



MERMAID MARINE  
AUSTRALIA LTD

# 2012 - Full Year Results Presentation

## August 2012



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# 2012 Highlights

## Continued strong growth

### Financial

- Revenue \$380.4 million, ↑33.3%
- Pre-tax profit \$71.6 million, ↑23.0%
- Net profit after tax \$51.0 million, ↑18.3%
- Earnings per share of 23.4c, ↑10.9%
- Final Dividend 6c per share; full year 11c per share ↑22.2%
- Operating Cashflow \$79.6 million, ↑ 0.1%
- Cash at bank \$55.3 million

### Operating

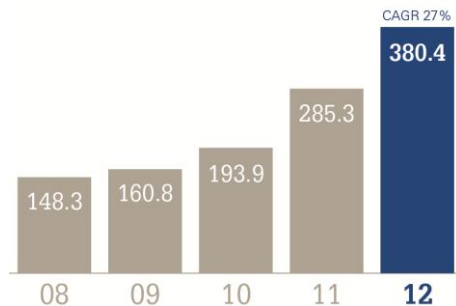
- Strong Balance Sheet – Gearing (Net Debt/Equity) 32.0%
- Continued improvement in our safety performance
- Continued to expand the vessel fleet
- Significantly expanded our Supply Base facilities at Dampier (Bis acquisition)
- Broome Supply Base activity increasing
- Outlook remains positive with a number of large LNG projects sanctioned for development in the region



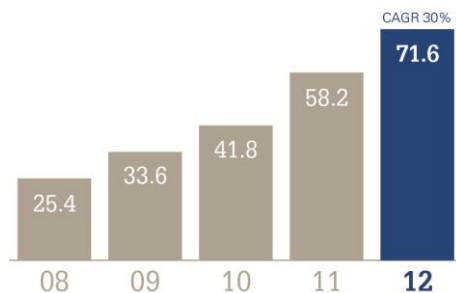
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# Key Performance Ratios

