

1Q 2010 Performance Review

14 May 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. 1Q 2010 Financial Highlights

By Ron Widdows
Group President & CEO



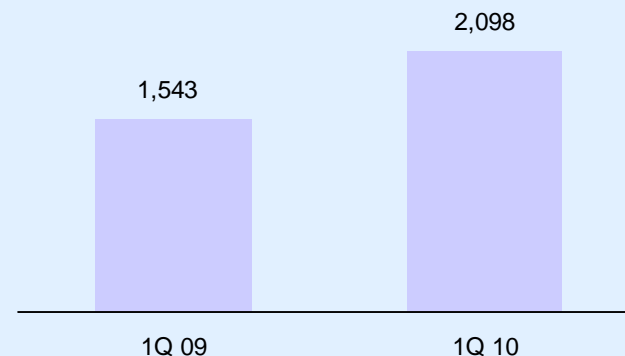
1Q 2010 Key Highlights

Key Highlights

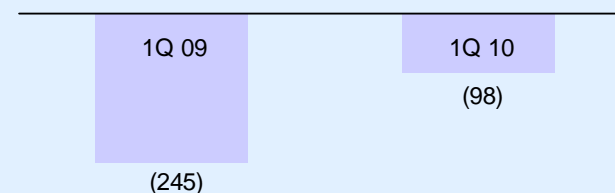
- **1Q 2010 Financial Highlights**
 - Revenue of US\$2.1 billion, a year-on-year (YoY) growth of 36%
 - Break-even Core EBITDA of US\$2 million
 - Core EBIT loss of US\$74 million
 - Net loss of US\$98 million
- **Container Shipping**
 - Volume grew by 46% YoY
 - Revenue/FEU improved by 2% YoY to US\$2,519 per FEU
- **Logistics**
 - Core EBIT of US\$15 million
 - Core EBIT margin of 5.1%
- **Terminals**
 - Core EBIT of US\$18 million
 - Throughput grew by 42% YoY

Group Financials

Revenue (US\$m)



Net loss (US\$m)



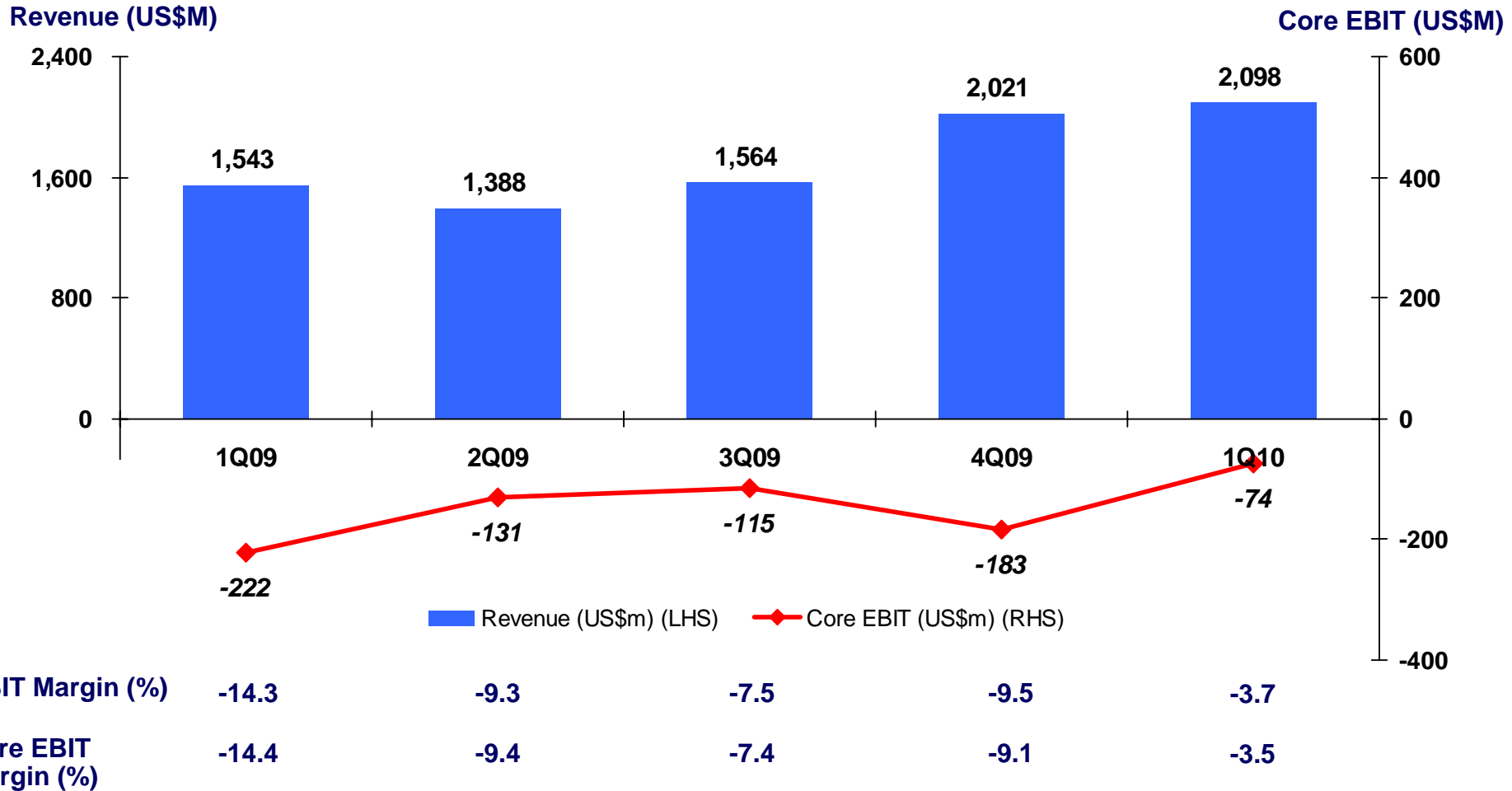
Group Financial Performance

US\$m	1Q10	1Q09	▲ %
Revenue	2,098	1,543	36
Core EBIT	(74)	(222)	(67)
• Non-recurring items	(3)	1	nm
EBIT	(77)	(221)	(65)
Net loss	(98)	(245)	(60)
Basic loss per share (US cents)	(3.82)	(15.01)*	(75)

* Restated for the effects of the Rights Issue.

Group Revenue, Core EBIT and EBIT Margin Trend

Improved container trade environment resulted in significant narrowing of Group losses in 1Q 2010.



