Pacific Basin

PB RoRo
PB Towage
Pacific Basin – IHC
Pacific Basin – IHX

Interim Results 2009

11 Aug 2009

Pacific Basin Overview

- World's leading dry bulk owner/operator of modern handysize vessels and a top 10 handymax operator, principally operating in the Asia Pacific region
- Major presence in Towage and RoRo businesses, with supporting Maritime Services
- 150 ships directly serving major industrial customers
- Carrying the dry bulk commodities required for Asia's growth
- Headquartered in Hong Kong with 22 offices worldwide, 350+ Group staff, 1,700+ seafarers *

Network of PB Key Offices*

1H09 Highlights

- Profits: US$75m (US$338m)
- Basic EPS: HK$0.32 (HK$1.62)
- Underlying profit for the period was US$57m before:
  - US$15.0m unrealised net derivative income
  - US$5.5m write-back of onerous contracts for future periods
  - US$2.5m vessel disposal losses
- ROE: 12% (68%) • Net Profit Margin: 18% (37%)
- Interim dividend 2009: HK¢ 8 • Payout: 26% (50%)

Cover and Average Daily Charter Rate:

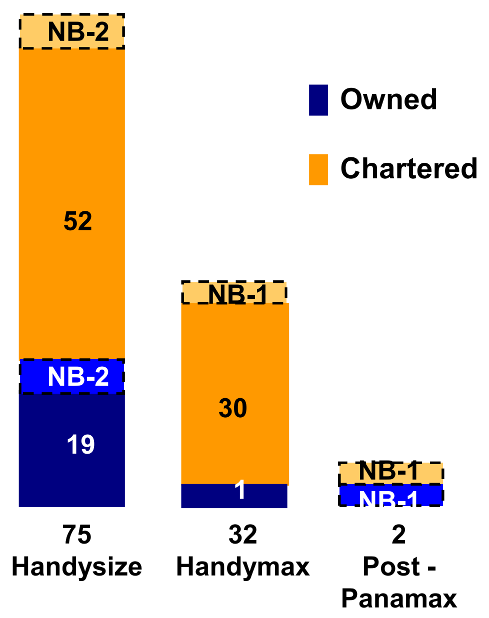
	FY2009	FY2010
Handysize	89% / US$14,280	45 %
Handymax	100% / US$20,290	116%

As at 27 July 2009

Business Direction – Dry Bulk

- Volatile first half of 2009
- Cautious market view for the remainder of 2009 and 2010
- Significantly increased cargo cover level
- Short term vessel charters reduce our medium term cost exposure
- Decreasing handysize charter in days from 2009 to 2011
- Post-panamax vessels – secured long term charters
- Conserving capital to invest in appropriate opportunities
- Cost savings across the Group

Dry Bulk Fleet: 109
(at 31 July 2009)



Business Direction – Towage & Infrastructure

PB Towage

- Operates modern tugs in Brisbane, Sydney, Melbourne, W. Australia and Arabian Gulf
- Providing:
  - Harbour towage
  - Regional specialist project towage (primarily to oil & gas and construction)
  - Offshore work

PB Towage

Fujairah Bulk Shipping

- FBSL began land reclamation project for the Municipality of Fujairah :
  - Requiring quarrying and transport of approx. 54m tonnes of aggregates
  - FBSL expects to perform on budget and on time by the end of 2011

Port and Port Services

APMIG

- Focusing on the Nanjing Longtan Tianyu Terminal (45% holding JV)
- In 1H09, the terminal handled revenue throughput of 1 million (2008: 0.6 million) tonnes of bulk and general cargo

Asia Pacific
Maritime & Infrastructure Group

Towage Development

- US$1.6m 1H09 net profit in towage division (FY2008: US$5.8m loss)
- Profitable despite harbour towage operations in Australia being more affected by economic downturn than our offshore business
- Strong oil price supporting oil and gas exploration
- Towage fleet comprises 35 vessels:
  - 28 tugs (including 9 newbuildings)
  - 6 barges
  - 1 bunker tanker

- Entered into new joint venture to provide a consortium of oil majors with towage logistics services for a major new gas field offshore Western Australia; expected revenue of A$350m over 3 years
- Secured long-term fixed-income contracts in bulk ports in Western Australia and Queensland

Roll On Roll Off Development

- 6 RoRo newbuildings on order including 2 chartered in vessels with purchase options
- RoRo business expected to generate revenues from mid-Sept 2009
- First RoRo vessel fixed to a blue-chip European counterparty for 3 years
- No RoRo market exposure until second half of 2010
- Successfully negotiated deferred delivery of remaining three RoRo newbuildings from Odense Steel Shipyard into 2011
- Evaluating a number of potential employment routes and opportunities both within and outside of European

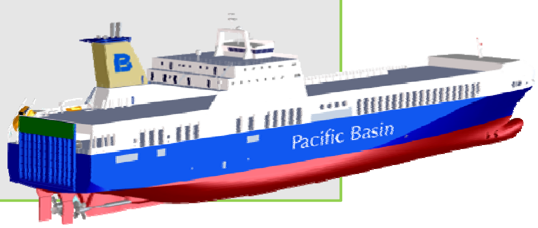
Attractive long term market fundamentals

•Good growth prospects in Asia Minor, Europe and the Far East

•"Motorways of the Sea" concept initiated by the EU

*•Low orderbook (<20% vs current fleet) **

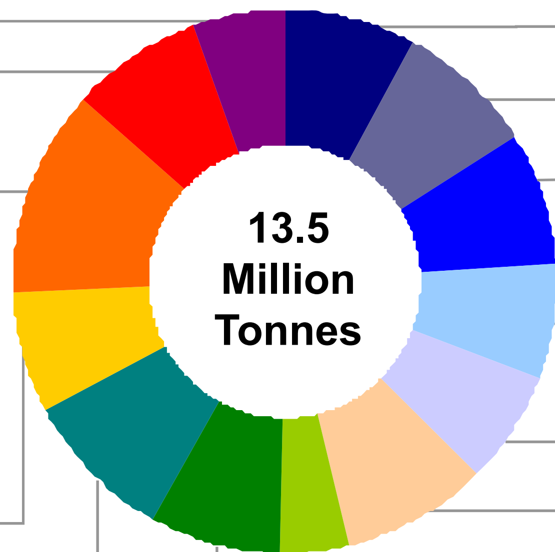
•40% of vessels aged 25 years or over



** Maersk Broker Dec 2008*

Diversified Cargo

Total Handysize and Handymax Cargo Volume Mix 1H 2009



**Other bulks: Gypsum, Sands and Soda Ash*

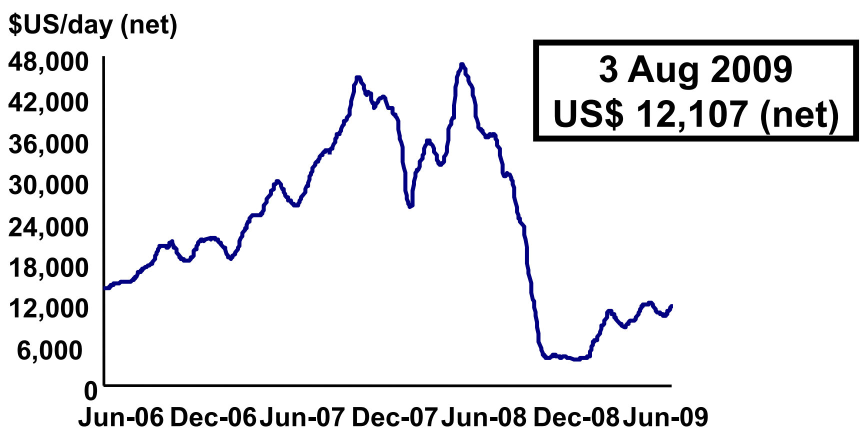
Diverse range of commodities reduces product risk

