



## Key Highlights



*The 6<sup>th</sup> Annual International Shipping & Marine Services Forum took place at the London Stock Exchange on Thursday, September 26, 2013*

**LONDON** – On Thursday, September 26, 2013, Capital Link successfully held its 6th Annual International & Marine Services Forum at the London Stock Exchange, which drew in a diverse group of more than 300 senior decision makers in the industry.

**Nicolas Bornozis**, President of Capital Link, welcomed all attendees and thanked the London Stock Exchange for hosting the Conference. He underlined the importance of London as a great hub in the global shipping Industry and its positioning to develop London as a capital market destination for shipping companies around the world. He mentioned that Capital Link's London Forum aims to raise awareness of Shipping and Marine Services to larger investor audience in the UK and Continental Europe.

**Luca Peyrano**, the Head of Continental Europe at the London Stock Exchange (LSE), referred to the LSE's contribution and longstanding tradition to the shipping industry. London's community and expertise in this sector has made London a natural destination for the shipping and marine services. Despite the instability of the recent years, capital markets are gradually contributing more to finance this sector and London maintains a leading position in liquidity at an international level.



*Luca Peyrano (Head of Continental Europe, London Stock Exchange)*

The Forum began with a sector overview of **Marine Services**, given by **Peter Ashworth** (Equity Analyst, Charles Stanley). Mr. Ashworth referred through examples of the volatility in the shipping market and how this can attract investors. The Marine Services sector has unique characteristics compared to other sectors, such as its broad range of services, and the professionals and practitioners involved in this Industry (End Markets, Commercial, Offshore Industries, Offshore wind, Naval, Leisure). What is appealing to investors in this sector is the strong connection between the Shipping Industry and the Marine Services Industry. Mr. Ashworth concluded the presentation with James Fisher & Sons' involvement in the Marine Services sector.

**Elinor Dautlich** (Partner, Holman Fenwick Willan LLP) moderated the **"Shipping & Banking Lending"** panel. Panelists **Joep Gorgels** (Country Executive Norway, ABN AMRO Bank N.V.), **Christopher**

**Conway** (Managing Director, Global Head of Risk, Shipping & Maritime Logistics, Citigroup), **Mark Ras** (Senior VP, Dry Bulk Group, DVB Bank SE), and **Bart Veldhuizen** (Consultant, Apollo Management International LLP) focused around the difficulty of finding ship financing today and the specialty of this sector. There are fewer banks actively financing the shipping companies today. In general, ship financing is a long term process and is high in risk for decent returns. Regulation has become increasingly more complex in this process. Lenders need to see healthy balance sheets and know in advance where companies are going to allocate these assets. There is a tendency for more sophisticated choices during the recent years, such as LNG and Offshore Drilling. Lastly, from a private equity point of view, understanding this market is essential.



*Peter Ashworth (Equity Analyst, Charles Stanley)*

Our next panel, **"Capital Markets & Alternative Financing: How to Close the Funding Gap,"** was moderated by **Panos Katsambas** (Partner, Reed Smith). Panelists **Truls Trøan** (Head of Corporate Finance, RS Platou Markets), **Nicholas Stillman** (Managing Director Investment Banking, Clarkson Capital Markets), **Jeffrey Pribor** (Global Head of Shipping Investment Banking, Jefferies & Company, Inc.), and **Andrew Meigh** (Director of Strategic Development, Charles Stanley Securities) discussed about alternative financing options, the situation of today's capital markets, and what equities and shipowners seek. There is a preference for dry cargo and containers over products tankers –which were the first choice in option in the past. Depending on the investor's risk appetite and the exposure the one would like to take, the market is open for financing. The next generation of financing will be Hedge Funds and Mutual Funds. Truls Trøan also referred to the OTC and the Oslo market. Oslo OTC is popular due to the flexibility of the legal market there and not because of the Norwegian investors. Most investors are from the US. The Oslo OTC is not a stock exchange – it is a platform of information and codes that successfully required less documentation and no acceptance by a governmental body or the Stock Exchange over the recent years.



*Shipping & Bank Lending Panel, Left to Right: Mr. Bart Veldhuizen, Mr. Mark Ras, Mr. Christopher Conway, Ms. Elinor Dautlich, and Mr. Joep Gorgels*



*Capital Markets & Alternative Financing Panel, Left to Right: Mr. Andrew Meigh, Mr. Jeffrey Pribor, Mr. Nicholas Stillman, Mr. Truls Trøan, and Mr. Panos Katsambas*

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**Douglas Mavrinac** (Managing Director, Group Head of the Maritime Equity Research Group, Jefferies & Company, Inc.) moderated **“The LNG Sector.”** Panelists **Brian Tienzo** (CFO, Golar LNG), **Rodney Hyne-Jones** (Director, Exmar Group), **Steffen Føreid** (CFO, Hoegh LNG), and **Paul Wogan** (CEO, GasLog Ltd.) focused on the characteristics of LNG projects, time it takes the ship to be built (3 years), and the role that the Japanese earthquake in 2011 played, which affected this market and the rates. There is a demand for LNG carriers, but the supply is a problem. Canada will play a significant role within the next years taken its geographical location.



