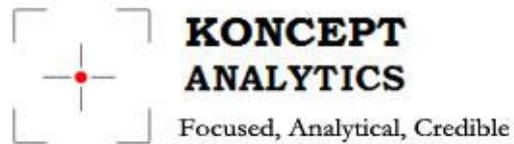


Global Shipbuilding Market Report

2014



Executive Summary

The shipbuilding industry is involved in the construction and modification of ships and these operations are carried out in specialized facilities called shipyards. Shipbuilding process starts with inquiries from customers, followed by completion of various processes until the vessel is completed. Modern shipbuilding involves multiple actors to design, construct and maintain a ship. The shipbuilding value chain is comprised of three major phases: pre-production, production, and postproduction. In 2013, new ship building orders rose up to an incredible level from last year. Five years have passed since the commencement of the economic crisis which saw the downfall of many shipping companies and shipyards and a dramatic diminution in the number and the cost of newbuilding orders. However, 2013 marked a significant change with a strong revival in ship orders, which tripled compared to last year, and with an increased demand and the volume of the shipyards orderbooks.

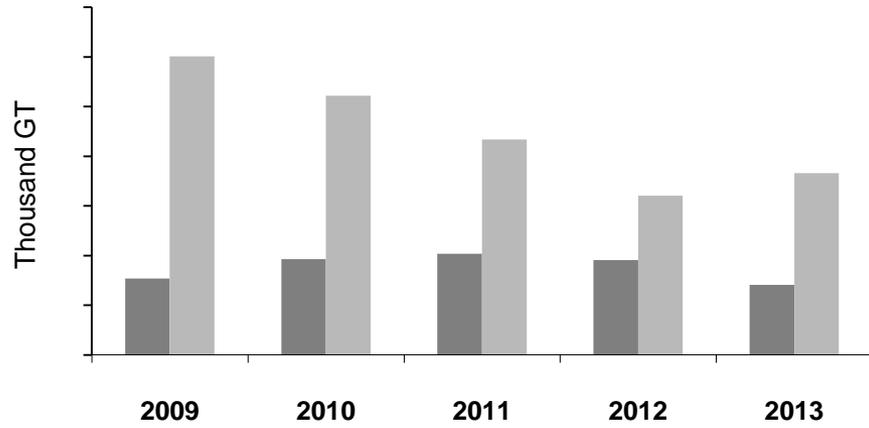
Shipbuilding industry is mostly dominated by Asian players, such as South Korea, China and Japan. In 2013, China restrained the market with the largest orderbook, while South Korea was leading in terms of contracting. The European shipbuilding industry recorded a remarkable growth in 2013, with new orders and increased orderbooks. The emerging nations of the world such as India, Vietnam, Brazil, the Philippines, and Turkey recorded significant growth in their domestic shipbuilding industry.

In 2013, the Global Shipbuilding Industry has started recovering from its downfall phase. The amount of orders for bulk carriers and container ships has sharply increased, shipbuilding prices have started to rise. Asia is the major contributor to the demand of tankers globally. The main countries building containerships vessels are South Korea, China and Japan. South Korea subjugates the containerships market.

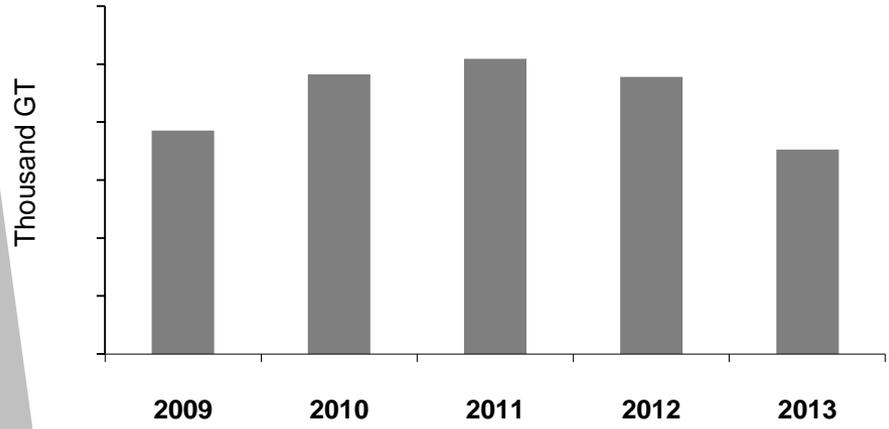
Intensification of global GDP and commercial vessels are the growth driver for the shipbuilding industry. Major challenges associated with shipbuilding are environmental regulations and rising fuel costs. Shipbuilding industry is undergoing various industrial developments like virtualization, robotics in shipyards and green shipbuilding. The shipbuilding companies function in an extremely competitive environment with productivity; development capabilities; and the skills and competence being the key aspects. The shipbuilding industry is chiefly dominated by players such as Hyundai Heavy Industries, Daewoo Shipbuilding, Mitsubishi Heavy Industries and Samsung Heavy Industries.

