



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 3rd Quarter Ended 19 September 2008

1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2008 US\$'000	YTD 2007 US\$'000	% Increase/ (Decrease)	Q3 2008 US\$'000	Q3 2007 US\$'000	% Increase/ (Decrease)
Revenue	6,995,939	5,736,424	22	2,353,403	2,029,289	16
Cost of sales	(6,165,873)	(4,855,512)	27	(2,106,121)	(1,645,435)	28
Gross profit	830,066	880,912	(6)	247,282	383,854	(36)
Other gains (net)						
- Miscellaneous	32,831	31,845	3	5,315	11,317	(53)
- Finance and investment income	10,132	21,100	(52)	2,128	4,957	(57)
Expenses						
- Administrative	(536,433)	(515,544)	4	(169,359)	(180,372)	(6)
- Finance	(22,948)	(34,713)	(34)	(8,327)	(9,418)	(12)
- Other operating	(51,820)	(28,526)	82	(31,223)	(9,727)	221
Share of results of associated companies	3,146	1,895	66	734	597	23
Share of results of joint ventures	2,545	5,245	(51)	(717)	2,348	N/M
Profit before income tax	267,519	362,214	(26)	45,833	203,556	(77)
Income tax expense	(31,912)	(28,220)	13	(9,997)	(9,601)	4
Net profit for the financial period	235,607	333,994	(29)	35,836	193,955	(82)
Attributable to:						
Equity holders of the Company	231,613	327,195	(29)	35,118	191,433	(82)
Minority interest	3,994	6,799	(41)	718	2,522	(72)
	235,607	333,994	(29)	35,836	193,955	(82)

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

	Group			Group		
	YTD 2008 US\$'000	YTD 2007 US\$'000	% Increase/ (Decrease)	Q3 2008 US\$'000	Q3 2007 US\$'000	% Increase/ (Decrease)
(A) Investment Income	38	22	73	-	-	0
(B) Other Income Including Interest Income	11,761	31,789	(63)	3,646	10,030	(64)
(C) Interest on Borrowings	(17,430)	(29,378)	(41)	(7,004)	(7,667)	(9)
(D) Depreciation and Amortisation	(187,452)	(183,497)	2	(61,333)	(60,395)	2
(E) Allowance for Doubtful Debts and Bad Debts Written Off	(4,290)	(10,712)	(60)	(1,463)	(3,952)	(63)
(F) Foreign Exchange (Loss)/Gain	(8,277)	5,188	N/M	(12,025)	180	N/M
(G) Adjustment for (Under)/Over Provision for Tax in Prior Years	(3,422)	384	N/M	(613)	445	N/M
(H) Profit on Sale of Investments, Property, Plant and Equipment and Investment Properties	23,749	16,720	42	2,263	4,743	(52)
(I) Write-off of Inventories	(56)	(230)	(76)	(42)	(230)	(82)

