Ref No. COR:MS/EL13038e/UP

TTA: Thoresen Thai Agencies Public Company Limited

FY13 Earnings Release

Oct 2012 - Sep 2013

Date: 28 November 2013
Subject: FY 2013 Financial Results
To: The President of the Stock Exchange of Thailand

Thoresen Thai Agencies Public Company Limited ("TTA") reports net losses of Baht 5,080 million and losses per share of Baht 5.86 for the twelve-month period from 1 October 2012 to 30 September 2013 ("FY13"). This compares with net losses and losses per share of Baht 4,494 million and Baht 6.35, respectively, for the twelve-month period from 1 October 2011 to 30 September 2012 ("FY12").

Executive Summary Performance Overview

Income statement restated

Baht millions	FY12	FY13	%yoy
Revenues	**16,347**	**18,463**	13%
Freight charges	3,528	4,747	35%
Offshore services	5,721	8,243	44%
Sales	6,782	5,141	-24%
Costs	**12,476**	**14,548**	17%
Gross profits	**3,871**	**3,915**	1%
SG&A	1,856	2,118	14%
EBITDA	**2,015**	**1,797**	-11%
Depreciation & Amortisation	1,556	1,595	2%
Other income	229	174	-24%
Equity income	129	250	94%
EBIT	**817**	**626**	-23%
Finance costs	(594)	(510)	14%
Income taxes	(166)	(213)	-29%
Profits before EI	**57**	**(97)**	-270%
Extraordinary items	(4,577)	(4,843)	
Minority interests	(39)	(212)	
Forex translation	64	71	
Net profit	**(4,494)**	**(5,080)**	-13%
No. of shares (million)	708	866	
Basic EPS (Baht)	(6.35)	(5.86)	

Consolidated net losses of Baht 5,080 million were primarily due to a number of asset impairments. On an operating basis, Thoresen Shipping reported higher losses, as it suffered through 25-year lows in freight rates. These higher losses were partially offset by significant improvements in Mermaid Maritime Plc. ("Mermaid").

- **Thoresen Shipping** continued to generate positive EBITDA, as the Baltic Dry Index ("BDI") averaged 986 points in FY13, the lowest since 1999. Our TCE rate of USD 8,364 per day, down 18% yoy, remained below the EBIT breakeven level, resulting in 166% higher EBIT losses.
- **Mermaid**'s net profits grew almost five times as the subsea business experienced higher average day rates and utilisation. Equity income from its 33.8%-owned associate, Asia Offshore Drilling ("AOD") also started to be recognised.
- **UMS** continues to face challenges, as it grapples with logistics inefficiencies at its recently-reopened Samut Sakorn plant as well as weak coal prices. Through volume reduction, net losses would have narrowed 26% yoy without the Baht 243 million provision for coal inventories recorded in FY13.
- **Baconco** had a record year in FY13, with net profits up 24% yoy primarily on better gross margins. Volume of 196,400 tonnes was also a record high, while warehouse rental revenues more than doubled yoy following the launch of Baconco 5 in February.

Ref No. COR:MS/EL13038e/UP

TTA: Thoresen Thai Agencies Public Company Limited

FY13 Earnings Release

Oct 2012 - Sep 2013

	Transport		Energy		Infrastructure			
	Thoresen Shipping		Mermaid Maritime		UMS		Baconco	
Baht millions	FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13
Revenues	3,528	4,747	5,721	8,243	3,428	1,931	3,376	3,229
EBITDA	668	337	1,389	1,369	(40)	14	257	340
EBITDA margin	19%	7%	24%	17%	-1%	1%	8%	11%
EBIT	217	(143)	698	816	(107)	(51)	243	333
	Freight rates at historic lows		*Strong revenue growth*		*Sales scaled down to limit losses*		*Improved margins offset flat revenue*	

- Consolidated revenues of Baht 18,463 million were up 13% yoy. Higher revenues at Thoresen Shipping (+35% yoy) and Mermaid (+44% yoy) more than offset lower sales revenues at UMS (-44% yoy) and Baconco (-4% yoy). Thoresen Shipping chartered-in more vessels, resulting in substantially higher vessel days and freight revenues, while Mermaid saw more contributions from the diving services contract with Saudi Aramco and other full subsea service contracts.

