



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)  
Unaudited Quarterly Financial Information  
For the 1st Quarter Ended 3 April 2015

## 1.(a)(i) Consolidated Income Statement

	Group		
	Q1 2015 US\$'000	Q1 2014 US\$'000	% Increase/ (Decrease)
<b>Continuing operations<sup>1</sup></b>			
Revenue	1,580,637	1,875,109	(16)
Cost of sales	(1,445,272)	(1,857,607)	(22)
Gross profit	135,365	17,502	673
Other gains (net)			
- Miscellaneous	2,336	6,570	(64)
- Finance and investment income	1,378	1,123	23
Expenses			
- Administrative: IT	(22,130)	(21,361)	4
- Administrative: non-IT	(92,497)	(102,780)	(10)
- Finance	(42,201)	(32,512)	30
- Other operating	(26,650)	3,110	N/M
Share of results of associated companies	(127)	356	N/M
Share of results of joint ventures	700	(163)	N/M
Loss before income tax from continuing operations	(43,826)	(128,155)	(66)
Income tax credit	8,044	4,871	65
Loss from continuing operations, net of tax	(35,782)	(123,284)	(71)
<b>Discontinued operations<sup>1</sup></b>			
Profit from discontinued operations, net of tax	26,939	27,297	(1)
Net loss for the financial period	(8,843)	(95,987)	(91)
<b>Profit/(loss) attributable to:</b>			
<b>Equity holders of the Company</b>			
- From continuing operations	(36,177)	(123,902)	(71)
- From discontinued operations	25,398	25,966	(2)
	(10,779)	(97,936)	(89)
<b>Non-controlling interest</b>			
- From continuing operations	395	618	(36)
- From discontinued operations	1,541	1,331	16
	1,936	1,949	(1)
	(8,843)	(95,987)	(91)

<sup>1</sup> "Continuing operations" refers to Liner business while Logistics business, as a result of the proposed sale, is classified as "Discontinued operations". Amounts under "Continuing operations" and "Discontinued operations" do not include trade transactions between Liner and Logistics business. Details of the reclassification are provided in 1.(a)(ii).

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

	Group		
	Q1 2015 US\$'000	Q1 2014 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	2,012	3,349	(40)
(B) Net Interest on Borrowings	(36,765)	(26,668)	38
(C) Depreciation and Amortisation	(103,367)	(97,384)	6
(D) Allowance for Doubtful Debts and Bad Debts Written (Off)/Back	(14,812)	475	N/M
(E) Foreign Exchange (Loss)/Gain	(9,697)	15,958	N/M
(F) Adjustment for Over Provision for Tax in Prior Years	13,745	13,966	(2)
(G) Profit on Sale of Investments, Property, Plant and Equipment and Other Assets	364	2,123	(83)
(H) Impairment Loss on Assets	-	(620)	(100)
(I) Net (Write-off)/Write-back of Inventories	(34)	43	N/M

N/M: Not meaningful

**Discontinued operations and disposal group classified as held-for-sale**

On 17 February 2015, the Company entered into a sale and purchase agreement with Kintetsu World Express, Inc. ("KWE") for the sale (the "Transaction") of the Company's logistics business, APL Logistics to KWE for an aggregate purchase price of US\$1.2 billion. The Company will effect the Transaction by selling all its shares in APL Logistics to KWE. The Transaction is expected to be completed in the middle of 2015 and until then, the financial results of APL Logistics will continue to be consolidated as part of the Group's financial results.

In accordance with "FRS 105 Non-current Assets Held for Sale and Discontinued Operations", the results of the Logistics business of the Group is presented separately on the Statement of Comprehensive Income as "discontinued operations". A discontinued operation is a separate major line of the Group's business that meets the criteria for classification as held-for-sale.

