FONASBA ANNUAL MEETING

The containership market

Centro de Navegación (Argentina)

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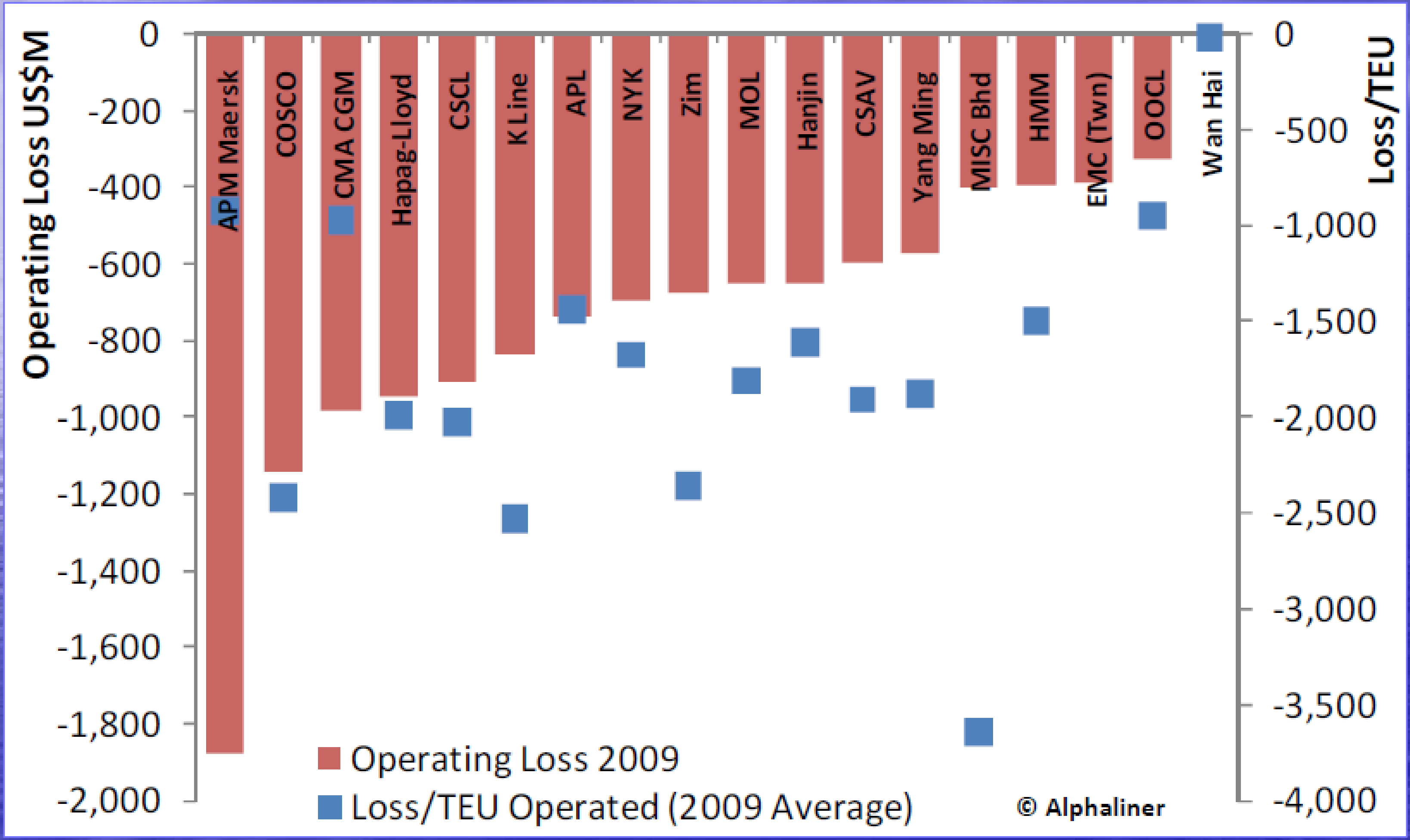
Varna, October 2010

