



**ANALYST DAY**  
**4 MAY 2012**

**Pacific Basin**

# 2011 Segment Review

## Segment Review

US\$m	2011
<b>Segment net profit</b>	<b>78.9</b>
Treasury	(12.8)
Indirect general and administrative expenses	(8.3)
<b>Underlying profit</b>	<b>57.8</b>
Unrealised derivative expenses	(1.6)
RoRo vessels impairment charge	(80.0)
Gain from sale of shares in Green Dragon Gas	55.8
<b>Profit attributable to shareholders</b>	<b>32.0</b>

Dry Bulk: US\$81.4m  
 EIS: US\$10.8m  
 RoRo: US\$(10.6m)

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# 5 frequently asked questions ...

- 1) Handysize performance
- 2) Handymax business model?
- 3) How to evaluate Towage?
- 4) RoRo business development
- 5) Treasury cost

# 1. Handysize Performance

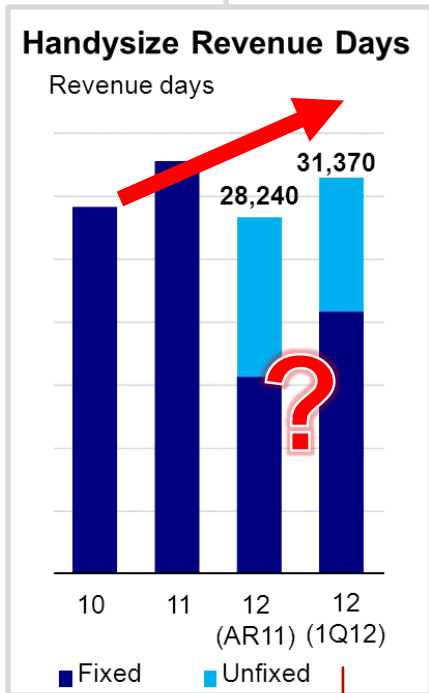
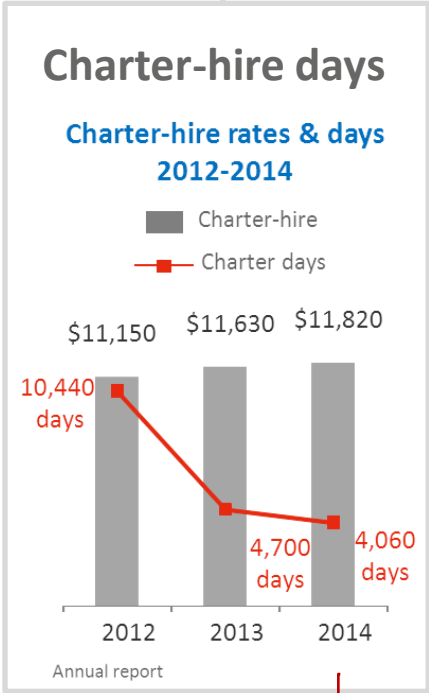


# Handysize Revenue Days

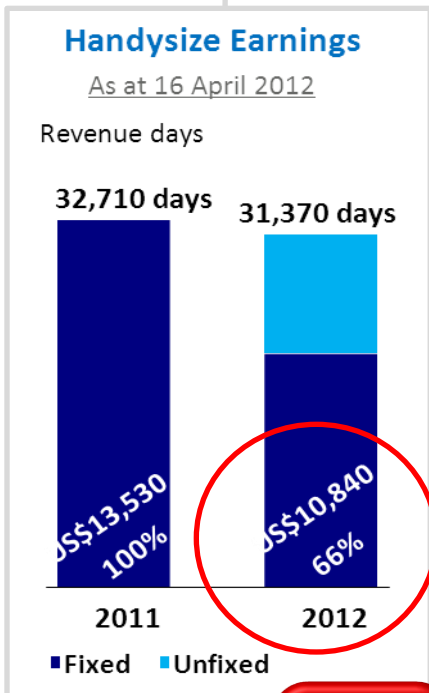
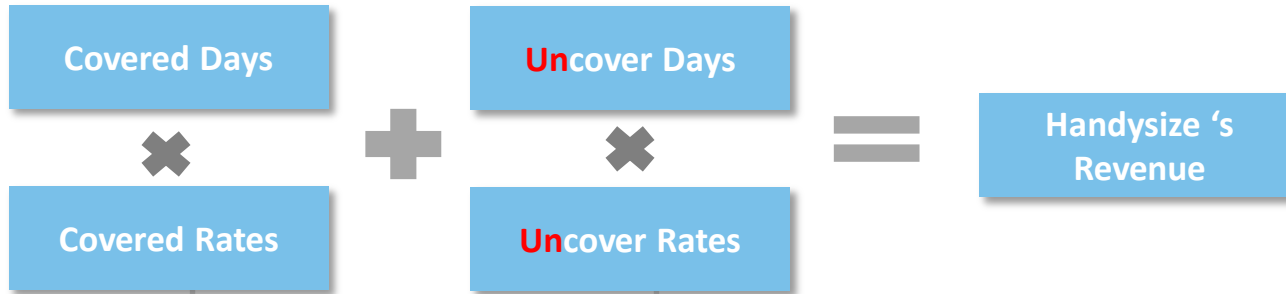


