

# Lifting Global Trade

Helping nations achieve their ambitions  
and businesses reach their goals







APM Terminals Algeciras is Spain's largest container terminal strategically located on the Strait of Gibraltar and serving as a hub for all major trade lanes.



# We are 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 is a leading global port and cargo inland services provider with a presence in 69 countries providing the world's most geographically balanced Global Terminal Network.

Based in The Hague, Netherlands, the company works with shipping lines, importers/exporters, governments, business leaders and the entire global supply chain to provide solutions that help nations achieve their ambitions and businesses reach their performance goals.

Our global team of 22,000 professionals define our Customer-centered service with the expertise, trust and reliability to be both the partner of choice – and the employer of choice. We currently have nearly \$8 billion invested capital in new ports and facility expansions to lead the industry and create a new era in port infrastructure.

The shipping industry is changing with the global economy and requires new solutions, higher productivity and consistent performance to grow with the challenges of the future.

[www.apmterminals.com](http://www.apmterminals.com)  
[www.apmterminalsphotos.com](http://www.apmterminalsphotos.com)  
[www.apmvideonews.com](http://www.apmvideonews.com)



## APM TERMINALS BY THE NUMBERS

**\$4.24 billion** annual revenue in 2015

**69** countries

**72** operating port facilities

**9** new facilities in development

**140** Inland Services Operations

**36 million** TEUs (weighted by equity share) handled in 2015

**685 million** TEU volume of global port container traffic in 2015

**22,000** employees

## LETTER FROM THE CEO



APM Terminals is continuing to expand operations and services to meet the needs of our customers around the world with new infrastructure investment, enhanced capabilities, and with industry-leading standards of safety performance and productivity. The APM Terminals Global Terminal Network, the world's most geographically balanced portfolio of containerized and general cargo port and inland services facilities, currently has nearly USD \$8 billion of invested capital dedicated to building the world's recognized leader in global terminal operations. We and our partners are committed to strengthening and enhancing the global logistics chain to enable new access to international trade, and to help make available new opportunities for growth and social progress for emerging markets.

The most recent International Monetary Fund World Economic Outlook (October 2016) forecasts project a 3.8% growth in World Trade Volume, and a global GDP growth rate of 3.4%. These figures both represent a healthy increase over 2016, with global container handling volume expected to exceed 725 million TEUs this year. We take a long-term perspective towards infrastructure investment, portfolio growth, and building strong relationships with our customers. APM Terminals will continue to grow, to work closely with partners and customers, and to expand our crucial role in lifting global trade.

**Morten Engelstoft**  
Chief Executive Officer  
APM Terminals  
The Hague, Netherlands





A commercial team works on a client proposal.

OUR COMPETITIVE ADVANTAGE

# Helping our clients succeed

We are in a service business - a repeat business.

APM Terminals business model has always been to create value to our clients that they cannot get from anyone else – value that gives them a competitive advantage.

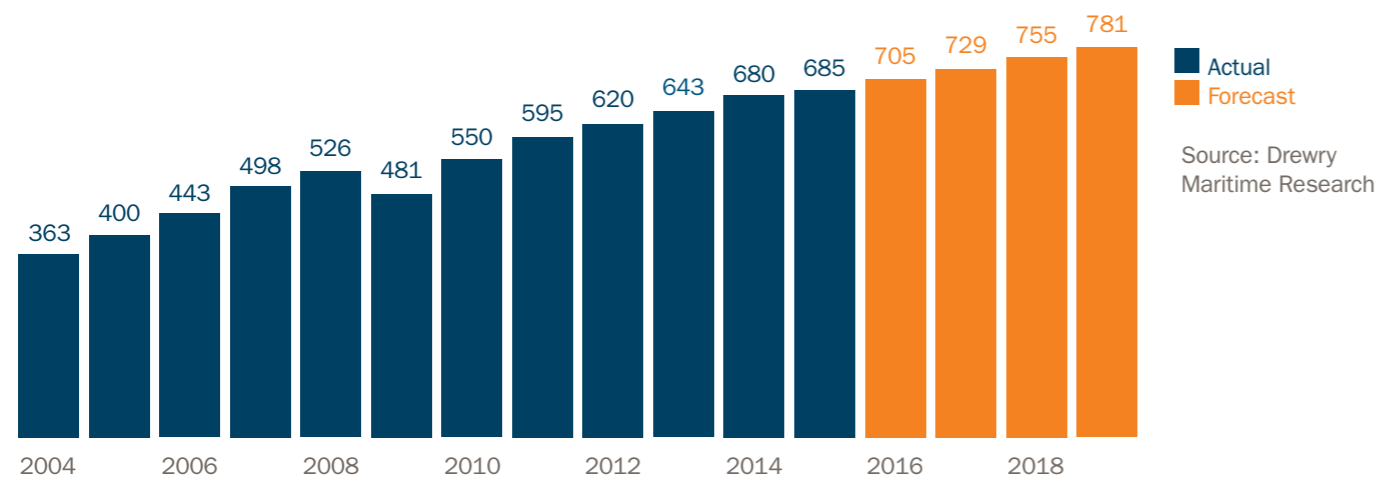
We have designed the world’s leading Global Terminal Network to offer an unmatched global, integrated network of ports and inland service activities in the most strategic locations – that we constantly improve.

By offering the market the best choices for routing containers and backing that up with the expertise of our people we can help meet the challenges facing our clients through any economic cycle.

Client after client, we hear again and again that the thing they value most is the expertise of APM Terminals people. We bring expertise in operations, productivity, engineering, finance and management to help clients leverage their vessel networks to become smarter and simpler.

Our commercial teams worldwide work together to identify improvements in services, liner network optimization and ways to make liner operations more competitive. In 2016, our teams are continuing to deliver ongoing improvements in contract standardization and metrics to help shipping lines make better informed and data-driven decisions when negotiating contracts. Although cost will always be a critical factor, we compete on more than just price; by delivering a broader set of transportation solutions for shipping lines, supply chain managers and other key players in the market.

Actual and forecast global container port throughput (million TEU)





## OUR COMPETITIVE ADVANTAGE

# Partnering with us

We take great pride in seeking best-in-class organizations to help our customers, expand our market reach, increase operating efficiencies and to develop the local relationships of trust needed day-in, day-out with business and government leaders.

#### Our partners make us stronger

We are proud to say that the majority of our Global Terminal Network is built on partnerships through joint ventures with local businesses, governments and customers. This foundation is one of our competitive advantages and growth strategies.

By teaming up with partners, we have been able to help customers defray costs, enter new markets faster and offer sustainable service while keeping pace with the demands of the marketplace. We remain focused on operational excellence, and the disciplined execution of our business strategies, which position us well for the future.

We offer our partners the expertise, transparency, stability, financial strength and operational excellence needed to perform in any economic cycle.



A full berth at Suez Canal Container Terminal in Port Said, Egypt.

We offer our partners the expertise, transparency, stability and operational excellence needed to perform in any economic cycle.





#### OUR COMPETITIVE ADVANTAGE

## Our employees

Our goal is to be the employer of choice.  
Talent + Execution = Results.

At APM Terminals an individual can actually change the world, see societal progress through our activities, learn something new every day, collaborate with some of the smartest people in the industry, work in a progressive environment... and be a truly global citizen.

APM Terminals is global in scale, scope and influence, with 22,000 dedicated colleagues in 69 countries working together to make our company the best in the industry. Accomplishing such a goal takes commitment and ambition on both a corporate and personal level, but the rewards, both personally and professionally are well worth the effort.

#### Diversity

With operations on five continents and in every major global trade lane, APM Terminals draws from the very best, providing opportunities for personal and professional growth for employees locally and internationally.

