Global Newbuild Market Survey

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No Escape. Tough Times Ahead

Looking at the crisis in shipowning and shipbuilding today

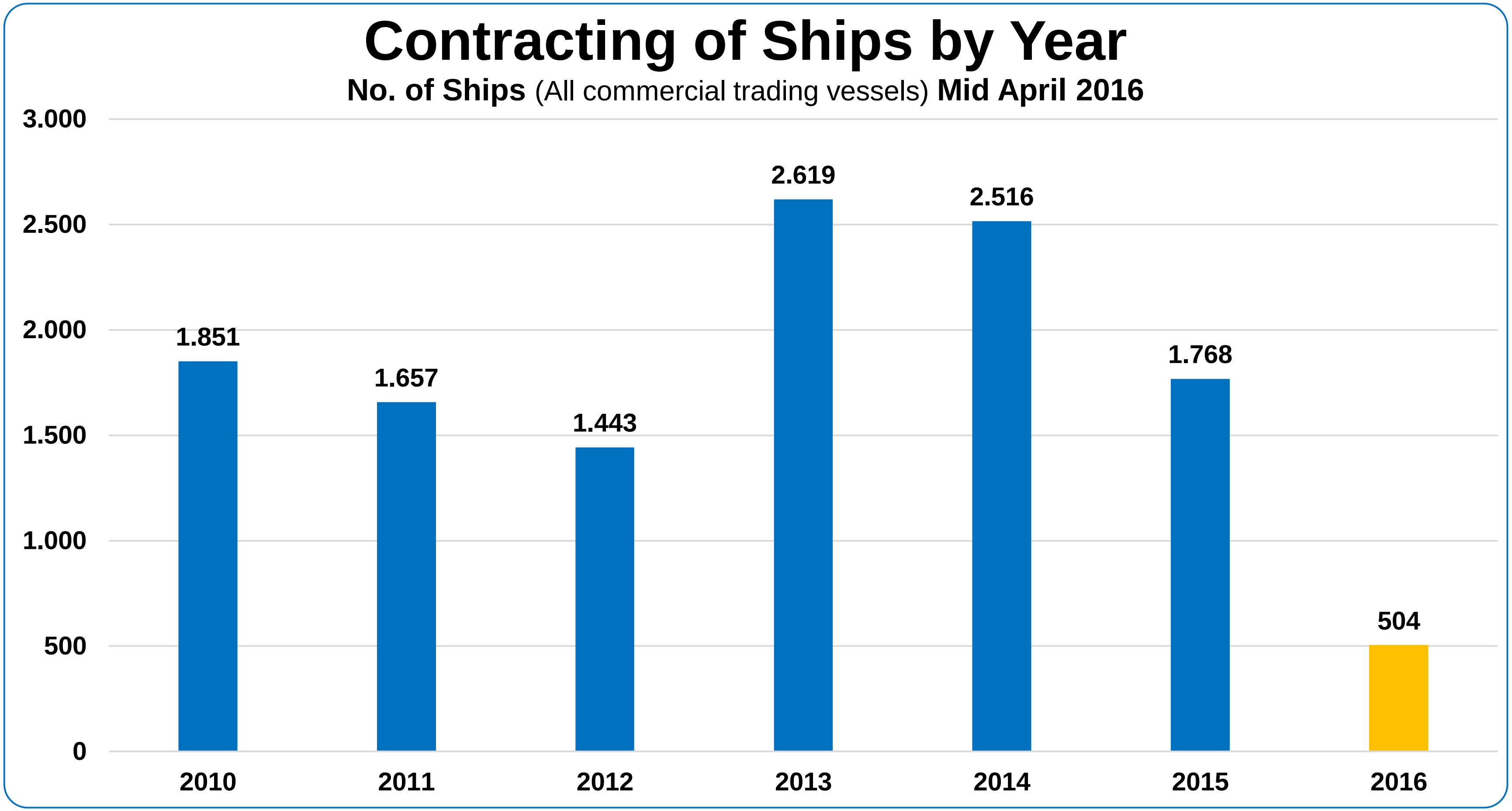
Contracting falls to worrying levels in 2016

