

CONNECTION

YILPORT HOLDING INC. QUARTERLY CORPORATE MAGAZINE

2018 - Q1

YILDIRIM TOWER

New Route
Port of Gulfport, Mississippi

TOP TALK INTERVIEW SERIES :

ALIRIZA YILDIRIM

**YILPORT Becomes
Member of Federation
of European Private
Port Operators
and Terminals**

**Glorious Days
are Ahead
in Lisbon**

**Setting Up
the Global
Logistics Standards**



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HOLDING INC.

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PASSION IS ANOTHER...

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IN PORT OPERATION



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ALİ RIZA YILDIRIM

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YILPORT HOLDING INC.
QUARTERLY CORPORATE MAGAZINE

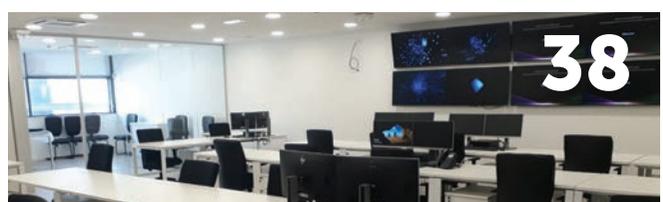
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YILPORT Holding and YILDIRIM Group Visited Mississippi

YILPORT Holding and YILDIRIM Group visited Gulfport, Mississippi and had meetings with Port Authorities, Commissioners, ILA, Mississippi Power and Mayor of Gulfport between 31st of January and 1st of February. New opportunities have been offered for Mississippi State.

The meeting was held with Governor of Mississippi State, Governor Phil Bryant State Capitol in Jackson, Mississippi as regards to the investment plans at Mississippi for production, infrastructure and logistics.



Port of Gulfport Signs Letter of Intent with YILPORT Holding for Future Port Expansion and Exclusive Lease Agreement

The Mississippi State Port Authority and YILPORT Holding A.S., a subsidiary of YILDIRIM Group of Companies, have executed a letter of intent (LOI) to allow for due diligence and negotiations regarding the potential location of the global terminal operator at the Port of Gulfport, Mississippi.

With the Port of Gulfport nearing completion of the USD 570 million restoration project, YILPORT Holding would commit to investing in additional facility and equipment upgrades. The company's interests are well diversified and could bring new vision and targeted investments to the Mississippi Gulf Coast. This would be YILPORT's first terminal investment in North America. However, YILDIRIM Holding currently operates a ferroalloys production and refining facility in Butler, Pennsylvania, where it is acclaimed for its high-quality product yield and toll conversion technology. Expanding to Gulfport would only further increase their capabilities in North America.



"As we continue discussions with YILPORT, the Port of Gulfport has a unique opportunity to evaluate a private-public partnership (PPP) that could lead to a significant investment in additional infrastructure and provide both parties with increased global coverage," said Port Executive Director and CEO Jonathan Daniels. "Our central location will allow YILPORT to further expand international trade lanes from Gulfport and increase cargo throughput."

YILPORT aims to make investments in world-class, multipurpose facilities with a wide range of business ventures including YILDIRIM's operations in 49 countries located on four continents. YILDIRIM Holding specializes in metals and mining, energy production, port management and logistics, fertilizer and chemical production, international trade, industrial construction, real estate development, and shipbuilding.

Also, a unique component of YILDIRIM's investment portfolio is their 24 percent stake in CMA CGM Group, which is the third largest container shipping company in the world.

"Since we believe that we have very good know-how and the expertise in multi-purpose port operations globally and we see lack of investments in many US ports, we are committed to Gulfport Port Authority to upgrade, improve terminal productivity and services by applying state-of-the-art port technologies at Gulfport in order to make the port the most competitive port in that region," said the Chairman of YILPORT Holding, Mr. Robert Yuksel YILDIRIM and added that, "We see a great potential to

feed volume particularly refrigerated goods to Gulfport from YILPORT terminals in Ecuador and Peru and Latin America to reach out Midwest USA. There is further potential in leveraging the company's trading subsidiary to handle containerized liquid and bulk products out of the US Gulf Coast region for small and medium-sized shippers."

In November 2017, the Army Corps of Engineers released the Record of Decision (ROD) for the Port of Gulfport Expansion Project, which paves the way for a 282-acre dredge and fill program for further expansion of the port's operations. With the permit in-hand, the port is now evaluating options to complete the dredge and fill project.

The Port of Gulfport would not be the first public-private investment for YILPORT. In August 2016, the company committed to investing USD 750 million for the development and modernization of the Puerto Bolivar port in Machala, Ecuador, which is one of the largest shipment points for fruits and seafood. Upon completion of five investment phases, the port is set to become the largest and the most advanced container terminal on the Pacific Coast of Latin America, with an annual container handling capacity reaching 2.5 million TEU.





Decision Makers Gathered at **JETCO**, Malta

YILDIRIM Group of Companies President & CEO Robert Yuksel YILDIRIM; gathered with investors and ministers on Maltese - Turkish Economic and Commercial Association Committee, JETCO, at the capital city of Malta, Valletta.

The Economy Minister of Turkey Nihat ZEYBEKCI, Malta Economy, Investment and Small Business Minister Christian CARDONA, the Presidents of Business Councils Mario GALEON and Halis CAKMAK, Representatives of the Turkish and Maltese Business Environments attended the event. During the sessions, commercial, economic and potential business cooperation were on the agenda.



Christian **BLAUERT** at Port Technology Container Terminal Automation Conference

YILPORT Holding CEO Christian BLAUERT attended Port Technology Container Terminal Automation Conference held between 14 and 15 March in the UK. During his speech, Mr. BLAUERT gave a detailed presentation related to state-of-the-art technological and infrastructural investment projects overall Turkey, Scandinavia, Iberia and Latin America terminals within the YILPORT portfolio.

He also shared mid-term and long-term plans of the company within the overall multipurpose supply chain management processes with the target of ranking among top 10 global container operators.





YILPORT[®]
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TARGET IS
TO RANK AMONG
TOP 10
PORT OPERATORS
BY 2025

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Cargo Growth Keeps YILDIRIM Happy



Robert Yuksel YILDIRIM (right), pictured with CMA CGM CEO Rodolphe (left) and CMA CGM Chairman Jacques Saadé. Photo Credit: CMA CGM

Container terminal operations controlled by Turkish billionaire and shipping investor Robert Yuksel YILDIRIM took a growth leap last year. Meanwhile the sale of his 24% shareholding in liner giant CMA CGM has been scrapped.

Annual box throughput across YILPORT Holding’s global network grew by a strong 9.5% to 4.3 million TEU with exports from Turkey and Sweden as chief growth drivers, the group said today. In Turkey, where economic growth defied all political troubles and geopolitical tension in the region, the group recorded volume increases of 26% and 30% at its terminals in Gebze and Gemlik.

Scandinavia came second with a rise in box handling of 14% at YILPORT’s ocean terminals in Sweden and Oslo. Puerto Bolivar in Ecuador, where the Turkish firm has been operating as concessionaire since March 2017, saw 9% growth to 111,700 teu. Volumes there are expected to rise significantly as the trend for containerization of banana cargoes continues. YILPORT’s network of ocean terminals includes five locations in Turkey, seven in Portugal, two in Sweden, two in Spain, one in Norway, one in Malta, one in Peru and one in Ecuador. The group is also upbeat about business developments this year, budgeting for a 10% increase in teu throughput.

Its owner YILDIRIM made no secret of the fact that he is eyeing further acquisition targets to foster its growth. Over the last two years, his group was studying a takeover of US terminal operator Ports America but could not agree on a deal with its existing owner Highstar Capital, an affiliate of US private equity investor Oaktree Capital.

The expectations up until the end of 2017 were that YILDIRIM would blow up his financial war chest with the sale of his interests in CMA CGM, the world’s third largest container line. However, the plan

was pulled back as the financial recovery in liner shipping picked up, with YILDIRIM’s status turning from preferred shareholder to ordinary shareholder at the start of this year. The group is happy with its investment in CMA CGM “now that the shipping market is looking so much better than before”, a spokesman for YILDIRIM explained to ‘Fairplay’ today.

Should he wish to sell at a later point, there is no doubt that his investment in the French carrier will have been a major success for him. He paid USD600 million for the convertible 5-year bonds that guaranteed him a 24% stake – its value today is believed to be over USD2.5 billion.

Source: Fairplay News
 Author: Michael Hollmann, Germany



YILPORT Becomes Member of Federation of European Private Port Operators and Terminals

YILPORT which actively operates across Europe with its 7 terminals in Portugal and 2 in Spain, became the member of FEPORT which represents the interests of large variety of terminal operators and stevedoring companies performing operations and carrying out activities over 400 terminals in the seaports of the European Union.

Mr. Christian Blauert, CEO of YILPORT Holding Inc. "We are following our vision to be TOP 10 operator and focusing upon to realize a strong organic as well as inorganic growth within all YILPORT occupations. So, as well we are increasing our footprint in Europe and it is logically following the need to be more present within the European political environment.

FEPORT offers us a good platform and network to get in touch with the European politicians as well as to team up with other

members acting in our industry to communicate common thoughts and interests. We are glad to join the group and look forward to very interesting discussions".

"We are very glad to welcome YILPORT as new member of FEPORT. Our organization is increasing the geographical scope of the representation of terminal operators and private port companies. A group like YILPORT is bringing an insightful customer experience and we are delighted to have them on board. It is crucial to join forces to raise awareness about the main challenges our industry is facing" said Mr. Gunther Bonz, President of FEPORT.

Source: FEPORT Official Press Release

Ms. Lamia Kerdjoudj- Belkaid, Secretary General of FEPORT



Trade Wars & Increasing Global Risks

by GORKEM KAVCAK



The most important issue that remains in mind in the first three months of 2018; the trade restrictions that have stepped up violence between the United States and China. Although this issue is a matter of agenda by all means in 2018, it has been seen that since 2012, China has created troubles in countries that produce similar products, especially exports of semi-raw materials and final products.

For example, the European Union had been imposing tariffs on stainless steel, imported from certain types of China, at varying rates with a decision in 2011. The decision on 2011 was recently extended again. Similar implementations to China, especially in the steel industry, showed an increasing trend over time.

However, while these measures seemed to be specific in certain sectors, the US President has taken this issue both the global axis and to the broader struggle. Even though China tries to pull this conversation to exchange wars by telling that it will decrease the value of the Yuan, this issue is both dangerous and includes the possibility of reflection to other regions/ countries and exchange rates.

Another issue that had been blazed out in the meantime was the tension between US and Russia. This topic is not a recently emerged issue. The US had already enforced sanctions against Russia formerly; but with the clarity and intensity of the most recent decisions, the relationships would be pulled back to the origin point.

At this point, because of the owner Oleg Vladimirovich Deripaska, the value of one of the world's largest aluminum producers on the sanctioned list, RUSAL, has lost value by close to 60% between April and June and respectively it has been unable to trade on platforms such as the London Metal Exchange.