As we continue to expand into high growth markets in Asia, Latin America, Africa, the Middle East and Eastern Europe, our workforce, at all levels, will increasingly reflect the richly diverse social fabric of the communities we serve. Local hiring and training is a cornerstone of APM Terminals corporate policies and why government leaders like to partner with us to offer their people global career opportunities.

#### Training

Standardized, formal instruction and practical training on equipment and procedures is being implemented throughout the APM Terminals Global Terminal Network. We have invested in crane simulators which are now the most advanced in Africa so that for the first time crane operators can be trained within the region. There will be more opportunities to come.

#### Professional education

Each year, we continue to raise our standards of performance and qualifications to ensure our team of professionals can grow our business through on the job learning and training and development. The way we develop leaders in our MAGNUM training program is one of the reasons we are one of the top ranked companies in our industry. We are constantly progressing on our diversity, work/life balance and environmental and collaboration policies and programs.

Chosen from applicants within the APM Terminals Global Terminal Network through a rigorous selection process, APM Terminals' talent acceleration MAGNUM program participants undertake a three-module, one year program featuring practical terminal hands-on training assignments as well as rigorous classroom curricula.

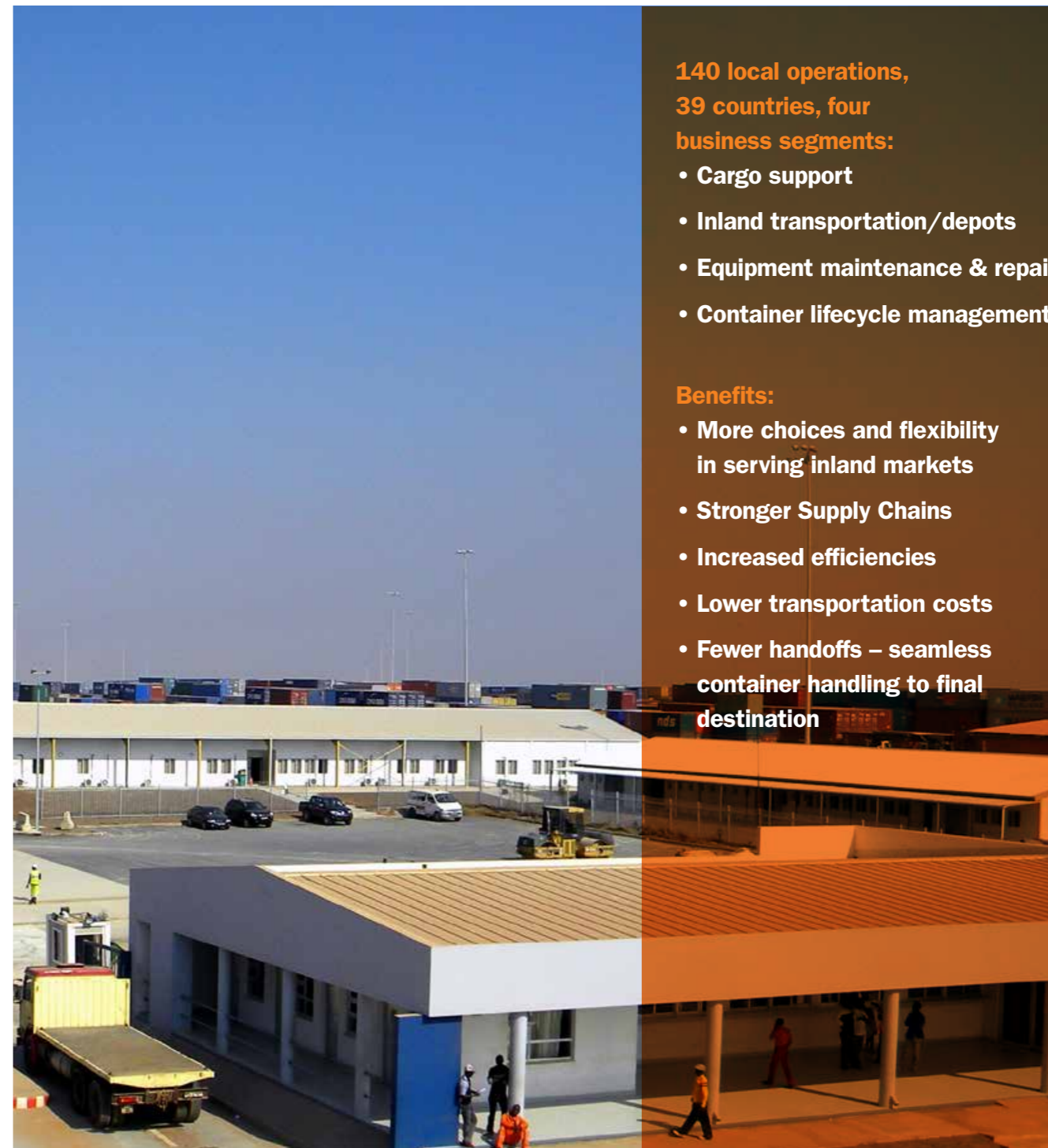


OUR COMPETITIVE ADVANTAGE

# Inland services

Making inland markets easier to serve through the world's leading inland services' network

The Panguila Inland Container Depot and logistics park, Luanda, Angola.



**140 local operations,  
39 countries, four  
business segments:**

- Cargo support
- Inland transportation/depots
- Equipment maintenance & repair
- Container lifecycle management

**Benefits:**

- More choices and flexibility in serving inland markets
- Stronger Supply Chains
- Increased efficiencies
- Lower transportation costs
- Fewer handoffs – seamless container handling to final destination



# Safety is a way of life at APM Terminals

We have identified five common fatality-potential risks; Transportation, Suspended Loads and Lifting, working at heights, Stored Energy and Control of Contractors. To eliminate fatalities and further promote safe operations, we have established controls in each of these five critical areas.

Every day more than 100,000 truck drivers enter our facilities in 69 countries around the world. We are dedicated to the responsibility of ensuring a safe work environment for anyone who's business brings them to any of our facilities; we believe that everyone should be able to return home safely at the end of their work day.

APM Terminals embraced a "Safety for Life" program in 2004, designed to continuously improve safety practices throughout the APM Terminals Global Terminal Network. This was followed by the introduction of a company-wide "Safety Culture" initiative in 2008, which emphasized safety education, training, drills and rigorous measurement to increase risk awareness and mitigation, and improve safety performance.

APM Terminals has continued to focus on eliminating accidents and advancing Safety Culture through the elimination of high-risk situations by separation of man and machine, and ongoing safety enhancements throughout the portfolio.

Kevin Furniss, APM Terminals' Vice President for HSSE will continue to focus on mobilizing our global organization to aggressively identify and address safety risks and challenges throughout the APM Terminals Global Terminal Network.

In 2012, APM Terminals became a Charter Member of the Campbell Institute of the U.S.- based National Safety Council (NSC), a century-old non-profit organization dedicated to "preventing injuries and deaths at work, in homes and communities, and on the roads through leadership, research, education and advocacy". The Campbell Institute is the center of excellence for environmental, health and safety (EHS) at the NSC. The Institute seeks to foster healthy and high performing workplaces through identification and sharing of best practices in order to continuously improve EHS performance on a global scale.

## Safety performance

APM Terminals' combined Lost-Time Injury Frequency (LTIF) rate for terminal and inland services operations in 2015 was 1.94 per million man-hours worked.

## Global recognition, local achievement

Both APM Terminals Pier 400 Los Angeles, and APM Terminals Tacoma received top industry safety honors at the respective Pacific Maritime Association's (PMA) annual Safety Awards Banquets for the Southern California and Washington State regions. On March 10th APM Terminals Pier 400 Los Angeles received a total of four safety awards at the 67th Annual PMA Area Accident Prevention Committee Safety Awards banquet in Long Beach. APM Terminals Tacoma was awarded First Place in both the Washington Area and Coast-Wide Container Category C operations (100,000 -499,999 man-hours annually), at a March 2nd banquet. APM Terminals Tacoma handled 229,000 TEUs in 2015.

