



Pacific Basin



**Interim Results
2009**

**An explanation of
Segment Reporting**

1 Sep 2009

Segment reporting – P/L areas of explanation

p.42 of interim report

	1		Towage US\$'000	RoRo US\$'000	All other segments US\$'000	Total Segments US\$'000	3		Total US\$'000	Reclass-ification US\$'000	Per Financial Statements US\$'000	Note
	Handysize US\$'000	Handymax US\$'000					Unallocated Treasury US\$'000	Others US\$'000				
For the period ended 30 June 2019												
Revenue	258,129	153,432	24,657	-	8,628	444,846	-	(31,272)	413,574	12,339	425,913	
Freight and charter-hire	258,129	153,432	24,817	-	-	435,644	-	(31,272)	404,376	12,339	416,715	1
Maritime management services	-	-	570	-	8,628	9,198	-	-	9,198	-	9,198	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(88,545)	(48,050)	(1,486)	-	-	(138,081)	-	43,357	(94,724)	94,724	-	2
Time charter equivalent earnings	169,584	105,382	-	-	-	274,966	-	-	274,966	-	274,966	
Direct costs	(110,364)	(93,886)	(19,223)	(420)	(4,876)	(228,772)	-	5,523	(223,249)	(116,762)	(340,011)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	-	-	-	-	-	-	-	-	-	(94,724)	(94,724)	2
Charter-hire expenses for vessels	(67,044)	(80,105)	(1,823)	-	-	(151,212)	-	5,523	(151,688)	(22,031)	(173,727)	3
Vessel operating costs	(21,553)	(1,354)	(11,318)	-	-	(33,225)	-	-	(33,225)	-	(33,225)	
Depreciation of vessels	(14,443)	(407)	(3,880)	-	-	(17,850)	-	-	(17,850)	-	(17,850)	
Shore based overheads	(8,214)	(3,023)	(3,812)	(420)	(4,876)	(21,485)	-	-	(21,485)	-	(21,485)	
Gross profit	59,220	11,493	3,948	(420)	3,752	77,993	-	17,608	95,601	(9,699)	85,902	
General and administrative expenses	-	-	-	-	(2,136)	(2,136)	-	(4,487)	(6,623)	-	(6,623)	4
Other income	-	-	-	-	-	-	1,559	-	1,559	54,289	55,848	1, 3, 5
Other expenses	-	-	(341)	-	(2,613)	(2,954)	-	-	(2,954)	(44,590)	(47,544)	1
Losses on disposal of property, plant and equipment	-	-	-	-	-	-	-	(2,532)	(2,532)	-	(2,532)	6
Finance costs, net	(7,149)	-	(676)	-	1,263	(6,562)	(5,945)	2,939	(9,568)	-	(9,568)	
Finance income	-	-	14	-	1,263	1,347	6,100	-	7,546	-	7,546	
Finance costs	(7,149)	-	(760)	-	-	(7,909)	(12,144)	2,939	(17,114)	-	(17,114)	7
Share of profits less losses of jointly controlled entities	-	-	(13)	-	91	78	-	1,336	1,414	-	1,414	8
Share of losses of associates	-	-	(119)	-	-	(119)	-	-	(119)	-	(119)	
Profit before taxation	52,071	11,493	2,799	(420)	357	66,300	(4,386)	14,864	76,778	-	76,778	
Taxation	-	-	(1,210)	-	(739)	(1,949)	-	-	(1,949)	-	(1,949)	
Profit for the period	52,071	11,493	1,589	(420)	(382)	64,351	(4,386)	14,864	74,829	-	74,829	

1 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

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Segment reporting – All other segments

