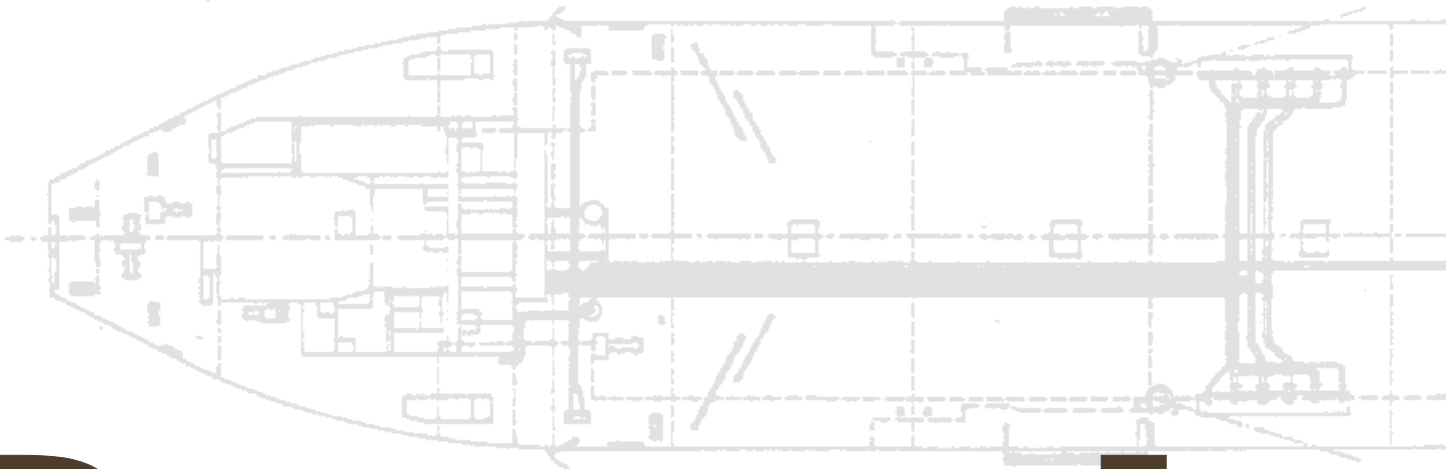
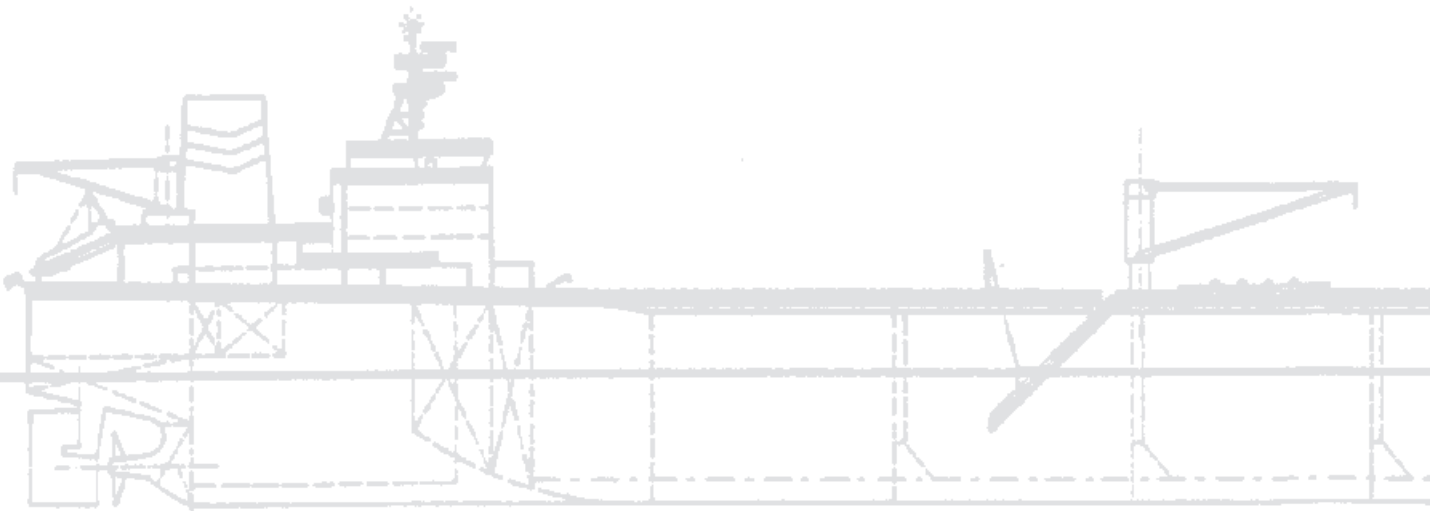


