



Ship Building

Shiprepair & Conversion

Ship Chartering



**ASL MARINE**  
Corporate Presentation 1HFY2011

## Presentation Outline



- **Group Overview**
- **1H FY2011 Financial Review**  
(6 months ended 31 December 2010)
- **Operational Review**
  - Shipbuilding
  - Shiprepair and Conversion
  - Shipchartering
- **Business Outlook**



## 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 31 December 2010: 196 vessels
- Mainly barges, towing tugs, Anchor Handling Tugs and other vessels
- Vessels on time or bareboat charter to following industries:
  - Offshore Oil and Gas
  - Marine Infrastructure
  - Dredging, Land Reclamation & Marine Construction Works
  - Transportation of cargoes e.g. coal, aggregates, heavy equipment



5



## Financial Performance



	2Q FY11 (S\$m)	2Q FY10 (S\$m)	chg %	1H FY11 (S\$m)	1H FY10 (S\$m)	chg %	Comments
Revenue	103.1	135.8	(24)	184.5	253.1	(27)	Lower revenue from shipbuilding (by \$69.8m) & shipchartering (by \$2.1m) partially offset by higher revenue from shiprepair (by \$3.3m)
Gross Profit	14.7	15.3	(4)	25.5	32.0	(20)	
Gross Profit Margin	14.3%	11.3%	-	13.8%	12.6%	-	
Other Operating Income	1.4	1.2	20	5.9	4.6	28	Higher gain on vessels disposal of S\$5.7m (1H FY10: S\$2.3m) partially offset by lower miscellaneous income
Other Operating Expense	0.2	0.2	(5)	1.6	1.3	22	
Net Profit	10.0	9.0	12	18.1	20.8	(13)	
Net Margin	9.7%	6.6%	-	9.8%	8.2%	-	
EBITDA	23.0	20.7	11	42.9	44.8	(4)	

7

## Cash Flow



Cash Flows (S\$m)	1H FY11	1H FY10	% chg
Net cash generated from operating activities	50.9	6.1	737
Net cash used in investing activities (Capital expenditure net of disposal)	(36.0)	(33.0)	9
Net cash used in financing activities (Repayment net of Borrowings)	(37.1)	(1.3)	2,719
Net decrease in cash	(22.2)	(28.2)	(21)
Cash at beginning of the period	83.3	94.8	(12)
Cash at end of the period	60.5	66.5	(9)

8

# Financial Ratios



	1H FY11	1H FY10
Basic Earnings per Share <sup>1</sup> (cents)	4.30	4.96
Fully Diluted Earnings per Share <sup>2</sup> (cents)	4.30	4.96
Return on Equity (Annualised)	10.9%	13.6%
Return on Total Assets (Annualised)	5.1%	5.7%

As at	31 Dec 10	30 Jun 10
Net Asset Value per Share <sup>3</sup> (cents)	76.87	105.25
Gearing Ratio	0.59	0.66
Net Gearing Ratio	0.38	0.38

Based on weighted average of

<sup>1</sup> 419,454,434 shares in issue for 1H FY11 (1H FY10: 419,437,619)

<sup>2</sup> 419,469,812 shares in issue for 1H FY11 (1H FY10: 419,461,253)

<sup>3</sup> 419,511,294 shares as at 31 December 2010 (30 June 2010: 299,604,002)

# Share Price Information

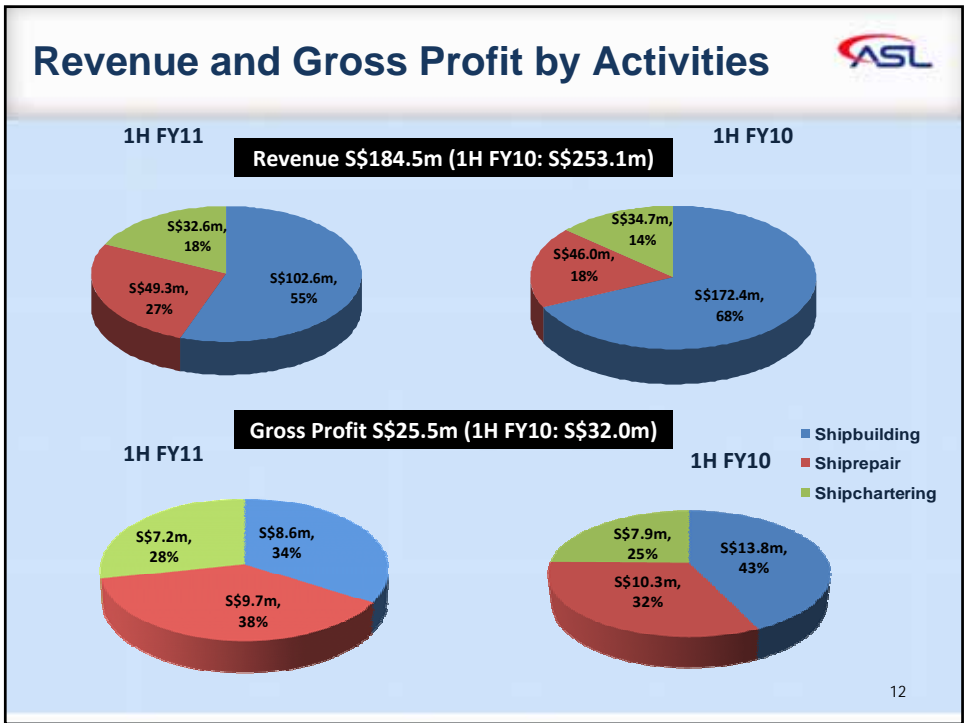


As at	9 Feb 11	8 Feb 10
Share Price <sup>1</sup> (\$)	0.69	0.90
Price Earnings Ratio	8.02	9.07
Price / Net Asset Value per Share	0.90	0.90
Market Capitalization (\$'m)	289.5	269.6

