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Competitive position of the Baltic States Ports

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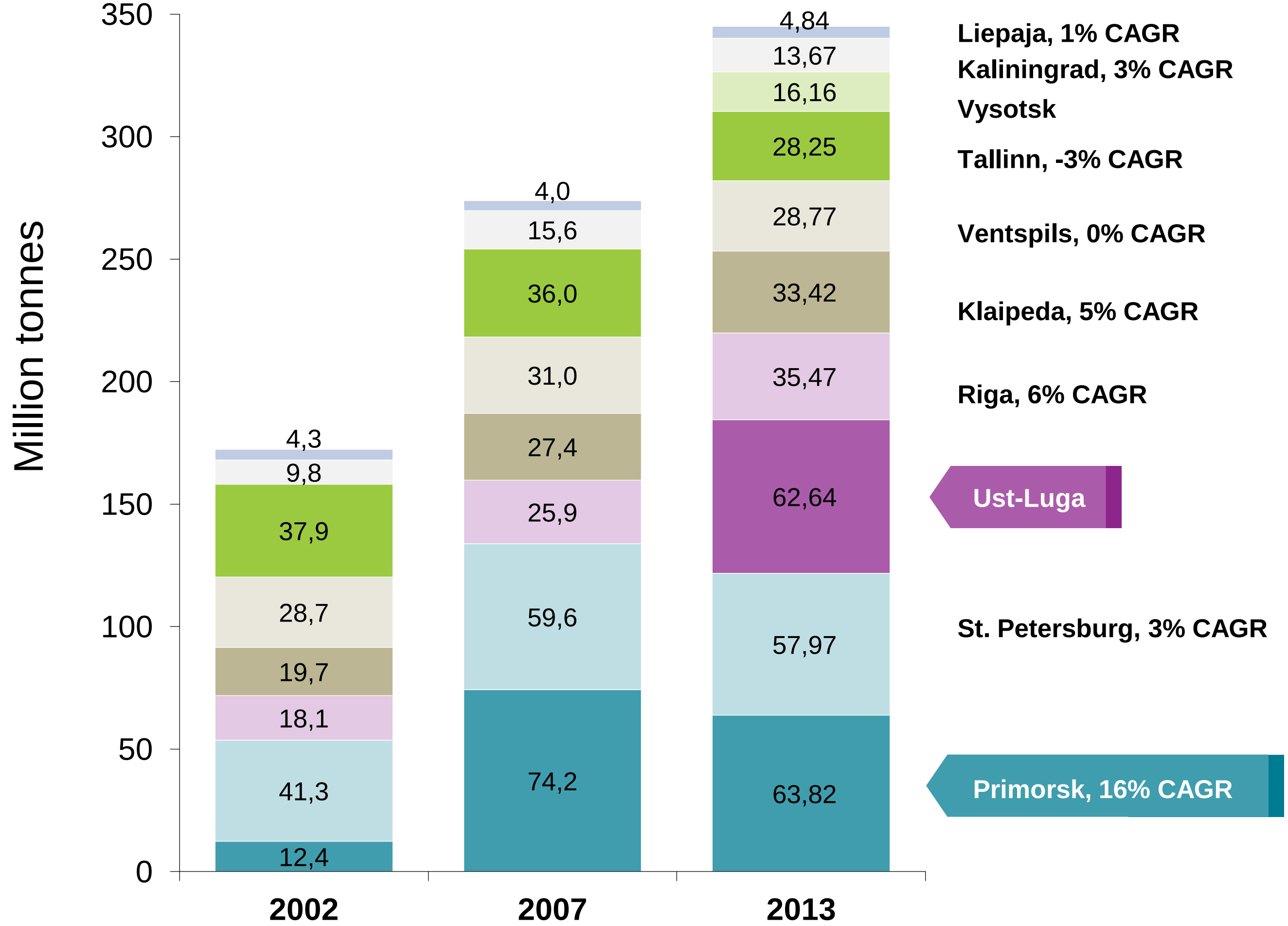
Transactions & Restructuring

