



**HPH
TRUST**

Your Preferred Port-of-Call

**2013 Financial Results
Presentation for the Period Ended
30 September 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 September 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.

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1 Key Highlights

Key Highlights

- YTD September 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 4% yoy and YICT's throughput was about the same as last year
- There are some signs of improvement on the horizon for the US-bound trade, but the cargo traffic to EU remains soft. Throughput growth of YICT was mainly driven by transshipment cargoes but offset by lower empty volume. HIT's throughput drop was mainly due to weaker transshipment, intra-Asia and US/EU cargoes
- Revenue and other income was about the same as last year. NPAT and NPAT attributable to unitholders was 8% and 17% below last year respectively after payments of performance fee and acquisition related costs of ACT
- US\$3.6 billion Term Loan Facility Agreement for the refinancing of the existing facilities was signed in late September 2013

Key Highlights (cont'd)

- YTD September 2013 normalised NPAT and NPAT attributable to unitholders, without performance fee and ACT's acquisition related costs, was 5% and 13% below last year respectively as shown below :

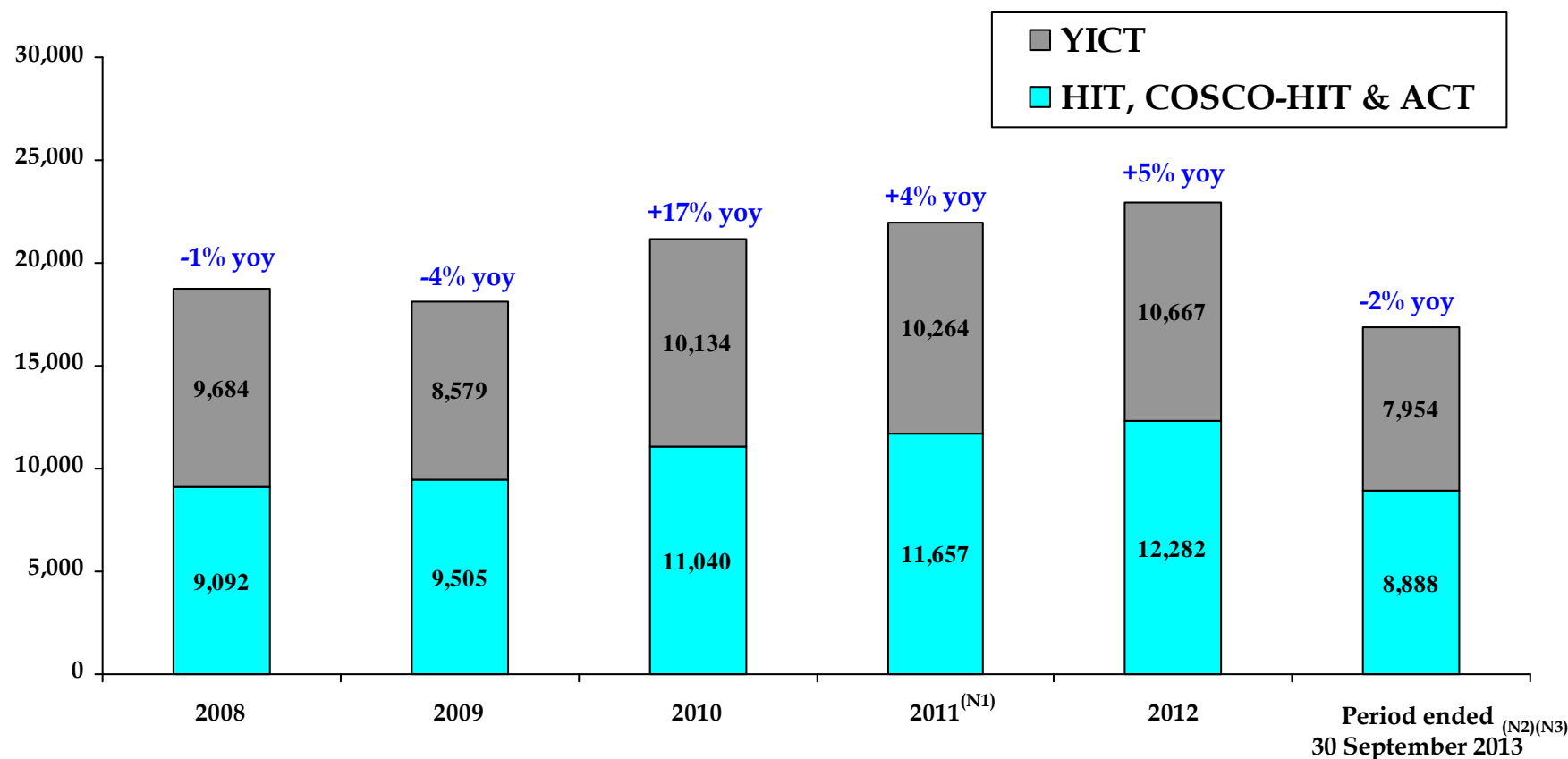
(HK\$'Million)		<u>NPAT</u>	<u>NPAT attributable to unitholders</u>
Profit for the period ended September 2013		2,357.6	1,340.0
Add back:			
Performance fee		14.0	14.0
ACT's acquisition related costs		45.7	45.7
Normalised profit	(a)	2,417.3	1,399.7
Profit for the period ended September 2012	(b)	2,553.4	1,606.2
Normalised yoy %	(a)/(b)	(5%)	(13%)

