



Orient Overseas (International) Ltd

1H 2015 Results Presentation

August 10th 2015

2015 1H Results Highlights

Group Profit After Tax	US\$238 mil	↑ 32% YoY
Liner Logistics Segment	US\$184 mil	↑ 65% YoY
Liner Logistics EBIT	7.3%	↑ 62% from 4.5% to 7.3%
Interim Ordinary Dividend	US9.6 cents per share	



2015 1H Group Highlights

- **Achieved EBIT Margin 7.3%**
 - Yield Management
 - Continuous Cost efficiency gains
- **Forward growth**
 - 6 x 20,000 TEU class NB delivery 2017
 - CAGR growth 10.9% 2015 – 2017
- **Balance Sheet Management**
 - Net Debt to Equity moving up to 30%
 - Will remain Best in Class



Group Results Breakdown

US\$M	30-Jun-2015	30-Jun-2014	var
Container Transportation and Logistics	183.6	111.2	72.4
Property and Investments			
Wall Street Plaza Revaluation	9.8	9.7	0.1
Hui Xian Dividends (\$7.9M & shares) and Cash Distribution (\$2.5M)	27.2	41.4	(14.2)
Interest and Investments	19.9	21.9	(2.0)
Others	(1.9)	(3.0)	1.1
	55.0	70.0	(15.0)
Total	238.6	181.2	57.4



EBIT Breakdown

US\$M	30-Jun-2015	30-Jun-2014
Container Transportation and Logistics - EBIT	222.4	145.3
Property and Investments - EBIT		
Wall Street Plaza Revaluation	9.8	9.7
Hui Xian Dividends and Distribution	27.2	41.4
Interest and Investments	19.9	21.9
Others	3.6	2.7
	60.5	75.7
OOIL GROUP - EBIT	282.9	221.0
Finance Costs	(30.1)	(26.8)
Taxation	(14.2)	(13.0)
OOIL Group Profit After Taxation	238.6	181.2



Group Balance Sheet Highlights

US\$M	30-Jun-2015	31-Dec-2014
Non-current Assets	6,761	6,450
Current Assets	3,212	3,184
Total Assets	9,973	9,634
Non-current Liabilities	3,901	3,654
Current Liabilities	1,233	1,345
Total Liabilities	5,134	4,999
Shareholders' Funds	4,839	4,635
Non-controlling Interests	-	-
Total Equity	4,839	4,635



Total Liquid Assets

US\$M	30-Jun-2015	31-Dec-2014
Restricted Bank Balances	74	55
Cash and Bank Balances	2,183	2,166
Portfolio Investments, Equities and Bonds	532	469
Total	2,789	2,690

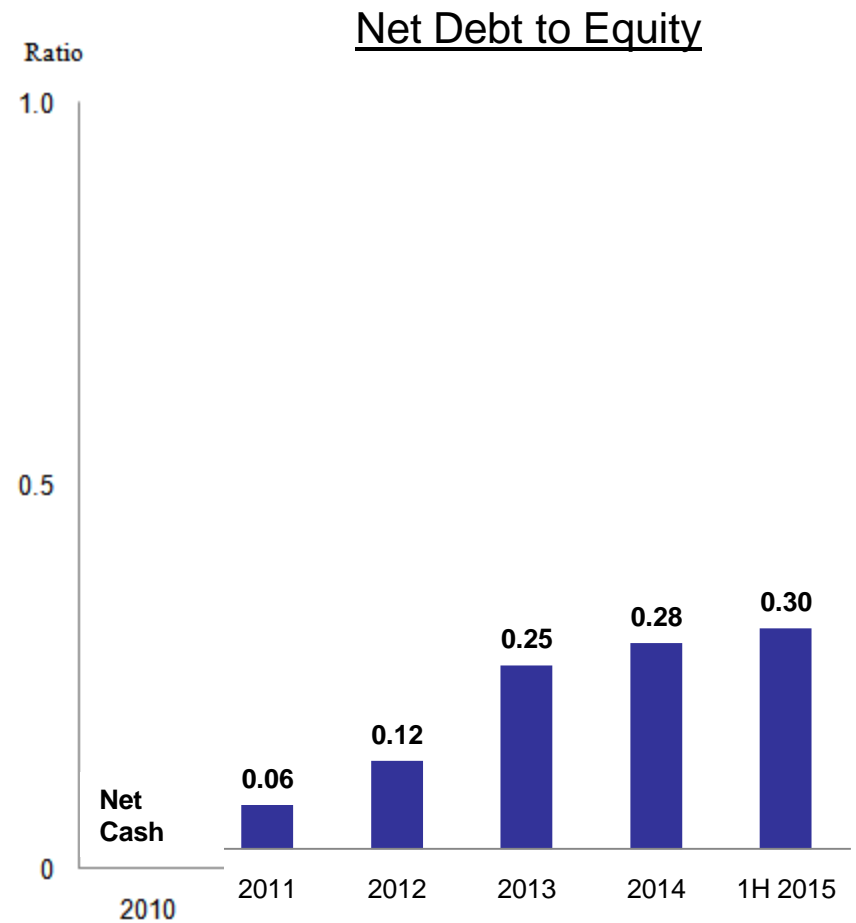
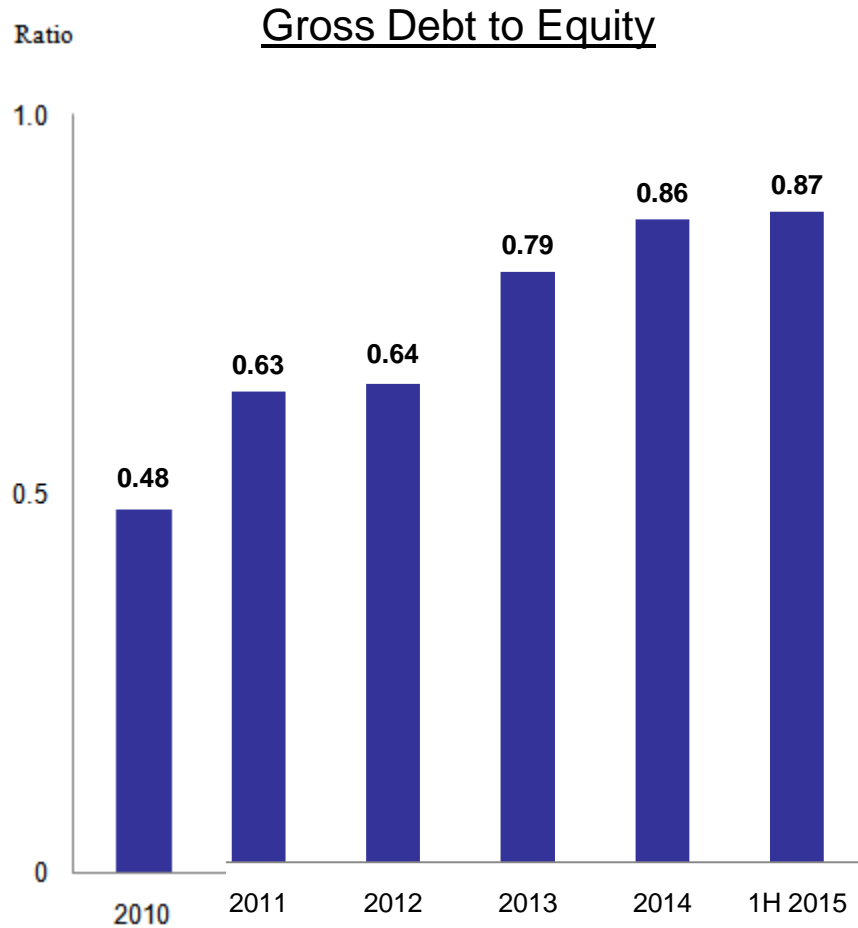


Net Debt Position

US\$M	30-Jun-2015	31-Dec-2014
Liquid Assets	2,789	2,690
Debt	4,222	3,985
Net Debt	1,433	1,295



Debt-to-Equity Ratios



Property Investment

Wall Street Plaza

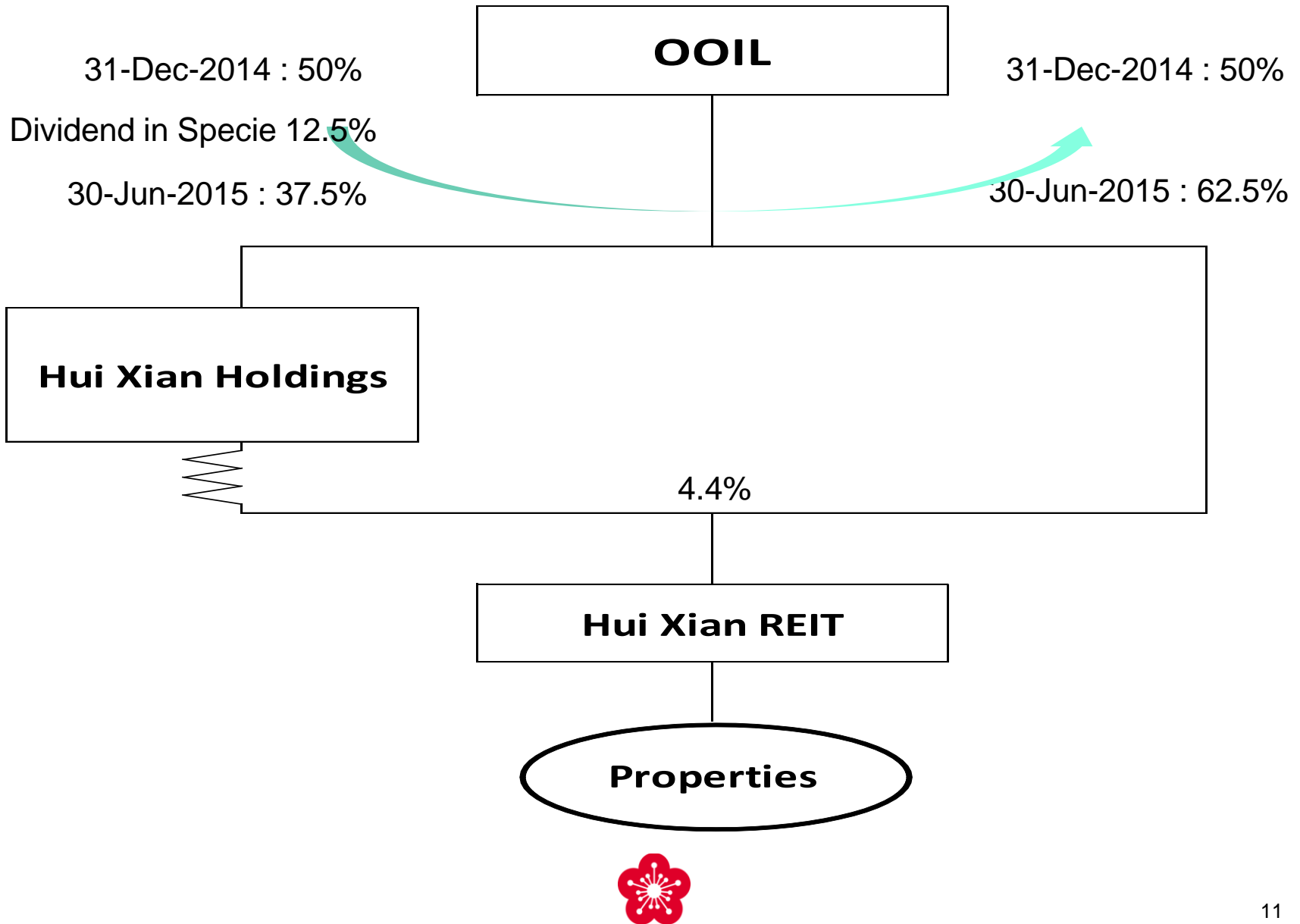
- Fair value gain of US\$9.8 million for 1H2015
- Valuation of US\$190 million as at 30 June 2015
- Performance is in line with expectations
- Vacancy rate of 5.6% as at end of 30 June 2015

Beijing Oriental Plaza

- Directly and indirectly holding approx. 4.4% of Hui Xian REIT
- Valuation of US\$137.5 million as at 30 June 2015
- US\$16.8 million Dividend-in-Specie of 12.5% from Hui Xian Holdings
- Direct holding of Hui Xian REIT increased to 62.5%



Beijing Oriental Plaza – 30 Jun 2015



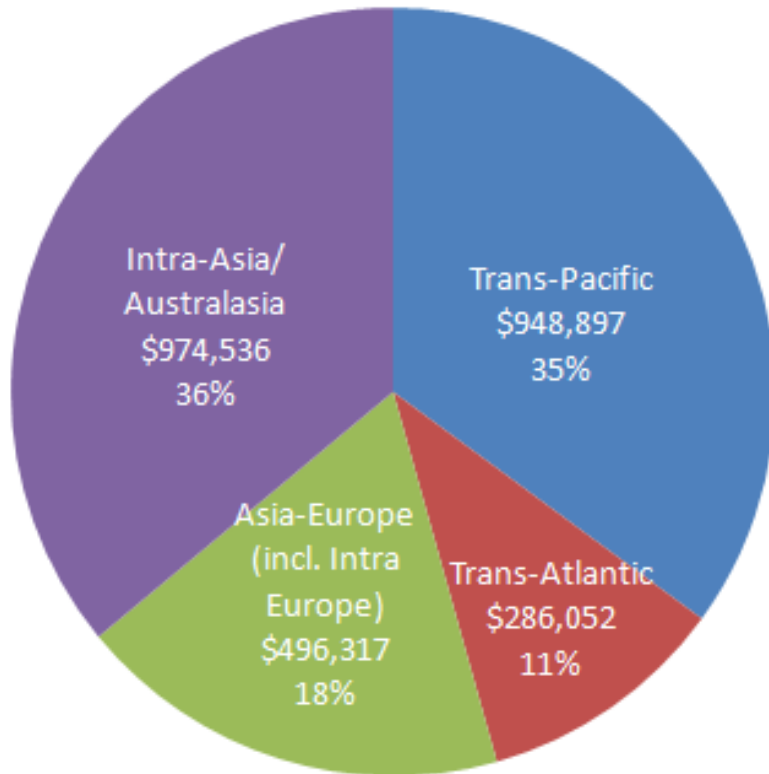
2015 OOCL

- **Solid Liner margin performance 1H**
- **Yield Management and cost saving gains (volume vs margin)**
- **2014 Congestion disruption abated**
- **Service network improvement**
- **Improving G6 performance**



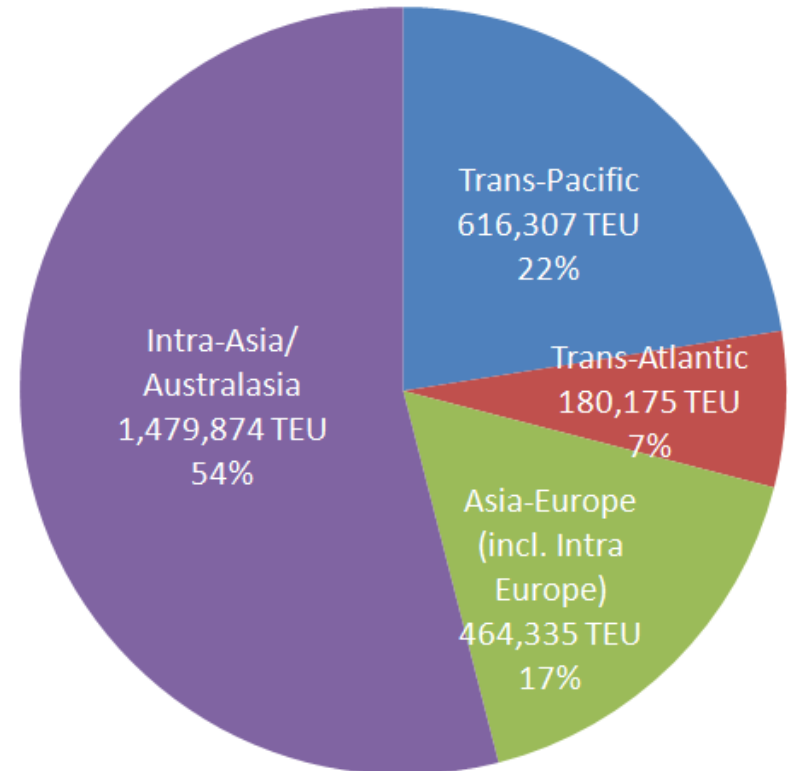
OOCL Revenue and Lifting – 1H 2015

Revenue by Trade



Total US\$2,706 mil

Lifting By Trade



Total 2,740,691 TEU



Liner Performance

US\$ / TEU	1H 2015	1H 2014	% ▲
Liftings ('000 TEU)	2,741	2,805	-2.3%
Revenue Per TEU (US\$)	987	1,030	-4.2%
Net Operating Capacity (TEU)	589,772	505,147	16.8%
EBIT Margin	7.3%	4.5%	62%