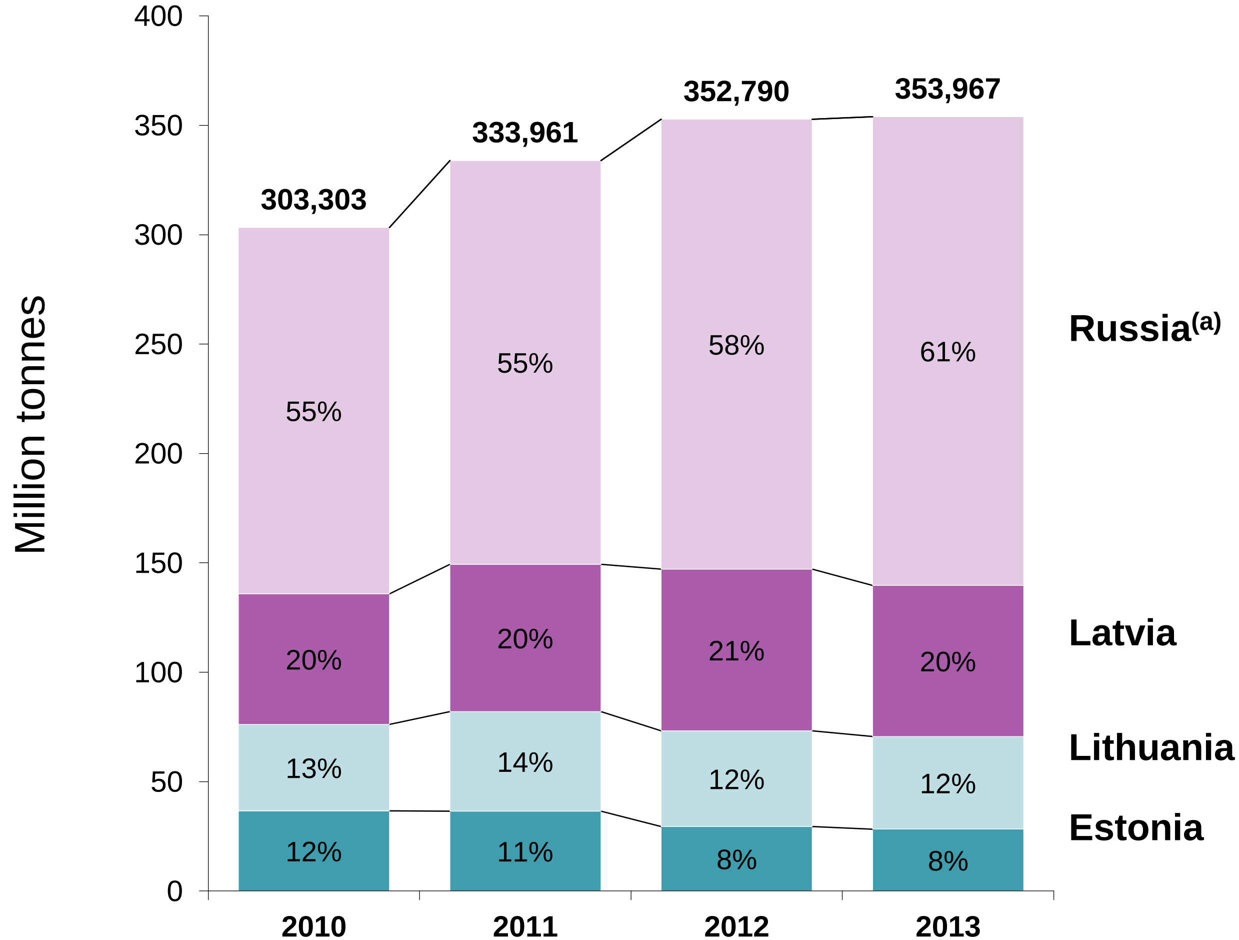
Competitive landscape of maritime cargo transportation in the Eastern Baltics (1 of 2)

Development of the Eastern Baltic ports, 2002 – 2013



Competitive landscape of maritime cargo transportation in the Eastern Baltics (2 of 2)

