



บริษัท อาร์ ซี แอล จำกัด (มหาชน)

Regional Container Lines Public Company Limited

PRESS RELEASE

FINANCIAL RESULTS AS AT 31 MARCH 2008

On the global front, transportation of containers continued to grow with a healthy pace in first quarter of 2008 despite the concern in US economy and a prolonged winter season in China. The robust demand in Europe, Mediterranean and Middle East had benefited the Group, particularly, in the Shipper Owned Container (SOC) liftings sector.

In Q108, the SOC liftings climbed 10% year-on-year at 364,109 TEUs. The prolonged period of unfavourable weather in China around the Lunar New Year had caused port congestion as well as a reduction in terminal productivity. Although our Carrier Owned Container (COC) liftings came under pressure in the first 2 months of the year, it rebounded strongly in March and eventually registered a growth of 4% year-on-year at 325,532 TEUs. Overall, total liftings of the Group recorded a 7% year-on-year increase at 689,641 TEUs.

Despite a 7% increase in liftings, total turnover for the first quarter before exchange difference and gain on disposal of vessel was down marginally by 4% at THB4,721 million. There were two factors which contributed to the drop in turnover. Firstly, the Group's revenue is US dollar denominated while the reporting currency is in Thai Baht. As US dollar continued to weaken against the regional currency in Q108, Thai Baht strengthened close to 10% against US dollar year-on-year. The Group's turnover hence suffered from this translation loss. Secondly, SOC out grown COC in this quarter and as SOC revenue is lower than COC, there was an unfavourable freight rate mixed which impacted the average revenue per TEU. Other than these, rate for Intra-Asia trade had been holding since Q407.

Normally, strong Thai Baht will provide a translation gain to the Cost of Freight and Operation when majority of the Group's US dollar expenses were being translated to Thai Baht. However, due to escalating bunker price, the full offsetting was not achievable. With a 7% increase in liftings, the Cost of Freight and Operation in first quarter 2008 was THB4,089 million, an increase of 6% year-on-year. As was in 2007, the bunker price was lower in the first 2 months of the year and picked up very strongly in March. On the average, the bunker cost was more than 70% higher as compared to that of the same quarter in last year. This factor largely contributed to the increase in Cost of Freight and Operation. Otherwise, other cost items were in line with the improved liftings and increase in number of vessels under owned operation.

With improvement in volume being offset by lower freight rate caused by translation loss and escalating bunker cost, the Group's Net Profit for Q108 reduced by 18% at THB524.6 million year-on-year. In first quarter this year, the Group recorded a Gain on Exchange of THB191.9 million against THB56.0 million in the same quarter last year. The Group also disposed two old vessels in Q108 with a disposal gain of THB146.9 million.

Regional Container Lines Public Company Limited

12 May 2008

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 45 vessels with sizes ranging between 500 TEUs to 2598 TEUs, with a fleet of 79712 TEUs to support its own COC carriage as well. It also operates a network of 58 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.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN THAI BAHT

(million baht)

	1 st Quarter 2007	Half-Year 2007	9 months 2007	Year-end 2007	1 st Quarter 2008
Freight income	4,821.3	9,643.4	14,776.2	19,728.8	4,654.3
Cost of freight and operations	(3,887.4)	(7,831.2)	(12,057.6)	(16,345.0)	(4,106.0)
Gross Profit	933.9	1,812.2	2,718.6	3,383.8	548.3
Gross Profit Margin	19.4%	18.8%	18.4%	17.2%	11.8%
Other income	58.9	117.1	161.2	344.3	66.3
Gain on exchange	56.0	48.2	143.5	249.3	191.9
Gain on sale of assets	16.4	139.1	143.2		148.6
Reversal of loss on impairment of buildings	0.0	0.0	0.0	1,531.8	0.0
Total other income	131.3	304.5	447.9	2,125.4	406.8
Admin expenses	(295.0)	(592.7)	(918.2)	(1,200.7)	(331.7)
Loss on exchange	0.0	0.0	0.0	0.0	0.0
Total other expenses	(295.0)	(592.7)	(918.2)	(1,200.7)	(331.7)
Interest expenses	(128.0)	(247.4)	(358.7)	(469.4)	(96.7)
Profit / (loss) before taxation	642.2	1,276.5	1,889.6	3,839.1	526.7
Income tax	(3.0)	(8.2)	(13.0)	(23.3)	(1.7)
Profit / (loss) after taxation	639.2	1,268.3	1,876.6	3,815.8	525.0
Minority interest	0.4	0.7	0.6	(0.2)	(0.4)
Net profit / (loss) attributable to members	639.6	1,269.0	1,877.2	3,815.6	524.6

