1Q 2015 Performance Review

14 May 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.

1Q 2015 Performance Review

NOL Group 1Q 2015 Results Highlights

Group net loss of US$11m, narrowed by US$87m YoY

- Revenue fell US$294m or 13% YoY on planned capacity cuts, void sailings and challenging freight rate environment
- Lower revenue offset by cost management; Core EBIT reversed from negative US$65m to positive US$30m

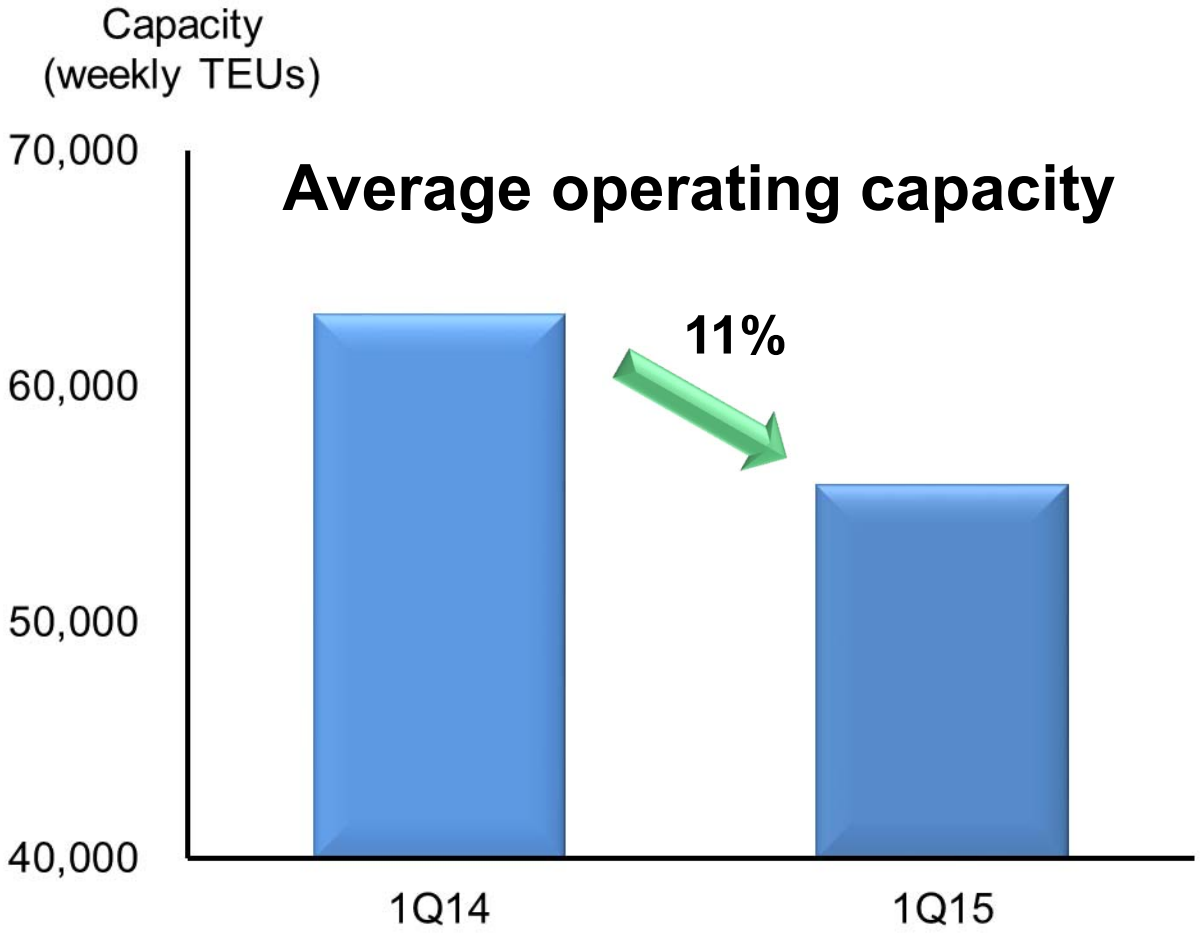
Liner achieved US$13m Core EBIT

- Revenue down US$293m or 15% YoY to US$1.6b, mainly due to 11% reduced headhaul capacity and 8% fall in Rev/FEU
- Cost efficiencies and lower bunker costs offset lower revenue, Core EBIT improved from negative US$82m to positive US$13m

Logistics maintained Core EBIT of US$17m

- Revenue steady at US$406m despite headwinds from stronger US dollar
- Shareholder approved divestment of Logistics business to Kintetsu World Express. Completion is expected by mid-2015

Liner operating fleet capacity reduced 11% YoY to reduce losses



US West Coast port congestion that disrupted business in 1Q15 is easing

"West Coast ports have experienced congestion since last summer, but the congestion has grown increasingly worse"

Journal of Commerce, 2 Feb 2015

"The tentative (West) coastwide contract agreement … was reached 20th Feb by the ILWU and the PMA"

Journal of Commerce, 21 Feb 2015

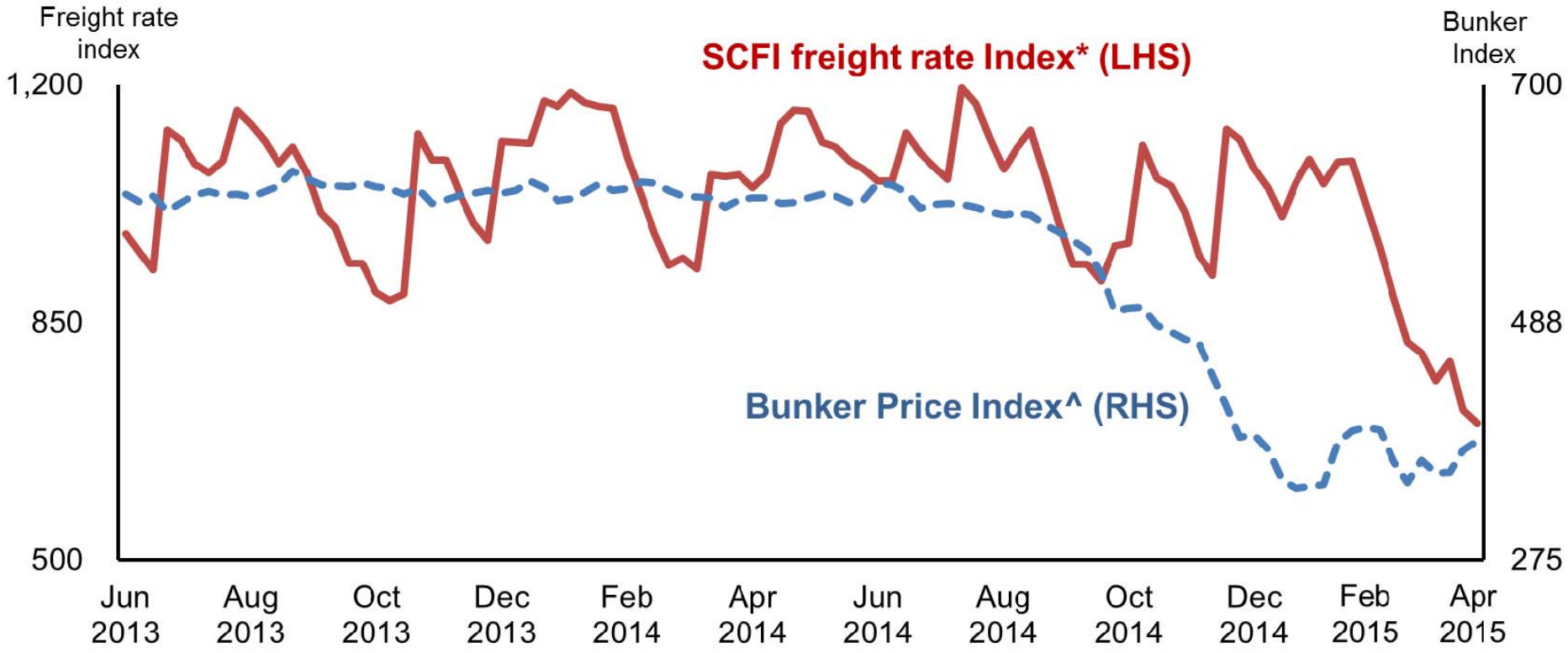
"The labour dispute on the US West Coast has led to the worst congestion on record"