APM Terminals Pier 400 Los Angeles won the PMA Coast Accident Prevention Award in the category of Terminal Operations, Group A (for terminals with over one million man- hours worked annually), for the best Safety Performance achieved in 2015 in all operations at US West Coast ports. This marks the seventh out of the last nine years that APM Terminals Pier 400 Los Angeles has earned this distinction. The Los Angeles operations also won the Southern California Area Container Terminal Safety Award for Group A, in addition to receiving the Coast and Southern California Area awards for Three Year Incident Rate Reduction. The Lost-Time Injury Frequency (LTIF) rate at APM Terminals Pier 400 Los Angeles was 2.19 per million man-hours worked for the year in 2015, a 14% improvement over last year's award winning 2.54 LTIF rate. APM Terminals Pier 400 Los Angeles' LTIF rate also was 14% lower than the Southern California PMA region average.

The PMA safety awards are based on reported injury rates per man-hours worked, and are categorized by geographic area and by size. Awards are presented for the Southern California ports, and also for the Washington and Oregon ports. Container Terminal "Category A" are those facilities representing more than one million man hours worked per year. Local area awards are presented in each of the terminal categories based on injury rates, and the Coast awards are given in each terminal category for the best safety performance on the entire West Coast. The Lost-Time Injury Frequency (LTIF) rate at Pier 400 was 2.54 per million man-hours worked for the year in 2014.

Aqaba Container Terminal (ACT), the Kingdom of Jordan's primary port, was named the winner of the 2014 Workplace Safety and Health Award by the Jordanian Social Security Corporation. This achievement was recognized at ceremony sponsored by the Jordanian Minister of Labor and Board Chairman of the Social Security Corporation, Dr. Nidal Qatamin, who was represented by the Social Security Corporation's Director General, Nadia Al Rawabdah. The award was bestowed upon ACT for exceeding all health and safety standards and benchmarks established by the relevant Jordanian national authorities.

ACT reduced health and safety-related incidents by nearly one third between 2014 and 2015, registered a 32% decline in workplace accidents, while safety checks and observations were increased by 13% over the same period as new risk management procedures have been put into place.

The port facility, located on the Red Sea, performs rigorous inspections and evaluations, to identify and resolve potential work hazards. ACT employees undergo regular training on a comprehensive array of health and safety issues, in preparation to handle any health or safety emergency.

ACT is a joint venture between the Aqaba Development Corporation (ADC), the Jordanian Government's development arm for the Aqaba Special Economic Zone, and APM Terminals, which manages the facility. A terminal expansion project completed in October 2013 added 460 meters to the existing quay to create a total quay length of 1 km, increasing the annual container throughput capacity to 1.3 million TEUs. Container throughput in 2015 was 767,000 TEUs.

## The key elements of our Safety for Life program are:

### Operational risks

- Demonstrate constant care.
- Safety is integrated into planning, decision making and change processes.
- Significant operational risks are understood and actively managed.
- The integrity of operations is continuously assessed.
- Operations are adjusted in response to safety concerns.
- Contractors are effectively controlled.

### Leadership & culture

- Accountability through empowerment.
- Safety is a reflection of our core values.
- Managers, Supervisors act as Safety Leaders.
- Leadership for safety is at supervisor level.
- Everyone visibly engaged in safety activities.
- Everyone can explain their contribution to safe operations.
- Zero tolerance for unsafe acts – everyone intervenes.

### Technology & innovation

- Striving for higher standards.
- Infrastructure and assets are safe by design.
- Innovation and automation drives risk reduction and safety improvement.
- Supply chain partners contribute to safety improvement.

### Capability & learning

- Building the right team.
- Employees and Leaders competent and well trained.
- Highly effective safety teams coaching and supporting.
- Contractors are actively engaged in our safety journey.
- APM Terminals is recognised as a strong learning organisation for safety.

### Global minimum requirements

The Global Minimum Requirements (GMRs) comprise 45 items and set the minimum threshold of what must be in place in all facilities regardless of size, product offering and location. The GMRs are the outcome of four key risk areas identified in APM Terminals.

### Global Safety Day April 28, 2016

Under the theme "Safe for you. Safe for Me." APM Terminals celebrated its 10th annual Global Safety Day on 28th April with an emphasis on raising awareness among employees and contractors on the importance of risk management. Presentations, workshops and activities were conducted across the APM Terminals Global Terminals Network's 72 operating port and terminal facilities as well as Inland Services operations, in 69 countries around the world.



## OUR COMPETITIVE ADVANTAGE

# APM Terminals' Global Terminal Network

## North America

- 1 Port Elizabeth, New Jersey, USA
- 2 Charlotte, North Carolina, USA
- 3 Miami, Florida, USA
- 4 Mobile, Alabama, USA
- 5 Los Angeles, California, USA
- 6 Tacoma, Washington, USA

## Latin America

- 7 Lazaro Cardenas, Mexico
- 8 Yucatan, Mexico
- 9 Quetzal, Guatemala
- 10 Moin, Costa Rica
- 11 Panama City, Panama
- 12 Cartagena, Colombia
- 13 Buenaventura, Colombia
- 14 Callao, Peru
- 15 Pecem, Brazil
- 16 Rio de Janeiro, Brazil
- 17 Santos, Brazil
- 18 Paranagua, Brazil
- 19 Itajai, Brazil
- 20 Buenos Aires, Argentina

## Europe

- 21 Zeebrugge, Belgium
- 22 Rotterdam (2 Terminals: APM Terminals Rotterdam and APM Terminals Rotterdam Maasvlakte II)
- 23 Bremerhaven, Germany
- 24 Wilhelmshaven, Germany
- 25 World Headquarters, The Hague, Netherlands
- 26 Gothenburg, Sweden
- 27 Aarhus, Denmark
- 28 Gijon, Spain
- 29 Algeciras, Spain
- 30 Valencia, Spain
- 31 Castellon, Spain
- 32 Barcelona, Spain
- 33 Barcelona, Spain
- 34 Marseille-Fos, France
- 35 Vado, Italy (2 Terminals: Vado Reefer Terminal, and APM Terminals Vado, under construction)
- 36 Izmir, Turkey
- 37 Tangier, Morocco (2 Terminals: APM Terminals Tangier, and APM Terminals MedPort Tangier, under construction)
- 38 Port Said (SCCT), Egypt



## Key colors

- Head Offices
- Operational terminals
- ◆ Terminals with expansion projects
- New terminal projects
- ▲ Office

## Russia-Baltics

- 39 Helsinki, Finland
- 40 Kotka, Finland
- 41 Tallinn, Estonia
- 42 St. Petersburg, Russia (4 Terminals: Petrosport, First Container Terminal, Moby Dik Container Terminal and Ust-Luga Container Terminal)
- 43 Moscow, Russia
- 44 Vostochny, Russia

## Africa-Middle East

- 45 Poti, Georgia
- 46 Conakry, Guinea
- 47 Monrovia, Liberia
- 48 Abidjan, Ivory Coast (2 Terminals: Abidjan Terminal, and TC2 under construction)
- 49 Tema, Ghana (2 facilities: Menden Port Services, and new deep-water hub under construction)
- 50 Cotonou, Benin
- 51 Apapa, Nigeria
- 52 Onne, Nigeria
- 53 Douala, Cameroon
- 54 Pointe Noire, Rep. of Congo
- 55 Luanda, Angola
- 56 Namibe, Angola
- 57 Aqaba, Jordan
- 58 Salalah, Oman
- 59 Bahrain, Bahrain
- 60 Dubai, UAE
- 61 Colombo, Sri Lanka

