

# MERMAID MARITIME PUBLIC COMPANY LIMITED (“MMPLC”)

Analyst Presentation

Q3/2008 (30 June 2008)

26 August 2008





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# Contents



- 🚢 Analysis of consolidated P&L statement
- 🚢 Segmental analysis
  - **Mermaid Drilling (MDL)**
  - **Mermaid Offshore Services (MOS)**
- 🚢 Financial ratios and debt repayment schedule
- 🚢 Analysis of consolidated balance sheet

# Analysis of consolidated P&L statement





# Consolidated P&L statements

## Period: Q3/07 vs Q3/08 vs Q2/08 (3 months period)



	Q3/07	Q3/08	Q2/08	Increase (decrease) between Q3/08 vs Q2/08		Ref.
	30/6/07	30/6/08	31/3/08	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Service income	1,186,143	1,435,298	1,075,050	360,248	34%	A
Cost of services	(874,554)	(1,021,338)	(734,390)	286,948	39%	B
<b>Gross profit from sales and services</b>	311,589	413,960	340,660	73,300	22%	
Service and administrative expenses	(73,653)	(183,430)	(296,023)	(112,593)	(38%)	C
Interest income	7,539	4,663	3,309	1,354	41%	
Gain/(loss) on exchange rates	14,317	225,816	(16,077)	241,893	1505%	D
Net gain /(loss) on write off equipment	(24,442)	(4,597)	766	5,363	701%	E
Other income	16,784	1,772	70,121	(68,349)	(98)%	F
<b>Operating profit</b>	252,134	458,184	102,756	355,428	346%	



# Consolidated P&L statements

## Period: Q3/07 vs Q3/08 vs Q2/08 (3 months period)



	Q3/07	Q3/08	Q2/08	Increase (decrease) between Q3/08 vs Q2/08		Ref.
	30/6/07	30/6/08	31/3/08	Baht'000	%	
	Baht'000	Baht'000	Baht'000			
Share of profit from an associate	-	10,124	7,428	2,696	36%	G
<b>Profit before interest expense and income taxes</b>	252,134	468,308	110,184	358,124	325%	
Interest expenses	(41,629)	(26,794)	(30,789)	3,995	13%	H
<b>Profit before income taxes</b>	210,505	441,514	79,395	362,119	456%	
Income taxes	945	14,580	34,492	19,912	58%	I
<b>Net profit for the period</b>	211,450	456,094	113,887	342,207	300%	
<b>Depreciation and amortisation</b>	125,305	165,881	138,317	27,564	20%	
<b>EBITDA (Including FX Impact)</b>	377,439	624,065	241,073	382,992	159%	
<b>EBITDA (Excluding FX Impact)</b>	363,122	398,249	257,150	141,099	55%	



## Analysis of P&L statement: Q3/08 vs Q2/08



A	Increased significantly as result of: MTR2 return to operation, Baht 158 million, Sesacape Group contribution of Baht 50 million, and MOS's revenue increase of Baht 152 million, (primarily Mermaid Commander 100% utilisation this quarter vs. drydocking in previous quarter. Mermaid Commander operated only 36 days in
B	Q2/08) Increased mainly from all costs relating to MTR2 and Mermaid Commander, such as depreciation expense and crew costs, are presented as cost in this quarter, rather than admin expense as per previous quarter.
C	Decreased significantly due to MTR2 and Mermaid Command return to operation. So, costs such as crew cost/depreciation are presented as cost of service rather than admin expense.
D	Gain on exchange rate increased significantly due to strengthening of SGD vs THB. (22.63 @ 31 Mar 08 to 24.48 @ 30 Jun 08)
E	Loss on write off equipment mainly from refurbishment MTR2 of Baht 3.8 million.
F	Decreased significantly due to one time insurance claim of Baht 68 million recognized in Q2/08 compared to previous quarter.
G	Share of profit from an associate, WCI, in this quarter was higher than previous quarter due to higher day rates
H	Decreased relative to loan repayment schedule
I	Positive amount of income tax derived from deferred tax assets recognition from MTR2's loss incurred in this quarter

# Segmental analysis







## MTR-1 continues excellent operational efficiency...



### MTR-1 :

- Utilization was 99.3% for the quarter and was 99.9% in July.
- Current contract now expected to be completed in Q3 CY2009.
- Day rate will re-price at end of current contract. Discussions initiated with new customers.



