

1 December 2008

Hallin Marine Subsea International

Year End	Revenue (\$m)	PBT* (\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/06	38.9	4.2	10.5	1.9	16.3	1.1
12/07	64.8	11.2	23.7	2.0	7.9	1.1
12/08e	125.0	25.1	48.8	2.2	3.4	1.3
12/09e	149.0	27.2	53.5	2.5	2.6	1.8

Note: *PBT and EPS (fully diluted) are normalised, excluding goodwill amortisation and exceptional items.
Valuation assumes average rates historically and £1 = \$1.80 for 2008 & £1 = \$1.50 for 2009.

Investment summary: Services still in demand

Hallin's order book for 2009 has remained strong at c 50% of forecast sales, with no cancellations and all projects commencing as planned. Beyond 2009, business should be partly protected by the lower cost base (due to new assets coming online), exposure to cash-rich ultimate clients and the fact shallow offshore oil is relatively cheap to produce, which should ensure continued investment. The challenge for Hallin will be to manage its assets through our forecast temporary dip in oil investment and the effects of potentially lower charter rates for both vessels and ROVs. Hallin's small, specialised fleet makes it well-placed to achieve this.

Dip in oil investment likely to be temporary

Shallow offshore oil operations are the next cheapest after onshore and mostly remain profitable with oil around the \$50/bbl mark. Therefore, Hallin's core market should be less affected than sectors with higher marginal costs compounded by falling oil prices. However, we do expect oil investment to dip temporarily in 2010 before recovering thereafter. The IEA and the Edison Oil and Gas team believe oil prices will not be sustained at current levels and will likely increase from 2010 onwards.

Sensitivities: Shrugging off the crunch

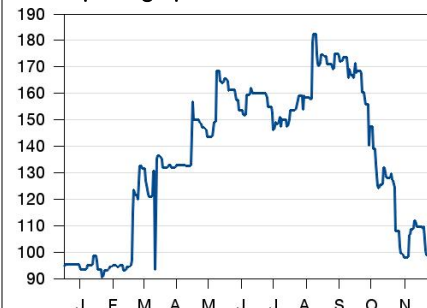
Hallin's main challenge will be control of cash flow and execution of contracts in 2009 and then to be responsive to changing conditions in 2010. With 75% of revenues linked to cash-rich international oil companies, we do not expect Hallin to be significantly affected by expensive credit. With high-specification and niche assets to become available in 2009 and a new vessel in 2010, Hallin's cost base is set to fall as it replaces leased assets.

Valuation: Visibility and critical mass could bring re-rating

Hallin Marine is now a credible player in the subsea contracting market. It has a higher visibility to its earnings and in our view deserves a higher rating to reflect this. Increasingly, comparisons with larger peers look valid, justifying a rating closer to the 5.4x 2008e P/E its medium and large oil sector peers trade on.

Price 93.5p
Market Cap £38m

Share price graph



Share details

Code HMS
Listing AIM
Sector Oil & Gas
Shares in issue 41.2m

Price

52 week High 187p Low 90.5p

Balance Sheet as at 30 June 2008

Debt/Equity (%) 78
NAV per share (p) 104
Net borrowings (£m) 12.4

Business

Hallin Marine is an oilfield services group based in Singapore. The group specialises in the installation, repair and maintenance of subsea installations for the oil and gas industry. It offers vessel charter, remotely operated vehicles and dive support systems for sale and lease as well as engineering services.

Valuation

	2007	2008e	2009e
P/E Relative	56%	45%	33%
P/CF	2.5	3.0	1.7
EV/Sales	1.8	0.9	0.9
ROE	30%	34%	28%

Revenues by geography

	UK	Europe	US	Other
25%		0%	14%	61%

Analyst

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Current oil prices: The \$50 barrel

It is important to note that Hallin's assets are commissioned by sub-contracted construction and services companies. This positions Hallin downstream relative to the ultimate client. The utilisation of its assets is during the actual construction phase, therefore 100% of its work is on active projects and it has seen no cancellations. Furthermore, an expensive credit environment is not expected to significantly affect Hallin's revenues given its cash-rich ultimate client base.

