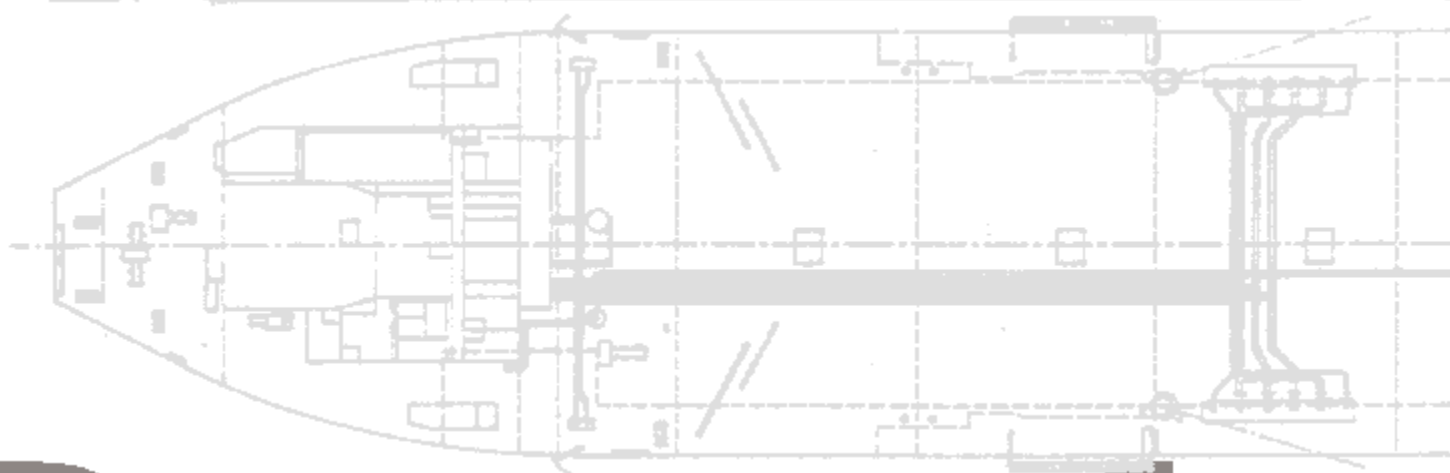
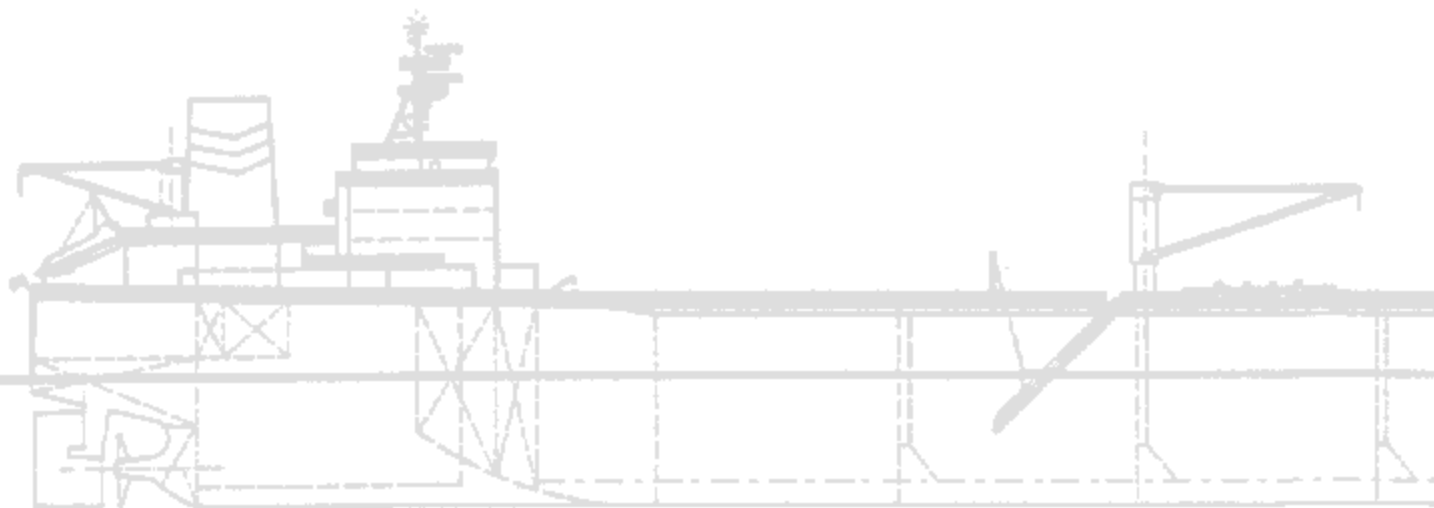


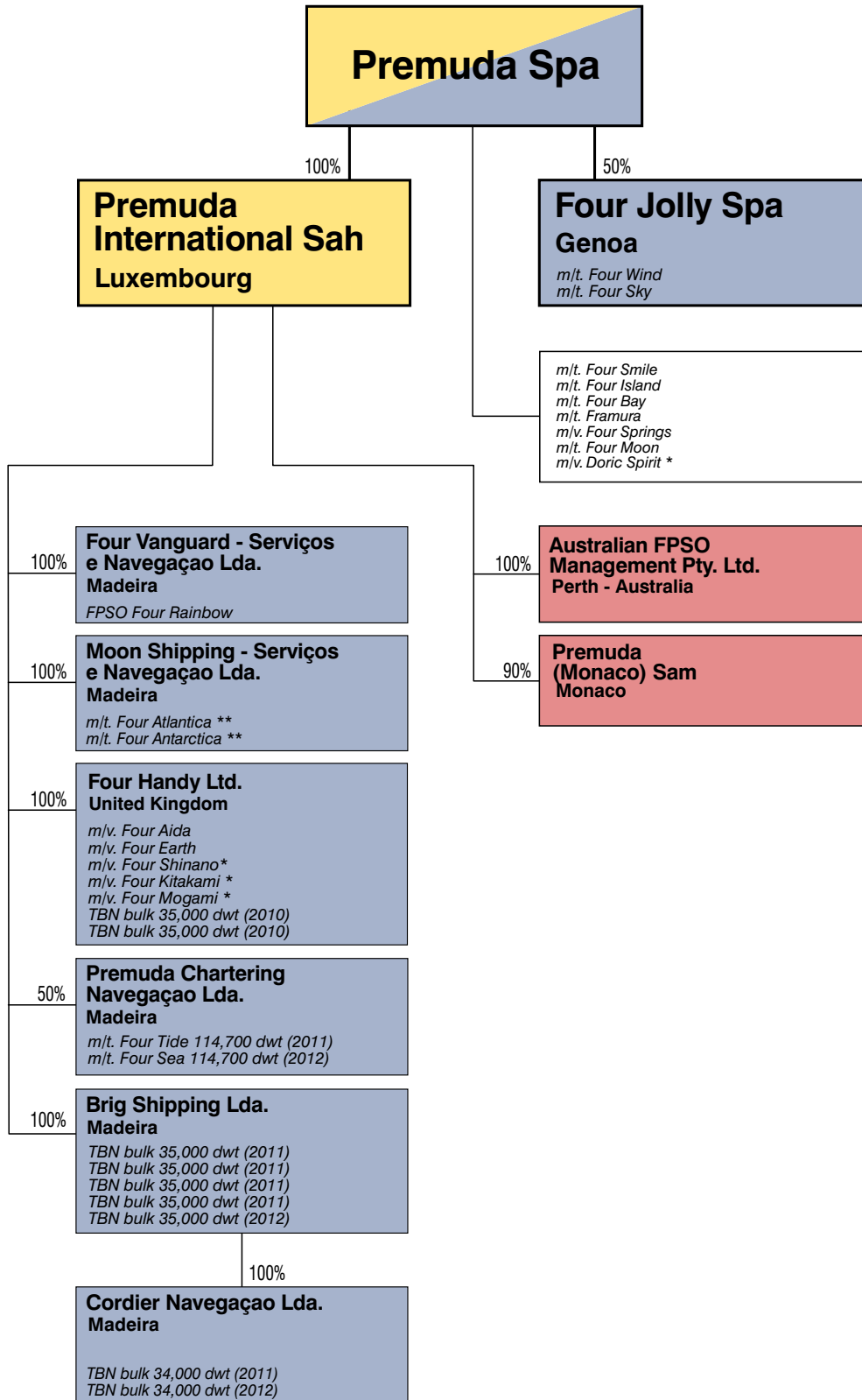


**quarterly report  
march 2010**



# Premuda

# Group's structure at 31<sup>st</sup> March 2010



Holding Company  
 Ship-Management Company  
 Shipowning Company

\* : long term time-charter in  
 \*\* : long term bare-boat out

# The Group's Fleet at 31<sup>st</sup> March 2010

	<i>name</i>	<i>type</i>	<i>hull design</i>	<i>year built</i>	<i>dwt</i>
<b>tankers</b>	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 in service				967,500
<b>FPSO</b>	10 <i>Four Rainbow</i>	FPSO	DH	1992/2003	80,900
		total owned FPSO in service			
<b>bulk carriers</b>	11 <i>Four Springs</i>	minicape bulk	DH	1992/2009	109,000
	12 <i>Four Earth</i>	panamax bulk	DB	1984	77,100
	13 <i>Four Aida</i>	handy bulk	DB	2009	34,400
	total owned bulk carriers in service				220,500
	<b>total owned Fleet in service</b>				<b>1,268,900</b>
<b>new buildings</b>	14 <i>Four Tide (50%)</i>	afamax product	DH	2012	114,700
	15 <i>Four Sea (50%)</i>	afamax product	DH	2013	114,700
	16 <i>Four Nabucco</i>	handy bulk	DB	2010	35,000
	17 <i>Four Otello</i>	handy bulk	DB	2010	35,000
	18 <i>TBN</i>	handy bulk	DB	2011	35,000
	19 <i>TBN</i>	handy bulk	DB	2011	35,000
	20 <i>TBN</i>	handy bulk	DB	2011	35,000
	21 <i>TBN</i>	handy bulk	DB	2011	35,000
	22 <i>TBN</i>	handy bulk	DB	2012	35,000
	23 <i>TBN</i>	handy bulk	DH	2011	34,000
