

# **ORIENT OVERSEAS (INT'L) LTD**

**2011 Interim Results Announcement**

**Aug 8th 2011**

# Group Results Summary – 2011 1H

- OOIL Revenue Increased 7% to US\$2.92 Billion
- Profit Attributable to Equity holders US\$175 Million
- Earnings per Ordinary Share US 28.0 Cents
- Interim Ordinary Dividend US 7.0 Cents



# Group Results – 2011 1H

US\$M	1H11	1H10	% ▲
Revenue	2,921	2,733	7%
Core Operating Profit	183	310	(41%)
Revaluation of Wall Street Plaza	5	-	N/A
Profit from continuing operations	175	287	(39%)

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# Group Results – 2011 1H

US\$M	1H11	1H10	% ▲
Core EBIT	190	313	(39%)
Core EBITDA	319	446	(28%)
Profit for the period*	175	287	(39%)
Core EBIT Margin (%)	6.5%	11.5%	(5.0%)

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\*Note: For comparative purposes, profit for the period of 1H10 excludes the profit from the sale of OODL.

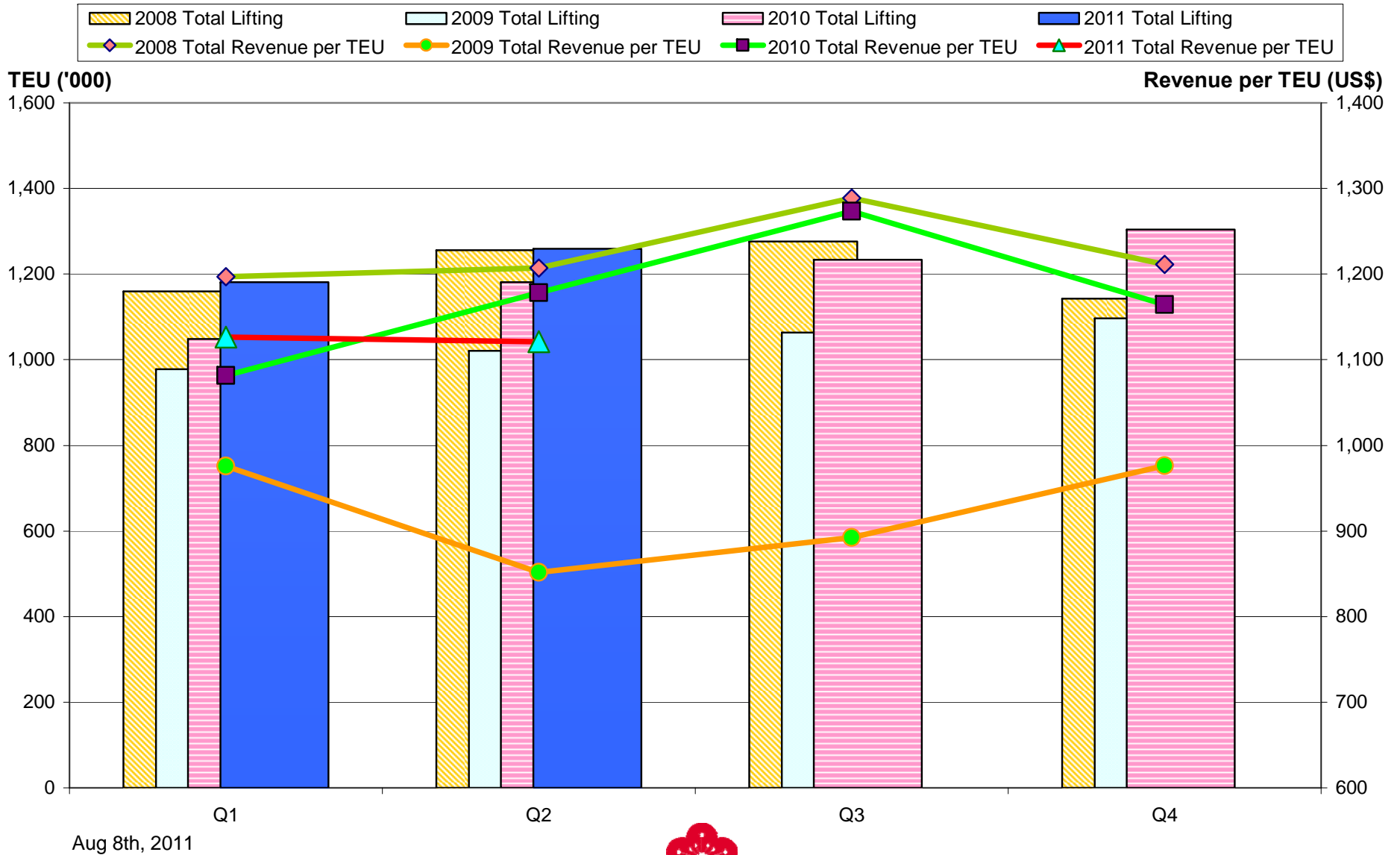
# Container Transportation (excl. Logistics)

