

Petrofin Research©

1st Part of Petrofin Research

2009 - Greek shipping companies

Petrofin Research© are pleased to announce the release of the first part their 2009 Greek shipping research.

Petrofin Research © has been publishing for 12 consecutive years the detailed profile of the **entire Greek-owned/Greek-based Shipping Companies and Fleets**. Thus, a trend line since 1998 has been established regarding the overall number of Greek Shipping Companies as well as their fluctuation and profile in terms of size of company and the respective age of their fleets.

The basic source used for this study is the 2009 Greek Shipping Directory, cross-referenced with Lloyd's-Fairplay and other market sources. As we do every year, market reports and data on Greek fleets are extensively used to double check fleet and company data, as well as the numerous additional industry sources that we use every year.

Our total industry data covers all vessels and all vessel types are included in the total statistics for Greek-based shipping and shipping companies. However, in the second part, to be released shortly, specific research is conducted separately into tankers, bulkers and container vessels, which are the vessel types upon which the Greek industry largely focuses.

Research Criteria

1. Only the Greek-owned/Greek-based fleets are taken into consideration. This also includes the Groups that operate abroad, provided they have an office in Greece.
2. We have taken into account newbuildings that have a date of delivery up to and including 2010 only, as it is not certain that all Greek newbuilding orders for 2011 onwards shall materialise, due to cancellations, sales and delays, in view of the financial and shipping crisis.



In this part 1 of Petrofin research, we provide analyses of the Greek shipping industry in terms of

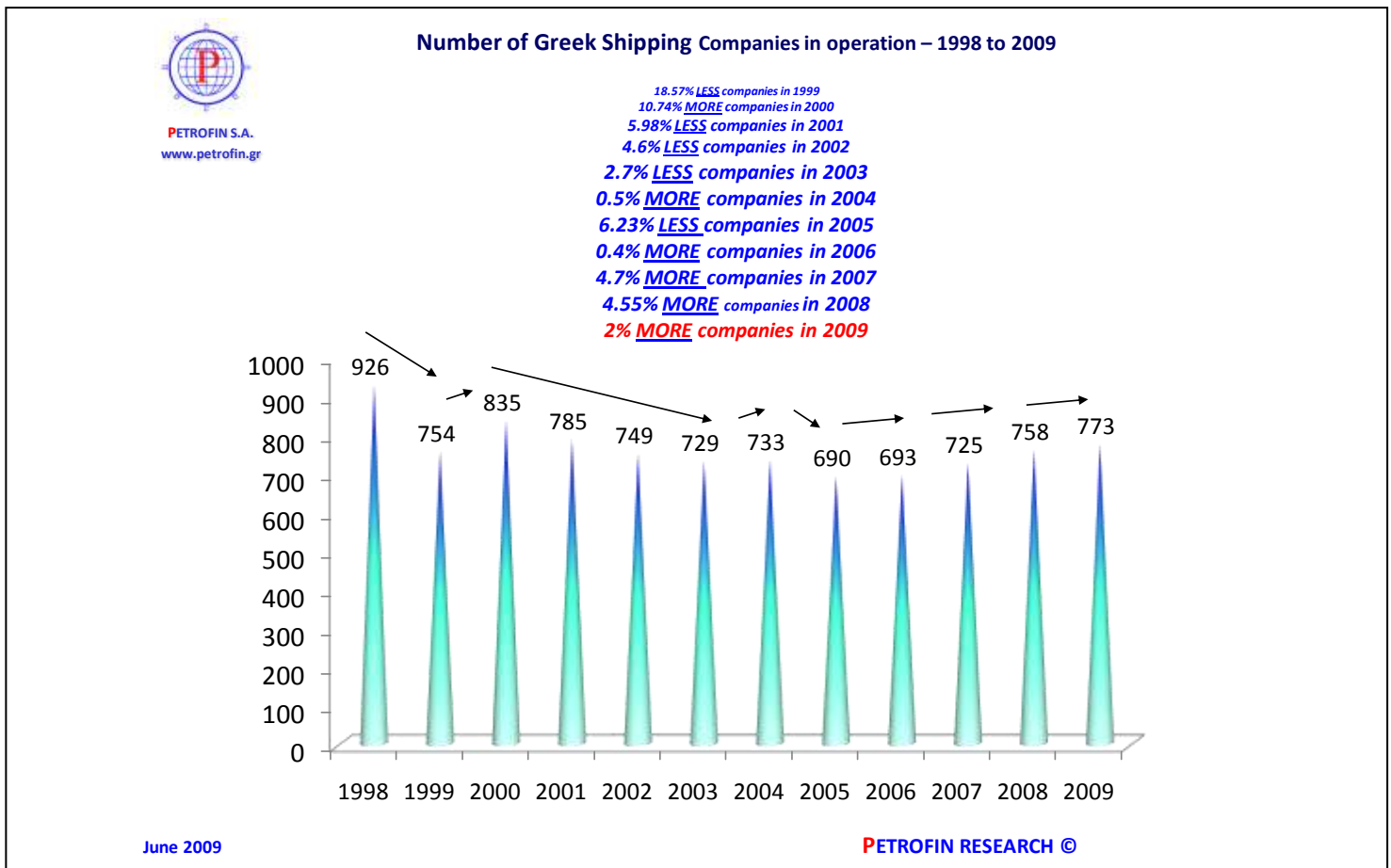
- A. Greek shipping companies and their fleet SIZE**
- B. Greek shipping companies and their fleet AGE**



