



**FOCUS
ON
STRENGTH**

2013 Final Results

Press conference

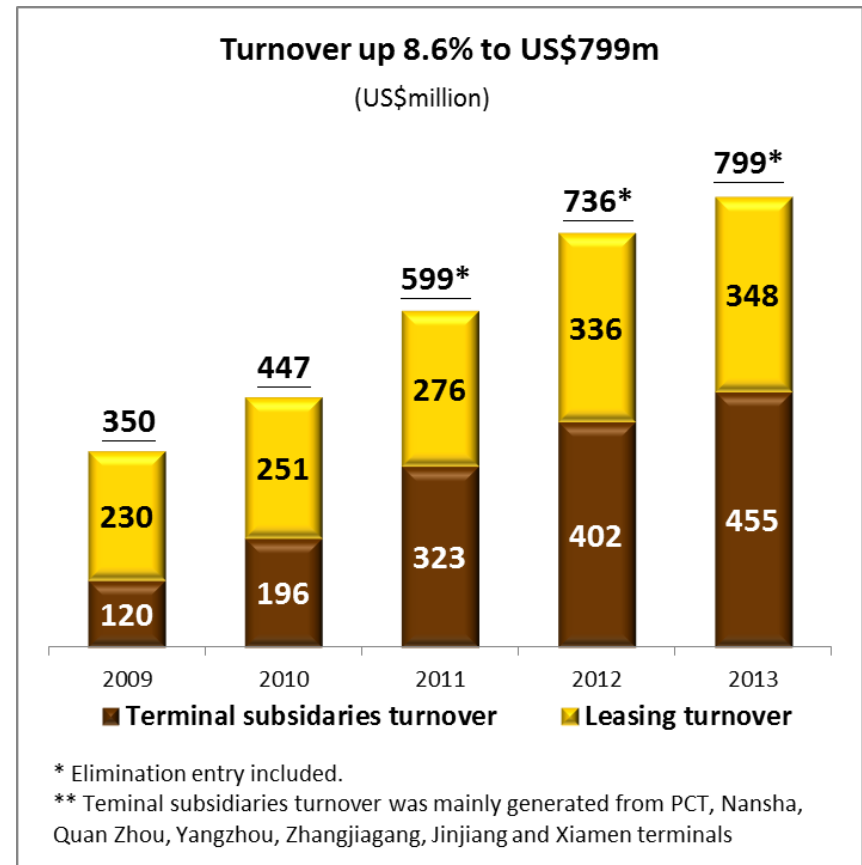
25 March 2014

COSCO PACIFIC LIMITED
Stock Code: 1199.HK

2013 financial review



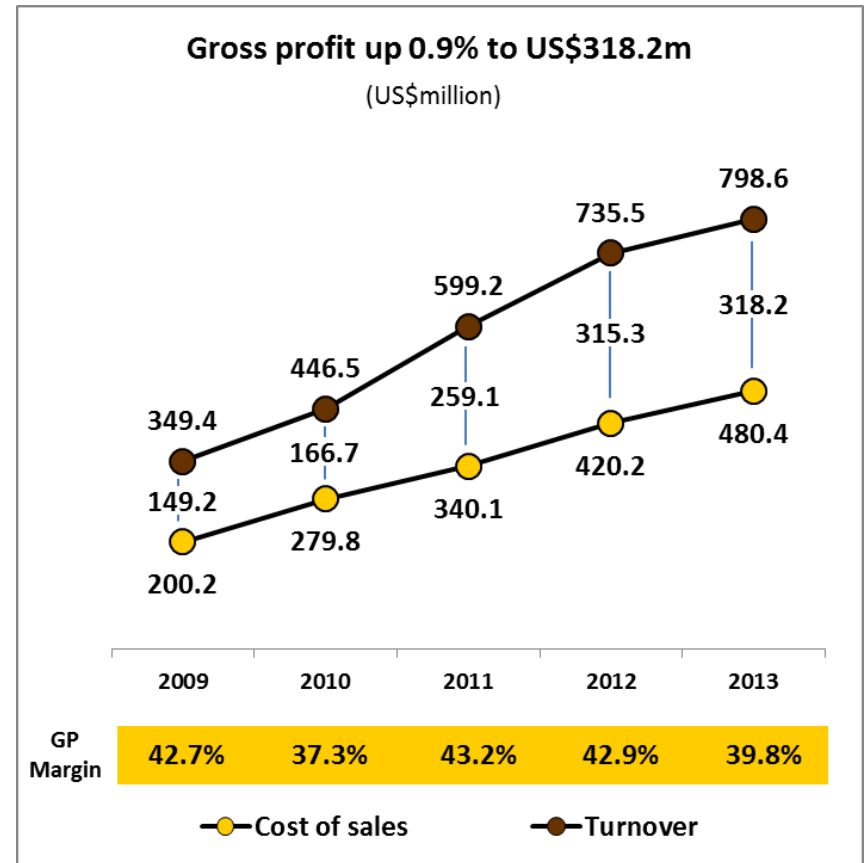
- Turnover amounted to US\$798.6m of which 57% derived from terminals and 43% from container leasing.
- 8.6% increase in turnover was mainly driven by 13.2% growth in terminal turnover while container leasing turnover rose 3.4%



