



Your Preferred Port-of-Call

**2015 Financial Results
Presentation for the Period Ended
30 June 2015**

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 2015 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

- HPH Trust continues to increase its market share and achieved strong second quarter results as management focused primarily on tariffs and costs improvements
- Despite weak market outlook, overall first half results of HPH Trust improved from its first quarter. Management remains cautious on the volume outlook for the remainder of the year given the depressed EU market and will continue to focus on improvements to tariffs and costs
- YTD June 2015 throughput of HPH Trust's deep-water ports was 2% above last year. YICT's throughput grew by 7% yoy. Combined throughput of HIT, COSCO-HIT and ACT dropped by 2% yoy
- Outbound cargoes to the US showed an upward trend while the decline in EU has been more severe than originally anticipated. Throughput growth of YICT was mainly driven by US, transshipment and empty cargoes but offset by EU decline. HIT's throughput drop was mainly due to weaker vessel-to-vessel transshipment cargoes

Key Highlights

- Revenue and other income was HK\$6,076.4 million, representing HK\$68.0 million or 1% above last year. Without the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT in 2014 (“ACT gain”), YTD June 2015 NPAT was HK\$1,235.5 million, representing HK\$80.5 million or 7% above last year. NPAT attributable to unitholders was HK\$685.7 million or was about the same as last year
- With ACT gain, YTD June 2015 NPAT was 12% below last year and NPAT attributable to unitholders was 26% below last year
- 2015 interim Distribution Per Unit is 15.7 HK cents

2 Outlook and Prospects

Outlook and Prospects



Overview

- The volume of containers handled by HPH Trust is affected materially by the economic performance of the USA and Europe
- In the second quarter the US economy resumed growth after a weak first quarter and further growth is anticipated in the second half of the year. The first half improvement in outbound cargoes to the US is expected to continue for the remainder of the year
- Europe's economic difficulties depressed outbound cargoes in the first half of the year and volumes are expected to remain weak in the second half as Europe struggles to resume economic growth
- HPH Trust's performance is also dependent on the outcomes of structural changes occurring in the container shipping industry. To gain economies of scale, improve efficiency and strengthen overall competitiveness, leading container shipping companies continue to add mega-vessels to their fleets, form alliances and expand vessel-sharing schemes. HPH Trust's natural deep water channels and significant mega-vessel handling capabilities positions it to be the preferred port of call for mega vessels