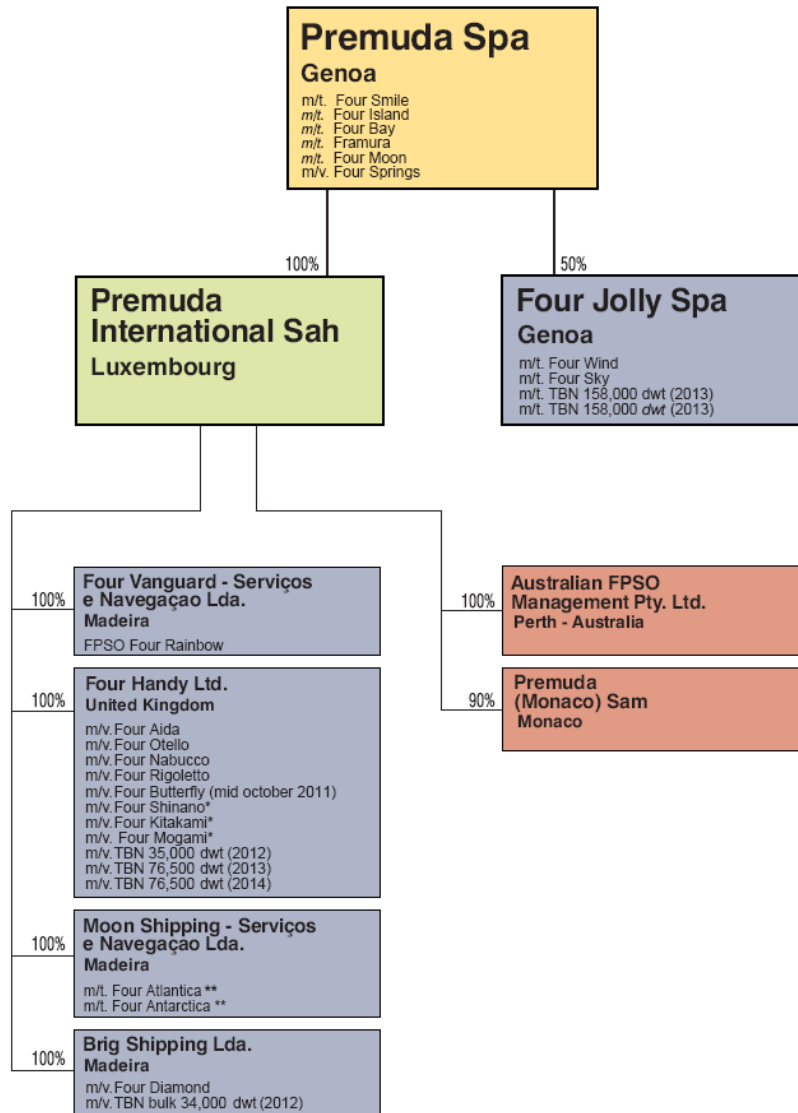


**quarterly report
september 2011**



Premuda

Group's Structure Operative Companies as at 30th September 2011



- Holding/Shipowning Company
- Ship-Management Company
- Shipowning Company
- Holding Company

* : on sale
 ** : long term time-charter in
 *** : long term bare-boat out

Premuda consolidated balance sheet (€/000)

	<u>at 30.09.2011</u>	<u>at 30.09.2010</u>	<u>at 31.12.2010</u>
ASSETS	501,825	473,249	470,665
- vessels	(382,025)	(358,670)	(348,648)
- new vessels under construction	(63,193)	(64,663)	(71,609)
CURRENT ASSETS, DEFERRED CHARGES	60,236	54,907	68,331
Total Assets	562,061	528,156	538,996
SHAREHOLDERS' EQUITY	216,201	186,008	221,931
- third party interest	(27)	(27)	(50)
LONG TERM LIABILITIES	267,902	271,426	251,757
CURRENT LIABILITIES	77,959	70,722	65,308
Total Equity and Liabilities	562,062	528,156	538,996

