



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)  
Unaudited Financial Information  
For the Year Ended 30 December 2011

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

	Group			Group		
	FY 2011 US\$'000	FY 2010 US\$'000	% Increase/ (Decrease)	Q4 2011 US\$'000	Q4 2010 US\$'000	% Increase/ (Decrease)
Revenue	9,210,704	9,422,092	(2)	2,402,447	2,774,287	(13)
Cost of sales	(8,819,462)	(8,152,909)	8	(2,459,196)	(2,374,568)	4
Gross profit/ (loss)	391,242	1,269,183	(69)	(56,749)	399,719	N/M
Other gains (net)						
- Miscellaneous	11,138	14,628	(24)	4,136	8,348	(50)
- Finance and investment income	6,805	4,277	59	1,443	1,510	(4)
Expenses						
- Administrative	(716,214)	(687,499)	4	(196,366)	(201,198)	(2)
- Finance	(56,149)	(60,854)	(8)	(16,264)	(15,963)	2
- Other operating	(75,211)	(15,388)	389	(43,259)	(1,274)	3,296
Share of results of associated companies	8,437	4,296	96	389	1,359	(71)
Share of results of joint ventures	1,017	1,179	(14)	422	302	40
(Loss)/Profit before income tax	(428,935)	529,822	N/M	(306,248)	192,803	N/M
Income tax expense	(44,997)	(65,799)	(32)	(12,470)	(14,622)	(15)
Net (loss)/profit for the financial year/period	(473,932)	464,023	N/M	(318,718)	178,181	N/M
Net (loss)/profit attributable to:						
Equity holders of the Company	(478,188)	460,936	N/M	(320,433)	177,473	N/M
Non-controlling interest	4,256	3,087	38	1,715	708	142
	(473,932)	464,023	N/M	(318,718)	178,181	N/M

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

	Group			Group		
	FY 2011 US\$'000	FY 2010 US\$'000	% Increase/ (Decrease)	Q4 2011 US\$'000	Q4 2010 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	15,805	13,136	20	6,604	5,899	12
(B) Interest on Borrowings	(32,686)	(34,638)	(6)	(8,490)	(9,864)	(14)
(C) Depreciation and Amortisation	(295,348)	(285,229)	4	(83,652)	(77,344)	8
(D) (Allowance for)/Write-back of Doubtful Debts and Bad Debts Written Off	(10,611)	743	N/M	(479)	(309)	55
(E) Provision for Impairment in Value of Investments	(27)	(10)	170	(30)	(6)	400
(F) Foreign Exchange (Loss)/Gain	(2,995)	8,418	N/M	(10,046)	7,433	N/M
(G) Adjustment for Over/(Under) Provision for Tax in Prior Years	522	(22,744)	N/M	(1,578)	(6,501)	(76)
(H) Profit/ (Loss) on Sale of Investments, Property, Plant and Equipment and Other Assets	616	5,268	(88)	(1,632)	3,817	N/M
(I) Impairment loss on assets classified as held-for-sale	(19,500)	-	N/M	(19,500)	-	N/M
(J) Write-back/(Write-off) of Inventories	49	(588)	N/M	(36)	(164)	(78)

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

	Group		Group	
	FY 2011 US\$'000	FY 2010 US\$'000	Q4 2011 US\$'000	Q4 2010 US\$'000
Net (loss)/profit for the financial year/period	(473,932)	464,023	(318,718)	178,181
Other comprehensive income/ (loss):				
Fair value (losses)/gains on cash flow hedges	(25,714)	8,716	(14,073)	44,801
Fair value (gains)/losses on cash flow hedges transferred to the income statement	(19,184)	(60,016)	4,983	(21,984)
Fair value (losses)/gains on available-for-sale financial asset	(15)	37	16	8
Currency translation differences	(10,164)	13,314	(8,695)	8,815
Tax on fair value gains and losses	723	(1,123)	211	(346)
Other comprehensive (loss)/income for the financial year/period, net of tax	(54,354)	(39,072)	(17,558)	31,294
Total comprehensive (loss)/income for the financial year/period	(528,286)	424,951	(336,276)	209,475
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(531,141)	422,563	(337,483)	209,559
Non-controlling interest	2,855	2,388	1,207	(84)
	(528,286)	424,951	(336,276)	209,475

