

PT MITRABAHTERA SEGARA SEJATI TBK.
TOWARDS A NEW ERA OF SUSTAINABLE GROWTH
The Company recorded revenue of USD 74.7 Million in 1H14

25 July 2014, JAKARTA - PT Mitrabahtera Segara Sejati Tbk (MBSS) has reported revenues of USD 74.7 million, gross profit of USD 27.2 million, EBITDA of USD 31.4 million, and profit attributable to majority shareholders (net income) of USD 16.1 million for the unaudited financial statement period ended June 30, 2014 (1H14). 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 production and supply of coal from Indonesia which is quite high, contributed to lower coal price. In first half 2014, Indonesia’s coal production is 213 million tonnes or grew by 7.6% compared to first half 2013 of 198 million tonnes. The average Newcastle coal price in this semester is about USD 70 per tonnes. The coal price which has not yet recovered impacted the coal industry in Indonesia. The Indonesian’s coal players are urged to conduct cost efficiencies in order to maintain and continue their operations.

Cost efficiencies taken by coal producers also impacted sea logistic companies wherein MBSS also faces price pressure. To anticipate that condition, MBSS actively discussed with clients for proposing win-win solutions in order to maintain the principle of growth together; for example by carrying more volumes and longer contracts awarded, Rico said further.

The impact of price pressures is reflected in MBSS’s performance for 1H14 where gross margin is lower compared year on year. The lower gross margin resulted from more coal volumes to be carried and longer distance to be voyaged. Those activities resulted in higher variable direct costs, said Ika Bethari – Director of Finance and Corporate Planning. In 1H14, barging volumes is 17.5 million tonnes and floating cranes is 11.6 million tonnes.

As of 1H14, MBSS successfully extend the contracts from some clients that expired in 2014 and add some new contracts also. In order to maintain the Company’s performance in the future, Management of MBSS also took strategic initiatives such as diversifying bulk material to be carried, diversifying the area of operations such as to Philippines and Malaysia, and also increasing the brokering activities.

Ika said further, “In the current bearish coal situation, the cost efficiency is a must for the Company. Management of MBSS will take some actions to reduce the pressure on Company’s profitability. The strategic initiative of refinancing that was taken last year resulted the positive impact where the cost of fund is lower of USD 1 Millions year on year and Company can preserve the cash from lower repayment in the first two years”. This strategic initiative also gives the flexibility for MBSS to tap the investment opportunity in the coal bearish situation.

Below is the summary of the Company performance during 1H14:

Summary of operational performance	1H13	1H14	% Change
Barging			
Unit (Sets)	75	75	0%
Volume (million tons)	18.4	17.5	(4.9%)
Floating Cranes			
Units	7	7	0%
Volume (million tons)	11.3	11.6	2.7%

Summary of financial performance (in USD Million)	1H13	1H14	% Perubahan
Revenues	74.9	74.7	(0.1%)
Barging	53.6	52.8	(1.5%)
Floating Cranes	21.3	21.9	2.8%
Direct Cost	44.2	47.5	7.5%
Gross Profit	30.7	27.2	(11.4%)
Income Before Tax	20.7	18.1	(12.6%)
Net Income	19.5	16.1	(17.4%)

Revenues

Revenues decreased by USD 0.2 million which the revenues decreased from USD 74.9 million in 1H13 to USD 74.7 million in 1H14. Barging contributed 70.6% to the total revenues. Barging revenues in 1H13 decreased by USD 0.8 million from USD 53.6 million in 1H13 to USD 52.8 million in 1H14. This was due to price pressures and some fleets are stand down due to maintenance.

Floating cranes contributed 29.4% to the total revenues. Floating crane revenues in 1H14 increased by USD 0.6 million from USD 21.2 million in 1H13 to USD 21.9 million in 1H14. This is due to increase in floating cranes volume of 0.3 million tonnes.

Direct Costs

Direct costs increased by USD 3.3 million from USD 44.2 million in 1H13 to USD 47.5 million in 1H14. The increase of the direct costs was mainly contributed by increase in fuel cost of USD 1.9 million to support more volumes carried and longer distance to be voyaged to maintain the same level of revenues and increase in rental cost of USD 0.8 million to support the brokering activities.

Operating Expenses

Operating expenses increased by USD 1.3 million from USD 6.3 million in 1H13 to USD 7.6 million in 1H14. This was due to increase in salaries and allowances and marketing cost to support more operational activities.

Finance Cost

Finance cost decreased by USD 1.2 million from USD 3.7 million in 1H13 to USD 2.5 million in 1H14. This was due to lower interest cost resulting from refinancing initiatives in 2013.

Income Tax Expense

Income tax expense decreased by USD 2 thousand. This decrease was in line with the decrease of the revenues.

Net Income

Net income decreased by USD 3.4 million from USD 19.5 million in 1H13 to USD 16.1 million in 1H14. This was mainly contributed by increase in direct cost due to more efforts to be done by MBSS to maintain the same level of revenues.

Summary of financial position (in USD Million)	FY13	1H14	% Change
Total Assets	352.8	352.3	(0.1%)
Total Liabilities	111.0	102.9	(7.3%)
Total Bank Loan	97.5	91.7	(5.9%)
Total Equity	241.8	249.4	3.1%

Total Assets

Total assets decreased by USD 0.5 million from USD 352.8 million at the end of 2013 to USD 352.3 million at 30 June 2014.

1. Current Assets

Current assets accounted for 25.5% of the total assets of the Company. Current assets increased by USD 9.4 million from USD 80.3 million at the end of 2013 to USD 89.7 million at 30 June 2014. The increase in current assets was mainly contributed by increase in cash and cash equivalents and advances for project.

2. Non-Current Assets

Non-Current assets accounted for 74.5% of the total assets of the Company. Non-current assets decreased by USD 9.9 million from USD 272.5 million at the end of 2013 to USD 262.6 million at 30 June 2014. The decrease was primarily due to the depreciation expenses over the fleets in first half 2014.

Total Liabilities

Total liabilities decreased by USD 8.1 million from USD 111.0 million at the end of 2013 to USD 102.9 million at 30 June 2014. The decrease was mainly contributed by decrease in bank loans of USD 5.8 million that is offset by increase in accrued expenses and third parties' trade payable.

Total Equity

Total equity increased by USD 7.6 million from USD 241.8 million at the end of 2013 to USD 249.4 million at 30 June 2014. This was due to the increase in net income attributable to owners of the Company of USD 17.2 million and dividend payment of USD 9.6 millions from 2013 net income.

About PT Mitrabartera Segara Sejati Tbk

www.mbss.co.id

PT Mitrabartera 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

Disclaimer:

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