

COVER SHEET

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SEC Registration Number

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S	E	R	V	I	C	E	S	,	I	N	C	.	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S		

(Company's Full Name)

I	C	T	S	I	A	d	m	i	n	i	s	t	r	a	t	i	o	n	B	u	i	l	d	i	n	g
M	I	C	T	S	o	u	t	h	A	c	c	e	s	s	R	o	a	d	,	M	a	n	i	l	a	

(Business Address: No. Street City/Town/Province)

Jose Joel M. Sebastian
(Contact Person)

(+632) 245 4101
(Company Telephone Number)

<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> </table> <p style="text-align: center;"><i>Month</i></p>	1	2	<table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">1</td> </tr> </table> <p style="text-align: center;"><i>Day</i></p>	3	1
1	2				
3	1				
(Fiscal Year)					

S	E	C	17	C
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(Form Type)

0	4	Every 3 rd Thursday
<i>Month</i>	<i>Day</i>	(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

1,454
<i>as of March 31, 2016</i>

Total No. of Stockholders

Total Amount of Borrowings
(as of March 31, 2016)

<table border="1" style="width: 100%;"> <tr> <td>US\$23.0M</td> </tr> </table> <p style="text-align: center;">Domestic</p>	US\$23.0M	<table border="1" style="width: 100%;"> <tr> <td>US\$1,194.8M</td> </tr> </table> <p style="text-align: center;">Foreign</p>	US\$1,194.8M
US\$23.0M			
US\$1,194.8M			

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document ID

Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. **12 May 2016**
Date of Report
2. SEC Identification Number: **147212**
3. BIR Tax Identification No.: **000-323-228**
4. **International Container Terminal Services, Inc.**
Name of issuer as specified in the charter
5. **Philippines**
Country of Incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **ICTSI Administration Building, MICT South**
Access Road, Manila 1012
Address of Principal Office
8. **+(632) 245 4101**
Registrant's Telephone Number
9. **Not Applicable**
Former name or former address
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Titles of Each Class	Number of Shares Outstanding and Amount of Debt Outstanding
Common shares	2,034,110,390
<i>(Reported by the stock transfer agent as of March 31, 2016)</i>	
11. Item number reported herein: Item 9 – Other Events

**ICTSI 1Q2016 Throughput Up 4% to 2.1 million TEUs;
Start-ups erode Net Income, down 22% to US\$42.2 million**

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the quarter ended March 31, 2016 posting revenue from port operations of US\$266.5 million, a decrease of 10 percent from the US\$296.1 million reported for the same period last year; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$121.9 million, four percent lower than the US\$127.5 million generated in the first quarter of 2015; and net income attributable to equity holders of US\$42.2 million, down 22 percent compared to the US\$54.0 million earned in the same period last year. The decline in earnings was mainly driven by lower storage & ancillary revenues, unfavorable container volume mix, lower capitalized borrowing cost, higher depreciation and amortization

expenses and start-up costs of new terminals and projects. Diluted earnings per share for the period declined 40 percent to US\$0.014 from US\$0.023 in 2015.

ICTSI handled consolidated volume of 2,053,639 twenty-foot equivalent units (TEUs) for the quarter ended March 31, 2016, four percent more than the 1,982,773 TEUs handled in the same period in 2015. The increase in volume was mainly due to the acquisition of new shipping line customers and services at the Company's terminals in Guayaquil, Ecuador, Manzanillo, Mexico, and Karachi, Pakistan; continuing ramp-up at ICTSI Iraq; and improvement in trade activities at the Company's terminals in Jakarta, Indonesia and most Philippine ports.

Gross revenues from port operations for the quarter-ended March 31, 2016 declined 10 percent to US\$266.5 million from the US\$296.1 million reported in the same period in 2015. The decrease in revenues was mainly due to unfavorable container volume mix, lower storage & ancillary revenues and unfavorable translation impact of the depreciation of local currencies to the US dollar at certain terminals. The decline in gross revenues was tapered by tariff rate adjustments and new contracts with shipping lines and services at certain terminals, and the continuing ramp-up at ICTSI Iraq. Excluding the translation impact of local currency depreciation to the US dollar, particularly the 36 percent depreciation of the Brazilian Reals (BRL) at TSSA; the 21 percent depreciation of the Mexican Peso (MXN) at CMSA; and the six percent depreciation of the Philippine Peso (PHP) at the various Philippine terminals, consolidated gross revenues would have decreased by six percent in 2016.

Consolidated cash operating expenses in the first quarter of 2016 was 15 percent lower at US\$101.5 million compared to US\$119.7 million in the same period in 2015. The reduction in cash operating expenses was mainly driven by lower costs of repairs & maintenance and equipment rental at certain terminals; lower fuel costs as a result of the lower global prices of fuel and operational efficiencies; lower variable costs at ICTSI Oregon; and the favorable translation impact to the US Dollar of the Brazilian, Mexican and Philippine terminals' local currency expenses. The decline in cash operating expenses, however, was tapered by the expense contributions and start-up costs of new terminals and projects in Argentina, Australia, Democratic Republic of Congo, and Laguna in southern Philippines. Excluding the translation impact of currency depreciation, consolidated cash operating expenses would have decreased by nine percent in 2016.

Consolidated EBITDA for the first quarter of 2016 decreased four percent to US\$121.9 million from US\$127.5 million in 2015 mainly due to lower storage and ancillary revenues, unfavorable container volume mix, and unfavorable translation impact from significant depreciation of local currencies to the US Dollar at certain terminals. Excluding the translation impact of currency depreciation, consolidated EBITDA would have decreased by three percent in 2016. Consolidated EBITDA margin, on the other hand, increased to 46 percent in the first quarter of 2016 compared to 43 percent in the same period in 2015 as the new terminals continue to ramp-up and improve efficiencies.

Consolidated financing charges and other expenses for the quarter increased 26 percent from US\$16.6 million in 2015 to US\$20.9 million in 2016 primarily due to slightly higher average loan balance and lower capitalized borrowing cost.

Capital expenditures, excluding capitalized borrowing costs and expenses, for the first quarter of 2016 amounted to US\$89.5 million, approximately 21 percent of the US\$420.0 million capital expenditure budget for the full year 2016. The established budget is mainly allocated for the completion of the initial stage of the Company's new container terminals in Democratic Republic of Congo and Iraq, and the continuing development of the Company's project in Australia. In addition, ICTSI invested US\$20.0 million in the development of SPIA, its joint venture container terminal development project with PSA International Pte Ltd. (PSA) in Buenaventura, Colombia. The Company's share for 2016 to complete the initial phase of the project is approximately US\$60 million.

ICTSI is widely acknowledged to be a leading global developer, manager and operator of container terminals in the 50,000 to 2.5 million TEU/year range. ICTSI has an experience record that spans four continents and continues to pursue container terminal opportunities around the world.

ICTSI and Subsidiaries

Financial Highlights

YoY Comparison

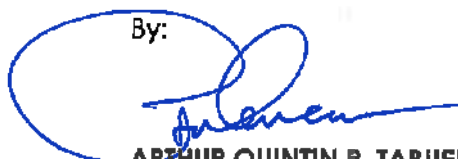
For the quarter ended March 31

<i>(In million USD, except Earnings per share data)</i>	1Q 2015		1Q 2016		% Change
Gross Revenues	USD	296.1	USD	266.5	-10%
EBITDA		127.5		121.9	-4%
Net Income		56.8		45.1	-21%
Net Income Attributable to Equity Holders		54.0		42.2	-22%
Earnings per share					
Basic		0.0230		0.0138	-40%
Diluted		0.0230		0.0138	-40%

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

**INTERNATIONAL CONTAINER
TERMINAL SERVICES, INC.**

By:



ARTHUR QUINTIN R. TABUENA

Director - Treasury and Investor Relations