



BUMIARMADA

BUMI ARMADA BERHAD
(370398-X)
(Incorporated in Malaysia)

Quarterly Report for the Financial Period
Ended 31 December 2012

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2012

The Board of Directors of Bumi Armada Berhad (“Bumi Armada” or “the Company” or “the Group”) is pleased to announce the following unaudited condensed consolidated financial statements for the fourth quarter ended 31 December 2012 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue		477,768	370,854	1,659,184	1,543,896
Cost of sales		(281,941)	(185,599)	(972,503)	(883,095)
Gross profit		195,827	185,255	686,681	660,801
Other operating income		19,208	18,946	52,014	37,593
Selling and distribution costs		(20,234)	(14,129)	(84,211)	(88,209)
Administrative expenses		(37,483)	(22,748)	(102,724)	(91,929)
Operating profit		157,318	167,324	551,760	518,256
Finance costs		(28,450)	(25,606)	(123,411)	(109,186)
Share of results of jointly controlled entities		6,886	11,787	40,268	26,820
Profit before taxation		135,754	153,505	468,617	435,890
Taxation	18	(25,848)	(26,549)	(80,599)	(70,559)
Profit for the financial period		109,906	126,956	388,018	365,331
Attributable to:					
- Owners of the Company		109,145	124,761	385,828	359,672
- Non-controlling interests		761	2,195	2,190	5,659
		109,906	126,956	388,018	365,331
Earnings per share (sen)	28				
- Basic		3.73	4.26	13.17	14.63
- Diluted		3.73	4.26	13.17	14.63

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Individual Quarter Ended		Cumulative Quarters Period Ended	
		31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Profit for the financial period		109,906	126,956	388,018	365,331
Other comprehensive (expense)/income:					
- Loss on fair value change on available-for-sale financial asset		(2,791)	-	(2,791)	-
- Fair value gain/(loss) on cash flow hedges		3,205	(3,569)	(4,120)	(13,558)
- Foreign currency translation differences		(1,647)	(9,325)	(96,714)	72,139
Other comprehensive (expense)/income for the financial period, net of tax		(1,233)	(12,894)	(103,625)	58,581
Total comprehensive income for the financial period		108,673	114,062	284,393	423,912
Total comprehensive income attributable to:					
- Owners of the Company		107,805	112,573	281,945	418,959
- Non-controlling interests		868	1,489	2,448	4,953
		108,673	114,062	284,393	423,912

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Unaudited As at 31.12.2012 RM'000	Audited As at 31.12.2011 RM'000	Date of Transition As at 01.01.2011 RM'000 (MFRS)
NON-CURRENT ASSETS				
Property, plant and equipment	11	4,734,845	4,201,167	3,714,989
Goodwill		1,411	1,411	1,411
Jointly controlled entities		170,700	151,258	9,799
Available-for-sale financial assets		56,044	7,427	3,778
Accrued lease rentals		508,792	409,458	292,256
Derivative financial instruments	22	2,209	1,240	10,312
Deferred tax assets		8,121	3,811	4,190
		5,482,122	4,775,772	4,036,735
CURRENT ASSETS				
Inventories		10,750	1,550	1,123
Amounts due from customers on contract		15,835	53,205	-
Trade receivables		332,150	320,637	189,643
Accrued lease rentals		398,488	415,898	218,017
Other receivables, deposits and prepayments		130,254	82,392	36,193
Tax recoverable		5,547	8,948	9,135
Amounts due from jointly controlled entities		48,782	27,682	25,123
Derivative financial instruments	22	2,104	1,102	1,814
Deposits, cash and bank balances		500,500	1,247,416	277,684
TOTAL CURRENT ASSETS		1,444,410	2,158,830	758,732
Assets of disposal group/non-current assets classified as held-for-sale		3,227	1,640	-
TOTAL ASSETS		6,929,759	6,936,242	4,795,467

