

1H & 2Q 2010 Performance Review

6 August 2010



Forward Looking Statements

The following presentation includes forward-looking statements, which involve known and unknown risks and uncertainties, that could cause actual results or performance to differ. Forward looking information is based on current views and assumptions of management, including, but not limited to, prevailing economic and market conditions. Such statements are not, and should not be interpreted as a forecast or projection of future performance.

1. 1H & 2Q 2010 Financial Highlights



By Ron Widdows
Group President & CEO



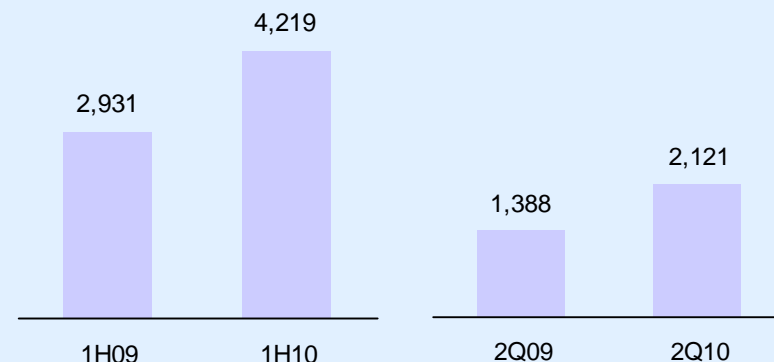
1H & 2Q 2010 Key Highlights

Key Highlights

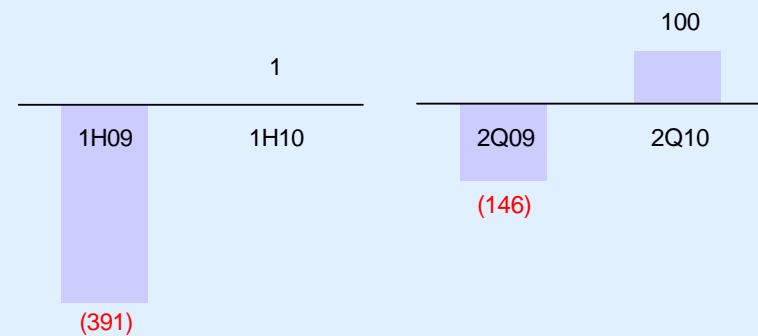
- 1H10 Financial Highlights**
 - Revenue of US\$4.2 billion, a year-on-year increase of 44%
 - Core EBIT of US\$40 million
 - Net profit break even
- 2Q10 Financial Highlights**
 - Revenue of US\$2.1 billion, a year-on-year increase of 53%
 - Core EBIT of US\$114 million
 - Net profit of US\$100 million
- Others**
 - Ordered 10 x 8,400 TEU vessels for delivery in 2013 and 2014
 - Signed letter of intent to purchase 2 x 10,700 TEU vessels
 - Established a Euro Medium-Term Note (MTN) program with the ability to raise US\$1.5 billion

Group Financials

Revenue (US\$m)



Net profit/(loss) (US\$m)

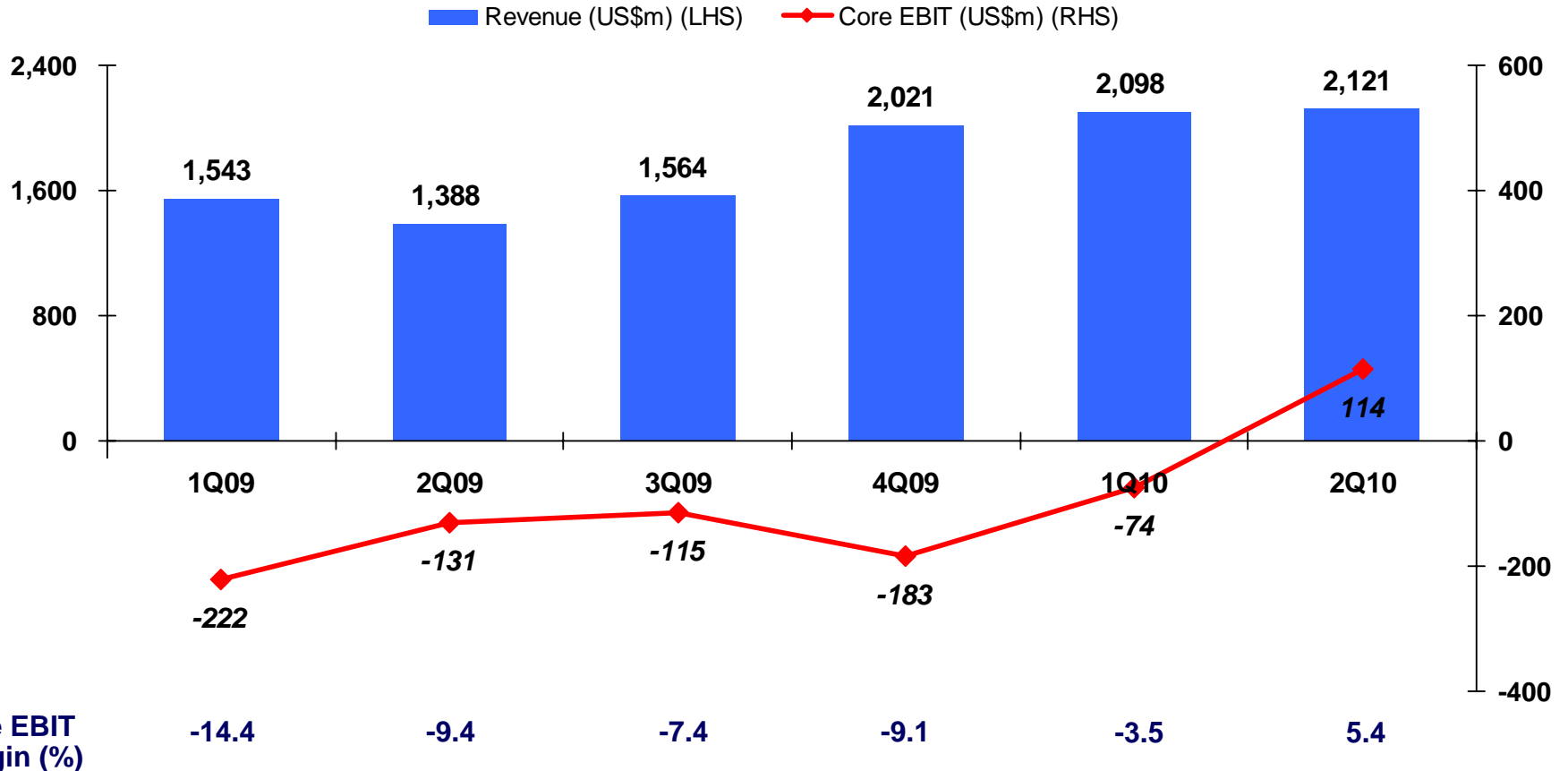


Group Revenue, Core EBIT and Core EBIT Margin Trend

Improved container trade environment resulted in the Group returning to profitability in 2Q 2010.

