



APM Terminals Operations Strategy

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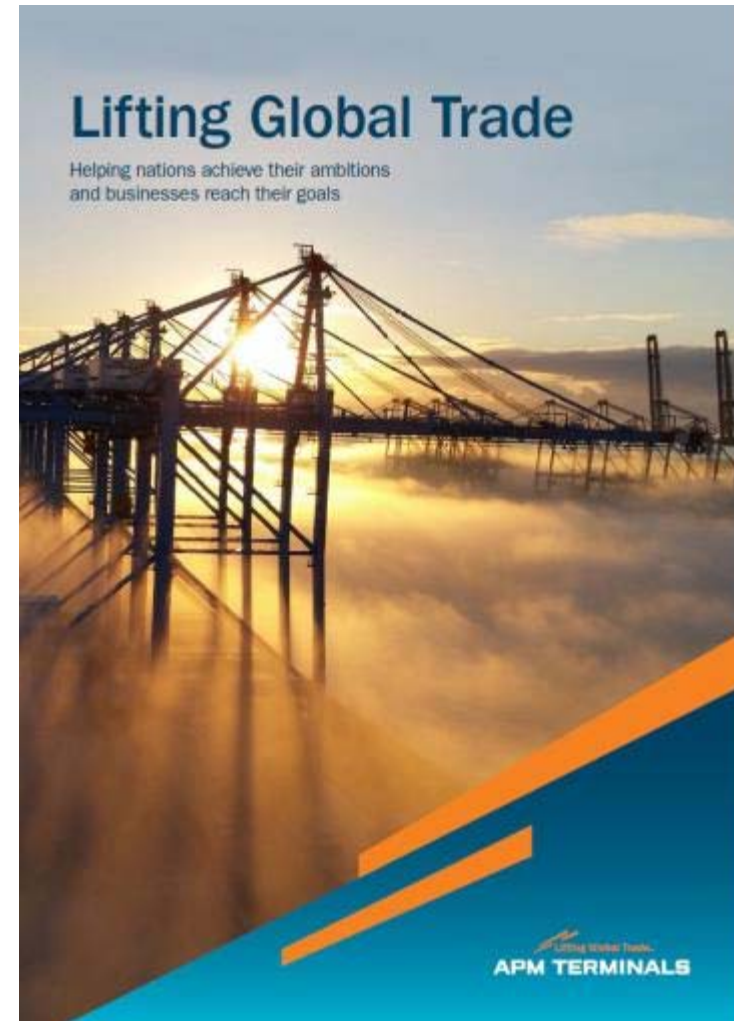
Outline

- **Introduction to APM Terminals**
- **Safety**
- **Operational Efficiency**
- **Inland Container Depot**
- **The Logistics Gap**
- **Future of Ports**

APM Terminals is an infrastructure leader

Through our Global Terminal Network we are building and operating the essential port infrastructure that lifts and powers global trade.

- Every economy requires access to global markets through modern transportation infrastructure, including an efficient port system, to achieve optimum growth and development.
- Meeting the world's demand for efficient ports is a tremendous challenge that requires expertise, operational excellence, investment and innovation.
- APM Terminals is uniquely positioned to meet these challenges.



APM Terminals: The world's only geographically balanced Global Terminal Network

Port and container terminal development, management and operation, and associated inland services capabilities