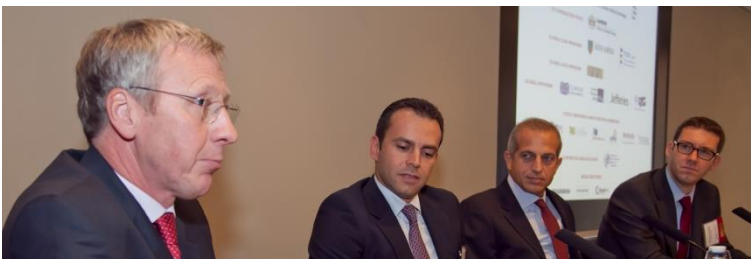
*The LNG Sector Panel, Left to Right: Mr. Paul Wogan, Mr. Steffen Føreid, Mr. Rodney Hyne-Jones, Mr. Brian Tienzo, and Mr. Douglas Mavrinac*

**Martin Stopford** (Non-Executive President, Clarkson Research Services Limited) provided an overview on the **“Global Shipbuilding Sector.”** Striking statistics for shipping orders over the recent years (2001 – 2009: The Great Shipping Boom) was presented. Despite the 2008 financial crisis, shipyards have sailed with very little disturbance and prices remained stable. This stability allowed investors to move on from the crisis and invest in ships. China and Korea are the leading countries in the shipyards industry. In 2012, \$87 billion was invested in new ships and the estimated investment for 2013 is predicted to be even higher. Bulk carriers are the most popular type of orders, followed by containers and tankers. Deliveries fell by 22% from its peak in 2013. The industry is struggling with ecoship and regulatory technology.



*Martin Stopford (Non-Executive President, Clarkson Research Services Limited)*

**Richard Meade** (Editor, Lloyds List) moderated **“The Container Sector.”** Panelists **Aristides Pittas** (CEO, Euroseas Ltd), **John Dragnis** (CEO, Goldenport Holdings Inc), and **Ian Webber** (CEO, Global Ship Lease, Inc.) provided a review into the sector. With new orders coming in, the panel believes there are more opportunities than threats in this sector. Due to high fuel consumption, the old Panamax Ship has suffered the most. Shipowners are skeptical about investing in these types of ships because of its overcapacity and size. Alliances serve optimization and will only work if there is a schedule, frequency and cost management. It is evolution and not revolution. Scrapping is a solution for companies due to the low market opportunities at the moment.



*The Container Sector Panel, Left to Right: Mr. Ian Webber, Mr. John Dragnis, Mr. Aristides Pittas, and Mr. Richard Meade*

The Forum was carried over from the Container Sector and into **“The Dry Bulk Sector,”** by **Marc Pauchet** (Lead Dry Bulk Analyst, ACM Shipping), our moderator for this segment. Panelists **Aristides Pittas** (CEO, Euroseas Ltd), **John Dragnis** (CEO, Goldenport Holdings Inc), **Herman Billung** (CEO, Golden Ocean Group Ltd), and **Ulrich Muller** (Managing Director, Belships) agreed there is a close connection between the rates of the Capesize and Panamax ships. China will reach its target rate this year, but it will not be sustainable. The rates of steel and coal were also discussed. Mr. Pittas stated that steel is very important; it does not affect the Capesize ship rates. It is possible to see new orders once the market starts recovering. However, deliveries on new orders received by the yards are for 2016 and onwards.



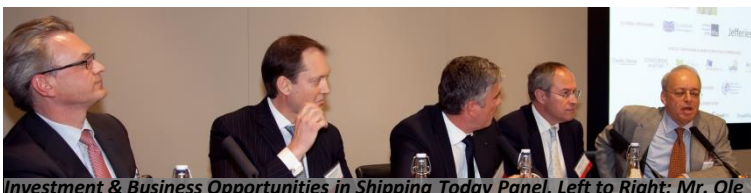
*The Dry Bulk Sector Panel, Left to Right: Mr. Ulrich Muller, Mr. Herman Billung, Mr. John Dragnis, Mr. Aristides Pittas, and Mr. Marc Pauchet*

**Ben Nolan** (Director, Maritime Research, Stifel Financial Corp.) moderated **“The Tanker Sector”** and panelists **Marco Fiori** (CEO, d’Amico International Shipping S.A), **Hans Norén** (President, Concordia Maritime AB), and **Laurent Bozzoni** (Managing Director, Socatra) focused on the dynamic changes in the refinery centers. Middle Eastern Refinery Centers are playing a more important role as the traditional refinery center’s capacities are closing down. Slow, but stable recovery is sought after. Although there are many orders in the pipeline the number of yards to receive these types of ships are limited.



*The Tanker Sector Panel, Left to Right: Mr. Laurent Bozzoni, Mr. Hans Norén, Mr. Marco Fiori, and Mr. Ben Nolan*

The Forum concluded with the last panel discussion on **“Investment & Business Opportunities in Shipping Today,”** moderated by **Clay Maitland** (Managing Partner, International Registries, Inc.). Panelists **James Kidwell** (CEO, Braemar Shipping Services PLC), **Gildas Maire** (CEO, Louis Dreyfus Armateurs), **Andrian Dacy** (Managing Director, Global Head of Maritime, Global Real Assets Group, JP Morgan Asset Management), and **Ole Hjertaker** (CEO, Ship Finance International Ltd.) debated on the question, “Is a London a center for capital markets?” The panel agreed that London is a center for capital markets, but not for shipping. Unlike New York and Norway, equity investors in London do not have many companies to follow. Where are the opportunities in London? It is difficult to find financing, but there are opportunities despite the volatility as investors prefer to invest in safe investments.



*Investment & Business Opportunities in Shipping Today Panel, Left to Right: Mr. Ole Hjertaker, Mr. Andrian Dacy, Mr. Gildas Maire, Mr. James Kidwell, and Mr. Clay Maitland*





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Thursday, September 26, 2013 - London Stock Exchange



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