

4th Black Sea Ports and Shipping Conference



Transshipment Activities in the Black Sea Region *Kumport as a Hub-Port*

Özgür Soy - CEO

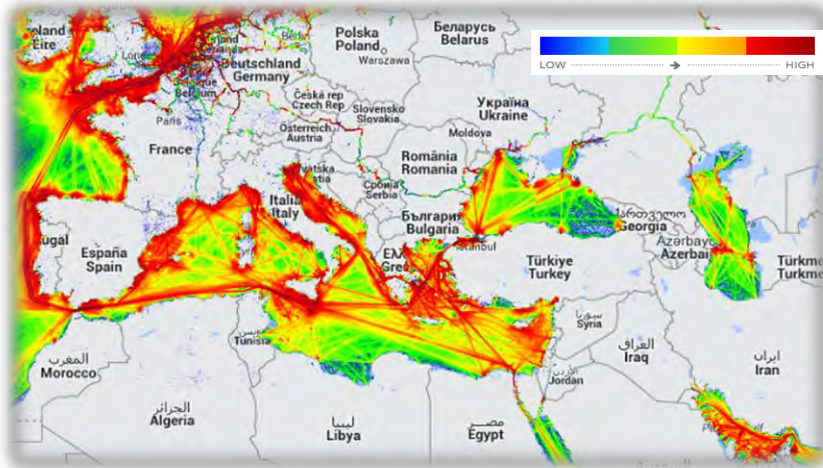
KUMPORT

Your Port, Your World

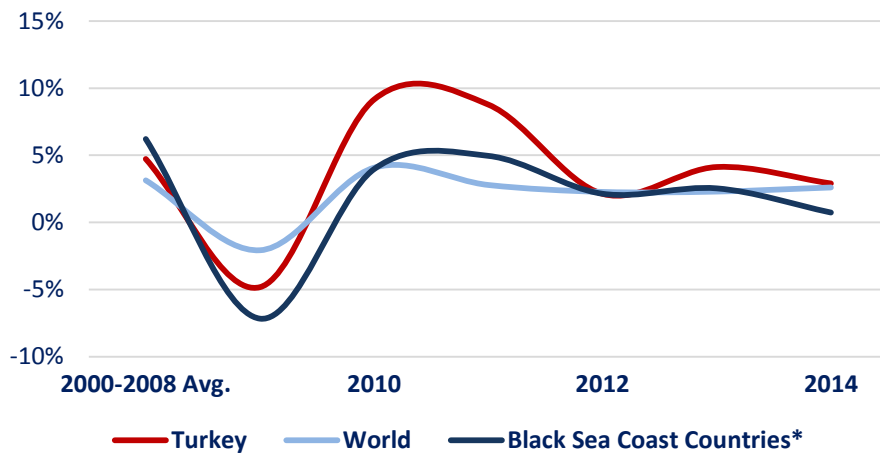
May 28, 2015

Istanbul

Black Sea Market



GDP Growth Rate



Area: 18,8 Million km²



Population: >300 Million



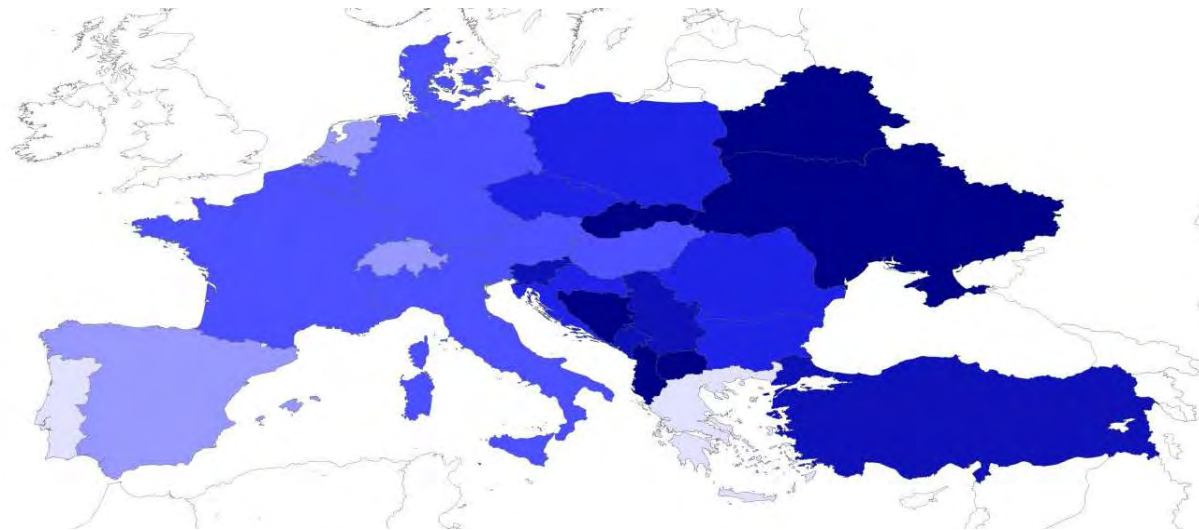
GDP: \$ 3,4 Trillion

* Turkey, Russia, Ukraine, Romania, Bulgaria, Georgia

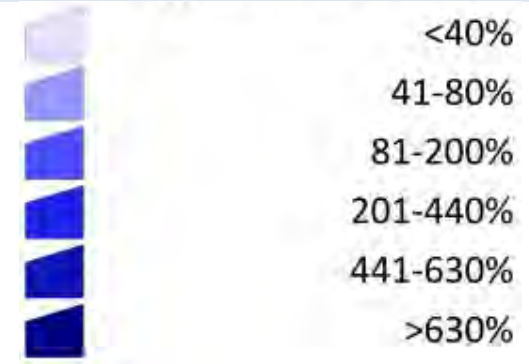
Moreover, Black Sea has a vast hinterland reaching;

- Balkans and Eastern Europe on the west side
- Caucasia and Central Asia on the east side

