

Orient Overseas (International) Ltd

2007

RESULT ANNOUNCEMENT

Media

Orient Overseas (International) Ltd

2007 Annual Results

- **Group turnover increased by 22.6% to US\$5,651 million**
 - **Profit attributable to shareholders of US\$2,547 million compared with US\$580.6 million for 2006**
 - **Result includes the net gain of US\$1.99 billion from the sale of the Terminals Division**
 - **Net profit from continuing operations* was US\$553.7 million, an increase of 29.3% over the 2006 net profit of US\$428.3 million**
- (* before revaluation of the Wall Street Plaza. 2007: \$nil, 2006: \$100million)



2007 EPS & DPS

- **Earnings per share of US407 cents (US92.8 cents last year).**
- **Excluding discontinued operations, earnings per share from continuing operations of US88.3 cents (last year US84.4 cents)**
- **Proposed final dividend of US13.5 cents (HK\$1.05) per share**
- **Total ordinary dividends proposed for 2007 represent 26.1% of Net Profit after Tax from Continuing Operations**



2007 Dividends

	<u>US Cents / Share</u>	<u>US\$ Million</u>
Interim Dividend Paid	9.5	59.45
Final Dividend Proposed	13.5	84.48
Total Ordinary Dividend	23.0	143.93
2006 Special Paid (7 May 2007)	80	500.6
2007 Special Paid (14 Sept 2007)	80	500.6
Total Special Dividends Paid	160	1,001.3

