



Preliminary Unaudited Financial Highlights For Half Year Ended 30 June 2017

Note: The information presented defers from the information published by CMA CGM Group due to purchase price allocation adjustments, among others.

	1H 17	1H 16 ¹	Change Better/(Worse)
Revenue (US\$m)	2,774	2,151	29%
Core EBITDA (US\$m)	225	(3)	n.m
Core EBIT (US\$m)	137	(191)	n.m
Net profit including Non-Recurring Items (US\$m)	78	(434)	n.m
Volume (million TEUs)	2.5	2.4	4%
Average Freight Revenue per TEU (US\$)	969	793	22%

¹ Restated due to recognition of an onerous contract in prior years.

Operations Review

Revenue in the first six months of 2017 rose to US\$2.774 billion, 29% higher than same period last year. The improved revenue was attributable to a 22% increase in average freight revenue per TEU to US\$969, versus US\$793 in 1H2016; as well as a 4% volume growth to almost 2.5 million TEU, up from 2.4 million TEU in 1H2016. Importantly, the higher turnover is a reflection of the pricing and revenue discipline practised by the company.

Due to higher bunker costs and slot purchases from other carriers, operational cost rose to US\$956 per TEU in 1H2017, compared to US\$922 per TEU in the same period last year.

With the average freight revenue increment outpacing the rise in average freight cost by US\$142 per TEU, NOL, through APL achieved a Core EBIT (Earnings before Interest and Taxes) of US\$137 million. Core EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) was US\$225 million and net profit stood at US\$78 million for the half year



under review. This set of performance marks APL's first half year profitability since 2H 2010. The first six months of 2017 saw further consolidation in container shipping, new shipping alliances starting operations; and a healthier demand-supply balance which contributed to improving container freight rates.

As the industry continues to consolidate and become more concentrated with mega container lines, APL will further leverage the scale of the Group for cost and network synergies.

As a standalone brand of the Group, APL provides differentiated product offerings such as the Eagle Express service (EX1). Since January 2017, APL has enhanced six existing services and introduced nine new loops, strengthening its portfolio of over 70 independent services.

APL also offers 38 services of the OCEAN ALLIANCE which started operation on 1 April 2017. This brings APL's total offerings to about 110.