

SAMUDERA SHIPPING LINE LTD
(Company Registration: 199308462C)

SECOND QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 and Q3), HALF YEAR AND FULL YEAR RESULTS

1 a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors announces the unaudited results of the Group for the financial period ended 30 June 2008.

	The Group		
	Q2 2008	Q2 2007	+ / (-)
	US\$'000	US\$'000	%
Turnover	115,083	91,447	25.8
Cost of services	(100,806)	(84,173)	19.8
Gross profit	14,277	7,274	96.3
Other operating income	225	1,014	n.m
Marketing expenses	(2,276)	(1,800)	26.4
Administrative expenses	(2,622)	(2,073)	26.5
Other operating expenses	(674)	(91)	n.m
Profit from operations	8,930	4,324	n.m
Finance income	213	728	(70.7)
Finance expenses	(812)	(1,060)	(23.4)
Operating profit	8,331	3,992	n.m
Share of results of associated companies	102	10	n.m
Profit before tax	8,433	4,002	n.m
Tax	(261)	(357)	(26.9)
Profit after tax	8,172	3,645	n.m
Attributable to:			
Equity holders of the Company	7,982	3,638	n.m
Minority interests	190	7	n.m
	8,172	3,645	n.m

n.m. = not meaningful

1 a)(ii) Notes to the Income Statements

	The Group		
	Q2 2008	Q2 2007	+ / (-)
	US\$'000	US\$'000	%
(A) Depreciation	(3,212)	(2,779)	15.6
(B) Write back for doubtful trade debts	32	49	(34.7)
(C) Allowance for doubtful trade debts	(35)	(33)	6.1
(D) Other operating income			
- Gain on disposal of fixed assets	63	-	n.m
- Realized gain on investment securities	14	17	(17.6)
- Foreign exchange gain	-	985	n.m
- Rental Income	95	7	n.m
- Other income	53	5	n.m
	225	1,014	n.m

1 a)(ii) Notes to the Income Statements (continued)

(E) Other operating expenses

- Claim expenses
- Foreign exchange loss
- Other expenses

<u>The Group</u>		
<u>Q2 2008</u>	<u>Q2 2007</u>	<u>+ / (-)</u>
<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
(290)	(45)	n.m
(342)	-	n.m
(42)	(46)	(8.7)
<u>(674)</u>	<u>(91)</u>	n.m

1 b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	30 Jun 08 US\$'000	31 Dec 07 US\$'000	30 Jun 08 US\$'000	31 Dec 07 US\$'000
Capital and reserves attributable to equity holders of the Company				
Share capital	68,761	68,761	68,761	68,761
Translation reserve	(11,052)	(10,392)	-	-
Other reserves	(1,822)	(1,734)	-	-
Accumulated profits	168,913	159,379	121,031	119,160
	<u>224,800</u>	<u>216,014</u>	<u>189,792</u>	<u>187,921</u>
Minority interests	1,896	1,586	-	-
Total equity	226,696	217,600	189,792	187,921
Non-current assets				
Subsidiaries	-	-	54,910	54,910
Associated companies	10,932	10,867	12,312	12,312
Fixed assets	234,962	150,459	92,878	21,374
Deferred taxation	232	232	-	-
Deferred Assets	418	-	418	-
Fixed deposits	500	4,700	500	4,700
	<u>247,044</u>	<u>166,258</u>	<u>161,018</u>	<u>93,296</u>
Current assets				
Stocks	2,158	1,915	-	-
Trade debtors	63,915	53,857	52,267	44,250
Other debtors	2,951	3,670	259	1,314
Prepaid operating expenses	17,127	18,947	12,233	15,571
Due from subsidiaries (trade)	-	-	4,537	4,487
Due from subsidiaries (non-trade)	-	-	14,055	6,728
Due from related companies (trade)	3	24	-	1
Due from minority shareholders of a subsidiary	48	52	48	52
Investment securities	1,322	3,989	1,322	3,989
Fixed deposits	47,470	55,733	40,553	49,432
Cash and bank balances	15,579	17,421	7,316	9,613
	<u>150,573</u>	<u>155,608</u>	<u>132,590</u>	<u>135,437</u>
Current liabilities				
Trade creditors	26,749	20,523	21,421	16,249
Other creditors and liabilities	15,786	13,980	8,157	7,426
Due to subsidiaries	-	-	373	352
Due to ultimate holding company	712	200	705	192
Due to related companies (trade)	900	835	14	-
Hire purchase creditors	66	61	48	23
Bank term loans (secured)	14,702	10,712	5,672	886
Provision for tax	1,637	2,144	451	1,278
	<u>60,552</u>	<u>48,455</u>	<u>36,841</u>	<u>26,406</u>
Net current assets	90,021	107,153	95,749	109,031
Non-current liabilities				
Hire purchase creditors	194	110	178	78
Bank term loans (secured)	110,175	55,701	66,797	14,328
Net assets	226,696	217,600	189,792	187,921

