

MBSS reports continuous growth

PT Mitrabahtera Segara Sejati Tbk (MBSS), a provider of bulk materials transportation for the natural resources sector, recorded revenues and net profits of US\$112.1 million and \$28.3 million respectively for the nine months leading up to Sept. 30, 2013.

This amounted to an 8.5 percent increase in revenues and 7.6 percent in net profits compared to the same period last year.

MBSS President Director Rico Rustombi explained that the global economy was still in a recovery period and that the market price of coal, which is currently low, was a significant challenge that the company had to face in order to ensure future growth.

MBSS is anticipating these conditions with strategic initiatives to continue its provision of optimal services to its client companies.

These include better scheduling of vessel maintenance to increase availability for clients; expanding schedules to support logistics for clients; and improving health, safety and environment standards (HSE) to reduce potential incidents.

"These strategic initiatives allow MBSS to minimize the possibility of any opportunity losses that may occur," Rico said. "This is reflected by the growth of MBSS as of September 2013 to revenues of 8.5 percent, gross profits of 13.5 percent, a net profit of 7.6 percent and an EBITDA of 14.4 percent compared to the same period last year. MBSS is optimistic about achieving its target revenue in 2013."

MBSS director of finance and corporate planning Ika Bethari added that MBSS was taking strategic initiatives to focus on improving services to its existing clients.

"MBSS is certain that its clients, a large portion of whom hold coal contracts of work (PKP2B), can maintain production growth amid today's low coal price environment," Ika said. "MBSS is able to maintain and even increase the volumes of coal it transports. Results from our internal research indicate that companies will make quite significant increases in production volume in the coming year.



Ika Bethari,
CFO and Director of Corporate Planning

As a result, there is potential for incremental growth in the volumes that MBSS can transport."

Ika added that aside from increasing the volume of coal that it was carrying for clients, MBSS was also taking strategic initiatives to diversify the materials it would transport. This is being done as a way of balancing the company's risks and as a way of ensuring that its future growth is not reliant on coal transportation alone. Throughout 2013, MBSS' fleet has transported iron ore, pipes

and bauxite.

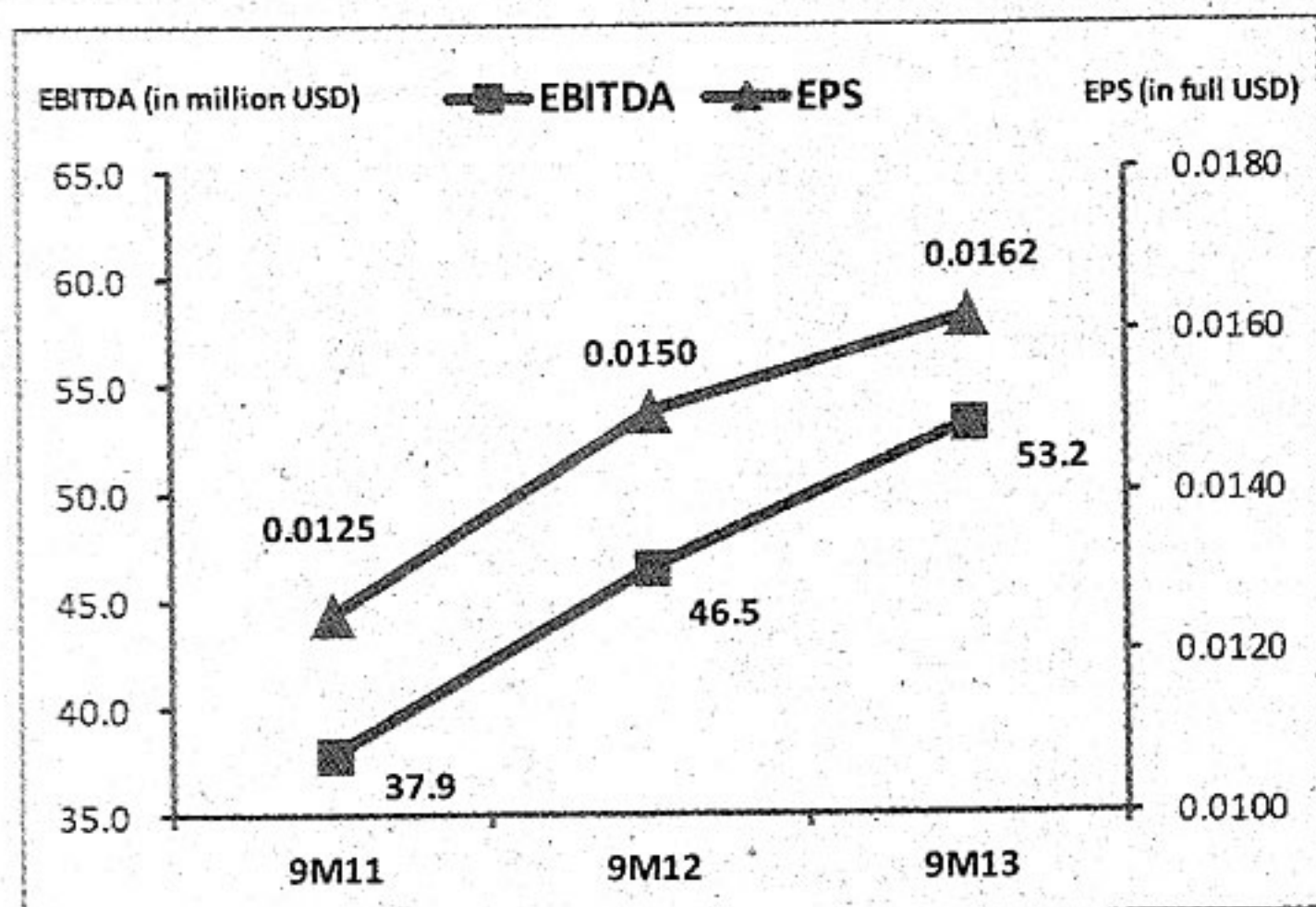
Rico further stated that one of the factors that gave MBSS a competitive advantage was that it was always increasing its operational excellence. MBSS will work to ensure that the work performance of its fleet allows it to be capable of transporting their client's cargo to their destinations as scheduled.

The company vessels are also maintained so as to always meet nationally and internationally recognized care and safety standards. These factors have made MBSS one of the most trusted companies in transporting cargo from Borneo to the Philippines in the third quarter of 2013.

MBSS' balance of cash and cash equivalents as of Sept. 30, 2013, amounted to \$30.4 million, an increase of \$12.7 million compared to its 2012 position.

"This balance of cash and cash equivalents' increase of 71.8 percent compared to the end of 2012 demonstrates that the company's working capital management skills are getting better," Ika said. "It also shows that strategic initiatives for refinancing have had a positive impact on the company's balance of cash for principal debt repayments over the next year, with a semi-ballooning debt-repayment schedule up to 2018."

Financial Performance Summary (in million USD)	9M12	9M13	% Change
Revenue	103.3	112.1	8.5%
Barging	77.9	81.9	5.1%
Floating Cranes	25.4	30.2	18.9%
Direct Cost	62.5	65.8	5.3%
Gross Profit	40.8	46.3	13.5%
Profit Before Tax	27.4	30.3	10.6%
Net Profit	26.3	28.3	7.6%
EBITDA	46.5	53.2	14.4%



EBITDA : Earning Before Interest Tax Depreciation and Amortization

EPS : Earning Per Share