



Ship Building

Ship Chartering

Shiprepair & Conversion



ASL MARINE
Corporate Presentation 1QFY2011

Presentation Outline



- **Group Overview**
- **1Q FY2011 Financial Review**
(for the period ended 30 September 2010)
- **Operational Review**
 - **Shipbuilding**
 - **Shiprepair and Conversion**
 - **Shipchartering**
- **Business Outlook**



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Group Overview

Company Profile



- **Core businesses:-**
 - Shipbuilding
 - Shiprepair and Conversion
 - Shipchartering
- **Shipbuilding and Shiprepair**
 - 3 shipyards in Singapore, Batam (Indonesia) and Guangdong (China)
 - Batam yard: 3 graving dry docks (300,000 dwt, 60,000 dwt & 20,000 dwt)



Company Profile



- **Shipchartering**

- Fleet size at 30 September 2010: 179 vessels
- Mainly towing tugs, Anchor Handling Tugs, barges and other vessels
- Vessels charter on time or bareboat basis to following industries:
 - Offshore Oil and Gas
 - Marine Infrastructure
 - Dredging, Land Reclamation & Marine Construction Works
 - Transportation of cargoes such as aggregates, heavy equipment etc





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Financial Review

Financial Performance



	1Q FY11 (S\$m)	1Q FY10 (S\$m)	chg %	Comments
Revenue	81.4	117.4	(30.6)	<ul style="list-style-type: none"> - Lower shipbuilding orderbook - Absence of larger ship conversion projects - Weak demand for towing jobs & lower charter earnings
Gross Profit	10.8	16.7	(35.2)	
Gross Profit Margin	13.3%	14.2%	-	
Other Operating Income	4.4	3.4	31.0	<ul style="list-style-type: none"> - Higher gain relating to vessels disposal of \$4.3m (1QFY10: \$1.5m) partially offset by - Lower miscellaneous income
Other Operating Expense	(1.5)	(1.2)	25.8	
Net Profit	8.0	11.8	(32.2)	
Net Margin	9.9%	10.1%	-	
EBITDA	19.9	24.0	(17.0)	

Cash Flow



Cash Flows (S\$m)	1Q FY11	1Q FY10	% chg
Net cash generated from/ (used in) operating activities	55.0	(7.0)	nm
Net cash used in investing activities (Capital expenditure net of disposal)	(21.7)	(13.2)	64.4
Net cash (used in)/ generated from financing activities (Borrowings net of repayment)	(23.5)	4.5	nm
Net increase/ (decrease) in cash	9.7	(15.7)	nm
Cash at beginning of the period	83.3	94.8	(12.1)
Cash at end of the period	92.6	79.0	17.2

Financial Ratios



	1Q FY11	1Q FY10
Basic Earnings per Share¹ (cents)	2.68	3.95
Fully Diluted Earnings per Share² (cents)	2.68	3.95
Return on Equity (Annualised)	9.8%	15.3%
Return on Total Assets (Annualised)	4.4%	6.5%

As at	30 Sep 10	30 Jun 10
Net Asset Value per Share³ (cents)	107.02	105.25
Gearing Ratio	0.60	0.66
Net Gearing Ratio	0.28	0.38

Based on weighted average of

¹ 299,604,002 shares in issue for 1Q FY11 (1Q FY10: 299,592,752)

