Overview of Port Operations

Mr. Joseph A. Dorto
President & CEO
Virginia International Terminals, Inc.
August 26, 2008

VIT is a non stock, non profit Company created in 1983 by the VPA to operate the States Ports. It receives no general fund dollars. The Transportation Trust Fund Money received by the VPA can only be used for Maintenance and Capital improvements.

The entire operations of VPA and VIT are funded by Terminal Revenue.
• VIT has 448 full time employees and hires approximately 800 longshoremen per day

• VIT’s Fiscal Year Budget for ’09 is $239,969,000 Gross Income

• VIT’s Fiscal Year Budget for ’09 is $59,293,000 Net Income
2006 East Coast Rankings
By Container Volume (TEUs)

Top East Coast Ports Growth
1986-2006
Gain Loss in Market Share
Top East Coast Ports
1986-2006

-10.7% 5.6% 6.7% 7.2%

New York Baltimore Charleston Savannah VIRGINIA

-15.0% -10.0% -5.0% 0.0% 5.0% 10.0%

Gross Income
Years 1998 - 2007

$300,000 $250,000 $200,000 $150,000 $100,000 $50,000 0

Shipline Agreements

- VIT has successfully negotiated 10 year Agreements with all but one of its Customers (presently in negotiation).

- These Agreements ensure the steady flow of cargo through VPA Ports for the next 10 years, allowing VIT//VPA to better plan its improvements and expenditures in the future.

Distribution Centers

- VPA/VIT have been successful in attracting major distribution centers to the Hampton Roads Area in the past 5 years.
• VIT has a good balance of Import/Export containers which enables truck and rail to have two-way moves and balance their equipment.

2007 Trade Balance

- Import: 49%
- Export: 51%
The Port of Virginia is the Only East Coast Port That Can Handle Any of These Ships
Cost: $5.25 B
Funded entirely by users of the canal
Completion by 2014

Emma Maersk
World’s Largest Container Ship

- 15,000 TEUs
- 22 containers wide
- 1,302 ft. long (Eiffel Tower = 986 ft.)
- Beam = 183.73 ft. (Olympic pool length = 164.04 ft.)
- Draft = 50.8 ft.
- Crew = 13 people
Comparison of Ship Sizes

<table>
<thead>
<tr>
<th>Ship</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knock Nevis</td>
<td>1503 ft.</td>
</tr>
<tr>
<td>Emma Maersk</td>
<td>1302 ft.</td>
</tr>
<tr>
<td>Queen Mary</td>
<td>1132 ft.</td>
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<tr>
<td>Berge Stahl</td>
<td>1122 ft.</td>
</tr>
<tr>
<td>USS Enterprise</td>
<td>1119 ft.</td>
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</tbody>
</table>

Panama Canal

Overall length: 51 miles  Maximum ship width: 13 containers
Lock Dimension: 110 ft. wide, 39.5 ft. deep, 1000 ft. long
Suez Canal

Overall length: 120 miles
Width: 590ft / 622ft
Max. permissible draft: 62ft
The canal is sea level, no locks.

Expansion of the Panama Canal

$5 billion project to widen and improve the Panama Canal
U.S. Containerized Cargo Forecast

- International Containerized Cargo Trade is Forecast to More Than Double over the Next 10 to 15 Years

Over 80 M TEUs Required by 2020

Actual Throughput Average 7.7% CAGR

World Container Forecast

World Container Forecast to 2024 in TEUs
(186% Increase in Next 20 Years)

Growth Rate (CAGR)
1994 to 2004: 8.3%
2004 to 2014: 8.1%
2014 to 2024: 5.9%

2005: 85 M
2024: 243 M

Source: Global Insight, 2004
Tonnage Forecast

U.S. Containerized Tonnage Forecast

- U.S. Cargo Will Double in Volume by 2020
- Panama Canal Commission Forecast East Coast Cargo to Triple by 2020
- Capacity Constraint = Highly Valued Port Asset Prices
- Infrastructure capacity increase tend to take years to realize.

Capacity Shortfall
North Atlantic Ports Will Begin to Experience Capacity Constraints in the 2012 Time Frame

North Atlantic Port Capacity

Source: Port Revenues, Throughput, Global Insight, Port Expansion Plans

Trade Growth

North American Maritime Container Current and Future Trade Growth (Top 10 Ports)

By 2020 demand will exceed current capacity of many U.S. ports by as much as 200%.
Deeper Channels

- Proposed Craney Island Marine Terminal

- $2.4 Billion Investment
- Open 2017 (Stage 1)
  - 220 Acres
- Complete 2032
  - 600 Acres
  - 6 Berths
- Handle 4.0 Million TEUs Per Year
Intermodal traffic in US has nearly doubled in the past 15 years.
$465 million has been reinvested into the Port’s infrastructure and paid the cost of operations for the Virginia Port Authority.
What does Virginia need in order to be successful in the future . . .

Roads!