



**For Immediate Release**

## **TTA reports Q3 earnings of THB 6.9 million**

- Best quarter year to date
- Improvement in investment performance
- Modest improvement in core businesses

**Bangkok, Thailand, 15 November 2014** -- Thoresen Thai Agencies Public Company Limited ("TTA" or "the Group") today announced third quarter results for 2016, with consolidated net profit of THB 6.9 million and normalized net profit to TTA of THB 79 million. This represents the company's best quarter year-to-date, due to the improvement in the dry bulk shipping industry, more subsea vessel activities, and contribution from fertilizer business as well as good performance of holding company.

TTA earned strong net cash flow from operations of THB 1,328 million for 9M/2016, with cash and short-term investments on its consolidated balance sheet totaling to THB 12.4 billion at the end of the third quarter 2016. In addition, EBITDA in 3Q/2016 was at THB 660.8 million, increased 21% from 2Q/2016. This was partly supported by improvement in investment performance during the quarter.

**TTA President & CEO Mr. Chalermchai Mahagitsiri stated,** "We are pleased to see better-than-expected third-quarter financial results for the third quarter of 2016. We improved gross margins in our Thoresen Shipping, Mermaid Maritime and PMTA businesses, while UMS net loss was reduced leading to a significantly improved financial quarter. Furthermore, we are exploring various business opportunities and continue to strive to maintain our strengths in core businesses, as well as enhance our position to withstand any further market uncertainties.

Thoresen Shipping's margin improved from efficient fleet management and sustained cost control efforts, while dry bulk market situation also improved in this quarter. In addition to its strategy to modernise its fleet at the bottom of the industry cycle to capitalise on potential upturn of the industry and achieve significant long-term competitive advantages, Thoresen Shipping plans to expand its commercial footprint in world markets.



Mermaid Maritime saw steady contributions from its long-term subsea IRM contracts. However, there is considerable uncertainty around the outlook of oil & gas industry. Therefore, Mermaid Maritime will continue to focus on achieving high vessel utilization while trying to renew long term contracts with key customers in growth areas such as South East Asia and the Middle East.

For other core businesses, PMTA's fertilizer business delivered higher revenue from export to Africa and Philippines and also continue to look for growth opportunities across both its fertiliser and factory area for leasing business, while UMS's performance improved

### **Thoresen Shipping**

Thoresen Shipping Group (TSG) ended the quarter with positive EBITDA of THB 29.4 million, increased by 1017% over the previous quarter. The owned fleet utilization rate remained high at 100%. The freight revenues increased to THB 811.5 million, up 1% QoQ from THB 800.4 in 2Q/2016. The gross profit was at THB 81.7 million, surging 32% QoQ.

TSG's average TCE rate was at \$5,473 per day, which was an improvement of 8% QoQ and higher than the operating cash cost level. The improved TCE rate was a result of the rebound of BDI to over 900 level at the end of September due to the higher demand for iron ore and coal with support for stockpiling ahead of winter.

During this quarter, TSG continued to improve its fleet efficiency and fleet renewal program. In October, M.V. Thor Energy with capacity of 42,529 DWT was sold for scrap. Consequently, TSG continues to own 20 vessels with an average size of 52,555 DWT and average age of 11.43 years.

TSG reported net losses of THB 222.7 million in 3Q/2016 with normalized net loss of THB 151.3 million.

### **Mermaid Maritime**

Despite the volatile oil & gas market and low exploration activity, Mermaid Maritime Group (MML Group) delivered the third quarter result with THB 261.9 million in net profit and net profit to TTA of THB 151.9 million.

MML Group's total revenue stood at Baht 1,806.7 million, an increase of 3% QoQ from 2Q/2016 at Baht 1,751.0 million, mainly driven by higher Subsea IRM-Vessels activities. Revenue growth from subsea IRM business increased by 32% QoQ, backed



by higher day rates and higher working days for owned vessels, and additional long-term chartered-in vessel. The overall utilization rate increased from 45% in 2Q/2016 to 56% in 3Q/2016.

In drilling business, the MML Group's three high specification jack-up drilling rigs, under its associate, have performed strongly with an average of 99% utilization in this quarter.

The gross profit increased 8% QoQ from THB 541.3 million in 2Q/2016 to THB 583.3 million in this quarter. In addition, the contribution to the equity income, mainly from drilling associate, was at THB 71.1 million in this quarter due to reduction in contracted rate. The overall EBITDA in 3Q/2016 increased by 2% QoQ to THB 443.3 million from THB 436 million in 2Q/2016.

## **UMS**

Unique Mining Services Public Company Limited (UMS) showed significant improvement in terms of financial performance with net losses narrowing down to THB 8.2 million, attributable net losses to TTA of THB 7.4 million in 3Q/2016, reduced from net losses of THB 10.2 million in the previous quarter and THB 52.9 million in 3Q/2015, the year before.

During the past three quarters, UMS management has been focusing on increasing sales volume of its 0-5 mm coal and other sizes. Coal prices continued to increase as China reduced domestic coal output while steel production increased. As a result, UMS's sales volume increased 39% QoQ to 47,000 tons, from 34,000 tons in 2Q/2016.

Total revenue increased by 26% QoQ from THB 79.2 million to THB 100.1 million in 3Q/2016. Gross profit significantly increased 19% QoQ from THB 23.9 million in 2Q/2016 to THB 28.4 million in 3Q/2016. SG&A decreased 30% YoY from THB 25.4 million in 3Q/2015 to THB 17.7 million in 3Q/2016, driven by continuing cost reduction program.

With the increase in sales volume and effective cost control, EBITDA increased from Baht -11.6 million in 3Q/2015 and THB 7.8 million in 2Q/2016 to THB 11.7 million in 3Q/16.

**PMTA:** PM Thoresen Asia Holdings Public Company Limited (PMTA) achieved another record high in quarterly results, with net profits of THB 77.1 million, and a net profit to TTA of THB 52.1 million, increased by 61% YoY from THB 32.3 million in 3Q/2015 as a



result of decreasing raw material costs and growing gross profit. EBITDA significantly increased 40% YoY from THB 75.4 million in 3Q/2015 to THB 105.6 million in 3Q/2016 and grew 18% QoQ from THB 89.5 million in 2Q/2016.

The volume of fertilizer sales in 3Q/2016 was 53,580 tonnes, grew 14% YoY from 47,112 tonnes in 3Q/2015. Domestic sales volume was at 27,450 tonnes while export sales volumes in 3Q/2016 totalled 26,129 tonnes, increased by 9% QoQ from 23,942 tonnes in 2Q/2016, mainly from increase in export to Africa and Philippines.

Revenue from factory area for leasing business was THB 14 million in the third quarter, compared with THB 13.5 million in 3Q/2015. Capacity utilisation remained strong, at 100% supported by good and effective management and growing demand. Baconco currently operates total factory area for leasing space of 50,500 sq. m.

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#### **About TTA**

Thoresen Thai Agencies Public Company Limited, or TTA, is a strategic investment holding company that is listed on the Stock Exchange of Thailand, with an investment policy to achieve growth through a balanced portfolio that is diversified both locally and internationally. Included in its current business portfolio are dry-bulk shipping services, offshore oil and gas services, fertiliser production and supply, seaports and logistics and food and drinks, among others. For more information, visit [www.thoresen.com](http://www.thoresen.com).

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