20,600
employees
in 60
countries

81
operating
ports and
terminals

156 Inland
Service
operations

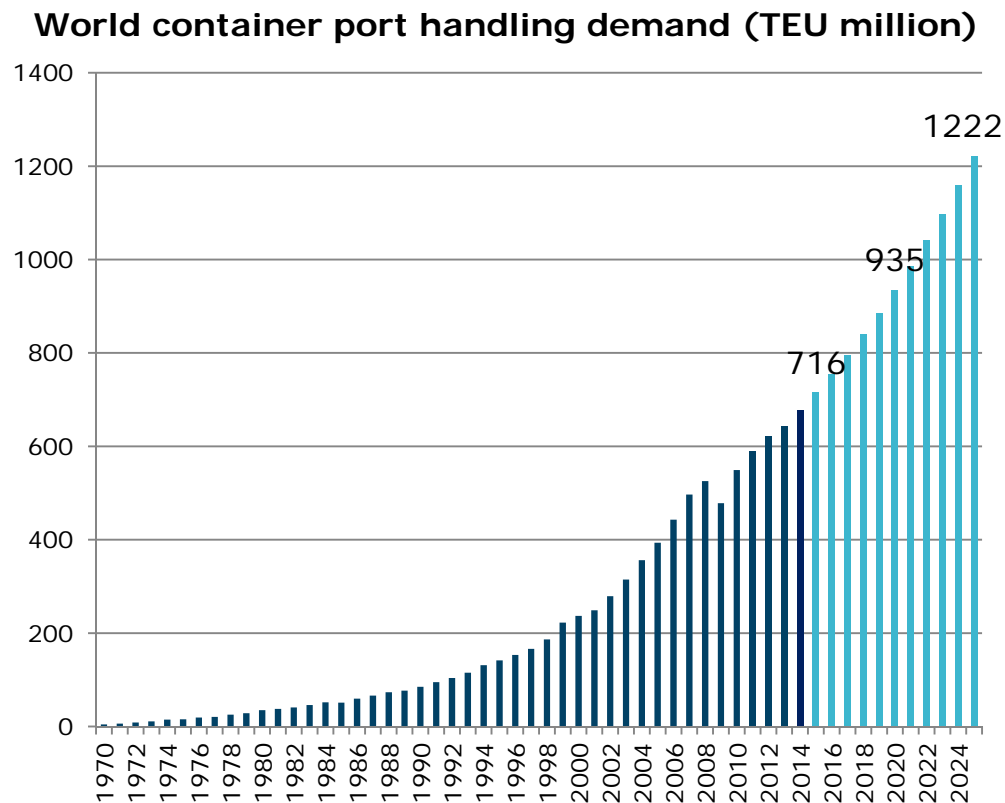
60 shipping
lines and
leading
importers and
exporters

38.3m TEUs
Annually
(by equity-
weighted volume
in 2014)

Global market
share of container
throughput:
5.6%
in 2014

Long-term attractiveness of the port industry is driven by ongoing globalization, containerization and privatization

Projected growth in global container throughput and the need to upgrade infrastructure to accommodate the changing global maritime fleet are key concerns of the port and terminal industry



5 (Source: Drewry Shipping Consultants, January 2014)

Fundamental drivers of port demand

- Global economic growth
- Increased regional trade
- Increased containerization of commodities
- Necessity to upgrade existing capacity
- Privatization opportunities
- Growing consumer demand in developing countries

Safety is the foundation of operational excellence



Transportation

The Fatal 5 Standards have been developed to reduce fatality potential risks in our workplace



Suspended Loads and Lifting

In the terminal in Apapa, Pedestrians around the terminal was a major cause of fatality hence the initiation of a Zero Pedestrians policy within the terminal



Working at Heights

Contractors was also a flash points for incidents with the terminal hence the introduction of a contractor management process from security access to supervision and constant training and re-training on safety procedures within the terminal

