



**HPH
TRUST**

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**2013 Financial Results
Presentation for the Period Ended
30 June 2013**

Disclaimer

This presentation should be read in conjunction with, and figures herein are based on, the results of Hutchison Port Holdings Trust (“HPH Trust”) for the period ended 30 June 2013 in the SGXNET announcement.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Hutchison Port Holdings Management Pte. Limited, a trustee-manager of HPH Trust, of future events.

Table of Contents

- 1 Key Highlights
- 2 Business Review for the Period Ended 30 June 2013
- 3 Key Financial Performance
- 4 Outlook and Prospects

1 Key Highlights

Key Highlights

- YTD June 2013 throughput of HPH Trust's deep-water ports was 2% below last year. Combined throughput of HIT, COSCO-HIT and ACT was down by 6% yoy and YICT's throughput grew 2% yoy
- Demand on the US and EU trade remains weak. Throughput growth in YICT was mainly driven by transshipment, empty and non US/EU cargoes (e.g. Africa, Central and South America). HIT's throughput drop was mainly due to weaker transshipment and US/EU cargoes
- Revenue and other income was 1% below last year. NPAT and NPAT attributable to unitholders was 11% and 21% below last year respectively after payments of performance fee and acquisition related costs of ACT
- 2013 interim Distribution Per Unit is 18.70 HK cents

Key Highlights (cont'd)

- YTD June 2013 normalised NPAT and NPAT attributable to unitholders, without performance fee and ACT acquisition related costs, was 7% and 15% below last year respectively as shown below :

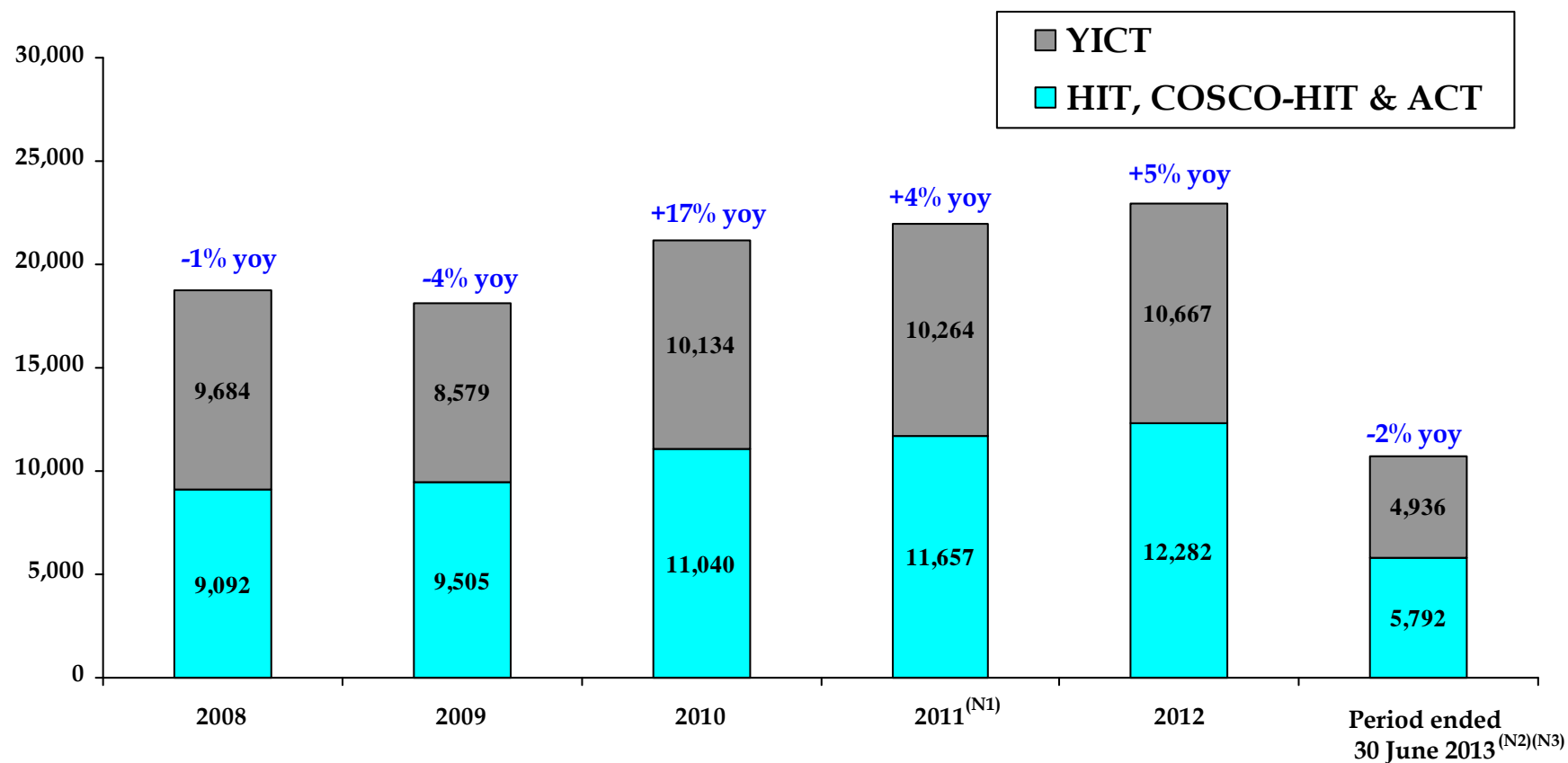
(HK\$ Million)		<u>NPAT</u>	<u>NPAT attributable to unitholders</u>
Profit for the period ended June 2013		1,391.3	800.8
Add back:			
Performance fee		14.0	14.0
ACT acquisition related costs		45.7	45.7
Normalised profit	(a)	<u>1,451.0</u>	<u>860.5</u>
Profit for the period ended June 2012	(b)	<u>1,565.0</u>	<u>1,017.3</u>
Normalised yoy %	(a)/(b)	<u>(7%)</u>	<u>(15%)</u>

