



WESTPORTS
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**Westports Holdings Berhad
1st Quarter 2016 Financial Report**

28th April 2016



Results

| | | 2014 | 2015 | %Chg | 1Q15 | 1Q16 | %Chg | On Quarterly Performance |
|-------------------------------------|--------------|--------------|--------------|------------|-------------|-------------|------------|---|
| Container | million TEUs | 8.37 | 9.05 | 8% | 2.26 | 2.41 | 7% | Transshipment +9% and constituted 74.9% of total volume. Gateway -1% Cement volume +15% |
| Conventional | million MT | 10.35 | 10.23 | -1% | 2.56 | 2.57 | 0% | |
| Revenue | RM million | 1,562 | 1,682 | 8% | 399 | 465 | 17% | Container revenue +15% with 3-month contribution from tariff revision while Conventional, unchanged |
| Operational Revenue | | 1,503 | 1,578 | 5% | 387 | 436 | 13% | |
| Cost Of Sales | | -747 | -799 | 7% | -184 | -218 | 19% | Fuel cost -34% while electricity +10% with higher container volume handled |
| Operational Costs | | -688 | -696 | 1% | -172 | -189 | 10% | |
| Gross Profit | | 815 | 882 | 8% | 215 | 247 | 15% | Improved GP and EBITDA levels with improvement in container volume and revenue per TEU but with lower fuel cost |
| EBITDA | | 789 | 869 | 10% | 214 | 267 | 25% | |
| Results From Op Activities | | 643 | 714 | 11% | 176 | 227 | 29% | |
| Profit Before Tax | | 579 | 650 | 12% | 160 | 211 | 32% | PBT improved further with crystallization of RM20m investment gain |
| Tax | | -67 | -145 | 118% | -39 | -40 | 1% | |
| | Tax % | -11.5% | -22.3% | | -24.7% | -18.9% | | Lower effective tax rate with ITA |
| Profit After Tax[^] | | 512 | 505 | -1% | 120 | 171 | 42% | Excluding investment gain, PAT would be RM151m |

