



# Hellenic Carriers Limited

Capital Link Shipping Forum – London, December 4, 2007



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# Introduction to Hellenic Carriers Limited



- Quoted on AIM as of Friday, 30 November 2007 – ticker HCL – raised about \$ 60 million through IPO
- Established dry bulk shipping company with three Panamax and two Handymax vessels <sup>(1)</sup>, based in Athens and incorporated in Jersey
- Track record of profitable and efficient fleet operation – 3<sup>rd</sup> generation ship owners
- Focused fleet strategy – predominantly medium to long-term chartering strategy seeking stable cash flows

## Opportunity

- Predictable cash flows from period charters underpin sustainable and attractive dividends (minimum of 50% of net income)
- Retaining earnings (after dividends) to fund vessel acquisitions and drive growth
- Operating in a sector with strong and positive fundamentals

(1) Aegean Hawk (to be renamed Konstantinos D) expected to be delivered in April 2008.

# Overview of Hellenic



## High quality dry bulk fleet

- 5 vessels (total 298,700 dwt)
  - 3 Panamax (total 203,600 dwt)
  - 2 Handymax (total 95,100 dwt) <sup>(1)</sup>
- Weighted average age of 13.2 years <sup>(2)</sup>
- Panamax and Handymax vessels offer the flexibility to operate in various dry bulk trades in more dispersed regions and are a less volatile segment than Capesize vessels

## Main areas of operation and products

- Worldwide trade routes
- Coal, iron ore, grain, steel products and other ores
- Minor bulk products

## Employment strategy and charterer relationships

- Predominant use of long-term time charters of 1-2 years with calculated medium-term exposure
- Remaining length of current charters of 4 to 26 months <sup>(3)</sup>
- Long-chartering history with established reputable charterers - Baumarine, Bunge, Armada, Norden, Swiss Marine, Mitsui OSK, COSCO, Sinochart, Daeyang and San Juan Navigation

## Company history and structure

- Third generation ship-owners with a family shipping history of over 50 years
- In-house shipmanagement for the commercial and accounting aspects of the business
- Technical and operational management initially sub-contracted <sup>(4)</sup>
- Board of Directors with 3 independent non executives, Chairman is Graham Roberts

<sup>(1)</sup> Aegean Hawk (to be renamed Konstantinos D) expected to be delivered in April 2008.

<sup>(2)</sup> As of 1 November 2007, including Aegean Hawk (to be renamed Konstantinos D)

<sup>(3)</sup> Based on the latest possible expiration dates as of 1 November 2007, including the Aegean Hawk (to be renamed Konstantinos D).

<sup>(4)</sup> Subcontracted to Mantinia Shipping Company (a related party), however it is intended that Hellenic Shipmanagement Corporation will develop its own technical and operational capabilities within two years.

# High Quality Fleet



Vessel name	M/V Hellenic Breeze	M/V Hellenic Sky	M/V Hellenic Sea	M/V Hellenic Horizon	M/V Aegean Hawk <sup>(1)</sup>
Year built	1993	1994	1991	1995	2000
Vessel type	Panamax	Panamax	Panamax	Handymax	Supramax
Vessel flag	Liberia	Malta	Malta	Greece	Panama
DWT	69,600	68,600	65,400	44,800	50,300
Charterer	Daeyang	Armada	Sinochart	San Juan Navigation	Korea Line Corporation
Charter Rate	\$45,000	\$23,000	\$37,500	\$25,750	\$64,250 <sup>(2)</sup>
Latest Charter expiration	10/03/2008	27/11/2008	30/05/2009	20/04/2008	30/06/2010

**Panamax and Handymax vessels offer the flexibility to operate in various dry bulk trades in more dispersed regions and are less volatile than the Capesize segment**

<sup>(1)</sup> Aegean Hawk (to be renamed Konstantios D) expected to be delivered in April 2008. Vessel currently flagged in Panama, to be re-flagged in Liberia upon delivery.

<sup>(2)</sup> Charter rate of \$64,250 for first 365 days of charter and \$48,250 thereafter.