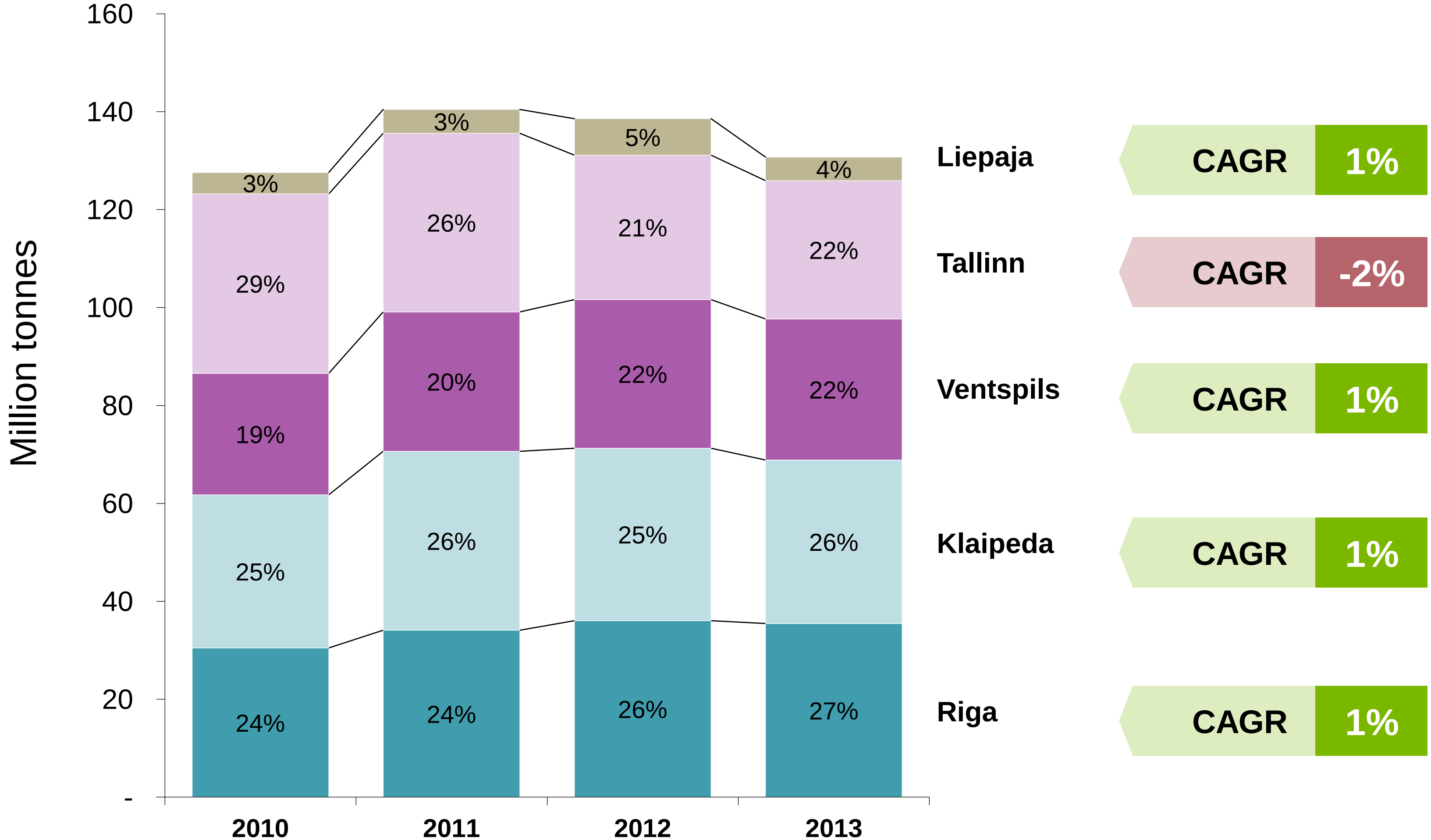
Cargo turnover in the Eastern Baltics ports, 2010-2013



