

PORT
of
TYNE

COMMERCIALLY SUCCESSFUL
CRUISE AND FERRIES VIBRANT
CONTINUOUSLY IMPROVING
CARS FOCUS OPPORTUNITIES
PEOPLE **ANNUAL** LOGISTICS
EFFICIENT **REVIEW** SUCCESS
PROFESSIONAL **2010** CLARITY
REGIONAL PLAYER ESTATES
BULK AND CONVENTIONAL
CARGO SUPPORTING LOCAL
COMMUNITIES WELCOMING
AND A GREAT PLACE TO WORK

OUR AIM

**TO ENSURE A SUSTAINABLE
AND VIBRANT PORT OF TYNE**

OUR VALUES

- CUSTOMER FOCUS
- PEOPLE FOCUS
- LONG TERM THINKING

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WELCOME TO THE PORT OF TYNE ANNUAL REVIEW 2010

We are delighted to present this summary of the annual report and accounts which shows excellent performance and growth for the Port. In particular we have seen recovery from the recession impacted results of 2009, all areas of the Port's business have returned to growth and the business is on track for further success in the future.

The 2010 financial performance includes some of the best results seen for some time and the outlook is very positive across all business areas which encompass conventional and bulk, car terminals, cruise and ferry businesses, logistics and estates.

It is anticipated that 2011 will be a very exciting year with developments in the energy markets again having a major impact on the business. 2011 will see the first full year of biomass operations following our £20 million investment in associated infrastructure and handling facilities. Further developments in the offshore wind market will see the securing of port capacity for the manufacture, assembly and maintenance of wind farms. The businesses located on the banks of the river, including the Port of Tyne, are well placed to benefit from the development of this renewable energy.

The employees of Port of Tyne continue to be central to our success and it is appropriate to acknowledge and thank them all for their consistent hard work, dedication and flexible approach to the changing demands of the business and for their support of the business's transformation programme encompassing both commercialisation and culture change.



SIR IAN WRIGGLESWORTH DL
CHAIRMAN



ANDREW MOFFAT
CHIEF EXECUTIVE OFFICER

SUPPORTING SUSTAINABILITY AND VIBRANCY

The aim is to provide its stakeholders with a vibrant, sustainable Port of Tyne in every aspect of its activities – in the environment, wealth creation, stakeholder relationships, port operations and in its relationship with the community. The vibrancy of the Port will be reflected in the level of business and other activities.



Values

The Port's values are Customer Focus, People Focus and Long Term Thinking. This means concentrating on the needs of customers; training, developing and rewarding all who work for the Port in a challenging, supportive and safe environment; and investing in the long term future and sustainability of the Port and its employees, seeking to behave with integrity, professionalism and openness.

Strategic Direction

Four principal strategies have been agreed: maximising existing market opportunities; the identification of and exploitation of new market opportunities; the development and maintenance of infrastructure that will sustain business and help it grow; and finally efficient and effective use of resources.

Port of Tyne Structure, Responsibilities and Governance

The Port has statutory responsibility for conservancy and safe navigation of a 24 mile stretch of water, comprising of 21 miles of river from Wylam to the piers, plus 3 miles of sea outside of the piers.

The Port is focused and organised around five distinct business areas: Conventional and Bulk Cargoes, Car Terminals, Cruise and Ferries, Logistics and Estates.

Structurally the business comprises of the Port of Tyne Authority and two wholly owned subsidiaries, Port of Tyne Distribution Limited and Tyne Logistics Company Limited.

In July 2009 the Department for Transport (DfT) issued 'Modernising Trust Ports II', which included the request for certain trust ports, including the Port of Tyne, to analyse their corporate structures with a view to identifying opportunities to enhance efficiency and gain value from their assets.

The Board reviewed all relevant ownership models and analysed the advantages and disadvantages associated with each type against its existing Trust Port model. The Board concluded in its submission to the DfT that the Port of Tyne should continue to implement its transformational and business development strategies through its current Trust Port model. This was not a decision to 'retain the status quo' but rather a pro-active strategy to continue to implement initiatives intended to enhance the commercialisation and operational performance of the business.

