



# **Star Bulk** *CARRIERS CORP.*

First Quarter 2013 Financial Results

NASDAQ: SBLK

May 2013

# Safe Harbor Statement

*Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, expectations and intentions and other statements identified by words such as "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission. Actual results, including, without limitation, operating or financial results, if any, may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).*

*Forward-looking statements include statements regarding:*

- The delivery and operation of assets of Star Bulk, the surviving corporation in the Redomiciliation Merger;*
- Star Bulk's future operating or financial results;*
- Future, pending or recent acquisitions, business strategy. Areas of possible expansion, and expected capital spending or operating expenses; and*
- Drybulk market trends, including charter rates and factors affecting vessel supply and demand.*

*The financial information and data contained in this presentation is unaudited and does not conform to the Securities and Exchange Commission's Regulation S-X. Accordingly, such information and data may not be included in, or may be presented differently in, the Company's proxy statement to solicit shareholder approval for the Redomiciliation Merger. This presentation includes certain estimated financial information and forecasts (EBIT, EBITDA, and Time Charter Equivalent Revenue) that are not derived in accordance with generally accepted accounting principles ("GAAP"). The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk, if the Redomiciliation Merger is effected, to meet capital expenditures, working capital requirements and other obligations, and make distributions to its stockholders.*

*The Company undertakes no obligation to publicly update or revise any forward-looking statements or other information or data contained in this joint proxy statement/prospectus, or the documents to which we refer you in this joint proxy statement/prospectus, whether to reflect any change in our expectations with respect to such statement or any change in events, conditions or circumstances on which any statement is based, or otherwise.*

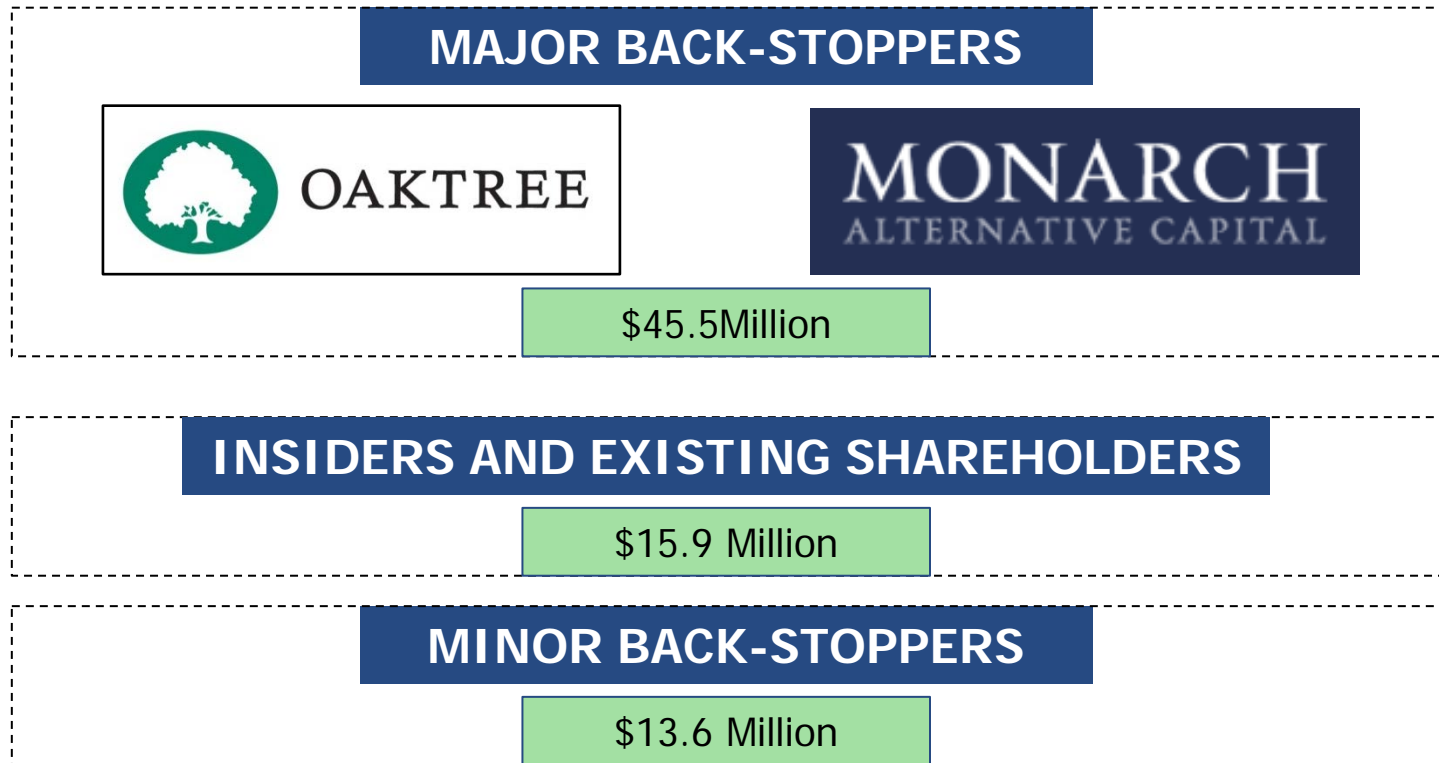
# 1<sup>st</sup> Quarter 2013 Financial Highlight

