



# United Maritime Group

FOR OVER FIFTY YEARS...

HANDLING THE **BULK** OF THE WORLD'S BUSINESS





## FORWARD LOOKING STATEMENTS

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Statements contained in this presentation with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, and/or changes in the Jones Act or in U.S. maritime policy and practice. Forward-looking statements are based on currently available information and United Maritime Group, LLC assumes no obligation to update such statements. A list of additional risk factors can be found in our annual report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission.



## COMPANY OVERVIEW

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- United Maritime Group is the only provider of full dock-to-dock marine transportation and logistics solutions for the domestic coal and petroleum coke industries :
  - Largest bulk terminal facility in the US Gulf
  - Inland barge operations
  - Jones Act ocean operations
  - Non-Asset based international ocean solutions
  
- Strong margins and free cash flow
  
- 2011 Earnings and margin growth in spite of inland waterway flooding
  
- Contract revenue business focused on long-term take-or-pay contracts with fuel protection



## COMPANY OVERVIEW

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- Significant headroom for organic growth:
  - Barge line currently only serves ~60% of terminal capacity
  - Excess towing capacity means barge expansion possible without incremental power
  - Terminal expansion options exist through relatively low-capital system modifications
  - Currently only utilizing ~300 acres of ~1,100 available acres at the terminal
  - Non-Asset based foreign ocean services have grown to 10% of international export tons through the terminal in year 1 – significant growth expected going forward



# COMPANY OVERVIEW

The Only Integrated Marine Logistics Solution for Coal and Petcoke Production in the US

## United Bulk Terminal

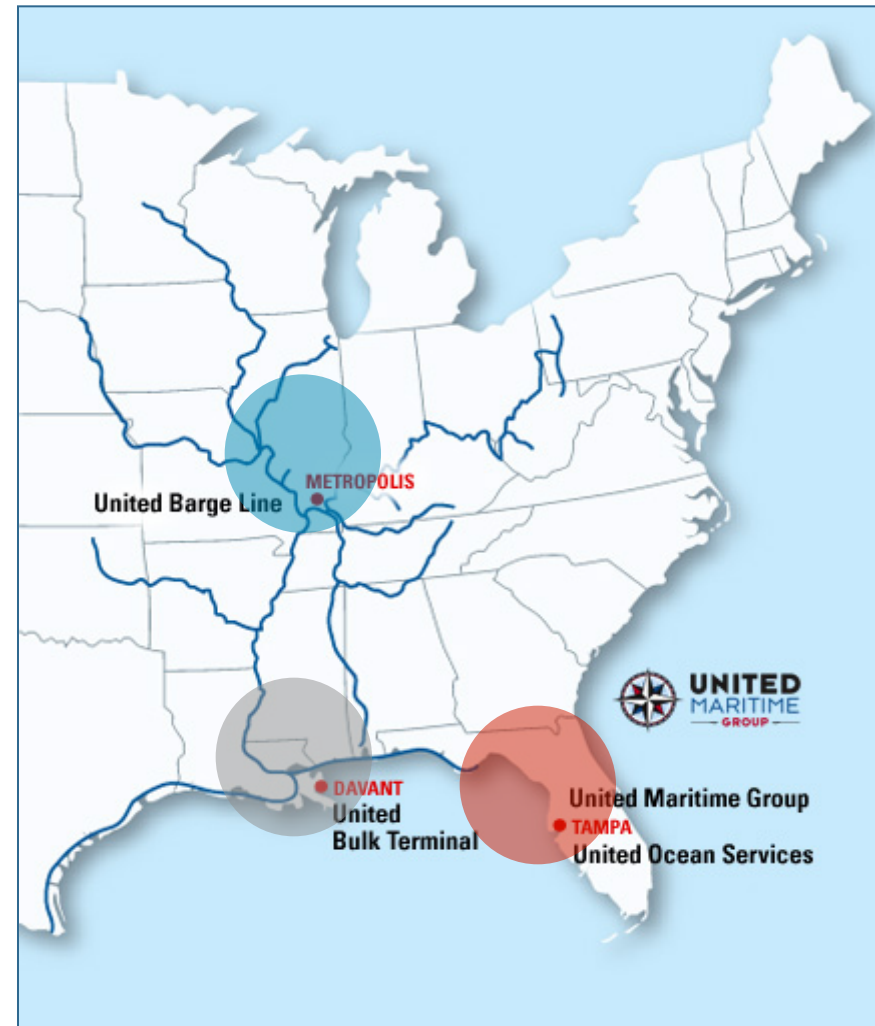
- ❑ Largest full-service bulk storage and transfer terminal on the Gulf Coast
- ❑ Annual throughput capacity exceeding 11 million tons and on-site storage capacity of 4.5 million tons

