1H & 2Q 2011 Performance Review

12 August 2011

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 2011 Financial Highlights

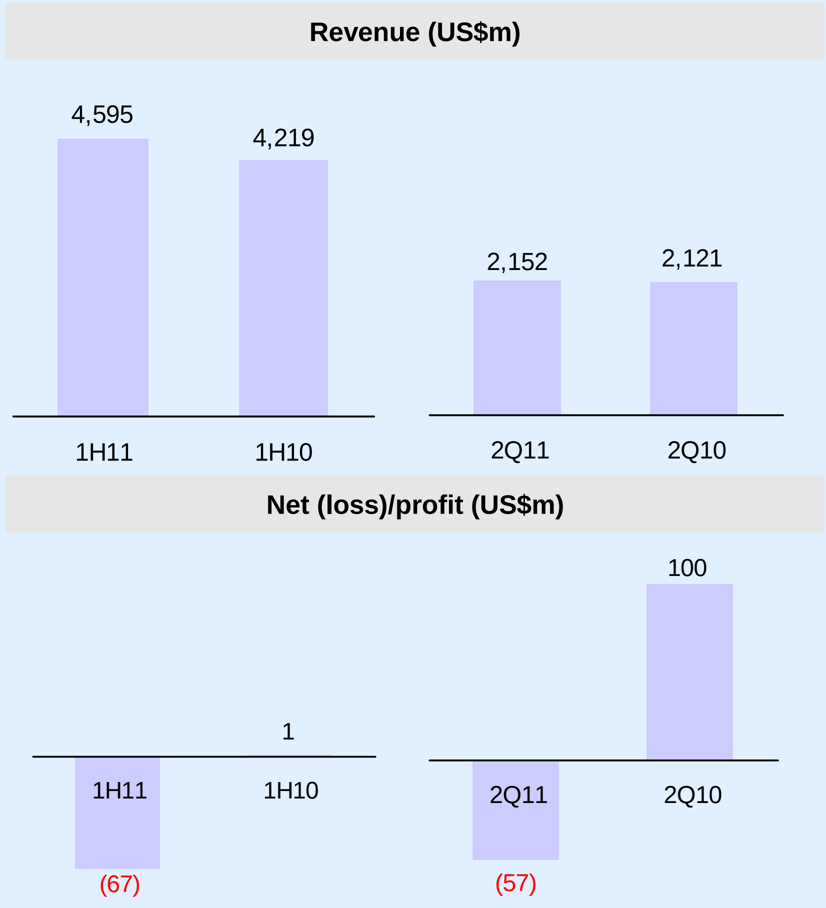
By Ron Widdows
Group President & CEO

1H & 2Q 2011 Key Highlights

Key Highlights

- **1H11 Financial Highlights**
  - Revenue of US$4.6 billion, a year-on-year increase of 9%
  - Core EBIT Loss of US$28 million
  - Net loss of US$67 million
- **2Q11 Financial Highlights**
  - Revenue of US$2.2 billion, a year-on-year increase of 1%
  - Core EBIT loss of US$41 million
  - Net loss of US$57 million
- **Others**
  - Ordered 10 x 14,000 TEU and 2 x 9,200 TEU vessels for delivery in 2013 and 2014
  - Upgrade existing order of 10 x 8,400 TEU vessels to 10 x 9,200 TEU vessels
  - Issued S$300 million note at 4.40% coupon due 2021 as part of the US$1.5 billion MTN programme

Group Financials

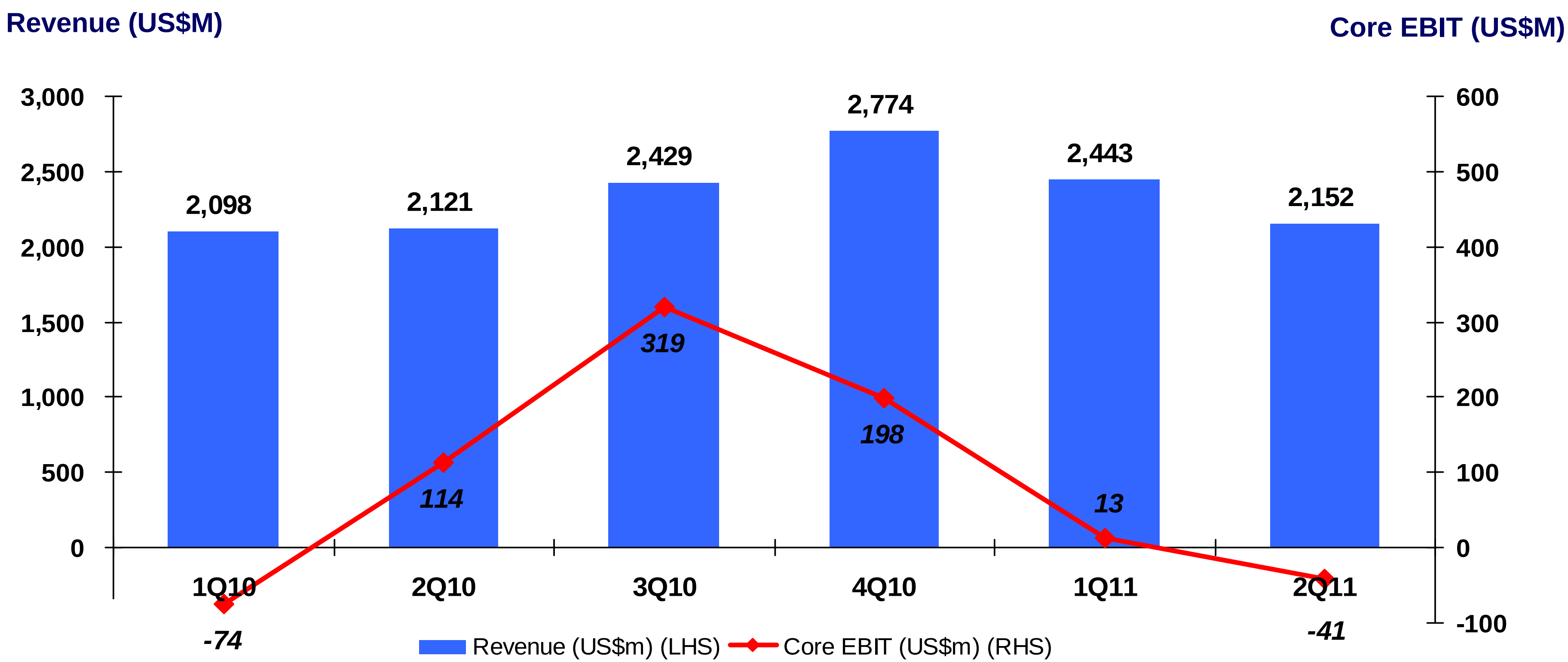


Group Financial Highlights

US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Revenue	**4,595**	4,219	9	**2,152**	2,121	1
Core EBIT	**(28)**	40	nm	**(41)**	114	nm
• Non-recurring items	(1)	-	nm	-	3	100
EBIT	**(29)**	40	nm	**(41)**	117	nm
Net (loss) / profit	**(67)**	1	nm	**(57)**	100	nm
Basic EPS (US cents)	**(2.58)**	0.05	nm	**(2.21)**	3.87	nm

