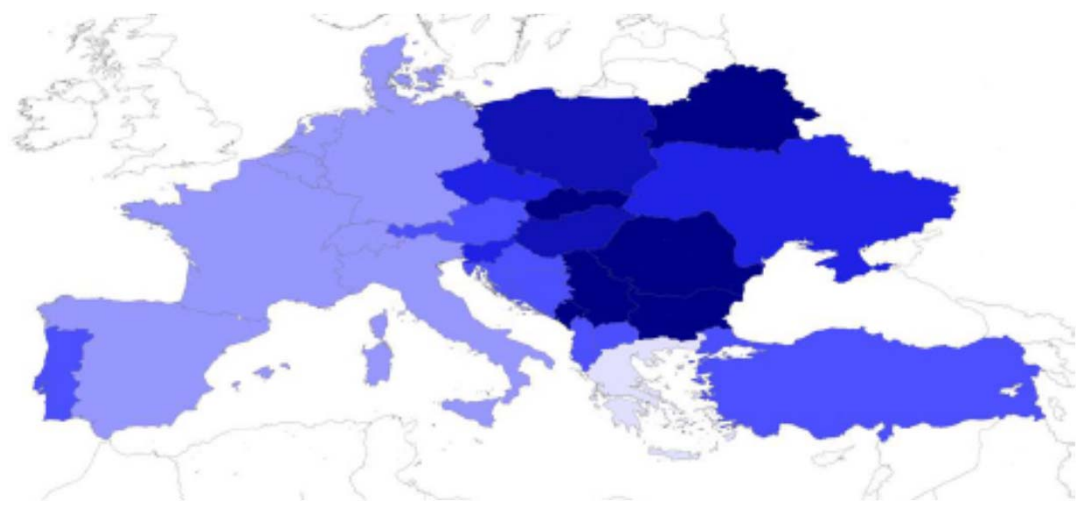


Handling Turkey's growing container traffic in the Black Sea region Kumport's perspective

Özgür Soy - CEO

**September 4, 2014
Istanbul**

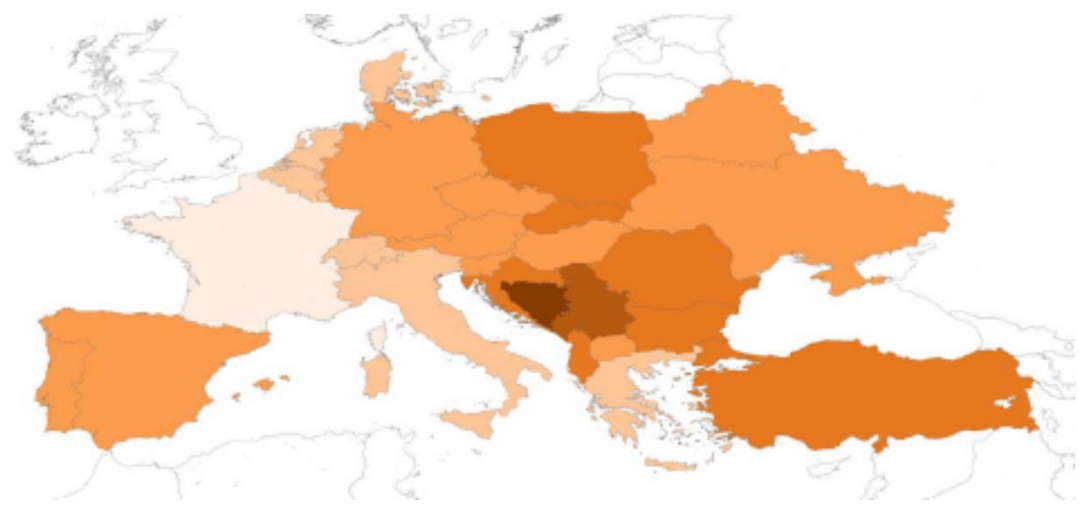
Imports



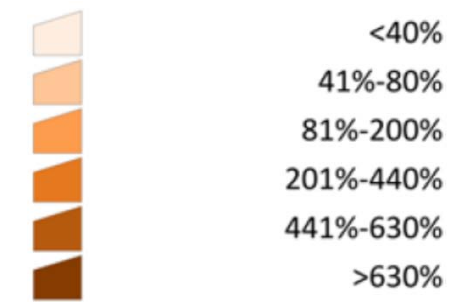
**Intra-European trade growth 2006-2013
by destination country**



