

MISSION AND GOALS FOR BERNHARD SCHULTE

Our mission is to be a leading, independent, family owned ship owner and ship manager.

On the shipowning side, that entails that we are a major participant in our core shipping sectors of container and bulk liquid transportation.

In ship management we strive to maintain our position as a worldwide leader and to consistently provide excellent services with highest regard to safety, security and quality of operation.

We run successful liner operations in specific niches and in partnerships with other medium sized liner

companies. We want to show sustainable and profitable growth.

We own real estate for our own use, as a portfolio diversification and to hedge against risks in our other businesses.

We pursue opportunities in other shipping sectors or other business sectors – including raising the necessary equity in the capital markets through our own investment house – when deemed especially profitable or when necessary for the development of our ship management activities.



Konsul Johann Hermann Schulte,
founder of the company

Konsul Christoph Bruns

The painting shows the schooner »Balthasar»,
which formed part of the fleet of Schulte &
Bruns, Papenburg, from 1896 until 1902

HISTORY FROM 1883 UNTIL 2008

The shipping career of the Schulte family began in 1883. In the same year Johann Hermann Schulte, great-grandfather of the present chairman, founded Schulte & Bruns in partnership with his friend Christoph Bruns at Papenburg. The company started out with shipbroking and ship agency, but by the turn of the century had acquired 12 sailing vessels which were mainly employed in the Baltic timber trade. In 1893 Johann Hermann Schulte moved to Emden and, in the same year, separated from his partner.

The first steamship was bought before World War I and a shipyard was founded in 1917. Inflation in 1923 and the subsequent world economic crisis was mastered with Konsul Heinrich Schulte at the helm.

At the outset of World War II the seagoing fleet stood at 16 vessels, the inland waterway fleet comprised vessels with well over 100,000 tdw, and flourishing offices in Rotterdam, Hamburg and Duisburg supervised the numerous shipping related activities of a true conglomerate.

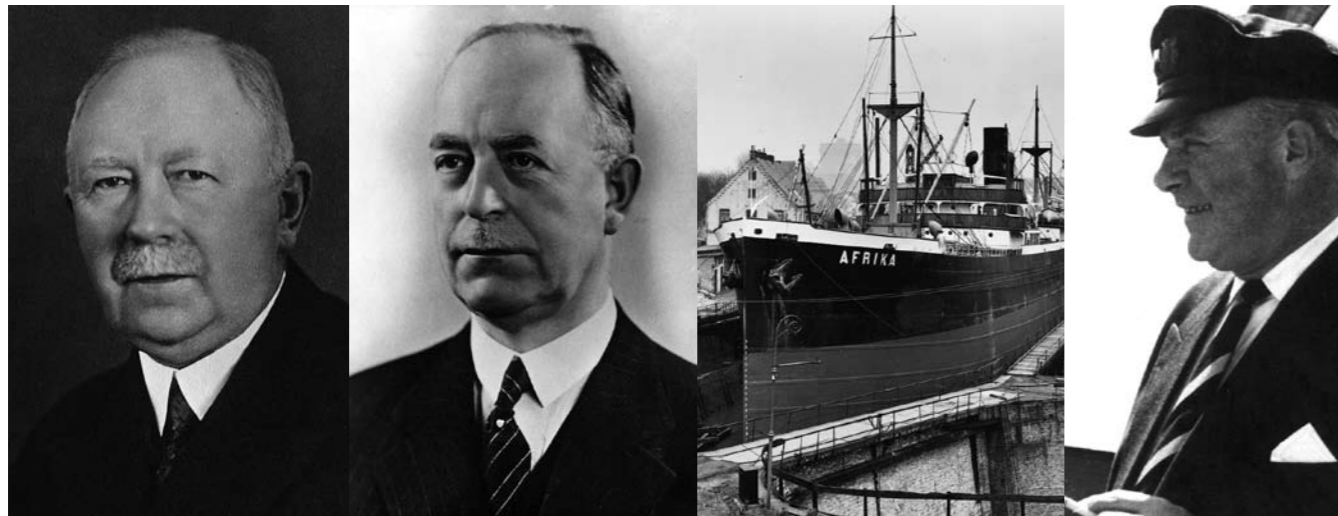
When the smoke had cleared from the ruins of 1945 next to nothing remained. The third generation, Konsul Bernhard Schulte and his brother Hans-Heinrich Schulte, had seen their last three surviving steamers delivered to the Allies as reparations. Amongst the rubble in Emden were the office building, the shipyard and the island and fishing fleets. The first activities were modest indeed: Stevedoring of ex