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	Unaudited As at 31.12.2012 RM'000	Audited As at 31.12.2011 RM'000	Date of Transition As at 01.01.2011 RM'000 (MFRS)
LESS: CURRENT LIABILITIES				
Amounts due to customers on contract		20,289	-	30,377
Trade payables		228,463	120,068	227,376
Other payables and accruals		142,928	183,627	222,445
Hire purchase creditors		170	382	402
Borrowings	21	614,807	457,620	1,397,746
Derivative financial instruments	22	12,976	10,749	6,035
Taxation		16,831	27,644	10,825
		1,036,464	800,090	1,895,206
Liabilities of disposal group classified as held-for-sale		161	-	-
NET CURRENT ASSETS/(LIABILITIES)		411,012	1,360,380	(1,136,474)
LESS: NON-CURRENT LIABILITIES				
Hire purchase creditors		209	422	819
Borrowings	21	2,052,866	2,559,826	2,019,890
Derivative financial instruments	22	16,031	15,774	2,664
Deferred tax liabilities		57,017	17,415	1,786
		2,126,123	2,593,437	2,025,159
NET ASSETS		3,767,011	3,542,715	875,102
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital		585,834	585,692	63,000
Reserves		3,164,032	2,942,326	811,535
		3,749,866	3,528,018	874,535
NON-CONTROLLING INTERESTS		17,145	14,697	567
TOTAL EQUITY		3,767,011	3,542,715	875,102
NET ASSETS PER SHARE (RM)		1.29*	1.21	0.30

* Based on 2,929,168,100 ordinary shares in issue at RM0.20 par value as at 31 December 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Company									Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other capital reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2012</u>											
At 1 January 2012	2,928,462	585,692	1,753,586	(99,115)	6,561	5,535	(12,852)	1,288,611	3,528,018	14,697	3,542,715
Profit for the financial period	-	-	-	-	-	-	-	385,828	385,828	2,190	388,018
Other comprehensive (expense)/income for the financial period, net of tax	-	-	-	(96,714)	(2,791)	-	(4,378)	-	(103,883)	258	(103,625)
Total comprehensive (expense)/income for the financial period, net of tax	-	-	-	(96,714)	(2,791)	-	(4,378)	385,828	281,945	2,448	284,393
Transactions with owners:											
- Employee share options exercised	706	142	2,459	-	-	(459)	-	-	2,142	-	2,142
- Employee share options granted	-	-	-	-	-	10,973	-	-	10,973	-	10,973
- Dividend paid	-	-	-	-	-	-	-	(73,212)	(73,212)	-	(73,212)
At 31 December 2012	2,929,168	585,834	1,756,045	(195,829)	3,770	16,049	(17,230)	1,601,227	3,749,866	17,145	3,767,011

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to Owners of the Company									Non-controlling interests RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Foreign exchange reserve RM'000	Other capital reserve RM'000	Share option reserve RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000		
<u>2011</u>											
At 1 January 2011 (date of transition)	63,000	63,000	10,898	(171,254)	311	-	-	971,580	874,535	567	875,102
Profit for the financial period	-	-	-	-	-	-	-	359,672	359,672	5,659	365,331
Other comprehensive income/(expense) for the financial period, net of tax	-	-	-	72,139	-	-	(12,852)	-	59,287	(706)	58,581
Total comprehensive income/(expense) for the financial period, net of tax	-	-	-	72,139	-	-	(12,852)	359,672	418,959	4,953	423,912
Transactions with owners:											
- Capital contribution by shareholders	-	-	-	-	6,250	-	-	-	6,250	-	6,250
- Issuance of ordinary shares from call option	7,500	7,500	142,500	-	-	-	-	-	150,000	-	150,000
- Rights issue	5,640	5,640	194,360	-	-	-	-	-	200,000	-	200,000
- Bonus issue	380,700	380,700	(347,758)	-	-	-	-	(32,942)	-	-	-
- Share split	1,827,360	-	-	-	-	-	-	-	-	-	-
Issuance of new shares from initial public offer	644,262	128,852	1,753,586	-	-	-	-	-	1,882,438	-	1,882,438
Issuance of subsidiary shares to non-controlling interests	-	-	-	-	-	-	-	-	-	5,220	5,220
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	(9,699)	(9,699)	9,699	-
Dividend paid by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	(5,742)	(5,742)
Employee share options granted	-	-	-	-	-	5,535	-	-	5,535	-	5,535
At 31 December 2011	2,928,462	585,692	1,753,586	(99,115)	6,561	5,535	(12,852)	1,288,611	3,528,018	14,697	3,542,715

