



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. **REPORTS RESULTS FOR SIX MONTHS**

GEORGE TOWN, GRAND CAYMAN, 29 September 2003 – SIEM INDUSTRIES INC. reports the results for the six months and quarter ended 30 June 2003.

Net income for the six months ended 30 June 2003 was \$7,757,000, or \$0.46 per share (2002: \$38,292,000, or \$2.25 per share). Net income for the second quarter ended 30 June 2003 was \$12,118,000, or \$0.72 per share (2002: \$27,242,000 or \$1.60 per share).

Gains for the six months and quarter ended 30 June 2003 were \$689,000 and \$506,000, respectively (2002: \$1,946,000 and \$836,000). Equity in the income (losses) of unconsolidated affiliates for the six months and quarter were \$(1,092,000) and \$11,817,000, respectively (2002: \$(2,519,000) and \$(1,033,000)).

Currency exchange gains (losses) for the six months and quarter were \$89,000 and \$1,459,000, respectively (2002: \$25,246,000 and \$21,729,000). 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 six months ended 30 June 2003 include the results for Siem Thoen Car Carriers and DSND Inc. (OSE Symbol: DSND). Siem Thoen Car Carriers commenced operations in late-July 2002 and DSND Inc. (OSE Symbol: DSND) was consolidated in December 2002 following the increase in ownership interest at the end of November 2002.

In August 2003, the Company purchased two reefers (refrigerated vessels) for approximately \$39,800,000 using \$29,800,000 of bank financing. STAR Reefers Inc. (OSE Symbol: SRI) holds an option to purchase the shares of the company owning these two vessels that expires at the end of 2003.

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 SIX MONTHS ENDED 30 JUNE 2003
(in thousands, except per share amounts)

CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Quarter Ended June 30,</u>		<u>Six Mos. Ended June 30,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Vessel operating revenues	\$ 47,380	\$ 32,338	\$ 113,813	\$ 67,451
Interest income	1,840	4,202	3,464	7,999
Gains (losses) on investments	506	836	689	1,946
Equity in income (losses) of unconsolidated affiliates	11,817	(1,033)	(1,092)	(2,519)
Other revenues	828	505	1,547	880
	<u>62,371</u>	<u>36,848</u>	<u>118,421</u>	<u>75,757</u>
Vessel operating costs	(38,623)	(21,625)	(89,243)	(43,239)
Amortization and depreciation	(4,516)	(2,870)	(9,242)	(5,994)
Interest expense	(3,554)	(2,615)	(7,182)	(5,453)
General and administrative expenses	(1,761)	(3,007)	(2,968)	(4,665)
Currency exchange gains (losses)	1,459	21,729	89	25,246
Minority interest expense	(3,083)	(1,127)	(994)	(3,189)
Other expenses	(89)	(21)	(180)	(82)
Income (loss) before income taxes	12,204	27,312	8,701	38,381
Income tax expense (benefit)	86	70	944	89
Net income (loss)	<u>\$ 12,118</u>	<u>\$ 27,242</u>	<u>\$ 7,757</u>	<u>\$ 38,292</u>
Net income per common share, basic and diluted	<u>\$ 0.72</u>	<u>\$ 1.60</u>	<u>\$ 0.46</u>	<u>\$ 2.25</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

	<u>June 30,</u>	<u>December 31,</u>
	<u>2003</u>	<u>2002</u>
Cash and cash equivalents, including restricted cash	\$ 50,435	\$ 54,192
Net trading securities and short-term notes receivable	15,556	21,246
Other current assets	64,190	49,555
Senior secured notes, notes receivable and other investments	32,592	26,918
Marketable equity securities	31,279	33,030
Investments in and advances to unconsolidated affiliates	173,348	173,403
Property and equipment, net	271,348	298,803
Goodwill	38,647	38,397
Other assets	1,793	2,129
Total Assets	<u>\$ 679,188</u>	<u>\$ 697,673</u>
Accounts and other payables	\$ 42,492	\$ 38,721
Current maturities and short-term notes	19,165	30,908
Other current liabilities	6,191	14,829
Long-term debt	248,388	269,622
Other	6,934	8,852
Minority interests	45,953	44,907
Shareholders' equity:		
Common stock	4,199	4,199
Paid-in capital	12,578	12,578
Retained earnings	255,186	247,428
	<u>271,963</u>	<u>264,205</u>
Accumulated other comprehensive income	38,102	25,629
Total Shareholders' Equity	<u>310,065</u>	<u>289,834</u>
Total Liabilities and Shareholders' Equity	<u>\$ 679,188</u>	<u>\$ 697,673</u>