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

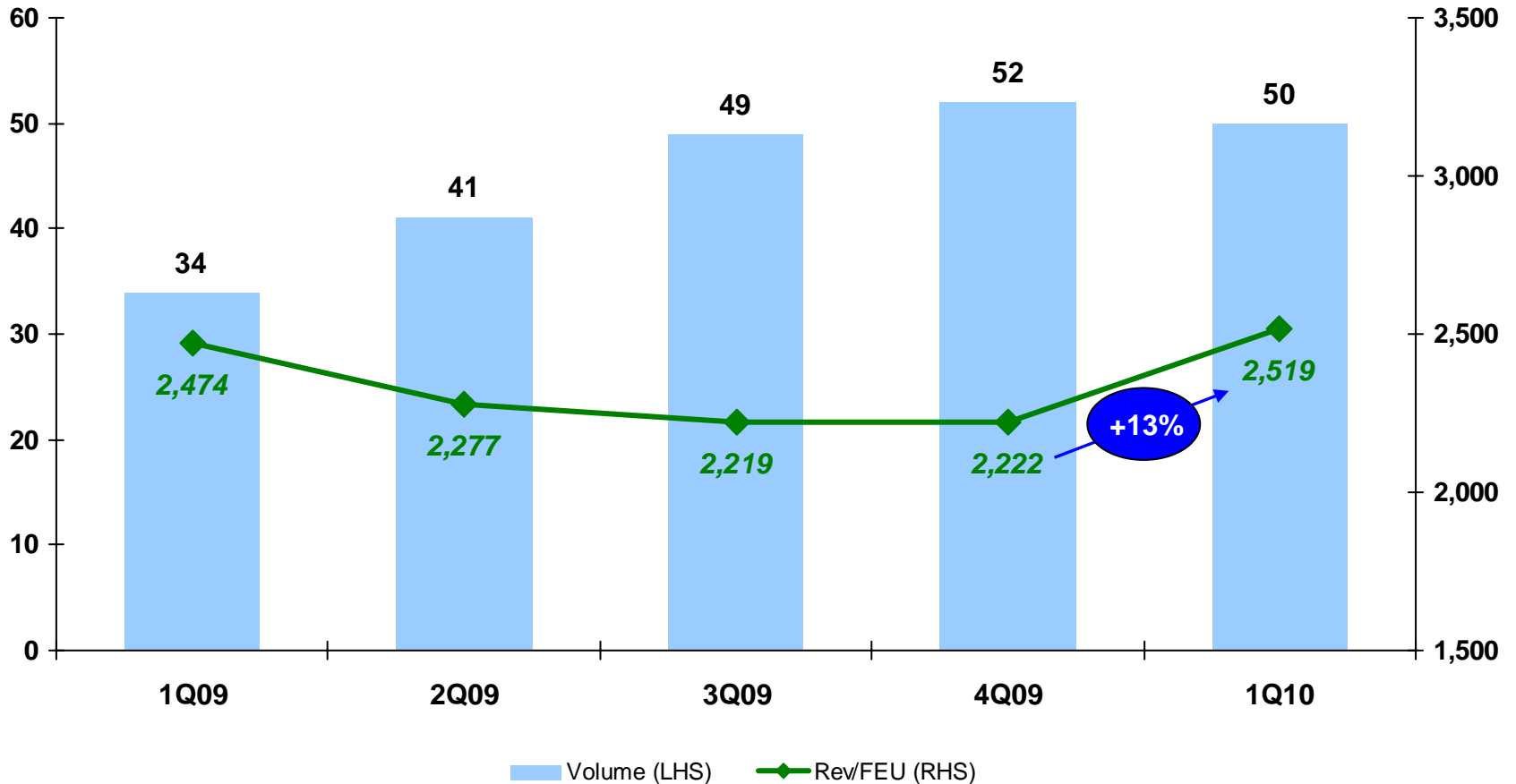


Volume and Rev/FEU Trend

Recent freight rate improvement has been the key driver of the Group's sequential improvement in earnings from 4Q09.

Average Weekly Volume
('000 FEUs)

Rev/FEU (US\$)



1Q 2010 Summary

- **Improvement in freight rates on key trade lanes has resulted in narrowing of losses.**
- **Volume remains stable post Lunar New Year.**
- **Implementation of slow steaming has helped to reduce fuel consumption.**
- **Reduction in idle vessels to meet the demand for our services.**
- **Terminals and Logistics continue to provide positive earnings to the Group.**



2. 1Q 2010 Financial Performance

By Cedric Foo
Group Deputy President &
CFO

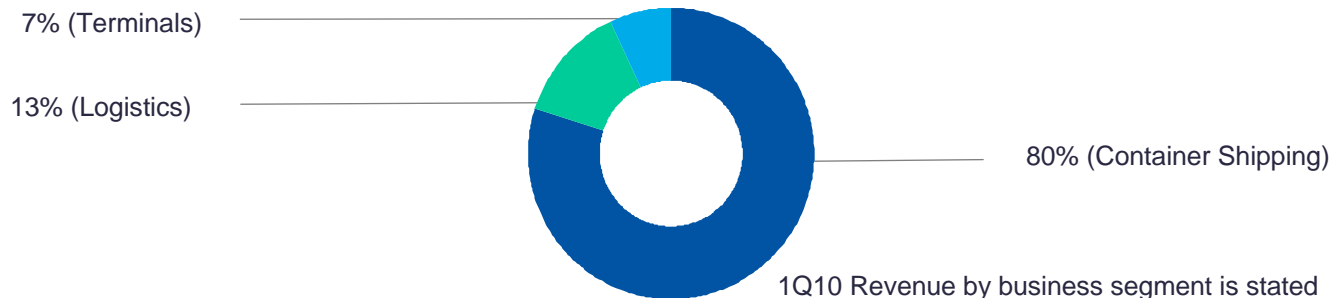


Group Financial Highlights

US\$m	1Q10	1Q09	▲ %
Revenue	2,098	1,543	36
Core EBITDA	2	(145)	nm
• Depreciation & Amortisation	(76)	(77)	(1)
Core EBIT	(74)	(222)	(67)
• Non-recurring items	(3)	1	nm
EBIT	(77)	(221)	(65)
• Gross Interest Expense	(9)	(13)	(26)
• Tax	(12)	(11)	14
Net loss to equity holders	(98)	(245)	(60)

Group Revenue Breakdown

US\$m	1Q10	1Q09	▲ %
Container Shipping	1,793	1,294	39
Logistics	296	241	23
Terminals	157	112	40
Others/Elimination	(148)	(104)	42
Total	2,098	1,543	36



1Q10 Revenue by business segment is stated before inter-segment elimination.