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended 31.12.2012 RM'000	Year Ended 31.12.2011 RM'000
OPERATING ACTIVITIES		
Profit for the financial year	388,018	365,331
Adjustments for non-cash items:		
Share of results of jointly controlled entities	(40,268)	(26,820)
Depreciation of property, plant and equipment	355,994	326,835
Fair value through profit and loss on derivative financial instruments	(3,311)	13,657
Gain on disposal of property, plant and equipment	(48)	(8,888)
Impairment of property, plant and equipment	1,397	-
Impairment of available-for-sale financial assets	5,400	-
Allowance for doubtful debts	3,058	3,538
Allowance for doubtful debts written back	-	(22)
Unrealised foreign exchange loss	8,612	1,851
Share-based payment	6,252	11,785
Negative goodwill on acquisition of a subsidiary	(6,740)	-
Interest income	(10,217)	(11,170)
Interest expense	124,578	105,413
Dividend income	(2,864)	-
Taxation	80,599	70,559
	910,460	852,069
Changes in working capital:		
Inventories	(9,207)	(418)
Trade and other receivables	(159,245)	(584,350)
Trade and other payables	1,179	252,263
Cash from operations	743,187	519,564
Interest paid	(123,411)	(140,846)
Tax paid	(55,218)	(48,472)
Tax refund	2,525	-
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	567,083	330,246

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Year Ended 31.12.2012 RM'000	Year Ended 31.12.2011 RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(893,267)	(1,061,621)
Proceeds from disposal of property, plant and equipment	52	2,881
Interest received	10,425	10,947
Investments in jointly controlled entities	-	(116,173)
Acquisition of a subsidiary	(843)	-
Investment in quoted shares	(56,807)	-
Investment in unquoted preference shares	-	(3,649)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(940,440)	(1,167,615)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	143,809	1,601,949
Decrease in deposits pledged as security	3,465	-
Repayment of bank borrowings	(438,000)	(2,001,285)
Repayment of hire purchase creditors	(425)	(417)
Issuance of shares	2,600	-
Exercise of rights issue	-	200,000
Exercise of call option by a related company	-	150,000
Proceeds from issuance of subsidiary shares to non-controlling interests	-	1,882,438
Issuance of subsidiary shares to minority shareholders	-	5,220
Dividend paid	(73,212)	-
Dividend paid to non-controlling interests	-	(5,742)
NET CASH FLOWS (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(361,763)	1,832,163
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(735,120)	994,794
CURRENCY TRANSLATION DIFFERENCES	(8,331)	3,359
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,243,051	244,898
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	499,600	1,243,051
Cash and cash equivalents consist of:		
Deposits with licensed banks	427,591	1,174,111
Cash and bank balances	72,909	73,305
Designated deposits placed with licensed banks	(900)	(4,365)
	499,600	1,243,051

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The unaudited interim financial report is prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 on “Interim Financial Reporting”, paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

In accordance with MFRS 1 “First-time adoption of Malaysian Financial Reporting Standards”, an opening MFRS statement of financial position has been presented at the date of transition to MFRS on 1 January 2011. There is no material differences between the opening MFRS statement of financial position and the statement of financial position presented under Financial Reporting Standards (“FRS”) as at 31 December 2010.

The unaudited interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The significant accounting policies and methods adopted for the unaudited condensed consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2011 except for the followings:

(a) Adoption of MFRS 1

In the current financial year, the Group adopts the new IFRS-compliant framework, MFRS by applying MFRS 1. MFRS 1 provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters which the Group has utilised as disclosed below:

Exemption for fair value as deemed cost - property, plant and equipment

Previously, the Group revalued a leasehold building of a subsidiary and the surplus on revaluation was credited to the revaluation reserve. In accordance with the transitional provisions issued by the Malaysian Accounting Standards Board (MASB) on adoption of FRS 116: Property, Plant and Equipment, the valuation of leasehold building was not updated and it continues to be stated at its existing carrying amount less depreciation as its deemed cost.

Upon transition to MFRS, the Group elected to apply the optional exemption to use the previous revaluation as deemed cost. Accordingly, the revaluation surplus of RM 390,414 (December 2011: RM 390,414) was transferred to retained earnings on the date of transition to MFRS on 1 January 2011.

