

Staying the Course,  
Meeting the Challenges

44th ANNUAL GENERAL MEETING  
19 JUNE 2013

**misc**  
MISC BERHAD

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# **Economic and Industry Environment 2012**

# 2012: The Year That Was



## United States of America

- Presidential elections
- Faltering US economy
- Fiscal cliff



## Eurozone Debt Crisis

- Greece, Spain & Cyprus bailout
- S&P and Moody's downgraded 9 EU countries
- Unemployment rate hits record high

## Middle East Tension

- Iran trade sanctions
- Civil unrest in Syria
- Rising Israel-Iran tensions

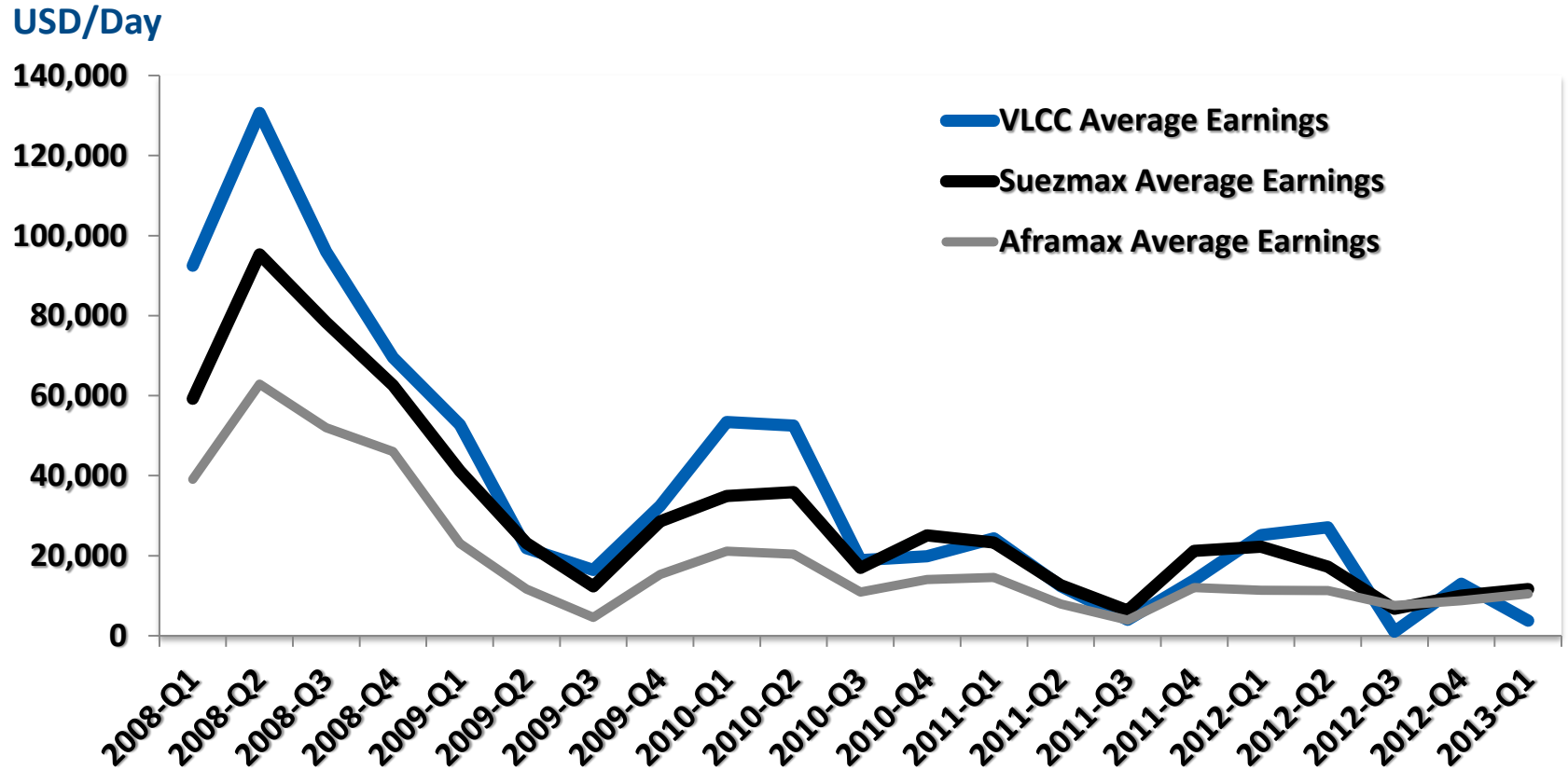


## Moderating Emerging Markets

- India facing slowest growth in a decade
- Brazil underperforming expectations
- China's weak growth and slowdown in manufacturing activities



