

ORIENT OVERSEAS (INT'L) LTD

2009 Results Announcement

March 19th 2010

Group Results Summary – 2009

Results

Financial

Trading Conditions

- Revenue US\$4.35 billion
- Loss Before Interest and Tax US\$302 Million
- Loss for the Year US\$401 Million
- Loss per Ordinary Share US 64.3 Cents
- No final dividend for 2009



OOIL 2009 Results Summary

Results

Financial

Trading Conditions

- Revenue increased 11% in 2H versus 1H 09
- Loss before Interest and Tax decreased by US\$48m (27%) in 2H09 (US\$175m to US\$127m)
- EBIT Margin was up 3% to -5.5% in 2H09
- Full Year Loss before Tax from Core Operations of US\$337M in 2009



Group Results – 2H09 Vs 1H09

Results		Financial	Trading Conditions	
US\$M		2H09	1H09	% ▲
Revenue		2,285	2,065	11%
EBIT		(127)	(175)	-27%
Loss after Tax		(170)	(231)	-26%
EBIT Margin (%)		-5.5%	-8.5%	3%



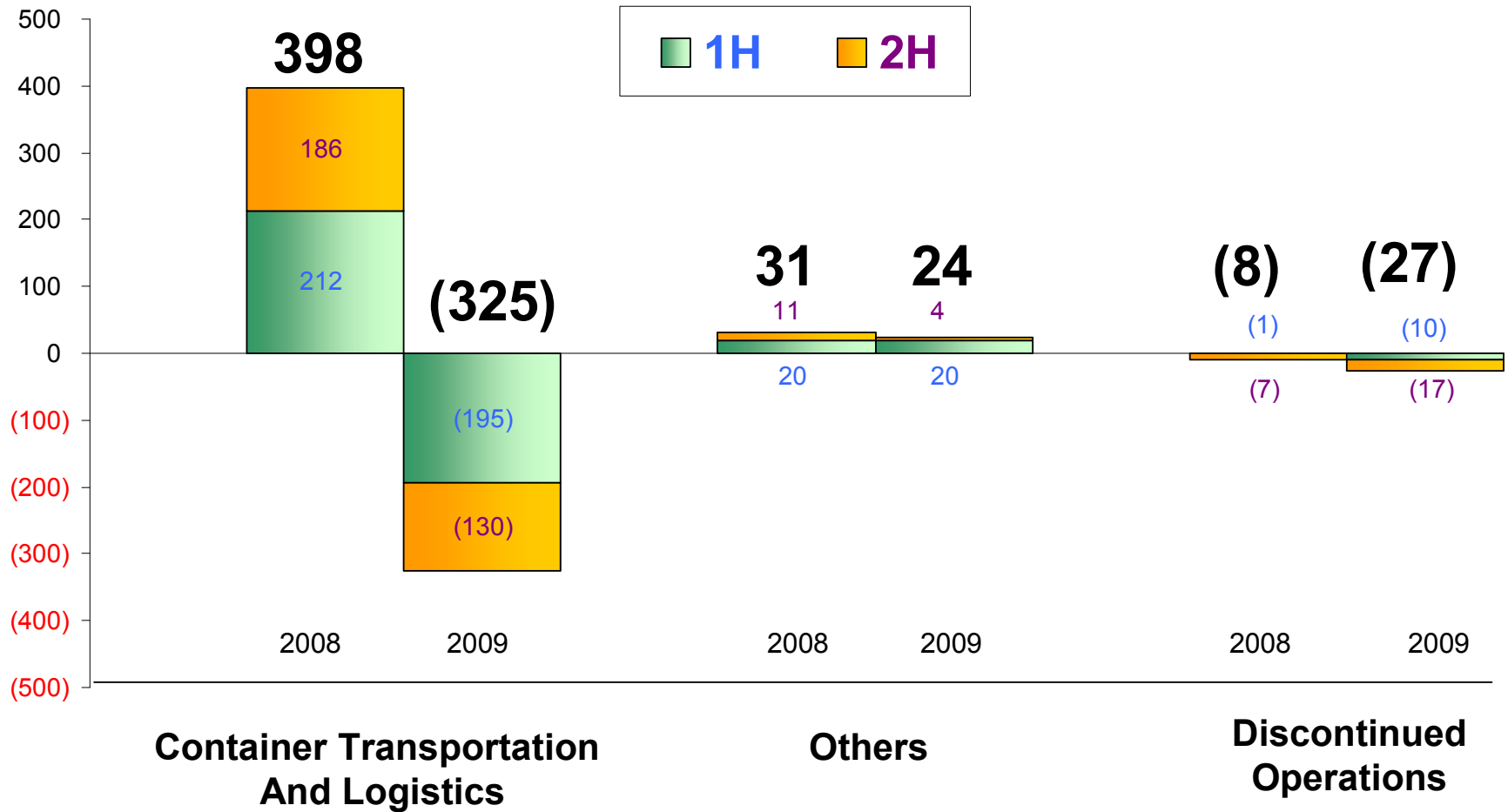
Group Results – 2009 Vs 2008

	Results	Financial	Trading Conditions
US\$M	2009	2008	% ▲
Revenue	4,350	6,531	-33%
EBIT	(302)	429	-170%
Loss After Tax	(401)	276	-245%
EBIT Margin	-6.9%	6.6%	-13.5%
(Loss) / Earnings per Ordinary Share (US\$ Cents)	(64.3)	43.5	-248%



EBIT By Division

US\$M



Container Transportation & Logistics

	Results			Financial		Trading Conditions	
US\$ / TEU	2009	2008	% ▲	2H09	2H08	% ▲	
Liftings ('000)	4,158	4,835	-14%	2,159	2,419	-11%	
Revenue ('000)	4,325,998	6,502,631	-33%	2,272,730	3,326,938	-32%	
Revenue Per TEU*	924	1,227	-25%	935	1,252	-25%	
Net Operating Capacity	313,126	373,096	-16%	N/A	N/A	N/A	
Load Factor	74%	77%	-3%	78%	75%	3%	

