

RIPPLES **talk**

Issue No. 3





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Managing Director Message



Red Sea Gateway Terminal, Part of Jeddah Islamic Port, achieved major accomplishments during the first 6 months of 2014 and maintained its strong support for the Saudi economy. RSGT have now handled total container throughput of close to 5.0 million TEUs since the start of operations in 2009. Engaging customers with our process improvement program, combining the methods gives our improvement team a comprehensive tool set to increase the speed and effectiveness of any process resulting in increased productivity, reduced handling times and improved collaboration. Customers import process has been improved, have reduced dwell times by almost 50% compared to 2013.

Red Sea Gateway Terminal has received its latest new batch of 4 RTG's Yard Crane (YC) as part of the terminal's expansion plans to remain a dominant player in the Saudi container terminals' market. This will bring RSGT fleet of YC's to 30 and 11 quay cranes by the end of 2014. To further strengthen RSGT's position

as a world class top performing & highly productive operator we will be carrying an expansion project which will increase our capacity with 40% by the end of 2015.

I would like to extend my thanks to all of our stakeholders who have contributed to the success of the projects we have carried out in beginning of 2014 in pursuit of becoming a global brand. I wish all of us continued success and even greater accomplishments in the period ahead.

Sincerely,
Soren Hansen
Managing Director





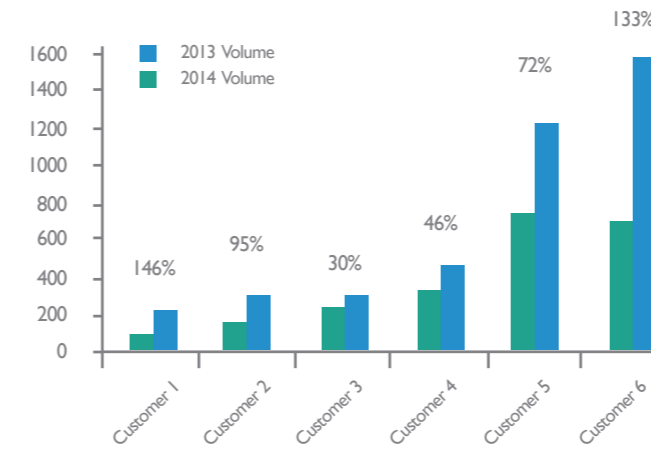
Noteworthy Achievements

- New 4 YC and the Thank You letter from JIP authority.
- RSGT has received its latest batch of 4 RTG's (YC) as part of the terminal's expansion plans to remain a dominant player in the Saudi terminals market.
- RSGT gained ISO certifications; ISO (9001:2008) Quality management systems and ISO (10002:2004) Customer satisfaction.

- CSR initiatives within JIP; cleaning of the sea shore with Coast Guard, renovation of the Coast Guard Cultural Hall and Coronavirus awareness campaign.
- RSGT continually receiving mega vessels.
- JIP acknowledgments of RSGT's achievements on high performance in berth productivity from a mega vessel with 200 moves per hour, which is the highest compared to previous years.
- Establishment of Dangerous Goods (DG) area – CIY (Container Inspection Yard) for examining the DG.
- CLD celebrate the achievement of attaining the sustainable CCI – 73% on Feb 2014.

Sustainability in activity Consistency in customer relation

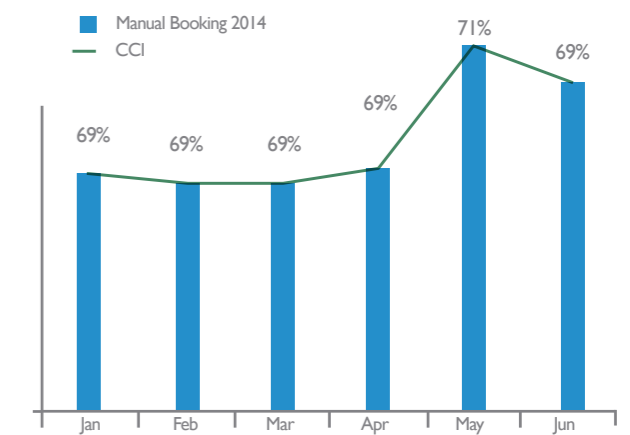
Sustainability in Container Logistics Division activity is the key tool helping our customers in achieving their goals, measure growth and manages sustainability within the business and working practices in CLD have maintain consistent and reliable work performance by rendering services to our valuable customer for long term business relationship with us.