The Edison Oil and Gas team believes that nearly all exploration companies will reassess their current projects, with junior companies most affected. As 75% of Hallin's revenues over the past 12 months were generated from greenfield projects, this has the potential to impact on its top line. However, management estimates c 75% of business has the oil majors as the ultimate client. These majors are cash rich and cash flow positive with many using cash flows and cash to fund investment. The impact of expensive or restricted credit will likely be felt by the junior (exploration) companies, which represent less than 15% of Hallin's revenues. The worst hit area is expected to be the North Sea (UK side), where Hallin does not have diving or dive-boat charter business.

Furthermore, shallow offshore oil is the cheapest oil to produce after onshore. We believe the more expensive oil production projects will bear the brunt of the scale back in oil investment both in terms of exploration and construction. As an example, Nigeria has a substantial shallow offshore production in the Niger Delta (over 30% of national production). The government uses a marginal oil cost of \$45/bbl.

Exhibit 1: The marginal cost of oil extraction by oil site type

Oil Source	\$/bbl
XTL and Biofuel	\$40-\$180
Oil Shales	\$60-\$80
Oil Sands	\$60-\$80
Offshore Deep	\$50-\$70
Offshore Shallow	\$20-\$50
Onshore	\$15
Onshore Middle East	\$4-\$8

Source: Edison Investment Research, Oil & Gas Sector

The oil price outlook

Until the recent financial turmoil, the consensus on the fair price of crude oil was in the region of \$80-\$120/bbl. Our oil and gas team believes the current lower oil price reflects expectations of reduced future oil prices on the back of a global recession rather than a fundamental reduction in oil demand. Indeed, the International Energy Association (IEA) believes global oil demand will increase from 85m barrels per day (bpd) in 2007 to 106m bpd by 2030, an increase of 21m bpd.

Any short-term reduction in investment is likely to be delaying the inevitable. The IEA warns that the cuts and delays to investment resulting from the credit crisis will lead to supply crunches in the future. Dr Fatih Birol, the head economist at the IEA, believes that globally annual oil and gas investment of \$450bn is required to meet future demand. With 'only' \$390bn invested in 2007, a significant drop is expected from 2008 onwards as projects get cancelled. The IEA expects high long-term oil prices and higher investment as a result.

The main cause for concern at the IEA is the faster than expected decline in mature fields, which are currently declining at c 6.7% annually with a trend of an accelerating rate of decline. Russia, the North Sea, West Africa and the Gulf of Mexico are all seeing such declines. On our numbers, applying the 6.7% globally suggests current fields will produce only 23% of the 2007 level by 2030, a deficit of 65m bpd. This compounds the expected 21m bpd increase in demand driven by Asia.

Meanwhile, OPEC has announced cut-backs in production of up to 1.8m bpd to support the oil price and mooted the potential to reintroduce price range targets with the first indicated range of \$70-\$90/bbl. The last price range target of \$25-\$35 was abandoned in 2004 as the oil price rallied over \$60. The IEA predicts the importance of OPEC will increase as its share of world oil supplies increases from 44% to 51% by 2030.

In addition, national (state-controlled) oil companies currently account for c 50% of production but hold 72% of known reserves. The CEO of China National Offshore Oil Corporation, Mr Chengyu Fu, was recently quoted in the press as saying national oil companies are planning to cut back on 60% of budgeted projects and are now using a marginal production cost of \$55/bbl. His view was based on a meeting of 27 national oil companies from 23 countries. While this sounds potentially negative for Hallin in the short term, Mr Fu continued to say that deep-sea oil extraction projects would see most reductions being based on \$60-\$90/bbl. The IEA notes other unpredictable factors that could increase the oil price, such as geopolitical issues in the Middle East and the transportation risk of a large proportion of global supply passing through three major shipping straits.

Asia expected to drive future oil demand

The IEA predicts demand from developed (OECD) countries will remain flat. Asia is expected to be the driver of 80% of forecast oil demand growth, with the Middle East responsible for the remainder.

Divisional performance and outlook

Hallin Marine manages its business through its Eastern, Western and Manufacturing divisions with income from its Prospect Engineering acquisition treated as a fourth division. Currently the Western division manages most of the remote operating vehicle (ROV) fleet and as of 2008 has begun to offer vessel services. The Eastern division operates the full range of contracting services: marine, diving and ROVs, and also manufacturing of diving systems, ROV modification and saturation diving (SAT) systems for sale.

