

NEWSLETTER # 50
28 July 2016

WINS Gross Profit grew by 19% in 1H2016 to US\$ 10.5 million from US\$ 8.8 million in 1H2015, driven by better margins in all divisions.

Owned Vessels

High tier vessels experienced an increase in utilization to 62% in 1H2016 compared to 58% in 1H2015, largely from the resumption of one development contract which had been suspended since January 2015, and some new spot contracts. Because of successful cost control measures implemented since last year, margins improved in the Owned Vessel division, thereby providing a 5% increase in Gross profit at USD 7.9 million compared to 1H2015.

Chartering

Chartering Division revenues rose by 11% to US\$ 13.6 million with a rise in profit to US\$ 2.0 million owing to one-off contracts which are expected to finish by the year end.

Other Revenue

Gross profit from others sources also rose in 2016 to US\$ 600,000 compared to US\$ 186,000 in the previous year resulting from a lump sum bill.

Direct Expenses

Owned Vessel cash costs were lower compared to the same period in the previous year, primarily from lower crew and fuel costs. Total direct expenses for Owned Vessels was down 14% against a 10% drop in revenues, with overall gross margin improving to 21.5% in this reporting period from 16.3% a year ago.

Gross Profit

Gross Profit grew by 19% in 1H2016 to US\$10.5 million from US\$ 8.8 million for 1H2015, driven by better margins in all divisions.

Indirect expenses and operating profit

Indirect expenses fell by 21% in 1H2016 owing to strict cost controls implemented, which led to falls in most expense categories. Salary expenses in particular were 19% below 1H2015 despite the additional month paid for Hari Raya bonuses in June 2016.

Labu Bruto WINS tumbuh 19% pada semester I tahun 2016 menjadi US\$ 10,5 juta dari US\$ 8,8 juta pada periode lalu, didorong oleh margin yang lebih baik pada semua segmen.

Kapal Milik

Kapal-kapal *high tier* mengalami kenaikan utilisasi menjadi 62% pada semester I tahun 2016 dibandingkan 58% pada periode sebelumnya, sebagian besar berasal dari kelanjutan pada satu kontrak pengembangan yang telah ditunda sejak Januari 2015, dan beberapa kontrak *spot*. Dengan suksesnya pengendalian biaya yang dilaksanakan sejak tahun lalu, margin membaik pada segmen Kapal Milik, sehingga mengakibatkan kenaikan 5% pada laba bruto menjadi sebesar USD 7,9 juta dibandingkan semester I tahun 2015.

Chartering

Pendapatan segmen *Chartering* naik 11% menjadi US\$ 13,6 juta dengan peningkatan laba menjadi US\$ 2,0 juta sehubungan dengan kontrak *one-off* yang akan selesai pada akhir tahun ini.

Pendapatan Lainnya

Laba bruto dari sumber-sumber lainnya juga naik menjadi US\$ 600,000 dibandingkan USD\$ 186,000 pada periode lalu yang disebabkan oleh tagihan *lump sum*.

Beban-beban Langsung

Beban tunai Kapal Milik lain lebih rendah dibandingkan periode yang sama pada tahun lalu, terutama disebabkan rendahnya beban awak kapal dan bahan bakar. Total beban langsung Kapal Milik turun 14% meskipun pendapatan turun 10%, dengan margin bruto keseluruhan yang membaik menjadi 21,5% pada periode pelaporan ini dari 16,3% dalam periode yang sama tahun lalu.

Labu Bruto

Laba bruto tumbuh 19% pada semester I tahun 2016 menjadi US\$ 10,5 juta dari US\$ 8,8 juta selama periode lalu, didorong oleh margin yang lebih baik pada semua segmen.

Beban usaha dan laba operasi

Beban tidak langsung turun 21% pada semester I tahun 2016 karena penerapan pengendalian biaya yang ketat, yang mengakibatkan penurunan pada hampir semua kategori beban. Khususnya beban gaji 19% lebih rendah dari periode sebelumnya meskipun THR dibayarkan pada Juni 2016.

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As a result, operating profit jumped 89% to US\$ 6.1 million in 1H2016, a rise in operating margin to 13% for the period compared to 6% last year.

