

# First half 2011 results

24 August 2011

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**MALAYSIAN BULK CARRIERS BERHAD**  
(175953-W)

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# •Commercial Highlights

MBC Fleet	Bulk carriers		<b>13 vessels</b> <b>(736,582 dwt)</b>
	Tankers		<b>3 vessels</b> <b>(142,129 dwt)</b>
	Total		<b>16 vessels</b> <b>(878,711 dwt)</b>

The Group  
took delivery of  
2 new handysizes and  
disposed of  
a tanker  
during the  
first half 2011

## MBC Fleet composition – as of 30 June 2011

(Owned and long term leased vessels)

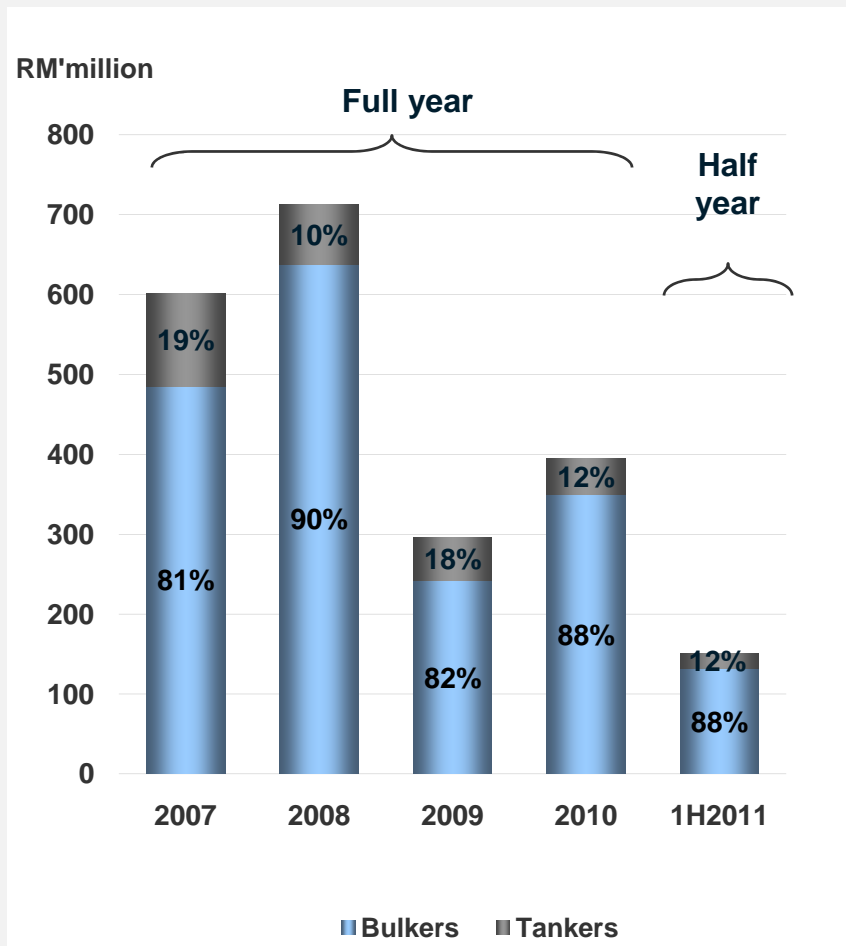
	1H2011	1H2010
Fleet utilization	96.1%	94.3%
Fleet utilization (excl docking days)	98.7%	96.7%

## Pipeline Assets over the next 2 years

- one new 32,500 dwt handysize (delivery in November 2011)
- long term charter (3 years) for one new 58,000 dwt supramax (delivery in 2<sup>nd</sup> half 2012); and
- long term charters (8-10 years) for one new 29,000 dwt handysize and two 61,000 dwt supramaxes (deliveries in 2012 to 2013) which come with purchase options

