

1Q 2009 Performance Review

12 May 2009



Forward Looking Statements

The following presentation includes forward-looking statements, which involve known and unknown risks and uncertainties, that could cause actual results or performance to differ. Forward looking information is based on current views and assumptions of management, including, but not limited to, prevailing economic and market conditions. Such statements are not, and should not be interpreted as a forecast or projection of future performance.

1. 1Q 2009 Financial Highlights



By Ron Widdows
Group President & CEO



1Q 2009 Key Highlights

- Decline in global trade volumes coupled with rate deterioration on all trade lanes reduced the Group's revenue by 36% year-on-year (YoY) to US\$1.54 billion in 1Q09.
- The Group recorded a negative Core EBIT and EBIT for 1Q09 of US\$222 million and US\$221 million respectively due to the deterioration in global container trade activity even as significant cost mitigation initiatives took place since 4Q08.
- 1Q09 Container Shipping volumes decreased by 27% YoY to 481,000 FEUs due to decline in volumes on all trade lanes.
- Average revenue per FEU decreased by 16% YoY primarily due to a combination of lower bunker recovery and freight rate pressures, particularly in the Asia-Europe and Intra-Asia trade lane.
- Management continue to actively manage costs in view of current economic climate and container trade dynamics.
- While revenue declined in the Logistics and Terminals division, they continued to be profitable with 1Q09 Core EBIT of US\$14 million and US\$4 million respectively.

Group Financial Performance

US\$m	1Q09	1Q08	▲ %
Revenue	1,543	2,407	(36)
Core EBIT	(222)	119	nm
• Non-recurring items	1	18	(94)
EBIT	(221)	137	nm
Net (loss)/profit	(245)	121	nm
Basic (loss)/earnings per share (US cents)	(16.62)	8.22	nm

Group Outlook

For the rest of the year, NOL anticipates a continuation of adverse business operating conditions. NOL reiterates that it expects to post a significant full year loss. The Group will continue to focus on improving asset utilisation, yields and productivity.



By Cedric Foo
Group Deputy President &
CFO

2. 1Q 2009 Financial Performance



Group Financial Highlights

US\$m	1Q09	1Q08	▲ %
Revenue	1,543	2,407	(36)
Core EBITDA	(145)	185	nm
• Depreciation & Amortisation	(77)	(66)	17
Core EBIT	(222)	119	nm
• Non-recurring items	1	18	(94)
EBIT	(221)	137	nm
• Gross Interest Expense	(13)	(5)	145
• Tax	(11)	(11)	-
Net (loss)/profit to equity holders	(245)	121	nm

Non-Recurring Items

US\$m

1Q09

1Q08

1. **Gain from asset disposals**

3

18

2. **Others**

(2)

-

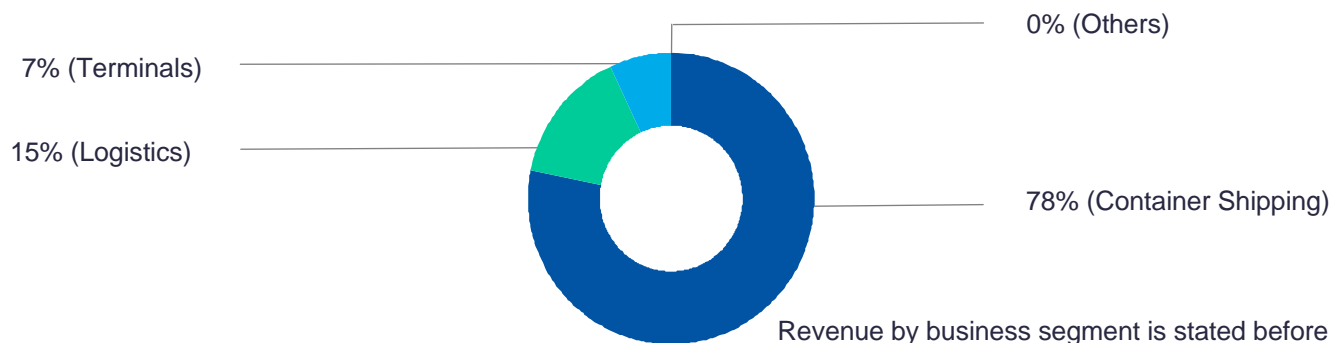
Total

1

18

Group Revenue Breakdown

US\$m	1Q09	1Q08	▲ %
Container Shipping	1,294	2,019	(36)
Logistics	241	363	(34)
Terminals	112	145	(23)
Others/Elimination	(104)	(120)	(13)
Total	1,543	2,407	(36)



Group Core EBIT Breakdown

US\$m	1Q09	1Q08	▲%
Container Shipping	(237)	90	nm
Logistics	14	17	(18)
Terminals	4	12	(67)
Others	(3)	-	nm
Total	(222)	119	nm

