

Full year 2016 Performance Review

14 March 2017



Key Financial Highlights

FY 2016:

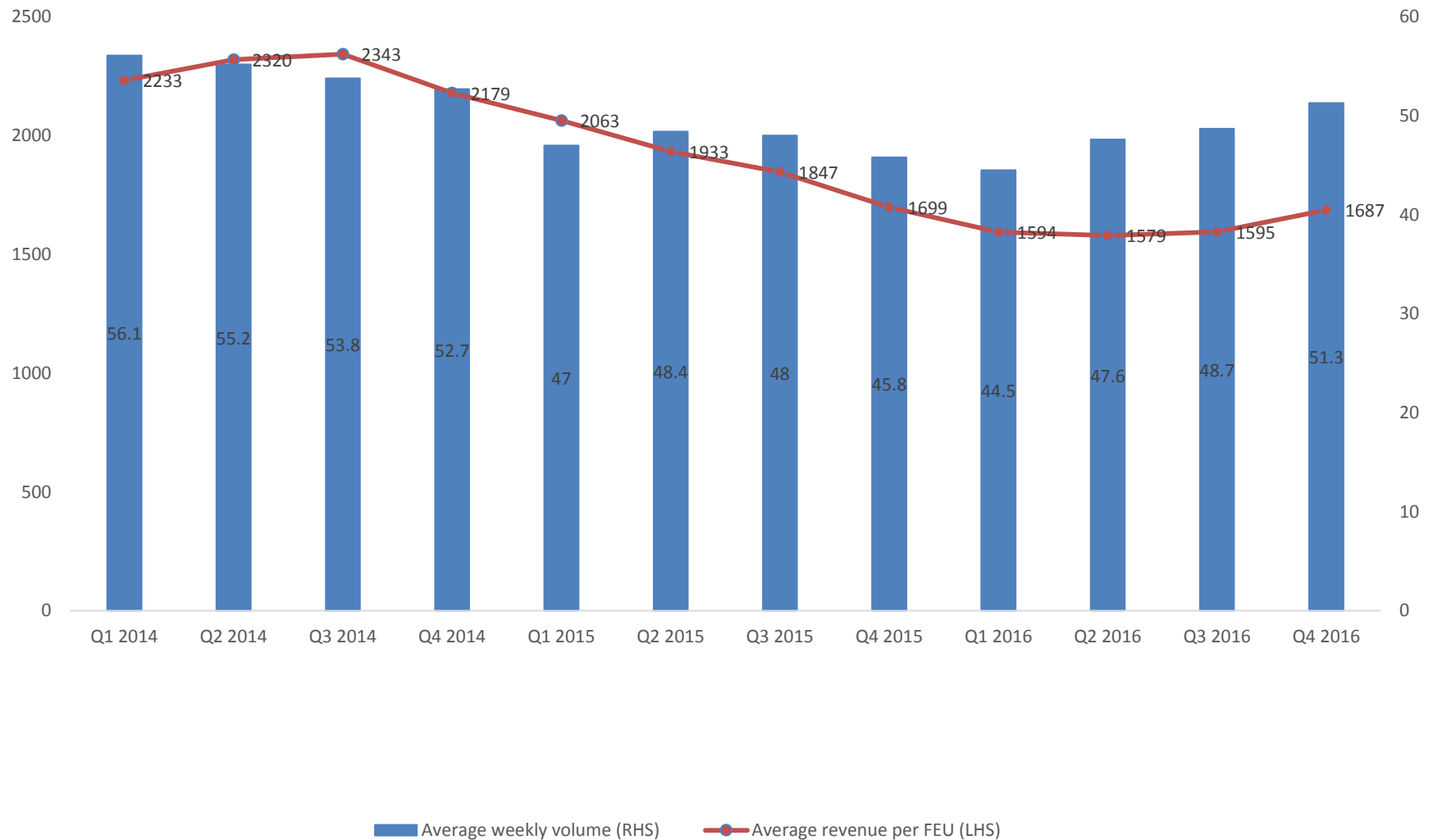
- Volumes of 2.55 million FEU up 3% over 2015
- Positive Core EBITDA of US\$ 67 million of which a negative US\$ 3 million in H1 2016 and a positive US\$ 70 million in H2 2016
- Core EBIT loss of US\$ 270 million of which US\$ 190 million in H1 2016 and US\$ 80 million in H2 2016.
- Full year net loss excluding non recurring items of US\$ 369 million of which US\$ 261 million in H1 2016 and US\$ 108 million in H2 2016.
- Net loss after tax of US\$ 1,196 million. Excluding non-recurring items of US\$827 million (*) which mainly comprise loss on disposal of vessels as well as a write down in value of an IT system, NOL incurred a full year net loss of US\$369 million.
- 19 vessels were sold for a total consideration of US\$ 1.1 billion, 13 of which were leased back and 6 were scrapped, for a total non cash loss of US\$ 585 million. One additional vessel was impaired as it has been scrapped in 2017 for a non cash loss of US\$ 19 million.