	24 <i>TBN</i>	handy bulk	DH	2012	34,000
	total new buildings on order				542,400
<b>chartered in</b>	25 <i>Doric Spirit **</i>	handymax bulk	DB	2001	52,400
	26 <i>Four Shinano **</i>	handymax bulk	DB	2008	56,700
	27 <i>Four Kitakami **</i>	handymax bulk	DB	2009	55,500
	28 <i>Four Mogami **</i>	handymax bulk	DB	2009	55,500
	total chartered in tonnage				220,100
	<b>total fleet as at 31<sup>st</sup> March 2010</b>				<b>2,031,400</b>

\* : renamed *Stena Antarctica* and *Stena Atlantica* (long-term bare-boat out)

\*\* : long-term time-charter in

## Premuda consolidated balance sheet (€/000)

	<u>at 31.03.2010</u>	<u>at 31.03.2009</u>	<u>at 31.12.2009</u>
<b>ASSETS</b>	<b>447,319</b>	<b>387,386</b>	<b>430,212</b>
<i>trading vessels</i>	(319,338)	(254,752)	(280,641)
<i>vessels under construction</i>	(78,288)	(90,245)	(102,220)
<b>CURRENT ASSETS, DEFERRED CHARGES</b>	<b>53,560</b>	<b>59,896</b>	<b>58,712</b>
<b>Total Assets</b>	<b>500,879</b>	<b>447,282</b>	<b>488,924</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>175,206</b>	<b>196,805</b>	<b>176,036</b>
<i>minorities interest</i>	(40)	(48)	(51)
<b>LONG TERM LIABILITIES</b>	<b>255,657</b>	<b>179,516</b>	<b>246,872</b>
<b>CURRENT LIABILITIES</b>	<b>70,016</b>	<b>70,961</b>	<b>66,016</b>
<b>Total Equity and Liabilities</b>	<b>500,879</b>	<b>447,282</b>	<b>488,924</b>