### Fleet List

Vessel	Type	Year	Capacity	Speed	Charter Rate	Charter Days	Revenue
Samoa Star	Log-Bulk	2008	5,75	20.0	\$11,150	10,440	\$111,150,000
Changsha	Log-Bulk	2008	5,75	20.0	\$11,630	4,700	\$50,000,000
Changsha 2	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 3	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 4	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 5	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 6	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 7	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 8	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 9	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 10	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 11	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 12	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 13	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 14	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 15	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 16	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 17	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 18	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 19	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000
Changsha 20	Log-Bulk	2008	5,75	20.0	\$11,820	4,060	\$47,000,000



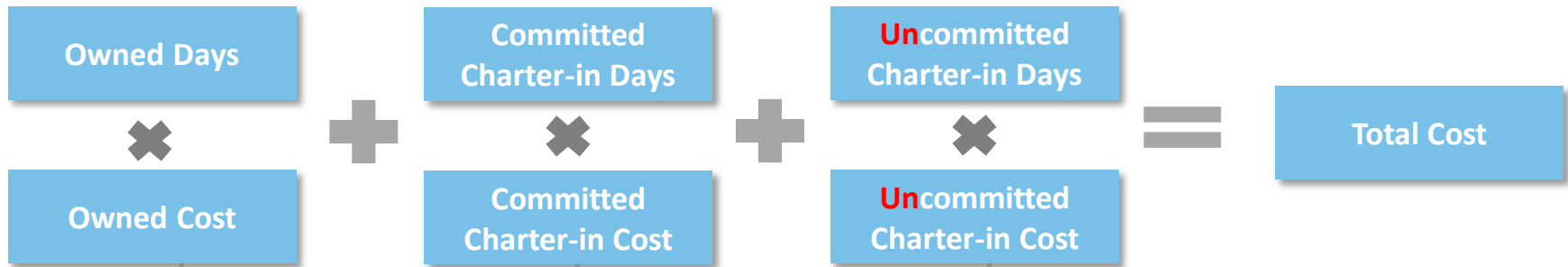
# Handysize Revenue Rates



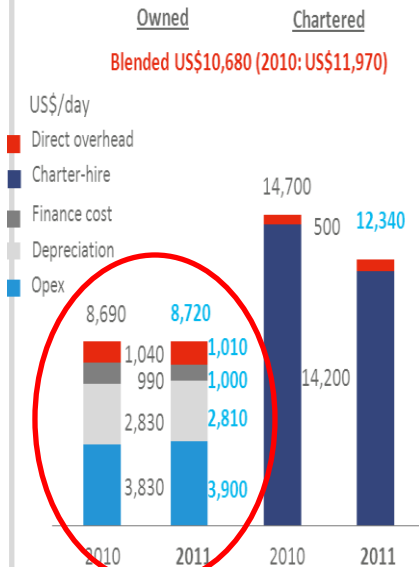
**Spot?**  
**Market?**  
**Forward Rate?**  
**Your Thought?**