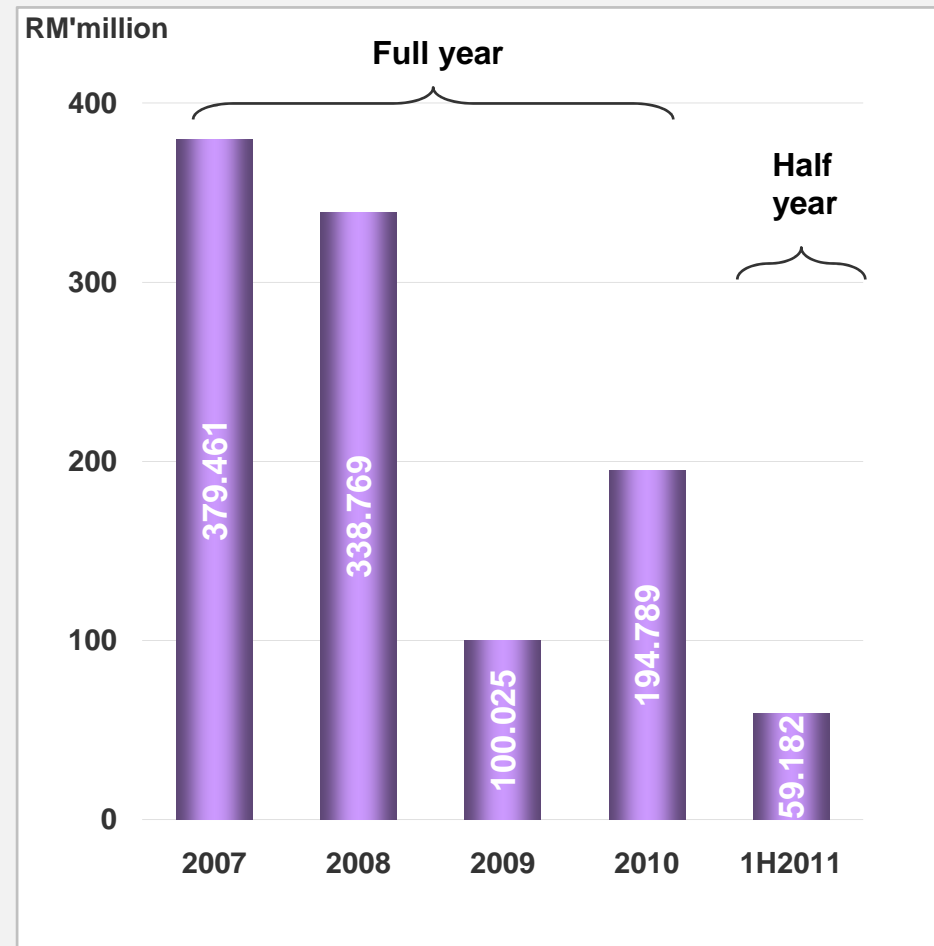
# •Commercial Highlights

## Shipping revenue composition



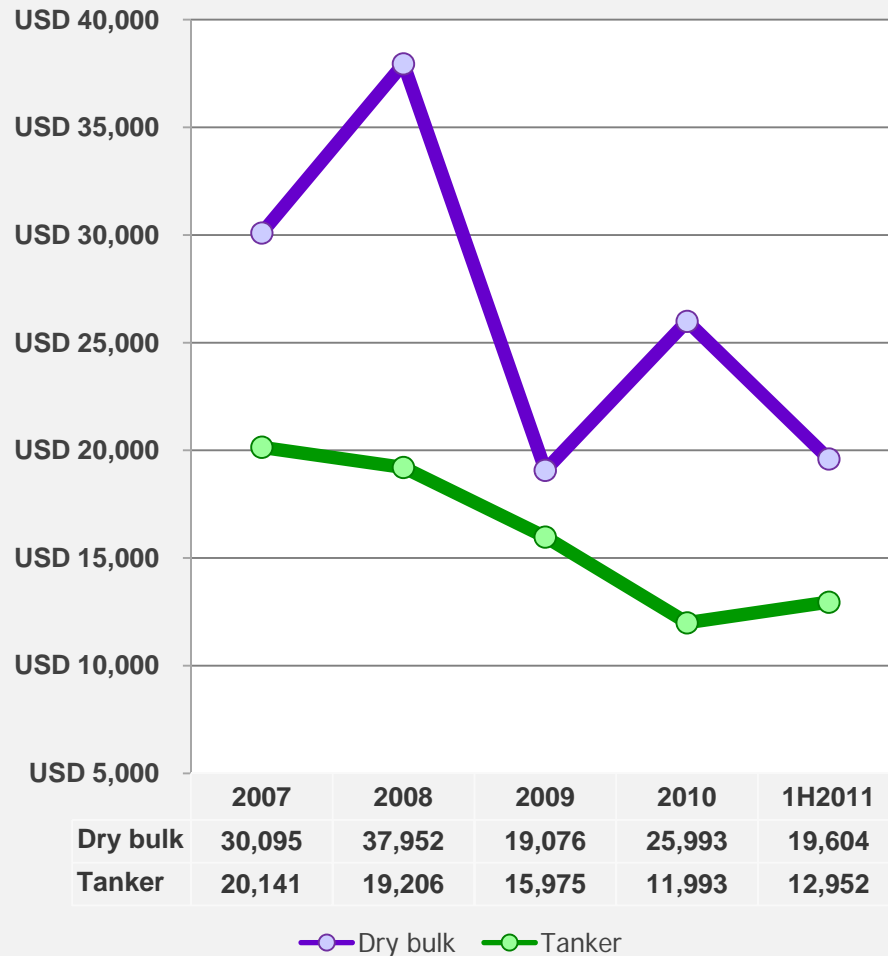
## Operating profit

(i.e Revenue less operating expenses)



