



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 3rd Quarter Ended 20 September 2013

1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2013 US\$'000	YTD 2012 US\$'000	% Increase/ (Decrease)	Q3 2013 US\$'000	Q3 2012 US\$'000	% Increase/ (Decrease)
Revenue	6,497,187	7,013,062	(7)	2,062,574	2,302,413	(10)
Cost of sales	(6,039,933)	(6,615,322)	(9)	(1,868,969)	(2,063,417)	(9)
Gross profit	457,254	397,740	15	193,605	238,996	(19)
Other gains (net)						
- Miscellaneous	217,507	8,342	2,507	1,644	3,103	(47)
- Finance and investment income	3,904	3,604	8	1,285	1,069	20
Expenses						
- Administrative	(523,560)	(511,253)	2	(167,597)	(159,561)	5
- Restructuring costs	-	(29,147)	(100)	-	-	0
- Finance	(16,970)	(51,235)	(67)	7,841	(18,235)	N/M
- Other operating	(42,361)	(102,683)	(59)	(9,793)	(2,592)	278
Share of results of associated companies	7,355	2,916	152	2,379	950	150
Share of results of joint ventures	17	(49)	N/M	89	287	(69)
Profit/(Loss) before income tax	103,146	(281,765)	N/M	29,453	64,017	(54)
Income tax expense	(39,165)	(35,659)	10	(8,320)	(12,658)	(34)
Net profit/(loss) for the financial period	63,981	(317,424)	N/M	21,133	51,359	(59)
Net profit/(loss) attributable to:						
Owners of the Company	60,883	(321,391)	N/M	19,990	50,032	(60)
Non-controlling interest	3,098	3,967	(22)	1,143	1,327	(14)
	63,981	(317,424)	N/M	21,133	51,359	(59)

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

	Group			Group		
	YTD 2013 US\$'000	YTD 2012 US\$'000	% Increase/ (Decrease)	Q3 2013 US\$'000	Q3 2012 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	6,594	6,783	(3)	2,519	2,494	1
(B) Net Interest on Borrowings ¹	(27,964)	(31,444)	(11)	(18,066)	(11,328)	59
(C) Depreciation and Amortisation	(228,016)	(223,176)	2	(76,664)	(70,167)	9
(D) (Allowance for)/Write-back of Doubtful Debts and Bad Debts Written Off	(5,507)	616	N/M	(390)	(523)	(25)
(E) Net Write-back of/(Provision for) Impairment in Value of Investments	11	(6)	N/M	-	(6)	(100)
(F) Foreign Exchange Gain	29,522	5,744	414	31,794	8,811	261
(G) Adjustment for Over/(Under) Provision for Tax in Prior Years	2,329	(976)	N/M	(3,088)	50	N/M
(H) Profit/(Loss) on Sale of Investments, Property, Plant and Equipment and Other Assets	205,505	1,209	16,898	(2,520)	175	N/M
(I) Impairment Loss on Assets classified as held-for-sale	(5,303)	(81,624)	(94)	-	-	0
(J) Net (Write-off)/Write-back of Inventories	(7)	(56)	(88)	(21)	46	N/M

¹ Includes realised gains from financial hedging instruments.

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

	Group		Group	
	YTD 2013 US\$'000	YTD 2012 US\$'000	Q3 2013 US\$'000	Q3 2012 US\$'000
Net profit/(loss) for the financial period	63,981	(317,424)	21,133	51,359
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on cash flow hedges	(10,320)	52,320	22,416	61,348
Fair value loss/(gain) on cash flow hedges transferred to the income statement	19,540	(21,939)	(4,885)	(16,598)
Fair value gain/(loss) on available-for-sale financial asset	26	(14)	-	(15)
Share of other comprehensive income of associated company	1,855	(353)	29	(353)
Currency translation differences	(41,715)	3,860	(32,872)	7,189
Tax on fair value gain and loss	(178)	12	(148)	13
Other comprehensive income for the financial period, net of tax	(30,792)	33,886	(15,460)	51,584
Total comprehensive income for the financial period	33,189	(283,538)	5,673	102,943
Total comprehensive income attributable to:				
Owners of the Company	30,738	(287,097)	4,588	101,142
Non-controlling interest	2,451	3,559	1,085	1,801
	33,189	(283,538)	5,673	102,943