- The normalised NPAT was 7% below last year due to higher profit from YICT but partially offset by lower profit in HIT. Normalised NPAT attributable to unitholders was 15% below last year as Trust has 100% interests in HIT but only has 52% to 56% interests in YICT

2 Business Review for the Period Ended 30 June 2013

Key Business Update

Throughput Volume (TEU in thousand)



N1 2011 throughput volume is on full year basis (i.e. include the throughput volume before listing) for comparison purpose

N2 Includes throughput volume of ACT from 7 March 2013, the date of acquisition

N3 The yoy percentage is compared to the same period in 2012

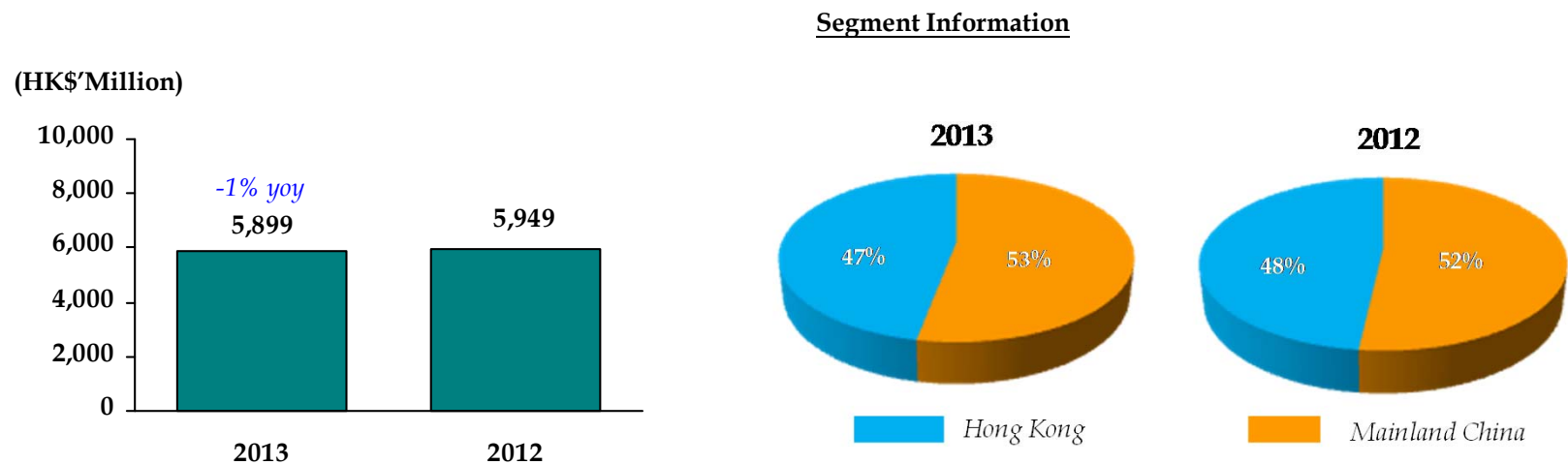
3 Key Financial Performance

Key Financial Performance



Revenue and other income

For the period ended 30 June 2013

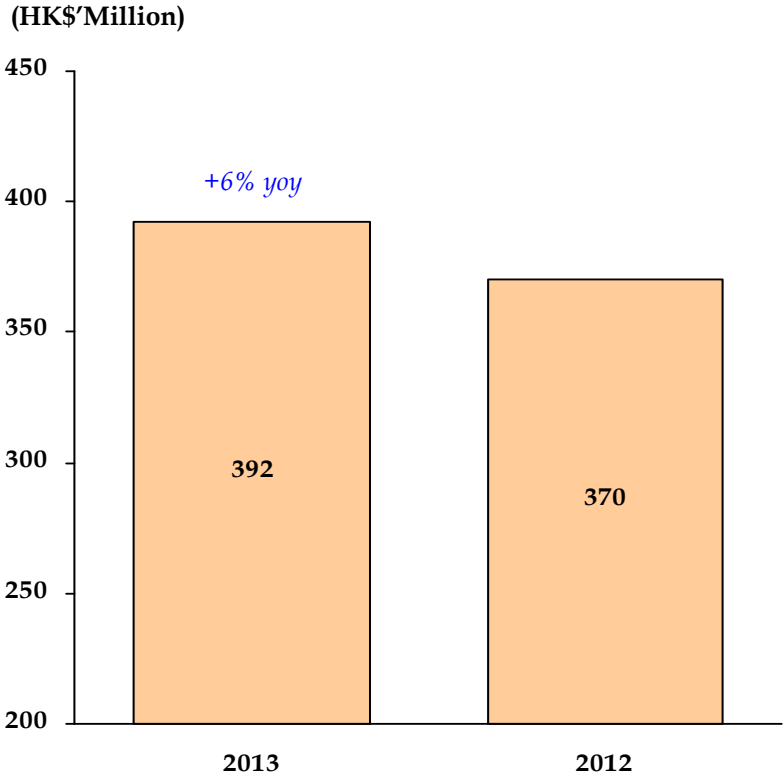


Key Financial Performance



Total Capex

For the period ended 30 June 2013



Key Financial Performance

Financial Position



At 30 June 2013
HK\$'Million

Short Term Debt	\$30,432.7
Long Term Debt	\$2,831.8
Total Consolidated Debt	\$33,264.5
Total Consolidated Cash	\$4,851.6

Key Financial Performance

Distribution



**For the period from
1 January 2013 to
30 June 2013**

Distribution Amount	HK\$1,629.0 million
Distribution Per Unit	18.70 HK cents
Ex-distribution date	5 August 2013
Books closure date	5:00p.m. 7 August 2013
Payment of distribution	19 September 2013

