

**PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015 &
PROPOSED CANCELLATION OF ADMISSION OF THE COMPANY'S SHARES TO TRADING ON AIM**

Hellenic Carriers Limited, ("Hellenic" or the "Company") (AIM: HCL), through its subsidiaries operates a fleet of dry bulk vessels that transport iron ore, coal, grain, steel products, cement, alumina, and other dry bulk cargoes worldwide. The Company reports today its Preliminary Results for the year ended 31 December 2015 and the decision by the Board of Directors to propose to Shareholders the cancellation of the Company's shares to trading on AIM.

2015 HIGHLIGHTS

FINANCIAL

- ⇒ Revenue: US\$ 13.0 million (2014: US\$ 20.6 million)
- ⇒ EBITDA¹: US\$ 3.0 million negative (2014: US\$ 1.0 million positive)
- ⇒ Operating loss before book loss on sale/impairment of vessels: US\$ 12.6 million (2014: US\$ 9.0 million)
- ⇒ Net loss before book loss on sale/impairment of vessels: US\$ 16.3 million (2014: US\$ 12.8 million)
- ⇒ Book loss on sale of vessel: US\$ 4.1 million (2014: US\$ nil)
- ⇒ Book loss on impairment of vessels: US\$ 13.6 million (2014: US\$ 4.2 million)

¹ EBITDA has been calculated as follows: Operating loss + Depreciation + Depreciation of dry-docking costs + Impairment charge – Gain/(loss) on sale of vessels - Other operating income/ (expense)

OPERATIONAL

- ⇒ Decrease of the operating fleet: operation of 5.2 vessels on average compared to 5.9 vessels in 2014
- ⇒ Time Charter Equivalent ("TCE")-Gross rate of US\$ 7,756 (2014: US\$ 10,687)
- ⇒ Time Charter Equivalent ("TCE")-Net rate of US\$ 5,117 (2014: US\$ 8,130)
- ⇒ Daily Operating expenses of US\$ 4,767 (2014: US\$ 5,231)

Market Commentary

During 2015 the performance of the dry bulk market further deteriorated, with rates reaching 30 year lows. The BDI averaged at 728 points, its lowest average score since inception in 1986. The average earnings for all categories of dry bulk ships barely covered operating expenses and in most cases did not suffice for finance costs. The main factors behind this severe deterioration were the slowing growth in China, the shrinking trading volumes for some of the major dry bulk commodities in conjunction with the continuing supply of new ships.

From the beginning of 2016 the freight market has further receded and for the first two months of the year the BDI has averaged at around 350 points, 50% lower compared to the 2015 average. The

dropping commodity prices have squeezed the freight margins and at the same time the uncertainty surrounding the emerging markets as well as the growth prospects of the developed countries, have resulted in a distressed market. Currently, the earnings achieved by dry bulk vessels no longer cover operating expenses, leading operators to consider idling or laying up their ships and perhaps scrapping their older units. The fact that scrapping has increased considerably is a positive sign, but at the same time the order book for 2016 remains very heavy. So, although recycling and perhaps cancellations of orders may alleviate the supply side, the dry bulk fleet is expected to grow further on a net basis this year. Therefore, unless demand picks up considerably, the prospects of the market will continue to be very challenging.

Developments

For the year ended 31 December 2015, the Company operated through its subsidiaries an average fleet of 5.2 vessels compared to 5.9 vessels for the year ended 31 December 2014. Following the sale of one of the vessels in March 2015, the operating fleet at 31 December 2015 included one Panamax, two Supramax and two Kamsarmax vessels with an aggregate carrying capacity of 340,055 dwt and a weighted average age of 10.1 years.

During this period the Company decided against locking in the vessels for the long term and focused on actively trading in the spot market and under short term period fixtures, thus being able to take full advantage of pockets of opportunities presented due to the freight market volatility.

Full year 2015 Results

Operating and Financial highlights

The following tables summarise the operating and financial results for full year 2015.

Selected Operating data	Year ended 31 December	
	2015	2014
	Unaudited	Audited
Average number of operating vessels	5.2	5.9
Number of operating vessels at year end	5.0	6.0
Total dwt at year end	340,055	384,864
Ownership days ⁽¹⁾	1,910	2,184
Available days ⁽²⁾	1,682	1,927
Operating days ⁽³⁾	1,574	1,851
Fleet utilisation ⁽⁴⁾	93.6%	96.1%
Average daily results (in US\$)		
Time Charter Equivalent (TCE) Gross rate ⁽⁵⁾	7,756	10,687
Time Charter Equivalent (TCE) Net rate ⁽⁶⁾	5,117	8,130
Average daily vessel operating expenses ⁽⁷⁾	4,767	5,231

⁽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 utilisation is measured by dividing the vessels' operating days by the vessels' available days.

