



NOL Posts 2007 Net Profit of US\$523 Million, Up 44%

FOURTH QUARTER NET PROFIT RISES 292%

Singapore, 12 February 2008: Global container shipping and logistics group Neptune Orient Lines (NOL) today reported a net profit for 2007 of US\$523 million, 44% higher than the result for 2006.

The Group's EBIT was US\$613 million, 53% higher than in 2006.

For the fourth quarter of 2007 (4Q07), the company reported a net profit of US\$196 million (up 292%) and EBIT of US\$228 million (up 221%).

Revenue for the year was up 12% to a record US\$8.16 billion.

FINANCIAL HIGHLIGHTS

	2007	2006	Change %	4Q07	4Q06	Change %
Revenue (US\$m)	8,160	7,264	12	2,424	1,985	22
EBIT (US\$m)	613	401 ¹	53	228	71	221
Net profits (US\$m)	523	364 ²	44	196	50	292

¹ Excludes the impairment in value of goodwill arising on consolidation of US\$100 million.

² Includes US\$100 million impairment in value of goodwill arising on consolidation and offset by write back of net deferred tax liabilities of US\$119 million.

Announcing the results in Singapore, NOL Group President and Chief Executive Officer, Dr Thomas Held, said: "At the start of 2007, we said NOL had a clear, unambiguous intention to grow profitably. We have delivered on that pledge."

"We have recorded significant growth in container volumes, succeeded in securing higher average unit revenues and adopted a rigorous, disciplined approach to the management of all aspects of our business. Our focus on cost leadership has paid off in a year in which our industry faced very significant pressure on costs, especially fuel."

"We built excellent momentum in the fourth quarter, with Liner volumes rising 16% quarter-on-quarter and a significantly improved performance in Logistics, coupled with effective cost control across the board."

In NOL's Liner business, APL, revenue was up 15% year-on-year at US\$6.9 billion, and 26% higher for 4Q07, at US\$2 billion. 4Q07 average revenue per FEU of US\$2,865 was 11% higher than for the same period in 2006.

For the whole of 2007, APL carried record volumes of 2.4 million FEU (forty-foot equivalent unit). This was 12% more than in 2006, with particularly strong volume increases in the Intra-Asia trade lane.

APL's headhaul utilisation in 2007 continued to be at a high average level of 96%.

The Liner unit reported EBIT for 2007 of US\$533 million, up 56% on 2006, and 4Q07 EBIT of US\$196 million, 256% higher than for 4Q06.

Dr Held said: "Our business model with its focus on yield, value-added services, high asset utilisation and cost management has again delivered a good financial performance."

NOL's logistics unit, APL Logistics, recorded a 1% improvement in annual revenue at US\$1.3 billion, with 4Q07 up 6% at US\$381 million.

Logistics' EBIT grew by 14% year-on-year to US\$57 million, with improved margins and continued cost management contributing to the positive increase. Quarter-on-quarter, EBIT improved by 90% to US\$19 million, with the EBIT margin for 4Q07 at 5%.

Dr Held said: "APL Logistics' EBIT margins rank favourably in the logistics industry. Over the past year, we have made good progress in realigning our business model for logistics and focusing on our proven service strengths such as consolidation, deconsolidation and warehouse management."

NEW TERMINALS BUSINESS UNIT

From 2008, NOL will establish and report the results of a new container terminals business unit – APL Terminals.

Pro forma accounts provided today detail financial and performance information on the new Terminals unit. These show that if the Terminals unit had been operating as a separate business, with charges at arm's length, it would have delivered revenue of US\$609 million and EBITDA of US\$113 million in 2007.

The team appointed to manage the new business comes from NOL's existing management talent pool. The new President of APL Terminals, Steve Schollaert, has been with the NOL Group for 18 years. Mr Schollaert reports to the NOL Group CEO as part of the company's Group Executive Team.

Announcing the establishment of the new unit, Dr Held said: "Our Terminal assets are a valuable part of our portfolio. They are a critical component in our ability to deliver reliable, time-definite services. We recognise there is potential to expand our network by securing new concessions in geographies where customer demand is greatest and congestion is an issue."

APL Terminals operates facilities at Los Angeles, Seattle, Oakland and Dutch Harbour in North America. Its Asian terminals are at Kaohsiung, Yokohama and Kobe. In addition, APL Terminals has investments in facilities at Ho Chi Minh City, Vietnam and Laem Chabang, Thailand.

To view pro forma accounts for APL Terminals click [here](#)

FINAL DIVIDEND

The NOL Board of Directors has recommended a final tax-exempt (one-tier) dividend of 10 Singapore cents per share to be paid on 5 May 2008 to the shareholders whose names appear on the Company's share register at close of business on 22 April 2008. This is in addition to the interim tax-exempt (one-tier) dividend of 4 Singapore cents per share paid in September 2007. The total dividend for the performance year 2007 will be 14 Singapore cents per share.

OUTLOOK

Based on recent volatility in world financial markets and a slowing US economy, we expect growth in the US container trades to moderate. In other markets, we expect that there will be continuing growth in container shipping, particularly in trade lanes linked with the Asian economies.

4Q07 OPERATING PERFORMANCE (vs 4Q06)

Liner

- Revenue 26% higher at US\$2 billion
- EBIT of US\$196 million, up 256%
- EBIT Margin of 9.6%
- 11% increase in average revenue per FEU to US\$2,865
- 16% growth in total container volumes quarter-on-quarter
- Liner network capacity 13% greater than a year earlier
- Headhaul utilisation averaged 93%

Logistics

- Revenue 6% higher at US\$381 million
- EBIT of US\$19 million, up 90%
- EBIT Margin of 5%
- International Services revenue 25% higher at US\$157 million
- Contract Logistics revenue 5% down at US\$224 million

FY07 OPERATING PERFORMANCE (vs FY06)

Liner

- Revenue 15% higher at US\$6.9 billion
- EBIT of US\$533 million, up 56%
- EBIT Margin of 7.8%
- 12% growth in container volumes year-on-year
- Average container shipping capacity expanded by 11%
- Headhaul utilisation averaged 96%

Logistics

- Revenue 1% higher at US\$1.3 billion
- EBIT of US\$57 million, up 14%
- EBIT margin of 4.3%
- International Services revenue 18% higher at US\$516 million
- Contract Logistics revenue 7% down at US\$807 million

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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 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 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