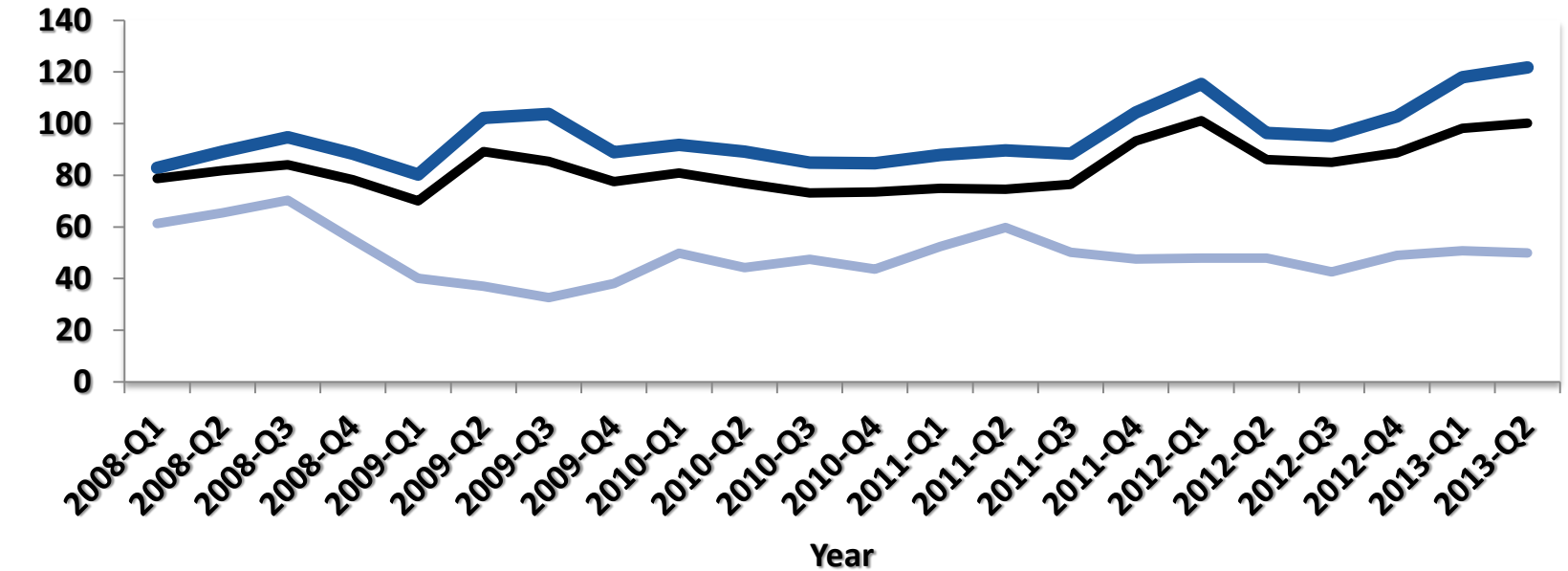
# Petroleum Tankers :Protracted Weakness





