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DP World surprises amid gloomy industry

Robert Wright
31 January 2012
Financial Times

Container throughput at terminals owned or part-owned by Dubai's DP World was 10 per cent higher in 2011 than 2010, revealing the continuing strong growth in trade to and from the emerging markets where the operator is focused.

The overall figure masked still higher year-on-year growth of 30.5 per cent at the operator's terminals in Africa – in Mozambique, Djibouti, Algeria and Senegal – and of 22 per cent in Latin America, where the operator has facilities in the Dominican Republic, Peru, Argentina and Suriname.

The company also predicted that 2012 would prove a still better year in its operations than 2011.

"We expect to perform better than we did in 2011 in terms of growth," Yuvraj Narayan, finance director, told a conference call.

The upbeat tone in DP World's announcement was in marked contrast to the gloomy tone expected from most container shipping lines in the forthcoming results season.

Container shipping lines – including Korea's Hanjin, which reported a \$487m annual loss in container shipping on Monday – are suffering from significant ship overcapacity, which is driving down earnings too low to cover costs.

The ship overcapacity is particularly acute on routes between Asia and northern Europe, the busiest long-haul container route.

Many emerging markets, however, have too little container terminal capacity and strong demand growth, meaning that operators focused on those markets are seeing both strong utilisation of their assets and enjoy robust pricing power.

The 10 per cent growth across all terminals where DP World has a stake took the total number of containers handled at its terminals during 2011 to 54.7m twenty-foot equivalent units (TEUs). Like-for-like growth – excluding the effect of new terminal openings – was 9 per cent.

The figures at DP World's consolidated terminals – where it holds a controlling stake – were distorted by the sale in March 2011 of a 75 per cent stake in the company's Australian operations.

However, it said on a like-for-like basis growth at consolidated terminals was 8 per cent, to 27.5m TEUs. Performance was particularly strong in the United Arab Emirates – home to DP World's biggest terminal, at Jebel Ali in Dubai – where throughput grew 12 per cent to 13m TEUs.

Mohammed Sharaf, chief executive, said DP World had seen no sign of the slowdown in demand in late 2011 that saw Asia to Europe container volumes – which had been growing slowly for much of the year – go into decline.

“We did not see any negative growth or slowdown,” he said.

The company said it expected to announce earnings before interest, tax, depreciation and amortisation in line with market expectations when it announced full-year figures in March. Lower-than-expected financing costs would have a positive effect on pre-tax profits, it added.

The shares – which are traded in London and on Dubai’s International Financial Exchange – fell 2.5p in London to 700p.

DP World global volumes up 10%
Roger Hailey
31 January 2012
Lloyd’s List

DP World, the Dubai-based container terminal operator, handled 54.7m teu across its global portfolio in 2011, an increase of 10% against the prior year. Like for like volume growth was 9% when compared with 2010.

The group said that it will achieve 2011 full year earnings before interest, taxes, depreciation, and amortisation in line with expectations, while lower than expected net financing charges will benefit reported profit before tax.

Volume growth at the world’s third largest terminals group was driven by an “exceptionally strong performance” in the home base UAE region, which delivered volume growth of 12%, handling 13m teu for the year. Consistent quarterly growth in the region culminated in 16% volume growth in the final quarter of 2011.

DP World operates more than 60 terminals worldwide, with container handling generating around 80% of its revenue. The group’s portfolio of consolidated terminals handled 27.5m teu during 2011.

DP World said: “Had our five terminals in Australia not been deconsolidated from 12 March 2011, the consolidated terminals would have delivered 9% growth ahead of the prior year. Like for like growth across our portfolio of consolidated terminals was 8%.”

DP World saw strong results from Asia Pacific, Africa and the Americas together with the addition of new capacity from terminals in Karachi, Pakistan and Vallarpadam, India both of which opened in early 2011.

Chairman Sultan Ahmed Bin Sulayem said :“DP World delivered another strong performance in the final quarter of the year despite the macro economic uncertainty.

“These results are a reflection of our continued focus on those regions which are seeing strong trade growth.”

He added: “Whilst uncertainty continues to affect the global economy, our business is still performing well.

“We made good progress through the fourth quarter of 2011 and we will achieve 2011 full year ebitda in line with expectations. Lower than expected net financing charges will benefit reported profit before tax.”

Chief executive Mohammed Sharaf said: “Whilst this uncertainty remains as we enter 2012, we continue to concentrate on delivering an improved operational and financial performance over 2011 reflecting our focus on both faster growing emerging markets and delivering an enhanced offering to our customers.

“As we look ahead, we continue to remain confident about the long term outlook for our industry.

