

SAMUDERA SHIPPING LINE LTD

Investors and Analysts Briefing – August 29, 2003



Review of

2nd Quarter results - FY 2003

AGENDA



- **Financial Performance**
- **Performance Review**
- **Plans & Updates**
- **Questions & Answers**

FINANCIAL PERFORMANCE



- **Financial Highlights**
- **Margin, EPS, NTA per share**
- **Revenue by Business Activity**
- **Profit by Business Activity**

Financial Highlights – Q2

<u>(S\$ m)</u>	<u>Q2 2002</u>	<u>Q2 2003</u>	<u>%</u>	▲
Revenue	125.0	126.3	1	
EBIT	2.2	4.9	118	
Interest, net	(1.0)	(0.6)	(36)	
Operating Result	1.4	4.3	201	
Forex Gain(Loss)	(2.5)	(0.2)	n.m.	
PBT	(0.8)	4.1	n.m.	
PAT (Net Profit)	(1.04)	4.05	n.m.	

Financial Highlights – Q2 (continued)

	<u>Q2 2002</u>	<u>Q2 2003</u>	<u>%</u> ▲
Operating Margin	1.14 %	3.40 %	198
(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)			
EPS (c)	(0.23)	0.88	n.m.
NTA p.s. (c)	39.64	43.58	10
Gearing (30 June)	0.34	0.31	(8)
(Interest bearing loans over Net Worth)			

Financial Highlights - Q2 (continued)

Exchange Rate SGD/USD

	<u>Q2 2002</u>	<u>Q2 2003</u>	<u>%</u> ▲
Profit & Loss (average)	1.79	1.76	(1.7)
Balance Sheet	1.77	1.76	(0.6)

Revenue by Business Activity – Q2

	2002 Q2		2003 Q2		Deviation
	M S\$	%	M S\$	%	%
Container Shipping	114.4	92	111.2	88	(2.8)
Industrial Shipping	9.2	7	13.3	11	45
Group	125	100	126	100	1

Operating Result by Business Activity – Q2

(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)

	2002 Q2		2003 Q2		Deviation
	M S\$	%	M S\$	%	%
Container Shipping	(0.2)	(11)	2.5	59	n.m.
Industrial Shipping	1.65	115	1.69	39	2.5
Group	1.4	100	4.3	100	207