The results of Logistics business for Q1 2015 and Q1 2014 are as follows:

	Group		
	Q1 2015 US\$'000	Q1 2014 US\$'000	% Increase/ (Decrease)
Revenue	404,356	404,125	0
Expenses	(372,674)	(372,820)	(0)
Other gains (net)	1,429	2,169	(34)
Profit before income tax from discontinued operations	33,111	33,474	(1)
Income tax expense	(6,172)	(6,177)	(0)
Profit from discontinued operations, net of tax	26,939	27,297	(1)

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

	Group	
	Q1 2015 US\$'000	Q1 2014 US\$'000
Net loss for the financial period	(8,843)	(95,987)
<b>Continuing operations</b>		
Other comprehensive income:		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value loss on cash flow hedges	(35,793)	(6,791)
Fair value loss/(gain) on cash flow hedges transferred to the income statement	34,377	(2,388)
Fair value gain on available-for-sale financial assets	-	7
Share of other comprehensive income of associated company	267	-
Currency translation differences	(9,563)	(147)
Tax on fair value gain and loss	-	134
	(10,712)	(9,185)
<b>Discontinued operations</b>		
Other comprehensive income:		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Fair value gain/(loss) on cash flow hedges	193	(109)
Fair value gain on cash flow hedges transferred to the income statement	(314)	-
Fair value gain on available-for-sale financial assets	10	6
Currency translation differences	1,523	(1,510)
	1,412	(1,613)
Other comprehensive income for the financial period, net of tax	(9,300)	(10,798)
Total comprehensive income for the financial period	(18,143)	(106,785)
Total comprehensive income attributable to:		
Equity holders of the Company		
- From continuing operations	(46,851)	(133,212)
- From discontinued operations	26,858	24,349
	(19,993)	(108,863)
Non-controlling interest		
- From continuing operations	357	743
- From discontinued operations	1,493	1,335
	1,850	2,078
	(18,143)	(106,785)

1.(b)(i) Statement of Financial Position

	Group			Company		
	3 Apr 2015 US\$'000	26 Dec 2014 US\$'000	% Increase/ (Decrease)	3 Apr 2015 US\$'000	26 Dec 2014 US\$'000	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	616,879	1,225,771	(50)	55,559	873,859	(94)
Trade and other receivables <sup>2</sup>	663,439	1,080,359	(39)	3,819,299	3,560,275	7
Available-for-sale financial assets	-	24,516	(100)	-	-	0
Inventories at cost	133,463	175,244	(24)	-	-	0
Derivative financial instruments	273	726	(62)	-	-	0
Assets of disposal group classified as held-for-sale	590,008	-	N/M	275,352	-	N/M
Other current assets	79,232	103,206	(23)	4,872	4,377	11
Total current assets	2,083,294	2,609,822	(20)	4,155,082	4,438,511	(6)
<b>Non-current Assets</b>						
Investments in subsidiaries	-	-	0	775,212	1,050,564	(26)
Investments in associated companies	107,483	160,835	(33)	-	-	0
Investments in joint ventures	21,816	21,220	3	-	-	0
Property, plant and equipment	5,867,158	6,012,433	(2)	9,550	9,852	(3)
Deferred charges	4,938	5,387	(8)	4,938	5,387	(8)
Intangible assets	18,647	31,100	(40)	2,375	2,324	2
Land use rights	-	817	(100)	-	-	0
Goodwill arising on consolidation	121,035	158,068	(23)	-	-	0
Deferred income tax assets	53,473	42,575	26	-	-	0
Other non-current assets	45,684	57,367	(20)	56	57	(2)
Total non-current assets	6,240,234	6,489,802	(4)	792,131	1,068,184	(26)
<b>TOTAL ASSETS</b>	<b>8,323,528</b>	<b>9,099,624</b>	<b>(9)</b>	<b>4,947,213</b>	<b>5,506,695</b>	<b>(10)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	853,651	1,178,233	(28)	122,904	107,364	14
Current income tax liabilities	90,801	132,448	(31)	2,475	2,722	(9)
Borrowings	624,695	615,095	2	300,000	300,000	0
Provisions	35,973	40,378	(11)	1,438	1,881	(24)
Deferred income	3,124	5,156	(39)	-	-	0
Derivative financial instruments	16,057	30,363	(47)	2	2,299	(100)
Liabilities directly associated with disposal group classified as held-for-sale	272,298	-	N/M	-	-	0
Other current liabilities <sup>3</sup>	192,829	226,949	(15)	-	-	0
Total current liabilities	2,089,428	2,228,622	(6)	426,819	414,266	3
<b>Non-current Liabilities</b>						
Borrowings	4,013,958	4,676,308	(14)	1,442,937	2,024,509	(29)
Provisions	177,470	191,654	(7)	-	-	0
Deferred income	731	1,566	(53)	-	-	0
Deferred income tax liabilities	15,511	6,431	141	628	628	0
Derivative financial instruments	221,055	160,357	38	138,234	101,256	37
Other non-current liabilities	23,607	26,809	(12)	-	-	0
Total non-current liabilities	4,452,332	5,063,125	(12)	1,581,799	2,126,393	(26)
<b>TOTAL LIABILITIES</b>	<b>6,541,760</b>	<b>7,291,747</b>	<b>(10)</b>	<b>2,008,618</b>	<b>2,540,659</b>	<b>(21)</b>
<b>NET ASSETS</b>	<b>1,781,768</b>	<b>1,807,877</b>	<b>(1)</b>	<b>2,938,595</b>	<b>2,966,036</b>	<b>(1)</b>
<b>EQUITY</b>						
Share capital	1,837,026	1,834,341	0	1,837,026	1,834,341	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,831,810	1,829,125	0	1,831,810	1,829,125	0
Shares held by employee benefit trust	(5,460)	(5,719)	(5)	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	17,977	28,756	(37)	1,098,286	1,120,724	(2)
Statutory and other reserves	(116,665)	(100,854)	16	9,694	17,382	(44)
Capital and reserves attributable to equity holders of the Company	1,726,467	1,750,113	(1)	2,938,595	2,966,036	(1)
Non-controlling interest	55,301	57,764	(4)	-	-	0
<b>TOTAL EQUITY</b>	<b>1,781,768</b>	<b>1,807,877</b>	<b>(1)</b>	<b>2,938,595</b>	<b>2,966,036</b>	<b>(1)</b>
Net current (liabilities)/assets	(6,134)	381,200	N/M	3,728,263	4,024,245	(7)

