

# Contships moves in on two deals for seven feederships

Nikolas D Pateras-led company seeks to grow feeder fleet

February 21st, 2019 16:04 GMT by Harry Papachristou

Greek owner Nikolas D Pateras is well on his way to fulfilling his aspiration to double the size of his feeder containership fleet.

His Contships Management is understood to be picking up seven such ships in two separate transactions, according to market sources in Greece and Germany.

The first deal involves five vessels from Germany's Hartmann, which are understood to be in debt to Nord/LB.

They are the 1,114-teu sisterships Frisia Aller, Frisia Iller and Frisia Alster (all built 2007), as well as the Frisia Inn and Frisia Lahn (both built 2008).

## Advanced stage talks

Four of these ships were in play as early as October last year, as TradeWinds reported at the time

. However, talks then widened to include a fifth ship, the Frisia Lahn.

Contships declined to comment on the information. A spokesperson at Hartmann told TradeWinds that "constructive" talks on a sale of the quintet were continuing and were at an "advanced" stage. The Hartmann spokesperson did not identify which party the talks are with, or at what price.

However, market participants speculated that the vessels are about to change hands at about \$28.5m enbloc. That would be a good deal for Pateras, who is used to snapping up bargains in Germany's KG (limited partnership) market. VesselValues estimates the quintet is currently worth nearly \$34m.

The other two ships heading Contships' way are the 1,432-teu sisterships Independent Accord and Independent Concept (both built 2007), which are said to have fetched about \$6m each.

Both vessels have so far been listed under the ownership of Hamburg-based ICL Holding, with Norddeutsche Reederei acting as manager. Officials at Norddeutsche had not responded to a request for comment at the time of writing.



Alfred Hartmann, chairman of Hartmann Reederei  
Photo: Adam Corbett

The two transactions would bring Contships' feeder fleet to 38 vessels, barely four years after the company started from scratch.

What began as a moderate bet on the feeder containership market has developed into a high-stakes game, in which Pateras is estimated to have invested about \$250m — about half in debt, half in equity.

Pateras picked up his fleet on the secondhand market with a focus on bank-driven deals in the German-owned KG arena. The Greek owner never paid much more than \$10m for any single ship.

***"In an interview with TradeWinds before last year's Posidonia, Pateras said he intended to double the size of the company's fleet over the next 12 to 24 months"***

### **Rate slump**

Containership freight rates have slumped since last summer, mostly due to the trade wars unleashed by US President Donald Trump. Six to 12-month charter rates on 1,000-teu ships have dropped from \$8,500 per month in June 2018 to \$6,000 per day in January of this year, according to Clarksons.

However, it is remarkable that falling freight rates have not dampened Contships' buying appetite — most likely because shrinking earnings have also reduced ship values, making purchases more attractive to players who keep faith in the market.

In an interview with TradeWinds before last year's Posidonia, Pateras said he intended to double the size of the company's fleet over the next 12 to 24 months. He had about 25 ships at the time.

In other statements made to TradeWinds, Contships managers said 40 ships was the minimum "critical mas" required to raise the company's profile among charterers as a key player in the market.



Nikolas D Pateras of Contships Management at his Athens office, May 2018 Photo: Harry Papachristou