



Goldenport Holdings Inc

*1<sup>st</sup> Quarter 2014 – Results Presentation*

May 2014



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- Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements reflect the current views of Goldenport Holdings Inc. ("the Company") with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.
- The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.
- Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in the Company's operating expenses, including bunker prices, dry-docking and insurance costs, or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists. The Company does not assume, and expressly disclaims, any obligation to update these forward-looking statements.
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## Presented By:



**John Dragnis**  
Chief Executive Officer

- Has been with the Company since 2001 and was appointed CEO in April 2012
- Focus on business development and fleet expansion/renewal opportunities
- Maintains existing and establishes new relationships with charterers and shipyards
- In the five years prior to the IPO he was also involved in setting up and managing a super-yachts management and chartering business
- Holds a BSc in Business Administration and an MSc in Shipping Trade and Finance from CASS Business School, London



**Alexis Stephanou**  
Chief Financial Officer

- Joined as Chief Investment Officer and Head of Investor Relations in August 2013 and was appointed CFO in February 2014
- He was a Managing Director in the investment banking department of UBS AG based in London, where he led the origination, structuring and execution of a number of capital market and M&A transactions across a wide swath of industries with a particular focus on financial institutions and shipping
- Holds a BSc in Monetary and Financial Economics from the University of Geneva, Switzerland and an MSc in Banking and Finance from HEC Lausanne, Switzerland



# Q1 2014 Financial Highlights

- Revenue of US\$ 12.4 mio, -16.2% decrease (2013: US\$ 14.8 mio)
- EBITDA of US\$ 4.4 mio, -15.8% decrease (2013: US\$ 5.3 mio)
- Net Loss of US\$ 1.8 mio (2013: US\$ 2.4 mio)
- Loss per Share of US\$ 0.02 (2012: US\$ 0.03)
- Total cash at 31 March 2014 of US\$ 15.9 mio (31 December 2013: US\$ 16.9 mio)
- Net debt to book capitalisation as of 31 March 2014, 48% (31 December 2013: 47%)
- No impairment loss during the period ended 31 March 2014
- In full compliance with all financial covenants

*Starting from 1 January 2014 our 50% interest in Sentinel JV (vessels Ermis and Alpine Trader) is accounted for under the equity method therefore excluded by the individual lines of revenues, expenses, vessels, loans and cash in the Statements of Comprehensive Income and Financial Position*

## **Subsequent Events:**

- On 28 March 2014, we agreed the sale of the 4,953 TEU, 1995-built vessel “MSC Socotra”, to an unaffiliated third party at a net cash consideration of U.S. \$11,150 and the vessel was delivered to the new owners on 30 April 2014. On the delivery date, M/V MSC Socotra had a net carrying value U.S. \$8,073 and the gain resulting from the sale of the vessel was U.S. \$3,077.
- On 30 April 2014, we agreed with the financing bank to provide them with a first preferred mortgage on vessel Paris Jr, which replaced the mortgage on MSC Socotra thus allowing the Company to retain the total of the net cash consideration.



# Market Outlook And Strategy Update

## Market outlook

- In our view, the dry-bulk sector is going to recover before the containership sector and offers a more attractive risk-return profile:
  - Dry-bulk recovery is under way
    - started from the largest vessels and fed through to the medium-sized ones that are more versatile and have been solid performers with reduced earnings volatility
  - Container sector suffers from structural issues
    - cascading effect on medium-sized vessels due to the construction of very large containerships
    - overhang on asset values and rates as a result of the German banks effectively becoming the largest owner of containerships

## Strategy update

- Fleet mix
  - We are planning to further increase our exposure to small- and medium-sized dry-bulk carriers and reduce our exposure to older containerships
- Fleet employment
  - In anticipation of a recovery, we are currently employing our fleet under 3-6 month time charter agreements
  - There is increased appetite from charterers for 6-12 month time charters and we may choose to selectively take advantage of this at profitable levels