China was our largest discharge zone in 1H09 with 23% of volumes compared to 14% in 1H08

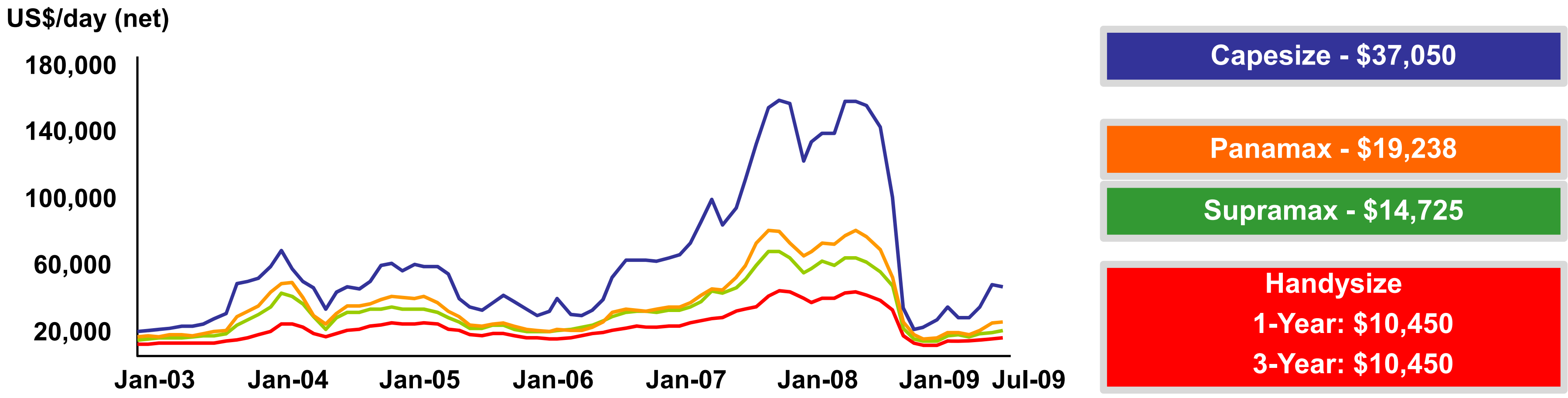
Dry Bulk Market Information

The Baltic Dry Index (BDI)

The Baltic Handysize Index (BHSI)



