PT MITRABAHTERA SEGARA SEJATI TBK
RESPONDING TO CHALLENGES

The Company Records Revenues of US$18.3 million in 3M16

Jakarta, April 28, 2016 – PT Mitrabahtera Segara Sejati Tbk (MBSS) reported revenues of US$18.3 million, gross profit of US$3.0 million, EBITDA of US$6.1 million and net loss for the quarter of US$1.3 million in the unaudited financial statements for the period ended on March 31st 2016. The complete financial statements for the period can be accessed on the company's website (www.mbss.co.id).

The Company's revenues in 3M16 reflect a 30.0% decline from 3M15 revenue of US$26.2 million. The revenue decline is due to lower barging and floating crane revenues compared to 3M15 where barging revenue decline 26.5% from US$16.6 million to US$12.2 million and floating crane revenue decline by 36.5% from US$9.6 to US$6.1 million.

Several factors affected revenue from barging segment. The continuing high docking cycle caused lower fleet availability in 3M16. Lower fuel price also contributed to lower freight rates as the Company has adjustment mechanism in relation to the rise or fall of fuel price in its contracts. Additionally, several contracts were discontinued. The revenue downside is partially compensated by higher revenue from spot projects, which is dominated by long distance shipments.

The US$4.4 million decline in barging revenue is mainly due to discontinued contracts totaling US$5.0 million and lower volume from Adaro project with negative impact of US$1.1 million, which was partially compensated by other spot project revenue of US$1.7 million.

Meanwhile, the US$3.4 million decline in floating crane revenue is mainly due to no revenue generated from FC Rachel which was released in October 2015 as the client, PT Kideco Jaya Agung through its affiliate PT Seabridge Shipping, excercised its option to purchase the floating crane. This negatively impacted revenue by US$1.3 million. Subsequently, lower revenue also generated by FC Abby and FC Nicholas which entered spot market since 4Q15 with negative impact of US$1.1 million. Additionally, lower revenue generated by other floating cranes which in turn was due to lower volume as more geared vessels operated by our clients' buyers.

To overcome the challenges in the first quarter of 2016, the Company has taken several actions to mitigate their impact on performance. The Company still maintains relationship with its existing clients and closely working with them in order to help make their logistic operations more efficient. As mentioned previously, the Company's performance in 3M16 is supported, among others, by spot projects that is dominated by long distance shipments in line with rising coal demand for domestic consumption especially for power plants. The Company has identified "hybrid" type of project in these shipments, where clients want dedicated fleet allocation but do not provide volume guarantee. To meet clients' requirement and seize this opportunity, the Company is continually improving its asset management and fleet management, both of which are very important especially during high docking cycle of the vessels.

In the floating crane segment, to overcome lower export demand, the Company keeps on exploring opportunity to diversify regionally by making efforts to market the floating cranes currently serving spot market, to other countries in the region. Diversification strategy is also aimed at other non-coal material as well. The Company is also exploring to serve multiple clients within the same area, in order to combine the volume form different sources.

Below is the summary of Company's performance in 3M16:

Table 1. Summary of Operational Performance

Item	Unit	3M16	3M15	% Change
Barging				
Unit	sets	76	78	-2.6%
Volume	mn tons	6.1	6.2	-1.6%
Floating Crane				
Unit	units	6	7	-14.3%
Volume	mn tons	3.5	5.6	8.9%
Total Volume	mn tons	9.6	11.8	-18.6%

Table 2. Summary of Financial Performance

Item	Unit	3M16	3M15	% Change
Revenues	US$ mn	18.3	26.2	-30.0%
Barging	US$ mn	12.2	16.6	-26.5%
Floating Crane	US$ mn	6.1	9.6	-36.5%
Direct Costs	US$ mn	15.3	18.0	-15.0%
Gross Profit	US$ mn	3.0	8.2	-62.9%
Operating Expenses	US$ mn	2.8	2.3	-21.2%
Operating Income	US$ mn	0.2	5.9	-95.8%
Other Income (Expenses)	US$ mn	-0.7	-1.1	57.1%
Income Before Tax	US$ mn	(0.5)	4.8	-111.4%
Profit (Loss) for the Period	US$ mn	(0.7)	4.5	-117.1%
Profit (Loss) attributable to:				
Equity holders of the parent	US$ mn	(1.3)	4.0	-146.0%
Non-controlling interest	US$ mn	0.5	0.5	5.0%
EBITDA	US$ mn	6.1	11.8	-47.9%

Revenues

Revenues decreased by 30% from US$26.2 million in 3M15 to US$18.3 million in 3M16, due to 26.5% lower barging segment revenue and 36.5% lower floating crane revenue.

Direct Costs

Direct costs decreased by US$2.7 million to US$15.3 million in line with the decrease in cargo volume transported. The Company has conducted a variety of cost efficiency and rationalization measures, especially for variable components such as fuel. However, the fixed component of direct costs such as depreciation of vessels, and costs associated with high docking cycle which are still continuing, caused the decrease in direct costs to be less than the decrease in revenue.

Operating Expenses

Operating expenses increased by US$0.5 million from US$2.3 million in 3M15 to US$2.8 million in 3M16, mainly due to higher salary expense for additional personnel.

Other Income (Expenses)

Lower other expense is mainly due to foreign exchange gain recorded in 3M16, whereas in 3M15 the Company recorded foreign exchange loss.

Table 3. Summary of Financial Position

Item	Unit	3M16	3M15	% Change
Total Assets	US$ mn	300.4	351.2	-50.7%
Cash & Cash Equiv.	US$ mn	36.9	50.8	-13.9%
Total Liabilities	US$ mn	74.1	92.7	-18.6%
Total Bank Loans	US$ mn	65.7	82.8	-20.7%
Total Equity	US$ mn	226.4	258.5	-32.1%
Current Ratio	x	2.1	2.5	
DER	x	0.3	0.3	

Total Assets

Total assets in 3M16 is 50.7% lower than 3M15 as both current assets and non-current assets are lower. Lower current assets is mainly due to lower cash balance, which in turn was due to cash dividend payment made in May 2015. Meanwhile, non-current assets is lower mainly due to release of vessels and depreciation during the period.

Total Liabilities

Total liabilities in 3M16 is 18.6% lower than 3M15, mainly due to repayment of bank loans according to repayment schedule.

Total Equity
Lower equity is due to losses recorded in FY15 and 3M16, as well as dividend payment in May 2015.

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About PT Mitrabahtera Segara Sejati Tbk
www.mbss.co.id

PT Mitrabahtera Segara Sejati Tbk is an integrated service provider of sea logistics and transshipment focusing on 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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