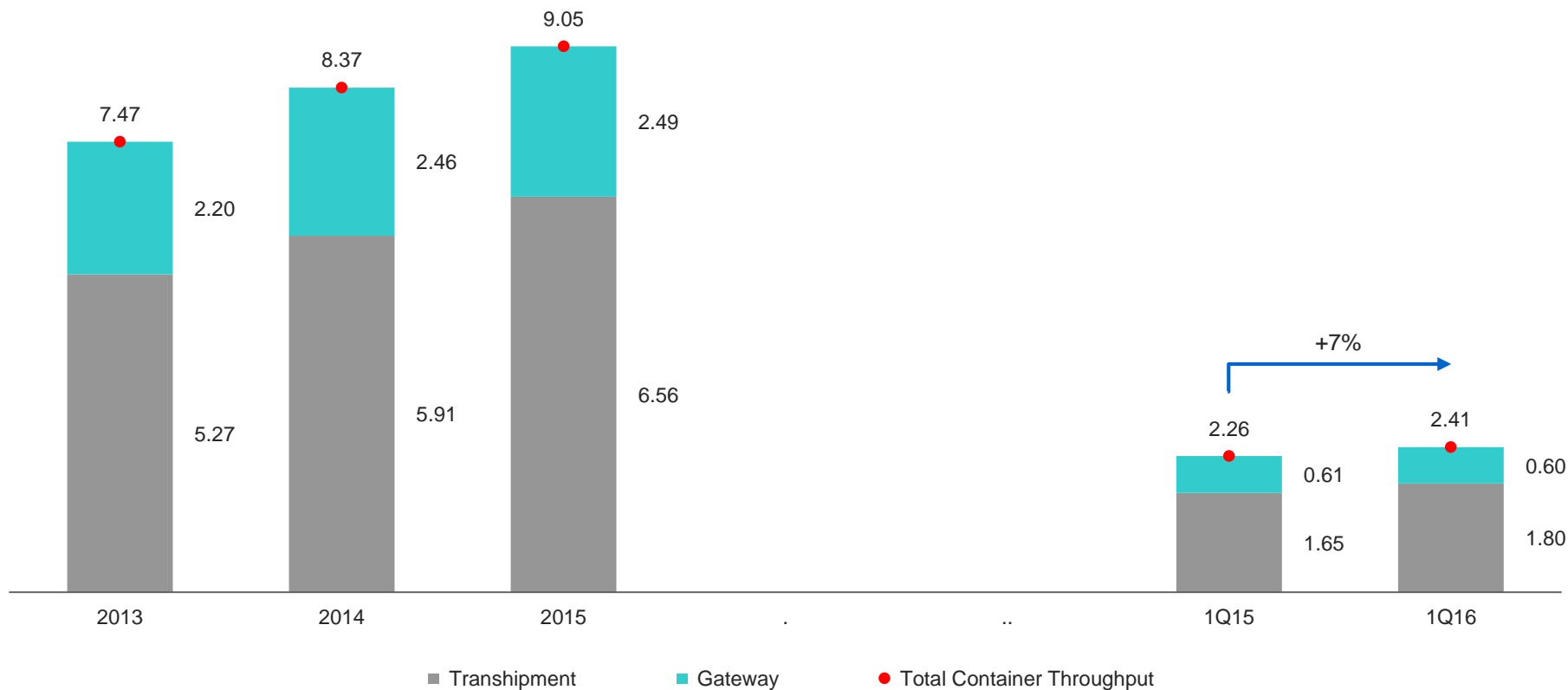
[^]May not add up due to rounding

Container – Transshipment & Gateway Throughput

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- **1Q16** volume +7% to 2.41m TEUs, volume handled is an all-time quarterly record
- 74.9% of total TEUs is transshipment as it grew by +9% while gateway volume -1%

Total Container Throughput (million TEUs)



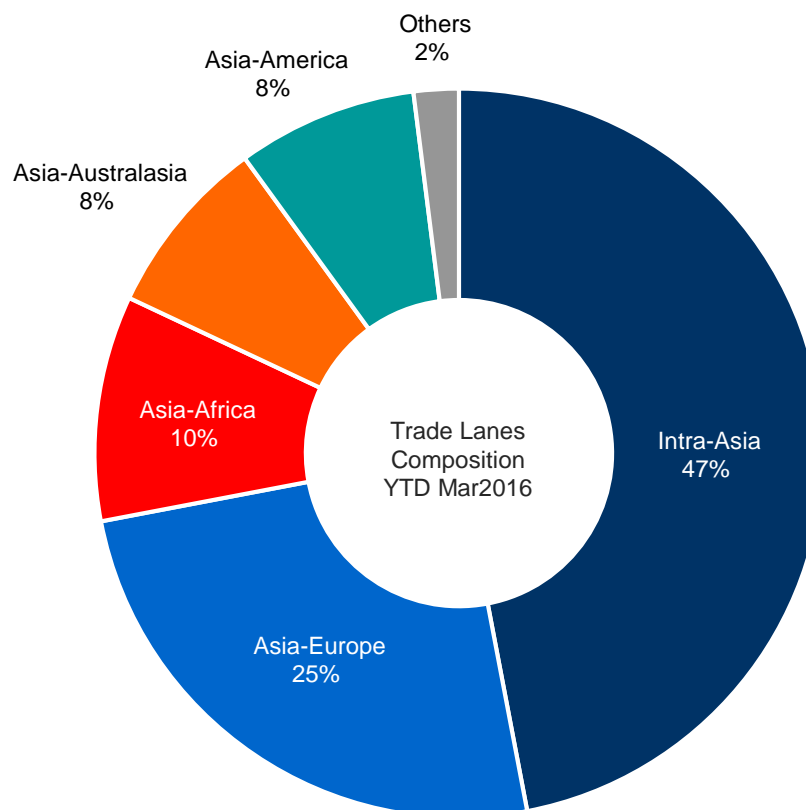
Container – Throughput By Trade Lane

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- **1Q16** volume at Intra-Asia +4% to 1.13m TEUs and constituted 47% of total volume handled
- Growth at Asia-Europe moderated while Asia-America continued to post very strong growth

