

Ports America Chesapeake, LLC
September 17, 2012



Panama Canal

The Panama Canal is currently being expanded to accommodate larger vessels that typically only called West Coast ports.

A series of new locks are being constructed to handle vessels as large 12,600 TEUs.

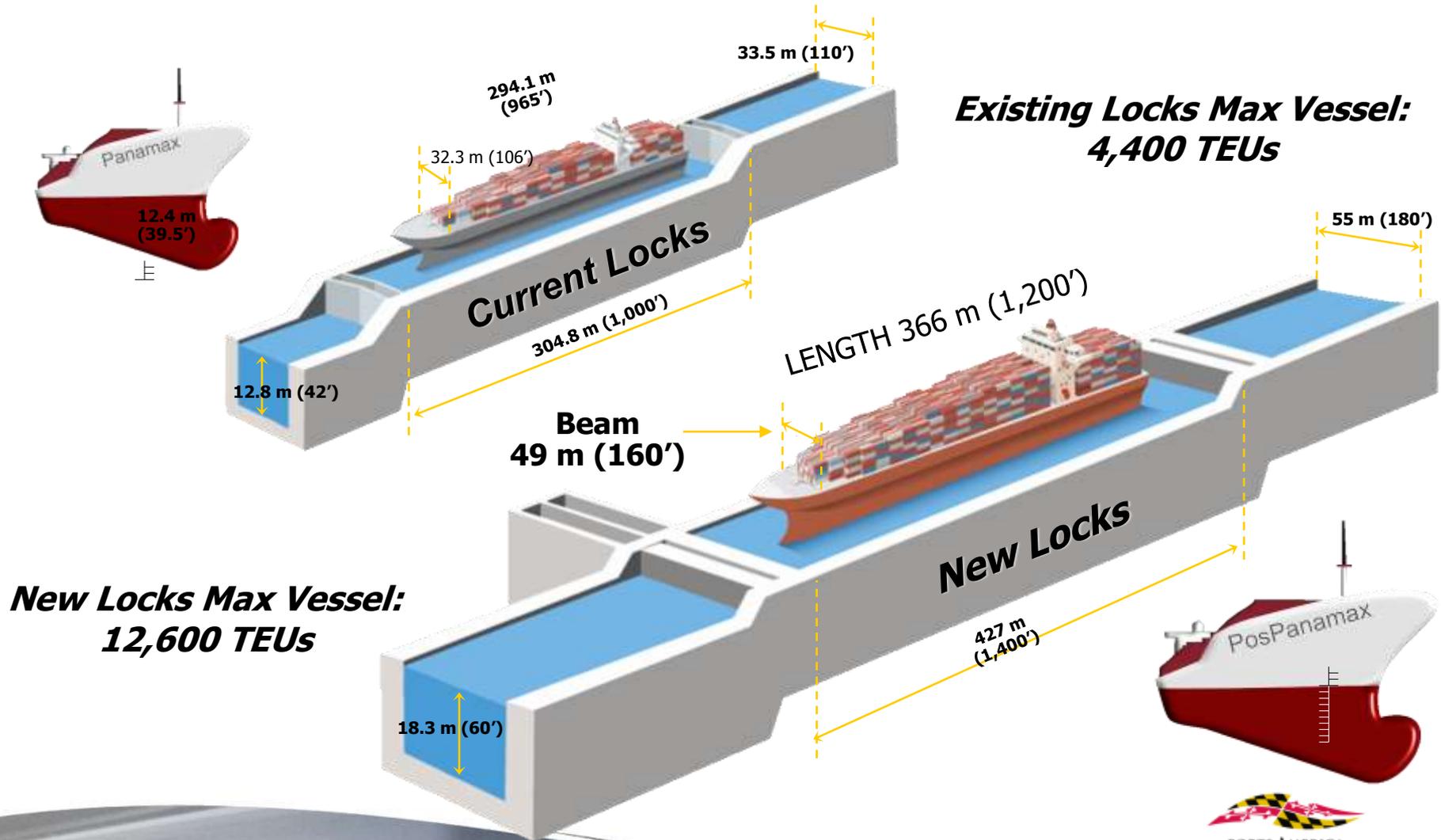
Canal data shows an increase of container traffic moving to the East Coast over the past fifteen years.

Increased capabilities that afford economies of scale will increase the percent of Asian cargo moving all water to the US East Coast.

Larger vessels calling the US East Coast will increase the market penetration significantly compared to the vessels calling East Coast ports today.

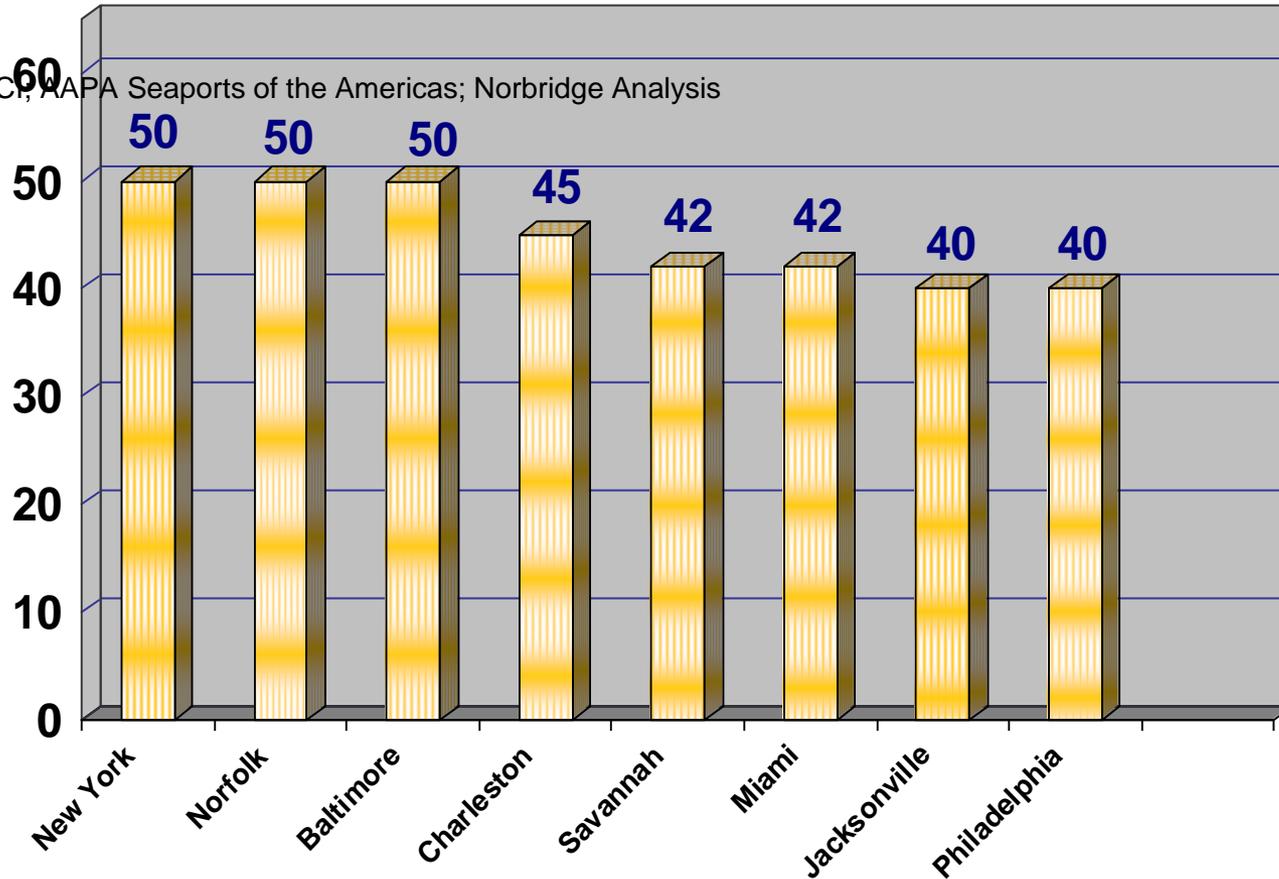
Baltimore will be one of the few East Coast ports that will be able to accommodate the new class of vessels with it's channel and berth depth as well as it's terminal capacity and expansion plans.