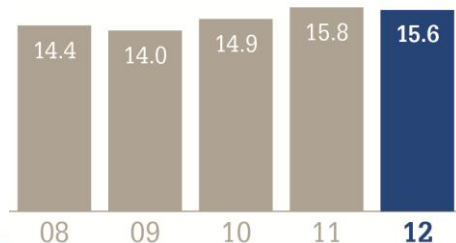
Revenue \$380.4m ↗ 33.3%



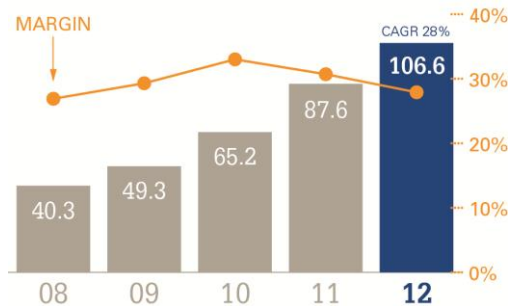
Profit before tax \$71.6m ↗ 23.0%



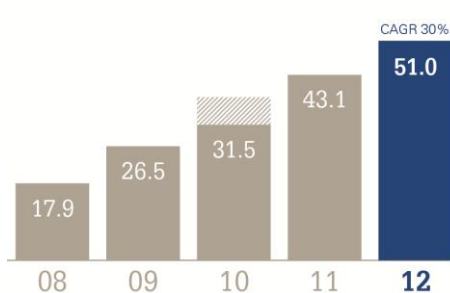
Return on assets 15.6% ↘ 0.2%



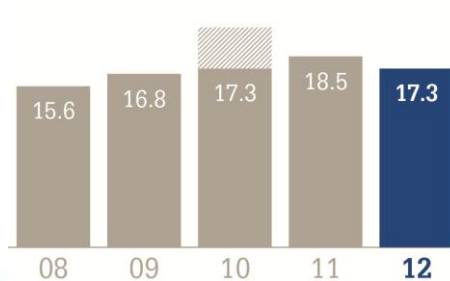
EBITDA \$106.6m ↗ 21.7%



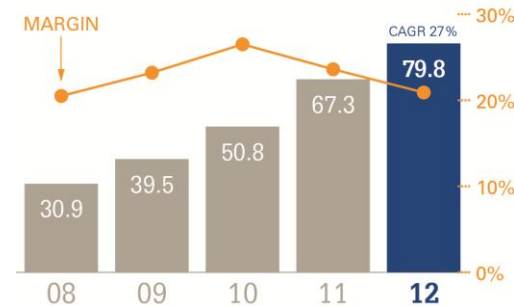
NPAT \$51.0m ↗ 18.3%



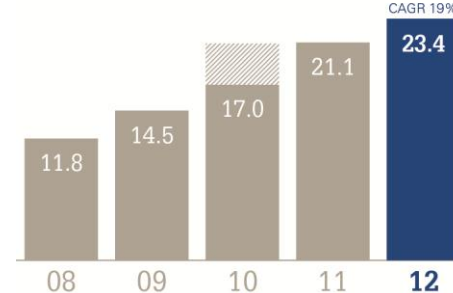
Return on equity 17.3% ↘ 1.2%



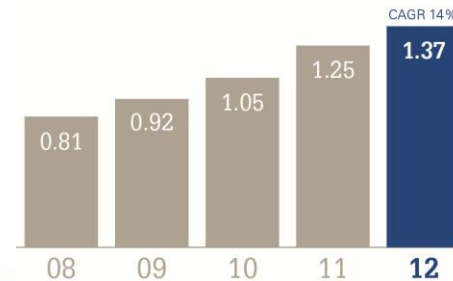
EBIT \$79.8m ↗ 18.6%



EPS 23.4c ↗ 10.9%



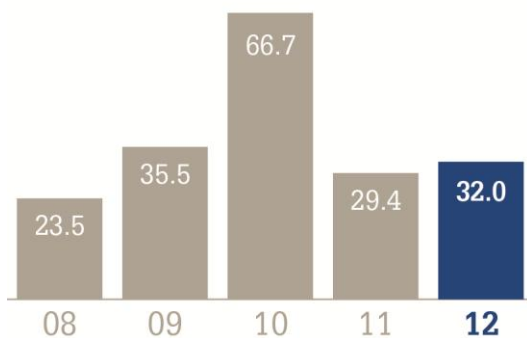
NTA per share \$1.37 ↗ 9.6%



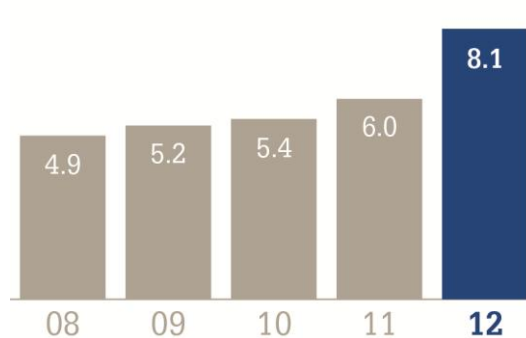
# Key Liquidity Ratios

## Strong balance sheet position

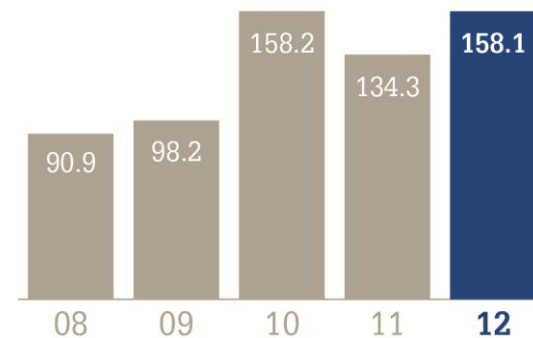
Gearing 32.0%



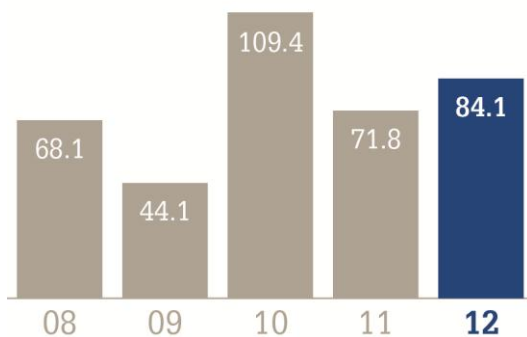
Interest cover 8.1x



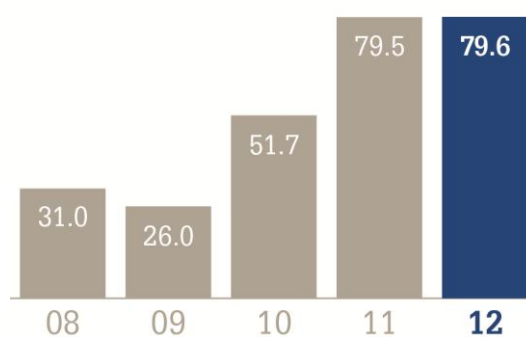
Int bearing liabilities \$158.1m



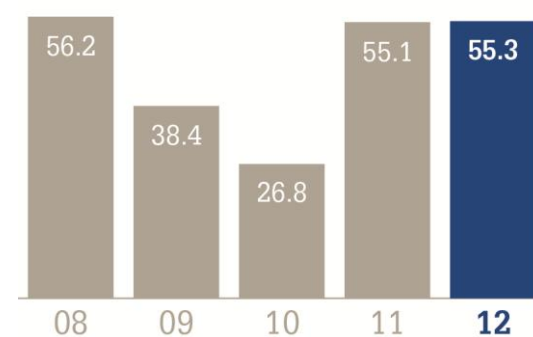
Capital expenditure \$84.1m



Operating free cashflow \$79.6m



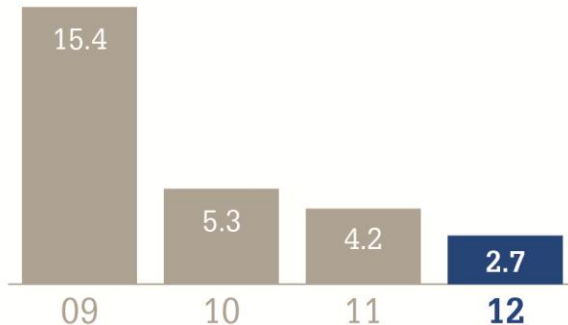
Cash at bank \$55.3m



## Continued focus and improvement in our safety performance

- Continued improvement in safety performance - TRCF reduced by 36% to 2.7 in FY2012
- Relentless focus on an “incident free” workplace
- Behavioural Based Safety System “MATES”
