

Pacific Basin Shipping Limited
Final Results
For the year ended 31st December 2004





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.



2004 Highlights - Financial



- § **Profits - US\$103.5 million**
(2003:\$22.7 million)
- § **Revenues - US\$234.3 million**
(2003:\$54.2 million)
- § **Earnings per share US cents 9.59 (HK cents 74.80)**
(2003:US cents 2.85, HK cents 22.23)
- § **41 owned and chartered vessels in operation at year end**
(2003:24)
- § **Average TCE rate achieved of \$17,900/day**
(2003: \$9,800)
- § **Proposed final dividend of US cents 2.05 (HK cents 16.00) per share**
giving total dividend of US cents 3.08 (HK cents 24.00) for seven months



2005 Highlights – Growth Drivers



§ 2004 fleet expansion drives 2005 Handysize revenue days to 13,700, up 38%

§ 2005 agreed vessel purchases add another 5% or 500 days

§ 2005 Handysize revenue days and contract cover now stand at

<u>Days</u>	<u>05vs04</u>	<u>Cover</u>	<u>\$/day</u>
14,200	+43%	59%	17,300

§ Plan to purchase up to eight additional vessels in 2005 (depending on market conditions)



Financial Review

Andrew Broomhead

B Profit & Loss - Highlights



(US\$mil)

	FY2004	FY2003
Revenue	234.3	54.2
EBITDA	131.4	35.4
Operating Profit	111.7	27.5
Net Profit	103.5	22.7
Earnings (US cents per share)	9.59	2.85
Dividends* (HK cents per share)	24.0	-

