

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. **9 Aug 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	2,033,321,394
	<i>(Reported by the stock transfer agent as of June 30, 2016)</i>
11. Item number reported herein: Item 9 – Other Events

**ICTSI 1H2016 Throughput up 10%; EBITDA improved 8% to all-time high;
Net Income reduced by start-ups, down 13% to US\$87.3 million**

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the first half of 2016 posting revenue from port operations of US\$550.8 million, a slight decrease of 0.2 percent from the US\$552.1 million reported in the first six months of 2015; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$257.5 million, eight percent higher than the US\$237.4 million for the same period last year, and net income attributable to equity holders of US\$87.3 million, down 13 percent against the US\$100.4 million earned in the first half of 2015. Net income attributable to equity holders declined mainly due to unfavorable volume mix, lower non-containerized & storage revenues, and lower capitalized borrowing costs and higher depreciation & amortization expenses related to Tecplata S.A. ("Tecplata"), the company's new terminal in Buenos Aires, Argentina. Excluding

the effect of Tecplata and new projects, consolidated net income attributable to equity holders would have increased by six percent. Diluted earnings per share for the period was 26 percent lower at US\$0.031 compared to US\$0.042 in the same period in 2015.

For the quarter ending June 30, 2016, revenue from port operations increased 11 percent from US\$256.0 million to US\$284.3 million and EBITDA surged 23 percent to US\$135.5 million from US\$109.8million. Net income attributable to equity holders declined three percent from US\$46.4 million to US\$45.1 million in 2016 mainly due to higher depreciation, amortization and interest expense related to Tecplata. Diluted earnings per share for the quarter decreased 11 percent from US\$0.019 in 2015 to US\$0.017 in 2016.

ICTSI handled consolidated volume of 4,264,633 twenty-foot equivalent units (TEUs) in the first six months of 2016, 10 percent more than the 3,888,130 TEUs handled in the same period in 2015. The increase in volume was mainly due to the continuing ramp-up at ICTSI Iraq; new shipping line customers and services in the Company's terminals in Guayaquil, Ecuador, Manzanillo, Mexico, Karachi, Pakistan and Jakarta, Indonesia; and improvement in trade activities at most of the terminals in the Asia region. For the quarter ending June 30, 2016, total consolidated throughput was 16 percent higher at 2,210,994 TEUs compared to 1,905,357 TEUs in 2015.

Gross revenues from port operations for the first half of 2016 was slightly lower at US\$550.8 million compared to the US\$552.1 million reported in the same period in 2015. The 0.2 percent decrease in revenues was mainly due to unfavorable container volume mix, lower non-containerized & storage revenues, and unfavorable translation impact of the depreciation of local currencies to the US dollar at certain terminals. The decline however was partly offset 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 24 percent depreciation of the Brazilian Reais (BRL) at TSSA; the 19 percent depreciation of the Mexican Peso (MXN) at Contecon Manzanillo S.A. ("CMSA"); and the five percent depreciation of the Philippine Peso (PHP) at the various Philippine terminals, consolidated gross revenues would have increased by three percent. For the second quarter of 2016, gross revenues increased 11 percent from US\$256.0 million to US\$284.3 million. The strong revenue growth in the second quarter was driven by the continuing ramp-up at ICTSI Iraq, tariff rate adjustments and new contracts with shipping lines and services at certain terminals.

Consolidated cash operating expenses in the first half of 2016 was 10 percent lower at US\$204.2 million compared to US\$226.5 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; the implementation of the group-wide cost optimization initiatives, 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 and Democratic Republic of Congo.

Consolidated EBITDA for the first half of 2016 increased eight percent to US\$257.5 million from US\$237.4 million in 2015 mainly due to the strong volume and revenue growth in the second quarter, and lower cash operating expenses for the period. Excluding the translation impact of currency depreciation, consolidated EBITDA would have increased by nine percent in the first six months of 2016. Consolidated EBITDA margin, on the other hand, increased to 47 percent in the first half 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 first six months of 2016 increased 38 percent to US\$45.9 million from US\$33.3 million in 2015 mainly due to slightly higher average loan balance and lower capitalized borrowing costs due to the cessation of the capitalization of interest expense as the Company opened its new terminal in Buenos Aires, Argentina.

Capital expenditures for the first half of 2016 amounted to US\$157.8 million, approximately 38 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 Australia, Democratic Republic of Congo and Iraq, and the continuing development of the Company's projects in Honduras and Mexico. In addition, ICTSI invested US\$32.3 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 six months ended June 30

<i>(In million USD, except Earnings per share data)</i>		1H 2015		1H 2016	% Change
Gross Revenues	USD	552.1	USD	550.8	-0.2%
EBITDA		237.4		257.5	8%
Net Income		105.7		92.6	-12%
Net Income Attributable to Equity Holders		100.4		87.3	-13%
Earnings per share:					
Basic		0.042		0.031	-26%
Diluted		0.042		0.031	-26%

For the quarter ended June 30

<i>(In million USD, except Earnings per share data)</i>		2Q 2015		2Q 2016	% Change
Gross Revenues	USD	256.0	USD	284.3	11%
EBITDA		109.8		135.5	23%
Net Income		48.9		47.6	-3%
Net Income Attributable to Equity Holders		46.4		45.1	-3%
Earnings per share:					
Basic		0.019		0.017	-11%
Diluted		0.019		0.017	-11%

SIGNATURE

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:

A handwritten signature in black ink, appearing to read 'Tabuena', written over a large, stylized circular flourish.

ARTHUR QUINTIN R. TABUENA

Director - Treasury and Investor Relations