



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

## PRESS RELEASE

### FINANCIAL RESULTS AS AT 30 SEPTEMBER 2010

Container volumes have been very strong in the first nine months of the year and the global growth forecast for 2010 by Drewry was upgraded to 10.9%. This would indicate the global trade has made a remarkable turnaround.

In tandem, Regional Container Lines Group saw its 3Q financial results bounce back to black year-on-year due to the rebound of trade volumes and rates led by the rapid recovery in China and the Far East.

With the pick-up in demand, the Group's Shipper Owned Container (SOC) liftings increased by 7% in 3Q2010, y-o-y to 302,918 teus. The Group's Carrier Owned Container (COC) liftings also increased by 10% to 343,529 teus. Total liftings for 3Q2010 was 646,447 teus, an increase of 9% y-o-y. In comparison with the first 9 months of the previous year, SOC liftings rose 7% at 876,323 teus, COC increased by 10% to 1,011,726 teus, and total liftings increased by 9% to 1,888,049.

With the increase in the liftings of 9% and improved freight rates, the total revenues for the third quarter before exchange difference, gain on sales of assets and investment, and adjustment for derivatives edged up by 16% to THB4,075 million. For the first 9 months, total revenues before exchange difference, gain on sale of assets, and adjustment for derivatives was up by 8% to THB11,686 million.

Despite the escalating fuel cost in the third quarter due to higher consumption arising from full deployment of vessels, and with the successful implementation of cost cutting initiatives as well as recovery of various surcharges, the total expenses in 3Q2010 were down by 9% at THB3,722 million. For the first 9 months, total expenses decreased by 5% y-o-y at THB11,760 million.

As a result, the Group reported a net profit of THB356 million for 3Q2010 attributable to equity holders versus a net loss of THB589 million in 3Q2009, an improvement of 160% y-o-y.

With improved liftings due to increased cargo transport volume during peak season and higher recoveries in 3Q2010, the Group registered a profit in 3Q2010 as compared to the loss incurred in 2Q2010, an improvement of 284% q-o-q. For the first 9 months, the Group recorded a net loss attributable to equity holders at THB179 million versus a net loss of THB1,590 million for the same period in 2009, an improvement of 89% y-o-y.

12 November 2010

*Founded in 1979, RCL is a Thai based container shipping line which was public listed on the Thai Stock Exchange since 1988. Its core business is in the carriage of Shipper owned containers (or SOC) and its own Carrier owned containers (or COC) within a service network that is fully Asia centric. RCL currently owns and operates a fleet of 43 vessels with sizes ranging between 500 TEUs to 2732 TEUs, with a fleet of 79,352 TEUs to support its own COC carriage as well. It also operates a network of 59 offices made up of both owned and agency offices to support its service structure. RCL is today recognized as amongst the leading SOC and Intra Asia COC operators by both peers and customers alike*



## QUARTERLY EARNING STATEMENTS IN US\$

	1 <sup>st</sup> Quarter	Half-Year	9 months	Year-end	1 <sup>st</sup> Quarter	Half-Year	9 months
	2009	2009	2009	2009	2010	2010	2010
Freight income	103.2	205.8	308.7	417.3	111.4	231.2	359.8
Cost of freight and operations	(114.3)	(219.9)	(331.9)	(447.6)	(112.2)	(226.6)	(336.3)
<b>Gross Profit</b>	<b>(11.1)</b>	<b>(14.1)</b>	<b>(23.2)</b>	<b>(30.3)</b>	<b>(0.8)</b>	<b>4.6</b>	<b>23.5</b>
<b>Gross Profit Margin</b>	<b>-10.8%</b>	<b>-6.9%</b>	<b>-7.5%</b>	<b>-7.3%</b>	<b>-0.7%</b>	<b>2.0%</b>	<b>6.5%</b>
Other income	1.0	2.1	3.1	4.2	1.1	2.4	3.6
Adjustment for unrealised loss on derivatives	5.6	7.4	7.7	7.7	0.0	0.0	0.0
Gain on exchange	0.0	0.0	0.0	0.0	0.1	1.0	0.4
Gain on sale of assets	0.1	0.6	1.7	2.7	0.8	1.2	1.7
Reversal of loss on impairment of buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other income	6.7	10.1	12.5	14.6	2.0	4.6	5.7
Admin expenses	(8.5)	(17.2)	(26.2)	(34.7)	(8.7)	(19.4)	(28.5)
Allowance for unrealised loss from changes in the fair value of Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)
Loss on exchange	(1.2)	(1.7)	(2.0)	(4.9)	0.0	0.0	0.0
Loss on sale of investments	0.0	0.0	0.0	0.0	(0.1)	(0.2)	0.0
Loss on impairment of assets	0.0	0.0	0.0	(48.0)	0.0	0.0	0.0
Loss on impairment of Vessels							
Loss on disposal of vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(9.7)	(18.9)	(28.2)	(87.6)	(8.8)	(19.6)	(28.6)
Interest expenses	(2.7)	(5.3)	(8.2)	(11.6)	(3.2)	(6.3)	(9.4)
Profit / (loss) before taxation	(16.8)	(28.2)	(47.1)	(114.9)	(10.8)	(16.7)	(8.8)
Income tax	(0.1)	(0.3)	(0.5)	(0.9)	(0.1)	(0.3)	(0.4)
Profit / (loss) after taxation	(16.9)	(28.5)	(47.6)	(115.8)	(10.9)	(17.0)	(9.2)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit / (loss) attributable to members</b>	<b>(16.9)</b>	<b>(28.5)</b>	<b>(47.6)</b>	<b>(115.8)</b>	<b>(10.9)</b>	<b>(17.0)</b>	<b>(9.2)</b>

