Training course on concessions for ports in West and Central Africa

Contribution by TIL
## Key investment highlights

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Terminal Investment Limited SA (TIL) invests in, develops and manages container terminals around the world. It was founded in 2000 to secure berths and terminal capacity in the major ports used by Mediterranean Shipping Company (MSC).

Since then, TIL has grown to become one of the largest and most geographically diverse container terminal operators globally, with material equity interests in 26 operating terminals and 2 green field terminals.
A leading global container terminal operator with a world-class portfolio

One of the fastest growing container terminal operators with throughput of 26m TEU in 2012 and strong track record of growth

Global terminal operators by gross estimated throughput in 2012 (TEUm)

- Hutchison
- APMT
- PSA
- COSCO
- DP World
- TIL
- China Shipping
- Hanjin
- Eurogate
- Evergreen
- SSA
- Marine
- CMA
- NYK
- HHLA
- Yang Ming

TIL volume growth (100%)(a)

- 2008
- 2009
- 2010
- 2011
- 2012
- 2013

TIL outperformance versus container terminal industry

- 2007
- 2008
- 2009
- 2010
- 2011
- 2012

(a) Consolidation of 100% of volumes of all TIL terminals. Throughput figure based on company information
(b) TEU = twenty foot equivalent unit, 20 foot box = 1 TEU, 40 foot box = 2 TEU
Note: Some figures are estimated and some double counting occurs between operators where joint ownership or management structures exist
Source: Drewry report Global Container Terminal Operators, August 2013

Founded in 2000, TIL has grown to the No. 6th position among the largest container terminal operators according to independent industry consultant Drewry

Strong growth track record with a CAGR in throughput of 14.2% from 2006 to 2012

TIL proved its resilience during the downturn with only slight reduction of volumes in 2009

(a) By gross estimated throughput according to Drewry report Global Container Terminal Operators, August 2013

Source: Company information

Note: Container terminal industry growth data based on TEUs; TIL growth data based on TEUs

Source: Company information; Drewry report Global Container Terminal Operators, August 2013
A leading global container terminal operator with a world-class portfolio

One of the fastest growing container terminal operators with capacity of 36m TEU in 2012 and strong track record of growth

Global terminal operators capacity in 2012 (TEUs)

TIL has grown to the No. 6th position in terms of capacity among the largest container terminal operators according to independent industry consultant Drewry.

In terms of absolute capacity increase TIL increase its capacity by 6 Min TEU (2012), much higher than any terminal operator.

Strong growth track record with a CAGR in throughput of 12.0% from 2009 to 2013.

TIL Capacity Growth

TIL outperformance versus container terminal industry

Note: Container terminal industry growth data based on TEUs, TIL growth data based on TEUs.

Source: Company information; Drewry report Global Container Terminal Operators, August 2013.
A leading global container operator with a world-class portfolio of terminals

Diversified geographic footprint with interests in 28 terminals in 21 countries across 5 continents

TIL owns terminals located in strategic Origin & Destination (O&D) ports and key hubs globally.

Substantial exposure to emerging market growth.

TIL enjoys a presence at 7 of the world’s 20 busiest ports by volume with significant positions in Antwerp, Rotterdam, Bremerhaven, Long Beach, Ningbo, Newark and Singapore.

TIL’s geographic presence

<table>
<thead>
<tr>
<th>Year</th>
<th>North America</th>
<th>South America</th>
<th>Central &amp; South America</th>
<th>North Europe</th>
<th>Asia</th>
<th>South Europe &amp; Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>19%</td>
<td>7%</td>
<td>9%</td>
<td>36%</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>2013</td>
<td>18%</td>
<td>18%</td>
<td>7%</td>
<td>28%</td>
<td>26%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note: Volume split by TEU moves. Source: Company Information.
# Antwerp terminal overview
(MSC Home Terminal)

