



## PRESS RELEASE

### **KDM SHIPPING – VERY GOOD FINANCIAL RESULTS FOR FIRST QUARTER 2013**

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**The KDM Shipping Group, one of the leaders of the Ukrainian shipping industry, primarily involved in the niche segment of dry bulk river-sea freight in the Black, Azov and Mediterranean sea regions, has announced very good financial results for the first quarter of 2013.**

**The company generated revenues of USD 5.74m, or 106% greater than the same period in 2012. Operating profit was USD 2.05m, representing an increase of 146.5%, and net profit was USD 1.95m, or 164.2% greater than in the first quarter of 2012.**

**The very good financial results were achieved mainly thanks to improvement in the dry bulk shipping segment. In the first quarter of 2013, the company shipped a total of 165,100 tonnes of cargo, representing an increase of 110.4% year-on-year, generating revenues of USD 4.77m and a net profit of USD 1.63m, 106.4% and 173.3% greater than the same period in 2012 respectively.**

**The great increase in the volume of cargo shipped in the first quarter of 2013 was connected, among other factors, with the greater number of shipping days compared to the same period of 2012, when the Azov Sea was frozen for an entire month.**

**Dry bulk shipping is the most important area of the company's operations. The company also runs in spring and summer a tourist line on the Dnieper River in the Kiev region, and performs ship repairs and renovations at its own shipyard in Kherson.**

**In the first quarter of 2013 the ship repair segment generated revenues of USD 0.95m and net profit of USD 0.32m (growth of 109.5% and 123.24% respectively).**



Details of the financial results are presented in the table below:

| USD '000                | 1Q2013 | 1Q2012 | Change  |
|-------------------------|--------|--------|---------|
| <b>Revenues</b>         | 5,741  | 2,787  | +106.0% |
| <b>Operating profit</b> | 2,046  | 830    | +146.5% |
| <b>Net profit</b>       | 1,958  | 741    | +164.2% |

Kostiantyn Molodkovets, Chief Executive Officer of KDM Shipping, commented: "I am pleased with our financial results for the first quarter of 2013, as we could see improvement in all segments of our activity. Our main priority now is to expand our dry bulk cargo fleet with quality new vessels. We have acquired two additional freight vessels since our 2012 IPO, one at the end of 2012 and another in April 2013 (to be delivered within the next few weeks), increasing our total shipping fleet size to 10 vessels. We expect to see the results of this increase in our financial results this year."

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**ABOUT KDM SHIPPING**

The KDM Shipping Group is one of the leaders of the Ukrainian shipping industry in its region of activity. The group's cargo fleet consists of 9 river-sea, dry cargo vessels of total 26,703 DWT, which due to their shallow draft allow access to major river and sea ports in the Black and Azov sea regions. The group also provides passenger river transport services on the Dnieper River in the Kiev region (operating a fleet of 8 passenger river vessels), as well as ship repair services at its own shipyard in the city of Kherson. The company also has its own ship agency in selected ports as well as its own crewing department, allowing the group to benefit from certain cost efficiencies and to sustain competitive advantages.

In its main activity of dry bulk shipping, the group focuses primarily on shipments of grain, but also transports scrap metal, sunflower seed meal, wood and bran, general cargo and other products. The group transports cargo predominantly from ports in Russia and Ukraine to ports in Turkey, Russia, Georgia, Ukraine and Italy.

The company's principal shareholder is Kostiantyn Molodkovets, founder and CEO, who holds 69.9% of the shares. The company has been listed on the Warsaw Stock Exchange since August 2012.

The Group employed about 240 people as of the end of 2012.

***More information also available at [www.kdmshipping.com](http://www.kdmshipping.com)***