



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 3rd Quarter Ended 21 September 2012

1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2012 US\$'000	YTD 2011 US\$'000	% Increase/ (Decrease)	Q3 2012 US\$'000	Q3 2011 US\$'000	% Increase/ (Decrease)
Revenue	7,013,062	6,808,257	3	2,302,413	2,213,590	4
Cost of sales	(6,615,322)	(6,360,266)	4	(2,063,417)	(2,089,105)	(1)
Gross profit	397,740	447,991	(11)	238,996	124,485	92
Other gains (net)						
- Miscellaneous	8,342	7,002	19	3,103	2,107	47
- Finance and investment income	3,604	5,362	(33)	1,069	1,280	(16)
Expenses						
- Administrative	(511,253)	(519,848)	(2)	(159,561)	(177,613)	(10)
- Restructuring costs	(29,147)	-	N/M	-	-	0
- Finance	(51,235)	(39,885)	28	(18,235)	(15,890)	15
- Other operating	(102,683)	(31,952)	221	(2,592)	(15,814)	(84)
Share of results of associated companies	2,916	8,048	(64)	950	2,237	(58)
Share of results of joint ventures	(49)	595	N/M	287	218	32
(Loss)/Profit before income tax	(281,765)	(122,687)	130	64,017	(78,990)	N/M
Income tax expense	(35,659)	(32,527)	10	(12,658)	(11,230)	13
Net (loss)/profit for the financial period	(317,424)	(155,214)	105	51,359	(90,220)	N/M
Net (loss)/profit attributable to:						
Equity holders of the Company	(321,391)	(157,755)	104	50,032	(91,098)	N/M
Non-controlling interest	3,967	2,541	56	1,327	878	51
	(317,424)	(155,214)	105	51,359	(90,220)	N/M

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

	Group			Group		
	YTD 2012 US\$'000	YTD 2011 US\$'000	% Increase/ (Decrease)	Q3 2012 US\$'000	Q3 2011 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	6,783	9,201	(26)	2,494	1,903	31
(B) Interest on Borrowings	(31,444)	(24,196)	30	(11,328)	(8,101)	40
(C) Depreciation and Amortisation	(229,073)	(211,696)	8	(71,873)	(67,271)	7
(D) Write-back of/(Allowance for) Doubtful Debts and Bad Debts Written Off	616	(10,132)	N/M	(523)	(1,045)	(50)
(E) (Write-off)/Write-back of Provision for Impairment in Value of Investments	(6)	3	N/M	(6)	-	N/M
(F) Foreign Exchange Gain/(Loss)	5,744	7,051	(19)	8,811	(8,134)	N/M
(G) Adjustment for (Under)/Over Provision for Tax in Prior Years	(976)	2,100	N/M	50	1,429	(97)
(H) Profit on Sale of Investments, Property, Plant and Equipment and other Assets	1,209	2,248	(46)	175	857	(80)
(I) Impairment loss on Assets classified as held-for-sale	(81,624)	-	N/M	-	-	0
(J) (Write-off)/Write back of Inventories	(56)	85	N/M	46	(10)	N/M

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

	Group		Group	
	YTD 2012 US\$'000	YTD 2011 US\$'000	Q3 2012 US\$'000	Q3 2011 US\$'000
Net (loss)/profit for the financial period	(317,424)	(155,214)	51,359	(90,220)
Other comprehensive income:				
Fair value gains/(losses) on cash flow hedges	52,320	(11,641)	61,348	(58,016)
Fair value (gains)/losses on cash flow hedges transferred to the income statement	(21,939)	(24,167)	(16,598)	15,204
Fair value losses on available-for-sale financial asset	(14)	(31)	(15)	(13)
Share of other comprehensive income of associated company	(353)	-	(353)	-
Currency translation differences	3,860	(1,469)	7,189	(10,792)
Tax on fair value gains and losses	12	512	13	89
Other comprehensive income for the financial period, net of tax	33,886	(36,796)	51,584	(53,528)
Total comprehensive income for the financial period	(283,538)	(192,010)	102,943	(143,748)
Total comprehensive income attributable to:				
Equity holders of the Company	(287,097)	(193,658)	101,142	(143,958)
Non-controlling interest	3,559	1,648	1,801	210
	(283,538)	(192,010)	102,943	(143,748)