- The normalised NPAT was 5% below last year due to higher profit from YICT but partially offset by lower profit in HIT. Normalised NPAT attributable to unitholders was 13% 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 September 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

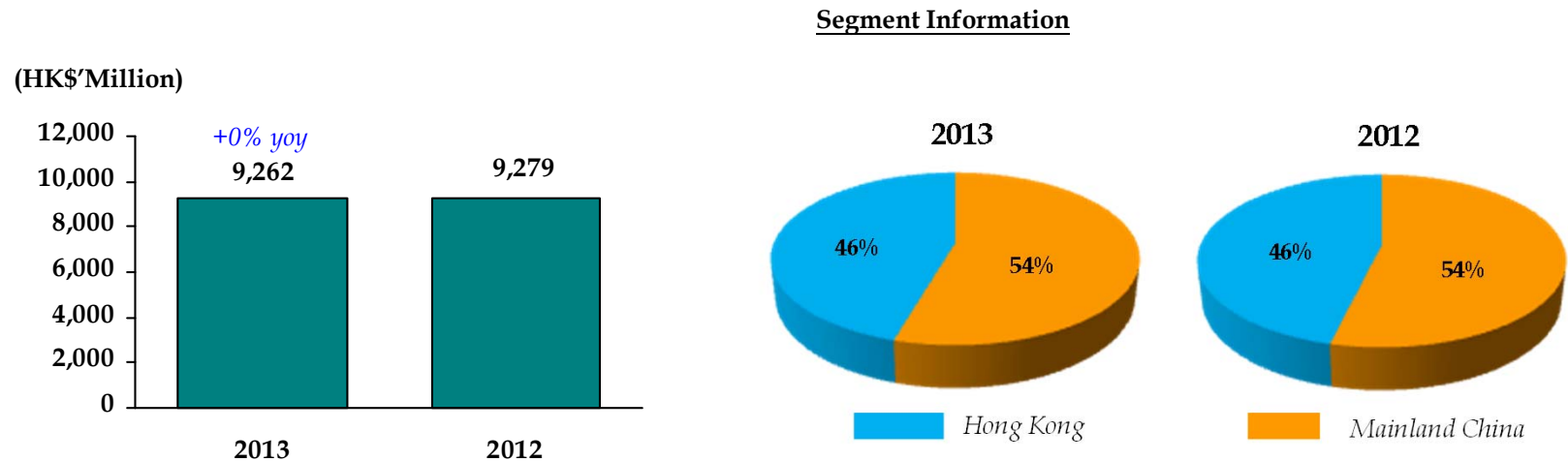
N3 The yoy percentage is compared to the same period in 2012