Container Market Growth



Deep-Sea Imports % Growth 1996-2014



Container Handling Growth (Laden TEU)

	2013	2014	%
TOTAL	1.844.281	1.854.623	1%
Ukraine	634.359	552.284	-13%
Russia	460.570	475.679	3%
Romania	381.135	415.743	9%
Georgia	225.756	255.958	13%
Bulgaria	142.461	154.959	9%

Global port operators in Black Sea market

- HPC (Odessa, Ukraine)
- APM (Poti, Georgia)
- DP World (Constanta, Romania)

Ongoing investment projects

- Taman, Russia
- Ilyichevsk, Ukraine
- Constanta, Romania

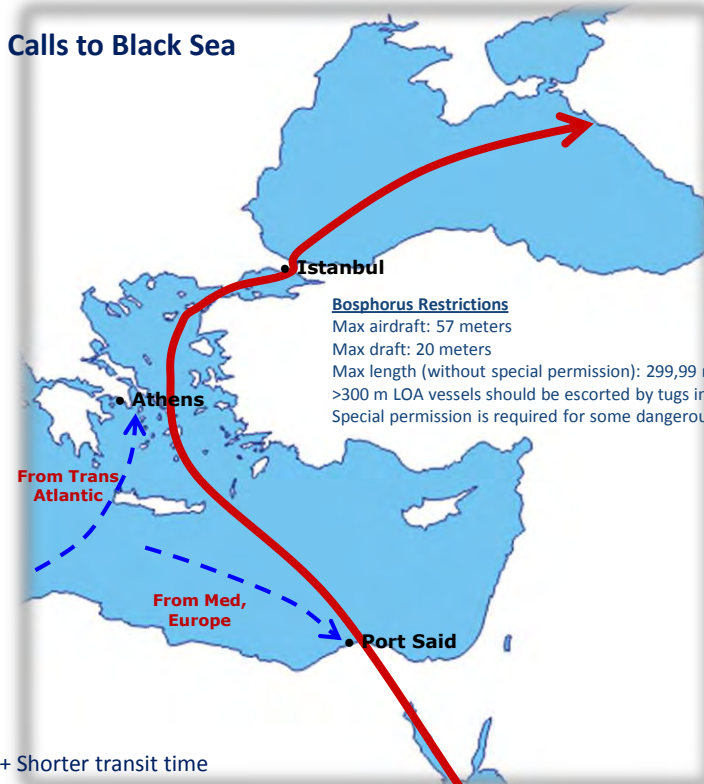
2 Different Approaches in Serving the Black Sea

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)