Group Revenue, Core EBIT and Core EBIT Margin Trend

Challenging rate environment since 4Q 2010 has resulted in earnings deterioration.

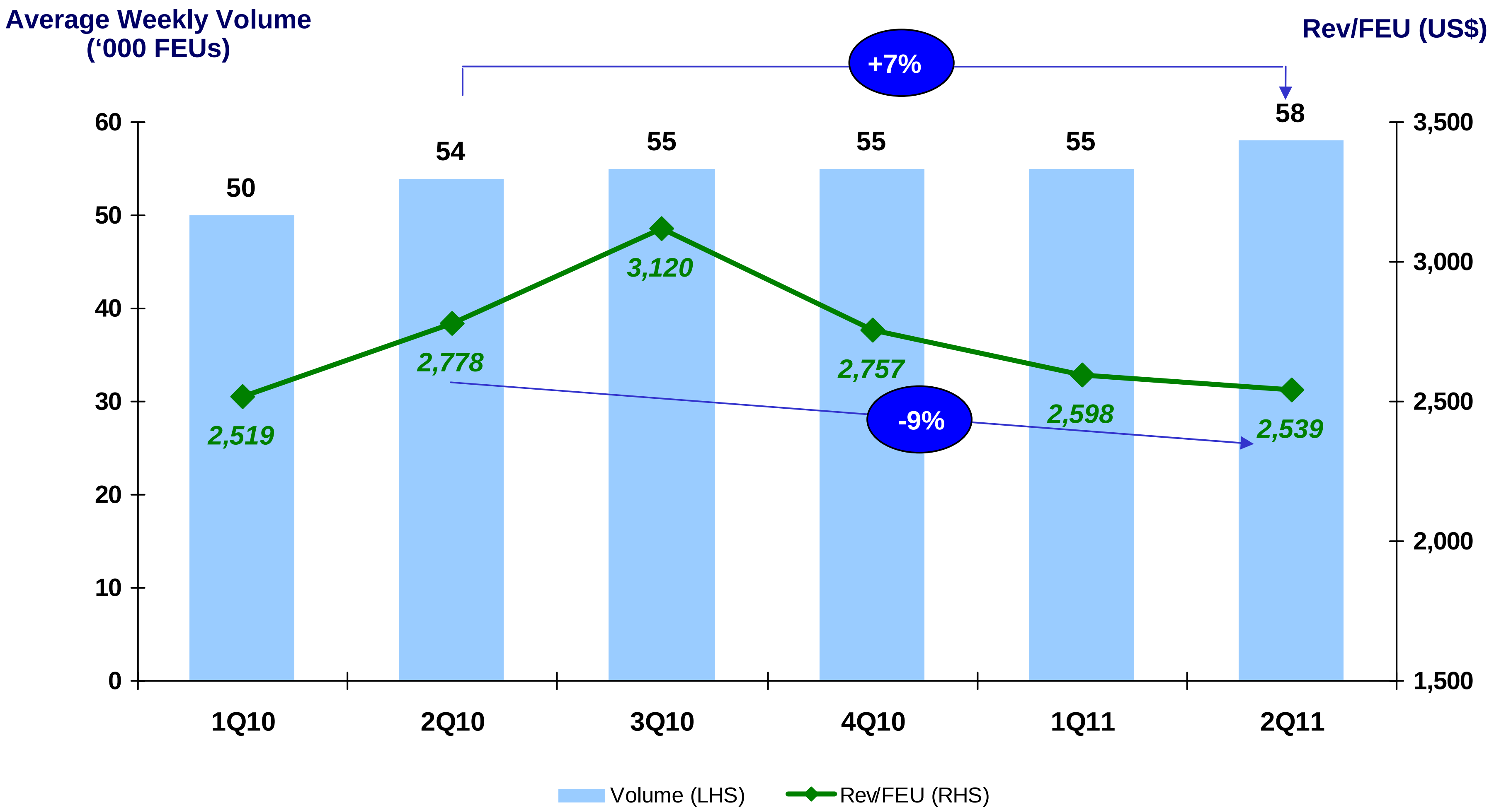


Core EBIT Margin (%)	-3.5	5.4	13.1	7.1	0.5	-1.9

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

Volume and Rev/FEU Trend

Declining rates were partially offset by higher volumes.



1H & 2Q 2011 Summary

- Challenging rate environment and higher cost of fuel has brought the Group into Core EBIT losses.
- The Group continued to invest in the business through newbuild vessel orders and supporting Logistics growth.
- Newbuild orders will allow the Liner business to obtain a more competitive asset cost structure and assist in managing operating costs per slot.
- Logistics growth in earnings has been positive to the Group.
- Conservative balance sheet structure ensures our ability to manage our positions through the cycles.