- Consolidated direct costs were up 17% yoy to Baht 14,548 million. Higher costs at Thoresen Shipping (from more vessel days) and Mermaid (from additional costs to service the subsea contracts) were offset by lower costs of sales at UMS and Baconco. Consequently, consolidated gross profits were up 1% yoy to Baht 3,915 million.

- SG&A increased by 14% yoy to Baht 2,118 million, driven by Mermaid's contract start up costs in the Middle East and Baconco's increased domestic marketing efforts. As a result, EBITDA narrowed 11% yoy to Baht 1,797 million.

- Equity income jumped 94% yoy to Baht 250 million. Mermaid's 33.8% owned associate, Asia Offshore Drilling Ltd. ("AOD"), contributed Baht 122 million of equity income, up from losses of Baht 10 million last year. All in, EBIT was Baht 640 million, down 22% yoy.

- Losses before extraordinary items, forex gains/losses and minority interests were Baht 97 million in FY13, compared to profits Baht 57 million in FY12.

- Consolidated net losses were Baht 5,080 million due to various extraordinary items, key components of which include:

Baht millions	restated FY12	FY13
Thoresen Shipping		
Impairment charge on fixed assets	(531)	(3,917)
Write-off arranging fees for a syndicated loan secured in 2007, which expired in FY12	(209)	-
Impairment charge on assets under construction at a supplier	(169)	-
UMS		
Allowance for net realisable value of coal inventories	(107)	(243)
Mermaid		
Realised lossess on cross-currency swap	(153)	-
Corporate		
Impairment charge on TTA's investment in UMS	(2,327)	(596)
Provision for doubtful debt for the coal mine project in the Philippines	(908)	
Impairment charge on TTA's investment in Merton Group (Cyprus) Ltd.	-	(120)

These impairments and provisions were taken in line with TTA's strict adherence to conservative financial reporting standards, which stipulate that the company review the value in use of its assets on an annual basis. They also followed an extensive assessment by management, the Board of Directors, and external advisors.

Performance Overview by Business Group

Revenue contribution by business line

Baht millions	FY12 (restated)	FY13	%yoy
Transport	3,594	4,812	*34%*
Infrastructure	7,032	5,408	*-23%*
Energy	5,721	8,243	*44%*
Corporate*	0	(0)	
Total revenue	**16,347**	**18,463**	**13%**

Net profit contribution by business line

Baht millions	FY12 (restated)	FY13	%yoy
Transport	(682)	(3,986)	*-484%*
Infrastructure	(23)	(55)	*-138%*
Energy	42	298	*605%*
Corporate*	(3,831)	(1,337)	*65%*
Net profit	**(4,494)**	**(5,080)**	**-13%**

** Corporate = TTA, the holding company, and inter-company eliminations*

Key Ratios

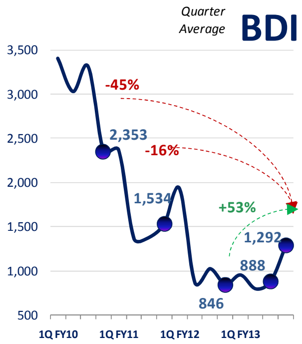
Profitability ratios	FY12	FY13	Change (%)
Gross margin	23.7%	21.2%	-2.5%
EBITDA margin	12.3%	9.7%	-2.6%
EBIT margin	5.0%	3.4%	-1.6%
Net margin	-27.5%	-27.5%	0.0%
Return on assets	-10.3%	-12.1%	-1.8%
Return on equity	-24.1%	-28.3%	-4.3%
Liquidity and debt ratios	**FY12**	**FY13**	**Change (x)**
Current ratio	1.43	2.19	0.76
Debt/Equity	0.59	0.56	(0.03)
Net debt/equity	0.40	0.24	(0.16)
Interest coverage	1.38	1.23	(0.15)

Summary of Statement of Cash Flows

Baht millions	FY12	FY13
Cash flows from operating activities	1,969	1,143
Cash flows from investing activities	(1,606)	(2,672)
Cash flows from financing activities	(677)	5,406
Net increase in cash and cash equivalents during the period	(313)	3,877
Currency translation differences	96	(13)
Cash and cash equivalents at the beginning of the period	3,800	3,582
Cash and cash equivalents at the end of the period	3,582	7,446

