

Financial Results for 1H 2015

27 August 2015



BUMIARMADA

"Knots Ahead of the Rest"

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Q2 2015 Highlights



"Knots Ahead of the Rest"



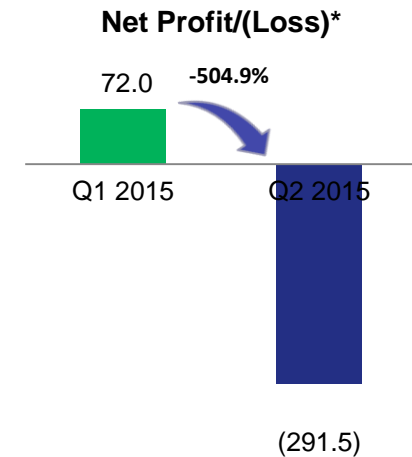
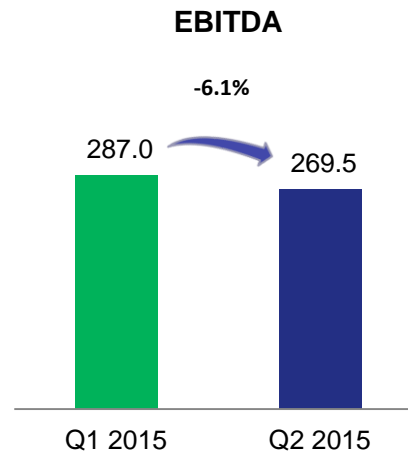
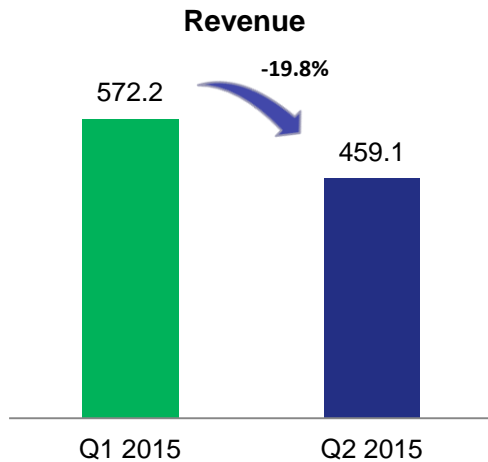
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Key takeaways

- Year to date EBITDA increased by 14.6% year-on-year to RM556.5 million.
- Net cash flows generated from operating activities increased by 53.0% year-on-year, to RM383.1 million in the first half of 2015.
- Second quarter 2015 revenue declined by 22.2% to RM459.1 million compared to the same quarter last year.
- An impairment charge of RM 383.7 million was made during the quarter in light of the weak outlook in the oil and gas sector.
- Excluding the impairment charge, the Group would have posted an adjusted net profit of RM 84.8 million for the second quarter of 2015.
- Including the impairment charge, the Group reported a net loss of RM291.5 million for the period.
- All new FPSO and FGS conversions remain on track for delivery.
- The Company's total order book as at 30 June 2015 was RM39.1 billion (RM25.8 billion of firm contracts and RM13.3 billion of optional extensions).



Results Overview – Q2 2015 vs. Q1 2015 (in RM'mil)



Revenue sequentially lower due to:

- Decline in OSV vessel utilisation
- Lower T&I activities
- Lower scheduled activity on the Kraken FPSO project and tanker operations

Incremental contribution from:

- Initial recognition of Malta FGS project

EBITDA largely unchanged due to:

- Initial recognition of Malta FGS project
- Gain on disposal of Madura EPC subsidiary
- Initial recognition of Madura FPSO project

Offset by:

- Lower contributions from OSV and T&I
- Settlement of arbitration

- Net core profit (excluding impairment charge) of RM84.8 million
- Impairment charge of RM383.7 million

