



2nd Annual Capital Link Greek Shipping Forum **Navigating Challenges and Capturing Opportunities**



Tuesday, February 22, 2011 – Athens, Greece

CAPITAL LINK'S 2nd ANNUAL GREEK SHIPPING FORUM – ANOTHER HUGE SUCCESS WITH OVER 800 PARTICIPANTS

Athens, 23rd February 2011

With huge success, as evidenced by an impressive attendance that exceeded 800 participants, **Capital Link** organized its Second Annual Greek Shipping Forum “**Navigating Challenges and Capturing Opportunities**” on **Tuesday, February 22, 2011** at **Hilton Athens Hotel** in cooperation with **NYSE Euronext** and **NASDAQ**. **Capital Link** is organizing on an annual basis Shipping Forums in New York and London, where listed shipping companies, bankers and analysts address the international investment community, while at the Athens Forum the international financial community and market experts address the Greek and international shipping industry.

The Forum discussed the latest challenges and developments in shipping, financial and capital markets and focused on the various alternatives for capital raising among listed and private shipping companies. Furthermore, the Forum discussed how many in the shipping industry manage risk in today's highly volatile global market environment, and covered recent outlooks in the global economy, international trade, dry bulk commodities and energy.

Capital Link's President, **Mr. Nicolas Bornozis**, emphasized Capital Link's commitment in serving as an effective communications link between the financial and capital markets and shipping companies from all over the world. He outlined the company's initiatives in this area and stressed the significance of the Capital Link Shipping Forums in Athens, New York and London. He stressed that shipping is a capital intensive business and adequate access to capital is critical for growth and for taking proper advantage of market opportunities as they arise. He pointed out that bank financing and access to capital markets complement each other providing shipping companies with comprehensive financing solutions. He closed by emphasizing the role of the Athens Shipping Forum in debating on the latest trends and developments in the financial and capital markets and how these can meet the evolving needs of shipping companies.

The 2011 Greek Shipping Forum is a dynamic event for institutional investors, analysts, bankers, financial advisors, financial media and other qualified investors, interested in enhancing their knowledge of shipping across all its sectors. This Forum allows for ample business networking opportunities, where participants interact with leading shipping industry players.

Despite the challenges in the Greek and global economy, shipowners from Greece remain in the forefront of global shipping, operating more than 20% of the global fleet. Greek shipowners have historically been able to navigate the market through peaks and troughs, and with a recovery on the horizon, Greek shipowners will continue to buy tonnage.

KEYNOTE SPEAKER

Mr. Stefan Jekel, Managing Director, Europe, Middle East, Africa, NYSE Euronext made the Introductory

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Remarks. He outlined the leading role of the NYSE Euronext in serving the needs of listed shipping companies and mentioned the long cooperation between NYSE and capital Link. He then introduced the **Keynote Speaker** at the Luncheon, **Mr. Guy Verberne**, Head of Investment Strategy, ABN AMRO, who addressed the audience on **“The Global Economy”**. In his Keynote speech, Mr. Verberne emphasized that following a soft summer, the global economy is pacing up again. For sure, it is facing some forceful headwinds. Emerging economies – the main growth engine driving the global recovery – are generally overheating, and have to cope with fast increases in food and energy bills and with a loss of competitiveness from speculative capital inflows. Meanwhile, Europe is facing a sovereign debt crisis, and significant fiscal cutbacks, while the United States are sinking ever deeper into a fiscal quagmire. But there is also positive news: the US economy seems to have shifted into a higher gear, with mounting evidence that job growth is about to take off and this also holds for core Eurozone countries, albeit to a lesser degree. In other words: advanced economies may be the positive surprise of 2011.

TOPICS AND PRESENTATIONS

The opening remarks of the Forum made **Mr. George A. Gratsos**, President, Hellenic Chamber of Shipping. He said that the Greeks control about 18.3% of the world’s bulk carrier fleet and about 17.8% of the world’s tanker fleet making us reliable partners of the major exporting and importing nations. Shipping investments are not risky if there is sufficient understanding of shipping. The landed cost of the cargo is the important parameter that directly affects sourcing, therefore the tonne-mile demand of transport. Large volumes justify infrastructure developments to accept larger ships. Ships will trade at the speed at which they maximize time charter earnings for any combination of freight rate to bunker price. Understanding this inbuilt system elasticity is important. Ship price variations from recent lows adjusted for inflation can only be justified by the discounted expectations of receivables. Ship scrap should be considered as a commodity. Shipyards are “freight market destruction mechanisms” that help keep input costs low for economies. Period charters do not represent much security in the freight market downturns.

Throughout the day, there were presentations from the following:

Mr. Timothy Boon von Ochssée, PhD, Natural Resource and Energy Economist, ABN AMRO presented on **“Energy Market Developments”** who said that the ‘great recession’ appears to be coming to an end. Arguably, rising prices in energy markets offer tell-tale signs that a global recovery is underway. While economic recovery in Western economies is frail, the real economic growth lies in emerging Asia, yet here too macro-economic uncertainty remains, despite high energy demand growth. The year 2011 will therefore be a year of contest between 'bulls and bears', with a lasting impact on global energy flows.

Dr. Anil Sharma, Founder, President & CEO, Global Marketing Systems Inc. presented on **“Green Ship Recycling”**. He stated that perhaps the biggest challenge and opportunity that shipping faces today is recycling of the world's fleet in a green manner. The IMO's Hong Kong Convention has been the biggest news ever in the history of ship recycling and is expected to have much greater and far reaching effect on shipping than the IMO's MARPOL convention, as owners will be obliged to comply with the convention from the ship's cradle to its grave for both the newbuildings and the present fleet. He emphasized the ship recycling industry's balancing role in the shipping markets. As a result this has helped improved freight markets and residual asset values of ships. In terms of deadweight tonnage demolished, there has been a decline of almost 23% against last year with significant volatility in scrap price witnessed.

He stressed that ship recycling makes a positive contribution to the global conservation of energy and resources and, in the process, employs a large, if predominantly unskilled, workforce. Properly handled, ship recycling is, without question, a "green" industry. He informed that under the Hong Kong Convention Cash buyers will have the same legal responsibility for the ship as a shipowner and would need to have the 'green technical expertise' to deal with the convention.

It is in the interest of the financial community and investors to have a preliminary knowledge of not only ship recycling industry but also the green issues that are becoming increasingly more important. This would allow them to not only plan for potential changes that may have an impact on the values of scrap ships but also in complying with the requirements of Corporate Social Responsibilities (CSR).

Mr. Chris Randall, Partner, Norton Rose LLP presented on the **"Joint Ventures in Shipping"**. Mr. Randall, a corporate finance partner at international law firm Norton Rose spoke on the key issues to be considered when entering into a shipping joint venture. The topics covered included establishing an appropriate structure, effective on-going management of the joint venture and various exit strategies available to the joint venture parties. Commenting on the Forum, Chris Randall said: "Having previously spoken at Capital Link's excellent events in London and New York, it was a great pleasure to present at the Athens Forum. The number of key industry participants attending these events is a testament to their quality."

Mr. Socrates Leptos-Bourgi, Assurance Partner & Global Shipping & Ports Leader, PwC Greece and **Mr. Ioannis Petrou**, Deals Manager, Valuations Practice Leader, PwC Greece spoke about **"Valuation Disparities between Private & Public Markets"**. Mr. Petrou discussed about whether the market values of listed shipping companies are fair and what are the main drivers behind shipping companies valuations? He elaborated on what steps the management of a shipping company can take to influence the market value of the company. He addressed these questions by presenting an analysis of quantitative and qualitative characteristics of shipping companies performed by the valuations team of their shipping industry group and provide relevant insight into the Market Capitalisation vs. Net Asset Value relationship.

Ms. Vassiliki Tsaganos, Partner, Fried, Franks, Harris, Shriver & Jacobson LLP spoke about **"Raising Capital in the US Capital Markets – Legal Considerations"**. Her presentation provided a broad overview of issues that a company should consider when pursuing a capital raising in the U.S., U.K. or Hong Kong capital markets, including the regulatory requirements and offering procedures of each jurisdiction and the process of preparing for a successful offering, and compared and contrasted the different regulatory regimes of those jurisdictions.

Mr. Stefan Garino, Partner, KPMG and **Ms. Joan Abessera**, Senior Private Banker, Compagnie Monegasque de Banque spoke about **"Monaco and its Financial Marketplace"**. Ms. Abessera discussed about how Compagnie Monégasque de Banque (CMB), alongside KPMG Monaco, and other high level professionals in the Principality, wishes to offer a one-stop-shop solution to the shipping community. Founded in 1976, CMB is currently 100% owned by Milan-listed Mediobanca. Its core competency is in private banking, with asset management and real estate financing services. CMB is a strong institution, with its balance sheet structure second to none, putting solidity and reliability at the forefront to select a banking partner in Monaco. CMB is already a trusted service provider to the shipping community, standing out by its blend of corporate services to operating companies and private banking services.

Mr. Garino's speech focused on the attractiveness of Monaco, its history and the different businesses mechanisms acting in the Principality and what KPMG Monaco can provide for its clients. Indeed Monaco has an established reputation in ship management, private banking, financial services, assets and management and entrepreneurial activity. The Principality takes very seriously the regulation of these activities, which give a real value to entities registered in Monaco and its management in a very stable fiscal and economic environment. Monaco is clearly an option to choose for relocation of businesses and management.