Group Transport Highlights

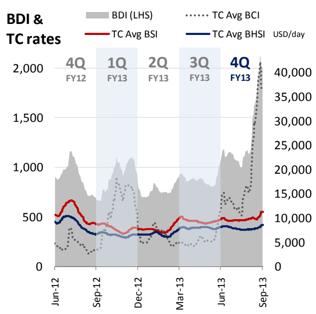
- **Lowest BDI since 1999**
- **Baht 3,917 million non-cash impairment against the fleet**
- **Three vessels joined the fleet in FY13**
- **Freight rates expected to recover in FY14**



Lowest BDI since 1999

A combination of lower trade growth and oversupply continued to adversely affect the dry bulk shipping industry. Freight rates failed to rebound as per market expectations and hovered at historic lows. Only in 4QFY13, the Baltic Dry Index ("BDI") jumped 45% qoq (+53% yoy) to average 1,292 points. This was led primarily by the Capesize segment, whose average TC rates more than tripled qoq on soaring Chinese iron ore and met coal imports. Compared to the pace seen in the first half of calendar year, Chinese iron ore and met coal imports in July and August were up 11% and 10%, respectively.

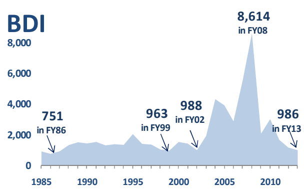
Despite the surge in the final quarter, the BDI averaged only 986 points in FY13. This was a 15% yoy decline and the lowest since 1999's average of 963 points. The largest drops were seen in the Supramax and Panamax segments. The Baltic Supramax TC rates ("BSI") averaged USD 8,715 per day in FY13, slipping 22% from FY12's USD 11,167 per day. The Handysize segment fared slightly better, with the Baltic Handysize TC rates ("BHSI") down 14% yoy to average USD 7,301 per day in FY13. The Capesize segment showed the smallest yoy decline but the highest volatility. The Baltic Capesize TC rates ("BCI") started the year at around USD 8,400 per day, bottomed at around USD 4,200 per day in early March and peaked at over USD 42,000 per day in late September, with FY13 average at USD 11,148 per day, slipping 2% yoy.



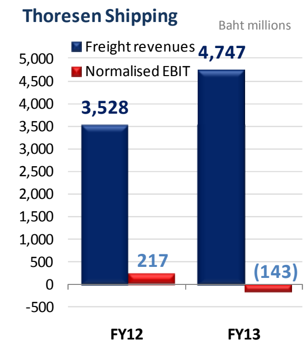
At the end of FY13, Fearnleys estimated a global dry bulk fleet of 9,873 vessels with a total capacity of 713 million dead-weight tonnes ("DWT"), representing less than 6% growth from the end of FY12 and a marked slowdown from a 13% growth a year earlier.

Baht 3,917 million non-cash impairment against the fleet

Accounting standards require an entity to review whether indicators of asset impairment exist, i.e. whether an asset's carrying amount is higher than its recoverable amount. As the prolonged industry downturn and resultant low freight rates have invariably reduced vessel values, Thoresen Shipping recorded a non-cash Baht 3,917 million impairment against its fleet in FY13. After the impairment, the book value of Thoresen Shipping's fleet is now in line with its market value.

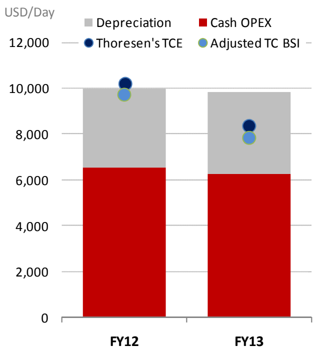


Weighed down by the impairment charge, Thoresen Shipping reported net losses of Baht 4,138 million in FY13, compared to net loss of Baht 839 million in FY12. Excluding one-off items, Thoresen Shipping's normalised net losses should have been Baht 261 million in FY13, compared to normalised net profits of Baht 85 million in FY12. Freight revenues came in at Baht 4,747 million, up 35% yoy mainly due to almost tripled chartering-in activity to accommodate growing commercial relationships. During FY13, Thoresen Shipping operated an average of 29.2 vessels (16.1 owned vessels and 13.1 chartered-in vessels), up from an average of 19.4 vessels (14.9 owned vessels and 4.5 chartered-in vessels) in FY12.



