

SAMUDERA SHIPPING LINE LTD

Company Registration: 199308462C
(Incorporated in the Republic of Singapore)

THIRD QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 2009.

1 a)(i) **Income Statement for the period ended 30 September 2009**

	Note	Group		+ / (-) %
		3Q 2009 US\$'000	3Q 2008 US\$'000	
Turnover		85,136	124,428	(31.6)
Cost of services		(84,278)	(111,673)	(24.5)
Gross profit		858	12,755	(93.3)
Other operating income	(A)	173	249	(30.5)
Marketing expenses		(1,539)	(2,159)	(28.7)
Administrative expenses		(2,028)	(3,415)	(40.6)
Other operating expenses	(B)	(463)	(129)	n.m.
(Loss)/Profit from operations		(2,999)	7,301	n.m.
Finance income		81	326	(75.2)
Finance expense		(842)	(1,358)	(38.0)
Operating (loss)/profit		(3,760)	6,269	n.m.
Share of results of associated companies		102	114	(10.5)
(Loss)/Profit before tax		(3,658)	6,383	n.m.
Taxation		(309)	(376)	(17.8)
(Loss)/Profit after tax		(3,967)	6,007	n.m.
Attributable to:				
Equity holders of the Company		(3,991)	5,728	n.m.
Minority interests		24	279	(91.4)
(Loss)/Profit after tax		(3,967)	6,007	n.m.

n.m. = not meaningful

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

	Group		+ / (-) %
	3Q 2009 US\$'000	3Q 2008 US\$'000	
Profit for the period is arrived at after charging (crediting) the following:			
- Depreciation of fixed assets	(4,473)	(3,864)	15.8
- Allowance for doubtful trade debts	(44)	(759)	(94.2)
- Write back of allowance for doubtful trade debts	41	62	(33.9)
(A) Other operating income			
- Insurance Claim	-	138	100.0
- Unrealized gain on investment securities	44	-	100.0
- Rental Income	77	91	(15.4)
- Other income	52	20	n.m.
	173	249	(30.5)
(B) Other operating expenses			
- Foreign exchange loss	(436)	(14)	n.m.
- Unrealized loss on investment securities	-	(98)	n.m.
- Other expenses	(27)	(17)	58.8
	(463)	(129)	n.m.

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1 a)(iii) Statement of Comprehensive Income for the period ended 30 Sept 2009

	<u>Group</u>	
	<u>3Q 2009</u>	<u>3Q 2008</u>
	<u>US\$'000</u>	<u>US\$'000</u>
(Loss)/Profit after tax for the period	(3,967)	6,007
Net unrealised gain on revaluation of cashflow hedges	16	31
Share of net changes in associated company's hedging reserve	(727)	(1,016)
Currency translation from foreign operations	9	307
Total comprehensive (expenses)/ income for the period	<u>(4,669)</u>	<u>5,329</u>
Total comprehensive (expenses)/ income attributable to:		
Equity holders of the Company	(4,693)	5,095
Minority interests	24	234
	<u>(4,669)</u>	<u>5,329</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	
	30 Sept 09 US\$'000	31 Dec 08 US\$'000	30 Sept 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
Treasury shares	(174)	-	(174)	-
Accumulated profits	169,082	179,469	117,553	129,285
Foreign currency translation reserve	(11,502)	(11,577)	-	-
Other reserves	(5,137)	(8,874)	-	-
	<u>221,030</u>	<u>227,779</u>	<u>186,140</u>	<u>198,046</u>
Minority interests	2,852	2,795	-	-
Total equity	<u>223,882</u>	<u>230,574</u>	<u>186,140</u>	<u>198,046</u>
Non-current assets				
Subsidiaries	-	-	54,549	54,894
Associated companies	5,692	1,913	12,312	12,312
Fixed assets	252,520	258,561	129,174	132,683
Deferred taxation	81	81	-	-
Fixed deposits	1	1	-	-
	<u>258,294</u>	<u>260,556</u>	<u>196,035</u>	<u>199,889</u>
Current assets				
Stocks	2,442	1,652	-	-
Trade debtors	36,378	49,408	24,822	37,896
Advance payments for vessels purchase	78,233	33,251	-	-
Prepayments	13,456	10,923	6,482	6,200
Other debtors	5,508	2,115	2,688	630
Due from immediate holding company	673	675	-	-
Due from subsidiaries (trade)	-	-	4,134	2,594
Due from subsidiaries (non-trade)	-	-	20,817	17,996
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	466	902	466	902
Fixed deposits	35,854	43,353	33,548	38,635
Cash and bank balances	15,128	23,875	7,150	12,878
	<u>189,877</u>	<u>167,721</u>	<u>101,846</u>	<u>119,298</u>
Current liabilities				
Trade creditors	24,220	20,140	16,095	15,761
Other creditors and liabilities	13,024	17,942	4,615	8,272
Due to subsidiaries	-	-	-	351
Due to immediate holding company (trade)	421	383	297	154
Due to related companies (trade)	1,159	484	9	47
Hire purchase creditors	206	202	46	45
Bank term loans (secured)	15,248	17,360	7,998	7,986
Provision for tax	1,548	1,501	322	406
	<u>55,826</u>	<u>58,012</u>	<u>29,382</u>	<u>33,022</u>
Net current assets	134,051	109,709	72,464	86,276
Non-current liabilities				
Hire purchase creditors	953	1,107	113	146
Bank term loans (secured)	167,510	138,584	82,246	87,973
Net assets	<u>223,882</u>	<u>230,574</u>	<u>186,140</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 30 Sept 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	15.45	-	17.56	-
Amount repayable after one year	168.46	-	139.69	-
	<u>183.91</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