- **Will this continue in 2016?**
- **When and how will recovery come?**
- **Investors are frightened off**
- **No longer is investment in shipping seen as a safe haven**
- **Shipyard debts getting out of control**
- **Favourable market outlets**

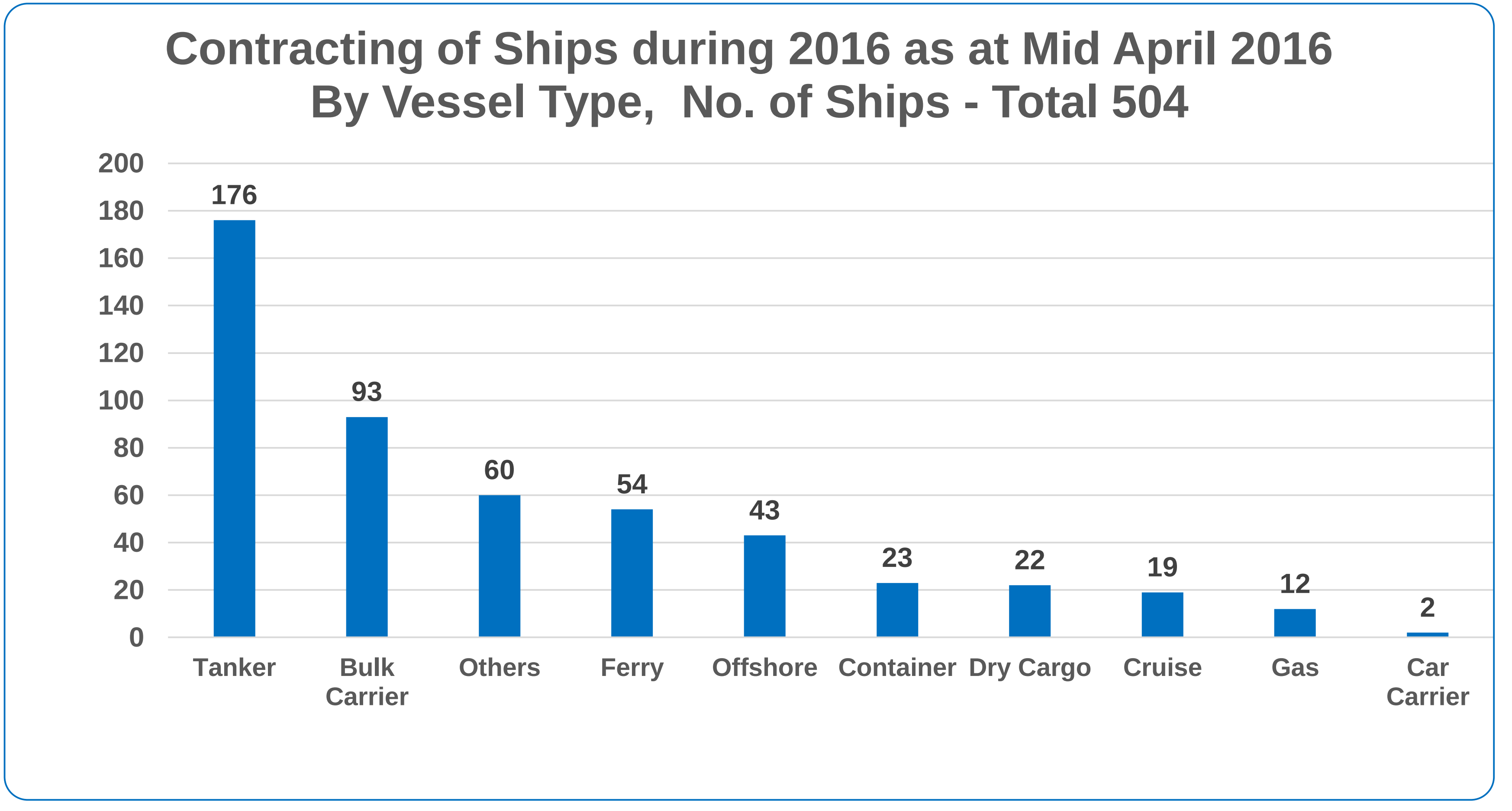
Contracting falls to worrying levels in 2016

- More and more state intervention, mergers and bankruptcies
- Tankers and cruise liners are the shining lights
- What does the current situation tell us for the future?