* Attributable to shareholders post IPO



Revenues



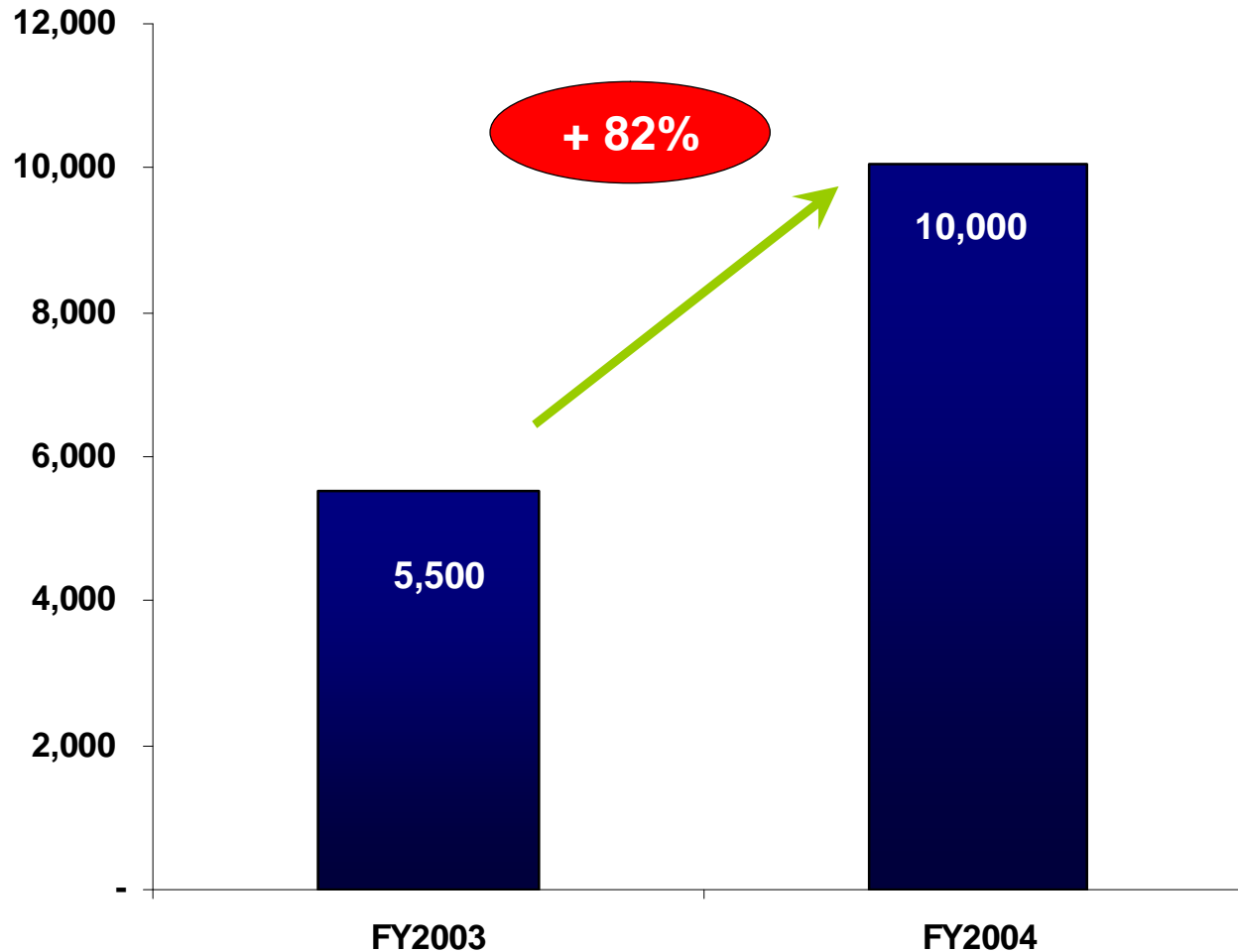
TCE

US\$ 9,800/day

+ 82%

US\$ 17,900/day

Revenue Days

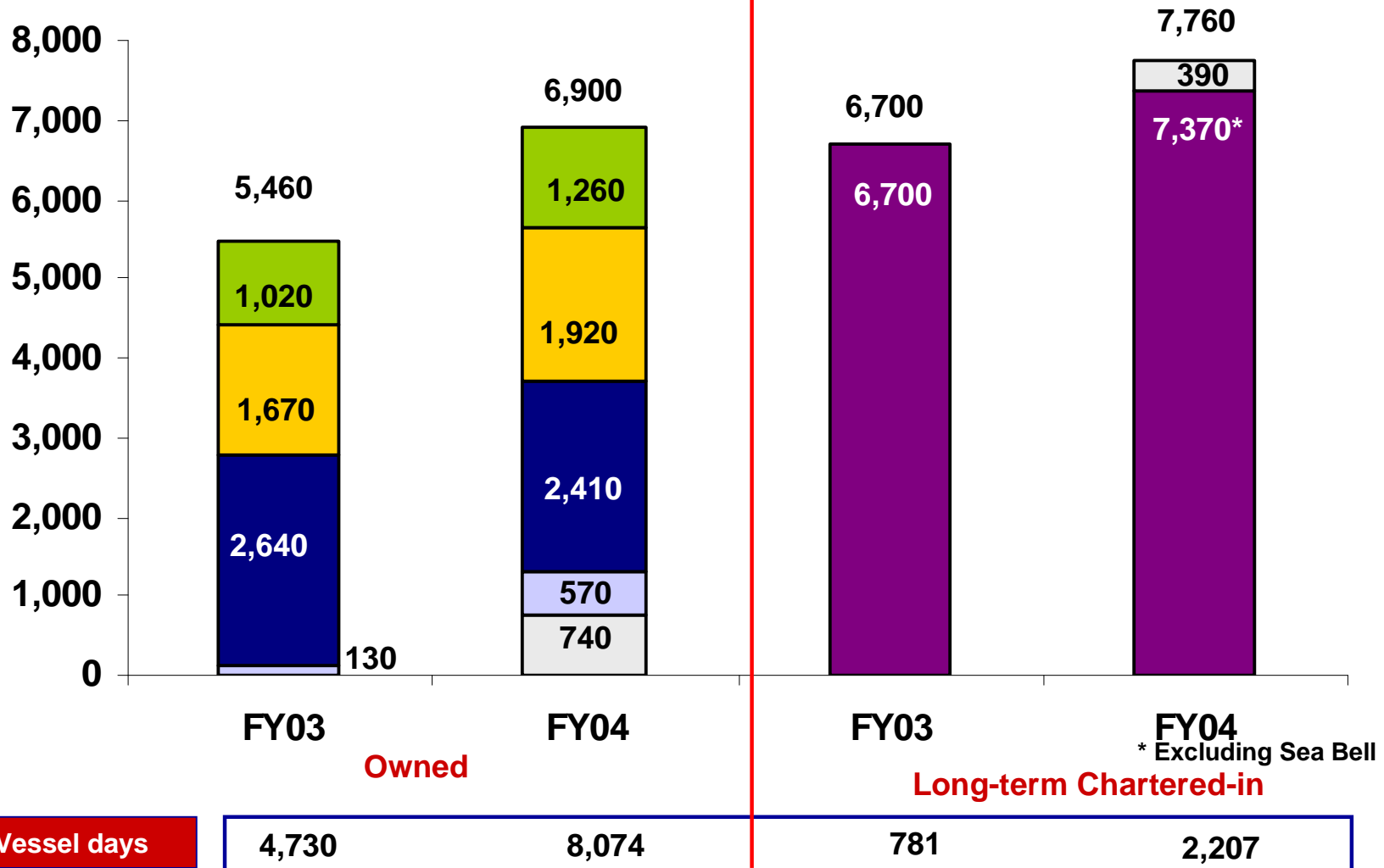




Daily Vessel Costs



US\$/day ■ Finance Cost ■ Depreciation ■ Opex ■ Dry-dock ■ Direct Overheads ■ Charter-hire



B Balance Sheet - Highlights



(US\$mil)

	FY2004	FY2003
Net Book Value of Fixed Assets*	544.2	200.8
Total Debt	371.0	145.9
Net Debt	323.3	137.7
Shareholder's Equity	232.6	38.9
Net Debt / Fixed Assets	59%	69%
Net Debt / Shareholder's Equity	139%	354%

* Insured Value of Delivered Vessels (Feb 05) US\$845mil

Interest Rate Hedging

US\$182mil	US\$121mil	Cap@ 4.9% until Jul 2007
	US\$61mil	Knock out Swap @ 5.0%, Cap@ 7.0% Cost: 3.5% pa until July 2009

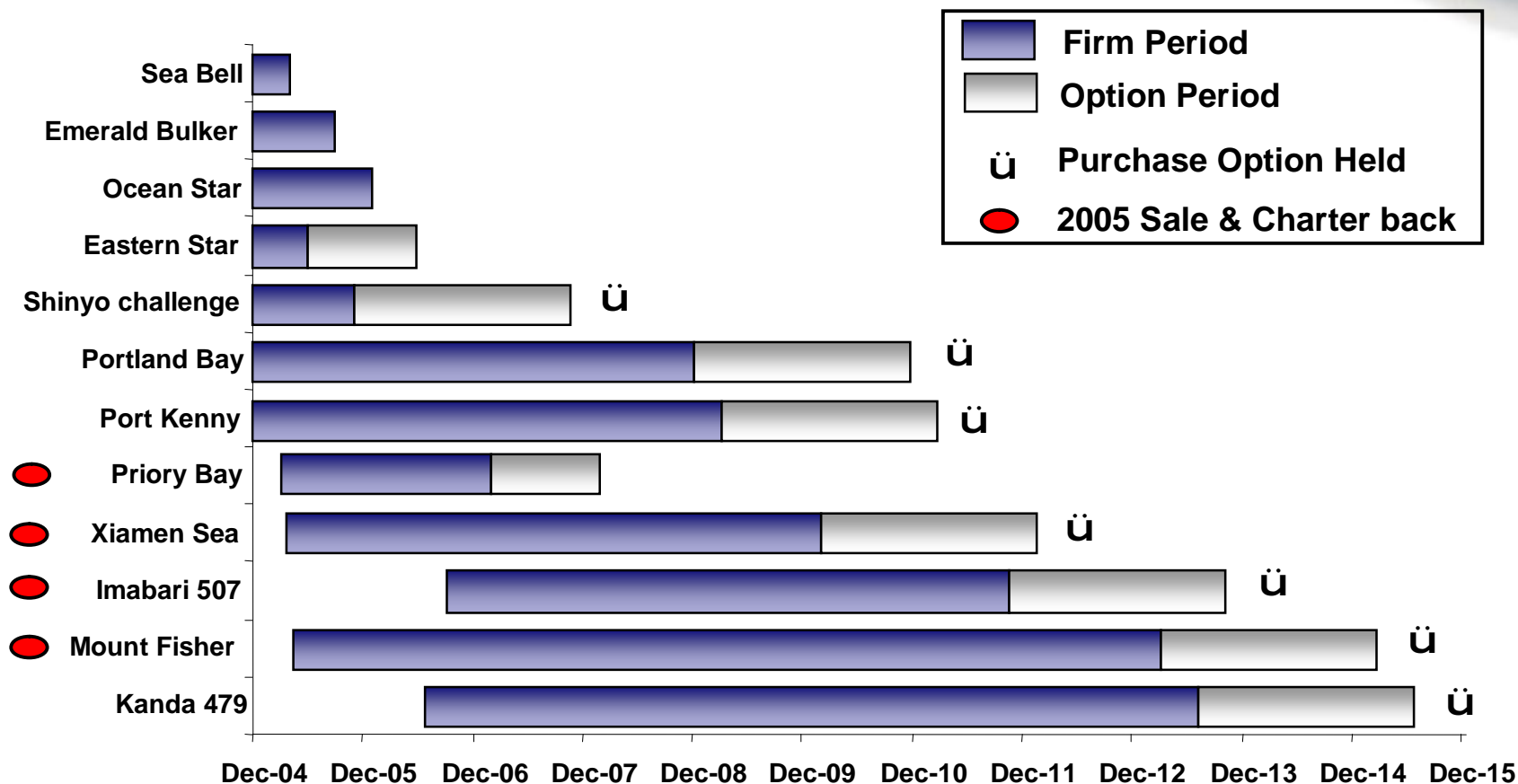
B Owned Vessels Commitments



US\$mil

	2005	2006	Total
Capital commitments (31/12/04)	67.0	38.7	105.7
Less: Post year end sales	-	(20.4)	(20.4)
Net commitments	67.0	18.3	85.3
Add: Post year end acquisition	21.9		21.9
Funded by debt	(65.8)	(12.9)	(78.7)
Equity required	23.1	5.4	28.4
Cash from post 31/12/04 sales	(18.9)		(18.9)
Funded from cashflows	4.2	5.4	9.6

B Chartered-in Vessels Commitments



Long term chartered-in costs - excluding option periods

US\$mil	2005	2006-2009	>2009
at 31 Dec 2004	13.9	28.1	12.4
New commitments	9.0	40.8	17.0
At 25 February 2005	22.9	68.9	29.4

B Dividends



- § Dividend Policy : not less than 50% of attributable profits
- § Post 31 May 2004 profits available for distribution to the post-IPO shareholders:

	US\$mil	US Cents	HK Cents
Profit for year	103.5		
Less profit to 31 May 2004	(33.8)		
Attributable Profit (7 months)	69.7		
Interim (paid 6 Jan 05)	13.0	1.03	8.00
Final (proposed)	26.0	2.05	16.00
Total Dividend for 7 months	39.0	3.08	24.00

