



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
 Unaudited Quarterly Financial Information
 For the 3rd Quarter Ended 21 September 2007

1.(a)(i) Consolidated Income Statement

	Group			Group		
	YTD 2007 US\$'000	YTD 2006 US\$'000	% Increase/ (Decrease)	Q3 2007 US\$'000	Q3 2006 US\$'000	% Increase/ (Decrease)
Revenue	5,736,424	5,278,946	9	2,029,289	1,759,328	15
Cost of sales	(4,855,512)	(4,424,125)	10	(1,645,435)	(1,482,620)	11
Gross profit	880,912	854,821	3	383,854	276,708	39
Other gains (net)						
- Miscellaneous	31,845	16,791	90	11,317	5,889	92
- Finance and investment income	21,100	21,790	(3)	4,957	3,531	40
Expenses						
- Administrative	(515,544)	(521,643)	(1)	(180,372)	(177,111)	2
- Finance	(34,713)	(34,631)	0	(9,418)	(7,566)	24
- Impairment in value of goodwill arising on consolidation	-	(99,999)	(100)	-	(99,999)	(100)
- Other operating	(28,526)	(32,182)	(11)	(9,727)	(9,004)	8
Share of results of associated companies	1,895	2,239	(15)	597	113	428
Share of results of joint ventures	5,245	1,479	255	2,348	912	157
Profit/(loss) before income tax	362,214	208,665	74	203,556	(6,527)	N/M
Income tax (expense)/credit	(28,220)	111,639	N/M	(9,601)	136,250	N/M
Net profit for the financial period	333,994	320,304	4	193,955	129,723	50
Attributable to:						
Equity holders of the Company	327,195	314,303	4	191,433	127,340	50
Minority interest	6,799	6,001	13	2,522	2,383	6
	333,994	320,304	4	193,955	129,723	50

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

	Group			Group		
	YTD 2007 US\$'000	YTD 2006 US\$'000	% Increase/ (Decrease)	Q3 2007 US\$'000	Q3 2006 US\$'000	% Increase/ (Decrease)
(A) Investment Income	22	-	N/M	-	-	0
(B) Other Income Including Interest Income	31,789	24,999	27	10,030	6,120	64
(C) Interest on Borrowings	(29,378)	(27,655)	6	(7,667)	(6,345)	21
(D) Depreciation and Amortisation	(183,497)	(178,540)	3	(60,395)	(57,105)	6
(E) Allowance for Doubtful Debts and Bad Debts Written Off	(10,712)	(7,207)	49	(3,952)	(744)	431
(F) Provision for Impairment in Value of Investments	-	(2,075)	(100)	-	(2,075)	(100)
(G) Write-off of Net Deferred Tax Assets	-	(22,300)	(100)	-	(22,300)	(100)
(H) Foreign Exchange Gain	5,188	12,137	(57)	180	4,219	(96)
(I) Adjustment for Over Provision for Tax in Prior Years	384	169,700 ¹	(100)	445	170,570 ¹	(100)
(J) Profit on Sale of Investments and Property, Plant and Equipment	16,720	5,002	234	4,743	886	435
(K) Write-off of Inventories	(230)	-	N/M	(230)	-	N/M

¹ Includes write-back due to adoption of tonnage tax regime in Q3 2006.