OOCL Operational Update*

	YTD					
	Q2 2015	Q2 2014	change	1H2015	1H2014	change
LIFTINGS (TEU'S)						
Trans-Pacific	324,883	336,940	-3.6%	616,307	645,202	-4.5%
Asia-Europe	224,004	254,067	-11.8%	464,335	480,784	-3.4%
Trans-Atlantic	92,670	100,775	-8.0%	180,175	194,875	-7.5%
Intra-Asia/Australasia	780,851	761,411	2.6%	1,479,874	1,484,382	-0.3%
TOTAL ALL SERVICES	1,422,408	1,453,193	-2.1%	2,740,691	2,805,243	-2.3%
TOTAL REVENUES (US\$ '000)						
Trans-Pacific	490,897	505,931	-3.0%	948,897	974,022	-2.6%
Asia-Europe	219,475	305,459	-28.1%	496,317	587,776	-15.6%
Trans-Atlantic	149,373	154,359	-3.2%	286,052	297,893	-4.0%
Intra-Asia/Australasia	502,682	536,836	-6.4%	974,536	1,030,415	-5.4%
TOTAL ALL SERVICES	1,362,427	1,502,585	-9.3%	2,705,802	2,890,106	-6.4%
REVENUE PER TEU (US\$)						
Trans-Pacific	1,511	1,502	0.6%	1,540	1,510	2.0%
Asia-Europe	980	1,202	-18.5%	1,069	1,223	-12.6%
Trans-Atlantic	1,612	1,532	5.2%	1,588	1,529	3.9%
Intra-Asia/Australasia	644	705	-8.7%	659	694	-5.0%
TOTAL ALL SERVICES	958	1,034	-7.4%	987	1,030	-4.2%

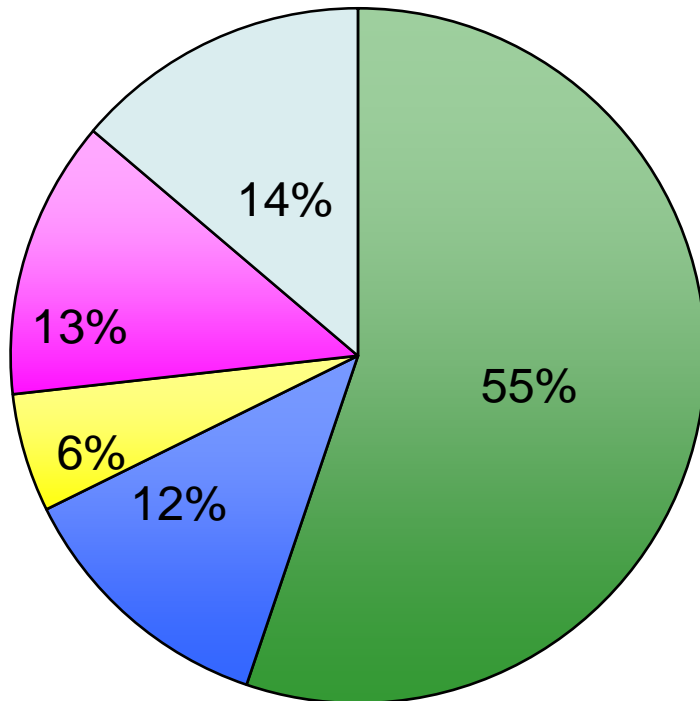
*Note: Unaudited operational updates



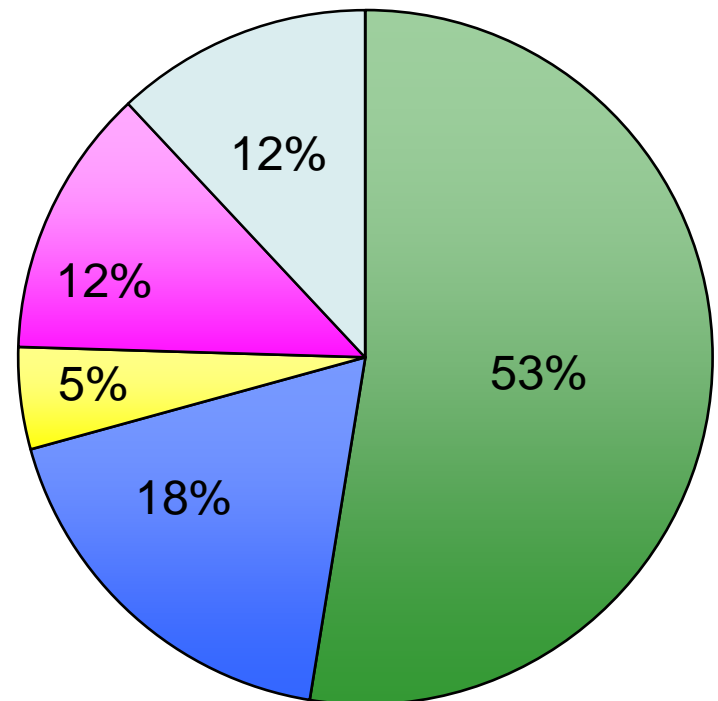
Total Operating Costs

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

1H 2015



1H 2014



Note: The cost of OOCL Logistics is included in Cargo Cost



Unit Operating Cost Saving 1H2015

US\$ / Per Lifting	1H15 Proportion	1H15 / 1H14 % ▲
Total cost	100%	-9%
Cargo cost	55%	-4%
Equipment and repo costs	14%	6%
Vessel cost	13%	-5%
Bunker cost	12%	-37%
Voyage cost	6%	6%



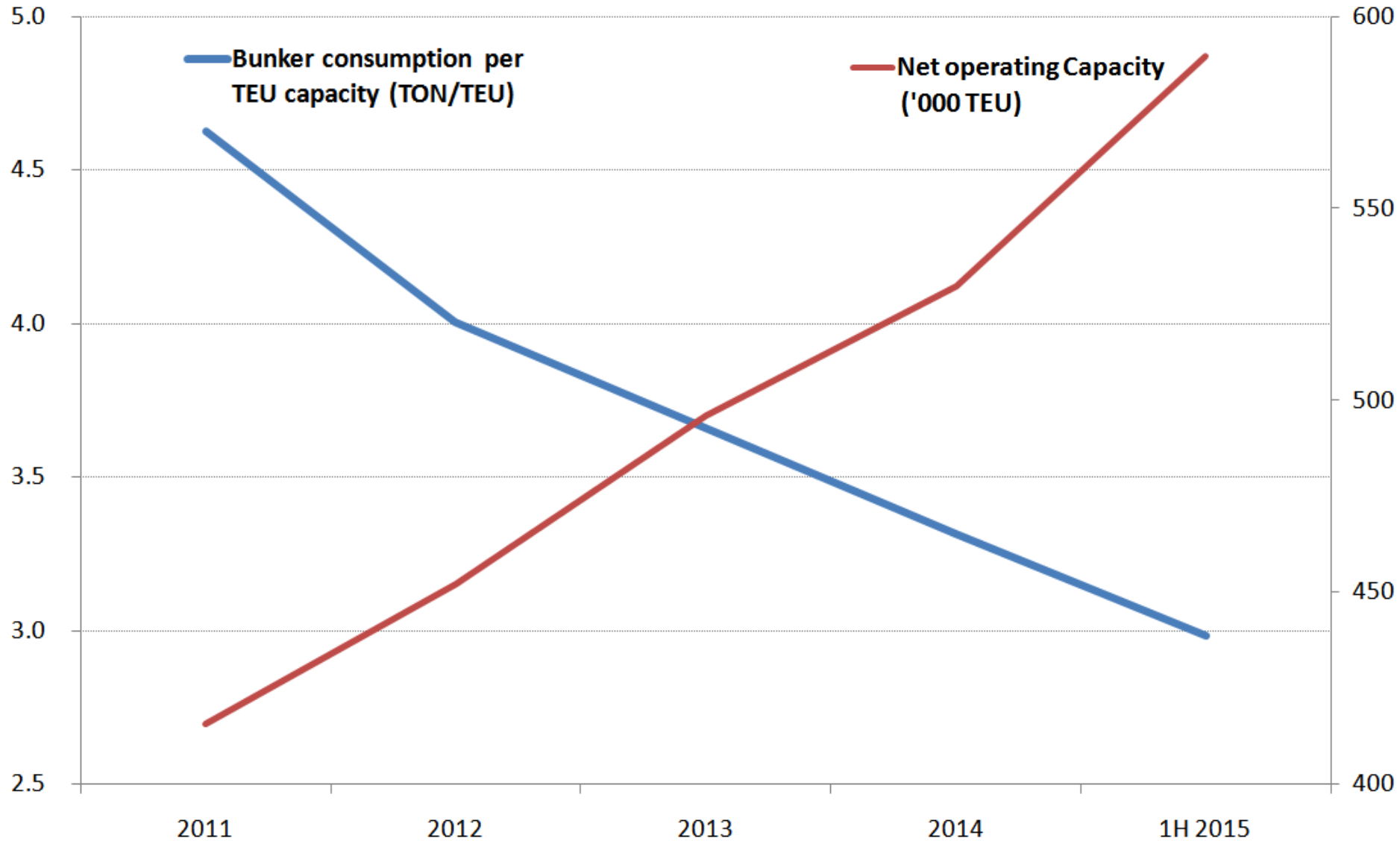
Bunker Cost

US\$M	1H 2015	1H 2014	% ▲
Total Bunker Costs (US\$M)	326	529	(38%)
Average Bunker Price (US\$ per TON)	370	601	(38%)
Total Bunker Consumption ('000 TON)	880	879	0%
Net Operating Capacity ('000 TEU)	590	505	17%

Bunker consumption per loadable capacity improved by 7%



Bunker Consumption – 5 Years





Sustained Capacity Growth : OOCL Fleet for Future Deliveries

2013 13,200 TEU x 8 and 8,888 TEU x 2

2014 13,200 TEU x 2

2015 8,888 TEU x 4

2016 13,200 TEU X 4 (NYK)

2017 20,000 TEU Class X 6

**Cap
growth
10.9%
CAGR**



Net Operating Capacity Breakdown

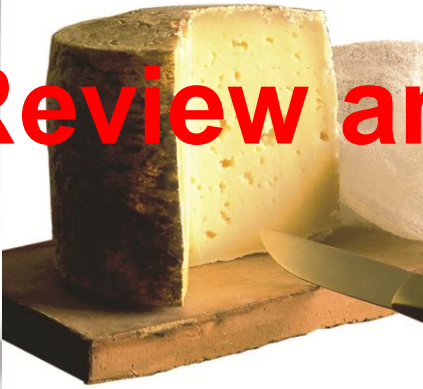
As at 30 Jun 2015	No of Vessels	Capacity (TEU)	Average (TEU)	% of Total Fleet
Owned	54	405,444	7,508	69%
Long Term Chartered	7	41,216	5,888	7%
Short Term Chartered	53	195,944	3,697	33%
Charter-Out	(4)	(52,832)	(13,208)	(9%)
Total	110	589,772		100%

