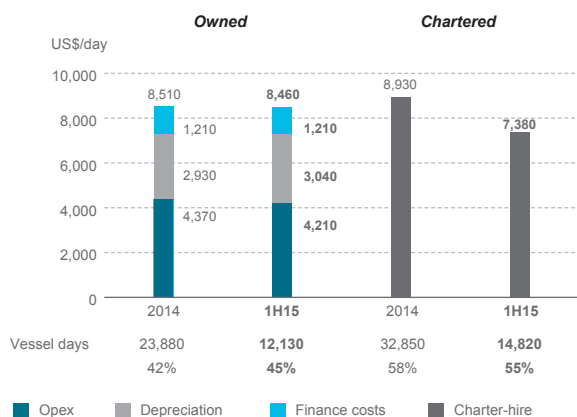


## Analysis of Daily Vessel Costs

The cost of owning and operating dry bulk ships is the major component of our Group's total costs, and our ability to maintain good control of these "daily vessel costs" has a significant bearing on our operating margins and our financial performance overall. We provide below a short analysis of our daily vessel costs for a better understanding of their components and development.

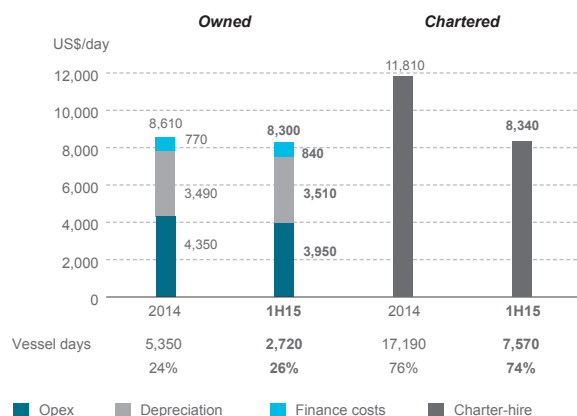
### Handysize Daily Vessel Costs

Blended US\$7,870 (FY2014: US\$8,750)  
(excluding direct overheads)



### Handymax Daily Vessel Costs

Blended US\$8,330 (FY2014: US\$11,050)  
(excluding direct overheads)



**Opex** – The daily opex element of our vessel costs decreased 4% for Handysize and 9% for Handymax mainly due to the quality and increased number of our owned ships leading to reduced repair and maintenance costs and increased procurement efficiencies.

**Depreciation** – Daily depreciation (including capitalisation of dry-docking costs) increased due to the delivery of our newer, larger vessels.

**Finance costs** – Handysize daily finance costs were substantially unchanged compared to 2014. Handymax daily finance costs increased due to the allocation of higher finance costs to this vessel type.

**Charter-hire** – Chartered-in days represented 55% and 74% of our total Handysize and Handymax vessel days respectively. Our Handysize chartered-in days decreased 7% to 14,820 days (2014: 16,010 days) while our Handymax chartered-in days decreased 17% to 7,570 days (2014: 9,170 days). We reduced our use of chartered vessels with the delivery of our vessel purchases.

**Daily cash cost** – Our average owned and chartered daily cash cost excluding direct overheads was US\$6,730 (2014: US\$7,890) for our Handysize fleet and US\$7,880 (2014: US\$11,140) for our Handymax fleet. With the delivery of our committed newbuildings, the number of Handysize and Handymax owned vessels days in 2015 are expected to increase to 24,970 and 5,650 respectively.

**Direct overheads** – Our chartering, operations and technical staff overheads and office costs related to our dry bulk ships amounted to US\$24.6 million (2014: US\$24.7 million). Spread across our vessel days, the aggregate overhead translated into a 6% increase in daily cost to US\$660 per day (1H 2014: US\$620 per day). The increased daily cost was due to the higher proportion of owned ships and the subsequent increase in in-house technical staff costs.

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Vessel Operating Lease Commitments

Analysis of our long-term, short-term and index-linked inward charter commitments



During the period, we secured 4,470 Handysize vessel days (2014: 6,090 days) and 750 Handymax vessel days (2014: 1,350 days) via variable-rate, inward charters with rates linked to the Baltic Handysize and Supramax indices. These index-linked vessels represented 30% and 10% of our chartered Handysize and Handymax vessel days respectively.

Our fleet of owned and finance-leased dry bulk vessels experienced an average 0.9 days (FY2014: 0.4 days) unplanned technical off-hire per vessel during the period.