<sup>2</sup> 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.

<sup>3</sup> Other current liabilities relate mainly to deferred revenue arising from the percentage-of-completion method for revenue recognition.

N/M: Not meaningful

**Discontinued operations and disposal group classified as held-for-sale**

The proposed sale necessitates a carve-out of the assets and liabilities related to the Logistics business and presented in the Statement of Financial Position as "Assets of disposal group classified as held-for-sale" and "Liabilities directly associated with disposal group classified as held-for-sale" in accordance with FRS 105. The Logistics business is deemed to be "held-for-sale" as its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Immediately before the initial classification of the disposal group as "held-for-sale", the carrying amounts of all the assets and liabilities in the group are measured in accordance with the applicable FRSs. Upon classification as "held-for-sale", the non-current assets and disposal groups are not depreciated or amortised and are measured at the lower of carrying amount and fair value less costs to sell.

The major classes of assets and liabilities of Logistics business classified as held-for-sale as at 3 April 2015 are as follows:

	Group	Company
	3 Apr 2015	3 Apr 2015
	US\$'000	US\$'000
Cash and cash equivalents	78,748	-
Trade and other receivables	279,813	-
Investments in subsidiaries	-	275,352
Investments in associated companies	51,497	-
Property, plant and equipment	72,982	-
Other assets	106,968	-
<b>Assets of disposal group classified as held-for-sale</b>	<b>590,008</b>	<b>275,352</b>
Trade and other payables	209,925	-
Other liabilities	62,373	-
<b>Liabilities directly associated with disposal group classified as held-for-sale</b>	<b>272,298</b>	<b>-</b>
<b>Net assets directly associated with disposal group classified as held-for-sale</b>	<b>317,710</b>	<b>275,352</b>