Revenue (US\$M)

Core EBIT (US\$M)



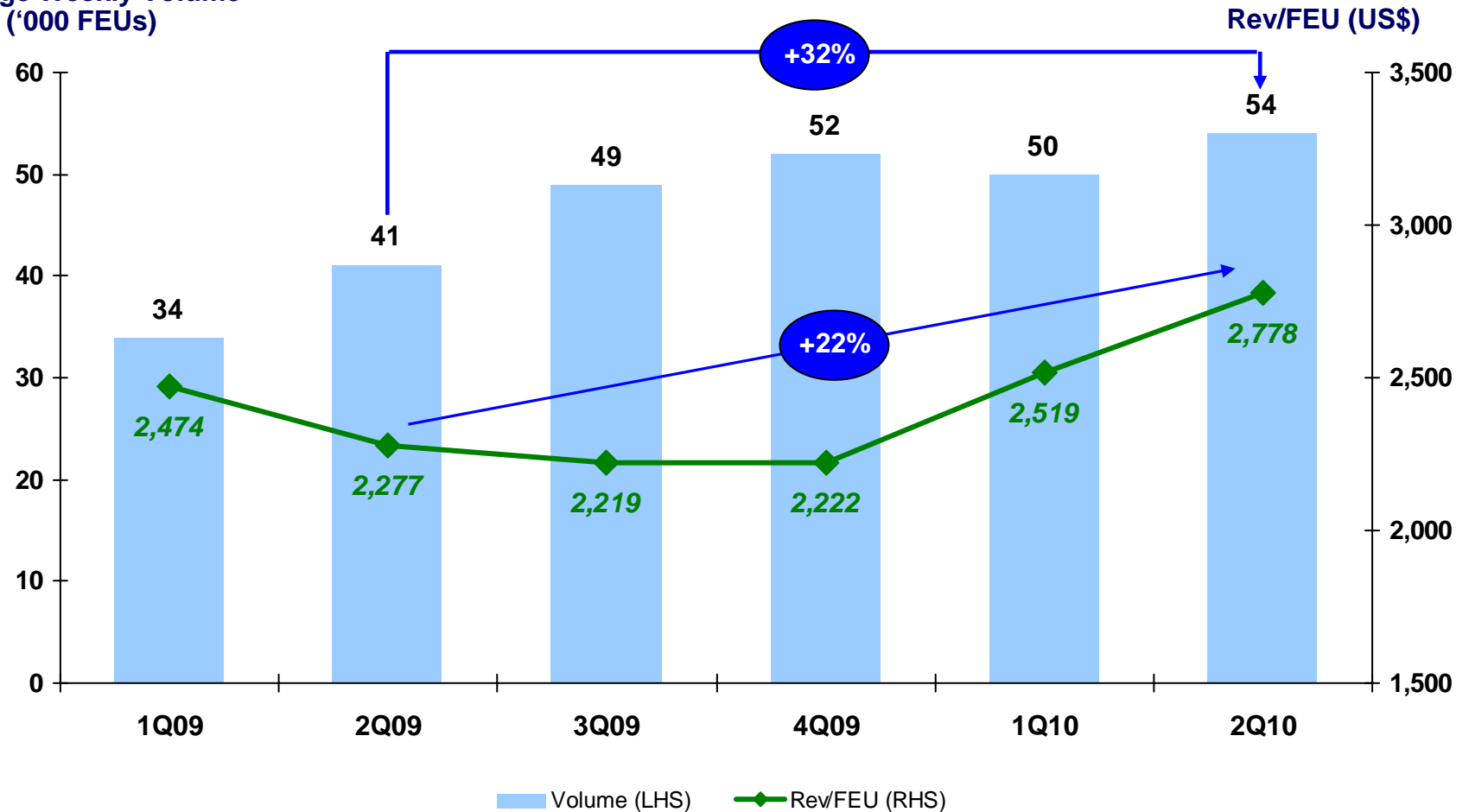
Note: 1Q and 4Q figures consist of 14 weeks. 2Q and 3Q consists of 12 weeks.



Volume and Rev/FEU Trend

Continued freight rate improvement since 4Q 2009 has been the key driver of the Group's return to profitability.

Average Weekly Volume
(‘000 FEUs)



Group Financial Highlights

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Revenue	4,219	2,931	44	2,121	1,388	53
Core EBIT	40	(353)	nm	114	(131)	nm
• Non-recurring items	-	3	(100)	3	2	50
EBIT	40	(350)	nm	117	(129)	nm
Net profit / (loss)	1	(391)	nm	100	(146)	nm
Basic EPS (US cents)	0.05	(23.98)*	nm	3.87	(8.97)*	nm

* Restated for effects of the Rights Issue.



Group Core EBIT Breakdown

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Liner	13	(372)	nm	101	(138)	nm
Logistics	27	24	13	12	10	20
Others	-	(5)	(100)	1	(3)	nm
Total Core EBIT	40	(353)	nm	114	(131)	nm

1H & 2Q 2010 Summary

- **Improvement in freight rates on key trade lanes has contributed to a return to profitability for the Group.**
- **Volume continue to strengthen into the peak season.**
- **Implementation of slow steaming has helped to reduce fuel consumption costs.**
- **Full deployment of vessels to meet the demand for our services.**
- **Logistics continue to provide positive earnings to the Group.**



2. 1H & 2Q 2010 Financial Performance



By Cedric Foo
Group Deputy President &
CFO

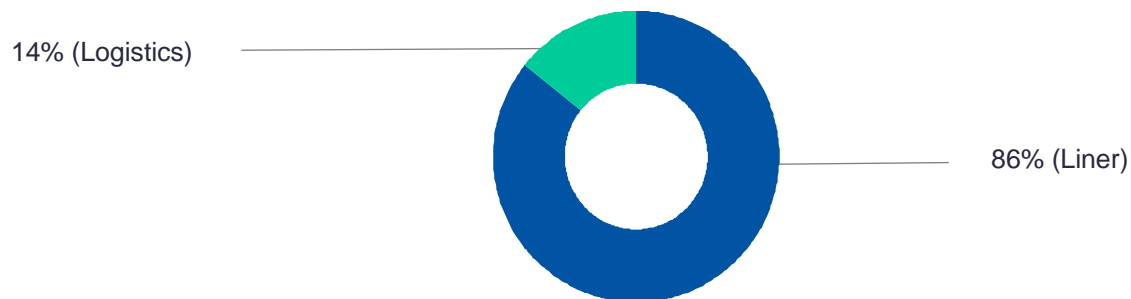


Group Financial Highlights

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Revenue	4,219	2,931	44	2,121	1,388	53
Core EBITDA	182	(210)	nm	180	(65)	nm
• Depreciation & Amortisation	(142)	(143)	(1)	(66)	(66)	-
Core EBIT	40	(353)	nm	114	(131)	nm
• Non-recurring items	-	3	(100)	3	2	50
EBIT	40	(350)	nm	117	(129)	nm
• Gross Interest Expense	(17)	(24)	(29)	(8)	(12)	(33)
• Tax	(22)	(17)	29	(9)	(5)	80
Net profit / (loss) to equity holders	1	(391)	nm	100	(146)	nm

Group Revenue Breakdown

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Liner	3,699	2,537	46	1,866	1,211	54
Logistics	578	436	33	282	195	45
Elimination/Others	(58)	(42)	38	(27)	(18)	50
Total Revenue	4,219	2,931	44	2,121	1,388	53



1H10 Revenue by business segment is stated before inter-segment elimination.