Group Core EBIT Breakdown

US\$m	1Q10	1Q09	▲%
Container Shipping	(106)	(237)	(55)
Logistics	15	14	7
Terminals	18	4	350
Others	(1)	(3)	(67)
Total	(74)	(222)	(67)

Non-Recurring Items

US\$m

1Q10

1Q09

1. Gain from asset disposals

-

3

2. Others

(3)

(2)

Total

(3)

1

Balance Sheet Highlights

US\$m	2 Apr '10	25 Dec '09
Total Assets	5,440	5,340
Total Liabilities	2,726	2,500
Total Equity	2,714	2,840
Total Debt	1,157	940
Total Cash	398	333
Net Debt	759	607
Gearing (Gross)	0.43 x	0.33 x
Gearing (Net)	0.28 x	0.21 x
NAV per share (US\$)	1.03	1.08
(S\$)	1.45	1.53

Cash Flow Highlights

US\$m	1Q10	1Q09
Cash & Cash Equivalents - Beginning	333	429
<i>Cash (Outflow)/Inflow</i>		
Operating Activities	(126)	(139)
Investing/Capex Activities	(24)	(4)
Financing Activities	215	158
Cash & Cash Equivalents – Closing	398	444

Capital Expenditure

US\$m	1Q10 Actual	FY09 Actual
1. Vessels	1	8
2. Equipment / Facilities	4	22
3. Drydock	11	13
4. IT	11	39
5. Others	3	11
Total	30	93

3. Container Shipping



By Eng Aik Meng
President, APL



Container Shipping 1Q 2010 Highlights

- Container shipping achieved 1Q 2010 revenue of US\$1.8 billion, a year-on-year (YoY) increase of 39% mainly due to a combination of higher volumes transported and improved freight rates in certain trade lanes.
 - Volume rose by 46% YoY as the improved global trade environment resulted in volume growth in all major trade lanes.
 - Average revenue per FEU improved by 2% YoY mainly due to improved freight rates on the Asia-Europe trade, partially offset by lower contracted rates on the Transpacific.
 - 1Q 2010 achieved utilisation rate of 93%.
- Higher volume and rates driven by the improved container shipping trading conditions resulted in narrowing of Core EBIT losses by 55% to US\$106 million in 1Q 2010.

Container Shipping Profit & Loss Summary

US\$m	1Q10	1Q09	▲ %
Revenue	1,793	1,294	39
Core EBITDA	(38)	(170)	(78)
• Depreciation & Amortisation	(68)	(67)	1
Core EBIT	(106)	(237)	(55)
EBIT	(107)	(236)	(55)
Core EBIT Margin (%)	(5.9)	(18.3)	
EBIT Margin (%)	(6.0)	(18.2)	

Container Shipping Volume

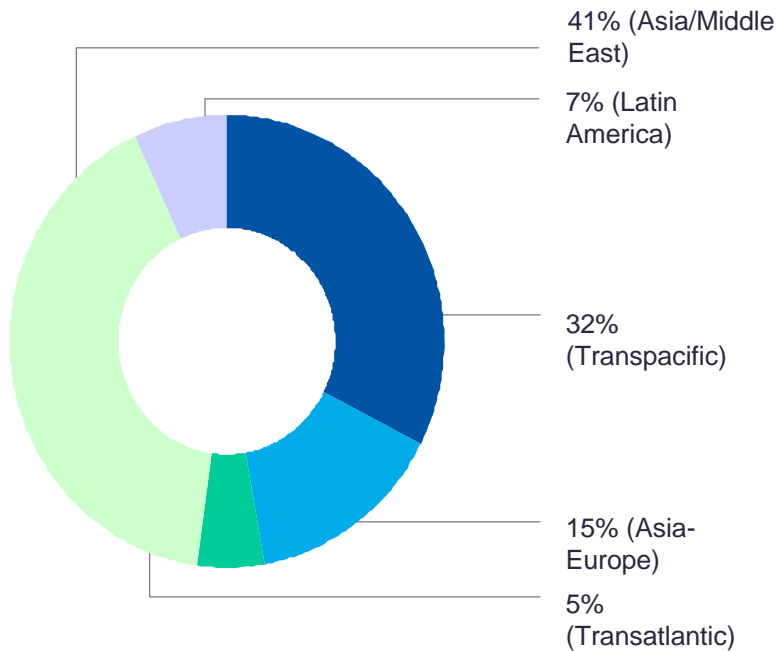


Volume ('000 FEU)	1Q10	1Q09	▲%
Americas	276	190	45
Transpacific	227	151	50
Latin America	49	39	26
Europe	139	112	24
Asia-Europe	104	84	24
Transatlantic	35	28	25
Asia/Middle East	286	179	60
Total	701	481	46

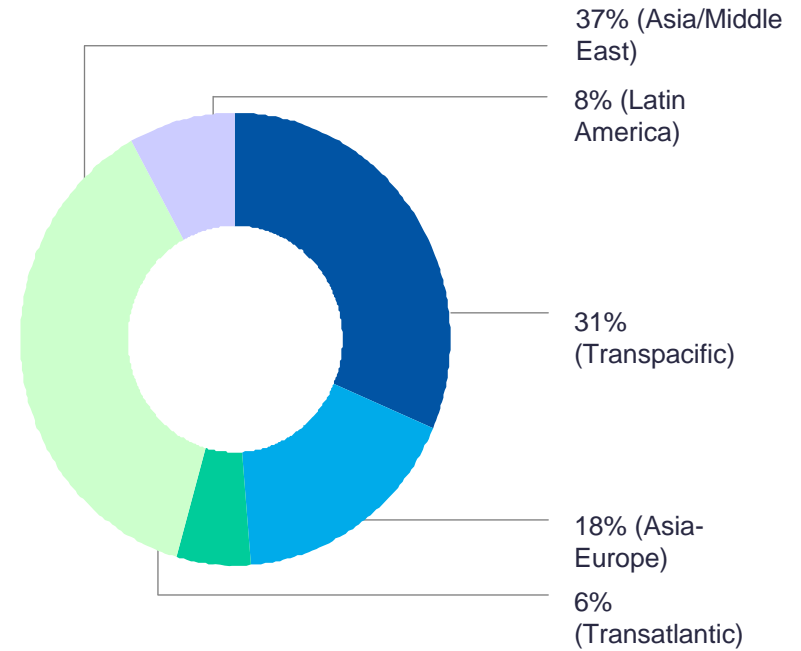
Note: Based on point of sailing and inclusive of headhaul and backhaul trade.