2013 financial review



- Cost of sales rose 14.3% to US\$480.4m in 2013 exceeding the 8.6% growth in turnover.
- Gross profit margin declined 3.1pp to 39.8%.
 - Terminal GP margin: 31.7% (-1.5pp)
 - Leasing GP margin: 51.1% (-3.8pp)



2013 financial review



- Core profit reduced 5.0% to US\$312.1m
- Tightened control on corporate expenses and finance costs supported a 2.1% growth of profit attributable to equity holders from continuing operations.
- Disposal gain from CIMC drove profit attributable to equity holders to surge 105.3% to US\$702.7m.

Net profit breakdown	2013 US\$ million	YoY	2012 US\$ million
Terminals ¹	186.8	-1.2%	189.0
Leasing	125.3	-10.2%	139.5
<u>Core profit</u>	<u>312.1</u>	<u>-5.0%</u>	<u>328.5</u>
Net corporate expenses & finance costs	(25.9)	-46.4%	(48.2)
<u>Profit attributable to equity holders from continuing operations</u>	<u>286.2</u>	<u>+2.1%</u>	<u>280.3</u>
Share of profit from CIMC ²	23.1	-62.7%	61.9
Net gain on the disposal of CIMC	393.4	n.a.	-
Profit attributable to equity holders	702.7	+105.3%	342.2

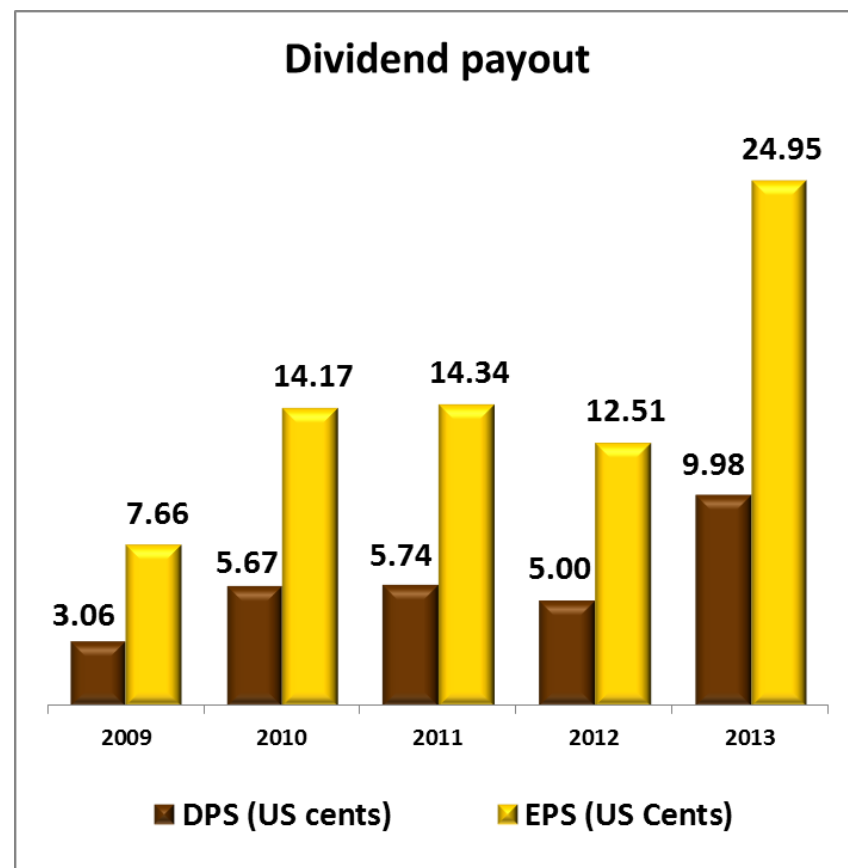
¹ Net profit of terminals included profit contribution from 24 terminals.