Group Core EBIT Breakdown

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Liner	13	(372)	nm	101	(138)	nm
Logistics	27	24	13	12	10	20
Others	-	(5)	(100)	1	(3)	nm
Total Core EBIT	40	(353)	nm	114	(131)	nm

Non-Recurring Items

US\$m	1H10	1H09	2Q10	2Q09
1. Gain from asset disposals	1	4	1	1
2. Others	(1)	(1)	2	1
Total	-	3	3	2

Balance Sheet Highlights

US\$m	25 Jun '10	25 Dec '09
Total Assets	5,641	5,340
Total Liabilities	2,882	2,500
Total Equity	2,759	2,840
Total Debt	1,151	940
Total Cash	444	333
Net Debt	707	607
Gearing (Gross)	0.42 x	0.33 x
Gearing (Net)	0.26 x	0.21 x
NAV per share (US\$)	1.05	1.08
(S\$)	1.46	1.53

Cash Flow Highlights

US\$m	1H10	1H09
Cash & Cash Equivalents - Beginning	333	429
<i>Cash (Outflow)/Inflow</i>		
Operating Activities	(17)	(249)
Investing/Capex Activities	(79)	(11)
Financing Activities	207	416
Cash & Cash Equivalents – Closing	444	585

Capital Expenditure

US\$m	1H10 Actual	FY09 Actual
1. Vessels	34	8
2. Equipment / Facilities	7	22
3. Drydock	25	13
4. IT	17	39
5. Others	4	11
Total	87	93

1H & 2Q 2010 Financial Performance Summary

- **Swung to profitability.**
- **Healthy balance sheet.**
- **Established a Euro Medium-Term Note (MTN) program with the ability to raise US\$1.5 billion.**
- **The Group will not pay an interim dividend to shareholders. However, the Group will consider a final dividend to be paid based on the Group's policy of paying an annual dividend of 20% of net profits after tax.**

3. Liner



By Eng Aik Meng
President, APL



Liner 1H & 2Q 2010 Highlights

- Liner achieved 1H 2010 revenue of US\$3.7 billion, a year-on-year (YoY) increase of 46% mainly due to higher volumes transported and improved freight rate in most of the major trade lanes.
 - Volume rose by 39% YoY due to a increase in volume in all trade lanes, particularly Transpacific and Asia/Middle East routes.
 - Average revenue per FEU rose by 11% YoY to US\$2,643 mainly due to improved rates in most of the major trade lanes, particularly Asia-Europe, and greater bunker recovery.
 - 2Q 2010 achieved utilisation rate of 94%.
- Liner returned to positive earnings by recording a Core EBIT of US\$13 million in 1H 2010 mainly due to improved container trade environment and higher rates.

Liner Profit & Loss Summary

US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Revenue	3,699	2,537	46	1,866	1,211	54
Core EBITDA	149	(237)	nm	165	(76)	nm
• Depreciation & Amortisation	(136)	(135)	1	(64)	(62)	3
Core EBIT	13	(372)	nm	101	(138)	nm
• Non-recurring items	1	2	(50)	3	1	200
EBIT	14	(370)	nm	104	(137)	nm
Core EBIT Margin (%)	0.4	(14.7)		5.4	(11.4)	

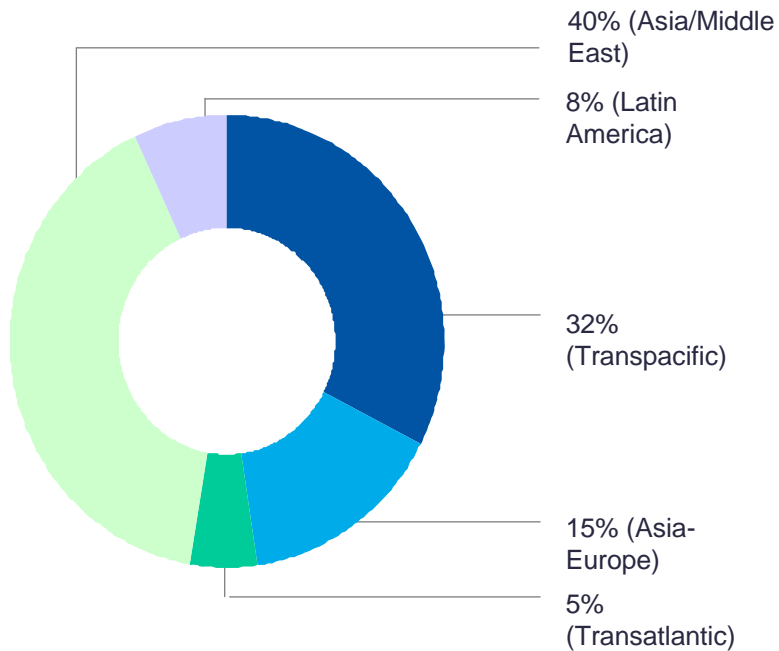
Liner Volume Growth

'000 FEUs	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Americas	531	379	40	255	189	35
Transpacific	437	302	45	210	151	39
Latin America	94	77	22	45	38	18
Europe	273	222	23	134	110	22
Asia-Europe	208	168	24	104	84	24
Transatlantic	65	54	20	30	26	15
Asia/Middle East	543	369	47	257	190	35
Total	1,347	970	39	646	489	32

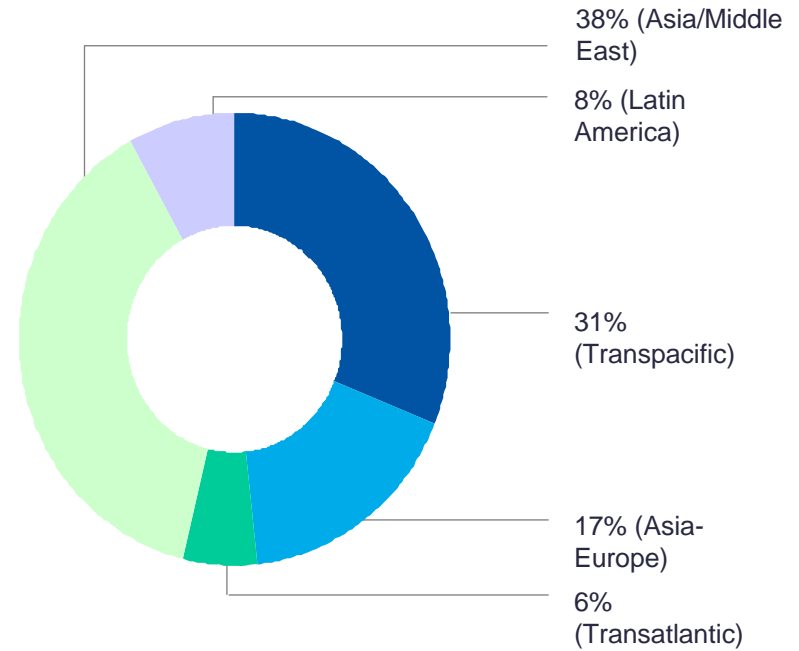
Note: Based on point of sailing and inclusive of headhaul and backhaul trade.