Exports

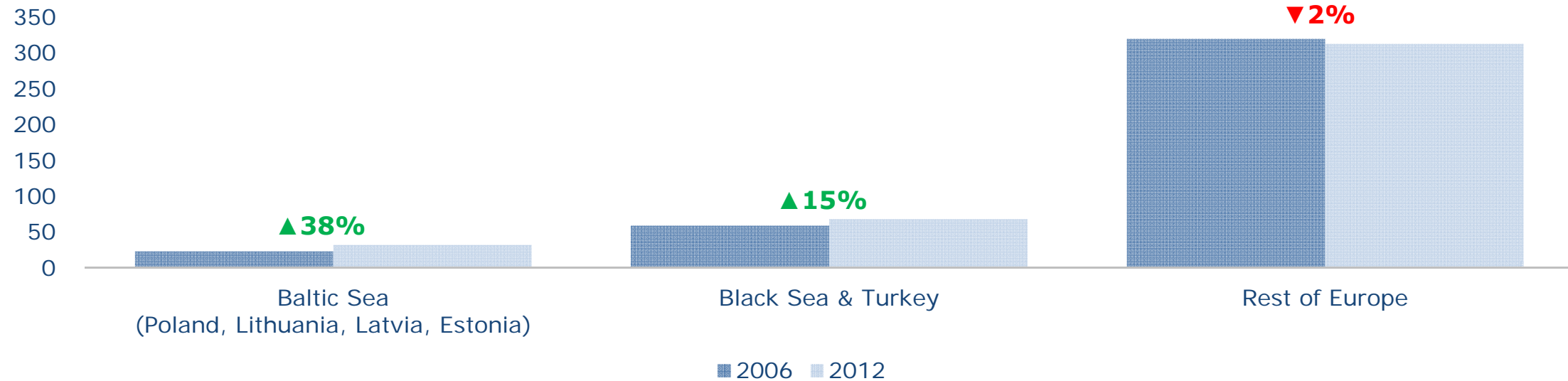


**Intra-European trade growth 2006-2013
by origin country**

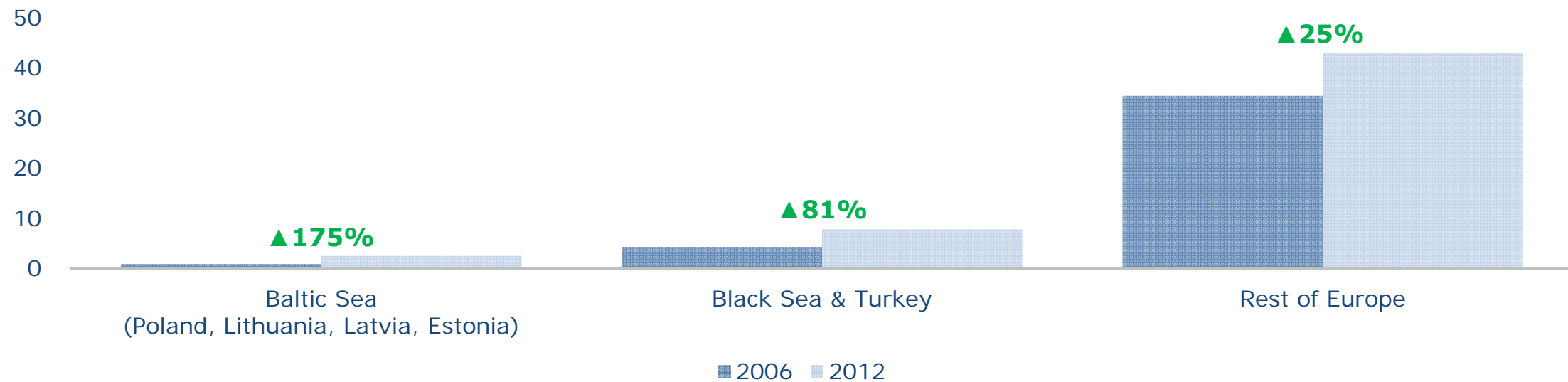


Black Sea and Turkey | Strong Growth in Container Services, 2006-2012

NUMBER OF SERVICES

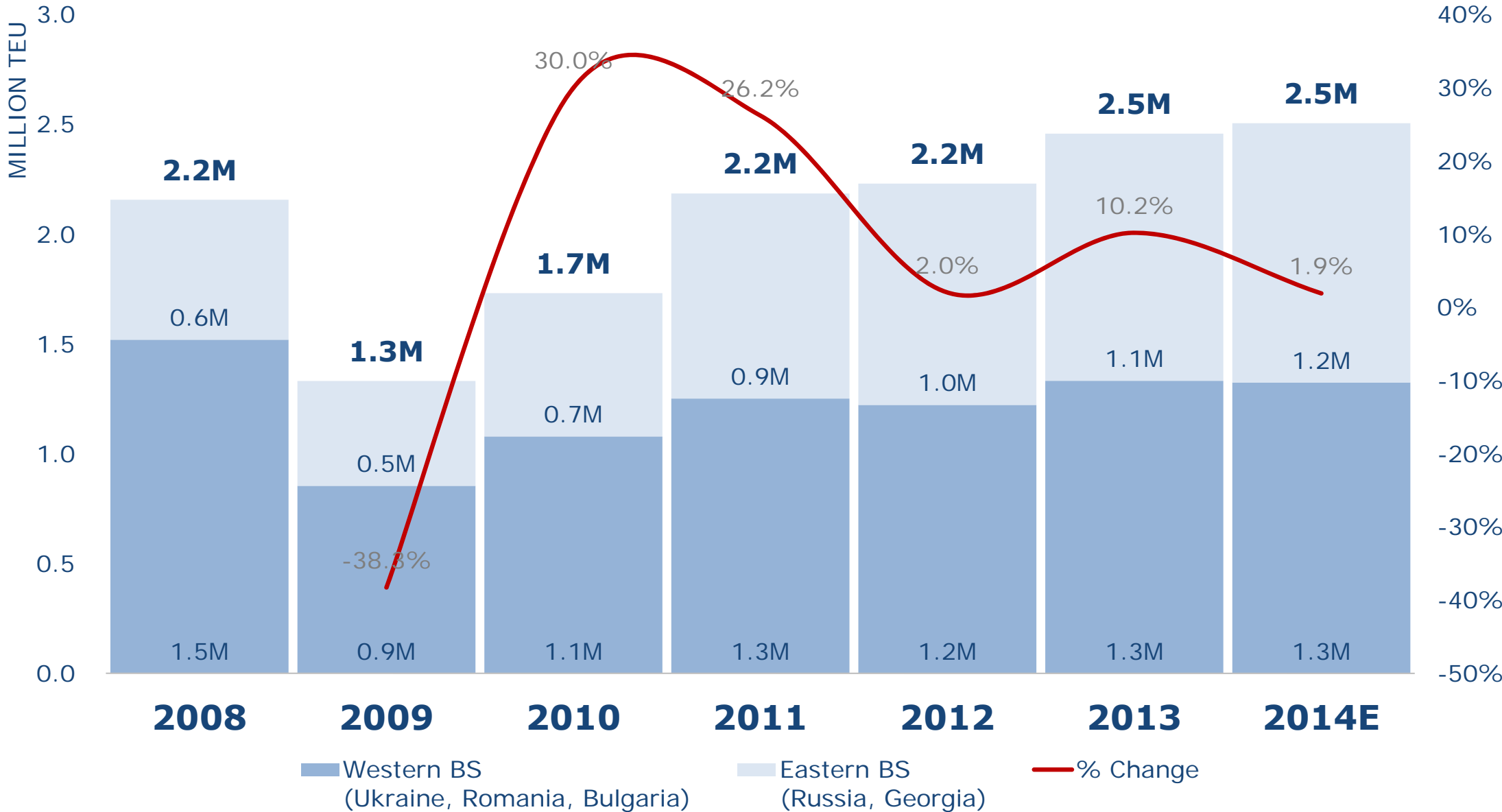


DEPLOYED CAPACITY



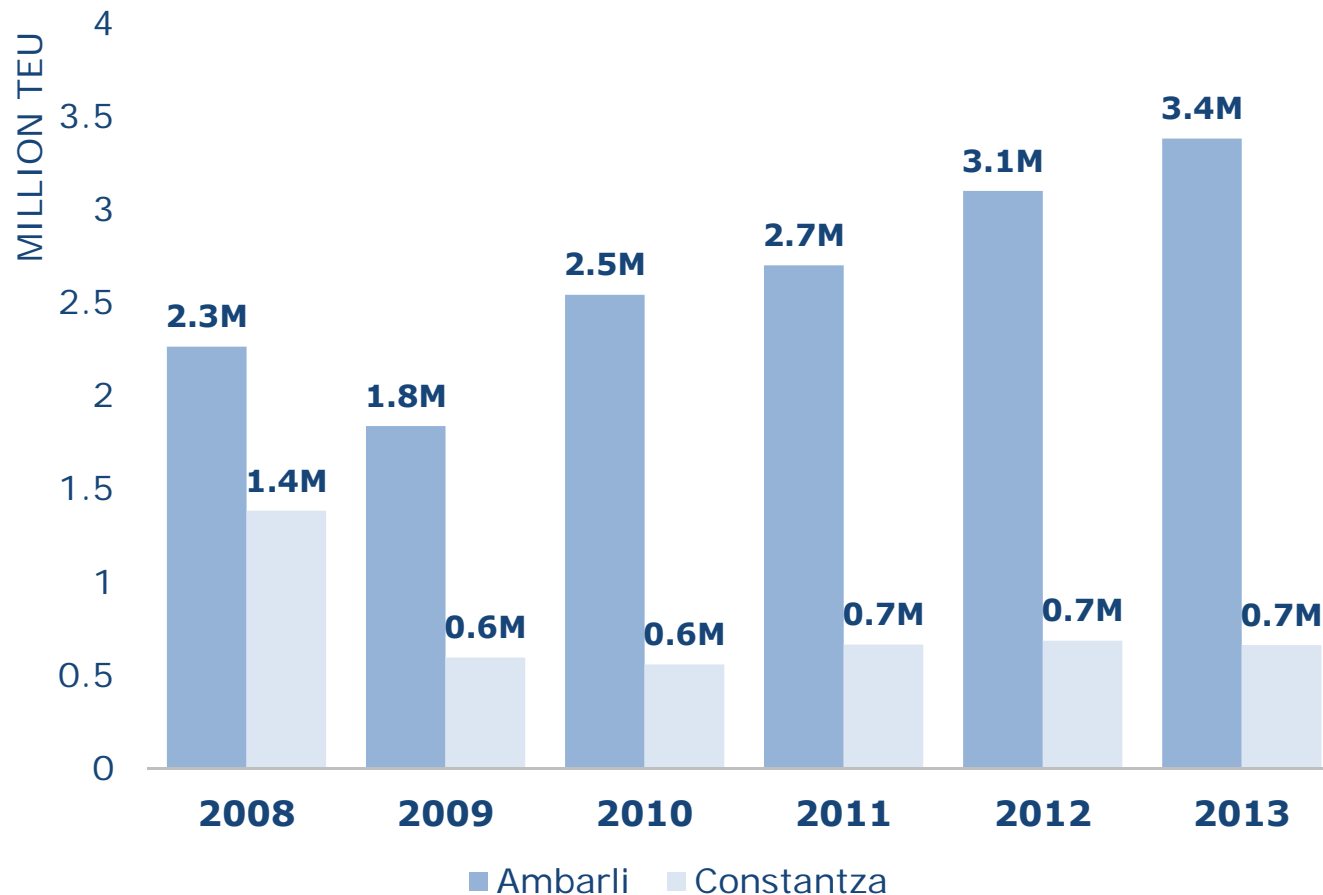
Source: MDS Transmodal

Black Sea Container Volume Dynamics | East / West, TEU



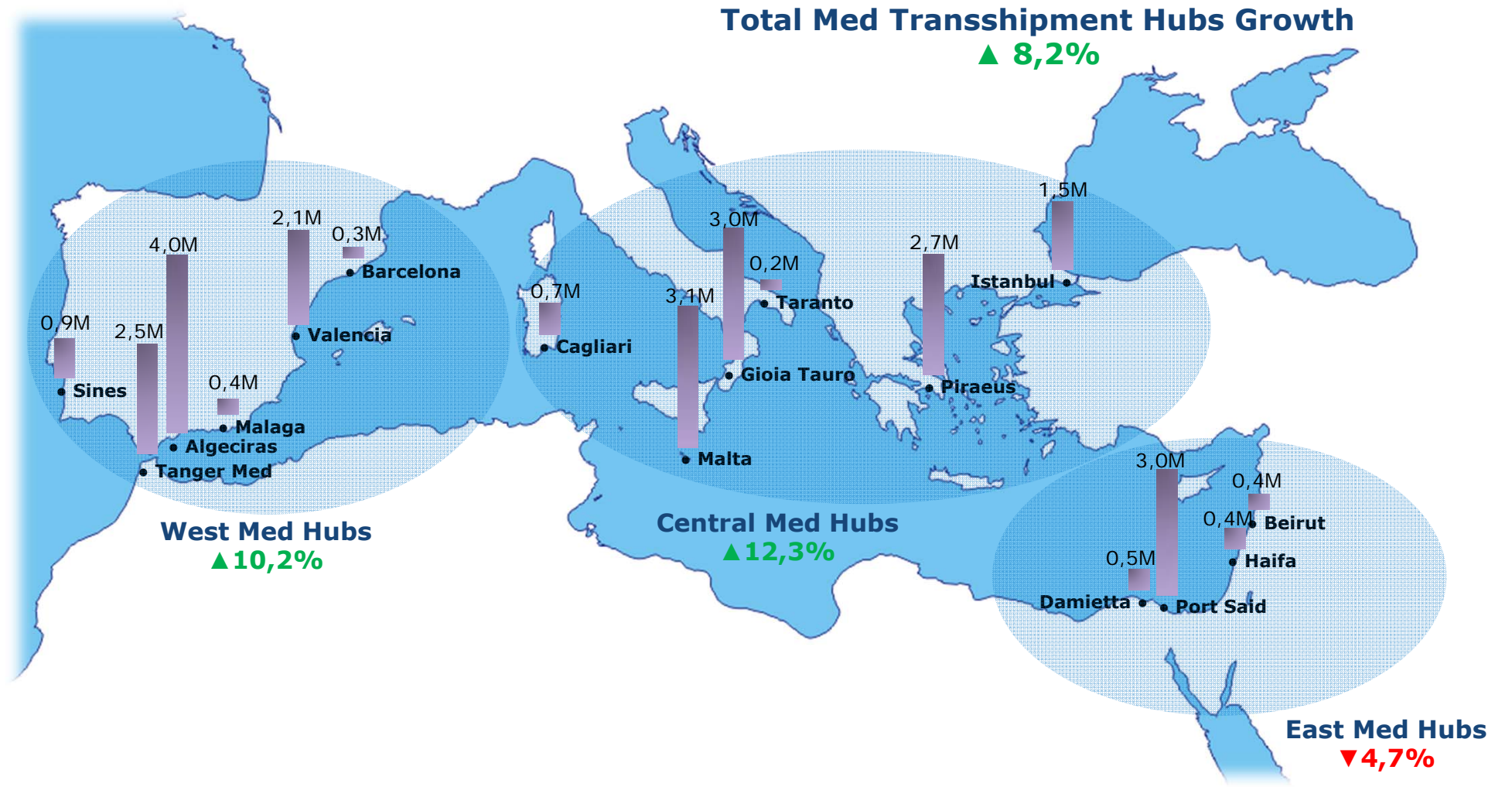
Source: Global Container Service

Container Throughput at Constantza & Ambarli, TEU



