



บริษัท อาร์ ซี แอล จำกัด (มหาชน) Regional Container Lines Public Company Limited

Press Release for Financial Results as at 31 December 2011

RCL reported fourth quarter 2011 results, posting a net loss at THB 392 million versus a net gain at THB 644 million in 4Q2010. Continued over-capacity and rising fuel costs have contributed to the operating loss of THB 439 million in 4Q2011, before a gain on sales of fixed assets. After taking into consideration the gain from sales of property in 3Q2011, the twelve months loss was THB 780 million as compared with the gain of THB 465 million in 2010.

Regional Container Lines Group's Shipper Owned Container (SOC) liftings in 4Q11 declined 9% year-on-year at 270,106 TEUs. For Carrier Owned Container (COC), the liftings declined 13% year-on-year at 290,806 TEUs. The total liftings for 4Q11 therefore decreased 12% year-on-year at 560,912 TEUs. On the full year basis ended December 31, SOC liftings declined 5% at 1,119,123 TEUs, COC liftings decreased 10% at 1,219,633 TEUs, resulting in total liftings decrease of 7% at 2,338,756 TEUs.

As a result of the decline in liftings, total turnover for the fourth quarter before exchange difference, reversal of loss on impairment of building, gain on sale of assets and adjustment for unrealized loss on derivatives, decreased by 11% Y-O-Y at THB 3,248 million.

The cost of freight and operation in 4Q11 reduced by 3% at THB 3,218 million as compared to the same quarter the year before, mainly due to the decline in liftings.

In 4Q11 the group disposed some old containers, which translated to a disposal gain of THB 46 million as against a disposal gain of THB 29 million in 4Q10. In addition, the group recorded a loss on exchange of THB 171 million in 2011 versus a gain of THB 41 million last year.

Like all other container carriers in the industry, with the current trend of weak shipping environment and stiff competition, RCL is pressured to face the challenge of slowing trade demand, excess vessel capacity, weak freight rates, and high fuel costs.

28 February 2012

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 38 vessels with sizes ranging between 500 TEUs to 2,732 TEUs, with a fleet of 76,308 TEUs to support its own COC carriage as well. It also operates a network of 61 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 st Quarter	Half-Year	9 months	Year-end	1 st Quarter	Half-Year	9 months	Year-end
	2010	2010	2010	2010	2011	2011	2011	2011
Freight income	111.4	231.2	359.8	480.3	113.5	227.5	343.7	447.1
Cost of freight and operations	(112.5)	(227.1)	(336.3)	(446.7)	(124.9)	(243.9)	(363.5)	(467.5)
Gross Profit	(1.1)	4.1	23.5	33.6	(11.4)	(16.4)	(19.8)	(20.4)
Gross Profit Margin	-1.0%	1.8%	6.5%	7.0%	-10.0%	-7.2%	-5.8%	-4.6%
Other income	1.1	2.4	3.6	5.1	1.2	2.6	3.8	5.2
Adjustment for unrealised loss on derivatives	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Gain on exchange	0.1	1.0	0.4	0.8	0.0	0.0	1.5	0.0
Gain on sale of Investments				0.0				0.0
Gain on sale of assets	0.8	1.2	1.7	2.6	0.8	1.7	44.0	45.3
Reversal of loss on impairment of buildings	0.0	0.0	0.0	20.6	0.0	0.0	0.0	1.6
Total other income	2.0	4.6	5.7	29.1	2.0	4.4	49.4	52.2
Admin expenses	(8.4)	(18.9)	(28.5)	(39.7)	(10.2)	(20.5)	(31.2)	(38.9)
Allowance for unrealised loss from changes in the fair value of Derivatives	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Loss on exchange	0.0	0.0	0.0	0.0	(0.8)	(0.9)	0.0	(4.3)
Loss on sale of investments	(0.1)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Loss on impairment of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on impairment of Vessels							0.0	
Loss on disposal of vessels	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total other expenses	(8.5)	(19.1)	(28.6)	(39.7)	(11.0)	(21.4)	(31.2)	(43.2)
Interest expenses	(3.2)	(6.3)	(9.4)	(12.5)	(2.8)	(5.6)	(8.5)	(11.3)
Profit / (loss) before taxation	(10.8)	(16.7)	(8.8)	10.5	(23.2)	(39.0)	(10.1)	(22.7)
Income tax	(0.1)	(0.3)	(0.4)	(0.6)	(0.2)	(0.4)	(0.5)	(0.6)
Profit / (loss) after taxation	(10.9)	(17.0)	(9.2)	9.9	(23.4)	(39.4)	(10.6)	(23.3)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit / (loss) attributable to members	(10.9)	(17.0)	(9.2)	9.9	(23.4)	(39.4)	(10.6)	(23.3)

COMPUTATION OF EBITDA

Profit / (loss) before taxation	(10.8)	(16.7)	(8.8)	10.5	(23.2)	(39.0)	(10.1)	(22.7)
Add: Impairment loss of assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deduct: Impairment gain	0.0	0.0	0.0	(20.6)	0.0	0.0	0.0	(1.6)
Less Adjustment/ Add Allowance for unrealised loss on derivatives	0.0	0.0	0.1	0.0	0.0	(0.1)	(0.1)	(0.1)
Less: Realised loss on derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Interest	3.2	6.3	9.4	12.5	2.8	5.6	8.5	11.3
EBIT	(7.6)	(10.4)	0.7	2.4	(20.4)	(33.5)	(1.7)	(13.1)
Add: Amortisation	0.2	0.5	0.7	0.9	0.3	0.6	1.3	2.0
Add: Depreciation	9.6	19.3	29.1	38.7	9.7	19.7	29.8	39.7
EBITDA	2.2	9.4	30.5	42.0	(10.4)	(13.2)	29.4	28.6



A. M. T. & Associates

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28 February 2012

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

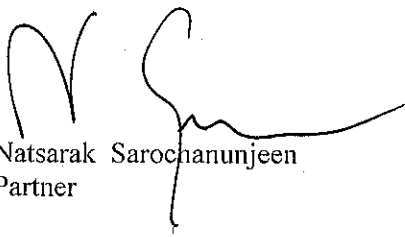
As requested, we have obtained from the management the consolidated statements of financial position as at 31 December 2011 and 2010, the related consolidated statements of income and retained earnings for the years ended 31 December 2011 and 2010 of Regional Container Lines Public Company Limited and 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
STATEMENTS OF FINANCIAL POSITION

	31 December 2011		31 December 2010	
	Million Baht	Million USD	Million Baht	Million USD
	ASSETS			
Current assets				
Cash and cash equivalents	4,589.3	144.8	2,290.2	76.0
Trade receivables - unrelated parties, net	2,429.3	76.7	1,381.7	45.8
Trade receivables - related parties	456.3	14.4	143.0	4.7
Material supplies	429.6	13.5	392.1	13.0
Other current assets	334.0	10.5	228.8	7.6
Total current assets	8,238.5	259.9	4,435.8	147.1
Non-current assets				
Property and premises, net	326.4	10.4	3,177.3	100.7
Vessels and equipment, net	17,275.1	528.0	17,701.5	560.4
Intangible assets, net	195.6	6.2	208.0	6.9
Other non-current assets	240.0	7.2	223.8	6.7
Total non-current assets	18,037.1	551.8	21,310.6	674.7
TOTAL ASSETS	26,275.6	811.7	25,746.4	821.8

See basis of preparation

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	31 December 2011		31 December 2010		
	Note	Million Baht	Million USD	Million Baht	Million USD
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade payables - unrelated parties		3,749.6	118.3	2,012.6	66.7
Trade payables - related parties		1.1	-	55.7	1.8
Current portion of finance lease creditors		-	-	8.2	0.3
Current portion of long - term loans		1,144.0	36.1	1,351.4	44.8
Current portion of debentures		2,494.2	78.7		
Provision for unrealised loss from changes in the fair value of derivatives		5.1	0.2	8.8	0.3
Other current liabilities		243.6	7.7	285.3	9.6
Total current liabilities		<u>7,637.6</u>	<u>241.0</u>	<u>3,722.0</u>	<u>123.5</u>
Non - current liabilities					
Finance lease creditors, net of current portion		-	-	0.5	-
Long - term loans, net of current portion		5,767.8	181.9	6,344.3	210.3
Debentures, net		-	-	2,486.9	82.5
Employee benefit obligation	1	23.2	0.8	-	-
Other non - current liabilities		6.7	0.2	2.5	-
Total non - current liabilities		<u>5,797.7</u>	<u>182.9</u>	<u>8,834.2</u>	<u>292.8</u>
Total liabilities		<u>13,435.3</u>	<u>423.9</u>	<u>12,556.2</u>	<u>416.3</u>
Shareholders' equity					
Share capital					
Issued and fully paid					
828,750,000 ordinary shares of Baht 1 each		828.8	25.8	828.8	25.8
Share premium		4,983.0	173.9	4,983.0	173.9
Exchange differences on translating financial statement		(192.7)	(15.7)	(643.4)	(22.0)
Retained earnings					
Appropriated - statutory reserve		66.3	1.9	66.3	1.9
Unappropriated		7,135.9	201.3	7,938.9	225.3
Equity attributable to Company's shareholders		<u>12,821.3</u>	<u>387.2</u>	<u>13,173.6</u>	<u>404.9</u>
Non - controlling interests		19.0	0.6	16.6	0.6
Total shareholders' equity		<u>12,840.3</u>	<u>387.8</u>	<u>13,190.2</u>	<u>405.5</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>26,275.6</u>	<u>811.7</u>	<u>25,746.4</u>	<u>821.8</u>