Premuda consolidated profit and loss account (€/000)

	<u>Jul/Sept 2011</u>	<u>Jul/Sept 2010</u>	<u>Jan/Sept 2011</u>	<u>Jan/Sept 2010</u>	<u>Jan/Dec 2010</u>
Net revenues	34,441	32,433	92,751	94,286	126,913
Voyage costs	<u>(6,435)</u>	<u>(1,161)</u>	<u>(11,679)</u>	<u>(4,179)</u>	<u>(7,147)</u>
Time charter revenues	28,006	31,272	81,072	90,107	119,766
Charter hire and other operating costs	<u>(12,882)</u>	<u>(14,108)</u>	<u>(41,261)</u>	<u>(43,041)</u>	<u>(58,634)</u>
Fleet margin	15,124	17,164	39,811	47,066	61,132
Profit on vessel sale	60	-	917	-	-
General expenses and other cost/income	(4,574)	(3,945)	(13,122)	(12,411)	(17,001)
Depreciation	<u>(7,691)</u>	<u>(6,677)</u>	<u>(21,006)</u>	<u>(19,258)</u>	<u>(26,220)</u>
Operating result	2,919	6,542	6,600	15,397	17,911
Financial items	(1,017)	(1,780)	(4,087)	(4,536)	(5,845)
Profit/loss on subsidiaries	<u>(241)</u>	<u>(1,322)</u>	<u>(1,605)</u>	<u>(552)</u>	<u>(1,002)</u>
Pre-tax income	1,661	3,440	908	10,309	11,064
Tax on income	<u>(41)</u>	<u>(71)</u>	<u>(141)</u>	<u>(157)</u>	<u>(403)</u>
Net profit	1,620	3,369	767	10,152	10,661
Third parties interests	<u>(3)</u>	<u>(9)</u>	<u>(23)</u>	<u>(24)</u>	<u>(1)</u>
Group's net profit	1,623	3,378	790	10,176	10,662

Summary of significant accounting policies

These Financial Statements have been drafted according to the same principles used for the 2010 Annual Report and the 2011 Semi-Annual Report in compliance with the *International Financial Reporting Standards (IFRS)* issued by the *International Accounting Standards Board (IASB)*.

Quarterly data, expressed in thousand Euro, are compared with corresponding previous periods.

The value of stakes in affiliated and other companies, which have not been consolidated, has been estimated on the basis of reliable information available.

It has not been necessary to use estimates or valuations, other than the ordinary ones.

Consolidation principles are unchanged from those used for the 2011 Semi-Annual Report; see the enclosed Group Structure at 30th September 2011 showing the operative trading companies.

Euro vs USDollar - Average Exchange Rate

The following table shows the Euro/US Dollar exchange rates for various periods.

Average 3 rd Quarter		Average 9 months		As at 30 th September		As at 31 st December
2011	2010	2011	2010	2011	2010	2010
1.4116	1.2742	1.4055	1.3092	1.3503	1.3648	1.3362

Above data show on average a weaker USD over last year's corresponding periods, whilst the spot data at the end of period is slightly stronger than the end of September 2010. In October 2011 the US dollar has progressively weakened, which looks set to continue for the remaining part of the year.

The USD volatility provides unwelcomed uncertainty to shipping and, broadly speaking, a weak USD has a negative effect over both balance sheets and income statements. Fleet values and freight rates are based on USD whereas only part of expenses and liabilities are denominated in this currency.

We note that, had the average rate of exchange over the first 9 months of the year been the same as in the corresponding period in 2010 and the rate as at 30th September 2011 the same as at 30th September 2010, the result over the first 9 months this year would have been approximately 2.50 million Euro higher, all other factors unchanged.