N/M: Not meaningful

1.(b)(i) Balance Sheets

	Group			Company		
	21 Sept 2012 US\$'000	30 Dec 2011 US\$'000	% Increase/ (Decrease)	21 Sept 2012 US\$'000	30 Dec 2011 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	708,613	227,562	211	378,804	4,811	7,774
Trade and other receivables ¹	1,198,753	1,045,671	15	2,432,484	1,402,164	73
Inventories at cost	296,605	326,993	(9)	-	-	0
Derivative financial instruments	14,776	3,853	283	412	-	N/M
Assets classified as held-for-sale	161,092	50,225	221	-	-	0
Other current assets	151,921	111,403	36	2,829	2,587	9
Total current assets	2,531,760	1,765,707	43	2,814,529	1,409,562	100
Non-current Assets						
Investments in subsidiaries	-	-	0	1,000,974	1,000,894	0
Investments in associated companies	103,581	98,191	5	-	-	0
Investments in joint ventures	26,806	28,992	(8)	-	-	0
Available-for-sale financial asset	39	53	(26)	-	-	0
Property, plant and equipment	4,975,533	4,789,588	4	1,485,464	1,712,260	(13)
Investment property	-	15,862	(100)	-	-	0
Deferred charges	14,400	14,283	1	10,289	5,505	87
Intangible assets	26,971	26,676	1	123	586	(79)
Goodwill arising on consolidation	129,095	129,095	0	-	-	0
Deferred income tax assets	4,562	4,615	(1)	-	-	0
Derivative financial instruments	28,056	7,344	282	28,056	7,344	282
Other non-current assets	80,721	81,442	(1)	421	402	5
Total non-current assets	5,389,764	5,196,141	4	2,525,327	2,726,991	(7)
TOTAL ASSETS	7,921,524	6,961,848	14	5,339,856	4,136,553	29
LIABILITIES						
Current Liabilities						
Trade and other payables	1,310,627	1,274,431	3	377,504	87,302	332
Current income tax liabilities	136,683	114,627	19	2,167	5,195	(58)
Borrowings	409,392	422,095	(3)	-	381,000	(100)
Provisions	54,126	43,459	25	2,704	-	N/M
Deferred income	6,308	848	644	-	-	0
Derivative financial instruments	5,527	18,443	(70)	-	-	0
Other current liabilities ²	279,326	251,812	11	-	-	0
Total current liabilities	2,201,989	2,125,715	4	382,375	473,497	(19)
Non-current Liabilities						
Borrowings	3,120,357	1,931,746	62	2,056,329	747,640	175
Provisions	132,903	131,780	1	-	-	0
Deferred income	6,080	3,904	56	-	-	0
Deferred income tax liabilities	5,786	8,900	(35)	552	3,615	(85)
Derivative financial instruments	16,814	36,694	(54)	13,945	27,990	(50)
Other non-current liabilities	67,917	70,925	(4)	-	-	0
Total non-current liabilities	3,349,857	2,183,949	53	2,070,826	779,245	166
TOTAL LIABILITIES	5,551,846	4,309,664	29	2,453,201	1,252,742	96
NET ASSETS	2,369,678	2,652,184	(11)	2,886,655	2,883,811	0
EQUITY						
Share capital	1,825,627	1,822,117	0	1,825,627	1,822,117	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,820,411	1,816,901	0	1,820,411	1,816,901	0
Shares held by employee benefit trust	(5,147)	(4,716)	9	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	443,911	765,302	(42)	1,040,553	1,042,122	(0)
Other reserves	59,285	24,688	140	26,886	25,983	3
Capital and reserves attributable to equity holders of the Company	2,317,265	2,600,980	(11)	2,886,655	2,883,811	0
Non-controlling interest	52,413	51,204	2	-	-	0
TOTAL EQUITY	2,369,678	2,652,184	(11)	2,886,655	2,883,811	0
Net current assets/(liabilities) ³	329,771	(360,008)	N/M	2,432,154	936,065	160

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.

