards returning to levels sufficient to stabilize order book length
  - Extraordinary new order intake booked for vessels to be built at new yard in Brazil
  - Order intake in 4Q 2011 driven by sales in specialized vessel types
- Shipowners still face constraints in their ability to finance new vessel projects, weighing down on new order conversion rate
  - STX OSV's clients traditionally rely on bank loans from Nordic and European commercial banks to finance vessel projects
  - Credit currently less readily available and more expensive than in normal market situation
- Eksportfinans financing in Norway will be replaced by new government-backed financing regime
  - Transition phase until implementation of new framework from July 2012, expected to offer adequate replacement for previous offer to shipowners
- Strong market fundamentals
  - Oil majors continue to increase E&P spending budgets
  - But still difficult to assess how rapidly this will translate into sustained upturn in order activity in the OSV market



## ■ Brazil new yard project gaining momentum

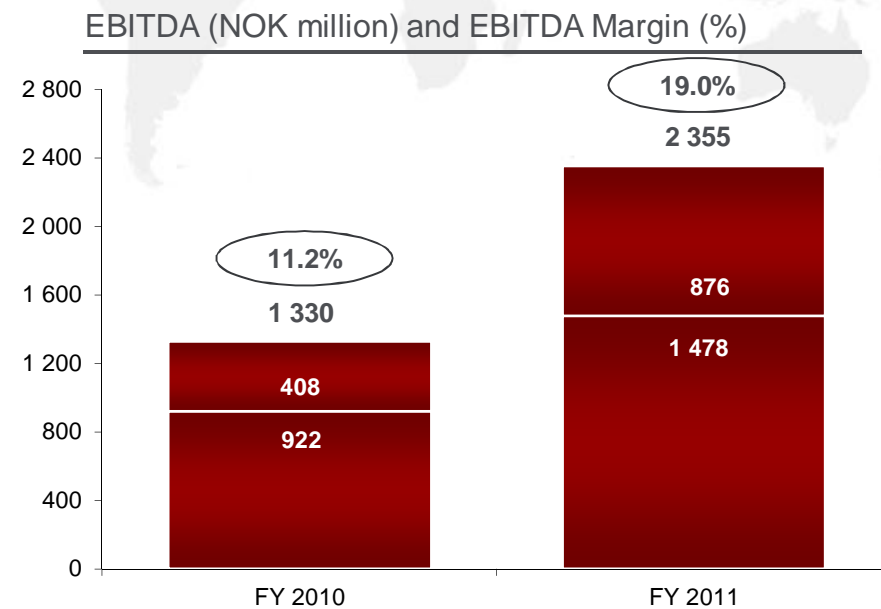
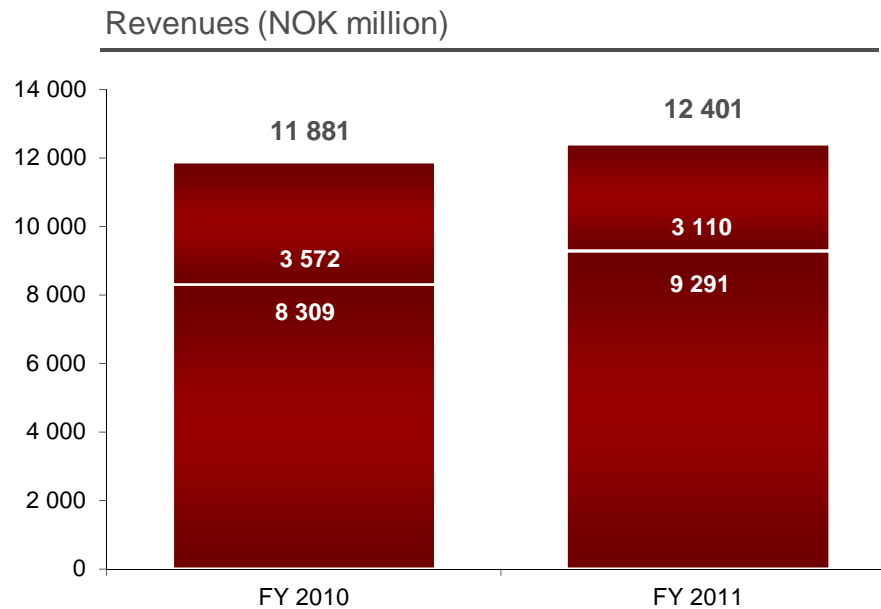
- New shipyard development at Suape, Pernambuco, Brazil
- Shipyard construction started in 4Q 2011 ✓
  - Project organization and new yard manager in place
  - Dredging and land levelling work still ongoing
  - Civil works started on site
  - Detail design process ongoing; minor delays
- Contracts with Transpetro for construction of 8 LPG carriers made effective on 18 November 2011 ✓
- Financing for yard construction and Transpetro project finalized ✓