Unaudited Financial Results of HPH Trust for the Period Ended 30 June 2013 against Last Year



(HK\$'Million)	1 January to 30 June		
	2013 <u>Actual</u> ^(N1)	2012 <u>Actual</u> ^(N2)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	5,898.6	5,949.4	(1%)
Cost of services rendered	(2,110.0)	(2,074.8)	(2%)
Staff costs	(144.4)	(135.7)	(6%)
Depreciation and amortisation	(1,418.3)	(1,373.3)	(3%)
Other operating income	31.9	13.1	144%
Other operating expenses	(469.2)	(410.0)	(14%)
Total operating expenses	(4,110.0)	(3,980.7)	(3%)
Operating profit	1,788.6	1,968.7	(9%)
Interest and other finance costs	(305.7)	(300.7)	(2%)
Share of profits/(losses) after tax of Associated Cos/JV	71.6	87.0	(18%)
Profit before tax	1,554.5	1,755.0	(11%)
Taxation	(163.2)	(190.0)	14%
Profit after tax	1,391.3	1,565.0	(11%)
Profit after tax attributable to non-controlling interests	(590.5)	(547.7)	8%
Profit after tax attributable to unitholders of HPH Trust	800.8	1,017.3	(21%)

N1 The figures for the financial period ended 30 June 2013 are inclusive of the post-acquisition results of ACT after the acquisition of it on 7 March 2013

N2 The figures were restated as the Group has adopted HKAS 19 (2011) "Employee Benefits" with retrospective effect

There are no material differences between HKFRSs and IFRSs and no material adjustments are required to restate the financial statements of HPH Trust in accordance with IFRSs

