



# PRECIOUS SHIPPING PUBLIC COMPANY LIMITED

**SET Opportunity Day**

**3<sup>rd</sup> March 2008**

**Website**     <http://www.preciousshipping.com>

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***Precious Shipping PCL***



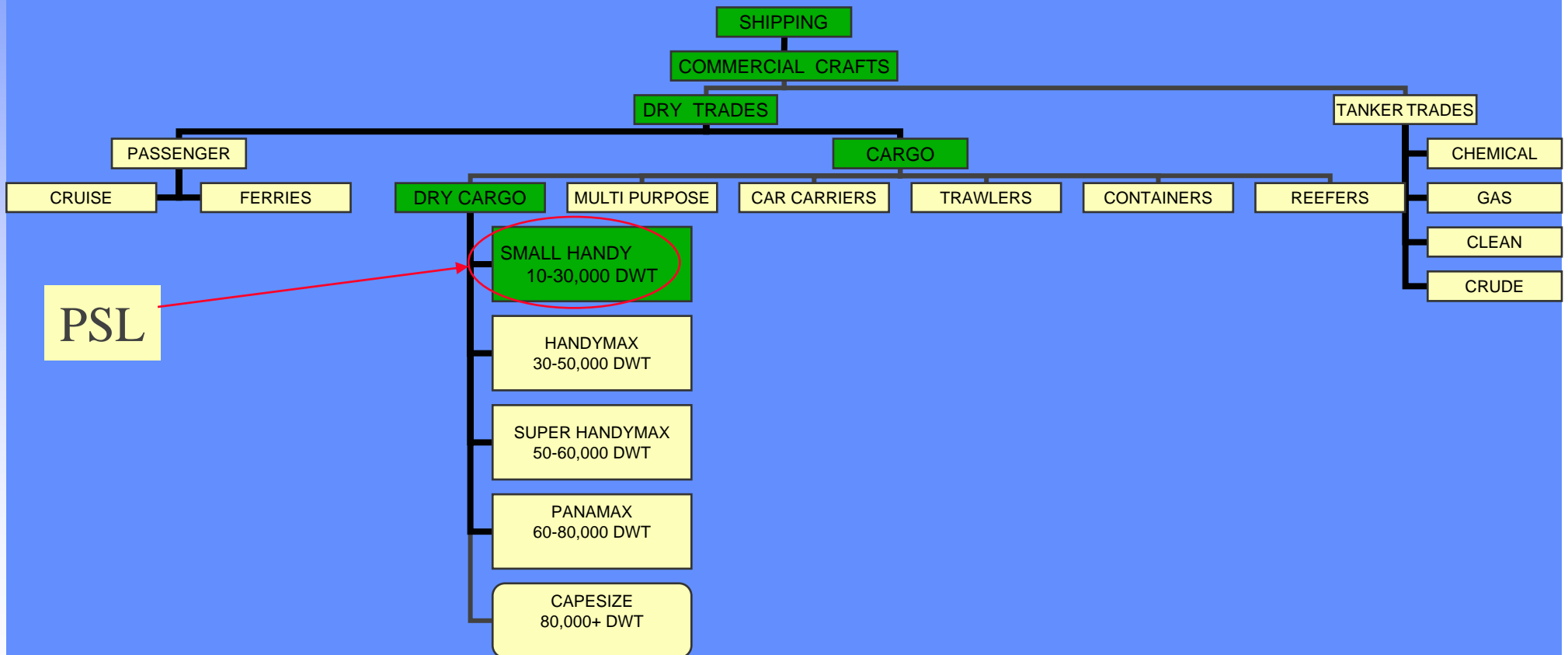
# Industry Overview





# INDUSTRY OVERVIEW

## TYPE OF VESSELS





## *PSL Fleet*

|                              |                      |
|------------------------------|----------------------|
| Number Of Vessels            | 44                   |
| Average Age (Simple Average) | 19.59 years          |
| Insured Value/Market Value*  | USD 1,241.50 Million |
| Book Value                   | USD 261.07 Million   |
| Total DWT                    | 1,130,280            |
| Total LDT                    | 256,017              |
| Average DWT per Vessel       | 25,688               |

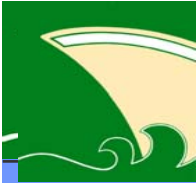
\* As on 1<sup>st</sup> Jan 2008

\*Previous valuations:

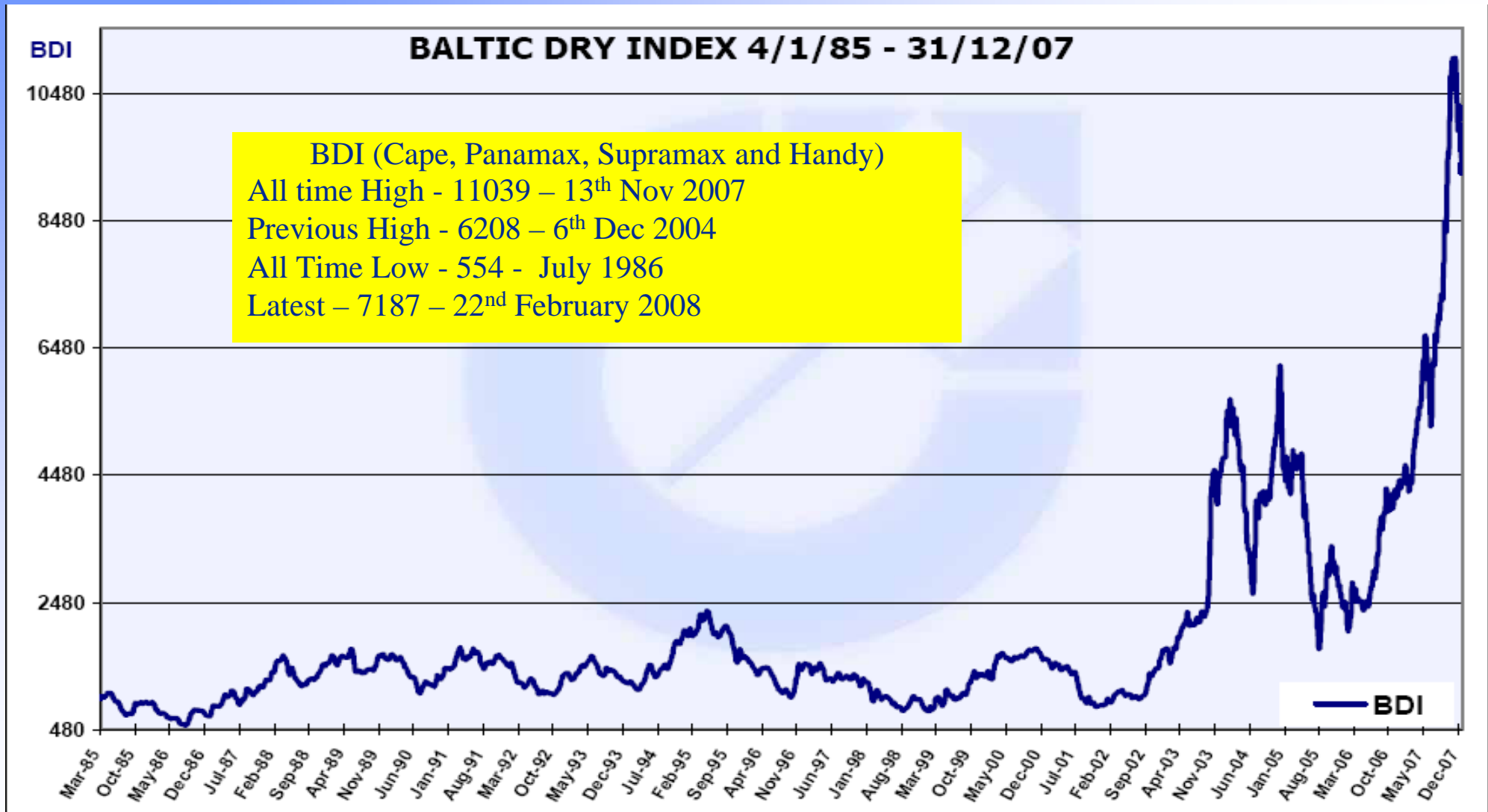
Aries Valuation as on 1<sup>st</sup> Oct 2007: USD 939 Million