Container Throughput By Trade Lanes

| Trade Lane | % Changes YoY | | TEUs m |
|--------------------------|---------------|------------|-------------|
| | 2015 | 1Q16 | |
| Intra-Asia | +3% | +4% | 1.13 |
| Asia-Europe | +17% | +3% | 0.61 |
| Asia-Africa | -13% | -8% | 0.23 |
| Asia-Australasia | +14% | -8% | 0.19 |
| Asia-America | +131% | +127% | 0.20 |
| Others | -9% | +20% | 0.06 |
| Total[^] | +8% | +7% | 2.41 |



[^] May not add up due to rounding

Based on data as of 18th April 2016

Conventional – Throughput Volume

- **1Q16** conventional tonnage increased marginally to 2.57m tonnes while RORO volume -6%
- Cement remained as the fastest growing product +15% while dry bulk +10% to 1.15m tonnes

Total Conventional Throughput (million tonnes)

| | Year | | | Year-To-Date | | |
|--------------------------|--------------|--------------|--------------|--------------|-------------|-----------|
| | 2013 | 2014 | 2015 | 1Q15 | 1Q16 | % |
| Dry Bulk | 3.70 | 3.99 | 4.01 | 1.05 | 1.15 | 10% |
| Liquid Bulk | 4.30 | 3.76 | 3.57 | 0.81 | 0.72 | -12% |
| Break Bulk | 1.70 | 1.66 | 1.59 | 0.44 | 0.40 | -8% |
| Cement | 0.90 | 0.94 | 1.06 | 0.26 | 0.30 | 15% |
| Total[^] | 10.60 | 10.35 | 10.23 | 2.56 | 2.57 | 0% |
| RORO (k units) | 108.4 | 166.0 | 162.5 | 41.7 | 39.3 | -6% |

[^]May not add up due to rounding

Revenue

- **1Q16** container revenue +15% with higher container volume handled and tariff revision
- Marine revenue improved with higher number of vessels and bigger vessels being berthed

Segmental Revenue (RM million)

| | Year | | | Year-To-Date | | |
|----------------------------------|--------------|--------------|--------------|--------------|------------|------------|
| | 2013 | 2014 | 2015 | 1Q15 | 1Q16 | % |
| Container | 1,105 | 1,251 | 1,317 | 322 | 370 | 15% |
| Conventional | 137 | 137 | 144 | 36 | 36 | 0% |
| Marine | 74 | 77 | 81 | 19 | 21 | 7% |
| Rental | 32 | 38 | 35 | 9 | 9 | -3% |
| Operational Revenue | 1,348 | 1,503 | 1,578 | 387 | 436 | 13% |
| Construction | 364 | 59 | 103 | 12 | 28 | 137% |
| Total Revenue[^] | 1,712 | 1,562 | 1,682 | 399 | 465 | 17% |

[^]May not add up due to rounding

Cost Of Sales

- **1Q16** container's marketing costs increased with tariff revision. Fuel cost continued to ease
- Depreciation +5% only as 1st 300-metre CT8 wharf would commence operations by mid-2016

Cost Of Sales Breakdown (RM million)

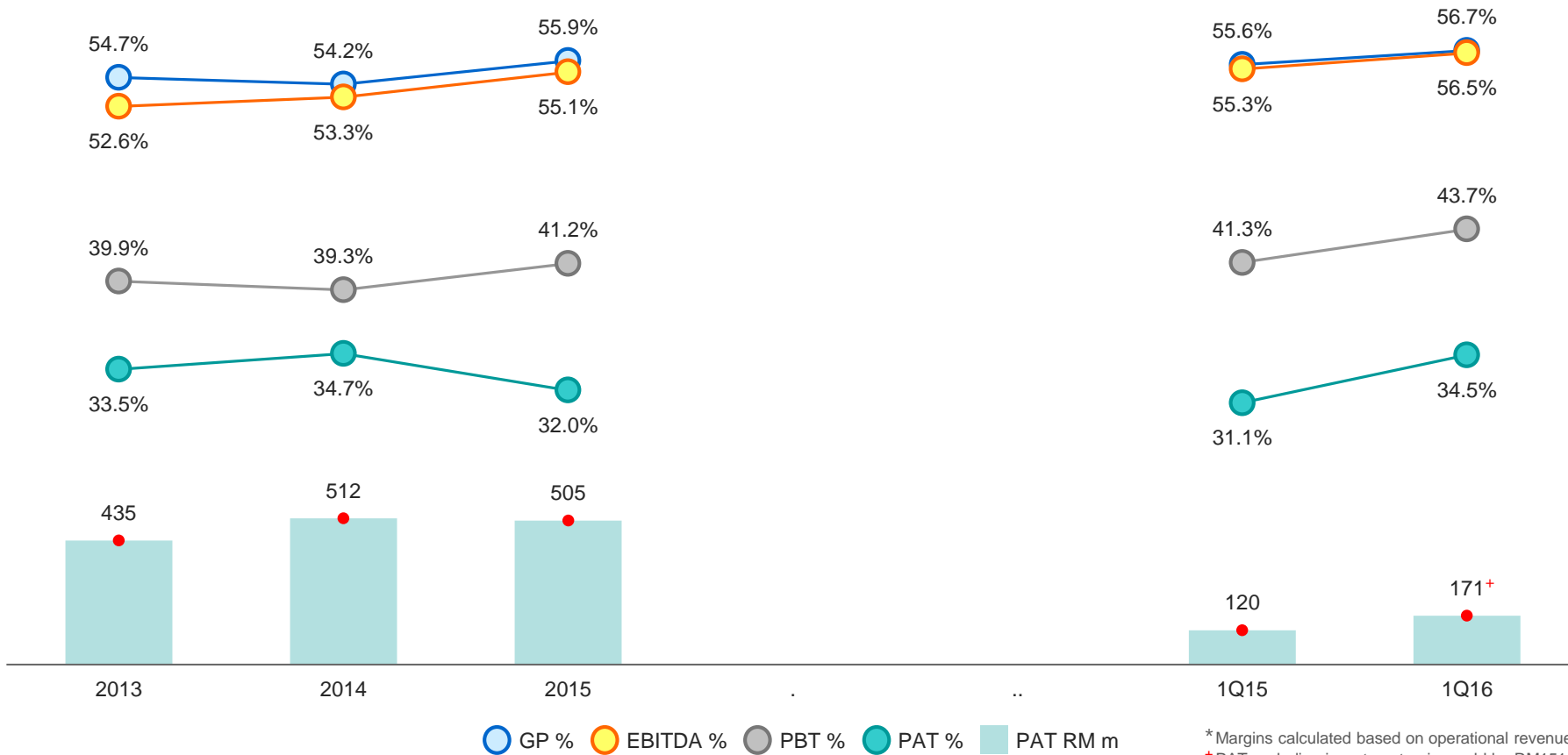
| | Year | | | Year-To-Date | | |
|-------------------------------|------------|------------|------------|--------------|------------|------------|
| | 2013 | 2014 | 2015 | 1Q15 | 1Q16 | % |
| Container | 201 | 226 | 242 | 57 | 77 | 34% |
| Conventional | 19 | 22 | 23 | 6 | 5 | -8% |
| Marine | 31 | 31 | 31 | 8 | 8 | 13% |
| Fuel | 88 | 94 | 70 | 18 | 12 | -34% |
| Electricity | 21 | 27 | 29 | 7 | 8 | 10% |
| Manpower | 150 | 164 | 169 | 43 | 44 | 3% |
| Depreciation | 101 | 124 | 132 | 33 | 34 | 5% |
| Operational Cost | 611 | 688 | 696 | 172 | 189 | 10% |
| Construction | 364 | 59 | 103 | 12 | 28 | 137% |
| Total Cost[^] | 975 | 747 | 799 | 184 | 218 | 19% |

[^]May not add up due to rounding

Profitability Margins

- 1Q16 EBITDA, PBT and PAT margins calculation excluded non-recurrent investment gain of RM20m to reflect underlying operational improvements

Profitability Margins* (%) And Profit After Tax (RM million)



* Margins calculated based on operational revenue
 + PAT excluding investment gain would be RM151m

CT8 Expansion

CT8 Expansion Plan

| | |
|---------------------|--|
| Facilities | <ul style="list-style-type: none"> • 600 metres of wharf and container yard • Back-of-the-Terminal facilities <ul style="list-style-type: none"> • 2nd container gate • Marshaling centre • Container freight station • 14 units of ship-to-shore quay cranes • 15 units of rubber tyred gantry cranes • Terminal tractors and trailers |
| Timeline | <ul style="list-style-type: none"> • Commenced in January 2015 • Phase 1 <ul style="list-style-type: none"> • Completed 300 metres of wharf. Operational with 4 new 52-metre high QCs by mid-2016 • Phase 2 <ul style="list-style-type: none"> • An additional 300 metres of wharf, CT8 yard, 2nd container gate and more TOEs being delivered. Schedule to be operational by 2017 |
| Capacity | <ul style="list-style-type: none"> • When all terminal handling equipment is delivered, the total handling capacity is expected to increase to 13.5 million TEUs |
| Capital Expenditure | <ul style="list-style-type: none"> • Revised CT8 cost of RM1.1 billion due to currency fluctuations • Projected total CT8 expansion and maintenance capex of RM750 million for 2016 • To be funded by internally generated funds and short-term bank borrowing |

Current Construction Work At CT8



2 additional QCs received in 1Q16 at CT8 Phase 1's wharf. To enter into service by mid-2016

Capital Expenditure By Components (RM million)

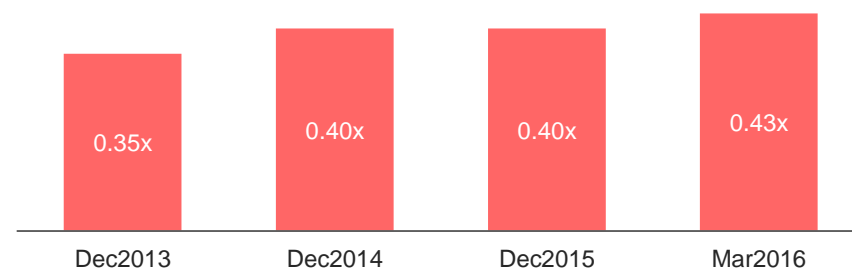
| | 2015 | 1Q16 | 2016f | 2017f | 2018f | 3yr proj |
|----------------------|------------|------------|------------|------------|-----------|--------------|
| Construction | 104 | 28 | 300 | 40 | 0 | 340 |
| Equipment | 117 | 71 | 330 | 190 | 30 | 550 |
| CT8 Expansion | 221 | 99 | 630 | 230 | 30 | 890 |
| Maintenance | 31 | 6 | 120 | 20 | 20 | 160 |
| Total Capex | 252 | 105 | 750 | 250 | 50 | 1,050 |

Debt-To-Equity Ratio

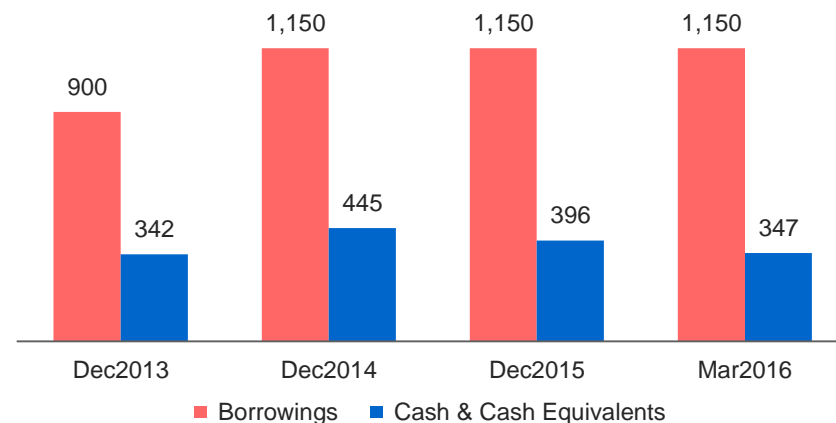
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| Sukuk Musharakah Medium Term Note (SMTN) | |
|--|--|
| Tenure | <ul style="list-style-type: none"> 20 year Sukuk Musharakah Medium Term Note program obtained on 20 April 2011 Valid unless it has been redeemed, cancelled or repurchased by WMSB |
| Nominal Value | RM2,000 million available for issuance |
| Drawdown | <ul style="list-style-type: none"> 03 May 2011 of RM450 million 01 April 2013 of RM250 million 23 Oct 2013 of RM200 million 03 April 2014 of RM250 million Total drawdown RM1,150 million |
| Utilisation of Proceeds | <ul style="list-style-type: none"> Refinance previous SUKUK programme Capital expenditure Assets acquisition Working capital |
| Repayment | <ul style="list-style-type: none"> RM450 million – 6 tranches, 2021-2026 RM250 million – 4 tranches, 2025-2028 RM200 million – 5 tranches, 2024-2028 RM250 million – 4 tranches, 2021-2024 |

