



## MERMAID MARITIME PUBLIC COMPANY LIMITED

(Registered in the Kingdom of Thailand)

(Company Registration No. 0107550000017)

### Financial Statements and Dividend Announcement for the Period Ended 31 December 2012

#### PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Consolidated financial statements		
	For the three-month periods ended on 31 December		
	2012	2011	Changes
	Baht'000	Baht'000	%
Service income	1,618,321	1,151,411	40.6%
Cost of services	(1,368,385)	(1,024,548)	33.6%
<b>Gross profit</b>	<b>249,936</b>	<b>126,863</b>	<b>97.0%</b>
Interest income	2,860	2,554	12.0%
Other income	1,515	1,155	31.2%
Administrative expenses	(175,116)	(183,316)	-4.5%
Gains (losses) on exchange rates	27,943	36,406	-23.2%
Net gains (losses) on disposals and write-offs of property, plant, and equipment	(13,944)	1,096	1372.3%
<b>Operating profits (losses)</b>	<b>93,194</b>	<b>(15,242)</b>	<b>711.4%</b>
Share of losses of investments in associates	(11,420)	(2,447)	366.7%
<b>Profits (losses) before finance costs and income tax expenses</b>	<b>81,774</b>	<b>(17,689)</b>	<b>562.3%</b>
Finance costs	(30,851)	(45,171)	-31.7%
<b>Profits (losses) before income tax expenses</b>	<b>50,923</b>	<b>(62,860)</b>	<b>181.0%</b>
Income tax expenses	(30,293)	(15,726)	92.6%
<b>Profits (losses) for the period</b>	<b>20,630</b>	<b>(78,586)</b>	<b>126.3%</b>
<b>Other comprehensive expenses :</b>			
Exchange differences on translating financial statements	(29,969)	(15,608)	92.0%
<b>Total comprehensive expenses for the period</b>	<b>(9,339)</b>	<b>(94,194)</b>	<b>-90.1%</b>
<b>Profits (losses) attributable to:</b>			
Owners of the Company	20,658	(85,408)	124.2%
Non-controlling interests	(28)	6,822	-100.4%
	<b>20,630</b>	<b>(78,586)</b>	<b>126.3%</b>
<b>Total comprehensive expenses attributable to:</b>			
Owners of the Company	(9,248)	(101,632)	-90.9%
Non-controlling interests	(91)	7,438	-101.2%
	<b>(9,339)</b>	<b>(94,194)</b>	<b>-90.1%</b>
<b>Notes to the income statements</b>			
Depreciation and amortisation	217,228	221,372	-1.9%



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**1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Consolidated financial statements		Separate financial statements	
	31 December 2012 (Unaudited) Baht'000	30 September 2012 Baht'000	31 December 2012 (Unaudited) Baht'000	30 September 2012 Baht'000
<b>Assets</b>				
<i>Current assets</i>				
Cash and cash equivalents	2,152,350	1,916,973	672,746	619,922
Trade accounts receivable	1,295,545	1,521,248	-	-
Other accounts receivable	401,047	262,512	5,752	3,316
Receivables from related parties	-	-	549,259	514,200
Short-term loans to related parties	-	-	4,499,167	4,621,503
Deferred contract costs	275,685	277,459	-	-
Supplies and spare parts	128,713	166,157	-	-
Other current assets	70,247	51,874	1,385	804
<b>Total current assets</b>	<b>4,323,587</b>	<b>4,196,223</b>	<b>5,728,309</b>	<b>5,759,745</b>
<i>Non-current assets</i>				
Restricted deposits at financial institutions	121,961	122,777	-	-
Investments in subsidiaries	-	-	4,970,999	4,970,999
Investments in associates	1,840,958	1,852,378	1,903,814	1,903,814
Investments in jointly-controlled operation	6,611	-	6,611	-
Property, plant and equipment	10,697,666	10,718,929	152,442	156,088
Goodwill	332,279	332,279	-	-
Intangible assets	10,640	13,031	1,073	1,247
Deferred tax assets	80,915	85,694	-	-
Other non-current assets	3,416	6,800	569	569
<b>Total non-current assets</b>	<b>13,094,446</b>	<b>13,131,888</b>	<b>7,035,508</b>	<b>7,032,717</b>
<b>Total assets</b>	<b>17,418,033</b>	<b>17,328,111</b>	<b>12,763,817</b>	<b>12,792,462</b>



