Full Year & 4Q 2014 Performance Review

13 February 2015

Forward Looking Statements

The following presentation includes forward-looking statements, which involve known and unknown risks and uncertainties, that could cause actual results or performance to differ. Forward looking information is based on current views and assumptions of management, including, but not limited to, prevailing economic and market conditions. Such statements are not, and should not be interpreted as a forecast or projection of future performance.

1. Full Year & 4Q 2014 Performance Review



By Ng Yat Chung
Group President & CEO

NOL 4Q 2014 Group Results Highlights

Group Core 4Q14 EBIT loss reduced 79%

- Group Core EBIT loss reduced 79% YoY to US$17m
- Net loss reduced 38% YoY to US$85m
- Group cost savings US$140m in 4Q14

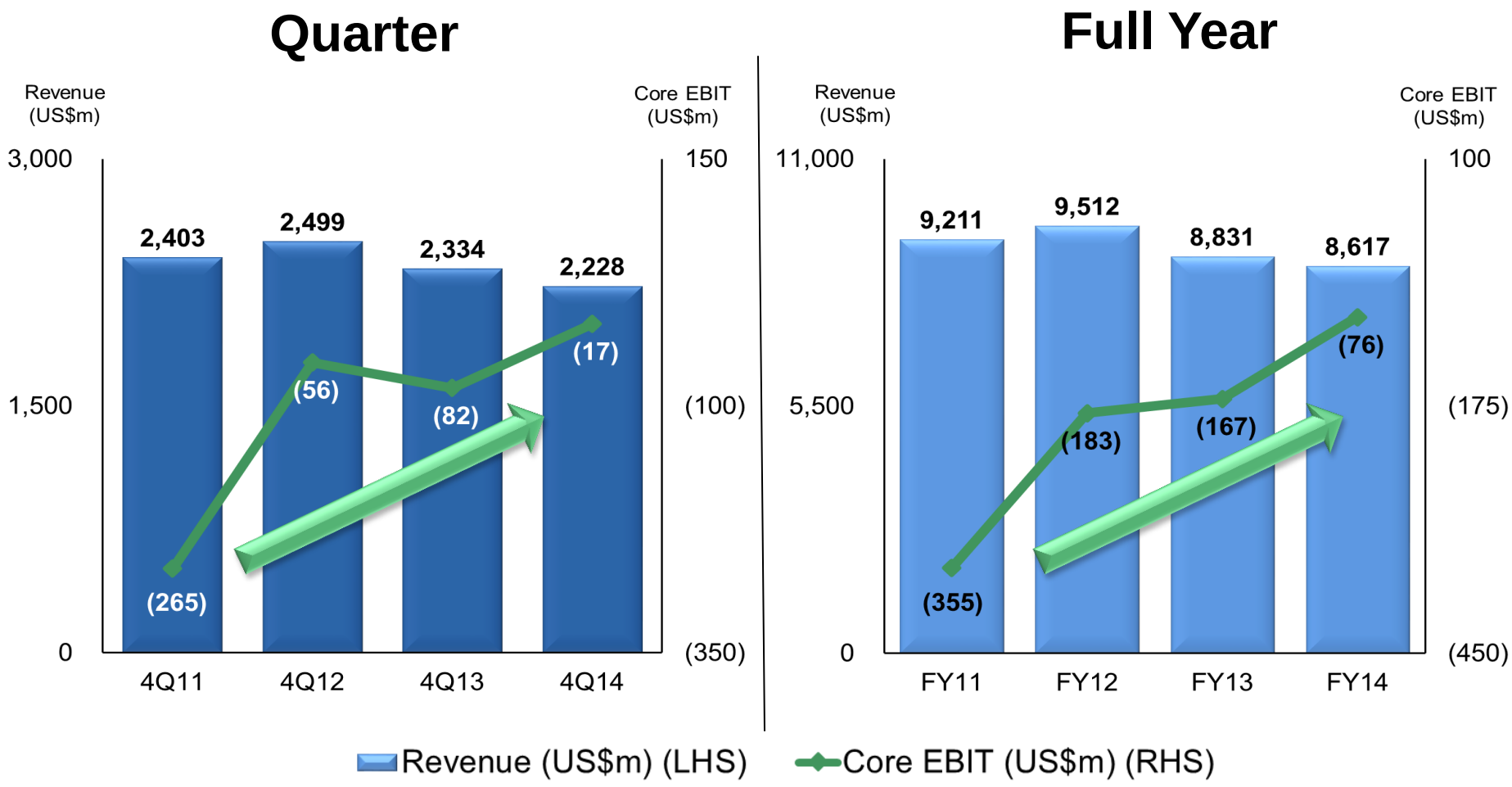
Liner reduced loss on cost efficiencies

- Revenue fell 7% YoY or US$130m, to US$1.8b due to capacity cut-backs and US West Coast port congestion
- Cost savings of US$140m reduced Core EBIT loss 64% YoY to US$37m
- Reduced cost impact from continued Southern California port congestion

Logistics recorded steady revenue growth

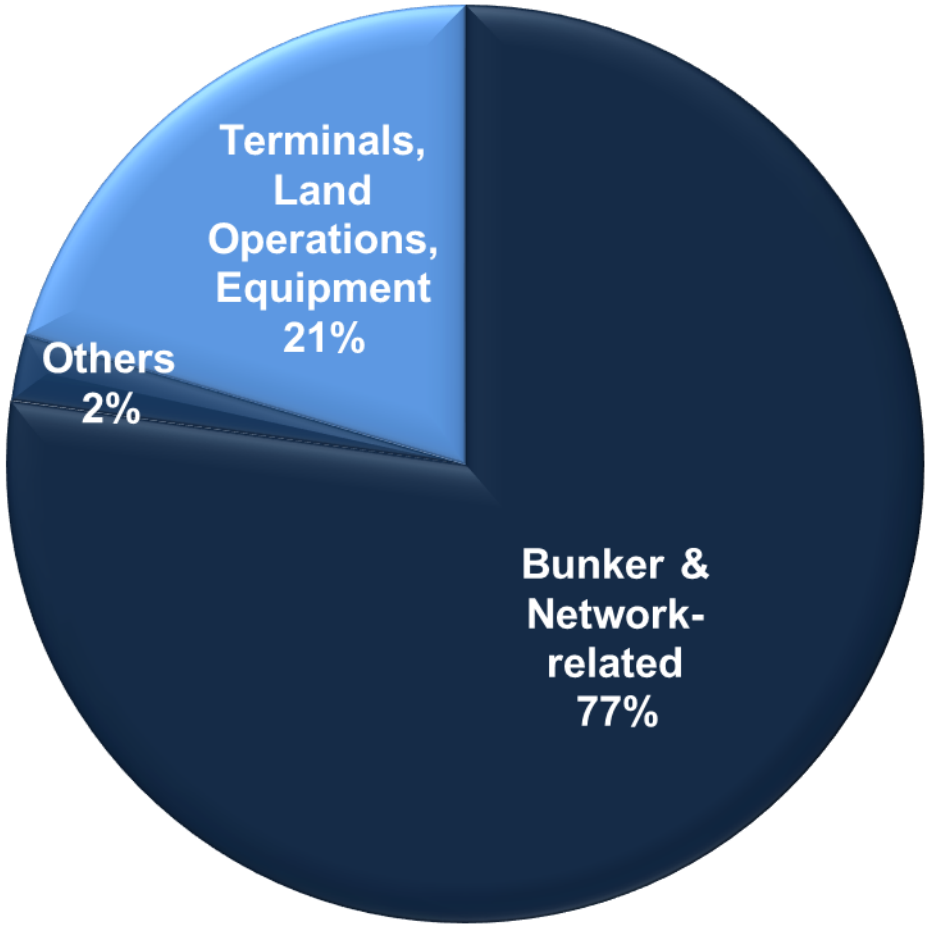
- Growth across all markets drives US$458m revenue, up 5% YoY
- Core EBIT eased 9% YoY to US$20m
- Completed organisational transition to support vertical focus