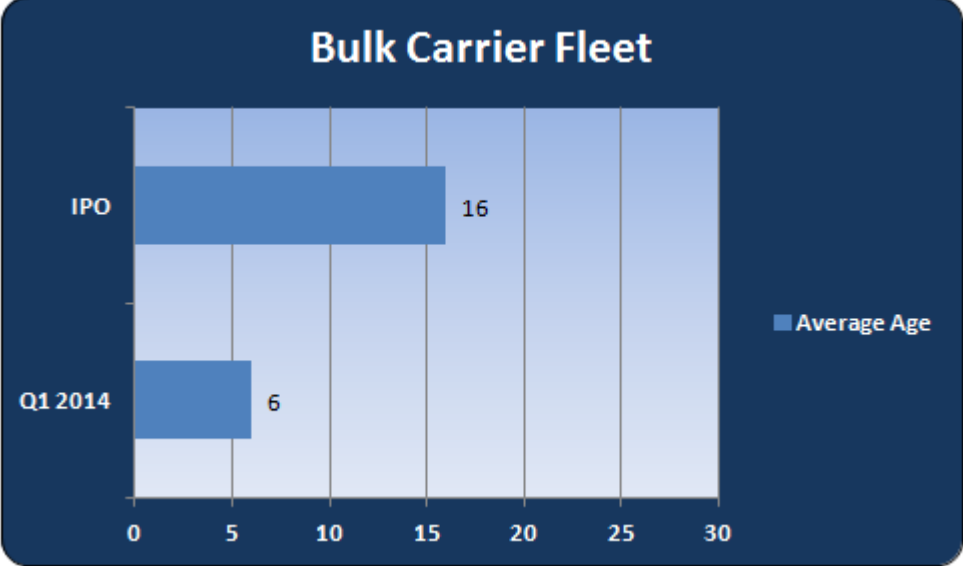
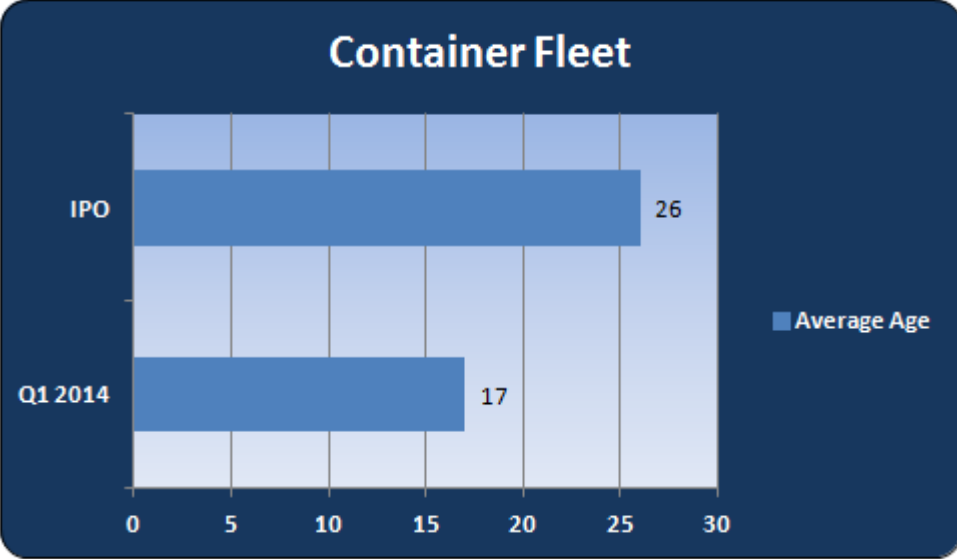
# Fleet Renewal Since IPO

Containers IPO fleet - 2006:  
 ■ 8 vessels with 10,880 TEU capacity

Bulk Carriers IPO fleet - 2006:  
 ■ 9 vessels with 605,625 DWT capacity

Current Container fleet:  
 ■ 7 Vessels with 15,684 TEU capacity

Current Bulk Carriers fleet:  
 ■ 9 Vessels with 535,770 DWT capacity (including the 2 JV vessels)



**Future revenue capacity stronger due to younger tonnage**



# Fleet Employment Profile

Containers		Type	Capacity (TEU)	Built	Yard Name	Yard Country	LDT	Rate (US\$) per day	Earliest Expiration	
Containers	1	MSC Fortunate	Post Panamax	5,551	1996	HYUNDAI HEAVY INDUSTRIES	KOR	22,872	12,500	Sep-14
	2	Erato	Sub Panamax	2,500	2011	YANGZIJIANG SHIPBUILDING Co LTD	PRC	12,134	8,150	Mar-15
	3	Paris Jr	Handy	1,129	1996	GDYNIA	POL	6,675	6,350	Nov-14
	4	Gitte	Handy	976	1992	ORSKOV FREDERIKSHAVN	DEN	4,528	6,400	Feb-15
	5	Brilliant	Handy	976	1992	ORSKOV FREDERIKSHAVN	DEN	4,575	6,400	Nov-14
	6	Thira	Sub Panamax	2,100	1997	DAEWOO HEAVY INDUSTRIES LTD	KOREA	9,697	7,025	Jan-15
	7	Thasos	Sub Panamax	2,452	1998	THYSSEN SHIPYARD	GER	9,996	7,285	Jan-15
Dry-bulk		Type	Capacity (DWT)	Built	Yard Name	Yard Country	LDT	Rate (US\$) per day	Earliest Expiration	
Bulk Carriers	1	D Skalkeas	Post Panamax	93,000	2011	YANGZIJIANG SHIPBUILDING Co LTD	PRC	15,426	11,250	Jun-14
	2	Eleni D	Supramax	59,000	2010	SPP SACHEON SHIPYARD	KOR	11,491	10,500	Jun-14
	3	Milos	Supramax	57,000	2010	COSCO (Zhouan) SHIPYARD Co LTD	PRC	10,640	12,500	May-14
	4	Sifnos	Supramax	57,000	2010	COSCO (Zhouan) SHIPYARD Co LTD	PRC	10,631	12,000	May-14
	5	Pisti	Supramax	57,000	2011	COSCO (Zhouan) SHIPYARD Co LTD	PRC	10,784	14,000	Jul-14
	6	Sofia	Supramax	57,000	2011	COSCO (Zhouan) SHIPYARD Co LTD	PRC	10,784	11,500	May-14
	7	Ermis <sup>(1)</sup>	Supramax	53,800	2009	JLANGSU EASTERN SHIPYARD	PRC	10,041	11,750	Aug-14
	8	Alpine Trader <sup>(1)</sup>	Supramax	53,800	2009	JLANGSU EASTERN SHIPYARD	PRC	10,041	14,000	May-14
	9	Golden-Trader	Handymax	48,170	1994	BRODOSPLIT SHIPYARD	CRO	10,283	5,200	May-14

(1): 50% owned vessels - Accounted for under the Equity Method

Short term chartering policy, in anticipation of market recovery



# High Quality Customers

## Dry-bulk

- Premier mining and agricultural companies, and major commodity traders



**NORDEN**



**GLENCORE**  
INTERNATIONAL AG



**High quality charterers minimize risk of default**  
**50/50 JV with Glencore in two 2009 built Supramaxes**

Note: Customers shown are customers with whom vessels have been contracted in the last 5 years. Not all of the customers are charterers of the Company's vessels at present.





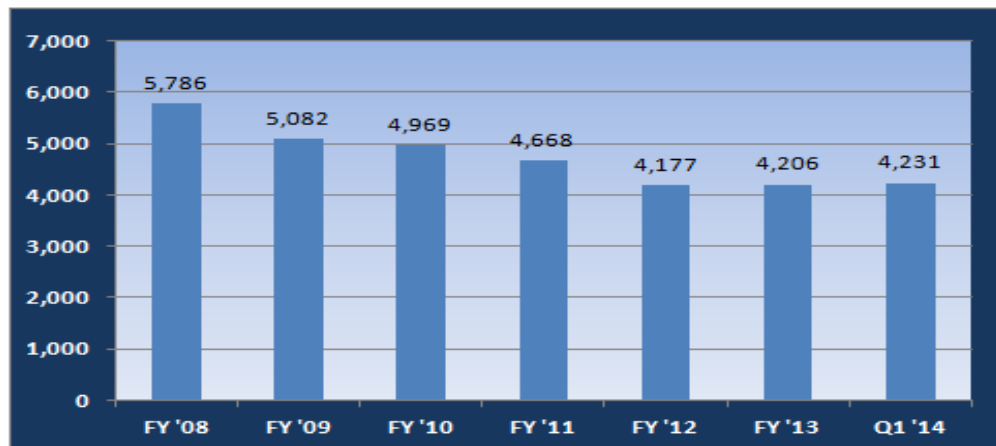
# Value Adding Commercial And Technical Management

## Time Charter Equivalent



Supramax FFA for the remainder of 2014 currently trading at US\$ 12,875 per day compared to a BSI average TC rate of US\$ 10,024 for Q1 2014 and US\$ 10,328 for 2013

## Daily Opex



Vessel daily operating expenses have been low and on a declining trend, consistent with the Company's tight cost control and the fleet renewal with the sale of several fully depreciated vessels, partially replaced with younger tonnage

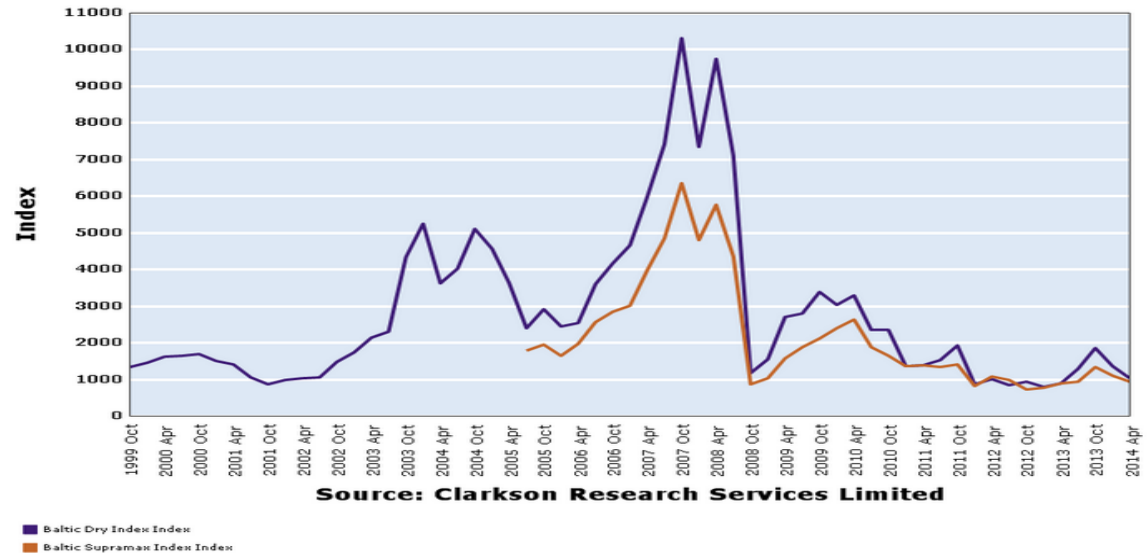
The Company's ship manager, Goldenport Shipmanagement Ltd. continues to provide quality commercial and technical management services at a very efficient and competitive cost level



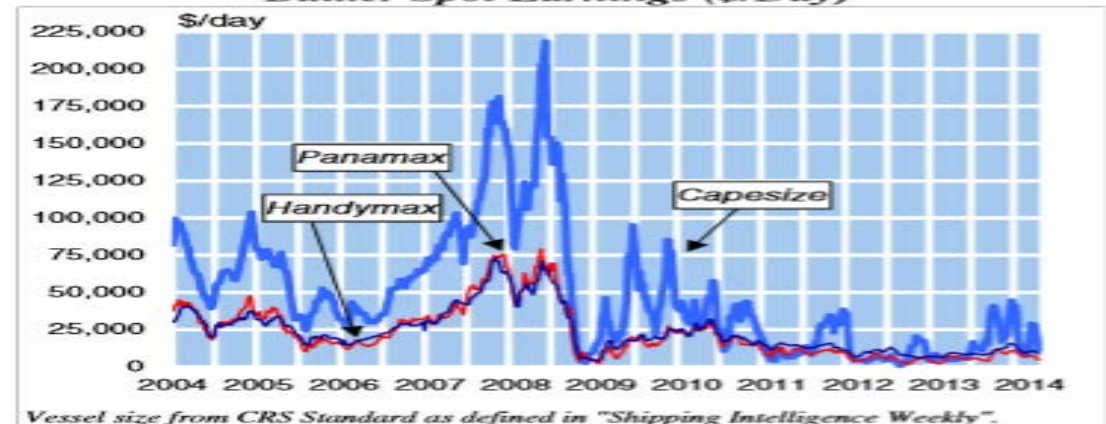
# Dry Bulk Market Review

- As of March 2014, the worldwide dry bulk carrier fleet of vessels in excess of 10,000 DWT comprised 10,053 vessels representing approximately 733.6 million DWT.
- Newbuilding tonnage on order as at 31 March 2014 was approximately 1,924 vessels of about 157.8 million DWT which constitutes approximately 22% of the world's existing fleet by DWT.
- During Q1 2014 3.5 million DWT of dry cargo vessels were scrapped compared to newbuilding deliveries of 16.3 million DWT.
- The average age of the dry bulk carrier fleet as at 31 March 2014 was approximately 9.1 years (by DWT).
- The dry bulk market has already shown the first signs of recovery since the beginning of the last quarter of 2013. This cyclical market recovery is expected to continue and strengthen over the next couple of years.
- The sector fundamentals confirm this optimistic view with expected demand growth in 2014 of 7% compared with anticipated net fleet growth of around 5%.

**Baltic Dry & Supramax Indices**



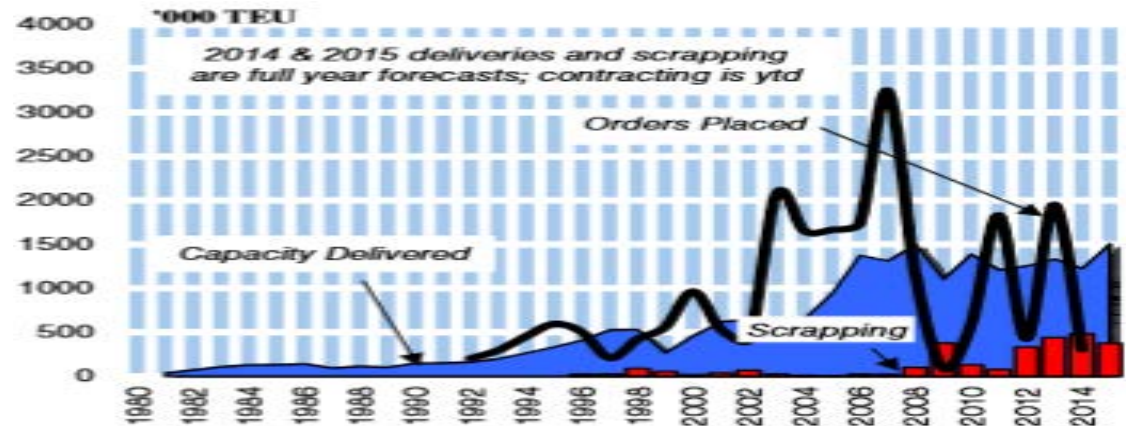
**Bulker Spot Earnings (\$/Day)**



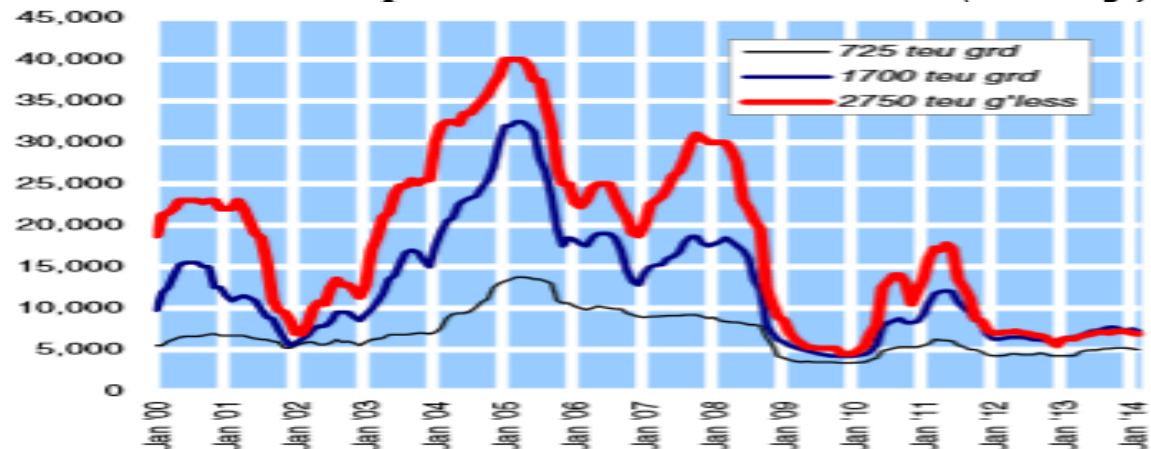
# Container Market Review

- Control of the world fleet of container vessels is divided between the liner companies (dominating the over 6,000 TEU sector) and independent owners (owning the majority of vessels below 6,000 TEU)
- Aggressive scrapping of containers (even below 20-years old) is expected to continue in 2014 and 2015 with 1 million TEU expected to be withdrawn from the market.
- In April 2014, the orderbook stands at 3.69 million TEU / 474 vessels (around 21.6% of the existing fleet in TEU terms) for delivery within the next 1-2 years.
- 81% of the orderbook in terms of TEU represents vessels in excess of 8,000 TEU.
- The average age of the container fleet, as at 31 March 2014, was around 11 years.
- With the estimated growth in demand in 2014 of 5.8% expected to exceed the estimated expansion of the container fleet (4.0%) (after allowing for scrapping) for the first time since 2007, the outlook for freight rates in this sector for the forthcoming year is positive

## Containership Supply



## Containership Timecharter Rates (\$/Day)



# Positioning For Market Recovery And Growth

**Successful track record**



- Group established for over 30 years
- Listed on the London Stock Exchange since April 2006
- High fleet utilisation levels combined with low operating costs

**Rebalancing exposure in favour of the dry bulk carrier segment**



- Ability to rebalance fleet depending on outlook for each segment
- Completed fleet renewal in the dry bulk carrier segment; ongoing disposal of older and less efficient containerships

**Short-term fixtures with highly reputable charterers to benefit from market recovery**



- 3-6 month time charter agreements until market recovers
- High level of repeat business from blue chip charterers

**Experienced management team with aligned interests via controlling stake**



- Superior awareness of industry dynamics and potential for profitable vessel acquisitions / disposals
- Longstanding relationships with charterers and shipyards

**Resilient balance sheet**



- Proactive amendment of loan agreements in early 2013
- Net debt / book capitalisation: 48% as of end March 2014

**Access to financing**



- Availability of debt to pursue potential growth opportunities
- Longstanding banking relationships

# Appendices



# Key Operational And Financial Highlights

<b><u>INCOME STATEMENT DATA (in US\$ thousand except share data):</u></b>	<b>3 months ended</b>	
	<b>31 March 2014</b>	<b>31 March 2013</b>
Revenue	12,420	14,826
EBITDA	4,429	5,260
EBIT	-179	-570
Net Loss	-1,845	-2,425
Loss per share (basic and diluted)	-0.02	-0.03
Weighted average number of shares	93,429,473	93,191,758
<b><u>FLEET DATA:</u></b>		
Average number of vessels	15	18
Number of vessels at end of period	15	18
- Operating	13	17
-At dry-dock	1	1
- Held for sale	1	-
Vessels commenced or completed dry-docking in the period	2	1
Ownership days	1,350	1,620
Available days	1,266	1,589
Operating days	1,169	1,519
Fleet utilisation	92%	96%
<b><u>AVERAGE DAILY RESULTS (in US\$):</u></b>		
Time Charter Equivalent (TCE) rate	9,197	8,664
Average daily vessel operating expenses	4,231	4,310



## Change in Accounting Policy – Sentinel Holdings Inc. JV

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures – Replacing IAS31

Until 31 December 2013 (IAS31): Group's share of the assets, liabilities, revenue, income and expenses was proportionately consolidated in the consolidated financial statements

From 1 January 2014 (IFRS11): Our interest in Sentinel Holdings Inc. is required to be accounted for using the equity method according to IAS 28 (Revised)

The transition was applied retrospectively as required by IFRS 11 and consequently, the comparative information for the immediately preceding periods; the financial statements for the years ended 31 December 2013 and 2012 have been restated.

Intermediate holding company	Vessel-owning company	Country of Incorporation of vessel-owning company	Name of Vessel owned by Subsidiary	Year of acquisition of vessel	Type of Vessel
Sentinel Holdings Inc.	Ermis Trading S.A. (previously Citrus Shipping Corp.)	Marshall Islands	Ermis (ex.Marie-Paule)	2009	Bulk Carrier
Sentinel Holdings Inc.	Barcita Shipping S.A.	Marshall Islands	Alpine Trader	2009	Bulk Carrier



## Change in Accounting Policy – Sentinel Holdings Inc. JV

The effect of applying IFRS 11 is as follows:

<b>Impact on the statement of comprehensive income</b>	<b>3-months ended 31 March 2013</b>	<b>Impact on the statement of financial position</b>	<b>As at 31 December 2013 U.S.\$'000</b>
Decrease in the reported revenue	<u>(642)</u>	Increase in interest in joint venture (current)	<u>1,831</u>
Decrease in expenses:		Decrease in vessels (non-current)	(26,466)
Voyage expenses	56	Decrease in current assets	(1,860)
Vessel operating expenses	384	Decrease in non-current long-term debt (non-current)	15,737
Management fees – related party	64	Decrease in long-term debt (current)	1,412
Depreciation	299	Decrease in other liabilities (current)	878
General and administrative expenses	<u>1</u>	Decrease in other liabilities (non-current)	<u>8,468</u>
<b>Decrease in operating loss</b>	<b><u>162</u></b>	<b>Net impact on equity</b>	<b><u>-</u></b>
Decrease in finance expense	102		
Decrease in foreign currency loss, net	<u>2</u>		
<b>Total decrease in loss for the period</b>	<b><u>266</u></b>		
<b>Increase in share of loss of a joint venture</b>	<b><u>(266)</u></b>		
<b>Net impact on total comprehensive loss for the period</b>	<b><u>-</u></b>		





# Goldenport Holdings Inc.