Dimension of Locks and New-Panamax Vessels



Reported Channel Depths at Selected Ports

Source: Port Websites; CMAA Seaports of the Americas; Norbridge Analysis



Seagirt Marine Terminal Overview

The Seagirt Marine Terminal is a long-lived infrastructure asset with a well-established track record



Why Did Maryland Undertake a Concession?



Identifiable Public Policy Need

- Seagirt is a core driver of the Maryland economy
- Panama Canal widening in 2014 will change the face of East Coast port landscape
- The investment in a new 50' deep berth at Seagirt ("Berth IV") must be completed to remain competitive



Highstar Value Added Solution

- Partnership with incumbent, proven operator with an 88+ year history in the Port (Ports America)
- Completion of Berth IV two years ahead of schedule (2012 vs. 2014)
- Strong alignment of risk and reward with the State
- Significant job (5,700) and tax revenue creation (\$16 mm per annum.)

Insufficient Funding Sources

- Tax revenues declining in Maryland during economic slowdown
- \$5.6BN in state budget cuts
- State has finite bonding capacity
- Maryland Port Administration ("MPA") unable to finance the project by itself



PPP Alternative

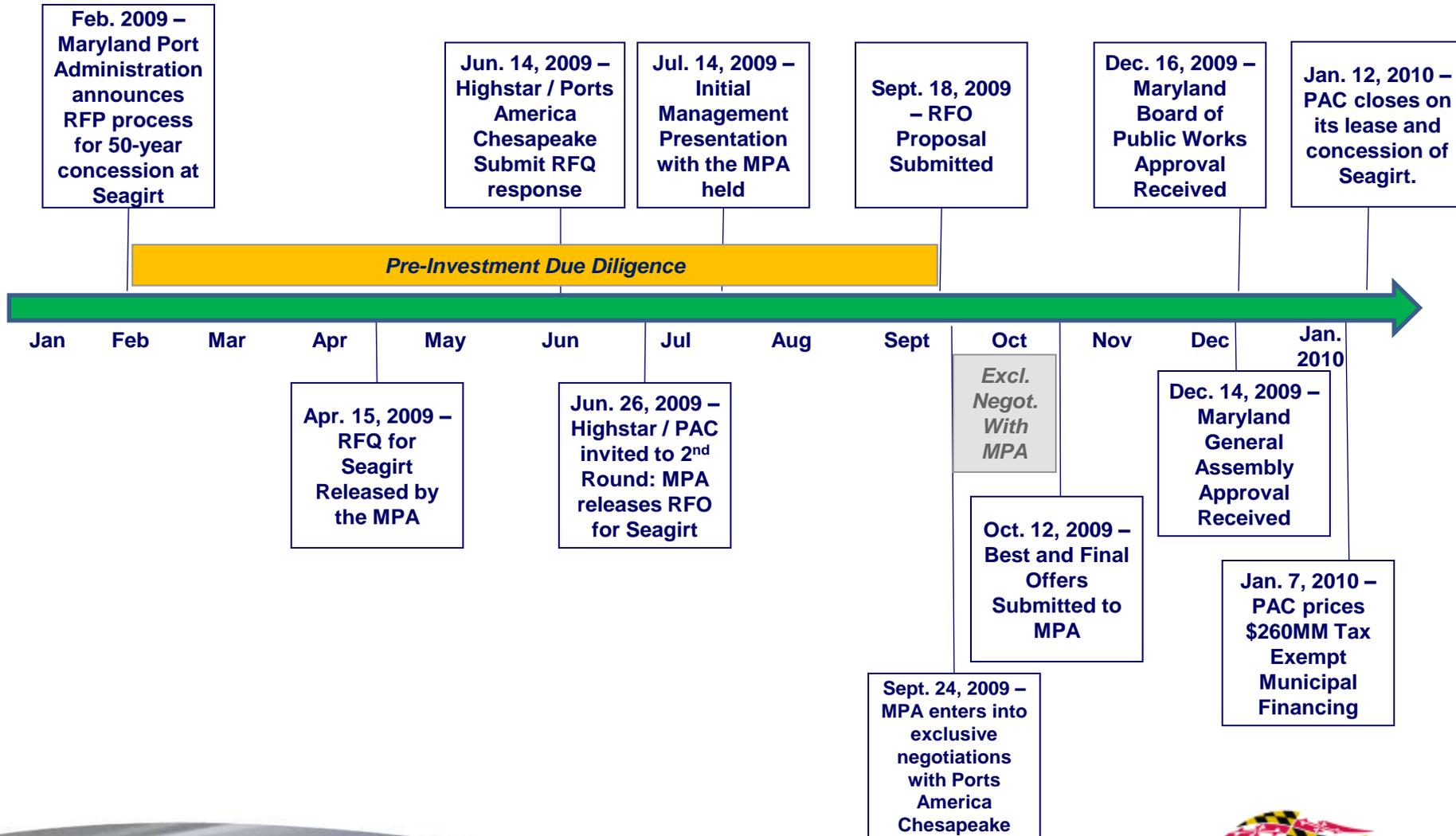
- Opportunity for MPA to partner with private sector to create operational and financial value
- Ensures committed financing of Berth IV
- Generates upfront proceeds and ongoing revenue, while ensuring high quality of service



