



COSCO Pacific Limited

2006 Final Results
Press Conference

22 March 2007

- Profit attributable to equity holders^{Note} was US\$346 mil.
- Basic earnings^{Note} per share were US15.63 cents
- Full year dividend was US8.847 cents
- Dividend payout ratio^{Note} was 56.6%

Note : Excluded CIMC Put Options non-cash expense

- Achieved satisfactory terminal business performance in 2006
 - Total throughput: 32.8 mil TEUs rose by 25.7%
 - Total no. of berths of our terminal portfolio^{Note}: 115
 - Annual handling capacity: 61 mil TEUs
- Expanded container leasing and management business
 - Container fleet capacity: 1.25 mil TEUs increased by 19.9%
- Maintained leading positions in industry
 - 5th largest global container terminal operators
 - 3rd largest container leasing and management company in the world
 - Largest logistics company in China
 - Largest container manufacturing company in the world

Note: Include potential berth expansion of existing terminals and newly acquired berths

Major transactions in 2006

- Further strengthen our strategic alliances with port authorities, global carriers, port operators and other port users by acquiring or increasing equity interests of terminal investments in China.
 - Acquired 71.43% interest of Quanzhou Pacific Terminal
 - Acquired 30% interest of Tianjin Port Euroasia Terminal
 - Acquired 20% interest of Ningbo Yuan Dong Terminals
- Increased 10% interest of Shanghai Pudong Terminal
- Strategic disposal of 600,082 containers to improve the capital structure and business model of our container leasing and management businesses.

- “Directors of The Year” presented by the Hong Kong Institute of Directors
- “Hong Kong Outstanding Enterprises” presented by Economic Digest for the second consecutive year
- One of the Forbes Global 2000 enterprises for the second consecutive year
- One of the Top 10 Enterprises of China Shipping Gazette
- Finalist in the “Shipping In-House Team of the Year” in the ALB Hong Kong Law Awards organized by Asian Legal Business
- Highly commended of “Best Investor Relations” presented by IR Magazine

- Building a well-balanced portfolio
- Providing superior services to customers
- Further strengthening terminal business model
- Maximizing enterprise value
- Creating long-term and sustainable value for shareholders

Strengthened business models

- Focusing on ports as the key earnings driver by
 - Taking majority stakes in ports and terminals investments
 - Maximizing enterprise value by controlling rights
 - Transforming container leasing businesses into asset light model to expand our market share by
 - An optimum balance between ownership and management
 - Supported by solid profit growth from logistics and container manufacturing businesses
- Building a larger platform for future growth based on strengthened business models to maintain our position as a global industry leader and maximize shareholders and enterprise value

2006 Final Results

Solid financial performance

	FY 2006 US\$'000	y-o-y	FY 2005 US\$'000
Turnover	253,960	-14.1%	295,648
Operating profit ^{Note 1 & Note 3}	256,305	+8.1%	237,093
Finance income	12,621	+189.4%	4,361
Finance costs	(44,203)	+21.6%	(36,362)
Operating profit after finance income and finance costs	224,723	+9.5%	205,092
Share of profits less losses of associated companies and jointly controlled entities	174,112	+12.1%	155,289
Profit before income tax	398,835	+10.7%	360,381
Income tax expenses ^{Note 2}	(49,196)	+119.4%	(22,426)
Profit for the year	349,639	+3.5%	337,955
Profit attributable to:			
Equity holders of the company ^{Note 3}	346,263	+3.4%	334,937
Minority interests	3,376	+11.9%	3,018
CIMC Put Options expense	(55,181)	n.a.	n.a.
Profit attributable (after CIMC Put Options non-cash expense) to: Equity holders of the company	291,082	-13.1%	334,937
Basic earnings per share (US cents) ^{Note 3}	15.63	+2.3%	15.28
Basic earnings per share (after CIMC Put Options non-cash expense) (US cents)	13.14	-14.0%	15.28

Note 1: Included the disposal profit of Shekou Terminal of US\$61,875,000 in 2005 and the net income before taxation of disposal of 600,082 containers ("strategic disposal of containers") of US\$84,454,000 and finder fee of US\$15,240,000 in 2006.