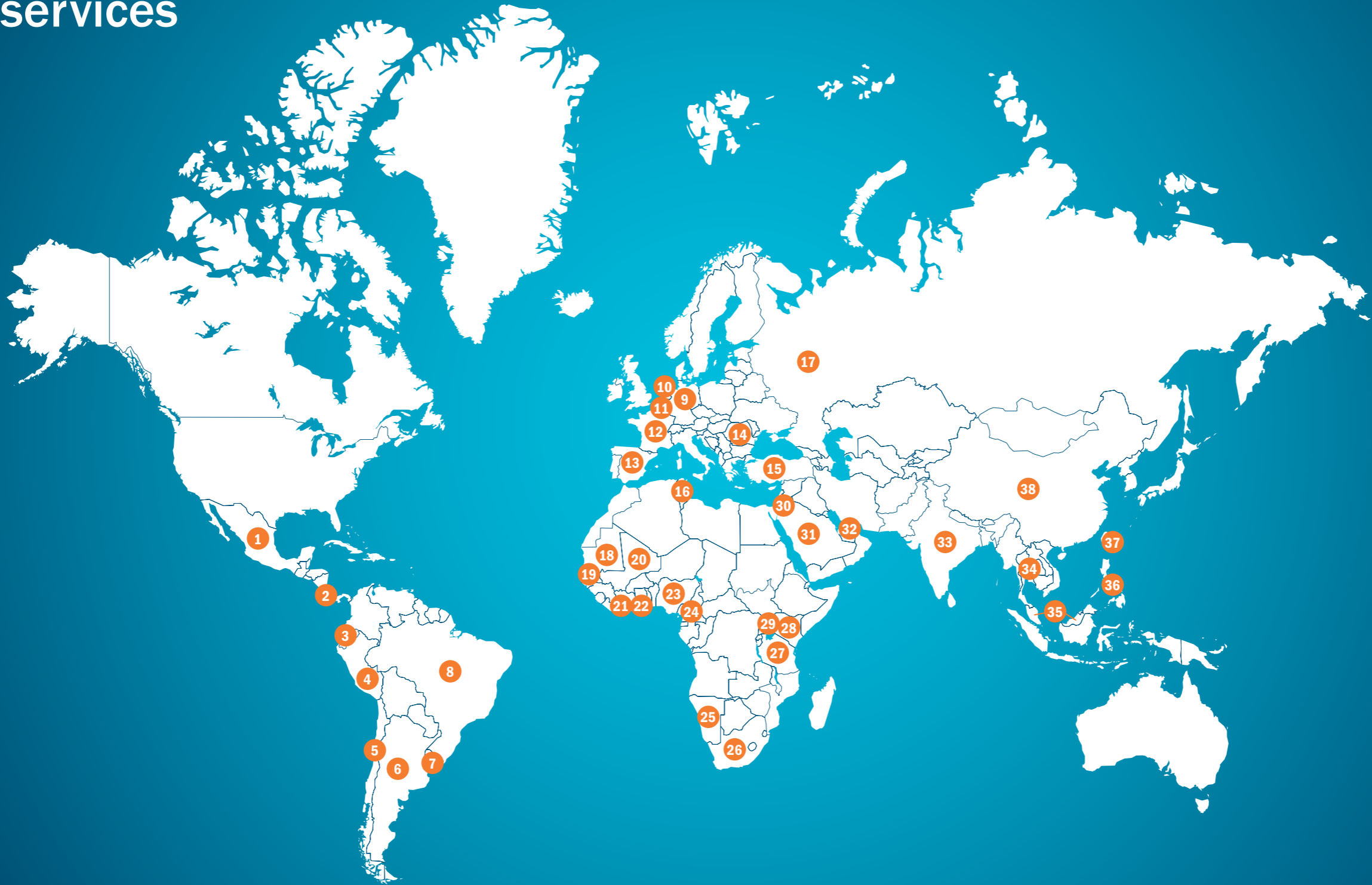
## Asia-Pacific

- 62 Pipavav, India
- 63 Mumbai, India
- 64 Laem Chabang, Thailand (2 terminals: LCB1 and LCMT)
- 65 Cai Mep, Vietnam
- 66 Tanjung Pelepas, Malaysia
- 67 Singapore
- 68 Guangzhou, China
- 69 Hong Kong
- 70 Xiamen, China
- 71 Ningbo, China
- 72 Shanghai, China
- 73 Shanghai, China
- 74 Qingdao, China (6 terminals: QQCT, QQCTU, QQCTUA, DMPT, QQCTI and QQCTN)
- 75 Dalian, China
- 76 Tianjin, China (2 terminals: TECT and TACT)
- 77 Kobe, Japan
- 78 Yokohama, Japan



OUR COMPETITIVE ADVANTAGE

# Our global network of inland services



**Latin America**

- 1 Mexico
- 2 Costa Rica
- 3 Ecuador
- 4 Peru
- 5 Chile
- 6 Argentina
- 7 Uruguay
- 8 Brazil

**Europe**

- 9 Germany
- 10 Netherlands
- 11 Belgium
- 12 France
- 13 Spain
- 14 Romania
- 15 Turkey
- 16 Tunisia

**Russia-Baltics**

- 17 Russia

**Africa-Middle East**

- 18 Mauritania
- 19 Senegal
- 20 Mali
- 21 Ivory Coast
- 22 Ghana
- 23 Nigeria
- 24 Cameroon
- 25 Namibia
- 26 South Africa
- 27 Tanzania
- 28 Kenya
- 29 Uganda
- 30 Jordan
- 31 Saudi Arabia
- 32 United Arab Emirates

**Asia-Pacific**

- 33 India
- 34 Thailand
- 35 Malaysia
- 36 Philippines
- 37 Taiwan
- 38 China



## OUR COMPETITIVE ADVANTAGE

# Port Productivity - APM Terminals leads the industry

Increased productivity and efficiency in terminal operations, procedures and technology are essential to accommodate both the organic growth in container volumes due to rising global trade, and the larger vessels upon which the major trade lanes increasingly rely. As of February 1st 2016, 207 Ultra-Large Container Ships, (those with capacities of 10,000 TEUs or more), account for 79% of the 3.9 million TEU additional capacity scheduled to enter the global container ship fleet. Very Large Container Ships, with capacities ranging between 7,500 and 9,999 TEUs, account for another 25 vessels on order. These two categories of ships on order combined 3.3 million TEUs, or 85% of all new capacity awaiting delivery.

#### Global transformation

In 2012, APM Terminals launched a strategic Global Transformation initiative to consistently improve terminal productivity. The program was designed by engineers and our terminal directors in cooperation with our labor partners, using real time data, metrics and sophisticated analytics. High-productivity terminals in Japan were studied, along with lean Six Sigma, Total Quality Management, and employee motivation theory. The APM Terminals Global Transformation program has been achieving significant operational improvements, benefitting customers and enhancing terminal operations and logistic chain management.

#### Key focus areas are:

- Increase and stabilize berth productivity
- Eliminate waste
- Identify cost efficiencies
- Reduce waiting times

#### Innovation

APM Terminals Rotterdam Maasvlakte II at the Port Rotterdam, which was officially inaugurated in April 2015, Became the world's first fully-automated container terminal. In June 2016, APM Terminals Maasvlakte II was recognized at the annual Containerisation International Awards as the port and shipping industry's "Innovation of the Year". Many of the systems and technologies used at this award-winning facility will also be utilized at other new terminal projects, including APM Terminals' new project at Lázaro Cárdenas, Mexico's fastest-growing port. The deep-water facility on Mexico's Pacific coast will be the first automated container terminal in Latin America, featuring fully automated electric yard stacking cranes, shuttle carriers and STS cranes. Automation of key processes in terminal operations also improves safety by enabling a better segregation of people from heavy machinery in addition to providing the foundation for consistently high productivity.

