



**BELSHIPS**

# Annual general meeting

April 28, 2016



# Key investment highlights

1

*Owner/operator of high quality ships on medium to long-term charters to highly reputable customers*

4

*Strengthening market balance representing an attractive window of opportunity*

2

*Strong focus on fleet expansion with modern dry bulk tonnage*



5

*Management team with a track record for building and operating successful shipping companies*

3

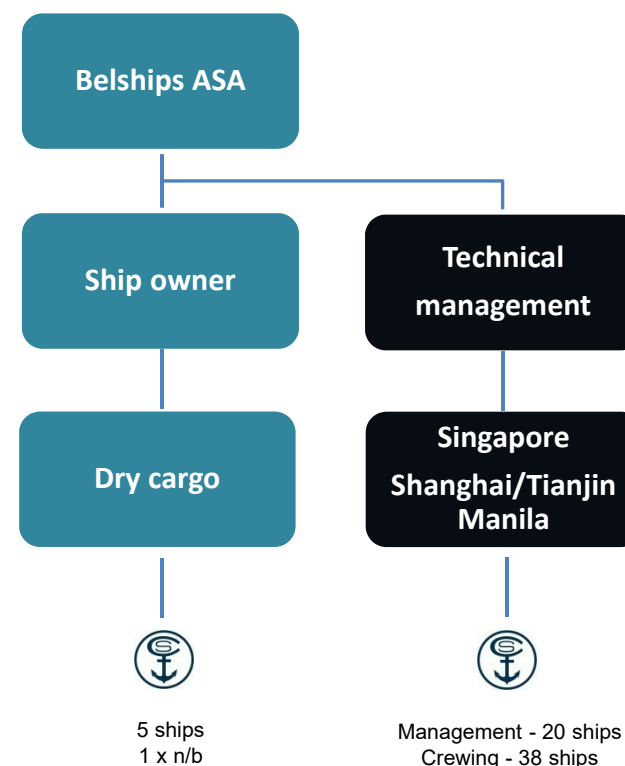
*USD 75m fixed charter backlog providing long-term stable revenues*

6

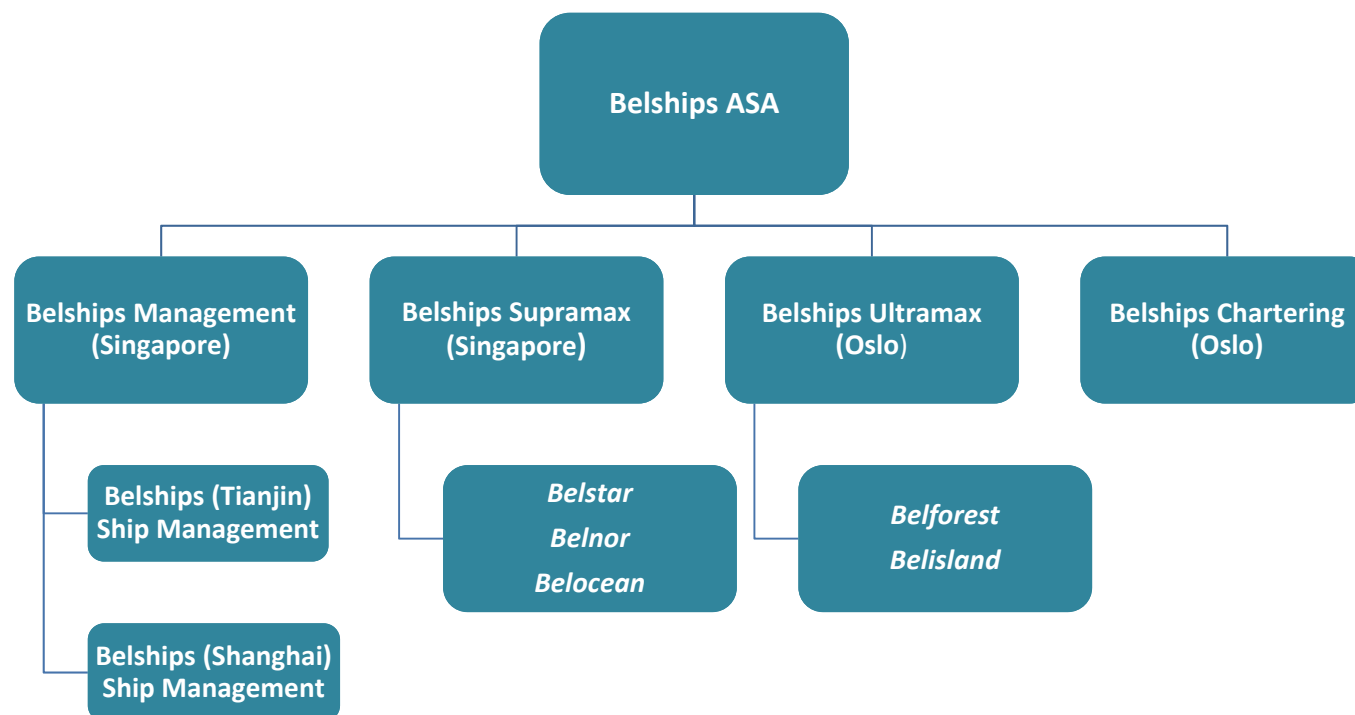
*Belships ASA was founded in 1918 and listed in Oslo in 1937. Strong and supportive majority shareholder in the Tidemand family.*

