

COVER SHEET

						1	4	7	2	1	2
--	--	--	--	--	--	---	---	---	---	---	---

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	3	1
<i>Month</i>		<i>Day</i>	
(Fiscal Year)			

S	E	C	17	C
---	---	---	----	---

(Form Type)

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

N/A

(Secondary License Type, If Applicable)

--

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

1,418
<i>as of June 30, 2017</i>

Total No. of Stockholders

Total Amount of Borrowings
(as of June 30, 2017)

US\$98.7M	US\$1,352.8M
Domestic	Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--	--	--

File Number

_____ LCU

--	--	--	--	--	--	--	--	--	--	--	--

Document ID

_____ Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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. **8 August 2017**
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	2,024,082,508
	<i>(Reported by the stock transfer agent as of June 30, 2017)</i>
11. Item number reported herein: Item 9 – Other Events

ICTSI 1H2017 Net Income Up 19% to US\$103.6M

- Throughput grew 7% to 4.5 million TEUs
- Revenues increased 10% to US\$603.7 million
- EBITDA 13% higher to US\$289.7 million

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the first half of 2017 posting revenue from port operations of US\$603.7 million, an increase of 10 percent over the US\$550.8 million reported for the first six months of 2016; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$289.7 million, 13 percent higher than the US\$257.5 million generated in the first half of 2016; and net income attributable to equity holders of US\$103.6 million, up 19 percent from the US\$87.3 million earned in the same period last year due to the continuing ramp-up at the new terminal in Matadi, Democratic Republic of Congo (DRC), strong operating income contribution from the terminals in Iraq, Mexico and Brazil, and the one-time gain on the termination of the sub-concession agreement in Nigeria. The increase in net income was tapered by higher interest and financing charges; higher depreciation and amortization

expenses; start-up costs at the Company's terminal in Melbourne Australia; and increase 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, which increased from US\$3.2 million in the first half of 2016 to US\$18.7 million for the same period in 2017 as the company started full commercial operations at the beginning of the year. Excluding the one-time gain on the termination of the sub-concession agreement in Nigeria, consolidated net income attributable to equity holders would have increased by 10 percent in the first half of 2017. Diluted earnings per share for the period was 32 percent higher at US\$0.041 from US\$0.031 in 2016.

For the quarter ended June 30, 2017, revenue from port operations increased eight percent from US\$284.3 million to US\$306.5 million; EBITDA was five percent higher at US\$142.7 million from US\$135.5 million; and net income attributable to equity holders was up 15 percent from US\$45.1 million to US\$51.9 million. Excluding the one-time gain on the termination of the sub-concession agreement in Nigeria, consolidated net income attributable to equity holders would have decreased by two percent in the second quarter of 2017. Diluted earnings per share for the quarter was 18 percent higher at US\$0.020 from US\$0.017 in 2016.

ICTSI handled consolidated volume of 4,545,405 twenty-foot equivalent units (TEUs) in the first six months of 2017, seven percent more than the 4,264,633 TEUs handled in the same period in 2016. The increase in volume was primarily due to continuing improvement in global trade activities particularly in the emerging markets, continuing ramp-up at ICTSI's operations in Basra, Iraq, new services at Manzanillo, Mexico and the new terminals in Matadi, DRC and Melbourne, Australia. Excluding the new terminals, consolidated volume increased by five percent. For the quarter ended June 30, 2017, total consolidated throughput was three percent higher at 2,272,758 TEUs compared to 2,210,994 TEUs in 2016.

Gross revenues from port operations for the first half of 2017 increased 10 percent to US\$603.7 million from the US\$550.8 million reported in the same period in 2016. The increase in revenues was mainly due to volume growth, tariff rate adjustments at certain terminals, new contracts and services with shipping lines, and the contribution from the Company's new terminals in Matadi, DRC and Melbourne, Australia. Excluding the new terminal in DRC and Australia, consolidated gross revenues increased by five percent. For the second quarter of 2017, gross revenues increased eight percent from US\$284.3 million to US\$306.5 million.

Consolidated cash operating expenses in the first half of 2017 was nine percent higher at US\$221.7 million compared to US\$204.2 million in the same period in 2016. The increase in cash operating expenses was mainly due to the cost contribution of the new terminal operations in Matadi, DRC and Melbourne Australia; higher throughput and increase in fuel prices and power rates at certain terminals; and unfavorable translation impact of the BRL appreciation at Suape, Brazil. The increase was tapered by the additional benefits of the on-going group-wide cost optimization initiatives and the favorable translation impact of Philippine Peso and Mexican Peso expenses at the various terminals in the Philippines and in Manzanillo, Mexico, respectively. For the quarter ended June 30, 2017, total cash operating expenses of the Group increased by 15 percent to US\$117.8 million from US\$102.7 million in 2016.

Consolidated EBITDA for the first half of 2017 increased 13 percent to US\$289.7 million from US\$257.5 million in 2016 mainly due to strong volume and revenue growth combined with the additional benefits of the on-going group-wide cost optimization initiatives and positive contribution of the new terminal in Matadi, DRC tapered by start-up costs at Melbourne, Australia. Consequently, EBITDA margin improved to 48 percent in the first half of 2017 from 47 percent in the same period in 2016.

For the second quarter of 2017, consolidated EBITDA increased by five percent to US\$142.7 million from US\$135.5 million in the same period in 2016. EBITDA margin, on the other hand, decreased to 47 percent in 2017 from 48 percent in 2016.

Consolidated financing charges and other expenses for the first half increased 29 percent from US\$45.9 million in 2016 to US\$59.0 million in 2017 primarily due to higher average loan balance, lower capitalized borrowing cost on qualifying assets and the acceleration of the amortization of debt issue cost due to the termination of the Company's revolving credit facility. For the second quarter, consolidated financing charges and other expenses increased 32 percent from US\$24.9 million in 2016 to US\$32.8 million in 2017.

Capital expenditure for the first half of 2017 amounted to US\$71 million, approximately 30 percent of the US\$240.0 million capital expenditure budget for the full year 2017. The established budget is mainly allocated for the completion of the initial stage development of the Company's greenfield projects in Democratic Republic of Congo and Iraq; the second stage development of the Company's project in Australia; continuing development of the Company's container terminals in Mexico and Honduras; and capacity expansion in its terminal operations in Manila. In addition, ICTSI invested US\$19.7 million in SPIA in Buenaventura, Colombia. The Company allocated approximately US\$25.0 million for its

share in 2017 to complete the initial phase and to finance the start-up operations of its joint venture container terminal project with PSA International.

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 five 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 2016		1H 2017	% Change
Gross Revenues	USD	550.8	USD	603.7	10%
EBITDA		257.5		289.7	13%
Net Income		92.6		115.1	24%
Net Income Attributable to Equity Holders		87.3		103.6	19%
Earnings per share					
Basic		0.031		0.041	32%
Diluted		0.031		0.041	32%

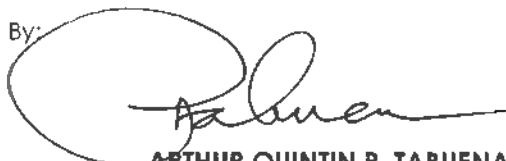
For the quarter ended June 30

<i>(In million USD, except Earnings per share data)</i>		2Q 2016		2Q 2017	% Change
Gross Revenues	USD	284.3	USD	306.5	8%
EBITDA		135.5		142.7	5%
Net Income		47.6		57.5	21%
Net Income Attributable to Equity Holders		45.1		51.9	15%
Earnings per share					
Basic		0.017		0.021	24%
Diluted		0.017		0.020	18%

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