The Parliamentary Under Secretary State for Transport in the new Government, Mr Mike Penning MP, has advised that he is 'content to accept your report as the basis for the future direction of your Port'.

The Board of the Port of Tyne is determined to demonstrate that the business's existing corporate structure can deliver enhanced value to all of its stakeholders by delivering against its plans, and so becoming an even more important contributor to the economic success of the region. The Board is also determined to continue to demonstrate that it competes successfully on a commercial basis against other ports, irrespective of their ownership.

THE PORT HAS STATUTORY RESPONSIBILITY FOR CONSERVANCY AND SAFE NAVIGATION OF A 24 MILE STRETCH OF WATER, COMPRISING OF 21 MILES OF RIVER FROM WYLAM TO THE PIERS, PLUS 3 MILES OF SEA OUTSIDE OF THE PIERS.

SUPPORTING BUSINESS

BUSINESS REVIEW

Turnover during the year increased by 11% to £45.5 million as a result of increased activity levels across all of the business with the exception of imported coal that fell by 60%. Turnover however, has been unaffected by the fall in coal import levels due to the existence of 'take or pay' contracts with power generators.

A record level of EBITDA was reported in 2010, increasing by 45% to £9.6 million. As a percentage of turnover EBITDA was 21%, increasing from 16% in the previous year.

Profit before Tax has doubled in the year to £4.4 million, whilst cash flow from operating activities has also improved significantly from £5.0 million to £8.9 million.

The Port has continued to invest in the development of its infrastructure to secure future business opportunities. Capital expenditure

incurred in 2010 totalled £16.2 million, the main items being: construction of the biomass handling and storage facilities, quay strengthening in preparation for berth deepening, drain diversion associated with Tyne Dock land preparation, initial capital outlay associated with the procurement of a new dredger and IT back up and virtualisation infrastructure investment. Borrowings have increased by £5.2 million to £19.4 million at the 31st December 2010 due to funding required to support the construction of the business's new biomass handling and storage facility that was commissioned in the final quarter of the year.

**PROFIT BEFORE
TAX HAS DOUBLED
IN THE YEAR TO
£4.4 MILLION
AND CASH FLOW
FROM OPERATING
ACTIVITIES HAS
IMPROVED
SIGNIFICANTLY
TO £8.9 MILLION.**



The table below outlines the performance of the business's Key Financial Indicators:

KEY FINANCIAL INDICATORS
£ MILLIONS

	2010 £m	2009 £m	Change £m	Change %
Turnover	45.5	41.0	4.5	11%
EBITDA	9.6	6.6	3.0	45%
Profit Before Tax	4.4	2.2	2.2	97%
Cash Flow from Operating Activities	8.9	3.9	5.0	128%
Capital Expenditure	16.2	4.5	11.7	260%
Borrowings	19.4	14.2	5.2	37%

Turnover is provided in the following table for each of the Port's five business areas:

TURNOVER BY BUSINESS AREA
£ MILLIONS

	2010 £m	2009 £m	Change £m	Change %
Conventional and bulk cargoes	17.1	17.0	0.1	1%
Car terminals	5.4	4.3	1.1	24%
Cruise and Ferry	2.1	2.1	0.0	1%
Logistics	17.7	14.4	3.3	23%
Estates	1.5	1.6	(0.1)	(7%)
	43.8	39.4	4.4	11%
Income from third party activities	1.7	1.6	0.1	10%
Total	45.5	41.0	4.5	11%

Included within the reported turnover above for each of the Port's five main business areas are the conservancy and pilotage income resulting from that business area's activities. Income from third party activities consists of conservancy, pilotage and other income associated with traffic emanating from third party river users.



SUPPORTING BUSINESS

Trade Statistics

The Port of Tyne is a barometer and facilitator of economic activity regionally, nationally and internationally. 2010 saw the beginning of a recovery in global trade after the unprecedented decline experienced in the preceding year. This is reflected in the return to growth reported by the Port of Tyne in 2010.