	<u>1<sup>st</sup> Quarter 2013</u>	<u>1<sup>st</sup> Quarter 2012</u>
▪ Net revenues*	\$17.4m	\$20.9m
▪ G&A expenses	\$2.1m	\$3.2m
▪ Operating income	\$3.0m	\$2.2m
▪ Net income	\$1.2m	\$0.1m
▪ Net income Adjusted	\$2.8m	\$6.1m
▪ EBITDA Adjusted	\$8.7m	\$18.0m
▪ TCE Adjusted	\$14,316	\$16,801
▪ Average daily OPEX per vessel	\$5,531	\$5,582
▪ EPS Adjusted	\$0.51	\$1.14

\*Adjusted\* figures exclude non-cash items

\*Net revenues = Gross revenues adjusted for non-cash items – Voyage expenses

# Fully Back-stopped \$75 Million Rights Offering



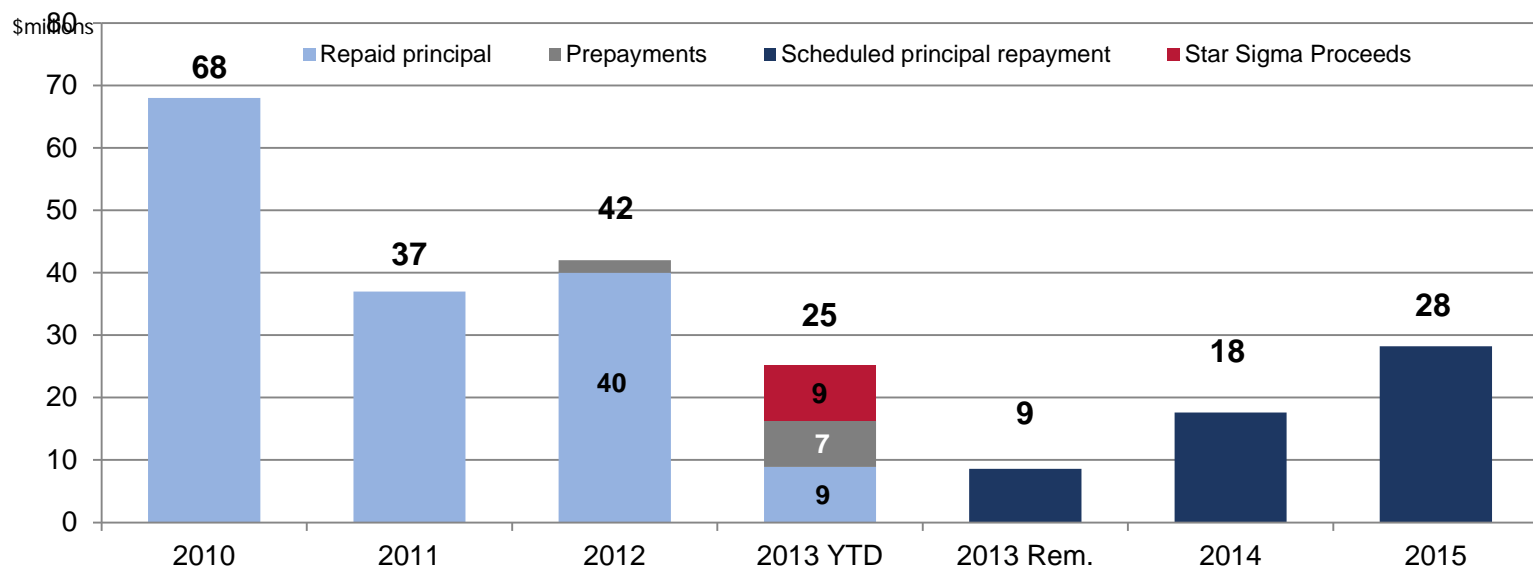
- ★ Record date May 15, 2013 (ex-date May 10, 2013)
- ★ Each share is granted the right to buy 2.5957 SBLK shares at \$5.35 per share
- ★ Following SEC's review, we will announce the subscription period via press release
- ★ Expected completion of offering in July 2013