Note 2: Included the net tax charge for the strategic disposal of containers in 2006.

Note 3: Exclude CIMC Put Options non-cash expense of US\$55,181,000.

Net profit analysis

	FY 2006 US\$'000	y-o-y	FY 2005 US\$'000
Container leasing & management ^{Note 1}	166,353	+43.7%	115,733
Terminal & related business ^{Note 2}	90,520	-39.6%	149,964
Container manufacturing	69,715	+24.1%	56,176
Chong Hing Bank	12,778	+27.4%	10,026
Logistics	11,136	+21.5%	9,165
Other operation income	476	-38.0%	768
Net financial income	5,037	+120.6%	2,283
Net corporate expenses	(9,752)	+6.3%	(9,178)
Total net profit (before Put Options expense)	346,263	+3.4%	334,937

Note 1: Included the total of approximately US\$50,000,000 net income and approximately US\$15,000,000 finder fee from the Strategic Disposal of Containers in 2006.

Note 2: Included the net income of US\$61,875,000 from disposal of Shekou Terminal in 2005.

Financial position

	FY 2006 (US\$'000)	y-o-y	FY 2005 (US\$'000)
Total assets	2,987,155	+4.6%	2,855,150
Total liabilities	778,954	-19.3%	964,807
Net Asset	2,208,201	+16.8%	1,890,343
Total debt	531,598	-36.4%	835,653
Cash on hand	224,668	+25.3%	179,315
Net debt	306,930	-53.2%	656,338
NAV per share (HK\$)	7.728	+15.3%	6.705
Basic earnings per share (US cents) ^{Note 1}	15.63	+2.3%	15.28
Basic earnings per share (after CIMC Put Options non-cash expense) (US cents)	13.14	-14.0%	15.28
Full Year dividend (US cents)	8.847	+2.3%	8.650
Payout Ratio ^{Note 2}	56.6%	--	56.6 %
Net debt-to-equity ratio	13.9%	-20.8pp	34.7%
Interest coverage	8.8x	-21.0%	11.1x

Note 1: Before CIMC Put Options non-cash expense of US\$55,181,000.