Direct Calls to Black Sea

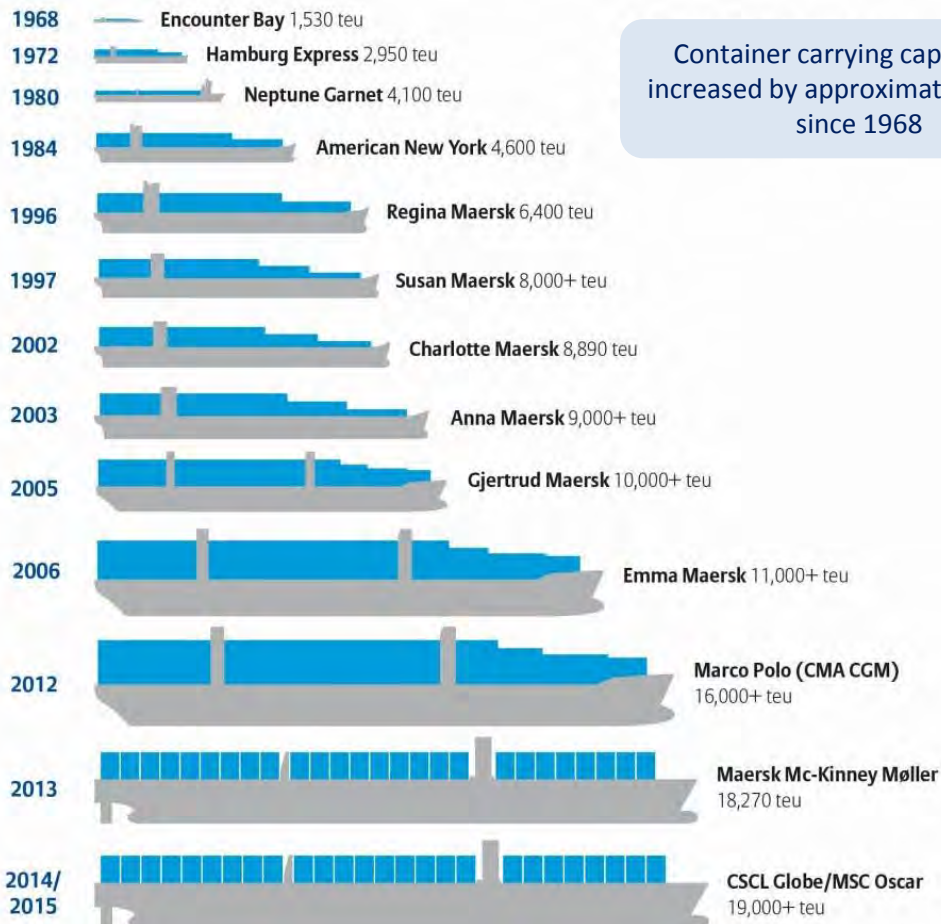


Bosphorus Restrictions

- Max air draft: 57 meters
- Max draft: 20 meters
- Max length (without special permission): 299,99 m
- >300 m LOA vessels should be escorted by tugs increasing costs.
- Special permission is required for some dangerous cargo types, rigs etc.

- + 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

50 Years of Container Vessel Growth



Container carrying capacity has increased by approximately 1.200% since 1968

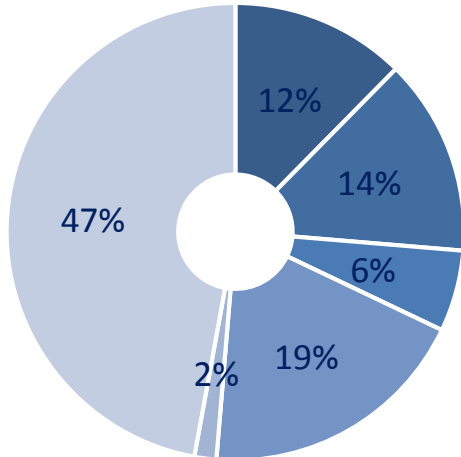
- Larger Vessels
- Economies of Scale
- Lower Slot Costs
- Increased Frequency
- Optimized Calls
- Better Service

	LOA		BEAM		DRAFT
2015	395	2015	59	2015	16,0
2013	398	2013	58	2013	15,5
2011	366	2011	49	2011	15,2
2006	300	2006	43	2006	14,5
2000	285	2000	40	2000	13,0
1988	290	1988	32	1988	12,5
1985	250	1985	32	1985	12,5
1980	215	1980	20	1980	10,0
1970	200	1970	20	1970	9,0
1956	137	1956	17	1956	9,0

Vessels with >20.000 TEU capacity are confirmed to be ordered by various lines. (Delivery by 2017)

Orderbook

Total Number of Vessels Ordered: 452

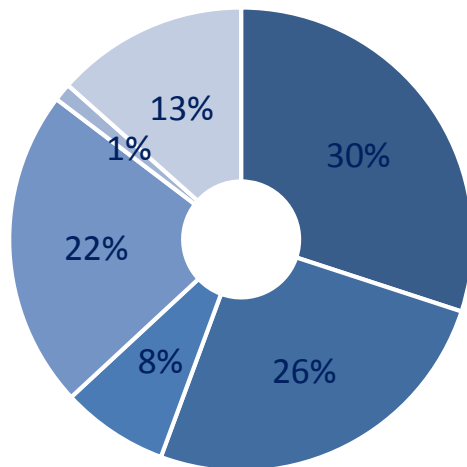


26% of the vessels ordered are between 13.300 – 21.500 TEU capacity.

These vessels represent 56% of the total capacity ordered.



