



Your Preferred Port-of-Call

**2014 Financial Results
Presentation for the Period Ended
30 June 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 period ended 30 June 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.

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1 Key Highlights

Key Highlights

- YTD June 2014 throughput of HPH Trust's deep-water ports was 6% above last year. Combined throughput of HIT, COSCO-HIT and ACT grew by 7% yoy mainly due to the acquisition of ACT on 7 March 2013 and the throughput growth of HIT by 4% yoy. YICT's throughput grew by 5% yoy.
- Both outbound cargoes to the US and EU showed upward trends. Throughput growth of YICT was mainly driven by transshipment and US cargoes. HIT's throughput growth was mainly due to higher transshipment volume but offset by weaker intra-Asia cargoes
- Revenue and other income was 2% above last year. NPAT and NPAT attributable to unitholders was 1% and 16% above last year respectively
- 2014 interim Distribution Per Unit is 18.70 HK cents

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
- US GDP contracted by 2.9% in the first quarter of 2014 owing to harsh winter weather. Despite this, the growth already appears to have rebounded strongly in the second quarter of 2014. Manufacturing activities gained more momentum in June 2014 and number of new orders hit its highest level in more than four years. Consumer sentiment rose in June 2014 as consumers remained optimistic about the economic outlook and unemployment rate fell to near a 6-year low of 6.1% in June 2014
- The Eurozone economy continues to grow but at a slower rate. The economic recovery is expected to continue at a moderate pace in the coming months, driven by domestic demand
- Both outbound cargoes to the US and EU have displayed upward trends. Cargo volume for transshipment and the niche trade routes of Far East, Africa, Central and South America and Oceania is expected to increase considerably
- China's economy shows signs of stabilisation after the government's implementation of stimulus measures such as reserve requirement cuts for some banks to support growth. Manufacturing activities regained their strengths with HSBC China Manufacturing Purchasing Managers' Index™ rising to 50.7 in June 2014 — the first time above the growth indication level of 50 since December 2013

Outlook and Prospects (cont'd)