Liner : Volume Mix

- Intra-Asia and Transpacific trade mix grows in proportion due to greater demand for Liners' services in those trade lanes.
- Trade volume mix continues to be managed to maximise yields.



1H10 Volume breakdown



1H09 Volume breakdown

Liner Average Revenue/FEU

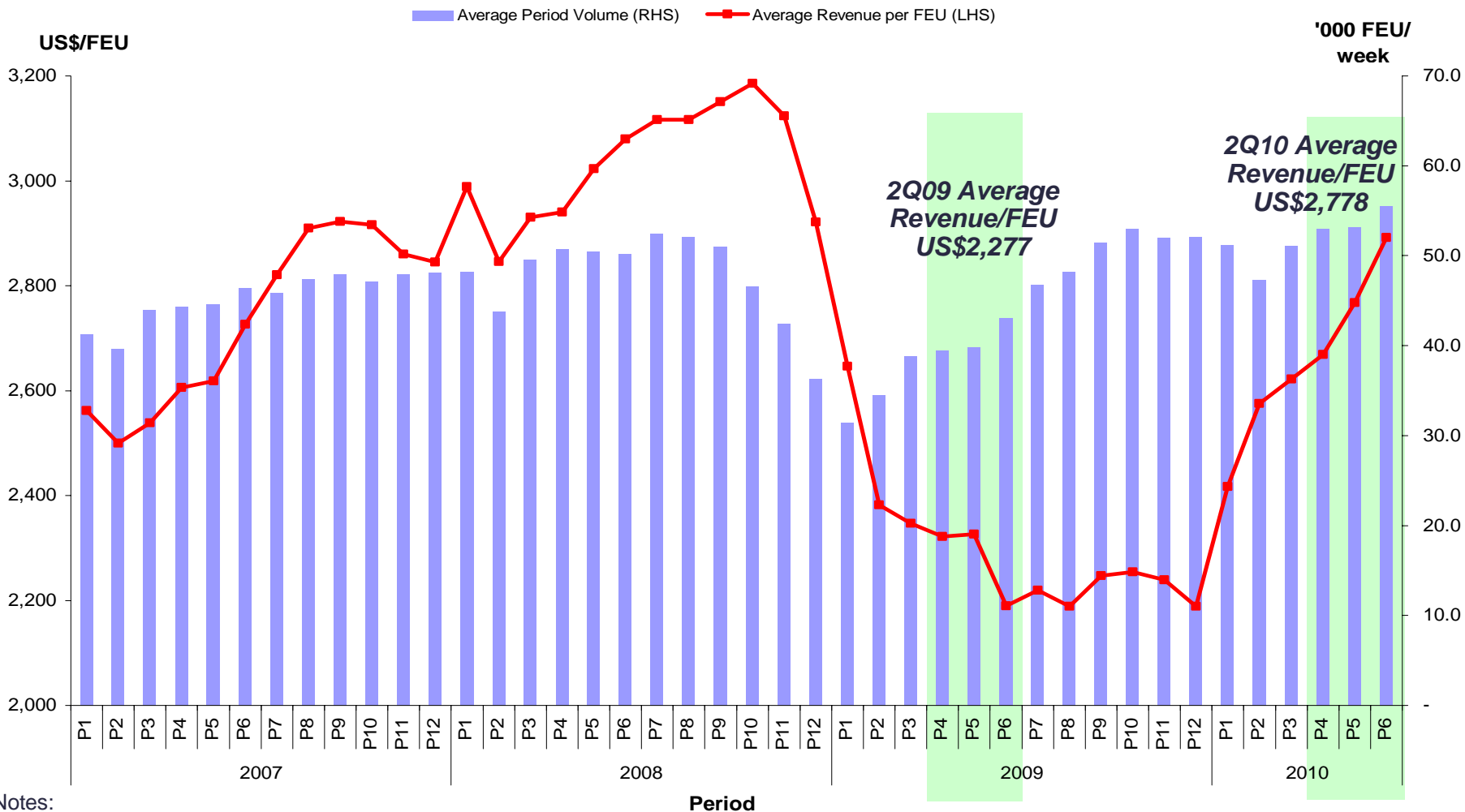
US\$/FEU	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Americas	3,534	3,515	1	3,745	3,288	14
Europe	3,073	2,032	51	3,201	1,959	63
Asia/Middle East	1,555	1,408	10	1,598	1,449	10
Total	2,643	2,375	11	2,778	2,277	22

Note: Based on point of sailing and inclusive of headhaul and backhaul trade.



Volume and Average Revenue/FEU Trend

Recovery in freight rates since the beginning of the year has brought Liner back to positive earnings.