	Dry bulk		Towage US\$'000	RoRo US\$'000	All other segments US\$'000	Total Segments US\$'000	Unallocated		Total US\$'000	Reclass- ification US\$'000	Per Financial Statements US\$'000	Note
	Handysize US\$'000	Handymax US\$'000					Treasury US\$'000	Others US\$'000				
For the period ended 30 June 2009												
Revenue	258,129	153,432	24,657	-	8,628	444,846	-	(31,272)	413,574	12,339	425,913	
Freight and charter-hire	258,129	153,432	24,447	-	-	435,648	-	(31,272)	404,376	12,339	416,715	1
Maritime management services	-	-	570	-	8,628	9,198	-	-	9,198	-	9,198	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(88,545)	(48,050)	(1,486)	-	-	(138,081)	-	43,357	(94,724)	94,724	-	2
Time charter equivalent earnings	169,584	105,382	-	-	-	274,966	-	-	274,966	-	274,966	
Direct costs	(110,364)	(93,889)	(19,223)	(420)	(4,876)	(228,772)	-	5,523	(223,249)	(116,762)	(340,011)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	-	-	-	-	-	-	-	-	-	(94,724)	(94,724)	2
Charter-hire expenses for vessels	(67,044)	(80,105)	(1,423)	-	-	(148,572)	-	5,523	(143,049)	(22,031)	(165,080)	3
Vessel operating costs	(21,553)	(1,354)	(11,318)	-	-	(33,225)	-	-	(33,225)	-	(33,225)	
Depreciation of vessels	(14,443)	(407)	(3,482)	-	-	(18,332)	-	-	(18,332)	-	(18,332)	
Shore based overheads	(8,244)	(3,023)	(3,482)	(420)	(4,876)	(20,045)	-	-	(20,045)	-	(20,045)	
Gross profit	59,220	11,493	3,948	(420)	3,752	77,993	-	17,608	95,601	(9,699)	85,902	
General and administrative expenses	-	-	-	-	(2,136)	(2,136)	-	(4,487)	(6,623)	-	(6,623)	4
Other income	-	-	-	-	-	-	1,559	-	1,559	54,289	55,848	1, 3, 5
Other expenses	-	-	(341)	-	(2,613)	(2,954)	-	-	(2,954)	(44,590)	(47,544)	1
Losses on disposal of property, plant and equipment	-	-	-	-	-	-	-	(2,532)	(2,532)	-	(2,532)	6
Finance costs, net	(7,149)	-	(676)	-	1,263	(6,562)	(5,945)	2,939	(3,006)	-	(3,006)	
Finance income	-	-	44	-	1,263	1,347	6,109	-	7,546	-	7,546	
Finance costs	(7,149)	-	(740)	-	-	(7,909)	(12,144)	2,939	(9,205)	-	(9,205)	7
Share of profits less losses of jointly controlled entities	-	-	(13)	-	91	78	-	1,336	1,414	-	1,414	8
Share of losses of associates	-	-	(119)	-	-	(119)	-	-	(119)	-	(119)	
Profit before taxation	52,071	11,493	2,799	(420)	357	66,300	(4,386)	14,864	76,778	-	76,778	
Taxation	-	-	(1,210)	-	(739)	(1,949)	-	-	(1,949)	-	(1,949)	
Profit for the period	52,071	11,493	1,589	(420)	(382)	64,351	(4,386)	14,864	74,829	-	74,829	

What are in “All other segments”?

Fujairah Bulk Shipping (“FBSL”)

FBSL

- JV in Middle East for supplying rock and aggregates using tugs, barges and handysize ships from Fujairah to Qatar and Kuwait



Port and Port Services

APMIG

- Focusing on the Nanjing Longtan Tianyu Terminal (“LTT”) (45% holding JV)



Maritime Management Services

PacMarine

- Provision of marine consultancy and surveying services to oil majors.
- PB Maritime Services**
- Third party ship management and associated management services

Investments and China

Post Panamax vessel x 1

Green Dragon Gas Limited

- UK, AIM market listed energy company

China office properties

- 3 properties in Beijing, Nanjing and Wuhan

All other segments

- Where the operations appear

US\$ m	1H09	
Revenue	8.6	Maritime Management Services
Direct costs	(4.9)	PacMarine
General & Admin	(2.1)	Mainly China
Other expenses	(2.6)	Amortisation of FBSL acquisition-related intangible assets
Finance income	1.3	Interest from bank deposits in China & loan to FBSL
Share of JV	0.0	Net result of: FBSL 1.4m LTT (1.4m)
Tax	(0.7)	
P/L	0.4	

