



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 3rd Quarter Ended 18 September 2009

1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2009 US\$'000	YTD 2008 US\$'000	% Increase/ (Decrease)	Q3 2009 US\$'000	Q3 2008 US\$'000	% Increase/ (Decrease)
Revenue	4,495,630	6,995,939	(36)	1,564,421	2,353,403	(34)
Cost of sales	(4,516,343)	(6,165,873)	(27)	(1,538,167)	(2,106,121)	(27)
Gross (loss)/profit	(20,713)	830,066	N/M	26,254	247,282	(89)
Other gains (net)						
- Miscellaneous	11,211	32,831	(66)	2,550	5,315	(52)
- Finance and investment income	4,958	10,132	(51)	2,376	2,128	12
Expenses						
- Administrative	(430,051)	(536,433)	(20)	(143,201)	(169,359)	(15)
- Finance	(45,577)	(22,948)	99	(12,950)	(8,327)	56
- Other operating	(23,731)	(51,820)	(54)	(4,146)	(31,223)	(87)
Share of results of associated companies	1,821	3,146	(42)	1,381	734	88
Share of results of joint ventures	(15)	2,545	N/M	(179)	(717)	(75)
(Loss)/profit before income tax	(502,097)	267,519	N/M	(127,915)	45,833	N/M
Income tax expense	(26,962)	(31,912)	(16)	(10,687)	(9,997)	7
Net (loss)/profit for the financial period	(529,059)	235,607	N/M	(138,602)	35,836	N/M
Net (loss)/profit attributable to:						
Equity holders of the Company	(529,718)	231,613	N/M	(138,882)	35,118	N/M
Minority interest	659	3,994	(84)	280	718	(61)
	(529,059)	235,607	N/M	(138,602)	35,836	N/M

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

	Group			Group		
	YTD 2009 US\$'000	YTD 2008 US\$'000	% Increase/ (Decrease)	Q3 2009 US\$'000	Q3 2008 US\$'000	% Increase/ (Decrease)
(A) Investment Income	-	38	(100)	-	-	0
(B) Other Income Including Interest Income	11,680	11,761	(1)	5,296	3,646	45
(C) Interest on Borrowings	(34,466)	(17,430)	98	(10,276)	(7,004)	47
(D) Depreciation and Amortisation	(209,528)	(187,452)	12	(66,565)	(61,333)	9
(E) (Allowance for)/Write-back of Doubtful Debts and Bad Debts Written Off	(4,897)	(4,290)	14	1,666	(1,463)	N/M
(F) Write-back of Provision for Impairment in Value of Investments	10	4	150	-	-	0
(G) Foreign Exchange Gain/(Loss)	2,246	(8,277)	N/M	1,019	(12,025)	N/M
(H) Adjustment for Under Provision for Tax in Prior Years	(3,524)	(3,422)	3	(3,599)	(613)	487
(I) Profit/(Loss) on Sale of Investments, Property, Plant and Equipment and Investment Properties	4,217	23,749	(82)	(363)	2,263	N/M
(J) Write-off of Inventories	(118)	(56)	111	(159)	(42)	279

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

	Group		Group	
	YTD 2009 US\$'000	YTD 2008 US\$'000	Q3 2009 US\$'000	Q3 2008 US\$'000
Net (loss)/profit for the financial period	(529,059)	235,607	(138,602)	35,836
Other comprehensive income:				
Fair value gains/(losses) on cash flow hedges	216,156	(96,220)	43,649	(106,821)
Fair value (gains)/losses on cash flow hedges transferred to the income statement	(33,662)	(52,091)	(69,822)	9,278
Fair value (losses)/gains on available-for-sale financial asset	(54)	29	20	(38)
Currency translation differences	3,973	(928)	4,349	(8,565)
Tax on fair value gains and losses	975	1,658	82	1,175
Other comprehensive income/(loss) for the financial period, net of tax	187,388	(147,552)	(21,722)	(104,971)
Total comprehensive (loss)/income for the financial period	(341,671)	88,055	(160,324)	(69,135)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(342,529)	84,943	(160,652)	(69,401)
Minority interest	858	3,112	328	266
	(341,671)	88,055	(160,324)	(69,135)

N/M: Not meaningful

1.(b)(i) Balance Sheets

	Group			Company		
	18 Sept 2009 US\$'000	26 Dec 2008 US\$'000	% Increase/ (Decrease)	18 Sept 2009 US\$'000	26 Dec 2008 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	733,954	429,219	71	368,880	15,760	2,241
Trade and other receivables ¹	781,378	828,706	(6)	1,525,626	594,207	157
Inventories at cost	191,113	159,015	20	-	-	0
Derivative financial instruments	129,106	11,293	1,043	-	5,473	(100)
Other current assets	81,145	62,296	30	2,779	1,669	67
Total current assets	1,916,696	1,490,529	29	1,897,285	617,109	207
Non-current Assets						
Investments in subsidiaries	-	-	0	994,695	994,695	0
Investments in associated companies	35,984	29,018	24	1	1	0
Investments in joint ventures	26,981	27,287	(1)	-	-	0
Available-for-sale financial asset	38	92	(59)	-	-	0
Property, plant and equipment	3,538,652	3,642,636	(3)	455,940	458,519	(1)
Investment properties	9,237	9,047	2	-	-	0
Deferred charges	7,477	3,245	130	37	45	(18)
Intangible assets	27,614	29,229	(6)	85	107	(21)
Goodwill arising on consolidation	129,095	129,095	0	-	-	0
Deferred income tax assets	2,529	3,683	(31)	-	-	0
Derivative financial instruments	2,298	-	N/M	-	-	0
Other non-current assets	84,696	80,730	5	1,707	2,295	(26)
Total non-current assets	3,864,601	3,954,062	(2)	1,452,465	1,455,662	(0)
TOTAL ASSETS	5,781,297	5,444,591	6	3,349,750	2,072,771	62
LIABILITIES						
Current Liabilities						
Trade and other payables	984,678	1,066,478	(8)	122,230	131,880	(7)
Current income tax liabilities	20,995	35,283	(40)	16,896	19,641	(14)
Borrowings	242,491	85,383	184	226,175	61,126	270
Provisions	86,931	100,933	(14)	9	330	(97)
Deferred income	263	-	N/M	-	-	0
Derivative financial instruments	1,069	94,739	(99)	-	5,473	(100)
Other current liabilities ²	197,423	170,761	16	-	-	0
Total current liabilities	1,533,850	1,553,577	(1)	365,310	218,450	67
Non-current Liabilities						
Borrowings	934,088	1,159,262	(19)	40,000	31,580	27
Provisions	119,398	127,308	(6)	-	-	0
Deferred income	539	-	N/M	-	-	0
Deferred income tax liabilities	32,237	24,972	29	10,939	11,449	(4)
Other non-current liabilities	70,464	74,881	(6)	-	-	0
Total non-current liabilities	1,156,726	1,386,423	(17)	50,939	43,029	18
TOTAL LIABILITIES	2,690,576	2,940,000	(8)	416,249	261,479	59
NET ASSETS	3,090,721	2,504,591	23	2,933,501	1,811,292	62
EQUITY						
Share capital	1,815,727	845,379	115	1,815,727	845,379	115
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,810,511	840,163	115	1,810,511	840,163	115
Shares held by employee benefit trust	(2,591)	(1,413)	83	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	1,088,898	1,657,862	(34)	1,086,915	935,304	16
Other reserves	152,566	(34,873)	N/M	37,270	37,020	1
Capital and reserves attributable to equity holders of the Company	3,048,189	2,460,544	24	2,933,501	1,811,292	62
Minority interest	42,532	44,047	(3)	-	-	0
TOTAL EQUITY	3,090,721	2,504,591	23	2,933,501	1,811,292	62
Net current assets/(liabilities)	382,846	(63,048)	N/M	1,531,975	398,659	284

¹ 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.

² Other current liabilities relates to deferred revenue arising from the percentage-of-completion method for revenue recognition.

Certain comparative items have been reclassified to conform with current period's presentation. For the financial year ended 26 December 2008, unsecured bank loans of US\$382 million and US\$32 million for the Group and the Company respectively have been reclassified from current liabilities to non-current liabilities, after taking into consideration the expected timing of repayments as well as the contractual final maturity dates of the borrowings. Reclassification of unsecured bank loans for the Group and the Company from current liabilities to non-current liabilities is not required for the financial year ended 28 December 2007.

As at 18 September 2009, unsecured bank loans of US\$150 million for the Group and the Company have been classified under current liabilities as the bank loans have been repaid in October 2009 using the net proceeds raised from the Rights Issue.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group As at 18 September 2009	Secured bank loans US\$'000	Unsecured bank loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable on or before 17 September 2010, or on demand	8,612	226,077	7,802	242,491
Amount repayable on or before:				
23 September 2011	11,716	-	8,089	19,805
21 September 2012	10,303	-	7,454	17,757
20 September 2013	12,790	440,000	7,872	460,662
19 September 2014	13,226	-	8,384	21,610
Thereafter	51,267	94,864	268,123	414,254
	107,914	760,941	307,724	1,176,579

As at 26 December 2008	Secured bank loans US\$'000	Unsecured bank loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in FY 2009, or on demand	6,507	74,087	4,789	85,383
Amount repayable in :				
FY 2010	11,359	-	5,097	16,456
FY 2011	10,915	-	5,405	16,320
FY 2012	11,883	21,780	5,715	39,378
FY 2013	12,890	409,800	6,051	428,741
Thereafter	58,819	394,349	205,199	658,367
	112,373	900,016	232,256	1,244,645

The bank loans are secured mainly on vessels, and the finance lease liabilities are secured mainly on vessels, equipment and motor vehicles. The classification of borrowings takes into consideration the expected timing of repayments assessed at each reporting period as well as the contractual final maturity dates of the borrowings. Accordingly, for the financial year ended 26 December 2008, unsecured bank loans of US\$382 million have been reclassified from "Amount repayable in FY 2009, or on demand" to "Amount repayable in FY 2012, FY 2013 and Thereafter".

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 18 September 2009	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others US\$'000	Total US\$'000
Amount repayable for the remainder of FY 2009	205,559	1,315	23,930	8,645	17,678	257,127
Amount repayable in :						
FY 2010	735,705	437	87,528	23,725	54,824	902,219
FY 2011	648,644	-	87,760	21,698	42,016	800,118
FY 2012	583,424	-	84,528	17,991	34,332	720,275
FY 2013	493,345	-	80,349	13,322	26,177	613,193
Thereafter	1,273,209	-	895,800	12,407	39,869	2,221,285
	3,939,886	1,752	1,259,895	97,788	214,896	5,514,217

As at 26 December 2008	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others US\$'000	Total US\$'000
Amount repayable in FY 2009	723,461	12,810	90,066	23,786	69,652	919,775
Amount repayable in :						
FY 2010	726,817	501	88,548	17,937	46,548	880,351
FY 2011	648,565	-	88,646	16,322	34,895	788,428
FY 2012	583,345	-	84,462	13,580	26,588	707,975
FY 2013	493,267	-	80,245	11,062	20,513	605,087
Thereafter	1,242,869	-	895,318	12,390	28,065	2,178,642
	4,418,324	13,311	1,327,285	95,077	226,261	6,080,258

1.(c) Consolidated Cash Flow Statement

	Group			
	YTD 2009 US\$'000	YTD 2008 US\$'000	Q3 2009 US\$'000	Q3 2008 US\$'000
Cash Flows from Operating Activities				
(Loss)/profit before income tax	(502,097)	267,519	(127,915)	45,833
Adjustments for :				
Depreciation and amortisation	209,528	187,452	66,565	61,333
Fair value losses on hedges	59,805	3,261	2,053	380
Interest expense	34,466	17,430	10,276	7,004
Interest income	(4,958)	(6,340)	(2,376)	(1,760)
Investment income	-	(38)	-	-
Share-based compensation costs	4,822	8,701	1,418	2,561
Fair value losses/(gains) on shares held by employee benefit trust	947	(1,074)	496	(757)
Write-off of inventories	118	56	159	42
Net (profit)/loss on disposal of property, plant and equipment	(4,105)	(21,194)	365	(1,080)
Net profit on disposal of other assets	(112)	(2,555)	(2)	(1,183)
Net provision for impairment of assets	25	12	12	8
Net provision for liabilities	12,900	20,597	4,825	4,257
Share of results of associated companies	(1,821)	(3,146)	(1,381)	(734)
Share of results of joint ventures	15	(2,545)	179	717
Unrealised translation losses/(gains)	885	(3,209)	189	(1,656)
Operating cash flow before working capital changes	(189,582)	464,927	(45,137)	114,965
Changes in operating assets and liabilities				
Receivables	(75,620)	(72,315)	(187,113)	21,790
Inventories	(32,216)	(118,767)	(35,737)	(34,936)
Payables	(93,374)	193,280	86,402	10,392
Cash (used in)/generated from operations	(390,792)	467,125	(181,585)	112,211
Interest paid	(42,016)	(19,424)	(15,014)	(7,053)
Interest received	4,993	8,217	2,602	1,541
Net income tax paid	(16,710)	(33,948)	(1,233)	(7,807)
Net cash (outflow)/inflow from operating activities	(444,525)	421,970	(195,230)	98,892
Cash Flows from Investing Activities				
Acquisition of additional interests in subsidiaries	-	(8,603)	-	(12)
Investment in an associated company	(3,663)	(6,485)	-	-
Net proceeds from/(extension of) loans receivable	463	344	(22)	128
Investment income received	-	38	-	-
Dividends received from associated companies	-	537	-	437
Dividends received from joint ventures	100	1,260	100	1,260
Purchase of property, plant and equipment	(39,026)	(830,617)	(12,859)	(105,281)
Purchase of intangible assets	(1,673)	(1,989)	(75)	(1,389)
Proceeds from disposal of property, plant and equipment	24,322	35,102	5,045	3,763
Proceeds from disposal of other assets	225	2,272	-	286
Net cash outflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed ³	-	(271)	-	(1,028)
Net cash outflow from investing activities	(19,252)	(808,412)	(7,811)	(101,836)
Cash Flows from Financing Activities				
Proceeds from borrowings	483,418	414,502	-	94,636
Net cash outflow contributed by employee benefit trust	(510)	(80)	(229)	(120)
Dividends paid to equity holders	(39,246)	(151,277)	-	(42,518)
Dividends paid to minority interest	(2,373)	(4,834)	-	-
Net proceeds from issue of new ordinary shares under the Rights Issue	965,694	-	965,694	-
Proceeds from issue of new ordinary shares	82	1,904	25	-
Proceeds from re-issuance of treasury shares	-	27	-	-
Purchase of treasury shares	-	(621)	-	-
Repayment of borrowings	(633,003)	(85,809)	(613,400)	(30,481)
Payment of costs incurred in connection with long term financing	(5,550)	(171)	-	(50)
Net cash inflow from financing activities	768,512	173,641	352,090	21,467
Net increase/(decrease) in cash and cash equivalents	304,735	(212,801)	149,049	18,523
Cash and cash equivalents at beginning of financial period	429,219	504,365	584,905	273,041
Cash and cash equivalents at end of financial period	733,954	291,564	733,954	291,564

³ Summary of Effect of Disposal of Subsidiaries on the Group's Cash Flow

	Group			
	YTD 2009 US\$'000	YTD 2008 US\$'000	Q3 2009 US\$'000	Q3 2008 US\$'000
Net assets disposed :				
Current assets	-	1,768	-	1,038
Current liabilities	-	(1,343)	-	(860)
Net attributable assets disposed	-	425	-	178
Add : Foreign currency translation reserve	(110)	(595)	-	(1,361)
	(110)	(170)	-	(1,183)
Net profit on disposal of subsidiaries	110	1,478	-	1,183
Net proceeds from disposal of subsidiaries	-	1,308	-	-
Less : Cash of subsidiaries disposed	-	(1,579)	-	(1,028)
Net cash outflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed	-	(271)	-	(1,028)

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

Capital and reserves attributable to equity holders of the Company

GROUP	Share capital US\$'000	Shares held by			Retained earnings US\$'000	Other reserves US\$'000	Minority interest US\$'000	Total equity US\$'000
		Treasury shares US\$'000	employee benefit trust US\$'000	Treasury shares reserve US\$'000				
Balance at 27 December 2008	845,379	(5,216)	(1,413)	(1,195)	1,657,862	(34,873)	44,047	2,504,591
Dividends to equity holders	-	-	-	-	(39,246)	-	-	(39,246)
Dividends to minority interest	-	-	-	-	-	-	(2,373)	(2,373)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	3,404	-	3,404
- new shares issued	4,623	-	-	-	-	(4,566)	-	57
Purchase of shares by employee benefit trust	-	-	(1,011)	-	-	-	-	(1,011)
Sale of nil-paid rights by employee benefit trust	-	-	225	-	-	-	-	225
Total comprehensive (loss)/income for the financial period	-	-	-	-	(390,836)	208,959	530	(181,347)
Balance at 26 June 2009	850,002	(5,216)	(2,199)	(1,195)	1,227,780	172,924	42,204	2,284,300
Issue of shares	988,241	-	-	-	-	-	-	988,241
Share issues expenses	(22,547)	-	-	-	-	-	-	(22,547)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,418	-	1,418
- new shares issued	31	-	-	-	-	(6)	-	25
Purchase of shares by employee benefit trust	-	-	(157)	-	-	-	-	(157)
Purchase of Rights Shares by employee benefit trust	-	-	(235)	-	-	-	-	(235)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(138,882)	(21,770)	328	(160,324)
Balance at 18 September 2009	1,815,727	(5,216)	(2,591)	(1,195)	1,088,898	152,566	42,532	3,090,721

Capital and reserves attributable to equity holders of the Company

GROUP	Share capital US\$'000	Shares held by			Retained earnings US\$'000	Other reserves US\$'000	Minority interest US\$'000	Total equity US\$'000
		Treasury shares US\$'000	employee benefit trust US\$'000	Treasury shares reserve US\$'000				
Balance at 29 December 2007	840,738	(6,926)	(610)	(78)	1,726,025	102,769	45,299	2,707,217
Dividends to equity holders	-	-	-	-	(108,759)	-	-	(108,759)
Dividends to minority interest	-	-	-	-	-	-	(4,834)	(4,834)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(962)	(962)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	6,140	-	6,140
- new shares issued	4,641	-	-	-	-	(2,737)	-	1,904
- treasury shares re-issued	-	2,331	-	(1,117)	-	(1,187)	-	27
Purchase of treasury shares	-	(621)	-	-	-	-	-	(621)
Purchase of shares by employee benefit trust	-	-	(446)	-	-	-	-	(446)
Total comprehensive (loss)/income for the financial period	-	-	(31)	-	196,495	(42,120)	2,846	157,190
Balance at 27 June 2008	845,379	(5,216)	(1,087)	(1,195)	1,813,761	62,865	42,349	2,756,856
Dividends to equity holders	-	-	-	-	(42,518)	-	-	(42,518)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	2,561	-	2,561
Purchase of shares by employee benefit trust	-	-	(340)	-	-	-	-	(340)
Total comprehensive income/(loss) for the financial period	-	-	-	-	35,118	(104,519)	266	(69,135)
Balance at 19 September 2008	845,379	(5,216)	(1,427)	(1,195)	1,806,361	(39,093)	42,615	2,647,424

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

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 27 December 2008	845,379	(5,216)	(1,195)	935,304	37,020	1,811,292
Dividends to equity holders	-	-	-	(39,246)	-	(39,246)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	3,404	3,404
- new shares issued	4,623	-	-	-	(4,566)	57
Total comprehensive income for the financial period	-	-	-	191,098	-	191,098
Balance at 26 June 2009	850,002	(5,216)	(1,195)	1,087,156	35,858	1,966,605
Issue of shares	988,241	-	-	-	-	988,241
Share issues expenses	(22,547)	-	-	-	-	(22,547)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,418	1,418
- new shares issued	31	-	-	-	(6)	25
Total comprehensive loss for the financial period	-	-	-	(241)	-	(241)
Balance at 18 September 2009	1,815,727	(5,216)	(1,195)	1,086,915	37,270	2,933,501

