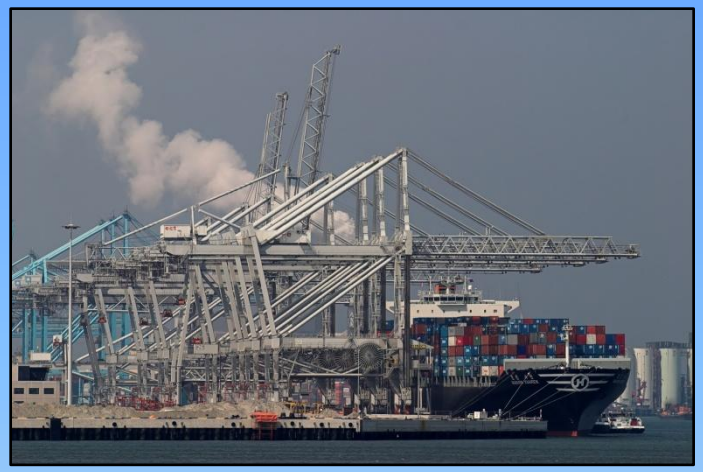
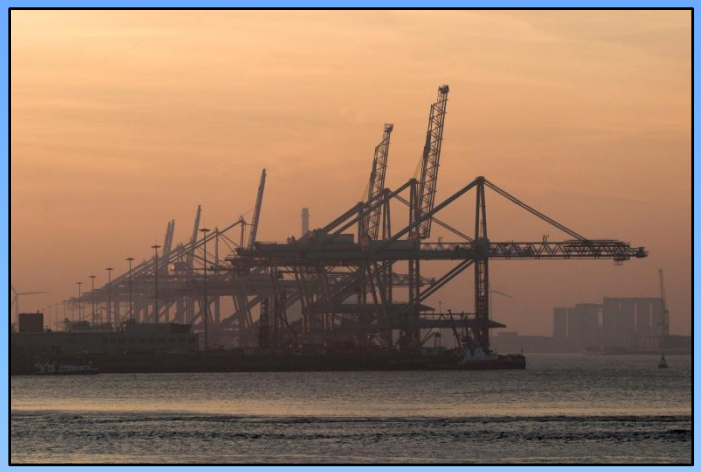
The state of the container liner industry

Frans Waals
DYNAMAR B.V.
Netherlands

What will the future bring us?



2008



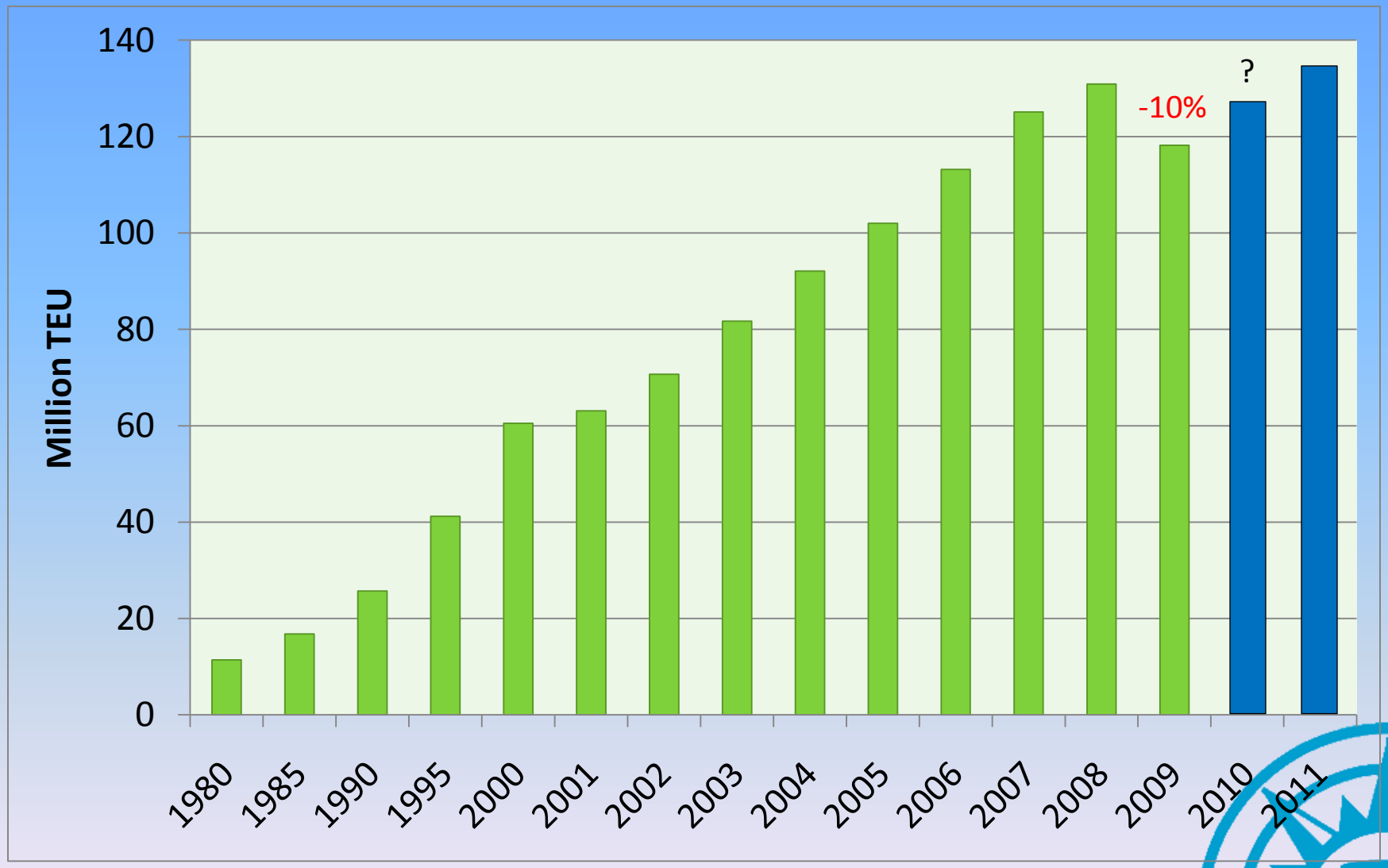
2009

?