(*) the impact in CMA CGM consolidated financial statements being marginal as the IT system was already retired before change of control and the vessels, although being sold after change of control, were registered at market value in CMA CGM accounts upon change of control.

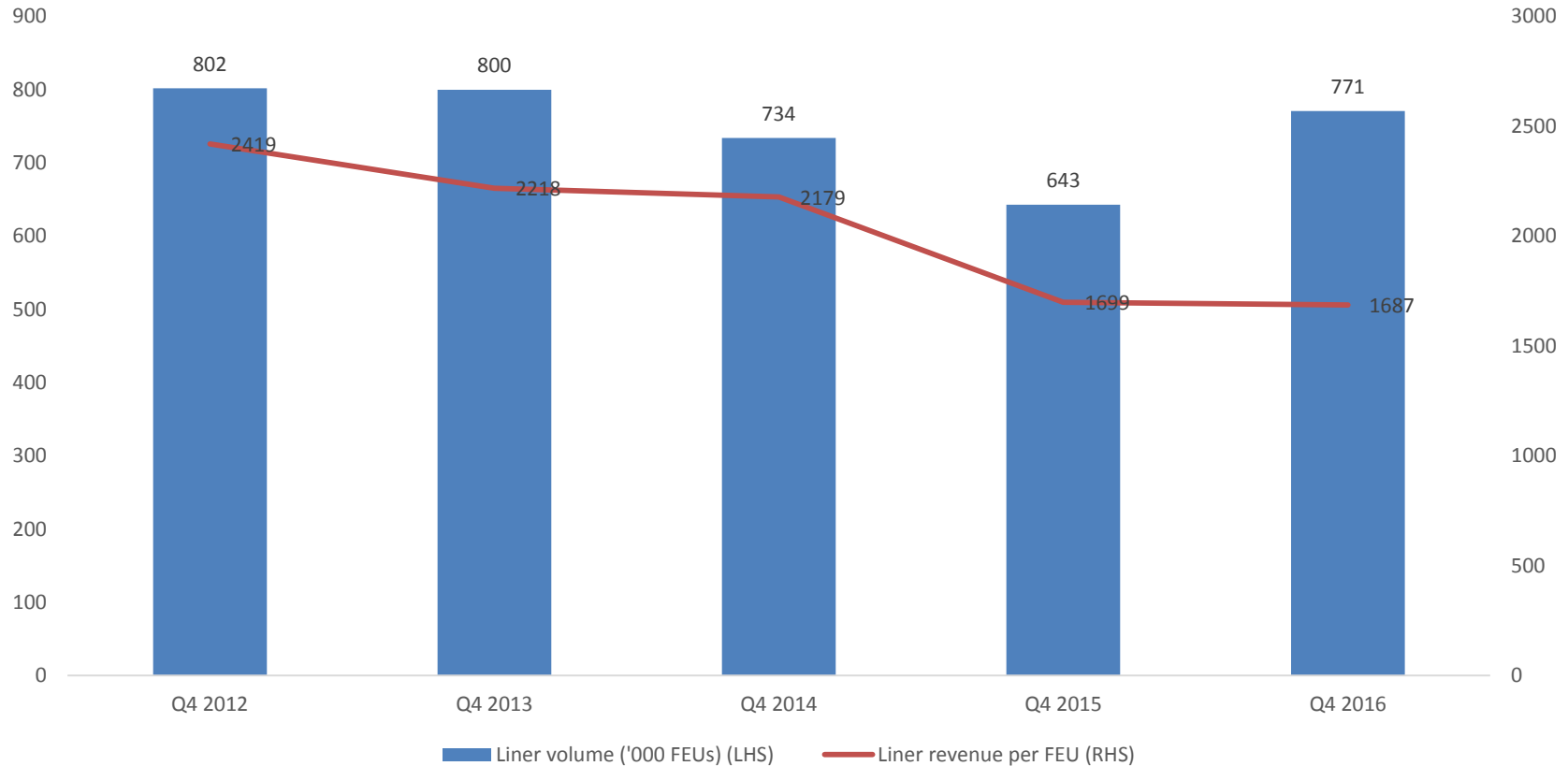
2016 : a disappointing year for the industry, but also a year of major transformation