² Share of profit from CIMC included the profit for the period from Jan to May 2013 in 2013.

Maintain stable payout ratio



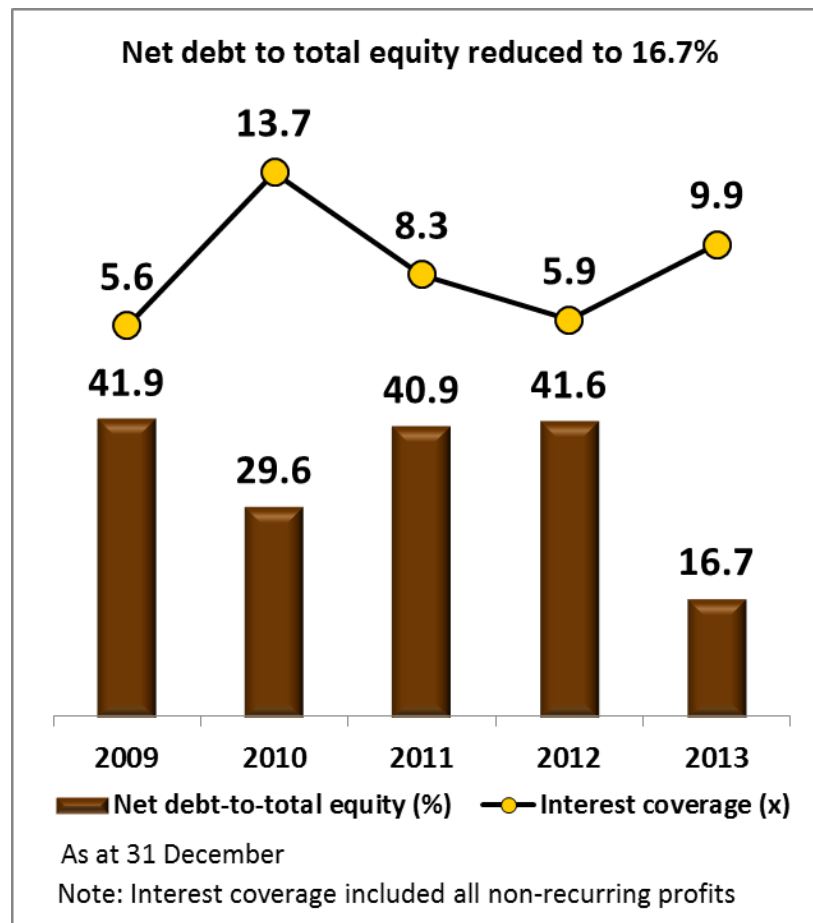
- Both of EPS and DPS rose 99.4% respectively to US24.95 cents and US9.98 cents including special DPS of US5.648 cents
- To strike the balance between paying dividend to shareholders and reserving funds for future development, we maintained payout ratio at 40% including disposal gain from the divestment



Divestment of container manufacturing



- Divestment of 21.8% CIMC stake
 - Consideration: US\$1.22 billion
 - Net gain: US\$393 million
- Cash on hand
 - US\$1.24 billion (+45.7%)
- Net debt to total equity
 - 16.7% (-24.9pp)
- Net asset value
 - US\$4.84 billion (+14.8%)



