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FEATURES

SCANDINAVIAN MARKETS 7
Banking on strong relationships and good balance sheets

GROWTH STOCKS 10
Looking for growth at a reasonable price

FAR EAST 12
Asia welcomes back the long-awaited growth

AUSTRALIAN EQUITY 14
An analysis of key shipping players on the Australian stock exchange

SHORTING 15
Have you got the nerves to use shorting as an investment tool?

TAXATION 16
Accounting rules in different countries can determine where to list

UNIGLORY 18
The company has gained a good reputation in the shadow of its 'big brother'

MID-SIZED CONTAINERSHIPS 20
Driven by rate recovery, the medium-sized sector edges upwards

MARE FORUM 24
Amsterdam hosted the latest developments in the quality shipping debate

BALTIC STATES 26
Lithuania, Latvia and Estonia look beyond their traditional markets

NEWS & REGULARS

EXECUTIVE SUMMARY 2
NEWS ANALYSIS 3
COMPANY REPORTS 4
SHIPPING SHARES 5
MERCATOR 6
DATA BANKS 27

RESULTS

Company	Period	Net Profit	Turnover	Change on Net Profit (%)	Change on Turnover (%)
Benor Tankers	AR98	2.45bn	126.01bn	(18)	(5)

Following the aborted takeover bid from Peter Georgopoulos's GMC, Benor Tankers recorded an annual operating profit for 1998 of $20.1m, a decrease from $24.5m in 1997. The major reason, according to the company, was the general weak market throughout 1998. Other significant factors were the increase on the average operating cost per calendar day by 1.6%, and that of general off-hire from 1.85% in 1997 to 4.32% in 1998. The company's consolidated assets rose to $550.4m from $523m in 1997, due to the full payment of two new suezmax newbuildings, to be delivered in the first half of 2000. The company commented that the currency rate developments and the lower newbuilding prices encouraging overcapacity in the tanker sector had substantial influence on the poor overall trends.

Company	Period	Net Profit	Turnover	Change on Net Profit (%)	Change on Turnover (%)
Bollore Group	AR98	87.5m	3.8bn	20.6	(3.6)

In 1998 Bollore Group continued to consolidate its industrial operations and financial holdings, reporting a net profit of €78.6m – up from €65.2m in 1997. In shipping, the Delmas group tried to refocus its strategy on Africa operations which is responsible for the 75% of the sales. The group had to cope with freight rate fluctuations and a significant downturn in results on specific market segments. The fully-diluted earnings per share has been increased by approximately 17.8%. However, the group states that it has already started a capital investment plan which includes reorganisation of the operating structure of its 20 shipping lines as well as new management plans for its 60,000 containers. All these steps, should prepare the company to cope efficiently with matters such as the Y2K and the changeover to the euro.

Company	Period	Net Profit	Turnover	Change on Net Profit (%)	Change on Turnover (%)
ICB Shipping	H199	3m	73.3m	(21.5)	1.4

ICB SHIPPING AB

ICB's consolidated income statement for the first half year of 1999 has reported an operating income of $10.7m, a substantial decrease from $89m in the first half of 1998. Despite these discouraging figures, the company believes that it has a strong equity ratio and good liquidity, which will help in the fluctuating tanker market and give it an investment advantage when vessel prices fall. Increasing global oil consumption due to the Asian rebound did not have an immediate effect on ICB's operations, and earnings remained weak in the whole second quarter. The company is under a heavy capital investment schedule in order to comply with the international environmental regulations.

Company	Period	Net Profit	Turnover	Change on Net Profit (%)	Change on Turnover (%)
Irish Continental Group	11/98–4/99	7.9m	105m	91.6	23.4

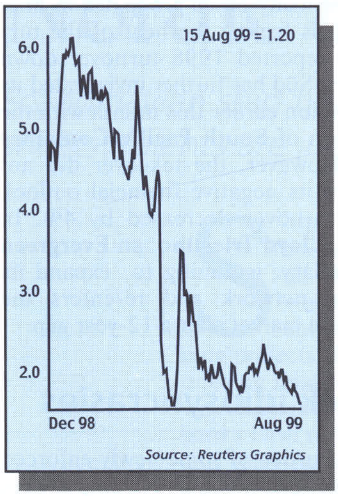
Half-year results for the Irish Continental Group depicted enormous net profits of €7.1m, while the turnover for the same period was increased by 23.4% to €94.5m, generated through the strong operations in car and passenger traffic. The company's un-audited consolidated profit and loss account reflects a dynamic performance mainly asserted with a capital investment programme which includes the introduction of a $40m high-speed ferry, as well as various other operations including the order of a new 50,000 tonne ferry covering the Dublin-Holyhead route from 2001 onwards. The group is confident about its prospects based on the 9% increase in passengers on the Irish Sea and by a 55% increase on the French route, while ro-ro freight volumes went up 20%.

Company	Period	Net Profit	Turnover	Change on Net Profit (%)	Change on Turnover (%)
Leif Hoegh	H199	8.69m	121.3m	(59.9)	(5.1)

Leif Hoegh posted an operating profit lower than the expected forecasts and even lower than 1998 results. The company has attributed that phenomenon to the generally weak market conditions, but also to the loss created from the sale of its 33.6% shareholding in Bona Shipholding to Teekay. An unrealised loss resulted from the strengthening of the US dollar against the Norwegian Kroner, which increased the cost of the company's mortgage US dollar debt. However, the company's share price increased during the period by 12% from NKr89 to NKr100, with a dividend payment of NKr4 per share. The diversified fleet of the company should provide better results for the rest of the year.

Notes: All figures in US$ unless otherwise stated. Exchange rates used (period averages): FFr/US$ – 5.8995; €/US$ – 0.8996; NKr/US$ – 7.7445.

NMS Hvide Marine share price



Hvide heads south

THE swagger has certainly gone out of the step of Hvide Marine executives of late. They have witnessed the market for the company's massive support vessel fleet collapse in spectacular fashion on the back of its $300m high yield bonds issued in February 1998. One would be interested to read the prospectus of the bond issue which presumably does not predict the market to die such a horrible death on Hvide.

The company's proposed 'get out of jail' bond issue has been met with a lukewarm reception to the point where the $293m, two tranche DLJ arranged deal has been canned. The issue may solve the temporary crisis of bankruptcy, but does little to enhance the company's long-term future.

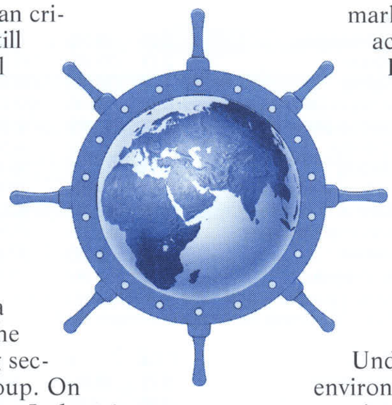
The pressure is mounting as creditor banks waive the repayments for a third time and the only thing Hvide looks getting done is filing for Chapter XI. The July 31 deadline for the 144A private placement has long passed. A large number of redundancies have been made and salary caps and cuts are also rumoured to be rife. The company also lost its chairman, president and chief executive, Erik Hvide.

A short position at almost any point bar a late April rally would have raked in the money as the price has collapsed from around $11 to under $2. Trading has been very thin, ticking the price down. However, who can blame investors for getting out. The calculations that they should be doing are break-up value ones. Although we are not that close to Thanksgiving, expect this to be the season's first turkey.

SHIPPING SHARE PRICE MOVEMENTS

STOCK	$closing 01/07/99	% change 1 month	% change 6 months	% change 1 year	%change/all share index 1 month	%change/all share index 6 months	%change/all share index 1 year	$m market capitalisation	P/E ratio	Dividend yield %
US ($)										
Anangel-American	5.25	(8.70)	0.00	7.69	(1.27)	(6.29)	(9.60)	41.11	n/a	0.00
B+H Ocean	2.13	(15.00)	(30.61)	(66.00)	(8.09)	(34.98)	(71.46)	9.17	23.61	0.00
BT Shipping	1.69	(10.00)	(58.46)	(89.71)	(2.69)	(61.08)	(91.37)	2.77	n/a	0.00
Global Ocean Carriers	0.50	0.00	(27.27)	(67.35)	8.13	(31.85)	(72.59)	2.02	n/a	0.00
International Shipholding	13.94	(0.45)	(12.55)	(10.44)	7.64	(18.05)	(24.82)	90.58	7.30	1.79
Knightsbridge	17.75	(1.73)	(6.58)	(19.09)	6.26	(12.46)	(32.08)	303.53	11.02	10.59
MC Shipping	1.13	(10.00)	38.46	(35.71)	(2.69)	29.75	(46.03)	6.49	n/a	8.89
Marine Transport Corp	2.94	(18.97)	23.68	30.56	(12.38)	15.90	9.60	19.26	0.44	0.00
OMI Corp (a)	2.00	6.67	(8.57)	(56.76)	15.34	(14.32)	(63.70)	83.29	2.17	0.00
Overseas Shipholding Grp	13.69	(5.19)	(1.79)	(18.89)	2.51	(7.97)	(31.91)	496.39	n/a	4.38
Stolt Nielsen	14.75	(8.17)	37.21	(13.87)	(0.71)	28.58	(27.70)	432.40	14.46	1.69
Teekay Shipping	16.00	(9.86)	0.39	(23.81)	(2.53)	(5.92)	(36.04)	506.37	18.18	5.38
(a) Company restructured. Began trading as a new entity on June 18, 1998.										
SOURCE: ING Baring Furman Selz Incorporated										
UK (£)	a	b	c	d						
Horace Clarkson	0.72	(0.01)	0.93	0.95	-	-	-		9.13	10.95
Inchcape	3.98	0.01	11.97	0.66	-	-	-	351.20	n/a	n/a
James Fisher & Sons	0.80	(0.01)	0.92	0.55	-	-	-	-	5.67	17.64
Jacobs Holdings	0.62	0.00	0.74	0.39	-	-	-	-	9.62	10.40
P&O Steamship	9.37	0.07	11.17	4.81	-	-	-	10,078.8	22.22	4.50
Seacon Holdings	0.31	0.03	0.43	0.22	-	-	-	-	39.38	2.54
FRANCE (€)										
CNN	18.35		-	-	-	-	--	-	-	-
NETHERLANDS (€)										
Koninklijke Nedlloyd NV	25.85	(0.15)	29.85	9.17	-	-	-	643.75	19.92	5.02
GERMANY (DM)										
Bremer Vulkan	1.54	0.05	2.00	0.22	-	-	-	-	0.65	152.72
BELGIUM (BFr)										
CMB	40.00	0.50	60.24	30.69	-	-	-	383.71	12.62	7.93
(a) Price at 12/08/99										
(b) 1-day change										
(c) 52- week high										
(d) 52-week low										
Source: Bloomberg; £/$=0.6204, BFr/$=37.837, DM/$=1.8354, €/$=0.9380										
NORWAY (NKr)										
Awilco	13.00	0.0	(17.7)	(11.0)	(1.6)	(32.7)	(3.9)	69.34	1.91	11.54
Benor Tankers	30.00	(7.0)	76.5	(6.3)	(8.6)	61.5	0.8	83.53	19.26	0.00
Bergesen	109.50	(6.4)	3.3	(19.5)	(8.0)	(11.7)	(12.4)	1,059.10	13.04	2.74
Bona Shipholding	53.50	0.0	91.1	(7.8)	(1.6)	76.1	(0.7)	129.97	38.21	0.00
Bonheur	220.00	4.8	37.5	(18.5)	3.1	22.5	(11.5)	324.49	68.54	1.82
First Olsen Tankers	45.00	(4.3)	41.6	(12.1)	(5.9)	26.7	(5.0)	115.83	3.98	0.00
Ganger Rolf	218.50	4.0	40.1	(19.1)	2.4	25.1	(12.0)	256.65	20.36	1.97
Leif Hoegh	96.50	1.6	0.5	(15.4)	0.0	(14.4)	(8.3)	371.63	8.25	4.15
Odfjell	110.00	(1.8)	69.2	14.6	(3.4)	54.3	21.6	304.04	4.14	3.64
Wilh Wilhelmsen	225.00	(4.3)	17.8	(13.5)	(5.9)	2.8	(6.4)	413.41	4.93	2.44
NCL Holding	25.80	(1.5)	8.4	(37.2)	(3.1)	(6.6)	(30.2)	788.90	87.16	0.00
SOURCE: Sundal Collier & Co; NKr/$=7.85										
SWEDEN (SKr)	a	b	c	d						
N&T Argonaut	5.40	(0.25)	10.00	4.00	-	-	-	-	-	-
Concordia	9.20	(0.80)	19.00	9.10	-	-		-	2.10	47.66
Stena Line	10.00	(0.50)	20.00	7.40	-	-	-	-	-	-
Frontline	28.80	1.30	39.50	8.00	-	-	-	-	-	-
ICB Shipping	130.0	0.00	150.00	100.00	-	-	-	-	22.18	4.51
DENMARK (DKr)	a	b	c	d						
J. Lauritzen	780.0	(0.00)	820.00	400.00	-	-	-	-	-	-
DFDS	4500.0	150.0	6000.00	4150.00	-	-	-	316.89	7.68	13.02
D/S Norden	470.00	0.00	580.00	285.00	-	-	-	-	-	-
D/S Torm	260.00	0.00	3768.00	179.50	-	-	-	-	-	-
D/S 1912	61000.00	1000.00	65500.00	36500.00	-			9891.82	96.60	1.04
(a) Price at12/08/99										
(b) 1-day change										
(c) 52-week high										
(d) 52-week low										
SOURCE: Bloomberg; SKr/$= 8.2587 DKr/$=6.9776										
HONG KONG (HK$)										
Orient Overseas	3.75	28.2	87.50	25.0	37.9	36.5	(24.8)	517	n/a	n/a
IMC	0.90	(3.2)	25.00	0.00	4.1	(9.0)	(39.8)	374	n/a	n/a
Wah Kwong	3.60	(1.4)	67.40	(11.1)	6.1	21.9	(46.5)	128	n/a	n/a
SOURCE: SG Securities; HK$/$= 7.76										

Giants falling apart



Almost a year after the deep Asian crisis some of the wounds are still healing. **Daewoo Group** is still reorganising its operational status, reducing its assets and trimming costs in a tight schedule to improve financial performance. Daewoo has to meet $5.9m in debt in the coming weeks, while heavy black clouds are rolling in over the group's prospects.

The scenarios are numerous, with a refinancing plan urgently needed. The company should maintain its shipbuilding sector as one of the central parts of the group. On the other hand though, **Daewoo Heavy Industries** itself is ready to leave the group to avoid the general bankruptcy. Recently the shipbuilding division of the group has proved that is in good shape, delivering an LNG carrier for **SK Shipping** and striking deals in a highly competitive market with the likes of **John Angelicoussis** and **Chandris Inc**.

In the mean time, **Hyundai Heavy Industries** is keeping sharp on the competitive edge. The company has sealed an order with **Bernard Schulte** for up to 10 2,500 teu ships for $300m. Chain reactions have already started in Japan, where the shipbuilding sector has seen negative results from intensified worldwide competition. **Sasebo Heavy Industries** has managed to secure further capesize vessels by **Anangel-American Shipholdings** and **Bocimar**, while Kawasaki Heavy Industries is ready to suspend some of its ship docks in a cost-cutting procedure. However the industry envisages a greater need for pooling, or even introduction of a consolidated scheme.

Cruising on wealthy markets

The Asian domino effect has paused upon Malaysian-owned **Star Cruises**. The company reported an enormous second quarter increase on its total revenues of 56% to $85.1m, a $30.6m increase from the 1998 second period results and its presence seems well established in the global arena. The company announced its investment plans, which include the introduction of two newbuildings costing $1bn and operations on the US west coast.

The cruise business continues to thrive in the hands of **P&O Cruises**, which contributed 31% of the group's income. In the US market, P&O maintained a good grip of market share with its Princess Cruises brand. Princess Cruises achieved an occupancy level of over 100%. By 2004, seven vessels will be delivered to P&O as part of its $2bn investment plan.

In the liner sector, **AP Möller Group** has struck a major blow for consolidation champions and may have sparked yet another round of takeovers. The group placed itself spectacularly in the US market, with the takeover of **CSX**'s subsidiary company **Sea-Land** for $800m. Sea-Land will be merged with AP Möller's container line, **Maersk Line**, under a new brand name, **Maersk-Sea-Land**. It will constitute the world's biggest container line so far. Maersk-Sea-Land will operate 250 containerships, 24 terminals and 500,000 containers.

P&O Nedlloyd and many other major companies in the liner market are already thinking for further takeovers, with the English-Dutch group showing interest in **Hapag-Lloyd**. **Oetker**, another Germany-based group, led by liner operator **Hamburg Süd**, is feeling the heat of the turmoiled market, with its reported 1998 turnover down 3.4%. Hamburg Süd has further invigorated its market position earlier this month with the acquisition of **South Pacific Container Line**. However, the takeover did not upturn its negative financial outlook and turnover decreased by 4%. In Italy, **Lloyd Triestino**, an **Evergreen** subsidiary, is aiming to expand its global network and re-enters the Chinese market after a 12-year gap.

Greek idiosyncrasies

Under the burden of some newly enforced environmental regulations, Greek shipowners are scrapping in record levels, with **Dynacom** and **Athenian Sea Carriers** on the front line, scrapping four bulkers and three tankers respectively.

Meanwhile, newbuilding orders and secondhand tonnage are passing into Greek hands. **Naftomar Shipping and Trading** and **Eastern Mediterranean** preferred the secondhand market, while there were several others that strutted onto the newbuilding dance floor. The Cretan-based **Anek-Lines** has recently put an end to several rumours, awarding Norway's **Fosen Mek Verksteder** with a shipbuilding contract for two large passenger ro-ro vessels for $206m, while it is more than certain that it will take over Lesbos-based **NEL Lines** in the near future. **Ceres**, on the other hand, has already established an order for two chemical tankers at the Polish Szczecin yard at a total value of $500m, while it is close to ordering a pair of 170,000 dwt bulkers from Japan's Sasebo.

Speculative mist still surrounds junk bond investor **Alpha Shipping** since its failure to cover an $8.4m interest payment last February. George Economou has set a course towards liquidation of his junk bond project, and he already has new plans, primarily based on a bid to raise approximately $200m from US investors. The Greek owner has already bought back 16 ships, and it is estimated that the purchase of his entire fleet will cost him about $64m. However, Mr Economou has made a considerable profit against his creditors so far.

Fears about an Alpha serial have grown over **Global Ocean Carriers**' junk bonds, since its owner Nick Tsakos missed a $6.4m interest payment on its $126m junk bond issue. The company is now operating in the 30-day grace period. The investors' advisers, **American Marine Advisors** and **Chakin Kirkland Messina,** will soon scrutinise the company's accounts. Rumour and suspicion have surrounded the payments with accusations about the company 'talking down' the market to keep the bond price low for any potential buyback. Investors are curious as to whether the interest payment could have been met without default.

There, but for the grace of God, goes **Oceanbulk Maritime**, if its junk bond refinancing project had proceeded according to plan in early 1998. Merrill Lynch delayed the project due to other commitments and the boat was missed. Thus the 22-vessel shipping company owned by Petros Pappas is still searching for new ways of financing. It is believed that Mr Pappas was talking to a London-based insurance broker. His next plan will be an attempt to list on the Athens stock exchange. However, there are still a few impediments to be overcome, since the company needs comply with all of the regulations of the Greek stock market.