1 b)(ii) The aggregate amount of the group's borrowings and debt securities

	As at 30 Jun 2008		As at 31 Dec 2007	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	14.77	-	10.77	-
Amount repayable after one year	110.37	-	55.81	-
	<u>125.14</u>	<u>-</u>	<u>66.58</u>	<u>-</u>

Details of any collateral

The Group's borrowings are secured by means of:

- > Corporate guarantees from the Company
- > Legal mortgages over certain vessels of the Company and its subsidiaries
- > Legal charges over certain bank accounts of the Company and its subsidiaries
- > Assignment of income derived from certain charter hire contracts of the subsidiaries
- > Assignment of insurance of certain vessels of the Company and its subsidiaries
- > Legal mortgages over vessels under constructions
- > Legal mortgages over freehold properties of the Company
- > Assignment of insurance, title and interest of freehold properties of the Company

1 c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q2 2008	Q2 2007
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	8,433	4,002
Adjustments:		
Depreciation of fixed assets	3,212	2,779
Gain on disposal of fixed assets	(63)	-
Loss on disposal of investment securities	(14)	(17)
Allowance for doubtful trade debts	35	33
Write back of allowance for doubtful trade debts	(32)	(49)
Interest expense	812	1,060
Interest income	(213)	(728)
Share of results of associated companies	(102)	(10)
Unrealised loss (gain) on investment securities	42	46
Currency realignment	245	-
Operating profit before working capital changes	<u>12,355</u>	<u>7,116</u>
(Increase) / decrease in:		
Stocks	(475)	(77)
Trade debtors	(3,191)	(2,393)
Other debtors	(97)	(605)
Advance and prepaid expenses	3,785	(272)
Due from related companies	(2)	-
Increase / (decrease) in:		
Trade creditors	3,555	290
Other creditors	186	(1,641)
Other liabilities	(500)	1,658
Due to related companies	196	(313)
Due to immediate holding company	(27)	239
Cash generated from operations	<u>15,785</u>	<u>4,002</u>
Interest paid	(812)	(1,060)
Income tax paid	(771)	(589)
Net cash generated from operating activities	<u>14,202</u>	<u>2,353</u>
Cash flows from investing activities		
Interest income received	213	728
Proceeds from disposal of fixed assets	73	-
Acquisition of fixed assets	(44,223)	(984)
Proceeds from disposal of investment securities	2,486	729
Acquisition of investment securities	(500)	-
Net cash (used in) / generated from investing activities	<u>(41,951)</u>	<u>473</u>
Cash flows from financing activities		
Repayment of hire purchase creditors	(35)	(15)
Proceed of hire purchase creditors	135	-
Proceeds from bank term loans	56,302	-
Repayment of bank term loans	(3,048)	(2,738)
Dividends paid to minority shareholders	(55)	(126)
Dividends paid	(5,946)	(3,547)
Decrease / (increase) in pledged deposits	(981)	-
Decrease fixed deposits (non-current)	4,200	76
Net cash generated from / (used in) financing activities	<u>50,572</u>	<u>(6,350)</u>
Net decrease in cash and cash equivalents	22,823	(3,524)
Effect of exchange rate changes on cash and cash equivalents	(587)	(1,286)
Cash and cash equivalents at the beginning of the period	<u>38,485</u>	<u>63,287</u>
Cash and cash equivalents at the end of the period	<u>60,721</u>	<u>58,477</u>
Fixed deposits (current)	47,470	47,085
Cash and bank balance (current)	15,579	14,914
Less Pledged deposits	<u>(2,328)</u>	<u>(3,522)</u>
Cash and cash equivalents at the end of the period	<u>60,721</u>	<u>58,477</u>

