



Port of  
Rotterdam

# Half-yearly Report 2013

## Financial result unchanged

## PORT OF ROTTERDAM THROUGHPUT DECREASED SLIGHTLY

Throughput in the port of Rotterdam in the first half of the year decreased by 0.9% compared to the first half of 2012. This was primarily caused by a reduction in the shipment of crude oil. Other sectors were unable to offset this reduction.

The Port of Rotterdam Authority's financial result stayed virtually the same. Income from seaport dues primarily decreased as the result of a moderate rate policy and because of the decrease in throughput. This was offset by an increase in land revenues primarily as a result of new sites leased to customers.

The highlight of the first half of the year was the opening of the Maasvlakte 2 to shipping. The construction of the Maasvlakte 2 is € 150 million cheaper than initially estimated. Partly as a result of this, the Port of Rotterdam Authority was able to agree with shareholders that the dividend will already be increased this year and that € 290 million of the State contribution for the construction of the Maasvlakte 2 will now be repaid.

## THROUGHPUT

Throughput in the first half of the year displayed a small shrinkage. Throughput in total decreased by 0.9% compared to the first half of 2012. This is primarily caused by a decrease in the throughput of crude oil (-9%) resulting from the overall market situation (low demand), the drawdown of stocks because of expected lower future prices (backwardation) and as a result of maintenance stops by refineries. Crude oil makes up almost a quarter of the port's throughput. This means that a significant decrease in the throughput of crude oil significantly affects the total. The increase in the throughput of mineral oil products (4%) resulting from increased exports partially offset this loss. There was an increase in the shipment of heavy fuel oil from Russia, via Rotterdam to the Far East. The volume of incoming LNG in the first half of this year dropped considerably. The reason for this is that almost all LNG being shipped is going to Asia. Other liquid bulk increased slightly (1%). Overall, the throughput of liquid bulk declined by -3%.

THROUGHPUT (GREATER ROTTERDAM)	JAN-JUN 2013	JAN-JUN 2012	% DIFFERENCE
<b>(IN THOUSANDS OF TONNES)</b>			
Iron and scrap	17,418	16,440	6.0%
Coal	14,589	12,907	13.0%
Agribulk	4,239	4,145	2.3%
Other dry bulk goods	5,926	5,859	1.0%
<b>TOTAL DRY BULK</b>	<b>42,172</b>	<b>39,351</b>	<b>7.2%</b>
Crude oil	46,177	50,591	-8.7%
Mineral oil	41,297	39,882	3.5%
LNG	62	205	-70.0%
Other liquid bulk	16,874	16,779	0.6%
<b>TOTAL LIQUID BULK</b>	<b>104,409</b>	<b>107,457</b>	<b>-2.8%</b>
<b>CONTAINERS</b>	<b>61,756</b>	<b>63,041</b>	<b>-2.0%</b>
Roll-on/roll-off	9,020	8,824	2.2%
Other general cargo	2,382	3,085	-22.8%
<b>TOTAL OTHER GENERAL CARGO</b>	<b>11,402</b>	<b>11,909</b>	<b>-4.3%</b>
<b>TOTAL THROUGHPUT (IN THOUSANDS OF TONNES)</b>	<b>219,738</b>	<b>221,758</b>	<b>-0.9%</b>
<b>CONTAINER THROUGHPUT (TEU X 1,000)</b>	<b>5,903</b>	<b>5,862</b>	<b>+1.0%</b>

The throughput of coal increased (13%), primarily destined for power generation. Coal power plants are cheaper to operate than gas power plants due to the price difference between coal and gas. In addition, the throughput in Rotterdam increased as a result of the bundling of flows and the closure of mines in the hinterland. Iron ore and scrap metal also increased in throughput (6%). This was not so much the result of increased steel production, as it was due to the transshipment to other ports in Europe. In the first half of the year somewhat more agribulk (2%) and other dry bulk (1%) passed through the port. This represents a growth of 7% in the total dry bulk.