COMPUTATION OF EBITDA

<i>Profit / (loss) before taxation</i>	<i>642.2</i>	<i>1,276.5</i>	<i>1,889.6</i>	<i>3,839.1</i>	<i>526.7</i>
<i>Add: Impairment loss</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Deduct: Impairment gain</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>(1,531.8)</i>	<i>0.0</i>
<i>Add: Interest</i>	<i>128.0</i>	<i>247.4</i>	<i>358.7</i>	<i>469.4</i>	<i>96.7</i>
EBIT	770.2	1,523.9	2,248.3	2,776.7	623.4
<i>Add: Amortisation</i>	<i>0.7</i>	<i>1.3</i>	<i>2.0</i>	<i>6.6</i>	<i>5.0</i>
<i>Add: Depreciation</i>	<i>296.1</i>	<i>586.4</i>	<i>870.9</i>	<i>1,160.3</i>	<i>300.1</i>
EBITDA	1,066.9	2,111.6	3,121.2	3,943.6	928.5

Review report of independent auditor

To the shareholders of Regional Container Lines Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Regional Container Lines Public Company Limited and its subsidiaries as at 31 March 2008, and the consolidated statements of income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2008 and 2007, and have reviewed the separate financial statements of Regional Container Lines Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Regional Container Lines Public Company Limited and its subsidiaries and the separate financial statements of Regional Container Lines Public Company Limited for the year ended 31 December 2007 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 29 February 2008. The consolidated and separate balance sheets as at 31 December 2007, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.



Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited
Bangkok: 12 May 2008

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,771,717	2,802,443	265,053	142,999
Short-term investments		-	57,263	-	-
Trade accounts receivable - unrelated parties		1,871,030	2,072,497	-	-
Less: allowance for doubtful accounts		(2,261)	(2,271)	-	-
Trade accounts receivable - unrelated parties, net	2	1,868,769	2,070,226	-	-
Trade accounts receivable - related parties	2, 8	78,969	104,873	1,169,934	1,214,293
Material supplies		453,649	461,970	21,016	20,951
Other current assets		224,539	275,668	28,192	21,806
Total current assets		5,397,643	5,772,443	1,484,195	1,400,049
Non-current assets					
Property investments held for long-term investment		1,581	1,695	-	-
Investments in subsidiaries	3	-	-	2,147,126	2,147,126
Investments in associated companies	4	212,842	206,501	20,000	20,000
Other long-term investments		27,374	29,337	-	-
Property and premises, net		3,553,803	3,709,374	12,823	13,391
Vessels and equipment, net	5	18,368,458	18,657,857	7,512,134	7,603,518
Other non-current assets		15,383	10,481	1,876	1,727
Total non-current assets		22,179,441	22,615,245	9,693,959	9,785,762
Total assets		27,577,084	28,387,688	11,178,154	11,185,811

The accompanying notes are an integral part of the financial statements.

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2008	31 December 2007	31 March 2008	31 December 2007
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	6	659,000	557,000	659,000	557,000
Trade accounts payable - unrelated parties		2,391,983	2,573,524	4,103	4,791
Trade accounts payable - related parties	8	33,647	31,036	177,600	166,354
Current portion of long-term loans	7	1,080,833	1,138,051	131,393	140,792
Current portion of debenture		769,275	769,200	769,275	769,200
Corporate income tax payable		17,592	16,016	-	-
Other current liabilities		288,872	312,920	59,918	68,216
Total current liabilities		5,241,202	5,397,747	1,801,289	1,706,353
Non-current liabilities					
Long-term loans, net of current portion	7	5,490,042	5,717,249	1,116,842	1,231,932
Debenture, net of current portion		192,325	384,700	192,325	384,700
Total non-current liabilities		5,682,367	6,101,949	1,309,167	1,616,632
Total liabilities		10,923,569	11,499,696	3,110,456	3,322,985
Shareholders' equity					
Share capital					
Registered					
663,000,000 ordinary shares of Baht 1 each		663,000	663,000	663,000	663,000
Issued and paid-up					
663,000,000 ordinary shares of Baht 1 each		663,000	663,000	663,000	663,000
Share premium		3,073,190	3,073,190	3,073,190	3,073,190
Translation adjustment		(454,242)	304,316	-	-
Retained earnings					
Appropriated - statutory reserve		66,300	66,300	66,300	66,300
Unappropriated		13,284,725	12,760,108	4,265,208	4,060,336
Equity attributable to Company's shareholders		16,632,973	16,866,914	8,067,698	7,862,826
Minority interest - equity attributable to					
minority shareholders' of subsidiaries		20,542	21,078	-	-
Total shareholders' equity		16,653,515	16,887,992	8,067,698	7,862,826
Total liabilities and shareholders' equity		27,577,084	28,387,688	11,178,154	11,185,811

