

DEVELOPING A WORLD-CLASS PORT IN THE BLACK SEA LINKING INTERNATIONAL TRADE BETWEEN EUROPE, ASIA, MIDDLE EAST AND AFRICA



Antonio Barbara
General Manager - Yilport Gemlik

CONTENT

Section 1	Yildirim and Yilport Holdings
Section 2	Ports, developments and technologies
Section 3	Turkish economy growth and market
Section 4	Black Sea and Marmara Sea: synergies to catch scale economies and containerization
Section 5	Market and trading opportunities



Overview of YILDIRIM MARITIME



Section 1 Overview of YILDIRIM GROUP/ Maritime investments

YILMAR	✓ In 2000; the first step to maritime industry
YILPORT GEBZE	✓ In 2005; the first terminal was established
MARMARA SHIPYARD	✓ In 2007; YILDIRIM ventured into shipbuilding
CMA CGM	✓ In 2010; investment of \$600m, 24% share
MALTA FREEPORT	✓ In 2011; acquisition of 50% of Malta Freeport Terminal
ETI LOGISTICS	✓ In 2011; intermodal hinterland connections via railway and road
CHEMFLEET	✓ In 2012; expansion of ship management
SEALEASE	✓ In 2012; expanded into maritime leasing services
GEMPORT & ROTAPORT	✓ In 2012; acquisition of Gempport & Rotaport
GAVLE & S.NORD	✓ In 2014; acquisition of Gavle C.T. & Stockholm Nord Combi Terminal
OSLO	✓ In 2014; obtained the concession to handle containers in Oslo Havn



Overview of YILPORT HOLDING



Section 1 Overview of YILPORT HOLDING

MISSION

- To be the first Turkish global terminal operator in the maritime industry
- To be within the top 10 global port operators by 2025
- To generate long-term sustainable growth and profitability

VISION

- **“Privilege Becomes Standard“** for All Customers
- Creating a safe, damage free work environment
- Employing state-of-the-art equipment and technology to generate sustainable productivity and long-term profitability

VALUES

- People, Process, Technology

Section 1 Key Facts for YILPORT HOLDING

Privately Owned,
Multi-Purpose Port
Operator

Acquired Gemport and
Rotaport in 2012,
Gavle Container Terminal,
Stockholm Nord Combi
Terminal and Oslo
Container Terminal in 2014

Average 28.8 mph
Crane Productivity
99% Crane Availability

Turkey's
#1 State-of-the-art
Container Terminal
Operator

Group Owns
4 ports in Turkey,
1 port in Malta,
2 terminals in Sweden and
1 terminal in Norway