NOL

2. 1H & 2Q 2011 Financial Performance

By Cedric Foo

Group Deputy President & CFO

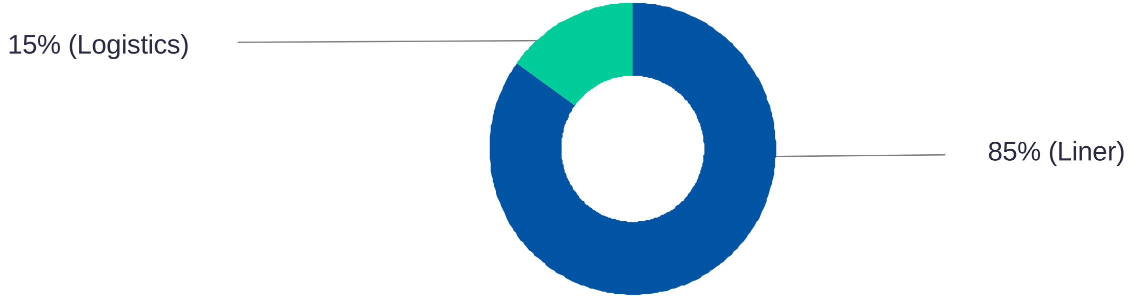
Group Financial Highlights

US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Revenue	**4,595**	4,219	9	**2,152**	2,121	1
Core EBITDA	**116**	182	(36)	**27**	180	(85)
• Depreciation & Amortisation	(144)	(142)	1	(68)	(66)	3
Core EBIT	**(28)**	40	nm	**(41)**	114	nm
• Non-recurring items	(1)	-	nm	-	3	100
EBIT	**(29)**	40	nm	**(41)**	117	nm
• Gross Interest Expense	(16)	(17)	(6)	(7)	(8)	(1)
• Tax	(21)	(22)	(5)	(8)	(9)	(11)
Net (loss) / profit to equity holders	**(67)**	1	nm	**(57)**	100	nm

Note: Totals may not sum up due to rounding

Group Revenue Breakdown

US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Liner	**3,964**	3,700	7	**1,861**	1,866	0
Logistics	**682**	578	18	**314**	282	11
Elimination	**(51)**	(59)	(14)	**(23)**	(27)	(15)
Total Revenue	**4,595**	**4,219**	**9**	**2,152**	**2,121**	**1**



1H11 Revenue by business segment is stated before inter-segment elimination.

Group Core EBIT Breakdown

US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Liner	**(61)**	13	nm	**(53)**	102	nm
Logistics	**33**	27	22	**12**	12	-
Total Core EBIT	**(28)**	**40**	**nm**	**(41)**	**114**	**nm**

Non-Recurring Items

US$m	1H11	1H10	2Q11	2Q10
1. Gain from asset disposals	**1**	1	**-**	1
2. Others	**(2)**	(1)	**-**	2
Total	**(1)**	-	**-**	3

Balance Sheet Highlights

US$m	1 Jul '11	31 Dec '10
Total Assets	6,629	6,451
Total Liabilities	3,506	3,185
Total Equity	3,123	3,266
Total Debt	1,605	1,359
Total Cash	681	977
Net Debt	924	382
Gearing (Gross)	0.51 x	0.42 x
Gearing (Net)	0.30 x	0.12 x
NAV per share (US$)	1.19	1.25
(S$)	1.47	1.61

Cash Flow Highlights

US$m	1H11	1H10
Cash & Cash Equivalents - Beginning	**977**	**333**
Cash (Outflow)/Inflow		
Operating Activities	58	(17)
Investing/Capex Activities	(485)	(79)
Financing Activities	131	207
Cash & Cash Equivalents – Closing	**681**	**444**

Capital Expenditure

US$m	1H11 Actual	FY10 Actual
1. Vessels	328	336
2. Equipment / Facilities	102	37
3. Drydock	29	40
4. IT	29	52
5. Others	2	8
Total	**490**	**473**

1H & 2Q 2011 Financial Performance Summary

- **2Q earnings continue to generate a positive Core EBITDA**
- **As of 1 July 2011, approximately US$2.9 billion of vessel installment payment commitments until 2014 remain**
- **Newbuild vessel commitments were financed through a combination of bonds and committed ship financing**
- **Approximately US$1.0 billion of the US$1.5 billion MTN programme has yet to be utilised**
- **Maintained committed credit facilities to help weather the current challenging container shipping environment**
- **The Group's dividend policy is to pay an annual dividend of 20% of net profits after tax. As the Group did not make profit after tax, no interim dividend has been declared.**

3. Liner

By Kenneth Glenn
President, APL

Liner 1H & 2Q 2011 Highlights

- Liner achieved 1H 2011 revenue of US$4.0 billion, a year-on-year (YoY) increase of 7% mainly due to higher volumes transported but partially offset by decline in freight rates.
  - Volume rose by 8% YoY to 1.5 million FEUs mainly due to increase in volume in the Asia/Middle East and Asia-Europe trade.
  - Average revenue per FEU declined by 3% YoY to US$2,570 mainly due to fall in rates in the Asia-Europe trade.
  - 2Q 2011 achieved utilisation rate of 91%.
- Liner recorded a Core EBIT loss of US61 million mainly due to declining rates and higher bunker price, which has increased by 23% YoY in 1H 2011.

Liner Profit & Loss Summary

US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Revenue	**3,964**	3,700	7	**1,861**	1,866	0
Core EBITDA	**78**	150	(48)	**12**	166	(93)
• Depreciation & Amortisation	(139)	(137)	1	(65)	(64)	2
Core EBIT	**(61)**	13	nm	**(53)**	102	nm
• Non-recurring items	-	1	nm	-	3	nm
EBIT	**(61)**	14	nm	**(53)**	105	nm
Core EBIT Margin (%)	**(1.5)**	0.4		**(2.8)**	5.5	

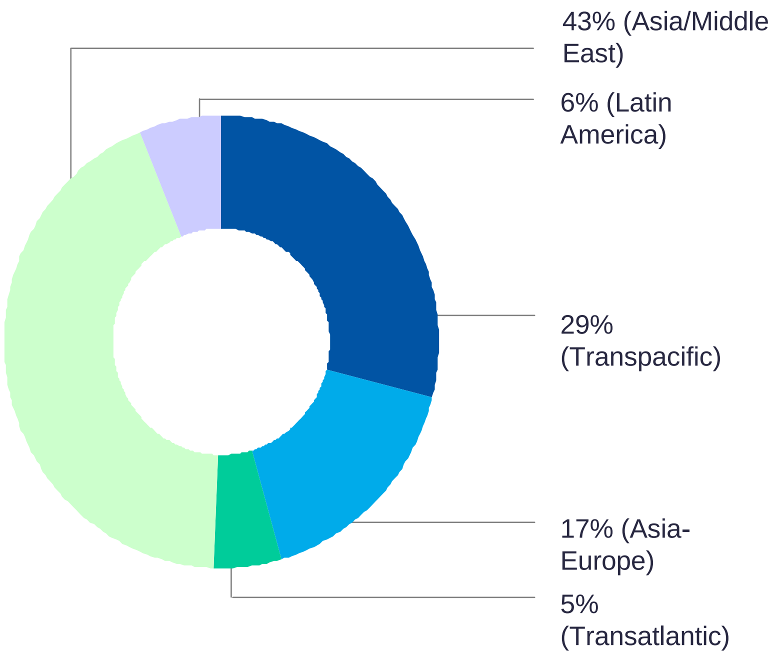
Liner Volume Growth

'000 FEUs	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Americas	**511**	**531**	**(4)**	**236**	**255**	**(7)**
Transpacific	420	437	(4)	193	210	(8)
Latin America	91	94	(3)	43	45	(4)
Europe	**315**	**273**	**15**	**146**	**134**	**9**
Asia-Europe	244	208	17	114	104	10
Transatlantic	71	65	9	32	30	7
Asia/Middle East	**630**	**543**	**16**	**310**	**257**	**21**
Total	**1,456**	**1,347**	**8**	**692**	**646**	**7**

