



Orient Overseas (International) Ltd

2013 Interim Results Presentation
Presentation

8th August 2013



Interim Results Summary - OOIL 2013

- 1H 2013 was disappointing for OOIL
- OOIL recorded a loss for the period of US\$15.1 million on a total revenue of US\$3 billion
- Weak demand and capacity oversupply have exerted pressure on freight rates, improvements are expected for 2H 2013



Group Results Summary - 1H 2013

OOIL Revenue decreased 3.1% to	US\$3.0 Billion
Container Transportation & Logistics Loss	(US\$22.6 Million)
Profit from Other Activities	US\$7.5 Million
Loss for the Period	(US\$15.1 Million)



Earnings per Ordinary Share – 1H 2013

Loss per Ordinary Share (US 2.4 Cents)

Interim Ordinary Dividend Nil



Results Breakdown – 1H 2013

US\$M	(Restated)		VAR
	1H13	1H12	
Container Transportation and Logistics	(22.6)	42.8	(65.4)
Others			
Wall Street Plaza Revaluation	(4.6)	5.0	(9.6)
Hui Xian Dividends and Distribution	9.1	42.6	(33.5)
Others	3.0	26.8	(23.8)
	7.5	74.4	(66.9)
Total	(15.1)	117.2	(132.3)

Note: 1H12 results is restated by a decrease of US\$0.3 million as a result of the adoption of HKAS 19 Amendment on defined benefit schemes with effect from 2013.



EBIT – 1H 2013

US\$M	1H13	(Restated) 1H12	% Change
Core EBIT	6	103	(94%)
Core EBITDA	154	226	(32%)
Core EBIT Margin (%)	0.2%	3.3%	(3.1%)

Note: Excluding Revaluation of Wall Street Plaza, Dividends from Hui Xian and Loss on Disposal of Vessels



Balance Sheet Highlights – 1H 2013

US\$M	30 Jun 2013	(Restated) 31 Dec 2012
Non-current Assets	5,902	5,466
Current Assets	2,780	2,765
Total Assets	8,682	8,231
Non-current Liabilities	3,027	2,391
Current Liabilities	1,237	1,352
Total Liabilities	4,264	3,743
Equity holders	4,412	4,482
Non-controlling Interests	6	6
Total Equity	4,418	4,488



Total Liquid Assets - 1H 2013

US\$M	30 Jun 2013	31 Dec 2012
Cash and bank balances	1,879	1,862
Portfolio investments, Equities and Bonds	474	459
Available Liquid Assets	2,353	2,321
Restricted bank balances	21	18
Total Liquid Assets	2,374	2,339

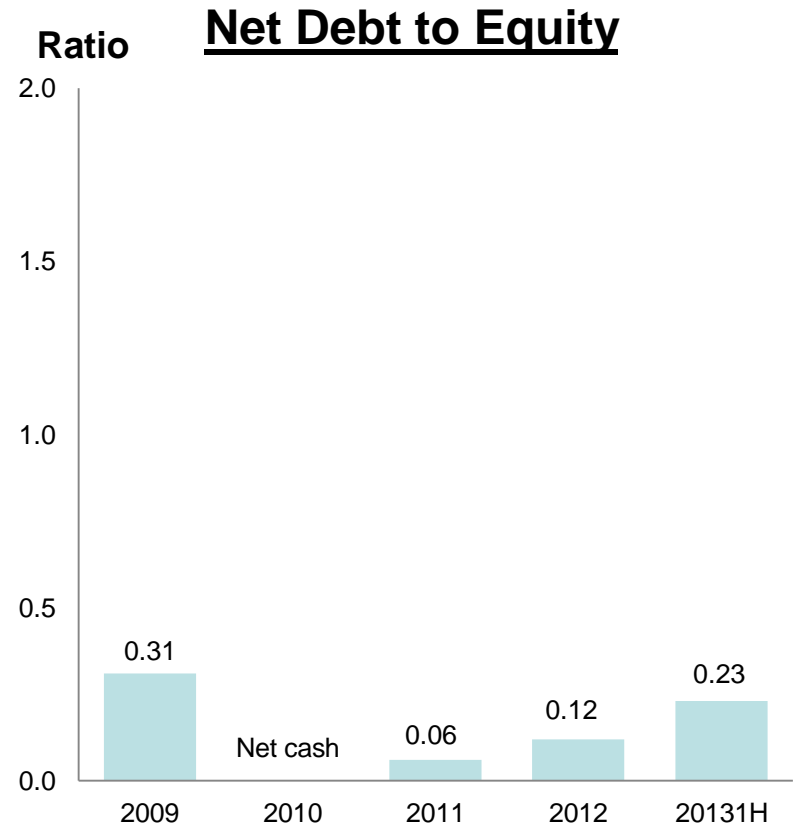
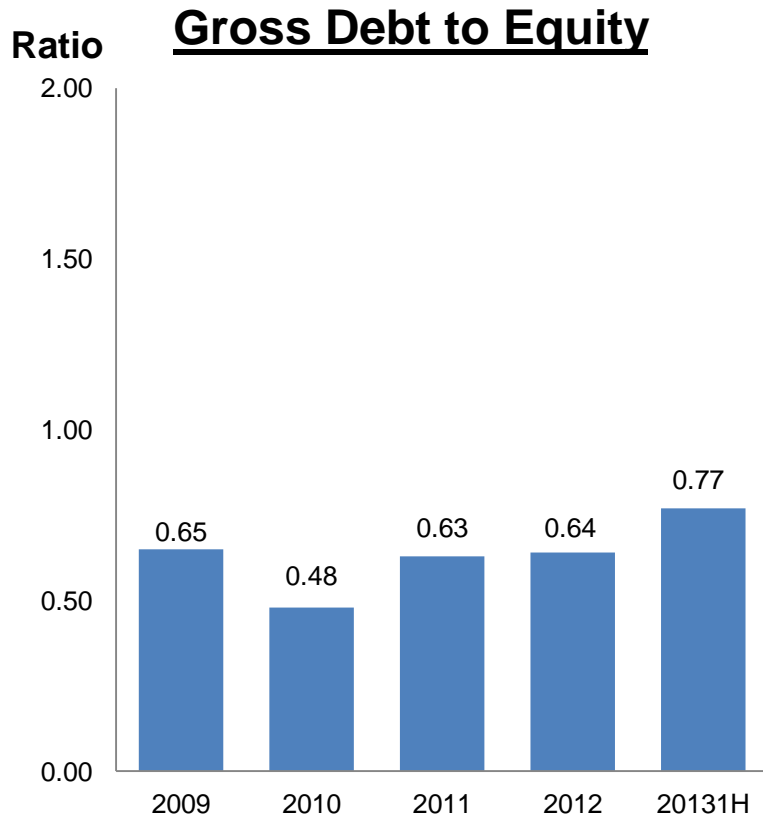