Mr. George D. Gourdomichalis, President, Piraeus Marine Club, presented on **"The Contribution of Greek Shipping to the Greek Society"**. He said that: "Greek Shipping with its dominant role in the transport needs of our world boasts a fleet of 3,000 ships representing a share of about 15% of the global fleet. Last year saw Greek Shipping revenues top the 6% mark of the country's GDP and even though GDP contracted, Greek Shipping increased its foreign exchange contribution to our Economy by about 16% and reach the Euro 15 billion mark! Its continued contribution to the country's economy has always been hand in hand with our industry's contributions to Greek Society having the modernist term of Corporate Social Responsibility close at heart long before it was introduced in modern business theory. Greece's recovery as an economy and as a society is inextricably linked with Greek Shipping and its dynamic presence in our global economy."

DISCUSSION PANELS

There were various discussion panels, as per the following:

"Bank Financing of Shipping"

Moderator: Mr. Alistair Mackie, Partner, Holman Fenwick Willan LLP

Panelists: Mr. Gust Biesbroeck, Head of Transportation, ABN AMRO, Mr. George Kakoulidis, Director, Citi, Mr. Evan Cohen, Managing Director and Global Head Dry Bulk Group, DVB Group Merchant Bank (Asia)

Ms. Isabella Schidrich, Senior Managing Director, NASDAQ OMX made the Introductory Remarks to the Capital Market Sessions.

"Are Capital Markets Open to Shipping?"

Moderator: Mr. Emil Yiannopoulos, Partner, Global Assurance, PwC

Panelists: Mr. Philippe Chryssicopoulos, Managing Director, Bank of America Merrill Lynch, Mr. Anthony Argyropoulos, Managing Director, Investment Banking Group, Cantor Fitzgerald

The panel set the general background on capital markets activity. The subjects of the discussion were the reasons why a shipping company would choose to be public, how could a shipping company raise capital, the type of company profile investors look for, as well as the hot issue of IPOs.

"Raising Capital through Equity Financing"

Moderator: Mr. Tony Backos, Partner, Watson, Farley & Williams LLP (TBC)

Panelists: Mr. William Kelly, Managing Director, Head of Equity Capital Markets, Mr. Wiley Griffiths, Executive Director Global Transportation, Morgan Stanley, Mr. Eric Schless, Managing Director, Wells Fargo Securities .

“Raising Capital through Fixed Income Financing”

Moderator: Mr. Stuart Gelfond, Partner, Fried, Frank, Harris, Shriver & Jacobson LLP

Panelists: Ms. Christa Tosi Volpicelli, Director, Citi Investment Banking, Mr. Elias Sakellis, Executive Director, Goldman Sachs International, Mr. Hamish Norton, Managing Director, Jefferies

The panelists discussed their recommendations to companies that are interested in the U.S. and European bond markets. First, the company needs to develop a long-term capital plan, including bank and bond financing. This plan should focus on maturities of debt obligations, covenant issues and revolving credit needs. Second, if they wish to enter the high-yield market, the company should seek to enter the market when the company is in good financial shape and consider it a long-term financing option. The company will not be able to enter the market easily when it is short on cash but should enter the market to stretch maturities or to build cash for the future. Lastly, they suggested to be prepared to enter the capital markets at any given time. That will require advance planning of documentation. Timing is the key to a good capital markets trade. The daily market conditions will determine rates on a given day and companies need to be ready when the market is hot.

“Alternative Financing”

Moderator: Mr. Nicolas Bornozis, President, Capital Link

Panelists: Mr. Gust Biesbroeck, Head of Transportation, ABN AMRO, Mr. Chris Weyers, Managing Director, FBR Capital Markets

The panel discussed the fact that shipping companies are seeking alternative financing as the industry is experiencing limited bank lending, while the capital markets windows are narrow or closed for many companies due to unfavorable market conditions, concerns about industry fundamentals, and absence of investor interest in the sector.

Traditional sources of financing newbuildings, acquisitions and refinancing, from lending banks providing revolving credit facilities, term loans and other credit products, have been limited as banks have been reducing their risk exposure to shipping. Raising capital through initial public offerings or follow-on equity offerings from the public capital markets have been available only to the largest or most established companies as institutional investors have taken risk off the table with regard to maritime shipping. In spite of these unfavorable financing conditions, some companies have been able to raise capital through alternative financing sources that have included private equity, hedge funds, specialized transportation funds, and industrial joint venture partners. Although some might argue that 144a offerings are a traditional markets method, this type of private offering has been used in creative ways to finance vessel acquisitions and to provide pre-IPO capital funding. Other alternative sources include private equity and mezzanine financing.