# Business strategy and core activities

- Owner/operator of dry bulk tonnage
- Pure play in dry bulk – clear strategic focus
- Building a portfolio of c/p's to reputable counterparts
- Duration of c/p's evenly spread – long tail
- Fixed long term charters will provide stable distributable cash flows
- Cost efficient operation and administration – «lean and mean»
- Transparency, good corporate governance
- Targeting an efficiently priced equity with an attractive dividend ratio
- Buying back own stocks when undervalued



# Corporate Structure



# Tonnage overview

Vessel name	Dwt	Built/yard	Type	Customer
Belstar	58,000	2009/Dayang	Supramax bulk	Canpotex
Belnor	58,000	2010/Dayang	Supramax bulk	Canpotex
Belocean	58,000	2011/Dayang	Supramax bulk	Cargill
Belforest i)	61,000	2015/Imabari	Ultramax bulk	Cargill
Belisland ii)	61,000	2016/Imabari	Ultramax bulk	Canpotex
Imabari n/b iii)	63,000	2018/Imabari	Ultramax bulk	Open



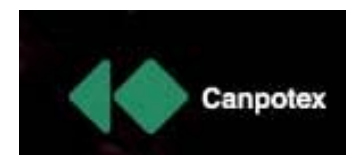
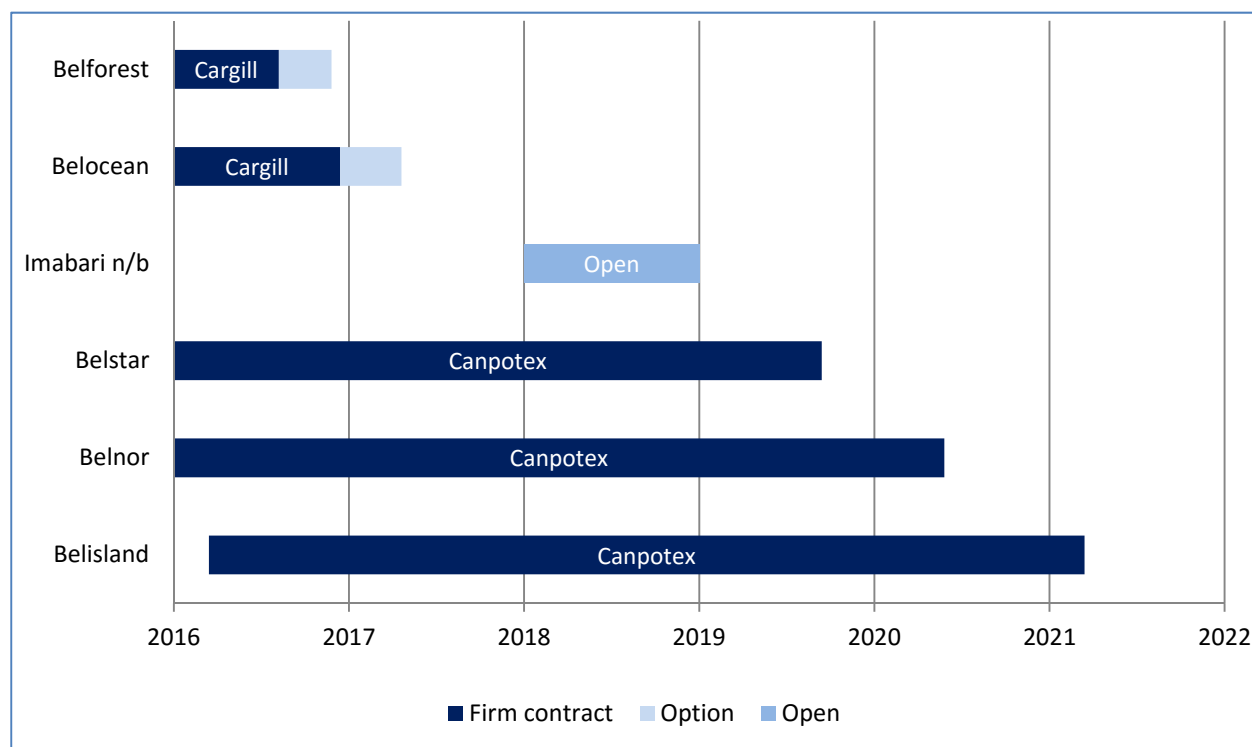
- i) Bareboat charter lease period of 12 years with USD purchase options after the third year.
- ii) Bareboat charter lease period of 15 years with USD purchase options after the fifth year.
- iii) Time charter lease period of 8+1+1+1 years with purchase option from end of year 4 of JPY 3.01 bn, decreasing annually by JPY 110 m.