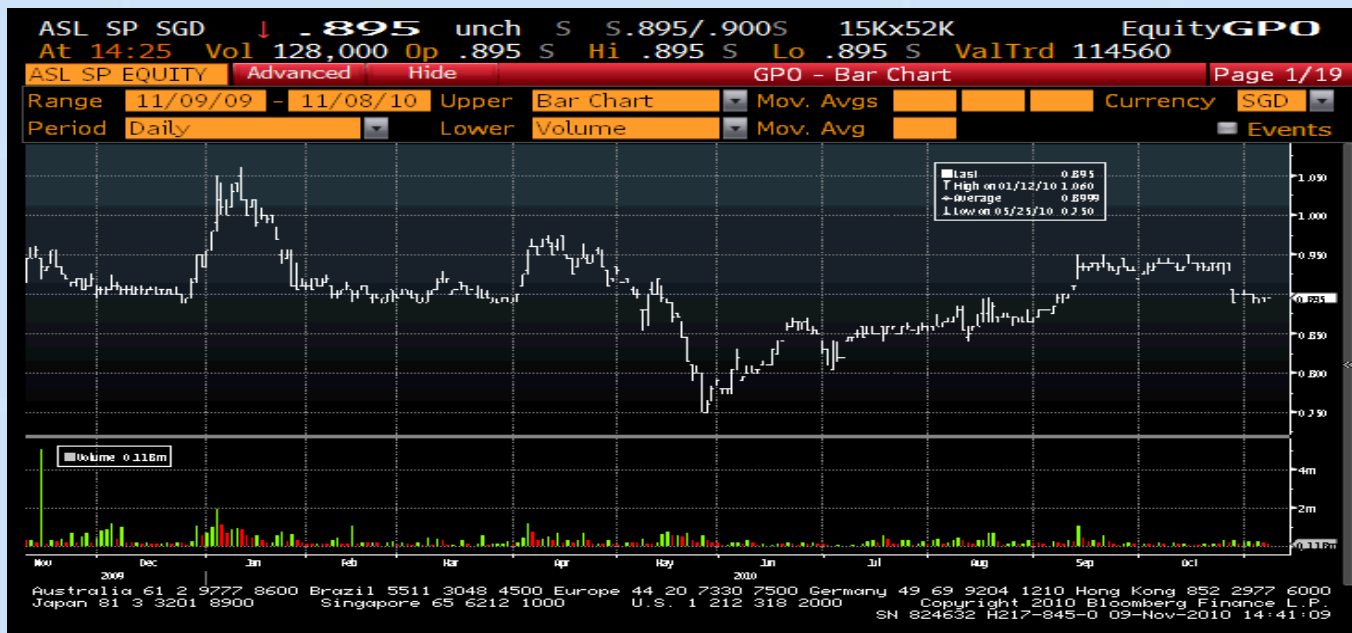
² 299,621,549 shares in issue for 1Q FY11 (1Q FY10: 299,617,888)

³ 299,604,002 shares as at 30 September 2010 (30 June 2010: 299,604,002)

Share Price Information



As at	8 Nov 10	9 Nov 09
Share Price (S\$)	0.90	0.94
Price Earnings Ratio	8.40	5.95
Price / Net Asset Value per Share	0.84	0.93
Market Capitalization (S\$m)	269.6	281.6



Source: Bloomberg



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Operational Review

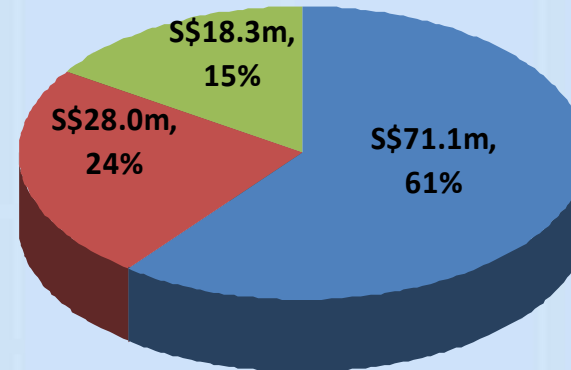
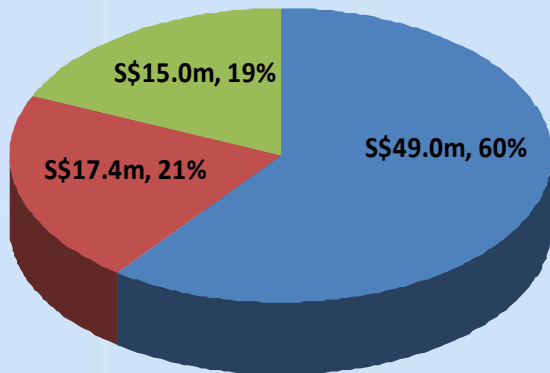
Revenue and Gross Profit by Activities