HSBC valuation as on 24<sup>th</sup> May 2007: USD 777 Million

Aries Valuation as on 1<sup>st</sup> Jan 2007: USD 583 Million

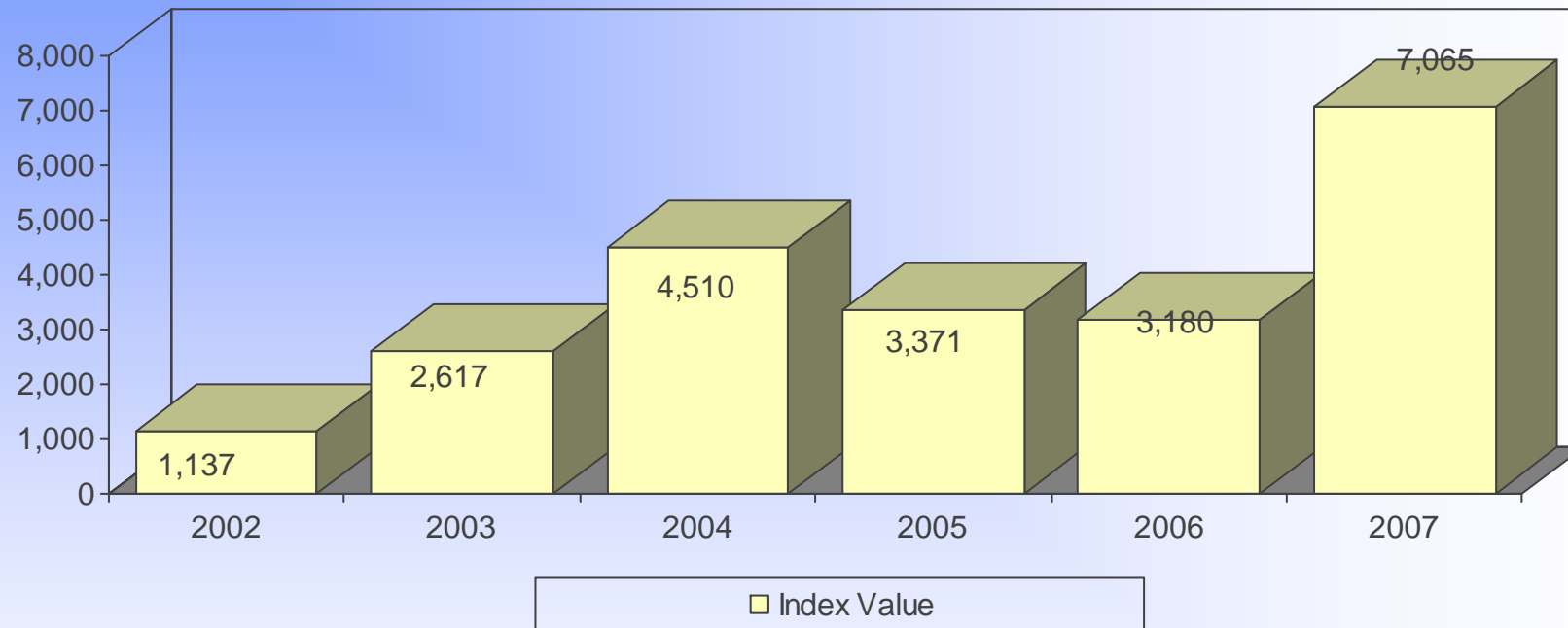


# BDI





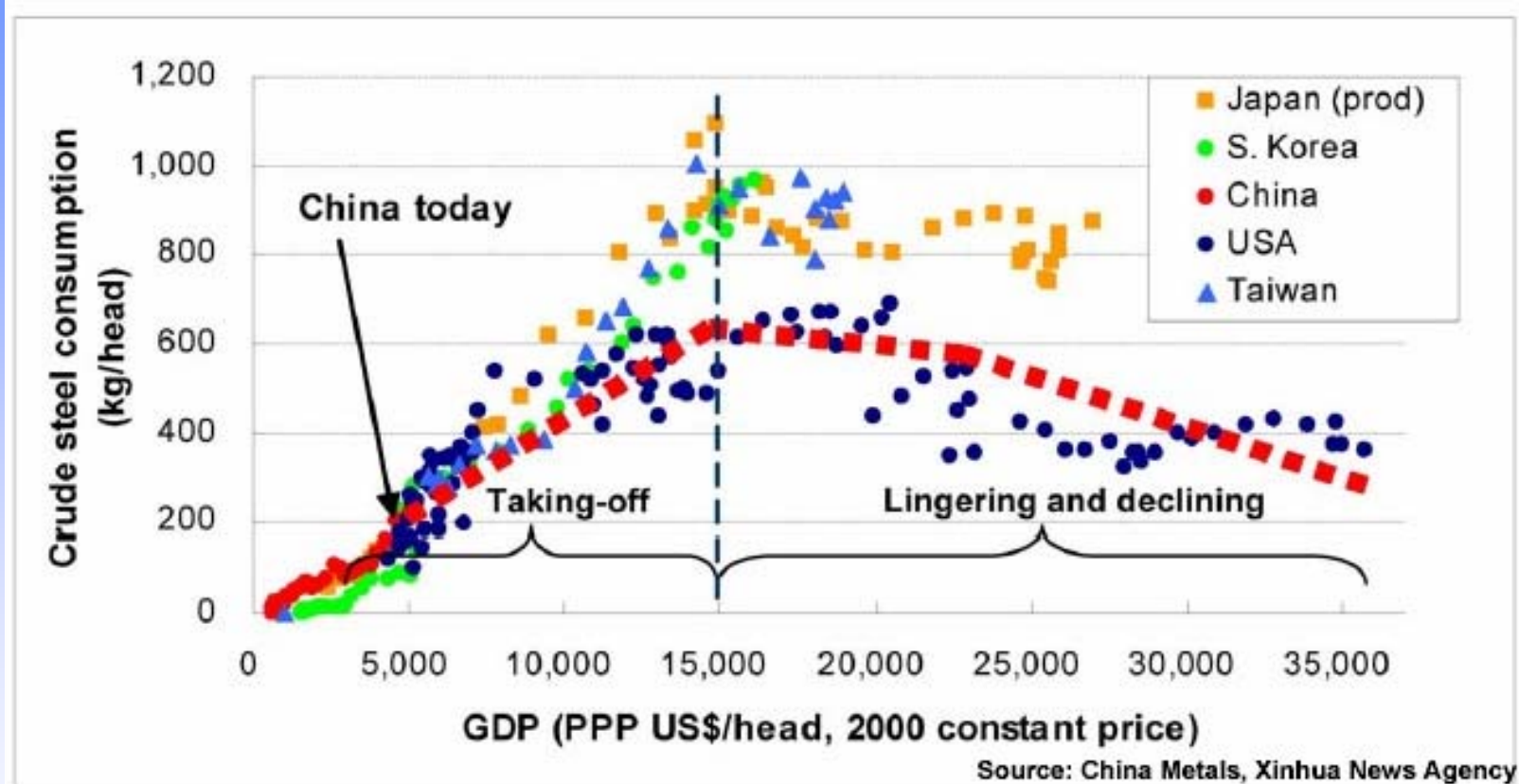
## *Baltic Dry Index (BDI) - Annual Averages*



Source:  
Howe Robinson Shipbrokers,  
Dry Cargo Market - Outlook for 2008



## Chinese Steel – How long can it continue?



China's steel consumption is still very low by historical standards of countries experiencing industrialization.





## *China - Some Facts*

- Shanghai has built more skyscrapers in the past 15 yrs than New York did in a century
- Iron Ore imports: for 2006: 326 MMT or 50 MMT over 2005, for 2007: 383.6 MMT or 58.6 MMT over 2006, for 2008: estimated 425/450 MMT or 50% of world imports!
- Coal Imports: 2007: 51 MMT, 2008: estimated 65+ MMT after being an exporter of about 80 MMT per annum for last decade!
- Coal production increased 200/250 MMT to 2.5 BMT in 2007 needs to grow by a similar amount to sustain Electricity demand.
- Steel Production: 2004: 280.5 MMT, 2005: 349.5 MMT, 2006: 421 MMT, 2007: about 490 MMT!
- Steel Exports: 2005: 27.6 MMT, 2006: 52 MMT, 2007: 63 MMT!



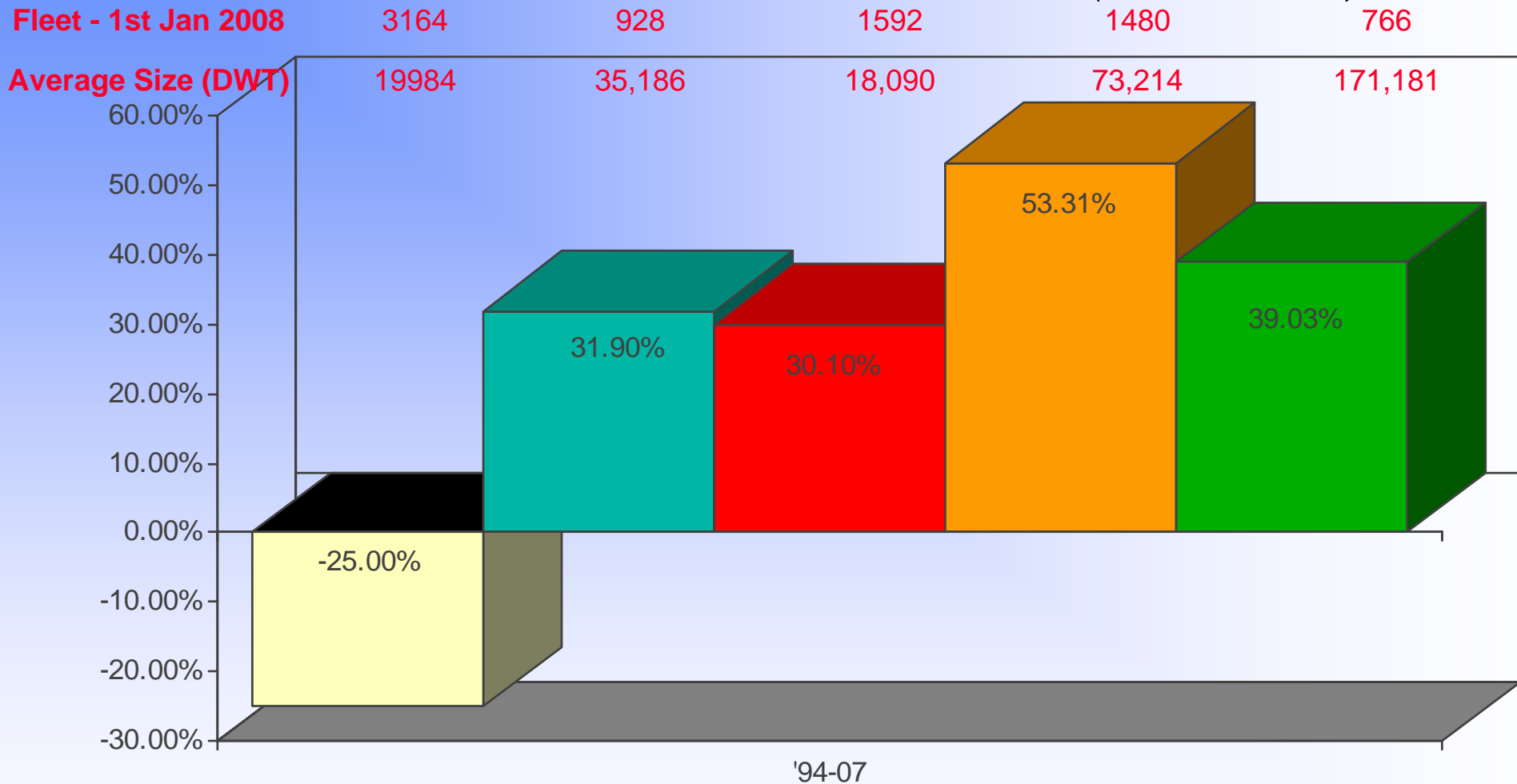


## India Vs China

|   | Year      | China                                      | India                                       |
|---|-----------|--|---|
| Gross National Saving                       | 2002      | 44%  | 22%   |
| Trade in Goods                              | 2002      | 49%  | 21%   |
| % of World Merchandise export               | 2003      | 5.8%<br>(4 <sup>th</sup> largest exporter) | 0.7%<br>(31 <sup>st</sup> largest exporter) |
| Stock of FDI                                | 2003      | \$501.5bn                                  | \$30.8bn                                    |
| Inflow of FDI                               | 2003      | \$53.5bn                                   | \$4.3bn                                     |
| Overall illiteracy                          | 2000      | 6%   | 35%   |
| Spending on infrastructure                  |           | 8x   | 1x  |
| Private Investment-Telecom                  | 1996-2002 | \$13bn                                     | \$9.3bn                                     |
| Private Investment-Energy                   | 1996-2002 | \$14.3bn                                   | \$7.5bn                                     |
| Change in population engaged in agriculture | 1981-2001 | 68% - 45%                                  | 67% - 59%                                   |
| Fiscal deficit % of GDP                     |           | <4%  | 10%   |
| Formal Sector Employment                    |           | >20%                                       | <10%  |



