Maersk Line – Performing In Rough Seas

Capital Markets Day, 26 September 2013

MAERSK LINE

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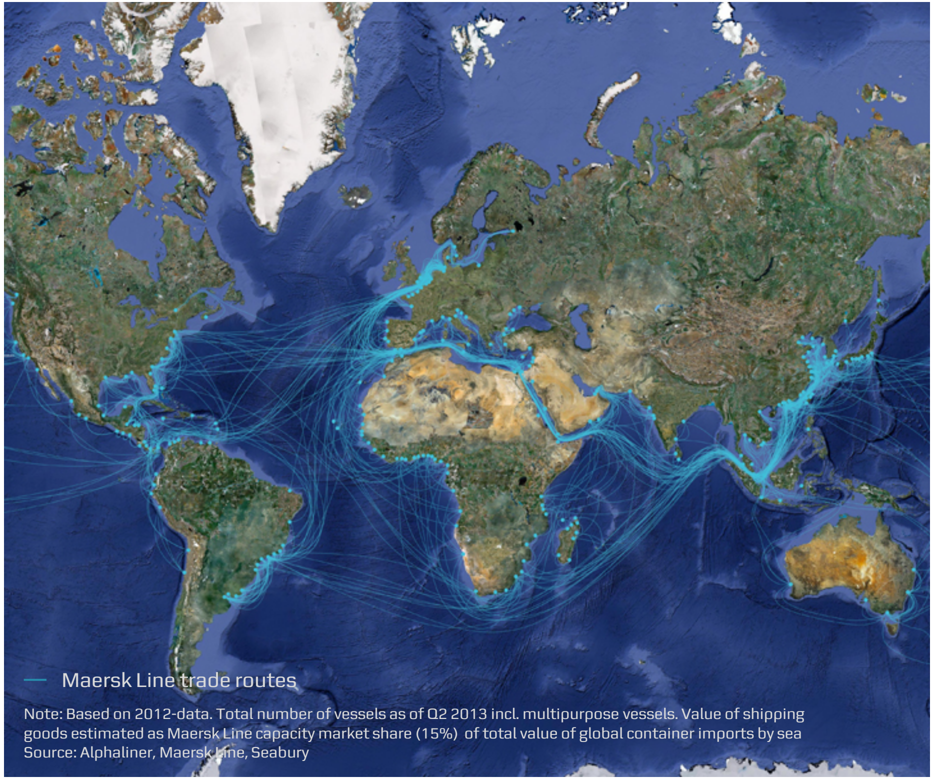
Introduction 1

Søren Skou
Chief Executive Officer



Note: Based on 2012-data. Total number of vessels as of Q2 2013 incl. multipurpose vessels. Value of shipping goods estimated as Maersk Line capacity market share (15%) of total value of global container imports by sea
Source: Alphaliner, Maersk Line, Seabury

Maersk Line at a glance

- **596** vessels with a capacity of 2.6m TEU transporting **8.5**m FFE generating a total revenue of USD **27**bn in 2012
- Enabling global growth with a total value of goods transported estimated at USD **650**bn in 2012
- **31,000** employees (incl. 6,000 sea farers) in **362** office locations globally, serving **67,000** customers world wide

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We are making progress on our medium term objectives

Medium term objectives

- Top quartile performer
- EBIT margin 5% points above peer average
- Growing with the market
- Funded by own cash flow
- Delivering stable returns above cost of capital

2012 (CMD October)

- 2nd quartile performer
- EBIT margin 3% points above peer average
- Growing with the market
- Negative free cash flow
- Returns volatile and below cost of capital

Today

- Best in class
  (NOPAT of USD 643m in H1 2013)
- EBIT margin 8% points above peer average in H1 2013
- Growing with the market
  (Market demand growth of 2% y/y YTD and Maersk Line growth of 2%)
- Positive free cash flow
  (USD 762m in H1 2013)
- Improving returns
  (ROIC of 6.2% in H1 2013)

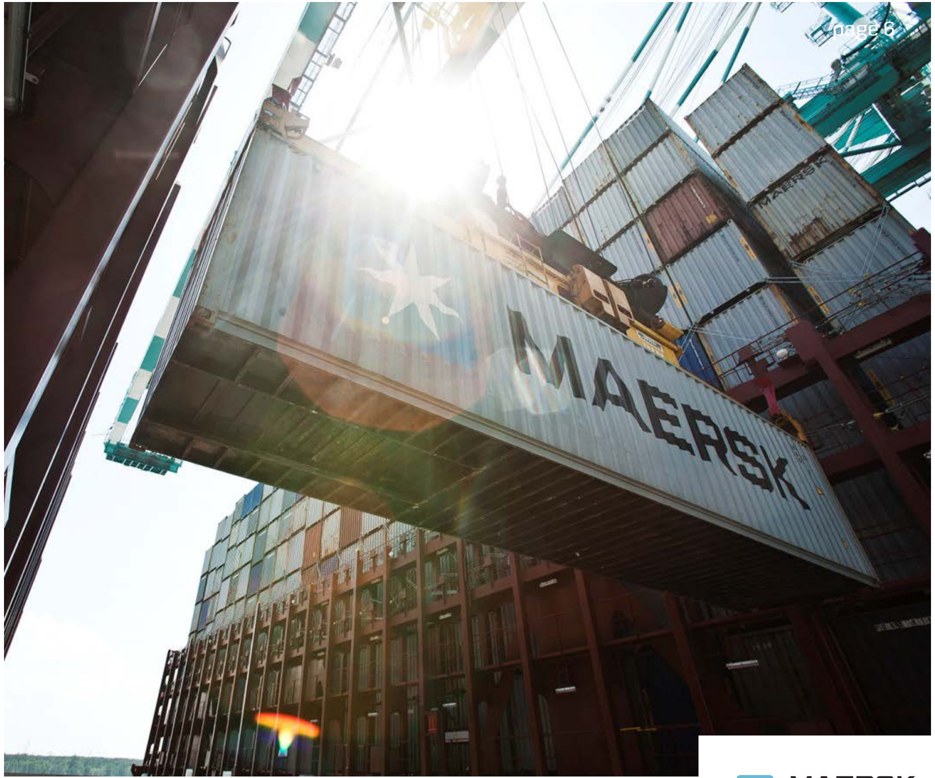
Source: Maersk Line

Low cost position and scale enable us to defend market share

Growing with the market

- In 2012, we changed strategy from aggressive growth to grow with the market
- We will defend our global market share of ~15%, but target individual trades based on profitability and market outlook
- Giving up market share would make us irrelevant in 10 years
- We have substantial levers (e.g. time charter fleet, slow steaming, idling and blanked sailings) for adjusting capacity to match demand