⁽⁵⁾ TCE-Gross is defined as vessels' total revenues divided by the number of the available days for the period.

⁽⁶⁾ TCE-Net is defined as vessels' total revenues less voyage expenses divided by the number of the available days for the period.

⁽⁷⁾ Average daily vessel operating expenses is defined as vessel operating expenses divided by ownership days.

Selected Income Statement Data

(Amounts expressed in thousands of U.S. Dollars,
except share and per share data)

	Year ended 31 December	
	2015	2014
	Unaudited	Audited
Revenue	13,046	20,595
EBITDA ⁽¹⁾	(2,950)	1,030
Operating loss	(30,299)	(13,190)
Adding back impairment loss	13,627	4,185
Adding back book loss on sale	4,074	-
Operating loss before non-cash impairment loss/ loss on sale of vessel	(12,598)	(9,005)
Net Finance costs	(3,672)	(3,790)
Net loss before non-cash impairment loss/ loss on sale of vessel	(16,270)	(12,795)
Loss for the year	(33,971)	(16,980)
Loss per share (US\$):		
Basic and diluted LPS for the year	(0.74)	(0.37)
Weighted average number of shares	45,616,851	45,616,851

⁽¹⁾ EBITDA has been calculated as follows: Operating loss + Depreciation + Depreciation of dry-docking costs + Impairment charge – Gain/(loss) on sale of vessels - Other operating income/ (expense)

During 2015, the Company, through its subsidiaries, operated 5.2 vessels which earned on average net earnings (TCE-net) of US\$ 5,117 per day compared to 5.9 vessels and average net earnings of US\$ 8,130 per day in 2014, a decrease of 37%.

For the year ended 31 December 2015, total revenues were US\$ 13.0 million (2014: US\$ 20.6 million), a decrease of US\$ 7.6 million from the previous year. The decrease in revenues is attributed to the lower dry bulk freight market in conjunction with the reduction in the number of vessels operated during the period. The fleet utilisation during 2015 was 93.6% compared to 96.1% in 2014.

Voyage expenses decreased to US\$ 4.3 million (2014: US\$ 4.7 million). The decrease in voyage expenses is mainly attributable to the decrease in the number of vessels operated during 2015 as compared to 2014.

Vessel operating expenses decreased by US\$ 2.3 million to a total of US\$ 9.1 million for the year ended 31 December 2015. Average daily operating expenses for the year ended 31 December 2015 were US\$ 4,767 (2014: US\$ 5,231) demonstrating improvement of operational efficiency.

The Company's general and administrative expenses for the year ended 31 December 2015 decreased to US\$ 0.5 million (2014: US\$ 1.0 million).

Earnings before Tax, Interest, Depreciation and Amortisation (EBITDA) was reported negative at US\$ 3.0 million for the year ended 31 December 2015 (2014: positive US\$ 1.0 million).

Operating loss amounted to US\$ 30.3 million for the year ended 31 December 2015 (2014: US\$ 13.2 million). For the year ended 31 December 2015, the operating loss figure included a non-cash impairment charge of US\$ 13.6 million relating to two of the vessels (2014: impairment charge of US\$

4.2 million relating to one of the vessels) as well as a non-cash loss of US\$ 4.1 million from the sale of one of the vessels in March 2015 (2014: US\$ nil).

The total finance expense comprising of i) interest payable on bank debt, ii) amortization of deferred loan fees and iii) other finance costs, was reported at US\$ 3.7 million for the year ended 31 December 2015, compared to US\$ 3.9 million for the same period of 2014. The weighted average interest rate for the year ended 31 December 2015 was 3.61% increasing slightly from 3.56% reported in 2014.

Net loss for the year ended 31 December 2015 amounted to US\$ 34.0 million or US\$ 0.74 basic loss per share calculated on 45,616,851 weighted average number of shares. Net loss for the year ended 31 December 2014 amounted US\$ 17.0 million or US\$ 0.37 basic loss per share calculated on 45,616,851 weighted average number of shares.

