25 YEARS Riding from crest to crest

International Container Terminal Services, Inc.

Investor Briefing

2Q 2014 Results

August 7, 2014

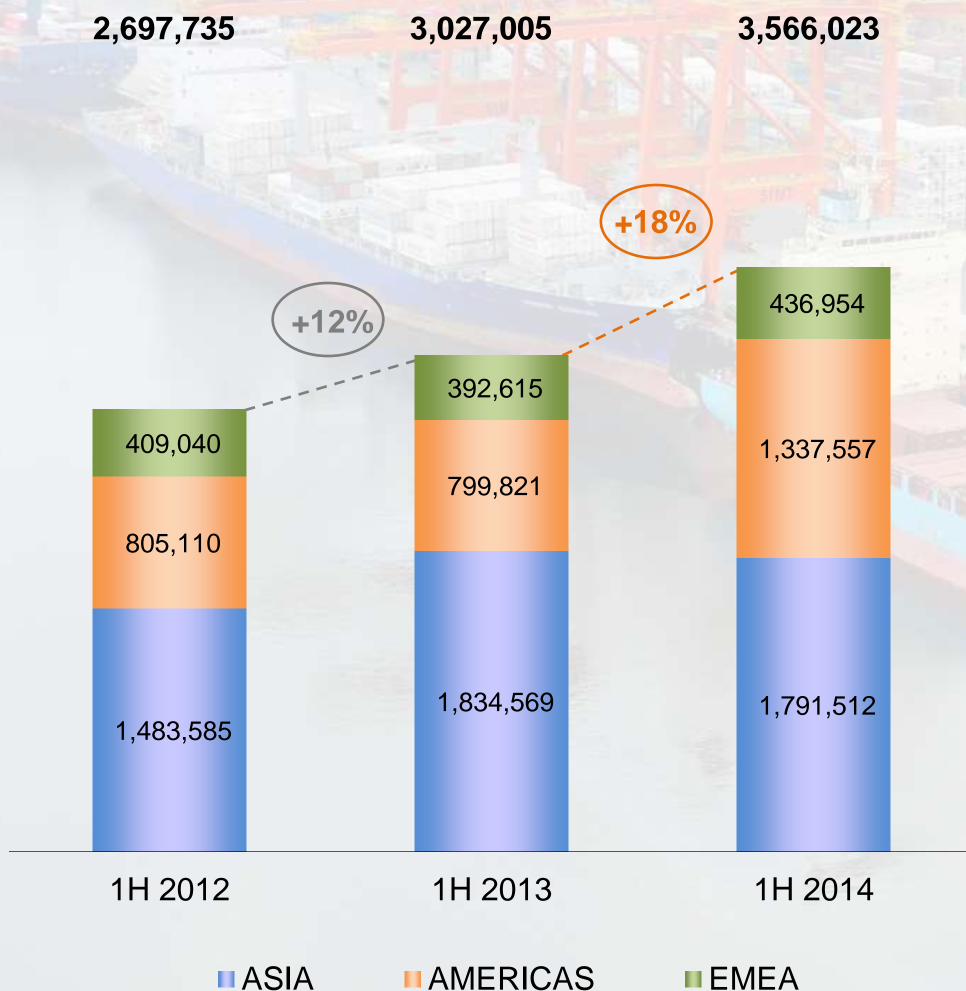
AGENDA

1. Recent Financial Performance
2. Liquidity and Capital Resources
3. Other Matters
4. Questions and Answers
5. Appendices