Net Debt Position – 1H 2013

US\$M	30 Jun 2013	31 Dec 2012
Total Liquid Assets	2,374	2,339
Debt	3,386	2,882
Net Debt	1,012	543



Debt-to-Equity Ratios – 1H 2013



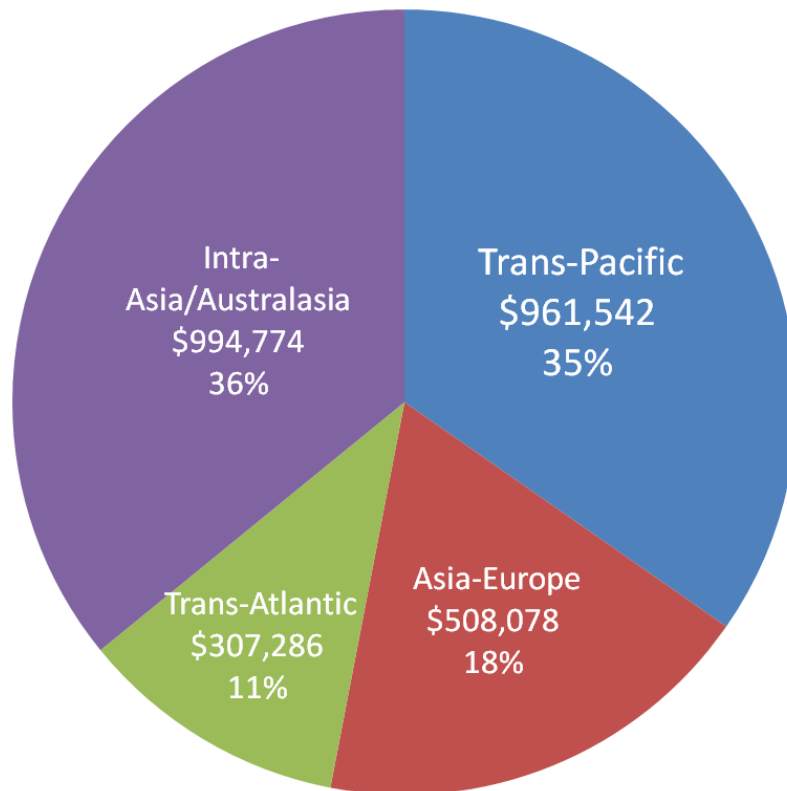
Container Transportation (excl. Logistics)

US\$ / TEU	1H13	1H12	% ▼
Liftings ('000)	2,549	2,587	(1.5%)
Revenue (US\$M)	2,772	2,878	(3.7%)
Revenue Per TEU (US\$)	1,088	1,112	(2.2%)
Static Slot Capacity (TEU)	477,859	432,825	10.4%
Load Factor (%)	72%	74%	(2.0%)