Thoresen Shipping's TCE was USD 8,364 per day in FY13, declining 18% yoy along with the Supramax market ("BSI"), which is Thoresen Shipping's benchmark. Adjusting for the fleet's revenue capacity (90% of the BSI), Thoresen Shipping's TCE outperformed the BSI by 7% during FY13. The chartered-in TCE improved from –USD 13 per day in the previous year to USD 152 per day in FY13.

Cost control efforts have been sustained in FY13. Owner's expenses, the largest portion of cash operating expenses, were at USD 4,087 per day, up 2% yoy due to higher crew costs from competitive pressures but still lower than the industry average of USD 4,500-4,600 per day. Dry docking expenses declined 12% yoy to USD 744 per day due to a younger fleet and diligent on-board maintenance. The total per-day costs, including depreciation, stood at USD 9,823 in FY13, down 2% yoy but still higher than the TCE for the year.



Cash OPEX includes:

- *Owner's expenses*
- *Dry-docking expenses*
- *Administrative expenses*
- *Finance costs*

As a result, Thoresen Shipping reported EBIT losses of Baht 143 million, down from EBIT of Baht 217 million in FY12. But with per-day cash operating expenses of about USD 6,200, Thoresen Shipping was still able to generate positive EBITDA of Baht 337 million in FY13 amidst a depressed freight rate environment.

It is worth noting that Thoresen Shipping's operating cost base, and hence net profit breakeven, is estimated to fall by approximately USD 1,800 per day after the impairment against its fleet due to the lower depreciation expense. As such, Thoresen Shipping should be profitable in FY14, even if average TCE rates remain the same as FY13.

Thoresen Shipping's income statement*

Baht millions	FY12 (Restated)	FY13	%yoy
Total revenues	**3,528**	**4,747**	**35%**
Total costs	2,608	4,115	58%
Gross profits	**920**	**632**	**-31%**
Gross margins (%)	26%	13%	-13%
SG&A	252	295	17%
EBITDA	**668**	**337**	**-50%**
EBITDA margins (%)	19%	7%	-12%
EBIT	**217**	**(143)**	**-166%**

**as consolidated on TTA's P&L*

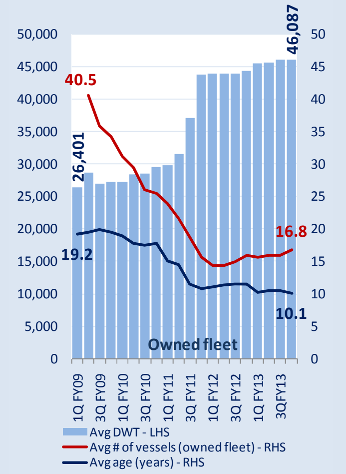
FY13 Earnings Release

Oct 2012 - Sep 2013

Average Daily Operating Results (USD/Day)

USD/Day	FY12 (Restated)	FY13	%yoy
USD/THB Rate (Daily Average)	31.17	**30.46**	-2%
Time charter equivalent (TCE Rate)*	$10,206	**$8,364**	-18%
TCE Rate of Owned Fleet	$10,219	**$8,212**	-20%
TCE Rate of Chartered-In	-$13	**$152**	1317%
Vessel operating expenses (Owner's expenses)	$3,997	**$4,087**	2%
Dry-docking expenses	$842	**$744**	-12%
General and administrative expenses	$1,450	**$1,647**	14%
Finance costs, net	$244	**-$217**	-189%
Depreciation	$3,443	**$3,563**	3%
Operating earnings*	$229	**-$1,459**	-736%