- Enhanced safety focus across the organisation
- Compliant with all environmental regulations, licenses and Ministerial Conditions

**Total recordable case frequency**



## A solid year boosted by exceptional first half performance



# Vessel Operations



## Financial highlights

- Revenue up 30.1%; EBIT up 23.0%
- Margins down slightly
- ROA stable

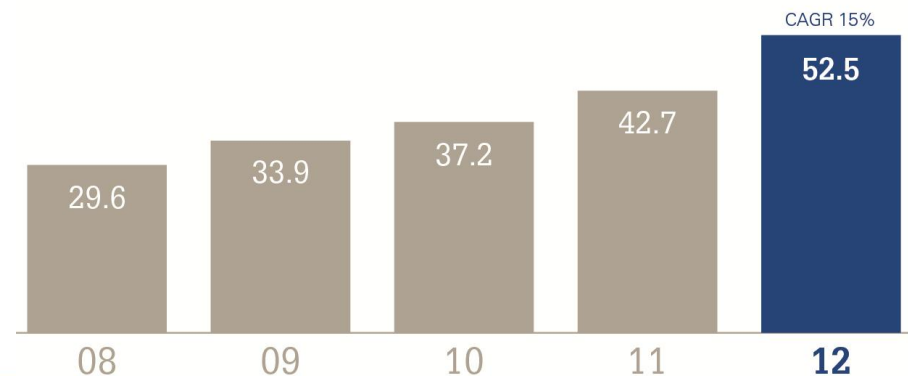
## Operational highlights

- Average utilisation 77%, 2<sup>nd</sup> half utilisation lower but improving again leading into FY13
- Australian construction activity driving demand
- Continued our fleet expansion strategy:
  - OSVs - Mermaid Strait (delivered Apr-12); Mermaid Cove (delivery due Jan-13)
  - PSVs - Mermaid Leveque (delivered Oct-11); commenced construction of 2<sup>nd</sup> Medium PSV (delivery due Nov-13)
- Recently signed contract extensions valued at \$60m
- International market challenging but have been successful in broadening international customer base

## Vessel Financials

	Variance	30 Jun 2012	30 Jun 2011
Revenue	↑ 30.1%	\$275.5M	\$211.7M
EBITDA	↑ 25.9%	\$73.0M	\$58.0M
EBITDA / Revenue	↓ 0.9%	26.5%	27.4%
EBIT	↑ 23.0%	\$52.5M	\$42.7M
EBIT / Revenue	↓ 1.1%	19.1%	20.2%
Segment Assets	↑ 13.3%	\$314.0M	\$277.2M
ROA (averaged)	↓ 0.1%	17.8%	17.9%