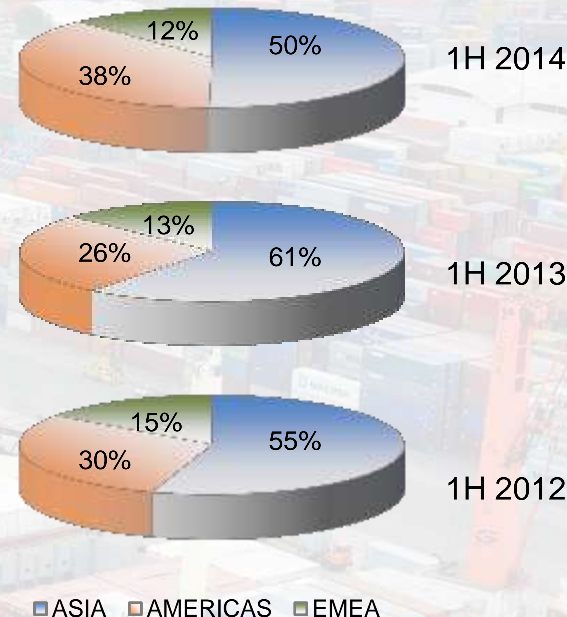
1 Recent Financial Performance

1H 2014 Volume Up 18%

Volume by segment *(in TEU)*



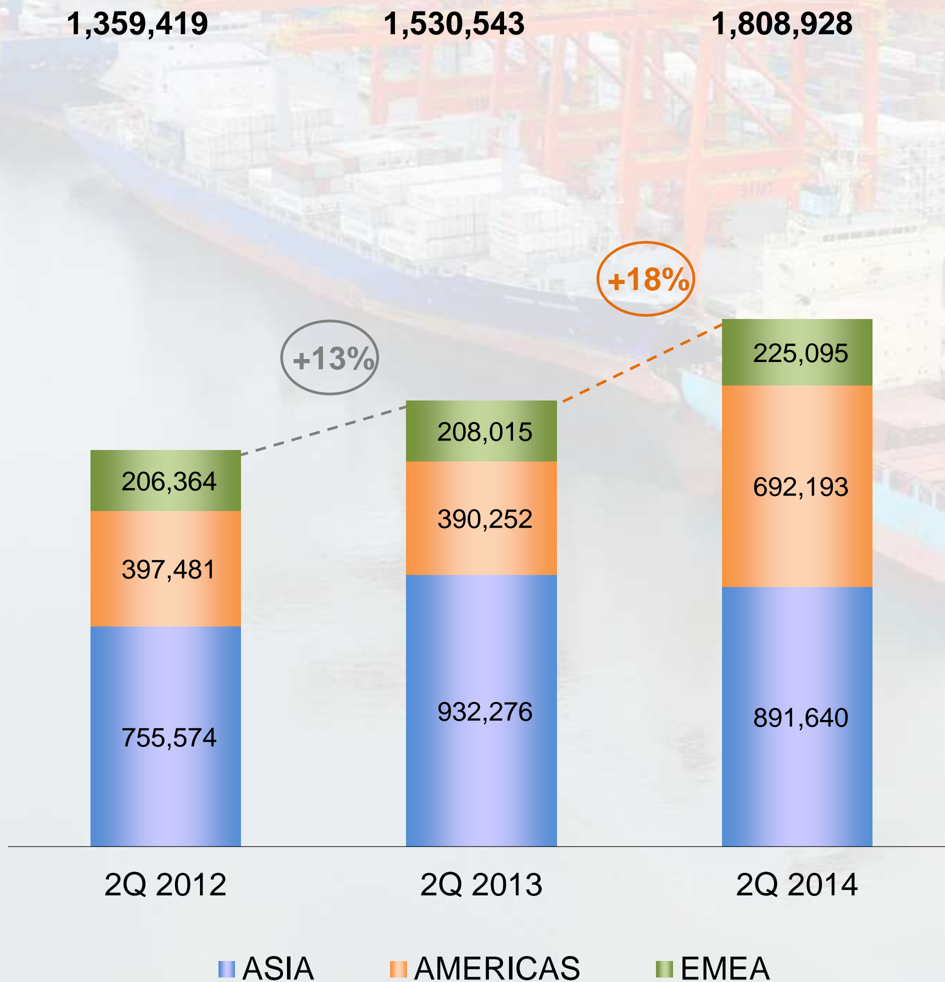
Volume by segment *(in %)*



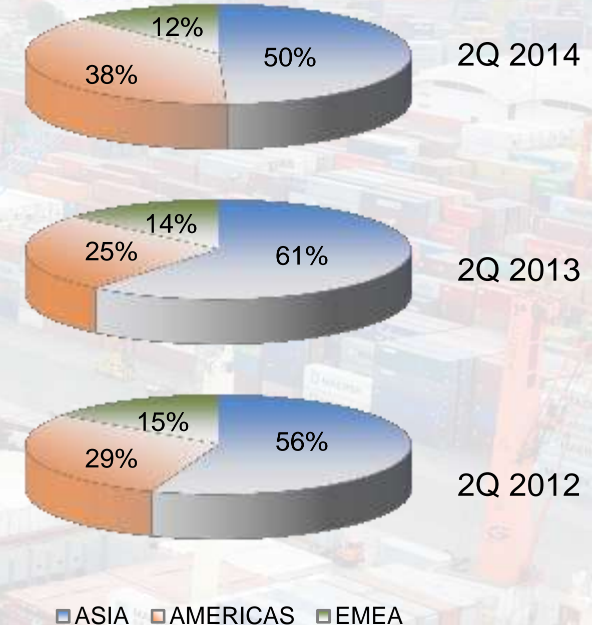
- 1H 2014 vs 1H 2013 consolidated volume up 18%; Organic volume up 1%
- Asia terminals generated 50% of total volume in 1H 2014; Asia remains the largest volume contributor amongst the regions
- 1H 2014 volume from major terminals accounted for 70% of consolidated volume

