



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 1st Quarter Ended 8 April 2011

1.(a)(i) Consolidated Income Statement

	Group		
	Q1 2011 US\$'000	Q1 2010 US\$'000	% Increase/ (Decrease)
Revenue	2,443,077	2,098,137	16
Cost of sales	(2,251,277)	(2,009,093)	12
Gross profit	191,800	89,044	115
Other gains (net)			
- Miscellaneous	2,700	1,924	40
- Finance and investment income	1,949	888	119
Expenses			
- Administrative	(176,616)	(157,363)	12
- Finance	(10,728)	(15,387)	(30)
- Other operating	(7,274)	(5,030)	45
Share of results of associated companies	2,740	738	271
Share of results of joint ventures	211	532	(60)
Profit/(loss) before income tax	4,782	(84,654)	N/M
Income tax expense	(13,295)	(12,545)	6
Net loss for the financial period	(8,513)	(97,199)	(91)
Net loss attributable to:			
Equity holders of the Company	(9,679)	(98,491)	(90)
Non-controlling interest	1,166	1,292	(10)
	(8,513)	(97,199)	(91)

1.(a)(ii) Notes to the Consolidated Income Statement

	Group		
	Q1 2011 US\$'000	Q1 2010 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	3,655	2,934	25
(B) Interest on Borrowings	(8,666)	(9,267)	(6)
(C) Depreciation and Amortisation	(75,919)	(76,243)	(0)
(D) Allowance for Doubtful Debts and Bad Debts Written Off	(5,045)	(360)	1301
(E) Provision for Impairment in Value of Investments	-	(1)	(100)
(F) Foreign Exchange Gain/(Loss)	10,210	(1,124)	N/M
(G) Adjustment for (Under)/Over Provision for Tax in Prior Years	(203)	992	N/M
(H) Profit/(Loss) on Sale of Investments, Property, Plant and Equipment and Investment Properties	840	(242)	N/M
(I) Write back/(Write-off) of Inventories	103	(440)	N/M

1.(a)(iii) Consolidated Statement of Comprehensive Income

	Group	
	Q1 2011 US\$'000	Q1 2010 US\$'000
Net loss for the financial period	(8,513)	(97,199)
Other comprehensive income/(loss):		
Fair value gains on cash flow hedges	39,317	1,268
Fair value gains on cash flow hedges transferred to the income statement	(20,227)	(33,394)
Fair value (losses)/gains on available-for-sale financial asset	(20)	26
Currency translation differences	5,749	1,223
Tax on fair value losses and gains	704	172
Other comprehensive income/(loss) for the financial period, net of tax	25,523	(30,705)
Total comprehensive income/(loss) for the financial period	17,010	(127,904)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	15,603	(129,379)
Non-controlling interest	1,407	1,475
	17,010	(127,904)