Overview



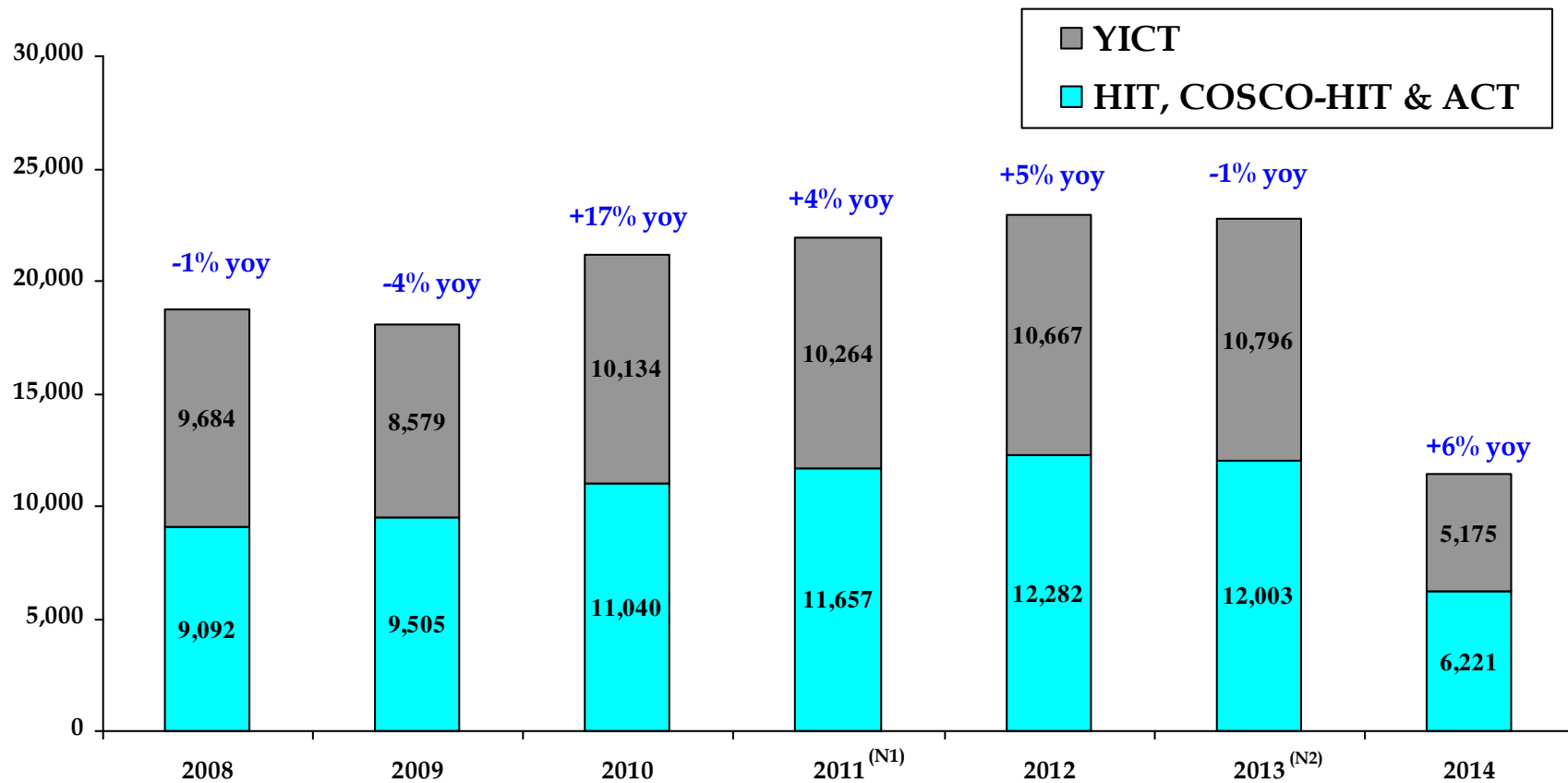
- Despite the formation of P3 alliance was not approved by the Anti-monopoly Bureau of the Ministry of Commerce of China, leading liners continue to deploy mega-vessels to promote economies of scale, form carrier alliances to control costs, boost efficiency, and expand the coverage of vessel-sharing schemes to strengthen competitiveness. 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 labour wages and taxation increase, given its strong and improving fundamentals

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Business Review for the Period Ended 30 June 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

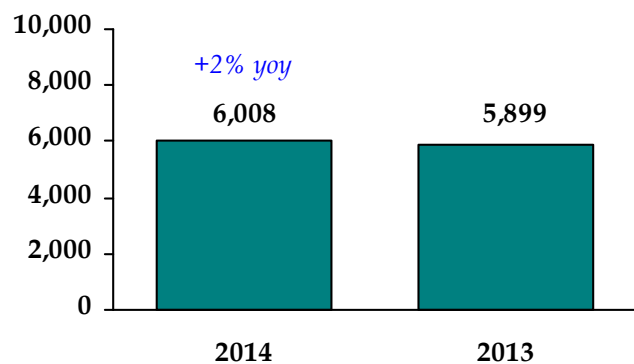
Key Financial Performance



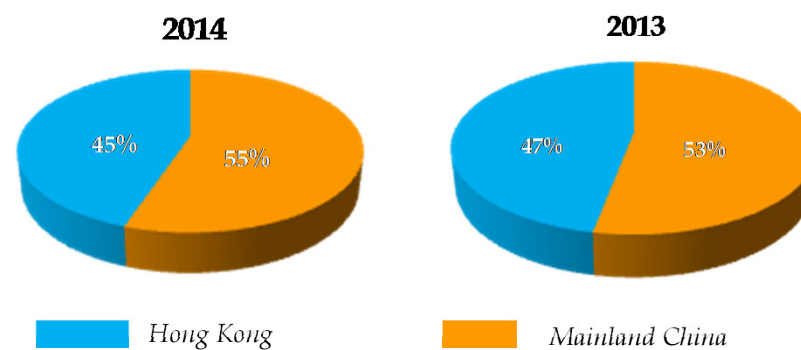
Revenue and other income

For the period ended 30 June 2014

(HK\$ Million)



Segment Information

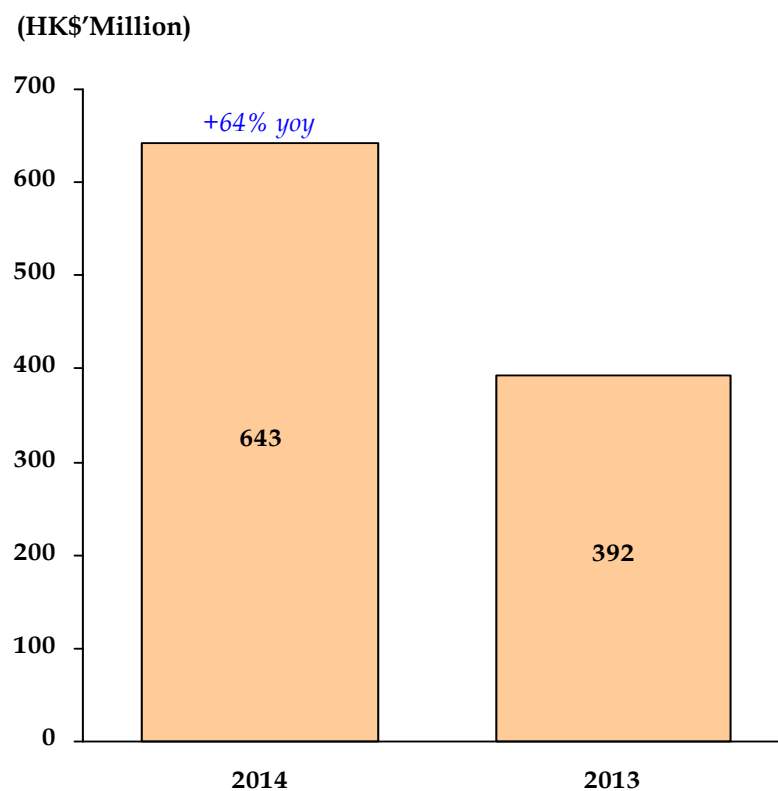


Key Financial Performance



Total Capex

For the period ended 30 June 2014



Key Financial Performance

Financial Position



At 30 June 2014
HK\$'Million

| | |
|-------------------------|------------|
| Short Term Debt | \$8,072.7 |
| Long Term Debt | \$25,817.1 |
| Total Consolidated Debt | \$33,889.8 |
| Total Consolidated Cash | \$7,990.3 |

Key Financial Performance

Distribution



**For the period from
1 January 2014 to
30 June 2014**

| | |
|-------------------------|------------------------|
| Distribution Amount | HK\$1,629.0 million |
| Distribution Per Unit | 18.70 HK cents |
| Ex-distribution date | 1 August 2014 |
| Books closure date | 5:00p.m. 5 August 2014 |
| Payment of distribution | 18 September 2014 |

Unaudited Financial Results of HPH Trust for the Period Ended 30 June 2014 against Last Year



| (HK\$'Million) | 1 January to 30 June | | |
|---|--------------------------------|--------------------------------|---------------------------|
| | 2014 Actual ^(N1) | 2013 Actual ^(N2) | % variance Fav/(Unfav) |
| Revenue and other income | 6,008.4 | 5,898.6 | 2% |
| Cost of services rendered | (2,328.1) | (2,110.0) | (10%) |
| Staff costs | (152.1) | (144.4) | (5%) |
| Depreciation and amortisation | (1,402.4) | (1,418.3) | 1% |
| Other operating income | 251.6 | 31.9 | 689% |
| Other operating expenses | (481.4) | (469.2) | (3%) |
| Total operating expenses | (4,112.4) | (4,110.0) | - |
| Operating profit | 1,896.0 | 1,788.6 | 6% |
| Interest and other finance costs | (281.7) | (305.7) | 8% |
| Share of profits/(losses) after tax of Associated Cos/JVs | 72.3 | 71.6 | 1% |
| Profit before tax | 1,686.6 | 1,554.5 | 8% |
| Taxation | (287.8) | (163.2) | (76%) |
| Profit after tax | 1,398.8 | 1,391.3 | 1% |
| Profit after tax attributable to non-controlling interests | (471.5) | (590.5) | (20%) |
| Profit after tax attributable to unitholders of HPH Trust | 927.3 | 800.8 | 16% |

N1 On 13 March 2014, the Group 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 of 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

N2 The figures for the financial period ended 30 June 2013 included the post-acquisition results of ACT after its acquisition on 7 March 2013 as a wholly-owned subsidiary

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 2014 against Last Year



| (HK\$'Million) | 1 April to 30 June | | |
|---|------------------------|------------------------|-----------------------------------|
| | <u>2014 Actual</u> | <u>2013 Actual</u> | <u>% variance Fav/(Unfav)</u> |
| Revenue and other income | 3,063.9 | 3,032.1 | 1% |
| Cost of services rendered | (1,211.2) | (1,103.4) | (10%) |
| Staff costs | (76.7) | (71.2) | (8%) |
| Depreciation and amortisation | (691.9) | (722.5) | 4% |
| Other operating income | 5.9 | 26.4 | (78%) |
| Other operating expenses | (215.6) | (212.3) | (2%) |
| Total operating expenses | (2,189.5) | (2,083.0) | (5%) |
| Operating profit | 874.4 | 949.1 | (8%) |
| Interest and other finance costs | (148.0) | (156.7) | 6% |
| Share of profits/(losses) after tax of Associated Cos/JVs | 40.9 | 37.2 | 10% |
| Profit before tax | 767.3 | 829.6 | (8%) |
| Taxation | (129.9) | (80.3) | (62%) |
| Profit after tax | 637.4 | 749.3 | (15%) |
| Profit after tax attributable to non-controlling interests | (269.0) | (328.8) | (18%) |
| Profit after tax attributable to unitholders of HPH Trust | 368.4 | 420.5 | (12%) |

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 2014 and 31 December 2013



| (HK\$ Million) | 30 June 2014 <u>Unaudited</u> | 31 December 2013 <u>Audited</u> |
|------------------------------------|-------------------------------------|---------------------------------------|
| ASSETS | | |
| Non-Current assets | | |
| Fixed assets | 25,221.6 | 28,123.2 |
| Projects under development | 1,706.7 | 1,847.8 |
| Leasehold land and land use rights | 43,179.9 | 44,579.4 |
| Railway usage rights | 15.2 | 15.9 |
| Customer relationships | 7,339.9 | 7,507.0 |
| Goodwill | 41,629.0 | 42,500.4 |
| Associated companies | 154.0 | 150.8 |
| Joint ventures | 4,163.0 | 2,515.9 |
| Investments | 839.1 | 832.0 |
| Deferred tax asset | 14.9 | 12.9 |
| Total non-current assets | <u>124,263.3</u> | <u>128,085.3</u> |
| Current assets | | |
| Cash and cash equivalents | 7,990.3 | 5,818.7 |
| Trade and other receivables | 3,452.2 | 3,101.4 |
| Inventories | 147.7 | 160.6 |
| Total current assets | <u>11,590.2</u> | <u>9,080.7</u> |

Statements of Financial Position as at 30 June 2014 and 31 December 2013 (cont'd)



| (HK\$'Million) | 30 June 2014 <u>Unaudited</u> | 31 December 2013 <u>Audited</u> |
|--|-------------------------------------|---------------------------------------|
| Current liabilities | | |
| Trade and other payables | 6,554.4 | 6,582.2 |
| Bank loans | 8,060.9 | 10,799.2 |
| Current tax liabilities | 245.2 | 238.1 |
| Total current liabilities | <u>14,860.5</u> | <u>17,619.5</u> |
| Net current liabilities | <u>(3,270.3)</u> | <u>(8,538.8)</u> |
| Total assets less current liabilities | <u>120,993.0</u> | <u>119,546.5</u> |
| Non-current liabilities | | |
| Bank loans | 25,733.9 | 22,999.4 |
| Pension obligations | 122.3 | 115.6 |
| Deferred tax liabilities | 11,603.3 | 12,179.4 |
| Other non-current liabilities | 19.7 | 20.4 |
| Total non-current liabilities | <u>37,479.2</u> | <u>35,314.8</u> |
| Net assets | <u>83,513.8</u> | <u>84,231.7</u> |
| EQUITY | | |
| Units in issue | 68,553.8 | 68,553.8 |
| Reserves | (4,447.4) | (3,384.9) |
| Net assets attributable to unitholders of HPH Trust | <u>64,106.4</u> | <u>65,168.9</u> |
| Non-controlling interests | 19,407.4 | 19,062.8 |
| Total equity | <u>83,513.8</u> | <u>84,231.7</u> |

Statements of Cash Flows for the Period Ended 30 June 2014 and 30 June 2013



| (HK\$ Million) | <u>1 January to 30 June 2014</u> | <u>1 January to 30 June 2013</u> |
|--|--------------------------------------|--------------------------------------|
| Operating activities | | |
| Cash generated from operations | 2,901.8 | 2,785.3 |
| Interest and other finance costs paid | (232.9) | (238.5) |
| Tax paid | (401.3) | (290.7) |
| Net cash from operating activities | <u>2,267.6</u> | <u>2,256.1</u> |
| Investing activities | | |
| Acquisition of subsidiary companies | - | (3,868.1) |
| Purchase of fixed assets and additions to projects under development | (643.0) | (392.1) |
| Proceeds on disposal of fixed assets | 0.3 | 6.9 |
| Dividends received from investments | 2.1 | 53.2 |
| Dividends received from associated companies and joint ventures | 64.0 | 82.8 |
| Interest received | 47.2 | 29.9 |
| Proceeds on disposal of subsidiary companies | 2,411.3 | - |
| Net cash from/(used in) investing activities | <u>1,881.9</u> | <u>(4,087.4)</u> |
| Financing activities | | |
| Drawdown of a bank loan | - | 4,000.0 |
| Repayment of bank loans | (36.3) | (16.9) |
| Upfront debt transaction costs and facilities fees of bank loans | - | (8.0) |
| Repayment of loan by a joint venture | 1.0 | - |
| 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>(1,977.9)</u> | <u>514.1</u> |
| Net changes in cash and cash equivalents | 2,171.6 | (1,317.2) |
| Cash and cash equivalents at beginning of the period | 5,818.7 | 6,168.8 |
| Cash and cash equivalents at end of the period | <u>7,990.3</u> | <u>4,851.6</u> |

Statements of Cash Flows for the Quarter Ended 30 June 2014 and 30 June 2013



| (HK\$ Million) | <u>1 April to 30 June 2014</u> | <u>1 April to 30 June 2013</u> |
|--|------------------------------------|------------------------------------|
| Operating activities | | |
| Cash generated from operations | 1,229.9 | 1,259.6 |
| Interest and other finance costs paid | (117.7) | (127.2) |
| Tax paid | (176.2) | (67.5) |
| Net cash from operating activities | <u>936.0</u> | <u>1,064.9</u> |
| Investing activities | | |
| Purchase of fixed assets and additions to projects under development | (332.2) | (148.1) |
| Proceeds on disposal of fixed assets | - | 2.7 |
| Dividends received from investments | 2.1 | 2.4 |
| Dividends received from associated companies and joint ventures | 32.0 | 41.0 |
| Interest received | 27.9 | 10.1 |
| Net cash used in investing activities | <u>(270.2)</u> | <u>(91.9)</u> |
| Financing activities | | |
| Repayment of bank loans | (35.0) | (15.6) |
| Repayment of loan by a joint venture | 1.0 | - |
| Net cash used in financing activities | <u>(34.0)</u> | <u>(15.6)</u> |
| Net changes in cash and cash equivalents | 631.8 | 957.4 |
| Cash and cash equivalents at beginning of the quarter | 7,358.5 | 3,894.2 |
| Cash and cash equivalents at end of the quarter | <u>7,990.3</u> | <u>4,851.6</u> |