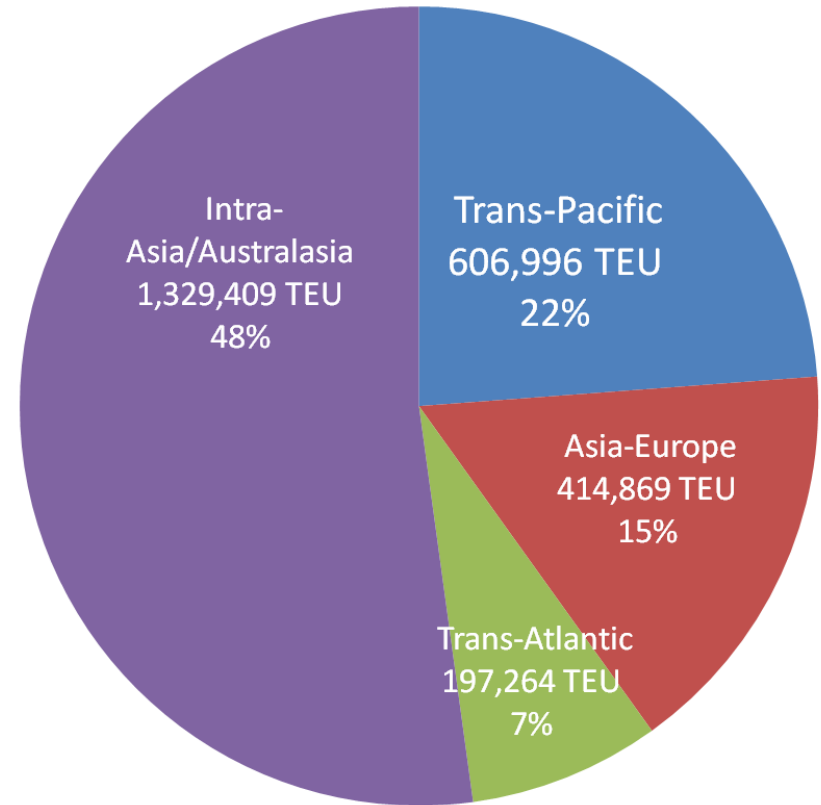
OOCL Revenue and Lifting – 1H 2013

Revenue by Trade



Total \$2,771,680

Lifting by Trade

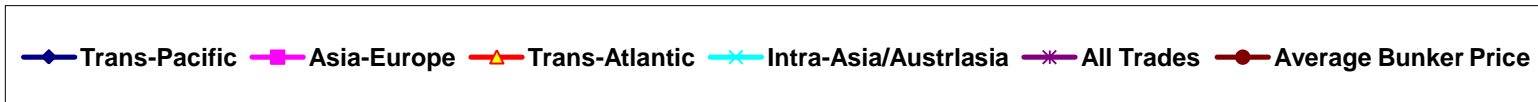
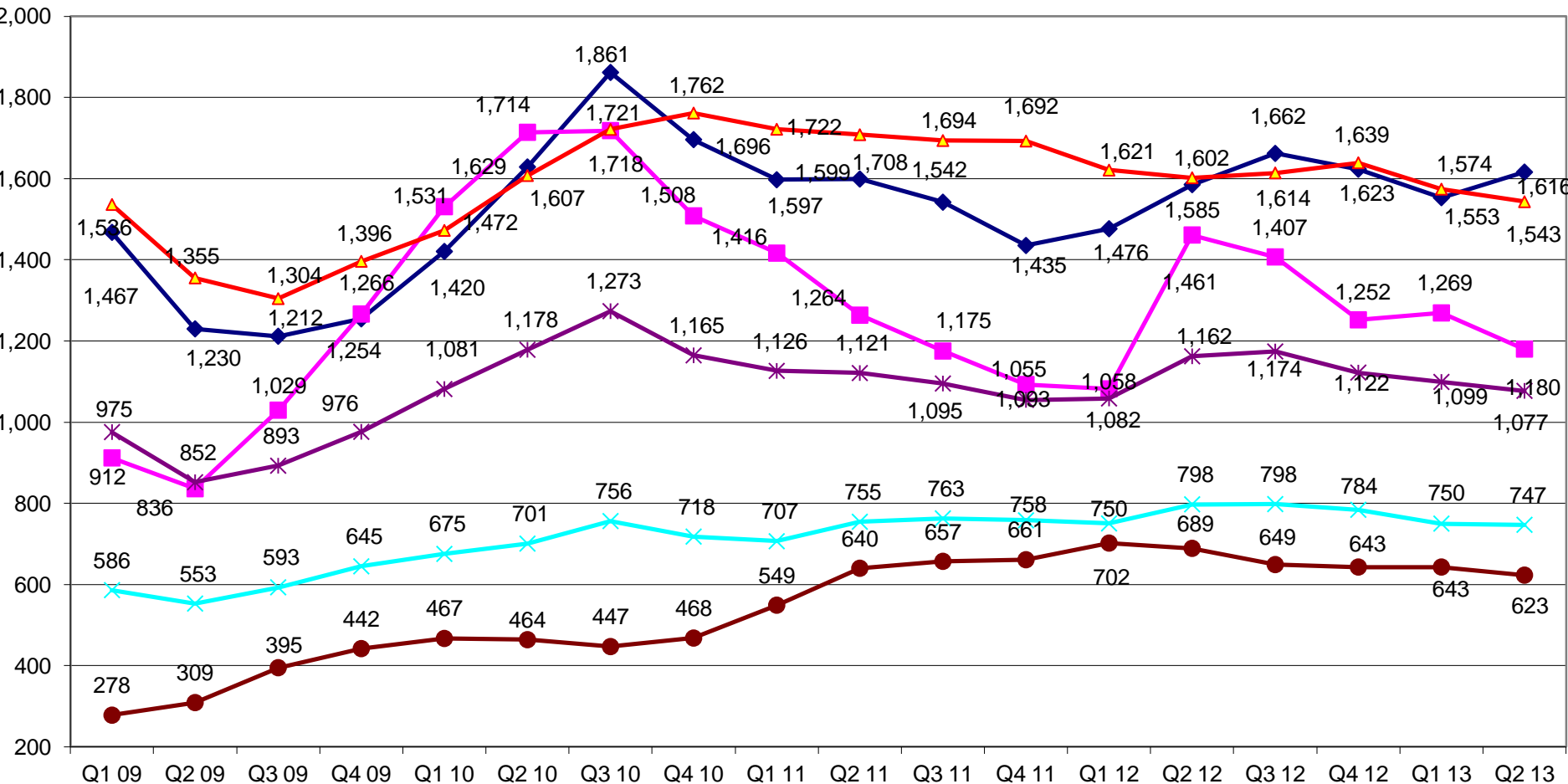


Total 2,548,538 TEU



OOCL Average Revenue / TEU

Revenue Per TEU (US\$)



OOCL Operational Update

				YTD		
	Q2 2013	Q2 2012	change	1H2013	1H2012	change
LIFTINGS (TEU'S)						
Trans-Pacific	298,847	325,729	-8.3%	606,996	632,300	-4.0%
Asia-Europe	208,110	223,743	-7.0%	414,869	426,195	-2.7%
Trans-Atlantic	102,134	105,153	-2.9%	197,264	212,669	-7.2%
Intra-Asia/Australasia	697,993	687,996	1.5%	1,329,409	1,316,096	1.0%
TOTAL ALL SERVICES	1,307,084	1,342,621	-2.6%	2,548,538	2,587,260	-1.5%
TOTAL REVENUES (US\$ '000)						
Trans-Pacific	482,931	516,307	-6.5%	961,542	968,923	-0.8%
Asia-Europe	245,604	326,888	-24.9%	508,078	545,904	-6.9%
Trans-Atlantic	157,598	168,457	-6.4%	307,286	342,730	-10.3%
Intra-Asia/Australasia	521,181	548,678	-5.0%	994,774	1,019,990	-2.5%
TOTAL ALL SERVICES	1,407,314	1,560,330	-9.8%	2,771,680	2,877,547	-3.7%
REVENUE PER TEU (US\$)						
Trans-Pacific	1,616	1,585	2.0%	1,584	1,532	3.4%
Asia-Europe	1,180	1,461	-19.2%	1,225	1,281	-4.4%
Trans-Atlantic	1,543	1,602	-3.7%	1,558	1,612	-3.3%
Intra-Asia/Australasia	747	798	-6.4%	748	775	-3.5%
TOTAL ALL SERVICES	1,077	1,162	-7.3%	1,088	1,112	-2.2%