## United Barge Line

- ❑ Top 10 inland dry barge provider
- ❑ Transports coal, petroleum coke, finished steel products, metallurgical coal and grain
- ❑ Fleet of 681 barges and 20 towboats

## United Ocean Services

- ❑ Largest coastwise dry bulk carrier serving the Gulf of Mexico and both U.S. coasts
- ❑ Provider of Handy size, Panamax and Post-Panamax solutions for export coal and petcoke through United Bulk Terminal





# COMPANY OVERVIEW

50+ Years Serving the Market

**Peabody**



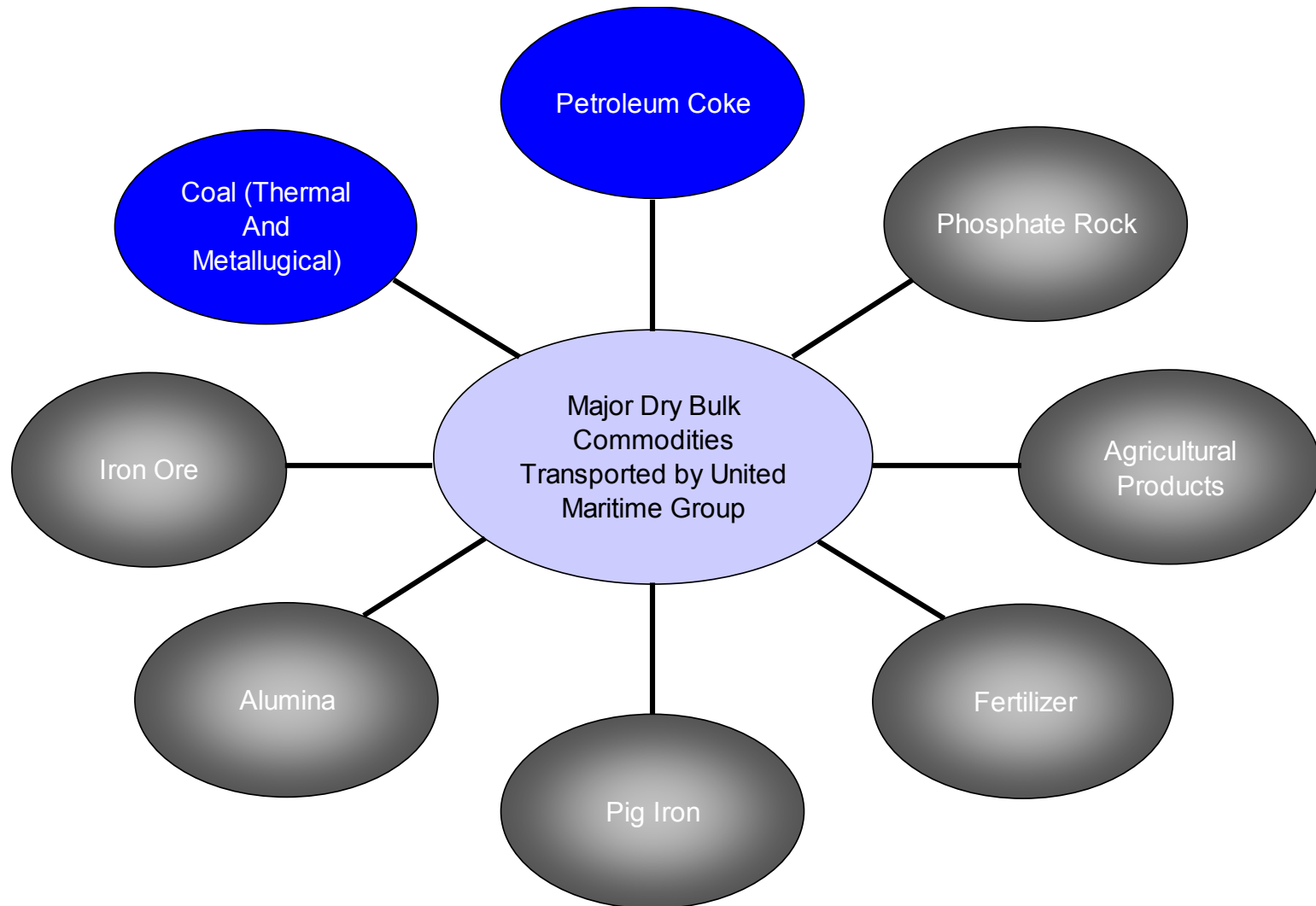
**ExxonMobil**





# COMPANY OVERVIEW

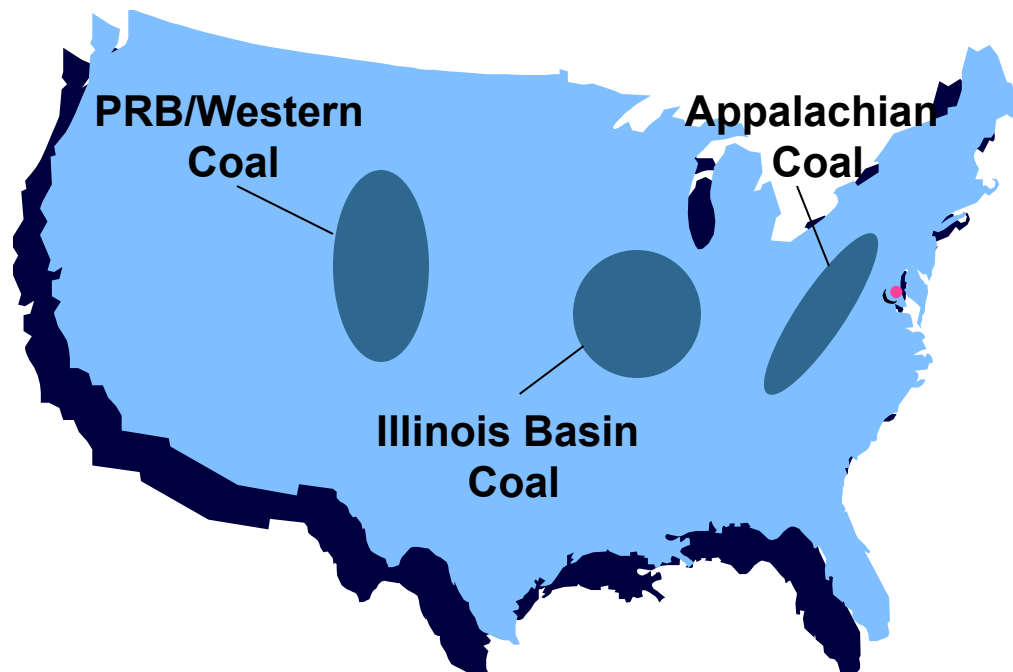
## Major Dry Bulk Commodities Transported





## US COAL AND PETCOKE TRENDS

- Emerging Market growth of steel and power consumption is driving demand for US coal and petcoke exports, replacing weaker domestic consumption for US producers
- Historically US exports were dominated by Appalachian coal transported via rail through east coast ports
- Restrictions on east coast rail and port capacity and the growth of lower cost western thermal coal – particularly in the Illinois Basin - has created a compelling supply/demand outlook for transportation providers through the Gulf