**BELSHIPS**

# Contract coverage

- USD 75m fixed charter backlog



# Support team

- Technical management



- Insurance



- Finance



- Analyst coverage



- Stock exchange





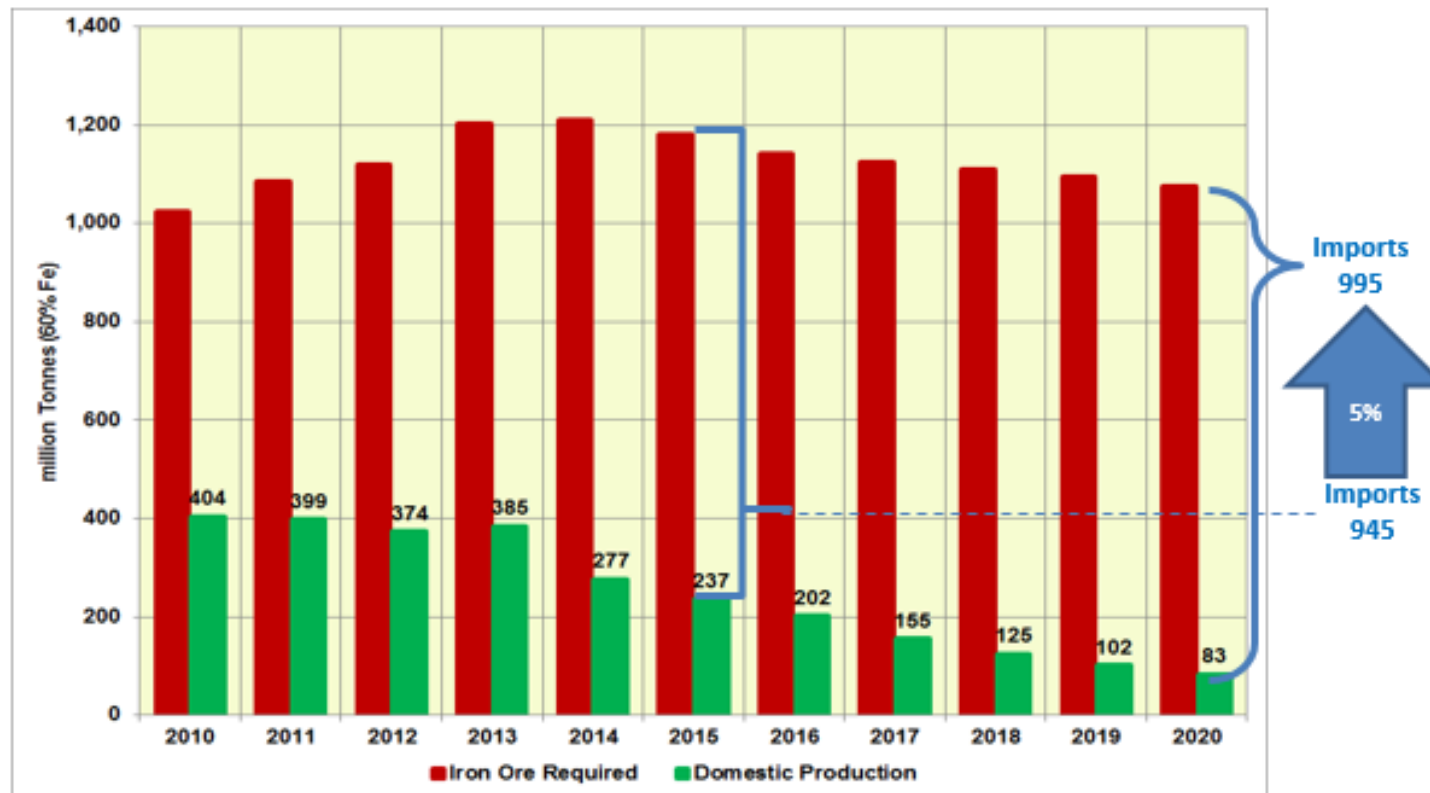
# Market Should Improve Modestly From 2017-20



- Trade Demand Recovers
  - Modest Global Economic Recovery Leads To Increased Trade
  - Chinese Iron Ore Imports Rise Despite Falling Steel Production
- Limited Fleet Growth
  - Ordering Remains Low In 2016-17
- But Potential For Rising Fleet Speed Keeps Market In Check