# •Commercial Highlights

## TCE rates



## First half 2011

### Dry bulk carriers

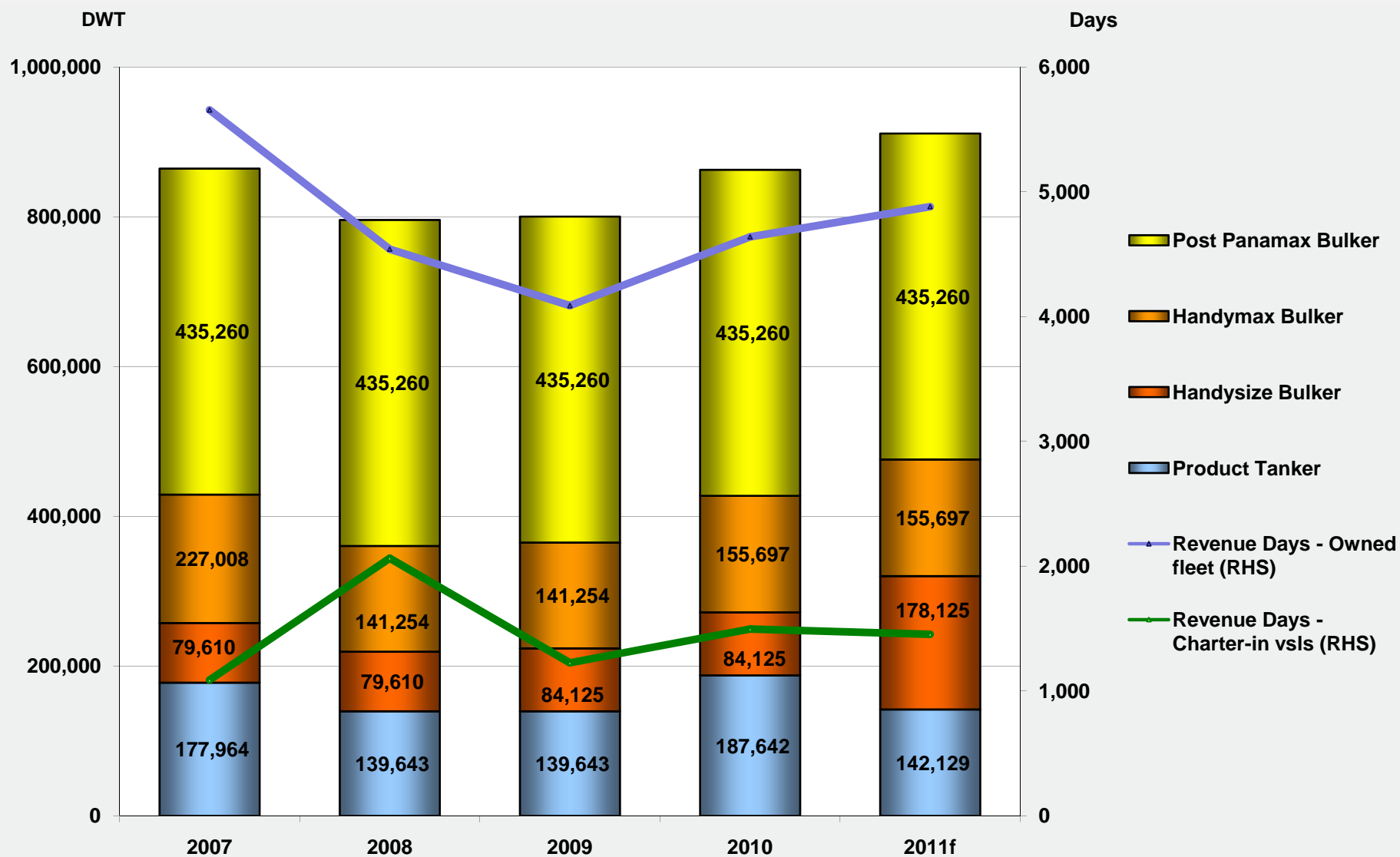
- BDI averaged 1,372 points, lost 50% or 1,386 points from year 2010's average of 2,758 points
- MBC's dry bulk fleet daily TC average declined 25% to USD19,604, from USD25,993 in 2010