## Vessel EBIT \$m





# Dampier Supply Base



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## Strong earnings growth and continued expansion



# Dampier Supply Base



## Financial highlights

- Revenue up 50.8%; EBIT up 20.7%
- Margins impacted by rising costs (labour, land rentals and outgoings) and different activity mix
- ROA remains high

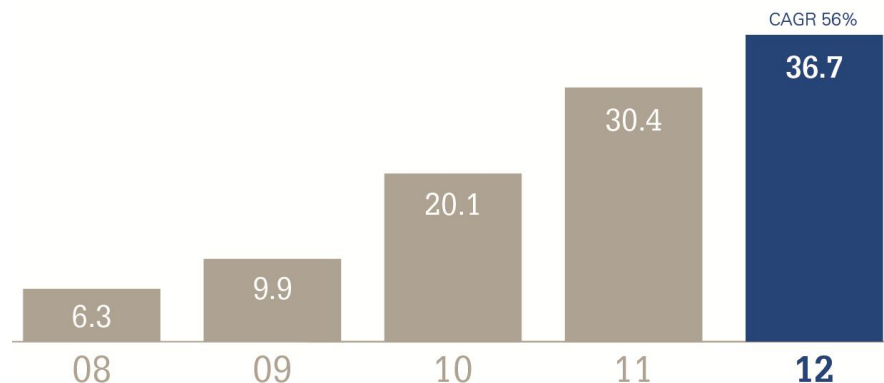
## Operational highlights

- Challenging first half offset by strong second half performance
- Significantly expanded facilities in Dampier via Bis acquisition (Dec-11)
  - 60% increase in land area
  - strong demand for new facility
- Strong construction activity:
  - larger cargo volumes, additional personnel and land requirements
- Increased drilling activity:
  - supporting Chevron, Exxon, BHPB, Hess, Apache, Santos
- Finalised new 3 year EBA

## Dampier Supply Base Financials

	Variance	30 Jun 2012	30 Jun 2011
Revenue	↑ 50.8%	\$92.6M	\$61.4M
EBITDA	↑ 20.5%	\$41.7M	\$34.6M
EBITDA / Revenue	↓ 11.4%	45.0%	56.4%
EBIT	↑ 20.7%	\$36.7M	\$30.4M
EBIT / Revenue	↓ 9.9%	39.6%	49.5%
Segment Assets	↑ 46.9%	\$163.3M	\$111.2M
ROA (averaged)	↓ 1.3%	26.8%	28.1%

## Dampier Supply Base EBIT \$m



# Dampier Supply Base



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# Dampier Slipway



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**Solid financial performance supporting MMA fleet and third party vessels**



# Dampier Slipway

## Financial highlights

- Revenue \$24.8m
- EBIT \$2.1m
- ROA – 15.2%

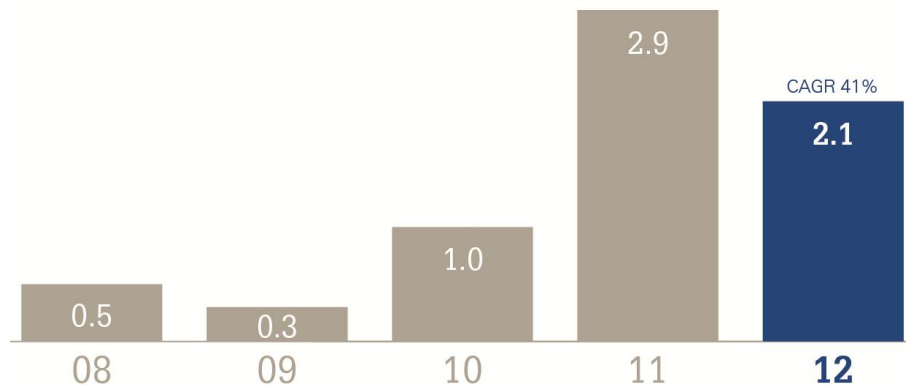
## Operational highlights

- Strategic asset – critical to maintaining flexibility in MMA's fleet
- Third party vessel work remained high
- Docked 54 vessels (FY11: 42)