N/M: Not meaningful

1.(b)(i) Balance Sheets

	Group			Company		
	8 Apr 2011 US\$'000	31 Dec 2010 US\$'000	% Increase/ (Decrease)	8 Apr 2011 US\$'000	31 Dec 2010 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	663,180	977,212	(32)	4,755	118,166	(96)
Trade and other receivables ¹	1,065,472	1,082,005	(2)	1,221,109	1,393,866	(12)
Inventories at cost	247,718	243,626	2	-	-	0
Derivative financial instruments	25,219	14,117	79	1,474	-	N/M
Other current assets	101,668	85,493	19	2,729	3,582	(24)
Total current assets	2,103,257	2,402,453	(12)	1,230,067	1,515,614	(19)
Non-current Assets						
Investments in subsidiaries	-	-	0	1,000,894	1,000,894	0
Investments in associated companies	53,845	48,861	10	-	-	0
Investments in joint ventures	28,427	28,248	1	-	-	0
Available-for-sale financial asset	48	68	(29)	-	-	0
Property, plant and equipment	3,992,705	3,691,444	8	1,083,621	782,327	39
Investment properties	16,426	14,071	17	-	-	0
Deferred charges	13,604	10,177	34	1,451	1,455	(0)
Intangible assets	25,030	25,192	(1)	42	49	(14)
Goodwill arising on consolidation	129,095	129,095	0	-	-	0
Deferred income tax assets	4,094	3,854	6	-	-	0
Derivative financial instruments	27,052	14,015	93	27,052	14,015	93
Other non-current assets	79,633	83,579	(5)	971	976	(1)
Total non-current assets	4,369,959	4,048,604	8	2,114,031	1,799,716	17
TOTAL ASSETS	6,473,216	6,451,057	0	3,344,098	3,315,330	1
LIABILITIES						
Current Liabilities						
Trade and other payables	1,195,715	1,174,158	2	139,216	127,474	9
Current income tax liabilities	89,574	83,072	8	10,259	10,328	(1)
Borrowings	20,764	21,023	(1)	793	775	2
Provisions	48,426	49,202	(2)	-	-	0
Deferred income	533	490	9	-	-	0
Derivative financial instruments	1,223	3,523	(65)	-	-	0
Other current liabilities ²	264,812	284,612	(7)	-	-	0
Total current liabilities	1,621,047	1,616,080	0	150,268	138,577	8
Non-current Liabilities						
Borrowings	1,340,414	1,338,177	0	222,055	216,785	2
Provisions	128,151	129,989	(1)	-	-	0
Deferred income	519	569	(9)	-	-	0
Deferred income tax liabilities	19,767	18,157	9	10,699	10,699	0
Derivative financial instruments	8,551	10,059	(15)	-	-	0
Other non-current liabilities	71,170	72,215	(1)	-	-	0
Total non-current liabilities	1,568,572	1,569,166	(0)	232,754	227,484	2
TOTAL LIABILITIES	3,189,619	3,185,246	0	383,022	366,061	5
NET ASSETS	3,283,597	3,265,811	1	2,961,076	2,949,269	0
EQUITY						
Share capital	1,821,558	1,820,019	0	1,821,558	1,820,019	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,816,342	1,814,803	0	1,816,342	1,814,803	0
Shares held by employee benefit trust	(3,607)	(3,761)	(4)	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	1,329,064	1,338,743	(1)	1,097,012	1,093,595	0
Other reserves	98,179	73,814	33	48,917	42,066	16
Capital and reserves attributable to equity holders of the Company	3,238,783	3,222,404	1	2,961,076	2,949,269	0
Non-controlling interest	44,814	43,407	3	-	-	0
TOTAL EQUITY	3,283,597	3,265,811	1	2,961,076	2,949,269	0
Net current assets	482,210	786,373	(39)	1,079,799	1,377,037	(22)

¹ Trade receivables include the full freight revenue for voyages, which corresponds to the contractual rights stipulated in the standard Bill of Lading and is inclusive of the freight charges collectable at destination for Free on Board shipments.

² Other current liabilities relates to deferred revenue arising from the percentage-of-completion method for revenue recognition.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group as at 8 April 2011	Secured loans	Unsecured loans	Secured finance lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable on or before 6 April 2012, or on demand	11,360	1,204	8,200	20,764
Amount repayable on or before:				
5 April 2013	12,392	-	7,662	20,054
4 April 2014	13,458	650,000	8,134	671,592
3 April 2015	13,908	-	8,665	22,573
1 April 2016	14,382	-	9,338	23,720
Thereafter	30,068	318,141	254,266	602,475
	95,568	969,345	296,265	1,361,178

As at 31 December 2010	Secured loans	Unsecured loans	Secured finance lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2011, or on demand	11,206	1,212	8,605	21,023
Amount repayable in:				
FY 2012	12,219	-	7,617	19,836
FY 2013	13,272	350,000	8,015	371,287
FY 2014	12,635	300,000	8,522	321,157
FY 2015	14,125	-	9,111	23,236
Thereafter	33,395	312,643	256,623	602,661
	96,852	963,855	298,493	1,359,200

The loans and finance lease liabilities are secured mainly on vessels.