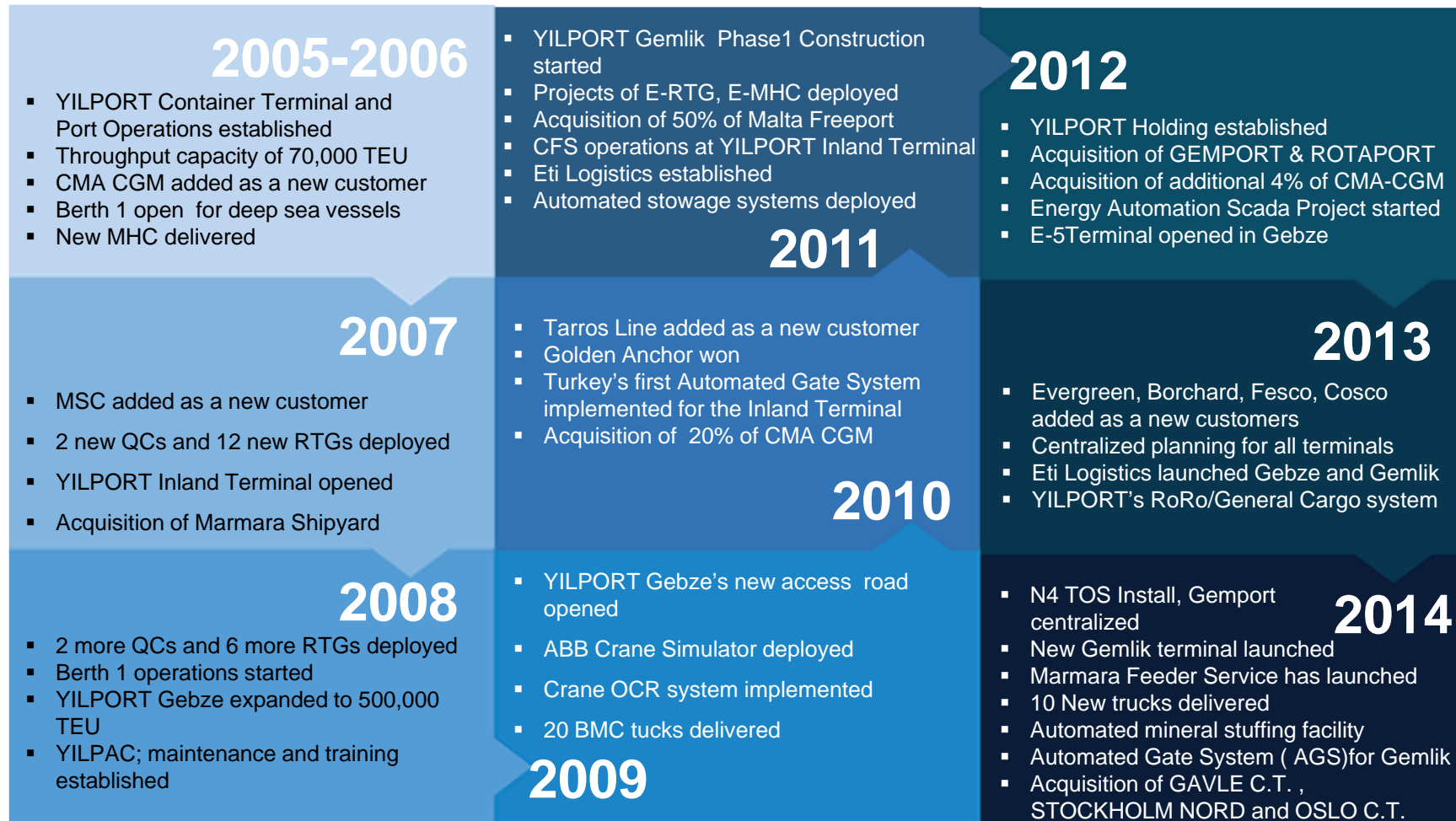
Complete Solutions
& Service Provider

Consolidated
5.9 million TEU
Container Throughput
Capacity

850,000 CEU
Handling Capacity
at Gemport

16 million tons
General Cargo &
1.65 million m³
Liquid Cargo Capacity

Section 1 Timeline of YILPORT HOLDING

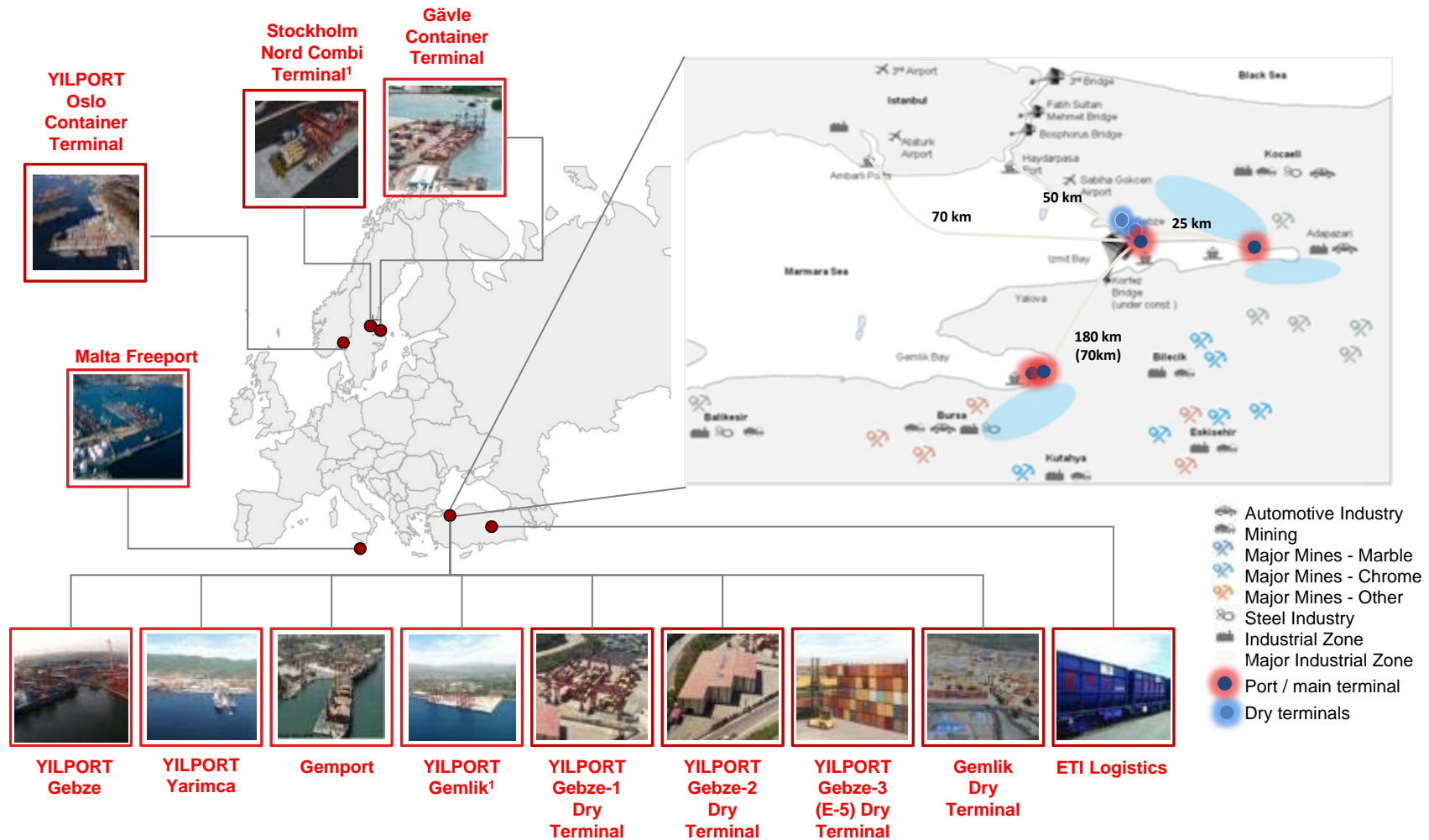




YILPORT LOCATIONS



Section 1 Port Locations of YILPORT HOLDING





PORTS, DEVELOPMENTS AND TECHNOLOGIES



Section 2 Ports, Developments and Technologies

Yilport Gemlik Terminal

Dedicated areas for different handlings (containers, roro, general cargo, cfs), keeping efficient and safe traffic flows, protecting sensitive cargo and providing highest quality services.