...MTR-2 resumed operations



## **MTR 2 : Recommenced contract on April 22<sup>nd</sup>**

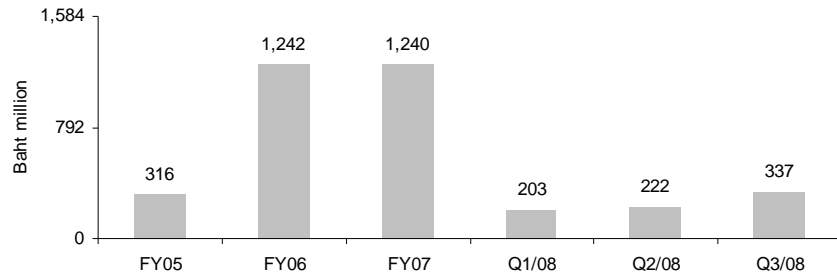
- Current contract now expected to be completed in Q2 CY2010
- Completed extensive refurbishment / upgrade to critical rig components
- Utilization was 28.9%, 67.2% and 99.7% in April, May and June, respectively, and was 99.8% in July.



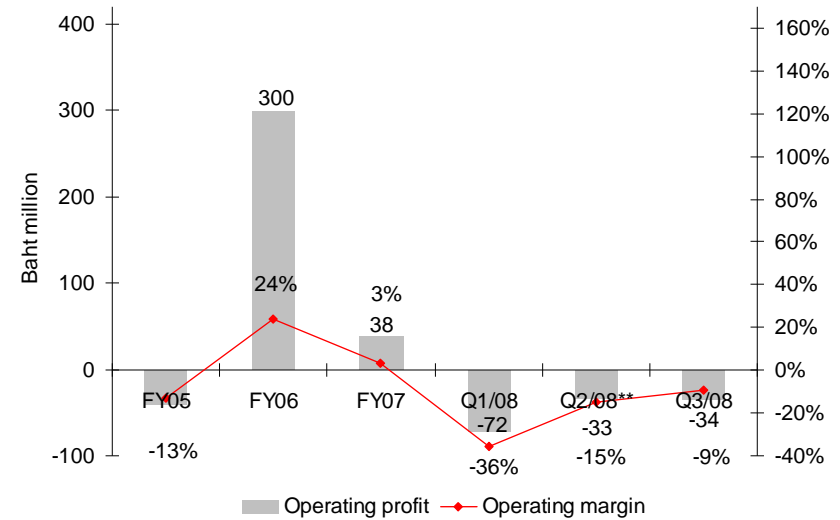
# Drilling financial performance continued to lag in Q3, 2008....



## Sales



## Operating profit and margin (Excl. Forex)



\*\*Q2/08 included insurance claim of Baht 68 million

## Mermaid Drilling



## ...although longer term prospects for Mermaid Drilling remain positive...



- ① Newbuild (KM 1) project on schedule
- ① Contract award for KM 1 pending
- ① Dialogue with customers ongoing for additional newbuild rigs
- ① MTR 1 re-pricing Q3 CY2009 and MTR 2 in Q2 CY2010
- ① Appointment of new Drilling Manager in August 2008



## ...and the broader market outlook for drilling services remains robust



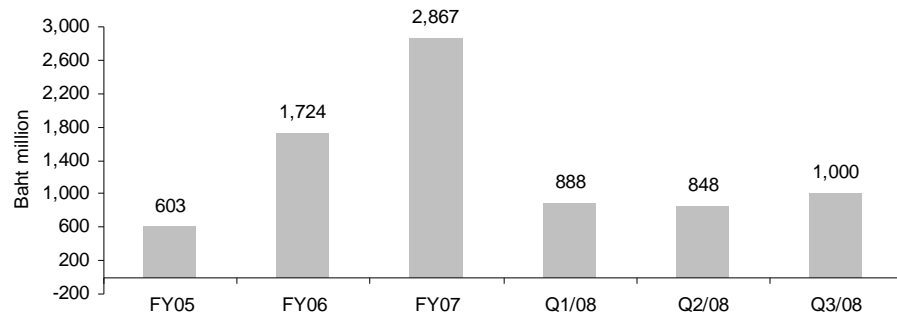
- 🚢 Tender rig utilization remains high
- 🚢 Recent fixtures reported at dayrates exceeding US\$120K
- 🚢 Operator planned activity still identifies long term tender rig shortfall
- 🚢 Customers have already commenced discussions to secure rigs on completion of current contracts