Container Shipping : Volume Mix

- Further concentration on Asia/Middle East due to growth in demand for our services
- Trade volume mix continues to be managed to maximise yields



1Q 2010 Volume breakdown



1Q 2009 Volume breakdown

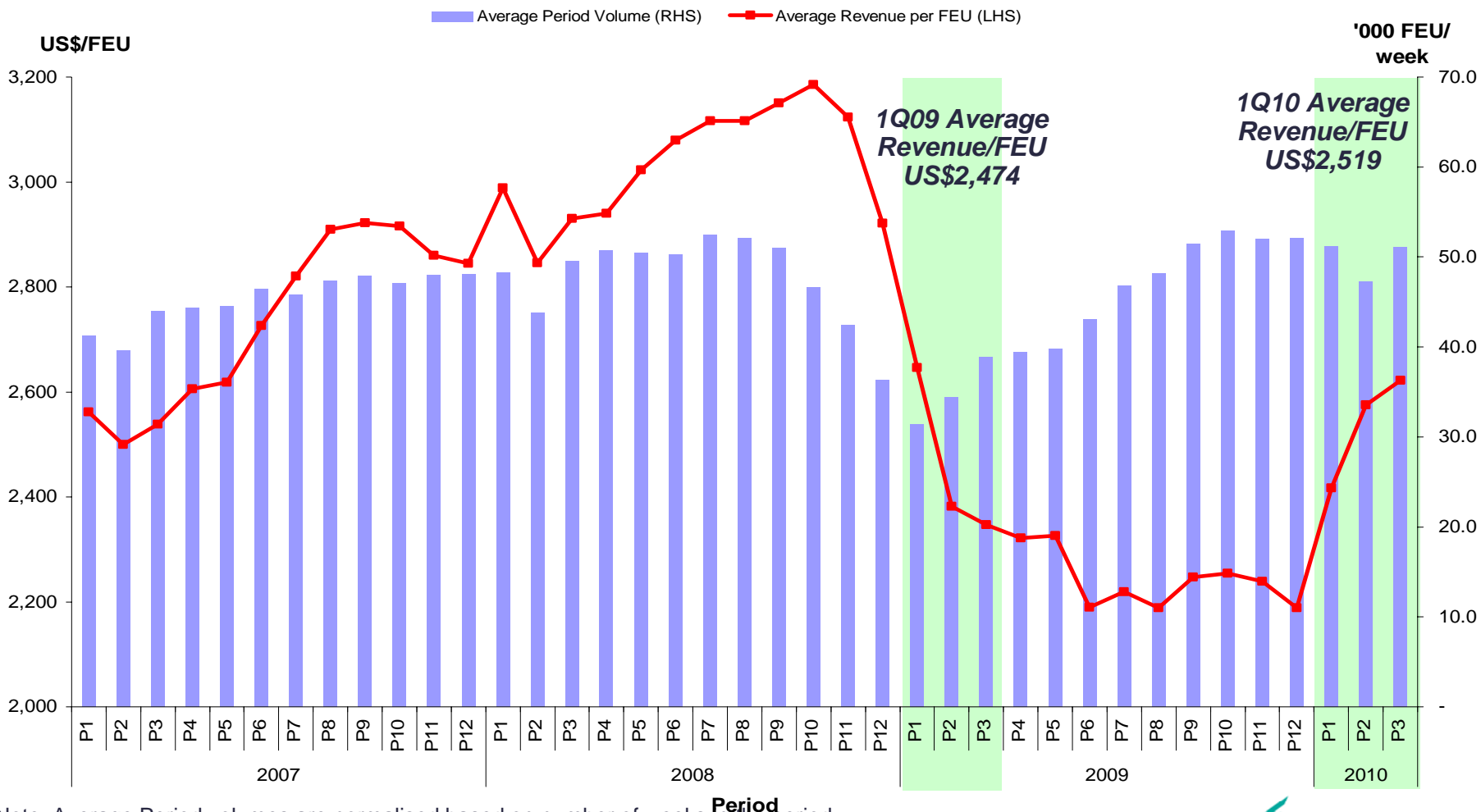
Container Shipping Average Revenue/FEU

US\$/FEU	1Q10	1Q09	▲ %
Americas	3,340	3,741	(11)
Europe	2,950	2,104	40
Asia/Middle East	1,517	1,365	11
Total	2,519	2,474	2

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

Volume and Average Revenue/FEU Trend

Volumes maintained its relative strength since the beginning of 2010, with overall freight rate improvement helping to narrow the losses.



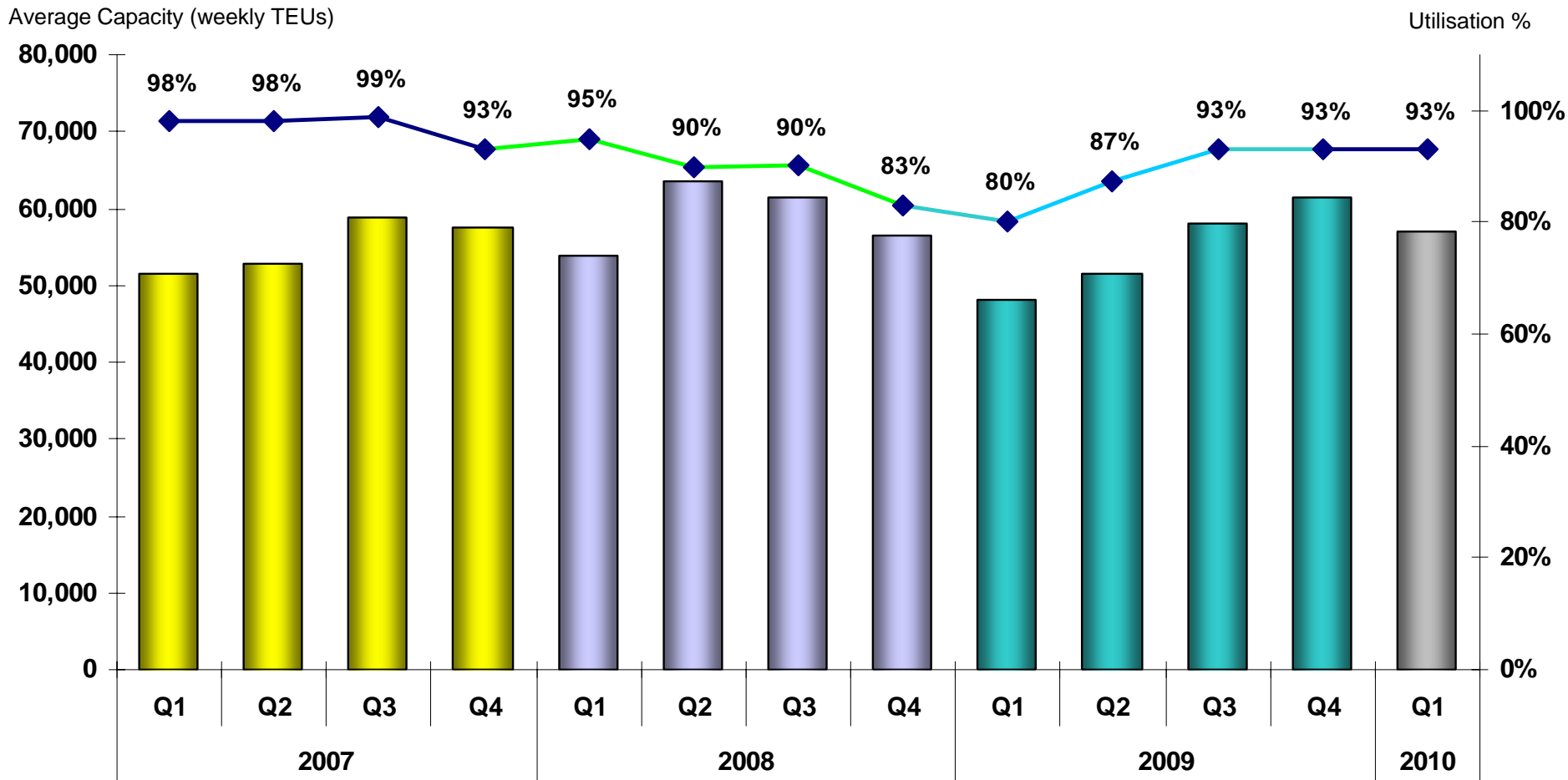
Note: Average Period volumes are normalised based on number of weeks in the period