The container segment experienced a small decrease in the number of tonnes (-2%). The number of containers handled by the port increased slightly by 1%. The reason for the decline in weight is the persisting economic malaise in Europe. The highest contraction in the number of tonnes is related to feeder transport (-6%). This is partially because of the fact that feeder connections between the Baltic states and Rotterdam have shifted to ports in North Germany. Another reason is the persistent overcapacity in the container shipping industry. As a result, to save on costs ship owners not only slow steam their large ships, but also make more direct port calls than in the past. The latter leads to a decrease in the total feeder volume in the Hamburg - Le Havre range. The decrease in feeder volume is furthermore responsible for a slight decline in the deep sea volume (-2%). The short sea traffic increased by 5% in part because of the growth in container volume to the eastern part of the Mediterranean. RoRo traffic increased somewhat (2%). RoRo throughput is highly dependent on the growth of the British economy, which is not yet showing any signs of a strong recovery. Other general cargo dropped significantly (-23%), primarily because of the decrease in the import of steel. In total 4% less breakbulk was handled.

Since 1 January 2013, the operation of the Dordrecht seaport has been fully integrated with the Rotterdam seaport. Dordrecht's throughput figures (approx 3 million tonnes per year) have therefore been included in the throughput figures effective from this date.

## PORT OF ROTTERDAM DEVELOPMENTS

The construction of the Maasvlakte 2 was successfully completed. On 22 May 2013, the Minister of Infrastructure and the Environment, officially opened the new port area. Since that date, the new land is accessible to ships via the Yangtzekanaal. The area was already accessible by road and rail at the end of last year. The construction of the Maasvlakte 2 was € 150 million cheaper than initially estimated. The construction of the Maasvlakte 2 is now complete, except for the realisation of several infrastructure projects designed to optimise the connection of the new port area with the existing port area. The construction of the APM Terminals and RWG container terminals is progressing well.

The widening of the Amazonehaven for ECT is proceeding according to schedule. By the beginning of 2014, the navigable portion of the port basins will have been widened by approx 100 m, so that the increasingly larger container ships can also reach the port under less favourable weather conditions.

A steam pipeline between a number of companies in the Botlek has been put into operation. The pipeline reduces the loss of residual heat and increases the efficiency of the industry. Plans call for the network to be further expanded. Increasing efficiency is an important way in which to limit CO<sub>2</sub> emissions. The two companies involved in the ROAD Project (a large-scale trial project for the capture and storage of CO<sub>2</sub> at a power plant), have not yet taken a definite decision. The persistently low CO<sub>2</sub> price is playing a key role in this respect.

In June the Dutch Safety Board (OvV) presented a report concerning safety at Odjell Terminals Rotterdam over the period 2000 - 2012. The OvV's report rightly holds the companies primarily responsible for their own safety, emphasises the supply chain responsibility of the chemical companies and argues for a system of integral regional permitting, supervision and enforcement with the possibility of having the state secretary intervene when necessary. The Port of Rotterdam Authority shares the conclusions and recommendations. All parties within the chain must now implement these improvements.

The most important land lease during the past half year was to Shtandart Terminals for the construction of a large oil terminal in the north-west corner of the Europoort. Plans call for construction of the terminal to commence in the first half of 2014.

The current Calandspoorbrug (railway bridge) is nearing the end of its useful life. In addition, the bridge is regularly opened for shipping, which impedes the increasing rail transport. The Port of Rotterdam Authority has agreed with the Ministry of Infrastructure and the Environment that it intends to contribute a maximum of € 80 million for the alternative that is the most favourable to the development of the port and that will be ready by 2019. Port of Rotterdam Authority is considering a relocation of the route via the Theemsweg, so that the railway and ocean shipping no longer will be crossing. Plans call for construction to begin in 2015.