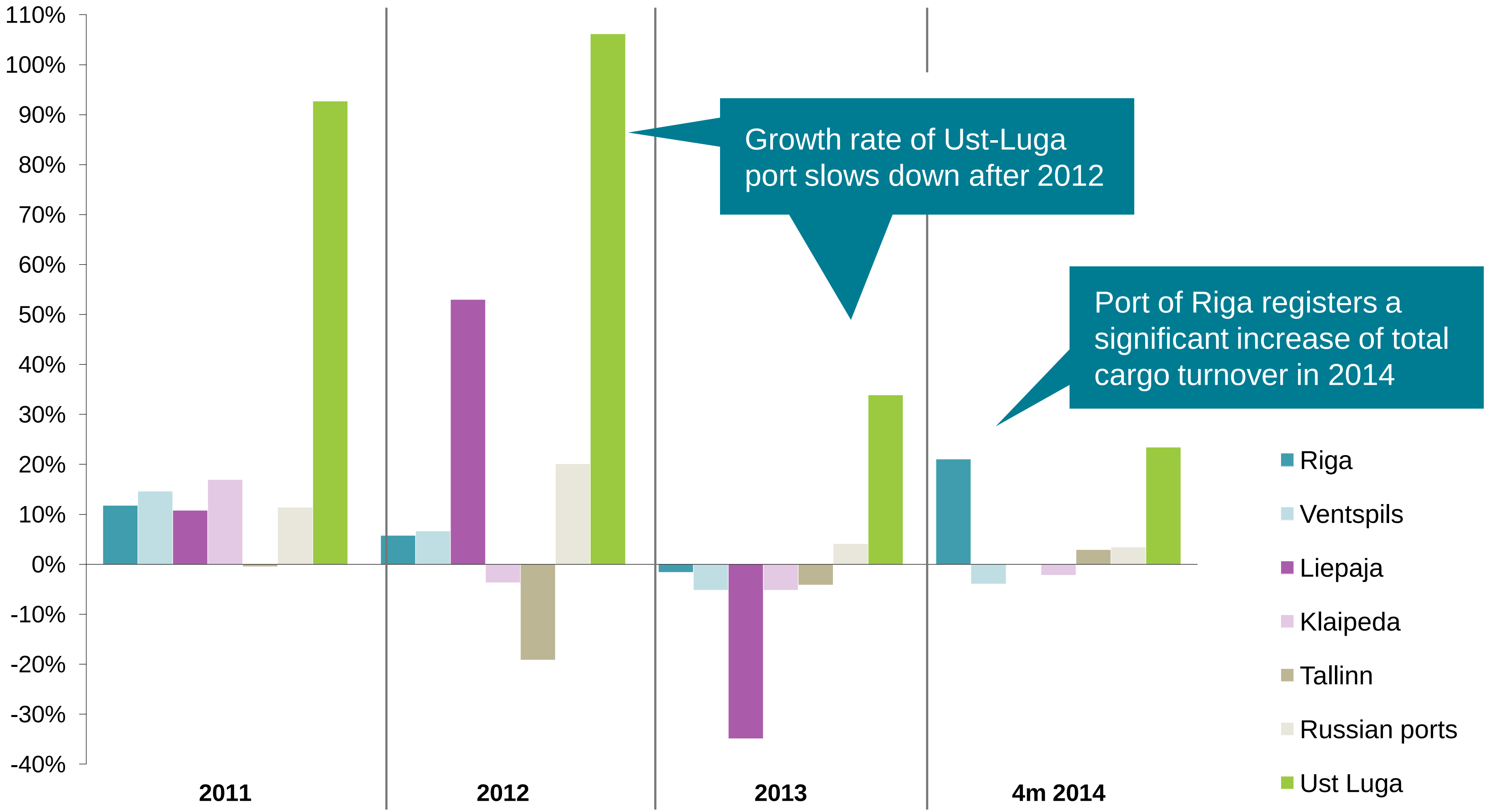
Notes: (a) Data on Russia covers only Russian ports in the Baltic Sea basin

Competitive landscape of maritime cargo transportation in the Baltic States

Cargo turnover of the key Baltic States ports, 2010-2013



Year-on-year cargo turnover growth in major Eastern Baltic ports, 2011-2014



Handling of crude oil and oil products in the Eastern Baltic ports, 2011-2013

Year-on-year change in oil cargo flows (4m 2014 and 2013 full year)

	4m 2014 / 4m 2013	2013 / 2012
Riga	+ 36%	- 8%
Ust-Luga	+ 28%	+ 47%
St. Petersburg	+ 14%	0%
Primorsk	- 18%	- 15%
Butinge	- 34%	+ 5%
Klaipeda	- 41%	- 14%
Kaliningrad	- 41%	- 19%

The unused spare handling capacity of oil cargo varies from 20% to 50% in the Baltic States ports