N/M: Not meaningful

## 1.(b)(i) Balance Sheets

	Group			Company		
	30 Dec 2011 US\$'000	31 Dec 2010 US\$'000	% Increase/ (Decrease)	30 Dec 2011 US\$'000	31 Dec 2010 US\$'000	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	227,562	977,212	(77)	4,811	118,166	(96)
Trade and other receivables <sup>1</sup>	1,045,671	1,082,005	(3)	1,402,164	1,393,866	1
Inventories at cost	326,993	243,626	34	-	-	0
Derivative financial instruments	3,853	14,117	(73)	-	-	0
Assets classified as held-for-sale	50,225	-	N/M	-	-	0
Other current assets	111,403	85,493	30	2,587	3,582	(28)
<b>Total current assets</b>	<b>1,765,707</b>	<b>2,402,453</b>	<b>(27)</b>	<b>1,409,562</b>	<b>1,515,614</b>	<b>(7)</b>
<b>Non-current Assets</b>						
Investments in subsidiaries	-	-	0	1,000,894	1,000,894	0
Investments in associated companies	98,191	48,861	101	-	-	0
Investments in joint ventures	28,992	28,248	3	-	-	0
Available-for-sale financial asset	53	68	(22)	-	-	0
Property, plant and equipment	4,789,588	3,691,444	30	1,712,260	782,327	119
Investment property	15,862	14,071	13	-	-	0
Deferred charges	14,283	10,177	40	5,505	1,455	278
Intangible assets	26,676	25,192	6	586	49	1,096
Goodwill arising on consolidation	129,095	129,095	0	-	-	0
Deferred income tax assets	4,615	3,854	20	-	-	0
Derivative financial instruments	7,344	14,015	(48)	7,344	14,015	(48)
Other non-current assets	81,442	83,579	(3)	402	976	(59)
<b>Total non-current assets</b>	<b>5,196,141</b>	<b>4,048,604</b>	<b>28</b>	<b>2,726,991</b>	<b>1,799,716</b>	<b>52</b>
<b>TOTAL ASSETS</b>	<b>6,961,848</b>	<b>6,451,057</b>	<b>8</b>	<b>4,136,553</b>	<b>3,315,330</b>	<b>25</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	1,274,431	1,174,158	9	87,302	127,474	(32)
Current income tax liabilities	114,627	83,072	38	5,195	10,328	(50)
Borrowings	422,095	21,023	1,908	381,000	775	49,061
Provisions	43,459	49,202	(12)	-	-	0
Deferred income	848	490	73	-	-	0
Derivative financial instruments	18,443	3,523	424	-	-	0
Other current liabilities <sup>2</sup>	251,812	284,612	(12)	-	-	0
<b>Total current liabilities</b>	<b>2,125,715</b>	<b>1,616,080</b>	<b>32</b>	<b>473,497</b>	<b>138,577</b>	<b>242</b>
<b>Non-current Liabilities</b>						
Borrowings	1,931,746	1,338,177	44	747,640	216,785	245
Provisions	131,780	129,989	1	-	-	0
Deferred income	3,904	569	586	-	-	0
Deferred income tax liabilities	8,900	18,157	(51)	3,615	10,699	(66)
Derivative financial instruments	36,694	10,059	265	27,990	-	N/M
Other non-current liabilities	70,925	72,215	(2)	-	-	0
<b>Total non-current liabilities</b>	<b>2,183,949</b>	<b>1,569,166</b>	<b>39</b>	<b>779,245</b>	<b>227,484</b>	<b>243</b>
<b>TOTAL LIABILITIES</b>	<b>4,309,664</b>	<b>3,185,246</b>	<b>35</b>	<b>1,252,742</b>	<b>366,061</b>	<b>242</b>
<b>NET ASSETS</b>	<b>2,652,184</b>	<b>3,265,811</b>	<b>(19)</b>	<b>2,883,811</b>	<b>2,949,269</b>	<b>(2)</b>
<b>EQUITY</b>						
Share capital	1,822,117	1,820,019	0	1,822,117	1,820,019	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,816,901	1,814,803	0	1,816,901	1,814,803	0
Shares held by employee benefit trust	(4,716)	(3,761)	25	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	765,302	1,338,743	(43)	1,042,122	1,093,595	(5)
Other reserves	24,688	73,814	(67)	25,983	42,066	(38)
Capital and reserves attributable to equity holders of the Company	2,600,980	3,222,404	(19)	2,883,811	2,949,269	(2)
Non-controlling interest	51,204	43,407	18	-	-	0
<b>TOTAL EQUITY</b>	<b>2,652,184</b>	<b>3,265,811</b>	<b>(19)</b>	<b>2,883,811</b>	<b>2,949,269</b>	<b>(2)</b>
<b>Net current (liabilities)/ assets<sup>3</sup></b>	<b>(360,008)</b>	<b>786,373</b>	<b>N/M</b>	<b>936,065</b>	<b>1,377,037</b>	<b>(32)</b>

<sup>1</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>2</sup> Other current liabilities relates to deferred revenue arising from the percentage-of-completion method for revenue recognition.

<sup>3</sup> As at the balance sheet date, the Group has sufficient undrawn committed long term credit facilities that more than cover the net current liabilities.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group As at 30 December 2011	Secured loans US\$'000	Unsecured loans US\$'000	Secured finance lease liabilities US\$'000	Total 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
	<b>332,246</b>	<b>1,729,661</b>	<b>291,934</b>	<b>2,353,841</b>

The Group As at 31 December 2010	Secured loans US\$'000	Unsecured loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in FY 2011, or on demand	11,206	1,212	8,605	21,023
Amount repayable in:				
FY 2012	12,219	-	7,617	19,836
FY 2013	13,272	350,000	8,015	371,287
FY 2014	12,635	300,000	8,522	321,157
FY 2015	14,125	-	9,111	23,236
Thereafter	33,395	312,643	256,623	602,661
	<b>96,852</b>	<b>963,855</b>	<b>298,493</b>	<b>1,359,200</b>

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 As at 30 December 2011	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>4</sup> US\$'000	Total 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
	<b>2,545,545</b>	<b>237,961</b>	<b>1,107,909</b>	<b>43,778</b>	<b>154,452</b>	<b>4,089,645</b>

  

The Group As at 31 December 2010	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>4</sup> US\$'000	Total US\$'000
Amount repayable in FY 2011	706,456	22,937	101,620	29,799	57,397	918,209
Amount repayable in :						
FY 2012	590,535	22,937	97,982	17,966	48,196	777,616
FY 2013	493,619	22,937	93,307	13,315	32,116	655,294
FY 2014	388,271	22,936	84,398	9,453	20,710	525,768
FY 2015	240,851	12,516	81,053	2,884	14,922	352,226
Thereafter	664,211	24,718	745,148	-	13,235	1,447,312
	<b>3,083,943</b>	<b>128,981</b>	<b>1,203,508</b>	<b>73,417</b>	<b>186,576</b>	<b>4,676,425</b>

<sup>4</sup> Others relate mainly to warehouse space, warehouse equipment, office space and land.