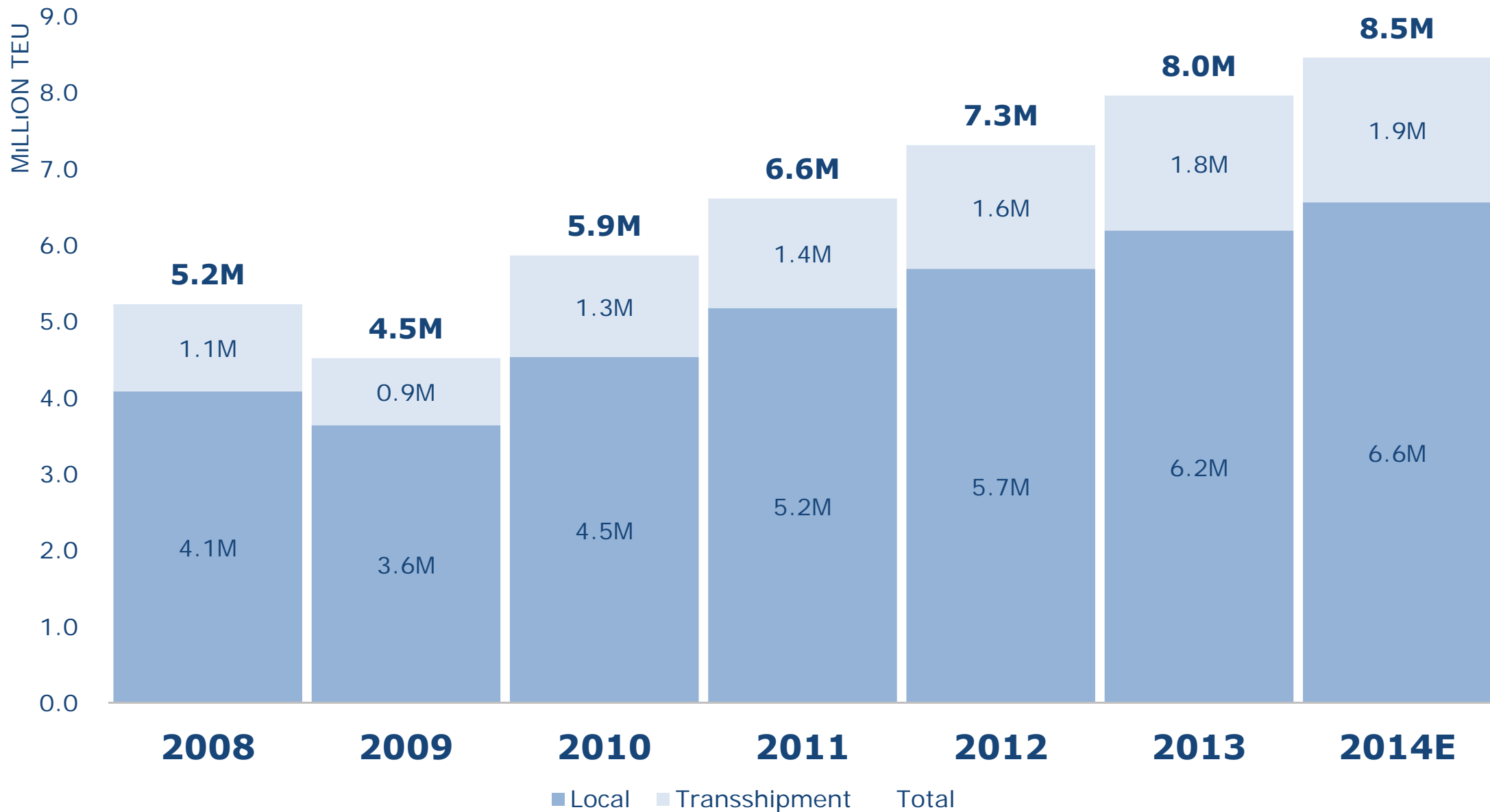
- Until 2008, Constantza attracted Terminal investments given its potential to serve as a gateway to eastern Europe and a transshipment hub for the Black Sea area.
- The weak trends in the Black Sea ports is in sharp contrast with the strong growth witnessed in Piraeus and Turkish deep-sea ports near the Sea of Marmara.
- This development indicates that the shipping lines are preferring a hub-feeder model in the Med to service the Black Sea instead of direct deep-sea calls.