# Chemical Tankers : Mild Recovery

USD/Tonne



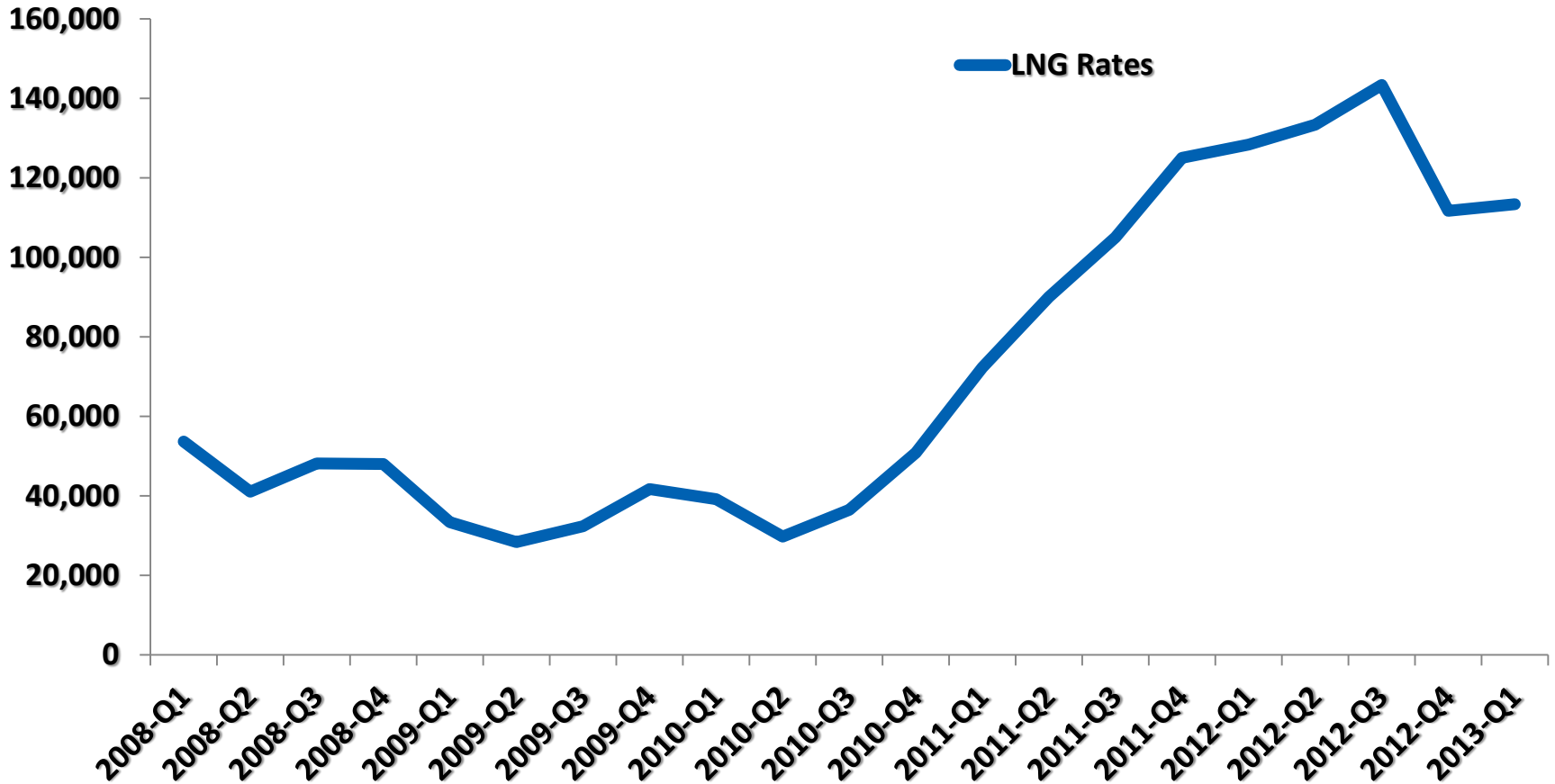
— Rotterdam - Far East 2,000 MT Chems S/S