Eastern division – Flexible mix of diving support vessels

The Eastern division currently has four dive support vessels on long-term charter or owned using short-term charter for its ROV support vessel. Sanko Angel reached a record utilisation of over 90% in 2007. We expect this to continue in 2008, but we use the longer-term maximum of 85% in 2009 as small maintenance tasks are pushed from 2008 into 2009 given the heavy workload. The company's first own-designed vessel Ullswater is scheduled for delivery in December 2008.

Hallin currently has two more vessels on order, with the delivery of Windermere expected in the first quarter of 2010 and Coniston by the end of 2010. These additional assets are bespoke dive support vessels (DSVs) with advanced subsea cranes and lower operating costs than the current chartered assets. At the point of delivery, this gives Hallin opportunities to maximise returns from its assets, either retaining all assets if the order book is sufficient or by using the lower-cost new vessels. For

example, *Windermere* could be timed as a replacement for *Dea Surveyor* for which Hallin decided to extend the lease until the end of 2009. *Dea Surveyor* has been repeatedly chartered by Hallin and is also a smaller vessel aimed at specific niches. *Coniston*, due to arrive by the end of 2010, could pick-up work from *Sanko Angel*, the lease of which is set to expire in May 2010, or Hallin could decide to exercise an extension option for a further 12 months depending on the order book and outlook nearer the time.

The *Seacor Penrith* is a smaller ROV support vessel and was leased to address segments in the market where many of the larger vessels are not economic.

Both new vessels – *Windermere* and *Coniston* – are smaller, high specification vessels capable of commanding a premium day rate. This gives Hallin the flexibility of a mixture of vessel sizes, specifications and ownership terms. The order book will ensure good utilisation rates continue in the current year with the flexibility taking on significance if the industry does see lower investment.

Western division: Larger ROV fleet remains occupied

ROVs have been operating from the company offices in Aberdeen since May 2006. The ROV fleet has expanded from four in its first year to 17 in 2008 through expansion of the higher specification construction class ROV supplemented by smaller inspection class ROVs.

In 2009, a further nine ROVs are on order. Hallin continues to modify and build ROVs in-house. We do not expect new ROV orders in 2010 unless order books continue to grow, with the externally ordered ROVs expected to see the greatest reduction in orders.

2009 ROV orders include six working class 'C-ROV' ROVs, built in-house and to be delivered progressively throughout the year. We estimate these cost c \$1.6m. Two work class ROVs are on order from a third party costing \$3m each. The charter of the *RSS Shackleton* as an ROV support vessel has expired and management is currently looking into the most suitable replacement for the 2009 season. *Shackleton* was the first ROV support vessel chartered by Hallin's Western Division, with management adopting a prudent short-term leasing strategy.

Similarly to dive support vessels, we expect the current pipeline to support a utilisation rate of 85% for the ROV fleet in 2009. In 2010 we think that utilisation rates will fall to the longer-term average of 75%, reducing gross margins from 30% to 25%. The larger fleet is expected to ensure profits remain at 2008 levels in 2010 before continuing to grow from 2011.

Manufacturing division: Significant profits contribution this year

This business did not produce any profits in 2007, however, management made significant progress in the early part of the year completing work on Hallin's operational assets. These include capacity expansion for three C-ROV systems and two SAT systems (capacity replacement). The new ROV orders are expected to increase workload in the business. Its order book for third-party build contracts was disclosed as over \$7m at the time of the interim results announcement.

In April, the Singaporean yard area was grown by 50% allowing simultaneous work on multiple SATs and ROVs. Despite this, the order book for Hallin and third-parties covers the yard at full capacity for a substantial part of 2009. Management of this division has also taken over responsibility for procurement of new assets like DSVs (*Ullswater* and *Windermere*) and ROVs, keeping the other divisions firmly focused on service.

SAT systems sales expected to continue

Due to its origins, the sale of SAT systems appears to be perceived as one-off income by the market despite Hallin expanding the business and taking orders from third parties. Hallin has sold a SAT system every year since 2006. This year it sold SAT05 for \$7.5m, booking a profit on sale of \$5m. Management has declared that its strategy is to continue to sell the group's older SAT systems generating cash flow to reinvest in more modern equipment, thus maintaining a fleet of systems that is no more than two years old. We expect further profitable sales of SAT systems.