Note: For details on Star Bulk's rights offering please refer to the Company's SEC filing in form F-1

# Balance Sheet Profile

★ Total Outstanding Debt <sup>(1)</sup>	\$198.9m
★ Cash <sup>(1)</sup> (including restricted)	\$27.6m
★ Net Outstanding Debt	\$171.3m
★ 2013 Remaining Principal Repayment <sup>(1)</sup>	\$8.6m
★ No Interest Rate Swaps	

## Principal Repayment Schedule



(1) As of May 27<sup>th</sup>, 2013  
All figures approximate

# Fleet Employment Profile

- ★ Current Fleet Coverage<sup>(1)</sup>: 67% for 2013 – 20% for 2014
- ★ Capesize Fleet Coverage<sup>(1)</sup>: 88% for 2013 – 52% for 2014
- ★ Supramax Fleet Coverage<sup>(1)</sup>: 55% for 2013
- ★ Total contracted gross revenue of approximately \$115 million<sup>(1)</sup>

Vessel	Charterer	2013				2014				Gross TC Rate
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Star Aurora	<b>RioTinto</b>									\$27,500
Star Big	Major Mining Company					Nov-2015				\$25,000
Star Borealis	<b>Stx</b> PanOcean					Jul-2021				\$24,750
Star Mega	Major Mining Company									\$24,500
Star Polaris	<b>LouisDreyfus</b> Commodities									\$16,500
Star Cosmo										Short-term Charter
Star Delta										Short-term Charter
Star Epsilon										Short-term Charter
Star Gamma	<b>Cargill</b>									\$14,050
Star Kappa										Short-term Charter
Star Omicron										Short-term Charter
Star Theta	<b>Cargill</b>									Short-term Charter
Star Zeta										Short-term Charter

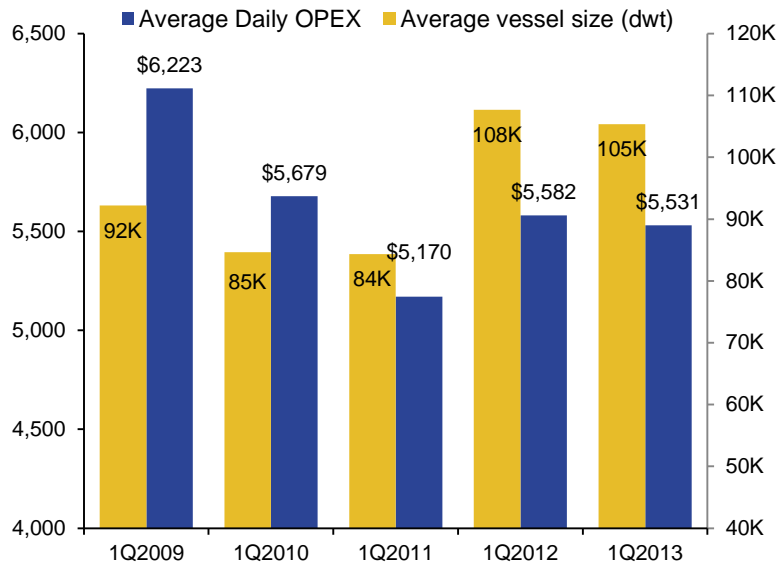
Redelivery dates:	Earlier	Latest
Notes:		

(1) As of May 27, 2013.