³ As at 30 December 2011, 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.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group	Secured loans	Unsecured loans	Secured finance lease liabilities	Total
As at 21 September 2012	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable on or before 20 September 2013, or on demand	46,975	354,386	8,031	409,392
Amount repayable on or before:				
19 September 2014	92,662	700,000	8,359	801,021
18 September 2015	43,122	594,884	8,923	646,929
16 September 2016	46,413	262,210	9,615	318,238
22 September 2017	50,037	325,843	10,629	386,509
Thereafter	157,500	570,840	239,320	967,660
	436,709	2,808,163	284,877	3,529,749

The Group	Secured loans	Unsecured loans	Secured finance lease liabilities	Total
As at 30 December 2011	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2012, or on demand	108,500	304,280	9,315	422,095
Amount repayable in:				
FY 2013	166,454	500,000	8,362	674,816
FY 2014	12,898	383,000	8,524	404,422
FY 2015	13,368	-	9,111	22,479
FY 2016	19,524	-	9,817	29,341
Thereafter	11,502	542,381	246,805	800,688
	332,246	1,729,661	291,934	2,353,841

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	Vessels	Containers	Terminals	Chassis	Others ⁴	Total
As at 21 September 2012	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable for the remainder of FY 2012	175,204	18,175	15,227	4,134	15,479	228,219
Amount repayable in :						
FY 2013	553,169	63,664	98,036	13,239	47,346	775,454
FY 2014	404,210	58,866	85,319	9,399	33,865	591,659
FY 2015	246,623	48,473	81,725	2,881	23,367	403,069
FY 2016	157,669	14,528	77,353	-	14,627	264,177
Thereafter	527,485	21,212	668,757	-	8,348	1,225,802
	2,064,360	224,918	1,026,417	29,653	143,032	3,488,380

The Group	Vessels	Containers	Terminals	Chassis	Others ⁴	Total
As at 30 December 2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2012	716,328	60,977	100,214	18,141	56,917	952,577
Amount repayable in :						
FY 2013	511,824	56,667	95,756	13,307	37,744	715,298
FY 2014	394,216	51,859	84,924	9,448	25,532	565,979
FY 2015	240,851	41,451	81,456	2,882	18,717	385,357
FY 2016	157,669	7,321	77,080	-	10,787	252,857
Thereafter	524,657	19,686	668,479	-	4,755	1,217,577
	2,545,545	237,961	1,107,909	43,778	154,452	4,089,645

⁴ Others relate mainly to warehouse space, warehouse equipment, office space and land.