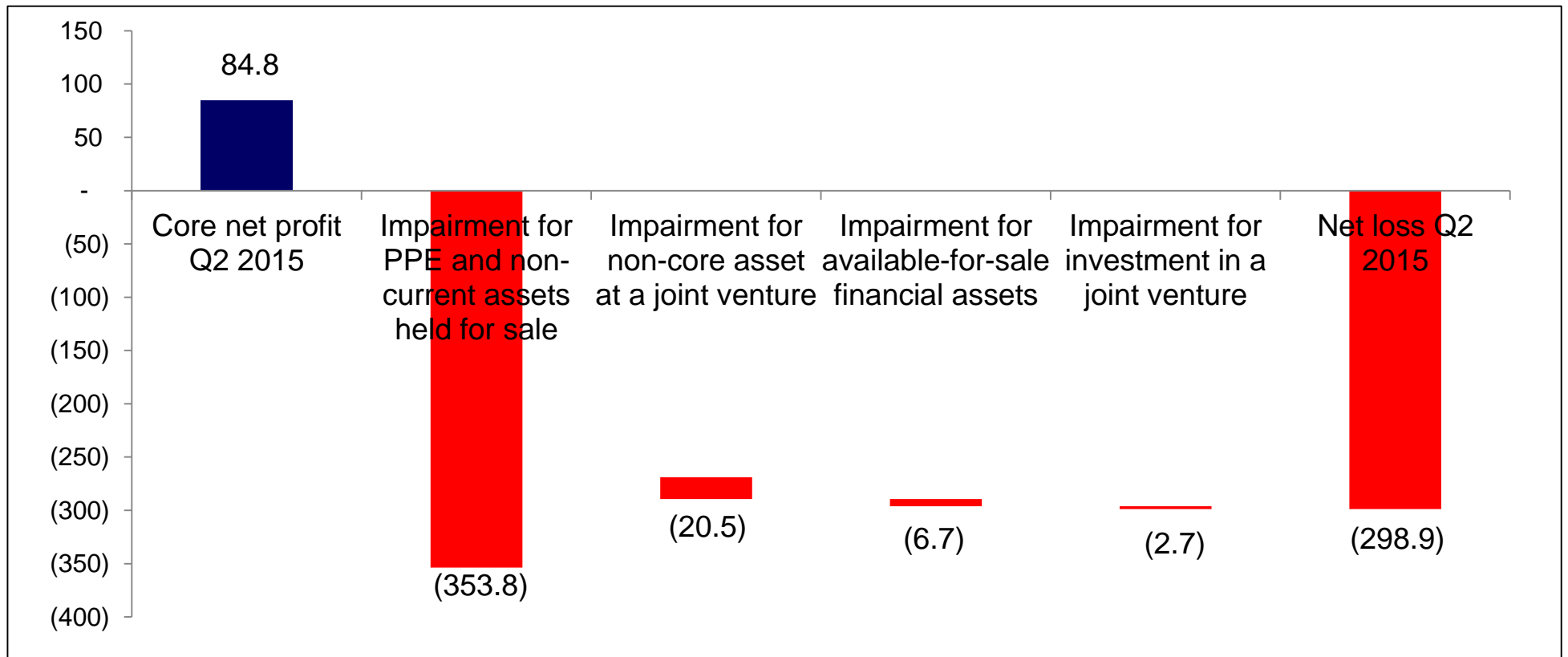
Normalised PAT

RM'mil	Q2 2015	YTD 2015
Net loss	(298.9)	(225.9)
Impairment		
- Property, plant and equipment and non-current assets held for sale	353.8	353.8
- Non-core asset at a joint venture	20.5	20.5
- Available-for-sale financial assets	6.7	8.8
- Investment in a joint venture	2.7	2.7
Core net profit	84.8	159.9

- MFRS 136 Impairment of Assets
- Estimated recoverable amount is determined based on higher of the asset's value in use (VIU) or fair value less costs to sell (FV)
- Key assumptions used in VIU calculation: Utilisation rates, daily charter rates and discount rate of 10%
- FV represents an estimate of the amount received in event the vessel is sold on a willing buyer and willing seller basis
- Impairment loss is recognised when recoverable amount of a vessel is lesser than its carrying value