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	Consolidated		Company	
	31 December 2012 (Unaudited) Baht'000	30 September 2012 Baht'000	31 December 2012 (Unaudited) Baht'000	30 September 2012 Baht'000
<b>Liabilities and equity</b>				
<i>Current liabilities</i>				
Trade accounts payable	450,560	327,302	-	-
Other accounts payable	11,159	14,077	2,647	3,501
Payables to related parties	20,491	24,892	1,136,018	1,154,480
Current portion of long-term borrowings				
from financial institutions	235,353	205,852	-	-
Current portion of finance lease liabilities	1,499	1,501	1,170	1,170
Current portion of share subscription payables to subsidiaries	33,823	33,823	-	-
Income taxes payable	45,693	35,484	-	-
Accrued expenses	393,703	354,984	7,926	10,296
Other current liabilities	39,411	44,711	9,331	8,489
<b>Total current liabilities</b>	<b>1,231,692</b>	<b>1,042,626</b>	<b>1,157,092</b>	<b>1,177,936</b>
<i>Non-current liabilities</i>				
Long-term borrowings from financial institutions	3,742,664	3,840,478	-	-
Finance lease liabilities	729	1,089	1	196
Long-term portion of share subscription payables to subsidiaries	42,207	42,207	-	-
Employee benefit obligations	39,038	30,669	4,567	4,249
<b>Total non-current liabilities</b>	<b>3,824,638</b>	<b>3,914,443</b>	<b>4,568</b>	<b>4,445</b>
<b>Total liabilities</b>	<b>5,056,330</b>	<b>4,957,069</b>	<b>1,161,660</b>	<b>1,182,381</b>
<i>Equity</i>				
Share capital				
Authorised share capital	791,214	791,214	791,214	791,214
Issued and paid-up share capital	784,748	784,748	784,748	784,748
Premium on share capital	9,818,420	9,818,420	9,818,420	9,818,420
Retained earnings				
Appropriated	78,475	78,475	78,475	78,475
Unappropriated	1,950,804	1,930,146	920,148	928,072
Other components of equity	(337,987)	(308,081)	366	366
<b>Equity attributable to owners of the Company</b>	<b>12,294,460</b>	<b>12,303,708</b>	<b>11,602,157</b>	<b>11,610,081</b>
Non-controlling interests	67,243	67,334	-	-
<b>Total equity</b>	<b>12,361,703</b>	<b>12,371,042</b>	<b>11,602,157</b>	<b>11,610,081</b>
<b>Total liabilities and equity</b>	<b>17,418,033</b>	<b>17,328,111</b>	<b>12,763,817</b>	<b>12,792,462</b>



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**1 (b)(ii) In relation to the aggregate amount of group’s borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: -**

- (a) the amount repayable in one year or less, or on demand;
- (b) the amount repayable after one year;
- (c) whether the amounts are secured or unsecured; and
- (d) details of any collaterals.

	<b>As at 31 December 2012</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	144,520	92,332	<b>236,852</b>
Amount repayable after one year (*)	3,362,521	380,872	<b>3,743,393</b>

	<b>As at 30 September 2012</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Amount repayable in one year or less, or on demand (*)	114,454	92,899	<b>207,353</b>
Amount repayable after one year (*)	3,435,133	406,434	<b>3,841,567</b>

(\*) Including bank overdrafts, short-term loans from financial institutions, and current portions of long-term loans and finance leases, if any.

As at 31 December 2012, there are land and buildings, two support vessels, and one tender rig that were mortgaged with financial institutions as collateral for their overdrafts and borrowings facilities. These assets were mortgaged at a total value of Baht 1,359.5 million and USD 110.0 million (30 September 2012: Baht 1,359.5 million and USD 110.0 million). For more details, please read the notes to the interim consolidated and Company financial statements (unaudited) for the three-month period that ended on 31 December 2012, which are available on the SGX’s website and the Company’s website.