No P/L entries this period for:

- Green Dragon Gas
- Post Panamax newbuild

3 Segment reporting – “Unallocated-others”

	Dry bulk		Towage US\$'000	RoRo US\$'000	All other segments US\$'000	Total Segments US\$'000	Unallocated		Total US\$'000	Reclass- ification US\$'000	Per Financial Statements US\$'000	Note
	Handysize US\$'000	Handymax US\$'000					Treasury US\$'000	Others US\$'000				
For the period ended 30 June 2009												
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Freight and charter-hire	258,129	153,432	24,447	-	-	435,648	-	(31,272)	404,376	12,339	416,715	1
Maritime management services	-	-	570	-	8,628	9,198	-	-	9,198	-	9,198	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(88,545)	(48,050)	(1,486)	-	-	(138,081)	-	43,357	(94,724)	94,724	-	2
Time charter equivalent earnings	169,584	105,382	-	-	-	274,966	-	-	274,966	-	274,966	
Direct costs	(110,364)	(93,889)	(19,223)	(420)	(4,876)	(228,772)	-	5,523	(223,249)	(116,762)	(340,011)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	-	-	-	-	-	-	-	-	-	(94,724)	(94,724)	2
Charter-hire expenses for vessels	(67,044)	(89,195)	(1,823)	-	-	(157,212)	-	5,523	(151,689)	(22,031)	(173,720)	3
Vessel operating costs	(24,553)	(1,354)	(11,318)	-	-	(37,225)	-	-	(37,225)	-	(37,225)	
Depreciation of vessels	(14,443)	(407)	(3,000)	-	-	(17,850)	-	-	(17,850)	-	(17,850)	
Shore based overheads	(8,244)	(3,023)	(3,182)	(420)	(4,876)	(20,485)	-	-	(20,485)	-	(20,485)	
Gross profit	59,220	11,493	3,948	(420)	3,752	77,993	-	17,608	95,601	(9,699)	85,902	
General and administrative expenses	-	-	-	-	(2,136)	(2,136)	-	(4,487)	(6,623)	-	(6,623)	4
Other income	-	-	-	-	-	-	1,559	-	1,559	54,289	55,848	1, 3, 5
Other expenses	-	-	(341)	-	(2,613)	(2,954)	-	-	(2,954)	(44,590)	(47,544)	1
Losses on disposal of property, plant and equipment	-	-	-	-	-	-	-	(2,532)	(2,532)	-	(2,532)	6
Finance costs, net	(7,149)	-	(676)	-	1,263	(6,562)	(5,945)	2,939	(3,006)	-	(3,006)	
Finance income	-	-	44	-	1,263	1,347	6,109	-	7,546	-	7,546	
Finance costs	(7,149)	-	(740)	-	-	(7,900)	(12,144)	2,939	(17,114)	-	(17,114)	7
Share of profits less losses of jointly controlled entities	-	-	(13)	-	91	78	-	1,336	1,414	-	1,414	8
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Profit for the period	52,071	11,493	1,589	(420)	(382)	64,351	(4,386)	14,864	74,829	-	74,829	

What is “Unallocated – Others”?

US\$ m	1H09	p.26 of interim report		Impact of financial instruments	
			Unrealised	Realised	1H09
Revenue	(31.3)	FFAs	(31.3)	19.0	(12.3)
Bunker & port disbursements	43.4	Bunker swap	43.4	(10.4)	33.0
Direct costs	5.5	Interest rate swap	2.9	(1.5)	1.4
General & Admin	(4.4)	Net	15.0	7.1	22.1
Disposal losses	(2.5)				
Finance costs	2.9				
Share of JV	1.3				
P/L	14.9				

Segment net profits	64.4
Unallocated - Treasury	(4.5)
Unallocated G&A	(4.4)
Unallocated – share of JV	1.3
Underlying profits	56.8
Unrealised derivatives income	15.0
Write back future onerous contract provision	5.5
Vessel disposal losses	(2.5)
Consolidated P/L	74.8

