



**HPH
TRUST**

Your Preferred Port-of-Call

**2014 Financial Results
Presentation for the Quarter Ended
31 March 2014**

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 2014 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 Outlook and Prospects

3 Business Review for the Quarter Ended 31 March 2014

4 Key Financial Performance

1 Key Highlights

Key Highlights

- YTD March 2014 throughput of HPH Trust's deep-water ports was 3% above last year. Combined throughput of HIT, COSCO-HIT and ACT grew by 4% yoy mainly due to the acquisition of ACT on 7 March 2013, HIT's throughput dropped by 6% yoy while YICT's throughput grew by 2% yoy. Despite this, average revenue per TEU for HIT and YICT recorded an increase yoy
- Both outbound cargoes to the US and EU showed upward trends. Throughput growth of YICT was mainly driven by transshipment and US/EU cargoes but offset by lower empty volume. HIT's throughput drop was mainly due to weaker intra-Asia cargoes but offset by higher transshipment volume
- Revenue and other income was 3% above last year. NPAT and NPAT attributable to unitholders was 19% and 47% above last year respectively
- On 13 March 2014, HPH Trust entered into a strategic partnership with COSCO Pacific and China Shipping Terminal Development through their investments of 40% and 20%, respectively, of effective equity and loan interests, in ACT for an aggregate consideration of HK\$2,472 million. The partnership will enhance HPH Trust's capabilities in servicing multiple mega-vessels simultaneously. It will further bolster all aspects of the Group's port operations including flexibility, efficiency, synergy, and profitability

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. Consensus outlook for both is favourable in 2014
- The US economy is recovering. Its GDP expanded at a respectable rate of 2.6% in the fourth quarter of 2013 with consumer spending growing by 3.3% over the same period in 2012, the fastest pace in three years. Manufacturing activities, consumer spending and the labour market are expected to continue to improve in 2014
- The Eurozone economy got off to a solid start in the first quarter of 2014 with economic data showing encouraging signs. The March 2014 Markit Eurozone Composite Purchasing Managers' Index[®] came in at 53.1, registering expansion for the ninth consecutive month. The Eurozone outlook appears to be healthier and positive
- Both outbound cargoes to the US and EU have shown upward trends. Cargo volume for transshipment and the niche trade routes of Far East, Africa, Central and South America and Oceania are expected to grow considerably
- Driven primarily by weak domestic demand, the HSBC China Manufacturing Purchasing Managers' Index[™] fell to 48.0 in March 2014 and has been below the growth indication level of 50 since January 2014. Despite the weakening of both factory output and new orders, new export orders grew for the first time in four months. It is expected that China will launch relevant and forceful measures to support the economy

Outlook and Prospects (cont'd)