1.(b)(iii) Operating Lease Commitments

The future aggregate minimum lease payable under non-cancellable operating leases of the Group are as follows:

The Group as at 8 April 2011	Vessels	Containers	Terminals	Chassis	Others ³	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable for the remainder of FY 2011	564,134	38,596	65,072	21,086	44,869	733,757
Amount repayable in :						
FY 2012	615,764	52,811	97,302	17,960	50,740	834,577
FY 2013	490,676	50,836	92,854	13,312	33,790	681,468
FY 2014	388,272	50,836	84,339	9,452	21,973	554,872
FY 2015	240,851	41,546	81,138	2,883	16,412	382,830
Thereafter	682,083	27,020	745,312	-	13,874	1,468,289
	2,981,780	261,645	1,166,017	64,693	181,658	4,655,793

As at 31 December 2010	Vessels	Containers	Terminals	Chassis	Others ³	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2011	706,456	22,937	101,620	29,799	57,397	918,209
Amount repayable in :						
FY 2012	590,535	22,937	97,982	17,966	48,196	777,616
FY 2013	493,619	22,937	93,307	13,315	32,116	655,294
FY 2014	388,271	22,936	84,398	9,453	20,710	525,768
FY 2015	240,851	12,516	81,053	2,884	14,922	352,226
Thereafter	664,211	24,718	745,148	-	13,235	1,447,312
	3,083,943	128,981	1,203,508	73,417	186,576	4,676,425

³ Others relate mainly to warehouse space, warehouse equipment, office space and land.

1.(c) Consolidated Cash Flow Statement

	Group	
	Q1 2011 US\$'000	Q1 2010 US\$'000
Cash Flows from Operating Activities		
Profit/(loss) before income tax	4,782	(84,654)
Adjustments for :		
Depreciation and amortisation	75,919	76,243
Fair value (gains)/losses on hedges	(1,868)	910
Fair value gains on forward foreign exchange contracts: not qualifying as hedges	(1,474)	-
Premium on bunker call options	-	11,229
Interest expense	8,666	9,267
Interest income	(1,949)	(888)
Share-based compensation costs	233	1,061
Fair value (gains)/losses on shares held by employee benefit trust	(483)	1,161
Net (write-back)/write-off of inventories	(103)	440
Write-off of intangible assets	-	49
Net (profit)/loss on disposal of property, plant and equipment	(840)	242
Net provision/(write-back) of impairment of assets	16	(292)
Net provision for liabilities	7,286	3,103
Share of results of associated companies	(2,740)	(738)
Share of results of joint ventures	(211)	(532)
Unrealised translation losses	877	3,151
Operating cash flow before working capital changes	88,111	19,752
Changes in operating assets and liabilities		
Receivables and other assets	(162)	(99,463)
Inventories	(3,989)	(23,131)
Payables	(964)	(8,281)
Cash generated from/(used in) operations	82,996	(111,123)
Interest paid	(15,251)	(10,643)
Interest received	4,036	883
Net income tax paid	(4,056)	(5,371)
Net cash inflow/(outflow) from operating activities	67,725	(126,254)
Cash Flows from Investing Activities		
Net proceeds from loans receivable	11	452
Dividends received from a joint venture	32	-
Additions in other non-current investments	(364)	(223)
Purchase of property, plant and equipment	(376,250)	(30,036)
Purchase of intangible assets	(592)	(186)
Proceeds from disposal of property, plant and equipment	3,576	5,729
Net cash outflow from investing activities	(373,587)	(24,264)
Cash Flows from Financing Activities		
Proceeds from borrowings	-	300,000
Net cash inflow contributed by employee benefit trust	202	198
Proceeds from issue of new ordinary shares	389	216
Repayment of borrowings	(4,012)	(84,983)
Payment of upfront fees incurred in connection with long term financing	(4,749)	-
Net cash (outflow)/inflow from financing activities	(8,170)	215,431
Net (decrease)/increase in cash and cash equivalents	(314,032)	64,913
Cash and cash equivalents at beginning of financial period	977,212	333,048
Cash and cash equivalents at end of financial period	663,180	397,961