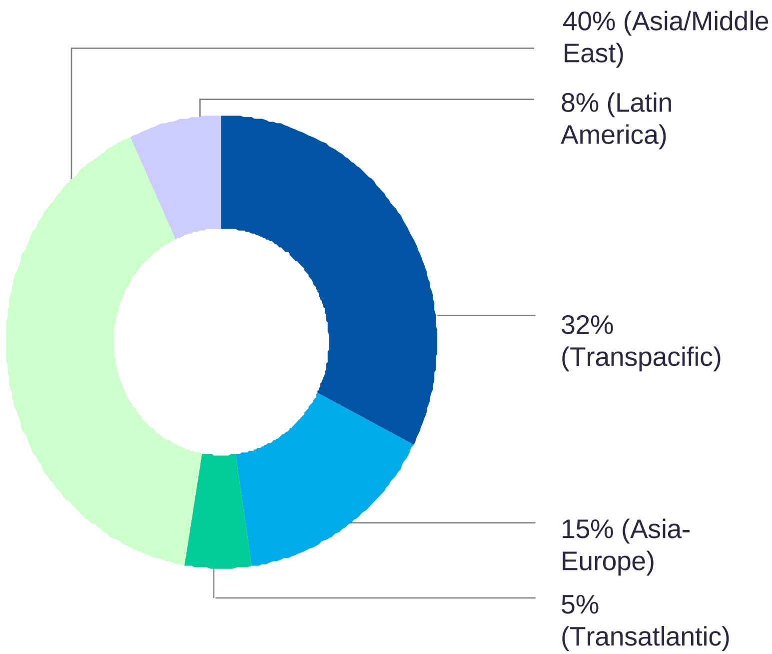
Note: Based on point of sailing and inclusive of headhaul and backhaul trade.

Liner : Volume Mix

- Greater concentration in Asia/Middle East is due to greater demand for our services in the Intra-Asia trade.



1H11 Volume breakdown



1H10 Volume breakdown

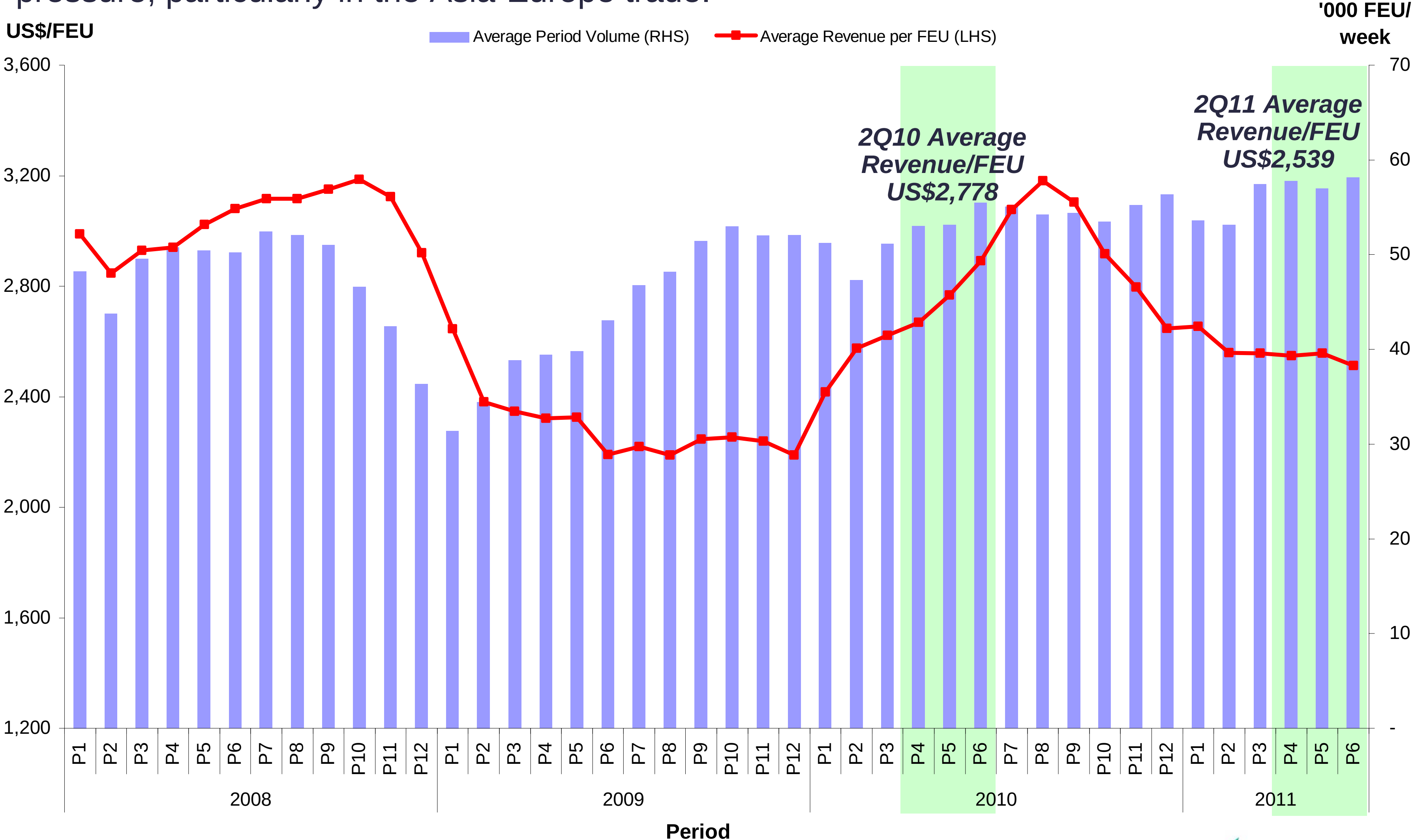
Liner Average Revenue/FEU

US$/FEU	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Americas	3,816	3,534	8	3,840	3,745	3
Europe	2,698	3,073	(12)	2,594	3,201	(19)
Asia/Middle East	1,498	1,555	(4)	1,526	1,598	(5)
Total	**2,570**	**2,643**	**(3)**	**2,539**	**2,778**	**(9)**