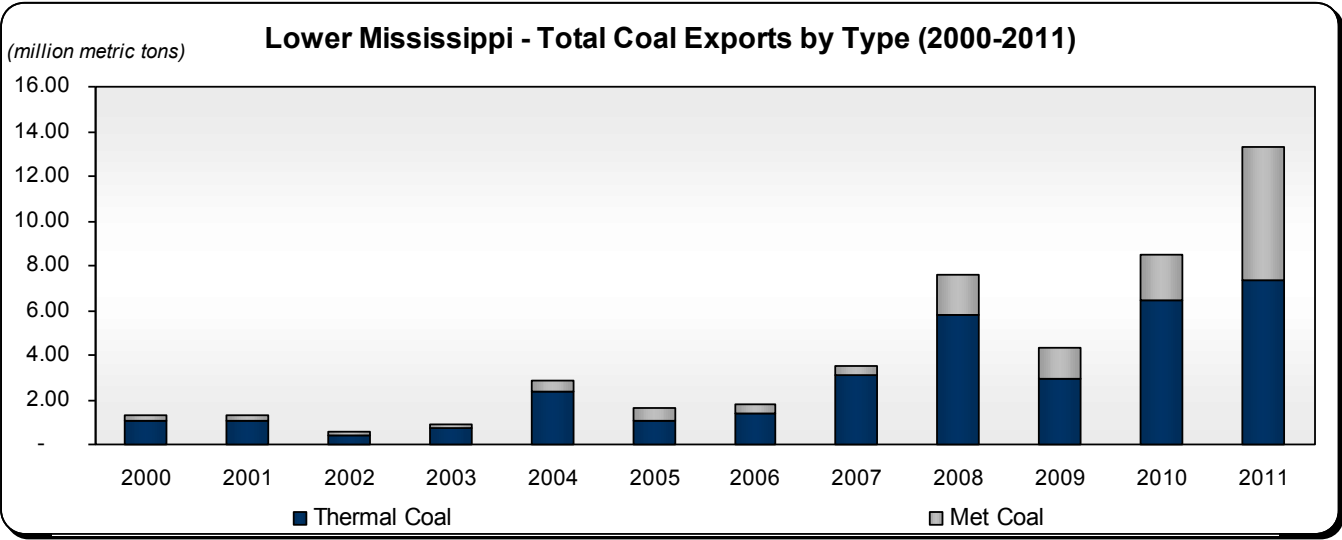
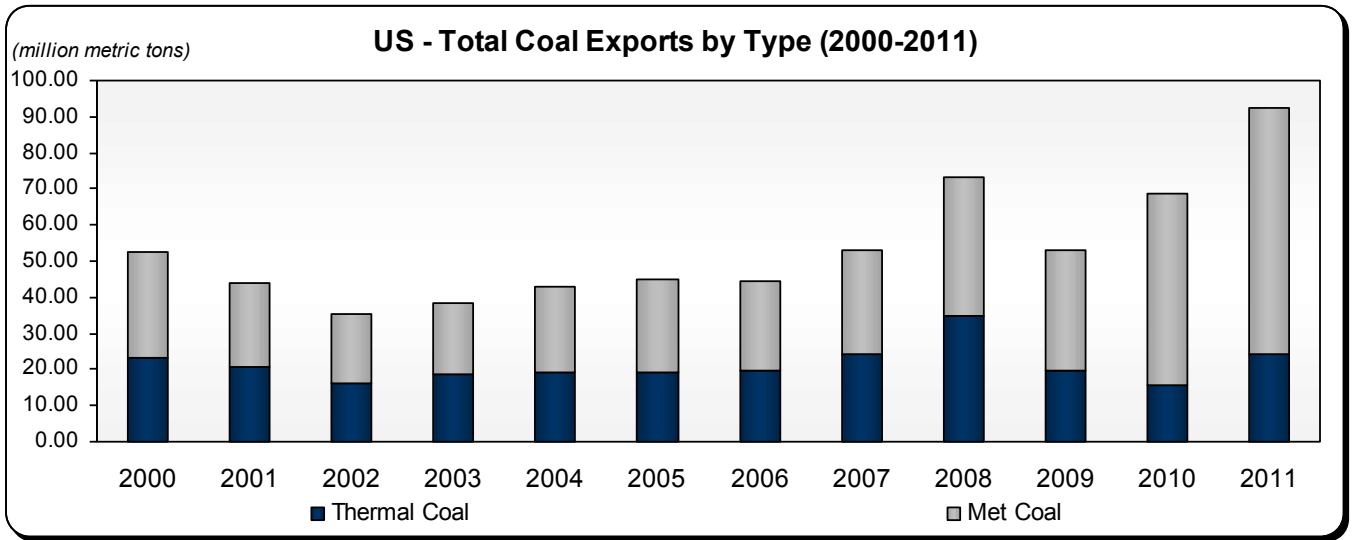