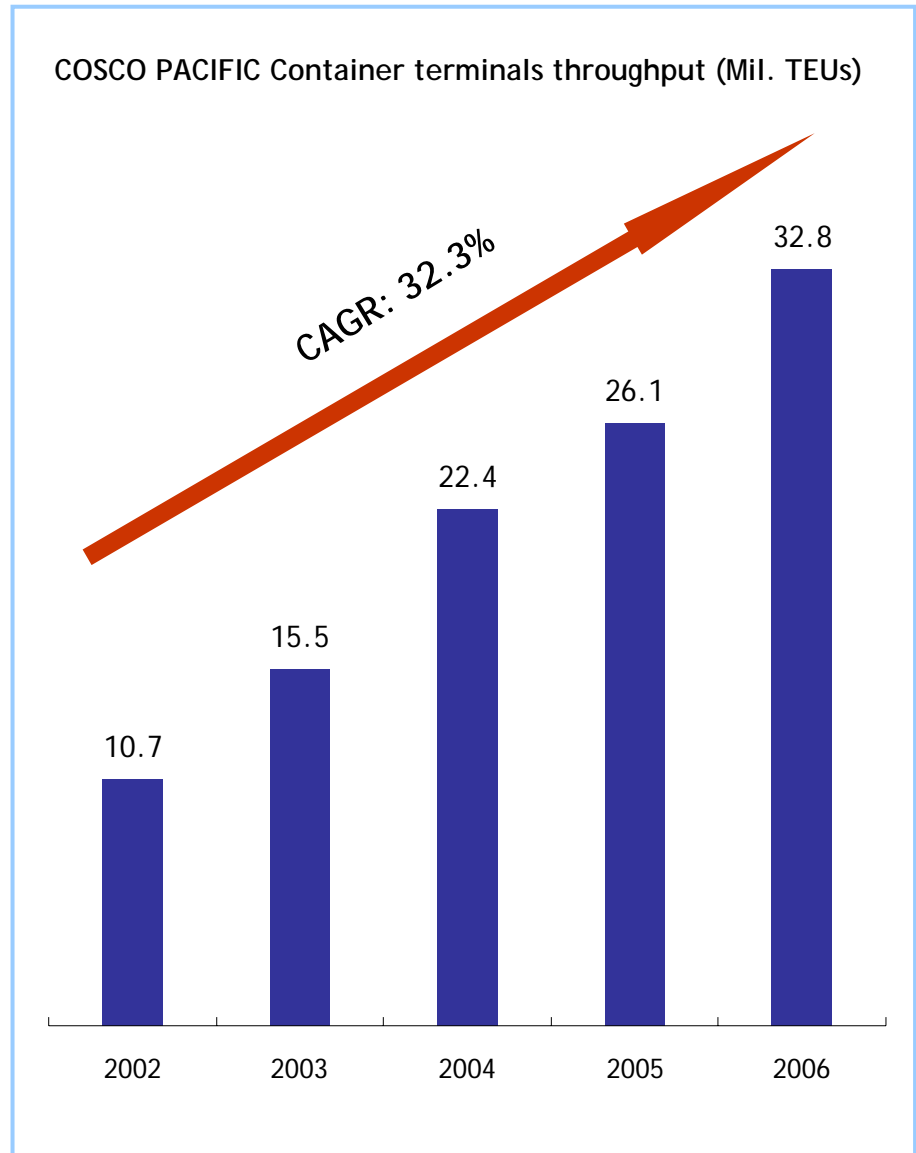
Note 2: Payout ratio based on net profit before CIMC Put Options non-cash expense.

Major capital expenditure

	FY 2007 US\$'000	y-o-y	FY 2006 US\$'000	y-o-y	FY 2005 US\$'000
Terminals investment	427,000	+55.1%	275,231	+208.8%	89,125
Purchase of new container	350,000	-27.2%	480,631	+44.1%	333,584
Total	777,000	+2.8%	755,862	+78.8%	422,709

Strong throughput performance

- 5th largest global container terminal operator
- Total no. of berths: 115
- Annual handling capacity: 61 mil TEUs
- Total no. of operating berths: 83
- Total throughput rose 25.7% to 32.8 mil TEUs

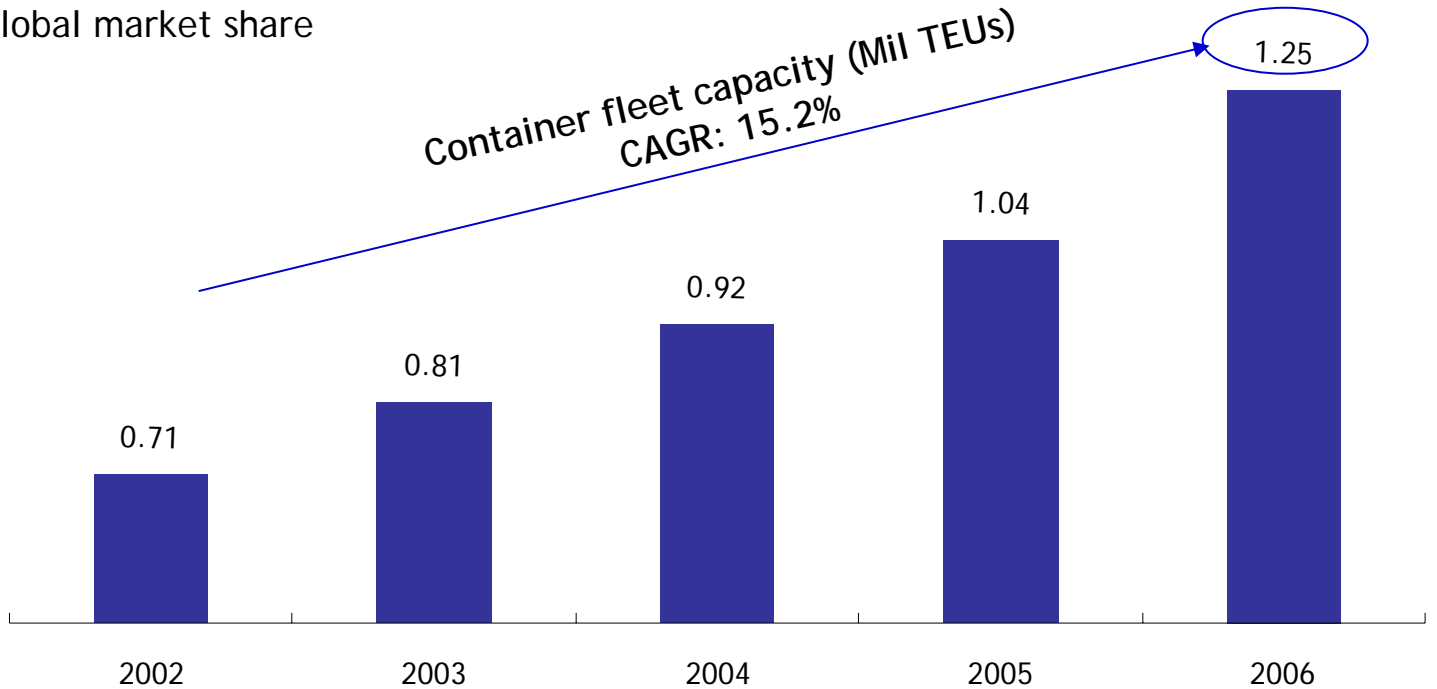


Outstanding throughput performance in Bohai Rim

Container Terminal Throughput (As of 31 Dec 2006)	FY 2006 (TEUs)	y-o-y	FY 2005 (TEUs)
Bohai Rim	13,431,338	+43.3%	9,370,361
Qingdao Qianwan Terminal	6,770,003	+24.4%	5,443,086
Qingdao Cosport Terminal	744,276	+22.9%	605,791
Dalian Port Container Co., Ltd.	2,885,276	+16.9%	2,467,465
Dalian Port Container Terminals	421,068	+216.6%	132,984
Tianjin Five Continents Terminal	1,773,141	+1,927.3%	87,462
Yingkou Terminal	837,574	+32.2%	633,573
Yangtze River Delta	7,732,423	+13.2%	6,831,502
Shanghai Terminal	3,703,460	+1.6%	3,646,732
Shanghai Pudong Terminal	2,650,007	+7.2%	2,471,840
Zhangjiagang Win Hanverky Terminal	455,946	+20.9%	377,121
Yangzhou Yuanyang Terminal	222,912	+41.9%	157,123
Nanjing Longtan Terminal	700,098	+291.8%	178,686
Pearl River Delta	10,400,888	+13.1%	9,196,652
COSCO-HIT Terminal	1,688,697	-8.3%	1,841,193
Yantian Terminal (Phase I, II, III)	8,470,919	+15.2%	7,355,459
Quanzhou Pacific Terminal	241,272	-	-
Overseas	1,227,064	+80.2%	681,097
COSCO-PSA Terminal	627,894	+2.8%	611,013
Antwerp Terminal	599,170	+754.9%	70,084
Total Throughput in China	29,875,952	+26.8%	23,557,322
Total Throughput	32,791,713	+25.7%	26,079,612

Increased global market share

- The world's third largest container leasing company
- 11.9% of global market share



Market share	9.3%	9.7%	10.1%	10.9%	11.9%
Utilization rate	93.4%	95.2%	97.0%	95.5%	96.2%
Industry average	83.0%	89.0%	92.0%	90.9%	91.8%
Long term leasing	83%	82%	82%	84%	90%
Short term leasing	17%	18%	18%	16%	10%

Container fleet capacity expansion

Container leasing and management division	FY 2006 TEUs	y-o-y	FY 2005 TEUs
Fleet capacity as of 1 Jan	1,042,852	+13.5%	919,128
New containers purchased	268,236	+59.1%	168,592

Containers returned from COSCON upon expiry of leases			
Total	(43,981)	+66.9%	(26,354)
Re-leased	648	+88.4%	344
Disposed of and pending for disposal	(43,333)	+66.6%	(26,010)

Ownership transferred to customers upon expiry of financial lease	(172)	-72.6%	(629)
Defective containers written off	(11)	+175.0%	(4)
Total loss of containers declared and compensated by customers	(16,963)	-6.9%	(18,225)

Fleet capacity as of 31 Dec	1,250,609	+19.9%	1,042,852

Logistics division	FY 2006	y-o-y	FY 2005
Net profit (US\$'000)	11,136	+21.5%	9,165
% of total group net profit ^{Note}	3.2%	+0.5pp	2.7%
Overall ranking in China	1	n.a.	1
Shipping agency vessels handled (vessels)	135,087	+0.2%	134,781
Freight forwarding (tonnes)	128,763,073	+25.7%	102,405,982
3PL- Home appliance (mil units)	30.7	+36.0%	22.6
3PL - Motor (No. of vehicles)	562,484	+433.2%	105,499

Note: Exclude CIMC Put Options non-cash expense of US\$55,181,000.

Container manufacturing division	FY 2006	y-o-y	FY 2005
Net profit (US\$'000)	69,715	+24.1%	56,176
% of total group net profit ^{Note}	20.1%	+3.3pp	16.8%
Global ranking of CIMC	1	n.a.	1
<u>Sales Volume</u>			
CIMC (TEUs)	1,568,886	+15.2%	1,361,358
Shanghai CIMC Reefer (TEUs)	50,562	+6.1%	47,646
Tianjin CIMC North Ocean (TEUs)	142,108	+36.6%	104,064

Note: Exclude CIMC Put Options non-cash expense of US\$55,181,000.

Strategy and outlook

Our strategy

- Seize opportunities derived from sustainable economic growth
 - Focus most of our resources on core businesses
- Explore new business opportunities so as to
 - Expand our market share
 - Maintain our leading position in the industry
 - Enhance our profitability
 - Maximize return for our shareholders

- From “investment” to “controlling rights”
- From “China market” to “global market with focusing on China”
- From “container terminals” to “diversified terminals” portfolio
- From “profit center” to “maximizing enterprise value”

- Strengthen container leasing business
- Expand our container management business
- Lower operating risks
- Pursue stable yield through an asset light model
- Increase financial strength and flexibility to capture growth opportunity
- Maintain our leading position in the industry

Our growth strategies.....

- Targeting ports and terminals with “Basin” strategy
(i.e. 2nd tier group of ports and terminals)
 - Greater potential for growth
 - Lower entry costs
 - Majority control
 - Higher enterprise value

Our growth strategies

- Exploring new market with “Blue Ocean” strategy
 - Entering emerging markets and businesses
 - Manage well-balanced assets model
 - Equipped with stronger competitive advantages
 - Establishing sustainable businesses with prolonged cycle

- Benefitted from continuous China trade growth
- Accumulated growth momentum driven by organic and new investment growth of terminal division
- Stable yield of container leasing and management business
- Stable growth in logistics and container manufacturing business
- With a well-balanced portfolio and strengthened business models, we continue to build on our value creation platform to enhance our position as a global industry leader.