



BAKER TECHNOLOGY LIMITED
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Media Release

Baker Tech reports 2Q2013 net profit of S\$11.3 million on gain from disposal of S\$8.9 million

S\$ million Y/E Dec	2Q2013	2Q2012	Chg %	1H2013	1H2012	Chg %
Revenue	22.1	25.0	(12)	47.2	60.1	(22)
Cost of goods sold	(17.5)	(18.0)	(3)	(36.5)	(48.2)	(24)
Gross Profit	4.7	7.1	(34)	10.7	12.0	(11)
Administrative Expenses	(2.0)	(2.6)	(23)	(3.8)	(4.6)	(18)
Other Operating Income / (Expenses), net	9.9	57.8	(83)	10.0	68.6	(85)
Share of Associates	(0.4)	-	NM	(0.5)	0.6	NM
Profit before tax	12.2	62.3	(80)	16.4	76.5	(79)
Net Profit/(Loss)	11.3	61.3	(82)	14.6	74.9	(81)
Basic EPS* (cents)	1.40	8.76		1.84	10.70	
Diluted EPS ⁺ (cents)	1.24	5.70		1.56	7.64	

* based on a weighted average number of 791,766,461 ordinary shares for the financial period ended 30 June 2013 (30 June 2012—700,208,367)

+ based on the number of ordinary shares in issue during the financial period ended 30 June 2013 adjusted for dilutive effect of 144,779,822 warrants (30 June 2012 —280,117,952). The dilutive effect for 30 June 2012 excluded the outstanding 2009 warrants as the average market price was below the exercise price during the period.

2 August 2013 – Baker Technology Limited ('Baker Tech' or 'the Group') 巴克科技有限公司, a leading manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry, has reported net profit of S\$11.3 million for the three months ended 30 June 2013 (2Q 2013). This was bolstered by a gain of S\$8.9 million from the disposal of an associate, Discovery Offshore S.A. ("DO"). For the six months ended 30 June 2013 (1H 2013), the Group's net profit was S\$14.6 million. Compared to the corresponding period in FY2012, net profit decreased due to lower gains on disposals.

2Q 2013 Performance

Group revenue for the quarter was S\$22.1 million, a reduction of 12% from 2Q2012, due to a general slowdown in order intake. Consequently, gross profit also decreased 34% from S\$7.1 million in 2Q2012 to S\$4.7 million in 2Q2013, and margins were lower.

On 24 June 2013, Baker Tech sold its entire 20.29% stake in an associated company, DO. This was due to the action taken by DO's majority shareholder, Hercules Offshore, Inc. ("Hercules"), to acquire shares which raised its shareholding to 59.5%. Since this would trigger an obligation for Hercules to make a mandatory

offer for all the outstanding shares, Baker Tech decided to sell its stake to Hercules at the price of NOK 15.00 per share. This is the same price which Hercules subsequently offered to all other shareholders in its mandatory offer. This sale resulted in gross proceeds of approximately S\$41.0 million to the Group, and capital gains of S\$8.9 million. In addition to the gain of S\$8.9 million, the Group also reported an exchange gain of S\$1.0 million due to the strengthening of the US dollar and Euro against the Singapore dollar in the current quarter. However, comparatively, quarterly profit was 82% lower year-on-year due to the deferred gain of S\$58.2 million recorded in 2Q2012 from the disposal of the Group's subsidiary, PPL Holdings Pte Ltd ("PPL Holdings").

1H 2013 Performance

Group revenue decreased 22% and gross profit declined 11% from 1H2012, due to a slowdown in order intake but slightly offset by higher margins from jobs completed in 1Q2013. Administrative expenses were S\$0.8 million lower at S\$3.8 million. Net profit was S\$14.6 million, compared to S\$74.9 million in 1H2012, due to the recording of gains from the disposal of PPL Holdings as well as York Transport Equipment (Asia) Pte Ltd in 1H2012.

The Group maintains a very strong cash balance of S\$191.9 million as at 30 June 2013, with no gearing. Shareholders' funds were S\$232.0 million, compared to S\$268.1 million as at 31 December 2012, due to the payment of dividends amounting to S\$87.2 million, but partially offset by S\$36.5 million in proceeds from warrant conversions as well as retained profits for the period.

Outlook

The Group remains wary of headwinds from the global economic environment, but is optimistic on the next 12 months as industry fundamentals remain strong, given the high sustained prices of crude oil. The Group's net order book as at 30 June 2013 was US\$33 million, compared to US\$40 million as at end March 2013. These orders are expected to be completed within the next 12 months.

"The sale of our stake in Discovery Offshore was the better option given the circumstances, but ultimately we did achieve a good return on our investment. We will continue our search for new opportunities to deploy the capital freed up from the disposal, to enhance shareholder value and solidify future income streams for the Group."

- Chairman, Mr. Lim Ho Seng (林穆升)

About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI)

Baker Technology Limited (Baker Tech) is a leading manufacturer and provider of specialised equipment and services for the oil & gas industry. Its core business is in the design and construction of a wide range of equipment and components for use in the offshore environment. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project management, engineering services, quality assurance, and construction supervision. Baker Tech has market presence in China, the Middle East, Asia and USA.

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