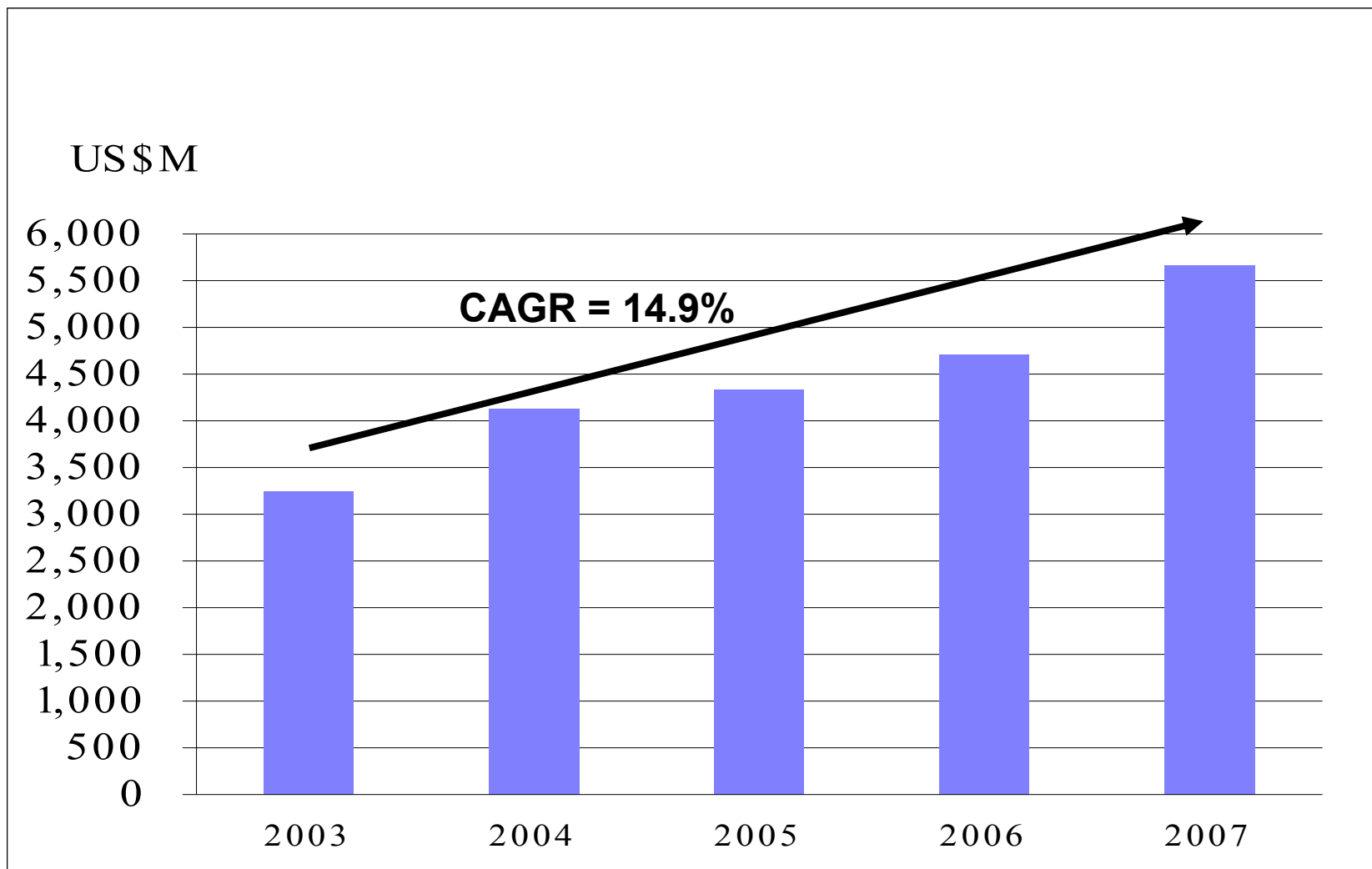


Total Group Results

US\$'000	<u>2007</u>	<u>2006</u>	<u>Variance</u>
Continued Operations:			
Turnover	5,651,030	4,609,751	+ 22.6%
E.B.I.T.D.A.	869,323	679,404	+ 28.0%
Depreciation/Amortization	<u>(178,221)</u>	<u>(154,465)</u>	+ 15.4%
E.B.I.T.	691,102	524,939	+ 31.7%
Finance costs	<u>(99,078)</u>	<u>(71,721)</u>	+ 38.1%
Profit before taxation (& Reval.)	592,024	453,218	+30.6%