N/M: Not meaningful

1.(b)(i) Statement of Financial Position

	Group				Company			
	20 Sep 2013 US\$'000	28 Dec 2012 US\$'000 (Restated) ²	% Increase/ (Decrease)	30 Dec 2011 US\$'000 (Restated) ²	% Increase/ (Decrease)	20 Sep 2013 US\$'000	28 Dec 2012 US\$'000	% Increase/ (Decrease)
ASSETS								
Current Assets								
Cash and cash equivalents	856,169	896,978	(5)	227,562	294	551,356	540,332	2
Trade and other receivables ³	1,035,749	1,091,573	(5)	1,045,671	4	2,732,869	3,029,651	(10)
Inventories at cost	259,422	267,309	(3)	326,993	(18)	-	-	0
Derivative financial instruments	13,929	5,847	138	3,853	52	9,811	125	7,749
Assets classified as held-for-sale	12,297	142,501	(91)	50,225	184	-	-	0
Other current assets	142,454	119,918	19	111,403	8	4,703	4,924	(4)
Total current assets	2,320,020	2,524,126	(8)	1,765,707	43	3,298,739	3,575,032	(8)
Non-current Assets								
Investments in subsidiaries	-	-	0	-	0	1,000,605	1,000,974	(0)
Investments in associated companies	137,558	111,831	23	98,191	14	-	-	0
Investments in joint ventures	20,843	26,588	(22)	28,992	(8)	-	-	0
Available-for-sale financial asset	63	37	70	53	(30)	-	-	0
Property, plant and equipment	6,014,246	5,229,062	15	4,789,588	9	819,605	1,357,365	(40)
Investment property	-	-	0	15,862	(100)	-	-	0
Deferred charges	6,833	10,909	(37)	14,283	(24)	5,870	7,955	(26)
Intangible assets	31,736	35,947	(12)	26,676	35	1,695	1,039	63
Goodwill arising on consolidation	158,477	157,047	1	129,095	22	-	-	0
Deferred income tax assets	48,482	44,224	10	33,477	32	-	-	0
Derivative financial instruments	19,581	29,859	(34)	7,344	307	19,581	29,859	(34)
Other non-current assets	49,975	49,463	1	49,338	0	170	137	24
Total non-current assets	6,487,794	5,694,967	14	5,192,899	10	1,847,526	2,397,329	(23)
TOTAL ASSETS	8,807,814	8,219,093	7	6,958,606	18	5,146,265	5,972,361	(14)
LIABILITIES								
Current Liabilities								
Trade and other payables	1,264,449	1,247,627	1	1,274,431	(2)	72,210	1,056,283	(93)
Current income tax liabilities	162,492	160,795	1	114,627	40	2,104	2,365	(11)
Borrowings	446,109	429,246	4	422,095	2	-	-	0
Provisions	34,458	38,619	(11)	38,436	0	2,163	2,551	(15)
Deferred income	9,372	12,585	(26)	848	1,384	-	-	0
Derivative financial instruments	4,525	10,123	(55)	18,443	(45)	-	1,470	(100)
Other current liabilities ⁴	235,416	252,480	(7)	251,812	0	-	-	0
Total current liabilities	2,156,821	2,151,475	0	2,120,692	1	76,477	1,062,669	(93)
Non-current Liabilities								
Borrowings	4,075,134	3,546,621	15	1,931,746	84	2,008,454	2,025,120	(1)
Provisions	228,140	225,835	1	208,777	8	-	-	0
Deferred income	9,630	15,370	(37)	3,904	294	-	-	0
Deferred income tax liabilities	5,621	5,446	3	8,900	(39)	585	552	6
Derivative financial instruments	34,468	15,938	116	36,694	(57)	33,643	15,384	119
Other non-current liabilities	70,775	65,300	8	70,925	(8)	-	-	0
Total non-current liabilities	4,423,768	3,874,510	14	2,260,946	71	2,042,682	2,041,056	0
TOTAL LIABILITIES	6,580,589	6,025,985	9	4,381,638	38	2,119,159	3,103,725	(32)
NET ASSETS	2,227,225	2,193,108	2	2,576,968	(15)	3,027,106	2,868,636	6
EQUITY								
Share capital	1,829,913	1,826,723	0	1,822,117	0	1,829,913	1,826,723	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	0	(5,216)	(5,216)	0
	1,824,697	1,821,507	0	1,816,901	0	1,824,697	1,821,507	0
Shares held by employee benefit trust	(5,948)	(5,320)	12	(4,716)	13	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	430,614	373,033	15	785,530	(53)	1,169,189	1,019,738	15
Statutory and other reserves	(75,688)	(48,606)	56	(70,756)	(31)	34,415	28,586	20
Capital and reserves attributable to owners of the Company	2,172,480	2,139,419	2	2,525,764	(15)	3,027,106	2,868,636	6
Non-controlling interest	54,745	53,689	2	51,204	5	-	-	0
TOTAL EQUITY	2,227,225	2,193,108	2	2,576,968	(15)	3,027,106	2,868,636	6
Net current assets/(liabilities)⁵	163,199	372,651	(56)	(354,985)	N/M	3,222,262	2,512,363	28

² Restated for comparative purpose due to retrospective application of Amendments to FRS 19: Employee Benefits (Revised), which is effective from financial year 2013.