What will happen in 2016?



Growth in 2016



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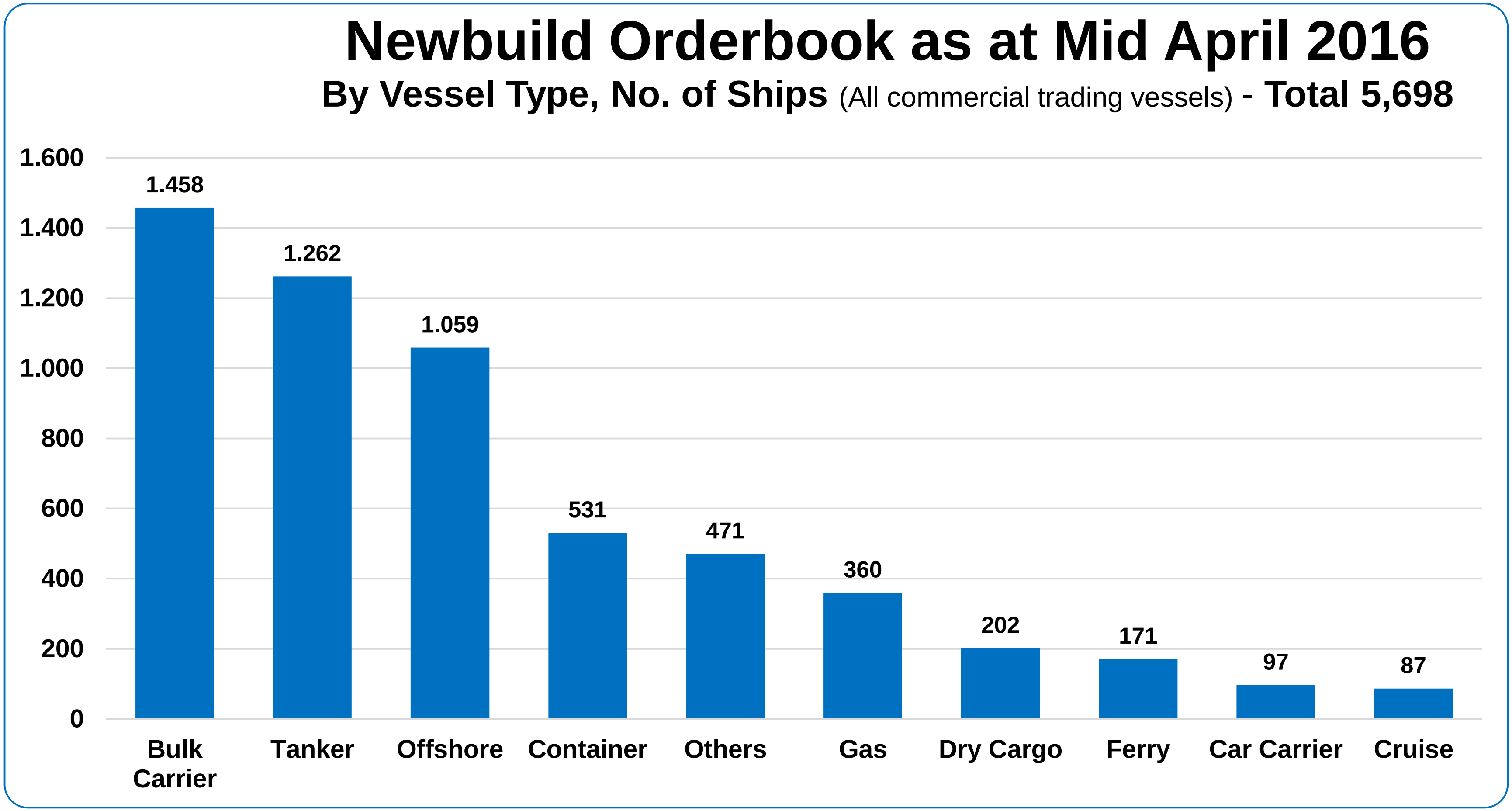
Current orderbook status



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Latest changing trends: Owner perspective

- **New environmental legislation**
- **Changing attitude of banks for favoured owners**
- **Eco versus non eco advantages cancelled out**
- **Owners seeking more third party management**
- **Private equity showing signs of retreat which could spell trouble for owners**

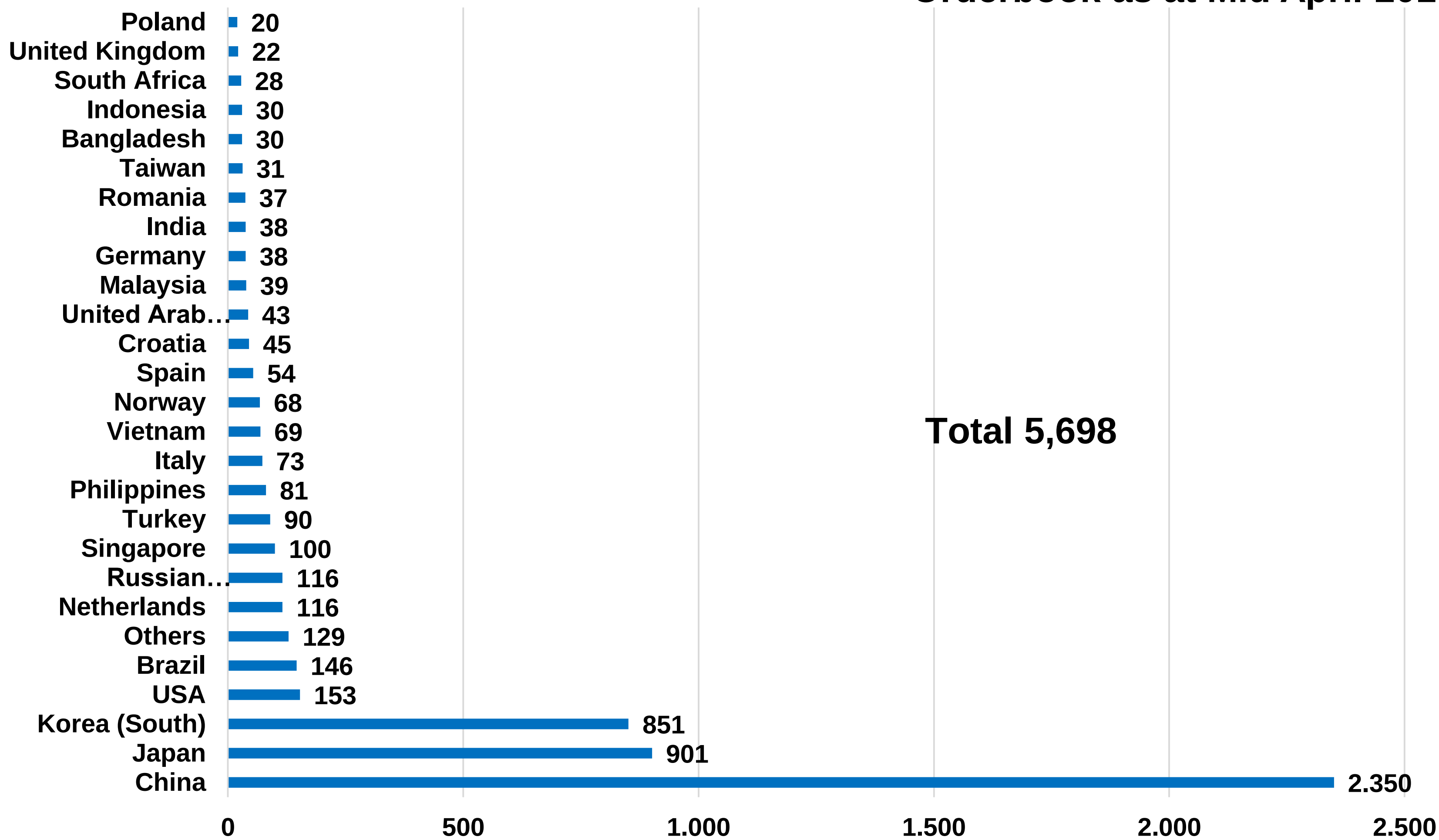
Latest changing trends: Builder perspective

