



FOR IMMEDIATE RELEASE

NOL Group reports third-quarter 2011 net loss of US\$91 million

SINGAPORE, 31 OCTOBER 2011 – Global container shipping and logistics services provider NOL Group today announced a net loss of US\$91 million for the third quarter of 2011 compared to a profit of US\$282 million in the same period last year.

The Group said its APL Logistics business reported higher revenue and a 9% year-to-date gain in Core EBIT (Earnings Before Interest and Taxes). The container shipping business incurred losses in line with an industry-wide trend.

“The liner shipping industry is faced with slowing trade demand, excess capacity and fuel costs that are significantly higher than a year ago,” said NOL Group CEO Ng Yat Chung. “Our urgent priority is to drive down costs and increase efficiency.”

NOL reported third quarter 2011 revenue of US\$2.2 billion, down 9% from a year ago. It announced a Core EBIT loss for the period of US\$72 million. Through three quarters of 2011, NOL has a net loss of US\$158 million.

FINANCIAL PERFORMANCE

	YTD11	YTD10	Change %	3Q11	3Q10	Change %
Revenue (US\$m)	6,808	6,648	2	2,213	2,429	(9)
Core EBIT (US\$m)	(100)	359	nm	(72)	319	nm
Net (loss)/profit (US\$m)	(158)	283	nm	(91)	282	nm



BUSINESS SEGMENTS

APL, the liner shipping business of NOL Group, reported increased volume of 7% in the third quarter of 2011. Revenue declined 12% and the business announced a Core EBIT loss of US\$88 million. Revenue per FEU (Forty-Foot Equivalent unit) was 19% lower in the third quarter of 2011 compared to the same period in 2010. Fuel prices increased 45% in the third quarter from the same period a year ago.

“Higher volume was offset by increased fuel cost and lower freight rates,” said APL President Kenneth Glenn. “In this environment, we must continue to concentrate on operational efficiency and managing costs down.”

APL Logistics, NOL’s supply chain management business, reported third quarter revenue of US\$333 million, up 10% from a year ago. Third quarter Core EBIT was US\$16 million, down 11% from a year ago. Year-to-date in 2011, APL Logistics has reported revenue of US\$1 billion, up 15% from 2010.

“We achieved our highest average weekly revenue ever during the third quarter and we continue to invest for growth,” said APL Logistics President Jim McAdam. “But at the same time, we are actively managing costs as a reflection of uncertain economic conditions.”

OUTLOOK

Global economic conditions have not improved. With continued low freight rates in container shipping and slowing trade demand, NOL Group expects to report a loss for the full year in 2011.



YTD11 OPERATING PERFORMANCE (vs. YTD10)

Liner Shipping

- Revenue US\$5.9 billion, unchanged
- Core EBIT loss US\$149 million compared to Core EBIT of US\$314 million YTD10
- Average revenue per FEU US\$2,560, down 9%
- Volume 2.2 million FEUs, up 8%

Logistics

- Revenue US\$1 billion, up 15%
- Core EBIT US\$49 million, up 9%
- Core EBIT Margin 4.8% compared to 5.1% YTD10

3Q11 OPERATING PERFORMANCE (vs. 3Q10)

Liner Shipping

- Revenue US\$1.9 billion, down 12%,
- Core EBIT loss US\$88 million compared to Core EBIT of US\$301 million 3Q10
- Average revenue per FEU US\$2,539, down 19%
- Volume 699,000 FEUs, up 7%

Logistics

- Revenue US\$333 million, up 10%
- Core EBIT US\$16 million, down 11%
- Core EBIT Margin 4.8% compared to 6% 3Q10

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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 and 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.