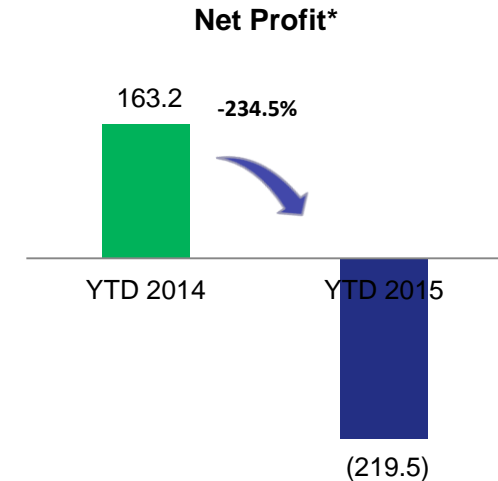
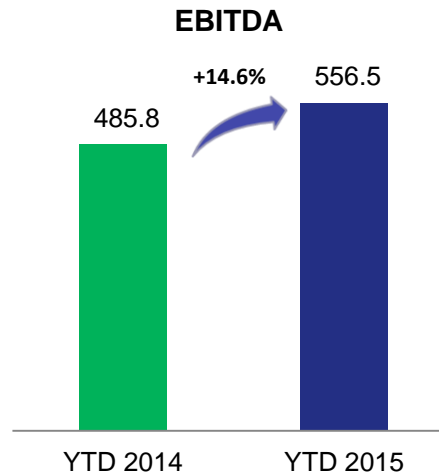
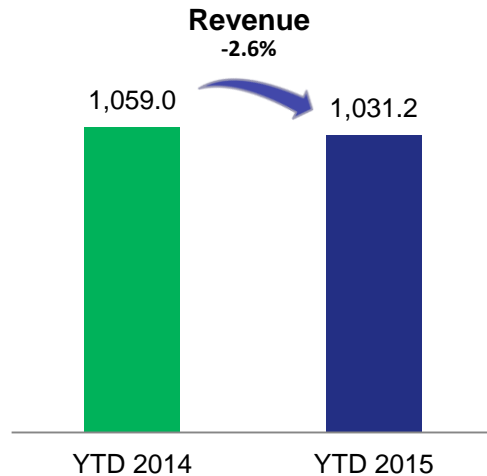
Q2 2015 PAT Clarification



Impairment of property, plant and equipment and non-current assets held for sale

	Carrying amount before impairment	Carrying amount after impairment	Impairment	
	RM'mil	RM'mil	RM'mil	%
<u>Vessels for which an impairment charge was made during the quarter</u>				
OSV	1,197	948	(249)	21%
T&I	145	40	(105)	72%
<i>Subtotal</i>	1,342	988	(354)	26%
<u>Other property, plant and equipment & non-current assets held for sale</u>				
	9,682	9,682	-	-
Total	11,024	10,670	(354)	3%

Results Overview - YTD 2015 vs. YTD 2014 (in RM'mil)



Lower due to:

- Lower activity from the Lukoil project and lower utilisation from the Armada Condor and Armada Hawk
- Lower OSV vessel utilisation

Offset by:

- Higher revenue from the Armada Installer
- Higher conversion activity from the Eni1506 FPSO project and initial revenue recognition on conversion activity from the Malta FGS project
- Higher contribution from the Armada Claire O&M and tanker operations

Higher EBITDA in line with:

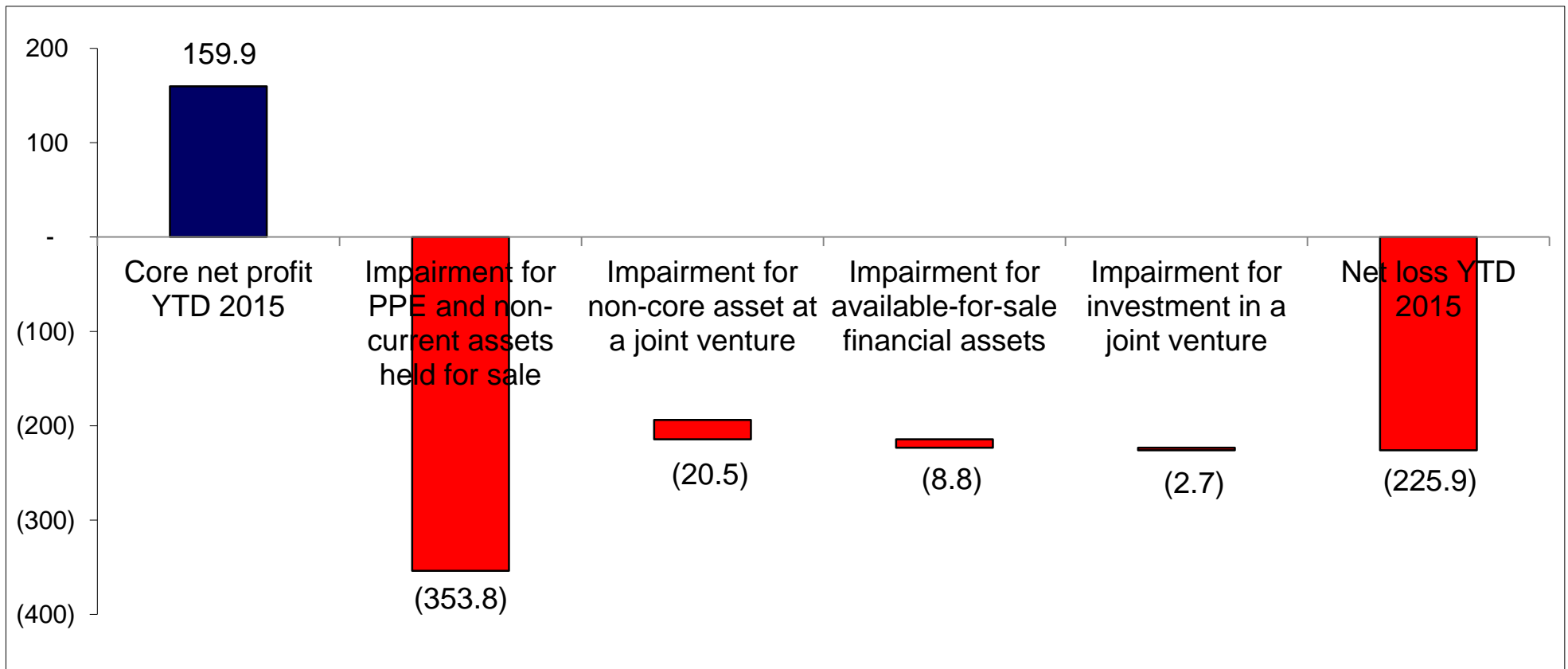
- Higher contributions from FPSO and tanker operations
- Initial recognition of Malta FGS project
- Gain on disposal of Madura EPC subsidiary
- Initial recognition of Madura FPSO project