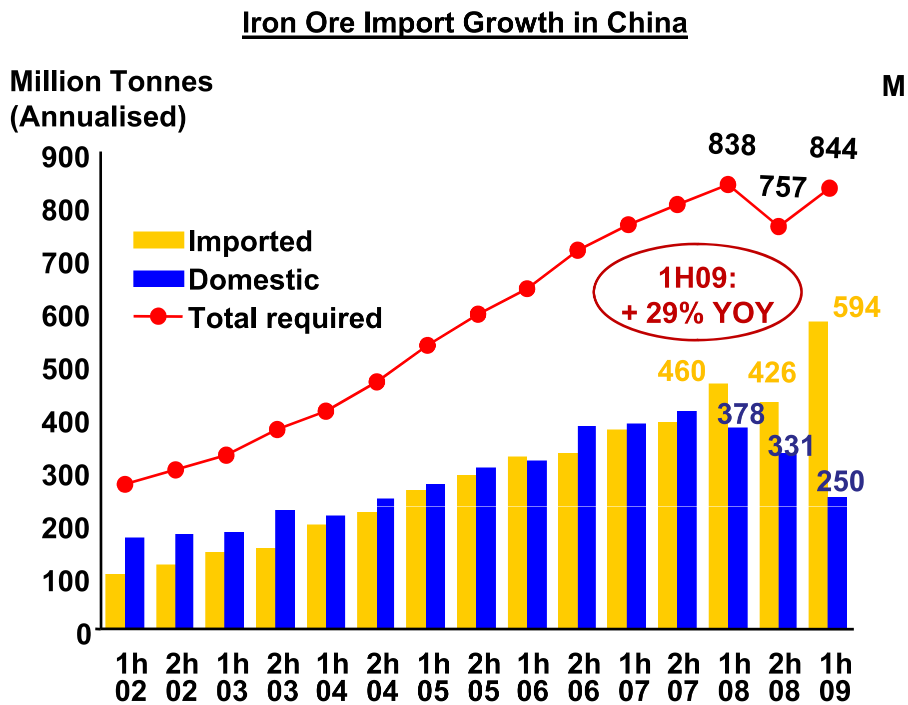
1 Year TCE net rate

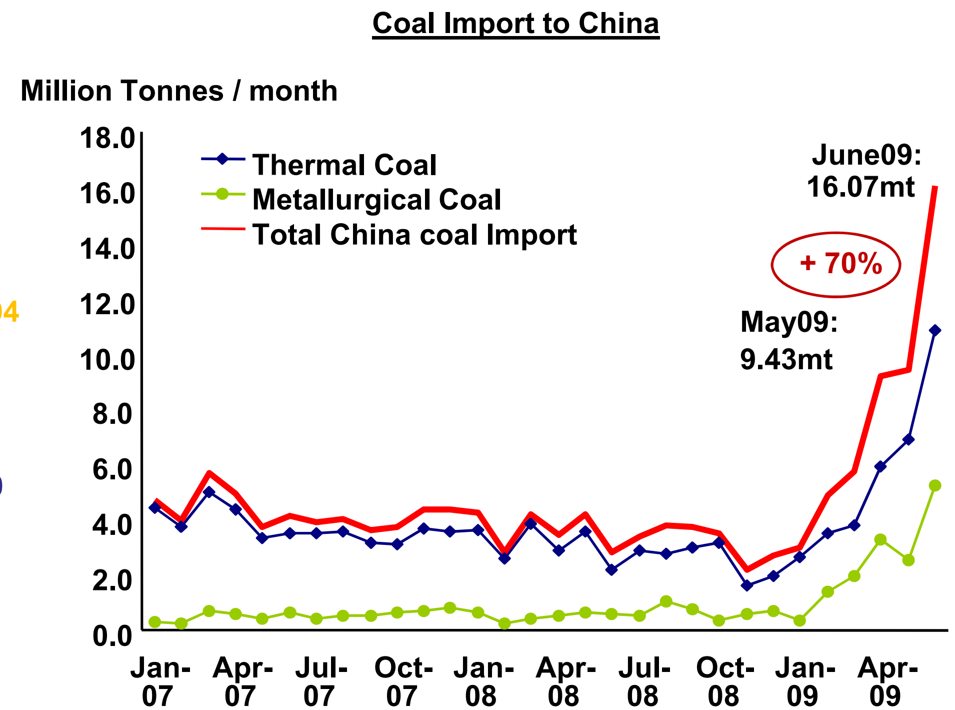


BHSI officially began on 2 January 07

Sources: Clarksons, The Baltic Exchange, Bloomberg LP

Major Bulk Import to China



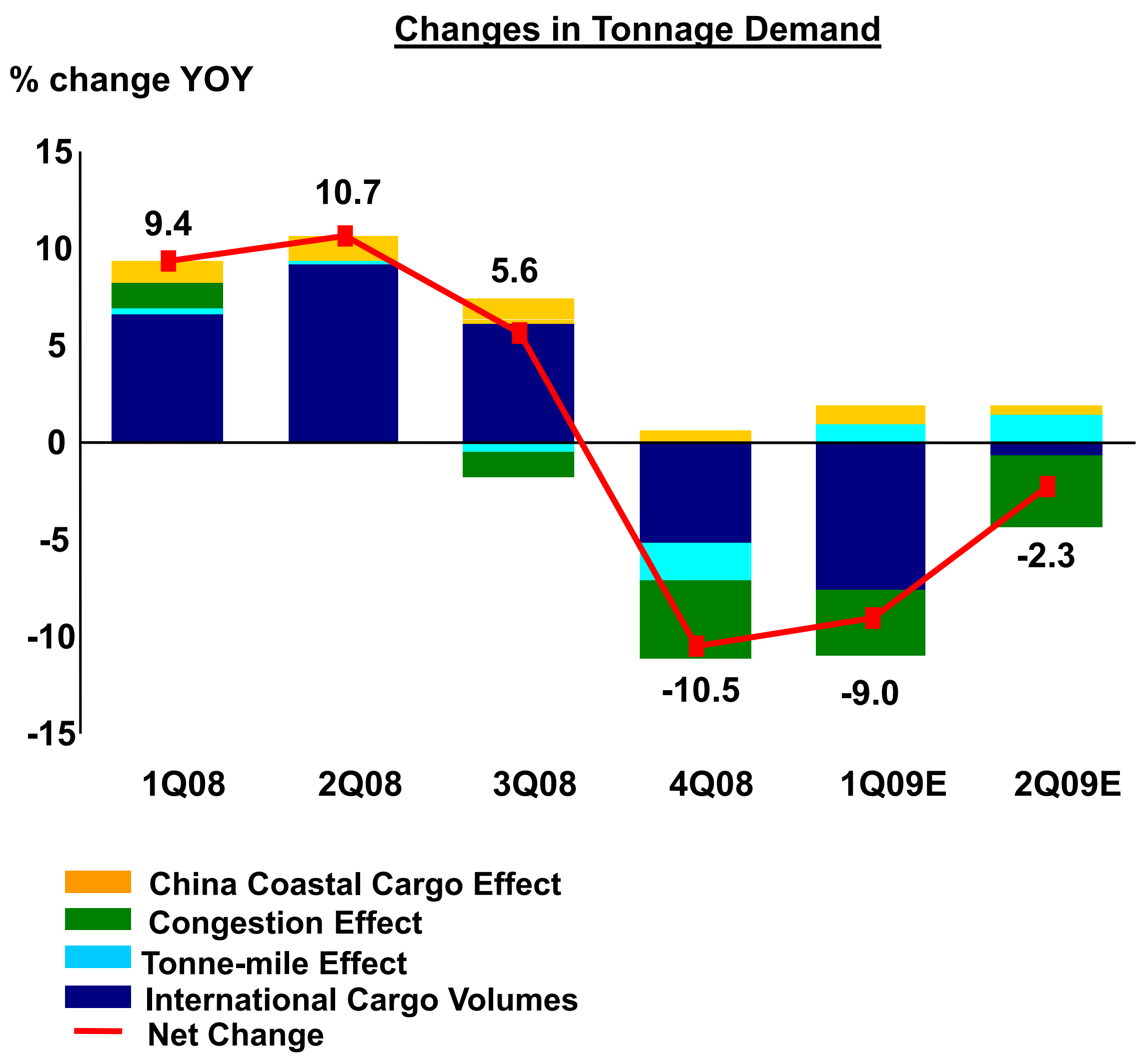


Chinese iron ore imports up 29% year on year, supporting freight market

Chinese coal imports up 70% from May to Jun 2009

Source: Bloomberg LP, Macquarie

Dry Bulk Demand



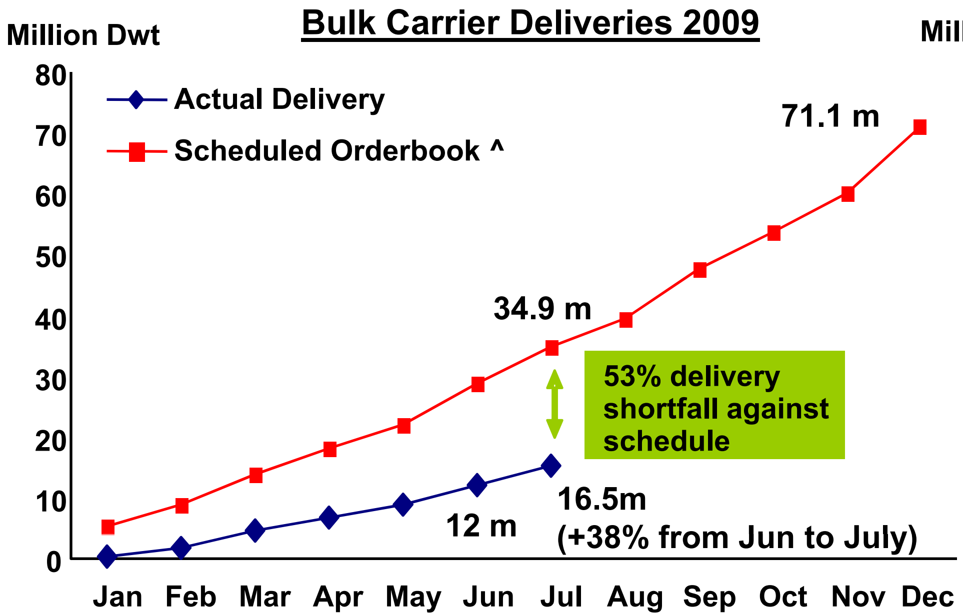
Source: R.S. Platou July 2009

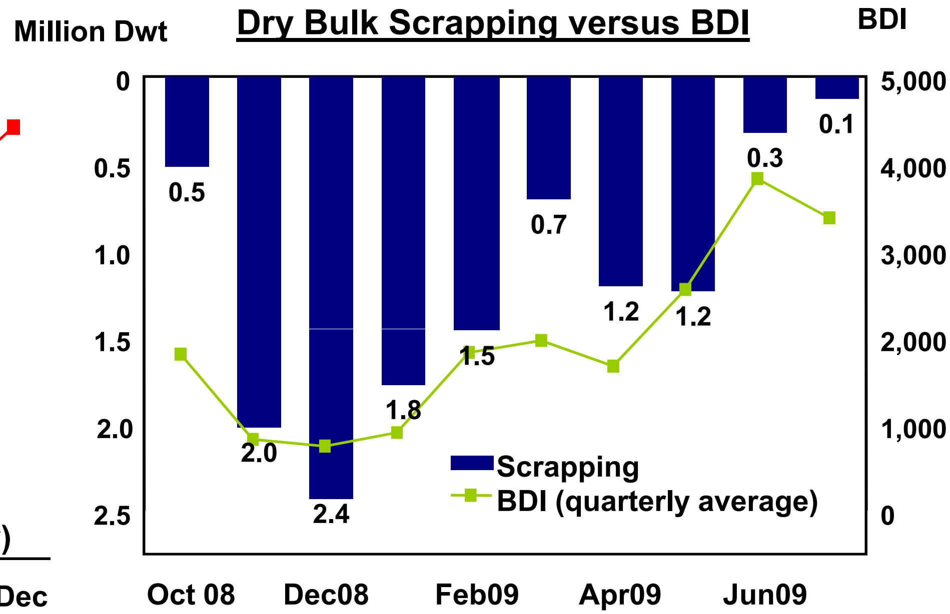
Demand in 1H09 down 5.7% compared to 1H08

Implied demand improvement from 1Q09 to 2Q09 supported by reports of significantly increased dry bulk trade volumes