Outlook and Prospects

Overview

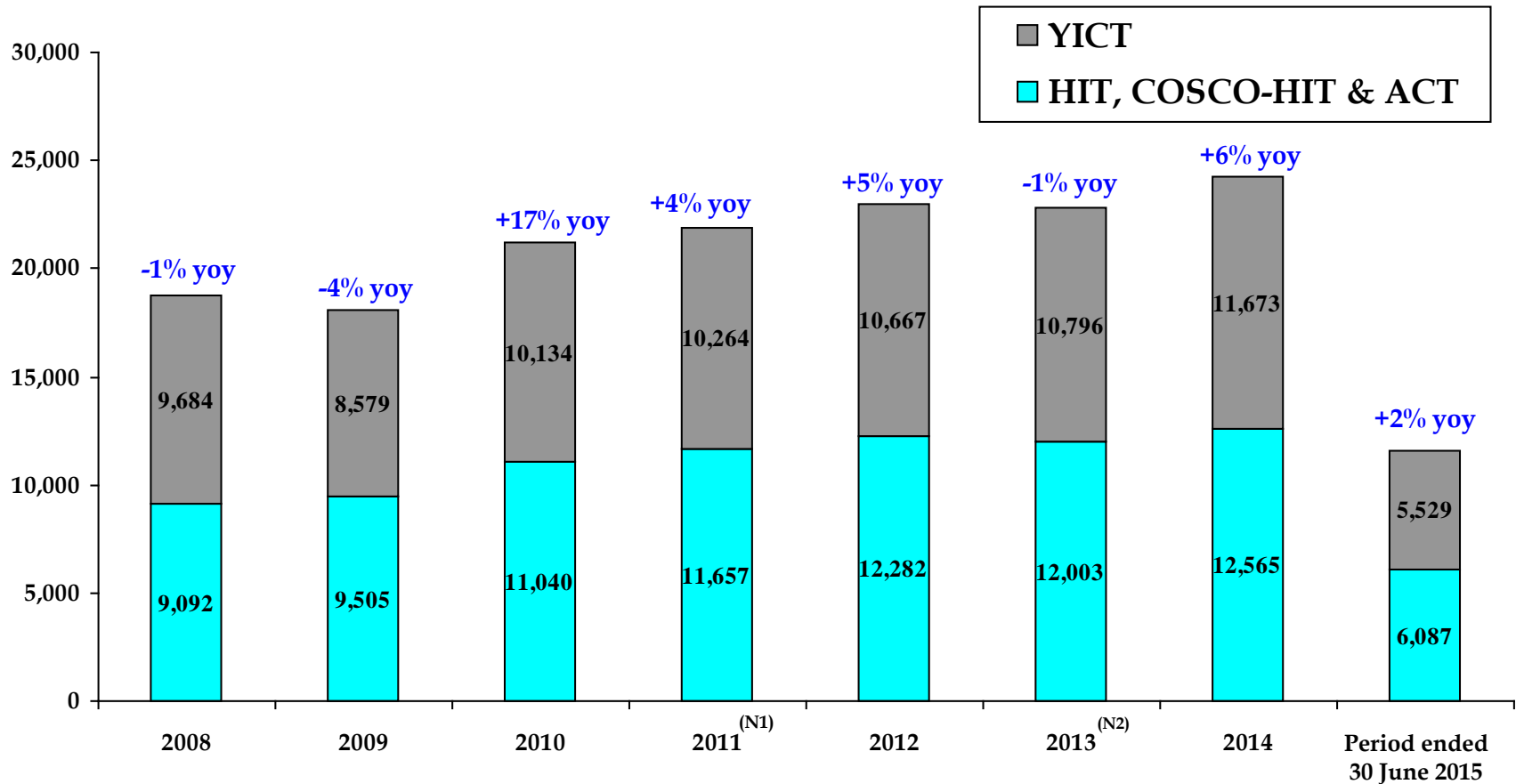


- HPH Trust's second quarter results were encouraging but given the depressed EU market, management remains cautious on the volume outlook for the remainder of the year and will continue to focus on improvements to tariffs and costs
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals

3 Business Review for the Period Ended 30 June 2015

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

4 Key Financial Performance

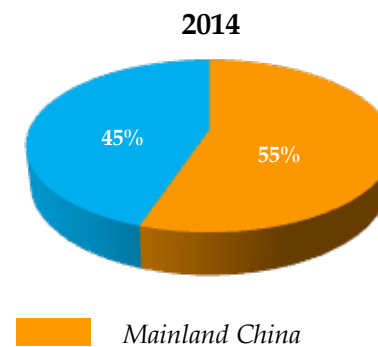
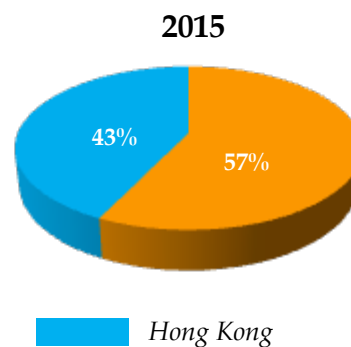
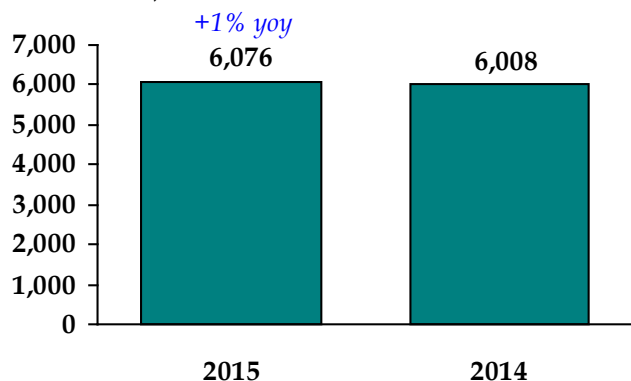
Key Financial Performance