Offset by:

- Lower contributions from OSV and T&I
- Severance charge for staff retrenchment exercise
- Settlement of arbitration

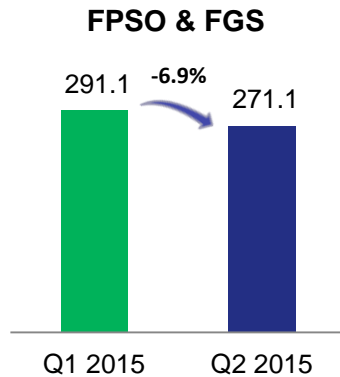
- Net core profit (excluding impairment charge) of RM159.9 million
- Impairment charge of RM385.8 million

YTD 2015 PAT Clarification

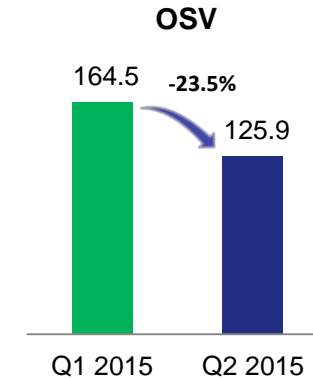


Revenue composition by segments – Q2 2015 vs. Q1 2015 (in RM'mil)

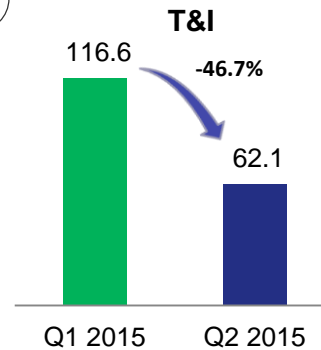
Performance in established segments driven by the underlying activities



Lower contribution from Kraken and tanker operations offset by initial revenue recognition from the Malta FGS project



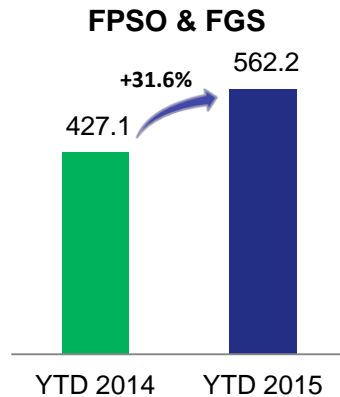
Lower OSV vessels utilisation



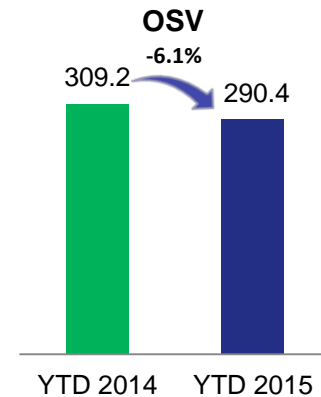
Lower activity on LukOil project and lower utilisation from the Armada Installer, Armada Condor and Armada Hawk

