

2009 Financial Results

Press Release 16 March 2010

HELLENIC CARRIERS REPORTS FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Hellenic Carriers Limited, (“Hellenic” or the “Company”) (AIM: HCL), an international provider of marine transportation services, which owns and operates through its wholly owned subsidiaries a fleet of six dry bulk vessels that transport iron ore, grain, steel products and minor bulk cargoes, is pleased to report today its Full Year Audited Results for the year ended 31 December 2009.

The Company’s management has scheduled a conference call and webcast on 16 March 2010, at 3pm (London), 5pm (Athens) and 11am (EDT) to discuss the Results.

2009 Financial Highlights

- ⇒ US\$58 million Revenue (2008: US\$85 million)
- ⇒ US\$38.9 million EBITDA ⁽¹⁾ (2008: US\$68.2 million)
- ⇒ US\$23.9 million Operating Profit (2008: US\$36.5 million)
- ⇒ US\$18.1 million Net Income (2008: US\$31.1 million)
- ⇒ Earnings per share of US\$0.40 (2008: US\$0.68)
- ⇒ Payment of final dividend for 2008 of 2.30 pence per share
- ⇒ Final dividend for 2009 of 2.47 pence per share subject to AGM’s approval
- ⇒ Restructuring of bank debt for 2009 and 2010 in order to preserve cash liquidity and reduce break even rates
- ⇒ Significant improvement of Company’s gearing ratio with net debt to total capitalization⁽²⁾ at 39.4% on 31 December 2009 compared to 52.9% on 31 December 2008
- ⇒ Reinforcement of cash reserves: As of 31 December 2009, Hellenic Carriers and its subsidiaries had a total unencumbered cash liquidity of US\$71.2 million compared to US\$54 million as of 31 December 2008

2009 Operational Highlights

- ⇒ Operation in 2009 of a fleet of 6 vessels compared to an average of 5.4 vessels in 2008
- ⇒ Continuation of time charter contracts agreed prior to market downturn resulting in reduced earnings volatility and healthy cash flows
- ⇒ Time Charter Equivalent rate of US\$25,910 outperforming the average 2009 Panamax and Supramax rates (US\$19,296 and US\$17,337 respectively)
- ⇒ Daily average operating expenses of US\$4,799 in 2009 compared to US\$4,920 in 2008

Management Commentary

Fotini Karamanlis, Chief Executive Officer, commented: “Hellenic Carriers is pleased to report healthy results for the year ended 31 December 2009 despite the challenging conditions prevailing in the global economy and the dry bulk shipping sector. Due to our healthy results I am also pleased to announce payment of a final dividend for 2009 of GBP 2.47 pence per share or total GBP 1,127 representing about 10% of the Company’s net income.

“During the year, we continued to implement our strategy to strengthen our balance sheet, enhance cash flow visibility and reinforce liquidity. We successfully restructured time charters agreed prior to the market downturn in Q4 2008 and as of today 62% of our 2010 fleet operating days are secured under time charter employments. We preserved liquidity and reduced our breakeven levels by proactively working with our lenders to restructure our bank debt for 2009 and 2010. As a result, we have reduced our net debt from US\$93 million at the end of 2008 to US\$66 million by the end of 2009, we have built up solid cash reserves while we have no capital commitments and we operate a fleet generating strong and stable cash flows.

⁽¹⁾ EBITDA has been calculated as follows: Operating profit + Depreciation + Depreciation of dry-docking costs + impairment charges + loss on cancellation of vessel acquisition

⁽²⁾ Net debt to total capitalization has been calculated as net debt, net of deferred financing fees less cash and cash equivalents to net debt and stockholders’ equity

“In 2009 the scenario of a sustained market collapse, anticipated by many after October 2008, did not materialise. The impact of demand from the developing world, primarily China, can no longer be underestimated and is expected to continue to support the market in the longer term. At the same time, however, the increase in the supply of vessels, albeit with significant delays and at lower volumes than those recorded in the newbuildings orderbook, remains an issue to be monitored.