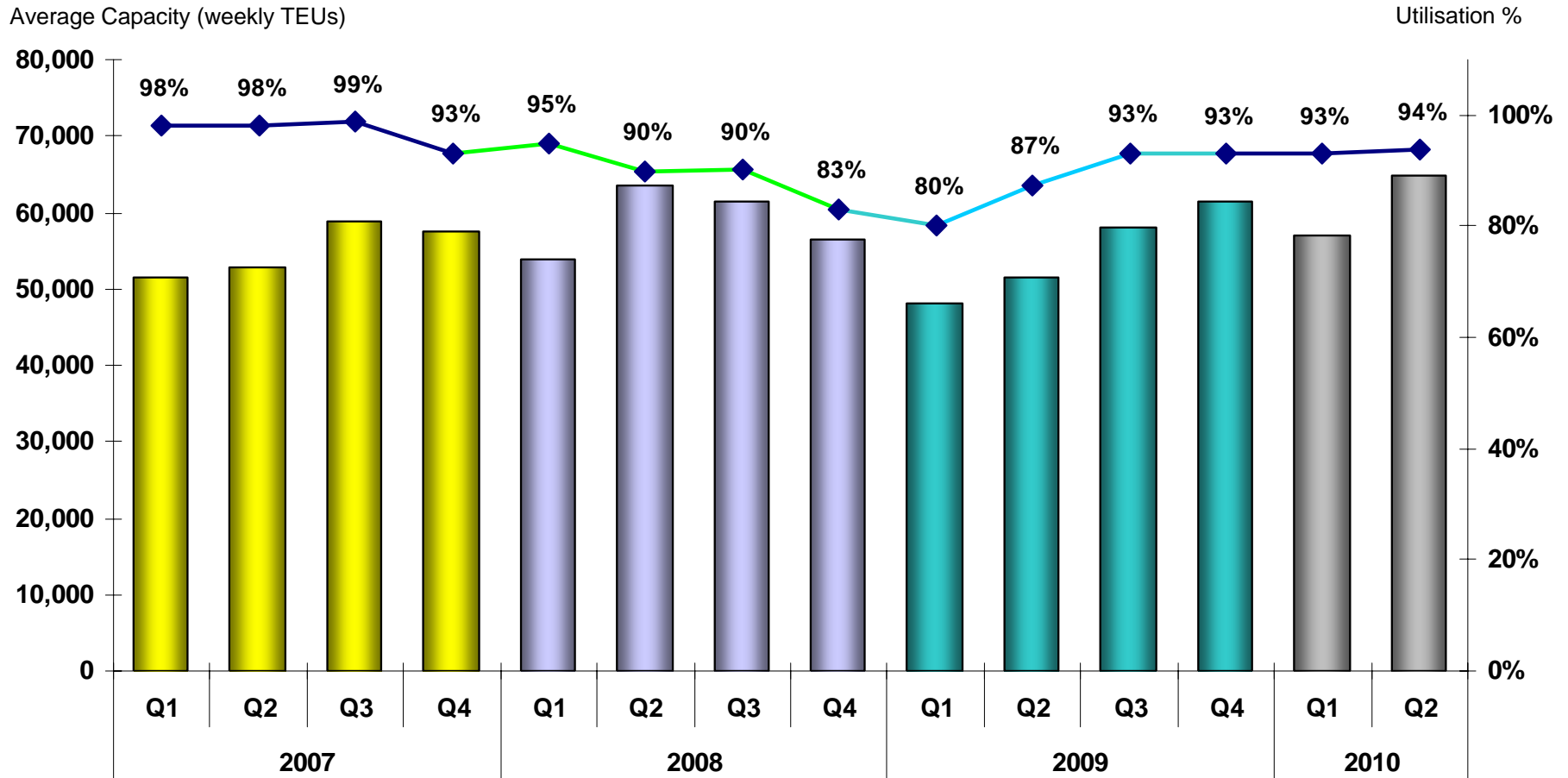


- Notes:
- 1) Average Period volumes are normalised based on number of weeks in the period
 - 2) Average revenue per FEU is based on point of sailing and inclusive of headhaul and backhaul trade.



Liner Network Capacity & Utilisation

Improve container trade dynamics and higher volumes has brought about improved utilisation rates. Network capacity continue to be managed to optimise utilisation rates and yield.



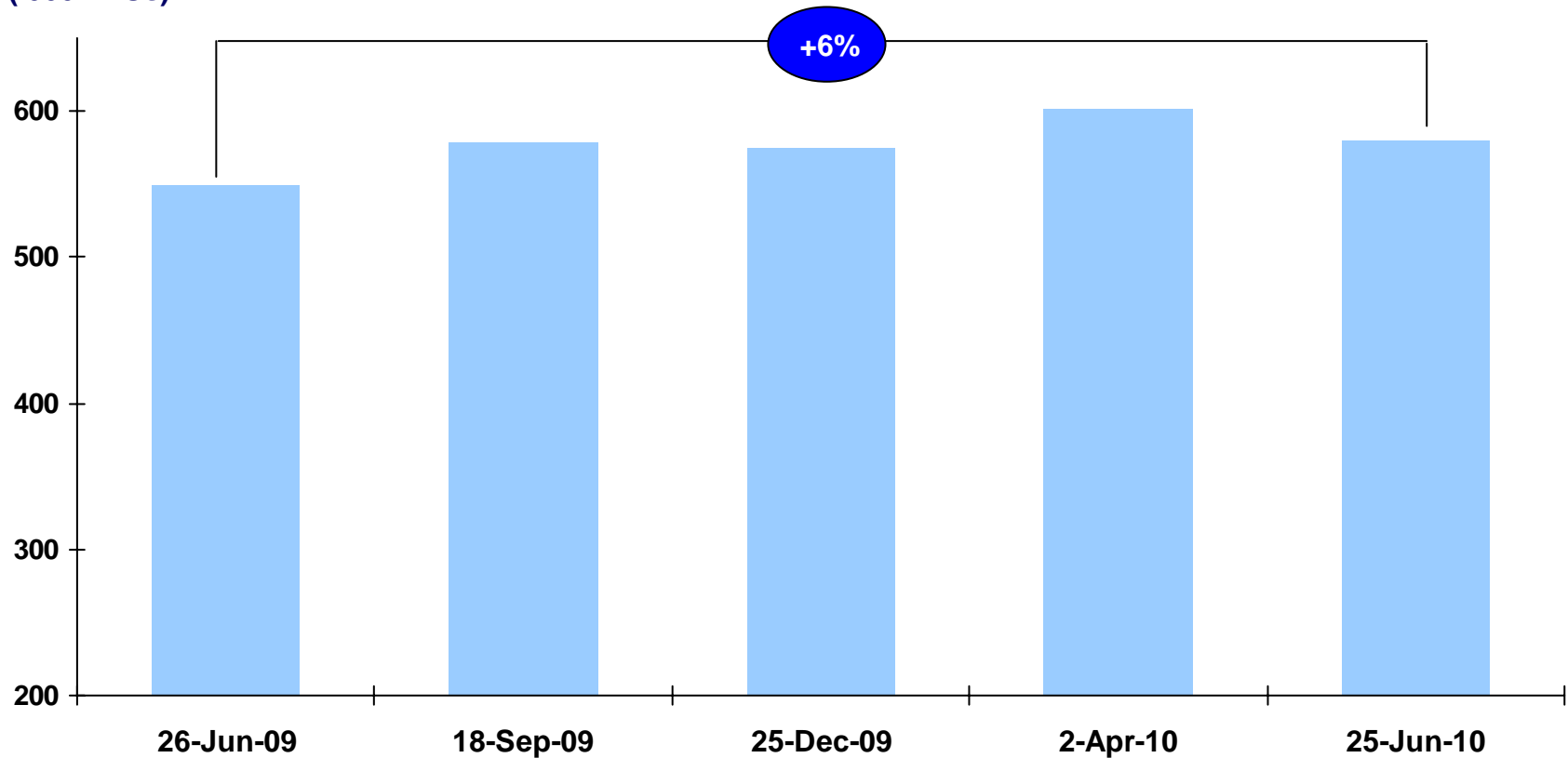
Note: Figures are based on the headhaul leg of main linehaul services
The capacity figures takes into account "winter program" initiations.



Nominal Capacity Trend

Our chartered commitments have resulted in continued growth in our nominal capacity.

Nominal Capacity
(‘000 TEUs)



Note: Nominal Capacity is as at quarter-end dates and consists of operating, idled/dry-dock/transition and chartered-out capacity for linehaul and feeder services.

Liner : Americas

	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Total Volumes ('000 FEUs)	531	379	40	255	189	35
• Transpacific	437	302	45	210	151	39
• Latin America	94	77	22	45	38	18

Average Revenue (US\$/FEU)	3,534	3,515	1	3,745	3,288	14
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- **Transpacific** : Improvement in global trade, some re-stocking and greater demand for our services resulted in significant year-on-year improvement in Transpacific volumes. Recent freight rates increase is due to improved contracts rates taking effect in May/June 2010.
- **Latin America** : Latin America trade volumes grew on a year-on-year basis as a result of improvement in global trade and greater demand for imports in Latin America.

Liner : Europe

	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Total Volumes ('000 FEUs)	273	222	23	134	110	22
• Asia-Europe	208	168	24	104	84	24
• Transatlantic	65	54	20	30	26	15

Average Revenue (US\$/FEU)	3,073	2,032	51	3,201	1,959	63
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- **Asia-Europe** : Recovery in global trade resulted in growth in volumes in the Asia-Europe trade. The improvement in demand and rising utilisation rates resulted in significant improvement in freight rates.
- **Transatlantic** : The Transatlantic route experience growth in volumes, consistent with the improvement in global trade.

Liner : Asia/Middle East

	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Total Volumes ('000 FEUs)	543	369	47	257	190	35
Average Revenue (US\$/FEU)	1,555	1,408	10	1,598	1,449	10

- Asia/Middle East:** Asia/Middle East volumes grew by 47% year-on-year due to growth in the Intra-Asia Short-sea trade and improved volumes on the Long-haul trade.

Average Rev/FEU rose by 10% due to greater bunker recovery and improved core rates on the Long-haul trade.

Liner Trade Imbalance

Imbalance remain consistent as improved headhaul trade was accompanied by growth in backhaul trade.

No. of FEUs that are full backhaul for every 10 FEUs full headhaul

Trade	2008	2009	1H09	1H10
• Transpacific	7	7	8	7
• Asia-Europe	7	8	8	8
• Transatlantic	10	10	9	9



Terminal Volume and Utilisation

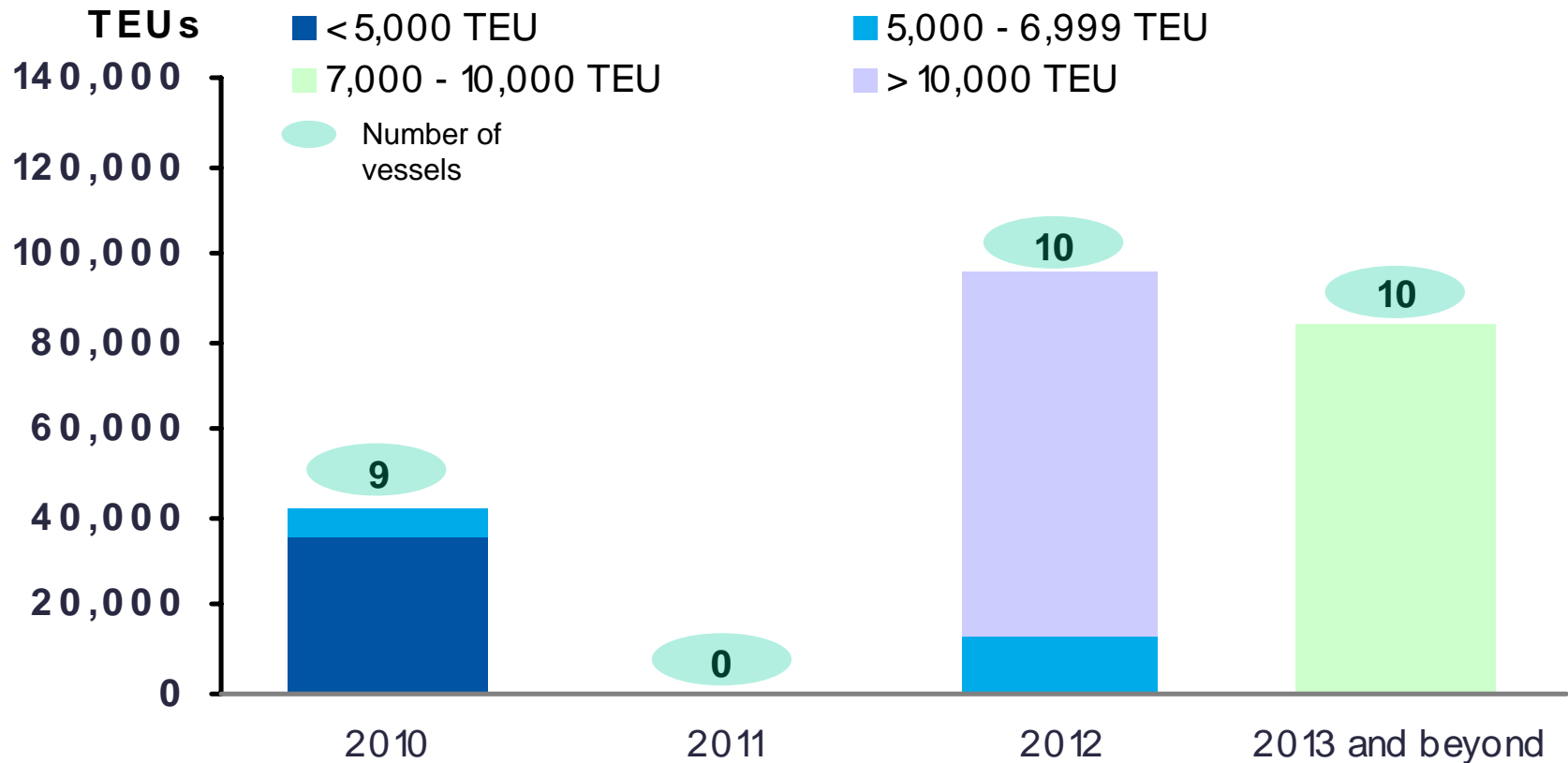
Growth in container volumes have resulted in improved terminal throughput and higher utilisation.

Volume (Lifts '000)	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Americas	608	390	56	308	184	67
Asia/Middle East	599	433	38	292	210	39
Total	1,207	823	47	600	394	52
Utilisation (%)	78	53		84	55	



Vessel Commitments

Recent newbuilding orders increased the new vessel commitments from 19 to 29 (owned and chartered), to be delivered from 2010 onwards. Vessel commitments in 2010 have all been delivered.



Note: Approximately 150,000 TEUs of nominal capacity have charter expiry dates between 2011 and 2013.

Liner 1H & 2Q 2010 Summary

- **Improvement in container shipping environment and rates have resulted in a return to positive earnings.**
- **Volume improvement has brought about better utilisation across all Liner assets under management.**
- **Recent conclusion of Transpacific contracts at higher levels helped return Liner to positive earnings in 2Q 2010.**
- **Slow steaming across the network to manage costs and lower emissions.**
- **Continue to maintain focus on operational efficiency and cost management to drive cost savings.**

4. Logistics



By Jim McAdam
President, APL Logistics



Logistics 1H & 2Q 2010 Highlights

- Logistics achieved 1H 2010 revenue of US\$578 million, a year-on-year (YoY) increase of 33% due to higher volumes across the various Logistics' services, coupled with improved freight rates in the forwarding business segment.
 - Contract Logistics achieved revenue of US\$359 million, a YoY increase of 32% due to higher volumes across various business units, particularly in the rail and land transport business segment and business areas that service the automotive sector.
 - International Services achieved revenue of US\$219 million, a YoY increase of 33% due to a combination of higher shipment volume and freight rates in the forwarding business segment.
- Logistics achieved a Core EBIT of US\$27 million for 1H 2010, an increase of US\$3 million or 13% YoY, mainly due to higher volumes and revenue and partially offset by higher general and administrative expenses.