2Q 2014 Volume Up 18%

Volume by segment *(in TEU)*



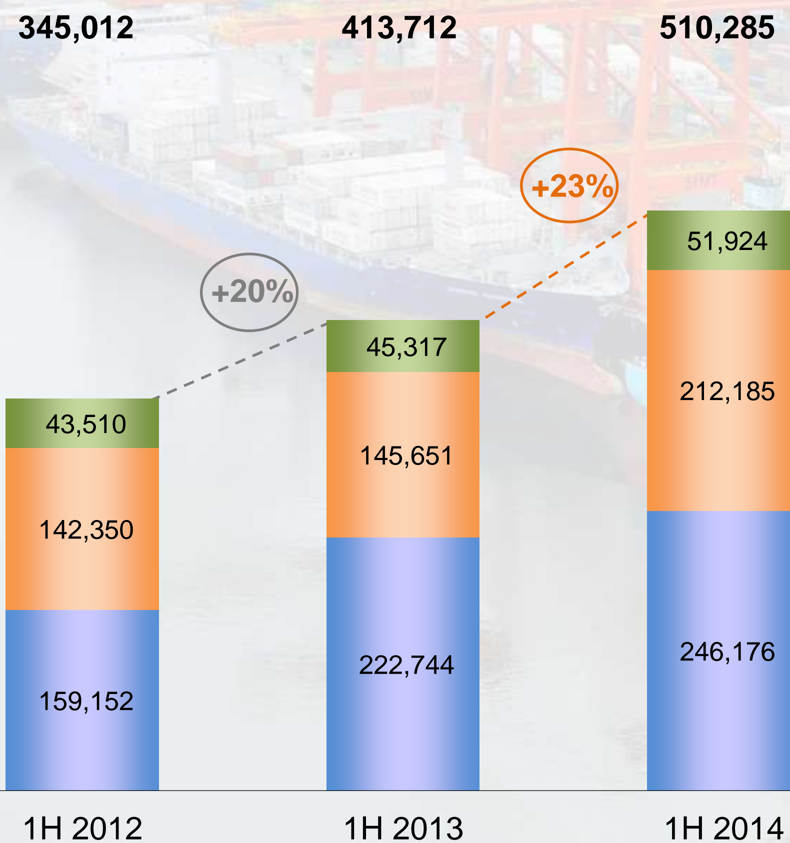
Volume by segment *(in %)*



- 2Q 2014 vs 2Q 2013 consolidated volume up 18%; Organic volume up 1%
- Asia terminals generated 50% of total volume in 2Q 2014; Asia remains the largest volume contributor amongst the regions
- 2Q 2014 volume from major terminals accounted for 69% of consolidated volume