Container Shipping Network Capacity & Utilisation



Stable demand for container shipping services and network management has resulted in consistently higher utilisation levels.



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

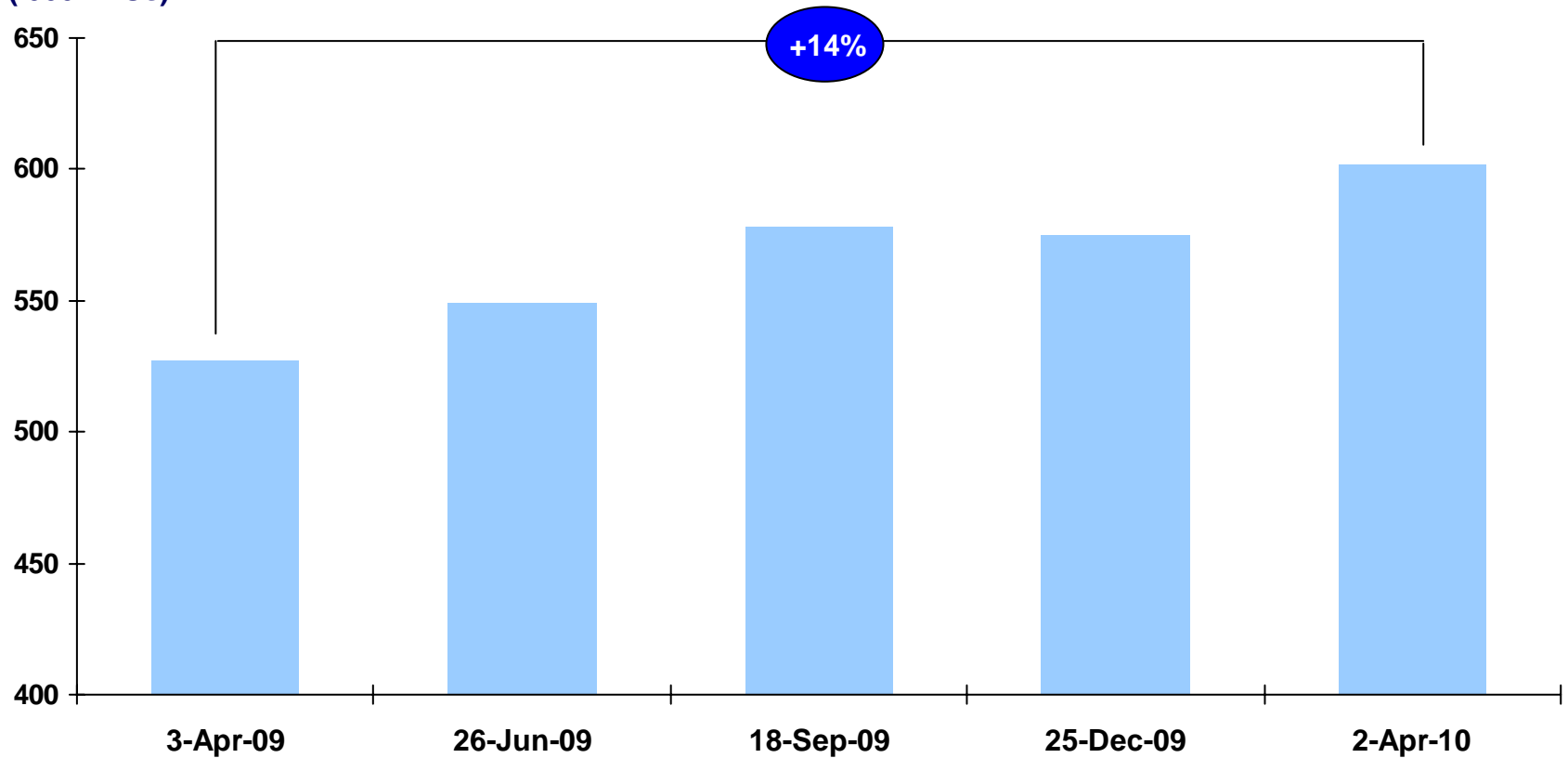


Nominal Capacity Trend



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.



Container Shipping : Americas



	1Q10	1Q09	▲%
Total Volumes ('000 FEU)	276	190	45
▪ Transpacific	227	151	50
▪ Latin America	49	39	26
Average Revenue (US\$/FEU)	3,340	3,741	(11)

- **Transpacific** : Improvement in global trade, some re-stocking and greater demand for our services resulted in significant year-on-year improvement in Transpacific volumes on both headhaul and backhaul trade. Freight rates declined as a result of the lower annual rates that were contracted in May/June 2009.
- **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.

Container Shipping : Europe



	1Q10	1Q09	▲%
Total Volumes ('000 FEU)	139	112	24
▪ Asia-Europe	104	84	24
▪ Transatlantic	35	28	25
Average Revenue (US\$/FEU)	2,950	2,104	40

- **Asia-Europe** : Recovery in global trade resulted in growth in volumes in the Asia-Europe trade. Capacity rationalisation 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.

