



## Finance and business development strategies Michael Dekker – Manager Business Development



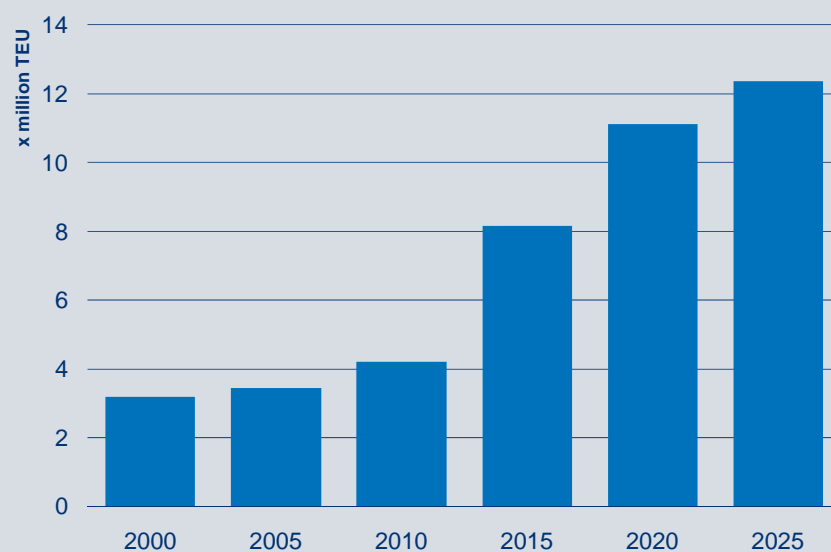
### Key data

- International operator of container terminals
- 13 maritime terminals
- Rail logistic operator
- 3 railway terminals
- Engineering and IT services
- All major shipping lines as client
- Throughput 2010: 3.1 million TEUs
- Turnover 2010: € 340 million

## Strategy

- To operate container terminals and if necessary their hinterland logistics for the satisfaction of its clients and the port communities
- To be a leading global greenfield container terminal developer
- To stay as operator and a key shareholder once the terminal is ready
- To have a global footprint around the world and a more geographically balanced portfolio of business

## Capacity development



## Fit with the current environment

- Container terminals are long term business
- Container traffic has been always linked to the development of the GDP
- Container traffic has been always growing at multiples of the GDP growth
- Previous crisis have seen a sharp decline in traffic followed by quick recovery

## Key Drivers

- Understand the local culture
- Find the right local partner
- Focus on emerging markets
- Need of operating capabilities
- Strong growth in local traffic
- A reasonable concession agreement
- Design most efficient model for investment funding
  - Project Finance
  - Object Finance

# Grup TCB in the world



# Asian projects



## India



## Ennore Gateway Terminal



- Ennore Port is 24 km north of Chennai
- Greenfield project
- Design, finance, build, operate and maintain
- Consortium lead by Grup TCB, with
  - Obrascón Huarte Lain S.A.
  - Lanco Infratech Ltd
  - Eredene Capital PLC
- Ennore will be principal competitor of Chennai



## Terminal lay-out



## Dimensions (phase 1)



- 1,000 metres of quay wall (3-4 berths)
- 15.0 metres of draft
- 50 hectares of storage and services area
- 8 STS cranes
- 33 eRTG cranes
- 3 Reachstackers
- 1.25 million TEU capacity
- Initial investment: 275-325 mUSD
- Operations will start in second half 2012



## Artist impression



## Artist impression



## Artist impression



## Status



- Concession Agreement
- Detailed design
- Tender terminal construction
- Tender equipment procurement
- Finance
- Construction
- Operations



## Vietnam



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## Ho Chi Minh City Port clusters



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## City Area



## Cai Mep Area





## Final Dimensions

- 1,860 meters of wharf (1,460 mainline + 400 barge)
- 12.5 meters of draft
- Up to 16 STS cranes and 6 barge cranes
- 9 hectares of services area
- 81 hectares of yard space
- Around 15,000 TEU ground slots
- Yard Capacity 2.6 million TEU
- Administration building
- Workshop
- Future rail terminal
- Total investment around 600 mUSD

## Risk analysis

So far, following risks have been identified

- Overcapacity at short to medium term
- Uncertainty about tariffs
- Fee structure
- Licenses and permits
- Accessibility
- Development Hiep Phuoc
- Finance

## Project Finance (1)

- Commercial Banks are still careful:
  - Risk boards becoming more demanding
  - Detailed independent analysis
  - Costly for investor
  - Terms are more restrictive
  - Only very good projects have a chance
- International Finance Institutions are available:
  - Developing countries
  - Processes are lengthy and complex
  - In many cases only in cooperation with other banks

## Project Finance (2)

- Confidence and availability of international banks to finance Greenfield projects
- Infrastructure as a tool to develop economy of regions where it is located
- Role of the ports in facilitating the growth of the countries economy and infrastructure
- Need for India and Vietnam to invest in port infrastructure to handle their increasing exim traffic
- Despite global crisis GMTCB continued its investment plans and keeps receiving support from financial institutions

## Object Finance

- Leasing:
  - financial or
  - operational
- Export Credit Agencies
- Mortgage
- Government backed direct investment

## Conclusions

- The world has changed but we still believe that container traffic will continue to grow
- Careful selection of good locations makes the difference
- The hot spots will be in emerging markets
- Finance will not be easy in the short/mid term
- Only very good projects will raise the needed funds
- Financial institutions should be part of the team and should participate actively in finding joint solutions
- Operational reliability and strong balance sheets will be the key
- Only the best (and not necessarily the biggest) will survive



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