



**MARCO POLO MARINE LTD**  
(A Member of Marco Polo Marine Group of Companies)

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## **MEDIA RELEASE**

### **Robust Demand for Shipyard Services Boosted Q1 FY2011 Revenue by 61% to \$19.4 Million**

- ◆ **Revenue from shipyard operations rose 183% to \$11.9 million with more ship repair and ship building contracts secured**
- ◆ **Higher revenue lifted gross profit by 66% to \$5.4 million and gross profit margin improved to 28%**
- ◆ **Profit after tax from core operations (excludes gain on disposal of vessels) jumped 118% to \$2.4 million**
- ◆ **The Group is evaluating plans to undertake strategic expansion of its shipyard in Batam**

**Singapore, 9 February 2011** - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd ("Marco Polo Marine" or "the Group"), a growing integrated marine logistic group is pleased to announce its financial results for the three months ended 31 December 2010.

#### **Q1 FY2011 Results Review**

Since the completion of the dry docks in Q4 2009, the Group is well positioned as a one-stop shipyard service centre that provides a suite of marine services ranging from ship building, ship repair to ship conversion. With its integrated capabilities, the Group was able to secure more ship repair and ship building contracts from existing and new customers. As a result, Q1 FY2011 revenue from ship building and repair operations registered a significant growth of 183% to \$11.9 million. The Group's performance was further boosted by its newly formed offshore operations which made a maiden contribution of \$0.3 million following the completion of the acquisition of two Australian-flagged offshore support vessels in December 2010. Revenue from ship chartering operations dipped 8% to \$7.2 million due to lower contribution from time charter, re-flagging downtime for some existing fleet and lower charter rates. For the



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Group, revenue totaled \$19.4 million in Q1 FY2011, an increase of 61% compared to the previous corresponding period.

<b>Business Segment (S\$ million)</b>	<b>Q1 FY2011</b>	<b>Q1 FY2010</b>	<b>Change</b>
Ship chartering operations	7.5	7.8	(8%)
Ship building & repair operations	11.9	1.2	+ 183 %
Total	19.4	12.0	+ 62%

In line with the increase in revenue, gross profit rose 66% from \$3.2 million in Q1 FY2010 to \$5.4 million in Q1 FY2011. However, other operating income declined as the Group recorded lower gains on disposal of fewer vessels during the quarter. Couple with higher administrative expenses due to incorporation of new entities and increase in manpower costs to support the expansion of the new offshore division, net profit attributable to shareholders was reduced by 17% to \$4.0 million in Q1 FY2011. However, excluding gain on disposal of vessels, the Group more than doubled its profit after tax from core operations from \$1.1 million in Q1 FY2010 to \$2.4 million in Q1 FY2011.

### **Prospects**

For the rest of FY2011, robust intra-regional trade in South East Asia and high prices for commodities are likely to underpin strong demand for the Group's marine logistic and shipyard related services. The Group will continue to focus on expanding its fleet of tugs and barges to capitalize on the growing demand for the shipment of coal in Indonesia for domestic use and exports. In addition, the Group will add to its fleet of offshore vessels to support oil and gas exploration in the region.

As for the shipyard operations, Mr. Sean Lee, CEO of Marco Polo Marine, commented, "Following the completion of the two dry docks, our shipyard in Batam has become one of the key ship repair centres in the region. Our initial investments in the shipyard have been successful with the two dry docks underpinning robust ship repair activities. We are currently evaluating plans to undertake strategic expansion of the shipyard in the current year."



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This press release should be read in conjunction with Marco Polo Marine's Q1 FY2011 results announcement posted on the Singapore Exchange on 9 February 2011.

### **About Marco Polo Marine Ltd**

Marco Polo Marine (Bloomberg Code: MPM.SP) is an integrated marine logistic company serving the energy sector in Indonesia and the region. The Group is a substantial player in the transportation of Indonesian coal for domestic use and exports. In Thailand and Australia (and soon Indonesia), the Group's growing fleet of offshore supply vessels support deep sea oil & gas exploration.

A wholly-owned shipyard in Batam undertakes ship building and ship repair for the Group as well as third parties by providing Singapore quality at Indonesian costs. The shipyard occupies a total land area of approximately 34 hectares, with a seafront of approximately 650 metres and has two dry docks to undertake ship repair and conversion services.

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

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