2015-17 Static Capacity to grow at 10.9% CAGR





Market Review and Update



Global Demand and Supply Forecasts

Global		2008	2009	2010	2011	2012	2013	2014	2015F	2016F
Demand:										
Alphaliner demand	Jul15	5.9%	-8.4%	14.3%	8.3%	4.8%	3.5%	5.3%	4.2%	5.0%
Bank of America, Merrill Lynch	Jul15			13.6%	8.2%	4.5%	3.7%	5.4%	4.1%	5.8%
Barclays	Jul 15	3.7%	-8.2%	13.4%	9.7%	6.0%	3.7%	4.5%	5.4%	5.2%
Citi Bank	Jun15						3.8%	5.4%	4.8%	
Clarkson demand	Jul15	4.1%	-9.2%	13.8%	7.7%	3.1%	5.1%	5.3%	5.1%	6.0%
Credit Suisse	May15								5.4%	
Daiwa	Jan15								5.0%	
Deutsche Bank	May15	7.3%	-6.6%	12.1%	7.2%	3.1%	4.7%	6.1%	6.0%	5.5%
Drewry demand	Jul15	5.1%	-8.6%	14.7%	5.8%	3.5%	3.3%	5.3%	4.3%	5.0%
Goldman Sachs	Jun15	3.7%	-11.4%	18.6%	8.7%	4.9%	4.8%	5.3%	5.5%	6.0%
J.P. Morgan	Jan15	4.0%	-9.2%	13.1%	7.9%	3.4%	4.5%	6.2%	5.8%	6.6%
Jefferies	Jan15						4.5%	5.5%	5.0%	
Macquarie	Jul15		-13.8%	9.1%	-6.1%	-2.5%	-3.7%	0.2%	0.6%	0.4%
Seabury	Jul15	2.5%	-9.2%	14.0%	6.1%	2.7%	3.2%	5.2%	5.0%	5.1%
Average Demand		4.5%	-9.4%	13.7%	6.4%	3.4%	3.4%	5.0%	4.7%	5.1%
Supply:										
Alphaliner supply	Jul15	13.2%	5.5%	9.1%	7.9%	6.0%	5.8%	6.3%	8.8%	5.2%
Bank of America, Merrill Lynch	Jul15			6.8%	7.9%	6.1%	5.8%	6.3%	7.5%	4.6%
Barclays	Jul 15	12.8%	5.5%	8.4%	7.2%	4.9%	4.7%	5.0%	5.1%	4.8%
Citi Bank	Jun15						5.8%	6.3%	8.6%	
Clarkson supply	Jul15	11.2%	4.8%	8.3%	6.8%	4.9%	4.8%	5.6%	6.5%	4.6%
Credit Suisse	May15								7.2%	
Daiwa	Jan15								6.4%	
Deutsche Bank	May15	13.2%	9.2%	7.9%	8.8%	6.9%	5.7%	5.9%	7.1%	5.3%
Drewry supply	Jul15	10.5%	4.0%	3.2%	8.7%	4.3%	3.0%	4.9%	7.2%	4.8%
Goldman Sachs	Jun15	12.8%	5.9%	9.6%	7.9%	5.9%	5.4%	6.5%	7.0%	5.1%
J.P. Morgan	Jan15	13.2%	-1.3%	3.0%	7.1%	4.3%	2.6%	4.0%	7.1%	5.3%
Jefferies	Jan15		5.6%	9.2%	7.9%	5.9%	5.6%	5.3%	7.2%	
Average Supply		12.4%	4.9%	7.3%	7.8%	5.5%	4.9%	5.6%	7.1%	5.0%



Aug 5th 2015

2015 1H Market Highlights

Positives

vs

Negatives

- Positive trade growth
- Strong 1Q freight rate
- Bunker Cost continues to be favorable
- Congestion eases (cost vs freight)
- VMS (Vessel Maintenance Schedule) and deployment adjustment underway

- AE trade growth disappointing
- Steep rate decline 2Q
- Oversupply



Market Update by Trade

- **TP (headhaul)**
 - Solid volume growth (+5.6%) and Load Factor
 - Solid Contract rates / Weak Spot Market
- **AE (headhaul)**
 - Negative volume growth (-5.0%)
 - Weak Spot market / Market adjustment underway
- **IA**
 - Moderate volume growth (+2.0%)
 - Market rate vs deployment adjustment
- **TA (headhaul)**
 - Solid volume growth
 - Imbalance increasing



Trade Volume 1H2015

Trade	1H 2015	FY 2014	1H 2014
Transpacific EB	5.6%	5.8%	5.3%
Asia Europe WB	-5.0%	7.5%	8.7%
Intra Asia (IADA)	2.0%	1.9%	3.9%
Trans Atlantic WB	5.3%	7.6%	7.0%

