

Port of Salalah achieves strong volumes and productivity in H1 results

Port of Salalah, also Salalah Port Services Co. SAOG, has announced its unaudited consolidated financial results for the first half-year (H1) ending 30 June 2012 to the Muscat Security Market, reflecting positive growth in volumes and profitability margins for the port operating company.

The company has handled its highest quarterly container volume in the port's 14 year history during the second quarter of 2012, recording a throughput of 920K TEUs (Twenty-foot Equivalent Unit). For the first half of 2012, container cargo volumes grew by 13% and non-container volumes by 4% against previous year.

The growth seen is set against a backdrop of global economic uncertainty and is a testament to the Port of Salalah's service and products. Further, a number of companies have recently signed up for investment in Salalah Port and Free Zone that will see massive increases in cargo growth and job creation.

To facilitate this growth Port of Salalah and the Government of Oman are expanding the General Cargo Terminal and expect to double the amount of non-container cargo through the port by the end of 2014. The first half of 2012 has also seen an increase in media coverage of the Salalah Hub that includes a number of invitations to speak at high profile conferences and most recently a feature segment on CNN. The use of Salalah as a distribution location for the growing markets of East Africa, India, and the Middle East has begun to accelerate with the agreements signed this year-to-date in the Port and Free Zone.

Shipping line interest in the Port of Salalah is also growing. Beyond the current customer base, Salalah is expecting to attract a new customer that will add significant volumes and additional global coverage for the already well connected port.

The financial impact of the strong growth in volumes for H1 of 2012 is that total revenue grew by 9% to RO 27.9m (\$72.5m), compared to RO 25.5m (\$66.3m) for the same half-year period last year, while the company's net profits have jumped to RO 3.24m (\$8.4m), compared to RO 865,000 (\$2.2m) in H1 2011.

Peter Ford, CEO of Port of Salalah said, "The positive financial results indicate that our customers see great value in Salalah as a hub and continue to be promoters of our business. The new feeders introduced in April and July of this year, connecting Salalah with Jebel Ali, Muscat and now with Mumbai, are being well received by customers. With the new general cargo terminal expansion and diversification into liquid bulk we expect to grow the diversity of customers utilizing the Port of Salalah for its choice location and incentives."

Ford added, "Internally, our people are organized around the right growth areas and concentrating on the right priorities. Last year the company was highly focused on optimizing physical assets and the results are continuing to bear fruit. This year we are focused on improving the customer experience and our process performance, which shows signs of heading in the right direction, and I believe will be sustained in improved productivity as the changes we introduced this year gain acceptance and momentum."

Suggested picture caption:

The port's General Cargo Terminal facilitates the export of Omani commodities

About the Port of Salalah:

Port of Salalah (also Salalah Port Services Company SAOG) is Oman's largest port. The port is partly owned and managed by APM Terminals, one of the largest container terminal operators in the world. Port of Salalah is made up of a Container Terminal with seven berths of up to 18m draft and a General Cargo Terminal of twelve berths of up to 16m draft. Strategically located at the major East-West Shipping Lane, the Port of Salalah is viewed as the region's best located port in order to access the Middle East, Indian Subcontinent and East Africa.

Media contact:

Hala Srouji - GM Corporate Communications - Port of Salalah

GSM + 968 99867737 - T + 968 23 220 000 Ext 108 - F + 968 23 219 236 - hala.srouji@salalahport.com