These initiatives have reduced Lost time injury frequency rate by 94%

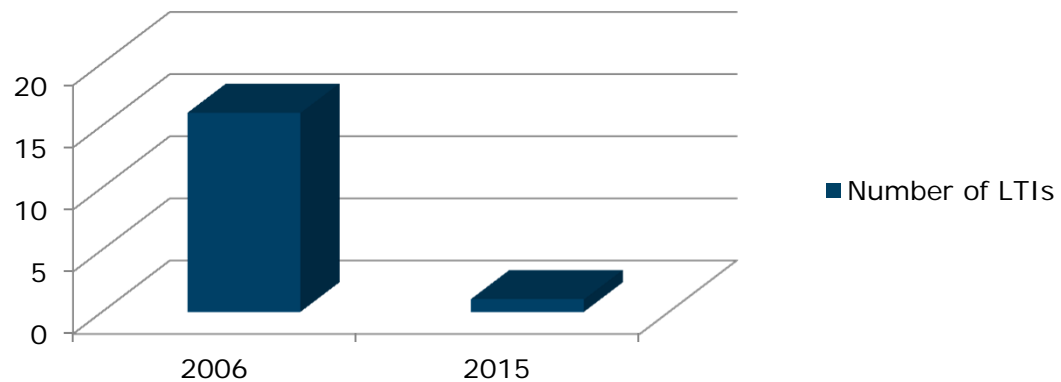


Stored Energy

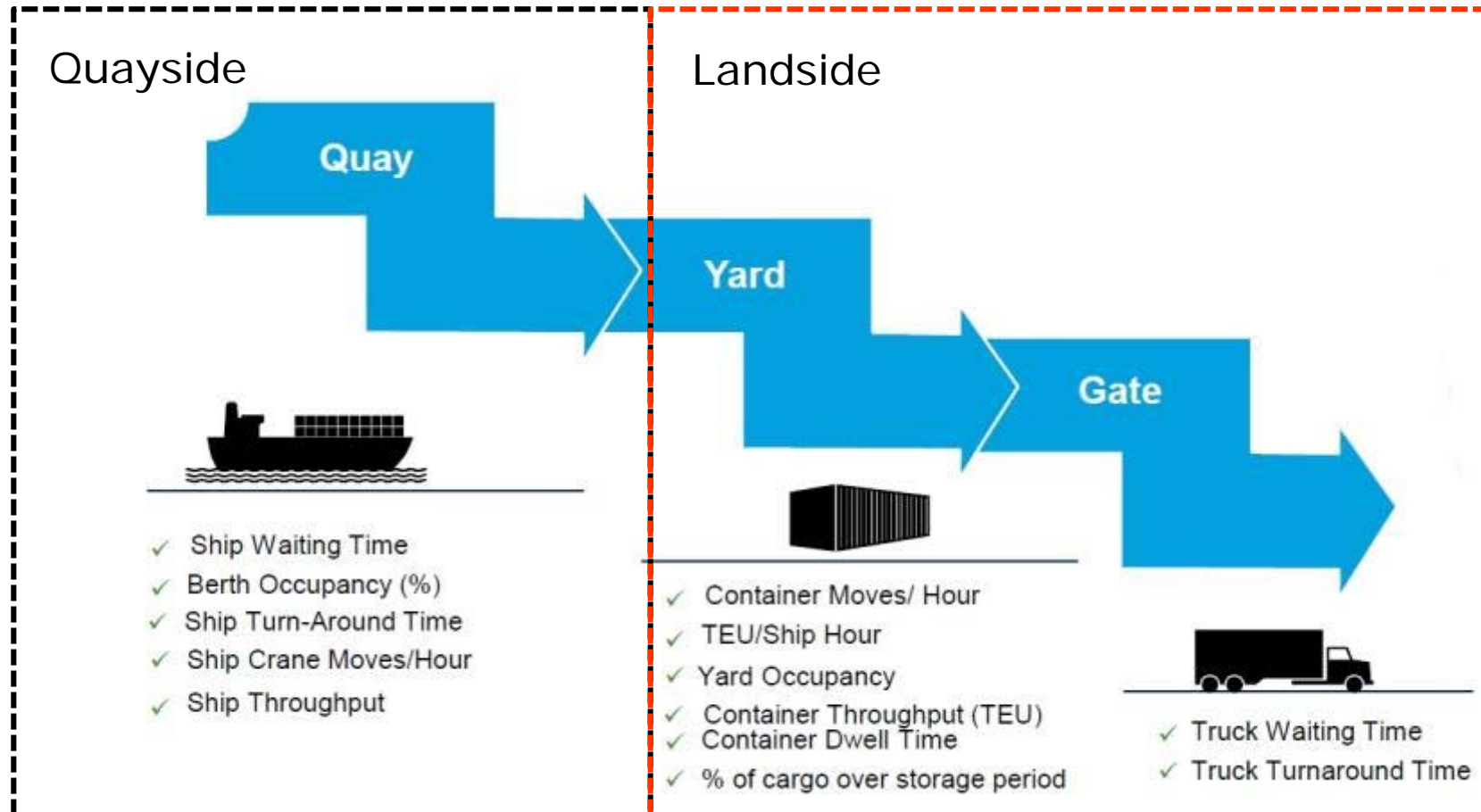


Control of Contractors

Number of LTIFs



Operational efficiency is the sum of the productivity at the quayside and the landside