<sup>1</sup> New bonus shares on the basis of 4 bonus shares for every 10 existing shares were issued in December 2010



Source: Bloomberg



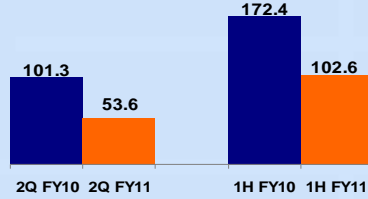


# Shipbuilding

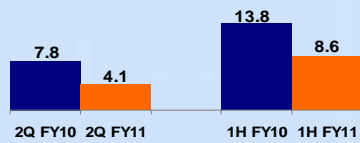


- YTD revenue down 41% to S\$102.6m due to lower order book
- YTD gross profit reduced by 38% to \$8.6m with gross margin stable at 8.4%

Revenue (S\$m)



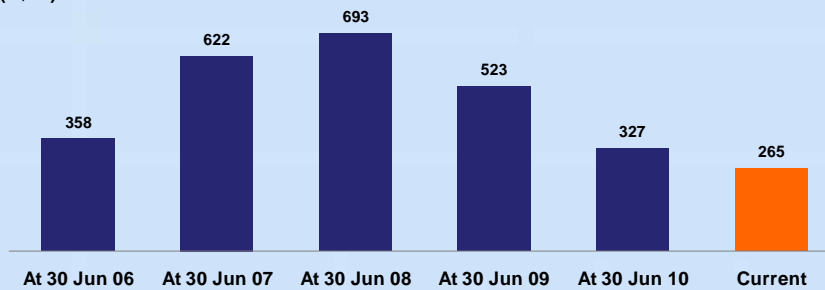
Gross Profit (S\$m)



# Shipbuilding Order Book



(S\$m)



Outstanding order book of S\$265 million:

- Included new shipbuilding orders worth S\$17 million for 11 barges
- Total 52 vessels with progressive deliveries up to first quarter of 2012

# Shipbuilding Order Book



Type of Vessels	Units	2H FY11		After FY11		Total	
		S\$m	%	S\$m	%	S\$m	%
Offshore Support Vessels	2	17	6	38	14	55	20
Tugs <sup>1</sup>	10	20	7	72	27	92	34
Dredgers	2	34	13	50	19	84	32
Barges & other Vessels	38	20	8	14	6	34	14
<b>Total</b>	<b>52</b>	<b>91</b>	<b>34</b>	<b>174</b>	<b>66</b>	<b>265</b>	<b>100</b>

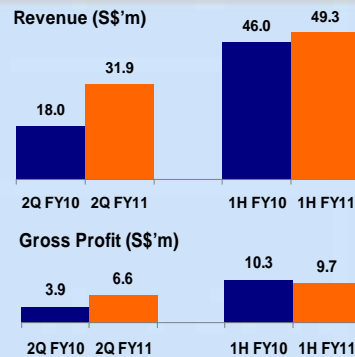
<sup>1</sup> Rotor Tugs and Azimuth Stern Drive Tugs

15

# Shiprepair & Conversion



- YTD revenue increased 7% to S\$49.3m due to larger shiprepair jobs undertaken
- YTD gross profit reduced 6% to S\$9.7m at gross margin of 19.7% (1HFY10: 22.4%) affected by pricing pressure



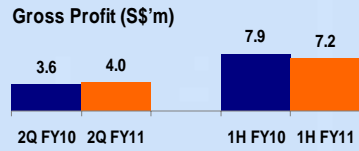
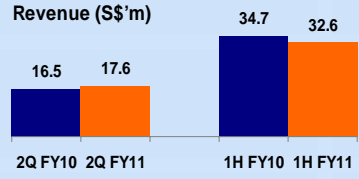
16



# Shipchartering



- YTD revenue declined 6% to S\$32.6m mainly due to weak demand for towing jobs
- YTD gross profit reduced 9% to S\$7.2m due to marginally lower gross margin of 22.0% (1HFY10: 22.7%)



# Business Outlook



## Shipbuilding

- Recently secured new shipbuilding orders worth S\$17 million for 11 barges
- Outstanding orderbook of S\$265 million will sustain shipbuilding operations until early 2012
- Despite optimism in the oil and gas sector, demand for new builds continued to be affected by current over-supply situation

## Shiprepair

- Market conditions remain competitive
- Outlook reasonably positive based on:
  - Increasing world fleet
  - Recurring and mandatory requirements to maintain sea worthiness of vessels and to comply with requirement of classification societies
  - Healthy demand in the region particularly within Indonesia

19

# Business Outlook



## Shiprepair (cont)

- Well equipped facilities at Batam yard:
  - 1 dry dock of 340 metres length (300,000 dwt)
  - 2 medium-sized dry docks of 230 metres & 180 metres length (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\$22 million for long term charter contracts

20

# Business Outlook



## Capital Expenditure

- Total capex of S\$51.2 million in 1H FY11 included S\$14.6 million for vessels, S\$3.3 million for plant & machinery and S\$32.9 million for assets under construction (yard infrastructure and vessels).
- Shipchartering operations have outstanding delivery order for 13 vessels worth S\$101 million comprising towing tugs, pipe-lay barge, ROV support vessel, AHTS, AHT and barges. These include 9 vessels worth S\$98 million being built internally of which long term charter contracts have been secured for 2 vessels under construction.

21

The ASL MARINE logo, featuring the ASL logo above the text 'ASL MARINE' in a large, bold, blue, sans-serif font, with 'Thank You' in a smaller, black, sans-serif font below it. The background is a light blue grid pattern.

**ASL**  
**ASL MARINE**  
Thank You