- **Increasing debt crisis in China and South Korea**
- **Japan continues to gain ground**
- **Europe staging a revival in small vessel construction**
- **Impact on owner interest in ordering new tonnage**

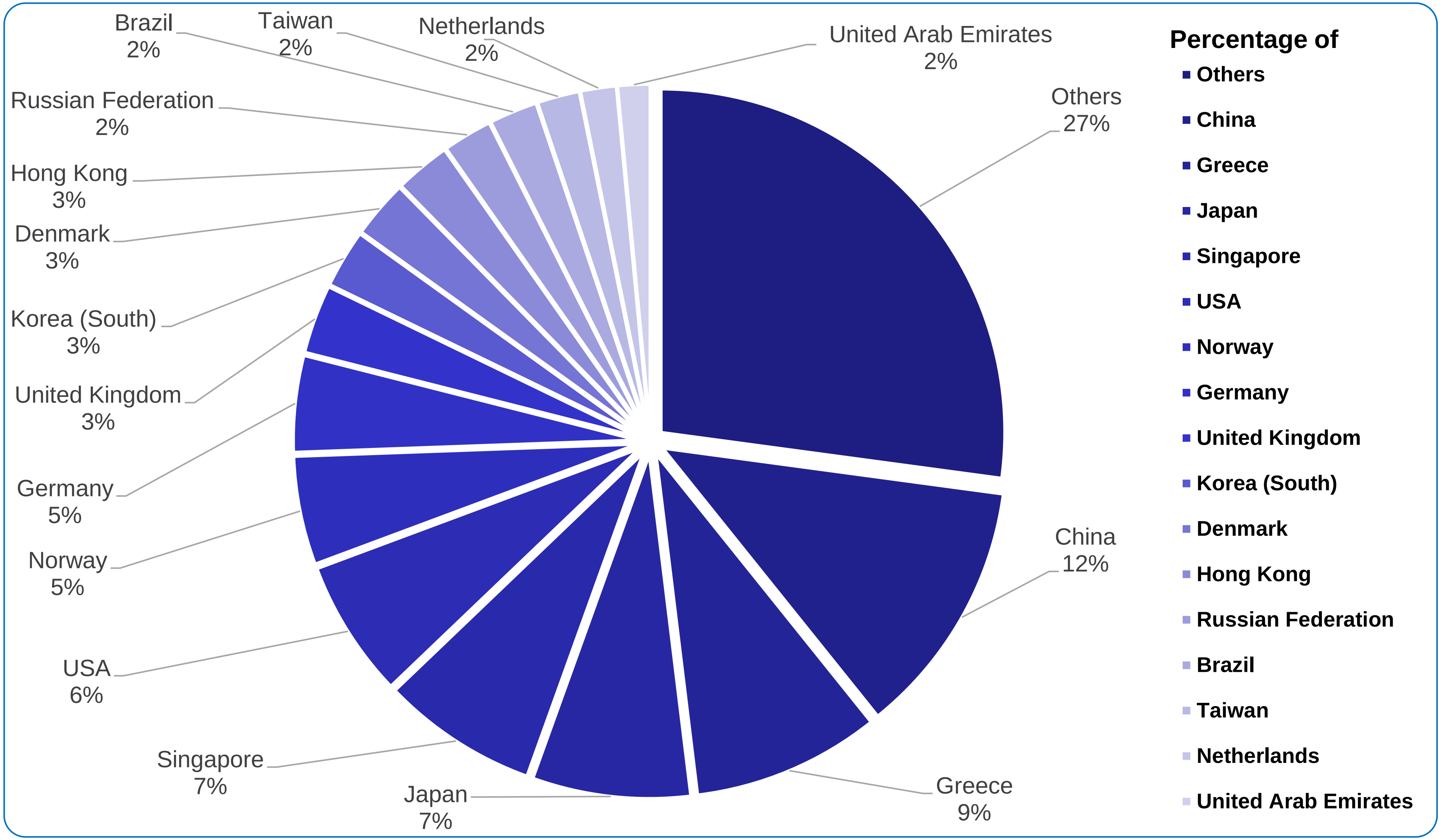
Expected ship delivery

vessel type	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bulk Carrier	951	320	134	31	9	1			
Car Carrier	25	38	25	8					
Container	190	188	122	24	7				
Cruise	15	28	15	13	10	1	4	1	1
Dredger	20	10	1						
Dry Cargo	118	56	24	4					
Ferry	77	72	22	2	3				
Fishing	26	22	11	2					
Gas	130	137	51	27	2	2	4	1	
Heavy Lift	9	3	9						
Miscellaneous	53	30	12	2					
Offshore	785	231	26	10	5				
Reefer	5	4	1						
Tanker	508	458	205	64	23	1			
Tug	100	48	10						
Yacht	64	26	4	2	1				
Grand Total	**3,076**	**1,671**	**672**	**189**	**60**	**5**	**8**	**2**	**1**

Newbuild Orderbook, No. of Ships
By Shipbuilder Country
Orderbook as at Mid April 2016



Newbuild Orderbook, By Shipowner Country as at Mid April 2016



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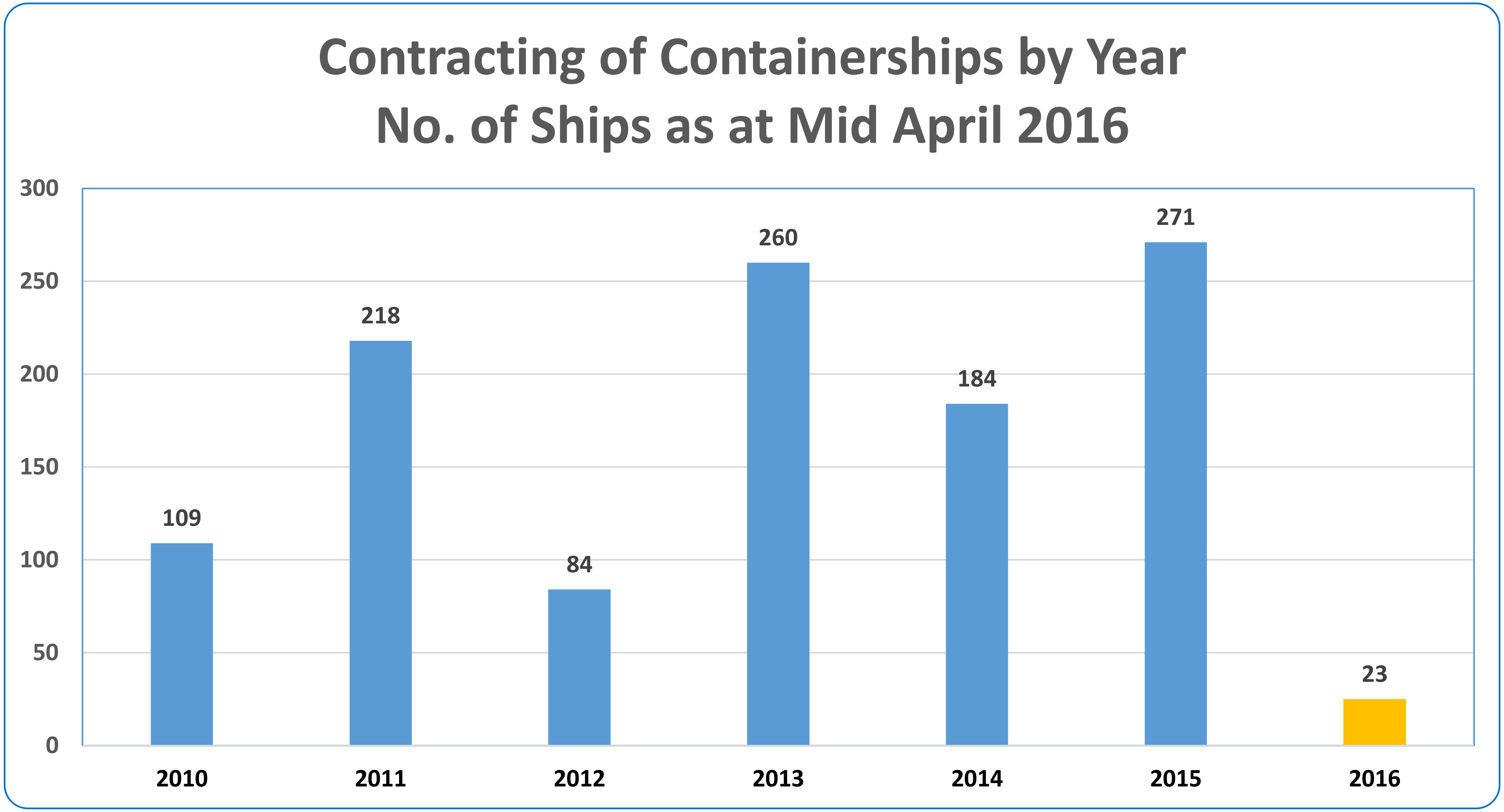
Containership crisis