# CHANGE IN NUMBER OF SHIPS AS % OF TOTAL FLEET AS OF 1st JAN 2008 (1994-2007)\*



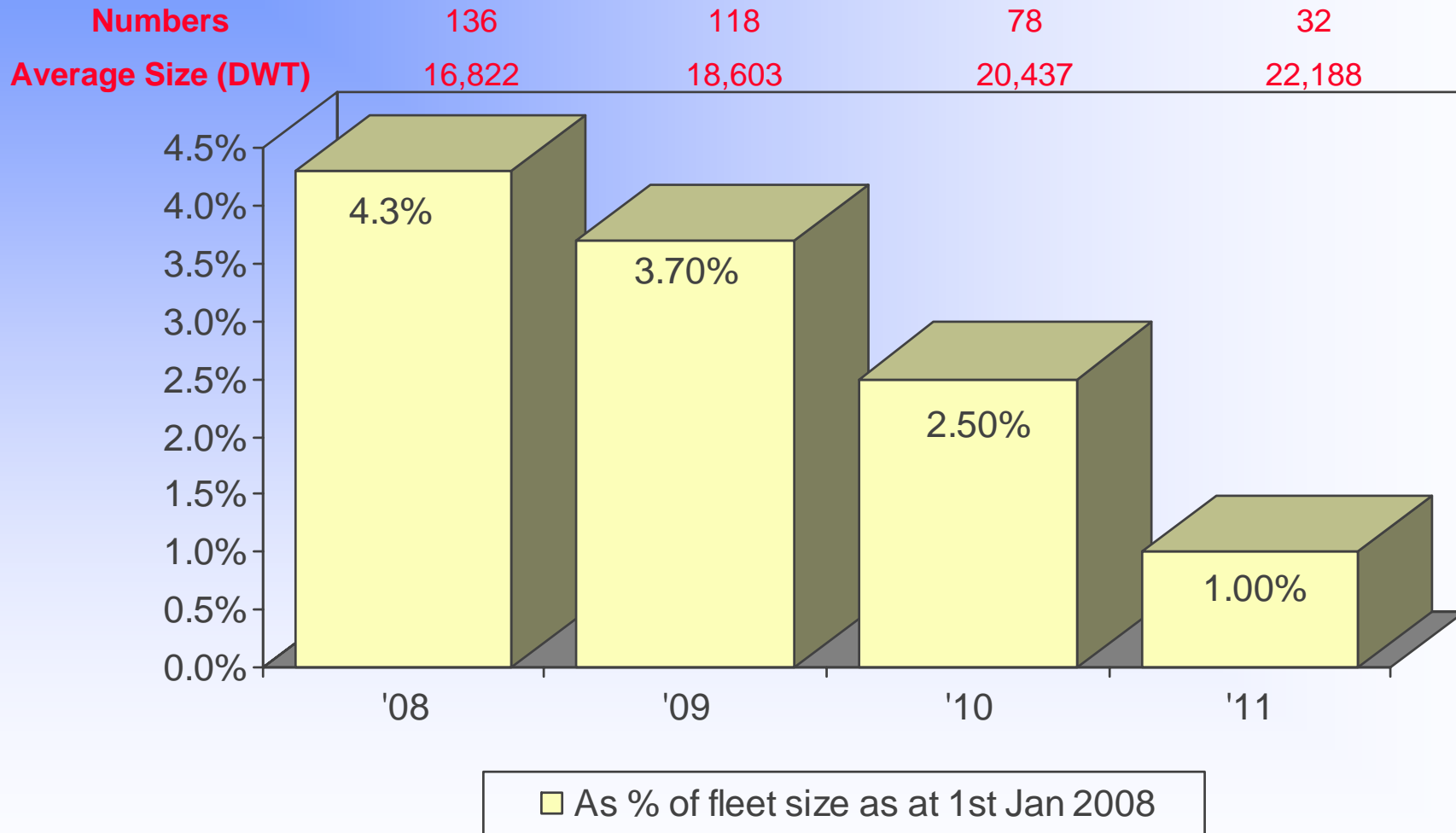
Small Handy Handymax Super Handymax Panamax Capesize

\* Super Handymax (2002-2007)



## Industry Over view – Small Handies

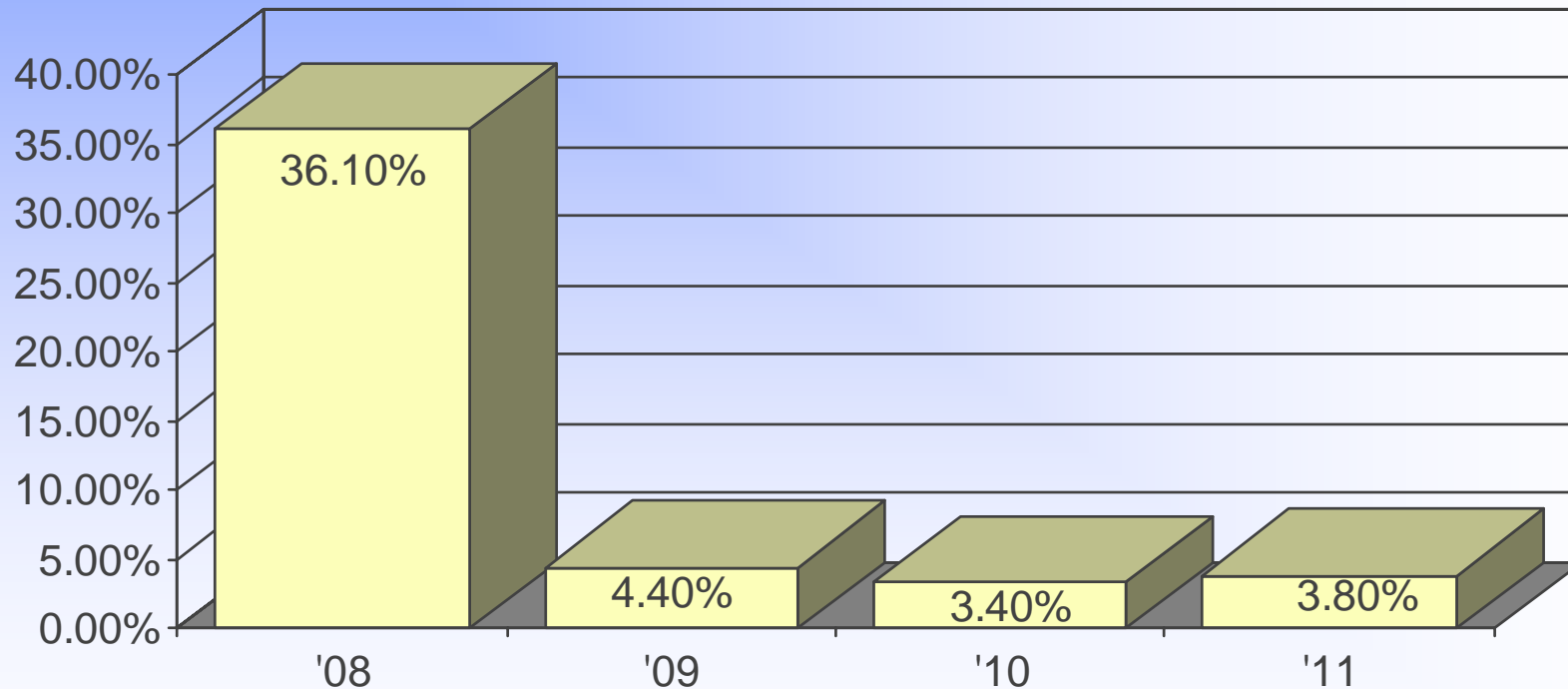
### NEW BUILDINGS ON ORDER UPTO DEC 2011 (11.5%)



## Industry Over view – Small Handies

### POTENTIAL SCRAPPING OF SHIPS 27 YEARS OR OLDER UPTO DEC 2011 (47.7% !)

|                           |        |        |        |        |
|---------------------------|--------|--------|--------|--------|
| <b>Numbers</b>            | 1,141  | 139    | 108    | 119    |
| <b>Average Size (DWT)</b> | 17,733 | 20,333 | 20,284 | 20,060 |

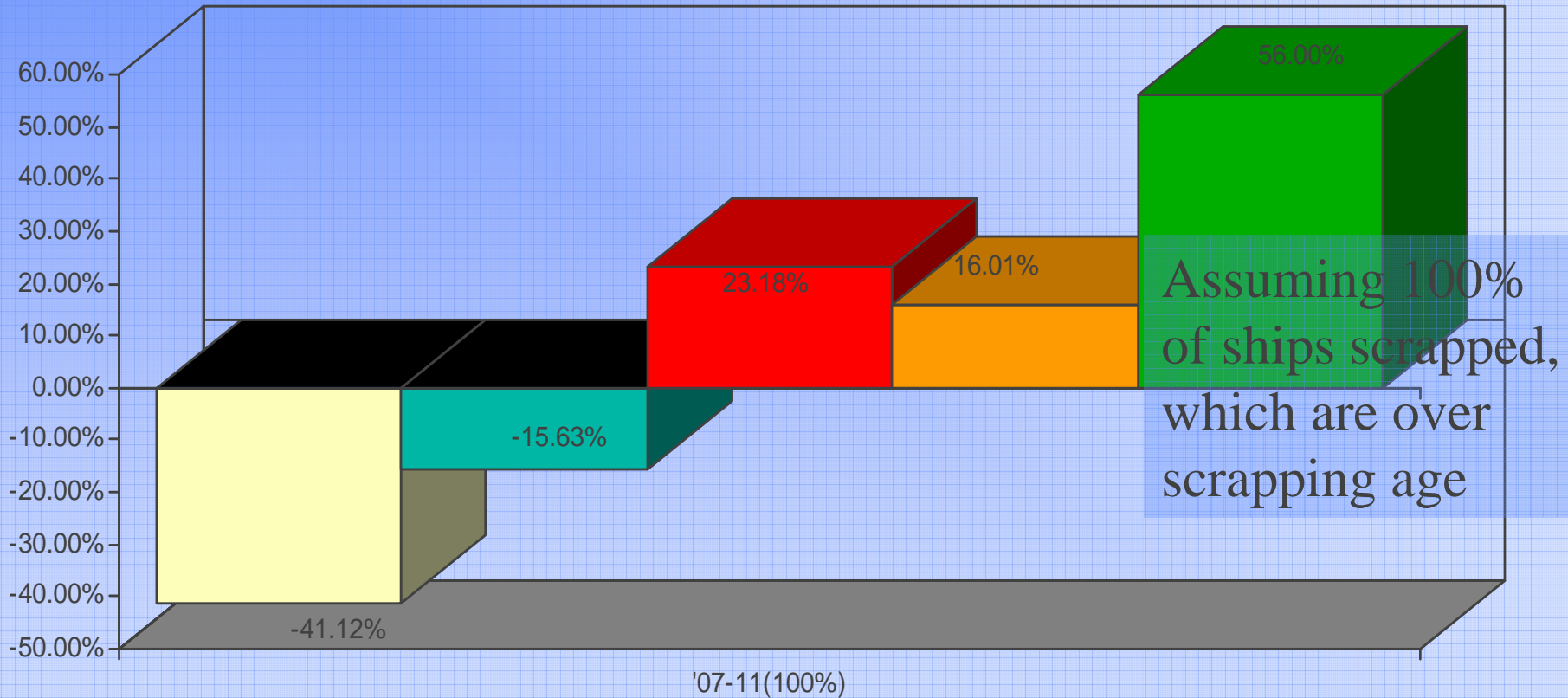


As % of fleet size as at 1st Jan 2008



# CHANGE IN NUMBER OF SHIPS AS % OF TOTAL FLEET AS OF 1st JAN 2008

|                                 |        |        |        |        |         |
|---------------------------------|--------|--------|--------|--------|---------|
| <b>Fleet - 1st Jan 2008</b>     | 3164   | 928    | 1592   | 1480   | 766     |
| <b>Projected – 1st Jan 2011</b> | 1863   | 783    | 1961   | 1717   | 1195    |
| <b>Av. Size (DWT)</b>           | 20,200 | 33,566 | 51,638 | 77,927 | 177,853 |

