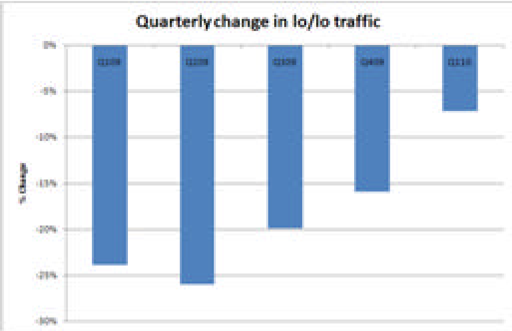
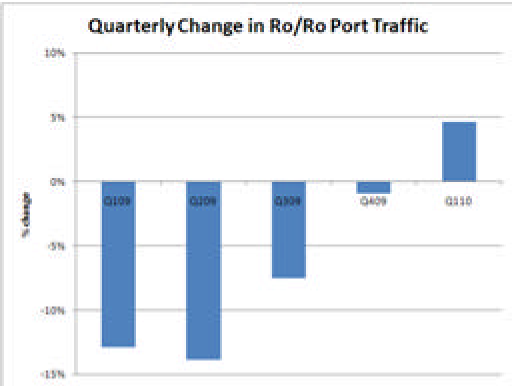
Quarter 1 2010 Shipping & Ports Traffic

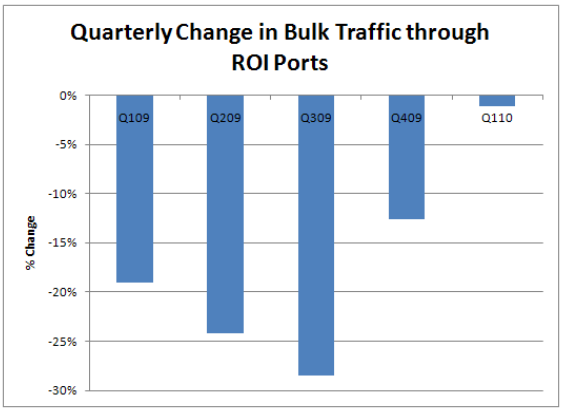
Irish Maritime Development Office



Source: IMDO, 2010



Source: IMDO, 2010



Source: IMDO, 2010

Maritime Transport Statistics

Quarter 1 Traffic

	Lo/Lo	Ro/Ro	Bulk
	Ttl	Ttl	Ttl
QRT109	-24%	-13%	-20%
QRT110	-7%	5%	-1%

Traffic volumes through Irish ports fell in 1st quarter 2010 but volume rate of decline slows sharply.

The latest figures from the Irish Maritime Development Office (IMDO) on Irish shipping and port traffic data for the first quarter of 2010 indicate a continued general easing in the rate of decline in freight volumes. The IMDO estimate that 2 of the principal 5 freight segments measured indicated modest growth over this period. However while the rate of decline has moderated the overall recovery has been uneven both in the mode of transport and also the distribution of traffic around the island with larger gateway ports on average performing better than smaller regional ports. The first quarter data is also slightly skewed by significant weather disruption which occurred over the first 4 weeks of the year which is likely to have impacted on several key trades.

Roll-on/roll-off (ro/ro) traffic on an all-Island basis grew **5%** in the first quarter 2010 when compared to Q1 2009. The Ro/ro segment is largely weighted towards services to and from the UK. Traffic movements on these corridors have been less exposed to the downturn in construction based inventories but connected to longer establish trading segments.

Lift-on/lift-off (lo/lo) traffic through Irish ports declined **7%** in the 1st quarter, when compared to the same period in 2009 with 239,643 units being handled at all Irish ports. Lo/Lo volumes have historically been driven by imports linked to strong domestic and residential demand. Import volumes fell again by 9% but the decline is less severe than the 27% fall in the corresponding period in 2009. Laden container exports were down **1%** which again compares positively to the 21% decline 12 months earlier and supports general optimism of an export led recovery. Export volumes are likely to have also been impacted by the poor weather conditions in January and might otherwise have been stronger. Lo/lo volumes are likely to only recover at a slower pace as concerns about retail consumer sentiment prevail. Incumbent operators have continued to reduce the supply of shipping capacity made with an increase in vessel sharing arrangements between operators and further consolidation of routes occurring in the early part of the year.

Volumes in the key bulk sectors appeared to move towards recovering from the record volume declines in 2009 where more than 33% of total volume was lost. Total bulk volumes through ROI ports fell just **1%** in the first three months of 2010 with dry bulk volumes down **2%** although with some recovery observed figures in fertilizers and aggregates to 3.05million tonnes while liquid bulk volumes grew by **1%** helped by the cold weather period. Breakbulk volumes linked to construction inventories declined by 20% to 63,000 tonnes with limited prospects of a return to previous volumes seen in 2007 when the corresponding figure was 160,00 tonnes.

Irish Maritime Development Office

As highlighted earlier, there is no doubt that overall freight traffic volumes were impacted by the significant weather disruption caused to trade and manufacturing output. We also observed certain re-distribution of traffic volumes between ports over the past quarter. While some key segments recorded negative growth the rate of volume erosion is still substantially less than 12 months earlier when large amounts of tonnage capacity dissipated as the sector adjusted abruptly to the change in the economy.

The fundamentals in terms of the number of shipping companies active and competing for market share in the principal Irish freight markets is still strong. The outlook for short term volume recovery remains largely contingent on the continued external recovery in the global economy. A weaker euro is also likely to boost our export potential to major overseas markets, however oil and bunker prices have continued to steadily rise during the first quarter and will also be marginally more expensive in dollar terms.

Statement issued by

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Director.

Glossary :

TEU= Twenty Foot Equivalent Units.

Ro/Ro = Roll-on/Roll-off container units

Lo/Lo = Load-on/Load-off container units

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