Transshipment Volumes at Main Mediterranean Hub Ports, 2013



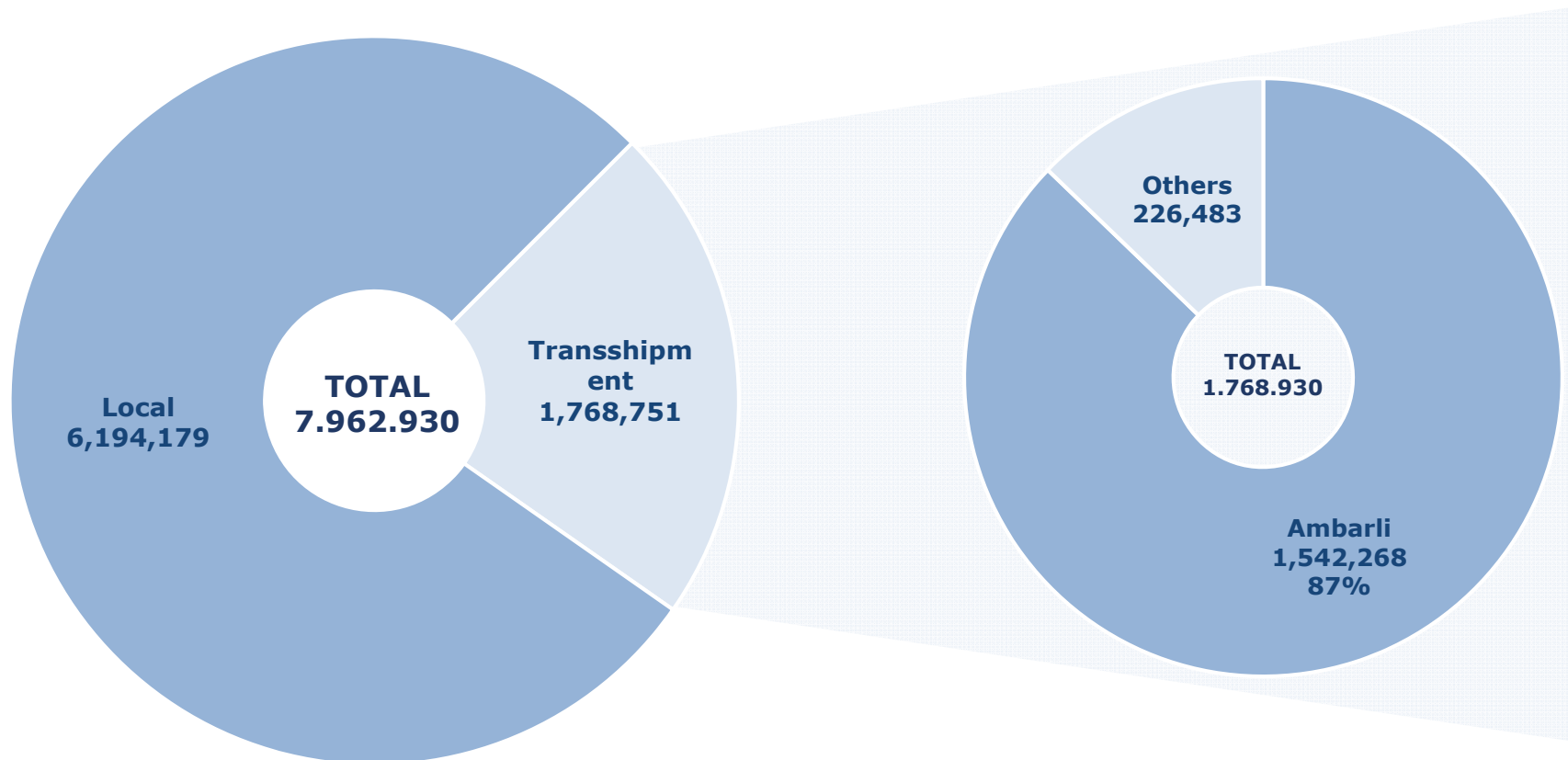
Source: Drewry Maritime Research

Turkey Container Throughput | Local / Transit, TEU



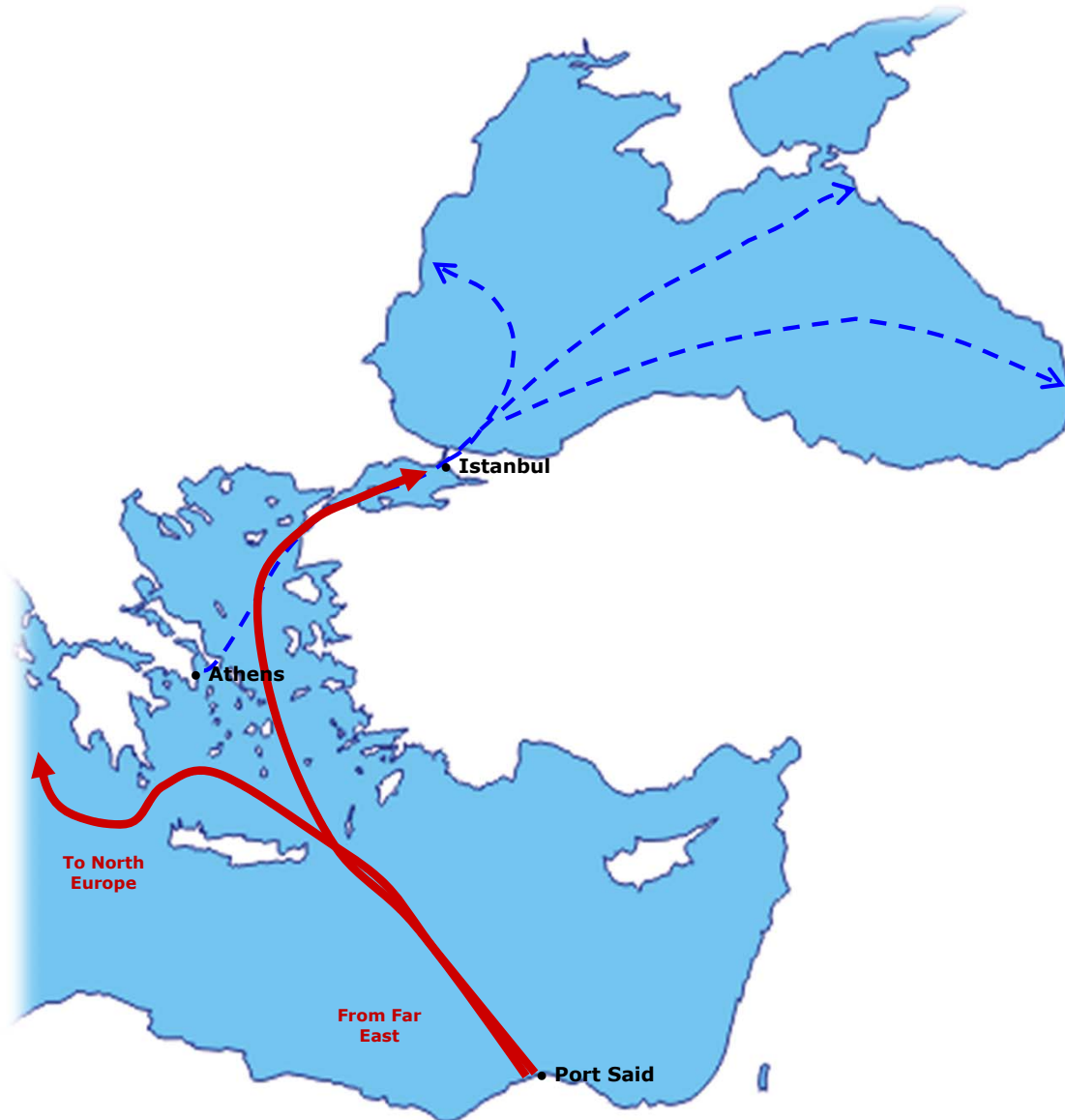
Source: Turklim

Turkey Total, TEU



2 Different Approaches in Serving Black Sea

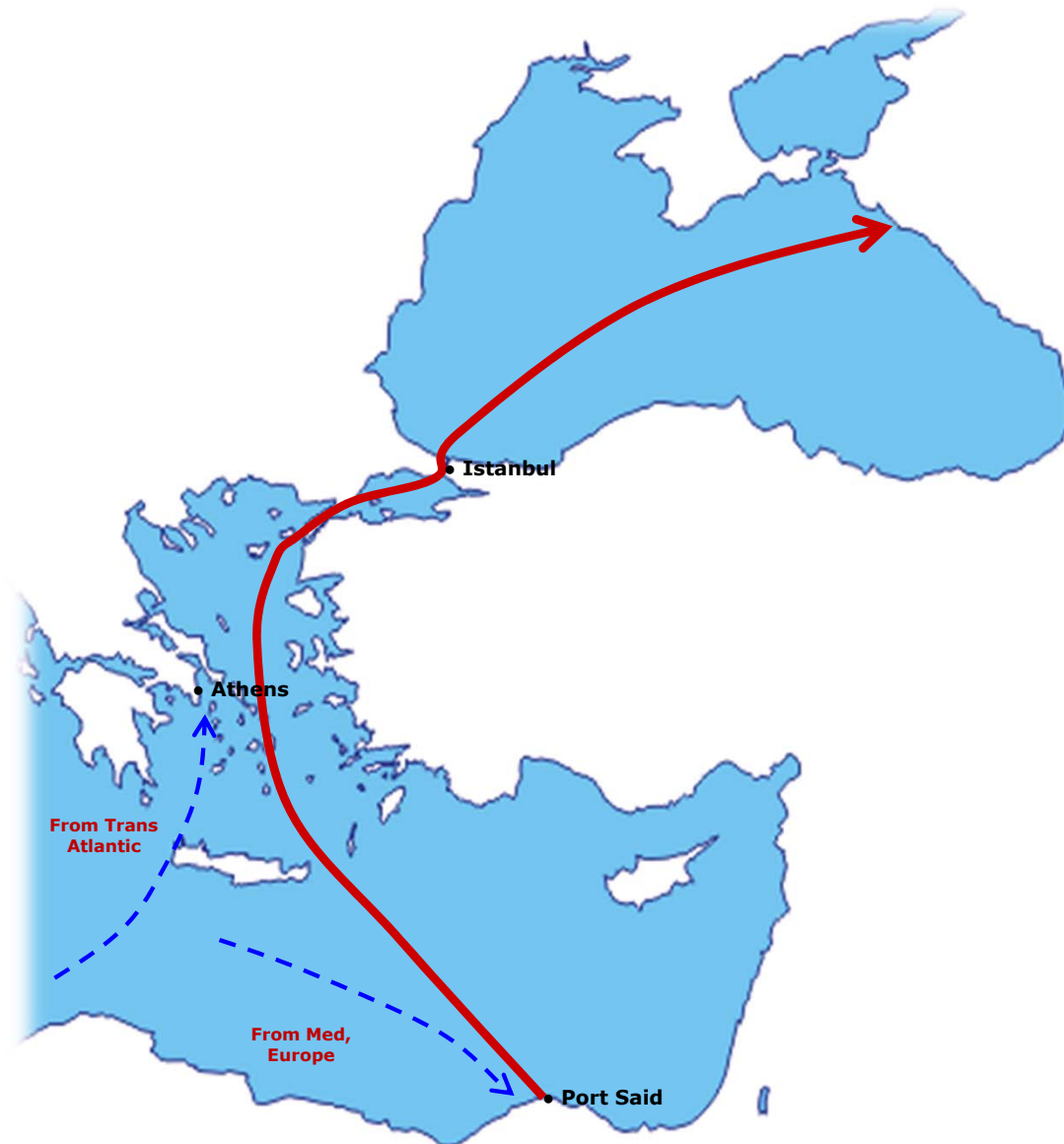
Feeder Vessels to Black Sea



- Service flexibility
- No constraints for the feeders while passing through Bosphorus Strait
- Possibility of employing vessels larger than 300 m (up to 18.000 TEU)
- Higher schedule reliability