## ...But Chinese Iron Ore Imports Can Still Rise





Clarksons Platou

## Commodity prices



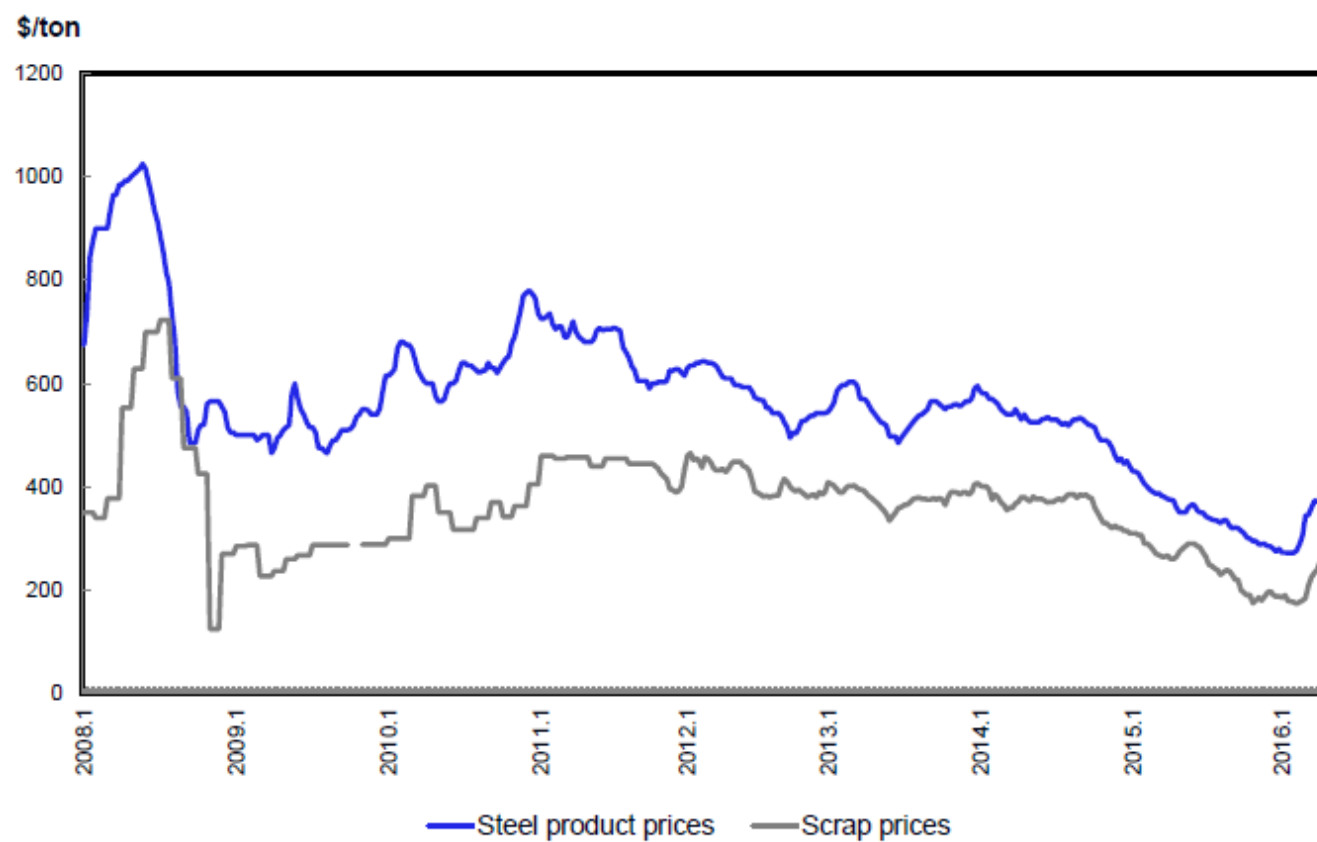
Updated to Apr 22

Sources: Reuters, Platts



Clarksons Platou

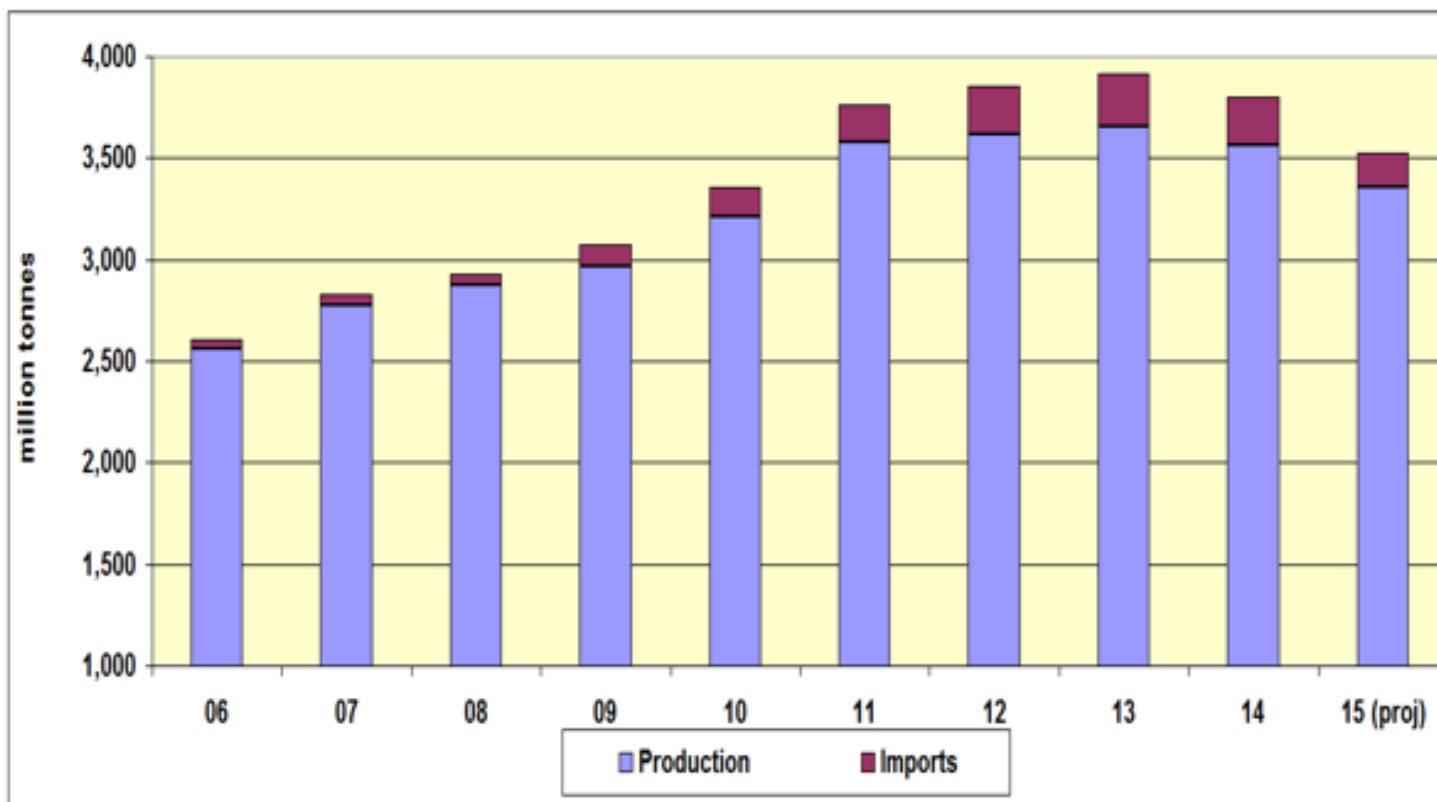
## Commodity prices



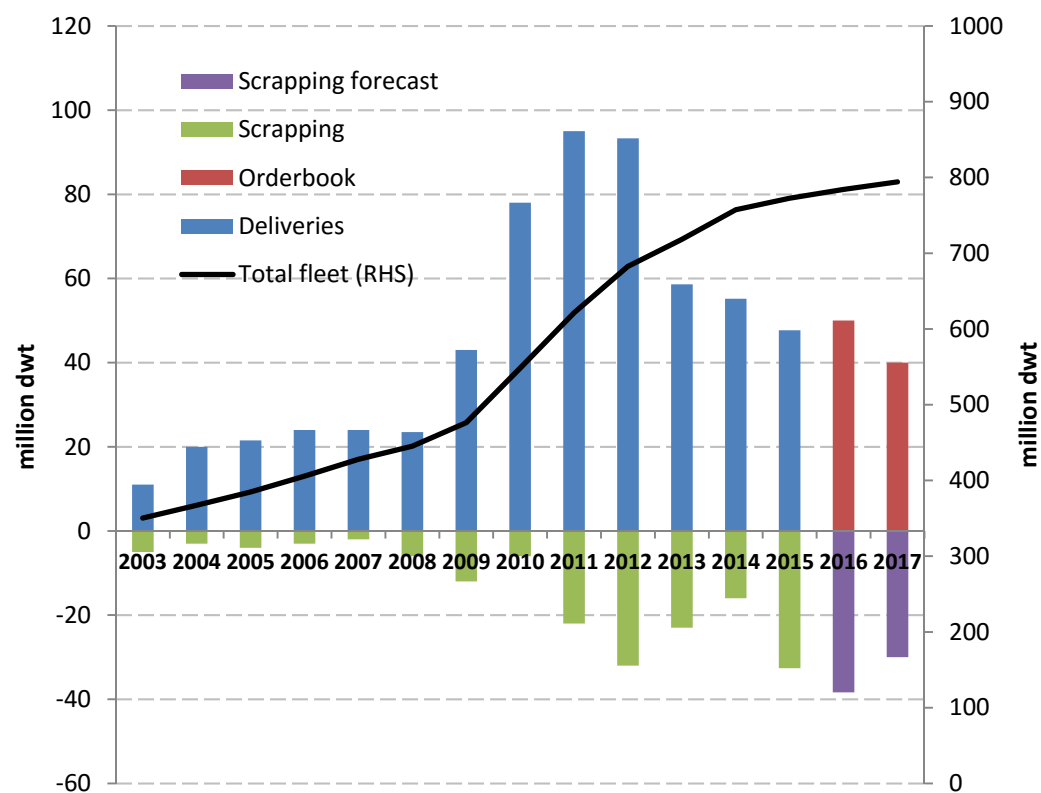
Updated to Apr 22

Sources: Platts

# Chinese Coal Balance



# Supply side considerations



Estimated net fleet growth	
2015	2.0%
2016	1.5%
2017	1.3%



**BELSHIPS**

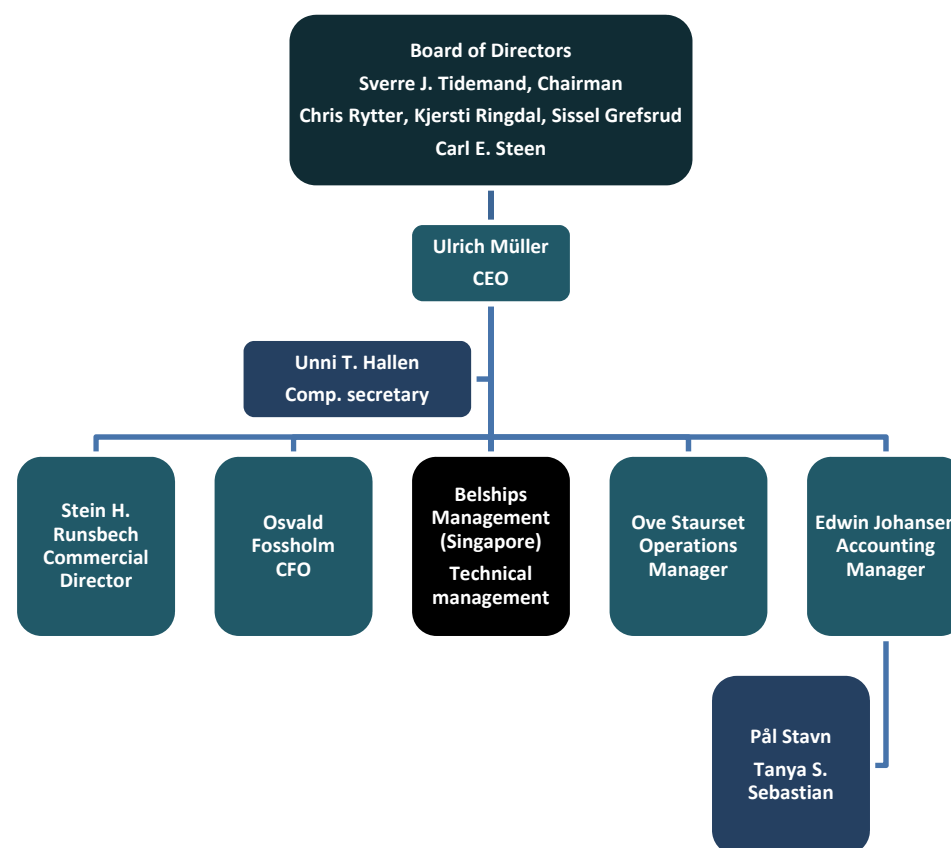
