

PortFolio

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MICT WELCOMES ONE SERVICE

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G L O B A L O P E R A

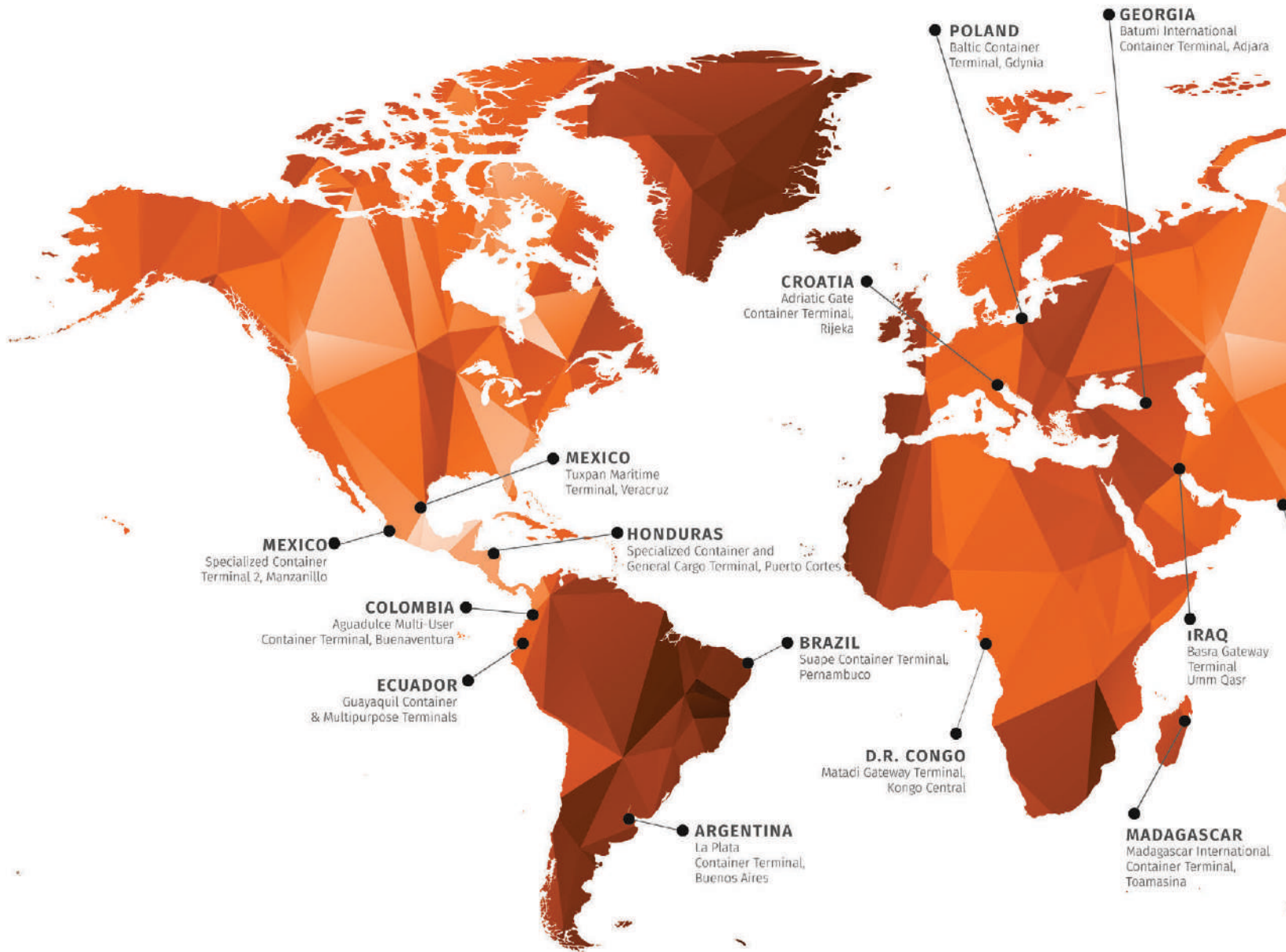


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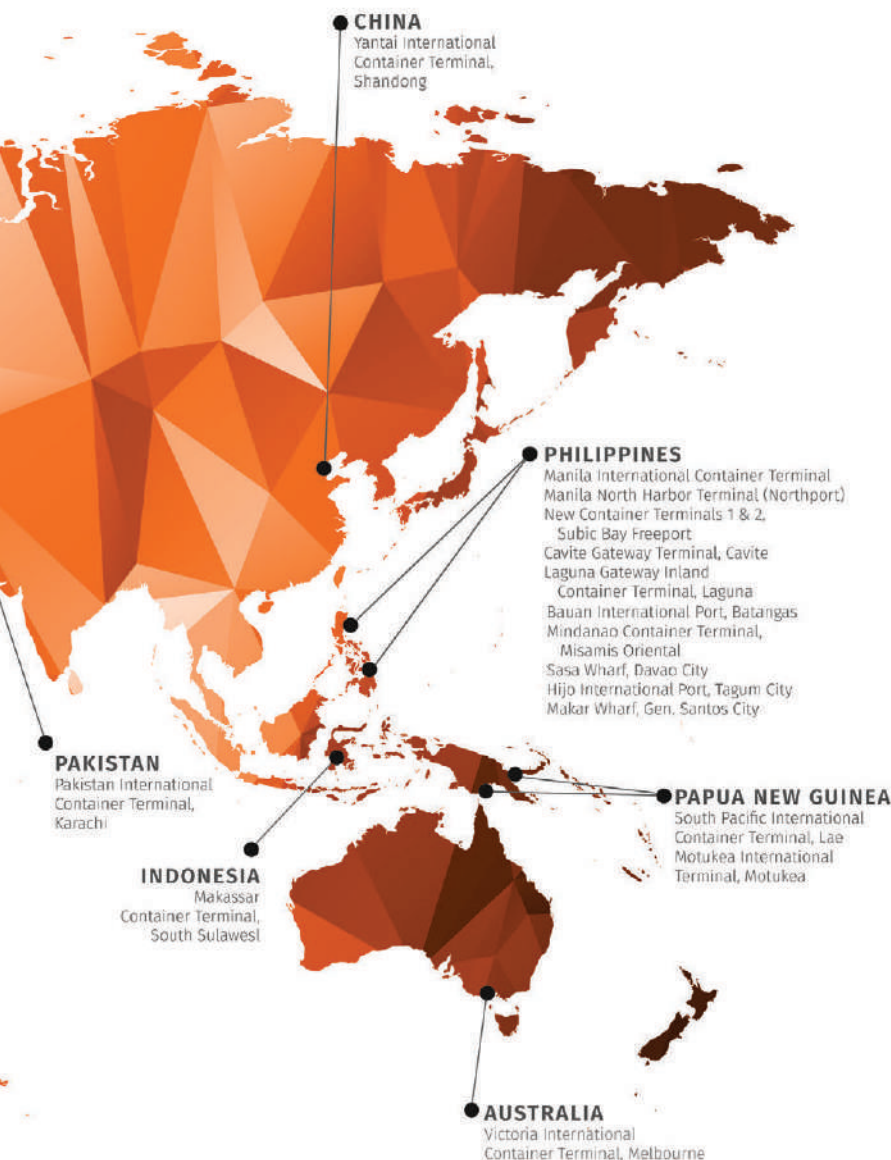
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NEWSBREAK

OPC WINS OAS MARITIME AWARD FOR ENVIRONMENTALLY SUSTAINABLE PORT OPERATIONS

Operadora Portuaria Centroamericana (OPC) recently won the coveted Maritime Award of Americas for 2017 from the Organization of American States (OAS) for OPC's environmentally sustainable port operations and green measures that promote marine environment protection.

OPC bested other maritime gateways across the 35-nation OAS in North, Central, and South Americas, obtaining high scores for exhibiting winning practices that produced measurable results and highly sustainable impact.