Source: Maersk Line



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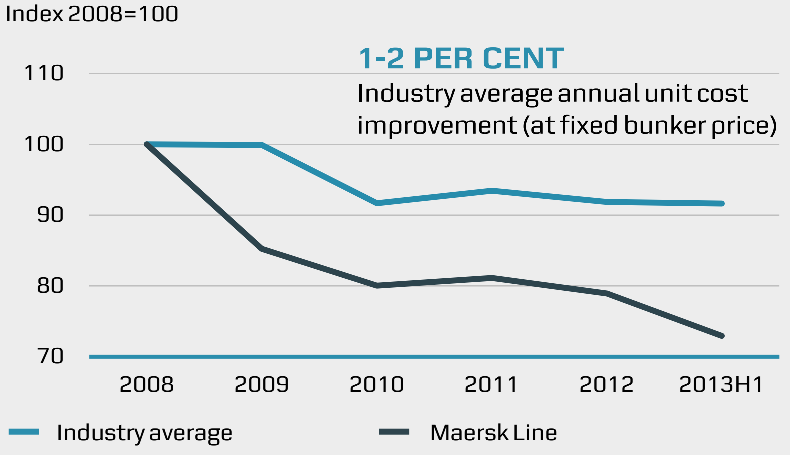
Lowest cost is a prerequisite to play in the container shipping industry

Industry observations

- Ability to differentiate on physical product (transit time, geographical coverage, frequency and reliability) is limited
- Significant price premiums are not sustainable
- Incentive to invest in new and larger vessels results in overcapacity
- Overcapacity, a fragmented industry and high fixed cost drive competitive pricing

› **A DEFLATIONARY MINDSET IS NEEDED**

Industry annual unit cost improvements (fixed bunker)



Note: Industry average is revenue weighted and based on Hapag-Lloyd, COSCO, OOCL and CSCL for which data is available. Unit cost is as reported adjusted to a fixed bunker price of 626 USD/MT
Source: Maersk Line

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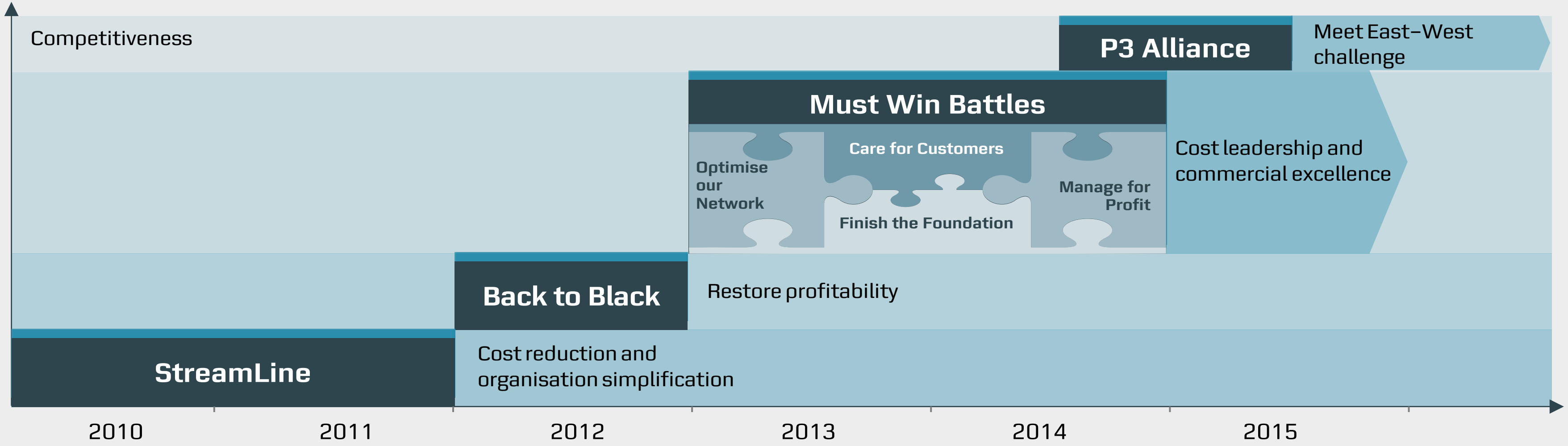
Solid programmes for taking out costs and deliver commercial excellence

Strategy journey



Source: Maersk Line

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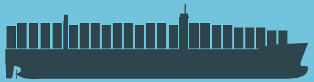
The P3 Alliance – subject to regulatory approval – will provide short to medium term advantages

Lower East-West network cost

- Increased average vessel size

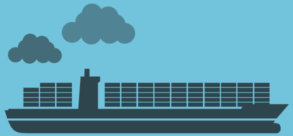
Improved product

- More direct port pairs
- More weekly sailings
- Improved service stability



Better EEE deployment

- Not adding capacity to the market
- Improved utilization



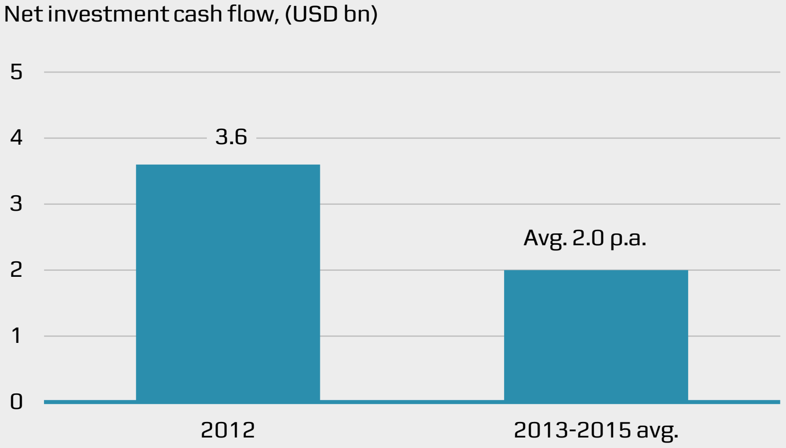
Lower CO_2 emissions

- Shorter strings used for bunker savings
- Lower speed

Source: Maersk Line

Growing with the market means a disciplined approach to investments – which will generate free cash flow