1.(b)(i) Balance Sheets

	Group			Company		
	21 Sept 2007 US\$'000	29 Dec 2006 US\$'000	% Increase/ (Decrease)	21 Sept 2007 US\$'000	29 Dec 2006 US\$'000	% Increase/ (Decrease)
ASSETS						
<u>Current Assets</u>						
Cash and cash equivalents	347,395	694,313	(50)	21,009	26,111	(20)
Trade and other receivables	1,048,574	907,085	16	586,469	735,454	(20)
Inventories at cost	146,594	101,567	44	-	-	0
Derivative financial instruments	88,565	45,225	96	46,800	41,526	13
Other current assets	45,136	36,491	24	516	551	(6)
Total current assets	1,676,264	1,784,681	(6)	654,794	803,642	(19)
<u>Non-current Assets</u>						
Investments in subsidiaries	-	-	0	996,338	1,007,739	(1)
Investments in associated companies	10,155	8,736	16	20	24	(17)
Investments in joint ventures	21,118	17,112	23	-	-	0
Available-for-sale financial assets	195	323	(40)	-	11	(100)
Property, plant and equipment	2,726,143	2,168,365	26	284,158	47,153	503
Investment properties	19,781	23,114	(14)	-	-	0
Deferred charges	4,108	3,311	24	-	-	0
Intangible assets	33,404	26,115	28	13	26	(50)
Goodwill arising on consolidation	121,522	121,454	0	-	-	0
Deferred income tax assets	48,008	43,786	10	-	-	0
Other non-current assets	76,512	73,889	4	2,895	3,098	(7)
Total non-current assets	3,060,946	2,486,205	23	1,283,424	1,058,051	21
TOTAL ASSETS	4,737,210	4,270,886	11	1,938,218	1,861,693	4
LIABILITIES						
<u>Current Liabilities</u>						
Trade and other payables	1,059,428	915,633	16	112,254	86,703	29
Current income tax liabilities	39,876	36,364	10	17,063	18,166	(6)
Borrowings	73,794	141,683	(48)	2,712	8,539	(68)
Provisions	38,387	47,029	(18)	370	926	(60)
Deferred income	4,637	4,637	0	-	-	0
Derivative financial instruments	47,044	67,132	(30)	46,800	41,526	13
Other current liabilities	241,584	178,472	35	-	-	0
Total current liabilities	1,504,750	1,390,950	8	179,199	155,860	15
<u>Non-current Liabilities</u>						
Borrowings	526,857	530,412	(1)	-	-	0
Provisions	129,122	115,987	11	-	-	0
Deferred income	1,878	5,478	(66)	-	-	0
Deferred income tax liabilities	18,500	17,148	8	10,738	10,329	4
Other non-current liabilities	71,862	68,816	4	-	-	0
Total non-current liabilities	748,219	737,841	1	10,738	10,329	4
TOTAL LIABILITIES	2,252,969	2,128,791	6	189,937	166,189	14
NET ASSETS	2,484,241	2,142,095	16	1,748,281	1,695,504	3
EQUITY						
Share capital	839,898	822,066	2	839,898	822,066	2
Treasury shares	(3,659)	-	N/M	(3,659)	-	N/M
Shares held by employee benefit trust	836,239	822,066	2	836,239	822,066	2
Retained earnings	(1,111)	(2,482)	(55)	-	-	0
Other reserves	1,530,459	1,280,755	19	885,867	852,015	4
Other reserves	75,071	8,378	796	26,175	21,423	22
Capital and reserves attributable to equity holders of the Company	2,440,658	2,108,717	16	1,748,281	1,695,504	3
Minority interest	43,583	33,378	31	-	-	0
TOTAL EQUITY	2,484,241	2,142,095	16	1,748,281	1,695,504	3
Net current assets	171,514	393,731	(56)	475,595	647,782	(27)

1.(b)(ii) Borrowings

The Group As at 21 September 2007	Secured bank loans	Unsecured bank loans	Secured finance lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	6,644	67,081	69	73,794
Amount repayable on or before 21 September :				
2009	6,965	-	34	6,999
2010	7,331	-	22	7,353
2011	8,601	-	-	8,601
2012	7,186	-	-	7,186
Thereafter	53,175	443,543	-	496,718
	89,902	510,624	125	600,651

As at 29 December 2006	Secured bank loans	Unsecured bank loans	Secured finance lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	5,980	135,468	235	141,683
Amount repayable in :				
2008	6,651	-	50	6,701
2009	7,051	-	10	7,061
2010	7,410	-	10	7,420
2011	7,787	-	-	7,787
Thereafter	58,317	443,126	-	501,443
	93,196	578,594	305	672,095

The loans are secured mainly on vessels and the finance lease liabilities are secured mainly on equipment and motor vehicles.

1.(b)(iii) Operating Lease Commitments

The future aggregate minimum lease payments under non-cancellable operating leases of the Group are as follows:

The Group As at 21 September 2007	Vessels	Containers	Terminals	Chassis	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable for the remainder of 2007	167,517	8,610	19,729	7,744	18,852	222,452
Amount repayable in :						
2008	596,768	19,931	71,917	28,541	67,854	785,011
2009	564,229	11,899	67,817	14,949	52,677	711,571
2010	549,372	507	67,133	9,721	32,122	658,855
2011	521,445	-	67,373	8,672	24,242	621,732
Thereafter	2,059,714	-	871,142	28,011	58,220	3,017,087
	4,459,045	40,947	1,165,111	97,638	253,967	6,016,708

As at 29 December 2006	Vessels	Containers	Terminals	Chassis	Others	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less	485,977	37,194	76,823	31,105	62,029	693,128
Amount repayable in :						
2008	513,070	20,230	73,858	28,640	49,031	684,829
2009	487,785	12,084	69,960	14,987	40,275	625,091
2010	435,846	512	69,587	9,737	25,618	541,300
2011	418,666	-	69,893	8,684	18,827	516,070
Thereafter	1,655,514	-	880,948	28,052	44,378	2,608,892
	3,996,858	70,020	1,241,069	121,205	240,158	5,669,310