1.(d)(i) Statement of Changes in Equity

GROUP	Capital and reserves attributable to equity holders of the Company							
	Share capital	Treasury shares	Shares held by employee benefit trust	Treasury shares reserve	Retained earnings	Other reserves	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2011	1,820,019	(5,216)	(3,761)	(1,195)	1,338,743	73,814	43,407	3,265,811
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	233	-	233
- new shares issued	1,539	-	-	-	-	(1,150)	-	389
Sales of shares by employee benefit trust	-	-	154	-	-	-	-	154
Total comprehensive (loss)/income for the financial period	-	-	-	-	(9,679)	25,282	1,407	17,010
Balance at 8 April 2011	1,821,558	(5,216)	(3,607)	(1,195)	1,329,064	98,179	44,814	3,283,597
	Capital and reserves attributable to equity holders of the Company							
GROUP	Share capital	Treasury shares	Shares held by employee benefit trust	Treasury shares reserve	Retained earnings	Other reserves	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 26 December 2009	1,815,479	(5,216)	(2,989)	(1,195)	877,807	112,733	43,571	2,840,190
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,061	-	1,061
- new shares issued	3,017	-	-	-	-	(2,801)	-	216
Sale of shares by employee benefit trust	-	-	201	-	-	-	-	201
Total comprehensive (loss)/income for the financial period	-	-	-	-	(98,491)	(30,888)	1,475	(127,904)
Balance at 2 April 2010	1,818,496	(5,216)	(2,788)	(1,195)	779,316	80,105	45,046	2,713,764

1.(d)(i) Statement of Changes in Equity (continued)

COMPANY	Share capital	Treasury shares	Treasury shares reserves	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2011	1,820,019	(5,216)	(1,195)	1,093,595	42,066	2,949,269
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	233	233
- new shares issued	1,539	-	-	-	(1,150)	389
Total comprehensive income for the financial period	-	-	-	3,417	7,768	11,185
Balance at 8 April 2011	1,821,558	(5,216)	(1,195)	1,097,012	48,917	2,961,076

COMPANY	Share capital	Treasury shares	Treasury shares reserves	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 26 December 2009	1,815,479	(5,216)	(1,195)	1,085,061	38,740	2,932,869
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,061	1,061
- new shares issued	3,017	-	-	-	(2,801)	216
Total comprehensive income for the financial period	-	-	-	199	-	199
Balance at 2 April 2010	1,818,496	(5,216)	(1,195)	1,085,260	37,000	2,934,345

1.(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the previous period of the immediately preceding financial year.

Issued and paid up capital

As at 8 April 2011, the Company's issued and paid-up capital (including treasury shares) comprised 2,584,478,612 (31 December 2010: 2,583,364,922) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,582,751,895 (31 December 2010: 2,581,638,205) ordinary shares.

Share options

As at 31 December 2010, there were 46,682,418 outstanding options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL Share Option Plan ("NOL SOP").

During the 3 months ended 8 April 2011, 460,038 and 32,932 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.05 per share and S\$2.10 per share respectively and 815,825 options were cancelled.

As at 8 April 2011, there were 54,827 (31 December 2010: nil) share options exercised but for which shares have yet to be allotted and options to subscribe for 45,373,623 ordinary shares remain outstanding under the NOL SOP.

Performance shares

As at 31 December 2010, there were 675,547 outstanding performance shares under the NOL Performance Share Plan 2004 ("NOL PSP 2004").

During the 3 months ended 8 April 2011, 675,547 performance shares under the NOL PSP 2004 were vested on 2 January 2011.

In addition, the Company awarded 2,656,000 new performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

As at 8 April 2011, 2,656,000 performance shares remain outstanding under the NOL PSP 2010.

Restricted shares

As at 31 December 2010, there was no award of restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the 3 months ended 8 April 2011, the Company awarded 5,134,000 restricted shares under the NOL RSP 2010.

As at 8 April 2011, 5,134,000 restricted shares remain outstanding under the NOL RSP 2010.

Treasury shares

As at 31 December 2010, there were 1,726,717 treasury shares that may be re-issued upon the exercise of options under the NOL SOP and the vesting of performance shares under the NOL PSP 2004.

During the 3 months ended 8 April 2011, no treasury shares were re-issued by the Company pursuant to the NOL SOP, NOL PSP 2004, NOL PSP 2010 and NOL RSP 2010.