Revenue composition by segments – YTD 2015 vs. YTD 2014 (in RM'mil)

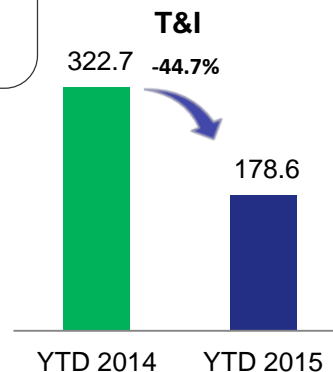
Performance in established segments driven by the underlying activities



Higher contribution from Eni 1506 FPSO project, initial recognition of revenue from the Malta FGS project, tanker operations and O&M contribution from Armada Claire



Lower OSV vessels utilisation

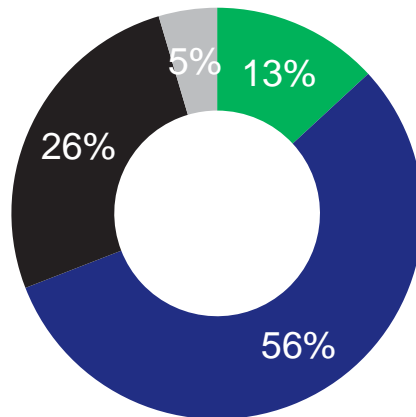


Lower contribution from the LukOil project, lower utilisation from the Armada Condor and Armada Hawk, offset by higher contribution from the Armada Installer