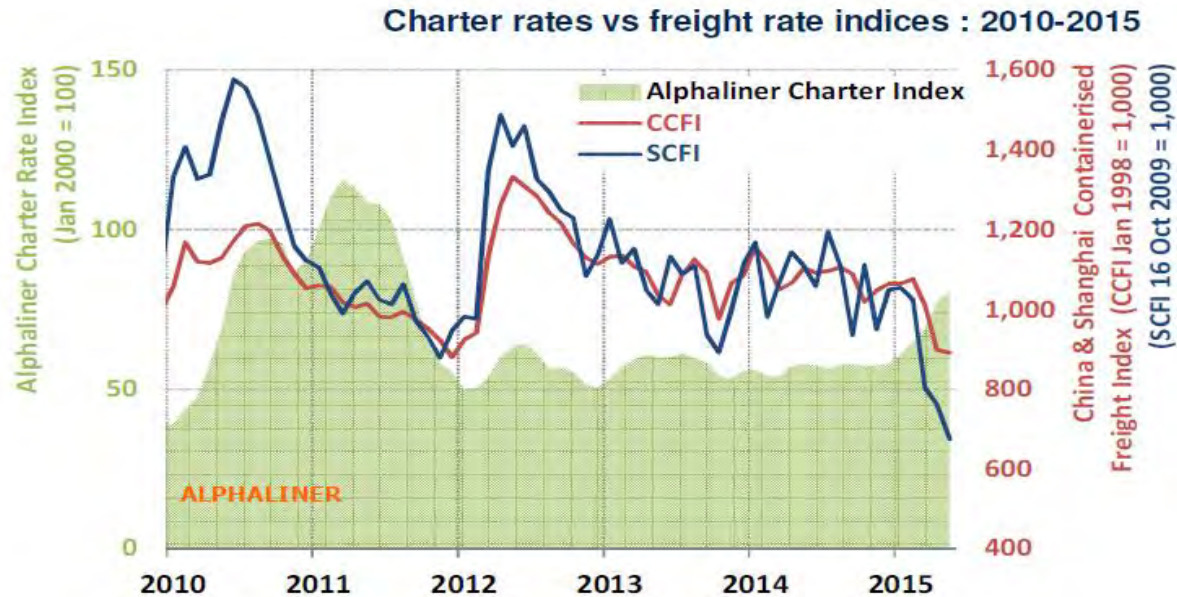
Total TEU Capacity Ordered: 3,6M



- 18000-21500
- 13300-17999
- 10000-13300
- 7500-9999
- 5100-7499
- <5099

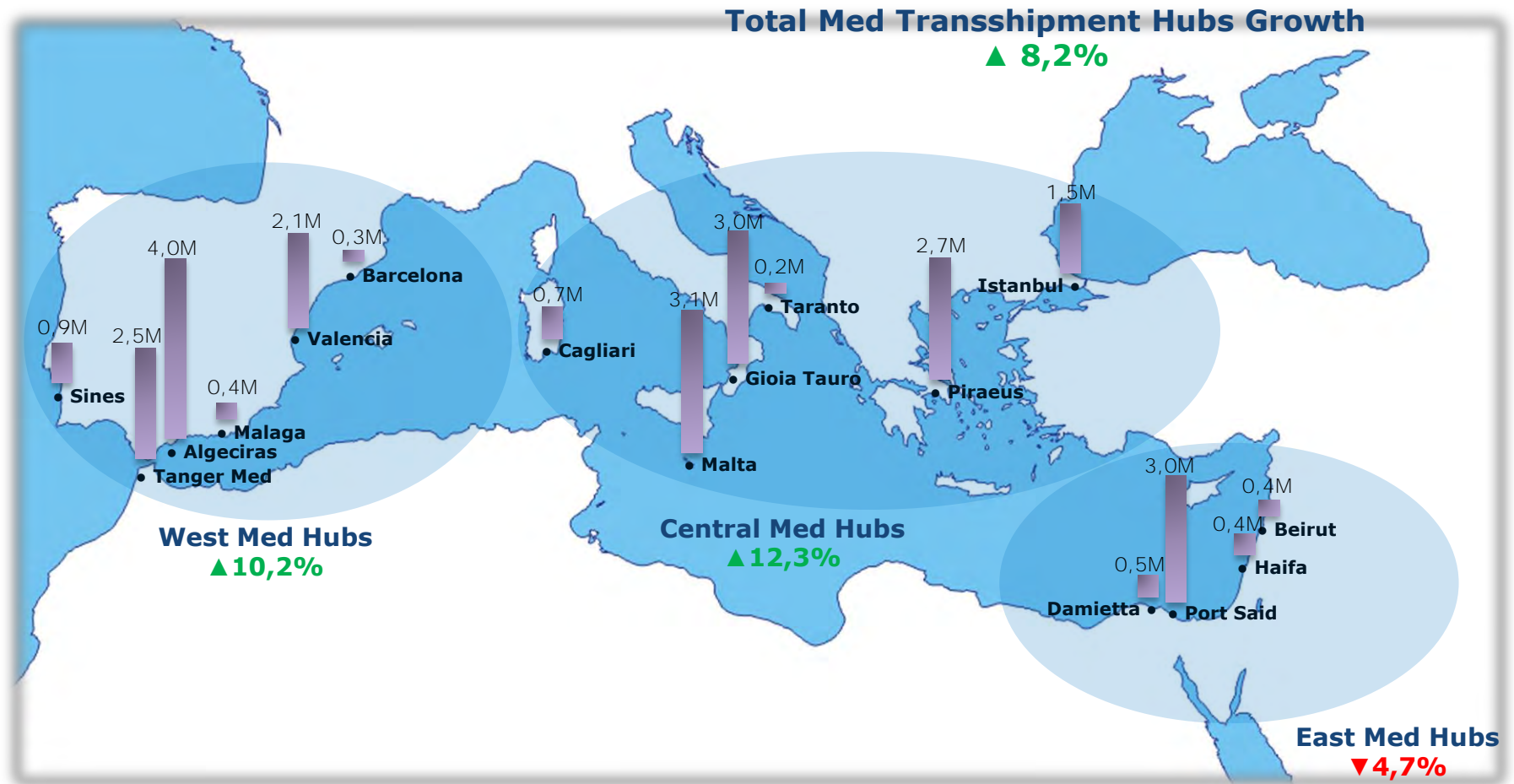
- The total fleet capacity has increased by 6,3% during 2014
- The fleet should rise by 8,2% during 2015, 5,1% during 2016 and 1,4% during 2017.
- The average growth for the three years from 1/1/2015 to 1/1/2018 stands at 4,9%.

