

NEWS RELEASE

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**PSA INTERNATIONAL
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007**

“PSA International reports strong financial results on the back of good volume growth and one-off gain”

FINANCIAL HIGHLIGHTS For the year ended 31 December 2007			
(\$'million)	2007	2006	Growth %
Revenue	4,151	3,736	11.1
Operating Expenses	(2,574)	(2,433)	5.8
Operating Profits	1,577	1,303	21.0
Other Income	1,115	583	91.3
Finance Costs	(504)	(405)	24.4
Profit Before Taxation	2,188	1,481	47.7
Income Tax Expense	(248)	(256)	(3.1)
Net Profit for the year (after Tax)	1,940	1,225	58.4
Minority Interests	(15)	(16)	(6.3)
Net Profit for the year	1,925	1,209	59.2

Review of Results

- Riding on the positive economic sentiments and good volume growth in Intra-Asia and on the Far East to Northern Europe and Mediterranean trades in 2007, PSA International turned in another record volume of 58.9 million Twenty-foot Equivalent Units (TEUs) of containers, up by 14.8% from a year earlier. PSA's flagship terminal in Singapore is the biggest single contributor, achieving a record 27.1 million TEUs in 2007, a 13.0% year-on-year growth in throughput.
- PSA's terminals in Europe, China and other parts of Asia also performed well and achieved 31.8 million TEUs in 2007, 16.3% higher than that in 2006 and representing 54.0% of the total group volume.

- Group revenue grew creditably by 11.1% to S\$4.15 billion. Revenue for Singapore port operations posted a 9.9% growth while overseas ports posted a faster revenue growth of 14.9%.
- In 2007, PSA divested its offshore marine business and European car carrier terminals business, which gave rise to one-off gains; the Group's recurring net profit grew by 17.6% while the divestment gains accounted for another 41.6%, resulting in a total increase of 59.2% in the Group's net profit over 2006.

"2007 was another very good year for PSA International given strong global trade flows and continued loyal support of our customers. The strong throughput growth in 2007 provided the counterbalance to mitigate the adverse impact of shrinking margins and escalating operating costs and helped to bring about a good financial performance for the year, buttressed by a one-off capital gain from the divestment of non-core / low potential businesses. The Group's good results achieved under difficult operating conditions would not have been possible if not for the continued determined commitment and excellent teamwork of management, staff and unions – a unique symbiotic relationship that has served the PSA Group exceptionally well."

~ Mr Fock Siew Wah, Group Chairman, PSA International

"PSA has continued to expand its international network of ports to 28 ports in 16 countries to meet the growing demands of the trade. The excellent results of the Group's worldwide operations over the last 2 years helped underpin this global expansion. I am especially pleased that PSA Singapore Terminals' record throughput of 27.1m TEUs helped Singapore retain its position as the world's busiest container port for the 3rd consecutive year. Looking forward, the growing severity of the sub-prime credit crisis and the high price of oil continue to bring about greater uncertainty which may adversely impact trade volumes. Therefore, as we tread into 2008, caution is our watchword."

~ Mr Eddie Teh, Group CEO, PSA International

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

	2007	2006
	S\$'000	S\$'000
Revenue	4,150,901	3,736,388
Other income	1,115,239	582,704
Staff and related costs	(679,834)	(629,319)
Running, repairs and maintenance costs	(412,120)	(406,829)
Depreciation of property, plant and equipment	(411,446)	(366,591)
Contract services	(703,323)	(636,347)
Property taxes	(36,483)	(36,309)
Other operating expenses	(330,841)	(357,980)
	<hr/>	<hr/>
Profit from operations	2,692,093	1,885,717
Finance costs	(503,862)	(404,859)
Profit before income tax	<hr/> 2,188,231	<hr/> 1,480,858
Income tax expense	(248,433)	(255,828)
Profit for the year	<hr/> <hr/> 1,939,798	<hr/> <hr/> 1,225,030
 Attributable to:		
Equity holders of the Company	1,924,828	1,208,969
Minority interests	14,970	16,061
	<hr/>	<hr/>
Profit for the year	<hr/> <hr/> 1,939,798	<hr/> <hr/> 1,225,030
 Earnings per share (dollars)	<hr/> <hr/> 3.17	<hr/> <hr/> 1.99

