COVER SHEET

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SEC Registration Number

INTERNATIONAL CONTAINER TERMINAL
SERVICES, INC. AND SUBSIDIARIES

(Company's Full Name)

ICTSI Administration Building
MICT South Access Road, Manila

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

Jose Joel M. Sebastian
(Contact Person)

(+632) 245 4101
(Company Telephone Number)

1 2	**3 1**
Month	*Day*

(Fiscal Year)

S E C 17 C
(Form Type)

0 4	**Every 3rd Thursday**
Month	*Day*

(Annual Meeting)

N/A
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Total Amount of Borrowings
(as of June 30, 2018)

1,391
as of June 30, 2018
Total No. of Stockholders

US$54.5M	**US$1,256.0M**
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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Securities and Exchange Commission

Current Report Under Section 17 of the Securities Regulation Code (“SRC”)
and SRC Rule 17.2 (c) Thereunder

SEC FORM 17-C

1. **7 August 2018**
   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	**2,032,376,931**

11. Item number reported herein: Item 9 – Other Events

ICTSI 1H2018 Net Income down 6% to US$97.7M; Volume, Revenues and EBITDA for Second Quarter Reach New All-time High

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for its first half ended June 30, 2018.

The Company posted revenue of US$661.8 million, an increase of 10 percent over the US$603.7 million reported for the first six months of 2017; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US$299.5 million, three percent higher than the US$289.7 million generated in the first half of 2017; and net income attributable to equity holders of US$97.7 million, down six percent compared to the US$103.6 million earned in the same period last year.

The decrease in net income was due primarily to the start-up costs of the new terminals in Papua New Guinea and Australia; and the US$7.5 Million non-recurring gain on the termination of the sub-concession agreement in Nigeria in the second quarter of 2017, tapered by the strong operating income from organic terminals; a decrease in the Company's share in the net loss at Sociedad Puerto Industrial Aguadulce S.A. (SPIA), its joint venture container terminal project with PSA International Pte Ltd. (PSA) in Buenaventura, Colombia; and a US$2.8 million non-recurring gain from the pre-termination of interest rate swap related to the pre-payment of the project finance loan at its terminal operations in Manzanillo, Mexico in May 2018. Excluding the non-recurring gains, consolidated net income attributable to equity holders would have decreased marginally by one percent in 2018. Diluted earnings per share was 22 percent lower at US$0.032 from US$0.041 in the first half of 2017.

For the quarter ended June 30, 2018, revenue increased 10 percent from US$306.5 million to US$336.4 million; EBITDA was six percent higher at US$151.8 million from US$142.7 million; and net income attributable to equity holders was up three percent from US$51.9 million in 2017 to US$53.6 million. Excluding the non-recurring gains, consolidated net income attributable to equity holders would have increased by 15 percent in the second quarter of 2018. Diluted earnings per share for the quarter was 10 percent lower at US$0.018 compared to US$0.020 in 2017.

ICTSI handled consolidated volume of 4,714,255 twenty-foot equivalent units (TEUs) in the first six months of 2018, four percent more than the 4,545,405 TEUs handled in the same period in 2017. The increase in volume was primarily due to the robust global trade activities particularly in the emerging markets, continuing volume growth at most terminals and the contribution of the new terminals in Lae and Motukea in Papua New Guinea, and Melbourne, Australia. Excluding the new terminals, volume increased by one percent.

For the quarter ended June 30, 2018, total consolidated throughput was five percent higher at 2,388,715 TEUs compared to 2,272,758 TEUs in 2017. Excluding the new terminals, consolidated volume would have increased by three percent in the second quarter of 2018.

Gross revenues for the first half of 2018 increased 10 percent to US$661.8 million compared to US$603.7 million reported in the same period in 2017. The increase in revenues was mainly due to volume growth; new contracts with shipping lines and services; increase in revenues from non-containerized cargoes, storage and ancillary services; and the contribution from the Company's new terminals in Lae and Motukea in Papua New Guinea, and Melbourne, Australia. Excluding the new terminals, consolidated gross revenues increased by six percent.

For the second quarter of 2018, gross revenues increased 10 percent from US$306.5 million to US$336.4 million. Excluding the new terminals, consolidated gross revenue for the second quarter increased seven percent.

Consolidated cash operating expenses in the first half of 2018 was 20 percent higher at US$266.0 million compared to US$221.7 million in the same period in 2017. The increase in cash operating expenses was mainly due to the cost contribution of the new terminals in Lae and Motukea in Papua New Guinea, and Melbourne, Australia; higher fuel consumption and external yard rental as a result of increase in volume; increase in prices of fuel and higher repairs and maintenance at certain terminals; and unfavorable translation impact of the Mexican Peso-denominated expenses at Manzanillo, Mexico. The increase was tapered by favorable translation impact of Philippine Peso and Brazilian Reais denominated expenses at the various terminals in the Philippines and in Suape, Brazil respectively. Excluding the new terminals, consolidated cash operating expenses increased by five percent in the first half of 2018. For the quarter ended June 30, 2018, total cash operating expenses of the Group increased by 16 percent to US$136.8 million in 2018 from US$117.8 million in 2017.

Consolidated EBITDA for the first half of 2018 increased three percent to US$299.5 million from US$289.7 million in 2017 mainly due to strong revenue growth and positive contribution of the new terminals in Lae and Motukea in Papua New Guinea, tapered by the fixed port lease expense at Melbourne, Australia. Consequently, EBITDA margin decreased to 45 percent in the first half of 2018 from 48 percent in the same period in 2017.

Consolidated EBITDA for the second quarter of 2018 increased by six percent to US$151.8 million from US$142.7 million in the same period in 2017. EBITDA margin for the quarter, on the other hand, decreased from 47 percent in 2017 to 45 percent in 2018.

Consolidated financing charges and other expenses for the first half increased two percent from US$59.0 million in 2017 to US$60.0 million in 2018 primarily due to lower capitalized borrowing cost on qualifying assets.

Capital expenditures excluding capitalized borrowing costs for the first half of 2018 amounted to US$134.3 million, approximately 35 percent of the US380.0 million capital expenditures budget for the full year 2018. The established budget is mainly allocated for the capacity expansion in its terminal operations in Manila, Mexico and Iraq; continuing rehabilitation and development of the Company’s container terminal in Honduras; procurement of additional equipment and minor infrastructure works in its newly acquired terminal operations in Papua New Guinea; and the completion of its new barge terminal project in Cavite City, Philippines.

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

ICTSI and Subsidiaries
Financial Highlights
YoY Comparison

For the six months ended June 30

(In million USD, except Earnings per share data)		**1H 2017**		**1H 2018**	**% Change**
Gross Revenues	USD	603.7	USD	661.8	10%
EBITDA		289.7		299.5	3%
Net Income		115.1		111.3	-3%
Net Income Attributable to Equity Holders		103.6		97.7	-6%
Earnings per share					
Basic		0.041		0.033	-20%
Diluted		0.041		0.032	-22%

For the quarter ended June 30

(In million USD, except Earnings per share data)		**2Q 2017**		**2Q 2018**	**% Change**
Gross Revenues	USD	306.5	USD	336.4	10%
EBITDA		142.7		151.8	6%
Net Income		57.5		60.4	5%
Net Income Attributable to Equity Holders		51.9		53.6	3%
Earnings per share					
Basic		0.021		0.018	-14%
Diluted		0.020		0.018	-10%

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