Orderbook Results

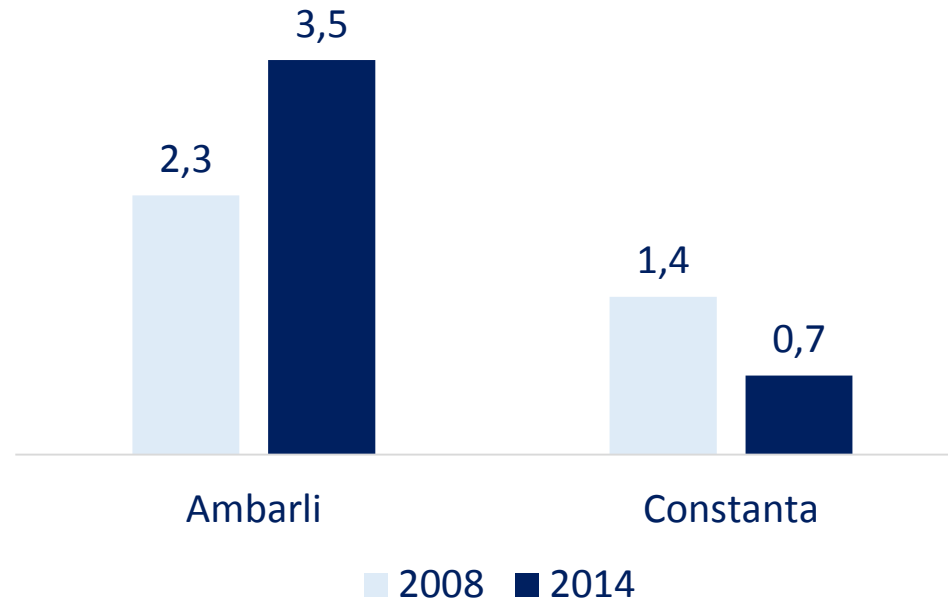


- Liners are total USD 80 Billion in debt
- Shanghai Containerised Freight Index (SCFI) have fallen by 39% year on year
- Charter Index has risen by 39% over the same period
- After >18.000 TEU vessels are deployed in main routes; 10.000 – 14.000 TEU vessels will probably be deployed in Mediterranean and Black Sea market which will create congestion problems at developing Hub-Ports