1.(c) Consolidated Cash Flow Statement

	Group			
	YTD 2012 US\$'000	YTD 2011 US\$'000	Q3 2012 US\$'000	Q3 2011 US\$'000
Cash Flows from Operating Activities				
(Loss)/Profit before income tax	(281,765)	(122,687)	64,017	(78,990)
Adjustments for :				
Depreciation and amortisation	229,073	211,696	71,873	67,271
Fair value gains on hedges	(442)	(807)	(262)	(842)
Interest expense	31,444	24,196	11,328	8,101
Interest income	(3,604)	(5,362)	(1,069)	(1,280)
Share-based compensation costs	2,956	3,383	930	1,416
Net write-off/(write-back) of inventories	56	(85)	(46)	10
Fair value losses/(gains) on shares held by employee benefit trust	90	(2,833)	103	(1,202)
Net profit on disposal of property, plant and equipment	(2,275)	(2,248)	(1,241)	(857)
Net loss on disposal of assets classified as held-for-sale	1,058	-	1,058	-
Net loss on disposal of other assets	8	-	8	-
Impairment loss on assets classified as held-for-sale	81,624	-	-	-
Net (write-back of)/provision for impairment of assets	(562)	(989)	5	(1,016)
Net provision for liabilities	39,816	23,305	7,003	9,235
Share of results of associated companies	(2,916)	(8,048)	(950)	(2,237)
Share of results of joint ventures	49	(595)	(287)	(218)
Unrealised currency translation gains	(3,844)	(2,182)	(331)	(1,409)
Operating cash flow before working capital changes	90,766	116,744	152,139	(2,018)
Changes in operating assets and liabilities				
Receivables and other assets	(186,309)	(64,100)	(6,449)	(36,315)
Inventories	30,332	(77,916)	38,636	(16,129)
Payables	25,394	87,906	44,348	30,109
Cash (used in)/generated from operations	(39,817)	62,634	228,674	(24,353)
Interest paid	(31,539)	(26,097)	(12,768)	(10,141)
Interest received	3,105	5,402	1,025	1,276
Net income tax paid	(23,600)	(20,222)	(6,782)	(6,734)
Net cash (outflow)/inflow from operating activities	(91,851)	21,717	210,149	(39,952)
Cash Flows from Investing Activities				
Investment in associated company	(2,466)	(38,921)	-	(38,921)
Investment in joint venture	(98)	-	-	-
Net proceeds from loans receivable	479	982	-	953
Dividends received from an associated company	-	789	-	789
Dividends received from joint ventures	630	32	-	-
Additions in other non-current investments	-	(448)	-	-
Purchase of property, plant and equipment	(655,881)	(1,179,637)	(169,804)	(693,813)
Purchase of intangible assets	(4,711)	(12,022)	(1,550)	(4,309)
Proceeds from disposal of assets classified as held-for-sale	81,087	-	19,462	-
Proceeds from disposal of property, plant and equipment	18,890	6,507	3,789	1,507
Proceeds from disposal of other assets	170	662	3	662
Net cash outflow from investing activities	(561,900)	(1,222,056)	(148,100)	(733,132)
Cash Flows from Financing Activities				
Proceeds from borrowings	2,277,420	699,741	859,327	456,136
Net cash inflow/(outflow) contributed by employee benefit trust	26	(15)	37	(129)
Dividends paid to equity holders	-	(95,253)	-	-
Dividends paid to non-controlling interest	(2,250)	(2,065)	-	(65)
Capital contribution by non-controlling interest	-	7,007	-	7,007
Return of capital to non-controlling interest	(100)	-	-	-
Proceeds from issue of new ordinary shares	857	824	214	136
Repayment of borrowings	(1,135,137)	(13,364)	(450,156)	(5,786)
Payment of costs incurred in connection with long term financing	(6,014)	(8,625)	(718)	(305)
Net cash inflow from financing activities	1,134,802	588,250	408,704	456,994
Net increase/(decrease) in cash and cash equivalents	481,051	(612,089)	470,753	(316,090)
Cash and cash equivalents at beginning of financial period	227,562	977,212	237,860	681,213
Cash and cash equivalents at end of financial period	708,613	365,123	708,613	365,123

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

GROUP	Capital and reserves attributable to equity holders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Shares held by employee benefit trust US\$'000	Treasury shares reserve US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Non-controlling interest US\$'000	
	Balance at 31 December 2011	1,822,117	(5,216)	(4,716)	(1,195)	765,302	24,688	
Dividends to non-controlling interest	-	-	-	-	-	-	(2,250)	(2,250)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	2,026	-	2,026
- new shares issued	3,227	-	-	-	-	(2,584)	-	643
Purchase of shares by employee benefit trust	-	-	(428)	-	-	-	-	(428)
Return of capital to non-controlling interest	-	-	-	-	-	-	(100)	(100)
Total comprehensive income for the financial period	-	-	-	-	(371,423)	(16,816)	1,758	(386,481)
Balance at 29 June 2012	1,825,344	(5,216)	(5,144)	(1,195)	393,879	7,314	50,612	2,265,594
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	930	-	930
- new shares issued	283	-	-	-	-	(69)	-	214
Purchase of shares by employee benefit trust	-	-	(3)	-	-	-	-	(3)
Total comprehensive income for the financial period	-	-	-	-	50,032	51,110	1,801	102,943
Balance at 21 September 2012	1,825,627	(5,216)	(5,147)	(1,195)	443,911	59,285	52,413	2,369,678
GROUP	Capital and reserves attributable to equity holders of the Company							Total equity US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Shares held by employee benefit trust US\$'000	Treasury shares reserve US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Non-controlling interest US\$'000	
	Balance at 1 January 2011	1,820,019	(5,216)	(3,761)	(1,195)	1,338,743	73,814	
Dividends to non-controlling interest	-	-	-	-	-	-	(2,000)	(2,000)
Dividends to equity holders	-	-	-	-	(95,253)	-	-	(95,253)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,967	-	1,967
- new shares issued	1,908	-	-	-	-	(1,220)	-	688
Purchase of shares by employee benefit trust	-	-	(419)	-	-	-	-	(419)
Total comprehensive income for the financial period	-	-	-	-	(66,657)	16,957	1,438	(48,262)
Balance at 1 July 2011	1,821,927	(5,216)	(4,180)	(1,195)	1,176,833	91,518	42,845	3,122,532
Dividends to non-controlling interest	-	-	-	-	-	-	(65)	(65)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,416	-	1,416
- new shares issued	166	-	-	-	-	(30)	-	136
Purchase of shares by employee benefit trust	-	-	(86)	-	-	-	-	(86)
Capital contribution by non-controlling interest	-	-	-	-	-	-	7,007	7,007
Total comprehensive income for the financial period	-	-	-	-	(91,098)	(52,860)	210	(143,748)
Balance at 23 September 2011	1,822,093	(5,216)	(4,266)	(1,195)	1,085,735	40,044	49,997	2,987,192