In the divisional results

Write-back of time charter contracts provision for future periods

Gain from disposal of JV vessel, Captain Corelli

4 Segment reporting – Reclassification

	Dry bulk		Towage US\$'000	RoRo US\$'000	All other segments US\$'000	Total Segments US\$'000	Unallocated		Total US\$'000	Reclass- ification US\$'000	Per Financial Statements US\$'000	Note
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Maritime management services	-	-	570	-	8,628	9,198	-	-	9,198	-	9,198	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(88,545)	(48,050)	(1,486)	-	-	(138,081)	-	43,357	(94,724)	94,724	-	2
Time charter equivalent earnings	169,584	105,382	-	-	-	274,966	-	-	274,966	-	274,966	
Direct costs	(110,364)	(93,889)	(19,223)	(420)	(4,876)	(228,772)	-	5,523	(223,249)	(116,762)	(340,011)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	-	-	-	-	-	-	-	-	-	(94,724)	(94,724)	2
Charter-hire expenses for vessels	(67,044)	(80,105)	(1,423)	-	-	(148,572)	-	5,523	(143,049)	(22,031)	(165,080)	3
Vessel operating costs	(21,553)	(1,354)	(11,318)	-	-	(34,225)	-	-	(34,225)	-	(34,225)	
Depreciation of vessels	(14,443)	(407)	(3,482)	-	-	(18,332)	-	-	(18,332)	-	(18,332)	
Shore based overheads	(8,244)	(3,023)	(3,482)	(420)	(4,876)	(20,045)	-	-	(20,045)	-	(20,045)	
Gross profit	59,220	11,493	3,948	(420)	3,752	77,993	-	17,608	95,601	(9,699)	85,902	
General and administrative expenses	-	-	-	-	(2,136)	(2,136)	-	(4,487)	(6,623)	-	(6,623)	4
Other income	-	-	-	-	-	-	1,559	-	1,559	54,289	55,848	1, 3, 5
Other expenses	-	-	(341)	-	(2,613)	(2,954)	-	-	(2,954)	(44,590)	(47,544)	1
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Finance income	-	-	44	-	1,263	1,347	6,109	-	7,546	-	7,546	
Finance costs	(7,149)	-	(740)	-	-	(7,909)	(12,144)	2,939	(9,205)	-	(9,205)	7
Share of profits less losses of jointly controlled entities	-	-	(13)	-	91	78	-	1,336	1,414	-	1,414	8
Share of losses of associates	-	-	(119)	-	-	(119)	-	-	(119)	-	(119)	
Profit before taxation	52,071	11,493	2,799	(420)	357	66,300	(4,386)	14,864	76,778	-	76,778	
Taxation	-	-	(1,210)	-	(739)	(1,949)	-	-	(1,949)	-	(1,949)	
Profit for the period	52,071	11,493	1,589	(420)	(382)	64,351	(4,386)	14,864	74,829	-	74,829	

Why “Reclassify”? – Accounting standards

US\$ m	1H09				
Revenue	12.3				
Bunker & port disbursements	94.7	127.7		12.3	
Direct costs	(116.7)	(127.7)	(33.0)	32.3	(22.0)
Other income	54.3		33.0		22.0
Other expenses	(44.6)			(44.6)	
Total	0	0	0	0	0

TCE earnings no longer on the face of P/L

Impact of financial instruments	
	1H09
FFAs	(12.3)
Bunker swap	33.0
Interest rate swap	1.4
Total Net	22.1