Transshipment Volumes at Main Mediterranean Hub Ports

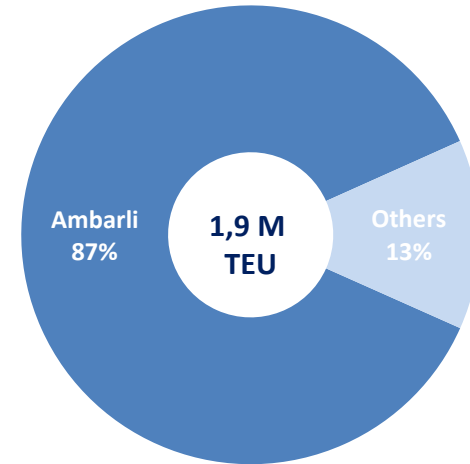
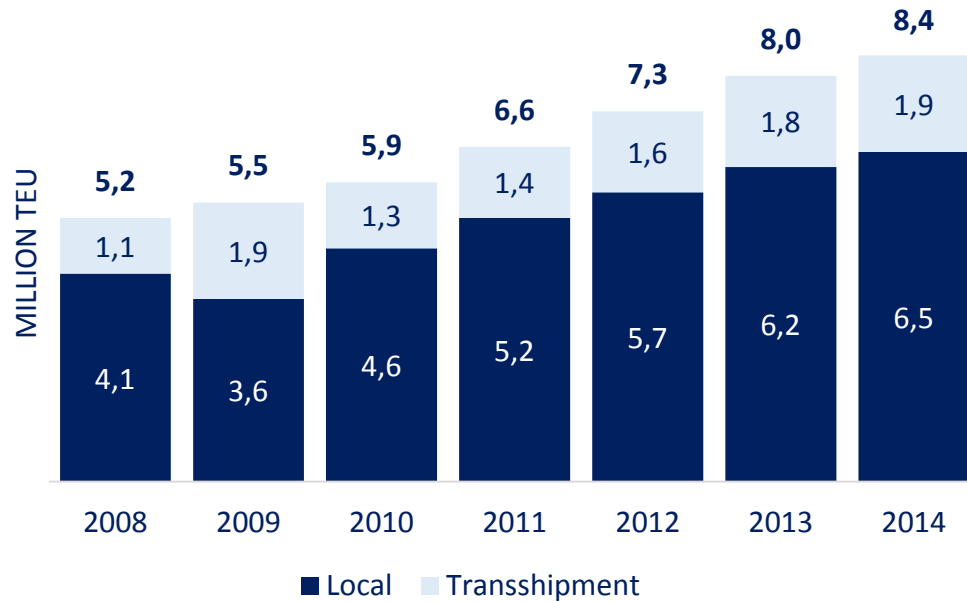


Container Throughput at Constanta & Ambarli



- Until 2008, Constanta 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.

Turkey Container Throughput



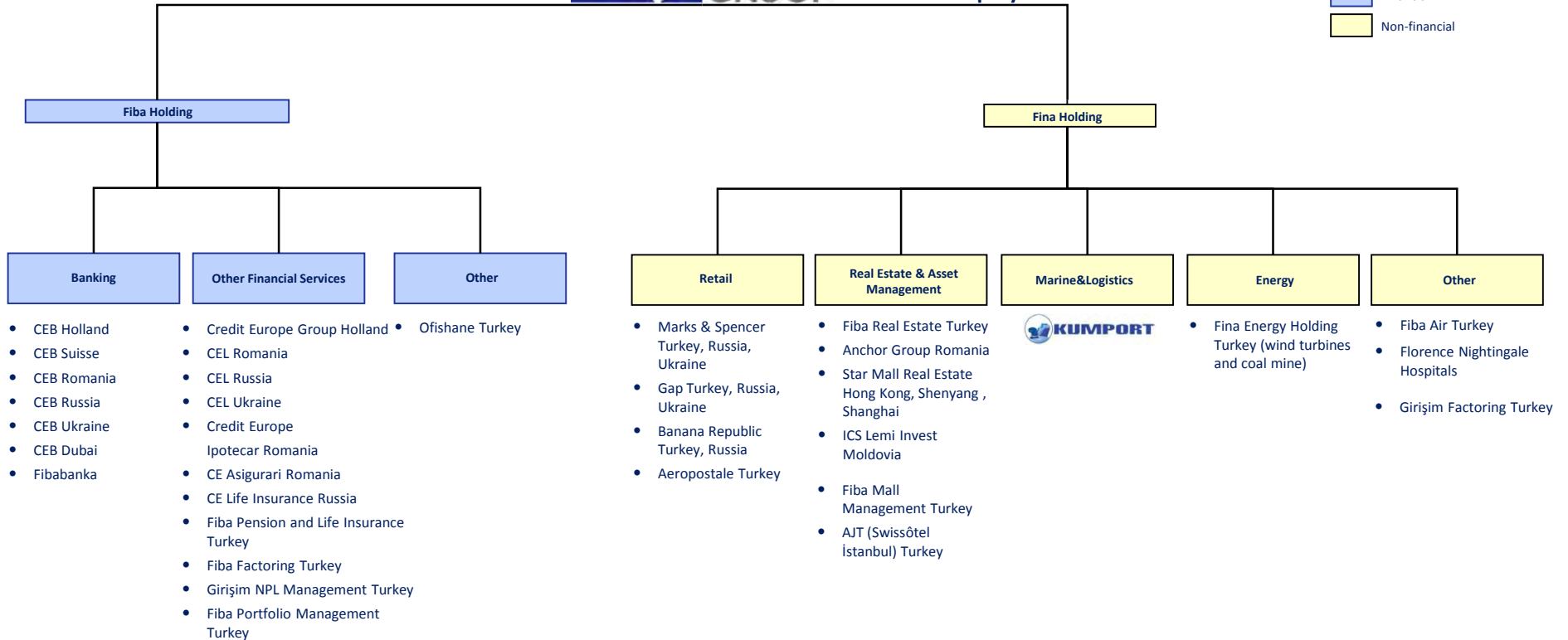
87% of Turkey's total transshipment is handled in Ambarli.