Payout Ratio

56%

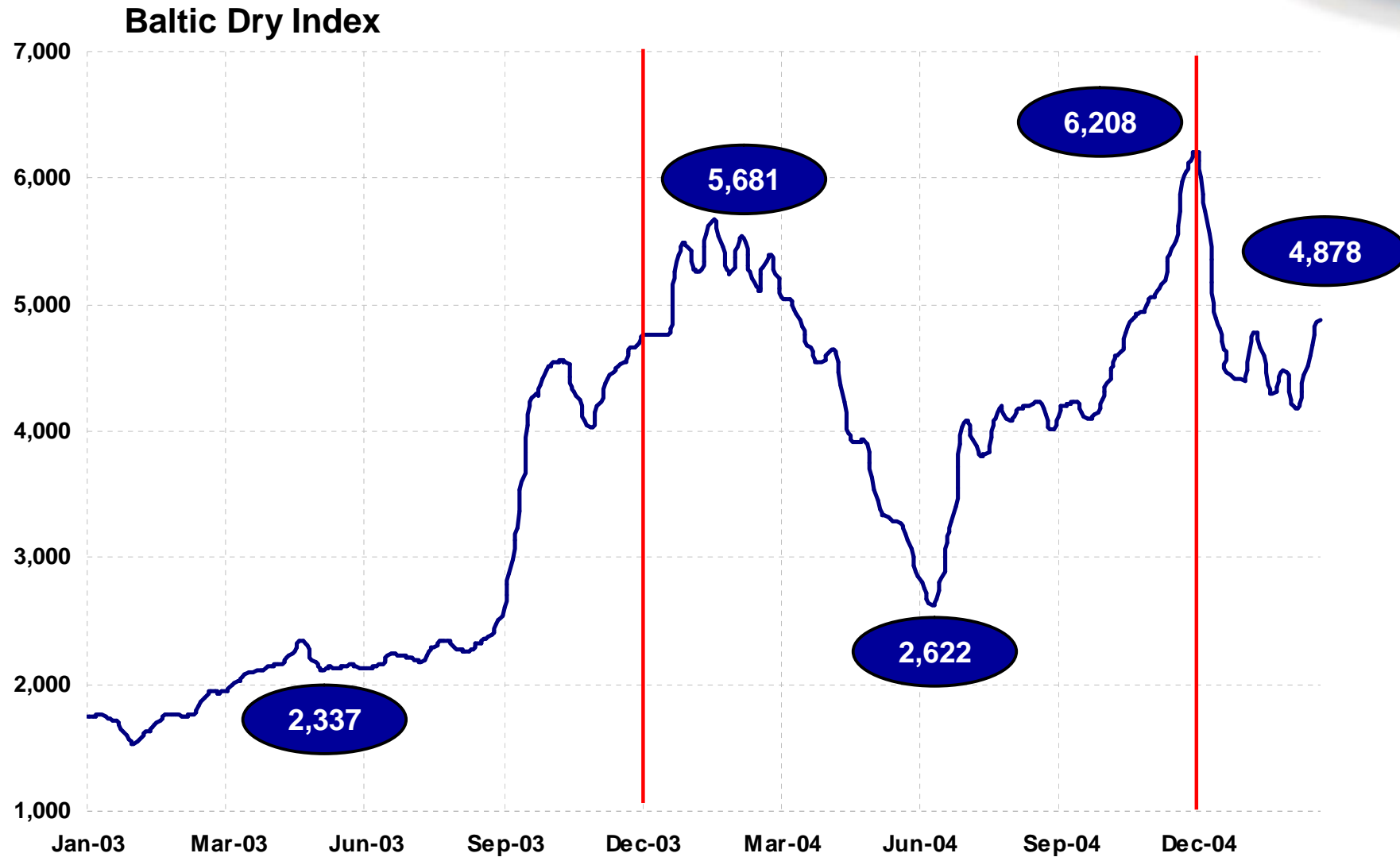


Market Review

Mark Harris



Strong Freight Market All Year



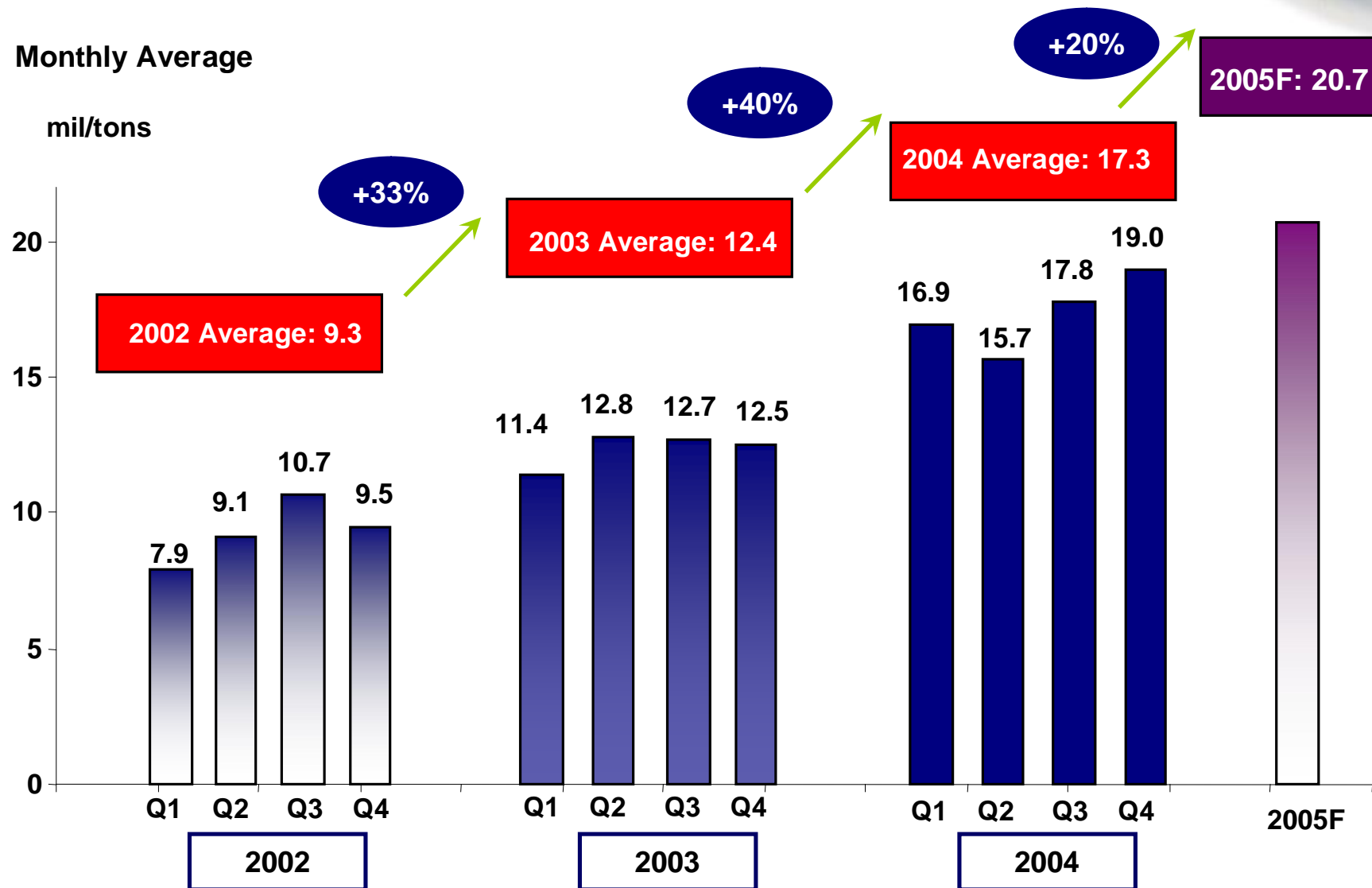


China's Iron Ore Imports