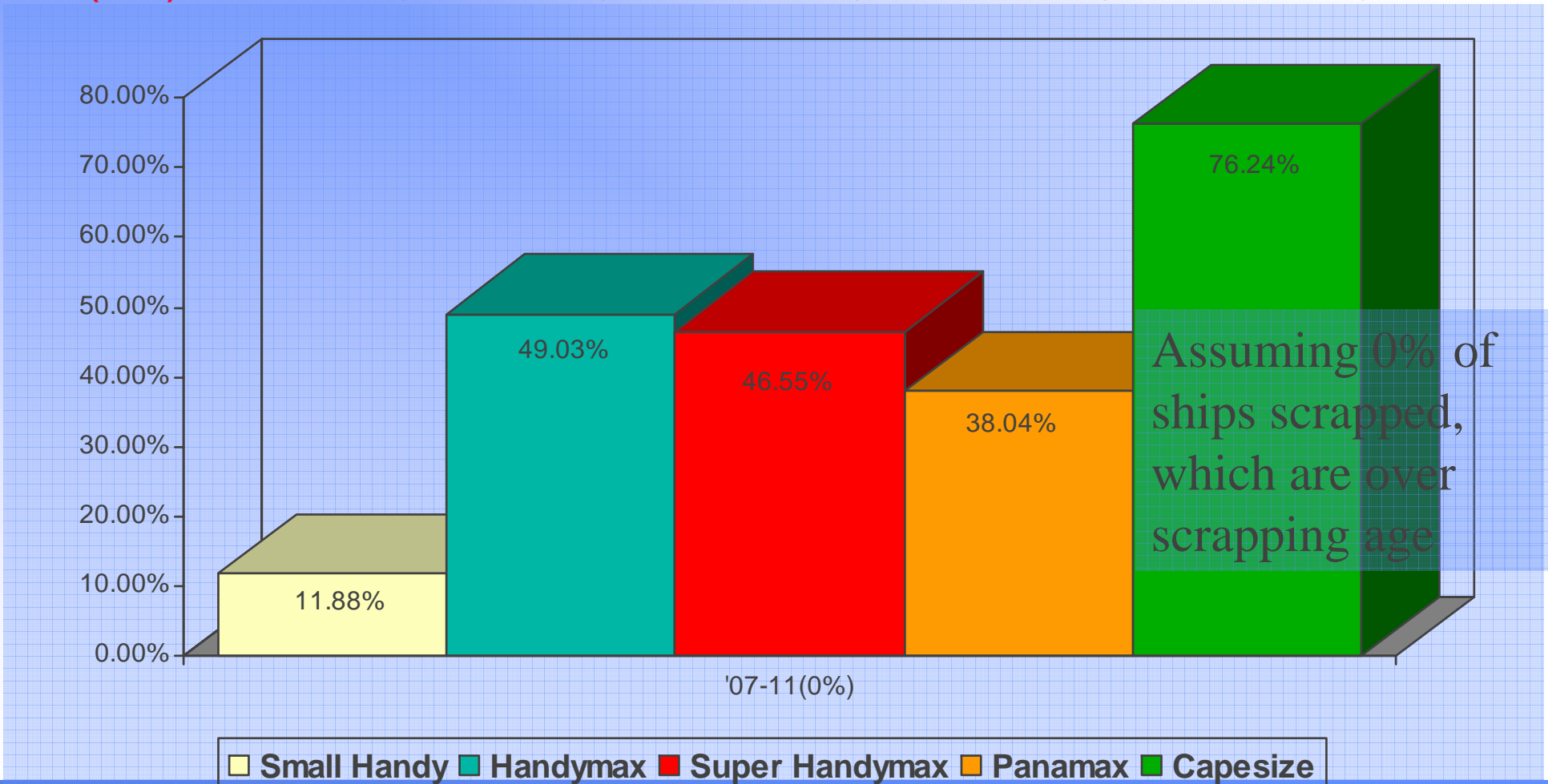


Small Handy
  Handymax
  Super Handymax
  Panamax
  Capesize



# CHANGE IN NUMBER OF SHIPS AS % OF TOTAL FLEET AS OF 1st JAN 2008

|                                 |        |        |        |        |         |
|---------------------------------|--------|--------|--------|--------|---------|
| <b>Fleet - 1st Jan 2008</b>     | 3164   | 928    | 1592   | 1480   | 766     |
| <b>Projected – 1st Jan 2011</b> | 3428   | 1383   | 2333   | 2043   | 1350    |
| <b>Av Size (DWT)</b>            | 20,425 | 34,500 | 50,518 | 75,514 | 172,729 |

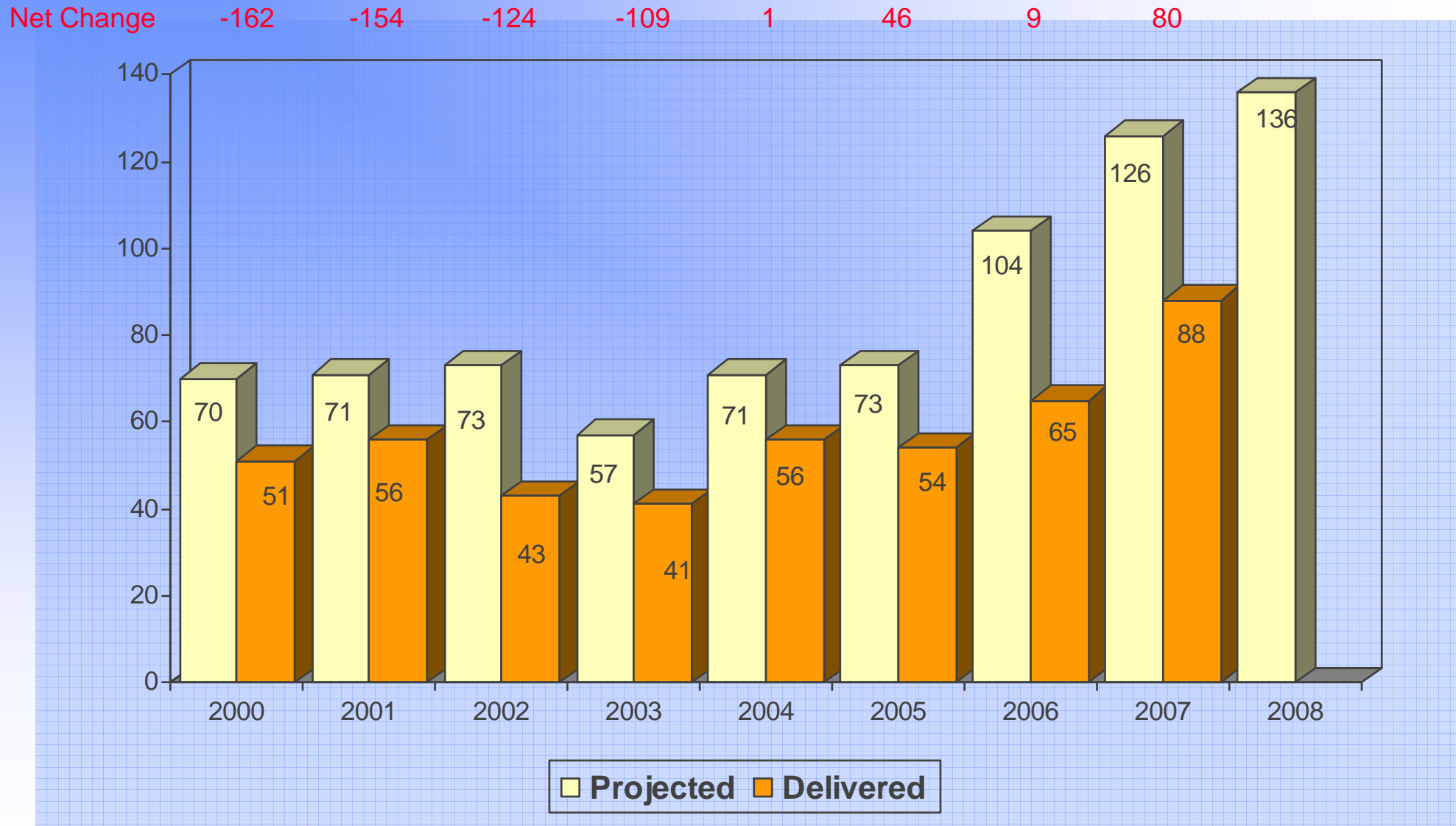


Small Handy
  Handymax
  Super Handymax
  Panamax
  Capesize





## *Small Handy - New Buildings Projected vs Delivered*







## *Soai Rap Shipyard*





# Expert Opinions 2007 & 2008





## *Estimated New Cargo Carrying Capacity for 2007 in MMT*

| Type                       | Newbuildings<br>M tdw | Est. dwcc |      |
|----------------------------|-----------------------|-----------|------|
|                            |                       | Low       | High |
| Cape                       | 9.880                 | 62        | 65   |
| Panamax                    | 9.015                 | 63        | 65   |
| Handymax                   | 5.806                 | 49        | 52   |
| Handy                      | 2.190                 | 19        | 22   |
| Total                      | 26.891                | 193       | 204  |
| Number of voyages per year |                       | 7.2       | 7.6  |

Source:  
Howe Robinson Shipbrokers,  
Dry Cargo Market - Outlook for 2007



## *Estimated Additional Cargo availability in 2007 in MMT*

| Cargo            | Range |      |
|------------------|-------|------|
|                  | Low   | High |
| Iron Ore         | 65    | 70   |
| Thermal Coal     | 5     | 10   |
| Steel            | 10    | 25   |
| Cement           | -5    | 0    |
| Grain            | 0     | 5    |
| Chinese Coastal  | 20    | 30   |
| Other Ores       | 5     | 10   |
| Misc             | 5     | 10   |
| Containerisation | -5    | -3   |
| Total            | 130   | 207  |

Source:  
Howe Robinson Shipbrokers,  
Dry Cargo Market - Outlook for 2007



## *Estimated Annualised Dead Weight Cargo carrying Capacity of the Fleet on Order (MMT per annum)*

|                  | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|------------------|-------------|-------------|-------------|
| <b>VLOC/VLCC</b> | <b>24</b>   | <b>24</b>   | <b>26</b>   |
| Cape             | 59          | 148         | 270         |
| Panamax          | 58          | 85          | 156         |
| Handymax         | 81          | 145         | 149         |
| Handy            | 30          | 48          | 39          |
| <b>Total</b>     | <b>252</b>  | <b>450</b>  | <b>640</b>  |

Source:  
Howe Robinson Shipbrokers,  
Dry Cargo Market - Outlook for 2008



## Forecast Dry Bulk Trade for 2008 (MMT)

|                      | 2008f (MMT) |      |
|----------------------|-------------|------|
|                      | Low         | High |
| Iron Ore             | +100        | +110 |
| Chinese Coastal Coal | +40         | +50  |
| Thermal Coal         | +25         | +30  |
| Minor Bulk           | +25         | +35  |
| Grain                | +12         | +16  |
| Met Coal             | +7          | +13  |
| Steel                | +5          | +10  |
| Containers           | -10         | -20  |
| Total                | +204        | +244 |

Source:  
Howe Robinson Shipbrokers,  
Dry Cargo Market - Outlook for 2008



# PSL's Strategy







## *PSL's Strategy*

- **Sell older ships and en-cash capital gains on a regular annual basis for the next few years**
- **Purchase New Buildings from shipyards to rejuvenate the fleet and replace ships sold/scrapped**
- **Acquire additional ships from the second-hand markets as and when opportunities present themselves over the next few years**
- **Fix Ships on Long Term Time Charter when markets are high and achieve a 50% forward cover on a rolling 4 year basis**
- **Exploit the spot market for maximising profit from the spot fleet**