1.(b)(i) Balance Sheets

	Group			Company		
	19 Sept 2008 US\$'000	28 Dec 2007 US\$'000	% Increase/ (Decrease)	19 Sept 2008 US\$'000	28 Dec 2007 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	291,564	504,365	(42)	35,830	44,584	(20)
Trade and other receivables ¹	1,088,671	1,044,710	4	820,666	579,694	42
Inventories at cost	279,837	161,126	74	-	-	0
Derivative financial instruments	1,652	119,918	(99)	5,613	57,990	(90)
Other current assets	70,356	54,004	30	2,234	589	279
Total current assets	1,732,080	1,884,123	(8)	864,343	682,857	27
Non-current Assets						
Investments in subsidiaries	-	-	0	994,995	996,358	(0)
Investments in associated companies	25,157	15,107	67	1	1	0
Investments in joint ventures	25,025	23,004	9	-	-	0
Available-for-sale financial assets	176	147	20	-	-	0
Property, plant and equipment	3,522,231	2,812,777	25	459,310	283,111	62
Investment properties	16,611	21,348	(22)	-	-	0
Deferred charges	3,537	4,213	(16)	47	-	N/M
Intangible assets	29,762	32,927	(10)	115	141	(18)
Goodwill arising on consolidation	129,095	121,454	6	-	-	0
Deferred income tax assets	22,737	20,506	11	-	-	0
Other non-current assets	84,125	73,105	15	2,309	2,586	(11)
Total non-current assets	3,858,456	3,124,588	23	1,456,777	1,282,197	14
TOTAL ASSETS	5,590,536	5,008,711	12	2,321,120	1,965,054	18
LIABILITIES						
Current Liabilities						
Trade and other payables	1,303,955	1,116,496	17	131,219	93,498	40
Current income tax liabilities	29,629	32,313	(8)	19,301	18,660	3
Borrowings	370,192	54,263	582	347,517	2,268	15,223
Provisions	33,607	38,572	(13)	370	370	0
Deferred income	1,274	4,663	(73)	-	-	0
Derivative financial instruments	92,093	59,406	55	5,613	57,931	(90)
Other current liabilities ²	263,699	238,218	11	-	-	0
Total current liabilities	2,094,449	1,543,931	36	504,020	172,727	192
Non-current Liabilities						
Borrowings	624,162	537,252	16	-	-	0
Provisions	127,502	123,613	3	-	-	0
Deferred income	653	537	22	-	-	0
Deferred income tax liabilities	19,838	18,180	9	11,449	11,310	1
Other non-current liabilities	76,508	77,981	(2)	-	-	0
Total non-current liabilities	848,663	757,563	12	11,449	11,310	1
TOTAL LIABILITIES	2,943,112	2,301,494	28	515,469	184,037	180
NET ASSETS	2,647,424	2,707,217	(2)	1,805,651	1,781,017	1
EQUITY						
Share capital	845,379	840,738	1	845,379	840,738	1
Treasury shares	(5,216)	(6,926)	(25)	(5,216)	(6,926)	(25)
	840,163	833,812	1	840,163	833,812	1
Shares held by employee benefit trust	(1,427)	(610)	134	-	-	0
Treasury shares reserve	(1,195)	(78)	1,432	(1,195)	(78)	1,432
Retained earnings	1,806,361	1,726,025	5	932,699	918,017	2
Other reserves	(39,093)	102,769	N/M	33,984	29,266	16
Capital and reserves attributable to equity holders of the Company	2,604,809	2,661,918	(2)	1,805,651	1,781,017	1
Minority interest	42,615	45,299	(6)	-	-	0
TOTAL EQUITY	2,647,424	2,707,217	(2)	1,805,651	1,781,017	1
Net current (liabilities)/assets	(362,369)	340,192	N/M	360,323	510,130	(29)

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.

1.(b)(ii) Borrowings

The Group As at 19 September 2008	Secured bank loans US\$'000	Unsecured bank loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in one year or less, or on demand	91,388	277,117	1,687	370,192
Amount repayable on or before 19 September:				
2010	9,138	-	1,783	10,921
2011	12,294	-	1,871	14,165
2012	10,879	-	1,904	12,783
2013	12,993	350,000	1,997	364,990
Thereafter	58,607	94,169	68,527	221,303
	195,299	721,286	77,769	994,354

The Group As at 28 December 2007	Secured bank loans US\$'000	Unsecured bank loans US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in one year or less, or on demand	6,897	47,307	59	54,263
Amount repayable in :				
2009	7,113	-	38	7,151
2010	11,935	-	25	11,960
2011	12,311	-	-	12,311
2012	11,891	-	-	11,891
Thereafter	50,234	443,705	-	493,939
	100,381	491,012	122	591,515

The bank loans are secured mainly on vessels, and the finance lease liabilities are secured mainly on a vessel, equipment and motor vehicles.

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 19 September 2008	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others US\$'000	Total US\$'000
Amount repayable for the remainder of 2008	207,797	4,515	13,764	10,006	19,786	255,868
Amount repayable in :						
2009	710,550	12,662	88,781	23,768	67,450	903,211
2010	715,336	506	87,419	17,913	45,625	866,799
2011	629,304	-	87,519	16,296	34,067	767,186
2012	548,386	-	83,925	13,569	26,185	672,065
Thereafter	1,582,789	-	976,185	23,459	50,782	2,633,215
	4,394,162	17,683	1,337,593	105,011	243,895	6,098,344

The Group As at 28 December 2007	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others US\$'000	Total US\$'000
Amount repayable in one year or less	630,000	19,803	85,551	28,488	72,186	836,028
Amount repayable in :						
2009	612,894	11,865	86,403	14,917	55,769	781,848
2010	593,110	507	87,413	9,708	34,310	725,048
2011	544,566	-	87,652	8,662	24,856	665,736
2012	483,102	-	84,529	8,662	17,931	594,224
Thereafter	1,682,878	-	1,000,970	19,319	41,096	2,744,263
	4,546,550	32,175	1,432,518	89,756	246,148	6,347,147

