ASL MARINE

Corporate Presentation FY2011

Presentation Outline

- **Group Overview**
- **FY2011 Financial Review**
  (12 months ended 30 June 2011)
- **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 June 2011: 194 vessels
  - Mainly barges, towing tugs, Anchor Handling Tugs, AHTS 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



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Financial Review

Financial Performance

	4QFY11 (S$'m)	4QFY10 (S$'m)	chg %	FY2011 (S$'m)	FY2010 (S$'m)	chg %	Comments
Revenue	92.6	105.1	(11.9)	363.2	468.4	(22.5)	- Lower revenue recorded by all business segments for FY2011 - Gross profit margins of all business segments were comparable to FY2010
Gross Profit	13.6	14.5	(6.0)	49.6	60.8	(18.4)	
Gross Profit Margin	14.7%	13.8%	-	13.7%	13.0%	-	
Other Operating Income	0.2	2.6	(92.2)	10.5	9.3	12.8	- Higher disposal gain on vessels of S$10.2m (FY2010: S$6.7m) partially offset by lower miscellaneous income and higher foreign exchange revaluation losses
Other Operating Expense	(1.0)	(2.7)	(62.6)	(3.3)	(3.4)	(3.1)	
Net Profit	5.8	7.2	(18.9)	31.9	37.3	(14.4)	
Net Margin	6.3%	6.8%	-	8.8%	8.0%	-	
EBITDA	20.0	20.6	(3.1)	83.5	87.3	(4.4)	

Cash Flows

Cash Flows (S$'m)	FY2011	FY2010	Chg %
Net cash generated from operating activities	34.4	63.9	(46.2)
Net cash used in investing activities (Capital expenditure net of disposal)	(85.0)	(67.2)	26.5
Net cash generated from/ (used in) financing activities (Borrowings net of repayments & dividends payment)	12.9	(8.1)	Nm
Net decrease in cash	(37.7)	(11.4)	231.6
Cash at beginning of the year	83.3	94.8	(12.1)
Cash at end of the year	44.8	83.3	(46.3)

Nm: Not meaningful

Financial Ratios

	FY2011	FY2010
Basic Earnings per Share[1] (cents)	7.61	8.89
Fully Diluted Earnings per Share[2] (cents)	7.61	8.89
Return on Equity	9.2%	11.5%
Return on Total Assets	4.1%	5.0%

As at	30 June 11	30 June 10
Net Asset Value per Share[3] (cents)	80.05	105.25
Gearing Ratio	0.77	0.66
Net Gearing Ratio	0.62	0.38

Based on weighted average of

[1] 419,482,630 shares in issue for FY2011 (FY2010: 419,441,524)

[2] 419,488,398 shares in issue for FY2011 (FY2010: 419,462,462)

[3] 419,511,294 shares as at 30 June 2011 (30 June 2010: 299,604,002)

Share Price Information

As at	15 Aug 11	16 Aug 10
Share Price[1] (S$)	0.51	0.86
Price Earnings Ratio	6.70	9.67
Price / Net Asset Value Per Share	0.64	0.82
Market Capitalisation (S$'m)	214.0	257.7

[1] Bonus shares on the basis of 4 bonus shares for every 10 existing shares were issued in December 2010