Positive tonne-mile effect from ships' longer trading routes via Africa to avoid the piracy in Gulf of Aden

Dry Bulk Fleet Changes





Delivery shortfall against schedule is mainly caused by ineffective orders and construction delays

Deliveries surged in June/July

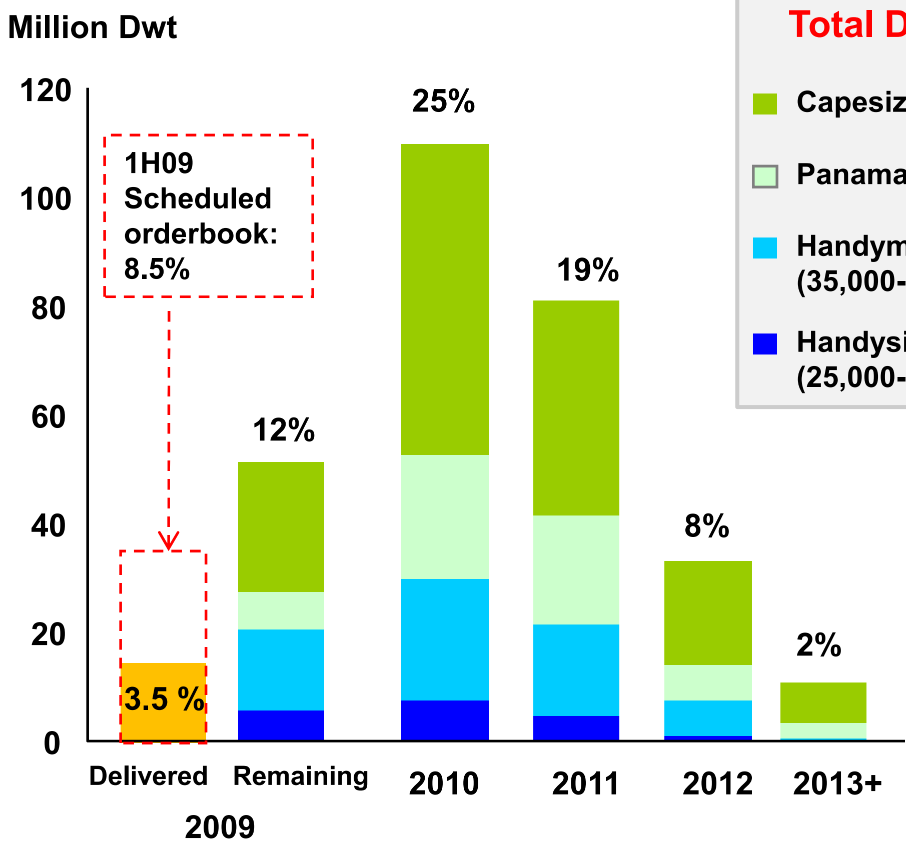
We expect ≤ 50 million tonnes of new dry bulk capacity to deliveries in 2009

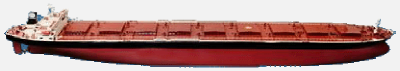
Supply likely to outweigh demand, pushing freight rates down

Source: Clarksons 31 July 2009
^Clarksons Jan 2009

Dry Bulk Orderbook

Orderbook by Year



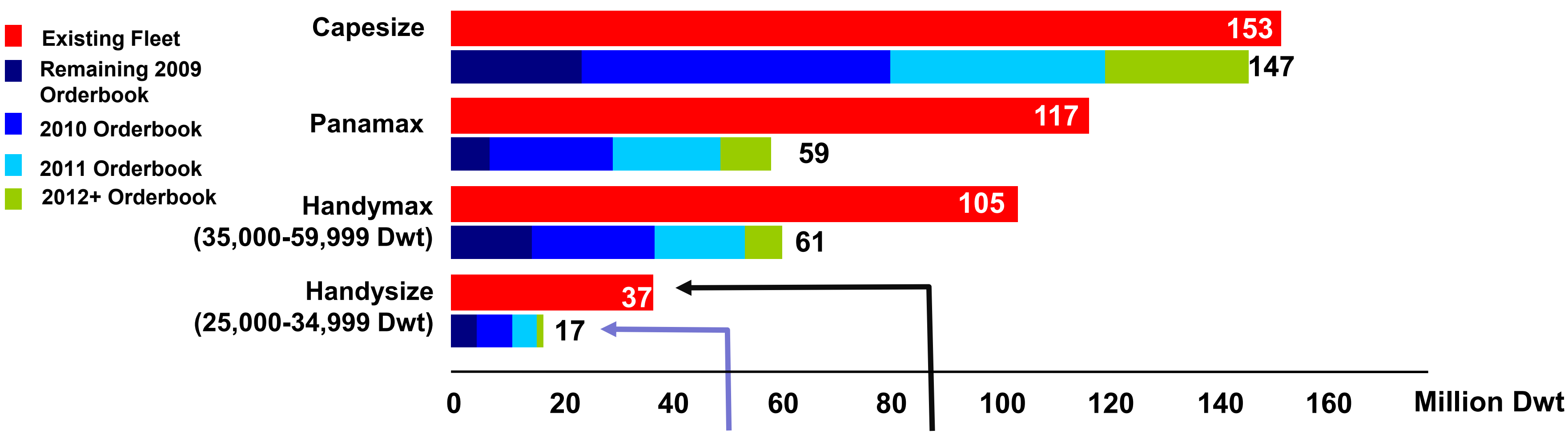
		Orderbook as % of Existing Fleet	Average Age
Total Dry Bulk >10,000 Dwt		66%	
Capesize		96%	11.5
Panamax		50%	12.1
Handymax (35,000-59,9996 Dwt)		58%	15.5
Handysize (25,000-34,999 Dwt)		46%	17.1