Other Income/ Expenses and EBITDA

Interest expenses fell 8% to US\$ 4.9 million after scheduled debt repayment and a prepayment after the sale of a vessel in 1Q2016. The sale transaction resulted in a book loss of US\$ 1.9 million recorded in 1Q2016.

EBITDA for 1H2016 amounts to US\$ 20.3 million, a rise of 19% compared to the same period last year.

Assets and Gearing

Net gearing fell to 52% as compared to 60% at end of 1H2015.

Industry Outlook

Several oil and gas companies are now taking advantage of the cost deflation in oil services to procure tenders for longer durations. However, because of the low demand in the Offshore Support Vessel (OSV) industry, there is a noticeable downward trend in pricing as ship owners compete for the few longer term contracts available.

Globally, there is more consensus now that oil prices seem to have turned around and are moving upwards. The latest forecasts seem to point to an equilibrium in demand and supply of oil sometime in late 2017, indicating a strengthening oil price towards 2018. The biggest impact on the supply outlook comes from the sharp cuts in capital expenditure that have happened since 2015 which will limit global supply increases over the next three years. Wood MacKenzie Research has data showing total cuts of up to US\$ 310 billion in capex spend in 2015-2016 and up to US\$ 1 trillion for the period 2015-2020. This supports a gradually increasing trend in oil prices in 2017 onwards as cut-backs in capital spending will limit the capacity of the major oil companies to increase production.

With the stabilization of oil prices recently, there have been a few OSV tenders for longer periods of 2 years or more. We see this as an indication that oil companies have started to lock in lower costs for oil services at the current depressed rates. This is consistent with our view that the OSV charter rates are near bottom. However, because of the lower demand for offshore vessels, there is

Hasilnya, laba operasi naik 89% menjadi US\$ 6,1 juta dalam semester I tahun 2016, ada kenaikan margin operasi menjadi 13% pada periode ini dibandingkan 6% pada periode lalu.

Pendapatan/Beban Lain-lain dan EBITDA

Beban bunga turun 8% menjadi US\$ 4,9 juta setelah pembayaran bank sesuai jadwal dan pelunasan setelah penjualan kapal pada Kuartal I tahun 2016. Transaksi penjualan mengakibatkan kerugian sebesar US\$ 1,9 juta pada Kuartal I tahun 2016.

EBITDA selama semester I tahun 2016 sebesar US\$ 20,3 juta, naik 19% dibandingkan periode yang sama pada tahun lalu.

Aset dan Gearing

Net gearing turun menjadi 52% dibandingkan 60% pada akhir semester I tahun 2015.

Prospek Industri

Beberapa perusahaan minyak dan gas sedang mengambil manfaat dari penurunan biaya di pelayanan minyak dengan pengadaan tender untuk periode yang lebih panjang. Namun, karena rendahnya permintaan di industri kapal pendukung lepas pantai (OSV), terlihat jelas tren penurunan harga karena para pemilik kapal bersaing untuk kontrak-kontrak berjangka lebih panjang yang tersedia.

Di seluruh dunia sekarang terdapat konsensus bahwa harga minyak kelihatannya telah berbalik dan sedang bergerak naik. Perkiraan terakhir kelihatan menunjukkan adanya keseimbangan antara permintaan dan penawaran minyak di sekitar akhir tahun 2017, yang mengindikasikan adanya penguatan harga minyak menjelang tahun 2018. Dampak terbesar dari perkiraan suplai berasal dari pemotongan tajam pembelanjaan modal yang telah terjadi sejak tahun 2015 yang akan membatasi kenaikan suplai global dalam tiga tahun ke depan. Wood MacKenzie Research mempunyai data yang menunjukkan pemotongan pembelanjaan modal tersebut mencapai US\$ 310 miliar dalam kurun 2015-2016 dan mencapai US\$ 1 triliun selama periode 2015-2020. Hal ini mendukung kecenderungan kenaikan harga minyak pada tahun 2017 ke depan seiring rendahnya kapasitas untuk meningkatkan produksi akibat pemotongan belanja modal yang dilakukan oleh perusahaan-perusahaan minyak besar.