Investments to grow with the market



Investment expectations

- Current fleet of 2.6m TEU and an orderbook of 17x18,270 TEU vessels (12% of fleet)
- Demand will grow around 3-6% p.a. from 2013-2015
- Current orderbook allows us to grow with the market towards 2015 – not required to invest medium term
- Future investment decisions will be driven by Maersk Line delivering at least cost of capital
- Vessels ordered will be designed to support low cost position (e.g. EEE, SAMMAX and WAFMAX) by being largest possible in each trade

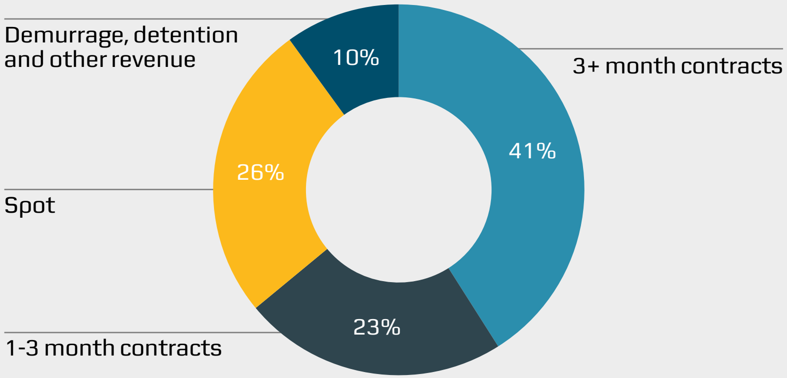
Note: Orderbook is as of August 30 2013. Investments include committed, approved but not committed and non-approved investments
Source: Maersk Line, Alphaliner

Customer service is key to differentiate and maintain share

Commercial focus

- Customer loyalty driving high share of contract business and reducing dependency on spot market
- Differentiate through customer service.
- Customer service being upgraded
- Low cost does not equal poor service

Maersk Line revenue split, H1 2013



Source: Maersk Line

A competent leadership team

Solid Performance

Jakob Stausholm
Chief Strategy, Finance & Transformation Officer

- Joined Maersk in 2012
- Shell, 19 years in various positions in EU, Latin America and Asia
- ISS, 4 years as CFO
- Board of directors of Statoil since 2009

The Right Position

Vincent Clerc
Chief Trade & Marketing Officer

- Joined Maersk in 1997
- Various positions in USA and Europe
- Head of Transpacific & Asia Europe service

Cost Leadership

Morten Engelstoft
Chief Operating Officer

- Joined Maersk in 1986
- Various positions in USA, Europe and Asia
- Region Head in South East Asia
- Region Head in Eastern Mediterranean Area

Commercial Excellence

Stephen Schueler
Chief Commercial Officer

- Joined Maersk in 2013
- Microsoft, head of sales & marketing
- 20 years in Procter & Gamble latest as Head of Retail Operations

The Right People

Michael Chievers
Chief Human Resource Officer

- Joined Maersk in 2012
- Sony Ericsson, 17 years in various positions ending as Head of Global HR

The Right Focus

Søren Skou
Chief Executive Officer

- Joined Maersk in 1983
- Various positions globally
- CEO of Maersk Tankers from 2001-11
- CEO of Maersk Line since Jan. 2012
- Executive board of APMM since 2006

Source: Maersk Line

Today, we will dive into four key topics

Market Outlook and Performance

" Improved performance in a tough market

Market Position

" Well positioned for future growth

Cost Leadership

" Aiming for lowest cost in the industry

Commercial Excellence

" Superior sales and customer service

Source: Maersk Line

Market Outlook and Performance

2

Jakob Stausholm
Chief Strategy, Finance and Transformation Officer

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2. Market Outlook and Performance

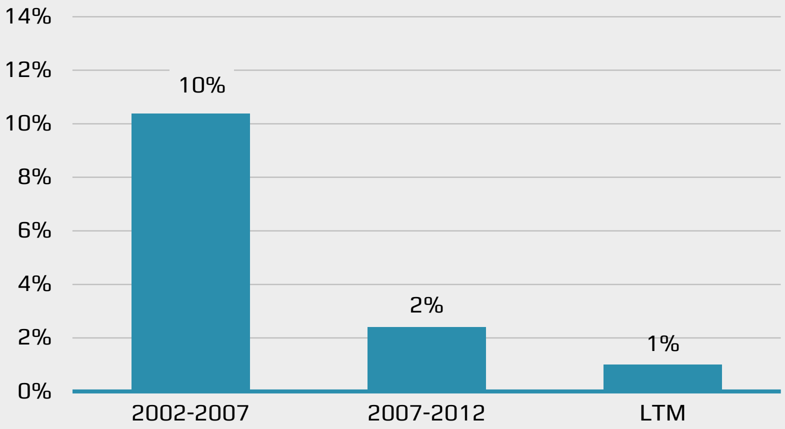
Improved performance in a tough market

1. Low demand growth and weak industry dynamics lead to low industry returns
2. Maersk Line's response is focus on cost leadership and commercial excellence
3. Performance is improving through significant cost reductions and more capital efficiency

Supply growth has consistently outpaced demand

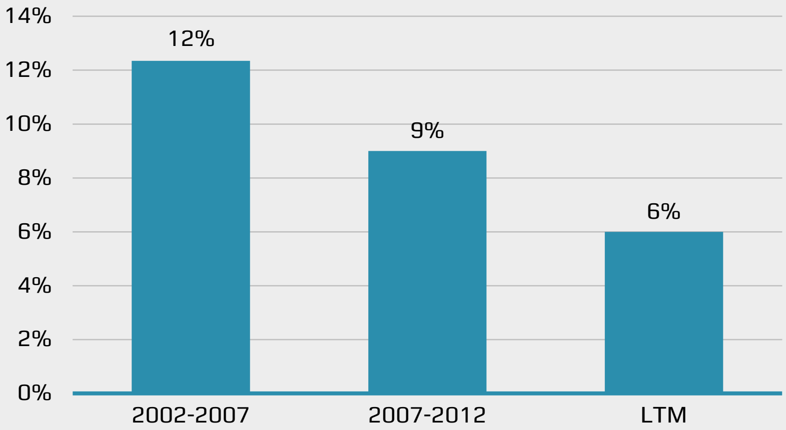
Industry demand growth

Growth p.a., (%)



Industry nominal capacity growth

Growth p.a., (%)



Note: Nominal capacity growth is deliveries less scrappings. LTM is Q3 2012 - Q2 2013
Source: Maersk Line, Alphaliner

Incentive to invest in new and larger vessels leads to long term trend of declining rates

Incentive to invest in new assets …

-25%

Slot cost reduction when doubling vessel size

and declining and volatile rates

1-2% reduction

Nominal rates 2000-2012 (CAGR)

leads to increased vessel ordering ….