Efficient ports enable trade

- Efficient terminals like APMT's Apapa terminal enable trade through more capacity and higher container throughput.
- It also enables trade through improving productivity, predictability and reliability, which in turn lower total logistics costs and through that enable trade.
- Thus, when container terminals invest in more capacity and higher productivity, it induces shipping lines to respond with more services, more port calls per service, bigger vessels, which in turn – together with more competition - increases liner shipping connectivity.

Apapa port in 2006 ...



Apapa, Nigeria: Productivity Improvement

- We have invested in the Differential Global Positioning System (DGPS) on our cranes to improve productivity and aid easy tracking of containers
- We also invested in the terminal operating system which is linked to a customer interface which have seen significant improvement in invoicing and tracking of accounts payable, improving cash flow and financial performance

Before takeover



After takeover



...9 years and \$350 million after, APM Terminals, Apapa is a world class port.



Our investments resulted in operational efficiency

70% reduction in vessel turnaround time

Quayside

Operational Excellence

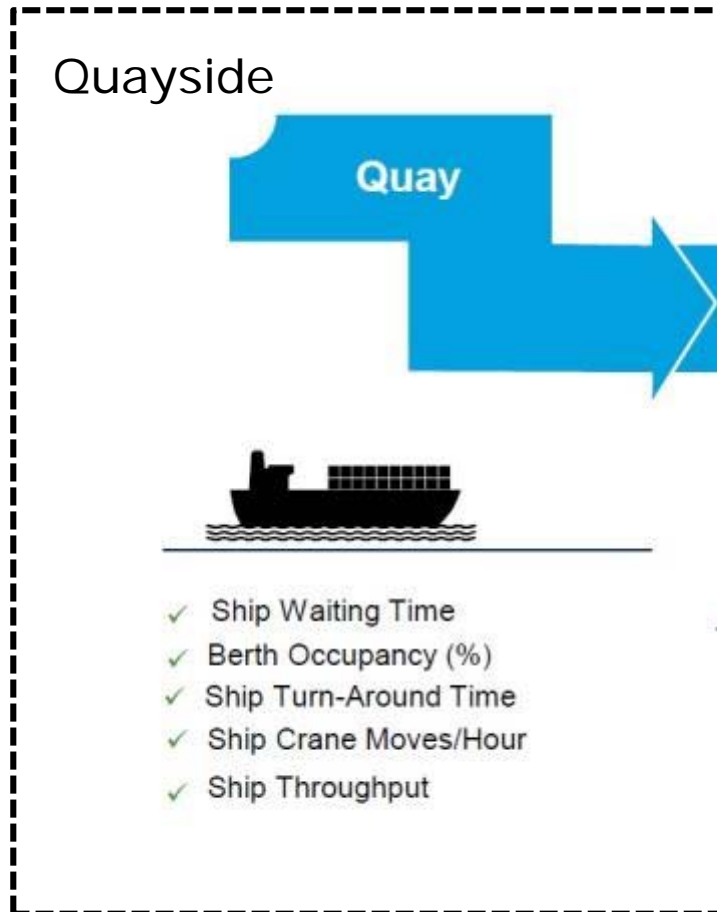
Landside

42% reduction in cargo dwell time.

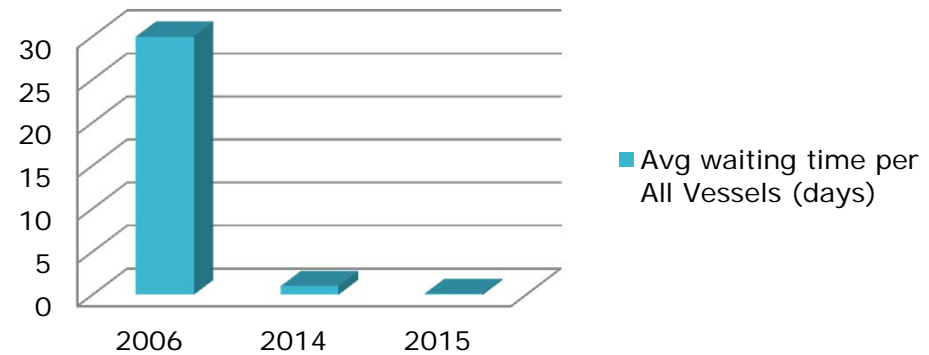
- Changed operations mode from Vessel gear to Quay cranes
- Introduced Berthing windows
- Sponsored training of NPA pilots in Denmark
- Increased berth and crane productivity

