



Your Preferred Port-of-Call

**2015 Financial Results
Presentation for the Year Ended
31 December 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 year ended 31 December 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.

Table of Contents

1 Key Highlights

2 Outlook and Prospects

3 Business Review for the Year Ended 31 December 2015

4 Key Financial Performance

1 Key Highlights

Key Highlights

- Despite weak market outlook, HPH Trust achieved stable fourth quarter and full year results as management focused primarily on tariffs and costs improvements. Management remains cautious on expected cargo volume for 2016 given the soft global trade outlook and will continue to focus on improvements to tariffs and costs
- 2015 full year throughput of HPH Trust's deep-water ports was 1% below last year. YICT's throughput grew by 4% yoy, which outperformed Shenzhen's throughput growth of 1%. Combined throughput of HIT, COSCO-HIT and ACT dropped only 6% yoy, despite throughput of Hong Kong was down 9% yoy
- Outbound cargoes to the US showed an upward trend in full year but lost momentum in the fourth quarter of 2015. The decline in outbound cargoes to Europe continued but showed some improvements in the fourth quarter of 2015. Throughput growth of YICT was mainly driven by US, transshipment and empty cargoes but was offset by Europe decline. HIT's throughput drop was mainly due to weaker transshipment and intra-Asia cargoes

Key Highlights

- Revenue and other income was HK\$12,612.8 million, about the same as last year
- During the fourth quarter of 2015, Hutchison Port Holdings Limited (“HPH”) divested its interest in Zhuhai International Container Terminals (Jiuzhou) Limited (“Jiuzhou”), one of the river ports in which the Group has an economic benefit. The Group received its share of the consideration from HPH for cessation of the economic benefits amounted to approximately HK\$347.2 million and recognised a gain of approximately HK\$155.5 million in the same quarter. The Group has fully recovered the original investment value
- 2015 full year NPAT was 119% above last year and NPAT attributable to unitholders was 110% above last year
- Without the gain of HK\$155.5 million arising from cessation of Jiuzhou’s economic benefits and additional depreciation due to change of an accounting estimate in 2015, the goodwill impairment of HK\$19.0 billion and the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT in 2014, 2015 full year NPAT was HK\$2,914.9 million, 6% above last year. NPAT attributable to unitholders was HK\$1,609.9 million, 3% above last year
- 2015 full year Distribution Per Unit (“DPU”) is 34.40 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 US and Europe
- Outbound cargoes to the US were flat in the fourth quarter of 2015. High inventory level affected shipments in the quarter. The US Federal Reserve raised interest rates for the first time in nearly a decade in December 2015, in response to the strengthening US economy. We anticipate a stable US economic outlook for 2016 and a mild increase in US outbound cargoes
- The European economies continued to be weak in 2015 which resulted in a fall in outbound cargoes compared with 2014. Management does not anticipate a material improvement in 2016
- HPH Trust's performance is also dependent on the outcomes of structural changes occurring in the container shipping industry. To achieve cost advantages, improve efficiency and strengthen overall competitiveness, leading container shipping companies continue to add mega-vessels to their fleets, form alliances and broaden vessel-sharing schemes. HPH Trust's natural deep-water channels and unparalleled mega-vessel handling capabilities position it to be the preferred port of call for mega-vessels and HPH Trust is expected to benefit from these developments

Outlook and Prospects



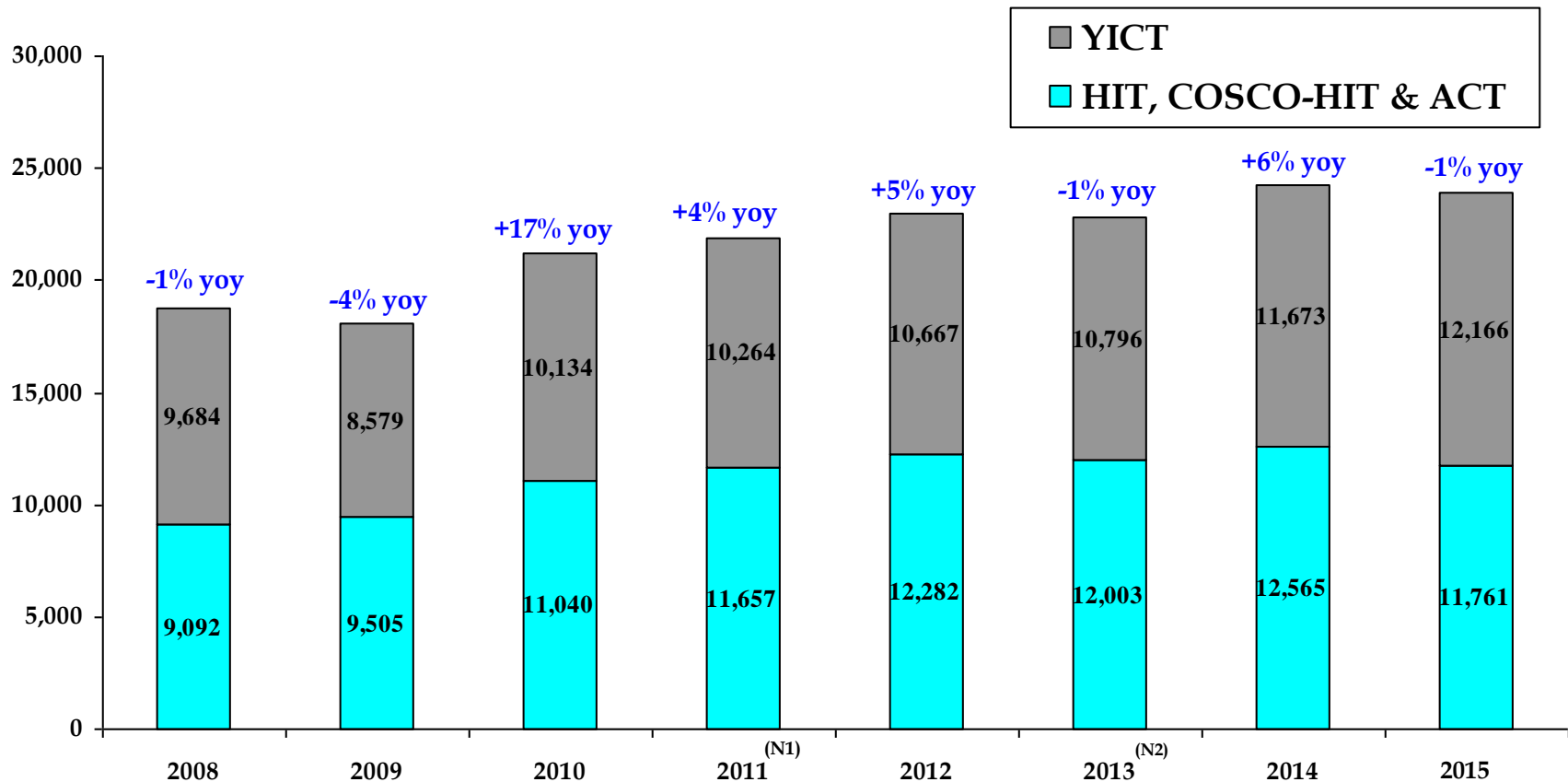
Overview

- Given the soft global trade outlook, management remains cautious on expected cargo volume for 2016 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 Year Ended 31 December 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

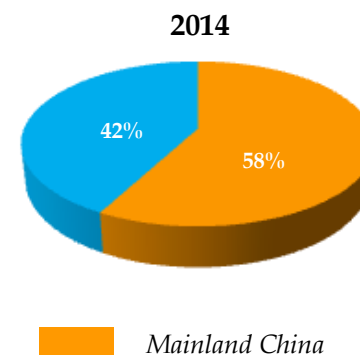
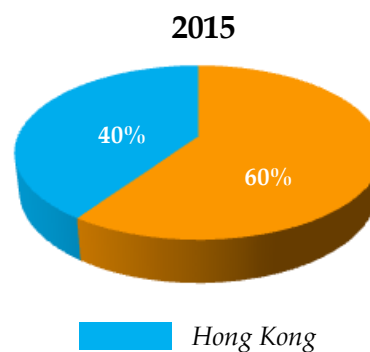
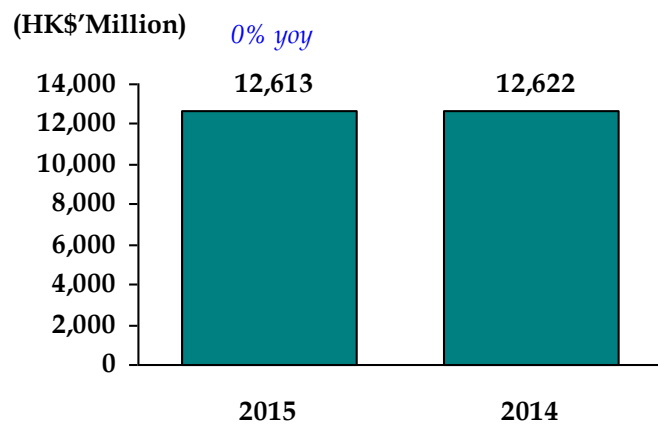
4 Key Financial Performance

Key Financial Performance

Revenue and other income

For the year ended 31 December 2015

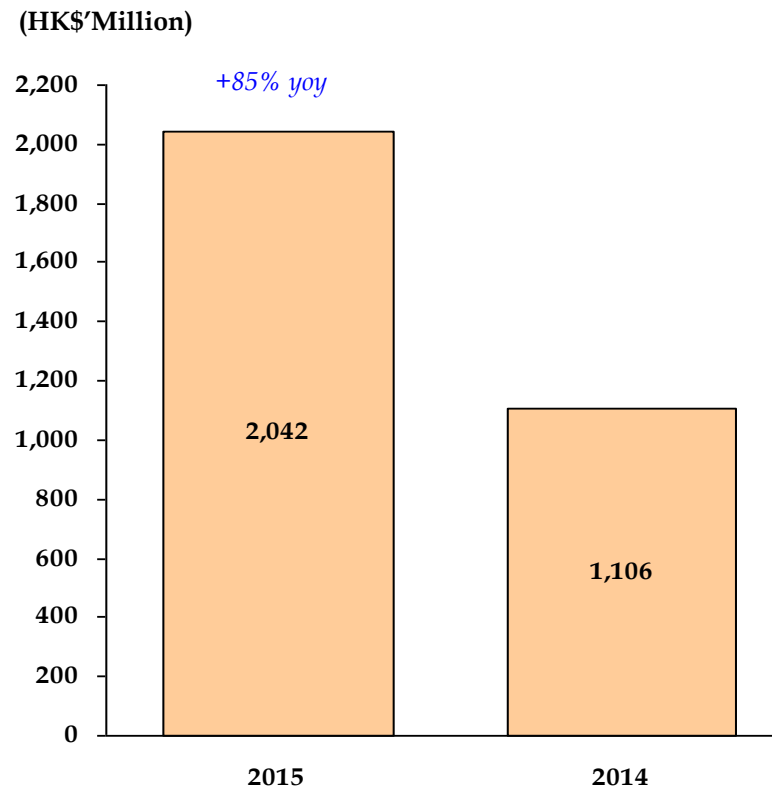
Segment Information



Key Financial Performance

Total Capex

For the year ended 31 December 2015



Key Financial Performance

Financial Position



At 31 December 2015
HK\$'Million

Short Term Debt	\$8,927.2
Long Term Debt	\$24,220.0
Total Consolidated Debt	\$33,147.2
Total Consolidated Cash	\$6,840.8

Key Financial Performance

Distribution



	For the period from 1 January 2015 to 30 June 2015	For the period from 1 July 2015 to 31 December 2015
Distribution Amount	HK\$1,367.6 million	HK\$1,629.0 million
Distribution Per Unit (“DPU”)	15.70 HK cents	18.70 HK cents
DPU for the year ended 31 December 2015	34.40 HK cents	
2015 distribution – yield (%)	9.3% (at US\$0.475 market price on 20 January 2016)	
Ex-distribution date	11 February 2016	
Books closure date	5:00p.m. 15 February 2016	
Payment of distribution	24 March 2016	

Financial Results of HPH Trust for the Year Ended 31 December 2015 against Last Year



(HK\$'Million)	1 January to 31 December		
	2015 <u>Actual</u>	2014 <u>Actual</u> ^(N1)	% variance <u>Fav/(Unfav)</u>
Revenue and other income	12,612.8	12,622.2	-
Cost of services rendered	(4,575.1)	(4,814.2)	5%
Staff costs	(306.6)	(305.2)	-
Depreciation and amortisation	(2,789.6)	(2,805.3)	1%
Other operating income	76.5	78.3	(2%)
Other operating expenses	(789.2)	(859.4)	8%
Total operating expenses	(8,384.0)	(8,705.8)	4%
Operating profit	4,228.8	3,916.4	8%
Interest and other finance costs	(624.2)	(586.2)	(6%)
Share of profits/(losses) after tax of Associated Cos/JVs	141.0	138.6	2%
Profit before tax	3,745.6	3,468.8	8%
Taxation	(830.7)	(730.9)	(14%)
Profit after tax and normalisation (a)	2,914.9	2,737.9	6%
Impairment of goodwill	-	(19,000.0)	100%
Net gain from the disposal of ACT	-	243.8	(100%)
Gain from cessation of Jiuzhou's economic benefits	155.5	-	N/A
Additional depreciation due to change of an accounting estimate	(25.8)	-	N/A
Profit/(loss) after tax (b)	3,044.6	(16,018.3)	119%
Profit after tax attributable to non-controlling interests after normalisation (c)	(1,305.0)	(1,173.7)	11%
Profit after tax attributable to non-controlling interests before normalisation (d)	(1,299.7)	(1,173.7)	11%
Profit after tax attributable to unitholders of HPH Trust after normalisation (a) - (c)	1,609.9	1,564.2	3%
Profit/(loss) after tax attributable to unitholders of HPH Trust before normalisation (b) - (d)	1,744.9	(17,192.0)	110%

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

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



(HK\$ Million)	1 October to 31 December		
	2015 <u>Actual</u>	2014 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
Revenue and other income	3,034.7	3,191.8	(5%)
Cost of services rendered	(1,049.5)	(1,223.4)	14%
Staff costs	(74.6)	(76.0)	2%
Depreciation and amortisation	(697.6)	(704.2)	1%
Other operating income	48.1	48.5	(1%)
Other operating expenses	(202.4)	(209.5)	3%
Total operating expenses	(1,976.0)	(2,164.6)	9%
Operating profit	1,058.7	1,027.2	3%
Interest and other finance costs	(156.8)	(147.5)	(6%)
Share of profits/(losses) after tax of Associated Cos/JVs	33.2	25.6	30%
Profit before tax	935.1	905.3	3%
Taxation	(214.4)	(206.0)	(4%)
Profit after tax and normalisation (a)	720.7	699.3	3%
Impairment of goodwill	-	(19,000.0)	100%
Gain from cessation of Jiuzhou's economic benefits	155.5	-	N/A
Additional depreciation due to change of an accounting estimate	(15.6)	-	N/A
Profit/(loss) after tax (b)	860.6	(18,300.7)	105%
Profit after tax attributable to non-controlling interests after normalisation (c)	(330.6)	(309.3)	7%
Profit after tax attributable to non-controlling interests before normalisation (d)	(327.3)	(309.3)	6%
Profit after tax attributable to unitholders of HPH Trust after normalisation (a) - (c)	390.1	390.0	-
Profit/(loss) after tax attributable to unitholders of HPH Trust before normalisation (b) - (d)	533.3	(18,610.0)	103%

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 December 2015 and 31 December 2014



(HK\$'Million)	2015	2014
ASSETS		
Non-current assets		
Fixed assets	24,480.8	25,040.0
Projects under development	2,966.2	2,332.0
Leasehold land and land use rights	41,269.8	42,554.8
Railway usage rights	13.9	15.0
Customer relationships	6,838.6	7,172.8
Goodwill	22,629.0	22,629.0
Associated companies	161.3	154.4
Joint ventures	3,898.5	4,150.3
Other non-current assets	1,272.1	798.4
Deferred tax assets	12.7	12.9
Total non-current assets	103,542.9	104,859.6
Current assets		
Cash and cash equivalents	6,840.8	7,798.8
Trade and other receivables	3,723.4	3,318.2
Inventories	123.5	133.8
Total current assets	10,687.7	11,250.8

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



(HK\$'Million)	2015	2014
Current liabilities		
Trade and other payables	7,295.0	6,941.0
Bank and other debts	8,911.2	8,190.2
Current tax liabilities	312.7	487.1
Total current liabilities	<u>16,518.9</u>	<u>15,618.3</u>
Net current liabilities	<u>(5,831.2)</u>	<u>(4,367.5)</u>
Total assets less current liabilities	<u>97,711.7</u>	<u>100,492.1</u>
Non-current liabilities		
Bank and other debts	24,082.3	25,491.2
Pension obligations	200.3	144.1
Deferred tax liabilities	11,204.7	11,442.9
Other non-current liabilities	56.8	19.7
Total non-current liabilities	<u>35,544.1</u>	<u>37,097.9</u>
Net assets	<u>62,167.6</u>	<u>63,394.2</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(25,953.7)	(24,237.4)
Net assets attributable to unitholders of HPH Trust	<u>42,600.1</u>	<u>44,316.4</u>
Non-controlling interests	19,567.5	19,077.8
Total equity	<u>62,167.6</u>	<u>63,394.2</u>

Statements of Cash Flows for the Year Ended 31 December 2015 and 31 December 2014



(HK\$'Million)	<u>1 January to 31 December 2015</u>	<u>1 January to 31 December 2014</u>
Operating activities		
Cash generated from operations	6,778.5	6,668.9
Interest and other finance costs paid	(568.1)	(511.0)
Tax paid	(1,225.7)	(760.8)
Net cash from operating activities	<u>4,984.7</u>	<u>5,397.1</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land & land use rights	(2,042.0)	(1,106.0)
Proceeds on disposal of fixed assets	13.1	6.1
Dividends received from investments	35.6	56.7
Dividends received from associated companies and joint ventures	137.7	141.7
Interest received	73.1	85.7
Repayment of loans by joint ventures	241.8	3.2
Proceeds on cessation of economic benefit of an investment	347.2	-
Proceeds on disposal of subsidiary companies	-	2,411.3
Net cash (used in)/from investing activities	<u>(1,193.5)</u>	<u>1,598.7</u>
Financing activities		
New borrowings	14,013.3	10,800.0
Repayment of borrowings	(14,642.4)	(10,972.7)
Upfront debt transaction costs and facilities fees of borrowings	(69.8)	(7.8)
Capital contribution from non-controlling interests	345.3	-
Distributions to unitholders of HPH Trust	(3,310.2)	(3,571.6)
Dividends to non-controlling interests	(1,085.4)	(1,263.6)
Net cash used in financing activities	<u>(4,749.2)</u>	<u>(5,015.7)</u>
Net changes in cash and cash equivalents	(958.0)	1,980.1
Cash and cash equivalents at beginning of the year	7,798.8	5,818.7
Cash and cash equivalents at end of the year	<u>6,840.8</u>	<u>7,798.8</u>

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



(HK\$'Million)	<u>1 October to 31 December 2015</u>	<u>1 October to 31 December 2014</u>
Operating activities		
Cash generated from operations	1,816.5	1,896.7
Interest and other finance costs paid	(139.1)	(139.8)
Tax paid	(337.6)	(104.7)
Net cash from operating activities	<u>1,339.8</u>	<u>1,652.2</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land and land use rights	(325.0)	(265.4)
Proceeds on disposal of fixed assets	1.3	3.1
Dividends received from investments	-	39.9
Dividends received from associated companies and joint ventures	44.7	42.7
Interest received	9.2	13.3
Repayment of loans by joint ventures	0.8	2.2
Proceeds on cessation of economic benefit of an investment	347.2	-
Net cash from/(used in) investing activities	<u>78.2</u>	<u>(164.2)</u>
Financing activities		
Repayment of borrowings	(146.0)	(135.1)
Upfront debt transaction costs and facilities fees of borrowings	(0.8)	-
Dividends to non-controlling interests	(209.0)	-
Net cash used in financing activities	<u>(355.8)</u>	<u>(135.1)</u>
Net changes in cash and cash equivalents	1,062.2	1,352.9
Cash and cash equivalents at beginning of the quarter	5,778.6	6,445.9
Cash and cash equivalents at end of the quarter	<u>6,840.8</u>	<u>7,798.8</u>