Terminals business highlights

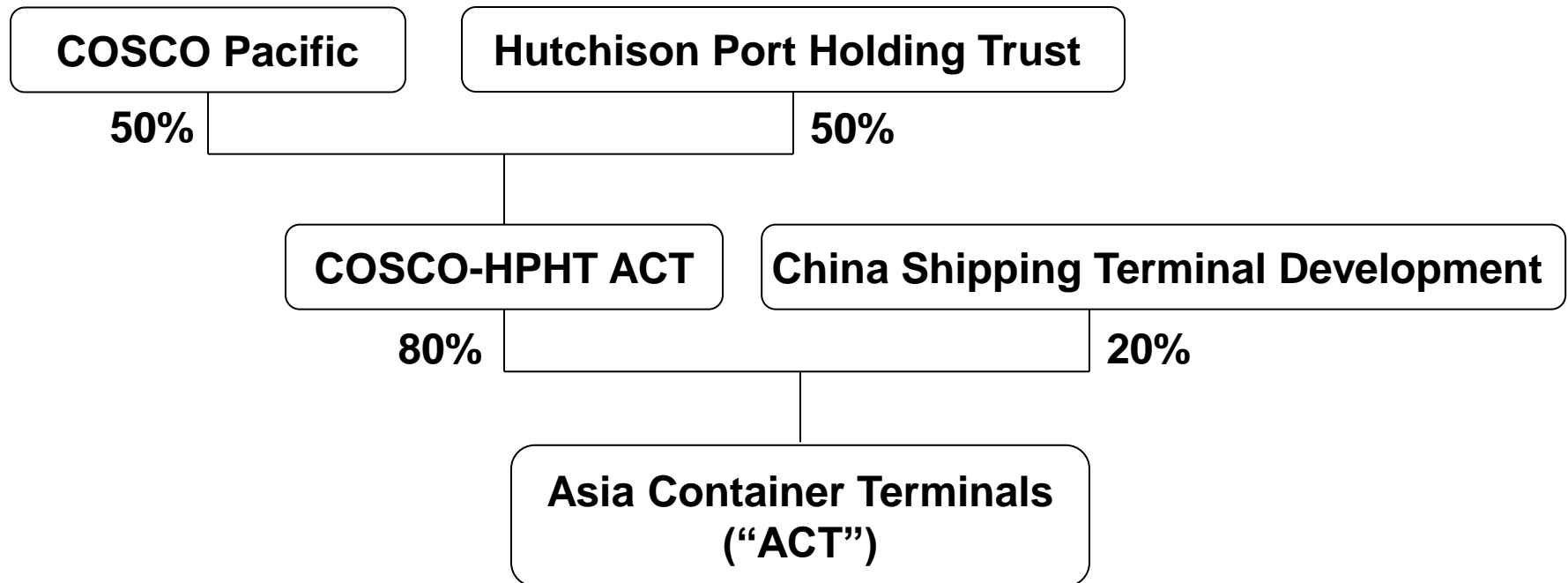


Terminal division	2013	YoY	2012
Divisional revenue (US\$ m)	455.07	+13.2%	402.16
% of total revenue	57.0%	+2.3pp	54.7%
Divisional gross profit (US\$ m)	144.38	+8.1%	133.59
Gross profit margin	31.7%	-1.5pp	33.2%
% of total gross profit	45.4%	+3.0pp	42.4%
Divisional profit (US\$ m)	186.77	-1.2%	188.96
% of total recurring core profit	59.9%	+2.4pp	57.5%
Total throughput (TEU)	61,284,891	+10.1%	55,685,225
Equity throughput (TEU)	17,196,297	+10.0%	15,638,071
Annual handling capacity (TEU)	62,750,000	+4.1%	60,300,000
No. of operating container berths	104	+5	99