# The Belships share



# Ownership and Organization chart

## Shareholder overview

Shareholder	# shares	%
Sonata AS (Sverre J. Tidemand)	28 856 030	60.9%
Tidships AS (Otto G. Tidemand)	6 201 058	13.1%
Sverre J. Tidemand	2 891 462	6.1%
SEB	987 419	2.1%
Belships ASA	498 000	1.1%
Gemsco AS	410 058	0.9%
Carlings AS	400 000	0.9%
Colorado Eiendom AS	355 000	0.8%
Tidinvest II AS	315 414	0.7%
Jenssen & Co. AS	302 816	0.6%
Chrem Capital AS	270 000	0.6%
Nagatsuka Toru	250 000	0.5%
Liv Sjøland	240 000	0.5%
ASL Holding AS	225 000	0.5%
JSL AS	211 000	0.5%
Carl Erik Steen	207 203	0.4%
Bernhard Kielland	200 000	0.4%
HKG Holding AS	130 279	0.3%
Torstein Sjøland	130 000	0.3%
Danske Bank A/S	128 485	0.3%
Other shareholders	4 142 776	8.5%
<b>Total outstanding shares</b>	<b>47 352 000</b>	<b>100.0%</b>







**BELSHIPS**

## Year 2015

<i>Amounts in USDm</i>	2015	2014
Operating income	22.0	22.1
EBITDA	9.9	8.6
Impairment of ships	-31.8	-3.2
Operating result	-26.7	1.1
Net result before tax	-30.0	-1.6