PERFORMANCE REVIEW



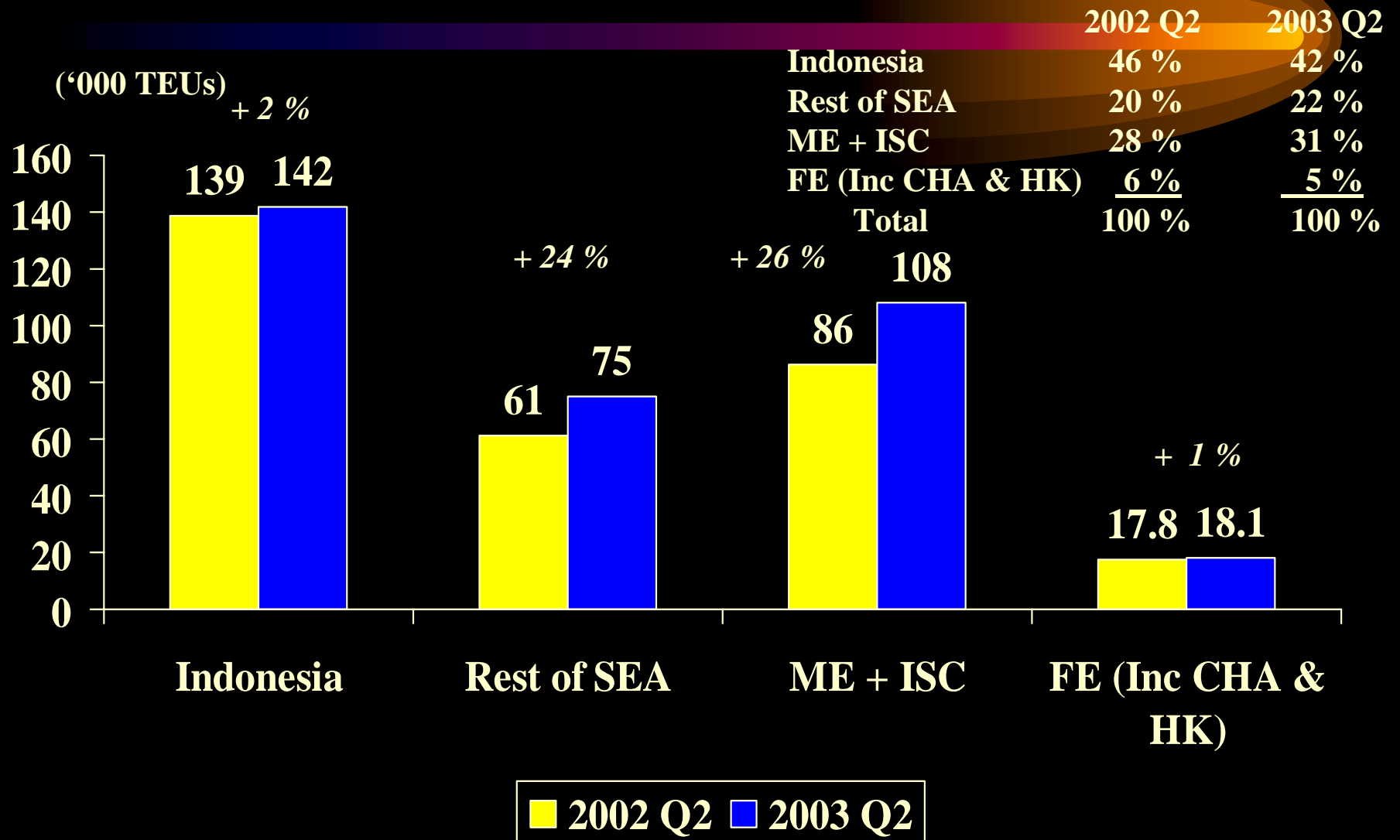
- **Container Shipping**

COC Content & Total Volume – Q2

	2002 Q2		2003 Q2		Deviation
	'000 TEUS	%	'000 TEUS	%	%
SOC	245	81	279	81	14
COC	58	19	64	19	9
Total	303	100	343	100	13

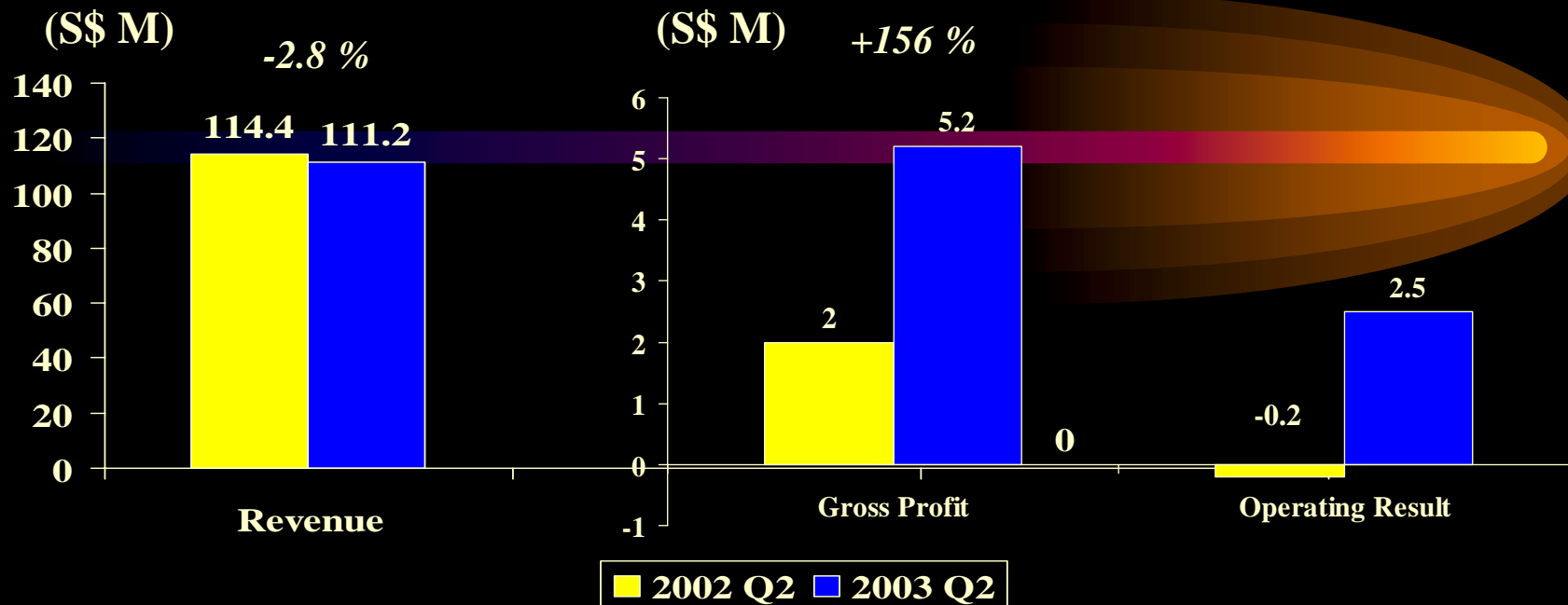
- **SOC volume grew faster due primarily to organic growth in the existing trade lanes**

Container Shipping: Volume by Geographical Region



Container Shipping – Operating Results

(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)



- Revenue decreased by 2.8% due to rate deterioration, elimination of war risk surcharge in ME and ISC, increase in proportion of volume from such areas - 31 % vs. 28 % in Q2 2002 and stronger S\$ against US\$. Revenue per TEU Q2 2003: US\$ 184, Q2 2002: US\$ 211.
- Cost of Service decreased by 5.6 % due to decrease in charter hire and stevedoring cost. COS per TEU Q2 2003: US\$ 176, Q2 2002: US\$ 207, thus Gross Profit increase by 156 % to S\$ 5.2 M.
- In addition, the Company experienced a Foreign Exchange Loss of S\$ 0.3 M compared to a loss of S\$ 2.2 M in Q2 2002.
- the Company produced an operating result of S\$ 2.5 M compared to a loss of S\$ 0.2 M in Q2 2002.

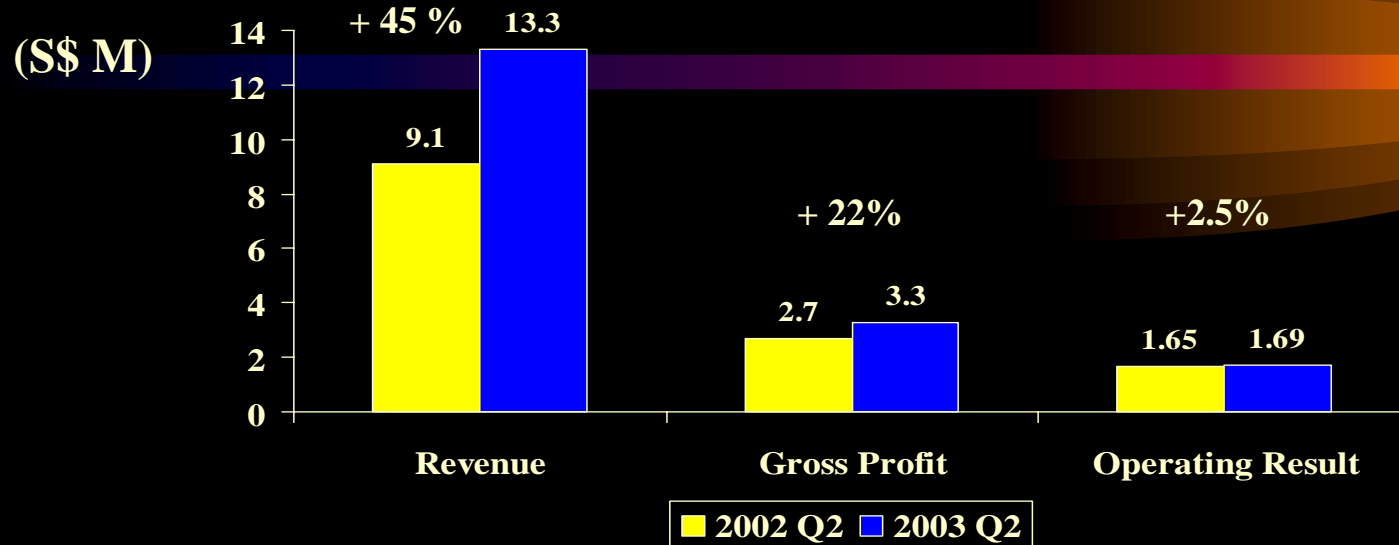
PERFORMANCE REVIEW



- **Industrial Shipping**

Industrial Shipping – Operating Results

(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)



- Revenues increased primarily due to additional 2 methanol tankers, 1 LPG carrier, and 3 off-shore support units.
- Cost of Sales rose due to more vessels on own operation, increase in bunker expenses, as well as an increase in vessel's running costs
- Interest Expenses-net decreased by 13 % to S\$ 0.88 M from S\$ 1.0 M in Q2 2002.
- G & A expenses increased due to recruitment of employees from subsidiaries of PT SI, following the acquisition of vessels in March 2003
- Operating Results rose by 2.5 % to S\$ 1.69 M vs. S\$1.65 M in Q2 2002.

PERFORMANCE HIGHLIGHTS



*Summary of
1st Half results - FY 2003*

Financial Highlights – H1

<u>(S\$ m)</u>	<u>H1 2002</u>	<u>H1 2003</u>	<u>%</u> ▲
Revenue	251.1	239.5	(4.6)
EBIT	5.3	10.8	103
Interest (net)	(2.2)	(1.3)	(42)
Operating Result	3.2	9.7	199
Forex Gain(Loss)	(2.6)	(0.5)	n.m.
PBT	1.1	9.2	733
PAT (Net Profit)	0.8	9.0	1026

Financial Highlights – H1 (continued)

	<u>H1 2002</u>	<u>H1 2003</u>	<u>%</u> ▲
Operating Margin	1.3 %	4.0 %	208
(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)			
EPS (c)	0.17	1.97	1026
NTA p.s. (c)	39.64	43.58	10
Gearing	0.34	0.31	(8)
(Interest bearing loans over Net Worth)			

Financial Highlights - H1 (continued)

Exchange Rate SGD/USD

	<u>H1 2002</u>	<u>H1 2003</u>	<u>%</u> ▲
Profit & Loss (average)	1.81	1.75	(3.3)
Balance Sheet	1.77	1.76	(0.6)

Revenue by Business Activity – H1

	2002 H1		2003 H1		Deviation
	M S\$	%	M S\$	%	%
Container Shipping	230.9	92	213.5	89	(7.6)
Industrial Shipping	18.2	7	23.4	10	28
Group	251.1	100	239.5	100	(4.6)

Operating Result by Business Activity – H1

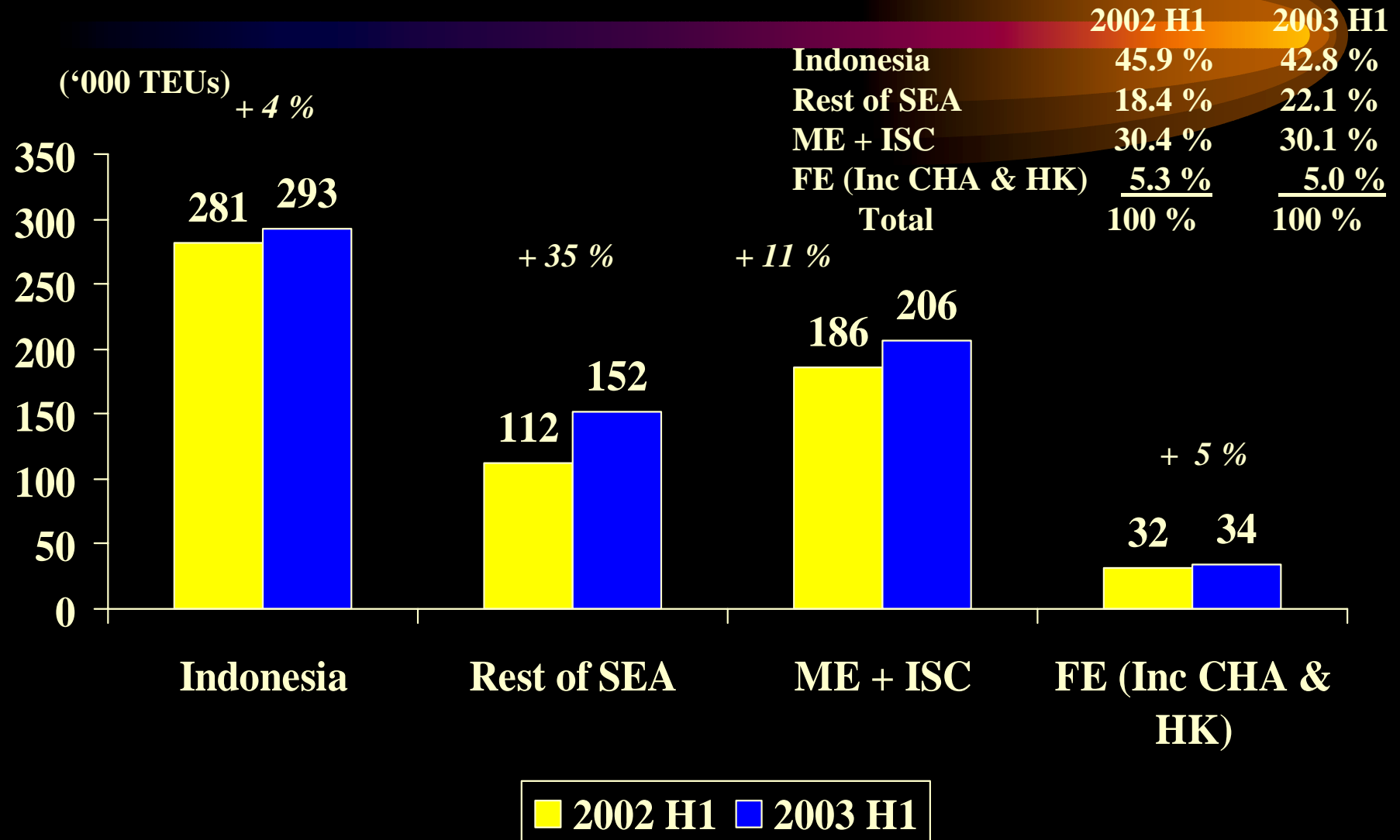
(before Tax, Foreign Exchange Gain or Loss, Share of associated company results)

	2002 H1		2003 H1		Deviation
	M S\$	%	M S\$	%	%
Container Shipping	(0.2)	(6)	5.6	58	n.m.
Industrial Shipping	3.7	116	4.0	41	63
Group	3.2	100	9.7	100	199

COC Content & Total Volume – H1

	2002 H1		2003 H1		Deviation
	'000 TEUS	%	'000 TEUS	%	%
SOC	495	81	559	82	13
COC	117	19	126	18	8
Total	612	100	685	100	12

Container Shipping: Volume by Geographical Region



STRATEGIES & PLANS



- **Corporate Strategy**
- **Strategy for Container Shipping**
- **Strategy for Industrial Shipping**
- **Plans and Outlook**