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 2007	840,738	(6,926)	(78)	918,017	29,266	1,781,017
Dividends to equity holders	-	-	-	(108,759)	-	(108,759)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	6,140	6,140
- new shares issued	4,641	-	-	-	(2,737)	1,904
- treasury shares re-issued	-	2,331	(1,117)	-	(1,187)	27
Purchase of treasury shares	-	(621)	-	-	-	(621)
Total comprehensive income/(loss) for the financial period	-	-	-	172,840	(5)	172,835
Balance at 27 June 2008	845,379	(5,216)	(1,195)	982,098	31,477	1,852,543
Dividends to equity holders	-	-	-	(42,518)	-	(42,518)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	2,561	2,561
Total comprehensive loss for the financial period	-	-	-	(6,881)	(54)	(6,935)
Balance at 19 September 2008	845,379	(5,216)	(1,195)	932,699	33,984	1,805,651

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 18 September 2009, the Company's issued and paid-up capital (including treasury shares) comprised 2,580,409,087 (26 December 2008: 1,472,706,789) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,578,682,370 (26 December 2008: 1,470,980,072) ordinary shares.

Renounceable underwritten rights issue

On 2 June 2009, the Company announced a proposed renounceable underwritten rights issue (the "Rights Issue"), pursuant to which 1,105,135,048 new ordinary shares in the capital of the Company (the "Rights Shares") were issued at an issue price of S\$1.30 for each Rights Share, on the basis of three Rights Shares for every four existing ordinary shares of the Company held by shareholders as at the books closure date (19 June 2009). The Rights Shares were allotted and issued on 16 July 2009.

Share options

As at 26 December 2008, there were 35,512,201 outstanding 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 9 months ended 18 September 2009, 71,000 and 33,924 share options were exercised to take up unissued shares of the Company at the subscription price of S\$1.15 per share and S\$1.05 per share respectively and 3,281,778 options were cancelled.

Additional 1,941,701 share options were granted under the NOL SOP as a result of the Rights Issue.

In addition, the Company granted 17,438,000 new options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

As at 18 September 2009, options to subscribe for 51,505,200 ordinary shares remain outstanding under the NOL SOP.

Performance shares

As at 26 December 2008, there were 4,420,704 outstanding performance shares under the NOL Performance Share Plan ("NOL PSP").

During the 9 months ended 18 September 2009, 2,462,326 performance shares were vested on 2 January 2009 and 130,668 were cancelled.

Additional 127,941 shares were awarded under the NOL PSP to holders of the outstanding awards as a result of the Rights Issue.

As at 18 September 2009, 1,955,651 performance shares remain outstanding under the NOL PSP.

Treasury shares

As at 26 December 2008, 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 performance shares under the NOL PSP.

During the 9 months ended 18 September 2009, no treasury shares were re-issued by the Company pursuant to the NOL SOP and NOL PSP.

In addition, no shares were purchased for the purposes of fulfilling the Company's obligations under the NOL SOP and NOL PSP.

As at 18 September 2009, there were 1,726,717 treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the third quarter 2009 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 18 September 2009 and the reported amounts of revenue and expenses during the financial period from 27 December 2008 to 18 September 2009. 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 18 September 2009 to be false or misleading in any material aspect.

On behalf of the board of directors

CHRISTOPHER LAU
Director

RONALD WIDDOWS
Director

Dated this 29 October 2009

4. Audit or Review of Figures

The figures have not been audited nor reviewed by our auditors.

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

N.A.

6. 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 7(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 26 December 2008.

7.(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 27 December 2008, the Group and the Company early adopted the new or revised Singapore Financial Reporting Standards ("FRS"), which are effective for the financial period beginning on or after 1 January 2009.

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

FRS 1	: Presentation of Financial Statements - Revised presentation
Revised FRS 23	: Borrowing Costs
FRS 102	: Amendments to FRS 102 Share-based Payment: Vesting conditions and cancellations
FRS 107	: Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
FRS 108	: Operating Segments

The adoption of the above FRS did not have any significant impact on the Group and the Company except as discussed below:

1) FRS 1 Presentation of Financial Statements - Revised presentation

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The Group has elected to present items of income and expenses and components of other comprehensive income in two separate statements (a consolidated income statement followed by a consolidated statement of comprehensive income).

2) Amendments to FRS 107 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

FRS 107 requires enhanced disclosures about fair value measurements and liquidity risk.

The required disclosures will be made accordingly in the full year financial statements of the Group and the Company.

3) FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker.

The required disclosures will be made accordingly in the full year financial statements of the Group and the Company.

7.(b) Comparatives

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

	YTD 2009	YTD 2008 (Restated) ⁴	Q3 2009	Q3 2008 (Restated) ⁴
GROUP				
(Loss)/earnings 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	(28.52 US cts)	14.23 US cts	(5.91 US cts)	2.16 US cts
b) On a fully diluted basis (detailing any adjustments made to the earnings)	(28.52 US cts)	14.14 US cts	(5.91 US cts)	2.15 US cts

⁴ Restated for effects of the Rights Issue.

9. Net Asset Value

	Group			Company		
	18 Sept 2009 US\$	26 Dec 2008 US\$	Inc / (Dec) %	18 Sept 2009 US\$	26 Dec 2008 US\$	Inc / (Dec) %
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	1.18 ⁵	1.67	(29.34)	1.14 ⁵	1.23	(7.32)

⁵ Net Asset Value as at 18 Sept 2009 computed on larger share base after the Rights Issue.

10. Review of the Performance of the Group

Income Statement:

YTD 2009 vs YTD 2008

NOL Group achieved revenue of US\$4.50 billion (YTD 2008: US\$7.00 billion), a decrease of US\$2.50 billion or 36% year-on-year (YoY). This is mainly due to decline in container shipping revenue from lower volumes and deteriorating freight rates.

The Group's cost of sales decreased by US\$1.65 billion or 27% YoY to US\$4.52 billion mainly due to lower variable costs associated with lower volumes, lower bunker costs and successful cost management initiatives.

Miscellaneous income declined by US\$22 million or 66% YoY to US\$11 million mainly due to lesser sales of property, plant and equipment resulting in decrease in profits on disposal of property, plant and equipment.

Finance and investment income decreased by US\$5 million or 51% YoY to US\$5 million mainly due to gain in YTD 2008 arising from forward contracts entered into for hedging of payments of dividend.

Administrative expenses declined by US\$106 million or 20% YoY to US\$430 million mainly due to costs savings associated with restructuring.

Finance expenses increased by US\$23 million or 99% YoY to US\$46 million mainly due to higher interest expense from higher average loan balance.

Other operating expenses declined by US\$28 million or 54% YoY to US\$24 million mainly due to foreign exchange gains in YTD 2009 as compared to foreign exchange losses in YTD 2008, both arising mainly from revaluation of non-USD denominated balance sheet items.

The Group recorded net loss attributable to shareholders of US\$530 million in YTD 2009 compared to a profit of US\$232 million in YTD 2008. Losses in YTD 2009 was due mainly to losses incurred in the container shipping division which experienced significant decline in revenue as a result of lower volumes and deteriorating freight rates. Active cost management had achieved some mitigation in costs but was not enough to compensate for the decline in revenue.

Q3 2009 vs Q3 2008

NOL Group achieved revenue of US\$1.56 billion (Q3 2008: US\$2.35 billion), a decrease of US\$0.79 billion or 34% year-on-year (YoY). This is mainly due to decline in container shipping revenue from lower volumes and deteriorating freight rates.

The Group's cost of sales decreased by US\$0.57 billion or 27% YoY to US\$1.54 billion mainly due to lower variable costs associated with lower volumes, lower bunker costs and active cost management initiatives.

Miscellaneous income declined by US\$3 million or 52% YoY to US\$3 million mainly due to lesser amortisation of deferred income and loss on disposal of property, plant and equipment in Q3 2009.

Administrative expenses declined by US\$26 million or 15% YoY to US\$143 million mainly due to costs savings associated with restructuring.

Finance expenses increased by US\$5 million or 56% YoY to US\$13 million mainly due to higher interest expense from higher average loan balance.

Other operating expenses declined by US\$27 million or 87% YoY to US\$4 million mainly due to foreign exchange gains in Q3 2009 as compared to foreign exchange losses in Q3 2008, both arising mainly from revaluation of non-USD denominated balance sheet items.

The Group recorded net loss attributable to shareholders of US\$139 million in Q3 2009 compared to a profit of US\$35 million in Q3 2008. Losses in Q3 2009 was mainly due to losses incurred in container shipping division which experienced significant decline in revenue as a result of lower volumes and deteriorating freight rates. Active cost management had achieved some mitigation in costs but was not enough to compensate for the decline in revenue.

Balance Sheet:

NOL Group's total assets increased by US\$0.34 billion from US\$5.44 billion as at 26 December 2008 to US\$5.78 billion as at 18 September 2009. The increase in total assets was mainly due to increase in cash and cash equivalents as a result of net cash proceeds received after the completion of the Rights Issue.

The Group's total liabilities decreased by US\$0.25 billion from US\$2.94 billion as at 26 December 2008 to US\$2.69 billion as at 18 September 2009. The decrease in total liabilities was due to decrease in derivative financial instruments, trade and other payables and borrowings. The decrease in derivative financial instruments was due to decrease in fair value losses of derivative financial instruments which were out-of-the-money as at YTD 2008 while the decline in borrowings was mainly due to net repayment using net proceeds from the Rights Issue.

The Group's total equity increased by US\$0.59 billion from US\$2.50 billion as at 26 December 2008 to US\$3.09 billion as at 18 September 2009 mainly due to increase in share capital arising from issuance of new shares under the Rights Issue and net increase in other reserves arising from revaluation of derivative financial instruments, partially offset by losses incurred during YTD 2009.

Cashflow:

NOL Group's cash and cash equivalents increased by US\$305 million from US\$429 million as at 26 December 2008 to US\$734 million as at 18 September 2009 mainly due to net cash inflow from financing activities of US\$769 million, partially offset by net cash outflow from operations of US\$445 million and net cash outflow from investing activities of US\$19 million. The net cash inflow from financing activities was mainly due to net proceeds from the Rights Issue of US\$966 million, partially offset by net repayment of borrowings of US\$150 million. Net cash outflow from operations was mainly due to losses incurred during YTD 2009.

	YTD 2009 US\$m	YTD 2008 US\$m	Q3 2009 US\$m	Q3 2008 US\$m
(a) Revenue				
Container Shipping	3,789	5,981	1,312	2,038
Logistics	670	996	234	315
Terminals	335	429	123	146
Others	6	10	2	4
Elimination	(304)	(420)	(107)	(150)
Total	4,496	6,996	1,564	2,353
(b) EBIT				
Container Shipping	(519)	177	(143)	9
Logistics	41	47	17	17
Terminals	15	54	8	23
Others	(5)	3	-	3
Total	(468)	281	(118)	52

(c) **Analysis by Business Units**

(i) **Container Shipping**

YTD 2009 vs YTD 2008

Container shipping achieved YTD 2009 revenue of US\$3.8 billion, a year-on-year (YoY) decrease of 37% mainly due to decline in volumes transported, coupled with freight rate decline across all major trade lanes.

Volume declined by 18% YoY, driven by a decline in global container trade.

YTD 2009 average revenue per FEU fell by 23% YoY mainly due to lower bunker recovery and freight rate deterioration across all key trade lanes, particularly Asia-Europe and Intra-Asia long-haul.

Adverse trading conditions resulted in YTD 2009 recording EBIT loss of US\$519 million.

Q3 2009 vs Q3 2008

Container shipping achieved Q3 2009 revenue of US\$1.3 billion, a year-on-year (YoY) decrease of 36% mainly due to lower volumes transported, coupled with freight rate deterioration across all major trade lanes.

Volume declined by 6% YoY due to a decline in volumes in Europe and Americas trade, partially offset by growth in Asia/Middle East trade.

Q3 2009 average revenue per FEU fell by 29% YoY mainly due to lower bunker recovery and freight rate deterioration across all major trade lanes.

Q3 2009 achieved utilisation rate of 93%.

The continued depressed trading conditions arising from the decline in global demand coupled with an industry capacity overhang resulted in Q3 2009 recording EBIT loss of US\$143 million.

CONTAINER SHIPPING Q3 RESULTS 2009 and 2008

Unaudited

	YTD 2009	YTD 2008	Q3 2009	Q3 2008
Load Factors %				
Transpacific Eastbound	81%	91%	87%	90%
Asia-Europe Westbound	98%	93%	100%	93%
Transatlantic Westbound	75%	87%	86%	84%
Intra-Asia Westbound	90%	90%	94%	88%
Asia-Latin America/Mexico Eastbound	94%	99%	100%	100%
Headhaul	87%	91%	93%	90%
Volume ('000 FEU)				
<u>Americas</u>				
Transpacific	491	642	189	209
Latin America	122	153	45	50
	<u>613</u>	<u>795</u>	<u>234</u>	<u>259</u>
<u>Europe</u>				
Asia-Europe	256	342	88	111
Transatlantic	83	112	29	36
	<u>339</u>	<u>454</u>	<u>117</u>	<u>147</u>
<u>Asia/Middle East</u>				
Intra-Asia	604	642	235	216
Total Volume ⁶	1,556	1,891	586	622
Operating Expenses (US\$m)				
<u>Americas</u>				
Transpacific	1,900	2,507	674	880
Latin America	423	579	135	198
	<u>2,323</u>	<u>3,086</u>	<u>809</u>	<u>1,078</u>
<u>Europe</u>				
Asia-Europe	681	1,170	211	413
Transatlantic	290	364	89	124
	<u>971</u>	<u>1,534</u>	<u>300</u>	<u>537</u>
<u>Asia/Middle East</u>				
Intra-Asia	1,014	1,184	346	414
Total Operating Expenses	4,308	5,804	1,455	2,029
Analysis of Expenses (US\$m)				
Operating Cost	3,833	5,266	1,301	1,854
General and Administrative	293	376	97	122
Depreciation and Amortisation	182	161	57	53
Others ⁷	-	1	-	-
Total Operating Expenses	4,308	5,804	1,455	2,029

⁶ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

⁷ Others consists of minority interest and share of results of associated companies and joint ventures.

(c) **Analysis by Business Units (continued)**

(ii) **Logistics**

YTD 2009 vs YTD 2008

Logistics achieved YTD 2009 revenue of US\$670 million, a year-on-year (YoY) decrease of 33% 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\$257 million, a YoY decrease of 35% due to a combination of lower shipment volume and lower freight rates in the forwarding business segment.

Contract Logistics achieved revenue of US\$413 million, a YoY decrease of 31% due to lower volumes across various business units, particularly in the warehousing and trucking services.

Continued disciplined cost management efforts resulted in an overall improvement in EBIT margin from 4.7% in YTD 2008 to 6.1% in YTD 2009, even though Logistics EBIT declined by US\$6 million or 13% YoY to US\$41 million in YTD 2009.

Q3 2009 vs Q3 2008

Logistics achieved Q3 2009 revenue of US\$234 million, a year-on-year (YoY) decrease of 26% 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\$92 million, a YoY decrease of 27% due to a combination of lower shipment volume and lower freight rates in the forwarding business segment.

Contract Logistics achieved revenue of US\$142 million, a YoY decrease of 25% due to lower volumes across various business units, particularly in the business areas that service the automotive sector and related trucking services.

Despite a YoY decline in revenue of 26%, Logistics EBIT remained at US\$17 million due to its continued disciplined cost management efforts. Operating cost and general and administrative expenses were reduced by 29% and 11% respectively, resulting in EBIT margin improvement from 5.4% in Q3 2008 to 7.3% in Q3 2009.

LOGISTICS Q3 RESULTS 2009 and 2008

Unaudited

US\$ millions

	YTD 2009	YTD 2008	Q3 2009	Q3 2008
BY REGION				
Revenue				
Americas	436	612	149	196
Europe	64	140	23	40
Asia/Middle East	170	244	62	79
Total Revenue	670	996	234	315
BY BUSINESS SEGMENT				
Revenue				
Contract Logistics Services	413	602	142	189
International Services	257	394	92	126
Total Revenue	670	996	234	315
Operating Expenses				
Contract Logistics Services	399	579	136	183
International Services	230	370	81	115
Total Operating Expenses	629	949	217	298
EBIT				
Contract Logistics Services	14	23	6	6
International Services	27	24	11	11
Total EBIT	41	47	17	17
Analysis of Expenses				
Operating Cost	521	814	181	256
General and Administrative	101	127	34	38
Depreciation and Amortisation	8	8	3	3
Others ⁸	(1)	-	(1)	1
Total Operating Expenses	629	949	217	298

⁸ Others consists of minority interest and share of results of associated companies and joint ventures.

(c) **Analysis by Business Units (continued)**

(iii) **Terminals**

YTD 2009 vs YTD 2008

Terminals achieved YTD 2009 revenue of US\$335 million, a year-on-year (YoY) decrease of 22% due to lower volume throughput in-line with industry-wide decline in global container trade.

YTD 2009 recorded volume throughput of approximately 1,305,000 lifts, a decline of 22% YoY.

Terminals achieved EBIT of US\$15 million in YTD 2009, a YoY decrease of 72% due to lower volumes, partially offset by improvement in cost structure through implementation of various cost initiatives.

Q3 2009 vs Q3 2008

Terminals achieved Q3 2009 revenue of US\$123 million, a year-on-year (YoY) decrease of 16% due to lower volume throughput, particularly along the US West Coast.

Q3 2009 recorded volume throughput of approximately 482,000 lifts, a decline of 13% YoY.

Terminals achieved EBIT of US\$8 million in Q3 2009, a YoY decrease of 65% mainly due to lower volumes lifted. The impact from lower volume and revenue was partially offset by cost mitigation initiatives.

TERMINALS Q3 RESULTS 2009 and 2008

Unaudited

	YTD 2009	YTD 2008	Q3 2009	Q3 2008
Total Volume ('000 Lifts)	1,305	1,670	482	557
Analysis of Expenses (US\$m)				
Operating Cost	275	329	101	109
General and Administrative	30	35	9	11
Depreciation and Amortisation	15	14	5	4
Others ⁹	-	(3)	-	(1)
Total Operating Expenses	320	375	115	123

⁹ Others consists of minority interest and share of results of associated companies and joint ventures.

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

N.A.

12. **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.**

Despite the cost saving measures that have been implemented and recent improvements in volumes and freight rates in certain trade lanes, NOL anticipates a continuation of adverse business operating conditions. In view of the severity of the downturn in container shipping, the company expects to incur significant losses in the fourth quarter of 2009 and at least through the first half of next year.

13. **Dividend**

(a) **Any dividend recommended for the current financial period 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

14 Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	YTD 2009 US\$'000	YTD 2008 US\$'000	Q3 2009 US\$'000	Q3 2008 US\$'000
Transactions for the Purchase of Goods and Services				
Keppel Telecommunications & Transportation Ltd and its associates	-	156	-	-
PSA Corporation Limited and its associates	103,477	129,549	37,122	42,359
Sembcorp Marine Ltd and its associates	112	19,303	-	-
Singapore Petroleum Company Limited and its associates	6,709	12,586	-	5,459
Transactions for the Leasing-in of Assets				
Sembcorp Marine Ltd and its associates	2,199	2,850	714	681
Transactions for the Sale of Goods and Services				
Sembcorp Marine Ltd and its associates	355	-	109	-

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

BY ORDER OF THE BOARD

WONG KIM WAH
Company Secretary

Dated this 29 October 2009