1Q12  
 Presentation

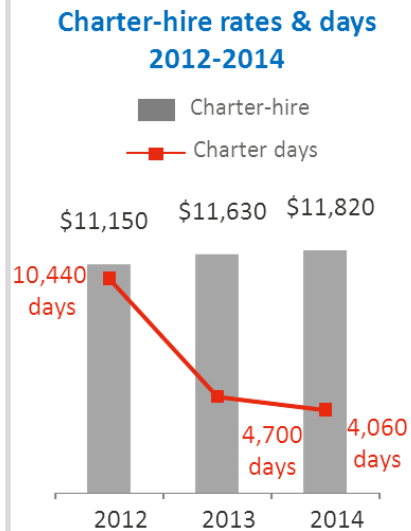
# Handysize Costs



## Owned Cost



## Charter-hire Rates

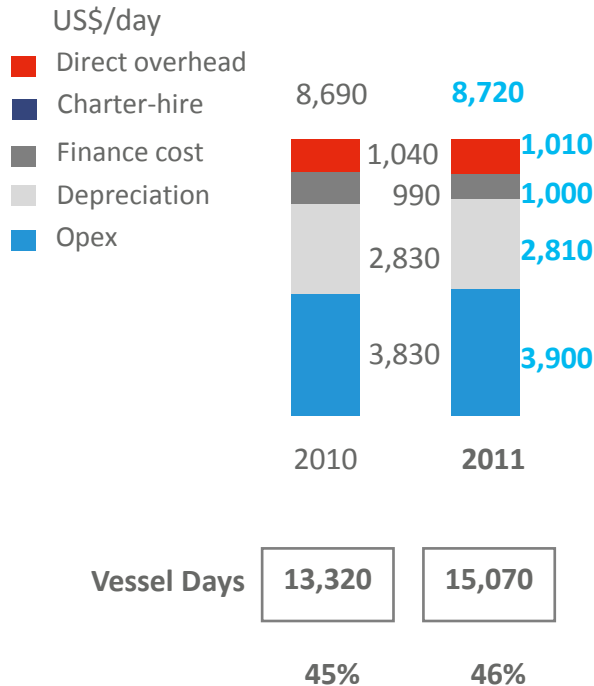


**Spot?**  
**Market?**  
**Short-term?**  
**Long-term?**  
**Your Thought?**

2 May 2012 (US\$)  
BHSI (net): \$8,599  
FFA 3Q12: \$8,125  
4Q12: \$8,425  
1Q13: \$8,500

# Handysize Cost Trend

## Owned + Finance leased



### Opex

- Crew, spares, lubricating oil and insurance

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### Finance Costs

- Based on allocated debt
- ↑ With newly delivered vessels

**P.104**

### Depreciation

- Handysize net book value: US\$17.3m

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**P.35**

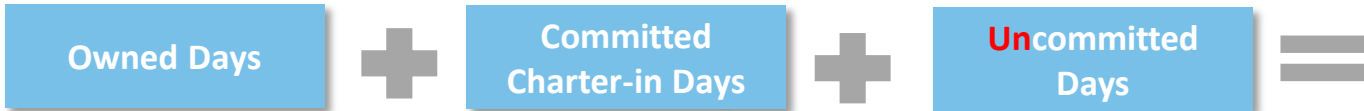
### Direct Overhead

- Shore-based staff, office and related expenses directly attributable to the management of the Handysize segment.