A. Greek Shipping Companies and their fleet size

This year’s research shows a total of 773 Greek-based ship management companies. Again this year there is an increase in the number of companies (15 more). We must note here, that our data capture the year 2008, thus reflecting 9 months of booming S&P and newbuilding ordering market. The last months of 2008, when recession hit suddenly, are only partly reflected, and will certainly have an impact in the results of our 2010 research. So, for this year, we present a snapshot of a Greek shipping market as it stood at the moment recession hit.

Graph 1



Before 2003, we note a declining number in owners, having to do with a longer term consolidation trend that would enable owners to attain economies of scale and go through an average shipping cycle.

With the good markets from 2003 onwards, owners (especially small ones) took advantage of the high vessel prices for their overage vessels and continued selling or left the industry with some of them hoping to return when the market would correct itself, which they expected in 1-2 years at most. However, as the market continued to boom, interest in shipping exploded from shipping related and non-shipping related sources including the



rapid development of interest by the public markets and private equity providers. In addition, some owners returned to shipping having given up with the 'wait and see' theory and lastly a number of companies split up to different ownership positions depending on the varying strategies of each party.

New entrants in the year 2008 are not as many as they were the year before. The total number of Greek owners rose by 15 to 773 in 2009 compared to 33 new companies added the previous year.

Last year we noted that the underlying forces pointing to a longer term decline were in place, awaiting for a recession in order to emerge and for scrapping of tonnage to re-emerge. Regretfully, all this has happened and now we observe the market trying to correct itself and absorb the forceful impact of negative banking, economic and shipping conditions. As we write this piece of research, there are some signs that market activity has started to resume.

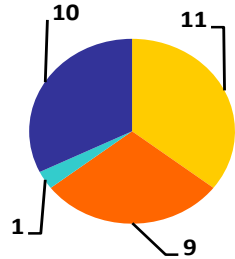




2009

NUMBER OF GREEK SHIPPING COMPANIES IN TERMS OF THEIR FLEET AGE AND SIZE

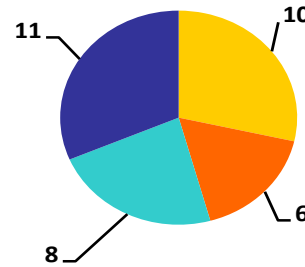
773 Greek shipping companies currently operating



Fleet size : 25+ vessels - Group A

No of companies : 31 (down from 32 last year)

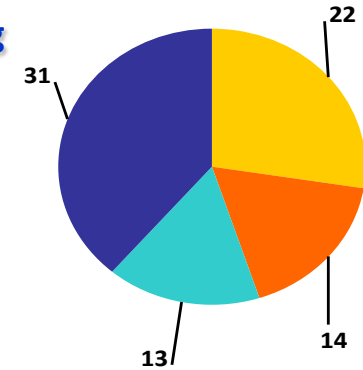
% of total of Greek companies : 4.01%



Fleet size : 16 -24 vessels - Group B

No of companies : 35 (up from 32 last year)