3 Key Financial Performance

Key Financial Performance

Revenue and other income

For the period ended 30 September 2013

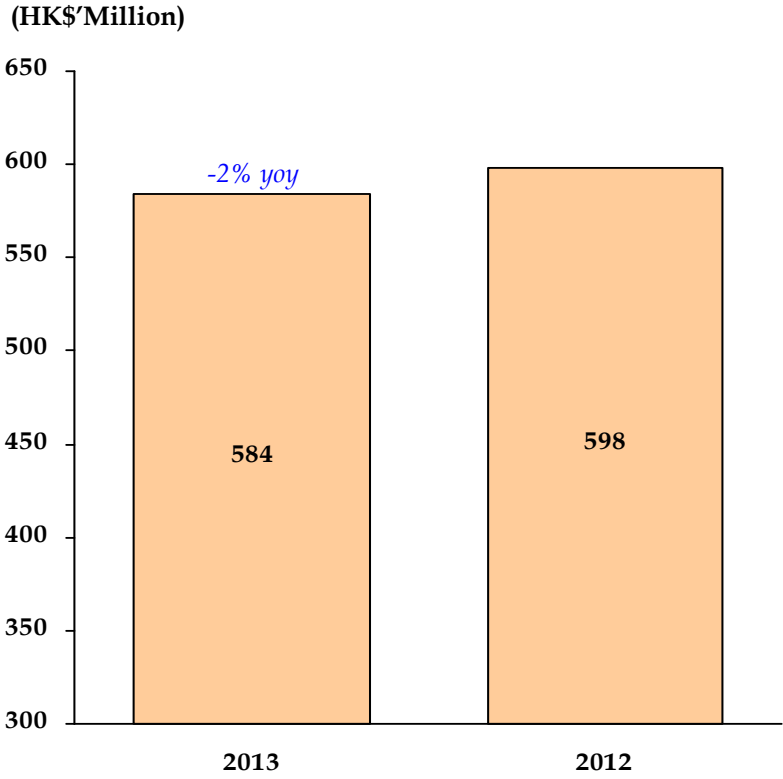


Key Financial Performance



Total Capex

For the period ended 30 September 2013



Key Financial Performance

Financial Position



At 30 September 2013
HK\$'Million

Short Term Debt	\$30,432.8
Long Term Debt	\$2,831.6
Total Consolidated Debt	\$33,264.4
Total Consolidated Cash	\$3,749.8

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



(HK\$'Million)	1 January to 30 September		
	2013 <u>Actual</u> ^(N1)	2012 <u>Actual</u> ^(N2)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	9,262.4	9,279.2	-
Cost of services rendered	(3,310.1)	(3,238.9)	(2%)
Staff costs	(217.0)	(204.5)	(6%)
Depreciation and amortisation	(2,138.0)	(2,067.7)	(3%)
Other operating income	63.2	22.4	182%
Other operating expenses	(677.1)	(632.7)	(7%)
Total operating expenses	(6,279.0)	(6,121.4)	(3%)
Operating profit	2,983.4	3,157.8	(6%)
Interest and other finance costs	(462.9)	(450.6)	(3%)
Share of profits/(losses) after tax of Associated Cos/JV	102.9	133.6	(23%)
Profit before tax	2,623.4	2,840.8	(8%)
Taxation	(265.8)	(287.4)	8%
Profit after tax	2,357.6	2,553.4	(8%)
Profit after tax attributable to non-controlling interests	(1,017.6)	(947.2)	7%
Profit after tax attributable to unitholders of HPH Trust	1,340.0	1,606.2	(17%)

