



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)  
Unaudited Quarterly Financial Information  
For the 3rd Quarter Ended 19 September 2014

## 1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2014 US\$'000	YTD 2013 US\$'000	% Increase/ (Decrease)	Q3 2014 US\$'000	Q3 2013 US\$'000	% Increase/ (Decrease)
Revenue	6,389,009	6,497,187	(2)	2,059,563	2,062,574	(0)
Cost of sales	(5,905,734)	(6,039,933)	(2)	(1,853,765)	(1,868,969)	(1)
Gross profit	483,275	457,254	6	205,798	193,605	6
Other gains (net)						
- Miscellaneous	17,709	217,507	(92)	4,334	1,644	164
- Finance and investment income	4,651	3,904	19	1,428	1,285	11
Expenses						
- Administrative: IT	(90,664)	(104,490)	(13)	(28,619)	(32,502)	(12)
- Administrative: non-IT	(434,514)	(419,070)	4	(135,800)	(135,095)	1
- Finance	(99,812)	(16,970)	488	(34,628)	7,841	N/M
- Other operating	(40,393)	(42,361)	(5)	(28,759)	(9,793)	194
Share of results of associated companies	5,857	7,355	(20)	1,242	2,379	(48)
Share of results of joint ventures	1,229	17	7,129	782	89	779
(Loss)/profit before income tax	(152,662)	103,146	N/M	(14,222)	29,453	N/M
Income tax expense	(15,771)	(39,165)	(60)	(7,035)	(8,320)	(15)
Net (loss)/profit for the financial period	(168,433)	63,981	N/M	(21,257)	21,133	N/M
Net (loss)/profit attributable to:						
Owners of the Company	(174,770)	60,883	N/M	(23,093)	19,990	N/M
Non-controlling interest	6,337	3,098	105	1,836	1,143	61
	(168,433)	63,981	N/M	(21,257)	21,133	N/M

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

	Group			Group		
	YTD 2014 US\$'000	YTD 2013 US\$'000	% Increase/ (Decrease)	Q3 2014 US\$'000	Q3 2013 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	11,511	6,594	75	2,599	2,519	3
(B) Net Interest on Borrowings <sup>1</sup>	(89,615)	(27,964)	220	(32,516)	(18,066)	80
(C) Depreciation and Amortisation	(283,576)	(228,016)	24	(92,946)	(76,664)	21
(D) Allowance for Doubtful Debts and Bad Debts Written Off	(7,296)	(5,507)	32	(3,976)	(390)	919
(E) Write-back of Provision for Impairment in Value of Investments	-	11	(100)	-	-	0
(F) Foreign Exchange Gain/(Loss)	12,771	29,522	(57)	(7,496)	31,794	N/M
(G) Adjustment for Over/(Under) Provision for Tax in Prior Years	21,723	2,329	833	3,985	(3,088)	N/M
(H) Profit/(Loss) on Sale of Investments, Property, Plant and Equipment and Other Assets	4,853	205,505	(98)	1,478	(2,520)	N/M
(I) Impairment Loss on Assets	(4,471)	(5,303)	(16)	(3,851)	-	N/M
(J) Write-off of Inventories	(315)	(7)	4,400	(276)	(21)	1,214

<sup>1</sup> YTD 2013 amount includes realised gains from financial hedging instruments.

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

	Group		Group	
	YTD 2014 US\$'000	YTD 2013 US\$'000	Q3 2014 US\$'000	Q3 2013 US\$'000
Net (loss)/profit for the financial period	(168,433)	63,981	(21,257)	21,133
Other comprehensive income:				
<u>Items that will not be reclassified to profit or loss:</u>				
Re-measurement of net defined benefits obligations	3,136	-	3,136	-
	3,136	-	3,136	-
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Fair value (loss)/gain on cash flow hedges	(15,225)	(10,320)	(16,757)	22,416
Fair value (gain)/loss on cash flow hedges transferred to the income statement	(1,432)	19,540	6,761	(4,885)
Fair value (loss)/gain on available-for-sale financial assets	(6)	26	(11)	-
Fair value gain on available-for-sale financial asset transferred to the income statement	(28)	-	(28)	-
Share of other comprehensive income of associated company	(3,043)	1,855	181	29
Currency translation differences	(4,872)	(41,715)	(1,118)	(32,872)
Tax on fair value gain and loss	5	(178)	(40)	(148)
	(24,601)	(30,792)	(11,012)	(15,460)
Other comprehensive income for the financial period, net of tax	(21,465)	(30,792)	(7,876)	(15,460)
Total comprehensive income for the financial period	(189,898)	33,189	(29,133)	5,673
Total comprehensive income attributable to:				
Owners of the Company	(196,197)	30,738	(30,873)	4,588
Non-controlling interest	6,299	2,451	1,740	1,085
	(189,898)	33,189	(29,133)	5,673

N/M: Not meaningful

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

	Group			Company		
	19 Sep 2014 US\$'000	27 Dec 2013 US\$'000	% Increase/ (Decrease)	19 Sep 2014 US\$'000	27 Dec 2013 US\$'000	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	808,834	980,993	(18)	478,093	767,481	(38)
Trade and other receivables <sup>2</sup>	1,151,591	1,073,085	7	3,442,093	3,776,487	(9)
Available-for-sale financial assets	15,216	23,543	(35)	-	-	0
Inventories at cost	232,325	254,232	(9)	-	-	0
Derivative financial instruments	2,936	6,952	(58)	-	-	0
Assets classified as held-for-sale	-	12,297	(100)	-	-	0
Other current assets	107,284	115,541	(7)	4,593	4,308	7
<b>Total current assets</b>	<b>2,318,186</b>	<b>2,466,643</b>	<b>(6)</b>	<b>3,924,779</b>	<b>4,548,276</b>	<b>(14)</b>
<b>Non-current Assets</b>						
Investments in subsidiaries	-	-	0	1,050,555	1,000,605	5
Investments in associated companies	158,793	149,039	7	-	-	0
Investments in joint ventures	21,736	21,374	2	-	-	0
Available-for-sale financial asset	-	83	(100)	-	-	0
Property, plant and equipment	6,103,156	6,097,508	0	11,511	973,999	(99)
Deferred charges	5,716	5,765	(1)	5,715	5,267	9
Intangible assets	32,252	31,245	3	2,340	2,381	(2)
Land use rights	831	855	(3)	-	-	0
Goodwill arising on consolidation	158,068	158,663	(0)	-	-	0
Deferred income tax assets	34,068	33,437	2	-	-	0
Derivative financial instruments	10,692	13,340	(20)	10,692	13,340	(20)
Other non-current assets	61,968	51,083	21	101	177	(43)
<b>Total non-current assets</b>	<b>6,587,280</b>	<b>6,562,392</b>	<b>0</b>	<b>1,080,914</b>	<b>1,995,769</b>	<b>(46)</b>
<b>TOTAL ASSETS</b>	<b>8,905,466</b>	<b>9,029,035</b>	<b>(1)</b>	<b>5,005,693</b>	<b>6,544,045</b>	<b>(24)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	1,288,558	1,252,421	3	75,811	1,222,566	(94)
Current income tax liabilities	140,010	165,409	(15)	2,298	2,202	4
Borrowings	411,434	599,119	(31)	100,000	50,000	100
Provisions	39,375	43,528	(10)	1,802	2,138	(16)
Deferred income	6,738	7,670	(12)	-	-	0
Derivative financial instruments	10,836	11,625	(7)	1,462	8,442	(83)
Other current liabilities <sup>3</sup>	238,532	232,195	3	-	-	0
<b>Total current liabilities</b>	<b>2,135,483</b>	<b>2,311,967</b>	<b>(8)</b>	<b>181,373</b>	<b>1,285,348</b>	<b>(86)</b>
<b>Non-current Liabilities</b>						
Borrowings	4,530,838	4,266,827	6	1,783,074	2,179,969	(18)
Provisions	180,766	171,977	5	-	-	0
Deferred income	1,297	6,016	(78)	-	-	0
Deferred income tax liabilities	5,956	6,980	(15)	606	607	(0)
Derivative financial instruments	82,337	65,168	26	56,659	52,705	8
Other non-current liabilities	29,008	69,289	(58)	-	-	0
<b>Total non-current liabilities</b>	<b>4,830,202</b>	<b>4,586,257</b>	<b>5</b>	<b>1,840,339</b>	<b>2,233,281</b>	<b>(18)</b>
<b>TOTAL LIABILITIES</b>	<b>6,965,685</b>	<b>6,898,224</b>	<b>1</b>	<b>2,021,712</b>	<b>3,518,629</b>	<b>(43)</b>
<b>NET ASSETS</b>	<b>1,939,781</b>	<b>2,130,811</b>	<b>(9)</b>	<b>2,983,981</b>	<b>3,025,416</b>	<b>(1)</b>
<b>EQUITY</b>						
Share capital	1,834,060	1,830,222	0	1,834,060	1,830,222	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,828,844	1,825,006	0	1,828,844	1,825,006	0
Shares held by employee benefit trust	(5,729)	(6,146)	(7)	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	113,827	288,733	(61)	1,130,959	1,168,368	(3)
Statutory and other reserves	(51,894)	(29,295)	77	25,373	33,237	(24)
Capital and reserves attributable to owners of the Company	1,883,853	2,077,103	(9)	2,983,981	3,025,416	(1)
Non-controlling interest	55,928	53,708	4	-	-	0
<b>TOTAL EQUITY</b>	<b>1,939,781</b>	<b>2,130,811</b>	<b>(9)</b>	<b>2,983,981</b>	<b>3,025,416</b>	<b>(1)</b>
<b>Net current assets</b>	<b>182,703</b>	<b>154,676</b>	<b>18</b>	<b>3,743,406</b>	<b>3,262,928</b>	<b>15</b>