1 d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the period ended 30 June

	Share Capital US\$'000	Capital Reserve US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000	Accumulated Profits US\$'000	Minority Interests US\$'000	Total Equity US\$'000
GROUP							
Balance as at 31 Mar 2008	68,761	-	(10,517)	(3,336)	166,877	1,790	223,575
Currency translation	-	-	(535)	1,405	-	(29)	841
Net unrealised loss on revaluation of cash flow hedges	-	-	-	109	-	-	109
Dividend paid	-	-	-	-	(5,946)	(55)	(6,001)
Net profit for the period	-	-	-	-	7,982	190	8,172
Balance as at 30 Jun 2008	68,761	-	(11,052)	(1,822)	168,913	1,896	226,696
Balance as at 31 Mar 2007	65,595	175	(6,234)	(287)	140,363	1,527	201,139
Currency translation	(852)	(2)	1,157	2	(1,824)	(1)	(1,520)
Net unrealised loss on revaluation of cash flow hedges	-	-	-	1,332	-	-	1,332
Dividend paid	-	-	-	-	(3,547)	(126)	(3,673)
Net profit for the period	-	-	-	-	3,638	7	3,645
Balance as at 30 Jun 2007	64,743	173	(5,077)	1,047	138,630	1,407	200,923

	Share Capital US\$'000	Accumulated Profits US\$'000	Total Equity US\$'000
COMPANY			
Balance as at 31 Mar 2008	68,761	123,108	191,869
Net profit for the period	-	3,869	3,869
Dividend paid	-	(5,946)	(5,946)
Balance as at 30 Jun 2008	68,761	121,031	189,792
Balance as at 31 Mar 2007	65,595	105,778	171,373
Currency translation	(852)	(1,371)	(2,223)
Net profit for the period	-	3,336	3,336
Dividend paid	-	(3,547)	(3,547)
Balance as at 30 Jun 2007	64,743	104,196	168,939

1 d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the three months ended 30 June 2008, there was no change in the Company's share capital.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2007, except for the adoption of US Dollar as functional currency with effect from 1 January 2008 on a prospective basis. For the comparative statement of the corresponding period, the assets and liabilities are translated into US Dollar at the exchange rate ruling at the period-end date and the profit and loss account is translated at the average exchange rate applicable for the period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new / revised Financial Reporting Standards (FRS) that became effective for accounting periods beginning on or after 1 January 2008. The adoption of these new / revised FRS does not have any material impact to the Group financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on net profit attributable to shareholders:

- (i) Based on weighted average number of ordinary shares in issue
- (ii) On a fully diluted basis

Group Figures	
Q2 2008	Q2 2007
US cents	US cents
1.48	0.67
1.48	0.67

Earnings per share for the quarters ended 30 Jun 08 and 30 Jun 07 is calculated based on the number of issued ordinary shares of 539,131,199.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.**

Net asset value backing per ordinary share based on issued share capital as at the end of the period

Group		Company	
30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07
US cents	US cents	US cents	US cents
41.70	40.07	35.20	34.86

Net asset value per ordinary share as at 30 Jun 08 and 31 Dec 2007 is calculated based on the number of issued ordinary shares of 539,131,199.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Group revenue increased by 26% to US\$115.1 million for the second-quarter ended 30 June 2008 ("Q2 2008"), compared to US\$91.4 million for the same period in 2007 ("Q2 2007"). This was mainly due to an increase in activity across all of its business segments.

Container volume grew by 13% from 353,000 teus in Q2 2007 to 400,000 teus in Q2 2008, which was mainly due to improvement in utilization, upsizing of capacity and additional services.

In addition, its new offices in Ho Chi Minh, Chennai and Kolkata, which were opened in H2 2007 also contributed to the increase in Group revenue. The revenue from the Industrial Shipping business was also higher, due to more activities in transportation of coal.