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

	2007	2006
	S\$'000	S\$'000
Non-current assets		
Property, plant and equipment	5,741,777	5,067,988
Intangible assets	1,654,953	741,694
Interests in associates	8,157,913	8,981,572
Financial assets	688,525	472,789
Other non-current assets	4,088	11,287
	<u>16,247,256</u>	<u>15,275,330</u>
Current assets		
Inventories	56,570	46,180
Trade and other receivables	730,974	721,816
Cash and bank balances	1,163,266	1,163,053
	<u>1,950,810</u>	<u>1,931,049</u>
Total Assets	<u>18,198,066</u>	<u>17,206,379</u>
Equity attributable to equity holders of the Company		
Share capital and reserves	6,955,269	5,356,725
Minority interests	213,500	214,217
Total equity	<u>7,168,769</u>	<u>5,570,942</u>
Non-current liabilities		
Interest-bearing loans and borrowings	7,896,686	9,398,403
Provisions	67,841	62,535
Other non-current obligations	48,159	31,004
Deferred tax liabilities	233,116	219,600
	<u>8,245,802</u>	<u>9,711,542</u>
Current liabilities		
Trade and other payables	1,739,801	1,259,710
Interest-bearing loans and borrowings	645,217	231,329
Current tax payable	392,024	431,848
Bank overdrafts	6,453	1,008
	<u>2,783,495</u>	<u>1,923,895</u>
Total liabilities	<u>11,029,297</u>	<u>11,635,437</u>
Total equity and liabilities	<u>18,198,066</u>	<u>17,206,379</u>

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

S\$'million	Revenue			Profit before finance costs and taxation		
	FY2007	FY2006	Variance	FY2007	FY2006	Variance
Port	3,828	3,416	12.1%	1,827	1,550	17.9%
Non-port *	323	320	0.9%	865	336	N.M
Total	4,151	3,736	11.1%	2,692	1,886	42.7%

* Profit before finance costs and taxation for non-port includes interest and dividend income and gains on sale of investments.

N.M – not meaningful

(a) Segment Revenue

Port

The Group handled 58.9 million TEUs globally and recorded a 14.8% year-on-year growth over 2006.

Port revenues from Singapore operations, which formed 51.3% of Group turnover, grew only 9.9% against a 13.0% increase in volume, as a result of lower revenue margins from the incremental boxes.

PSA's European terminals contributed revenues amounting to S\$1.36 billion and this represented 32.7% of the Group turnover. Europe revenues increased a modest 10.6% on strong volume performance at Belgium terminals and the contribution from the newly acquired Mersin Port. The European car carrier terminals business was divested in February 2007. Our China terminals increased their revenue by 22.5% in 2007, with growth from existing customers, as well as contributions from the newly operational Tianjin terminal.

Non-port

The increase of non-port revenues was moderated by the divestment of the Group's offshore marine business in August 2007.

(b) Segment Profit Before Finance Costs and Taxation

Port

Profits from port operations were S\$1.83 billion, an increase of 17.9% from the previous year.

Singapore port operations registered an increase of 8.6% in 2007 despite 13.0% growth in volume and 9.9% growth in revenue. Profit growth lagged behind revenue increase due to increased fuel prices and depreciation charges.

Our overseas port recorded higher profits in 2007 due to higher throughput and revenues, and better cost management. Overall profits also rose on full year contributions from Hong Kong associates, acquired in May 2006.

Non-port

The increase over 2006 was largely attributed to higher one-off gains from the disposals of the non-core offshore marine business, the non-core car carrier terminals business and equity securities.

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ISSUED BY PSA INTERNATIONAL PTE LTD

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 2007, PSA handled 58.9 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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