

Our Performance

Our business generated a much improved underlying profit of US\$28.0 million (2017: underlying loss US\$6.7 million) in a better half-year for dry bulk shipping.

Operating Performance

US\$ Million	Six months ended 30 June		Change*
	2018	2017	
Handysize Contribution	38.4	7.8	>+100%
Supramax Contribution	15.8	9.1	+74%
Post-Panamax Contribution	2.7	2.7	-
Other Contribution	-	(0.6)	>+100%
Operating performance before overheads	56.9	19.0	>+100%
Overheads and tax	(28.9)	(25.7)	-12%
Underlying profit/(loss)	28.0	(6.7)	>+100%
Vessel net book value	1,815.1	1,756.6	+3%

* In our tabulated figures, positive changes represent an improving result while negative changes represent a worsening result.

Our Dry Bulk Cargo Volumes in 1H 2018

Minerals

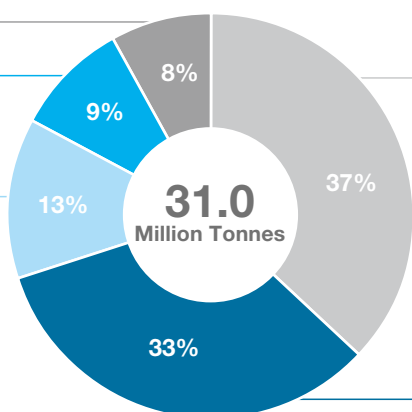
Salt	4%
Sand & Gypsum	3%
Soda Ash	1%

Energy

Petcoke	5%
Coal	3%
Wood Pellets	1%

Metals

Ores	6%
Concentrates	4%
Alumina	2%
Others	1%



Agricultural Products and Related

Grains & Agriculture Products	23%
Fertiliser	10%
Sugar	4%

Construction Materials

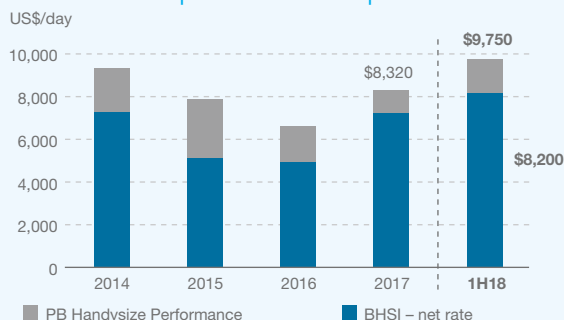
Logs & Forest Products	12%
Cement & Cement Clinkers	11%
Steel & Scrap	10%

Key Performance Indicators

Performance vs Market

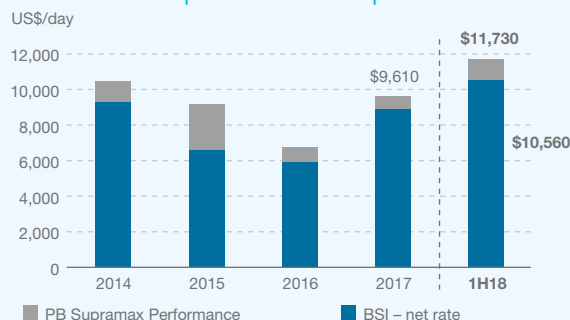
Handysize

19% 1H2018 outperformance compared to market



Supramax

11% 1H2018 outperformance compared to market

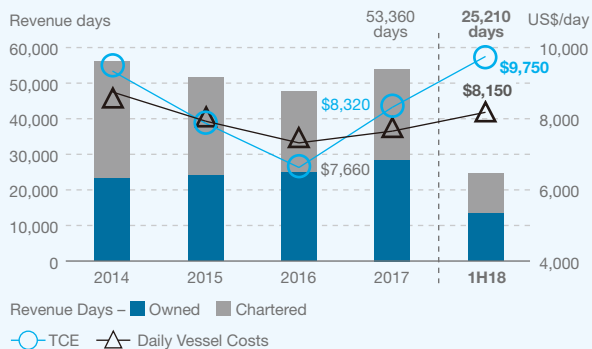


Our outperformance in first half 2018 compared to spot market indices reflects the value of our fleet scale and cargo book, and our ability to optimise cargo combinations and match the right ships with the right cargoes to maximise our utilisation and vessel earnings.

Profitability

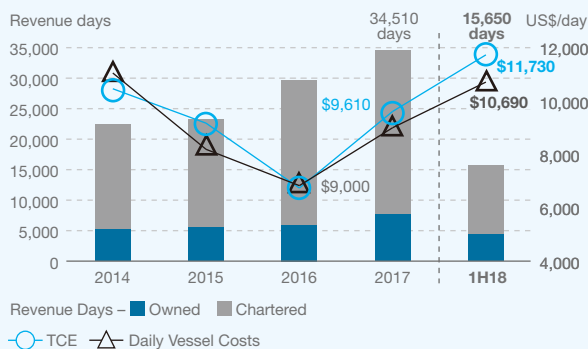
Handysize

US\$38.4m contribution



Supramax

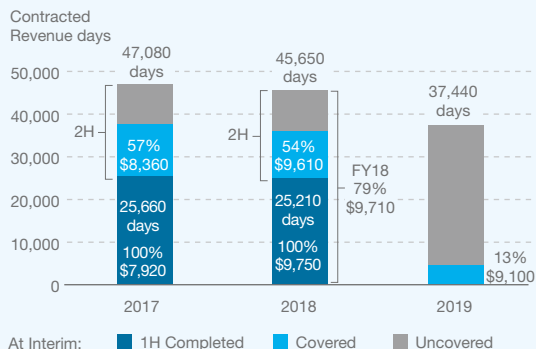
US\$15.8m contribution



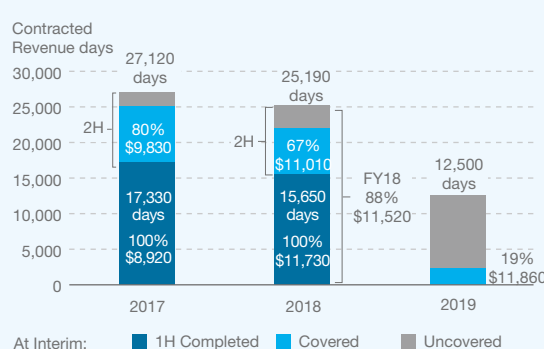
- We generated Handysize daily earnings of US\$9,750 with daily costs of US\$8,150 on 25,210 revenue days. We generated Supramax daily earnings of US\$11,730 with daily costs of US\$10,690 on 15,650 revenue days.
- Both our Handysize and Supramax contributions increased significantly year on year. This improvement is due to better markets, continued outperformance and strong cost control leading to increasing profits from our larger owned fleet, as freight rates are now above our competitive owned vessel break-even levels.
- We operated an average of 139 Handysize and 86 Supramax ships resulting in 2% and 10% reductions in our Handysize and Supramax revenue days. This reflects an increase in our owned fleet, offset primarily by reduced short-term chartered-in Supramax ships, mainly due to lower Chinese steel export volumes.

Future Earnings and Cargo Cover

Handysize



Supramax



Currency: US\$ per day
2017 data as announced in July 2017

- We have covered 54% and 67% of our 20,440 Handysize and 9,540 Supramax revenue days currently contracted for the second half of 2018 at US\$9,610 and US\$11,010 per day net 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.