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Freight income		4,654,287	4,821,325	496,941	723,335
Gain on exchange		191,876	56,033	19,293	14,221
Gain on sales of assets		148,610	16,391	-	-
Other income		57,253	48,720	2,703	3,213
Share of income from investment accounted for under equity method - associated companies		9,040	10,143	-	-
Total revenues		5,061,066	4,952,612	518,937	740,769
Expenses					
Cost of freight and operations		4,088,917	3,875,280	234,553	243,651
Administrative expenses	8	348,775	307,116	45,104	42,605
Total expenses		4,437,692	4,182,396	279,657	286,256
Income before interest expense and corporate income tax		623,374	770,216	239,280	454,513
Interest expense		(96,656)	(128,002)	(34,408)	(53,219)
Corporate income tax		(1,738)	(3,043)	-	-
Net income for the period		524,980	639,171	204,872	401,294
Net income attributable to:					
Equity holders of the parent		524,617	639,618	204,872	401,294
Minority interests of the subsidiaries		363	(447)	-	-
		524,980	639,171		
					(Unit: Baht)
Basic earnings per share					
Net income attributable to equity holders of the parent		0.79	0.96	0.31	0.61

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

Consolidated financial statements

	Issued and paid-up share capital	Share premium	Translation adjustment	Retained earnings		Minority interest of subsidiaries	Total
				Statutory reserve	Unappropriated		
Balance as at 31 December 2006	663,000	3,073,190	977,755	66,300	9,938,991	24,472	14,743,708
Unrealised item in income statement -							
Translation adjustment	-	-	(288,049)	-	-	(3,239)	(291,288)
Net income (loss) for the period	-	-	-	-	639,618	(447)	639,171
Balance as at 31 March 2007	<u>663,000</u>	<u>3,073,190</u>	<u>689,706</u>	<u>66,300</u>	<u>10,578,609</u>	<u>20,786</u>	<u>15,091,591</u>
Balance as at 31 December 2007	663,000	3,073,190	304,316	66,300	12,760,108	21,078	16,887,992
Unrealised item in income statement -							
Translation adjustment	-	-	(758,558)	-	-	(899)	(759,457)
Net income for the period	-	-	-	-	524,617	363	524,980
Balance as at 31 March 2008	<u>663,000</u>	<u>3,073,190</u>	<u>(454,242)</u>	<u>66,300</u>	<u>13,284,725</u>	<u>20,542</u>	<u>16,653,515</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		
			Statutory reserve	Unappropriated	Total
Balance as at 31 December 2006	663,000	3,073,190	66,300	4,093,618	7,896,108
Net income for the period	-	-	-	401,294	401,294
Balance as at 31 March 2007	<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>4,494,912</u>	<u>8,297,402</u>
Balance as at 31 December 2007	663,000	3,073,190	66,300	4,060,336	7,862,826
Net income for the period	-	-	-	204,872	204,872
Balance as at 31 March 2008	<u>663,000</u>	<u>3,073,190</u>	<u>66,300</u>	<u>4,265,208</u>	<u>8,067,698</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Cash flow statements

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income before tax	526,718	642,214	204,872	401,294
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation	300,061	296,061	113,966	113,958
Gain on sales of assets	(148,610)	(16,391)	-	-
Loss on sales of investments	970	1,078	-	-
Increase (decrease) in allowance for doubtful accounts	(10)	59	-	-
Unrealised exchange gain	(172,982)	(45,871)	(32,514)	(12,332)
Share of income from investments accounted for under equity method - associated companies	(9,040)	(10,143)	-	-
Interest expense	96,656	128,002	34,408	53,219
Income from operating activities before changes in operating assets and liabilities	593,763	995,009	320,732	556,139
Operating assets (increase) decrease				
Trade accounts receivable - unrelated parties	269,789	(187,728)	-	-
Trade accounts receivable - related parties	25,904	33,675	(13,693)	(563,095)
Material supplies	8,321	(21,483)	(65)	(3,441)
Other current assets	89,262	15,636	(6,386)	(4,536)
Other non-current assets	(4,902)	558	(149)	(317)
Operating liabilities increase (decrease)				
Trade accounts payable - unrelated parties	(181,541)	(92,195)	(688)	189
Trade accounts payable - related parties	3,886	15,565	12,521	15,801
Other current liabilities	2,056	(8,249)	(2,958)	(5,926)
Cash provided by (used in) operating activities	806,538	750,788	309,314	(5,186)
Cash paid for interest expense	(118,557)	(146,530)	(39,748)	(54,280)
Cash paid for corporate income tax	(5,264)	(1,403)	-	-
Net cash provided by (used in) operating activities	682,717	602,855	269,566	(59,466)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Regional Container Lines Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the three-month periods ended 31 March 2008 and 2007

