



Pacific Basin

Stock Code: 2343

Interim Results 2007

For the six months ended 30th June 2007

7 August 2007

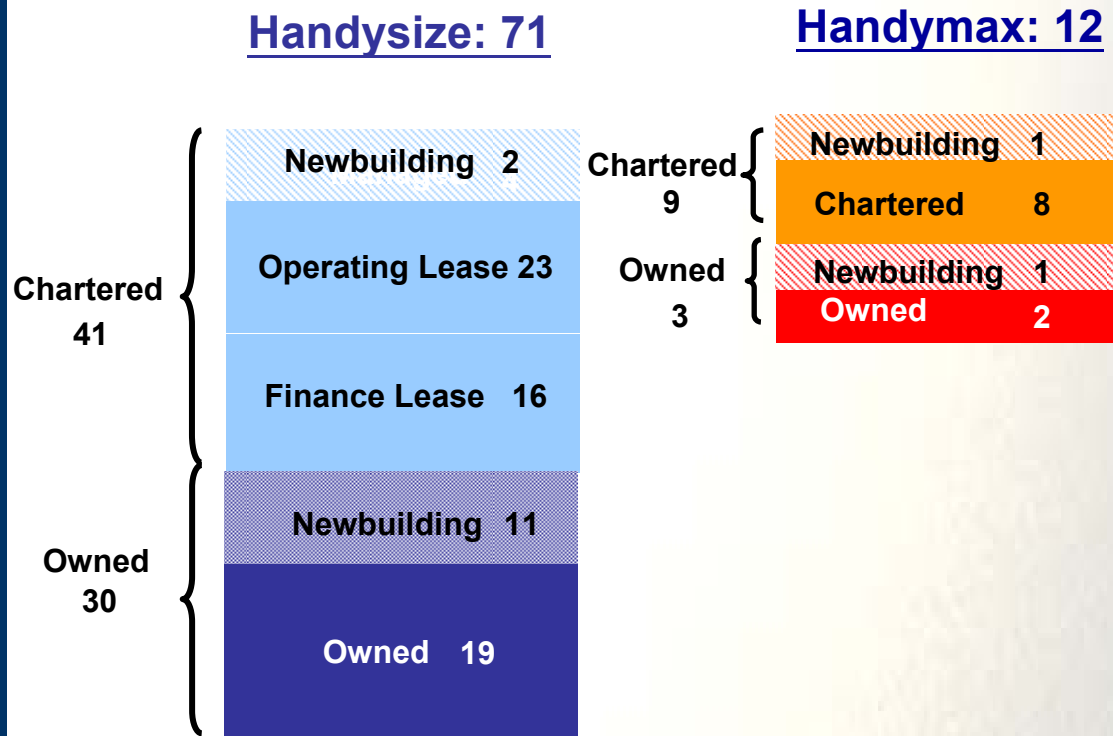
1H07 Results Highlights

- ❖ Profits: US\$162.9m (36.4m) • Basic EPS: HK81¢ (22¢)
- ❖ Includes US\$50.2m (Nil) disposal gains
- ❖ Handysize average daily charter rate: US\$19,750/day (US\$14,400/day)
- ❖ ROE: 63% (25%) • Net Profit Margin: 61% (26%)
- ❖ Interim dividend 2007: HK45¢ • Payout: 55% (92%)
- ❖ Total shareholders' return: 84% (8%), comprising HK\$3.90 of capital gains and HK22.5¢ of dividends paid

What is Pacific Basin?

- ❖ **World's largest modern handysize vessel owner/operator**
- ❖ **17 offices worldwide, 260 shore-based staff, 1000 seafarers**
- ❖ **We carry the dry bulk commodities required for China's and Asia's growth**
- ❖ **Enjoying record high rate environment brought about by tight balance of ship supply and commodity demand**

Fleet Profile



**Core fleet totals
83 ships**

**Core & short-term fleet
totals 113 ships**

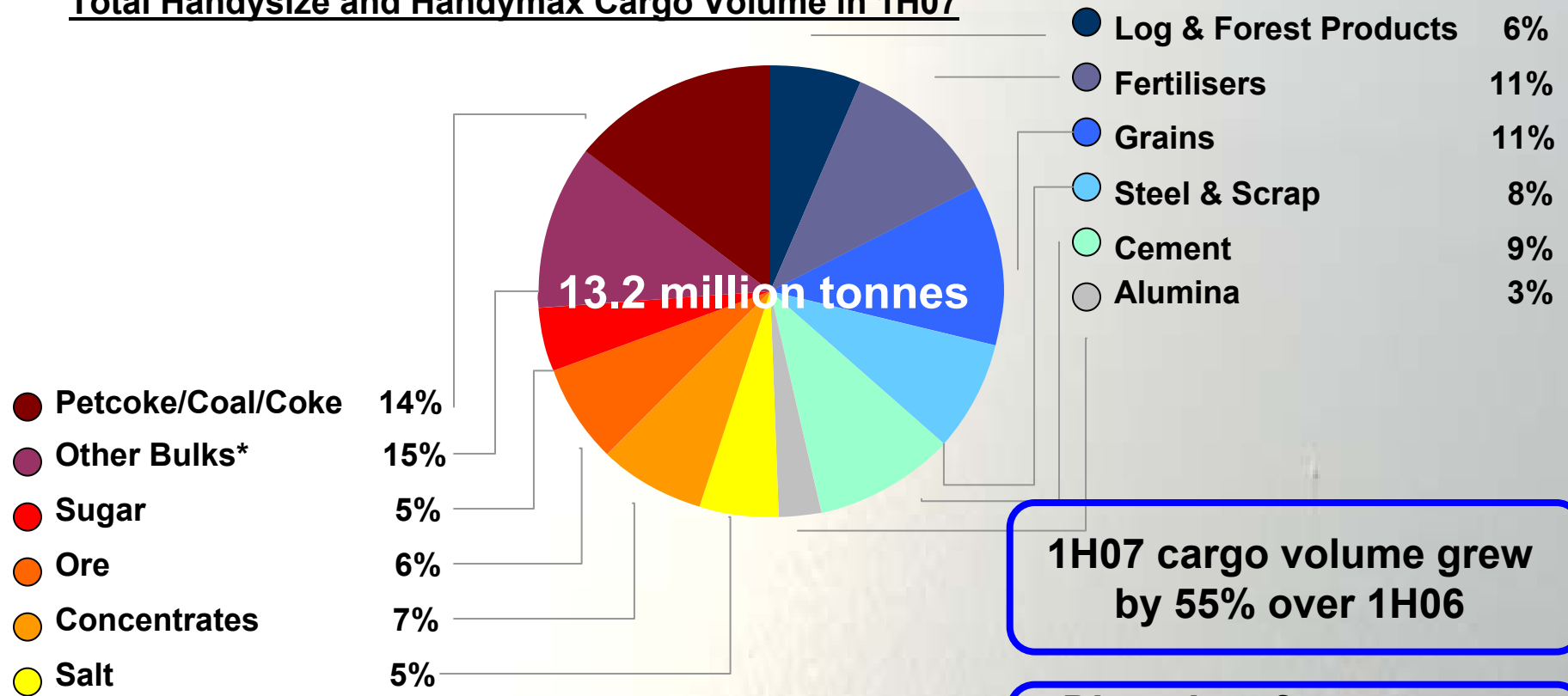
**Investment
programme totals
US\$225 million
in 12 ships**

