



## **For Immediate Release**

### **PST TO DISTRIBUTE 0.97 US CENTS PER UNIT FOR Q1 2008**

- Latest DPU offers tax-free annualised yield of 9.34%
- New 1800 TEU vessel Kota Nabil makes maiden contribution
- New vessel to significantly boost Q2 revenue

**SINGAPORE, 22 April, 2008** – Pacific Shipping Trust (PST), Singapore's first publicly-listed business trust, will distribute 0.97 US cents per unit to unitholders for its first quarter (Q1 08) ended 31 March, 2008.

Since it went public in May 2006, PST has distributed a total of US\$22.8 million to unitholders, representing a DPU of 6.77 US cents.

The Board is of the view, given current financial market conditions, that it would be prudent to set aside cash to provide for future working capital and to support the long-term strategic development of the trust. The Board is thus adopting a policy of reserving a portion of the distributable amount from this quarter onwards and of distributing not less than 90% of the distributable amount in accordance with an undertaking given in the IPO Prospectus.

Nonetheless, based on the closing price (on 22nd April 2008) of 41.5 cents, the annualised yield of 9.34% for each PST unit continues to offer investors attractive returns in comparison to similar investment alternatives available in the market.

*DBS is the financial adviser, underwriter and bookrunner for the Initial Public Offering of PST.*

Revenue in the first quarter rose four percent from \$8.5 million in the previous corresponding period to \$8.8 million, helped by the maiden contribution from the new 1800 TEU vessel, Kota Nabil, delivered on 10 March 2008, and chartered to Pacific International Lines (Private) Limited (PIL). Contracted revenue per annum will rise when the 3 additional vessels are delivered and begin operations within the next three quarters. Distributable amount is expected to increase progressively with these new deliveries.

Due to unrealised fair value losses on interest rate swaps of \$3.6 million in Q1 08, resulting from changes in the USD interest rate environment since the second half of 2007, net profit after tax for the first quarter was pared to \$466,000 from the \$2.7 million registered in Q1 07. Excluding such fair value losses, net profit after tax would have been \$4.1 million (36% increase over the corresponding period in 2007). Net asset value was similarly affected by those fair value losses, falling two cents to 42 cents.

The fair value losses on the swaps had no impact on the trust's distributable amount and are not expected to have an effect on future distributable amounts.

Other trust expenses, comprising professional fees, regulatory fees, vessel tonnage tax, advertising and other administrative expenses rose 91% to \$241,000, primarily as a consequence of one-off expenses incurred for the acquisition and charter of the four new vessels. Management fee at \$354,000 was 4.3% higher than in Q1 07. Depreciation for Q1 08, at \$2.47 million, was 23 percent lower as a result of the change in the estimated useful life of the vessels from 25 to 30 years.

Subhangshu Dutt, CEO of PST Management, trustee manager of PST, said: "We are pleased that the early delivery of the Kota Nabil ahead of schedule contributed positively to our revenue. With Kota Naga scheduled for earlier delivery in May, the second quarter DPU is expected to increase as well.

“In addition, we look forward to contributions from two other vessels later in the year, which should significantly raise our distributable income.

“The 10% income retention in Q1 08 was implemented at a time of rising revenue and during a global credit crunch precipitated by the US subprime crisis. We believe this is a prudent move for the long term benefit of our unitholders, to conserve resources as management continues to seek yield accretive acquisitions that will further enhance returns.”

Last year, PST announced the acquisition of four vessels, comprising comprised two 4250 TEU and two 1800 TEU containerships. The bigger ships will be time chartered to CSAV, the largest liner shipping company in South America, when they are delivered in September and November. One of the two smaller vessels has already been chartered to PIL, the other will be delivered in June.

The four new ships will expand PST’s current portfolio by 50% to twelve vessels and raise its revenue by 80%.

The latest distribution of 0.97 cents will be made on 30 May 2008.

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## **About Pacific Shipping Trust**

Pacific Shipping Trust is the first business trust listed on the Singapore Exchange. It provides shipping companies with innovative financing and leasing structures that enable them to expand their fleet without straining their capital. By acquiring vessels and leasing them to reputable charterers either on long-term bareboat charters or short-term time charters, PST seeks to generate a steady stream of high-yielding income for its unitholders.

The trustee-manager is PST Management Pte. Ltd., a wholly-owned subsidiary of Pacific International Lines (Private) Limited, one of the biggest container shipping companies in the world.

### **For further information, please contact:**

Catherine Ong Associates Pte Ltd  
Eugene Tan/ Catherine Ong  
DID: +65 6327 6086/ +65 6327 6088  
Mobile: +65 9857 9236/ +65 697 0007  
Email: [eugene@catherineong.com](mailto:eugene@catherineong.com)/ [cath@catherineong.com](mailto:cath@catherineong.com)

## **Important Notice**

The value of PST units (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the trustee-manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the trustee-manager to redeem their Units while the Units are listed. It is intended that unitholders of PST may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of PST is not necessarily indicative of the future performance of PST.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.