1.(b)(ii) Borrowings

The Group	Secured borrowings	Unsecured borrowings	Secured finance lease liabilities	Total
As at 3 April 2015	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable on or before 1 Apr 2016, or on demand	214,900	399,589	10,973	625,462
Amount repayable on or before:				
7 Apr 2017	230,376	100,000	11,567	341,943
6 Apr 2018	215,231	408,374	12,113	635,718
5 Apr 2019	208,560	300,000	12,692	521,252
3 Apr 2020	313,224	207,996	12,946	534,166
Thereafter	1,239,950	526,941	215,160	1,982,051
	2,422,241	1,942,900	275,451	4,640,592
Reclassified as liabilities directly associated with disposal group classified as held-for-sale	-	(276)	(1,663)	(1,939)
	2,422,241	1,942,624	273,788	4,638,653
<b>As at 26 December 2014</b>				
Amount repayable in FY2015, or on demand	204,394	399,955	10,746	615,095
Amount repayable on or before:				
FY 2016	229,091	427,644	11,432	668,167
FY 2017	218,132	620,189	11,942	850,263
FY 2018	208,803	225,000	12,647	446,450
FY 2019	321,663	313,612	12,680	647,955
Thereafter	1,307,005	538,088	218,380	2,063,473
	2,489,088	2,524,488	277,827	5,291,403

The secured borrowings 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	Vessels	Containers	Terminals	Chassis	Others <sup>4</sup>	Total
As at 3 April 2015	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable for the remainder of FY2015	182,798	35,013	51,576	208	40,982	310,577
Amount repayable in:						
FY 2016	159,849	15,078	60,183	-	41,591	276,701
FY 2017	123,442	6,803	57,245	-	24,894	212,384
FY 2018	116,626	5,274	49,056	-	14,870	185,826
FY 2019	113,003	2,533	49,056	-	12,803	177,395
Thereafter	212,364	6,547	321,733	-	10,050	550,694
	908,082	71,248	588,849	208	145,190	1,713,577
<b>As at 26 December 2014</b>						
Amount repayable in FY 2015	266,916	50,845	68,986	508	54,026	441,281
Amount repayable in:						
FY 2016	159,032	15,112	56,919	-	37,656	268,719
FY 2017	123,442	6,804	57,047	-	22,805	210,098
FY 2018	116,626	5,274	49,056	-	12,785	183,741
FY 2019	113,003	2,533	49,056	-	10,486	175,078
Thereafter	212,364	6,547	321,733	-	10,619	551,263
	991,383	87,115	602,797	508	148,377	1,830,180

<sup>4</sup> Others relate mainly to warehouse space, warehouse equipment, inland container yards, housing rental, office space and land.

## 1.(c) Consolidated Statement of Cash Flows

	Group	
	Q1 2015 US\$'000	Q1 2014 US\$'000
<b>Cash Flows from Operating Activities</b>		
Loss before income tax from continuing operations	(43,826)	(128,155)
Profit before income tax from discontinued operations	33,111	33,474
Adjustments for :		
Depreciation and amortisation	103,367	97,384
Fair value (gain)/loss on financial instruments	(1,096)	8,483
Deferred charge expense	498	792
Net interest expense	36,765	26,668
Interest income	(1,623)	(1,453)
Share-based compensation costs	1,734	1,502
Net write-off/(write-back) of inventories	34	(43)
Fair value loss/(gain) on shares held by employee benefit trust	886	(486)
Net profit on disposal of property, plant and equipment	(273)	(15)
Net profit on disposal of assets classified as held-for-sale	-	(2,108)
Net profit on disposal of other assets	(91)	-
Net provision for impairment of assets	-	620
Net provision for liabilities	15,927	7,871
Share of results of associated companies	(797)	(1,913)
Share of results of joint ventures	(700)	70
Unrealised currency translation gain	(438)	(7,795)
Operating cash flow before working capital changes	143,478	34,896
<b>Changes in operating assets and liabilities</b>		
Receivables and other assets	153,395	(37,739)
Inventories	41,322	7,029
Payables	(154,243)	69,508
Provisions	(19,831)	(6,227)
Cash generated from operations	164,121	67,467
Interest paid	(32,587)	(20,340)
Interest received	1,827	1,282
Net income tax paid	(9,976)	(12,882)
Net cash inflow from operating activities	123,385	35,527
<b>Cash Flows from Investing Activities</b>		
Acquisition of additional interest in a subsidiary, net of cash acquired	(9,985)	-
Investment in an associated company	(3,866)	(13,715)
Proceeds from loans receivables	1	35
Dividends received from joint venture	-	25
Purchase of property, plant and equipment	(32,217)	(246,803)
Purchase of available-for-sale financial assets	(7,372)	-
Purchase of intangible assets	(471)	(1,051)
Proceeds from disposal of assets classified as held-for-sale	-	6,105
Proceeds from disposal of property, plant and equipment	1,020	1,480
Proceeds from disposal of other assets	4,854	1,875
Net cash outflow from investing activities	(48,036)	(252,049)
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	530,124	1,352,480
Net cash inflow/(outflow) contributed by employee benefit trust	130	(30)
Repayment of borrowings	(1,135,698)	(1,509,604)
Payment of costs incurred in connection with long term financing	(49)	(1,871)
Net cash outflow from financing activities	(605,493)	(159,025)
Net decrease in cash and cash equivalents	(530,144)	(375,547)
Cash and cash equivalents at beginning of financial period	1,225,771	980,993
Cash and cash equivalents at end of financial period	695,627	605,446

