

Green Reefers ASA

Consolidated report 1st quarter 2009

- Spot market 14 percent weaker in 1Q compared to 1Q 2008.
- Significant fall in rates at the start of 2Q
- Reduced running costs and less off-hire
- Sale of vessel completed after the end of the quarter
- EBITDA at USD 8.2 million in 1Q (USD 7.5 million)

Results 1st Quarter 2009

The company experienced a pre-tax result of USD 0.5 million in 1Q 2009, against a loss of USD 3.9 million in 1Q 2008.

The gross operating income was USD 58.1 million in 1Q 2009 compared to USD 65.2 million the same period last year. Operating result before depreciation (EBITDA) was USD 8.2 million (USD 7.5 million).

The vessels contributed USD 7.5 million (USD 7.2 million) to the EBITDA, whilst the terminals contributed USD 0.7 million (USD -0.3 million) before elimination of internal transactions.

The spot market rates were 14 percent lower and income fell 4 percent compared to the same period last year. Running costs for the vessels were USD 6.300 per day before docking depreciations (USD 6.500 per day in 1Q 2008).

The off-hire share has been reduced to 7.6 percent compared to 12.5 percent in the same period last year. The company has completed 3 planned dockings in 1Q 2009.

Activities

By the end of 1Q 2009, the company operated 45 vessels of which 35 were fully owned and 3 partially owned. The remaining vessels were bareboat chartered (2) and time chartered (5). After the end of the quarter the company sold the vessel MV Green Snow for USD 2.5 million with a sales profit of USD 1.0 million.

In-house ship management now totals 31 vessels, of which 12 vessels are managed from Poland. The remaining vessels are managed by a third party ship manager.

Green Reefers is further owner/part owner of 7 cold stores. The cold stores in Norway (2) and the Baltic region (3) are linked to the company's involvement in the East-European fish- and meat import trades, while the cold stores in Guatemala and Florida serve own and third party requirements. The company has decided not to renew the lease contract for the terminal in Florida and is now terminating the operation.

Finance and capital structure

Interest-bearing debt totals USD 178.0 million as of 31 March 2009 (USD 183.3 million as of 31 March 2008). Of the company's debt, 82 % is in USD, 17 % in EUR and 1 % in NOK. Cash deposit was USD 17.4 million (USD 14.7 million).

Book equity 31 March 2009 was USD 125.2 million (USD 138.3 million), which translates into USD 0.49 (USD 0.55) per share. Equity ratio was 39 % (40 %).

The Market and prospects

The spot market rates at the start of the quarter were in line with 2008. Towards the end of the quarter the rates stagnated in a period when the reefer market usually has a seasonal upturn. Through April the rates fell significantly and have stabilised at a level usually associated with the low season.

The reason for the fall in market rates is assumed to be a combination of several factors. The weak development in the container market has led to strong price competition from the container operators. At the same time, the financial crisis is causing a strong reduction in the import of fish and meat to Russia and Ukraine; cargo usually transported by reefer vessels fixed in the spot market.

The current spot market rate level is not sufficient to cover the vessels' running costs, and the company is continuously considering lay-up of vessels during the summer. The company is cutting costs and has amongst other measures implemented workforce reductions in the administration, expected to save up to USD 2 million on an annual basis.

The weak market nevertheless requires the company to carry out additional measures to strengthen the cash position, and to avoid a breach of covenants related to the company's loan agreements.

As a result of the weak market considerable scrapping of reefer vessels is expected, in addition to some vessels going into lay-up. When the import demand for reefer cargoes returns to normal levels, there is hope for an improvement in the market situation going forward. The company does however expect weak results for the current year.

Bergen, 19 May 2009
Green Reefers ASA
The Board of Directors

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