1H 2014 Revenues 23% Higher

Revenue by segment *(in US$ '000)*

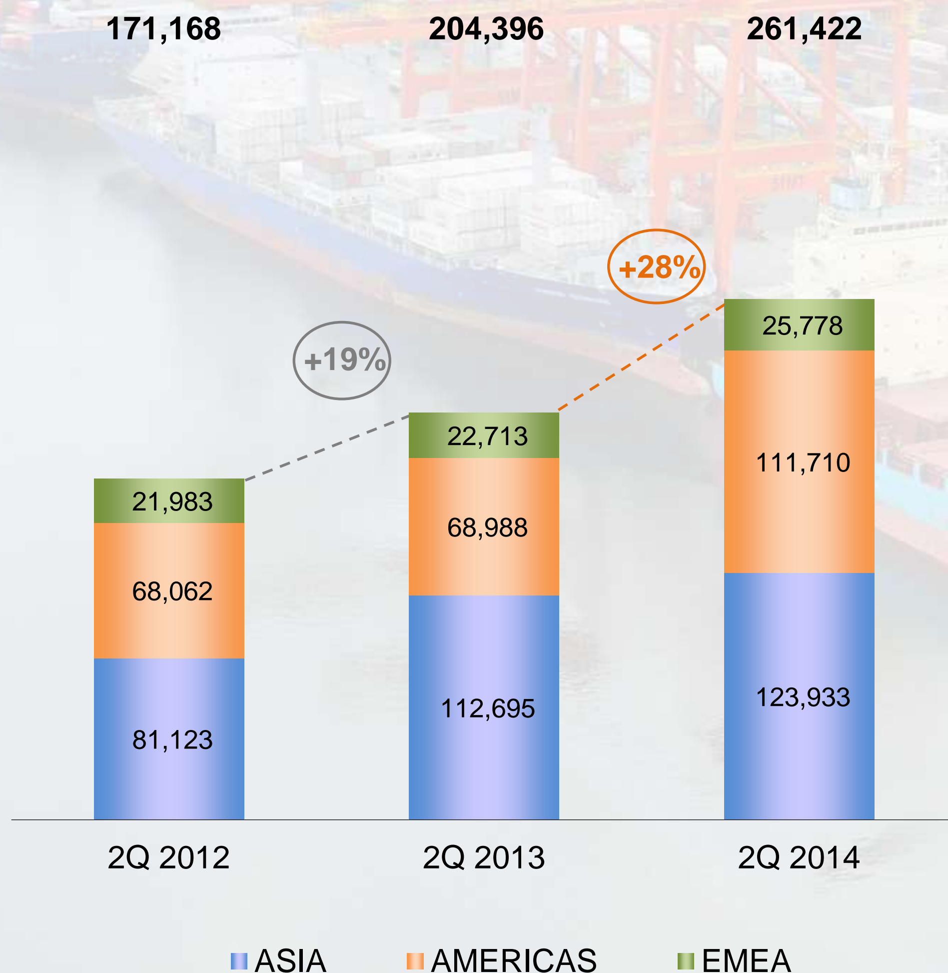


Yield : TEU *(in US$)*

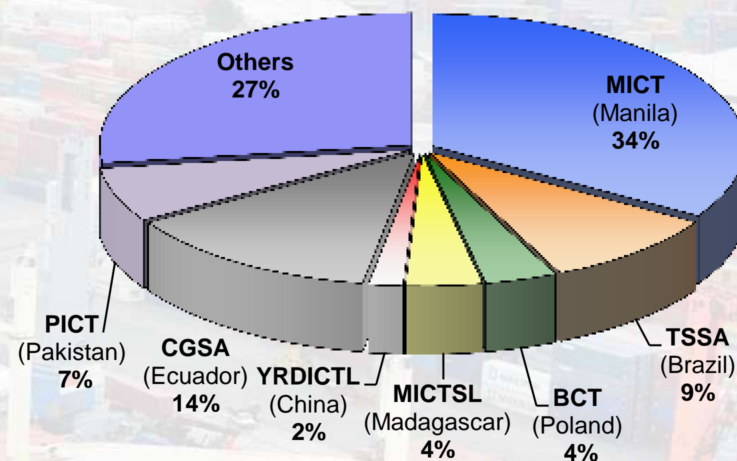
- Consolidated revenues 23% higher in 1H 2014 vs 1H 2013; Organic revenues 7% higher
- Consolidated 1H 2014 yield to TEU up at US$143 vs US$135 in YE 2013
- Major terminals accounted for 75% of consolidated revenues

2Q 2014 Revenues 28% Higher

Revenue by segment *(in US$ '000)*



Major Terminals



- Consolidated revenues 28% higher in 2Q 2014 vs 2Q 2013; Organic revenues 8% higher
- Consolidated 2Q 2014 yield to TEU up at US$145 vs US$134 in 2Q 2013
- Major terminals accounted for 73% of consolidated revenues

Consolidated P&L Highlights *(in US$'000, except Volume & EPS)*

	1H 2013	1H 2014	% change	
Volume *(in TEU)*	3,027,005	3,566,023	18%	*Volume up 18% due to the volume contribution from the new terminals, and improvement in trade at most of the company's terminals; Organic volume up 1%*
Gross Revenues from Port Operations	413,712	510,285	23%	*Revenues increased 23% mainly due to the revenue contribution from the new terminals, favorable volume mix, higher ancillary services and tariff increases in certain key terminals; Organic revenues increased 7%*
Cash Operating Expenses	171,923	220,958	29%	*Cash Opex 29% higher due higher labor, utilities and facilities-related expenses arising from volume growth and gov't-mandated and contracted salary rate adjustments in certain terminals, higher business dev't expenses, cessation of IOI's rent rebate program and start-up costs of the new terminals; Organic cash opex 5% higher*
EBITDA	188,140	212,241	13%	*EBITDA grew 13% due due to the contribution of the new terminals, stronger revenues and tariff increases in certain key terminals; Organic EBITDA grew 3%*
EBIT	140,760	151,463	8%	*EBITDA margin declined to 42% from 45% mainly due to the effect of the new terminals and higher business development expenses*
Financing charges and other expenses	24,835	29,567	19%	*Financing charges and other expenses increased 19% due to lower capitalized borrowing cost on qualifying assets as CMSA started commercial operations in November 2013*
Net Income	87,376	105,552	21%	
Net Income Attributable to Equity Holders	82,901	101,686	23%	*The higher net income attributable to equity holders was mainly due to higher operating income from its three geographic segments and gains recognized on the sale of non-operating subsidiary in Cebu, Philippines, the termination of management contract in Kattupalli, India, and the settlement of the insurance claims in CGSA.*
Fully Diluted EPS	0.035	0.043	23%	