Key volumes for both the River Tyne as a whole and for the Port of Tyne's business areas are as follows:

RIVER VOLUMES

	2010	2009	Change	Change %
Total River Tyne Tonnages (000s)	2,396	2,996	600	(20%)
Port of Tyne Statistics (000s):				
Conventional and bulk cargoes (tonnes)	1,626	2,268	(642)	(28%)
Car terminals (number of cars)	555	374	181	48%
Cruise and Ferry (passenger numbers)	587	574	13	2%
Broken down by:				
Cruise	32	42	(10)	(24%)
Ferry	555	532	23	4%
Cruise and Ferry (vessel numbers)	383	369	14	4%
Broken down by:				
Cruise	20	24	(4)	(17%)
Ferry	363	345	18	5%
Logistics (containers teu's)	57	37	20	54%

The 20% reduction in total tonnages handled on the whole river was caused by the fall in coal imports whereas the volume of other cargoes actually increased year on year.





On bulk cargoes, an increase in biomass, steel, scrap and grain tonnages was more than offset by a decrease of 1.1 million tonnes in coal imports. This was caused by the relatively high price of coal which resulted in the substitution of other fuels, such as gas, used for power generation.

The Port's car terminal business experienced a significant rise in activity following the recession impacted levels in the previous year. A 48% rise was reported in 2010 with levels dominated by Nissan volumes which utilise the Port's south bank car terminal facility.

Container volumes increased by 54% reflecting a rise in demand for parts used by Nissan at its Sunderland car production plant and also the demand for more consumer goods.

Total cruise and ferry passenger volumes grew by 2% in 2010, an improvement largely due to sustained marketing activity by DFDS and increased focus on land-based customer experience by the Port of Tyne, combined with the relative strength of the euro against sterling.

CONTAINER VOLUMES INCREASED BY 54% REFLECTING A RISE IN DEMAND FOR PARTS USED BY NISSAN AND ALSO THE DEMAND FOR MORE CONSUMER GOODS.



SUPPORTING BUSINESS

BUSINESS DEVELOPMENT

Energy remains central to the future development of the Port's business.

2010 saw the commissioning of a dedicated handling and storage facility for the importation of biomass, following a 10 year agreement with Drax Power. This development represents a major long term investment that will take full advantage of the business's excellent deep water berths, facilities and manpower. Nearly £20 million is being invested in the handling facility and the necessary infrastructure.

In the middle of the year the Port's car business portfolio was further extended following development of the 11 acre Höegh transhipment terminal, on the Port's south bank estate, thus extending the Port's car handling capacity.

JML, a tenant on the Port estate and an existing Logistics customer demonstrated its satisfaction with the Port's services by transferring its retail

operations from Dartford, generating incremental warehouse storage and container handling opportunities for the Port.

Nissan, a key partner, took leases on over 200,000 square feet of warehousing space from the Port to accommodate the storage of imported car components associated with the introduction of new models.

Land preparation associated with the infilling of the 14 acre Tyne Dock continued with drain diversion works. Further fill material has been secured to complete the infill in 2011 and it is anticipated that land will be available for operational use in 2012.

MGT Power continued to develop its plans announced in 2009, subject to planning approval, to build the 300MW Tyne Renewable Energy Plant on the North Bank Estate.

2010 SAW THE COMMISSIONING OF A DEDICATED HANDLING AND STORAGE FACILITY FOR THE IMPORTATION OF BIOMASS.





SUPPORTING THE REGION AND STAKEHOLDERS

IMPACT

Regional impact

The impact of the Port of Tyne on the regional economy is measured on an annual basis through an Economic Impact Assessment. During 2010, ARUP reported that the gross value added (GVA), by the Port of Tyne and by Port related activities, to the regional economy was around £421 million (2009 - £367million).

Included in this is the significant impact of tourist spend, estimated at £44 million, resulting from passengers using the Port's International Passenger Terminal that facilitates the DFDS Newcastle to Amsterdam ferry service and the developing cruise traffic.

The report also highlights that the Port, including an average workforce of 448 employees in 2010 (2009 - 460), supports 8,836 (2009 - 8,666) full time port related jobs in the wider community.