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from investing activities				
Decrease in short-term investments	56,293	4,266	-	-
Decrease in long-term loan to related company	-	2,884	-	-
Decrease (increase) in property, premises, vessels and equipment	255,386	(86,144)	(22,014)	(20,745)
Translation adjustment	(1,086,568)	(422,326)	-	-
Net cash used in investing activities	(774,889)	(501,320)	(22,014)	(20,745)
Cash flows from financing activities				
Increase in short-term loans from financial institution	102,000	220,000	102,000	220,000
Decrease in finance lease creditors	-	(15,842)	-	-
Increase (decrease) in long-term loans	151,746	(448,066)	(35,198)	(37,634)
Decrease in debenture	(192,300)	(192,300)	(192,300)	(192,300)
Net cash provided by (used in) financing activities	61,446	(436,208)	(125,498)	(9,934)
Net increase (decrease) in cash and cash equivalents	(30,726)	(334,673)	122,054	(90,145)
Cash and cash equivalents at beginning of period	2,802,443	2,606,333	142,999	315,450
Cash and cash equivalents at end of period	2,771,717	2,271,660	265,053	225,305

The accompanying notes are an integral part of the financial statements.

Regional Container Lines Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month periods ended 31 March 2008 and 2007

1. General information

1.1 Corporate information

Regional Container Lines Public Company Limited ("the Company") was incorporated as a public limited company under Thai laws. The Company operates its business in Thailand and other countries in South China Sea and its principal activity is in the business of international vessel operations.

1.2 Basis for the preparation of the interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 41 (revised 2007) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Thai Accounting Standards which are effective for the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations

(Unaudited but reviewed)

TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards became effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 49 (revised 2007) is not relevant to the business of the Company, and the other accounting standards do not have any significant impact on the financial statements for the current period.

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of Regional Container Lines Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2007.

The consolidated financial statements for the three-month period ended 31 March 2008 include the financial statements of a subsidiary in the People's Republic of China. These financial statements were prepared by the management of the subsidiary, and have not been reviewed by its auditor. Assets of the subsidiary included as at 31 March 2008 amount to Baht 115 million (31 December 2007: Baht 141 million), and total revenues included for the three-month period then ended amount to Baht 27 million (31 March 2007: Baht 22 million).

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2007.

(Unaudited but reviewed)

2. Trade accounts receivable

The balances of trade accounts receivable in the consolidated financial statements are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2008	31 December 2007
Under 90 days	1,837,293	2,030,922
91 - 180 days	22,425	23,179
181 - 365 days	11,312	18,396
Total	1,871,030	2,072,497
Less: Allowance for doubtful accounts	(2,261)	(2,271)
Net	<u>1,868,769</u>	<u>2,070,226</u>

The balances of trade accounts receivable - related parties are classified by aging as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Under 90 days	78,969	104,873	488,707	488,087
91 - 180 days	-	-	455,398	491,669
181 - 365 days	-	-	225,829	234,537
	<u>78,969</u>	<u>104,873</u>	<u>1,169,934</u>	<u>1,214,293</u>

(Unaudited but reviewed)

3. Investments in subsidiaries

(Unit: Million Baht)

Company's name	Separate financial statements							
	Paid-up capital		Percentage directly owned by the Company				Dividend for the three-month periods ended	
	31	31	31		31		31	31
	March	December	March	December	March	December	March	March
2008	2007	2008	2007	2008	2007	2008	2007	
		Percent	Percent					
<u>Subsidiaries operating in Thailand</u>								
a) Asian Bulk Shipping Co., Ltd.	Baht 25 Million	Baht 25 Million	51	51	13	13	-	-
b) RCL Logistics Co., Ltd.	Baht 5 Million	Baht 5 Million	100	100	5	5	-	-
<u>Subsidiaries operating in Singapore</u>								
c) RCL Investment Pte. Ltd.	S\$ 10 Million	S\$ 10 Million	100	100	145	145	-	-
d) Regional Container Lines Pte. Ltd.	S\$ 42.5 Million	S\$ 42.5 Million	85	85	1,173	1,173	-	-
e) RCL Feeder Pte. Ltd.	S\$ 20.5 Million	S\$ 20.5 Million	98	98	430	430	-	-
f) RCL Service S.A.	USD 10,000	USD 10,000	49	49	2	2	-	-
g) RCL Holdings Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	108	108	-	-
h) RCL Shipmanagement Pte. Ltd.	S\$ 0.3 Million	S\$ 0.3 Million	49	49	54	54	-	-
<u>Subsidiary operating in Hong Kong</u>								
i) Regional Container Lines (H.K.) Ltd.	HK\$ 20 Million	HK\$ 20 Million	100	100	217	217	-	-
Total investments in subsidiaries					2,147	2,147	-	-

(Unaudited but reviewed)

4. Investments in associated companies

(Unit: Million Baht)

Company's name	Separate financial statements								
	Paid-up capital		Percentage directly owned				Equity method		
			by the Company		Cost method				
	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	31 March 2008	31 December 2007	
				Percent	Percent				
Investment in associated company of the Company									
Associated company operating in Thailand									
TIPS Co., Ltd. (Port operating)	Baht 100 Million	Baht 100 Million							
			20	20	20	20	174	167	
Total investment in associated company					20	20	174	167	