In addition, no shares were purchased for the purposes of fulfilling the Company's obligations under the NOL SOP, NOL PSP 2004, NOL PSP 2010 and NOL RSP 2010.

As at 8 April 2011, there were 1,726,717 treasury shares remaining that have not been re-issued.

2. **Basis of Preparation**

The preparation of the first quarter 2011 interim financial information in conformity with Singapore Financial Reporting Standards requires management to exercise its judgement in the process of applying the Neptune Orient Lines Limited Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at 8 April 2011 and the reported amounts of revenue and expenses during the financial period from 1 January 2011 to 8 April 2011. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. **Negative Assurance Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual**

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the Company which may render the interim financial information for the first quarter ended 8 April 2011 to be false or misleading in any material aspect.

On behalf of the board of directors

CHRISTOPHER LAU JEANETTE WONG KAI YUAN
Director Director

Dated this 13 May 2011

4. **Audit or Review of Figures**

The figures have not been audited or reviewed by our auditors.

5. **Auditors' Report (including any qualifications or emphasis of matter)**

N.A.

6. **Contingent Liability**

The U.S. Internal Revenue Service ("the IRS") had audited the 2005 and 2006 U.S. federal income tax returns of APL Limited, a subsidiary company within the NOL Group ("the Group"). In August 2010, the IRS issued a Revenue Agent's Report ("RAR") proposing certain adjustments primarily related to (1) different interpretations of tax legislation under the U.S. tonnage tax regime and (2) transfer pricing. APL Limited disagrees with the IRS's proposed adjustments and is contesting them through the IRS administrative procedures. APL Limited has filed its protest letter with the IRS on 20 September 2010 and has requested for the case to be reviewed and assigned to appeals. Subsequently, the IRS filed a rebuttal to the protest letter with the IRS Office of Appeals. The appeal process is expected to take an extended period of time to resolve the issues. In the meantime, the Group is not able to reasonably determine with certainty the ultimate outcome of the RAR with the IRS and will continue to defend its tax return position. As of end Quarter 1, 2011, based on available facts and information, the Group believes that it has provided adequate provisions for all the open matters referred to in the RAR.

The IRS has also notified APL Limited that it will commence the examination of APL Limited's 2007, 2008 and 2009 U.S. federal income tax returns.

7. **Accounting Policies**

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under Note 8(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2010.

8.(a) **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, to disclose what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2011, the Group and the Company adopted/early adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS"), which are effective for the Group's financial period beginning 1 January 2011.

The following are the FRS and INT FRS that are relevant to the Group and the Company:

FRS 24 (revised) : Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)
Amendments to FRS 32 : Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010)
Amendments to INT FRS 114 : Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011)
INT FRS 119 : Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010)

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the Group and the Company, except as discussed below:

1) Amendments to FRS 32 Classification of Rights Issues

The Group has adopted Amendments to FRS 32 prospectively to future rights issue from 1 January 2011.

The Amendments to FRS 32 addresses the accounting for rights issues (rights, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. The amendment states that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, regardless of the currency in which the exercise price is denominated if the entity offers the rights, options, or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

2) Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement

The Group has adopted INT FRS 114 prospectively from 1 January 2011, but it is not expected to have a material impact on the Group.

The Amendments to INT FRS 114 removes an unintended consequence of INT FRS 114 relating to voluntary pension prepayments when there is a minimum funding requirement. An unintended consequence of the interpretation, prior to the amendment, was that INT FRS 114 could prevent the recognition of an asset for any surplus arising from such voluntary prepayment of minimum funding contributions in respect of future service. The interpretation has been amended to require an asset to be recognised in these circumstances.

3) INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments

The Group has adopted INT FRS 119 retrospectively, but it is not expected to have a material impact on the Group.

INT FRS 119 clarifies the accounting when an entity renegotiates the terms of its financial liability with the result that the entity issues equity instruments to a creditor in return for the extinguishment of all or part of a financial liability. INT FRS 119 clarifies that:

- Equity instruments issued to a creditor to extinguish all or part of a financial liability are 'consideration paid';
- Equity instruments issued should be measured at the fair value of the equity instruments, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment; and
- Any difference between the carrying amount of the financial liability that is extinguished and the fair value of the equity instruments issued is recognised immediately in the income statement.