Container Shipping : Asia/Middle East

	1Q10	1Q09	▲%
Total Volumes ('000 FEU)	286	179	60
Average Revenue (US\$/FEU)	1,517	1,365	11

- **Asia/Middle East:** Asia/Middle East volumes grew by 60% 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 11% due to greater bunker recovery and improved core rates on both Long-haul and Short-sea trade.

Container Shipping Trade Imbalance

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

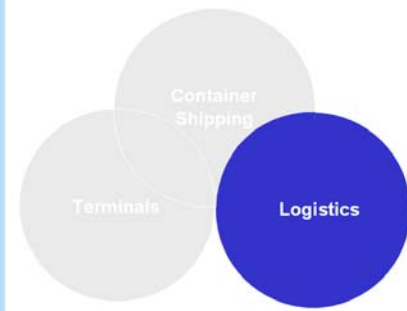
No. of FEUs that are full backhaul for every 10 FEUs full headhaul

Trade	2008	2009	1Q09	1Q10
• Transpacific	7	7	7	7
• Asia-Europe	7	8	8	8
• Transatlantic	10	10	9	9



Container Shipping 1Q 2010 Summary

- **Recent improvement in freight rates has resulted in narrowing of losses in 1Q 2010.**
- **Volumes continue to remain stable.**
- **However, rates on Transpacific still lag other trade lanes in recovering to a sustainable level.**
- **Currently in the process of renewing Transpacific annual contracts.**
- **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 and minimise losses.**



4. Logistics

By Jim McAdam
President, APL Logistics



Logistics 1Q 2010 Highlights



- Logistics achieved 1Q 2010 revenue of US\$296 million, a year-on-year (YoY) increase of 23% due to a combination of higher volumes across the various Logistics' services and higher freight rates in the forwarding business segment.
 - Contract Logistics achieved revenue of US\$189 million, a YoY increase of 26% 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\$107 million, a YoY increase of 18% mainly due to higher freight rates in the forwarding business segment.
- Logistics achieved a Core EBIT of US\$15 million for 1Q 2010, an increase of US\$1 million YoY due to higher contribution associated with higher revenues partially offset by the increase in general and administrative expenses.

Logistics Profit & Loss Summary



US\$m	1Q10	1Q09	▲ %
Revenue	296	241	23
Core EBITDA	18	17	6
• Depreciation & Amortisation	(3)	(3)	-
Core EBIT	15	14	7
Core EBIT Margin (%)	5.1	5.8	

Performance Breakdown : Business Segment

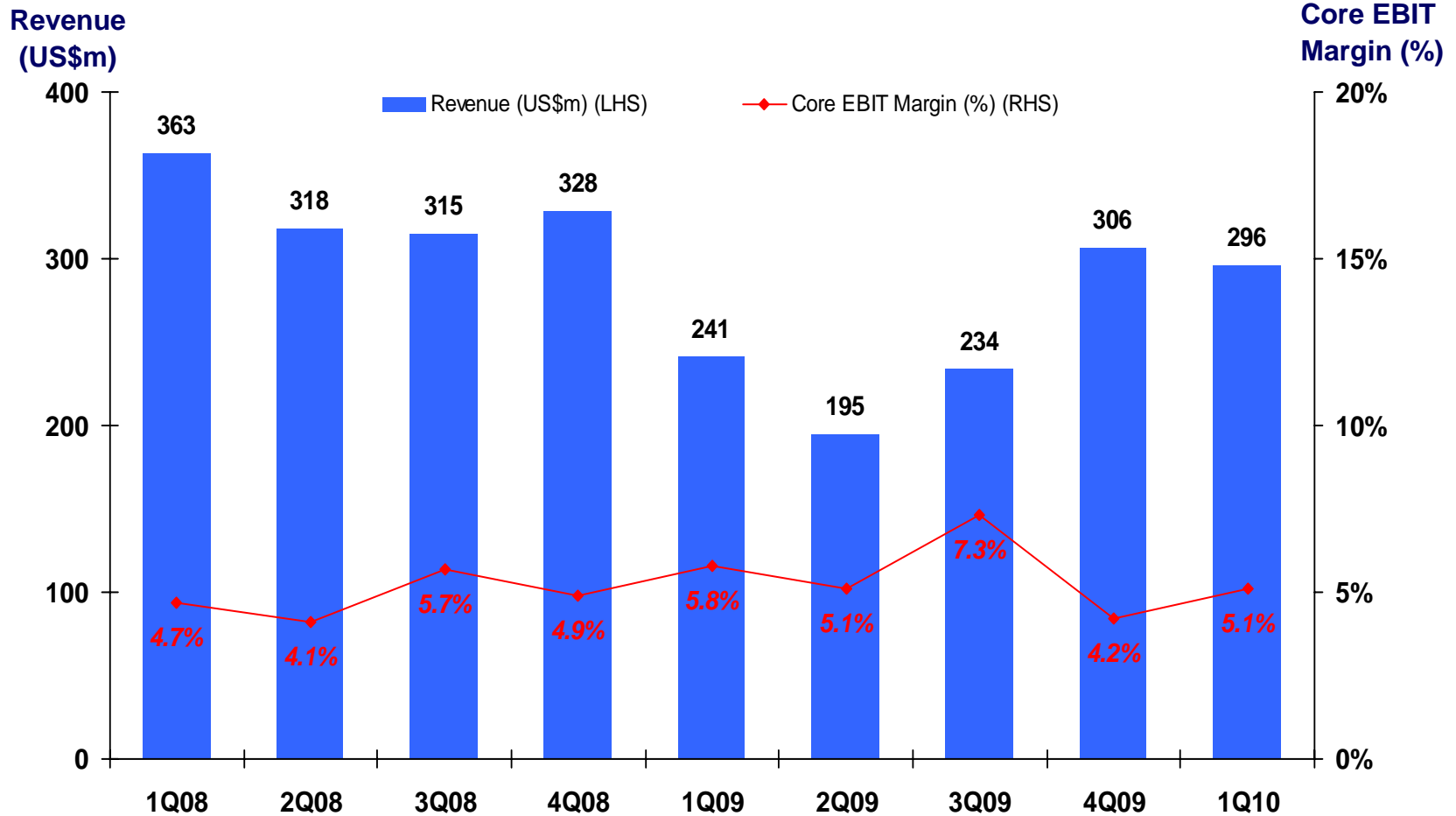


US\$m	1Q10	1Q09	▲%
Revenue	296	241	23
• Contract Logistics	189	150	26
• International Services	107	91	18
Core EBIT	15	14	7
• Contract Logistics	5	5	-
• International Services	10	9	11
Core EBIT Margin (%)	5.1	5.8	
• Contract Logistics (%)	2.6	3.3	
• International Services (%)	9.3	9.9	

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.