Unaudited Financial Results of HPH Trust for the Quarter Ended 30 June 2013 against Last Year



(HK\$'Million)	1 April to 30 June		
	2013 <u>Actual</u>	2012 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	3,032.1	3,113.2	(3%)
Cost of services rendered	(1,103.4)	(1,064.9)	(4%)
Staff costs	(71.2)	(67.1)	(6%)
Depreciation and amortisation	(722.5)	(686.0)	(5%)
Other operating income	26.4	11.6	128%
Other operating expenses	(212.3)	(221.4)	4%
Total operating expenses	(2,083.0)	(2,027.8)	(3%)
Operating profit	949.1	1,085.4	(13%)
Interest and other finance costs	(156.7)	(148.6)	(5%)
Share of profits/(losses) after tax of Associated Cos/JV	37.2	45.2	(18%)
Profit before tax	829.6	982.0	(16%)
Taxation	(80.3)	(103.7)	23%
Profit after tax	749.3	878.3	(15%)
Profit after tax attributable to non-controlling interests	(328.8)	(310.9)	6%
Profit after tax attributable to unitholders of HPH Trust	420.5	567.4	(26%)

N1 The figures were restated as the Group has adopted HKAS 19 (2011) "Employee Benefits" with retrospective effect

There are no material differences between HKFRSs and IFRSs and no material adjustments are required to restate the financial statements of HPH Trust in accordance with IFRSs

Statements of Financial Position as at 30 June 2013 and 31 December 2012



(HK\$Million)	30 June 2013 <u>Unaudited</u>	31 December 2012 <u>Audited</u>
ASSETS		
Non-Current assets		
Fixed assets	28,277.7	26,247.9
Projects under development	1,528.5	1,315.4
Leasehold land and land use rights	45,221.1	44,958.9
Railway usage rights	16.0	16.0
Customer relationships	7,674.1	7,841.2
Goodwill	42,500.4	41,629.0
Associated companies	149.1	139.7
Joint ventures	2,530.5	2,548.8
Investments	825.5	820.4
Deferred tax asset	9.0	9.0
Total non-current assets	<u>128,731.9</u>	<u>125,526.3</u>
Current assets		
Cash and cash equivalents	4,851.6	6,168.8
Trade and other receivables	2,945.6	3,022.6
Inventories	163.5	132.4
Total current assets	<u>7,960.7</u>	<u>9,323.8</u>

Statements of Financial Position as at 30 June 2013 and 31 December 2012 (cont'd)



(HK\$'Million)	30 June 2013 <u>Unaudited</u>	31 December 2012 <u>Audited</u>
Current liabilities		
Trade and other payables	6,887.7	7,713.6
Bank loans	30,351.4	32.7
Current tax liabilities	156.2	220.4
Total current liabilities	<u>37,395.3</u>	<u>7,966.7</u>
Net current (liabilities)/assets	<u>(29,434.6)</u>	<u>1,357.1</u>
Total assets less current liabilities	<u>99,297.3</u>	<u>126,883.4</u>
Non-current liabilities		
Bank loans	2,831.6	29,108.7
Pension obligations	360.1	347.5
Deferred tax liabilities	12,229.1	11,900.6
Other non-current liabilities	27.3	19.5
Total non-current liabilities	<u>15,448.1</u>	<u>41,376.3</u>
Net assets	<u>83,849.2</u>	<u>85,507.1</u>
EQUITY		
Units in issue	68,553.8	68,539.8
Reserves	(2,922.4)	(1,383.8)
Net assets attributable to unitholders	<u>65,631.4</u>	<u>67,156.0</u>
Non-controlling interests	18,217.8	18,351.1
Total equity	<u>83,849.2</u>	<u>85,507.1</u>