Prospect expected to hit targets

Hallin's new Prospect engineering business was subject to earn-outs at the time of purchase both on revenues and margins. We expect it to meet these targets, even in a lower oil price environment, with margins to hit 10% in 2009 with over £7m in revenues. The weaker sterling will impact the reported number – we move from a £/\$ exchange rate of 1.8 to 1.5 in 2009 and 2010, impacting reported profits by c 8%.

The skill sets acquired with Prospect will eventually mean Hallin can compete in new areas of business by offering complete design and operation services. In this way, Hallin would capture more of the value on offer from oil infrastructure investment.

Changes to forecasts

In the Eastern division, we estimate a 13% increase in sales in 2009. Day rates for boats remain strong with no declines yet seen. However, we have cautiously trimmed operating margins to 20% from 23% in 2009. The weakening of sterling also reduces the reported profits from Prospect. Overall, we have reduced pre tax profit estimates for the year by \$0.6m to \$27.2m. Utilisation rates are expected to decline in 2010 as the lower oil price causes investment to be delayed. Given the growing global demand trends, declines in aging field production and the IEA outlook, we expect oil investment to rebound from 2011.

Market outlook

The key issue for Hallin Marine is the control of its costs. It must respond to any fall in spot hire rates by looking to lower its own leasing costs. With nine new ROVs in 2009, there is a risk of some overcapacity during our expected dip in oil investment in 2010. The two new vessels will not add capacity until 2010 and 2011 when Hallin should have the option to adjust leases to manage assets. The mixture of different length leasing contracts gives Hallin good flexibility on input costs and will allow it to avoid any reduction in growth on the top line having a geared effect on earnings. With a reduced order book going into 2010, we see low operational gearing as a strong point with Hallin likely to benefit from 2011 onwards.

Hallin's technical support vessels remain more supply constrained than the main market platform vessels. The global diving support vessel fleet is still fairly old and most of the new build is concentrated at the larger end. Hallin has focused on building and operating smaller vessels to exploit a potential niche. Hallin Marine does face competition in the supply of SAT systems, however it offers a much lower price than others based on its low-cost yard, and there is a large increase in global ROV capacity planned, which may eventually swamp the market, but not in the short term.

Sensitivities

Response to 2010 weakness

Management remains bullish on both 2010 and 2011. We see scope for temporary oil development weakness in 2010 given the short-term oil price. Not using the additional spot charter vessel that Hallin has used for the busy half year of March-August in the past two years would potentially impact gross profits by c 3% while utilisation capacities moving nearer their historical levels of 75% may impact profits by a further 3% on a like-for-like basis. The actual impact on the bottom line should be less given additional profits from the larger business. We will review our 2009 earnings when we release our 2010 numbers with our next note.

Execution in high utilisation environment in 2009

Utilisation rates close to 90% reflect a problem-free year for Hallin Marine. This is the second year this has occurred. We remain aware that utilisation and hence gross margins depend on a smooth transition between contracts and no breakdowns. With larger subsea contracts, the specific risk has increased in 2008, although this is mitigated by the high visibility on earnings streams.

Valuation: Underlying earnings stream is clearer

Hallin's share price has tracked the oil price, suggesting the market sees its business model as driven by a high oil barrel – common among the smaller charter and services businesses. We continue to believe there is a clear case for a re-rating based on three factors: 1) resilient earnings in 2009 and low operational gearing; 2) structure and strategy now much more akin to its bigger subsea contracting competitors; and 3) improved visibility of earnings with its longer-term order book. Based on these criteria, we think that a fair rating for Hallin would be 4-5x (2008 P/E).

Exhibit 2: Peer group comparison (prices as at 1 December 2008)

Company	Business Description	Currency	Price	Mkt Cap	Sales	EPS	Forecast Year 1	
							P/E	EV/Sales
Small Size Oil Service								
Hallin Marine	Diving services	£/p	94	38	69.4	27.4	3.4	0.7
Getech	Geotechnical services	£/p	28	8	4.5	2.6	10.6	1.3
RheoChem	Drilling fluids	£/p	5	11	33.6	2.0	2.6	(0.8)
Offshore Hydrocarbon Mapping	Geophysical exploration	£/p	11	5	10.9	(20.4)	(0.6)	(0.9)
Plexus Holdings	Oil & Gas wellheads	£/p	39	31	16.1	1.8	21.7	2.1
Medium Size Oil Service								
Cape	Maintenance & services	£/p	39	43	596.0	29.0	1.3	0.4
James Fisher	Offshore support, oil transport	£/p	430	214	217.0	36.4	11.8	1.4
Contractors with diving services								
Helix energy Solutions		\$/c	6	579	2,134	2.9	2.2	1.1
Global Industries	32 vessels	\$/c	3	340	1,065	0.7	4.2	0.3
Technip		€/c	22	2,294	7,361	3.9	5.7	0.1
Oceaneering International		\$/c	26	1,175	1,978	3.6	7.2	0.7
							5.4	0.7