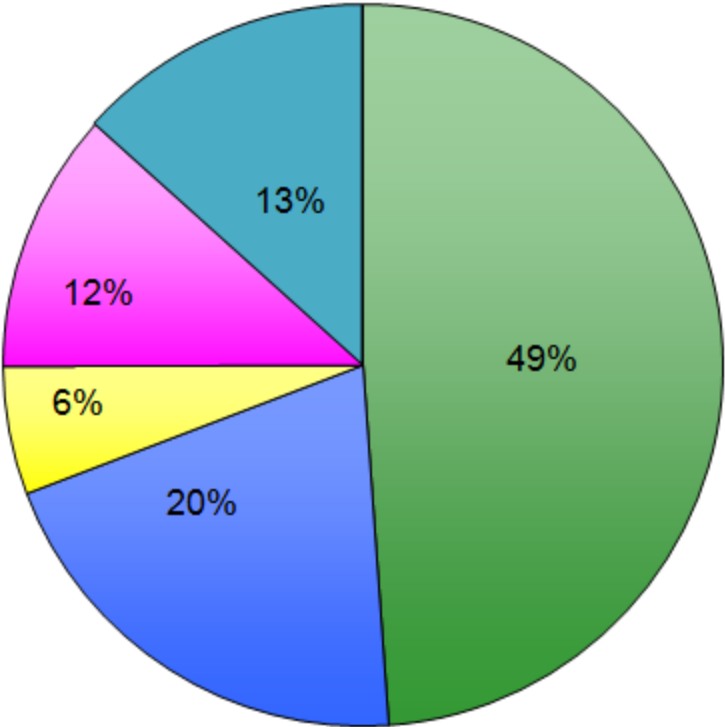


Liner Operating Costs

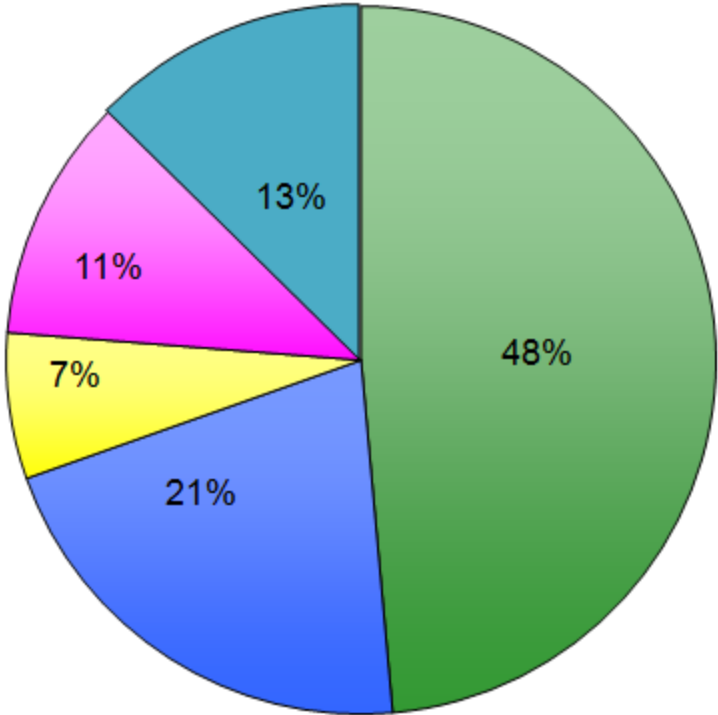
- Cargo cost
- Voyage cost (excluding bunker)
- Equipment and repositioning costs

- Bunker cost
- Vessel cost

1H 13



1H 12



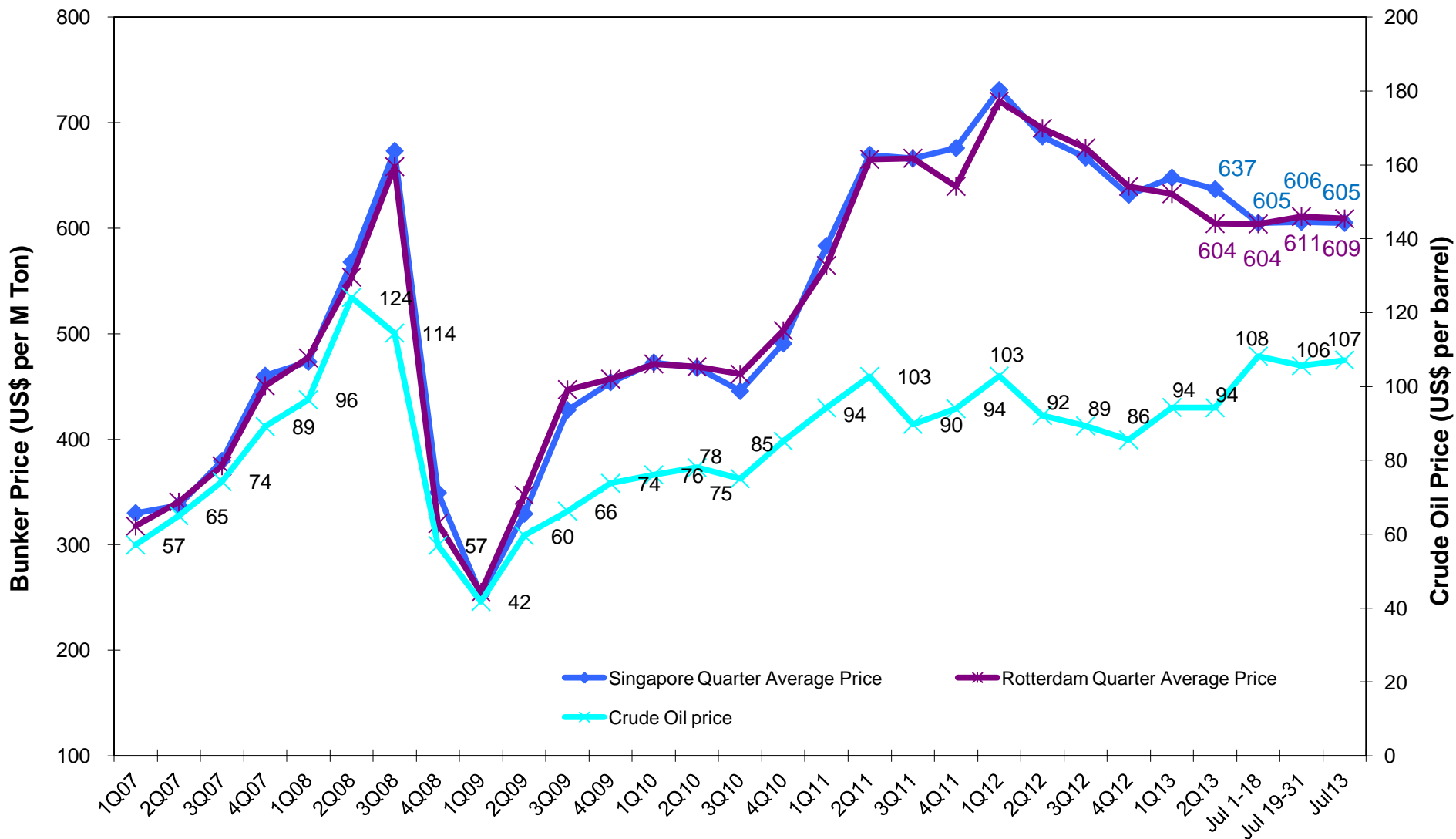
Bunker Fuel Cost – 1H 2013

US\$M	1H13	1H12	% ▲
Total Consumption ('000 TON)	888	845	5%
Average Price (US\$ per TON)	626	689	(9%)
Total Bunker Costs (US\$M)	572*	598	(4%)
% of Total Operating Costs	20%	21%	(1%)

* Including diesel fuel 3%

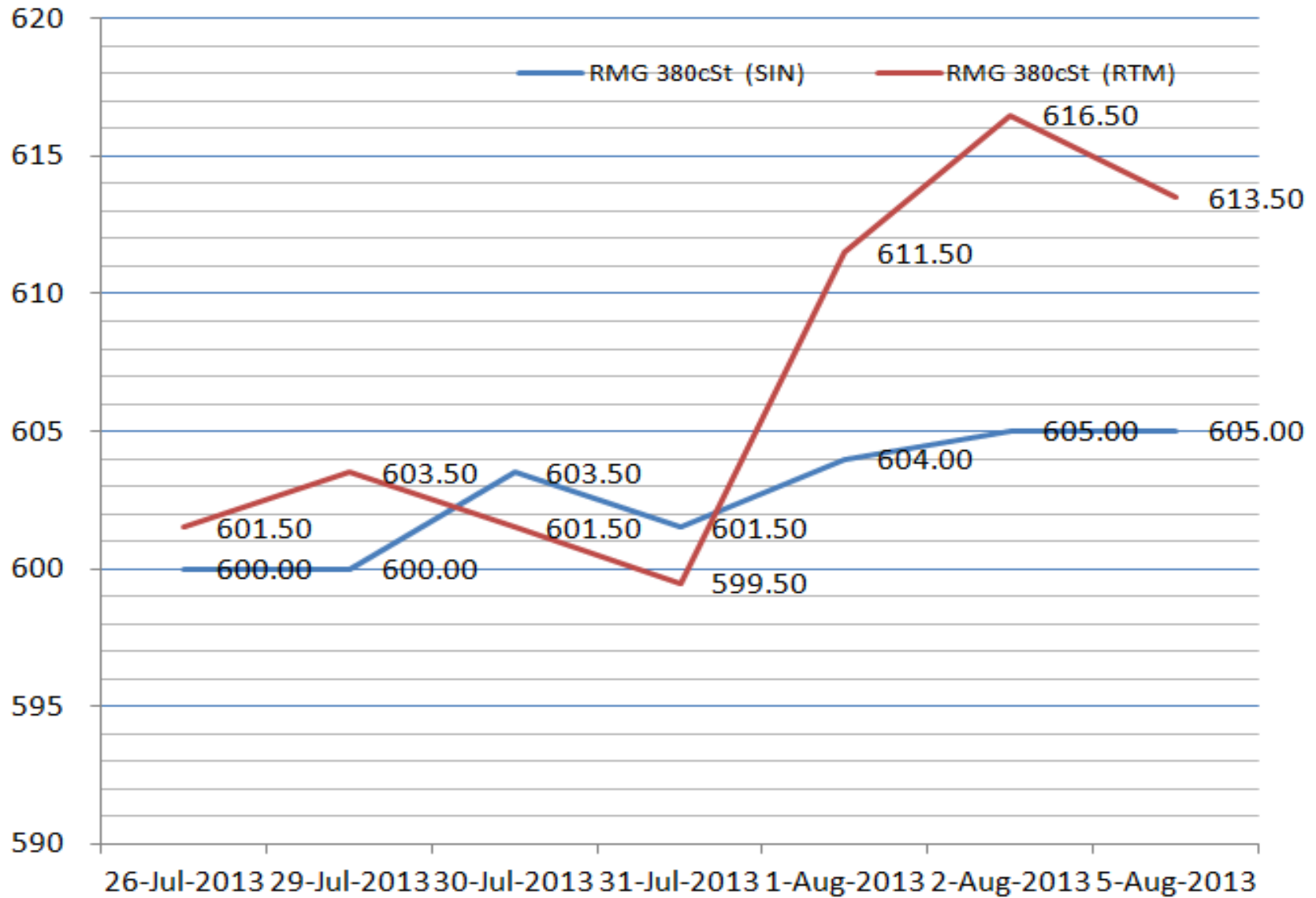


Bunker Price



Updated as at Aug 02, 2013

Bunker Price (RMG 380cSt)



OOCL Static Slot Capacity Breakdown

As at 30 Jun 2013	# of Vessels	Capacity (TEU)	Average (TEU)	% of Total Fleet
Owned	51	353,460	6,931	74%
Long Term Chartered	7	41,216	5,888	9%
Short Term Chartered	41	139,132	3,393	29%
Charter-Out	(6)	(55,949)	(9,325)	(12%)
Total	93	477,859	5,138	100%



OOCL Fleet for Future Deliveries

Delivery schedule of vessels:

1. 2013 (8,888 TEU x 2) & (13,000 TEU x 8)

8888 TEU x 2 & 13,000 TEU x 5 delivered in 1H 2013

2. 2014 (8,888 TEU x 2) & (13,000 TEU x 2)

3. 2015 (8,888 TEUS x 2)

8 x 8,888 TEU vessels were placed with Hudong – Zhonghua Shipbuilding (Group) Co. Ltd, PRC

10 x 13,000 TEU vessels order was placed with Samsung Heavy Industries



State of the Industry

- Over supply and weak demand continue to be the overriding factors that is affecting our industry
- Carrier margins
 - Remains thin and volatile until supply and demand reaches balance
- 2H
 - There are some positive signs of demand returning
 - July 1 rate increase generally successful
 - Aug 1 rate increase positive
 - Improvement in costs anticipated with larger vessels deployed