Foreword

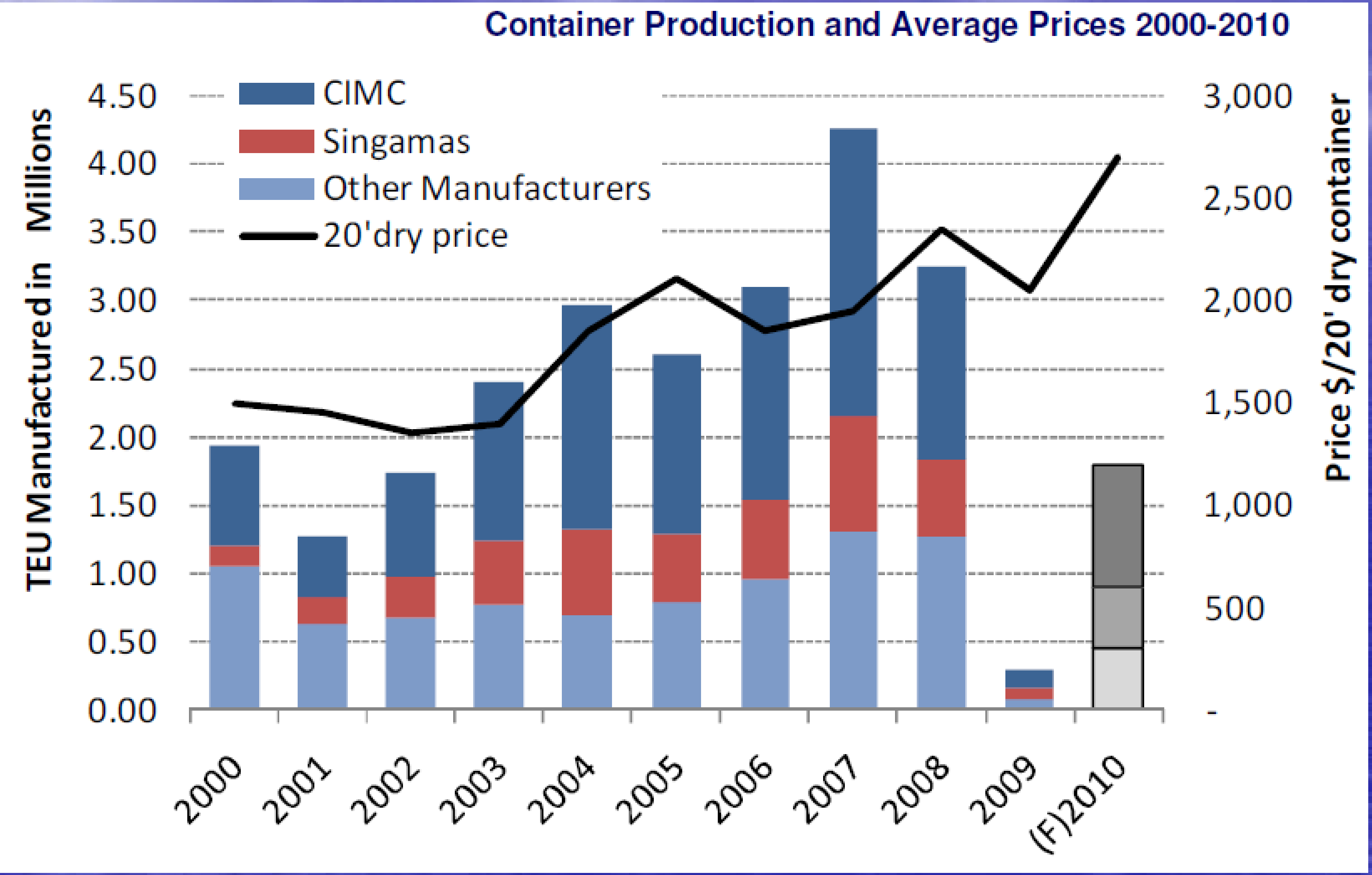
- Recession lasted more than one year from oct. 2008 till beginning 2010.
- Main operators reported losses u$d 15 bi last year.
- Spot freight rates fell to their lowest ever levels.
- Charter rates in free fall.
- Container production almost stopped.
- Projects for existing or new terminals delayed or cancelled.
- Shipowners main steps: cancelled orders, delayed deliveries, scrapping (380.000 teu), extra slow steaming, fundraising initiatives.