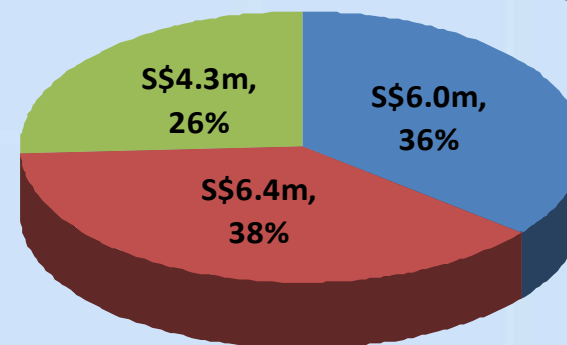
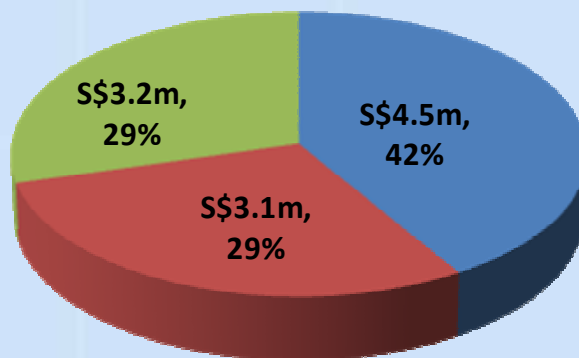
1Q FY11

Revenue S\$81.4m (1Q FY10: S\$117.4m)

1Q FY10



Gross Profit S\$10.8m (1Q FY10: S\$16.7m)



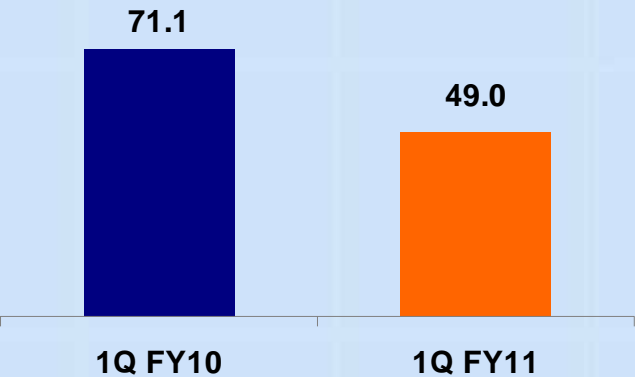
- Shipbuilding
- Shiprepair
- Shipchartering

Shipbuilding

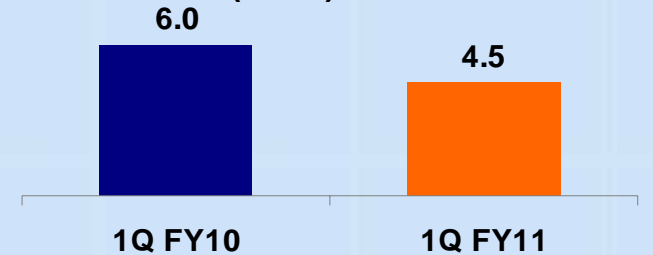


- Revenue down 31% to S\$49.0m due to lesser number of projects and lower order book
- Gross profit reduced to S\$4.5m while gross margin remained stable at 9.2%

Revenue (S\$m)