4Q 2011

# ■ Financial highlights

# All-time high revenues and margins

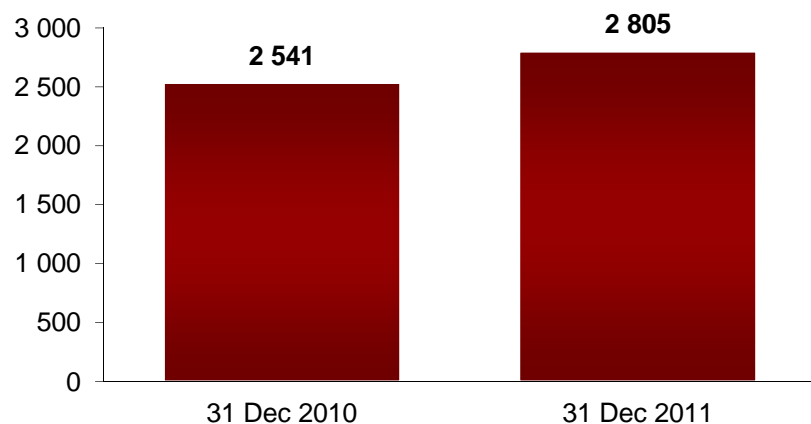


## Statement of income – major items

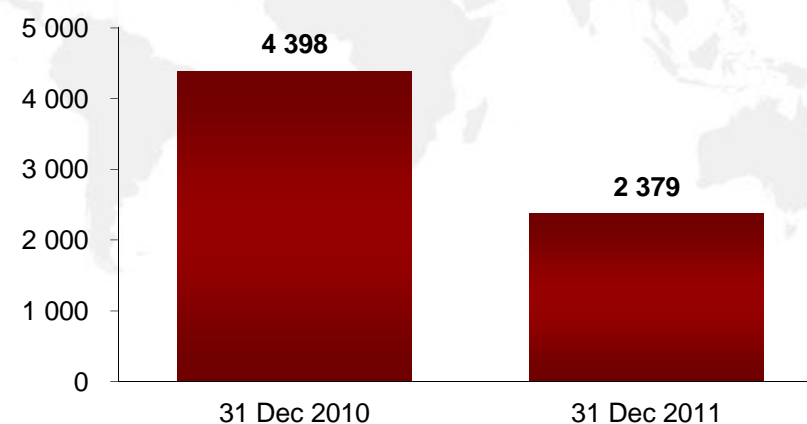
(NOK million)	4Q ended 31 December		D(%)	FY ended 31 December		D(%)
	2011	2010		2011	2010	
<b>Revenue</b>	<b>3 110</b>	<b>3 572</b>	-13%	<b>12 401</b>	<b>11 881</b>	4%
Materials, subcontract cost and others	(1 457)	(2 506)	-42%	(7 597)	(8 318)	-9%
Salaries and related costs	(608)	(504)	21%	(1 899)	(1 722)	10%
<b>EBITDA</b>	<b>876</b>	<b>408</b>	115%	<b>2 355</b>	<b>1 330</b>	77%
<i>EBITDA %</i>	<i>28.2%</i>	<i>11.4%</i>	<i>n/m</i>	<i>19.0%</i>	<i>11.2%</i>	<i>n/m</i>
<b>Operating profit</b>	<b>821</b>	<b>376</b>	118%	<b>2 207</b>	<b>1 206</b>	83%
Net financial income / (cost)	11	20	-44%	(4)	320	n/m
<b>Profit before tax</b>	<b>828</b>	<b>399</b>	108%	<b>2 213</b>	<b>1 534</b>	44%
<b>Profit for the period</b>	<b>640</b>	<b>326</b>	96%	<b>1 602</b>	<b>1 066</b>	50%

# Ample cash balance; reduced draw-down of construction loans

Net Cash (NOK million)<sup>1</sup>

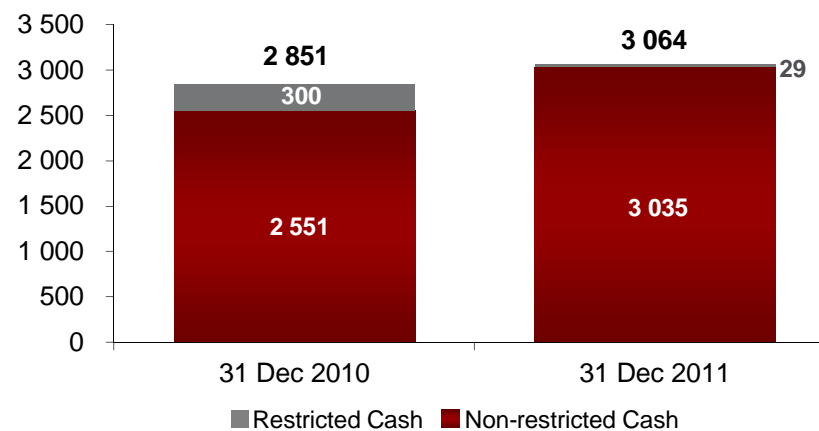


Construction Loans (NOK million)



