



**HPH
TRUST**

Your Preferred Port-of-Call

**2015 Financial Results
Presentation for the Quarter Ended
31 March 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 quarter ended 31 March 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

- YTD March 2015 throughput of HPH Trust's deep-water ports was 4% above last year. YICT's throughput grew by 10% yoy. Combined throughput of HIT, COSCO-HIT and ACT dropped by 1% yoy
- Outbound cargoes to the US showed an upward trend while that to the EU remained weak. Throughput growth of YICT was mainly driven by US, transshipment and empty cargoes. HIT's throughput was about the same as last year
- Revenue and other income was about the same as last year. NPAT was HK\$540.5 million, representing HK\$220.9 million or 29% below last year. NPAT attributable to unitholders was HK\$285.8 million, representing HK\$273.1 million or 49% below last year
- Without the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT in 2014, YTD March 2015 NPAT was 4% above last year due to higher profits from YICT but was partially offset by lower profits in HIT. NPAT attributable to unitholders was 9% below last year as HPH Trust has 100% interests in HIT but only has 52% to 56% interests in YICT

2 Outlook and Prospects

Outlook and Prospects

Overview



- Growth in the US and Europe is a major factor in determining the total volume of containers handled by HPH Trust
- US economic activities softened in the first quarter of 2015, possibly due to a combination of a harsh winter and a labour dispute at West Coast ports. The unemployment rate fell to a more than six-and-a-half-year low of 5.5% in March 2015, but the job gains marked the smallest increase since December 2013. Despite this, the fundamentals of US economy remain strong and it is expected that the economic activities will be picking up in the second quarter of 2015
- The Eurozone's economy showed signs of recovery in early 2015. However, a high unemployment rate and fragile consumer sentiment continue putting a drag on its recovery
- Outbound cargoes to the US continue to display an upward trend, while the outbound cargoes to the EU remain weak. Cargo volume for transshipment and the niche trade routes of Far East, Africa, Central and South America and Oceania is projected to increase moderately

Outlook and Prospects (cont'd)

Overview

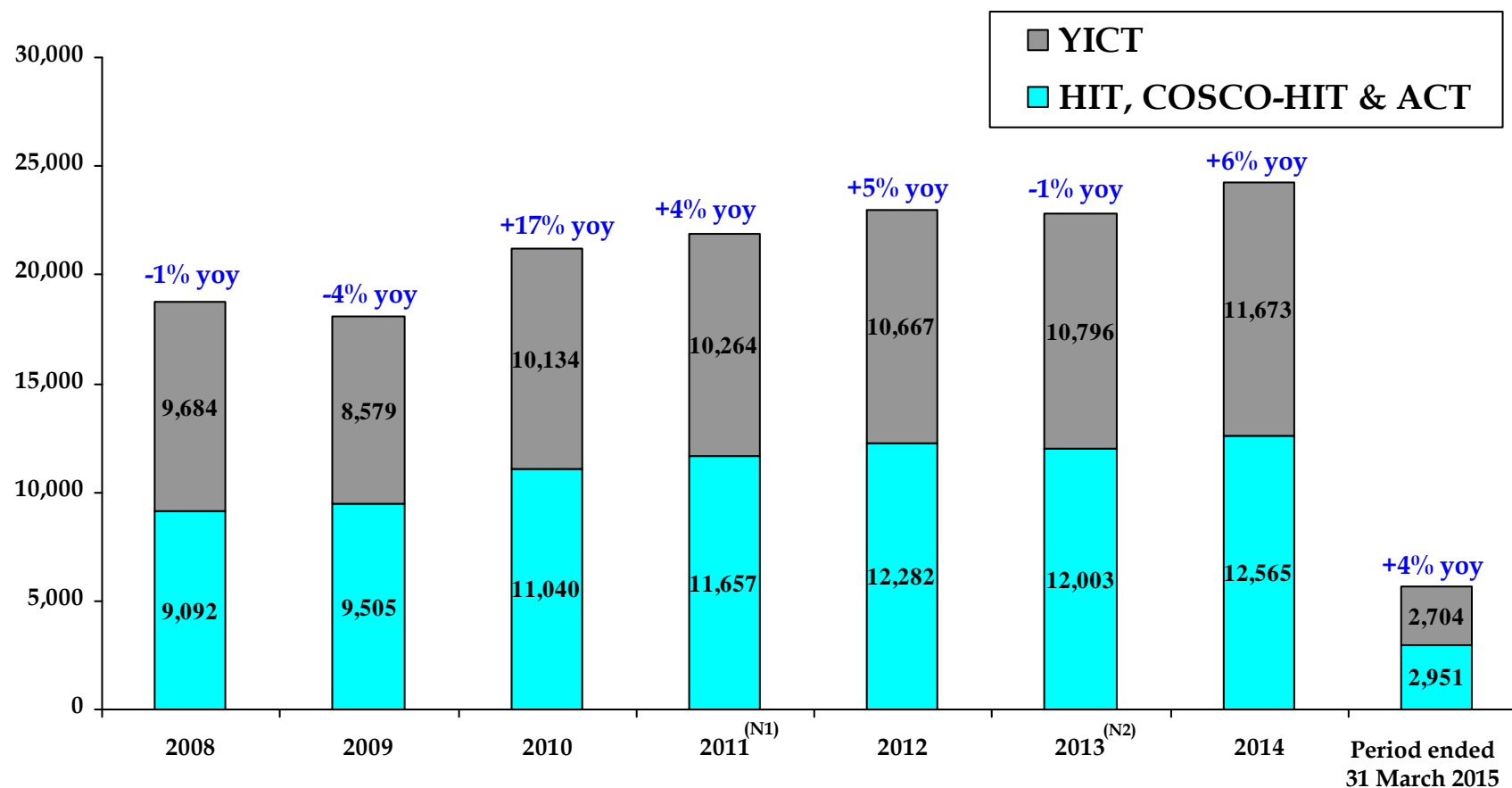


- Despite the interest rate cuts by the Chinese government since November 2014 to boost the economy, the growth momentum for China's economy remains weak. The HSBC China Manufacturing Purchasing Managers' Index™ slipped from 50.7 in February 2015 to 49.6 in March 2015 which was below the growth indication level of 50.0, as domestic and foreign demand remains subdued amid weaker market conditions. Nevertheless, as an additional support measure, Chinese government lowered the reserve requirement ratio for all banks in April 2015 to stimulate growth
- Leading liners continue to build up their mega-vessel fleet, form carrier alliances and expand the coverage of vessel-sharing schemes in order to promote economies of scale, enhance efficiency and strengthen their overall competitiveness. Capitalising on this trend and with its well-built infrastructures and natural deep-water channels, HPH Trust reinforces its position as the terminal-of-choice for mega-vessels calling at the Pearl River Delta. HPH Trust further demonstrated its unparalleled mega-vessel handling capabilities by receiving the 19,224 TEU *MSC Oscar* in February 2015, the world's largest container vessel to-date
- 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 Quarter Ended 31 March 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

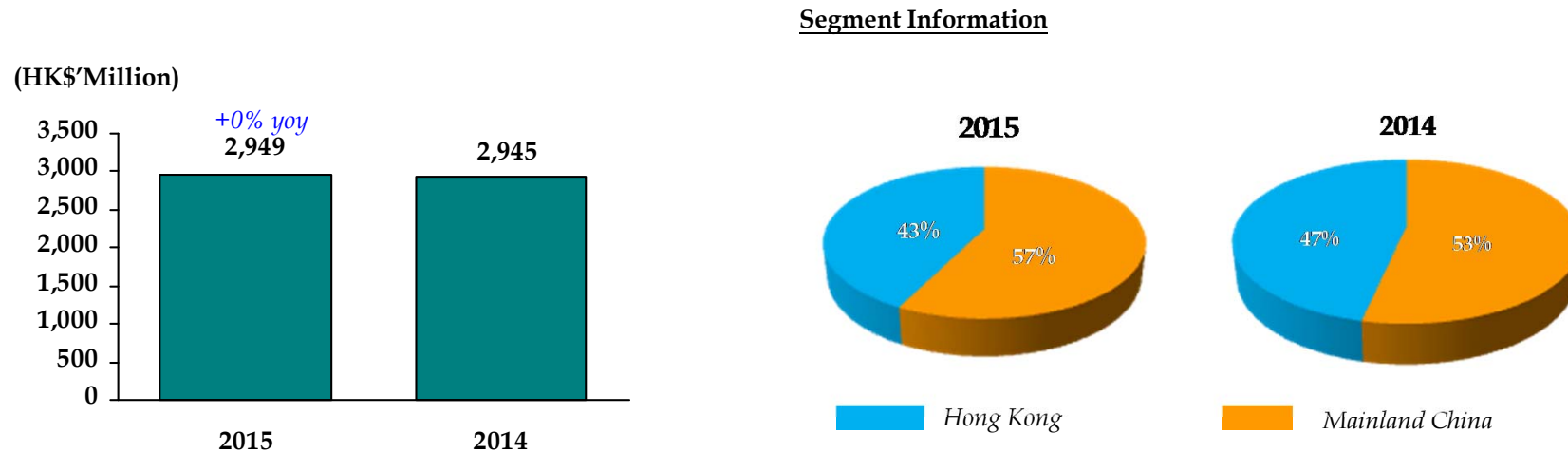
N2 Includes throughput volume of ACT from 7 March 2013, the date of acquisition

4 Key Financial Performance

Key Financial Performance

Revenue and other income

For the quarter ended 31 March 2015

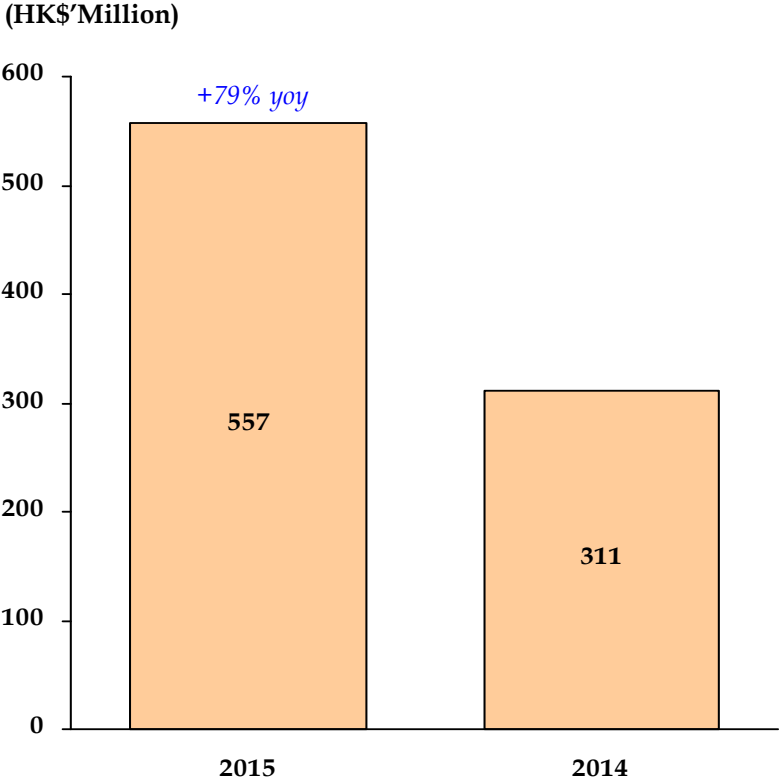


Key Financial Performance



Total Capex

For the quarter ended 31 March 2015



Key Financial Performance

Financial Position



At 31 March 2015
HK\$ Million

Short Term Debt	\$393.9
Long Term Debt	\$33,359.2
Total Consolidated Debt	\$33,753.1
Total Consolidated Cash	\$6,895.5

Unaudited Financial Results of HPH Trust for the Quarter Ended 31 March 2015 against Last Year



(HK\$'Million)	1 January to 31 March		
	2015 <u>Actual</u>	2014 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	2,948.5	2,944.5	-
Cost of services rendered	(1,157.4)	(1,116.9)	(4%)
Staff costs	(80.4)	(75.4)	(7%)
Depreciation and amortisation	(698.7)	(710.5)	2%
Other operating income	8.9	1.9	368%
Other operating expenses	(197.4)	(265.8)	26%
Total operating expenses	(2,125.0)	(2,166.7)	2%
Operating profit	823.5	777.8	6%
Interest and other finance costs	(155.1)	(133.7)	(16%)
Share of profits/(losses) after tax of Associated Cos/JVs	31.2	31.4	(1%)
Profit before tax	699.6	675.5	4%
Taxation	(159.1)	(157.9)	(1%)
Profit after tax before net gain from the disposal of ACT (a)	540.5	517.6	4%
Net gain from the disposal of ACT	-	243.8	(100%)
Profit after tax (b)	540.5	761.4	(29%)
Profit after tax attributable to non-controlling interests (c)	(254.7)	(202.5)	26%
Profit after tax attributable to unitholders of HPH Trust			
before net gain from the disposal of ACT (a) - (c)	285.8	315.1	(9%)
Profit after tax attributable to unitholders of HPH Trust			
after net gain from the disposal of ACT (b) - (c)	285.8	558.9	(49%)

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

Statements of Financial Position as at 31 March 2015 and 31 December 2014



(HK\$'Million)	31 March 2015 <u>Unaudited</u>	31 December 2014 <u>Audited</u>
ASSETS		
Non-Current assets		
Fixed assets	24,819.9	25,040.0
Projects under development	2,308.2	2,332.0
Leasehold land and land use rights	42,238.4	42,554.8
Railway usage rights	14.9	15.0
Customer relationships	7,089.3	7,172.8
Goodwill	22,629.0	22,629.0
Associated companies	159.9	154.4
Joint ventures	4,145.0	4,150.3
Investments	798.4	798.4
Deferred tax asset	13.0	12.9
Total non-current assets	104,216.0	104,859.6
Current assets		
Cash and cash equivalents	6,895.5	7,798.8
Trade and other receivables	3,405.9	3,318.2
Inventories	133.9	133.8
Total current assets	10,435.3	11,250.8

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



(HK\$'Million)	31 March 2015 <u>Unaudited</u>	31 December 2014 <u>Audited</u>
Current liabilities		
Trade and other payables	7,793.1	6,941.0
Bank and other debts	393.9	8,190.2
Current tax liabilities	274.4	487.1
Total current liabilities	<u>8,461.4</u>	<u>15,618.3</u>
Net current asset/(liabilities)	<u>1,973.9</u>	<u>(4,367.5)</u>
Total assets less current liabilities	<u>106,189.9</u>	<u>100,492.1</u>
Non-current liabilities		
Bank and other debts	33,238.7	25,491.2
Pension obligations	147.9	144.1
Deferred tax liabilities	11,316.9	11,442.9
Other non-current liabilities	19.3	19.7
Total non-current liabilities	<u>44,722.8</u>	<u>37,097.9</u>
Net assets	<u>61,467.1</u>	<u>63,394.2</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(25,891.1)	(24,237.4)
Net assets attributable to unitholders of HPH Trust	<u>42,662.7</u>	<u>44,316.4</u>
Non-controlling interests	18,804.4	19,077.8
Total equity	<u>61,467.1</u>	<u>63,394.2</u>

Statements of Cash Flows for the Quarter Ended 31 March 2015 and 31 March 2014



(HK\$'Million)	<u>1 January to 31 March 2015</u>	<u>1 January to 31 March 2014</u>
Operating activities		
Cash generated from operations	1,861.6	1,671.9
Interest and other finance costs paid	(134.2)	(115.2)
Tax paid	(497.9)	(225.1)
Net cash from operating activities	<u>1,229.5</u>	<u>1,331.6</u>
Investing activities		
Purchase of fixed assets and additions to projects under development	(556.7)	(310.8)
Proceeds on disposal of fixed assets	0.6	0.3
Dividends received from investments	31.5	-
Dividends received from associated companies and joint ventures	31.0	32.0
Interest received	19.9	19.3
Proceeds on disposal of subsidiary companies	-	2,411.3
Net cash (used in)/from investing activities	<u>(473.7)</u>	<u>2,152.1</u>
Financing activities		
New borrowings	7,773.3	-
Repayment of borrowings	(7,801.3)	(1.3)
Upfront debt transaction costs and facilities fees of borrowings	(33.8)	-
Capital contribution from non-controlling interests	345.3	-
Distributions to unitholders of HPH Trust	(1,942.6)	(1,942.6)
Net cash used in financing activities	<u>(1,659.1)</u>	<u>(1,943.9)</u>
Net changes in cash and cash equivalents	(903.3)	1,539.8
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>6,895.5</u>	<u>7,358.5</u>