



NOL Group Third Quarter 2007 Net Profit Up 50%

Singapore, 31 October 2007: Global container shipping and logistics group Neptune Orient Lines (NOL) today reported a net profit for the third quarter of 2007 (3Q07) of US\$191 million, 50% higher than for the same period in 2006.

The Group's EBIT for 3Q07 was US\$209 million, 115% higher than in the third quarter of 2006 (3Q06).

For the first three quarters of 2007, the company reported net profits of US\$327 million (up 4%) and EBIT of US\$385 million (up 17%).

Revenue for the year-to-date was up 9% to US\$5.7 billion, and by 15% quarter-on-quarter.

FINANCIAL HIGHLIGHTS

	YTD07	YTD06	Change %	3Q07	3Q06	Change %
Revenue (US\$m)	5,736	5,279	9	2,029	1,759	15
EBIT (US\$m)	385	330 ¹	17	209	97 ¹	115
Net profit (US\$m)	327	314	4	191	127	50

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

Announcing the results in Singapore, NOL Group President and Chief Executive Officer, Dr Thomas Held, said: "Our Group has delivered a strong profit performance in the third quarter. This was due to continuing double-digit growth in our container volumes, freight rate restoration in key shipping trades, effective yield management and successful cost mitigation. The results highlight the continuing success of our business model with its focus on providing exceptional service to our customers."

"The strength of our third quarter performance is shown by the fact that 3Q07 earnings exceeded those for the first half of this year," he said.

In NOL's container shipping business, APL, revenue rose 11% year-to-date, and 19% on a quarter-on-quarter basis. 3Q07 average revenue per FEU was 9% higher quarter-on-quarter. Freight rates generally continued to move in a positive direction, with the benefit of several successful rate restoration programs in recent months in key trade lanes.

APL carried 1.7 million FEU (forty-foot equivalent unit) year-to-date, which was 11% more cargo than the same period last year. The volume increase was driven mainly by the Transpacific and Intra-Asia trade lanes.

APL's overall headhaul utilisation averaged 99% during 3Q07.

NOL's logistics business, APL Logistics, reported a 2% improvement in revenue quarter-on-quarter. Year-to-date, sales were down 1%.

Dr Held said: "Our logistics business is continuing to experience a period of realignment as we sharpen our focus on origin and destination services."

"The strong fundamentals reflected in the Group results affirm the NOL Group's commitment to grow profitably and create shareholder value," Dr Held said.

OUTLOOK

Over the first nine months of this year, improving market conditions have led to robust volume growth and higher freight rates in key trade lanes. We expect these conditions to continue through the rest of the year.

Barring unforeseen circumstances, we expect this momentum to continue into 2008.

OPERATING PERFORMANCE (3Q07 vs 3Q06)

Liner

- Revenue was 19% higher at US\$1.7 billion
- 9% increase in average revenue per FEU, to US\$2,885
- 12% growth in total container volumes, reflecting continuing positive demand across all key trade routes
- Liner network capacity was 9% greater than a year earlier, due to the introduction of new vessels and services
- Headhaul utilisation averaged 99%, the same as in 3Q06
- EBIT of US\$192 million, up 123%
- EBIT Margin of 11.2%

Logistics

- Revenue was 2% higher at US\$318 million
- International Services revenue 16% higher
- Contract Logistics revenue 7% down
- EBIT of US\$12 million, down 14%
- EBIT Margin of 3.8%

Note to editors:

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

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About NOL



NOL is a Singapore-based global container shipping and logistics company. Its container shipping arm, APL, provides customers around the world with services that combine high quality intermodal operations with state-of-the-art information technology. Its logistics arm, APL Logistics, provides international, integrated 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