Debt / Financing Activities

During 2015 and until the date of this announcement, two out of the three facilities were rescheduled either reducing principal payments or extending their maturity. With regard to the third facility the Company has received an offer letter for the restructuring of the respective loan through reduction of principal instalments and extension of the maturity, however the underlying agreements have not yet been finalized. Principal payments during 2015 amounted to US\$ 1.8 million while finance expenses paid amounted to US\$ 3.5 million. The Company's loan facilities currently mature in August 2019, May 2020 and May 2026.

As at 31 December 2015, Hellenic and its subsidiaries were in compliance with debt covenants.

Dividend

The Directors of the Company recommended that no dividend payment will be made in respect of the year ended 31 December 2015.

Proposed Cancellation of Admission of the Company's shares to trading on AIM

Having taken into account the Company's financial results for the year ended 31 December 2015, the Company's low market capitalization, the ongoing costs associated with the Company's AIM listing, the low volumes of liquidity in the trading of the ordinary shares of the Company (the "Shares"), as well as the Company's future prospects should prevailing market conditions persist, the Board of Directors has decided to seek Shareholder approval for the cancellation of the Shares to trading on AIM (the "Cancellation").

Whilst the Board believes that the Cancellation is in the best interests of the Shareholders as a whole, it recognises that the Cancellation will make it more difficult for Shareholders to buy and sell Shares should they wish to do so. In order to address this issue, the Company's controlling Shareholders have indicated to the Board that they may consider making an offer to acquire the Shares from the minority Shareholders after the Cancellation becomes effective. It is important to note however, that following the Cancellation, the UK Takeover Code (the "Code") will cease to apply to offers for the Shares, and accordingly any such offer made after the Cancellation would not be governed by the Code. There is no certainty that an offer for the Shares will be forthcoming.

The UK Takeover Panel has confirmed that this announcement does not trigger the commencement of an offer period for the purposes of the Code.

In accordance with AIM Rule 41, the Company has notified the London Stock Exchange of the intended Cancellation and will separately inform the Exchange of the preferred cancellation date, at

least twenty business days prior to such date. The Cancellation is conditional upon obtaining the approval of not less than 75% of votes cast by Shareholders in a general meeting.

Once the Company's Annual Report, containing the audited consolidated financial statements for the year ended 31 December 2015, has been finalized, the Board intends to convene the Company's Annual General Meeting ("AGM") at which Shareholder approval for the Cancellation will be sought. The AGM Notice together with the Annual Report for 2015 and a Letter addressed to the Shareholders explaining the reasons and procedure for the Cancellation, the trading options before and after the Cancellation and other relevant information will be uploaded on the Company's website in due course and a relevant notification will be posted to Shareholders on the same day.

Further announcements will be made in due course.

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Further Information – Notes to Editors

About Hellenic Carriers Limited

Hellenic Carriers Limited operates through its subsidiaries a fleet of dry bulk vessels (one Panamax, two Supramax and two Kamsarmax vessels with an aggregate carrying capacity of 340,055 dwt and a weighted average age of 10.3 years) that transport iron ore, coal, grain, steel products, cement, alumina, and other dry bulk cargoes worldwide.

Hellenic Carriers is listed on the AIM of the London Stock Exchange under ticker HCL.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

(Amounts expressed in thousands of U.S. Dollars, except share and per share data)

	31 December	
	2015	2014
	Unaudited	Audited
	US\$'000	US\$'000
Revenue	<u>13,046</u>	<u>20,595</u>
Expenses and other income		
Voyage expenses	(4,309)	(4,722)
Voyage expenses - related parties	(130)	(206)
Vessel operating expenses	(9,106)	(11,425)
Management fees - related parties	(1,910)	(2,184)
Depreciation	(8,168)	(9,721)
Depreciation of dry-docking costs	(1,086)	(1,592)
Impairment loss	(13,627)	(4,185)
Loss on sale of vessels	(4,074)	-
General and administrative expenses	(541)	(1,028)
Other operating (expenses)/ income	<u>(394)</u>	<u>1,278</u>
Operating loss	<u>(30,299)</u>	<u>(13,190)</u>
Finance expense	(3,727)	(3,884)
Finance income	3	12
Foreign currency gain, net	<u>52</u>	<u>82</u>
	<u>(3,672)</u>	<u>(3,790)</u>
Loss for the year	<u>(33,971)</u>	<u>(16,980)</u>
Loss per share (US\$):		
Basic and diluted LPS for the year	(0.74)	(0.37)
Weighted average number of shares	45,616,851	45,616,851

