

COVER SHEET

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SEC Registration Number

I	N	T	E	R	N	A	T	I	O	N	A	L		C	O	N	T	A	I	N	E	R		T	E	R	M	I	N	A	L	
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)

1	2
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Month Day
(Fiscal Year)

3	1
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S	E	C	17	C
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(Form Type)

0	4	Every 3 rd Thursday
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Month Day
(Annual Meeting)

N/A

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings
(as of March 31, 2015)

1,462

as of March 31, 2015
Total No. of Stockholders

US\$39.9M

Domestic

US\$1,033.4M

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

Cashier

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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. **11 May 2015**
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	2,038,196,360
<i>(Reported by the stock transfer agent as of March 31, 2015)</i>	
 11. Item number reported herein: Item 9 – Other Events
-

**ICTSI 1Q 2015 Net Income Up 3% to US\$54 million;
Recurring Net Income Surged 38%**

- **Throughput grew 13% to 2.0 million TEUs**
- **Revenues increased 19% to US\$296.1 million**
- **EBITDA improved 23% to US\$127.5 million**

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the quarter ended March 31, 2015 posting revenue from port operations of US\$296.1 million, an increase of 19 percent over the US\$248.9 million reported for the same period last year, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$127.5 million, 23 percent higher than the US\$103.6 million generated in the first quarter of 2014, and net income attributable to equity holders of US\$54.0 million, up three percent over the US\$52.4 million earned in the same period last year. The increase in net income was mainly driven by continued margin improvement at Contecon Manzanillo S.A. (CMSA) in Manzanillo, Mexico and Operadora Portuaria Centroamericana, S.A. de C.V (OPC) in Puerto Cortes, Honduras, as these two container

terminals entered their second full year of commercial operations. In January 2014, the Company booked a US\$13.2 million one-time gain on sale of non-core asset when it divested its holdings in Cebu International Container Terminal, Inc. Excluding the one-time gain, recurring net income surged 38 percent in the first quarter of 2015.

ICTSI handled consolidated volume of 1,982,773 twenty-foot equivalent units (TEUs) for the quarter ended March 31, 2015, 13 percent more than the 1,757,095 TEUs handled in the same period in 2014. The increase in volume was mainly due to the improvement in international and domestic trade in most of the Company's terminals, new shipping lines and services, continuing volume ramp-up in the Company's terminal operations in Mexico and Honduras, favorable impact of terminal consolidation at Yantai, China, and the contribution of the Company's new terminal in Basra, Iraq which began commercial operation in November 2014. Excluding the volume generated by the new terminal in Iraq, organic volume growth was at 11 percent. The Company's eight key terminal operations in Manila, Brazil, Poland, Madagascar, China, Ecuador, Pakistan and Honduras, which accounted for 77 percent of the Group's consolidated volume in the first quarter of 2015, grew 8 percent compared to the same period last year.

Gross revenues from port operations for the quarter-ended March 31, 2015 surged 19 percent to US\$296.1 million from the US\$248.9 million reported in the same period in 2014. The increase in revenues was mainly due to volume growth, higher ancillary services, tariff rate adjustments at certain terminals, new contracts with shipping lines and forwarders, favorable impact of the consolidation of terminal operations at Yantai, China, continuing ramp-up at the terminals in Puerto Cortes, Honduras and Manzanillo, Mexico which posted increases of 67 percent and 49 percent, respectively, and the revenue contribution of the Company's new terminal in Basra, Iraq. Excluding the revenues from the new terminal, organic revenue growth was at 17 percent. The Group's eight key terminal operations in Manila, Brazil, Poland, Madagascar, China, Ecuador, Pakistan and Honduras accounted for 82 percent of the Group's consolidated revenues in the first quarter of 2015.

Consolidated cash operating expenses in the first quarter of 2015 grew 11 percent to US\$119.7 million from US\$108.2 million in the same period in 2014. The increase was mainly driven by the expenses and start-up costs of the new terminal in Iraq and projects in Australia, Nigeria and DR Congo, higher manpower costs arising from volume growth and government-mandated and contracted salary rate adjustments in certain terminals, and increased business development activities. Excluding the cost associated with the new terminal and projects, total cash operating expenses would have increased eight percent.

Consolidated EBITDA for the first quarter of 2015 increased 23 percent to US\$127.5 million from US\$103.6 million in 2014 mainly due to volume growth, strong revenue driven by the continuing ramp-up of the terminals in Manzanillo, Mexico and Puerto Cortes, Honduras, favorable impact of the consolidation of terminal operations at Yantai, China and the positive contribution of the new terminal in Basra, Iraq. Consequently, consolidated EBITDA margin increased to 43 percent in the first quarter of 2015 compared to 42 percent in the same period in 2014.

Consolidated financing charges and other expenses for the quarter increased 17 percent from US\$14.2 million in 2014 to US\$16.6 million in 2015. The increase was primarily due to higher interest expense resulting from the issuance of additional US\$75.0 million of medium-term notes in April 2014 and the consolidation of US\$35.8 million of loans as a result of the restructuring of the terminal operations at Yantai, China in July 2014.

Capital expenditures for the first quarter of 2015 amounted to US\$64.2 million, approximately 12 percent of the US\$530.0 million capital expenditure budget for the full year 2015. The established budget is mainly allocated for the completion of development at the Company's new container terminals in Mexico and Iraq, capacity expansion in its terminal operation in Manila, and to start the development of the new terminals in Democratic Republic of Congo and Australia. In addition, ICTSI invested US\$16.0 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 2015 to complete phase one of the project is approximately US\$140 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 six continents and continues to pursue container terminal opportunities around the world.

ICTSI and Subsidiaries

Financial Highlights

YoY Comparison

For the quarter ended March 31

(In million USD, except Earnings per share data)	1Q 2014		1Q 2015		% Change
Gross Revenues	USD	248.9	USD	296.1	19%
EBITDA		103.6		127.5	23%
Net Income		54.7		56.8	4%
Net Income Attributable to Equity Holders		52.4		54.0	3%
Earnings per share					
Basic		0.022		0.023	4%
Diluted		0.022		0.023	4%

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