



# **SIEM INDUSTRIES**

## **PRESS RELEASE**

For Immediate Release

## **SIEM INDUSTRIES INC.**

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### **SIEM INDUSTRIES INC. REPORTS RESULTS FOR PERIODS ENDED SEPTEMBER 30, 2003**

GEORGE TOWN, GRAND CAYMAN, 1 December 2003 – SIEM INDUSTRIES INC. reports the results for the periods ended 30 September 2003.

Net income for the nine months ended 30 September 2003 was \$10,739,000, or \$0.64 per share (2002: \$46,543,000, or \$2.74 per share). Net income for the third quarter ended 30 September 2003 was \$2,981,000, or \$0.18 per share (2002: \$8,074,000 or \$0.48 per share).

Gains for the nine months and quarter ended 30 September 2003 were \$3,451,000 and \$2,762,000, respectively (2002: \$3,314,000 and \$1,369,000). Equity in the income (losses) of unconsolidated affiliates for the nine months and quarter were \$1,697,000 and \$2,788,000, respectively (2002: \$(1,815,000) and \$647,000).

Currency exchange gains (losses) for the nine months and quarter were \$1,160,000 and \$1,071,000, respectively (2002: \$26,969,000 and \$1,723,000). The currency exchange gains during fiscal 2002 reflect reversals of currency exchange losses that were recorded during the previous several years with respect to the Company's substantial holdings in non-U.S. dollar denominated cash and investments.

The consolidated statements of operation for the periods ended 30 September 2003 include the operating results of both Siem Thoen Car Carriers, Inc. ("STCC") and DSND Inc. (OSE Symbol: DSND) for the full periods and of Caribbean Shipping Inc. ("CSI") since mid-August 2003. STCC, an 88.1%-owned subsidiary, commenced operations in late-July 2002 and DSND Inc., a 72.2%-owned subsidiary was consolidated in December 2002 following the increase in ownership interest at the end of November 2002. CSI, a wholly-owned subsidiary, commenced operations in August 2003 after purchasing two reefer vessels for approximately \$39,800,000 which it financed with \$29,800,000 of bank loans. STAR Reefers Inc. (OSE Symbol: SRI), a 73.4%-owned subsidiary, holds an option that expires at the end of 2003 to purchase the shares of CSI. Additional information concerning the operations of STAR Reefers and DSND may be obtained from their websites at "www.star-reefers.com" and "www.dsnd.com", respectively.

SIEM INDUSTRIES INC. currently holds interests in four industrial areas including the oil and gas services industry, the ocean transport of refrigerated cargoes, the ocean transport of automobiles and industrial investments. Further, the Company invests in high yield securities, through its acquisition and reorganization fund, that are issued by companies in those industries in which the Company has experience.



**SUMMARY FINANCIAL DATA (UNAUDITED)**  
**QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2003**  
(in thousands, except per share amounts)

CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Quarter Ended September 30,</u>		<u>9 Mos. Ended September 30,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Operating revenues	\$ 55,564	\$ 39,123	\$ 167,256	\$ 128,444
Interest income	1,917	4,705	5,132	12,704
Gains (losses) on investments	2,762	1,369	3,451	3,314
Equity in income (losses) of unconsolidated affiliates	2,788	647	1,697	(1,815)
Other revenues	(84)	45	1,267	1,047
	<u>62,947</u>	<u>45,889</u>	<u>178,803</u>	<u>143,694</u>
Operating costs	(50,089)	(29,863)	(136,447)	(94,972)
Amortization and depreciation	(4,027)	(3,474)	(11,779)	(9,467)
Interest expense	(3,536)	(3,253)	(10,127)	(8,706)
General and administrative expenses	(2,208)	(2,215)	(7,180)	(6,881)
Currency exchange gains (losses)	1,071	1,723	1,160	26,969
Other expenses	(335)	(155)	(911)	(237)
Minority interest expense	97	(562)	(897)	(3,752)
Income (loss) before income taxes	3,920	8,090	12,622	46,648
Income tax expense (benefit)	939	16	1,883	105
Net income (loss)	<u>\$ 2,981</u>	<u>\$ 8,074</u>	<u>\$ 10,739</u>	<u>\$ 46,543</u>
Net income per common share, basic and diluted	<u>\$ 0.18</u>	<u>\$ 0.48</u>	<u>\$ 0.64</u>	<u>\$ 2.74</u>
Wtd. average no. of shares outstanding	<u>16,797</u>	<u>16,997</u>	<u>16,797</u>	<u>16,997</u>

CONSOLIDATED BALANCE SHEETS

	September 30, <u>2003</u>	December 31, <u>2002</u>
Cash and cash equivalents, including restricted cash	\$ 42,620	\$ 54,192
Net trading securities and short-term notes receivable	15,294	21,246
Other current assets	65,318	49,555
Senior secured notes, notes receivable and other investments	28,699	26,918
Marketable equity securities	28,474	33,030
Investments in and advances to unconsolidated affiliates	175,970	173,403
Property and equipment, net	320,338	298,803
Goodwill	38,582	38,397
Other assets	1,964	2,129
Total Assets	<u>\$ 717,259</u>	<u>\$ 697,673</u>
Accounts and other payables	\$ 46,625	\$ 38,721
Current maturities and short-term notes	45,306	30,908
Other current liabilities	5,506	14,829
Long-term debt	265,121	269,622
Other	5,009	8,852
Minority interests	45,794	44,907
Shareholders' equity:		
Common stock	4,199	4,199
Paid-in capital	12,578	12,578
Retained earnings	258,167	247,428
	<u>274,944</u>	<u>264,205</u>
Accumulated other comprehensive income	28,954	25,629
Total Shareholders' Equity	<u>303,898</u>	<u>289,834</u>
Total Liabilities and Shareholders' Equity	<u>\$ 717,259</u>	<u>\$ 697,673</u>