#### The Industry leader in terminal productivity

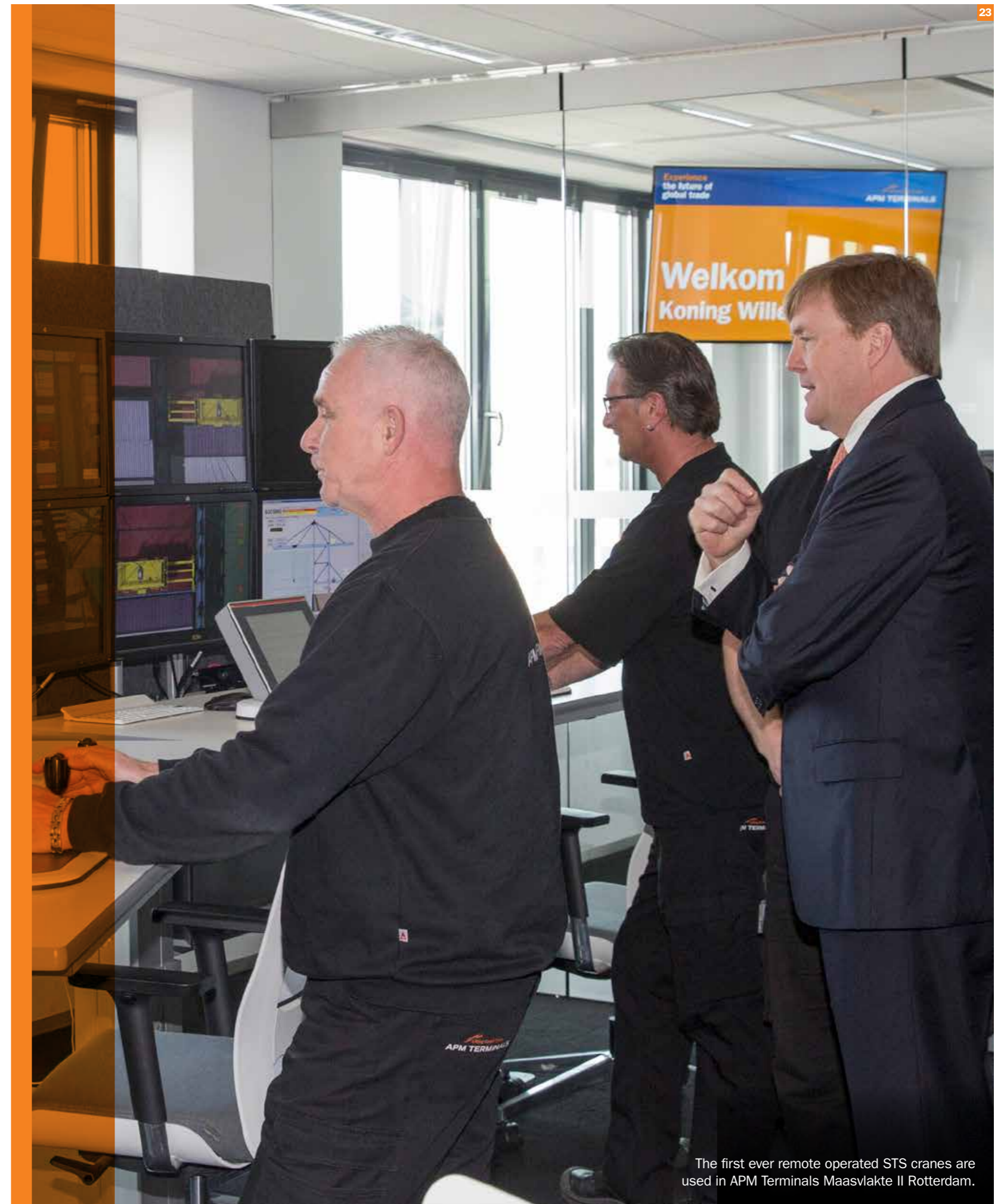
A total of 12 port facilities within the APM Terminals Global Terminal Network scored positions within the JOC Group's 2014 annual global port and terminal productivity rankings, including APM Terminals Yokohama, which again led all container facilities with 186 crane moves per hour (MPH) with a vessel alongside. Nine facilities either operated by APM Terminals, or in which APM Terminals holds a significant financial interest, were included among the world's 25 most productive terminals, with three more members of the APM Terminals portfolio listed as among regional top performers.

Six terminals, in which APM Terminals is an investor or joint venture partner, among the Top 25 global leaders, are located at Chinese ports: Qingdao Qianwan Container Terminal, and Tianjin Port Alliance International Container Terminal tied for third place with 136 MPH; Xiamen Songyu Container Terminal, tied for sixth place with 124 MPH; Tianjin Port Euroasia International Container Terminal, is in seventh place with 121 MPH; Guangzhou South China Oceangate Container Terminal, ranked 10th with 117 MPH; and Dalian Port Container Terminal, ranked 12th, with 108 MPH. South Asia Gateway Terminal, in Colombo, Sri Lanka, is tied for 11th place with 111 MPH.

APM Terminals Rotterdam tied for first place among European terminal operations with 101 MPH, a performance which also merited a three-way tie for 16th place among the global terminal productivity leaders. APM Terminals Los Angeles was the highest ranking port for productivity in North America, with 92 MPH. Within the JOC Group's "Europe, Middle East and Africa" grouping, The Port of Salalah, Oman; and NTB North Sea Terminal Bremerhaven, in both of which APM Terminals is a shareholder, tied for fifth place with 96 MPH. In productivity while working vessels of over 8,000 TEU capacity, Qingdao Qianwan Container Terminal (QQCT) tied for first place globally, with 157 MPH.

APM Terminals remains the only global terminal operating company with such a notable and widespread presence in the productivity rankings.

All JOC study rankings were calculated from a database with a minimum of 100 vessel call records generated in 2014.



The first ever remote operated STS cranes are used in APM Terminals Maasvlakte II Rotterdam.



## OUR COMPETITIVE ADVANTAGE

# Setting the innovation pace through technology

As vessels and container volumes have grown, so have the challenges of cargo handling and matching growth in terminal productivity.

APM Terminals Rotterdam Maasvlakte II was named "Innovation of the Year" at the 2015 Containerisation International Awards ceremony. The design and operation of the world's first fully-automated terminal will enable significant improvements in Safety Performance, environmental sustainability and productivity.



# 45%

By switching from grey to green electricity the terminal reduced its CO2 emissions by 45% annually

### RTG electrification

APM Terminals has embarked on a program to convert and retrofit more than 400 Rubber-Tyred Gantry Cranes (RTGs) in use throughout the APM Terminals Global Terminal Network to a combination electric and diesel power to reduce carbon dioxide emissions (CO2) from the current diesel powered RTG fleet. RTGs, which are used to move containers at the terminals are typically powered by diesel engines.

The conversion of diesel-powered units to a combination diesel-electric power through the installation of new power coupling systems will reduce CO2 emissions from RTG operations by 60-80%.

### Clean energy for terminal power

In 2009, APM Terminals officially inaugurated a new power distribution network on the APM Terminals Rotterdam terminal sourced by electricity generated through wind power. By switching from grey to green electricity the terminal reduced its CO2 emissions by 45% annually. The electricity is sourced from two banks of windmill farms near the terminal. These banks power 14 gantry shore cranes, serving the largest container ships in the world that call the terminal; all the refrigerated containers stored on the terminal, light poles, workshops and other power consumption needs. APM Terminals Algeciras also uses wind-generated electricity for terminal operations.

By switching from grey to green electricity the terminal reduced its CO2 emissions by 45% annually.

APM Terminals is at the forefront of port and terminal innovation in terms of equipment, procedures and environmental sustainability with such initiatives as Lift Automated Guided Vehicles (Lift AGVs), electrification of RTGs and the use of "green energy" sources for terminal operations.