### Tankers

- BCTI gained 5 points to an average of 737 points, from the average of 732 points in 2010
- MBC's tanker fleet TC average improved 8% to USD12,952/day, from 2010's average of USD11,993/day

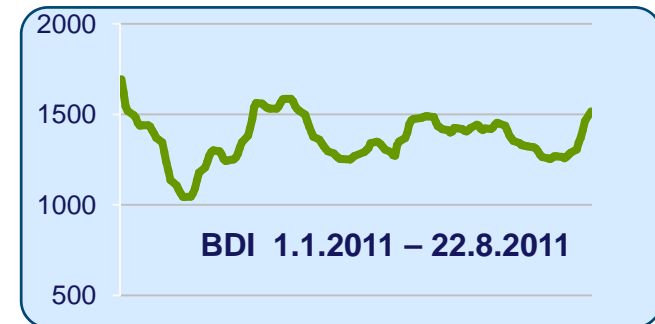
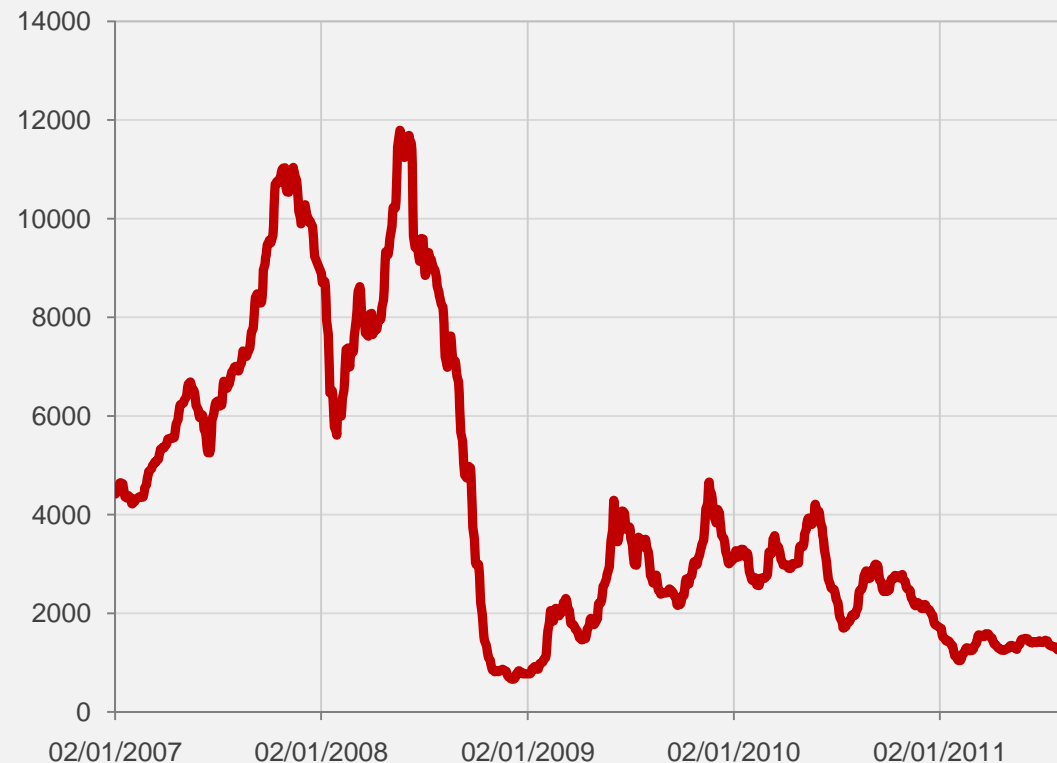
## Fleet size and revenue days

