

Pacific Basin Dry Bulk Performance

Our Pacific Basin Dry Bulk business generated a net loss of US\$15.4 million (2014: net loss US\$11.4 million) in what was among the weakest ever half-year periods on record for dry bulk market rates.

Our positive EBITDA of US\$39.3 million in this challenging market was again driven by our ability to generate daily earnings that outperformed the market and our continued good control of our owned vessel operating costs.

DRY BULK OPERATING PERFORMANCE

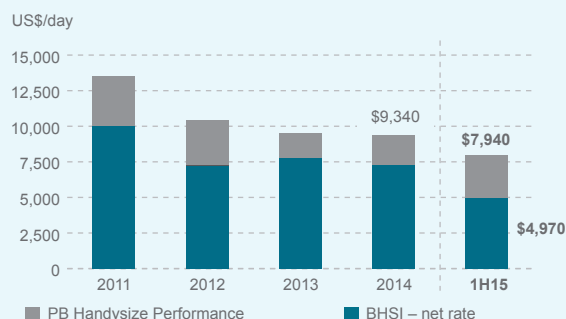
US\$ Million	Six months ended 30 June		Change
	2015	2014	
Handysize Contribution	(0.6)	26.2	-102%
Handymax Contribution	10.4	(10.7)	+197%
Post-Panamax Contribution	2.7	2.7	–
Dry Bulk operating performance before overheads	12.5	18.2	-31%
Direct overheads	(24.6)	(24.7)	+0%
Indirect overheads	(3.3)	(4.9)	+33%
Dry Bulk net loss	(15.4)	(11.4)	-35%
Dry Bulk EBITDA	39.3	49.5	-21%
Dry Bulk vessel net book value	1,535.0	1,545.0	-1%

KEY PERFORMANCE INDICATORS KPI

Performance vs Market

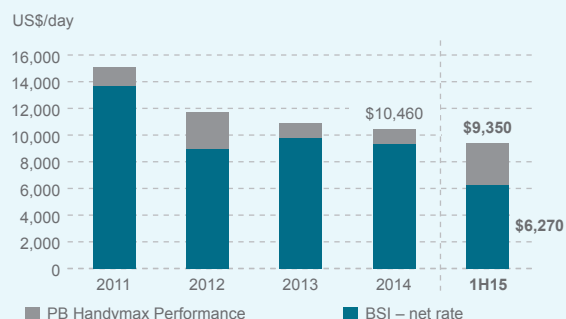
Handysize

60% 1H2015
outperformance compared to market



Handymax

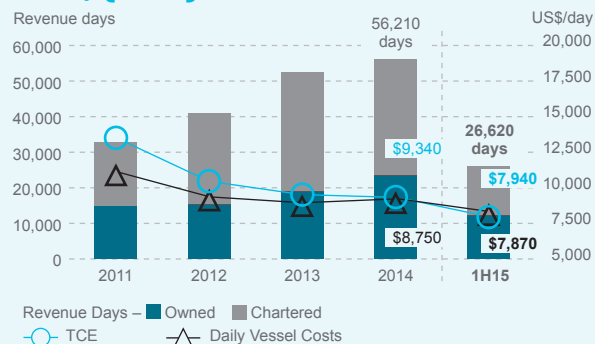
49% 1H2015
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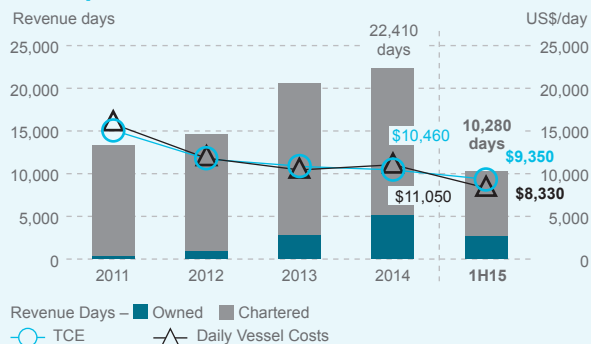
- Our 60% and 49% outperformance in first half 2015 compared to spot market indices reflects the value of our fleet scale and cargo book, and our ability to optimise cargo combinations and match the right ships with the right cargoes

Profitability

Handysize US\$(0.6)m



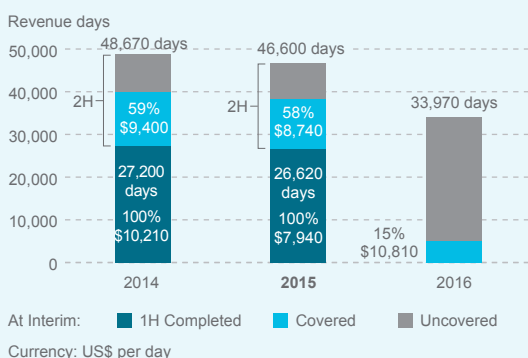
Handymax US\$10.4m



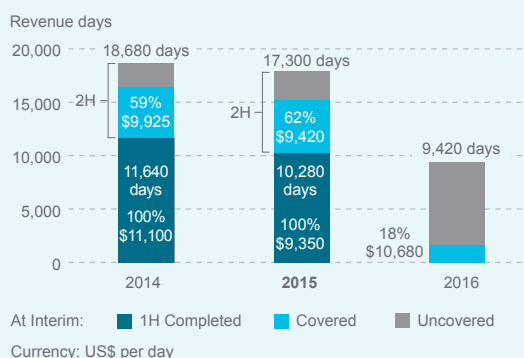
- We generated Handysize daily earnings of US\$7,940 with daily costs of US\$7,870 on 26,620 revenue days
- We achieved a significant turnaround in our Handymax performance by focusing on key routes to generate a positive US\$10.4 million Handymax contribution in the first half of 2015 (despite the much weaker market) from a US\$10.7 million loss in the first half of 2014
- Our Handysize results were under pressure in the weak market resulting in a small negative Handysize contribution despite our strong premium
- We operated an average of 149 Handysize and 57 Handymax ships resulting in 2% and 12% year-on-year reductions in our Handysize and Handymax revenue days
- Our capacity has reduced as we are redelivering expiring medium and long-term chartered vessels to gradually lower our charter-in costs, relying instead on our growing fleet of owned ships and low-cost shorter-term and index-linked charters

Future Earnings and Cargo Cover

Handysize



Handymax



- We have covered 58% and 62% of our 19,980 Handysize and 7,020 Handymax revenue days currently contracted for the second half of 2015 at US\$8,740 and US\$9,420 per day respectively (cargo cover excludes revenue days related to inward-chartered vessels on variable, index-linked rates)
- While ship operators such as ourselves typically face significant exposure to the spot market, our contract cover provides a degree of earnings visibility