- Transportation costs represent up to 50% of the delivered cost for coal and petcoke exported through the Gulf
- UMG is well positioned to provide integrated transportation and logistics solutions to this growing export market



# US COAL EXPORT TRENDS

## US & Lower Mississippi Coal Export History (2000-2011E) by Type of Coal



■ Jefferies analyst recently estimated 89M tons of US thermal coal exports by 2016

\*Estimates for 2011



# OUR INTEGRATED SERVICE OFFERING

## Full-Service Dry Bulk Transportation

- Our integrated service offering was first developed for Tampa Electric coal movements in 1959
- Today most of our coal and petroleum coke customers are using our integrated package services – the international ocean is our most recent addition to the system
- Services include:
  - Inland barge and Terminal services
  - Ocean transport to anywhere in the world with handy, panamax or post-panamax size vessels
  - Outsourced logistics solutions and single point of contact for the customer
- Advantages to the customer include:
  - Demurrage protection
    - No inland barge demurrage risk for the customer at our terminal
    - No ocean vessel demurrage risk for the customer at our terminal
  - Time certainty
  - **One** integrated logistics team handling the shipment from inland loading dock to destination discharge dock – worldwide



# OUR INTEGRATED SERVICE OFFERING

## Domestic Integrated Package Service





# OUR INTEGRATED SERVICE OFFERING

## Worldwide Integrated Package Service





# UNITED BULK TERMINAL

## Overview

### Overview

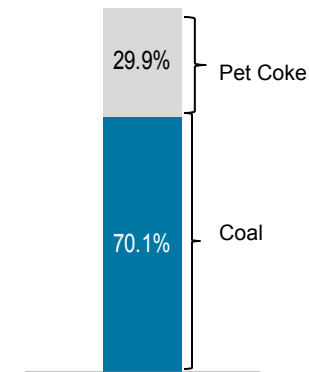
- One of the nation's largest dry bulk full-service blending and storage/transfer terminals and largest in Gulf Coast region (1,138 acres)
  - Only utilizing ~30% of existing ground capacity
- Strategic location at the mouth of the Mississippi River 40 miles south of New Orleans. First bulk terminal on the Mississippi River inbound from the Gulf of Mexico (Mile 55)
- Current annual throughput capacity in excess of 11 million tons and ground storage capacity of 4.5 million tons
- Precision blending and mechanical sampling capabilities
- 146 non-union employees
- Integration point of our inland barging and ocean shipping

### Strategy

- Continue to drive profitability by improving operational efficiency
- Find long-term partners who can benefit from the integrated nature of our services
- Opportunistically expand capacity and storage