The accumulated share of the profit of the Company's associated company, as at 31 March 2008, is calculated based on the financial statements of the associated company, which were prepared by the management and unreviewed by that company's auditor.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2008	31 December 2007
The Company's investment in associated company	173,828	166,732
The subsidiaries' investments in associated companies	39,014	39,769
Total investments in associated companies accounted for under equity method	212,842	206,501

5. Vessels and equipment

During the first quarter of the current year, a subsidiary in Singapore made payments for construction of vessels totaling USD 20.5 million, or approximately Baht 659 million and sold a vessel, which had a net book value amounting to USD 0.6 million, or approximately Baht 18 million, for USD 4.0 million, or approximately Baht 127 million, with a gain on the sale of USD 3.4 million, or approximately Baht 109 million.

(Unaudited but reviewed)

6. Short-term loans from financial institution

As at 31 March 2008, the balance of short-term loans from financial institution is the promissory notes which the Company has issued to a bank. The loans carry interest at the rates of 3.50 - 3.85 percent per annum and are due by May 2008.

7. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<u>Loan of the Company</u>				
1) USD 39.5 million loan (2007: USD 40.5 million), repayable quarterly until the year 2015.	1,248,235	1,372,724	1,248,235	1,372,724
<u>Loans of the Singaporean subsidiaries</u>				
2) USD 37.7 million loan (2007: USD 40.4 million), repayable quarterly until the year 2009.	1,187,848	1,362,510	-	-
3) USD 11.9 million loan (2007: USD 16.0 million), repayable semi-annually until the year 2009.	373,371	540,273	-	-
4) USD 2.7 million loan (2007: USD 2.7 million), repayable semi-annually until the year 2011.	85,071	91,172	-	-
5) USD 36.8 million loan (2007: USD 37.8 million), repayable quarterly until the year 2015.	1,159,491	1,276,404	-	-
6) USD 38.4 million loan (2007: USD 34.3 million), repayable quarterly until the year 2017.	1,208,853	1,158,218	-	-
7) USD 5.5 million loan (2007: USD 5.7 million), repayable quarterly until the year 2014.	173,722	192,933	-	-
8) USD 36.0 million loan (2007: USD 25.5 million), repayable quarterly until the year 2018	1,134,284	861,066	-	-
Total	6,570,875	6,855,300	1,248,235	1,372,724
Less: Current portion	(1,080,833)	(1,138,051)	(131,393)	(140,792)
Long-term loans, net of current portion	<u>5,490,042</u>	<u>5,717,249</u>	<u>1,116,842</u>	<u>1,231,932</u>

(Unaudited but reviewed)

Movement in the long-term loans during the three-month period ended 31 March 2008 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2008	6,855,300	1,372,724
Add: Borrowings	485,222	-
Less: Repayments	(333,476)	(35,198)
Translation adjustment	(332,786)	-
Unrealised gain on exchange	(103,385)	(89,291)
Balance as at 31 March 2008	<u>6,570,875</u>	<u>1,248,235</u>

The long-term loans have been secured by the mortgage of most of the vessels of the Group, and the property of subsidiaries, and guaranteed by the Company.

8. Related party transactions

- a) The Group has business dealings with its customers through regional shipping agents (third parties and related companies) of which a substantial part is through its related companies, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Group and those companies.
- b) In addition to the matter discussed in a), during the periods, the Group had other significant business transactions with its related parties. The transactions are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	
<u>Transactions with subsidiary</u>					
Charter freight income	-	-	497	723	Market price as at agreement date

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2008	2007	2008	2007	
Transactions with related parties					
Slot revenues	12	-	-	-	Price approximates market price
Charter freight expenses	-	10	-	-	Price approximates market price
Commission expenses	33	33	-	-	Price approximates market price
Terminal operating service	67	75	-	-	Price per tariff minus volume discount
Logistic service fees	9	8	-	-	Price approximates market price

Directors' remuneration

During the first quarter of the current year, the Group paid the directors' remuneration amounting to Baht 1.6 million (31 March 2007: Baht 1.6 million).

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act B.E. 2535, exclusive of salaries and related benefits payable to executive directors.

The outstanding balances of the above transactions have been presented in the balance sheets as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiary</u>				
RCL Feeder Pte. Ltd.	-	-	1,170	1,214
<u>Related parties</u>				
Siam Paetra International Co., Ltd.	5	3	-	-
PT Daerah Indah Shipping	1	6	-	-
Ngow Hock Co., Ltd.	73	89	-	-
Songkhla Shipping Agency Co., Ltd.	-	7	-	-
	<u>79</u>	<u>105</u>	<u>1,170</u>	<u>1,214</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
<u>Trade accounts payable - related parties</u>				
<u>Subsidiary</u>				
RCL Shipmanagement Pte Ltd.	-	-	178	166
<u>Related parties</u>				
RCL (Vietnam) Co., Ltd.	26	29	-	-
Others	8	2	-	-
	<u>34</u>	<u>31</u>	<u>178</u>	<u>166</u>