Net Debt-To-Equity Ratio



Total Borrowings And Cash & Equivalents (RM million)



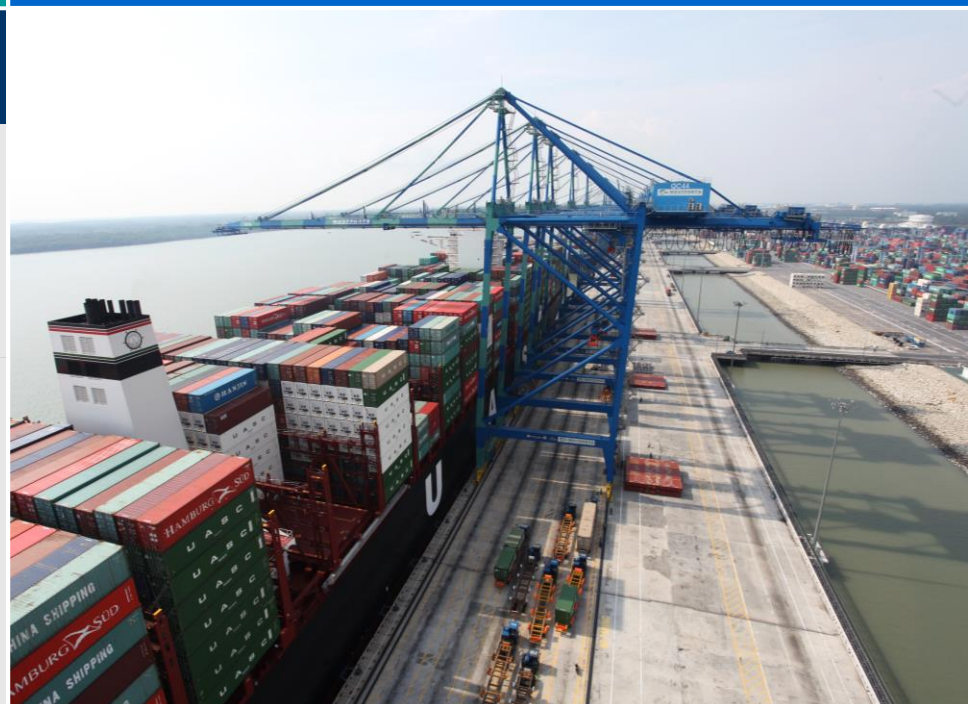
- **Net debt-to-equity ratio** of 0.43x as at Mar16
- **Cash balance** declined with second interim dividend payment of RM197m and capex of RM105m in 1Q16
- Evaluating **bank borrowings** proposals

Dividend And Outlook

Dividend Distribution Track Record

| | Dividend Per Share (RM) | Financial Year | Ex-Date | Payment Date |
|----------------------|-------------------------|----------------|-------------|--------------|
| 2nd Interim Dividend | 5.78 sen | 2H 2015 | 17 Feb 2016 | 02 Mar 2016 |
| 1st Interim Dividend | 5.32 sen | 1H 2015 | 13 Aug 2015 | 26 Aug 2015 |
| 2nd Interim Dividend | 6.15 sen | 2H 2014 | 26 Feb 2015 | 11 Mar 2015 |
| 1st Interim Dividend | 5.10 sen | 1H 2014 | 07 Aug 2014 | 20 Aug 2014 |
| 2nd Interim Dividend | 5.22 sen | 2H 2013 | 26 Feb 2014 | 11 Mar 2014 |

Outlook 2016



- **Target payout ratio of 75%**

- Maintained even with CT8 expansion
- Semi-annual distribution of dividend

- **FY2015 dividend payment of 11.1 sen**

- **Container volume** projection – positive growth compared to the previous year despite challenging economic outlook
- **Conventional volume** – expect to be maintained as the previous year's volume
- **Tariff revision and ITA** facilitates container terminal's higher capex requirements and operational expenditures

Thank You

For further information on this presentation kit, please kindly contact:

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