



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
 Unaudited Financial Information
 For the Financial Year Ended 26 December 2008

1.(a)(i) Consolidated Income Statement

	Group		% Increase/ (Decrease)
	2008 US\$'000	2007 US\$'000	
Revenue	9,285,125	8,159,977	14
Cost of sales	(8,328,979)	(6,865,603)	21
Gross profit	956,146	1,294,374	(26)
Other gains (net)			
- Miscellaneous	39,807	47,909	(17)
- Finance and investment income	13,096	26,703	(51)
Expenses			
- Administrative	(694,182)	(717,443)	(3)
- Restructuring costs	(71,684)	-	N/M
- Finance	(34,946)	(44,013)	(21)
- Other operating	(79,041)	(32,113)	146
Share of results of associated companies	3,799	3,300	15
Share of results of joint ventures	4,194	7,146	(41)
Profit before income tax	137,189	585,863	(77)
Income tax expense	(48,926)	(53,900)	(9)
Net profit for the financial year	88,263	531,963	(83)
Attributable to:			
Equity holders of the Company	83,114	522,761	(84)
Minority interest	5,149	9,202	(44)
	88,263	531,963	(83)

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

	Group		% Increase/ (Decrease)
	2008 US\$'000	2007 US\$'000	
(A) Investment Income	38	25	52
(B) Other Income Including Interest Income	15,463	41,167	(62)
(C) Interest on Borrowings	(27,986)	(36,465)	(23)
(D) Depreciation and Amortisation	(263,022)	(254,170)	3
(E) Allowance for Doubtful Debts and Bad Debts Written Off	(10,747)	(12,740)	(16)
(F) Provision for Impairment in Value of Investments	(36)	(201)	(82)
(G) Foreign Exchange (Loss)/Gain	(22,457)	11,285	N/M
(H) Adjustment for Under Provision for Tax in Prior Years	(8,476)	(15,018)	(44)
(I) Profit on Sale of Investments, Property, Plant and Equipment and Investment Properties	28,318	24,583	15
(J) Write-off of Inventories	(360)	(347)	4

N/M: Not meaningful

1.(b)(i) Balance Sheets

	Group			Company		
	26 Dec 2008 US\$'000	28 Dec 2007 US\$'000	% Increase/ (Decrease)	26 Dec 2008 US\$'000	28 Dec 2007 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	429,219	504,365	(15)	15,760	44,584	(65)
Trade and other receivables ¹	828,706	1,044,710	(21)	594,207	579,694	3
Inventories at cost	159,015	161,126	(1)	-	-	0
Derivative financial instruments	11,293	119,918	(91)	5,473	57,990	(91)
Other current assets	62,296	54,004	15	1,669	589	183
Total current assets	1,490,529	1,884,123	(21)	617,109	682,857	(10)
Non-current Assets						
Investments in subsidiaries	-	-	0	994,695	996,358	(0)
Investments in associated companies	29,018	15,107	92	1	1	0
Investments in joint ventures	27,287	23,004	19	-	-	0
Available-for-sale financial assets	92	147	(37)	-	-	0
Property, plant and equipment	3,642,636	2,812,777	30	458,519	283,111	62
Investment properties	9,047	21,348	(58)	-	-	0
Deferred charges	3,245	4,213	(23)	45	-	N/M
Intangible assets	29,229	32,927	(11)	107	141	(24)
Goodwill arising on consolidation	129,095	121,454	6	-	-	0
Deferred income tax assets	3,683	20,506	(82)	-	-	0
Other non-current assets	80,730	73,105	10	2,295	2,586	(11)
Total non-current assets	3,954,062	3,124,588	27	1,455,662	1,282,197	14
TOTAL ASSETS	5,444,591	5,008,711	9	2,072,771	1,965,054	5
LIABILITIES						
Current Liabilities						
Trade and other payables	1,066,478	1,116,496	(4)	131,880	93,498	41
Current income tax liabilities	35,283	32,313	9	19,641	18,660	5
Borrowings	466,963	54,263	761	92,706	2,268	3,988
Provisions	100,933	38,572	162	330	370	(11)
Deferred income	-	4,663	(100)	-	-	0
Derivative financial instruments	94,739	59,406	59	5,473	57,931	(91)
Other current liabilities ²	170,761	238,218	(28)	-	-	0
Total current liabilities	1,935,157	1,543,931	25	250,030	172,727	45
Non-current Liabilities						
Borrowings	777,682	537,252	45	-	-	0
Provisions	127,308	123,613	3	-	-	0
Deferred income	-	537	(100)	-	-	0
Deferred income tax liabilities	24,972	18,180	37	11,449	11,310	1
Other non-current liabilities	74,881	77,981	(4)	-	-	0
Total non-current liabilities	1,004,843	757,563	33	11,449	11,310	1
TOTAL LIABILITIES	2,940,000	2,301,494	28	261,479	184,037	42
NET ASSETS	2,504,591	2,707,217	(7)	1,811,292	1,781,017	2
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	(1,413)	(610)	132	-	-	0
Treasury shares reserve	(1,195)	(78)	1,432	(1,195)	(78)	1,432
Retained earnings	1,657,862	1,726,025	(4)	935,304	918,017	2
Other reserves	(34,873)	102,769	N/M	37,020	29,266	26
Capital and reserves attributable to equity holders of the Company	2,460,544	2,661,918	(8)	1,811,292	1,781,017	2
Minority interest	44,047	45,299	(3)	-	-	0
TOTAL EQUITY	2,504,591	2,707,217	(7)	1,811,292	1,781,017	2
Net current (liabilities)/assets	(444,628)	340,192	N/M	367,079	510,130	(28)

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.

