

SAMUDERA SHIPPING LINE LTD

Company Registration: 199308462C

(Incorporated in the Republic of Singapore)

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2009

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

1 a) **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 31 March 2009.

1 a)(i) **Income Statements for the period ended 31 March 2009**

	Group		+ / (-) %
	Q1 2009 US\$'000	Q1 2008 US\$'000	
Turnover	80,533	102,319	(21.3)
Cost of services	(76,519)	(90,026)	(15.0)
Gross profit	4,014	12,293	(67.3)
Other operating income	217	1,080	(79.9)
Marketing expenses	(1,569)	(2,264)	(30.7)
Administrative expenses	(2,197)	(2,353)	(6.6)
Other operating expenses	(404)	-	(n.m)
Profit from operations	61	8,756	(99.3)
Finance income	119	188	(36.7)
Finance expense	(1,305)	(865)	50.9
Operating (loss) / profit	(1,125)	8,079	(n.m)
Share of results of associated companies	193	56	(n.m)
(Loss) / Profit before tax	(932)	8,135	(n.m)
Taxation	(95)	(462)	(79.4)
(Loss) / Profit after tax	(1,027)	7,673	(n.m)
Attributable to:			
Equity holders of the Company	(1,103)	7,498	(n.m)
Minority interests	76	175	(56.6)
(Loss) / Profit after tax	(1,027)	7,673	(n.m)

n.m. = not meaningful

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

	Group		+ / (-) %
	Q1 2009 US\$'000	Q1 2008 US\$'000	
Profit for the period is arrived at after charging (crediting) the following:			
(A) Depreciation of fixed assets	(4,114)	(2,923)	40.7
(B) Allowance for doubtful trade debts	(107)	(76)	40.8
(C) Write back of allowance for doubtful trade debts	63	25	(n.m)
(D) Other operating income			
- Foreign exchange gain	125	497	(74.8)
- Gain on disposal of fixed assets	-	353	(100.0)
- Unrealized gain on investment securities	-	97	(100.0)
- Rental Income	71	54	31.5
- Other income	21	79	(73.4)
	217	1,080	(79.9)

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

	<u>Group</u>		+ / (-) %
	<u>Q1 2009</u> US\$'000	<u>Q1 2008</u> US\$'000	
(E) Other operating expenses			
- Unrealised loss on investment securities	(256)	-	n.m.
- Fair value loss on derivative financial instruments	(35)	-	n.m.
- Other expenses	(113)	-	n.m.
	<u>(404)</u>	<u>-</u>	

1 a)(iii) Statement of Comprehensive Income for the period ended 31 March 2009

	<u>Company</u>		<u>Group</u>	
	<u>Q1 2009</u> US\$'000	<u>Q1 2008</u> US\$'000	<u>Q1 2009</u> US\$'000	<u>Q1 2008</u> US\$'000
(Loss) / profit after tax for the period	(2,083)	3,948	(1,027)	7,673
Net unrealised loss on revaluation of cashflow hedges	-	-	4	(90)
Share of net changes in associated company's hedging reserve	-	-	1,643	(1,512)
Currency translation from foreign operations	-	-	(129)	(96)
Total comprehensive income / (expenses) for the period	(2,083)	3,948	491	5,975
Total comprehensive income attributable to:				
Equity holders of the Company			447	5,771
Minority interests			44	204
			<u>491</u>	<u>5,975</u>

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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.