Key Objectives for Maryland

- Fund critical development of 50' deep berth in the Port of Baltimore to help maintain global competitive position when the Panama Canal is completed in 2014
 - Free up state financial resources for other critical infrastructure needs
- Generate upfront proceeds that can be used to fund other supporting infrastructure projects

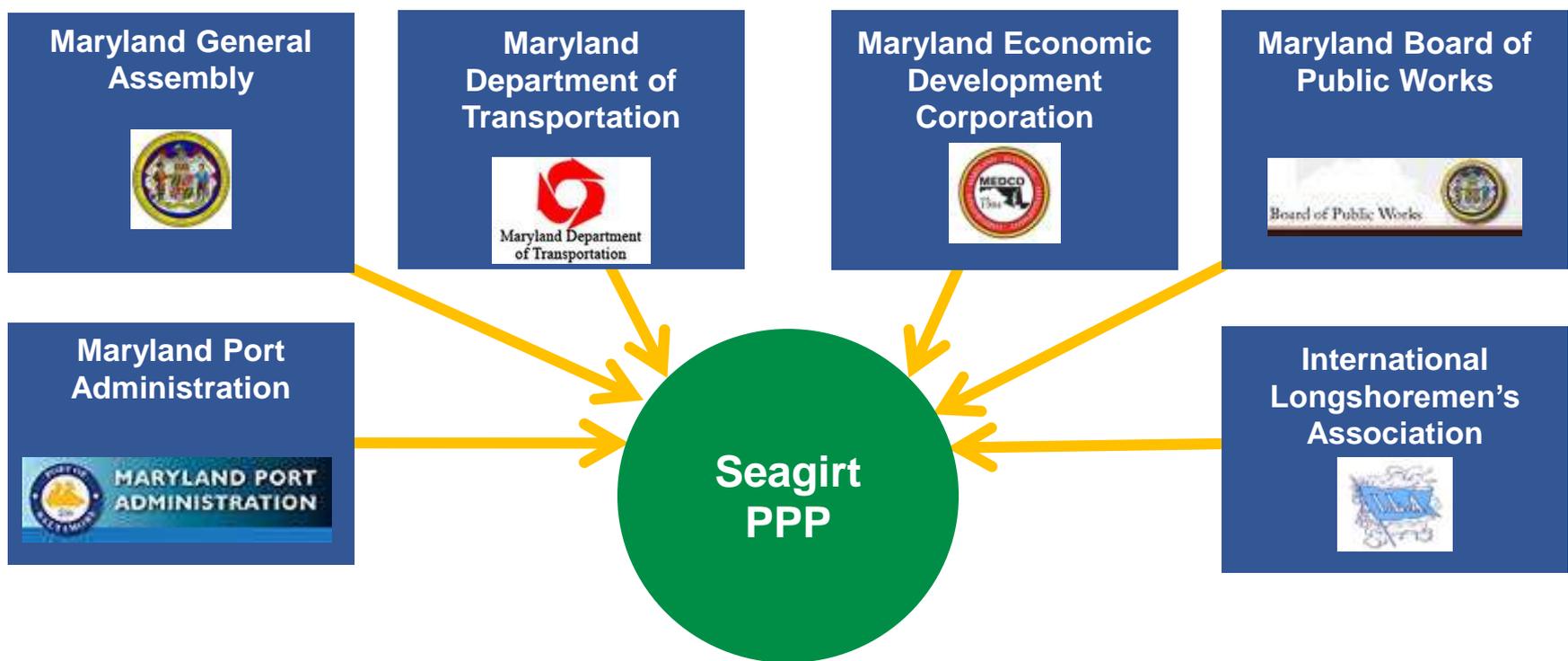
Managing The Seagirt PPP Process



Key Obstacles to Completion

- Convincing Annapolis that a PPP was the right path forward
 - Why not do it ourselves?
- Showing the unions this was their best long-term option
 - Natural skepticism of private ownership
- Creating a competitive M&A process
- Structuring of economic considerations of the concession
 - Setting the right price
 - Upfront proceeds vs. annual revenue stream

Managing Other Stakeholders



- In order to ensure a smooth and well coordinated approval process, it was imperative to not only structure a deal that would provide significant economic benefit to all parties, but to also keep key decision makers from each party apprised of any significant developments

Investment Merits

Strong Local Demand

Significant Growth Potential

Unique Location with Attractive Shipper Economics

Strong Partnership with Main Customers



Longstanding, Proven Operator With Strong Union Relationships

Long-Term Customer Contracts

Highly Efficient Operations

Mutual Alignment of Public and Private Sector Interests



What Makes a Good PPP?

- Well defined objectives and evaluation criteria issued by governing authority at the beginning of the process
 - Clear goals show a commitment to proceed by the government
- Reasonable expectations by both the public sector and private operator and a willingness to work together
 - Mutual appreciation of risk sharing and long-term objectives

What Makes a Good PPP? (Cont'd)

- Creativity in structuring financial considerations of the agreement
 - Up-front payment may be part of the package, but not the whole thing
 - Sharing mechanisms provide Government with further upside share in revenues
 - Incentives for early completion of infrastructure development
- PPP should provide a meaningful economic benefit to the broader community
 - Economic stimulus in the way of new jobs, tax revenues and creation of increased business

Seagirt Marine Terminal



Seagirt Marine Terminal

Operator of Seagirt since opening in 1990

January 12th, 2010 signed 50 year concession

Development of 50 ft berth and 4 Super Post Panamax Cranes by August 2012

Vessel Productivity 37 moves per hour

Strong labor relations presents in Baltimore and North America

Positioned to use Ports America Best Practices to provide preferred services to North America

Seagirt Marine Terminal

Seagirt will be expanded to a 4 berth operation.
New berth and cranes expected to be completed
by August 2012.