## PSL New Building Strategy

| Vessel | Hull No. | DWT (MT) | Est Delivery  | Builder      |
|--------|----------|----------|---------------|--------------|
| 1      | 329      | 32,000   | 15th Mar 2010 | ABG Shipyard |
| 2      | 330      | 32,000   | 31st Jul 2010 | ABG Shipyard |
| 3      | 331      | 32,000   | 15th Dec 2010 | ABG Shipyard |
| 4      | 333      | 32,000   | 30th Apr 2011 | ABG Shipyard |
| 5      | 334      | 32,000   | 31st Aug 2011 | ABG Shipyard |
| 6      | 335      | 32,000   | 31st Dec 2011 | ABG Shipyard |
| 7      | 336      | 32,000   | 30th Apr 2012 | ABG Shipyard |
| 8      | 337      | 32,000   | 31st Aug 2012 | ABG Shipyard |
| 9      | 338      | 32,000   | 31st Dec 2012 | ABG Shipyard |
| 10     | 339      | 32,000   | 30th Apr 2013 | ABG Shipyard |
| 11     | 340      | 32,000   | 31st Aug 2013 | ABG Shipyard |
| 12     | 342      | 32,000   | 31st Dec 2013 | ABG Shipyard |
| 13     | 313      | 54,000   | 31st Dec 2010 | ABG Shipyard |
| 14     | 315      | 54,000   | 30th Jun 2011 | ABG Shipyard |
| 15     | 316      | 54,000   | 31st Dec 2011 | ABG Shipyard |
| 16     | 347      | 54,000   | 31st May 2012 | ABG Shipyard |
| 17     | 348      | 54,000   | 31st Oct 2012 | ABG Shipyard |
| 18     | 349      | 54,000   | 31st Dec 2012 | ABG Shipyard |

## *PSL New Buildings - Brief Description*

| <b>Size</b>       | <b>32K DWT</b>   | <b>54K DWT</b>  |
|-------------------|--|---|
| Hull              | Double Hull  | Double Hull   |
| Hatch Type        | Open hatch type  | Conventional  |
| LOA               | 182.50 m   | 190.00 m  |
| LBP               | 175.00 m   | 182.00 m  |
| Beam              | 29.00 m  | 32.26 m   |
| Holds             | 5  | 5   |
| Hatches           | 5  | 5   |
| Hold Types        | 2,3,4 box type,<br>1 & 5 semi box with lower hopper          | Conventional with top & bottom hoppers                        |
| Cargo Gear        | 4 x 30 MT cranes   | 4 x 36 MT cranes  |
| Class             | NK, complying with new CSR requirements to the highest class | ABS, complying with new CSR requirements to the highest class |
| Laden Speed*      | 14 K   | 13.75 K   |
| Consumption*      | Laden 26MT/day, Ballast 21.5 MT/day                          | Laden 32.5 MT/day, Ballast 29.5 MT/day                        |
| Main Engine       | MAN B & W 6S46MC-C Marine Diesel.<br>7860 kW MCR             | MAN B & W 6S50MC-C Marine Diesel.<br>9480 kW x 127 rpm (MCR)  |
| Diesel Generators | 2 sets. 500 kW each approx                                   | 3 sets. 600 kW each approx                                    |
| Shaft Generator   | 1, Driven off main engine shaft                              | -   |
| Accommodation     | European style   | European style  |

\* Subject to model testing and sea trials.

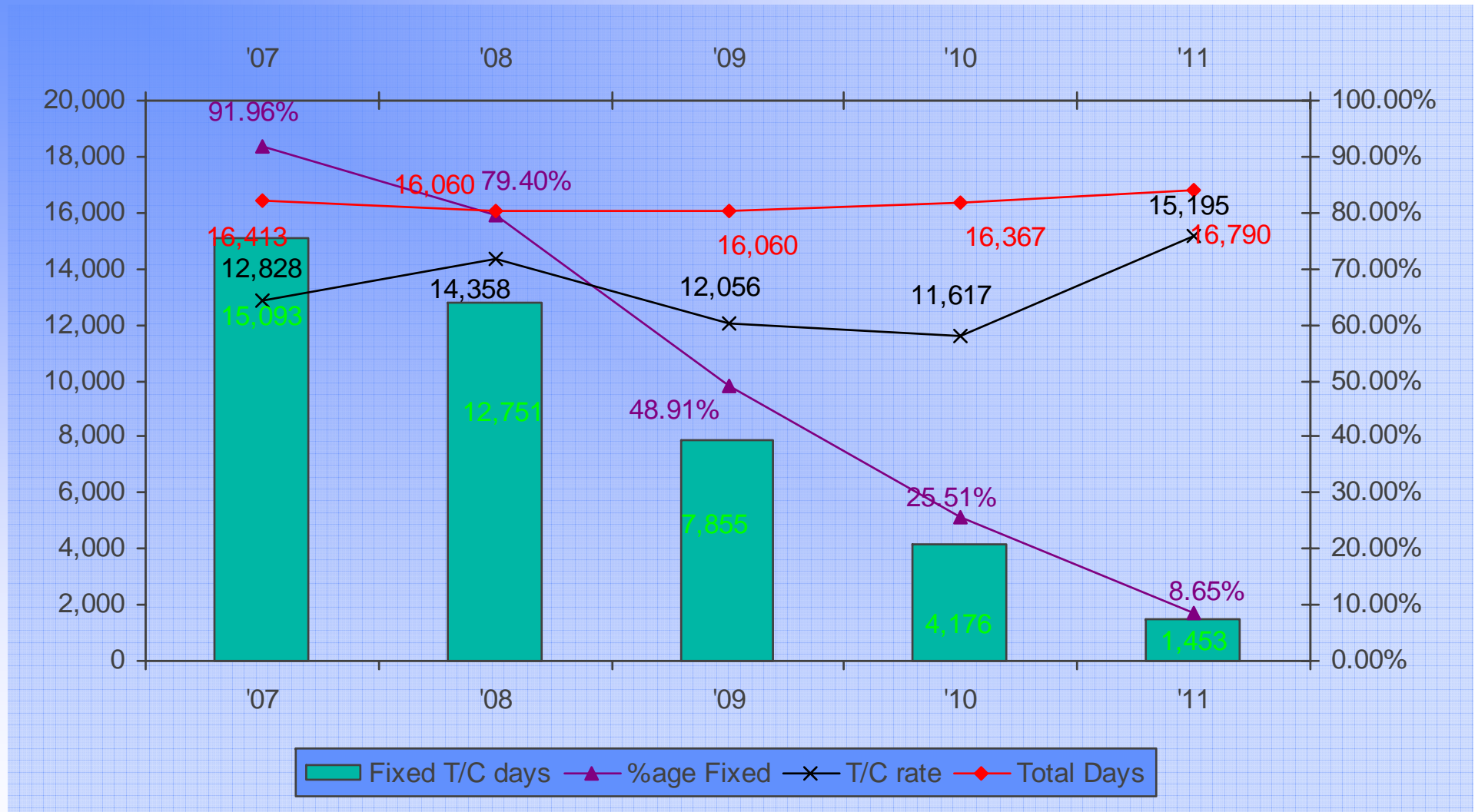


## *PSL New Buildings - Payment terms and funding*

| <b>Installment Number</b> | <b>Occasion</b>                  | <b>32K Ship (USD)</b> | <b>54K Ship (USD)</b> | <b>Source</b>      |
|---------------------------|----------------------------------|-----------------------|-----------------------|--------------------|
| 1st                       | Signing the contract (20%)       | 5,999,999             | 7,599,999             | Internal cash Flow |
| 2nd                       | Steel cutting for the ship (20%) | 5,999,999             | 7,599,999             | Planned bank loan  |
| 3rd                       | Keel Laying of the Ship (20%)    | 5,999,999             | 7,600,000             | Planned bank loan  |
| 4th                       | Launching of the Ship (20%)      | 6,000,000             | 7,600,000             | Planned bank loan  |
| 5th                       | Delivery of the Ship (20%)       | 6,000,000             | 7,600,000             | Planned bank loan  |
| <b>Total</b>              |                                  | <b>29,999,997</b>     | <b>37,999,998</b>     | Planned bank loan  |

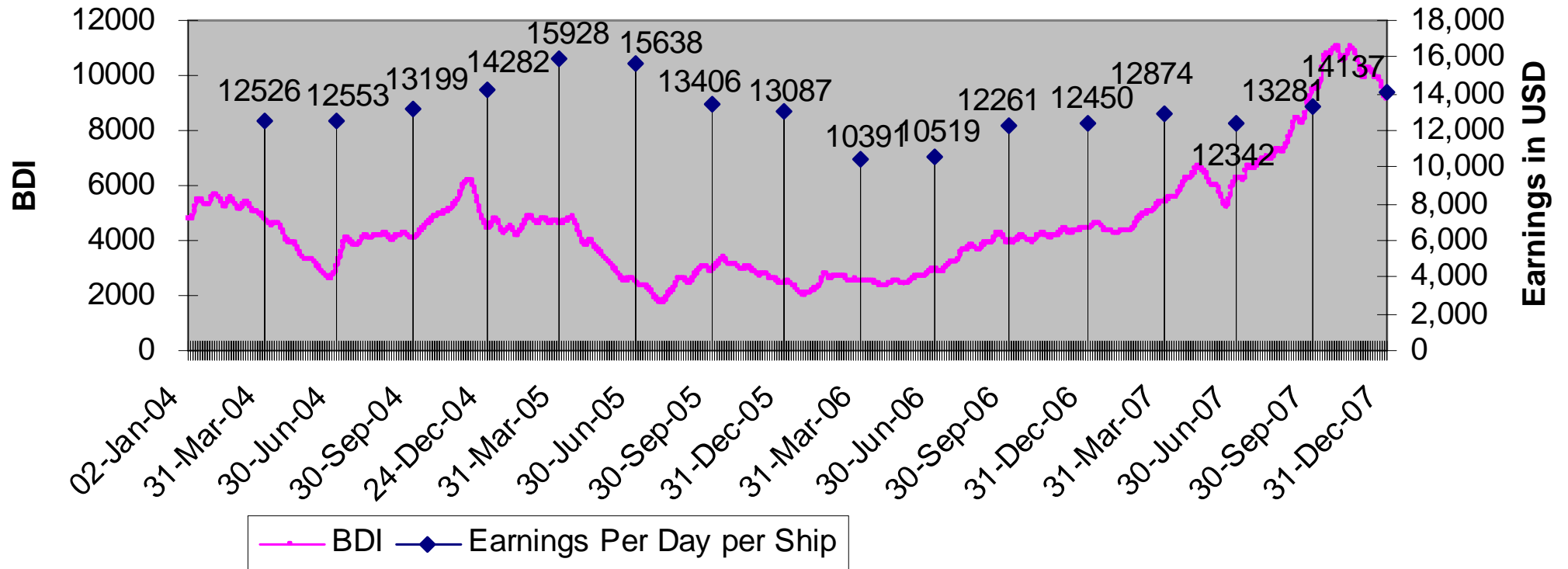


## Rolling 4 Year Forward Book (As of 1<sup>st</sup> Jan 2008)





## *BDI Vs PSL Earnings per day per ship*







# Earnings per day per ship vs Expenses







## Operating Expenses

- These are the fixed costs required to run a ship and are evenly spread over the entire year of 365 days
- PSL's Opex per day per ship for 2007 was USD 4,005 broken up into:

| Item                            | USD   | %       |
|---------------------------------|-------|---------|
| Crew costs(Abt 26 people /ship) | 1,318 | 32.91%  |
| Manning Expenses                | 218   | 5.44%   |
| Lub oils                        | 301   | 7.52%   |
| Insurance                       | 439   | 10.96%  |
| Repairs/Maintenance             | 111   | 2.77%   |
| Stores/Spares                   | 442   | 11.04%  |
| Drydocks/Special Surveys        | 779   | 19.45%  |
| Victualling                     | 167   | 4.17%   |
| Management Expenses             | 187   | 4.67%   |
| Misc expenses                   | 43    | 1.07%   |
| Total                           | 4,005 | 100.00% |