### "Innovation of the Year"

APM Terminals Rotterdam Maasvlakte II was named as the industry's "Innovation of the Year" of 2015 by industry publication Containerisation International. The new, fully-automated facility will provide a projected 40% increase in productivity levels, as compared with conventional terminal design through the use of Battery-operated Lift Automated Guided Vehicles (Lift AGVs), the safest and most advanced equipment of its kind in operation anywhere in the world.

The terminal design concept is based on using ship-to-shore (STS) cranes that unload containers from the vessel and place them directly onto a fleet of Lift AGVs, which can transport two containers simultaneously at a speed of 22 kilometers per hour from the quay to the container yard using an onboard navigation system following a transponder grid.

Once the Lift AGV arrives at its programmed destination, the containers are lifted onto a series of storage racks. The next step is the arrival of an Automated Rail-Mounted Gantry (ARMG) crane to move the container from the rack to its next designated location: the rail terminal, a waiting truck chassis, or a storage stack in another part of the container yard.

This ability to lift the container off the vehicle and place it into a storage rack system is the first of its kind in the world.

The Lift AGV consists of two lift platforms, which are able to load and unload containers independently of each other.

It is this simple transaction where productivity benefits will be gained, creating a new process for managing container flows by utilizing automated transportation equipment.



ECONOMIC IMPACT: HELPING SOCIETIES BUILD BETTER LIVES BY CREATING JOBS

# Quantifying a positive presence: Socio-economic impact in Apapa, Nigeria

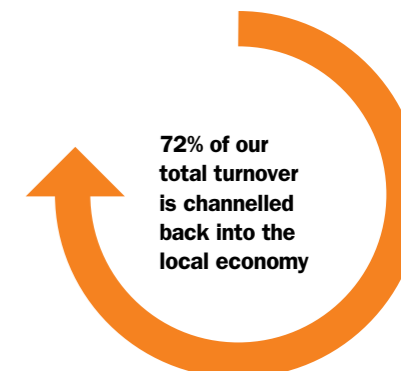
Since assuming operational responsibility for the Apapa Container Terminal in 2006, APM Terminals has invested over \$350 million USD in terminal improvements, equipment and personnel development. In order to assess the overall impact of the investment in and operation of a modern port or container terminal in the local community a formal study was undertaken by APM Terminals of the Apapa Container Terminal, which with an annual throughput of 608,000 TEUs in 2015, was the busiest container terminal in West Africa, in Africa's most populous country. The project included 30 key stakeholder interviews, which evaluated the terminal's impact on promoting local economic growth, job creation, improved standards of living and technology transfer.

Using 2009 data, the study revealed that the terminal occupied over 1,000 people in daily operations, including 700 direct employees, representing family dependents of an additional 3,500 individuals. The extended indirect activities required by the facility, including trucking, maintenance and other supporting functions were found to have created 31,393 jobs overall. Notably, it was also determined that 72% of the Apapa Container Terminal's financial throughput remained within the local Apapa community.

Reduced waiting time for vessels loading and unloading containers and the elimination of terminal congestion fees has saved the Nigerian economy an estimated additional \$200 million USD annually as productivity has improved.

APM Terminals has refined this assessment tool for use at other facilities to promote and maximize local economic growth and benefits for every community in which we operate throughout our Global Terminal Network.

**Total turnover distribution**



(\*A tax adjustment was made in 2009, due to an overpayment in 2008).



Located in the Port of Lagos, Nigeria's largest city, and one of the fastest-growing cities in the world, APM Terminals has invested over USD \$350 million in Apapa Container Terminal since 2006, resulting in the creation of 31,193 new jobs. Another USD \$130 million in infrastructure improvements are now underway.



# Economic impact: Brazil

The newest terminal in South America’s busiest port of Santos, in Brazil’s Sao Paulo State, will serve rapidly growing trade. Significant positive socio-economic impacts are being created by the USD \$1 billion joint venture container terminal project.

### Building tomorrow’s terminal today

The growth in Brazilian export and import is putting port capacity and productivity under pressure. With a 41% market share, the Port of Santos is Brazil’s most important container port.

Since 2003, the waiting time for vessels at the port has steadily increased. Studies indicated that during the first half of 2012, ships had to wait about 16 hours on average before berthing. The World Bank estimates that extra charges for delayed cargo constitute around USD \$700 million per year in Santos.

### Investing in Brazilian trade growth

Container traffic at the Port of Santos expanded by 23% between 2012 and 2015. Maintaining the status quo of the previous container terminal capacity in Santos would have led to under capacity for container handling services of approximately 900,000 TEUs by 2015, representing 25% of the port’s current container traffic.

Together with Terminal Investment Limited, APM Terminals has invested USD \$1 billion in the construction of a new world-class container terminal, Brasil Terminal Portuário (BTP), which received its first commercial vessel call in August 2013. BTP is now the busiest container terminal in the Port of Santos, handling 1.14 million TEUs in 2015, and is expected to deliver a berth productivity of up to 80 containers per hour – a 32% improvement compared with the average berth productivity of Santos’ three older container terminal operations.

### More containers at lower cost

The development of BTP has increased capacity in the Port of Santos by up to 40%. This will prevent further deterioration in waiting and berth times, increases in already high transport costs, and loss of trade and diversion to other ports. BTP will also improve Santos’ overall berth productivity by up to 10%. Combined, the increased capacity and improved productivity have the potential to increase the annual container throughput by up to 12% – corresponding to an increased trade potential worth up to USD \$15.3 billion per year.

### Taxes and jobs in numbers

Through the development of BTP the Port of Santos will benefit annually from over USD \$100 million tax income (federal, state and municipality).

### BTP created:

- **3,000** jobs during the construction phase
- **1,500** jobs during the operational phase
- **9,000** indirect jobs once operational

Located in Sao Paulo State, 80 km (50 miles) from Brazil’s capital city of Sao Paulo, Santos is one of the world’s ten largest metropolitan areas. The Port of Santos is the busiest container port in South America, handling 3.64 million TEUs in 2015, and representing 27% of Brazil’s foreign trade. Fully operational since November 2013, Brasil Terminal Portuário has added 1.2 million TEUs in annual container throughput capacity to the port.



- BTP will improve the berth productivity of Santos Port by up to **10%**
- Combined with increased capacity this has the potential to increase the annual container throughput in Santos by up to **12%**
- The increased trade potential is worth up to **15.3 bn** (USD per year)

**10%**

**12%**

**15.3 bn**

(USD per year)



# 2015 Financial highlights

APM Terminals generated profit of USD \$654 million in 2015, with a Return on Invested Capital (ROIC) of 10.9%, which reflected in part lower volumes of containerized traffic in such markets as West Africa, Russia and Brazil. The number of containers handled by APM Terminals (weighted by APM Terminals' ownership interest) decreased by 6.0% compared with 2014, to 36 million TEUs. The decrease was mainly due to the divestment of operations in Charleston, South Carolina; Jacksonville, Florida; and Houston, Texas, in the USA, and the company's one third share of the MedCenter Container Terminal, in Gioia Tauro, Italy; (in 2014 APM terminals also trimmed holdings in Portsmouth, Virginia, USA and Le Havre, France). Excluding these divestments, like-for-like volumes decreased by 1.1% for the year, while overall global container throughput grew by 1.3%. The continuing expansion of the APM Terminals Global Terminal Network, however, was accelerated through several significant acquisitions, and new projects won.

