



FOR IMMEDIATE RELEASE

Penguin’s operating profit rises to a record \$11.3M in FY2008 on \$98.4M revenue

- Record **revenue**, up 21% year-on-year, buoyed by shipbuilding and chartering activities
- Record operating **profit**, up 37% year-on-year, generated by the construction, sale and operation of offshore support vessels
- Strong balance sheet with healthy cash balance and low gearing of **17%**
- Key growth markets: Middle East and West Africa

S\$' million	FY08 (Ended 31 Dec 08)	FY07 (Ended 31 Dec 07)	Growth (%)
Revenue	98.4	81.3	↑ 21.1
Gross profit	29.4	26.0	↑ 13.2
Other operating income	10.3	15.2	↓ 32.5
Profit from operations	11.3	8.3	↑ 36.9
Net profit	8.8	7.8	↑ 13.5

SINGAPORE – 27 February 2009 – Penguin International Limited (“Penguin” or “The Group”), an integrated marine and offshore services group with interests in shipbuilding, ship owning and ship chartering, today reported its strongest ever set of corporate results, buoyed by both top- and bottom-line growth.

For the 12 months ended 31 December 2008, Penguin’s revenue jumped 21.1% year-on-year to \$98.4 million, while profit from operations rose 36.9% over the same period to \$11.3 million. The Group’s revenue growth was fuelled by higher shipbuilding revenue and an increase in charter revenue earned by its fleet of crewboats, Anchor Handling Tug/

Supply vessels (AHTS) and high-speed passenger ferries. This was marginally offset by a reduction in ticketing revenue from Penguin's Riau Islands ferry services, as the Group redeployed some ferries into other markets.

In FY2008, shipbuilding & repair accounted for about 41% of Group revenue, followed by ferry and charters services, 49%, versus 38% and 57% respectively in FY2007.

In line with the record revenue in FY2008, Penguin's net profit attributable to shareholders during the year grew 13.5% to \$8.8 million, buoyed by the construction and sale of its in-house designed crewboats, the sale of existing crewboats from the Group's operating fleet and charter income from its offshore support vessels.

The sale of vessels, which forms an integral part of Penguin's fleet renewal program, generated \$22 million in FY2008, versus \$29 million in FY2007.

Healthy Balance Sheet

On the balance sheet front, Penguin reduced its total borrowings in FY2008 by 10.5% from the previous year to \$18.8 million, versus a cash holding of \$34 million (about 6 cents per share) at the end of 2008. As a result, the Group's gearing dropped from 23% in FY2007 to 17% in FY2008. Over the same period, Penguin's net asset value per share rose from 20.72 cents to 21.53 cents.

The healthy cash balance was maintained despite a sizeable capital expenditure programme that saw some \$29 million being invested mainly in a pair of 200-pax catamarans due to be delivered this year, deposits for five AHTS under construction and the ongoing development of Penguin's Batam shipyard.

The Group shored up its capital base in July 2008 via a share placement that raised \$13.4 million in net proceeds, followed by a rights issue in January 2009 that raised an additional \$6.1 million in net proceeds.

Managing Director's Comments

Commenting on the record results, Penguin's Managing Director Mr. James Tham said: "Our back-to-basics approach has served us well. By focusing on building, owning, operating and selling crewboats and FSIV, we have built up a base of international customers who understand our capabilities. Our shipyards in Singapore and Batam are geared up to meet our fleet renewal needs and the requirements of third-party ship owners."

Segmental Review

Revenue (S\$'000)	FY08 (Ended 31 Dec 08)	FY07 (Ended 31 Dec 07)	Growth (%)
Ferry and charter services	48.5	46.6	↑ 3.9
Shipbuilding and repair	40.6	30.5	↑ 33.3
Others	9.3	4.2	↑ 123.1

The increase in charter revenue came largely from the first full year of operations by the Group's newbuild AHTS, "Pelican Quest", and increased ferry charters in the region.

The rise in shipbuilding revenue was attributed to the Group's crewboat newbuilding programme, which saw the completion and delivery of seven units in FY2008.

"We are working towards strengthening our operating profit by focusing on our core offshore shipbuilding and chartering customers in the Middle East and West Africa," said Mr. Tham.

In FY2008, 17.8% of Group revenue was generated from the Middle East and 13.2% from West Africa, versus 1% and nil respectively in FY2007.

Despite the global economic slowdown, the offshore and marine sector is expected to remain on an even keel as demand for offshore support vessels remains steady in established petroleum producing areas such as the Middle East and West Africa.

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About Penguin International Limited

Penguin International Limited is an integrated marine and offshore services company with services ranging from shipbuilding and repair to the operation of offshore support vessels, tugs-and-barges, and high-speed passenger ferries. Penguin owns and operates a fleet of about 49 vessels, as well as shipyards in Singapore and Batam.

*Issued by August Consulting on behalf of Penguin International Limited
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