

## PT MITRABAHTERA SEGARA SEJATI TBK

*The Company Records Revenues of US\$33.1 million in 6M16*

**Jakarta, July 29, 2016** – PT Mitrabahtera Segara Sejati Tbk (MBSS) reported revenues of US\$33.1million, gross profit of US\$2.0million, EBITDA of US\$8.3million and net loss for the six months period of US\$6.1million in the unaudited financial statements for the period ended on June 30, 2016. The complete financial statements for the period can be accessed on the company's website ([www.mbss.co.id](http://www.mbss.co.id)).

The Company's revenues in 6M16 reflect a 37.6% decline from 6M15 revenue of US\$53.0million. The revenue decline is due to lower barging and floating crane revenues compared to 6M15 where barging revenue decline 34.1% from US\$33.8million to US\$22.3million and floating crane revenue decline by 43.7% from US\$19.2million to US\$10.8million.

Several factors affected revenue from barging segment. Continuation of high docking cycle from 2015 led to lower fleet availability in 6M16. 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\$11.5million decline in barging revenue is mainly due to discontinued contracts totaling US\$8.4million and lower volume from Adaro and KPC projects with negative impact of US\$4.0million, which was partially compensated by other spot project revenue of US\$0.9million.

Meanwhile, the US\$8.4million 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, exercised its option to purchase the floating crane. This negatively impacted revenue by US\$2.7million. Subsequently, lower revenue also generated by FC Abby, FC Nicholas which entered spot market since 4Q15 and FC Chloe since 2Q16 with negative impact of US\$3.6million. 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 half 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. The Company pursues to maintain its long term relationship and willing to renegotiate the contract terms and conditions for long term benefit. As mentioned previously, the Company's performance in 6M16 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.

Below is the summary of Company's performance in 6M16:

1. Operational Highlights

Description	Unit	6M16	6M15	Change (%)
<u>Barging</u>				
Fleets	Set	76.0	78.0	-2.6%
Volume	Mt	11.3	11.6	-3.1%
<u>Floating Crane</u>				
Fleets	Unit	6.0	7.0	-14.3%
Volume	Mt	6.4	11.0	-41.5%
Grand Total Volume	Mt	17.7	22.6	-21.8%

2. Summary Statements of Profit and Loss and Other Comprehensive Income

Description (in US\$m unless indicated)	6M16	6M15	Change (%)
Revenue			
Barging	22.3	33.8	-34.1%
Floating Crane	10.8	19.2	-43.7%
<b>Total Revenue</b>	<b>33.1</b>	<b>53.0</b>	<b>-37.6%</b>
Direct Costs	31.1	37.1	-16.3%
<b>Gross Profit</b>	<b>2.0</b>	<b>15.9</b>	<b>-87.2%</b>
<i>% Gross profit</i>	<i>6.2%</i>	<i>30.0%</i>	<i>(2,388.0)bps</i>
Operating Expenses	5.5	5.3	4.0%
<b>Operating (Loss) Profit</b>	<b>(3.4)</b>	<b>10.7</b>	<b>-132.2%</b>
<i>% Operating profit</i>	<i>-10.4%</i>	<i>20.1%</i>	<i>(3,049.0)bps</i>
Other Income (Expenses)	(2.0)	(2.7)	-26.9%
<b>Profit (Loss) Before Tax</b>	<b>(5.4)</b>	<b>8.0</b>	<b>-167.8%</b>
<b>Profit (Loss) for the Period attributable Owners</b>	<b>(6.1)</b>	<b>7.0</b>	<b>-186.8%</b>
<i>% Net Profit After Tax</i>	<i>-18.3%</i>	<i>13.2%</i>	<i>(3,149.0)bps</i>
<b>Non-controlling Interest</b>	<b>0.7</b>	<b>1.0</b>	<b>-32.9%</b>
<b>EBITDA</b>	<b>8.3</b>	<b>22.5</b>	<b>-63.0%</b>
<i>% EBITDA</i>	<i>25.1%</i>	<i>42.4%</i>	<i>(1,723.0)bps</i>
<b>Capex</b>	<b>3.7</b>	<b>5.1</b>	<b>-27.3%</b>

### Revenues

Revenues decreased by 37.6% from US\$53.0million in 6M15 to US\$33.1million in 6M16, due to 34.1% lower barging segment revenue and 43.7% lower floating crane revenue.

### Direct Costs

Direct costs decreased by US\$6.0million to US\$31.1 million in line with the decrease in cargo volume transported and lower fuel price. 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\$0.2million from US\$5.3million in 6M15 to US\$5.5million in 6M16, mainly due to consultant fees and training-meeting costs.

### Other Income (Expenses)

Lower other expense is mainly due to foreign exchange gain recorded in 6M16, whereas in 6M15 the Company recorded foreign exchange loss.

### 3. Summary Statements of Financial Position

Description (in US\$m unless indicated)	6M16	6M15	Change (%)
Cash and cash equivalents	30.5	41.7	-26.7%
Total current assets	71.3	81.5	-12.6%
Total Assets	291.7	307.8	-5.2%
Current Liabilities	37.9	39.0	-3.0%
Total Debt	61.9	70.9	-12.7%
Total Liabilities	70.0	80.7	-13.3%
Total Equity	221.7	227.1	-2.3%
Current ratio (x)	1.9	2.1	
Debt to Equity (x)	0.3	0.3	

### Total Assets

Total assets in 6M16 is 5.2% lower than 12M15 as both current assets and non-current assets are lower. Lower current assets is mainly due to lower cash balance, in line with lower revenue recorded in 6M16. Meanwhile, non-current assets is lower mainly due to depreciation during the period.

### Total Liabilities

Total liabilities in 6M16 is 13.3% lower than 12M15, mainly due to repayment of bank loans according to repayment schedule.

### Total Equity

Lower equity is due to losses recorded 6M16.

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About PT Mitrabahtera Segara Sejati Tbk

[www.mbss.co.id](http://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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Disclaimer:

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