Berth 4 will be dredged to 50 feet with four (4)
super post panamax cranes

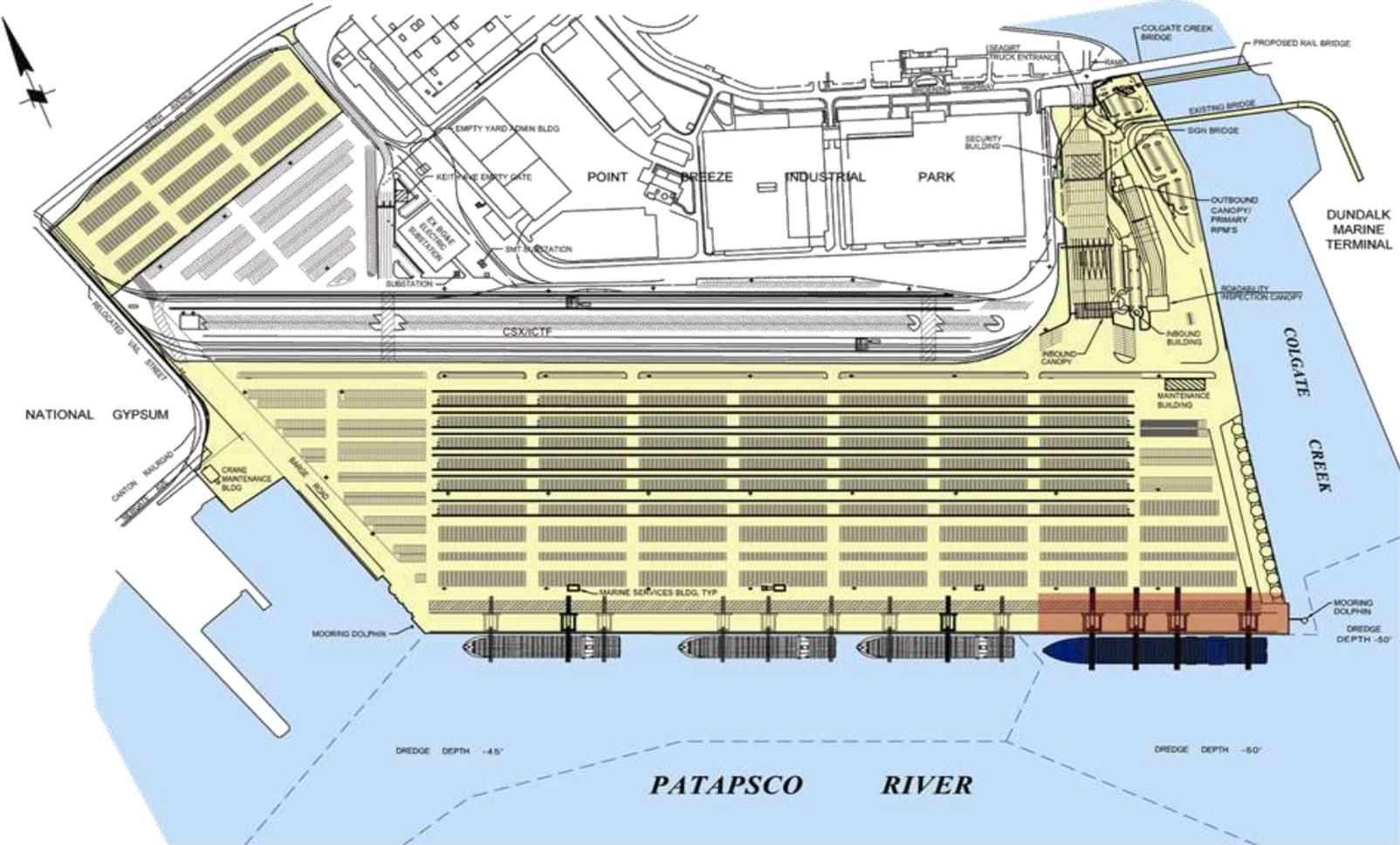
Panama Canal readiness

Improvements to facilitate movement to and from
ICTF.

Chassis yard with separate satellite truck gate.

National Gateway Project.