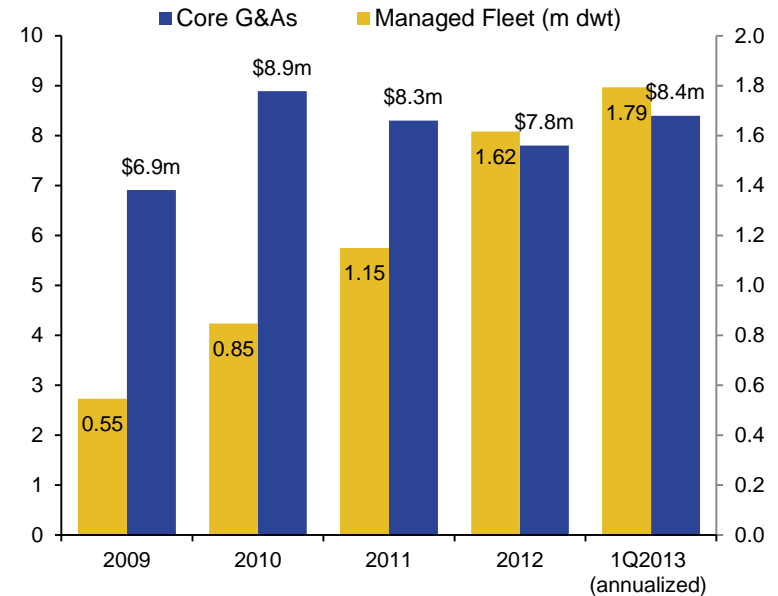
# Management Efficiency and Optimization

- ★ Vessel OPEX low while average vessel size remains high
- ★ Overall vessel quality at high levels on rigorous quality controls
- ★ G&A expenses contained while management capacity grows
- ★ We intend to grow our revenues from providing shipmanagement services

### Average Daily OPEX vs Vessel Size



### G&A Expenses\* vs Managed Fleet



\* Excludes one-off severance payments and share incentive plans



# Company Financials





# Balance Sheet

(in '000s)	Mar 31, 2013 (unaudited)	Dec 31, 2012 (audited)
<b>ASSETS</b>		
Cash and restricted cash (current and non-current)	30,678	31,846
Other current assets	9,772	15,687
Vessel held for sale	8,354	
Fixed assets, net	279,086	291,207
Fair value of above market acquired time charter	12,764	14,330
Other non-current assets	1,490	1,636
<b>TOTAL ASSETS</b>	<u>342,144</u>	<u>354,706</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Total debt	211,376	224,114
Total other liabilities	12,818	13,846
Stockholder's equity	117,950	116,746
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>342,144</u>	<u>354,706</u>