<sup>2</sup> 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.

<sup>3</sup> Other current liabilities relates to deferred revenue arising from the percentage-of-completion method for revenue recognition.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group	Secured borrowings	Unsecured borrowings	Secured finance lease liabilities	Total
As at 19 September 2014	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable on or before 18 September 2015, or on demand	197,580	203,130	10,724	411,434
Amount repayable on or before:				
16 September 2016	217,284	483,532	11,193	712,009
22 September 2017	226,028	441,696	12,357	680,081
21 September 2018	212,878	100,000	12,236	325,114
20 September 2019	265,053	76,947	12,806	354,806
Thereafter	1,455,344	780,585	222,899	2,458,828
	<b>2,574,167</b>	<b>2,085,890</b>	<b>282,215</b>	<b>4,942,272</b>

  

As at 27 December 2013	Secured borrowings	Unsecured borrowings	Secured finance lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2014, or on demand	141,663	448,666	8,790	599,119
Amount repayable on or before:				
FY 2015	157,744	550,571	9,360	717,675
FY 2016	169,071	444,228	10,039	623,338
FY 2017	156,240	504,630	10,516	671,386
FY 2018	145,040	-	11,188	156,228
Thereafter	1,093,600	779,352	225,248	2,098,200
	<b>1,863,358</b>	<b>2,727,447</b>	<b>275,141</b>	<b>4,865,946</b>

The borrowings 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 <sup>4</sup>	Total
As at 19 September 2014	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable for the remainder of FY 2014	106,771	16,289	7,637	382	13,852	144,931
Amount repayable in:						
FY 2015	263,896	51,373	67,315	558	50,726	433,868
FY 2016	159,032	15,147	57,330	-	35,371	266,880
FY 2017	123,442	6,806	57,465	-	21,198	208,911
FY 2018	116,626	5,276	49,056	-	12,289	183,247
Thereafter	325,367	9,083	370,699	-	20,191	725,340
	<b>1,095,134</b>	<b>103,974</b>	<b>609,502</b>	<b>940</b>	<b>153,627</b>	<b>1,963,177</b>

  