## Premuda consolidated profit and loss account (€/000)

	<u>Jan/Mar 2010</u>	<u>Jan/Mar 2009</u>	<u>Jan/Dec 2009</u>
Net revenues	26,883	30,450	<b>101,909</b>
Voyage costs	(1,375)	(1,939)	(6,325)
<b>Time-charter revenues</b>	<b>25,508</b>	<b>28,511</b>	<b>95,584</b>
Charter-hire and other operating costs	(11,725)	(14,738)	(49,473)
<b>Fleet margin</b>	<b>13,783</b>	<b>13,773</b>	<b>46,111</b>
Profit on vessel sales	-	-	8,363
General expenses and other cost/income	(4,106)	(4,409)	(20,188)
Depreciation	(5,748)	(6,392)	(24,240)
Impairment of assets	-	-	(22,310)
<b>Operating result</b>	<b>3,929</b>	<b>2,972</b>	<b>(12,264)</b>
Financial items	(823)	(1,199)	(6,756)
Profit/loss on subsidiaries	358	103	(258)
<b>Profit/(loss) before tax</b>	<b>3,464</b>	<b>1,876</b>	<b>(19,278)</b>
Tax on income	(31)	(57)	(530)
<b>Net profit/(loss)</b>	<b>3,433</b>	<b>1,819</b>	<b>(19,808)</b>
Third-party interest	(11)	(8)	(5)
<b>Group's net profit/(loss)</b>	<b>3,444</b>	<b>1,827</b>	<b>(19,803)</b>

## Summary of significant accounting policies

These Financial Statements, as per the 2009 Annual Report, have been drafted in accordance with the *International Financial Reporting Standards (IFRS)* issued by the *International Accounting Standards Board (IASB)*. Quarterly data, expressed in thousand Euro, are compared with the corresponding period in the previous year, and with the entire previous year.

Holdings in associated companies and other stakes not included in the consolidation area are valued on the basis of available information from trustworthy sources. No estimates and/or approximations, other than ordinary, have been made.

The consolidation area and the relevant criteria remain unchanged, as per the 2009 Annual Report.

The attached table shows the Group's structure as at 31<sup>st</sup> March 2010 (excluding dormant companies).

## Euro/Dollar exchange rate

The table herebelow shows the Euro/Dollar exchange rate for certain periods.

2010		2009			
average 1 <sup>st</sup> quarter	at 31.03	average 1 <sup>st</sup> quarter	at 31.03	yearly average	at 31.12
1.3829	1.3479	1.303	1.331	1.395	1.4406

These average data show a 5.8% Dollar decrease compared to the corresponding 2009 period and a light 0.9% increase compared to the entire year. The end-of-period data also show a 1.1% decrease in the last twelve months, with a 6.9% recovery occurred in the first quarter 2010.

No doubt a strong Dollar is good news for shipping companies, both from a Balance Sheet and a Profit and Loss standpoint. As a matter of fact, vessel values and freight rates are almost exclusively Dollar-denominated, whereas generally only certain costs are denominated in such currency.

It is, therefore, of relevance to note that possible differences between average and end-of-period exchange rates can significantly affect Balance Sheet and Profit and Loss data: particular attention is, therefore, required when comparing different sets of data.

For instance, we note that, should the average and the end-of-period exchange rates be the same as in last year's corresponding period, then Net Profit for 1Q10 would be €/mil 0.9 higher, whereas Net Equity as at 31<sup>st</sup> March 2010 would be €/mil 2.0 higher, all other factors unchanged.