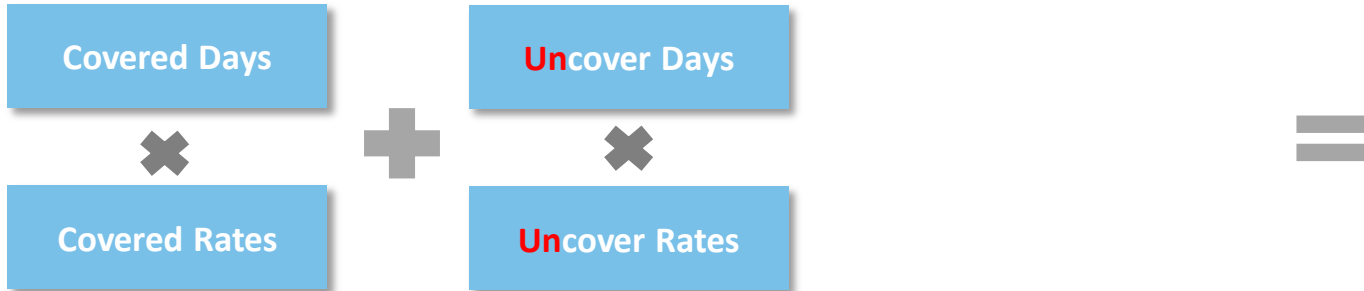


# Handysize Business Model

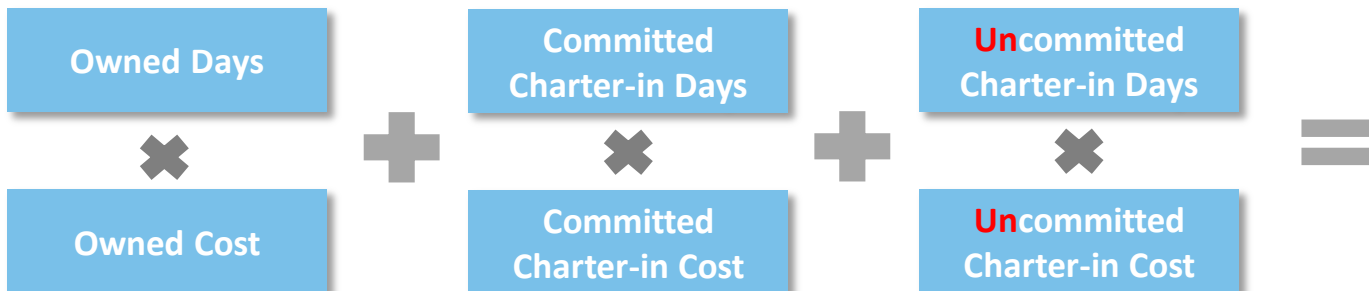
## Days



## Rates



## Costs

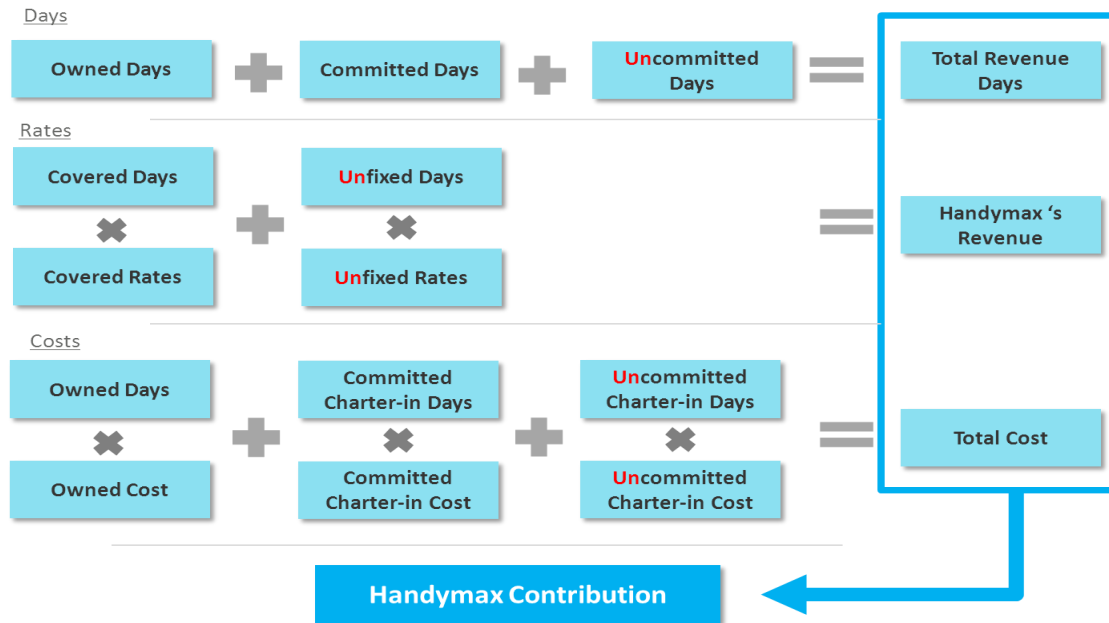


**Handysize Contribution**

## 2) Handymax Business Model?



# Handymax Business Model



3 Characteristics of our Handymax business model:

- % between owned and chartered
- Cargo covered %
- Short-term chartered cost affected by the market → margin

# Handymax Revenue Days



### Fleet List

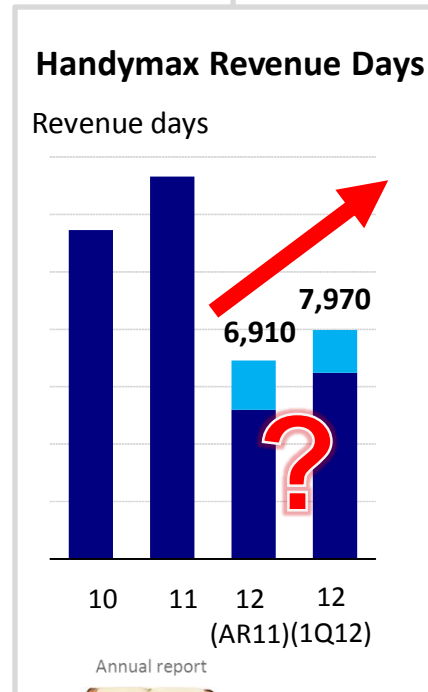
The screenshot shows a table of vessels with columns for Name, Type, Year, Capacity, and other specifications. The vessels listed include various types such as 'Lump Cargo', 'Bulk Carrier', and 'Handysize Vessel'.

