

**For Immediate Release****TTA announce FY2016 Result**

- **Consolidated EBITDA growth 11%YoY to THB 2 billion**
- **Cash and short-term investments were THB 10.7 billion**
- **Normalized net profit to TTA of THB 32.6 million**

Bangkok, 1 March 2017 – Thoresen Thai Agencies Plc. (TTA) ended full year 2016 (between 1 January – 31 December 2016), with a net loss of THB 418.3 million, normalized net profit to TTA of THB 32.6 million and strong EBITDA of THB 2,053.3 million, growth 11% year-on-year despite a number of challenging environments in oil & gas, shipping and coal industries. PMTA continued to strongly contribute to TTA.

TTA still maintained strong net cash flow from operation of THB 1,894 million with cash and short-term investments on its consolidated balance sheet totaling to THB 10.7 billion at the end of 2016 or approximately THB 5.86 per share.

In line with best corporate governance practices that call for transparent and conservative financial reporting, as of December 31, 2016, the Thoresen Shipping Group recognised an impairment charge of THB 308 million on vessels that were sold in 2016 and planned to be sold in 2017 as a result of lower recoverable amounts comparing to carrying amounts and there was non-recurring loss of around THB 203.2 million mainly from provision of non-refundable tax and net losses for disposals of fixed assets.

Mr. Chalermchai Mahagitsiri, President and Chief Executive Officer of TTA, commented that “We faced challenges arising from a lower level of oil and gas exploration, changes in global trade patterns and oversupplied shipping market. Shipping industry faced its worst downturn in nearly 30 years, the Baltic Dry Index (BDI) had fallen to its 30 years low at 290 in February 2016 but slowly picked up toward the end of the year 2016. Overall, the BDI index declined 6% from year 2015 at 718 to average at 673 in 2016. Furthermore, oil and gas market continued to be volatile throughout 2016. Crude oil continued to slump to its lowest level in nearly ten years with average price at around USD 41 per barrel which declined from 2015 at around USD 51 per barrel as crude oil market was under supply surplus condition. These factors have brought great pressure to our core business. However, our focus on streamline operational efficiency, secure long-term contracts and active management strategy has enabled us to maintain the trust of customers and strong financial position in tough market condition.”



In this situation, positive contribution from fertilizer business serves as a proof that TTA is on the right track of its diversification strategy.

Key strategic Business Unit Performance

Thoresen Shipping: Thoresen Shipping Group (TSG)'s owned fleet utilization rate remained at high level at 99.4% and average TCE rate was at \$5,155 per day in 2016, which underperformed the adjusted market TC Avg BSI of \$5,746 per day by 10% and dropped 31% from \$7,507 per day in 2015. However, TSG was able to achieve a positive EBITDA of THB 87.1 million (down 85% YoY) with EBITDA margin of 3% despite the lowest BDI index in history. TSG reported net loss of THB 874.4 million in 2016 with normalized loss of THB 509.9 million.

Mermaid: Mermaid Maritime Public Company Limited (MML Group)'s EBITDA increased 107% YoY to THB 952.9 million. Average vessel day rate increased 4.1% despite lower utilization rate at 45%. Total revenue was at THB 6,533.4 million, a decrease of 43% YoY from THB 11,527.3 million due to lower activities, especially cable laying, during the year. MML Group reported the net profit of THB 605 million and attributable net profit to TTA of THB 349.8 million.

PMTA: PM Thoresen Asia Holdings Public Company Limited (PMTA) continued its outstanding profitable performance for TTA in 2016, despite the challenging year from prolonged drought and saline intrusion within the Vietnam region, it managed to increase the sales volume by 5% to 209,329 tons per year with gross profit increase 14% YoY to THB 897.2 million with gross margin of 28%.

The higher export volumes in 2016 were mainly to Philippines and countries in Africa. Besides, the successful N-Protect launched with Solvay since 2015 had increased the single fertilizer sales volume by 34% YoY to 4,332 tons in 2016 from 3,224 tons in 2015.

The demand for factory area leasing remained very high, with increasing demand from current customers. PMTA has expanded its factory area for leasing by 8,200 sq. m. in 2016 to total of 50,500 sq. m. and is in the process of building Baconco5-C (capacity of 10,000 sq.m) to support growing demand. The utilization rate of the factory area for leasing was at 100%. Service income from factory area leasing business increased from THB 49.1 million to THB 55.1 million or rose 12% YoY.

In summary, PMTA reported net profit of THB 277 million and attributable net profit to TTA of THB 188 million in 2016.



UMS: Unique Mining Services Public Company Limited (UMS)'s reported lower sales volume and revenue, but SG&A reduced 31% YoY and EBITDA increased 83% YoY. Sales volume decreased 14% YoY from 259,000 tons in 2015 to 223,000 tons in 2016, mainly from lower volume of low margin 0-5 mm size coal. In 2016, UMS reported lower net loss of Baht 57.6 million and attributable net loss to TTA at THB 51.8 million.

"Besides strengthening core businesses, we explore opportunities to expand either by acquisition leading companies and potential start-up companies or by developing our business organically. In 2016, we established a joint venture company TTA SUEZ Company Limited, to enter into sustainable project contracts in drinking water and waste water services, for public and private markets in Thailand. In addition, TTA has ambition to expand into F&B business as we see food business as a fast-growing, low-volatility business. Therefore, we have recently invested in Pizza Hut franchise for Thailand, the world's top pizza brand. This strategic investment will lead to TTA growth prospects in the future" **he added.**

Outlook

There is some sense within the industry that vessel supply and shipping demand may be headed for a better balance in 2017, although the timing of any improvement remains indeterminate. Thus, without any clear signs of recovery in sight, TTA will invest with great caution and augment risk management.

We are prepared to respond to the slow recovery as we move through 2017. Our diversified portfolio of businesses has again put us in a strong position to handle the volatility. TTA also has sufficient cash reserves which allows it to remain agile and be ready to take advantage of any opportunistic and organic growth that may present itself.

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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.

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