	3Q 2009 US\$'000	3Q 2008 US\$'000
Cash flows from operating activities		
Profit before tax	(3,658)	6,383
Adjustments:		
Depreciation of fixed assets	4,473	3,864
Gain on disposal of fixed assets	(10)	-
Loss / (Gain) on disposal of investment securities	44	10
Allowance for doubtful trade debts	(41)	759
Write back of allowance for doubtful trade debts	842	(62)
Interest expense	(81)	1,358
Interest income	(102)	(326)
Share of results of associated companies	(44)	(114)
Unrealised (gain) / loss on investment securities	1,283	98
Unrealised loss on derivative financial instruments	-	-
Fixed assets written off	298	35
Currency realignment	(789)	-
Operating profit before working capital changes	3,004	11,216
(Increase) / decrease in:		
Stocks	(383)	160
Trade debtors	2,832	(564)
Other debtors	(602)	(732)
Prepaid operating expenses and advance paid	(331)	(5,793)
Due from immediate holding company	(2)	(628)
Due from related companies	-	(218)
Increase / (decrease) in:		
Trade creditors	(139)	(367)
Other creditors and liabilities	(222)	3,455
Due to related companies	968	(879)
Due to immediate holding company	(378)	(702)
Cash generated from operations	4,747	4,948
Interest paid	(842)	(1,358)
Income tax paid	(305)	(451)
Net cash generated from operating activities	3,600	3,139
Cash flows from investing activities		
Interest income received	81	326
Proceeds from disposal of fixed assets	10	-
Acquisition of fixed assets	(37,445)	(18,947)
Dividend received from associated company	-	327
Dividend paid to minority shareholders	(17)	(60)
Proceeds from disposal of investment securities	-	490
Net cash used in investing activities	(37,371)	(17,864)
Cash flows from financing activities		
Repayment of hire purchase creditors	(51)	(18)
Proceeds from bank term loans	34,145	12,995
Repayment of bank term loans	(7,498)	(3,910)
Decrease (increase) in pledged deposits	330	(354)
Decrease in fixed deposits (non current)	-	(1)
Net cash generated from financing activities	26,926	8,712
Net decrease in cash and cash equivalents	(6,845)	(6,013)
Effect of exchange rate changes on cash and cash equivalents	78	285
Cash and cash equivalents at the beginning of the period	55,929	60,721
Cash and cash equivalents at the end of the period	49,162	54,993

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Cashflow Statement for the period (continued)

	3Q 2009 US\$'000	3Q 2008 US\$'000
Fixed deposits (current)	35,854	40,526
Cash and bank balance (current)	15,128	17,148
Less: Pledged deposits	(1,820)	(2,681)
Cash and cash equivalents at the end of the period	49,162	54,993

- 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 Sept

	Share Capital US\$'000	Treasury Shares 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 30 Jun 2009	68,761	(174)	173,073	(11,511)	(4,426)	2,844	228,567
Total comprehensive income / (expenses) for the period	-	-	(3,991)	9	(711)	24	(4,669)
Dividend paid	-	-	-	-	-	(16)	(16)
Balance as at 30 Sept 2009	68,761	(174)	169,082	(11,502)	(5,137)	2,852	223,882
Balance as at 30 Jun 2008	68,761	-	168,913	(11,052)	(1,822)	1,896	226,696
Total comprehensive income / (expenses) for the period	-	-	5,728	352	(985)	234	5,329
Dividend paid	-	-	-	-	-	(60)	(60)
Balance as at 30 Sept 2008	68,761	-	174,641	(10,700)	(2,807)	2,070	231,965

	Share Capital US\$'000	Treasury Shares US\$'000	Accumulated Profits US\$'000	Total Equity US\$'000
COMPANY				
Balance as at 30 Jun 2009	68,761	(174)	121,680	190,267
Total comprehensive expenses for the period	-	-	(4,127)	(4,127)
Purchase of treasury shares	-	-	-	-
Balance as at 30 Sept 2009	68,761	(174)	117,553	186,140
Balance as at 30 Jun 2008	68,761	-	121,031	189,792
Total comprehensive income for the period	-	-	2,165	2,165
Balance as at 30 Sept 2008	68,761	-	123,196	191,957

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

As at 30 Sept 2009, the total issued share capital of the Company was 539,131,199 ordinary shares which include 1,093,000 ordinary shares held as treasury shares.