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

COMPANY	Share capital US\$'000	Treasury shares US\$'000	Treasury shares reserve US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total equity US\$'000
Balance at 31 December 2011	1,822,117	(5,216)	(1,195)	1,042,122	25,983	2,883,811
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	2,026	2,026
- new shares issued	3,227	-	-	-	(2,584)	643
Total comprehensive income for the financial period	-	-	-	264	2,911	3,175
Balance at 29 June 2012	1,825,344	(5,216)	(1,195)	1,042,386	28,336	2,889,655
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	930	930
- new shares issued	283	-	-	-	(69)	214
Total comprehensive income for the financial period	-	-	-	(1,833)	(2,311)	(4,144)
Balance at 21 September 2012	1,825,627	(5,216)	(1,195)	1,040,553	26,886	2,886,655

COMPANY	Share capital US\$'000	Treasury shares US\$'000	Treasury shares reserve US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total equity US\$'000
Balance at 1 January 2011	1,820,019	(5,216)	(1,195)	1,093,595	42,066	2,949,269
Dividends to equity holders	-	-	-	(95,253)	-	(95,253)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,967	1,967
- new shares issued	1,908	-	-	-	(1,220)	688
Total comprehensive income for the financial period	-	-	-	7,089	3,767	10,856
Balance at 1 July 2011	1,821,927	(5,216)	(1,195)	1,005,431	46,580	2,867,527
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,416	1,416
- new shares issued	166	-	-	-	(30)	136
Total comprehensive income for the financial period	-	-	-	26,438	(11,760)	14,678
Balance at 23 September 2011	1,822,093	(5,216)	(1,195)	1,031,869	36,206	2,883,757

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 29 June 2012, the Company's issued and paid-up capital (including treasury shares) comprised 2,587,438,438 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,585,711,721 ordinary shares.

During the 3 months ended 21 September 2012, the Company issued and allotted 252,721 ordinary shares upon the exercise of share options granted under the NOL Share Option Plan ("NOL SOP").

As at 21 September 2012, the Company's issued and paid-up capital (including treasury shares) comprised 2,587,691,159 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,585,964,442 (30 December 2011: 2,583,286,983) ordinary shares.

Share options

As at 29 June 2012, there were 42,937,079 outstanding share options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

During the 3 months ended 21 September 2012, 252,721 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.05 per share and 422,238 share options were cancelled.

As at 21 September 2012, share options to subscribe for 42,262,120 (23 September 2011: 44,495,716) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 29 June 2012, there were 4,270,105 outstanding restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the 3 months ended 21 September 2012, 219,011 restricted shares were cancelled.

As at 21 September 2012, 4,051,094 (23 September 2011: 4,929,000) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 29 June 2012, there were 5,192,021 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the 3 months ended 21 September 2012, 498,002 performance shares were cancelled.

As at 21 September 2012, 4,694,019 (23 September 2011: 2,481,000) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 29 June 2012, 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 21 September 2012, 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 21 September 2012, there were 1,726,717 (23 September 2011: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the third quarter 2012 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 21 September 2012 and the reported amounts of revenue and expenses during the financial period from 31 December 2011 to 21 September 2012. 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 third quarter ended 21 September 2012 to be false or misleading in any material aspect.

On behalf of the board of directors

CHRISTOPHER LAU
Director

NG YAT CHUNG
Director

Dated this 25 October 2012

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 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 filed its protest letter with the IRS on 20 September 2010 and 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 commenced on 31 August 2011. 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 3, 2012, based on available facts and information, the Group believes it has provided adequate provisions for all the open matters referred to in the RAR. In June 2011, the IRS commenced the examination of APL Limited's 2007, 2008 and 2009 U.S. federal income tax returns.