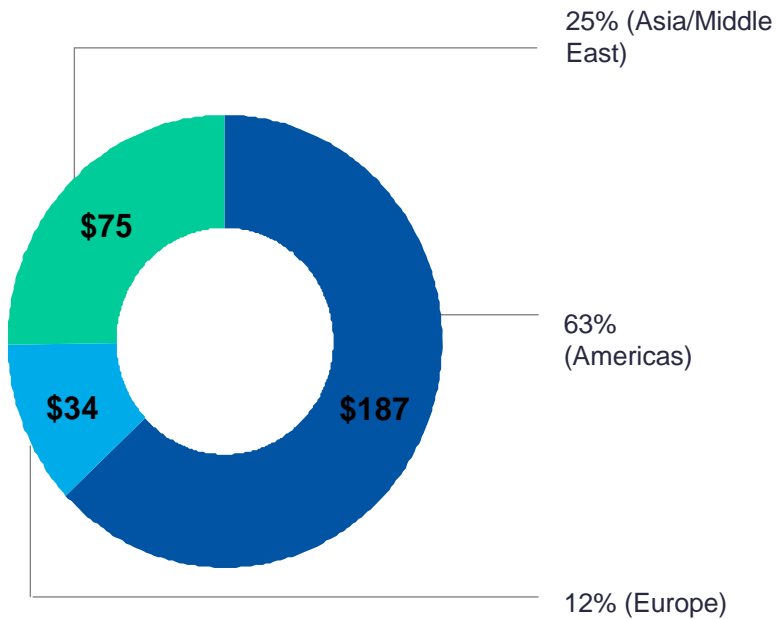
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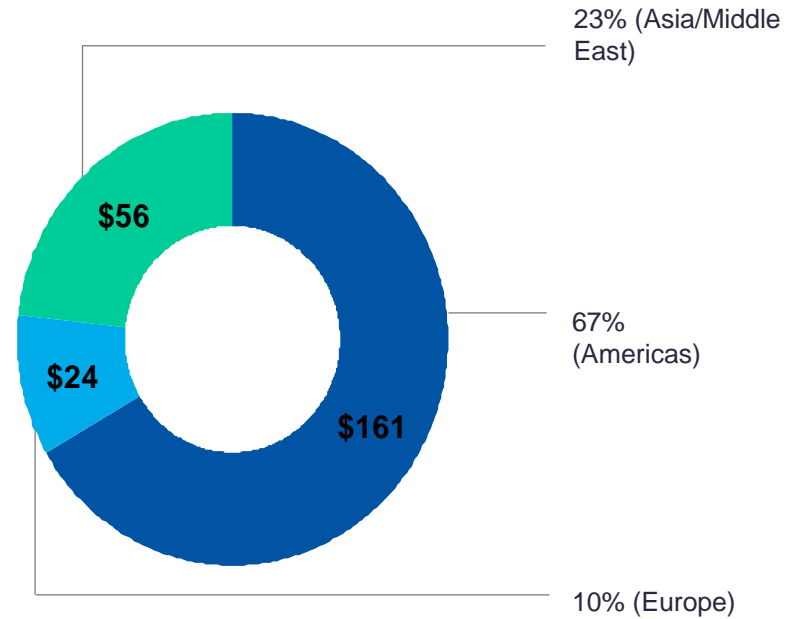
Logistics' Revenue Mix – By Region



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



1Q10 Revenue Breakdown
– by Region (US\$m)

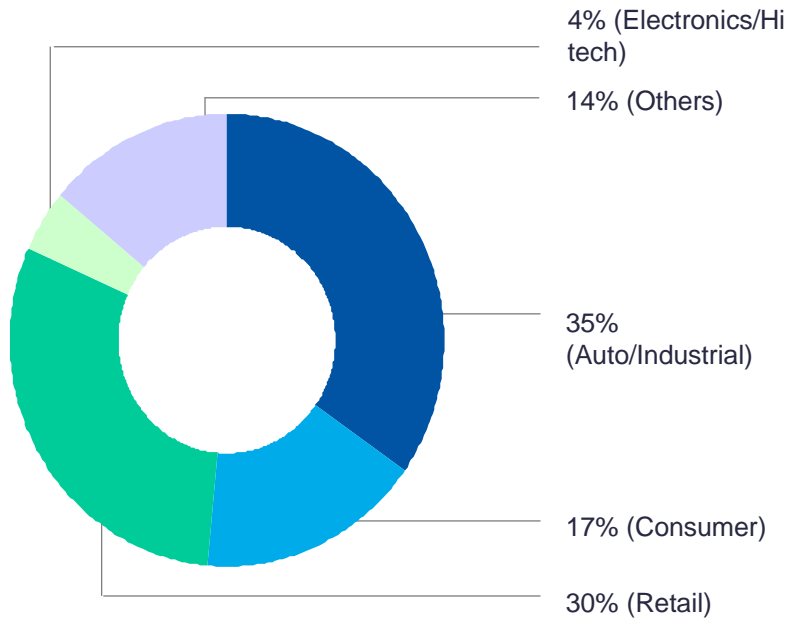


1Q09 Revenue Breakdown
– by Region (US\$m)

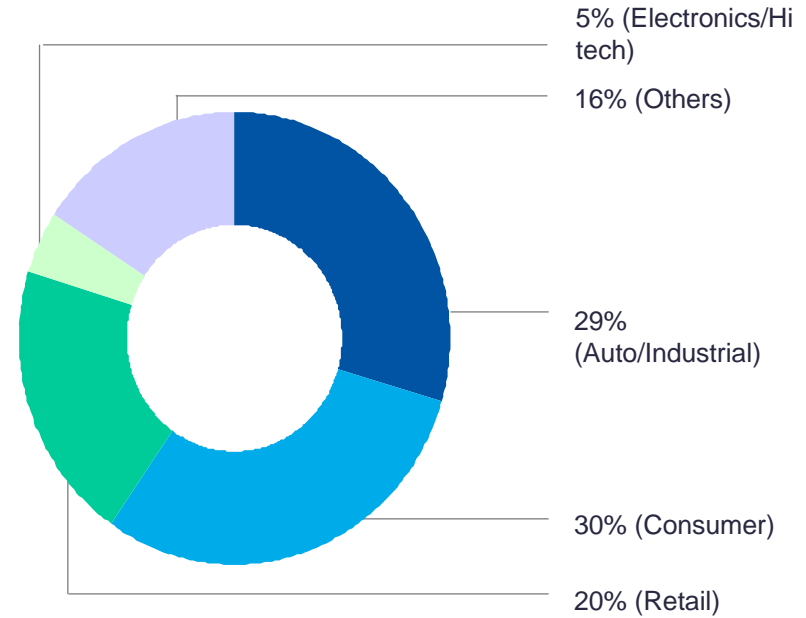
Logistics' Revenue Mix – By Customer Segment



The recovery in the automotive sector and trucking related services since 2H09 has resulted in significant growth in revenue from that customer segment.