- Improved operational infrastructure, handling equipment, staff skills, systems and processes
- Sponsored the Automation of Customs release confirmation.
- Introduced Tiered storage
- Improved the scanning process
- Facilitated the implementation of the fast track channel.
- Physical Inspection days extended to weekends

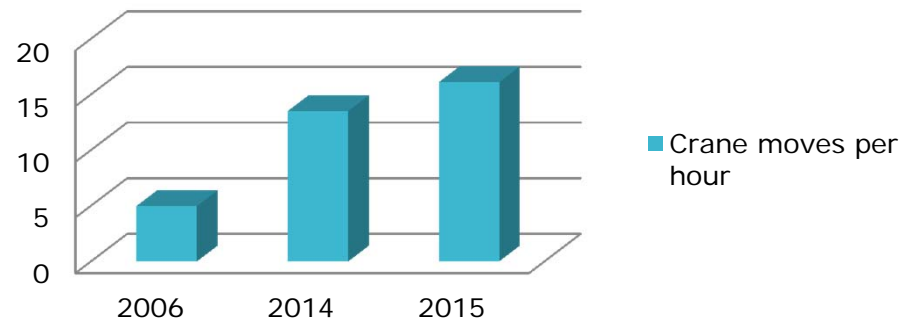
Operational efficiency on the quayside has seen vessels waiting time drop by 99%



Avg Waiting Time/Vessel (days)