# Income Statement 1<sup>st</sup> Quarter 2013

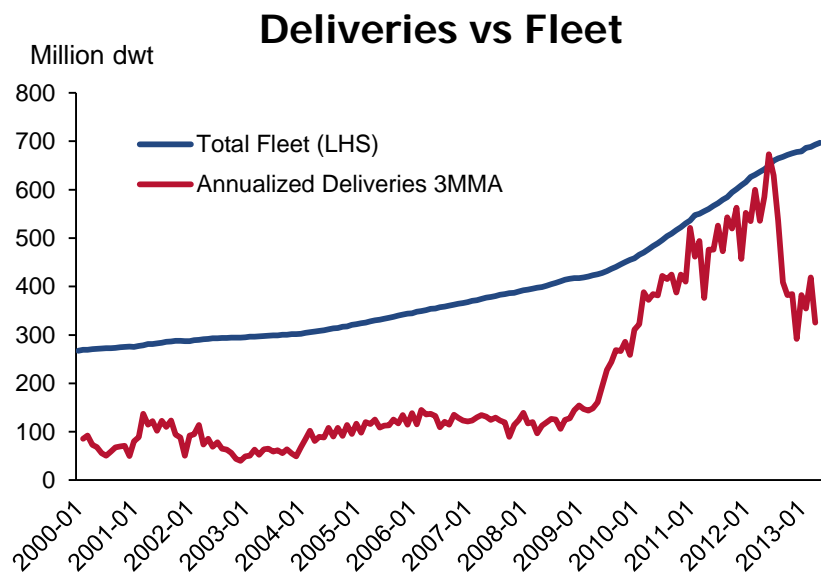
(in \$000's)	Jan 1 - Mar 31, 2013	Non-cash Adjustments	Adjusted Jan 1 - Mar 31, 2013	Adjusted Jan 1 - Mar 31, 2012
<b>REVENUES:</b>	<b>18,439</b>	<b>1,566</b>	<b>20,005</b>	<b>29,589</b>
<b>EXPENSES:</b>				
Voyage expenses	-2,603		-2,603	-8,705
Vessel operating expenses	-6,969		-6,969	-7,491
Drydocking expenses	-272		-272	-96
Gain/Loss on derivative instruments	0		0	-18
General and administrative expenses	-2,145	46	-2,099	-1,872
Gain on time charter agreement termination	0		0	6,454
Other operational Loss	-225		-225	0
Other Operational gain	897		897	140
<b>Total expenses</b>	<b>-11,317</b>	<b>46</b>	<b>-11,271</b>	<b>-11,588</b>
<b>EBITDA</b>	<b>7,122</b>	<b>1,612</b>	<b>8,734</b>	<b>18,001</b>
Depreciation	-4,153		-4,153	-9,771
<b>Operating income</b>	<b>2,969</b>	<b>1,612</b>	<b>4,581</b>	<b>8,230</b>
Interest and finance costs	-1,875		-1,875	-2,164
Interest income and other	64		64	23
Loss on debt extinguishment	0		0	0
<b>Total other expenses, net</b>	<b>-1,811</b>		<b>-1,811</b>	<b>-2,141</b>
<b>Net income</b>	<b>1,158</b>	<b>1,612</b>	<b>2,770</b>	<b>6,089</b>

# Market Comments

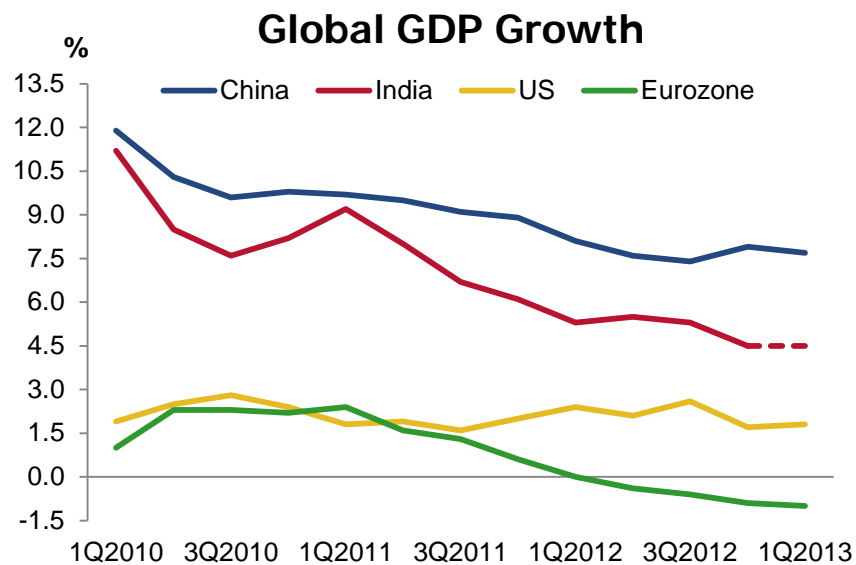


# Supply - Demand

- ★ Massive fleet growth due to consecutive record highs in new vessel deliveries
- ★ 2013 will break a 4-year streak of record high deliveries
- ★ Scrapping and slow-steaming effectively reduce available carrying capacity
- ★ Global economic slowdown coincides with exceptionally strong supply
- ★ Signs of bottoming out in US and China