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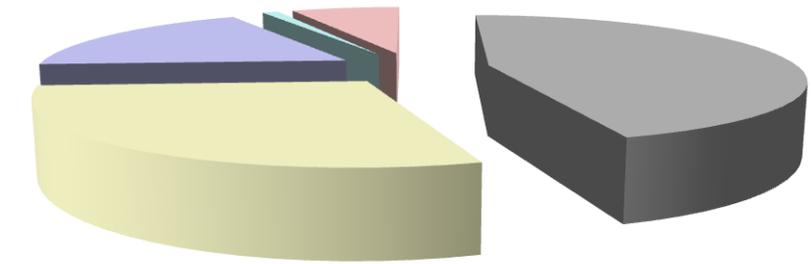
Global Shipbuilding Completions and Orderbook (2009-2013)



Shipbuilding Nations, Based On Completions in Gross Tonnage (2013)



Global Shipbuilding Orders Market Share (2013E)

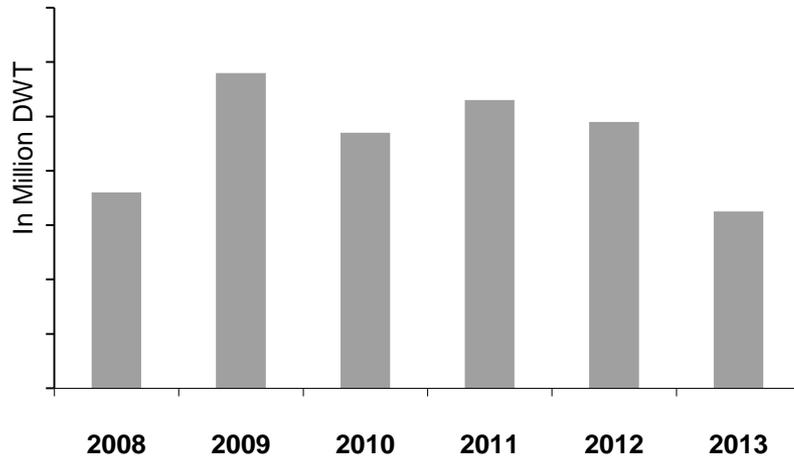


■ China ■ South Korea ■ Japan ■ EU ■ Rest of the World

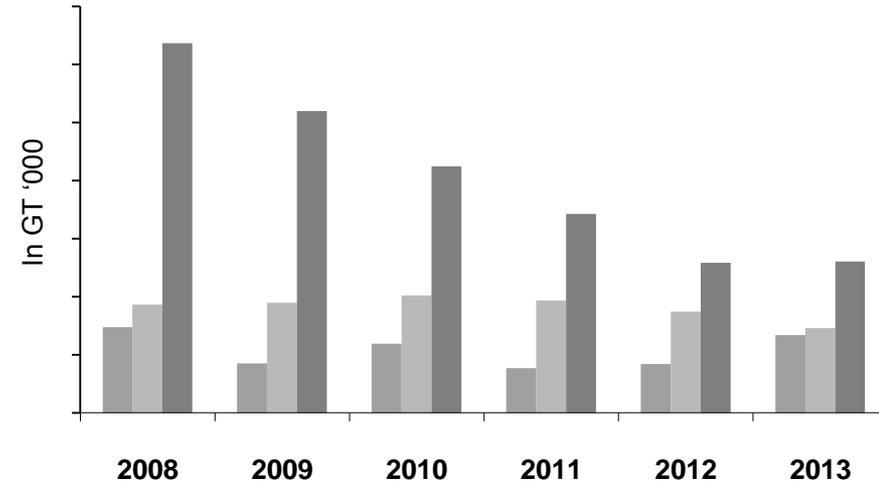
- The year 2012 saw the turn of the largest shipbuilding cycle, in terms of GT, in recorded history.
- The global orderbook recorded growth in year 2013 withthousand GT, as compare tothousand GT in 2012.
- World fleet development is expected to further grow by ... million GT in year the 2015.
- In 2013 it has fallen up to%, as compared to% in 2009.
- In terms of global shipbuilding share of contacting South Korea and China are at par with each other, with% and% of share respectively.