1.(c) Consolidated Cash Flow Statement

	Group			
	YTD 2008 US\$'000	YTD 2007 US\$'000	Q3 2008 US\$'000	Q3 2007 US\$'000
Cash Flows from Operating Activities				
Profit before income tax	267,519	362,214	45,833	203,556
Adjustments for :				
Amortisation of non-current assets and deferred income	422	2,076	37	771
Depreciation of property, plant and equipment	186,800	181,072	61,289	59,512
Depreciation of investment properties	230	349	7	112
Premium on bunker call option	3,261	3,344	380	851
Interest expense	17,430	29,378	7,004	7,667
Interest income	(6,340)	(20,313)	(1,760)	(4,608)
Investment income	(38)	(22)	-	-
Share-based compensation costs	8,701	7,397	2,561	2,140
Write-off of inventories	56	230	42	230
Fair value (gains)/losses on shares held by employee benefit trust	(1,074)	2,252	(757)	(118)
Net profit on disposal of property, plant and equipment	(21,194)	(16,578)	(1,080)	(4,744)
Net profit on disposal of subsidiaries	(1,478)	-	(1,183)	-
Net profit on disposal of available-for-sale financial assets	(1,077)	(153)	-	-
Net loss on disposal of other non-current investments	-	11	-	1
Net provision for impairment of loans and non-trade debts to associated companies	12	967	8	264
Net provision for restructuring and termination costs	1,005	231	164	130
Net provision for insurance, litigation and other claims, net of reimbursement	16,315	16,237	3,455	1,978
Net provision for drydocking costs	3,277	1,542	638	221
Share of results of associated companies	(3,146)	(1,895)	(734)	(597)
Share of results of joint ventures	(2,545)	(5,245)	717	(2,348)
Unrealised translation (gains)/losses	(3,209)	6,042	(1,656)	3,901
Operating cash flow before working capital changes	464,927	569,136	114,965	268,919
Changes in operating assets and liabilities, net of effects from disposal of subsidiaries :				
Receivables	(72,304)	(167,733)	21,794	(93,199)
Inventories	(118,767)	(45,455)	(34,936)	(27,605)
Payables	193,280	190,652	10,392	139,812
Net amount due from associated companies	(11)	(1,210)	(4)	(356)
Cash generated from operations	467,125	545,390	112,211	287,571
Interest paid	(19,424)	(32,229)	(7,053)	(10,263)
Interest received	8,217	21,621	1,541	5,915
Net income tax paid	(33,948)	(29,449)	(7,807)	(7,481)
Net cash inflow from operating activities	421,970	505,333	98,892	275,742
Cash Flows from Investing Activities				
Acquisition of additional interests in subsidiaries	(8,603)	(81)	(12)	-
Investment in an associated company	(6,485)	(5)	-	(5)
Net proceeds from/(repayment of) loans receivable	344	(17)	128	(41)
Investment income received	38	22	-	-
Dividends received from associated companies	537	353	437	353
Dividends received from a joint venture	1,260	1,244	1,260	1,244
Additions in other non-current investments	-	(823)	-	(113)
Purchase of property, plant and equipment	(908,859)	(750,391)	(105,281)	(404,423)
Purchase of intangible assets	(1,989)	(462)	(1,389)	(21)
Proceeds from disposal of property, plant and equipment	35,102	22,904	3,763	7,300
Proceeds from disposal of an investment property	-	4,245	-	-
Proceeds from disposal of available-for-sale financial assets	1,077	165	-	-
Proceeds from disposal of other non-current investments	1,195	76	286	-
Net cash (outflow)/inflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed ³	(271)	13,112	(1,028)	(82)
Net cash outflow from investing activities	(886,654)	(709,658)	(101,836)	(395,788)
Cash Flows from Financing Activities				
Proceeds from borrowings	492,744	339	94,636	237
Net cash outflow contributed by employee benefit trust	(80)	(555)	(120)	(555)
Dividends paid to equity holders	(151,277)	(77,491)	(42,518)	(38,820)
Dividends paid to minority interest	(4,834)	(897)	-	-
Capital contribution by minority interest	-	28	-	28
Proceeds from issue of new ordinary shares	1,904	15,187	-	3,410
Proceeds from re-issuance of treasury shares	27	-	-	-
Purchase of treasury shares	(621)	(3,659)	-	(3,659)
Repayment of borrowings	(85,809)	(74,045)	(30,481)	(962)
Payment of costs incurred in connection with long term financing	(171)	(1,500)	(50)	-
Net cash inflow/(outflow) from financing activities	251,883	(142,593)	21,467	(40,321)
Net (decrease)/increase in cash and cash equivalents	(212,801)	(346,918)	18,523	(160,367)
Cash and cash equivalents at beginning of financial period	504,365	694,313	273,041	507,762
Cash and cash equivalents at end of financial period	291,564	347,395	291,564	347,395