- Government plans to triple imports & exports by 2023 compared with 2013.
- Global terminal operators and financial entities interest to invest in Turkey.
- Ambarli is the key point for both local and transshipment cargo.



12 Countries
86 Companies
>15.500 Employees

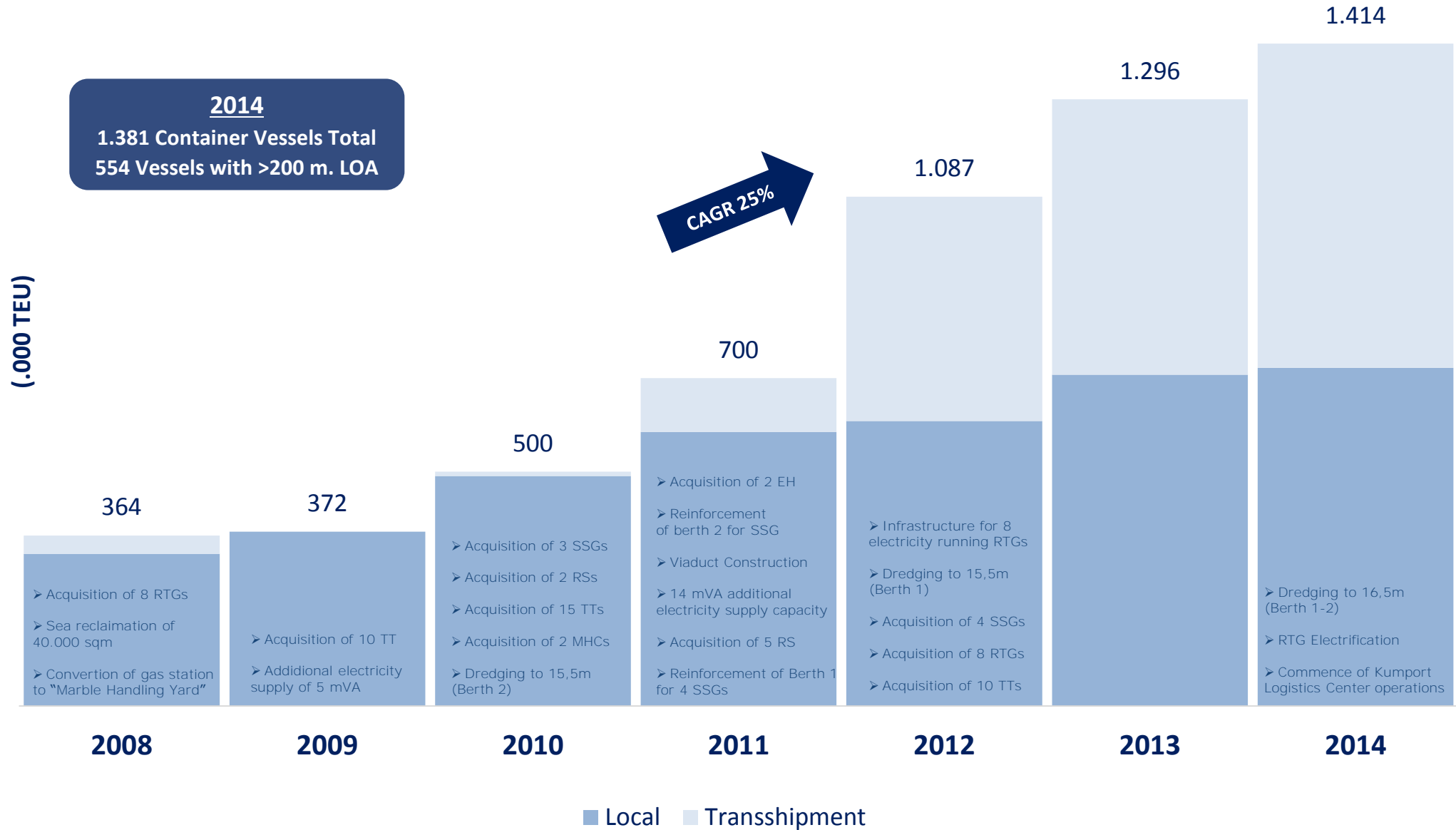
Financial
Non-financial



- Fina Energy Holding Turkey (wind turbines and coal mine)
- Fiba Air Turkey
- Florence Nightingale Hospitals
- Girişim Factoring Turkey