## Financial Position

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

	at 31.03.2010	at 31.03.2009	at 31.12.2009
Cash and liquid assets	13,267	18,619	16,019
- short term bank debt	(11,559)	(3,904)	(9,560)
- short term portion of medium/long term bank debt	(20,340)	(42,301)	(20,270)
- other short term financial debt	(957)	(1,098)	(957)
Total short term financial debt	<u>(32,856)</u>	<u>(47,303)</u>	<u>(30,787)</u>
<b>Total net short term financial debt</b>	<b><u>(19,589)</u></b>	<b><u>(28,684)</u></b>	<b><u>(14,768)</u></b>
Long term financial credit	24,335	37,678	29,292
- medium/long term bank debt	(250,867)	(177,142)	(241,283)
- other long term debt	-	-	-
Total long term financial debt	<u>(250,867)</u>	<u>(177,142)</u>	<u>(241,283)</u>
<b>Total net long term financial debt</b>	<b><u>(226,532)</u></b>	<b><u>(139,464)</u></b>	<b><u>(211,991)</u></b>
<b>Total net financial debt</b>	<b><u>(246,121)</u></b>	<b><u>(168,148)</u></b>	<b><u>(226,759)</u></b>

Net financial exposure as at 31<sup>st</sup> March 2010 increased by €/mil 78.0 year-on-year and by €/mil 19.4 since 31<sup>st</sup> December 2009: this is mainly attributable to further advance payments made within the context of our fleet renewal plans.

## Financial Result

The consolidated result for the first quarter 2010 shows a profit of € 3.4 million as opposed to € 1.8 million in the first quarter 2009 and a loss of € 19.8 for the entire year 2009.

The consolidated cash-flow for the period was € 9.2 million (€ 8.2 million in the same period in 2009).

We point out that that the 2010 first quarter results benefited from lower depreciations (approximately € 0.7million) calculated on the five ships subjected to value impairment in the annual accounts at 31<sup>st</sup> December 2009. In this regard it is worth noting that the market trend in the first period of 2010, coupled with the US\$ strengthening versus the end of 2009, relieved from the needs of undertaking further depreciations and, adversely, would indicate opportunities of restorations, although partial at least, upon future audits of fleet recoverable value.

The consolidated equity as at 31<sup>st</sup> March 2010, net of minority interest and of dividends payable by *Premuda S.p.A.* for 2009, was € 175.2 million (€ 196.8 million in March 2009, € 176.0 as at 31<sup>st</sup> December 2009).

The net per-share equity (total 140,836,450 shares) is 1.244 Euro, net of third-party interest.

## Premuda Fleet

The trading fleet increased by 1 unit during the quarter, being delivered by *Samsung* at the beginning of March the new 115.700 dwt aframax product carrier, named *Four Sky*.

As to the fleet under construction, as already reported in the 2009 Annual Report, this is composed by 9 crane-gear 34/35,000 dwt handybulk carriers and 2 aframax 114,700 dwt product carriers, the latter being in joint venture with the *Messina Group*.

Handybulk carriers are scheduled to be deployed as follows: 2 within 2010, 5 in the 2011 and 2 in the 2012. For the two aframax product carrier a 12 months deferred delivery time was negotiated, at no additional costs; and the revised schedule are now May 2012 and February 2013. The postponed deliveries, besides yielding relief to close future financial commitments, should allow the new ships to enter a market hopefully already redeemed from the current slump.

The running of the fleet has been carried out smoothly, mainly based on previously contracted charter coverage.

Taking into account that revenues are US\$-denominated, it is worth noting that the period result was affected by an €/US\$ exchange rate which was, on average, 5.8% lower than during 1Q09.

As to Fleet utilization in 1Q10, the available operating time has been allocated as follows:

	1 <sup>st</sup> Quarter 2010		1 <sup>st</sup> Quarter 2009	
	tankers	bulk	tankers	bulk
- trading	98.8 %	100.0%	98.9 %	99.7 %
- under maintenance	1.0 %	- %	1.1 %	0.1 %
- awaiting cargoes	0.2 %	- %	0.3 %	0.2 %

Vessel-day utilization data are quite satisfactory, mainly due to the absence of off-hire time due to scheduled drydock in the quarter.

At the end of the upgrading and class renewal works performed in Singapore, the FPSO *Four Rainbow* (ex *Four Vanguard*) repositioned on Woollybutt field (Western Australia) and - after a stoppage lasted almost 10 months - on 7<sup>th</sup> March 2010 restarted production. Total cost is about € 45 million, part of which (not defined yet) for Charterers' account.

## Market and prospects

The table hereunder shows average spot charter rates recorded in the markets where we operate, with values expressed in US\$/day on a time-charter equivalent basis.