## Financials

	Variance	30 Jun 2012	30 Jun 2011
Revenue	↑ 4.2%	\$24.8M	\$23.8M
EBITDA	↓ 22.9%	\$2.7M	\$3.5M
EBITDA / Revenue	↓ 3.8%	10.9%	14.7%
EBIT	↓ 27.6%	\$2.1M	\$2.9M
EBIT / Revenue	↓ 3.7%	8.5%	12.2%
Segment Assets	↓ 1.4%	\$13.7M	\$13.9M
ROA (averaged)	↓ 8.8%	15.2%	24.0%

## Slipway EBIT \$m



# Broome Supply Base



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**Activity in Broome is increasing with two major LNG projects now in early development phase**



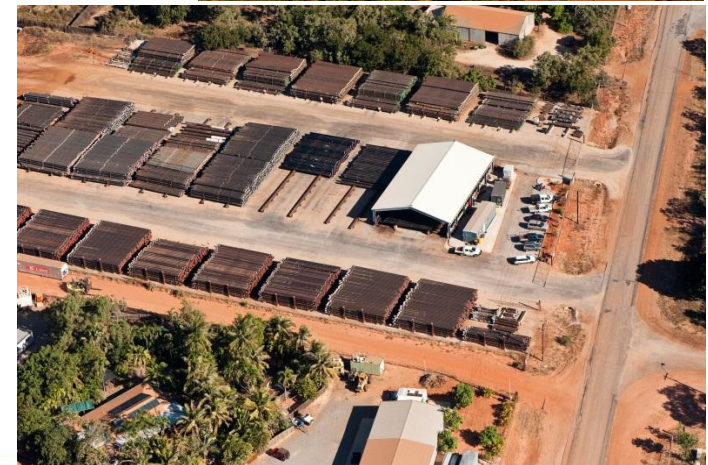
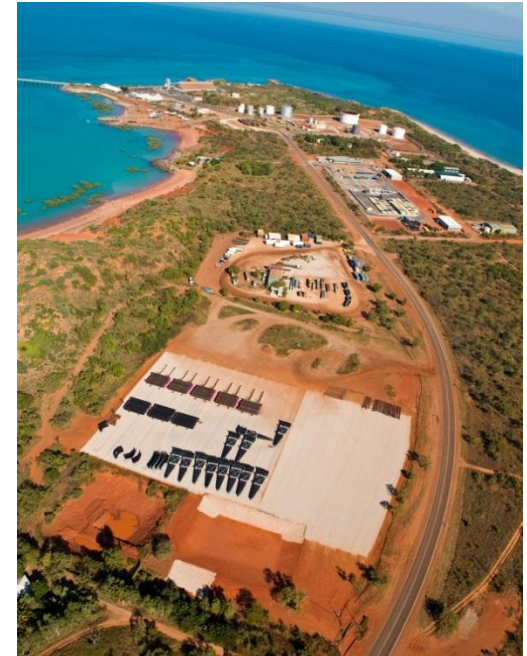
# Broome Supply Base