Main Liner Operators – Operating Loss 2009



Source: Alphaliner

Container production & prices



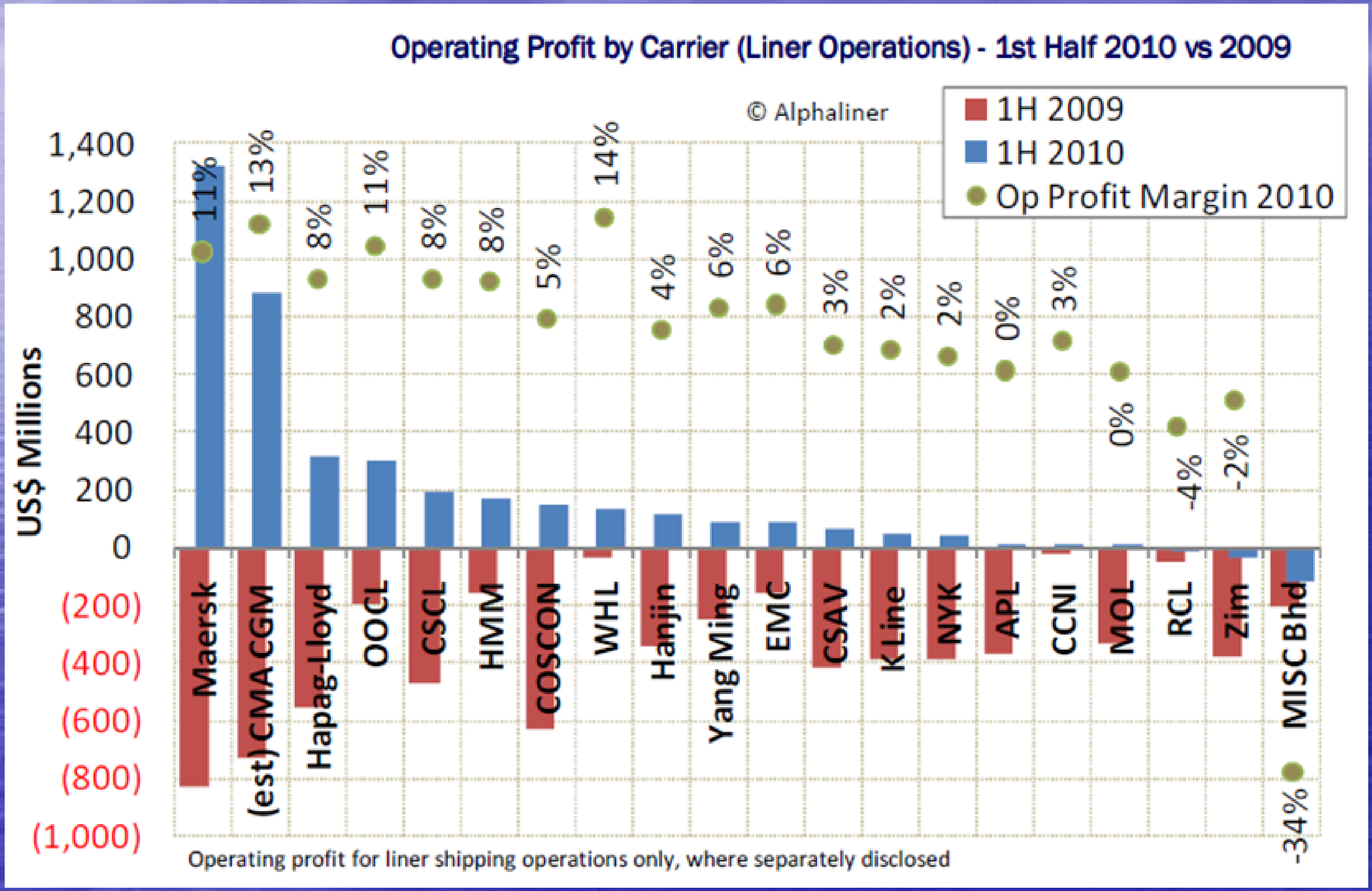
✓Source: Alphaliner Newsletter.

Overview

But now ....

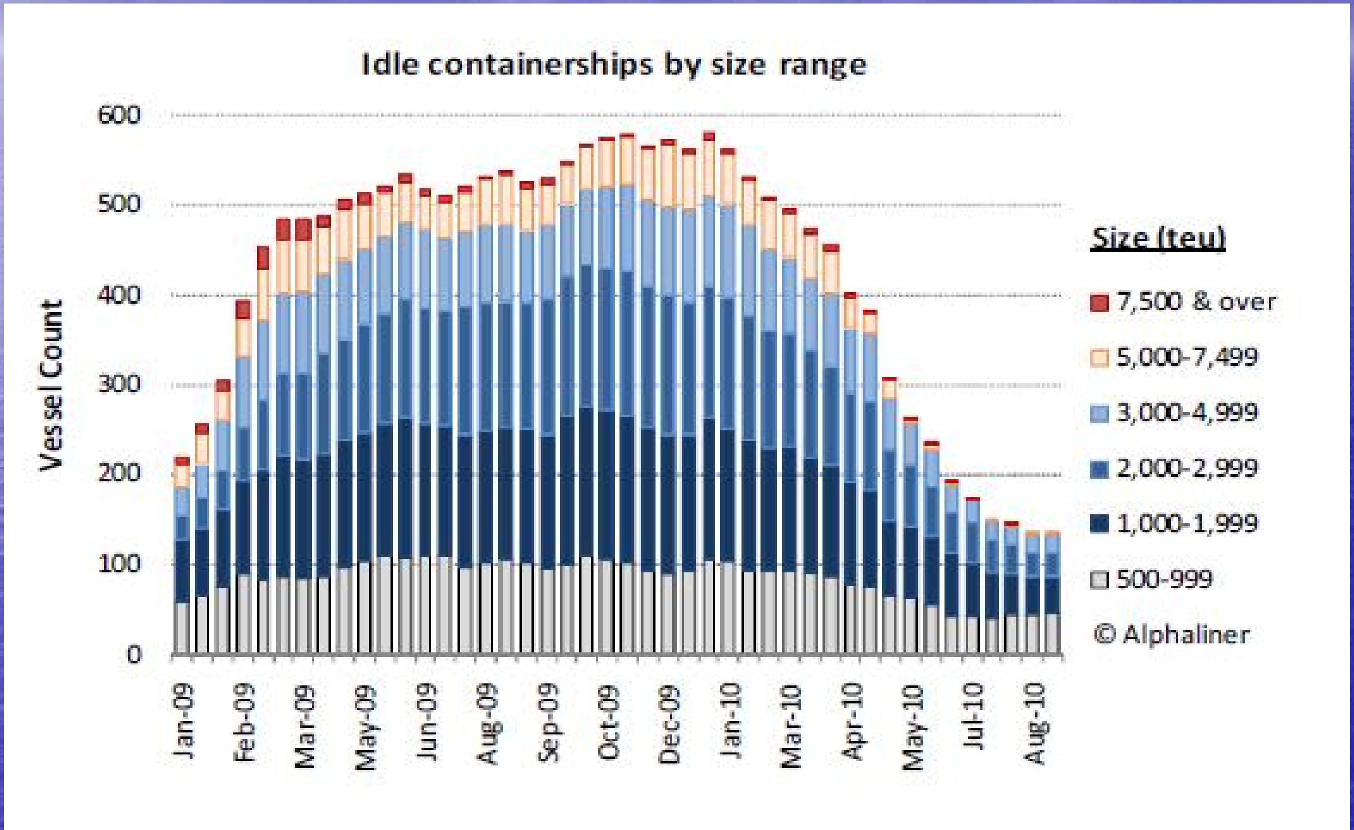
- Recession seemingly is over.
- Idle fleet was 11,7 % (1.51 Mteu) in January.
- Currently stands at 0.22 Mteu. (around 1,7 %).
- In the first half this year, liner operators reported profit u$d 3,78 bi.
- Spot freight rates recovering.
- Charter rates as well.
- New orders re-appearing.