### Charter-hire Days

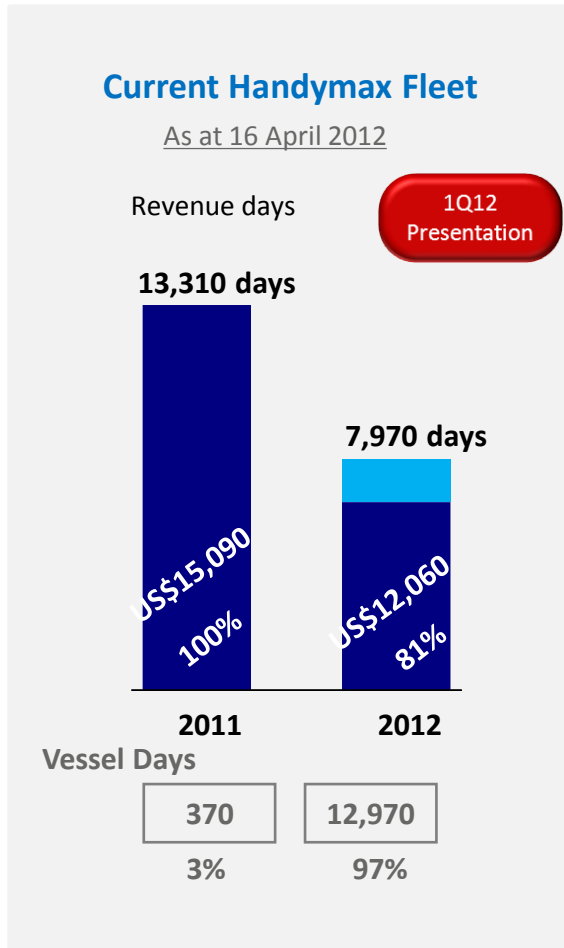
Handymax Operating leases

Year	Average daily rate (US\$)	Vessel days
2012	13,070	5,030
2013	13,200	1,470
2014	13,150	1,000
2015	13,720	440
2016	14,000	370
2017	14,000	370
2018	14,000	370
2019	14,000	10
2020	-	-
2021	-	-
<b>Total</b>		<b>9,060</b>

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# Handymax expansion



Our newbuilding deliver schedule:  
2012: 1 Owned, 1 Chartered  
2013: 5 Owned, 1 Chartered



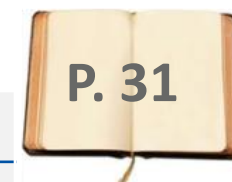
How many days?