Details of the restatement is provided in 8(a).

³ 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.

⁴ Other current liabilities relates to deferred revenue arising from the percentage-of-completion method for revenue recognition.

⁵ 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 As at 20 September 2013	Secured loans US\$'000	Unsecured loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable on or before 19 September 2014, or on demand	134,821	303,412	7,876	446,109
Amount repayable on or before:				
18 September 2015	151,749	503,254	8,923	663,926
16 September 2016	151,380	492,300	9,615	653,295
22 September 2017	160,124	317,060	10,629	487,813
21 September 2018	143,227	-	10,483	153,710
Thereafter	1,093,205	794,348	228,837	2,116,390
	1,834,506	2,410,374	276,363	4,521,243

The Group As at 28 December 2012	Secured loans US\$'000	Unsecured loans US\$'000	Secured finance lease liabilities US\$'000	Total 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 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 As at 20 September 2013	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others ⁶ US\$'000	Total US\$'000
Amount repayable for the remainder of FY 2013	164,787	17,397	11,548	1,521	17,340	212,593
Amount repayable in:						
FY 2014	432,475	62,972	82,332	3,978	56,423	638,180
FY 2015	257,955	52,672	70,727	1,197	39,554	422,105
FY 2016	161,898	15,245	70,865	-	25,583	273,591
FY 2017	122,818	6,809	71,006	-	14,487	215,120
Thereafter	439,749	14,363	597,579	-	18,612	1,070,303
	1,579,682	169,458	904,057	6,696	171,999	2,831,892

The Group As at 28 December 2012	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others ⁶ US\$'000	Total 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

⁶ Others relate mainly to warehouse space, warehouse equipment, inland container yards, housing rental, office space and land.

1.(c) Consolidated Statement of Cash Flows

	Group			
	YTD 2013 US\$'000	YTD 2012 US\$'000	Q3 2013 US\$'000	Q3 2012 US\$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	103,146	(281,765)	29,453	64,017
Adjustments for :				
Depreciation and amortisation	228,016	223,176	76,664	70,167
Fair value loss/(gain) on financial instruments	4,463	(442)	3,743	(262)
Deferred charge expense	5,124	5,897	1,344	1,706
Realised foreign exchange gain arising from repayment of Singapore-dollar loan	(33,879)	-	(33,879)	-
Net interest expense	27,964	31,444	18,066	11,328
Interest income	(3,904)	(3,604)	(1,285)	(1,069)
Share-based compensation costs	2,875	2,956	1,240	930
Net write-off/(write-back) of inventories	7	56	21	(46)
Fair value loss on shares held by employee benefit trust	19	90	303	103
Net (profit)/loss on disposal of property, plant and equipment	(7,189)	(2,275)	1,730	(1,241)
Net (profit)/loss on disposal of assets classified as held-for-sale	(198,051)	1,058	634	1,058
Net profit on disposal of joint venture	(441)	-	-	-
Net profit on disposal of subsidiaries	(17)	-	-	-
Net loss on disposal of other assets	193	8	156	8
Impairment loss on assets classified as held-for-sale	5,303	81,624	-	-
Net (write-back of)/provision for impairment of assets	(11)	(562)	-	5
Net provision for liabilities	12,179	39,816	2,907	7,003
Share of results of associated companies	(7,355)	(2,916)	(2,379)	(950)
Share of results of joint ventures	(17)	49	(89)	(287)
Unrealised currency translation gain	(8,446)	(3,844)	(418)	(331)
Operating cash flow before working capital changes	129,979	90,766	98,211	152,139
Changes in operating assets and liabilities				
Receivables and other assets	58,875	(186,309)	84,707	(6,449)
Inventories	8,006	30,332	(5,777)	38,636
Payables	(31,215)	54,212	(37,801)	57,731
Provisions	(13,081)	(28,818)	(1,393)	(13,383)
Cash generated from/(used in) operations	152,564	(39,817)	137,947	228,674
Interest paid	(24,051)	(31,539)	(8,716)	(12,768)
Interest received	3,843	3,105	(5,814)	1,025
Net income tax paid	(41,029)	(23,600)	(12,333)	(6,782)
Net cash inflow/(outflow) from operating activities	91,327	(91,851)	111,084	210,149
Cash Flows from Investing Activities				
Investment in joint venture	-	(98)	-	-
Acquisition of subsidiaries, net of cash acquired	(2,630)	-	-	-
Investment in associated company	(13,570)	(2,466)	(8,859)	-
Proceeds from loans receivables	28	479	7	-
Dividends received from joint venture	-	630	-	-
Purchase of property, plant and equipment	(1,106,747)	(655,881)	(343,753)	(169,804)
Purchase of intangible assets	(1,549)	(4,711)	(456)	(1,550)
Proceeds from disposal of joint venture	4,969	-	-	-
Proceeds from disposal of subsidiaries, net of cash disposed of	4	-	-	-
Proceeds from disposal of assets classified as held-for-sale	358,246	81,087	26,412	19,462
Proceeds from disposal of property, plant and equipment	65,866	18,890	641	3,789
Proceeds from disposal of other assets	193	170	-	3
Net cash outflow from investing activities	(695,190)	(561,900)	(326,008)	(148,100)
Cash Flows from Financing Activities				
Proceeds from borrowings	4,243,689	2,277,420	1,283,179	859,327
Net cash (outflow)/inflow contributed by employee benefit trust	(328)	26	(86)	37
Dividends paid to non-controlling interest	(2,439)	(2,250)	-	-
Return of capital to non-controlling interest	-	(100)	-	-
Proceeds from issue of new ordinary shares	320	857	40	214
Repayment of borrowings	(3,677,139)	(1,135,137)	(1,434,835)	(450,156)
Payment of costs incurred in connection with long term financing	(1,049)	(6,014)	(37)	(718)
Net cash inflow/(outflow) from financing activities	563,054	1,134,802	(151,739)	408,704
Net (decrease)/increase in cash and cash equivalents	(40,809)	481,051	(366,663)	470,753
Cash and cash equivalents at beginning of financial period	896,978	227,562	1,222,832	237,860
Cash and cash equivalents at end of financial period	856,169	708,613	856,169	708,613