- **Fiba Group is mainly focused on selected business activities in the service industry**
- **Fiba Group has geographically expanded its high performing and value generating business lines, both nationally, internationally, through replicating best practices**
- **Fiba Group has also captured value opportunistically through:**
 - Fostering development teams aimed at capturing value through M&As/exits, and participating in new business lines of significant size and growth potential

Kumport Volume Trend



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

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)

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

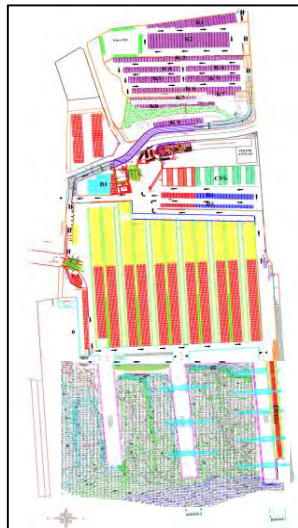
Terminal Area

- 402.000 sqm terminal area
- 67.000 sqm off-dock area
- Expansion projects are in progress (terminal capacity will increase from 2,1 M TEU to 3,0 M TEU)

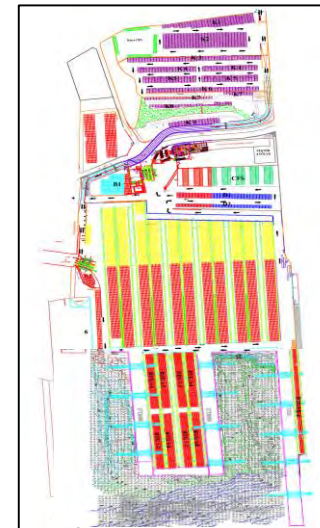
Current: 1,8 M TEU/Year



Phase I : 2,1 M TEU/Year
(In progress)



Phase II: 3,0 M TEU/Year



Terminal Features

7

SSG



3 (20 Rows) - 2011
4 (22 Rows) - 2013

9

MHC



1 (18 Rows)
4 (16 Rows)
2 (14 Rows)
1 (12 Rows)
1 (8 Rows)

20

RTG



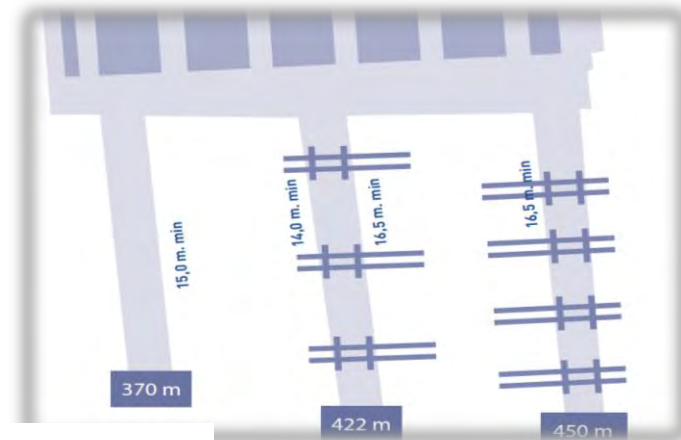
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Reach Stackers &
Empty Handlers



66

Terminal Trucks



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



Kumport Logistics Center



- Located in the Ambarli Port Complex
- 1 km away from Kumport
- 12.000 TEU container stacking capacity
- Empty equipment management center
- Lower truck turnaround time and transportation cost
- Warehouse facility, CFS stuffing & unstuffing, container washing, container repair

• Container Capacity:	12.000 TEU
• Total Area:	67.000 sqm
• Warehouse:	3.200 sqm

Conclusion



- Given the trend of growing vessel sizes, the need for Black Sea transshipment operations will continue
- Black Sea is a high potential market. High growth is likely upon solving the political clashes which inhibit the growth of the region
- Given the significant geographical advantage, the Turkish Ports at the North of Marmara are likely to grow their share in the transshipment market
- Turkish Ports keep growing in quantity and capacity whereas the need is to grow in quality and capability. About half of the available terminal capacity is not able to handle new generation vessels (18 rows max)
- Ports that have a strong hinterland have a major advantage over pure transshipment terminals

Thank you for your attention...



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