### COMPUTATION OF EBITDA

Profit / (loss) before taxation	(16.8)	(28.2)	(47.1)	(114.9)	(10.8)	(16.7)	(8.8)
Add: Impairment loss of assets	0.0	0.0	0.0	48.0	0.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Adjustment/ Add Allowance for unrealised loss on derivatives	(5.6)	(7.4)	(7.7)	(7.7)	0.0	0.0	0.1
Less: Realised loss on derivatives	(18.4)	(21.0)	(21.0)	(21.0)	0.0	0.0	0.0
Add: Interest	2.7	5.3	8.2	11.6	3.2	6.3	9.4
<b>EBIT</b>	<b>(38.1)</b>	<b>(51.3)</b>	<b>(67.6)</b>	<b>(84.0)</b>	<b>(7.6)</b>	<b>(10.4)</b>	<b>0.7</b>
Add: Amortisation	0.1	0.3	0.4	0.6	0.2	0.5	0.7
Add: Depreciation	9.7	19.4	29.4	41.3	9.6	19.3	29.1
<b>EBITDA</b>	<b>(28.3)</b>	<b>(31.6)</b>	<b>(37.8)</b>	<b>(42.1)</b>	<b>2.2</b>	<b>9.4</b>	<b>30.5</b>



**A. M. T. & Associates**

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12 November 2010

The Board of Directors  
Regional Container Lines Public Company Limited  
30<sup>th</sup> Floor, Panjathani Tower  
127/35 Ratchadapisek Road  
Yannawa District  
Bangkok 10120

Dear Sirs,

**Consolidated financial statements in United States Dollars**

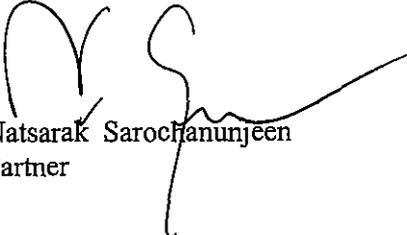
As requested, we have obtained from the management the consolidated balance sheet as at 30 September 2010 and 31 December 2009, the related consolidated statements of income and retained earnings for the nine - month periods ended 30 September 2010 and 2009 of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") in United States Dollars ("USD") and performed the following procedures as agreed upon:

- (i) We obtained management's basis in determining exchange rates applied in the translation of financial information.
- (ii) We recomputed the translation of financial information into USD.
- (iii) We checked the casting and extension of the translated USD financial information in the statements.

The above procedures do not constitute either an audit or a review in accordance with Thai generally accepted auditing standards and the basis of translation is not necessarily in compliance with Thai generally accepted accounting principles. We therefore cannot give any assurance on the basis of these procedures.

The above procedures were performed solely to assist you in the preparation of the financial information in USD for presentation to your bankers for the purpose of their facilities review, and are not to be referred to for any other purposes or distributed to any other parties without our prior consent.