Source: Clarksons, May 2013



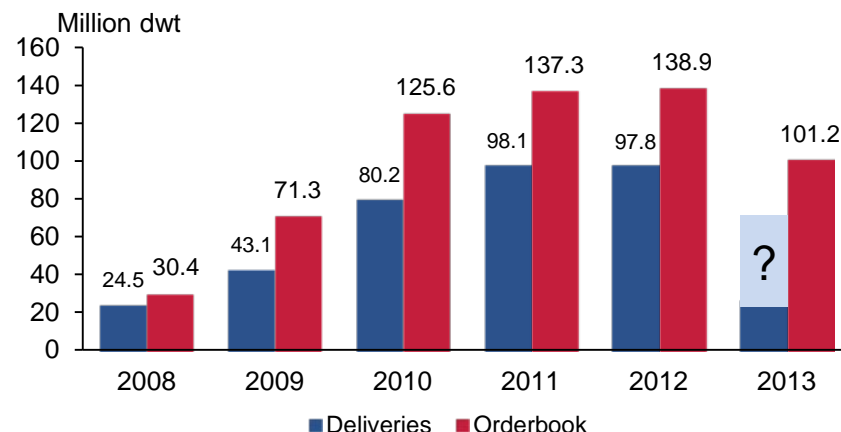
Source: Bloomberg

Note: 1Q2013 India GDP represents Bloomberg consensus estimate

# Supply Update

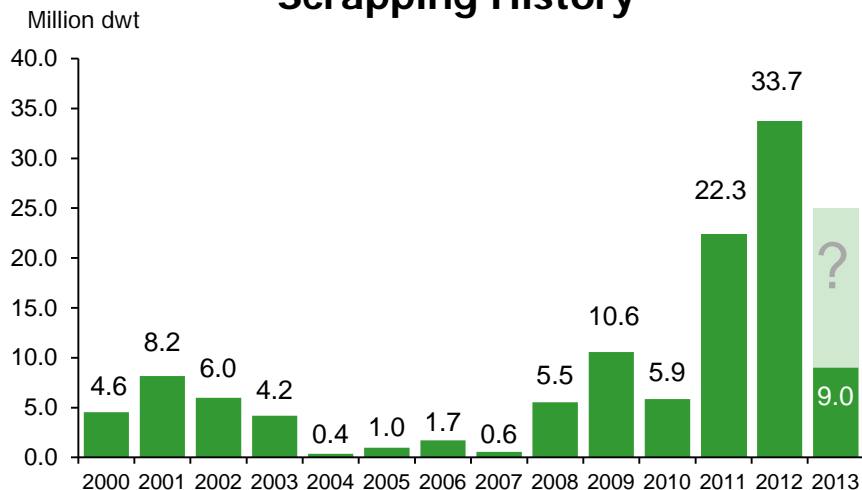
- ★ 08-12 average delivery slippage ~30%
- ★ ~40% of the current fleet delivered in the last 3 years
- ★ Deliveries expected to slow down going forward
- ★ Scrapping at all-time high in 2012
- ★ Scrapping continues at high pace YTD