As at 27 December 2013	Vessels	Containers	Terminals	Chassis	Others <sup>4</sup>	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in FY 2014	445,690	61,544	84,966	3,412	68,168	663,780
Amount repayable in:						
FY 2015	261,868	51,429	70,501	1,038	40,896	425,732
FY 2016	161,898	15,153	70,636	-	25,743	273,430
FY 2017	122,818	6,807	70,772	-	14,114	214,511
FY 2018	116,702	5,277	62,282	-	7,459	191,720
Thereafter	323,047	9,083	535,297	-	9,129	876,556
	<b>1,432,023</b>	<b>149,293</b>	<b>894,454</b>	<b>4,450</b>	<b>165,509</b>	<b>2,645,729</b>

<sup>4</sup> 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 2014 US\$'000	YTD 2013 US\$'000	Q3 2014 US\$'000	Q3 2013 US\$'000
<b>Cash Flows from Operating Activities</b>				
(Loss)/Profit before income tax	(152,662)	103,146	(14,222)	29,453
Adjustments for :				
Depreciation and amortisation	283,576	228,016	92,946	76,664
Fair value loss/(gain) on financial instruments	8,005	4,463	(561)	3,743
Deferred charge expense	1,940	5,124	599	1,344
Realised foreign exchange gain arising from repayment of Singapore-dollar loan	-	(33,879)	-	(33,879)
Net interest expense	89,615	27,964	32,516	18,066
Interest income	(3,981)	(3,904)	(1,428)	(1,285)
Share-based compensation costs	2,472	2,875	1,611	1,240
Net write-off of inventories	315	7	276	21
Fair value (gain)/loss on shares held by employee benefit trust	(602)	19	116	303
Net (profit)/loss on disposal of property, plant and equipment	(1,876)	(7,189)	(1,238)	1,730
Net (profit)/loss on disposal of assets classified as held-for-sale	(2,737)	(198,051)	-	634
Net (profit)/loss on disposal of other assets	(240)	193	(240)	156
Net profit on disposal of subsidiaries	-	(17)	-	-
Gain on re-measurement of previously held interest in joint venture	-	(441)	-	-
Dividend income from other investment	(670)	-	-	-
Impairment loss on assets classified as held-for-sale	-	5,303	-	-
Net provision for/(write-back of) impairment of assets	4,471	(11)	3,851	-
Net provision for liabilities	36,153	12,179	23,959	2,907
Share of results of associated companies	(5,857)	(7,355)	(1,242)	(2,379)
Share of results of joint ventures	(1,229)	(17)	(782)	(89)
Unrealised currency translation (gain)/loss	(8,372)	(8,446)	424	(418)
Operating cash flow before working capital changes	248,321	129,979	136,585	98,211
<b>Changes in operating assets and liabilities</b>				
Receivables and other assets	(73,504)	58,875	(68,329)	84,707
Inventories	21,593	8,006	8,872	(5,777)
Payables	(12,533)	(31,215)	49,709	(37,801)
Provisions	(28,592)	(13,081)	(15,146)	(1,393)
Cash generated from operations	155,285	152,564	111,691	137,947
Net interest paid	(73,996)	(20,208)	(19,902)	(14,530)
Net income tax paid	(42,760)	(41,029)	(12,600)	(12,333)
Net cash inflow from operating activities	38,529	91,327	79,189	111,084
<b>Cash Flows from Investing Activities</b>				
Acquisition of subsidiaries, net of cash acquired	-	2,339	-	-
Acquisition of net identifiable assets	(6,151)	-	(6,151)	-
Investment in associated company	(13,715)	(13,570)	-	(8,859)
Proceeds from loans receivables	66	28	16	7
Dividends received from associated companies	1,365	-	1,365	-
Dividends received from joint venture	654	-	629	-
Dividends received from other investment	670	-	-	-
Purchase of property, plant and equipment	(314,189)	(1,106,747)	(29,828)	(343,753)
Purchase of available-for-sale financial assets	(8,192)	-	(8,192)	-
Purchase of intangible assets	(3,371)	(1,549)	(747)	(456)
Proceeds from disposal of subsidiaries, net of cash disposed of	-	4	-	-
Proceeds from disposal of assets classified as held-for-sale	15,034	358,246	-	26,412
Proceeds from disposal of property, plant and equipment	35,147	65,866	22,845	641
Proceeds from disposal of other assets	16,224	193	13,338	-
Net cash outflow from investing activities	(276,458)	(695,190)	(6,725)	(326,008)
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	3,356,631	4,243,689	814,809	1,194,037
Net cash inflow/(outflow) contributed by employee benefit trust	320	(328)	529	(86)
Dividends paid to non-controlling interest	(2,204)	(2,439)	(329)	-
Proceeds from issue of new ordinary shares	-	320	-	40
Repayment of borrowings	(3,287,090)	(3,677,139)	(897,627)	(1,345,693)
Payment of costs incurred in connection with long term financing	(1,887)	(1,049)	(16)	(37)
Net cash inflow/(outflow) from financing activities	65,770	563,054	(82,634)	(151,739)
Net decrease in cash and cash equivalents	(172,159)	(40,809)	(10,170)	(366,663)
Cash and cash equivalents at beginning of financial period	980,993	896,978	819,004	1,222,832
Cash and cash equivalents at end of financial period	808,834	856,169	808,834	856,169