8.(b) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

9.

GROUP

Loss per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares)

	Q1 2011	Q1 2010
a) Based on the weighted average number of ordinary shares on issue	(0.38 US cts)	(3.82 US cts)
b) On a fully diluted basis (detailing any adjustments made to the earnings)	(0.38 US cts)	(3.82 US cts)

10. **Net Asset Value**

	Group			Company		
	8 Apr 2011 US\$	31 Dec 2010 US\$	Inc / (Dec) %	8 Apr 2011 US\$	31 Dec 2010 US\$	Inc / (Dec) %
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	1.25	1.25	-	1.15	1.14	0.88

11. **Review of the Performance of the Group**

Income Statement:

NOL Group achieved revenue of US\$2.44 billion (Q1 2010: US\$2.10 billion), an increase of US\$345 million or 16% year-on-year (YoY). This is mainly due to increase in liner revenue from higher volumes and freight rates.

The Group's cost of sales increased by US\$242 million or 12% YoY to US\$2.25 billion mainly due to higher costs associated with higher volumes and higher bunker costs.

Administrative expenses increased by US\$19 million or 12% YoY to US\$177 million mainly due to higher general overhead expenses.

The Group's net loss attributable to shareholders decreased by US\$89 million to US\$10 million as liner's volume improved 9% YoY and average Revenue per FEU increased by 3% YoY.

Balance Sheet:

NOL Group's total assets increased by US\$22 million from US\$6.45 billion as at 31 December 2010 to US\$6.47 billion as at 8 April 2011. The increase in total assets was mainly due to increase in derivative financial instruments arising from increase in unrealised fair value gains of such instruments outstanding as at Q1 2011.

The Group's total equity increased by US\$18 million from US\$3.27 billion as at 31 December 2010 to US\$3.28 billion as at 8 April 2011 mainly due to increase in other reserves arising from revaluation of derivative financial instruments that are outstanding as at Q1 2011, partially offset by net losses incurred during the quarter.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$314 million from US\$977 million as at 31 December 2010 to US\$663 million as at 8 April 2011 mainly due to net cash outflow from investing activities of US\$374 million and net cash outflow from financing activities of US\$8 million, partially offset by net cash inflow from operating activities of US\$68 million (before taking into account of non cash adjustments to the income statement). Net cash outflow from investing activities was mainly due to progressive payments made for the new vessels that the Group had ordered. Net cash outflow from financing activities was mainly due to repayment of borrowings of US\$4 million and payment of upfront fees incurred in connection with long term financing of US\$5 million.

	Q1 2011 US\$m	Q1 2010 US\$m
(a) Revenue		
Liner ⁴	2,103	1,834
Logistics	368	296
Elimination	(28)	(32)
Total	2,443	2,098
(b) Core EBIT⁵		
Liner ⁴	(8)	(89)
Logistics	21	15
Total	13	(74)

⁴ The financial results of "Others" have been combined with the Liner business unit with effect from Q1 2011.

⁵ Earnings before Interest, Tax and Exceptional (Non-Recurring) Items.

(c) **Analysis by Business Units**

(i) **Liner**

Liner achieved Q1 2011 revenue of US\$2.10 billion, a year-on-year (YoY) increase of 15% mainly due to a combination of higher volumes transported and improved freight rates in certain trade lanes.

Volume rose by 9% YoY mainly due to higher volumes lifted on the Intra-Asia and Asia-Europe trade lanes.

Average revenue per FEU improved by 3% YoY to US\$2,598 mainly due to improved freight rates on the Transpacific, partially offset by rates decline on the Asia-Europe and Intra-Asia trade lanes.

In Q1 2011, Liner Core EBIT losses narrowed to US\$8 million, a decrease of 91% or US\$81 million as compared to Q1 2010. The decrease in losses was mainly due to higher volumes and freight rates in certain trades while the rise in the price of bunker fuel, which increased by 28% since Q1 2010, were partially mitigated by savings associated with slow steaming.