Section 2 Ports, Developments and Technologies

Last technology equipment:

- 4 (+2) MES QCs
- 7 Gottwald & Liebherr MHCs
- 20 MES and KALMAR RTGs
- 10 RS&FL
- 40 TTs



Port Capacity: *(designed for phase 3)*

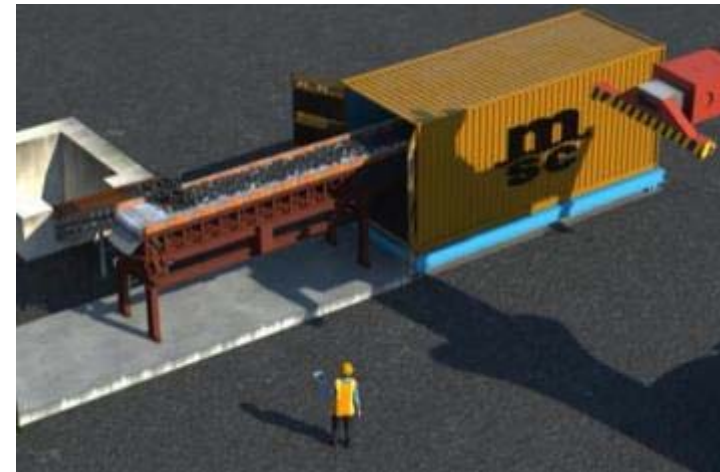
- 2.000.000 teus
- 1.000.000 ceus
- 8.000.000 tons GC
- 500.000 m3 LC



Section 2 Ports, Developments and Technologies

Last technology available and new investment to provide safe, fast, reliable, secure and environmental friendly service level:

- Navis N4 TOS
 - Central Planning
 - Expert Decking
 - Prime Route
- Automatic Gate System
- Crane OCR
- Crane scaling
- Automatic container positioning with RTGs (Smart Stack & MES Technology)
- Automatic stuffing and mine warehouse
- Indoor multistory car park
- Land availability to develop new business



Section 2 Ports, Developments and Technologies

Improving People , Processes and to gain:

- Safety (Speed control, OCR tallying, AGS, Safety Sensors on equipment, Segregation of different ops, local safety meetings, HSSE commitee...)
- Enviroment Friendly Operations (reducing fuel consumption, maintenance per unit, shiftings, dualcycling, Indoor storage...)
- Quality (continuos training, Root Cause Analysism, automatic position detection, KPIs follow up and developing new procedures and tools... with creative approach)
- Productivity (dualcycling, multitasking, flexibility...)
- ...ready for further automation steps ahead...





TURKISH ECONOMY GROWTH AND MARKET



TURKISH ECONOMY OVERVIEW

16th

Largest Economy
in the World

6th

Largest Economy
in the EU

4.9%

Average Growth
Over the Last 10
Years

Foreign Trade
Expanded

5 – fold

Since 2000

8th

Largest Steel
Producer
in the World

16th

Largest Automotive
Producer in the
World

Investment Grade
by Fitch,
Moody's & JCR

10th

in the World for
Mineral Mines

9th

Largest Economy
in the World by
2050

These figures are based on 2013.

Section 3 Turkish Economy Growth and Market

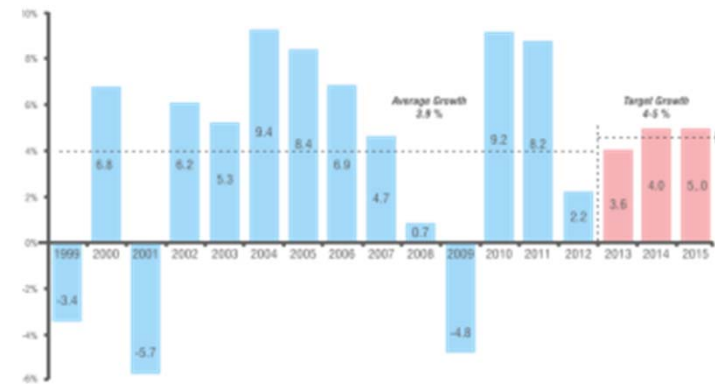
Turkish Economy:

Turkey is expected to **grow on average 4.4%** in the coming years. This is relatively high compared to the average of other Middle East and North African countries and also relatively high compared to the global average of 3.7%.

