



**BERMUDA CONTAINER LINE LTD.**

Container and Breakbulk  
Service from New York

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**PRESS RELEASE**

**Financial Results for year ending December 31<sup>st</sup> 2008**

Bermuda Container Line Ltd. had net earnings in 2008 of \$3,633,000, down \$2,488,000 or 41% from the net earnings in 2007. The 2007 net earnings figures did include a one-off item of \$1,592,500 from the sale of a subsidiary company. Comparing earnings before this one-off item the 2008 earnings from continuing operations was down \$895,500 or 20% from the 2007 figure.

A major factor in reduced earnings from continuing operations was a dramatic fall in investment income which was down \$1,094,500 or 83% from 2007 and this was caused by the turmoil in the financial markets and very low interest rates. BCL was able to earn a small investment return in 2008 as it liquidated its investment portfolio before the dramatic fall-off in financial markets and all proceeds were invested in money market accounts with a variety of financial institutions.

Earnings from shipping operations did increase in 2008, on a consolidated basis up \$207,500 or 6.46%.

Dividends declared for the 2008 fiscal year were \$2,430,000 or 81¢ per share, down 26% from 2007.

**Outlook for 2009**

As expected, 2009 is proving to be a difficult year. BCL's container volume for the first quarter of the year is down 11% but this is a lower decline than for the overall Bermuda market which was down 12%. Ro/Ro cargo volume was still positive in the first quarter but this was due to the current building projects in Hamilton. As the construction association president noted earlier this month, once these projects come to completion later this year there are no new ones in the pipeline and so, we do expect a drop in Ro/Ro cargo volume later this year as well.

In addition, investment income is very small as interest rates are at an all time low. The present effective interest rate on BCL's large cash holdings is less than 0.5%.

Finally, fuel prices which have been stable at a low rate since the beginning of the year have recently jumped again, up by \$100 per ton since mid-April. This increase price adds over \$5,000 per week to the "Oleander" fuel bill.

If there are any questions in relation to this press release please contact Geoffrey Frith at 294-1411.

Tuesday 19<sup>th</sup> May 2009  
Hamilton, Bermuda

The Bermuda Stock Exchange  
Bermuda Sun – Business Editor  
The Royal Gazette – Business Editor