Sources: JoC, CTS, IADA



Updated 8-Aug-2015

Market Rates Softening

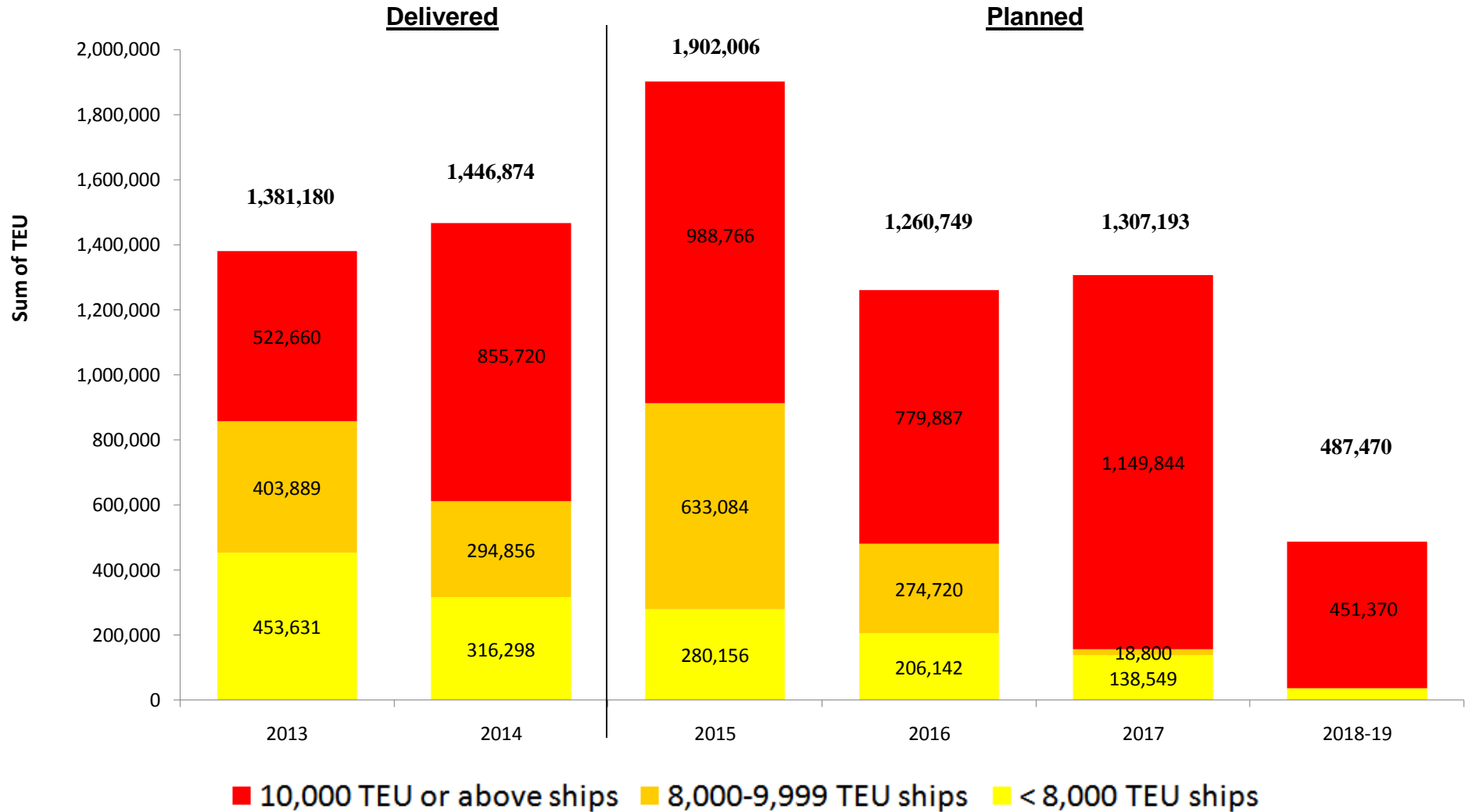
Shanghai Container Freight Index	31-Jul-15	Change vs							
		1 week		1 month		3 months		1 year	
		24-Jul-15	%	26-Jun-15	%	30-Apr-15	%	25-Jul-14	%
SCFI	822	549	50%	641	28%	761	8%	1,061	-22%

Shanghai export freight rates (in US\$/TEU except to USEC/USWC in US\$/FEU) to:-

Europe (Base port)	1,109	400	177%	548	102%	343	223%	1,203	-8%
Mediterranean (Base port)	1,119	402	178%	675	66%	684	64%	1,459	-23%
USWC (Base port)	1,607	1,123	43%	1,229	31%	1,783	-10%	1,765	-9%
USEC (Base port)	3,050	2,538	20%	2,866	6%	3,605	-15%	3,578	-15%
Persian Gulf (Dubai)	415	373	11%	491	-15%	727	-43%	977	-58%
Australia (Melbourne)	490	286	71%	288	70%	438	12%	623	-21%
West Africa (Lagos)	1,228	1,206	2%	1,266	-3%	1,488	-17%	1,841	-33%
South Africa (Durban)	604	603	0%	607	0%	660	-8%	641	-6%
South America (Santos)	644	251	157%	337	91%	996	-35%	1,332	-52%
West Japan (Osaka/Kobe)	83	82	1%	77	8%	85	-2%	249	-67%
East Japan (Tokyo/Yokohama)	129	114	13%	137	-6%	96	34%	249	-48%
Southeast Asia (Singapore)	169	171	-1%	176	-4%	209	-19%	243	-30%
Korea (Busan)	150	150	0%	151	-1%	205	-27%	186	-19%
Taiwan (Kaohsiung)	196	193	2%	198	-1%	208	-6%	218	-10%
Hong Kong	53	53	0%	57	-7%	57	-7%	64	-17%



New Building Deliveries - Static Slots



Note: Excl options / LOI / intents



Source: Alphaliner
Updated 4-Aug-2015

Market Weekly Capacity Growth - Upsizing

Market Weekly Service Capacity

	Asia Europe		Transpacific		Intra-Asia	
	TEU	yoy	TEU	yoy	TEU	yoy
1Q13	364,962	-0.5%	376,293	9.2%	324,739	-1.4%
2Q13	370,644	-0.8%	389,083	8.6%	329,148	-3.4%
3Q13	371,969	-4.7%	412,486	7.9%	323,070	-0.8%
4Q13	369,507	-1.0%	400,535	6.1%	342,883	2.9%
1Q14	365,010	0.0%	388,092	3.1%	351,443	8.2%
2Q14	371,973	0.4%	399,794	2.8%	387,145	17.6%
3Q14	380,871	2.4%	421,148	2.1%	367,946	13.9%
4Q14	382,479	3.5%	414,594	3.5%	386,619	12.8%
1Q15	388,406	6.4%	393,936	1.5%	342,547	-2.5%
2Q15	401,295	7.9%	416,148	4.1%	357,619	-7.6%
Jul15	395,340	5.0%	442,480	4.6%		



2015 / 2016 Market

**2015 : Yield management and
Cost efficiency gains against weak market**

2016 : Better supply and demand balance



Group Strategy

- **Maintain OOCL status as top tier industry performer**
- **Ready and Able to Invest into the Future**
 - **Vessels**
 - **Long Beach Container Terminal**
- **IT as a differentiator**
- **Logistics Buildout Continues**