Financial position

The following table summarizes the net financial position, in thousands of euros:

	<u>at 30.09.2011</u>	<u>at 30.09.2010</u>	<u>at 31.12.2010</u>
Cash & cash-equivalent	18,495	13,649	27,605
- short-term bank debt	(17,979)	(11,559)	(4,793)
- short-term portion of med/long-term bank debt	(34,185)	(32,315)	(35,864)
- other short-term debt	(362)	(740)	(535)
Short-term borrowings	(52,526)	(44,614)	(41,192)
Net short-term financial position	<u>(34,031)</u>	<u>(30,965)</u>	<u>(13,587)</u>
- long-term bank debt	(263,229)	(266,456)	(246,944)
Net financial position as per Consob scheme	<u>(297,260)</u>	<u>(297,421)</u>	<u>(260,531)</u>
Long-term financial credits	18,242	24,635	24,635
Net financial position	<u>(279,018)</u>	<u>(272,786)</u>	<u>(235,896)</u>

The Net Financial Exposure over the first 9 months of 2011 was €/mil 43.10 higher than it was at the end of the 2010 Financial Year (€/mil 6.20 higher than at 30th September 2010, before the share capital increase realized at the end of year 2010) mainly due to our ongoing investments aimed at renewing and growing our Group Fleet, and because of the exchange rate which affected the US dollar loans.

Financial Result

The consolidated result for the third quarter 2011 was a profit of €/mil 1.60 (2010: €/mil 3.40).

The consolidated cash flow (net profit + depreciation) of the third quarter 2011 was €/mil 9.30 (2010: €/mil 10.10).

The result for the first 9 months of the current year, after taxes and minority interest (no more relevant), was a profit of €/mil 0.80 (2010: €/mil 10.20).

Cash-flow for the first 9 months of 2011 was €/mil 21.80 (2010: €/mil 29.40).

The 9 months financial results had a positive benefit from about €/mil 0.90 gain from the sale of the panamax bulker *Four Earth*, but was heavily affected by:

- the negative impact of about €/mil 4.20 derived from the effects of the “Bianca” cyclone which - in the first part of the year - caused a 20 days break in operations of FPSO *Four Rainbow*;
- the strong deterioration of freights levels which for the areas of our direct interest – recorded a slump between 39% and 47%, comparing the rates of the same period 2010; this factor was quite mitigated by the good commercial coverage defined in the past and still available;
- the weakening of US dollar, which declined by 6.8% comparing 2010.

Shareholders' Equity at 30th September 2011, net of minority interest, was €/mil 216.20 (3rd Quarter 2010: €/mil 186.00 – year-end 2010: €/mil 221.90) or 1.15 Euro per share.

Premuda Fleet

We refer you to the table showing the Group Fleet at 30th September 2011. Compared to the composition reported on 30th June 2011, the owned fleet is increased by 1 vessel, following the delivery by the Vietnamese shipyard *Vinashin* (with more than 3,5 years of delay!!) of the handy bulk carrier *Four Diamond*.

Regarding the Fleet utilization in the third quarter, the available operating time has been allocated as follows:

	<u>tankers</u>	<u>bulk carriers</u>
- on hire (trading)	90.2%	97.7%
- off hire (drydock & repairs)	1.1%	2.3%
- waiting for employment	8.7%	-

The vessel/time utilization during 3rd quarter 2011 was – for bulk carriers - quite satisfactory and in line with expectations; time lost waiting for employment is a proof of market weakness and discontinuity affecting tanker sector.

As far as the FPSO *Four Rainbow* is concerned, we point out that the third quarter activity was regular, without any stoppage. The result of the first nine months of the year is, anyway, affected by the previously mentioned disconnection during the first quarter, due to the “Bianca” cyclone, crossing the production area.

Market and prospects

The following table shows (US dollars per day) the average spot time-charter rates in the areas where the Group is actively trading (sources: Clarksons for tankers and Baltic Exchange for bulkers):

	2011				2010	
	1 st quarter	2 nd quarter	3 rd quarter	9 months	9 months	whole year
Suezmax	26,230	14,794	10,012	17,012	31,870	31,260
Aframax	15,300	12,242	8,784	12,109	20,414	19,800
Supramax Bulk	14,388	14,568	14,000	14,319	24,132	22,500
Handysize Bulk	10,719	11,456	10,050	10,742	17,598	16,465

The above average rates for the first 9 months 2011 are all significantly lower than during the corresponding period 2010: between 41% and 47% for tanker vessels and between 39% and 41% for bulk carriers.

