Water moves us
AGENDA

1. Company presentation

2. Imperial and the European market

3. Growth Strategy

4. European Strategy

5. International Strategy
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OVERVIEW

- Leading inland waterway shipping company in Europe
- Total revenue of about 385 Mio €.
- Total transport volume of about 52,000,000 tons
- 600 inland vessels with a total cargo capacity of 1 million tons
- 21 subsidiaries in Germany, Netherlands, Belgium, France and Austria
- 631 employees
- Founded in 1800 in Duisburg
OUR LOCATIONS

21 subsidiaries
18 locations
631 employees
## OUR DIVISIONS

### Dry Bulk
- **Owned Fleet**
  - 10 push boats with 75 push barges
  - 5 motor cargo vessels / 2 convoys
- **Chartered Fleet**
  - 3 motor cargo vessels
  - 2 cement tankers
  - More than 275 associates / various rented ships
- **Volume Cargo**
  - ca. 45 Million tons p.a.
- **Services**
  - Transports of iron ore, coal for the steel industry / utilities in the whole Rhine and canal
  - Transport of fertilisers, cereals, building materials, agricultural commodities etc.

### Liquid Bulk
- **Owned Fleet**
  - 40 Double-hull tankers
  - 20 Single-hull tankers
  - 3 bunker boats
  - 5 multifunctional steel chemical tankers
- **Chartered Fleet**
  - 17 tankers
- **Volume Cargo**
  - ca. 5.5 Million tons p.a.
- **Services**
  - Transport of acids, lyes, mineral oil products, biofuels, ethanol, naphta, etc.

### Short Sea
- **Chartered Fleet**
  - 3 Time-Charter-Ships
  - 3 coasters in spot-market business
- **Volume Cargo**
  - ca. 1.5 Million tons p.a.
- **Services**
  - Areas: North Sea, Baltic Sea, Great Britain, Mediterranean, Black Sea, etc
  - Transport of fertiliser, cereals, steel, aluminium, project cargo, coal etc.
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Shipping market is very fragmented!
OUR MARKET SHARE PER REGION

- RHINE: 31 in mt, 12.8% (20.8%) connection Germany/Poland: 503 mt, 10.34%
- NORTH FRANCE/BELGIUM: 80 in mt, 18.75%
- ELBE: 11 in mt, 0.9%
- DANUBE: 95 in mt, 0.1%
- MIDLAND CANAL: 24 in mt, 20.8%
- TOTAL CARGO: 52 mt, 0.1%
OUR MARKET SHARE PER SEGMENT

High dependency on European steel industry

- Solid mineral fuel and ore commodities
- Agricultural commodities and fertilizers
- Nonmetallic mineral processing and building materials
- Liquid cargo
- Other cargo

Total market volume in mt
Market share Imperial in mt
Market share other companies in mt

- 77,3
- 21,9
- 142,9
- 118,1
- 85,6
- 3,6
- 5,4
- 0
- 20
- 40
- 60
- 80
- 100
- 120
- 140
- 160
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GROWTH STRATEGY

**Market**
- Germany and Europe
  - focus 90% of efforts on home market

**Focus**
- organic growth
- fleet expansion
  - Short Sea
  - Liquid tankers
- regional expansion
  - Danube
- use of ILI group’s integrated supply chain for projects
- M&A projects

**Action**
- International
  - create 10% of total business outside Europe
  - focus on emerging markets
    - Mercosur
    - China
    - Russia
    - South Africa
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FLEET EXPANSION – SHORT SEA

- Focus on niche market with Rhine-navigable ships
- Purchase of 3 coasters until 2015
- Increasing cross-selling activities of dedicated short-sea services to existing group customers
Purchase of 1 additional stainless steel vessel
Purchase of 1 double hull vessel in business year 2010/11

- Currently difficult market situation in Oil business due to overcapacity created through single hull vessels
- Capacity for liquid chemical bulk specialty vessels limited. Therefore several investments planned in this area

Double hull Type-C tankbarge
REGIONAL EXPANSION - DANUBE REGION

Length: 2,900 km

8 countries

Access to Black Sea/South-Eastern Europe

Link through the River Rhine to Rotterdam

CONSTANTA

SCHWARZES MEER

WE ARE IMPERIAL
Transport of rotor blades from Denmark via Hamburg to Kelheim

- **Sea transport by Amadeus**
- **Handling by Neska**
- **Inland waterway transport by Imperial Reederei-Group**
- **Handling and post-carriage by truck by Panopa**
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INTERNATIONAL EXPANSION: WHY?

- Crisis showed that we need a diversification of risks by decreasing dependance on Central European steel industry.

- Due to governmental reforms and a new orientation in energy politics following market developments in Germany and Europe are expected:

  **Short term**
  - Slight increase of coal volumes caused by termination of nuclear power production

  **Medium term**
  - Stagnation of bulk volumes
  - Internationalisation of big players of European steel industry to locations outside Europe lead to further decrease of capacities
INTERNATIONAL EXPANSION: EMERGING MARKETS

Expanding to Mercosur, China, Russia and South Africa

- Highly dynamic countries with strong growth rates
- Huge amount of commodities
- Transfer of well-established relationships to other countries
Important waterways in Brazil are:

- Rio Amazonas (6,448 km)
- Rio Negro (2,253 km)
- Rio Paraná (3,998 km)

- Huge inland waterways system > 40,000 km
- 700 operating barge companies with 5,000 barges only in the Amazonas region
- 30 ports
- Strong domestic market compared to other developing countries (> 5% econ. growth rate)
- 19 Bn € will be invested into ports and waterways the next 10 years
CHINA'S INLAND WATERWAYS

Important waterways in China are:

- Yellow River 4.850 km (unnavigable)
- Yangtze Kiang 6.380 km
- Pearl River 2.200 km
- Mekong 4.350 km

- 165,000 inland barges have a total capacity of 60 million tons.
- The average capacity per vessel is 363 tons.
- Strategic goal is to bring in our technical know how and to enter into the market.
RUSSIA’S WATERWAY INFRASTRUCTURE

- 72,000 km waterways connecting the European part of Russia, the Baltic, the Black Sea, inland lakes, and the White Sea with each other
- Major waterways in Russia are: Volga, Kama, the Nizhniy Novgorod Oka, the Vyatka, the Don and the channel that connect these rivers
- Opening of inland waterways for European coasters and inland water vessels planned for 2015
- Expand short-sea activities