- Four of the major operators, APL, CSG, Hamburg Süd and UASC have been acquired or merged into respectively CMA CGM, COSCO, Maersk and Hapag Lloyd.
- The 3 major Japanese operators NYK, MOL and Kline have announced their future merger in a Joint Venture.
- One major Korean Line, Hanjin, No. 7 operator in the industry at the beginning of 2016 has disappeared from the landscape.
- The four main alliances active in 2015 are in the process of being disbanded and transformed into three main alliances.
- The G6 Alliance, of which APL was a member, is currently being dismantled and APL will join as from 1st of April 2017 the OCEAN ALLIANCE with CMA CGM, COSCO Shipping, Evergreen and OOCL.
- The level of scrapping in 2016, 664,000 TEU, was the highest level ever reached and operators seem adamant to pursue this policy until the market clears with 97,000 TEU already scrapped in January 2017.

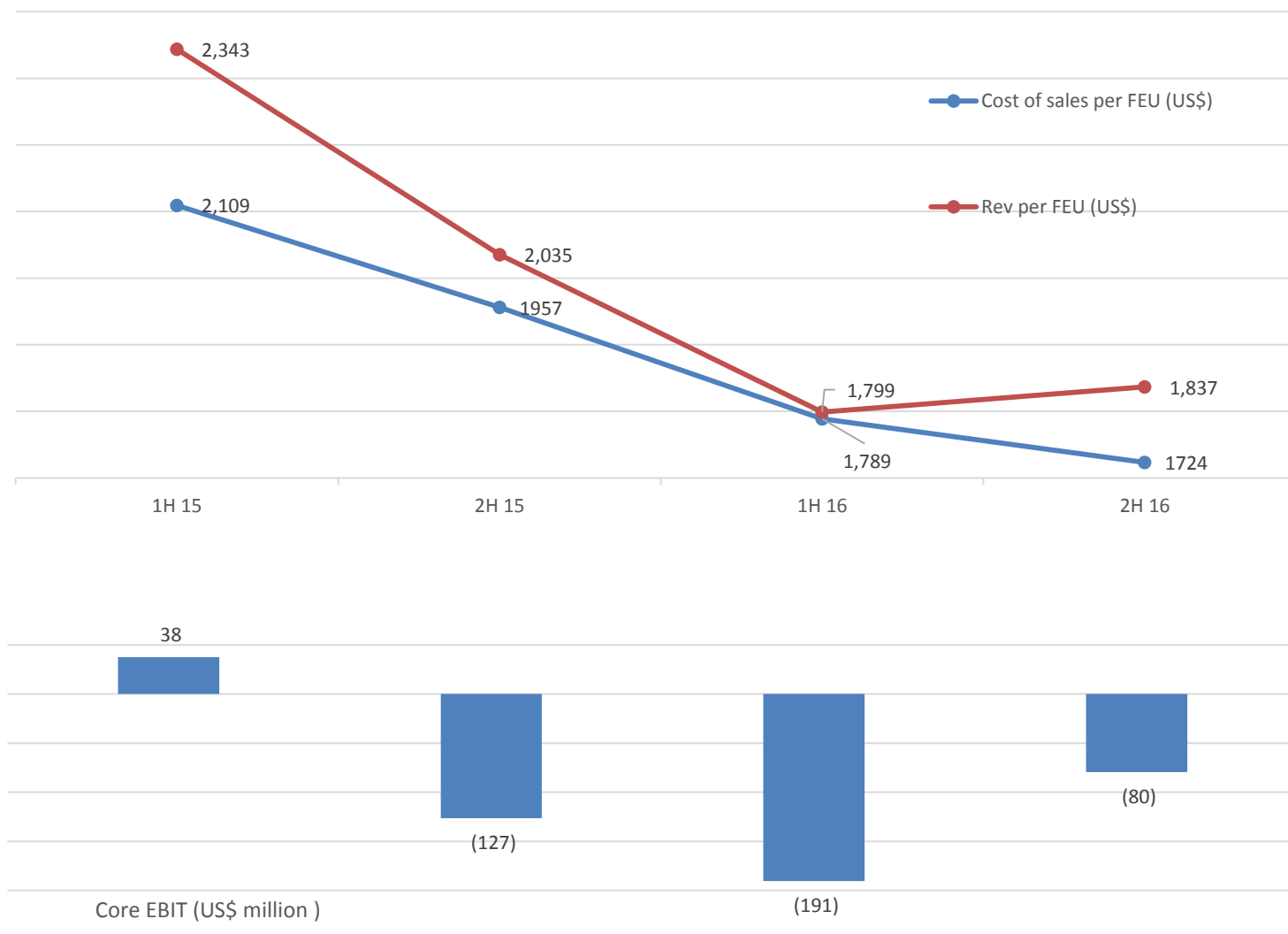
APL freight rates are recovering from their lowest point in Q2 2016



As a consequence of the launching of 24 new services with CMA CGM, Q4 volumes are significantly above levels of 2014 and 2015.



