

Thoresen hit by UMS

Thoresen Thai Agencies' earnings have taken a massive hit by its coal trading arm.



Thor Fortune

The Bangkok-listed showed an improvement across all segments in the second quarter but the good work was wiped out by a non-cash impairment from its investment in Unique Mining Services.

Thoresen said the trouble stems from a regional government's decision to close one of two plants.

UMS, which TTA purchased back in 2009, has proven to be a bit of a headache for the company.

Earlier this year it was the focus of a government probe after senior executives were accused of pushing ahead with the acquisition without board approval.

TTA posted a net loss of THB 2.35bn (\$74.6m) for the three months to 30 June having made a profit of THB 332m a year earlier.

But stripping out tax and impairments earnings rose by nearly a quarter to THB 677m from THB 551m during the second leg of 2011.

Revenue for the period tipped the scales at THB 4.8bn, 10% up on last year's THB 4.37bn.

Thoresen's shipping division reported a modest rise in profit following a 4% gain in Time Charter Equivalent rates and a sharp drop in vessel operating expenses.

Its energy segment contributed THB 73m thanks to offshore services company, Mermaid Maritime.

"We see a continued environment of low freight rates in the dry bulk space over at least the next 12 months, but with a formidable team and winning strategy now well in place at Thoresen Shipping, we have a strong, competitive business built for sustainable long term growth," said president and CEO M.L. Chandchutha Chandratat.

"While we will look for modest performance from Thoresen Shipping over the next year, prospects for the oil and gas industry look very promising, and Mermaid is today poised to capture continued strong results in the upmarket ahead."

He added: "With UMS, we will continue doing everything within our control to resume operations at our Samut Sakorn plant as quickly as possible but have already started contingency planning in case we face further obstacles.

"In the meantime, continued strong performance at Baconco and Baria Serece coupled with formidable growth and utilisation at our warehousing facilities in Vietnam will help to at least partially offset the losses at UMS, which will likely continue through the second quarter of fiscal 2013."

Dry cargo

By Jason O'Connell in London

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