Balance Sheet as at

	Group		Company	
	31 Mar 09 US\$'000	31 Dec 08 US\$'000	31 Mar 09 US\$'000	31 Dec 08 US\$'000
Capital and reserves attributable to equity holders of the Company				
Share capital	68,761	68,761	68,761	68,761
Accumulated profits	178,366	179,469	127,202	129,285
Foreign currency translation reserve	(11,674)	(11,577)	-	-
Other reserves	(7,227)	(8,874)	-	-
	<u>228,226</u>	<u>227,779</u>	<u>195,963</u>	<u>198,046</u>
Minority interests	2,839	2,795	-	-
Total equity	<u>231,065</u>	<u>230,574</u>	<u>195,963</u>	<u>198,046</u>
Non-current assets				
Subsidiaries	-	-	54,894	54,894
Associated companies	3,730	1,913	12,312	12,312
Fixed assets	255,221	258,561	131,310	132,683
Deferred taxation	81	81	-	-
Fixed deposits	1	1	-	-
	<u>259,033</u>	<u>260,556</u>	<u>198,516</u>	<u>199,889</u>
Current assets				
Stocks	1,674	1,652	-	-
Trade debtors	40,647	49,408	30,707	37,896
Advance payments for vessels purchase	33,345	33,251	-	-
Prepaid operating expenses	15,038	10,923	5,639	6,200
Other debtors	2,507	2,115	906	630
Due from immediate holding company	-	675	-	-
Due from subsidiaries (trade)	-	-	3,972	2,594
Due from subsidiaries (non-trade)	-	-	18,161	17,996
Due from related companies	-	-	-	-
Due from associated company	1,691	1,519	1,691	1,519
Due from minority shareholders of a subsidiary	48	48	48	48
Investment securities	646	902	646	902
Fixed deposits	48,601	43,353	40,661	38,635
Cash and bank balances	17,727	23,875	10,097	12,878
	<u>161,924</u>	<u>167,721</u>	<u>112,528</u>	<u>119,298</u>
Current liabilities				
Trade creditors	21,828	20,140	15,481	15,761
Other creditors and liabilities	14,026	17,942	4,655	8,272
Due to subsidiaries	-	-	333	351
Due to immediate holding company (trade)	311	383	774	154
Due to related companies (trade)	222	484	15	47
Hire purchase creditors	161	202	43	45
Bank term loans (secured)	17,313	17,360	7,939	7,986
Provision for tax	1,374	1,501	409	406
	<u>55,235</u>	<u>58,012</u>	<u>29,649</u>	<u>33,022</u>
Net current assets	106,689	109,709	82,879	86,276
Non-current liabilities				
Hire purchase creditors	1,086	1,107	128	146
Bank term loans (secured)	133,571	138,584	85,304	87,973
Net assets	<u>231,065</u>	<u>230,574</u>	<u>195,963</u>	<u>198,046</u>

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

	As at 31 Mar 2009		As at 31 Dec 2008	
	Secured US\$ million	Unsecured US\$ million	Secured US\$ million	Unsecured US\$ million
Amount repayable in one year or less, or on demand	17.47	-	17.56	-
Amount repayable after one year	134.66	-	139.69	-
	<u>152.13</u>	<u>-</u>	<u>157.25</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 the subsidiaries
- > Legal charges over certain bank accounts of the Company and the subsidiaries
- > Assignment of income derived from certain charter hire contracts of the subsidiaries
- > Assignment of insurance of certain vessels of the Company and the subsidiaries
- > Legal mortgages over freehold properties of the Company
- > Assignment of insurance, title and interest of freehold properties of the Company

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

Cashflow Statement for the period

	Q1 2009 US\$'000	Q1 2008 US\$'000
Cash flows from operating activities		
(Loss) / Profit before tax	(932)	8,135
Adjustments:		
Depreciation of fixed assets	4,114	2,923
Gain on disposal of fixed assets	-	(353)
Allowance for doubtful trade debts	107	76
Interest expense	1,305	865
Interest income	(119)	(188)
Share of results of associated companies	(193)	(56)
Unrealised loss / (gain) on investment securities	256	(97)
Unrealised loss / (gain) on derivative financial instruments	35	-
Write back of allowance for doubtful trade debts	(63)	(25)
Fixed assets written off	5	-
Currency realignment	(764)	835
Operating profit before working capital changes	3,751	12,115
(Increase) / decrease in:		
Stocks	(22)	231
Trade debtors	8,716	(6,922)
Other debtors	(390)	(456)
Prepaid operating expenses and advance paid	(4,115)	(1,965)
Due from immediate holding company	675	-
Due from related companies	-	22
Due from associated company	(172)	-
Increase / (decrease) in:		
Trade creditors	1,688	2,670
Other creditors and liabilities	(3,947)	2,137
Due to related companies	(262)	(131)
Due to immediate holding company	(72)	540
Cash generated from operations	5,850	8,241
Interest paid	(1,305)	(865)
Income tax (paid) / received	(169)	231
Net cash generated from operating activities	4,376	7,607
Cash flows from investing activities		
Interest income received	119	188
Proceeds from disposal of fixed assets	-	4,785
Acquisition of fixed assets	(941)	(50,326)
Proceeds from disposal of investment securities	-	750
Net cash used in investing activities	(822)	(44,603)
Cash flows from financing activities		
Repayment of hire purchase creditors	(51)	(17)
Proceeds from bank term loans	-	8,150
Repayment of bank term loans	(4,305)	(4,352)
Decrease in pledged deposits	149	1,476
Net cash (used in) / generated from financing activities	(4,207)	5,257
Net decrease in cash and cash equivalents	(653)	(31,739)
Effect of exchange rate changes on cash and cash equivalents	(98)	(108)
Cash and cash equivalents at the beginning of the period	64,761	70,332
Cash and cash equivalents at the end of the period	64,010	38,485
Fixed deposits (current)	48,601	13,489
Cash and bank balance (current)	17,727	26,343
Less: Pledged deposits	(2,318)	(1,347)
Cash and cash equivalents at the end of the period	64,010	38,485