## 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 28 December 2013	1,830,222	(5,216)	(6,146)	(1,195)	288,733	(29,295)	53,708	2,130,811
Dividends to non-controlling interest	-	-	-	-	-	-	(3,750)	(3,750)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	861	-	861
- new shares issued	3,838	-	-	-	-	(3,838)	-	-
Purchase of shares by employee benefit trust	-	-	(50)	-	-	-	-	(50)
Share of statutory reserves of associated company	-	-	-	-	-	41	-	41
Total comprehensive income for the financial period	-	-	-	-	(151,677)	(13,647)	4,559	(160,765)
Balance at 27 June 2014	1,834,060	(5,216)	(6,196)	(1,195)	137,056	(45,878)	54,517	1,967,148
Dividends to non-controlling interest	-	-	-	-	-	-	(329)	(329)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,611	-	1,611
Sale of shares by employee benefit trust	-	-	467	-	-	-	-	467
Share of statutory reserves of associated company	-	-	-	-	-	17	-	17
Total comprehensive income for the financial period	-	-	-	-	(23,093)	(7,780)	1,740	(29,133)
Transfer from retained earnings to statutory and other reserves	-	-	-	-	(136)	136	-	-
Balance at 19 September 2014	1,834,060	(5,216)	(5,729)	(1,195)	113,827	(51,894)	55,928	1,939,781

## 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	US\$'000	US\$'000	US\$'000
Balance at 29 December 2012	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 and other 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

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 28 December 2013	1,830,222	(5,216)	(1,195)	1,168,368	33,237	3,025,416
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	861	861
- new shares issued	3,838	-	-	-	(3,838)	-
Total comprehensive income for the financial period	-	-	-	(24,541)	(6,079)	(30,620)
Balance at 27 June 2014	1,834,060	(5,216)	(1,195)	1,143,827	24,181	2,995,657
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,611	1,611
Total comprehensive income for the financial period	-	-	-	(12,868)	(419)	(13,287)
Balance at 19 September 2014	1,834,060	(5,216)	(1,195)	1,130,959	25,373	2,983,981

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

**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 27 June 2014, the Company's issued and paid-up capital (including treasury shares) comprised 2,595,185,542 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,593,458,825 ordinary shares.

During the 3 months ended 19 September 2014, no ordinary shares were issued by the Company.

As at 19 September 2014, the Company's issued and paid-up capital (including treasury shares) comprised 2,595,185,542 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,593,458,825 (27 December 2013: 2,590,031,729) ordinary shares.

**Share options**

As at 27 June 2014, there were 35,074,763 outstanding share options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL Share Option Plan ("NOL SOP").

During the 3 months ended 19 September 2014, 43,665 share options were cancelled.

As at 19 September 2014, share options to subscribe for 35,031,098 (20 September 2013: 36,550,492) ordinary shares remain outstanding under the NOL SOP.

**Restricted shares**

As at 27 June 2014, there were 9,027,265 outstanding restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the 3 months ended 19 September 2014, 169,668 restricted shares were cancelled.