Revenue and other income

For the period ended 30 June 2015

Segment Information

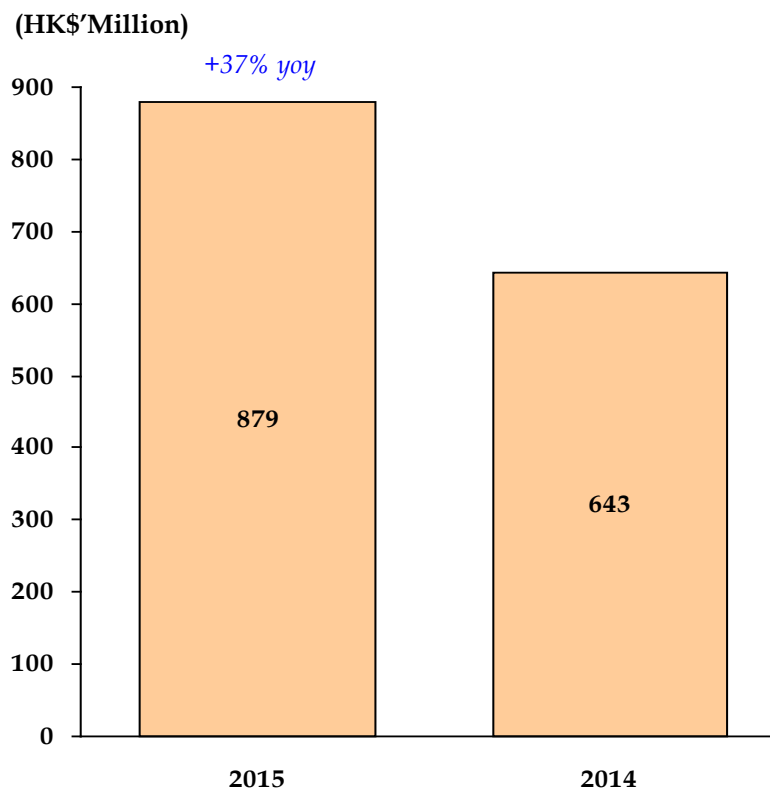
(HK\$ Million)



Key Financial Performance

Total Capex

For the period ended 30 June 2015



Key Financial Performance

Financial Position



At 30 June 2015
HK\$'Million

Short Term Debt	\$392.7
Long Term Debt	\$32,905.4
Total Consolidated Debt	\$33,298.1
Total Consolidated Cash	\$7,294.6

Key Financial Performance

Distribution



**For the period from
1 January 2015 to
30 June 2015**

Distribution Amount	HK\$1,367.6 million
Distribution Per Unit	15.70 HK cents
Ex-distribution date	28 July 2015
Books closure date	5:00p.m. 30 July 2015
Payment of distribution	18 September 2015

Unaudited Financial Results of HPH Trust for the Period Ended 30 June 2015 against Last Year



