SAMUDERA SHIPPING LINE LTD

Investors and Analysts Briefing - May 27, 2003

Review of

Full year results - FY 2002

1st Quarter results - FY 2003

AGENDA

- Financial Performance
- Performance Review
- Strategy & Plans
- Questions & Answers

FINANCIAL PERFORMANCE

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

Financial Highlights

(S$ m)	FY2001	FY 2002	% ▲
Revenue	497.6	491.2	(1.3)
EBIT	7.7	17.5	127
Interest (net)	(4.3)	(4.0)	(7.0)
Operating Result	3.78	13.9	267
Forex Gain(Loss)	2.9	(3.8)	n.m.
E.O. Gain(Loss)	-	2.7	n.m.
PBT	7.5	13.3	78.6
PAT	7.1	12.6	79.1

Financial Highlights (continued)

	FY 2001	FY 2002	% ▲
Margin	0.76 %	2.83 %	276
[before Forex Gain (Loss) and Extraordinary Item]			
EPS (c)	1.53	2.76	80
NTA p.s. (c)	40.54	41.88	3.3
Gearing	0.43	0.34	(21)
(Interest bearing loans over Net Worth)			

Financial Highlights (continued)

Average Exchange Rate SGD/USD

	FY 2001	FY 2002	% ▲
Profit & Loss	1.80	1.79	(0.5)
Balance Sheet	1.85	1.74	(5.9)

