DP WORLD

DP WORLD ANNOUNCES STRONG FINANCIAL RESULTS
Earnings grow 50% in First Half of 2016

Dubai, United Arab Emirates, 18 August, 2016. Global trade enabler DP World today announces strong financial results for the six months to 30 June 2016. On a reported basis, revenue grew 10.2% and adjusted EBITDA increased by 27.2%, adjusted EBITDA margin of 56.2%, delivering profit attributable to owners of the Company, before separately disclosed items[1], of $608 million, up 50.2%, and EPS of 73.2 US cents. On a like-for-like basis, revenue grew 2.5% and adjusted EBITDA increased by 6.6%, adjusted EBITDA margin of 51.8%, attributable earnings up 4.3%, reflecting the challenging global trade environment.

Results before separately disclosed items[1] unless otherwise stated	1H2016	1H2015	As Reported % change	Like-for-like at constant currency % change[2]
USD million				
Consolidated throughput [3](TEU '000)	14,603	14,378	1.6%	(1.4%)
Revenue	2,094	1,900	10.2%	2.5%
Share of profit from equity-accounted investees	69	33	109.1%	(4.1%)
Adjusted EBITDA[4]	1,176	924	27.2%	6.6%
Adjusted EBITDA margin[5]	56.2%	48.6%	-	51.8%[6]
Profit for the period	673	455	47.8%	6.7%
Profit for the period attributable to owners of the Company	608	405	50.2%	4.3%
Profit for the period attributable to owners of the Company after separately disclosed items	557	364	53.1%	-
Basic Earnings per share attributable to owners of the Company (US cents)	73.2	48.7	50.2%	4.3%
Basic earnings per share attributable to owners of the Company (US cents) (EPS) after separately disclosed items	67.1	43.9	53.1%	-

1 Before separately disclosed items (BSDI) primarily excludes non-recurring items. DP World reported a loss in separately disclosed items of $52 million.

2 Like-for-like at constant currency is without the addition of new capacity at Yarimca (Turkey), Stuttgart (Germany), Antwerp Inland (Belgium), Prince Rupert (Canada) and Jebel Ali Free Zone (UAE).

3 Consolidated throughput is throughput from all terminals where the group has control as per IFRS.

4 Adjusted EBITDA is Earnings before Interest, Tax, Depreciation & Amortisation including share of profit from equity-accounted investees before separately disclosed items.

5 The adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue, including our share of profit from equity-accounted investees.

6 Like-for-like adjusted EBITDA margin.

Results Highlights

- **Revenue of $2,094 million (Revenue growth of 10.2%, Like-for-like revenue grew 2.5%)**
  - Revenue growth of 10.2% supported by the acquisitions of Jebel Ali Free Zone (UAE) and Prince Rupert (Canada).
  - Like-for-like revenue increased by 2.5% driven by a 4% increase in total containerised revenue.
  - Containerised revenue per TEU (twenty-foot equivalent unit) grew 5.4% on a like-for-like basis.
  - Non-container revenue decreased by 0.9% on a like-for-like basis and increased by 17.9% on a reported basis.

- **Adjusted EBITDA of $1,176 million and adjusted EBITDA margin of 56.2% (Like-for-like adjusted EBITDA margin at 51.8%)**
  - Adjusted EBITDA margin reached a new high of 56.2% reflecting the Jebel Ali Free Zone acquisition and increased contribution from other higher margin locations. Like-for-like adjusted EBITDA margin was at 51.8%.

- **Profit for the period attributable to owners of the Company of $608 million**
  - Strong adjusted EBITDA growth resulted in a 50.2% increase in profit attributable to owners of the Company before separately disclosed items on a reported basis and 4.3% growth on a like-for-like basis at constant currency.

- **Strong cash generation and robust balance sheet**
  - Cash from operating activities amounted to $905 million up from $857 million in 1H2015.
  - Leverage (Net Debt to annualised adjusted EBITDA) decreased to 2.9 times (from 3.2 times at 31 December 2015).

- **Reduced financing cost and lowering refinancing risk**
  - Successfully raised $1.2 billion in a new 7-year sukuk transaction at significantly improved terms, refinancing $1.1 billion of the existing 2017 sukuk through a tender offer and extending the debt maturity profile.

- **Continued investment in high quality long-term assets with strong supply/demand dynamics**
  - Capital expenditure of $586 million invested across the portfolio during the first half of the year.
  - Capital expenditure guidance for 2016 remains unchanged at between $1.2-1.4 billion with investments planned into Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK), Prince Rupert (Canada), JNP Mumbai (India), and Yarimca (Turkey).