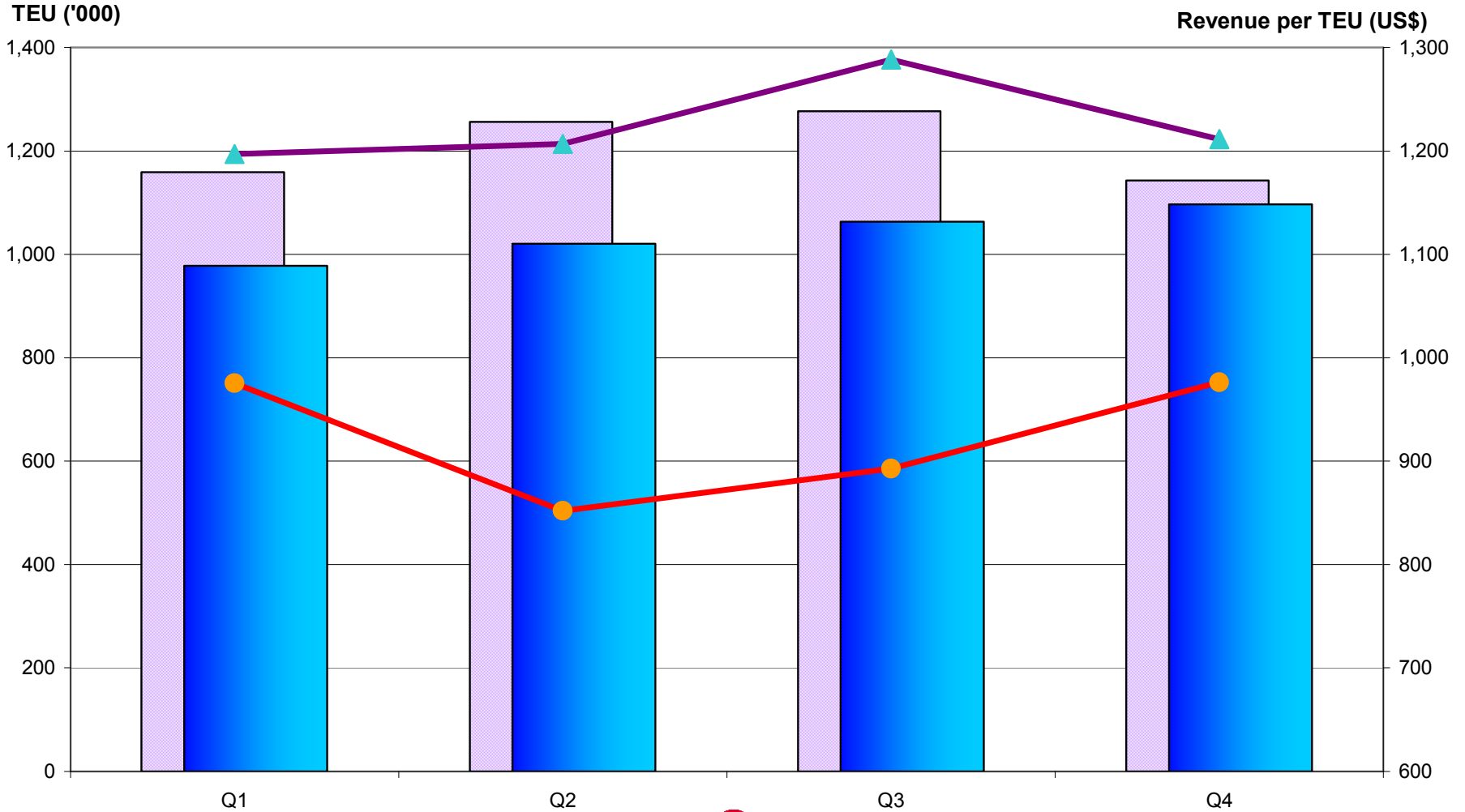
*Note: Revenue from OOCL only



OOCL Liftings and Revenue per TEU

Results Financial Trading Conditions

2008 Total Lifting 2009 Total Lifting 2008 Total Revenue per TEU 2009 Total Revenue per TEU



*Note: figures have not been reviewed or audited by the auditor



Financial Position



Balance Sheet Highlights

Results	Financial	Trading Conditions
US\$M	2009	2008
Non-current Assets	4,324	4,451
Current Assets	3,006	3,250
Total Assets	7,330	7,701
Non-current Liabilities	2,170	2,260
Current Liabilities	1,192	1,020
Total Liabilities	3,362	3,280
Equity	3,944	4,387
Minority Interest	24	34
Total Equity	3,968	4,421



Net Debt Position*

	Results	Financial	Trading Conditions
US\$M		31 Dec 2009	31 Dec 2008
Liquid Assets		1,616	2,077
Debt		2,656	2,372
Net Debt		1,040	295

*Note: Including the discontinued operation – OODL.