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**1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Consolidated</b>	
	<b>Three-month periods ended on 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Cash flows from operating activities</b>		
Profits (losses) for the period	20,630	(78,586)
<i>Adjustments for:</i>		
Depreciation	214,628	219,225
Amortisation	2,600	2,147
Finance costs	30,851	45,171
Net (gains) losses on disposals and write-offs of property, plant, and equipment	13,944	(1,096)
Realised gains on exchange rates	(9,169)	(22,594)
Unrealised gains on exchange rates	(23,358)	(13,812)
Employee benefit obligations	8,732	5,237
Share of losses of investments in associates	11,420	2,447
Exchange rates gains from translation of overseas subsidiaries	(28,848)	(29,220)
Income tax expenses	30,293	15,726
Cash flows from operations before changes in operating assets and liabilities	271,723	144,645
Changes in operating assets and liabilities		
Restricted deposits of financial institutions	(6)	(6)
Trade accounts receivable	226,049	674,173
Receivables from related parties	-	33
Other accounts receivable	(138,535)	(50,959)
Deferred contract costs	1,774	-
Supplies and spare parts	37,444	(6,289)
Other current assets	(10,317)	10,059
Other non-current assets	3,384	12,736
Trade accounts payable – other parties	131,540	(48,275)
Trade accounts payable – related parties	(69)	2,364
Other accounts payable	(82,411)	(9,566)
Payables to related parties	(4,401)	4,230
Accrued expenses	31,714	(125,603)
Other current liabilities	(504)	16,035
	<b>195,662</b>	<b>478,932</b>
Cash generated from operating activities	467,385	623,577
Finance costs paid	(29,650)	(44,106)
Income taxes paid	(15,291)	(16,222)
Employee benefits paid	-	(55,845)
<b>Net cash from operating activities</b>	<b>422,444</b>	<b>507,404</b>



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	<b>Consolidated</b>	
	<b>Three-month periods ended on 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Cash flows from investing activities</b>		
Payment for investments in jointly-controlled operation	(6,611)	-
Proceeds from disposals of property, plant and equipment and intangible assets	148,267	8,035
Payment for purchases of property, plant and equipment	(278,342)	(55,135)
Payment for purchases of intangible assets	(241)	(704)
<b>Net cash used in investing activities</b>	<b>(136,927)</b>	<b>(47,804)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(334)	(669)
Repayment of long-term borrowings from financial institutions	(44,427)	(292,022)
<b>Net cash used in financing activities</b>	<b>(44,761)</b>	<b>(292,691)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>240,756</b>	<b>166,909</b>
Cash and cash equivalents at the beginning of the period	1,916,973	1,352,380
Effects of exchange rates	(5,379)	44,138
Cash and cash equivalents at the end of the period	<b>2,152,350</b>	<b>1,563,427</b>



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### 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Consolidated financial statements

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Appropriated	Unappropriated	Exchange differences on translating financial statements	Share-based payment	Changes in ownership interests without a change in control				
<i>(in thousand Baht)</i>											
<b>Balance at 1 October 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,858,659</b>	<b>(197,695)</b>	<b>-</b>	<b>-</b>	<b>(197,695)</b>	<b>12,342,607</b>	<b>99,008</b>	<b>12,441,615</b>
Losses for the period	-	-	-	(85,408)	-	-	-	-	(85,408)	6,822	(78,586)
Exchange differences on translating financial statements	-	-	-	-	(16,224)	-	-	(16,224)	(16,224)	616	(15,608)
<b>Balance at 31 December 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,773,251</b>	<b>(213,919)</b>	<b>-</b>	<b>-</b>	<b>(213,919)</b>	<b>12,240,975</b>	<b>106,446</b>	<b>12,347,421</b>
<b>Balance at 1 October 2012</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,930,146</b>	<b>(219,165)</b>	<b>366</b>	<b>(89,282)</b>	<b>(308,081)</b>	<b>12,303,708</b>	<b>67,334</b>	<b>12,371,042</b>
Profits for the period	-	-	-	20,658	-	-	-	-	20,658	(28)	20,630
Exchange differences on translating financial statements	-	-	-	-	(29,906)	-	-	(29,906)	(29,906)	(63)	(29,969)
<b>Balance at 31 December 2012</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,950,804</b>	<b>(249,071)</b>	<b>366</b>	<b>(89,282)</b>	<b>(337,987)</b>	<b>12,294,460</b>	<b>67,243</b>	<b>12,361,703</b>