- **Global trade outlook remains uncertain**
  - Global trade environment remains challenging including for Jebel Ali port.
  - Portfolio remains well placed to continue to outperform the market.
  - Confident of meeting full year expectations.

DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem, commented:

"DP World is pleased to announce a strong set of first half results, with 50% year-on-year earnings growth, and 56% adjusted EBITDA margins. The more modest like-for-like earnings growth is a

reflection of the challenging trade environment. This financial performance has been achieved despite uncertain market conditions, which once again demonstrates the resilient nature of our portfolio. In 2016, we have invested $586 million of capex in key growth markets, and this investment leaves us well placed to capitalise on the significant medium to long-term growth potential of this industry.

"We will maintain the existing shape of our ports portfolio that has a 70% exposure to origin and destination cargo and 75% exposure to faster growing markets. This positioning will enable us to deliver both earnings growth and shareholder value over the long term."

"The outlook for trade growth remains uncertain, however, we believe our portfolio is well positioned to continue to outperform the market. We remain focused on delivering relevant new capacity in the right markets through disciplined investment, improving efficiencies and managing costs to drive profitability.

"Looking ahead to the second half of the year, we expect throughput performance to improve, and like-for-like financial performance (excluding one-off items and foreign exchange movements) to be similar to the first half. Overall, the strong financial performance of the first six months leaves us well placed to meet full-year market expectations."

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18th August 10 am UAE Media Conference Call

Join the media conference call with **DP World Group Chairman and CEO, Sultan Ahmed Bin Sulayem**, to discuss the financial results.

Dial-in details:

UAE dial-in number: 80004449757
UK Freefone dial-in number: 0800 6781161
UK Direct dial-in number: 01296 311600
International direct dial-in number: +44 1296 311600

Global Access Numbers:

http://www.btconferencing.com/globalaccess/?bid=54_attended
Passcode: 904 339 33

Forward-Looking Statements

This document contains certain "forward-looking" statements reflecting, among other things, current views on our markets, activities and prospects. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur and which may be beyond DP World's ability to control or predict (such as changing political, economic or market circumstances). Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements. Any forward-looking statements made by or on behalf of DP World speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Except to the extent required by law, DP World does not undertake to update or revise forward-looking statements to reflect any changes in DP World's expectations with regard thereto or any changes in information, events, conditions or circumstances on which any such statement is based.

Group Chairman and CEO Statement

The challenging market conditions of 2015 have continued into 2016 with currency volatility, weak commodity prices and geopolitical issues contributing to uncertainty in domestic demand, resulting in overall weak global throughput growth. However, despite these hurdles DP World has continued to deliver ahead-of-market volume growth while the financial performance has remained strong, which once again reinforces our view that operating a diversified portfolio with a focus on faster growing markets, and origin and destination cargo, will deliver superior earnings growth and enhance shareholder value.

During the first six months, we have continued to focus on integrating our acquisitions of the Jebel Ali Free Zone (UAE) and Prince Rupert Terminal (Canada), while continuing to drive further efficiency gains across the broader portfolio. Our expansionary capex has been targeted at select key markets with strong demand / supply dynamics, with the aim of delivering visible returns. We have made strong progress on all fronts which is evident from the financial performance of these half year results.

Within our existing portfolio, $586 million capital expenditure has been invested in the first half of 2016, and we will continue to maintain our disciplined approach to deploying capital. We aim to ensure our ports are equipped to meet the needs of our customers and also well placed to capture current and future trade flows. We will continue to add capacity in key growth markets while maintaining the existing shape of our portfolio that has a 70% exposure to origin and destination cargo (O&D) and 75% exposure to faster growing markets.

We retain the flexibility to bring on extra capacity in line with demand. For example, at Jebel Ali port (UAE) we have delayed 1.5 million TEU of Terminal 3 capacity expansion into 2017, while also slowed our expansion of Terminal 4 due to the softer market conditions. Our flagship port continues to operate at high levels of utilisation and we believe the medium term outlook remains positive, particularly with the lead up to EXPO 2020.

Looking ahead to the second half of the year, we expect throughput performance to improve, and like-for-like financial performance (excluding one-off items and foreign exchange gains) to be similar to the first half. The growth rates on a reported basis are expected to moderate as the acquisition benefits seen in the first half will not be repeated. Overall, the strong financial performance of the first six months leaves us well placed to meet full-year market expectations.

