

GROUP CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT



In a global climate of trade wars, rising tariffs, geopolitical issues and changing customer demands, 2019 proved an eventful year, one in which the resilience of our business drove further growth across the Group.

In the face of these global issues our diverse geographical footprint, combination of land and marine based services and assets supported by our technological capability, are proving a winning mix in our operational performance.

Our continued focus on customer needs manifests in the development of our business – building further logistic capabilities. More than ever before, customers are demanding end to end solutions as we build our ability to connect with cargo owners and aggregators of demand. We aim to extend our core business to play a wider role in the supply chain and providing technology led solutions to remove inefficiencies.

Robust volumes

Our portfolio continued to deliver steady volume performance which was encouraging given the challenging global backdrop caused by disputes in global trade.

We handled 71.2 million TEU (twenty-foot equivalent units) with gross container volumes growing by 1.0% year on year on a like for like basis. Highlights included robust growth in key markets such as Asia Pacific and India while growth on the west coast of the Americas remains solid. In Europe, London Gateway continues to deliver strong growth due to market share gains. Jebel Ali (UAE) volumes declined due to a loss of low margin cargo as we remain focused on growing profitable origin and destination cargo.

Growing global logistics capabilities

We continued to integrate our recent acquisitions through the year to cement our position as the trade partner of choice and in pursuit of our goal to add value across multiple points of the supply chain.

We saw the return of P&O Ferries and P&O Ferrymasters to DP World with a \$421 million acquisition. P&O Ferries is a pan-European integrated logistics business consisting of a market leading roll-on roll-off (Ro-Ro) ferries operation and a European transportation and logistics solutions provider, P&O Ferrymasters. It operates a fleet of 21 vessels on the Short Sea, North Sea and Irish Sea sectors across eleven ports whilst P&O Ferrymasters provides supply chain solutions in 19 European locations. It provides efficient European freight connectivity building on our acquisition of Unifeeder.

We also strengthened our marine services by completing the acquisition of Topaz Energy and Marine, an international logistics provider to the energy industry, and proceeded to combine it with our existing business P&O Maritime Services to form P&O Maritime Logistics. Through the synergies created by the merger of the two companies under the DP World umbrella, the POML business will build further scale and value for customers and investors alike. The new entity will provide services to offshore oil and gas industry together with the ownership and management of specialist vessels, offshore renewables, river barging, chartering and port services.

Meanwhile, our Unifeeder subsidiary announced a 77% stake in the Feedertech Group, the latest step in our vision to build logistics capability across the supply chain and to serve the needs of shipping lines and cargo owners. It will expand our feedering and short sea services to multiple geographies – from Europe to connect the fast-growing trade route of Asia to the Middle East via India. Unifeeder now has the capability to offer feedering and short sea connectivity in northern Europe, the Mediterranean, North Africa and now Asia and the Indian Subcontinent (see on map).

New tech, high tech – innovation in the digital age

Innovation continues to be at the heart of our business – as the digital age places increasing demand for solutions in real time from customers. Enhancing product and service and providing digital services in real time is now a reality, underlining the power of data and knowledge for business competitiveness.

To enhance transparency and make life easier for customers, we acquired Searates.com, a leading online freight shipping platform. This move aligns with our vision to take customer operations online and reduce paper-based complexities. It will also allow us to ship more containers through our ports, terminals and free zones around the world, providing an easy interface for customers, freight forwarders and ocean freight lines who can use it to move products via sea, land and air – from anyone to anywhere.

Other innovation included the launch of a new international joint venture that aims to change the way that containers are handled in ports has been launched by DP World and industrial engineering specialists, SMS Group. BOXBAY represents a new and intelligent High Bay Storage (HBS) system that will be ready in time for Expo 2020 Dubai with a pilot project scheduled at Jebel Ali Terminal 4. The patented design and rack structure of the system creates unique advantages with containers stored up to eleven storeys high, delivering the capacity of a conventional terminal in a third of the surface area.

Around the world – 150 operations in 50 countries

In the Middle East and Africa, we renewed our concession from the Saudi Ports Authority for the management and development of Jeddah South Container Terminal for another 30 years with an agreement to invest up to \$500 million to improve and modernise Jeddah Islamic Port.

