

PT MITRABAHTERA SEGARA SEJATI TBK.
TOWARDS A NEW ERA OF SUSTAINABLE GROWTH
The Company recorded revenue of USD 38.2 Million in 3M14

30 April 2014, JAKARTA - PT Mitrabahtera Segara Sejati Tbk (MBSS) has reported revenues of USD 38.2 million, gross profit of USD 14.8 million, EBITDA of USD 17.1 million, and profit attributable to majority shareholders (net income) of USD 9.2 million for the unaudited financial statement period ended March 31, 2014. Complete audited financial statement for the period can be accessed on the Company website www.mbss.co.id

Rico Rustombi - President Director of MBSS said that 2014 will be challenging due to approximately 30% of MBSS's contract will expire, while the coal industry has not been recovered yet. MBSS understands the difficult condition and coal price pressures experienced by clients. MBSS actively discusses to clients to provide win-win solutions and conduct the principles of mutual growth with clients, without compromising reliability and operational excellence.

In order to maintain sustainable growth, Management of MBSS has undertaken some strategic initiatives to optimize the utilization of the Company's fleet by allocating fleet to projects that contributed better profitability, managing third party's fleet or brokering, diversification of area operations as well as cargo, and better scheduling for fleet maintenance. Rico further said that the positive impact of those strategic initiatives can be seen in the increase of barging revenues by USD 2.2 million or increase of 8.6% YoY in 3M14.

In the first quarter 2014, MBSS's gross margin is lower compared to last year from 41.0% in 3M13 to 38.7% in 3M14. "To anticipate the lower gross margin, Management of MBSS actively increases the sales volume for barging to 9.2 million tons and floating cranes to 6.0 million tons in 3M14" said Ika Bethari – Director of Finance and Corporate Planning.

In addition to the brokering strategy, MBSS will increase to diversify in materials to be transported as well as diversify its areas of business operation to serve logistic clients' needs in regions such as the Philippines. This is supported by fact that the Company's fleet is equipped with the certification of international agencies such as the class of RINA, GL, BV, and etc, in addition to classification of the Bureau Classification Indonesia (BKI). MBSS also applies international standards of safety systems ISM Code issued by the International Maritime Organization (IMO).

To maintain the reliability of the services provided, MBSS's fleet are equipped with a vessel tracking system to monitor the ship's position, and clients can also monitor their cargo enabling them to plan and handle the cargo more efficiently. "MBSS's fleets are also equipped with fuel monitoring system to monitor fuel consumption and engine performance, as fuel is one of the major direct cost components" said Rico.

Below is the summary of the Company performance during 3M14:

Summary of operational performance	3M13	3M14	% Change
Barging			
Unit (Sets)	75	75	0%
Volume (million tons)	8.5	9.2	8.2%
Floating Cranes			
Units	7	7	0%
Volume (million tons)	5.6	6.0	7.1%

Summary of financial performance (in USD Million)	3M13	3M14	% Change
Revenues	36.8	38.2	3.8%
Barging	25.5	27.7	8.6%
Floating Cranes	11.3	10.5	(7.1%)
Direct Cost	21.7	23.4	7.8%
Gross Profit	15.1	14.8	(2.0%)
Income Before Tax	10.9	9.9	(9.2%)
Net Income	10.4	9.2	(11.5%)

Revenues

Revenues increased by USD 1.4 million which the revenues increased from USD 36.8 million in 3M13 to USD 38.2 million in 3M14. Barging contributed 72.5% to the total revenues. Barging revenues in 3M14 increased by USD 2.2 million from USD 25.5 million in 3M13 to USD 27.7 million in 3M14. This was due to (1) more aggressive brokering activities in which the brokering revenue increased from USD 0.2 million in 3M13 to USD 1.4 million in 3M14, (2) better fleet management by allocating fleet to projects that contributed better profitability.

Floating cranes contributed 27.5% to the total revenues. Floating crane revenues in 3M14 decreased USD 0.8 million from USD 11.3 million in 3M13 to USD 10.5 million in 3M14. This is due to lower volume from a client.

Direct Costs

Direct costs increased by USD 1.7 million from USD 21.7 million in 3M13 to USD 23.4 million in 3M14. The increase of the direct costs was mainly contributed by increase in fuel cost of USD 1.2 million that is in line with sales volume increase, increase in repair and maintenance of USD 0.2 million and increase in rental cost of USD 0.2 million to support the brokering activities.

Operating Expenses

Operating expenses increased by USD 0.9 million from USD 2.6 million in 3M13 to USD 3.5 million in 3M14. This was due to increase in salaries and allowances and marketing cost to support more operational activities.

Finance Cost

Finance cost decreased by USD 0.4 million from USD 1.7 million in 3M13 to USD 1.3 million in 3M14. This was due to lower interest cost resulting from refinancing initiatives in 2013.

Income Tax Expense

Income tax expense increased by USD 459 thousand. This increase was in line with the increase of the revenues.

Net Income

Net income decreased by USD 1.2 million from USD 10.4 million in 3M13 to USD 9.2 million in 3M14. This was mainly contributed by decrease in floating crane revenues.

Summary of financial position (in USD Million)	FY13	3M14	% Change
Total Assets	352.8	361.0	2.3%
Total Liabilities	111.0	109.8	(1.1%)
Total Bank Loans	97.5	94.6	(3.0%)
Total Equity	241.8	251.2	3.9%

Total Assets

Total assets increased by USD 8.2 million from USD 352.8 million at the end of 2013 to USD 361.0 million at 31 March 2014.

1. Current Assets

Current assets accounted for 25.8% of the total assets of the Company. Current assets increased by USD 13.0 million from USD 80.3 million at the end of 2013 to USD 93.3 million at 31 March 2014. The increase in current assets was mainly contributed by increase in account receivable and advances for project.

2. Non-Current Assets

Non-Current assets accounted for 74.2% of the total assets of the Company. Non-current assets decreased by USD 4.8 million from USD 272.5 million at the end of 2013 to USD 267.7 million at 31 March 2014. The decrease was primarily due to the depreciation expenses over the fleets in first quarter 2014.

Total Liabilities

Total liabilities decreased by USD 1.2 million from USD 111.0 million at the end of 2013 to USD 109.8 million at 31 March 2014. The decrease was mainly contributed by decrease in bank loans of USD 2.9 million that is offset by increase in accrued expenses and third parties' trade payable.

Total Equity

Total equity increased by USD 9.4 million from USD 241.8 million at the end of 2013 to USD 251.2 million at 31 March 2014. This was due to the increase in net income attributable to owners of the Company of USD 9.2 million and non-controlling interest of USD 0.2 million.

About PT Mitrabahtera Segara Sejati Tbk

www.mbss.co.id

PT Mitrabahtera Segara Sejati Tbk is an integrated service provider of sea logistic and transshipment focusing in natural resources and bulk materials with its strategic investments in PT Mitra Swire CTM, PT. Mitra Alam Segara Sejati, Mitra Segara Sejati PTE Ltd, PT Mitra Hartono Sejati, and PT Mitra Jaya Offshore.

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