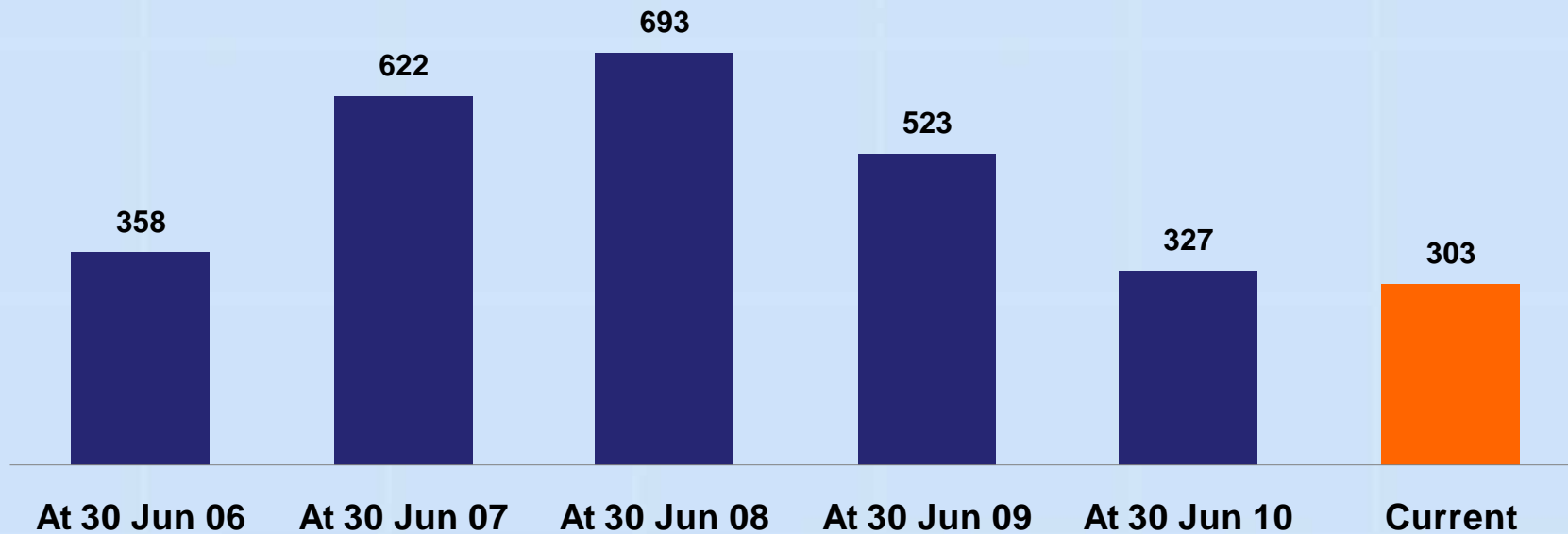
Gross Profit (S\$m)



Shipbuilding Order Book



(S\$m)



Outstanding order book of S\$303 million:

- Included recently secured new shipbuilding orders worth S\$29 million for 6 vessels comprising offshore support vessels and barges
- Total 50 vessels with progressive deliveries up to first quarter of 2012

Shipbuilding Order Book



		Total	
Type of Vessels	Units	S\$'m	%
Offshore Support Vessels	2	59	19
Tugs ¹	12	104	35
Dredgers	2	113	37
Other Vessels ²	34	27	9
Total	50	303	100

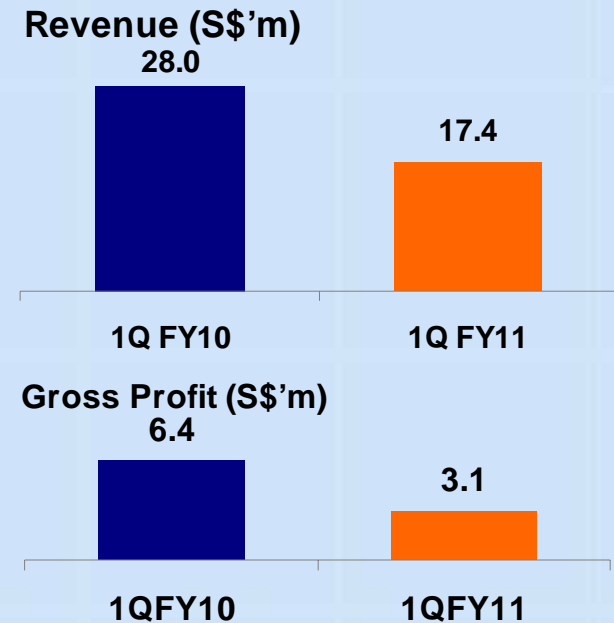
¹ Rotor Tugs and Azimuth Stern Drive Tugs