Investigation by European Commission

On 17 May 2011, NOL's office in Uxbridge, United Kingdom was visited by representatives from the European Commission ("EC"). NOL is one of several container liner companies to have been visited by the EC. NOL understands the EC is investigating whether there have been any violations of EU competition law concerning the liner shipping industry.

The investigation is ongoing and NOL is cooperating with the EC. NOL believes it is too early to determine the outcome of the investigation and the financial effects arising therefrom.

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 30 December 2011.

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 31 December 2011, 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 31 December 2011.

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

Amendments to FRS 107 Disclosures -Transfers of Financial Assets (Effective for annual periods beginning on or after 1 July 2011)
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets (Effective for annual periods beginning on or after 1 January 2012)

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**

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

9.

	YTD 2012	YTD 2011	Q3 2012	Q3 2011
GROUP				
Loss/(Earnings) per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares)				
a) Based on the weighted average number of ordinary shares on issue	(12.45 US cts)	(6.12 US cts)	1.94 US cts	(3.53 US cts)
b) On a fully diluted basis (detailing any adjustments made to the earnings)	(12.45 US cts)	(6.12 US cts)	1.93 US cts	(3.53 US cts)

10. **Net Asset Value**

	Group			Company		
	21 Sept 2012 US\$	30 Dec 2011 US\$	Inc / (Dec) %	21 Sept 2012 US\$	30 Dec 2011 US\$	Inc / (Dec) %
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	0.90	1.01	(10.89)	1.12	1.12	-

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

Income Statement:

YTD 2012 vs YTD 2011

NOL Group achieved revenue of US\$7.01 billion (YTD 2011: US\$6.81 billion), an increase of US\$0.20 billion or 3% year-on-year (YoY). This was due to increase in revenue in both Liner and Logistics business units.

The Group's cost of sales increased by US\$0.26 billion or 4% YoY to US\$6.62 billion mainly due to higher costs associated with higher volumes in both Liner and Logistics business units and higher bunker prices.

Administrative expenses decreased by US\$9 million or 2% YoY to US\$511 million mainly due to lower general overhead expenses arising from the organizational streamlining exercise and cost savings initiatives of the Efficiency Leadership Program ("ELP") implemented by the Group.

Finance expenses increased by US\$11 million or 28% YoY to US\$51 million mainly due to higher interest expense from higher average loan balance and higher finance costs.

Other operating expenses increased by US\$71 million or 221% YoY to US\$103 million mainly due to impairment loss on obsolete vessels classified as held-for-sale in YTD 2012.

Despite the Group making losses, tax expense was incurred mainly due to certain entities in the Group generating tax assessable income in the jurisdictions in which they operate.

The Group recorded net loss attributable to shareholders of US\$321 million in YTD 2012 compared to net loss of US\$158 million in YTD 2011, mainly due to higher bunker prices and non-recurring expenses of US\$111 million relating largely to impairment loss on obsolete vessels classified as held-for-sale and organizational streamlining.

Q3 2012 vs Q3 2011

NOL Group achieved revenue of US\$2.30 billion (Q3 2011: US\$2.21 billion), an increase of US\$0.09 billion or 4% year-on-year (YoY). This was due to increase in revenue in both Liner and Logistics business units.

The Group's cost of sales decreased by US\$0.03 billion or 1% YoY to US\$2.06 billion mainly due to costs reductions reaped from initiatives of the ELP implemented by the Group. Such costs reduction arose mainly from lower fuel consumption and improvement in network optimization and terminals productivity.

Administrative expenses decreased by US\$18 million or 10% YoY to US\$160 million mainly due to lower general overhead expenses arising from the organizational streamlining exercise and cost savings initiatives of the ELP implemented by the Group.

Other operating expenses decreased by US\$13 million or 84% YoY to US\$3 million mainly due to foreign exchange gain in Q3 2012 compared to foreign exchange loss in Q3 2011.

Although the Group made losses in Q3 2011, tax expense was incurred mainly due to certain entities in the Group generating tax assessable income in the jurisdictions in which they operate.

The Group recorded net profit attributable to shareholders of US\$50 million in Q3 2012 compared to net loss of US\$91 million in Q3 2011, mainly due to improved Liner and Logistics performance as well as cost management efforts from the ELP and organizational streamlining exercise.