— Rotterdam - Far East 5,000 MT Easychems

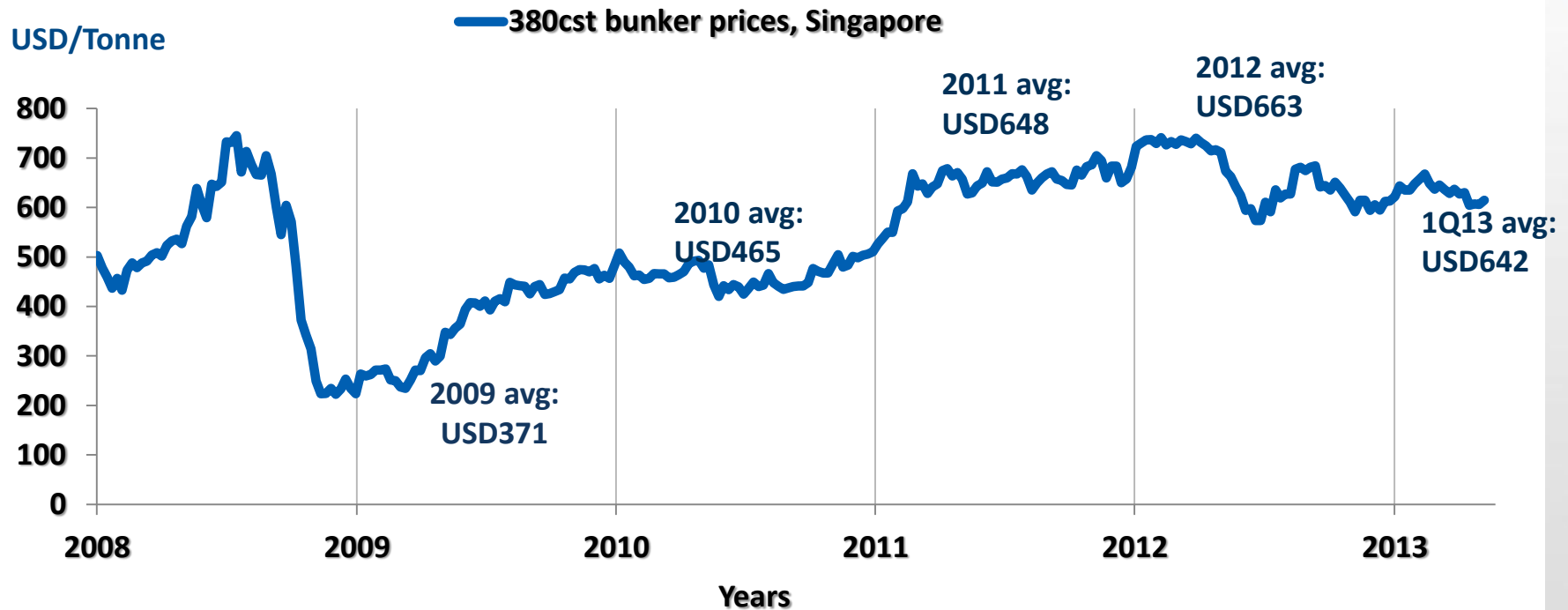
— Gulf-Far East 15K Chemical Rates

# LNG Spot Rates : Good Run in 2012

USD/Day



# Bunker Cost : Still High



- Bunker is the single largest component of our shipping cost at 27% in FY2012.
- Bunker prices have been on an uptrend since 2009, hitting its highest in 2012, with an average of USD662.8 per tonne for the year.