Stakeholder impact

The Port of Tyne, as a trust port, has stakeholders rather than shareholders. Its principal stakeholders can be categorised as customers (including all river users), employees, the government, the business community and the local community – indeed all who have an interest in the port.

All profits are re-invested back into the business for the benefit of its stakeholders.

The total benefit delivered to stakeholders during 2010 was £6.7 million (2009 - £6.9 million). In the year £0.7 million was directly invested in the creation of stakeholder benefit, £6.0 million was generated in tax receipts for the Government and 'in kind' services were provided amounting to £29k.

The reduction in the year is attributable to a £1.0 million one-off contribution made in 2009 to North Shields Fish Quay in respect of refurbishment of the Western Quay. Excluding this, stakeholder benefit grew year on year.





**GVA OF
£421 MILLION
WAS ADDED TO
THE REGIONAL
ECONOMY BY
THE PORT OF TYNE
IN 2010.**

SUPPORTING THE REGION AND STAKEHOLDERS

Within the Port's financial statements, operating profit of £5.4 million is stated after the following direct investments in stakeholder benefit of £0.7 million (2009 – £1.4 million). The principal components of this in 2010 were:

- The costs of operating and maintaining the Swing Bridge of £138k (2009 - £127k), which is no longer a commercially viable asset on a stand-alone basis.
- £10k rental support to the North Shields Fish Quay Company.
- £30k donation to the Port of Tyne charitable fund, administered by the Community Foundation.
- £116k (2009 - £92k) has been expended in sponsorship of events and activities in support of developing the local community such as the Mouth of the Tyne Festival, the Tyne Tunnel 2k wheelchair event, the University Boat Race, the Pride of South Tyneside Awards and supporting the Port's Writer in Residence programme and its annual 'Reflect' photography and film awards.
- The Port actively supports its Regional and National Business partners, through subscription and membership of organisations that include the CBI Regional Council, the North East Chamber of Commerce, the EEF Regional Council, Business in the Community, the NewcastleGateshead Initiative and the Institute of Directors. During the year it invested £108k (2009 - £89k) in these activities.
- During the year a Profit Share Scheme was launched for all employees, allowing them to share in the performance of the business. The associated investment in 2010 was £212k.

The Port of Tyne also generated Government tax receipts in 2010 relating to employee taxation, company taxation and business rates amounting to £6.0 million (2009 - £5.5 million).

During the year 'in kind' activity included the continued waiving of conservancy charges (£29k) to Royal Navy vessels that are open to the public and the provision of marine safety services for charitable river-based events at no charge.

Employees are a key stakeholder group and their welfare and development is critical to achieving the Port's aim of vibrancy and sustainability. On average, there were 448 employees working directly for Port of Tyne in 2010.

In December 2010 a Profit Share Scheme was launched for all employees, allowing them to share in the performance of the business. Based on the well established John Lewis Partnership principles, the scheme recognises that staff working for the Port can have a direct impact on success and profitability of the business and can now expect to benefit accordingly.

**DURING THE YEAR
A PROFIT SHARE
SCHEME WAS
LAUNCHED FOR
ALL EMPLOYEES,
ALLOWING THEM
TO SHARE IN THE
PERFORMANCE OF
THE BUSINESS.**



SUPPORTING THE RIVER

MARINE SERVICES

The principal responsibility of the Marine Services function is to fulfil the Port's statutory responsibilities for conservancy and the safe navigation of 24 miles of the river, from one mile outside the piers to the tidal reach east of Wylam Bridge.

Navigation

The port operates a Vessel Traffic System (VTS) that monitors shipping movements in and around the river, berth availability, wind speed and direction, tidal movements, weather conditions and hazards to navigation. Total shipping movements in 2010 increased by 3% to 4,308 reflecting the recovery in trade volumes previously reported and the ongoing trend towards fewer but larger vessels.

