

2012 Interim Results

Press Conference

27 August 2012



COSCO Pacific Limited

Delivered solid profit growth from core businesses

P&L	1H 2012 US\$ million	YoY	1H 2011 US\$ million
Turnover	367.36	+31.8%	278.67
Gross profit	165.47	+38.7%	119.31
Operating profit	125.88	+43.9%	87.50
Operating profit after finance income & costs	92.64	+46.9%	63.08
Share of profits less losses of			
- Jointly controlled entities	49.35	+0.2%	49.24
- Associates	57.85	-51.9%	120.35
Income tax expenses	(12.94)	-21.8%	(16.55)
Profit attributable to equity holders excluding non-recurring items ^{Note} & container manufacturing profit	149.17	+22.9%	121.35
Profit attributable to equity holders excluding non-recurring items	178.93	-15.9%	212.64
Profit attributable to equity holders	178.93	-24.5%	237.04

Note: Non-recurring items in the first half of 2011 include gain on release of exchange reserve of US\$11.84 million upon reclassification of COSCO Ports (Nansha) Limited from a jointly controlled entity to a subsidiary and gain on disposal of Qingdao Cosport Terminal of US\$12.56 million.

Delivered solid profit growth from core businesses

Net profit by segments	1H 2012 US\$ million	YoY	% of total	1H 2011 US\$ million	% of total
Terminals ^{Note 1}	97.84	+16.3%	48.9%	84.11	36.3%
Container leasing, management and sale	72.77	+29.5%	36.3%	56.19	24.3%
Container manufacturing	29.75	-67.4%	14.8%	91.29	39.4%
Recurring profit	200.36	-13.5%	100.0%	231.59	100.0%
Gain on disposal of Qingdao Cosport	-	n/c		12.56	
Net corporate expense & finance costs	(21.43)	+13.1%		(18.95)	
Reclassification of CP Nansha	-	n/c		11.84	
Profit attributable to equity holders	178.93	-24.5%		237.04	

Note 1: Terminals profit excluded gain of US\$12,557,000 on disposal of Qingdao Cosport in 1H 2011.

Stable dividend payout ratio

	1H 2012	YoY	1H 2011
Basic earnings per share (excluding non-recurring items) ^{Note}	US6.60 cents	-15.8%	US7.84 cents
Basic earnings per share (including non-recurring items) ^{Note}	US6.60 cents	-24.5%	US8.74 cents
Interim dividend per share	HK20.5 cents US2.640 cents	-24.6% -24.5%	HK27.2 cents US3.496 cents
Payout ratio	40%	—	40%

Note: 1H 2012 basic EPS is calculated based on the weighted average number of ordinary shares in issue during the period amounted to 2,711,783,573 shares.
 1H 2011 basic EPS is calculated based on the weighted average number of ordinary shares in issue during the period amounted to 2,711,726,755 shares.

Terminal as the largest profit contributor

Terminal division	1H 2012	YoY	1H 2011
Divisional revenue ^{Note 1} (US\$ m)	197.81	+32.3%	149.50
% of total revenue	53.8%	+0.2pp	53.6%
Divisional gross profit (US\$ m)	72.26	+55.8%	46.38
% of total gross profit	43.7%	+4.9pp	38.8%
Divisional gross profit margin	36.5%	+5.5pp	31.0%
Divisional profit including gain on disposal of Qingdao Cosport (US\$ m)	97.84	+1.2%	96.66
Divisional recurring profit (US\$ m)	97.84	+16.3%	84.11
% of total recurring profit	48.9%	+12.6pp	36.3%
Total throughput (TEU)	26,876,860	+10.8%	24,249,265
Equity throughput (TEU)	7,581,363	+16.2%	6,521,928
Annual handling capacity (TEU)	56,850,000	+8.6%	52,367,500
No. of operating container berths	95	+7	88

Note 1: Terminal revenue in 1H 2012 was mainly generated from PCT, Nansha, Zhangjiagang, Quan Zhou, Yangzhou, Jinjiang and Xiamen terminals (1H 2011: PCT, Nansha, Zhangjiagang, Quan Zhou, Yangzhou and Jinjiang).

Solid leasing revenue growth and strong disposal of returned container revenue growth

Container leasing division	1H 2012	YoY	1H 2011
Divisional revenue (US\$ m)	170.57	+31.9%	129.28
- Container leasing revenue	137.69	+20.4%	114.34
- Disposal of returned containers	26.84	+182.0%	9.52
- Management income	3.63	-12.9%	4.17
- Others	2.41	+92.3%	1.25
% of total revenue	46.2%	-0.2pp	46.4%
Divisional gross profit (US\$ m)	94.22	+29.0%	73.04
% of total gross profit	56.3%	-4.9pp	61.2%
Divisional gross profit margin	55.2%	-1.3pp	56.5%
Divisional profit (US\$ m)	72.77	+29.5%	56.19
% of total recurring profit	36.3%	+12.0pp	24.3%
Average utilisation rate	95.2%	-1.6pp	96.8%
Fleet capacity (TEU)	1,797,377	+4.9%	1,713,872
Purchase of new containers (TEU)	47,642	-53.6%	102,598
Disposal of returned containers (TEU)	19,522	+308.7%	4,777

2012 business outlook

- Terminals
 - 2012 outlook: relatively steady
 - 1H 2012 throughput growth of 10.8%: above 5%-10% growth expectation
 - 2012 volume growth: maintain 5%-10%
 - Equity throughput growth > total throughput growth
 - balanced geographical distribution of terminal portfolio: relatively well positioned to withstand economic uncertainties and lend relative stability to its terminal business
- Leasing
 - 2012 outlook: cautiously optimistic
 - Market demand picked up strongly in Q2
 - Utilisation rate continues to remain at high level (Jun 2012: 96%)
 - All of the approximately 103,000 TEU new containers ordered in 1H 2012 have been booked by shipping lines and delivered to generate rental income
 - Disposal of returned container business: continue to benefit from sustainable demand and stable selling price