“Analyst Panel: Market Outlook & Investor Attitudes in Shipping”

Moderator: Mr. Nigel Lowry, Journalist, Lloyd’s List

Panelists: Mr. Douglas J. Mavrinac, Maritime Group Head, Jefferies & Company, Inc., Mr. Peter Sorkin, Research Analyst, Transportation Sector (Airlines & Shipping), Knight Capital, Mr. Michael Webber, Senior Analyst, Vice President Equity Research, Global Shipping, Wells Fargo Securities, LLC

Panelists observed that the market for fresh shipping IPOs has remained generally closed in early 2011, even though superior companies can always hope to list albeit at uncertain valuations. The market for listed companies to raise capital through equity follow-ons, however, remains somewhat accessible, with growing interest in preferred equity, hybrid securities, and high-yield debt. The panel offered insight into

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current investor attitudes in shipping and advised on what various investor classes focus on when assessing shipping investments, including the varying importance of aspects such as dividend yield, charter cover, management 'brand', and entry point in the shipping market cycle, as well as the growing premium placed on corporate structure and transactional transparency. While the currently limited appetite for shipping stocks seems well covered in some sectors by the existing roster of listed companies, it was felt that there could be room for more IPOs if appetite for the sector picks up, particularly for larger, well-established shipping groups that can differentiate their story from the competition. The panel also examined the impact of current geopolitical developments on investor sentiment, including upheaval in the Middle East and pirate attacks on merchant shipping spreading from the Gulf of Aden. Individual panelists offered a degree of optimism in discussion of the various market sectors, with the tanker and container vessel markets picked out as strong prospects for recovery.

ORGANIZERS

The Forum was organized by Capital Link, a New York based Investor Relations and Financial Communications firm, which amongst others is specialized in the shipping sector, working with the majority of the shipping companies listed in the Stock Exchanges of Europe and US. The Forum is organized in cooperation with NYSE Euronext and NASDAQ.

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SUPPORTING ORGANIZATIONS

Association of Banking and Financial Executives of Hellenic Shipping, HAS, The International Propeller Club, Piraeus Marine Club and WISTA Hellas.

MEDIA PARTNERS

The Media Partners of the Forum included Elnavi, Enimerosi, IHT -Kathimerini, Lloyd's List, Maritech News, The Maritime Executive, NafsGreen.gr, Naftika Chronika, Shipping Monthly Review, Shipping & Finance, SHIP to SHORE, Tradewinds and Worldoils.

TV MEDIA PARTNERS

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CONFERENCE MATERIAL

All conference material is available on Capital Link's website, at:

<http://forums.capitallink.com/shipping/2011greece/index.html>

ABOUT CAPITAL LINK

Capital Link is a New York-based Advisory, Investor Relations and Financial Communications firm. Capitalizing on our in-depth knowledge of the shipping industry and capital markets, Capital Link has made a strategic commitment to the shipping industry becoming the largest provider of Investor Relations and Financial Communications services to international shipping companies listed on the US and European Exchanges. Capital Link's headquarters are in New York with a presence in London and Athens.

In our effort to enhance the information flow to the investment community and contribute to improving investor knowledge of shipping, Capital Link has undertaken a series of initiatives beyond the traditional scope of its investor relations activity, such as:

- www.CapitalLinkShipping.com: A web based resource that provides information on the major shipping and stock market indices, as well as on all shipping stocks. It also features an earnings and conference call calendar, industry reports from major industry participants and interviews with CEOs, analysts and other market participants.
- **Weekly Capital Link Shipping e-Newsletter**: Weekly distribution to an extensive audience in the US & European shipping, financial and investment communities with updates on the shipping markets, the stock market and listed company news.
- www.CapitalLinkWebinars.com: Sector Forums & Webinars: Regularly, we organize panel discussions among CEOs, analysts, bankers and shipping industry participants on the developments in the various shipping sectors (containers, dry bulk, tankers) and on other topics of interest (such as Raising Equity in Shipping Today, Scrapping, etc).
- **Capital Link Investor Shipping Forums**: In New York, Athens and London bringing together investors, bankers, financial advisors, listed companies CEOs, analysts, and shipping industry participants.
- www.MaritimeIndices.com: Capital Link Maritime Indices: Capital Link developed and maintains a series of stock market maritime indices which track the performance of U.S. listed shipping stocks (CL maritime Index, CL Dry Bulk Index, CL Tanker Index, CL Container Index, CL LNG/LPG Index, CL Mixed Fleet Index, CL Shipping MLP Index – Bloomberg page: CPLI. The Indices are also distributed through the Reuters Newswires and are available on Factset.

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