There are no length or beam restrictions for vessels in the entrance to the Port. The river has a channel depth of 9.1 metres (at low tide) up to the Port of Tyne main operational locations at North and South Shields and offers a depth of 12.1 metres (at low tide) at Riverside Quay, South Shields, where its Conventional and Bulk Cargo services are undertaken. During 2011 the channel will be further deepened to 13.0 metres and Riverside Quay to 10.0 metres, to accommodate fully laden large vessels.

Marine Services undertakes pilotage, surveying and dredging services. It has three pilot vessels: The Collingwood, The Bewick and the Lynceus, with the latter also being used for surveying purposes.

Dredging

The Port of Tyne is the nominated licence holder, within its area of responsibility, for dredging for most areas of the River Tyne. Additional licences are required for the disposal of dredged material. As well as making direct applications for its own purposes, the Port of Tyne facilitates the application for such licences on behalf of third party berth owners or operators to the Marine Management Organisation.

The Port of Tyne uses a combination of third party services and its own dredger, The Hedwin, to remove silts from its own berths and channel. At the end of 2010 this 50-year-old vessel was decommissioned and will be replaced during 2011.

It is the responsibility of berth owners, or their operators, to dredge and also to communicate their quay depths.

During the year 316,000 (2009 – 243,000) cubic metres of sediment was dredged from the river.

**DURING THE
YEAR 316,000
CUBIC METRES
OF SEDIMENT
WAS DREDGED
FROM THE RIVER.**





CUBIC METRES DREDGED FROM THE RIVER

	2010 000	2009 000
By Location:		
Berths: Port of Tyne Berths	228	49
3rd Party Berths	31	53
Channel	57	141
Total	316	243
Destination of dredged material:		
At sea	175	243
In River *	141	0
Total	316	243

*This material was dredged from the mouth of the river for use in the construction of Tyne Tunnel 2

SUPPORTING PEOPLE

HEALTH AND SAFETY

The Port remains committed to improving health and safety performance throughout its business and is targeting ISO18001 Health and Safety certification in 2011.

There was a significant improvement in the number of working days lost due to injury in 2010. This reduced by 68% to 114 days from 352 days. Additionally, the number of reportable accidents improved by 75% from 12 in 2009 to 3 in 2010. A small increase in the total number of injuries was recorded, rising by 12 to 84.

There were no prosecutions or other enforcement actions taken by the HSE or by any Local Authority against the Port of Tyne in 2010. One improvement notice, which was immediately implemented, was received from the Health and Safety Executive (HSE) in connection with formalised training for the planning of complex heavy lifts and the training has since taken place.

Reflecting the drive to continually improve Health and Safety within the organisation, the appointment of Health and Safety champions across the organisation are fulfilling their remit to promote best practice through a variety of initiatives including Health and Safety area inspections, internal audits and departmental awareness and training.

Associated management systems have been improved and the electronic system introduced in 2009 for recording all Health and Safety incidents has been expanded to include the monitoring and review of risk assessments.

The business remains supportive of and compliant with the Port Marine Safety Code which was updated and re-issued in 2010. During the year 130 marine incidents were recorded of which 64 related to Port of Tyne bye-laws infringements that led to 4 prosecutions.

HEALTH AND SAFETY CHAMPIONS ACROSS THE ORGANISATION ARE FULFILLING THEIR REMIT TO PROMOTE BEST PRACTICE.



SUPPORTING THE RIVER AND OPERATIONS

ENVIRONMENT

The Port of Tyne plays an important role not only in environmental issues and matters associated with its own operations but also those associated with the River Tyne itself.

ISO 14001 certification

The business achieved ISO 14001 Environmental Management Systems certification during the year, having been assessed by Lloyds British Quality Assurance. This demonstrated compliance with relevant environmental legislation, a commitment to the prevention of pollution and the implementation of a programme of continual improvement and environmental monitoring. The Port encourages employees to play a major role in the implementation of the environmental objectives.

