



PACIFIC INTERNATIONAL LINES (PTE) LTD

140 CECIL STREET #03-00, PIL BUILDING, SINGAPORE 069540
TEL: 65-6221 8133 FAX: 65-6225 8244 WEBSITE: www.pilship.com
CO. REG. NO. 196700080N

PIL delivers stellar performance in 2017, recording EBITDA of US\$508mm, a y-o-y growth of 269%

- 2017 saw a significant improvement in shipping market conditions after a rebalancing of demand and supply of container vessels in the market
- Strong performance by PIL in 2017 driven by both the shipping and container manufacturing businesses
- PIL's turnover improved by 32% as a result of an increase in shipping volume, average freight rates and container sales
- Positive momentum expected to continue in 2018

16 April 2018

	FY 2016	FY 2017	Change
	US\$'M	US\$'M	%
Turnover	3,069.9	4,037.4	+32
EBITDA ⁽¹⁾	137.6	507.7	+269
EBIT ⁽²⁾	(108.7)	266.5	nm
Net (Loss)/Profit After Tax ("NPAT")	(251.4)	119.5	nm
Core NPAT ⁽³⁾	(222.5)	111.9	nm

Note: nm means not meaningful.

1. EBITDA equals to Turnover + Other operating income - Changes in inventories of finished goods and work in progress - Raw material and consumables used - Staff costs - Shipping expenses - Administration and non-shipping expenses; 2. EBIT equals to EBITDA - Depreciation - Amortisation of intangible assets; 3. Exclude the Group's one-off gain/loss from write-back of impairment losses, disposal of shares in subsidiaries, disposal of shares in associates and joint ventures, disposal of shares in other investments, disposal of fixed assets and net fair value changes in derivative financial instruments.

Pacific International Lines (Private) Limited ("PIL" or the "Group") reported an improvement in financials for the full year ended 31 December 2017 ("FY 2017"), as compared to the corresponding period in 2016 ("FY 2016"). The return to profitability in FY 2017 was driven mainly by an increase in shipping revenue and container sales as well as initiatives which improved operational efficiency.

The Group's FY 2017 turnover increased 32% year-on-year to US\$4,037.4 million, while EBITDA jumped 269% to reach US\$507.7 million in FY 2017. Reversing the losses posted in FY 2016, the Group achieved positive FY 2017 EBIT and NPAT at US\$266.5 million and US\$119.5 million respectively.

Shipping Business

The Group's container shipping business posted increases in shipping volume and average freight rates of 12% and 9%, year-on-year, respectively. This resulted in a 21.3% growth in the shipping business' turnover. The Group also successfully implemented initiatives which helped to increase operational efficiencies, with shipping expenses increased by only 9.3% in FY17 despite the much larger growth in revenue.

Container Manufacturing Business

Strong demand for new containers, owing to growth in global trade, underpinned the 58.7% year-on-year increase in turnover. Strong sales of containers, which reached US\$1,415.0 million in FY 2017 based on 716,000 TEUs of sales helped underpin the improvement in turnover.

Other Recent Highlights

- On 8 January 2018, PIL announced two upgraded weekly services on the Far East – Red Sea service route. Done in collaboration with Ocean Alliance, the routes named RSS and RES commenced operations end March 2018, superseding the current three services RSS, RS3 and RS5.
- On 22 February 2018, PIL, PSA and IBM concluded a successful blockchain trial from Chongqing to Singapore via the Southern Transport Corridor. The trial tested a supply chain platform to track and trace cargo movement from Chongqing to Singapore via the Southern Transport Corridor.
- On 29 March 2018, our Managing Director, Mr. Teo Siong Seng, was appointed as Executive Chairman. He will continue to hold the post of Managing Director and former Executive Chairman Mr. Teo Woon Tiong will hold the new post of Chairman Emeritus.

The Group is encouraged by the recovery in FY 2017 that led to strong financial results, and expects overall market conditions to continue to improve, driving shipping volume, freight rates and container sales.

About Pacific International Lines (PIL)

The Singapore-based company incorporated in 1967 is ranked the world's 8th top containership operator and one of the largest shipowners in Southeast Asia, offering container liner services and multi-purpose services at over 500 locations in 100 countries.

PIL owns and operates a fleet of 156 modern vessels. PIL has a significant presence in the Far East, Africa, Red Sea, Middle East, North and South America, Europe, Indian sub-continent and Oceania. It also has a dedicated network of feeder services covering a comprehensive range of ports in South East Asia, the Bay of Bengal, the East Coast of India, East and West Africa, the Federated States of Micronesia, the Mariana Islands and the Pacific Islands. As part of PIL's newbuilding programme, 10 new container vessels will be delivered by 2019.

Besides its core business in liner shipping, the group has several business units including container manufacturing, ship recycling, marine service, real estate, depots and logistics services. Singamas Container Holdings Ltd, one of PIL's subsidiaries, is listed on the Hong Kong Stock Exchange and is the world's second largest container manufacturer with 9 container factories and operates 11 depots and terminals in China and Hong Kong.

Building on "Our Promise, Your Satisfaction", PIL strives to build strong and long-lasting relationship with its customer through flexibility and personalised services.



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Contact Person for Media Queries

Ms. Lisa Teo, Executive Director (Corporate Development)

Tel: +65 6429 3393

Email: lisa.teo@sgp.pilship.com