



FOR IMMEDIATE RELEASE

NOL registers net loss of US\$11 million in 1Q 2015

Group achieves positive Core EBIT of US\$30 million; reverses Core EBIT loss from a year ago

SINGAPORE, 14 May 2015 - NOL Group today reported a first quarter 2015 net loss of US\$11 million, compared to a US\$98 million net loss in the same period last year. It posted a positive first quarter 2015 Core EBIT (Earnings Before Interest, Taxes and Non-Recurring Items) of US\$30 million, compared to a US\$65 million loss last year. NOL attributed the positive core EBIT to cost savings of US\$155 million and lower fuel cost.

The Group recorded a positive Core EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of US\$133 million in the first quarter, up from US\$33 million last year, while its revenue declined 13% to US\$2 billion in the same period. The revenue fall was due to freight rate erosion, planned capacity cuts in unprofitable trades and adverse impact from the US West Coast port congestion.

“The Group’s container shipping business continued to operate in a challenging environment. Nonetheless, APL has reduced its losses through capacity management, and improved cost and operational efficiencies,” said NOL Group President and CEO Ng Yat Chung. “While congestion in the US West Coast is easing, the liner industry continues to face persistent over-capacity and uncertain global economic prospects.”

FINANCIAL PERFORMANCE

	1Q15	1Q14	Better/(Worse) Change %
Revenue (US\$m)	1,985	2,279	(13)
Core EBITDA (US\$m)	133	33	303
Core EBIT (US\$m)	30	(65)	n.m.
Net loss (US\$m)	(11)	(98)	89

n.m. not meaningful

BUSINESS SEGMENTS

APL, NOL's container shipping business, reported a positive 1Q 2015 Core EBIT of US\$13 million, compared to a loss of US\$82 million over the same period last year. Cost of sales per forty-foot-equivalent unit (FEU) fell by 8% year-on-year.

APL recorded a first quarter 2015 revenue of US\$1.6 billion. First quarter year-on-year volume fell 15%, mainly due to planned capacity cuts in unprofitable trade routes and the impact from the US West Coast port congestion. APL's average freight rates dipped 8% versus the same quarter last year.

"APL eliminated unprofitable capacity for better yield in the first quarter of 2015. We extracted cost savings from lower bunker cost and through more efficient land and terminal operations as well as vessel and voyage operations. These efforts help mitigated the impact of lower volumes and freight rates that we saw in the first quarter," said APL President Kenneth Glenn. "We shall further optimise yield through capacity management, network design and cargo selection. Network design will help to reduce complexity in our business, lower slot cost and improve reliability; and better cargo selection will improve roundtrip profitability in our key trades."

NOL's supply chain management business, APL Logistics' year-on-year Core EBIT and revenue remained stable at US\$17 million and US\$406 million respectively, despite headwinds from a strong US dollar. More than 30% of APL Logistics' business were transacted in non-US dollar currencies.

"Despite a challenging environment, APL Logistics maintained a high level of business activity in the first quarter of 2015," said APL Logistics President Beat Simon. "We remain focused on seeking growth opportunities through the verticals of automotive, consumer, industrials and retail in high growth markets."

NOL announced the proposed divestment of its logistics business to Kintetsu World Express, Inc. on 17 February 2015. On 15 April 2015, NOL shareholders approved the sale of APL Logistics. Subject to regulatory approval, the transaction is expected to complete by mid-2015.

1Q 2015 OPERATING PERFORMANCE

Liner Shipping

	1Q15	1Q14	Better/(Worse) Change %
Revenue (US\$m) ¹	1,601	1,894	(15)
Core EBITDA (US\$m) ¹	115	13	785
Core EBIT (US\$m) ¹	13	(82)	n.m.
Average Revenue/FEU (US\$)	2,063	2,233	(8)
Volume ('000 FEU)	667	785	(15)

n.m. not meaningful

Logistics

	1Q15	1Q14	Better/(Worse) Change %
Revenue (US\$m) ¹	406	405	-
Core EBITDA (US\$m) ¹	18	20	(10)
Core EBIT (US\$m) ¹	17	17	-
Core EBIT Margin (%)	4.2	4.2	-

¹ 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 1Q 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 1Q 2014 have been restated.

Media enquiries

Pamela Pung
Telephone: (65) 6371 7959
Email: Pamela_Pung@nol.com.sg

Shirley Poo
Telephone: (65) 6371 5180
Email: Shirley_Poo@nol.com.sg

Investor enquiries

Au Kah Soon
Telephone: (65) 6371 2597
Email: Kah_Soon_Au@nol.com.sg

About NOL

Neptune Orient Lines (NOL) is a Singapore-based global container shipping and logistics company. Its container shipping arm, APL, provides world-class container shipping and terminal services, as well as intermodal operations supported by leading-edge IT and e-commerce. Its logistics business, APL Logistics, provides international, end-to-end logistics services and solutions, employing the latest IT and data connectivity for maximum supply chain visibility and control. NOL Web site: www.nol.com.sg