Mariano Turnes, OPC CEO, said the Company will continue to focus on ways to mitigate environmental risks: "We are executing other actions to offer the best services without harming the environment through programs that reduce and control the consumption of natural resources, selective collection, and recycling of materials. We also maintain our equipment exhaust systems, work on noise reduction systems in parked engines, and practice careful handling of dangerous cargoes. We established fire brigades to avoid accidents with oil spills and, in addition, commissioned specialized equipment to contain spills.

OPC's waste management and environmental conservation best practices also stood out from the many applications submitted to the screening committee led by the OAS Inter-American Committee on Ports.

"The practice that we implement in OPC has several components. First is awareness, which starts with the induction of new staff. We conduct regular talks and outreach campaigns to spread awareness. Second is operational controls, where we carry out the 3R (reduce, reuse, recycle) practice; containment barrier in the rainwater channel, emission reduction, and drainages with separator boxes. The third component is rainwater harvesting, which leads to the fourth component—the water purification system. Finally, we have the solar panels," said Mr. Turnes.

Mr. Turnes thanked the OAS Inter-American Committee on Ports Secretariat for honoring the Company, highlighting OPC's commitment to the development of a safe, competitive, and sustainable port sector in the Americas.

"We are extremely proud of this recognition after four years of starting operations. This award puts OPC at the forefront of the environmentally sustainable waste management topic, allowing us to set the example and demonstrate the skills and talent of our staff. It highlights the quality of our teamwork and motivates us to constantly keep improving."

OPC executives received the award during the "II Hemispheric Seminar on Corporate Social Responsibility and Gender Equality: Creating a Competitive and Inclusive Port Sector" event held from 23 to 25 May in Lima, Peru.

MICT welcomes ONE service

The newest shipping line Ocean Network Service (ONE) launched its JPH (Japan-Philippines) service at the Port of Manila with the maiden call of *Cape Nabil* at the Manila International Container Terminal last 4 April.

ONE'S JPH service links Japan and the Philippines, calling the Japanese ports in Osaka, Yokkaichi, Nagoya, Shimizu, Tokyo, Yokohama, Kobe, and Pusan before heading to Manila in the Philippines. The service then heads back to Japan via Pusan and Osaka.

Headquartered in Singapore, ONE emerged from the merger of Japanese lines Kawasaki Kisen Kaisha (K Line), Nippon Yusen Kabushiki Kaisha (NYK), and Mitsui O.S.K. Lines (MOL). Now the sixth largest shipping line in the world with a total fleet size of 240 vessels or equivalent to 1.4 million TEUs (as of June 2017), the liner officially commenced its container shipping businesses last 1 April.



▲ ONE makes first Philippine voyage (from left): Kuniyasu Funaki, ONE Corporate Affairs Director; Jose Juan Lacson, ONE Vice President and Commercial Sales Director; Jun Onodera, ONE Managing Director, Christian Lozano, MICT Commercial and Risk Management Director; and Noah Ampil, ONE Operations Director.

ORIGIN	TERMINAL
Osaka	Nanko C-1/C-2
Yokkaichi	Yokkaichi Kasumigaura Kita Futo
Nagoya	Nagoya Container Berth
Shimizu	Sodeshi Ctnr Terminal
Tokyo	Ohi No. 6-7 Terminal
Yokohama	Daikoku C-4
Kobe	Rokko Isaland C-4/5
Pusan	Pusan Newport Company
Manila (North)	Manila International Ctnr Port
Manila (South)	Manila South Harbour
Pusan	Pusan Newport Company
Osaka	Nanko C-1/C-2



▲ The *Cape Nabil*

COSCO launches new service in Subic

BY OLGA URETA

COSCO Shipping Line has partnered with Subic Bay International Terminal Corp. (SBITC) to launch a new service in Subic that connects the central and northern Luzon markets to China.

Launched last 19 March, the service—a consortium with Sinotrans Container Lines—initially sails from Subic in Zambales, Philippines, then heads north to Shanghai in China before heading back to the Philippines via Manila.

COSCO's new service—the liner's first attempt to ship out from Subic Bay—aims to tap the current export markets in Central and Northern Luzon, as well as the import

communities in the area. From there, COSCO also looks to widen its reach across the export markets in Regions I to III and service major trade destinations in China, Korea, Japan, North America, and Europe.