# Financial Highlights for Financial Year Ended 31 December 2012

## Key Financial Highlights for Financial Year Ended 31 December 2012

Revenue\* : RM 9.7 billion

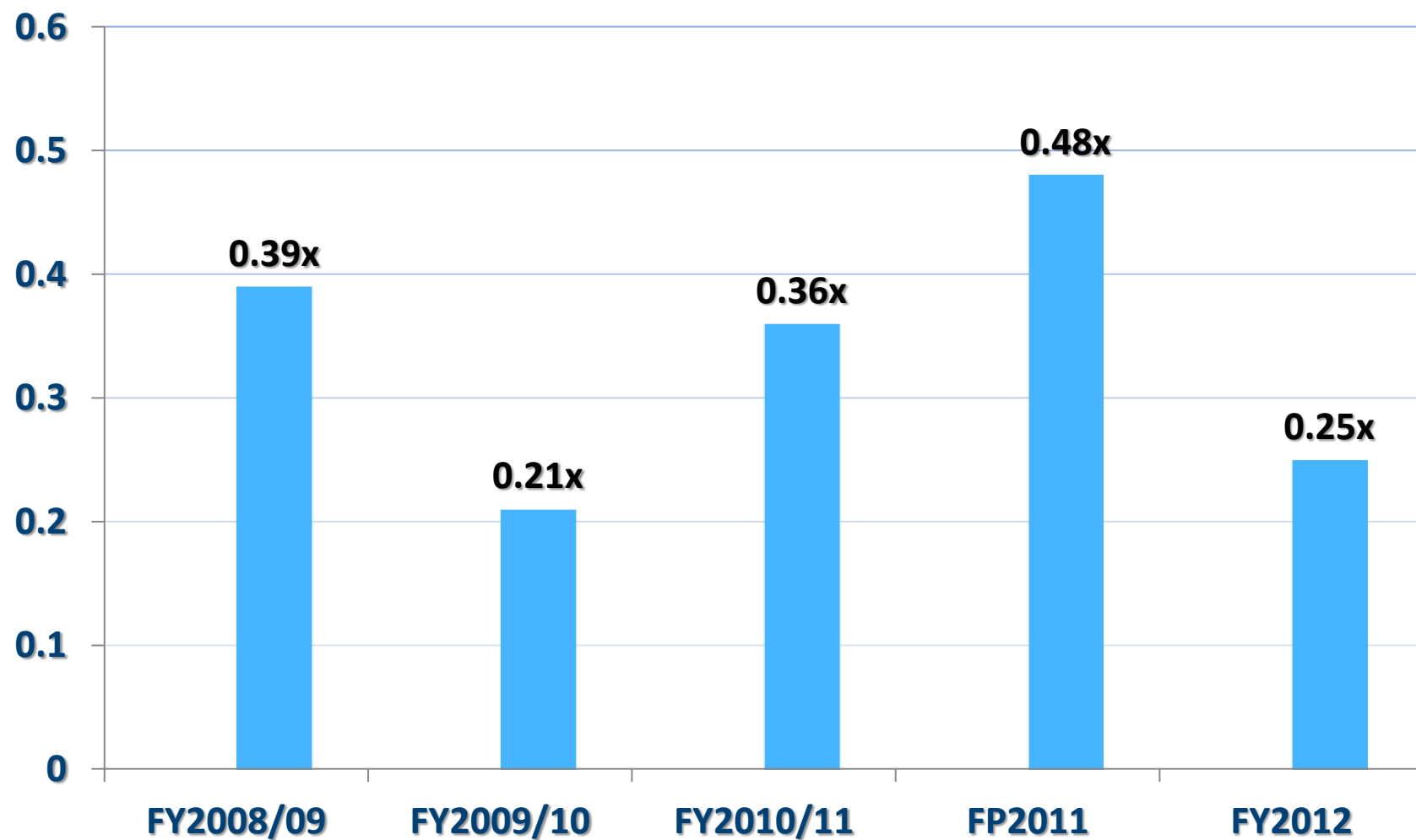
Profit Before Taxation\* : RM 1.0 billion

Total Assets : RM 37.4 billion

Shareholders' Equity : RM 21.1 billion

\*Continuing and Discontinued Operations

## Net Debt/Equity Ratio



# Dividends

- No dividend has been proposed for Financial Year Ended 31 December 2012 given the tough operating conditions and the need to conserve sufficient financial resources for the Group's on-going working capital and capex requirement.
- The Board strives to resume dividend payment as early as possible and will seek to ensure future performance provides sustainable returns to shareholders.







# Overview of Business Segments

# LNG Shipping

	As at 31 Dec 2012	Current Fleet
	LNG Carriers	27
	FSUs	2



- Delivered 22.3 million tonnes of LNG cargo in 2012, equivalent to 11.2% of world LNG trade.
- Successfully delivered Malaysia's first 2 LNG Floating Storage Units (FSUs) for PETRONAS LNG Regasification Facilities project in Sungai Udang, Melaka.
- Seri Balqis, Seri Begawan and Seri Bijaksana received Green Award Certification from the Green Award Foundation.






## FSUs Tenaga Satu & Tenaga Empat



# Petroleum Shipping

	As at 31 Dec 2012	Current Fleet	Charter-in
	Petroleum Tankers	79	26

- Took delivery of Eagle Paraiba in June 2012, our 1<sup>st</sup> DP shuttle tanker – equipped with DP-2 equipment representing AET’s successful entry into the shuttle tanker sector.
- Took delivery of Eagle Parana in August 2012, our 2<sup>nd</sup> DP shuttle tanker.
- Took delivery of all 4 “eco-designed” Suezmax tankers, the first Suezmax fleet to be owned by AET.

ExxonMobil

VALERO ENERGY CORPORATION

KOCH

ConocoPhillips

PETRONAS

bp

SHELL


TRAFIGURA

STX PanOcean

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# Chemical Shipping

	As at 31 Dec 2012	Current Fleet	Charter-in
	Chemical Tankers	28	10

- Renewed COAs with Shell, ExxonMobil, Wilmar, KLK as well as time-charter contract with Ultragas International SA.
- Received 2 newbuildings of 19,900 dwt stainless steel vessels, Bunga Lotus and Bunga Lucerne on bareboat charter.
- Quality fleet comprising double-hulled IMO II vessels with mixture of stainless steel and coated tanks to meet the highest safety requirements.