1.(c) Consolidated Cash Flow Statement (continued)

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

	Group			
	YTD 2008 US\$'000	YTD 2007 US\$'000	Q3 2008 US\$'000	Q3 2007 US\$'000
Net assets disposed :				
Other non-current assets	-	9,366	-	941
Current assets	1,768	12,599	1,038	648
Current liabilities	(1,343)	(4,112)	(860)	(851)
Non-current liabilities	-	(169)	-	-
Net attributable assets disposed	425	17,684	178	738
Less : Minority interest	-	3,669	-	-
Add : Foreign currency translation reserve	(595)	(1,330)	(1,361)	(234)
	(170)	20,023	(1,183)	504
Net profit on disposal of subsidiaries	1,478	-	1,183	-
Net proceeds from disposal of subsidiaries	1,308	20,023	-	504
Less : Cash of subsidiaries disposed	(1,579)	(6,911)	(1,028)	(586)
Net cash (outflow)/inflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed	(271)	13,112	(1,028)	(82)

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

Capital and reserves attributable to equity holders of the Company

GROUP	Share capital	Treasury shares	Shares held by employee benefit trust	Treasury shares reserve	Retained earnings	Other reserves	Minority interest	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 29 December 2007	840,738	(6,926)	(610)	(78)	1,726,025	102,769	45,299	2,707,217
Fair value gains on cash flow hedges	-	-	-	-	-	10,601	-	10,601
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	-	(61,369)	-	(61,369)
Fair value gains on available-for-sale financial asset	-	-	-	-	-	67	-	67
Tax on fair value gains and losses	-	-	-	-	-	483	-	483
Currency translation differences	-	-	(31)	-	-	8,098	(430)	7,637
Net losses recognised directly in equity	-	-	(31)	-	-	(42,120)	(430)	(42,581)
Net profit for the financial period	-	-	-	-	196,495	-	3,276	199,771
Total (losses)/gains recognised for the financial period	-	-	(31)	-	196,495	(42,120)	2,846	157,190
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)
Balance at 27 June 2008	845,379	(5,216)	(1,087)	(1,195)	1,813,761	62,865	42,349	2,756,856
Fair value losses on cash flow hedges	-	-	-	-	-	(106,821)	-	(106,821)
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	-	9,278	-	9,278
Fair value losses on available-for-sale financial asset	-	-	-	-	-	(38)	-	(38)
Tax on fair value gains and losses	-	-	-	-	-	1,175	-	1,175
Currency translation differences	-	-	-	-	-	(8,113)	(452)	(8,565)
Net losses recognised directly in equity	-	-	-	-	-	(104,519)	(452)	(104,971)
Net profit for the financial period	-	-	-	-	35,118	-	718	35,836
Total gains/(losses) recognised for the financial period	-	-	-	-	35,118	(104,519)	266	(69,135)
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)
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)

