

**For Immediate Release**

**PACIFIC SHIPPING TRUST CONTINUES TO DELIVER SOLID PERFORMANCE IN Q4 FY2008**

- Quarter-on-Quarter Gross Revenue rises 67% to US\$14.5 million driven by contribution from 4 new vessels delivered in 2008
- Total distributable income surges 68% to US\$6.3 million
- Prudent capital and debt management strategy maintained
- Capital commitments for entire fleet of 12 vessels fully financed with no asset-to-loan covenants and no refinancing needs in the medium term
- Long-term charters averaging seven years

	4 <sup>TH</sup> QUARTER 1/10/08 to 31/12/08			YEAR TO DATE 01/01/08 to 31/12/08		
	FY2008 (US\$'000)	FY2007 (US\$'000)	Increase/ (Decrease) %	FY2008 (US\$'000)	FY2007 (US\$'000)	Increase/ (Decrease) %
Gross Revenue	14,528	8,703	67	44,637	34,529	29
Net Profit After Tax	6,347	1,649	NM	18,335	10,461	NM
Income available for Distribution	6,277	3,744	68	18,498	14,462	28
Income to be Distributed	5,485	3,707	48	16,134	14,506	11

*NM: Not meaningful*

**SINGAPORE, JANUARY 20, 2009** – PST Management Pte. Ltd., as Trustee-Manager of Pacific Shipping Trust (“PST”), Singapore’s first publicly-listed business trust, is pleased to announce robust performance for the fourth quarter ended 31 December 2008 (“Q4 FY2008”).

**Review of Financial Performance**

Gross revenue for Q4 FY2008 rose 67% to US\$14.5m from US\$8.7m in the same period of FY2007. The higher gross revenue was attributable to the contribution from four new vessels delivered during the year. A full quarter’s contribution from its new vessel, CSAV Laja (acquired on September 15, 2008), was recorded in Q4 FY2008, whilst approximately 50

days of time charter income was attributable to CSAV Lauca (commenced charter on November 12, 2008). Both CSAV Laja and CSAV Lauca have been chartered to Compania Sud Americana de Vapores S.A. ("CSAV"), the 17<sup>th</sup> largest container company in the world and the largest shipping company in Latin America on long-term, fixed-rate time charters of five years each.

Total Distributable Income increased by 68% to US\$6.3m. For Q4 FY2008, PST would be distributing income of US\$5.5 million, up 48% from the same period in 2007. This represents 0.93 US cents per unit which is 15% lower than Q4 FY2007; primarily due to the 10% retention of distributable amount and timing difference between the receipt of funds from a Preferential Offering in September 2008 and the earning of income from the new vessels acquired. The proceeds from the offering were used to partially finance vessel acquisition and repay existing debt which helped to strengthen its balance sheet and reduce its gearing to 48%.

For the full year FY2008, gross revenue grew 29% to US\$44.6m from US\$34.5m in the previous year. Net profit rose 75% to US\$18.3m, while distributable income increased 28% to US\$18.5m.

Mr Alvin Cheng, CEO of PST Management said, "PST's policy of entering into long-term charters and long term financing at fixed interest rates assures our Unitholders a steady stream of cash flow and attractive yield during these times of market volatility. Going forward our four new vessels are expected to increase revenue by approximately 38% for 2009."

### **Resilient Business Model / Financing Fully in Place**

PST's business model focuses on providing alternative financing solutions to established shipping companies. Its fleet of 12 vessels is leased out on long-term, fixed-rate charters averaging seven years, to well-established charterers, namely, Pacific International Lines (Private) Limited ("PIL") and CSAV, which are amongst the world's biggest container companies and have credit ratings of BBB- and BB+, from S&P, respectively.

With its long-term leases stretching into 2016, PST will enjoy stable income of approximately US\$400 million over the next eight years.

In terms of financing, PST's entire fleet of 12 vessels are fully financed with no outstanding capital commitments and no refinancing requirements in the medium-term.

"The business model of PST of being a financial partner to established shipping companies (as opposed to being an operator) insulates the portfolio from the direct impact of the shipping market volatilities. Furthermore, due to the strong long-term charters attached to the vessels, no asset impairment is necessary."

### **Outlook for FY2009**

"The slowdown in the global economy and the credit crunch has taken a heavy toll on shipping activities worldwide. This points to a challenging year ahead for the shipping industry. Notwithstanding this, PST's long-term charters with well-established shipping lines will help ensure that earnings and distributable income would be minimally impacted." Mr Cheng added.

"Since PST does not have any further capital commitments, we will continue to amortise our loans on a monthly basis. Our healthy balance sheet should stand us in good stead to ride out this current storm." said Mr Cheng.

The Books Closure Date is January 30, 2009, and payment to Unitholders of 0.93 US cents per Unit distribution will be made on February 27, 2009.

**-END-**

### **About Pacific Shipping Trust**

Pacific Shipping Trust is the first business trust listed on the SGX-ST. It provides structured financing solutions to established shipping companies, thereby generating visible and stable cashflow stream through long-term charters. By acquiring vessels and leasing them to reputable charterers on long-term bareboat or time charters, PST seeks to generate a steady stream of high-yielding income for its Unitholders.

The trustee-manager of PST 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.

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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, shifts in expected levels of charter income, changes in operating expenses (including employee wages, benefits and training costs) and governmental and public policy changes. Investors are cautioned not to place undue

reliance on these forward-looking statements, which are based on the Trustee-Manager's view of future events.