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

Volume and Average Revenue/FEU Trend

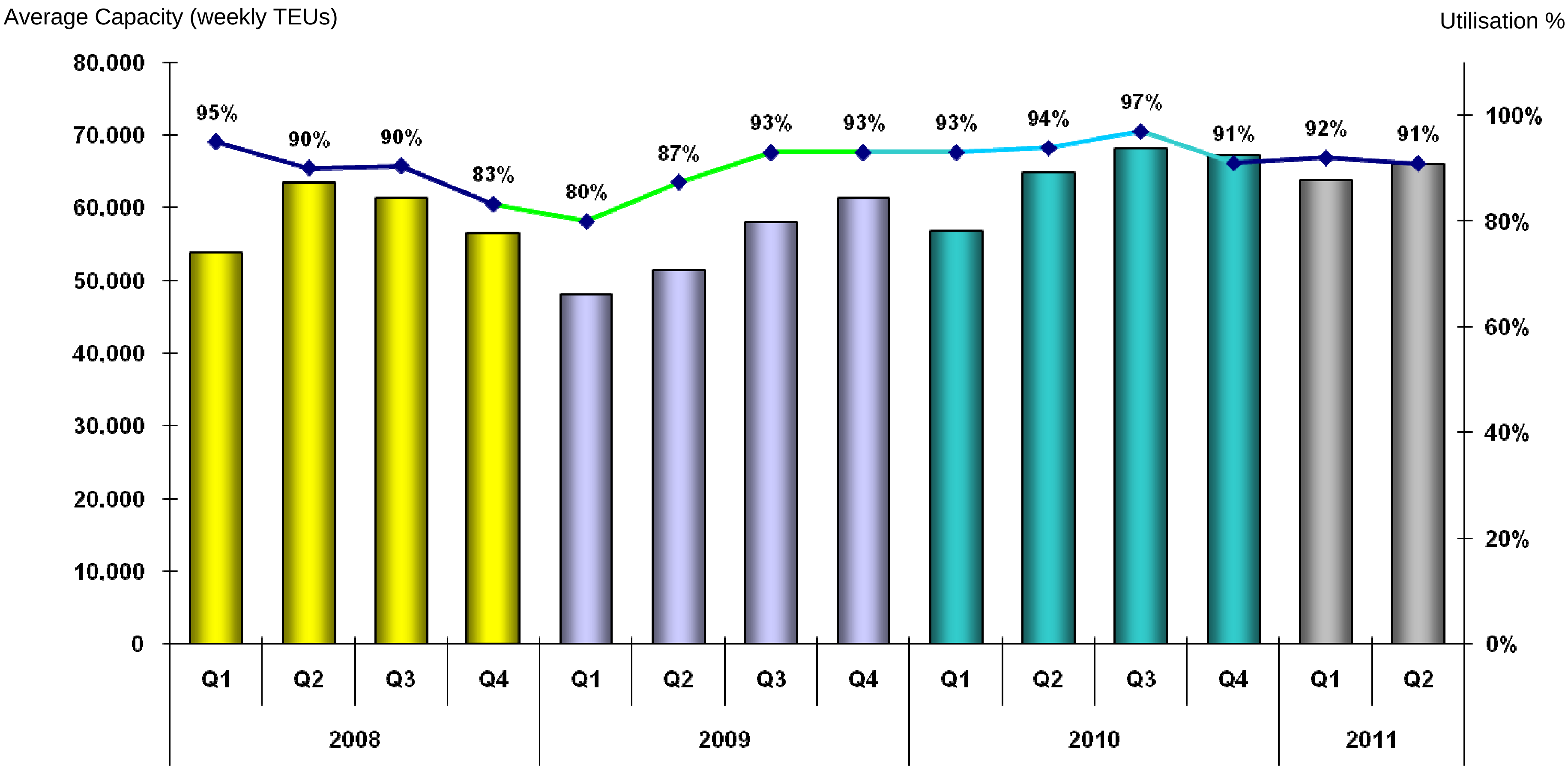
Volumes gradually improve after Lunar New Year, however, rates continue to be under pressure, particularly in the Asia-Europe trade.



Note: Average Period volumes are normalised based on number of weeks in the period

Container Shipping Network Capacity & Utilisation

Utilisation rate remains relatively high after adjustments to capacity to cater for demand changes.



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

Liner : Americas

	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Total Volumes ('000 FEUs)	**511**	**531**	**(4)**	**236**	**255**	**(7)**
• Transpacific	420	437	(4)	193	210	(8)
• Latin America	91	94	(3)	43	45	(4)
Average Revenue (US$/FEU)	**3,816**	**3,534**	**8**	**3,840**	**3,745**	**3**

- **Transpacific :** Slower pick-up in volumes lifted post-Lunar New year resulted in a year-on-year (YoY) decline in volumes. Higher freight rates are due to the improved contracts rates that took effect in May/June 2010.
- **Latin America :** Latin America trade volumes declined on a year-on-year basis as a result of lower volumes lifted in the Eastbound Latin America trade.

Liner : Europe

	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Total Volumes ('000 FEUs)	**315**	**273**	**15**	**146**	**134**	**9**
• Asia-Europe	244	208	17	114	104	10
• Transatlantic	71	65	9	32	30	7
Average Revenue (US$/FEU)	**2,698**	**3,073**	**(12)**	**2,594**	**3,201**	**(19)**

- **Asia-Europe :** Continued growth in Asia-Europe trade coupled with the redeployment of idle fleet in June 2010 resulted in higher volumes. Supply pressures since 4Q 2010 resulted in lower rates.
- **Transatlantic :** The Transatlantic route experience growth in volumes, consistent with the improvement in global trade.