## Commercial Highlights



## Baltic Dry Index

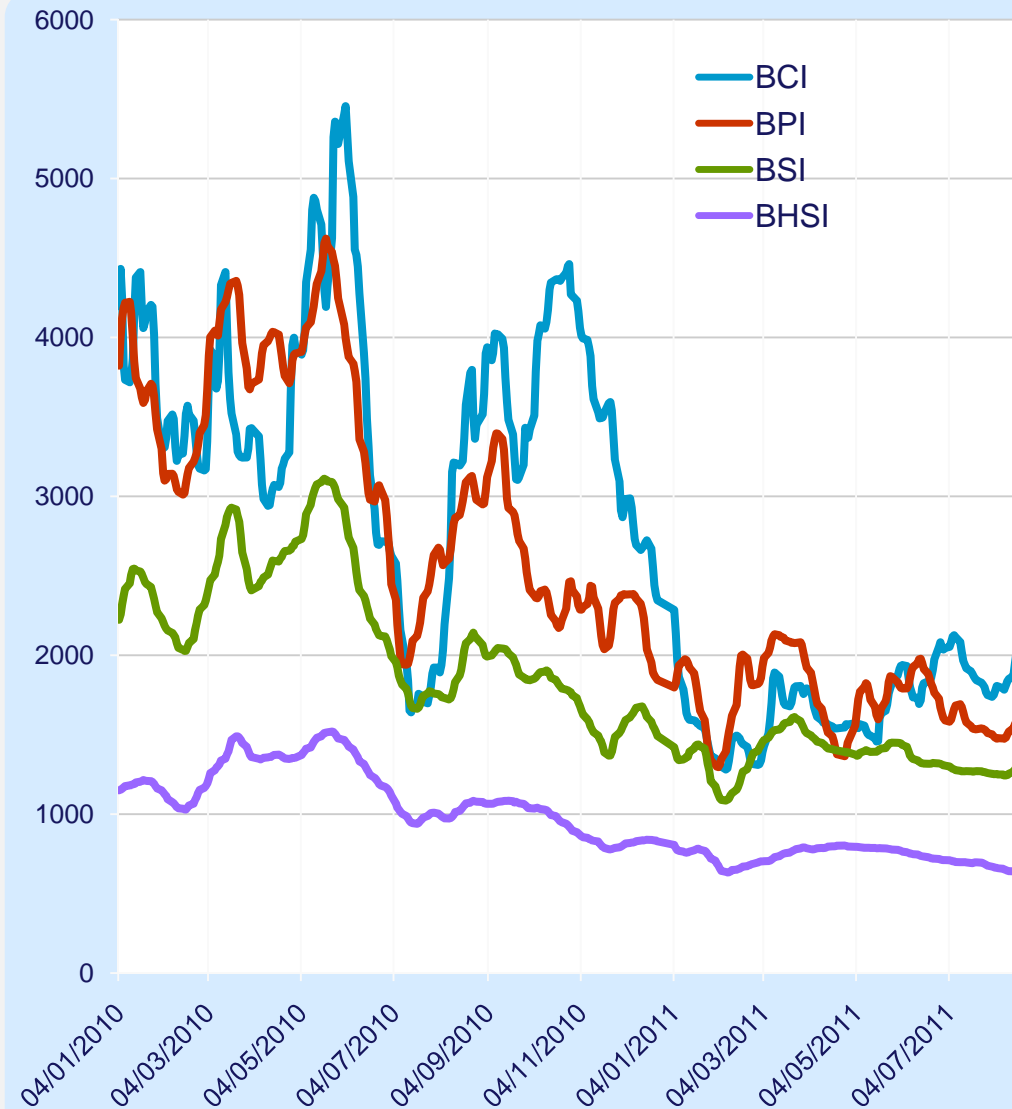
2 January 2007 to 22 August 2011



- BDI started 2011 at 1,693 points, fell to a low of 1,043 points on 4 February 2011 as bad weather and Queensland massive floods affected the coking coal supply very badly
- Multiple disruptions in shipping market – India's export ban on iron ore, the earthquake and tsunami disaster in Japan, the China governmental attempts to constrain inflation and macroeconomic worries
- BDI closed at 1,515 points on 22 August 2011



# •Commercial Highlights



## FY2010 – 22 August 2011

- The most serious drops have been in Capesize and Panamax segments. Supramax and Handysize segments has declined more moderately
- Shipments for iron ore, grains and soybeans were slightly higher compared to 2010. Coal activity, however, is hampered by the severe floods in Australia