N1 The figures for the financial period ended 30 September 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 September 2013 against Last Year



(HK\$'Million)	1 July to 30 September		
	2013 <u>Actual</u>	2012 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	3,363.8	3,329.8	1%
Cost of services rendered	(1,200.1)	(1,164.1)	(3%)
Staff costs	(72.6)	(68.8)	(6%)
Depreciation and amortisation	(719.7)	(694.4)	(4%)
Other operating income	31.3	9.3	237%
Other operating expenses	(207.9)	(222.7)	7%
Total operating expenses	(2,169.0)	(2,140.7)	(1%)
Operating profit	1,194.8	1,189.1	-
Interest and other finance costs	(157.2)	(149.9)	(5%)
Share of profits/(losses) after tax of Associated Cos/JV	31.3	46.6	(33%)
Profit before tax	1,068.9	1,085.8	(2%)
Taxation	(102.6)	(97.4)	(5%)
Profit after tax	966.3	988.4	(2%)
Profit after tax attributable to non-controlling interests	(427.1)	(399.5)	7%
Profit after tax attributable to unitholders of HPH Trust	539.2	588.9	(8%)

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 September 2013 and 31 December 2012



(HK\$Million)	30 September 2013 <u>Unaudited</u>	31 December 2012 <u>Audited</u>
ASSETS		
Non-Current assets		
Fixed assets	28,265.9	26,247.9
Projects under development	1,370.2	1,315.4
Leasehold land and land use rights	44,901.2	44,958.9
Railway usage rights	16.0	16.0
Customer relationships	7,590.6	7,841.2
Goodwill	42,500.4	41,629.0
Associated companies	157.0	139.7
Joint ventures	2,555.0	2,548.8
Investments	830.4	820.4
Deferred tax asset	9.0	9.0
Total non-current assets	<u>128,195.7</u>	<u>125,526.3</u>
Current assets		
Cash and cash equivalents	3,749.8	6,168.8
Trade and other receivables	3,121.5	3,022.6
Inventories	162.0	132.4
Total current assets	<u>7,033.3</u>	<u>9,323.8</u>

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



(HK\$'Million)	30 September 2013 <u>Unaudited</u>	31 December 2012 <u>Audited</u>
Current liabilities		
Trade and other payables	6,029.2	7,713.6
Bank loans	30,384.1	32.7
Current tax liabilities	219.1	220.4
Total current liabilities	<u>36,632.4</u>	<u>7,966.7</u>
Net current (liabilities)/assets	<u>(29,599.1)</u>	<u>1,357.1</u>
Total assets less current liabilities	<u>98,596.6</u>	<u>126,883.4</u>
Non-current liabilities		
Bank loans	2,831.4	29,108.7
Pension obligations	366.7	347.5
Deferred tax liabilities	12,196.4	11,900.6
Other non-current liabilities	20.8	19.5
Total non-current liabilities	<u>15,415.3</u>	<u>41,376.3</u>
Net assets	<u>83,181.3</u>	<u>85,507.1</u>
EQUITY		
Units in issue	68,553.8	68,539.8
Reserves	(3,996.4)	(1,383.8)
Net assets attributable to unitholders	<u>64,557.4</u>	<u>67,156.0</u>
Non-controlling interests	18,623.9	18,351.1
Total equity	<u>83,181.3</u>	<u>85,507.1</u>