DP World Sokhna in Egypt celebrated its tenth anniversary by announcing the near completion of a major expansion project that will bring our total investment there to \$1.6 billion. Basin 2 will be operational in 2020 nearly doubling capacity at the port to 1.75 million TEU cementing its position as a major gateway for Egypt's trade.

The expansion comes as UAE and Egypt agreed to support a \$20 billion joint strategic platform to invest in a range of vital sectors with ports and economic zones being a driver for future economic prosperity.

In Rwanda, we inaugurated the Kigali Logistics Platform in the presence of the President of the Republic H.E. Paul Kagame, which connect the country to neighbouring nations linking railway routes and reducing business costs which could save companies up to \$50 million a year.

In South America we expanded our operations by acquiring Puertos y Logística S.A. (Pulogsa) in Chile which operates a long-term concession for Puerto Central (PCE) in San Antonio, in Chile's Central Region V as well as owning and operating Puerto Lirquen (PLQ) in the south of the country. These new assets will allow us to serve cargo owners and shipping lines at five key gateways on the west coast of South America in Posorja (Ecuador), Callao, Paita (Peru) and San Antonio and Lirquen (Chile).

In Peru, we realised a fully integrated maritime and logistics operations with logistics hubs, warehouses, bonded storage and trucking services to connect with our existing operations at the Port of Callao, the major gateway for the country's import and export container traffic.

Another highlight was the starting of operations at our new greenfield container port in Posorja, Ecuador, located near the approaches to Guayaquil. The new Port and Special Economic Zone will significantly improve Ecuador's global competitiveness and position the country as a dynamic business hub for the west coast of South America, following the model that has been tried and tested in Dubai and around the world.

At home in Dubai, we have also made good progress on the construction of one of the largest pavilions at Expo 2020 Dubai unveiling a design focused on trade flows and the vital role of smarter trade in the global economy as well as breaking ground as part of the build. The five-storey building is around 5,000 square metres and will feature a range of technologies designed to encourage smarter trade for cargo owners worldwide.

We are also developing a "smart" wholesale and retail traders' market in Dubai's Jebel Ali free zone. A joint venture with Zhejiang China Commodity City Group Company (CCC) in the Traders Market project with construction underway and expected to be completed within 24 months. It showcases our trade-enabling strategy as we look to enable trade and the movement of goods through removing inefficiencies and lowering supply chain costs. The Traders Market in Dubai will span 800,000 square metres once complete, with the first phase of development covering about 220,000 square metres.

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In tandem with our business operations, efforts to deliver sustainable growth progressed. We revised our sustainability strategy – incorporating external stakeholder feedback to better address their expectations and our focus over the coming years. On ten key material issues, addressing seven responsible business priorities, in three legacy areas of Oceans, Education and Women. On this latter issue, we created a women's council and rolled out a gender equality statement, as we strive to increase gender parity across the Group.

Corporate governance and Board

We continue to deliver best corporate governance practice improving our strategy and supporting how we operate our diverse business activities with an eye on global trends and issues that will affect our future. The Corporate Governance report can be found on page 48.

Our Board remains at the centre of our business and the world class mix of skills and experience is contributing to our future direction. The Board ensures that we deliver sustained long-term value for our shareholders and achieve our goals. I would like to thank our Board members for their continued support, dedication and contribution to our success.

The full biographies of our Board members and information on the roles and responsibilities of various Committees can be found in the Corporate Governance Report.

Dividend

The Board is recommending a final dividend of \$332.0 million or 40.0 US cents per share. Subject to shareholder approval, the dividend will be paid on 29 April 2020 to shareholders on the register at the close of business on 26 March 2020.

It remains our ambition to be leaders in shaping the future of global trade and our goal is to become an agile business, growing both scale and profitability as we participate in a progressively higher proportion of the world's trade and exploit every significant disruptive technology today, and tomorrow.

A big thank you to all our employees, partners and customers for their contributions in 2019. We have made and are making major advances in our journey – to become a data driven global logistics business that delivers for our customers, nations and people around the world. It's a journey that we have embarked on for the long term – together.



SULTAN AHMED BIN SULAYEM
GROUP CHAIRMAN AND CEO
19 MARCH 2020

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