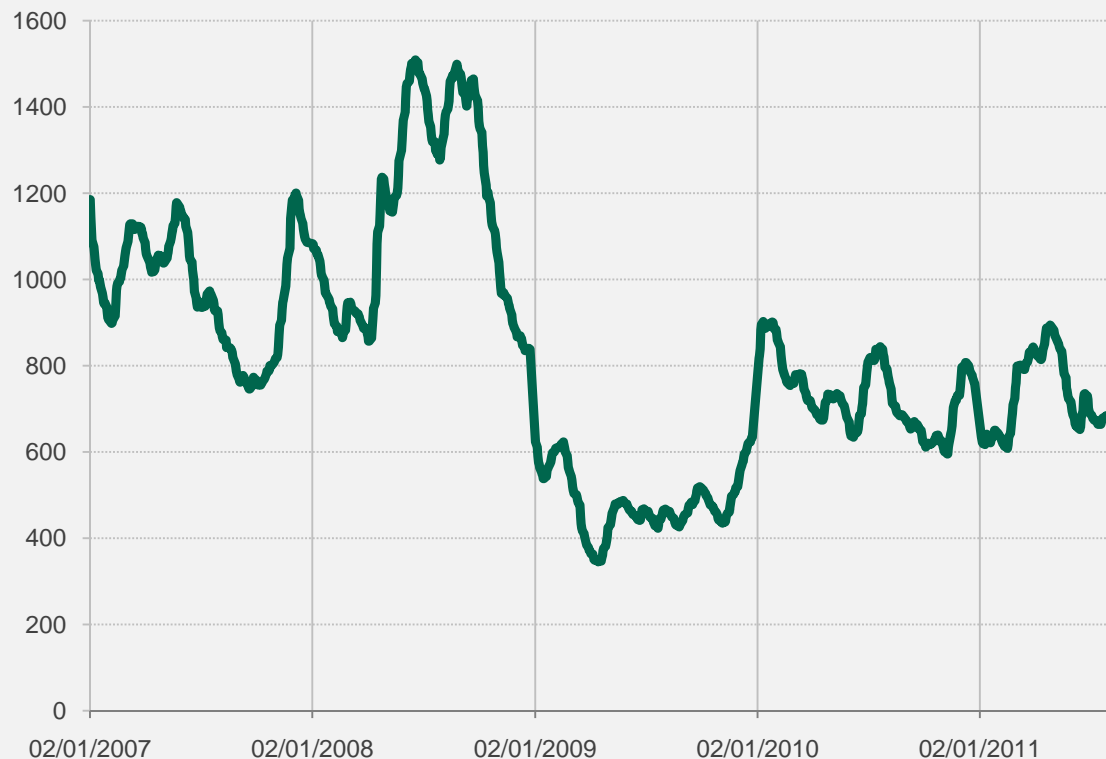


### Dry bulk shipping outlook

- Iron ore imports into China are expected to grow at a slower rate due to macroeconomic worries and reduced Indian iron ore supply
- Projections for Australian coking coal exports during 2011 have been revised down in July 2011 since data from the first 5 months of the year indicates that exports remain well below average 2010 levels
- Coal imports into China are forecast to decline by 20% this year as high international prices cause the Chinese to rely more heavily on domestic supply
- Another 14.4 million dwt of capacity is expected to be delivered over the rest of the year, building on a 6% growth in the fleet in the year to date. Once slippage trends have been taken into account, the supply of bulk carriers is expected to grow by 12.08% in 2011 (Sources: Clarkson Research)
- World trade in dry bulk commodities forecasted to increase 6-7% in 2011-2012
- Demand growth is expected to be strong, but not strong enough to absorb the oversized orderbook. The market is likely to remain oversupplied for the foreseeable future