Seagirt Marine Terminal Buildout Berth 4



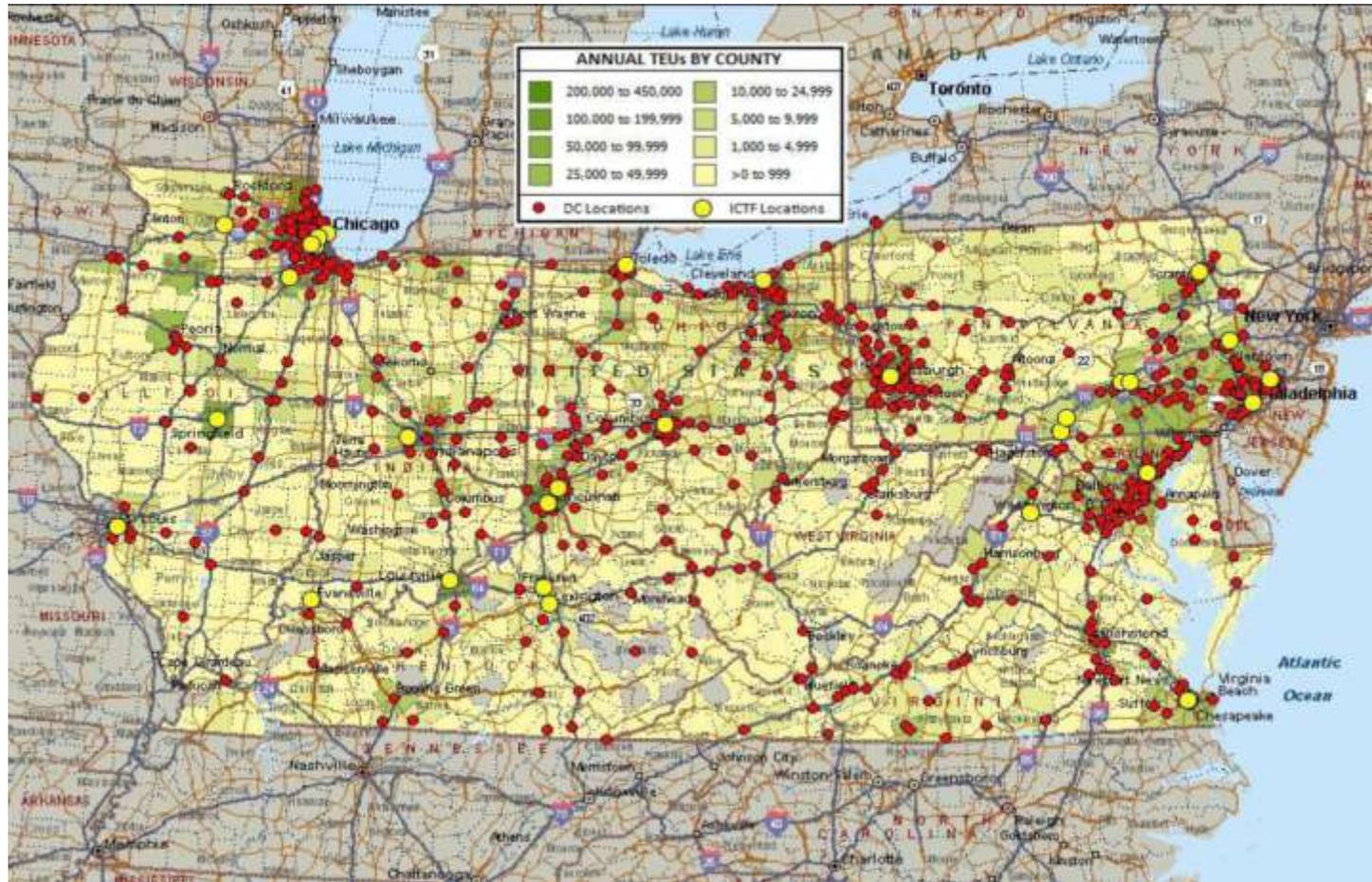
Strength of Local Market



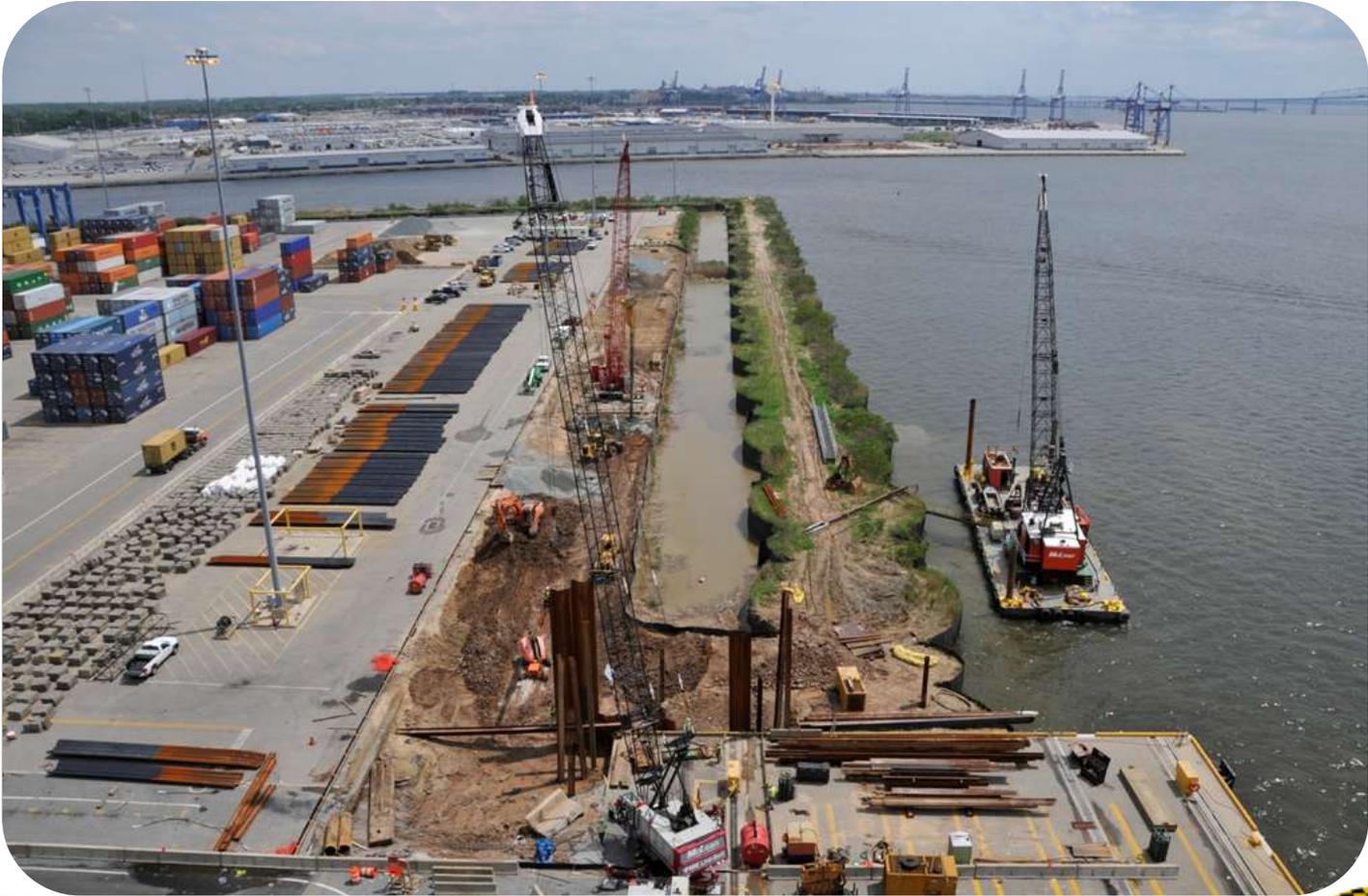
LARGEST COMBINED METRO AREAS 2010

<u>LOCATION</u>	<u>GDP</u>
1 - New York NY, Newark NJ, Bridgeport CT	\$ 1.460 Trillion
2 - Los Angeles CA, Long Beach CA, Riverside CA	\$ 881.297 Billion
3 - Washington DC, Baltimore MD, Northern VA	\$ 575.025 Billion
4 - San Jose CA, San Francisco CA, Oakland CA	\$ 544.969 Billion
5 - Chicago IL, Naperville IL, Michigan City IN	\$ 539.046 Billion
6 - Boston MA, Worcester MA, Manchester NH	\$ 430.245 Billion
7 - Houston TX, Baytown TX, Huntsville TX	\$ 384.603 Billion
8 - Dallas TX, Fort Worth TX	\$ 377.546 Billion
9 - Philadelphia PA, Camden NJ, Vineland NJ	\$ 366.792 Billion
10 - Atlanta GA, Sandy Springs GA, Gainesville GA	\$ 278.805 Billion
* Norfolk GDP	\$ 80,518,000
* Source - U.S. Bureau of Economic Analysis	