Shipbuilding has been at the heart of South Korea's economic development over the past few decades playing a leading role in bringing its people out of poverty

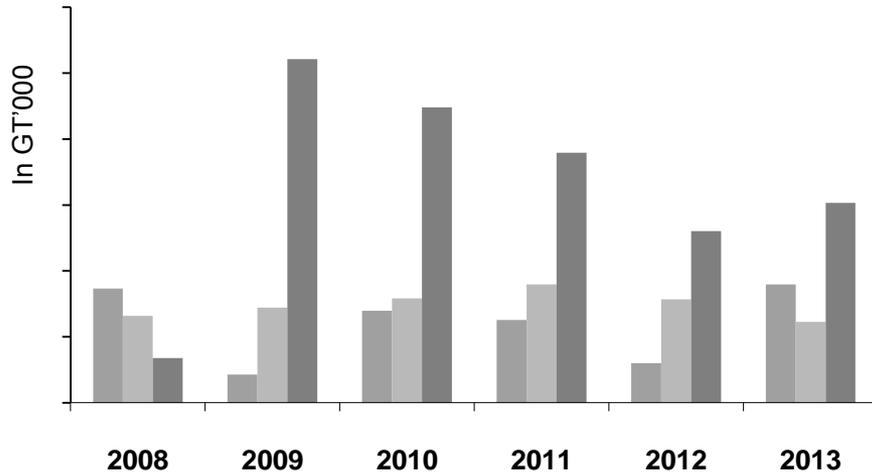
Deliveries in South Korea by DWT (2008-2013)



Japan's Shipbuilding Activity (2008-2013)

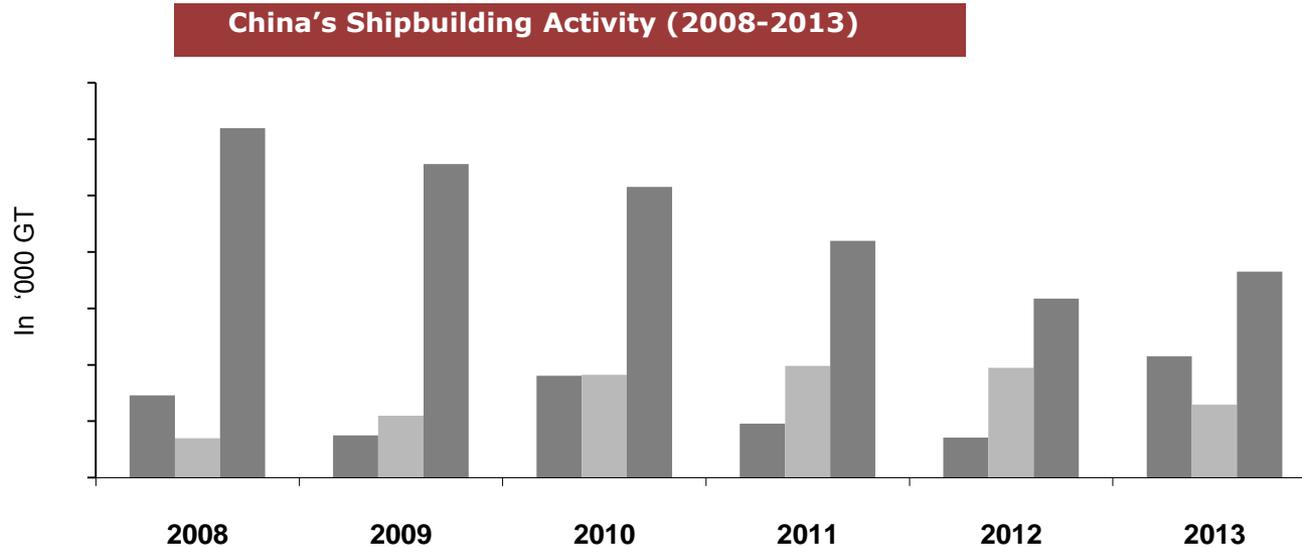


South Korean Shipbuilding Activity (2008-2013)



- In terms DWT, orderbook increased by ...million dwt at the end of 2013 compared tomillion dwt at the end of 2012. These orders consist primarily of tankers (...million DWT), containerships (...million DWT), bulk carriers (...million DWT) and LNG carriers (5 million DWT).
- South Korean ship deliveries fell in 2013, which were ... million DWT as compared tomillion DWT in 2012.
- The shipbuilding industry of Japan received new orders amounted tothousand GT in 2013, overthousand GT in 2012.
- The orderbook for Japanese shipbuilders increased in 2013, accounted tothousand GT. Ship Deliveries represented more thanm dwt Bulk carriers made up the largest part (.....million DWT) followed by tankers (.....DWT).

China's shipbuilding industry has surpassed South Korea in the past two years and poses a big threat to its shipyards, according to a report issued by Korea Institute of Industrial Technology.



- China accounted forthousand GT, and South Korea amounted for ...thousand GT.
- Korea accounted for% share, followed by Japan with% and others with ...% respectively.
- Global shipbuilding share for delivery is dominated by South Koreans. In 2013, Deliveries fell up tomillion DWT, compared withmillion DWT in 2012.
- Japan received new orders amounted to ...thousand GT in 2013, overthousand GT in 2012.
- Chinese shipbuilding companies received total orders ofthousand GT in 2013.
- The European shipbuilding industry recorded a remarkable growth in 2013, with new orders rising tothousand GT compared tothousand GT in 2012.
- Shipbuilding completions depict a downfallthousand GT in 2013 from the previous year.