Revaluation of Wall Street Plaza	<u>-</u>	<u>100,000</u>	
	592,024	553,218	+ 7.0%
Tax and minority interest	<u>(39,698)</u>	<u>(25,420)</u>	+ 56.2%
Profit from continuing operations	552,326	527,798	+ 4.6%
Profit from discontinued operations	<u>1,994,653</u>	<u>52,805</u>	
Profit attributable to shareholders	<u>2,546,979</u>	<u>580,603</u>	+ 338.7%



Total Group: Turnover



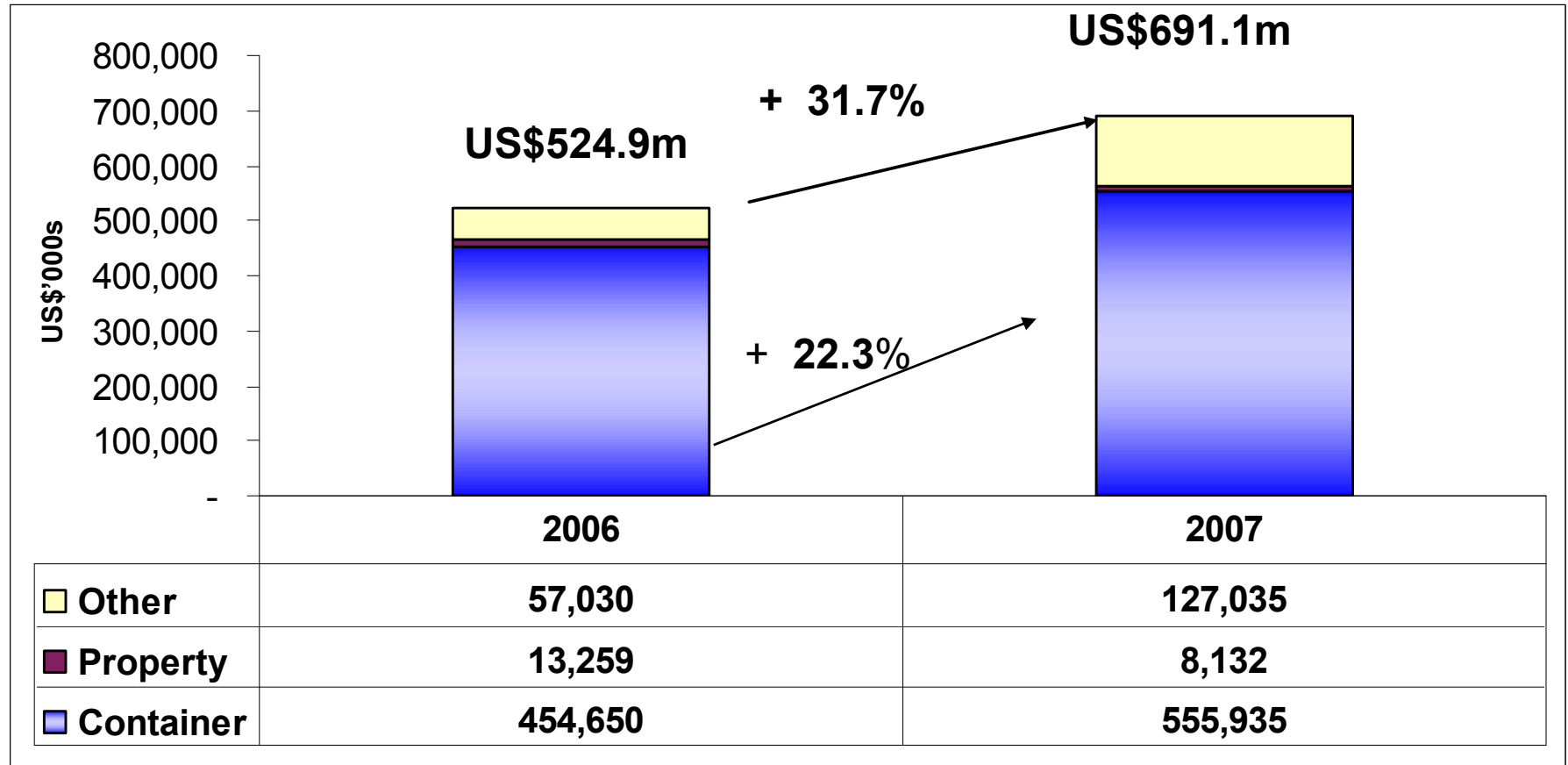
Operating Results: Continuing Operations