Developing customers performance has dramatically impacted the way CLD deliver services from container discharge from vessel to clearing and final delivery to customer. We visit our customers and present them our newly added value services, listening to their queries and re-engineering the import process based on their expected activity, and boosted the trust to have no other choice rather than doing business with RSGT where some growth reaches up to 146%.

This guarantees the goods are configured accurately – exactly the way customer expects its which indicates customer satisfaction.

Container Clearing Index



Container Clearing Index is one of the major ratios that measures the lay-down units inspected and cleared on the day its lay-down. CLD have kept constant performance to achieve higher ratio - 70% above the target by its pre-checks inspection and process alignment with JIP customs and customers.

Customer Voice

Mr. Sultan Al-Ghahtani
Clearing Agent

1. How do you evaluate value services between Red Sea Gateway Terminal and other terminals in Jeddah Islamic Port?

Based on praise from people regarding Red Sea gateway terminal services and they've shown a great deal of efficiency during recent periods.

2. How can container terminal contribute to raising the Kingdom's economy?

All companies in the world import their cargo through the ports. Terminals are considered highly efficient like the engine and the accelerator to the Kingdom's economy.

3. What is your advice to improve Red Sea Gateway Terminal's performance to meet your expectations?

We are happy to hear good news regarding RSGT improvement to increase their equipment and container cranes, which RSGT added to increase efficiency and productivity, and that reflected on our shared interests.

Mr. Abdulrahmam Albadi
Custom Head Group

1. How do you see RSGT as a competitive terminal compared with others in the same region?

Technological progress compared with the other competitive terminals and the administrative organization that developed the work through proposals and projects submitted to Customs in order to facilitate the work as reflected on the large number of containers received without delay.

2. How can container terminal contribute to raising the Kingdom's economy?

Maintaining the excellent prices offered by RSGT and the speed of Cargo rotation since arrival of the vessel and discharge to delivery of cargo to the warehouse of the traders, it will help to speed up bringing other cargos and in this manner increase demand in the marketplace by consumers. In addition, Customs Authority is working to reduce tariffs to reach 0% in order to help consumers from price hikes and increase the economy.

3. RSGT grew in the past 5 years of operations. How do you evaluate RSGT's terminal service and cooperation with the customs?

Upscale dealing with customs and cooperate in providing all the needs and requirements of customs inspectors that contribute to get the job done more quickly starting from the fully equipped building and support services such as provision of labour, car, tools, etc.

Zaheer Ahmad Basra
Al-Thafer Branch Manager – Jeddah

1. How do you see Jeddah and Saudi Arabia in Al-Zafer group strategic point of view. And how do you prospect Jeddah and Saudi market in the future?

As per statistics reports of Ministry of Finance of Saudi Arabia, from the last 3 to 4 years imports of Saudi Arabia have increased positively as Jeddah is the main business hub in Saudi Arabia. We are expecting a higher increase of imports in the near future because of the better investment policies of Saudi government.

2. How do you see Jeddah as the regional hub for Red Sea ports compared to other competitive port in the same region?

It is not easy to compare Jeddah port with Rabigh port now especially since Rabigh port has just started operating.