Consolidated P&L Highlights *(in US$'000, except Volume & EPS)*

	2Q 2013	2Q 2014	% change	
Volume *(in TEU)*	1,530,543	1,808,928	18%	*Volume up 18% due to the volume contribution from the new terminals and improvement in trade at most of the company's terminals; Organic volume up 1%*
Gross Revenues from Port Operations	204,396	261,421	28%	*Revenues increased 28% mainly due to the revenue contribution from the new terminals, favorable volume mix, higher ancillary services and tariff increases in certain key terminals; Organic revenues increased 8%*
Cash Operating Expenses	87,370	112,715	29%	*Cash Opex 29% higher due to inclusion of new terminals, higher labor, utilities and facilities-related expenses arising from volume growth, gov't-mandated and contracted salary rate adjustments, and higher business dev't expenses; Organic cash opex 5% higher*
EBITDA	90,606	108,627	20%	*EBITDA grew 20% due to the contribution from the new terminals, favorable volume mix, stronger revenues and tariff increases in certain key terminals; Organic EBITDA grew 5%* *EBITDA margin declined to 42% from 44% mainly due to the effect of the new terminals and higher business development expenses*
EBIT	65,527	78,140	19%	
Financing charges and other expenses	12,222	15,371	26%	*Financing charges and other expenses increased 26% due to lower capitalized borrowing cost on qualifying assets as CMSA started commercial operations in November 2013*
Net Income	44,170	50,892	15%	
Net Income Attributable to Equity Holders	42,229	49,334	17%	*Net Income Attributable to Equity Holders up 17% due to the contribution of new terminals and recognition of gains on termination of management contract in Kattupalli, India and settlement of insurance claims in CGSA*
Fully Diluted EPS	0.018	0.021	16%	

Financing Charges & Other Expenses *(in US$'000)*

	1H 2013	1H 2014	% change	
Financing charges & other expenses	**24,835**	**29,568**	**19%**	*Financing charges and other expenses increased 19% due to lower capitalized borrowing cost on qualifying assets as CMSA started commercial operations in Nov 2013*
Interest Expense on Loans/Bonds	*39,052*	*37,506*	*-4%*	*Interest Expense lower due to lower average cost of debt*
Capitalized borrowing cost	*(16,926)*	*(11,475)*	*-32%*	*Capitalized borrowing cost lower as CMSA started commercial operations in November 2013*
Amortization of Debt Issue Cost	*1,251*	*1,391*	*-11%*	
Other Expenses[1]	*1,458*	*2,146*	*19%*	
Average Outstanding Debt Balance	**1,003,825**	**1,020,491**	**2%**	
Average Remaining Tenor	***7.3 yrs***	***8.0 yrs***		*Average remaining tenor increased to 8.0 years mainly due to the issuance of the12-year US$ bond in Sept 2013 as part of the Liability Management Exercise*
Average Cost of Debt *(post CIT)*	**5.4% p.a.**	**5.2% p.a.**		*Average cost of debt post corporate income tax, decreased to 5.2% due to the Liability Management Exercise in Sept 2013*

[1] *Bank charges and other expenses*

1H 2014 Recurring Net Income *(in US$'000)*

	1H 2013	1H 2014
Net Income Attributable to Equity Holders	82,901	101,686
% change		*23%*
Less: Non-recurring income	-	(16,575)
Gain on sale of CICTI		*(13,150)*
Gain on termination of management contract in ICTSI India		*(1,946)*
Gain on settlement of insurance claims in CGSA		*(1,479)*
Net Income Attributable to Equity Holders (Recurring)	82,901	85,111
% change		*3%*