In Treasury Division →



Segment reporting

– Balance Sheet areas of explanation

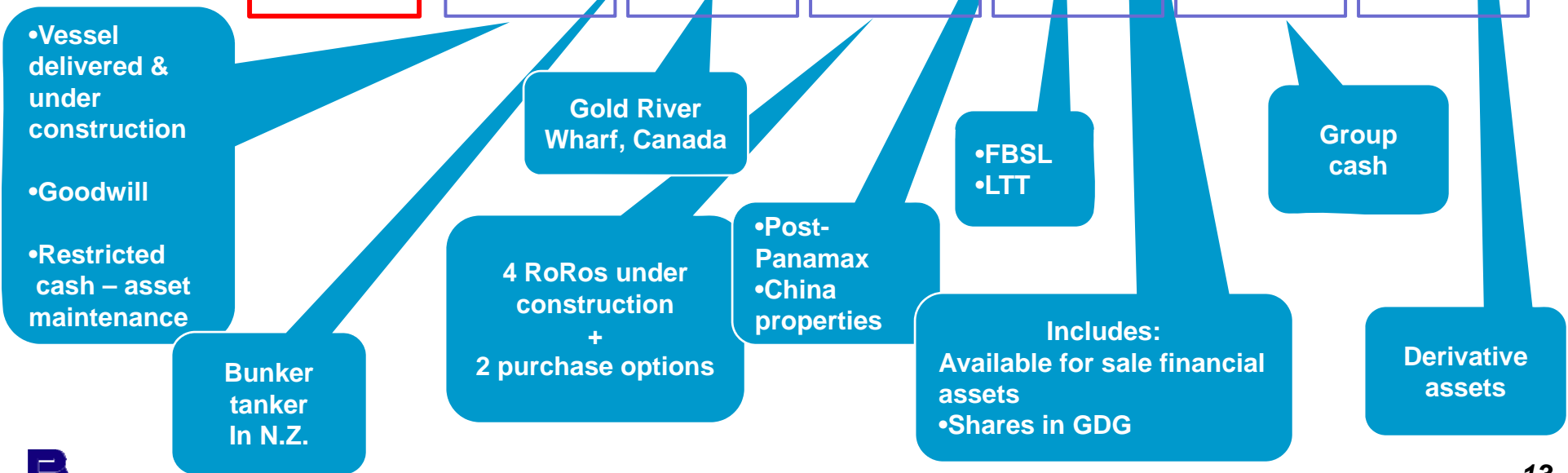
	Dry bulk		Towage US\$'000	RoRo US\$'000	All other segments US\$'000	Total Segments US\$'000	Unallocated		Total US\$'000	Reclass- ification US\$'000	Per Financial Statements US\$'000
	Handysize US\$'000	Handymax US\$'000					Treasury US\$'000	Others US\$'000			
At 30 June 2009											
Total assets	699,724	44,195	155,571	222,101	143,504	1,265,095	1,096,752	44,240	2,406,087	–	2,406,087
Total assets include:											
Property, plant and equipment	577,963	15,983	120,722	181,093	16,195	911,956	–	–	911,956	–	911,956
Interests in jointly controlled entities	–	–	7,341	–	33,664	41,005	–	3,328	44,333	–	44,333
Investment in associates	–	–	2,739	–	–	2,739	–	–	2,739	–	2,739
Additions to property, plant and equipment	32,375	–	23,556	91,422	2,304	149,657	–	–	149,657	–	149,657
Total liabilities	301,866	21,718	50,354	131	6,392	380,461	586,061	15,957	982,479	–	982,479
Total liabilities include:											
Long term borrowings	206,489	–	39,337	–	–	245,826	581,084	–	826,910	–	826,910

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6

5 What do segment assets represent?

US\$ m	Total	Drybulk	Towage	RoRos	All other segments	Treasury	Unallocated Others
Total assets	2,406.1	743.9	155.6	222.1	143.5	1,096.8	44.2
Includes:							
PP&E	912.0	594.0	120.7	181.1	16.2	-	-
JVs	44.3	-	7.3	-	33.7	-	3.3
Associate	2.7	-	2.7	-	-	-	-



6 What do segment liabilities represent?

US\$ m	Total	Drybulk	Towage	RoRos	All other segments	Treasury	Unallocated Others
Total liabilities	982.5	323.6	50.4	0.1	6.4	586.1	15.9
<i>Includes:</i>							
Borrowings	826.9	206.5	39.3	-	-	581.1	-

<p>Finance lease liab.</p>	<p>Specific bank loans for tugs</p>	<p>Group general facilities includes:</p> <ul style="list-style-type: none"> • Convertible bonds • Loans secured on drybulk ships for future expansion 	<p>Derivative liabilities</p>
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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.

Please contact Investor Relations Department for any questions

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