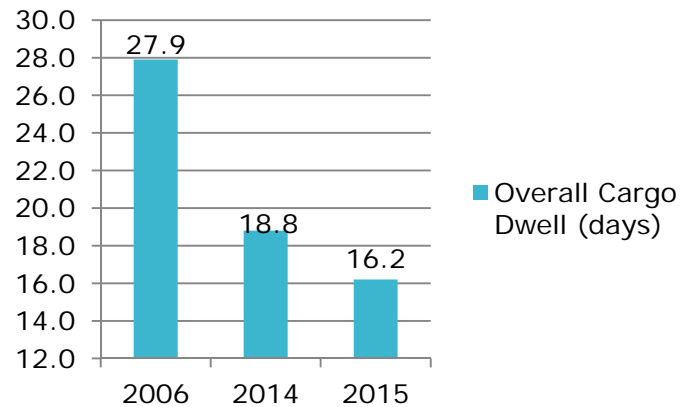


Crane Productivity

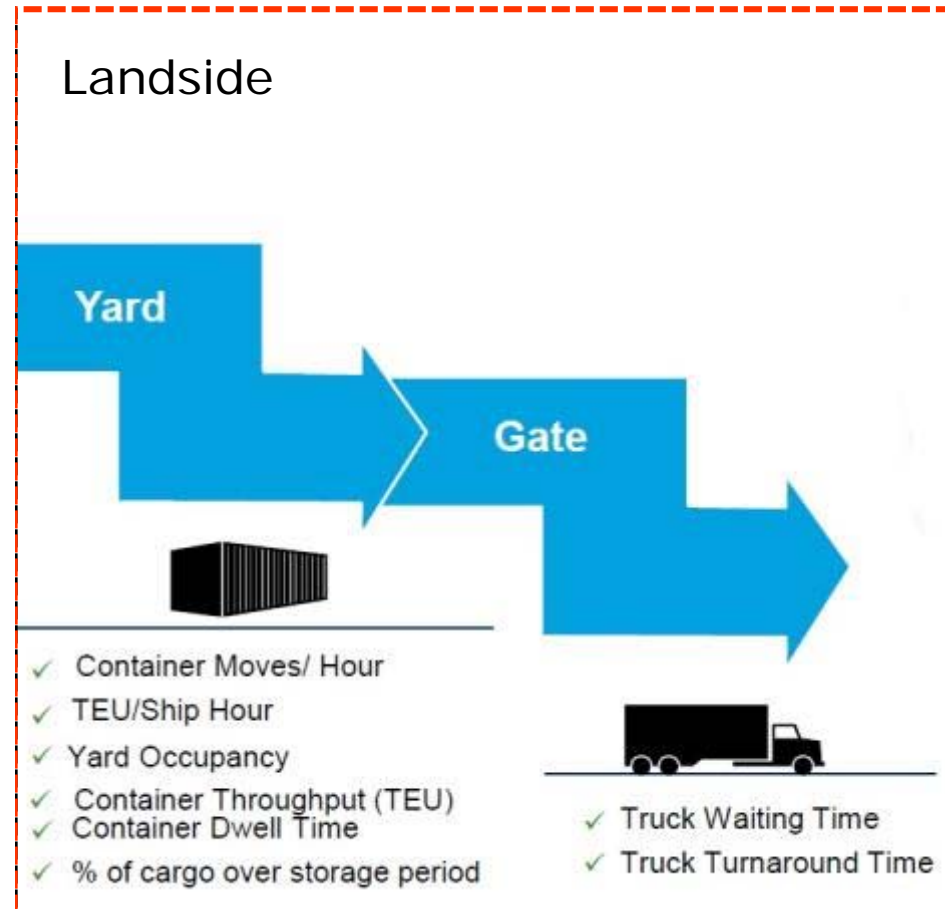


Operational efficiency on the landside has seen cargo dwell time drop by 42%

Overall Cargo Dwell (days)



The turnaround time for trucks also reduced by 33%





The APM Terminals offering gives competitive advantage to our customers

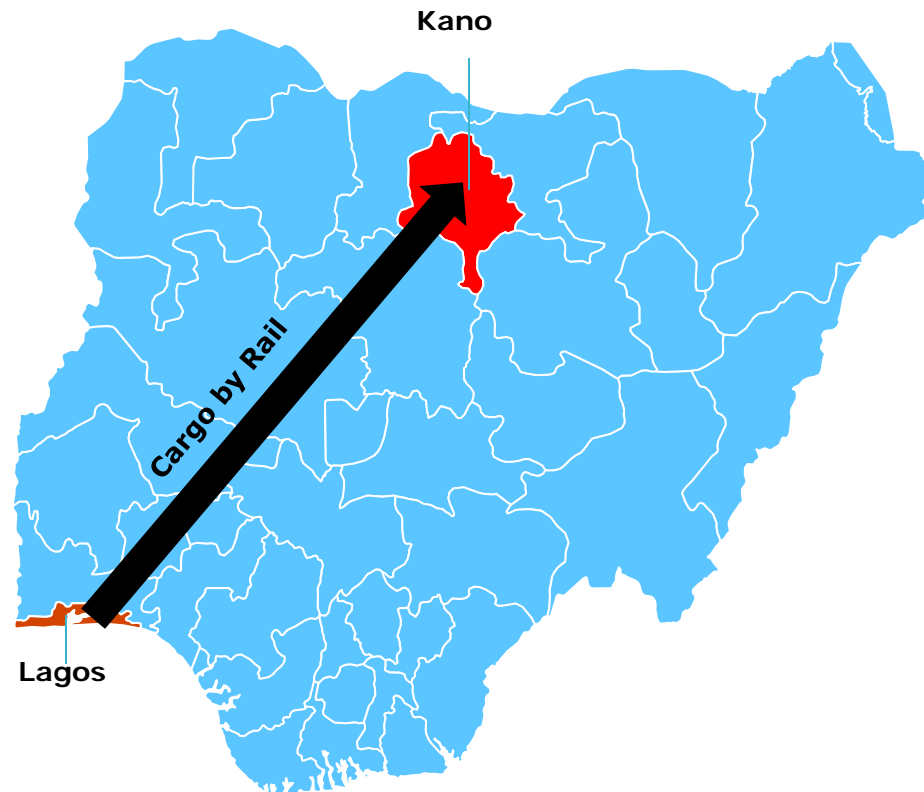
- Deepest water in Nigeria with 13.5m minimum water depth/13.8 maximum vessel draft
- Able to handle current and likely future LOA and Beam requirements
- Project underway to upgrade quay in order to deepen berth and add STS Quay cranes
- Ease of doing business with E-commerce platform via TermView offering:
 - Container Tracking and Tracing
 - E-billing
 - E-payment
 - E-refund