2Q 2014 Recurring Net Income *(in US$'000)*

	2Q 2013	2Q 2014
Net Income Attributable to Equity Holders	42,229	49,334
% change		*17%*
Less: Non-recurring income	-	(3,425)
Gain on termination of management contract in ICTSI India		*(1,946)*
Gain on settlement of insurance claims in CGSA		*(1,479)*
Net Income Attributable to Equity Holders (Recurring)	42,229	45,909
% change		*9%*

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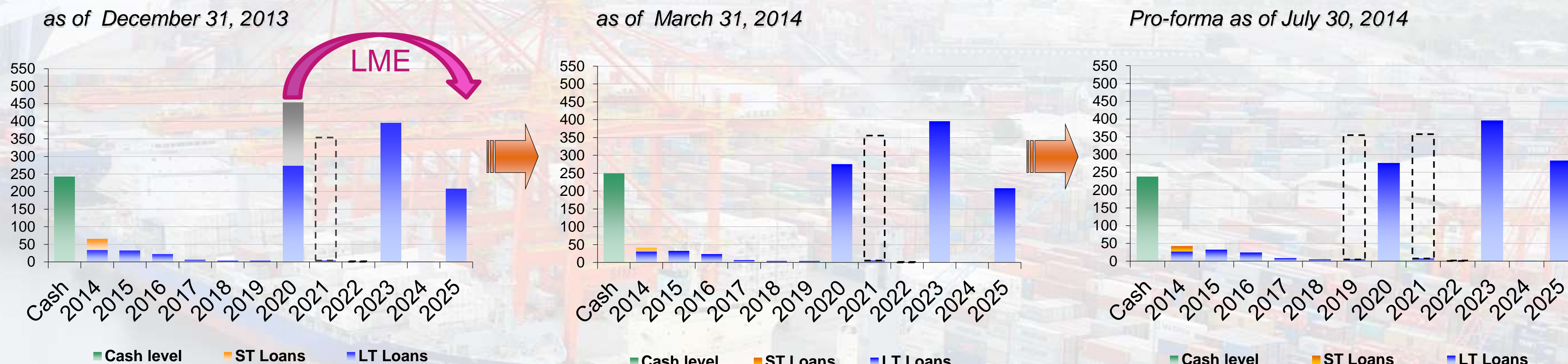
Liquidity and Capital Resources

Balance Sheet Summary *(in US$ million)*

	2011	2012	2013	June 30, 2014
Intangible and Property and equipment - net	1,232.5	1,815.4	2,410.3	2,449.7
Cash and cash equivalents	457.6	186.8	242.2	237.5
Other current and noncurrent assets	254.7	330.8	435.2	537.5
Total Assets	**1,944.7**	**2,333.0**	**3,087.6**	**3,224.7**
Total Short-term and long-term debt	651.2	781.3	951.8	1,034.1
Concession rights payable	163.1	166.6	538.8	535.7
Other current and noncurrent liabilities	188.9	274.9	243.8	253.1
Total Liabilities	**1,003.2**	**1,222.8**	**1,734.4**	**1,822.9**
Total Equity	**941.6**	**1,110.2**	**1,353.2**	**1,401.9**

EBITDA Margin	42%	42%	44%	42%
Net Profit Margin	20%	20%	20%	20%
Return on Equity	16%	14%	14%	15%
Gearing : Debt/SHE	0.69	0.70	0.70	0.74
Debt Cover Ratio : Debt/EBITDA	2.31	2.54	2.52	2.58
Current Ratio : Current Asset/Current Liability	2.61	0.77	1.84	1.81
DSCR: EBITDA/(Interest + Scheduled Principal Payments)	3.39	3.59	2.18	2.89

Principal Redemption Profile



- Signed a Loan Facility Programme Agreement and a US$350M 5Y syndicated revolving credit facility, the first tap from the programme, in July 2014
- Issued additional US$75M 12-year Notes due 2025 under the MTN Programme in April 2014
- Underwent a Liability Management Exercise (LME) in September 2013
  - Exchanged US$178.9M of existing 10Y Notes due 2020 for new US$207.5M 12Y Notes due 2025
    - Lengthened duration of outstanding debt
    - Lowered funding cost; Locked-in low coupon
  - Secured consent to align the covenants of the remaining 2020 Notes to that of the MTN Program
- No substantial principal repayment until 2019 should the Company draw from the revolving credit facility
- Cash level at US$238M to fund capital expenditures and investments