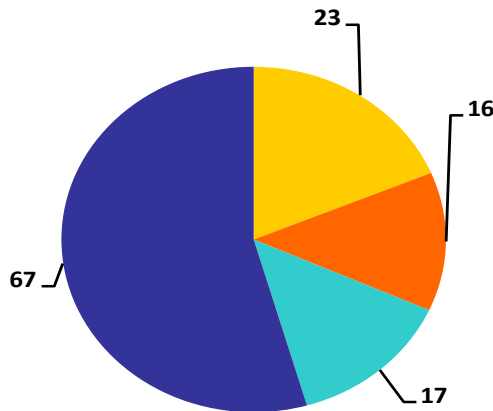
% of total of Greek companies : 4.53%



Fleet size : 9 - 15 vessels - Group C

No of companies : 80 (up from 70 last year)

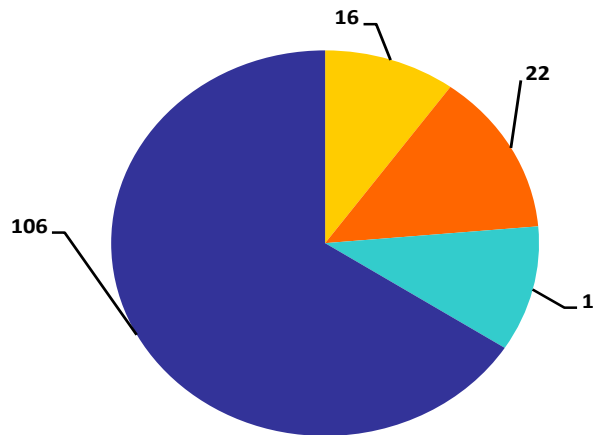
% of total of Greek companies : 10.35%



Fleet size : 5 - 8 vessels - Group D

No of companies : 123 (down from 125 last year)

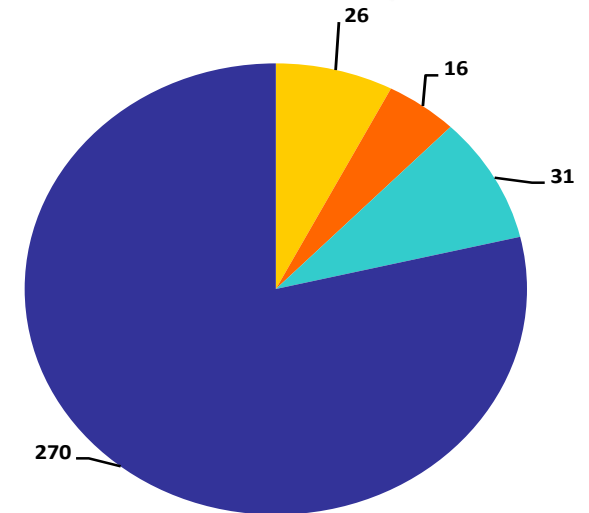
% of total of Greek companies : 15.91%



Fleet size : 3 - 4 vessels - Group E

No of companies : 161 (up from 159 last year)

% of total of Greek companies : 20.83%



Fleet size : 1 -2 vessels - Group F

No of companies : 343 (up from 340 last year)

% of total of Greek companies : 44.37%



June 2009

Initially based on the Greek Shipping Directory cross referenced with market reports

In Graph 2 above, we can observe the composition of the Greek shipping companies, according to two key criteria: age and size of company fleet. As such, the six pie charts represent the 6 fleet sizes into which Greek companies have been broken down and the pie segments represent the age of the vessels.

To facilitate the analysis, please note that Greek companies are divided into the following fleet SIZE groups:

Group A (25+ vessels), **Group B** (16-24 vessels), **Group C** (9-15 vessels), **Group D** (5-8 vessels), **Group E** (3-4 vessels), **Group F** (1-2 vessels)



In Table 1 below, we note the percentage of the Greek fleet held by each company size category since 1998.

Table 1

Year	Percentage of the Greek fleet held by companies according to their size						Totals
	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	
1998	52.16%	21.17%	16.09%	7.34%	1.19%	2.05%	100%
1999	43.1%	22%	18.9%	10.1%	3.4%	2.5%	
2000	45%	22.6%	16.8%	10.2%	2.6%	2.8%	
2001	44.45%	22%	17%	10.45%	3.7%	2.4%	
2002	42.45%	22.69%	17.08%	11.21%	3.37%	3.2%	
2003	42.24%	21.66%	18.92%	9.45%	4.25%	3.48%	
2004	42.43%	21.14%	19.24%	8.06%	4.9%	4.23%	
2005	41.73%	22.75%	18.99%	7.54%	5.22%	3.77%	
2006	41.55%	21.07%	19.77%	9.24%	4.33%	4.04%	
2007	42.34%	22.76%	17.38%	8.69%	4.83%	4%	
2008	44.85%	20.98%	16.49%	9.23%	4.22%	4.22%	
2009	44.37%	20.83%	15.91%	10.35%	4.53%	4.01%	