## Key stats

- **Start date**: 2004
- **Lease expiration**: 2031
- **Area**: 172 ha
- **Draft**: 15.6 m
- **Maximum vessel size**: 14,000 TEUs
- **Quay length**: 2,580 m
- **# of berths**: 9

## Key highlights

- North Europe transhipment hub and gateway into key industrial hinterlands
- Significant refurbishment in 2004 including new quay wall, repaving of yard, new gates and equipment
- Reputation for high productivity
- Direct access for barges and on-dock rail and close proximity to motorway
- Evaluating options for an off-dock facility

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(1) Based on the date when the concession was granted or the commencement of the JV with the terminal operator, whichever is the later.
Valencia terminal overview  
(MSC Terminal Valencia)

**Key stats**
- **Start date**: 2005
- **Lease expiration**: 2036
- **Area**: 37 ha
- **Draft**: 16.0 m
- **Maximum vessel size**: 14,000 TEUs
- **Quay length**: 770 m
- **# of berths**: 2

**Key highlights**
- Western Mediterranean transhipment hub and distribution gateway for the Iberian Peninsula
- Excellent access to Madrid via toll-free motorway and on-dock rail link
- Conceived by TIL and constructed by the port authority in 2005–2006 with design and construction overseen by TIL
- TIL successfully initiated key changes to improve productivity and profitability in 2008
- 2 hectare area extension planned and potential to acquire adjacent ro-ro terminal and nearby off-dock facilities

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(1) Based on the date when the concession was granted or the commencement of the JV with the terminal operator, whichever is the later.
South and Central America: Santos, Brazil

Santos Terminal overview (Brasil Terminal Portuario)

Key highlights
- Serves key import / export local in the most industrialized area of Brazil
- Developed by TIL from a greenfield site in 2009-2012
- State-of-the-art facilities and modern equipment due to recent construction
- Partner is APMT

Key stats
- Start date(1): 2013
- Lease expiration: 2027
- Area: 44 ha
- Draft: 15 m

- Maximum vessel size: 9,200 TEUs
- Quay length: 1,110 m
- # of berths: 3

(1) Start of operations.
Singapore Terminal overview
(MSC PSA Asia Terminal)

Key stats
- **Start date**: 2005
- **Area**: 52 ha
- **Draft**: 18.0 m
- **Maximum vessel size**: 14,000 TEUs
- **Quay length**: 1,800 m
- **# of berths**: 5

Key highlights
- Important transhipment hub in world’s second largest container port and largest transhipment hub
- State-of-the-art terminal built in 2005 – the largest and most modern terminal in Singapore
- Terminal recently added a 5th berth, increasing capacity to 5,1 MM Teumoves
- Option for 3 additional berth up to 8 MM Teumoves.

(1) Based on the date when the concession was granted or the commencement of the JV with the terminal operator, whichever is the later.
Port overview

- The port occupies a strategic position along the Gulf of Guinea, located to serve as a transhipment hub for the African west coast.
- The only port on the West African coast with natural water depth of 14m\(^{(a)}\).
- Conceived as a container transhipment hub intended to serve West Africa\(^{(a)}\).
- Serves as a gateway to the landlocked countries of Mali, Niger and Burkina Faso and to the northern areas of Nigeria.

Terminal overview

- Under construction to include state-of-the-art container handling equipment.
- Expected to operate 24 hours a day all year round with a free trade zone attached.
- Capacity expansion possible.

(a) Drewry Maritime Advisors
Source: Drewry Maritime Advisors
# Lomé terminal – technical overview (Greenfield)