**BELSHIPS**

Year 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

USD 1 000	2015	2014
Freight revenue	17 570	17 912
Management fees	4 414	4 167
<b>Operating income</b>	<b>21 984</b>	<b>22 079</b>
Time-charter hire	0	-804
Ship operating expenses	-5 717	-5 434
Operating expenses ship management	-3 694	-3 741
General and administrative expenses	-2 700	-3 540
<b>Operating expenses</b>	<b>-12 111</b>	<b>-13 519</b>
<b>Operating result (EBITDA)</b>	<b>9 873</b>	<b>8 560</b>
Depreciation and amortization	-4 686	-4 274
Impairment of the fleet	-31 847	-3 200
<b>Operating result (EBIT)</b>	<b>-26 660</b>	<b>1 086</b>
Interest income	29	124
Interest expenses	-2 185	-1 961
Other financial items	-674	-277
Currency gains/(-losses)	-483	-550
<b>Net financial items</b>	<b>-3 313</b>	<b>-2 664</b>
<b>Result before taxes</b>	<b>-29 973</b>	<b>-1 578</b>
Taxes	-177	-23
<b>Net result</b>	<b>-30 150</b>	<b>-1 601</b>
Hereof non-controlling interests	109	80
Hereof majority interests	-30 259	-1 681
<b>Other comprehensive income</b>		
Actuarial gain/(loss) on defined benefit plans	-23	-99
<b>Total comprehensive income</b>	<b>-30 173</b>	<b>-1 700</b>
Hereof non-controlling interests	109	80
Hereof majority interests	-30 282	-1 780
Earnings per share (US cent)	-64,42	-3,42
Diluted earnings per share (US cent)	-64,42	-3,42

**BELSHIPS**

Year 2015

**CONSOLIDATED BALANCE SHEETS****BELSHIPS ASA**

	31 Dec 2015	31 Dec 2014
USD 1 000		
<b>ASSETS</b>		
<b>Fixed assets</b>		
Ships	<b>87 730</b>	88 920
Newbuilding instalments	<b>4 225</b>	14 125
Other fixed assets	<b>2 027</b>	2 345
<b>Total fixed assets</b>	<b>93 982</b>	105 390
<b>Current assets</b>		
Short-term receivables	<b>1 273</b>	1 011
Cash and cash equivalents	<b>7 993</b>	8 064
<b>Total current assets</b>	<b>9 266</b>	9 075
<b>Total assets</b>	<b>103 248</b>	114 465

**BELSHIPS**

Year 2015

**CONSOLIDATED BALANCE SHEETS****BELSHIPS ASA**

	31 Dec 2015	31 Dec 2014
USD 1 000		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Paid-in capital	43 588	43 563
Retained earnings	-9 202	21 080
Non-controlling interests	445	408
<b>Total equity</b>	<b>34 831</b>	<b>65 051</b>
<b>Long-term liabilities</b>		
Mortgage debt	35 767	40 651
Bareboat commitment	21 809	0
Financial instruments	602	515
Pension obligations	796	1 138
Other long-term liabilities	1 407	0
<b>Total long-term liabilities</b>	<b>60 381</b>	<b>42 304</b>
<b>Short-term liabilities</b>		
Current portion of long-term debt	5 688	5 000
Other short-term liabilities	2 348	2 110
<b>Total short-term liabilities</b>	<b>8 036</b>	<b>7 110</b>
<b>Total equity and liabilities</b>	<b>103 248</b>	<b>114 465</b>



**BELSHIPS**

## Result 1<sup>st</sup> quarter 2016

---



**BELSHIPS**

# 1<sup>st</sup> quarter 2016

<i>Amounts in USDm</i>	Q1-2016	Q4-2015
Operating income	6.0	5.9
EBITDA	2.5	2.2
Impairment of ships	-13.8	-19.9
Operating result	-14.9	-19.1
Result before tax	-16.4	-19.9



**BELSHIPS**

1<sup>st</sup> quarter 2016

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*The quarterly figures are not audited*

**BELSHIPS ASA**

USD 1 000	Q1 2016	Q4 2015	2015
Freight revenue	Note 4 946	4 754	17 570
Management fees	1 064	1 146	4 414
<b>Operating income</b>	2 6 010	5 900	21 984
Ship operating expenses	-1 882	-1 951	-5 717
Operating expenses ship management	-931	-969	-3 694
General and administrative expenses	-665	-767	-2 700
<b>Operating expenses</b>	-3 478	-3 687	-12 111
<b>Operating result (EBITDA)</b>	2 532	2 213	9 873
Depreciation and amortization	-1 336	-1 438	-4 686
Impairment of the fleet	-13 823	-19 876	-31 847
Loss on sale of ship/loss on contract	-2 287	0	0
<b>Operating result (EBIT)</b>	-14 914	-19 101	-26 660
Interest income	1	22	29
Interest expenses	-995	-880	-2 185
Other financial items	-701	381	-674
Currency gains/(-losses)	167	-335	-483
<b>Net financial items</b>	-1 528	-812	-3 313
<b>Result before taxes</b>	-16 442	-19 913	-29 973
Taxes	-27	-81	-177
<b>Net result</b>	-16 469	-19 994	-30 150
Hereof non-controlling interests	6	57	109
Hereof majority interests	-16 475	-20 051	-30 259
<b>Other comprehensive income</b>			
Actuarial gain/(loss) on defined benefit plans	0	-23	-23
<b>Total comprehensive income</b>	-16 469	-20 017	-30 173
Hereof non-controlling interests	6	57	109
Hereof majority interests	-16 475	-20 074	-30 282
Earnings per share (US cent)	-35,19	-42,72	-64,42
Diluted earnings per share (US cent)	-35,19	-42,72	-64,42