- Advantage of deploying fewer mother vessels when the loop ends in Istanbul (4 to 8 days)

2 Different Approaches in Serving the Black Sea

Direct Calls to Black Sea



- Shorter transit time
- Cheaper fuel
- Maximum LOA 300 m
- Draft limitations
- Extra voyage time due to weather conditions in Black Sea and Bosphorus
- Delays due to Bosphorus Strait passage restrictions
- Lack of suitable equipment in some terminals

Bosphorus Strait Restrictions



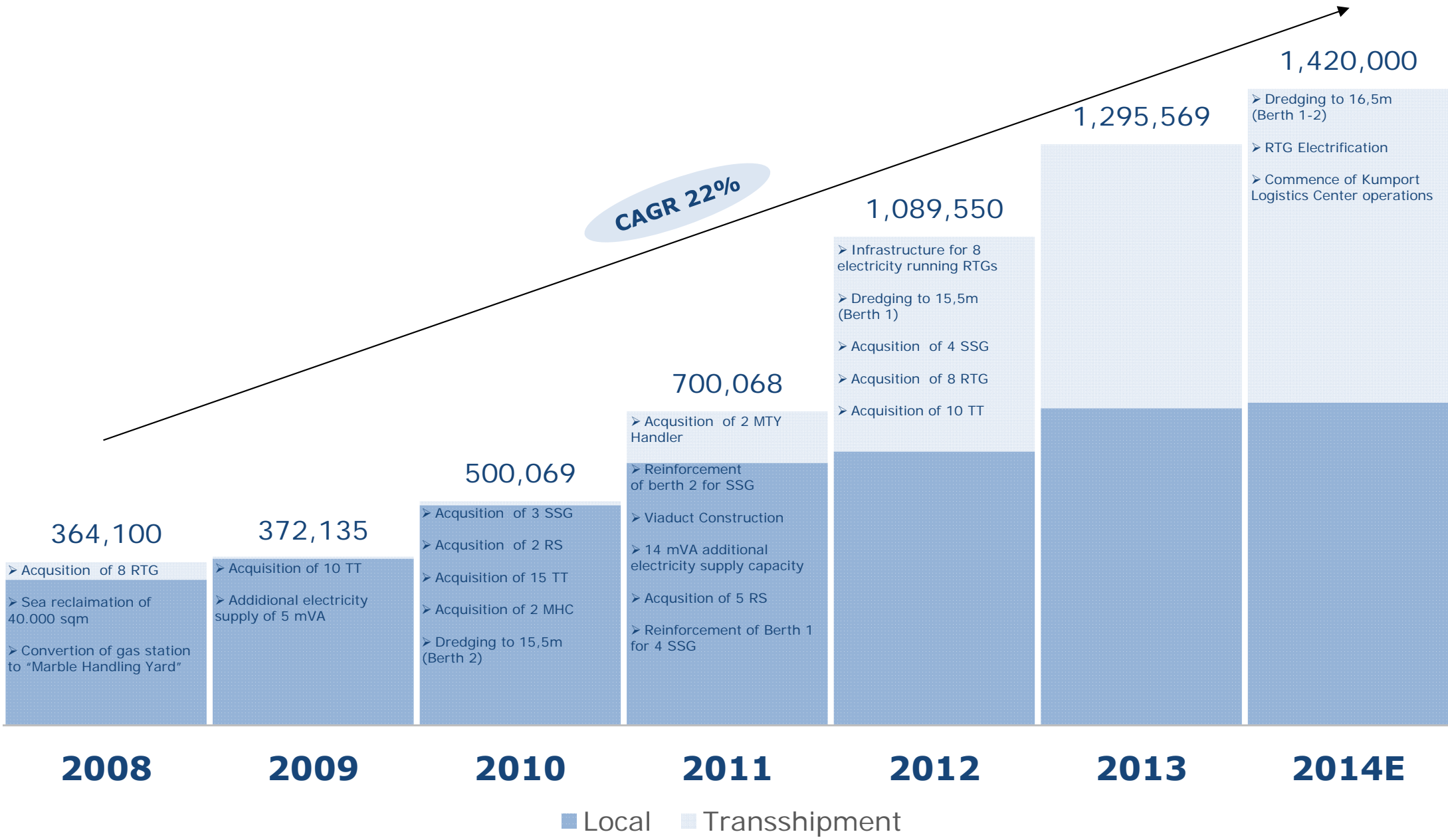
- Maximum air draft: 57 meters
- Maximum draft: 20 meters
- Maximum length (without special permission): 299,99 m
- Special permission is required for rigs etc.