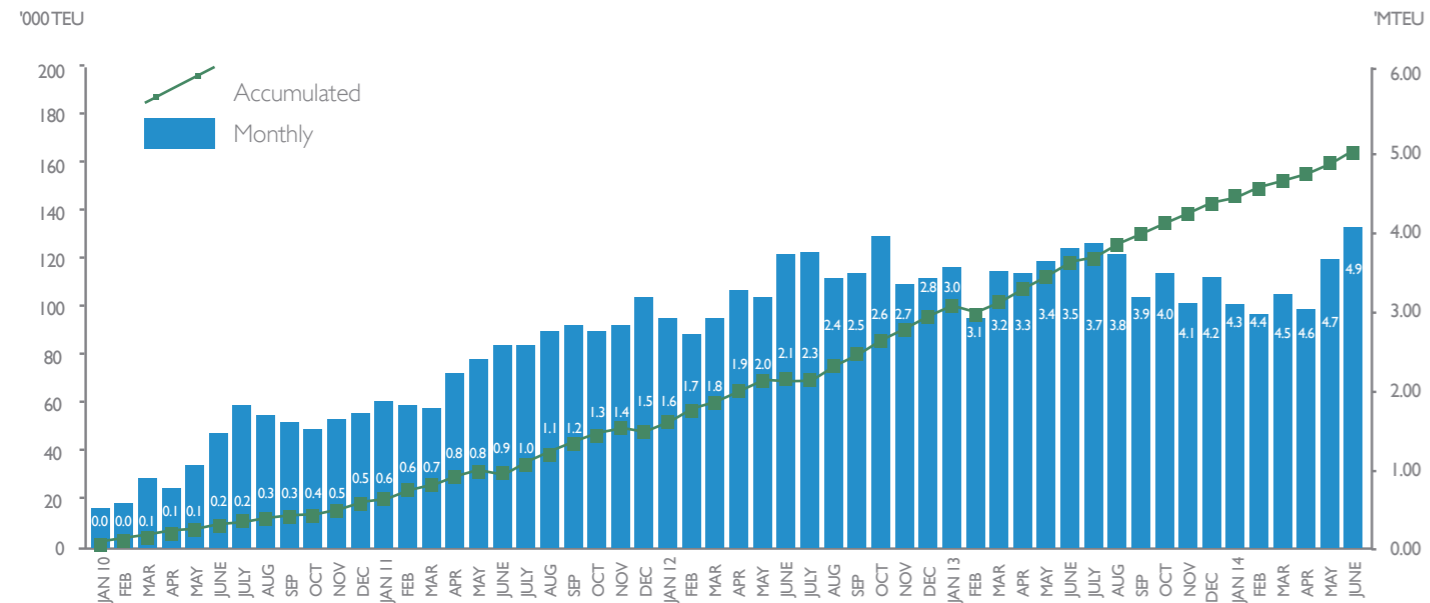
3. How do you see RSGT and Al-Thafer group's partnership to progress further in the future?

During the last 6 months, we have noticed that RSGT management worked really hard to improve their system, especially with the Customer Care Department. These actions enhanced our confidence and built our trust in RSGT for future business. Hence, we have high hopes to improve our great business relationship in the future.