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**Separate financial statements**

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of equity	Total equity
			Appropriated	Unappropriated	Share-based payment	
			<i>(in thousand Baht)</i>			
<b>Balance at 1 October 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>931,307</b>	-	<b>11,612,950</b>
Profits for the period	-	-	-	78,034	-	78,034
<b>Balance at 31 December 2011</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>1,009,341</b>	-	<b>11,690,984</b>
<b>Balance at 1 October 2012</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>928,072</b>	<b>366</b>	<b>11,610,081</b>
Losses for the period	-	-	-	(7,924)	-	(7,924)
<b>Balance at 31 December 2012</b>	<b>784,748</b>	<b>9,818,420</b>	<b>78,475</b>	<b>920,148</b>	<b>366</b>	<b>11,602,157</b>





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**1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no ordinary shares issued since the end of the financial period ended 30 September 2012.

There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares since the end of the financial period ended 30 September 2012.

As at 31 December 2012, there were 2,361,800 (31 December 2011: 3,061,600) outstanding share options under the Employee Share Option Schemes.

**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of immediately preceding year.**

As at 31 December 2012 and 30 September 2012, the issued and paid-up ordinary shares of the Company were 784,747,743 shares and 784,747,743 shares with a par value of Baht 1 per share, respectively.

As at 31 December 2012 and 30 September 2012, there were no outstanding treasury shares.

**1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, since the Company has not transacted treasury shares during the three-month period that ended on 31 December 2012.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have been prepared in accordance with Thai generally accepted accounting principles ("Thai GAAP") and reviewed by the Company's auditor, KPMG Phoomchai Audit Limited, except for item 14 in this announcement regarding "A Reconciliation of Difference between Thai GAAP to IFRS", which is provided by the Company.



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### **3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The signed auditor's report is on pages 1 and 2 of the interim consolidated and Company financial statements for the three-month period that ended on 31 December 2012, which is reported together with this announcement and is available on the SGX's website and the Company's website.

### **4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the Group's most recently audited annual Thai GAAP financial statements have been applied, except as described in item 5 in this announcement.

### **5. If there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There is the addition of an accounting policy for jointly-controlled operation, please read note 2 (a) on page 14, 15 in the interim consolidated and Company financial statements for the three-month period that ended on 31 December 2012, which is available on the SGX's website and the Company's website.

### **6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -**

- (a) Based on the weighted average number of ordinary shares on issue; and**
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).**

#### ***(a) Basic earnings (losses) per share***

The calculation of basic earnings (losses) per share for the three-month periods that ended on 31 December 2012 and 2011 were based on the profits (losses) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:



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<i>Three-month period that ended on 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2012	2011	2012	2011
	<i>(in thousand Baht/thousand shares)</i>			
Profits (losses) attributable to ordinary shareholders of the Company (basic)	20,658	(85,408)	(7,924)	78,034
Number of ordinary shares outstanding (basic)	784,748	784,748	784,748	784,748
<b>Earnings (losses) per share (basic) (in Baht)</b>	<b>0.03</b>	<b>(0.11)</b>	<b>(0.01)</b>	<b>0.10</b>