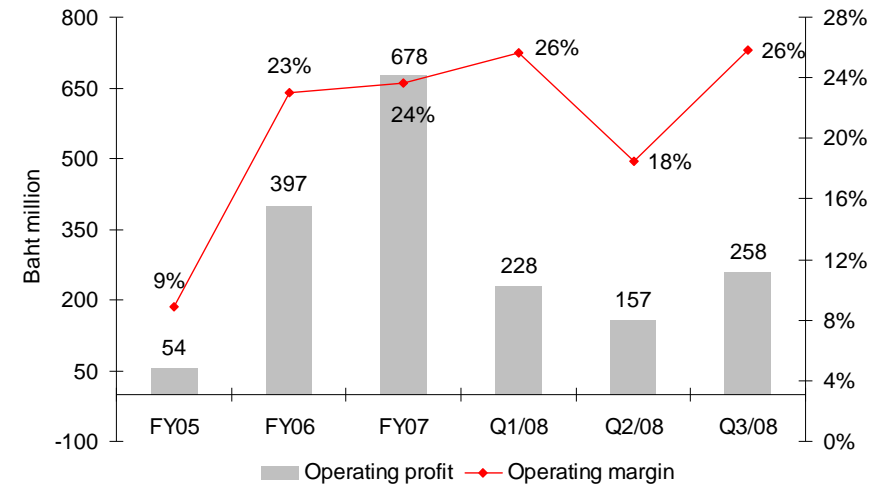
# Mermaid Offshore continued its excellent performance in Q3, 2008...



## Sales



## Operating profit and margin (Excl. Forex)



**Mermaid Offshore**



**...with continued appreciation of day rates driven by strong client demand and limited availability of specialized vessels**



- ① High utilization continues in Q3 (FY)
- ① MOS standards, exemplary safety performance and quality of performance ensure repeat business
- ① Chinese market continues to secure specialized vessel (DSV) contracts
- ① Selected long term contracts under review with key customers
- ① Newbuilds still scheduled for delivery in Q3 and Q4 CY2009
- ① AME (MOS associate) accepted delivery of newbuild DP2 vessel in August 2008

# Financial Ratios and Debt Repayment Schedule







## Selected financial ratios



	Q3/08	Q2/08
Average receivable turnover (days)	67	75
Average payable turnover (days)	28	32
Debt to equity ratio (Times)	0.20	0.21
Net asset value per share* (Baht)	17.01	16.19
Debt to EBITDA** (Times)	1.17	1.86

\* using outstanding issued shares at end of period

\*\* equivalent to full year for comparison

**Retaining financial flexibility to fund future opportunities**



# Debt repayment schedule



As at 30 June 2008, total outstanding long-term debt was equivalent to USD 54,618,559.

Due to repay in years (USD)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Repayment Amount	2,892,264	11,866,155	11,966,155	11,052,645	7,623,341	4,624,000	4,594,000

**85% of total debt denominated in USD**

# Analysis of consolidated balance sheet





## Consolidated balance sheets as at 30 June 2008 and 31 March 2008



Assets	30 Jun 08 Baht'000	31 Mar 08 Baht'000	Increase (Decrease)		Ref.
			Baht'000	%	
Cash & Deposits	3,237,882	3,796,340	(558,458)	(15%)	I
Trade Debtors	1,315,956	970,097	345,859	36%	II
Related Debtors	184	23	161	700%	
Spare Parts and Inventories	176,278	130,379	45,899	35%	III
Short-term loan to related party	32,149	30,792	1,357	4%	IV
Other Current Assets	203,729	249,953	(46,224)	(18%)	V
Other L-T Assets	983,798	601,327	382,471	64%	VI
Fixed Assets and Intangible assets	5,668,765	5,277,010	391,755	7%	VII
<b>Total Assets</b>	<b>11,618,741</b>	<b>11,055,921</b>	<b>562,820</b>	<b>5%</b>	