9 Financial information by segment

The Group's operations involve mainly a single industry segment, the business of feeder and vessel operations, and are carried on in geographic areas in Thailand, Singapore, Hong Kong, The People's Republic of China, Taiwan and other countries around the South China Sea. Financial information of the Group presented by geographical segment are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	For the three-month period ended 31 March 2008						
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenues from external customers	61	4,468	98	27	4,654	-	4,654
Inter-segment revenues	497	647	15	28	1,187	(1,187)	-
Freight income	558	5,115	113	55	5,841	(1,187)	4,654
Segment gross profit	<u>276</u>	<u>224</u>	<u>30</u>	<u>36</u>	<u>566</u>	-	566
Gain on exchange							192
Gain on sales of assets							149
Other income							57
Share of income from investments accounted for under equity method - associated companies							9
Administrative expenses							(349)
Interest expense							(97)
Corporate income tax							(2)
Net income for the period							<u>525</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements							
For the three-month period ended 31 March 2007							
	Thailand	Singapore	Hong Kong	China	Total	Elimination	Grand Total
Revenues from external customers	39	4,681	79	22	4,821	-	4,821
Inter-segment revenues	724	836	16	27	1,603	(1,603)	-
Freight income	763	5,517	95	49	6,424	(1,603)	4,821
Segment gross profit	488	396	26	36	946	-	946
Gain on exchange							56
Gain on sales of assets							16
Other income							49
Share of income from investments accounted for under equity method - associated companies							10
Administrative expenses							(307)
Interest expense							(128)
Corporate income tax							(3)
Net income for the period							639

10. Commitments and contingent liabilities

10.1 Commitments

- (a) As at 31 March 2008, the Company has outstanding commitments of approximately Baht 16 million (31 December 2007: Baht 19 million) in respect of lease agreements, and a subsidiary company in Singapore has outstanding commitments of USD 86 million or approximately Baht 2,715 million (31 December 2007: USD 41 million or approximately Baht 1,387 million) in respect of the following agreements.

(Unit: Million Baht)

	Charter hire	Container lease	Other rental	Total
Payment period				
Within 1 year	870	145	40	1,055
During 2-5 years	1,220	414	26	1,660
Total	2,090	559	66	2,715

(Unaudited but reviewed)

(b) As at 31 March 2008, a subsidiary company in Singapore has commitments amounting to USD 44 million, or approximately Baht 1,384 million (31 December 2007: USD 15 million, or approximately Baht 520 million) in respect of the building of 2 vessels (31 December 2007: 4 vessels). These vessels will be delivered in April 2011. Furthermore the subsidiary company has a commitment amounting to JPY 2,610 million, or approximately Baht 824 million in respect of purchase of a vessel which is to be paid within December 2008.

In addition, another subsidiary company in Singapore has commitments amounting to USD 2.5 million, or approximately Baht 79 million in respect of software royalty agreements (31 December 2007: USD 2.5 million, or approximately Baht 85 million).

10.2 Guarantees

As at 31 March 2008, the Company has outstanding guarantee obligations of USD 357 million and S\$ 6 million, or approximately Baht 11,438 million (31 December 2007: USD 356 million and S\$ 6 million, or approximately Baht 12,215 million). These were issued to secure credit lines of overseas subsidiaries from financial institutions. The subsidiaries have utilised guarantees totalling USD 229 million and S\$ 6 million, or approximately Baht 7,397 million (31 December 2007: USD 228 million and S\$ 6 million, or approximately Baht 7,885 million).

10.3 Litigation

In June 2000, a subsidiary in Singapore filed a petition to wind up an associated company in Malaysia and another petition to recover an outstanding agency balance of approximately RM 25 million or Baht 237 million. The case is being heard by the court.

In June 2000, the subsidiary was counter-sued by the associated company, claiming compensation of approximately RM 27 million or Baht 274 million, for illegal termination of an agency agreement. The management of subsidiary believes that the ultimate resolution of these legal proceedings is not likely to have a material effect on the results of its operations, or financial position.

11. Financial instruments

11.1 Interest rate risk

As at 31 March 2008, a subsidiary in Singapore has entered into a period-by-period knock out swap and interest rate swap agreement covering the notional amount of USD 12.5 million (31 December 2007: USD 13 million), an interest rate of LIBOR is to be swapped for a fixed interest rate, with the notional amount base used for determination of the interest to be amortised at a rate of USD 0.5 million per quarter over the period 2004 to 2014.