Graph-1: Rusal Share Value

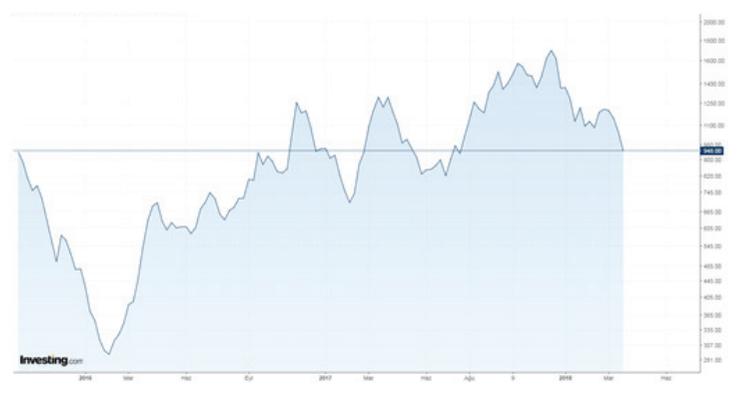


Like it was not enough that the tension increase the US had experienced with China and Russia right after; things have been mixed again in Syria, which was the one in the best of a bad lot condition.

Hereupon the thesis of chemical weapon usage of Syria, the statement of the US as regards undertaking an operation against Syria and finding Russia confrontation regarding; encounters two countries for the first time since the Cold War. This situation increases risk perception in a serious and rapid way on a global scale. While the value of gold which is recognized as a safe harbor increases 2%, other fragile markets such as stocks show critical falling tendency.

As mentioned in the previous articles, the increase in the risks in the increasing interest environment also negatively affects the foreign trade. The Baltic Dry Index, used to measure the pulse of world trade, continues to decline since the end of 2017.

Graph-2: Baltic Dry Index



As a result, foreign trade is constricting with the effect of negative factors for the first time since 2016. As a result, the past three months was a period when the risks continued to increase. It will not be too difficult to say that these risks will continue in the forthcoming period. In addition, risk management will have more crucial importance with the effect of political risks for the next term.



2018 Q1 Shipping Industry Outlook

by HASAN CIFTCI

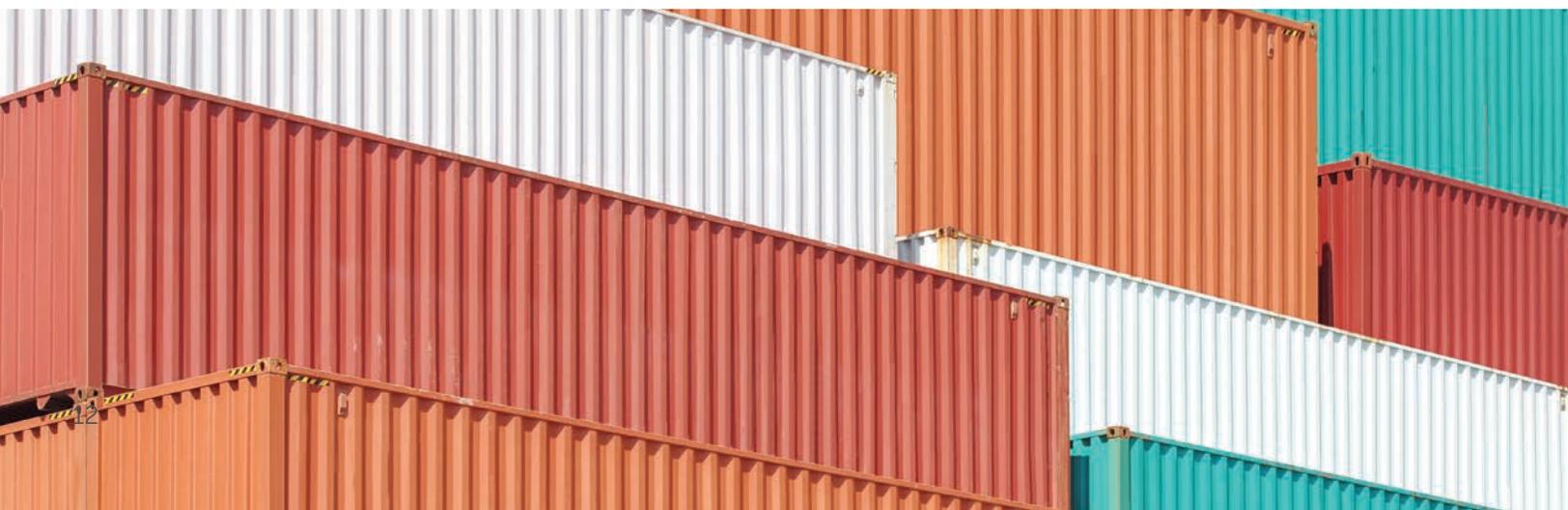
After a strong 6.3% growth on global container numbers in 2017, positive growth momentum is expected to maintain similar levels for 2018, thanks to improved global demand, continued momentum in commodities prices and uptick in the global trade. The only big risk in 2018 outlook seems to be the unpredictable US tariffs on Chinese products and China's respond.

Supply and demand that is more balanced is forecasted for 2018. For the first time in a while, global supply growth rate on cellular fleet is expected to be lower than global demand according to a major shipping consultant company. When we consider them altogether with alliances and the power of consolidations, liners are expected to have a more profitable year in 2018.

Larger Vessels and the Panama Canal

We have lately witnessed enormous changes in the container shipping industry. Number of global shipping lines dropped from 20 to 12. Ever-growing vessel sizes, thus over supply pushed liners to cooperate and create alliances in major routes. According to 2017 figures, 3 major alliances handled over 80% of global containers. We can see the widened Panama Canal's effect on USEC terminal volumes.

Average growth was recorded at 7.5%. Logistics companies are re-structuring their existing location in US. They start to build new warehouses on the hinterland of East Cost terminals.



OVERVIEW OF GLOBAL ECONOMY

Global growth is projected to strengthen to 3.9% in 2018.



According to the IMF World Economic Outlook published in April 2018, the global growth seems on track to reach 3.9% for 2018 and 2019. Growth in the advanced economies gained significant momentum in 2017. Growth was the fastest since 2011.

Advanced economies are expected to grow faster than potential in this year and the next. Eurozone economies are set to narrow

excess capacity with support from accommodative monetary policy. Expansionary fiscal policy will drive the US economy above full employment.

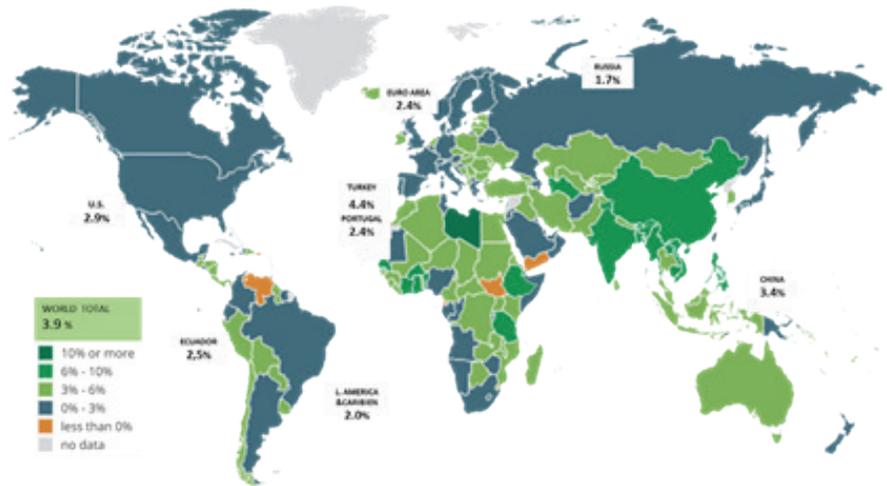
Aggregate growth in emerging markets and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters after

three years of weak performance. Global growth is projected to soften beyond the next couple of years. Once their output gaps close, most advanced economies are poised to return to potential growth rates well below pre-crisis averages, held back by aging populations and lackluster productivity.

World GDP

The Federal Reserve raised the target range for the federal funds rate by a quarter points to 1.5-1.75 percent during its March 2018 meeting, in line with market expectations. The Fed officials also projected a steeper path of hikes in 2019 and 2020 as the economic outlook is improving. Interest rate in the United States averaged 5.73% from 1971 until 2018, reaching an all-time high of 20% in March 1980 and a record low of 0.25% in December 2008.

FED raises interest rates to 1.75%. FED increased interest rates 6 times since the financial crisis.



US FED FUNDS RATE



SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE



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mtly Depot (sweeping, repair, washing and etc...)
Storage (bonded, temporary bonded, open, closed warehouses)
Special yards (mineral, marble, tiles)



RO-RO

Vessel Operations
Inspection
PDI
Touch-up

LOGISTICS & FORWARDING

Freight Forwarding
Trucking
Rail
Feeder
Combined Services

LIQUID

Vessel Operations
Liquid to Container
Transfer from Container to Tank
Blending and Marking



TUGBOAT & PILOTAGE

Maneuvering
Tugboat
Pilotage

GENERAL & BULK

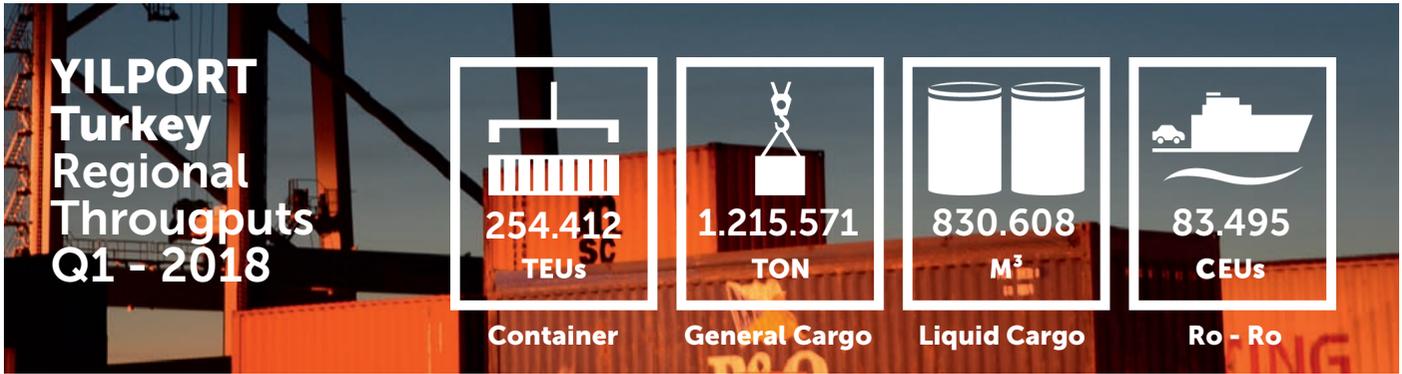
Vessel Operations
G.C./Bulk to Container
Project Cargo
Lashing - Blending
Fumigation

CONTAINER

Vessel Operations
CFS (Stuffing, stripping, inspection)
Reefer services
IMO Services

YILPORT TUR KEY

Gebze | Solventas | Rotaport | Gemport



YILPORT Turkey Continues Its Projects

The projects are ongoing without slowing down among YILPORT Turkey terminals. We target utmost performance to offer you best YILPORT privilege by constantly developing our terminals. YILPORT Gebze, Gempont and Solventas terminals had a successful quarter both in operational performance and terminal development projects.

