



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

11 Sims Drive #02-01  
Singapore 387385  
Tel (65) 6741 2545  
Fax (65) 6841 5756  
www.marcopolomarine.com.sg  
RCB / GST No. 200610073Z

**MEDIA RELEASE**

**Marco Polo Marine reports continuing growth momentum with net profit rising to S\$4.5 million for Q1FY2013**

- ◆ **Gross profit margin continued to improve to 38.6% for Q1FY2013 from 25.2% for Q1FY2012, albeit a decrease in revenue**
- ◆ **Net profit increased by 3.2% to S\$4.5 million for Q1FY2013 compared to S\$4.4 million for Q1FY2012, driven mainly by higher margins and turnaround in share of results from PT Pelayaran Nasional Bina Buana Raya Tbk (“BBR”)**
- ◆ **Commendable performance with strong positive cash flow from operations of S\$6.2 million for Q1FY2013 attained, despite uncertain and challenging market environment**
- ◆ **The successful public listing of BBR on Indonesia Stock Exchange in January 2013 further augments the Group’s plan to penetrate the growing Indonesian offshore market**

**Singapore, 25 January 2013** - Singapore Exchange Mainboard-listed Marco Polo Marine Ltd (the “Company”) together with its subsidiaries (the “Group”), a growing regional integrated marine logistic group, is pleased to announce its financial results for the first quarter ended 31 December 2012 (“Q1FY2013”).

**Financial Highlights of the Group**

| S\$ million                                  | Q1FY2013 | %     | Q1FY2012 | %     | Change    |
|--|----------|-------|----------|-------|-----------|
| <i>Ship Chartering Operations</i>            | 5.5      | 36.2  | 5.8      | 23.6  | (5.2)%    |
| <i>Ship Building &amp; Repair Operations</i> | 9.7      | 63.8  | 18.8     | 76.4  | (48.4)%   |
| Total Revenue                                | 15.2     | 100.0 | 24.6     | 100.0 | (38.2)%   |
| Gross Profit                                 | 5.9      |       | 6.2      |       | (5.6)%    |
| Profit from Operations                       | 4.2      |       | 5.2      |       | (18.9)%   |
| Net Profit attributable to Shareholders      | 4.5      |       | 4.4      |       | 3.2%      |
| <b>Performance Ratios</b>                    |          |       |          |       |           |
| Gross Margin (%)                             | 38.6%    |       | 25.2%    |       | 13.4% pts |
| Net Profit Margin (%)                        | 29.6%    |       | 17.7%    |       | 11.9% pts |

**Revenue**

The Group’s revenue decreased by 38.2% to S\$15.2 million in Q1FY2013 from S\$24.6 million in Q1FY2012.



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

While the Ship Repair Operation's revenue grew by 75.5% to S\$8.6 million in Q1FY2013 from S\$4.9 million in Q1FY2012, the overall revenue generated by our Shipyard Business was weighed down by the Ship Building Operations, which experienced a decrease in revenue by 92.1% to S\$1.1 million in Q1FY2013 from S\$13.9 million in Q1FY2012 due to the slower progress in new-build orders.

On the ship chartering front, as one of the Group's offshore vessels was docked for her first mandatory special survey and other maintenance works due, the Group's ship chartering revenue decreased by 5.2% to S\$5.5 million in Q1FY2013 from S\$5.8 million in Q1FY2012.

**Gross Profit/Net Profit**

In tandem with the decrease in the Group's revenue for Q1FY2013, the Group's gross profit decreased by 5.6% to S\$5.9 million in Q1FY2013 from S\$6.2 million in Q1FY2012. Notwithstanding which, the gross profit margin of the Group rose to 38.6% for Q1FY2013 compared to 25.2% for Q1FY2012 due to a higher proportion of ship repair revenue (which generally commands a higher yield relative to ship building revenue) to ship building revenue being recognized in Q1FY2013 compared to that in Q1FY2012.