Orderbook peaks in 2010 dominated by Capesize sector

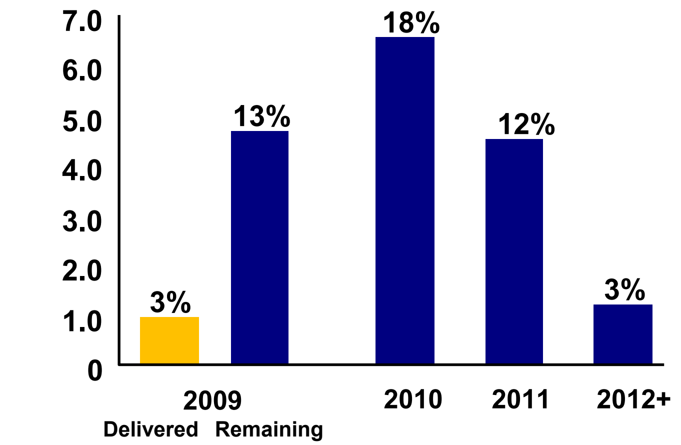
Source: Clarksons 1 July 2009

Dry Bulk Orderbook – Sector Analysis

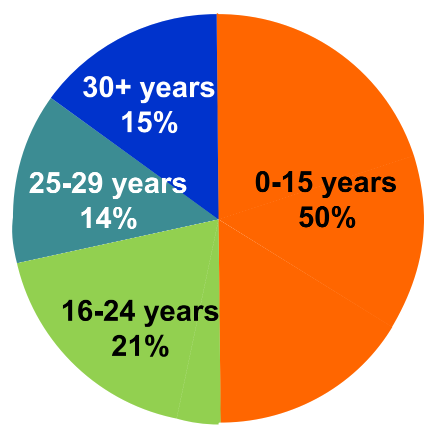
Dry Bulk Existing Fleet & Orderbook *



Handysize Orderbook
536 vessels (17 million dwt) - 46%



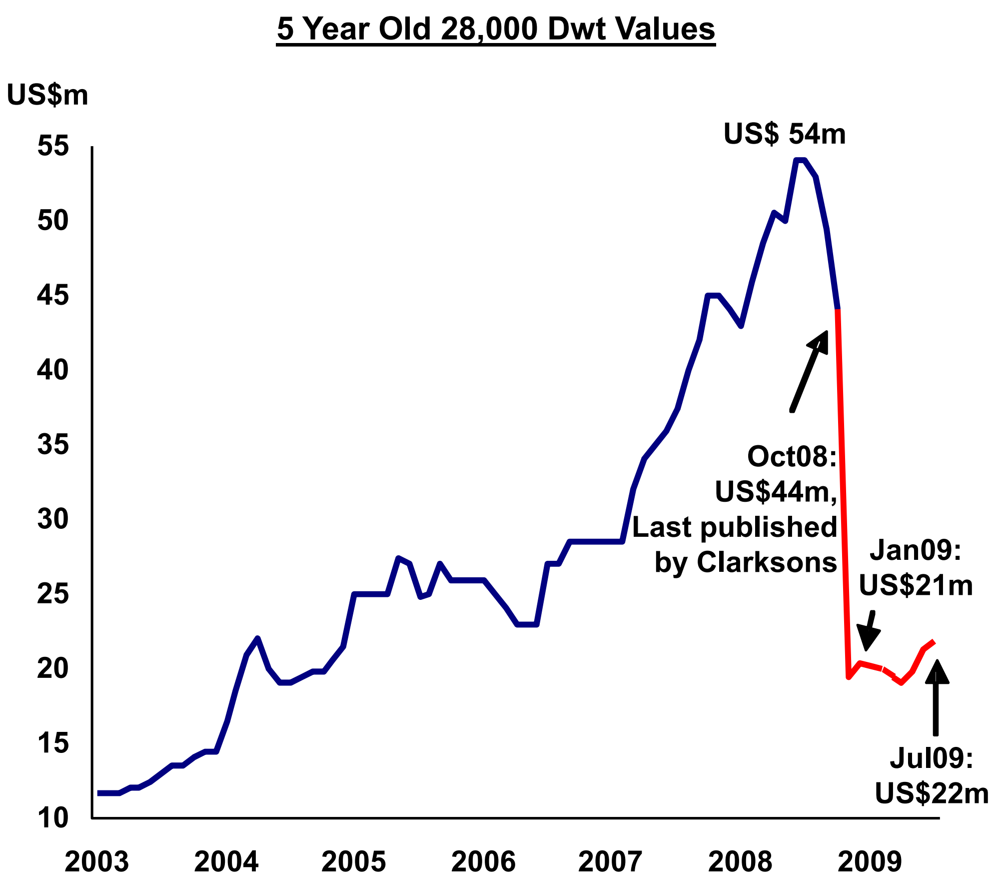
Age Profile of Handysize Vessels
1,262 Vessels (37.2 million dwt)



- 29% are 25+ years old
- 3.3m+ dwt of handysize ships scrapped in 1H09

Source: Clarkson 1 July 2009
* Dry bulk fleet is defined as dry bulk vessels over 10,000 Dwt; Handysize is defined as 25,000-34,999 Dwt

Handysize Vessel Values



Sales and purchase activity continues to be relatively stagnant

Slight strengthening in sentiment in half year since January

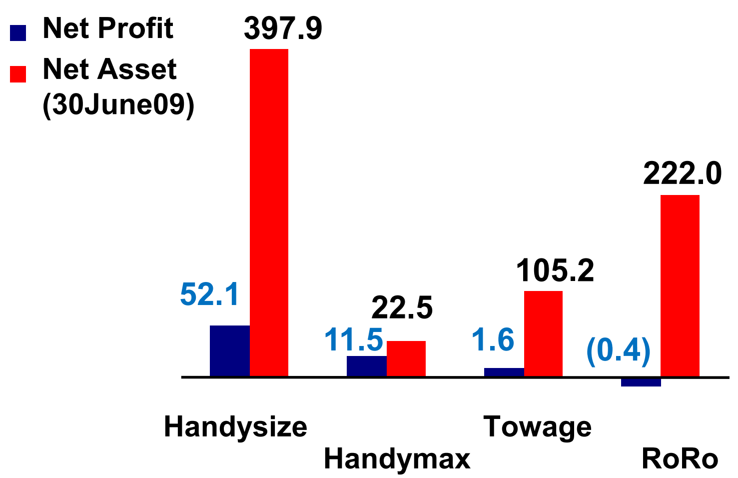
Few owners willing to contemplate acquisitions due to newbuilding overhang and uncertain future newbuilding prices

Source: Clarksons (up to Oct 2008), Aggregate brokers estimates (from Oct 2008)

2009 Financial Highlights

	1H09	1H08
Revenue (US$m)	425.9	909.9
Net Profit (US$m)	74.8	337.6
Basic EPS (HK¢)	32	162
Return on average shareholders' equity	12%	68%
Dividends (HK¢ per share)	8.0	76.0

Segment Net Profit versus Net Assets (US$m)



Net Profit after:

- US$15.0m unrealised net derivatives income
- US$5.5m write-back of onerous contract provisions for future period
- US$2.5m vessel disposal losses

Hence underlying profit US$56.8m

Segment Result – Handysize

		1H09	1H08	% Change	2008
Revenue days	(days)	12,460	12,480	-	24,890
TCE earnings	(US$/day)	13,610	32,580	-58%	29,600
Owned + chartered cost	(US$/day)	9,380	14,470	-35%	14,960
Segment net profits	(US$m)	52.1	225.7	-77%	361.2

Earnings:

- Average BHSI reduced 76%
- Our TCE reduced 58%

Costs:

- Cheaper chartered-in vessels
- Write-back of US$16.5m of onerous contracts provision relating to this period
- Cost reduction

Segment result excludes:

- US$5.5m write-back of onerous contracts provision for future periods
- US$11.3m unrealised net derivatives income

Segment Result – Handymax

		1H09	1H08	% Change	2008
Revenue days	(days)	5,150	5,210	-1%	11,050
TCE earnings	(US$/day)	19,840	49,150	-60%	44,610
Owned + chartered cost	(US$/day)	17,580	41,980	-58%	40,070
Segment net profits	(US$m)	11.5	36.6	-69%	48.9

Earnings:

- Average BSI reduced 72%
- Our TCE reduced 60%

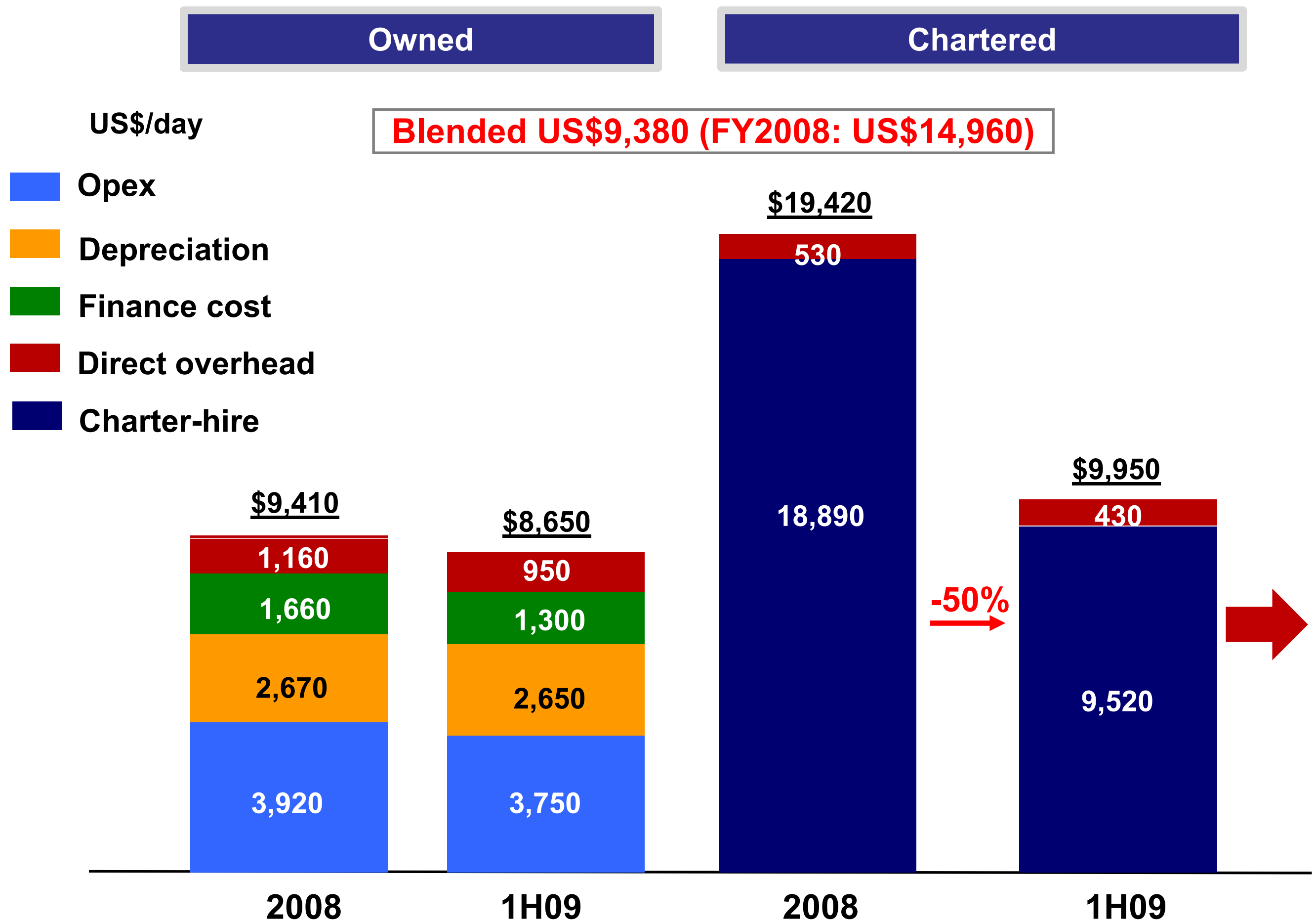
Costs:

- Cheaper chartered-in vessels
- Cost reduction
- No onerous contracts provision or changes

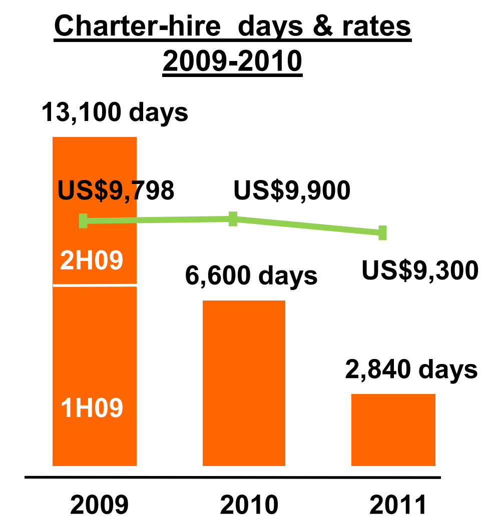
Segment result excludes:

- US$0.9m unrealised net derivatives income

Daily Vessel Costs - Handysize



	2008	1H09	2008	1H09
Vessel Days	11,200	5,490	13,910	7,040
	45%	44%	55%	56%



Charter-in days decrease by ~50% each year from 2009 - 2011

Impact of Financial Instruments

US$ m	Period ended 30 June Realised	Unrealised	2009	2008
Net Gains / (Losses)				
Interest rate swap contracts	(1.5)	2.9	1.4	(0.6)
Bunker swap contracts	(10.4)	43.4	33.0	54.9
Forward freight agreements	19.0	(31.3)	(12.3)	(11.7)
	7.1	15.0	22.1	42.6