## HARBOUR MASTER

Following the commissioning of the new Rotterdam Traffic Centre in 2010, the alderman for the port in April officially opened the Hook of Holland Traffic Centre. Shipping traffic is managed from these two very modern sites.

The Harbour Master Division initiated the project 'The Ship is Key' in which various parties, such as nautical service providers, terminal operators and the Port of Rotterdam Authority are collaborating to develop more efficient traffic scheduling in the port through means of structurally improved information exchange.

To support the Harbour Master's processes, a key component of the Harbour Management Information System (HaMIS) was implemented during this first half of the year. HaMIS currently provides a single information system for administering, managing and inspecting ship visits linked to a map of the port. The system will also be used by the Port of Amsterdam Authority, which contributes to standardising the processes.



## FINANCE

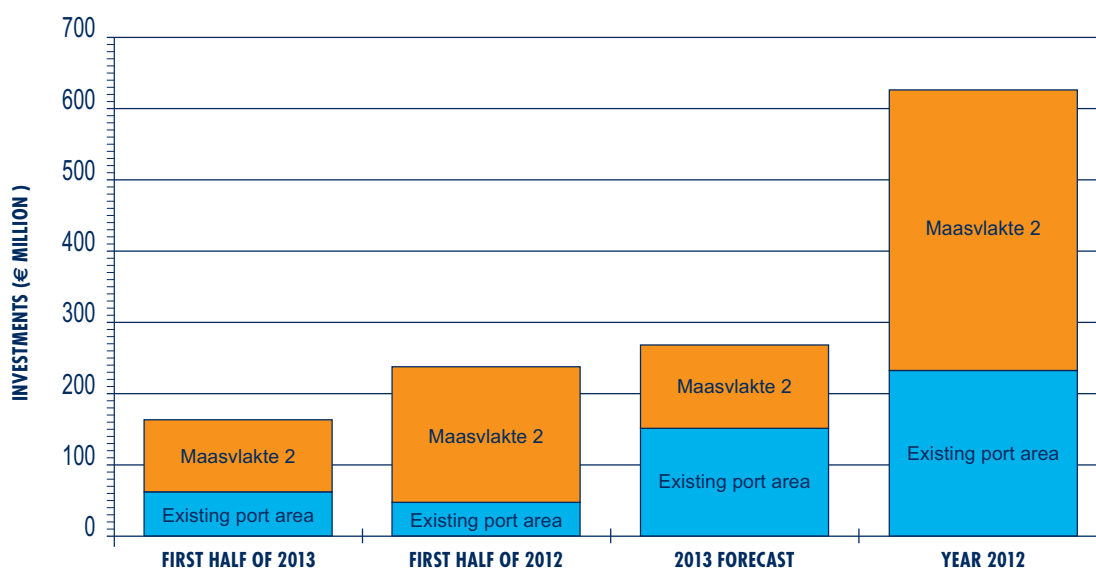
### RESULT

The result for the first half of 2013 is € 118 million. Rent revenues increased by € 15 million (11%) in comparison to the first half of 2012 due to new sites leased out to customers and price revisions. On the other hand, seaport dues decreased (-2%) as a result of a moderate pricing policy and a drop in throughput volumes. Revenues on balance increased. Operating expenses, on a half-yearly basis, are slightly higher than in 2012. In particular, the increased level of depreciation and the higher interest charges, driven by the high level of investment in recent years, caused the result to be lower than it was in the first half of 2012.