# Hellenic's Focussed Business Strategy



## Grow the Fleet



- Hellenic's strategy is to grow its current fleet through the timely and selective acquisition of second-hand dry bulk carriers
  - Initial focus on the Panamax and Handymax sectors
  - Acquire vessels that are accretive to cash flow
  
- Ability to secure time charter contracts to support vessel acquisitions
  - Maintain predictability and visibility of cash flows
  
- Hellenic has extensive knowledge of the dry bulk sector
  - Sufficient resources and operational experience to accommodate expansion while maintaining high standards of quality and safety
  - Experienced in the appropriate timing of vessel acquisitions
  
- Low debt levels facilitates growth and fleet expansion through debt financing

**Hellenic will remain selective and opportunistic in its strategy of making further vessel acquisitions**

# Vessel Focus on Sectors with Most Attractive Fundamentals

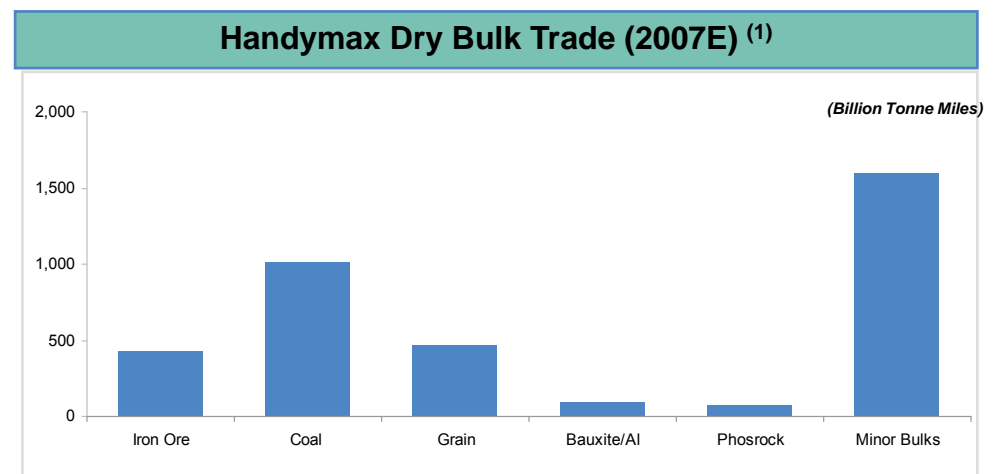
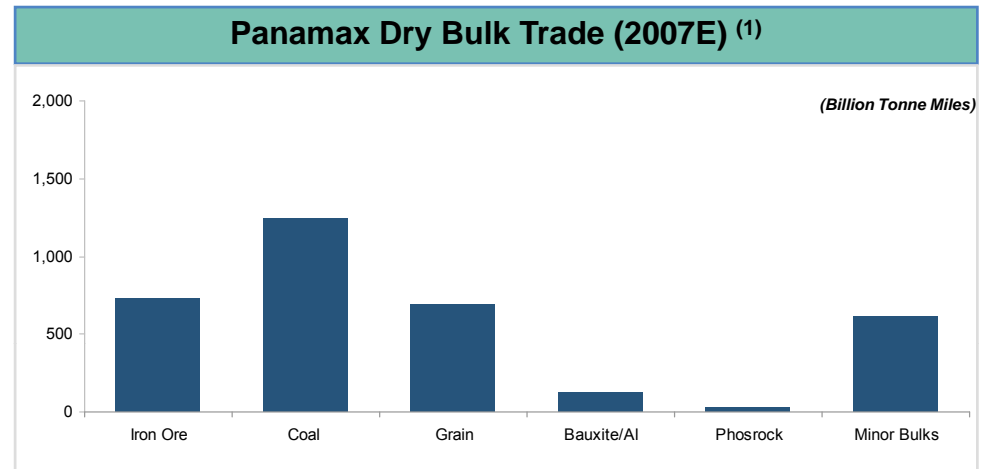


## Panamax:

- Panamax vessels regarded as the “workhorse” of the dry bulk carrier industry
  - Carry mainly coal, grains, iron ore, and to a lesser extent minor bulks
- More flexible than larger Capesize vessels
  - Able to access a much larger selection of ports than Capesizes
    - Only a comparatively small number of ports around the world have the infrastructure to accommodate Capesizes
  - Panamax vessels are the largest vessels permitted to transit the Panama Canal and can carry a wider range of cargoes

## Handymax:

- Highly flexible vessels capable of operating in various dry bulk trades and ports with minimal shore-side infrastructure
  - Geared vessels set to benefit from rising import demand from developing economies with less developed ports infrastructure
- Handymax rates more stable than rates for larger vessel sizes



**Panamax and Handymax vessels offer greater trading flexibility with less volatile rates than larger Capesize vessels**

(1) Source: Drewry, November 2007.



