CERES

Presentation by

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Ceres Terminals Incorporated

Wednesday, October 22, 2008
at Nauticus
Half Moone Cruise Terminal
Norfolk, VA

Joint Sub-Committee Studying Public-Private Partnerships Related to Seaports

House Joint Resolution No. 72 (2008)

Vancouver
Halifax
Montreal
Duluth
Brooklyn
Bayonne
Baltimore
Norfolk
Nashville
Hueneme
Charleston
Savannah
Brunswick
Jacksonville
Canaveral
Houston
New Orleans
Tampa
Port Everglades
Miami
Galveston
CERES

CERES TERMINALS INCORPORATED

	2007
• CONTAINERS	2.9 mil teus
• RORO	385,140
• PASSENGERS	3,325,410
• MAN HOURS	3,462,784

CERES

NIPPON YUSEN KAISHA

	FY 2007
• VESSELS	777
– CONTAINERS	155
– RORO	113
– OTHERS (liquid & dry bulk and others)	509
• TURNOVER/REVENUE	$21.6 bil
• OPERATING INCOME	$1.05 bil

NYK LINE
NIPPON YUSEN KAISHA

HAMPTON ROADS

	2007
• CERES MARINE TERMINALS, INC.	
– CONTAINERS	371,916
– BREAKBULK	8,800 M/T
– MAN HOURS	402,832
• NYK	
– SERVICES	5 services in the Grand Alliance and 1 independent
– CONTAINERS	130,000 teus

CERES

NYK LINE
NIPPON YUSEN KAISHA

CERES TERMINALS INCORPORATED

- **Operating Ports**
  - Hampton Roads
  - Charleston
  - Savannah
  - Houston

- **Landlord Ports**
  - Montreal
  - Halifax
  - New Orleans
  - Los Angeles

CERES

Privatizing Works
From An Operating Perspective

Current Model

- Land-side focused on land transport
- Water-side focused on vessel production
- Both sides generate revenue from the same customer
- Both sides generate their margins from the same customer
- Duplication of equipment, manning

Privatizing Works
From An Operating Perspective

Privatized Model

- Focus is on both land and water side
- Delivers more seamless service
- Increases margins
- Decreases costs
- Better utilization of assets

INDUSTRY BEST PRACTICE

- SINGLE PORT OPERATORS FOCUS INWARD
- MULTI-PORT OPERATORS TRANSFER WORKING EXPERIENCE AMONG PORTS

VIRGINIA'S PERSPECTIVE

- **TRANSPORATION INFRACTURE COST**
  - **Privatizing frees up capital**

- **PRIVATE INDUSTRY CAN BUILD QUICKER AND CHEAPER**
  - **Port more competitive**

PORT INVESTORS - STRATEGIC

CERES

Long Beach Container Terminal Inc.

APM TERMINALS

CMA CGM

ITS

EVERGREEN

MSC

HANJIN SHIPPING

EAGLE MARINE SERVICES

TraPac

PORT INVESTORS - COMMERCIAL

CERES

MAHER TERMINALS

RREEF

APM TERMINALS

PSA The World's Port of Call

MACQUARIE

SSA Marine A Carrix Enterprise

Goldman Sachs

DP WORLD

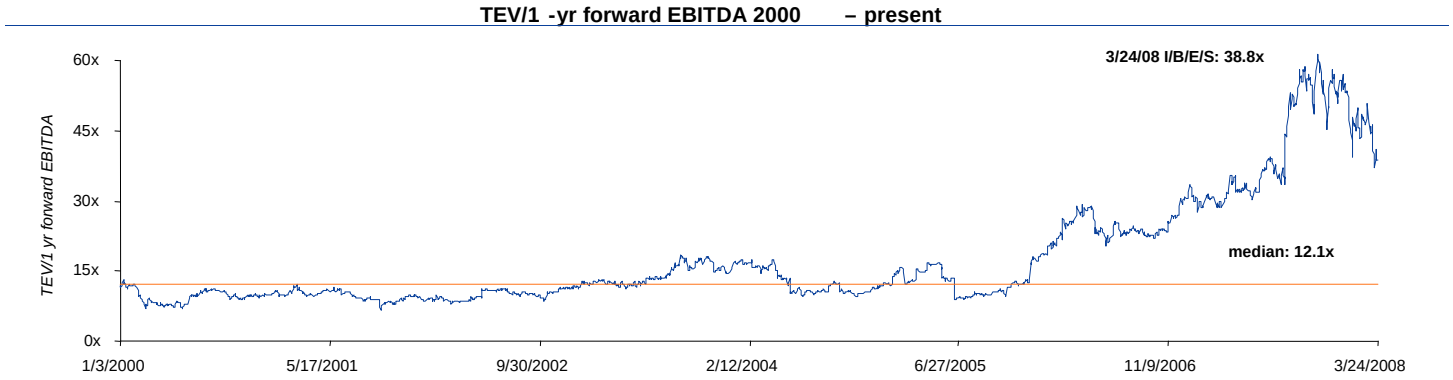
Morgan Stanley Investment Management

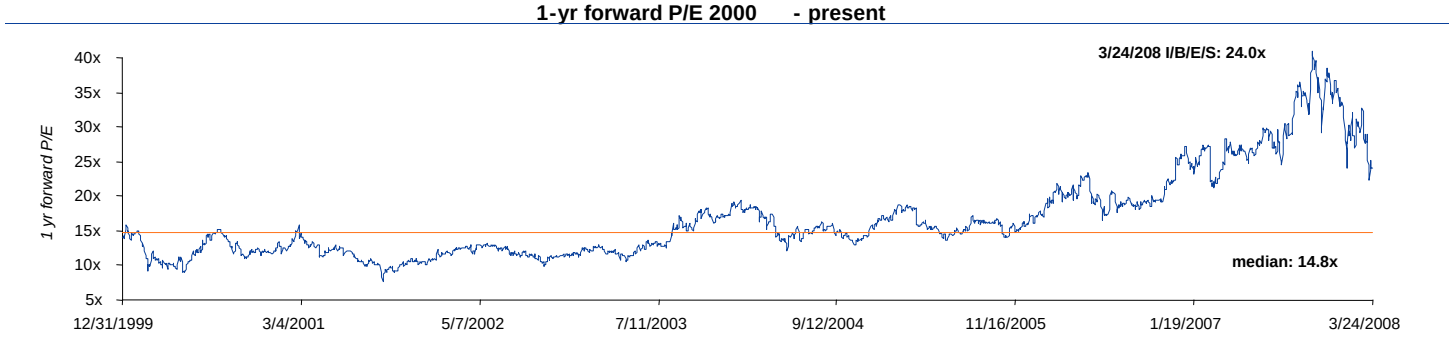
AIG

PORTS AMERICA

Hutchison Whampoa Limited

GRAPH OF SALE PRICES OVER THE LAST TEN YEARS





PRIVATIZATION

- FREES UP GOVERNMENT CAPITAL FOR OTHER PROJECTS
- REDUCES PORT COSTS
- BETTER UTILIZATION OF ASSETS
- INDUSTRY BEST PRACTICE

CERES

EVERGREEN