As at 19 September 2014, 8,857,597 (20 September 2013: 6,364,093) restricted shares remain outstanding under the NOL RSP 2010.

**Performance shares**

As at 27 June 2014, there were 7,943,363 outstanding performance shares under the NOL PSP 2010.

During the 3 months ended 19 September 2014, 155,667 performance shares were cancelled.

As at 19 September 2014, 7,787,696 (20 September 2013: 6,226,696) performance shares remain outstanding under the NOL PSP 2010.

**Treasury shares**

As at 27 June 2014, 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 19 September 2014, 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 19 September 2014, there were 1,726,717 (20 September 2013: 1,726,717) treasury shares remaining that have not been re-issued.

**2. Basis of Preparation**

The preparation of the third quarter 2014 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 19 September 2014 and the reported amounts of revenue and expenses during the financial period from 28 December 2013 to 19 September 2014. 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 19 September 2014 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 31 October 2014

**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 2007, 2008 and 2009 US federal tax returns of APL Limited, a subsidiary company within the NOL Group ("the Group"). In May 2014, the IRS issued a Revenue Agent Report ("RAR") with certain adjustments. APL Limited disagrees with the IRS's adjustments and consequently filed its protest letter on 12 June 2014, requesting the matter be referred to the IRS Office of Appeals. The Group is not able to determine with certainty the ultimate outcome of the IRS eventual assessment. As of end of Quarter 3, 2014, based on available facts and information, the Group believes that it has provided adequate provisions for the open matters referred to in the RAR.

**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 27 December 2013.

**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 28 December 2013, 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 28 December 2013.

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

FRS 32	: Offsetting Financial Assets and Financial Liabilities (Effective for annual periods beginning on or after 1 January 2014)
FRS 39	: Novation of Derivatives and Continuation of Hedge Accounting (Effective for annual periods beginning on or after 1 January 2014)
FRS 110 and FRS 27	: Consolidated Financial Statements and Separate Financial Statements (Revised) (Effective for annual periods beginning on or after 1 January 2014)
FRS 111 and FRS 28	: Joint Arrangement and Investment in Associates and Joint Ventures (Revised) (Effective for annual periods beginning on or after 1 January 2014)
FRS 112	: Disclosure of Interests in Other Entities (Effective for annual periods beginning on or after 1 January 2014)
Amendments to FRS 36	: Recoverable Amount Disclosures for Non-financial Assets (Effective for annual periods beginning on or after 1 January 2014)

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.

**8.(b) Comparatives**

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

9.

	YTD 2014	YTD 2013	Q3 2014	Q3 2013
<b>GROUP</b>				
<b>(Loss)/Earnings per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares)</b>				
<b>a) Based on the weighted average number of ordinary shares on issue</b>	<b>(6.76 US cts)</b>	<b>2.36 US cts</b>	<b>(0.89 US cts)</b>	<b>0.77 US cts</b>
<b>b) On a fully diluted basis (detailing any adjustments made to the earnings)</b>	<b>(6.76 US cts)</b>	<b>2.35 US cts</b>	<b>(0.89 US cts)</b>	<b>0.77 US cts</b>

## 10. Net Asset Value

	Group			Company		
	19 Sep 2014 US\$	27 Dec 2013 US\$	Inc / (Dec) %	19 Sep 2014 US\$	27 Dec 2013 US\$	Inc / (Dec) %
<b>Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer</b>	<b>0.73</b>	<b>0.80</b>	<b>(8.75)</b>	<b>1.15</b>	<b>1.17</b>	<b>(1.71)</b>

## 11. Review of the Performance of the Group

Income Statement:YTD 2014 vs YTD 2013

NOL Group achieved revenue of US\$6.39 billion (YTD 2013: US\$6.50 billion), a decrease of US\$0.11 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\$0.13 billion or 2% year-on-year (YoY) to US\$5.91 billion mainly due to operational cost efficiencies.

Other miscellaneous gains decreased by US\$200 million or 92% YoY to US\$18 million mainly due to disposal of NOL building in YTD 2013.

Finance expenses increased by US\$83 million or 488% YoY to US\$100 million mainly due to realised foreign exchange gain arising from repayment of Singapore-dollar loan to the Company by a subsidiary whose functional currency is Singapore dollar in YTD 2013, realised gains from financial hedging instruments in YTD 2013, and higher interest expense from higher average loan balances and interest rates.

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. Tax expense decreased US\$23 million or 60% YoY to US\$16 million mainly due to write-back of provision relating to prior years.

The Group recorded net loss attributable to owners of the Company of US\$175 million in YTD 2014 compared to net profit of US\$61 million in YTD 2013 mainly due to one time gain from disposal of NOL building in YTD 2013.

Q3 2014 vs Q3 2013

NOL Group achieved revenue of US\$2.06 billion (Q3 2013: US\$2.06 billion), unchanged YoY.

The Group's cost of sales decreased by US\$0.02 billion or 1% YoY to US\$1.85 billion mainly due to operational cost efficiencies.

Finance expenses increased by US\$42 million mainly due to realised foreign exchange gain arising from repayment of Singapore-dollar loan to the Company by a subsidiary whose functional currency is Singapore dollar in Q3 2013.

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.

The Group recorded net loss attributable to owners of the Company of US\$23 million in Q3 2014 compared to net profit of 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 decreased by US\$124 million from US\$9.03 billion as at 27 December 2013 to US\$8.91 billion as at 19 September 2014. The decrease in total assets was mainly due to decrease in cash and cash equivalents. Please refer to the explanation below for the decrease in cash and cash equivalents.

The Group's total liabilities increased by US\$67 million from US\$6.90 billion as at 27 December 2013 to US\$6.97 billion as at 19 September 2014. The increase in total liabilities was mainly due to increase in borrowings [see Note 1(b)(ii)] during YTD 2014.

The Group's total equity decreased by US\$191 million from US\$2.13 billion as at 27 December 2013 to US\$1.94 billion as at 19 September 2014 mainly due to net loss incurred during YTD 2014.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$172 million from US\$0.98 billion as at 27 December 2013 to US\$0.81 billion as at 19 September 2014 mainly due to net cash outflow from investing activities of US\$276 million, partially offset by net cash inflow from financing activities of US\$66 million and net cash inflow from operating activities of US\$39 million. Net cash outflow from investing activities was mainly due to payments made for previously ordered new vessels. Net cash inflow from financing activities was mainly due to net proceeds from borrowings.

	YTD 2014 US\$m	YTD 2013 US\$m	Q3 2014 US\$m	Q3 2013 US\$m
<b>(a) Revenue</b>				
Liner	5,247	5,407	1,680	1,712
Logistics	1,201	1,152	399	371
Elimination	(59)	(62)	(19)	(21)
<b>Total</b>	<b>6,389</b>	<b>6,497</b>	<b>2,060</b>	<b>2,062</b>
<b>(b) Core EBIT<sup>5</sup></b>				
Liner	(106)	(130)	6	3
Logistics	47	45	15	19
<b>Total</b>	<b>(59)</b>	<b>(85)</b>	<b>21</b>	<b>22</b>

<sup>5</sup> Earnings before Net Finance, Tax and Exceptional (Non-Recurring) Items.

(c) **Analysis by Business Units**

(i) **Liner**

YTD 2014 vs YTD 2013

Liner achieved YTD 2014 revenue of US\$5.2 billion, a year-on-year (YoY) decrease of 3% mainly due to lower freight rates and volume.

Volume decreased by 2%YoY mainly due to lower volume in the Intra-Asia and Transatlantic trade lanes.

Liner maintained high utilisation rate >90% through strict capacity management.

Cost of sales per FEU decreased by 1% YoY mainly due to operational cost efficiencies.

Weaker freight rates, mainly in the Transpacific, Intra-Asia and Latin America trade lanes, lowered average revenue per FEU to US\$2,294 or 3% lower YoY.

As a result of cost & operational efficiencies, Liner reduced its Core EBIT loss by 18% YoY to US\$106 million in YTD 2014.

Q3 2014 vs Q3 2013

Liner achieved Q3 2014 revenue of US\$1.7 billion, a year-on-year (YoY) decrease of 2% mainly due to lower freight rates and volume.

Volume decreased by 3%YoY mainly due to lower volume in the Transpacific, Latin America and Transatlantic trade lanes.

Liner maintained high utilisation rate >90% through strict capacity management.

Cost of sales per FEU increased by 1% YoY mainly due to a spike in North America operating costs.

Average revenue per FEU was marginally lower YoY at US\$2,343.

As a result of cost & operational efficiencies, Liner increased its Core EBIT by 100% YoY to US\$6 million in Q3 2014.

**LINER Q3 RESULTS 2014 and 2013**

*Unaudited*

	YTD 2014	YTD 2013	Q3 2014	Q3 2013
<b>Load Factors %</b>				
Transpacific and Asia-Latin America/Mexico Eastbound	91%	88%	90%	88%
Intra-Asia Westbound	98%	96%	99%	94%
Asia-Europe Westbound	96%	91%	95%	93%
Transatlantic Westbound	89%	82%	83%	100%
<b>Headhaul</b>	<b>94%</b>	<b>91%</b>	<b>93%</b>	<b>91%</b>
<b>Volume ('000 FEU)</b>				
Transpacific	610	620	192	201
Intra-Asia	918	942	282	282
Asia-Europe	325	310	105	100
Latin America	138	147	42	47
Transatlantic	102	127	25	39
<b>Total Volume <sup>6</sup></b>	<b>2,093</b>	<b>2,146</b>	<b>646</b>	<b>669</b>
<b>Average Revenue/FEU (US\$/FEU)</b>				
Transpacific	3,345	3,478	3,393	3,506
Intra-Asia	1,363	1,412	1,414	1,348
Asia-Europe	2,428	2,331	2,444	2,428
Latin America	3,168	3,424	3,120	3,211
Transatlantic	2,785	2,695	2,974	2,794
<b>Total</b>	<b>2,294</b>	<b>2,355</b>	<b>2,343</b>	<b>2,372</b>

<sup>6</sup> Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

(ii) **Logistics**

YTD 2014 vs YTD 2013

Logistics achieved YTD 2014 revenue of US\$1.2 billion, increasing 4% YoY from revenue growth across all regions.

Core EBIT of US\$47 million for YTD 2014, a 4% increase YoY mainly due to business growth and cost discipline.

Q3 2014 vs Q3 2013

Logistics achieved Q3 2014 revenue of US\$399 million, increasing 8% YoY from revenue growth across all regions.

Logistics achieved Core EBIT of US\$15 million for Q3 2014, a 21% decrease YoY.

**LOGISTICS Q3 RESULTS 2014 and 2013**

*Unaudited*

*US\$ millions*

	YTD 2014	YTD 2013	Q3 2014	Q3 2013
<b>BY REGION</b>				
<b>Revenue</b>				
Americas	743	719	240	226
Europe	125	114	45	41
Asia/Middle East	333	319	114	104
<b>Total Revenue</b>	<b>1,201</b>	<b>1,152</b>	<b>399</b>	<b>371</b>



12. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as no forecast or prospect statement has been previously made.

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.**

Global economic prospects are uncertain. Persistent oversupply of shipping capacity continues to negatively impact liner freight rates. Nonetheless, the Group's cost management and operational efficiency program remains on-track. The Group aims to continue to improve its operating performance.

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.

15. **Interested Person Transactions**

<b>Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual</b>	<b>YTD 2014 US\$'000</b>	<b>YTD 2013 US\$'000</b>	<b>Q3 2014 US\$'000</b>	<b>Q3 2013 US\$'000</b>
<b>Transactions for the Purchase of Goods and Services</b>				
PSA Corporation Limited and its associates	157,563	155,092	46,492	51,526
Singapore Telecommunications Limited and its associates	223	208	78	69
Certis CISCO Security Pte. Ltd	92	158	1	3
<b>Transactions for the Sale of Goods and Services</b>				
Olam International Limited	1,313	-	1,313	-

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 31 October 2014