## Focus on Blue-Chip Customers



- Reputable charterers that Hellenic has employed its vessels with to-date include:

**NORDEN**



**Baumarine**

Sinochart

**BUNGE**

SWISSMARINE



San Juan Navigation LLC

DAEYANG SHIPPING CO., LTD

**MOL Mitsui O.S.K. Lines**



Hellenic has established relationships with world-class, blue-chip customers

# Period Chartering Strategy to Generate Stable Earnings



- Period chartering strategy designed to achieve predictable and visible cash flows and high utilisation rates
  - 100% time charter coverage in 2007 and 66% for 2008 <sup>(1)</sup> <sup>(2)</sup>
- Predominant use of medium to longer term time charters of 1-2 years
  - Periodic, calculated short to medium-term exposure to capitalise on favourable market conditions whilst providing a base level of predictable revenue – upside potential

- Current mix of medium and longer term time charters
- Period charters provide revenue stability
  - Reduced earnings volatility
  - Hellenic can cover its cash operating expenses
- Potential upside as charters expire and new charters for vessels are entered into



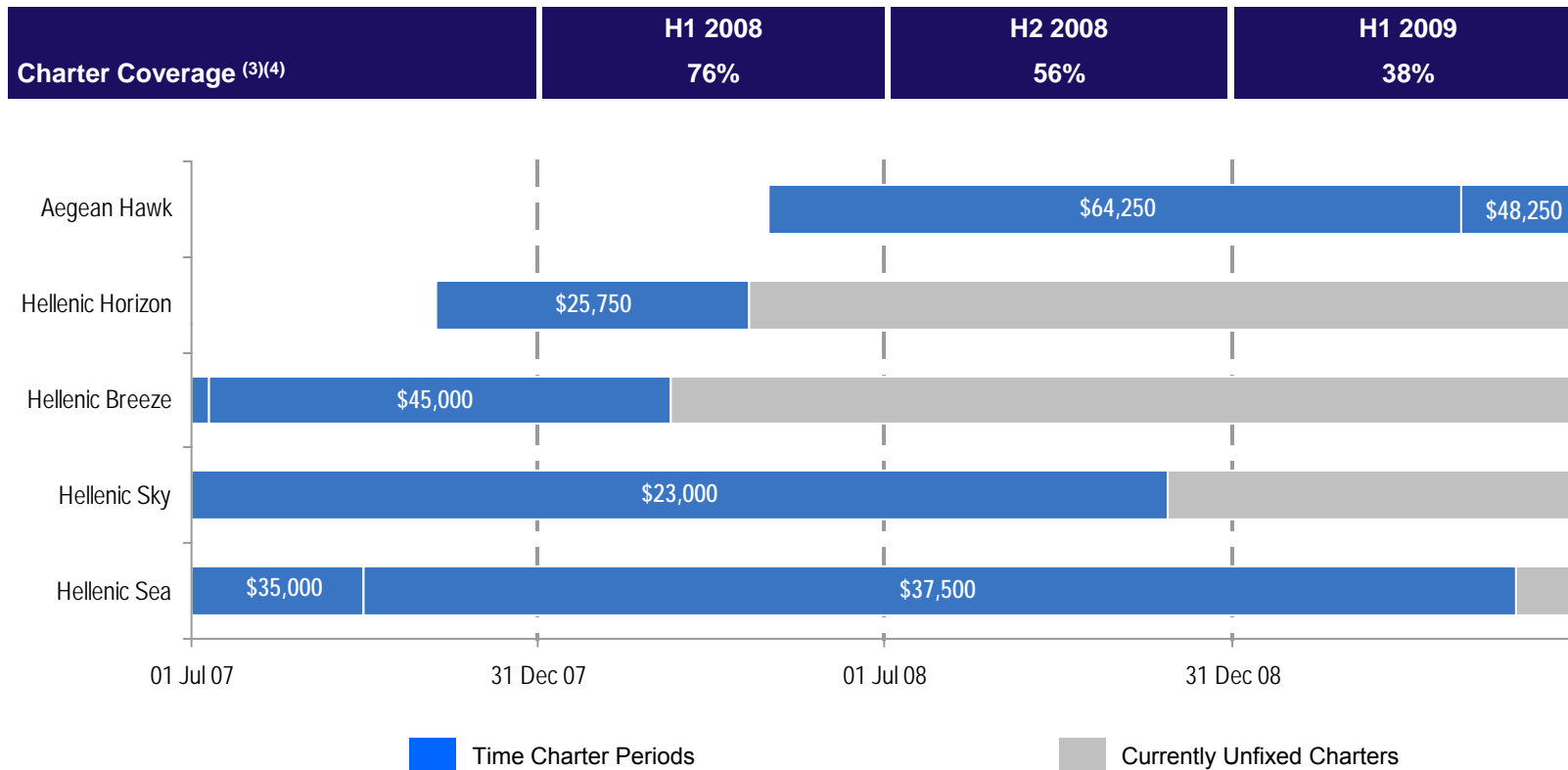
- Predictable revenue base
  - H1 2008 76% of days with US\$18.9 million of estimated revenue <sup>(2)</sup>
  - H2 2008 56% of days with US\$20.7 million of estimated revenue <sup>(2)</sup>
  - H1 2009 38% of days with US\$15.8 million of revenue <sup>(2)</sup>