Group Chief Financial Officer's Review

DP World delivered a strong set of financial results in the first half of 2016 with profit attributable to owners of the Company growing 50.2% to $608 million. Our adjusted EBITDA was $1,176 million, while our adjusted EBITDA margin reached a new high of 56.2%. Reported revenue grew by 10.2% to $2,094 million, aided by acquisitions and robust like-for-like growth.

Despite the softer throughput growth environment, our portfolio continues to deliver impressive operational and financial leverage with revenue growth outpacing throughput growth and EBITDA growth outpacing revenue growth.

On a like-for-like basis, first half 2016 revenues grew by 2.5%, while volume was lower by 1.4% on like-for-like basis. This resulted in a like-for-like adjusted EBITDA growth of 6.6% and like-for-like adjusted EBITDA margin of 51.8%.

Like-for-like revenue growth was mainly driven by a 4.0% improvement in total containerized revenue. Like-for-like non-container revenue declined by 0.9%, after a particularly strong performance in the same period last year. Total revenue per TEU rose 4.0% on a like-for-like basis.

During the year, we reviewed our long term funding plans and we successfully refinanced our near term debt on attractive terms as we tendered $1.1 billion of our 2017 sukuk and raised $1.2 billion in a new 7-year sukuk. This transaction reduces 2017 refinancing risk whilst also providing capital at significantly improved terms. Overall this provides flexibility to support growth either in our existing business, or new opportunities should they become available at attractive prices.

During the first half of 2016, we invested $586 million capex in key markets, including projects in India, Turkey, Canada, UK and UAE. Jebel Ali Terminal 3 has delivered new capacity of 0.5 million while the remaining 1.5 million TEU addition to Terminal 3 will be delivered in 2017. At London Gateway, the 1.0 million TEU addition is expected to be operational in 2H2016.

Middle East, Europe and Africa

Results before separately disclosed items **USD million**	1H2016	1H2015	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	10,607	10,777	(1.6%)	(2.1%)
Revenue	1,542	1,375	12.1%	3.5%
Share of profit from equity-accounted investees	(2.8)	8.4	(132.9%)	(128.0%)
Adjusted EBITDA	869	750	15.9%	4.4%
Adjusted EBITDA margin	56.4%	54.5%	-	55.3%[6]

Market conditions in the Middle East, Europe and Africa region were mixed. Growth within our portfolio outside of the UAE was strong with Europe continuing to outperform, mainly driven by the ramp up at London Gateway. Volumes in the UAE were down by 6.0% at 7.4 million TEU, reflecting a reduction in lower margin cargo. Revenue in the region grew 12.1% to $1,542 million, aided by the acquisition of Jebel Ali Free Zone. Like-for-like containerised revenue per TEU was up by 6.5% and total revenue per TEU was up by 5.7%.

Adjusted EBITDA was $869 million, 15.9% ahead of the same period last year mostly due to the addition of the Jebel Ali Free Zone, while adjusted EBITDA margin rose to 56.4%. Like-for-like revenue and adjusted EBITDA growth on prior year at constant currency was 3.5% and 4.4% respectively. Like-for-like adjusted EBITDA margins stood at 55.3%.

We invested $467 million in the region during the year. Investment was focused across the Middle East and Europe including Jebel Ali (UAE), Jebel Ali Free Zone (UAE), London Gateway (UK) and Yarimca (Turkey).

Asia Pacific and Indian Subcontinent

Results before separately disclosed items **USD million**	1H2016	1H2015	% change	Like-for-like at constant currency % change
Consolidated throughput (TEU '000)	2,531	2,374	6.6%	6.6%
Revenue	221	202	9.5%	15.3%
Share of profit from equity-accounted investees	62	59	5.8%	12.5%
Adjusted EBITDA	163	139	17.3%	23.6%
Adjusted EBITDA margin	73.7%	68.8%	-	73.7%[6]

Markets conditions in the Asia Pacific and Indian Subcontinent region were generally positive. Volume growth of 6.6% was driven by the Indian subcontinent terminals as the region benefited from new capacity in Mumbai (India) and a favourable trading environment.

Revenue growth of 9.5% to $221 million was stronger than volume growth due to an improvement in containerised revenue per TEU. Our share of profit from equity-accounted investees rose 5.8% to $62 million mainly due to strong performance in China, Hong Kong and Indonesia.