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- 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 31 Mar

	Share Capital US\$'000	Accumulated Profits US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000	Minority Interests US\$'000	Total Equity US\$'000
GROUP						
Balance as at 1 Jan 2009	68,761	179,469	(11,577)	(8,874)	2,795	230,574
Total comprehensive income / (expenses) for the period	-	(1,103)	(97)	1,647	44	491
Balance as at 31 Mar 2009	68,761	178,366	(11,674)	(7,227)	2,839	231,065
Balance as at 1 Jan 2008						
68,761	159,379	(10,392)	(1,734)	1,586	217,600	
Total comprehensive income / (expenses) for the period	-	7,498	(125)	(1,602)	204	5,975
Balance as at 31 Mar 2008	68,761	166,877	(10,517)	(3,336)	1,790	223,575

	Share Capital US\$'000	Accumulated Profits US\$'000	Total Equity US\$'000
COMPANY			
Balance as at 1 Jan 2009	68,761	129,285	198,046
Total comprehensive expenses for the period	-	(2,083)	(2,083)
Balance as at 31 Mar 2009	68,761	127,202	195,963
Balance as at 1 Jan 2008			
68,761	119,160	187,921	
Total comprehensive income for the period	-	3,948	3,948
Balance as at 31 Mar 2008	68,761	123,108	191,869

- 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 31 March 2009, there was no change in the Company's share capital.

- 1 d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at end of the current period, 31 March 2009, was 539,131,199.

Total number of issued shares excluding treasury shares as at end of the immediately preceding year, 31 December 2008, was 539,131,199.

- 1 d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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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 2008.

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 2009. 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.

(Loss) / earnings per ordinary share for the period based on net (loss) / profit attributable to shareholders:

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

Group Figures	
Q1 2009	Q1 2008
US cents	US cents
(0.20)	1.39
(0.20)	1.39

(Loss) / earnings per share for the quarters ended 31 Mar 09 and 31 Mar 08 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	
31 Mar 09	31 Dec 08	31 Mar 09	31 Dec 08
US cents	US cents	US cents	US cents
42.33	42.25	36.35	36.73

Net asset value per ordinary share as at 31 Mar 2009 and 31 Dec 2008 is calculated based on the number of issued ordinary shares of 539,131,199.

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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.**

In line with the global decline in economy and trade, Group revenue fell by 21.3% to US\$80.5 million for the three months ended 31 March 2009 (1Q09), as compared to US\$102.3 million in the previous corresponding period (1Q08). This was largely due to a decline in overall liftings, as well as lower freight rates in container shipping business.

Also, in view of the general decline in demand for its regional container services, the Group pulled out its China Straits India (CSI) service in December 2008. The Kandla Dubai service and the Korea Malaysia Straits (KMS) service were also terminated in January and February 2009 respectively.

These service terminations, together with lower demand from the Group's other regional and inter-island container shipping services, resulted in total container volume handled falling 23.1% to 278,000 teus in 1Q09, from 361,000 teus in 1Q08.

Despite an increase in depreciation cost from new vessels delivered in the past year, cost of services fell 15.0% to US\$76.5 million in 1Q09, from US\$90.0 million in 1Q08, mainly due to lower bunker cost and charter hire rates, coupled with a reduction in the number of chartered vessels hired. In addition, other costs such as stevedoring and agency commission also recorded a decline as a result of the reduction in container shipping activity.

Taking into consideration the above factors, gross profit for 1Q09 was US\$4.0 million, representing a 67.3% fall, compared to US\$12.3 million reported in 1Q08.

Foreign exchange gain for 1Q09 amounted to US\$125,000, which was a substantial decrease from the gain of US\$497,000 in 1Q08. There was also no disposal of fixed assets nor any unrealized gain on investment securities in 1Q09. This is in contrast with the previous corresponding quarter, whereby a US\$353,000 gain from the disposal of fixed assets and a US\$97,000 unrealized gain on investment securities were recorded. As such, other operating income for 1Q09 declined 79.9% to US\$217,000, from US\$1.1 million.

Other operating expenses amounting to US\$404,000 in 1Q09 was mainly due to unrealized loss on investment securities and a fair value loss on derivative financial instruments.