## Chartering strategy designed to provide stable and predictable future cash flows

<sup>(1)</sup> Based on available days on the latest expiration dates as of 1 November 2007.

<sup>(2)</sup> Based on the latest time charter expiration dates as of 1 November 2007. Days defined as available days, or the aggregate number of days in a period during which each vessel has been owned by the Company less the aggregate number of days that the vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that the Company spend positioning their vessels.

# Time Charter Coverage



## Charterer

**Korea Line Corporation <sup>(1)</sup>**

**San Juan Navigation <sup>(2)</sup>**

**Daeyang <sup>(2)</sup>**

**Armada <sup>(2)</sup>**

**Sinochart <sup>(2)</sup>**

(1) Aegean Hawk (to be renamed Konstantinos D) expected to be delivered in April 2008.

(2) Latest charter expiration date for:

- Hellenic Sea is 30/05/2009
- Hellenic Sky is 27/11/2008
- Hellenic Breeze is 10/03/2008
- Hellenic Horizon is 20/04/2008
- Aegean Hawk (to be renamed Konstantinos D) is 30/06/2010

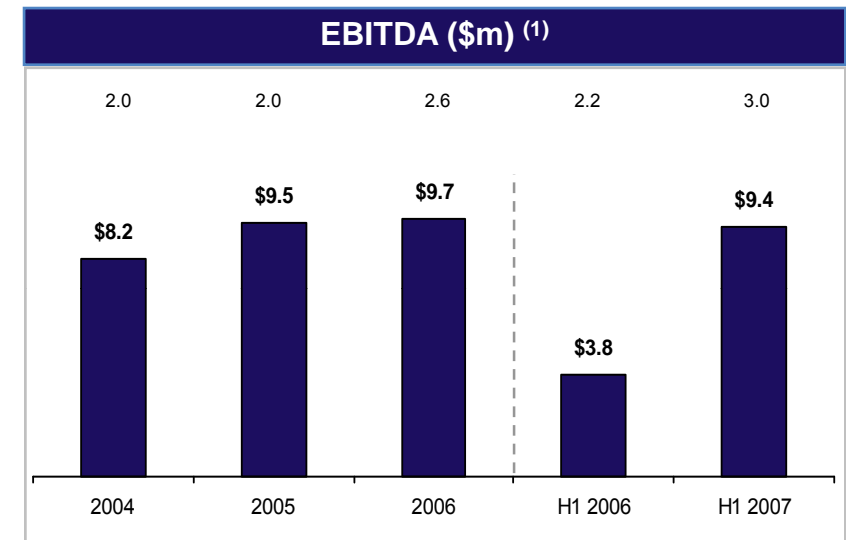
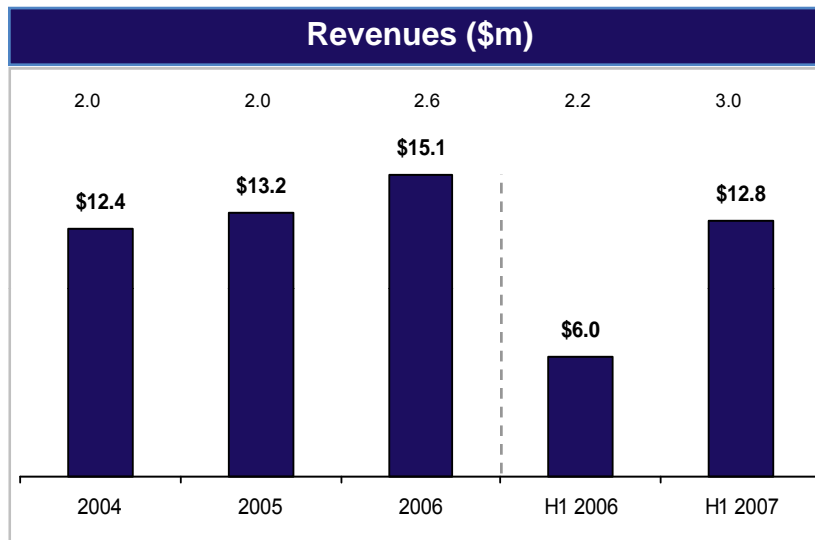
(3) Charter coverage for 2008 based on the latest charter expiration dates and including Aegean Hawk (to be renamed), to be delivered in April 2008.

(4) Hellenic Breeze scheduled for dry docking in January 2008 and Hellenic Sea scheduled for dry docking in June 2009.

# Financial Highlights



Average Number of Vessels



- Revenues and EBITDA have more than doubled in H1 2007 compared to H1 2006
  - EBITDA margin has increased from 64% to 73% during the same time period
- Higher earnings primarily attributable to increase in number of vessels and higher daily charter rates
- Increase in charter hire rates was due to fixing of new charters at increased rates

(1) EBITDA calculated as revenue plus other income, less commissions, operating expenses and general and administrative expenses.

# Attractive Dividend Policy



- Hellenic will initially adopt an annual dividend payout ratio of a minimum of 50% of net income
  - Potential for a substantial premium to the UK average dividend yield <sup>(1)</sup>
  