- Has there been improvement?
- Feedership success
- Wide beam tonnage increase
- Reefer trades

Containerships Contracted 2010-2016



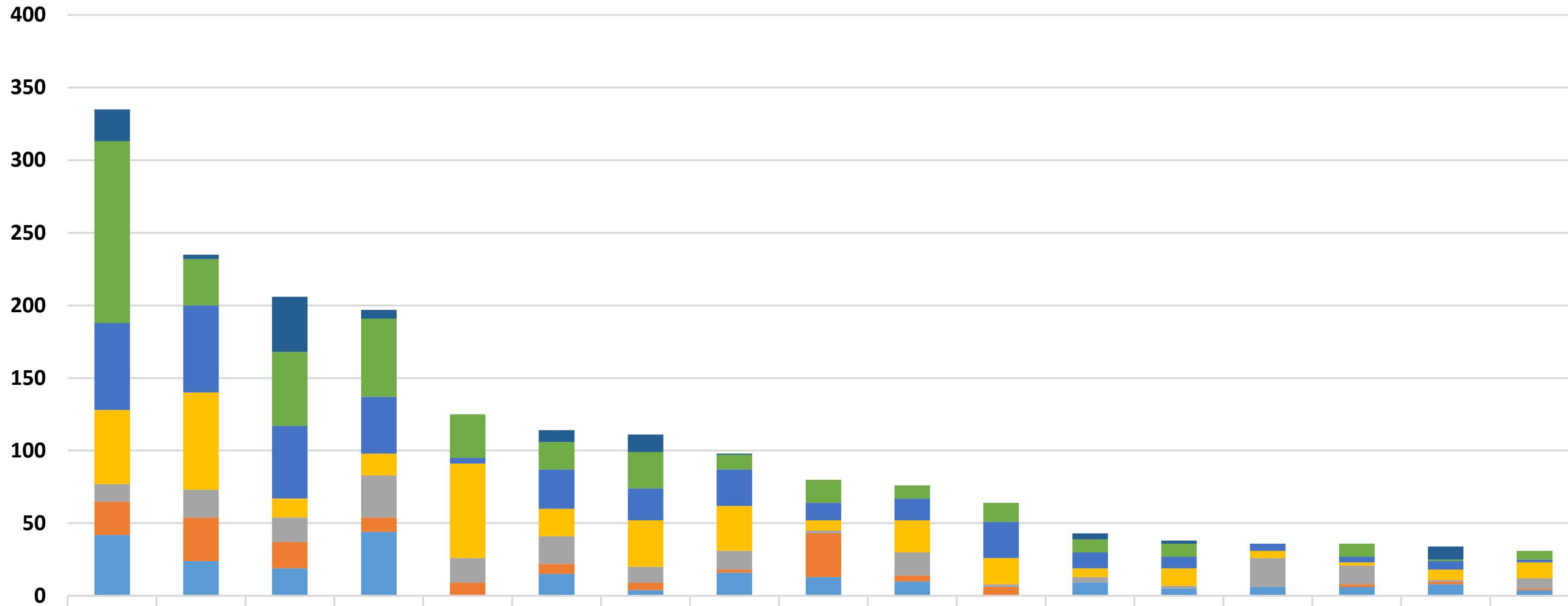
Containerships on order by expected delivery year and teu