**2007 handysize
revenue days to grow
by 22% over 2006**

Core Fleet Profile as at 1 August 2007

Diversified Cargo

Total Handysize and Handymax Cargo Volume in 1H07

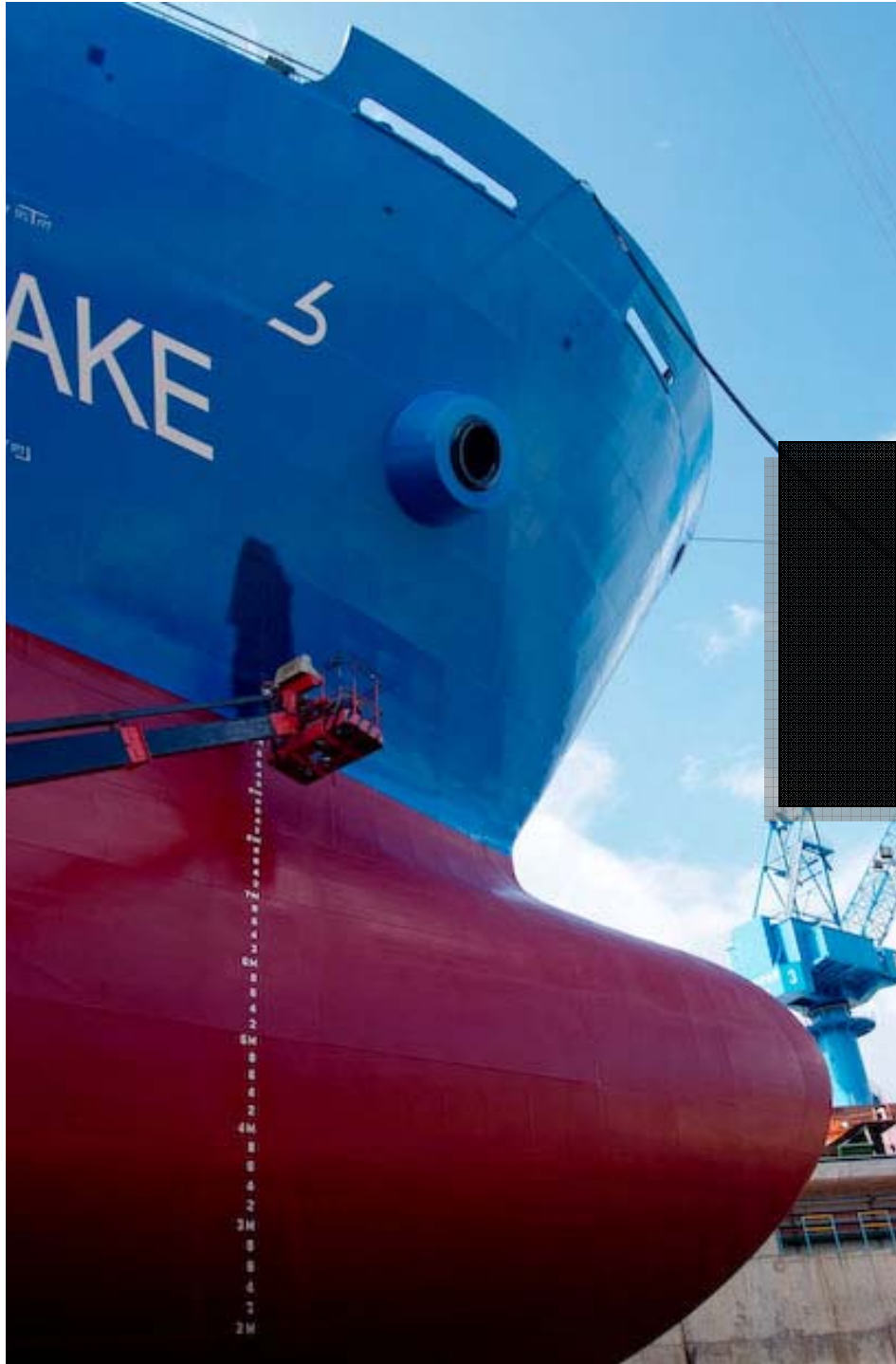


1H07 cargo volume grew by 55% over 1H06

Diversity of cargo types produces stable earnings versus major bulks



* Includes Cement Clinker, Gypsum, Sands, Soda Ash, Agricultural Products, Aggregates

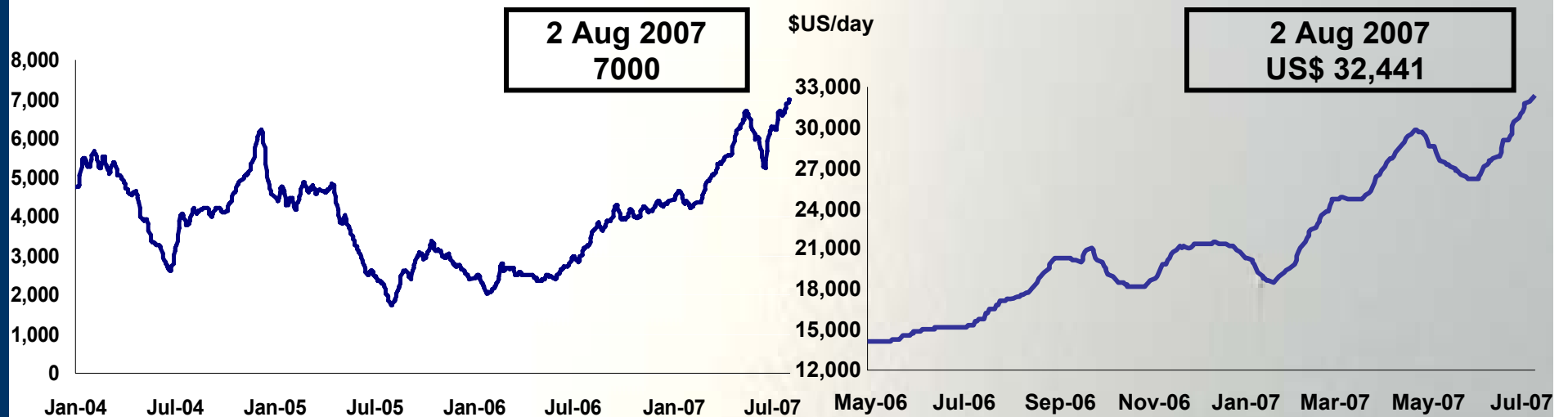


Market Review

Baltic Exchange Indices

The Baltic Dry Index (BDI)