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial period:

	Group	
	Q1 2015 US\$'000	Q1 2014 US\$'000
Continuing operations	616,879	605,446
Discontinued operations	78,748	-
Cash and cash equivalents	695,627	605,446

In the consolidated statement of cash flows, the operating cash flows of the Logistics business (discontinued operations) has been aggregated with those of the continuing operations of the Liner business. The impact of the Logistics business on the cash flows of the Group is as follows:

	Group	
	Q1 2015 US\$'000	Q1 2014 US\$'000
Operating cash (outflows)/inflows	(3,400)	22,611
Investing cash outflows	(10,294)	(3,497)
Financing cash outflows	(128)	(28)
Total cash (outflows)/inflows	(13,822)	19,086

## 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	Statutory and 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 27 December 2014	1,834,341	(5,216)	(5,719)	(1,195)	28,756	(100,854)	57,764	1,807,877
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,734	-	1,734
- new shares issued	2,685	-	-	-	-	(2,685)	-	-
Sale of shares by employee benefit trust	-	-	259	-	-	-	-	259
Acquisition of non-controlling interest without a change in control	-	-	-	-	-	(5,672)	(4,313)	(9,985)
Share of statutory reserves of associated company	-	-	-	-	-	26	-	26
Total comprehensive income for the financial period	-	-	-	-	(10,779)	(9,214)	1,850	(18,143)
Balance at 3 April 2015	1,837,026	(5,216)	(5,460)	(1,195)	17,977	(116,665)	55,301	1,781,768
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	Statutory and 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 28 December 2013	1,830,222	(5,216)	(6,146)	(1,195)	288,733	(29,295)	53,708	2,130,811
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,502	-	1,502
- new shares issued	3,250	-	-	-	-	(3,250)	-	-
Sale of shares by employee benefit trust	-	-	200	-	-	-	-	200
Share of statutory reserves of associated company	-	-	-	-	-	21	-	21
Total comprehensive income for the financial period	-	-	-	-	(97,936)	(10,927)	2,078	(106,785)
Balance at 4 April 2014	1,833,472	(5,216)	(5,946)	(1,195)	190,797	(41,949)	55,786	2,025,749

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 27 December 2014	1,834,341	(5,216)	(1,195)	1,120,724	17,382	2,966,036
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,734	1,734
- new shares issued	2,685	-	-	-	(2,685)	-
Total comprehensive income for the financial period	-	-	-	(22,438)	(6,737)	(29,175)
Balance at 3 April 2015	1,837,026	(5,216)	(1,195)	1,098,286	9,694	2,938,595

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 28 December 2013	1,830,222	(5,216)	(1,195)	1,168,368	33,237	3,025,416
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,502	1,502
- new shares issued	3,250	-	-	-	(3,250)	-
Total comprehensive income for the financial period	-	-	-	(12,243)	(4,723)	(16,966)
Balance at 4 April 2014	1,833,472	(5,216)	(1,195)	1,156,125	26,766	3,009,952

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 corresponding period of the immediately preceding financial year.