APM Terminals agreed to acquire 100% of the shares of Grup Marítim TCB (TCB), the leading Spanish container terminal operator, with terminals located in Spain, Colombia, Brazil, Mexico, Guatemala and Turkey. The APM Terminals Global Terminal Network will expand from 65 to 75 terminals in 39 countries across five continents and with additional eight terminals in development. The 11 acquired TCB terminals (including a facility in Guatemala scheduled to open in early 2016) will add an additional 4.3 million TEUs of capacity and 3.5 million TEUs in estimated annual container volumes (2.6 million TEUs of additional throughput when weighted Equity share). The acquisition has an implied enterprise value of USD \$1.1 billion with additional capital investments of USD \$400 million over the next five years.

APM Terminals also concluded an agreement in 2015 to invest approximately USD \$800 million in a new container terminal and associated roadway infrastructure adjacent to our existing facility in Tema, Ghana, representing 3.5 million TEUs in new annual throughput capacity for the creation of a new deep-water hub in West Africa. Other investments finalized in 2015 were a 20% share of a bulk grain terminal in Qingdao, China; a 51% majority share in a multi-purpose terminal in Cartagena, Colombia and a refrigerated cargo terminal in Vado, Italy, along with ongoing expansion and upgrades of existing facilities across the portfolio.

Newly completed projects expected to begin operations in 2016 include the 1.5 million TEU annual capacity deep-water APM Terminals Izmir, in Turkey on the Aegean Sea, and Phase I of the semi-automated Lázaro Cárdenas Terminal 2 (TEC2) deep-water facility on Mexico's Pacific Coast, with an initial annual throughput capacity of 1.2 million TEUs. In April of 2015 the world's first fully-automated container terminal, APM Terminals Rotterdam Maasvlakte II was officially opened. The new terminal was named "Innovation of the Year" by Containerisation International, and APM Terminals was named "Port Operator of the Year" at the 2015 Lloyd's List Global Awards ceremony.

Many of the innovative systems and technologies applied at APM Terminals Rotterdam Maasvlakte II will also be utilized at APM Terminals Lázaro Cárdenas. The terminal, currently under construction in Mexico's second-busiest container port, is expected to open late 2016. The TEC2 facility will be the first automated container terminal in Latin America and will feature fully automated electric yard stacking cranes, and shuttle carriers will be used for transport between the yard cranes and the ship to shore (STS) cranes.

## Financial Performance

APM Terminals earned a profit of USD \$654 million (USD \$900 million) and an ROIC of 10.9% (14.7%) with an underlying profit of USD \$626 million (USD \$849 million) in 2015. Lower global oil prices resulted in a sharp decline in import volumes into oil producing countries in West Africa, Russia and Brazil. Along with divestments in 2014, this caused revenue to decrease by 4.8% and the EBITDA-margin to decrease by 2.7% compared with 2014 (22.7%). Operating business generated a profit of USD \$696 million, while projects under implementation represented a deficit of USD \$42 million stemming from their upstart costs.

Results in 2014 were positively impacted by net divestment gains after tax of USD \$232 million, and negatively affected by impairments of USD \$181 million related to European activities of which USD \$154 million was related to joint venture companies. The result for 2015 does not include any impairment, but includes net divestment gains of USD \$10 million and positive impact from reversed impairments of USD \$14 million.

Global market conditions have had an unfavourable effect upon container volumes and rates in several key terminals. Specifically, major operations in oil-dependent markets have declined significantly compared with 2014 container volumes. Partly mitigating this, performance in APM Terminals' North American businesses has increased compared with 2014, mainly due to increased volume and storage income; (in 2015, APM Terminals

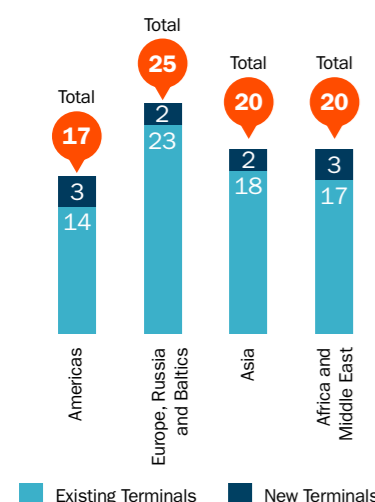
was also named Lloyd's List North American Maritime Awards' "Port Operator of the Year").

APM Terminals' revenue improvement and cost-saving initiatives continue to be aggressively pursued across the global portfolio, and have delivered approximately USD \$200 million to the bottom line, though adverse market conditions were only partly mitigated. The acquisition of the Grup Marítim TCB portfolio will initially produce a negative impact on ROIC of just over one percentage point due to the increased asset base, and the amortisation of terminal rights.

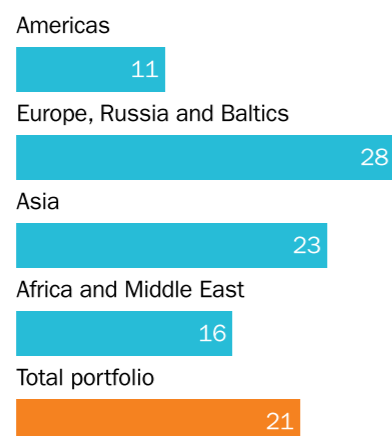
The Grup Marítim TCB acquisition has an implied enterprise value of USD \$1.1 billion, with additional capital expenditure investments of USD \$400 million over the next five years. Subject to regulatory approvals the transaction is expected to be completed in Q1 2016.

The share of profit in joint ventures and associated companies increased to USD \$199 million (USD \$79 million), mainly caused by the USD \$154 million impairments in Joint Venture companies in 2014. The effective tax rate (excluding profits from JV's and associates) increased to 26% (23%) as certain tax incentives have expired since last year. Cash flow from operating activities was USD \$874 million (USD 925m), and cash flow used for capital expenditure was USD \$774 million (positive USD \$2 million).

### Geographical split of terminals (number of terminals)

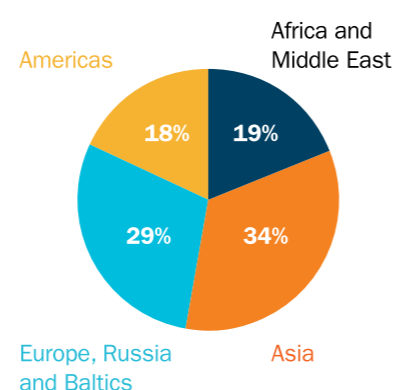


### Average remaining concession length in years



Note: Average concession lengths as of FY 2015, arithmetic mean

### Container throughput by geographical region (equity weighted crane lifts, %)



## APM Terminals

Highlights	USD million	
	2014	2015
Revenue	4,455	4,240
<b>Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)</b>	<b>1,010</b>	<b>845</b>
Depreciation, amortisation and impairment losses, net	-328	-295
Gain/loss on sale of non-current assets, etc., net	374	11
Share of profit/loss in joint ventures	-14	114
Share of profit/loss in associated companies	93	85
<b>Profit/loss before financial items (EBIT)</b>	<b>1,134</b>	<b>760</b>
Tax	-234	-107
<b>Net operating profit/loss after tax (NOPAT)</b>	<b>900</b>	<b>654</b>
Cash flow from operating activities	925	874
Cash flow used for capital expenditure	2	-774
Invested capital	5,933	6,177
ROIC	14.7%	10.9%
Containers handled (measured in million TEU and weighted with ownership share)	38.3	36



# APM Terminals' journey

# 1904

Captain Peter Mærsk Møller and his son, Mr. A. P. Møller establish A/S Dampskibsselskabet Svendborg (the Steamship Company Svendborg) with a single second-hand ship in Copenhagen, Denmark.



## 1912

Mr. A.P. Møller independently establishes Dampskibsselskabet af 1912, Aktieselskab (the Steamship Company of 1912), for cargo vessel operations.

## 1958

The first dedicated company terminal opens in Brooklyn, in the Port of New York.



## 1966

The container era begins with weekly Sea-Land Services vessel calls between the US and Northern Europe.

## 1975

The first dedicated Maersk container terminal opens at Port Elizabeth, New Jersey.