A summary of observations of the above results:

- a. In numerical terms the small fleets account for 65% of the total, but only 11.33% of the total Greek DWT.
- b. The larger the Group, the younger the fleets that they own on average.
- c. Largely, via newbuildings and acquisitions of very young vessels, there were a total of 108 companies across all sizes with average age fleets of 0-9 years old.
- d. The most resilient group of Greek shipping, the 1-2 vessel companies, are slightly up by 0.8%, in number terms (see Graph 4a below), but occupy a smaller percentage of the entire Greek fleet this year.
- e. 3-4 vessel companies also display similar characteristics.
- f. 5-8 vessel companies are down both in numbers and percentage, hence the reduction of their place in Greek shipping is more marked.
- g. 9-15 vessel companies have marked the biggest growth as a company group, up by 10 companies (14%) of total. In view of the overall growth of the Greek fleet (analysed in the 2nd part of our research), it is reasonable to assume that the smaller company group was reduced not because some companies disappeared, but primarily because they increased their fleets through buying and acquiring younger and bigger tonnage.
- h. 16-24 vessel companies show a very slight increase.
- i. Surprisingly, there is a slight reduction in the biggest fleets.

In actual numbers, the situation has been as follows between 1998 and 2009:



Table 2

GROUP	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
A (25+ vsls)	19	19	23	19	24	25	31	26	28	29	32	31
B (16-24 vsls)	11	25	22	29	25	31	36	36	30	35	32	35
C (9-15 vsls)	68	76	85	82	84	69	59	52	64	63	70	80
D (5-8 vsls)	149	143	140	134	128	138	141	131	137	126	125	123
E (3-4 vsls)	196	166	189	172	170	158	155	157	146	165	159	161
F (1-2 vsls)	483	325	376	349	318	308	311	288	288	307	340	343
Total number of companies	926	754	835	785	749	729	733	690	693	725	758	773

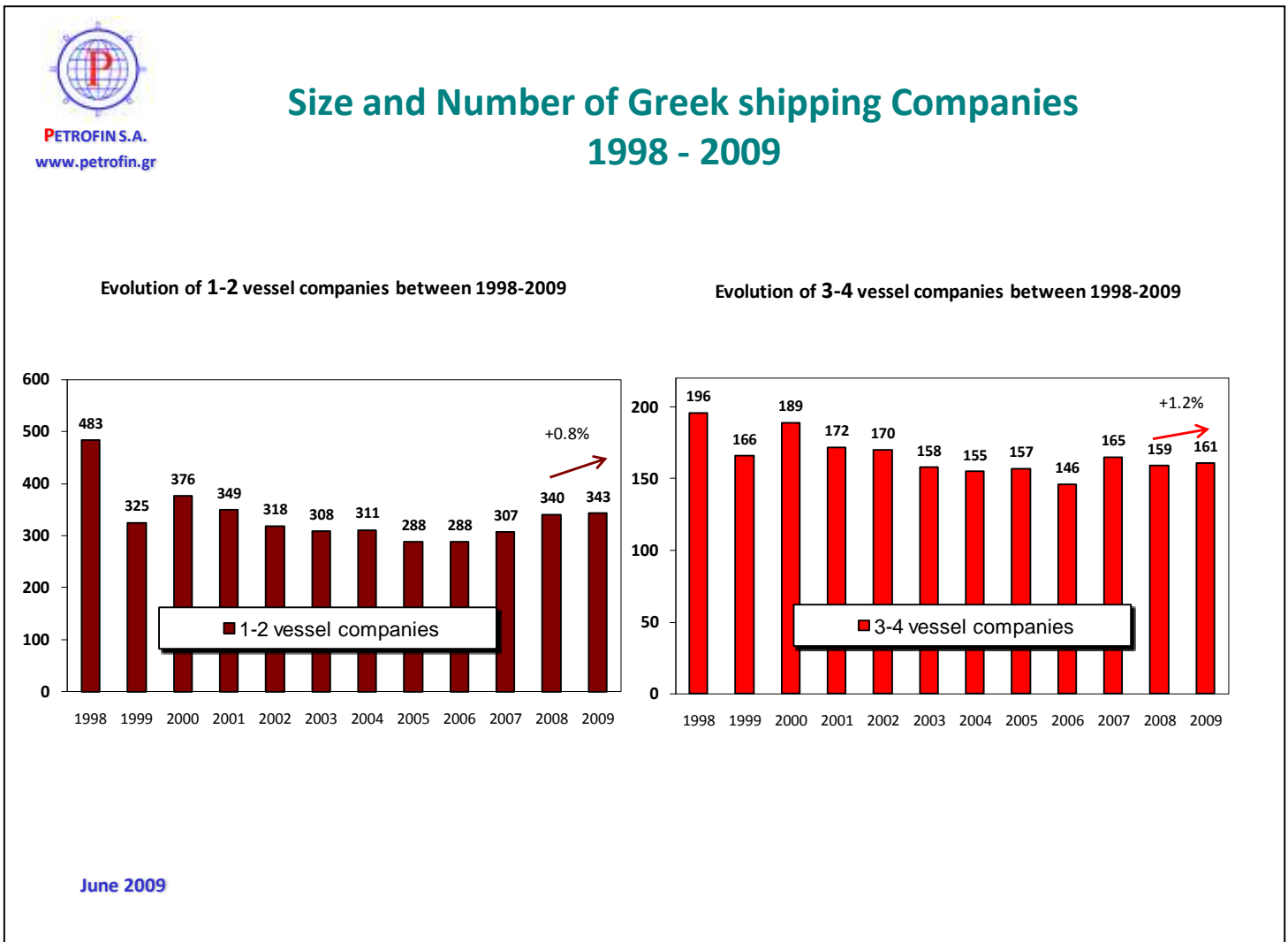
Greek companies increased overall by 15.