(i) Reconciliation of equity as at 1 January 2011

	Under the FRS Framework RM’000	Effect of the transition to MFRS RM’000	Under the MFRS Framework RM’000
Revaluation reserve	390	(390)	-
Retained earnings	971,190	390	971,580

1. BASIS OF PREPARATION (CONTINUED)

(a) Adoption of MFRS 1 (continued)

(i) Reconciliation of equity as at 31 December 2011

	Under the FRS Framework RM'000	Effect of the transition to MFRS RM'000	Under the MFRS Framework RM'000
Revaluation reserve	390	(390)	-
Retained earnings	<u>1,288,221</u>	<u>390</u>	<u>1,288,611</u>

Other than the above, the transition from FRS to MFRS has no significant impact on the Group's statement of financial position, financial performance, statement of comprehensive income and statement of cash flows.

(b) MFRS and amendments to MFRS which are applicable to the Group effective 1 January 2012 and have an impact on the accounting policies of the Group:

- MFRS 124 "Related party disclosures"
- Amendment to MFRS 1 "First-time adoption on fixed dates and hyperinflation"
- Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 January 2012, as disclosed in the audited consolidated financial statements for the financial year ended 31 December 2011, did not have any significant impact on the unaudited condensed financial statements upon the initial application on 1 January 2012.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective:

- MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities"
- MFRS 10 "Consolidated financial statements"
- MFRS 11 "Joint arrangements"
- MFRS 12 "Disclosures of interests in other entities"
- MFRS 13 "Fair value measurement"
- Amendment to MFRS 127 "Separate financial statements"
- Amendment to MFRS 128 "Investments in associates and joint ventures"
- Amendment to MFRS 101 "Presentation of items of other comprehensive income"
- Amendment to MFRS 7 "Financial instruments: Disclosures"
- Amendment to MFRS 132 "Financial instruments: Presentation"

The Group has not early adopted the above standards and amendments to MFRS that have been issued by the MASB as these are effective for financial period on or after 1 January 2013.

2. MANAGEMENT COMMENTARY

(A) Review of performance for the current year to date results as compared with the previous year to date

Financial Indicators	Year 2012 RM'000	Year 2011 RM'000	Change RM'000
FPSO ⁽¹⁾	715,978	609,203	106,775
OSV ⁽¹⁾	551,040	481,909	69,131
T&I ⁽¹⁾	388,488	242,317	146,171
OFD ⁽¹⁾	3,678	210,467	(206,789)
Revenue	1,659,184	1,543,896	115,288
EBITDA ⁽²⁾	948,022	871,911	76,111
EBITDA margin	57%	56%	1%
Profit for the year	388,018	365,331	22,687
Total depreciation	355,994	326,835	29,159

Note:

⁽¹⁾ FPSO - Floating Production Storage Offloading system, OSV - Offshore Support Vessel, T&I - Transport and Installation and OFD - Oil Field Development (previously known as Oil Field Services and there has been no change in the segment composition). These acronyms are also used hereinafter.

⁽²⁾ Defined as profit before finance costs, taxation, depreciation and amortisation.

The Group revenue in the current year increased by RM115.3 million (7.5%) compared with the previous year as a result of increase in activity in its FPSO, OSV and T&I segments despite marginal OFD segment revenue. Detailed comparison by segment is as follows:

- (a) The FPSO segment secured two new FPSO contracts towards the end of the second quarter 2011 - Apache in Australia for the Balnaves field and ONGC in India for the D1 field. The ONGC contract was secured through a jointly controlled entity and accounted for as part of the share of results from jointly controlled entities.
- (b) The OSV segment revenue increased as a result of sustained improvement and recovery in the average fleet utilisation and new vessels acquired.
- (c) For the T&I segment, in addition to the guaranteed charter days from Petronas Carigali (Turkmenistan) Sdn Bhd for the Armada Installer, revenue increased due to the Lukoil project secured end of April 2012 and charter hire with Momentum Engineering.
- (d) The OFD segment revenue was lower due to the absence of new contracts.

The EBITDA margin increased as a result of higher margins from its new FPSOs, new OSV vessels and additional T&I contracts. The higher EBITDA led to a profit increase of RM22.7 million after accounting for the following:

- (a) higher depreciation of RM29.2 million mainly due to vessel additions in the FPSO, OSV and T&I segments;
- (b) higher finance costs of RM14.2 million mainly due to interest charged to the profit or loss upon completion of Armada TGT in August 2011; and
- (c) higher tax cost of RM10.0 million mainly due to deferred tax estimated on Apache FPSO project.