3 Other Matters

Recent Developments

- Established a loan facility programme and launched a 5-year US$350 million revolving credit facility in July 2014
- Signed a termination agreement with L&T cancelling ICTSI's management and operation contract for the Kattupalli Container Terminal (KCT) in Tamil Nadu, India in July 2014
- Acquired 51% of DP World Yantai Company Limited and sold its entire 60% equity interest in YRDICTL in May 2014
- Signed a contract in Melbourne, Australia with Port of Melbourne Corporation ("POMC") for the design, construction, commissioning, operation, maintaining and financing of the Terminal and Empty Container Park (ECP) at Webb Dock East (WDE) in May 2014
- Issued additional US$75M 12Y Notes due 2025 under the MTN Programme in April 2014
- Signed contract with General Company for Ports of Iraq ("GCPI") to operate, develop and expand container facilities at the Port of Umm Qasr in Iraq in April 2014
- Formally inaugurated Contecon Manzanillo S.A. ("CMSA") in January 2014
- Sold 25% stake in Lekki International Container Terminal Services LFTZ Enterprise ("LICTSLE") to CMA Terminals in January 2014
- Formed a joint venture company with La Societe De Gestion Immobiliere Lengo ("SIMOBILE") to develop a river port in Matadi, Democratic Republic of Congo in January 2014

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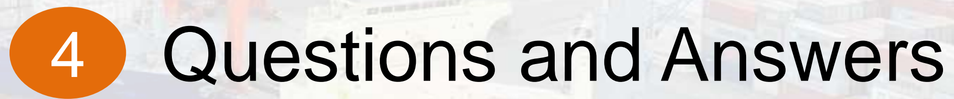

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Appendices
MAERSK LINE

VICT - Melbourne, Australia

Victoria International Container Terminal Limited

- On May 2, 2014, ICTSI's subsidiary, Victoria International Container Terminal Limited ("VICTL"), signed a contract in Melbourne with Port of Melbourne Corporation ("POMC") for the design, construction, commissioning, operation, maintaining and financing of the Terminal and Empty Container Park (ECP) at Webb Dock East (WDE) in the Port of Melbourne
- VICTL is 90% owned by ICTSI through IFEL, a wholly owned subsidiary, and 10% by Anglo Ports Pty Limited.
- The Port of Melbourne, located in the capital of the State of Victoria, is the largest container and general cargo port in Australia with around 3,200 commercial ship calls per year and handles over 2.5 million TEUs annually.
- The contract is for a period of 26 years or until June 30, 2040.
- Phase 1 of the Terminal, which has one berth 330 meters long, 3 Post-Panamax ship-to-shore cranes and an estimated capacity of 350,000 TEUs, is expected to be ready for operations by December 31, 2016
- Phase 2, which involves two berths totaling 660 meters long, 5 Post-Panamax ship-to-shore cranes, and an estimated capacity of 1 million TEUs, will be ready by December 31, 2017
- Phases 1 & 2 are estimated to cost AUD439 million (USD407 million); An additional AUD109 million (USD101 million) is the estimated investment to further increase the capacity of the Terminal to 1.4 million TEUs
- Construction of the terminal superstructure and facilities is planned to commence in late 2014