The upward trend of the last few years is continuing. There is always a group of companies that is lagging behind and this year these are the top fleets (25+ vessels) and 5-8 vessel fleets.

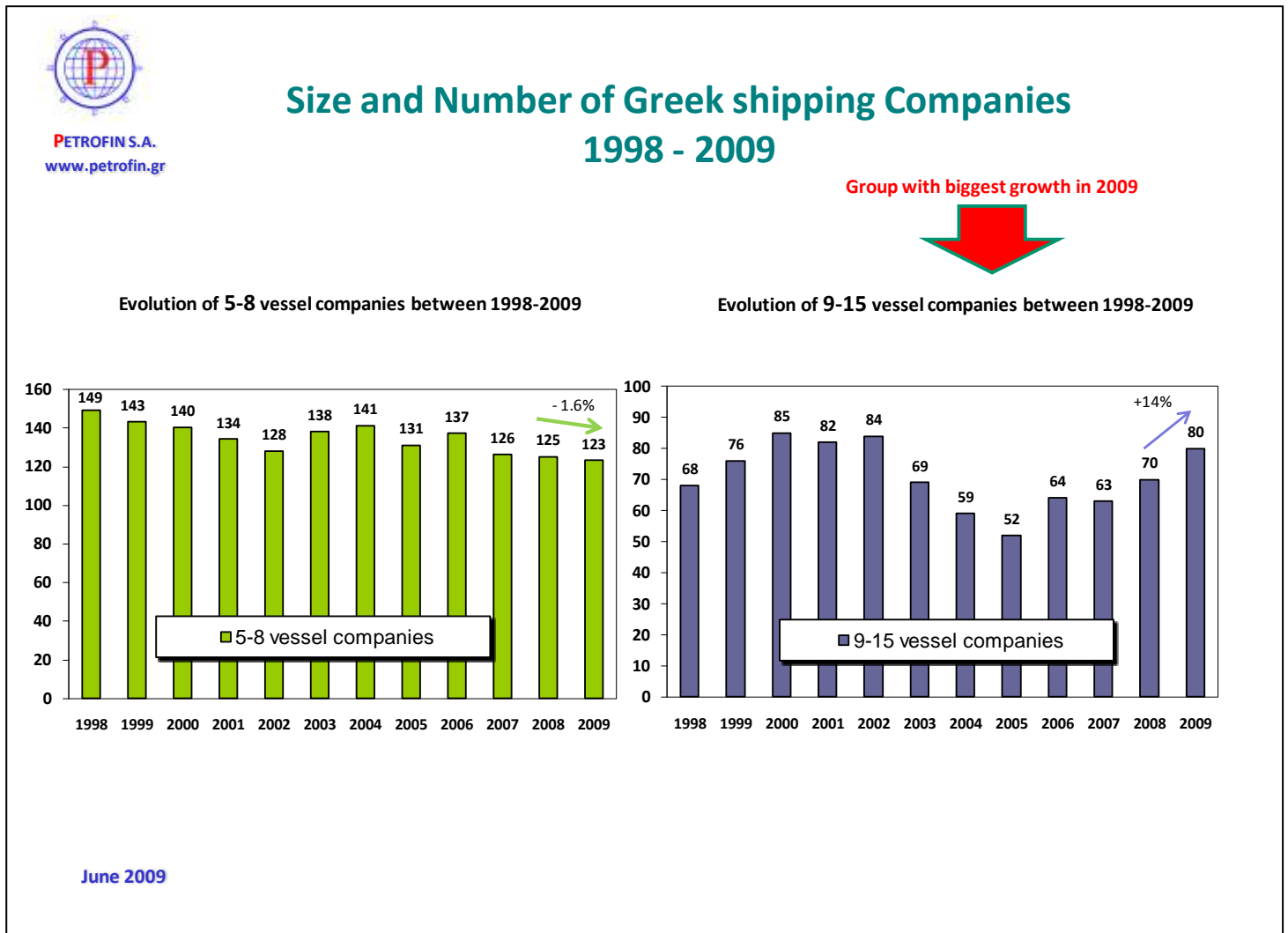


The above developments in Graph form are shown below:

Graph 4a



Graph 4b



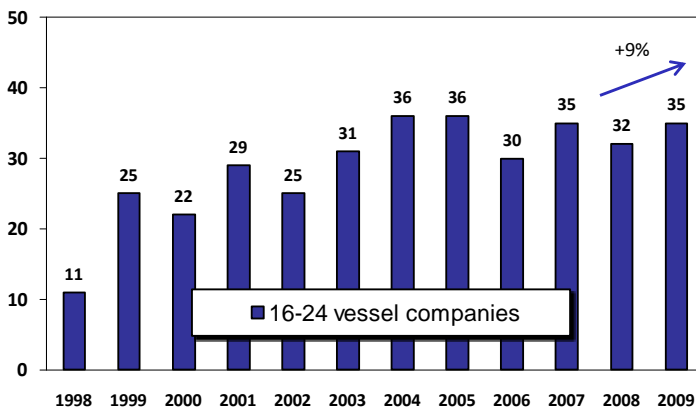
Graph 4c



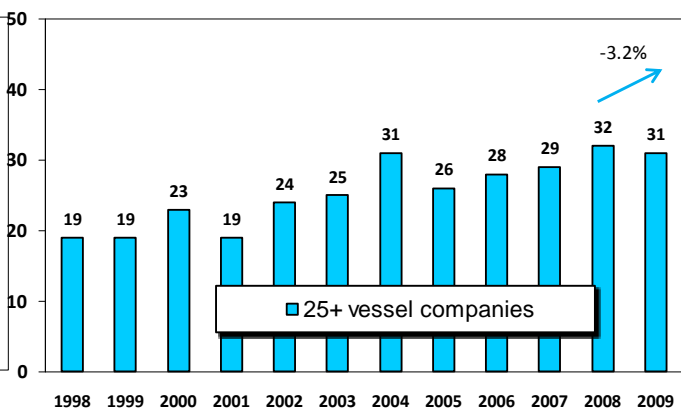
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Size and Number of Greek shipping Companies 1998 - 2009

Evolution of 16-24 vessel companies between 1998-2009



Evolution of 25+ vessel companies between 1998-2009



June 2009



B. Greek shipping companies and their fleet age

To enable closer analysis, please note that Greek fleets are divided into the following age groups:
0-9 years of age, 10-14 years of age, 15-19 years of age and 20+ years of age

The most important development this year occurs in the area of fleet age, whereby the average age of the ENTIRE Greek fleet irrespective of type, tonnage or flag is reduced to **17.6** years of age, down from **18.4 last year**, down from **18.71** years in 2007, **19.14** years of age in 2006 and **23** years in 2005. Steady downward age trend reflects the influx of newbuildings, as well as the results of the rigorous replacement of older vessels with younger tonnage over the last years.

We look into each age group separately.

