

# News Release

8 August 2013

## ICTSI 1H 2013 Net Income Up 18% to US\$82.9 million

- Throughput grew 12% to 3.0 million TEUs
- Revenues increased 20% to US\$413.7 million
- EBITDA improved 26% to US\$188.1 million

International Container Terminal Services, Inc. (ICTSI) reported unaudited consolidated financial results for the first six months of 2013 posting revenue from port operations of US\$413.7 million, an increase of 20 percent over the US\$345.0 million reported for the same period last year, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of US\$188.1 million, 26 percent higher than the US\$149.2 million generated in the first half of 2012, and net income attributable to equity holders of US\$82.9 million, up 18 percent over the US\$70.3 million earned in the same period last year. The higher net income attributable to equity holders for the first semester was mainly due to strong revenue growth and margin improvement in certain key terminals and the contribution of the new terminal in Karachi Pakistan. Diluted earnings per share for the period was likewise higher by 14 percent at US\$0.035 from US\$0.031 in 2012.

For the quarter ending June 30, 2013, revenue from port operations increased 19 percent from US\$171.2 million to US\$204.4 million while EBITDA was 25 percent higher at US\$90.6 million from US\$72.4 million. Net income attributable to equity holders grew 21 percent from US\$34.9 million to US\$42.2 million and diluted earnings per share for the quarter improved 21 percent to US\$0.018 from US\$0.015 in 2012.

ICTSI handled consolidated volume of 3,027,005 twenty-foot equivalent units (TEUs) for the first six months of 2013, 12 percent more than the 2,697,735 TEUs handled in the same period in 2012. The increase in volume was mainly due to the continuous growth in international and domestic trade in most of the Company's terminals and the volume generated by Pakistan International Container Terminal (PICT) and PT Olah Jasa Andal (PT OJA), the Company's new container terminal in Karachi, Pakistan and Jakarta, Indonesia, respectively. Excluding the volume from the two recent port acquisitions and the effect of the cessation of the operations in Syria effective January 2013, organic volume growth remained flat. The Company's seven key terminal operations in Manila, Brazil, Poland, Madagascar, China, Ecuador and Pakistan accounted for 79 percent of the Group's consolidated volume in the first half of 2013. For the quarter ending June 30, 2013, total consolidated throughput was 13 percent higher at 1,530,543 TEUs compared to 1,359,419 TEUs in 2012.

Gross revenues from port operations for the first six months of 2013 surged 20 percent to US\$413.7 million from the US\$345.0 million reported in the same period in 2012. The increase in revenues was mainly due to higher storage revenues and ancillary services, favorable volume mix, tariff rate increases in certain key terminals, and the revenue contribution from the new terminals in Jakarta, Indonesia and Karachi, Pakistan. Excluding the revenues from the newly acquired terminals and the effect of the cessation

of the operations in Tartous, Syria, organic revenue growth was at eight percent. The Group's seven key terminal operations in Manila, Brazil, Poland, Madagascar, China, Ecuador and Pakistan accounted for 85 percent of the Group's consolidated revenues in the first half of 2013. Gross revenues from port operations for the quarter ended June 30, 2013 surged 19 percent to US\$204.4 million from the US\$171.2 million reported in the same period in 2012.

Consolidated cash operating expenses in the first half of 2013 grew 15 percent to US\$171.9 million from US\$149.0 million in the same period in 2012. The increase was mainly driven by higher volume-related expenses (i.e., on-call labor, fuel, power and repairs and maintenance), government-mandated and contracted salary rate increases in certain terminals, higher business development expenses, and the inclusion of the expenses of the new terminals in Jakarta, Indonesia, and Karachi, Pakistan. Excluding the cash operating expenses of the new terminals as well as the expenses incurred in the Company's operation in Syria in the same period in 2012, total cash operating expenses would have increased by only seven percent.

Consolidated EBITDA for the first half of 2013 increased 26 percent to US\$188.1 million from US\$149.2 million in 2012 mainly due to the favorable container mix, stronger revenues from storage and ancillary services, tariff increases in certain key terminals and the contribution of the new terminals in Jakarta, Indonesia and Karachi, Pakistan. Excluding PICT and PT OJA as well as TICT in 2012, EBITDA growth would have been at 11 percent. Meanwhile, consolidated EBITDA margin increased to 45 percent in the first six months of 2013 compared to 43 percent in the same period in 2012.

Consolidated financing charges and other expenses for the first half of 2013 increased 53 percent to US\$24.8 million from US\$16.2 million in 2012 due to higher outstanding interest-bearing debt. ICTSI issued US\$400 million of 10-year bonds in January 2013 mainly to fund its capital expenditure program for 2013 and refinance medium-term loans.

Capital expenditures for the first half of 2013 amounted to US\$280.1 million, approximately 51 percent of the US\$550.0 million capital expenditure budget for the full year 2013. The established budget is mainly allocated for the completion of the Company's terminal development projects in Mexico and Argentina, and the ramp-up of construction activities in Colombia and Davao, southern Philippines.

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

(In million USD, except Earnings per share data)		<b>1H 2013</b>		<b>1H 2012</b>	<b>% Change</b>
Gross Revenues	USD	413.7	USD	345.0	20%
EBITDA		188.1		149.2	26%
Net Income		87.4		71.1	23%
Net Income Attributable to Equity Holders		82.9		70.3	18%
Earnings per share					
Basic		0.0349		0.0313	12%
Diluted		0.0347		0.0305	14%

## ICTSI and Subsidiaries

Financial Highlights

YoY Comparison

### For the quarter ended June 30

(In million USD, except Earnings per share data)		<b>2Q 2013</b>		<b>2Q 2012</b>	<b>% Change</b>
Gross Revenues	USD	204.4	USD	171.2	19%
EBITDA		90.6		72.4	25%
Net Income		44.2		35.0	26%
Net Income Attributable to Equity Holders		42.2		34.9	21%
Earnings per share					
Basic		0.0179		0.0151	19%
Diluted		0.0178		0.0147	21%