

HIGHLIGHTS OF DLC'S ACCOMPLISHMENTS FOR 2013

DLC underwent a period of transition and reorganization in 2013. No new leases were booked during the year and DLC focused on the conversion of acquired assets into financial lease, including three (3) assets repossessed during the latter part of the year. At the end of the year, DLC had an asset inventory of seventeen (17) units broken down into nine (9) units under financial lease with the balance composed of acquired assets. During the year, two (2) vessels were turned-over to the lessees with the expiration of their leases.

The retirement of the President & CEO, with the appointment of a permanent Officer-in-Charge only in June 2013 coupled with the absence of a quorum in the DLC Board, hampered the adoption of the DLC's Planned Lease Program for 2013. During the period January to October 2013, DLC focused on the conversion of the seven (7) vessels into financial lease.

EBITDA for 2013 was at ₱ 17.24 million yielding an ROE-EBITDA of 2.57%. The company ended with a net loss of ₱ 99.12 million yielding a negative ROE-NIAT of 14.76%.

Net Worth decreased from ₱ 721.29 million in 2012 to ₱622.16 million in 2013 and Financial Lease Receivables. Portfolio (net) was at ₱ 468.90 million.

As of 31 December 2013, DLC's Authorized Capitalization remained at ₱ 1.50 billion with a Subscribed and Paid-up Capital of ₱732.0 million.

Corporate governance was improved with the adoption and approval by the DLC Board of critical manuals, the reorganization of the functional and organizational structure and the re-activation of the development of a Quality Management System.

As functional and structural organization was undertaken in June 2013 to provide check and balance, delineate responsibility and eliminate overlapping of functions. This resulted in the creation of the four (4) groups namely; Account Management Group, Finance and Administration Group, Operations Group and Support Services Group.

The following manuals were approved/noted by the DLC Board namely; Manual of Operations, Accounting Manual and HRM Manual.