Logistics Profit & Loss Summary

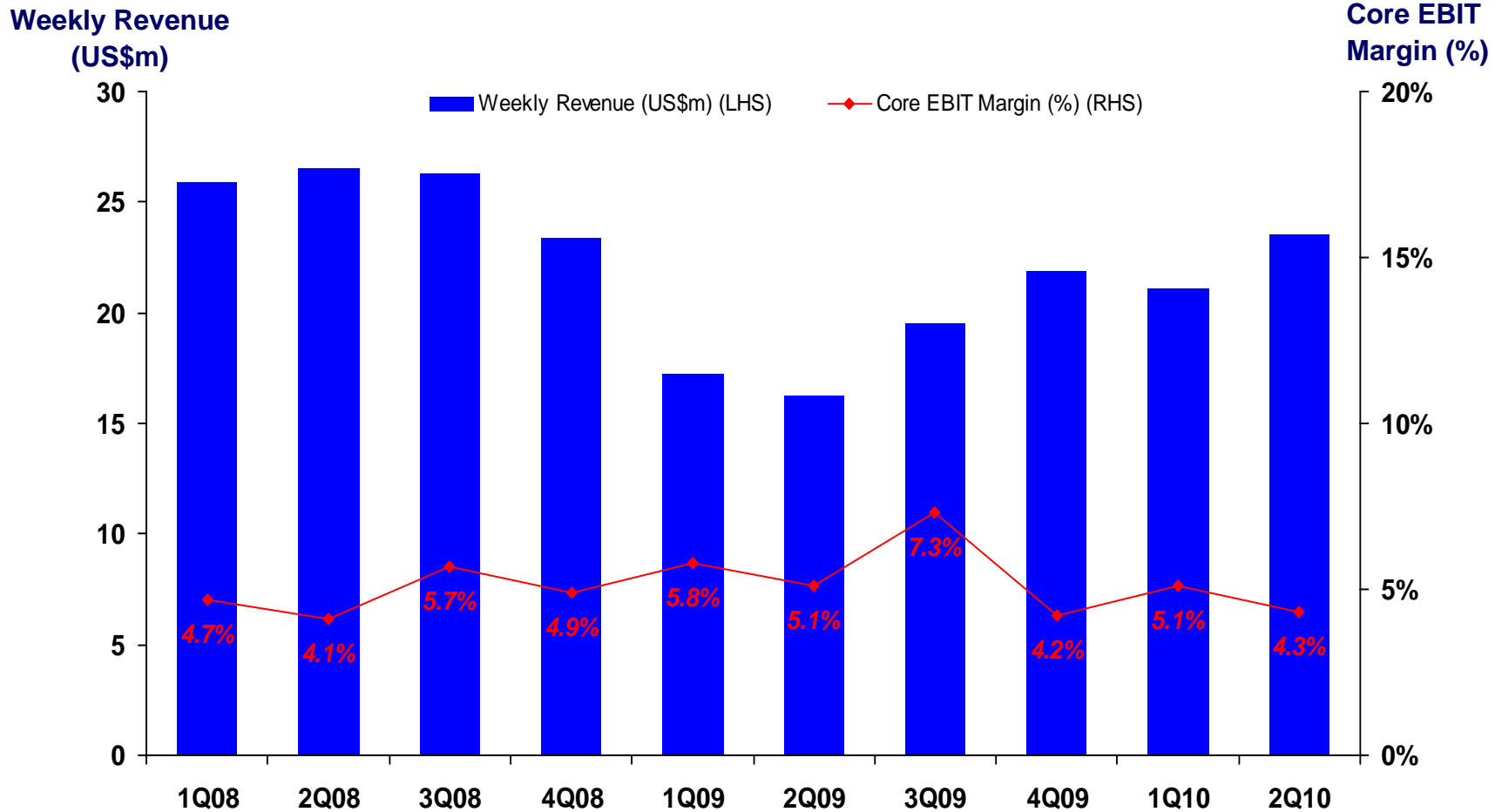
US\$m	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Revenue	578	436	33	282	195	45
Core EBITDA	32	29	10	14	12	17
• Depreciation & Amortisation	(5)	(5)	-	(2)	(2)	-
Core EBIT	27	24	13	12	10	20
• Non-recurring items	(1)	-	nm	-	-	-
EBIT	26	24	8	12	10	20
Core EBIT Margin (%)	4.7	5.5		4.3	5.1	

Performance Breakdown

Business Segment (US\$m)	1H10	1H09	% ▲	2Q10	2Q09	% ▲
Revenue	578	436	33	282	195	45
• Contract Logistics	359	271	32	170	121	40
• International Services	219	165	33	112	74	51
Core EBIT	27	24	13	12	10	20
• Contract Logistics	8	8	-	3	3	-
• International Services	19	16	19	9	7	29
Core EBIT Margin (%)	4.7	5.5		4.3	5.1	
• Contract Logistics (%)	2.2	3.0		1.8	2.5	
• International Services (%)	8.7	9.7		8.0	9.5	

Logistics Revenue and Core EBIT Margin Trend

The stability in positive earnings is built upon flexibility in the business to adjust the cost platform for changing market dynamics and enhancing further growth.

