



## BUMI ARMADA

### BUMI ARMADA REPORTS REVENUE OF RM205.5 MILLION, COMPLETES CONVERSION OF THE FOUR MAJOR PROJECTS IN FOURTH QUARTER 2016

- Fourth quarter 2016 revenue was RM205.5 million, 65.1% lower than the RM589.0 million reported in fourth quarter 2015.
- EBITDA for the fourth quarter 2016 was RM28.5 million, with an EBITDA margin of 13.9%.
- The Group generated net cash flows from operating activities for full year 2016 of RM1.1 billion
- After taking a non-cash impairment of RM1.1 billion related predominantly to re-evaluation of OSV assets given the continuing difficult market conditions, the Group posted a net loss<sup>1</sup> for the fourth quarter 2016 of RM1.3 billion,
- Four major projects were all completed before the end of fourth quarter 2016 and have now all reached their respective operational locations.
- Operational start-ups have been achieved by the FSU in Malta and FPSO in Angola.
- The Group's total order book as at end-December 2016 stood at RM39.5 billion (RM25.6 billion of firm contracts and RM13.9 billion of optional extensions).

RM' mil	Individual Quarter Ended		Year to Date Ended	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Revenue	205.5	589.0	1,416.6	2,179.7
EBITDA	28.5	125.9	569.6	981.0
Net Profit/ (Loss) <sup>1</sup>	(1,295.6)	(85.1)	(1,887.2)	(234.6)
EPS (sen)	(22.09)	(1.45)	(32.17)	(4.00)

**Kuala Lumpur, 28 February 2017** - Malaysia-based international offshore energy facilities and services provider Bumi Armada Berhad ("Bumi Armada" or the "Group") today announced its fourth quarter ("Q4") 2016 financial results. Revenue for Q4 2016 was RM205.5 million, 65.1% lower than the corresponding quarter in 2015. The decline in revenue was mainly due to a 97.4% fall in FPSO and FGS revenue as conversion activities on all the major projects had been completed in Q4 2016, whilst in Q4 2015 these projects were at their peak construction rate. Furthermore, compared with Q4 2015, there were reduced contributions from Armada Claire,

<sup>1</sup> Net profit/loss refers to profit/loss for the financial period attributable to Owners of the Company.

Armada Perdana and Armada Perkasa. Q4 2016 OMS revenue saw a 5.0% decline against Q4 2015.

EBITDA in Q4 2016 declined to RM28.5 million as compared to RM125.9 million in Q4 2015, with EBITDA margin in Q4 2016 weakening to 13.9% against 21.3% in the same period in 2015.

After taking a RM1.1 billion non-cash impairment on several of its assets, predominantly in the OSV business segment, the Group posted a net loss of RM1.3 billion in Q4 2016. After accounting for the total non-cash impairments of RM1.7 billion taken during 2016, the Group registered a net loss of RM1.9 billion for full year (“FY”) 2016.

Mr. Leon Harland, Executive Director and Chief Executive Officer of Bumi Armada, commenting on the Q4 2016 financial results, said, “These results reflect the dynamic situation that Bumi Armada is in today. The lower revenues stem from the fact that our four new projects, each complex and innovative in their own right, have left the conversion yard and are progressing to be put into production. Additionally, compared to last year we have reduced incomes from Armada Claire and our Nigerian FPSOs as well. The OMS business continues to struggle with low demand due to continued weak activity and seasonal slowdowns, which also added to the substantial reduction of revenues in the Q4 2016. Despite all this, the Group has generated over RM1.0 billion in net cash flows from operating activities over the full year.

The large impairment we have taken indicates that we are addressing the burden of severe underutilisation of several assets, particularly in the OSV segment. This segment of the market has a huge oversupply of vessels and there is wide consensus in the industry that this situation will continue for the coming years. The impairments also relate to two of our older and smaller size FPSOs, for which we see a reduced number of redeployment opportunities in the future. During 4Q16 we have critically reviewed the organisation and our cost structure and are actively pursuing a variety of strategic initiatives to weather this depressed market situation.

From an operational perspective, we have had a very strong safety performance across the Group and we averaged over 99% operational uptime on our operating FPSOs. As mentioned, all of our four new projects left the ship yard in Q4 2016 and have now reached their respective operational locations. Armada LNG Mediterrana delivered its first gas to ElectroGas Malta on 16 January 2017 and Armada Olombendo

achieved first oil on the 8 February in Angola for Eni Angola, well within budget and schedule. In addition, Karapan Armada Sterling III and Armada Kraken have been moored in their respective site locations in Indonesia and the UK, and are undergoing testing prior to start-up.

With the four projects due to start operations this year, we should see a strong increase in cashflow generation and positive core earnings for 2017. At the same time, we see a growing number of new project opportunities, particularly, in the large size FPSO market where we can leverage our experience gained in this market segment. Whilst eager to grow and motivated by our vision to become the preferred offshore production and support service provider, we are selective in the projects that we pursue such that we can deliver success to our clients and our shareholders.”

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Please refer to the Unaudited Financial Statement for the full details of the Q4 2016 and FY 2016 financial results of the Company.

Notes:

EBITDA	Profit before finance costs, taxation, depreciation, amortisation and impairment
FP(S)O	Floating Production (Storage) and Offloading
FGS	Floating Gas Solutions
LNG	Liquefied Natural Gas
OMS	Offshore Marine Services
OSV	Offshore Support Vessels
SC	Subsea Construction

## **About Bumi Armada**

Bumi Armada Berhad is a Malaysia-based international offshore energy facilities and services provider with a presence in over 17 countries spread across five continents, supported by over 1,600 people from over 30 nationalities.

Bumi Armada Berhad provides offshore services via two business units - Floating Production and Operations (oil and gas solutions) and Offshore Marine Services ("OMS") (encompassing the Offshore Support Vessels ("OSV") and the Subsea Construction ("SC") services).

Bumi Armada is the fifth largest FPSO player in the world and an established OSV owner and operator, with extensive experience across Asia, Africa and Latin America. For more information, please refer to [www.bumiarmada.com](http://www.bumiarmada.com)

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