Balance Sheet:

NOL Group's total assets increased by US\$960 million from US\$6.96 billion as at 30 December 2011 to US\$7.92 billion as at 21 September 2012. The increase in total assets was mainly due to increase in cash and cash equivalents, trade and other receivables and property, plant and equipment. The increase in property, plant and equipment (before reclassification of assets earmarked for sale from property, plant and equipment to assets classified as held-for-sale) was mainly due to progressive payments made for the new vessels that the Group had ordered and the increase in trade and other receivables was mainly due to increasing average daily sales since the beginning of FY 2012. Please refer to the explanation below for the increase in cash and cash equivalents.

The Group's total liabilities increased by US\$1.24 billion from US\$4.31 billion as at 30 December 2011 to US\$5.55 billion as at 21 September 2012. The increase in total liabilities was mainly due to increase in borrowings [see Note 1(b)(ii)].

The Group's total equity decreased by US\$283 million from US\$2.65 billion as at 30 December 2011 to US\$2.37 billion as at 21 September 2012 mainly due to net losses incurred during YTD 2012.

As at 21 September 2012, the Group was in a net current assets position mainly due to increase in cash and cash equivalents, trade and other receivables and reclassification of non-current assets to current assets which are earmarked for sale.

Cashflow:

NOL Group's cash and cash equivalents increased by US\$481 million from US\$228 million as at 30 December 2011 to US\$709 million as at 21 September 2012 mainly due to net cash inflow from financing activities of US\$1.13 billion, partially offset by net cash outflow from investing activities of US\$562 million and net cash outflow from operating activities of US\$92 million. Net cash inflow from financing activities was mainly due to net proceeds from borrowings. Net cash outflow from investing activities was mainly due to progressive payments made for the new vessels that the Group had ordered, partially offset by proceeds from disposal of assets. Net cash outflow from operations was mainly due to changes in deployment of working capital to support the improved business environment.

	YTD 2012 US\$m	YTD 2011 US\$m	Q3 2012 US\$m	Q3 2011 US\$m
(a) Revenue				
Liner	5,965	5,868	1,961	1,904
Logistics	1,120	1,015	365	333
Elimination	(72)	(75)	(24)	(24)
Total	7,013	6,808	2,302	2,213
(b) Core EBIT⁵				
Liner	(184)	(149)	55	(88)
Logistics	41	49	19	16
Total	(143)	(100)	74	(72)

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

(c) **Analysis by Business Units**

(i) **Liner**

YTD 2012 vs YTD 2011

Liner achieved YTD 2012 revenue of US\$5.97 billion, a year-on-year (YoY) increase of 2% mainly due to higher volumes transported, partly offset by lower freight rates.

Volume rose by 3% YoY mainly due to higher volumes across most trades.

Cost of sales per FEU was relatively unchanged, however bunker price rose 13% YoY to US\$674/MT. Excluding the bunker price rise, cost of sales per FEU was 3% lower due to stricter fuel consumption, operational cost efficiencies and slow steaming.

Average revenue per FEU was US\$2,541 or 1% lower YoY mainly due to lower freight rates in the Transpacific and the Transatlantic trade.

Liner recorded a Core EBIT loss of US\$184 million mainly due to higher bunker prices in YTD 2012.

Q3 2012 vs Q3 2011

Liner achieved Q3 2012 revenue of US\$1.96 billion, a YoY increase of 3% mainly due to higher volumes transported and higher freight rates.

Volume rose by 1% YoY to 0.7 million FEUs mainly due to increase in volume across most trades.

Average revenue per FEU increased by 2% YoY to US\$2,601 due to higher freight rates in the Intra-Asia and Asia-Europe trade.

Liner recorded a Core EBIT of US\$55 million mainly due to higher freight rates and volume growth in Q3 2012.

