

NEWS RELEASE

27 MARCH 2009

**PSA INTERNATIONAL PTE LTD AND ITS SUBSIDIARIES
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008**

FINANCIAL HIGHLIGHTS For the year ended 31 December 2008			
(S\$'million)	2008	2007	Growth %
Revenue	4,392	4,151	5.8
Expenses	(3,181)	(2,574)	23.6
Operating Profit	1,211	1,577	(23.2)
Other Income	491	1,115	(56.0)
Finance Costs	(393)	(504)	(22.0)
Profit Before Taxation	1,309	2,188	(40.2)
Income Tax Expense	(265)	(248)	6.8
Net Profit for the year (after Tax)	1,043	1,940	(46.2)
Minority Interests	(4)	(15)	(73.3)
Net Profit for the year	1,039	1,925	(46.0)

Review of Results

- PSA Group volumes grew 7.3% in 2008 from a year ago to reach 63.2 million TEUs (Twenty-Foot Equivalent Units) of containers. Strong growth up to July 2008 was rapidly eroded by the collapse in demand on major trade lanes in the last quarter of the year.
- PSA's flagship terminal in Singapore handled 29.0 million TEUs in 2008, growing 7.0% year-on-year, helping Singapore maintain its premier position as the world's busiest container port for the fourth consecutive year, whilst PSA's terminals outside Singapore recorded a throughput of 34.2 million TEUs in the same period, 7.7% higher than that in 2007.
- Group revenue increased 5.8% while net profit suffered a decline of 46% largely due to lower yields, higher operating costs, impairment provisions and lower divestment gains.
- PSA's balance sheet remains strong with a debt capital ratio of 53.9% at the end of 2008, an improvement over 2007.

“2008 was shaping up to be another record breaking year for the PSA Group with the first seven months bringing strong volume surge and record volumes handled. Unexpectedly, the Group experienced a sharp and abrupt business decline in the latter part of 2008 as the global financial crisis rapidly deteriorated into a major global slump and recession. Against the bleak and gloomy backdrop prevailing since then, PSA was fortunate to have had a strong first seven months that provided cushion and enabled us to end up with reasonably credible financial results as a Group. PSA is fully prepared to brace itself for a protracted and painful business down cycle. We will harness the collective zeal and efforts of management, staff and unions to reduce cost, increase productivity and value-add to our customers, who continue to be most important to us.”

~ Mr Fock Siew Wah, Group Chairman, PSA International

“2008 has been a year with a Dr Jekyll and Mr Hyde personality, with most of the Group's terminals across the globe handling record volumes in the first few months of the year; however, by year-end, the financial crisis had reached epic proportions with most economies in recession. Shored up by the robust first half of the year, PSA handled a total of 63.2 million TEUs of containers worldwide, a new high for the Group.

I see an extremely tough and increasingly challenging year in 2009, with more and more economies falling prey to the collapse of the financial systems, and global trade almost grinding to a halt. All eyes are on the rescue and stimulus efforts of Governments around the world to prevent further shrinkage to their economies, and to mitigate the severity of the global recession, the success of which will determine the extent of the contraction of global trade flows, and its long term impact on our industry.”

~ Mr Eddie Teh, Group CEO, PSA International

**PSA INTERNATIONAL PTE LTD AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT**

	2008 S\$'000	2007 S\$'000
Revenue	4,391,713	4,150,901
Other income	491,410	1,115,239
Staff and related costs	(757,955)	(679,834)
Running, repair and maintenance costs	(462,950)	(412,120)
Depreciation of property, plant and equipment	(456,869)	(411,446)
Contract services	(739,791)	(703,323)
Property taxes	(32,423)	(36,483)
Other operating expenses	(731,476)	(330,841)
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Profit before finance costs and income tax	1,701,659	2,692,093
Finance costs	(393,028)	(503,862)
Profit before income tax	<hr/> 1,308,631	<hr/> 2,188,231
Income tax expense	(265,337)	(248,433)
Profit for the year	<hr/> <hr/> 1,043,294	<hr/> <hr/> 1,939,798
 Attributable to:		
Equity holders of the Company	1,038,970	1,924,828
Minority interests	4,324	14,970
	<hr/>	<hr/>
Profit for the year	<hr/> <hr/> 1,043,294	<hr/> <hr/> 1,939,798