(HK\$ Million)	1 January to 30 June		
	2015 <u>Actual</u>	2014 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	6,076.4	6,008.4	1%
Cost of services rendered	(2,314.5)	(2,328.1)	1%
Staff costs	(156.2)	(152.1)	(3%)
Depreciation and amortisation	(1,397.3)	(1,402.4)	-
Other operating income	20.3	7.8	160%
Other operating expenses	(400.4)	(481.4)	17%
Total operating expenses	(4,248.1)	(4,356.2)	2%
Operating profit	1,828.3	1,652.2	11%
Interest and other finance costs	(314.5)	(281.7)	(12%)
Share of profits/(losses) after tax of Associated Cos/JVs	73.0	72.3	1%
Profit before tax	1,586.8	1,442.8	10%
Taxation	(351.3)	(287.8)	(22%)
Profit after tax before net gain from the disposal of ACT (a)	1,235.5	1,155.0	7%
Net gain from the disposal of ACT	-	243.8	(100%)
Profit after tax (b)	1,235.5	1,398.8	(12%)
Profit after tax attributable to non-controlling interests (c)	(549.8)	(471.5)	17%
Profit after tax attributable to unitholders of HPH Trust before net gain from the disposal of ACT (a) - (c)	685.7	683.5	-
Profit after tax attributable to unitholders of HPH Trust after net gain from the disposal of ACT (b) - (c)	685.7	927.3	(26%)

N1 On 13 March 2014, HPH Trust entered into a strategic partnership with COSCO Pacific Limited and China Shipping Terminal Development (Hong Kong) Company Limited through their investment of 40% and 20% respectively, of effective equity and loan interests in ACT. Subsequent to the transaction, ACT has changed from being a wholly-owned subsidiary to a joint venture with 40% effective interest held by HPH Trust. Accordingly, its results are reported under "Share of profits/(losses) after tax of Associated Cos/JVs", instead of being consolidated into each line item of HPH Trust's consolidated income statement as previously recorded

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 2015 against Last Year



(HK\$'Million)	1 April to 30 June		
	2015 <u>Actual</u>	2014 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
Revenue and other income	3,127.9	3,063.9	2%
Cost of services rendered	(1,157.1)	(1,211.2)	4%
Staff costs	(75.8)	(76.7)	1%
Depreciation and amortisation	(698.6)	(691.9)	(1%)
Other operating income	11.4	5.9	93%
Other operating expenses	(203.0)	(215.6)	6%
Total operating expenses	(2,123.1)	(2,189.5)	3%
Operating profit	1,004.8	874.4	15%
Interest and other finance costs	(159.4)	(148.0)	(8%)
Share of profits/(losses) after tax of Associated Cos/JVs	41.8	40.9	2%
Profit before tax	887.2	767.3	16%
Taxation	(192.2)	(129.9)	(48%)
Profit after tax	695.0	637.4	9%
Profit after tax attributable to non-controlling interests	(295.1)	(269.0)	10%
Profit after tax attributable to unitholders of HPH Trust	399.9	368.4	9%

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 2015 and 31 December 2014



(HK\$'Million)	30 June 2015 <u>Unaudited</u>	31 December 2014 <u>Audited</u>
ASSETS		
Non-Current assets		
Fixed assets	24,820.0	25,040.0
Projects under development	2,199.0	2,332.0
Leasehold land and land use rights	41,920.5	42,554.8
Railway usage rights	14.7	15.0
Customer relationships	7,005.7	7,172.8
Goodwill	22,629.0	22,629.0
Associated companies	164.2	154.4
Joint ventures	4,150.5	4,150.3
Investments	798.4	798.4
Deferred tax asset	14.5	12.9
Total non-current assets	103,716.5	104,859.6
Current assets		
Cash and cash equivalents	7,294.6	7,798.8
Trade and other receivables	3,855.2	3,318.2
Inventories	134.1	133.8
Total current assets	11,283.9	11,250.8

Statements of Financial Position as at 30 June 2015 and 31 December 2014 (cont'd)



