



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Financial Information
For the Year Ended 28 December 2012

1.(a)(i) Consolidated Income Statement

	Group			Group		
	FY 2012 US\$'000	FY 2011 US\$'000	% Increase/ (Decrease)	Q4 2012 US\$'000	Q4 2011 US\$'000	% Increase/ (Decrease)
Revenue	9,511,631	9,210,704	3	2,498,569	2,402,447	4
Cost of sales	(8,988,204)	(8,819,462)	2	(2,372,882)	(2,459,196)	(4)
Gross profit/(loss)	523,427	391,242	34	125,687	(56,749)	N/M
Other gains (net)						
- Miscellaneous	14,862	11,138	33	6,520	4,136	58
- Finance and investment income	5,263	6,805	(23)	1,659	1,443	15
Expenses						
- Administrative	(693,956)	(716,214)	(3)	(182,703)	(196,366)	(7)
- Restructuring costs	(29,147)	-	N/M	-	-	0
- Finance	(75,272)	(56,149)	34	(24,037)	(16,264)	48
- Other operating	(115,349)	(75,211)	53	(12,666)	(43,259)	(71)
Share of results of associated companies	9,035	8,437	7	6,119	389	1,473
Share of results of joint ventures	364	1,017	(64)	413	422	(2)
Loss before income tax	(360,773)	(428,935)	(16)	(79,008)	(306,248)	(74)
Income tax expense	(52,908)	(44,997)	18	(17,249)	(12,470)	38
Net loss for the financial year/period	(413,681)	(473,932)	(13)	(96,257)	(318,718)	(70)
Net (loss)/profit attributable to:						
Equity holders of the Company	(419,445)	(478,188)	(12)	(98,054)	(320,433)	(69)
Non-controlling interest	5,764	4,256	35	1,797	1,715	5
	(413,681)	(473,932)	(13)	(96,257)	(318,718)	(70)

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

	Group			Group		
	FY 2012 US\$'000	FY 2011 US\$'000	% Increase/ (Decrease)	Q4 2012 US\$'000	Q4 2011 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	9,000	15,805	(43)	2,217	6,604	(66)
(B) Interest on Borrowings	(46,875)	(32,686)	43	(15,431)	(8,490)	82
(C) Depreciation and Amortisation	(314,976)	(295,348)	7	(85,903)	(83,652)	3
(D) Allowance for Doubtful Debts and Bad Debts Written Off	(547)	(10,611)	(95)	(1,163)	(479)	143
(E) Provision for Impairment in Value of Investments	(22)	(27)	(19)	(16)	(30)	(47)
(F) Foreign Exchange Gain/(Loss)	19,563	(2,995)	N/M	13,819	(10,046)	N/M
(G) Adjustment for (Under)/Over Provision for Tax in Prior Years	(610)	522	N/M	366	(1,578)	N/M
(H) Profit/(Loss) on Sale of Investments, Property, Plant and Equipment and other Assets	4,469	616	625	3,260	(1,632)	N/M
(I) Impairment Loss on Assets classified as held-for-sale	(81,624)	(19,500)	319	-	(19,500)	(100)
(J) Net (Write-off)/Write back of Inventories	(67)	49	N/M	(11)	(36)	(69)

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

	Group		Group	
	FY 2012 US\$'000	FY 2011 US\$'000	Q4 2012 US\$'000	Q4 2011 US\$'000
Net loss for the financial year/period	(413,681)	(473,932)	(96,257)	(318,718)
Other comprehensive income:				
Fair value gain/(loss) on cash flow hedges	43,515	(25,714)	(8,805)	(14,073)
Fair value (gain)/loss on cash flow hedges transferred to the income statement	(20,946)	(19,184)	993	4,983
Fair value (loss)/gain on available-for-sale financial asset	(16)	(15)	(2)	16
Share of other comprehensive income of associated company	(3,559)	-	(3,206)	-
Currency translation differences	5,240	(10,164)	1,380	(8,695)
Tax on fair value gain and loss	329	723	317	211
Other comprehensive income for the financial year/period, net of tax	24,563	(54,354)	(9,323)	(17,558)
Total comprehensive income for the financial year/period	(389,118)	(528,286)	(105,580)	(336,276)
Total comprehensive income attributable to:				
Equity holders of the Company	(394,336)	(531,141)	(107,239)	(337,483)
Non-controlling interest	5,218	2,855	1,659	1,207
	(389,118)	(528,286)	(105,580)	(336,276)

N/M: Not meaningful

1.(b)(i) Balance Sheets

	Group			Company		
	28 Dec 2012 US\$'000	30 Dec 2011 US\$'000	% Increase/ (Decrease)	28 Dec 2012 US\$'000	30 Dec 2011 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	896,978	227,562	294	540,332	4,811	11,131
Trade and other receivables ¹	1,091,573	1,045,671	4	3,029,651	1,402,164	116
Inventories at cost	267,309	326,993	(18)	-	-	0
Derivative financial instruments	5,847	3,853	52	125	-	N/M
Assets classified as held-for-sale	142,501	50,225	184	-	-	0
Other current assets	119,918	111,403	8	4,924	2,587	90
Total current assets	2,524,126	1,765,707	43	3,575,032	1,409,562	154
Non-current Assets						
Investments in subsidiaries	-	-	0	1,000,974	1,000,894	0
Investments in associated companies	111,831	98,191	14	-	-	0
Investments in joint ventures	26,588	28,992	(8)	-	-	0
Available-for-sale financial asset	37	53	(30)	-	-	0
Property, plant and equipment	5,229,062	4,789,588	9	1,357,365	1,712,260	(21)
Investment property	-	15,862	(100)	-	-	0
Deferred charges	10,909	14,283	(24)	7,955	5,505	45
Intangible assets	35,947	26,676	35	1,039	586	77
Goodwill arising on consolidation	157,047	129,095	22	-	-	0
Deferred income tax assets	16,730	4,615	263	-	-	0
Derivative financial instruments	29,859	7,344	307	29,859	7,344	307
Other non-current assets	74,458	81,442	(9)	137	402	(66)
Total non-current assets	5,692,468	5,196,141	10	2,397,329	2,726,991	(12)
TOTAL ASSETS	8,216,594	6,961,848	18	5,972,361	4,136,553	44
LIABILITIES						
Current Liabilities						
Trade and other payables	1,247,627	1,274,431	(2)	1,056,283	87,302	1,110
Current income tax liabilities	160,795	114,627	40	2,365	5,195	(54)
Borrowings	429,246	422,095	2	-	381,000	(100)
Provisions	44,737	43,459	3	2,551	-	N/M
Deferred income	12,585	848	1,384	-	-	0
Derivative financial instruments	10,123	18,443	(45)	1,470	-	N/M
Other current liabilities ²	252,480	251,812	0	-	-	0
Total current liabilities	2,157,593	2,125,715	1	1,062,669	473,497	124
Non-current Liabilities						
Borrowings	3,546,621	1,931,746	84	2,025,120	747,640	171
Provisions	145,066	131,780	10	-	-	0
Deferred income	15,370	3,904	294	-	-	0
Deferred income tax liabilities	5,446	8,900	(39)	552	3,615	(85)
Derivative financial instruments	15,938	36,694	(57)	15,384	27,990	(45)
Other non-current liabilities	65,300	70,925	(8)	-	-	0
Total non-current liabilities	3,793,741	2,183,949	74	2,041,056	779,245	162
TOTAL LIABILITIES	5,951,334	4,309,664	38	3,103,725	1,252,742	148
NET ASSETS	2,265,260	2,652,184	(15)	2,868,636	2,883,811	(1)
EQUITY						
Share capital	1,826,723	1,822,117	0	1,826,723	1,822,117	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,821,507	1,816,901	0	1,821,507	1,816,901	0
Shares held by employee benefit trust	(5,320)	(4,716)	13	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	345,857	765,302	(55)	1,019,738	1,042,122	(2)
Other reserves	50,722	24,688	105	28,586	25,983	10
Capital and reserves attributable to equity holders of the Company	2,211,571	2,600,980	(15)	2,868,636	2,883,811	(1)
Non-controlling interest	53,689	51,204	5	-	-	0
TOTAL EQUITY	2,265,260	2,652,184	(15)	2,868,636	2,883,811	(1)
Net current assets/(liabilities) ³	366,533	(360,008)	N/M	2,512,363	936,065	168

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 relate 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 28 December 2012	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2013, or on demand	66,528	354,366	8,352	429,246
Amount repayable in:				
FY 2014	74,472	700,000	8,522	782,994
FY 2015	74,941	245,318	9,111	329,370
FY 2016	81,097	334,570	9,817	425,484
FY 2017	73,132	328,115	10,419	411,666
Thereafter	545,881	814,839	236,387	1,597,107
	916,051	2,777,208	282,608	3,975,867

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 28 December 2012	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2013	584,378	62,760	96,764	12,663	59,747	816,312
Amount repayable in:						
FY 2014	414,019	57,979	85,123	9,045	44,265	610,431
FY 2015	253,805	47,605	81,815	2,785	30,877	416,887
FY 2016	157,669	14,372	77,444	-	21,284	270,769
FY 2017	118,733	6,813	71,272	-	12,327	209,145
Thereafter	408,751	14,372	597,579	-	17,041	1,037,743
	1,937,355	203,901	1,009,997	24,493	185,541	3,361,287

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, inland container yard, housing rental, office space and land.

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	-	-	-	-	2,956	2,956
- new shares issued	3,510	-	-	-	(2,653)	857
Total comprehensive income for the financial period	-	-	-	(1,569)	600	(969)
Balance at 21 September 2012	1,825,627	(5,216)	(1,195)	1,040,553	26,886	2,886,655
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,090	1,090
- new shares issued	1,096	-	-	-	(468)	628
Total comprehensive income for the financial period	-	-	-	(20,815)	1,078	(19,737)
Balance at 28 December 2012	1,826,723	(5,216)	(1,195)	1,019,738	28,586	2,868,636

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	-	-	-	-	3,383	3,383
- new shares issued	2,074	-	-	-	(1,250)	824
Total comprehensive income 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 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

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 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 ordinary shares.

During the 3 months ended 28 December 2012, the Company issued and allotted 732,028 ordinary shares upon the exercise of share options granted under the NOL Share Option Plan ("NOL SOP"). 362,666 restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010") and 10,500 performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010") were vested during the period.

As at 28 December 2012, the Company's issued and paid-up capital (including treasury shares) comprised 2,588,796,353 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,587,069,636 (30 December 2011: 2,583,286,983) ordinary shares.

Share options

As at 21 September 2012, there were 42,262,120 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 28 December 2012, 732,028 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.05 per share and 3,368,200 share options were cancelled.

As at 28 December 2012, share options to subscribe for 38,161,892 (30 December 2011: 44,442,351) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 21 September 2012, there were 4,051,094 outstanding restricted shares under the NOL RSP 2010.

During the 3 months ended 28 December 2012, 362,666 restricted shares were vested and 101,002 restricted shares were cancelled.

As at 28 December 2012, 3,587,426 (30 December 2011: 5,980,000) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 21 September 2012, there were 4,694,019 outstanding performance shares under the NOL PSP 2010.

During the 3 months ended 28 December 2012, 10,500 performance shares were vested and 252,835 performance shares were cancelled.

As at 28 December 2012, 4,430,684 (30 December 2011: 2,342,333) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 21 September 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 28 December 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 28 December 2012, there were 1,726,717 (30 December 2011: 1,726,717) treasury shares remaining that have not been re-issued.

2. **Basis of Preparation**

The preparation of the FY 2012 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 28 December 2012 and the reported amounts of revenue and expenses during the financial year from 31 December 2011 to 28 December 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. **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 Liabilities**

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, 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.

Litigation and Claims

Other than those for which provisions were made in the consolidated financial statements, the Group may be liable for vessel damages, litigation and other claims initiated by third parties and/or government authorities in various jurisdictions in which the Group carries out its business operations.

Based upon information presently available and advice by the Group's legal counsel, management believes that the Group is not liable under such claims, and/or that it is not possible to estimate the amount of additional losses, if any, that might result from adverse judgments against the Group.

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. The Group 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 the Group is cooperating with the EC. The Group 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 30 December 2011.

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 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.

7.(b) **Comparatives**

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

8.

	FY 2012	FY 2011	Q4 2012	Q4 2011
GROUP				
Loss 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	(16.25 US cts)	(18.54 US cts)	(3.80 US cts)	(12.42 US cts)
b) On a fully diluted basis (detailing any adjustments made to the earnings)	(16.25 US cts)	(18.54 US cts)	(3.80 US cts)	(12.42 US cts)

9. **Net Asset Value**

	Group			Company		
	28 Dec 2012 US\$	30 Dec 2011 US\$	Inc / (Dec) %	28 Dec 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	0.85	1.01	(15.84)	1.11	1.12	(0.89)

10. **Review of the Performance of the Group**

Income Statement:

FY 2012 vs FY 2011

NOL Group achieved revenue of US\$9.51 billion (FY 2011: US\$9.21 billion), an increase of US\$0.30 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\$0.17 billion or 2% YoY to US\$8.99 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\$22 million or 3% YoY to US\$694 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\$19 million or 34% YoY to US\$75 million mainly due to higher interest expense from higher average loan balance.

Other operating expenses increased by US\$40 million or 53% YoY to US\$115 million mainly due to increase in impairment loss on obsolete vessels classified as held-for-sale, partially offset by foreign exchange gain in FY2012 compared to foreign exchange loss in FY2011.

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.

Net loss attributable to shareholders decreased by US\$59 million or 12% to US\$419 million mainly due to improved Liner and Logistics performance as well as cost management efforts from the ELP and organizational streamlining exercise.

Q4 2012 vs Q4 2011

NOL Group achieved revenue of US\$2.50 billion (Q4 2011: US\$2.40 billion), an increase of US\$0.10 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\$0.09 billion or 4% YoY to US\$2.37 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\$14 million or 7% YoY to US\$183 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\$31 million or 71% YoY to US\$13 million mainly due to foreign exchange gain in Q4 2012 compared to foreign exchange loss in Q4 2011.

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.

Net loss attributable to shareholders decreased by US\$222 million or 69% to US\$98 million 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\$1.25 billion from US\$6.96 billion as at 30 December 2011 to US\$8.22 billion as at 28 December 2012. The increase in total assets was mainly due to increase in cash and cash equivalents 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. Please refer to the explanation below for the increase in cash and cash equivalents.

The Group's total liabilities increased by US\$1.64 billion from US\$4.31 billion as at 30 December 2011 to US\$5.95 billion as at 28 December 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\$387 million from US\$2.65 billion as at 30 December 2011 to US\$2.27 billion as at 28 December 2012 mainly due to net losses incurred during FY 2012.

As at 28 December 2012, the Group was in a net current assets position mainly due to increase in cash and cash equivalents 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\$669 million from US\$228 million as at 30 December 2011 to US\$897 million as at 28 December 2012 mainly due to net cash inflow from financing activities of US\$1.58 billion, partially offset by net cash outflow from investing activities of US\$898 million and net cash outflow from operating activities of US\$12 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.

	FY 2012 US\$m	Q4 2012 US\$m	Q3 2012 US\$m	Q2 2012 US\$m	Q1 2012 US\$m
(a) Revenue					
Liner	8,054	2,089	1,961	1,994	2,010
Logistics	1,555	435	365	361	394
Elimination	(97)	(25)	(24)	(22)	(26)
Total	9,512	2,499	2,302	2,333	2,378
(b) Core EBIT⁵					
Liner	(279)	(95)	55	7	(246)
Logistics	67	26	19	9	13
Total	(212)	(69)	74	16	(233)
	FY 2011 US\$m	Q4 2011 US\$m	Q3 2011 US\$m	Q2 2011 US\$m	Q1 2011 US\$m
(a) Revenue					
Liner	7,910	2,042	1,904	1,861	2,103
Logistics	1,405	390	333	314	368
Elimination	(104)	(29)	(24)	(23)	(28)
Total	9,211	2,403	2,213	2,152	2,443
(b) Core EBIT⁵					
Liner	(446)	(297)	(88)	(53)	(8)
Logistics	69	20	16	12	21
Total	(377)	(277)	(72)	(41)	13

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

(c) **Analysis by Business Units**

(i) **Liner**

FY 2012 vs FY 2011

Liner achieved FY 2012 revenue of US\$8.05 billion, a year-on-year (YoY) increase of 2% mainly due to stable average revenue per FEU and modest volume growth.

Volume rose by 1% YoY mainly due to higher volumes across most trades.

Cost of sales per FEU was relatively unchanged, however bunker price rose 9% YoY to US\$665/MT. Excluding the bunker price effect, cost of sales per FEU was 3% lower due to fuel, operational and other cost efficiencies.

During the year, a series of freight rate hikes across most trade lanes steadied average revenue per FEU at US\$2,509 per FEU.

As a result, Liner decreased its Core EBIT loss by 37% YoY to US\$279 million.

Q4 2012 vs Q4 2011

Liner achieved Q4 2012 revenue of US\$2.09 billion, a YoY increase of 2% mainly due to higher freight rates.

Volume decreased by 3% YoY to 0.8 million FEUs mainly due to lower volumes in Asia-Europe and Intra-Asia.

Average revenue per FEU increased by 3% YoY to US\$2,419 mainly due to higher freight rates in the Intra-Asia and Asia-Europe trade.

As a result, Liner decreased its Core EBIT loss by 68% YoY to US\$95 million.

LINER FULL YEAR RESULTS 2012 and 2011

Unaudited

	FY 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Load Factors %					
Transpacific and Asia-Latin America/Mexico Eastbound ⁶	92%	91%	94%	95%	90%
Intra-Asia Westbound	95%	96%	95%	95%	96%
Asia-Europe Westbound	94%	88%	92%	95%	99%
Transatlantic Westbound	90%	90%	95%	86%	88%
Headhaul	93%	92%	94%	94%	93%
Volume ('000 FEU)					
Transpacific	857	232	207	202	216
Intra-Asia	1,313	348	297	319	349
Asia-Europe	472	118	112	110	132
Latin America	210	57	50	49	54
Transatlantic	168	47	41	40	40
Total Volume ⁷	3,020	802	707	720	791
Average Revenue/FEU (US\$/FEU)					
Transpacific	3,681	3,500	3,763	3,651	3,825
Intra-Asia	1,559	1,493	1,591	1,732	1,439
Asia-Europe	2,471	2,405	2,646	2,750	2,149
Latin America	3,524	3,533	3,568	3,596	3,405
Transatlantic	2,795	2,636	2,780	2,815	2,974
Total	2,509	2,419	2,601	2,615	2,420
	FY 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Load Factors %					
Transpacific and Asia-Latin America/Mexico Eastbound ⁶	86%	86%	90%	83%	84%
Intra-Asia Westbound	99%	100%	100%	98%	100%
Asia-Europe Westbound	95%	92%	95%	97%	96%
Transatlantic Westbound	100%	98%	99%	100%	100%
Headhaul	92%	92%	94%	91%	92%
Volume ('000 FEU)					
Transpacific	850	227	203	193	227
Intra-Asia	1,311	375	306	310	320
Asia-Europe	496	136	116	114	130
Latin America	186	51	44	43	48
Transatlantic	136	35	30	32	39
Total Volume ⁷	2,979	824	699	692	764
Average Revenue/FEU (US\$/FEU)					
Transpacific	3,842	3,650	3,944	3,935	3,865
Intra-Asia	1,464	1,396	1,478	1,526	1,470
Asia-Europe	2,393	2,187	2,317	2,390	2,678
Latin America	3,392	3,317	3,373	3,415	3,468
Transatlantic	3,276	3,228	3,434	3,317	3,160
Total	2,500	2,342	2,539	2,539	2,598

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**

FY 2012 vs FY 2011

Logistics achieved a record revenue of US\$1.56 billion in FY 2012, growing 11% year-on-year (YoY) while facing softer economic conditions in developed markets.

Contract Logistics achieved revenue of US\$1.02 billion, a 15% YoY increase.

International Services achieved revenue of US\$533 million, a 4% increase YoY with strong demand in Asia resulting in 32% YoY volume growth.

Core EBIT of US\$67 million for FY 2012, a 2% decrease YoY mainly due to increased investments in infrastructure and lower contribution from its China-based automotive associated company.

Q4 2012 vs Q4 2011

Logistics achieved Q4 2012 revenue of US\$435 million, a YoY increase of 12% due to growth across both its business segments.

Contract Logistics achieved revenue of US\$282 million, a YoY increase of 11%.

International Services achieved revenue of US\$153 million, a YoY increase of 12%.

Core EBIT of US\$26 million for Q4 2012, a 34% increase YoY mainly due to higher volumes across the various Logistics' services in Q4 2012.

LOGISTICS FULL YEAR RESULTS 2012 and 2011

Unaudited
US\$ millions

	FY 2012	Q4 2012	Q3 2012	Q2 2012	Q1 2012
BY REGION					
Revenue					
Americas	1,025	284	230	248	263
Europe	148	42	37	35	34
Asia/Middle East	382	109	98	78	97
Total Revenue	1,555	435	365	361	394
BY BUSINESS SEGMENT					
Revenue					
Contract Logistics Services	1,022	282	232	239	269
International Services	533	153	133	122	125
Total Revenue	1,555	435	365	361	394
Operating Expenses					
Contract Logistics Services	986	267	223	232	264
International Services	502	142	123	120	117
Total Operating Expenses	1,488	409	346	352	381
Core EBIT⁸					
Contract Logistics Services	36	15	9	7	5
International Services	31	11	10	2	8
Total Core EBIT	67	26	19	9	13
	FY 2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011
BY REGION					
Revenue					
Americas	893	262	203	195	233
Europe	163	43	40	36	44
Asia/Middle East	349	85	90	83	91
Total Revenue	1,405	390	333	314	368
BY BUSINESS SEGMENT					
Revenue					
Contract Logistics Services	892	253	206	200	233
International Services	513	137	127	114	135
Total Revenue	1,405	390	333	314	368
Operating Expenses					
Contract Logistics Services	863	244	200	195	224
International Services	473	126	117	107	123
Total Operating Expenses	1,336	370	317	302	347
Core EBIT⁸					
Contract Logistics Services	29	9	6	5	9
International Services	40	11	10	7	12
Total Core EBIT	69	20	16	12	21

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

11. **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 third quarter ended 21 September 2012 that "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."

The current results are generally in line with the prospect statement made in the results announcement for the third quarter ended 21 September 2012 notwithstanding cost savings and improved business efficiencies.

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.**

The global economy has shown some signs of improvement. However, the container shipping industry continues to face severe oversupply, causing considerable container freight rate uncertainty. Notwithstanding these challenges, the Group will start 2013 with a better cost base as a result of a modern fleet and more efficient processes. Barring unforeseen circumstances, the Group expects a better performance than in 2012.

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?**

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 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.

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 certain 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. Segment liabilities comprise primarily operating liabilities and exclude certain borrowings which are managed on a group basis and not allocated to operating segments.

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

FY 2012	Liner US\$'000	Logistics US\$'000	Elimination US\$'000	Total US\$'000
Revenue				
External sales	7,971,449	1,540,182	-	9,511,631
Inter-segment sales	82,566	15,069	(97,635)	-
Total revenue	8,054,015	1,555,251	(97,635)	9,511,631
Segment result	(389,127)	60,567	-	(328,560)
Interest income	4,091	1,172	-	5,263
Share of results of associated companies	2,504	6,531	-	9,035
Share of results of joint ventures	7	357	-	364
Non-controlling interest	(1,284)	(4,480)	-	(5,764)
(Loss)/Earnings before interest and tax	(383,809)	64,147	-	(319,662)
Interest expense	(37,129)	(2,535)	-	(39,664)
Income tax expense	(31,365)	(21,543)	-	(52,908)
Unallocated interest expense				(7,211)
Net loss attributable to equity holders of the Company				(419,445)
Segment assets	7,615,262	504,011	(143,849)	7,975,424
Associated companies	73,279	38,552	-	111,831
Joint ventures	20,022	6,566	-	26,588
Unallocated assets				102,751
Consolidated total assets				8,216,594
Segment liabilities	4,114,537	429,808	(143,849)	4,400,496
Unallocated liabilities				1,550,838
Consolidated total liabilities				5,951,334
Other segment items:				
Capital expenditures				
- property, plant & equipment	997,657	13,086	-	1,010,743
- intangible assets	5,971	1,642	-	7,613
Depreciation	297,043	9,403	-	306,446
Amortisation	7,223	1,307	-	8,530
Net provision for impairment	81,713	774	-	82,487
Other non-cash expenses	53,284	4,921	-	58,205

14. Segment Information (continued)

Segment Reporting By Operating Segments (continued)

FY 2011	Liner US\$'000	Logistics US\$'000	Elimination US\$'000	Total US\$'000
Revenue				
External sales	7,819,954	1,390,750	-	9,210,704
Inter-segment sales	90,516	13,887	(104,403)	-
Total revenue	7,910,470	1,404,637	(104,403)	9,210,704
Segment result	(472,105)	59,597	-	(412,508)
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)
(Loss)/Earnings before interest and tax	(467,050)	66,545	-	(400,505)
Interest expense	(30,719)	(1,891)	-	(32,610)
Income tax expense	(24,927)	(20,070)	-	(44,997)
Unallocated interest expense				(76)
Net loss attributable to equity holders of the Company				(478,188)
Segment assets	6,450,842	391,135	(112,331)	6,729,646
Associated companies	65,537	32,654	-	98,191
Joint ventures	22,815	6,177	-	28,992
Unallocated assets				105,019
Consolidated total assets				6,961,848
Segment liabilities	3,382,100	356,895	(112,331)	3,626,664
Unallocated liabilities				683,000
Consolidated total liabilities				4,309,664
Other segment items:				
Capital expenditures				
- 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

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:

Geographical segment	Trade Lanes
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 industry practice.

	Sales			Non-current Assets		
	FY 2012 US\$'000	FY 2011 US\$'000	% Increase/ (Decrease)	FY 2012 US\$'000	FY 2011 US\$'000	% Increase/ (Decrease)
Asia/Middle East	2,699,327	2,286,399	18	485,625	578,643	(16)
Europe	1,807,534	1,883,193	(4)	42,113	37,384	13
Americas	5,004,770	5,041,112	(1)	345,671	313,312	10
Subtotal	9,511,631	9,210,704		873,409	929,339	
Vessels				3,800,832	3,226,457	18
Containers				863,829	905,410	(5)
Drydocking costs				61,091	69,115	(12)
Total				5,599,161	5,130,321	

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:

	FY 2012 US\$'000	Group FY 2011 US\$'000	% Increase/ (Decrease)
Sales reported for the first half year	4,710,649	4,594,667	3
Operating losses after income tax before deducting non-controlling interest reported for the first half year	(368,783)	(64,994)	467
Sales reported for the second half year	4,800,982	4,616,037	4
Operating losses after income tax before deducting non-controlling interest reported for the second half year	(44,898)	(408,938)	(89)

17. Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	FY 2012 US\$'000	FY 2011 US\$'000	Q4 2012 US\$'000	Q4 2011 US\$'000
Transactions for the Purchase of Goods and Services				
PSA Corporation Limited and its associates	224,575	223,419	60,438	59,539
Singapore Telecommunications Limited and its associates	262	150	158	40
Transactions for the Purchase of Assets				
Singapore Telecommunications Limited and its associates	103	-	-	-
Sembcorp Marine Ltd and its associates	6,249	-	6,249	-
Transactions for the Leasing-in of Assets				
Sembcorp Marine Ltd and its associates	2,943	3,500	406	921
Transactions for the Sale of Goods and Services				
Sembcorp Industries Ltd and its associates	-	87	-	48
Aggregate value of all transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under a shareholder's mandate pursuant to Rule 920 of the SGX-ST Listing Manual)				
	FY 2012 US\$'000	FY 2011 US\$'000	Q4 2012 US\$'000	Q4 2011 US\$'000
Interest payable on Medium Term Notes ("MTN") over the tenor of the MTNs				
Singapore Airlines Limited and its associates	-	1,690	-	-
FFMC Holdings Pte. Ltd. and its associates	3,231	-	2,015	-
ST Asset Management Ltd and its associates	1,007	-	1,007	-

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:-

	FY 2012 US\$'000	FY 2011 US\$'000
Ordinary	Nil	Nil

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 2013