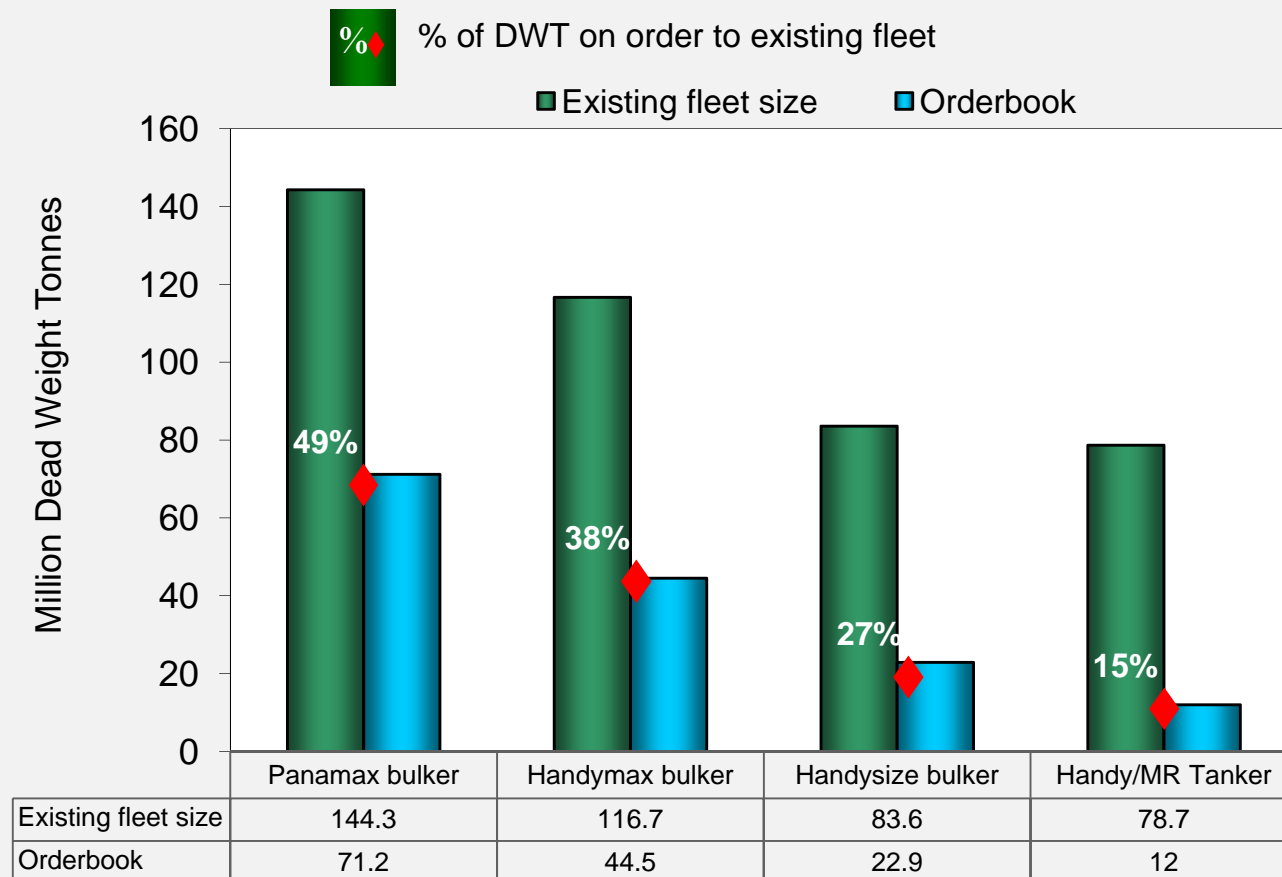
## Baltic Clean Tanker Index

2 January 2007 to 22 August 2011



- A fundamentally weak oil demand that is negatively affected by the high oil prices is hampering demand for both crude and product tanker tonnage
- The year started with the BCTI at 635 points
- BCTI closed at 695 points on 22 August 2011, up 60 points year-to-date

## World fleet versus order book



### Bulkcarrier Fleet Orderbook % Fleet

2008 – 78%

2009 – 66%

2010 – 53%

End June 2011 – 43%

**Newbuilding  
orders committed  
represent a high  
percentage of  
current world fleet  
and will be  
delivered over the  
next 3 – 4 years**

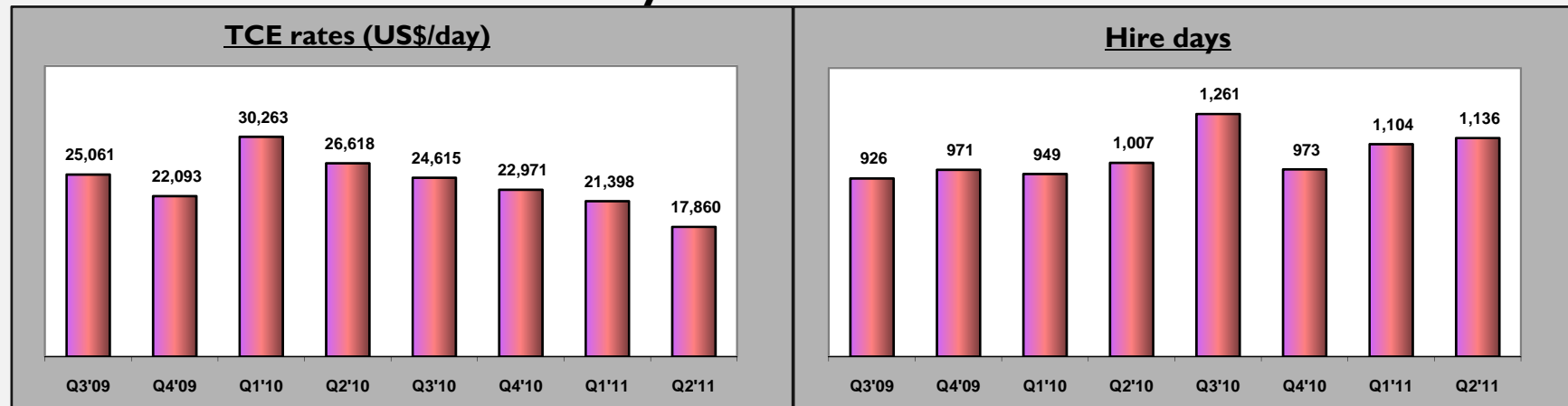
## First half 2011 Highlights

- ❑ Revenue declined 27% to RM154.6 million and operating profit down 40% to RM59.2 million mainly due to lower hire rates
- ❑ Other operating income increased by RM42.4 million due to higher foreign exchange gain, reduced loss on equities and capex gain from disposal of a tanker
- ❑ Contribution from both associate and jointly controlled entities declined 69% to RM7.8 million
- ❑ Attributable profit declined by 10% to RM74.5 million
- ❑ Earnings per share of 7.45 sen
- ❑ Net assets per share of RM1.63