## 1.(c) Consolidated Cash Flow Statement

	Group			
	FY 2011 US\$'000	FY 2010 US\$'000	Q4 2011 US\$'000	Q4 2010 US\$'000
<b>Cash Flows from Operating Activities</b>				
(Loss)/Profit before income tax	(428,935)	529,822	(306,248)	192,803
Adjustments for :				
Depreciation and amortisation	295,348	285,229	83,652	77,344
Fair value (gains)/ losses on hedges	(797)	6,297	10	(129)
Premium on bunker call options	-	18,337	-	848
Interest expense	32,686	34,638	8,490	9,864
Interest income	(6,805)	(4,277)	(1,443)	(1,510)
Share-based compensation costs	5,081	2,604	1,698	565
Net (write-back)/write-off of inventories	(49)	588	36	164
Write-off of intangible assets	-	89	-	24
Write-off of property, plant and equipment	-	2,010	-	2,010
Fair value (gains)/losses on shares held by employee benefit trust	(2,702)	1,347	131	433
Net (profit)/loss on disposal of property, plant and equipment	(616)	(5,292)	1,632	(3,847)
Net loss on disposal of other assets	-	24	-	30
Impairment loss on assets classified as held-for-sale	19,500	-	19,500	-
Net write-back of impairment of assets	(1,318)	(923)	(329)	(662)
Net provision for liabilities	30,377	12,854	7,072	2,298
Share of results of associated companies	(8,437)	(4,296)	(389)	(1,359)
Share of results of joint ventures	(1,017)	(1,179)	(422)	(302)
Unrealised currency translation (gains)/losses	(9,905)	5,855	(7,723)	2,990
Operating cash flow before working capital changes	(77,589)	883,727	(194,333)	281,564
<b>Changes in operating assets and liabilities</b>				
Receivables and other assets	13,688	(289,531)	77,788	136,817
Inventories	(83,318)	(47,006)	(5,402)	(7,969)
Payables	34,059	206,465	(53,847)	(4,335)
Cash (used in)/ generated from operations	(113,160)	753,655	(175,794)	406,077
Interest paid	(31,578)	(33,163)	(5,481)	(7,469)
Interest received	6,954	4,202	1,552	1,621
Net income tax paid	(26,397)	(31,811)	(6,175)	(13,026)
Net cash (outflow)/inflow from operating activities	(164,181)	692,883	(185,898)	387,203
<b>Cash Flows from Investing Activities</b>				
Investment in associated companies	(40,310)	(5,594)	(1,389)	(2,417)
Net proceeds from loans receivable	1,930	1,481	948	1,123
Dividends received from an associated company	789	449	-	449
Dividends received from a joint venture	32	-	-	-
Additions in other non-current investments	(467)	(651)	(19)	(428)
Purchase of property, plant and equipment	(1,461,886)	(471,046)	(282,249)	(85,654)
Subsequent expenditures on investment property	(39)	-	(39)	-
Purchase of intangible assets	(8,784)	(1,848)	3,238	(905)
Proceeds from disposal of property, plant and equipment	13,090	26,074	6,583	14,741
Proceeds from disposal of other assets	662	1,520	-	12
Net cash outflow from investing activities	(1,494,983)	(449,615)	(272,927)	(73,079)
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	1,030,746	506,670	331,005	20
Net cash (outflow)/inflow contributed by employee benefit trust	(17)	13	(2)	1
Dividends paid to equity holders	(95,253)	-	-	-
Dividends paid to non-controlling interest	(2,065)	(2,556)	-	-
Capital contribution by non-controlling interest	7,007	4	-	4
Proceeds from issue of new ordinary shares	844	1,390	20	523
Repayment of borrowings	(20,395)	(99,779)	(7,031)	(6,930)
Payment of costs incurred in connection with long term financing	(11,353)	(4,846)	(2,728)	(1,471)
Net cash inflow/ (outflow) from financing activities	909,514	400,896	321,264	(7,853)
Net (decrease)/increase in cash and cash equivalents	(749,650)	644,164	(137,561)	306,271
Cash and cash equivalents at beginning of financial year/period	977,212	333,048	365,123	670,941
Cash and cash equivalents at end of financial year/period	227,562	977,212	227,562	977,212

## 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 1 January 2011	1,820,019	(5,216)	(3,761)	(1,195)	1,338,743	73,814	43,407	3,265,811
Dividends to non-controlling interest	-	-	-	-	-	-	(2,065)	(2,065)
Dividends to equity holders	-	-	-	-	(95,253)	-	-	(95,253)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	3,383	-	3,383
- new shares issued	2,074	-	-	-	-	(1,250)	-	824
Purchase of shares by employee benefit trust	-	-	(505)	-	-	-	-	(505)
Capital contribution by non-controlling interest	-	-	-	-	-	-	7,007	7,007
Total comprehensive (loss)/income for the financial period	-	-	-	-	(157,755)	(35,903)	1,648	(192,010)
Balance at 23 September 2011	1,822,093	(5,216)	(4,266)	(1,195)	1,085,735	40,044	49,997	2,987,192
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,698	-	1,698
- new shares issued	24	-	-	-	-	(4)	-	20
Purchase of shares by employee benefit trust	-	-	(450)	-	-	-	-	(450)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(320,433)	(17,050)	1,207	(336,276)
Balance at 30 December 2011	1,822,117	(5,216)	(4,716)	(1,195)	765,302	24,688	51,204	2,652,184

  

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 26 December 2009	1,815,479	(5,216)	(2,989)	(1,195)	877,807	112,733	43,571	2,840,190
Dividends to non-controlling interest	-	-	-	-	-	-	(2,556)	(2,556)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	2,039	-	2,039
- new shares issued	3,841	-	-	-	-	(2,974)	-	867
Purchase of shares by employee benefit trust	-	-	(264)	-	-	-	-	(264)
Total comprehensive income/(loss) for the financial period	-	-	-	-	283,463	(70,459)	2,472	215,476
Balance at 17 September 2010	1,819,320	(5,216)	(3,253)	(1,195)	1,161,270	41,339	43,487	3,055,752
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	565	-	565
- new shares issued	699	-	-	-	-	(176)	-	523
Purchase of shares by employee benefit trust	-	-	(508)	-	-	-	-	(508)
Incorporation of subsidiary	-	-	-	-	-	-	4	4
Total comprehensive income/(loss) for the financial period	-	-	-	-	177,473	32,086	(84)	209,475
Balance at 31 December 2010	1,820,019	(5,216)	(3,761)	(1,195)	1,338,743	73,814	43,407	3,265,811

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

COMPANY	Share capital US\$'000	Treasury shares US\$'000	Treasury shares reserves 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	-	-	-	-	3,383	3,383
- new shares issued	2,074	-	-	-	(1,250)	824
Total comprehensive income/(loss) for the financial period	-	-	-	33,527	(7,993)	25,534
Balance at 23 September 2011	1,822,093	(5,216)	(1,195)	1,031,869	36,206	2,883,757
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,698	1,698
- new shares issued	24	-	-	-	(4)	20
Total comprehensive income/(loss) for the financial period	-	-	-	10,253	(11,917)	(1,664)
Balance at 30 December 2011	1,822,117	(5,216)	(1,195)	1,042,122	25,983	2,883,811

  

COMPANY	Share capital US\$'000	Treasury shares US\$'000	Treasury shares reserves US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Total equity US\$'000
Balance at 26 December 2009	1,815,479	(5,216)	(1,195)	1,085,061	38,740	2,932,869
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	2,039	2,039
- new shares issued	3,841	-	-	-	(2,974)	867
Total comprehensive income/(loss) for the financial period	-	-	-	4,534	(3,474)	1,060
Balance at 17 September 2010	1,819,320	(5,216)	(1,195)	1,089,595	34,331	2,936,835
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	565	565
- new shares issued	699	-	-	-	(176)	523
Total comprehensive income for the financial period	-	-	-	4,000	7,346	11,346
Balance at 31 December 2010	1,820,019	(5,216)	(1,195)	1,093,595	42,066	2,949,269

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 year reported on and as at the end of the previous year of the immediately preceding financial year.

Issued and paid up capital

As at 30 December 2011, the Company's issued and paid-up capital (including treasury shares) comprised 2,585,013,700 (31 December 2010: 2,583,364,922) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,583,286,983 (31 December 2010: 2,581,638,205) ordinary shares.

Share options

As at 31 December 2010, there were 46,682,418 outstanding 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 financial year, 940,299 and 32,932 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.05 per share and S\$2.10 per share respectively, 601,342 share options had expired and 665,494 share options were cancelled.

As at 30 December 2011, options to subscribe for 44,442,351 ordinary shares remain outstanding under the NOL SOP.

Performance shares

As at 31 December 2010, there were 675,547 outstanding performance shares under the NOL Performance Share Plan 2004 ("NOL PSP 2004").

During the financial year, 675,547 performance shares under the NOL PSP 2004 were vested on 2 January 2011.

In addition, the Company awarded 2,656,000 new performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010") and 313,667 performance shares were cancelled.

As at 30 December 2011, 2,342,333 performance shares remain outstanding under the NOL PSP 2010.

Restricted shares

As at 31 December 2010, there was no award of restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the financial year, the Company awarded 6,222,000 restricted shares under the NOL RSP 2010 and 242,000 restricted shares were cancelled.

As at 30 December 2011, 5,980,000 restricted shares remain outstanding under the NOL RSP 2010.

Treasury shares

As at 31 December 2010, 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 performance shares under the NOL PSP 2004.

As at 30 December 2011, no treasury shares were re-issued by the Company pursuant to the NOL SOP, NOL PSP 2004, NOL PSP 2010 and NOL RSP 2010.

In addition, no shares were purchased for the purposes of fulfilling the Company's obligations under the NOL SOP, NOL PSP 2004, NOL PSP 2010 and NOL RSP 2010.

As at 30 December 2011, there were 1,726,717 treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the FY 2011 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 30 December 2011 and the reported amounts of revenue and expenses during the financial year from 1 January 2011 to 30 December 2011. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Audit or Review of Figures

The figures have not been audited or reviewed by our auditors.

4. Auditors' Report (including any qualifications or emphasis of matter)

N.A.

5. **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 4, 2011, 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.

6. **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 7(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 31 December 2010.

7.(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 1 January 2011, the Group and the Company adopted/early adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS"), which are effective for the Group's financial period beginning 1 January 2011.

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

FRS 24 (revised)	: Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)
Amendments to FRS 32	: Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010)
Amendments to INT FRS 114	: Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011)
INT FRS 119	: Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010)

The adoption of the above FRS and INT 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.

7.(b) **Comparatives**

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

8. <b>GROUP</b>	<b>FY 2011</b>	<b>FY 2010</b>	<b>Q4 2011</b>	<b>Q4 2010</b>
<b>(Loss)/Earnings 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>	<b>(18.49 US cts)</b>	<b>17.88 US cts</b>	<b>(12.39 US cts)</b>	<b>6.88 US cts</b>
<b>b) On a fully diluted basis (detailing any adjustments made to the earnings)</b>	<b>(18.49 US cts)</b>	<b>17.83 US cts</b>	<b>(12.39 US cts)</b>	<b>6.86 US cts</b>

9. **Net Asset Value**

	<b>Group</b>			<b>Company</b>		
	<b>30 Dec 2011</b>	<b>31 Dec 2010</b>	<b>Inc / (Dec)</b>	<b>30 Dec 2011</b>	<b>31 Dec 2010</b>	<b>Inc / (Dec)</b>
	<b>US\$</b>	<b>US\$</b>	<b>%</b>	<b>US\$</b>	<b>US\$</b>	<b>%</b>
<b>Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer</b>	<b>1.01</b>	<b>1.25</b>	<b>(19.20)</b>	<b>1.12</b>	<b>1.14</b>	<b>(1.75)</b>

10. Review of the Performance of the Group

Income Statement:

FY 2011 vs FY 2010

NOL Group achieved revenue of US\$9.21 billion (FY 2010: US\$9.42 billion), a decrease of US\$0.21 billion or 2% year-on-year (YoY). This was mainly due to decrease in Liner revenue from lower freight rates across most major trade lanes, partly offset by growth in Logistics revenue.

The Group's cost of sales increased by US\$0.67 billion or 8% YoY to US\$8.82 billion mainly due to higher costs associated with higher volumes in both Liner and Logistics business units and higher bunker costs.

Administrative expenses increased by US\$29 million or 4% YoY to US\$716 million mainly due to higher general overhead expenses.

Other operating expenses increased by US\$60 million or 389% YoY to US\$75 million mainly due to impairment loss on assets classified as held-for-sale recognised in FY 2011, increase in allowance for doubtful debts and foreign exchange losses in FY 2011 as compared to foreign exchange gains in FY 2010.

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\$478 million in FY 2011 compared to net profit of US\$461 million in FY 2010, mainly due to higher costs associated with higher volumes and higher bunker costs.

Q4 2011 vs Q4 2010

NOL Group achieved revenue of US\$2.40 billion (Q4 2010: US\$2.77 billion), a decrease of US\$0.37 billion or 13% year-on-year (YoY). This was mainly due to decrease in Liner revenue from lower freight rates across major trade lanes.

The Group's cost of sales increased by US\$0.08 billion or 4% YoY to US\$2.46 billion mainly due to higher costs associated with higher volumes in both Liner and Logistics business units and higher bunker costs.

Other operating expenses increased by US\$42 million or 3296% YoY to US\$43 million mainly due to impairment loss on assets classified as held-for-sale recognised in Q4 2011 and foreign exchange losses in Q4 2011 as compared to foreign exchange gains in Q4 2010.

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\$320 million in Q4 2011 compared to net profit of US\$177 million in Q4 2010, mainly due to higher costs associated with higher volumes and higher bunker costs.

Balance Sheet:

NOL Group's total assets increased by US\$511 million from US\$6.45 billion as at 31 December 2010 to US\$6.96 billion as at 30 December 2011. The increase in total assets was mainly due to increase in property, plant and equipment and inventories, partially offset by decrease in cash and cash equivalents. The increase in property, plant and equipment was mainly due to progressive payments made for the new vessels that the Group had ordered and the increase in inventories was attributed to higher bunker prices. Please refer to the explanation below for the decrease in cash and cash equivalents.

The Group's total liabilities increased by US\$1.12 billion from US\$3.19 billion as at 31 December 2010 to US\$4.31 billion as at 30 December 2011. 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\$614 million from US\$3.27 billion as at 31 December 2010 to US\$2.65 billion as at 30 December 2011 mainly due to net losses incurred during FY 2011 and payment of dividends to equity holders.

As at 30 December 2011, the Group was in a net current liabilities position mainly due to the expiration of drawn down financing facilities within the next 12 months. The financing facilities were drawn down for the Group's general corporate purposes. 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.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$750 million from US\$977 million as at 31 December 2010 to US\$228 million as at 30 December 2011 mainly due to net cash outflow from investing activities of US\$1.50 billion and net cash outflow from operating activities of US\$164 million, partially offset by net cash inflow from financing activities of US\$910 million. Net cash outflow from investing activities was mainly due to progressive payments made for the new vessels that the Group had ordered. Net cash outflow from operations was mainly due to losses incurred during FY2011. Net cash inflow from financing activities was mainly due to net proceeds from borrowings, partially offset by payment of dividends to equity holders [see Note 1(c)].

	FY 2011 US\$m	Q4 2011 US\$m	Q3 2011 US\$m	Q2 2011 US\$m	Q1 2011 US\$m
<b>(a) Revenue</b>					
Liner <sup>5</sup>	7,910	2,042	1,904	1,861	2,103
Logistics	1,405	390	333	314	368
Elimination	(104)	(29)	(24)	(23)	(28)
<b>Total</b>	<b>9,211</b>	<b>2,403</b>	<b>2,213</b>	<b>2,152</b>	<b>2,443</b>
<b>(b) Core EBIT<sup>6</sup></b>					
Liner <sup>5</sup>	(446)	(297)	(88)	(53)	(8)
Logistics	69	20	16	12	21
<b>Total</b>	<b>(377)</b>	<b>(277)</b>	<b>(72)</b>	<b>(41)</b>	<b>13</b>

  

	FY 2010 US\$m	Q4 2010 US\$m	Q3 2010 US\$m	Q2 2010 US\$m	Q1 2010 US\$m
<b>(a) Revenue</b>					
Liner <sup>5,7</sup>	8,287	2,430	2,157	1,866	1,834
Logistics	1,260	380	302	282	296
Elimination <sup>7</sup>	(125)	(36)	(30)	(27)	(32)
<b>Total</b>	<b>9,422</b>	<b>2,774</b>	<b>2,429</b>	<b>2,121</b>	<b>2,098</b>
<b>(b) Core EBIT<sup>6</sup></b>					
Liner <sup>5,7</sup>	492	178	301	102	(89)
Logistics <sup>7</sup>	65	20	18	12	15
<b>Total</b>	<b>557</b>	<b>198</b>	<b>319</b>	<b>114</b>	<b>(74)</b>

<sup>5</sup> The financial results of "Others" have been combined with the Liner business unit with effect from Q1 2011.

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

<sup>7</sup> Restatement of 2010 figures due to transfer of shared service costs from Liner to Logistics.

(c) **Analysis by Business Units**

(i) **Liner**

FY 2011 vs FY 2010

Liner achieved FY 2011 revenue of US\$7.91 billion, a year-on-year (YoY) decrease of 5% mainly due to lower freight rates despite higher volumes transported.

Volume rose 5% YoY to 3.0 million FEUs mainly due to increase in volume in the Asia/Middle East and Asia-Europe trade.

Average revenue per FEU declined by 10% YoY to US\$2,500 mainly due to fall in rates in the Asia-Europe and Asia/Middle East trade.

Liner recorded a Core EBIT loss of US\$446 million mainly due to lower rates and higher bunker price, which had increased by 33% YoY in FY 2011.

Q4 2011 vs Q4 2010

Liner achieved Q4 2011 revenue of US\$2.04 billion, a year-on-year (YoY) decrease of 16% due to lower freight rates across major trade lanes.

Volume was flat YoY at 0.8 million FEUs mainly due to increase in volume in the Asia/Middle East which was offset by decrease in volume in the Transpacific and Asia-Europe trades.

Average revenue per FEU declined by 15% YoY to US\$2,342 due lower freight rates across the major trade lanes.

Liner recorded a Core EBIT loss of US\$297 million mainly due to lower rates and higher bunker price, which had increased by 43% YoY in Q4 2011.

**LINER FULL YEAR RESULTS 2011 and 2010**

*Unaudited*

	<b>FY 2011</b>	<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>
<b>Load Factors %</b>					
Transpacific Eastbound	85%	86%	89%	81%	84%
Asia-Europe Westbound	95%	92%	95%	97%	96%
Transatlantic Westbound	100%	98%	99%	100%	100%
Intra-Asia Westbound	99%	100%	100%	98%	100%
Asia-Latin America/Mexico Eastbound	90%	87%	97%	93%	83%
<b>Headhaul</b>	<b>92%</b>	<b>92%</b>	<b>94%</b>	<b>91%</b>	<b>92%</b>
<b>Volume ('000 FEU)</b>					
<b>Americas</b>					
Transpacific	850	227	203	193	227
Latin America	186	51	44	43	48
	<b>1,036</b>	<b>278</b>	<b>247</b>	<b>236</b>	<b>275</b>
<b>Europe</b>					
Asia-Europe	496	136	116	114	130
Transatlantic	136	35	30	32	39
	<b>632</b>	<b>171</b>	<b>146</b>	<b>146</b>	<b>169</b>
<b>Asia/Middle East</b>					
Intra-Asia	1,311	375	306	310	320
	<b>2,979</b>	<b>824</b>	<b>699</b>	<b>692</b>	<b>764</b>

	<b>FY 2010</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>Q1 2010</b>
<b>Load Factors %</b>					
Transpacific Eastbound	91%	87%	95%	90%	91%
Asia-Europe Westbound	97%	95%	98%	97%	98%
Transatlantic Westbound	94%	89%	99%	97%	92%
Intra-Asia Westbound	96%	97%	99%	95%	93%
Asia-Latin America/Mexico Eastbound	95%	84%	99%	100%	94%
<b>Headhaul</b>	<b>94%</b>	<b>91%</b>	<b>97%</b>	<b>94%</b>	<b>93%</b>
<b>Volume ('000 FEU)</b>					
<b>Americas</b>					
Transpacific	919	256	226	210	227
Latin America	189	51	44	45	49
	<b>1,108</b>	<b>307</b>	<b>270</b>	<b>255</b>	<b>276</b>
<b>Europe</b>					
Asia-Europe	459	142	109	104	104
Transatlantic	133	37	31	30	35
	<b>592</b>	<b>179</b>	<b>140</b>	<b>134</b>	<b>139</b>
<b>Asia/Middle East</b>					
Intra-Asia	1,131	343	245	257	286
	<b>2,831</b>	<b>829</b>	<b>655</b>	<b>646</b>	<b>701</b>

<sup>8</sup> Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.



## (c) Analysis by Business Units (continued)

## (i) Liner (continued)

## LINER FULL YEAR RESULTS 2011 and 2010 (continued)

Unaudited

	FY 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
<b>Operating Expenses (US\$m)</b>					
<b>Americas</b>					
Transpacific	3,660	1,021	867	825	947
Latin America	687	192	164	157	174
	4,347	1,213	1,031	982	1,121
<b>Europe</b>					
Asia-Europe	1,480	419	357	337	367
Transatlantic	477	129	110	110	128
	1,957	548	467	447	495
<b>Asia/Middle East</b>					
Intra-Asia	2,052	578	494	485	495
<b>Total Operating Expenses</b>	<b>8,356</b>	<b>2,339</b>	<b>1,992</b>	<b>1,914</b>	<b>2,111</b>

**Analysis of Expenses (US\$m)**

Operating Cost	7,535	2,106	1,797	1,726	1,906
General and Administrative	535	151	130	123	131
Depreciation and Amortisation	285	81	65	65	74
Others <sup>9</sup>	1	1	-	-	-
<b>Total Operating Expenses</b>	<b>8,356</b>	<b>2,339</b>	<b>1,992</b>	<b>1,914</b>	<b>2,111</b>

	FY 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
<b>Operating Expenses (US\$m)</b>					
<b>Americas</b>					
Transpacific	3,629	1,063	887	791	888
Latin America	682	183	156	162	181
	4,311	1,246	1,043	953	1,069
<b>Europe</b>					
Asia-Europe	1,321	397	315	305	304
Transatlantic	436	124	106	99	107
	1,757	521	421	404	411
<b>Asia/Middle East</b>					
Intra-Asia	1,727	485	392	407	443
<b>Total Operating Expenses</b>	<b>7,795</b>	<b>2,252</b>	<b>1,856</b>	<b>1,764</b>	<b>1,923</b>

**Analysis of Expenses (US\$m)**

Operating Cost	6,998	2,021	1,655	1,589	1,733
General and Administrative	523	157	137	112	117
Depreciation and Amortisation	274	74	63	64	73
Others <sup>9</sup>	-	-	1	(1)	-
<b>Total Operating Expenses</b>	<b>7,795</b>	<b>2,252</b>	<b>1,856</b>	<b>1,764</b>	<b>1,923</b>

<sup>9</sup> Others consists of non-controlling interest and share of results of associated companies and joint ventures.

## (ii) Logistics

## FY 2011 vs FY 2010

Logistics achieved a record revenue of US\$1.40 billion in FY 2011, a year-on-year (YoY) increase of 12% driven by higher volumes in the Contract Logistics business segment.

Contract Logistics achieved revenue of US\$892 million, a YoY increase of 20% due to higher volumes in the rail and land transport business segment and business areas that service the automotive and retail sectors.

International Services achieved revenue of US\$513 million, relatively unchanged YoY.

Logistics achieved a record Core EBIT of US\$69 million for FY 2011, an increase of US\$4 million or 6% YoY, mainly due to higher earnings achieved in the Contract Logistics segment, particularly the rail and land transport business segment and business areas that service the automotive sector, but partially offset by higher operating, infrastructure and technology costs associated with expanding the business.

## Q4 2011 vs Q4 2010

Logistics achieved Q4 2011 revenue of US\$390 million, a year-on-year (YoY) increase of 3% mainly due to higher volumes in the Contract Logistics business segment.

Contract Logistics achieved revenue of US\$253 million, a YoY increase of 15% due to higher volumes in the rail and land transport business segment and business areas that service the automotive sector.

International Services achieved revenue of US\$137 million, a YoY decrease of 14% mainly due to lower freight rates.

Logistics achieved a Core EBIT of US\$20 million for Q4 2011, unchanged YoY.

## LOGISTICS FULL YEAR RESULTS 2011 and 2010

Unaudited

US\$ millions

	FY 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
<b>BY REGION</b>					
<b>Revenue</b>					
Americas	893	262	203	195	233
Europe	163	43	40	36	44
Asia/Middle East	349	85	90	83	91
<b>Total Revenue</b>	<b>1,405</b>	<b>390</b>	<b>333</b>	<b>314</b>	<b>368</b>

**BY BUSINESS SEGMENT**

<b>Revenue</b>					
Contract Logistics Services	892	253	206	200	233
International Services	513	137	127	114	135
<b>Total Revenue</b>	<b>1,405</b>	<b>390</b>	<b>333</b>	<b>314</b>	<b>368</b>

	FY 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
<b>BY REGION</b>					
<b>Revenue</b>					
Americas	766	227	178	174	187
Europe	166	58	41	33	34
Asia/Middle East	328	95	83	75	75
<b>Total Revenue</b>	<b>1,260</b>	<b>380</b>	<b>302</b>	<b>282</b>	<b>296</b>

**BY BUSINESS SEGMENT**

<b>Revenue</b>					
Contract Logistics Services	743	220	164	170	189
International Services	517	160	138	112	107
<b>Total Revenue</b>	<b>1,260</b>	<b>380</b>	<b>302</b>	<b>282</b>	<b>296</b>

(c) Analysis by Business Units (continued)

(ii) Logistics (continued)

LOGISTICS FULL YEAR RESULTS 2011 and 2010 (continued)

Unaudited  
US\$ millions

	FY 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
<b>Operating Expenses</b>					
Contract Logistics Services	863	244	200	195	224
International Services	473	126	117	107	123
<b>Total Operating Expenses</b>	<b>1,336</b>	<b>370</b>	<b>317</b>	<b>302</b>	<b>347</b>
<b>Core EBIT<sup>10</sup></b>					
Contract Logistics Services	29	9	6	5	9
International Services	40	11	10	7	12
<b>Total Core EBIT</b>	<b>69</b>	<b>20</b>	<b>16</b>	<b>12</b>	<b>21</b>
<b>Analysis of Expenses</b>					
Operating Cost	1,143	319	267	257	300
General and Administrative	189	48	49	45	47
Depreciation and Amortisation	10	3	2	3	2
Others <sup>11</sup>	(6)	-	(1)	(3)	(2)
<b>Total Operating Expenses</b>	<b>1,336</b>	<b>370</b>	<b>317</b>	<b>302</b>	<b>347</b>
	<b>FY 2010</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>Q1 2010</b>
<b>Operating Expenses</b>					
Contract Logistics Services	726	214	162	166	184
International Services <sup>12</sup>	469	146	122	104	97
<b>Total Operating Expenses</b>	<b>1,195</b>	<b>360</b>	<b>284</b>	<b>270</b>	<b>281</b>
<b>Core EBIT<sup>10</sup></b>					
Contract Logistics Services	17	6	2	4	5
International Services <sup>12</sup>	48	14	16	8	10
<b>Total Core EBIT</b>	<b>65</b>	<b>20</b>	<b>18</b>	<b>12</b>	<b>15</b>
<b>Analysis of Expenses</b>					
Operating Costs <sup>12</sup>	1,014	306	240	229	239
General and Administrative	171	51	42	39	39
Depreciation and Amortisation	11	3	3	2	3
Others <sup>11</sup>	(1)	-	(1)	-	-
<b>Total Operating Expenses</b>	<b>1,195</b>	<b>360</b>	<b>284</b>	<b>270</b>	<b>281</b>

<sup>10</sup> Earnings before Interest, Tax and Exceptional (Non-Recurring) Items.

<sup>11</sup> Others consists of non-controlling interest and share of results of associated companies and joint ventures.

<sup>12</sup> Restatement of 2010 figures due to transfer of shared service costs from Liner to Logistics.

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

N A

12. 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.

Recent freight rates show signs of improvement. However the global economy remains uncertain. The container shipping industry continues to face high fuel costs and overcapacity. If these conditions continue, financial performance will remain weak.

13. 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?

Name of dividend	Final
Dividend Type	Cash
Dividend Amount per share	4.60 Singapore cents
Tax Rate	Tax Exempt (One-tier)
Payment Date	5 May 2011

(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 year.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**14. Segment Information**  
**Segment Reporting By Operating Segments**

For management purposes, the Group is organised into business units based on their services, and has two reportable operating segments as follows:

1. Liner - Global liners provide operations of container transportation, terminals and provision of other related services. It offers container shipping services in major trade lanes such as Transpacific, Intra-Asia, Transatlantic, Latin America and Asia-Europe.

2. Logistics - Global logistics provider with a comprehensive network of facilities and services to support the global supply chain management needs of customers. The range of services include consolidation, warehousing, global freight management (ocean, air, truck and rail), domestic distribution networks, international deconsolidation and information technologies that provide timely and accurate information to effectively manage supply chain activities.

With effect from the first quarter of the financial year ended 30 December 2011, the financial results of "Others" have been combined with the Liner business unit. The Group has also restated the corresponding segment information for the financial year ended 31 December 2010.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The terms of inter-segment sales are established by negotiation between the various business units.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest and tax.

Unallocated income statement items represent income tax expense or credit and interest expense, which are managed on a group basis and are not allocated to operating segments. However, costs are sometimes incurred at the enterprise level on behalf of a segment. Such costs are segment expenses if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment assets comprise primarily property, plant and equipment, investment property, intangible assets, goodwill arising on consolidation, inventories, receivables, operating cash and other investments and exclude fixed and demand deposits and deferred income tax assets. Segment liabilities comprise primarily operating liabilities and exclude items such as income tax liabilities and borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment property and intangible assets, excluding those acquired through business combinations and finance leases.

