



FOR IMMEDIATE RELEASE

NOL Group reports US\$478 million loss for 2011

SINGAPORE, 22 FEBRUARY, 2012 – NOL Group today reported a US\$478 million net loss in 2011 following net earnings of US\$461 million in 2010. The container shipping and logistics company said unsettled economic conditions, high fuel costs and lower freight rates impacted results.

“The performance of container shipping is disappointing.” said Group CEO Ng Yat Chung. “Over-capacity and higher fuel costs have negatively affected the whole container shipping industry. We are urgently addressing costs and all other factors under our control to improve our performance.”

NOL said 2011 revenue decreased 2% to US\$9.2 billion. The Group reported a Core EBIT (Earnings Before Interest and Taxes) loss of US\$377 million for the year. It reported a fourth quarter 2011 net loss of US\$320 million. NOL’s supply chain management business, APL Logistics, reported record performance in revenue and Core EBIT.

	2011	2010	Change %	4Q11	4Q10	Change %
Revenue (US\$m)	9,211	9,422	(2)	2,403	2,774	(13)
Core EBIT (US\$m)	(377)	557	NM	(277)	198	NM
Net (loss)/profit (US\$m)	(478)	461	NM	(320)	177	NM

nm: not meaningful



BUSINESS SEGMENTS

APL, NOL Group's liner shipping business, reported 2011 revenue of US\$7.9 billion, down 5% from 2010. It announced a Core EBIT loss of US\$446 million. Volume increased 5% year-on-year. Average Revenue Per FEU (forty-foot equivalent unit) was down 10%. APL said the average price of bunker fuel was 33% higher in 2011. "The volume increase was offset by downward pressure on freight rates and high fuel costs," said APL President Kenneth Glenn. "We must continue to drive down costs and make better cargo selection decisions in the face of this industry-wide trend."

APL Logistics reported 2011 revenue of US\$1.4 billion, up 12% from 2010. Core EBIT was US\$69 million. Both were all-time highs for the business. Growth in auto logistics and a strong first half in international logistics contributed to the results. "The diversity of our portfolio led to record high revenue and profitability," said APL Logistics President Jim McAdam. "We will continue to invest in our business infrastructure and logistics network to support business growth."

OUTLOOK

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.

2011 OPERATING PERFORMANCE (vs 2010)

Liner Shipping

- Revenue US\$7.9 billion, down 5%
- Core EBIT loss US\$446 million compared to Core EBIT of US\$492 million previously
- Average revenue per FEU US\$2,500, down 10%
- Volume 2.98 million FEUs, up 5%

Logistics

- Revenue US\$1.4 billion, up 12%
- Core EBIT US\$69 million, up 6%
- Core EBIT Margin 4.9% compared to 5.2% previously



4Q11 OPERATING PERFORMANCE (vs 4Q10)

Liner Shipping

- Revenue US\$2 billion, down 16%
- Core EBIT loss US\$297 million compared to Core EBIT of US\$178 million previously
- Average revenue per FEU US\$2,342, down 15%
- Volume 0.8 million FEUs, unchanged

Logistics

- Revenue US\$390 million, up 3%
- Core EBIT US\$20 million, unchanged
- Core EBIT Margin 5.1% compared to 5.3% previously

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About NOL

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

www.nol.com.sg