**The per day basis is calculated based on available service days.*



Fleet data summary

	4Q FY12	3QFY13	4QFY13	%yoy	%qoq	FY12	FY13	%yoy
Average DWT	44,340	46,025	**46,087**	4%	0%	44,340	**46,087**	4%
Calendar days for owned fleet (1)	1,467	1,480	**1,606**	9%	8%	5,577	**6,032**	8%
Available service days for owned fleet (2)	1,467	1,451	**1,551**	6%	7%	5,501	**5,874**	7%
Operating days for owned fleet (3)	1,466	1,450	**1,549**	6%	7%	5,457	**5,864**	7%
Owned fleet utilisation (4)	99.9%	99.9%	**99.9%**	0%	0%	99.2%	**99.8%**	1%
Voyage days for chartered-in fleet	695	1,070	**1,318**	90%	23%	1,638	**4,793**	193%
Average number of vessels (5)	23.5	27.7	**31.2**	33%	13%	19.4	**29.2**	51%

Note:

(1) Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

(2) Available service days are calendar days (1) less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.

(3) Operating days are the available days (2) less unplanned off-hire days, which occurred during the service voyage.

(4) Fleet utilisation is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.

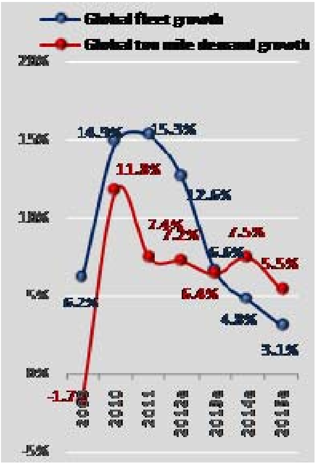
(5) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.

M.V. Thor Breeze

Three vessels joined the fleet in FY13

At the end of FY13, Thoresen Shipping's owned fleet consists of 18 vessels (8 Handymax and 10 Supramax) with a DWT-weighted average age of 10.1 years and average size of 46,087 DWT. During FY13, Thoresen Shipping took delivery of two new-builds from Vinashin: 1) a 53,506-DWT M.V. Thor Brave on 15 November 2012 and 2) a 53,506-DWT M.V. Thor Breeze on 20 August 2013. Thoresen Shipping purchased a 54,881-DWT second-hand Supramax (built in November 2005 by Oshima) M.V. Thor Fearless on 6 June 2013 and sold a 26-year-old M.V. Thor Jupiter for scrap in December 2012.

Thoresen Shipping's fleet renewal plan was somewhat delayed in FY13 due primarily to a tight credit environment for the shipping industry. Nevertheless, Thoresen Shipping's strategy - to rebuild and modernise its fleet at the bottom of the asset cycle to achieve significant long-term competitive advantages – remains unchanged. As part of this fleet growth initiative, Thoresen Shipping plans to acquire up to six vessels at reasonable prices over the next 12-18 months. Following the success of its chartering office in Copenhagen, as reflected in Thoresen Shipping's TCE outperformance vs. the BSI, Thoresen Shipping is now looking to open a commercial office in the US in FY14 to expand its global footprint and gain better access to cargo customers, owners, operators as well as broker community in the region.



Source: Drewry and Marsoft

Freight rates expected to recover in FY14

The general outlook for freight rates in FY14 is a gradual recovery compared to a dismal FY13. Indeed, so far halfway into 1QFY14, the BDI has averaged over 1,700 points, up about 80% from FY13 average.

Overall, Marsoft expects the global dry-bulk shipping tonne-mile demand to grow by more than 7% in 2014, driven by robust steel-related, steam coal and grain trades. On the supply front, deliveries are projected to decline from about 63 million DWT in 2013 to an average of 46 million DWT per year in 2014 and 2015. Even with a potential slowdown in scrapping, now expected to average about 18 million DWT per year, the net fleet growth is forecast to slow to 5% in 2014, falling to 3% in 2015.

There has been a recent surge in dry bulk ordering activity, which is a concern, especially as there are few signs that it would slow down in the immediate future. Total dry bulk ordering already surpassed 40 million DWT during the first nine months of 2013, with larger vessels i.e. Capesizes and Ultramaxes accounting for most of the new tonnage ordered. This is a significant increase from 25 million tonnes for full-year 2012. However, at less than 18% of the existing fleet, the orderbook has actually fallen to its lowest level since 2003.