Table 4a: Fleets of 20+ years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2009	270 →	106 ↓	67 ↓	31 ↓	11 →	10 ↓	495 ↓
2008	270 ↑	116 ↓	68 ↑	33 ↓	11 →	11 ↑	509 ↑
2007	256 ↑	123 ↑	67 ↓	34 ↓	11 ↑	10 ↑	501 ↑
2006	239	103	72	37	9	7	467
2005	238	116	82	27	14	7	484
2004	258	112	80	35	11	10	506
2003	256	119	84	38	11	10	518
2002	262	134	81	49	10	10	546
2001	292	133	94	46	14	11	590
2000	302	138	89	45	10	9	593
1999	253	130	91	40	13	11	538
1998	No comparable data - in 1998 15-19 and 20+ year old vessels were calculated together						

The number of Greek overage fleets are down by 14. Last year they showed an increase, reflecting the need for tonnage. It is noteworthy that the smallest size category of 1-2 vessel fleets is 27 times higher than that of the larger fleet category. Thus, the bigger the company, the less interest in older vessels.



Table 4b: Fleets of 15-19 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2009	31 ↑	17 ↑	17 ↑	13 ↑	8 →	1 ↓	87 ↑
2008	28 ↑	16 ↓	14 ↓	10 ↑	8 ↓	3 ↑	79 →
2007	23 ↑	18 ↓	20 ↓	6 ↑	10 ↑	2 ↓	79 ↑
2006	14	22	22	5	8	3	74
2005	20	14	20	8	10	3	75
2004	20	28	31	9	13	5	106
2003	24	23	29	17	12	7	112
2002	33	22	31	21	6	9	122
2001	35	27	24	22	6	6	120
2000	47	35	33	24	7	7	153
1999	48	26	33	23	7	7	144
1998	No comparable data as in 1998 15-19 and 20+ year old vessels were calculated together						

An increase of companies in the 15-19 years of age sector is noticeable. Within this group there are hardly any significant fluctuations. The largest companies continue to show a very slight fall (by 1). This is definitely an age range not popular with the very big owners.

Table 4c: Fleets of 10-14 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2009	16 →	22 ↑	16 ↓	14 ↑	6 ↑	9 →	83 ↑
2008	16 ↑	15 ↑	21 ↑	13 ↑	4 ↓	9 ↓	78 ↑
2007	13 ↓	13 ↓	20 ↓	9 ↓	7 ↑	10 ↓	72 ↓
2006	18	14	22	10	6	13	83
2005	14	19	13	9	8	12	75
2004	14	11	15	7	7	11	65
2003	11	10	18	7	6	7	59
2002	10	8	9	8	7	5	47
2001	8	5	11	9	5	2	40
2000	14	8	13	11	3	6	55
1999	10	4	15	10	2	1	42
1998	14	8	15	14	2	2	55

10-14 year old fleets show an upward arrow overall, like last year. The only exception are companies running 5-8 vessel fleets of that age, which have gone down by 5 and the two extremes of fleet sizes that have remained unchanged. The differentiation between the Group sizes is considerable less than for the older age fleets.



Table 4d: Fleets of 0-9 years of age

	Group F 1-2 vessel companies	Group E 3-4 vessel companies	Group D 5-8 vessel companies	Group C 9-15 vessel companies	Group B 16-24 vessel companies	Group A 25+ vessel companies	Totals
2009	26 →	16 ↑	23 ↑	22 ↑	10 ↑	11 ↑	108 ↑
2008	26 ↑	12 ↑	22 ↑	14 →	9 ↑	9 ↑	92 ↑
2007	15 ↓	11 ↑	19 ↓	14 ↑	7 →	7 ↑	73 ↑
2006	17	7	21	12	7	5	69
2005	16	8	16	8	4	4	56
2004	19	4	15	8	5	5	56
2003	17	6	7	7	2	1	40
2002	13	6	7	6	2	0	34
2001	14	7	5	5	4	0	35
2000	13	8	5	5	2	1	34
1999	14	6	4	3	3	0	30
1998	16	5	5	1	2	1	30

16 companies running very young fleets have been added to Greek shipping. This is in line with the overall trend of the younger being better. All fleet sizes have gone up in that age range except for the 1-2 vessel fleets who have stayed the same.