Our Inland Container Depots take the cargo closer to the importers to further increase our users competitive advantage

Our inland container depots (ICD) offers importers an alternative logistics solution by providing an integrated Through Bill of Lading (TBL) Port to destination service

Some of the benefits include:

- Stable and reliable transfer with shorter lead time
- Lower terminal dwell time
- Stronger Supply Chains
- Lower transportation costs
- Seamless container handling to final destination
- On dock rail, reducing transit time and offering greater security and convenience



The gap in logistics operations in Nigeria

Connecting infrastructure

Efficient and effective inland transportation

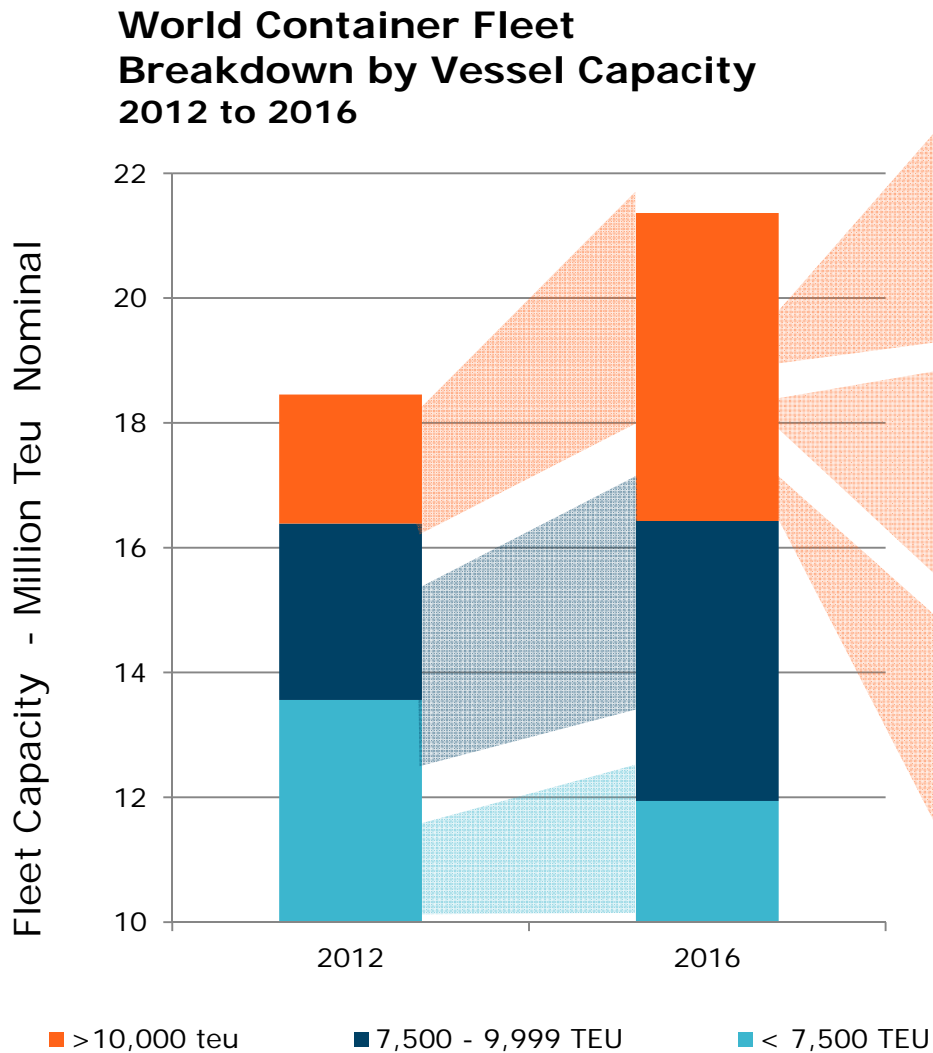
Rail Option

Dry port option

Balance export/import trade



However, increased larger vessels are putting new demands on container terminals



The port industry needs to respond to the increased usage of larger container vessels