Ref No. COR:MS/EL13038e/UP

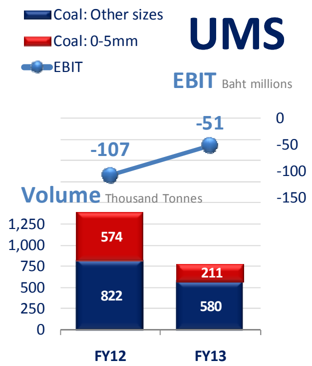
TTA: Thoresen Thai Agencies Public Company Limited

FY13 Earnings Release

Oct 2012 - Sep 2013

Group Infrastructure Highlights

- **UMS' net losses exacerbated by provision for coal inventories**
- **A record year at Baconco**
- **Growing warehousing business**



UMS' net losses exacerbated by provision for coal inventories

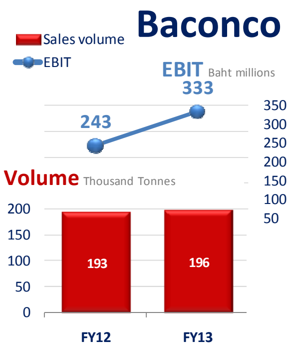
FY13 was a challenging year for UMS as it grappled with logistics inefficiencies at its Samut Sakorn plant as well as weak coal prices. UMS reported net losses of Baht 335 million, compared to Baht 255 million in FY12. Revenues of Baht 1,931 million were a 44% yoy decline, as UMS slowed 0-5 mm coal sales to limit losses. UMS sold approximately 791,000 tonnes of coal in FY13, down 43% from almost 1.4 million tonnes in FY12 when UMS went through aggressive 0-5 mm coal sales to reduce its stockpile and meet one of the pre-conditions for the Samut Sakorn plant re-opening set forth by the Provincial Government. Gross margins improved to 18.1%, as the proportion of low-margin 0-5 mm coal in UMS' total sales volume dropped to 27% from 41% in FY12. SG&A declined by 22% yoy to Baht 337 million along with lower sales. EBITDA was Baht 14 million and EBIT losses were Baht 51 million, improving from EBITDA losses and EBIT losses of Baht 40 million and Baht 107 million a year ago, respectively. In accordance to standard accounting practices and to reflect lower coal prices, UMS recorded a total of Baht 243 million allowance for net realisable value of inventories in FY13, the majority of which was taken in 3QFY13. Without the provision for coal inventories, net losses would have narrowed yoy.

UMS' income statement*

Baht millions	Restated FY12	FY13	%yoy
Total revenues	**3,428**	**1,931**	**-44%**
Total costs	3,036	1,581	-48%
Gross profits	**391**	**350**	**-10%**
Gross margins (%)	11%	18%	7%
SG&A	431	337	-22%
EBITDA	**(40)**	**14**	**134%**
EBITDA margins (%)	-1%	1%	2%
EBIT	**(107)**	**(51)**	**52%**

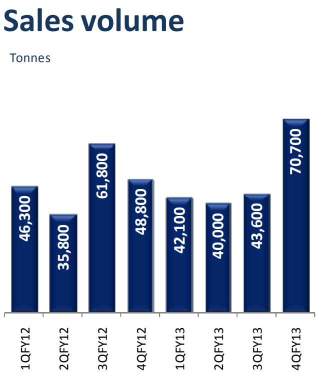
**as consolidated on TTA's P&L*

UMS gradually resumed operations at the Samut Sakorn facility since 10 June 2013. The plant had been closed for almost two years due to environmental concerns in adjacent areas. Given that UMS is yet to be allowed to use its own port at this plant, full logistics efficiencies cannot be obtained. Discussions with the responsible authorities are ongoing. Going forward, UMS now expects to screen only medium calorific value ("MCV") coal at this facility. Provincial authorities stipulate that stockpiles must be in covered areas only and UMS does not have sufficient storage for low calorific value ("LCV") coal after its screening and 0-5 mm coal fines generation. UMS is working on additional avenues to increase the value of its 0-5 mm coal inventory.