“We believe our continued investment in existing and new terminals around the world will ensure our portfolio is best positioned to meet the expectations of our customers and their future requirements.”

DP World container volumes grow 10% in 2011

31 January 2012

Khaleej Times

Global marine terminal operator DP World ton Tuesday announced another record year for container handling, with over 54.7 million TEU (twenty-foot equivalent container units) handled across its global portfolio in 2011, an increase of 10% against the prior year. Like for like volume growth was equally strong at 9% when compared with last year.

“Our portfolio of consolidated terminals handled 27.5 million TEU during 2011. Had our five terminals in Australia not been deconsolidated from 12 March 2011, the consolidated terminals would have delivered 9% growth ahead of the prior year. Like for like growth across our portfolio of consolidated terminals was 8%,” Chairman, Sultan Ahmed Bin Sulayem commented.

The growth across our portfolio was driven by an exceptionally strong performance in the UAE region which delivered volume growth of 12% handling 13.0 million TEU for the year. The UAE region has gone from strength to strength during 2011 with each quarter delivering yet another record performance culminating in 16% volume growth in the final quarter of 2011.

Alongside this excellent performance in the UAE region, we saw strong results from Asia Pacific, Africa and the Americas region together with the addition of new capacity from our terminals in Karachi, Pakistan and Vallarpadam, India both of which opened in early 2011.

He added: “DP World delivered another strong performance in the final quarter of the year despite the macro economic uncertainty. These results are a reflection of our continued focus on those regions which are seeing strong trade growth in addition to the continued focus by all our terminals on providing customers with a first class service when they call at DP World terminals.

“Our flagship terminal in the UAE has yet again exceeded all expectations delivering another record year as it continues to position itself as the gateway port of choice to handle cargo destined for the Middle East, India and Africa regions.

“Whilst uncertainty continues to affect the global economy, our business is still performing well. We made good progress through the fourth quarter of 2011 and we will achieve 2011 full year EBITDA in line with expectations. Lower than expected net financing charges will benefit reported profit before tax.”

Chief Executive Officer, Mohammed Sharaf said: “Whilst this uncertainty remains as we enter 2012, we continue to concentrate on delivering an improved operational and financial performance over 2011 reflecting our focus on both faster growing emerging markets and delivering an enhanced offering to our customers.

“As we look ahead, we continue to remain confident about the long term outlook for our industry. We believe our continued investment in existing and new terminals around the world will ensure our portfolio is best positioned to meet the expectations of our customers and their future requirements.”

DP World to meet loan maturity as income rises

Kevin Scott

[February 1, 2012](#)

Gulf News

Earnings in line with expectations amid strong volume.

The Jebel Ali port. DP World said in a statement to Nasdaq Dubai yesterday it handled more than 54.7 million TEUs (twenty-foot equivalent units) across its global portfolio in 2011, compared with 49.6 million TEUs in 2010.

Dubai: DP World expects to comfortably meet a \$3 billion (Dh11 billion) syndicated loan facility maturing in October, the company said yesterday after reporting a 10 per cent year-on-year increase in gross container volumes.

The Dubai-based ports operator also said its core earnings for 2011 would be in line with analyst expectations, which range between an EBITDA (earnings before interest, taxes, depreciation and amortisation) of \$1.2 billion to \$1.3 billion.

DP World is one of several UAE-based companies with loan facilities or sukuks due to mature this year. Bookrunners on the \$3 billion loan signed in October 2007 were Barclays, Citi, Deutsche Bank and RBS.

"It [the economy] is a cycle but we are in the right place to take advantage of the current market situation. We are in a comfortable position with more than Dh4 billion cash on our balance sheet; we have the ability to deal with the maturity," said Yuvraj Narayan, DP World's chief financial officer.

DP World said in a statement to Nasdaq Dubai yesterday it handled more than 54.7 million TEUs (twenty-foot equivalent units) across its global portfolio in 2011, compared with 49.6 million TEUs in 2010.

Like-for-like volume growth stood at nine per cent compared with the previous year. DP World's share price fell 0.18 per cent to \$10.95 at the close following the announcement.

"A little surprising factor is the lack of growth in consolidated volumes coming from the Asia Pacific and Indian Subcontinent regions, which grew only 1.8 per cent," said Raghu Mandagolathur, senior vice-president at Markaz, the Kuwait Financial Centre.

Mandagolathur says he expects DP World to report full year EBITDA in line with expectations, mainly on account of volume growth and lower interest costs.

"The first half of 2011 saw DP World report an all-time high EBITDA margin of 42.9 per cent. Going forward, we expect growth in earnings to come from operational efficiencies and cost management rather than from volume growth or pricing," he added.

Sent from my iPhone

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