Group EBIT Breakdown

US\$m	1Q09	1Q08	▲%
Container Shipping	(236)	108	nm
Logistics	14	17	(18)
Terminals	4	12	(67)
Others	(3)	-	nm
Total	(221)	137	nm

Balance Sheet Highlights

US\$m	3 Apr '09	26 Dec '08
Total Assets	5,274	5,445
Total Liabilities	2,933	2,940
Total Equity	2,341	2,505
Total Debt	1,488	1,245
Total Cash	444	429
Net Debt	1,044	816
Gearing (Gross)	0.64 x	0.50 x
Gearing (Net)	0.45 x	0.33 x
NAV per share (US\$)	1.56	1.67
(S\$)	2.37	2.42

Cash Flow Highlights

US\$m	1Q09	1Q08
Cash & Cash Equivalents - Beginning	429	504
<i>Cash Inflow/(outflow)</i>		
Operating Activities	(139)	213
Investing/Capex Activities	(4)	(515)
Financing Activities	158	42
Cash & Cash Equivalents – Closing	444	244

Appendix

Group Fuel and Currency Exposures

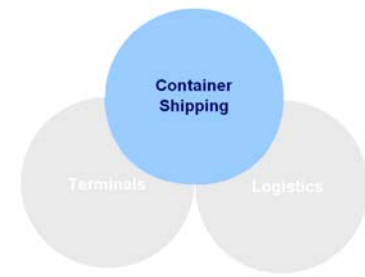
Bunker

- The Group continues to recover part of its fuel price increases from customers through bunker adjustment factors.
- The Group also maintains a policy of hedging bunker exposures.

Foreign exchange

- Major foreign currency exposures are in Euro, Japanese Yen, Chinese Yuan, S\$, Korean Won, Canadian \$, British Pound, A\$, Indian Rupee and Taiwan Dollar.
- The Group maintains a policy of hedging foreign exchange exposures.

Operating Performance Container Shipping



Container Shipping 1Q 2009 Performance

- Container shipping achieved 1Q09 revenue of US\$1.3 billion, a decrease of 36% year-on-year (YoY), mainly due to decline in volumes transported, coupled with freight rate deterioration across all major trade lanes.
 - Volume declined by 27% YoY, driven by a decline in global container trade.
 - 1Q09 average revenue per FEU fell by 16% YoY mainly due to freight rate deterioration in key trade lanes, particularly Asia-Europe and Intra-Asia.
 - 1Q09 utilisation fell to 80%.
- The acute deterioration in trading condition resulted in 1Q09 recording a Core EBIT loss of US\$237 million despite early capacity reduction initiatives and active costs reduction measures.

Container Shipping Profit & Loss Summary

US\$m	1Q09	1Q08	▲ %
Revenue	1,294	2,019	(36)
Core EBITDA	(170)	146	nm
• Depreciation & Amortisation	(67)	(56)	20
Core EBIT	(237)	90	nm
EBIT	(236)	108	nm
Core EBIT Margin	(18.3)%	4.5%	
EBIT Margin	(18.2)%	5.3%	

Container Shipping Volume

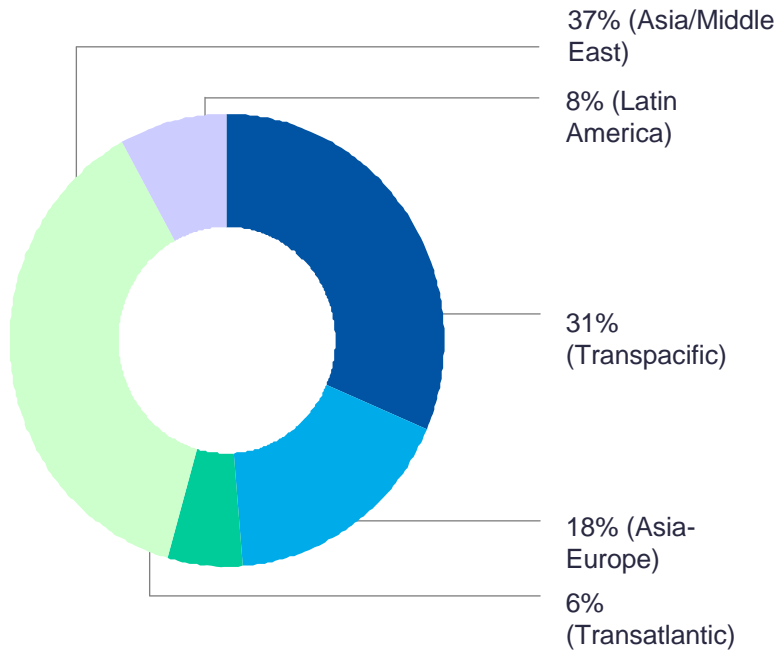


Volume ('000 FEU)	1Q09	1Q08	▲%
Americas	190	284	(33)
Transpacific	151	232	(35)
Latin America	39	52	(25)
Europe	112	159	(30)
Asia-Europe	84	118	(29)
Transatlantic	28	41	(32)
Asia/Middle East	179	220	(19)
Total	481	663	(27)

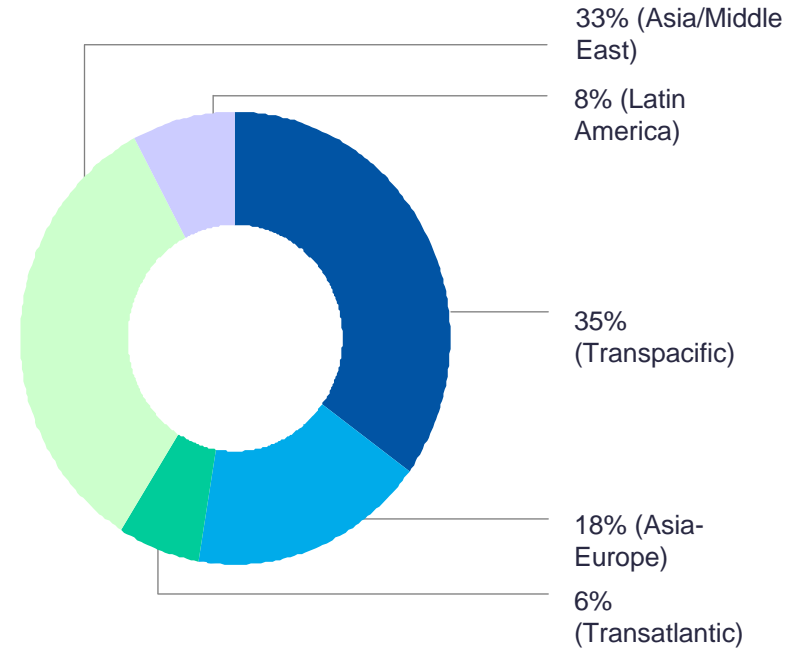


Container Shipping : Volume Mix

- Further Intra-Asia focus helped alleviate the deterioration in East/West trades
- Trade volume mix continues to be managed to maximise yields



1Q 2009 Volume breakdown



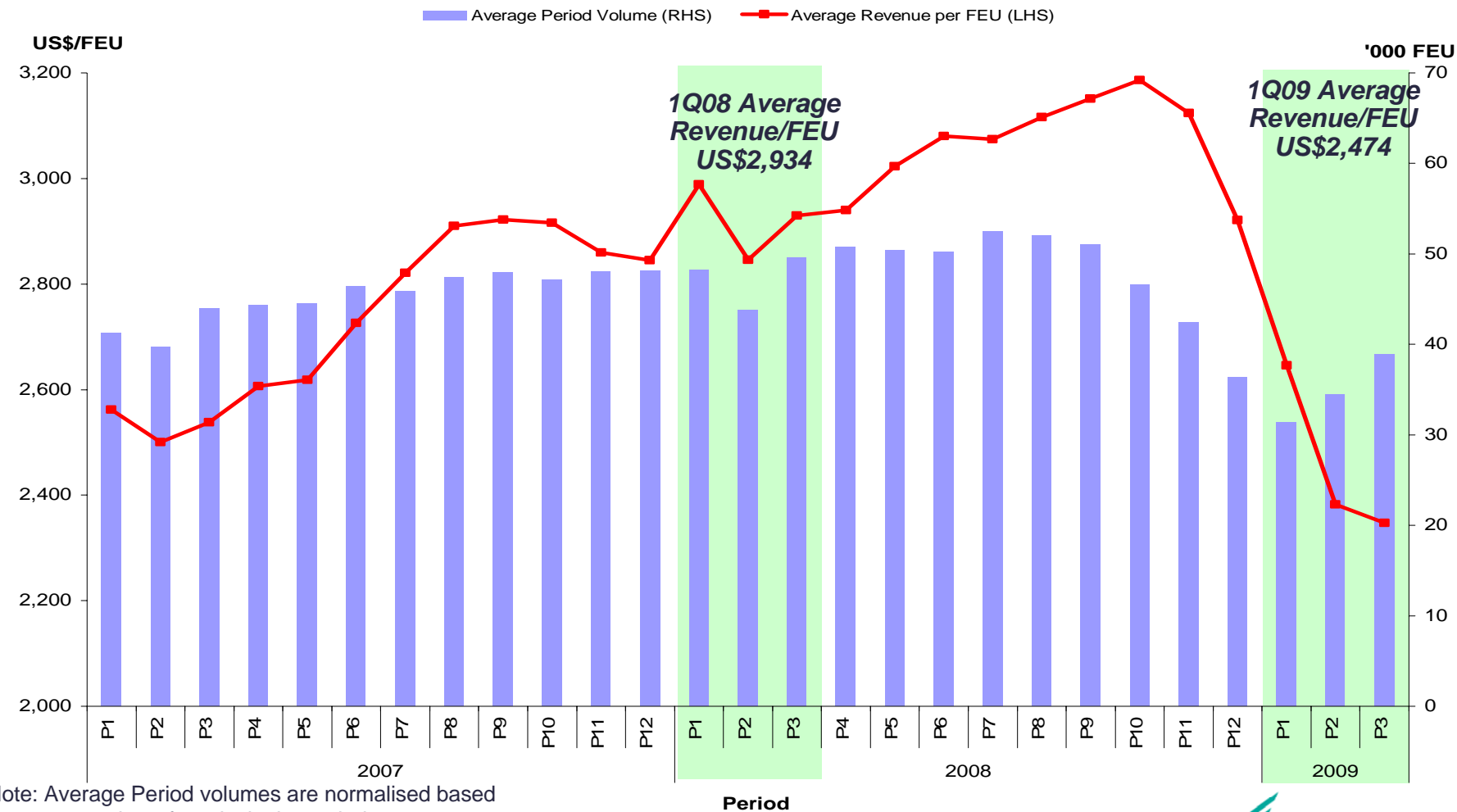
1Q 2008 Volume breakdown

Container Shipping Average Revenue/FEU

US\$/FEU	1Q09	1Q08	▲ %
Americas	3,741	3,486	7
Europe	2,104	3,216	(35)
Asia/Middle East	1,365	2,014	(32)
Total	2,474	2,934	(16)

Average Revenue/FEU and Volume Trend

Average revenue/FEU declined since the end of 2008 due to lower bunker surcharges and underlying freight rate pressures. Volume has declined since middle of 2008 due to deteriorating demand conditions.



Note: Average Period volumes are normalised based on number of weeks in the period
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Container Shipping : Americas



	1Q09	1Q08	▲%
Total Volumes ('000 FEU)	190	284	(33)
▪ Transpacific	151	232	(35)
▪ Latin America	39	52	(25)
Average Revenue (US\$/FEU)	3,741	3,486	7

- **Transpacific** : US economic uncertainties and decline in consumer spending has resulted in significant decline in volumes on the Transpacific. Year-on-year improvement in average revenue per FEU on the Transpacific is driven by higher freight rates on backhaul cargo.
- **Latin America** : Latin America trade volumes were adversely impacted by overall global economic uncertainties, while freight rates came under pressure in the eastbound trade due to higher industry supply-demand gap.



Container Shipping : Europe



	1Q09	1Q08	▲%
Total Volumes ('000 FEU)	112	159	(30)
▪ Asia-Europe	84	118	(29)
▪ Transatlantic	28	41	(32)
Average Revenue (US\$/FEU)	2,104	3,216	(35)

- **Asia-Europe** : In-line with the decline in global container trade, volumes in Asia-Europe were adversely affected. Freight rates saw significant year-on-year deterioration driven by oversupply in the trade lane since 2008 and highly competitive pricing behavior.
- **Transatlantic** : The Transatlantic route experienced a decline in overall volumes similar to the overall decline in global trade.

Container Shipping : Asia/Middle East

	1Q09	1Q08	▲%
Total Volumes ('000 FEU)	179	220	(19)
Average Revenue (US\$/FEU)	1,365	2,014	(32)

- Asia/Middle East:** Asia/Middle East volumes declined by 19% year-on-year due to overall decline in global trade. Average revenue also saw significant deterioration, particularly in the Long-haul trade lane, due to excess supply as well as cascading of tonnage from other trades.

Container Shipping Trade Imbalance

Capacity reduction in the East/West trades due to the deterioration in headhaul demand has resulted in a general improvement in trade imbalances.

No. of FEUs that are full backhaul for every 10 FEUs full headhaul

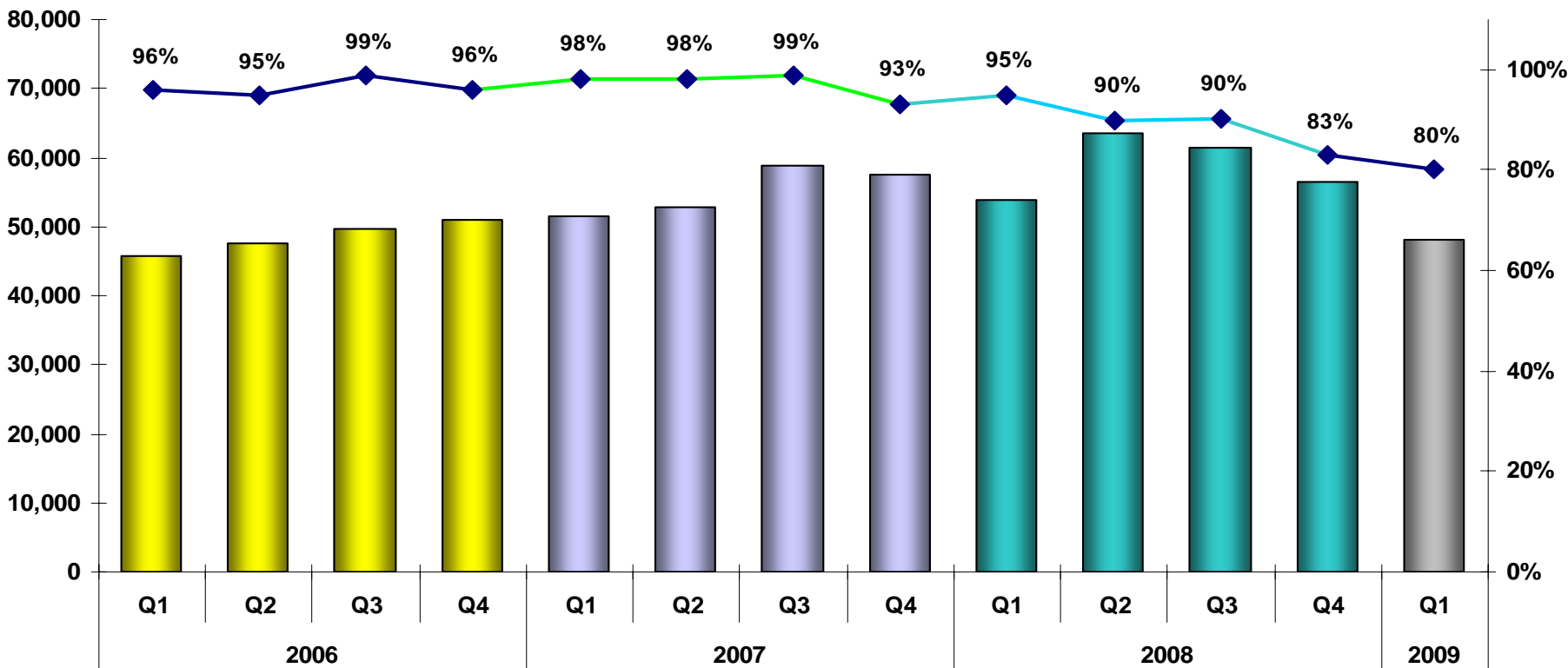
Trade	2007	2008	1Q08	1Q09
• Transpacific	6	7	7	7
• Asia-Europe	7	7	7	8
• Transatlantic	10	10	10	9

Container Shipping Network Capacity & Utilisation

For 1Q 2009, average container shipping capacity was reduced by approximately 15% from previous quarter as part of the seasonal capacity adjustments as well as deteriorating trade conditions. During this period, headhaul utilisation fell further to 80% as the decline in demand outpaced capacity reduction.

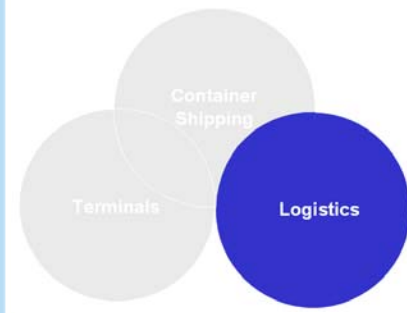
Average Capacity (weekly TEUs)

Utilisation %



Note: Figures are based on the headhaul leg of main linehaul services
The capacity figures takes into account "winter program" initiations.





Operating Performance Logistics

Logistics 1Q 2009 Performance



- Logistics achieved 1Q09 revenue of US\$241 million, a decrease of 34% year-on-year (YoY) due to lower volumes across the various Logistics' services, coupled with lower freight rates in the forwarding business segment.
 - International Services achieved revenue of US\$91 million, a decrease of 38% YoY due to a combination of lower shipment volume and lower freight rates in the forwarding business segment.
 - Contract Logistics achieved revenue of US\$150 million, a decrease of 31% YoY due to lower volumes across various business units, particularly in the warehousing and trucking services.
- Disciplined cost management efforts resulted in an improved EBIT margin from 4.7% in 1Q08 to 5.8% in 1Q09, even though Logistics Core EBIT declined by US\$3 million or 18% YoY to US\$14 million in 1Q09.

Logistics Profit & Loss Summary



US\$m	1Q09	1Q08	▲ %
Revenue	241	363	(34)
Core EBITDA	17	20	(15)
• Depreciation & Amortisation	(3)	(3)	-
Core EBIT	14	17	(18)
Core EBIT Margin	5.8%	4.7%	

Performance Breakdown

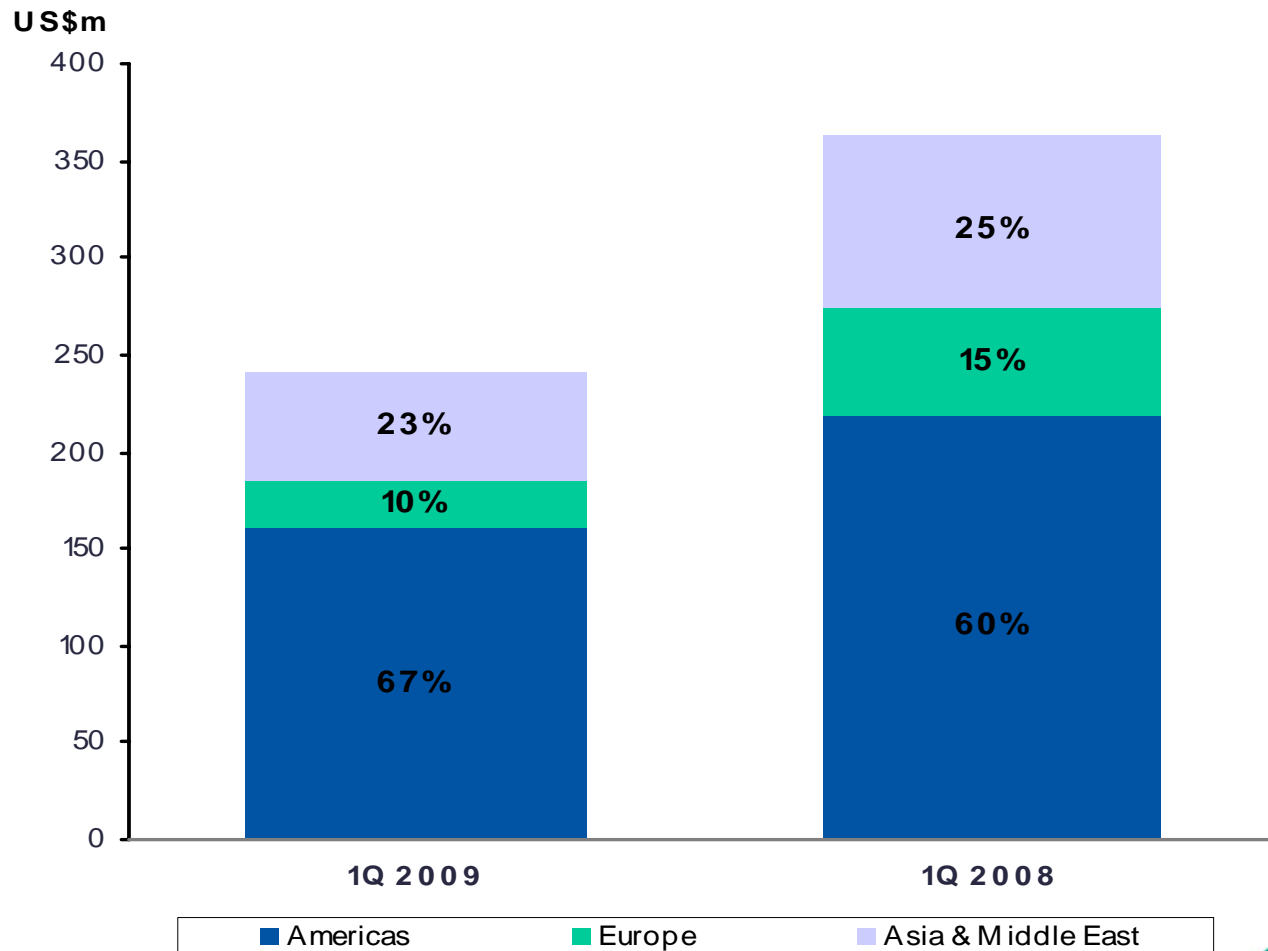


Business Segment	1Q09	1Q08	▲%
Revenue	241	363	(34)
• Contract Logistics	150	217	(31)
• International Services	91	146	(38)
Core EBIT	14	17	(18)
• Contract Logistics	5	8	(38)
• International Services	9	9	-
Core EBIT Margin	5.8%	4.7%	
• Contract Logistics	3.3%	3.7%	
• International Services	9.9%	6.2%	

Logistics' Revenue Trend – By Region



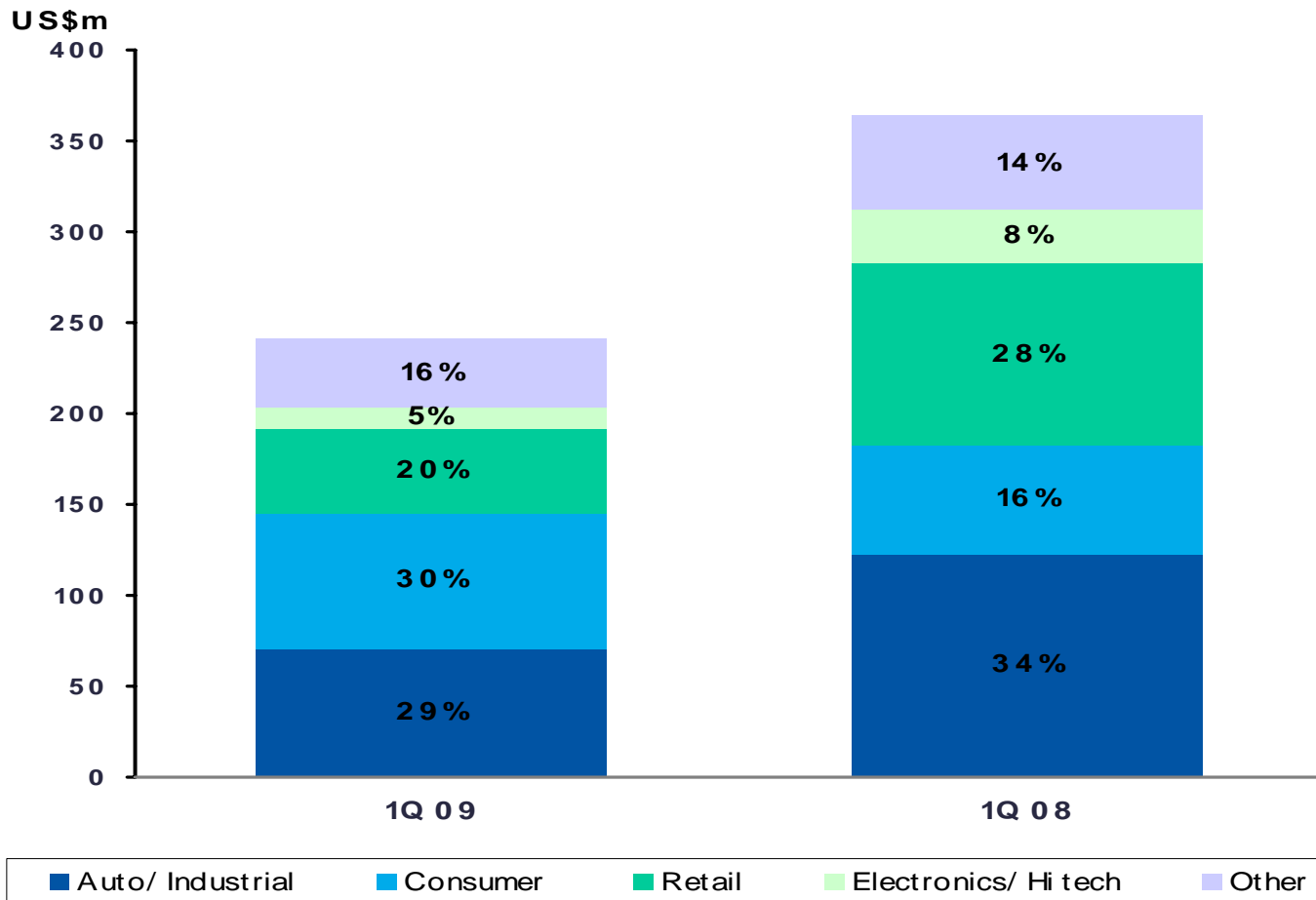
Overall decline in revenue across the regions was driven by the decline in global economic activity in 1Q09. Europe and Asia-Middle East experienced decline in revenue contribution due to the additional impact of the declining rate conditions in the forwarding segment.



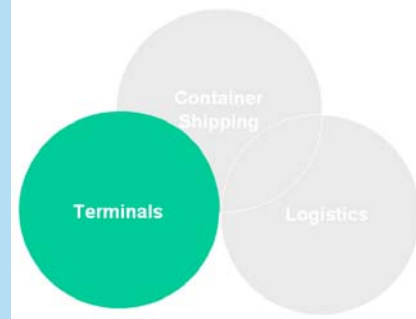
Logistics' Revenue Trend – By Customer Segment



The automotive/industrial customer segment experienced the greatest decline due primarily to industry-wide auto factory closures. Consumer segment, such as Fast Moving Consumer Goods (FMCG), showed relative strength due to the continued demand for basic necessities.



