



## News Release

1100 Brashear Ave., Suite 200  
Morgan City, Louisiana 70380  
(985) 702-0195

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**For Immediate Release To:**  
Financial Community, Media

**For Information Contact:**  
Cecil Hernandez (985) 702-0195  
CAHernandez@ConradIndustries.com

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### **Conrad Industries Announces 2016 Results and Backlog**

Morgan City, Louisiana (March 29, 2017) - Conrad Industries, Inc. (OTC Pink: CNRD) today announced its fourth quarter and twelve months 2016 results and backlog.

For the quarter ended December 31, 2016, Conrad had net loss of \$836,000 and loss per diluted share of \$0.15 compared to net income of \$3.4 million and earnings per diluted share of \$0.63 during the fourth quarter of 2015. The Company had net loss of \$1.7 million and loss per diluted share of \$0.33 for the twelve months ended December 31, 2016 compared to net income of \$10.6 million and earnings per diluted share of \$1.86 for the twelve months ended December 31, 2015. Results for the quarter and year ended December 31, 2015 included research and development tax credits of \$3.4 million and \$5.9 million, respectively. The Company's financial reports are available at [www.otcmarkets.com](http://www.otcmarkets.com).

Conrad's backlog was \$216.5 million at December 31, 2016, \$211.8 million at December 31, 2015 and \$180.2 million at December 31, 2014.

Johnny Conrad, President and CEO stated, "Our results for 2016 reflect a continued challenging operating environment. During 2016 our new construction segment was adversely affected by a soft market for energy transportation, increased pricing pressure, and customer delays on large project orders, while our repair and conversion segment continues to be impacted by low crude oil prices. These factors also had a negative impact on our operating results in 2015, and they may continue to impact our operations during 2017. In addition, our 2016 and 2015 operating results were affected by a \$13.2 million loss and a \$4.0 million loss, respectively, on the LNG Barge. Despite the losses we have incurred on the construction of the LNG Barge, the first vessel of its kind ever constructed in North America,

we believe that we have developed the resources to establish ourselves as a leader in LNG marine-related construction in North America.”

Mr. Conrad continued, “Throughout our 69 year history, we have used our cash and debt to make investments in our business, continue to diversify our product mix, take advantage of business opportunities and improve efficiency. Pursuant to our capital improvement program, we have invested an aggregate of \$61.9 million in our facilities over the last five years. We believe this has allowed us to remain competitive, meet evolving customer needs and effectively navigate a cyclical business.

Our primary goal has always been, and remains, the enhancement of shareholder value. In pursuit of this objective, we have returned cash to our shareholders through our stock repurchase program and the payment of dividends. Since 2010, we have returned \$64.8 million in cash to shareholders through dividends and stock repurchases. From the stock repurchase program’s inception in 2010, we have repurchased a total of 1,352,771 shares of our common stock for a purchase price in excess of \$27.4 million. From and including our first special dividend in 2012, we have paid a total of \$37.4 million in dividends to our stockholders. Dividends are paid at the discretion of our Board and depend on the Company’s financial performance, cash requirements, outlook, and any other factors that the Board deems relevant. After the consideration of these factors, our Board elected not to declare a dividend during the first quarter of 2017.”

Mr. Conrad concluded, “Although we expect 2017 to be another challenging year, we are optimistic about the long-term prospects of our business. We have met these types of challenges in the past, and we remain confident that with our talented and dedicated employees, strong balance sheet and diversified customer base we can effectively respond to changing market conditions.”

Conrad Industries, Inc., established in 1948 and headquartered in Morgan City, Louisiana, designs, builds and overhauls tugboats, ferries, liftboats, barges, offshore supply vessels and other steel and aluminum products for both the commercial and government markets. The company provides both repair and new construction services at its five shipyards located in southern Louisiana and Texas.

*Cautionary statement:* This press release contains forward-looking statements, which are all statements other than those of historical facts, and reflect our expectations as of the date of this press release about future events. Forward-looking statements are subject to risks and uncertainties, including our reliance on cyclical industries, ability to perform contracts at costs consistent with estimated costs utilized in bidding, and ability to replenish our backlog and compete in changing markets. These and other risks are discussed in more detail in our Annual Report and subsequent reports available on [www.otcmarkets.com](http://www.otcmarkets.com). Should one or more of these risks materialize, achievement of anticipated results may differ materially from those anticipated. We do not intend to update these forward-looking statements, other than through our regular quarterly and annual reports.