Clean Tyne project

The Clean Tyne Project comprises of a partnership, established in 1989, between the Port of Tyne, SITA Trust, Gateshead Council, South Tyneside Council, North Tyneside Council and Newcastle City Council. Its aim is to ensure the water quality in the River

Tyne continues to improve and also to raise public awareness of associated environmental issues. The Port has operated the Clearwater since 2007 on behalf of the partnership. During the year, the crew of the Clearwater removed 300 tonnes of predominantly timber debris from the River Tyne and, after recycling wherever possible, only 2% went to landfill.

Contaminated sediment

The research commissioned by the Port of Tyne and its partners, ONE North East, Newcastle City Council and North Tyneside Council into the quality and flow of sediment within the River Tyne estuary continued during 2010. Initial findings indicate that as well as localised contaminated sediments associated with specific river bank industries being evident, other material emanating from former mine working in the upper reaches of the South Tyne are also present within the river system. It is proposed that a second phase of the study be commissioned to examine in detail the options and solutions available to address these issues.

DURING THE YEAR, THE CREW OF THE CLEARWATER REMOVED 300 TONNES OF PREDOMINANTLY TIMBER DEBRIS FROM THE RIVER TYNE.





SUPPORTING SUSTAINABILITY AND VIBRANCY

FINANCIAL PERFORMANCE

GROUP PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 DECEMBER 2010

	2010 £000	2009 £000
Turnover	45,552	40,971
Operating costs	(32,159)	(32,042)
Gross profit	13,393	8,929
Administrative expenses	(7,783)	(5,831)
Operating profit	5,610	3,098
Interest & other expenses	(1,210)	(865)
Profit before taxation	4,400	2,233
Taxation charge	(1,621)	(463)
Profit for the financial year	2,779	1,770
Key Financial Ratios		
Profit before Tax / Turnover %	9.7%	5.5%

The Port's achievement in generating stronger revenues and profits from its infrastructure in 2010 has resulted in Profit before Tax as a percentage of Turnover, increasing to 9.7% (2009, 5.5%).

GROUP BALANCE SHEET AS AT 31 DECEMBER 2010

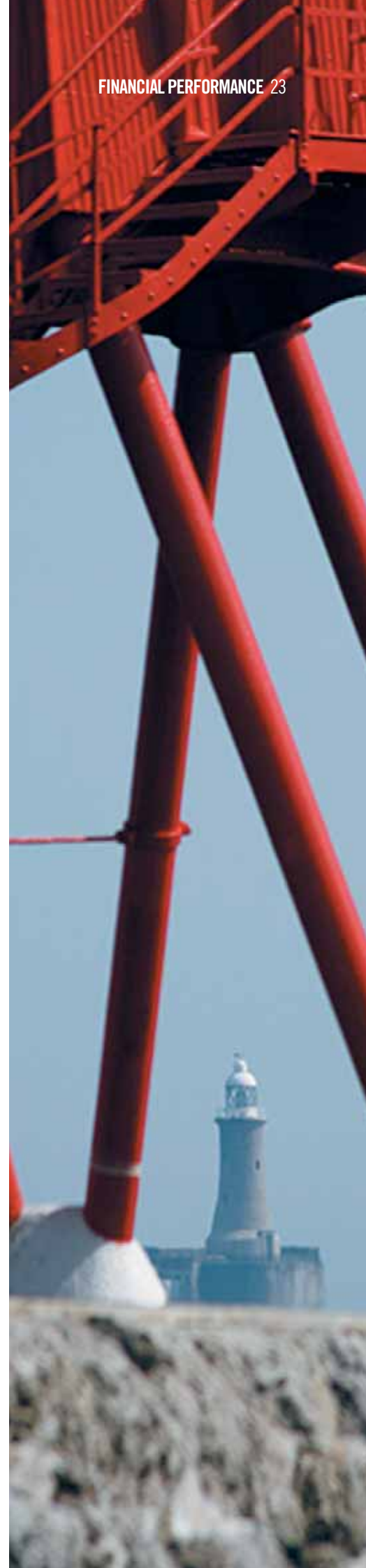
	2010 £000	2009 £000
Fixed assets	125,094	113,897
Current assets	15,808	16,662
Total Assets	140,902	130,559
Current Liabilities	(12,656)	(8,851)
Total assets less current liabilities	128,246	121,708
Long Term Creditors & Liabilities	(25,367)	(21,059)
Deferred income	(9,362)	(10,019)
Pension (Liability) / Asset	(970)	(1,659)
Net assets	92,547	88,971
Reserves		
Profit and loss account	64,668	61,123
Revaluation reserves	27,879	27,848
Reserves	92,547	88,971
Key Financial Ratios		
Return on Net Assets (based on Profits before Tax) %	4.8%	2.5%