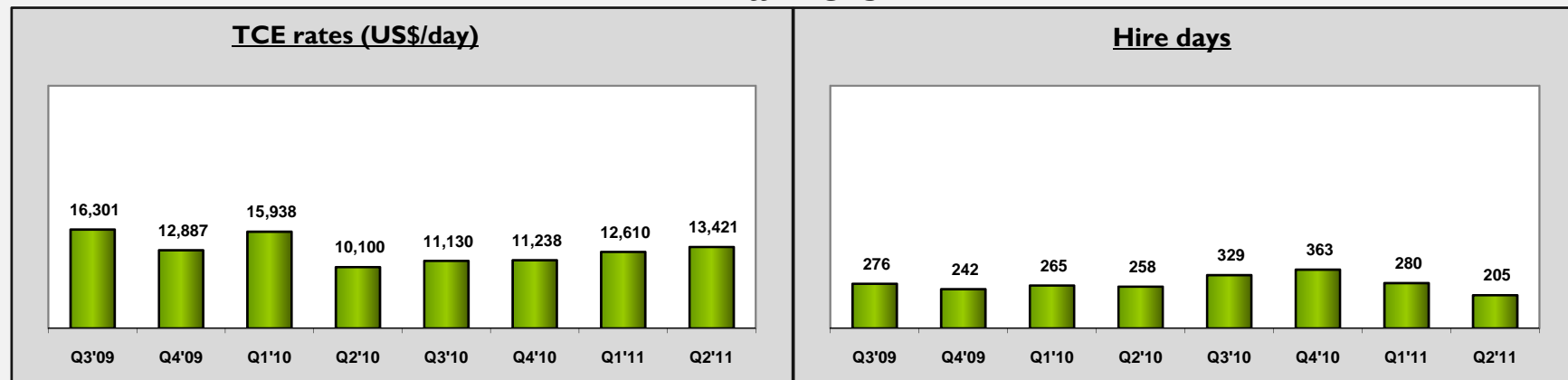
# •Financial Highlights

## TCE rates and hire days – by quarter

### Dry bulk carriers



### Tankers



# Financial Highlights

## Group Financial Highlights

In RM'million	2007	2008	2009	2010	1H2010	1H2011
Revenue	<u>608.1</u>	<u>721.2</u>	<u>303.7</u>	<u>404.3</u>	<u>210.5</u>	<u>154.6</u>
% change y-o-y	+38%	+19%	-58%	+33%	+71%	-27%
Operating EBITDA (excl associate and jointly controlled entities)	<u>422.3</u>	<u>197.6</u>	<u>182.6</u>	<u>218.5</u>	<u>80.1</u>	<u>78.5</u>
% margin	69%	27%	60%	54%	38%	51%
Depreciation & amortization	(39.5)	(29.6)	(32.0)	(31.9)	(15.9)	(14.1)
Interest expense	(21.8)	(27.2)	(13.9)	(7.0)	(5.0)	(0.9)
Interest income	36.6	36.4	6.7	3.8	2.5	0.6
Share of results of associate and jointly controlled entities	15.3	21.2	96.9	38.4	25.1	7.8
PBT (excluding CAPEX gains)	<u>412.9</u>	<u>198.4</u>	<u>240.3</u>	<u>221.8</u>	<u>86.8</u>	<u>71.9</u>
% change y-o-y	+32%	-52%	+21%	-8%	+9%	-17%
Gain on disposal of vessels	167.4	327.3	8.0	22.6	0	4.6
PBT (including CAPEX gains)	<u>580.3</u>	<u>525.7</u>	<u>248.3</u>	<u>244.4</u>	<u>86.8</u>	<u>76.5</u>
% change y-o-y	+85%	-9%	-53%	-2%	-1%	-12%
Taxation	(2.5)	(4.1)	(0.6)	(1.7)	(1.0)	(0.9)
Minority Interest	(33.2)	(60.8)	(3.9)	(4.3)	(2.9)	(1.1)
Profit attributable to equity holders	<u>544.6</u>	<u>460.8</u>	<u>243.8</u>	<u>238.4</u>	<u>82.9</u>	<u>74.5</u>
% change y-o-y	+81%	-15%	-47%	-2%	-3%	-10%