Country of shipbuilder	2016		2016		2017		2018		2019		2020	
	no	teu	no	teu	no	teu	no	teu	no	teu	no	teu
Bangladesh	3	500	3	500								
Brazil	3	8,100	1	2,700	2	5,400						
China	292	1,581,037	114	462,097	104	440,368	64	600,448	9	66,324	1	11,800
Croatia	4	8,000	2	4,000			2	4,000				
Japan	74	994,506	11	129,190	9	106,103	33	422,113	15	233,600	6	103,500
Korea (South)	99	1,303,726	35	357,382	49	697,794	15	248,550				
Philippines	25	287,970	11	105,060	13	162,310	1	20,600				
Poland	1	606	1	606								
Romania	1	9,162	1	9,162								
Taiwan	20	106,000	8	74,400	7	17,600	5	14,000				
USA	5	15,100	1	3,100	2	4,800	2	7,200				
Vietnam	4	2,814	2	1,414	2	1,400						
Grand Total	531	4,317,521	190	1,149,611	188	1,435,775	122	1,316,911	24	299,924	7	115,300

Tanker recovery sustained

- How long can it last?
- Which types find more favour
- Will the oil price recover in 2016
- Average freight rates

Tankers Contracted 2010 - 2016
By No. of Ships, Shipowner Country



	GRE	SNG	JAP	CHI	MON	NOR	SK	USA	RUS	UK	DK	TUR	HK	BRA	SWE	INDO	ITA
2016	22	3	38	6		8	12	1				4	2			9	
2015	125	32	51	54	30	19	25	10	16	9	13	9	9		9	1	6
2014	60	60	50	39	4	27	22	25	12	15	25	11	8	5	4	6	2
2013	51	67	13	15	65	19	32	31	7	22	18	6	12	5	2	7	11
2012	12	19	17	29	17	19	11	13	2	16	2	4	2	20	13	1	7
2011	23	30	18	10	9	7	5	2	30	4	6				2	2	1
2010	42	24	19	44		15	4	16	13	10		9	5	6	6	8	4

Fleet Changes 2015/2016

Ratio of scrapping in 2015/2016 compared with deliveries

Sold for Demolition ship type	2015 no	2016 no
Bulk Carrier	205	90
Car Carrier	4	1
Container	36	21
Dredger	1	
Dry Cargo	24	4
Ferry RoPax	6	
Gas	32	3
Offshore	4	3
Miscellaneous		2
Reefer	3	2
RORO Freight	3	
Tanker	38	8
Grand Total	356	134

Newbuild Deliveries ship type	2015 no	2016 no
Bulk Carrier	665	157
Offshore	427	32
Tanker	304	79
Container	213	32
Gas	112	31
Dry Cargo	65	11
Tug	50	3
RoPax	24	3
Car Carrier	20	7
Cruise	18	2
Miscellaneous	14	2
Fast Ferry	6	
RoRo Freight	6	
Dredger	5	1
Heavy Lift	4	
Ferry	3	
Fishing	3	
Luxury Yacht	1	1
Reefer	1	
Grand Total	1,941	361

Conclusion:

- Have we reached a bust situation?
- Huge scrapping programme needed
- Mergers and bankruptcies are steadily growing
- Too much political interference
- How is the shipbuilder debt problem conquered

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Tak for opmærksomheden

Thank you for your attention