5%

Vessel capacity ordered in H1 2013 (% of fleet)

which leads to overcapacity …

6% vs. 2-3%

Nominal capacity growth vs. demand growth (2013E)

Note: Nominal capacity growth is deliveries less scrappings
Source: Alphaliner, Maersk Line

Current industry observations and strategic implications

Industry observations

- **Future demand** will grow below historical levels and even lower on the East-West trades
- Incentive to invest in capacity will remain and, thus, **freight rates** will continue to decline
- Average **industry margins** will stay around historical levels of 3% across the cycle
- Industry will remain fairly **commoditised** leaving some but limited room for product differentiation

Maersk Line implications

- Less investments needed to grow, and **East-West competitiveness** needs to be improved
- **Cost leadership** as a lifestyle is a prerequisite to perform in the shipping industry
- To return cost of capital, we have to **outperform peers** with 5% points on EBIT margin
- **Commercial excellence** requires consistently delivering the basic service, while having a differentiated approach to markets

Source: Maersk Line

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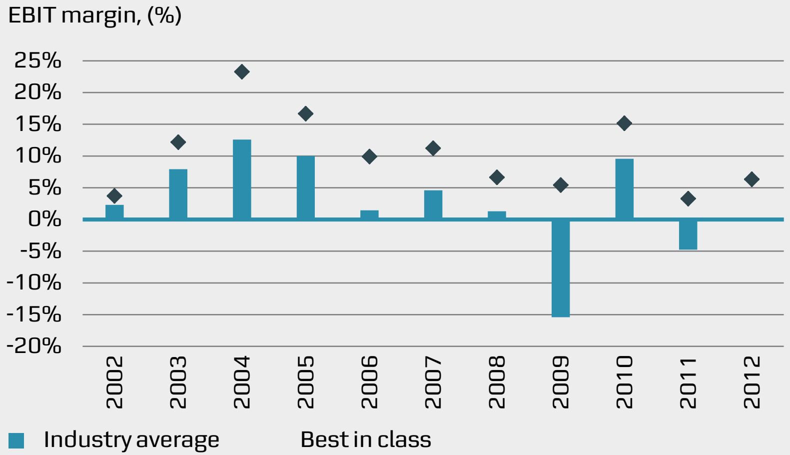
Medium term, low industry returns are expected to persist, but history shows that best in class can deliver decent returns

Weighted industry average EBIT margin



Note: Industry average is TEU weighted average of liner segment's reported EBIT margin of Maersk Line, APL, CSCL, CMA CGM, COSCO, CSAV, Hanjin, Hapag-Lloyd, HMM, MOL, NYK, OOCL, ZIM and Taiwanese arm financials of Evergreen, Wan Hai and Yang Ming
Source: Company reports, Alphaliner

Best in class delivered decent results in 2002-2012

EBIT margin, (%)	Industry average	Best in class
2002-2012	3%	7% - 12%
2002-2007	6%	10% - 15%
2007-2012	-1%	5% - 10%

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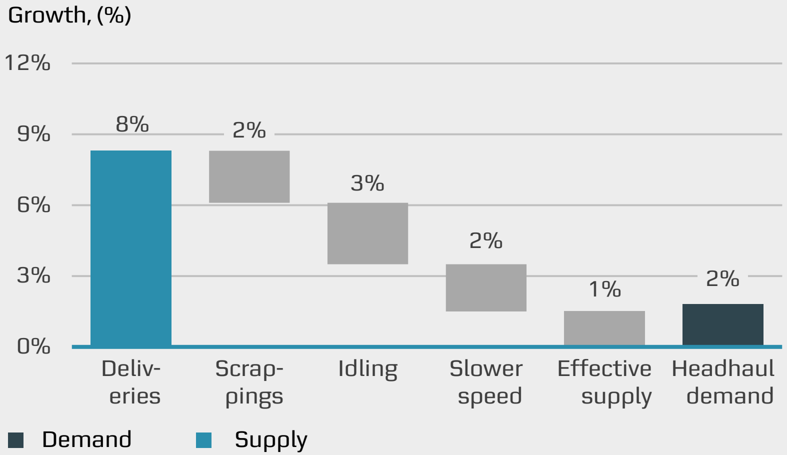
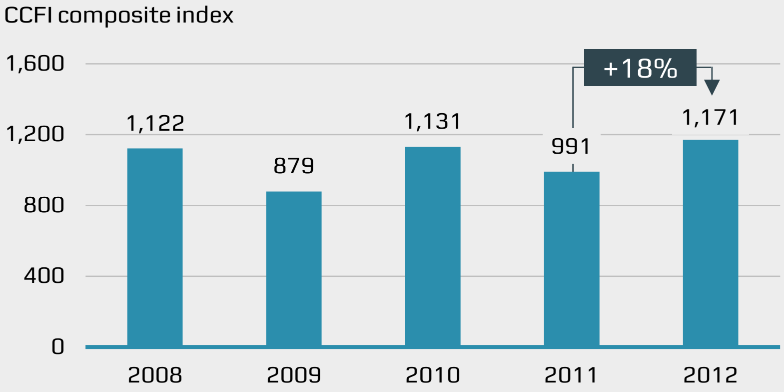
Adjusting capacity is the right response to low utilisation – not reducing rates

