



PRESS RELEASE

NOL Group swings to US\$100 million net profit in second quarter

Group revenue up 53%; shipping volume improves; Logistics revenue 45% higher

SINGAPORE, 6 August 2010 – Global container shipping and logistics group Neptune Orient Lines (NOL) today reported a net profit of US\$100 million for the second quarter of 2010. That was up from a net loss of US\$146 million in the second quarter of 2009.

The Group's Core EBIT (Earnings Before Interest and Taxes) for the quarter was US\$114 million compared to a Core EBIT loss of US\$131 million in the same quarter a year ago. Second quarter 2010 revenue increased 53% to US\$2.1 billion.

"Continued strong container shipping volumes and improving freight rates have helped return us to profitability," said Group President and CEO Ronald D. Widdows. "The result for this latest quarter reflects significant progress as we turn around our performance from the economic downturn of 2009."

NOL reported Core EBIT (Earnings Before Interest and Taxes) of US\$40 million for the first half of 2010, compared to a US\$353 million Core EBIT loss a year ago. Revenue in the first half increased 44% to US\$4.2 billion. Net profit for the first half of 2010 was US\$1 million, compared to a net loss of US\$391 million in the first half of 2009.

The Group said it will not pay an interim dividend to shareholders. However, the Group will consider a final dividend to be paid based on its current policy of paying an annual dividend of 20% of net profits after tax.

FINANCIAL PERFORMANCE

	1H10	1H09	Change %	2Q10	2Q09	Change %
Revenue (US\$m)	4,219	2,931	44	2,121	1,388	53
Core EBIT (US\$m)	40	(353)	nm	114	(131)	nm
Net profit/(loss) (US\$m)	1	(391)	nm	100	(146)	nm



BUSINESS SEGMENTS

As previously announced, NOL is presenting the financial results of Container Shipping and Terminals as one business unit, namely Liner.

APL, NOL's Liner shipping business, reported first half 2010 revenue of US\$3.7 billion, up 46% from US\$2.5 billion a year ago. Volume in the first half increased 39% to 1.35 million FEUs (forty-foot equivalent units). Core EBIT for the first half was US\$13 million, up from a Core EBIT loss of US\$372 million a year ago.

"Vessels were effectively full during much of the first half of 2010 even though we reintroduced idled vessels to our network and added incremental capacity," said APL President Eng Aik Meng. "In the second half, we will continue to emphasize operational efficiency and service reliability to meet the needs of our customers."

APL Logistics, NOL Group's supply chain management business, reported Core EBIT of US\$27 million in the first half of 2010, up 13% from 2009. Revenue increased 33% to US\$578 million. The improvement was attributed primarily to increased volume across various business lines, higher rates in the freight forwarding business and growth in the auto logistics sector.

"We are particularly encouraged that average weekly revenue in the second quarter of 2010 was the highest it has been since late 2008," said APL Logistics President Jim McAdam.

OUTLOOK

With further improvement anticipated in container shipping volume and rates, NOL Group expects significant improvement in third quarter profits. NOL will continue to emphasize cost efficiency, improved productivity and service delivery.

1H10 OPERATING PERFORMANCE (vs 1H09)

Liner Shipping

- Revenue US\$3.7 billion, up 46%
- Core EBIT US\$13 million, compared to a loss of US\$372 million previously
- Average revenue per FEU US\$2,643, up 11%
- Volume 1.35 million FEUs, up 39%



Logistics

- Revenue US\$578 million, up 33%
- Core EBIT US\$27 million, up 13%
- Core EBIT Margin 4.7% compared to 5.5% previously

2Q10 OPERATING PERFORMANCE (vs 2Q09)

Liner Shipping

- Revenue US\$1.9 billion, up 54%
- Core EBIT US\$101 million, compared to a loss of US\$138 million previously
- Average revenue per FEU US\$2,778, up 22%
- Volume 646 thousand FEUs, up 32%

Logistics

- Revenue US\$282 million, up 45%
- Core EBIT US\$12 million, up 20%
- Core EBIT Margin 4.3% compared to 5.1% previously

Proforma accounts for Liner

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	FY2009	Q1 2010
Revenue (US\$m)	1,326	1,211	1,345	1,736	5,618	1,833
Core EBIT (US\$m)	(234)	(138)	(130)	(196)	(698)	(88)

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About NOL

Neptune Orient Lines (NOL) is a Singapore-based global container shipping, terminals and logistics company. Its container shipping arm, APL, provides world-class container shipping and terminal services and intermodal operations supported by leading-edge IT and e-commerce. Its logistics business, APL Logistics, provides international, end-to-end logistics services and solutions, employing the latest IT and data connectivity for maximum supply chain visibility and control. NOL Web site: www.nol.com.sg