war-materials, of food imports for the starving population and scrap-trading. But step by step the hereditary fields of shipping were regained. The first seagoing vessels were time-chartered, but in 1949 the first vessel was purchased. Once again, in 1955, the fleet stood at 16 seagoing vessels and all earlier activities had been successfully revitalized. Schulte & Bruns was one of the leading shipping companies in postwar Germany.

Differences of opinion led to the second separation: Bernhard Schulte split away by taking four ships with him and founded his own ship owning company in Hamburg, which started operations on 1st October 1955.

Whilst the backbone of Schulte & Bruns' business had traditionally been supplying the German mining- and steel-industry with timber and ores and exporting coal and coke the new company fortunately had neither the interest nor the means to tackle this highly competitive sector.

Bernhard Schulte instead opted for independence, operating his vessels in the spot-markets. The three smaller vessels were employed mainly in the White Sea timber trade and carried citrus fruit from Spain and Morocco in winter time. Only occasionally were vessels time-chartered out for a season's Great-Lakes-trading.



Konsul Johann Hermann Schulte

Konsul Heinrich Schulte

Steamship »AFRIKA«

Konsul Bernhard Schulte, founder of the Schulte Group

The 10,000 tdw »Henriette Schulte«, then one of the workhorses of the oceans by size and design, was tramped all over the globe.

The »Suez-Boom« helped to expand the fleet. Thirteen new-buildings were delivered from P. Lindenau Yard in Kiel and J. L. Meyer, Papenburg between 1957 and 1967, half of which were owned in partnership with old friends.

1963 saw the advent of the 4th generation. Dr. Heinrich Schulte looked after the fleet of 14 vessels, while his brother Thomas Schulte, having joined in 1967, built up an in-house Chartering Department. The company was now on the road to moderate, steady expansion. Partners' shares were gradually bought back, and the majority of the fleet was now truly family-controlled. In 1971 the first vessel was flagged out to Liberia to escape the soaring cost of manning under the German flag – many others were to follow. One year later a 25% share was taken in the first German-controlled off-shore ship management company – the birth of Hanseatic, Limassol, Cyprus. Regarded with suspicion by many shipping experts at the time, the decision soon proved to be the right step to safeguard entrepreneurial freedom for the decades to follow.

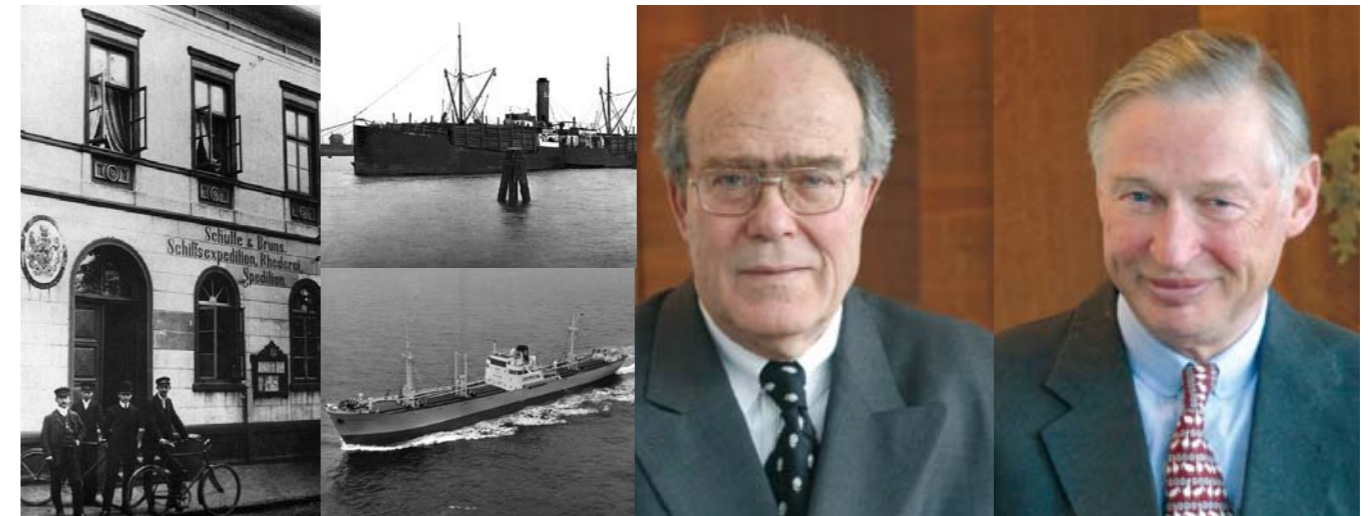
Konsul Bernhard Schulte passed away in 1975 leaving a thriving company to his successors which in the meantime rested upon three columns: gastankers (the first vessel had