**Lomé Container Terminal**

<table>
<thead>
<tr>
<th>Key dates</th>
<th>Technical specification (target in 2017E&lt;sup&gt;(a)&lt;/sup&gt;)</th>
<th>Equipment (target in 2017E&lt;sup&gt;(a)&lt;/sup&gt;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>- Capacity: 1.4m moves (2.0m TEUs)</td>
<td>- 12 ship-to-shore gantry cranes</td>
</tr>
<tr>
<td></td>
<td>- Volume: n/a</td>
<td>- all super post panamax</td>
</tr>
<tr>
<td></td>
<td>- Utilisation: n/a</td>
<td>- Rubber tyred gantry cranes</td>
</tr>
<tr>
<td></td>
<td>- Draught: 15.5m</td>
<td>- Electric rubber tyred gantry cranes operations</td>
</tr>
<tr>
<td></td>
<td>- Quay length: 1,050m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Area: 48ha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Maximum vessel size: 14,000 TEUs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ownership structure</th>
<th>2058 Expiration of current lease</th>
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<tbody>
<tr>
<td>TIL 50%&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>50%</td>
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</tbody>
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Not disclosed

Source: Company information

(a) 3 years after all Greenfield projects are commissioned

- 3 years after all Greenfield projects are commissioned
Optimization of Concessions – TIL’s Perspective

✓ Futuristic View - See beyond tomorrow
✓ Long Duration - 30 - 50 years for BOT projects
✓ Division of Responsibility - Port Authority develops the Infrastructure and the Operator provides Superstructure and Equipment
✓ Following conditions must be met by the port authority:
  ✓ Proper hinterland connections
  ✓ Adequate Marine Services
  ✓ Provide Utilities Connections
✓ Phased Development - allow the Operator to develop the terminal as per market demands
✓ Realistic Productivity Benchmarks
✓ No Minimum Guaranteed Throughput
✓ Tariff - Freedom to set Tariff subject to regulation in case of a monopoly
✓ Labor – the terminal operator should be free to hire its own staff
✓ Bankable – the concession agreement should be bankable and allow for non-recourse financing
✓ Added value by having a shipping line onboard
Role of a Port Authority - TIL's Perspective

- Landlord and Regulator
- Develop Port Infrastructure
- Maintain Port Infrastructure
- Port Safety and Security
- Marine Services
- Intermodal Connectivity
- Utility Services
- Licenses and Permits
- Develop Port Community
- Ensure Customs Cooperation
Bidding Process and Bid Parameters - TIL’s Perspective

Market consultation
- Important first step in any tender process
- Outcome to be considered in project development and bid process
- "free advise" from potential future users

Request for qualification (RFQ)
- Advertise in Global Publications and contact known global Operators in advance
- Allow Sufficient Time
- Qualifying Criteria according to Project Size
- Transparent, and Measurable Qualifying Criteria
- No Subjectivity in Qualifying Assessment
- Clear and Unambiguous Instructions
- Minimize Administrative Requirements (e.g. language, currency, legalization etc.)
- Pre-bid Meeting
- No limit to number of qualifying parties
- Use of Parent and Subsidiary Companies should be allowed

Shortlisting
- Within one month after submission of qualification documents
- All parties to be informed
- Parties should not be disqualified due to technicalities
Bidding Process and Bid Parameters - TIL’s Perspective

Request for Proposal (RFP)
✓ Clear Bid Instructions
✓ Provide Draft Concession Agreement
✓ Sufficient time for Submission
✓ Realistic Performance Criteria
✓ Pre-bid Meeting
✓ Realistic requirement of technical information
✓ Reasonable Bid and Performance Bond
✓ Development in Phases – allow Operator to Develop the terminal as per market demand
✓ Transparent and Measurable Bid criteria
✓ Minimum Qualitative Assessments (no room for ambiguity)
✓ Technical and Financial Proposals

Preferred Bid Criteria
✓ Revenue Share
✓ Royalty per box/teu
✓ Lease Rent

Bid award
✓ Award based only on Financial Proposal
✓ No substantial deviation during negotiation
TIL’s view on critical success factors for a new development

- (the terminal should be able to cater for large ships)
- The concession term should be long enough for the operator to obtain a viable return of investment
- The concession should be given in a competitive level playing field
- The concession should be bankable
- The marine access should be adequate
- Proper hinterland connections should be available
- Adequate marines services should be available
- The terminal should be allowed to set its own tariffs