GROUP	Capital and reserves attributable to equity holders of the Company						Total equity US\$'000
	Share capital	Shares held by		Retained earnings	Other reserves	Minority interest	
	US\$'000	Treasury shares US\$'000	employee benefit trust US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 30 December 2006	822,066	-	(2,482)	1,280,755	8,378	33,378	2,142,095
Fair value gains on cash flow hedges	-	-	-	-	12,709	-	12,709
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	14,008	-	14,008
Fair value loss on available-for-sale financial asset	-	-	-	-	(62)	-	(62)
Tax on fair value gains and losses	-	-	-	-	(302)	-	(302)
Currency translation differences	-	-	-	-	(930)	515	(415)
Net gains recognised directly in equity	-	-	-	-	25,423	515	25,938
Net profit for the financial period	-	-	-	135,762	-	4,277	140,039
Total gains recognised for the financial period	-	-	-	135,762	25,423	4,792	165,977
Dividends to equity holders	-	-	-	(38,671)	-	-	(38,671)
Dividends to minority interest	-	-	-	-	-	(897)	(897)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	(14)	(14)
Disposal of a subsidiary	-	-	-	-	-	3,669	3,669
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	5,257	-	5,257
- new shares issued	14,422	-	-	-	(2,645)	-	11,777
Sale of shares by employee benefit trust	-	-	1,549	-	-	-	1,549
Balance at 29 June 2007	836,488	-	(933)	1,377,846	36,413	40,928	2,290,742
Fair value gains on cash flow hedges	-	-	-	-	43,749	-	43,749
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(9,270)	-	(9,270)
Fair value loss on available-for-sale financial asset	-	-	-	-	(40)	-	(40)
Tax on fair value gains and losses	-	-	-	-	(453)	-	(453)
Currency translation differences	-	-	-	-	2,532	105	2,637
Net gains recognised directly in equity	-	-	-	-	36,518	105	36,623
Net profit for the financial period	-	-	-	191,433	-	2,522	193,955
Total gains recognised for the financial period	-	-	-	191,433	36,518	2,627	230,578
Dividends to equity holders	-	-	-	(38,820)	-	-	(38,820)
Capital contribution by minority interest	-	-	-	-	-	28	28
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	2,140	-	2,140
- new shares issued	3,410	-	-	-	-	-	3,410
Purchase of treasury shares	-	(3,659)	-	-	-	-	(3,659)
Purchase of shares by employee benefit trust	-	-	(178)	-	-	-	(178)
Balance at 21 September 2007	839,898	(3,659)	(1,111)	1,530,459	75,071	43,583	2,484,241

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 29 December 2007	840,738	(6,926)	(78)	918,017	29,266	1,781,017
Fair value gains on cash flow hedges	-	-	-	-	2,620	2,620
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(2,625)	(2,625)
Net losses recognised directly in equity	-	-	-	-	(5)	(5)
Net profit for the financial period	-	-	-	172,840	-	172,840
Total gains/(losses) recognised for the financial period	-	-	-	172,840	(5)	172,835
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)
Balance at 27 June 2008	845,379	(5,216)	(1,195)	982,098	31,477	1,852,543
Fair value losses on cash flow hedges	-	-	-	-	(190)	(190)
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	136	136
Net losses recognised directly in equity	-	-	-	-	(54)	(54)
Net loss for the financial period	-	-	-	(6,881)	-	(6,881)
Total losses recognised for the financial period	-	-	-	(6,881)	(54)	(6,935)
Dividends to equity holders	-	-	-	(42,518)	-	(42,518)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	2,561	2,561
Balance at 19 September 2008	845,379	(5,216)	(1,195)	932,699	33,984	1,805,651

COMPANY	Share capital	Treasury shares	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 30 December 2006	822,066	-	852,015	21,423	1,695,504
Net profit for the financial period	-	-	104,450	-	104,450
Total gains recognised for the financial period	-	-	104,450	-	104,450
Dividends to equity holders	-	-	(38,671)	-	(38,671)
Employee equity compensation schemes:					
- value of employee services	-	-	-	5,257	5,257
- new shares issued	14,422	-	-	(2,645)	11,777
Balance at 29 June 2007	836,488	-	917,794	24,035	1,778,317
Net profit for the financial period	-	-	6,893	-	6,893
Total gains recognised for the financial period	-	-	6,893	-	6,893
Dividends to equity holders	-	-	(38,820)	-	(38,820)
Employee equity compensation schemes:					
- value of employee services	-	-	-	2,140	2,140
- new shares issued	3,410	-	-	-	3,410
Purchase of treasury shares	-	(3,659)	-	-	(3,659)
Balance at 21 September 2007	839,898	(3,659)	885,867	26,175	1,748,281

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 previous period of the immediately preceding financial year.

Issued and paid up capital

As at 19 September 2008, the Company's issued and paid-up capital (including treasury shares) comprised 1,472,706,789 (28 December 2007: 1,469,941,544) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 1,470,980,072 (28 December 2007: 1,467,715,210) ordinary shares.

