



**FOR IMMEDIATE RELEASE**

**NOL posts 4Q 2015 net loss of US\$77 million amidst macro-economic challenges**

*Narrows full year net and Core EBIT losses despite worsening market conditions*

SINGAPORE, 23 February 2016 – NOL Group today reported a 4Q 2015 net loss of US\$77 million, an improvement of US\$8 million over 4Q 2014. The Group posted a Core EBIT (Earnings Before Interest, Taxes and Non-Recurring Items) loss of US\$65 million in the quarter. Its Core EBITDA remained positive at US\$39 million.

On a full year basis, NOL posted a net profit of US\$707 million. Excluding a one-time US\$888 million gain on the sale of its logistics unit, NOL incurred a full year net loss of US\$181 million, an improvement of 30% over last year. NOL's full year core EBIT loss reduced 5% year-on-year to US\$72 million.

“The last quarter of 2015 was particularly difficult. Container freight rates hit historical lows across major trade lanes as new vessel capacity came on stream amid softening market demand,” said NOL Group President and CEO Ng Yat Chung. “Nonetheless, APL continued to reap cost savings and yield improvements. On a full year basis, its total costs of sales per forty-foot-equivalent unit (FEU) continued to offset the decline in total revenue per FEU, helping APL to continue reducing losses.”

APL reported a revenue of US\$1.28 billion in the final quarter of 2015, a 29% contraction from the year before. Average freight rates fell 22% amidst pressure from over-capacity in the industry. Volume slid 12% in the quarter over the prior year, mainly due to a reduction in backhaul volumes out of the US and the Gulf. In response to weak global demand, APL maintained prudent management of its deployed capacity, while keeping its headhaul asset utilisation rate at 90%.

The container shipping line maintained its rigorous cost management as well as a yield-focused trade strategy that emphasised network rationalisation and better cargo selection. APL achieved cost savings of US\$100 million in 4Q 2015, bringing its full year cost savings to US\$435 million. As a result of the cost savings and lower bunker price, APL's total cost of sales per forty-foot-equivalent unit (FEU) fell by 17% year-on-year.

APL narrowed its Core EBIT loss from US\$139 million for the full year in 2014 to US\$98 million in 2015. This is APL's fourth consecutive year of reduced losses.

## Dividends

In view of the continued operating losses of the Group and the weakness of the container shipping industry, the NOL Board of Directors has recommended that no dividends be declared for the financial year ended 25 December 2015.

## Proposed acquisition of NOL by CMA CGM

On 7 December 2015, CMA CGM S.A. ("CMA") announced a pre-conditional voluntary cash offer ("Offer") to acquire NOL at SGD1.30 per NOL share. The making of the Offer is subject to anti-trust clearances being obtained in the European Union, the People's Republic of China and the United States of America. All required anti-trust filings have been made and CMA and NOL are working to obtain the necessary anti-trust clearances. As previously announced, NOL expects the anti-trust clearances to be obtained by mid-2016.

## NOL GROUP FINANCIAL PERFORMANCE

	FY15 <sup>1</sup>	FY14	Change % Better/(Worse)	4Q15 <sup>1</sup>	4Q14	Change % Better/(Worse)
Revenue (US\$m)	6,021	8,617	(30)	1,277	2,228	(43)
Core EBITDA (US\$m)	312	317	(2)	39	92	(58)
Core EBIT (US\$m)	(72)	(76)	5	(65)	(17)	(282)
Net profit / (loss) (US\$m)	707	(260)	n.m	(76)	(85)	11
Net loss excluding gain on disposal of APL Logistics (US\$m)	(181)	(260)	30	(77)	(85)	9

<sup>1</sup> - FY15 comprised APL Logistics' contribution from January to May 2015. Divestment of APL Logistics was completed on 29 May 2015. APL Logistics is no longer included in Group's financials from 3Q15 onwards

n.m. - not meaningful

## LINER OPERATING PERFORMANCE

	<b>FY15</b>	<b>FY14<sup>2</sup></b>	<b>Change % Better/(Worse)</b>	<b>4Q15</b>	<b>4Q14<sup>2</sup></b>	<b>Change % Better/ (Worse)</b>
Revenue (US\$m)	5,410	7,100	(24)	1,277	1,807	(29)
Core EBITDA (US\$m)	285	242	18	39	70	(44)
Core EBIT (US\$m)	(98)	(139)	29	(65)	(36)	(81)
Average Revenue/FEU (US\$)	1,887	2,264	(17)	1,699	2,179	(22)
Volume ('000 FEU)	2,469	2,827	(13)	643	734	(12)

<sup>2</sup> – 2014 Liner numbers have been restated for comparative purposes

### **Media enquiries**

Pamela Pung  
Telephone: (65) 6371 7959  
Email: Pamela\_Pung@nol.com.sg

Shirley Poo  
Telephone: (65) 6371 5180  
Email: Shirley\_Poo@nol.com.sg

### **Investor enquiries**

Jack Liang  
Telephone: (65) 6371 5609  
Email: Jack\_Liang@nol.com.sg

Sylvia Lee  
Telephone: (65) 6371 5040  
Email: Sylvia\_Lee@nol.com.sg