The following table shows the changes in freight rates between 2011 and 2010. With particular regard to year 2011, it's worth notice that the dry bulk market was much more stable than the tanker one, when compared to the first six months of the year.

	tankers		bulk-carriers	
	afamax	suezmax	supramax	handysize
3Q11 versus 3Q10	-39%	-49%	-29%	-34%
Jan/Sept 11 versus Jan/Sept 10	-41%	-47%	-41%	-39%
3Q11 versus 1H11	-36%	-51%	-3%	-9%

October started with dry bulk rates higher by 16/17% than the third quarter averages; on the tanker side, after a sudden "explosion" due to port congestion in Med/Black Sea area, rates were near to the third quarter averages.

It would be unwise today to try and predict with any degree of certainty the future direction of the highly volatile markets where our Group is active. This will obviously depend as much on the recovery of the western economies, the growth of China and other developing countries, the market price of Crude Oil and other main commodities, the outcome of the ongoing financial crisis.

Significant events occurred after the end of the period

In mid October, following delivery with no delays from SPP Korean shipyards, the handy bulker *Four Butterfly* started operating: with this vessel, the handybulk Premuda fleet is today composed of 6 units.

It is important to note the significant investment plan currently being accomplished for the Company's fleet that is constantly strengthening:

2 units, 34/35,000 Dwt bulk carriers with expected delivery 2012;

2 units, 76,500 Dwt panamax bulk carriers with expected delivery 2013/2014;

2 units, 158,000 Dwt suezmax tankers (our share 50%) with expected delivery 2013.

As at today, medium/long-term financial coverage is organized for the newbuildings with planned delivery in 2012.

As to the financial year closing, the results achieved so far with exception to the occurrence of unexpected events, and assuming there will be no need for further vessel "impairment", the 2011 results should break-even or achieve a modest profit.

Genoa, 4th November 2011

The Board of Directors

This Report has been approved by the Board of Directors meeting of Premuda SpA which convened in a meeting on 4th November 2011. The data shown has not been subject to review by the Auditing Company.

The Manager in charge of issuing the financial statements (Marco Tassara) declares, according to art 154 bis recital 2 of Testo Unico della Finanza (TUF), that all information disclosed by this interim report correspond to the official books and to the original documents.

*The Company complies with the requirements of art. 36 recitals b) and c) of "Regolamento Mercati Consob".
The next Financial Statements shall be the 2011 Annual Report, which draft will be disclosed within 29th April 2012.*

Glossary

Aframax

80-120,000 dwt tanker.

B/B - Bare Boat Charter

Contract where the ship is placed at the disposal of the Charterer, without a crew, for a specific period of time. In addition to voyage costs (fuel, port expenses, canal transit fees, etc.), the charterer must also bear all the operating costs (crew, maintenance, repairs, lubricants, supplies, insurance). By its nature, the Bare Boat normally covers lengthy periods of time. The “in” notation evidences a vessel chartered from third parties. The “out” notation evidences a vessel chartered to third parties.

Bulk - carrier

Ship fit for transportation of dry cargoes, mainly minerals, coal, grain, bauxite

Capesize

Bulk carrier vessel, exceeding 120,000 dwt (actual standard 160,000 dwt) incapable of navigating the Panama Canal

DB - Double Bottom

Ship built with a double hull limited to the bottom; the height of the double bottom is 2-3 meters and the relative volume is normally used to contain clean ballast water.

DH - Double Hull

Ship built with a complete double hull to reduce the risk of spills in case of grounding or collisions; the distance between the two hulls is generally is 2-2.5 meters and the relative space is used for clean ballast.

DWT - dead-weight tonnage

Ship transport capacity is measured in tons (dwt), including cargo, fuel, supplies and crew.

FPSO Floating production storage and off-loading unit

A ship positioned on an offshore oil field, equipped for production, with initial processing, storage and shifting to other crude oil units.

Ice Class A1/A1

Classification issued by Classification Registers for ships designed to navigate under their own power in water with ice.

Handybulk - Handysize

Bulk carrier vessel, normally equipped with cranes, with capacity between 10 and 40,000 dwt

Handymax - Supramax

Bulk carrier vessel, normally equipped with cranes, with capacity between 40 and 60,000 dwt

Impairment

Reassessment of the book value of an asset (Cash Generating Unit – CGU) to be in line with the “recoverable value”, being the higher between the “market value” and the “value in use”: the latter determined by discounting estimated future cash flows.

Minicape

Small Capesize bulk carrier vessel (90/120,000 dwt)

M/C - M/T - Tanker

Motor tanker. Ship fit for transportation of oil and crude oil.

Off-hire

The period a ship does not generate income, normally because it is undergoing repairs or maintenance.

Panamax

Tanker or bulk carrier designed to navigate the Panama Canal, and therefore with a maximum breadth of 32.24 metres. Normally, this unit does not exceed 80,000 dwt.

Product Carrier

Ship fit for transportation of oil and derivate products (naphta, diesel oil, fuel) and vegetable oils. Cargo tanks are painted with special products.

Suezmax

A Tanker capable of navigating through the Suez Canal at full capacity, normally between 120-200,000 dwt.

TBN – To be named / TBR – To be renamed

Usually a Newbuilding or a newly-purchased vessel for which a name is yet to be assigned.

T/C rate - Time Charter Rate

Charter rate for hire of the ship, with fuel costs, port fees, canal transit fees and other charges relative to the voyage paid by the charterer. Normally, this is expressed in dollars per day of ship availability (calendar days minus off-hires). The “in” notation evidences a vessel chartered from third parties. The “out” notation evidences a vessel chartered to third parties.

The Group's Fleet at 30th September 2011

	<u>name</u>	<u>type</u>	<u>hull</u>	<u>built</u>	<u>dwt</u>
1	<i>Four Smile</i>	suezmax tanker	DH	2001	159,800
2	<i>Four Wind (50%)</i>	afamax product	DH	2009	115,700
3	<i>Four Sky (50%)</i>	afamax product	DH	2010	115,700
4	<i>Four Antarctica*</i>	afamax ice class	DH	2006	114,800
5	<i>Four Atlantica*</i>	afamax ice class	DH	2006	114,900
6	<i>Four Island</i>	afamax tanker	DH	1995	94,200
7	<i>Four Bay</i>	afamax tanker	DH	1995	94,200
8	<i>Framura</i>	afamax tanker	DH	1993	94,200
9	<i>Four Moon</i>	panamax tanker	DH	1984/2002	64,000
		total owned tankers			<u>967,500</u>
10	<i>Four Rainbow</i>	FPSO	DH	1992/2003	80,900
		total owned FPSO			<u>80,900</u>
11	<i>Four Springs</i>	minicape bulk	DH	1992/2009	109,000
12	<i>Four Diamond</i>	handy bulk	DH	2011	34,000
13	<i>Four Rigoletto</i>	handy bulk	DB	2011	34,400
14	<i>Four Nabucco</i>	handy bulk	DB	2010	34,400
15	<i>Four Otello</i>	handy bulk	DB	2010	34,400
16	<i>Four Aida</i>	handy bulk	DB	2009	34,400
		total owned bulk			<u>280,600</u>
		total owned fleet			<u>1,329,000</u>
17	<i>TBN</i>	handy bulk	DB	2011	35,000
18	<i>TBN</i>	handy bulk	DB	2012	35,000
19	<i>TBN</i>	handy bulk	DH	2012	34,000
20	<i>TBN</i>	panamax bulk	DB	2013	76,500
21	<i>TBN</i>	panamax bulk	DB	2014	76,500
22	<i>TBN (50%)</i>	suezmax tanker	DH	2013	158,000
23	<i>TBN (50%)</i>	suezmax tanker	DH	2013	158,000
		total under construction			<u>573,000</u>
24	<i>Four Shinano **</i>	handymax bulk	DB	2008	56,700
25	<i>Four Kitakami **</i>	handymax bulk	DB	2009	55,500
26	<i>Four Mogami **</i>	handymax bulk	DB	2009	55,500
		total tonnage chartered in			<u>167,700</u>
		total			<u>2,069,700</u>

* : renamed *Stena Antarctica* and *Stena Atlantica* - long term bare-boat "out"

** : long term time-charter "in"