2012 industry capacity management



Freight rates development



Note: The CCFI reflects the overall freight level (including spot and long-term rates) of China's nationwide export container transport market
Source: Maersk Line, CCFI, Alphaliner, Compair Data

Improved performance through cost reductions

Key factors affecting our result	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Industry demand, (y/y growth, %)	4.8%	3.5%	0.1%	0.4%	1.1%	2.3%
Maersk Line						
Volume, (FFE m), (y/y growth, %)	2.2 (18.2%)	2.2 (11.1%)	2.1 (-0.2%)	2.0 (-7.7%)	2.1 (-4.0%)	2.2 (2.1%)
Average rate, (USD per FFE)	2,646	3,014	3,022	2,846	2,770	2,618
Unit cost at fixed bunker, (USD per FFE)	3,016	3,012	2,987	3,034	2,870	2,739
NOPAT, (USD m)	-599	227	498	335	204	439

Key initiatives

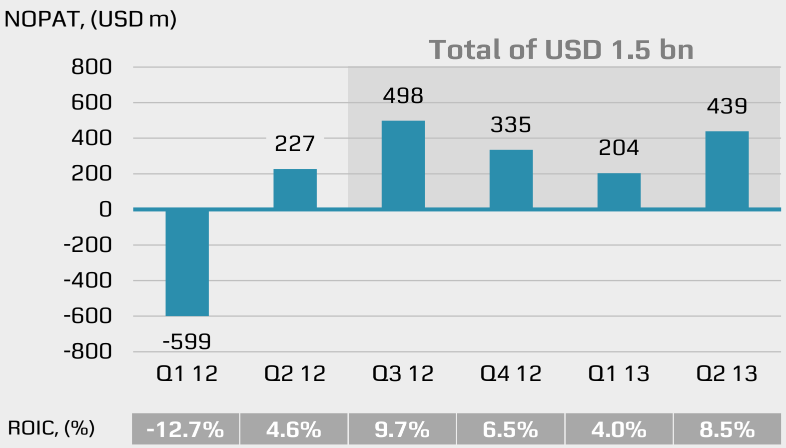
Back to Black
- Executing on rate increases
- Rightsizing network
- Drive D&D collection
- Cost improvements

Must Win Battles
- Optimise the Network
- Finish the Foundation
- Manage for Profit
- Care for Customers

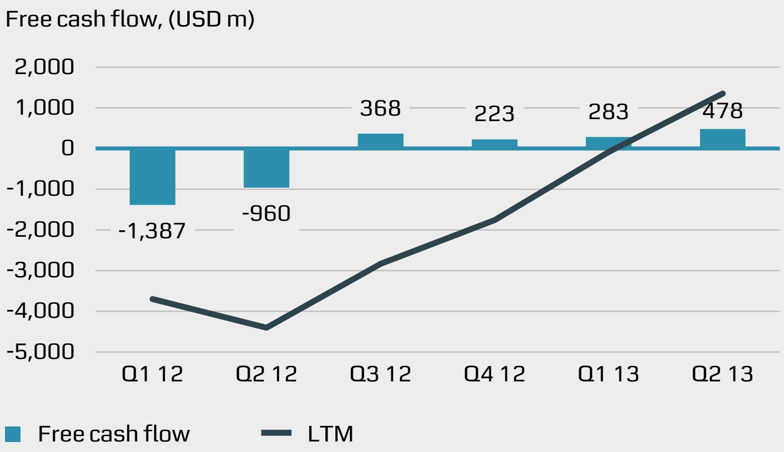
Note: Unit cost includes VSA and is based on a fixed bunker price of USD 626 per tonne. D&D is Demurrage &Detention
Source: Maersk Line

We improved financial results despite weak demand

Five quarters with y/y NOPAT improvements



Now cash positive



Source: Maersk Line

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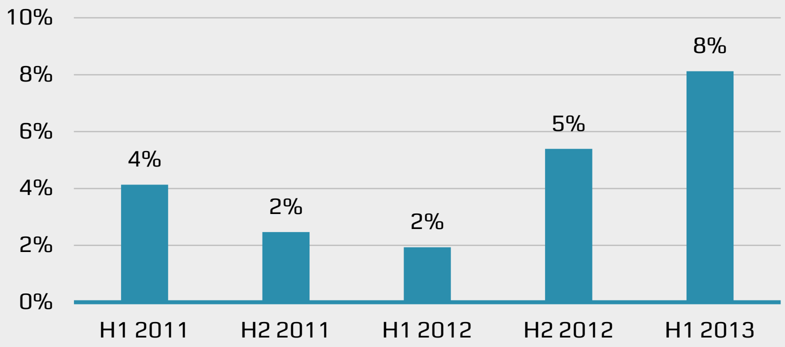
Improved competitiveness has made us best in class

Maersk Line improving gap to peers

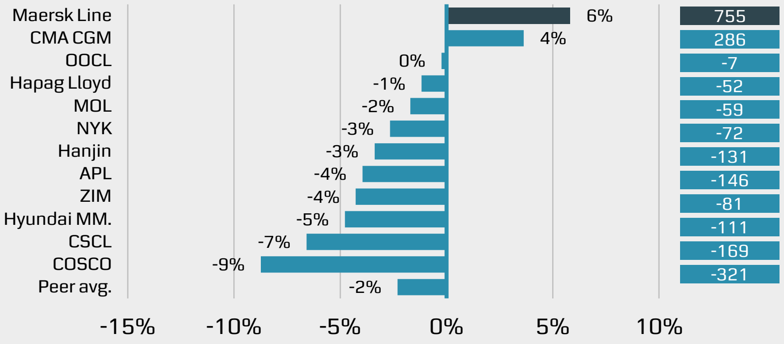
EBIT margin, (% points)



H1 2013 industry top performers

EBIT margin, (%)

EBIT, (USD m)