LINER Q3 RESULTS 2012 and 2011

Unaudited

	YTD 2012	YTD 2011	Q3 2012	Q3 2011
Load Factors %				
Transpacific and Asia-Latin America/Mexico Eastbound ⁶	93%	85%	94%	90%
Asia-Europe Westbound	96%	96%	92%	95%
Transatlantic Westbound	90%	100%	95%	99%
Intra-Asia Westbound	95%	99%	95%	100%
Headhaul	94%	92%	94%	94%
Volume ('000 FEU)				
Transpacific	624	623	207	203
Latin America	153	135	50	44
Asia-Europe	354	360	112	116
Transatlantic	122	101	41	30
Intra-Asia	965	936	297	306
Total Volume⁷	2,218	2,155	707	699
Average Revenue/FEU (US\$/FEU)				
Transpacific	3,748	3,912	3,763	3,944
Latin America	3,520	3,420	3,568	3,373
Asia-Europe	2,493	2,471	2,646	2,317
Transatlantic	2,855	3,293	2,780	3,434
Intra-Asia	1,583	1,491	1,591	1,478
Total	2,541	2,560	2,601	2,539

⁶ With effect from Q1 2012, load factors for the Transpacific Eastbound and Asia-Latin America/Mexico Eastbound markets have been combined as cargoes in these markets are using the same trade lanes.

⁷ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

(ii) **Logistics**

YTD 2012 vs YTD 2011

Logistics achieved YTD 2012 revenue of US\$1.12 billion, growing 10% YoY while facing softer economic conditions in developed markets.

Contract Logistics achieved revenue of US\$740 million, a 16% YoY increase due to strong demand for rail and land-based logistics services.

International Services achieved revenue of US\$380 million, a 1% increase YoY amidst a softer retail and apparel environment.

Core EBIT of US\$41 million for YTD 2012, a 16% decrease YoY due to increased investments to improve our technology products and commercial infrastructure, and lower contribution from associated company.

Q3 2012 vs Q3 2011

Logistics achieved Q3 2012 revenue of US\$365 million, a year-on-year (YoY) increase of 10% due to higher volumes across the various Logistics' services.

Contract Logistics achieved revenue of US\$232 million, a YoY increase of 13% due to strong demand in the rail and land transport business segment.

International Services achieved revenue of US\$133 million, a YoY increase of 5% due to higher shipment volumes.

Core EBIT of US\$19 million for Q3 2012, a 19% increase YoY mainly due to higher volumes across the various Logistics' services in Q3 2012.

LOGISTICS Q3 RESULTS 2012 and 2011

Unaudited

US\$ millions

	YTD 2012	YTD 2011	Q3 2012	Q3 2011
BY REGION				
Revenue				
Americas	741	631	230	203
Europe	106	120	37	40
Asia/Middle East	273	264	98	90
Total Revenue	1,120	1,015	365	333
BY BUSINESS SEGMENT				
Revenue				
Contract Logistics Services	740	639	232	206
International Services	380	376	133	127
Total Revenue	1,120	1,015	365	333
Operating Expenses				
Contract Logistics Services	719	619	223	200
International Services	360	347	123	117
Total Operating Expenses	1,079	966	346	317
Core EBIT⁸				
Contract Logistics Services	21	20	9	6
International Services	20	29	10	10
Total Core EBIT	41	49	19	16

⁸ Earnings before Interest, Tax and Exceptional (Non-Recurring) Items.

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

The Company announced in its results announcement for the second quarter ended 29 June 2012 that "the Group's financial performance will depend on freight rates, global economic position, over-capacity in container shipping and fuel prices where the outlook for these factors remain uncertain. The Group will continue to focus on managing its costs and capacity".

The current results are generally in line with the prospect statement made in the results announcement for the second quarter ended 29 June 2012 notwithstanding cost savings and improved business efficiencies.

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 turned in an improved third quarter result due mainly to cost savings and improved business efficiencies. However, the macro-economic outlook remains weak and the container shipping industry continues to face overcapacity and high fuel prices. The Group posted weak first quarter results. While the Group will continue to extract further operational efficiencies and strengthen its competitive position, it expects to post a full year loss.

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.

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	YTD 2012 US\$'000	YTD 2011 US\$'000	Q3 2012 US\$'000	Q3 2011 US\$'000
Transactions for the Purchase of Goods and Services				
PSA Corporation Limited and its associates	164,137	163,880	52,195	51,870
Singapore Telecommunications Limited and its associates	104	110	-	39
Transactions for the Purchase of Assets				
Singapore Telecommunications Limited and its associates	103	-	-	-
Transactions for the Leasing-in of Assets				
Sembcorp Marine Ltd and its associates	2,537	2,579	798	828

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 25 October 2012