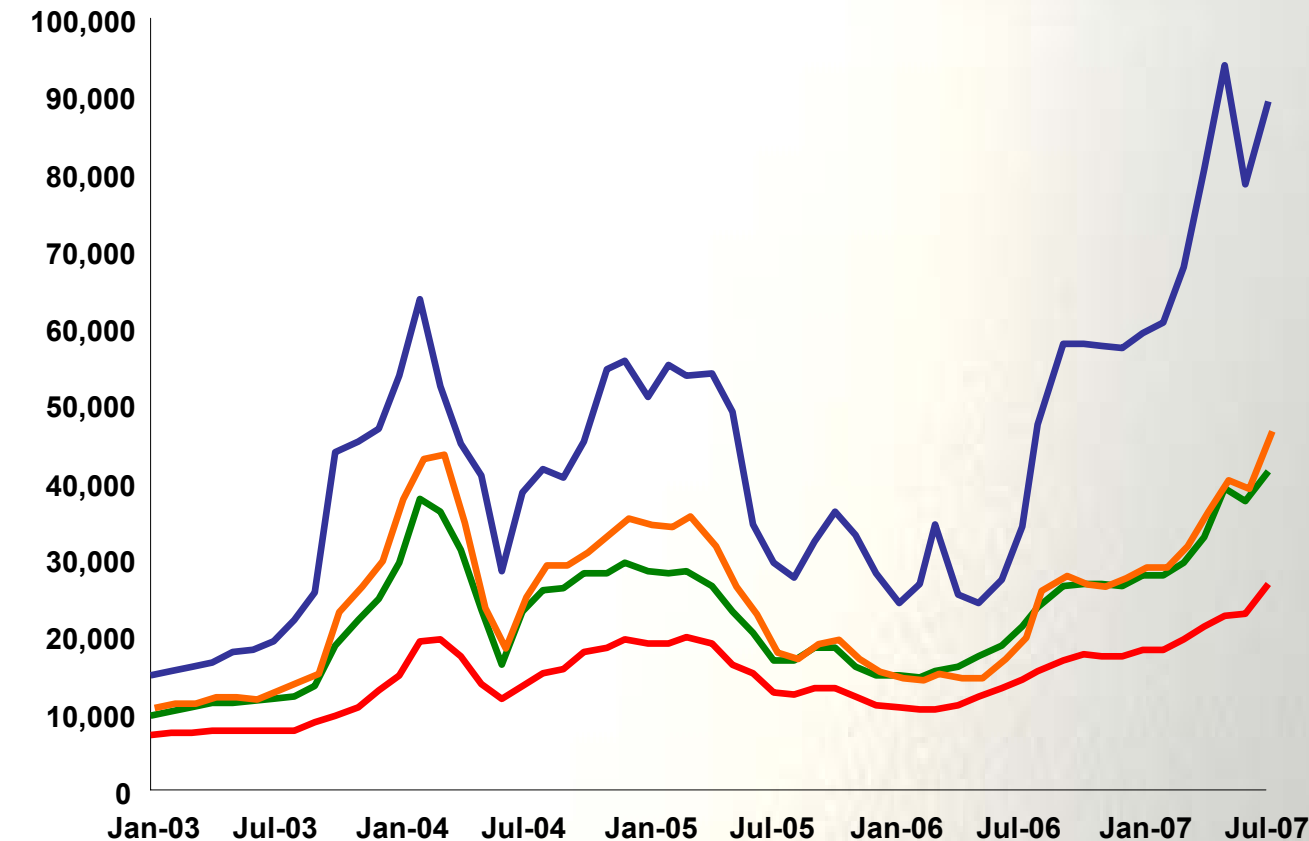
The Baltic Handysize Index (BHSI)



Note: BHSI is shown as Net rate i.e. gross after commission of approx. 5%
Both BDI and BHSI as at 2 August 2007. BHSI officially started on 2Jan07
Sources: The Baltic Exchange, Bloomberg LP

Dry Bulk – 1 Year Time-Charter Rate

US\$/day



As at 29 July 2007

Capesize

\$91,200 (Jan07: \$59,138)

Panamax

\$50,113 (Jan07: \$29,450)

Supramax

\$42,750 (Jan07: \$27,729)

Handysize

1-Year: \$27,550 (Jan07: \$18,169)

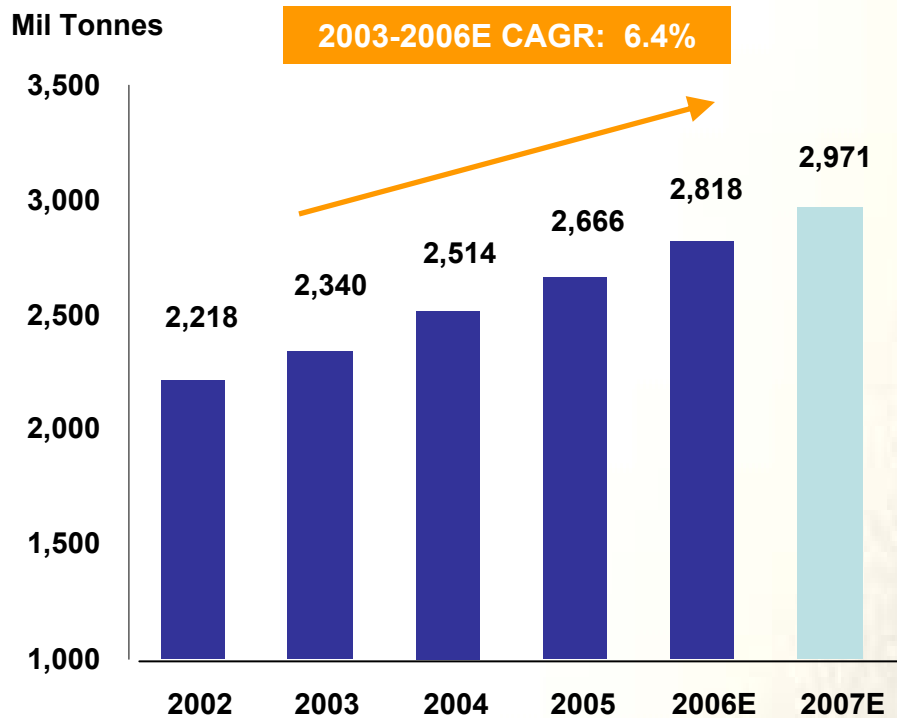
3-Year: \$21,850 (Jan07: \$15,854)

Note: Net Rate
Source: Clarkson



Strong Growth in Dry Bulk Trade

Global Trade in Dry Bulks



Long term historical growth of approx. 2%...

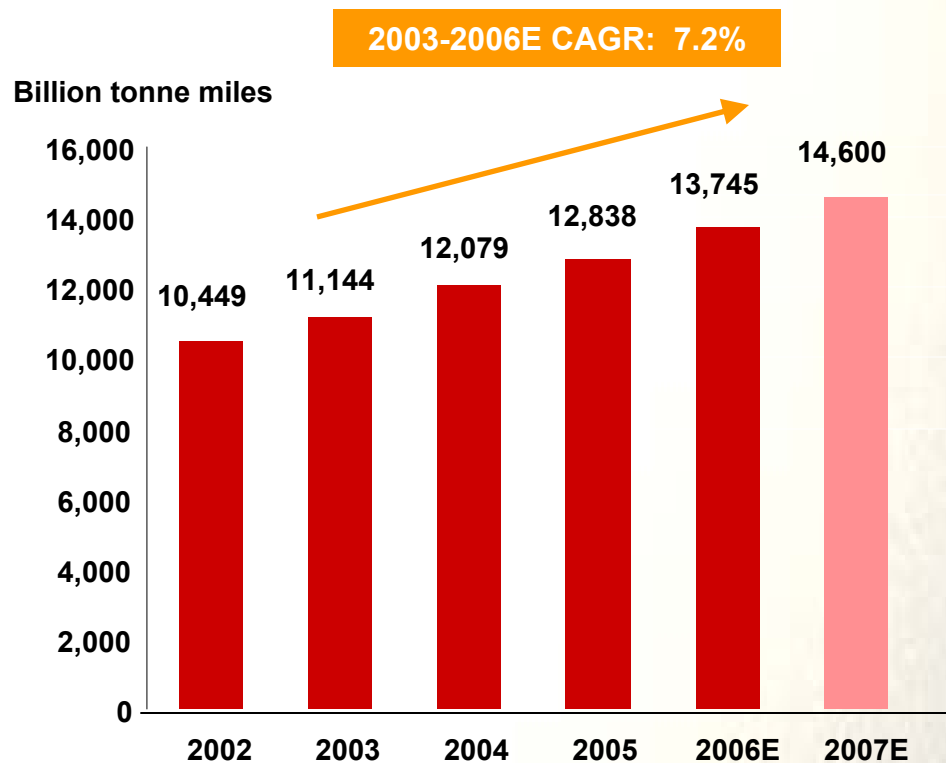
...but pace has quickened in last 5 years

Dry bulk trade volume highly correlated with world GDP growth

Source: Fearnleys

Tonne-Mile Effect

Global Trade in Dry Bulks in Tonne-miles

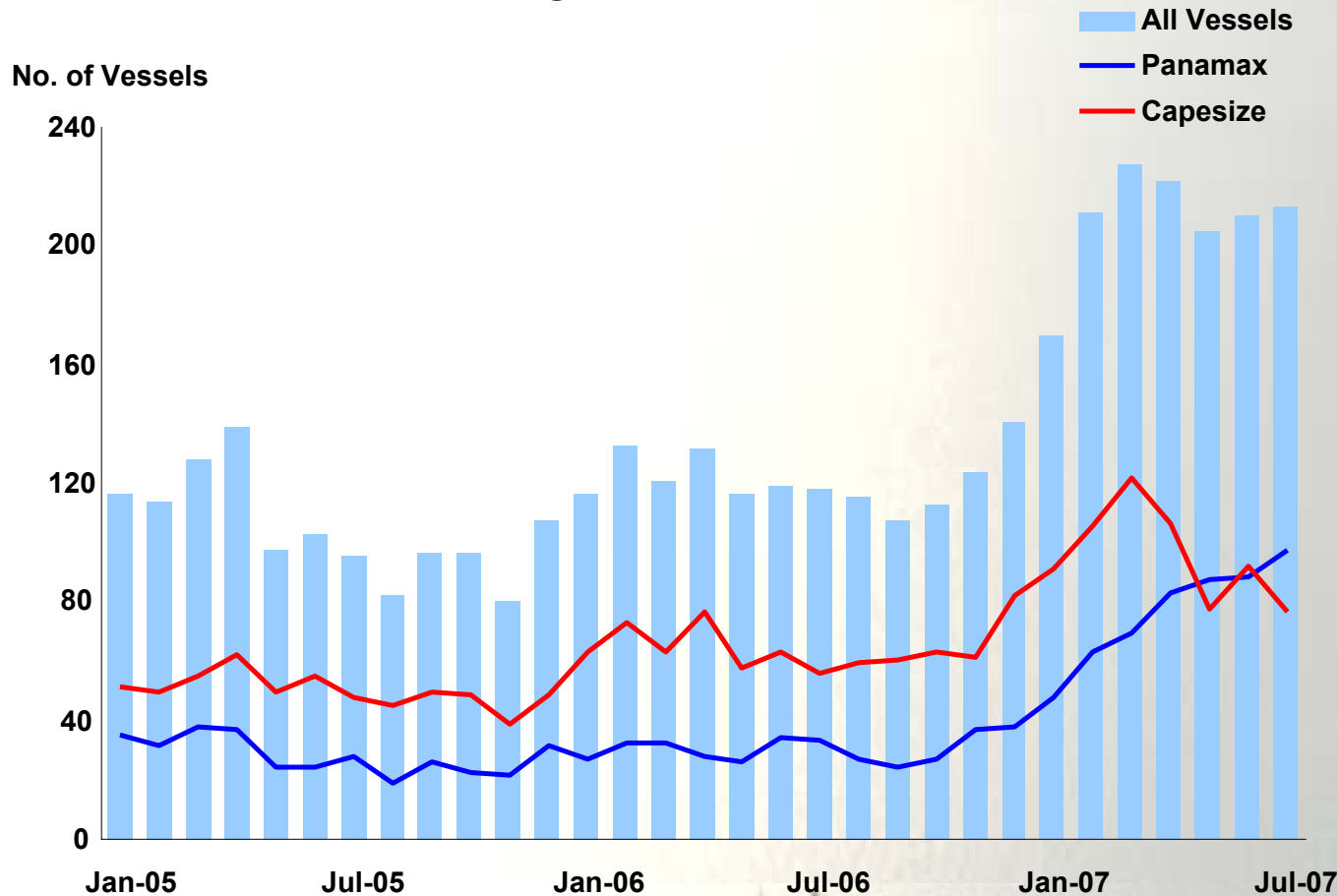


Voyage distances
have grown...
and continue to do so

7% real growth
driver for
dry bulk ship demand

Port Congestion Squeezing Supply

Total Vessel Congestion at Australian Ports



Coal demand the dominant cause

Direct impact on handysize rates

Source: Monson Agencies Australia



Low Orderbook in Handysize

Type of Vessels





Orderbook as % of Existing Fleet

Container 48%

Tanker 40%

Others 26%

Dry Bulk 39%

		Ave. Age
Capesize 100K +		11.1
 60%		
Panamax 60-100K		11.6
 30%		
Handymax 40K-60K		11.6
 42%		
Handysize 25-35K		17.8
 20%		

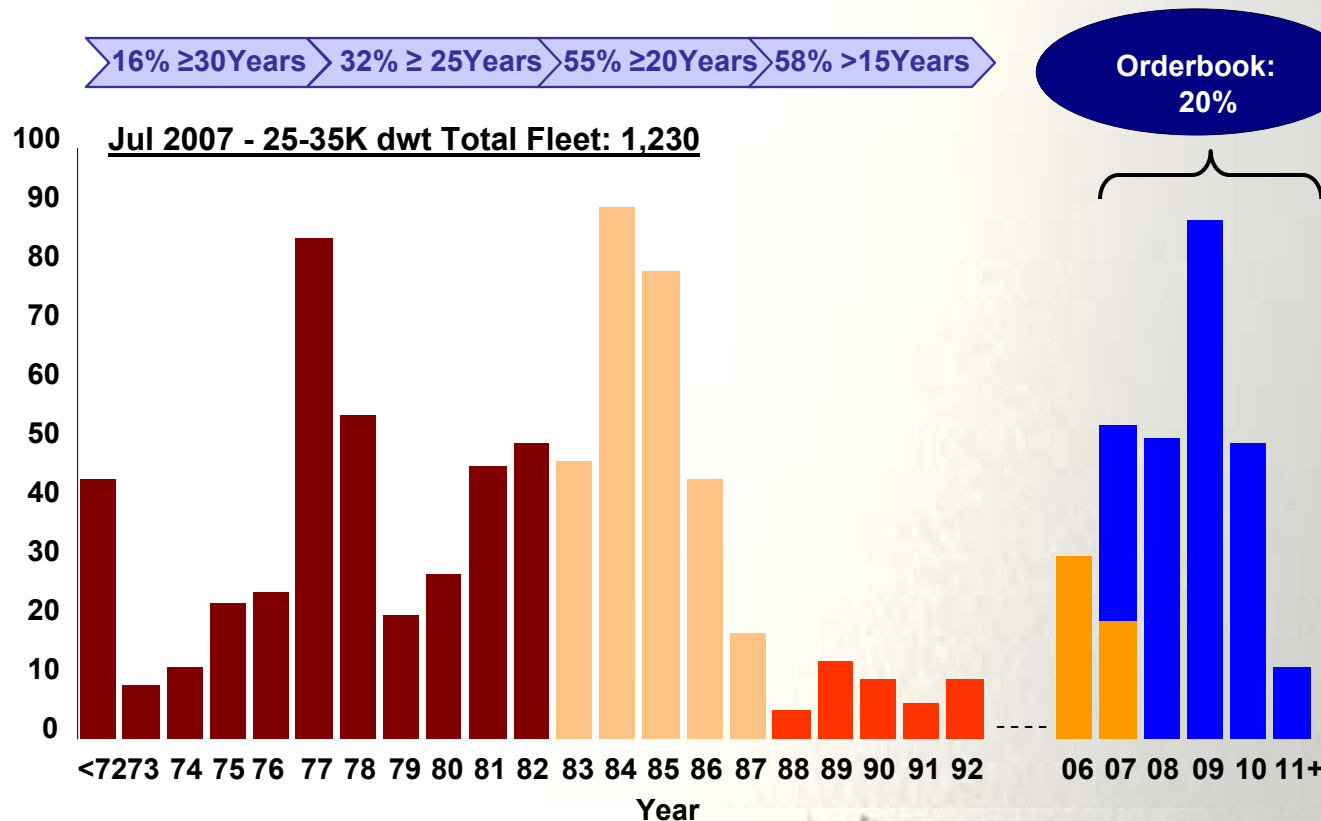
All yards are almost full until 2010

Yards starting to take more dry bulk orders

But still limited supply in dry bulk, particularly handysize

Ageing World Fleet Points to Scrapping

No. of Vessel



More than 32% older than 25 years

Uncertainty over 'real' deliveries from 2009

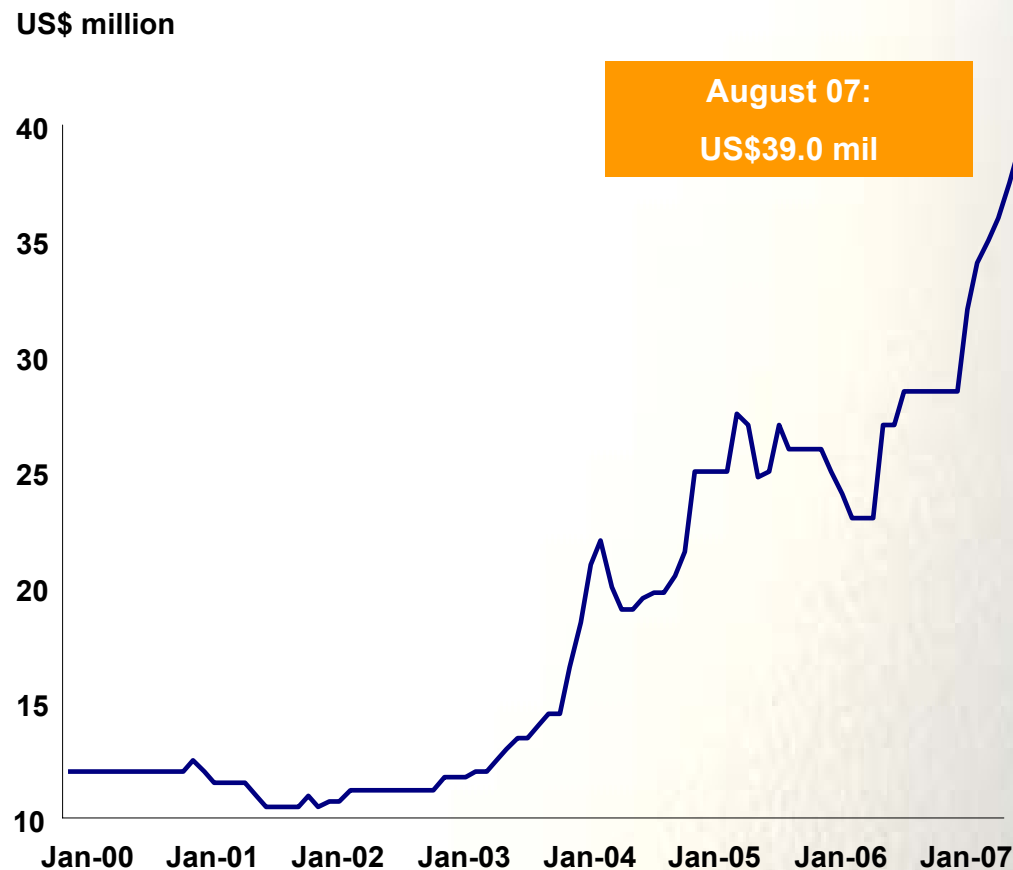
Low supply of handysize despite growing demand

Source: Clarkson



Dry Bulk Carrier Sale & Purchase Market

2nd-hand 5-year old handysize vessel price (25K-35K dwt)

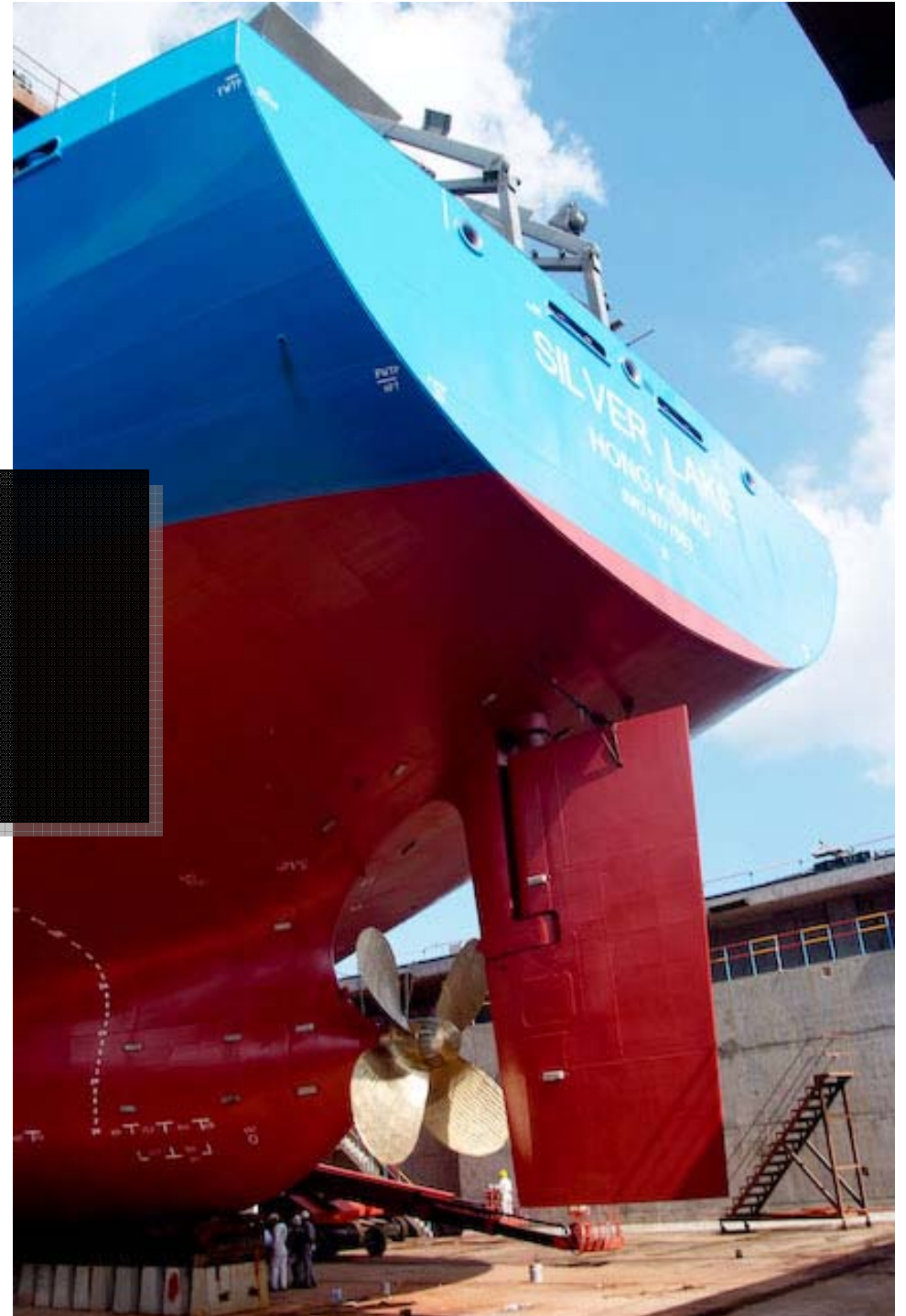


Now worth approx.
US\$39m (Clarkson),
but US\$41 million
by our estimates

Our asset value moves
in line with rising
market values

Source: Clarkson

Financial Review



1H07 Financial Highlights

	1H07	1H06
TCE Earnings (US\$m)	269.2	140.4
Vessel disposal gains	50.2	-
Reported net profit	162.9	36.4
Return on average shareholders' equity	63%	25%
Basic EPS (HK¢)	81	22
Dividends (HK¢ per share)	45.0	20.0
Payout ratio	55%	92%

Results – Handysize Freight & Charter-hire

Drivers of the results

		1H07	1H06	% Change
Revenue days	(days)	9,590	7,570	+27%
TCE earnings	(US\$/day)	19,750	14,400	+37%
Owned + chartered cost	(US\$/day)	9,370	8,540	+10%
Contribution	(US\$m)	99.5	44.4	+124%

Deliveries of 2006 purchases increase revenue days

1H07 TCE rates strengthened

Blended cost reflects more chartered in vessels

Results – Handymax Freight & Charter-hire

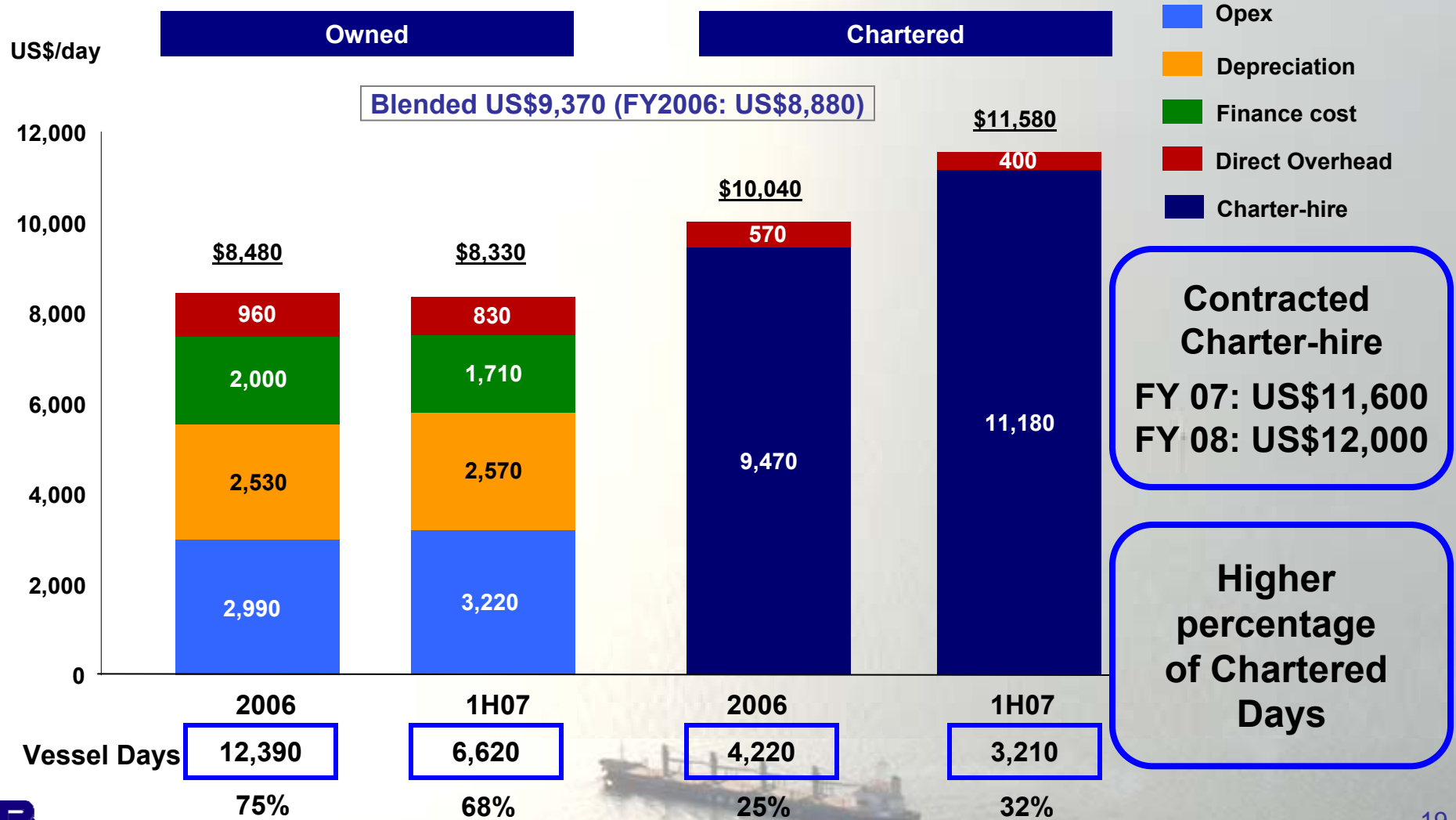
Drivers of the results

		1H07	1H06	% Change
Revenue days	(days)	2,260	1,320	+71%
TCE earnings	(US\$/day)	25,180	15,690	+60%
Owned + chartered cost	(US\$/day)	20,580	17,710	+16%
Contribution	(US\$m)	10.0	(3.0)	

Division fully operational
compared to 1H06

Exceptional 2Q07 TCE rates

Daily Vessel Costs - Handysize



Balance Sheet

US\$mil

Net book value of fixed assets ¹

Gross borrowings

Cash

Net borrowings

Shareholder's equity

Net borrowings / Fixed assets

Net borrowings / Shareholder's equity

30 Jun 07

763.5

319.5

83.3

236.2

599.5

30.4%

39.4%

31 Dec 06

741.0

350.5

63.2

287.3

485.0

38.1%

59.2%

Note 1

37 Delivered vessels:

NBV = US\$675.6m, average US\$18.3m

Insured value = US\$1.5bn (4 Jul 07)

Insured values of all
vessels with ownership
interest US\$2.4bn

Capital commitments
30Jun07: US\$225.3m

Cashflow

US\$m

Operating cash inflows

Investing cash outflows

- Payments for property, plant and equipment
- Sales of vessels
- Purchase of shares of other listed shipping companies
- Others

Financing cash outflows

- Net (repayment) / drawdown of borrowings
- Repayment of finance lease payables – capital element
- Payment of interest and other finance charges
- Dividend paid
- Others

Cash at 30 June

1H07

1H06

131.3

57.3

(24.1)

(91.4)

(167.6)

(97.5)

176.0

-

(37.8)

-

5.3

6.1

(87.2)

(5.5)

(23.0)

71.0

(7.9)

(7.4)

(10.2)

(11.2)

(45.0)

(58.1)

(1.1)

0.2

83.3

42.6

Dividend

Continue to payout at least 50% of annual attributable profits

Actual payout ratio has consistently exceeded the stated policy

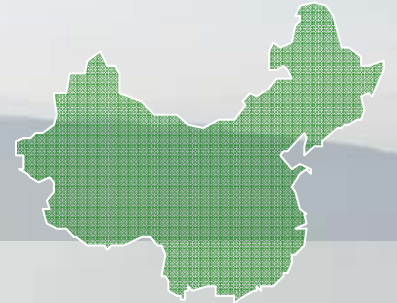
Year	Dividend	US\$mil	HK ¢ per share	Payout Ratio
2006	Interim (paid 7Sep06)	33.4	22.0	
	Final (paid 17Apr07)	45.1	22.5	
	Total for year	78.5	42.5	71%
1H07	Interim (ex div 20Aug07) (pay 31Aug07)	90.3	45.0	55%



**Jiangmen Nanyang
Shipyard – Hull 101**

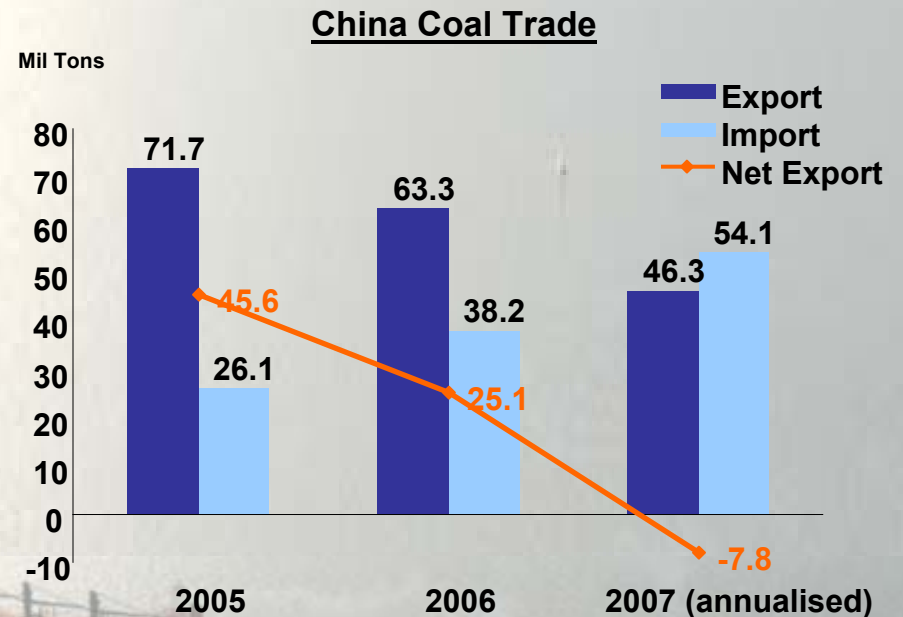
New Developments & Outlook

Other Operations in China



- ❖ First co-investment in a Chinese bulk cargo terminal - with Nanjing Port Group
- ❖ Pacific Basin holds 45% interest with equity commitment of US\$16 million in 2007

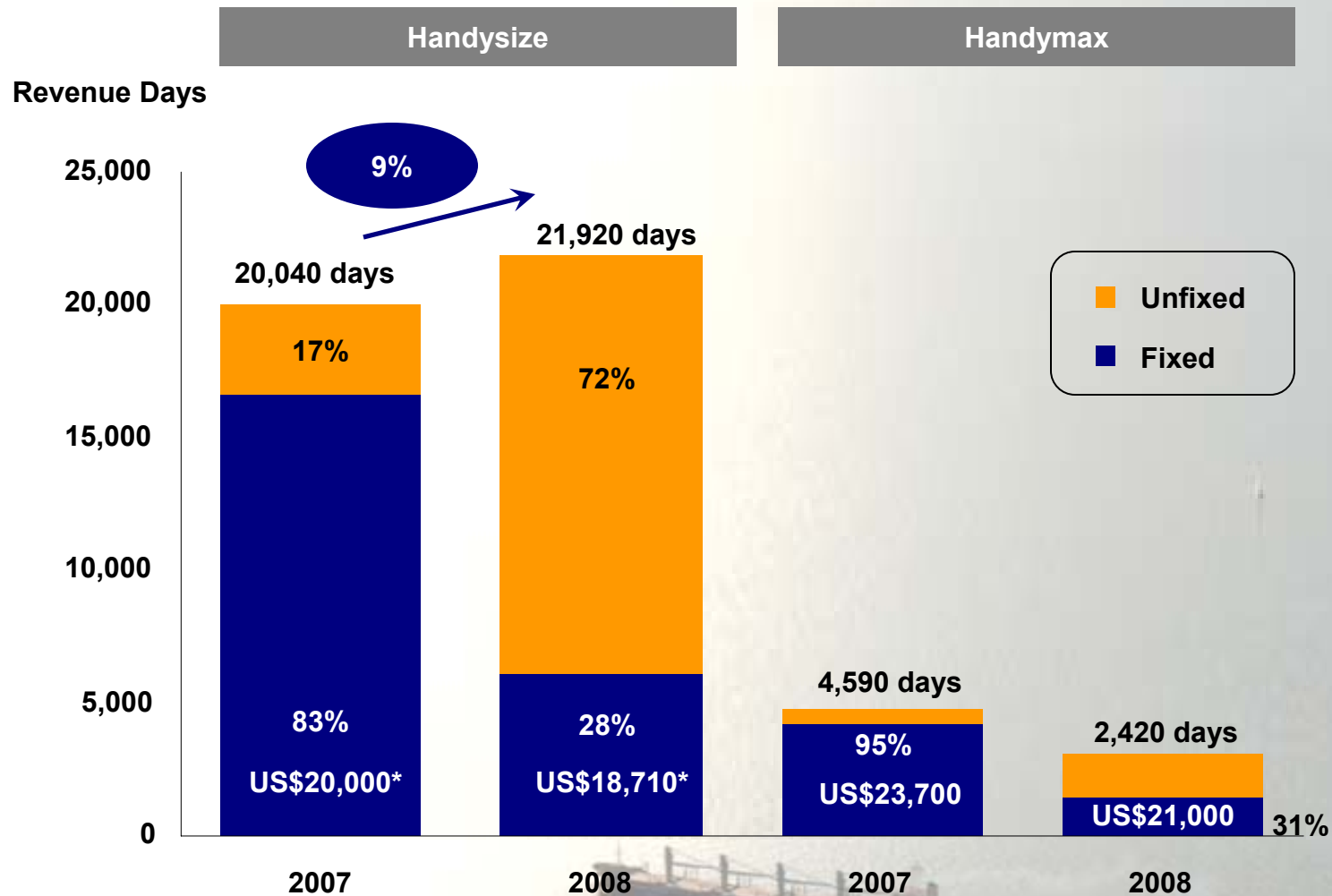
- ❖ Joint ship owning venture agreed with the shipping arm of China's largest power company
- ❖ JV will procure tonnage to service China's growing international coal needs
- ❖ 95k dwt tonne newbuilding bulker chartered from 2011



Listed Shipping Investments

- ❖ Q107 – Pacific Basin began investing a portion of cash reserves in a selection of other shipping equities
- ❖ Taking advantage of in house knowledge of the shipping market and excellent access to industry information flows
- ❖ Investments as of 30 June amounted to US\$34.9 million
- ❖ Actual return on investments since inception was US\$11.3 million (32%) as of 30 June
- ❖ Largest single investment is in Thoresen Thai Agencies (5.06% stake)

Earnings Coverage



* includes an approximate US\$1,000/day anticipated uplift from efficient voyage execution

Outlook

- ❖ **Interim dividend 2007: HK45¢**
- ❖ **Handysize revenue days set to increase by 22% in 2007, and 9% in 2008**
- ❖ **72% of 2008 handysize days uncovered; current spot market at almost US\$32,500 per day net**
- ❖ **Record high vessel prices**
- ❖ **Active development of business model into complementary areas**
- ❖ **Industrial revolution in the world's most populous country continues to drive our markets**

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.