LINER Q1 RESULTS 2011 and 2010

Unaudited

	Q1 2011	Q1 2010
Load Factors %		
Transpacific Eastbound	84%	91%
Asia-Europe Westbound	96%	98%
Transatlantic Westbound	100%	92%
Intra-Asia Westbound	100%	93%
Asia-Latin America/Mexico Eastbound	83%	94%
Headhaul	92%	93%
Volume ('000 FEU)		
<u>Americas</u>		
Transpacific	227	227
Latin America	48	49
	<u>275</u>	<u>276</u>
<u>Europe</u>		
Asia-Europe	130	104
Transatlantic	39	35
	<u>169</u>	<u>139</u>
<u>Asia/Middle East</u>		
Intra-Asia	320	286
Total Volume ⁶	764	701
Operating Expenses (US\$m)		
<u>Americas</u>		
Transpacific	948	889
Latin America	174	180
	<u>1,122</u>	<u>1,069</u>
<u>Europe</u>		
Asia-Europe	367	304
Transatlantic	128	107
	<u>495</u>	<u>411</u>
<u>Asia/Middle East</u>		
Intra-Asia	494	443
Total Operating Expenses	2,111	1,923
Analysis of Expenses (US\$m)		
Operating Cost	1,906	1,733
General and Administrative	131	117
Depreciation and Amortisation	74	73
Total Operating Expenses	2,111	1,923

⁶ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

(c) **Analysis by Business Units (continued)**

(ii) **Logistics**

Logistics achieved Q1 2011 revenue of US\$368 million, a year-on-year (YoY) increase of 24% due to a combination of higher volumes and unit rates across the various Logistics' services.

Contract Logistics achieved revenue of US\$233 million, a YoY increase of 23% 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\$135 million, a YoY increase of 26% mainly due to higher volume in its origination services and higher freight rates in the forwarding business segment.

Logistics achieved a Core EBIT of US\$21 million for Q1 2011, an increase of US\$6 million YoY due to higher contribution associated with higher revenues partially offset by the increase in general and administrative expenses to support the growth in revenue.

LOGISTICS Q1 RESULTS 2011 and 2010

Unaudited
US\$ millions

	Q1 2011	Q1 2010
BY REGION		
Revenue		
Americas	233	187
Europe	44	34
Asia/Middle East	91	75
Total Revenue	368	296
BY BUSINESS SEGMENT		
Revenue		
Contract Logistics Services	233	189
International Services	135	107
Total Revenue	368	296
Operating Expenses		
Contract Logistics Services	224	184
International Services	123	97
Total Operating Expenses	347	281
Core EBIT⁷		
Contract Logistics Services	9	5
International Services	12	10
Total Core EBIT	21	15
Analysis of Expenses		
Operating Cost	300	239
General and Administrative	47	39
Depreciation and Amortisation	2	3
Others ⁸	(2)	-
Total Operating Expenses	347	281

⁷ Earnings before Interest, Tax and Exceptional (Non-Recurring) Items.

⁸ Others consists of non-controlling interest and share of results of associated companies and joint ventures.

12. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

13. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Market conditions remain uncertain. Increased operating costs -- particularly related to fuel cost increases - and competitive pressure on rates are expected to continue for the near term. Should these conditions persist, our results will be negatively impacted. Our focus remains on operating efficiency, cost reduction and high vessel utilization.

14. **Dividend**

(a) **Any dividend recommended for the current financial period reported on?**

Nil

(b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil

(c) **Date payable**

N.A.

(d) **Books closure date**

N.A.

(e) **If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENT

15. Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	Q1 2011 US\$'000	Q1 2010 US\$'000
Transactions for the Purchase of Goods and Services		
PSA Corporation Limited and its associates	59,794	46,018
Transactions for the Leasing-in of Assets		
Sembcorp Marine Ltd and its associates	930	840

The above relates to cumulative value of transactions (inclusive of GST) more than S\$100,000.

BY ORDER OF THE BOARD

LOOI LEE HWA AND WONG KIM WAH
Company Secretaries

Dated this 13 May 2011