been taken into management in 1968), semi-container vessels and mini-bulkers.

When the shipping crisis struck in 1981, the group owned 30 ships and managed close to 100 from self-sustained enterprises in Cyprus (Hanseatic, Navigo), Bermuda (Atlantic Marine), Hong Kong (Eurasia) and Isle of Man (Dorchester Maritime).

In order to cope with the increased activities Ascan Lutteroth, brother-in-law to Heinrich and Thomas Schulte, joined the top-management of the company in 1980.

When the crisis finally came to an end in the autumn of 1987 it had taken its toll: the fleet was down to 22 vessels and reserves were limited. At that point in time Thomas Schulte decided to go it alone. He was handed over four vessels, upon which he then set up his own company, thereby creating the third separation of the family business. In a bold move, atypical of the careful philosophy applied in the past, five fully cellularized container vessels were ordered by Bernhard Schulte in an attempt to heal the crisis' wounds. Five modern second-hand vessels were added to the fleet and two more ship management offices were opened. The Group had gradually worked itself into the top rank of international ship managers.



Where it all started in 1881: The office building of Schulte & Bruns in Papenburg

above: SS Konsul Schulte, built 1906, was the first S&B ship to be registered in Emden
second from above: Henriette Schulte was built 1951 for S&B. She was sold by Bernhard Schulte in 1960

Dr. Heinrich Schulte, Chairman of the Advisory Board

Ascan Hermann Lutteroth, Member of the Advisory Board

At the beginning of 1996 the Hamburg-based liner operator Oldenburg-Portugiesische Dampfschiffs-Rhederei (OPDR), founded in 1882, was acquired from the Haniel Group, Duisburg. A third sector of shipping activities was thereby added to the existing branches of tramp ship owning and ship management. In the meantime, the OPDR fleet has been renewed with the delivery of eleven new-buildings. OPDR Canarias is a 58,2% subsidiary company of OPDR owned together with key Spanish shipping and ship agency companies, operating a Ro/Ro and container service between Seville and the Canary Islands with two 1,500 lane-meter Ro/Ro vessels.

In November 1996 Schulte Group Companies purchased five 1986 built chemical / product tankers of 27,350 tdw each from A.P. Møller, Copenhagen, with five years time charters attached. This acquisition widened the scope of tramp fleet operations beyond container and gas tanker vessels, as did the commissioning in 1999 of a 47,257 tdw self-unloading bulker.

The gastanker fleet was modernized with the addition of two 16,500 cbm LPG carriers delivered in 1998, two 8,200cbm ethylene carriers delivered in 2002, one 9,000cbm ethylene tanker delivered in 2007, and two 22,600 cbm LPG carriers due for delivery in 2009.

The move into pure container vessels proved successful. At the beginning of the new millenium this fleet consisted of 16 mainly fully cellular modern vessels – half of which were built between 1995 and 1998 – thus well in excess of the pre-crisis figure and with markedly increased carrying capacity. Since then we have continued our careful expansion in the containership sector, with the ordering of over thirty further vessels ranging from 1.700teu to 7.000teu. Some of these vessels have already been sold in order to adjust our overall exposure.

In response to changes in the shipmanagement environment the decision was taken to merge the hitherto independent shipmanagement companies with effect from 1st January 2008, under the new name of Bernhard Schulte Shipmanagement. With around 1.000 employees ashore and 15.000 seafarers on leave or onboard, Bernhard Schulte Shipmanagement plays a major role in the shipping industry.