- A goal of sustainable dividends
  - Period chartering strategy designed to achieve predictable and visible cash flows
  
- Hellenic will, as appropriate, retain a portion of cash flow for reinvestment in the business
  - Grow the business and enhance the fleet through selective vessel purchases
  - Retained cash flow may be used, among other things, to:
    - Fund vessel or fleet acquisitions
    - Service and reduce indebtedness

**Hellenic's dividend policy is to maintain an attractive and growing dividend to shareholders**

(1) FTSE All Share Index average dividend yield as of 8 November 2007 was 3.0%.



## Conclusion



# Investment Considerations



## Attractive, sustainable dividend policy with growth orientation

- Potential for attractive dividend yield
- Future vessel acquisitions will enable fleet expansion and earnings growth

## Established player with proven track record

- Family has over 50 years presence in the shipping industry
- Long chartering history with established reputable charterers
- High level of repeat business from charterers

## Dry bulk sector exposure

- Increasing demand for commodities from emerging economies (China and India)
- Increasing ton-miles and continued port congestion

## High quality fleet

- Vessels built to high specifications at established, leading shipyards
- High standards of fleet maintenance to ensure maximum vessel utilisation and efficiency

## High standards of operations

- Continued application on safety and quality throughout the organisation (key benefit from experience in tanker operations)
- Excellent safety record, consistent with the implementation of a stringent safety management system

## High proportion of medium to longer term charter coverage

- Fleet predominantly employed on medium to longer term time charters of 1-2 years
- Calculated medium-term exposure to take advantage of a favourable rate environment
- 100% time charter coverage for remainder of 2007; 66% for 2008

## Strong balance sheet

- Strong balance sheet provides greater financing flexibility for future expansion

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