A record year at Baconco

Baconco reported a record year in FY13, with net profit of Baht 253 million, up 24% yoy. Baconco sold a record 196,400 tonnes in FY13, up 2% yoy. NPK fertilisers made up approximately 94% of the volume sold in FY13, compared to 91% in FY12. Revenues of Baht 3,229 million were down 4% yoy on lower fertiliser prices. The higher proportion of NPK fertiliser volume, together with active and regular purchases of raw materials at lower prices, boosted gross margins to 14.6% from 10.7% in FY12. As a result, FY13 gross profits improved 30% yoy to Baht 470 million, despite relatively flat volume and revenue. SG&A increased 25% yoy to Baht 130 million due to Baconco's increased domestic marketing efforts during the year. EBITDA and EBIT came in at Baht 340 million and Baht 333 million, up from Baht 257 million and Baht 243 million in FY12, respectively.



Baconco's income statement*

Baht millions	FY12 (Restated)	FY13	%yoy
Total revenues	**3,376**	**3,229**	**-4%**
Total costs	3,015	2,759	-8%
Gross profits	**361**	**470**	**30%**
Gross margins (%)	11%	15%	4%
SG&A	104	130	25%
EBITDA	**257**	**340**	**32%**
EBITDA margins (%)	8%	11%	3%
EBIT	**243**	**333**	**37%**

**as consolidated on TTA's P&L*

Growing warehousing business

Driven by additional space from the opening of the Baconco 5 warehouse in February, warehouse rental revenues more than doubled in FY13, but still accounted for a fraction of Baconco's top-line compared to fertilisers. Capacity utilisation continued to be strong, at close to 80% on average. TTA Group companies in Vietnam currently operate total warehouse space of 53,000 sq. m., with capacity for almost 190,000 metric tonnes of cargoes.

Baconco warehouse

Baconco continues to look for growth opportunities for both fertiliser and warehousing businesses. A new granular production unit, which is expected to boost its production capacity by about 100,000 tonnes, is expected to be added in FY14. Additional warehouses are also on the cards.

In FY13, Baria Serece contributed Baht 24.5 million of equity income to TTA, down 15% yoy due to slower imports of grain and agricultural products.

Ref No. COR:MS/EL13038e/UP

TTA: Thoresen Thai Agencies Public Company Limited

FY13 Earnings Release

Oct 2012 - Sep 2013

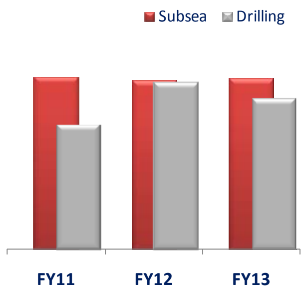
Group Energy Highlights

- **Improved performance**
- **Positive outlook for both subsea and drilling businesses**
- **Capital raising completed in October**

Improved performance

Mermaid reported net profits of Baht 320 million, up almost five times from Baht 67 million in FY12. Total revenues of Baht 8,243 million were an increase of 44% yoy, primarily due to higher contributions from the subsea business, as more full service contracts, such as the Saudi Aramco diving services contract, led to higher average day rates. Mermaid Offshore Services ("MOS") achieved a 66% utilisation rate in FY13. Meanwhile, Mermaid Drilling only achieved a 58.3% utilisation rate in FY13 compared to 64.5% in FY12, as MTR-2 underwent its special periodic survey ("SPS") from November 2012 until April 2013 and was back on-hire on 29 May 2013. MTR-1 has also been unemployed since its contract ended in July.

Utilisation rate



**Utilisation rate per calendar days*

Given additional expenses at the start up phase of the new full subsea contracts, Mermaid's direct costs jumped 60% yoy to Baht 5,989 million. SG&A grew by 52% yoy to Baht 885 million due largely to increased personnel in the Middle East region. As a result, EBITDA came in at Baht 1,369 million, relatively flat yoy. Of note is a strong growth in equity income, which jumped from losses of Baht 10 million in FY12 to profits of Baht 124 million in FY13. This was mainly due to strong contribution from Mermaid's 33.8%-owned associate company Asia Offshore Drilling ("AOD"). Its high-specification jack-up rigs, AOD I and AOD II, commenced their three-year contracts with Saudi Aramco on 1 May and 13 July, respectively. All in, EBIT grew 17% yoy to Baht 816 million.