1.(d)(i) Statement of Changes in Equity

GROUP	Capital and reserves attributable to owners of the Company							
	Share capital	Treasury shares	Shares held by employee benefit trust	Treasury shares reserve	Retained earnings	Statutory and other reserves	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 29 December 2012					(Restated) ⁷	(Restated) ⁷		
As previously reported	1,826,723	(5,216)	(5,320)	(1,195)	345,857	50,722	53,689	2,265,260
Effect of Amendments to FRS19	-	-	-	-	27,176	(99,328)	-	(72,152)
As restated	1,826,723	(5,216)	(5,320)	(1,195)	373,033	(48,606)	53,689	2,193,108
Dividends to non-controlling interest	-	-	-	-	-	-	(2,439)	(2,439)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,635	-	1,635
- new shares issued	3,141	-	-	-	-	(2,861)	-	280
Purchase of shares by employee benefit trust	-	-	(396)	-	-	-	-	(396)
Acquisition of subsidiaries	-	-	-	-	-	-	1,041	1,041
Disposal of subsidiaries	-	-	-	-	-	-	3	3
Share of other changes in equity of associated company	-	-	-	-	-	(274)	-	(274)
Share of statutory reserves of associated company	-	-	-	-	-	6	-	6
Total comprehensive income for the financial period	-	-	-	-	40,893	(14,743)	1,366	27,516
Transfer from retained earnings to statutory reserves	-	-	-	-	(3,302)	3,302	-	-
Balance at 28 June 2013	1,829,864	(5,216)	(5,716)	(1,195)	410,624	(61,541)	53,660	2,220,480
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,240	-	1,240
- new shares issued	49	-	-	-	-	(9)	-	40
Purchase of shares by employee benefit trust	-	-	(232)	-	-	-	-	(232)
Share of statutory reserves of associated company	-	-	-	-	-	24	-	24
Total comprehensive income for the financial period	-	-	-	-	19,990	(15,402)	1,085	5,673
Balance at 20 September 2013	1,829,913	(5,216)	(5,948)	(1,195)	430,614	(75,688)	54,745	2,227,225

⁷ Restated for comparative purpose due to retrospective application of Amendments to FRS 19: Employee Benefits (Revised), which is effective from financial year 2013.

Details of the restatement is provided in 8(a).