(HK\$ Million)	30 June 2015 <u>Unaudited</u>	31 December 2014 <u>Audited</u>
Current liabilities		
Trade and other payables	7,966.7	6,941.0
Bank and other debts	392.7	8,190.2
Current tax liabilities	260.1	487.1
Total current liabilities	<u>8,619.5</u>	<u>15,618.3</u>
Net current asset/(liabilities)	<u>2,664.4</u>	<u>(4,367.5)</u>
Total assets less current liabilities	<u>106,380.9</u>	<u>100,492.1</u>
Non-current liabilities		
Bank and other debts	32,713.5	25,491.2
Pension obligations	151.6	144.1
Deferred tax liabilities	11,285.4	11,442.9
Other non-current liabilities	68.2	19.7
Total non-current liabilities	<u>44,218.7</u>	<u>37,097.9</u>
Net assets	<u>62,162.2</u>	<u>63,394.2</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(25,490.9)	(24,237.4)
Net assets attributable to unitholders of HPH Trust	<u>43,062.9</u>	<u>44,316.4</u>
Non-controlling interests	19,099.3	19,077.8
Total equity	<u>62,162.2</u>	<u>63,394.2</u>

Statements of Cash Flows for the Period Ended 30 June 2015 and 30 June 2014



(HK\$'Million)	<u>1 January to 30 June 2015</u>	<u>1 January to 30 June 2014</u>
Operating activities		
Cash generated from operations	3,284.1	2,901.8
Interest and other finance costs paid	(262.5)	(232.9)
Tax paid	(648.3)	(401.3)
Net cash from operating activities	<u>2,373.3</u>	<u>2,267.6</u>
Investing activities		
Purchase of fixed assets and additions to projects under development	(879.0)	(643.0)
Proceeds on disposal of fixed assets	8.6	0.3
Dividends received from investments	34.4	2.1
Dividends received from associated companies and joint ventures	62.0	64.0
Interest received	44.9	47.2
Proceeds on disposal of subsidiary companies	-	2,411.3
Net cash (used in)/from investing activities	<u>(729.1)</u>	<u>1,881.9</u>
Financing activities		
New borrowings	14,013.3	-
Repayment of borrowings	(14,496.4)	(36.3)
Upfront debt transaction costs and facilities fees of borrowings	(69.0)	-
Capital contribution from non-controlling interests	345.3	-
Repayment of loan by a joint venture	1.0	1.0
Distributions to unitholders of HPH Trust	(1,942.6)	(1,942.6)
Net cash used in financing activities	<u>(2,148.4)</u>	<u>(1,977.9)</u>
Net changes in cash and cash equivalents	(504.2)	2,171.6
Cash and cash equivalents at beginning of the quarter	7,798.8	5,818.7
Cash and cash equivalents at end of the quarter	<u>7,294.6</u>	<u>7,990.3</u>

Statements of Cash Flows for the Quarter Ended 30 June 2015 and 30 June 2014



(HK\$'Million)	<u>1 April to 30 June 2015</u>	<u>1 April to 30 June 2014</u>
Operating activities		
Cash generated from operations	1,422.5	1,229.9
Interest and other finance costs paid	(128.3)	(117.7)
Tax paid	(150.4)	(176.2)
Net cash from operating activities	<u>1,143.8</u>	<u>936.0</u>
Investing activities		
Purchase of fixed assets and additions to projects under development	(322.3)	(332.2)
Proceeds on disposal of fixed assets and investment	8.0	-
Dividends received from investments	2.9	2.1
Dividends received from associated companies and joint ventures	31.0	32.0
Interest received	25.0	27.9
Net cash used in investing activities	<u>(255.4)</u>	<u>(270.2)</u>
Financing activities		
Drawdown of bank loans	6,240.0	-
Repayment of bank loans	(6,695.2)	(35.0)
Upfront debt transaction costs and facilities fees of borrowings	(35.1)	-
Repayment of loan by a joint venture	1.0	1.0
Net cash used in financing activities	<u>(489.3)</u>	<u>(34.0)</u>
Net changes in cash and cash equivalents	399.1	631.8
Cash and cash equivalents at beginning of the quarter	6,895.5	7,358.5
Cash and cash equivalents at end of the quarter	<u>7,294.6</u>	<u>7,990.3</u>