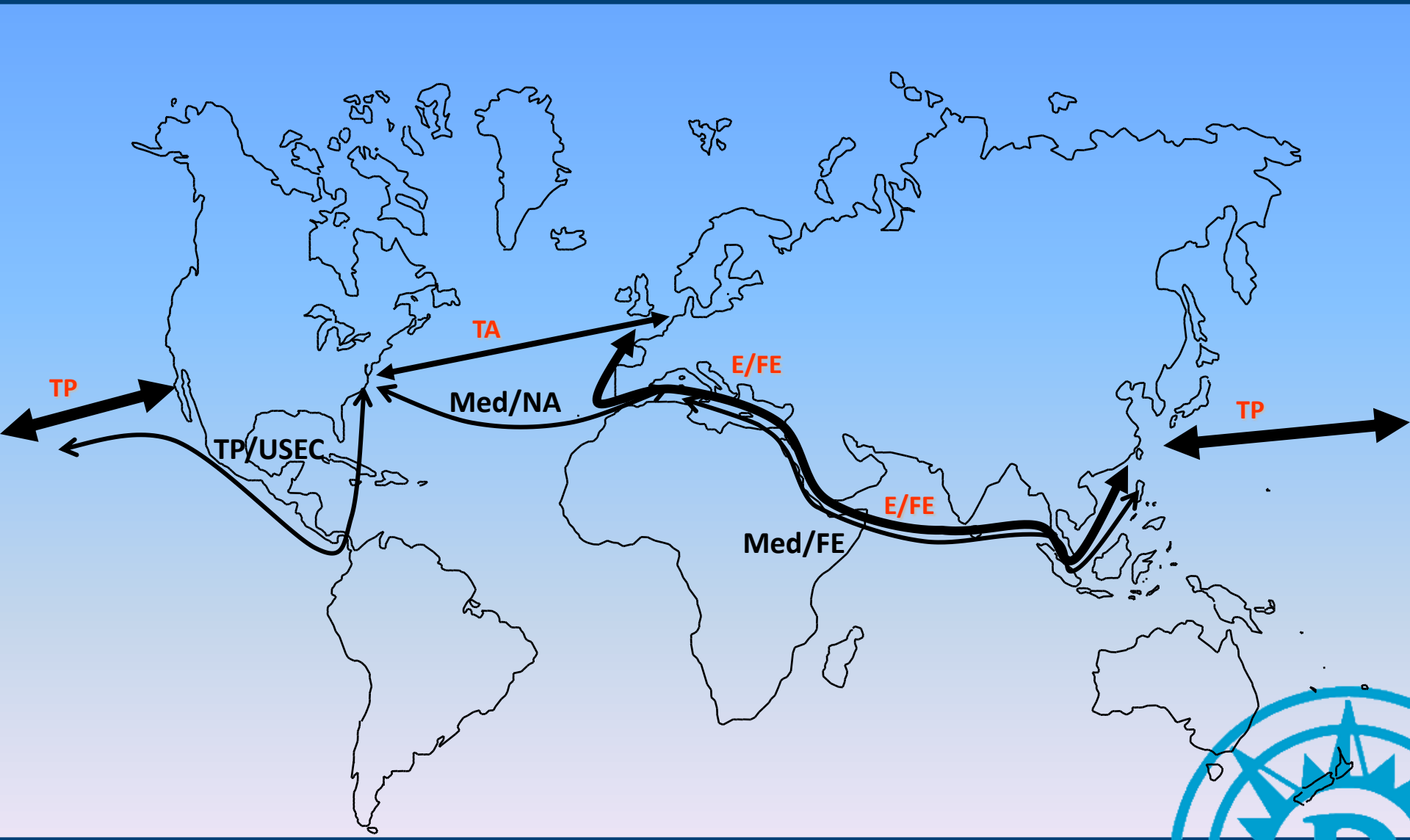
The future

TRADES

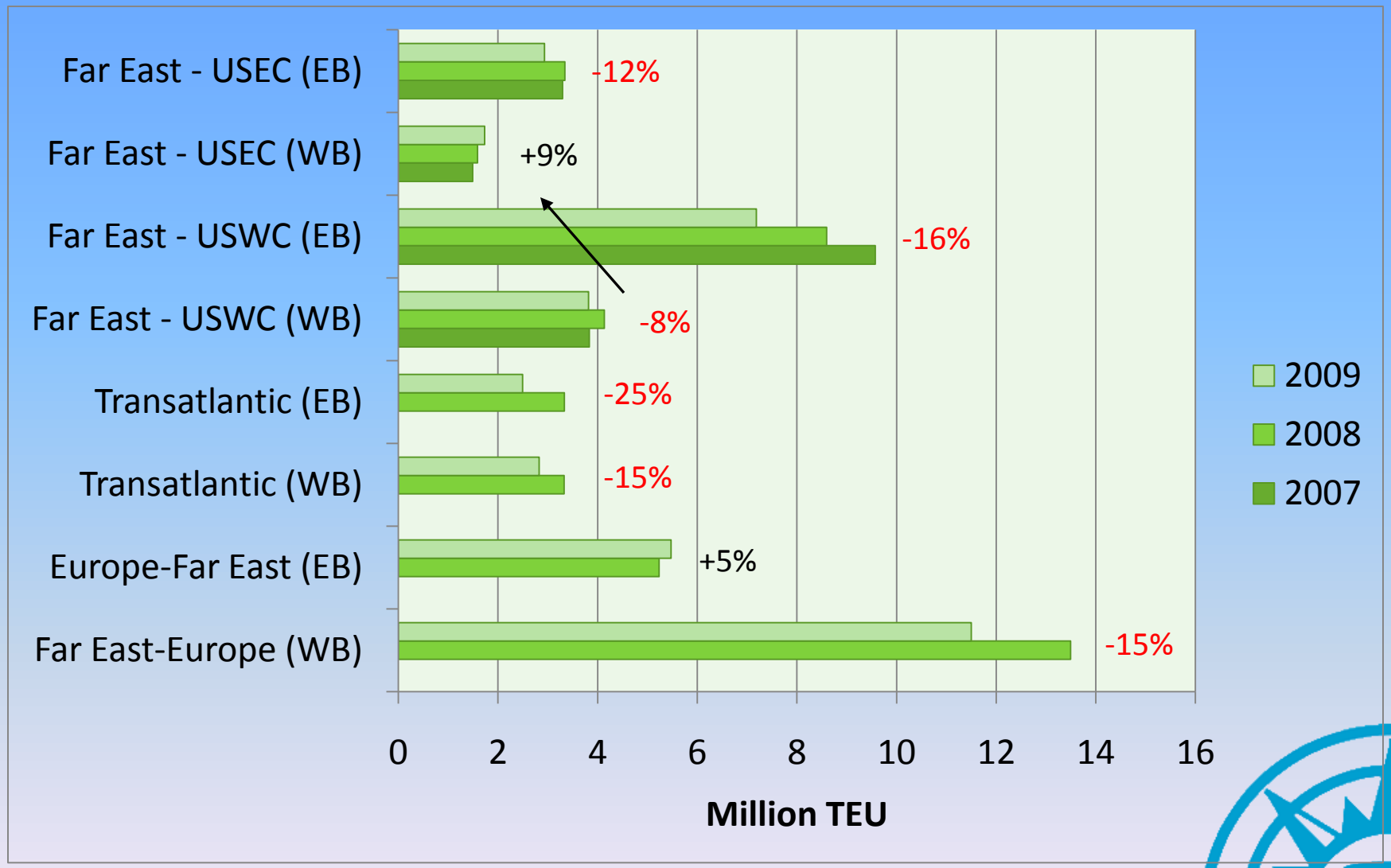
Worldwide Container Trade Volumes



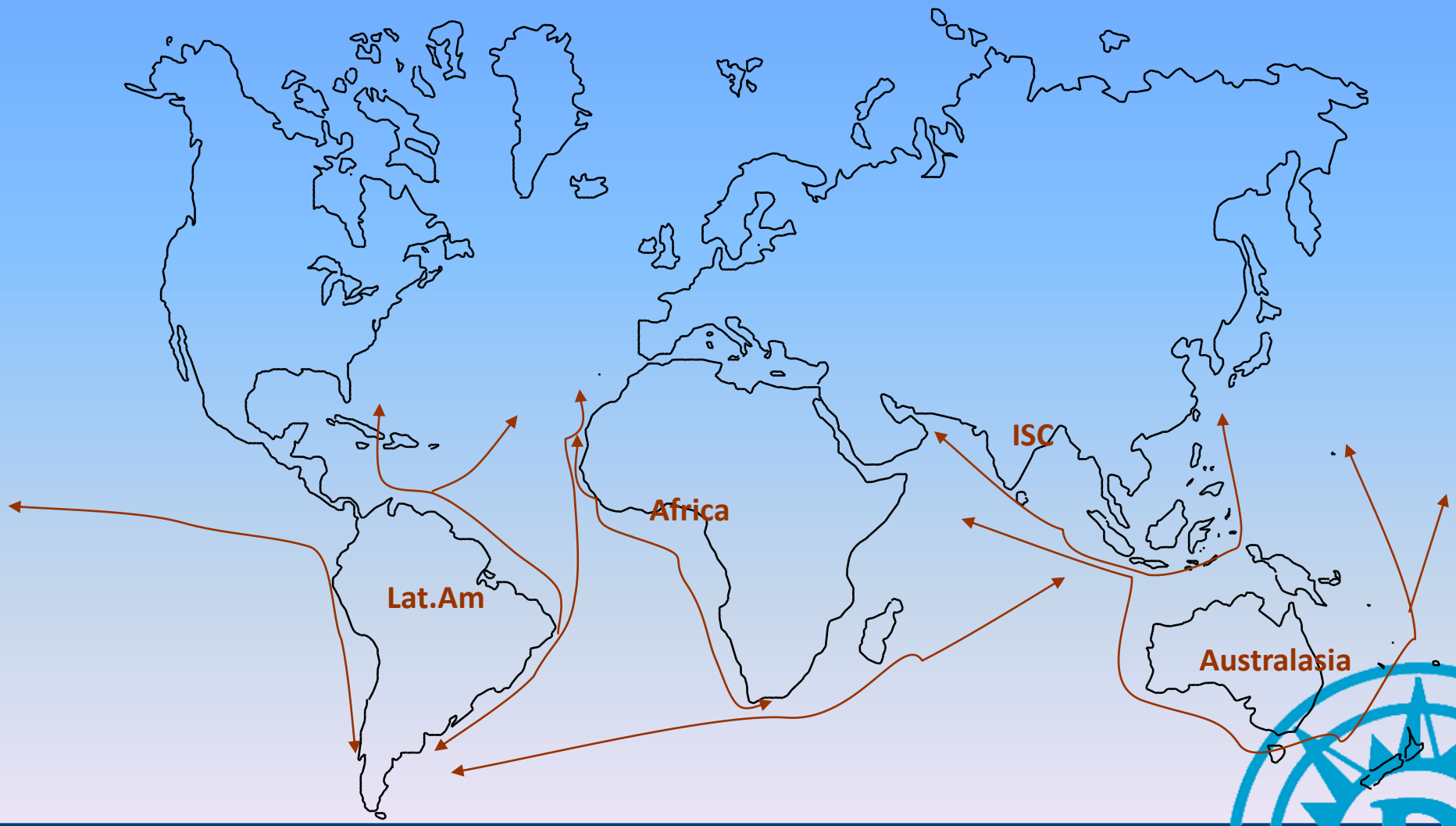
East-West Trades



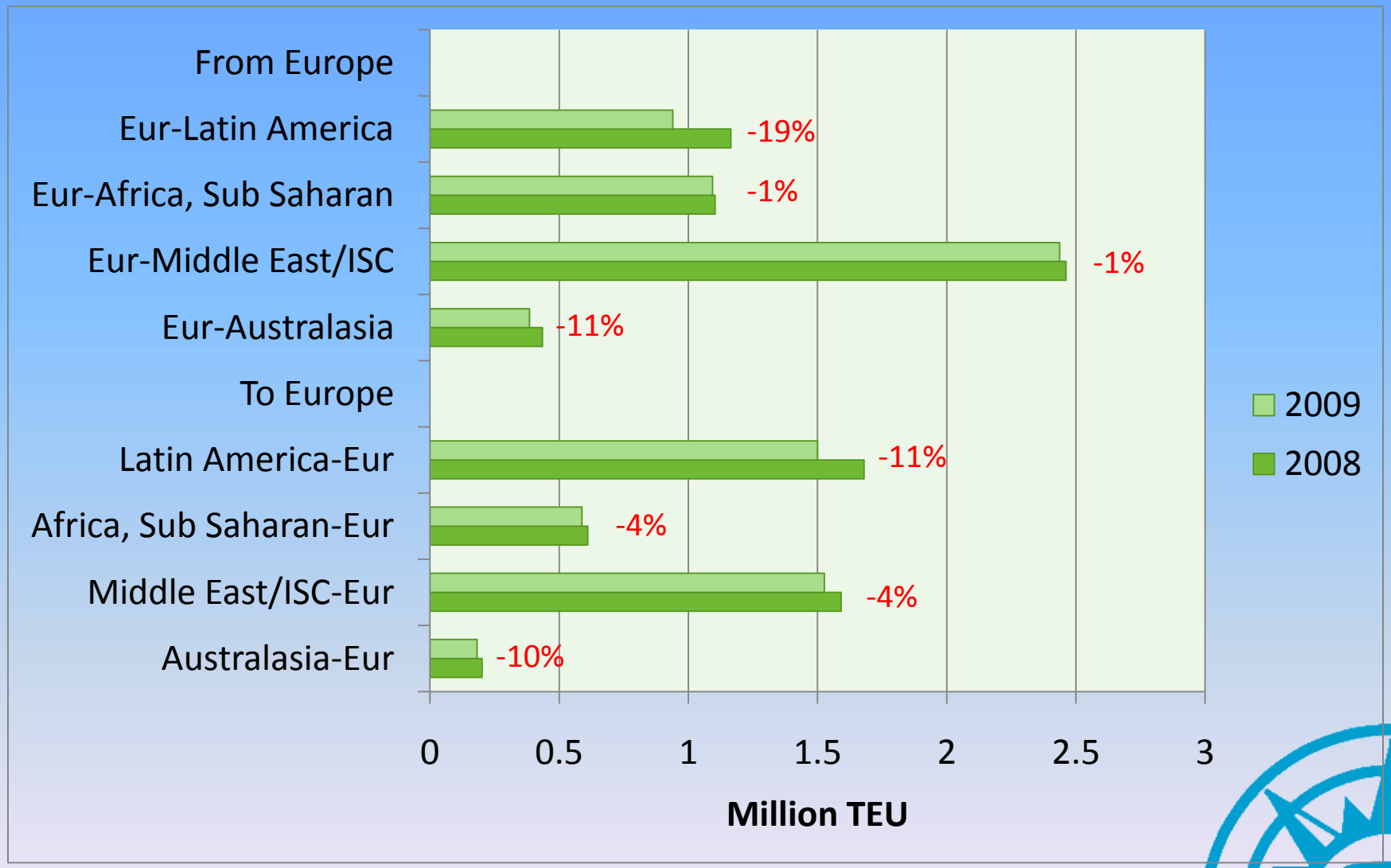
East-West Trades



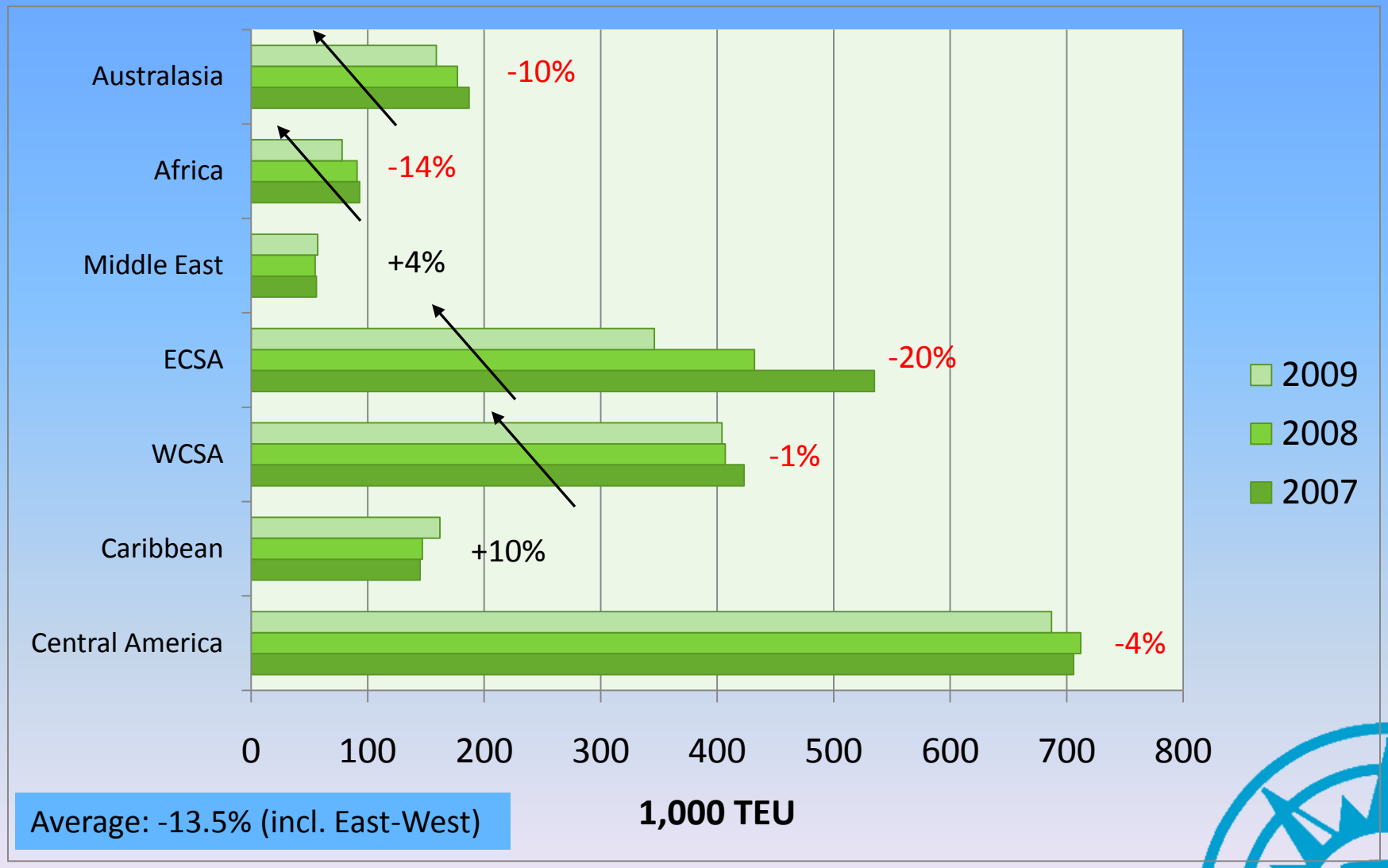
North-South Trades



North-South Trades (to/from Europe)

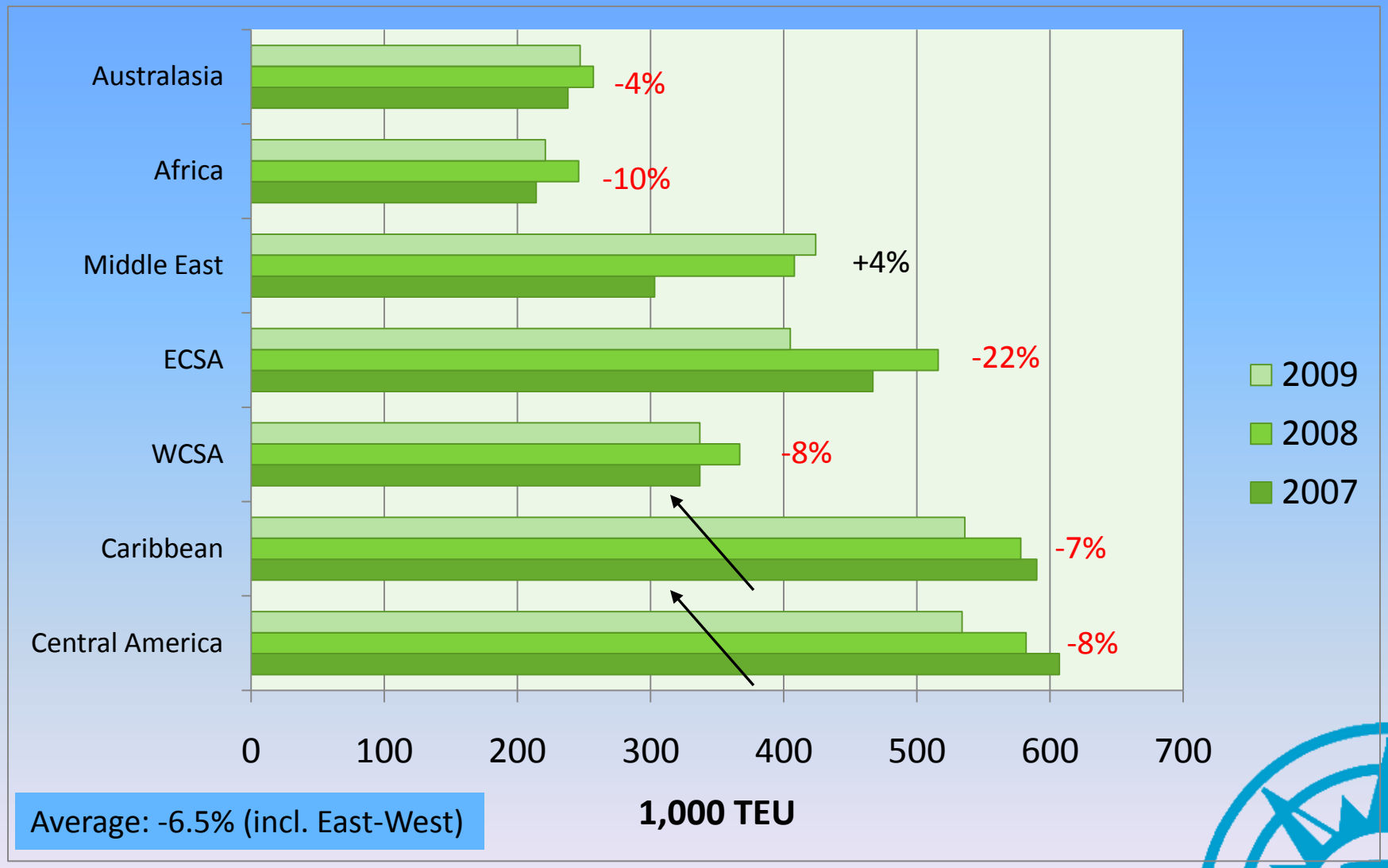


North-South Trades (To US)



Average: -13.5% (incl. East-West)

North-South Trades (from US)



Average: -6.5% (incl. East-West)

Some first 2010 figures

Trade	To Europe	From Europe
Far East	20%	22%
North America	14%	11%
ISC/Middle East	18%	12%
Latin America	6%	46%
Australasia	24%	12%
Sub-Saharan Africa	8%	5%

- Recovery all over, however:
  - Comparison against most depressed months of 2009
  - Volumes still below those of 2008

PORTS

The premier league (>10 million TEU)

	2007	2008	2009	'09/'08
Singapore	27.9	29.9	25.9	-13%
Shanghai	26.1	28.0	25.0	-11%
Hong Kong	23.9	24.2	21.0	-13%
Shenzhen	20.9	21.4	18.3	-15%
Busan	13.3	13.4	12.0	-11%
Dubai	10.7	11.8	11.1	-6%
Ningbo	9.4	11.2	10.5	-6%
Guangzhou	9.3	11.0	11.2	2%
Qingdao	9.5	10.3	10.3	-1%

Million TEU

- Only one port stil growing
- 8 ports in the Far East
- 5 ports in China

The second tier (5-10 million TEU)

	2007	2008	2009	'09/'08
Rotterdam	10.8	10.8	9.7	-10%
Hamburg	9.9	9.7	7.0	-28%
Kaohsiung	10.3	9.7	8.6	-11%
Antwerp	8.2	8.7	7.3	-16%
Tianjin	7.1	8.5	8.7	2%
Port Kelang	7.1	8.0	7.3	-8%
Los Angeles	8.4	7.8	6.7	-14%
Long Beach	7.3	6.4	5.1	-20%
Tanjung Pelepas	5.5	5.6	6.0	7%

Million TEU

- Rotterdam below 10 million TEU
- Hamburg and Long Beach highest declines
- US ports shrink for second year in a row
- Within north Europe, Rotterdam improves market share

Some winners

	2007	2008	2009	'09/'08
Khor Fakkan	1.85	2.11	2.75	30%
Tangier	0.13	0.93	1.20	30%
Cagliari	0.53	0.26	0.76	194%
Abu Dhabi	0.33	0.39	0.53	36%
Navegantes	0.12	0.22	0.40	84%
Pipavav	0.19	0.20	0.32	64%
Prince Rupert	0.02	0.18	0.27	46%
Gdansk	0.10	0.19	0.24	30%
Tarragona	0.05	0.05	0.20	330%

Million TEU

- New ports
- Growing regions
- Attracting new customers (at the cost of other ports)

And some more unhappy faces

	2007	2008	2009	'09/'08
Nagoya	2.90	2.90	2.05	-29%
Barcelona	2.61	2.57	1.80	-30%
St Petersburg	1.70	1.97	1.34	-32%
Constanta	1.41	1.38	0.58	-58%
Gdynia	0.61	0.61	0.38	-38%
Kotka	0.56	0.62	0.34	-45%
Port Elizabeth	0.44	0.42	0.31	-27%
La Guaira	0.42	0.44	0.30	-30%
Malaga	0.54	0.43	0.29	-32%
Aden	0.50	0.49	0.27	-46%
Odessa	0.52	0.57	0.26	-55%

Million TEU

But the tide is turning in China – 1Q

	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%

- 2010 above 2008 level

Million TEU

As well as on the US West Coast – 1Q

	1Q08	1Q09	1Q10	'10/'09
Long Beach	2.41	1.09	1.27	15.9%
Los Angeles	1.85	1.53	1.65	8.0%
Oakland	0.55	0.46	0.50	8.7%
Seattle	0.35	0.26	0.38	45.3%
Tacoma	0.33	0.27	0.21	-21.8%
Total	5.49	3.62	4.01	10.9%

Million TEU

- Improving, but still very much depressed

And in other places inthe world – 1Q

	1Q09	1Q10	'10/'09
Busan	2.69	3.26	21.3%
Rotterdam	2.24	2.60	16.0%
Antwerp	1.74	2.01	15.9%
Port Kelang	1.53	1.94	26.6%
Ho Chi Minh	0.73	0.89	22.4%
Zeebrugge	0.49	0.61	23.9%
Inchon	0.30	0.41	38.9%
St. Petersburg	0.28	0.39	39.7%
Tangier	0.27	0.41	50.0%
Halifax	0.07	0.10	41.4%

Million TEU

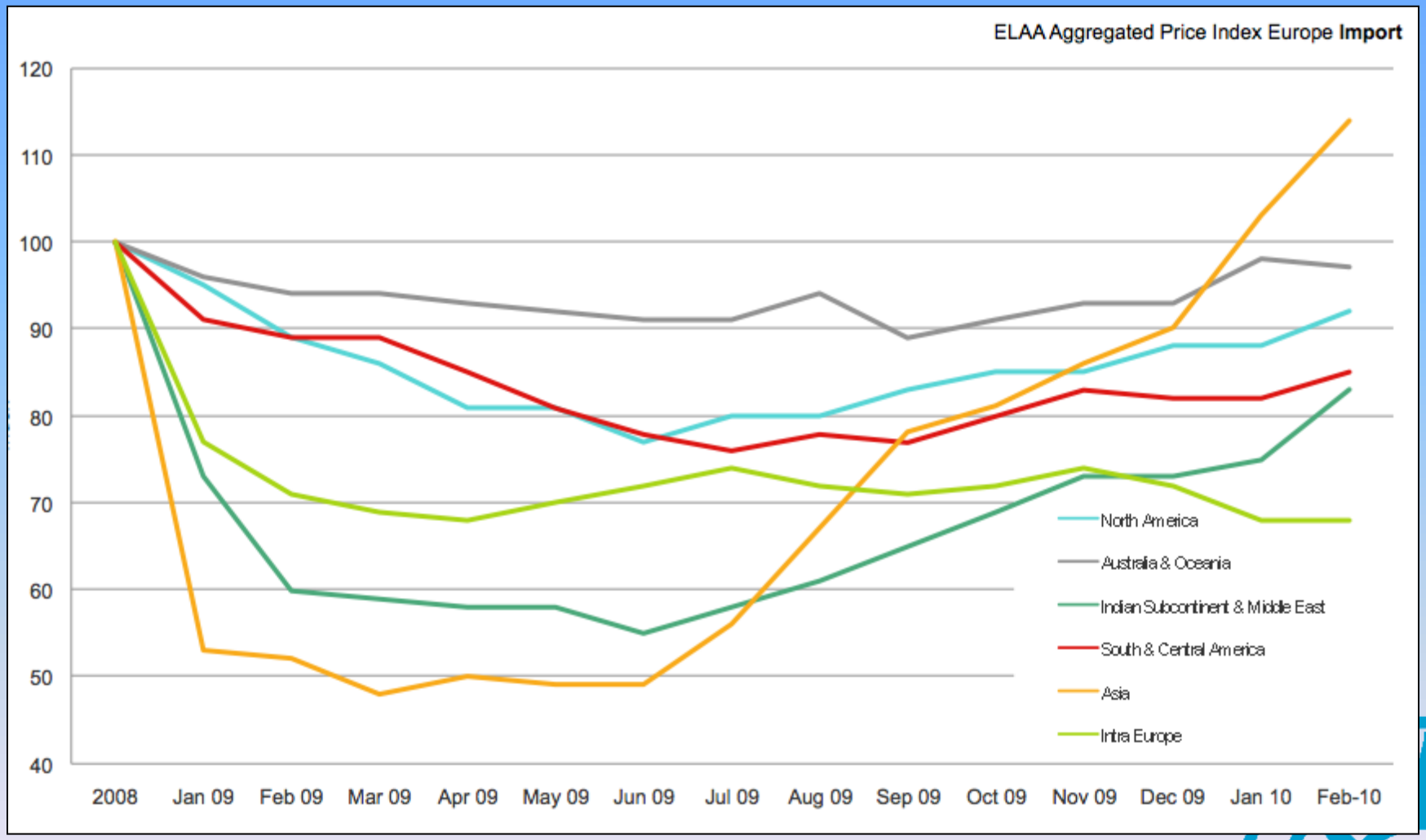
CARRIERS

Carryings

	2007	2008	2009	’09/’08
APL	4.71	4.93	4.58	-7%
China Shipping	7.30	7.00	6.74	-4%
Coscon	5.71	5.79	5.23	-10%
CSAV	2.13	2.19	1.79	-18%
Hamburg Süd	2.14	2.70	2.30	-15%
Hanjin	3.63	3.43	3.22	-6%
Hapag Lloyd	5.45	5.55	4.64	-16%
Hyundai	2.40	2.65	2.51	-5%
"K" Line	3.22	3.10	3.08	-1%
Maersk Line	13.68	13.86	13.80	0%
MSC	10.00	10.50	10.29	-2%
OOCL	4.60	4.84	4.16	-14%
RCL	2.75	2.91	2.36	-19%
Samudera	1.43	1.51	1.26	-17%
TS Lines	1.06	1.19	1.17	-2%
ZIM	2.38	2.52	1.48	-41%