ICTSI ME JLT - Umm Qasr, Iraq

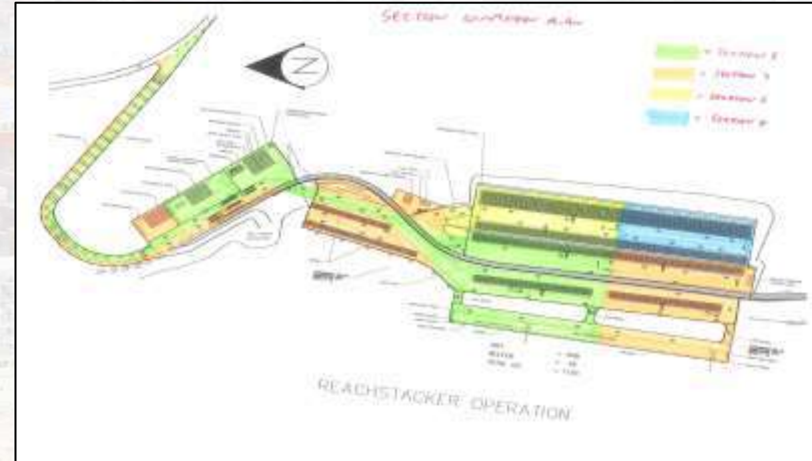
ICTSI (ME) JLT

- On April 8, 2014, ICTSI's wholly-owned subsidiary, ICTSI (M.E.) JLT, signed contract with General Company for Ports of Iraq ("GCPI") to operate, develop and expand container facilities at the Port of Umm Qasr in Iraq, which is the largest port in Iraq and the main gateway to the Iraqi market.
- The Contract grants ICTSI the rights to: (a) manage and operate the existing container facility at Berth 20 of the Port for a period of 10 years, (b) build, under a build-operate-transfer scheme, a new container and general cargo terminal in the Port for a concession period of 26 years, and (c) provide container and general cargo terminal services in both components.
- The Port of Umm Qasr handles liquid and dry bulk, general cargo and containers. It has 21 berths, with total berth length of 5,000 meters. Container throughput in 2013 was approximately 500,000 TEUs.
- Phase 1 of the expansion project will have 200 meters of quay with an estimated capacity of 300,000 TEUs. When fully developed, the facility will have 600 meters of quay with an estimated capacity of 900,000 TEUs.
- Phase 1 investment is estimated at US$ 100 million and another US$ 30 million will go towards rehabilitation of the Berth 20 terminal. Expected completion of 24 months after the signing of the Contract.

ICTSI DR CONGO - Matadi, Congo

ICTSI DR Congo, S.A.

- ICTSI through its subsidiary ICTSI Coöperatief U.A. forged a business partnership with La Societe De Gestion Immobiliere Lengo ("SIMOBILE") for the establishment and formation of a joint venture company, International Container Terminal Services Inc. - DR Congo (ICTSI DR Congo) in January 2014, for the purpose of constructing, investing in and operating a river port, including a container terminal, in Mbengu, Matadi, Democratic Republic of Congo (DRC)
- ICTSI Congo DR is a joint venture company that is 60% owned by ICTSI and 40% owned by La Societe De Gestion Immobiliere Lengo ("SIMOBILE")
- ICTSI Congo DR will be located on the riverbank of the Congo River in Matadi, which is already today the main entry point for containers into DRC serving the greater region and the Kinshasa market
- Initial phase of the facility to be constructed will consist of two berths with a total length of 350 meters, which will be servicing shipping lines, importers and exporters with its modern infrastructure, state-of-the-art equipment and highly skilled staff, matching international standards; The facility will, in Phase 1, be able to handle 120,000 TEUs and 350,000 metric tons. The capacity and berth length can, subject to demand, be doubled in Phase 2.
- It is estimated that the total capital expenditure of the project for Phase 1 will be approximately US$100 million.
- The facility is expected to commence operation in late 2015.



OPCSA - Puerto Cortes, Honduras

Operadora Portuaria Centroamericana, SA de CV

- ICTSI's subsidiary, Operadora Portuaria Centroamericana, S.A. de C.V. ("OPCSA") signed Concession Contract for the Design, Financing, Construction, Maintenance, Operation and Exploitation of the Specialized Container and General Cargo Terminal of Puerto Cortes, Honduras in March 2013; Officially took-over the facility in December 2013
- Puerto Cortes is the main seaport in the Republic of Honduras; Throughput at the port in 2012 was at 575,000 TEUs
- The Concession is for a period of the 29 years and involves rehabilitation and expansion of existing facilities.; Concession period until 2042
- Current annual capacity is estimated at 600,000 TEUs.
- Honduran government will execute and finance the construction of a new 550 meters of berth, dredging, reclamation and consolidation of the new area; Funding is expected to be sourced from the Inter-American Development Bank ("IDB").
- Phases 1 & 2 are estimated to cost a total of US$326.5M, spread over the first six years from take-over (2013-2018); US$105M will be for the account of the Honduran gov't and the US$221.5M balance for the account of ICTSI.
- Phase 1 is scheduled to be completed in 2015 with an estimated annual capacity of 680,000 TEUs; Involves the use of the current infrastructure and development of the new container terminal's yard, acquisition of 4 MHCs and 4 RTGs in 2014, and 3 RTGs in 2015
- Phase 2 is scheduled to be completed in 2018 with an estimated annual capacity of 900,000 TEUs; Involves the construction of a new 550 meter berth and acquisition of 4 QCs and 5 RTGS in 2016
- Phase 3 development will be volume-triggered with an estimated annual capacity of 1.8 million TEUs when completed; Estimated cost for Phase 3 is US$ 228M. Upon completion of the three development phases, the terminal will have a total berth length of 1,100 meters for container cargo and 400 meters for general cargo, 14 meters of draft that can reach 15 meters, 62.2 hectares of total surface area, and 12 quay cranes
- 1H 2014 volume of 322,948 TEUs; revenues of US$34.8m

Image: Honduras Institute of Tourism

International Container Terminal Services, Inc.

EXCELLENCE UNCONTAINED