



NOL Results Show Impact of Adverse Operating Conditions

US\$245 million net loss reported for first quarter 2009

Singapore, 12 May 2009: Global container shipping, terminals and logistics group Neptune Orient Lines (NOL) today announced a net loss for the first quarter of 2009 (1Q09) of US\$245 million. This compares to a net profit of US\$121 million reported for the same period of 2008 (1Q08).

NOL reported a loss at Core EBIT level of US\$222 million for 1Q09. Revenue for the quarter declined by 36% year-on-year to US\$1.54 billion.

FINANCIAL PERFORMANCE

	1Q09	1Q08	Change %
Revenue (US\$m)	1,543	2,407	(36)
Core EBIT (US\$m)	(222)	119	nm
EBIT (US\$m)	(221)	137	nm
Net (loss)/profit (US\$m)	(245)	121	nm

NOL Group President and Chief Executive Officer, Mr Ronald D. Widdows, said: "The results announced today are in line with the update on business operating conditions NOL provided to the Singapore Exchange on 16 April 2009."

Over 1Q09, NOL was impacted by a significant decline in global trade flows and consequently liner shipping volumes. In addition, freight rates deteriorated across all major trade lanes.

"During the first quarter, a range of significant business adjustments were undertaken to better align the Group's overall network and cost structures with reduced market demand. Further cost saving initiatives have been set in motion and will be implemented as the year progresses," said Mr Widdows.

1Q09 revenue from the Container Shipping business was 36% lower than in 1Q08 at US\$1.29 billion. Container Shipping reported a Core EBIT loss of US\$237 million for the quarter.

Globally, APL carried a total of 481,000 FEU (forty-foot equivalent unit) in 1Q09, 27% down from the same period of last year, as volumes declined in all trade lanes. Container volumes averaged 32,600 FEU per week over the ten week period from 27 December 2008 to 6 March 2009, and averaged 38,888 FEU per week during the four weeks from 7 March to 3 April 2009.

In Container Shipping, average revenue per FEU decreased by 16% year-on-year. This was primarily due to a combination of lower bunker recovery and freight rate pressures, particularly in the Asia-Europe and Intra-Asia trade lanes.

The Logistics and Terminals business units made positive Core EBIT contributions for the quarter.

APL Logistics reported a 34% decrease in 1Q09 revenue, to US\$241 million, and Core EBIT of US\$14 million, 18% lower than for the same period last year.

Mr Widdows said: "Logistics recorded a substantial reduction in volumes and revenues for the quarter, reflecting global economic uncertainty and declining trade activity. Despite this, the Logistics business improved its Core EBIT Margin to 5.8% through continued disciplined cost management and a focus on revenue quality."

In the Terminals business segment, 1Q09 revenues were US\$112 million, 23% down on 1Q08. Core EBIT was US\$4 million, compared with US\$12 million in the same period of 2008.

"Our Terminals activities were negatively impacted by the industry-wide decline in global container trade," said Mr Widdows.

Mr Widdows concluded: "NOL's balance sheet remains strong with net gearing of 0.45 times as at 3 April 2009."

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.

1Q09 OPERATING PERFORMANCE (vs 1Q08)

Container Shipping

- Revenue US\$1.29 billion, down 36%
- Core EBIT loss of US\$237 million
- EBIT loss of US\$236 million
- Average revenue per FEU was 16% lower at US\$2,474
- Volumes reduced by 27% to 481,000 FEU
- Headhaul utilisation averaged 80%

Logistics

- Revenue US\$241 million, down 34%
- Core EBIT and EBIT of US\$14 million, down 18%
- Core EBIT Margin increased to 5.8%, compared to 4.7% previously

Terminals

- Revenue US\$112 million, down 23%
- Average revenue per lift up 2% to US\$261
- Core EBIT and EBIT of US\$4 million, down 67%
- Core EBIT Margin 3.6%, compared to 8.3% previously

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Note to editors:

Click [here](#) for the Corporate Presentation and Financial Statements.

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About NOL

Neptune Orient Lines (NOL) is a Singapore-based global container shipping, terminals and logistics company. Its container shipping arm, APL, provides world-class container shipping services and intermodal operations supported by leading-edge IT and e-commerce. Its terminals unit has one of the world's leading container terminal networks, with key gateway facilities in Asia and North America. Its logistics business, APL Logistics, provides international, end-to-end logistics services and solutions, employing the latest IT and data connectivity for maximum supply chain visibility and control. NOL Web site: www.nol.com.sg