## Consolidated balance sheets as at 30 June 2008 and 31 March 2008



Liabilities	30 Jun 08 Baht'000	31 Mar 08 Baht'000	Change		Ref.
			Baht'000	%	
Trade Creditors	367,636	328,571	39,065	12%	VIII
Related Creditors	-	520	(520)	(100%)	
Current Portion: L-T Borrowings	405,228	386,160	19,068	5%	IX
Other Current Liabilities	186,598	110,854	75,744	69%	X
Other Non-Current liabilities	8,171	4,553	3,618	80%	XI
L-T Borrowings	1,443,189	1,465,202	(22,013)	2%	IX
<b>Total Liabilities</b>	<b>2,410,822</b>	<b>2,295,860</b>	<b>114,962</b>	<b>5%</b>	



## Consolidated balance sheets as at 30 June 2008 and 31 March 2008



Equity	30 Jun 08 Baht'000	31 Mar 08 Baht'000	Change		Ref.
			Baht'000	%	
Share Capital & Share premium	7,014,633	7,014,633	-	-	
Reserves	32,774	32,774	-	-	
Shareholders Funds	1,923,576	1,465,615	457,961	32%	
Difference of translation adjustment	1,780	21,529	(19,749)	(92%)	
Minorities	235,156	225,510	9,646	5%	XII
<b>Total Equity</b>	<b>9,207,919</b>	<b>8,760,061</b>	<b>447,858</b>	<b>6%</b>	
<b>Total Liabilities + Equity</b>	<b>11,618,741</b>	<b>11,055,921</b>	<b>562,820</b>	<b>5%</b>	



## Analysis of consolidated balance sheet between 30 June 2008 and 31 March 2008 ...



I	Cash consumed for payment of asset acquisitions and SPS costs.
II	Increased due to: MTR2 resumed to operation in mid-quarter resulting in outstanding A/R of Baht 129 million at end of quarter, additional A/R from first time consolidation of Seascope Group of Baht 63 million, and increase in MOS's A/R of Baht 140 million
III	Increased due to purchase of necessary spare part stock for new vessel, Mermaid Sovereign of Baht 45 million
IV	Short-term loan to an associate, Worldclass Inspiration Sdn. Bhd. ("WCI") of Baht 32.1 million, bearing interest at the rate of Libor plus 3.5% per annum. The loan is unsecured and repayable at call. The loan is in MYR currency and changed from exchange rate translation using exchange rate at period end
V	Decreased mainly settlement of advance for business expenses of Baht 34 million.
VI	Increased from: goodwill of 181 M.B from acquisition of Seascope Group last quarter, deposit for purchase of fixed assets of 130 M.B., profit sharing from AME of 10 M.B and additional deferred tax of 28 M.B
VII	Increase due to: refurbishment cost of MTR2 of Baht 350 million, 20% installment of ROV Quasar (second) of Baht 23 million, last payment for Mermaid Sovereign of 67 M.B., second installment for saturation diving system of 35 M.B. for Mermaid Asiana, purchase of other fixed assets of Baht 50 million, and from first time consolidation of Seascope's assets of Baht 20 million, less depreciation of Baht 164 M.B
VIII	Increased mainly from MTR2 return to operation and first time consolidation of Seascope Group.
IX	Net decreased mainly from loan repayment based on schedule, less unrealised loss on exchange rate from USD strengthening from 31.71 @ 31 Mar 08 to 33.32 @ 30 Jun 08.
X	Increased mainly from outstanding non-trade payable from purchase of fixed assets of Baht 45 million, accrued VAT payable of Baht 30 million resulting from increase of revenue.
XI	Increased mainly from first time consolidation of Seascope Group in this quarter
XII	Increased mainly from 20% minority interest of Seascope Group

End