2. MANAGEMENT COMMENTARY (CONTINUED)

(B) Changes in profits for the current quarter as compared with the immediate preceding quarter

Financial Indicators	4th Quarter 2012 RM'000	3rd Quarter 2012 RM'000	Change RM'000
FPSO	187,210	191,164	(3,954)
OSV	162,720	152,508	10,212
T&I	127,838	118,031	9,807
OFD	-	-	-
Revenue	477,768	461,703	16,065
EBITDA	239,618	240,252	(634)
EBITDA margin	50%	52%	(2%)
Profit for the period	109,906	95,465	14,441
Total depreciation	75,414	96,311	(20,897)

The Group posted a quarter on quarter increase in revenue of RM16.1 million (3.5%), driven by the following activities across all its established business segments:

- (a) FPSO revenue in the preceding quarter was higher as it included annual maintenance fees on TGT for completing one year of operation which sustained high uptime.
- (b) Higher OSV revenue in the current quarter as a result of higher utilisation of larger vessels in the fleet. The fleet utilisation rates are as shown below:

OSV vessel average utilisation rates for the quarter ended	4th Quarter 2012 %	3rd Quarter 2012 %	Change in %
Group's vessels	87	87	-
Group's vessels including those held by jointly controlled entities	80	79	1

- (c) Higher T&I revenue from deploying Armada Hawk on the D1 installation and higher contribution from its Lukoil project, recognised on a percentage of completion basis.

In line with higher revenue, the Group posted a higher EBITDA compared to the preceding quarter. This was increased by gains from foreign exchange and derivatives of RM3.7 million in the current quarter compared to a loss of RM5.7 million in the preceding quarter.

Profit increased in the current quarter by RM14.4 million after accounting for the following:

- (a) lower finance cost of RM2.0 million as a result of project debt repayments;
- (b) lower depreciation of RM20.9 million arising from a change in useful lives on selected vessels; and
- (c) higher tax cost of RM7.9 million mainly due to deferred tax estimates.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2013

The long term outlook for the offshore oil and gas services sector remains positive with the long-term oil price expected to remain above US\$70/barrel and capital expenditure in the offshore O&G industry expected to remain robust as the search for oil in deep waters continues and the cost of E&P and offshore project development are expected to rise. However, concerns regarding the uncertainty over European sovereign debt, geopolitical risks and a continued slowdown in the global economy remain.

Notwithstanding the above, Bumi Armada anticipates robust activities across its major sectors of FPSO, OSV, T&I and OFD over the long term. Bumi Armada expects to consolidate its presence in Asia, Africa and Latin America and increase its penetration and market share across its business sectors in these regions.

4. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2011.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial year ended 31 December 2012.

6. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flow of the Group during the current quarter.

7. CHANGES IN ESTIMATES

The useful lives of selected offshore support vessels (OSV) and the derrick lay barge were revised from 20 to 25 years and 25 to 30 years respectively to reflect the design and operating capabilities of these vessels. As a result of this revision, the depreciation charge of the Group has decreased by RM24.5 million for the current financial year.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter except for the issuance of 128,000 ordinary shares of RM0.20 each arising from the exercise of options pursuant to the Company's ESOS at the exercise price of RM3.03.

9. DIVIDENDS PAID

The following dividend payment was made during the financial year ended 31 December 2012:

RM'000

In respect of the financial year ended 31 December 2011:

- single-tier tax-exempt final dividend of 2.5 sen per ordinary share,
paid on 17 July 2012

73,212

10. SEGMENTAL INFORMATION

The Group is organised into 4 main business segments based on the type of operations carried out by its vessels and barges. The information of each of the Group's business segments for the individual and cumulative quarters ended 31 December 2012 and 31 December 2011 are as follows:

Quarter ended 31.12.2012	FPSO RM'000	OSV RM'000	T&I RM'000	OFD RM'000	Group RM'000
Revenue	187,210	162,720	127,838	-	477,768
Results					
Segment results	67,013	45,293	25,804	-	138,110
Other operating income					19,208
Share of results of jointly controlled entities					6,886
Finance costs					(28,450)
Taxation					(25,848)
Profit for the financial period					109,906

Cumulative Quarters ended 31.12.2012	FPSO RM'000	OSV RM'000	T&I RM'000	OFD RM'000	Group RM'000
Revenue	715,978	551,040	388,488	3,678	1,659,184
Results					
Segment results	244,009	130,870	120,453	4,414	499,746
Other operating income					52,014
Share of results of jointly controlled entities					40,268
Finance costs					(123,411)
Taxation					(80,599)
Profit for the financial year					388,018