Source: Bloomberg

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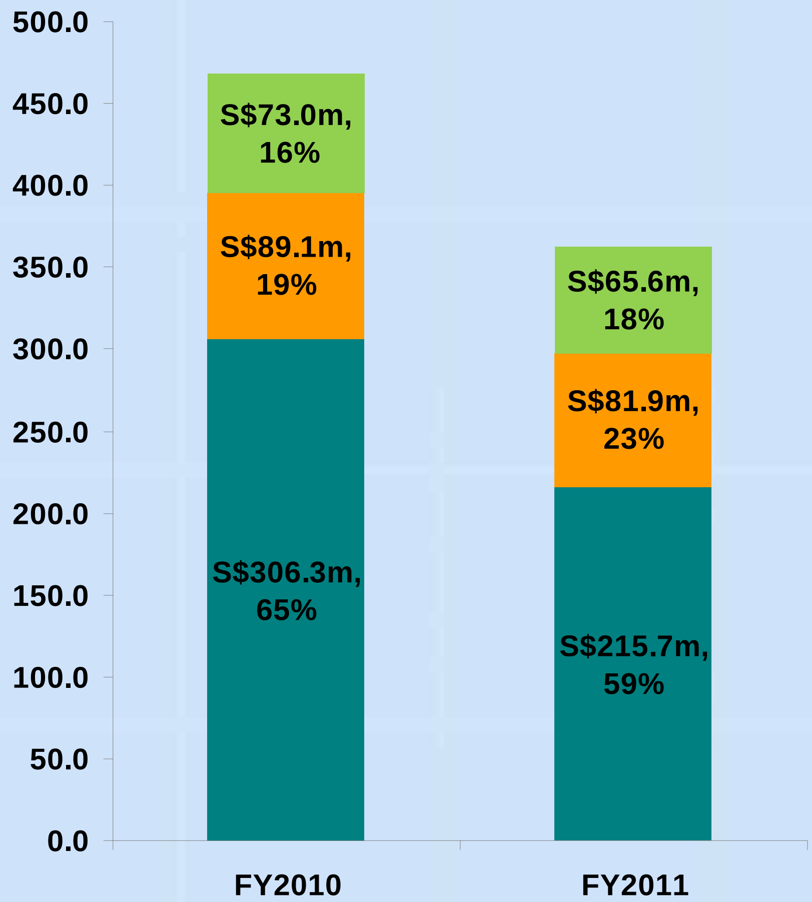
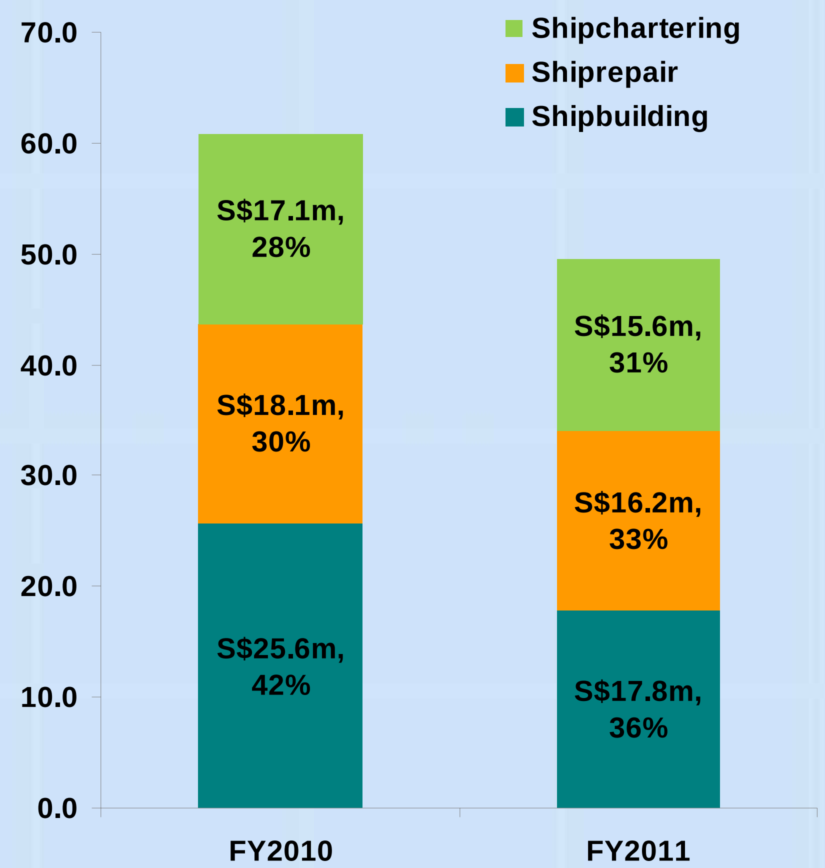
Operational Review

Revenue and Gross Profit by Activities

Revenue S$363.2m (FY2010: S$468.4m)

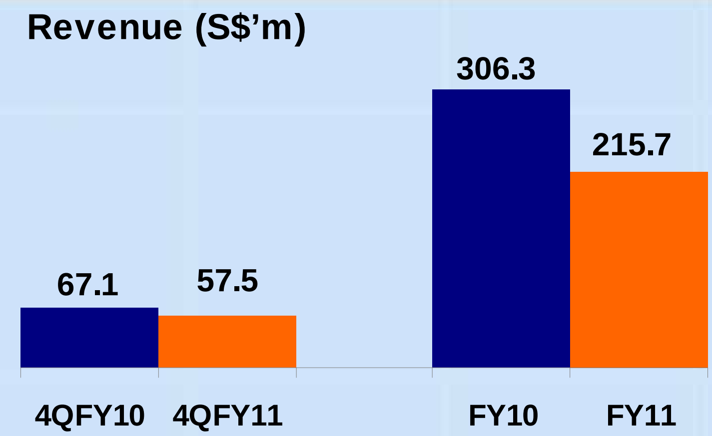


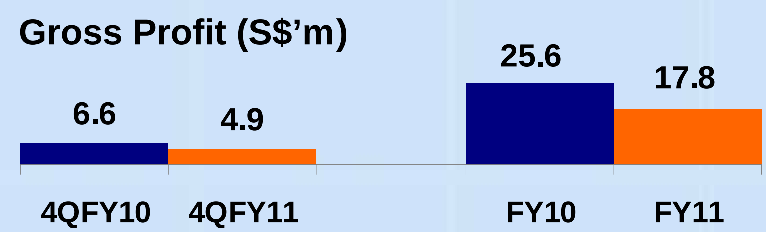
Gross Profit S$49.6m (FY2010: S$60.8m)