Mermaid's income statement*

Baht millions	FY12 (Restated)	FY13	%yoy
Total revenues	**5,721**	**8,243**	**44%**
Total costs	3,752	5,989	60%
Gross profits	**1,969**	**2,254**	**14%**
Gross margins (%)	34%	27%	-7%
SG&A	581	885	52%
EBITDA	**1,389**	**1,369**	**-1%**
EBITDA margins (%)	24%	17%	-8%
EBIT	**698**	**816**	**17%**

**as consolidated on TTA's P&L*

Positive outlook for both subsea and drilling businesses

Mermaid Endurer

Outlook for the offshore services sector remains positive. For the subsea business, Mermaid is generally experiencing a greater demand for its offshore vessels and related services across different geographies. That said, some of Mermaid's contracts are still short-term and subject to changes on short notice. Mermaid continues to focus on higher vessel yields and longer contract durations in growth areas, such as the Middle East and Europe. For example, FY14 will see Mermaid Endurer performing inspection, repair, and maintenance services, and light construction intervention in the North Sea. Given the increasing exploration and production activities, Mermaid is cautiously optimistic that the outlook in the oil and gas industries will be positive over the next 12 months.

The outlook for drilling business is also positive. The demand-supply dynamics of the tender rig market appears to be favourable as indicated by day rates and utilisation. Following the completion of its contract in Indonesia in July, Mermaid is marketing MTR-1 for continued work as an accommodation barge support unit. MTR-2 commenced a 2-year drilling contract in Indonesia in late May.

For jack-up rigs, the overall demand has improved globally. The demand for premium jack-up rigs has remained strong in all relevant regions, particularly in Asia and the Middle East. Following the deliveries of AOD's three jack-up rigs AOD I, AOD II, and AOD III in FY13, all three jack-up rigs have commenced their three-year contracts with Saudi Aramco. AOD III commenced its contract on 10 October 2013. Contributions from AOD are expected to rise in FY14, now that all three jack-up rigs are fully employed.

Jack-up rig

Capital raising completed in October

Mermaid successfully completed its capital raising through a rights issue and a private placement in early October. Approximately SGD 176 million was raised through a rights issue and private placement of 628.8 million rights shares at an issue price of SGD 0.28 per share. The proceeds shall be used primarily for the acquisition of two new tender rigs and other investments. Having subscribed its rights shares in full, TTA's stake in Mermaid remains unchanged at 57.14%.

FY13 Earnings Release

Oct 2012 - Sep 2013

The **Corporate**

FY13 provided evidence that TTA's diversification strategy is working. The operating losses from Thoresen Shipping were partially offset by Mermaid's improved profits. Baconco and non-controlling investments, such as Petrolift Inc. and Baria Serece, delivered good performances. Unfortunately, TTA continues to face difficult environments in Thoresen Shipping and UMS. We are working hard to improve all core business units and ensure solid profitability in FY14.

Although we did not plan to take any additional significant impairment in FY13, the dry bulk shipping industry did not rebound as per market or our expectations, while UMS continues to face challenges that we felt needed to be reflected in our financial statements. These impairment charges are strictly non-cash items. As such, there will be no effect on our future cash flow generation position.

The dry bulk shipping market is gradually recovering. Therefore, the proposed capital raise allows Thoresen Shipping to acquire more vessels before the market rises further. The offshore oil and gas services sector, in which Mermaid operates, remains strong, as global exploration and production ("E&P") spending by oil and gas companies continues to rise. The most recent survey by Pareto Securities predicts an 8% increase global E&P spending in 2014.

The fertiliser market in Vietnam is growing slowly, but with low freight rates, Baconco has been able to export significant fertiliser volume to distant places like Africa. UMS faces more competition from recently established coal traders and is looking for ways to maintain sales volumes and improve margins.

Our overall policy is to closely monitor market developments and ensure that our core business units are efficiently managed. We will also seek investment opportunities that are expected to bring higher future returns in each business unit.

Yours faithfully,
Thoresen Thai Agencies Public Company Limited

M.L. Chandchutha Chandratat President & Chief Executive Officer	Mrs. Thitima Rungkwansiriroj Executive Vice President Corporate Finance and Accounting