# Offshore Business

	As at 31 Dec 2012	Current Facilities	New Projects
	Offshore Floating Facilities	12	2 *

\* Under conversion/construction

- FPSO Kikeh received a 6-year lease term extension on its existing contract.
- Secured a new 8.5 years contract for a tie-back of Siakap North-Petai to FPSO Kikeh.
- FPSO Brasil received an extension of 14 months with options up to an additional 4 months for its existing contract with Petrobras.
- Disposed 50% equity interest in GKL to EPV (wholly-owned subsidiary of PETRONAS Carigali Sdn Bhd).



# Gumusut-Kakap FPS





# Marine & Heavy Engineering



Offshore Business Unit

Marine Business Unit

- Successfully completed the superlift for the Gumusut-Kakap FPS project.
- Delivered FSU Tenaga Satu, which was converted at MMHE West yard, Pasir Gudang.
- New contracts signed and secured in 2012 includes F14/F29 topsides, substructure and process module, Damar platform project and HUC of the Kinabalu NAG Topside.
- Received LoA on TLP Malikai Deepwater Project by Sabah Shell Petroleum Company Ltd.





# Tank Terminal



- VTTI, our joint-venture company, in tank terminalling has a global capacity of 8.6 million cbm.
- Commencement of the following oil terminals in 2012:
  - Langsat Terminal (Two) in Tanjung Langsat with the capacity of 171,000 cbm.
  - ATT Tanjung Bin within the vicinity of the Port of Tanjung Pelepas, Johor with the capacity of 890,000 cbm.
  - ETT3 facility in Rotterdam comprising 10 new tanks with additional capacity of 465,000 cbm (ETT terminals now have more than 1 million cbm of storage capacity).
  - Mombasa Terminal with a capacity of 113,000 cbm.
- Signed strategic cooperation agreement for the construction of an oil storage terminal at Vasilikos, Cyprus.

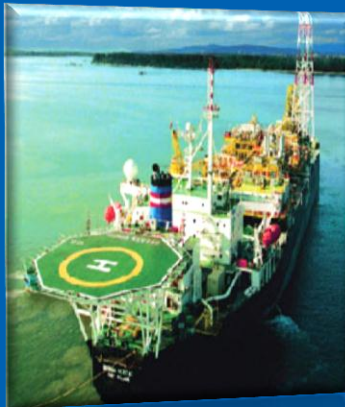
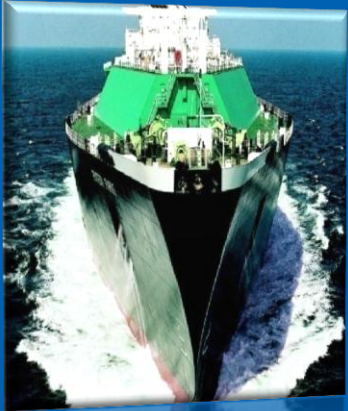
## 2013 - The Year Ahead for the Industry

Vessel Type	Existing Vessels as at 31 Dec 2012 ('000)	Total Global Fleet (% Increase/Decrease)			
		2013	2014	2015	2016
LNG (cbm)	53,124	6.9 ↑	7.9 ↑	8.1 ↑	2.8 ↑
Tankers (dwt)	492,871	5.7 ↑	2.0 ↑	-0.1 ↓	-0.5 ↓
VLCC (dwt)	186,667	8.7 ↑	3.4 ↑	0.2 ↑	-0.1 ↓
Suezmax (dwt)	72,840	12.8 ↑	1.6 ↑	1.0 ↑	0.0 ↑
Aframax (dwt)	97,536	1.5 ↑	0.9 ↑	-0.2 ↓	-0.1 ↓
Chemical (dwt)	79,434	4.4 ↑	0.5 ↑	-3.1 ↓	-4.5 ↓

- 2013 will continue to be a challenging year as the shipping landscape will remain tough with soft vessel demand growth and excess shipping capacity.
- Turnaround in the shipping sector is not expected until 2014, with the last heavy bout of new capacity delivery into the market in 2013.

## 2013 – The Year Ahead for MISC Group

- Reshape our business portfolio to ensure greater resilience.
- Prudent financial management and judicious in capital resource allocation.
- Selective in growth areas, focus on businesses that will provide recurring long-term income.
- LNG shipping will be a priority area.



THANK YOU