Seatrade Global, 2 Feb 2015

"Terminal operators in Los Angeles-Long Beach are beginning to reduce the vessel backlog built up during the longshore labor negotiations…"

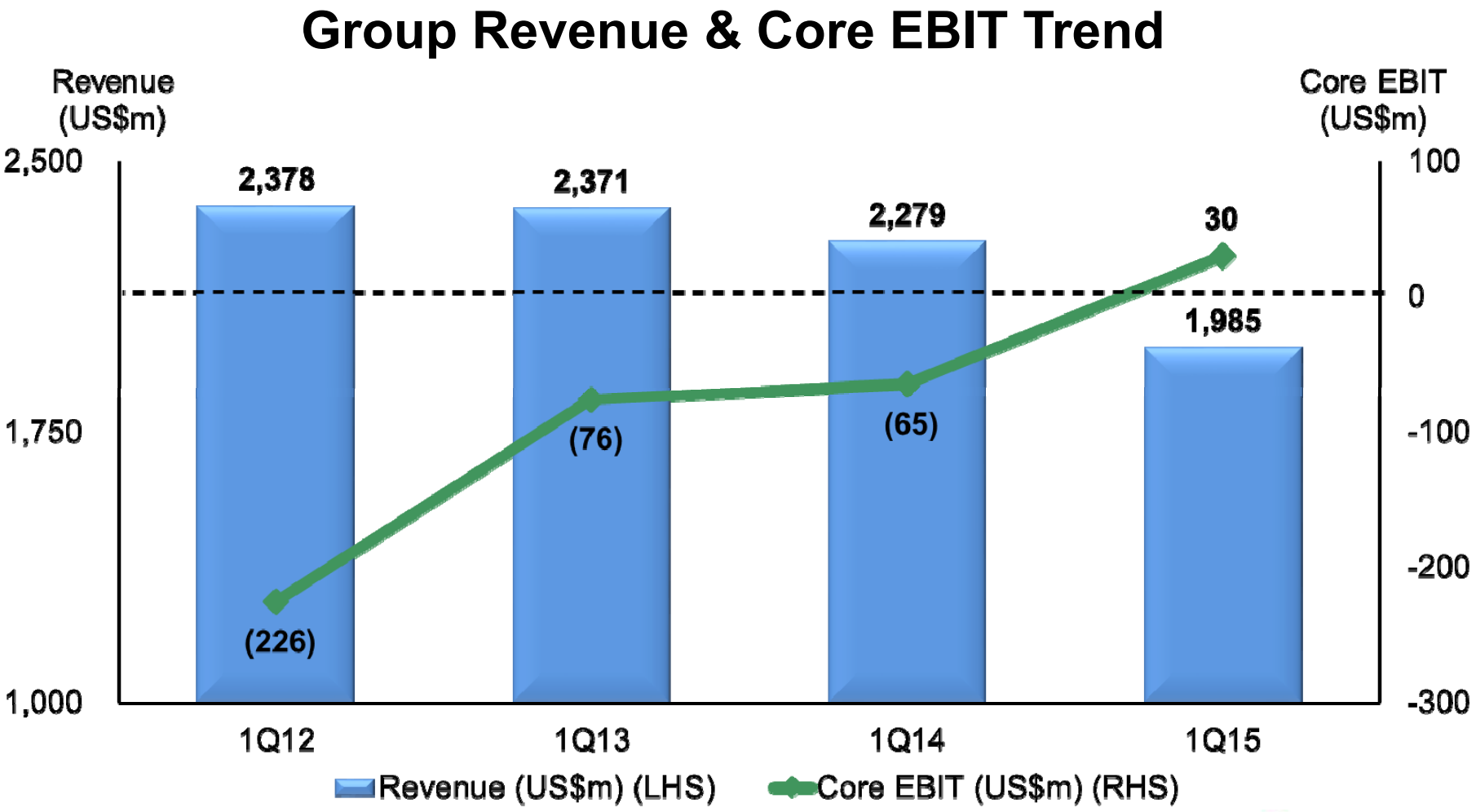
Journal of Commerce, 30 Mar 2015

Freight rate environment remained challenging as 1Q15 spot freight rate index fell 8% YoY



* *Source: Shanghai Containerized Freight Index. Shanghai Containerized Freight Index composite index is a weighted average of 15 individual routes*
^ *Source: Bloomberg*

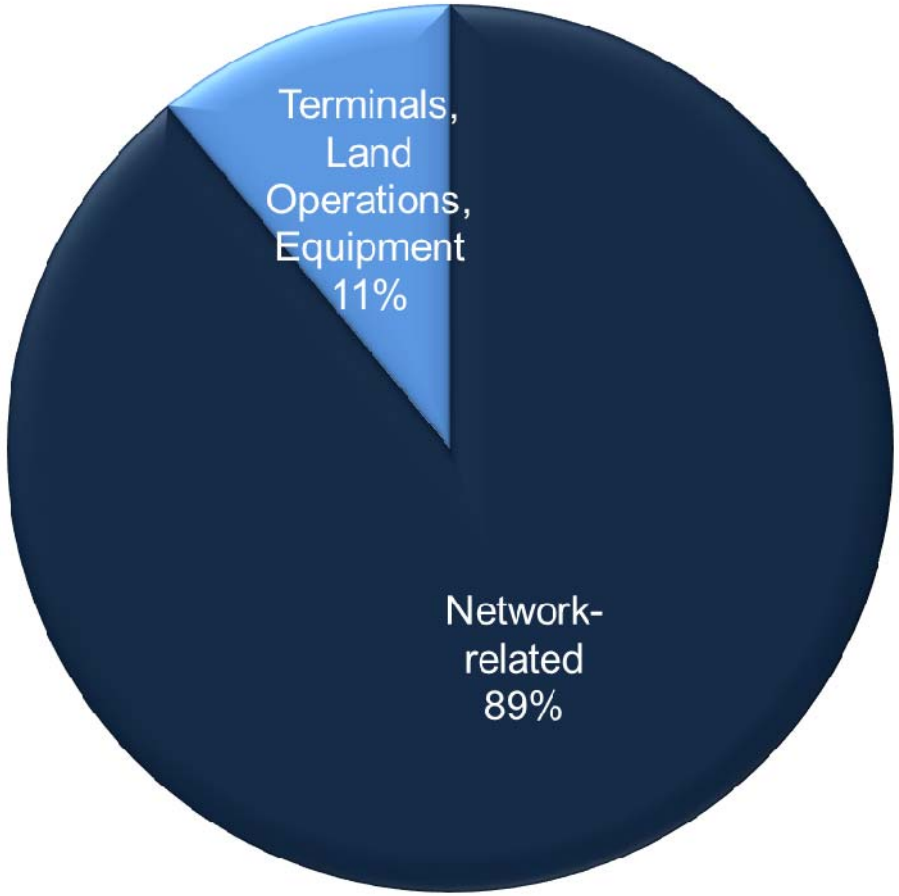
Despite lower Revenue, Group Core EBIT up US$95m YoY driven by Liner improvement