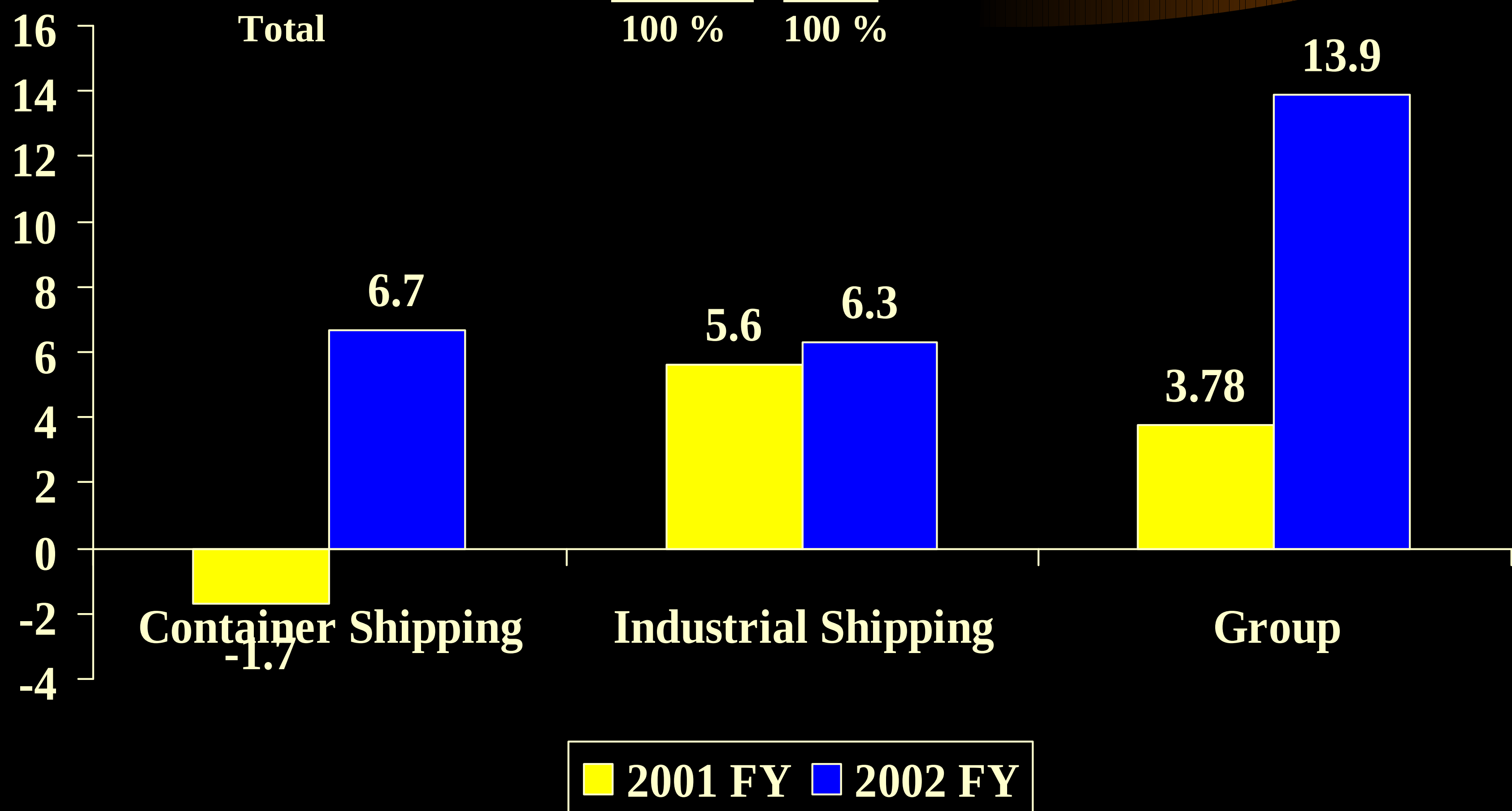
Revenue by Business Activity

	2001 FY	2002 FY
Container Shipping	92 %	91 %
Industrial Shipping	7 %	7 %
Others	1 %	2 %
Total	100 %	100 %

Operating Result by Business Activity

[before Tax, Forex Gain (loss), Extraordinary item]

	2001 FY	2002 FY
Container Shipping	(46) %	48 %
Industrial Shipping	145 %	48 %
Others	1 %	4 %
Total	100 %	100 %



PERFORMANCE REVIEW

- Container Shipping

COC Content & Total Volume
FY 2002 vs. FY 2001

	FY 2001		FY 2002		△
	TEUs ('000)	Content (%)	TEUs ('000)	Content (%)	
SOC	1,051	83 %	976	79 %	(7 %)
COC	211	17 %	246	21 %	16 %
Total	1,262	100 %	1,222	100 %	(3 %)

Performance Review :
Container Shipping – Volume & Revenue

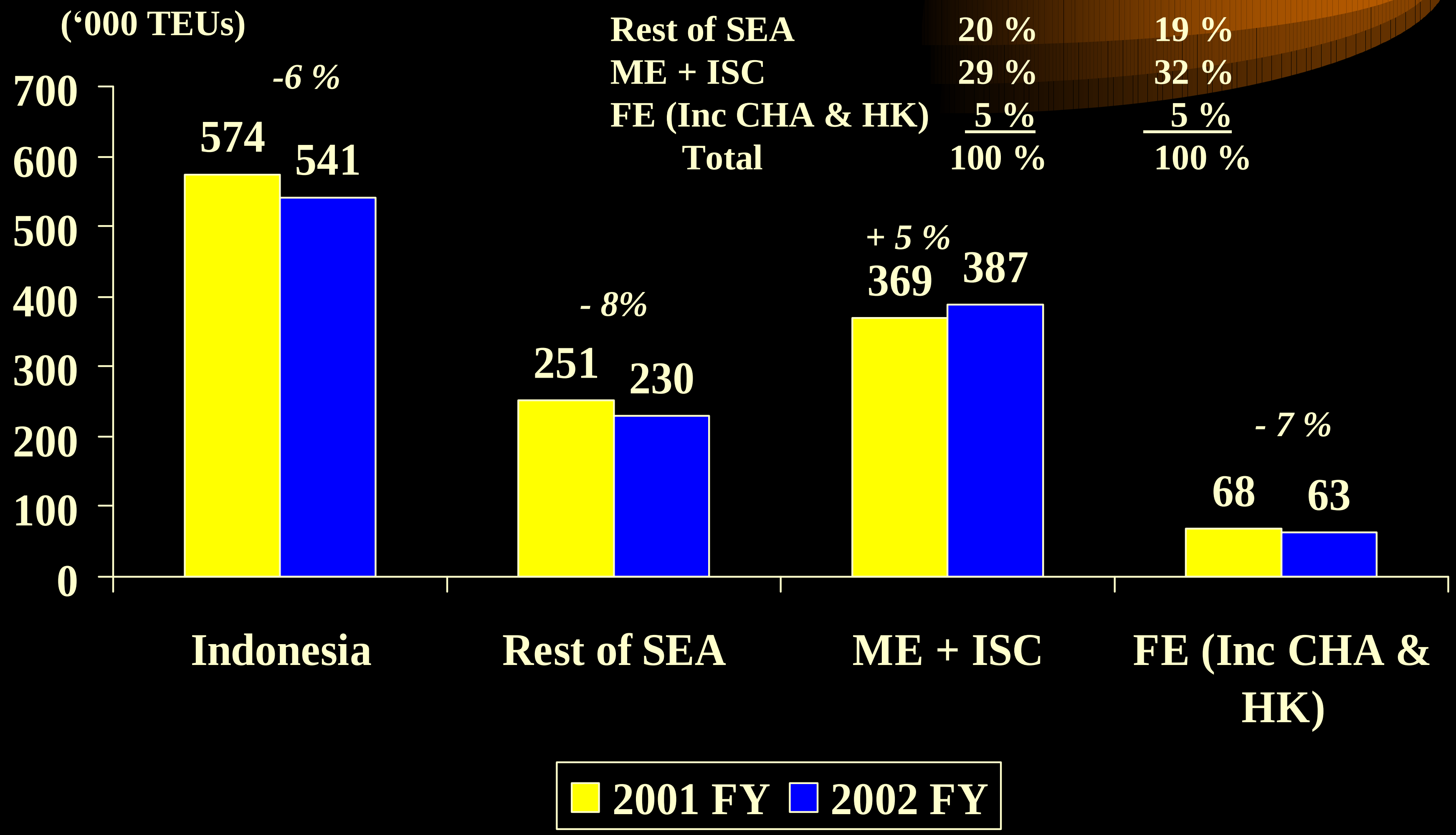
- Volume decreased by 3 % to 1.22 M TEUs mainly due to
  - a decrease in volume in the 2nd half owing primarily to
    (a) Evergreen's shift to Tanjung Pelepas,
    (b) our deliberate reduction in capacity in selected routes
    resulting in a 7 % drop in full year's SOC volume
  - this was partly offset by a 16 % rise in COC volume