## ▪ Financial highlights

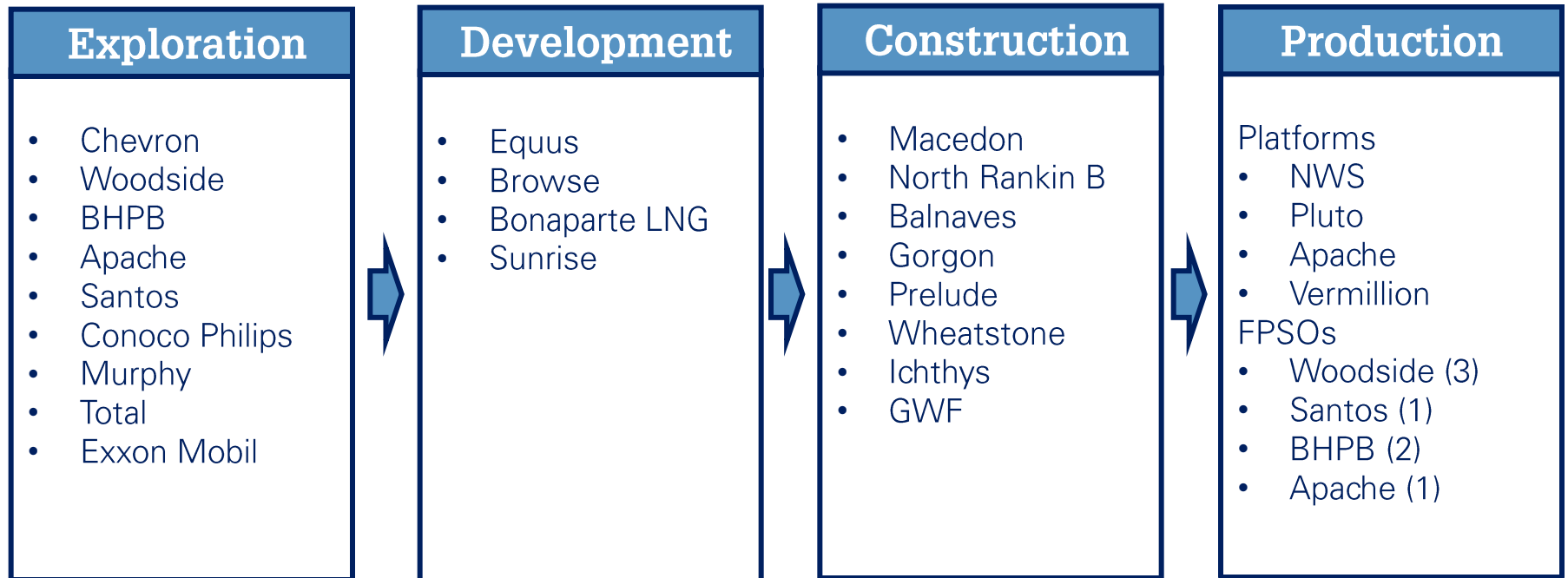
- MMA's share of JV NPAT \$0.4m (FY11 \$0.1m loss)

## ▪ Operational highlights

- Conoco Phillips drilling campaign underway
- Commenced 2 year contract providing logistics services for Gorgon project
- 2 major projects in the region now sanctioned (Shell Prelude FLNG, INPEX Ichthys)
- Signed 5 year supply base contract with Shell to support the Prelude project
- Drilling campaigns planned by other Global oil and gas clients during FY13
- Continuing to invest in infrastructure to meet expanding client requirements