Liner : Asia/Middle East

	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Total Volumes ('000 FEUs)	**630**	**543**	**16**	**310**	**257**	**21**
Average Revenue (US$/FEU)	**1,498**	**1,555**	**(4)**	**1,526**	**1,598**	**(5)**

- **Asia/Middle East:** Asia/Middle East volumes grew by 16% year-on-year due to growth in the Intra-Asia Short-sea trade and improved volumes on the Long-haul trade.

  Average Rev/FEU declined by 4% mainly due to greater volume mix in Intra-Asia Short-sea trade.

Liner Trade Imbalance

Transatlantic trade imbalance declined mainly due to stronger growth in the Westbound trade.

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

Trade	2009	2010	1H10	1H11
• Transpacific	7	6	7	7
• Asia-Europe	8	8	8	8
• Transatlantic	10	10	9	8

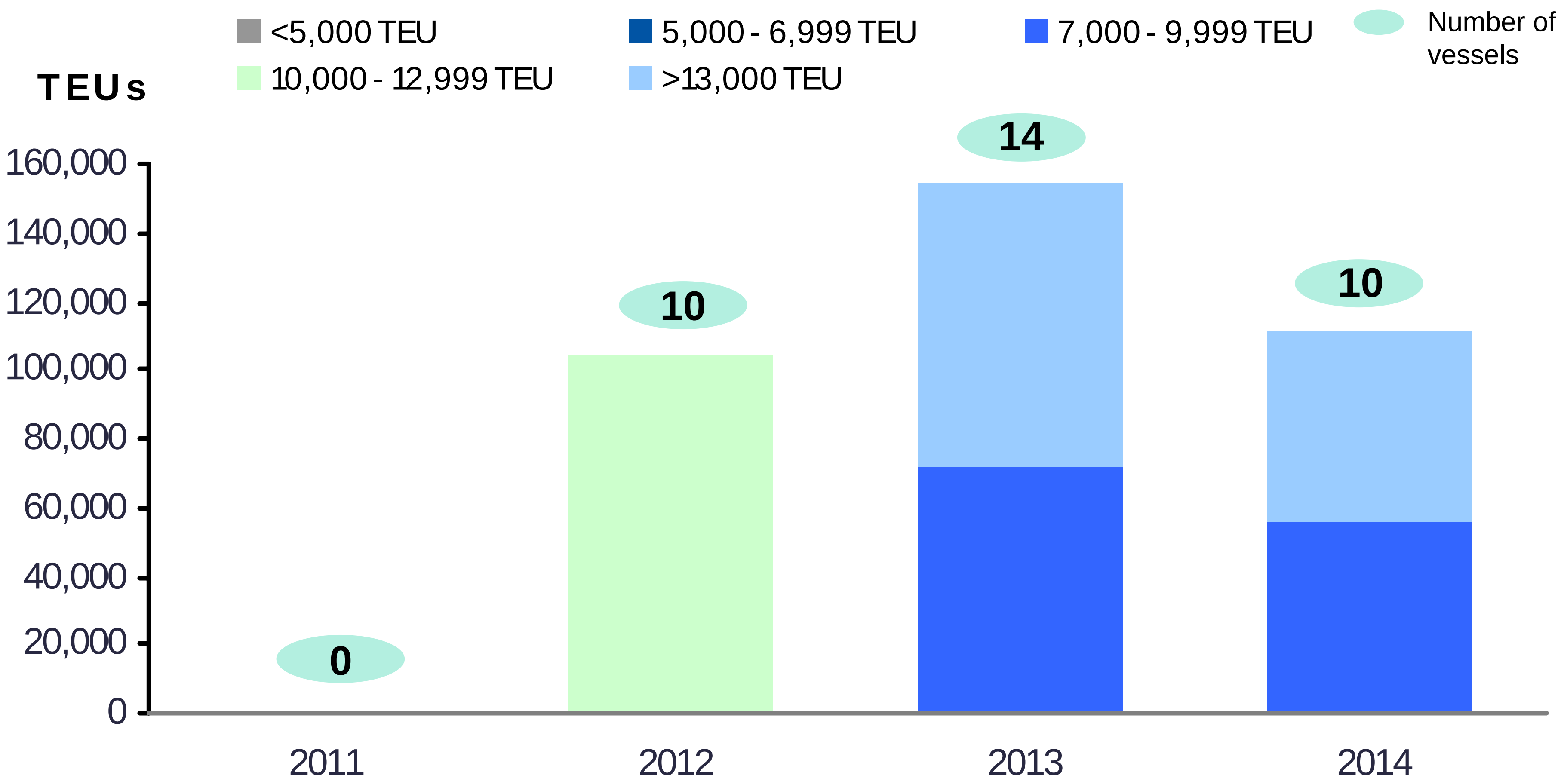
Terminal Volume and Utilisation

Americas terminal volumes decline is due to lower volumes lifted from APL and its alliance members.

Volume (Lifts '000)	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Americas	593	608	(2)	263	308	(15)
Asia/Middle East	602	600	0	292	292	-
Total	**1,195**	**1,208**	**(1)**	**555**	**599**	**(7)**
Utilisation (%)	**78**	**78**		**78**	**84**	

Vessel Commitments

New vessel commitments remain at 34 (owned and chartered) to be delivered from 2011 onwards.



Note: 5 out of the 10 x 14,000 TEU vessels for delivery between 2013 and 2014 will be chartered out to MOL

Liner 1H & 2Q 2011 Summary

- Cost per metric ton of fuel consumed in 2Q 2011 has risen by 34% year-on-year
- Higher bunker costs and freight rate pressure has resulted in deterioration in earnings.
- Expect peak season volumes to occur but later on in the year.
- Continue to maintain 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 2011 Highlights

- Logistics achieved 1H 2011 revenue of US$682 million, a year-on-year (YoY) increase of 18% due to higher volumes across the various Logistics' services, particularly in the Contract Logistics business segment.
  - Contract Logistics achieved revenue of US$433 million, a YoY increase of 21% due to higher volumes in the rail and land transport business segment and business areas that service the automotive sector.
  - International Services achieved revenue of US$249 million, a YoY increase of 14% due to higher shipment volume in the forwarding business segment.
- Logistics achieved a Core EBIT of US$33 million for 1H 2011, an increase of US$6 million or 22% YoY, mainly due to higher earnings achieved in the Contract Logistics segment, particular the rail and land transport business segment and business areas that service the automotive sector, partially offset by higher administrative and technology costs associated with expanding the business.