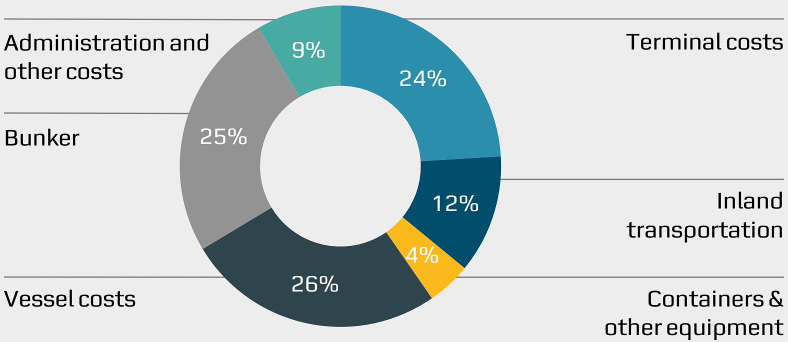
Note: The peer group includes CMA CGM, Hapag-Lloyd, APL, Hanjin, Hyundai MM, Zim, NYK, MOL, CSCL, COSCO and OOCL. Peer average is TEU-weighted. EBIT margins are adjusted for gains/losses on sale of assets, restructuring charges, income/loss from associates. Maersk Line's EBIT margin is also adjusted for depreciations to match industry standards (25 years).
Source: Company reports, Maersk Line

Key financial disclosures

Profit and loss

Profit and Loss, (USD m)	H1 2013	H2 2012	H1 2012
Total revenue	**12,964**	**13,484**	**13,634**
EBITDA	**1,551**	**1,647**	**532**
Depreciation, amortisation and impairment	-897	-833	-845
Other	8	18	7
EBIT	**662**	**832**	**-306**
Tax	-19	1	-66
NOPAT	**643**	**833**	**-372**
Cash flow from operating activities	1,552	1,880	-88
Cash flow used for capital expenditure	-790	-1,290	-2,260
Invested capital	20,525	20,648	20,402
ROIC, (%)	**6.2%**	**8.1%**	**-3.8%**
Volume, (FFE m)	4.3	4.1	4.4
Average freight rates, (USD per FFE)	2,691	2,936	2,831

Total cost breakdown, FY 2012



Source: Maersk Line

Interpretation of key disclosures

Profit and loss

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Invested capital	20,525
ROIC, (%)	**6.2%**
Volume, (FFE m)	4.3
Average freight rates, (USD per FFE)	2,691

Source: Maersk Line

Comments

TOTAL REVENUE: Contains freight revenue and other revenue. Freight revenue is volume and rate driven, but also includes surcharges. Freight revenue is recognized based on voyage days. Other revenue is mainly driven by customer surcharges from demurrage and detention (late container pickup/return), but also revenue from slot charter and VSA agreements and income from vessels chartered out.

COST: Largest component is bunker which is driven by consumption (distance sailed and speed) and price. No hedging of bunker price.

DEPRECIATION: Mainly vessels (20 year depreciation period) and containers (12 year depreciation period).

TAX: The main tax expense is revenue based local tax. Other main income taxes are based on the tonnage of the operated vessels and stable taxable profit in local subsidiaries.

INVESTED CAPITAL: Non-current assets (vessels and containers), net working capital and other assets/liabilities (mainly provisions).

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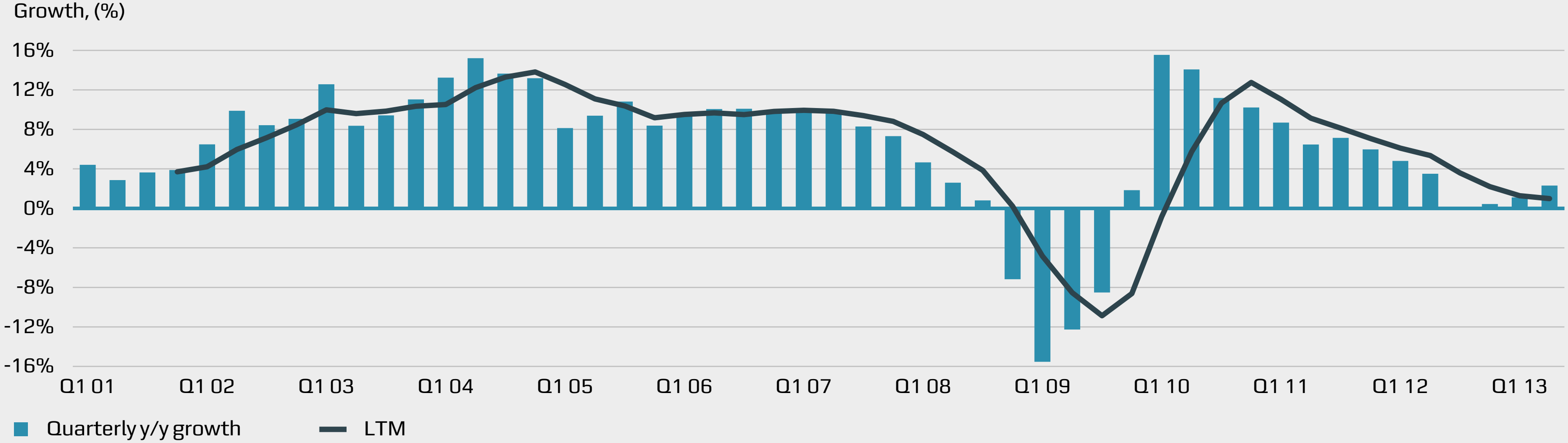
The market has been tough

Global quarterly container demand growth



Source: Maersk Line

Less investment needed to grow with the market and cost leadership necessary for profitability

Forward looking statements

	2002-2012	2012	2013E	2014E	2015E
Industry demand (CAGR growth, %)	6%	2%	2 - 3%	4 - 6%	4 - 6%
Industry nominal capacity (CAGR growth, %)	11%	7%	6%	7%	5%
Cost (Maersk Line)		**Deflationary mindset**: Cost reductions are sustainable and there are concrete initiatives behind future cost reductions			
Market share (Maersk Line)		**Grow with the market**: Keep market share – the current orderbook is sufficient to keep the capacity market share around 15%			
Investments (Maersk Line) (Net investment cashflow, USD bn)	2.2	3.6	Avg. 2.0 p.a.		