Because of its own economic growth and that of its main trading partners, **Turkey's exports are expected to grow 13.9% annually** to US\$ 295 bn in 2017, making Turkey the 29th largest exporter worldwide.

Similarly, **import demand will grow with an average of 9.1% per year** to US\$ 406 bn in 2017, meaning that Turkey will take the 21st position on the global list of largest importers.

Real Gross Domestic Product Growth Rate



Source: Turkstat, Turkish Treasury; *2014-2016 period is the target of the government under the Medium Term Program.



SOURCE: WWW.TRADINGECONOMICS.COM | WORLD BANK GROUP

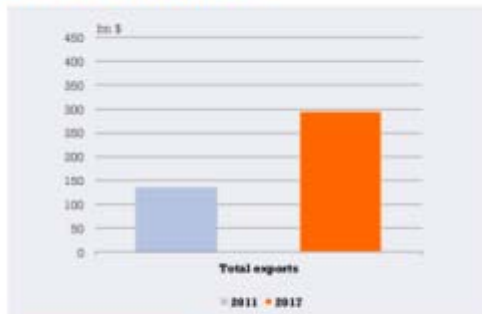
Section 3 Turkish Economy Growth and Market

Turkish Trades:

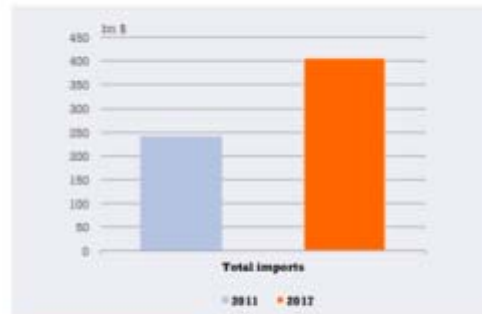
By 2017, Turkey will mainly **import fuels, ores & metals and industrial machinery**, which together account for 41% of total imports of Turkey. Similarly, Turkey's **exports will mainly consist of textiles (including fibers, yarn and products), ores & metals and road vehicles & transport equipment**. Together these products will represent 54% of total exports in 2017. By 2017, Turkey will mainly **import** products from **Germany, China** and **Russia**, which together account for 33% of total imports of Turkey. Turkey's main **export markets** will be **Germany, Iraq** and **Russia**. Together these countries will account for 31% of total exports in 2017. In the coming years, exports (in current dollar terms) are expected to increase with 13.9% annually.

The rank of Turkey in the list of largest exporters worldwide will increase to 29. Demand for foreign products (imports) is also expected to increase in the next five years, with 9.1% annually. The rank of Turkey in the list of largest importers worldwide will decrease to 21.

Trade forecast



Turkey	1995	2011	2017
World ranking	37	32	29
CAGR 2012-2017	13.9%		



Turkey	1995	2011	2017
World ranking	28	20	21
CAGR 2012-2017	9.1%		

Source: ING Bank

CAGR = Compound Annual Growth Rate

Section 3 Turkish Economy Growth and Market

Container and Ports focus:

Container throughput in Turkish ports will continue to grow with an expected ratio of 8%.

Automotive business will show further developments due when new Turkish productions will be launched to EMEA and US markets.

Tendency to develop local productions will support a better foreign trade balance.





BLACK SEA AND MARMARA SEA: SYNERGIES TO CATCH SCALE ECONOMIES AND CONTAINERIZATION



Section 4 Black Sea and Marmara Sea:

SYNERGIES TO CATCH SCALE ECONOMIES AND CONTAINERIZATION

Main export markets in Black Sea:

Romania (full teus +9,1%):

Automotive, clothing and textiles, industrial machinery, electrical and electronic equipment, metallurgic products, raw materials, chemicals and agricultural products (fruits, vegetables, and flowers)

Bulgaria (full teus +8,8%):

Oil products, copper products and pharmaceuticals

Ukraine (full teus - 13%):