Capital and reserves attributable to owners of the Company

GROUP	Share capital	Treasury shares	Shares held by employee benefit trust	Treasury shares reserve	Retained earnings	Statutory and other reserves	Non-controlling interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000 (Restated) ⁸	US\$'000 (Restated) ⁸	US\$'000	US\$'000
Balance at 31 December 2011								
As previously reported	1,822,117	(5,216)	(4,716)	(1,195)	765,302	24,688	51,204	2,652,184
Effect of Amendments to FRS19	-	-	-	-	20,228	(95,444)	-	(75,216)
As restated	1,822,117	(5,216)	(4,716)	(1,195)	785,530	(70,756)	51,204	2,576,968
Dividends to non-controlling interest	-	-	-	-	-	-	(2,250)	(2,250)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	2,026	-	2,026
- new shares issued	3,227	-	-	-	-	(2,584)	-	643
Purchase of shares by employee benefit trust	-	-	(428)	-	-	-	-	(428)
Return of capital to non-controlling interest	-	-	-	-	-	-	(100)	(100)
Total comprehensive income for the financial period	-	-	-	-	(371,423)	(16,816)	1,758	(386,481)
Balance at 29 June 2012	1,825,344	(5,216)	(5,144)	(1,195)	414,107	(88,130)	50,612	2,190,378
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	930	-	930
- new shares issued	283	-	-	-	-	(69)	-	214
Purchase of shares by employee benefit trust	-	-	(3)	-	-	-	-	(3)
Total comprehensive income for the financial period	-	-	-	-	50,032	51,110	1,801	102,943
Balance at 21 September 2012	1,825,627	(5,216)	(5,147)	(1,195)	464,139	(36,159)	52,413	2,294,462

⁸ Restated for comparative purpose due to retrospective application of Amendments to FRS 19: Employee Benefits (Revised), which is effective from financial year 2013.

Details of the restatement is provided in 8(a).

COMPANY	Share capital	Treasury shares	Treasury shares reserves	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 29 December 2012	1,826,723	(5,216)	(1,195)	1,019,738	28,586	2,868,636
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,635	1,635
- new shares issued	3,141	-	-	-	(2,861)	280
Total comprehensive income for the financial period	-	-	-	164,943	(51)	164,892
Balance at 28 June 2013	1,829,864	(5,216)	(1,195)	1,184,681	27,309	3,035,443
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,240	1,240
- new shares issued	49	-	-	-	(9)	40
Total comprehensive income for the financial period	-	-	-	(15,492)	5,875	(9,617)
Balance at 20 September 2013	1,829,913	(5,216)	(1,195)	1,169,189	34,415	3,027,106

COMPANY	Share capital	Treasury shares	Treasury shares reserves	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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	-	-	-	-	2,026	2,026
- new shares issued	3,227	-	-	-	(2,584)	643
Total comprehensive income for the financial period	-	-	-	264	2,911	3,175
Balance at 29 June 2012	1,825,344	(5,216)	(1,195)	1,042,386	28,336	2,889,655
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	930	930
- new shares issued	283	-	-	-	(69)	214
Total comprehensive income for the financial period	-	-	-	(1,833)	(2,311)	(4,144)
Balance at 21 September 2012	1,825,627	(5,216)	(1,195)	1,040,553	26,886	2,886,655

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 28 June 2013, the Company's issued and paid-up capital (including treasury shares) comprised 2,591,348,492 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,589,621,775 ordinary shares.

During the 3 months ended 20 September 2013, the Company issued and allotted 47,287 ordinary shares upon the exercise of share options granted under the NOL Share Option Plan ("NOL SOP").

As at 20 September 2013, the Company's issued and paid-up capital (including treasury shares) comprised 2,591,395,779 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,589,669,062 (28 December 2012: 2,587,069,636) ordinary shares.

Share options

As at 28 June 2013, there were 36,856,584 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 20 September 2013, 47,287 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.05 per share and 258,805 share options were cancelled.

As at 20 September 2013, share options to subscribe for 36,550,492 (21 September 2012: 42,262,120) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 28 June 2013, there were 6,423,762 outstanding restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the 3 months ended 20 September 2013, 59,669 restricted shares were cancelled.

As at 20 September 2013, 6,364,093 (21 September 2012: 4,051,094) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 28 June 2013, there were 6,247,696 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the 3 months ended 20 September 2013, 21,000 performance shares were cancelled.

As at 20 September 2013, 6,226,696 (21 September 2012: 4,694,019) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 28 June 2013, 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 20 September 2013, 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 20 September 2013, there were 1,726,717 (21 September 2012: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the third quarter 2013 interim 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 20 September 2013 and the reported amounts of revenue and expenses during the financial period from 29 December 2012 to 20 September 2013. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Negative Assurance Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the Company which may render the interim financial information for the third quarter ended 20 September 2013 to be false or misleading in any material aspect.

On behalf of the board of directors

QUEK SEE TIAT
Director

NG YAT CHUNG
Director

Dated this 30 October 2013

4. Audit or Review of Figures

The figures have not been audited or reviewed by our auditors.

5. Auditors' Report (including any qualifications or emphasis of matter)

N.A.

6. Contingent Liability

Tax Exposures

The U.S. Internal Revenue Service ("the IRS") audited the 2005 and 2006 US federal tax returns of APL Limited, a subsidiary company within the NOL Group ("the Group") and proposed certain adjustments. APL Limited filed a protest letter with IRS on 20 September 2010 and requested for the case to be reviewed and assigned to appeals. As of 26 June 2013, APL Limited and the IRS had come to a mutual settlement of the 2005 and 2006 US federal tax returns.