**(b) Diluted earnings (losses) per share**

The calculations of diluted earnings (losses) per share for the three-month periods that ended on 31 December 2012 and 2011 were based on the profits (losses) for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Three-month period that ended on 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2012	2011	2012	2011
	<i>(in thousand Baht/thousand shares)</i>			
Profits (losses) attributable to ordinary shareholders of the Company (basic)	20,658	(85,408)	(7,924)	78,034
Weighted average number of ordinary shares outstanding (basic)	784,748	784,748	784,748	784,748
Effect from employee share option plan	314	-	314	-
Weighted average number of ordinary shares outstanding (diluted)	785,062	784,748	785,062	784,748
<b>Earnings (losses) per share (diluted) (in Baht)</b>	<b>0.03</b>	<b>(0.11)</b>	<b>(0.01)</b>	<b>0.10</b>



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### 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Consolidated		Company	
	31-Dec-12 Baht	30-Sept-12 Baht	31-Dec-12 Baht	30-Sept-12 Baht
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at end of respective year	15.67	15.68	14.78	14.79

Remark: Net asset value = Total equity attributable to owners of the Company

### 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### Consolidated Income Statements

For the three-month period that ended on 31 December 2012 ("1QFY13"), total service income was Baht 1,618.3 million, an increase of Baht 466.9 million, or 40.6%, from Baht 1,151.4 million for the three-month period that ended on 31 December 2011 ("1QFY12"). The service income from the subsea business\* increased 63.7% versus 1QFY12 primarily due to higher day rates, while the service income from the drilling business decreased 6.8% versus 1QFY12 primarily due to the special periodic survey of MTR-2.

Gross profits for 1QFY13 were Baht 249.9 million, an increase of Baht 123.0 million, or 97.0%, compared to 1QFY12 due to a better mix of contracts from the subsea business.

Administrative expenses were Baht 175.1 million, a decrease of Baht 8.2 million, or 4.5%, from 1QFY12 due to the lack of redundancy costs booked in the prior year.

\*Subsea business means MOS, Subtech, and Seascope, collectively.

### Operating profits/losses (Earnings before Interest & Taxes and Share of Investment in Associates)

Operating profits were Baht 93.2 million, an increase of Baht 108.4 million, or 711.4%, from 1QFY12.



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### **Shares of Investment in Associate, Finance Costs, and Income Taxes**

Share of losses in investment in an associate company was Baht 11.4 million. This was a result of administrative costs for the start-up of the three jack-up rigs owned by Asia Offshore Drilling Ltd. AOR-1, the first jack-up rig, was delivered on 1 February 2013 and will start work in April 2013.

Finance costs were Baht 30.8 million, a decrease of Baht 14.3 million, or 31.7%, compared to 1QFY12, mainly due to the termination of the interest rate swap in September 2012.

Income taxes were Baht 30.3 million, an increase of Baht 14.6 million, or 92.6%, from 1QFY12, mainly driven by higher profits from Seascope Surveys.

### **Net Profits (Losses)**

As a result, net profits of Baht 20.6 million were reported in 1QFY13, compared to net losses of Baht 78.6 million in 1QFY12.

### **Business Segment Analysis**

**Drilling:** The drilling business reported net losses of Baht 5.3 million in 1QFY13, compared to net profits of Baht 4.2 million in 1QFY12. MTR-2 began a four-month special periodic survey on 22 November 2012 and will remain offhire until early March 2013. MTR-1 achieved 90.1% utilisation in 1QFY13 as an accommodation barge. MTR-2 finished its contract with Chevron (Indonesia) achieving 44.4% utilisation in this quarter, compared to 89.2% utilisation in 1QFY12.

**Subsea:** The subsea business reported net profits of Baht 38.2 million in 1QFY13, compared to net losses of 196.2 million in 1QFY12. The improved performance was a result of better service contracts and disciplined management of project and vessel operating costs.

The utilisation rate was calculated by adding the number of days that our vessels worked including any pre-mobilisation time, divided by the number of total calendar days.

### **Consolidated Balance Sheets**

Current assets were Baht 4,323.6 million, an increase of Baht 127.4 million, or 3.0%, from 30 September 2012, mainly due to increase in other accounts receivable of Baht 138.5 million. The increase in other receivables is related to the Aramco project.

