

PT MITRABAHTERA SEGARA SEJATI TBK.
TOWARDS A NEW ERA OF SUSTAINABLE GROWTH
The Company recorded revenue of USD 103.8 Million in 9M14

31 October 2014, JAKARTA - PT Mitrabahtera Segara Sejati Tbk (MBSS) has reported revenues of USD 103.8 million, gross profit of USD 35.1 million, EBITDA of USD 41.9 million, and profit attributable to majority shareholders (net income) of USD 16.5 million for the unaudited financial statement period ended September 30, 2014 (9M14). 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 MBSS’s net income in 9M14 Year on Year (YoY) decreased by USD 11.8 Million. This decrease was contributed by lower revenue of USD 8.2 Million due to price pressure that impacted on 2nd half of 2014 and settlement of postponement of debt payment obligations (Penundaan Kewajiban Pembayaran Utang/PKPU) claimed by PT. Great Dyke. The amount that was claimed by PT. Great Dyke was USD 3.1 Million including tax cost and lawyer fee. “All claims have been already paid by MBSS on 15 August 2014 and recorded on 9M14 financial statement. It is one time charge” said Rico. Rico explained further that if 9M14 net income was normalized by excluding amount of PKPU settlement, then the net income will be USD 19.6 Million or decreased by USD 8.7 million compared to last year. This decrease represented the lower revenue due to price pressure.

In order to minimize the impact of price pressure on MBSS’s performance, MBSS should work harder to transport more coal both for short distance (transshipment) and long distance to fulfill the demand of coal for power plants. For 2014, the Government of Indonesia has decided the domestic market obligation (DMO) that must be supplied by Indonesian’s coal producer amounted to 95.5 Million Tonnes. Based on data from Ministry of Energy and Natural Resources, the Indonesia’s coal production until September 2014 was 311 Million Tonnes, in which 75 Million Tonnes was distributed for domestic market and 236 Million Tonnes sold to overseas/export market. The increase of coal for domestic market impacted to the larger need of fleets due to longer distance that must be voyaged, e.g from Kalimantan island to Java island. In September 2014, MBSS served a single clients’ delivery of coal for domestic market of 150 thousand tonnes by deploying 20 fleets.

Long hauling can increase the fleet utilization, but the challenges for doing the long hauling is higher compared to transshipment. Long hauling requires readiness and healthier fleets due to sailing through open sea, higher skill set crew needed, and higher operational cost for fuel and maintenance cost. Ika Bethari – Director of Finance and Corporate Planning said “Another challenge in doing long hauling is cycle trip optimisation in which weather will be a critical factor. If the wave condition is too high and considered adverse to sail, the port authority will request tug & barge operators to shelter their fleet. Sheltering fleet will reduce trip optimisation, as well as cause higher fuel consumption.”

Long hauling will be one of the key success factors for MBSS’s growth in the future. It is considered that global coal market is still in recovery and the New Government of Indonesia will prioritize infrastructure development. “Sea transportation will take a significant role to support the acceleration of infrastructure development, Indonesia is well-known as maritime country with vast ocean and sea transportation is most cost effective means of transport. These conditions will have a positive impact for MBSS as sea logistic service provider that has a good reputation for transporting bulk material” said Rico.

Below is the summary of the Company performance during 9M14:

Summary of operational performance	9M13	9M14	% Change
Barging			
Unit (Sets)	75	75	0%
Volume (million tons)	28.3	24.1	(14.8%)
Floating Cranes			
Units	7	7	0%
Volume (million tons)	15.7	16.2	3.2%

Summary of financial performance (in USD Million)	9M13	9M14	% Perubahan
Revenues	112.0	103.8	(7.3%)
Barging	81.8	72.5	(11.4%)
Floating Cranes	30.2	31.3	3.6%
Direct Cost	65.8	68.7	4.4%
Gross Profit	46.2	35.1	(24.0%)
Income Before Tax	30.3	19.3	(36.3%)
Net Income	28.3	16.5	(41.7%)

Revenues

Revenues decreased by USD 8.2 million which the revenues decreased from USD 112.0 million in 9M13 to USD 103.8 million in 9M14. Barging contributed 69.8% to the total revenues. Barging revenues in 9M13 decreased by USD 9.3 million from USD 81.8 million in 9M13 to USD 72.5 million in 9M14. This was due to price pressures that impacted in 2nd semester of 2014 and some fleets are stand down due to maintenance.

Floating cranes contributed 30.2% to the total revenues. Floating crane revenues in 9M14 increased by USD 1.1 million from USD 30.2 million in 9M13 to USD 31.3 million in 9M14. This is due to increase in floating cranes volume of 0.5 million tonnes or increase by 3.2%.

Direct Costs

Direct costs increased by USD 2.9 million from USD 65.8 million in 9M13 to USD 68.7 million in 9M14. The increase of the direct costs was mainly contributed by increase in fuel cost of USD 2.4 million to support more volumes carried and longer distance to be voyaged, increase in rental cost of USD 1.3 million to support the brokering activities. These increases are offset with decrease in certificates and shipping documents cost of USD 0.4 million and heavy equipment supplies of USD 0.3 million

Operating Expenses

Operating expenses increased by USD 0.1 million from USD 10.6 million in 9M13 to USD 10.7 million in 9M14. This was due to increase in general and administration expenses to support operational activities.

Finance Cost

Finance cost decreased by USD 1.3 million from USD 5.1 million in 9M13 to USD 3.8 million in 9M14. This was due to lower interest cost resulting from refinancing initiatives in 2013.

Income Tax Expense

Income tax expense decreased by USD 99 thousand. This decrease was in line with the decrease of the revenues.

Net Income

Net income decreased by USD 11.8 million from USD 28.3 million in 9M13 to USD 16.5 million in 9M14. This was mainly contributed by decrease in revenues of USD 8.2 million and PKPU settlement of USD 3.1 million.

Summary of financial position (in USD Million)	FY13	9M14	% Change
Total Assets	352.8	349.9	(0.8%)
Total Liabilities	111.0	99.7	(10.2%)
Total Bank Loan	97.5	88.8	(8.9%)
Total Equity	241.8	250.2	3.5%

Total Assets

Total assets decreased by USD 2.9 million from USD 352.8 million at the end of 2013 to USD 349.9 million at 30 September 2014.

1. Current Assets

Current assets accounted for 26.0% of the total assets of the Company. Current assets increased by USD 10.7 million from USD 80.3 million at the end of 2013 to USD 91.0 million at 30 September 2014. The increase in current assets was mainly contributed by increase in advances for project and account receivable.

2. Non-Current Assets

Non-Current assets accounted for 74.0% of the total assets of the Company. Non-current assets decreased by USD 13.6 million from USD 272.5 million at the end of 2013 to USD 258.9 million at 30 September 2014. The decrease was primarily due to the depreciation expenses over the fleets in 9M14.

Total Liabilities

Total liabilities decreased by USD 11.3 million from USD 111.0 million at the end of 2013 to USD 99.7 million at 30 September 2014. The decrease was mainly contributed by decrease in bank loans of USD 8.7 million and payment for third parties' trade payable.

Total Equity

Total equity increased by USD 8.4 million from USD 241.8 million at the end of 2013 to USD 250.2 million at 30 September 2014. This was due to the increase in comprehensive income of USD 18.0 million and dividend payment of USD 9.6 millions from 2013 net income.

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.

For further information please contact:

Ika Bethari - Director of Finance and Corporate Planning

Office : +62-21 57944766

Email : ika.bethari@mbss.co.id

Hermawan – Head of Investor Relations

Office : +62-21-57944755

Email : hermawan@mbss.co.id

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