The growth in Fixed Assets is reflective of the investments made in infrastructure especially the construction of biomass handling and storage facilities. These investments have been funded partly from operating profit and partly from greater utilisation of banking facilities reflected by the increase in Long Term Creditors & Liabilities.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £000	2009 £000
Cash flow from Operating Activities	8,927	3,868
Returns on Investments and Servicing of Finance	(882)	(389)
Taxation	411	336
Capital Payments	(17,190)	(2,243)
Operating Cash Inflow / (Outflow)	(8,734)	1,572
Management of Liquid Resources	–	1,170
Financing	4,955	535
Increase / (Decrease) in cash in the year	(3,779)	3,277

Improved trading performance has resulted in cash inflow from operating activities increasing significantly by £5.1 million to £8.9 million, but after capital payments an operating cash outflow of £8.7 million has been reported.



SUPPORTING SUSTAINABILITY AND VIBRANCY

MEMBERS OF THE BOARD

The Board and the support provided by its Executive Management Team has been further strengthened during the year. Professor George Fleming and Tom Boardley retired this year, and Dr Jonathan Hargreaves and Dr Alan Rutherford were appointed as Non-Executive Directors with effect from November 2010. Steven Harrison, Chief Operating Officer, joined the Board as an Executive Director in January 2010. The Executive Management Team comprises the Executive Directors of the Board and Ian Gibson, Director of Logistics, Geoff Gillon, Director of Human Resources, Captain Mike Nicholson, Harbour Master, and Susan Wear who joined the team during the year as Director of Corporate Affairs with responsibility for marketing and communications.

NON-EXECUTIVE DIRECTORS



SIR LES ELTON DEPUTY CHAIRMAN

Sir Les Elton qualified as a solicitor in 1971 and enjoyed a successful career as a senior manager in local government, culminating as Chief Executive of Gateshead Council. Sir Les was knighted in June 2005 for services to local government. He was appointed to the Board in 2004 and in 2007 was appointed Deputy Chairman. He is Chairman of the Finance Committee and the Remuneration Committee.



SIMON BEECHINOR

Simon Beechinor is a qualified Master Mariner with extensive experience of the shipping industry. He was appointed to the Board in 2007 and is a member of the Audit Committee. He has a 35 year record of achievements in managing businesses within the maritime services industry.



SIR IAN WRIGGLESWORTH DL CHAIRMAN

Sir Ian Wrigglesworth joined the Board in 2003 and became Non-Executive Chairman in 2005. Sir Ian is CEO of his own company, Bluehall Properties, and was Chairman of UK Land Estates from 1995 to 2008. He is a former director of a number of other private and public sector companies, Chairman of the Northern CBI and the founder Chairman of the Northern Business Forum and the Newcastle Gateshead Initiative.



ANDREW MOFFAT CHIEF EXECUTIVE OFFICER

Andrew Moffat was appointed Chief Executive Officer in 2008, having previously been Financial and Commercial Director. He has been a Board member since 2007 and is a member of the Finance Committee. Andrew joined the Port in 2007 from 3UK, a telecoms subsidiary of the Hong Kong-based multi-national conglomerate Hutchison Whampoa, where he was Chief Finance Officer.



HILARY FLOREK

Hilary Florek was PR Director for the Vaux and Swallow Hotels Group before establishing her own PR and Marketing consultancy, HFPR, in Newcastle upon Tyne in 2000. She was appointed to the Board in 2006 and is a member of the Finance Committee and the Remuneration Committee.