## Deliveries vs Orderbook



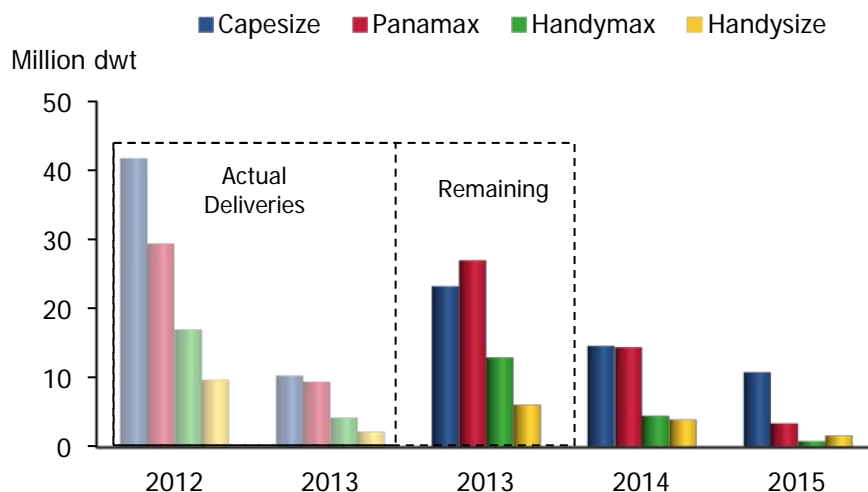
Source: Clarksons, May 2013

## Scrapping History



Source: Clarksons, May 2013

## Drybulk Orderbook

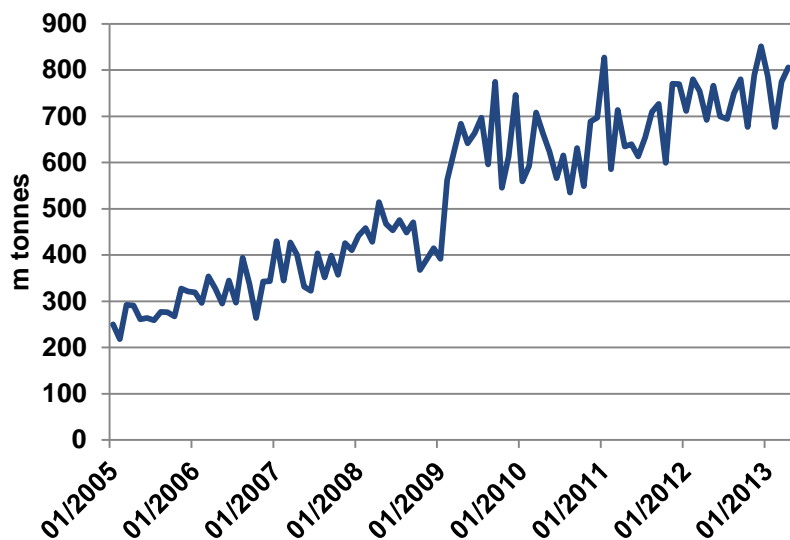


Source: Clarksons, May 2013

# Demand Trends

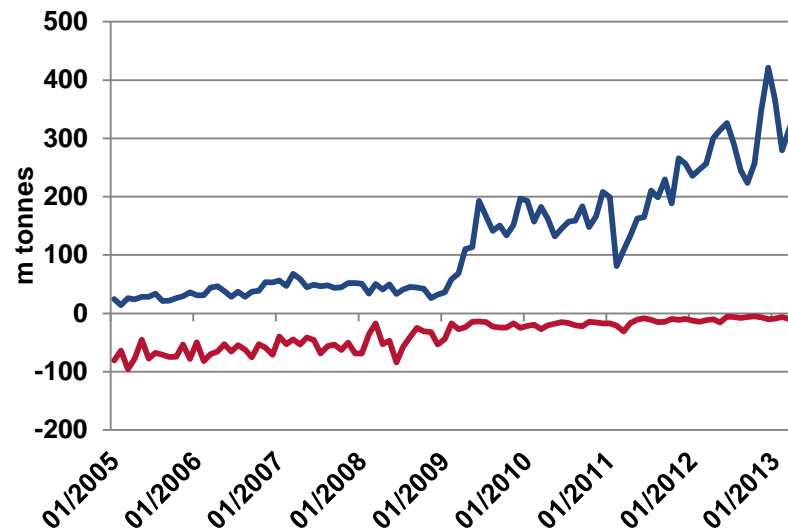
- ★ China is replacing domestic iron ore with imported
- ★ Indian iron ore exports have plummeted, increasing ton-miles
- ★ China has turned from a net exporter to the world's biggest coal importer in 3 years
- ★ Huge potential for Chinese coal imports

Chinese Iron Ore Imports (annualized)



Source: Chinese Customs, Bloomberg, Mar 2013

Chinese Coal Trade (annualized)