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- 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 30 Sept 2009 was 538,038,199 (31 Dec 2008: 539,131,199 shares).

- 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.

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.**

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	
3Q 2009	3Q 2008
US cents	US cents
(0.74)	1.06
(0.74)	1.06

Earnings per ordinary share for the quarter ended 30 Sept 2009 is computed based on the number of issued ordinary shares (excluding treasury shares) during the period of 538,038,199 (3Q 2008: 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 per ordinary share based on issued share capital as at the end of the period

Group		Company	
30 Sept 09	31 Dec 08	30 Sept 09	31 Dec 08
US cents	US cents	US cents	US cents
41.08	42.25	34.60	36.73

Net asset value per ordinary share as at 30 Sept 2009 and 31 Dec 2008 is calculated based on the number of issued ordinary shares (excluding treasury shares) of 538,038,199 and 539,131,199 respectively.

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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.

Revenue from the industrial shipping segment grew by 22.4% over the same period due to the addition of four harbor tugs in March 2009, which have been deployed under time-charter contracts to support the LNG terminal operation in Indonesia.

Despite the above, Group revenue declined 31.6% to US\$85.1 million for the third quarter ended 30 September 2009 (3Q09), compared to US\$124.4 million in the previous corresponding period (3Q08). This was mainly due to the lower volume and freight rates experienced by the container shipping business compared to the year before.

Container volume handled in 3Q09 fell 20.0% to 328,000 teus, compared to 410,000 teus in 3Q08 due to lower demand, the termination of three service routes between December 2008 and Feb 2009, and the rationalization of its Bangkok service in 4Q08, on which the number of vessels deployed was reduced from four to three.

Cost of services fell 24.5% to US\$84.3 million from US\$111.7 million, in line with the overall decline in business activity, lower bunker price, lower charter hire rates as well as the off-hiring of some vessels upon their lease expiry. Nevertheless, the decline in cost of services was still not sufficient to offset the pace of revenue deterioration. As such, gross profit margin fell from 10.3% in 3Q08 to 1.0% in 3Q09.

Marketing and administrative expenses decreased 36.0% to US\$3.6 million, compared to US\$5.6 million in 3Q08, due to improved cost efficiencies and a decline in business activity. The Group incurred a foreign exchange loss of US\$0.4 million in view of the strengthening of the Singapore dollar against the US dollar.

Financial expenses also declined 38.0% from US\$1.4 million to US\$0.8 million, helped by lower interest rates compared to 3Q08, and loan repayment.

Taking into account the above factors, the Group registered a net loss of US\$4.0 million for 3Q09, compared to a net profit of US\$6.0 million in 3Q08.

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 global trade situation remains weak. As such, while container volumes in the Asia-Europe trade lane have improved slightly quarter on quarter, the Group believes that an industry-wide recovery will likely be protracted, in view of the current supply overhang.

As the Company moves into the traditional non-peak season, the Group expects operational pressures to come from bunker prices and regional container shipping freight rates over the next few months, which will likely result in a continuation of loss for the Group.

Nevertheless, with its combination of owned and chartered-in container vessels, the Group will have some flexibility in adapting to changing market demand. Along with this, the group also hopes to benefit from the renewal of some charter hire contracts during the year in view that overall charter hire rates have also declined significantly.

In a bid to grow the inter-island container shipping business in Indonesia, the Group plans to introduce a new service between Surabaya and Samarinda in the next quarter. This is in conjunction with a new terminal opening at Samarinda, a port known for its heavy traffic. This new service is expected to start contributing to the Group from 2010 onwards.

On the industrial shipping business front, LNG Tangguh Towuti, a 145,700 CBM liquefied natural gas (LNG) vessel, in which the Group holds a 25% stake, commenced operations in 4Q08. The vessel is on a 20-year time charter contract, and is engaged in the transportation of LNG from Indonesia to North Asia and North America. This service is expected to have full year impact to the Group's performance for financial year 2009.

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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

(A)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (Mandated transactions)	3Q 2009 US\$'000	3Q 2008 US\$'000
	<u>PT. Samudera Indonesia Tbk and its subsidiary</u>		
	Provision of services - Agency Commission	687	928
	Provision of services - Office rental	32	42
	<u>PT. Samudera Indonesia Ship Management</u>		
	Provision of services - Ship Management Fees	224	189
	<u>PT. Panurjwan</u>		
	Provision of services - Building rental	6	6
	Provision of services - Charter hire	311	325
	<u>PT. Masaji Tatanan Container</u>		
	Provision of services - Container depot	87	118
	<u>PT. Prima Nur Panurjwan</u>		
	Provision of services - Stevedorage	675	846

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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 30 Sept 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 Oct 2009