Group Core EBIT Trend



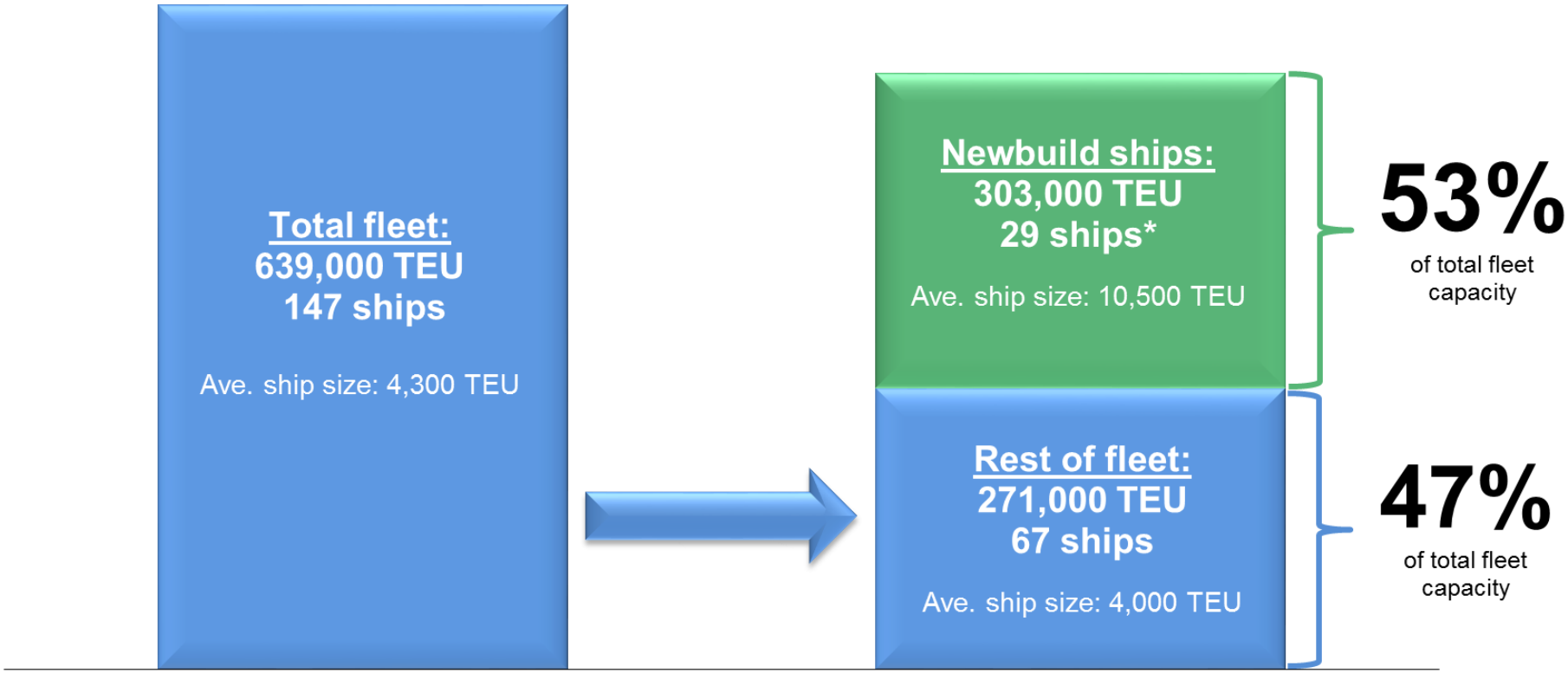
Recorded US$430m* cost savings in FY14

FY14 Cost Savings Categories



*Excludes bunker price drop of 6% YoY

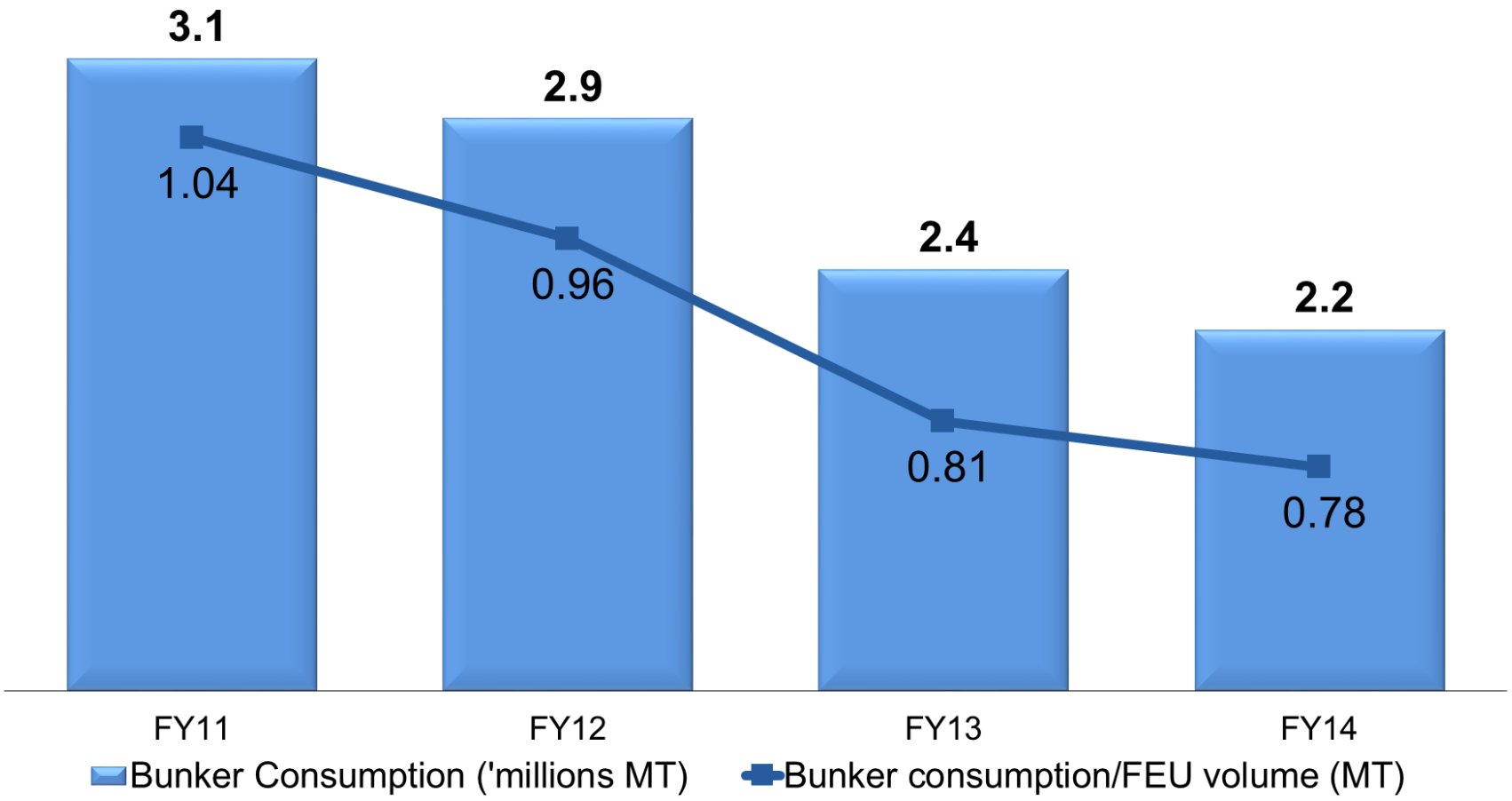
Increased fleet competitiveness: >50% made up of larger & more fuel-efficient newbuilds