In order to enhance operational performance and targeting to increase efficiency in the same line, the projects which have been started during the last quarter is planned to be completed in the second quarter of the year.

YILPORT Turkey's home terminal Gebze closed the first quarter of the year with a record. The terminal which constantly develops itself, shows-off with its spectacular performance. In the last month of the first quarter, the terminal provided service to 60 vessels and handled 47,019 TEU totally. On the auto-gate project ongoing at the Gebze terminal, the existing pre-gate area is expanded to 2 gate-in and 2 gate-out to gain momentum on the gate moves. The project, which aims to improve on the car waiting time by 42%, the targeted traffic improvement ratio inside of the terminal is 21%.

In addition to the auto-gate project which is predicted to be completed in the second quarter of 2018, inside terminal construction projects continue simultaneously. With the RTG equipment which will be placed to the demolished liquid cargo terminal area, the terminal will have additional 1.000 TEU container yard annually.



In addition, Gemlik's multi-purpose terminal YILPORT Gempont broke general cargo record by peaking on operational efficiency. The terminal preserves its tremendous impression with its experienced team and the development projects which simultaneously continue along with the terminal operations.

As an outcome of the construction project completed in 2018; when the total terminal berth length reached to 1,050 meters, total berthing length also reached to 1,840 meters at the 17meters' drafted terminal. All the ongoing projects in the terminal area are planned to be completed in May.

Another existing project in Gempont is the yard project outside of the terminal. In this area to be used for CFS operations, the work continues at full speed. The 25,000 m² concrete work of the 60,000 m² project has been recently completed. With the new CFS area which is planned to be fully operational in May, Gempont operations will gain a significant momentum.

YILPORT appointed Mustafa Levent ADALI as Gempport General Manager



Mustafa Levent ADALI, promoted to the “General Manager” role of Gempport effective as of March. Born in 1970, Mr. ADALI received his bachelor’s degree in Economics and Administrative Sciences from Dokuz Eylul University.

In 1993, Levent ADALI started his career in Catoni Maritime Agencies located in Izmir as Operations responsible and promoted to Branch Operations Manager in 1995. In 1997, he started to work as Branch Manager in Densay Agencies, Cukurova Port in Izmir. Later on, Mr. ADALI executed his Branch Operations and Turkey Equipment Manager positions in Maersk Lines for 9 years. Between the dates of 2007 and 2009, he worked as a Planning Manager in Port of Izmir in Hutchinson Ports & Global Holding.

Along with his transition to Nempport as an Operations and Commercial Manager in 2009, he elevated his career as an Operations and Business Development Manager in Port Akdeniz, Global Holding between 2010-2013. Before joining to YILPORT Holding, he worked as a General Manager of Port of Mogadishu Between the years of 2013-2016 in Somalia.

Since June 2016, he had been working as Operations Director in Gempport. Mr. ADALI has considerable experience in the port operations for Gempport’s strategic growth and its competitiveness in the market.



A Comprehensive Mobile HarborCrane Transfer Operation by YILPORT Turkey

YILPORT Turkey continues intra-terminal equipment transfers. A Gottwald mobile harbor crane loaded from Gempport was discharged to Gebze terminal with a comprehensive operation. In addition, the bunkers loaded from the Rotaport terminal in Yarimca were discharged to the Gempport terminal in Gemlik. With these transfers between the terminals, we continue to offer end-to-end privileged solutions to our business partners.

The transfer of the Gottwald mobile harbor crane to the Gebze home terminal from YILPORT Gempport terminal was completed successfully. All high voltage controls for operation with electric energy were completed and commissioned by our certified expert team. By saving energy in fossil fuel consumption, we reduce our carbon footprint with our full support to the environment.

TTCLUB Visited YILPORT Gebze And YILPORT Solventas Terminals

TTClub, the leading provider of insurance and related risk management services for international transport and logistics industry, paid a visit to YILPORT Gebze and YILPORT Solventas Terminals on 28th of February 2018. Mr. Andrew Huxley, Development Director of Europe, Middle East and Africa Regions and Mr. Duncan Mann, Underwriter of YILPORT Turkey Region's Terminal Operator's Liability Cover visited our Gebze and Solventas Terminals.

The visit started with a presentation in which detailed info of YILPORT Holding and its terminals were given. During the presentation, the vision of YILPORT HOLDING and activities YILPORT Holding Terminals keep performing were introduced.

After the presentation, the visitors take a site tour where they had a chance to observe the terminal areas, the way we handle the cargoes and the level of safety achieved in YILPORT Gebze. YILPORT Holding is the member of TTClub since 2010 and obtains insurance cover for third party liability risks of Turkey Region.



Within the same operation chain, three bunkers also loaded from YILPORT Rotaport and transferred to Gempport terminal. As an output of this new equipment transfer, a significant momentum will be gained in bulk loading operations. The system which enables loading two trucks simultaneously also enables equally-weighted loading. The loading speed can be controlled through adjustable valves depending upon the product type. The operational velocity peaks by noncutting -off the crane movement with full closure of the bunker. With the hydraulic motor system, the cranes that can be moved easily by remote controlling, ensuring the optimum working environment for port operations in terms of occupational health and safety.

Gempport Shows-Off with its Spectacular Performance



YILPORT Gempport Terminal, which is located in the hearth of Gemlik Region, attracts customers with its vast hinterland and offers privileged services to its customers. The multi-purpose terminal is not solely choice of the customers because of its service range, but also owing to the service quality that has been provided by expert operation team.

In February, the terminal's berth occupancy reached its all-time high with the total of 1298 meters vessel length. When the safe berth distance is calculated for ship maneuvers the occupancy ratio of berths reached 80% -90%. Our team, providing end-to-end solutions, successfully performed the operations of all the following vessels on the same day.



YILPORT Rotaport, The Leading Bulk Terminal in Turkey

YILPORT Rotaport general cargo terminal provides service to bulk and break-bulk cargo owners with its easy connection to the main roads. The terminal where it is located to the hearth of the poultry industry constantly develops its service quality by making state-of-the-art technological investments with its fully committed to the environment.

As being one of Turkey's leading grain terminal, Rotaport steps forward with its 23 meters of height concrete terminal which is the highest grain storage of Europe, Med, Black Sea and the Middle East with the capacity of 120,000 tons of grain.

Rotaport is projected for utmost operational efficiency which provides end-to-end solutions to its business partners. Five different truck loading stations enable operations to be held simultaneously. During the operations, an automated truck recognition device is given to each customer trucks, loading of the unrecorded truck is rejected automatically by the system. Entire operation flow is conducted through PLC and SCADA automation systems.

As well as the entire operations are traced 24/7, the terminal is also equipped with temperature controlling and dust prevention system with a customer-oriented focus.

The closest terminal to the poultry industry provides 1,000 tons of loading/discharging per hour for per vessel. Eight berths allow conducting operations of different types of grain products with the covered belt conveyor system and two Swertell grain handling unloader cranes. The terminal is eligible to conduct operations of different sized vessels and grain products.

The entire sustainable development projects of the terminal are conducted with an environmentally focused approach to minimize fuel and electricity consumption. In order to minimize our carbon footprint, entire operations are shaped by YILPORT's core values the environmental awareness, and occupational health and safety related matters.



YILPORT Solventas, The Right Choice for Reliable Operations Among Marmara Region

The largest liquid bulk chemical cargo terminal of Turkey, YILPORT Solventas, continues to provide service to its business partners with its experienced staff, as a pioneer in the industry.

YILPORT Solventas houses 217 chemical tanks with a total storage capacity of 335,000 cubic meters. The liquid terminal serves tankers and vessels on 2 quays, at 273 and 235 meters berths. Each tank has separate scaffold circuit connections and the work is carried out with a fully automated system. The tanks at 13 different diameters in the terminal have a volume of approximately 48,860 m³.

More than 70 types of products, chemicals, petrochemicals, mineral and vegetable oils can be stored and handled at the facilities.

The terminal is equipped with discharging, loading and storage services for bunkering operations with a great deal of knowledge and discipline. Terminal's API (American Petroleum Institute) standards fire extinguishing systems for tanks were also designed in NFPA (National Fire Protection Agency) standards.

The ISO 9001, ISO 14001 and OHSAS 18001 certified terminal has a "Green Port Sectoral Criteria" status as well. In the terminal, entire processes are conducted with a fully remotely monitorable automated system by only authorized persons, owing to a long-time global know-how of YILPORT.





TOP TALK INTERVIEW SERIES :
ALI RIZA YILDIRIM
YILDIRIM Holding Chairman of The Board

This quarter, our guest in TopTalk interview series is the YILDIRIM Group of Companies Board Chairman, Mr. Ali Rıza YILDIRIM. We wish you a pleasant reading...

Thank you for accepting our interview request. Can you share your background information with our readers?

I was born in Hafik, Sivas in 1957. After our family moved to Samsun, I started to work in our construction materials trading company that our late father Garip Yildirim established in the 1970s. We established the foundations of our family company there, more than fifty years ago. In the 1990s we had restructured our company with our investment in foreign trade. In 2000s we entered the shipping industry, after expanding our commodity trade business.

Furthermore, we had invested in heavy industries via privatizations. After we have been structured as YILDIRIM Holding, I have continued working as the Chairman of the Board at YILDIRIM Holding.



What are the major factors that let our company reach this size? Did you set this point at the beginning as a target?

YILDIRIM Group has a great experience in eliminating the effects that might create crisis. We are able to adapt to new conditions and work by a strict discipline. Our industry and commercial culture rely on a robust ground. Our financial structure is also very solid. We target long-term strategies. We create synergy among our assets. We love risks, but we take measurable and controllable ones. Not just opportunity or seasonal investment strategies but also medium and long-term ones always moved us forward. As YILDIRIM Group of Companies we actively operate on 4 continents in 49 countries of the world in 11 different sectors. We provide employment to approximately more than 12,000 people around the globe. In Turkey, we have more than 5,000 employees working for our 19 subsidiary companies. The roots of YILDIRIM Group of Companies date back to 1963 in Samsun, created employment approximately for 45,000 people. We have been in business for more than 50 years and handled rough times more than once. We started with a modest office, a desk and two chairs. Today we have reached a success to control entire operations from our headquarters in YILDIRIM Tower. The only success formula is hard work. Of course, it was not an easy thing to imagine this size, when we go back to 50 years from now. However, we have bigger dreams for the next 50 years. We need to keep our position that we have already reached. That can only be accomplished together with our employees. It's YILDIRIM Group's destiny to stand high and successful ever after.

Gemlik Gubre was a company recording losses every year when you acquired the company. How did you manage to turn it around and create a tax champion?

We acquired Gemlik Gubre through acquisition in 2004. At those times, the company was recording loss every fiscal year. Today, we are the largest producer of CAN/AN fertilizers and ammonium.

We established an innovative vendor system. We are one of the largest companies supplying urea, diammonium phosphate, NPK products and ammonium sulphate.