(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

(NOK million)	As at	
	31 December 2011	31 December 2010
Non-current assets	1 788	1 668
Current assets	11 019	10 585
<b>Total assets</b>	<b>12 807</b>	<b>12 253</b>
<b>Total equity</b>	<b>3 553</b>	<b>2 418</b>
Loans and borrowings and construction loans	2 407	4 442
Trade and other payables and construction work in progress	4 871	4 324
Other current liabilities	1 536	471
Interest-bearing long-term liabilities	231	266
Other non-current liabilities	209	332
<b>Total liabilities</b>	<b>9 254</b>	<b>9 835</b>
<b>Total equity and liabilities</b>	<b>12 807</b>	<b>12 253</b>

# Cash flow highlights

(NOK million)	4Q ended 31 December		FY ended 31 December	
	2011	2010	2011	2010
Cash flows from operating activities	1 202	813	1 209	969
Cash flows from investing activities	(102)	(20)	(221)	(148)
Cash flows from financing activities	(8)	508	(504)	474
<b>Net change in cash and cash equivalents</b>	<b>1 092</b>	<b>1 301</b>	<b>484</b>	<b>1 294</b>
Cash and cash equivalents excluding restricted cash at the beginning of the financial period	1 939	1 250	2 551	1 267
Effects of currency translation differences	4	0	0	(10)
<b>Cash and cash equivalents excluding restricted cash at the end of the financial period</b>	<b>3 035</b>	<b>2 551</b>	<b>3 035</b>	<b>2 551</b>
Restricted cash at the end of financial period	29	300	29	300
<b>Cash and cash equivalents at the end of the financial period</b>	<b>3 064</b>	<b>2 851</b>	<b>3 064</b>	<b>2 851</b>

# Earnings per share

	4Q ended 31 December		FY ended 31 December	
	2011	2010	2011	2010
Earnings for the period (NOK millions)	638	294	1 594	1 031
<b>Earnings for the period (SGD millions)</b>	<b>138</b>	<b>65</b>	<b>346</b>	<b>226</b>
Weighted average number of shares (millions)	1 180	1 000	1 180	1 000
Earnings per share (NOK)	0.54	0.29	1.35	1.03
<b>Earnings per share (SGD cents)</b>	<b>11.72</b>	<b>6.45</b>	<b>29.30</b>	<b>22.59</b>
Adj. weighted average number of shares (millions)	1 180	1 000	1 180	1 000
Diluted earnings per share (NOK)	0.54	0.29	1.35	1.03
<b>Diluted earnings per share (SGD cents)</b>	<b>11.72</b>	<b>6.45</b>	<b>29.30</b>	<b>22.59</b>
Exchange rates (SGD/NOK)	4.610	4.565	4.610	4.565

Note: Earnings per ordinary share for the financial period attributable to equity holders of the parent.  
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

## Net asset value per share

	As at	
	31 December 2011	31 December 2010
Net asset value at the end of the period (NOK millions)	3 510	2 378
<b>Net asset value at the end of the period (SGD millions)</b>	<b>761</b>	<b>521</b>
Number of shares (millions)	1 180	1 180
Net asset value per ordinary share (NOK)	2.97	2.02
<b>Net asset value per ordinary share (SGD)</b>	<b>0.65</b>	<b>0.44</b>
Exchange rate (SGD/NOK)	4.610	4.565

Note: Net asset value at the end of the financial period, and at the end of the last financial year, attributable to equity holders of the parent.

SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.



## Dividend

- The Board of Directors would like to inform the shareholders that based on the Group's exceptional financial performance in 2011, they expect to recommend STX OSV to pay a final dividend of SGD 10 cents per share for FY 2011
- The recommended dividend for FY 2011 will be announced in early April for approval at the Annual General Meeting in late April 2012, after the audit has been completed



4Q 2011

 Outlook



# Outlook

- Strong market fundamentals
  - Oil majors continue to increase E&P spending budgets
  - Signs of increasing demand for anchor handlers and offshore construction vessels, and further opportunities in specialized vessel segments
  - But order conversion still hampered by constraints in shipowners' ability to finance new vessel projects
- Timing for sustained upturn in order activity still uncertain
  - Timing critical for ability to maintain current throughput at all yard locations
- STX OSV believes it is fundamentally well-positioned to seize opportunities in the market

4Q 2011

# Q&A