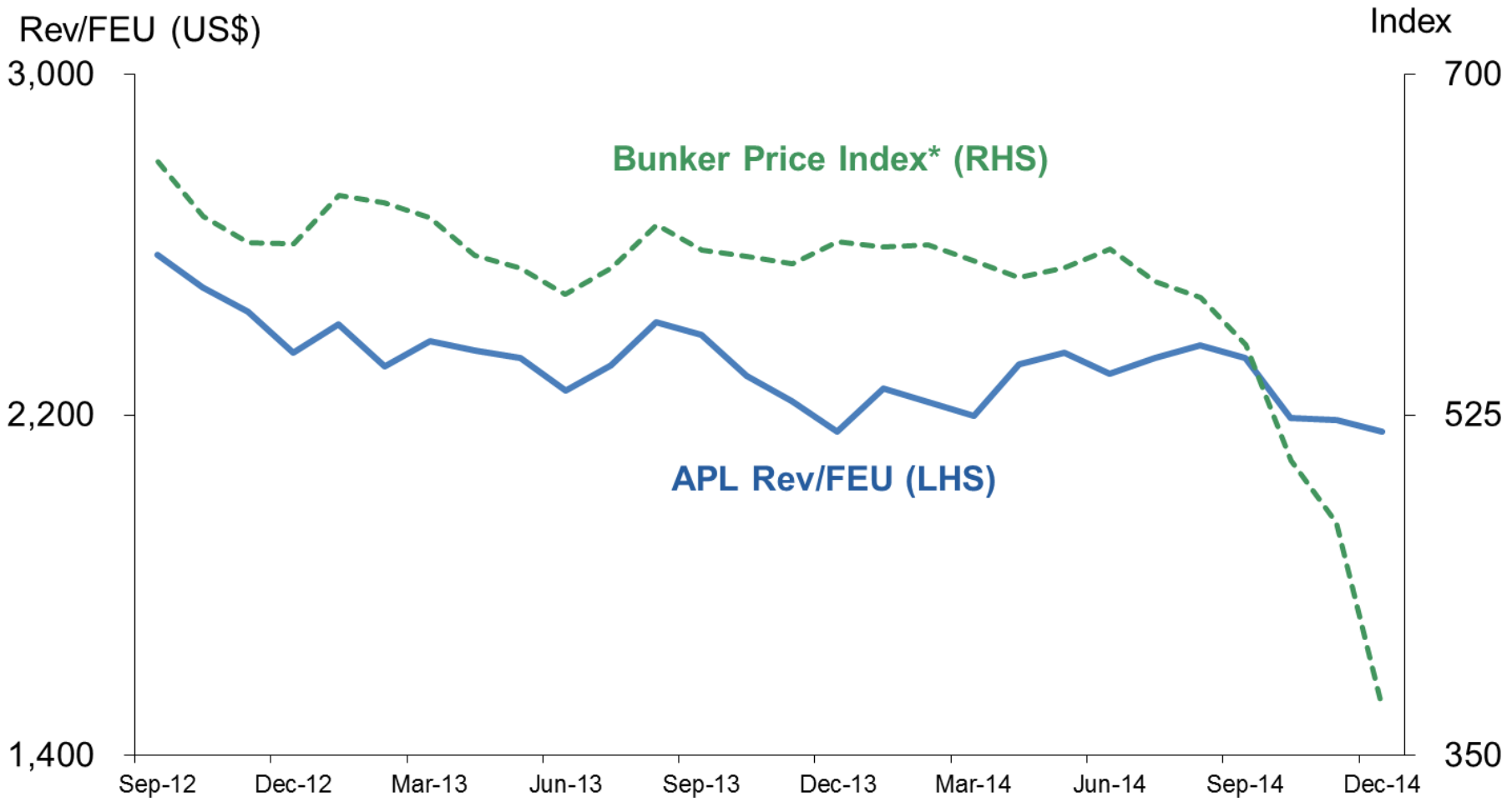
Before delivery of newbuild ships

* Excludes 5 x 14,000 TEU ships chartered out to MOL

Bunker consumption reduced, headroom to improve from charter expiries & operational efficiencies



Longer term impact on freight rates from lower bunker price is uncertain



** Source: Bloomberg*

Group Commentary

Global economic prospects are uncertain. Overcapacity in the liner industry will persist. More port congestion, resulting from further deterioration in the labour situation on the US West Coast, is a potential risk factor. The Group will continue its focus on managing costs and operational efficiencies.

2. Full Year & 4Q 2014 Financial Performance



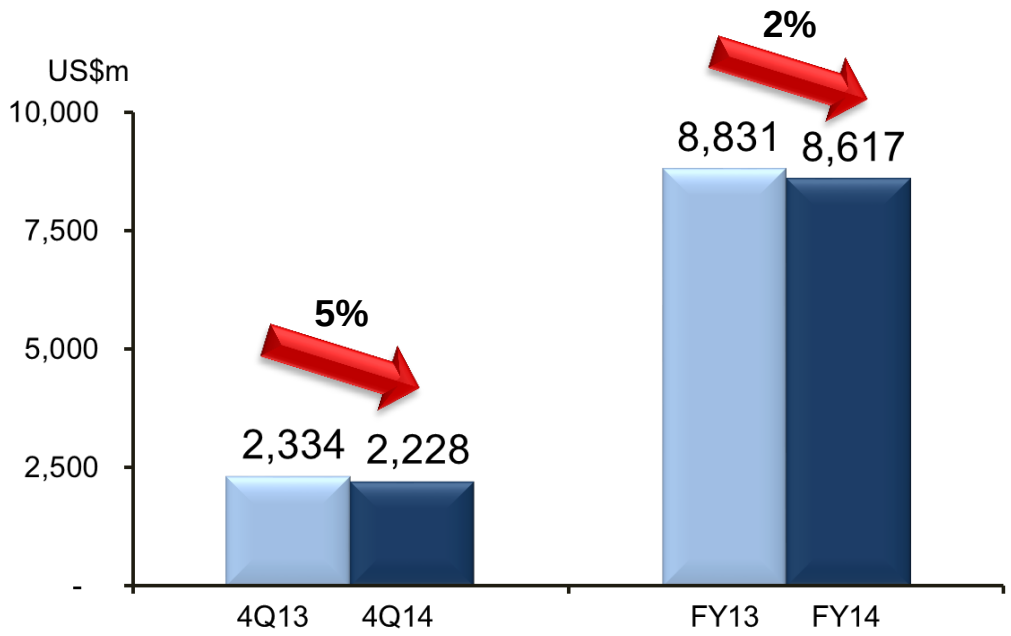
By Cedric Foo

Group Deputy President & CFO

Group Financial Highlights

FY14 revenue down on lower Liner revenue

Revenue

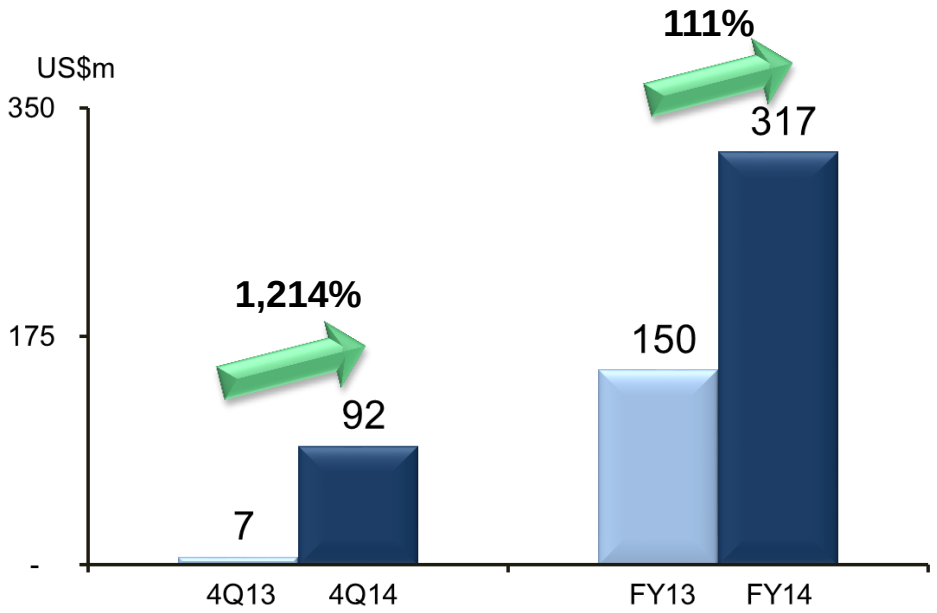


(US$m)	4Q14	4Q13	% ▲ Better/ (Worse)	FY14	FY13	% ▲ Better/ (Worse)
Liner	1,792	1,922	(7)	7,039	7,329	(4)
Logistics	458	434	5	1,659	1,586	5
Elimination	(22)	(22)	-	(81)	(84)	4
Total	**2,228**	**2,334**	**(5)**	**8,617**	**8,831**	**(2)**

Group Financial Highlights

Cost and efficiency focus improved Core EBITDA

Core EBITDA

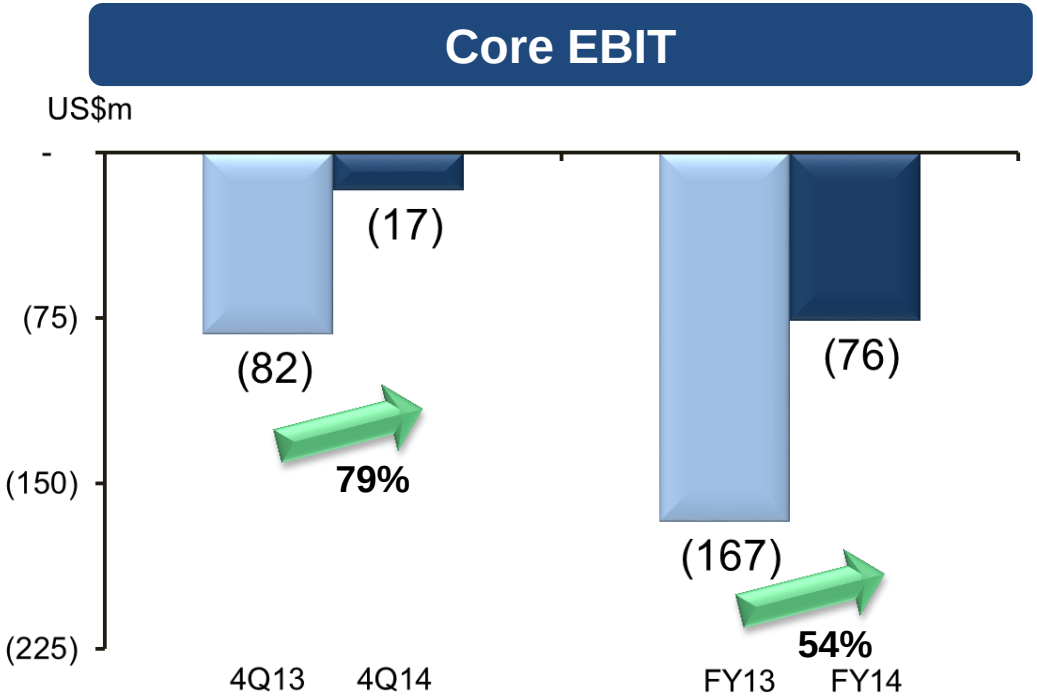


(US$m)	4Q14	4Q13[1]	% ▲ Better/ (Worse)	FY14	FY13[1]	% ▲ Better/ (Worse)
Liner	68	(18)	n.m.	237	71	234
Logistics	24	25	(4)	80	79	1
Total	**92**	**7**	**1,214**	**317**	**150**	**111**