Network improvements drive US$155m* cost savings in 1Q15

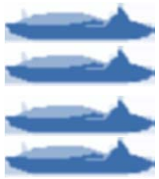
1Q15 Cost Savings Categories

*Excludes bunker price fall savings of US$103m



Scheduled charter expiries to continue improving fleet's market-competitiveness

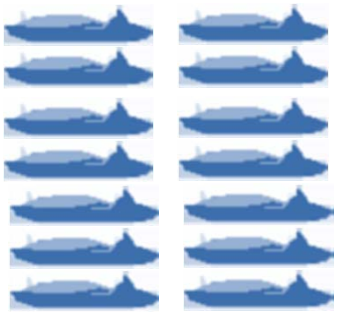
1Q15



-4

charter returns

2Q - 4Q15



14

Scheduled charter expiries

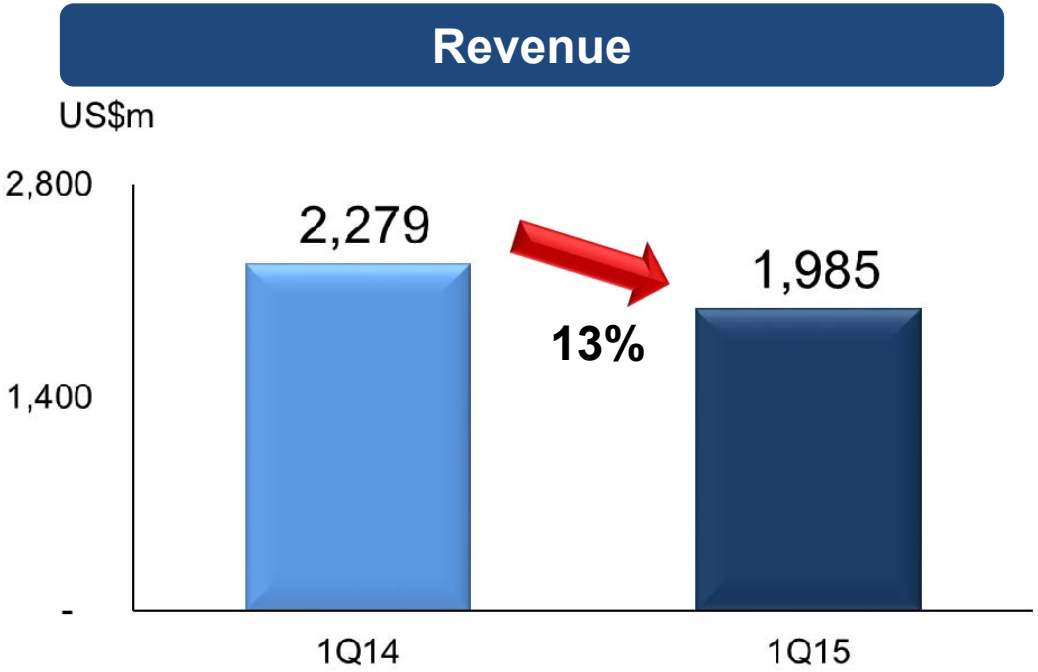
Group commentary

The Group's continuous focus on cost and operational efficiencies has helped to offset the effects of freight rate decline in the first quarter. Going forward, global economic prospects remain uncertain. Freight rates remain challenged by persistent overcapacity in the container shipping industry. The Group will continue its focus on managing costs, increasing yields and adjusting its liner network capacity to improve profitability.

2. 1Q 2015 Financial Performance

Group Financial Highlights

Revenue declined 13% YoY due to lower Liner revenue as a result of capacity management and lower freight rates



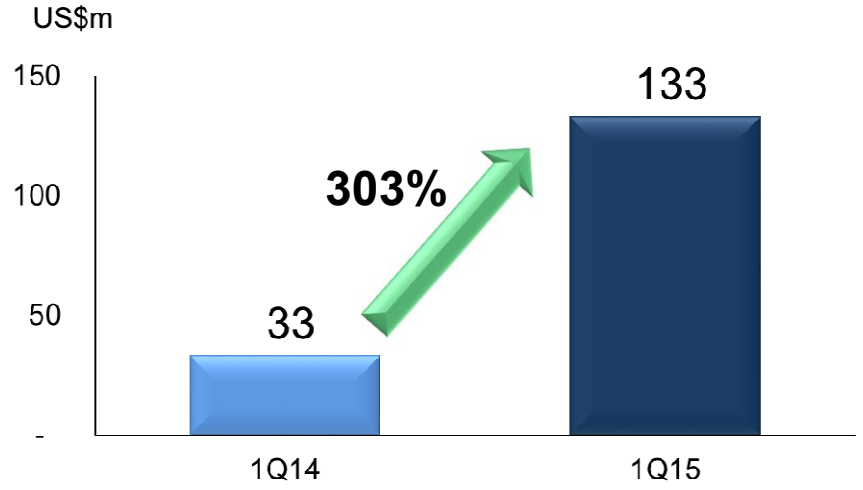
(US$m)	1Q14	1Q15	% ▲ Better/ (Worse)
Liner[1]	1,894	1,601	(15)
Logistics[1]	405	406	-
Elimination[1]	(20)	(22)	(10)
Total	**2,279**	**1,985**	(13)

Note:
1) In accordance with the sale and purchase agreement of 17 February 2015 for the proposed sale of NOL's logistics business to KWE, certain companies in the logistics segment have been carved out from the proposed sale. With effect from 1Q 2015 and pursuant to FRS 105 (Non-Current Assets Held for Sale and Discontinued Operations), the logistics segment will exclude the carved-out companies. Accordingly, the comparative figures in 1Q 2014 have been restated.

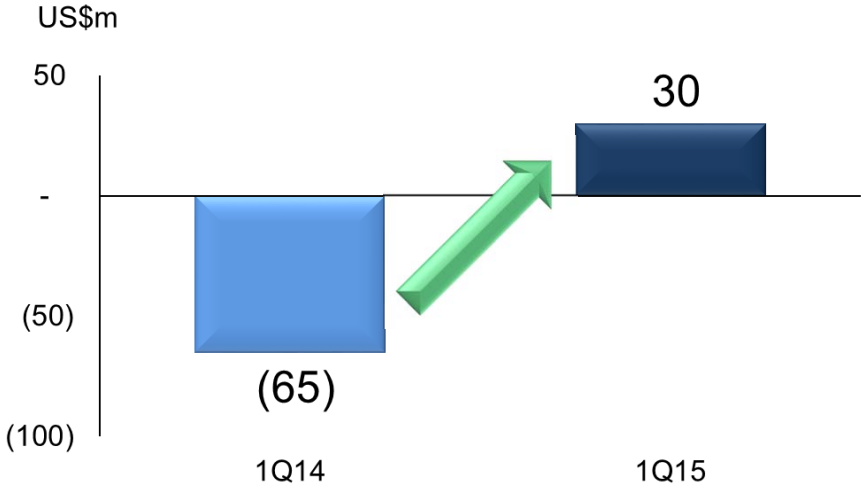
Group Financial Highlights

Cost focus and lower bunker costs drive improved results

Core EBITDA



Core EBIT



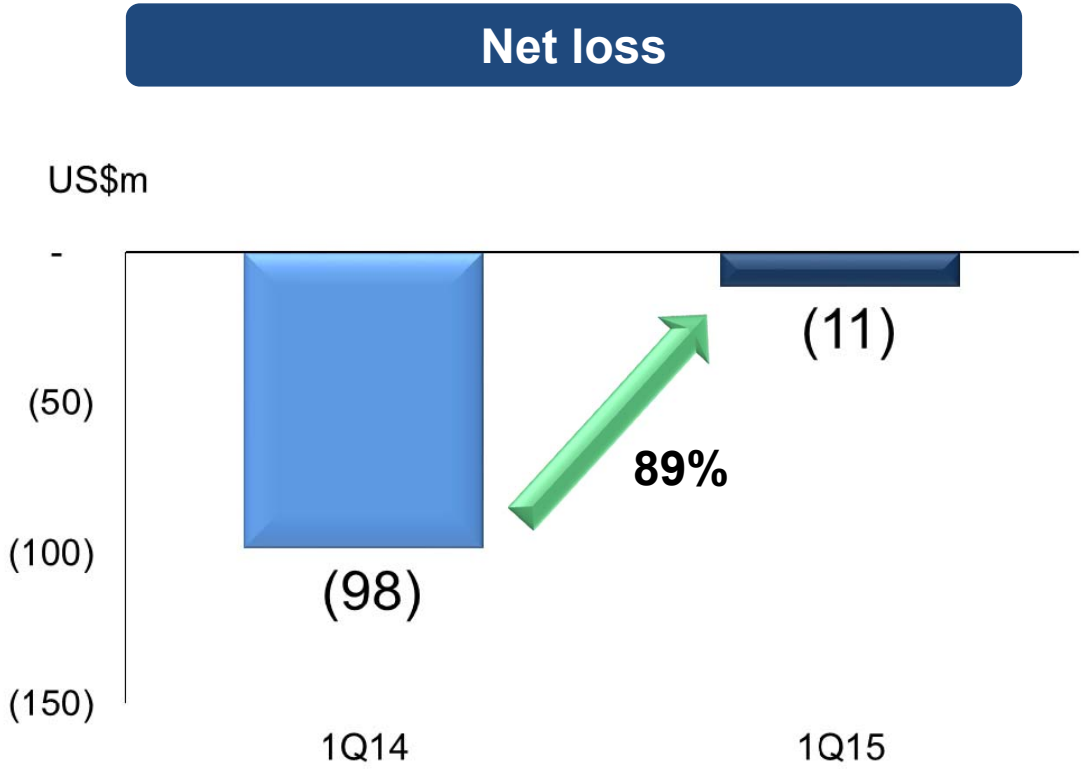
(US$m)	1Q14	1Q15	% ▲ Better/ (Worse)
Liner[1,2]	13	115	785
Logistics[1,2]	20	18	(10)
Total	**33**	**133**	**303**

(US$m)	1Q14	1Q15	% ▲ Better/ (Worse)
Liner[1,2]	(82)	13	n.m.
Logistics[1,2]	17	17	-
Total	**(65)**	**30**	n.m.

Notes:
1) Liner and Logistics 1Q14 Core EBITDA and Core EBIT have been restated. Refer to explanatory footnote on page 13
2) Core EBITDA and Core EBIT excludes non-recurring items

Group Financial Highlights

Net loss reduced by US$87m or 89% YoY to US$11m



Group Balance Sheet Highlights

US$m	3 Apr 15	26 Dec 14
Total Assets	8,324	9,100
Total Liabilities	6,542	7,292
Total Equity	1,782	1,808
Total Debt	4,641	5,291
Total Cash	696	1,226
Net Debt	3,945	4,065
Gearing (Gross)	2.60x	2.93x
Gearing (Net)	2.21x	2.25x
NAV per share (US$)	0.66	0.67
(S$)	0.90	0.89

Group Cash Flow Highlights

US$m	1Q15	1Q14
Cash & Cash Equivalents – Beginning @ Q1	**1,226**	**981**
Cash Inflow / (Outflow)		
Operating Activities	123	35
Investing/Capex Activities	(48)	(252)
Financing Activities	(605)	(159)
Cash & Cash Equivalents – Closing @ Q1	**696**	**605**

Group Capital Expenditure

US$m	1Q15	1Q14
1. Vessels	2	216
2. Equipment / Facilities	10	3
3. Drydock	4	11
4. IT	16	14
5. Others	1	4
Total	**33**	**248**

3. Liner

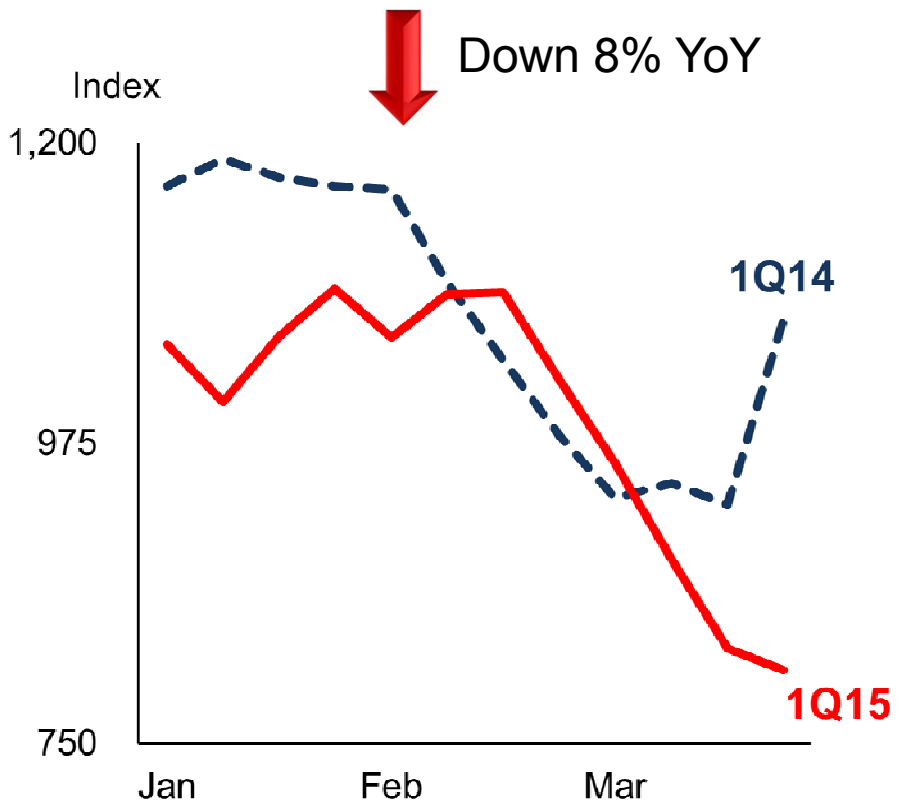
Liner 1Q 2015 Highlights

Capacity and cost management improved Core EBIT from negative US$82m to positive US$13m

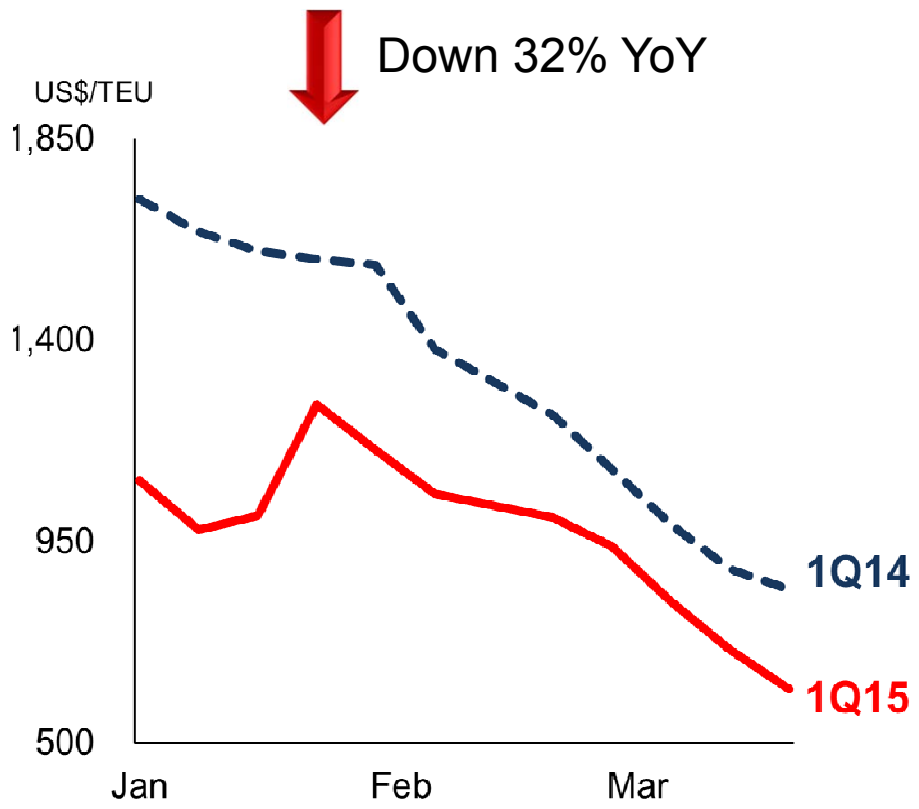
- Revenue down US$293m or 15% YoY to US1.6b on lower volume and Rev/FEU
- Volume trimmed by 118,000 FEU or 15% YoY, mainly due to:
  - (i) Planned capacity reduction and void sailings
  - (ii) US West Coast port congestion
- Rev/FEU down 8% YoY to US$2,063/FEU, led by Asia-Europe Rev/FEU 12% YoY fall for the quarter
- Headhaul utilisation of 94%
- Four charters returned in 1Q15, 14 charters scheduled for expiry for rest of FY15
- Reduced costs improve cost of sales/FEU by 8% YoY

Lower spot freight rates in 1Q15, led by Asia-Europe trade

Shanghai Container Freight Index (SCFI)

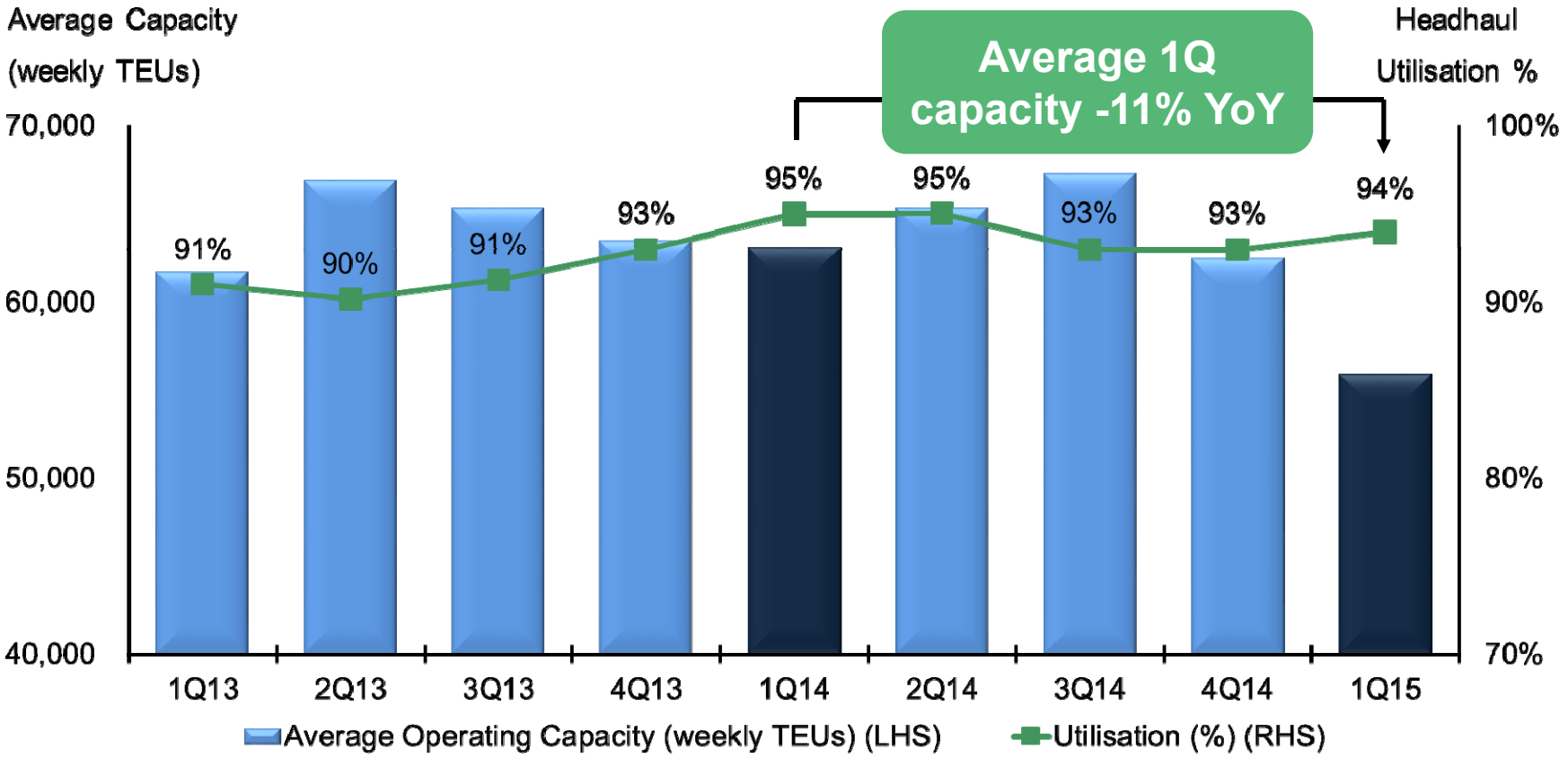


SCFI Asia-Europe



Source: Shanghai Containerized Freight Index.

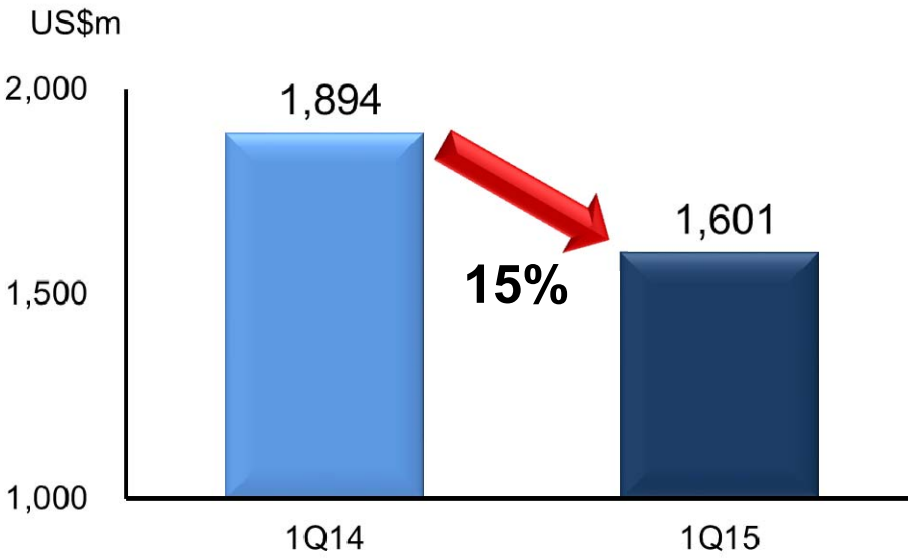
Liner capacity reduced to improve profitability



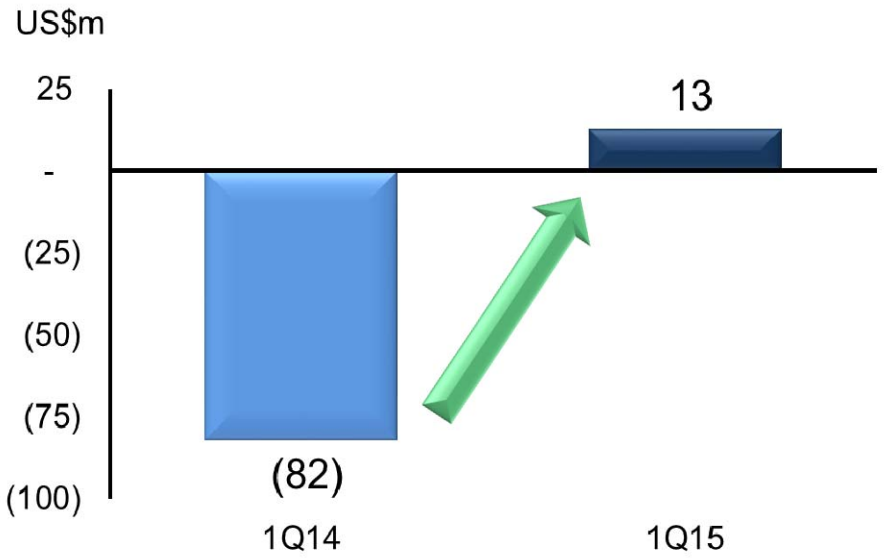
Note: Figures are based on the headhaul leg of main linehaul services
The capacity figures take into account "winter program" initiations

Capacity and cost management offset lower revenue

Revenue[1]



Core EBIT[1]



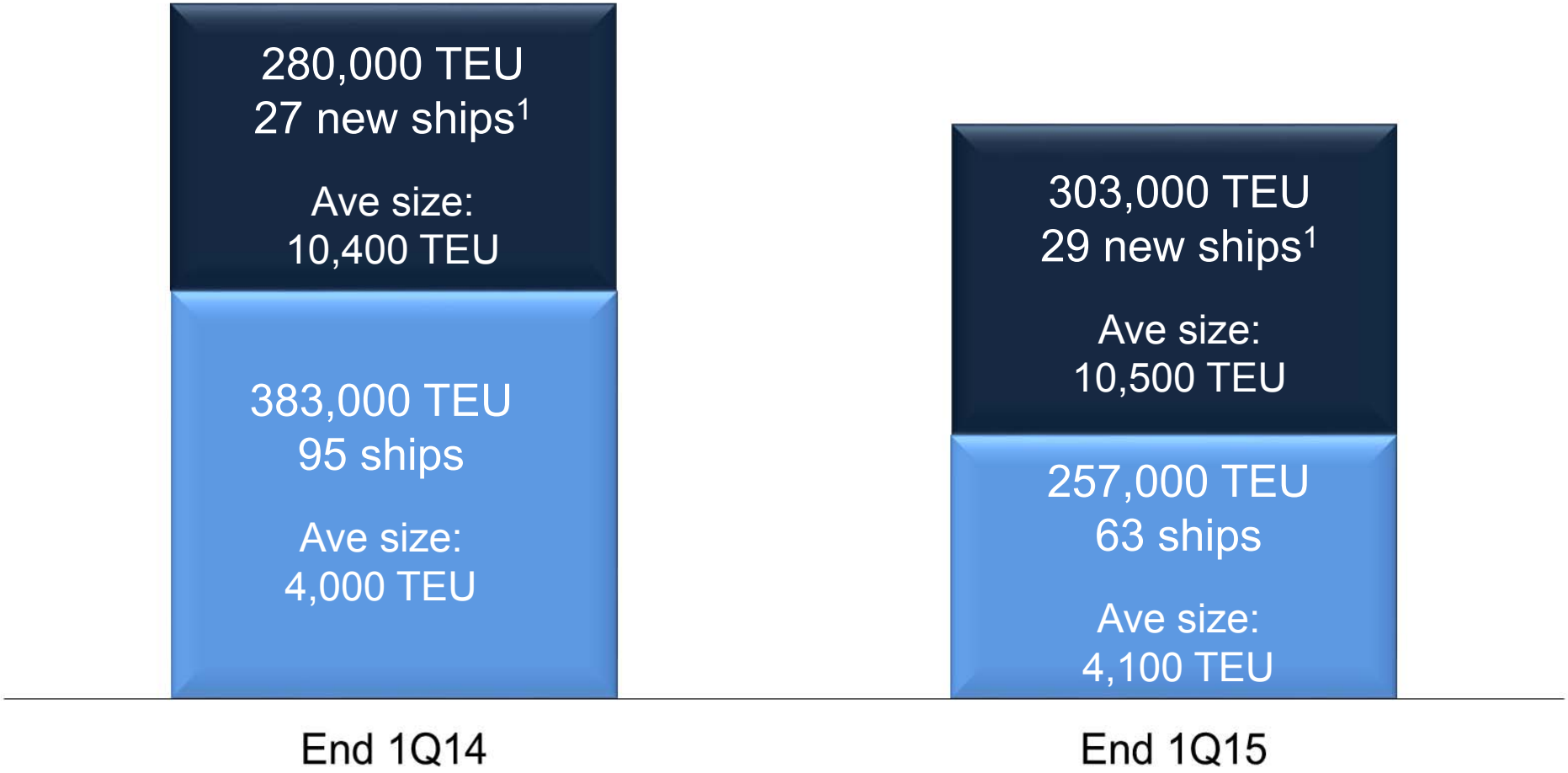
Note:
1) Liner 1Q14 Revenue and Core EBIT have been restated. Refer to explanatory footnote on page 13

Reduced costs offset volume & rate fall



Note:
1) Liner 1Q14 Core EBIT has been restated. Refer to explanatory footnote on page 13

Fleet competitiveness improved with newbuilds and retiring less efficient ships



Note:
1) Excludes 5 x 14,000 TEU ships chartered out to MOL

Liner business conditions

Industry

- Industry overcapacity to continue in 2015
- Tentative labour agreement reached for US West Coast ports, port productivity improved

APL

Focus on:

- Optimising yield through capacity management, network design & cargo selection
- Improving cost structure
- Achieving operational efficiency

4. Logistics

Logistics 1Q 2015 Results Highlights

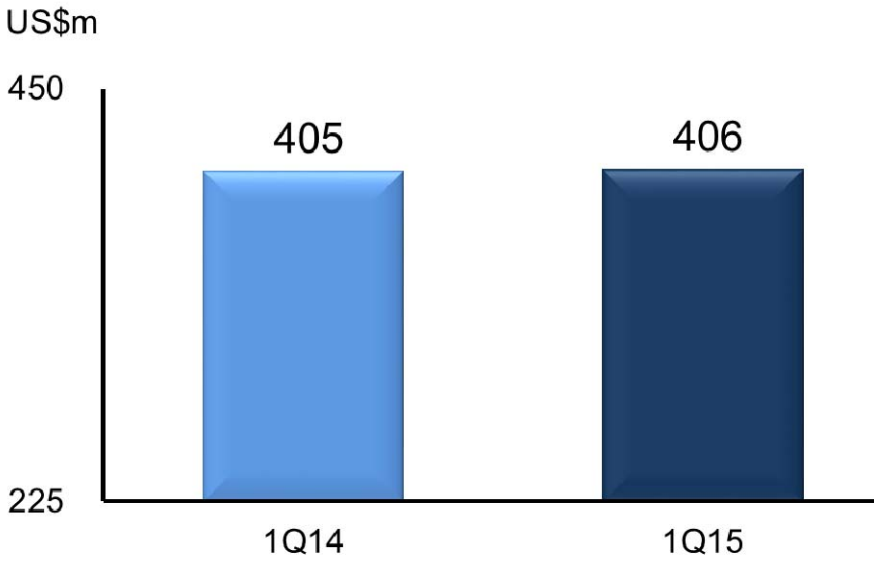
Stable revenue and Core EBIT performance

- Revenue steady at US$406m on high level of business activity; despite >30% of business affected by strong US dollar
- Stable Core EBIT of US$17m
- Core EBIT margin of 4.2%

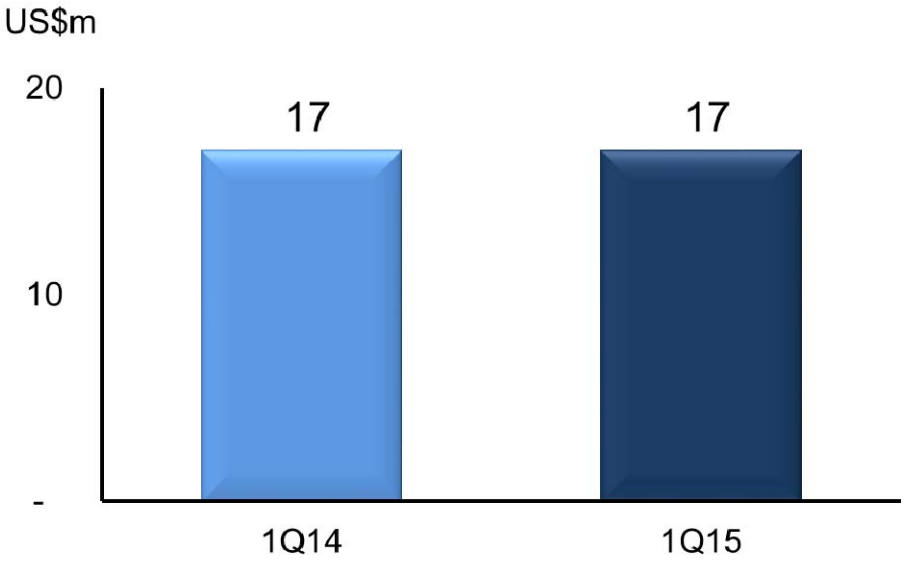
Note:
1) 1Q14 Core EBIT included US$3m positive forex impact, while 1Q15 Core EBIT included US$1m negative forex impact

Stable Revenue and Core EBIT

Revenue[1]

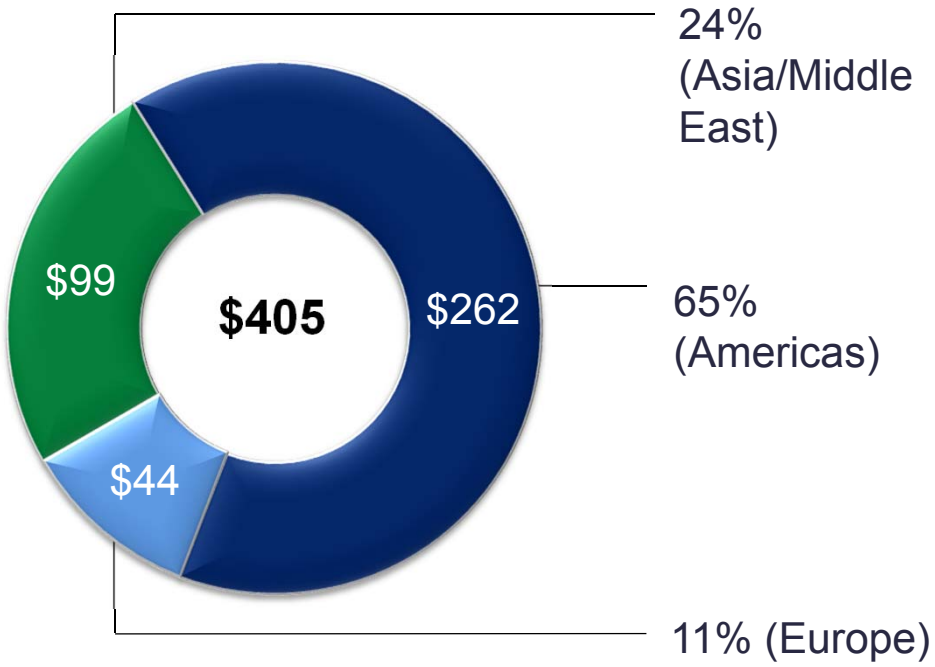


Core EBIT[1,2]

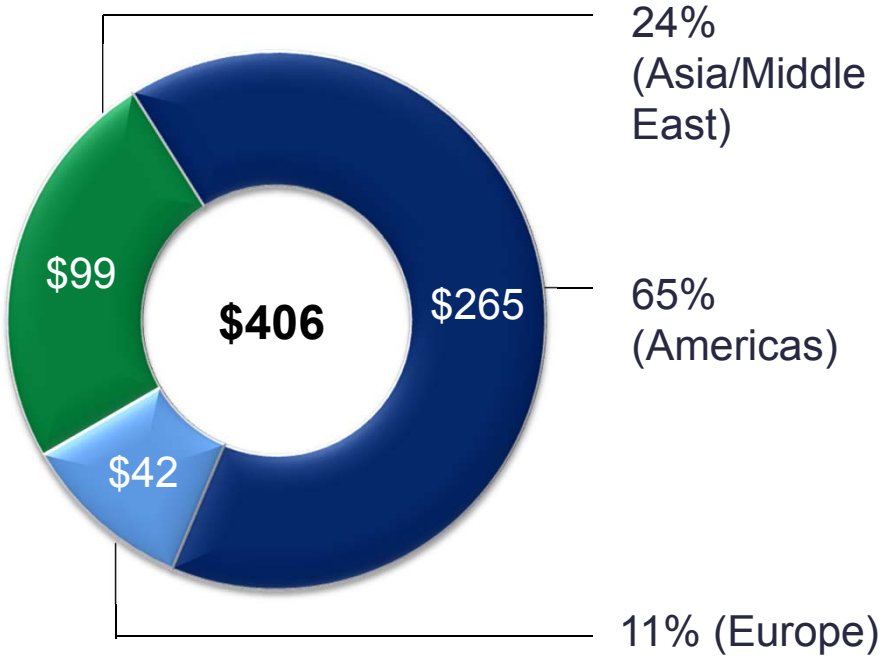


Notes:
1) Logistics 1Q14 Revenue and Core EBIT have been restated. Refer to explanatory footnote on page 13
2) 1Q14 and 1Q15 Core EBIT included US$3m positive forex impact and US$1m negative forex impact respectively

Revenue Trend by Region



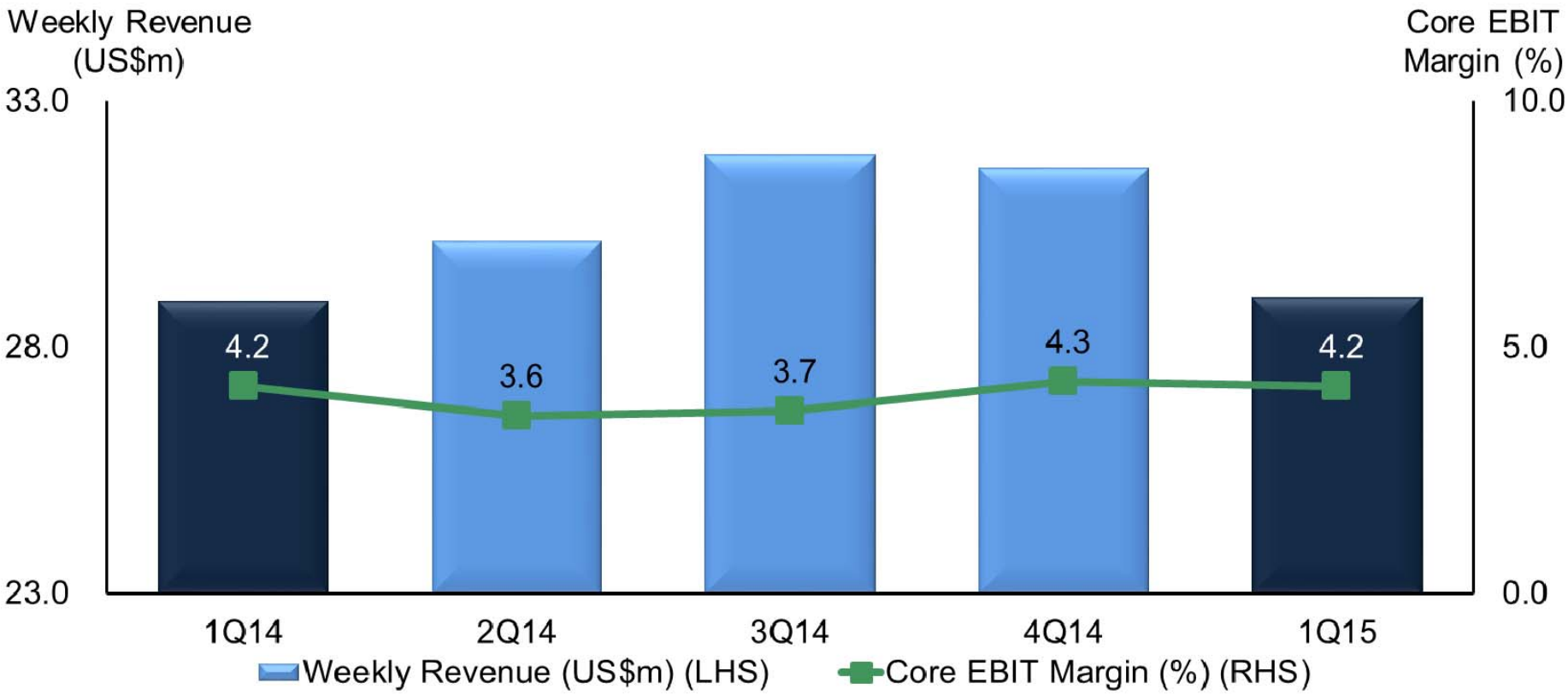
1Q14[1] Revenue Breakdown – by Region (US$m)



1Q15 Revenue Breakdown – by Region (US$m)

Note:
1) Logistics 1Q14 Revenue has been restated. Refer to explanatory footnote on page 13

Revenue and Core EBIT Margin Trend



Note:
1) 1Q14 Weekly Revenue and Core EBIT margin have been restated. Refer to explanatory footnote on page 13

APL Logistics proposed divestment update

- Secured shareholder approval on 15 April 2015
- Completion subject to regulatory approval
- Scheduled completion mid-2015

Appendix

Group Financial Highlights

Net loss reduced 89% YoY

US$m	1Q15	1Q14	% ▲ Better/ (Worse)
Revenue	1,985	2,279	(13)
Core EBITDA	133	33	303
Core EBIT (before non-recurring items)	30	(65)	n.m.
Non-recurring items	(2)	-	n.m.
EBIT	28	(65)	n.m.
Net loss to owners of the company	(11)	(98)	89
Net loss to owners of the company (before non-recurring items)	(9)	(98)	91

Financial Highlights by Business Segment

Revenue (US$m)	1Q15	1Q14	% ▲ Better/ (Worse)
Liner[1]	**1,601**	1,894	(15)
Logistics[1]	**406**	405	-
Elimination[1]	**(22)**	(20)	(10)
Total Revenue	**1,985**	2,279	(13)

Core EBIT (US$m)	1Q15	1Q14	% ▲ Better/ (Worse)
Liner[1]	**13**	(82)	n.m.
Logistics[1]	**17**	17	-
Total Core EBIT	**30**	(65)	n.m.

Note:
1) 1Q14 Revenue and Core EBIT have been restated. Refer to explanatory footnote on page 13

Liner Results Summary

US$m	1Q15	1Q14[1]	% ▲ Better/ (Worse)
Revenue	**1,601**	1,894	(15)
Core EBITDA	**115**	13	785
Core EBIT	**13**	(82)	n.m.
EBIT	**11**	(81)	n.m.
Core EBIT margin (%)	**0.8**	(4.3)	

Note:
1) 1Q14 Revenue, Core EBITDA, Core EBIT & EBIT have been restated. Refer to explanatory footnote on page 13

Liner Operational Update

Volume ('000 FEUs)	1Q15	1Q14	% ▲
Transpacific	180	224	(20)
Intra-Asia	317	344	(8)
Asia-Europe	112	119	(6)
Latin America	44	53	(17)
Transatlantic	14	45	(69)
Total	**667**	**785**	**(15)**

Average Revenue/FEU (US$)	1Q15	1Q14	% ▲
Transpacific	3,153	3,292	(4)
Intra-Asia	1,262	1,264	-
Asia-Europe	2,111	2,410	(12)
Latin America	3,052	3,271	(7)
Transatlantic	2,717	2,689	1
Total	**2,063**	**2,233**	**(8)**

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

Logistics Results Summary

US$m	1Q15	1Q14[1]	% ▲ Better/ (Worse)
Revenue	**406**	405	-
Core EBITDA	**18**	20	(10)
Core EBIT	**17**	17	-
EBIT	**17**	16	6
Core EBIT margin (%)	**4.2**	4.2	

Note:
1) 1Q14 Revenue, Core EBITDA, Core EBIT & EBIT have been restated. Refer to explanatory footnote on page 13

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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