Note: Nominal capacity growth is expected deliveries less expected scrappings. Investments from 2002-12 include Damco, Maersk Container Industry and Container Inland Services from 2002-08, while APM Terminals is excluded. The P&O Nedlloyd acquisitions in 2005 is included. Investments include committed, approved but not committed and non-approved
Source: Maersk Line internal estimate, Alphaliner

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2. Market Outlook and Performance

Improved performance in a tough market

1. Low demand growth and weak industry dynamics lead to low industry returns
2. Maersk Line's response is focus on cost leadership and commercial excellence
3. Performance is improving through significant cost reductions and more capital efficiency

Market Position 3

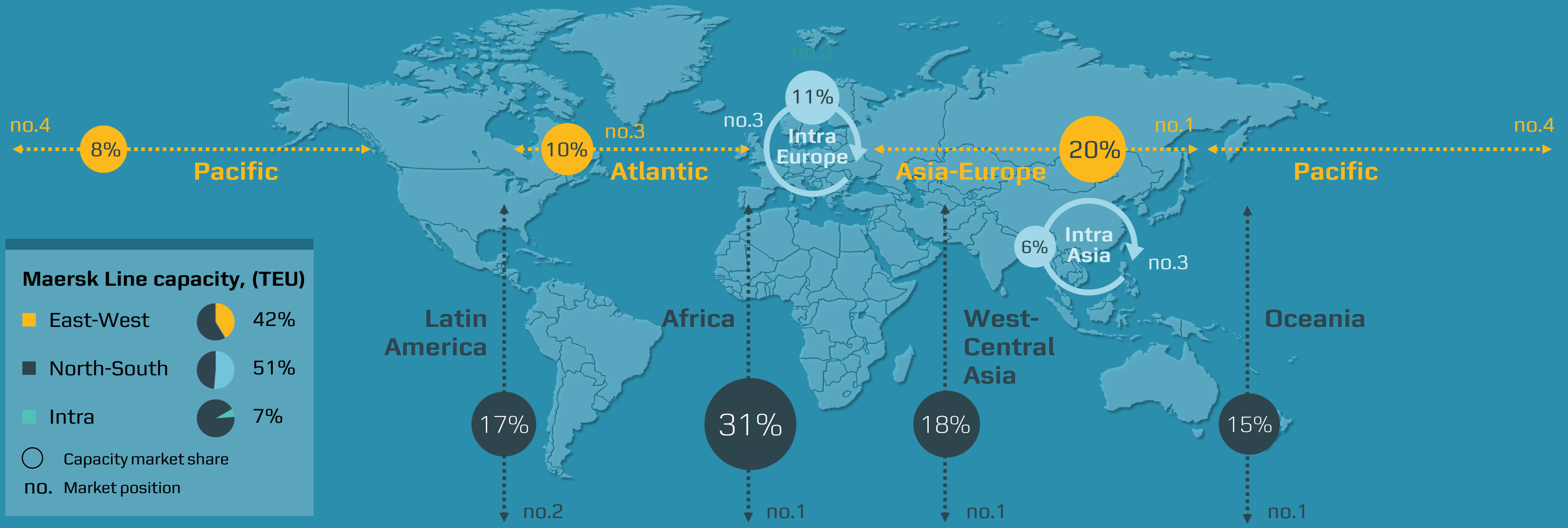
Vincent Clerc
Chief Trade and Marketing Officer

3. Market Position

Well positioned for future growth

1. In challenged East-West trades, we are reducing costs
2. We build scale and expand product offering in attractive North-South trades
3. Strong sub-brands in intra-regional trades with ability to deliver required focus and agility to exploit growth and profitability potential

Global and diversified but still focused

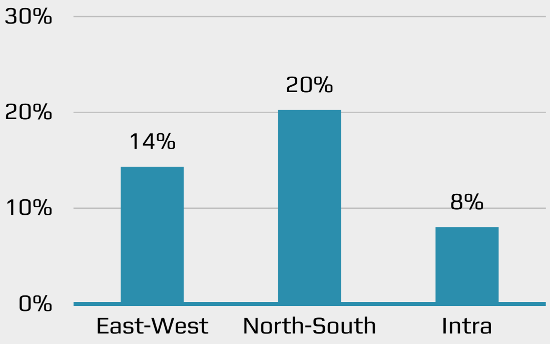


Note: West-Central Asia is defined as import and export to and from Middle East and India
Source: Alphaliner as of 2013 H1 (end period), Maersk Line

Maersk Line is well positioned for future growth

Strong position …

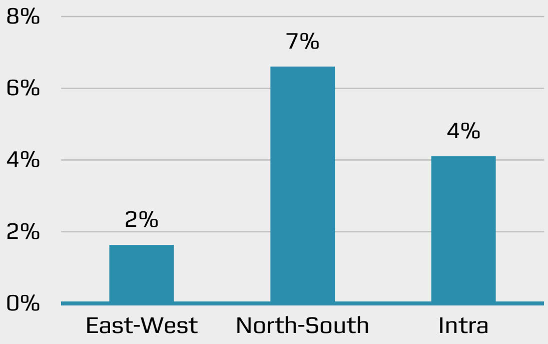
Capacity market share, (%)



■ H1 2013 (end period)

and above average returns …

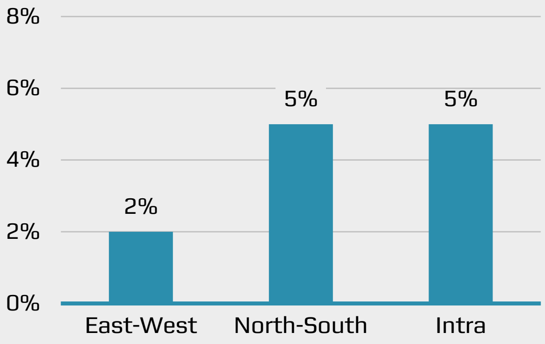
EBIT margin, (%)



■ Avg. 2010-2013 H1

in growth markets

Market demand growth CAGR, (%)



■ 2010-2013E

Note: Average is an arithmetic average
Source: Alphaliner, Maersk Line

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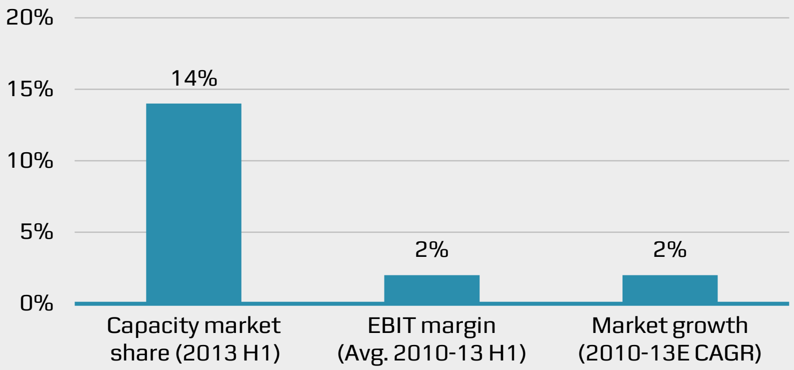
Industry is challenged on mature East-West trades...