11.2 Foreign currency risk

The subsidiary companies in Singapore have entered into various forward contracts to purchase and sell foreign exchange in order to hedge foreign currency risk. Details of the contracts can be summarized as follows:

Foreign currency	31 March 2008			31 December 2007		
	Bought (sold) amount	Contractual exchange rate (per 1 USD)	Maturity date	Bought (sold) amount	Contractual exchange rate (per 1 USD)	Maturity date
JPY	1,971,000,000	115.61 - 116.56	within October 2008	1,971,000,000	115.61 - 116.56	within October 2008
SGD	12,000,000	1.4295 - 1.4315	within April and May 2008	6,000,000	1.4402 - 1.4427	within February 2008
USD	(1,000,000) or (2,000,000)	If exchange rate at fixing date is at or below 1.4050 If exchange rate at fixing date is above 1.4050	Monthly from April 2008 to March 2009	-	-	-

11.3 Commodity price risk

As at 31 March 2008, a subsidiary company in Singapore has entered into various contracts to hedge exposure to bunker price fluctuations, covering the period from April 2008 to December 2008 and volumes of 3,000 metric tons to 6,000 metric tons per month (31 December 2007: 3,000 metric tons to 7,000 metric tons per month covering the period from January 2008 to March 2008).

(Unaudited but reviewed)

12. Subsequent event

On 25 April 2008, the annual general meeting of the Company's shareholders approved the payment of a dividend of Baht 1 per share to shareholders, or a total of Baht 663 million, which will be recorded in the next quarter.

13. Reclassification

Certain amounts in the prior periods' financial statements, presented herein for comparative purposes, have been reclassified to conform to the current period's classifications, with no effect on previously reported net income or shareholders' equity.

14. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 May 2008.



REGIONAL CONTAINER LINES GROUP

QUARTERLY EARNING STATEMENTS IN US\$

(million US\$)

	1 st Quarter 2007	Half-Year 2007	9 months 2007	Year-end 2007	1 st Quarter 2008
Freight income	136.1	275.2	425.3	571.5	144.8
Cost of freight and operations	(109.9)	(223.7)	(347.3)	(473.7)	(127.7)
Gross Profit	26.2	51.5	78.0	97.8	17.1
Gross Profit Margin	19.3%	18.7%	18.3%	17.1%	11.8%
Other income	1.6	3.3	4.7	10.0	2.1
Gain on exchange	0.3	0.0	0.0	0.4	0.9
Gain on sale of assets	0.5	4.0	4.1		4.6
Reversal of loss on impairment of buildings	0.0	0.0	0.0	46.5	0.0
Total other income	2.4	7.3	8.8	56.9	7.6
Admin expenses	(8.3)	(16.9)	(26.4)	(34.9)	(10.3)
Loss on exchange	0.0	(0.4)	(0.3)	0.0	0.0
Total other expenses	(8.3)	(17.3)	(26.7)	(34.9)	(10.3)
Interest expenses	(3.6)	(7.1)	(10.3)	(13.6)	(3.0)
Profit / (loss) before taxation	16.7	34.4	49.8	106.2	11.4
Income tax	(0.1)	(0.2)	(0.4)	(0.7)	(0.1)
Profit / (loss) after taxation	16.6	34.2	49.4	105.5	11.3
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	16.6	34.2	49.4	105.5	11.3

COMPUTATION OF EBITDA

<i>Profit / (loss) before taxation</i>	<i>16.7</i>	<i>34.4</i>	<i>49.8</i>	<i>106.2</i>	<i>11.4</i>
<i>Add: Impairment loss</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Deduct: Impairment gain</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>(46.5)</i>	<i>0.0</i>
<i>Add: Interest</i>	<i>3.6</i>	<i>7.1</i>	<i>10.3</i>	<i>13.6</i>	<i>3.0</i>
EBIT	20.3	41.5	60.1	73.3	14.4
<i>Add: Amortisation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>
<i>Add: Depreciation</i>	<i>8.5</i>	<i>16.9</i>	<i>25.3</i>	<i>33.9</i>	<i>9.3</i>
EBITDA	28.8	58.4	85.4	107.4	23.9

12 May 2008

The Board of Directors
Regional Container Lines Public Company Limited
30th 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 sheets as at 31 March 2008 and 31 December 2007, and the related statements of income and retained earnings for the three-month periods ended 31 March 2008 and 2007 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,

Ernst & Young Office Limited



Sumalee Reewarabandith
Partner

Regional Container Lines Public Company Limited and its subsidiaries

Balance sheets

	31 March 2008		31 December 2007	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Assets				
Current assets				
Cash and cash equivalents	2,771.7	88.0	2,802.4	83.0
Short-term investments	-	-	57.3	1.7
Trade accounts receivable - unrelated parties, net	1,868.8	59.3	2,070.2	61.4
Trade accounts receivable - related parties	79.0	2.5	104.9	3.1
Other current assets	678.2	21.5	737.6	21.8
Total current assets	5,397.7	171.3	5,772.4	171.0
Non-current assets				
Property and premises, net	3,553.8	112.0	3,709.4	112.3
Vessels and equipment, net	18,368.5	559.6	18,657.9	545.0
Other non-current assets	257.1	7.8	248.0	7.3
Total non-current assets	22,179.4	679.4	22,615.3	664.6
Total assets	27,577.1	850.7	28,387.7	835.6