NEIL MUNDY

Neil Mundy has a background in accountancy, property rating and valuation, and economic development. He is a former Executive Director of One NorthEast and holds a number of appointments in the region. A Director of NF Holdings Ltd, he was appointed to the Board in 2004 and is Chairman of the Audit Committee.



DR JOHN W HARGREAVES CBE (JOINED NOVEMBER 2010)

Dr. Jonathan Hargreaves joined the board in November 2010. He is a Non-Executive Director of British Waterways and Chairman of British Waterways Scotland. He was the Chief Executive Officer of Scottish Water from 2002 to 2007, where he completely restructured the business and oversaw a £2 billion investment programme.

EXECUTIVE DIRECTORS



DR JOHN HUDSON CHIEF FINANCIAL OFFICER

Dr John Hudson was appointed Chief Financial Officer and joined the Board in 2009. He qualified as a Chartered Accountant with Deloitte & Touche in 1998 and his career includes senior roles within Black & Decker and the Ideal Stelrad Group. John has responsibility for all aspects of Finance, Legal and I.T. and services.



CHRISTOPHER ROBSON

Chris Robson is Managing Partner of Rycroft Glenton, a Newcastle firm of Chartered Accountants. He was appointed to the Board in 2005 and is a member of the Finance Committee and the Remuneration Committee.



BRIAN REEVE CHIEF TECHNICAL OFFICER

Brian Reeve is a Chartered Civil Engineer with wide experience in heavy engineering and port management. He joined Port of Tyne in 2004 and has responsibility for all aspects of marine operations, engineering services, security and safety management.



DR ALAN G RUTHERFORD OBE (JOINED NOVEMBER 2010)

Dr Alan Rutherford joined the Board in November 2010 and is currently Non-Executive Chairman of the National Renewable Energy Centre (Narec) the Northumberland-based centre of excellence for energy technologies, and is Chairman of the Energy Leadership Council for North East England.



STEVEN HARRISON CHIEF OPERATING OFFICER

Steven Harrison joined the Port in June 2009 as Chief Operating Officer, responsible for the following business areas: bulk and conventional cargo, cruise and ferries, car terminals and estates. He joined the Board in January 2010. He was previously Managing Director of H J Banks (Mining) Limited.

SUPPORTING FUTURE GROWTH

OUTLOOK

During 2010 the Port returned to growth and continues to be well placed to exploit new trading opportunities especially those associated with a rapidly growing renewable energy sector.

The commissioning of the dedicated biomass handling and storage facility has placed the Port of Tyne at the forefront of this developing industry. Exciting enquiries have been received relating to the extension of such facilities from both existing and new customers.

Since the announcement in January 2010 by the Crown Estate of the award of development rights for the Round 3 offshore wind farm development the Port has been working to take advantage of this opportunity. Around 9GW of offshore wind energy plant will be sited in Dogger Bank, an area close to the North East of England coastline.

Nissan car production at its Sunderland plant has recovered strongly in 2010 and 2011 could be a record year. It is also on track to both manufacture the electric battery and assemble the first Nissan electric car, the Leaf, from 2013.

Forecast cruise volumes, whilst anticipated to remain steady in 2011, show significant growth in provisional bookings for the following year with increased volumes from both existing and new cruise operators indicated.

At the time of writing the impact of the Japanese earthquake and tsunami on the global economy is still to be understood, as is the effect on the Port of Tyne. There will undoubtedly be some consequences on the car industry and in particular Nissan as well as perhaps the wider power generation market.

Finally, the Port will continue to implement its transformational programme of commercialisation and cultural change. This is a key ingredient in delivering improved business performance and is also central to securing the future growth opportunities that will deliver enhanced value to the Port of Tyne's stakeholders.

**THE PORT IS
WELL PLACED TO
EXPLOIT
OPPORTUNITIES
ASSOCIATED WITH
THE RAPIDLY-
GROWING
RENEWABLE
ENERGY SECTOR.**



PORT
of
TYNE

COMMERCIAL SUCCESSFUL
CRUISE AND FERRIES VIBRANT
CONTINUOUSLY IMPROVING
CARS FOCUS OPPORTUNITIES
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