Distribution Centers in the Baltimore Market



Seagirt Marine Terminal Buildout Berth 4 – Construction Progress



Seagirt Marine Terminal Buildout Berth 4 – Completed

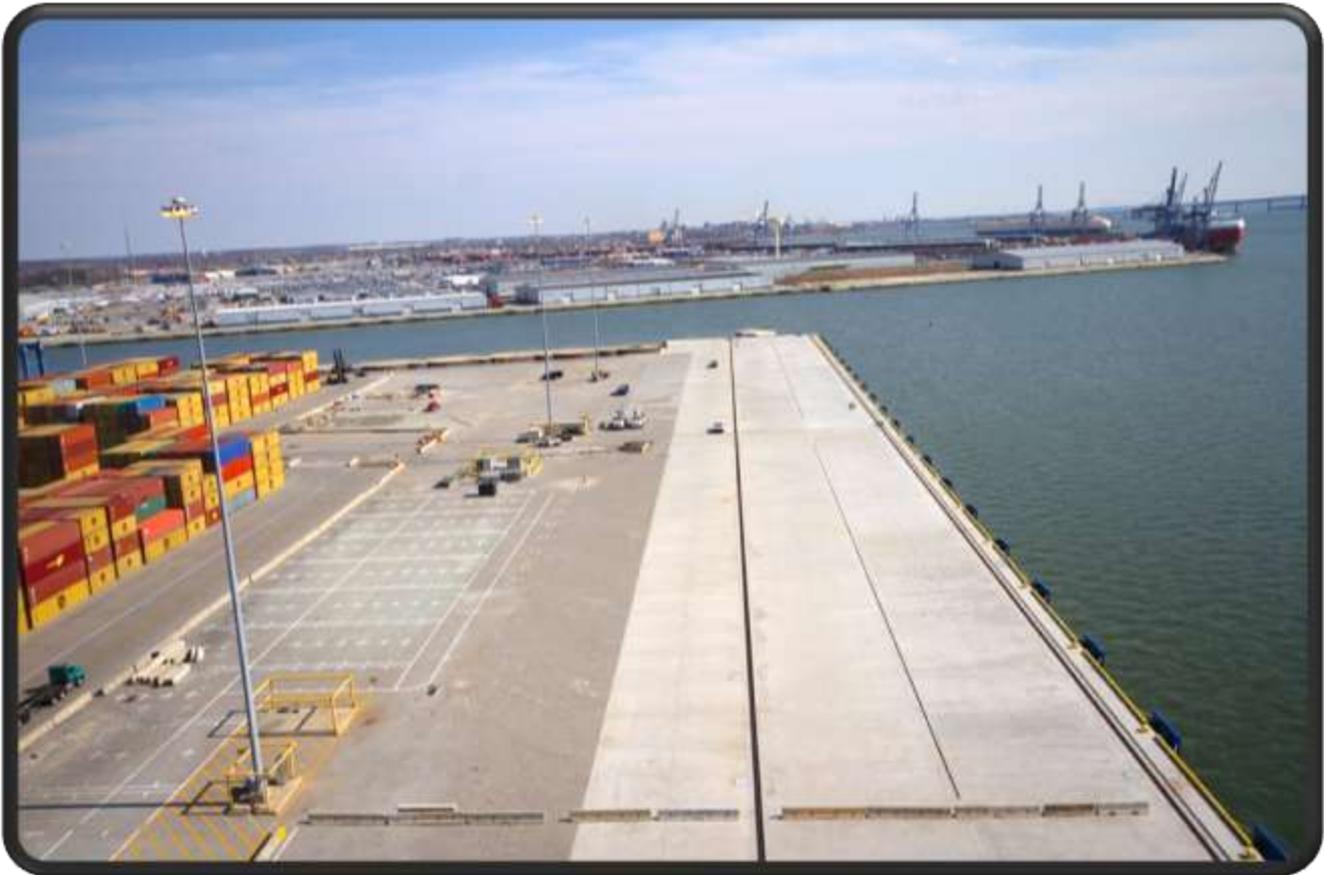


Photo taken March 2012

Crane Arrival



Crane Arrival



National Gateway will significantly benefit Baltimore



Northwest Ohio

Double-stack
Clearances

New Baltimore ICTF

NW Ohio creates unique 'Hub & Spoke' Network



Port of Baltimore Service Lanes

City	Estimated Start
Chicago Detroit E. St. Louis Jacksonville Kansas City Miami	Existing
Cleveland Columbus Toledo	2011
Cincinnati Indianapolis Louisville Buffalo	2012
Atlanta Charlotte Memphis Pittsburgh	2014

Port Authority of New York – New Jersey



Port Newark Peninsula – Current PNCT Footprint



PNCT Build Out



Delaware River Main Stem Channel Deepening Project



Project Outline

The main channel is 103 miles, although about 33 miles of it is already at or below 45 feet.

The project will cost \$277 million. It is a 65 / 35 cost arrangement. It is expected to be completed within 5 years.

The United States Army Corps of Engineers is spearheading the project. PRPA became the local sponsor in 2008.

We will be removing 16 million cubic yards of material. About 12 million cubic yards of this material from the river portion will be placed at existing federal upland Confined Disposal Facilities in New Jersey and Delaware.

The remaining 4 million cubic yards of sand will be placed at two sites in Delaware: Wetland restoration at Kelly Island, and shore protection at Broadkill Beach.

Environmental Monitoring

So far, about \$7 million has been spent in environmental analysis, all concluding that deepening the channel will have no adverse impact.

Most Recent Developments

The first section of the channel to be deepened is known as Reach C—an 11 mile stretch in Delaware waters. Work began in March and was completed in September, 2010. We removed 2.7 million cubic-yards of material at a cost of approximately \$26 million.

The next section of the channel scheduled for deepening is Reach B, a 14-mile stretch in Wilmington, DE and Delaware County, PA.



Southport



Southport Site Description



Philadelphia Regional
Port Authority



PORTS AMERICA
CHESAPEAKE

- *45 Foot Channel* – The current Southport design contemplates a 45 ft (13.8 m) channel depth. The first phase of the Deepening Project began in March 2010 and is scheduled for completion by early 2015
- *Site Access* – 3 Class I railroads are located within the vicinity of the Southport site and provide access to the US Midwest and eastern Canada
- *Ample Air Draft* – There are no air draft restrictions below 188 ft (57.3 m) mean high water (Delaware Memorial Bridge)
- *No Assessments* – There are no equivalent New York Shipping Association assessments for container cargos in Philadelphia, thereby reducing overall cost of transportation
- *Trained, Experienced and Flexible Workforce* – The current International Longshoremen’s Association (ILA) contract establishes 19 ILA start times within the Port of Philadelphia, providing significant operational flexibility and time savings
- *Productivity and Efficiency* – The operations at existing Philadelphia Regional Port Authority facilities are efficient and productive