See basis of preparation

Regional Container Lines Public Company Limited and its subsidiaries
Balance sheets (continued)

	31 March 2008		31 December 2007	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans from financial institution	659.0	20.9	557.0	16.5
Trade accounts payable - unrelated parties	2,391.9	75.9	2,573.5	76.2
Trade accounts payable - related parties	33.6	1.1	31.0	0.9
Current portion of long-term loans	1,080.8	34.3	1,138.1	33.7
Current portion of debenture	769.3	24.4	769.2	22.8
Other current liabilities	306.6	9.7	329.0	9.7
Total current liabilities	5,241.2	166.3	5,397.8	159.8
Non-current liabilities				
Long-term loans, net of current portion	5,490.1	174.2	5,717.2	169.2
Debenture, net of current portion	192.3	6.1	384.7	11.4
Total non-current liabilities	5,682.4	180.3	6,101.9	180.6
Total liabilities	10,923.6	346.6	11,499.7	340.4
Shareholders' equity				
Share capital				
Issued and paid-up				
663,000,000 ordinary shares of Baht 1 each	663.0	20.6	663.0	20.6
Share premium	3,073.2	113.7	3,073.2	113.7
Translation adjustment	(454.2)	(17.5)	304.3	(15.0)
Retained earnings				
Appropriated - statutory reserve	66.3	1.9	66.3	1.9
Unappropriated	13,284.7	384.7	12,760.1	373.4
Equity attributable to Company's shareholders	16,633.0	503.4	16,866.9	494.6
Minority interest - equity attributable to minority shareholders' of subsidiaries	20.5	0.7	21.1	0.6
Total shareholders' equity	16,653.5	504.1	16,888.0	495.2
Total liabilities and shareholders' equity	27,577.1	850.7	28,387.7	835.6

See basis of preparation

Regional Container Lines Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 31 March 2008 and 2007

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	4,654.3	144.8	4,821.3	136.1
Gain on exchange	191.9	0.9	56.0	0.3
Gain on sales of assets	148.6	4.6	16.4	0.5
Other income	66.3	2.1	58.9	1.6
Total revenues	<u>5,061.1</u>	<u>152.4</u>	<u>4,952.6</u>	<u>138.5</u>
Expenses				
Cost of freight and operations	3,805.9	118.4	3,591.3	101.4
Depreciation	300.1	9.3	296.1	8.5
Administrative expenses	331.7	10.3	295.0	8.3
Total expenses	<u>4,437.7</u>	<u>138.0</u>	<u>4,182.4</u>	<u>118.2</u>
Income before interest expense and corporate income tax	623.4	14.4	770.2	20.3
Interest expense	(96.7)	(3.0)	(128.0)	(3.6)
Corporate income tax	(1.7)	(0.1)	(3.0)	(0.1)
Net income for the period	<u>525.0</u>	<u>11.3</u>	<u>639.2</u>	<u>16.6</u>
Net income attributable to:				
Equity holders of the parent	524.6	11.3	639.6	16.6
Minority interests of the subsidiaries	0.4	-	(0.4)	-
	<u>525.0</u>	<u>11.3</u>	<u>639.2</u>	<u>16.6</u>

See basis of preparation

Regional Container Lines Public Company Limited and its subsidiaries

Statements of retained earnings

For the three-month periods ended 31 March 2008 and 2007

	<u>2008</u>	<u>2008</u>	<u>2007</u>	<u>2007</u>
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Retained earnings - unappropriated				
Balance - beginning of period	12,760.1	373.4	9,939.0	261.1
Net income for the period	524.6	11.3	639.6	16.6
Total retained earnings - unappropriated	<u>13,284.7</u>	<u>384.7</u>	<u>10,578.6</u>	<u>277.7</u>
Retained earnings - appropriated				
Statutory reserve	66.3	1.9	66.3	1.9
Total retained earnings - appropriated	<u>66.3</u>	<u>1.9</u>	<u>66.3</u>	<u>1.9</u>
Total retained earnings	<u><u>13,351.0</u></u>	<u><u>386.6</u></u>	<u><u>10,644.9</u></u>	<u><u>279.6</u></u>

See basis of preparation

Basis of preparation

1. Thai Baht figures

The Thai Baht figures in the balance sheets as at 31 March 2008 and profit and loss accounts for the three-month periods ended 31 March 2008 and 2007 were extracted from the reviewed consolidated financial statements. The Thai Baht figures in the balance sheet as at 31 December 2007 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 31 March 2008 : USD 1 = Baht 31.5079

As of 31 December 2007 : USD 1 = Baht 33.7673

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 rates 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:

31 March 2008 : USD 1 = Baht 32.1455
31 March 2007 : USD 1 = Baht 35.4221