We have great advantages in logistics. We have 700,000 square meters of closed storage facilities in 6 cities in Turkey. With our expanded port, we provide efficient logistics and started to operate faster. Along with YILDIRIM, Gemlik Gubre has not just become a producer, but also become a global brand in fertilizers by making a mark in foreign trade. Aside from that, using the facilities of our factory efficiently has always been our principle. We have new plans related to this. In 2016, 1.8 million urea was imported to Turkey. In 2017, 2.3 million was imported.

We decided to supply the urea that our country needs. Also cutting imports from foreign sources means closing the current account deficit. We target to start construction of our urea plant inside of Gemlik Gubre facilities. Starting the activities of the facility means we will keep 500-600 million dollars in our country, which has been paid abroad for imports. Additionally, we will recycle carbon dioxide gas emissions in our plant to produce urea.

We are proud to contribute to the country's economy while developing Gemlik Gubre within the past fifteen years.



Similarly, in the privatization of Eti Krom, you have taken a local public company and turned it into having a corner one among the worldwide. What is the hidden secret of this?

In 2004, we acquired Eti Krom through privatization. It had a bad reputation in foreign markets. Production cost was not covering the sales prices. It was always in loss. We hit the road by targeting to make Eti Krom a global company. In order to be a global player, you need to analyze the competitors and global markets very well. Top producers were deciding the prices when we first bought the company. We did not just want to sell cheap products in spot markets. We draw our products from the market for one year. We stocked our production. We sold when the prices increased up to a certain point. We developed many projects to increase productivity. Even so, we were a small company in the global chrome sector. We had many competitors. During that time, 2008 global crisis emerged. We started to analyze opportunities in the chromium industry because we believed that crisis would create opportunities for us. We acquired our competitor Vargön Alloys in 2008.

As YILDIRIM, we have entered to the European league with this acquisition. The leading steel companies which did not want to purchase commodities from us became direct customers of Eti Krom. This move elevated us to the largest high carbon ferrochrome supplier position in the stainless-steel industry. During this period, we made a lot of investments in Eti Krom for production efficiency and modernized the facilities. We equipped the underground mining with state-of-the-art technology.

We renewed 4 electric arc furnaces. In Europe, we ranked among top three in ferrochrome production. Owing to the integrated structure in Turkey, we started to send the chrome that we produce in Eti Krom to Vargön Alloys.

As an outcome of this, we are not only selling our increasing ferrochrome production to Europe, but also for America and Asia. Today, there is a branded chrome quality named "Turkish Chrome Metal".

This is the story of our success and that brand is created by Eti Krom's quality.



What are your opinions about the YILPORT brand that you have created as YILDIRIM Group?

We established YILPORT Holding, to gather port and container operations under the same roof in August 2011. In 2004, we entered into port business by acquiring Sedef Port from STFA Holding, which was previously a shipyard. In a short time, we have reached the top of the global league in the world port industry by creating a difference with our YILPORT brand.

When we look at today, we have a portfolio that consists of 5 in Turkey, 7 in Portugal, 2 in Sweden, 2 in Spain, 1 in Peru, 1 in Malta, 1 in Norway, 1 in Ecuador and 6 dry terminals. Our consolidated capacity escalated to 10 million TEUs in containers, 22 million tons of dry bulk and general cargo, 2.15 cubic meters of liquid cargo and 850,000 CEUs ro-ro capacity.

As YILPORT Holding, our target is to create world-class multi-purpose ports and terminals. This goal is fueled by the growth strategy developed in line with the vision of the company to be ranked among the world's top 10 largest international port operators by 2025. According to Drewry's 2017 Global Container Terminal Operators Report, YILPORT Holding has once again proved that it is moving forward with steady steps towards achieving its target to be among top 10, by ranking 13th worldwide.

YILPORT's port activities are diversified in terms of freight and customer portfolio to be competitive in future and to achieve the sustainable profitability.

The company's terminals located in Turkey are among the top level of the leading companies in terms of container, dry and liquid cargo, general cargo and project cargo handling operations. YILPORT has also expanded its activities with services such as inland transport, services provided

to feeder container vessels, mineral storage and handling to strengthen market share and profitability.

YILPORT Holding brought a new global vision to the operations and investment of ports. The company had been able to manage its fast growth with the support of its international team. Behind this team, there are central support systems as well as educational activities highlighting in-house entrepreneurship. YILPORT's strength that has been gained by serving the industry as a multipurpose service provider in Turkey, created a solid foundation for worldwide growth targets of the company.



How do you evaluate the organic and inorganic growth strategy of YILPORT with acquisitions and investments?

We are one step closer to our target to be among top ten largest terminal operators by 2025. We completed our regional structuring in 2017, by 20 marine ports and 6 dry terminals in 8 countries. Regional offices inaugurated in Lisbon for the Iberian region and in Guayaquil for Latin America. In July 2017, it was decided to open the regional office for Turkey. Turkey office is located in our new YILDIRIM Tower headquarters.

At the Leixões Container Terminal (TCL) in Porto, the largest of our terminals in Iberia, we acquired the remaining 38% shares in August 2017. We became the owner of complete shares and extended our terminal operating rights from 25 to 30 years. To meet the business volume, we have started investing an additional 75,000 TEUs consequently. By the end of 2018, we plan to complete this investment and start extended services. In April 2017, the deepest port in the Iberian region, Ferrol Container Terminal in Spain, began service and welcomed the first container vessel.

We signed a build-operate-transfer contract for Puerto Bolívar in Ecuador for 50 years. The concession period commenced officially in March 2017. In 2017, we completed the installation of two mobile harbor cranes. In our first year, we increased the volume of the terminal by 36%. In the second phase, we started to rehabilitation works and the construction of the new chilling facility. With the completion of expropriation in 2018, we plan to start terminal expansion and dredging activities.

We started the construction of a new terminal in our Gävle Container Terminal in Sweden in 2017, which is working full capacity. In 2019, we ordered new cranes for the terminal. It will reach 500,000 TEUs in total with an additional capacity of 250,000 TEUs.



We are at the last stage in our YILPORT Gemlik project. We will create a linear berth by merging the finger berth. The total berthing length will be than one kilometers long in Gempport Turkey. In 2017, we combined both of our terminals into a single customs area. We started to give all the operations from the marine terminal in front of our Gemlik Gubre factory. With 4 quay cranes, we brought world-class service to the region.

What is making YILPORT special in the ports industry?

Being a visionary and reading the future. As YILPORT, we are totally open to innovations. We make our investments accordingly. We make our investments by thinking 20-30 years ahead. When we entered the port sector for the first time, everybody commented that even the 10,000 TEU vessels would not call to Turkey. Between 2003-2004, only vessels between 3,000-5,000 TEUs were calling to Turkey. It was assumed that big sized vessels could not pass the straits. Today, vessels between 16,000-18,000 TEUs are making calls. We designed and built our ports 10 years ago, calculating today's and future vessel sizes.

When we acquired our ports and started to invest, we deepened the water depth to 20 meters. This was an extra cost for that time. But today, with the depth of 20 meters, our ports are eligible for largest vessels to berth safely. We bring cranes that can discharge the largest vessels of the world. While everyone buys their cranes from China because they are cheap, we invested in the Japanese quality. We had brought the first crane simulator to Turkey, even the first crane simulator across Mediterranean.

We train our operators as serious as an aircraft pilot. This also increases the efficiency. The faster the vessel discharges, the more satisfied the customer. The vessel also docks and leaves the port quickly. We are always one step ahead with our YILPORT brand in the sector.

We are always making a difference. We installed the automation system. We trace data from inland yard of our ports with computers and cameras to locate containers easily.

As a chairman of a group that does not hesitate to invest in the world, what do you recommend young entrepreneurs to achieve greater success?

Young people need to use their time well and develop themselves. In the business world, you have to have financial literacy whatever you are doing. You need to be able to read the financial statements, balance sheets and understand accounting, the cost and the value of the money. If you cannot manage money well in business, you cannot succeed. They have to learn to draw a good road map and a solid business plan. They do not teach this at schools. You need to learn this inside the industry. If you hit the road without having a plan, you can go to a wrong place at the wrong time, or you can get lost. Success cannot be achieved without hard work. Is it the right time to buy? Is it the right time for investment? Would a crisis emerge? Are there other opportunities? These questions are what you have to answer by gut feeling. Just as the human has 5 sense organs, you have to have sixth senses in business as well. You have to see, hear and smell. Young entrepreneurs have to improve themselves in sensing the markets. Knowing trade is not solely enough. You also have to know legal affairs and finance.

Thank you for your time Mr. Yildirim. What are your closing remarks on 2017 and this year?

We recorded record profits in 2017 with our investments and diversity in our operations. We stick to our middle and long-term strategies. With our robust financial structure, we once again saw double digits in growth. We achieved a global consolidated revenue of USD 2 billion. We also recorded 24% growth compared to 2016. We moved to our new headquarters YILDIRIM Tower to gather our corporate structure under a single roof. Our new headquarters are inside Agaoglu Group's Maslak 1453 project. We started working at our new building in March 2018. I believe that we will achieve bigger successes in our new building by strengthening our corporate synergy. We are an active player in the global business world. Together with the efforts of our employees, we are determined to sustain the achievement that we gained in 2017, for 2018 and beyond. I hereby would like to commemorate my dear father Garip YILDIRIM, whom we lost in 2017 and my dear brother Mehmet YILDIRIM with respect and sympathy.

YILPORT MALTA FREEPORT

MAJOR TRANSSHIPMENT HUB IN THE MEDITERRANEAN

YILPORT's first global expansion move in port operations took place in 2011 with the acquisition of 50% shares in Malta Freeport Terminals, one of the leading transshipment and logistics centers in the Mediterranean.



**GLOBALLY LINKED WITH
OVER 115 PORTS**



Malta Freeport Gearing Up for Future Challenges

Malta Freeport Terminals is investing EUR 22 million in new equipment that will significantly boost its capacity to deal with ever-increasing demand from the world's major shipping lines. Within this scenario the Company has ordered 15 new Rubber-Tyred Gantry Cranes (RTGs) which will be added to the existing equipment fleet. These RTGs will be delivered between December 2018 and March 2019. These Cranes will later be complemented by additional yard equipment namely 31 new Tractors and 36 new Trailers.

This investment comes at a time when the Terminals are operating at full capacity and the Company is looking at innovative ways on how to better its capacity utilization. The new RTGs are expected to boost overall operational efficiency both in terms of productivity as well as in higher turn-around of vessels and will further enhance the Company's reputation as a leader in the Mediterranean containerization market.

The RTGs were acquired from world-leading manufacturers KCI Kone Cranes. Featuring advanced non-hydraulic design, the new RTGs have a variable speed engine and are able to stack one over 6 high containers. Other key features of the new RTGs include easy and accurate auto steering and stack profiling. These Cranes have the fastest load handling cycle in the market, their fast speeds are standard and carry out a very stable operation due to a rigid structure and a 16-wheel configuration.