## 1995

Laem Chabang Terminal B-1 opens in Thailand.

## 1996

Agreement signed to develop the Port of Salalah, Oman.

## 1997

Agreement signed for Dalian Port Container terminal, China.

## 1999

American shipping company Sea-Land Services is acquired, including a significant holding of container terminals in major US ports.

## 2000

Operations begin in Rotterdam.

30% share acquired in Port Tanjung Pelepas, Malaysia.

## 2001

APM Terminals is established as a container terminal operator within Maersk Line.

## 2002

APM Terminals' annual throughput (weighted by terminal equity share) is 14.3 million TEUs.

APM Terminals Pier 400, the world's largest proprietary container terminal, opens in Los Angeles.

Agreement signed to create joint venture to operate the Port of Luanda, Angola.

## 2003

Annual throughput (weighted by terminal equity share) is 16.7 million TEUs.

A 49% share of Shanghai East Container Terminal, in China's largest port is negotiated.

## 2004

APM Terminals becomes an independent business unit, moving to a separate company headquarters in The Hague, Netherlands.

Annual throughput exceeds 20 million TEUs.

## 2005

Annual revenue \$1.5 billion USD.

Teconvi opens in Itajai, Brazil.

Majority share acquired in Port Pipavav, India.

## 2006

Annual revenue is \$2.06 billion USD.

APM Terminals is named "Best Global Terminal Operator" by Containerisation International.

Operational control is assumed at Apapa Container Terminal, Nigeria; and Mina Salman Port, Bahrain.

APM Terminals Zeebrugge and APM Terminals Mumbai open.

## 2007

Financial results reported separately as an independent business within the Group.

Annual throughput exceeds 30 million TEUs; revenue \$2.51 billion USD.

APM Terminals Virginia, the largest privately-owned container facility in the US, opens in Portsmouth.

## 2008

Annual throughput exceeds 34 million TEUs, with revenue of \$3.1 billion USD.

Mobile Container Terminal Opens.

Operational control assumed at Port of Pecém, Brazil.

## 2009

New Bahrain Gateway Terminal opens.

Consortium to develop Pointe-Noire, Republic of Congo.

Named "Port Operator of the Year" by Lloyd's List.

Non-A.P. Moller-Maersk companies account for 42% of revenue.

## 2010

A.P. Moller-Maersk Group Inland Services unit added to the APM Terminals portfolio.

Acquisition announced of 50% share in Brasil Portuário Terminal and a new 2.2 million TEU capacity facility under construction at the Port of Santos, Brazil.

APM Terminals signs a 25-year concession to operate the Port of Monrovia, Liberia, and invest USD 120 million in equipment and infrastructure upgrades. This is the first 100% APM Terminals-owned facility in Africa.

## 2011

Awarded the concession to develop and operate Moin Container Terminal in Costa Rica.

Awarded the concession to develop a multi-purpose facility at Terminal Muelle Norte at the Port of Callao, Peru.

Purchased majority share of Seaport Poti, Georgia.

Awarded concession for Skandia Container Terminal, Gothenburg, Sweden.

Awarded concession for a new deep-water container terminal at Lázaro Cárdenas, Mexico.

## 2012

Named Lloyd's List "Port Operator of the Year 2012" and "International Terminal Operator of the Year" for 2012 by Containerisation International magazine.

APM Terminals Apapa named the winner of the 2012 Terminal Operator Award by the Maritime Reporters' Association of Nigeria.

APM Terminals' acquires a 37.5% co-controlling interest in Global Ports Investments PLC, Russia's second-largest terminal operating company.

A consortium comprised of APM Terminals,

Bolloré Africa Logistics and French-based engineering firm Bouygues Construction was named the preferred bidder of a tender to manage a new container terminal at the Port of Abidjan in the Ivory Coast.

APM Terminals and Turkish-based Petkim finalize an agreement to create and operate a deep water, 1.5 million TEU annual capacity facility at Izmir.

APM Terminals opens a new technologically advanced inland container freight station serving Kenya's primary port of Mombasa, East Africa's busiest container port.

Annual throughput reaches 35.4 million TEUs, with revenue of \$4.8 billion USD.

The APM Terminals Global Terminal Network dominates an independent JOC Group study on port and terminal productivity which ranked 12 APM Terminals-affiliated facilities among the world's best as measured in moves per hour in 2012 in each of 11 applicable categories.

## 2013

APM Terminals is named Containerisation International "International Container Operator of the Year" for the second consecutive year.

APM Terminals is named winner of the Lloyd's List Asia Awards "Port Operator Award."

Brasil Terminal Portuário opens at the Port of Santos, Brazil.

Annual throughput reaches 36.3 million TEUs.

The JOC Group Productivity Study retains APM Terminals Yokohama as the world's most productive container terminal in with 163 container moves per vessel hour (MPH). Eleven facilities within the APM Terminals Global Terminal Network are included among the world's top performers.

## 2014

Annual throughput reaches 38.3 million TEUs.

Sociedade Gestora de Terminais S.A. (Sogester), an APM Terminals joint venture in Angola, signs a 20-year concession to operate, maintain and develop the Port of Namiba, Angola.

Meridian Port Services, the joint venture between APM Terminals, Bolloré Africa Logistics and the Ghana Ports and Harbors Authority sign an agreement with the Government of Ghana for a private investment in excess of USD \$1 billion for the expansion of Tema Port.

APM Terminals Rotterdam was cited by the JOC Group as the productivity leader among Europe's container facilities for the first half of 2014, with 102 berth moves per hour. APM Terminals Yokohama remained the world's productivity leader with 180 MPH.

## 2015

APM Terminals Rotterdam Maasvlakte II officially opens as the world's first fully-automated, sustainably-powered, zero-emissions container terminal, with an initial annual throughput capacity of 2.7 million TEUs. The terminal is named "Innovation of the Year" at the 2015 Containerisation International awards ceremony.

Brasil Terminal Portuário (BTP), at the Port of Santos, Brazil, South America's busiest container port, surpasses one thousand vessel calls, and one million TEUs handed.

APM Terminals was named the Lloyd's List North American Maritime Awards' 2015 "Port Operator of the Year", given in recognition of a North American port or terminal operator which has "maintained the highest standards of operational efficiency and customer service throughout the year".

APM Terminals was once again named the winner of the 2015 Lloyd's List Global Awards "Port Operator Award" at the annual London industry gala. The award was bestowed in recognition of APM Terminals establishing new industry standards in the areas of productivity, investment in underserved markets, multi-ports, safety, inland services and innovation.

## 2016

APM Terminals acquires the Grup Maritim TCB portfolio, expanding the APM Terminals Global Terminal Network to 72 operating port and terminal facilities with a presence in 69 countries. The acquisition of Spain's largest terminal operating company's assets complements APM Terminals current portfolio, adding 7% annual throughput capacity in key locations including the major Spanish ports of Barcelona, Valencia, as well as Castellon, on the Mediterranean coast, and Gijon, on the Bay of Biscay. Outside of Spain, new terminal operations include Yucatan, Mexico; Buenaventura, Colombia; Paranagua, Brazil and Quetzal, Guatemala, opening in 2016. APM Terminals will invest an estimated \$400 million over the next five years in upgrades and expansion to these operations.

At the Tanger-Med port complex in Morocco, APM Terminals has been selected to operate a new 5 million TEU annual throughput capacity transshipment terminal. APM Terminals MedPort-Tangier is scheduled to begin operations in 2019.

A \$70 million USD investment in infrastructure improvement at APM Terminals Port Elizabeth, at the Port of NY&NJ, was announced, to prepare the facility to accommodate ULCS of up to 13,000 TEU capacity.





The port of Tanjung Pelepas in Malaysia is a major hub for southeast Asia.





## World headquarters

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