Non-current assets were Baht 13,094.4 million, a decrease of Baht 37.4 million, or 0.3%, compared to 30 September 2012. The small decrease was due to a lower investment amount in an associate due to its share of losses of Baht 11.4 million, the sale of two ROV's



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with costs of Baht 161.9 million, and a decrease of other property, plant, and equipment of Baht 21.3 million. Depreciation was Baht 214.6 million in this quarter. These reductions were offset by increased investments, primarily for the Aramco project of Baht 213.9 million and dry-docking and SPS costs of Baht 128.7 million.

Current liabilities were Baht 1,231.7 million, an increase of Baht 189.0 million, or 18.1%, from 30 September 2012, mainly due to higher accounts payable and accrued expenses of Baht 123.3 and Baht 48.9 million, respectively. Current portion of long-term loans increased Baht 29.5 million as a loan grace period expires on September 30, 2013.

Non-current liabilities were Baht 3,824.6 million, a decrease of Baht 89.8 million, or 2.3%, compared to 30 September 2012, primarily due to gain on translation of US dollar loans into Thai Baht.

Shareholders' funds were Baht 12,361.7 million, a decrease of Baht 9.3 million, or 0.1%, from 30 September 2012. Despite net profits of Baht 20.6 million, shareholders' funds were reduced by exchange rate difference when translating the balance sheet of overseas subsidiaries.

### **Working Capital**

The Company's working capital was Baht 3,091.9 million, a decrease of Baht 61.7 million, or 2.0%, from 30 September 2012, mainly driven by accounts payable increase related to the Aramco project.

### **Consolidated Cash Flow Statements**

The Company had net cash from operating activities of Baht 422.4 million in 1QFY13, a decrease of Baht 85.0 million, or 16.7%, compared to net cash from operating activities of Baht 507.4 million in 1QFY12. This was only due to a large portion of accounts receivable collected in 1QFY12. Net cash before changes in working capital in 1QFY13 was Baht 271.7 million, an increase of Baht 127.1 million, or 87.9%, compared to net cash before changes in working capital in 1QFY12 of Baht 144.6 million.

The Company had net cash used in investing activities of Baht 136.9 million in 1QFY13, an increase of Baht 89.1 million, or 186.4%, compared to net cash used in investing activities of Baht 47.8 million in 1QFY12. The mainly driven by the equipments purchased for the Aramco project, dry-docking and SPS costs. The cash received from two ROVs disposals of Baht 148.3 million were made in this quarter.

The Company had net cash used in financing activities of Baht 44.8 million in 1QFY13, a decrease of Baht 247.9 million, or 84.7%, compared to net cash used in financing activities of Baht 292.7 million in 1QFY12. Repayments of long-term loans of Baht 292.0 million were made in 1QFY12.



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### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

#### **Subsea:**

The Group has observed greater demand for offshore vessels in general. The subsea fleet that comprises dive support vessels (“DSVs”) and remotely operated vehicle (“ROV”) support vessels is experiencing strong demand across multiple geographic regions. The subsea business is operating with higher day rates due to the provision of value-added services and longer contract durations, as evidenced by the number of recent contract awards. The Group continues to focus on higher vessel yields and longer contract durations in growth areas, such as the Middle East and SE Asia. The Group is cautiously optimistic that the outlook in the oil and gas industries will be positive in the next 12 months given the increasingly stable global economic environment, resulting in higher fleet utilisation and average day rates over the next 12 months.

#### **Drilling:**

With regard to the tender rig market outlook, tender rigs of five years and below have reported utilisation rates as high as 100%, with older tender rigs reportedly achieving utilisation rates as high as 85%. The Group has noted recent announcements of new tender rig construction by other entities, indicating a renewed market interest in the tender rig sector driven by fleet replacement and attractive potential returns. The MTR-1 continues to operate as an accommodation barge support unit in Indonesia with its current contract expiring in July 2013. The Company is marketing the MTR-1 for continued work as an accommodation barge support unit beyond this term. The MTR-2 is undergoing a special periodic survey and is in discussions with its existing client on a contract renewal.