RSGT in Numbers



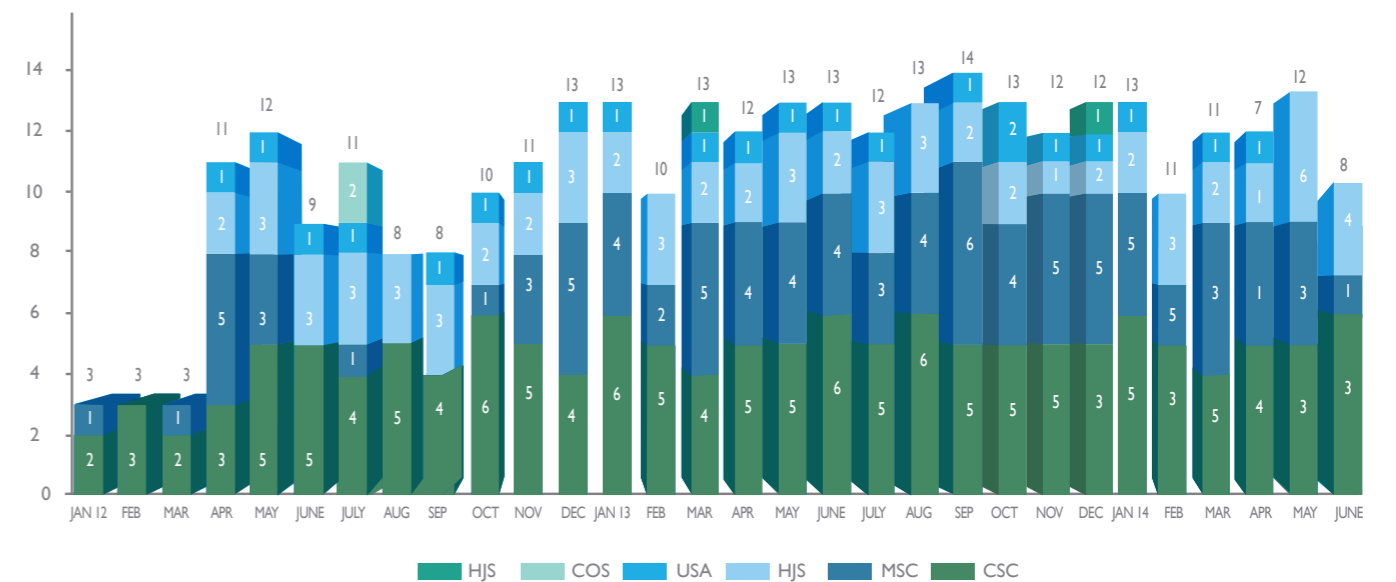
RSGT Volume Growth



- Since the start of commercial operation in December 2009, RSGT has handled an accumulated throughput of over 5.0M TEUs.
- In the first half of 2014, RSGT has handled a total of over 655K TEUs with an average volume of 109K TEUs monthly.

Mega Vessel Callings

Mega Vessel Calls 2012 - 2014 YTD



- In the first half of 2014, RSGT has handled 71 calls of mega vessels, average 12 calls of mega vessels per month.

The Ideal Location for World Trade Service Coverage





ZPMC
上海振华

مقره بوابة البحر الأحمر
RED SEA GATEWAY TERMINAL



SWL FC
SWL FC
SWL U

Safety for Life

After insightful discussions with employees working out on the terminal it was decided that an update of the Personal Protective Equipment (PPE) / work wear would be one of the positive steps towards increasing safety awareness throughout RSGT. As there is a wide variety of job responsibilities out on the terminal it was important that all PPE users were considered. A random selection of employees was gathered and asked what they would like to have as PPE / work wear.

The suggestions raised by the group were:

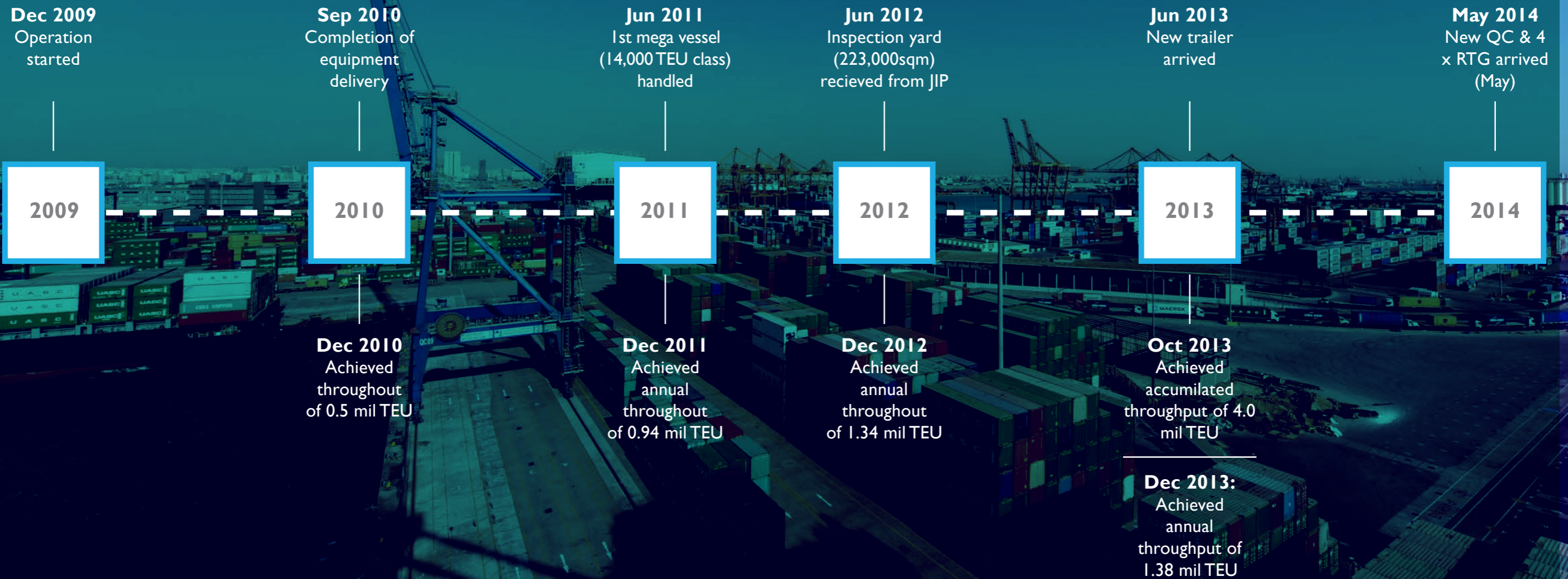
- Not have overalls but a separate shirt & trousers
- Pockets to hold personal items
- A material that would be strong and last
- That the natural elements were taken into consideration

The HSSE department took these suggestions into consideration but also wanted to ensure the PPE was high visibility and reflective so regardless of what time of day or night an individual or group would easily be seen by other terminal users. As you will see from the attached picture the result has been a success. The polo shirt is made with a material specifically for hot climates and the cargo trousers have the strength to endure the work being performed.

By continuing to work together we have been able to achieve a PPE / work wear that is appreciated by those that are required to wear it while fulfilling the desire of all of us to be able to conduct our work safely so we can return home in the same happy healthy manner we arrived that day.

RSGT is dedicated to providing a safe and efficient service. We are happy that all employees are interested and willing to share their experience and knowledge. The result of this collaboration can only be a safe and efficient place to work.

RSGT In a Nutshell



Service Coverage



No.	Service name	Liners	Full Name	Route
1	AECB/ AEX7/ FAL2	UASC/ CSCL/ CMA	Asia Europe Container Services 8 (UASC) / Asia Europe Services (Csc) / French Asia Line 2 (CMA)	Rotterdam - Hamburg - Zeebrugge - Le Havre - Jeddah - Port Kelang - Shenzhen-Shekou - Ningbo - Shanghai - Hong Kong - Shenzhen-Yantian
2	RES2/ARC2/REX3	UASC / CSCL / CMA	Far East Red Sea Service	Xiamen-Yantian-Shekou-Port Klang-Djibouti-(W)-Jeddah - Port Soudan-Djibouti (E) -Port Klang
3	AMX1/AMCI	UASC / CSCL	Asia - Mediterranean Container Service I	La Spezia - Genoa - Fos - Barcelona - Valencia - Port Said - Jeddah - Khor Fakkan - Port Kelang - Qingdao - Shanghai - Ningbo - Shekou - Port Kelang - Port Said - La Spezia
4	FAL3	CMA	French Asia Line 3 (CMA)	Le Havre - Hamburg - Bremerhaven - Rotterdam - Southampton - Zeebrugge - Beirut - Jeddah - Port Kelang - Singapore - Tianjin Xingang - Dalian - Busan - Qingdao - Shanghai - Yantian - Singapore - Port Kelang - Le Havre
5	MINA	UASC / HJS	Middle East - Indian Subcontinent - North America Service	Khor Fakkan - Jebel Ali - Port Qasim - Nhava Sheva - Jeddah - Port Said - La Spezia - Genoa - Barcelona - Valencia - Algeciras - New York - Norfolk - Savannah - Algeciras - Valencia - Genoa - Port Said - Jeddah - Khor Fakkan
6	ARC1/RESW/ REX2/RES1	YML / HJS / CSCL / UASC	Far East Red Sea Service	Shanghai-Ningbo-Kaohsiung-Shekou-Singapore-Jeddah-Sokhna-Aqaba-Singapore-Shanghai
7	GEM1	UASC / CSCL	Gulf - East Mediteranean Service	Port Said - Mersin - Istanbul - Izmir - Port Said - Yanbu - Jeddah - Khor Fakkan - Sohar - Port Sultan Qaboos - Karachi - Hazira - Mundra - Khor Fakkan - Jebel Ali - Bahrain - Jubail - Khor Fakkan - Jeddah - Yanbu - Port Said
8	RSFI	UASC	Red Sea Feeder Service I	Jeddah - Port Sudan - Hodeidah
9	Xpress Feeder	Xpress Feeders		JED (NCT) - JED (RSGT) - Aden - Hodeidah