Share options

As at 28 December 2007, there were 28,290,533 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 19 September 2008, 1,177,327 share options were exercised to take up unissued shares of the Company at the subscription price of between S\$2.06 to S\$3.32 per share and 1,071,671 options were cancelled.

In addition, the Company granted 9,658,000 new options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

As at 19 September 2008, options to subscribe for 35,699,535 ordinary shares remain outstanding under the NOL SOP.

Performance shares

As at 28 December 2007, there were 4,784,907 outstanding performance shares under the NOL Performance Share Plan ("NOL PSP").

During the 9 months ended 19 September 2008, 2,361,535 performance shares were vested on 2 January 2008 and 311,001 were cancelled.

In addition, the Company awarded 2,344,000 new performance shares under the NOL PSP.

As at 19 September 2008, 4,456,371 performance shares remain outstanding under the NOL PSP.

Treasury shares

As at 28 December 2007, there were 2,226,334 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 19 September 2008, the Company re-issued 18,000 treasury shares pursuant to the NOL SOP at the exercise price of S\$2.20 per share, and re-issued 755,617 treasury shares pursuant to the NOL PSP.

In addition, the Company purchased 274,000 shares by way of market acquisitions at prices ranging from S\$3.11 to S\$3.15 per share, with total consideration paid amounting to US\$621,297 (including transaction costs). The share purchases were made out of the Company's capital and held as treasury shares for the purposes of fulfilling the Company's obligations under the NOL SOP and NOL PSP.

As at 19 September 2008, there were 1,726,717 treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the third quarter 2008 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 2008 and the reported amounts of revenue and expenses during the financial period from 29 December 2007 to 19 September 2008. 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(4) 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 2008 to be false or misleading.

On behalf of the board of directors

CHRISTOPHER LAU
Director

RONALD WIDDOWS
Director

Dated this 29 October 2008

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 28 December 2007.

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 29 December 2007, the Group and the Company adopted the following Interpretations of FRS ("INT FRS"):

INT FRS 29	: Service Concession Arrangements: Disclosures (effective for annual periods beginning on or after 1 January 2008)
INT FRS 111	: FRS 102 - Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007)
INT FRS 112	: Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)
INT FRS 114	: FRS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008)

The adoption of the above INT FRS did not have any significant impact on 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.

8. GROUP	YTD 2008	YTD 2007	Q3 2008	Q3 2007
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	15.76 US cts	22.38 US cts	2.39 US cts	13.04 US cts
b) On a fully diluted basis (detailing any adjustments made to the earnings)	15.65 US cts	22.14 US cts	2.38 US cts	12.86 US cts

9. Net Asset Value	Group			Company		
	19 Sept 2008 US\$	28 Dec 2007 US\$	Inc / (Dec) %	19 Sept 2008 US\$	28 Dec 2007 US\$	Inc / (Dec) %
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	1.77	1.81	(2.21)	1.23	1.21	1.65

10. Review of the Performance of the Group

YTD 2008 vs YTD 2007

The NOL Group achieved revenue of US\$7.00 billion (YTD 2007: US\$5.74 billion), an increase of 22% year-on-year (YoY).

Net profit decreased 29% YoY from US\$327 million in YTD 2007 to US\$232 million in YTD 2008 due to higher operating costs, particularly bunker fuel, and lower utilisation as a result of a slowing container demand growth environment.

Q3 2008 vs Q3 2007

The NOL Group achieved revenue of US\$2.35 billion (Q3 2007: US\$2.03 billion), an increase of 16% year-on-year (YoY).

Net profit decreased 82% YoY from US\$191 million in Q3 2007 to US\$35 million in Q3 2008 due to higher operating costs, particularly bunker fuel, and lower utilisation as a result of further deterioration in the container demand growth environment.

	YTD 2008 US\$m	YTD 2007 US\$m	Q3 2008 US\$m	Q3 2007 US\$m
(a) Revenue				
Container Shipping	5,981	4,663	2,038	1,673
Logistics	996	942	315	318
Terminals	429	446	146	145
Others	10	8	4	2
Elimination	(420)	(323)	(150)	(109)
Total	6,996	5,736	2,353	2,029
(b) EBIT				
Container Shipping	177	278	9	173
Logistics	47	38	17	12
Terminals	54	66	23	22
Others	3	3	3	2
Total	281	385	52	209

(c) **Analysis by Business Units**

(i) **Container Shipping**

YTD 2008 vs YTD 2007

Container Shipping recorded YTD 2008 revenue of US\$5.98 billion, an increase of US\$1.32 billion or 28% year-on-year (YoY). Volumes increased 12% YoY, mostly in the Intra-Asia, Asia-Europe and Transpacific backhaul trade, while average revenue per FEU showed a 12% improvement over YTD 2007 due to higher freight rates in the main key trade lanes through greater bunker recovery.

