



**MEDIA RELEASE – FOR IMMEDIATE RELEASE**

# Marco Polo Marine cruises to record earnings of S\$11.1 million in FY2008

- **Net profit improved 33% to S\$11.1 million on the back of a 24% increase in Group’s revenue to S\$45.9 million**
- **Enhanced financial position will cope with current turbulent environment, and most importantly, to continue to invest in businesses and serve customers well**

Singapore, 28 November 2008 – Marco Polo Marine Ltd (“Marco Polo Marine” or the “Group”), a growing integrated shipping group, attained a 24% revenue increase to S\$45.9 million with net profit up 33% to S\$11.1 million for the financial year ended 30 September 2008 (“FY2008”).

Overall highlights S\$'000	FY2008	FY2007	Change (%)
Revenue	45,943	37,121	24
Gross profit	11,898	9,899	20
Gross profit margin (%)	25.9	26.7	-
Profit after tax	11,135	8,397	33
Net profit margin (%)	24.2	22.6	-
Net cash from operating activities	8,036	2,641	204
Working Capital	2,845	(2,064)	238
Gearing (%)	50.1	92.3	-
Diluted EPS (cents)	4.2*	3.1**	35
Net Assets Value per share (cents)	19.5	11.9	64

\*Based on weighted average number of 266,465,164 ordinary shares in issue

\*\*Based on post IPO share capital of 267,750,000 shares

## Financial Review

Driven by higher revenue from shipbuilding and ship chartering operations, the Group’s revenue increased by 24%. Gross profit improved 20% to S\$11.9 million in FY2008 compared to S\$9.9 million in the financial year ended 30 September 2007 (“FY2007”). The marginal decline in gross profit margin was attributed mainly to higher fuel costs incurred by the ship



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chartering operations, notwithstanding an improvement in profit margin from the shipyard operations as a result of higher value shipbuilding projects secured in FY2008.

As part of the Group's fleet renewal policy, it registered a disposal gain from 14 vessels totalling S\$5.9 million in FY2008 compared to a disposal gain from 12 vessels totalling S\$3 million in FY2007. In addition, a procurement fee of S\$1.4 million was earned for securing an initial fleet of 16 vessels for the Group's 50:50 jointly controlled entity, MPST Marine Pte Ltd ("MPST"). As a result, the other operating income of the Group surged 133% to S\$7.8 million in FY2008 compared to S\$3.4 million in the previous corresponding year.

As a result of the above, the Group achieved a profit after tax attributable to shareholders of S\$11.1 million in FY2008, an increase of 33% compared to S\$8.4 million in FY2007.

**"The Group has delivered record revenue and profits for the second consecutive year. Over the past year, we have built up our order book to S\$116.8 million to minimize the impact from the economic downturn. On the back of sale-and-leaseback of vessels as well as additional equity raised through IPO and placement during the year, we have also strengthened our financial position, which saw our Group's gearing improving from 92% as at 30 September 2007 to 50% as at 30 September 2008 and our working capital position reversed from a net current liability position of S\$2.1 million as at 30 September 2007 to a net current asset position of \$2.8 million as at 30 September 2008."**

**Mr Sean Lee Yun Feng**  
**CEO of Marco Polo Marine**

**Future Prospects**

The outlook for the marine industry appears to be overcast with uncertainties following the recent abrupt changes in the global economic conditions and credit crunches from banks which, notwithstanding the easing of fuel costs and steel prices, clip ship chartering and ship building demands.

Against such a backdrop, ship owners are expected to prolong the utilisation of their vessels as long as possible. Consequently, the Group expects a steady stream of revenue to be generated from ship repair operations following the expected completion of its first drydock by December 2008. The construction of its second drydock and jetty are expected to commence



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during the financial year ending 30 September 2009 (“FY2009”) to take advantage of the expected impending increase in ship repair, maintenance and conversion business.

With the addition of new vessels which are currently being built, the Group’s operating fleet is expected to increase from 36 vessels (including the Indonesian flagged vessels) to 48 vessels by end of 2009. This will enhance the revenue contribution from the ship chartering operations.

Besides, with nine pairs of tugboats and barges expected to be delivered in FY2009 to its 50:50 jointly controlled entity, MPST, in addition to the one pair already delivered in end FY2008, the Group expects MPST to start making steady and meaningful recurring contribution to its results through share of profits in the jointly controlled entity.

**“Amidst the economic and market uncertainties at multiple levels, we will adopt a vigilant approach in managing our costs and cashflows with a view to improve efficiency and productivity and a measured approach in carrying out our expansion plan. We are positive that our enhanced financial position will enable us to cope with the current turbulent environment, and most importantly, to continue to invest in our businesses and serve our customers well.”**

**Mr Sean Lee Yun Feng**  
**CEO of Marco Polo Marine**

Barring unforeseen circumstances and further deterioration of the prevailing conditions in the financial markets and the worsening of the risk of a prolonged global recession, the Group is cautiously confident to ride through the seemingly trying times.

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About Marco Polo Marine Ltd (Bloomberg Code: MPM.SP)

Marco Polo Marine is a growing integrated shipping group principally engaged in the ship chartering and shipyard businesses.

The Group's ship chartering business includes the provision of chartering, re-chartering and transshipment services of tugboats and barges to its customers and end-users from the mining, commodity, trading, shipping, construction, infrastructure, property development and land reclamation industries. The Group provides trans-shipment services, which involve the transportation of coal mined in Indonesia to coal operators for their onward transportation to energy power plants in the South East Asia regions.

The Group's shipyard business includes the provision of building, repairing and broking services of tugboats and barges. The Group commenced its ship building operations in December 2005, and builds tugboats and barges to support its ship chartering operations, as well as to meet external demand.

The Group's shipyard is strategically located in Batam, Indonesia, occupying a total land area of approximately 348,705 square metres, with a seafront of approximately 650 metres. Presently, the Group is in the process of expanding its shipyard. When completed, its shipyard is expected to be one of the larger shipyards in Batam.

For more information, please refer to the corporate website [www.marcopolomarine.com.sg](http://www.marcopolomarine.com.sg)

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Issued for and on behalf of Marco Polo Marine Ltd  
**By Financial PR Pte Ltd**

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