Moreover, despite the uncertain and challenging environment, the net profit attributable to the shareholders of the Group increased by 3.2% to S\$4.5 million for Q1FY2013 from S\$4.4 million for Q1FY2012. The increase in gross profit margin coupled with a turnaround in the share of results of BBR, from a loss of S\$0.27 million for Q1FY2012 to a profit of S\$0.62 million for Q1FY2013, resulted in the Group's net profit margin increasing from 17.7% for Q1FY2012 to 29.6% for Q1FY2013.

With BBR successfully publicly listed on Indonesian Stock Exchange on 9 January 2013 and the Group being the single largest shareholder and exerting *de facto* control over BBR's operations, BBR, with effective from Q2FY2013 or specifically 9 January 2013, becomes a subsidiary of the Group and will have its financial results consolidated with the Group based on Financial Reporting Standard 27.

The share of results from jointly controlled companies also increased by 57.5% in Q1FY2013 relative to Q1FY2012, due mainly to the contribution from the recently forged jointly controlled entity which engages in the bunkering logistics business.

**Comments by CEO**

Commenting on the financial performance for Q1FY2013, Mr Sean Lee Yun Feng, CEO of the Company, remarked:

"We are heartened by the set of results attained for Q1FY2013 amidst subdued market environment. The performance was consistent with our corporate strategies premised on four growth platforms which will continue to underpin our performance moving forward.



## MARCO POLO MARINE LTD

*(A Member of Marco Polo Marine Group of Companies)*

“On the shipyard front, our focus in securing projects with increasing sophistication is expected to continue to distinguish ourselves from competition.

“With regard to ship chartering, our deliberate shift in focus towards offshore oil and gas sector is expected to enhance contribution to both our chartering profits and margins. To this end, we have added a new OSV built by our Batam shipyard to our offshore fleet since mid-October 2012 and have had it chartered on a time charter basis.

“The recent successful listing of BBR on Indonesia Stock Exchange augments the Group’s focus to further penetrate into the Indonesian oil and gas sector. Apart from enabling BBR to reach out to a wider base of customers, the listing also makes avail more funding avenues to enhance the growth of BBR. With BBR now being our subsidiary, we will further align the offshore operations more closely as a group for better synergies.

“Last but not the least, our focus to generate profits through strategic alliances is beginning to bear fruits as well. Notably, our recently forged jointly controlled entity which engages in the bunkering logistics business has contributed to the bulk of the 57.1% increase in the share of results from jointly controlled entities”.

The global macroeconomic environment remains uncertain albeit showing signs of recovery. The Group remains watchful with regard to market conditions and its ensuing operational development and expansion plans. Barring any unforeseen circumstances, the Group is optimistic about its performance for the next 12 months.

- End -

### **Notes:**

1. “FY” denotes to the financial year ended or ending 30 September (as the case may be) and any “Q” or “H” which precedes it denotes the relevant financial quarter or half year (as the case may be).
2. This press release should be read in conjunction with Marco Polo Marine’s Q1FY2013 results announcement posted on the web site of Singapore Exchange on 25 January 2013.

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

Listed on SGX-ST since 2007, Marco Polo Marine Ltd is an integrated marine logistic company which has expanded to become a reputable player in the marine industry in the region.



## **MARCO POLO MARINE LTD**

*(A Member of Marco Polo Marine Group of Companies)*

The Group's ship chartering business provides Offshore Supply Vessels (OSVs) as well as tugboats and barges which are being deployed in regional waters to its customers, especially in the offshore oil and gas, mining, commodities, construction and infrastructure sectors.

The Group's shipyard business undertakes ship building and maintenance as well as repair, outfitting and conversion services in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 metres, the modern shipyard also houses three dry docks which have led to the Group scaling up its technical capabilities and service offerings to undertake projects involving work on mid-sized and sophisticated vessels.

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

**For media enquiries, please contact:**

**Marco Polo Marine Ltd**

Mr. Hsu Chong Pin

Head of Business Development and Investor Relations

Tel: +65 6741 2545

Email: [chongpin.hsu@marcopolomarine.com.sg](mailto:chongpin.hsu@marcopolomarine.com.sg)