Dengan adanya kestabilan harga minyak akhir-akhir ini, terdapat beberapa tender OSV untuk periode lebih panjang dari 2 tahun atau lebih. Kami melihat ini sebagai indikasi bahwa perusahaan-perusahaan minyak telah mulai nyaman dengan biaya rendah untuk pelayanan minyak di tengah kelesuan harga saat ini. Hal ini konsisten dengan pandangan kami bahwa tarif sewa OSV mendekati harga paling rendah. Namun, karena rendahnya

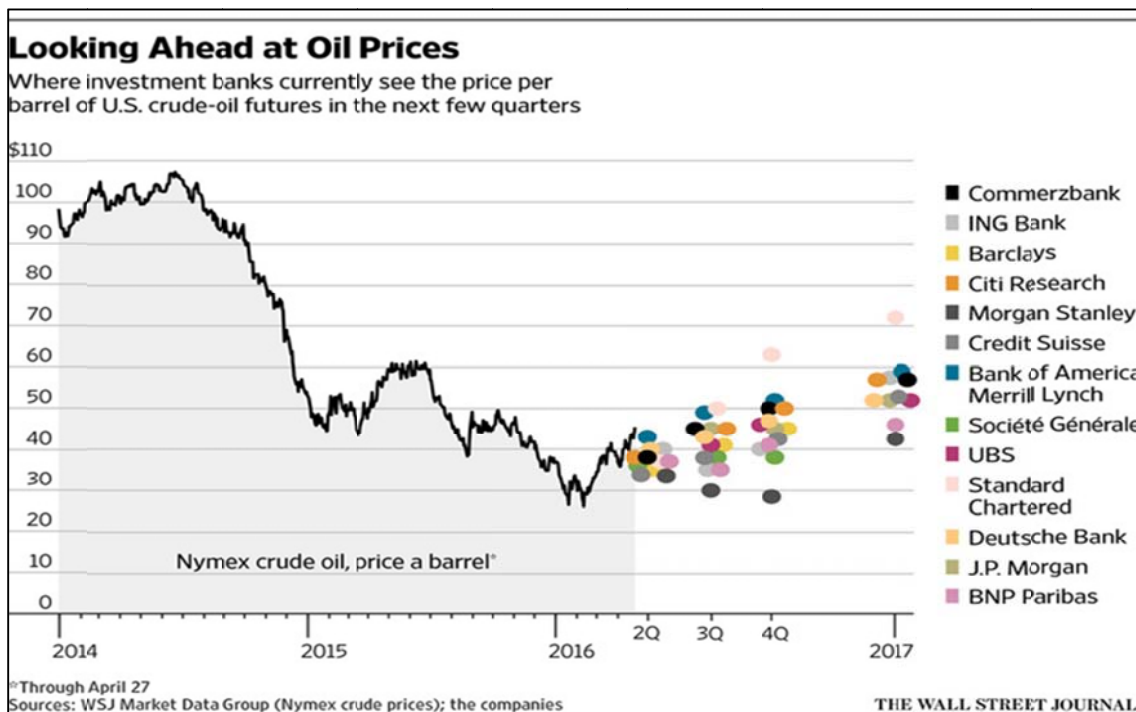
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still fierce competition for tenders of longer maturities. Therefore, although there are more tenders for work for the rest of the year and early 2017, this does not necessarily imply that vessel charter rates will rise. The OSV industry is still badly affected by expenditure cut-backs by the producers and explorers which will keep pressure on pricing for the rest of 2016 and through to 2017.

permintaan atas kapal-kapal *offshore*, masih terdapat persaingan ketat untuk tender jangka panjang. Oleh sebab itu, meskipun terdapat lebih banyak tender sampai akhir tahun ini dan awal tahun 2017, hal ini tidak berarti bahwa tarif sewa kapal akan naik. Industri OSV masih terkena dampak buruk pemotongan belanja modal oleh produsen dan pengeksplorasi minyak yang akan tetap menekan harga sampai akhir tahun 2016 dan selama tahun 2017.



However, in the longer term, there are several development projects in Indonesia which are scheduled to start operations, and we expect more tendering activity in 2017 and 2018 which will increase vessel utilization.

Namun demikian, dalam kurun waktu yang lebih panjang, terdapat beberapa proyek pengembangan di Indonesia yang dijadwalkan untuk memulai operasinya, dan kami perkirakan lebih banyak aktivitas tender di tahun 2017 dan 2018 yang akan meningkatkan utilisasi kapal.