\*Included one time provisions of USD1.85 Million (\$110 per day)in respect of cargo related claims made over a number of previous years. The regular average OPEX without this one-time charge is USD 3,895

## Operating Expenses Comparison

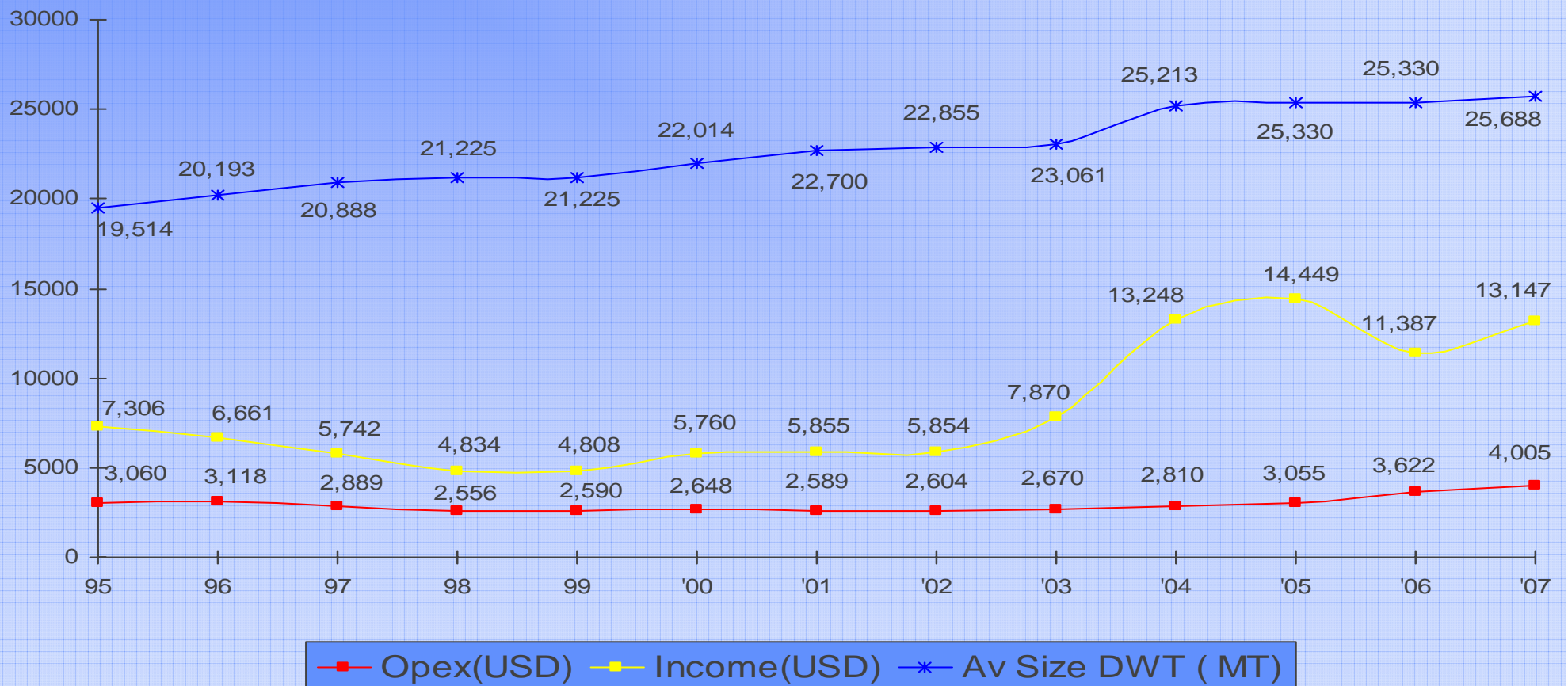
- OPEX Comparison with Industry compiled by Moore Stephens & Co.
- OPEX excluding dry dock and special survey cost

| Precious Shipping Public Company Limited |                |                |                |
|--|----------------|----------------|----------------|
| Source: Moore Stephens and Company       |                |                |                |
|  | Industry       | PSL            | PSL            |
| For year                                 | 2006           | 2006           | 2007           |
| Particulars                              | US\$ (Per Day) | US\$ (Per Day) | US\$ (Per Day) |
| Crew Wages                               | 1,331          | 1,264          | 1,318          |
| Provisions                               | 149            | 152            | 167            |
| Crew Other                               | 222            | 161            | 218            |
| <b>Crew Cost Total</b>                   | <b>1,702</b>   | <b>1,577</b>   | <b>1,703</b>   |
| Lubricants                               | 259            | 238            | 301            |
| Stores Other                             | 307            | 242            | 232            |
| <b>Stores Total</b>                      | <b>566</b>     | <b>480</b>     | <b>533</b>     |
| Spares                                   | 330            | 214            | 210            |
| Repairs & Maintenance                    | 293            | 117            | 111            |
| <b>Repairs &amp; Maintenance Total</b>   | <b>623</b>     | <b>331</b>     | <b>321</b>     |
| P & I Insurance                          | 215            | 155            | 153            |
| Insurance                                | 244            | 163            | 286            |
| <b>Insurance Total</b>                   | <b>459</b>     | <b>318</b>     | <b>439</b>     |
| Registration Costs                       | 28             | 0              | 0              |
| Management Fees                          | 380            | 143            | 187            |
| Sundries                                 | 181            | 58             | 43             |
| <b>Administration Total</b>              | <b>589</b>     | <b>201</b>     | <b>230</b>     |
| <b>Total Operating Costs</b>             | <b>\$3,939</b> | <b>\$2,907</b> | <b>\$3,226</b> |



# Average Opex / TC Rates 1995 / 2007

| Year   | 95    | 96    | 97    | 98    | 99    | 00    | 01    | 02    | 03    | 04    | 05    | 06    | 07    |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Av Age | 15.97 | 16.18 | 14.24 | 14.59 | 15.59 | 15.57 | 15.65 | 15.82 | 16.60 | 17.35 | 18.98 | 19.98 | 19.59 |