- Liners should apply authority to have special permission for each passage respectively for vessels over 300 m LOA.
- This situation hinders liners from arranging regular services to Black Sea with larger vessels.
- Vessels over 300 m LOA should be escorted by tugs during their strait passages which causes higher tolls and increase service running costs.

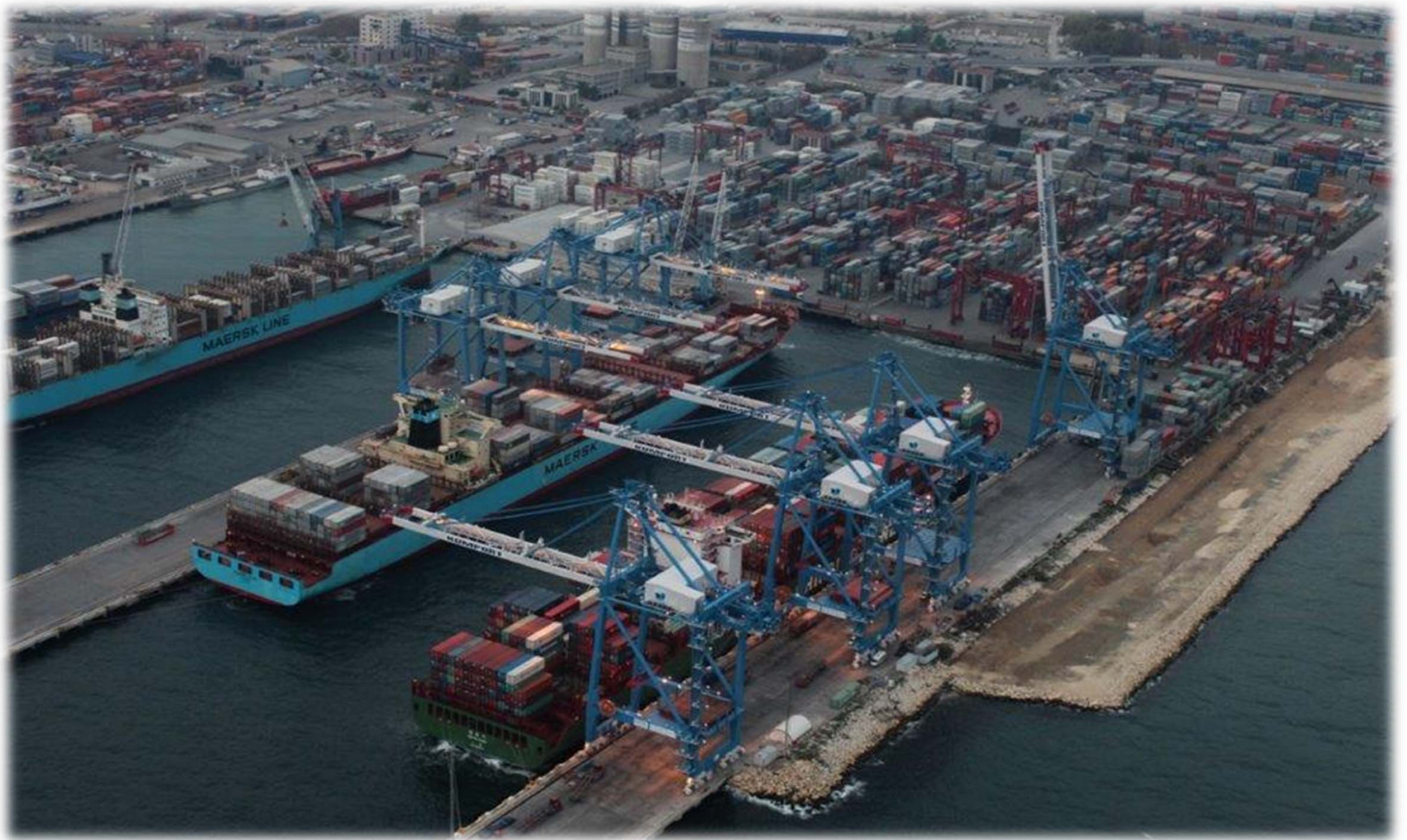


- Kumport welcomed the maiden call of CMA CGM DANUBE on August 8, 2014.
- 9.400-TEU CMA CGM Danube, is the first of a series of 28 ships from 9.400 TEU to 10.900 TEU which will be delivered from now to the third quarter of 2016.
- 300 m in length and 48 m in width, it was designed to offer maximal loading capacity while meeting the technical constraints necessitated by Bosphorus Strait.

Kumport Volume Trend (2008-2014), TEU

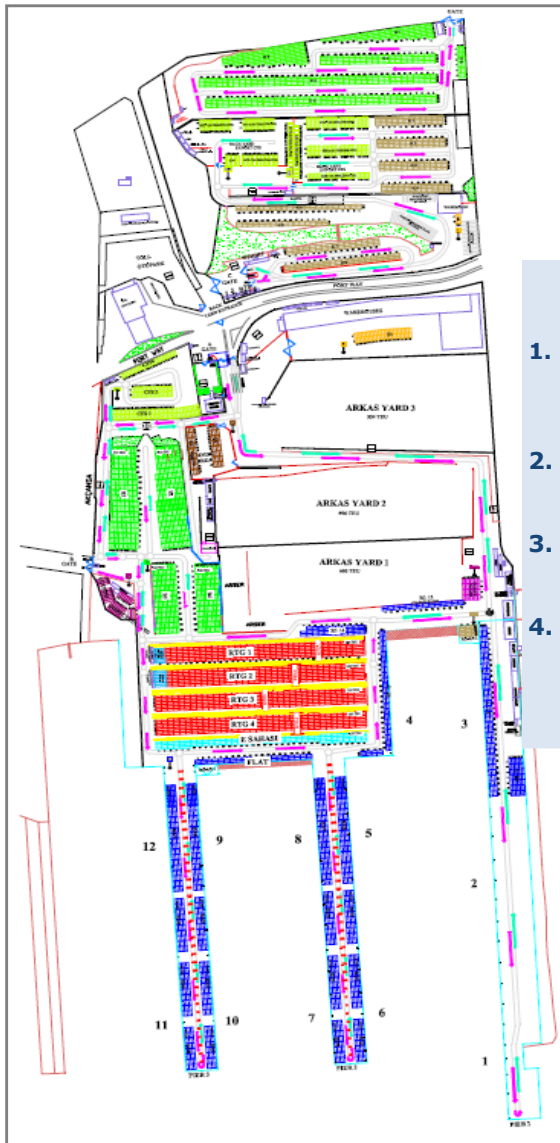


Berthing of 3 Mother Vessels (>300 m) at the Same Time



Terminal Development (2007-2013)

