

YTD & 3Q 2015 Performance Review

30 October 2015



Forward Looking Statements

The following presentation includes forward-looking statements, which involve known and unknown risks and uncertainties, that could cause actual results or performance to differ. Forward looking information is based on current views and assumptions of management, including, but not limited to, prevailing economic and market conditions. Such statements are not, and should not be interpreted as a forecast or projection of future performance.

Key Highlights

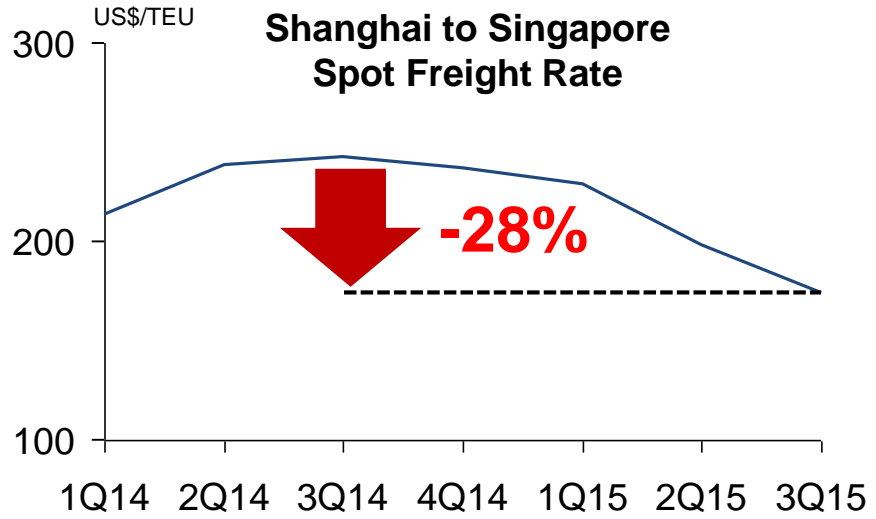
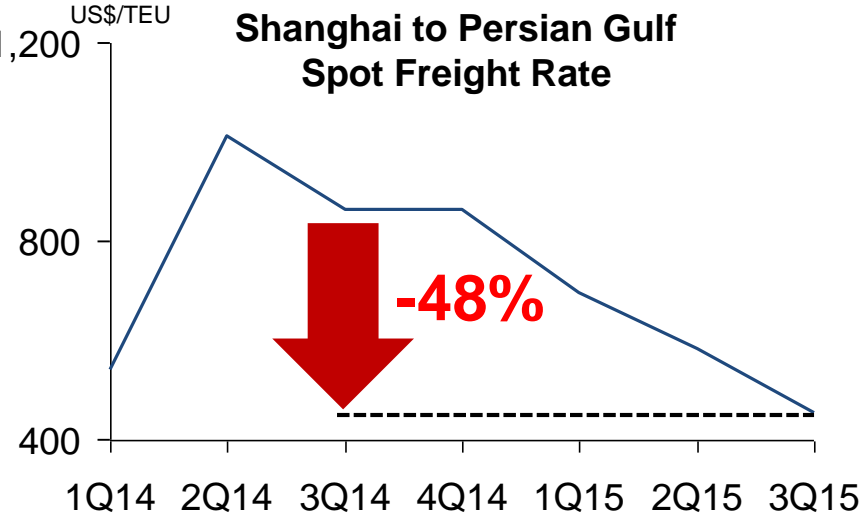
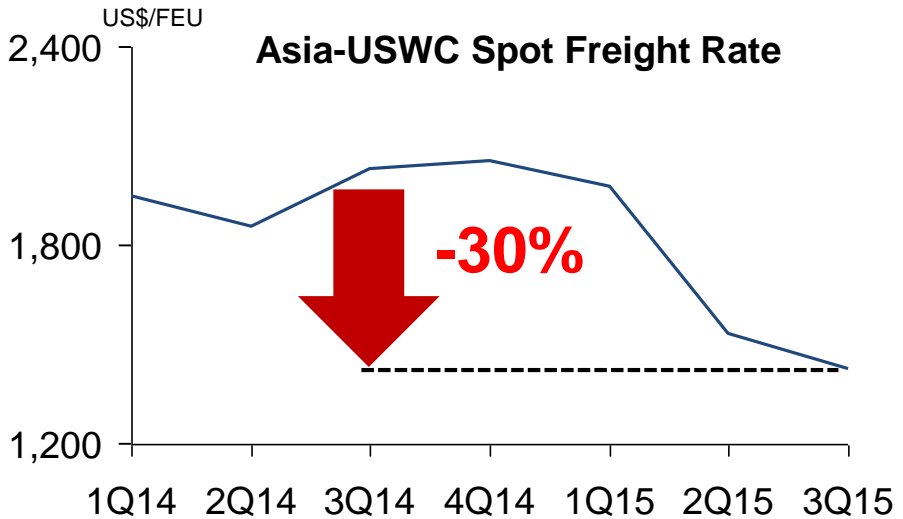
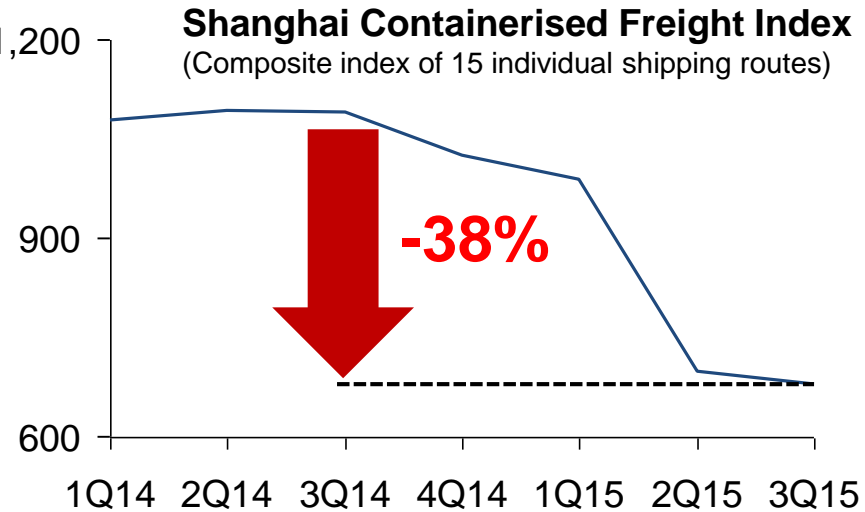
3Q 2015:

- Net loss after tax of US\$96m
- Core EBIT loss of US\$66m
- Core EBITDA remained positive at US\$21m

YTD 2015:

- Net profit after tax stood at US\$783m
- Excluding one-time gain on sale of APL Logistics of US\$887m, net loss after tax stood at US\$104m
- Core EBIT loss of US\$7m, an improvement of US\$52m YoY
- Core EBITDA improved 21% YoY to US\$273m
- Achieved cost savings of US\$80m in 3Q15, bringing YTD15 cost savings to US\$335m

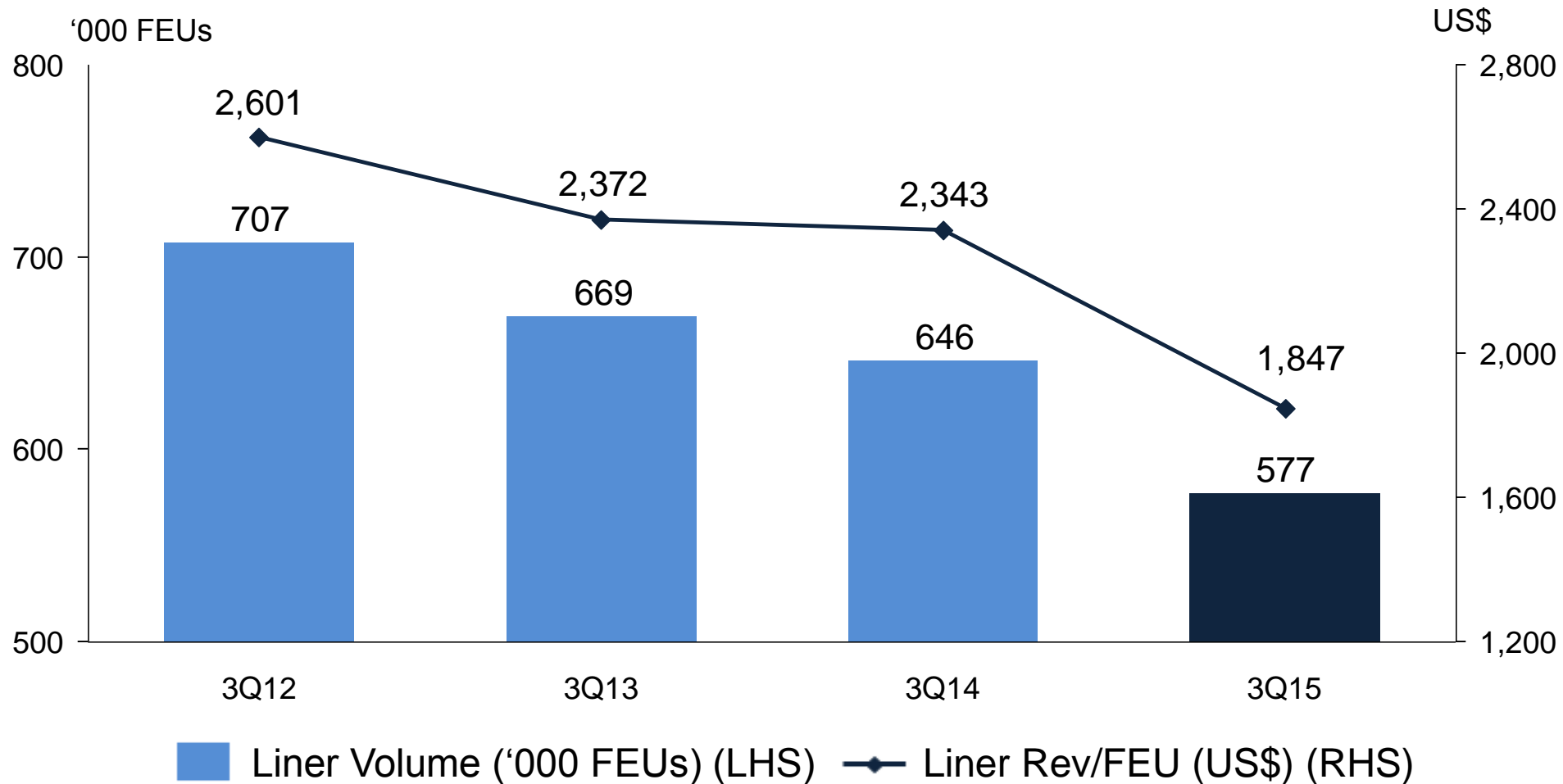
Persistent overcapacity led to weak freight rates across all trades



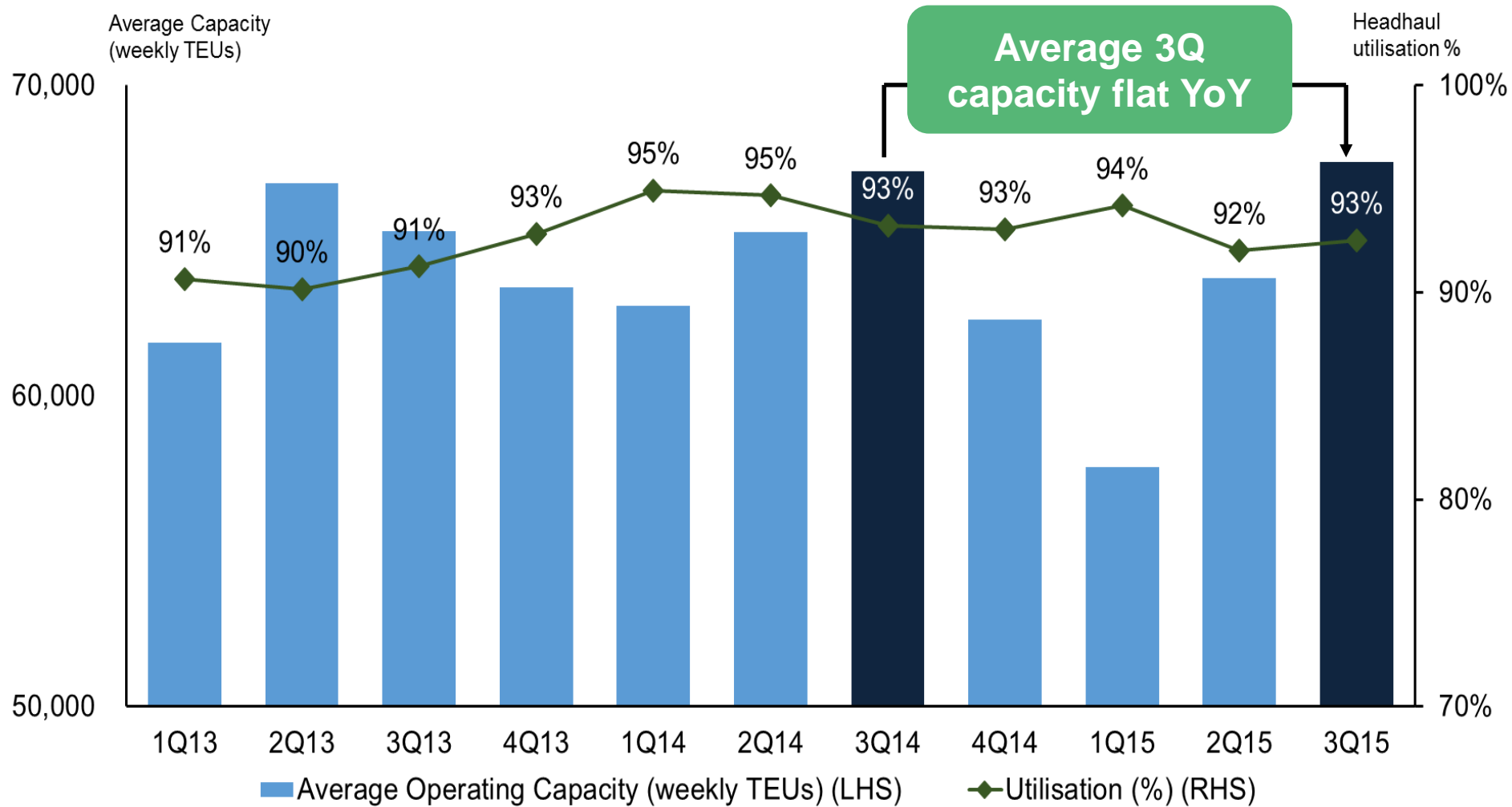
Note:
1. Source: Clarkson Shipping Intelligence



No peak season and weak backhaul trade contributed to the reduction in Liner Rev/FEU and volume



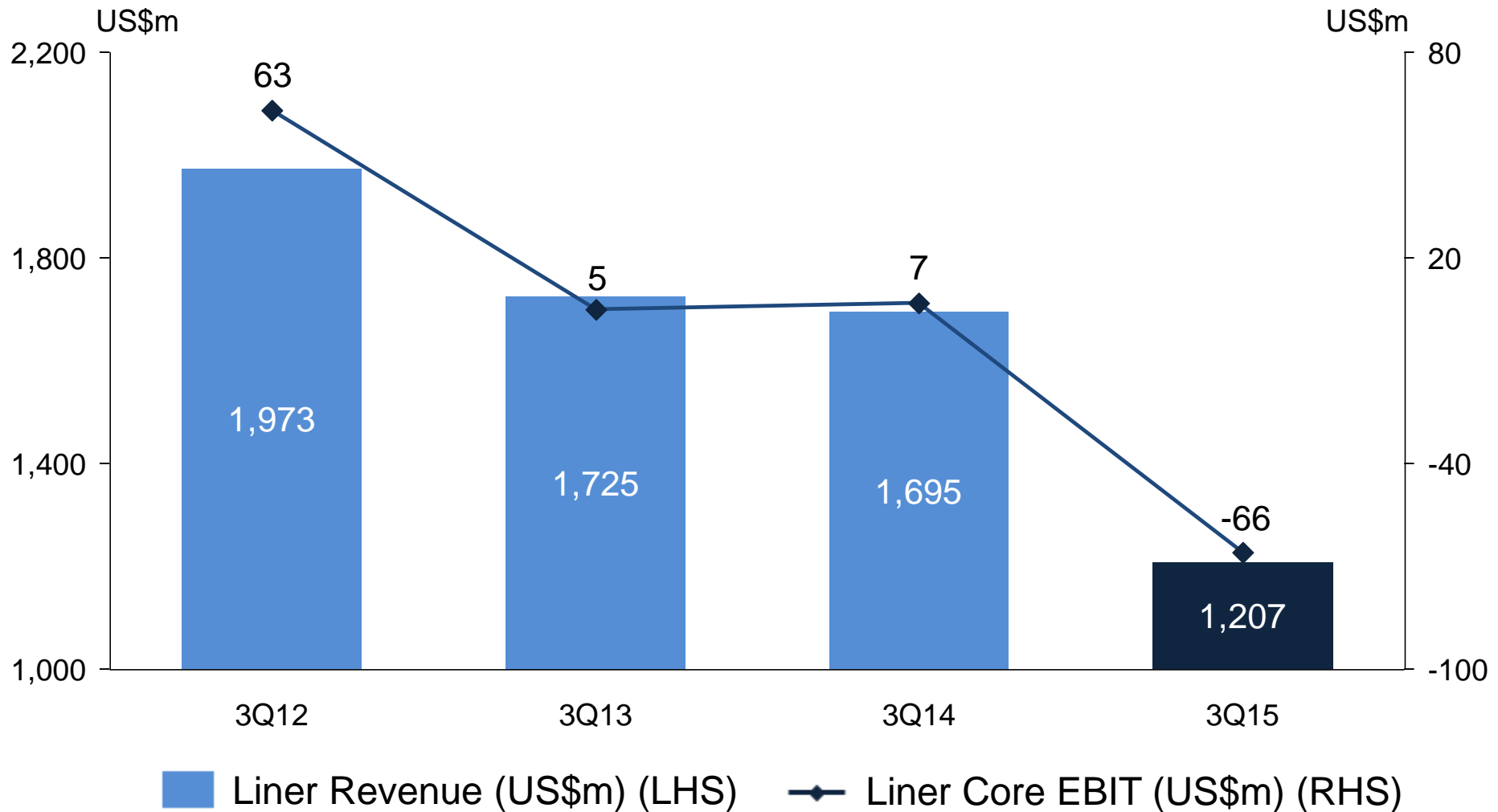
Headhaul utilisation rate maintained >90% through active capacity management



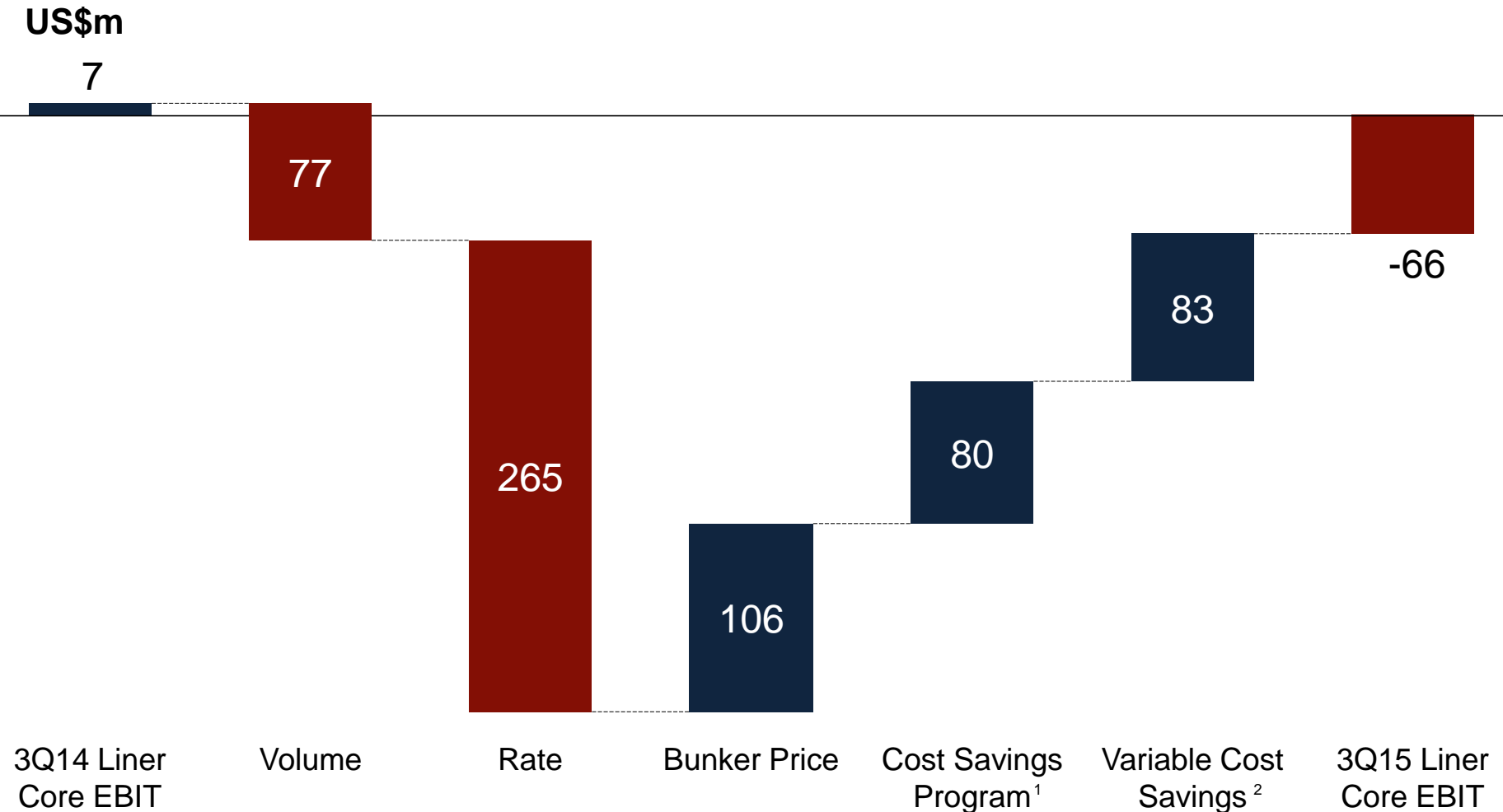
Notes: Figures are based on the headhaul leg of main linehaul services.
 The capacity figures excluded "winter program" and void sailings.



Deteriorating trade conditions led Liner to a Core EBIT loss of US\$66m in 3Q15



Contraction in volume and rates more than offset cost savings progress



Notes:

1. US\$80m cost savings was achieved in 3Q15, of which US\$33m was attributed to network optimization, US\$30m by charter expiries and remaining US\$17m from fixed terminal and equipment.
2. Improved variable costs per FEU from targeted cargo selection, yield management and on-time fleet performance, e.g. less inland transportation expenses, cargo handling and port expenses incurred.



Headroom for further cost improvement with 3 scheduled charter expiries in 4Q15

Average vessel size (TEU)

4,600

5,300

6,000

6,300

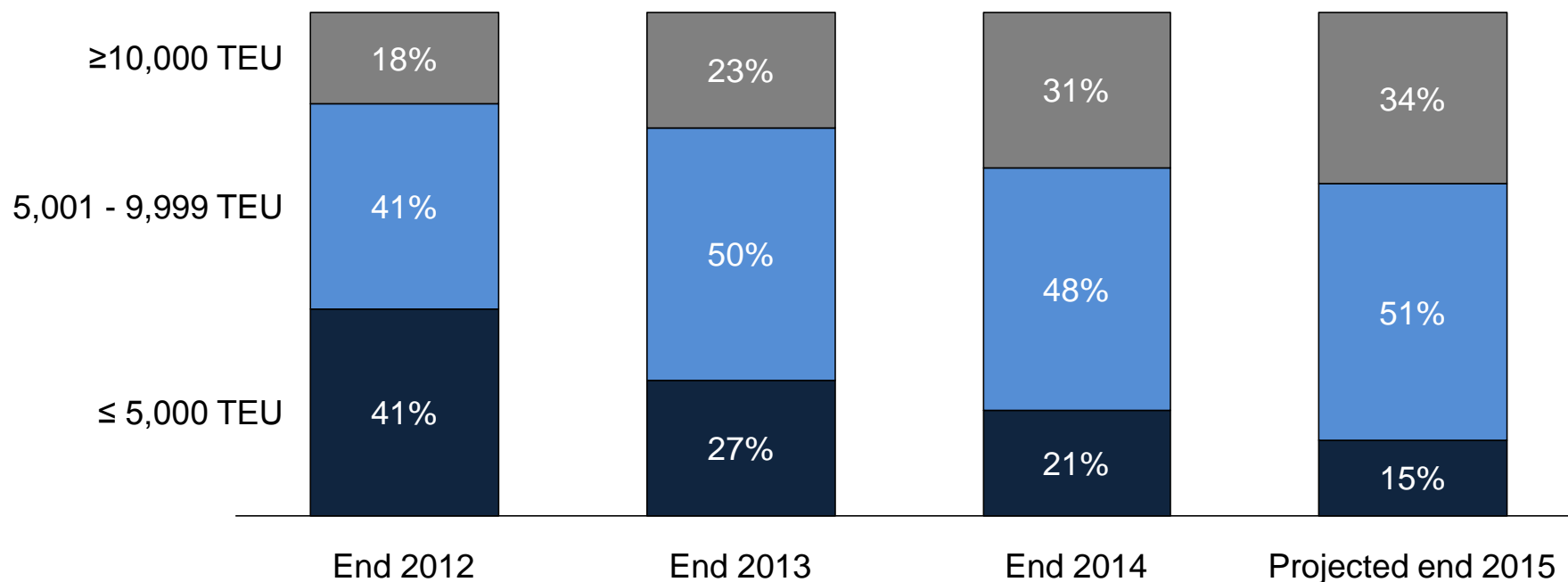
Total nominal capacity ('000 TEUs)

584

641

574

552



Group Commentary

Traditional peak season in Europe and North America did not materialise in 3Q15. This led to severe deterioration in freight rates and volume. Freight rates are expected to remain under pressure due to persistent overcapacity and weak trade growth. The Group will continue its focus on cost efficiency, as well as yield and network capacity management.

**End of Presentation
Thank You**

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Appendix



Group Financial Highlights

US\$m	YTD15 ¹	YTD14	% ▲ Better/ (Worse)	3Q15 ¹	3Q14	% ▲ Better/ (Worse)
Revenue	4,744	6,389	(26)	1,207	2,060	(41)
Core EBITDA	273	225	21	21	114	(82)
Core EBIT	(7)	(59)	88	(66)	21	n.m.
EBIT	885	(64)	n.m.	(65)	17	n.m.
Net profit/(loss) to owners of the company	783	(175)	n.m.	(96)	(23)	(317)
One-time gain on sale of APL Logistics	887	-	n.m.	-	-	-
Net loss to owners of the company (before one-time gain on sale of APL Logistics)	(104)	(175)	41	(96)	(23)	(317)

Notes:

1. YTD15 comprised APL Logistics' contribution from January to May 2015. Divestment of APL Logistics was completed on 29 May 2015. APL Logistics is no longer included in Group's financials in 3Q15 and onwards.
2. n.m. – not meaningful



Group Balance Sheet Highlights

US\$m	18 Sep 15	26 Dec 14
Total Assets	7,104	9,100
Total Liabilities	4,561	7,292
Total Equity	2,543	1,808
Total Debt	2,873	5,291
Total Cash	249	1,226
Net Debt	2,624	4,065
Gearing (Gross)	1.13 x	2.93 x
Gearing (Net)	1.03 x	2.25 x
NAV per share (US\$)	0.97	0.67
(S\$)	1.36	0.89

Group Cash Flow Highlights

US\$m

YTD15

YTD14

Cash & Cash Equivalents – Beginning @ Q1

1,226

981

Cash Inflow / (Outflow)

Operating Activities

298

39

Investing/Capex Activities

1,037¹

(276)

Financing Activities

(2,312)

65

Cash & Cash Equivalents – Closing @ Q3

249

809

Note:

¹ Includes net proceeds from disposal of APL Logistics.

Group Capital Expenditure

US\$m

YTD15

YTD14

1. Vessels

10

255

2. Equipment / Facilities

16

12

3. Drydock

27

10

4. IT

39

27

5. Others

5

13

Total

97

317

Liner Results Summary

US\$m	YTD15	YTD14 ¹	% ▲ Better/ (Worse)	3Q15	3Q14 ¹	% ▲ Better/ (Worse)
Revenue	4,133	5,293	(22)	1,207	1,695	(29)
Cost of Sales	3,800	5,022	24	1,162	1,561	26
Core EBITDA	246	172	43	21	97	(78)
Core EBIT	(33)	(103)	68	(66)	7	n.m.
EBIT	(28)	(107)	74	(65)	3	n.m.
Core EBIT margin (%)	(0.8)	(1.9)		(5.5)	0.4	
Volumes ('000 FEUs)	1,826	2,093	(13)	577	646	(11)
Average Rev/FEU (US\$)	1,954	2,294	(15)	1,847	2,343	(21)
Cost of Sales/FEU (US\$)	2,081	2,399	13	2,014	2,416	17

Notes:

1. 2014 Liner numbers have been restated for comparative purpose.
2. n.m. – not meaningful



Liner Operational Update

Volume ('000 FEUs)	YTD15	YTD14	% ▲	3Q15	3Q14	% ▲
Transpacific	507	610	(17)	160	192	(17)
Intra-Asia	864	918	(6)	274	282	(3)
Asia-Europe	299	325	(8)	93	105	(11)
Latin America	120	138	(13)	39	42	(7)
Transatlantic	36	102	(65)	11	25	(56)
Total	1,826	2,093	(13)	577	646	(11)

Average Revenue/FEU (US\$)	YTD15	YTD14	% ▲	3Q15	3Q14	% ▲
Transpacific	3,102	3,345	(7)	3,071	3,393	(9)
Intra-Asia	1,174	1,363	(14)	1,067	1,414	(25)
Asia-Europe	1,812	2,428	(25)	1,596	2,444	(35)
Latin America	2,824	3,168	(11)	2,644	3,120	(15)
Transatlantic	2,805	2,785	1	2,846	2,974	(4)
Total	1,954	2,294	(15)	1,847	2,343	(21)

Group Fuel and Currency Exposures

Bunker

- The Group continues to recover part of its fuel price increases from customers through bunker adjustment factors.
- The Group also maintains a policy of hedging its bunker exposures.

Foreign exchange

- Major foreign currency exposures are in Euro, Singapore Dollar, Canadian Dollar, Japanese Yen and Chinese Renminbi.
- The Group maintains a policy of hedging its foreign exchange exposures.