In June 2011, the IRS commenced the examination of APL Limited's 2007, 2008 and 2009 US federal income tax.

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. Updates on this investigation will be given in the future as and when there are any material developments.

7. 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 8(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 28 December 2012.

8.(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 29 December 2012, 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 29 December 2012.

The following are the FRS that are relevant to the Group and the Company:

Amendments to FRS 1	: Presentation of Items of Other Comprehensive Income (Effective for annual periods beginning on or after 1 July 2012)
Amendments to FRS 19	: Employee Benefits (Revised) (Effective for annual periods beginning on or after 1 January 2013)
FRS 107	: Disclosures - Offsetting Financial Assets and Financial Liabilities (Effective for annual periods beginning on or after 1 January 2013)
FRS 113	: Fair Value Measurements (Effective for annual periods beginning on or after 1 January 2013)

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, except as discussed below:

Amendments to FRS 19: Employee Benefits (Revised)

The Amendments to FRS 19 removes the corridor mechanism for defined benefit plans and no longer allows actuarial gains and losses to be recognised in profit or loss. The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than employee entitlement.

This change in accounting policy has been applied retrospectively from 29 December 2012. Accordingly, the comparatives have been restated. However, there is no impact on the Q3 2012 results, as pension remeasurement was performed only in Q4 2012. The financial effects on the comparatives arising from the adoption of the Amendments to FRS 19 are as follows:

Consolidated Income Statement

	<u>Group</u> <u>FY2012</u> <u>US\$'000</u>
Decrease in administrative expenses	(9,637)
Increase in income tax expense	2,689
Decrease in loss attributable to owners of the Company	<u>(6,948)</u>
Decrease in basic loss per share	(0.27 US cts)
Decrease in diluted loss per share	(0.27 US cts)

Consolidated Statement of Financial Position

	<u>Group</u>	
	<u>28 Dec 2012</u>	<u>30 Dec 2011</u>
	<u>US\$'000</u>	<u>US\$'000</u>
<u>Increase/(decrease) in:</u>		
Deferred income tax asset	27,494	28,862
Provisions	(6,118)	(5,023)
Pension liabilities, net of pension assets	105,764	109,101
Retained earnings	27,176	20,228
Other reserves	<u>(99,328)</u>	<u>(95,444)</u>

8.(b) Comparatives

Comparative figures have been restated due to the adoption of the Amendments to FRS19 and change in definition of Core EBIT.

9.

	YTD 2013	YTD 2012	Q3 2013	Q3 2012
GROUP				
Earnings/(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	2.36 US cts	(12.45 US cts)	0.77 US cts	1.94 US cts
b) On a fully diluted basis (detailing any adjustments made to the earnings)	2.35 US cts	(12.45 US cts)	0.77 US cts	1.93 US cts

10. Net Asset Value

	Group			Company		
	20 Sep 2013 US\$	28 Dec 2012 US\$ (Restated) ⁹	Inc / (Dec) %	20 Sep 2013 US\$	28 Dec 2012 US\$	Inc / (Dec) %
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	0.84	0.83	1.20	1.17	1.11	5.41

⁹ Restated for comparative purpose due to retrospective application of Amendments to FRS 19: Employee Benefits (Revised), which is effective from financial year 2013. Details of the restatement is provided in 8(a).

11. Review of the Performance of the Group

Income Statement:YTD 2013 vs YTD 2012

NOL Group achieved revenue of US\$6.50 billion (YTD 2012: US\$7.01 billion), a decrease of US\$0.51 billion. This was mainly due to decrease in Liner revenue from lower freight rates and volume.

The Group's cost of sales decreased by US\$0.58 billion or 9% YoY to US\$6.04 billion mainly due to operational cost efficiencies and lower bunker prices.

Other miscellaneous gains increased by US\$209 million or 2,507% YoY to US\$218 million mainly due to disposal of NOL building and property, plant and equipment.

Finance expenses decreased by US\$34 million or 67% YoY to US\$17 million mainly due to realised foreign exchange gain of US\$34 million arising from repayment of Singapore-dollar loan to the Company by a subsidiary whose functional currency is Singapore dollar and realised gains from financial hedging instruments, partially offset by higher interest expenses from higher average loan balances and interest rates.

Other operating expenses decreased by US\$60 million or 59% YoY to US\$42 million mainly due to decrease in impairment loss on obsolete vessels classified as held-for-sale, partially offset by increase in provision for doubtful debts and write-back of provision for litigation in YTD 2012.

Despite the Group making losses (before any capital gains), tax expense was incurred mainly due to certain entities in the Group generating tax assessable income in the jurisdictions in which they operate.