Factors Leading to a Healthy Workplace

Environment affects a person in many ways whether it is the environment of home, outdoor or workplace. According to a research, a person spends an average of 60% of their waking hours in a workplace. Therefore, it is mandatory to provide good and healthy environment to the employee to receive a mutual benefit.

A good and healthy workplace requires nurturing and maintaining good relationship, setting expectations and their results. Many organizations are striving to provide their employees with a productive and comfortable workplace. Know that, Communication is the heart of any organization and. If heart fails to perform its function of supplying blood to the organs such a lungs and brain, body will inevitably die. Same goes for any organization, without effective communication it will not survive. Hence, it is critical to focus on an open communication between an employee and employer, not only for economic concerns, but to improve productivity and ensure a relation of mutual dependency benefiting both sides.

Another important factor is Employees need to know. They need to know their role in the organization and how they are suppose to do it. Informing them about the company's performance, new projects and letting them know how they fit in ensure trust, confidence and respect for their company.

Making a Commitment is easy, whereas keeping that commitment is the tough part. Keeping a Commitment shows the strength of words and actions, ensuring credibility and reliability. Employees count on the Commitment of employer especially regarding matters such as pay, leaves, promotion and raise. Employers are expected to meet the employees' expectations and refrain from renegeing on promises.

Managing employees does not necessarily mean telling how and when to work, and where to work. Employees are humans. They are in need of direction and assistance, not a constant reminder about their duties. Micro-managing the

employees will make only puppets out of them, whilst killing their creativity. Freedom to work as employees deem right, helps to keep them encouraged and motivated at the same time builds trust. A sense of responsibility for actions taken helps to make the right and efficient decisions.

Co-operation not competition is necessary to foster a good working environment. The purpose of any organization is to unite the people within, and work together for a common goal. It is vital to have harmony and understanding between both sides. Just like flu, anger is contagious. Co-operating and helping spreads positive emotions in the workplace. Successful Team Building and working in an environment of trust and positivity, brings out the best in employees.

Heart is where the home is. The most productive employ is the happiest employ, and to make the employ in high spirits, it is mandatory to make the workplace as Comfortable as possible. Socializing, connecting and opportunities to spend time together in company gatherings and parties are essential to break the monotony. Besides having a party time, employer must devise ways to make the work related tasks challenging and interesting. Ensuring employees Enjoy work rather than consider it mundane keeps creativity flowing.

Innovation and Learning is compulsory for continuous self-development as an employee. Sponsoring training courses, seminars and workshops for employees strengthens the bond with employer. It helps employees in personal learning and development; in addition feel obliged to apply the gained knowledge to perform better and more efficiently. In conclusion, feeling of trust, appreciation, safety and freedom ensures fine and healthy work environment.

"The secret of joy in work is contained in one word - excellence. To know how to do something well is to enjoy it." --Pearl Buck



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