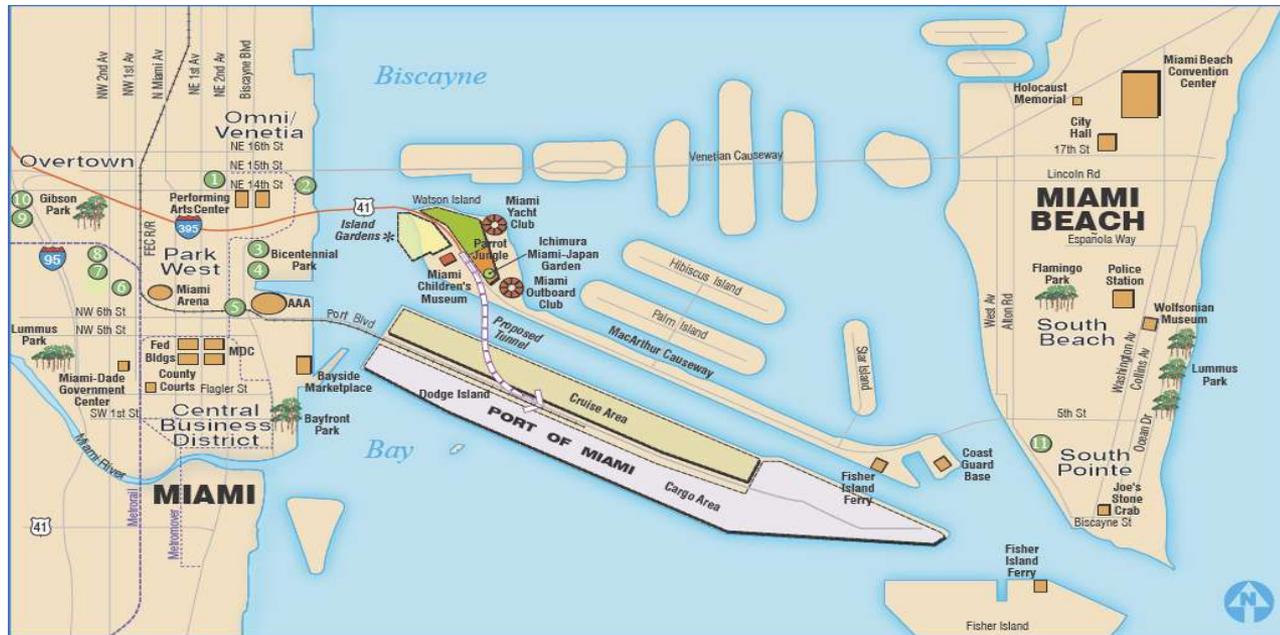
Deepening Project

- Deepening Miami Harbor to accommodate larger, Post-Panamax vessels
- Dredging to 50 feet
- One of only 3 Eastern seaboard ports with Congressional Authorization



Construction of Tunnel Underway

- Connect Port of Miami with major highway systems
- More efficient , faster method of moving containers
- Completion 2014



Intermodal Upgrades - Freight Rail Access

- Direct rail service another critical component for accommodating future cargo growth.



Charleston Harbor



Southeastern United States

Distance to major S.E. Cities:

- Savannah, GA – 111 mi. / 179 km.
- Atlanta, GA – 320 mi. / 515 km.
- Jacksonville, FL – 240 mi. / 386 km.
- Birmingham, AL – 465 mi. / 748 km.
- Huntsville, AL – 465 mi. / 748 km.
- Nashville, TN – 500 mi. / 805 km.
- Knoxville, TN – 373 mi. / 600 km.
- Charlotte, NC – 209 mi / 336 km.
- Greensboro, NC – 274 mi. / 441 km.
- Raleigh, NC – 280 mi. 451 km.
- Wilmington, NC – 170 mi. / 274 km.
- Columbia, SC – 113 mi. / 182 km.
- Greenville, SC – 214 mi. / 344 km.



Garden City Container Terminal, Savannah

Facility

- RTG operation
- Total CY acres = 495
- 9 Berths with a total totaling 9,693 linear ft.
- Project depth 42' MLLW
- Future project depth 48' MLLW
- Two On dock rail facilities for both the CSX and Norfolk Southern with a total of 18,935 ft of working track and 19,906 ft of storage track.
- 3 Gate interchange complexes with a total of 37 lanes with 25 pre-check and 10 portal approach lanes.

Equipment

- 23 gantry cranes
- 71 RTG's (25 additional phased in beginning June 2010 complete July 2011)
- 39 Load handlers
- 19 Empty handlers
- 1832 Reefer plugs (1032 rack, 800 wheeled)
- 1.9M sq feet of warehouse space (including 68,000 sq ft cold storage)

Statistics

- Total annual volume – 1.3M lifts (2.3M TEU) 2009
- Total rail volume – 230,000
- Total annual gate moves - 1.6M (2009)
- 1881 vessel calls (2009)

Major Customers/ Alliances

- CKYH
- Maersk
- CMA-CGM
- China Shipping
- Evergreen
- Turkon
- Mediterranean Shipping
- United Arab Line
- Marfret



Ocean Terminal Port of Savannah GA.

Facility

- Combination Break Bulk / Ro-Ro facility.
- 200.4 total contiguous acres.
- 83 acres open storage (paved).
- 19 acres dedicated to Ro-Ro.
- 40 acres dedicated to Containers.
- 1.5 million square ft. covered storage.
- 3379 linear ft. deep water berthing.
- Project depth 42' MLLW
- Future project depth 48' MLLW

Equipment

- Two Gantry cranes. Clyde and Kochs (175 / 100 s/t capacity respectively).
- One Container crane. Kone (45 s/t capacity)
- Two toplifts

Commodities handled

- RoRo
- Autos
- Steel
- General Cargo and Heavy lift products
- Yachts
- Forest Products
- Bulk (Chloride Slag & Rutile Sand)
- Containers (limited basis)

Customers

- Wallenius Wilhelmsen Line
- Toko Line
- Saf Marine
- S&K
- Pan Ocean
- Oldendorff Carriers