Operating Performance Terminals



Terminals 1Q 2009 Performance



- Terminals achieved revenue of US\$112 million, a decrease of 23% year-on-year (YoY) due to lower volume throughput in-line with industry-wide decline in global container trade.
 - 1Q09 recorded volume throughput of approximately 429,000 lifts, a decline of 25% YoY.
 - 1Q09 average revenue per lift rose 2% higher YoY due to change in trade mix.
- Terminals 1Q09 achieved a Core EBIT of US\$4 million, a decrease of 67% YoY due to lower volumes partially offset by improvement in cost structure through implementation of various cost initiatives.

Terminals Profit & Loss Summary



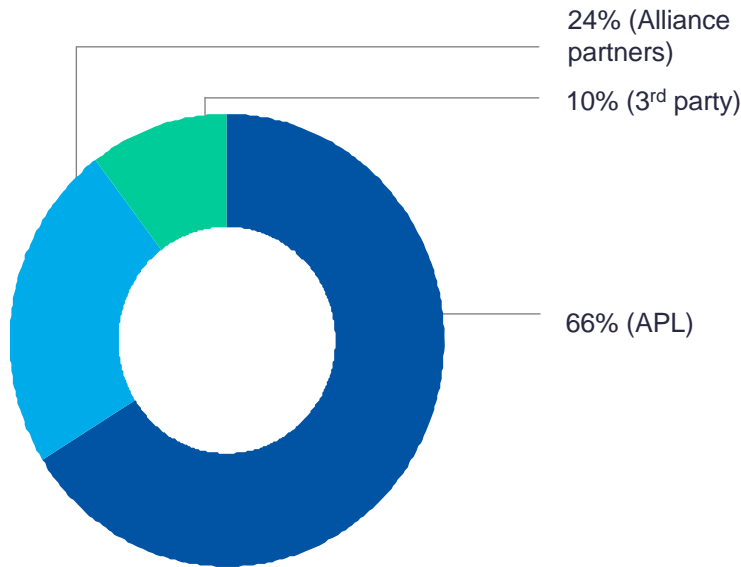
US\$m	1Q09	1Q08	▲%
Revenue	112	145	(23)
Core EBITDA	9	18	(50)
• Depreciation & Amortisation	(5)	(6)	(17)
Core EBIT ¹	4	12	(67)
Core EBIT Margin	3.6%	8.3%	
Volume ('000 lifts)	429	569	(25)
Average Revenue (US\$/Lift)	261	256	2

¹ Includes share of results from a joint venture.

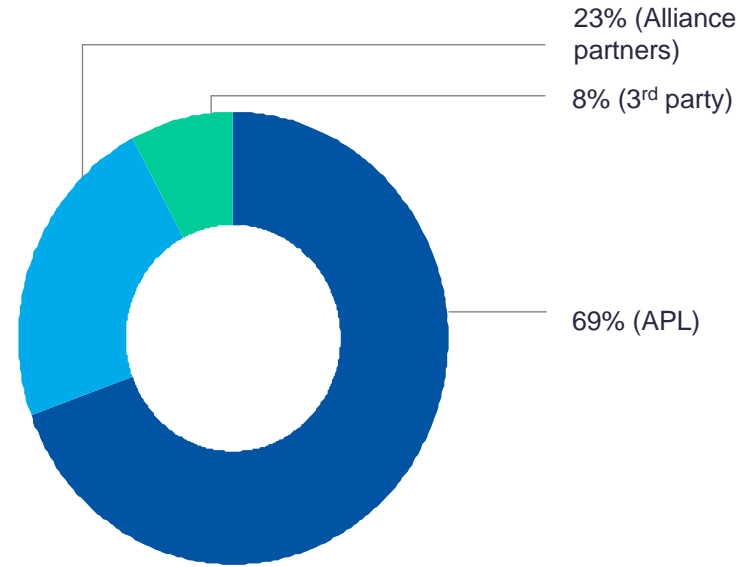
Terminals : Volume Mix



While overall terminal throughput have declined along with the decline in global container trade, Terminals' volume mix experienced higher proportion of 3rd party volume due to improved trade mix in terminals located within Intra-Asia trade lane.



1Q 2009 Volume breakdown



1Q 2008 Volume breakdown



**End of Presentation
Thank You**

Neptune Orient Lines Ltd
456 Alexandra Road,
NOL Building
Singapore 119962
Tel: (65) 6278 9000
Fax: (65) 6278 4900
Company registration
number : 196800632D
Website: www.nol.com.sg