The Group recorded net profit attributable to owners of the Company of US\$61 million in YTD 2013 compared to net loss of US\$321 million in YTD 2012, mainly due to one time gain from disposal of NOL building. Despite weak global economic conditions, the Group narrowed its net operating losses due to continued efficiency and cost management efforts.

Q3 2013 vs Q3 2012

NOL Group achieved revenue of US\$2.06 billion (Q3 2012: US\$2.30 billion), a decrease of US\$0.24 billion. This was mainly due to decrease in Liner revenue from lower freight rates and volume.

The Group's cost of sales decreased by US\$0.19 billion or 9% YoY to US\$1.87 billion mainly due to operational cost efficiencies and lower bunker prices.

Finance expenses decreased by US\$26 million mainly due to realised foreign exchange gain of US\$34 million arising from repayment of Singapore-dollar loan to the Company by a subsidiary whose functional currency is Singapore dollar, partially offset by higher interest expense from higher average interest rates and loan balances.

Other operating expenses increased by US\$7 million or 278% YoY to US\$10 million mainly due to decrease in foreign exchange gain.

Net profit attributable to owners of the Company decreased by US\$30 million or 60% to US\$20 million in Q3 2013 mainly due to decrease in Liner revenue from lower freight rates and volume.

Balance Sheet:

NOL Group's total assets increased by US\$589 million from US\$8.22 billion as at 28 December 2012 to US\$8.81 billion as at 20 September 2013. The increase in total assets was mainly due to increase in property, plant and equipment, partially offset by decrease in assets classified as held-for-sale. The increase in property, plant and equipment was mainly due to progressive payments made for the new vessels that the Group had ordered. The decrease in assets classified as held-for-sale was due to disposal of NOL building and obsolete vessels.

The Group's total liabilities increased by US\$555 million from US\$6.03 billion as at 28 December 2012 to US\$6.58 billion as at 30 September 2013. The increase in total liabilities was mainly due to increase in borrowings [see Note 1(b)(ii)] during YTD 2013.

The Group's total equity increased by US\$34 million from US\$2.19 billion as at 28 December 2012 to US\$2.23 billion as at 20 September 2013 mainly due to net profit generated during YTD 2013.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$41 million from US\$0.90 billion as at 28 December 2012 to US\$0.86 billion as at 20 September 2013 mainly due to net cash outflow from investing activities of US\$695 million, partially offset by net cash inflow from financing activities of US\$563 million and net cash inflow from operating activities of US\$91 million. 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 inflow from financing activities was mainly due to net proceeds from borrowings.

	YTD 2013 US\$m	YTD 2012 US\$m (Restated) ¹⁰	Q3 2013 US\$m	Q3 2012 US\$m (Restated) ¹⁰
(a) Revenue				
Liner	5,407	5,965	1,712	1,961
Logistics	1,152	1,120	371	365
Elimination	(62)	(72)	(21)	(24)
Total	6,497	7,013	2,062	2,302
(b) Core EBIT¹⁰				
Liner	(130)	(168)	3	61
Logistics	45	41	19	19
Total	(85)	(127)	22	80

¹⁰ Earnings before Net Financing, Tax and Exceptional (Non-Recurring) Items. With effect from Q3 2013, in addition to interest expense, the definition of Core EBIT has changed to exclude other finance expense and income. Comparative numbers have been restated accordingly.

(c) **Analysis by Business Units**

(i) **Liner**

YTD 2013 vs YTD 2012

Liner achieved YTD 2013 revenue of US\$5.4 billion, a year-on-year (YoY) decrease of 9% mainly due to lower freight rates and volume.

Volume decreased by 3%YoY mainly due to lower volume in the Asia-Europe and Intra-Asia trades.

Cost of sales per FEU decreased by 7% YoY mainly due to operational cost efficiencies and lower bunker prices.

Weak demand conditions and industry oversupply dampened average revenue per FEU to US\$2,355 or 7% lower YoY.

As a result, Liner recorded a Core EBIT loss of US\$130 million in YTD 2013.

Q3 2013 vs Q3 2012

Liner achieved Q3 2013 revenue of US\$1.7 billion, a year-on-year (YoY) decrease of 13% mainly due to lower freight rates and volume.

Volume decreased by 5%YoY due to lower volume across all trade lanes.

Cost of sales per FEU decreased by 6% YoY mainly due to operational cost efficiencies.

Weak demand conditions and industry oversupply reduced average revenue per FEU to US\$2,372 or 9% lower YoY.

As a result, Liner recorded a Core EBIT profit of US\$3 million in Q3 2013.