US\$ / TEU	1H11	1H10	% ▲
Liftings ('000)	2,440	2,230	9.4%
Revenue (US\$M)	2,741	2,526	8.5%
Revenue Per TEU (US\$)	1,123	1,133	(0.9%)
Net Operating Capacity (TEU)	425,153	377,351	12.7%
Load Factor (%)	77%	83%	(6%)

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# All Trades Liftings and Revenue per TEU\*

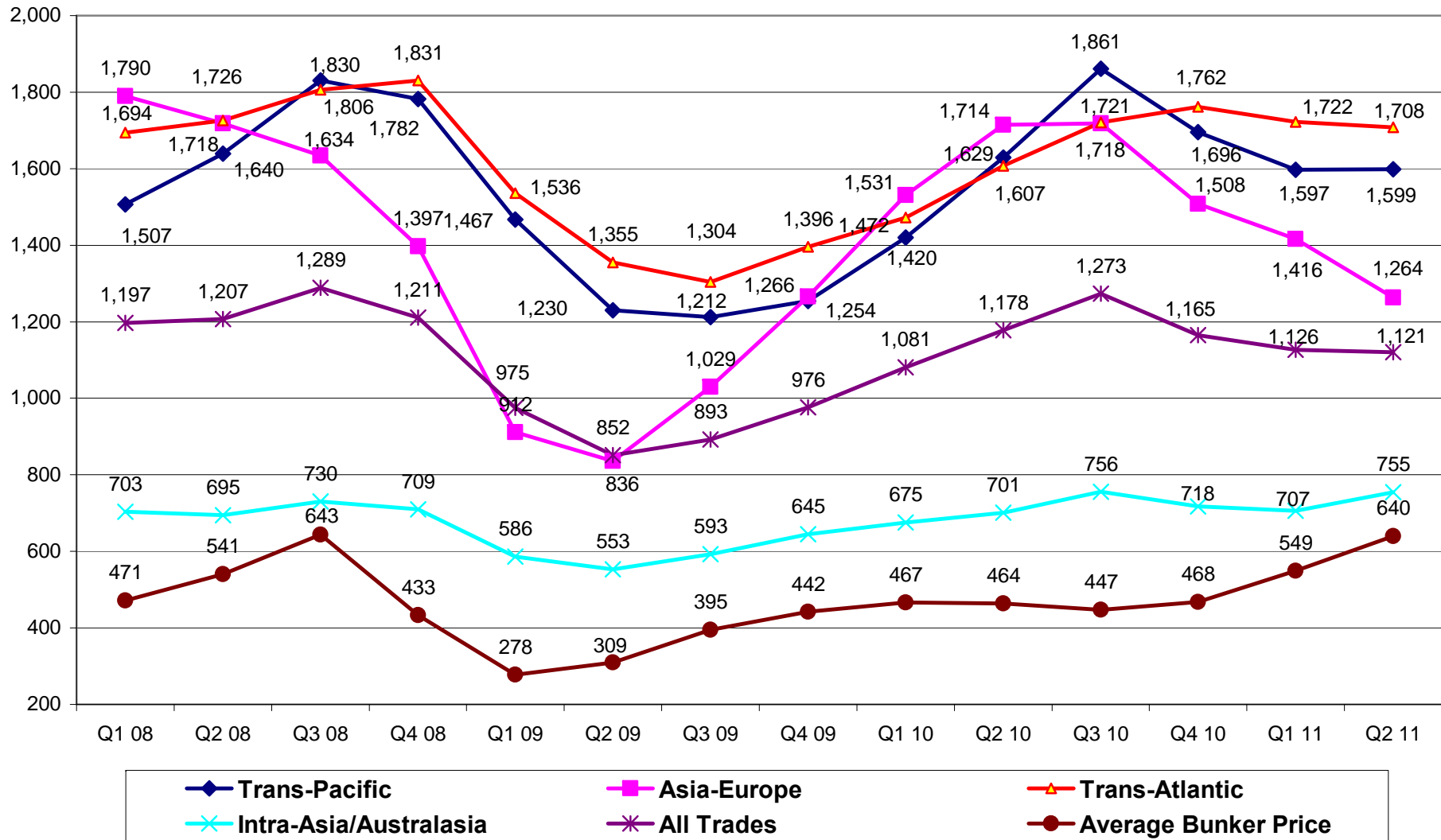


\*Note: Unaudited operational updates



# OOCL Average Revenue / TEU\*

Revenue Per TEU (US\$)



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\*Note: Unaudited operational updates

# Investment Property

- Wall Street Plaza
  - Fair value gain of US\$5 million for 1H 2011
  - Valuation of US\$160M as at 30 June 2011
  - Performance is in line with expectations
  - Vacancy rate of 5% as at end of 30 June 2011
- Beijing Oriental Plaza
  - Successfully floated publicly in 1H 2011 via Real Estate Investment Trust (“REIT”)
  - Continued 7.9% equity investment in Hui Xian Holdings (major shareholder with 60% interest in REIT)
  - Valuation of US\$173.6M as at 30 June 2011



# Balance Sheet Highlights

US\$M	30 Jun 2011	31 Dec 2010
Non-current Assets	4,926	4,516
Current Assets	2,959	4,556
<b>Total Assets</b>	<b>7,885</b>	<b>9,072</b>
Non-current Liabilities	2,327	2,469
Current Liabilities	1,198	1,024
<b>Total Liabilities</b>	<b>3,525</b>	<b>3,493</b>
Equity holders	4,354	5,572
Non-controlling Interests	6	7
<b>Total Equity</b>	<b>4,360</b>	<b>5,579</b>

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# Total Liquid Assets

US\$M	30 Jun 2011	31 Dec 2010
Cash and bank balances	2,214	3,852
Portfolio investments, Equities and Bonds	283	275
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Available Liquid Assets	2,497	4,127
Restricted bank balances	11	6
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Total Liquid Assets	2,508	4,133