Liner operating performance in 2016 – Total revenue per FEU picking up on 2nd half of 2016 with cost still going down



Balance Sheet Highlights

US\$m	30-Dec-2016	25-Dec-2015 (Restated) (*)
Total Assets	6,298	6,903
Total Liabilities	5,010	4,473
Total Equity	1,288	2,430
Total Debt	3,385	2,894
Total Cash	186	232
Net Debt	3,199	2,662
Gearing (Gross)	2.63 x	1.19 x
Gearing (Net)	2.48 x	1.10 x

(*) Restated due to recognition of an onerous contract in prior years

Cash Flow Highlights

US\$m	FY16	FY15 Restated (*)
Cash & Cash Equivalents – Beginning	232	1,226
<i>Cash Inflow/(Outflow)</i>		
Operating Activities	(209)	277
Investing/Capex Activities	(362)	1,025 ⁽¹⁾
Financing Activities	525	(2,296)
Cash & Cash Equivalents – Closing	186	232

(*) Restated due to recognition of an onerous contract in prior years

Notes:

⁽¹⁾ Includes net proceeds from disposal of Logistics

Capital Expenditure

US\$m	FY16 Total	FY15 Total
1. Vessels	11	12
2. Equipment / Facilities	4	22
3. Drydock	15	25
4. IT	33	49
5. Others	1	5
Total	64	113

Group Key Financial highlights

US\$m	1H 16	2H 16	FY 16	1H 15 ¹ (Restated) ²	2H 15 (Restated) ²	FY 15 ¹ (Restated) ²
Revenue	2,151	2,491	4,642	2,926	2,484	5,410
Core EBITDA	(3)	70	67	230	65	294
• Depreciation & Amortisation	(188)	(149)	(337)	(192)	(191)	(383)
Core EBIT	(190)	(80)	(270)	38	(127)	(89)
• Non-recurring items (NRIs)	(173)	(654)	(827)	4	11	15
EBIT	(364)	(734)	(1,097)	42	(116)	(74)
• Finance expense net of finance income	(58)	(52)	(110)	(72)	(51)	(123)
• Tax	(13)	24	11	3	(4)	(1)
Net (loss)/profit to Owners of the Company after NRIs	(434)	(762)	(1,196)	(27)	(170)	(198)
• Non-recurring items (NRIs)	(173)	(654)	(827)	4	11	15
Net (loss)/profit to Owners of the Company before NRIs	(261)	(108)	(369)	(31)	(181)	(213)
Cost of sales	(2,139)	(2,338)	(4,476)	(2,634)	(2,388)	(5,021)
Cost of sales per FEU (US\$)	(1,789)	(1,724)	(1,754)	(2,109)	(1,957)	(2,034)
Volume ('000 FEUs)	1,196	1,356	2,552	1,249	1,220	2,469
Average Freight Revenue per FEU (US\$)	1,586	1,647	1,619	2,003	1,769	1,887

¹ 1H 15 and FY15 pertains to Liner results excluding Logistics business unit.

² Restated due to recognition of an onerous contract in prior years.

Note: Totals may not sum up due to rounding.

Liner Operational Update

Volume ('000 FEUs)	FY16	FY15	% ▲	FY14	% ▲
Transpacific	750	685	9	814	(16)
Intra-Asia	1,193	1,180	1	1,252	(6)
Asia-Europe	405	397	2	442	(10)
Latin America	159	159	0	188	(15)
Transatlantic	45	48	(5)	131	(63)
Total	2,552	2,469	3	2,827	(13)

Average Revenue/FEU (US\$)	FY16	FY15	% ▲	FY14	% ▲
Transpacific	2,619	3,026	(13)	3,308	(9)
Intra-Asia	919	1,130	(19)	1,355	(17)
Asia-Europe	1,408	1,723	(18)	2,383	(28)
Latin America	2,470	2,746	(10)	3,160	(13)
Transatlantic	2,382	2,770	(14)	2,784	(1)
Total	1,619	1,887	(14)	2,264	(17)