“In light of the above, our Company is well positioned to face market challenges for the coming year. With an efficiently run fleet, visible and stable cash flows and real liquidity, we are poised to take advantage of acquisition opportunities maximizing long term value for our shareholders.”

Full Year 2009 Results

For the full year 2009, Hellenic reported total revenues of US\$58 million compared to US\$85 million for 2008, a decrease of 31.8%. EBITDA decreased by 43% to US\$38.9 million in 2009 from US\$68.2 million in 2008. Net income decreased by approximately 41.8% to US\$18.1 million in 2009 from US\$31.1 million in 2008.

Basic and diluted earnings per share calculated on 45,616,851 weighted average number of shares were US\$0.40 for the full year ended 31 December 2009 compared to US\$0.68 for the full year of 2008.

In 2009 the Company, through its subsidiaries, owned and operated 6.0 vessels earning on average US\$25,910 per day compared to 5.4 vessels and average earnings of US\$41,532 per day in 2008. However, due to the chartering strategy adopted by the Company, which has until now secured returns which are higher compared to prevailing market levels, Hellenic still outperformed the average 2009 Panamax and Supramax rates (US\$19,296 and US\$17,337 respectively).

In 2009 the vessel operating expenses increased by US\$0.8 million to a total of US\$10.5 million since the fleet increased from 5.4 vessels in 2008 to 6.0 vessels. On a per day basis operating expenses decreased by 2.5% from US\$4,920 in 2008 to US\$4,799 in 2009 indicating the management’s efficient cost control over the fleet.

The Company’s general and administrative expenses in 2009 were approximately US\$2 million, in line with the expenses in 2008.

The vessels depreciation charge increased by approximately US\$1.7 million due to the full year depreciation expense of the two dry bulk carriers acquired by Hellenic’s subsidiaries in 2008 (M/V Konstantinos D and M/V Hellenic Wind).

Selected Financial Data:

(US\$ in 000’s except per share data)	2009	2008
Revenue	58,038	85,007
EBITDA ⁽¹⁾	38,929	68,171
Profit for the year	18,103	31,112
Weighted average shares (basic & diluted)	45,616,851	45,616,851
Earnings per share (basic & diluted)	0.40	0.68
Total assets	249,637	243,150
Long-term debt, net of unamortised arrangement fees	137,623	147,521
Total equity	101,755	82,617
Cash flows provided by operating activities	37,375	68,139
Cash flows used in investing activities	(2,411)	(127,705)
Cash flows (used in) / provided by financing activities	(17,766)	66,303

(1) EBITDA has been calculated as follows: Operating profit + Depreciation + Depreciation of dry-docking costs + Loss on cancellation of vessel acquisition + impairment charges.

Dividends

The Company's Board of Directors recommended a final dividend for 2009 of GBP 2.47 pence per share or total GBP 1,127 subject to shareholders' approval at the AGM to be held in Athens on 12 May 2010. The final dividend will be payable to shareholders on record as of 30 April 2010, with the ex-dividend date being 28 April 2010.

Capitalisation / Debt restructuring

As of 31 December 2009 debt (debt, net of deferred financing fees) to total capitalization (debt and stockholders' equity) was 57.5% compared to 64.1% in 2008 and net debt (debt less cash and cash equivalents) to total capitalization was 39.4% compared to 52.9% on 31 December 2008.

During the first half of 2009 Hellenic and its subsidiaries restructured their bank debt by means of reduction of principal instalments falling due in 2009 and 2010 and obtained waivers in respect of the minimum asset coverage covenants until 1 January 2011. Cash and cash equivalents reported as of 31 December 2009 amounted to US\$71.2 million compared to US\$54 million as of 31 December 2008.

The Company and its subsidiaries reported an amount of US\$1,148 as claim receivable as of 31 December 2009. This amount represents the cost of the repairs and related expenses occurred in respect of the damage to the intermediate shaft bearing of the M/V Hellenic Sea in July 2009 and will be recovered through the vessel's H&M Underwriters.

