

**Green Reefers ASA**  
**Consolidated report 4th quarter 2008**  
**Preliminary annual accounts 2008**

- Reefer market 10 percent weaker in 4Q compared to 4Q 2007
- EBITDA at USD 2.0 million in 4Q vs USD 6.8 million in 4Q 2007
- 4.4 percent of the world reefer fleet scrapped in 2008

**Results 4th Quarter 2008**

The company experienced a pre-tax loss of USD 4.7 million in 4Q 2008, against a loss of USD 9.2 million in 4Q 2007.

The gross operating income was USD 59.1 million in 4Q 2008 compared to USD 63.1 million the same period last year. Operating result before depreciation (EBITDA) was USD 2.0 million (USD 6.8 million).

The vessels contributed USD 2.0 million (USD 7.5 million) to the EBITDA, whilst the terminals contributed USD 0.0 million (USD -0.8 million) before elimination of internal transactions.

The 4Q figures were negatively affected by a slow reefer market ultimo November and throughout December, particularly in the smaller-sized segment. Spot market rates were 10 % lower than same period last year. The Green Reefers' time charter equivalent earnings developed accordingly.

**Results 2008**

The pre-tax result for 2008 was USD -16.2 million in 2008, against a loss of USD 9.7 million in 2007.

The gross operating income was USD 252.4 million in 2008 compared to USD 225.0 million in 2007. Operating result before depreciation (EBITDA) was USD 26.0 million (USD 36.3 million).

The vessels contributed USD 26.0 million (USD 39.6 million) to the EBITDA, whilst the terminals contributed USD 0.0 million (USD -3.3 million) before elimination of internal transactions.

Average daily vessel operating expenses in 2008 were USD 6,800 (including dry-docking) compared to USD 5,700 in 2007. 13 vessels were drydocked in 2008.

Insurance claims of USD 1.2 million have been written off and charged to the operating expenses, based on a preliminary assessment from the insurance companies.

**Activities**

By year-end 2008, the company operated 43 vessels of which 35 were fully owned and 3 partially owned. The remaining vessels were bareboat chartered (2) and time chartered (3).

In-house ship management now totals 31 vessels, of which 12 vessels by the recently established and fully owned subsidiary, Green Management Sp zoo in Poland. The remaining vessels are managed by a third party ship manager.

Green Reefers also operates 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.

Activity and results at the terminals have shown improvements compared to 2007, with a focus on reducing costs and increasing local sales.

## **Finance and capital structure**

Interest-bearing debt totals USD 180.1 million as of 31 December 2008 (USD 181.3 million as of 31 December 2007). Of the company's debt, 81 % is in USD, 18 % in EUR and 1 % in NOK. Cash position was USD 16.9 million (USD 11.7 million).

Book equity 31 December 2008 was USD 125.0 million (USD 141.6 million), which translates into USD 0.49 (USD 0.56) per share. Equity ratio was 37 % (40 %).

In 4Q, the company entered into a revolving credit facility in the amount of EUR 19.5 millions for general working capital purposes.

## **The Market and prospects**

The spot market increased steadily through the 4th quarter, following the normal seasonal adjustment, however at a level averaging 10 % lower than last year's 4Q average. The market in 2009 has so far developed in line with 2008.

The company has a considerable exposure to the spot market, and the world financial crisis has severely reduced imports of fish and meat to Russia and Ukraine, normally two major importers relying on spot tonnage. This has dampened the positive effect of high scrapping of reefer tonnage in 2008, and the expected upturn has yet to materialize.

The slowdown in the ship newbuilding industry is easing price pressure on spare parts, crew availability and yard capacity, and the company has already experienced reduction in prices quoted from docking yards in 2009.

Orders for newbuildings totals 3.3 percent of the world reefer fleet, while scrapping has reached 4.4 percent in 2008. The reduction in bunker prices might reduce the scrapping ratio in 2009.

Although estimates for worldwide GDP growth and expectations of trade flows have been cut back significantly, the demand for transport of food is believed to be less influenced by reduced growth than most other consumer products, something which is expected to favour the supply/demand equation. We believe however that the market will be challenging until a clearer picture of the recession is known, hopefully by the end of 2009.

The company has implemented a cost saving programme, and continues its efforts to optimize resources and is committed to improving results moving forward.

Bergen, 27 February 2009  
Green Reefers ASA  
The Board of Directors

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