FY 2011	Liner US\$'000	Logistics US\$'000	Elimination US\$'000	Total US\$'000
<b>Revenue</b>				
External sales	7,819,954	1,390,750	-	9,210,704
Inter-segment sales	90,516	13,887	(104,403)	-
<b>Total revenue</b>	<b>7,910,470</b>	<b>1,404,637</b>	<b>(104,403)</b>	<b>9,210,704</b>
<b>Segment result</b>	<b>(472,105)</b>	<b>59,597</b>	<b>-</b>	<b>(412,508)</b>
Interest income	5,855	950	-	6,805
Share of results of associated companies	(892)	9,329	-	8,437
Share of results of joint ventures	485	532	-	1,017
Non-controlling interest	(393)	(3,863)	-	(4,256)
<b>(Loss)/ Earnings before interest and tax</b>	<b>(467,050)</b>	<b>66,545</b>	<b>-</b>	<b>(400,505)</b>
Interest expense				(32,686)
Income tax expense				(44,997)
<b>Net loss attributable to equity holders of the Company</b>				<b>(478,188)</b>
<b>Segment assets</b>	<b>6,450,362</b>	<b>387,000</b>	<b>(112,331)</b>	<b>6,725,031</b>
Associated companies	65,537	32,654	-	98,191
Joint ventures	22,815	6,177	-	28,992
Unallocated assets				109,634
<b>Consolidated total assets</b>				<b>6,961,848</b>
<b>Segment liabilities</b>	<b>1,651,547</b>	<b>293,080</b>	<b>(112,331)</b>	<b>1,832,296</b>
Unallocated liabilities				2,477,368
<b>Consolidated total liabilities</b>				<b>4,309,664</b>
<b>Other segment items:</b>				
<b>Capital expenditures</b>				
- property, plant & equipment and investment property	1,447,817	21,486	-	1,469,303
- intangible assets	6,329	2,455	-	8,784
Depreciation	277,459	8,270	-	285,729
Amortisation	8,259	1,360	-	9,619
Net provision for impairment	28,823	1,560	-	30,383
Other non-cash expenses	27,107	4,803	-	31,910
<b>FY 2010</b>	<b>Liner US\$'000</b>	<b>Logistics US\$'000</b>	<b>Elimination US\$'000</b>	<b>Total US\$'000</b>
<b>Revenue</b>				
External sales	8,178,482	1,243,610	-	9,422,092
Inter-segment sales	108,980	16,500	(125,480)	-
<b>Total revenue</b>	<b>8,287,462</b>	<b>1,260,110</b>	<b>(125,480)</b>	<b>9,422,092</b>
<b>Segment result</b>	<b>493,212</b>	<b>61,496</b>	<b>-</b>	<b>554,708</b>
Interest income	3,590	687	-	4,277
Share of results of associated companies	(175)	4,471	-	4,296
Share of results of joint ventures	1,056	123	-	1,179
Non-controlling interest	(341)	(2,746)	-	(3,087)
<b>Earnings before interest and tax</b>	<b>497,342</b>	<b>64,031</b>	<b>-</b>	<b>561,373</b>
Interest expense				(34,638)
Income tax expense				(65,799)
<b>Net profit attributable to equity holders of the Company</b>				<b>460,936</b>
<b>Segment assets</b>	<b>5,931,900</b>	<b>288,454</b>	<b>(93,114)</b>	<b>6,127,240</b>
Associated companies	25,991	22,870	-	48,861
Joint ventures	22,960	5,288	-	28,248
Unallocated assets				246,708
<b>Consolidated total assets</b>				<b>6,451,057</b>
<b>Segment liabilities</b>	<b>1,572,366</b>	<b>245,565</b>	<b>(93,114)</b>	<b>1,724,817</b>
Unallocated liabilities				1,460,429
<b>Consolidated total liabilities</b>				<b>3,185,246</b>
<b>Other segment items:</b>				
<b>Capital expenditures</b>				
- property, plant & equipment	470,918	7,196	-	478,114
- intangible assets	554	1,294	-	1,848
Depreciation	269,257	8,109	-	277,366
Amortisation	5,402	2,461	-	7,863
Net (write-back of)/ provision for impairment	(990)	22	-	(968)
Other non-cash expenses	41,036	3,090	-	44,126

14. **Segment Information (continued)**

**Segment Reporting By Geographical Segments**

In respect of liner activities which covers the world's major shipping lanes, the geographical segment of external sales are reported as follows:

<u>Geographical segment</u>	<u>Trade Lanes</u>
Asia/Middle East	Intra-Asia
Europe	Asia-Europe Transatlantic
Americas	Transpacific Latin America

In respect of logistics activities, the geographical segments of external sales are reported based on the country where the services were significantly performed.

In respect of other activities, the geographical segments of external sales are reported based on the country of domicile of customers.

The Directors of the Company consider that the nature of the Group's business precludes a meaningful allocation of vessels, drydocking costs and containers to specific geographical segments as defined under FRS 108 Operating Segments. These vessels, together with the related drydocking costs, and containers are primarily utilised across geographic markets for shipment of cargoes throughout the world. This is in line with the industry practice.

	<u>Sales</u>			<u>Non-current Assets</u>		
	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>	<u>% Increase/ (Decrease)</u>	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>	<u>% Increase/ (Decrease)</u>
Asia/Middle East	2,286,399	2,212,078	3	578,643	503,385	15
Europe	1,883,193	2,041,083	(8)	37,384	34,558	8
Americas	5,041,112	5,168,931	(2)	313,312	272,425	15
<b>Subtotal</b>	<b>9,210,704</b>	<b>9,422,092</b>		<b>929,339</b>	<b>810,368</b>	
Vessels				3,226,457	2,209,800	46
Containers				905,410	900,238	1
Drydocking costs				69,115	55,736	24
<b>Total</b>				<b>5,130,321</b>	<b>3,976,142</b>	

Non-current assets information presented above consisted mainly of property, plant and equipment, investment property, intangible assets, goodwill, and deferred charges as presented in the consolidated balance sheets.

15. **Factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 10 for an analysis by business units.

16. **Breakdown of sales as follows:**

	<u>FY 2011</u> <u>US\$'000</u>	<u>Group</u> <u>FY 2010</u> <u>US\$'000</u>	<u>% Increase/ (Decrease)</u>
Sales reported for the first half year	4,594,667	4,218,654	9
Operating (losses)/gains after income tax before deducting non-controlling interest reported for the first half year	(64,994)	3,211	N/M
Sales reported for the second half year	4,616,037	5,203,438	(11)
Operating (losses)/gains after income tax before deducting non-controlling interest reported for the second half year	(408,938)	460,812	N/M

N/M: Not meaningful

17. **Interested Person Transactions**

<u>Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual</u>	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>	<u>Q4 2011</u> <u>US\$'000</u>	<u>Q4 2010</u> <u>US\$'000</u>
<b>Transactions for the Purchase of Goods and Services</b>				
PSA Corporation Limited and its associates	223,419	189,673	59,539	58,546
Sembcorp Marine Ltd and its associates	-	1,800	-	1,298
Singapore Telecommunications Limited and its associates	150	118	40	118
Singapore Technologies Engineering Ltd and its associates	-	420	-	404
<b>Transactions for the Purchase of Assets</b>				
Singapore Telecommunications Limited and its associates	-	1,003	-	182
<b>Transactions for the Leasing-in of Assets</b>				
Sembcorp Marine Ltd and its associates	3,500	3,311	921	986
<b>Transactions for the Sale of Goods and Services</b>				
Sembcorp Industries Ltd and its associates	87	-	48	-

The above relates to cumulative value of transactions (inclusive of GST) more than S\$100,000.

18. **A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:-**

	<u>FY 2011</u> <u>US\$'000</u>	<u>FY 2010</u> <u>US\$'000</u>
Ordinary	Nil	95,253

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Listing Rule 704(13).**

There is no person occupying any managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**LOOI LEE HWA AND WONG KIM WAH**  
Company Secretaries

Dated this 22 February 2012