**BELSHIPS**

1<sup>st</sup> quarter 2016

### CONSOLIDATED BALANCE SHEETS

*The quarterly figures are not audited*

#### BELSHIPS ASA

	31 Mar 2016	31 Dec 2015
USD 1 000		
<b>ASSETS</b>		
<b>Fixed assets</b>		
Ships	96 474	87 730
Newbuilding instalments	0	4 225
Other fixed assets	2 034	2 027
<b>Total fixed assets</b>	<b>98 508</b>	<b>93 982</b>
<b>Current assets</b>		
Short-term receivables	1 097	1 273
Cash and cash equivalents	11 415	7 993
<b>Total current assets</b>	<b>12 512</b>	<b>9 266</b>
<b>Total assets</b>	<b>111 020</b>	<b>103 248</b>

1<sup>st</sup> quarter 2016

## CONSOLIDATED BALANCE SHEETS

*The quarterly figures are not audited*

### BELSHIPS ASA

USD 1 000	31 Mar 2016	31 Dec 2015
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Paid-in capital	43 594	43 588
Retained earnings	-25 677	-9 202
Non-controlling interests	451	445
<b>Total equity</b>	<b>18 368</b>	<b>34 831</b>
<b>Long-term liabilities</b>		
Mortgage debt	34 546	35 767
Bareboat commitment	44 208	21 809
Financial instruments	986	602
Pension obligations	801	796
Other long-term liabilities	1 407	1 407
<b>Total long-term liabilities</b>	<b>81 948</b>	<b>60 381</b>
<b>Short-term liabilities</b>		
Current portion of long-term debt	6 722	5 688
Other short-term liabilities	3 982	2 348
<b>Total short-term liabilities</b>	<b>10 704</b>	<b>8 036</b>
<b>Total equity and liabilities</b>	<b>111 020</b>	<b>103 248</b>



**BELSHIPS**

## 1<sup>st</sup> quarter 2016

### Note 2 Segment information

#### **BELSHIPS ASA**

USD 1 000

January - March 2016

	<i>Dry cargo</i>	<i>Technical managm.</i>	<i>Admini- stration</i>	<i>Group transaction</i>	<i>Total</i>
Freight revenue	4 857	0	0	89	4 946
Management fees	0	1 176	147	-259	1 064
<b>Operating income</b>	<b>4 857</b>	<b>1 176</b>	<b>147</b>	<b>-170</b>	<b>6 010</b>
Ship operating expenses/loss on contract	-2 052	0	0	170	-1 882
Operating expenses ship management	0	-931	0	0	-931
General and administrative expenses	-3	0	-662	0	-665
<b>Operating expenses</b>	<b>-2 055</b>	<b>-931</b>	<b>-662</b>	<b>170</b>	<b>-3 478</b>
<b>Operating result (EBITDA)</b>	<b>2 802</b>	<b>245</b>	<b>-515</b>	<b>0</b>	<b>2 532</b>
Depreciation and amortisation	-1 314	-12	-10	0	-1 336
Impairment of ships	-13 823	0	0	0	-13 823
Loss on sale of ship/loss on contract	-2 287	0	0	0	-2 287
<b>Operating result (EBIT)</b>	<b>-14 622</b>	<b>233</b>	<b>-525</b>	<b>0</b>	<b>-14 914</b>
Interest income	0	0	1	0	1
Interest expenses	-890	0	-105	0	-995
Other financial items	-282	-12	-407	0	-701
Currency gains/(-losses)	-15	-81	263	0	167
<b>Net financial items</b>	<b>-1 187</b>	<b>-93</b>	<b>-248</b>	<b>0</b>	<b>-1 528</b>
<b>Result before taxes</b>	<b>-15 809</b>	<b>140</b>	<b>-773</b>	<b>0</b>	<b>-16 442</b>
Taxes	0	-27	0	0	-27
<b>Net result</b>	<b>-15 809</b>	<b>113</b>	<b>-773</b>	<b>0</b>	<b>-16 469</b>
Hereof non-controlling interests	0	6	0	0	6
Hereof majority interests	-15 809	107	-773	0	-16 475