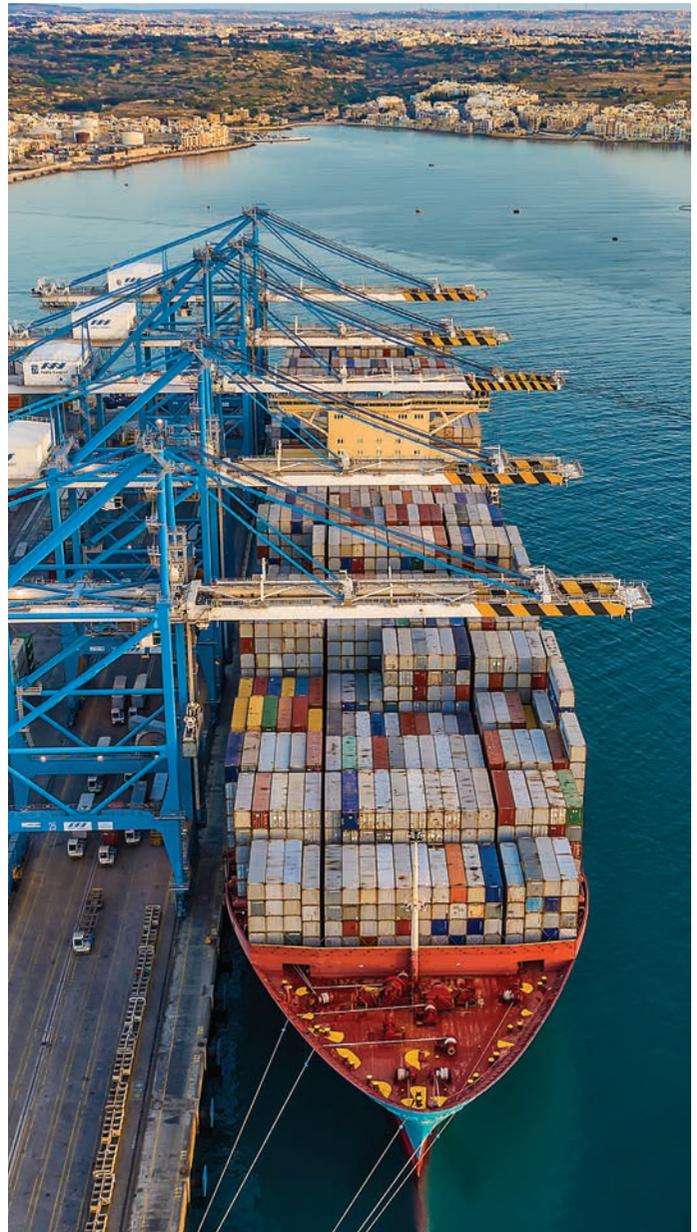
They are also safer to operate – featuring an anti-collision system – and more energy efficient with lower emissions. Their modular design enables quick component replacement as well as easy access to components.

The investment presently being undertaken complements the developments made over the past year in new on-site services and technology. The Freeport recently invested in new refrigerated units and presently has a capacity for 1,215 refrigerated units for the storage of perishable cargo. Last summer the Freeport installed the top-notch Terminal Operating System (TOS) – Navis N4 system which controls the entire logistical operation of each container vessel on a real-time basis.



Malta Freeport Terminals handled a record 3.15 million TEU containers in 2017. Twenty weekly mainline services now call at the Freeport, which recently added important strategic routes to India and Brazil to its growing list of serviced ports. This means that clients benefit from global links with 135 ports, 64 of which are in the Mediterranean.

Today, the Freeport counts some of the world's largest shipping lines among its clients and recently received its largest-ever container ship, the Munich Maersk, which is some four football pitches in length (399 meters), spans a breadth of 58.6 meters, and carries up to 20,568 containers.



THE NORTHERN LIGHTS HAVE LED US TO **SCANDINAVIA**

YILPORT **GAVLE** | YILPORT **STOCKHOLM NORD** | YILPORT **OSLO**

Yilport commits to bring excellence to all ports of call, and merges its global mark with local know-how. As a result, Gavle , Stockholm Nord and Oslo extend their high quality and privilege service to the Scandinavia market.

YILPORT
Nordic Regional
Throughputs
Q1- 2018

 115.782 TEUs	 451.159 TON
Container	General Cargo

Viasea and Containerships Join Forces on a New Route Adding YILPORT Oslo

The two Nordic shipping companies now together offer what can be the best short sea solution between Norway, Poland, and the Baltic countries.

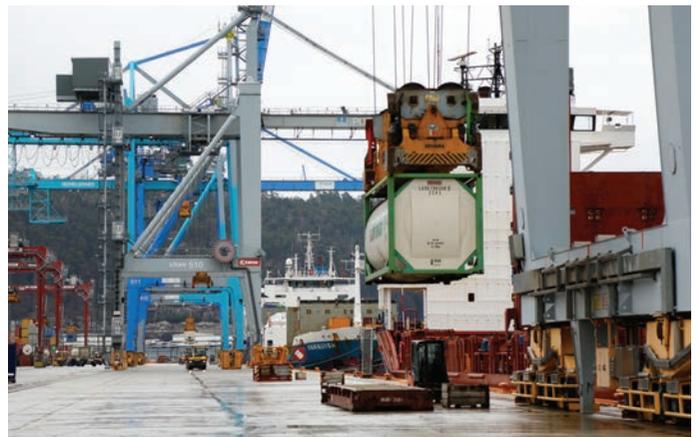
The service will be a fixed weekly schedule with the end of the week sailings from Klaipeda and Gdynia and an arrival in Oslo on Monday morning. The transit time on this route is shorter and more predictable than most other freight alternatives. The first departure from Klaipeda will take place 5th April 2018.

“Opening a new service in Norway with a strong player like Viasea enables us to offer a competitive solution to our customers right from the beginning and speeds up our growth”, says Kari-Pekka Laaksonen, CEO of Containerships plc. Containerships and Viasea are both dedicated shortsea operators focusing on door-door services in Europe. Containerships are strong in the Baltic sea, whilst Viasea are mainly connecting UK and continental Europe to Norway, and together they will complement each other well.

“We are very excited to add the Norwegian market to our traditional areas that Finland, Russia, the Baltic States and Poland have been for the last 50 years.” Says Kari-Pekka Laaksonen, CEO of Containerships.

An extensive amount of goods is moved from Poland and the Baltics to Norway. Companies choosing sea freight, show the willingness to move towards becoming more environmentally friendly.

“By combining our strengths and existing networks, we can offer a new alternative for our customers, as well as open up for new opportunities” states Morten Pettersen, Managing Director of Viasea.





WORLD'S MOST ENVI RON MEN TAL TERMINAL

The quietest STS Cranes

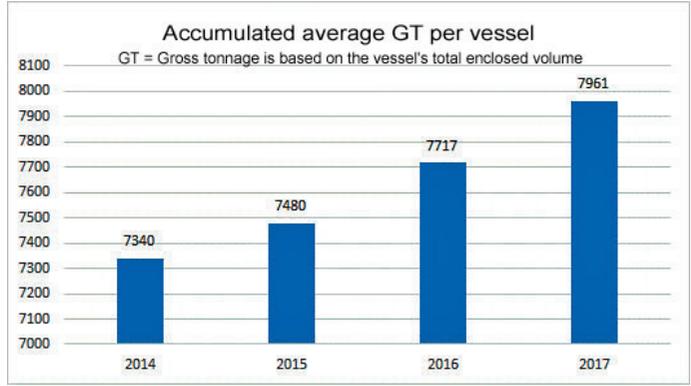
Port of Gävle 2017: Greater Volumes and Increased Train Traffic

Last year, the total cargo tonnage passing through the port of Gävle grew to 5.7 million tons, a 17 percent increase on 2016.

This was partly due to a strong development in the container terminal, which saw a 25 percent increase in volumes compared to 2016.

Daniel Karlsson, head of infrastructure at Gävle Hamn AB; "We see this sharp increase, despite fewer ship calls, mainly because larger vessels have been handled more efficiently. Beyond the increased volume of goods, this is also good from a sustainability perspective."

Fredrik Svanbom, CEO of Gävle Hamn AB (Municipally owned Port of Gävle Ltd.); "Another encouraging statistic is that the rail traffic between the port increased 20 percent. So, 2017 became



Jörgen is the New Head of the Bulk Terminal in Gävle

After more than 6 years, Jörgen Flank returns to the Port of Gävle and YILPORT. Since February 16, he is head of the bulk terminal (Terminal Director General Cargo), with the responsibility for all activities within YILPORT Gävle (Fredriksskans), except for the container terminal where Fredrik Rönnkvist has the same role.



Quick Interview

What is your assignment?

My area of responsibility is all the activities related to stuffing, our warehouses, and our customer center here in Gävle. Indeed, everything that has to do with the bulk terminal.

Why are you returning to the port?

After 6 great years as Supply Chain Manager at StoraEnso, I feel the attractiveness of the port lure again. I was there from the early days of the container terminal back in 2007, so now—with YILPORT aiding a strong development in Gävle—it is of course very interesting to come back.

What is your main focus in your new role?

As you ask the question, I've been in the job for less than a week. But of course, I see great potential for the bulk terminal. YILPORT is a large and exciting company with ambitious objectives, and I will contribute my very best to achieving those.

How are you planning to do that?

It's too early to say something for sure. But of course, I will take advantage of my customer contact experience. I think it's one of my strengths after so many years within the industry. Without sounding too cliché, I do believe that focus on the customers is crucial to success.

Jörgen Flank is 45 years old and has 25 years of experience from the logistics industry, starting at BillerudKorsnäs' shipping department, then on to the shipbroker Haegerstrands, Gävle Stuveri AB, Gävle container terminal, and StoraEnso.



Great start for YILPORT Skutskär

YILPORT’s extensive logistics assignment at Stora Enso’s pulp mill in Skutskär began on January 28. Twenty employees are now handling the storage and loading of an annual 530,000 tons of fluff and paper pulp.

Håkan Bergström, YILPORT’s Nordic Sales Director, who has been involved in the preparations since the extensive contract with Stora Enso was signed in the summer of 2017 explains; “We have access to five warehouses, with the largest having a covered rail siding and a loading dock for trucks.”

The time since then has been intensive, with new jobs, new lift trucks, and frequent coordination with Stora Enso. The assignment can be briefly summarized as that every five minutes—twenty-four hours a day— a new load of rolls and bales comes off the factory’s conveyor belt. It is important to keep the pace of the factory and to avoid “traffic jams” that would disturb Stora Enso’s production. Rolls and bales should be moved immediately to their predetermined locations in the warehouse.



Håkan Bergström
YILPORT Nordic Sales Director

Keeping control of the conveyor belt is extremely important, and we are good at keeping the flow running. The employees are fantastic; showing great dedication, and they are well aware that flexibility and own initiatives are required if something goes wrong. The customer seems satisfied, says Håkan Bergström.



About 25 trucks pass through the distribution warehouse every day. A train sits and awaits loading inside. Some of the trucks arrive regularly with empty German trailers from Lidl's central warehouse in Rosersberg / Stockholm Nord. They drive Stora Enso's products back to YILPORT Stockholm Nord and Bode's return train with destination Germany.

Production Planner Johan Skoog's task is to coordinate the loading of approximately 2,000 tons of pulp bales and fluff rolls every weekday. Some are transported to YILPORT's container terminal in the nearby port of Gävle, and some goes to different paper mills around Sweden.