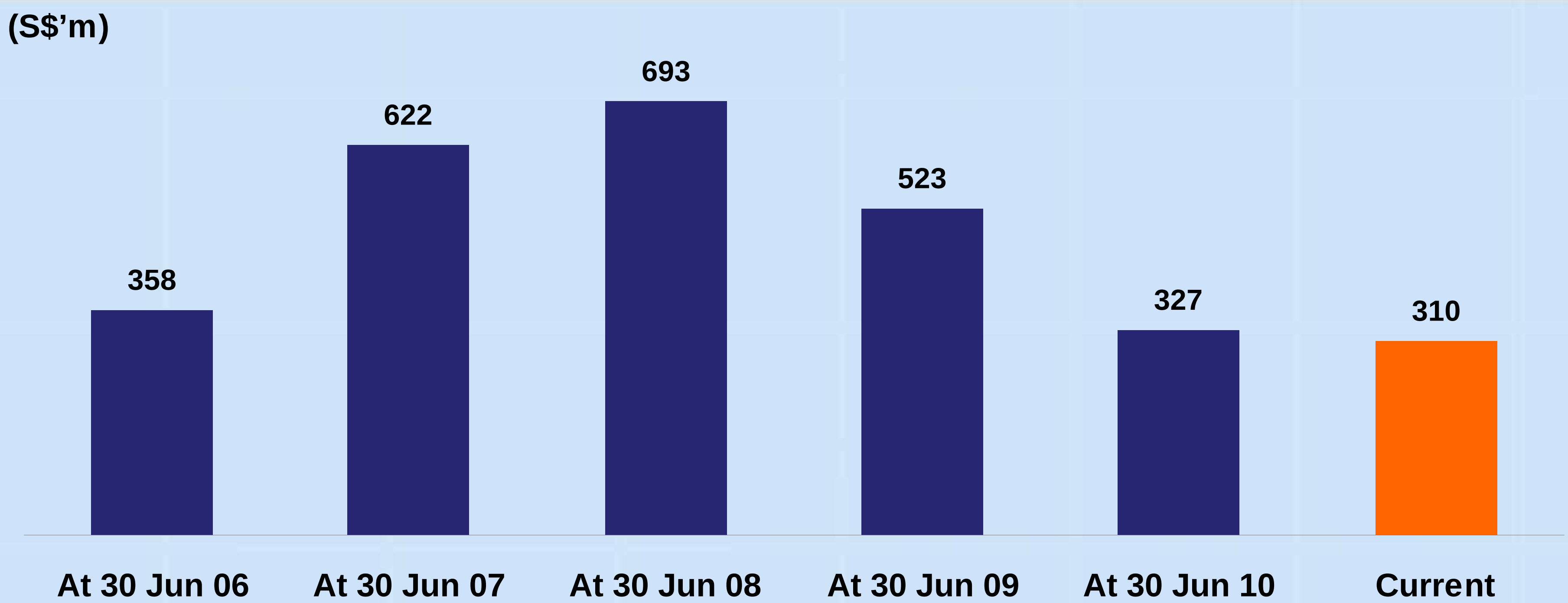
Shipbuilding

- FY2011 revenue down 29.6% to S$215.7m due to lower order book
- FY2011 gross profit declined by 30.6% to S$17.8m with gross margin stable at 8.2%





Shipbuilding Order Book



- Secured new orders worth S$159 million for 13 vessels since 4Q FY2011 including 9 AHTS, 2 Emergency Response & Rescue Vessels and 1 Offtake Support & Supply Vessel
- Current order book of S$310 million comprised of 29 vessels with progressive deliveries up to third quarter of 2013

Shipbuilding Order Book

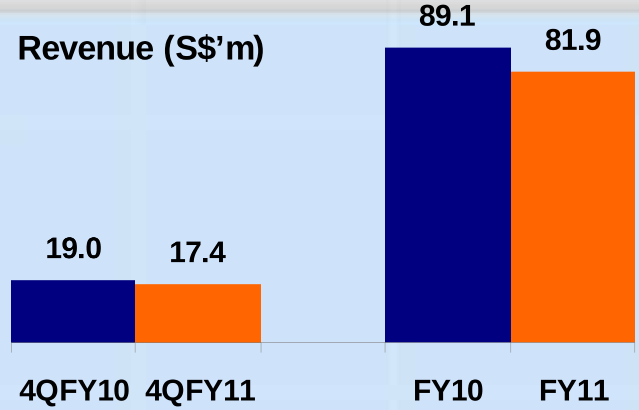
		FY2012		After FY2012		Total	
Type of Vessels	Units	S$'m	%	S$'m	%	S$'m	%
Offshore Support Vessels[1]	14	75	24	119	38	194	62
Tugs[2]	8	56	18	11	4	67	22
Dredgers	2	42	14	-	-	42	14
Barges & other Vessels	5	7	2	-	-	7	2
Total	29	180	58	130	42	310	100