See basis of preparation and note to financial statement

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	Note	2011		2010	
		Million	Million	Million	Million
		Baht	USD	Baht	USD
Retained earnings - unappropriated					
Balance - beginning of year		7,938.9	225.3	7,474.2	215.4
Effect of changes in accounting policy	1	(22.3)	(0.7)	-	-
Balance - beginning of year after adjustment		7,916.6	224.6	7,474.2	215.4
Profit (loss) for the year		(780.7)	(23.3)	464.7	9.9
Total retained earnings - unappropriated		7,135.9	201.3	7,938.9	225.3
Retained earnings - appropriated					
Statutory reserve		66.3	1.9	66.3	1.9
Total retained earnings - appropriated		66.3	1.9	66.3	1.9
Total retained earnings		7,202.2	203.2	8,005.2	227.2

See basis of preparation and note to financial statement

REGIONAL CONTAINER LINES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	2011		2010	
	Million	Million	Million	Million
	Baht	USD	Baht	USD
Revenues				
Freight income	13,684.2	447.1	15,218.4	480.3
Other income				
Gain on exchange	-	-	178.4	0.8
Gain on sales of fixed assets	1,386.8	45.3	83.5	2.6
Reversal of loss on impairment of assets	49.6	1.6	665.7	20.6
Adjustment for unrealised loss on derivatives	4.0	0.1	0.7	-
Others	124.4	4.1	129.1	4.2
Total revenues	<u>15,249.0</u>	<u>498.2</u>	<u>16,275.8</u>	<u>508.5</u>
Expenses				
Cost of freight and operations	13,031.2	425.8	12,927.8	408.0
Depreciation and amortisation	1,303.3	41.7	1,265.7	39.5
Administrative expenses	1,189.5	38.9	1,230.6	38.9
Other expenses				
Loss on exchange	170.3	4.3	-	-
Loss on sales of investments	-	-	0.5	-
Total expenses	<u>15,694.3</u>	<u>510.7</u>	<u>15,424.6</u>	<u>486.4</u>
Share of profit (loss) from investments accounted for under equity method - associated companies	<u>32.7</u>	<u>1.1</u>	<u>28.6</u>	<u>0.9</u>
Profit (loss) before finance cost and income tax expense	(412.6)	(11.4)	879.8	23.0
Finance cost	<u>(347.4)</u>	<u>(11.3)</u>	<u>(395.4)</u>	<u>(12.5)</u>
Profit (loss) before income tax expense	(760.0)	(22.7)	484.4	10.5
Income tax expense	<u>(19.9)</u>	<u>(0.6)</u>	<u>(19.1)</u>	<u>(0.6)</u>
Profit (loss) for the year	<u>(779.9)</u>	<u>(23.3)</u>	<u>465.3</u>	<u>9.9</u>
Profit (loss) attributable to:				
Equity holders of the parent	(780.7)	(23.3)	464.7	9.9
Non - controlling interests	0.8	-	0.6	-
	<u>(779.9)</u>	<u>(23.3)</u>	<u>465.3</u>	<u>9.9</u>

See basis of preparation

Basis of preparation**1. Thai Baht figures**

The Thai Baht figures in the statements of financial position as at 31 December 2011 and 2010 and profit and loss accounts for the years then ended 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 "Exchange differences on translating financial statement" in the shareholders' equity.

2. USD figures

2.1 The USD figures in the consolidated statements of financial position were determined by translating the Thai Baht consolidated statements of financial position 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 December 2011 : USD 1 = Baht 31.6912

As of 31 December 2010 : USD 1 = Baht 30.1513

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

For the Company and its Thailand subsidiaries

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, intangible assets and disposals of vessels, equipment and intangible assets.

Any differences have been included in "Exchange differences on translating financial statement".

- 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 December 2011 : USD 1 = Baht 30.6069

31 December 2010 : USD 1 = Baht 31.6854

NOTE TO FINANCIAL STATEMENTS1. Significant accounting policies

The financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010 with the material changes in accounting policies from adoption of revised and newly issued financial reporting standards in the current year as stated as follow:

(a) Employee benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment are recognized as expenses along the service period of employees. The Company's post - employment benefit obligations are estimated under the actuarial assumption. Previously, the obligations were recognized as expenses when incurred.

(b) Employee benefit obligation

The Company and its subsidiary recorded post - employment benefit obligation (not separated fund from the Company's assets) as specified in the Thai Law which estimated under the actuarial assumptions by a qualified actuary. However, the actual benefit obligation may be different from the estimate.

The Company and its subsidiary selected to recognize the said employee benefit obligations as of 31 December 2010 amounted Baht 22.25 million (the Company only, Baht 21.22 million) by adjust to the retained earnings as of 1 January 2011 in accordance with the transitional treatment of TAS 19 which had the effects on the financial statements are as follows:

	Million Baht	Million USD
- Statements of financial position as of 31 December 2011		
- Increase in employee benefit obligation	23.19	0.77
- Decrease in retained earnings as of 1 January 2011	22.25	0.74
- Statements of income for the year ended 31 December 2011		
- Increase in employee benefit expenses resulting to:		
- Increase in administrative expenses	4.62	0.15
- Increase in net loss	4.62	0.15