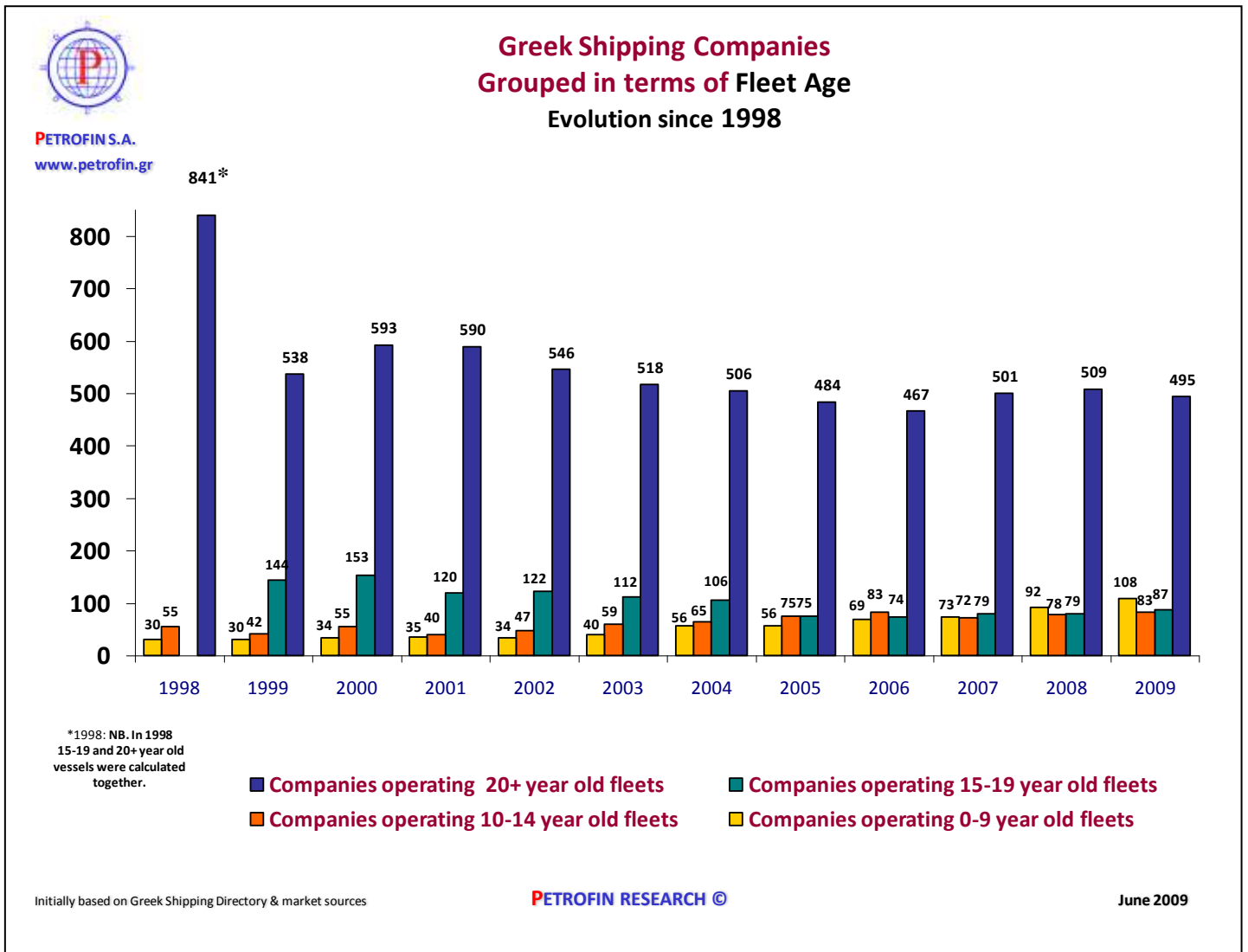
The above table shows that the larger groups are the ones that have invested most heavily in younger vessels and have largely abandoned the old vessels.

Interestingly enough, the smaller sized groups have also followed suit. In this manner, the overall number of companies with young fleet has continued to rise for the 7th year running. Many banks regard the above 108 fleets as the most interesting quality fleets for business.



In Graph 4 we see a collective graph of the above results.

Graph 4



For the first time in the last 3 years, companies running the oldest fleet type (operating vessels 20+ years of age) are down by 14.

However, and most interestingly, companies running the youngest fleets are also up, by 16.



Commentary

The drive towards larger and more modern fleets continued in 2008. Although it is usually most pronounced for the bigger sized owners, the trend was also prominent among smaller owners.

The excellent shipping market until 2008 had prolonged the survival of approx 500 owners with overage vessels. However, the current crisis will no doubt witness a significant reduction in their number via scrapping and sales.

Interestingly enough, it is the Chinese that have been acquiring overage vessels recently, with Greeks opting for younger vessels. Thus, the Greeks continue to focus on modern vessels, as these have a longer life span and can better cope with shipping cycles.