**Investment in the Australian Oil and Gas sector from Exploration through to Production remains at historical highs.**

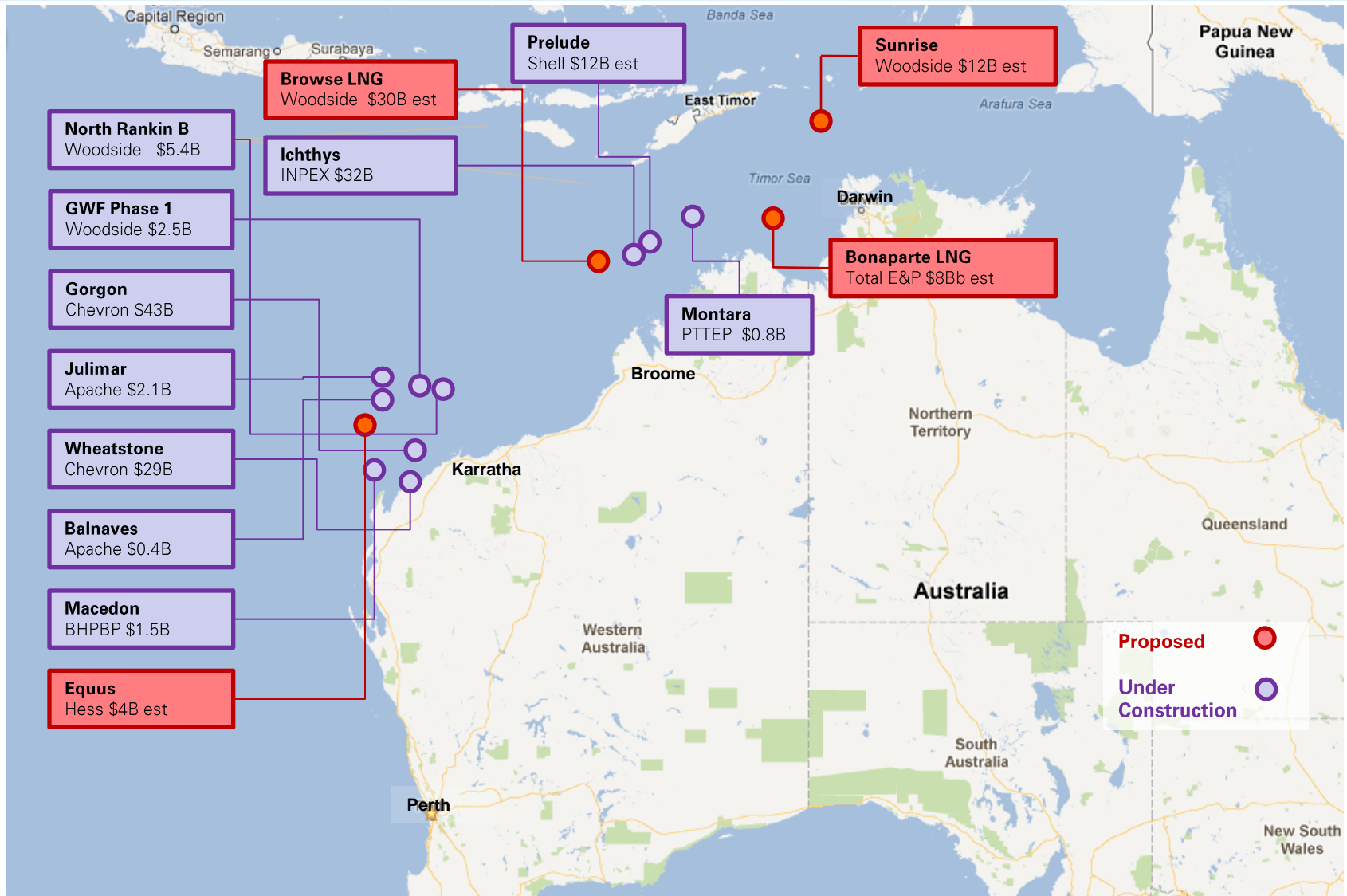




# Map of Northern Australian Oil and Gas Projects



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Note: MMA internal estimates are based on comparable sanctioned projects

[www.mma.com.au](http://www.mma.com.au)

- Delivered another year of strong earnings growth in FY12
- Continued to focus on and achieve improvement in our safety performance
- Diversified service offering key to Group performance
- Continuing to expand our vessel fleet and execute our PSV strategy
- Dampier Supply Base generating consistent high quality earnings
- Bis supply base acquisition provides scope for future growth
- Demand increasing for Broome JV business
- Strong Balance Sheet provides capacity to take advantage of future growth opportunities
- Positive outlook for MMA's services with a number of large projects sanctioned for development in the region
- Expect to continue earnings growth in FY13

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# Appendix 1

## Northern Australian Oil and Gas Projects



**Forecast ~\$180b expenditure on a range of projects in the NWS, Browse Basin and Timor Sea over the next 6 years**

Project	Operator	Status	Cost AUD\$	Expected Completion
Macedon	BHPB	Development	\$1.5B	2013
North Rankin B	Woodside	Development	\$5.4B	2013
Balnaves FPSO	Apache	Development (FID announced Sep 11)	\$0.4B	2014
Gorgon	Chevron	Development	\$43B	2015
Prelude	Shell	Development (FID announced May 11)	\$12B est	2016
Wheatstone	Chevron	Development (FID announced Sep 11)	\$29B	2016
Julimar	Apache	Development (FID announced Sep 11)	\$2.1B	2016
Ichthys	INPEX	Development (FID announced Jan 12)	\$32B	2016
Greater Western Flank	Woodside	Development (FID announced Dec 11)	\$2.5B	2016
Equus	Hess	FEED (FID targeted mid 2013)	\$4B est	2017
Browse	Woodside	FEED (FID targeted 2013)	\$30B est	2018
Bonaparte LNG	GDF Suez	FEED (FID targeted 2014)	\$8B est	2018
Sunrise	Woodside	Proposed	\$12B est	TBC