LINER Q3 RESULTS 2013 and 2012

Unaudited

	YTD 2013	YTD 2012	Q3 2013	Q3 2012
Load Factors %				
Transpacific and Asia-Latin America/Mexico Eastbound	88%	93%	88%	94%
Intra-Asia Westbound	96%	95%	94%	95%
Asia-Europe Westbound	91%	96%	93%	92%
Transatlantic Westbound	82%	90%	100%	95%
Headhaul	91%	94%	91%	94%
Volume ('000 FEU)				
Transpacific	620	624	201	207
Intra-Asia	942	965	282	297
Asia-Europe	310	354	100	112
Latin America	147	153	47	50
Transatlantic	127	122	39	41
Total Volume ¹¹	2,146	2,218	669	707
Average Revenue/FEU (US\$/FEU)				
Transpacific	3,478	3,748	3,506	3,763
Intra-Asia	1,412	1,583	1,348	1,591
Asia-Europe	2,331	2,493	2,428	2,646
Latin America	3,424	3,520	3,211	3,568
Transatlantic	2,695	2,855	2,794	2,780
Total	2,355	2,541	2,372	2,601

¹¹ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

(ii) **Logistics**

YTD 2013 vs YTD 2012

Logistics achieved YTD 2013 revenue of US\$1.2 billion, increasing 3% YoY from revenue growth led by emerging markets in Asia/Middle East.

Contract Logistics achieved revenue of US\$726 million, a 2% decrease YoY.

International Services achieved revenue of US\$426 million, a 12% increase YoY.

Core EBIT of US\$45 million for YTD 2013, a 10% increase YoY due to business growth and strict cost discipline.

Q3 2013 vs Q3 2012

Logistics achieved Q3 2013 revenue of US\$371 million, a 2% increase YoY.

Contract Logistics achieved revenue of US\$228 million, a 2% decrease YoY.

International Services achieved revenue of US\$143 million, a 8% increase YoY.

Core EBIT of US\$19 million for Q3 2013, unchanged YoY.

LOGISTICS Q3 RESULTS 2013 and 2012

Unaudited

US\$ millions

	YTD 2013	YTD 2012	Q3 2013	Q3 2012
		(Restated) ¹²		(Restated) ¹²
BY REGION				
Revenue				
Americas	719	741	226	230
Europe	114	106	41	37
Asia/Middle East	319	273	104	98
Total Revenue	1,152	1,120	371	365
BY BUSINESS SEGMENT				
Revenue				
Contract Logistics Services	726	740	228	232
International Services	426	380	143	133
Total Revenue	1,152	1,120	371	365
Operating Expenses				
Contract Logistics Services	707	719	221	223
International Services	400	360	131	123
Total Operating Expenses	1,107	1,079	352	346
Core EBIT ¹²				
Contract Logistics Services	19	21	7	9
International Services	26	20	12	10
Total Core EBIT	45	41	19	19

¹² Earnings before Net Financing, Tax and Exceptional (Non-Recurring) Items. With effect from Q3 2013, in addition to interest expense, the definition of Core EBIT has changed to exclude other finance expense and income. Comparative numbers have been restated accordingly.

12. **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 second quarter ended 28 June 2013 that "General market conditions and freight rates continued to deteriorate in the second quarter of 2013, with few signs of a quick recovery. Along with poor market demand, the container shipping industry remains burdened with over-capacity and weak freight rates. NOL's cost base will continue to improve through operating efficiencies, aided by lower vessel slot costs with the delivery of its larger and more fuel-efficient ships. Barring unforeseen circumstances, the Group remains on track to deliver a better performance than in 2012."

Notwithstanding the recent deterioration in freight rates, the current results are broadly in line with the prospect statement made in the results announcement for the second quarter ended 28 June 2013.

13. **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.**

General market conditions have not improved in the third quarter, resulting in a muted peak season. Volatile freight rates and over-capacity will continue. In spite of difficult conditions, NOL has delivered better year-to-date performance through its focus on operating efficiencies. The Group remains on track to deliver a better performance than in 2012.

14. **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 period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENT

15. **Interested Person Transactions**

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	YTD 2013 US\$'000	YTD 2012 US\$'000	Q3 2013 US\$'000	Q3 2012 US\$'000
Transactions for the Purchase of Goods and Services				
PSA Corporation Limited and its associates	154,571	164,137	50,820	52,195
Singapore Telecommunications Limited and its associates	208	104	69	-
Transactions for the Purchase of Assets				
Singapore Telecommunications Limited and its associates	-	103	-	-
Transactions for the Leasing-in of Assets				
Sembcorp Marine Ltd and its associates	-	2,537	-	798

The above relates to cumulative value of transactions (inclusive of GST) more than S\$100,000.

BY ORDER OF THE BOARD

LOOI LEE HWA AND WONG KIM WAH
Company Secretaries

Dated this 30 October 2013