Strategy

Management continues to focus on cost control while maintaining high safety and quality standards. There were a number of initiatives in early 2016 to lower crew and shore-based salaries, which were successfully implemented. We have extended our international marketing efforts to bid for longer term contracts in Brunei, India and the Middle East to lock in a longer term cash flows, albeit at lower charter rates. We believe that the OSV market will stay weak through 2017 and lag any recovery in oil prices.

Strategi

Manajemen tetap fokus pada pengendalian biaya dengan tetap mempertahankan standar keselamatan dan kualitas. Terdapat beberapa inisiatif pada awal tahun 2016 untuk menurunkan gaji awak kapal dan karyawan darat, yang telah berhasil diterapkan. Kami telah memperluas upaya pemasaran internasional untuk menawarkan kontrak yang lebih panjang di Brunei, India dan Timur Tengah untuk mengunci aliran kas yang lebih panjang, sekalipun tarif sewanya lebih rendah. Kami yakin bahwa pasar OSV akan tetap lemah selama tahun 2017 dan tertinggal dari pemulihan harga minyak.

Our current contracts on hand as at end June 2016 is US\$ 137million.

Nilai kontrak yang kami miliki pada akhir Juni 2016 adalah sebesar US\$ 137 juta.

For further information, please contact:

Untuk informasi lebih lanjut, silahkan hubungi :

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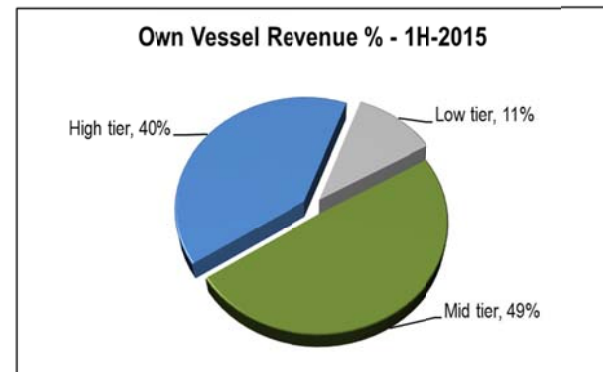
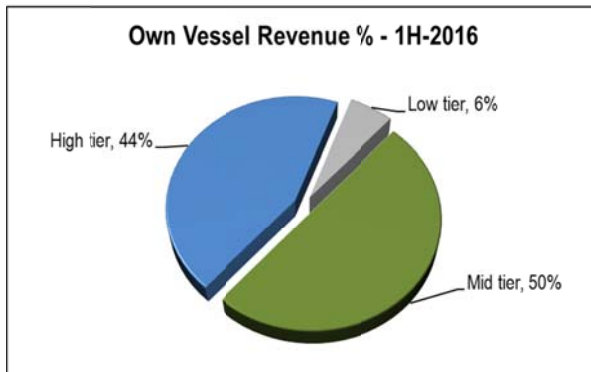
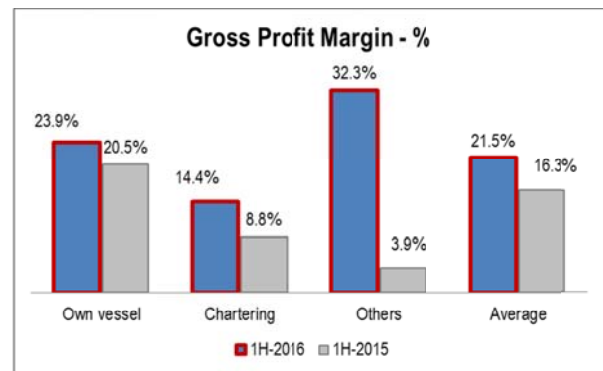
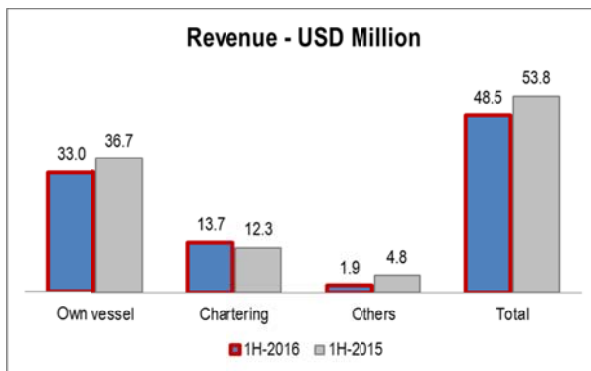
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(USD)	1H 2016	1H 2015	1H-2016 vs 1H-2015	
			Change	%
Direct expense				
Depreciation	14,058,448	13,675,742	382,706	3%
Crewing	6,009,443	8,373,158	(2,363,715)	-28%
Operations	2,030,543	2,149,926	(119,384)	-6%
Maintenance	2,214,279	2,763,469	(549,189)	-20%
Fuel Bunker	770,544	2,218,650	(1,448,106)	-65%
Charter	11,740,035	11,257,122	482,913	4%
Others	1,260,393	4,629,257	(3,368,864)	-73%
Total Direct expense	38,083,684	45,067,324	(6,983,639)	-15%
Indirect expenses				
Administration	73,658	133,849	(60,191)	-45%
Depreciation office	102,461	130,729	(28,268)	-22%
Office utility	266,272	421,961	(155,689)	-37%
Professional fee	184,934	167,518	17,415	10%
Staff salary	2,899,243	3,585,776	(686,533)	-19%
Staff training & recreation	67,212	85,544	(18,332)	-21%
Telecommunication	29,259	42,983	(13,724)	-32%
Travelling	112,864	151,674	(38,810)	-26%
Marketing	309,915	442,175	(132,260)	-30%
Donation	8,954	8,685	269	3%
Employee Benefit	302,006	378,390	(76,385)	-20%
Total Indirect expenses	4,356,777	5,549,285	(1,192,508)	-21%