US\$'000	<u>2007</u>	<u>2006</u>	<u>Variance</u>
Operating results by activity:			
Container transport and logistics	555,935	454,650	+ 22.3%
Property investment & development	8,132	13,259	- 38.7%
Other	<u>127,035</u>	<u>57,030</u>	+ 122.7%
E.B.I.T. (before WSP Revaluation)	691,102	524,939	+ 31.7%
Profit from continuing operations	552,326	527,798	+ 4.6%

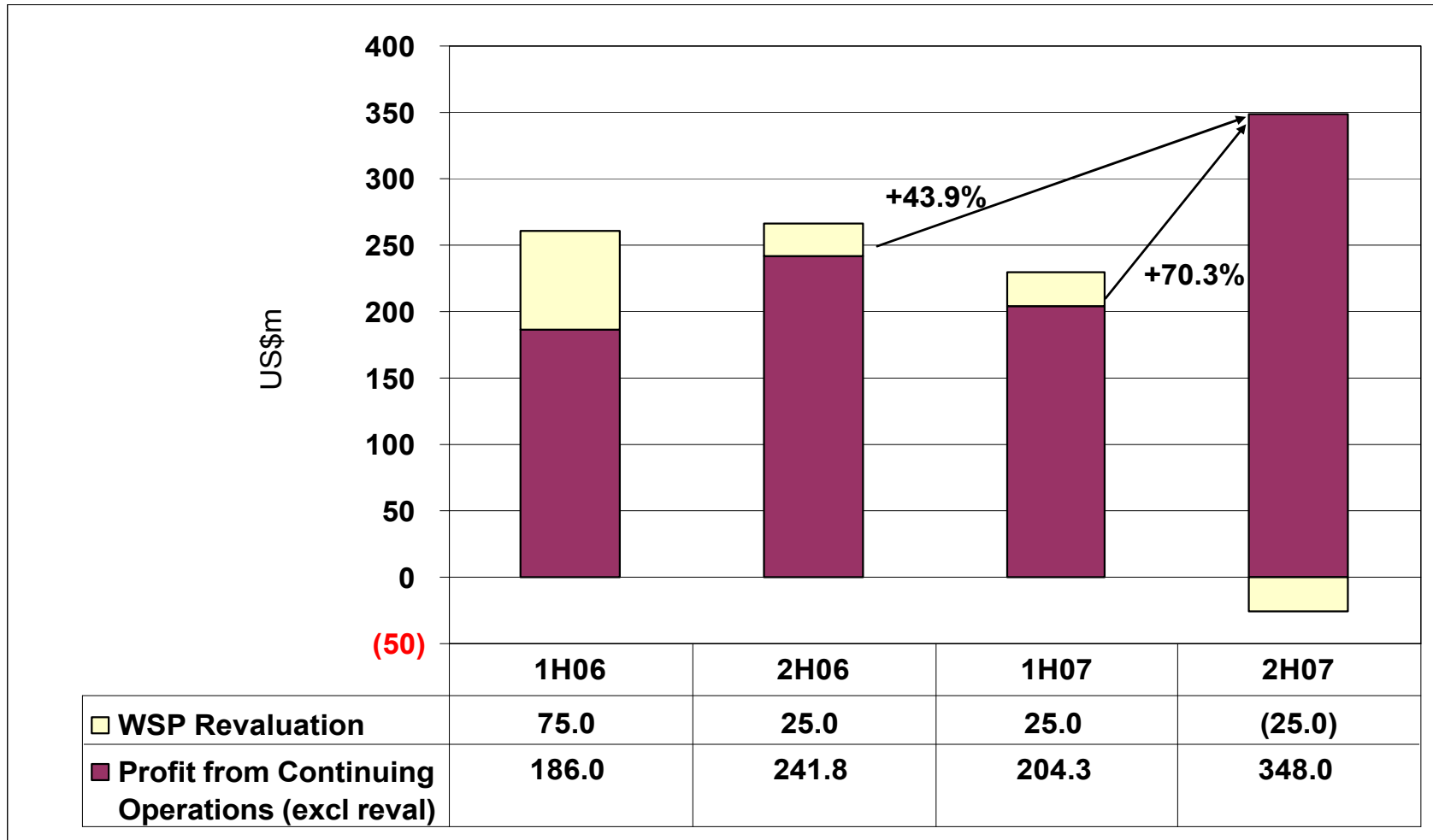


EBIT Contribution: Continuing Operations*

*(excluding WSP Revaluation)



Half-year Comparison: PAT from Continuing Operations

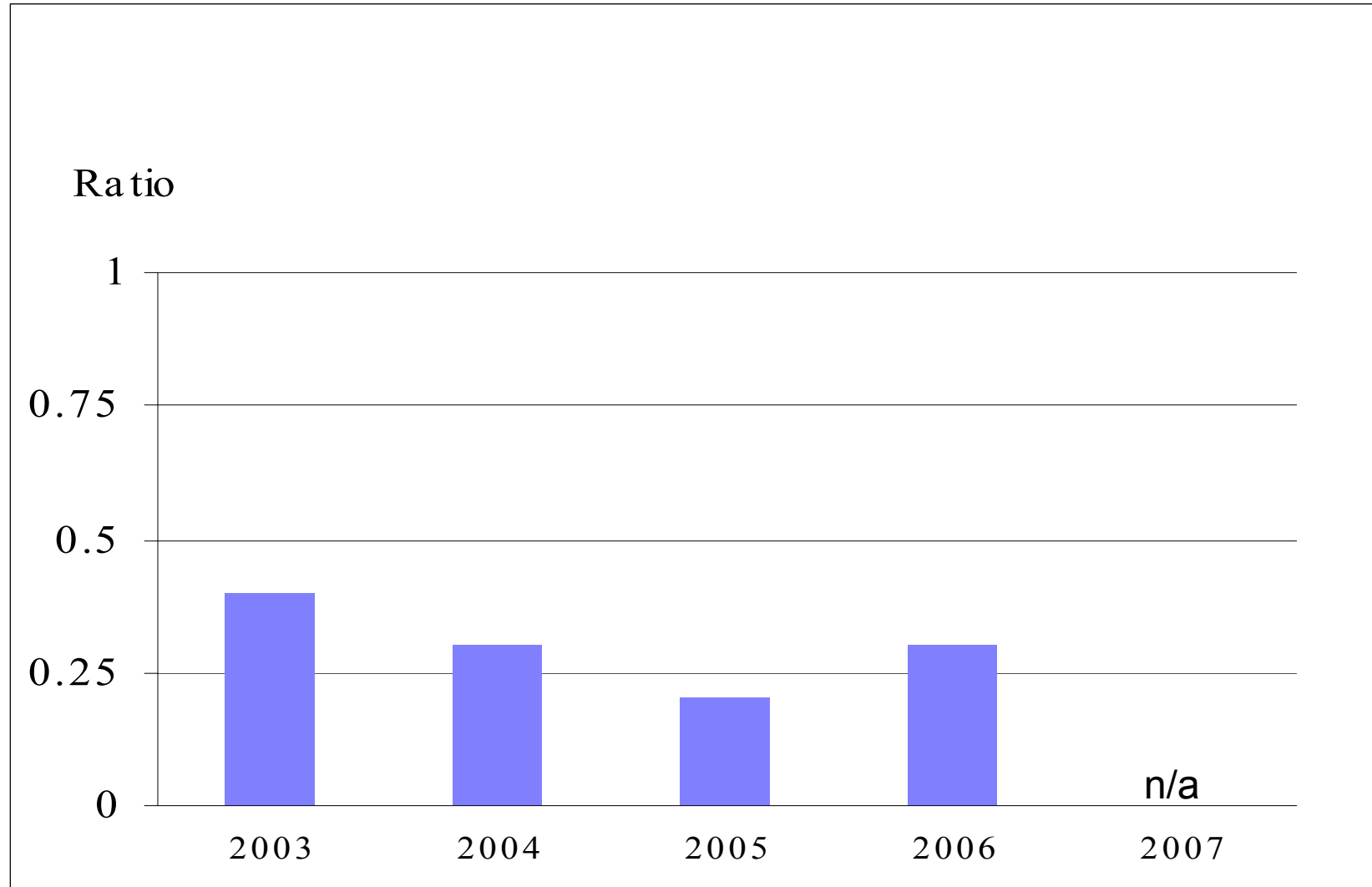


Capital Expenditure

Unit: US\$ Million	2006	2007	2008 Estimate
Vessels	344	591	216
Container & chassis	180	232	253
Terminal equipment & investment	94	13	122
Property investment & development	175	124	519
I.T. equipment	14	38	47
Logistics & depots	4	2	102
Others	9	2	20
	820	1,002	1,279



Net Debt-to Equity Ratio



Summary of Operating Results:

1/ Container Transport & Logistics

US\$'000	2007	2006	Variance
Liftings (TEUs)	4,601,625	3,894,204	+ 18.2%
Revenue per TEU (US\$)	1,120	1,092	+ 2.5%
Turnover			
Asia	3,912,522	3,088,918	+ 26.7%
North America	832,008	720,459	+ 15.5%
Europe	774,691	689,043	+ 12.4%
Australia	96,958	81,766	+ 18.6%
	5,616,179	4,580,186	+ 22.6%
Operating costs	(4,627,769)	(3,704,056)	+ 24.9%
Gross profit	988,410	876,130	+ 12.8%
Business and administrative expenses	(456,383)	(450,061)	+ 1.4%
Other operating income, net	22,749	27,599	- 17.6%
	554,776	453,668	+ 22.3%
Share of results of jointly controlled entities	1,159	982	+ 18.0%
Earnings before finance costs and tax	555,935	454,650	+ 22.3%



Summary of Operating Results: 2/Property Investment & Development

US\$'000	2007	2006	Variance
Rental income	24,227	23,740	+ 2.1%
<u>Property management costs</u>	<u>(10,912)</u>	(10,430)	+ 4.6%
Gross profit	13,315	13,310	+ 0.0%
Fair value gain on investment property*	-	100,000	N/A
<u>Business and administrative expenses</u>	<u>(3,990)</u>	(2,842)	+ 40.4%
Profit from property investment	9,325	110,468	- 91.6%
<u>(Loss)/Profit from property developments</u>	<u>(1,193)</u>	2,791	- 142.7%
<u>Earnings before finance costs and tax</u>	<u>8,132</u>	113,259	- 92.8%

*Revaluation of Wall Street Plaza of US\$100m in 2006



Summary of Operating Results

3/ Other Activities

US\$'000	2007	2006	Variance
Portfolio investment income	27,915	29,607	- 5.7%
Interest income	107,033	40,431	+ 164.7%
Profit on disposal of available for sale financial assets	4,473	26	n/m
Others	(12,386)	(13,034)	- 5.0%
Earnings before finance costs and tax	127,035	57,030	+ 122.8%



Owned Fleet Activity: 2007

- **Delivered:**

- 2 new vessels of 8,063 TEU capacity
- 4 new vessels of 5,888 TEU capacity
- 3 new vessels of 4,578 TEU capacity

- **Ordered:**

- 6 newbuildings of 4,500 TEU capacity to be delivered in 2009
- 6 newbuildings of 8,600 TEU capacity to be delivered in 2010 and 2011

