

**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. **8 November 2016**
Date of Report (Date of earliest event reported)
2. SEC Identification Number: **147212**
3. BIR Tax Identification No.: **000-323-228**
4. **International Container Terminal Services, Inc.**
Exact name of issuer as specified in its charter
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
Incorporation
6. (SEC Use Only)
Industry Classification Code:
7. **ICTSI Administration Building, Manila International Container Terminal (MICT)
South Access Road, Port Area, Manila 1012**
Address of Principal Office Postal Code
8. **+(63 2) 245 4101**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name or former address, if changed since last report
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 of Common Stock Outstanding

2,032,492,134 common shares
(as of October 31, 2016)

11. Item number reported herein: **9**

ICTSI 9M2016 Net Income Up 4% to US\$141.9M; 53% Higher at US\$54.6M in 3Q2016

- **9M2016 Throughput grew 12% to 6.4 million TEUs**
- **9M2016 Revenues increased 5% to US\$835.0 million**
- **9M2016 EBITDA improved 15% to US\$390.3 million**

International Container Terminal Services, Inc. (ICTSI) today reported unaudited consolidated financial results for the first nine months of 2016 posting revenues from port operations of US\$835.0 million, an increase of five percent over the US\$792.0 million reported for the same period last year; Earnings Before Interest, Taxes, Depreciation and Amortization

(EBITDA) of US\$390.3 million, 15 percent higher than the US\$339.5 million generated in the first nine months of 2015, and net income attributable to equity holders of US\$141.9 million, up 4% from the US\$136.2 million earned in the first three quarter of the previous year. Net income attributable to equity holders increased primarily due to the volume and revenue growth tapered by higher depreciation & amortization expenses and lower capitalized borrowing costs related to Tecplata S.A. ("Tecplata"), the company's new terminal in Buenos Aires, Argentina, and higher interest expense from higher average loan balance. Excluding the effect of new terminals and projects, consolidated net income attributable to equity holders would have increased by 28 percent. Diluted earnings per share for the period was six percent lower at US\$0.052 from US\$0.055 in 2015.

For the quarter ending September 30, 2016, revenue from port operations increased 18 percent from US\$239.9 million to US\$284.2 million while EBITDA was 30 percent higher at US\$132.9 million from US\$102.1 million. Net income attributable to equity holders was up 53 percent from US\$35.8 million to US\$54.6 million in 2016 mainly due to the strong volume and revenue growth across all three of the Company's geographic segments tapered by higher depreciation & amortization expenses and lower capitalized borrowing costs at Tecplata in Argentina, and higher interest and financing charges arising from higher average loan balance. Excluding new terminals and projects, consolidated net income attributable to equity holders would have increased by 72 percent. Diluted earnings per share for the quarter increased 66 percent from US\$0.013 in 2015 to US\$0.021 in 2016.

ICTSI handled consolidated volume of 6,435,192 twenty-foot equivalent units (TEUs) in the first nine months of 2016, 12 percent more than the 5,768,248 TEUs handled in the same period in 2015. All three of the Company's geographic segments in Asia, EMEA and Americas continued to post positive volume growth for the third consecutive quarter. The increase in volume was mainly due to new shipping lines and services, improvement in trade activities in most of the terminals in the Asia region and the continuing ramp-up at ICTSI Iraq. For the quarter ending September 30, 2016, total consolidated throughput was 15 percent higher at 2,170,559 TEUs compared to 1,880,118 TEUs in 2015. It was the second consecutive quarter of double digit volume growth at all of the Company's three geographic segments.

Gross revenues from port operations for the first nine months of 2016 increased five percent to US\$835.0 million from US\$792.0 million reported for the same period in 2015. The increase in revenues was mainly due to volume growth at most of the Company's terminals;

tariff rate adjustments and new contracts with shipping lines and services at certain terminals; and the continuing ramp-up at ICTSI Iraq. This however was partially off-set by unfavorable container volume mix and lower non-containerized and storage revenues at certain terminals. For the third quarter of 2016, gross revenues increased 18 percent to US\$284.2 million from US\$239.9 million in 2015. All three of the Company's geographic segments in Asia, EMEA and Americas posted double digit revenue growth in the third quarter of 2016.

Consolidated cash operating expenses in the first three quarters of 2016 was down five percent to US\$310.1 million from US\$326.6 million in the same period in 2015. The decrease was mainly due to the improved operational efficiencies resulting to lower costs of repairs and maintenance, lower fuel and power consumption, combined with lower global fuel prices; the implementation of the company-wide cost optimization initiatives; and lower variable cost at ICTSI Oregon (IOI) in Portland, OR, USA. The reduction in cash operating expenses was tapered by increase in variable manpower costs as a result of increase in volume and the cost contribution of new terminals and projects.

Consolidated EBITDA for the first nine months of 2016 increased 15 percent to US\$390.3 million from US\$339.5 million in 2015 mainly due to strong revenue growth combined with lower operating costs and effective cost optimization initiatives. Consequently, consolidated EBITDA margin improved to 47 percent in the first nine months of 2016 from 43 percent in the same period the year earlier.

Consolidated financing charges and other expenses for the first three quarters increased 38% from US\$48.6 million in 2015 to US\$66.8 million in 2016. The increase was mainly due to slightly higher average loan balance and lower capitalized borrowing costs due to the cessation of the capitalization of Tecplata's borrowing cost, unfavorable translation impact of certain currencies against US dollar in 2016, and the recognition of solidarity contribution tax and provision for claims at Contecon Guayaquil S.A. (CGSA) in Guayaquil, Ecuador.

Capital expenditures for the first nine months of 2016 amounted to US\$297.9 million. Excluding capitalized borrowing costs and expenses, capital expenditures amounted to US\$273.0 million, approximately 65% 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\$50.1 million in the development of Sociedad Puerto Industrial Aguadulce S.A. (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\$60.0 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 nine months ended September 30

<i>(In million USD, except Earnings per share data)</i>		9M 2015		9M 2016	% Change
Gross Revenues	USD	792.0	USD	835.0	5%
EBITDA		339.5		390.3	15%
Net Income		143.7		150.8	5%
Net Income Attributable to Equity Holders		136.2		141.9	4%
Earnings per share					
Basic		0.055		0.052	-6%
Diluted		0.055		0.052	-6%

For the quarter ended September 30

<i>(In million USD, except Earnings per share data)</i>		3Q 2015		3Q 2016	% Change
Gross Revenues	USD	239.9	USD	284.2	18%
EBITDA		102.1		132.9	30%
Net Income		38.0		58.2	53%
Net Income Attributable to Equity Holders		35.8		54.6	53%
Earnings per share					
Basic		0.013		0.022	66%
Diluted		0.013		0.021	66%

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: 

ARTHUR QUINTIN R. TABUENA
Director - Treasury and Investor Relations