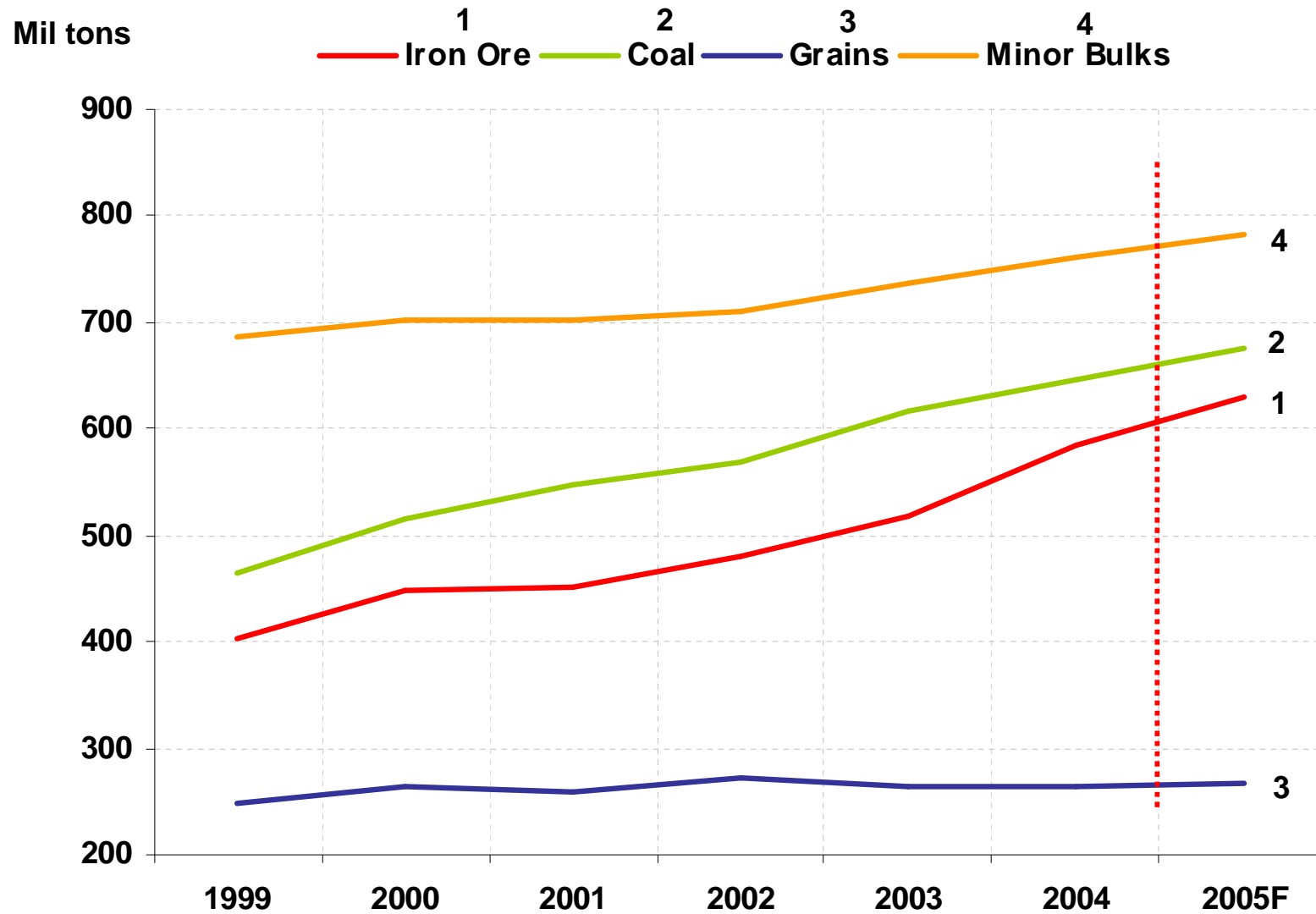


Monthly Average

mil/tons

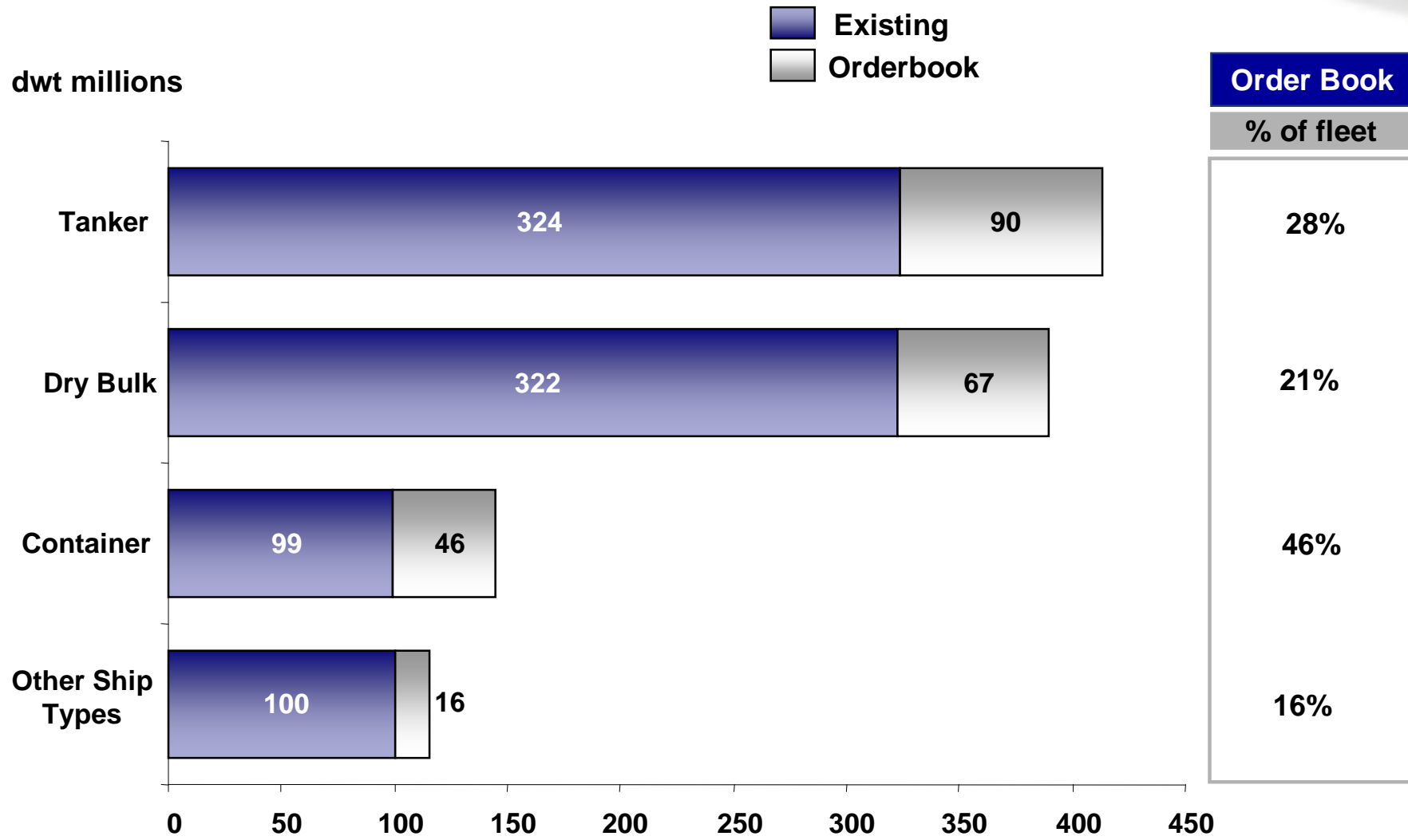


B Dry Bulk – Steady Demand Growth



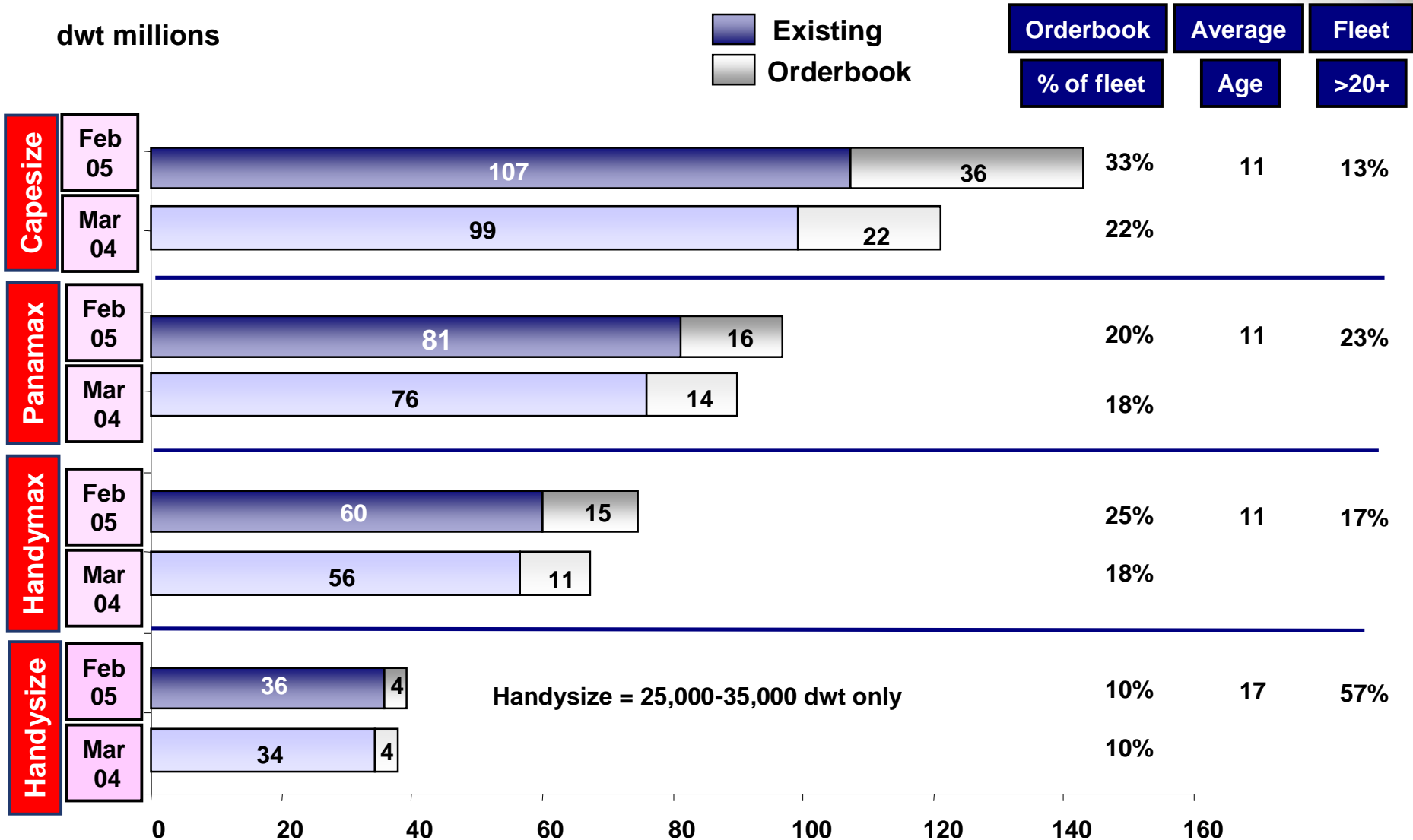
Source : Clarkson