1) 4Q13 and FY13 Core EBITDA has been restated due to change in cost allocation between Liner and Logistics

Group Financial Highlights

4Q14 Core EBIT loss reduced by 79% to US$17m

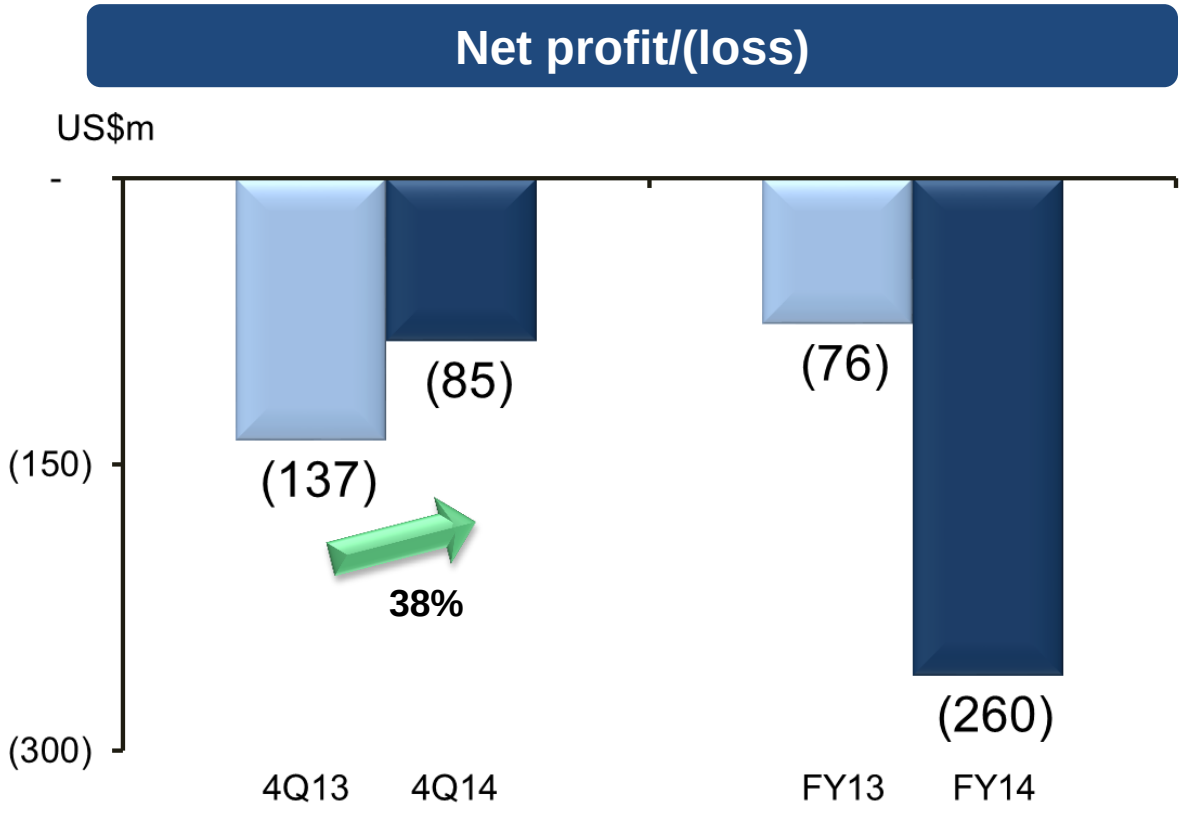


(US$m)	4Q14	4Q13[1]	% ▲ Better/ (Worse)	FY14	FY13[1]	% ▲ Better/ (Worse)
Liner	(37)	(104)	64	(143)	(234)	39
Logistics	20	22	(9)	67	67	-
Total	**(17)**	**(82)**	**79**	**(76)**	**(167)**	**54**

1) 4Q13 and FY13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

Group Financial Highlights

4Q14 net loss reduced by 38%



FY13 included US$200m building sale gain

Group Balance Sheet Highlights

US$m	26 Dec 14	27 Dec 13
Total Assets	9,100	9,029
Total Liabilities	7,292	6,898
Total Equity	1,808	2,131
Total Debt	5,291	4,866
Total Cash	1,226	981
Net Debt	4,065	3,885
Gearing (Gross)	2.93x	2.28x
Gearing (Net)	2.25x	1.82x
NAV per share (US$)	0.67	0.80
(S$)	0.89	1.02

Group Cash Flow Highlights

US$m	FY14	FY13
Cash & Cash Equivalents – Beginning @ Q1	**981**	**897**
Cash Inflow / (Outflow)		
Operating Activities	69	32
Investing/Capex Activities	(317)	(910)
Financing Activities	493	962
Cash & Cash Equivalents – Closing @ Q4	**1,226**	**981**

Notes:
1) FY13 Investing/Capex Activities includes proceeds from NOL building sale
2) Total may not sum up due to rounding

Group Capital Expenditure

US$m	FY14	FY13
1. Vessels	259	1,072
2. Equipment / Facilities	26	84
3. Drydock	12	48
4. IT	40	97
5. Others	17	7
Total	**354**	**1,308**

3. Liner



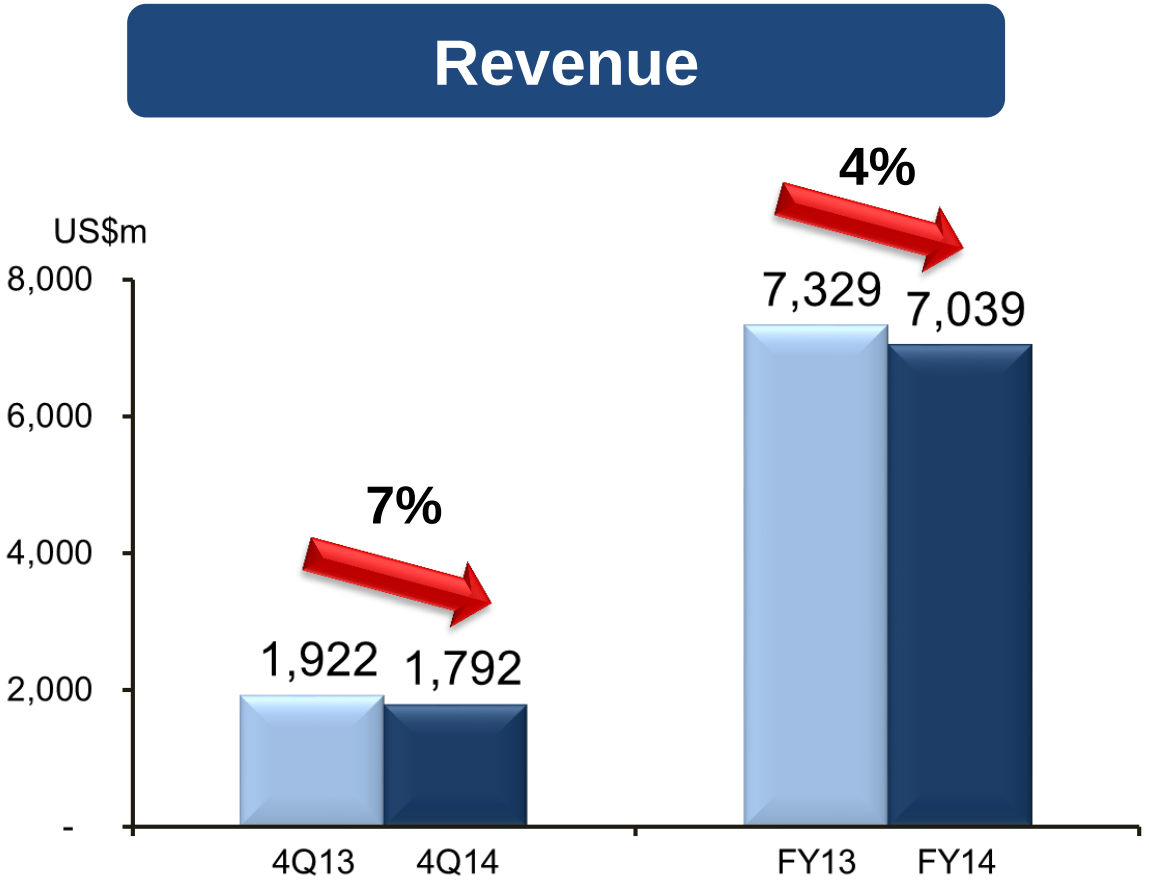
By Kenneth Glenn
President, APL

Liner Results 4Q 2014 Highlights

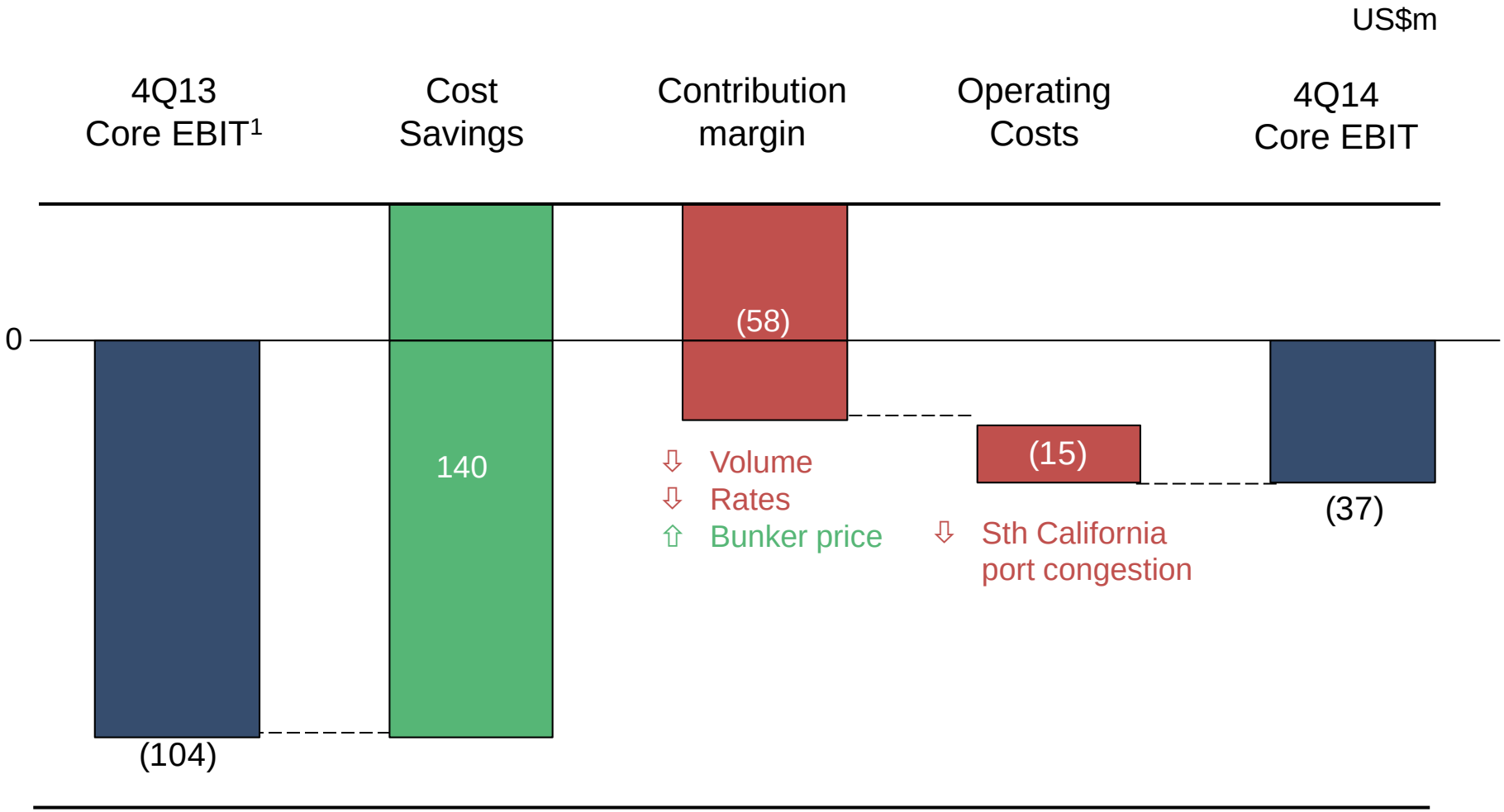
Core EBIT loss reduced 64% YoY to US$37m due to aggressive cost savings

- Revenue down 7% YoY to US$1.8b
- Volume fall mainly from capacity cut-backs and US West Coast congestion
- Recorded US$140m cost savings in 4Q14
- Continued Southern California port congestion added US$15m costs
- Despite lower revenue & port congestion costs, Core EBIT loss reduced 64% YoY to US$37m

Revenue moderated on capacity cut-backs and US West Coast port congestion

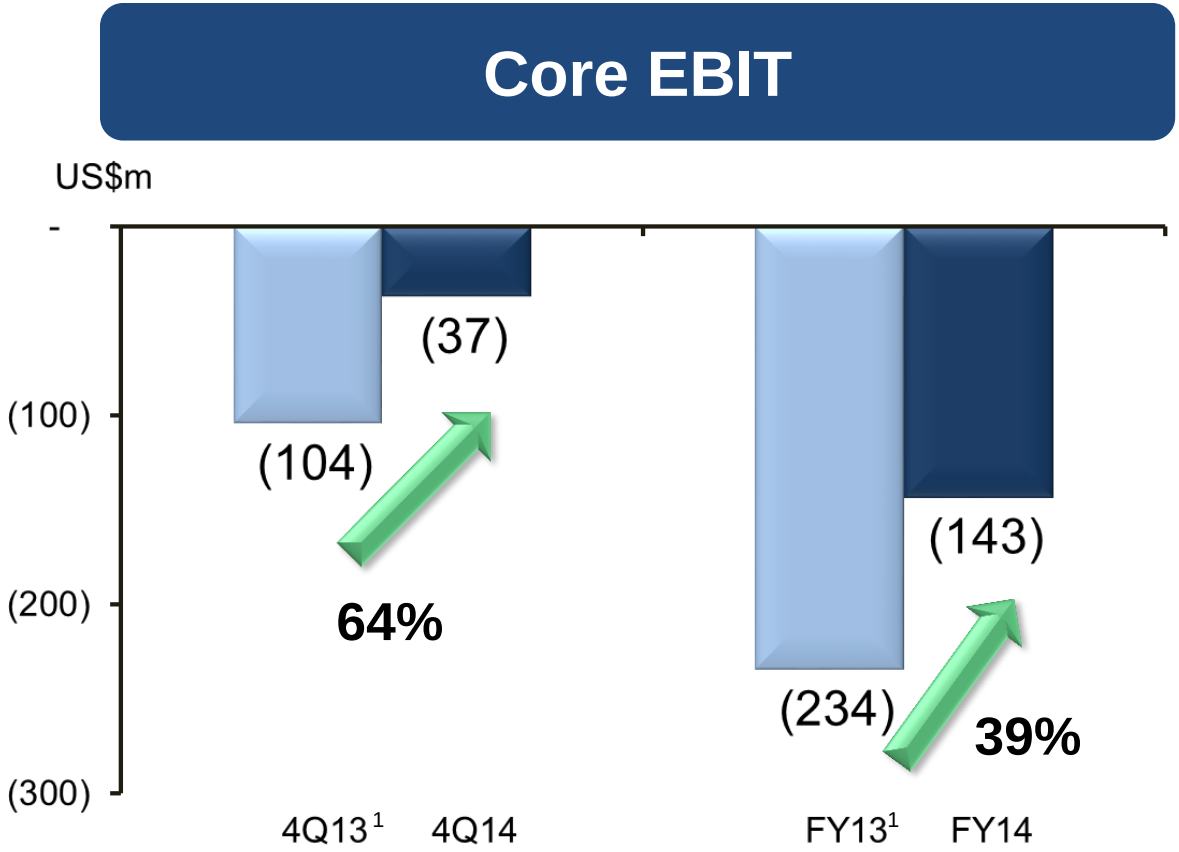


Cost savings drive reduced Core EBIT loss



1) 4Q13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

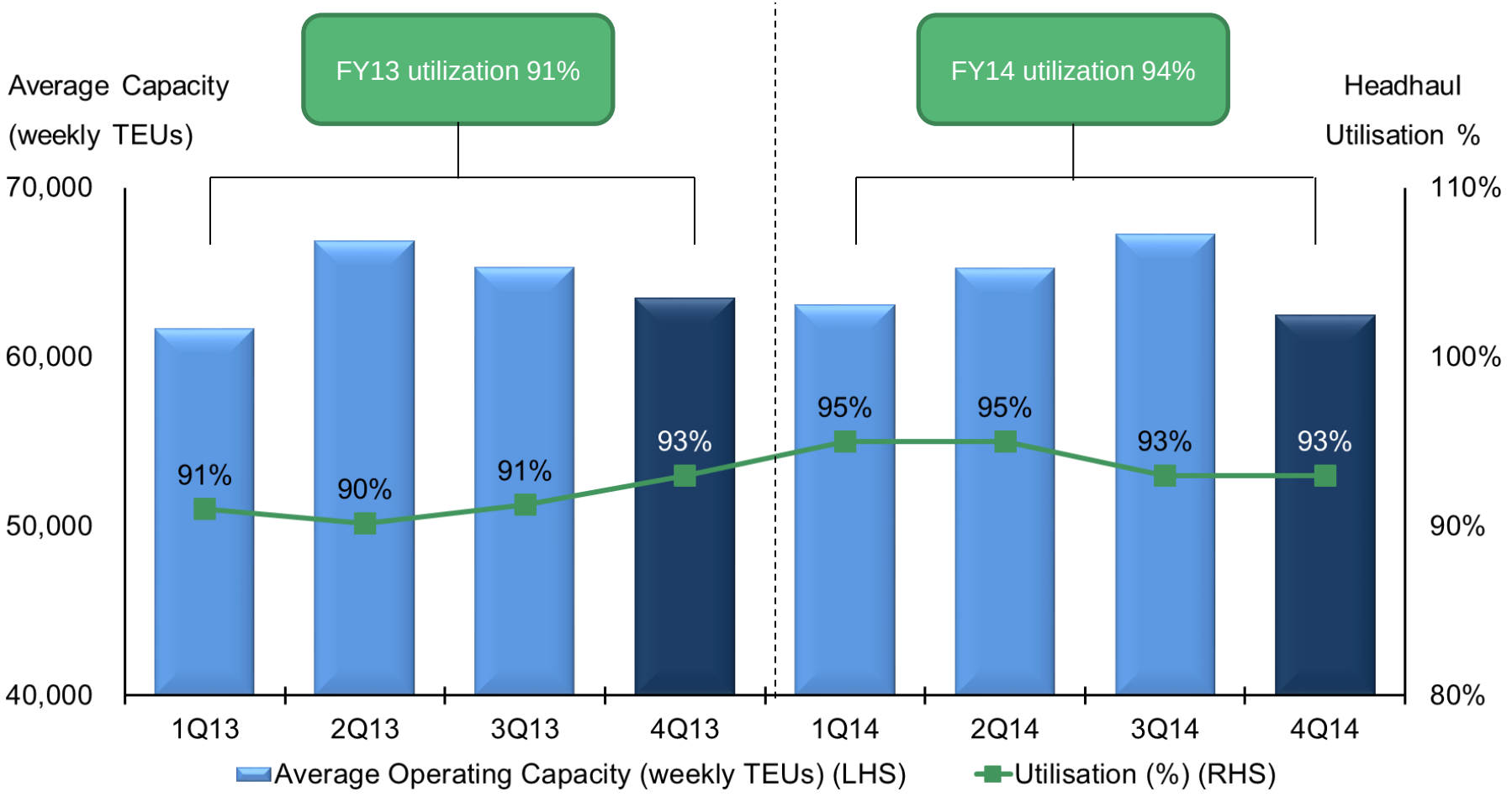
Reduced Core EBIT loss



- Underpinned by cost savings throughout FY14
- 4Q14 Bunker consumption 14% YoY (87k MT)
- 4Q14 Cost of sales/FEU down 2%

1) 4Q13 and FY13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

Working ships hard with >90% utilisation



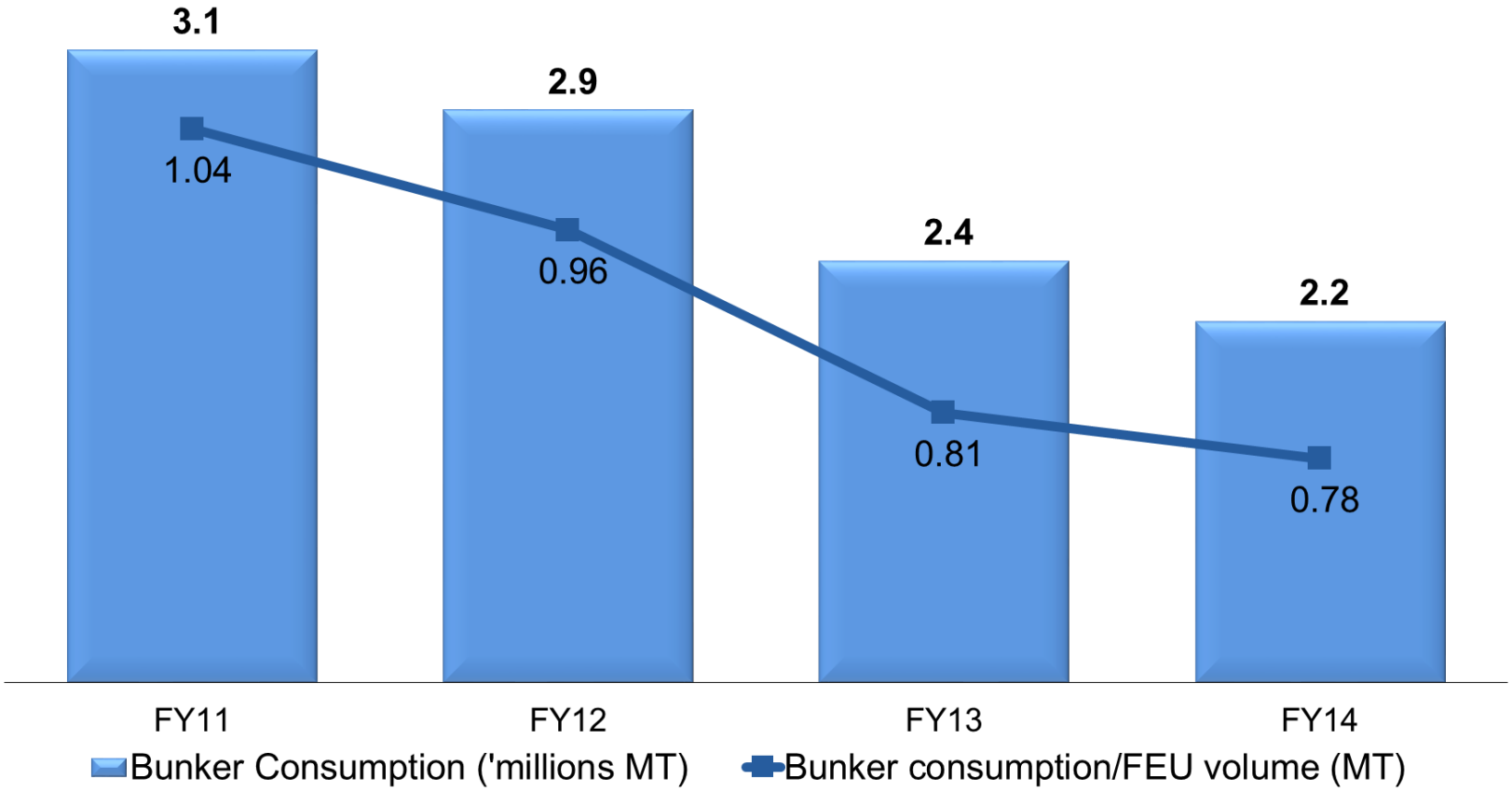
Note: Figures are based on the headhaul leg of main linehaul services
The capacity figures take into account "winter program" initiations

Continued cost focus mitigated low freight rate conditions



1) FY13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

Fleet renewal reduces unit and total bunker consumption



More opportunities in FY15 to improve fleet efficiency

FY12 to FY14

+34

newbuilds





-64

charter expiries/
vessel disposals

FY15



19

charter expiries

Liner business conditions

Industry

- Industry overcapacity to persist in 2015
- Longer term impact on freight rates from low bunker price is uncertain
- Protracted US West Coast port contract negotiations adding to industry uncertainty

APL

- Cost & efficiency mindset to continue
- Continue capturing network efficiencies: fleet efficiency, leverage alliances & other partnerships
- Concentrate on cargo yield management in key trade routes

4. Logistics



By Beat Simon
President, APL Logistics

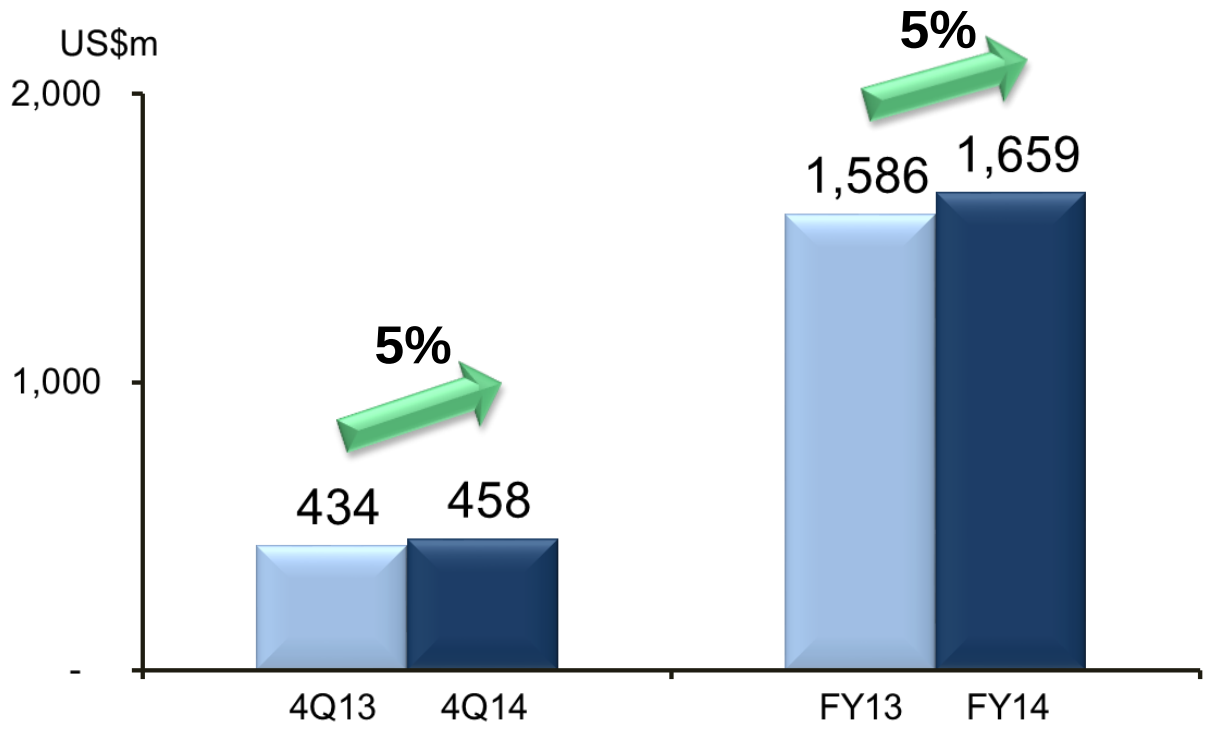
Logistics 4Q 2014 Results Highlights

Steady revenue growth across all markets

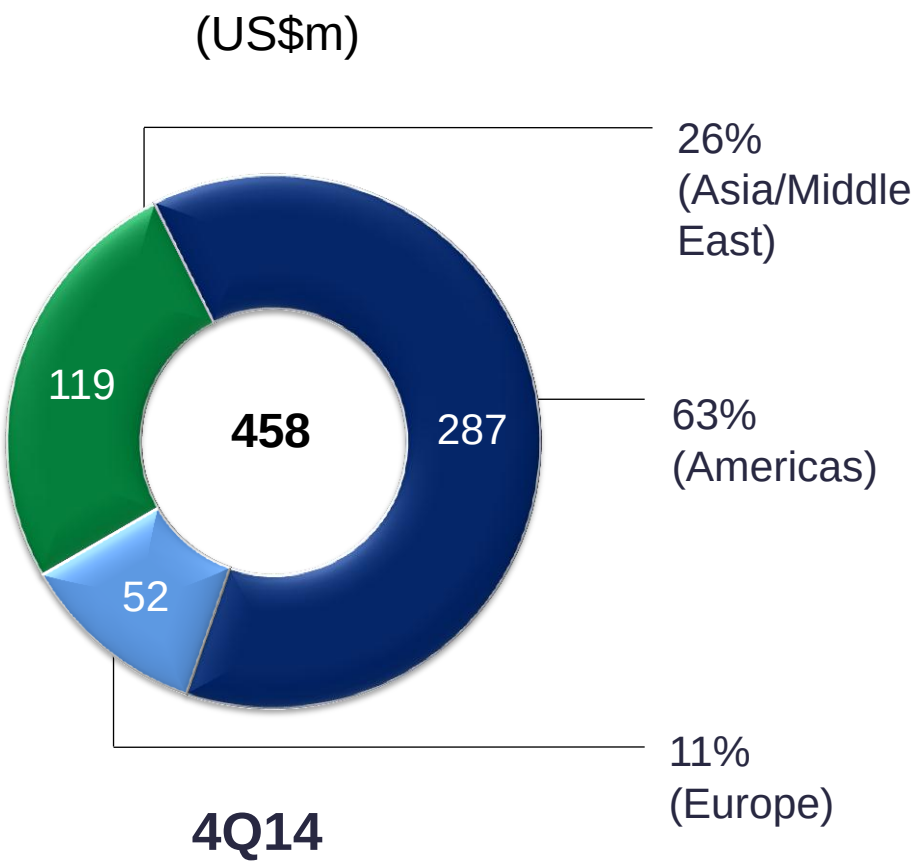
- Revenue US$458m, up 5% YoY
- Core EBIT of US$20m
- Core EBIT margin of 4.4%

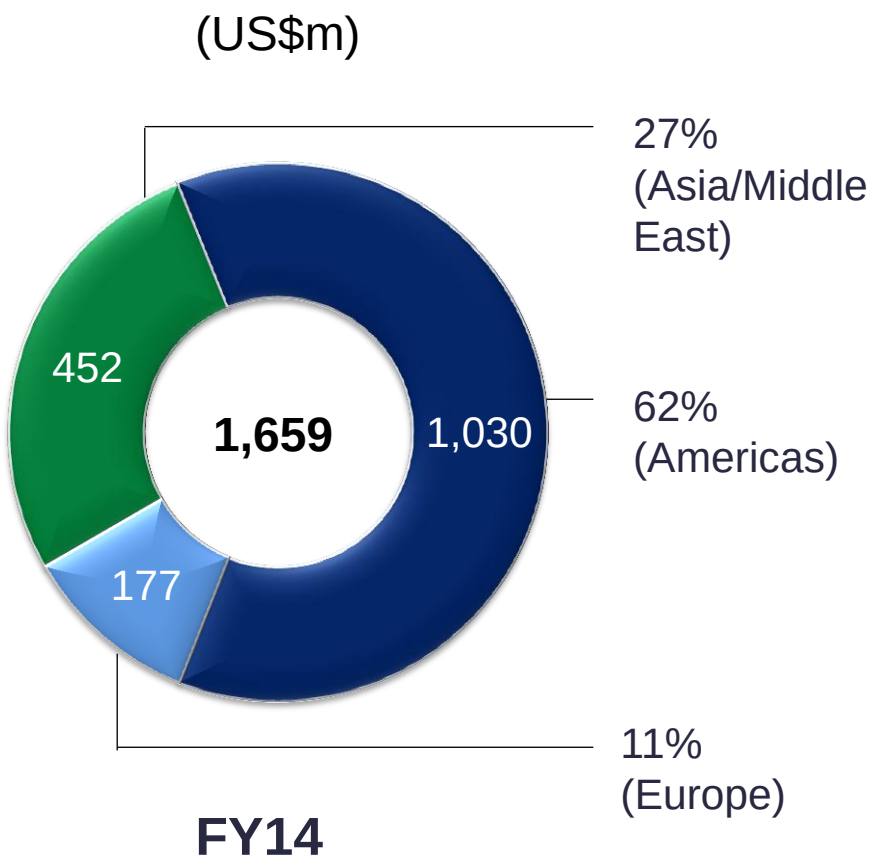
Broad-based revenue growth across all markets

Revenue



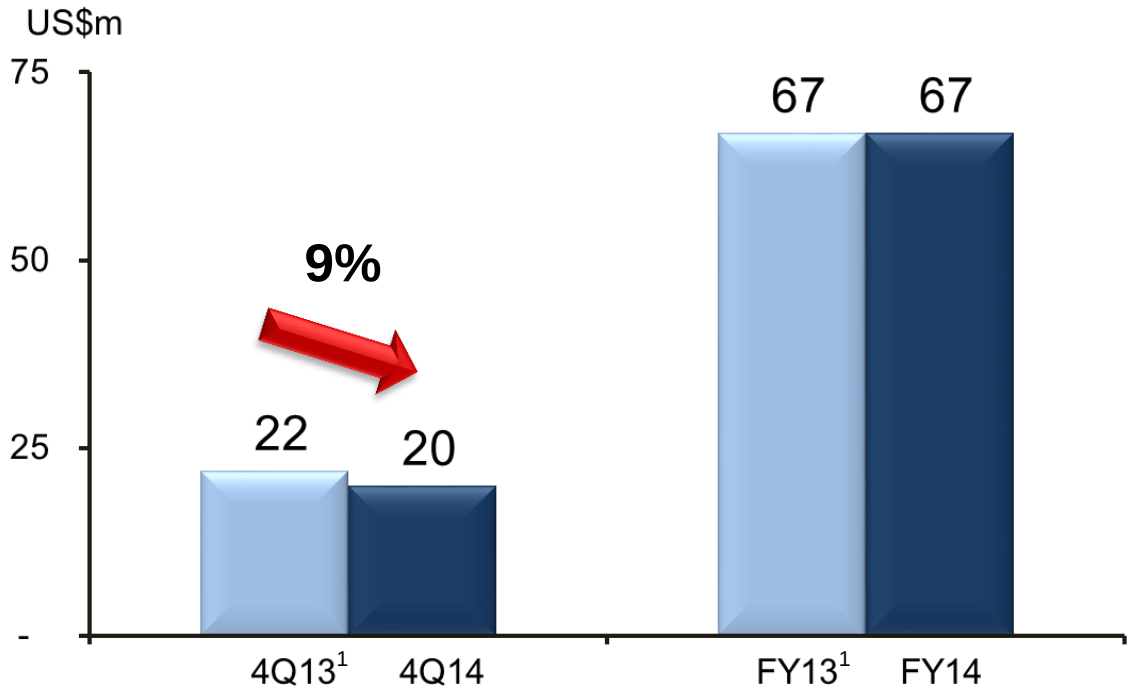
APL Logistics Revenue breakdown by region





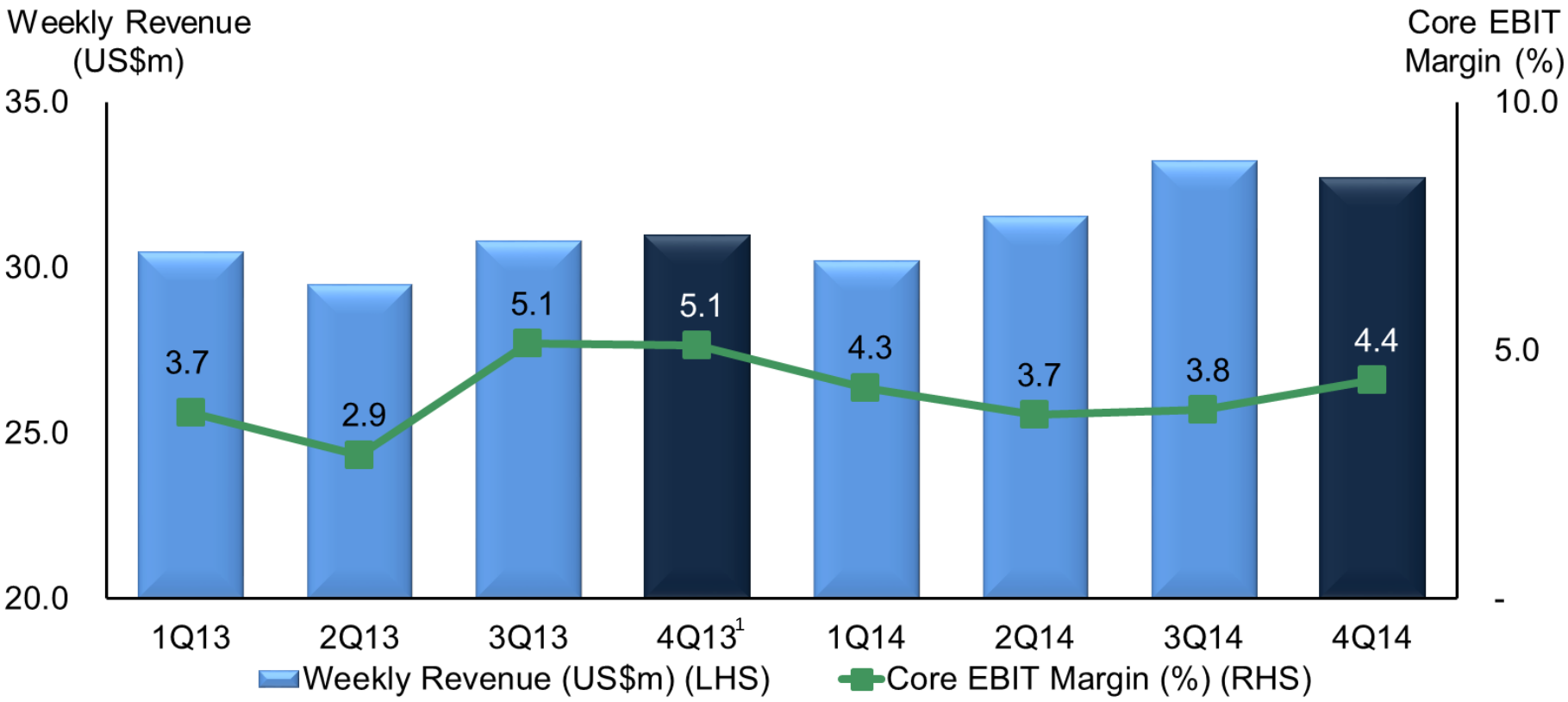
4Q 2014 Core EBIT eased to US$20m

Core EBIT



1) 4Q13 and FY13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

Revenue and Core EBIT Margin Trend



1) 4Q13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

APL Logistics' 4Q 2014 strategy update

- Organisational structure aligned with vertical-led strategy
- Expanded footprint in India & US:
  - Launched Autolinx in India, an innovative rail-based solution
  - Bought out partner stake in India rail JV
  - US JV acquired Commonwealth Express to broaden solutions in transport & brokerage services
- Invested in information technology, started new platform roll out



Appendix

Group Financial Highlights

US$m	FY14	FY13	% ▲ Better/ (Worse)	4Q14	4Q13	% ▲ Better/ (Worse)
Revenue	**8,617**	8,831	(2)	**2,228**	2,334	(5)
Core EBITDA	**317**	150	111	**92**	7	1,214
Core EBIT (before non-recurring items)	**(76)**	(167)	54	**(17)**	(82)	79
Non-recurring items	**(16)**	187	n.m.	**(11)**	(11)	-
EBIT	**(92)**	20	n.m.	**(28)**	(93)	70
Net loss to owners of the company [1]	**(260)**	(76)	(241)	**(85)**	(137)	38
Net loss to owners of the company (before non-recurring items)	**(244)**	(263)	7	**(74)**	(126)	41

Note:
1) FY13 results includes NRI of US$200m, mainly from gain of NOL building

Financial Highlights by Business Segment

Revenue (US$m)	FY14	FY13	% ▲ Better/ (Worse)	4Q14	4Q13	% ▲ Better/ (Worse)
Liner	**7,039**	7,329	(4)	**1,792**	1,922	(7)
Logistics	**1,659**	1,586	5	**458**	434	5
Elimination	**(81)**	(84)	4	**(22)**	(22)	-
Total Revenue	**8,617**	8,831	(2)	**2,228**	2,334	(5)

Core EBIT (US$m)	FY14	FY13[1]	% ▲ Better/ (Worse)	4Q14	4Q13[1]	% ▲ Better/ (Worse)
Liner	**(143)**	(234)	39	**(37)**	(104)	64
Logistics	**67**	67	-	**20**	22	(9)
Total Core EBIT	**(76)**	(167)	54	**(17)**	(82)	79

1) 4Q13 and FY13 Core EBIT has been restated due to change in cost allocation between Liner and Logistics

Liner Results Summary

US$m	FY14	FY13	% ▲ Better/ (Worse)	4Q14	4Q13	% ▲ Better/ (Worse)
Revenue	**7,039**	7,329	(4)	**1,792**	1,922	(7)
Core EBITDA[1]	**237**	71	234	**68**	(18)	n.m.
Core EBIT [1]	**(143)**	(234)	39	**(37)**	(104)	64
EBIT [2]	**(159)**	(74)	(115)	**(49)**	(114)	57
Core EBIT margin (%)	**(2.0)**	(3.2)		**(2.1)**	(5.4)	

Notes:
1) 4Q13 and FY13 Core EBITDA and Core EBIT has been restated due to change in cost allocation between Liner and Logistics
2) FY13 results includes NRI of US$172m, mainly from gain of NOL building

Operational Update

Volume ('000 FEUs)	FY14	FY13	% ▲	4Q14	4Q13	% ▲
Transpacific	814	855	(5)	204	235	(13)
Intra-Asia	1,252	1,296	(3)	334	354	(6)
Asia-Europe	442	422	5	117	112	4
Latin America	188	200	(6)	50	53	(6)
Transatlantic	131	173	(24)	29	46	(37)
Total	**2,827**	**2,946**	**(4)**	**734**	**800**	**(8)**

Average Revenue/FEU (US$)	FY14	FY13	% ▲	4Q14	4Q13	% ▲
Transpacific	3,308	3,420	(3)	3,197	3,265	(2)
Intra-Asia	1,355	1,386	(2)	1,334	1,317	1
Asia-Europe	2,383	2,307	3	2,259	2,242	1
Latin America	3,160	3,339	(5)	3,139	3,105	1
Transatlantic	2,784	2,698	3	2,781	2,706	3
Total	**2,264**	**2,318**	**(2)**	**2,179**	**2,218**	**(2)**

Note: Based on point of sailing and inclusive of headhaul and backhaul trade.

Logistics Results Highlights

US$m	FY14	FY13	% ▲ Better/ (Worse)	4Q14	4Q13	% ▲ Better/ (Worse)
Revenue	**1,659**	1,586	5	**458**	434	5
Core EBITDA[1]	**80**	79	1	**24**	25	(4)
Core EBIT [1]	**67**	67	-	**20**	22	(9)
EBIT [2]	**67**	94	(29)	**21**	21	-
Core EBIT margin (%)	**4.0**	4.2		**4.4**	5.1	

Notes:
1) 4Q13 and FY13 Core EBITDA and Core EBIT has been restated due to change in cost allocation between Liner and Logistics
2) FY13 results includes NRI of US$28m, mainly from gain of NOL building

Group Fuel and Currency Exposures

Bunker

- The Group continues to recover part of its fuel price increases from customers through bunker adjustment factors.
- The Group also maintains a policy of hedging its bunker exposures.

Foreign exchange

- Major foreign currency exposures are in Euro, Singapore Dollar, Canadian Dollar, Japanese Yen and Chinese Renminbi.
- The Group maintains a policy of hedging its foreign exchange exposures.

End of Presentation
Thank You

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