The launch was marked by the arrival of *Dong Fiang Qiang* at the Subic Bay Freeport.

SBITC, for its part, will continue to leverage its strategic location and operational efficiency, along with other the other advantages of using Subic, to attract more partners and bring the northern and central Luzon markets closer to the world.

BGT named 2017 Chairman's Cup champion

Basra Gateway Terminal (BGT) was named the 2017 Chairman's Cup champion, emerging as the best-performing terminal within the ICTSI Group.

The award recognizes BGT's performance in terms of growth revenue, earnings before interest, tax, depreciation, and amortization (EBITDA), net income improvements in return of investment capital, and cash distribution to the parent Company.

Joining BGT in the best performers' circle are Matadi Gateway Terminal (MGT), first runner-up and the 2016 champion; and Contecon Manzanillo (CMSA), second runner-up. Operadora Portuaria Centroamerica (OPC), which won the 2015 Cup, received an honorable mention for improving its business operation.



▲ 2017 Chairman's Cup winners (from left): Martin O'Neil, ICTSI Executive Vice President; Tim Vancampen, MGT CEO; Phillip Marsham, BGT CEO; Enrique K. Razon Jr., ICTSI Chairman and President; Fortino Landeros, CMSA CEO; and Mariano Turnes, OPC CEO.

Basra Gateway Terminal joins multinational trade group

BY SHEEBA KHAN

Basra Gateway Terminal (BGT) has joined the Iraq Britain Business Council (IBBC), a private, multi-sectoral trade group composed of key Iraqi and British companies, as well as other global corporations. The IBBC is supported by the British Government and assists in UK B2B opportunities.

"IBBC is delighted to welcome Basra Gateway Terminal to the council. BGT has a reputation for great professionalism and efficiency in Iraq, and is managed by international experts in port operation and management. I have no doubt that BGT will prove a valuable addition to the IBBC and its growing membership in 2018," said Christophe Michels, IBBC Managing Director.

Phillip Marsham, BGT CEO, said that BGT is honored to be part of a powerful network that is supported by the UK and Iraqi Governments and the European Union.

"We are excited to join IBBC which is backed by the Iraqi Government and the National Investment Commission. We look forward to adopt global best practices and international standards, while contributing to the ambitions of the IBBC in Iraq," said Mr. Marsham.

As a business initiator, IBBC is committed to a free, prosperous, and diverse Iraq. The member-funded council operates through independent secretariats in London, Baghdad, Basrah, and Erbil.



ICTSI EMEA, BGT hold Customer Day for clients, stakeholders

BY SHEEBA KHAN

The ICTSI Europe, Middle East and Africa office together with Basra Gateway Terminal (BGT), held a golf tournament at the Arabian Ranches Golf Club in Dubai last 19 April as part of their Customer Day event, which celebrates ICTSI's relationship with clients and stakeholders in the region.

Officers and guests formed groups of three and battled it out in a friendly and relaxing game of golf during the afternoon. After the game, guests—including those who didn't play golf—joined Phillip Marham, BGT CEO, at his residence for dinner and the awarding of winners. Tico Wieske, ICTSI Global Commercial Head, and Hans-Ole Madsen, EMEA Region Head, were also present at the event.



Dubai finance team visits BGT

BY SHEEBA KHAN

Effective risk management remains one of the key imperatives at Basra Gateway Terminal (BGT). As such, the Company operates a finance back office in Dubai, where the core finance functions are performed. This setup allows the customer-centered finance team in Iraq to focus more on providing world-class customer experience in BGT.

Recently, the finance team in Dubai visited Iraq to meet the BGT front office for a three-day tour. The activity provided an excellent opportunity for the Dubai team to meet their counterparts and see the faces behind the emails and phone calls.

The tour also gave the visiting team time to discuss opportunities to improve and increase

efficiency of the processes to streamline communication between front and back end offices. Phillip Marham, BGT CEO, personally toured the Dubai team around the terminal to witness the daily operations at the port. On the third day, both teams ended the engagement on a high note—a pleasant dinner courtesy of the host team and a promise to return next year by the visitors.