CORPORATE STRATEGY :

SSL GROUP

- **GO REGIONAL: Diversify Geographically**
- **GO LINER: Increase the COC content in Container Shipping**
- **GO LOGISTIC: Offer logistic services by leveraging network**
- **GO EXCELLENT: Strive for excellence in all aspects of business**
- **Strike a balance between (a) Container Shipping, and (b) Industrial Shipping**
- **Follow conservative and prudent financing policies; Pursue controlled capital expenditure without over-stretching the gearing**
- **Continue to focus on cost efficiency measures**
- **Continue to promote “Samudera” brand name, throughout the network**

Strategies for Container Shipping

- **Grow Regionally to reduce dependence on a single country or area**
- **Increase the COC content**
- **Continue to rely on chartered vessels: for flexibility in capacity adjustments**
- **Continue cost efficiency measures: e.g. right sizing through alliance, improvement in container turn time, load factor etc.**

Strategies for Industrial Shipping

- **Identify the market segments with growth potential**
- **Invest in, suitable second-hand or new-built tonnage, against US\$ denominated contracts**
- **Target customer: end users which are reputable and financially sound**

Plans & Updates : 2003

- **The Company will continue its cost efficiency measures, in various areas such as container costs, agency costs etc**
- **It shall continue strengthening regional control in order to reduce costs, improve market presence and to protect better the Group's interest**
- **In Malaysia, has set up a joint venture with Jardine in early 2003, for agency activities primarily**
- **In Dubai, has set up a subsidiary, i.e. SILKARGO LLC., offering logistic services**
- **Achieved 3rd Rank amongst all the stock listed shipping companies globally for FY 2002 financial performance**

Plans & Updates : 2003 (continued)

- **Industrial Shipping's contribution is expected to boost the Group's performance for full year 2003**
- **Acquired SINAR LABUAN a 3,500 dwt chemical tanker in February 2003 – for distribution of methanol in South East Asia**
- **3 units of 4,500 dwt Coal Carriers are under construction, due for delivery in September 2003 – for transportation of coal – a breakthrough in energy logistics (dry bulk) sector**
- **Acquired 4 units – 1 LPG Carrier and 3 Marine Off-shore units, in March 2003**
- **Acquired SINAR BUNYU, a 3,500 dwt chemical tanker in August 2003 – for distribution of methanol in South East Asia**
- **Shall continue to explore opportunities for industrial shipping of commodities such as oil, petrochemical, coal, cement etc. – all over Asia, and shall acquire suitable vessels once the contracts are obtained**

Industrial Shipping - Current Fleet Profile

Total **17** units, comprising of:

- **Chemical Tankers: 10 units; 1* 1,800 dwt, 1 * 2,200 dwt, 1 * 2,800 dwt, 2 * 3,000 dwt, 3 * 3,500 dwt and 2 * 7,700 dwt on medium term contracts**
- **Product Tankers: 2 units * 17,500 dwt, on long term contract**
- **Gas Carrier: 1 unit * 1,200 cbm, on medium term contracts**
- **Cement Carrier: 1 unit * 6,700 dwt, self-unloading type, on long term contract**
- **Marine Offshore Vessels: 3 units; 1 * wells service boat, 1 * anti-pollution cum fire fighting unit, 1 * oil barge, on medium term contracts**

Conclusions

- **Profit Growth: in spite of a global economic slowdown**
- **Business is well diversified:**
 - **Business Activity : Industrial Shipping**
 - **Product Mix : COC**
 - **Geographical Region : ME + ISC and China**
- **Strong balance sheet and a healthy cash flow**
- **“Samudera” brand name**
- **Growth oriented: continuing to seek new opportunities in container shipping, industrial shipping and logistics.**

With its sound financial condition, it is well positioned to support new investment projects, as and when they come up.

We Welcome Your Questions



Thank You