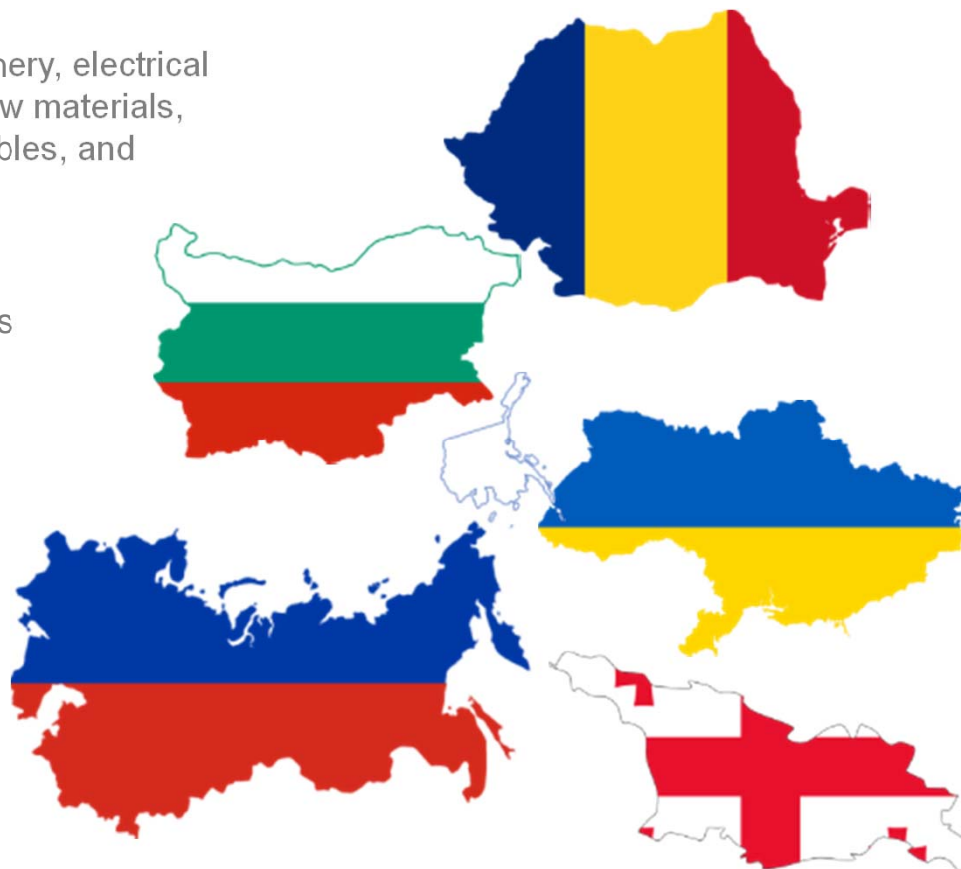
Grain & Wheat;
Steel products;
Wodden products;
Coal

Russia (full teus +3,3%):

Steel products;
Wodden products;
Oil, Natural gas, Coal,

Georgia (full teus +13,4%):

Tiles;
Grain;



Section 4 Black Sea and Marmara Sea:

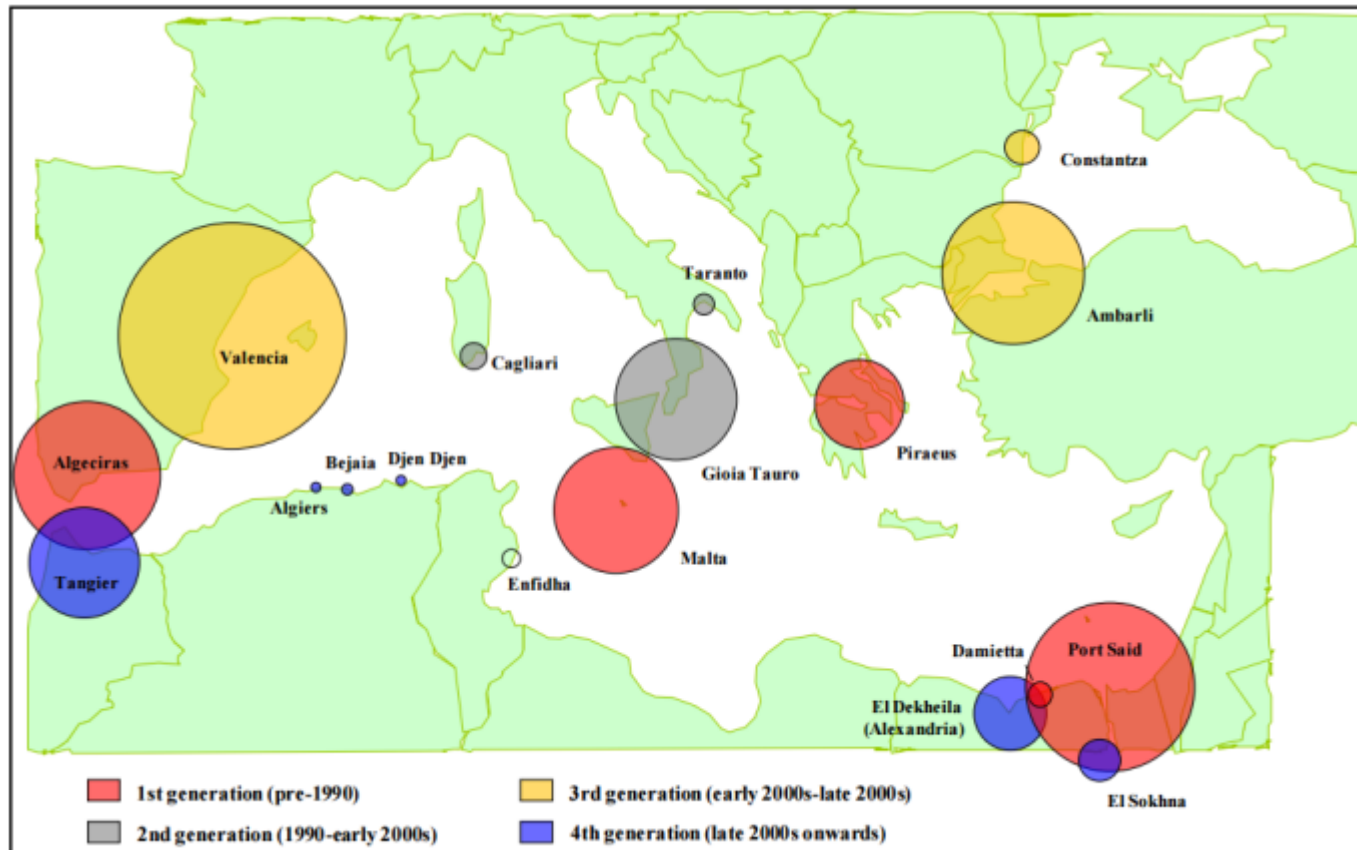
SYNERGIES TO CATCH SCALE ECONOMIES AND CONTAINERIZATION

Limits of Black sea ports close to production/export area:

Port Name	Type	Draft	MHC	GC	TEU/Ton	Major Items
Novorossiysk	Multipurpose	4,5 - 24 m	14	60	1,5 m teu	Crude oil, Oil products, Liquid cargo, Grain, Steel
Constanta	Multipurpose	8 - 19 m	-	-	668.290 teu	Crude oil, Diesel gas, Refined products, chemical products
Burghas	Multipurpose	10 m	4	29	35.000 teu	Grain, Clinker, Liquid chemicals
Varna East	Multipurpose	8 m	3	1	90.000 teu	Grain
Varna West	Multipurpose	13 m	4	2	120.000 teu	Grain, Coal, Clinker, Cement, Soda, Liquid chemicals
Odessa	Multipurpose	10 m	22	3	900.000 teu	Grain, Coal, Ores, Steel products, Building materials, Mineral fertilizers
Ilyichevsk	Multipurpose	7,5 - 14 m	11	7	650.000 teu	Grain, Ores, Steel products, Building materials, Oils, Vehicles
Poti	Multipurpose	9,4 m	-	20	385.000 teu	Grain, Tiles
Batumi		7,6 - 10 m	4	10	100.000 teu	Grain, Tiles
Mariupol	Multipurpose	6,4 -7,6 m	44	5	16.000 teu	Coal, Metal, Engineering products, varieties of ores, Grains Machines, Vehicles, Iron and steel, Timber, Pulp and paper, Food,
Taganrog	Multipurpose	5 m	-	17	N/A	Construction materials
Rostov	Multipurpose	4,9 m	33	4	N/A	Wheat, Timber, Iron ore
Trabzon	Multipurpose	11 m	13	10	15,000 teu	Hazelnuts, Tea, Copper, Silver, Zinc, Manganese
Samsun	Multipurpose	6,4 m	14	yok	40,000 teu	Wheat, Flour, Wood, Furniture, Tea, Tobacco

Section 4 Black Sea and Marmara Sea: SYNERGIES TO CATCH SCALE ECONOMIES AND CONTAINERIZATION

The generations of hubs in the Mediterranean basin



Section 4 **Black Sea and Marmara Sea:** **SYNERGIES TO CATCH SCALE ECONOMIES AND CONTAINERIZATION**

Limits of Bosphorus Strait:

Air Draft restriction: 58 meters (Over 53.99 m vessels are subject to special permission)

LOA Restriction : 299.99 meters (over 300 meters are subject to special permission)

Draft Restriction: N/A for vessels, but draft more than 15 meters may require early application than usual practice (SP1 Report is required 96 hours advance).

P&I Club Coverage: (For over 500 GT VsIs) must cover salvage, wreck removal, pollution, and damage to the environment, damage to the collided objects, injuries and death of third party persons etc.

Transit Anchorage: Vessels are allowed to stay at the anchorage only for 48 hours (unless ordered by VTSC). Staying at the anchorage more than 72 hours are subject to anchorage fee.

IMCO Cargo: Vessels containing dangerous cargo under IMO IMDG code 1-2-3-5.1-5.2- 6.2-7 and with dangerous gas are considered as dangerous cargo carrier, therefore VTSC treats those vessels as tanker with IMCO 3 cargo on board which may result some additional condition during passage, including daylight restricted passage thru Dardanelles and Bosphorus.

Dangerous cargo carriers over 200 meters are subject to day time passage thru Turkish Straits, and during the passage.



MARKET AND TRADING OPPORTUNITIES



Section 5 Market and Trading Opportunities

Marmara Ports as CFS facility in support of Black Sea Economies:

- Transshipment opportunities from/to mega and ultra large container carrier to ocean shipping destinations;
- Containerization of general/bulk cargo to containerization to catch mega and ultra large container carrier to ocean shipping destinations (more competitive general cargo & bulk cargo seafreights to Marmara Ports);
- Cross trades to Marmara Ports creates economy opportunities;

Marmara Port role develops to Cargo Collector Hub Point where Marmara and Black sea commodities and goods are grouped, containerizes and forwarder to create scale economies and logistict optimizations.

ADVANTAGES:

- Mega Vessel will reduce port of calls, optimizing container moves per calls, reducing transit time and costs;
- Empty containers for export business are not spread over different ports/seas, but concetrated and ready to be stuffed (reducing repositioning logistic costs); catching the overall import/export teus balance through marmara sea.
- Competitive container seafreights to over ocean ports from Marmara ports-

THANK YOU FOR YOUR ATTENTION