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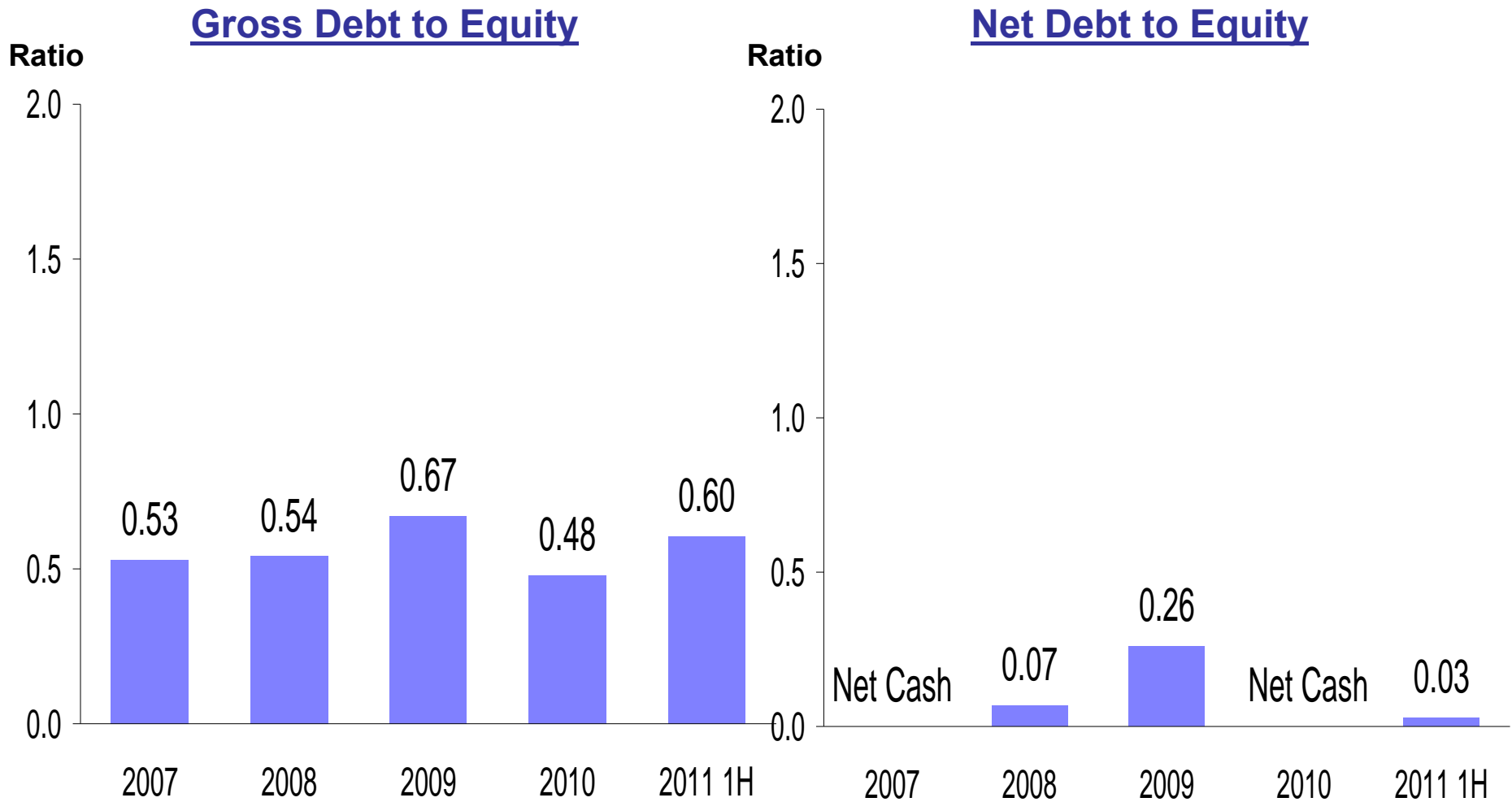
# Net Debt / (Cash) Position

US\$M	30 Jun 2011	31 Dec 2010
Total Liquid Assets	2,508	4,133
Debt	2,629	2,664
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Net Debt / (Cash)	121	(1,469)

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# Debt-to-Equity Ratios



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# Actual Capital Expenditure

US\$M	1H11	2010
Vessels under construction	358	202
Containers & Chassis	113	117
Other	17	26
<b>Total</b>	<b>488</b>	<b>345</b>

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# Bunker Fuel Cost

US\$M	1H11	1H10	% ▲
Total Consumption ('000 TON)	921	876	(5%)
Average Price (US\$)	593	463	(28%)
Total Bunker Costs (US\$M)	560	412	(36%)
% of Total Operating Costs	22%	19%	(3%)

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# Trading Conditions

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# 2011 Trading Conditions

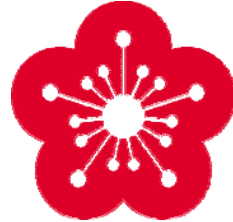
- Capacity deployment issues in the industry are likely to continue in the near term, and the traditional peak season lift in demand may give only limited improvement, at best, in average freight rates over the remainder of the year.
- While the economies of northern European countries are performing well enough, the support needed for those members of the Euro-zone with excessive levels of sovereign debt may constrain consumer demand.
- Most Asian and commodity-based economies continue to show strength, with Japan rebuilding following the earthquakes and tsunami this year.



# 2H 2011 Trading Conditions

- With no relief from high oil prices and increased energy-related costs with the industry still to absorb further new capacity in the second half of the year, and given the uncertain economic outlook in the United States and Europe continued difficult trading conditions in the second half of the year.
- Despite the disappointing trend in freight rates during the first half of the year, the Group has remained profitable particularly its operating margin at an acceptable level.
- This reflects our success in meeting and exceeding customer expectations while keeping a tight control on its cost base.
- Despite the poor short-term outlook, the Group remains in good financial health and is on a clear path of sustainable competitive growth.





# Thank You

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