Source: Bloomberg, Edison Investment Research

Exhibit 3: Company fact sheet

Operations		Performance																												
Diving Support: Eastern Division																														
<p>Hallin Marine operates a fleet of dynamically positioned (DP) diving support vessels (DSV). It increasingly supplies a full range of subsea contracting rather than just diving support. The business operates mainly in the Far East with headquarters in Singapore. It operates a mixture of assets including long-term charter and spot charter vessels. In 2008, <i>Sanko Angelis</i> is on three-year charter alongside two smaller DSVs on spot charter, while subsea operations vessel (SOV) <i>Ullswater</i> delivered in Q4 is on a 10-year fixed price charter. Vessels are typically 70m long and have 100 people as crew, performing saturation diving, air diving and operating ROVs. Another owned vessel, <i>DSV Windermere</i>, is being built for delivery in early 2010. The saturation diving (SAT) systems allow divers to live in pressurised living quarters at the same pressure as they work on the sea bed in depths over 50m. Hallin operates SAT systems on its DSVs and also has five SAT systems, which operate from third party vessels. An SDS crew is typically 21 people supporting four divers. An air diving system (ADS) is used in shallow waters (normally less than 25m). Hallin currently operates two sets of ADS.</p> <p><i>Main competitors: Cal Dive International, Global Industries.</i></p>		<table border="1"> <caption>Sales (\$'000) - Diving Support: Eastern Division</caption> <thead> <tr> <th>Year</th> <th>Sales (\$'000)</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>35,000</td> </tr> <tr> <td>2007</td> <td>45,000</td> </tr> <tr> <td>2008e</td> <td>70,000</td> </tr> <tr> <td>2009e</td> <td>80,000</td> </tr> </tbody> </table>	Year	Sales (\$'000)	2006	35,000	2007	45,000	2008e	70,000	2009e	80,000																		
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Remote Operating Vehicles: Western Division																														
<p>Although Hallin has operated ROVs from DSVs for many years, it only set up a separate ROV operation in 2006. The business is based in Aberdeen. Hallin initially purchased four high-specification ROVs for operation in the North Sea. By the end of 2008, it will have a range of work class, mid-range and inspection class ROVs, building a fleet of 25 vehicles. ROVs are on charter in the North Sea, Africa and the Gulf of Mexico.</p>		<table border="1"> <caption>Sales (\$'000) - Remote Operating Vehicles: Western Division</caption> <thead> <tr> <th>Year</th> <th>Sales (\$'000)</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>5,000</td> </tr> <tr> <td>2007</td> <td>22,000</td> </tr> <tr> <td>2008e</td> <td>42,000</td> </tr> <tr> <td>2009e</td> <td>50,000</td> </tr> </tbody> </table>	Year	Sales (\$'000)	2006	5,000	2007	22,000	2008e	42,000	2009e	50,000																		
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<p>Hallin manufactures its own SAT systems at its Singapore leased yard at a cost of c \$3.0m and can currently sell them at a significant premium. It has sold used units in 2006, 2007 and 2008 and has now won orders to manufacture a new unit for external sale. In 2007, Hallin started building its own low-specification ROVs.</p> <p>The acquisition of Prospect is currently run as a separate division offering analysis and design for subsea, offshore and onshore projects. Eventually Prospect means Hallin could offer the full lifecycle of services and assets.</p>		<table border="1"> <caption>Sales (\$'000) - Manufacturing and Prospect</caption> <thead> <tr> <th>Year</th> <th>Manufacturing (\$'000)</th> <th>Prospect (\$'000)</th> <th>Total (\$'000)</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2007</td> <td>10,000</td> <td>0</td> <td>10,000</td> </tr> <tr> <td>2008e</td> <td>10,000</td> <td>4,000</td> <td>14,000</td> </tr> <tr> <td>2009e</td> <td>10,000</td> <td>11,000</td> <td>21,000</td> </tr> </tbody> </table>	Year	Manufacturing (\$'000)	Prospect (\$'000)	Total (\$'000)	2006	0	0	0	2007	10,000	0	10,000	2008e	10,000	4,000	14,000	2009e	10,000	11,000	21,000								
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Source: Edison Investment Research