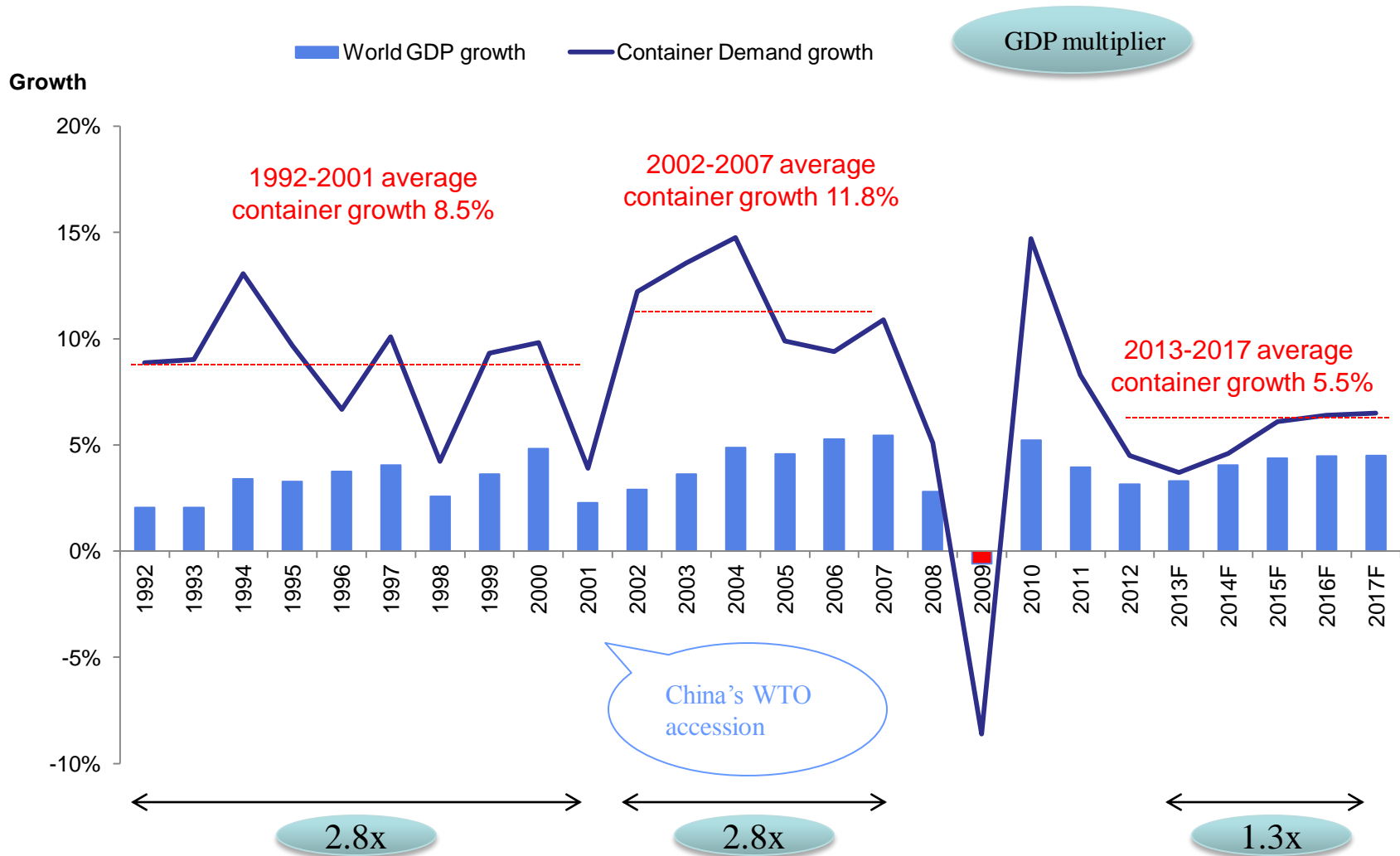


Demand and Supply - Container Shipping

Global	2008	2009	2010	2011	2012	2013F
Demand:						
Alphaliner demand - Jul13	5.7%	-8.4%	14.1%	8.3%	4.7%	4.2%
Howe Robinson - May13						4.5%
Danish Ship Finance - Apr13						3.0%
ABS Outlook - Mar13					2.9%	4.2%
IHS Global Insight - Feb13			14.3%	7.0%	1.9%	3.0%
Clarkson demand - Jun13	4.1%	-9.1%	13.1%	7.2%	3.3%	5.8%
Drewry demand - Jul13	5.1%	-8.6%	14.7%	8.3%	4.5%	3.7%
Macquarie - May13	7.2%	-8.1%	13.1%	6.2%	2.0%	2.3%
Deutsche Bank - Jun13	7.3%	-6.6%	12.1%	7.4%	3.3%	4.8%
DNB Markets - Jun13						6.5%
Goldman Sachs - Mar13	3.4%	-11.0%	16.0%	7.6%	3.9%	7.7%
Barclays - May13	7.3%	-10.6%	13.9%	6.8%	4.4%	6.6%
Nomura Equity - Jul13	5.4%	-9.3%	15.3%	7.4%	4.0%	2.9%
Average Demand *	5.7%	-9.0%	14.1%	7.4%	3.5%	4.6%
Supply:						
Alphaliner supply - Jul13	13.2%	5.5%	9.1%	7.9%	6.0%	6.7%
Howe Robinson - May13						6.1%
Danish Ship Finance - Apr13						7.0%
Clarkson supply - Jun13 (#2)	11.2%	4.7%	8.3%	6.8%	4.9%	6.3%
Drewry supply - Jul13 (#3)	10.5%	4.0%	3.2%	8.7%	4.4%	4.6%
Macquarie - May13	12.9%	7.0%	8.6%	8.5%	6.8%	7.2%
Deutsche Bank - Jun13	13.2%	9.2%	7.9%	8.8%	6.9%	6.0%
DNB Markets - Jun13						8.0%
Goldman Sachs - Mar13	12.7%	6.0%	9.6%	8.0%	5.9%	7.7%
Barclays - May13	12.8%	5.5%	8.4%	7.0%	5.1%	6.7%
Nomura Equity - Jul13	12.7%	6.0%	9.7%	7.9%	4.4%	7.6%
Average Supply *	12.4%	6.0%	8.1%	8.0%	5.6%	6.7%



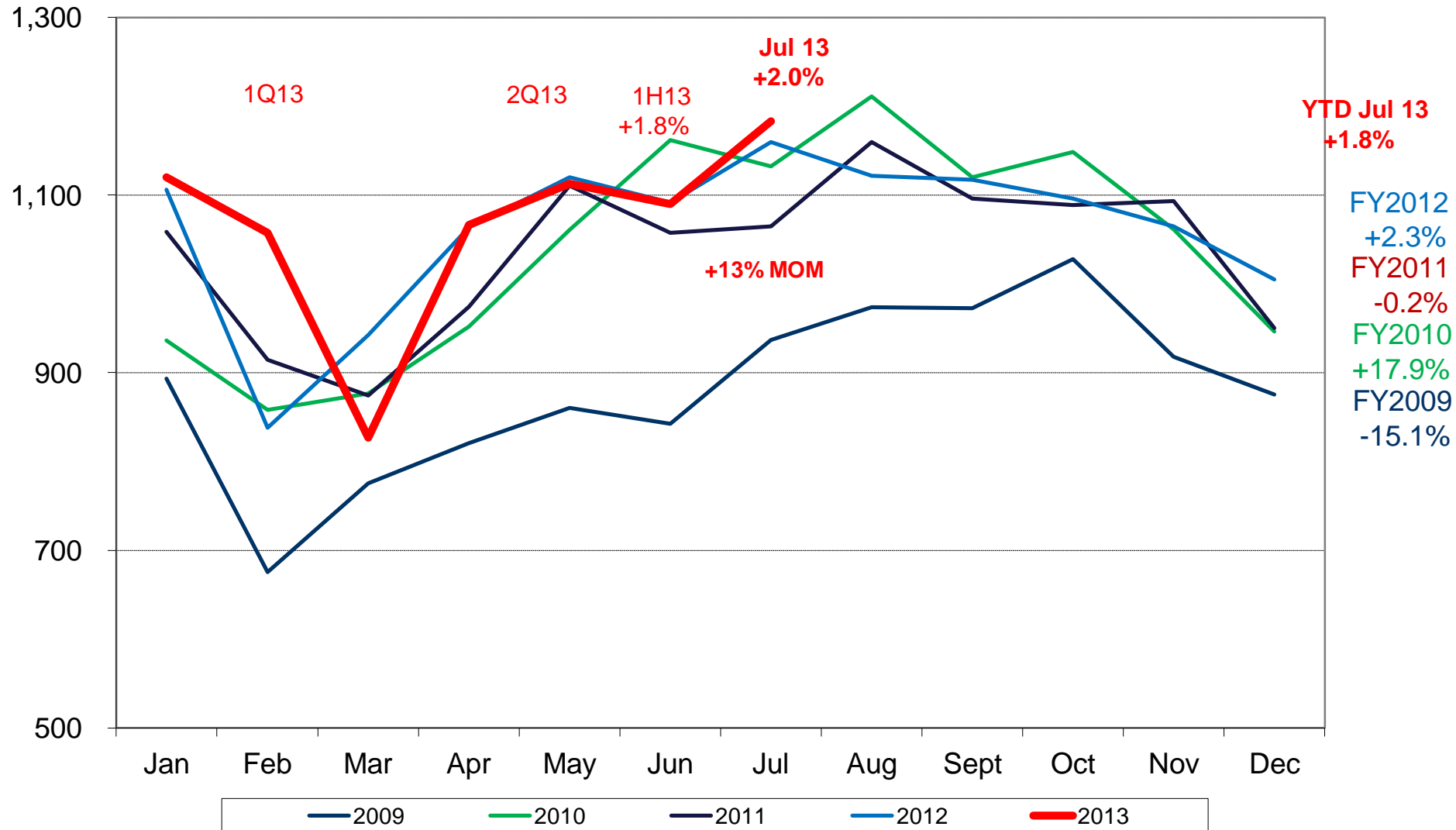
Global Container Trade Growth is Slowing