- **Disposed:**

- 1 old vessel of 2,544 TEU capacity built in 1979



OOCL Operational Statistics

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Liftings (TEU's)											
Trans-Pacific	470,236	458,876	538,500	604,064	664,777	771,428	865,098	1,016,635	1,124,967	1,207,398	1,342,525
Asia / Europe	255,891	263,980	287,010	307,725	322,783	355,067	406,648	517,054	544,031	679,880	777,752
Trans-Atlantic	254,712	237,179	258,822	248,273	253,272	270,404	278,200	312,769	326,643	339,693	388,497
Intra Asia / Australaisa	<u>448,714</u>	<u>444,635</u>	<u>621,865</u>	<u>643,816</u>	<u>764,160</u>	<u>867,983</u>	<u>1,137,599</u>	<u>1,420,777</u>	<u>1,527,577</u>	<u>1,667,233</u>	<u>2,092,851</u>
Total All Services	<u>1,429,553</u>	<u>1,404,670</u>	<u>1,706,197</u>	<u>1,803,878</u>	<u>2,004,992</u>	<u>2,264,882</u>	<u>2,687,545</u>	<u>3,267,235</u>	<u>3,523,218</u>	<u>3,894,204</u>	<u>4,601,625</u>
Revenue (USD 000's)											
Trans-Pacific	638,322	603,637	825,018	916,692	878,428	936,154	1,281,239	1,591,175	1,767,341	1,819,490	1,962,521
Asia / Europe	276,471	302,235	343,948	390,355	352,003	335,656	525,786	724,626	777,920	838,200	1,221,647
Trans-Atlantic	359,352	309,883	288,802	297,218	305,532	294,125	343,518	410,995	485,887	566,319	624,533
Intra Asia / Australaisa	<u>352,596</u>	<u>318,696</u>	<u>385,180</u>	<u>415,463</u>	<u>436,015</u>	<u>451,440</u>	<u>604,657</u>	<u>867,418</u>	<u>996,991</u>	<u>1,029,450</u>	<u>1,343,686</u>
Total All Services	<u>1,626,741</u>	<u>1,534,451</u>	<u>1,842,948</u>	<u>2,019,728</u>	<u>1,971,978</u>	<u>2,017,375</u>	<u>2,755,200</u>	<u>3,594,214</u>	<u>4,028,139</u>	<u>4,253,459</u>	<u>5,152,387</u>
Revenue/TEU											
Trans-Pacific	1,357	1,315	1,532	1,518	1,321	1,214	1,481	1,565	1,571	1,507	1,462
Asia / Europe	1,080	1,145	1,198	1,269	1,091	945	1,293	1,401	1,430	1,233	1,571
Trans-Atlantic	1,411	1,307	1,116	1,197	1,206	1,088	1,235	1,314	1,488	1,667	1,608
Intra Asia / Australaisa	786	717	619	645	571	520	532	611	653	617	642
Total All Services	1,138	1,092	1,080	1,120	984	891	1,025	1,100	1,143	1,092	1,120

Updated as at January 30, 2008



OOCL Operational Quarterly Update 4Q07

	Q4 2007	Q4 2006	change	Q3 2007	Q3 2006	change	Q2 2007	Q2 2006	change	Q1 2007	Q1 2006	change	Q4 2006	Q4 2005	change
LIFTINGS (TEU'S)															
Trans-Pacific	337,903	293,568	15.1%	377,170	319,016	18.2%	334,230	309,919	7.8%	293,222	284,895	2.9%	293,568	277,387	5.8%
Asia-Europe	187,646	182,659	2.7%	198,469	183,779	8.0%	199,655	169,951	17.5%	191,982	143,491	33.8%	182,659	144,776	26.2%
Trans-Atlantic	101,650	87,572	16.1%	96,622	84,680	14.1%	100,786	86,275	16.8%	89,439	81,166	10.2%	87,572	82,450	6.2%
Intra-Asia/Austrlasia	562,510	472,115	19.1%	532,759	412,533	29.1%	534,189	406,666	31.4%	463,393	375,919	23.3%	472,115	396,016	19.2%
TOTAL ALL SERVICES	1,189,709	1,035,914	14.8%	1,205,020	1,000,008	20.5%	1,168,860	972,811	20.2%	1,038,036	885,471	17.2%	1,035,914	900,629	15.0%

TOTAL REVENUES (USD 000's)

Trans-Pacific	498,403	431,525	15.5%	565,949	491,591	15.1%	482,961	461,648	4.6%	415,208	434,726	-4.5%	431,525	438,438	-1.6%
Asia-Europe	346,136	231,085	49.8%	346,819	229,295	51.3%	283,058	204,840	38.2%	245,634	172,980	42.0%	231,085	197,247	17.2%
Trans-Atlantic	173,129	146,215	18.4%	153,621	145,325	5.7%	155,874	142,466	9.4%	141,909	132,313	7.3%	146,215	133,453	9.6%
Intra-Asia/Australasia	385,826	295,875	30.4%	356,013	254,846	39.7%	320,243	247,072	29.6%	281,604	231,657	21.6%	295,875	251,197	17.8%
TOTAL ALL SERVICES	1,403,494	1,104,700	27.0%	1,422,402	1,121,057	26.9%	1,242,136	1,056,026	17.6%	1,084,355	971,676	11.6%	1,104,700	1,020,335	8.3%

REVENUE PER TEU (USD)

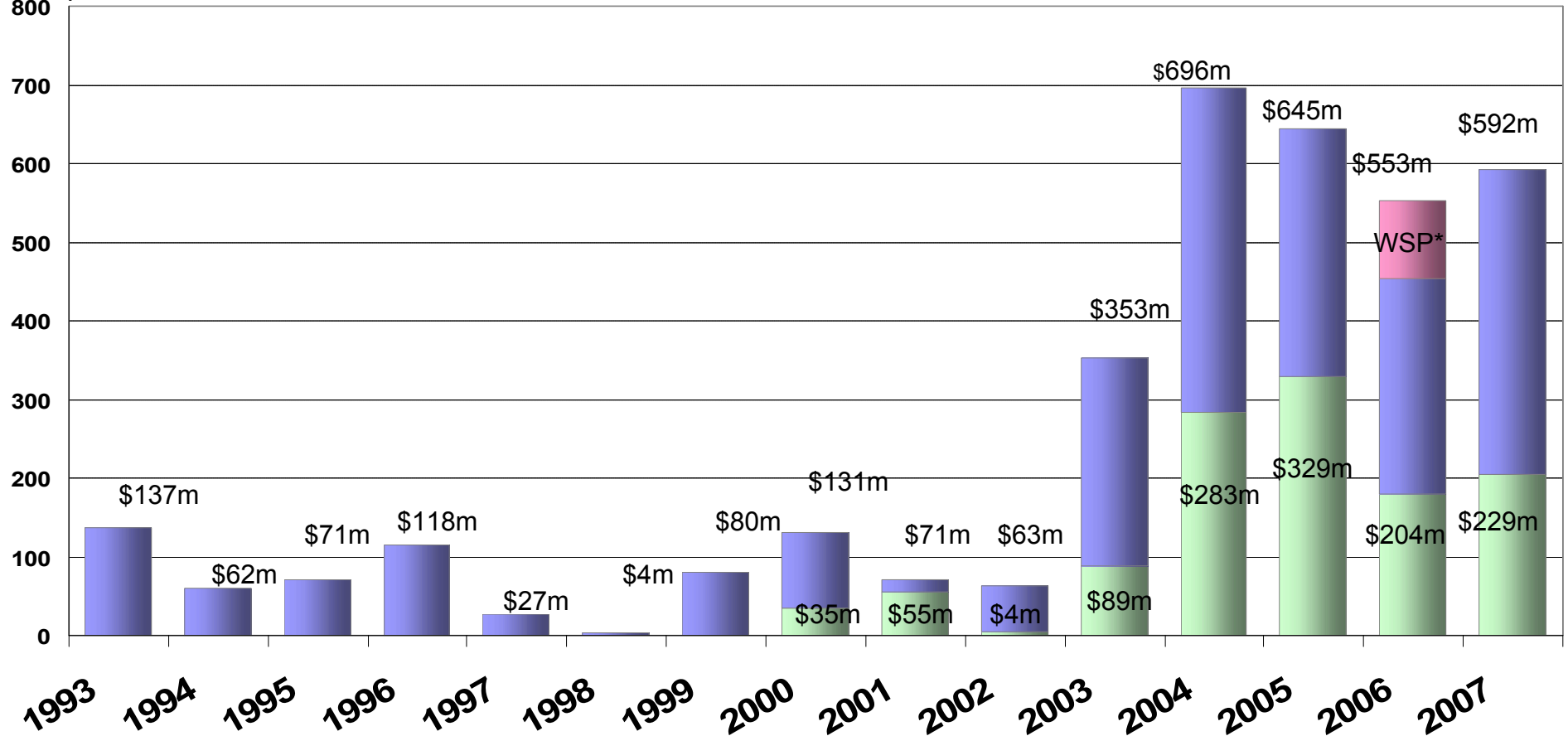
Trans-Pacific	1,475	1,470	0.3%	1,501	1,541	-2.6%	1,445	1,490	-3.0%	1,416	1,526	-7.2%	1,470	1,581	-7.0%
Asia-Europe	1,845	1,265	45.8%	1,747	1,248	40.1%	1,418	1,205	17.6%	1,279	1,206	6.1%	1,265	1,362	-7.1%
Trans-Atlantic	1,703	1,670	2.0%	1,590	1,716	-7.4%	1,547	1,651	-6.3%	1,587	1,630	-2.7%	1,670	1,619	3.2%
Intra-Asia/Austrlasia	686	627	9.4%	668	618	8.2%	599	608	-1.3%	608	616	-1.4%	627	634	-1.2%
TOTAL ALL SERVICES	1,180	1,066	10.6%	1,180	1,121	5.3%	1,063	1,086	-2.1%	1,045	1,097	-4.8%	1,066	1,133	-5.9%

Updated as at January 24, 2008



OOIL Profit Before Tax

US\$ million



* Wall Street Plaza - WSP



Outlook for 2008

- We expect much of the trade pattern of 2007 to continue through 2008
- Cost of *oil* is one of biggest concern for the carriers
- In the face of rising bunker - slower steaming time and addition vessels into loops will absorb more capacity
- Supply and demand balance are greatly improved with carriers exercising sensible capacity control as seen in 2007.
- Carrier focus are on improving freight rate and re-adjust bunker surcharge to compensate for increased cost.



Trade Outlook 2008

- Trading environment for ***Trans-Pacific Trade*** will be tough in 2008 as the U.S. Economy is expected to hit a recession, if not already in one. There will be minimal growth in inbound volume creating pressure on getting rate up to recover cost increases. Surge in export is expected to continue but rates, albeit improving, are still far from compensatory. The ILWU negotiation will add further uncertainties to the trade. Reduction in capacity in this trade may help to stabilize the rates.
- ***The Trans-Atlantic Trade*** - the trading environment is challenged as a result of economic, currency and cost issues. The import / head haul trade will realize minimal growth as a result of the weakened US economy and strong EUT based currencies. While the export trades from both the US and Canada show healthy growth, the base rates, while improving, remain non compensatory.
- ***Intra-Europe Trade*** - 2008 will see continued growth in the North Europe – Baltic sector, principally driven by the strengthening Russian economy. Improved service offering linking West and East Mediterranean and Baltic Sea regions will create new markets.



Trade Outlook 2008

- The **Asia-Europe Trade** – Demand growth for Asia-Europe will be strong however as new capacity are introduced to the trade it will bring pressure to the rate level. The repeal of anti-trust block exemption will change the market order and mechanism.
- The **Intra Asia Trade** will maintain brisk cargo growth in 2008 particularly to the ME and Indian Sub-continent. The growth from the supply side will also be strong as more global carriers have planned service expansion in IAT. Schedule integrity and operations will be more difficult as ports are increasingly congested, especially those in the Indian Sub-continent
- **Asia-Australia Trade** – Demand will continue to grow and this is inline with our expansion in this service. We anticipate tough competition though from other carriers in the second half of 2008
- Demand for refrigerated container service continues to be strong especially **Live Reefer** sector which is expected to have double digit growth this year. Import to Europe, Middle East and China are expected to be very strong though we expect rate pressure as more carriers are investing in reefer trade.



Outlook for 2008

Property

- **Continues to work towards creation of a stand alone real estate development and investment business.**
- **Expect real estate to produce a meaningful income in the future.**
- **Focus on current projects with aim to be completed in 2009**
- **Diversify market risk by investing in different industry sectors.**
- **Creation of a recurring income stream in addition to development income.**
- **Continue to seek property investment and development opportunities in China.**
- **Leverage off established expertise, experience, track record, dedicated team and existing brand name to create further shareholder value**



OODL Projects Under Development

	City	Project Name	Project Nature	Above Ground GFA(m ²)	To be Completed In
Development Projects in Progress	Shanghai	Luwan Changle Rd. Residential Project	Residential	79,340	2010
		Luwan Changle Rd. Hotel Project	Hotel	66,160	2010
		Changning Zhong Shan Park Mixed Use Project	Office / Hotel / Retail	243,350	2011 – 2012
		Pudong Nanmatou Residential Project	Residential	102,812	2010 – 2011
		Xuhui Hengshan Road Hotel Project	Hotel	15,000	2010
	Kunshan	Huaqiao Residential Project	Residential	703,005	2010 for phase 1
		Huaqiao Hotel Project	Hotel	40,407	2008
	Tianjin	Nanjing Rd. International Trade Centre Project	Serv. Apt./Office / Retail /Hotel	190,350	2011
	Total			1,440,424	



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