Overview



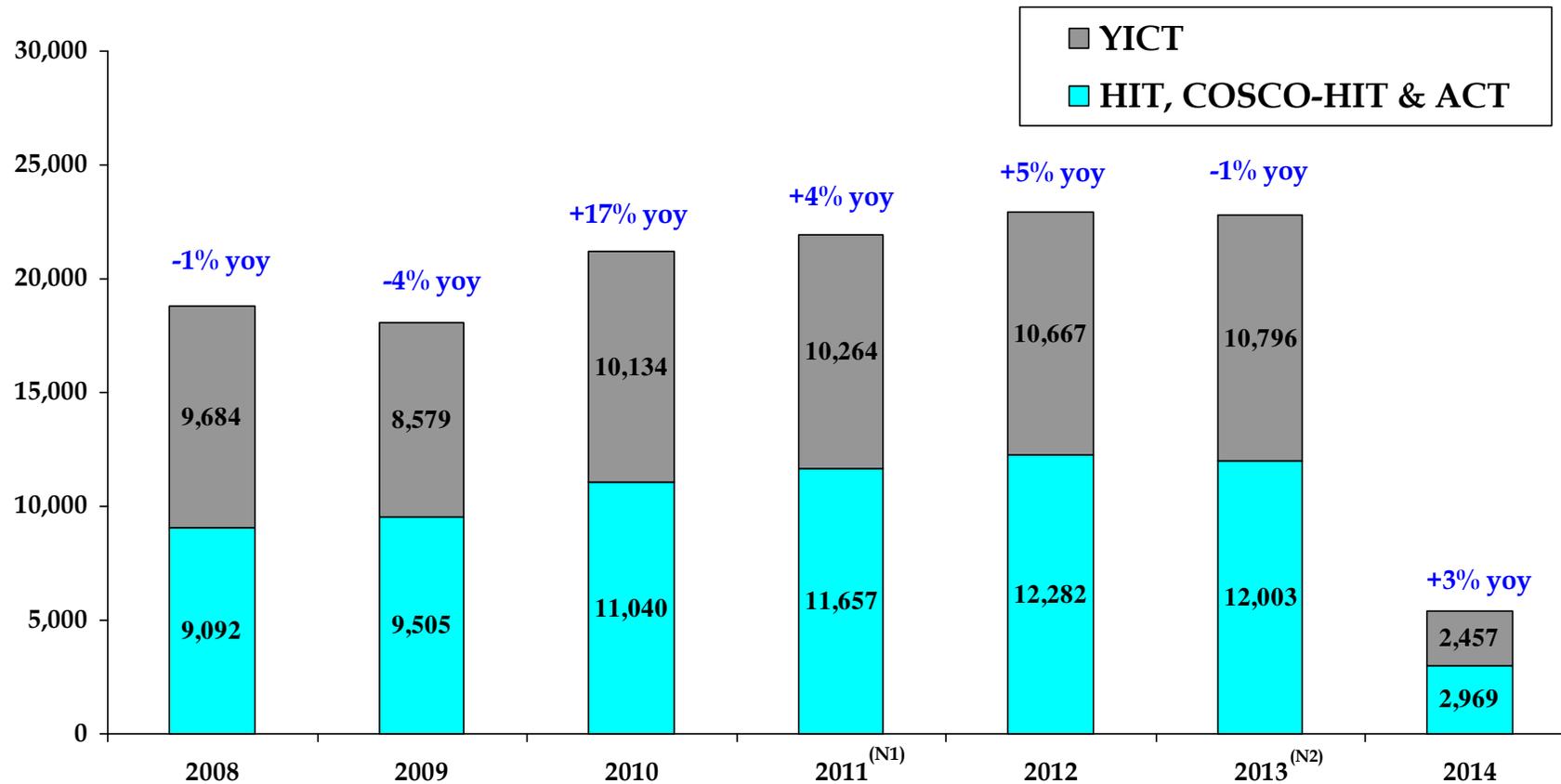
- Under pressure to control costs and boost efficiency, leading liners continue to form carrier alliances, deploying more mega-vessels to promote economies of scale and strengthen competitiveness by expanding the coverage of vessel-sharing schemes such as formation of the P3 alliance. With our leading edge infrastructure, natural deep-water channels, long continuous berths, mega-vessel handling capabilities and scale of operations, HPH Trust is well positioned to pursue and benefit from these development and from servicing these large shipping alliances
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to challenges such as labor wages and taxation increase, given its strong and improving fundamentals

3

Business Review for the Quarter Ended 31 March 2014

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

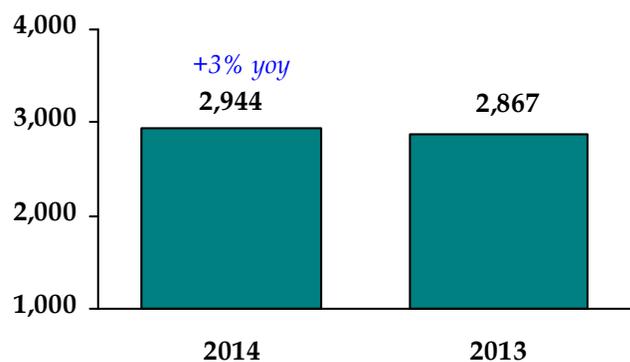
Key Financial Performance



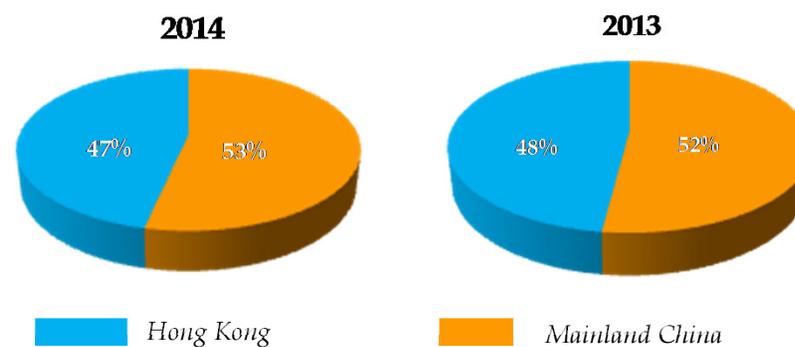
Revenue and other income

For the quarter ended 31 March 2014

(HK\$ Million)



Segment Information

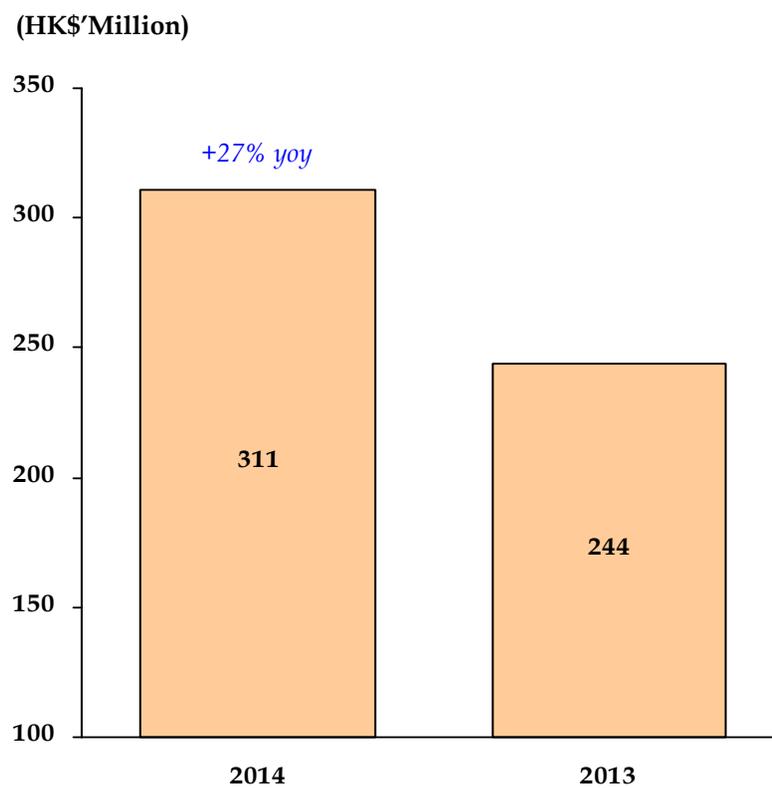


Key Financial Performance



Total Capex

For the quarter ended 31 March 2014



Key Financial Performance

Financial Position



At 31 March 2014
HK\$'Million

Short Term Debt	\$10,372.7
Long Term Debt	\$23,553.2
Total Consolidated Debt	\$33,925.9
Total Consolidated Cash	\$7,358.5

Unaudited Financial Results of HPH Trust for the Quarter Ended 31 March 2014 against Last Year



(HK\$'Million)	1 January to 31 March		
	2014 <u>Actual</u>	2013 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	2,944.5	2,866.5	3%
Cost of services rendered	(1,116.9)	(1,006.6)	(11%)
Staff costs	(75.4)	(73.2)	(3%)
Depreciation and amortisation	(710.5)	(695.8)	(2%)
Other operating income	245.7	5.5	4,367%
Other operating expenses	(265.8)	(256.9)	(3%)
Total operating expenses	(1,922.9)	(2,027.0)	5%
Operating profit	1,021.6	839.5	22%
Interest and other finance costs	(133.7)	(149.0)	10%
Share of profits/(losses) after tax of Associated Cos/JVs	31.4	34.4	(9%)
Profit before tax	919.3	724.9	27%
Taxation	(157.9)	(82.9)	(90%)
Profit after tax	761.4	642.0	19%
Profit after tax attributable to non-controlling interests	(202.5)	(261.7)	(23%)
Profit after tax attributable to unitholders of HPH Trust	558.9	380.3	47%

N1 The figures for the financial quarter ended 31 March 2013 included the post-acquisition results of ACT after its acquisition on 7 March 2013

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 2014 and 31 December 2013



(HK\$'Million)	31 March 2014 <u>Unaudited</u>	31 December 2013 <u>Audited</u>
ASSETS		
Non-Current assets		
Fixed assets	25,386.3	28,123.2
Projects under development	1,748.5	1,847.8
Leasehold land and land use rights	43,500.6	44,579.4
Railway usage rights	15.4	15.9
Customer relationships	7,423.5	7,507.0
Goodwill	41,629.0	42,500.4
Associated companies	151.3	150.8
Joint ventures	4,159.2	2,515.9
Investments	839.5	832.0
Deferred tax asset	13.9	12.9
Total non-current assets	<u>124,867.2</u>	<u>128,085.3</u>
Current assets		
Cash and cash equivalents	7,358.5	5,818.7
Trade and other receivables	2,991.0	3,101.4
Inventories	152.5	160.6
Total current assets	<u>10,502.0</u>	<u>9,080.7</u>

Statements of Financial Position as at 31 March 2014 and 31 December 2013 (cont'd)



(HK\$'Million)	31 March 2014 <u>Unaudited</u>	31 December 2013 <u>Audited</u>
Current liabilities		
Trade and other payables	6,624.2	6,582.2
Bank loans	10,349.4	10,799.2
Current tax liabilities	249.2	238.1
Total current liabilities	<u>17,222.8</u>	<u>17,619.5</u>
Net current liabilities	<u>(6,720.8)</u>	<u>(8,538.8)</u>
Total assets less current liabilities	<u>118,146.4</u>	<u>119,546.5</u>
Non-current liabilities		
Bank loans	23,462.5	22,999.4
Pension obligations	119.1	115.6
Deferred tax liabilities	11,644.6	12,179.4
Other non-current liabilities	20.1	20.4
Total non-current liabilities	<u>35,246.3</u>	<u>35,314.8</u>
Net assets	<u>82,900.1</u>	<u>84,231.7</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(4,802.4)	(3,384.9)
Net assets attributable to unitholders	<u>63,751.4</u>	<u>65,168.9</u>
Non-controlling interests	19,148.7	19,062.8
Total equity	<u>82,900.1</u>	<u>84,231.7</u>

Cashflow Statements for the Quarter Ended 31 March 2014 and 31 March 2013



(HK\$'Million)	<u>1 January to 31 March 2014</u>	<u>1 January to 31 March 2013</u>
Operating activities		
Cash generated from operations	1,671.9	1,525.7
Interest and other finance costs paid	(115.2)	(111.3)
Tax paid	(225.1)	(223.2)
Net cash from operating activities	<u>1,331.6</u>	<u>1,191.2</u>
Investing activities		
Acquisition of subsidiary companies	-	(3,868.1)
Purchase of fixed assets and additions to projects under development	(310.8)	(244.0)
Proceeds on disposal of fixed assets	0.3	4.2
Dividends received from investments	-	50.8
Dividends received from associated companies and joint ventures	32.0	41.8
Interest received	19.3	19.8
Proceeds on disposal of subsidiary companies	2,411.3	-
Net cash from/(used in) investing activities	<u>2,152.1</u>	<u>(3,995.5)</u>
Financing activities		
Drawdown of bank loans	-	4,000.0
Repayment of bank loans	(1.3)	(1.3)
Upfront debt transaction costs and facilities fee of bank loans	-	(8.0)
Distributions to unitholders of HPH Trust	(1,942.6)	(2,367.9)
Dividends to non-controlling interests	-	(1,093.1)
Net cash (used in)/from financing activities	<u>(1,943.9)</u>	<u>529.7</u>
Net changes in cash and cash equivalents	<u>1,539.8</u>	<u>(2,274.6)</u>
Cash and cash equivalents at beginning of the quarter	5,818.7	6,168.8
Cash and cash equivalents at end of the quarter	<u>7,358.5</u>	<u>3,894.2</u>