B Supply: Still Moderate for Dry Bulk



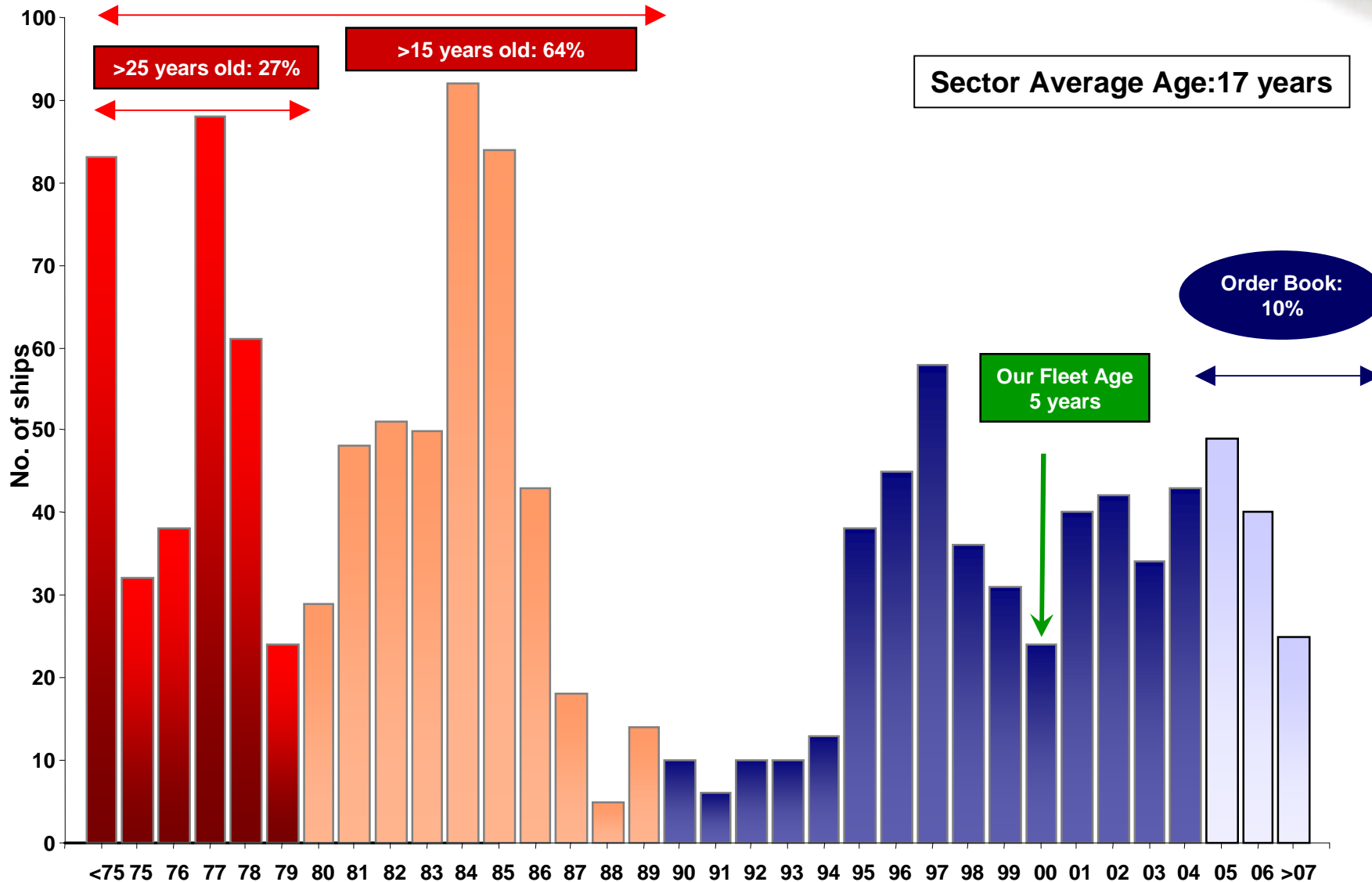
Source : Clarkson

B Handysize Supply: Well Protected





Supply: Age Profile of Global Handysize Fleet (within 25-35K segment)





Summary - Sector

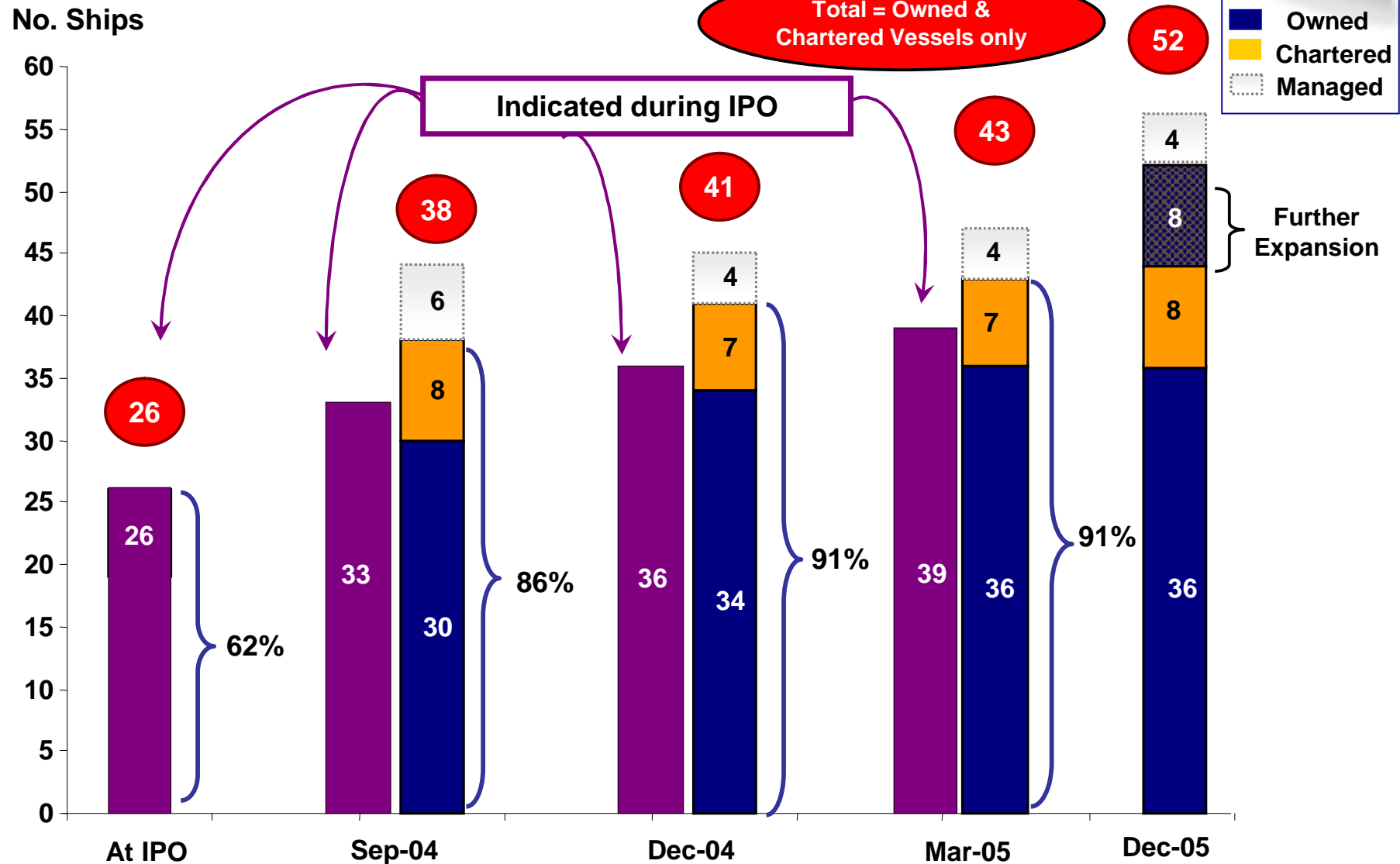


- § **Strong demand and limited supply drove rates to historical highs in 2004**
- § **Positive indicators for demand growth in 2005**
- § **Yard capacity full and spread across the three sectors**
- § **Rates expected to be driven off higher base until fundamental change in supply**
- § **Conditions that led to the spikes in Feb/Mar and Nov/Dec still exist**
- § **Handysize sector has by far the best profile within dry cargo as measured by low level of orderbook and average age of existing fleet**



Business Review

B Fleet Expansion & Development

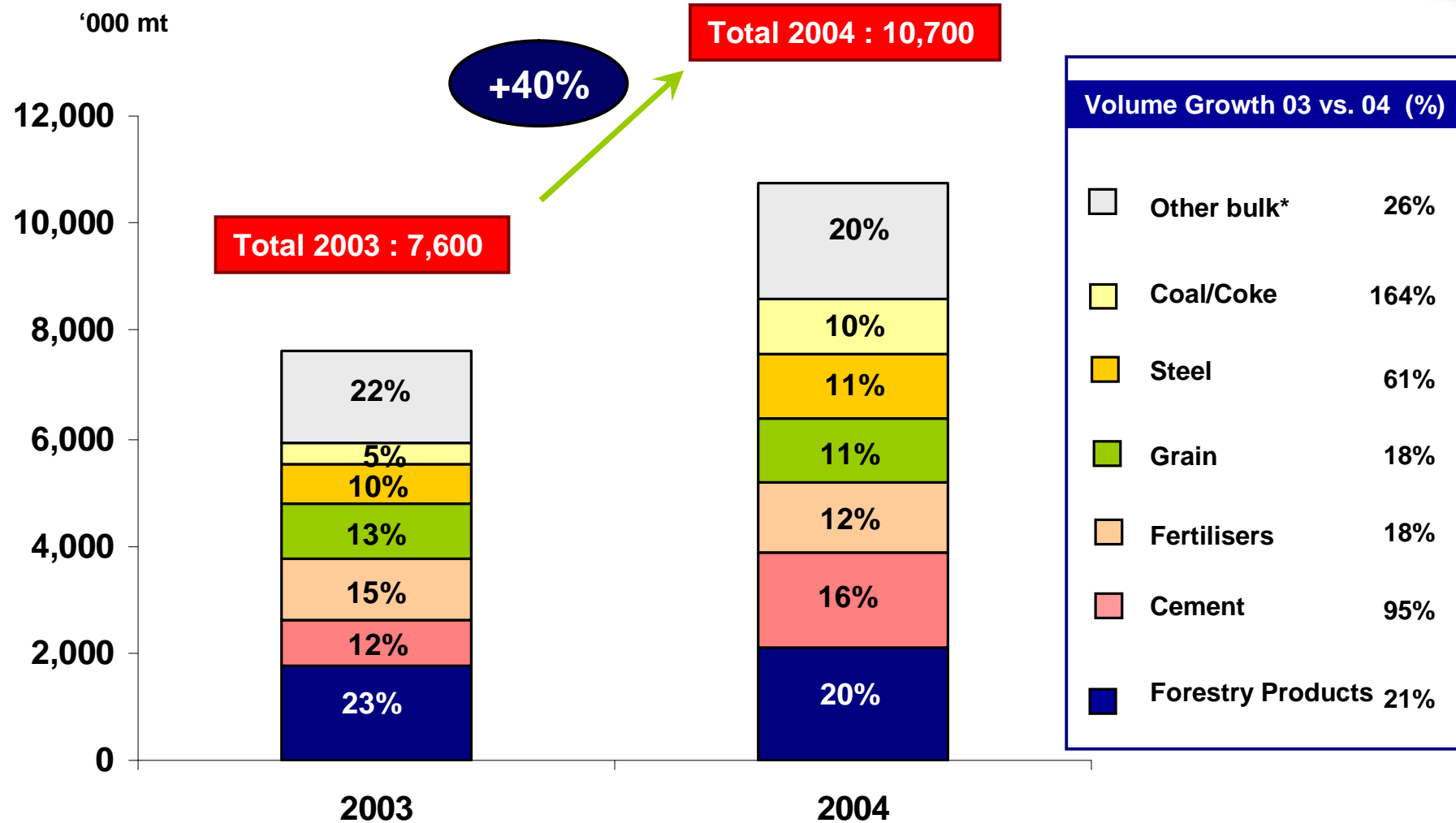


B Industrial Shipping for Major Customers



Ranking		Customers	Main Commodity	2004		2003		Change %
FY04	FY03			US\$mil	%	US\$mil	%	
1	4	Weyerhaeuser	Logs	24.1	7.1	7.0	4.7	244
2	68	Hugo Neu	Steel/Scrap	20.1	5.9	0.6	0.4	3,250
3	1	Stratus	Logs	17.2	5.0	9.5	6.4	81
4	5	BHP Billiton	Minerals	13.8	4.1	5.5	3.7	151
5	-	Taiheiyo	Cement	11.1	3.3	n.a	n.a	-
6	7	Toepfer	Grain	10.4	3.0	4.4	3.0	136
7	35	Conagra	Grain	8.1	2.4	1.1	0.8	636
8	2	Carter Holt Harvey	Logs	7.3	2.1	8.0	5.4	-9
9	20	Canpotex SS	Fertiliser	7.2	2.1	1.9	1.3	279
10	8	Agrium USA	Fertiliser	6.8	2.0	4.0	2.7	70
				36.9		28.2		
13		Cargill	Grain	5.9	1.7	1.9	1.3	215
20		Rio Tinto	Salt	4.1	1.2	0.1	0.1	4,000
24		BP	Petcoke	3.8	1.1	-	-	

B Major Cargoes Carried



* (includes Minerals, Concentrates, Agricultural Products and other bulk products)



Major Load Areas



Asia Pacific

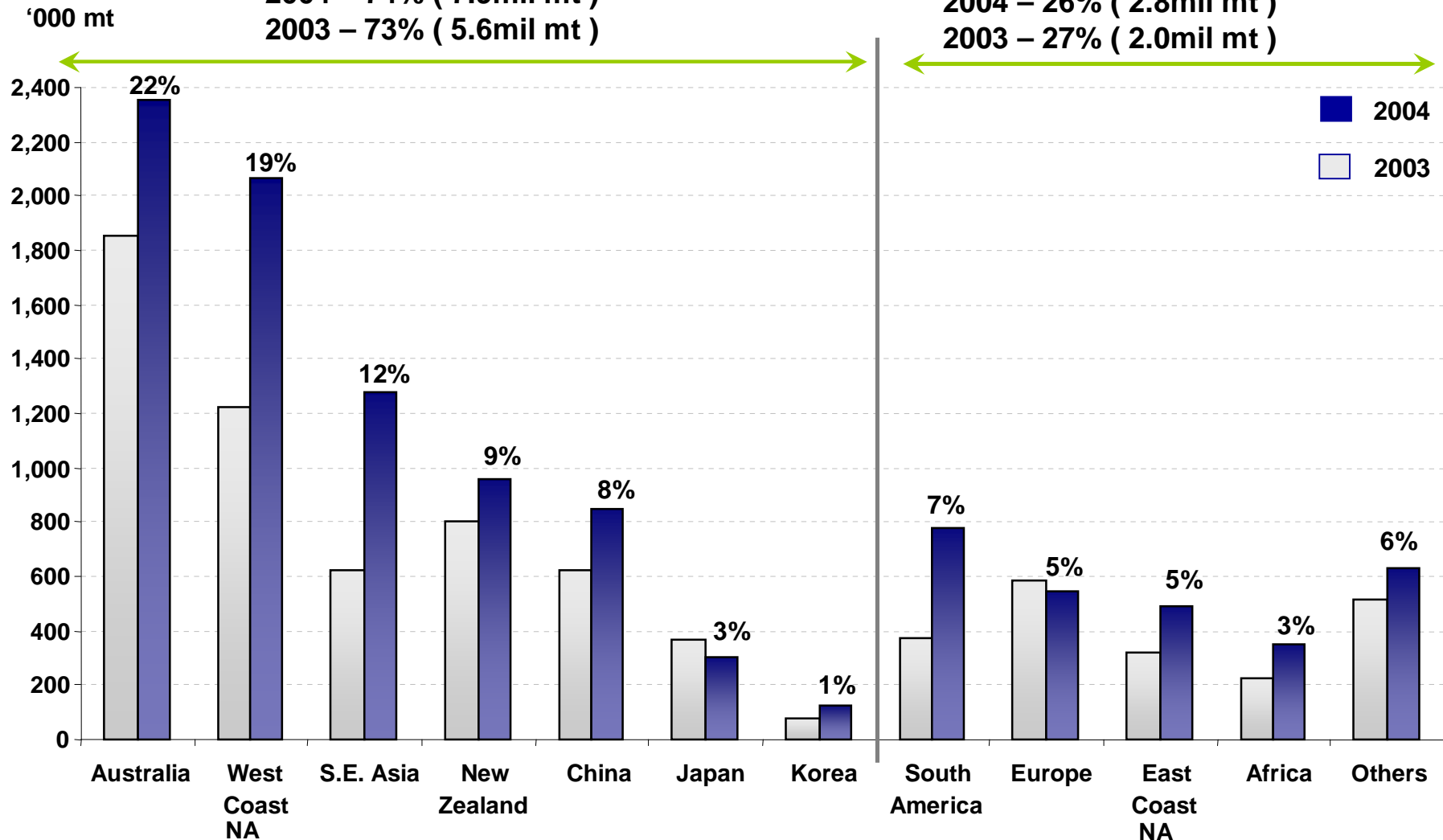
2004 – 74% (7.9mil mt)

2003 – 73% (5.6mil mt)

Atlantic/Others

2004 – 26% (2.8mil mt)

2003 – 27% (2.0mil mt)





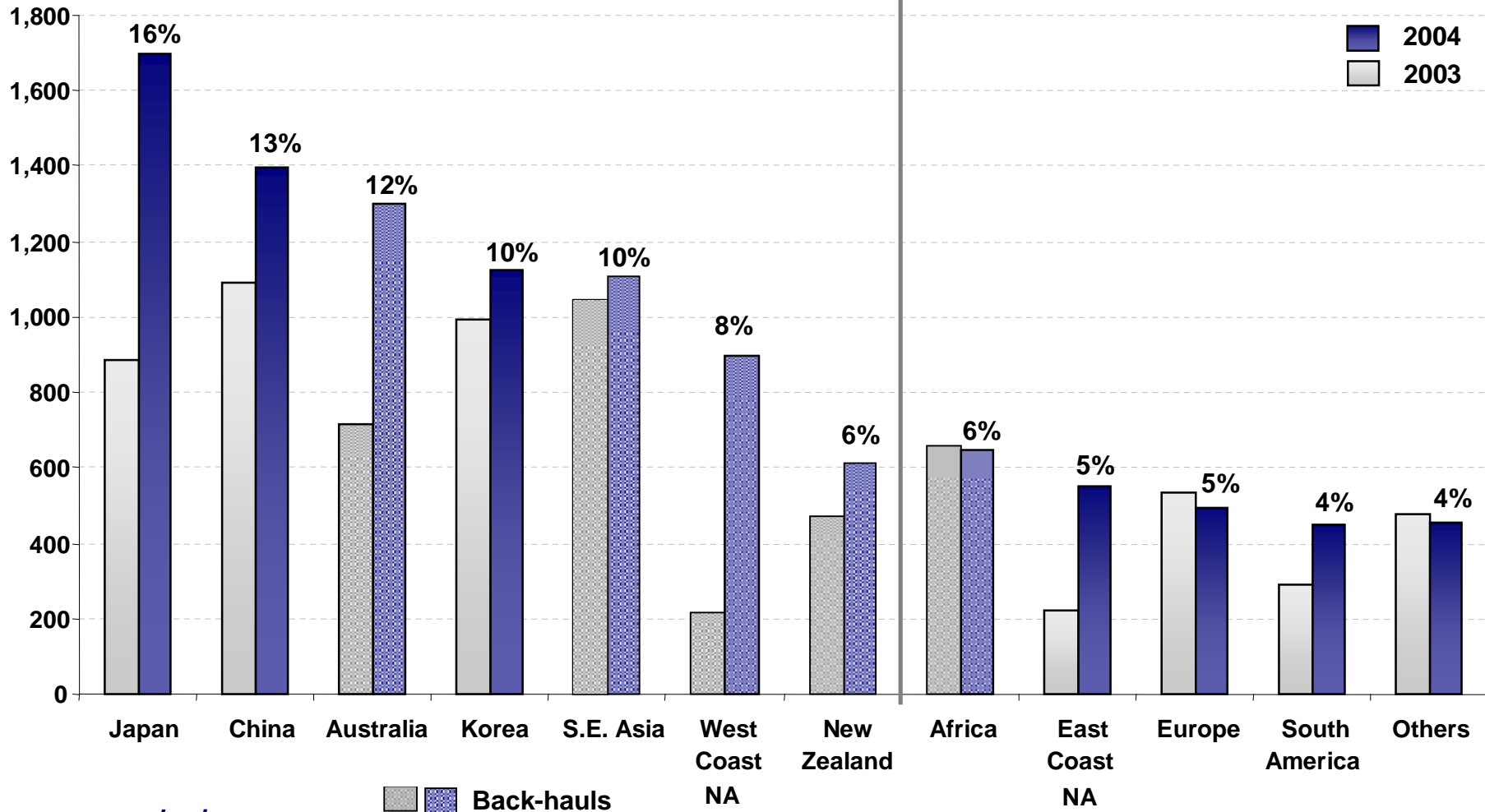
Major Discharge Areas



'000 mt

Asia Pacific
2004 – 76% (8.1mil mt)
2003 – 71% (5.4mil mt)

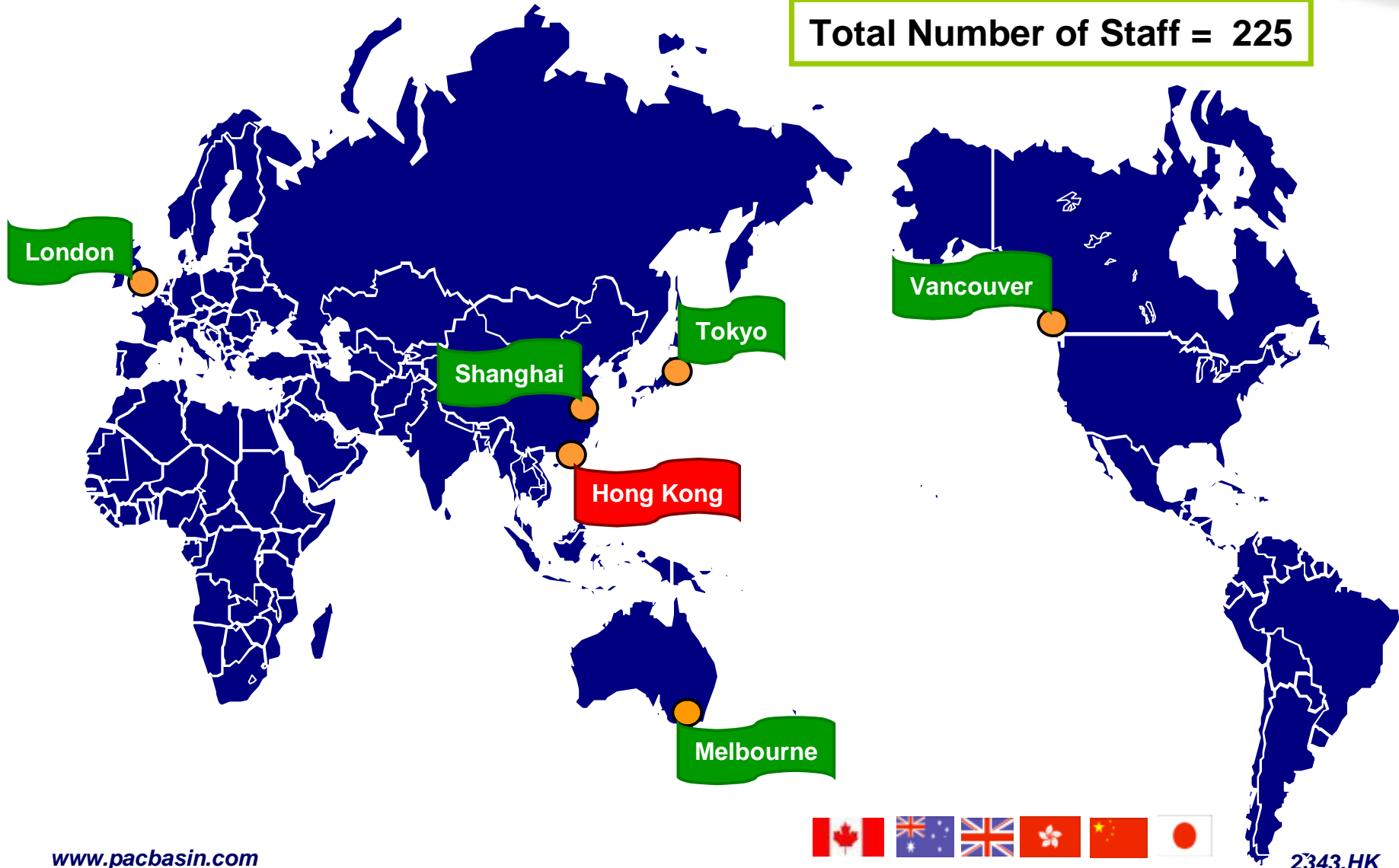
Atlantic/Others
2004 – 24% (2.6mil mt)
2003 – 29% (2.2mil mt)



B Comprehensive Network of Offices



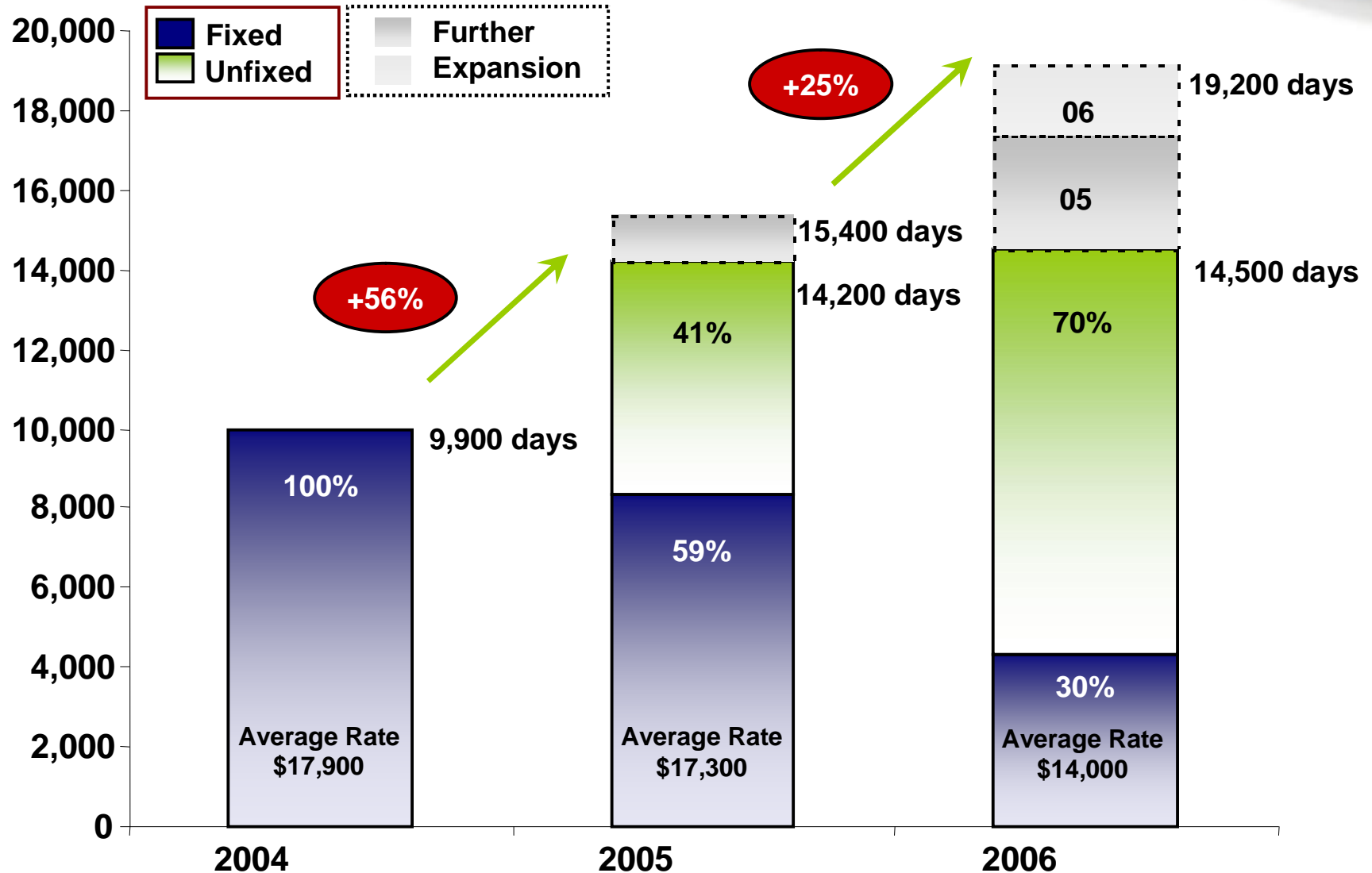
Total Number of Staff = 225





Outlook & Prospects

B Earnings Momentum - Handysize only



B Strategic Direction



- § Continued expansion of business in core Handysize sector to meet growing cargo and customer demand**
- § 3 newbuildings deliver in 2005 and 2 second-hand vessels already acquired this year**
- § Seek to add up to eight more vessels in 2005 & look for newbuilding and secondhand opportunities for 2006**
- § Build cargo cover to 50%+ for 2006 and 30% for 2007**
- § Develop long-term contracts for cargo shipments into China**
 - § Iron ore, coal, grain, soyabeans**
 - § Evaluate use of other vessel sizes**

B Summary



- § Strong year in 2004 with record profit of US\$103.5mil (EPS:9.59 US cents)**
- § Dividend payout of 24 HK cents (3.1 US cents) per share**
- § Market expected to remain firm through 2005**
- § 43% growth in fleet revenue days for 2005 already in place with scope for planned further expansion**
- § 59% of those days already covered at US\$17,300/day**



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Thank You