The introduction of larger vessels calling the ports in Lagos will put a strain on the existing ports infrastructure

- Deeper drafts would be required
- Larger quay cranes for cargo handling
- Larger yard capacity
- Better connection to the hinterland

The infrastructure in the Lagos ports is exhaustive with limited expansion possibilities



... hence the need to construct world class ports outside of town



The Badagry mega-port is designed for long-term growth and mutual benefit

The Badagry Port is a superior concept

- State of the art port with container, bulk, oil and gas terminal
- Oil refinery
- Rail and Road intermodal connection

Backed by a Nigerian based execution team

- An experienced and capable engineering, construction and operating team with proven track record

It will provide sustained financial benefits

- 'Ripple effects of new jobs and industries created
- Training and development for indigenous workers

It will attract new volumes to Nigeria

- Lasting replacement for congested metro-Lagos area
- Improved hinterland connectivity

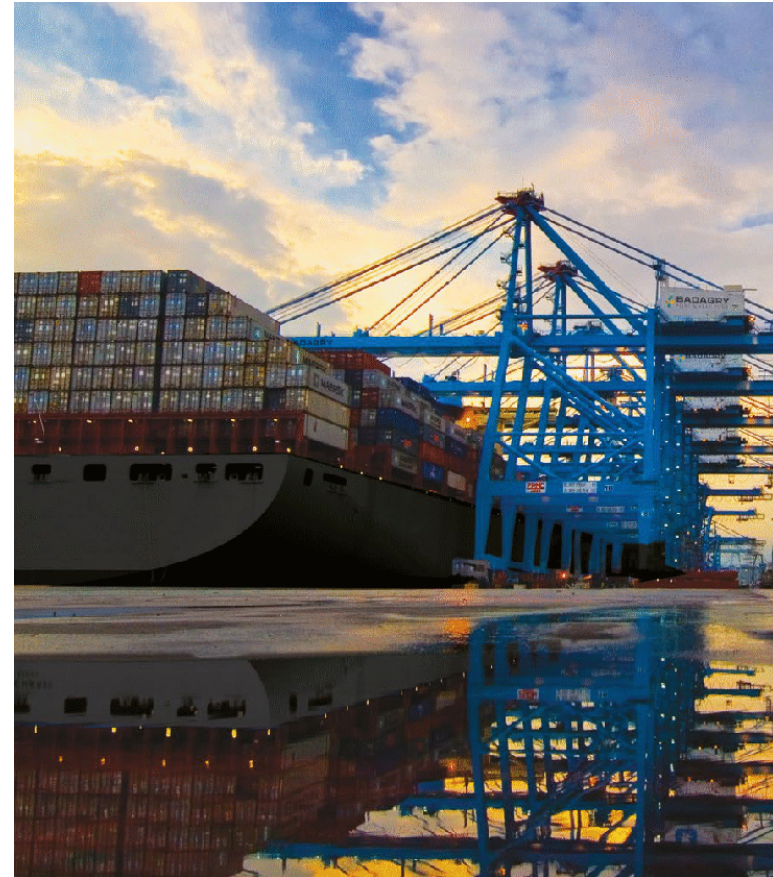


The Badagry container terminal will be able to meet the constantly evolving requirements of its customers

Container Terminal

- Greater yard capacity - 149 hectares
- Longer quay length – 2,490 meters
- Deeper berth - to accommodate 18,000 TEU plus capacity vessels
- Outfitted with ultra-modern Ship-to-Shore Cranes
- Automated Rail Mounted Gantry Cranes in the Yard

The Badagry Container Terminal will be one of the largest and most modern in all of Africa.





APM TERMINALS

www.apmterminals.com