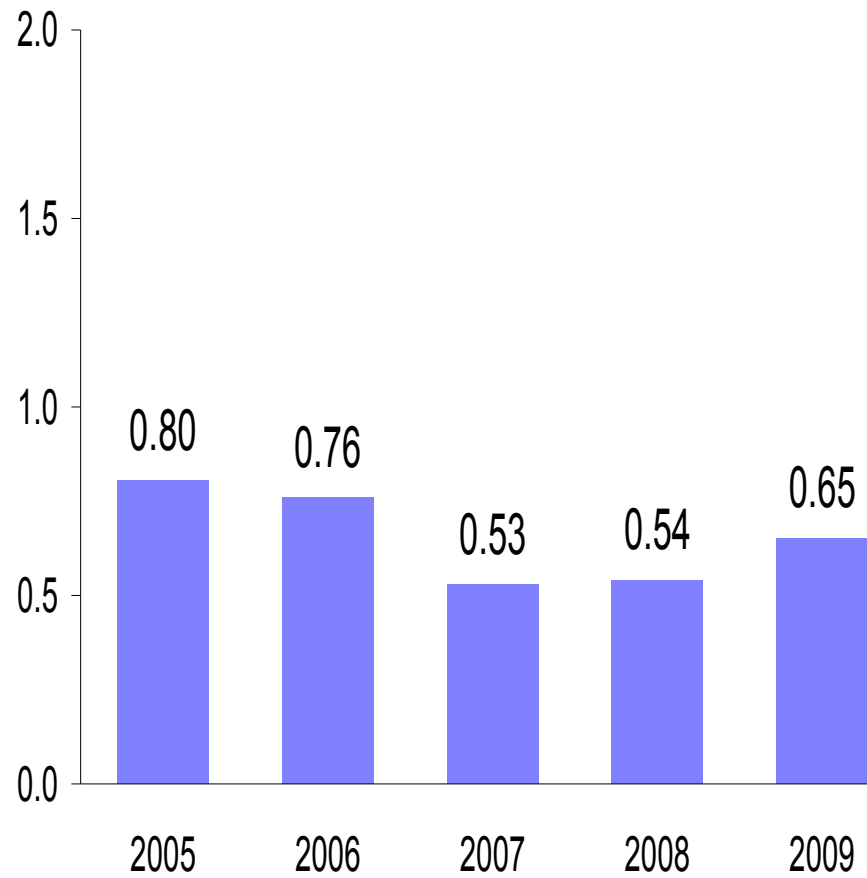
Debt-to-Equity Ratios*

Results

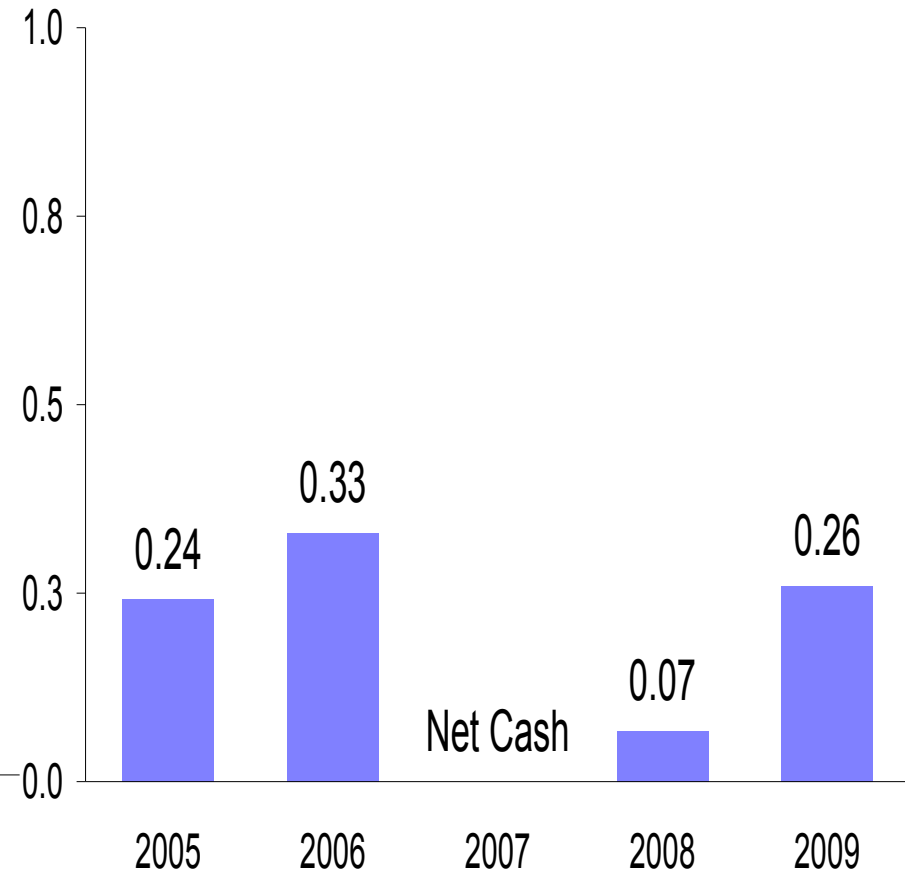
Financial

Trading Conditions

Gross Debt to Equity



Net Debt to Equity



*Note: Including the discontinued operation – OODL.



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Trading Conditions



2009 Container Transport

Results

Financial

Trading Conditions

- 2009 was an unprecedented year in container transport. Global demand fell 12% and the major east-west trade lanes declined even more severely
 - Transpacific - EB: -16%,
 - Asia-Europe - WB: -15%,
 - Trans-Atlantic - WB: -15%,
 - Trans-Atlantic - EB: -23%
- However, with very aggressive capacity cutbacks world wide, the capacity increase was only 5%
- Slow steaming was implemented widely through our services to save bunker costs and for environmental protection



OOCL's Revenue and Lifting*

Results

Financial

Trading Conditions

Service	Lifting ('000)			Revenue (US\$ Million)		
	2009	2008	Var	2009	2008	Var
Trans-Pacific	1,158	1,324	-13%	1,493	2,239	-33%
Asia-Europe	679	813	-16%	668	1,332	-48%
Trans-Atlantic	349	425	-18%	488	750	-35%
Intra-Asia/ Australasia	1,972	2,273	-13%	1,174	1,612	-27%
Total	4,158	4,835	-14%	3,843	5,933	-35%