N/M: Not meaningful

1.(b)(ii) Borrowings

The Group As at 26 December 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	6,507	455,667	4,789	466,963
Amount repayable in:				
2010	11,359	-	5,097	16,456
2011	10,915	-	5,405	16,320
2012	11,883	-	5,715	17,598
2013	12,890	350,000	6,051	368,941
Thereafter	58,819	94,349	205,199	358,367
	112,373	900,016	232,256	1,244,645

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 vessels, 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 26 December 2008	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	723,461	12,810	90,066	23,786	69,652	919,775
Amount repayable in:						
2010	726,817	501	88,548	17,937	46,548	880,351
2011	648,565	-	88,646	16,322	34,895	788,428
2012	583,345	-	84,462	13,580	26,588	707,975
2013	493,267	-	80,245	11,062	20,513	605,087
Thereafter	1,242,869	-	895,318	12,390	28,065	2,178,642
	4,418,324	13,311	1,327,285	95,077	226,261	6,080,258

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	
	2008 US\$'000	2007 US\$'000
Cash Flows from Operating Activities		
Profit before income tax	137,189	585,863
Adjustments for :		
Amortisation of non-current assets and deferred income	485	(446)
Depreciation of property, plant and equipment	262,264	254,138
Depreciation of investment properties	273	478
Fair value losses on ineffective cash flow hedges		
- bunker call options	4,860	-
- bunker swaps	393	-
Premium on bunker call option	3,466	5,459
Interest expense	27,986	36,465
Interest income	(9,019)	(25,776)
Investment income	(38)	(25)
Share-based compensation costs	11,737	10,532
Write-off of inventories	360	347
Fair value (gains)/losses on shares held by employee benefit trust	(2,030)	1,813
Net profit on disposal of property, plant and equipment	(24,892)	(24,022)
Net profit on disposal of subsidiaries	(2,292)	-
Net profit on disposal of associated companies	-	(419)
Net profit on disposal of available-for-sale financial assets	(1,134)	(153)
Net loss on disposal of other non-current investments	-	11
Net provision for impairment of loans and non-trade debts to associated companies	28	1,263
Net write-back of impairment of loans receivable	(627)	(279)
Net write-back of impairment in value of property, plant and equipment	(28)	(230)
Net write-back of impairment in value of investment properties	-	(1,570)
Net provision for impairment of other non-current assets	36	201
Net provision for restructuring and termination costs	72,437	1,235
Net provision for insurance, litigation and other claims, net of reimbursement	22,523	20,007
Net provision for drydocking costs	4,274	2,097
Share of results of associated companies	(3,799)	(3,300)
Share of results of joint ventures	(4,194)	(7,146)
Unrealised translation (gains)/losses	(1,407)	4,541
Operating cash flow before working capital changes	498,851	861,084
Changes in operating assets and liabilities, net of effects from disposal of subsidiaries :		
Receivables	202,825	(170,917)
Inventories	1,751	(60,104)
Payables	(155,486)	242,654
Net amount due from associated companies	(26)	968
Cash generated from operations	547,915	873,685
Interest paid	(21,434)	(36,735)
Interest received	11,125	25,341
Net income tax paid	(37,843)	(34,366)
Net cash inflow from operating activities	499,763	827,925
Cash Flows from Investing Activities		
Acquisition of additional interests in subsidiaries	(8,603)	(14)
Investment in an associated company	(10,394)	(3,924)
Net proceeds from loans receivable	1,068	251
Investment income received	38	25
Dividends received from an associated company	437	353
Dividends received from joint ventures	1,360	1,260
Additions in other non-current investments	-	(734)
Purchase of property, plant and equipment	(879,049)	(911,830)
Subsequent expenditure on investment properties	-	(18)
Purchase of intangible assets	(2,975)	(1,209)
Proceeds from disposal of property, plant and equipment	49,351	34,763
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	3,297	76
Net cash inflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed ³	1,338	13,112
Net cash outflow from investing activities	(843,055)	(863,479)
Cash Flows from Financing Activities		
Proceeds from borrowings	779,323	13,134
Net cash inflow contributed by employee benefit trust	321	217
Dividends paid to equity holders	(151,277)	(77,491)
Dividends paid to minority interest	(4,834)	(897)
Capital contribution by minority interest	-	28
Proceeds from issue of new ordinary shares	1,904	16,027
Proceeds from re-issuance of treasury shares	27	172
Purchase of treasury shares	(621)	(7,279)
Repayment of borrowings	(356,526)	(96,405)
Payment of costs incurred in connection with long term financing	(171)	(1,900)
Net cash inflow/(outflow) from financing activities	268,146	(154,394)
Net decrease in cash and cash equivalents	(75,146)	(189,948)
Cash and cash equivalents at beginning of financial year	504,365	694,313
Cash and cash equivalents at end of financial year	429,219	504,365

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

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

	Group	
	2008 US\$'000	2007 US\$'000
Net assets disposed :		
Non-current assets	4,405	10,935
Current assets	1,054	12,599
Current liabilities	(2,917)	(4,114)
Non-current liabilities	(2,501)	(176)
Net attributable assets disposed	41	19,244
Less : Minority interest	120	3,669
Add : Foreign currency translation reserve	(312)	(2,890)
	(151)	20,023
Net profit on disposal of subsidiaries	2,292	-
Net proceeds from disposal of subsidiaries	2,141	20,023
Less : Cash of subsidiaries disposed	(803)	(6,911)
Net cash inflow (net of transaction costs) from disposal of subsidiaries, net of cash disposed	1,338	13,112

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 losses on cash flow hedges	-	-	-	-	-	(198,289)	-	(198,289)
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	-	55,488	-	55,488
Fair value losses on available-for-sale financial asset	-	-	-	-	-	(55)	-	(55)
Tax on fair value gains and losses	-	-	-	-	-	(843)	-	(843)
Currency translation differences	-	-	(17)	-	-	(1,756)	(725)	(2,498)
Net losses recognised directly in equity	-	-	(17)	-	-	(145,455)	(725)	(146,197)
Net profit for the financial year	-	-	-	-	83,114	-	5,149	88,263
Total (losses)/gains recognised for the financial year	-	-	(17)	-	83,114	(145,455)	4,424	(57,934)
Dividends to equity holders	-	-	-	-	(151,277)	-	-	(151,277)
Dividends to minority interest	-	-	-	-	-	-	(4,834)	(4,834)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(962)	(962)
Disposal of subsidiaries	-	-	-	-	-	-	120	120
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	11,737	-	11,737
- 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	-	-	(786)	-	-	-	-	(786)
Balance at 26 December 2008	845,379	(5,216)	(1,413)	(1,195)	1,657,862	(34,873)	44,047	2,504,591

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 30 December 2006	822,066	-	(2,482)	-	1,280,755	8,378	33,378	2,142,095
Fair value gains on cash flow hedges	-	-	-	-	-	140,654	-	140,654
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	-	(58,693)	-	(58,693)
Fair value losses on available-for-sale financial asset	-	-	-	-	-	(150)	-	(150)
Tax on fair value gains and losses	-	-	-	-	-	(935)	-	(935)
Currency translation differences	-	-	-	-	-	5,731	(67)	5,664
Net gains/(losses) recognised directly in equity	-	-	-	-	-	86,607	(67)	86,540
Net profit for the financial year	-	-	-	-	522,761	-	9,202	531,963
Total gains recognised for the financial year	-	-	-	-	522,761	86,607	9,135	618,503
Dividends to equity holders	-	-	-	-	(77,491)	-	-	(77,491)
Dividends to minority interest	-	-	-	-	-	-	(897)	(897)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	(14)	(14)
Capital contribution by minority interest	-	-	-	-	-	-	28	28
Disposal of a subsidiary	-	-	-	-	-	-	3,669	3,669
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	10,532	-	10,532
- new shares issued	18,672	-	-	-	-	(2,645)	-	16,027
- treasury shares re-issued	-	353	-	(78)	-	(103)	-	172
Purchase of treasury shares	-	(7,279)	-	-	-	-	-	(7,279)
Sale of shares by employee benefit trust	-	-	1,872	-	-	-	-	1,872
Balance at 28 December 2007	840,738	(6,926)	(610)	(78)	1,726,025	102,769	45,299	2,707,217

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	-	-	-	-	2,430	2,430
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(2,489)	(2,489)
Net losses recognised directly in equity	-	-	-	-	(59)	(59)
Net profit for the financial year	-	-	-	168,564	-	168,564
Total gains/(losses) recognised for the financial year	-	-	-	168,564	(59)	168,505
Dividends to equity holders	-	-	-	(151,277)	-	(151,277)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	11,737	11,737
- 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 26 December 2008	845,379	(5,216)	(1,195)	935,304	37,020	1,811,292

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 30 December 2006	822,066	-	-	852,015	21,423	1,695,504
Fair value gains on cash flow hedges	-	-	-	-	199	199
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(140)	(140)
Net gains recognised directly in equity	-	-	-	-	59	59
Net profit for the financial year	-	-	-	143,493	-	143,493
Total gains recognised for the financial year	-	-	-	143,493	59	143,552
Dividends to equity holders	-	-	-	(77,491)	-	(77,491)
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	10,532	10,532
- new shares issued	18,672	-	-	-	(2,645)	16,027
- treasury shares re-issued	-	353	(78)	-	(103)	172
Purchase of treasury shares	-	(7,279)	-	-	-	(7,279)
Balance at 28 December 2007	840,738	(6,926)	(78)	918,017	29,266	1,781,017

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 26 December 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 financial year, 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 1,259,005 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 26 December 2008, options to subscribe for 35,512,201 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 financial year, 2,361,535 performance shares were vested on 2 January 2008 and 346,668 were cancelled.

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

As at 26 December 2008, 4,420,704 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 financial year, 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 26 December 2008, there were 1,726,717 treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the FY 2008 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 26 December 2008 and the reported amounts of revenue and expenses during the financial year from 29 December 2007 to 26 December 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. **Audit or Review of Figures**

The figures have not been audited nor reviewed by our auditors.

4. **Auditors' Report (including any qualifications or emphasis of matter)**

N.A.

5. **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 6(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 28 December 2007.

6.(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 : Disclosures - Service Concession Arrangements (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.

6.(b) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

7.

GROUP

Earnings per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares)

	2008	2007
a) Based on the weighted average number of ordinary shares on issue	5.66 US cts	35.72 US cts
b) On a fully diluted basis (detailing any adjustments made to the earnings)	5.63 US cts	35.33 US cts

8. **Net Asset Value**

	Group			Company		
	26 Dec 2008 US\$	28 Dec 2007 US\$	Inc / (Dec) %	26 Dec 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	1.67	1.81	(7.73)	1.23	1.21	1.65

9. **Review of the Performance of the Group**

FY 2008 vs FY 2007

Income Statement:

NOL Group achieved revenue of US\$9.29 billion (FY 2007: US\$8.16 billion), an increase of of US\$1.13 billion or 14% year-on-year (YoY). This is mainly due to growth in container shipping revenue through higher volumes and greater bunker recovery.

The Group's cost of sales increased by US\$1.46 billion or 21% YoY to US\$8.33 billion mainly due to higher bunker fuel costs, higher vessel costs from capacity expansion and variable costs associated with higher volumes.

Finance and investment income decreased by US\$14 million or 51% YoY to US\$13 million mainly due to lower interest income from lower average interest rate and average deposit balance.

Finance expenses decreased by US\$9 million or 21% to US\$35 million mainly due to lower average interest rate.

Other operating expenses increased by US\$47 million or 146% to US\$79 million mainly due to foreign exchange losses arising from revaluation of non-USD denominated balance sheet items.

Net profit attributable to equity holders of the Company decreased 84% YoY from US\$523 million in FY 2007 to US\$83 million in FY 2008 due to higher operating costs, such as bunker fuel and vessel costs, and deteriorating container demand growth environment, particularly in 4Q08, where the Group incurred losses of US\$149 million for the quarter. The decrease in net profit for the year was also due to cost associated with the restructuring exercise of US\$72 million, which was incurred in 4Q08.

Balance Sheet:

NOL Group's total assets increased by US\$436 million from US\$5.0 billion as at 28 December 2007 to US\$5.4 billion as at 26 December 2008. The increase in total assets is mainly due to increase in property, plant and equipment arising from capital expenditure during the year.

The Group's total liabilities increased by US\$639 million from US\$2.3 billion as at 28 December 2007 to US\$2.9 billion as at 26 December 2008. The increase in total liabilities is mainly due to increase in borrowings [see Note 1(b)(ii)] during the year.

The Group's total equity decreased by US\$203 million from US\$2.7 billion as at 28 December 2007 to US\$2.5 billion as at 26 December 2008 mainly due to decrease in retained earnings and other reserves.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$75 million to US\$429 million mainly due to net cash outflow from investing activities of US\$843 million, partially offset by net cash inflow from operating activities of US\$500 million and net cash inflow from financing activities of US\$268 million. Cash outflow from investing activities was mainly driven by capital expenditure on property, plant and equipment while cash inflow from financing activities was mainly due to proceeds from borrowings.

9. Review of the Performance of the Group (continued)

	FY 2008 US\$m	Q4 2008 US\$m	Q3 2008 US\$m	Q2 2008 US\$m	Q1 2008 US\$m
(a) Revenue					
Container Shipping	7,945	1,964	2,038	1,924	2,019
Logistics	1,324	328	315	318	363
Terminals	577	148	146	138	145
Others	13	3	4	3	3
Elimination	(574)	(154)	(150)	(147)	(123)
Total	9,285	2,289	2,353	2,236	2,407
(b) EBIT					
Container Shipping	34	(143)	9	60	108
Logistics	53	6	17	13	17
Terminals	65	11	23	19	12
Others	8	5	3	-	-
Total	160	(121)	52	92	137
	FY 2007 US\$m	Q4 2007 US\$m	Q3 2007 US\$m	Q2 2007 US\$m	Q1 2007 US\$m
(a) Revenue					
Container Shipping	6,662	1,999	1,673	1,468	1,522
Logistics	1,323	381	318	299	325
Terminals	609	163	145	146	155
Others	10	2	2	2	4
Elimination	(444)	(121)	(109)	(105)	(109)
Total	8,160	2,424	2,029	1,810	1,897
(b) EBIT					
Container Shipping	450	172	173	77	28
Logistics	57	19	12	14	12
Terminals	93	27	22	23	21
Others	13	10	2	(2)	3
Total	613	228	209	112	64

(c) Analysis by Business Units

(i) Container Shipping

FY 2008 vs FY 2007

Container Shipping revenue for FY 2008 increased by 19% year-on-year (YoY) to US\$7.9 billion, driven by increase in volume in the first three quarters and higher bunker recoveries included in freight revenue. This is, however, offset by a reversing trend in Q408 as global demand slows significantly following the global financial crisis.

EBIT decreased by 92% YoY to US\$34 million mainly due to deterioration in demand across all trade lanes during 4Q08 and higher operating costs during the year caused by escalating bunker fuel prices, and costs associated with the restructuring exercise incurred in 4Q08.

Q4 2008 vs Q4 2007

Revenue for 4Q08 decreased by 2% YoY to US\$1.96 billion due primarily to falling demand across all trade lanes resulting in decrease in volume of 14%. The decrease in revenue from fall in volume was partially offset by higher freight rates through greater bunker recovery. Head haul utilisation fell to 83% due to significant deterioration in global demand.

4Q08 EBIT fell from a profit of US\$172 million in 4Q07 to a loss of US\$143 million due to deterioration in demand and higher operating costs largely an effect of higher vessel operating cost and costs associated with the restructuring exercise incurred in 4Q08.

CONTAINER SHIPPING FULL YEAR RESULTS 2008 and 2007

Unaudited

	FY 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Load Factors %					
Transpacific Eastbound	88%	81%	90%	90%	95%
Asia-Europe Westbound	90%	80%	93%	93%	97%
Transatlantic Westbound	84%	77%	84%	89%	87%
Intra-Asia Westbound	91%	91%	88%	88%	95%
Asia-Latin America/Mexico Eastbound	94%	80%	100%	100%	89%
Headhaul	89%	83%	90%	90%	95%
	FY 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Load Factors %					
Transpacific Eastbound	94%	90%	96%	93%	94%
Asia-Europe Westbound	100%	98%	100%	100%	100%
Transatlantic Westbound	94%	90%	98%	99%	87%
Intra-Asia Westbound	100%	96%	100%	100%	100%
Asia-Latin America/Mexico Eastbound	97%	99%	97%	100%	97%
Headhaul	97%	93%	99%	98%	98%

(c) Analysis by Business Units (continued)

CONTAINER SHIPPING FULL YEAR RESULTS 2008 and 2007 (continued)

Unaudited

	FY 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Volume ('000 FEU)					
<u>Americas</u>					
Transpacific	825	183	209	201	232
Latin America	199	46	50	51	52
	1,024	229	259	252	284
<u>Europe</u>					
Asia-Europe	442	100	111	113	118
Transatlantic	147	35	36	35	41
	589	135	147	148	159
<u>Asia/Middle East</u>					
Intra-Asia	852	210	216	206	220
Total Volume ⁴	2,465	574	622	606	663

Operating Expenses (US\$m)

<u>Americas</u>					
Transpacific	3,408	901	880	781	846
Latin America	785	206	198	187	194
	4,193	1,107	1,078	968	1,040
<u>Europe</u>					
Asia-Europe	1,577	407	413	378	379
Transatlantic	504	140	124	127	113
	2,081	547	537	505	492
<u>Asia/Middle East</u>					
Intra-Asia	1,637	453	414	391	379
Total Operating Expenses	7,911	2,107	2,029	1,864	1,911

Analysis of Expenses (US\$m)

Operating Cost	7,148	1,882	1,854	1,683	1,729
General and Administrative	536	160	122	129	125
Depreciation and Amortisation	226	65	53	52	56
Others ⁵	1	-	-	-	1
Total Operating Expenses	7,911	2,107	2,029	1,864	1,911

	FY 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Volume ('000 FEU)					
<u>Americas</u>					
Transpacific	832	243	203	186	200
Latin America	182	55	44	40	43
	1,014	298	247	226	243
<u>Europe</u>					
Asia-Europe	428	117	98	101	112
Transatlantic	132	38	32	31	31
	560	155	130	132	143
<u>Asia/Middle East</u>					
Intra-Asia	784	217	187	184	196
Total Volume ⁴	2,358	670	564	542	582
Operating Expenses (US\$m)					
<u>Americas</u>					
Transpacific	2,848	846	689	634	679
Latin America	623	188	152	136	147
	3,471	1,034	841	770	826
<u>Europe</u>					
Asia-Europe	1,158	338	268	264	288
Transatlantic	379	104	94	88	93
	1,537	442	362	352	381
<u>Asia/Middle East</u>					
Intra-Asia	1,204	351	297	269	287
Total Operating Expenses	6,212	1,827	1,500	1,391	1,494
Analysis of Expenses (US\$m)					
Operating Cost	5,521	1,630	1,332	1,229	1,330
General and Administrative	472	135	117	112	108
Depreciation and Amortisation	218	62	51	49	56
Others ⁵	1	-	-	1	-
Total Operating Expenses	6,212	1,827	1,500	1,391	1,494

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**

FY 2008 vs FY 2007

For FY2008, Logistics revenue remained flat year-on-year (YoY) with Contract Logistics and International Service also recording flat revenue growth YoY.

FY2008 EBIT decreased by US\$4 million or 7% YoY to US\$53 million. The decrease in EBIT YoY was driven mainly by costs associated with the restructuring exercise incurred in 4Q08, partially offset by continued cost management efforts.

Q4 2008 vs Q4 2007

For 4Q08, Logistics revenue decreased by US\$53 million or 14% YoY to US\$328 million due to declining demand across all segments of business. Contract Logistics revenue fell by US\$18 million or 8% to US\$206 million and International Services revenue also declined by US\$35 million or 22% to US\$122 million.

4Q08 EBIT decreased by US\$13 million or 68% YoY to reach US\$6 million mainly due to margin erosion in the trucking segment of the Contract Logistics division, some foreign exchange losses incurred in 4Q08 and costs associated with the restructuring exercise incurred in 4Q08.

LOGISTICS FULL YEAR RESULTS 2008 and 2007

Unaudited

US\$ millions

	FY 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
BY REGION					
Revenue					
Americas	825	213	196	198	218
Europe	178	38	40	44	56
Asia/Middle East	321	77	79	76	89
Total Revenue	1,324	328	315	318	363
BY BUSINESS SEGMENT					
Revenue					
Contract Logistics Services	808	206	189	196	217
International Services	516	122	126	122	146
Total Revenue	1,324	328	315	318	363
Operating Expenses					
Contract Logistics Services	783	204	183	187	209
International Services	488	118	115	118	137
Total Operating Expenses	1,271	322	298	305	346
EBIT					
Contract Logistics Services	25	2	6	9	8
International Services	28	4	11	4	9
Total EBIT	53	6	17	13	17
Analysis of Expenses					
Operating Cost	1,081	267	256	261	297
General and Administrative	180	53	38	43	46
Depreciation and Amortisation	10	2	3	2	3
Others ⁶	-	-	1	(1)	-
Total Operating Expenses	1,271	322	298	305	346
	FY 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007
BY REGION					
Revenue					
Americas	823	228	193	190	212
Europe	196	60	47	44	45
Asia/Middle East	304	93	78	65	68
Total Revenue	1,323	381	318	299	325
BY BUSINESS SEGMENT					
Revenue					
Contract Logistics Services	807	224	186	186	211
International Services	516	157	132	113	114
Total Revenue	1,323	381	318	299	325
Operating Expenses					
Contract Logistics Services	780	217	181	177	205
International Services	486	145	125	108	108
Total Operating Expenses	1,266	362	306	285	313
EBIT					
Contract Logistics Services	27	7	5	9	6
International Services	30	12	7	5	6
Total EBIT	57	19	12	14	12
Analysis of Expenses					
Operating Cost	1,056	306	251	237	262
General and Administrative	197	53	52	45	47
Depreciation and Amortisation	11	3	3	2	3
Others ⁶	2	-	-	1	1
Total Operating Expenses	1,266	362	306	285	313

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

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

(iii) **Terminals**

FY 2008 vs FY 2007

For FY2008, Terminals revenue decreased by 5% year-on-year (YoY) to US\$577 million due to fall in volumes during the year. Volume fell by 10% YoY due primarily to a combination of industry-wide capacity reduction and demand deterioration in the US, particularly in 4Q08, which directly affected the US West Coast terminals. The decrease in revenue due from lower volume was partially offset by higher revenue per lift as a result of improved mix.

FY2008 EBIT decreased by US\$28 million or 30% YoY to US\$65 million due to fall in volume.

Q4 2008 vs Q4 2007

4Q08 revenue decreased by 9% YoY to US\$148 million due to the rapid fall in demand for container trade during the quarter, resulting in volume contraction of 18% YoY.

EBIT for 4Q08 decreased by US\$16 million or 59% to US\$11 million due primarily to fall in volume for the quarter and the costs associated with the restructuring exercise, incurred in 4Q08.

TERMINALS FULL YEAR RESULTS 2008 and 2007
Unaudited

	FY 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Total Volume ('000 Lifts)	2,215	545	557	544	569
Analysis of Expenses (US\$m)					
Operating Cost	443	114	109	104	116
General and Administrative	54	19	11	12	12
Depreciation and Amortisation	21	7	4	4	6
Others ⁷	(6)	(3)	(1)	(1)	(1)
Total Operating Expenses	512	137	123	119	133
	FY 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Total Volume ('000 Lifts)	2,469	661	576	594	638
Analysis of Expenses (US\$m)					
Operating Cost	454	118	108	109	119
General and Administrative	47	15	11	10	11
Depreciation and Amortisation	20	5	5	5	5
Others ⁷	(5)	(2)	(1)	(1)	(1)
Total Operating Expenses	516	136	123	123	134

⁷ Others consists of minority interest and share of results of associated companies and joint ventures.

10. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

11. **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.**

Container shipping and related businesses are in the midst of a pronounced downturn which is expected to extend through 2009. Reduced consumer demand worldwide, coupled with excess supply of new vessel tonnage is creating a very difficult business environment.

Conditions similar to those in the fourth quarter of 2008 are expected to continue through 2009. NOL anticipates reporting a loss for the year 2009.

The Group has undertaken a restructuring and will continue to lower its cost base, mitigate losses and improve productivity so as to emerge stronger when the upturn occurs.

12. **Dividend**

(a) **Any dividend recommended for the current financial period reported on?**

The directors are pleased to recommend a final tax exempt (one-tier) dividend of 4.00 Singapore cents per share in respect of the financial year ended 26 December 2008 for approval by shareholders at the Annual General Meeting to be convened on 15 April 2009.

The recommended final dividend has not been provided for in this financial information and will be accounted for in the shareholders' equity as an appropriation of FY 2008 profits after tax in the financial information for the year ending 25 December 2009.

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per share	4.00 Singapore cents	4.00 Singapore cents
Tax Rate	Tax Exempt (One-tier)	Tax Exempt (One-tier)
Payment Date	5 September 2008	5 May 2009

(b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per share	4.00 Singapore cents	10.00 Singapore cents
Tax Rate	Tax Exempt (One-tier)	Tax Exempt (One-tier)
Payment Date	7 September 2007	5 May 2008

12. Dividend (continued)

(c) Date payable

On 7 September 2007, an interim tax exempt (one-tier) dividend of 4.00 Singapore cents per share was paid in respect of the financial year ended 28 December 2007.

On 5 May 2008, a final tax exempt (one-tier) dividend of 10.00 Singapore cents per share was paid in respect of the financial year ended 28 December 2007.

On 5 September 2008, an interim tax exempt (one-tier) dividend of 4.00 Singapore cents per share was paid in respect of the financial year ended 26 December 2008.

The recommended final tax exempt (one-tier) dividend of 4.00 Singapore cents per share, if approved at the Annual General Meeting to be held on 15 April 2009, will be paid on 5 May 2009.

(d) Books closure date

Notice is hereby given that subject to shareholders' approval being obtained for the proposed final tax exempt (one-tier) dividend of 4.00 Singapore cents per share for the financial year ended 26 December 2008 ("dividend"), the Share Transfer Books and the Register of Members of the Company will be closed on 22 April 2009. To determine shareholders' entitlement to the dividend, Registrable Transfers received by the Company's Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to 5.00 pm on 21 April 2009 will be registered to determine shareholders' entitlement to the dividend.

(e) If no dividend has been declared (recommended), a statement to that effect.

N.A.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segment Information

Primary Segment Reporting By Business Segments

The principal activities of the Group include those relating to:

1. Container Shipping - Global container transportation operations. It offers container shipping services in major trade lanes such as Transpacific, Intra-Asia, Transatlantic, Latin America and Asia-Europe.
2. Logistics - Global logistics provider with a comprehensive network of facilities and services to support the global supply chain management needs of customers. The range of services include consolidation, warehousing, global freight management (ocean, air, truck and rail), domestic distribution networks, international deconsolidation and information technologies that provide timely and accurate information to effectively manage supply chain activities.
3. Terminals - Operation of container terminals and provision of other related services. The segment information on Terminals has been prepared as if the Terminals unit of the Group operates as a separate business and charges are at arm's length. In practice, terminal handling forms an integral part of shipping.

The terms of inter-segment sales are established by negotiation between the various business units.

Unallocated income statement items represent income tax expense or credit, interest expense and interest income. However, costs are sometimes incurred at the enterprise level on behalf of a segment. Such costs are segment expenses if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment assets comprise primarily of property, plant and equipment, investment properties, intangible assets, goodwill arising on consolidation, inventories, receivables, operating cash and other investments and exclude fixed and demand deposits and deferred income tax assets. Segment liabilities comprise primarily of operating liabilities and exclude items such as income tax liabilities and borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets, excluding those acquired through business combinations.

13. Segment Information (continued)
Primary Segment Reporting By Business Segments (continued)

2008	Container Shipping US\$'000	Logistics US\$'000	Terminals US\$'000	Others US\$'000	Elimination US\$'000	Total US\$'000
Revenues						
External sales	7,804,563	1,308,134	169,799	2,629	-	9,285,125
Inter-segment sales	140,300	15,961	407,089	10,352	(573,702)	-
Total revenue	7,944,863	1,324,095	576,888	12,981	(573,702)	9,285,125
Segment result	31,148	50,443	60,401	6,171	-	148,163
Interest expense						(27,986)
Interest income						9,019
Share of results of associated companies	-	3,719	71	9	-	3,799
Share of results of joint ventures	-	(1,606)	5,800	-	-	4,194
Profit before income tax						137,189
Income tax expense						(48,926)
Net profit for the financial year						88,263
Segment assets	3,984,954	266,682	193,153	945,066	(363,060)	5,026,795
Associated companies	-	15,046	13,972	-	-	29,018
Joint ventures	-	5,208	22,079	-	-	27,287
Unallocated assets						361,491
Consolidated total assets						5,444,591
Segment liabilities	1,487,610	306,052	146,924	57,574	(363,060)	1,635,100
Unallocated liabilities						1,304,900
Consolidated total liabilities						2,940,000
Other segment items:						
Capital expenditures						
- property, plant & equipment	641,070	18,773	26,017	193,189	-	879,049
- intangible assets	2,227	746	-	2	-	2,975
Depreciation	227,460	8,325	20,552	6,200	-	262,537
Amortisation	(1,682)	2,126	-	41	-	485
Net provision for impairment	6,930	2,047	265	628	-	9,870
Other non-cash expenses	84,709	15,235	12,484	332	-	112,760
2007	Container Shipping US\$'000	Logistics US\$'000	Terminals US\$'000	Others US\$'000	Elimination US\$'000	Total US\$'000
Revenues						
External sales	6,633,487	1,322,914	198,849	4,727	-	8,159,977
Inter-segment sales	28,676	29	410,250	5,214	(444,169)	-
Total revenue	6,662,163	1,322,943	609,099	9,941	(444,169)	8,159,977
Segment result	431,299	56,042	87,975	10,790	-	586,106
Interest expense						(36,465)
Interest income						25,776
Share of results of associated companies	-	2,787	17	496	-	3,300
Share of results of joint ventures	-	782	6,364	-	-	7,146
Profit before income tax						585,863
Income tax expense						(53,900)
Net profit for the financial year						531,963
Segment assets	3,604,823	308,093	191,256	843,907	(403,589)	4,544,490
Associated companies	-	11,166	3,941	-	-	15,107
Joint ventures	-	5,465	17,539	-	-	23,004
Unallocated assets						426,110
Consolidated total assets						5,008,711
Segment liabilities	1,418,893	343,668	192,904	107,610	(403,589)	1,659,486
Unallocated liabilities						642,008
Consolidated total liabilities						2,301,494
Other segment items:						
Capital expenditures						
- property, plant & equipment	622,364	24,742	18,470	246,254	-	911,830
- investment properties	-	-	-	18	-	18
- intangible assets	353	12,960	-	137	-	13,450
Depreciation	221,077	7,954	19,856	5,729	-	254,616
Amortisation	(3,287)	2,820	-	21	-	(446)
Net provision for/(write-back of) impairment	10,304	1,385	190	(773)	-	11,106
Other non-cash expenses	19,765	7,230	11,153	2,846	-	40,994

13. **Segment Information (continued)**
Secondary Segment Reporting By Geographical Segments

In respect of container shipping activities which covers the world's major shipping lanes, the geographical segment of external sales are reported as follows:

<u>Geographical segment</u>	<u>Trade Lanes</u>
Asia/Middle East	Intra-Asia
Europe	Asia-Europe Transatlantic
Americas	Transpacific Latin America

In respect of logistics activities, the geographical segments of external sales are reported based on the country where the services were significantly performed.

In respect of terminals services, the geographical segments of external sales are reported based on the country where the services are performed.

In respect of other activities, the geographical segments of external sales are reported based on the country of domicile of customers.

The Directors of the Company consider that the nature of the Group's business precludes a meaningful allocation of vessels, drydocking costs and containers to specific geographical segments as defined under FRS 14 Segment Reporting. These vessels, together with the related drydocking costs, and containers are primarily utilised across geographic markets for shipment of cargoes throughout the world. This is in line with the industry practice.

	<u>Sales</u>			<u>Total Assets</u>		
	<u>2008</u>	<u>2007</u>	<u>% Increase/</u>	<u>2008</u>	<u>2007</u>	<u>% Increase/</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
Asia/Middle East	2,134,557	1,832,807	16	1,173,183	1,247,630	(6)
Europe	2,088,235	1,847,842	13	195,276	287,456	(32)
Americas	5,062,333	4,479,328	13	908,519	1,072,166	(15)
Subtotal	9,285,125	8,159,977		2,276,978	2,607,252	
Vessels	-	-	0	2,031,906	1,662,040	22
Containers	-	-	0	1,068,333	666,585	60
Drydocking costs	-	-	0	67,374	72,834	(7)
Total	9,285,125	8,159,977		5,444,591	5,008,711	

Capital Expenditure - Property, plant and equipment

	<u>2008</u>	<u>2007</u>	<u>% Increase/</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
Asia/Middle East	86,753	32,059	171
Europe	1,406	2,991	(53)
Americas	33,248	102,065	(67)
Subtotal	121,407	137,115	
Vessels	249,285	386,493	(36)
Containers	485,770	345,499	41
Drydocking costs	22,587	42,723	(47)
Total	879,049	911,830	

Capital Expenditure - Investment Properties

	<u>2008</u>	<u>2007</u>	<u>% Increase/</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
Asia/Middle East	-	18	(100)
Europe	-	-	0
Americas	-	-	0
Total	-	18	

Capital Expenditure - Intangible Assets

	<u>2008</u>	<u>2007</u>	<u>% Increase/</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>(Decrease)</u>
Asia/Middle East	95	12,548	(99)
Europe	1	5	(80)
Americas	2,879	897	221
Total	2,975	13,450	

14. **Factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 9 for an analysis by business units.

15. **Breakdown of sales as follows:**

	<u>2008</u>	<u>Group</u>	<u>% Increase/</u>
	<u>US\$'000</u>	<u>2007</u>	<u>(Decrease)</u>
		<u>US\$'000</u>	
Sales reported for the first half year	4,642,536	3,707,135	25
Operating gains after income tax before deducting minority interest reported for first half year	199,771	140,039	43
Sales reported for the second half year	4,642,589	4,452,842	4
Operating (losses)/gains after income tax before deducting minority interest reported for second half year	(111,508)	391,924	N/M

N/M: Not meaningful

16. Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	2008 US\$'000	2007 US\$'000
Transactions for the Purchase of Goods and Services		
Keppel Shipyard Limited and its associates	-	3,249
Keppel Telecommunications & Transportation Ltd and its associates	156	557
PSA Corporation Limited and its associates	169,499	149,239
SembCorp Marine Ltd and its associates	25,811	620
Singapore Petroleum Company Limited and its associates	17,767	10,465
Transactions for the Leasing-in of Assets		
SembCorp Marine Ltd and its associates	3,677	4,412
Transactions for the Sale of Goods and Services		
Keppel Shipyard Limited and its associates	-	70
NIB Bank Limited	80	-
PSA Corporation Limited and its associates	-	243
SembCorp Marine Ltd and its associates	194	79
SNP Corporation Ltd and its associates	-	323

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

17. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:-

	2008 US\$'000	2007 US\$'000
Ordinary	81,550	147,579
Preference	-	-
Total	81,550	147,579

BY ORDER OF THE BOARD

MARJORIE WEE AND WONG KIM WAH
Company Secretaries

Dated this 10 February 2009