Yours faithfully,  
A.M.T & ASSOCIATES

  
Natsarak Sarochanunjeen  
Partner

## REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## BALANCE SHEETS

	30 September 2010		31 December 2009	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,120.4	69.7	2,116.0	63.4
Trade accounts receivable - unrelated parties, net	1,439.1	47.3	1,350.4	40.5
Trade accounts receivable - related parties	59.7	2.0	8.6	0.3
Material supplies	366.4	12.0	359.9	10.8
Other current assets	246.0	8.1	302.3	9.1
<b>Total current assets</b>	<b>4,231.6</b>	<b>139.1</b>	<b>4,137.2</b>	<b>124.1</b>
<b>Non - current assets</b>				
Property and premises, net	2,528.5	80.4	2,694.0	80.9
Vessels and equipment, net	17,892.6	563.0	19,864.7	586.6
Intangible assets, net	189.5	6.2	184.8	5.5
Other non - current assets	226.7	6.8	265.1	7.8
<b>Total non - current assets</b>	<b>20,837.3</b>	<b>656.4</b>	<b>23,008.6</b>	<b>680.8</b>
<b>TOTAL ASSETS</b>	<b>25,068.9</b>	<b>795.5</b>	<b>27,145.8</b>	<b>804.9</b>

*See basis of preparation*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
BALANCE SHEETS (CONTINUED)

	Note	30 September 2010		31 December 2009	
		Million	Million	Million	Million
		Baht	USD	Baht	USD
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Trade accounts payable - unrelated parties		2,085.6	68.6	2,614.7	78.4
Trade accounts payable - related parties		46.5	1.5	35.1	1.1
Current portion of finance lease creditors		9.2	0.3	8.6	0.3
Current portion of long - term loans		1,302.4	42.8	1,353.8	40.6
Provision for unrealised loss from changes in the fair value of derivatives	1	11.4	0.4	10.5	0.3
Other current liabilities		289.3	9.5	564.5	16.8
<b>Total current liabilities</b>		<b>3,744.4</b>	<b>123.1</b>	<b>4,587.2</b>	<b>137.5</b>
<b>Non - current liabilities</b>					
Finance lease creditors, net of current portion		2.8	0.1	8.6	0.3
Long - term loans, net of current portion		6,725.7	221.0	8,516.6	255.1
Debentures, net		2,485.1	81.7	2,479.7	74.3
Other non - current liabilities		-	-	5.5	0.2
<b>Total non - current liabilities</b>		<b>9,213.6</b>	<b>302.8</b>	<b>11,010.4</b>	<b>329.9</b>
<b>Total liabilities</b>		<b>12,958.0</b>	<b>425.9</b>	<b>15,597.6</b>	<b>467.4</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
<b>Issued and fully paid</b>					
792,698,440 ordinary shares of Baht 1 each as at 30 September 2010 and 663,000,000 ordinary shares of Baht 1 each as at 31 December 2009					
		792.7	24.6	663.0	20.6
Share premium		4,499.9	157.7	3,073.2	113.7
Translation adjustment		(560.5)	(21.4)	250.8	(14.7)
<b>Retained earnings</b>					
Appropriated - statutory reserve					
		66.3	1.9	66.3	1.9
Unappropriated					
		7,295.2	206.2	7,474.2	215.4
<b>Equity attributable to the parent's shareholders</b>		<b>12,093.6</b>	<b>369.0</b>	<b>11,527.5</b>	<b>336.9</b>
<b>Minority interest - equity attributable</b>					
to minority shareholders of subsidiaries					
		17.3	0.6	20.7	0.6
<b>Total shareholders' equity</b>		<b>12,110.9</b>	<b>369.6</b>	<b>11,548.2</b>	<b>337.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>25,068.9</b>	<b>795.5</b>	<b>27,145.8</b>	<b>804.9</b>

*See basis of preparation and note to financial statement*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 INCOME STATEMENTS  
 FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

	Note	2010		2009	
		Million Baht	Million USD	Million Baht	Million USD
<b>Revenues</b>					
Freight income		11,588.1	359.8	10,695.0	308.7
<b>Other incomes</b>					
Gain on exchange		137.2	0.4	-	-
Gain on sales of fixed assets		55.9	1.7	60.6	1.7
Adjustment for unrealised loss on derivatives		-	-	267.6	7.7
Others		98.0	3.0	99.7	2.8
<b>Total revenues</b>		<b>11,879.2</b>	<b>364.9</b>	<b>11,122.9</b>	<b>320.9</b>
<b>Expenses</b>					
Cost of freight and operations		9,894.9	307.2	10,481.9	302.5
Depreciation		944.3	29.1	1,004.2	29.4
Administrative expenses		918.4	28.5	906.3	26.2
<b>Other expenses</b>					
Loss on exchange		-	-	26.5	2.0
Loss on sales of investments		0.6	-	-	-
Adjustment for unrealised loss on derivatives	I	1.9	0.1	-	-
<b>Total expenses</b>		<b>11,760.1</b>	<b>364.9</b>	<b>12,418.9</b>	<b>360.1</b>
Share of income (loss) from investments accounted for under equity method - associated companies		19.9	0.6	9.0	0.3
<b>Income (loss) before finance cost and corporate income tax</b>		<b>139.0</b>	<b>0.6</b>	<b>(1,287.0)</b>	<b>(38.9)</b>
Finance cost		(304.2)	(9.4)	(284.3)	(8.2)
<b>Income (loss) before corporate income tax</b>		<b>(165.2)</b>	<b>(8.8)</b>	<b>(1,571.3)</b>	<b>(47.1)</b>
Corporate income tax		(13.3)	(0.4)	(17.8)	(0.5)
<b>Net income (loss) for the period</b>		<b>(178.5)</b>	<b>(9.2)</b>	<b>(1,589.1)</b>	<b>(47.6)</b>
<b>Net income (loss) attributable to:</b>					
Equity holders of the parent		(179.0)	(9.2)	(1,589.7)	(47.6)
Minority interests of the subsidiaries		0.5	-	0.6	-
		<b>(178.5)</b>	<b>(9.2)</b>	<b>(1,589.1)</b>	<b>(47.6)</b>