1.(c) Consolidated Cash Flow Statement

	Group			
	YTD 2007 US\$'000	YTD 2006 US\$'000	Q3 2007 US\$'000	Q3 2006 US\$'000
Cash Flows from Operating Activities				
Profit/(loss) before income tax	362,214	208,665	203,556	(6,527)
Adjustments for :				
Amortisation of non-current assets and deferred income	2,076	1,473	771	513
Depreciation of property, plant and equipment	181,072	176,717	59,512	56,479
Depreciation of investment properties	349	350	112	113
Fair value gains on interest rate collars: not qualifying as hedges	-	(15)	-	-
Fair value losses on cross currency interest rate swaps: fair value hedges	-	3,625	-	-
Fair value gains on long term borrowings: fair value hedge adjustment on bond	-	(257)	-	-
Fair value losses on forward foreign exchange contracts: not qualifying as hedges	49	-	-	-
Premium on bunker call option	3,344	-	851	-
Interest expense	29,378	27,655	7,667	6,345
Interest income	(20,313)	(16,945)	(4,608)	(2,273)
Investment income	(22)	-	-	-
Share-based compensation costs	7,397	6,471	2,140	2,486
Write-off of inventories	230	-	230	-
Fair value losses/(gains) on shares held by employee benefit trust	2,252	(826)	(118)	142
Net profit on disposal of property, plant and equipment	(16,578)	(2,386)	(4,744)	(856)
Net profit on disposal of subsidiaries	-	(2,165)	-	(30)
Net profit on disposal of available-for-sale financial assets	(153)	(451)	-	-
Net loss on disposal of other non-current investments	11	-	1	-
Net provision for impairment of loans and non-trade debts to associated companies	967	1,731	264	576
Net provision for impairment in value of property, plant and equipment	-	1,000	-	1,000
Net provision for impairment in value of a joint venture company	-	2,075	-	2,075
Impairment in value of goodwill arising on consolidation	-	99,999	-	99,999
Net provision for/(write-back of) restructuring and termination costs	231	(220)	130	140
Net provision for insurance, litigation and other claims, net of reimbursement	16,237	21,723	1,978	9,057
Net provision for drydocking costs	1,542	720	221	279
Net write-back of provision for impairment of other non-current asset	-	(258)	-	(86)
Share of results of associated companies	(1,895)	(2,239)	(597)	(113)
Share of results of joint ventures	(5,245)	(1,479)	(2,348)	(912)
Unrealised translation losses/(gains)	5,993	(1,418)	3,901	(606)
Operating cash flow before working capital changes	569,136	523,545	268,919	167,801
Changes in operating assets and liabilities, net of effects from disposal of subsidiaries :				
Receivables	(167,733)	(99,592)	(93,199)	(54,685)
Inventories	(45,455)	(6,420)	(27,605)	3,518
Payables	190,652	60,659	139,812	70,480
Net amount due from associated companies	(1,210)	(1,364)	(356)	172
Cash generated from operations	545,390	476,828	287,571	187,286
Interest paid	(32,229)	(29,498)	(10,263)	(8,111)
Interest received	21,621	18,670	5,915	2,285
Net income tax paid	(29,449)	(53,386)	(7,481)	(6,594)
Net cash inflow from operating activities	505,333	412,614	275,742	174,866
Cash Flows from Investing Activities				
Acquisition of additional interests in a subsidiary	(81)	-	-	-
Investment in an associated company	(5)	-	-	-
Investment in a joint venture	-	(94)	-	(94)
Net repayment of loans receivable	(17)	(2,979)	(41)	(447)
Investment income received	22	-	-	-
Dividends received from an associated company	353	488	353	488
Dividends received from a joint venture	1,244	125	1,244	125
Additions in other non-current investments	(823)	(908)	(113)	(301)
Purchase of property, plant and equipment	(750,391)	(122,513)	(404,423)	(23,917)
Purchase of intangible assets	(462)	(3,797)	(21)	(1,483)
Proceeds from disposal of property, plant and equipment	22,904	5,509	7,300	2,389
Proceeds from disposal of an investment properties	4,245	-	-	-
Proceeds from disposal of available-for-sale financial assets	165	631	-	-
Proceeds from disposal of other non-current investments	76	9	-	-
Net cash inflow/(outflow) (net of transaction costs) from disposal of subsidiaries, net of cash disposed ²	13,112	2,238	(82)	220
Net cash outflow from investing activities	(709,658)	(121,291)	(395,783)	(23,020)
Cash Flows from Financing Activities				
Proceeds from borrowings	339	64,745	237	220
Net (payment to) / contribution from employees for purchase of shares by the employee benefit trust	(555)	23	(555)	(5)
Capital distribution to equity holders	-	(824,756)	-	-
Dividends paid to equity holders	(77,491)	(36,752)	(38,820)	(36,752)
Dividends paid to minority interest	(897)	(1,606)	-	(1,018)
Capital contribution by minority interest	28	5,527	28	-
Proceeds from issue of new ordinary shares	15,187	3,788	3,410	-
Purchase of treasury shares	(3,659)	-	(3,659)	-
Repayment of borrowings	(74,045)	(73,753)	(962)	(20,793)
Net payment for early redemption of bond and termination of cross currency interest rate swap	-	(298,204)	-	-
Payment of costs incurred in connection with long term financing	(1,500)	(2,215)	-	(1,945)
Net cash outflow from financing activities	(142,593)	(1,163,203)	(40,321)	(60,293)
Net (decrease)/increase in cash and cash equivalents	(346,918)	(871,880)	(160,367)	91,553
Cash and cash equivalents at beginning of financial period	694,313	1,160,946	507,762	197,513
Cash and cash equivalents at end of financial period	347,395	289,066	347,395	289,066