² Barges and other vessels

Shiprepair & Conversion



- Revenue lower by 38% to S\$17.4m due to absence of larger ship conversion jobs undertaken in 1Q FY10
- Gross profit reduced to S\$3.1m at gross margin of 18.2% affected by pricing pressure

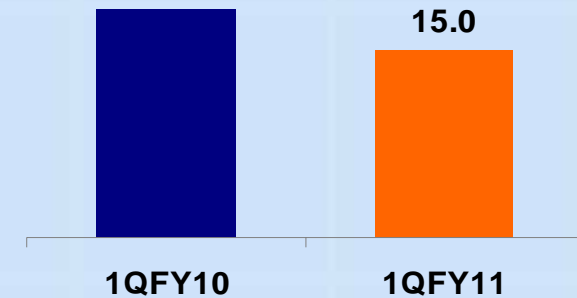


Shipchartering

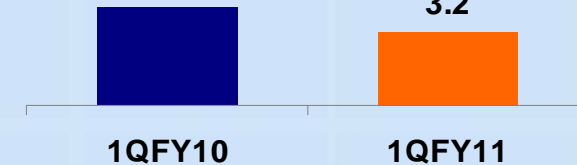


- Revenue declined by 18% to S\$15.0m mainly due to weak demand for towing jobs
- Gross profit declined to S\$3.2m at gross margin of 21.1% due to reduced charter earnings

Revenue (S\$m)
18.3



Gross Profit (S\$m)
4.3





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Business Outlook

Business Outlook



Shipbuilding

- Recently secured new shipbuilding orders worth S\$29 million for 6 vessels comprising offshore support vessel and barges
- Total outstanding orderbook of S\$303 million will sustain shipbuilding operations until early 2012
- Recovery on demand for new builds expected to remain slow
- Focus on increasing efficiency on existing order book deliveries

Shiprepair

- Continuous pricing pressure expected due to competitive market conditions
- Long-term outlook reasonably positive based on:
 - Increasing world fleet
 - Recurring and mandatory requirements to maintain sea worthiness of vessels and comply with requirement of classification societies

Business Outlook



Shiprepair (cont)

- Well positioned for more works and enlarging customer base with newly enlarged capacity at Batam yard:
 - dry dock extension from 260 to 340 metres (300,000 dwt)
 - medium-sized dry docks (60,000 dwt & 20,000 dwt)

Shipchartering

- Demand supported by:
 - Domestic marine infrastructure, construction and land reclamation projects e.g. port expansion, new international cruise terminal
 - Transportation demand (e.g. coal) in Indonesia & South East Asia regions
 - Offshore oil and gas activities in South East Asia & Australia
 - Marine infrastructure, harbour and terminal services sectors in Australia
- Order book of S\$23 million for long term charter contracts

Business Outlook



Capital Expenditure

- Total capex of S\$35 million in 1Q FY2011 included S\$8.3 million for vessels, S\$2.5 million for plant & machinery and S\$23.8 million for assets under construction (yard infrastructure and vessels).
- Shipchartering operations have outstanding delivery order for 33 vessels worth S\$105 million comprising towing tugs, pipe-lay barge, ROV support vessel, AHTS, AHT and barges. The order includes 12 vessels worth S\$98 million being built internally of which long term charter contracts have been secured for 2 vessels under construction.



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Thank You