Adjusted EBITDA of $163 million was 17.3% higher than the same period last year, while the adjusted EBITDA margin increased to 73.7%. Like-for-like growth was stronger at 23.6% as currency fluctuations adversely impacted top line growth.

Capital expenditure in this region during the year was $37 million, mainly focused on the capacity expansion in Mumbai (India).

<u>Australia and Americas</u>

Reported results before separately disclosed items **USD million**	**1H2016**	**1H2015**	**% change**	**Like-for-like at constant currency % change**
Consolidated throughput (TEU '000)	1,464	1,226	19.4%	(10.5%)
Revenue	331	322	2.5%	(9.6%)
Share of profit from equity-accounted investees	9.5	(34.1)	127.9%	9.3%
Adjusted EBITDA	153	105	45.1%	(10.1%)
Adjusted EBITDA margin	46.2%	32.6%	-	38.1%[6]

Market conditions in the Australia and Americas region have been challenging. Volatile currency and weaker commodity prices led to softer economic growth in this region. Reported volumes grew by 19.4%, benefiting from the inclusion of Prince Rupert (Canada) from August 2015 onwards. Revenues grew by 2.5% to $331 million. Profit from equity-accounted investees was $9.5 million, with the year-on-year improvement driven by foreign exchange gains in Brazil.

Adjusted EBITDA was $153 million, 45.1% ahead of the prior year mainly due to the acquisition of Prince Rupert, foreign exchange gains in Brazil and improved performance in equity-accounted investees. However, like-for-like throughput volumes were down by 10.5%, like-for-like total revenue growth at constant currency was down by 9.6%, and like-for-like adjusted EBITDA declined by 10.1% on the prior period, reflecting the overall macro weakness in Latin America.

We invested $81 million capital expenditure in our terminals across this region during the year mainly focused in Prince Rupert (Canada).

Cash Flow and Balance Sheet

Cash generation remained strong with cash from operations standing at $905 million for 1H2016. Our capital expenditure reached $586 million across the portfolio as we delivered new capacity in Mumbai (India), Yarimca (Turkey), London Gateway (UK) and Jebel Ali (UAE). Gross debt stayed broadly flat at $7,675 million in 1H2016 compared to $7,670 at 31 December 2015. Net debt was slightly higher at $6,394 million compared to $6,234 at year end as the cash on the balance sheet in 1H2016 of $1,281 million was lower due to capital expenditure. Our balance sheet shows that leverage (net debt to annualized adjusted EBITDA) decreased to 2.9 times from 3.2 times at 31 December 2015.

Overall, the balance sheet remains strong with ongoing strong cash generation and plenty of headroom and flexibility to add to our portfolio should favourable assets become available at attractive prices.

Capital Expenditure

Consolidated capital expenditure in the first half of 2016 was $586 million, with maintenance capital expenditure of $50 million. We expect the full year 2016 capital expenditure to remain in a range of $1.2-$1.4 billion and we look forward to adding further capacity at London Gateway (UK).

Net finance costs before separately disclosed items

Net finance cost for the six months was lower than the prior period at $142 million (1H2015: $161 million) mainly due to favourable currency translation impact.

Taxation

DP World is not subject to income tax on its UAE operations. The tax expense relates to the tax payable on the profit earned by overseas subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. For the first six months of the year, DP World's income tax expense before separately disclosed items was $91 million (1H2015: $74 million) due to a stronger performance within tax paying jurisdictions and a one-time credit adjustment in 2015 related to UK corporate tax.

Profit attributable to non-controlling interests (minority interest)

Profit attributable to non-controlling interests (minority interest) before separately disclosed items was $65 million, (1H2015: $51 million) ahead of the comparable period due to a generally stronger performance in Americas, Middle East and Africa.

Separately disclosed items

DP World reported separately disclosed items of $52 million loss, mainly representing costs incurred on refinancing long term debt offset by change in fair value of convertible bond option.

Earnings per share (EPS)

As at 30 June 2016, basic EPS after separately disclosed items was 67.1 US cents. Basic EPS before separately disclosed items was 73.2 US cents, representing 50.2% growth on prior year.

Dividends

It is our current dividend policy that not less than 20% of our profit for the year attributable to owners of the Company (after separately disclosed items) will be distributed as dividends.

Dividends in respect of the full year 2016 will be proposed at the time of the preliminary results in March 2017.

Sultan Ahmed Bin Sulayem **Group Chairman and Chief Executive Officer**	**Yuvraj Narayan** **Group Chief Financial Officer**