Blount Island Marine Terminal

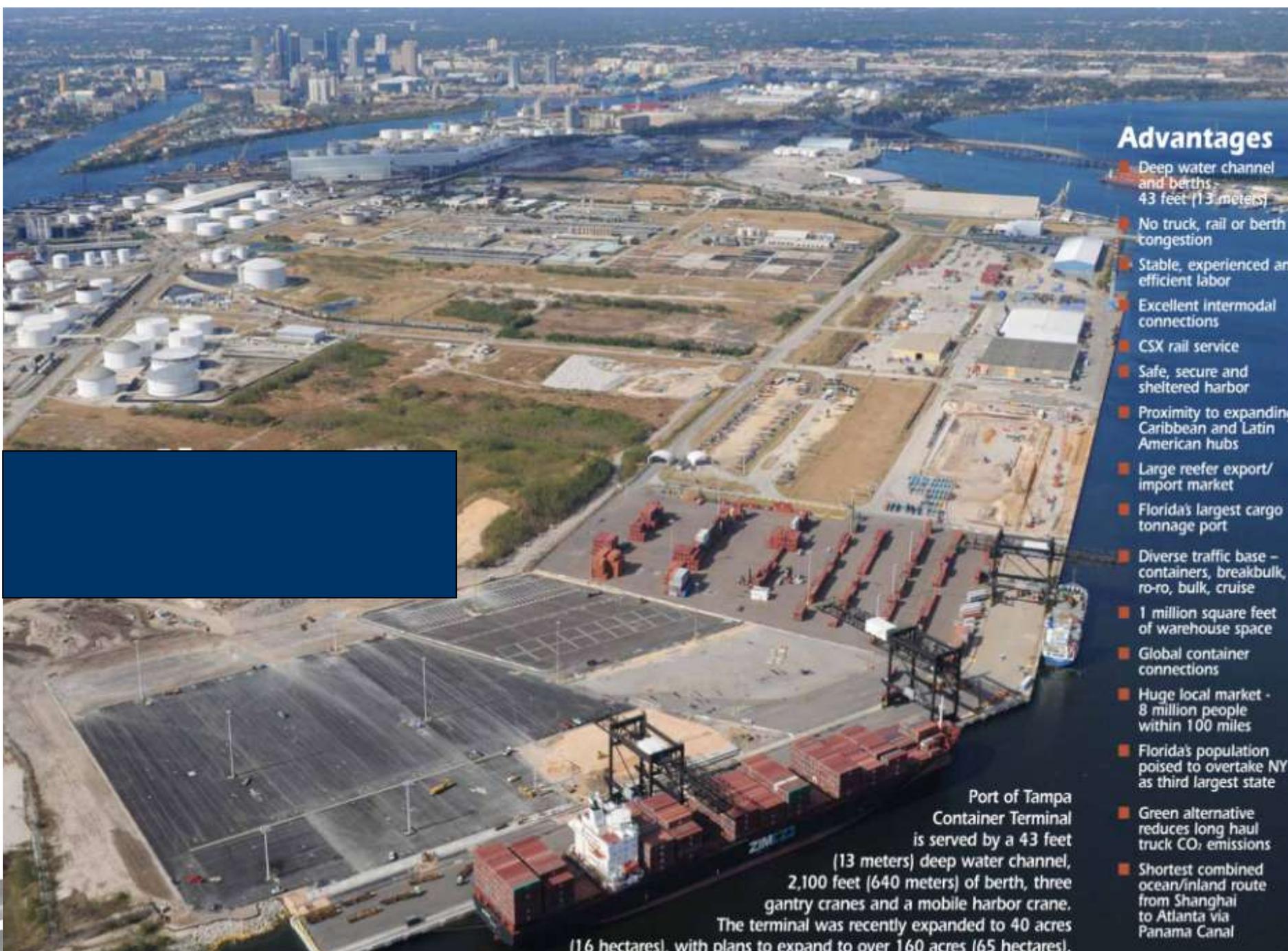
- 9 miles from the Atlantic Ocean
- Container, Breakbulk, RoRo & General Cargo
- 754 acres paved, lit and secured
- Six container cranes (two more ordered)
- One 112-ton whirly crane
- On-dock rail connection: CSX
- A 90,000 square foot CFS
- A 240,000 square foot on dock transit warehouse



Strategic Location

- Three Interstate Highways: I-10, I-75 and I-95
- Westernmost port on the U.S. East Coast
- Truck transit time:
8 Hours - 50 million consumers
24 Hours - 60% of U.S. populations
- Over 100 Truck Terminals
- Low Back Haul Rates





Advantages

- Deep water channel and berths - 43 feet (13 meters)
- No truck, rail or berth congestion
- Stable, experienced and efficient labor
- Excellent intermodal connections
- CSX rail service
- Safe, secure and sheltered harbor
- Proximity to expanding Caribbean and Latin American hubs
- Large reefer export/import market
- Florida's largest cargo tonnage port
- Diverse traffic base – containers, breakbulk, ro-ro, bulk, cruise
- 1 million square feet of warehouse space
- Global container connections
- Huge local market - 8 million people within 100 miles
- Florida's population poised to overtake NY as third largest state
- Green alternative reduces long haul truck CO₂ emissions
- Shortest combined ocean/inland route from Shanghai to Atlanta via Panama Canal

Port of Tampa Container Terminal is served by a 43 feet (13 meters) deep water channel, 2,100 feet (640 meters) of berth, three gantry cranes and a mobile harbor crane. The terminal was recently expanded to 40 acres (16 hectares), with plans to expand to over 160 acres (65 hectares).

Executive Shippers' Council Cargo Profile

- Air Conditioning Ducts
- Airport Equipment
- Aluminum Products
- Amusement Park Items
- Animal Feed
- Apparel
- Appliances
- Asphalt In Drums
- Auto Parts
- Beer
- Beverages
- Brick/Stone & Masonry
- Brush & Broom Products
- Building Materials
- Cement
- Chemicals
- Citrus
- Citrus Pellets
- Closet Accessories
- Coffee
- Dairy Products
- Electric Supplies
- Feed Supplements
- Fertilizer
- Foodstuffs
- Frozen Seafood
- Frozen Juice Concentrate
- Furniture
- General Merchandise
- Giftware/Baskets/Pottery
- Grocery Products
- Handicrafts
- Hardware
- KD Boxes
- Lumber
- Marble Slabs & Tile
- Medical Supplies
- Metal Studs
- Office Furniture Products
- Olive Oil
- Olives
- Orange Juice
- Ornamental Plants
- Packaging & Displays
- Paper
- Paperboard
- Pasta
- Peppers
- Packaged Lube Oil
- Plastic Cutlery
- Plastic Resin
- Plastics
- Plywood
- Poultry
- Restaurant/Food Supplies
- Rice
- Stainless Steel Sinks
- Steel
- Sulphate
- Tile
- Tobacco Products
- Toiletries/Sundries
- Vegetables
- Wine & Spirits
- Wood Products

Huge Local Market - Cargo Opportunities Abound

The Executive Shippers' Council is an association of over 150 key exporters and importers located within 100 miles of the port who control over 250,000 TEUs a year. They are eager to support container lines that choose to call Tampa directly and avoid the considerable extra cost and inconvenience of having to truck their business to more distant ports such as Miami/Everglades or Savannah/Jacksonville. The Central Florida market includes more than 500,000 TEUs available within a competitive truck drive from Tampa.

Significant investments in terminal facilities, the acquisition of three gantry cranes, and a partnership with Ports America as the port's terminal operator have positioned Tampa for growth in the container sector, continuing its diversification beyond its traditional bulk and general cargo business. A rapidly growing market, fueled by an increasing population and expansion of major distribution centers, is providing shippers and shipping lines with major business opportunities in Tampa.