*See basis of preparation and note to financial statement*

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
 STATEMENTS OF RETAINED EARNINGS  
 FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER 2010 AND 2009

	2010		2009	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
<b>Retained earnings - unappropriated</b>				
Balance - beginning of period	7,474.2	215.4	11,260.1	331.2
Net income (loss) for the period	(179.0)	(9.2)	(1,589.7)	(47.6)
Total retained earnings - unappropriated	<u>7,295.2</u>	<u>206.2</u>	<u>9,670.4</u>	<u>283.6</u>
<b>Retained earnings - appropriated</b>				
Statutory reserve	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
<b>Total retained earnings</b>	<u><u>7,361.5</u></u>	<u><u>208.1</u></u>	<u><u>9,736.7</u></u>	<u><u>285.5</u></u>

*See basis of preparation*

## Basis of preparation

### 1. Thai Baht figures

The Thai Baht figures in the balance sheets as at 30 September 2010 and profit and loss accounts for the nine - month periods ended 30 September 2010 and 2009 were extracted from the reviewed consolidated financial statements. The Thai Baht figures in the balance sheets as at 31 December 2009 were extracted from the audited consolidated financial statements. The consolidated financial statements included the financial statements of Regional Container Lines Public Company Limited (hereinafter called "the Company") and its subsidiaries in Thailand, Singapore and Hong Kong.

For consolidation purposes, foreign currency financial statements of the subsidiaries were translated into Thai Baht at the closing exchange rates as to assets and liabilities, and at the average rates as to revenues and expenses. The resultant difference has been presented under the caption of "Translation adjustment" in the shareholders' equity.

### 2. USD figures

2.1 The USD figures in the consolidated balance sheets were determined by translating the Thai Baht consolidated balance sheets of the Group (except for two subsidiaries in Singapore, of which the functional reporting currency in USD) using the following exchange rates :

a) For assets and liabilities, we used the following approximate rates:

As of 30 September 2010: USD 1 = Baht 30.4160

As of 31 December 2009 : USD 1 = Baht 33.3688

b) The approximate rates as of 1 January 1997 were used for brought - forward balances of share capital, share premium, investments, property, vessels and equipment:

*For the Company and its Thailand subsidiary*

USD 1 = Baht 25.5850

*For its Singapore subsidiaries with functional currency reporting in Singapore dollar*

USD 1 = SGD 1.4020

*For its Hong Kong subsidiaries*

USD 1 = HKD 7.7296

- c) Approximate rate as at the transaction dates were used for additional share capital, share premium, vessels and equipment, and disposals of equipment.

Any differences have been included in "Translation adjustment".

2.2 The USD figures in the consolidated profit and loss accounts were determined by translating the Thai Baht consolidated profit and loss accounts of the Group (except for the two subsidiaries in Singapore, of which the functional reporting currency in USD) using the average exchange rates, which were as follows :

30 September 2010 : USD 1 = Baht 32.2093

30 September 2009 : USD 1 = Baht 34.6507

**NOTE TO FINANCIAL STATEMENT**1. Provision for unrealised loss from changes in the fair value of derivatives

	<u>Million Baht</u>	<u>Million USD</u>
Beginning balance as at 1 January 2010 (audited)	10.5	0.3
Decrease due to :		
- Realised loss	-	-
- Adjustment for under provision	1.9	0.1
Translation adjustment	<u>(1.0)</u>	<u>-</u>
End balance as at 30 September 2010 (unaudited but reviewed)	<u><u>11.4</u></u>	<u><u>0.4</u></u>