2010 Cargo (% of Tons)





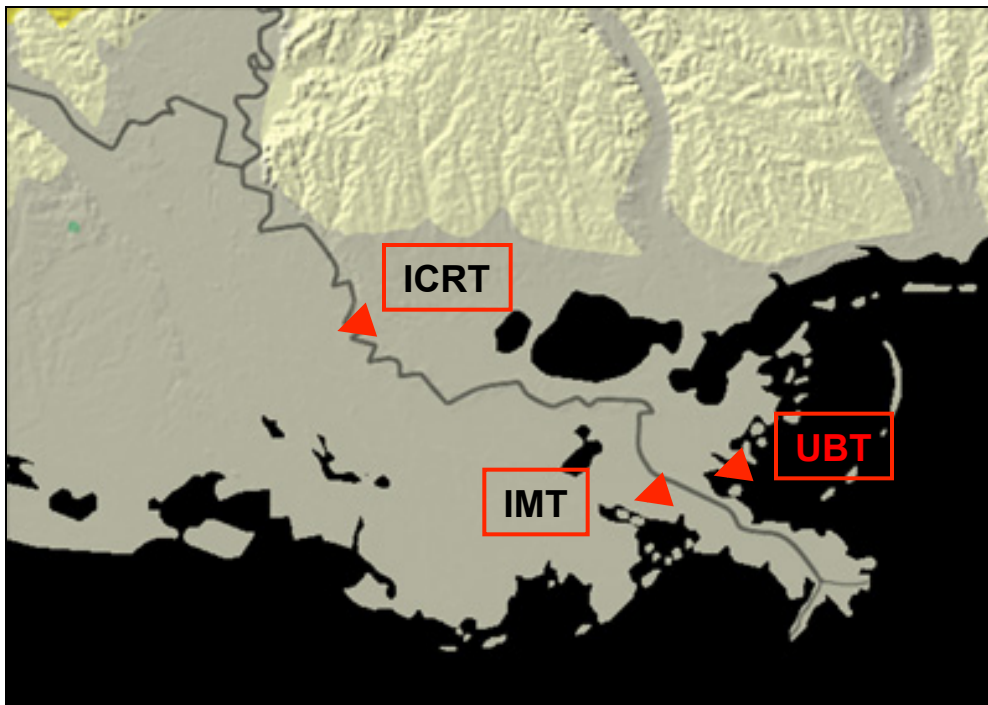
# UNITED BULK TERMINAL

## Competitive Landscape

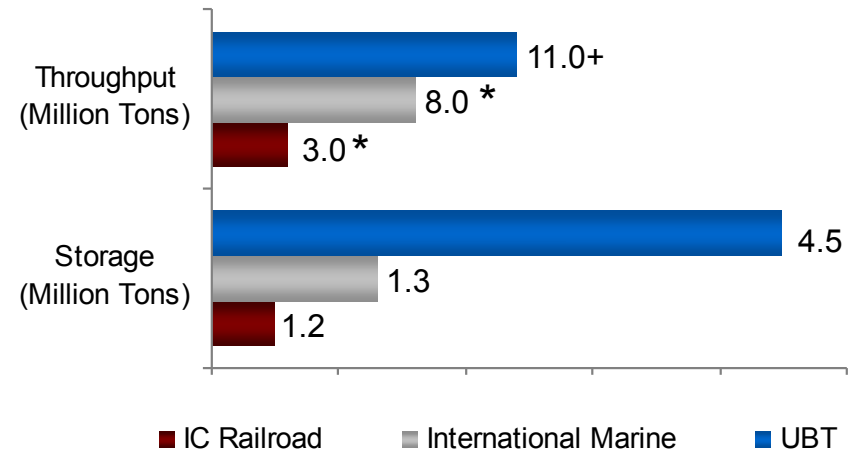
### Operating Characteristics

United Bulk Terminal has:

- The most throughput
- The fastest loading times
- The most storage space



UBT: Mile 55 ✦ IMT: Mile 57 ✦ ICRT: Mile 161



\* Estimated current capacity excluding impact of IMT shiplader failure and planned expansions



# UNITED BARGE LINE

## Overview

### Overview

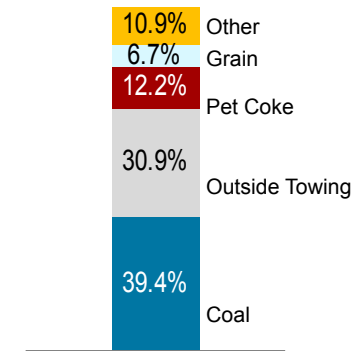
- Top 10 provider of inland dry barge transportation services
- 661 total barges and 20 tow boats
  - 454 open and 207 covered barges
  - Barge fleet age of 16 yrs
- Primary routes are along Mississippi, Ohio and Illinois Rivers
- 326 non-union employees

### Strategy

- Core trade of fronthaul coal from Midwest to United Bulk Terminal
- Focused on longer-haul trades, increasing utilization and increasing useful life of barges
- Maintain flexibility through ability to cover or uncover barges as 30% of our open barges can be converted to transport grain and finished goods products
  - Additionally, all covered barges have the capability of being used in the open barge trade



### 2010 Cargo (% of Ton Miles)





# UNITED OCEAN SERVICES

## Overview

### Overview

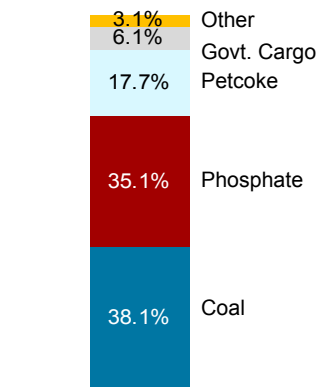
- International and Domestic Ocean Carrier
- Handy, Panamax & Post-Panamax – International
- Handy – Domestic / U.S. Flag
  - Largest U.S. flag coastwise dry bulk carrier
- 232 non-union employees