▲ Mr. Marham leads a terminal tour for the visitors from Dubai.



▲ The Iraq and Dubai Finance teams dine together during the last day of the visit.

ICTSI volume, revenue up in Q1

- **Net Income at US\$44.1 million, down 15%**
- **Volume and EBITDA rise to new all-time highs**
- **Revenues grow to new first quarter record**

International Container Terminal Services, Inc. (ICTSI) reported unaudited consolidated financial results for the quarter ended 31 March 2018, with revenue from port operations of US\$325.4 million, an increase of nine percent over the US\$297.2 million reported for the same period last year; Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$147.8 million, one percent higher than the US\$147.0 million generated in the first quarter of 2017; and net income attributable

to equity holders of US\$44.1 million, 15 percent less than the US\$51.7 million earned in the same period last year due to the drag from new terminals.

Consolidated volume of 2,325,540 twenty-foot equivalent units (TEUs) for the quarter rose by two percent more than the 2,272,647 TEUs handled in the same period in 2017. The increase was primarily due to the continuous improvement in global trade activities particularly in the emerging markets, continuing ramp-up at ICTSI Iraq, and ICTSI Democratic Republic of Congo (IDRC), and contributions from Victoria International Container Terminal and South Pacific International Container Terminal Limited, the Company's new terminals in Melbourne, Australia and Lae, Papua New Guinea, respectively. The increase was tapered by the volume decline in Guayaquil, Ecuador and Karachi, Pakistan. Organically, consolidated volume growth was flat.

Gross revenues from port operations for the quarter increased nine percent to US\$325.4 million, from the US\$297.2 million reported in the same period in 2017. The increase was mainly due to volume growth, tariff rate adjustments at certain terminals, new contracts with shipping lines and services, increased storage and ancillary services, and contribution from new terminals in Australia and Papua New Guinea. Without the new terminals, consolidated gross revenues increased by six percent.

ICTSI and Subsidiaries

Financial Highlights
YoY Comparison

Consolidated cash operating expenses was 24 percent higher at US\$129.1 million compared to US\$103.9 million in the same period in 2017. The increase was mainly driven by cost contribution of new terminals in Australia and Papua New Guinea, higher fuel consumption and external yard rental as a result of increase in volume, increase in price of fuel and power rate at certain terminals, and the unfavorable translation impact of Mexican Peso expenses at CMSA. The increase was partially tapered by cost optimization measures implemented and the favorable translation impact of Philippine Peso expenses at Philippine terminals.

Consolidated EBITDA for the first quarter of 2018 increased one percent to US\$147.8 million, from US\$147.0 million in 2017 mainly due the strong revenue growth combined with the additional benefits of the on-going group-wide cost optimization initiatives and positive contribution of the new terminal in Papua New Guinea. The growth was tapered by higher operating expenses mainly due to the fixed port lease expense in Melbourne, Australia. Consequently, EBITDA margin declined to 45 percent in the first quarter of 2018, from 49 percent in the same period in 2017.

Consolidated financing charges and other expenses for the quarter increased 19 percent, from US\$26.2 million in 2017 to US\$31.1 million in 2018 primarily due to lower capitalized borrowing cost on qualifying assets.

Capital expenditures, excluding capitalized borrowing costs for the first quarter of 2018 amounted to US\$68.0 million, was approximately 18 percent of the US\$380.0 million capital expenditure budget for the full year 2018. The established budget is mainly allocated for capacity expansion in Manila, Mexico and Iraq; continuing rehabilitation and development of the terminal in Honduras; procurement of additional equipment and minor infrastructure works in the terminal in Papua New Guinea; and the completion of the barge terminal in Cavite City, Philippines.

FOR THE QUARTER ENDED MARCH 31

(In million USD, except Earnings per share data)	1Q 2017	1Q 2018	% Change
Gross Revenues	USD 297.2	USD 325.4	9%
EBITDA	147.0	147.8	19%
Net Income	57.6	50.9	-12%
Net Income Attributable to Equity Holders	51.7	44.1	-15%
Earnings per share			
Basic	0.020	0.014	-30%
Diluted	0.020	0.04	-30%

MICT updates TOS

BY ALBERT CANCERAN

The Manila International Container Terminal (MICT) recently updated its terminal operating system (TOS) from Sparcs N4 2.6 to Sparcs N4 3.4.