Loss 2009 vs Profit 2010 (first semesters)



✓Source: Alphaliner Newsletter.

Evolution idle containerships.



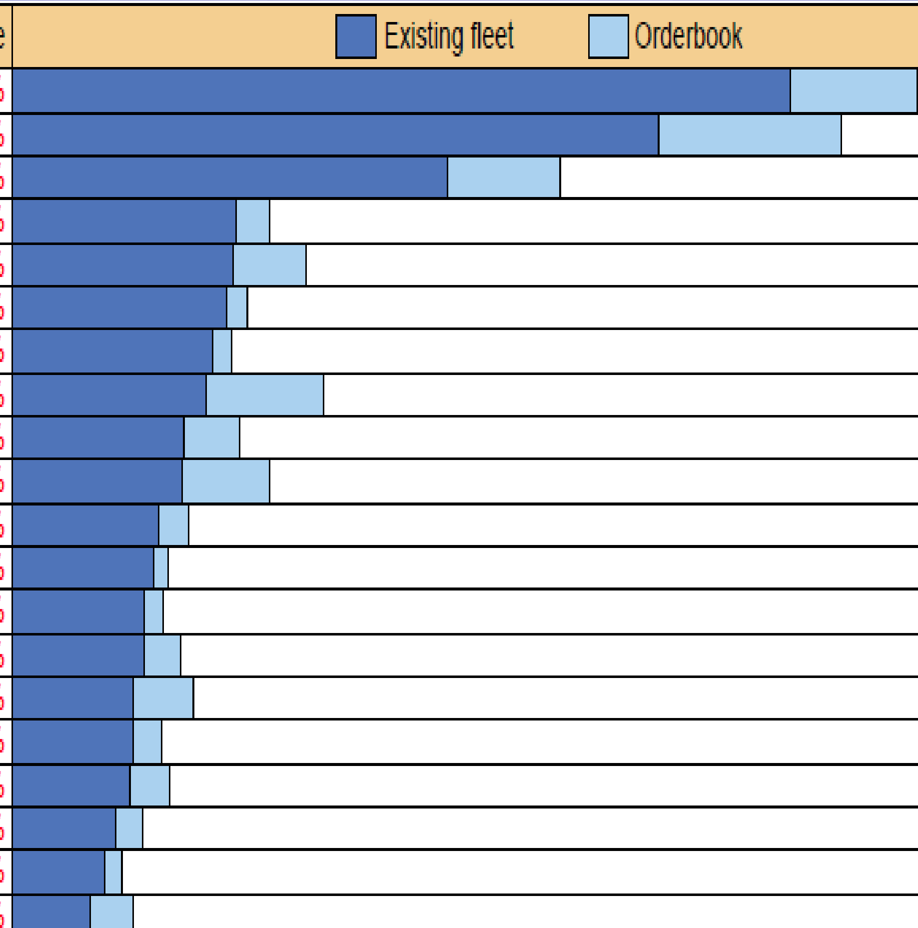
✓Source: Alphaliner.

The operators

- Container shipping still led by the same trio, Maersk Line, MSC and CMA CGM, who together control 34.7 % of the total fleet in teu terms.
- Maersk lost share from 15.6 % to 14.5 %.
- MSC increased its share from 11.3 % to 12.1 %.
- CMA CGM increased its share from 7.6 % to 8,1 %.
- Top 10 operators concentrate 60,7 % of the total fleet.
- Most remarkable increase CSAV, from 2,1 % to 3,7 % racing through the ranking, from number 16 to number 7.

Top 20 league
(September 2010)

Rnk	Operator	TEU	Share	Prev Rnk
1	APM-Maersk	2,123,204	14.5%	1
2	Mediterranean Shg Co	1,763,690	12.1%	2
3	CMA CGM Group	1,185,278	8.1%	3
4	Evergreen Line	612,933	4.2%	4
5	APL	602,500	4.1%	5
6	Hapag-Lloyd	585,318	4.0%	6
7	CSAV Group	544,063	3.7%	16
8	COSCO Container L.	527,675	3.6%	7
9	CSCL	469,635	3.2%	8
10	Hanjin Shipping	465,521	3.2%	10
11	MOL	396,753	2.7%	11
12	NYK	385,784	2.6%	9
13	OOCL	359,279	2.5%	13
14	Hamburg Süd Group	359,274	2.5%	14
15	Zim	329,803	2.3%	17
16	K Line	327,670	2.2%	12
17	Yang Ming Marine Transport Corp.	319,241	2.2%	15
18	Hyundai M.M.	282,272	1.9%	18
19	PIL (Pacific Int. Line)	250,582	1.7%	19
20	UASC	212,116	1.5%	20



Source: AXS-Alphaliner

Top 20 container shipping lines (September 2010)

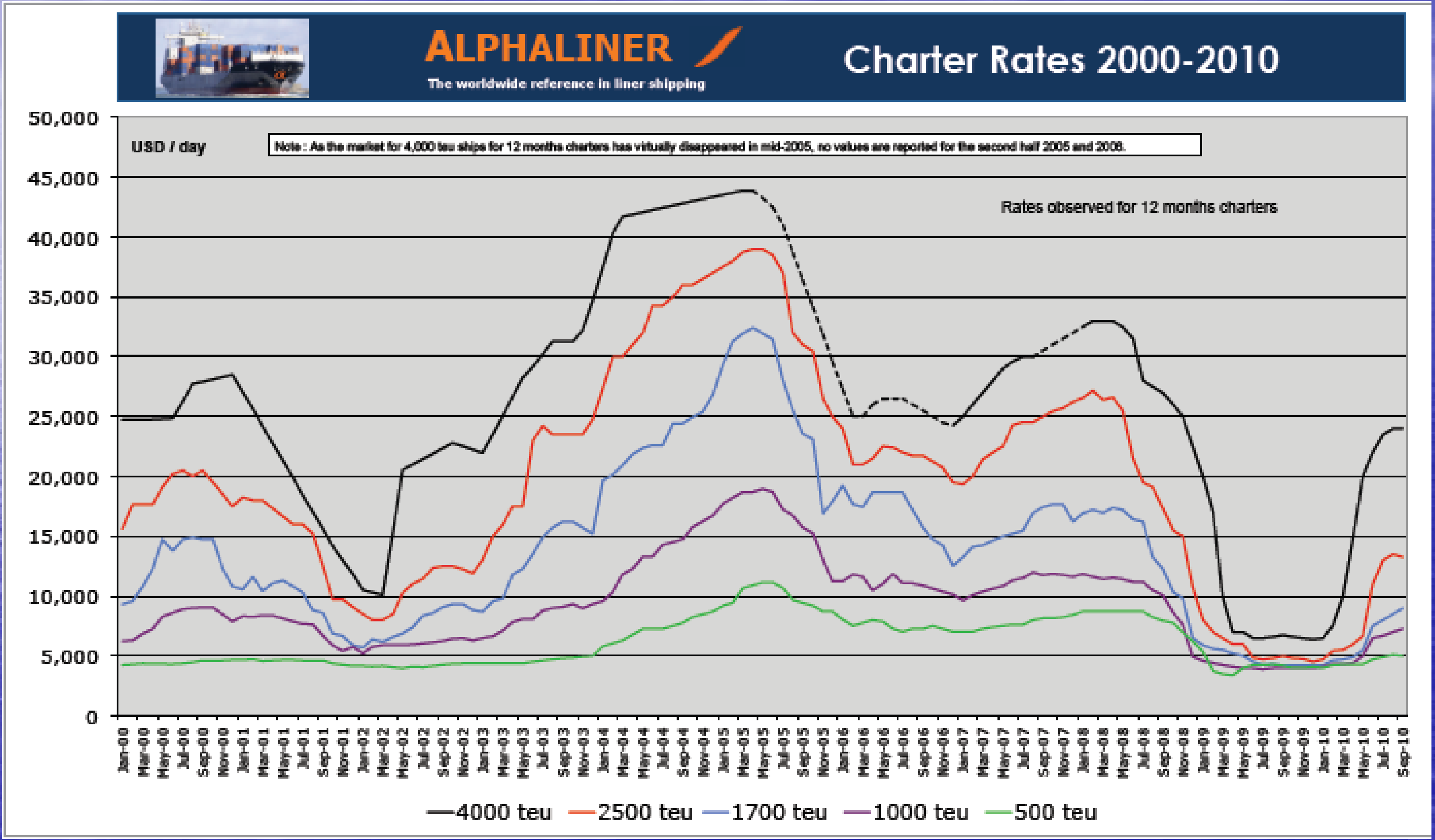
		Total		Owned		Chartered			Orderbook		
Alphaliner - Top 100 : Operated fleets as per 13 September 2010											
Rnk	**Operator**	TEU	Ships	TEU	Ships	TEU	Ships	% Chart	TEU	Ships	% existing
1	APM-Maersk	2.123.204	563	1.105.073	204	1.018.131	359	48.0%	347.570	56	16.4%
2	Mediterranean Shg Co	1.763.690	438	909.809	203	853.881	235	48.4%	497.180	41	28.2%
3	CMA CGM Group	1.185.278	396	431.259	93	754.019	303	63.6%	308.743	31	26.0%
4	Evergreen Line	612.933	161	330.167	88	282.766	73	46.1%	88.000	10	14.4%
5	APL	602.500	151	172.866	48	429.634	103	71.3%	201.180	22	33.4%
6	Hapag-Lloyd	585.318	134	292.613	60	292.705	74	50.0%	56.678	7	9.7%
7	CSAV Group	544.063	145	47.999	9	496.064	136	91.2%	53.178	7	9.8%
8	COSCO Container L.	527.675	135	309.057	93	218.618	42	41.4%	322.021	39	61.0%
9	CSCL	469.635	137	263.162	75	206.473	62	44.0%	150.400	16	32.0%
10	Hanjin Shipping	465.521	101	175.286	33	290.235	68	62.3%	234.938	24	50.5%
11	MOL	396.753	99	184.992	32	211.761	67	53.4%	82.616	14	20.8%
12	NYK	385.784	100	283.723	55	102.061	45	26.5%	38.784	6	10.1%
13	OOCL	359.279	80	274.390	46	84.889	34	23.6%	51.600	6	14.4%
14	Hamburg Süd Group	359.274	117	146.926	39	212.348	78	59.1%	101.400	18	28.2%
15	Zim	329.803	98	174.017	38	155.786	60	47.2%	164.269	16	49.8%
16	K Line	327.670	79	232.460	42	95.210	37	29.1%	81.096	13	24.7%
17	Yang Ming Marine	319.241	77	187.201	45	132.040	32	41.4%	108.802	17	34.1%
18	Hyundai M.M.	282.272	55	83.781	14	198.491	41	70.3%	71.810	6	25.4%
19	PIL (Pacific Int. Line)	250.582	136	154.570	87	96.012	49	38.3%	47.006	12	18.8%
20	UASC	212.116	53	113.596	27	98.520	26	46.4%	117.900	9	55.6%