Logistics Profit & Loss Summary

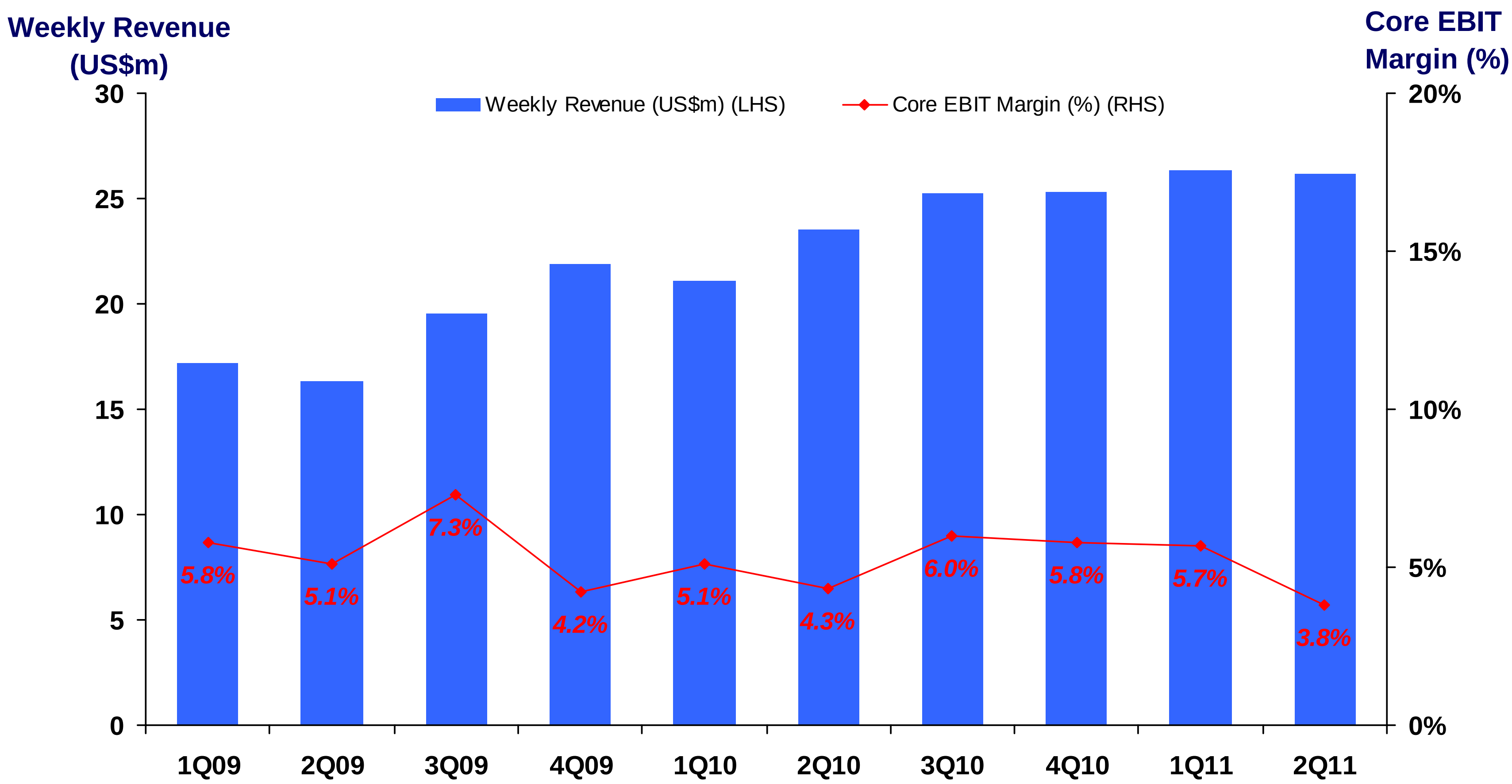
US$m	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Revenue	**682**	578	18	**314**	282	11
Core EBITDA	**38**	32	19	**15**	14	7
• Depreciation & Amortisation	(5)	(5)	-	(3)	(2)	50
Core EBIT	**33**	27	22	**12**	12	-
• Non-recurring items	(1)	(1)	-	-	-	-
EBIT	**32**	26	23	**12**	12	-
Core EBIT Margin (%)	**4.8**	4.7		**3.8**	4.3	

Performance Breakdown

Business Segment (US$m)	1H11	1H10	% ▲	2Q11	2Q10	% ▲
Revenue	**682**	**578**	**18**	**314**	**282**	**11**
• Contract Logistics	433	359	21	200	170	18
• International Services	249	219	14	114	112	2
Core EBIT	**33**	**27**	**22**	**12**	**12**	**-**
• Contract Logistics	14	9	56	5	4	25
• International Services	19	18	6	7	8	(13)
Core EBIT Margin (%)	**4.8**	**4.7**		**3.8**	**4.3**	
• Contract Logistics (%)	3.2	2.5		2.5	2.4	
• International Services (%)	7.6	8.2		6.1	7.1	

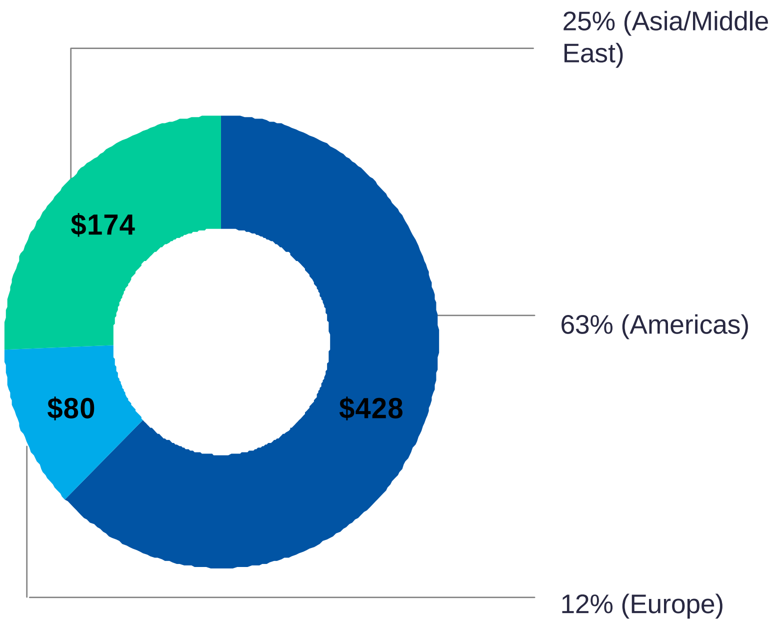
Logistics Revenue and Core EBIT Margin Trend

Slight margin deterioration in 2Q 2011 due to higher administrative and technology costs associated with expanding the business.