- Completed in period and cash settled
- Included in divisional results

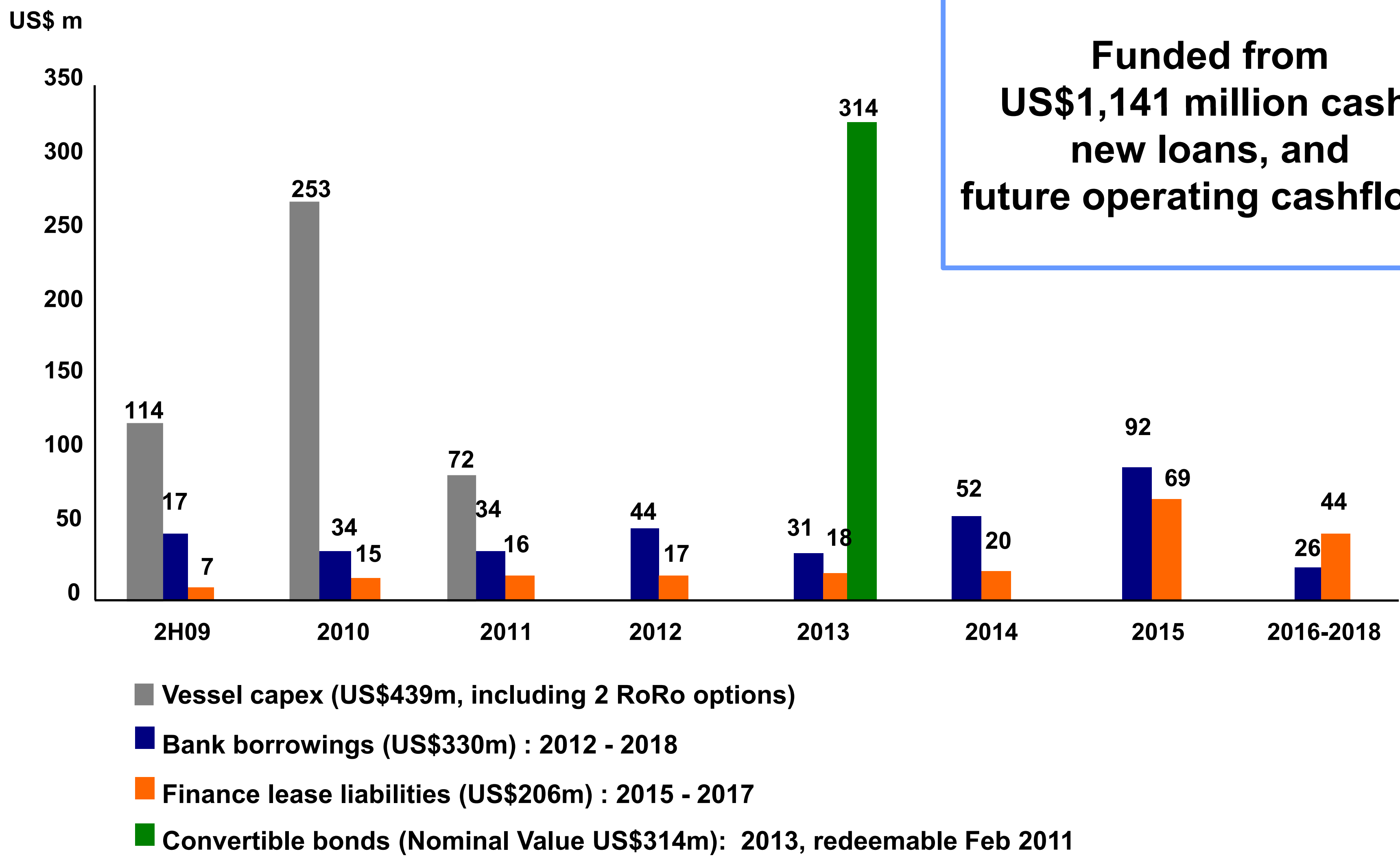
- Contracts to be settled in future period
- Accounting reversal of earlier period contracts now completed
- Not part of divisional results

Balance Sheet

US$m	Dry bulk	Towage	RoRo	Treasury	30 Jun 09	31 Dec 08
Vessels & other fixed assets	594	121	181	-	912	861
Total assets	744	156	222	1,097	2,406	2,331
Long term borrowings	207	39	-	581	827	848
Total liabilities	324	50	-	586	983	1,112
Net assets	420	105	222	511	1,424	1,219
Net cash					314	176
Net cash / Fixed assets					34%	22%
Net cash / Shareholder's equity					22%	14%

Dry bulk - 30 delivered vessels
Average age 6 years; Average book value:
Handysize: US$17.6m, Handymax: US$16.0m