Issued and paid up capital

As at 26 December 2014, the Company's issued and paid-up capital (including treasury shares) comprised 2,595,548,209 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,593,821,492 ordinary shares.

During the 3 months ended 3 April 2015, the Company issued and allotted 3,435,026 ordinary shares upon the vesting of restricted shares awarded under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

As at 3 April 2015, the Company's issued and paid-up capital (including treasury shares) comprised 2,598,983,235 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,597,256,518 ordinary shares.

Share options

As at 26 December 2014, there were 34,371,729 outstanding share 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 3 April 2015, 3,684,890 share options have expired and 22,615 share options were cancelled.

As at 3 April 2015, share options to subscribe for 30,664,224 (4 April 2014: 36,000,794) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 26 December 2014, there were 8,424,595 outstanding restricted shares under the NOL RSP 2010.

During the 3 months ended 3 April 2015, 7,455,000 restricted shares were awarded, 3,435,026 restricted shares were vested and 253,723 restricted shares were cancelled.

As at 3 April 2015, 12,190,846 (4 April 2014: 9,339,603) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 26 December 2014, there were 7,749,696 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the 3 months ended 3 April 2015, 5,602,000 performance shares were awarded and 285,557 performance shares were cancelled.

As at 3 April 2015, 13,066,139 (4 April 2014: 11,072,028) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 26 December 2014, 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 restricted shares and performance shares under the NOL RSP 2010 and NOL PSP 2010 respectively.

During the 3 months ended 3 April 2015, no treasury shares were sold, transferred, disposed, cancelled and/or re-issued by the Company pursuant to the NOL SOP, NOL RSP 2010 and NOL PSP 2010.

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

As at 3 April 2015, there were 1,726,717 (4 April 2014: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the first quarter 2015 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 3 April 2015 and the reported amounts of revenue and expenses during the financial period from 27 December 2014 to 3 April 2015. 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 3 April 2015 to be false or misleading in any material aspect.

On behalf of the board of directors

QUEK SEE TIAT  
Director

NG YAT CHUNG  
Director

Dated this 14 May 2015

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

Tax Exposures

The U.S. Internal Revenue Service ("the IRS") audited the 2007, 2008 and 2009 US federal tax returns of APL Limited, a subsidiary company within the NOL Group ("the Group"). In May 2014, the IRS issued a Revenue Agent Report ("RAR") with certain adjustments. APL Limited disagrees with the IRS's adjustments and consequently filed its protest letter on 12 June 2014, requesting the matter be referred to the IRS Office of Appeals. The Group is not able to determine with certainty the ultimate outcome of the IRS eventual assessment. As of end of Quarter 1, 2015, based on available facts and information, the Group believes that it has provided adequate provisions for the open matters referred to in the RAR.

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 26 December 2014.

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 27 December 2014, the Group and the Company adopted the new or revised Singapore Financial Reporting Standards ("FRS"), which are effective for the Group's financial period beginning 27 December 2014.

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

Amendments to FRS 102 : Share-based Payment (Effective for annual periods beginning on or after 1 July 2014)  
Amendments to FRS 108 : Operating Segments (Effective for annual periods beginning on or after 1 July 2014)

The adoption of the above FRS did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the financial position and results of the Group and the Company.

8.(b) **Comparatives**

With effect from Q1 2015 and pursuant to "FRS 105 Non-current Assets Held for Sale and Discontinued Operations", the results of the Logistics business of the Group have been reclassified as "discontinued operations". Accordingly, certain comparative figures have been restated.

9.