Fuente: AXS-Alphaliner

The charter market

- The charter market dropped in free fall from the second half of 2008.
- Continued falling during first half last year.
- Mantained very low levels untill beginning of this year.
- Moderately recovered.
- Still a long way to go back to values reached mid 2008.

Charter rates evolution (sept. 2010)

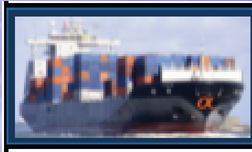


Source: Axs-Alphaliner

Cellular fleet

- The cellular fleet at 1st of January 2010 comprises 4,719 ships for 13,057,000 teu.
- Cellular ships delivered in 2009 totalled 269 units (1,071,000 teu).
- The fleet grew 5.6 % during 2009.
- Almost no orders were placed during 2009.
- The order book at Jan 1st. 2010 represented 36% of existing fleet. One and a half year earlier, reached the equivalent of 60% of the existing fleet.
- 90% of the capacity on order concentrated on ships over 4,000 teu
- 204 units representing 380,000 teu were scrapped.

Celullar fleet, existing & orderbook



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Cellular Fleet at 1st Oct 2010

> The cellular fleet counts 4852 ships for 14,13 M teu - of which 50,9 % are chartered from non-operating owners

> The cellular fleet aggregates 96.3 % of the total capacity deployed on liner trades in teu terms
>> Out of a total of 5,965 ships active on liner trades for 14.68 M teu and 193.1 M tdw

> The orderbook counts 566 ships for 3,73 M teu representing 26,4 % of the existing fleet

> The orderbook includes 265 ships for 1,59 M teu with charter status representing 42,6 % of the total orderbook

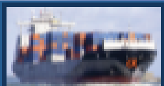
CELLULAR	01 October 2010 - Existing					01 October 2010 - Orderbook					
Size ranges	All		Of which chartered			All		Of which chartered			O / E
TEU	ships	teu	ships	teu	% Cht	ships	teu	ships	teu	% Cht	
10000-15500	65	803 396	9	114 788	14,3%	138	1 753 494	72	929 568	53,0%	218,3%
7500-9999	262	2 245 475	97	823 134	36,7%	86	746 817	16	138 705	18,6%	33,3%
5100-7499	428	2 607 361	179	1 098 647	42,1%	71	465 448	30	176 411	37,9%	17,9%
4000-5099	676	3 057 488	362	1 626 958	53,2%	93	412 862	25	109 454	26,5%	13,5%
3000-3999	320	1 091 168	170	583 013	53,4%	28	100 016	18	62 416	62,4%	9,2%
2000-2999	720	1 826 347	533	1 357 427	74,3%	44	116 045	30	79 160	68,2%	6,4%
1500-1999	579	980 873	383	648 943	66,2%	30	53 416	17	30 204	56,5%	5,4%
1000-1499	699	824 525	435	513 198	62,2%	54	60 560	40	46 028	76,0%	7,3%
500-999	819	602 810	534	399 901	66,3%	22	18 102	17	14 898	82,3%	3,0%
100-499	284	93 089	89	30 568	32,8%						0,0%
TOTAL	4 852	14 132 532	2 791	7 196 577	50,9%	566	3 726 760	265	1 586 844	42,6%	26,4%

* Note : the existing chartered fleet takes into account ships chartered out by non-operating owners to operators, thus it does not take into account 98 ships for 347,376 teu which are normally owned by an owner-operator but are chartered out to another operator, either for operational reasons (operational exchanges within alliances or partnerships) or because they are surplus to their owners requirements.