	2009					2010
	1 <sup>st</sup> Qrt.	2 <sup>nd</sup> Qrt.	3 <sup>rd</sup> Qrt.	4 <sup>th</sup> Qrt.	average	1 <sup>st</sup> Qrt.
<i>suezmax</i>	37,800	25,461	14,524	35,059	28,211	36,700
<i>aframax</i>	23,600	12,240	7,294	18,800	15,480	22,900
<i>panamax tankers</i>	21,500	12,300	6,310	12,300	13,100	21,800
<i>panamax bulk</i>	7,600	15,400	16,559	20,800	15,090	24,080
<i>handymax bulk</i>	10,700	16,500	19,800	22,200	17,500	25,200

The above data show that, compared with 1Q09, tanker markets were only 3% lower, while compared to average rates for the entire year 2009, rates are significantly higher (+30% for suezmaxes, +48% for aframaxes, +66% for panamaxes).

In dry-bulk markets, average rates for 1Q10 mark significant increases on the corresponding 2009 period (+219% for panamaxes, +136% for handymaxes). The comparison with the entire year 2009 shows satisfactory increases too (+60% for panamaxes, +44% for Handymaxes).

The second quarter 2010 started with rates still declining in the tanker sector (apart from larger vessels) and slightly on the increase for bulk carriers.

As already occurred in the past, it is quite difficult to make a solid forecast of such volatile markets, deeply influenced by several factors, economic and otherwise. On the other hand, we can reasonably assume that, barring unforeseen circumstances, our Group will achieve positive results in the current year, in consideration of the charter coverage secured and the better market level, when compared to last year.

Long-term prospects are strongly related to how the current world crisis, which is seriously denting commodity trading volumes (and, consequently, charter rates), will evolve; and to the credit crunch which, anyhow, seems to be reducing its impact: it seems quite reasonable to affirm that 2009 could remain the lowest point reached by the shipping curve in the last years.

## Significant events occurred after the end of the period

Nothing significant to be reported after the end of 1Q10 apart from the starting of the procedures to realize the Share Capital increase resolved by the BOD of *Premuda S.p.A.* on 31<sup>st</sup> March 2010 and already reported in the Annual Report 2009. We remind you that the Capital Increase will be realized through the issuance of maximum 46,945,483 ordinary shares, € 0.50 nominal value, share rights 01.01.2010, offered to the actual shareholders at a rate of 1 new share for every 3 shares held, at a price of € 0.75 (of which € 0.25 as share premium). A full subscription would produce an equity inflow of about € 35 million (of which about € 11.7 million as share premium) and the new share capital would be € 93,890,967, composed by n. 187,706,990 ordinary shares and n. 74,943 saving shares, all having nominal value € 0.50. .

Genoa, 14<sup>th</sup> May 2010

The Board of Directors

# glossary

**Aframax**

80-120,000 dwt tanker.

**B/B - Bare Boat Charter**

Contract with which 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.

**Bulk - carrier**

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

**DB - Double Bottom**

Ship built with a double hull limited to the bottom; the height of the double bottom is 2-3 metres 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 metres and the relative space is used for clean ballast.

**DWT Dead-Weight Tonnage**

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

**FPSO Floating Production Storage and Offloading unit**

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

**Handybulk**

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.

**ICE Class A1/A1**

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

**M/V**

Motor vessel.

**Off-hire**

Period in which the ship does not generate charter 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**

Tanker fit for transportation of oil product (such as fuel oil, diesel oil, gasoline) and vegetal oils. The tanks of such vessels are coated with special products or paints.

**Suezmax**

Tanker capable of navigating the Suez Canal with a full load; normally, between 120 and 200,000 dwt.

**TBN - to be named / TBR - to be renamed**

New buildings or under acquisition waiting to be named or renamed.

**T/C rate - Time Charter Rate**

Charter rate for making the ship available, 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 present Report has been approved by the Board of Directors of Premuda S.p.A. during the meeting on the 14th of May 2010.*

*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 T.U.F., 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 set of Balance Sheet and Profit and Loss Statements will appear in the Half-Year Report 2010, which will be made available within 29 August 2010.*

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