### 3) How to evaluate Towsage?



## PB Towage

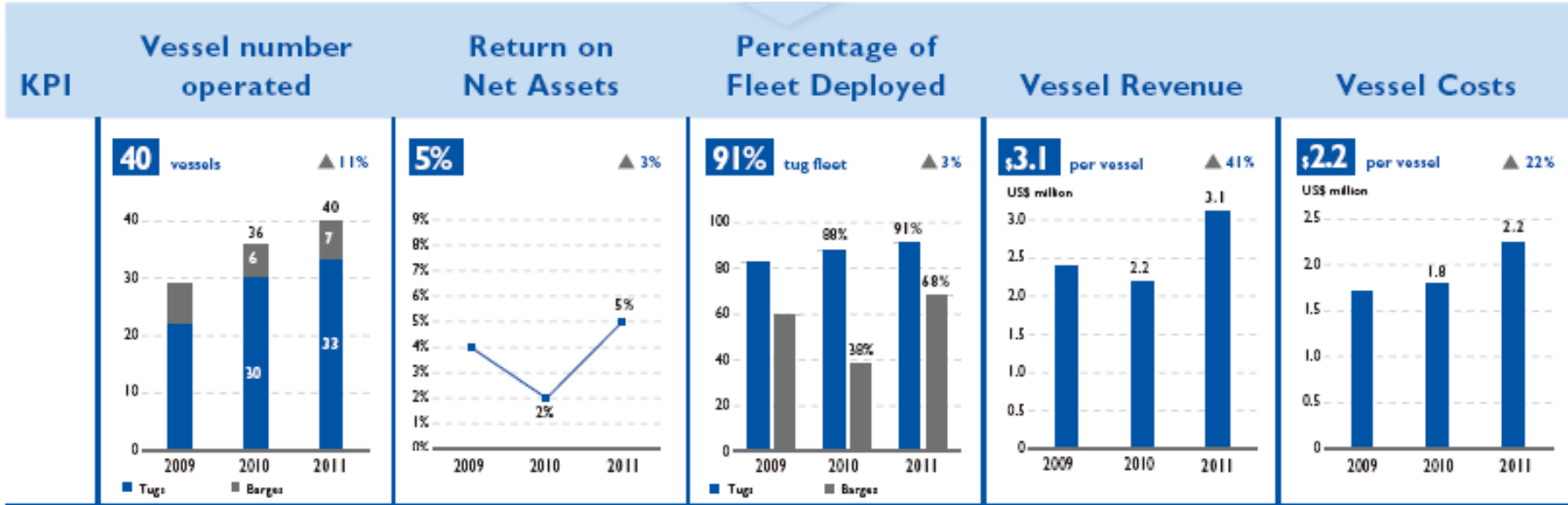
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US\$m	1H11	2H11	2011
<b>PB EIS net profit</b>	(1.2)	12.0	<b>\$10.8</b>
PB Towage	3.5	11.7	\$15.2
PacMarine Service	0.5	0.2	\$0.7
FBSL	(5.2)	0.1	\$(5.1)
<b>Operating cash flow</b>	<b>10.9</b>	<b>18.1</b>	<b>\$29</b>
<b>Return on net assets</b>	<b>(1%)</b>	<b>10%</b>	<b>5%</b>

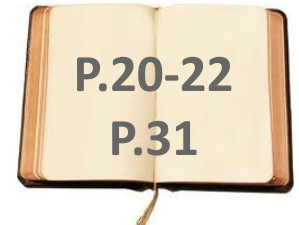
- PB Towage's results improved significantly due to increased liner port calls in the harbour towage sector and growth in offshore and project supply activities, especially the Gorgon project in 2H11

# How should we look at the Towage business?



Invest further in towage fleet as specific projects materialise

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## 4. RoRo business development



# PB RoRo Business Model

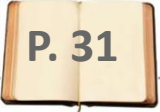
Vessel Days (FY12: ~2,190 days) = 6 Vessels × 365 Days

Revenue Days = Fixed Days + Unfixed Days + Already Unemployed

Unfixed Days branches into: Unfixed (will fix in future) and Potential Unemployment

Rates = Fixed Rate + Unfixed Rate

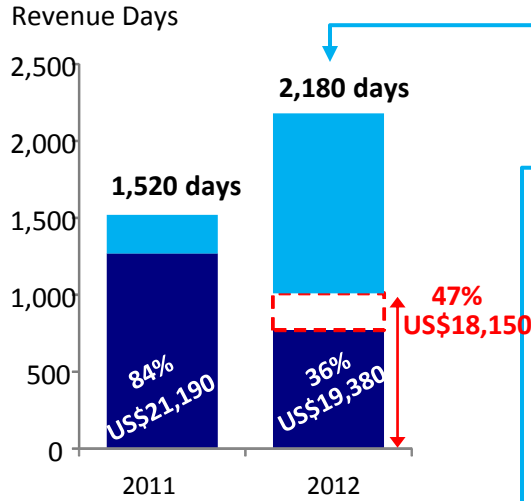
Costs = Opex + Depreciation + Finance Cost + Direct Overhead



# PB RoRo

## RoRo Earnings cover

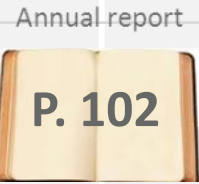
As at 16 April 2012



■ Fixed ■ Unfixed  
 □ Cover if all optional periods are exercised



US\$m	1H11	2H11	2011
Revenue days	620	650	1,270
Vessel days	660	860	1,520
Daily charter rates earned (US\$)	21,240	21,140	21,190
Daily vessel operating costs (US\$)	22,080	18,210	19,890
Vessel operating loss	(1.4)	(2.0)	(3.4)
Share of loss of associate	(4.1)	(3.4)	(7.5)
Share of profit of jointly controlled entity	0.2	0.1	0.3
Segment net loss	(5.3)	(5.3)	(10.6)
Opex			14,927m
Depreciation			11,042m
Finance			2,547m
Direct Overheads			1,751m