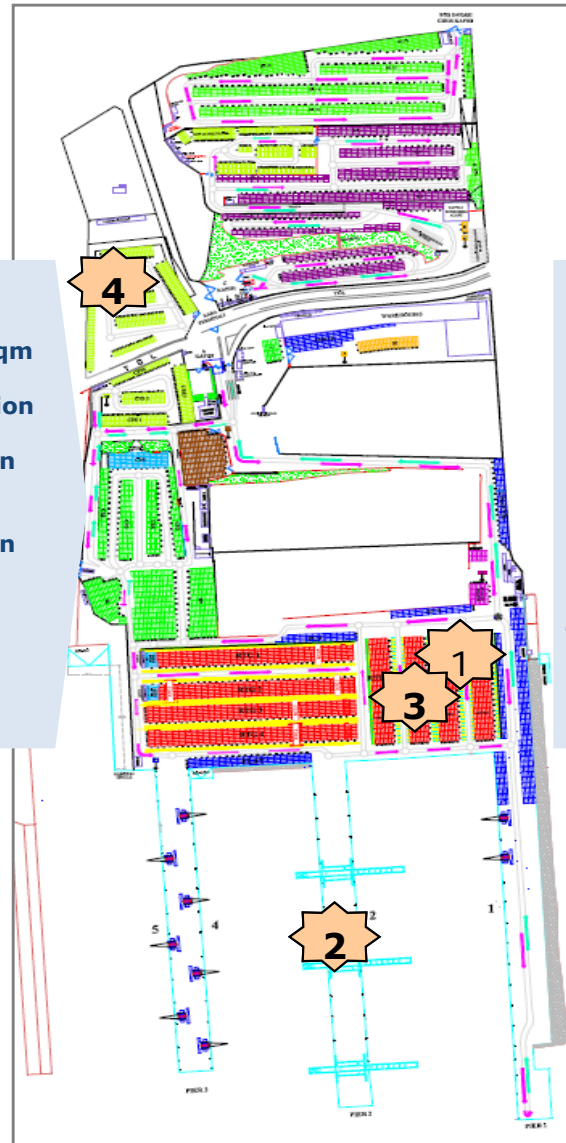
2007



1. 20.000 sqm sea reclamation
2. Acquisition of 3 SSG
3. Acquisition of 8 RTG
4. Yard Recovery

0,7M TEU

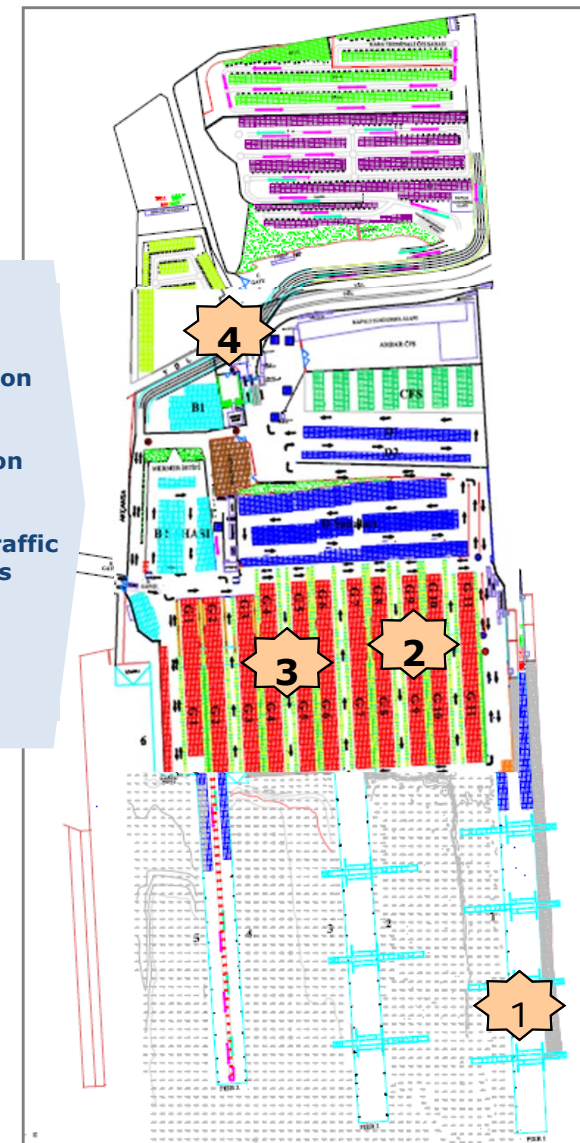
2011



1. Acquisition of 4 SSG
2. Acquisition of 8 RTG
3. Yard & Traffic Revisions
4. Viaduct

1,0M TEU

2013



1,7M TEU

Terminal Development Plan (2014-2017)

Current



1,7M TEU/year

**Phase I
(In progress)**



2,2M TEU/year

Phase II



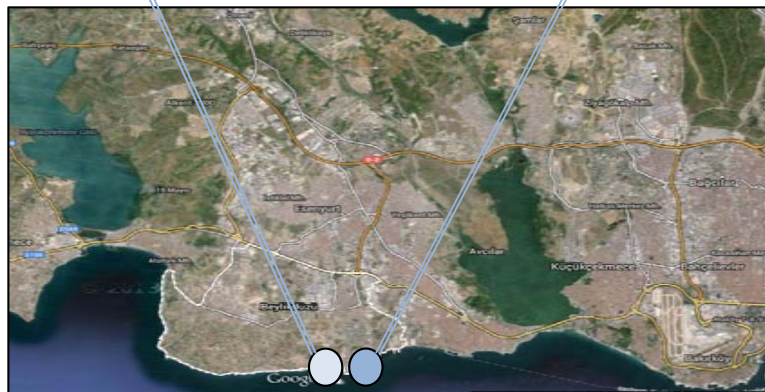
2,7M TEU/year

Kumport Facilities



Kumport Logistics Center

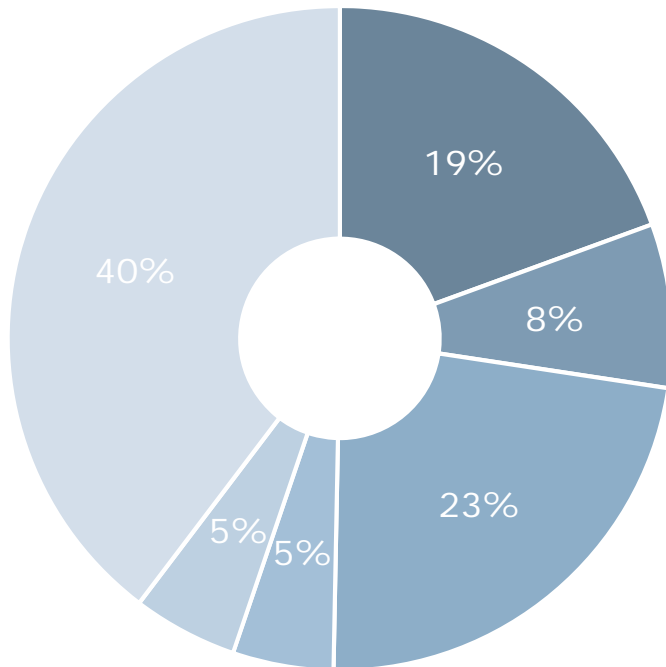
Kumport



- Located in the Ambarli Port Complex
- Commenced operations in early July
- 1 km away from Kumport
- 12.000 TEU container stacking capacity
- Empty equipment management center
- Lower truck turnaround time and transportation cost
- All-in-one-shopping
- Warehouse facility, CFS stuffing & unstuffing, container washing, container repair
- Increase in customer satisfaction