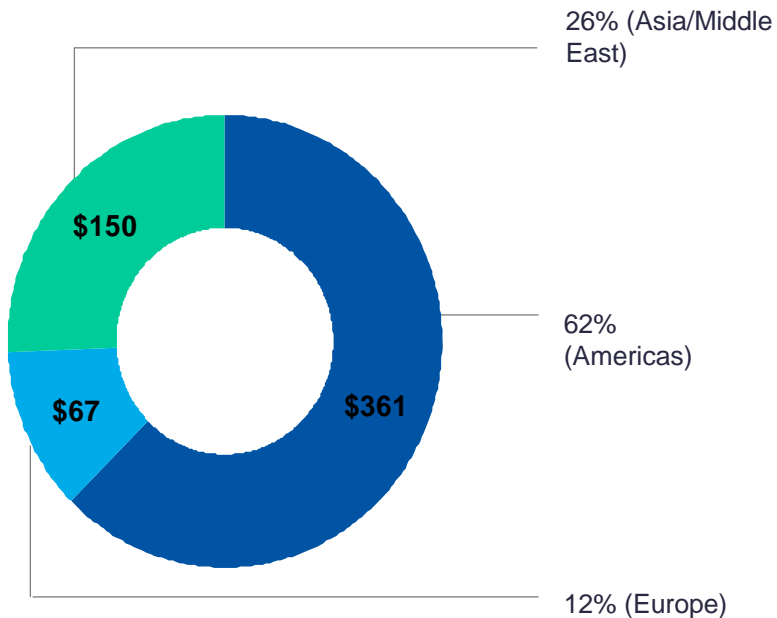


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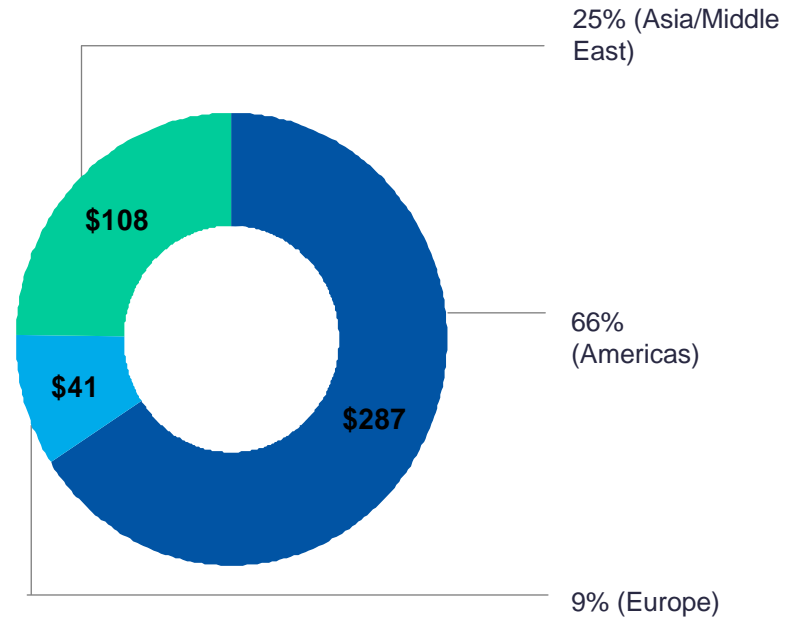


Logistics' Revenue Trend – By Region

Asia/Middle East continue to grow its revenue contribution as greater service offerings are introduced while Europe revenue benefited from higher freight rates and volume in the forwarding business.



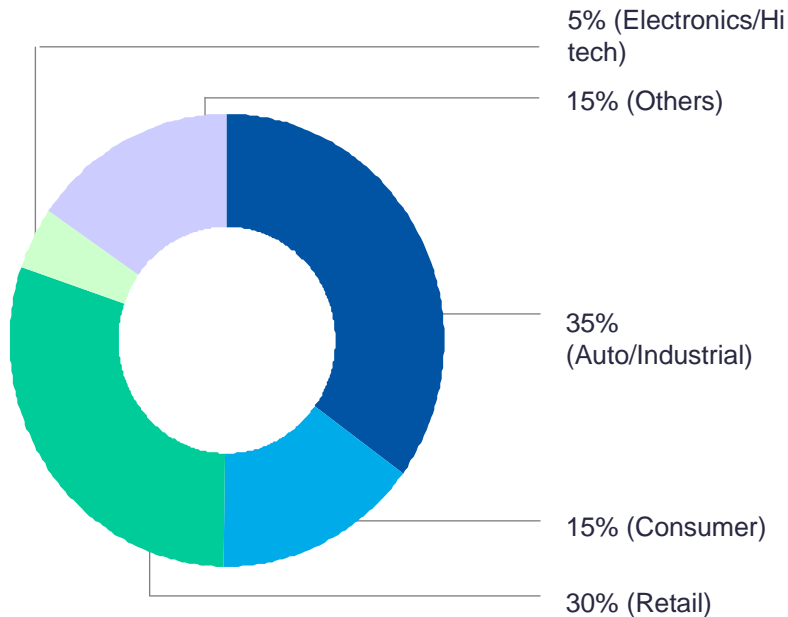
1H10 Revenue Breakdown
– by Region (US\$m)



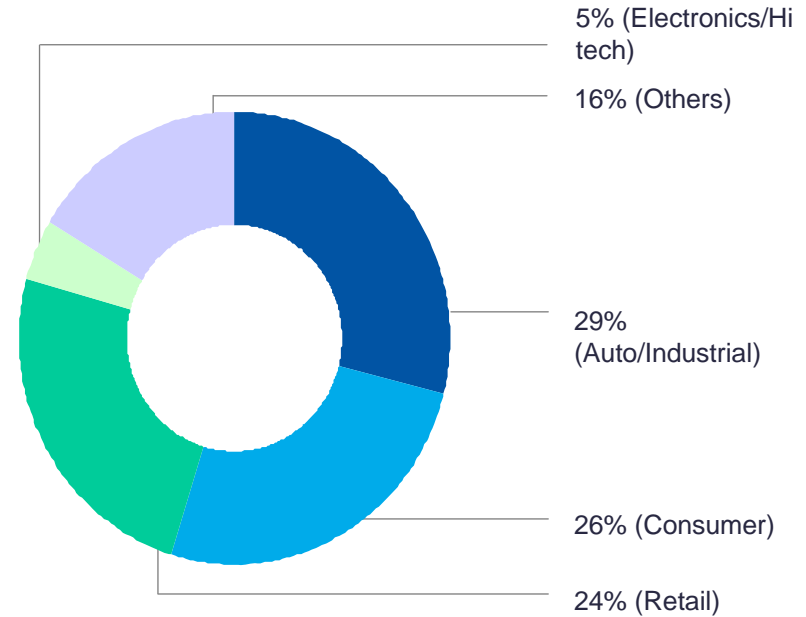
1H09 Revenue Breakdown
– by Region (US\$m)

Logistics' Revenue Trend – By Customer Segment

The recovery in the automotive sector and trucking related services and retail consumption since 2H09 has resulted in significant growth in revenue from those customer segments.



1H10 Revenue Breakdown
– by Customer Segment



1H09 Revenue Breakdown
– by Customer Segment

Logistics 1H & 2Q 2010 Summary

- **Improvement in global trade has resulted in higher volumes across most segments of the business.**
- **Business that service the automotive sector continue to remain buoyant.**
- **Growth in land transportation services in Asia strengthens our International and Contract Logistics presence in the region.**
- **Continued expansion into the US domestic intermodal segment.**

5. Group Outlook



Group Outlook

With further improvement anticipated in container shipping volume and rates, NOL Group expects a significant improvement in third quarter profits. NOL will continue to emphasize cost containment, improved productivity and strong yield management.

Appendix



Group Fuel and Currency Exposures

Bunker

- The Group continues to recover part of its fuel price increases from customers through bunker adjustment factors.
- The Group also maintains a policy of hedging its bunker exposures.

Foreign exchange

- Major foreign currency exposures are in Euro, Canadian Dollar, Singapore Dollar, Japanese Yen and Chinese Renminbi.
- The Group maintains a policy of hedging its foreign exchange exposures.

Proforma Liner Results



Proforma Liner Historical Results

US\$m	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10
Revenue	1,326	1,211	1,345	1,736	1,833	1,866
Core EBIT	(234)	(138)	(130)	(196)	(88)	101
• Non-recurring items	1	1	(4)	(7)	(2)	3
EBIT	(233)	(137)	(134)	(203)	(90)	104

Note: The proforma information on Liner has been prepared as if the Container Shipping and Terminals units of the Group operates as a single business.

**End of Presentation
Thank You**

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