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

(Amounts expressed in thousands of U.S. Dollars)

	31 December	
	2015	2014
	Unaudited	Audited
	US\$'000	US\$'000
Loss for the year	(33,971)	(16,980)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(33,971)</u>	<u>(16,980)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015
(Amounts expressed in thousands of U.S. Dollars)

	31 December	
	2015	2014
	Unaudited	Audited
	US\$'000	US\$'000
ASSETS		
Non-current assets		
Vessels, net	98,746	128,469
Restricted cash	904	200
	<u>99,650</u>	<u>128,669</u>
Current assets		
Inventories	405	770
Trade receivables, net	1,238	2,831
Claims receivable	700	643
Available for sale investments, net of impairment	-	-
Due from related parties	2,297	3,618
Prepaid expenses and other assets	217	348
Restricted cash	1,699	431
Cash and cash equivalents	1,627	6,391
	<u>8,183</u>	<u>15,032</u>
TOTAL ASSETS	<u>107,833</u>	<u>143,701</u>
EQUITY AND LIABILITIES		
Shareholders' equity		
Issued share capital	46	46
Share premium	54,355	54,355
Capital contributions	10,826	10,826
Accumulated deficit	(55,301)	(21,330)
Total equity	<u>9,926</u>	<u>43,897</u>
Non-current liabilities		
Long-term debt	91,524	93,325
	<u>91,524</u>	<u>93,325</u>
Current liabilities		
Trade payables	1,686	1,713
Current portion of long-term debt	3,330	3,259
Accrued liabilities and other payables	1,309	1,397
Deferred revenue	58	110
	<u>6,383</u>	<u>6,479</u>
Total Liabilities	<u>97,907</u>	<u>99,804</u>
TOTAL EQUITY AND LIABILITIES	<u>107,833</u>	<u>143,701</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

(Amounts expressed in thousands of U.S. Dollars, except share and per share data)

	Number of shares	Par value US\$	Issued share capital US\$'000	Share premium US\$'000	Capital contributions US\$'000	Accumulated deficit US\$'000	Total equity US\$'000
As at 1 January 2014	45,616,851	0.001	46	54,355	10,826	(4,350)	60,877
Loss for the year	-	-	-	-	-	(16,980)	(16,980)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	(16,980)	(16,980)
As at 31 December 2014	45,616,851	0.001	46	54,355	10,826	(21,330)	43,897
Loss for the year	-	-	-	-	-	(33,971)	(33,971)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	-	(33,971)	(33,971)
As at 31 December 2015	45,616,851	0.001	46	54,355	10,826	(55,301)	9,926

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015
(Amounts expressed in thousands of U.S. Dollars)

	31 December	
	2015	2014
	Unaudited	Audited
	US\$'000	US\$'000
Operating activities		
Loss for the year	(33,971)	(16,980)
Adjustments to reconcile loss to net cash flows:		
Depreciation	8,168	9,721
Depreciation of dry-docking costs	1,086	1,592
Impairment loss	13,627	4,185
Loss on sale of vessels	4,074	-
Finance expense	3,727	3,884
Finance income	(3)	(12)
	(3,292)	2,390
Decrease/ (Increase) in inventories	365	(312)
Decrease/ (Increase) in trade receivables, claims receivable, prepaid expenses and other assets	1,667	(1,032)
Decrease in due from related parties	1,321	227
Restricted cash	-	3,400
(Decrease)/ Increase in trade payables, accrued liabilities and other payables	(280)	626
Decrease in deferred revenue	(52)	(158)
Net cash flows (used in)/ provided by operating activities	(271)	5,141
Investing activities		
Acquisition/ improvement of vessels	(85)	(15,461)
Dry-docking costs	-	(2,188)
Net proceeds from sale of vessels	2,853	-
Restricted cash	-	5,346
Interest received	3	13
Net cash flows provided by/ (used in) investing activities	2,771	(12,290)
Financing activities		
Proceeds from issue of long-term debt	-	2,500
Repayment of long-term debt	(1,810)	(3,440)
Restricted cash	(1,972)	148
Finance expenses paid	(3,482)	(3,847)
Net cash flows used in financing activities	(7,264)	(4,639)
Net decrease in cash and cash equivalents	(4,764)	(11,788)
Cash and cash equivalents at 1 January	6,391	18,179
Cash and cash equivalents at 31 December	1,627	6,391