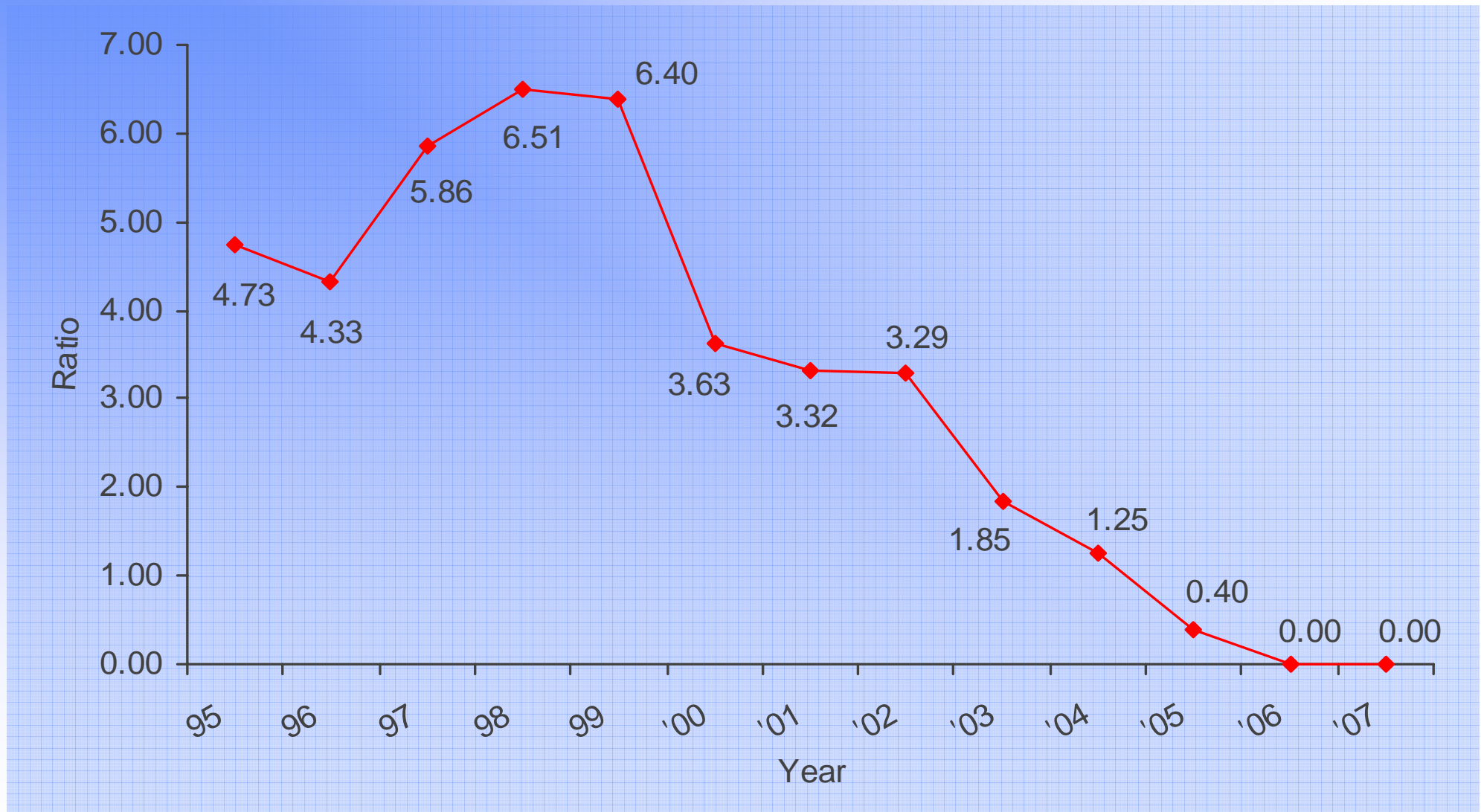
# Financials





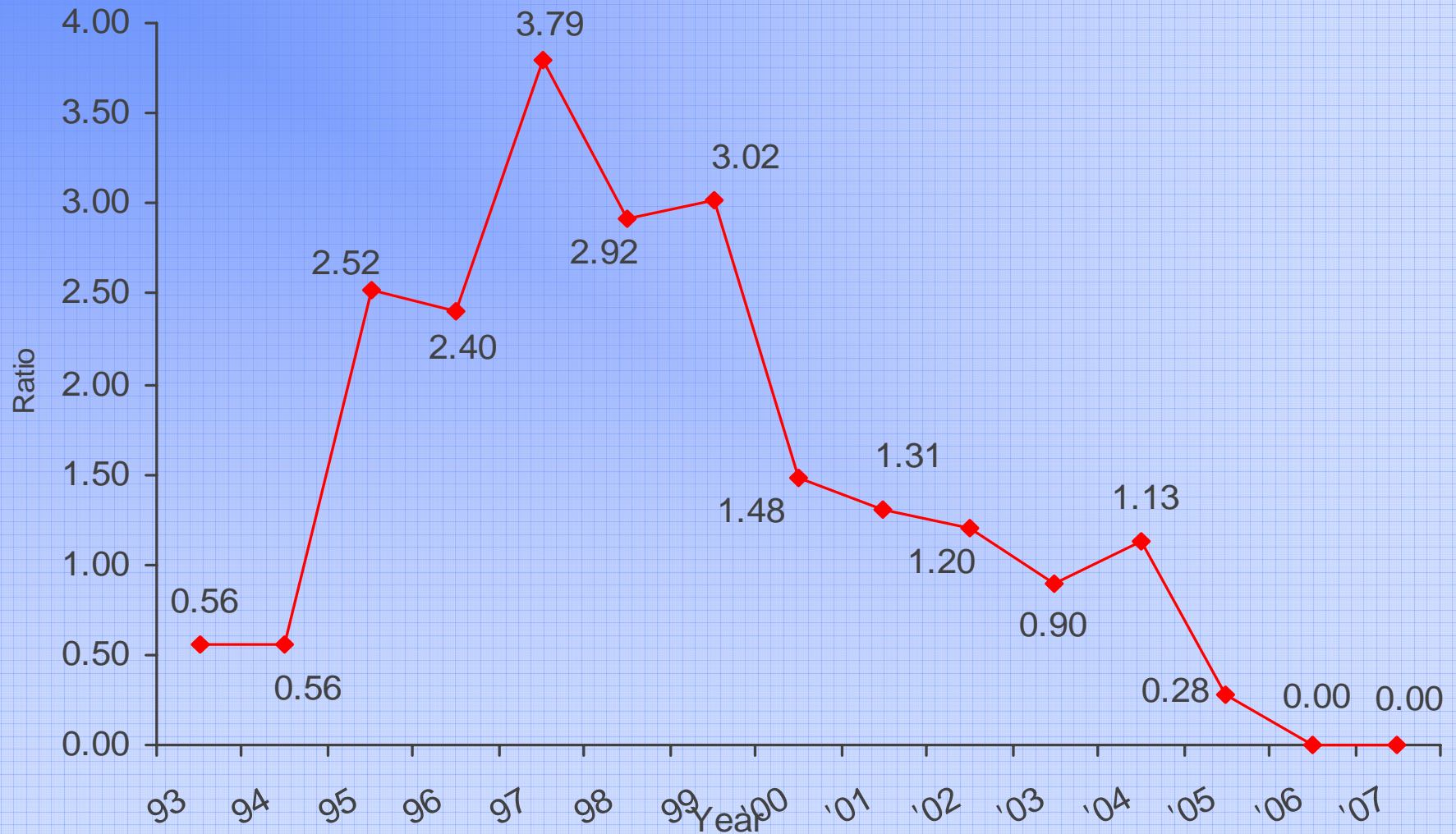


## FUNDED DEBT / EBITDA



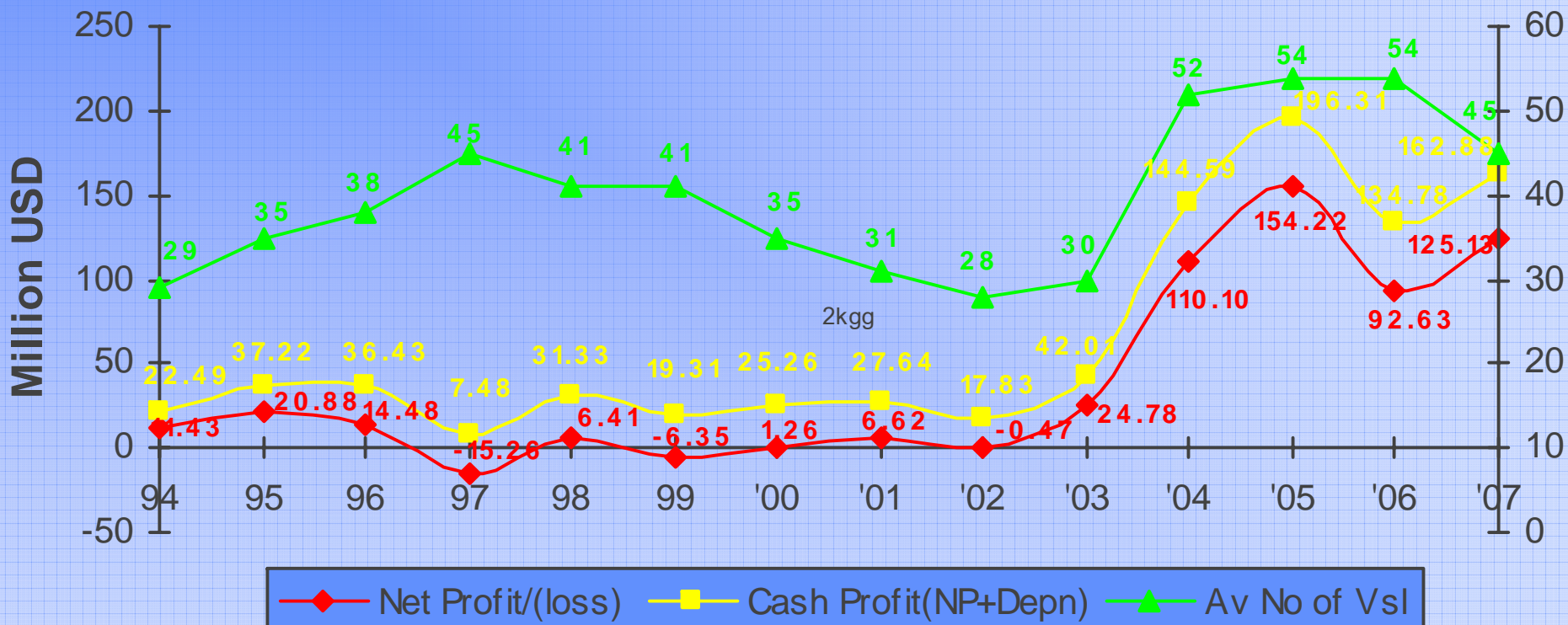


## FUNDED DEBT/EQUITY RATIO



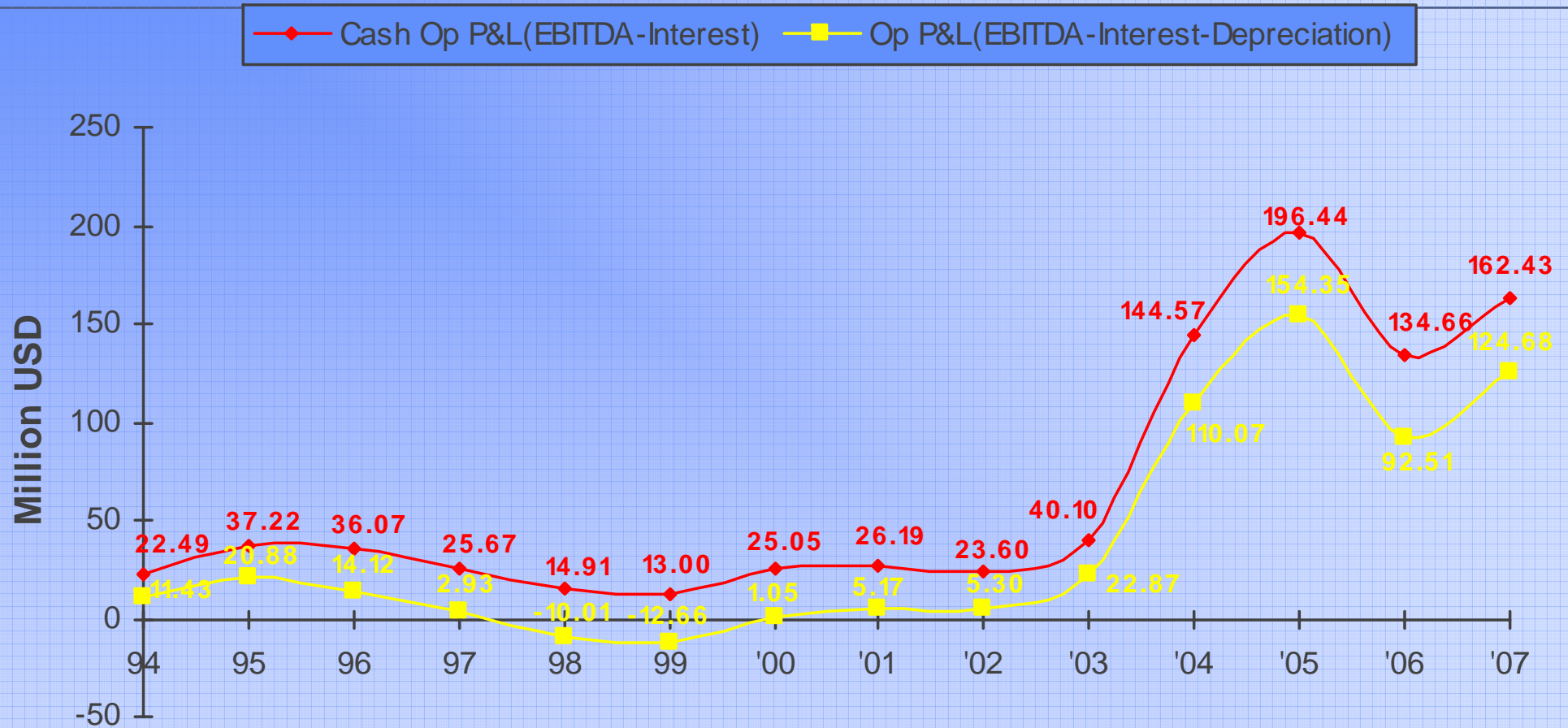


# Net Profit / Cash Profit





## Cash Operating Profit/ Operating Profit





## ***FINANCIAL PROFILE PRE / POST 1997 ASIAN FINANCIAL CRISIS***

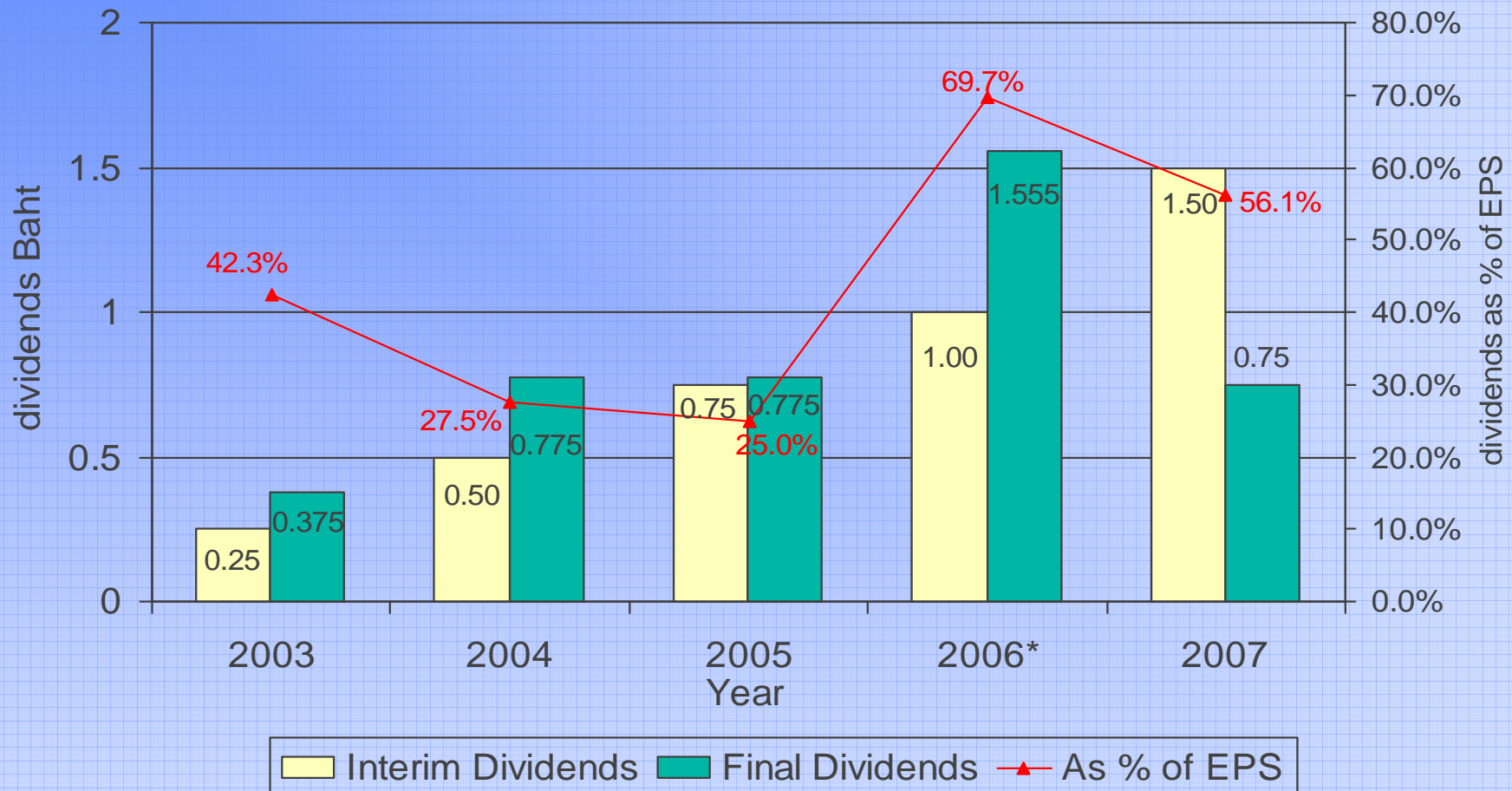
|                           | <b>High (Year)</b> | <b>Low (Year)</b> | <b>Dec-07</b> |
|---------------------------|--------------------|-------------------|---------------|
| <b>Funded Debt</b>        | \$256.6m (1997)    | \$185m (1999)     | \$0.00m       |
| <b>Equity</b>             | \$94.4m (1996)     | \$61.3m (1999)    | \$400.81m     |
| <b>Funded Debt/Equity</b> | 3.79 (1997)        | 2.40 (1996)       | 0.00          |
| <b>EBITDA</b>             | \$52.4m (1996)     | \$28.9m (1999)    | \$132.47m     |
| <b>Debt/EBITDA</b>        | 6.5 (1998)         | 4.33 (1996)       | 0.00          |
| <b>Daily Earnings</b>     | \$7,306 (1995)     | \$4,808 (1999)    | \$13,147      |
| <b>Daily Opex</b>         | \$3,118 (1996)     | \$2,556 (1998)    | \$4,005       |
| <b>Total Assets</b>       | \$367.0m (1996)    | \$270.6m (1999)   | \$428.94m     |
| <b>Net Profit/(Loss)</b>  | \$20.9m (1995)     | \$(15.3m) (1997)  | \$125.13m     |
| <b>Total Revenues</b>     | \$127.21 (1996)    | \$96.53m (1995)   | \$257.98m     |
|                           |                    |                   |               |





## *Dividend policy: not less than 25% of net profit*

### *Actual Dividend Paid Out*



- \*2006 Final Dividend includes 1:1 bonus share at par
- All dividends shown adjusted for 1:1 bonus shares at par
- 2007 Final dividend as proposed by BODs, pending shareholder's approval.



# Awards and Achievements





# Industry Awards and Honors



Precious Shipping PCL





## *Marine Money Ranking: Methodology*

### **Methodology: Simple Average of Performance Ranks**

#### **Performance Ranks:**

|   |  |
|---|--|
| <b>Total Return to Shareholders (TRS)</b> | <b>(Change in Share Price + Dividend) / (Share Price at the beginning of Period)</b> |
| <b>Assets Turnover</b>                    | <b>Sales / Total Assets</b>  |
| <b>Profit Margin</b>                      | <b>EBITDA / Sales</b>  |
| <b>Return on Equity(ROE)</b>              | <b>Net Income / Average Shareholders Equity</b>                                      |
| <b>Return on Assets(ROA)</b>              | <b>EBIT / Average Total Assets</b>   |
| <b>Price / Book Value</b>                 | <b>Market Value of Equity / Book Value of Equity</b>                                 |



# Marine Money International Ranking 2006

| Marine Money International Rankings 2006 |                      |                |          |           |                 |