Finance expenses increased to US\$1.3million in 1Q09, up 50.9% from US\$0.9 million in 1Q08. This was due to additional loans taken up to partially finance the acquisition of three container vessels, namely Sinar Bima, Sinar Sumba and Sinar Sabang. These acquisitions were partially paid for with cash payments, which thus resulted in the reduction in the Group's cash balance and finance income.

A jump of 244.6% in the Group's share of results of associated companies to US\$193,000 was due mainly to profit contribution from the 25%-owned, LNG Vessel Tangguh Towuti, a 145,700 cbm LNG (liquefied natural gas) vessel, which began operations in December 2008.

The Group made a provision for doubtful debt amounting to US\$107,000 for 1Q09 versus a provision of US\$76,000 made for 1Q08.

As a result, the Group registered a net loss of US\$1.0 million, as compared to a net profit of US\$7.7 million in 1Q08.

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

Not applicable.

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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.

A drastic slowdown in demand for container shipping services worldwide, coupled with an influx of vessel deliveries in the past couple of years have led to a severe over-capacity situation for the industry as a whole. While many operators are addressing this by rationalizing their services and laying up less efficient vessels, the general outlook remains challenging.

While the Group is hopeful that demand for container shipping services will improve slightly within the next few months, as government initiatives to stimulate their respective economies begin to show some positive signs, it does not expect any improvement in demand to be sufficient to drive freight rates up substantially.

To mitigate the impact of a prolonged slowdown in the regional container segment, the Group will remain open to further capacity rationalization on its various routes, while continuing to meet the needs of its customers on these rationalized trade routes, via slot exchanges and NVOCC (non vessel operating common carrier) arrangements. With a combination of owned and chartered-in container vessels in the Group's fleet, the Group is confident that it will be able to adapt quickly to changing market needs.

Bunker prices are expected to remain volatile. To this end, the Group will continue its efforts to manage the impact of this volatility by hedging part of its bunker prices so as to attain some level of stability in vessel operating costs.

In the industrial shipping business, LNG Tangguh Towuti, a 145,700 cbm liquefied natural gas (LNG) vessel, in which the Group holds a 25% stake, began operations in the fourth quarter of 2008. This vessel is chartered out to BP Berau Limited on a 20-year period, and is engaged in the transportation of LNG from Indonesia to North Asia and North America. This service is expected to continue to contribute to the Group's performance.

In addition, the Group has recently been awarded a contract by BP Berau Limited to provide the service of 4 harbor tugs to support the operation of Tangguh LNG Terminal at Bintuni Bay, Papua, Indonesia. The provision of the service commenced in March 2009 and it is expected to run for 6 to 9 months.

The Group will continue to seek ways to optimize schedules and rationalize its service routes. At the same time, it will explore new opportunities. A new service, Chittagong-Yangon Express (CYX) was launched in order to respond to seasonal demand peaks in Myanmar.

The Group will remain prudent in financial and cost management in view of continued uncertainties in the global economy. The Group is well-positioned to continue to meet its financial commitments to external parties.

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.

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13. Interested Person Transactions

(A) Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920	Q1 2009 US\$'000	Q1 2008 US\$'000
<u>PT. Samudera Indonesia Tbk and its subsidiary</u>		
Provision of services - Agency Commission	444	797
Provision of services - Office rental	20	-
<u>PT. Samudera Indonesia Ship Management</u>		
Provision of services - Ship Management Fees	222	165
<u>PT. Panurjwan</u>		
Provision of services - Building rental	5	-
Provision of services - Charter hire	238	-
<u>PT. Masaji Tatanan Container</u>		
Provision of services - Container depot	102	-
<u>PT. Prima Nur Panurjwan</u>		
Provision of services - Stevedorage	830	-
(B) 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
<u>PT. Samudera Indonesia Tbk</u>		
Provision of services - Agency Commission ^(Note 1)	-	107
Provision of services - Office rental	-	35
<u>PT. Panurjwan</u>		
Provision of services - Building rental	-	7
Provision of services - Charter hire	-	319
<u>PT. Masaji Tatanan Container</u>		
Provision of services - Container depot	-	124
<u>PT. Prima Nur Panurjwan</u>		
Provision of services - Stevedorage	-	523

Items falling under "transactions conducted under the shareholders' mandate pursuant to Rule 920" as disclosed in 13(B) have been mandated since 29 April 2008. For Q1 2009, these transactions are disclosed in 13(A).

Note 1 This service was transacted by a subsidiary of the Company with PT. Samudera Indonesia Tbk

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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 ended 31 Mar 2009 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 April 2009