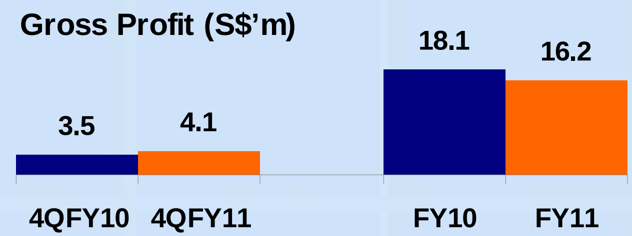
[1] *AHTS, Diving Support Vessel, Offtake Support & Supply Vessels and Emergency Response & Rescue Vessels*

[2] *Rotor Tugs and Azimuth Stern Drive Tugs*

Shiprepair and Conversion

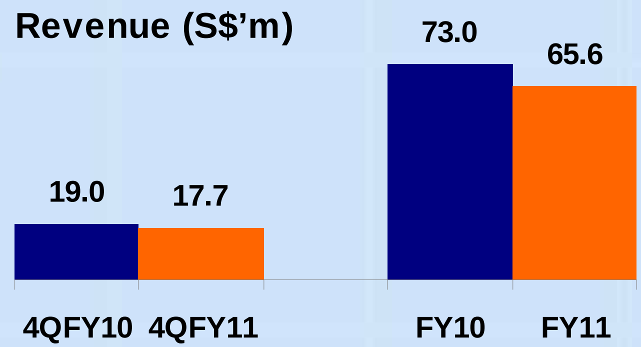
- FY2011 revenue down 8.0% to S$81.9m due to absence of larger ship conversion jobs
- FY2011 gross profit declined 10.6% to S$16.2m at gross margin of 19.7% (FY2010: 20.3%) affected by pricing pressure

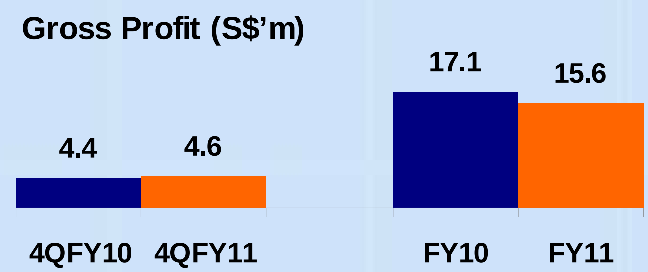




Shipchartering

- FY2011 revenue declined 10.2% to S$65.6m mainly due to weaker demand for towing jobs
- FY2011 gross profit reduced 8.2% to S$15.6m with gross margin of 23.9% comparable to FY2010





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Business Outlook

Business Outlook

Shipbuilding

- Demand for new shipbuilding orders expected to be negatively impacted by the growing concerns about slower global economic growth
- Healthy level of enquiry for new vessels
- Take longer time to negotiate and pen new contracts
- Secured new orders worth S$159 million for 13 vessels since 4Q FY2011 including 9 AHTS, 2 Emergency Response & Rescue Vessels and 1 Offtake Support & Supply Vessel
- Outstanding order book of S$310 million for 29 vessels will sustain shipbuilding operations up to third quarter of 2013

Business Outlook

Shiprepair and Conversion

- Market conditions remain competitive
- Demand underpinned by:
  - Increasing world fleet
  - Recurring and mandatory requirements to maintain sea worthiness of vessels and to comply with requirement of classification societies
  - Regional demand particularly within Indonesia
- 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)
- Establishing offshore services division to target on higher value offshore oil and gas related conversion and repair contracts (such as FSO and FPSO)

Business Outlook

Shipchartering

- Demand supported by:
  - Domestic marine infrastructure, construction and land reclamation projects e.g. port expansion, International Cruise Terminal etc.
  - Transportation demand 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 approximately S$45 million for long term charter contracts

Business Outlook

Capital Expenditure

- Total capex of S$122.2 million in FY2011 comprised mainly:

	S$'m
Vessels	59
Assets under construction for yard infrastructure and vessels	50
Leasehold property and building	8
Plant and machinery	4

Business Outlook

Capital Expenditure (cont.)

- Shipchartering operations have outstanding delivery order for 14 new vessels worth approximately S$78 million comprising :

Shipchartering outstanding delivery orders	Unit
ROV Support Vessel	1
Barges	9
Tugs	2
Anchor Handling Tugs	2
Total	14

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Thank You