*Note: Has not been reviewed or audited by the auditor



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Property Development - 2009

Results

Financial

Trading Conditions

- **Under the terms of an agreement dated 18th January 2010, Orient Overseas Developments Ltd (“OODL”) was sold to CapitaLand China (RE) Holdings Co. Ltd.**
- During 2009, no new sites for property development were acquired and there were no sales of completed projects
- The sale was of the PRC property development business conducted under OODL, including the Double-tree by Hilton hotel in Kunshan and excluded the Group’s investments in Wall Street Plaza and Beijing Oriental Plaza.
- As a result of the sale, the performance of the property development business in 2009 has been categorised under “discontinued business” in the Statement of Comprehensive Income and the assets and liabilities disposed are shown as “Assets Available for Sale” and “Liabilities Available for Sale” respectively in the Consolidated Balance Sheet.
- Comparative figures for 2008 have been restated accordingly. With the sale having occurred after year-end, the disposal and associated profit will appear in the Group’s 2010 accounts.



OOCL Fleet

Results

Financial

Trading Conditions

- In 2009, we took delivery of five new vessels of 4,583 TEU and scrapped one ship of 3,161 TEU.
- We owned 38 ships at the end of 2009, with an average age of 6.9 years and an average size of 5,781 TEU – one of the most modern and efficient fleets in the industry
- No new orders were placed in 2009
- The delivery of the six 8,600 TEU new buildings from Hudong was scheduled to be postponed by 4 to 18 months.
- During the year, 24 chartered ships were re-delivered to owners. Charter rates were reduced substantially for the remaining chartered vessels.
- With this efficient management of capacity no vessel was laid up in 2009 and the capacity reduction was 16%
- Slow steaming was extensively deployed as bunker costs escalated and spare ships became available. Besides cost savings, slow steaming also reduced greenhouse gas emissions and kept surplus ships employed.



Outlook - 2010

Results

Financial

Trading Conditions

- **While we might see initial rate improvement in 1Q 2010, this has come from a better balance between supply and demand. Despite improved market conditions in the beginning of 2010, we remain cautious about the second half given that:**
- What demand improvement there has been appears to be driven by inventory restocking/build-up - and judging by the make-up of 1Q US GDP growth, it doesn't necessarily reflect underlying consumer demand growth.
- (US) consumer demand growth in the second half will depend on an increase in consumer lending by the banks (and improved confidence as employment and housing markets improve) - but these improvements are by no means certain.
- The overhang of supply from new-builds and idled capacity remains. Significant new-build capacity remains to be absorbed this year.



Transpacific and Asia Europe Trade - 2010

Results

Financial

Trading Conditions

- ***Transpacific Trade*** - Rate increase in 1Q was successful
- Contract negotiation this year will be tough with customers looking for more space protection and service and carriers looking for better rates
- ***Asia Europe Trade*** - Rate recovered earlier in mid 09 and continues on to 1Q 2010
- Rate increase so far had been successful
- Announcement of new tonnage introduction may lead to another turbulent year
- Capacity increase in Asia North Europe and Asia West Mediterranean trade lanes will be up to 10% and 14% respectively.



Intra Asia Trade - 2010

Results

Financial

Trading Conditions

- Anticipate positive growth in **IAT** market overall due to fiscal stimulus and growing middle class in emerging economies as well as recovery of US and European markets
- Middle East market and in particular Upper Gulf Region is on fast recovery track
- Moderate rate improvement in China/ASEAN regions
- Surplus tonnage cascading to IAT will create over capacity
- Low charter rate poses long term threat to the rate improvement as well as presenting low entry level to new comers
- **Australian** market remain stable with good supply and demand balance but surplus tonnage may put pressure on rates
- We anticipate a mild demand growth of 3-5% in the Oceania sector



New Tonnage Introduced in 1Q 2010

Results

Financial

Trading Conditions

- Asia Europe - + 13%
- Transpacific - + 4%



Outlook for 2010

Results

Financial

Trading Conditions

- ***We believe the worst of the downturn is now behind us and we are cautiously optimistic for a better trade environment in 2010***
- ***While it will be another challenging year, our core business of container transportation and logistics remains well placed to endure and emerge stronger from this period of adverse demand and supply dynamics***



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