**GROUP**

	Q1 2015	Q1 2014
<b>Earnings/(Loss) per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares)</b>		
<b>a) Based on the weighted average number of ordinary shares on issue</b>		
- From continuing operations	(1.40 US cts)	(4.79 US cts)
- From discontinued operations	0.98 US cts	1.00 US cts
<b>b) On a fully diluted basis (detailing any adjustments made to the earnings)</b>		
- From continuing operations	(1.40 US cts)	(4.79 US cts)
- From discontinued operations	0.98 US cts	1.00 US cts

10. **Net Asset Value**

	Group			Company		
	3 Apr 2015 US\$	26 Dec 2014 US\$	Inc / (Dec) %	3 Apr 2015 US\$	26 Dec 2014 US\$	Inc / (Dec) %
<b>Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer</b>	0.66	0.67	(1.49)	1.13	1.14	(0.88)

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

Income Statement:

Continuing operations:

NOL Group achieved revenue of US\$1.58 billion (Q1 2014: US\$1.88 billion), a decrease of US\$0.29 billion. This was mainly due to decrease in Liner revenue from planned capacity cuts, void sailings and challenging freight rate environment.

The Group's cost of sales decreased by US\$0.41 billion or 22% YoY to US\$1.45 billion mainly due to operational cost efficiencies and lower bunker costs.

Depreciation and amortisation expenses increased by US\$7 million or 8% YoY to US\$102 million mainly due to delivery of new vessels after Q1 2014.

Administrative expenses decreased by US\$10 million or 8% YoY to \$115 million mainly due to lower general overhead expenses.

Finance expenses increased by US\$10 million or 30% YoY to US\$42 million mainly due to higher interest expense from higher average loan balances in Q1 2015 compared to Q1 2014.

The Group recorded other operating expenses of US\$27 million in Q1 2015 compared to other operating gains of US\$3 million in Q1 2014 mainly due to foreign exchange loss in Q1 2015 compared to foreign exchange gains in Q1 2014 and provision for doubtful debts made in Q1 2015.

Net loss attributable to equity holders of the Company decreased by US\$88 million or 71% to US\$36 million mainly due to operational cost efficiencies.

Balance Sheet:

NOL Group's total assets decreased by US\$776 million from US\$9.10 billion as at 26 December 2014 to US\$8.32 billion as at 3 April 2015. The decrease in total assets was mainly due to decrease in cash and cash equivalents and property, plant and equipment. Please refer to the explanation below for the decrease in cash and cash equivalents. Decrease in property, plant and equipment was mainly due to depreciation for the quarter.

The Group's total liabilities decreased by US\$750 million from US\$7.29 billion as at 26 December 2014 to US\$6.54 billion as at 3 April 2015. The decrease in total liabilities was mainly due to decrease in borrowings [see Note 1(b)(ii)] during the quarter.

The Group's total equity decreased by US\$26 million from US\$1.81 billion as at 26 December 2014 to US\$1.78 billion as at 3 April 2015 mainly due to net loss incurred during the quarter and decrease in translation reserve arising from changes in exchange rates of countries whereby foreign subsidiaries and associates operate in.

As at 3 April 2015, the Group was in a net current liabilities position mainly due to increase in current borrowings. As at 3 April 2015, the Group had sufficient undrawn financing facilities committed from large reputable financial institutions to meet its commitments as well as to repay any debts as and when they fall due.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$530 million from US\$1.23 billion as at 26 December 2014 to US\$0.70 billion as at 3 April 2015 mainly due to net cash outflow from financing activities of US\$605 million and net cash outflow from investing activities of US\$48 million, partially offset by net cash inflow from operating activities of US\$123 million. Net cash outflow from financing activities was mainly due to net repayment of borrowings. Net cash inflow from operating activities was mainly due to cash profits generated in Q1 2015.

	Q1 2015 US\$m	Q1 2014 US\$m
<b>(a) Revenue</b>		
Liner <sup>5</sup>	1,601	1,894
Logistics (Discontinued operations) <sup>5</sup>	406	405
Elimination <sup>5</sup>	(22)	(20)
<b>Total</b>	<b>1,985</b>	<b>2,279</b>
<b>(b) Core EBIT<sup>6</sup></b>		
Liner <sup>5</sup>	13	(82)
Logistics (Discontinued operations) <sup>5</sup>	17	17
<b>Total</b>	<b>30</b>	<b>(65)</b>

<sup>5</sup> In accordance with the sale and purchase agreement of 17 February 2015 for the proposed sale of NOL's logistics business to KWE, certain companies in the logistics segment have been carved out from the proposed sale. With effect from Q1 2015 and pursuant to FRS 105 (Non-current Assets Held for Sale and Discontinued Operations), the logistics segment will exclude the carved-out companies. Accordingly, the comparative figures in Q1 2014 have been restated.