The overall demand for premium jack-ups rigs remains strong in 2013. Demand growth is expected to be global with the strongest demand growth expected in the Middle East and the Pacific Rim. The utilisation rate for newer jack-up rigs, built after 1990 with more than 300 feet water depth capacity, remains above 90% globally. Oil companies continue to show a preference for newer equipment due to their superior technical capacities and operational flexibility. In this sector, the overall market development suggests a positive trend in terms of rig demand, utilisation rates, contract terms, and day rate levels.



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**11. If a decision regarding dividend has been made:-**

*(a) Whether an interim (final) ordinary dividend has been declared (recommended); and*

Not applicable.

*(b) (i) Amount per share.....cents*

Not applicable.

*(b) (ii) Previous corresponding period.....cents*

Not applicable.

*(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).*

Not applicable.

*(d) The date the dividend is payable.*

Not applicable.

*(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.





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### **13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No general mandate from shareholders for IPTs and no interested person transactions of the Company over than S\$ 100,000, or THB 2,528,350, for the three-month period that ended on 31 December 2012 existed.

### **14. A reconciliation of difference between Thai GAAP to IFRS.**

Currently, the Company has applied IAS 12: Income Taxes in its Thai GAAP financial statements. The Company received a waiver from Singapore Exchange Limited and has not applied IAS 21: The Effects of Changes in Foreign Exchange Rates. Therefore, the significant difference between Thai GAAP and IFRS financial statements is clarified below.

#### The Effects of Changes in Foreign Exchange Rates

##### Thai GAAP

Thai GAAP does not require a determination of the functional currency (the currency of the primary economic environment in which the entity operates). The measurement currency as presented in the Thai GAAP financial statements is the local currency of Thai Baht for companies registered in Thailand.

##### IFRS

IFRS requires each individual entity included in the reporting entity to determine its functional currency and measure its results and financial position in that currency.

##### Impact

Because the functional currency of Mermaid Offshore Services Ltd., MTR-2 Ltd., and PT Seascapes Surveys Indonesia as considered material to the consolidated level, is in US Dollars, accounting records need to be measured in the functional currency. This would affect all statements of financial position and statement of comprehensive income line items.

The net effects on the consolidated statement of comprehensive income for the periods that ended on 31 December 2012 and 2011 and consolidated statements of financial position as at 31 December 2012 and 30 September 2012 can be summarised as follows:



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	Net effects on Consolidated Statement of Comprehensive Income for the three-month period that ended on 31 December 2012		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	1,618.32	1,618.32	-
Total cost of services	1,368.39	1,368.39	-
Administrative expenses	175.12	175.12	-
Operating profits (losses)	93.19	43.16	(50.03)
Net profits (losses) for the year	20.63	(29.40)	(50.03)

	Net effects on Consolidated Statement of Comprehensive Income for the three-month period that ended on 31 December 2011		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total service income	1,151.41	1,151.41	-
Total cost of services	1,024.55	1,024.55	-
Administrative expenses	183.32	183.32	-
Operating profits (losses)	(15.24)	40.02	55.26
Net profits (losses) for the year	(78.59)	(23.33)	55.26

	Net effects on Consolidated Statements of Financial Position as at 31 December 2012		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,323.59	4,319.02	(4.57)
Total non-current assets	13,094.44	13,152.01	57.57
Total current liabilities	1,231.69	1,254.32	22.63
Total non-current liabilities	3,824.64	3,826.38	1.74

	Net effects on Consolidated Statements of Financial Position as at 30 September 2012		
	Thai GAAP	IFRS	Changes
	Million Baht	Million Baht	Million Baht
Total current assets	4,196.22	4,215.96	19.74
Total non-current assets	13,131.89	13,200.35	68.46
Total current liabilities	1,042.63	1,063.48	20.85
Total non-current liabilities	3,914.44	3,937.62	23.18



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**15. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors of the Company that may render the unaudited financial results for the first quarter that ended on 31 December 2012 of the Group and the Company to be false or misleading.

**BY ORDER OF THE BOARD**

Mr. Prasert Bunsumpun  
Chairman of the Board  
14 February 2013