Total change in the region: - 4%

Handling of coal in the Eastern Baltic ports, 20101– 2013

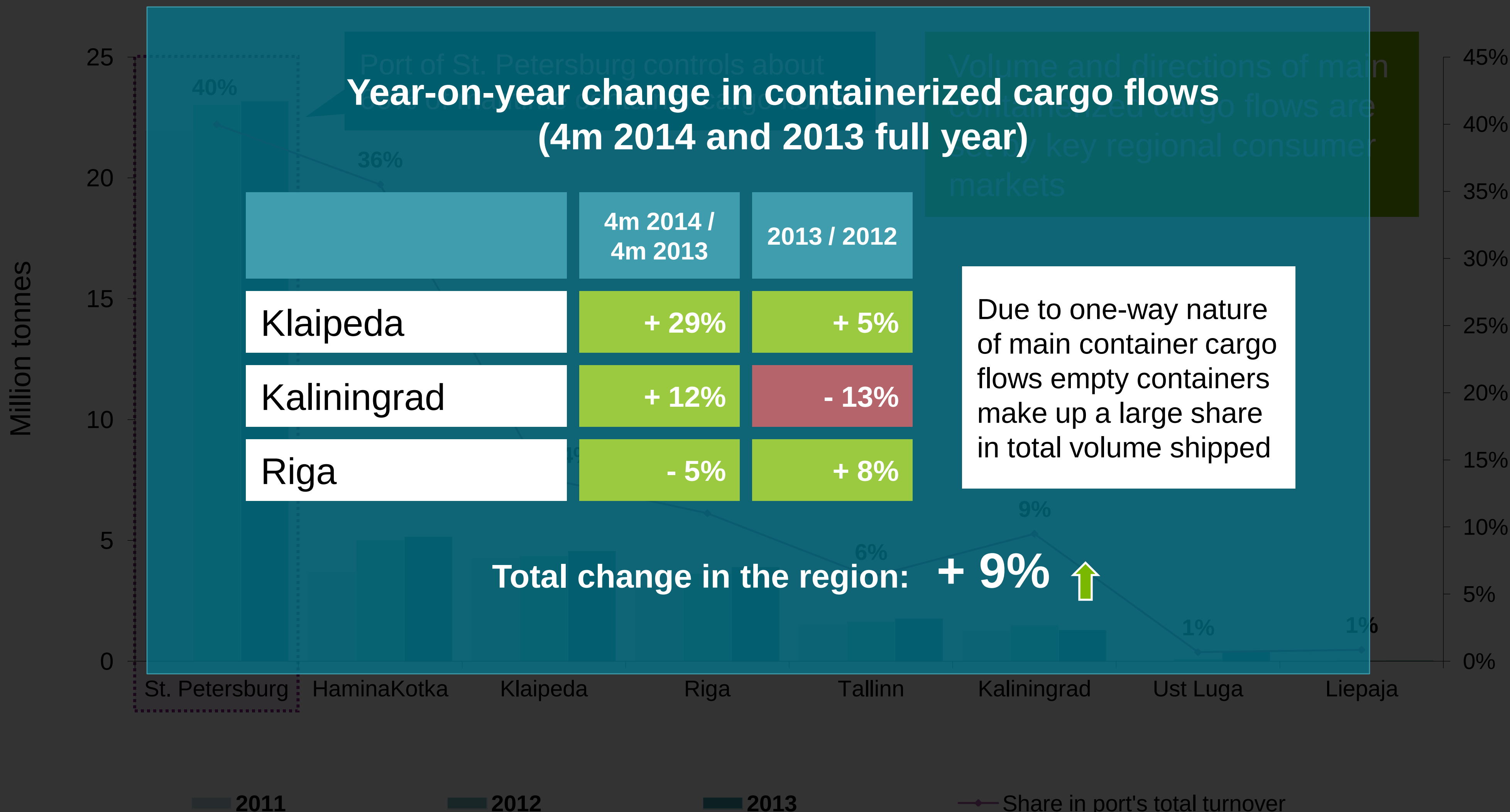
Year-on-year change in coal cargo flows (4m 2014 and 2013 full year)

	4m 2014 / 4m 2013	2013 / 2012
Riga	+ 13%	- 6%
Ust-Luga	+ 11%	+ 14%
Vysotsk	+ 11%	+ 49%
Ventspils	- 10%	- 5%