### Strategy

- Core trade of coal and petroleum coke
- Complement our inland barge and terminal business with end to end transportation including ocean transportation worldwide
- Find long-term partners who can benefit from the integrated nature of our services



### 2010 Cargo (% of Tons)





# UNITED OCEAN SERVICES

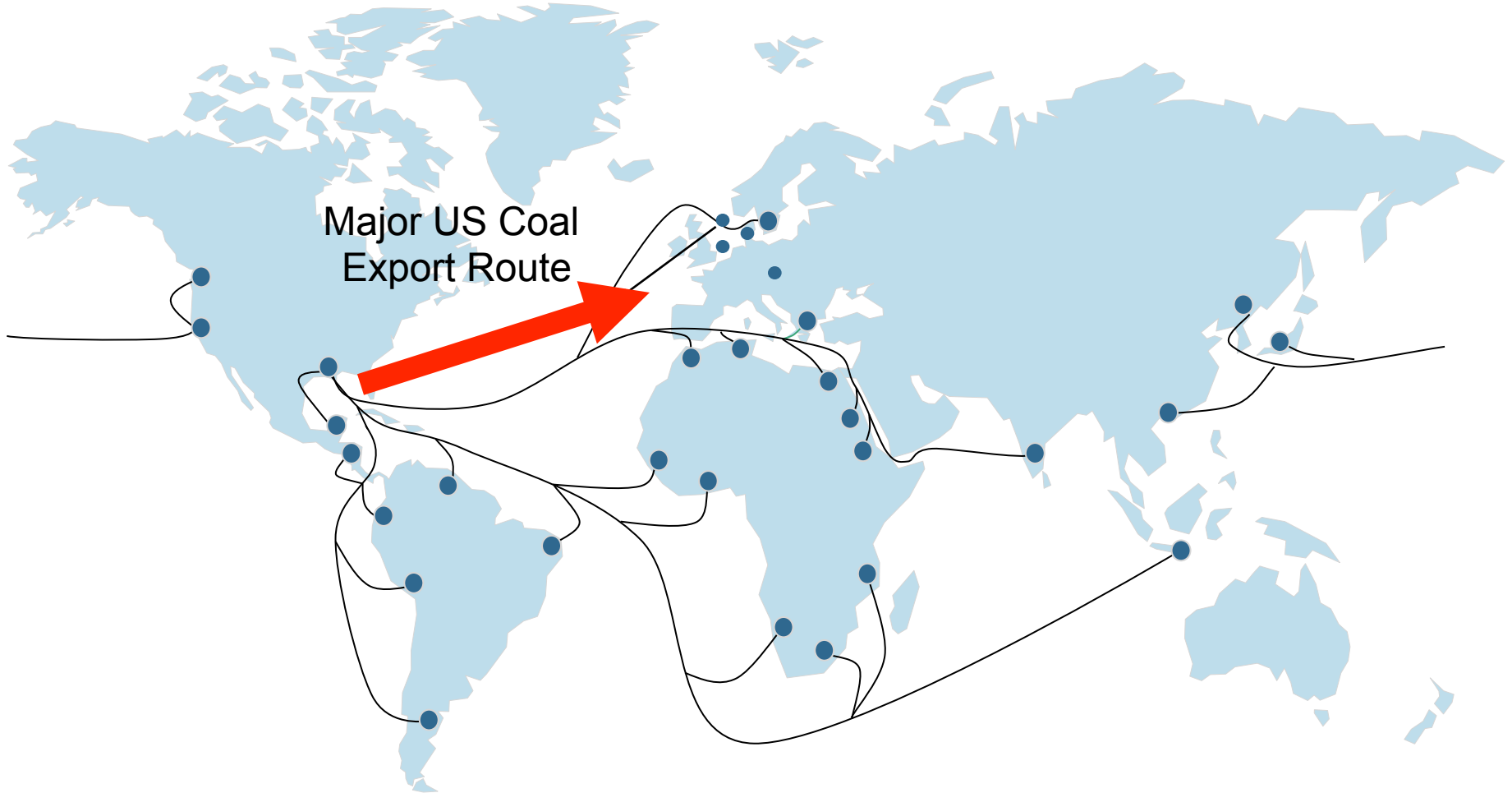
## Ocean Shipping Overview - Coastwise Services