- Revenue decreased by 2 % to S$ 449 M, mainly due to volume decrease

- Average all-inclusive Freight per TEU increased to about US $ 205 compared to US $ 202 in 2001 (SGD 368 in FY 2002 compared to SGD 363 in FY 2001)

Container Shipping: Volume by Geographical Region

	2001 FY	2002 FY
Indonesia	46 %	44 %
Rest of SEA	20 %	19 %
ME + ISC	29 %	32 %
FE (Inc CHA & HK)	5 %	5 %
Total	100 %	100 %



Performance Review : Container Shipping – Service & Capacity

- There was no additional service in FY 2002 compared to FY 2001
- Geographical diversification paid dividends as the volume of Middle East and Indian Subcontinent grew by 5 % while that of Indonesia and rest of SEA slowed down by 6 % and 8 % respectively.
- Consequently, contribution of Indonesia reduced to 44% from 46%, while that of ME & ISC increased to 32 % from 29 % and China remained at 5 %

Performance Review : Container Shipping – Costs & Margin

- While the Revenue decreased by 2 %, the Cost of Service decreased by 4.4 %, causing an increase in Gross Profit by 130 % to S$ 18.3 M
- The Cost of Service per TEU in US$ decreased from US$ 198 in 2001 to US$ 197 in 2002, while in S$ it reduced to S$ 353 from S$ 357 in 2001.
- There was a decrease in several cost items as follows:
  - Charter Hire: due to renegotiation and rationalization of capacity
  - Container Expenses: due to more efficient deployment and renewal of container leases at lower costs
  - Stevedoring Costs: primarily due to lower charges from PSA

Performance Review : Container Shipping – Costs & Margin (continued)

- Consequently, operating results before tax, Foreign Exchange Gain or Loss and Extraordinary item, rose to a profit of S$ 6.7 M compared to a loss of S$ 1.7 M in 2001.
- In addition, the Company experienced a Foreign Exchange Loss of S$ 3.4 M compared to a gain of S$ 2.8 M in 2001, due to stronger SGD against USD, as it has more Assets than Liabilities in foreign currencies (mainly USD). Most of it, however, are unrealized losses only.
- Consequently, on after tax basis, the Company produced a profit of S$ 3.2 M compared to a profit of S$ 0.7 M in 2001.

PERFORMANCE REVIEW

- Industrial Shipping

Performance Review : Industrial Shipping – Volume & Revenue

- **Revenues increased by 2.8 % to S$ 36.8 in 2002 from S$ 35.8 M in 2001.**
- **Revenue increase was primarily due to additional vessel, viz. Sinar Bontang which was acquired in August 2002.**

Performance Review : Industrial Shipping – Costs & Margin

- The Gross Profit however remained almost unchanged at S$ 11.5 M. This was due to the increase in cost of services, arising from bunker and port charges
- Interest Expenses decreased by 23 % to S$ 4.4 M from S$ 5.7 M in FY 2001.
- PAT rose by 10% to S$ 6.1 M from S$ 5.5 M in FY 2001.
- Industrial Shipping contributed 48 % of Group's consolidated profit after tax in FY 2002, compared to 78 % in FY 2001.
- Industrial Shipping's margin improved slightly to 16.5 % compared to 15.4 % in FY 2001.

Review of

1st Quarter results - FY 2003

Financial Highlights

(S$ m)	Q1 2002	Q1 2003	% ▲
Revenue	126.1	113.2	(10)
EBIT	3.1	5.9	93
Interest, net	(1.3)	(0.7)	(47)
Operating Result	1.8	5.4	198
Forex Gain(Loss)	(0.04)	(0.28)	n.m.
PBT	1.94	5.10	n.m.
PAT	1.84	4.96	n.m.

PERFORMANCE REVIEW

- **Container Shipping**

COC Content & Total Volume
1Q 2002 vs. FY 1Q 2003

	Q1 2002		Q1 2003		△
	TEUs ('000)	Content (%)	TEUs ('000)	Content (%)	
SOC	250	81 %	280	82 %	12 %
COC	58	19 %	62	18 %	6 %
Total	308	100 %	342	100 %	11 %

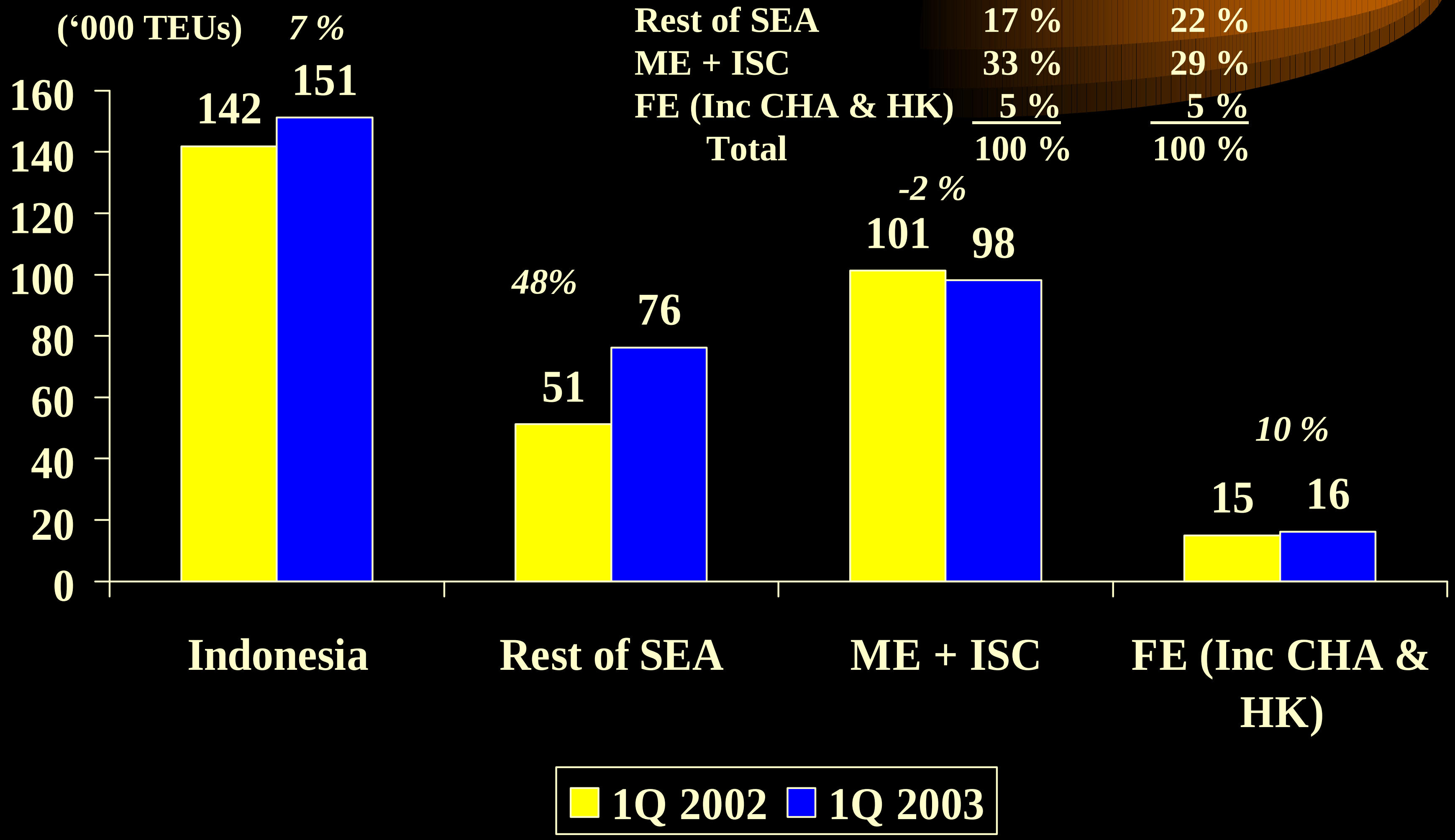
Performance Review : Container Shipping – Volume & Revenue

- **Volume increased by 11% to 0.34 M TEUs mainly due to increase in SEA and China.**

- **Revenue decreased by 12.3 % to S$ 102.2 M, due to decrease in freight and surcharges.**

Container Shipping: Volume by Geographical Region

	Q1 2002	Q1 2003
Indonesia	45 %	44 %
Rest of SEA	17 %	22 %
ME + ISC	33 %	29 %
FE (Inc CHA & HK)	5 %	5 %
Total	100 %	100 %



Performance Review : Container Shipping – Service & Capacity

- Volume of Middle East and Indian Subcontinent decreased by 2 % while that of SEA grew by 18 %.
- Contribution of Indonesia reduced to 44% from 45%, while that of ME & ISC decreased to 29% from 33% and China remained at 5 %.

Performance Review : Container Shipping – Costs & Margin

- While the Revenue decreased by 12%, the Cost of Service decreased by 15%, causing an increase in Gross Profit by 130% to about S$ 5 M.
- Consequently, operating results before tax, Foreign Exchange Gain or Loss and Extraordinary item, rose to a profit of S$ 3.1 M compared to a loss of S$ 0.04 M in Q1 2002.
- In addition, the Company experienced a Foreign Exchange Loss of S$ 0.28 M in Q1 2003 compared to a loss of S$ 0.04 M in Q1 2002, due to stronger SGD against USD, as it has more Assets than Liabilities in foreign currencies (mainly USD). Most of it, however, are unrealized losses only.
- On after tax basis, the Company produced a profit of S$ 2.7 M compared to a loss of S$ 0.1 M in 1Q2002.

PERFORMANCE REVIEW

- Industrial Shipping

Performance Review : Industrial Shipping – Volume & Revenue

- Revenues increased by 11% to about S$ 10 M in Q1 2003 from S$ 9.06 M in Q1 2002.
- Revenue increase was primarily due to:

  - Sinar Bontang, started in Aug 2002.

  - Sinar Labuan, started in Feb 2003.

  - Acquisition of additional tanker and offshore units in March 2003.

Performance Review :
Industrial Shipping – Costs & Margin

- The Gross Profit decreased by 2% to S$ 3.47 M from S$ 3.54 M in Q1 2002. This was due to increase in running cost and bunker expenses.
- Interest Expenses decreased by 29% to S$ 0.9 M from S$ 1.28 M in Q1 2002.
- PAT rose by 6% to S$ 2.24 M from S$ 2.11 M in Q1 2002.
- Industrial Shipping contributed 45% of Group's consolidated profit after tax in Q1 2003, compared to 115% in Q1 2002.
- Industrial Shipping's margin decreased to 22.3% in Q1 2003 from 23.3% in Q1 2002.

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 & Outlook : 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

Plans & Outlook : 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 the 2nd half of 2003 – for transshipment of coal from mine site to export terminal
- Acquired 4 units – 1 LPG Carrier and 3 Marine Off-shore units, in March 2003
- Shall continue to explore opportunities for industrial shipping of commodities such as oil, petrochemical, coal, cement etc. and shall acquire suitable vessels once the contracts are obtained

Industrial Shipping - Current Fleet Profile

Total 16 units, comprising of:

- Chemical Tankers: 9 units; 1* 1,800 dwt, 1 * 2,200 dwt, 1 * 2,800 dwt, 2 * 3,000 dwt, 2 * 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