



News Release

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Conrad Industries Announces 2014 Results and Backlog

Morgan City, Louisiana (March 26, 2015) - Conrad Industries, Inc. (OTC Pink: CNRD) today announced its fourth quarter and twelve months 2014 results and backlog.

For the quarter ended December 31, 2014, Conrad had net income of \$5.2 million and earnings per diluted share of \$0.88 compared to net income of \$10.1 million and earnings per diluted share of \$1.70 during the fourth quarter of 2013. The Company had net income of \$22.8 million and earnings per diluted share of \$3.84 for the twelve months ended December 31, 2014 compared to net income of \$28.6 million and earnings per diluted share of \$4.80 for the twelve months ended December 31, 2013. The Company's financial reports are available at www.otcmarkets.com.

Conrad's backlog was \$180.2 million at December 31, 2014, compared to \$152.9 million at December 31, 2013.

Johnny Conrad, President and CEO stated, "While our net income was lower in 2014 compared 2013, we achieved the highest gross profit in our Company's history in the vessel construction segment. The decline in earnings was attributable to our repair and conversion segment, in which gross profit decreased \$11.8 million or 65.6%, compared to 2013. This decrease was primarily due to a significant loss on a large conversion job, and a decrease in demand and customer activity, which we believe is due to the decline in crude oil prices; additionally in the second half 2013, we had a large job which added significantly to repair and conversion gross profit.

As of December 31, 2014, we had cash of \$68.6 million and no long-term debt. During the past five years, we have made approximately \$44.8 million of capital expenditures to add capacity and improve the efficiency of our shipyards. Our Board

has approved a \$27.3 million capital expenditure program for 2015, which includes \$16.7 million for the continued development of the Conrad Deepwater South yard. The additional improvements at Deepwater South will continue to enhance our ability to build larger vessels, and we believe these investments in our business will improve our efficiencies and competitiveness."

Mr. Conrad continued, "Throughout the years, we have used our cash generated from operations 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 three years, and in 2015, we initiated a quarterly dividend."

Mr. Conrad also stated, "We have been actively pursuing increased opportunities to produce different types of vessels for new markets, and are encouraged by our recent success in obtaining the contract to construct the LNG bunker barge. Some of these vessels, including the LNG bunker barge, are larger, take longer to start production, and take longer to complete than vessels we have constructed in the past.

While we remain optimistic about the long-term prospects for our business, we must also take note of near-term risks. We have experienced a decline in demand for inland tank barges primarily used to transport petroleum products produced from shale plays, delays on orders for larger projects, and a soft repair market, which we believe is due primarily to the decline in crude oil prices. We currently expect these factors to negatively impact our financial performance during 2015, compared to 2014.

We have met these types of challenges in the past, and we continue to be confident that because of our record of success, talented and dedicated employees, strong balance sheet, and diversified customer base, we will continue to be responsive to changing market conditions, with our goal remaining to continue to enhance shareholder value."

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. 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.