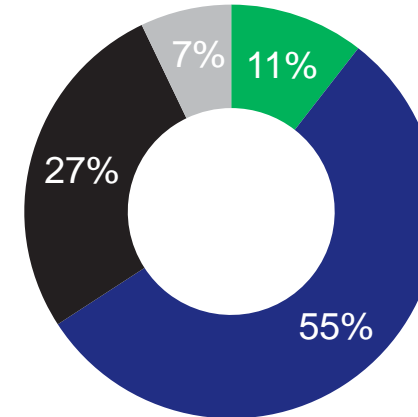
Revenue composition by geographical %

Malaysia based international company
continued expansion across key regions

YTD 2014

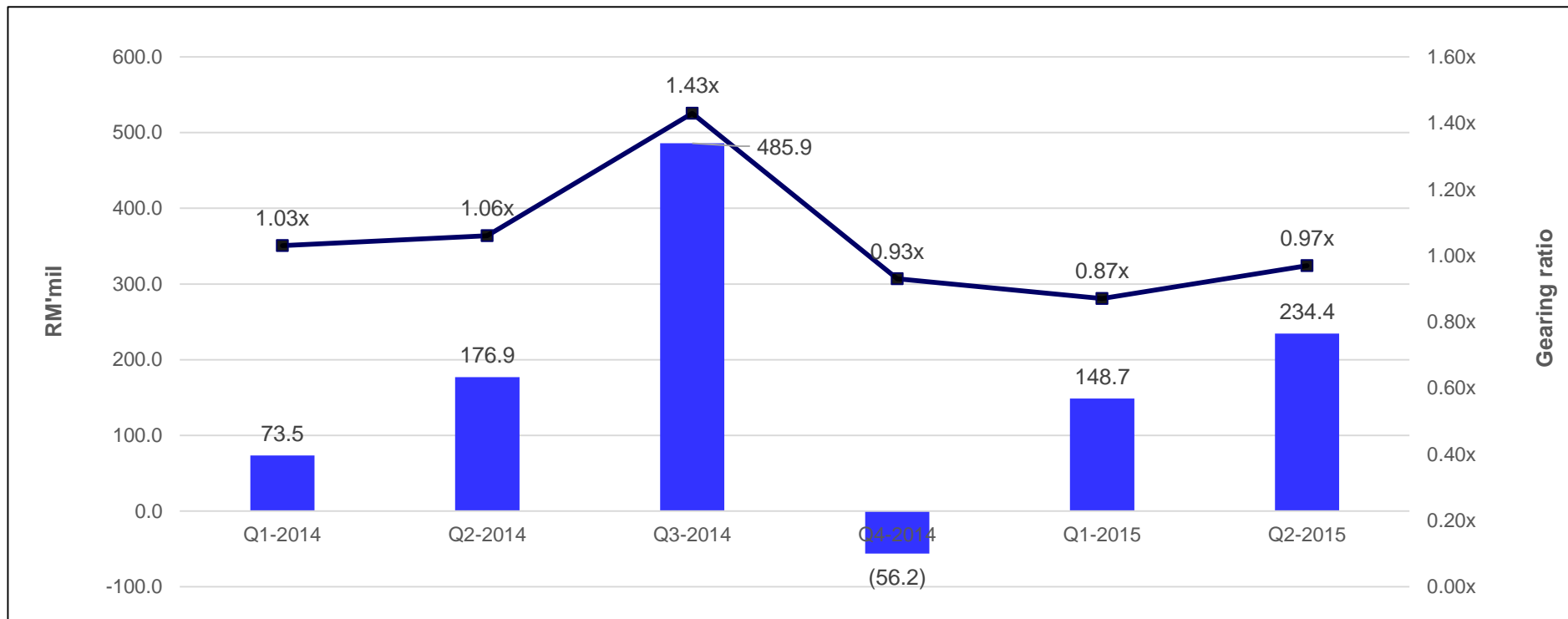


YTD 2015



- Malaysia
- Asia (excluding Malaysia) and Australia
- Africa
- Latin America

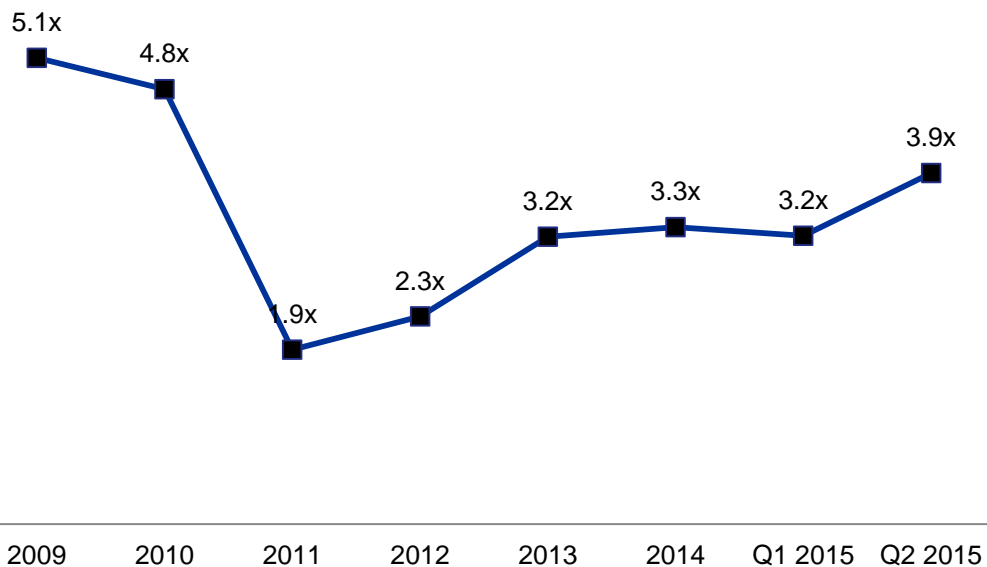
Operating cash flows and gearing ratio



Leverage and capitalisation

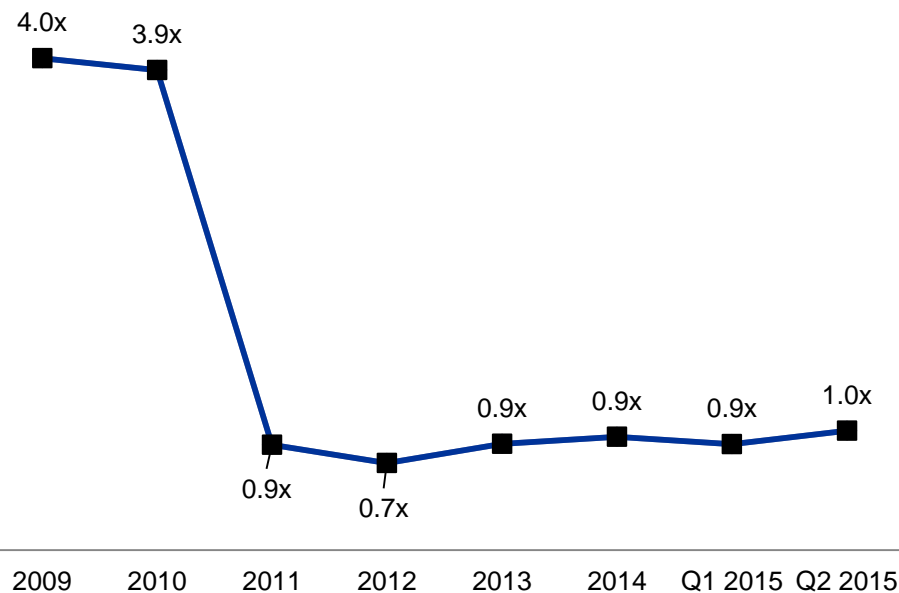
Financial capacity intact to execute existing projects