Cashflow Statements for the Period Ended 30 June 2013 and 30 June 2012



(HK\$'Million)	<u>1 January to 30 June 2013</u>	<u>1 January to 30 June 2012</u>
Operating activities		
Cash generated from operations	2,785.3	2,190.0
Interest and other finance costs paid	(238.5)	(240.3)
Tax paid	(290.7)	(285.1)
Net cash from operating activities	<u>2,256.1</u>	<u>1,664.6</u>
Investing activities		
Acquisition of subsidiary companies	(3,868.1)	-
Purchase of fixed assets and additions to projects under development	(392.1)	(370.2)
Proceeds on disposal of fixed assets	6.9	2.8
Dividends received from investments	53.2	2.1
Dividends received from associated companies and joint ventures	82.8	98.3
Interest received	29.9	56.0
Net cash used in investing activities	<u>(4,087.4)</u>	<u>(211.0)</u>
Financing activities		
Drawdown of bank loans	4,000.0	-
Repayment of bank loans	(16.9)	(16.3)
Upfront debt transaction costs and facilities fee of bank loans	(8.0)	-
Distributions to unitholders of HPH Trust	(2,367.9)	(2,037.9)
Dividends to non-controlling interests	(1,093.1)	(685.3)
Net cash from/(used in) financing activities	<u>514.1</u>	<u>(2,739.5)</u>
Net changes in cash and cash equivalents	<u>(1,317.2)</u>	<u>(1,285.9)</u>
Cash and cash equivalents at beginning of the period	<u>6,168.8</u>	<u>7,890.5</u>
Cash and cash equivalents at end of the period	<u><u>4,851.6</u></u>	<u><u>6,604.6</u></u>

Cashflow Statements for the Quarter Ended 30 June 2013 and 30 June 2012



(HK\$'Million)	<u>1 April to 30 June 2013</u>	<u>1 April to 30 June 2012</u>
Operating activities		
Cash generated from operations	1,259.6	783.2
Interest and other finance costs paid	(127.2)	(119.2)
Tax paid	(67.5)	(91.0)
Net cash from operating activities	<u>1,064.9</u>	<u>573.0</u>
Investing activities		
Purchase of fixed assets and additions to projects under development	(148.1)	(144.4)
Proceeds on disposal of fixed assets	2.7	2.3
Dividends received from investments	2.4	2.1
Dividends received from associated companies and joint ventures	41.0	90.9
Interest received	10.1	18.0
Net cash used in investing activities	<u>(91.9)</u>	<u>(31.1)</u>
Financing activities		
Repayment of bank loans	(15.6)	(15.1)
Net cash used in financing activities	<u>(15.6)</u>	<u>(15.1)</u>
Net changes in cash and cash equivalents	957.4	526.8
Cash and cash equivalents at beginning of the quarter	3,894.2	6,077.8
Cash and cash equivalents at end of the quarter	<u><u>4,851.6</u></u>	<u><u>6,604.6</u></u>

4 Outlook and Prospects

Outlook and Prospects

Overview



- The volume of containers handled by HPH Trust is influenced by the performance and growth of international and regional economies, in particular Europe and North America
- Despite heavy headwinds, US's economic recovery appears to move towards a firmer ground. Housing market continues to improve with new-home sales reaching a five-year high in May 2013
- Consumer confidence index increased for the third consecutive month and jumped to its highest level in over five years to 81.4 in June 2013. Job growth was stronger than expected in June 2013 with unemployment rate staying at 7.6%, close to a four-year low. Manufacturing also rebounded in June 2013 from a contraction in May 2013 as orders picked up
- The US Federal Reserve plans to slow the pace of its bond-buying stimulus later this year, reflecting its confidence in the sustainability and strength of the recovery
- On the other hand, Eurozone's economy remains soft and its unemployment rate hit a record high of 12.1% in May 2013

Outlook and Prospects (cont'd)

Overview



- Emerging countries are anticipated to continue playing a significant role in driving global growth with their increase in economic heft. Transshipment along with trade routes such as Far East, Africa, Central and South America and Oceania are expected to outperform those of the US and Europe
- China's manufacturing activities slowed down in June 2013 as new orders shrank. The official purchasing managers' index slipped from May 2013's 50.8 to 50.1 in June 2013, merely a whisker above the growth indication level of 50
- Shipping lines continue to deploy more mega-vessels, strengthen the cooperation with other carriers by expanding the coverage of the vessel sharing agreements, and centralize the containers handling at hub ports to achieve efficiency, cost containment and economies of scale
- Combining the advantages of the state-of-the-art infrastructure, natural deep-water channels, long continuous berths and scale of operations, HPH Trust is well positioned to capture more business from these shifts

Outlook and Prospects (cont'd)

Overview



- On 6 May 2013, the industrial actions at HIT came to an end after the wage increase proposal put forth by the external contractors of HIT had been accepted by their employees. Following that, HIT fully restored its port operations and shipping schedules on 14 May 2013
- To ease external contractor workers' concerns over the working conditions, a series of arrangements have been made at HIT on meal hour, shift pattern and rest room, taking into account the operation needs. Regular meetings will also be scheduled to strengthen the communication with external contractor workers
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals