



Current report No 4/2013

Date: 28.02.2013

KDM SHIPPING 2012 INDICATIVE FINANCIAL RESULTS:

KDM Shipping Public Limited (KDM:PW), a leading Ukrainian maritime shipping company that is primarily involved in the niche segment of dry bulk river-sea freight in the Black, Azov and Mediterranean Sea regions, announces its indicative financial results for the full year ended 31 December 2012

INDICATIVE FINANCIAL RESULTS Selected financial data (in USD thousands)

	2012	2011	Change
Revenues	28,730	29,159	(1.5%)
Cost of sales	(13,455)	(13,645)	(1.4%)
Gross profit	15,275	15,514	(1.5%)
<i>Gross margin</i>	<i>53.2%</i>	<i>53.2%</i>	<i>(0.0%)</i>
Other income	(11)	325	(103.4%)
Administrative expenses	(780)	(851)	(8.3%)
Other operating expenses	(600)	(921)	(34.9%)
Operating profit	13,884	14,067	(1.3%)
<i>Operating margin</i>	<i>48.3%</i>	<i>48.2%</i>	<i>0.2%</i>
Net finance expenses	(300)	(100)	200.0%
Profit before tax	13,584	13,967	(2.7%)
Tax	(15)	222	(106.8%)
Profit for the year	13,569	14,189	(4.4%)
<i>Net margin</i>	<i>47.2%</i>	<i>48.7%</i>	<i>(2.9%)</i>

The Group's sales revenue primarily generated from freight segment, passenger transportation segment and ship repair segment.

Sales revenue from freight segment

The Group's sales revenue from its freight segment is generated mainly from the transportation services for dry bulk cargos, including such commodities as grain, metal scrap, wood, coal and other materials along Azov, Black and Mediterranean sea shipping routes. Cargo transportation segment revenue from sales to external customers accounted for approximately 75.1% and 78.4% of revenue for the years ended December 31, 2012 and 2011, respectively.

The following table shows comparison of revenue for cargo transported in 2012 in comparison to 2011:

Type of Cargo		2012 Revenue, USD ths	Change	2011 Revenue, USD ths
1.	Wheat	6,636	16.7%	5,684
2.	Cement	3,054	3410.3%	87
3.	General	2,572	(63.6%)	7,058
4.	Wood	1,690	65.7%	1,020
5.	Sunflower meal	1,900	9.0%	1,743
6.	Scrap metal	1,893	(21.8%)	2,421
7.	Feldspar	729	225.4%	224
8.	Silicomanganese	429	n/a	-
9.	Bran	270	(65.0%)	772
10.	Gypsum	229	n/a	-
11.	Coke nuts	129	n/a	-
12.	Perlite	66	n/a	-
13.	Fertilizers	-	n/a	634
14.	Peas	-	n/a	85
15.	Equipment	1,990	(36.3%)	3,124
16.	Total	21,587	(5.5%)	22,852

The following table shows comparison of tonnage of cargo transported in 2012 in comparison to 2011:

Type of Cargo		2012 Shipments, tones	Change	2011 Shipments, tones
1.	Wheat	214,875	27.6%	168,433
2.	Cement	116,966	3813.2%	2,989
3.	General	78,136	(72.0%)	278,672
4.	Wood	55,024	50.4%	36,588
5.	Sunflower meal	44,080	17.6%	37,484
6.	Scrap metal	57,620	(20.5%)	72,444
7.	Feldspar	32,648	178.9%	11,706
8.	Silicomanganese	12,540	n/a	-
9.	Bran	11,380	(64.5%)	32,041
10.	Gypsum	9,072	n/a	-
11.	Coke nuts	4,156	n/a	-
12.	Perlite	2,985	n/a	-
13.	Fertilizers	-	n/a	21,950
14.	Peas	-	n/a	2,972
15.	Total	639,482	(3.9%)	665,279

Despite an unusually cold winter that froze large parts of the Black and Azov Seas in February, which constrained KDM's ability to operate as a freight carrier in the region, KDM has otherwise improved its monthly freight performance year on year.

Sales revenue from ship repair segment

The Group's sales revenue from its ship repair segment is generated mainly from the sale of ship construction, repair and maintenance and periodic dry-docking services provided on the Group's shipyard.

Ship repair segment revenue from sales to external customers accounted for 14.5% and 14.7% of revenue for the years ended December 31, 2012 and 2011, respectively.

Sales revenue from passenger transportation segment

The Group's sales revenue from its passenger transportation segment is generated mainly from the sale of river passenger transportation services in Kyiv. Passenger transportation segment revenue from sales to external customers accounted for 10.4% and 6.9% of revenue for the years ended December 31, 2012 and 2011, respectively.

Share capital

On 9 August 2012 by a way of an ordinary procedure to exchange trading on the parallel market 796,000 ordinary shares were listed on the Warsaw Stock Exchange. The value of these shares totals PLN 25,790,400.00 when computed at the issuing price of shares in public offering, set at PLN 32.40.

Explanatory notes:

The indicative result has been prepared in accordance to the provisions of Section 13 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Laws of 2007 and 2009.

For the preparation of the indicative result, KDM applied the provisions of the International Financial Reporting Standards, the same accounting principles and the same base of calculation that have been applied to the annual financial statements for the year ended 31st December 2012. The indicative result for the year ended 31st December 2012 has not been audited by the KDM's external auditors.

Legal grounds: art. 70 Section 3 of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of July 29th 2005 (Dz.U. of 2005, No 184, item 1539)