1Q10 Revenue Breakdown
– by Customer Segment



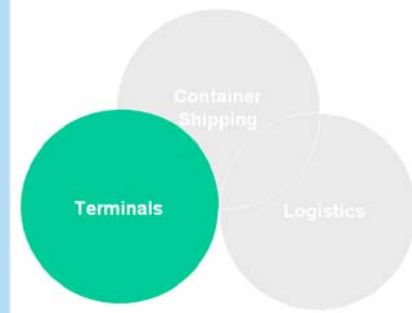
1Q09 Revenue Breakdown
– by Customer Segment

Logistics 1Q 2010 Summary



- **Improvement in global trade has resulted in higher volumes across nearly all segments of the business.**
- **Business that service the automotive sector continue to remain buoyant.**
- **Growth in land transportation services in Asia strengthens our Contract Logistics presence in the region.**
- **Growing emphasis on expansion into the US domestic intermodal segment.**
- **Business unit reorganisation and operational cost restructuring positioned for growth in global demand and logistics services.**

5. Terminals



By Steve Schollaert
President, APL Terminals



Terminals 1Q 2010 Highlights



- Terminals achieved 1Q 2010 revenue of US\$157 million, a year-on-year (YoY) increase of 40% due to higher volume throughput.
 - 1Q 2010 recorded volume throughput of approximately 608,000 lifts, an increase of 42% YoY which is in line with the improved Container Shipping volumes.
 - 1Q 2010 average revenue per lift was marginally lower by 1% YoY due to change in trade mix.
- Terminals achieved a Core EBIT of US\$18 million for 1Q 2010, a YoY increase of US\$14 million or 350% mainly due to improved volumes lifted.

Terminals Profit & Loss Summary



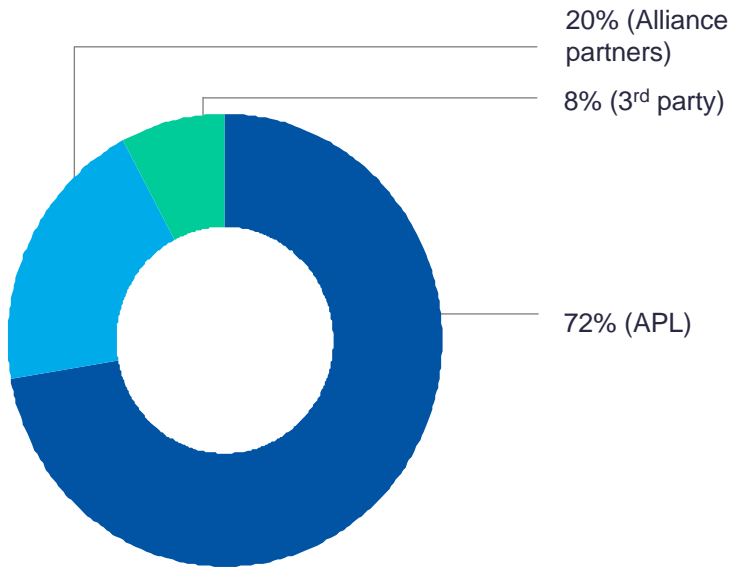
US\$m	1Q10	1Q09	▲%
Revenue	157	112	40
Core EBITDA¹	23	9	156
• Depreciation & Amortisation	(5)	(5)	-
Core EBIT¹	18	4	350
Core EBIT Margin	11.5%	3.6%	
Volume ('000 lifts)	608	429	42
Average Revenue (US\$/Lift)	258	261	(1)

¹ Includes share of results from a joint venture.

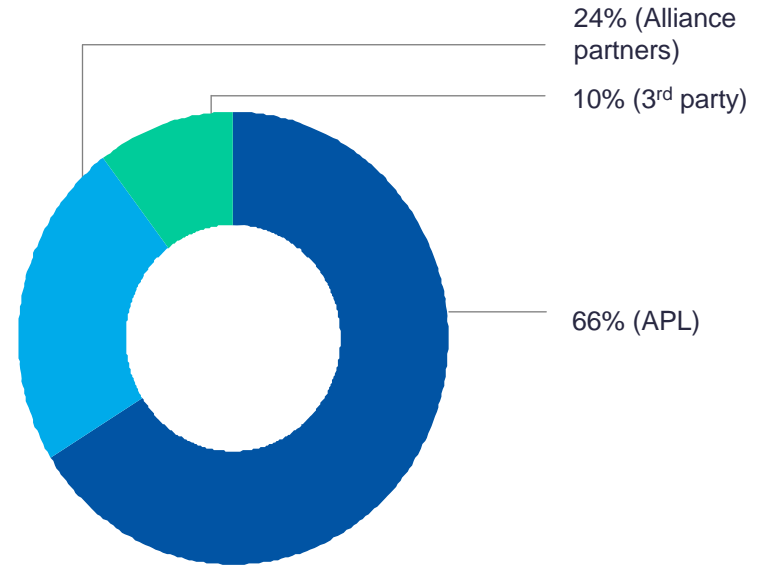
Terminals : Volume Mix (By Customer)



Improved volumes from the Container Shipping business unit resulted in higher proportion of throughput from APL.



1Q 2010 Volume breakdown



1Q 2009 Volume breakdown



Terminals 1Q 2010 Summary



- **Recovering in global trade and volume throughput enhanced utilisation rates across our network of terminals.**
- **Continued emphasis on operating efficiency to reduce cost of lifting.**
- **Explore opportunities to enhance our network of terminal assets in key areas that are complimentary to the Container Shipping business unit.**

6. Group Outlook



Group Outlook

At its FY09 year-end results announcement, NOL indicated improvements in volumes and freight rates in its principal markets. Since that time, the operating environment has improved further. If this trend continues, NOL expects to return to profitability for the full year. However, several risk factors remain – including rising fuel costs, the global economy and the relationship between supply and demand. The Group will continue to press on with its cost savings, productivity and yield management programs.

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.

**End of Presentation
Thank You**

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