

2014 Annual Results

- **Record business and profitability in the new oil environment:**
 - Revenue of €28.2 million (+63%)
 - EBITDA of €1.83 million (4x greater than 2013)
 - Current operating income of €1.57 million

- **Growth momentum for Q1 2015:**
 - Revenue of €10.5 million (+81%)
 - Order book on March 31, 2015 of €12.8 million

DIETSWELL releases today its audited results for the fiscal year ended December 31, 2014.

Pierre Laborie, the Chairman and Chief Executive Officer of Dietswell, and Jean-Claude Bourdon, the company's Executive Vice-President and founder, made the following comments on these results: "As announced last fall, results for fiscal year 2014 show that the profitability of our operations continues to improve. This improvement is even more remarkable given the fact that it occurred during the second half of 2014 in an environment of sharply lower oil prices. These results therefore confirm the soundness of the strategy initiated in 2010 with growth based on high value added technical services. Witness the order book which at December 31, 2014, stood at €14.4 million, or 45% higher than at the end of 2013, and €12.8 million in late March 2015.

This performance can also be explained by the fact that the exploration sector – the first to be hit by a drop in oil prices – accounts for less than 10% of DIETSWELL's business, which puts greater focus on development programs: once launched by the oil industry, these programs are rarely halted. In addition, when oil prices drop, despite strong downward pressure on the price of services, engineering investments show stronger resilience than physical investments. Dietswell naturally reaps the rewards of its solid positioning in this business.

Against this backdrop, ongoing developments at DIETSWELL are actively being pursued, modelled on the subsidiary Dietswell Do Brasil, which opened in late 2013. This subsidiary optimally positions DIETSWELL in a booming market, despite low oil prices, in which operators must adopt an offensive strategy to prepare for the future. In drilling, production, maintenance, and inspection, DIETSWELL now has the capacity to diligently and competitively meet this growing and continuing demand.

Combining a solid business model with a proven product mix in an environment suffering from depressed oil prices and a policy of sustained development across all of our service activities instills us with a great deal of confidence when it comes to DIETSWELL's future development."

Key figures, by December 31, 2014

<i>In millions of euros (French Norms)</i>	2014	2013	Change % / x
Book Order	14.4	9.9	+45 %
Consolidated Revenues	28.2	17.3	+63 %
Gross Margin	3.59	2.01	+79 %
EBITDA	1.83	0.43	x 4.3
EBIT	1.60	0.25	X 6.4
Net Result			
- Before exceptional depreciation of assets	1.57	0.33	x 4.8
- After exceptional depreciation of assets	(12.0)	0.33	ns
Net Debt	3.3	1.7	
Shareholders' Equity			
- Before exceptional depreciation of assets	21.4	19.6	
- After exceptional depreciation of assets	7.7	19.6	

◆ REVENUE: +63 %, with greater contributions from each activity

Consolidated revenues for fiscal year 2014 totaled €28.2 million, up 63% compared to 2013. This is slightly below the €28.9 million mentioned on January 26, as the accounting method applied to a large service contract currently underway records revenue in advance, thereby automatically transferring €0.7 million in revenue from the second half of 2014 to the first half of 2015.

All activities are showing substantial growth. In the second half alone, business activity grew 68%.

Revenues per business line (Millions of euros, French norms)	Year 2014	Year 2013	Change %	H2 2014	H2 2013	Change %
Dietswell Services	16.5	13.3	+24%	9.9	7.1	+39%
Dietswell Solutions	3.5	0.9	x 3.9	0.8	0.5	+60%
Factorig	4.0	3.0	+33%	2.2	1.8	+22%
Dietswell Contracting	4.2	0.1	ns	3.1	0.1	ns
Total	28.2	17.3	+63%	16.0	9.5	+68%

- **Dietswell Services** (Technical Support): this business rose 24% over the entire year and 39% in the second half alone, and now accounts for approximately 60% of total revenue. The business posted new commercial successes, most notably in Gabon, Congo (Brazzaville) and the United Arab Emirates (UAE) through our Abu Dhabi subsidiary. This business has faced the greatest price pressure in the current market environment.
- **Dietswell Solutions** (Engineering Onshore & Offshore): the sharp growth compared to 2013 underscores the relevance of this activity's business model and its positioning vis-à-vis high value added technological contracts, specifically deep offshore, in addition to its success managing an associated EPCI (Engineering Procurement Construction Installation) project.

- **Factorig** (Audit and Inspection): this business was especially strong in Africa and Asia (China, Indonesia, etc.) with a sizeable offshore contract in South Korea in connection with a consortium to receive a drillship constructed by Samsung Heavy Industries. Factorig is continuing its efforts to roll out its training services and to intensify its business in the high technology market of Offshore Drilling units.
- **Dietswell Contracting** (Drilling and Operations Management) generated €4.2 million in revenue on the contract with ENAGAS, Spain's number one operator, to refurbish and operate a drilling rig on the Gaviota platform located off the coast of Bilbao in Spain. ENAGAS has operated an underground natural gas storage reservoir there since 1994.

◆ **Confirmed return to operational profitability, solid financial structure**

The significant business growth and strict cost controls have resulted in a 79% jump in gross margin to €3.59 million, which accounts for 12.8% of revenue versus 11.6% in 2013.

EBITDA continued to recover, totaling €1.83 million compared to €0.4 million in 2013 and €0.1 million in 2012.

Net income amounted to €1.57 million before the inclusion of the exceptional €13.6 million impairment charge recorded in the H1 2014 financial statements as part of the planned disposal of both the Sedlar 160 and 250 rigs. As a reminder, this provision has no impact on the Group's cash position. The cash arising from the disposal of the two rigs will contribute to the organic growth of the service businesses and to the financing of any potential M&A transactions.

Gross financial debt amounted to €4.2 million at December 31, 2014. It includes €2.1 million in convertible bonds as well as BPI innovation finance loans amounting to €0.75 million. Excluding convertible bonds, financial debt amounted to €1.2 million, or 16% of shareholders' equity after the inclusion of the exceptional impairment charge. These totaled €7.66 million, or €1.44 per share.

◆ **Q1 2015: revenues and EBITDA in progress**

2014 growth momentum still operates for Q1 2015, despite a bearish Oil&Gas sector which implies a growing pressure on price.

Hence revenues are growing by 81% at €10.5 million.

The revamping phase of the Gaviota platform has been delivered as scheduled by the end of march. Operations are now dedicated to the "work over" phase with the revamped drilling unit.

By March 31, 2015, the Book Order level was set at €12.8 million.

About DIETSWELL (www.dietswell.com)

Founded in 2000, Dietswell is an international expert in drilling operations and design of drilling equipment for the oil industry. The multidisciplinary services offered by DIETSWELL in the drilling sector, are backed by a flexible and responsive operational structure, composed of industry experts.

With its highly qualified and experienced teams, Dietswell also conducts quality audits and drilling equipment design studies, for onshore as well as offshore rigs. Dietswell follows the highest quality and safety standards in the industry, is certified OSEO (French Innovation Agency), as well as ISO 9001, ISO/TS 29001 and ISO 14001 for its technical support, audit services & engineering department.

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DIETSWELL

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