Rolled out last March, version 3.4 features improved architecture and reefer dispatch settings, better error screen, optimized log collection, and simplified configuration for TOS data purging and archiving. A web-based version of the application is also available in Sparcs N4 3.4.

The Navis Project Group, composed of experts from Operations, Billing, and Information Technology Systems and Services (ITSS), stringently tested the system configurations, codes, and interfaces throughout the five-month testing period. Regression tests were also carried out to ensure the application's reliability, along with the execution of cutover rehearsals to prepare and confirm readiness for the actual upgrade activities.

"During the testing period, ITSS, together with the key functional users in Operations, guaranteed that every issue was properly addressed and resolved. We religiously documented test cases and adopted a migration strategy by executing consecutive rehearsals. We were also able to maximize our existing resources without compromising system performance. I see the new version bringing more value to our customers," said Francis Valdez, ITSS Manager.

The TOS update was supported by MICT's key partners: Navis LLC, ABB Inc., IStop, and Indra Philippines. Sparcs N4 3.4 is a software product of Navis, a Cargotec company.



MGT donates medical facility to Matadi hospital

BY NANJI LUMANJI

Matadi Gateway Terminal (MGT) recently turned over the new scanner building it donated to the General Hospital of Matadi.

Erick Zaghombila, MGT Administrative Director, together with the Honorable Florian Massaki, Matadi Provincial Minister of Health and Education, led the inauguration of the facility last 20 April.

"We, as a responsible member of the community, understand the importance of improving the living conditions of the local population. This new medical facility affirms our continuing

commitment to the development of the people and city of Matadi," said Mr. Zaghombila.

The project, which was launched on December 2017 and completed after four months, is part of MGT's CSR efforts. The facility comes with a machine room, a doctor's office for consultation, a large room for examinations, a waiting room, a cloakroom, and two toilets.



Minister Massaki leads the ribbon-cutting ceremony during the official turnover of the scanner building



General Hospital of Matadi's new scanner building

ICTSI Foundation strengthens programs for indigenous communities

BY JOY LAPUZ AND MICHAEL VINCENT LLORENTE

The ICTSI Foundation, in partnership with the Clark Development Corporation and the Municipal Health Office of Bamban, recently organized a medical mission and outreach activity for the Aeta communities in Brgy. Sto. Niño, Bamban, Tarlac. More than 300 individuals in Sitio Mataba benefited from the medical mission, which was followed by the distribution of grocery bags to 250 families in Sitio Sta. Rosa.

In Mindanao, the Foundation formally turned over a two-classroom school building to Calay IP School in Sarangani Province last 8 April. The project was implemented in partnership with the Philippine Business for Social Progress (PBSP) and South Cotabato Integrated Port Services, Inc. (SCIPSI) for the benefit of 120 B'laan students, who now have access to a more conducive learning facility equipped with concrete floor, lavatories, and toilets.



Medical mission in Sitio Mataba



Outreach mission in Sitio Sta. Rosa



Key to the new classrooms (from left): Garilbalde Alvin Enriquez, PBSP Mindanao Regional Center Manager; Miguel Rene Dominguez, PBSP Mindanao Regional Committee Chairman; Filipina Laurena, ICTSI Foundation Deputy Executive Officer; and Gabriel Munasque, SCIPSI General Manager, with representatives from the Department of Education and local government officials during the turnover of the classrooms to B'laan students.



From makeshift to concrete. The new school building (right) provides B'laan students with a better and safer learning environment.

ICTSI Foundation, LGICT, CGT hold medical missions in Laguna, Cavite

BY MICHAEL VINCENT LLORENTE

The ICTSI Foundation held medical missions in two barangays in Laguna and Cavite last March.