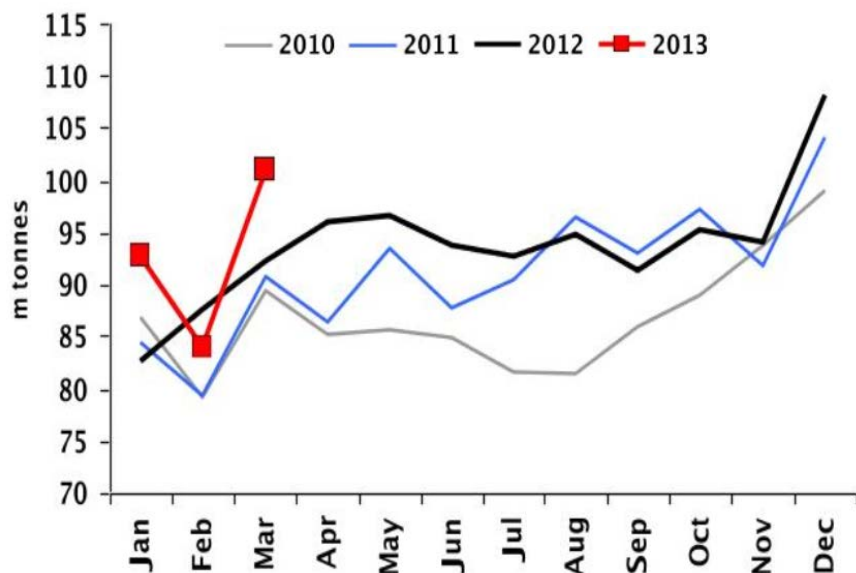
Source: Chinese Customs, Bloomberg, Mar 2013



# Iron Ore Update

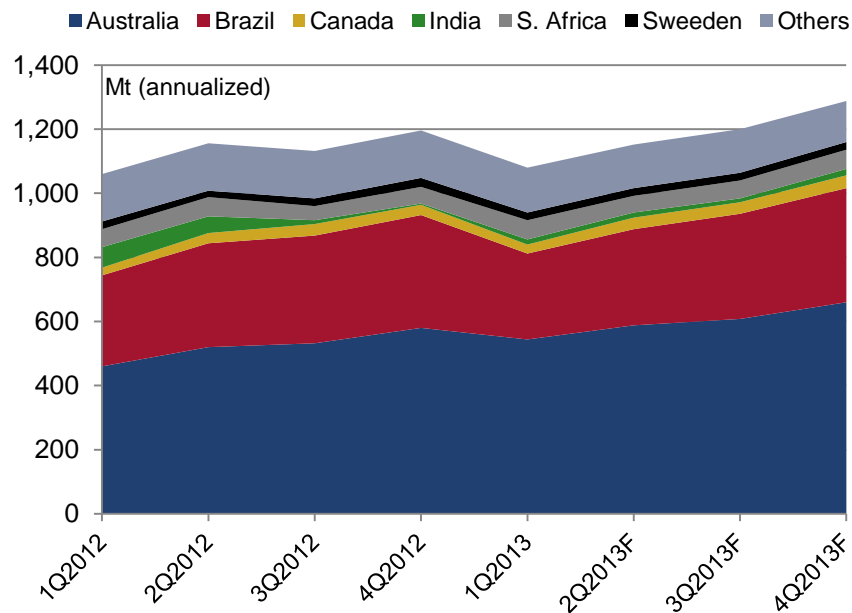
- ★ 1<sup>st</sup> Quarter is traditionally a weak quarter due to seasonal factors
- ★ 1Q2013 posted a record high 1<sup>st</sup> Quarter
- ★ Significant additional iron ore capacity expected to come on line in 2H2013
- ★ Analysts expect demand growth to outstrip supply growth late 2013 – early 2014

Total Seaborne Iron Ore Exports



Source: Customs statistics, Macquarie Research, May 2013

Total Seaborne Iron Ore Exports



Source: Customs data, GTIS, Macquarie Research, May 2013

# Conclusions



# Competitive Strengths

Experienced and dedicated executive team

\$75 million intended for fleet growth

Diverse and high quality charterers

Secured support from all lenders for 2013 and 2014



In-house commercial and technical management

Efficiency, transparency, flexibility

High quality modern fleet

3<sup>rd</sup> party vessels under management



Thank you