Major coal-handling ports continue to grow within the segment except for Ventspils

Total change in the region: + 7% ⇧

Handling of containers in the Eastern Baltic ports, 2011 – 2013



Year-on-year change in containerized cargo flows (4m 2014 and 2013 full year)

	4m 2014 / 4m 2013	2013 / 2012
Klaipeda	+ 29%	+ 5%
Kaliningrad	+ 12%	- 13%
Riga	- 5%	+ 8%

Due to one-way nature of main container cargo flows empty containers make up a large share in total volume shipped

Total change in the region: + 9%

Handling of fertilizers in the Baltic States ports, 2011 – 2013

Year-on-year change in fertilizer cargo flows (4m 2014 and 2013 full year)

	4m 2014 / 4m 2013	2013 / 2012
Ventspils	+ 115%	- 10%
St. Petersburg	+ 46%	+ 27%
Riga	+ 39%	0%
Klaipeda	+ 23%	- 16%
Tallinn	- 18%	- 25%

Fertilizer cargo flows are affected both by the global market prices and agricultural yield

Total change in the region: + 35%

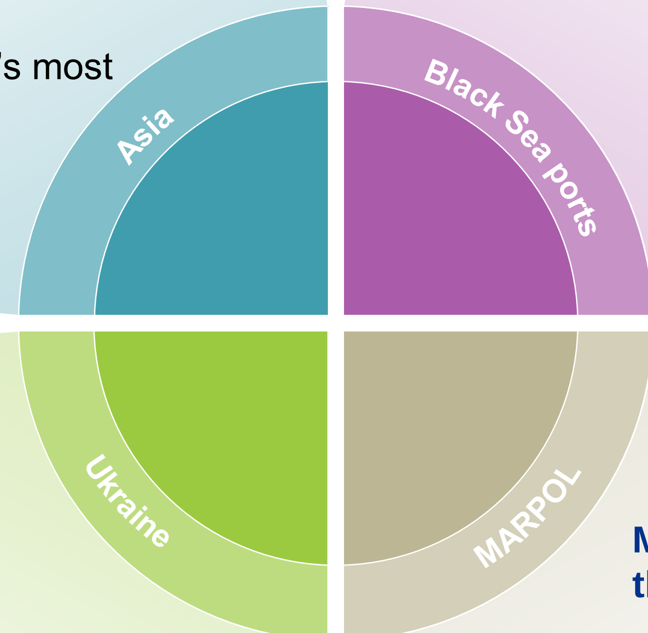
Threats and opportunities to consider

Asian countries will see fast economy development and significant growth of raw materials import

- Asia is forecasted to be the world's most developed region by 2040

Russia actively develop and invest in ports of the Black Sea

- Novorossiysk
- Tuapse
- Taman



Current situation in Ukraine

- Potential cargo reorientation from Ukrainian to Baltic ports
- Uncertainty with container trains heading to Ukrainian ports

MARPOL Convention restrictions in the Baltic Sea

- Increase of maritime transportation costs

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Thank you for your attention!

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Recently completed and ongoing projects in ports

Riga

- Finished construction of **Riga Fertilizer Terminal:**
  - Project financing exceeds EUR 60 million
  - Total annual throughput capacity of the 1st tier – up to 2 million tonnes

. . .

- Finished construction of **Riga Bulk Terminal:**
  - Project financing exceeds EUR 20 million
  - Cargo types handled include food pellets, alumina, other bulk foodstuffs
  - Total planned capacity – about 1 million tonnes per annum

Ventspils

- Ongoing dismantling of 1st pier, which will allow **construction on 2nd tier of Baltic Coal Terminal:**
  - Terminal throughput capacity is planned to be increased to 10.5 million tonnes

. . .

- Finished construction of **new Ventplac terminal:**
  - Increased throughput capacity of both Ventplac and Noord Natie Ventspils Terminal, from which it had previously rented the territory

Liepaja

- **New ferry Ro-Pax line** Zasnitz – Baltiysk – Liepaja – Ust-Luga operated by BFI

. . .

- Resumed **deepening of port water area and feeder canal:**
  - Project financing exceeds EUR 14 million
  - Project is EU Cohesion fund co-financed