10. SEGMENTAL INFORMATION (CONTINUED)

Quarter ended 31.12.2011	FPSO RM'000	OSV RM'000	T&I RM'000	OFD RM'000	Group RM'000
Revenue	176,219	134,402	53,107	7,126	370,854
Results					
Segment results	65,042	45,166	33,156	5,014	148,378
Other operating income					18,946
Share of results of jointly controlled entities					11,787
Finance costs					(25,606)
Taxation					(26,549)
Profit for the financial period					126,956

Cumulative Quarter ended 31.12.2011	FPSO RM'000	OSV RM'000	T&I RM'000	OFD RM'000	Group RM'000
Revenue	609,203	481,909	242,317	210,467	1,543,896
Results					
Segment results	201,850	117,117	119,545	42,151	480,663
Other operating income					37,593
Share of results of jointly controlled entities					26,820
Finance costs					(109,186)
Taxation					(70,559)
Profit for the financial year					365,331

11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment for the period under review. As at 31 December 2012, all property, plant and equipment were stated at cost less accumulated depreciation.

12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There has not arisen in the interval between the end of this reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group arising from business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the current quarter under review, except for the following:

- (a) On 5 October 2012, Bumi Armada Offshore Holding Limited, a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in the United Kingdom under the name of Bumi Armada UK Limited with an issued and paid up share capital of £1.00 (pound sterling) consisting of 1 ordinary share.
- (b) On 30 November 2012, the acquisition of the remaining 3,750,001 ordinary shares of RM1.00 each not already owned by the Company in Offshore Marine Ventures Sdn Bhd (“OMV”) from FPSO Ventures Sdn Bhd (“FPSO Ventures”) for a cash purchase consideration of RM1,750,000 (the “Acquisition”) was completed. Prior to the Acquisition, the Company owned 3,750,000 ordinary shares of RM1.00 each representing 50% of the issued capital of OMV. Following the Acquisition, the Company owns 100% of the issued share capital of OMV, resulting in OMV becoming a wholly-owned subsidiary of the Company.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets since the last annual financial statements.

15. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment approved by the Directors and not provided for in the unaudited condensed consolidated financial statements as at 31 December 2012 are as follows:

	RM'000
- authorised and contracted	153,929
- authorised but not contracted	1,075,498
	<hr/>
	1,229,427
	<hr/> <hr/>

16. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions undertaken during the financial year are described below:

	Cumulative Quarters Period Ended 31.12.2012 RM'000
<u>Related party transactions</u>	
(a) Transactions with UTSB Management Sdn Bhd (UTSBM) ⁽¹⁾ : - reimbursable costs incurred in respect of an executive director - management fees	4,750 4,737
(b) Telecommunication expenses to Maxis Berhad ⁽²⁾	3,268
(c) Rental expenses to Malaysian Landed Property Sdn Bhd (“MLP”) ⁽³⁾	5,575
(d) Transactions with jointly controlled entities: - ship management fees to Century Bumi Limited - vessel hiring fee from Century Bumi Limited - sale of a vessel to PT Armada Gema Nusantara	10,989 5,656 18,459
(e) Key management personnel compensation: - salaries, bonus and allowances and other staff related costs - defined contribution plan	17,941 1,555
(f) Payment on behalf: - jointly controlled entities	42,159
(g) Acquisition of remaining 50% of the issued capital of OMV ⁽⁴⁾	1,750

Usaha Tegas Sdn Bhd (“UTSB”) is a party related to the Company by virtue of its substantial interest in Objektif Bersatu Sdn Bhd (“OBSB”), a major shareholder of the Company. UTSB is ultimately controlled by PanOcean Management Limited (“PanOcean”), via Excorp Holdings N.V. and Pacific States Investment Limited, the intermediate and immediate holding companies of UTSB respectively. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam (“TAK”) and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have interest in the shares of the Company through UTSB’s deemed interest in OBSB, they do not however have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

Note:

⁽¹⁾ Subsidiary of UTSB

⁽²⁾ Subsidiary of a jointly controlled entity, in which UTSB has a significant equity interest

⁽³⁾ Subsidiary of PanOcean, the ultimate holding company of UTSB

⁽⁴⁾ Jointly controlled entity. On 30 November 2012, OMV became the wholly-owned subsidiary of the Company. The details of the event is disclosed in Note 13 (b)

17. PROFIT FORECAST OR PROFIT GUARANTEE

This is not applicable as the Group did not publish any profit forecast or issue any profit guarantee.