## **5. Treasury cost**

# 2011 Segment Review

## Segment Review

US\$m	2011
<b>Segment net profit</b>	<b>78.9</b>
Treasury	(12.8)
Indirect general and administrative expenses	(8.3)
<b>Underlying profit</b>	<b>57.8</b>
Unrealised derivative expenses	(1.6)
RoRo vessels impairment charge	(80.0)
Gain from sale of shares in Green Dragon Gas	55.8
<b>Profit attributable to shareholders</b>	<b>32.0</b>

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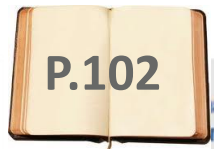


# What is Treasury?

## Income Statement

For the year ended 31 December 2011 US\$'000	Pacific Basin Dry Bulk	PB Energy & Infrastructure Services	PB RoRo	All Other Segments	Total Segments	Unallocated		Total	Per Financial Statements	
						Treasury	Others			
Gross profit	96,491				0,196	-	(259)	109,937	(2,291)	107,646
General and administrative expenses	-				-	(2,479)	(8,275)	(10,754)	-	(10,754)
Other income and expenses	-				(1,970)	(21)	(24,197) <sup>3</sup>	(26,188)	2,291 <sup>1</sup>	(23,897)
Finance costs, net	(15,071)				(9,627)	(10,320)	(1,385) <sup>4</sup>	(31,332)	-	(31,332)
Share of profits less losses of jointly controlled entities	-				508	-	-	508	-	508
Share of losses of associates	-				(9,992)	-	-	(9,992)	-	(9,992)
Profit before taxation	81,420	11,212	(10,579)	(2,938)	79,115	(12,820)	(34,116)	32,179	-	32,179
Taxation	-	(434)	(19)	256	(197)	-	-	(197)	-	(197)
Profit attributable to shareholders	81,420	10,778	(10,598)	(2,682)	78,918	(12,820)	(34,116)	31,982	-	31,982

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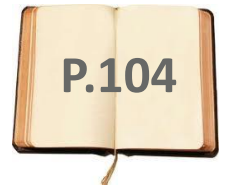


■ “Treasury” manages the Group’s cash and borrowings.

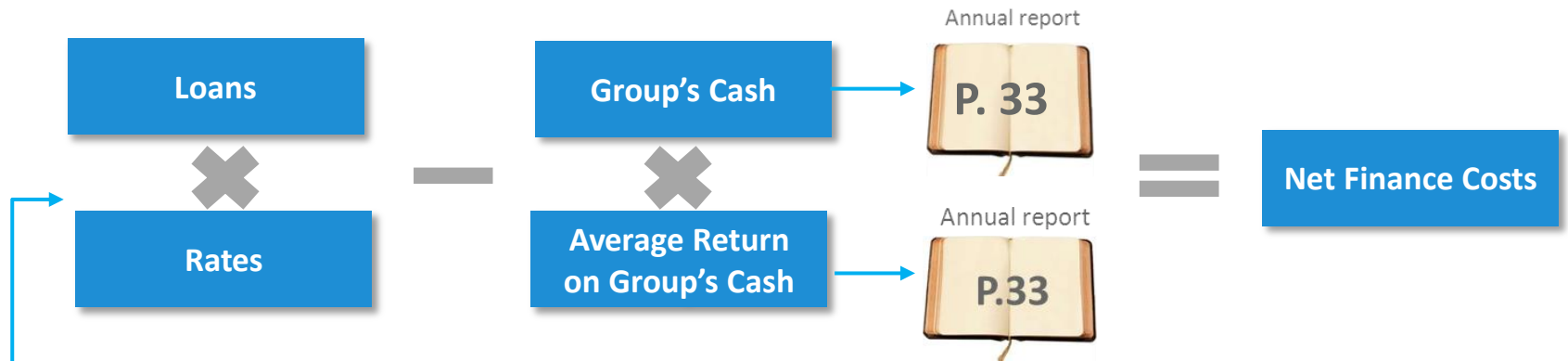
## Balance Sheet

At 31 December 2011 US\$'000	Pacific Basin Dry Bulk	PB Energy & Infrastructure Services	PB RoRo	All Other Segments	Total Segments	Unallocated		Per Financial Statements
						Treasury	Others	
Total liabilities	406,436	59,393	52,299	2,822	520,950	400,876	25,011	946,837
Total liabilities include:								
Long term borrowings	297,682	34,362	48,392	-	380,436	398,603	-	779,039
	• Bank loans • Finance lease liabilities	• Bank loans	• Bank loans			Group general facilities includes: • Convertible bonds • Loans secured on vessels for future expansion		• Derivative liabilities