Source: Alphaliner

Celullar fleet forecast

(october 2010)



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Cellular Fleet Forecast

This table provides a forecast of the cellular fleet growth
> The data enclosed in this table is given as guidance only and in good faith without guarantee
> This table can be reproduced free of charge provided that the source is mentioned
> These figures are derived from the orderbook monitored by Alphaliner, published at www.alphaliner.com

Oct 2010

Cellular fleet projections 2010-2013

Based on orderbook as at 01 October 2010 and assuming no ships are deleted after that date (other than those planned)

SUMMARY
- > The fleet has risen by 5,6% during 2009.
- > The fleet should rise by 9,5% during 2010, 9,5% during 2011 and 7,8% during 2012.
- > The average growth for the THREE years from 1/1/2010 to 1/1/2013 stands at 8,9%.

Fleet as at :	31 Dec 2009		31 Dec 2010		31 Dec 2011		31 Dec 2012		31 Dec 2013		Rise p.a. (3 years)
TEU nominal	ships	teu	ships	teu	ships	teu	ships	teu	ships	teu	teu terms
10000-16600	40	478 518	70	871 844	119	1 498 282	173	2 183 644	198	2 504 140	65,9%
7600-9999	232	1 987 321	265	2 271 330	297	2 550 677	317	2 723 637	343	2 950 437	11,1%
6100-7499	404	2 452 116	436	2 659 731	469	2 875 738	494	3 038 802	499	3 072 604	7,4%
4000-6099	609	2 753 315	680	3 073 895	722	3 261 599	765	3 451 559	769	3 469 559	7,8%
3000-3999	318	1 083 299	327	1 114 939	337	1 149 615	337	1 183 320	339	1 190 920	3,0%
2000-2999	711	1 803 853	721	1 830 046	734	1 864 319	751	1 908 910	759	1 932 988	1,9%
1500-1999	568	962 051	585	991 205	595	1 008 979	602	1 021 819	606	1 028 747	2,0%
1000-1499	700	826 526	712	839 358	740	871 557	754	886 034	754	886 034	2,3%
500-999	836	615 065	828	609 849	841	620 895	841	620 895	841	620 895	0,3%
100-499	303	98 113	287	92 782	287	92 782	287	92 782	287	92 782	-1,8%
TOTAL	4 721	13 060 177	4 911	14 354 979	5 141	15 784 443	5 321	17 111 402	5 395	17 749 108	9,4%
TOTAL after Exp. Scrap/Slip	4 721	13 060 177	4 906	14 305 989	5 094	15 680 433	5 227	16 887 382	5 251	17 426 098	8,9%
Rise 12 months	2009 >	5,6%	2010 >	9,5%	2011 >	9,5%	2012 >	7,8%	2013 >	3,2%	

* Forecast figures take into account delivery deferrals and slippage.
** Rise p.a. (3 years) represents the average per annum growth during the three years 2010-2011-2012.

TOTAL after Exp. Scrap/Slip
Expected fleet after provision for future scrappings and delivery slippage, based on the following assumptions :
> Slippage : 12 ships for 25,000 teu planned for delivery in 2010-2011 are assumed to be delayed to 2011-2012.
> Scrappings and de-cellings are estimated to reach 180,000 teu in 2010 and 100,000 teu per year in 2011-2013.

Note - Only actual scrappings or scrapping commitments are accounted for in the breakdown by size ranges

Cellular Fleet Deliveries

This table provides a forecast of the cellular fleet deliveries
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Cellular ships deliveries by year : 2010 / 2011 / 2012 / 2013

Based on orderbook as at 01 October 2010

Note - The addition of the capacity by range at 1st Jan 2010 and of the capacity planned for delivery during the year 2010 lead to a figure which is higher than the capacity stated as at 31 Dec 2010
The difference comes from the capacity removed from the fleet (scrappings and losses)
since 1st Jan 2010, or committed for scrap at that date (i.e. 101 ships for 155930 teu).

	2010 deliveries		2011 deliveries		2012 deliveries		2013 deliveries	
TEU nominal	ships	teu	ships	teu	ships	teu	ships	teu
10000-16600	30	393 326	49	626 438	54	685 362	25	320 496
7600-9999	33	284 009	32	279 347	20	172 960	26	226 800
6100-7499	32	207 615	33	216 007	25	163 064	5	33 802
4000-6099	75	337 879	42	187 704	43	189 960	4	18 000
3000-3999	21	72 596	10	34 676	0	33 705	2	7 600
2000-2999	22	56 480	13	34 273	17	44 591	8	24 078
1500-1999	30	52 190	10	17 774	7	12 840	4	6 928
1000-1499	25	28 752	28	32 199	14	14 477	0	0
500-999	23	17 945	13	11 046	0	0	0	0
100-499	0	0	0	0	0	0	0	0
TOTAL	291	1 460 782	230	1 439 484	180	1 318 868	74	687 704
Exp. Slippage	-12	-26 000	9	16 000	3	10 000		
TOTAL after Slipp.	279	1 426 782	239	1 454 484	183	1 328 868		

Source: Alphaliner

Container shipping

- Last year, for the first time in the history of container traffic, we have seen a decrease .
- Pre-crisis volumes recorded in 2008 were 535 Mteu.
- Last year volumes (estimated) dropped to 489 Mteu.
- Strong performance in the first quarter of this year, in most China ports, with levels above 2008.
- Global container port handling volumes are expected to grow 11,6 % this year to 545 Mteu.