18. TAXATION

Taxation comprises the following:

	Individual Quarter Ended		Cumulative Quarters Period Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Income tax:				
- Current tax	10,280	15,990	47,395	52,151
- Prior year	(2,211)	2,652	780	2,659
Deferred tax	17,779	7,907	32,424	15,749
Total	25,848	26,549	80,599	70,559

The Group's effective tax rates the current quarter and financial year ended 31 December 2012 were 19% and 17% respectively, lower than the statutory tax rate of 25% as the income arising from Malaysian sea-going ships of the Group are tax exempt under Section 54A of the Income Tax Act, 1967 whilst foreign sourced income are taxed based on their individual tax jurisdiction and the rates vary between 17% to 30%.

19. STATUS OF CORPORATE PROPOSALS ANNOUNCED

On 20 November 2012, the Company's wholly-owned subsidiary, Bumi Armada Automation International Sdn Bhd had entered into a Conditional Sale and Purchase Agreement ("SPA") with Dyna-Mac Holdings Ltd ("Dyna-Mac") for the disposal of its entire 100% equity interest in Haven Automation Industries (S) Pte Ltd ("Haven") to Dyna-Mac for a cash consideration of SG\$5.0 million (the "Disposal"). Arising therefrom, Haven will cease to be an indirect wholly-owned subsidiary of the Company upon completion of the Disposal which is expected to occur within 3 months from the date of the SPA.

On 19 February 2013, Bumi Armada Automation International Sdn Bhd and Dyna-Mac had mutually agreed to extend the period for completion of the Disposal by an additional 3 months, to enable both parties to complete the pre-completion process. Accordingly, Haven will only cease to be a wholly-owned subsidiary of the Company upon completion of the Disposal which is expected to occur within 6 months from the date of the SPA.

20. UTILISATION OF PROCEEDS

The status of utilisation of listing proceeds raised from the Public Issue as at the date of this report are as follows:

Purpose	Proposed utilisation RM'000	Actual to date RM'000	Utilisation upon listing	Remaining balance RM'000
Repayment of bank borrowings	775,000	775,000	within 6 months	-
Capital expenditure	592,000	592,000	within 24 months	-
Working capital	562,000	570,985	within 24 months	(8,985)
Listing expenses	100,000	91,015	within 3 months	8,985
Total	<u>2,029,000</u>	<u>2,029,000</u>		<u>-</u>

The actual utilisation amount for the listing expenses was lower than budgeted. Hence, the unutilised balance has been used for general working capital requirements of the Group as disclosed in the Company's Prospectus dated 30 June 2011.

21. BORROWINGS

The borrowings as at 31 December 2012 are as follows:

	As at 31.12.2012 RM'000
SHORT TERM DEBT	
Secured:	
Term loans	364,419
Unsecured:	
Bridging loan	22,806
Revolving credit	88,682
Term loans	138,900
Total short term debt	614,807
LONG TERM DEBT	
Secured:	
Term loans	1,223,166
Unsecured:	
Term loans	829,700
Total long term debt	2,052,866
Total borrowings	2,667,673
CURRENCY PROFILE	
United States Dollar	1,534,017
Ringgit Malaysia	1,133,656
	2,667,673

22. DERIVATIVE FINANCIAL INSTRUMENTS

Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 December 2012 are set out below:

Types of Derivative	Contract/ Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
Interest rate swaps ("IRS")		
- Less than 1 year	293,318	(12,976)
- 1 to 3 years	556,995	(14,731)
- More than 3 years	633,285	(1,300)
	1,483,598	(29,007)
Cross currency interest rate swaps ("CCS")		
- Less than 1 year	31,957	2,104
- 1 to 3 years	55,391	1,798
- More than 3 years	76,696	411
	164,044	4,313

There have been no changes since the end of the previous financial year ended 31 December 2011 in respect of the following:

- (a) the market risk and credit risk associated with the derivatives as these are used for hedging purposes;
- (b) the cash requirements of the derivatives; and
- (c) the policies in place for mitigating or controlling the risks associated with the derivatives.