Million TEU

Freight rate index (2008=100)



Financial results

	Growth Turnover (%)	Turnover (million USD)	Profit (million USD)	USD/TEU
APL	-31	5,400	-731	-159
China Shipping	-43	2890	-951	-141
CMA CGM	-30	10,500	-1,425	-181
Coscon	-39	2,600	-1,140	-218
CSAV	-38	3,030	-669	-374
Evergreen	n/a	n/a	-310	
Hamburg Süd	-29	4,300	Loss	
Hanjin	-35	4,431	-652	-202
Hapag-Lloyd	-28	6,000	-964	-208
“K” Line	-30	3,900	-718	-233
Maersk Line	-28	20,611	-2,088	-151
MOL	-32	4,900	-610	
MSC	n/a	11,000	Loss	
NYK	-37	4,050	-595	
OOCL	-35	3,800	-401	-96
ZIM	-43	2,449	-432	-240

Some companies barely survived

- CMA CGM – Still strugling
- Hapag-Lloyd – Capital injection by parents
- ZIM – Capital injection by parent
- CSAV - Partly taken over by NOO shipowners
- CCNI - Partly taken over NOO shipowners
- Maruba - Partly taken over by labour unions and private investors

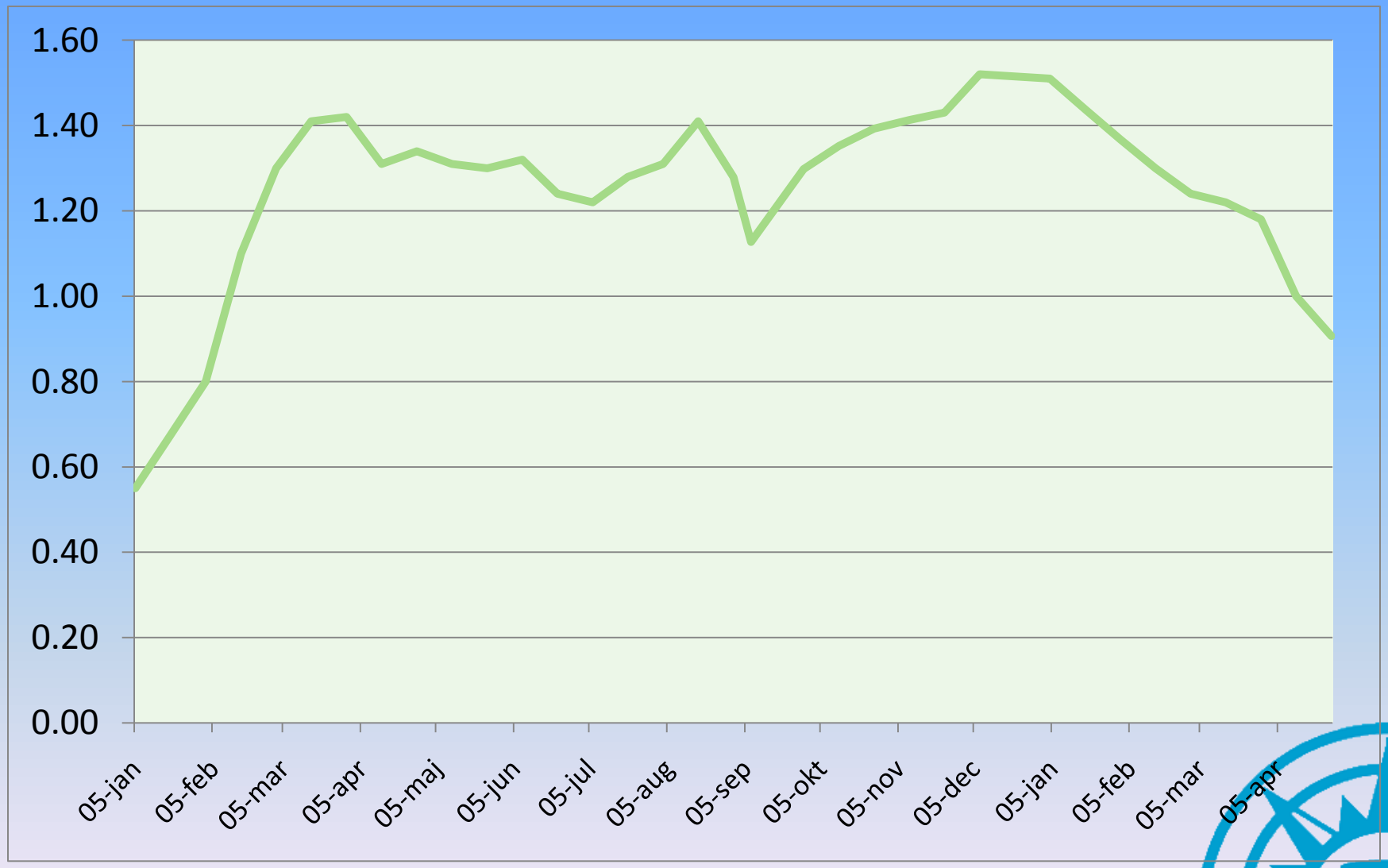
While some are no longer among us

- C& Line Co., Ltd.
- Europe West-Indies Lines (EWL)
- S.A. Independent Liner Services (SAILS)
- Shandong Yantai International Marine Shipping (SYMS)
- Bulcon
- Contenemar
- EP Carriers Pty Ltd
- Global Container Lines Ltd
- Great Ocean Container Lines (GOCL)
- Hull & Hatch New Econ Line (NEL)
- Senator Lines
- Vyborg Shipping Co.