The Foundation, together with Laguna Gateway Inland Container Terminal (LGICT) personnel, and barangay officials and health workers, organized free medical checkups and distributed medicines and supplements to 437 residents of Barangay San Cristobal, Calamba, Laguna.

Meanwhile in Cavite, the Foundation organized medical and eye consultations for 392 residents of Barangay Capipisa in Tanza. A total of 234 senior citizens received free reading glasses.

The Foundation would like to thank ICTSI employees, volunteer doctors, local health workers, and barangay officials, for supporting the initiative.



MICT Top Equipment Operators

• APRIL 2018 •

TOP 10

Prime Mover



	1 DY, MINARD
	2 NICOLAS, JOEL
	3 BARTOLINI, BRUNO
	4 AMADA, EFRIL
	5 DALAGON, SHERWIN
	6 LUGOD, JOHN LITO
	7 BELANO, ARTHUR
	8 APAREJADO, VON RYAN
	9 ANGELES, EUGENE
	10 PEÑAFLO, ERIC

TOP 10

Rubber Tired Gantry



	1 DE GUZMAN, FLORENTINO
	2 CABALQUINTO, ANTHONY
	3 DAYANAN, DANILO
	4 PARADERO, EDWIN
	5 ESCOBEDO, ROGELIO
	6 GACES, KIT
	7 NAVARRO JR., FERNANDO
	8 ECHEVARRIA, ROWEL
	9 CABER, RAUL
	10 PAMA, CRESENCIO

TOP 10

Side Stacker



	1 BAYSA, ROLANDO
	2 BASCO, ARMANDO
	3 BELANO, OSCAR
	4 ECHEVARRIA, ROY
	5 LAYAM, MICHAEL
	6 CARILLO, DANIEL
	7 APAN, DANTE
	8 SIBYA, RICHARD
	9 SARMIENTO, REYNALDO
	10 GARCIA, DANNY

TOP 10

Quay Crane



	1 DAGPIN, JOSE
	2 BALDO, MICHAEL
	3 BAUTISTA, CHRISTIAN
	4 PELIAZAR, MELCHOR
	5 HERNA, FORD
	6 DELA CRUZ, EDWARD
	7 NUÑEZ, SONNY
	8 GARCIA, SILVANO
	9 PASCO, PATRICK
	10 LAGDAMEN, RICHARD ALLAN

PUBLIC + PRIVATE + PEOPLE = A FUTURE-READY PORT OF LAE

To support the flourishing Lae fisheries sector—a major growth driver of the Papua New Guinea (PNG) economy—as well as the Morobe Province's industrial base (especially its agro-processing and mining sectors): this is the vision for the Port of Lae. With the redevelopment, the port is geared to become a premier hub for Asia-Oceania trade. Key to the port program are the partnerships between the public and private sectors, and the private sector and host communities.

Port authority PNG Ports Corporation Ltd. having successfully overseen the 2014 initial upgrade in Lae, is keen on ramping up operational efficiencies and port performance, towards Lae's increased competitiveness in the South Pacific, and to boost regional trade capabilities.

Private sector partner International Container Terminal Services, Inc. (ICTSI), through PNG unit South Pacific International Container Terminal (SPICT), is investing in major equipment upgrades and leading-edge information technology. Equally significant are its investments in the people being hired for the redeveloped port.

Partner Communities represented by AHI Investments Ltd. and Labu Holdings Ltd. are engaged across several areas in the program. They will benefit directly from port

employment, with global standard training and benefits packages, and career pathing and mentoring.

Underpinning the sustainable port development are community programs to be carried out by the ICTSI Foundation, AHI Hope Foundation, the national and local governments, and host communities.

Together, the PNG Government, ICTSI, and the Partner Communities are optimizing PNG's potential across borders—and working for development that is sustainable across generations.



Headquartered in Manila, Philippines, International Container Terminal Services, Inc. (ICTSI) is in the business of port development, management, and operations. Independent of shipping, logistics, or consignee-related interests, ICTSI works transparently with all port community stakeholders. Operating in both developed and emerging market economies—in Asia Pacific, the Americas, Europe, the Middle East, and Africa—ICTSI has received global acclaim for its port privatization partnerships with governments.



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