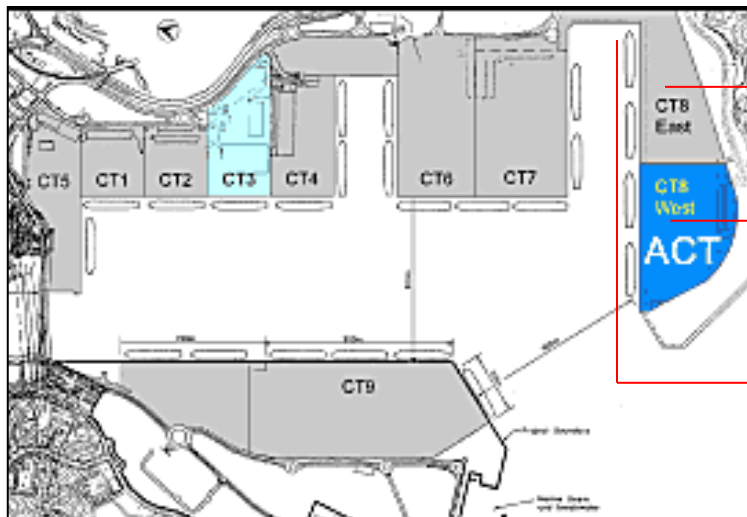
Acquisition of 40% stake in ACT



- Total consideration: HK\$1.65 billion (=US\$212.3million)
- ACT is located at Kwai Chun Terminal 8 west in Hong Kong



Create synergy between ACT and COSCO-HIT



	COSCO Pacific equity interests	Acquisition cost (100% equity) (Billion HK\$ per berth)
COSCO-HIT	50% since 1995	2.60
ACT	40% since 2014	2.06

• **Combined quay length of 1,380m strengthens both terminals' competitiveness for attracting more mega vessels to call.**

	Berth	Quay length (m)	Yard area ('000 m ²)	Capacity (Million TEU)	2013 Throughput (Million TEU)
COSCO-HIT	2	640	300	1.80	1.64
ACT	2	740	285	1.60	1.13
TOTAL	4	1,380	585	3.40	2.77

Note: COSCO-HIT has an additional quay length of 448m for handling barges.

Container leasing business highlights



Container leasing division	2013	YoY	2012
Divisional revenue (US\$ m)	347.75	+3.4%	336.22
- Container leasing revenue	290.88	+3.7%	280.51
- Disposal of returned containers	42.97	+0.8%	42.61
- Management income	7.40	-1.3%	7.49
- Others	6.50	+15.8%	5.61
% of total revenue	43.0%	-2.3pp	45.3%
Divisional gross profit (US\$ m)	177.76	-3.7%	184.57
Gross profit margin	51.1%	-3.8pp	54.9%
% of total gross profit	54.6%	-3.0pp	57.6%
Divisional profit (US\$ m)	125.26	-10.2%	139.52
% of total recurring core profit	40.1%	-2.4pp	42.5%
Average utilisation rate	94.5%	-0.8pp	95.3%
Fleet capacity (TEU)	1,888,200	+1.8%	1,855,597
New containers purchased (TEU)	151,500	-6.9%	162,742
Disposed returned containers (TEU)	35,714	+12.8%	31,671
Returned containers from COSCON (TEU)	36,193	+28.8%	28,098

2013 Awards



- **“Titanium Award for Financial Performance, Environmental Responsibility and Investor Relations”** by The Asset magazine;
- **“Corporate Governance Asia Recognition Award”** for the seventh consecutive year and **“1st Asian Company Secretary of the Year Recognition Award”** by Corporate Governance Asia magazine; in early 2014, the Group was awarded **“Best Investor Relations Company”** for the third consecutive year and Charlotte So, Manager of Investor Relations Department won **“Best Investor Relations Professional”** by the magazine;
- **“Outstanding China Enterprise Award”** by Capital magazine for the second consecutive year;
- **“Shipping In-House Team of the Year Award”** by Asian Legal Business;
- **“Hong Kong Outstanding Enterprise”** by Economist Digest magazine for the ninth consecutive year; and
- **“Best Investment Value Award for listed companies”** which was jointly organised by Financial PR Group, Cre8Corp, TodayIR.com and Moment magazine.



Strive to achieve long-term sustainable growth



- **Cautiously optimistic in global economic recovery**
- **Benefit from economic recovery in Europe and the US**
- **Strengthen sustainable terminal business growth by acquisitions**
- **Maintain prudent strategy for container leasing business**
- **Move forward solidly to seize business growth opportunity**

Q & A