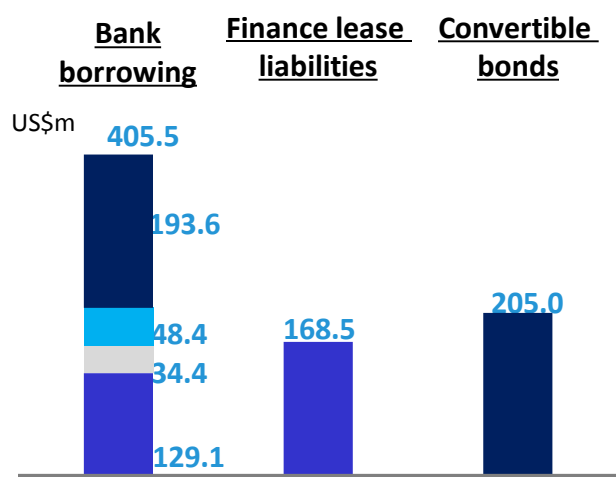
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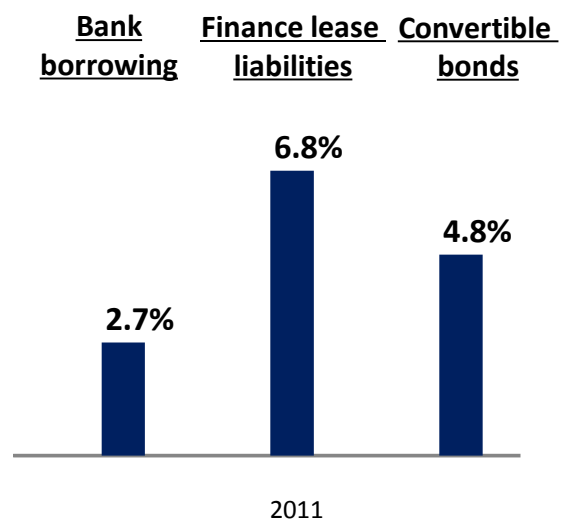
# Treasury – Net Finance Costs



**Borrowing by Source and Segment**



**Average Interest rates on Borrowings**



# G&A

## Segment Review

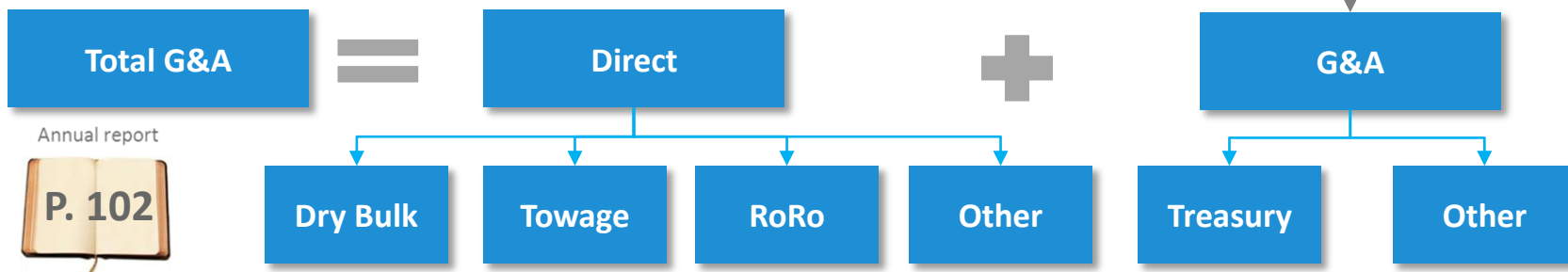
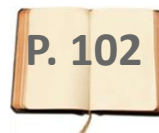
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RoRo vessels impairment charge	(80.0)
Gain from sale of shares in Green Dragon Gas	55.8
<b>Profit attributable to shareholders</b>	<b>32.0</b>

US\$2.5m of G&A is included

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Thank You

Q&A

# Disclaimer

*This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.*

*Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.*

Contact Investor Relations:  
Emily Lau  
[elau@pacificbasin.com](mailto:elau@pacificbasin.com) / [ir@pacificbasin.com](mailto:ir@pacificbasin.com)  
+852 2233 7000