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

² Summary of Effect of Disposal of Subsidiaries on the Group's Cash Flows

	Group			
	YTD 2007 US\$'000	YTD 2006 US\$'000	Q3 2007 US\$'000	Q3 2006 US\$'000
Net assets disposed :				
Other non-current assets	9,366	538	941	184
Current assets	12,599	1,646	648	667
Current liabilities	(4,112)	(54)	(851)	(28)
Non-current liabilities	(169)	-	-	-
Net attributable assets disposed	17,684	2,130	738	823
Less : Minority interest	3,669	(36)	-	-
Add : Foreign currency translation reserve	(1,330)	(601)	(234)	(160)
	20,023	1,493	504	663
Net profit on disposal of subsidiaries	-	2,165	-	30
Net proceeds from disposal of subsidiaries	20,023	3,658	504	693
Less : Cash of subsidiaries disposed	(6,911)	(1,420)	(586)	(473)
Net cash inflow/(outflow) (net of transaction costs) from disposal of subsidiaries, net of cash disposed	13,112	2,238	(82)	220

1.(d)(i) Statement of Changes in Equity

GROUP	Capital and reserves attributable to equity holders of the Company						Total equity US\$'000
	Share capital US\$'000	Shares held		Retained earnings US\$'000	Other reserves US\$'000	Minority interest US\$'000	
		Treasury shares US\$'000	by employee benefit trust 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	-	-	-	-	12,709	-	12,709
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	14,008	-	14,008
Fair value loss on available-for-sale financial asset	-	-	-	-	(62)	-	(62)
Tax on fair value gains and losses	-	-	-	-	(302)	-	(302)
Currency translation differences	-	-	-	-	(930)	515	(415)
Net gains recognised directly in equity	-	-	-	-	25,423	515	25,938
Net profit for the financial period	-	-	-	135,762	-	4,277	140,039
Total gains recognised for the financial period	-	-	-	135,762	25,423	4,792	165,977
Dividends to equity holders	-	-	-	(38,671)	-	-	(38,671)
Dividends to minority interest	-	-	-	-	-	(897)	(897)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	(14)	(14)
Disposal of a subsidiary	-	-	-	-	-	3,669	3,669
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	5,257	-	5,257
- proceeds from shares issued	14,422	-	-	-	(2,645)	-	11,777
Sale of shares by employee benefit trust	-	-	1,549	-	-	-	1,549
Balance at 29 June 2007	836,488	-	(933)	1,377,846	36,413	40,928	2,290,742
Fair value gains on cash flow hedges	-	-	-	-	43,749	-	43,749
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(9,270)	-	(9,270)
Fair value loss on available-for-sale financial asset	-	-	-	-	(40)	-	(40)
Tax on fair value gains and losses	-	-	-	-	(453)	-	(453)
Currency translation differences	-	-	-	-	2,532	105	2,637
Net gains recognised directly in equity	-	-	-	-	36,518	105	36,623
Net profit for the financial period	-	-	-	191,433	-	2,522	193,955
Total gains recognised for the financial period	-	-	-	191,433	36,518	2,627	230,578
Dividends to equity holders	-	-	-	(38,820)	-	-	(38,820)
Capital contribution by minority interest	-	-	-	-	-	28	28
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	2,140	-	2,140
- proceeds from shares issued	3,410	-	-	-	-	-	3,410
Purchase of treasury shares	-	(3,659)	-	-	-	-	(3,659)
Purchase of shares by employee benefit trust	-	-	(178)	-	-	-	(178)
Balance at 21 September 2007	839,898	(3,659)	(1,111)	1,530,459	75,071	43,583	2,484,241

1.(d)(i) Statement of Changes in Equity (continued)

GROUP	Capital and reserves attributable to equity holders of the Company						Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Shares held	Retained earnings US\$'000	Other reserves US\$'000	Minority interest US\$'000	
			by employee benefit trust US\$'000				
Balance at 31 December 2005	814,447	556,586	(1,399)	1,222,706	12,733	20,835	2,625,908
Employee equity compensation schemes:							
- proceeds from shares issued	913	2,758	-	-	(1,794)	-	1,877
Capital distribution to equity holders	-	(555,814)	-	(268,942)	-	-	(824,756)
Balance before transfer of share premium reserve to share capital	815,360	3,530	(1,399)	953,764	10,939	20,835	1,803,029
Transfer of share premium reserve to share capital upon implementation of Companies (Amendment) Act 2005 ³	3,530	(3,530)	-	-	-	-	-
Balance after transfer of share premium reserve to share capital	818,890	-	(1,399)	953,764	10,939	20,835	1,803,029
Fair value gains on cash flow hedges	-	-	-	-	48,609	-	48,609
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	-	(27,282)	-	(27,282)
Fair value loss on currency risk of bond	-	-	-	-	(18,227)	-	(18,227)
Fair value loss on currency risk of bond transferred to the income statement	-	-	-	-	18,227	-	18,227
Fair value gain on available-for-sale financial asset	-	-	-	-	65	-	65
Currency translation differences	-	-	-	-	2,139	(130)	2,009
Net gains/(losses) recognised directly in equity	-	-	-	-	23,531	(130)	23,401
Net profit for the financial period	-	-	-	186,963	-	3,618	190,581
Total gains recognised for the financial period	-	-	-	186,963	23,531	3,488	213,982
Dividends to minority interest	-	-	-	-	-	(588)	(588)
Capital contribution by minority interest	-	-	-	-	-	5,527	5,527
Disposal of subsidiaries	-	-	-	-	-	(36)	(36)
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	3,760	-	3,760
- proceeds from shares issued	3,176	-	-	-	(1,265)	-	1,911
Purchase of shares by employee benefit trust	-	-	(585)	-	-	-	(585)
Balance at 30 June 2006	822,066	-	(1,984)	1,140,727	36,965	29,226	2,027,000
Fair value losses on cash flow hedges	-	-	-	-	(42,144)	-	(42,144)
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	-	3,301	-	3,301
Fair value loss on available-for-sale financial asset	-	-	-	-	(57)	-	(57)
Currency translation differences	-	-	-	-	830	(34)	796
Net losses recognised directly in equity	-	-	-	-	(38,070)	(34)	(38,104)
Net profit for the financial period	-	-	-	127,340	-	2,383	129,723
Total gains/(losses) recognised for the financial period	-	-	-	127,340	(38,070)	2,349	91,619
Dividends to equity holders	-	-	-	(36,752)	-	-	(36,752)
Dividends to minority interest	-	-	-	-	-	(1,018)	(1,018)
Employee equity compensation schemes:							
- value of employee services	-	-	-	-	2,370	-	2,370
Purchase of shares by employee benefit trust	-	-	(55)	-	-	-	(55)
Balance at 22 September 2006	822,066	-	(2,039)	1,231,315	1,265	30,557	2,083,164

³ With the implementation of the Companies (Amendment) Act 2005 on 30 January 2006, the concept of authorised share capital is abolished and the shares of the Company have no par value. Consequently, the balance in share premium within equity as at 30 January 2006 had been reclassified to the Company's share capital.

1.(d)(i) Statement of Changes in Equity (continued)

COMPANY	Share capital	Treasury shares	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 30 December 2006	822,066	-	852,015	21,423	1,695,504
Net profit for the financial period	-	-	104,450	-	104,450
Dividends to equity holders	-	-	(38,671)	-	(38,671)
Employee equity compensation schemes:					
- value of employee services	-	-	-	5,257	5,257
- proceeds from shares issued	14,422	-	-	(2,645)	11,777
Balance at 29 June 2007	836,488	-	917,794	24,035	1,778,317
Net profit for the financial period	-	-	6,893	-	6,893
Dividends to equity holders	-	-	(38,820)	-	(38,820)
Employee equity compensation schemes:					
- value of employee services	-	-	-	2,140	2,140
- proceeds from shares issued	3,410	-	-	-	3,410
Purchase of treasury shares	-	(3,659)	-	-	(3,659)
Balance at 21 September 2007	839,898	(3,659)	885,867	26,175	1,748,281

COMPANY	Share capital	Share premium	Retained earnings	Other reserves	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 31 December 2005	814,447	556,586	1,020,722	22,327	2,414,082
Employee equity compensation schemes:					
- proceeds from shares issued	913	2,758	-	(1,794)	1,877
Capital distribution to equity holders	-	(555,814)	(268,942)	-	(824,756)
Balance before transfer of share premium reserve to share capital	815,360	3,530	751,780	20,533	1,591,203
Transfer of share premium reserve to share capital upon implementation of Companies (Amendment) Act 2005 ⁴	3,530	(3,530)	-	-	-
Balance after transfer of share premium reserve to share capital	818,890	-	751,780	20,533	1,591,203
Fair value gains on cash flow hedges	-	-	-	17,565	17,565
Fair value gains on cash flow hedges transferred to the income statement	-	-	-	(16,727)	(16,727)
Fair value loss on currency risk of bond	-	-	-	(18,227)	(18,227)
Fair value loss on currency risk of bond transferred to the income statement	-	-	-	18,227	18,227
Net gains recognised directly in equity	-	-	-	838	838
Net profit for the financial period	-	-	131,104	-	131,104
Total gains recognised for the financial period	-	-	131,104	838	131,942
Employee equity compensation schemes:					
- value of employee services	-	-	-	3,760	3,760
- proceeds from shares issued	3,176	-	-	(1,265)	1,911
Balance at 30 June 2006	822,066	-	882,884	23,866	1,728,816
Fair value gains on cash flow hedges	-	-	-	2	2
Fair value losses on cash flow hedges transferred to the income statement	-	-	-	10	10
Net gains recognised directly in equity	-	-	-	12	12
Net loss for the financial period	-	-	(1,696)	-	(1,696)
Total (losses)/gains recognised for the financial period	-	-	(1,696)	12	(1,684)
Dividends to equity holders	-	-	(36,752)	-	(36,752)
Employee equity compensation schemes:					
- value of employee services	-	-	-	2,370	2,370
Balance at 22 September 2006	822,066	-	844,436	26,248	1,692,750

⁴ With the implementation of the Companies (Amendment) Act 2005 on 30 January 2006, the concept of authorised share capital is abolished and the shares of the Company have no par value. Consequently, the balance in share premium within equity as at 30 January 2006 had been reclassified to the Company's share capital.

- 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 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 21 September 2007, the Company's issued and paid-up capital comprised 1,469,351,446 (29 December 2006: 1,456,480,540) ordinary shares.

Share options

As at 29 December 2006, there were 34,344,000 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 9 months ended 21 September 2007, 11,009,365 share options were exercised to take up unissued shares of the Company at the subscription price of between S\$2.06 and S\$2.20 per share and 1,493,337 options were cancelled.

As at 21 September 2007, there were 11,666 (29 December 2006: nil) options exercised but for which shares have yet to be allotted.

In addition, the Company granted 7,261,000 new options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

As at 21 September 2007, options to subscribe for 29,102,298 ordinary shares remain outstanding under the NOL SOP.

Performance shares

As at 29 December 2006, there were 5,001,115 outstanding performance shares under the NOL Performance Share Plan ("PSP").

During the 9 months ended 21 September 2007, 1,873,207 performance shares were vested on 2 January 2007 and 201,001 were cancelled.

In addition, the Company awarded 1,858,000 new performance shares under the PSP.

As at 21 September 2007, 4,784,907 performance shares remain outstanding under the PSP.

Treasury shares

Pursuant to the share purchase mandate approved at the Annual General Meeting held on 18 April 2007, the Company purchased a total of 1,200,000 shares during the 9 months ended 21 September 2007. The shares were purchased by way of market acquisitions at prices ranging from S\$4.31 to S\$4.95 per share and the total consideration paid was US\$3,659,034 (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 PSP.

As at 21 September 2007, there were 1,200,000 treasury shares that may be issued upon the exercise of options under the NOL SOP and the vesting of performance shares under the PSP.

2. **Basis of Preparation**

The preparation of the third quarter 2007 interim 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 21 September 2007 and the reported amounts of revenue and expenses during the financial period from 30 December 2006 to 21 September 2007. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. **Negative Assurance Confirmation by the Board Pursuant to Rule 705 (4) of the Listing Manual**

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the Company which may render the interim financial information for the third quarter ended 21 September 2007 to be false or misleading.

On behalf of the board of directors

CHRISTOPHER LAU
Director

THOMAS HELD
Director

Dated this 31 October 2007

4. **Audit or Review of Figures**

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

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

N.A.

6. 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 7(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 29 December 2006.

7.(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 30 December 2006, the Group and the Company early adopted the new or revised Singapore Financial Reporting Standards ("FRS"), which are effective for the financial period beginning on or after 1 January 2007. Further, the Group and the Company adopted Interpretations of FRS ("INT FRS") that are mandatory for application in the current financial year. The 2006 comparatives have been amended where as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the Group:

Amendments to FRS 1	: Presentation of Financial Statements (Capital Disclosures)
FRS 40	: Investment Property
FRS 107	: Financial Instruments: Disclosures
INT FRS 107	: Applying the Restatement Approach under FRS 29, Financial Reporting in Hyperinflationary Economies
INT FRS 108	: Scope of FRS 102, Share-based Payment
INT FRS 109	: Reassessment of Embedded Derivatives
INT FRS 110	: Interim Financial Reporting and Impairment

The adoption of the above FRS and INT FRS did not have any significant impact on the Group and the Company except as discussed below:

1) Amendments to FRS 1, Presentation of financial statements (Capital disclosures)

The amendment to FRS 1 requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The required disclosures will be made accordingly in the year end financial statements of the Group and the Company.

2) FRS 107, Financial instruments: Disclosures

FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The required disclosures will be made accordingly in the year end financial statements of the Group and the Company.

3) FRS 40, Investment property

FRS 40 requires companies to choose to measure investment properties either using the fair value or cost method.

The Group and the Company have elected to measure investment properties under the cost method. Investment properties are stated at cost less accumulated depreciation and any impairment losses.

Under the transitional provision of FRS 40, net book value of freehold land and buildings of US\$23.1 million has been reclassified from property, plant and equipment to investment properties at 30 December 2006.

7.(b) Comparatives

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

8.	GROUP	YTD 2007	YTD 2006	Q3 2007	Q3 2006
	Earnings per ordinary share after deducting any provision for preference dividends				
	a) Based on the weighted average number of ordinary shares on issue (adjusted for treasury shares)	22.38 US cts	21.60 US cts	13.04 US cts	8.72 US cts
	b) On a fully diluted basis (detailing any adjustments made to the earnings)	22.14 US cts	21.53 US cts	12.86 US cts	8.69 US cts

9.	Net Asset Value	Group			Company		
		21 Sept 2007	29 Dec 2006	Inc / (Dec)	21 Sept 2007	29 Dec 2006	Inc / (Dec)
		US\$	US\$	%	US\$	US\$	%
	Net Asset Value per ordinary share based on issued share capital (adjusted for treasury shares) of the issuer	1.66	1.45	14.48	1.19	1.16	2.59

10. Review of the Performance of the Group

YTD 2007 vs YTD 2006

The NOL Group achieved revenue of US\$5.74 billion (YTD 2006: US\$5.28 billion), an increase of 9% year-on-year (YoY).

Net profit increased 4% YoY from US\$314.3 million in YTD 2006 to US\$327.2 million in YTD 2007, primarily due to improved liner volumes and freight rates in selected key trades.

The YTD 2006 net profit included a US\$144 million gain from the write-back of deferred tax liabilities arising from election of the US tonnage tax regime, partially offset by a US\$123 million write-down of goodwill and deferred tax assets following a review of the warehousing service businesses.

Q3 2007 vs Q3 2006

The NOL Group achieved revenue of US\$2.03 billion (Q3 2006: US\$1.76 billion), an increase of 15% quarter-on-quarter (QoQ).

Net profit increased 50% QoQ from US\$127.3 million in Q3 2006 to US\$191.4 million in Q3 2007, due to improved liner freight rates and volumes in selected key trades.

	YTD 2007	YTD 2006	Q3 2007	Q3 2006
	US\$m	US\$m	US\$m	US\$m
(a) Revenue				
Liner	4,804	4,323	1,715	1,446
Logistics	942	949	318	313
Others	92	96	29	31
Elimination	(102)	(89)	(33)	(31)
Total	5,736	5,279	2,029	1,759
(b) EBIT				
Liner	337	286	192	86
Logistics	38	40 ⁵	12	14 ⁵
Others	10	4	5	(3)
Total	385	330	209	97

⁵ Excludes the impairment in value of goodwill arising on consolidation of US\$100 million.

(c) **Analysis by Business Units**

(i) **Liner**

YTD 2007 vs YTD 2006

Liner revenue rose 11% year-on-year (YoY) to US\$4.8 billion. Volumes increased 11% YoY, mostly in the Intra-Asia trade, while average revenue per FEU showed a 1% improvement over the same period last year.

EBIT increased by 18% YoY to US\$337 million primarily as a result of higher freight rates, improved volumes, yield management and cost mitigation efforts.

Q3 2007 vs Q3 2006

Liner revenue rose 19% quarter-on-quarter (QoQ) to US\$1.72 billion. Volumes increased 12% QoQ, mostly in the Transpacific and Intra-Asia trades, while average revenue per FEU rose by 9% as a result of rate restoration programs in key trade lanes.

EBIT increased by 123% QoQ to US\$192 million due to rate restoration in key trades, improved volumes, yield management and cost mitigation efforts.

APL Q3 RESULTS 2007 and 2006

Unaudited

	YTD 2007	YTD 2006	Q3 2007	Q3 2006
Load Factors %				
Transpacific Eastbound	94%	96%	96%	99%
Asia-Europe Westbound	100%	98%	100%	99%
Transatlantic Westbound	94%	96%	98%	91%
Intra-Asia Westbound	100%	96%	100%	99%
Asia-Latin America/Mexico Eastbound	97%	100%	97%	100%
Headhaul	97%	97%	99%	99%
Volume (000s FEU)				
<u>Americas</u>				
Transpacific	589	533	203	176
Latin America	127	120	44	41
	<u>716</u>	<u>653</u>	<u>247</u>	<u>217</u>
<u>Europe</u>				
Asia-Europe	311	301	98	97
Transatlantic	94	88	32	27
	<u>405</u>	<u>389</u>	<u>130</u>	<u>124</u>
<u>Asia/Middle East</u>				
Intra-Asia	567	475	187	164
Total Volume ⁶	1,688	1,517	564	505
Operating Expenses (US\$m)				
<u>Americas</u>				
Transpacific	2,083	1,896	712	636
Latin America	429	389	148	127
	<u>2,512</u>	<u>2,285</u>	<u>860</u>	<u>763</u>
<u>Europe</u>				
Asia-Europe	820	755	268	253
Transatlantic	279	257	96	84
	<u>1,099</u>	<u>1,012</u>	<u>364</u>	<u>337</u>
<u>Asia/Middle East</u>				
Intra-Asia	856	740	299	260
Total Operating Expenses	4,467	4,037	1,523	1,360
Analysis of Expenses (US\$m)				
Operating Cost	3,936	3,507	1,342	1,185
General and Administrative	363	369	126	123
Depreciation and Amortisation	167	161	55	52
Others ⁷	1	-	-	-
Total Operating Expenses	4,467	4,037	1,523	1,360

⁶ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

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

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

(ii) **Logistics**

YTD 2007 vs YTD 2006

APL Logistics recorded revenue of US\$942 million, a 1% decline year-on-year (YoY). Contract Logistics revenue was down 8% YoY, while revenue in International Services increased by 15% on higher volume growth.

EBIT totalled US\$38 million, a YoY 5% decrease due to higher operating expenses from the International Services segment.

Q3 2007 vs Q3 2006

APL Logistics recorded revenue of US\$318 million, a 2% increase quarter-on-quarter (QoQ). Contract Logistics revenue was down 7% QoQ while revenue in International Services increased by 16%.

EBIT totalled US\$12 million, a QoQ 14% decrease due to higher operating expenses from the International Services segment.

APLL Q3 RESULTS 2007 and 2006

Unaudited

US\$ millions

	YTD 2007	YTD 2006	Q3 2007	Q3 2006
BY REGION				
Revenue				
Americas	595	641	193	201
Europe	136	125	47	41
Asia/Middle East	211	183	78	71
Total Revenue	942	949	318	313
BY BUSINESS SEGMENT				
Revenue				
Contract Logistics Services	583	636	186	199
International Services	359	313	132	114
Total Revenue	942	949	318	313
Operating Expenses				
Contract Logistics Services	563	623	181	197
International Services	341	286	125	102
Total Operating Expenses	904	909	306	299
EBIT				
Contract Logistics Services	20	13 ⁸	5	2 ⁸
International Services	18	27	7	12
Total EBIT	38	40	12	14
Analysis of Expenses				
Operating Cost	750	758	251	245
General and Administrative	144	140	52	49
Depreciation and Amortisation	8	8	3	3
Others ⁹	2	3	-	2
Total Operating Expenses	904	909	306	299

⁸ Excludes the impairment in value of goodwill arising on consolidation of US\$100 million.

⁹ Others consists of minority interest and share of results of associated companies and joint ventures.

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

N.A.

12. **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.**

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.

13. **Dividend**
- (a) Any dividend recommended for the current financial period reported on?
Nil
- (b) Any dividend declared for the corresponding period of the immediately preceding financial year?
Nil
- (c) Date payable
N.A.
- (d) Books closure date
N.A.
- (e) If no dividend has been declared (recommended), a statement to that effect.
No dividend has been declared or recommended for the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENT

14. **Interested Person Transactions**

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	YTD 2007 US\$'000	YTD 2006 US\$'000	Q3 2007 US\$'000	Q3 2006 US\$'000
Transactions for the Purchase of Goods and Services				
Keppel Shipyard Limited and its associates	3,249	13,044	2,159	762
Keppel Telecommunications & Transportation Ltd and its associates	345	398	64	179
PSA Corporation Limited and its associates	107,093	85,461	35,824	30,275
SembCorp Marine Ltd and its associates	620	841	-	164
Singapore Petroleum Company Limited and its associates	8,183	23,138	2,534	4,884
Transactions for the Leasing-in of Assets				
SembCorp Marine Ltd and its associates	3,175	3,021	1,006	970
Transactions for the Sale of Goods and Services				
Keppel Telecommunications & Transportation Ltd and its associates	-	397	-	94
PSA Corporation Limited and its associates	241	1,467	-	449
SembCorp Marine Ltd and its associates	-	97	-	53

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

BY ORDER OF THE BOARD

MARJORIE WEE AND WONG KIM WAH
Company Secretaries

Dated this 31 October 2007