RESULT DEVELOPMENT	JAN-JUN 2013	JAN-JUN 2012
<small>(AMOUNTS IN MILLION EURO'S)</small>		
Port dues	151	153
Rent, ground lease and quay fees	157	142
Other operating income	8	8
<b>OPERATING INCOME</b>	<b>316</b>	<b>303</b>
Salaries, wages and social charges	-51	-51
Operating expenses	-59	-59
Other operating expenses	-2	2
<b>NET OPERATING EXPENSES</b>	<b>-111</b>	<b>-107</b>
<b>EARNINGS BEFORE INTEREST, DEPRECIATION AND TAXES (EBITDA)</b>	<b>204</b>	<b>196</b>
Depreciation and amortisation	-62	-57
<b>INCOME FROM NORMAL OPERATIONS (EBIT)</b>	<b>142</b>	<b>139</b>
Financial income and expenses	-29	-23
Income from participating interests	4	4
<b>NET INCOME</b>	<b>118</b>	<b>119</b>

### INVESTMENTS

Due to the construction of the Maasvlakte 2, the Port of Rotterdam Authority's level of investment has been very high in recent years, particularly in 2010 - 2012. The level of investment will be considerably lower in 2013. Total investments are expected to drop from € 626 million in 2012 to approximately € 268 million in 2013. The Port of Rotterdam Authority's goal is to continue to invest vigorously in the port area.



## MAASVLAKTE 2, REPAYMENT AND DIVIDEND

The construction of the Maasvlakte 2 has reached such a stage of completion that it is possible to conclude that its cost will be € 150 million cheaper than initially estimated: € 1.55 billion instead of € 1.7 billion. Partly as a result of this, the Port of Rotterdam Authority was able to agree with shareholders that the dividend will be increased by € 18.8 million starting this year and that € 290 million of the State contribution for the construction of the Maasvlakte 2 will be repaid this year.

## CASH FLOWS

In spite of a slight increase in the operating result, the operating cash flow in the first half of 2013 decreased by € 21 million in comparison to the first half of 2012. This is primarily due to changes in short-term debts and an increase in interest paid.

The net outflowing cash flow from investment activities is considerably higher than it was in the first half of 2012. This is primarily a result of a partial repayment (€ 290 million) of the State contribution received for the construction of the Maasvlakte 2.

The financing cash flow significantly increased in comparison to the first half of 2012. € 450 million in loans was withdrawn as planned in 2013. In addition, in June, a € 85.7 million dividend was paid to shareholders.

CASH FLOW STATEMENT	JAN-JUN 2013	JAN-JUN 2012
<i>(AMOUNTS IN MILLION EURO'S)</i>		
Operating result (EBIT)	142	139
Amortisation and depreciation and changes in provisions	55	46
Changes in working capital	-19	7*
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>178</b>	<b>192</b>
Interest received/paid	-32	-24
<b>OPERATING CASH FLOW</b>	<b>147</b>	<b>168</b>
Cash flow from investing activities	-164	-237
State contribution, grants and other changes	-266	165*
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-430</b>	<b>-72</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>352</b>	<b>-98</b>
<b>NET CASH FLOW</b>	<b>69</b>	<b>-2</b>

*\*The figures for the first half of 2012 have been adjusted for comparison purposes due to a reclassification.*

## PORT OF ROTTERDAM AUTHORITY

*The aim of the Port of Rotterdam Authority is to enhance the port and Rotterdam's competitive position as a logistics hub and world-class industrial complex. Not only in terms of size, but also quality. The core tasks of the Port Authority are to develop, manage and run the port in a sustainable way and to maintain a speedy and safe service for shipping.*

### **Facts and figures of the Port of Rotterdam Authority and the Port of Rotterdam:**

**Port of Rotterdam Authority:** 1,200 employees; operating income of approx € 600 million.

**Port area:** 12,500 ha (land and water, of which approx 6,000 ha business sites, including Maasvlakte 2 land available for lease). The length of the port area is over 40 km.

**Direct employment:** over 87,000 jobs.

**Throughput:** approx 450 million tonnes of goods per year.

**Shipping:** approx 32,000 sea-going vessels and 100,000 inland vessels per year.

[www.portofrotterdam.com](http://www.portofrotterdam.com)

July 2013. The figures included in this half-yearly report have not been audited.

Editing: Port of Rotterdam Authority



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