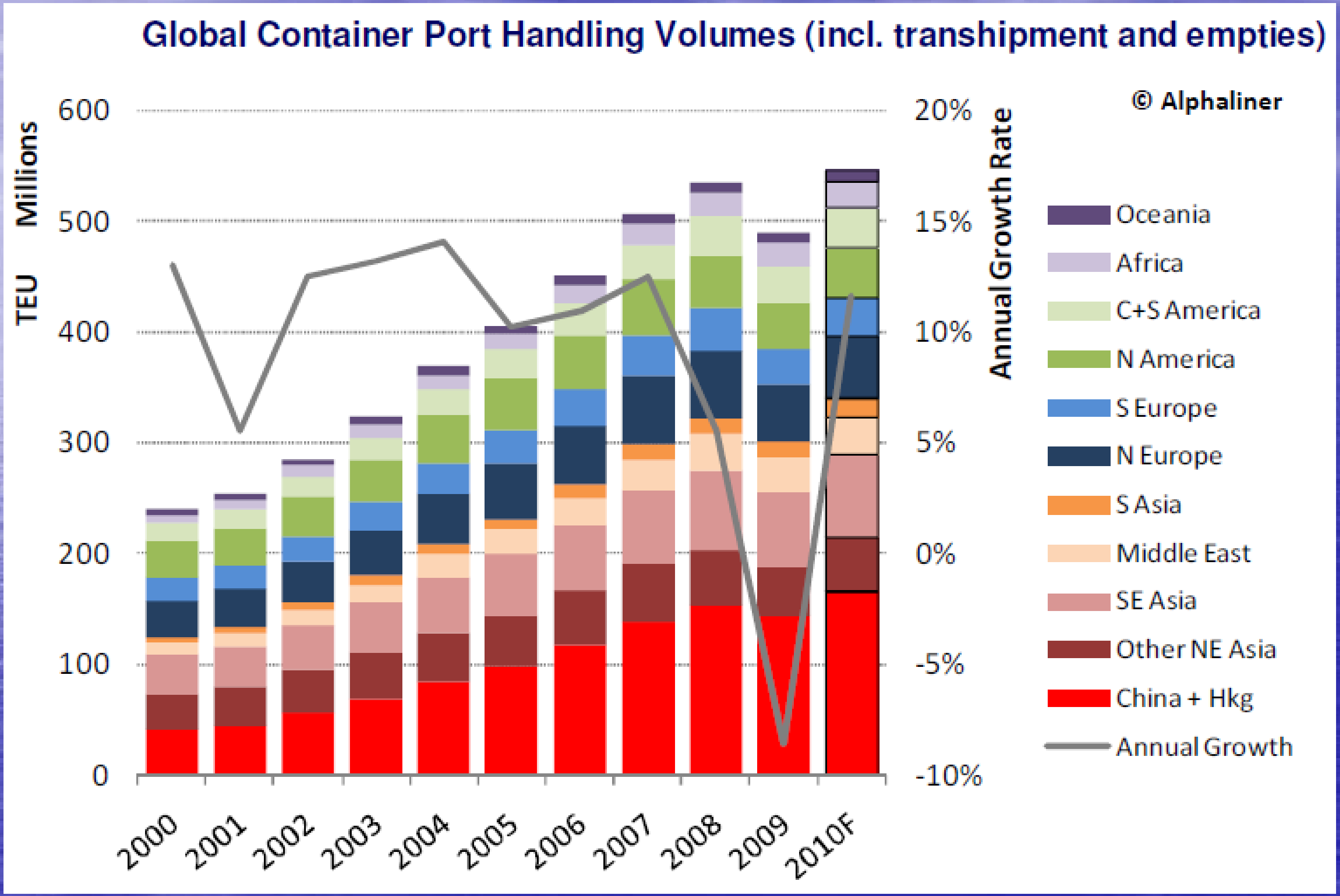
Source: Alphaliner Newsletter

Container handling in China Ports

	1Q08	1Q09	1Q10	'10/'09
Shanghai	6.61	5.61	6.43	14.6%
Shenzhen	4.92	3.89	4.93	26.7%
Guangzhou	2.44	2.18	2.79	28.2%
Ningbo	2.51	2.26	2.76	22.6%
Qingdao	2.84	2.50	2.73	9.0%
Tianjin	1.90	1.93	2.17	12.6%
Xiamen	1.13	1.03	1.29	25.4%
Dalian	1.01	0.99	1.17	18.4%
Lianyungang	0.64	0.57	0.92	60.8%
Yingkou	0.47	0.51	0.83	61.1%
Other	2.64	2.28	2.80	23.1%
Total	27.12	23.74	28.82	21.4%

Source: Dynamar

Global container port handling volumes



✓Source: Alphaliner Newsletter.

Finally

- We have seen a surprisingly strong improvement during 2010.
- It is still unclear if the global recession is truly behind us.
- Container supply-demand remain unpredictable.

Let's hope for a recovery of this industry for the benefit of our activity of Ship Agents and Brokers

Source: Drewry

¡ Thanks !

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