Net Debt / EBITDA⁽¹⁾



⁽¹⁾ Calculated based on YTD 2015 EBITDA

Gearing ratio⁽²⁾



⁽²⁾ Gearing = Gross Debt / Shareholders Equity

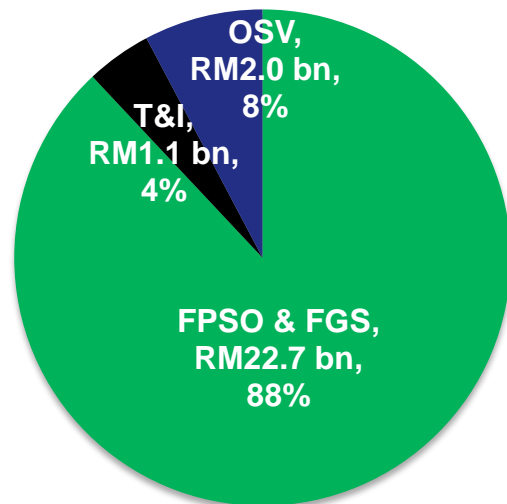
Order book as at 30 June 2015

Quality firm order book increases to RM25.8 bn (Q1: RM25.6 bn)

As at 30 June 2015, the Group's order book stood at RM25.8 bn compared to RM25.6 bn as at 31 March 2015. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential contract sum of RM13.3 bn over the entire option periods.

Firm contract period

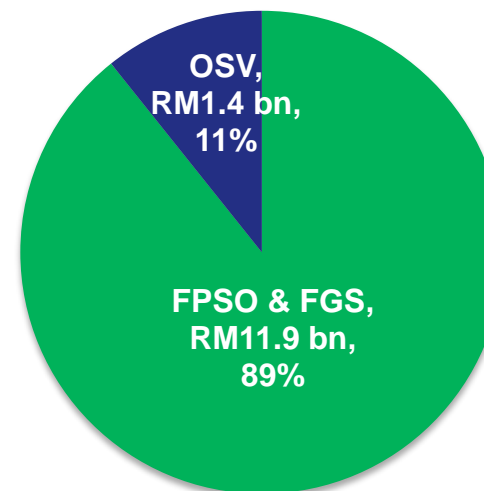
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM25.8bn

Optional extension period

- The breakdown of order book with optional contract period by business segments (fleets) is as follows:



Optional extension period order book: RM13.3bn



Updates & Outlook



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"Knots Ahead of the Rest"

Project Updates

Armada Kraken (North Sea, UK)

- Status: 60% completed
- Expected Completion: Q3 2016



Armada Kraken: M40 Module

Armada Olombendo (Angola 15/06)

- Status: 50% completed
- Expected Completion: Q4 2016



Armada Kraken: Load out of STP Buoy

Project Updates

Armada Madura (Indonesia)

- Status: 20% completed
- Expected Completion: Q4 2016



Armada Madura: First Steel Cut

Malta LNG FSU

- Status: 10% completed
- Expected Completion: Q2 2016



Armada Madura: Main Deck Overview

In Summary

- The O&G sector is expected to remain challenging into 2016.
- The non-cash impairment was predominantly on OSV and T&I assets and reflects their current recoverable value.
- Core net profit without the impairment, would have been RM84 .8 million in Q2 2015.
- Net operating cash flows remain strong in 1H 2015 at RM383.1 million, mainly from the FPSO business.
- Strong firm order book of over RM25 billion remains in place.
- All FPSO and FGS conversions remain on track for delivery.

Thank You



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