During the period under review, the cost of services rose 20%, driven by higher bunker prices and charter hire rates. In addition, as the bulk of the Group stevedoring cost is denominated in Singapore dollars, the Group incurred an increase in stevedoring cost due to the strengthening of Singapore dollar against US dollar.

Taking into consideration the revenue growth vis-a-vis the run up in cost of services, gross profit saw a significant improvement from US\$7.3 million in Q2 2007 to US\$14.3 million in Q2 2008.

In its Inter-island container shipping business in Indonesia, the Group reduced capacity in a loss making service and terminated another loss making service in June and July 2007 respectively. These actions together with an improvement in business environment in inter-island container shipping business in Indonesia, both in terms of utilization and freight rates, contributed significantly to the increase in Group gross profit.

The strengthening of Singapore dollar resulted in a foreign exchange loss of US\$0.3 million for the quarter arising mainly from Singapore dollar denominated loans.

Profit after tax for Q2 2008 increased by 124% to US\$8.2 million, as compared to US\$3.6 million in Q2 2007.

Group fixed assets increased by 56% from US\$150 million as at 31 December 2007 to US\$235 million as at 30 June 2008. It is due mainly to the deliveries of Sinar Bima, a 1,100 teus container vessel, in January 2008 and Sinar Sumba, a 1,740 teus container vessel, in June 2008 and the addition of two bulk carriers under construction. The loans taken to finance the acquisitions of the two container vessels led to an increase in Group bank term loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects that demand for container shipping services will remain healthy. Shipments out of Asia to Europe and within Asia, which are the main volume served by the Group, are expected to continue growing.

The Group took delivery of Sinar Sangir, a 1,700 teus container vessel in May 2008. This is the second of five vessels under long-term time charter contract that are scheduled for delivery by end of the year. In June 2008, the Group also took delivery of Sinar Sumba, a 1,740 teus container vessel, the second of three owned container vessels to be delivered within the year. These deliveries will enable the Group to achieve better flexibility in fleet deployment and efficiency in overall vessel operating costs going forward

Responding to the growing demand for container shipping, the Group has recently introduced two new services - the Chittagong Haldia Express Service (CHX) and Yangon Express Service (YGX). With the added services and capacity, the Group will be able to provide more space, wider coverage and better connectivity for its customers.

The Group continues to seek opportunities to acquire more container vessels that are suitable for its service routes.

Bunker price is expected to remain volatile and the Group will manage this through the imposition of appropriate fuel surcharges.

In the Industrial Shipping business, LNG Tangguh Towuti, a 145,700-cbm LNG vessel, in which the Group holds 25% stake, is scheduled to be delivered and in operation in the fourth quarter of 2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared / recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920

	Q2 2008 US\$'000	Q2 2007 US\$'000
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PT. Samudera Indonesia Tbk and its subsidiary

Provision of services - Agency Commission	893	792
Provision of services - Management Fee	-	47
Provision of services - Office rental	16	-

PT. Samudera Indonesia Ship Management

Provision of services - Ship Management Fees	175	150
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PT. Panuriwan

Provision of services - Building rental	4	-
Provision of services - Charter hire	213	-

PT. Masaji Tatanan Container

Provision of services - Container depot	81	-
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PT. Prima Nur Panuriwan

Provision of services - Stevedorage	502	-
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Aggregate value of all interested person transactions during the financial period under review excluding transactions conducted under shareholders' mandate pursuant to Rule 920

	US\$'000	US\$'000
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PT. Samudera Indonesia Tbk

Provision of services - Agency Commission	9	32
Provision of services - Office rental	8	32

PT. Panuriwan

Provision of services - Building rental	2	6
Provision of services - Charter hire	105	262

PT. Masaji Tatanan Container

Provision of services - Container depot	30	31
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PT. Prima Nur Panuriwan

Provision of services - Stevedorage	239	673
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14. Negative Assurance Confirmation Pursuant To Rule 705(4) of the Listing Manual

We, Randy Effendi and Hamdi Adnan, being two Directors of SAMUDERA SHIPPING LINE LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period 30 June 2008 to be false or misleading.

On behalf of the Board of Directors,

Randy Effendi
Chairman

Hamdi Adnan
Executive Director

BY ORDER OF THE BOARD

ANWARSYAH
Executive Director

29 July 2008