FOR IMMEDIATE RELEASE

NOL reports US$208 million year-on-year improvement in 4Q Core EBIT

Group's 4Q 2012 performance improves 75%; meets cost saving goal of US$500 million

SINGAPORE, 22 February 2013 – Global container shipping and logistics group Neptune Orient Lines (NOL) today reported fourth quarter 2012 Core EBIT (Earnings Before Interest and Taxes) loss of US$69 million, a 75% improvement in the key profitability measure from a year ago.

The Group posted a full year net loss of US$419 million, mainly due to a first quarter net loss (before non-recurring items) of US$255 million and one-time charges of US$108 million.

Singapore-based NOL also said that its efficiency programme delivered US$504 million of cost savings, which is in line with its 2012 target. The savings were primarily achieved through reduced fuel consumption, network optimization and increased terminal productivity.

"General market conditions in 2012 remained challenging. But thanks to our focus on increasing efficiencies throughout the Group, we are in a better competitive position than before," said NOL Group CEO Ng Yat Chung. "We have improved our cost base, renewed our fleet and expanded our logistics business. We are starting 2013 on a stronger footing than a year before."

NOL said 2012 revenue increased 3% to US$9.5 billion. NOL's supply chain management business, APL Logistics, reported record revenue of US$1.6 billion. Its fourth quarter Core EBIT margin was the highest recorded in nine consecutive quarters.

FINANCIAL PERFORMANCE

		FY12	FY11	Change %		4Q12	4Q11	Change %
Revenue (US$m)		9,512	9,211	3		2,499	2,403	4
Core EBIT (US$m)		(212)	(377)	(44)		(69)	(277)	(75)
Net (loss)/profit (US$m)		(419)	(478)	(12)		(98)	(320)	(69)

BUSINESS SEGMENTS

APL, NOL Group's liner shipping business, improved its performance in 2012 by US$167 million to report a Core EBIT loss of US$279 million. APL shipped 3.02 million FEUs in 2012, a 1% growth in volume, achieved with a smaller and more efficient fleet. APL reduced its fleet capacity by 8% and total fuel consumed by 10% during the year. A series of freight rate hikes across most trade lanes steadied average revenue per FEU (forty-foot equivalent unit) at US$2,509, which remained relatively unchanged from 2011. APL said that headhaul vessel utilization remained above 90% in 2012. The company said it continued to benefit from fuel, operational and other cost efficiencies.

"APL's improved competitiveness has contributed to a better 4Q performance despite it being a traditionally weak season," said APL President Kenneth Glenn. "We have continuously reduced our costs per FEU and will continue to focus on optimizing yield while delivering a high level of service to our customers."

NOL's supply chain management business, APL Logistics, reported record revenue of US$1.6 billion, up 11% from 2011. Its fourth quarter Core EBIT stood at US$26 million, up 34% from the same period last year. APL Logistics continued to be profitable in 2012, posting a full year Core EBIT of US$67 million.

"A 15% year-on-year growth in our contract logistics business, bolstered by strong demand in Asia for our international services, contributed to the results," said APL Logistics President Jim McAdam. "We will continue the momentum gained through our strategic investments made in China, India and the US during 2012, for further growth in 2013."

OUTLOOK

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.

FY12 OPERATING PERFORMANCE (vs FY11)

Liner Shipping

- Revenue US$8.1 billion, up 2%
- Core EBIT loss of US$279 million, compared to US$446 million Core EBIT loss in FY11
- Average revenue per FEU US$2,509
- Volume 3.02 million FEUs, up 1%

Logistics

- Revenue US$1.6 billion, up 11%
- Core EBIT US$67 million, down 2%
- Core EBIT Margin 4.3% compared to 4.9% previously

4Q12 OPERATING PERFORMANCE (vs 4Q11)

Liner Shipping

- Revenue US$2.1 billion, up 2%
- Core EBIT loss US$95 million compared to US$297 million Core EBIT loss previously
- Average revenue per FEU US$2,419, up 3%
- Volume 0.8 million FEUs, down 3%

Logistics

- Revenue US$435 million, up 12%
- Core EBIT US$26 million, up 34%
- Core EBIT Margin 6% compared to 5.1% 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, as well as 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.