|--|----------------------|----------------|----------|-----------|-----------------|
| Summary of 1st Ranks Vs. PSL Rank        |                      |                |          |           |                 |
| Performance Ranks                        |                      |                |          |           |                 |
| Particulars                              | 1st Rank             | 1st Rank Ratio | PSL Rank | PSL Ratio | Industry Median |
| Total Return to Shareholders (TRS)       | Precious Shipping    | 235.07%        | 1        | 235.07%   | 14.14%          |
| Turnover Rate                            | Noble Group          | 3.60           | 28       | 0.66      | 0.39            |
| Profit Margin                            | Double Hull Tankers  | 75.71%         | 13       | 64.55%    | 32.35%          |
| Return on Equity(ROE)                    | Frontline Limited    | 77.18%         | 14       | 29.68%    | 16.94%          |
| Return on Asstes(ROA)                    | Courage Marine Group | 32.39%         | 2        | 26.19%    | 9.23%           |
| Price / Book Value                       | Trailer Bridge Inc   | 107.61         | 17       | 2.21      | 1.65            |



# Shareholder's returns





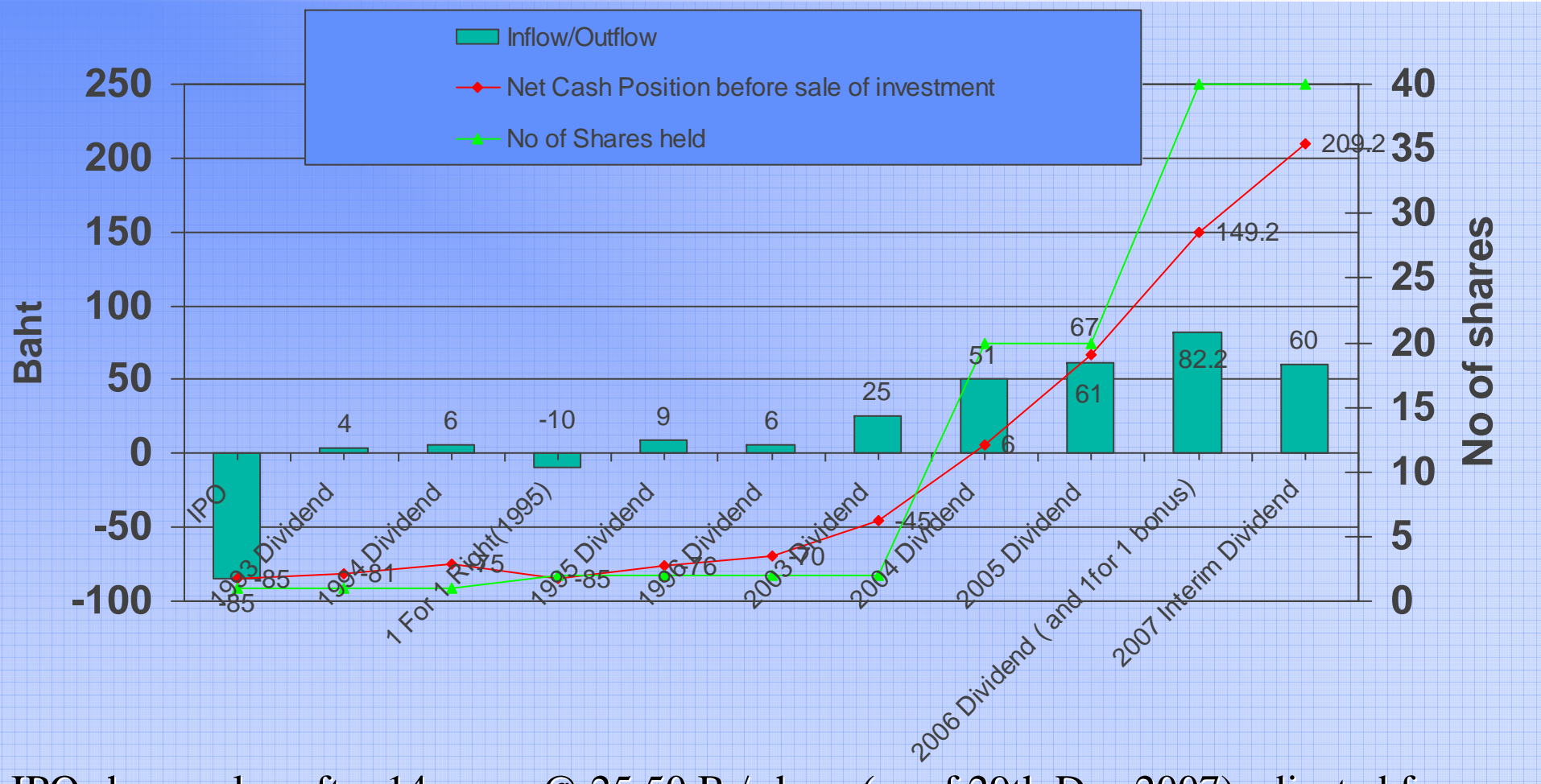
## SHAREHOLDER SCORECARD-Bangkok Post 18th May 2007

### BEST AND WORST PERFORMERS

| Top 20th percentile across all scorecards |                     |                              | TSR (%) |        |        |         |
|---|---------------------|------------------------------|---------|--------|--------|---------|
|   | Market value (bt m) | Sector                       | 1-year  | 3-year | 5-year | 10-year |
| ■ Central Pattana                         | 49,241              | Property development         | 60.1    | 34.3   | 61.6   | 20.6    |
| ■ Minor International                     | 34,446              | Food and beverages           | 86.5    | 66.1   | 77.8   | 37.2    |
| ■ Precious Shipping                       | 26,520              | Transportation and logistics | 77.0    | 21.5   | 113.8  | 31.8    |
| ■ Central Plaza Hotel                     | 8,978               | Tourism                      | 59.8    | 50.8   | 46.6   | 34.8    |
| ■ Ramkhamhaeng Hospital                   | 5,424               | Health care                  | 76.6    | 42.0   | 106.2  | 31.3    |
| ■ Minor Corporation                       | 4,368               | Commerce                     | 85.5    | 80.6   | 79.1   | 28.0    |
| ■ Bangkok Ranch                           | 4,052               | Agribusiness                 | 290.4   | 736.6  | 257.7  | 43.6    |



## Total Return to Shareholders: 1993 to 2007



1 IPO share value after 14 years @ 25.50 B / share (as of 29th Dec 2007) adjusted for rights , splits and bonus = 1020 Baht

Total net Cash position = Baht 1229.2, Returns = 14.46 times





# A PRECIOUS SHIPPING PRESENTATION