# Appendix 2

## Vessel Listing



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	LEVEQUE	SINGAPORE	PSV/MULTI PURPOSE	2010	-	75	6700	40
MERMAID	VIGILANCE	SINGAPORE	PSV/MULTI PURPOSE	2009	-	70	4000	50
MERMAID	DISCOVERY	SINGAPORE	AHTS/MULTI PURPOSE	2007	65	57	5500	68
MERMAID	VANQUISH	SINGAPORE	AHTS	2007	64	59	5150	42
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	67	59	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	68	8000	32
MERMAID	VOYAGER	AUSTRALIA	AHTS	2009	67	59	5150	42
MERMAID	CARVER	AUSTRALIA	AHT, AZIMUTH, OSV	2001	44	32	3500	14
MERMAID	ENDEAVOUR	AUSTRALIA	AHT, AZIMUTH, OSV	1995	48	35	4000	12
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	5800	22
MERMAID	STORM	AUSTRALIA	AHT, AZIMUTH, OSV	1994	48	34	4000	18
MERMAID	STRAIT	AUSTRALIA	AHT, AZIMUTH, OSV	2012	69	52	5800	24
MERMAID	GUARDIAN	AUSTRALIA	AHT, OSV	2005	50	40	4000	18
MERMAID	PROVIDER	AUSTRALIA	AHT, OSV	1999	50	45	4000	12
MERMAID	SENTINEL	AUSTRALIA	AHT, OSV	2006	50	40	4000	20
MERMAID	SUPPORTER	AUSTRALIA	AHT, OSV	2001	65	48	4800	24

# Appendix 2

## Vessel Listing (continued)



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	RANGER	SINGAPORE	AHT	2007	50	40	4000	20
MERMAID	RELIANCE	SINGAPORE	AHT	2010	69	50	5150	36
MERMAID	RESOLUTION	SINGAPORE	AHT	2010	69	50	5150	36
MERMAID	INVESTIGATOR	AUSTRALIA	M SURVEY, DP, MULTI PURPOSE	2006	30	54	3619	42
MERMAID	SEARCHER	AUSTRALIA	SURVEY, SUPPLY, MULTI PURPOSE	2008	34	54	3200	36
MERMAID	ACHIEVER	TUVALU	STANDBY, SURVEY, SUPPLY	1982	-	40	1619	34
MERMAID	SPIRIT	AUSTRALIA	ACCOMODATION VESSEL, SURVEY	1998	-	30	1099	32
MERMAID	ARROW	AUSTRALIA	FAST RESPONSE CREW VESSEL	2009*	-	20	1080	5
MERMAID	RESOURCE	AUSTRALIA	FAST RESPONSE CREW VESSEL	1996	-	27	2600	6
MERMAID	CHIEFTAN	AUSTRALIA	HARBOUR TUG	1969	18	20	1280	5
MERMAID	COMMANDO	AUSTRALIA	HARBOUR TUG	1981	15	20	1280	-
MERMAID	TITAN	AUSTRALIA	HARBOUR TUG	1983	9	14	800	3
MERMAID	CONSTRUCTOR	AUSTRALIA	BARGE	2003	-	76	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	76	-	-
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76	-	-

# Appendix 2

## Vessel Listing – Chartered Vessels



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
JMC	3010	SINGAPORE	BARGE	2012	-	92	-	-
BIBBY	RENAISSANCE	BARBADOS	ACCOMMODATION BARGE	1991	-	-	-	660
SEALINK	PACIFIC 287	MALAYSIA	BARGE	2004	-	82	-	-
TOLL	SANDFLY	SINGAPORE	LANDING CRAFT	2010		54	900	12
DANA	CRUZ	USA	SHALLOW DRAFT TUG	2010	14	28	1800	6
BHAGWAN	RENEGADE	NETHERLANDS	MULTICAT	2010	45	31	4000	5

# Appendix 3

## Glossary of Terms



<b>AHT</b>	Anchor Handling Tug	<b>FPSO</b>	Floating Production, Storage and Offloading
<b>AHTS</b>	Anchor Handling Tug Supply Vessel	<b>FY</b>	Financial Year
<b>CAGR</b>	Compound Annual Growth Rate	<b>JV</b>	Joint Venture
<b>DP</b>	Dynamic Positioning	<b>LNG</b>	Liquefied Natural Gas
<b>EBA</b>	Enterprise Bargaining Agreement	<b>MATES</b>	My Approach to Everyone's Safety
<b>EBIT</b>	Earnings before Interest and Tax	<b>NPAT</b>	Net Profit after Tax
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation and Amortisation	<b>NTA</b>	Net Tangible Assets
<b>EPS</b>	Earnings per Share	<b>NWS</b>	North West Shelf
<b>FEED</b>	Front End Engineering and Design	<b>OSV</b>	Offshore Supply Vessel
<b>FID</b>	Final Investment Decision	<b>PSV</b>	Platform Supply Vessel
<b>FLNG</b>	Floating Liquefied Natural Gas	<b>ROA</b>	Return on Assets
		<b>TRCF</b>	Total Recordable Case Frequency





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