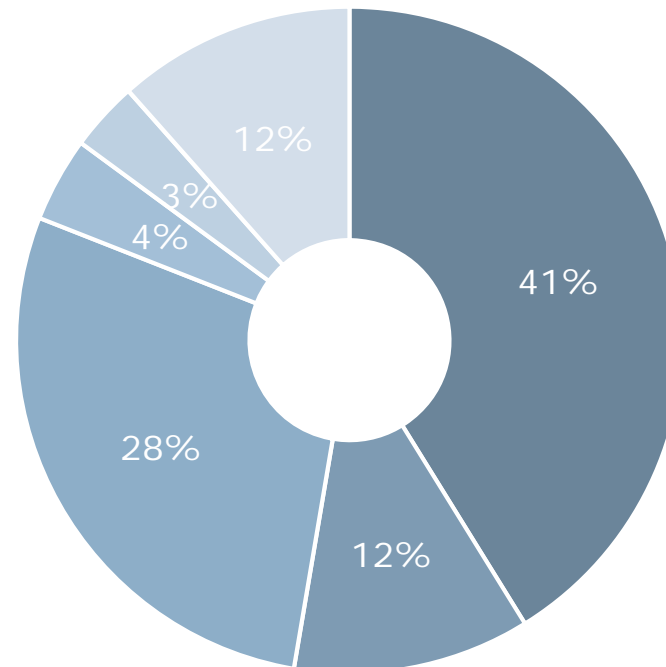
- | | |
|-----------------------|------------|
| • Container Capacity: | 12.000 TEU |
| • Total Area: | 66.000 sqm |
| • Warehouse: | 3.200 sqm |

Number of Vessels Ordered



Total Number of Vessels Ordered: 489

TEU Capacity Ordered

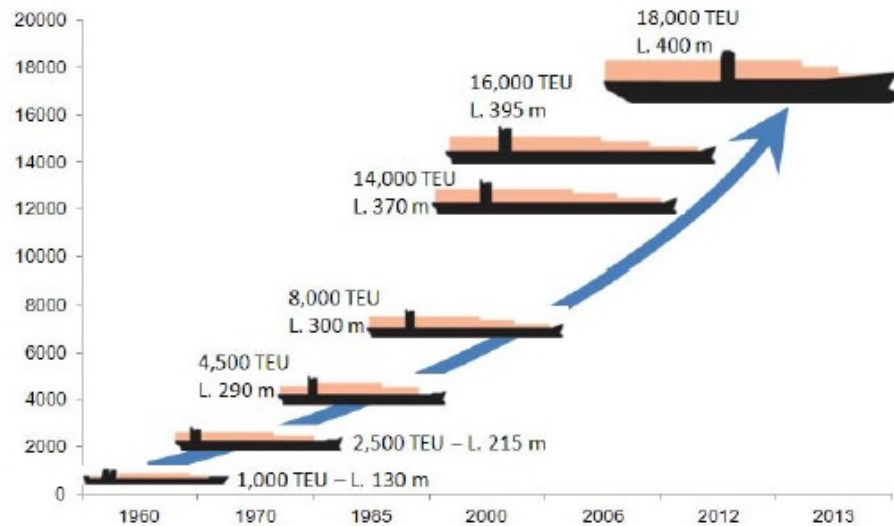


Total TEU Capacity Ordered: 3,6M

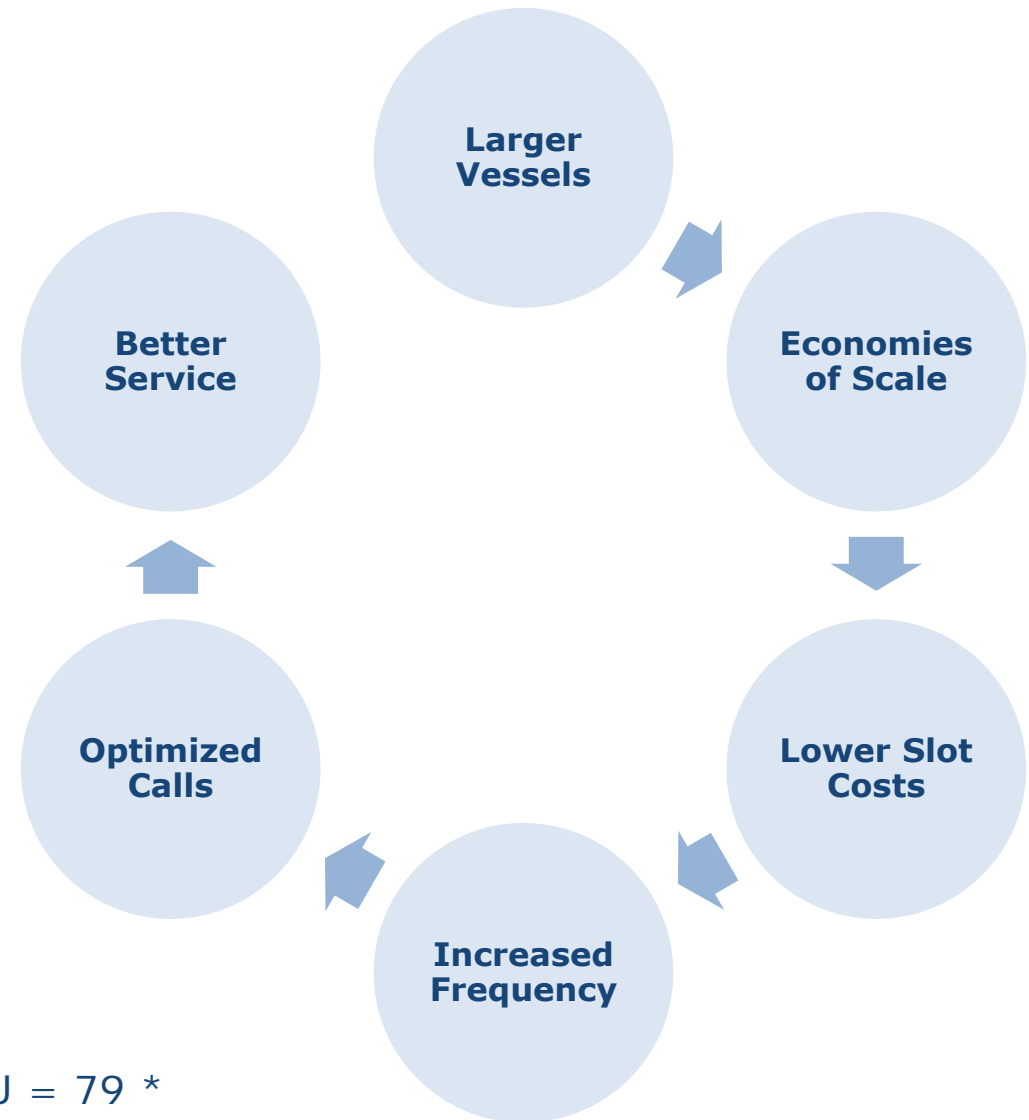
- 13300 - 18500
- 10000 - 13300
- 7500 - 9999
- 5100 - 7499
- 4000 - 5099
- <4000

19% of the vessels ordered are between 13.300 – 18.500 TEU capacity. These vessels represent 41% of the total capacity ordered.

Transshipment Activities are Likely to Increase in Black Sea



Transshipment activity in Black Sea will continue with introduction of larger vessels (>300 m)



On basis slot cost: 11.000 TEU = 100, 16.000 TEU = 79 *

* CMA CGM, Global Liner Shipping Conference, 2014

Kumport – Transshipment Hub for ULCV (up to 16.000 TEU vessels)

Nautical Accessibility

- Water depth: 16,5 m

Berthing on Arrival

- Total quay length of 2.180 m
- Berthing of 3 mother vessels (>300 m) at the same time

Equipment Specifications

- 7 STS cranes with handling capacity of 20-22 rows outreach
- 9 MHC (5 MHC with handling capacity of 17-18 rows outreach)

Terminal Area

- 400.000 sqm terminal area
- 66.000 sqm off-dock area
- Expansion projects are in progress (terminal capacity will increase from 1,7M TEU to 2,7M TEU)

Thank you for your attention...



KUMPORT

Your Port, Your World