Fleet Operating Data:

	2009	2008
Fleet data:		
Average number of vessels	6	5.4
Number of vessels at year end	6	6
Total dwt at year end	372,742	372,742
Ownership days ⁽¹⁾	2,190	1,979
Available days ⁽²⁾	2,057	1,953
Operating days ⁽³⁾	1,942	1,917
Fleet utilization ⁽⁴⁾	94.4%	98.2%
Average daily results (in US\$):		
Time Charter Equivalent (TCE) rate ⁽⁵⁾	\$25,910	\$41,532
Average daily vessel operating expenses ⁽⁶⁾	\$4,799	\$4,920

- (1) Ownership days are the cumulative days in a period during which each vessel is owned by the respective vessel owning company.
- (2) Available days are ownership days less the days that the vessels are at scheduled off-hire for maintenance or vessel repositioning.
- (3) Operating days are the available days less all unforeseen off-hires.
- (4) Fleet utilization is measured by dividing the vessels' operating days by the vessels' available days.
- (5) TCE is defined as vessels' total revenues less voyage expenses divided by the number of the available days for the period.
- (6) Average daily vessel operating expenses is defined as vessel operating expenses divided by ownership days.

Fleet Developments

During the year ended 31 December 2009 the Company through its respective shipowning subsidiaries restructured two of its existing time charters, extending their duration and optimizing fleet charter coverage, and entered into new time charters for three other vessels.

Specifically, in January 2009 its wholly owned subsidiary Nestos Shipping Corporation extended the time charter for the M/V Hellenic Breeze, which would have expired in April 2009, for a minimum period of two years at the gross daily rate of US\$24,000 commencing as of 1 January 2009. In February 2009, its wholly owned subsidiary Vergina Shipping Ltd extended the time charter for the M/V Konstantinos D, which would have expired in March 2010, until 25 January 2011 at the gross daily rate of US\$35,000 commencing as of 5 February 2009.

In the second quarter of 2009 three of the vessels were fixed for medium to longer term periods. In particular, the M/V Hellenic Horizon was time chartered on 30 May 2009 to Oldendorff Carriers GmbH & Co. KG Lübeck at a gross daily rate of US\$15,600 for a period of minimum six to about eight months. The vessel was redelivered to Owners on 20 January 2010 and since completion of her scheduled dry-docking on 20 February 2010 has been trading spot.

In June 2009 the M/V Hellenic Sea entered into a time charter agreement with SwissMarine Corporation Ltd for a period of minimum four to about six months at a gross daily rate of US\$16,500 which commenced on 11 June 2009. Due to the damage to the intermediate shaft bearing of the vessel on 2 July 2009, the vessel remained off-hire for 38 days and the above mentioned charter was extended for about 2 months. The vessel was redelivered to owners on 20 February 2010 and is currently trading spot.

The M/V Hellenic Sky was time chartered on 22 June 2009 to Cargill International SA for a period of minimum thirteen to about sixteen months at a gross daily rate of US\$18,000 per day.

Taking into consideration the entire fleet of 6 vessels, the estimated time charter coverage for 2010 is approximately 62% and 7% for 2011.

In 2009 three vessels namely the M/V Hellenic Sea, the M/V Hellenic Wind and the M/V Hellenic Breeze performed their Intermediate Surveys, while the M/V Hellenic Sky underwent its Special Survey. The capitalised cost for the above mentioned surveys amounted to US\$3,431 and off-hire periods due to the above surveys add up to a total of 114 days.

In January and February 2010 the M/V Hellenic Horizon and the M/V Konstantinos D also underwent their scheduled special surveys. No further scheduled surveys are planned for 2010 in respect of the existing fleet.

Fleet Profile and Deployment

The Fleet Deployment is currently as follows:

Vessel	Type	Year Built	Yard	Carrying Capacity (dwt)	Charter Type	T/C Expiration Date ⁽¹⁾	Daily Charter Rate US\$ (Gross)
M/V Hellenic Breeze	Panamax	1993	Tsuneishi Shipbuilding, Japan	69,601	T/C	31/12/2010	24,000
M/V Hellenic Sky	Panamax	1994	Sasebo Heavy Industries, Japan	68,591	T/C	22/07/2010	18,000
M/V Hellenic Sea	Panamax	1991	Jiangnan Shipyard, China	65,434	Single T/C trip	05/04/2010 ⁽²⁾	19,500
M/V Hellenic Horizon	Handymax	1995	Halla Engineering & Heavy Industries, Korea	44,809	Trading spot	-	-
M/V Konstantinos D	Supramax	2000	Mitsui Engineering & Shipbuilding, Japan	50,326	T/C	25/01/2011	35,000
M/V Hellenic Wind	Panamax	1997	Tsuneishi, Shipbuilding, Japan	73,981	T/C	14/05/2011	54,000

(1) The earliest charter expiration date represents the first day on which the charterer may redeliver the vessel to the shipowning companies.

(2) M/V Hellenic Sea has been fixed for a single time charter trip which is expected to be completed by around 05/04/2010.

Conference Call details:

Participants should dial into the call 10 minutes prior to the scheduled time using the following numbers: 0800-953-0329 (UK Toll Free Dial-in), 00800-4413-1378 (Greece Toll Free Dial-in), 1-866-819-7111 (US Toll Free Dial-in), or +44 (0)1452-542-301 (Standard International Dial-in). **Please quote "Hellenic Carriers"**.

In case of any problems with the above numbers, please dial 0800-694-1503 (UK Toll Free Dial-in), 00800-127-011 (Greece Toll Free Dial-in), 1-866-223-0615 (US Toll Free Dial-in), or +44 (0)1452-586-513 (Standard International Dial-in). **Please quote “Hellenic Carriers”.**

A telephonic replay of the conference call will be available until 23 March 2010 by dialling 0800-953-1533 (UK Toll Free Dial-in), 1-866-247-4222 (US Toll Free Dial-in), or +44 (0)1452-550-000 (Standard International Dial-in).
Access Code: 36347958#

Slides and audio webcast:

There will also be a live and then archived webcast of the conference call, accessible through the Hellenic Carriers website (www.hellenic-carriers.com). Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

For further information, please contact:

Hellenic Carriers Limited

Fotini Karamanlis, Chief Executive Officer +30 210 455 8900
Elpida Kyriakopoulou, Chief Financial Officer +30 210 455 8900
E-mail: finance@hellenic-carriers.com

Jefferies International Limited

Schuyler Evans +44 20 7029 8000
Anne Dovigen

Capital Link

Annie Evangeli +44 20 3206 1320 (London)
Ramnique Grewal +1 212 661 7566 (New York)
E-mail: helleniccarriers@capitallink.com

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2009

	31 December	
	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	58,038	85,007
Expenses and other income		
Voyage expenses	(4,741)	(3,885)
Vessel operating expenses	(10,511)	(9,736)
Management fees – related party	(1,433)	(1,242)
Depreciation	(13,473)	(11,769)
Depreciation of dry-docking costs	(1,566)	(984)
Loss on termination of purchase agreement	-	(8,553)
Impairment loss	-	(10,377)
General and administrative expenses	(1,978)	(1,973)
Allowance for doubtful debt	(446)	-
Operating profit	23,890	36,488
Finance expense	(6,888)	(6,154)
Finance income	1,060	1,406
Foreign currency gain / (loss), net	41	(628)
	(5,787)	(5,376)
Profit for the year	18,103	31,112
Earnings per share (US\$):		
Basic and diluted EPS for the year	0.40	0.68
Weighted average number of shares	45,616,851	45,616,851

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

	31 December	
	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>
Profit for the year	18,103	31,112
Net gain / (loss) on cash flow hedges	2,488	(6,596)
Total comprehensive income for the year	20,591	24,516

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	31 December	
	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>
ASSETS		
Non-current assets		
Vessels	173,459	185,063
Office furniture and equipment	11	15
	<u>173,470</u>	<u>185,078</u>
Current assets		
Inventories	449	492
Trade receivables	236	312
Claim receivable	1,148	-
Due from related parties	2,493	2,215
Prepaid expenses and other assets	401	433
Restricted cash	260	638
Cash and cash equivalents	71,180	53,982
	<u>76,167</u>	<u>58,072</u>
TOTAL ASSETS	<u>249,637</u>	<u>243,150</u>
EQUITY AND LIABILITIES		
Equity attributable to shareholders of Hellenic Carriers Limited		
Issued share capital	46	46
Share premium	54,355	54,355
Capital contributions	10,826	10,826
Other reserves	(4,108)	(6,596)
Retained earnings	40,636	23,986
Total equity	<u>101,755</u>	<u>82,617</u>
Non-current liabilities		
Long-term debt	125,796	126,562
Other non-current liabilities	4,108	6,596
	<u>129,904</u>	<u>133,158</u>
Current liabilities		
Trade payables	1,775	1,427
Current portion of long-term debt	11,827	20,959
Accrued liabilities and other payables	1,928	1,559
Deferred revenue	2,448	3,430
	<u>17,978</u>	<u>27,375</u>
Total Liabilities	<u>147,882</u>	<u>160,533</u>
TOTAL EQUITY AND LIABILITIES	<u>249,637</u>	<u>243,150</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2009

	Number of shares	Par value US\$	Issued share capital US\$'000	Share premium US\$'000	Capital Contribu tions US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total equity US\$'000
At 1 January 2008	45,616,851	0.001	46	54,355	10,826	-	1,985	67,212
Profit for the year	-	-	-	-	-	-	31,112	31,112
Other comprehensive income	-	-	-	-	-	(6,596)	-	(6,596)
Total comprehensive income	-	-	-	-	-	(6,596)	31,112	24,516
Dividends to equity shareholders	-	-	-	-	-	-	(9,111)	(9,111)
At 31 December 2008	45,616,851	0.001	46	54,355	10,826	(6,596)	23,986	82,617
Profit for the year	-	-	-	-	-	-	18,103	18,103
Other comprehensive income	-	-	-	-	-	2,488	-	2,488
Total comprehensive income	-	-	-	-	-	2,488	18,103	20,591
Dividends to equity shareholders	-	-	-	-	-	-	(1,453)	(1,453)
At 31 December 2009	45,616,851	0.001	46	54,355	10,826	(4,108)	40,636	101,755

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2009

	31 December	
	2009	2008
	<i>US\$'000</i>	<i>US\$'000</i>
Operating activities		
Profit for the year	18,103	31,112
<i>Adjustments to reconcile profit to net cash flows:</i>		
Depreciation	13,473	11,769
Depreciation of dry-docking costs	1,566	984
Amortisation of deferred income	-	(406)
Impairment loss	-	10,377
Loss on termination of purchase agreement	-	8,553
Allowance for doubtful debt	446	-
Finance expense	6,888	6,154
Finance income	(1,060)	(1,406)
	<u>39,416</u>	<u>67,137</u>
Decrease / (Increase) in inventories	43	(178)
Increase in trade receivables, prepaid expenses and other assets	(1,446)	(302)
Increase in due from related parties	(278)	(285)
Increase in trade payables, accrued liabilities and other payables	622	663
(Decrease) / Increase in deferred revenue	(982)	1,707
Decrease in due to related parties	-	(603)
Net cash flows provided by operating activities	37,375	68,139
Investing activities		
Acquisition/ improvement of vessels	-	(118,937)
Dry-docking costs	(3,431)	(1,638)
Payment for termination of purchase agreement	-	(8,553)
Purchase of fixed assets	-	(17)
Interest received	1,020	1,440
Net cash flows used in investing activities	(2,411)	(127,705)
Financing activities		
Proceeds from issue of long -term debt	-	109,391
Repayment of long-term debt	(9,800)	(28,600)
Restricted cash	378	394
Interest paid	(6,891)	(5,771)
Dividends paid	(1,453)	(9,111)
Net cash flows (used in) / provided by financing activities	(17,766)	66,303
Net increase in cash and cash equivalents	17,198	6,737
Cash and cash equivalents at 1 January	53,982	47,245
Cash and cash equivalents at 31 December	71,180	53,982