Source: IMF, Drewry
Updated as at Jan 30, 2013

Transpacific Trade EB Demand

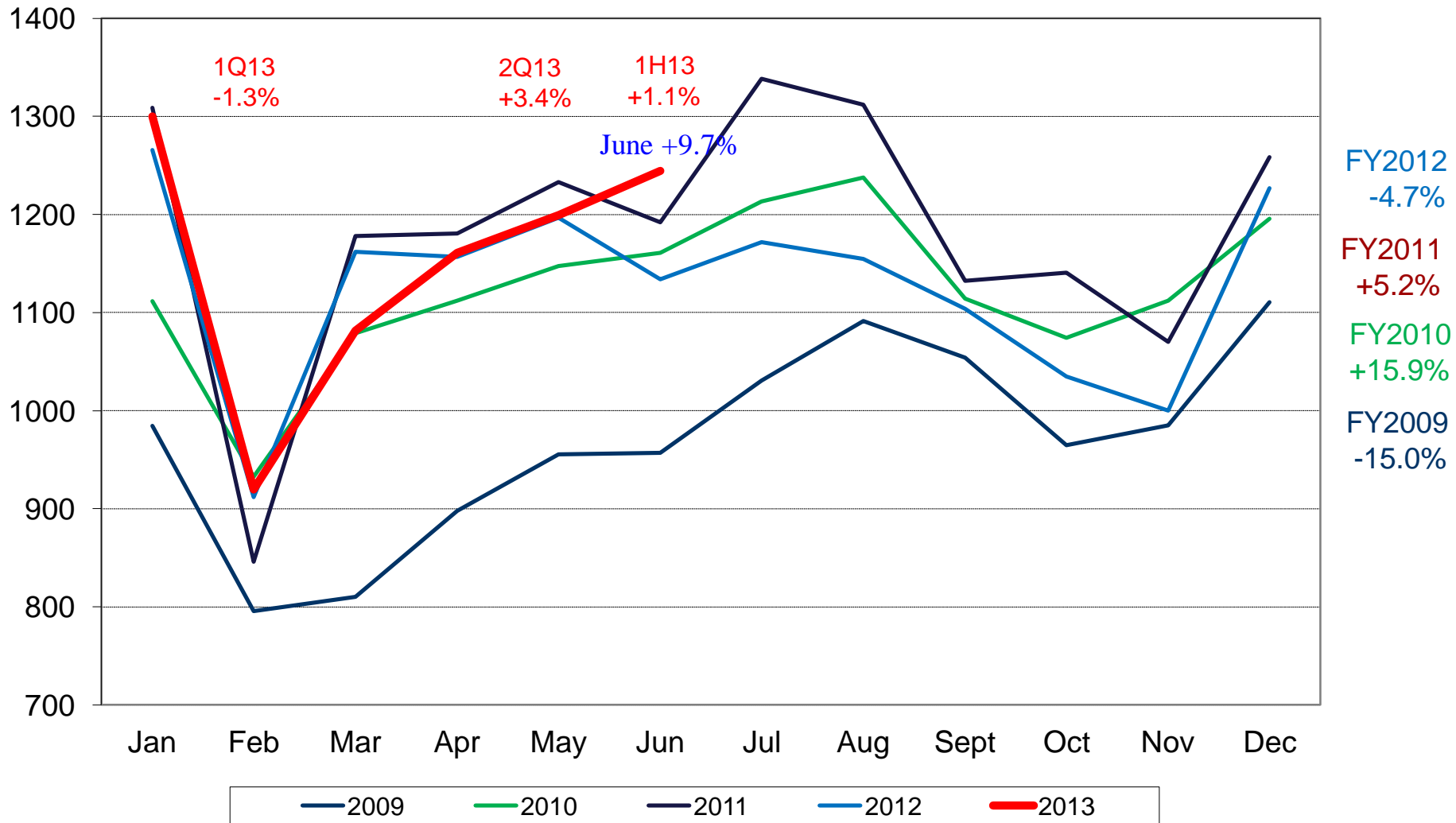
'000 TEU per month



Source: JoC

Asia-Europe Westbound Lifting

'000 TEU per month



Source: FEFC/ELAA/CTS

OOL's Strategy

- Differentiation / Segmentation
- Cost efficiency
 - Cost focus
 - Productivity focus
 - Delivery of new buildings in 2013/2014
 - Average fleet age 6.5 years
- Investing into future
 - Vessels
 - Port
 - IT
 - Logistics
- Retains initiative/flexibility by maintaining a strong and liquid Group balance sheet



Financial Prudency

- Strong balance sheet
 - Net debt to equity ratio 0.23:1
 - One of the lowest in the container transportation industry
 - Relative Competitiveness in Financing
- High Liquidity
 - \$2.1 billion of Liquid Assets *
 - Conservative Cash Management Philosophy
 - Interest Rate Hike hedge
 - Initiative on Capex
- Fleet Make Up
 - Over 60% Owned
 - Asset Anchor
 - Down Market Hedge
 - Short Term Charter
 - Flexibility

* Excludes held to maturity investments totaling \$252m



OOL Group

Proven Track Record

Clear Direction

Shareholder Management Alignment

Forward Looking

Financial Prudence



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