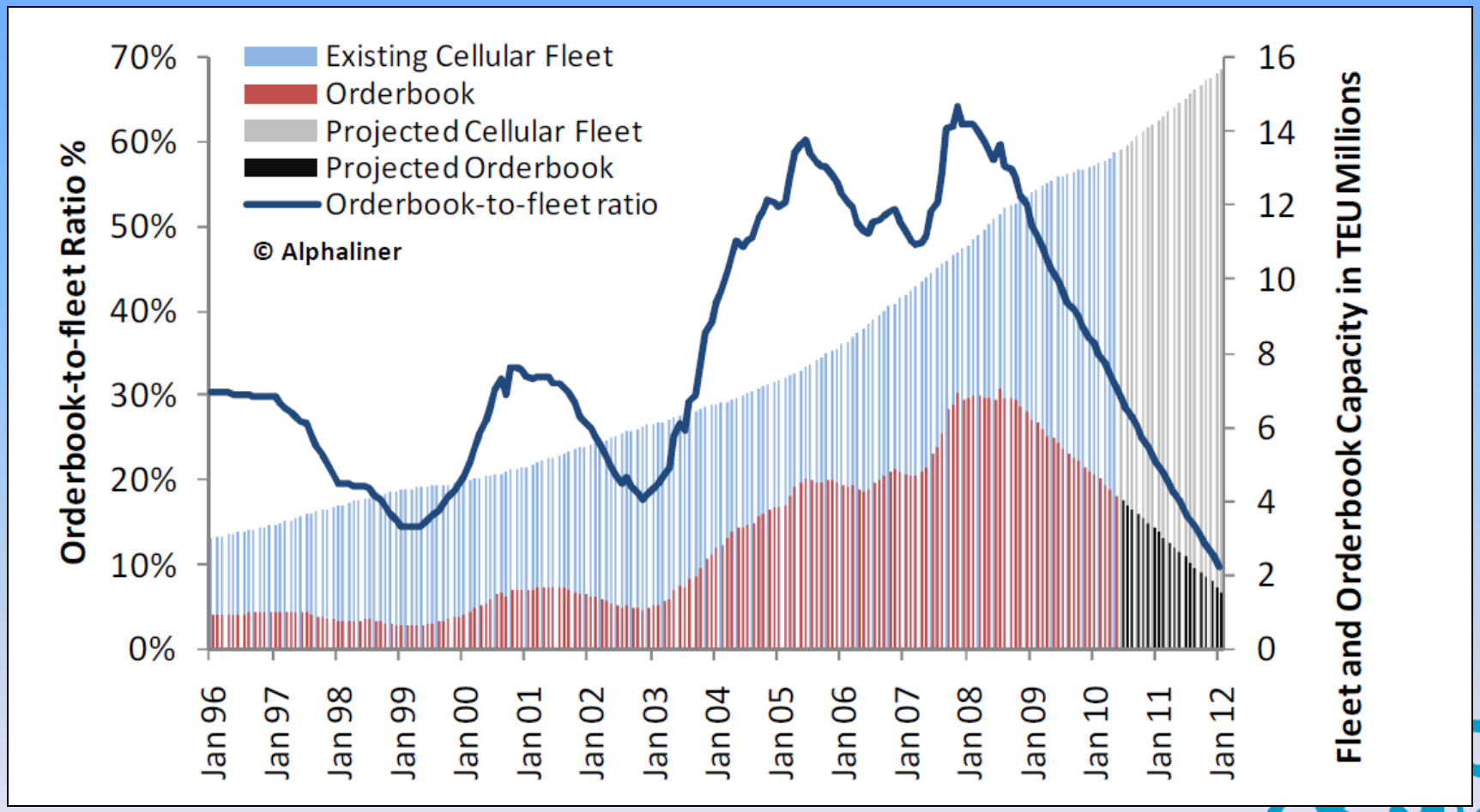
Measures to survive

- Canceling services
- Slow-steaming
- Laying up ships
- Scrapping
- Not renewing ship charters
- Cancelling newbuilding orders
- Fresh capital injections
- Agreements with shipowners on charter price
- Other cost savings

Capacity of ships in lay-up, Jan 2009-Apr 2010



Container Ship fleet development



The current state

- Many carriers still make (smaller) losses, though others report marginal profits
- New services are being (re)started
- First newbuilding orders are being considered
- Charter market only slightly improved, in the Panamax segments capacity is getting tight

A LOOK INTO THE FUTURE

The road to recovery

- Volumes are growing, through probably at lower pace than before
- More orders might be cancelled due to financing problems
- Despite, it will take years to absorb all newbuilding capacity
- Freight rates are very fragile
- It will take carrier significant time to recover
- New port projects will remain delayed and it will take time to absorb excess terminal capacity

You can find more info in……

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34/2009
21 August 2009

WEEKLY NEWS SUMMARY, ANALYSIS AND COMMENTARY ON LINER S
Twentieth Year of Issue

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2009 Far East-East Coast South America Container Trade
The 2009 Australasia Container Trades - DynaLiners Trades Revie

TRADES

Europe Trades
Though some small improvements can be seen, first half 2009 TEU statistics, as compiled by ***ELAA***, covering January-June, show a continuing deterioration of the liner trades to and from ***Europe***. While the main -westbound- Far East-Europe trade remains depressed (-22% year-on-year), eastbound volumes, with a year-on-year reduction of "only" 8%, recovered slightly during the second quarter. On the Transpacific corridor as well as on the Europe-Australasia trade, the decline is still accelerating. Between April and June US exports were down 35%, while imports dropped by 22%. Second quarter exports to Australia fell by 27%, compared to 15% during Q1. Between Europe and Latin America the situation remains depressed as well.

To Europe	Growth '09/'08
Far East	-22%
North America	-20%
Australasia	-7%
Middle East/ISC	-11%
Africa, Sub Saharan	-4%
Latin America	-12%
EastMed-N.Europe*	0%

From Europe	Growth '09/'08
Far East	-8%
North America	-32%
Australasia	-22%
Middle East/ISC	-5%
Africa, Sub Saharan	-3%
Latin America	-27%
EastMed-N.Europe*	-5%

(1,000 TEU)
*In the case of "EastMed-N.Eur
North Europe from the Eastern
vice versa) are reflected.

DYNAMAR
DYNALINE TRADES REVIEW
2010
BEYOND ANNUS

Top 25
Container Liner Operators
Trading Profiles
2009

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