<sup>6</sup> Earnings before Net Finance, Tax and Exceptional (Non-Recurring) Items.

(c) **Analysis by Business Units**

(i) **Liner**

Liner achieved Q1 2015 revenue of US\$1.6 billion, a year-on-year (YoY) decrease of 15% mainly due to lower volume and Revenue/FEU.

Volume decreased by 15%YoY mainly due to:  
(i) planned capacity reduction and void sailings; and  
(ii) US West Coast port congestion.

Weaker freight rates across all trade lanes except for Transatlantic trade lane, lowered average revenue per FEU to US\$2,063 or 8% lower YoY.

Liner maintained high utilisation rate of >90% through strict capacity management.

Cost of sales per FEU decreased by 8% YoY mainly due to operational cost efficiencies and lower bunker costs.

As a result of cost & operational efficiencies, Liner recorded a Core EBIT of US\$13 million in Q1 2015.

**LINER Q1 RESULTS 2015 and 2014**

*Unaudited*

	Q1 2015	Q1 2014
<b>Load Factors %</b>		
Transpacific and Asia-Latin America/Mexico Eastbound	95%	92%
Intra-Asia Westbound	99%	96%
Asia-Europe Westbound	87%	98%
Transatlantic Westbound	92%	93%
<b>Headhaul</b>	<b>94%</b>	<b>95%</b>
<b>Volume ('000 FEU)</b>		
Transpacific	180	224
Intra-Asia	317	344
Asia-Europe	112	119
Latin America	44	53
Transatlantic	14	45
<b>Total Volume <sup>7</sup></b>	<b>667</b>	<b>785</b>
<b>Average Revenue/FEU (US\$/FEU)</b>		
Transpacific	3,153	3,292
Intra-Asia	1,262	1,264
Asia-Europe	2,111	2,410
Latin America	3,052	3,271
Transatlantic	2,717	2,689
<b>Total</b>	<b>2,063</b>	<b>2,233</b>

<sup>7</sup> Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

(ii) **Logistics (Discontinued operations)**

Logistics achieved Q1 2015 revenue of US\$406 million, unchanged YoY, on high level of business activity and despite over 30% of its business affected by a strong US dollar.

Logistics achieved Core EBIT of US\$17 million for Q1 2015, unchanged YoY.

**LOGISTICS Q1 RESULTS 2015 and 2014**

*Unaudited*

*US\$ millions*

	Q1 2015	Q1 2014
<b>BY REGION</b>		
<b>Revenue</b>		
Americas <sup>a</sup>	265	262
Europe <sup>a</sup>	42	44
Asia/Middle East <sup>a</sup>	99	99
<b>Total Revenue</b>	<b>406</b>	<b>405</b>

<sup>a</sup> Logistics Q1 2014 Revenue have been restated. Refer to explanatory footnote 5 on page 6.

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

Not applicable as no forecast or prospect statement has been previously made.

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.**

The Group's continuous focus on cost and operational efficiencies has helped to offset the effects of freight rate decline in the first quarter. Going forward, global economic prospects remain uncertain. Freight rates remain pressured from persistent overcapacity in the container shipping industry. The Group will continue its focus on managing costs, increasing yields and adjusting its liner network capacity to improve profitability.

14. **Dividend**

(a) **Any dividend recommended for the current financial year 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.

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 2015 US\$'000
<b>Transactions for the Purchase of Goods and Services</b>	
PSA Corporation Limited and its associates	46,537
Singapore Telecommunications Limited and its associates	81
<b>Transactions for the Sale of Goods and Services</b>	
Olam International Limited	885

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 14 May 2015