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SUMMARY PROFIT AND LOSS (1H-2016 vs 1H-2015)

PT WINTERMAR OFFSHORE MARINE TBK AND SUBSIDIARIES

(USD)	1H 2016	1H 2015	1H-2016 vs 1H-2015	
			Change	%
PROFIT AND LOSS				
Revenue				
Owned vessel	32,954,975	36,686,074	(3,731,100)	-10%
Chartering	13,721,236	12,345,604	1,375,632	11%
Others	1,860,874	4,815,273	(2,954,400)	-61%
Total Revenue	48,537,084	53,846,951	(5,309,867)	-10%
Direct expense				
Owned vessel	25,083,257	29,180,945	(4,097,688)	-14%
Charter	11,740,035	11,257,122	482,913	4%
Others	1,260,393	4,629,257	(3,368,864)	-73%
Total Direct expense	38,083,684	45,067,324	(6,983,639)	-15%
Gross profit	10,453,400	8,779,628	1,673,773	19%
Gross profit - owned vessel	7,871,718	7,505,129	366,589	5%
Gross profit - chartering	1,981,201	1,088,482	892,719	82%
Gross profit - others	600,481	186,017	414,464	223%
Total Indirect expenses	4,356,777	5,549,285	(1,192,508)	-21%
Operating profit	6,096,623	3,230,343	2,866,280	89%
Other income (expenses)				
Interest expenses	(4,527,270)	(4,920,101)	392,831	-8%
Interest income	51,685	188,813	(137,128)	-73%
Equity in net earning of associates	569,612	133,214	436,398	328%
Net - Gain (loss) on sale of fixed assets	(2,015,812)	36,788	(2,052,600)	-5580%
Forex gain (loss)	32,629	106,652	(74,023)	-69%
Others	(12,297)	(133,329)	121,032	-91%
Total Other income (expenses)	(5,901,453)	(4,587,963)	(1,313,491)	
Net income (loss) before tax	195,170	(1,357,620)	1,552,790	114%
Total tax expenses	(670,902)	(803,733)	132,831	-17%
Income (loss) before non controlling interest	(475,732)	(2,161,353)	1,685,620	78%
Non controlling interest	150,882	(1,496,128)	1,647,010	110%
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(626,614)	(665,225)	38,611	6%
EBITDA	20,257,532	17,036,814	3,220,718	19%
Weighted Average EPS - USD Cents	(0.016)	(0.016)	0.00	6%
Weighted Average EPS - Equivalent to IDR	-2.0	-2.2	0.20	9%

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