YTD 2008 EBIT decreased by 36% YoY to US\$177 million mainly due to slower demand growth in key trade lanes and higher operating costs, particularly bunker.

Q3 2008 vs Q3 2007

Revenue for 3Q08 increased by 22% year-on-year (YoY) to US\$2.04 billion due to higher volumes and higher freight rates through greater bunker recovery (BAF). Volume grew by 10% YoY primarily due to growth in Intra-Asia, Asia-Europe and Transpacific backhaul, offset by a decrease in Transpacific headhaul volumes. Average revenue per FEU was 8% higher YoY primarily due to higher bunker recovery.

3Q08 EBIT decreased by 95% YoY to US\$9 million due to lower ex-bunker freight rates on the Asia-Europe and long-haul Intra-Asia trade lanes, slower demand growth in key trades resulting in lower utilisation and limited peak-season surcharge, and higher operating costs, particularly bunker.

Container Shipping Q3 RESULTS 2008 and 2007

Unaudited

	YTD 2008	YTD 2007	Q3 2008	Q3 2007
Load Factors %				
Transpacific Eastbound	91%	94%	90%	96%
Asia-Europe Westbound	93%	100%	93%	100%
Transatlantic Westbound	87%	94%	84%	98%
Intra-Asia Westbound	90%	100%	88%	100%
Asia-Latin America/Mexico Eastbound	99%	97%	100%	97%
Headhaul	91%	97%	90%	99%
Volume ('000 FEU)				
<u>Americas</u>				
Transpacific	642	589	209	203
Latin America	153	127	50	44
	<u>795</u>	<u>716</u>	<u>259</u>	<u>247</u>
<u>Europe</u>				
Asia-Europe	342	311	111	98
Transatlantic	112	94	36	32
	<u>454</u>	<u>405</u>	<u>147</u>	<u>130</u>
<u>Asia/Middle East</u>				
Intra-Asia	642	567	216	187
Total Volume ⁴	1,891	1,688	622	564
Operating Expenses (US\$m)				
<u>Americas</u>				
Transpacific	2,507	2,002	880	689
Latin America	579	435	198	152
	<u>3,086</u>	<u>2,437</u>	<u>1,078</u>	<u>841</u>
<u>Europe</u>				
Asia-Europe	1,170	820	413	268
Transatlantic	364	275	124	94
	<u>1,534</u>	<u>1,095</u>	<u>537</u>	<u>362</u>
<u>Asia/Middle East</u>				
Intra-Asia	1,184	853	414	297
Total Operating Expenses	5,804	4,385	2,029	1,500
Analysis of Expenses (US\$m)				
Operating Cost	5,266	3,891	1,854	1,332
General and Administrative	376	337	122	117
Depreciation and Amortisation	161	156	53	51
Others ⁵	1	1	-	-
Total Operating Expenses	5,804	4,385	2,029	1,500

⁴ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

⁵ Others consists of minority interest and share of results of associated companies and joint ventures.

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

(ii) **Logistics**

YTD 2008 vs YTD 2007

Logistics recorded YTD 2008 revenue of US\$996 million, an increase of US\$54 million or 6% year-on-year (YoY). Contract Logistics and International Services revenue was up 3% and 10% respectively YoY on higher volume and rates in the Contract Logistics division and improved rates in the International Services division.

YTD 2008 EBIT totalled US\$47 million, a YoY 24% increase due to higher revenue achieved coupled with active cost management efforts.

Q3 2008 vs Q3 2007

Logistics recorded Q3 2008 revenue of US\$315 million, a decrease of US\$3 million or 1% year-on-year (YoY). Contract Logistics 3Q08 revenue increased by US\$3 million or 2% YoY to US\$189 million due to higher contribution from rail operations and the automotive customer segment. International Services 3Q08 revenue decreased by US\$6 million or 5% YoY to US\$126 million due to lower volumes from the forwarding business.

3Q08 EBIT increased by US\$5 million or 42% year-on-year (YoY) to reach US\$17 million mainly due to better yield from a change in logistics service mix coupled with lower operating costs driven by continued cost management initiatives.

LOGISTICS Q3 RESULTS 2008 and 2007

Unaudited

US\$ millions

	YTD 2008	YTD 2007	Q3 2008	Q3 2007
BY REGION				
Revenue				
Americas	612	595	196	193
Europe	140	136	40	47
Asia/Middle East	244	211	79	78
Total Revenue	996	942	315	318
BY BUSINESS SEGMENT				
Revenue				
Contract Logistics Services	602	583	189	186
International Services	394	359	126	132
Total Revenue	996	942	315	318
Operating Expenses				
Contract Logistics Services	579	563	183	181
International Services	370	341	115	125
Total Operating Expenses	949	904	298	306
EBIT				
Contract Logistics Services	23	20	6	5
International Services	24	18	11	7
Total EBIT	47	38	17	12
Analysis of Expenses				
Operating Cost	814	750	256	251
General and Administrative	127	144	38	52
Depreciation and Amortisation	8	8	3	3
Others ⁶	-	2	1	-
Total Operating Expenses	949	904	298	306

⁶ Others consists of minority interest and share of results of associated companies and joint ventures.

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

(iii) **Terminals**

YTD 2008 vs YTD 2007

Terminals recorded YTD 2008 revenue of US\$429 million, a decrease of US\$17 million or 4% YoY due mainly to lower volume throughput. YTD 2008 volume throughput decreased by 8% YoY.

Lower volumes achieved resulted in a decrease in YTD 2008 EBIT by 18% YoY to US\$54 million.

Q3 2008 vs Q3 2007

Terminals recorded 3Q08 revenue of US\$146 million, an increase of US\$1 million or 1% year-on-year (YoY) due to better revenue mix resulting in higher average revenue per lift, partially offset by lower volumes. Volumes decreased by 3% to 557,000 lifts primarily due to industry wide capacity reduction in the contracting Transpacific trade.

3Q08 EBIT improved by approximately US\$1 million or 5% YoY to US\$23 million due to improved revenue from better revenue mix and higher average revenue per lift.

TERMINALS Q3 RESULTS 2008 and 2007

Unaudited

	YTD 2008	YTD 2007	Q3 2008	Q3 2007
Total Volume ('000 Lifts)	1,669	1,808	557	576
Analysis of Expenses (US\$m)				
Operating Cost	329	336	109	108
General and Administrative	35	32	11	11
Depreciation and Amortisation	14	15	4	5
Others ⁷	(3)	(3)	(1)	(1)
Total Operating Expenses	375	380	123	123

⁷ 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.**

The recent collapse in world financial markets and resulting global economic uncertainty can be expected to lead to lower demand for container shipping services and reduced shipment levels and vessel utilisations. Logistics services will likely be impacted by a scaling back of electronic, automotive and retail shipments in coming months. These factors are creating very difficult operating conditions in the transportation and logistics sectors and placing pressures on profitability.

It is reasonable to expect a more pronounced and prolonged downturn than previously forecast for the container shipping industry.

Although the NOL Group has been profitable in the first three quarters of the year, an operating loss is expected for the fourth quarter.

In the face of these challenging conditions, the company is focused on managing costs and productivity, optimising yields and keeping its asset base tight by reducing capacity and adjusting its global service network.

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 2008 US\$'000	YTD 2007 US\$'000	Q3 2008 US\$'000	Q3 2007 US\$'000
Transactions for the Purchase of Goods and Services				
Keppel Shipyard Limited and its associates	-	3,249	-	2,159
Keppel Telecommunications & Transportation Ltd and its associates	156	345	-	64
PSA Corporation Limited and its associates	129,549	107,093	42,359	35,789
SembCorp Marine Ltd and its associates	19,303	620	-	-
Singapore Petroleum Company Limited and its associates	12,586	8,183	5,459	2,534
Transactions for the Leasing-in of Assets				
SembCorp Marine Ltd and its associates	2,850	3,175	681	1,006
Transactions for the Sale of Goods and Services				
PSA Corporation Limited and its associates	-	243	-	-
SNP Corporation Ltd and its associates	-	221	-	100
NIB Bank Limited	77	-	54	-

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

BY ORDER OF THE BOARD

MARJORIE WEE AND WONG KIM WAH
Company Secretaries

Dated this 29 October 2008