Exhibit 4: Financials

Year end 31 December	\$'000s	2005	2006	2007	2008e	2009e
Accounting basis		IAS	IAS	IAS	IAS	IAS
PROFIT & LOSS						
Revenue		26,566	38,865	64,754	125,000	149,000
Cost of Sales		(21,542)	(32,989)	(45,560)	(88,900)	(106,800)
Gross Profit (after depreciation)		5,024	5,876	19,194	36,100	42,200
EBITDA		2,941	1,320	14,827	30,600	35,700
Operating Profit (before GW and except.)		2,451	3,778	11,852	26,600	29,200
Goodwill Amortisation		0	0	0	0	0
Exceptionals		0	0	0	7,000	0
Other		(39)	440	0	0	0
Operating Profit		2,412	4,218	11,852	33,600	29,200
Net Interest		(105)	(43)	(652)	(1,500)	(2,000)
Profit Before Tax (norm)		2,307	4,174	11,200	25,100	27,200
Profit Before Tax (FRS 3)		2,307	4,174	11,200	32,100	27,200
Tax		(52)	(278)	(1,159)	(4,016)	(4,080)
Profit After Tax (norm)		2,255	3,896	10,041	21,084	23,120
Profit After Tax (FRS3)		2,255	3,896	10,041	28,084	23,120
<hr/>						
Average Number of Shares Outstanding (m)		28.7	37.0	40.0	42.7	43.2
EPS - normalised (c)		7.8	10.5	25.1	49.3	53.5
EPS - normalised fully diluted (c)		7.8	10.5	23.7	48.8	53.5
EPS - FRS 3 (c)		7.8	10.5	25.1	65.7	53.5
Dividend per share (c)		1.7	1.9	2.0	2.2	2.5
<hr/>						
Gross Margin (%)		18.9%	15.1%	29.6%	28.9%	28.3%
EBITDA Margin (%)		11.1%	3.4%	22.9%	24.5%	24.0%
Operating Margin (before GW and except.) (%)		9.2%	9.7%	18.3%	21.3%	19.6%
<hr/>						
BALANCE SHEET						
Fixed Assets		7,423	32,727	66,353	90,500	143,900
Intangible Assets		0	0	0	0	0
Tangible Assets		5,621	31,186	64,638	90,500	143,900
Assets held for sale		1,801	1,541	1,715	0	0
Current Assets		9,192	18,349	28,343	46,000	46,000
Work in progress			913	0	3,000	3,000
Debtors		7,279	15,067	20,390	42,000	42,000
Cash		1,913	2,370	7,953	1,000	1,000
Current Liabilities		(7,096)	(14,620)	(36,285)	(54,520)	(59,044)
Creditors		(6,267)	(10,805)	(33,102)	(53,520)	(58,044)
Short term borrowings		(830)	(3,815)	(3,183)	(1,000)	(1,000)
Long Term Liabilities		(332)	(12,185)	(24,711)	(20,479)	(48,220)
Long term borrowings		(324)	(12,147)	(24,668)	(20,479)	(48,220)
Other long term liabilities		(7)	(38)	(43)	0	0
Net Assets		9,187	24,271	33,700	61,501	82,636
<hr/>						
CASH FLOW						
Operating Cash Flow		(1,830)	2,081	30,384	23,600	35,700
Net Interest		(234)	(102)	(652)	(1,500)	(2,000)
Tax		(17)	(140)	(574)	(4,016)	(4,080)
Capex		(4,070)	(26,181)	(33,048)	(29,900)	(59,900)
Acquisitions/disposals		0	0	0	4,000	4,000
Financing		4,849	10,570	(1,616)	8,500	0
Dividends		0	(580)	(800)	(1,265)	(1,461)
Net Cash Flow		(1,302)	(14,351)	(6,306)	(581)	(27,741)
Opening net debt/(cash)		(2,100)	(759)	13,592	19,898	20,479
HP finance leases initiated		0	0	0	0	0
Closing net debt/(cash)		(798)	13,592	19,898	20,479	48,220

Source: Company accounts/Edison Investment Research

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