



## News Release

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**For Immediate Release To:**  
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### **Conrad Industries Announces Special Dividend and Institutes Quarterly Dividend, Reports on New Business**

**Highlights:**

- **\$1 per share special cash dividend payable January 5, 2015 to shareholders of record on December 23, 2014**
- **Institutes \$0.25 per share quarterly dividend, commencing first quarter 2015**
- **New contracts bring backlog to \$170.0 million**
- **\$27.3 million capital expenditure budget for 2015**
- **Increase in stock repurchase program to \$20 million**

Morgan City, Louisiana (December 12, 2014) - Conrad Industries, Inc. (OTC Pink Sheets: CNRD.PK) announced today that its Board of Directors has declared a special cash dividend of \$1.00 per share of common stock. The special cash dividend is payable on January 5, 2015 to shareholders of record on December 23, 2014.

Additionally, the Board plans to initiate a quarterly dividend of \$0.25 per share during the first quarter of 2015. Declaration of the dividend is at the discretion of the Board each quarter, and will depend upon the Company's financial performance, cash requirements, outlook and other factors deemed relevant by the Board.

The Company also announced today the signing of contracts and sale of stock barges, bringing current backlog to approximately \$170.0 million, compared \$135.0 million at September 30, 2014 and \$152.9 million at December 31, 2013.

Barges sold and new contracts include four 297'6"x 54'x 12' 30,000 bbl. tank barges, two 361'x 62'x 24' 55,000 bbl tank barges, two 300'x 62'x 18'5" 35,000 bbl. tank barges, and a 235'x 64'x 18'6" ferry.

The Board approved approximately \$27.3 million in capital expenditures for 2015, which includes \$16.7 million for continued development of the Conrad Deepwater South yard. The additional improvements at Deepwater South will continue to enhance the Company's ability to build larger vessels.

The Company also announced that its Board has increased the Company's stock repurchase program to \$20.0 million. The Company plans to use cash on hand or generated from operations to purchase the stock. Acquisitions may be made from time to time in the open market or in privately negotiated transactions as permitted by securities laws and other legal requirements. The timing, prices and sizes of purchases will depend upon prevailing stock prices, general economic and market conditions and other factors as management deems appropriate. The program does not obligate the Company to acquire any particular amount of common stock, and may be commenced, suspended or discontinued at any time or from time to time in the Company's discretion without prior notice.

Johnny Conrad, Chairman and CEO commented, "Our announcements today reflect our financial strength and our Board's optimism about the long-term prospects of our business. Our actions also reflect management's ongoing planning process aimed at taking advantage of our recent achievements and accumulated substantial cash balances for the benefit of our shareholders."

Throughout the years, we have used our cash and debt to make investments in our business to continue to diversify our product mix, take advantage of business opportunities and improve efficiencies. We believe these investments have allowed us to remain competitive, meet changing customer needs and navigate effectively through business cycles. Additionally, we have returned cash to our shareholders through our stock repurchase program and special dividends in each of the past two years."

Mr. Conrad continued, "We must also take note of near-term risks to our business. We have experienced a decline in demand for inland tank barges primarily used to transport petroleum products produced from shale plays, and a softer repair market. Current declining oil prices may adversely impact our business, particularly in our repair segment. We have been actively pursuing increased opportunities to produce different types of vessels for new markets. Some of these vessels would be larger, take longer to start production, and take longer to complete than vessels we have constructed in the past, and some may require additional capital expenditures. We currently expect these factors to negatively impact our financial performance for the fourth quarter of 2014 and first two quarters of 2015, compared to prior periods. We have met these types of challenges in the past, and our record of success and talented

and dedicated employees give us confidence that our business will continue to grow and prosper.”

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.