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



(HK\$'Million)	<u>1 January to 30 September 2013</u>	<u>1 January to 30 September 2012</u>
Operating activities		
Cash generated from operations	4,498.5	4,060.7
Interest and other finance costs paid	(365.3)	(358.8)
Tax paid	(434.7)	(434.9)
Net cash from operating activities	<u>3,698.5</u>	<u>3,267.0</u>
Investing activities		
Acquisition of subsidiary companies	(3,868.1)	-
Purchase of fixed assets and additions to projects under development	(584.2)	(598.1)
Proceeds on disposal of fixed assets and investment	8.8	3.2
Dividends received from investments	54.5	11.0
Dividends received from associated companies and joint ventures	82.8	142.3
Interest received	46.8	80.0
Net cash used in investing activities	<u>(4,259.4)</u>	<u>(361.6)</u>
Financing activities		
Drawdown of bank loans	4,000.0	-
Repayment of bank loans	(18.2)	(17.5)
Upfront debt transaction costs and facilities fee of bank loans	(8.0)	-
Distributions to unitholders of HPH Trust	(3,996.9)	(4,132.4)
Dividends to non-controlling interests	(1,835.0)	(1,550.4)
Net cash used in financing activities	<u>(1,858.1)</u>	<u>(5,700.3)</u>
Net changes in cash and cash equivalents	<u>(2,419.0)</u>	<u>(2,794.9)</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>3,749.8</u></u>	<u><u>5,095.6</u></u>

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



(HK\$'Million)	<u>1 July to 30 September 2013</u>	<u>1 July to 30 September 2012</u>
Operating activities		
Cash generated from operations	1,713.2	1,870.7
Interest and other finance costs paid	(126.8)	(118.5)
Tax paid	(144.0)	(149.8)
Net cash from operating activities	<u>1,442.4</u>	<u>1,602.4</u>
Investing activities		
Purchase of fixed assets and additions to projects under development	(192.1)	(227.9)
Proceeds on disposal of fixed assets and investment	1.9	0.4
Dividends received from investments	1.3	8.9
Dividends received from associated companies and joint ventures	-	44.0
Interest received	16.9	24.0
Net cash used in investing activities	<u>(172.0)</u>	<u>(150.6)</u>
Financing activities		
Repayment of bank loans	(1.3)	(1.2)
Distributions to unitholders of HPH Trust	(1,629.0)	(2,094.5)
Dividends to non-controlling interests	(741.9)	(865.1)
Net cash used in financing activities	<u>(2,372.2)</u>	<u>(2,960.8)</u>
Net changes in cash and cash equivalents	<u>(1,101.8)</u>	<u>(1,509.0)</u>
Cash and cash equivalents at beginning of the quarter	4,851.6	6,604.6
Cash and cash equivalents at end of the quarter	<u>3,749.8</u>	<u>5,095.6</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
- The US economy expanded at a faster pace in the second quarter of 2013 with GDP rose at a respectable 2.5% annualised rate. The labour market continues to improve with unemployment rate dropped to a four-year low of 7.3% in August 2013
- The growth momentum seems to slow down in the third quarter as US consumer sentiment slipped in September 2013 to its lowest level in five months. However, the outlook for the US economy remains positive
- Eurozone's economy returned to growth in the second quarter of 2013 after an 18-month contraction. The purchasing managers' index dipped from August 2013's 26-month high of 51.4 to 51.1 in September 2013, but still above the growth indication level of 50. Although there are indications of bottoming out, the austerity measures and high unemployment rate will continue to pose a drag on its nascent recovery
- There are some signs of improvement on the horizon for the US-bound trade, but the cargo traffic to Europe remains soft. 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

Outlook and Prospects (cont'd)

Overview



- While China's manufacturing activities grew at a slower pace, it was still a positive development. The HSBC Purchasing Managers' Index™ rose to September 2013's five-month high of 50.2 from 50.1 in August 2013. New export orders also increased for the first time in six months
- To reinvigorate growth, the Chinese government has announced a series of policies, including the acceleration of infrastructure investment in railway and public housing construction, and lowering taxes for small-sized enterprises
- 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 container handling at hub ports to achieve efficiency, cost containment and economies of scale. HPH Trust's terminals are well-positioned to capture more business from these shifts given the advantages of the state-of-the-art infrastructure, natural deep-water channels, long continuous berths and scale of operations
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals