YEAR IN REVIEW

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S Q&A

A discussion with our Group Chairman and CEO

Q How would you describe DP World's performance in 2017?

A 2017 has been a year of progress characterised by a significant rebound in global trade, market-share gains from new shipping alliances and a broader strategy for our maritime services and port-related businesses. We have benefited from the ahead-of-market gross volume growth of 10.1% across our global portfolio and our revenue and EBITDA grew 13.2% and 9.1% respectively on a reported basis and 6.0% and 8.0% on a like-for-like basis. After our earnings surpassed the $1 billion mark for the first time in 2016, they grew further in 2017 to $1,209 million, up 7.3% on a reported basis and 15.1% on a like-for-like basis.

Q The year has witnessed a strong recovery in global trade. How has this affected your business and can we expect the trend to continue?

A The improved trading environment in 2017 boosted our volumes and delivered robust performance across all geographic regions in which we operate. Trade has benefited from the weaker US dollar and stronger economic growth in the Eurozone, US, Japan and emerging Asia, along with robust growth out of China. Our portfolio has not only benefited from the improved trading environment but also market-share gains from the new shipping alliances, and delivered ahead-of-market growth.

2018 has started on a strong note and we have witnessed strong investment, industrial production, improved business and consumer confidence, and we are confident that the growth momentum will continue. Any upswing in growth will positively affect global trade and DP World's global portfolio of ports. However, while the trade environment may appear more benign, geopolitical headwinds in some regions continue to pose a challenge. Nevertheless, we still expect to grow ahead of the market and see increased contributions from our new developments.

Q What were the trends in cargo and throughput in 2017? What role have the new shipping alliances played?

A Our volumes outperformed the market, delivering 70.1 million twenty-foot equivalent units ("TEU") of gross volumes across our global portfolio in 2017, benefiting from the improved trading environment. In addition to focusing on faster-growing emerging markets and origin and destination cargo, in recent years we have also invested in deep-water capacity which helps us with the new shipping alliances as vessel sizes and port-capacity requirements continually increase. For example, in London Gateway we won the regular Asia-Europe service from one of the major alliances. Furthermore, our global portfolio has not only benefited from a recovery in global trade but also market-share gains from the new shipping alliances

Q You have been targeting a broader strategy to strengthen the Group's maritime services and port related businesses. Can you elaborate on the acquisitions of Dubai Maritime City and Drydocks World?

A As a global trade enabler, in recent years we have invested in various port-related businesses such as the Jebel Ali Free Zone and inland terminals. To further enhance our maritime services and port-related businesses, we announced our agreement to acquire Dubai Maritime City and Drydocks World in 2017. Dubai Maritime City is a world-class maritime service facility and industrial business zone in a prime location in central Dubai, and Drydocks is a market leader in the ship repair business with the world's largest ship repair yard. We expect to deliver both near-term synergies and new revenue opportunities over the long term with these acquisitions, and look forward to leveraging our proven track record to accelerate growth and deliver stakeholder value.

Q DP World has recently signed a joint-venture with the Indian National Investment and Infrastructure Fund (NIIF). Can you elaborate on this?

A We have been a part of India's growth story for two decades. To further strengthen our relationship, we have entered into a joint venture ("JV") with the Indian National Investment and Infrastructure Fund ("NIIF") to develop the ports, transportation and logistics sector in India. The JV will invest up to $3 billion to also target opportunities beyond sea ports such as river transportation, freight corridors, cold-chain storage and port-led special economic zones and inland terminals, with DP World holding a 65% share and the Indian government the remaining 35%.

In recent years, we have leveraged on our in-house expertise to extend our core business into port-related, maritime, transportation and logistics sectors with the objective of diversifying our revenue base and connecting directly with the owners of cargo and aggregators of demand to remove inefficiencies in trade, improve the quality of our earnings and drive returns. Going forward, we expect this trend to continue as we seek opportunities in complementary sectors in the global supply chain and also make use of new technology and data to provide better solutions to our customers.

Q DP World has recently launched an innovation department. What has been delivered so far?

A We constantly strive to provide our clients and stakeholders with new ways to make trade smarter, faster, safer and more profitable. Innovation is a key component in transforming and rethinking the way we do business. We have created an innovation department and launched a new platform – innoGate – giving all our 38,000 employees a mechanism to share their ideas, collaborate and brainstorm together regardless of language, job, age or gender. We have received thousands of encouraging ideas and developed hundreds of success stories that capture every aspect of our business.

Q What progress have you made in achieving your 2020 capacity target of 100 million TEU?

A Globally we added 3.6 million TEU of new gross capacity and 7.3 million TEU of consolidated capacity during 2017, which includes the consolidation of our ports in Pusan (South Korea) and Santos (Brazil). This takes our total gross and consolidated capacity to 88.2 million and 49.7 million TEU respectively. Our aim is to operate over 100 million TEU of gross capacity by 2020, subject to demand.

In 2017, we invested $1,090 million of capital expenditure and the major capacity expansions included 1.5 million TEU in Jebel Ali (UAE), 0.8 million TEU in London Gateway (UK) and 0.5 million TEU in Prince Rupert (Canada).

Q Where do you see new opportunities for DP World in 2018?

A As the industry continues to evolve, we need to constantly rethink the way in which we do business. We have recently invested in complementary sectors in the global supply chain, such as industrial parks, maritime sector and logistics hubs, which will strengthen our position in leading the future of world trade. Of course, we will continue to play a key role in our area of expertise – maritime container ports – but we see great potential in broadening our strategy.

Geographically, alongside the JV with the NIIF to develop the logistics sector in India, we also have a JV in Russia that continues to be a focus. Low containerisation in Africa and Latin America make these an interesting proposition, bringing an opportunity for further expansion to complement our existing operations. We have started to realise this further with our investments in Somaliland and Ecuador as well as the consolidation of DP World Santos in Brazil.

Q Sustainability has been an ongoing theme at DP World – how do you ensure that you stay up to date in your business practices?

A Through the Our World, Our Future programme, we are placing sustainability at the heart of everything we do. We are committed to investing in our people, protecting our environment, ensuring the highest safety standards and building a vibrant, secure and resilient society. We aim to be sustainability leaders, both in and outside our industry, and we continue to integrate sustainable best practice into every aspect of our business.

We have also ensured our sustainable business practices have progressed, joining the UN LET partnership to support humanitarian disaster relief; supporting the development of Hyperloop technologies that could revolutionise the movement of goods across continents and winning the coveted Dubai Quality Award, evidence of our ongoing commitment to excellence.

2017 FINANCIAL RESULTS

PROFIT
attributable to the owners of the Company:

$1.2 billion
up 7.3% from 2016

ADJUSTED EBITDA MARGIN

52.4%

REVENUE

$4.7 billion
up 13.2% from 2016

CAPITAL EXPENDITURE

$1.1 billion

GROSS VOLUMES

10.1%
Up ahead of the global container industry estimate of 6%[1], Gross throughout (TEU ’000) 70,079

INVESTMENT PLATFORM

$3 billion

in partnership with NIIF[2] to develop the ports, transportation and logistics sector in India

1 Drewry Maritime full year 2017 global container market growth estimate
2 National Investment and Infrastructure Fund