As at 31 December 2012, the Group recognised net derivative financial liabilities of RM24.7 million, an increase of RM0.5 million from previous financial year ended 31 December 2011, on remeasuring the fair values of the derivative financial instruments. The increase of RM4.1 million was included in the cash flow hedging reserve attributable to the Group and the non-controlling interests while RM3.3 million was recorded as fair value gain from derivatives financial instruments through the profit or loss.

The Group's cash flow hedging reserve of RM17.2 million as at 31 December 2012 represents the effective portion of the deferred fair value losses relating to the derivative financial instruments which qualified for hedging accounting. This amount will be reclassified to profit or loss as finance costs over the period of the underlying borrowings.

23. FAIR VALUE HIERARCHY

No transfers between any levels of the fair value estimation took place during the current period and the comparative periods. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

24. REALISED AND UNREALISED RETAINED EARNINGS

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

The breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 31.12.2012 RM'000
Total retained profits of the Company and its subsidiaries	
- realised	1,597,218
- unrealised	(53,195)
	1,544,023
Total share of retained profits from jointly controlled entities	
- realised	66,241
- unrealised	(9,037)
	57,204
Total retained profits of the Group	1,601,227

25. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Individual Quarter Ended 31.12.2012 RM'000	Individual Quarter Ended 31.12.2011 RM'000	Cumulative Quarters Period Ended 31.12.2012 RM'000	Cumulative Quarters Period Ended 31.12.2011 RM'000
Profit before taxation is arrived at after charging/(crediting):				
(a) Other operating income				
- Interest income	(1,333)	(5,612)	(10,217)	(11,170)
- (Gain)/loss on disposal of property, plant and equipment	(9)	(9,060)	(48)	(8,888)
- Insurance claims	(7,115)	(50)	(17,586)	(5,818)
- Dividend income	-	-	(2,864)	-
- Others	(10,751)	(4,224)	(21,299)	(11,717)
(b) Interest expense	30,147	26,402	124,578	105,413
(c) Depreciation and amortisation	75,414	93,376	355,994	326,835
(d) Allowance for and write off of doubtful debts	3,058	13	3,058	3,538
(e) Impairment of assets	6,797	-	6,797	-
(f) Net foreign exchange (gain)/loss	(1,673)	(3,159)	4,116	(29,685)
(g) (Gain)/loss on derivatives	(2,012)	(1,493)	(3,311)	13,657

26. MATERIAL LITIGATION

There is no material litigation pending as at the date of this report.

27. DIVIDENDS

The Board of Directors proposes to recommend for shareholders' approval at the forthcoming Annual General Meeting a tax exempt cash dividend of 3.0 sen per share (2011: 2.5 sen per share) in respect of the financial year ended 31 December 2012 which is not taxable in the hands of the shareholders pursuant to Section 54A(3)(e) of the Income Tax Act 1967, to be paid on a date to be determined.

28. EARNINGS PER SHARE

The basic earnings per share ("EPS") is calculated by dividing the Group's profit attributable to Owners of the Company by the average number of ordinary shares in issue during the financial year.

The diluted earnings per share is calculated by dividing the profit for the financial period attributable to the Owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the call option and employees share option scheme ("ESOS") options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share and includes all potential dilutive shares on both arising from the call option and ESOS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	Individual Quarter Ended		Cumulative Quarters Period Ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit attributable to Owners of the Company (RM'000)	109,145	124,761	385,828	359,672
Weighted average number of ordinary shares in issue for basic EPS ('000)	2,929,142	2,928,462	2,928,698	2,457,973
Adjusted for potential ordinary shares on conversion of options under ESOS ('000)	169	-	501	-
Adjusted weighted average number of ordinary shares for diluted EPS ('000)	2,929,311	2,928,462	2,929,199	2,457,973
Basic earnings per share (sen)	3.73	4.26	13.17	14.63
Diluted earnings per share* (sen)	3.73	4.26	13.17	14.63

* The options granted pursuant to the ESOS were anti-dilutive for the individual quarters ended 31 December 2011 and cumulative quarters ended 31 December 2011. Hence, the calculation of diluted earnings per share, for these periods does not assume the exercise of ESOS.

BY ORDER OF THE BOARD

NOOR HAMIZA BINTI ABD HAMID
(MAICSA 7051227)
Company Secretary

CHEW ANN NEE
(MAICSA 7030413)
Joint Company Secretary

Kuala Lumpur
22 February 2013