**PSA INTERNATIONAL PTE LTD AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET**

	2008 S\$'000	2007 S\$'000
Non-current assets		
Property, plant and equipment	6,796,581	5,741,777
Intangible assets	1,887,585	1,654,953
Associates	8,254,227	8,157,913
Financial assets	114,306	688,525
Other non-current assets	14,442	4,088
	<u>17,067,141</u>	<u>16,247,256</u>
Current assets		
Inventories	61,710	56,570
Financial assets	4,483	-
Trade and other receivables	664,543	730,974
Cash and bank balances	1,292,234	1,163,266
	<u>2,022,970</u>	<u>1,950,810</u>
Total assets	<u>19,090,111</u>	<u>18,198,066</u>
Equity attributable to equity holders of the Company		
Share capital and reserves	7,390,415	6,955,269
Minority interests	330,944	213,500
Total equity	<u>7,721,359</u>	<u>7,168,769</u>
Non-current liabilities		
Borrowings	7,408,969	7,924,284
Provisions	66,130	67,841
Other non-current obligations	39,160	20,561
Deferred tax liabilities	262,643	233,116
	<u>7,776,902</u>	<u>8,245,802</u>
Current liabilities		
Trade and other payables	1,416,499	1,724,146
Borrowings	1,780,258	660,872
Current tax payable	380,240	392,024
Bank overdrafts	14,853	6,453
	<u>3,591,850</u>	<u>2,783,495</u>
Total liabilities	<u>11,368,752</u>	<u>11,029,297</u>
Total equity and liabilities	<u>19,090,111</u>	<u>18,198,066</u>

**PSA INTERNATIONAL PTE LTD AND ITS SUBSIDIARIES
REVIEW OF GROUP PERFORMANCE BY BUSINESS SEGMENT**

S\$'million	Revenue			Segment profit *		
	FY2008	FY2007	Variance	FY2008	FY2007	Variance
Port	4,087	3,828	6.8%	1,436	1,835	(21.7%)
Non-port	305	323	(5.6%)	106	632	(83.2%)
Total	4,392	4,151	5.8%	1,542	2,467	(37.5%)

* Segment profit included segment results, share of profit of associates, other income and impairment losses.

(a) Segment Revenue

Port

The Group's revenue contribution profile remained similar to the previous year.

Singapore operations accounted for 50% of total turnover vis-a-vis last year's contribution of 51%. Outside Singapore, PSA's European terminals contributed revenues amounting to S\$1.4 billion representing 32% of the Group turnover. Revenues from PSA's China terminals remained at 4% of total turnover whilst the newly acquired terminals in the Americas contributed 3% to the total.

Non-port

Non-port revenue share declined slightly against 2007 following the divestment of the Group's offshore marine business in 2007.

(b) Segment Profit

Port

Profits from port operations were S\$1.4 billion, a decrease of 22% from the previous year. Singapore port operations continued to be the major contributor posting more than 50% of the profits from port operations.

Non-port

Profit contribution from non-port operations fell primarily from the one-off gain on disposal of the non-core offshore marine business in the previous year.

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About PSA International

PSA International is one of the leading global port groups. With its flagship operations in PSA Singapore Terminals and PSA HNN, PSA participates in 28 port projects in 16 countries across Asia, Europe and the Americas, with a global capacity of 111 million TEUs over 66 km of quay length. Employing the finest talents in the industry, PSA

delivers reliable and best-in-class service to its customers and develops win-win relationships with its partners. As the port operator of choice in the world's gateway hubs, PSA is "The World's Port of Call". For three consecutive years since 2005, PSA International has been voted "Best Global Container Terminal Operator" at the Asian Freight & Supply Chain Awards. In 2008, PSA handled 63.2 million TEU of containers worldwide. Please visit us at www.internationalpsa.com.

This press release is also available on the PSA International website at www.internationalpsa.com.

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