LBCCT: Long Beach Container Terminal



LBCT

Long Beach Container Terminal

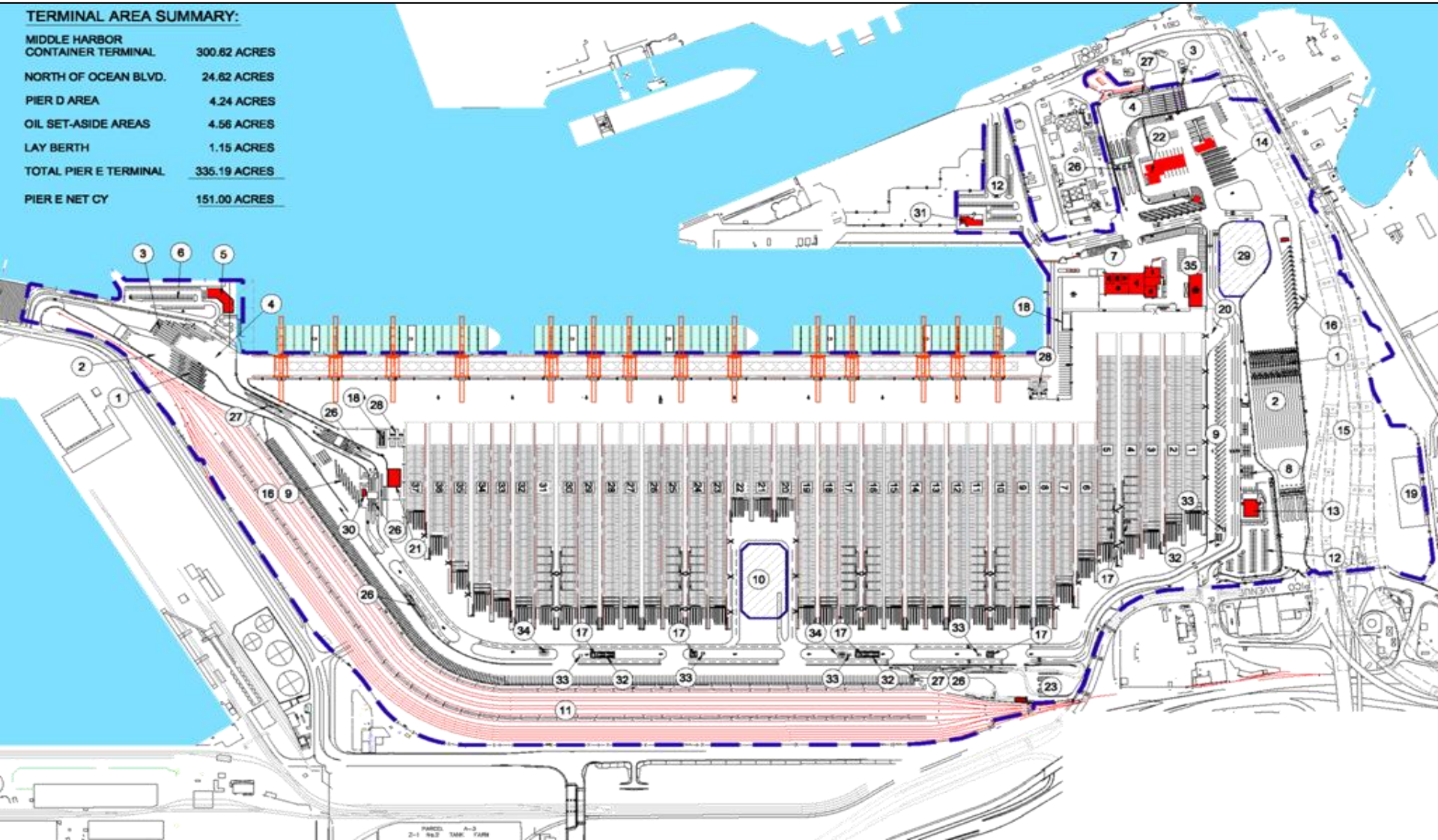
- Aug to Nov 2015 - Container flow testing
- Feb 2016 - Mini Terminal completed
- Mar 2016 - Ready to go live :
 - Mar Export handling
 - Apr WB Train and 1st commercial vessel
 - May 1st EB train
- 2019 - Project complete



Project Completion 2019

TERMINAL AREA SUMMARY:

MIDDLE HARBOR CONTAINER TERMINAL	300.62 ACRES
NORTH OF OCEAN BLVD.	24.62 ACRES
PIER D AREA	4.24 ACRES
OIL SET-ASIDE AREAS	4.56 ACRES
LAY BERTH	1.15 ACRES
TOTAL PIER E TERMINAL	335.19 ACRES
PIER E NET CY	151.00 ACRES





OOCL Logistics



OOCL Logistics Globally

Europe:
• 12 offices/sales offices
• 16 warehouse locations

China
• 52 offices/sales offices
• 66 warehouses, 21 locations



USA and Canada
• 9 offices/sales offices
• 14 warehouse locations

East Asia, Southeast Asia
and Australia
• 41 offices/sales offices
• 88 warehouse locations

South America (Brazil)
• 11 agent offices

2014 Geographical Expansion in:
Central America, Italy



OOCL Logistics

Business segments :

- ISCMS
- Freight Forwarding
- Domestic Transportation





IT Investment & Development

Operational Efficiency

- Shipment transparency
- Realtime Update
- Cross Functional/Cross Regional Sharing

Data mining and analytics

- Vessel tracking application
- Better yield management
- Superior transshipment handling
- Service Fulfilment

Forward Looking Planning

- Disruption Handling
- Repo and Sales

Predictive and Prescriptive

IRIS 1

Data
Transparency

1997

IRIS-2

Mining and
Analytics

2002

IRIS 4

Forward
Planning

2014

Predictive &
Prescriptive?



Financial Prudence

- ***Robust Balance Sheet and High Liquidity***
 - Net debt to equity ratio 0.30 : 1
 - One of the lowest in the container transportation industry
 - Relative competitiveness on financing
 - Ability to retain initiative on Capex
 - US\$ 2.8 billion of Liquid Assets
 - Interest rate hike hedge

MAINTAINING BALANCE BETWEEN LIQUIDITY AND RETURN



OOIL GROUP



Proven Track Record

Clear Direction

Double Digit Capacity Growth

Shareholder Management Alignment

Forward Looking

Financial Prudence

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