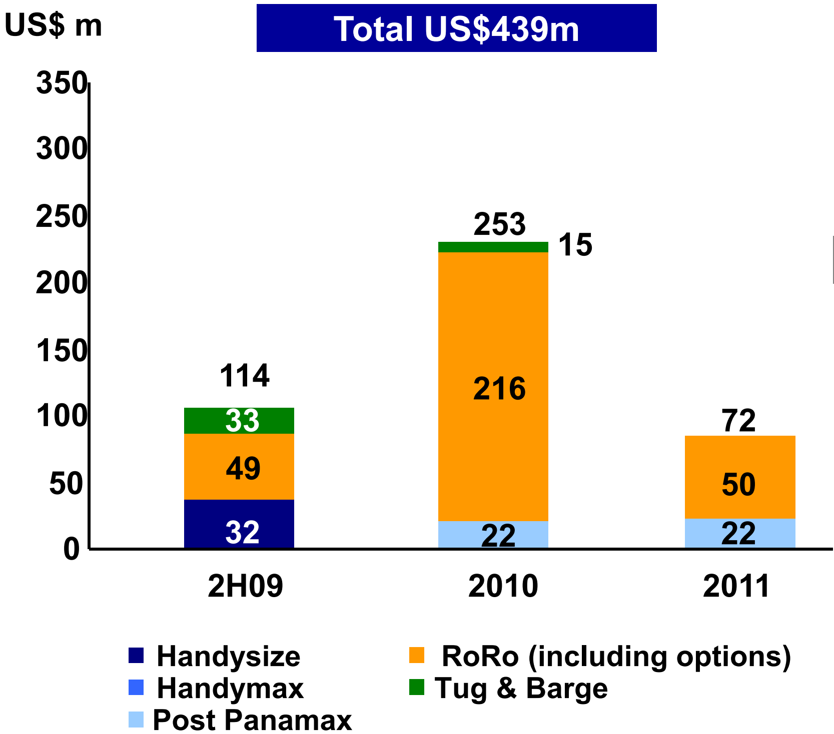
Borrowings and Capex



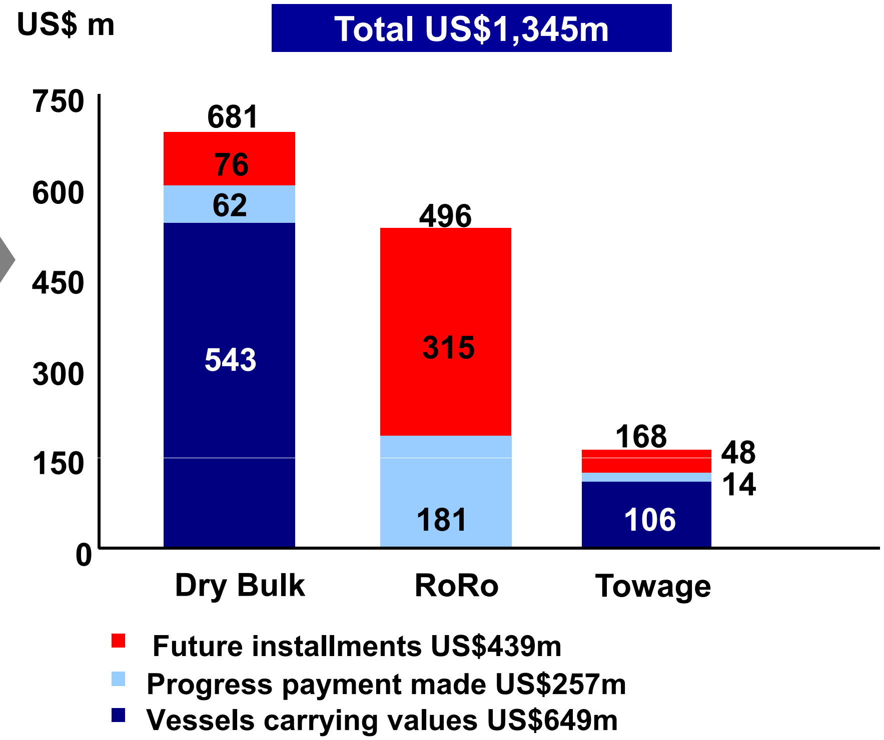
Funded from US$1,141 million cash, new loans, and future operating cashflows

Capex and Combined Value by Vessel Types

Vessels Commitments



A Combined View of Vessel Carrying Values and Commitments



Funded from operating cashflow, existing cash + new debt (as required)

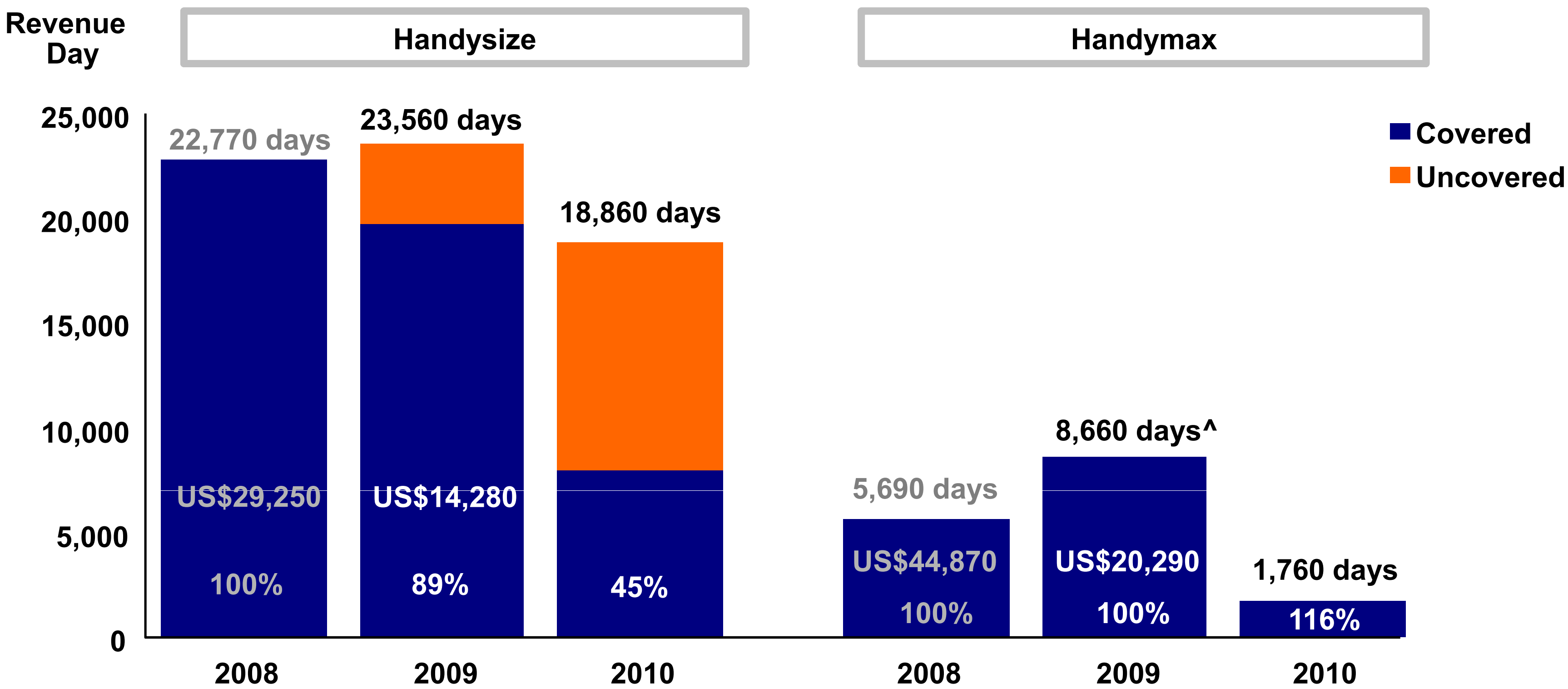
Further commitments expected in dry bulk

Cashflow

US$ m	1H09	1H08
Operating cash inflows	**61**	**284**
Investing cash in / (out) flows	**13**	**(218)**
- Vessels & other fixed assets related payments	(171)	(201)
- Sales of vessels	105	81
- Jointly controlled entities related payments and receipts	40	(17)
- Purchase of available-for-sale financial assets	-	(40)
- Net receipts from forward foreign exchange contracts	17	-
- Change in restricted / pledged bank deposits	13	(34)
- Others	9	(5)
Financing cash in/ (out) flows	**57**	**54**
- Proceeds from placement	97	271
- Repurchase of convertible bonds	(9)	-
- Net drawdown / (repayment) of borrowings	(14)	(52)
- Dividends paid	-	(153)
- Others, mainly interest paid	(18)	(13)
Cash and bank deposits	**1,141**	**804**

Earnings Coverage

Earnings coverage as at 27 July 2009



89% of 2009 handysize revenue days covered at rates significantly above market

Total combined cover * is 93% for year 2009 and 53% for year 2010

^ Excludes 2 handymax vessels on long term charter out
As at 27 July 2009, we had for 2009 covered 89% of our 23,560 handysize revenue days and 100% of our 8,660 handymax revenue days, equating to approximately 93% of our handysize equivalent days
2008 numbers exclude short term vessel days

Outlook

- Focus on three core segments:

Dry Bulk | Towage | RoRo

- Robust balance sheet as at 30 June 2009 : US$1.1 billion cash, and shareholders' equity of US$1.4 billion
- 89% of 2009 handysize days covered at US$14,280 per day. 2009 total combined cover is 93%
- Unchanged dividend policy: continue to pay out for the full year a minimum of 50% of profits excluding vessel disposal gains
- Challenging and uncertain market conditions expected for the balance 2009 due to increasing vessel deliveries and anticipated volatility of China's raw materials demand

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.