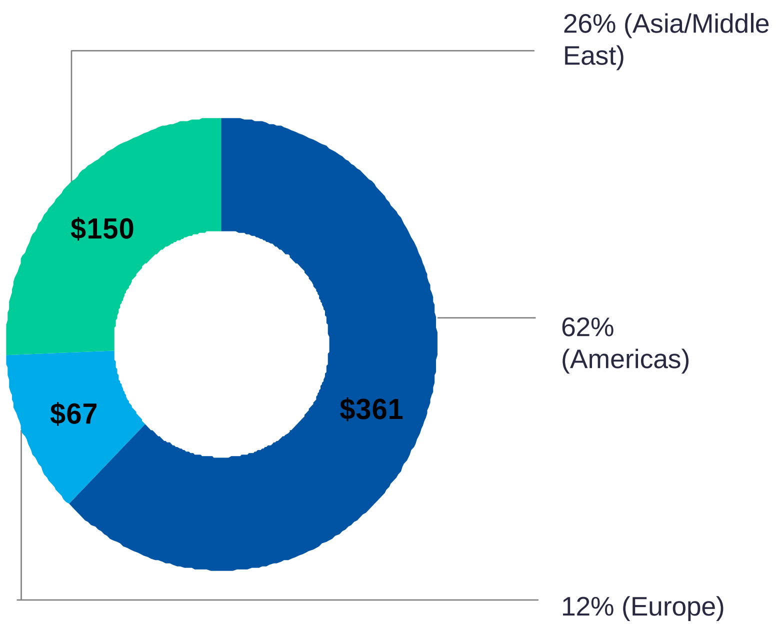


Logistics' Revenue Trend – By Region

Growth in revenue was achieved across various regions with Americas benefiting from the expansion into US intermodal and more demand for business that service the auto sector.



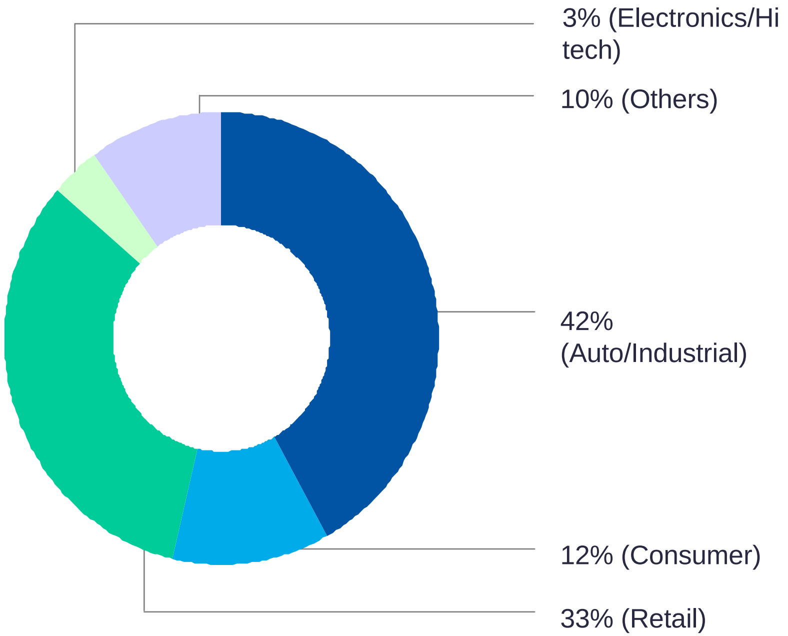
1H11 Revenue Breakdown – by Region (US$m)



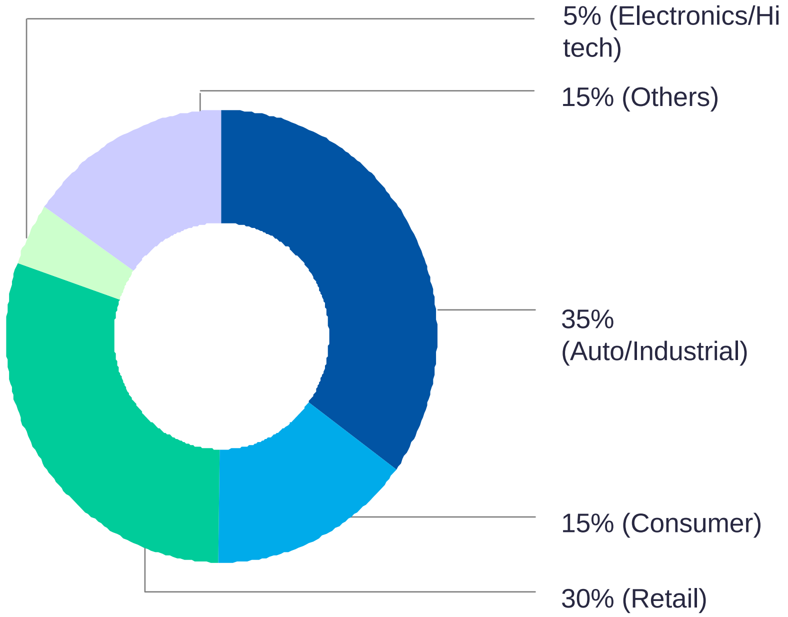
1H10 Revenue Breakdown – by Region (US$m)

Logistics' Revenue Trend – By Customer Segment

Auto/Industrial customer segment benefited from greater demand for our auto-related logistics services.



1H11 Revenue Breakdown – by Customer Segment



1H10 Revenue Breakdown – by Customer Segment

Logistics 1H & 2Q 2011 Summary

- **Most segments of the business generated higher volumes**
- **1H 2011 continue to generate positive earnings growth and contribution to the Group**
- **Our Americas and Asia/Middle East business that service the automotive sector has been robust**
- **Continue to invest in assets to support the growth in our US domestic intermodal business**

5. Group Outlook

Group Outlook

Deteriorating conditions in the global economy are resulting in weakened trade demand and continued pressure on freight rates. Unless these conditions improve, NOL will post a full year loss.

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

End of Presentation
Thank You

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