Johan Skoog

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The pace is high, but it is obvious that Gunnar Pålsson really likes the job and appreciates the variation.

"I drive lift trucks and stuff containers, and the feeling after just a few weeks with YILPORT is that this will be fine. YILPORT has added a lot of new concepts and has the muscles required to develop the business. This is noticeable, among other things, on the new ideas and new things they have already provided us with, says Gunnar Pålsson.

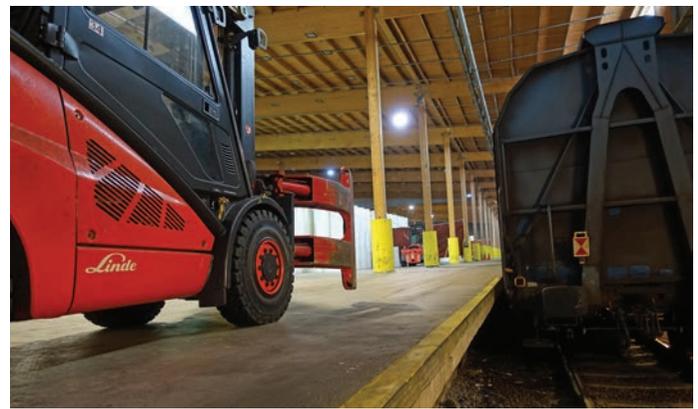
Paul HAGERT is busy with one of several tasks in the distribution warehouse; inspecting rolls to be stuffed in containers with Mexico as destination.

Paul HAGERT emphasized that "I think there's been lots of positive things happening since YILPORT took over. We have gotten more resources, including four new lift trucks, and an extensive camera system which is important for determining where and how damage occurs and whether it is caused by us or the factory".

Jan TÖYRYLÄ has worked for 31 years in various functions within Stora Enso in Skutskär, working with quality issues for many of these years. Since January 28, he is YILPORT's quality manager, spending a lot of time in the warehouse.

"I analyze all damage to rolls and bales that my colleagues consider necessary to be inspected. My notes and analysis should simplify the discussion to determine if it is Stora Enso or YILPORT that has caused the damage", says Jan TÖYRYLÄ.

Two employees are eating lunch in the refurbished staff room. Every now and then they glance up at the TV screen in the other end; showing the inflow of bales and rolls. Occasionally, the lunch must be abandoned quickly, but nothing seems critical right now, and they can calmly finish their break.



Facts about YILPORT Skutskär

- Operation commenced on the January 28, 2018
- 20 employees
- Receives, stores and distributes 530,000 tons / year
- Five warehouses
- Ten lift trucks, of which 5 are brand new and 5 were taken over from the previous operators
- Load-plate for stuffing containers
- The distance between YILPORT Skutskär - YILPORT Gävle Container Terminal is approximately 30 kilometers
- A bale of paper pulp weights between 1.5 - 2.4 tons. Used to manufacture of paper.
- A roll of fluff pulp weighs between 1.2 - 2.1 tons. Used to manufacture, among other things, diapers.



Lidl expands operations in Stockholm Nord



Lidl, the supermarket chain, is planning a large-scale expansion over the next three years. The plan is to increase the number of Swedish stores from today's 171 to 200 by 2020. In order to cope with the increased supply of goods, Lidl's logistics center in Stockholm Nord will be expanded by 13,000 square meters to more than 57,000 square meters. The new facilities are scheduled to commence operation in early 2019.

For some time now, goods coming to Lidl by train—three times a week from Germany—arrives at the neighboring multimodal terminal YILPORT Stockholm Nord.

Upplands Motor to Stockholm Nord

One of the major car dealers in the Stockholm region is building a so-called PDI (Pre-Delivery Inspection) facility right next to YILPORT's intermodal terminal Stockholm Nord. There, vehicles will be checked over and prepared for delivery. The site will also be used for vehicle storage. Operation at the facility is scheduled to commence during the second half of 2018.



Automotive Imports Through Stockholm Nord Increase

YILPORT Stockholm Nord has over the last three months seen a positive development of their new link in Sweden's automotive import. Staff and procedures are in place to receive five car trains per week, and to ensure that the up to 200 cars on each train is distributed to the dealers. 45,000 cars per year will reach Swedish customers through Stockholm Nord.

YILPORT Nordic, Sales Director, Håkan Bergström emphasized that "We have not had any service disruptions, and the number of cars coming into Stockholm Nord is increasing, which, of course, is very positive".

Stockholm Nord's Terminal Supervisor, Britta Lundgren, "My colleagues have been fantastic in developing methods for smart and efficient handling of the car trains. I am both proud and impressed".





GAME CHANGER IN PORT MANAGEMENT & OPERATIONS

8
Countries

20
Ports & Terminals

6
Dry Terminals

+5,000
Employees

Synthesis of Excellence

“Excellence” as a philosophy underpins all endeavors at YILPORT’s global business. Yilport commits to bring excellence to all ports of call, and merges its global mark with local know-how.

TURKEY | Gebze | Gempont | Solventas | Rotaport | **SWEDEN** | Gavle | Stockholm Nord | Oslo
MALTA | Malta Freeport | **PORTUGAL** | Aveiro | Figueira Da Foz | Leixoes | Liscont | Sotagus
 Setubal | Tersado | **SPAIN** | Ferrol | Huelva | **ECUADOR** | Puerto Bolivar | **PERU** | Paita



www.yilport.com



YILPORT IBERIA



SYNTHESIS OF EXCELLENCE

"Excellence" as a philosophy underpins all endeavors at YILPORT's global business.

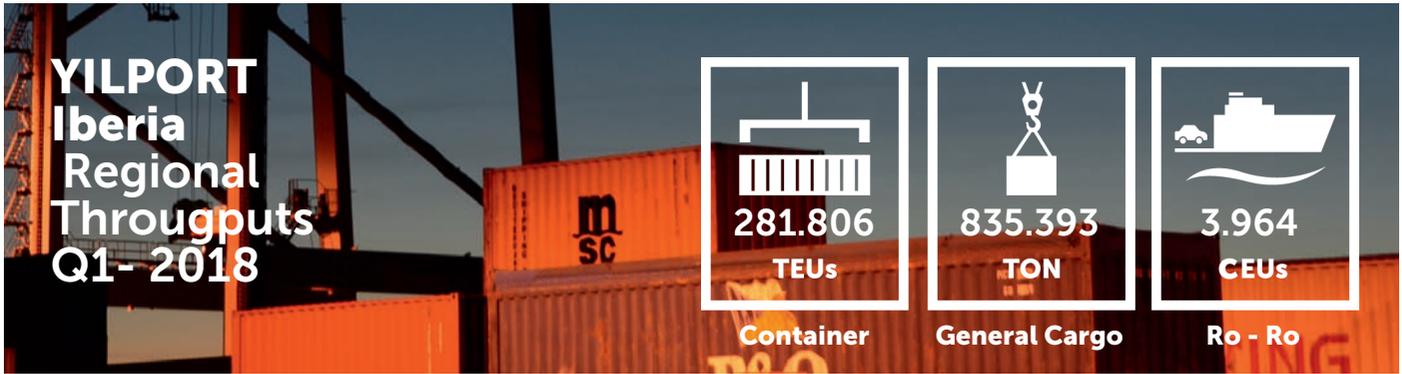
Yilport commits to bring excellence to all ports of call, and merges its global mark with local know-how. Yilport's new terminals are now equipped with state-of-the-art technology, run by top-notch human capital, and develop by continuous investment in all processes.

As a result, Yilport Iberia Terminals extend their high quality and privilege service to the Galicia market.



www.yilport.com





Top Executives Went to Portugal to Shape the Future : “Glorious Days are Ahead in Lisbon”

YILDIRIM Holding President & CEO Robert Yuksel YILDIRIM, YILPORT Holding CEO Christian BLAUERT and YILDIRIM Holding COO Ozer OZ went to Portugal to conduct several meetings with government authorities.



On the first day of the meeting series, they had a meeting with Prime Minister of Portugal, H.E. Antonio Costa on the 29th of January. They discussed YILPORT Holding’s investments into Portugal to shaping the future of Portugal.

After the visit, our executives went to our Liscont container terminal in Portugal to finalize the expansion projects and CAPEX plans.

Mr. YILDIRIM emphasized that; “Portugal will have its power back in Port sector by YILPORT Holding’s investments. Glorious days are ahead in Lisbon”.

Later in the day, they also had a very constructive meeting with Portuguese Minister of Sea, Mrs. Ana Paula Vitorino in the evening at Lisbon, Portugal to discuss terminal investments in Portugal.

According to the terminal investment plan, an additional 200,000 TEU capacity increase is planned to be deployed for the least effect on urban traffic and environment. In this project, 2 new cranes will be added to existing 3 pier cranes.

Former RTGs will be transformed with state-of-the-art electrified ones, and addition of new ERTGs, yearly carbon dioxide ratio is expected to reduce 88%. The capacity increase is planned to be completed with the investment of RTG type new cranes and terminal tractors in the rear area.



Portugal Prime Minister, H.E. Antonio Costa & YILPORT Holding Chairman Robert Yuksel YILDIRIM



Portuguese Minister of Sea, Mrs. Ana Paula Vitorino & YILPORT Holding Chairman Robert Yuksel YILDIRIM

The Second Global Logistics Center Opens for Iberia Terminals



The Global Logistics Center for Iberia is planned to open in Lisbon, Portugal in the 2nd Quarter of 2018 which will be the second YILPORT Global Logistics Center of its kind. The first has been successfully operating in Istanbul, Turkey which manages the planning functions of multiple terminals.

This groundbreaking innovation with state of the art technology will enable all the planning functions to be controlled and executed from one office. The GLC will be linked to CCTV screens which will receive live streaming of the terminal operations. The staff will use digital radios to communicate from the GLC in Lisbon to the operational staff in any one of the terminals in Iberia.

The deployment of Navis and the setup of the GLC will be done in parallel and implemented simultaneously on a terminal-by-terminal basis with Setubal been the first terminal to go-live with Navis in Portugal. The training of staff will be done on the new Terminal Operating System with new operational processes been part of the system change.

The objective of the project is to improve operational performance, productivity and efficiency by bringing world class technology and practices to the YILPORT Iberia region.

YILPORT is expanding its IT infrastructure into Iberia Region to provide standard systems and software solutions across all regions. YILPORT is creating a regional model Data Center and connecting the terminals to the Data Centers by using its own private network (called MPLS). An agreement has been made with NOSi one of the biggest IT service providers and telecommunication companies in Portugal, to provide Data Center Co-location and MPLS network services for YILPORT in the Iberia region.

In March, the IT Team successfully completed implementations in 3 different locations within 5 days with the support of the local IT and Operations team. Data Center systems have been installed and configured in NOS Data Center Network and end user device installation were completed at the GLC Iberia office. Local Systems were installed, and network connectivity established for Sadoport terminal to support Navis N4 go-live.

It was a great team work involving Bulent GUNEY, Sener GERCEKER, Kemal YAVUZ, Recep RECEPOGLU from YILPORT Holding IT Infrastructure team, supported locally by Carlos MATOS and Fernando ANTUNES from Liscont and Sadoport.



ANDALUSIAN GATEWAY TO THREE CONTINENTS



THE ONE AND ONLY **DEEP SEA CONTAINER TERMINAL** IN THE NORTH OF GALICIA

Huelva is located in Andalusia, south of Spain. The terminal is close to Portugal and the Strait of Gibraltar, touching the main line of global cargo trade in the north-south axis. It is a natural gate for Mainland Spain-Canary Islands traffic and it is positioned as a possible gateway to multiple continents such as Europe, Africa and Americas. Huelva is a major center of privileged experience with connections to Extremadura, Western Andalusia, and Seville region through high capacity highways and national railway line reaching inside the terminal.

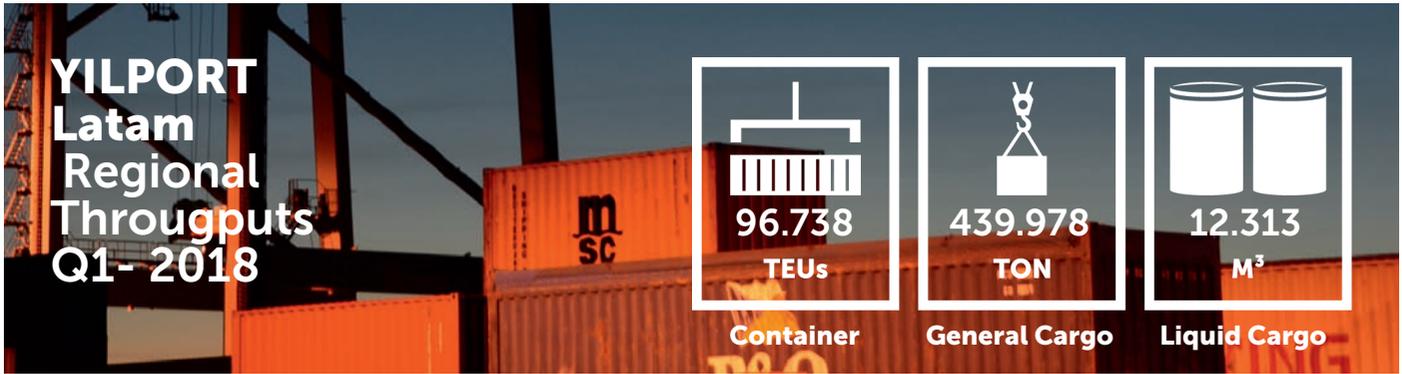
YILPORT Huelva is the best choice with its easily expandable plot surface for reefer container stevedoring operations. The industrial zone is primarily based on agriculture and its various export products as well as fishing.

YILPORT LATAM

**THE MAIN PORT OF
NORTHERN PERU**
YILPORT PAITA

**THE BEST CHOICE IN ECUADOR'S
MARINE TRADE**
YILPORT PUERTO BOLIVAR

EXPORT GATE FOR **ECUADORIAN'S BANANA TRADE**



YILPORT Puerto Bolivar Keeps Growing with The First Step of Promised **Dredging Plan**



YILPORT proudly announce to take a start to one of the most prominent plans promised to be realized: Dredging Phase I at the terminal, with the aim of providing the best possible service to its valuable customers. In this project, YILPORT aims to radically improve its service and increase customer satisfaction by going in line with the expansion plan. Having gotten necessary confirmation on this environmental project, dredging work was started to deepen Puerto Bolivar's draft and to expand container capacity of the terminal.

YILPORT is pleased to share with you the news about this exciting project and give all the details to keep you, informed in this development process.

Phase 1- First Step Dredging

Berths Planned Start Date: First week of March 2018

Berths Planned Finish Date: End of March 2018

Phase 1 - Second Step Dredging:

Channel Planned Start Date: First week of April 2018

Channel Planned Finish Date: End of May 2018

The drafts after the Phase-1 First Step Dredging will be:

Berth #5: -14,5 meters MLWS

Finger Pier #1 and #2: -12,5 meters MLWS

Berth #3 and #4: -12,5 meters MLWS

Access Channel: -10,0 meters MLWS (-12,9 m. draft with maximum tide)

Phase 2

Planned Start Date: First week of November 2018

Planned Finish Date: End of May 2019"

Phase 2 result - Access Channel: -14,5 meters MLWS (-17,4 m. draft with maximum.

What Do We Aim with This Project in Phase-I?

To get -10 meters min. draft in the access channel. Today there are some parts in the canal in which the draft is 8,5 meters. We will dredge all of these areas and have a flat draft of 10 meters MLWS, in the First Step dredging and 14,5 meters MLWS at the end of Second Step dredging.

Draft of New Berth #5 will be -14,5 meters MLWS.

This will allow larger container vessels to berth and receive services at YILPORT Puerto Bolivar.

Draft of Berths #1, #2, #3 and #4 will be -12,5 meters MLWS

This will allow cool carriers vessels to berth and receive services at YILPORT Puerto Bolivar.

How Do We Plan to Manage the Dredging Project While Operations Go On?

Effect of the dredging project is inevitable for the terminal; however, operations are planned to be coordinated within customers' knowledge and constant briefing to be provided by YILPORT operations team in each vessel operation. So, as the terminal will have two dredging vessels and each one will need three hours to fulfill the capacity; even though YILPORT will try to do its best to avoid any interference, it is still possible to have some delays on berthing time and from time to time some vessels might need to be shifted to another berth.

By sharing these details; we, as YILPORT, aim to undergo a transparent process with you in the course of the project and would like to assure you that we take all necessary precautions to minimize possible challenges to be faced with.

YILPORT Puerto Bolivar Contributes to El Oro Province Employment

YILPORT continues to contribute the economic development of nations and adds value to its service level. As part of company's contribution to the community of El Oro Province, YILPORT Terminal Operations (YILPORTEcu) S.A., executed a recruitment process for which more than 14 applicants from El Oro Technological Institute of the Port Logistics career were considered.

The evaluation process made in accordance with skills, knowledge and experiences that students learned in their academic curriculum, as well as the work practices carried out in Puerto Bolivar. Employed candidates were selected as per to their success, industrial knowledge and talents. After training process, two students trained in Machala now became a part of YILPORT ECU S.A team, as being an example of to their peers and future of El Oro.



YILPORT Puerto Bolivar Approved as a Safe Harbor

The Secretary of Ports and Maritime and Fluvial Transport approved the Protection Assessment and Protection Plan that certify YILPORTECU SA as a safe harbor.

The terminal already conducts its operations with the safe harbor certificate required in the concession contract. First certification which is valid until 2019 is in force since the operational take over. Additionally, the first provisional certificate is also in force since January 2018. With the evaluation to be conducted in November, 5 years certification will be obtained by the competent authority upon the completion of required regulations. In order to obtain this certification, an important investment was made in both technology and labor force to provide YILPORTECU Security Department with the required resources. Brand new cameras have been placed to quayside, yards and warehouses. Another significant point for these cameras; they also help to meet the requirements for certification of Temporary Deposit by SENAE with dual purpose.

Vaccination Campaign at YILPORT Puerto Bolivar

YILPORT Puerto Bolivar organized three days lasting vaccination campaign in coordination with the Ministry of Public Health (MSP). For three days, the injection of the vaccines which protects against four different strains of influenza supplied by MSP, were successfully made to the 80% of the employees.



As for the personnel of Department of Security 16 people employed for the yard and remote monitoring authorized as supervisors, CCTV (Close Circuit System) monitoring and access control. Customers of the terminal in Puerto Bolivar, recognize that the security of services and their cargo has improved markedly since the takeover of operations in March 2017. Security is a primary issue for YILPORT, which is evident in our management.



GAME IS CHANGING IN LATIN AMERICA

THE BEST CHOICE IN ECUADOR'S MARINE TRADE

Puerto Bolívar is located in Ecuador, in the province of El Oro. The port is established in the middle of the world's famous banana farms of the country, with an annual production of 3 million tons. In addition, shrimping industry is highly active in the region. Besides reefer cargo, the terminal is also handling dry cargo such as paper pulp and concentrated copper.

With its container freight station operations, the terminal is the safest and the most secure place for containerized export goods.



YILPORT LOGISTIC SERVICES

1 | **Freight Forwarding**
Sea - Air - Land

2 | **Stevedoring**

3 | **Shipping Agency**



4 | **Land Transport**

5 | **Rail Transport**

6 | **Warehousing / CFS**
Empty Depots - Cool Warehouses
X Docks



7 | **Value Added Services**
Custom Clearance - Cargo Insurance
Pre Inspection

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Transitex at SISAB Trade Fair

Transitex CEO, Fernando Lima (Middle Right) ; President of the Portuguese Republic, Mr. Marcelo Rebelo de Sousa (Middle Left)

Transitex team participated SISAB event at Lisbon in February. The SISAB event which is the largest Portuguese trade fair for national foodstuffs exporters, attracted thousands of international buyers looking for variety and high-quality food and beverages with exclusively dedicated export of Portuguese brands and products. During the event, Transitex had a chance to reinforce position as an ideal global service provider for Portuguese companies.

As detailed by Fernando Lima, the balance of the latest edition is extremely positive, as well as the evolution of its activity last year, which handled over 97,000 TEUs in 2017. This year, Transitex targets to continue its sustainable growth in reefer market with its wide range network and door-to-door privileged services among Europe, Mediterranean and South America.

Transitex Team in 2nd Place in the 29th World Paella Contest

Since 1990, World Paella contest is organized by Valencia port with the participation of shipping lines, equipment providers, logistic and legal companies, banks and customs offices. Our Logistic forwarder company the Transitex, ranked at the 2nd place by making the most delicious paella.

The competition, held annually in Valencia, is jointly organized by the "Diário del Puerto" and the party committee of the "falla" J.J. Dómine-Port, being especially addressed to the entire port community.

The "fallas" are the traditional festivities of Valencia and take place every year during the month of March. During the celebrations, each neighborhood in the city is responsible for organizing its street parties and all the districts compete with each other with the best statuettes, made of paper or wood, which at the end of the commemorative season are burnt.

This year 484 paellas were cooked during the World Paella Contest. For the Transitex team in Valencia, participation in the contest is a company's tradition, which has participated in the competition for several years now. This year was special because it was the first time that Transitex was placed on the podium.



It was with great pride and happiness that the Transitex team received the 2nd place, particularly our team in Valencia, proud to participate in the traditions and history of the city.

P.S. Paella: Paella is a Valencian rice dish that has ancient roots, but its modern form originated in the mid-19th century in the area around Albufera lagoon on the east coast of Spain, adjacent to the city of Valencia.



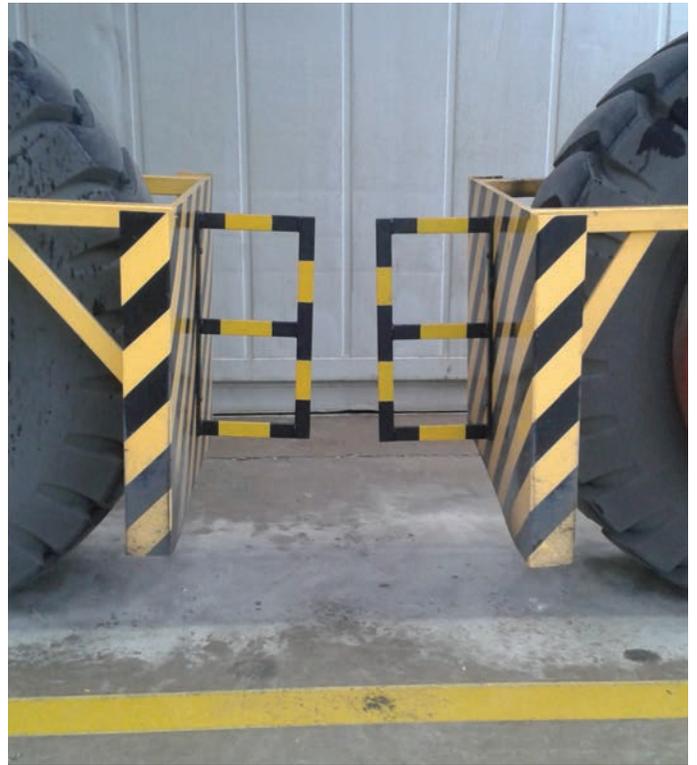
SAFETY BY CHOICE NOT BY CHANCE



Safety Barrier

YILPORT Gempert continues to take proactive measures to ensure the health and safety of the employees. In this context, the previously placed chains between RTG cranes to prevent the possible uncontrolled crossing of pedestrians replaced with robust steel construction barriers.

YILPORT Gempert HSSE team indicated that they will continue to their proactive approached solutions in the means of human and environmental health-related matters.



980 kg Waste Paper Recycled to the Nature

YILPORT aims to end to end efficient usage of each phase of the supply chain with its environmentally friendly approach. In this context, YILPORT Holding and Rotaport recycled 2,980 kg archival documents to nature by carrying out an activity that would be an example to all companies.

With our donations made to TEMA through a third-party company, we have officially documented our support for nature. We would like to thank all of our colleagues who supported this work and contributed to the process.



YILPORT Turkey Mechanical Maintenance Teams are Ready for the 2018

YILPORT, which takes priority on human investment, focuses on the occupational health and safety, technical and theoretical training of its employees. In light of this discipline; Gebze, Gempport, Rotaport mechanical maintenance teams in YILPORT Turkey participated in the training of Bearing Maintenance and Vibration Analysis in Gebze OIZ Technopark.

Owing to the training that has been successfully completed, our team members have forged their former knowledge and they have obtained useful updated information in the theoretical sense.



Constant Environmental Consciousness at YILPORT Gebze

YILPORT Gebze continues its projects to always keep an eye for emergencies with its consciousness to the environment. A 300 m³ pool area separated from the surface waters in terminal 1 is allocated for to be used against possible leakage and waste.

In addition, a mobile leakage pool is also started to be used in the terminal. In the port area of 206 mt², there are two placed container pools with a 40 TEU container volume strategically allocated in the terminal area.

Know, Don't Afraid! (8MARCH)

World Working Women's Day (March 8) is a global day celebrating the social, economic, cultural and political achievements of women. The day also marks a call women health and social responsibility.

All over the world, the most common type of cancer in women is breast cancer and is one of the most important health problems of women. With consciousness and early diagnosis, definite treatment of the disease is possible; for this reason, our most important weapon is early diagnosis and slogan "Know, Don't Afraid!"

Besides that, all YILPORT and YILDIRIM Holding's women employees were presented a special production pink cover bottle which produced for to support Turkey Breast Foundation's efforts about breast health awareness. The product also emphasizes that the importance of water drinking 2 lt water per day with "Did You Drink Water Today?" slogan.

We would like to thank all our women employees for their contributions to our company, our society and our families, also we share our best wishes with them for World Working Women's Day.



Knowledge Grows When Shared

Halil YASAR who works as an operation responsible at YILPORT Gempport terminal became the first dock worker in Turkey who publishes a book subjected basic occupational information for dockworkers.

The book titled "Basic Occupational Information for Port Workers" published by valuable contributions of former Vice President & COO of YILDIRIM Group of Companies Mehmet YILDIRIM continues to be distributed to ports.

Halil YASAR, made the following explanations about his project;

"First time in Turkey, a book was published by a dockworker that covers basic information for dockworkers. I think that the book I wrote in the memory of deceased Mehmet YILDIRIM, covers basic port operation information and will contribute to all employees who work in port. I am grateful to Mr. Mehmet YILDIRIM and all of the Gempport employees for their support in this process."





YILPORT Leixões hosted Students from Germany

On the 9th of March, YILPORT Leixões hosted Robert-Schuman-Vocational College, from Dortmund, Germany. To the visit which was moderated by Mr. Jaime Vieira dos Santos on YILPORT Leixões side with in partnership with APDL (Port Authority) represented by Mr. Francisco Saraiva. During the terminal visit, students had the opportunity to learn terminal operations, working principles and milestones of the logistics sector. After their terminal visit to YILPORT Leixões, students took another trip to other terminals in the Port of Leixões to observe infrastructure and organization.

Dumlupinar University at Gempport Terminal

YILPORT Holding which hosts university visits to introduce our ports and the sector to the young talents of the new generation, hosted Dumlupinar University, International Trade Society students in Gempport terminal in February.

The students had a chance to get detailed information about the operational processes and milestones of the logistics supply chain sector with company presentation and terminal visit.



YILPORT Contributes Upgrading Skills of the Young Generation



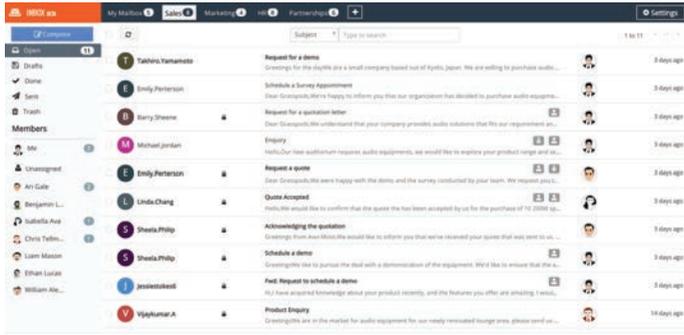
YILPORT Holding, which aims to be a part of university activities with the aim of introducing YILPORT vision and making a contribution to the ultimate aim of having well-informed personnel in the sector, attended to 'Career Days' activity of Kocaeli University Karamursel Maritime Faculty and Uludag University 'Career Days' and "For Your Career" event of Yeditepe University.

YILPORT continues to trace young talents with up-to-date trends at Career fairs. As one of the career fairs attended by our terminals, YILPORT, took intense attention of the X generation. The "Join Us" QR coded cards not just attracted to them to YILPORT stand, but also offered an up-to-date trend for their job applications.

YILPORT Gebze, Gempport and YILPORT Holding Customer Relations departments attended 'Career Days' and informed students about overall terminal portfolio of the company and variety of the service level that has been provided both in logistics and port operating sectors. Having given details of major activities of YILPORT Holding Inc., students asked questions to HR team to learn possible job opportunities by knowing the firm and departments closer. Application forms for internship were also distributed to give these participants opportunity to have an internship period at YILPORT.



CRM New Version Going Live Soon



The Customer Relations Management System which is currently in use with the aim of receiving feedbacks and provide necessary replies to customers as quickly as possible, upgrades its current version to fasten response times. The new version will enable new futures for internal users such as multiple dashboard tabs, web form attachments, controlled sharing of lists, comment with attachments.

In this way, while sales teams will be able to easily manage their leads and deals, schedule their appointments effortlessly and sent their quotes in addition to converting them to invoices, and requesting payments in just clicks; on the other hand, customer care performance is also aimed to be developed.

While upgrade will positively affect all customer-oriented activities in YILPORT Nordic and YILPORT Turkey region in which CRM is actively used, other regions will be directly using this latest version when implementation of the system in these ports are completed.

With all these developments in the current system, YILPORT aims to keep its customer-oriented activities going on by coming up with swift and ultimate solutions to customer feedbacks.

GLC held Meeting at Gebze Home Terminal

The workshop was attended by planning, customer service, TOS and Reporting units of GLC team and operations team of YILPORT Gebze, Gempport and Oslo terminals.

During the workshop, 3 main subjects were on the agenda. With an international shape of the future, the workshop was compromised of the 2030 targets, what short-term actions need to be taken to improve the services offered by GLC team to ongoing operations by focusing on practical takeaways that the team could go back and implement immediately.

In order to measure the service provided by the GLC in terms of KPI's or in a service level or service partnership agreement - this would include both input (from customer, operations) as well as output KPI's (from GLC).

Setting Up the Global Logistic Standards

On the 8th of February Global Container Terminals team from Canada visited, YILPORT Gebze home terminal. The team got information about Global Logistics Center and its working principles. They had a chance to see the simultaneously operational processes and globally integrated system running smoothly with Navis.

The Canadian team left YILPORT terminal to go Malta Freeport terminals for making a secondary technical trip before they implement Navis to their terminal. The trip was coordinated with the leadership of YILPORT Holding CIO Mark WOOTTON and YILPORT Holding Global Operations Director R.Cem GOKTAS.





GROUP OF COMPANIES

YOUR GLOCAL TURKISH PARTNER

ACROSS 49 COUNTRIES & ON 4 CONTINENTS



YILDIRIM GROUP is a pioneering Turkish conglomerate with a diversified scope of businesses, currently operating in the following industries:

- METALS & MINING
- FERTILIZERS & CHEMICALS
- COAL & COKE
- ENERGY
- PORT MANAGEMENT
- SHIPPING
- SHIPBUILDING
- REAL ESTATE DEVELOPMENT
- CONSTRUCTION
- PRIVATE EQUITY

**TURKEY | BELGIUM | CHINA | COLOMBIA | FRANCE | GABON | IRELAND | IVORY COAST | KAZAKHSTAN | MALTA
NETHERLANDS | RUSSIA | SWEDEN | NORWAY | USA | PORTUGAL | SPAIN | ECUADOR | PERU**

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● Terminals
▲ Forwarding Branches
▲ Forwarding Agents

GLOBAL REACH

YILPORT Holding was established in August 2011 to combine the port and container terminal operations of YILDIRIM Group under one roof.

The Holding has a portfolio of 6 terminals in Turkey, 8 in Portugal, 2 in Spain, 1 in Peru, 1 in Malta, 1 in Norway, 3 in Sweden and 1 in Ecuador.

Also Transitex, a global forwarding and support services company specialized in refrigerated cargo is part of YILPORT portfolio.

TERMINALS IN OPERATION

Turkey

Gebze , Solventas , Rotaport , Gempport

Malta

Malta Freeport

Norway

Oslo

Sweden

Gavle GCT & BSG
Stockholm Nord

Portugal

Lisboa Liscont, Lisboa Sotagus , Setubal ,Tersado , Figueira da Foz , Aveiro

Spain

Huelva, Ferrol

Peru

Paíta

Ecuador

Puerto Bolívar

YILPORT HOLDING Inc.



YILDIRIM Group

