

Ladies and Gentlemen

I would like to welcome you and thank you for participating in the 1st ship operating cost presentation hosted by the Propeller Club of Piraeus.

Shipping is a highly competitive international industry which is easily affected by the fluctuations of the world economy. In my view the shipping industry is a perfect example to use in order to explain to economics students the supply – demand mechanics.

As a result of the boom years prior to 2008 we are now experiencing a period of oversupply of tonnage. This fact, combined with the decreased demand in raw materials and finished goods brought by the slow down of the world economy, has reduced freight rates and subsequently income substantially. To make matters worse the credit crunch brought by the near collapse of the banking system a couple of years ago and the current sovereign debt crisis, has made financing very difficult and expensive.

Controlling the two costs on which the ship-owner has some influence, i.e. operating and financial, is essential for the survival of a shipping company. These negative conditions are not expected to reverse soon and in any case the days before 2008 where the extremely high freight rates made everything else seem irrelevant are long gone.

To shed some light on how to deal with these issues we at the Propeller Club have organized this event and we are fortunate that we have three distinguished speakers, experts in their fields, who will give you their insight on these important areas.

Mr. Geoff Woodhouse is a partner from Moore Stephens LLP and specializes in assurance and advisory assignments for family offices and shipping investment funds.

Geoff will talk about the nature of this alternative source of finance and will hopefully clarify various issues that you may have.

Once Geoff explains to us how to find the money to buy a ship Mr. Richard Greiner will give us useful information on how to run the ship with lower costs.

Richard is also a partner from Moore Stephens LLP and a regular speaker at shipping conferences. He leads the Moore Stephens London shipping intelligence unit and is the man responsible for the preparation of the opcost report.

Following Richard's speech, Captain Xapolytos the CEO of Tsakos Columbia Management will give us his views on the subjects. Captain Xapolytos following his service at sea has been working with Columbia Ship Management, one of the world's leading management companies, for more than 20 years. Tsakos Columbia Management is currently managing a fleet of about 70 vessels of different types and sizes.

After the presentations you are more than welcome to give us your views on the subjects and also ask questions to our speakers.

As soon as we finish we will move next door to have our lunch and continue our discussions in a more informal surrounding.

I would like to thank the Propeller Club and especially Admiral Retzeperis and Mrs. Petsa for their assistance organising this event.