Our Performance

Our core dry bulk business generated a much reduced net loss of US$6.3 million (2016: net loss US$60.4 million) in an improved but still challenging dry bulk market

Dry Bulk Operating Performance

US$ Million	Six months ended 30 June 2017	2016	Change
Handysize Contribution	7.8	(30.2)	>+100%
Supramax Contribution	9.1	(6.8)	>+100%
Post-Panamax Contribution	2.7	2.7	–
Dry Bulk operating performance before overheads	19.6	(34.3)	>+100%
Overheads and tax	(25.9)	(26.1)	+1%
Dry Bulk net loss	(6.3)	(60.4)	+90%
Dry Bulk vessel net book value	1,756.6	1,573.9	+12%

+/- Note: In our tabulated figures, positive changes represent an improving result while negative changes represent a worsening result.

Our Dry Bulk Cargo Volumes in 1H 2017

Minerals

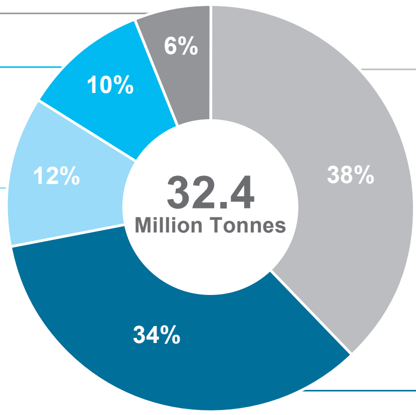
Sand & Gypsum	2%
Salt	2%
Soda Ash	2%

Energy

Coal	5%
Petcoke	4%
Wood Pellets	1%

Metals

Concentrates & Other Metals	7%
Ores	4%
Alumina	1%



Agricultural Products and Related

Grains & Agriculture Products	24%
Fertiliser	10%
Sugar	4%

Construction Materials

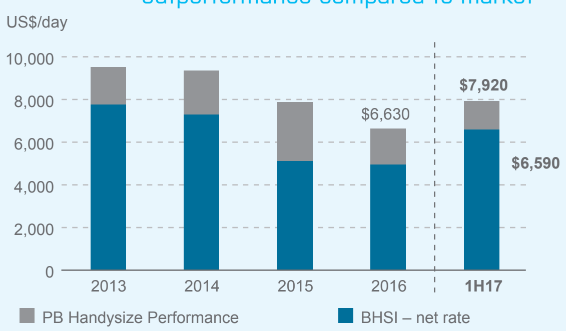
Steel & Scrap	12%
Logs & Forest Products	12%
Cement & Cement Clinkers	10%

Key Performance Indicators

Performance vs Market

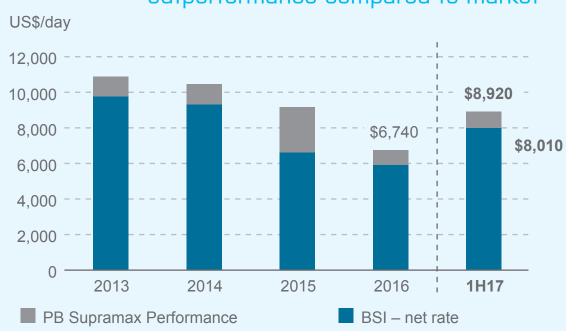
Handysize

20% 1H2017 outperformance compared to market



Supramax

11% 1H2017 outperformance compared to market

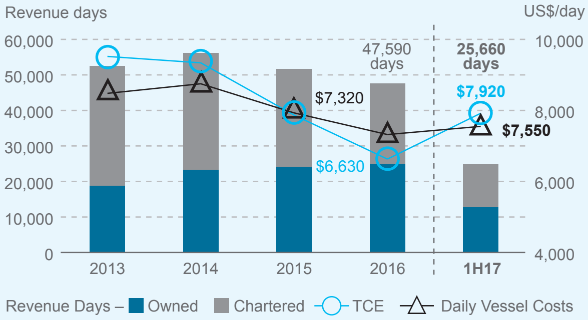


- Our 20% and 11% outperformance in first half 2017 compared to spot market indices reflects the value of our fleet scale and cargo book, and our ability to optimise cargo combinations and match the right ships with the right cargoes.

Profitability

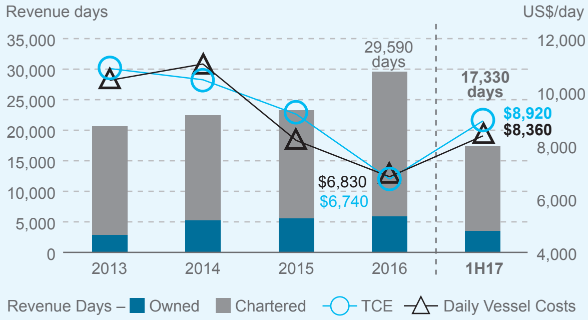
Handysize

US$7.8m contribution



Supramax

US$9.1m contribution



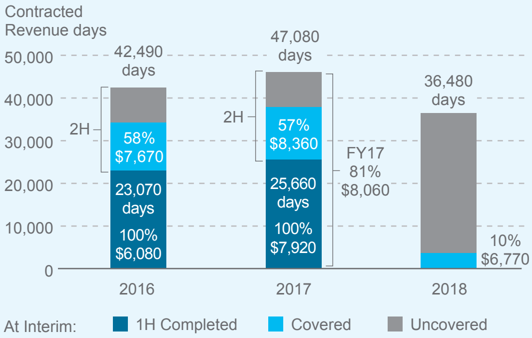
- We generated Handysize daily earnings of US$7,920 with daily costs of US$7,550 on 25,660 revenue days. We generated Supramax daily earnings of US$8,920 with daily costs of US$8,360 on 17,330 revenue days.
- Our Handysize and Supramax contributions returned to positive territory as we leveraged our business model to outperform in the improved but still challenging market.

As part of our business model, we charter in vessels for short periods for combination with cargoes with the aim of making a margin irrespective of whether the market is high or low. In low markets as over the past 18 months, these short-term positions generally lower our reported TCE earnings while in fact making a valuable positive contribution. If we exclude the vessel days attributable to these short-term operated ships and factor their positive margin into the TCE results of our core owned and long-term fleet, then our restated first half 2017 Handysize and Supramax daily earnings would improve to US$8,010 on 21,460 days and US$9,890 on 8,980 days respectively.

- We operated an average of 142 Handysize and 96 Supramax ships resulting in 11% and 22% increases in our Handysize and Supramax revenue days year on year.
- 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 supplemented by low-cost shorter-term and index-linked charters.

Future Earnings and Cargo Cover

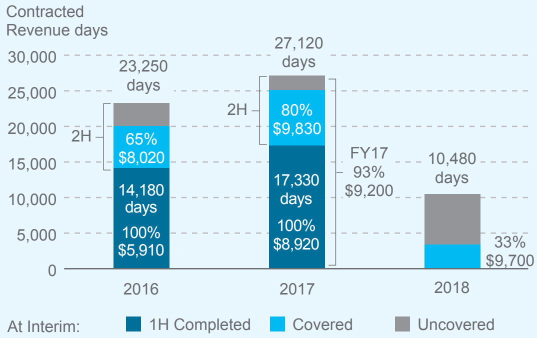
Handysize



Currency: US$ per day

2016 data as announced in Jul 2016

Supramax



Currency: US$ per day

- We have covered 57% and 80% of our 21,420 Handysize and 9,790 Supramax revenue days currently contracted for the second half of 2017 at US$8,360 and US$9,830 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.