# UNITED OCEAN SERVICES

## Ocean Shipping Overview - International Commercial and Government Movements



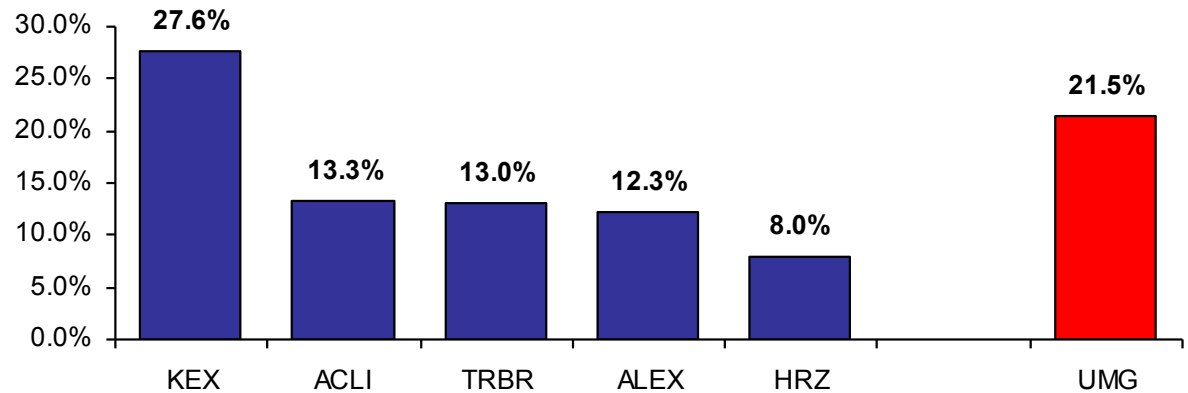


# FINANCIAL RESULTS

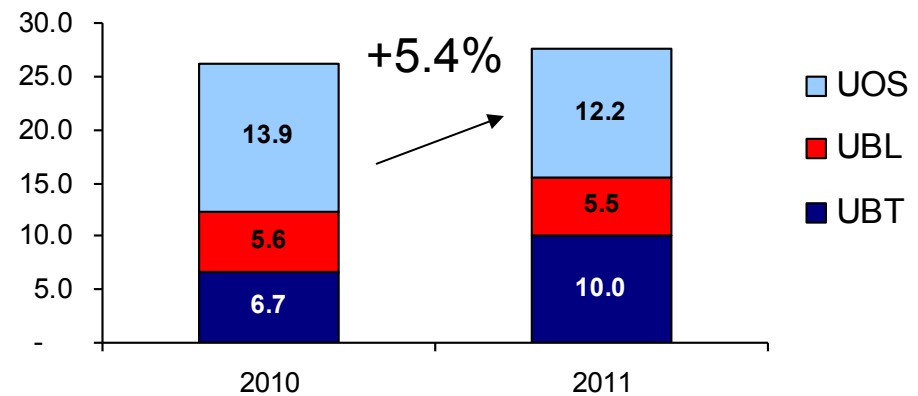
**Strong Margins, Free Cash Flow & Organic Growth Opportunities**

- UMG has delivered strong margins relative to its maritime comps
- 2011 Earnings & Margin Growth in spite of river flooding and Mosaic claim of Force Majeure
- Continued de-leveraging through strong free-cash flow – Net Debt to LTM EBITDA at 3.7x at 6/30

**2008-2010 Average EBITDA Margin**



**June YTD EBITDA Comparison (\$M)**





## POSITIONED FOR GROWTH

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- UMG is uniquely positioned to leverage market trends to drive organic growth:
  - Organic barge growth to match terminal capacity - currently only serving ~60% of terminal capacity through UBL
  - Barge fleet can grow without investing in power
  - Capital efficient terminal expansion options exist through process improvement
  - Currently only utilizing ~30% of footprint at the terminal – room to grow
  - Non-Asset based foreign ocean services provide meaningful and compelling growth opportunities



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**Questions?**