Maersk Line and market characteristics



East-West industry challenges

- Low market growth
- Large influx of ultra large container vessels
- Low barriers to entry due to easy access to terminals
- Strong position of freight forwarders
- Limited room to differentiate on product and service

› **BELOW AVERAGE PROFITABILITY FOR MAERSK LINE**

Note: Average is an arithmetic average
Source: Alphaliner, Maersk Line

…but initiatives are taken to ensure that we deliver a solid performance

Daily Maersk

- Best frequency
- Best on-time delivery
- Reduce cost for customers

Capacity management

- Slow steaming
- Network changes
- Idling & blanked sailings

Efficient deploy-ment of EEEs

- Lower slot cost
- Less CO_2 emissions

P3 Alliance

- Reduced slot cost
- Improved product
- Reduced CO_2 emissions

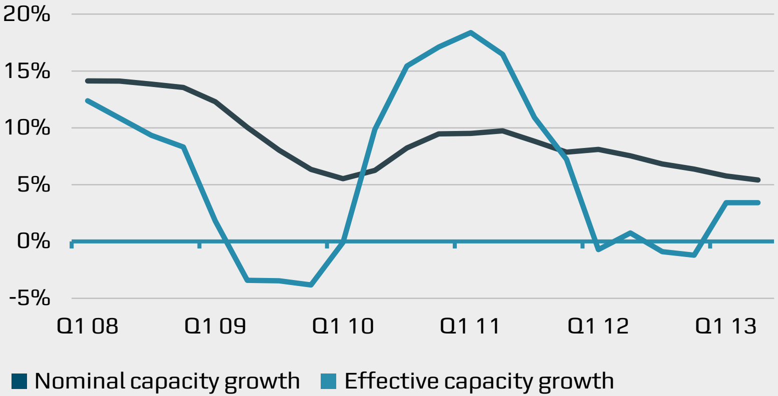
Source: Maersk Line

East-West

Through active capacity management industry supply growth has been reduced

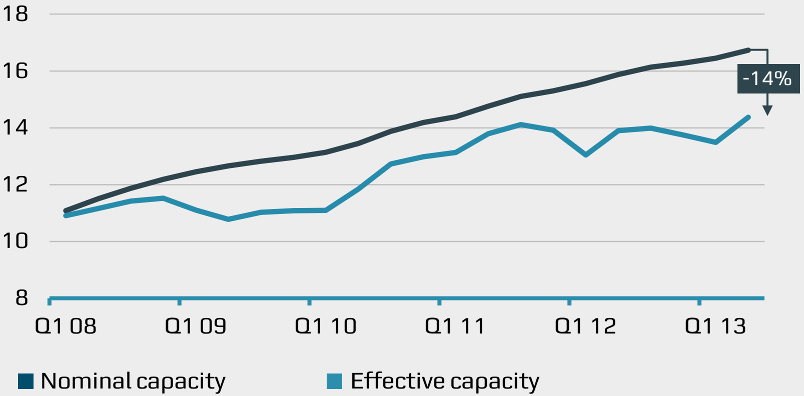
Industry capacity growth

Global capacity growth, (%)



Industry capacity

Global capacity, (TEU m)



Note: Nominal capacity is deliveries less scrappings. Effective capacity is nominal capacity less idling, slow steaming and cancellations (blanked sailings)
Source: Alphaliner, Maersk Line estimate

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East-West

The P3 Alliance – subject to regulatory approval – will deliver benefits for us and our customers

Benefits for the customers on East-West

More frequent departures reaching more ports

- More direct port pairs
- More weekly sailings
- Improved service stability

Reduced environmental emissions

- Shorter strings used for bunker savings
- Lower speed

Benefits for us on East-West

LOWER SLOT COST

+4% Deployed capacity

Better large vessel deployment

- Better utilisation
- Increased average vessel size

+6% Weekly capacity

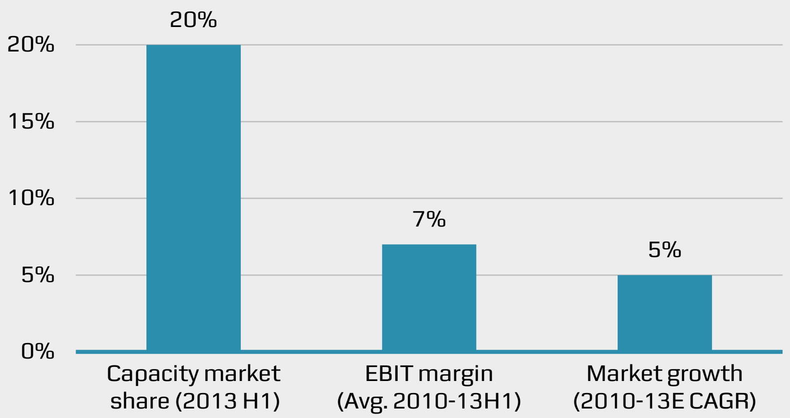
-8% Network cost

Note: Benefits measured as 2015 full year change compared to 2013 budget.
Source: Maersk Line

North-South

We have a strong position in emerging North-South markets

Maersk Line and market characteristics



North-South industry attractiveness

- Relatively high market growth
- Less freight forwarder penetration
- Local knowledge, contacts and hub structure relatively more important as competitive advantage
- Room to differentiate on product and service

❯ **ABOVE AVERAGE PROFITABILITY FOR MAERSK LINE**

Note: Average is an arithmetic average
Source: Alphaliner, Maersk Line

North-South

A long history in emerging markets

North-South knowledge

Knowledge of doing business in emerging markets has been developed over a long time

- First African service in 1959 (Japan-West Africa)
- First owned African office in 1986 (Abidjan in Ivory Coast, Dakar in Senegal, Lomé in Togo)
- First China 'representative' office in Guangzhou in 1984

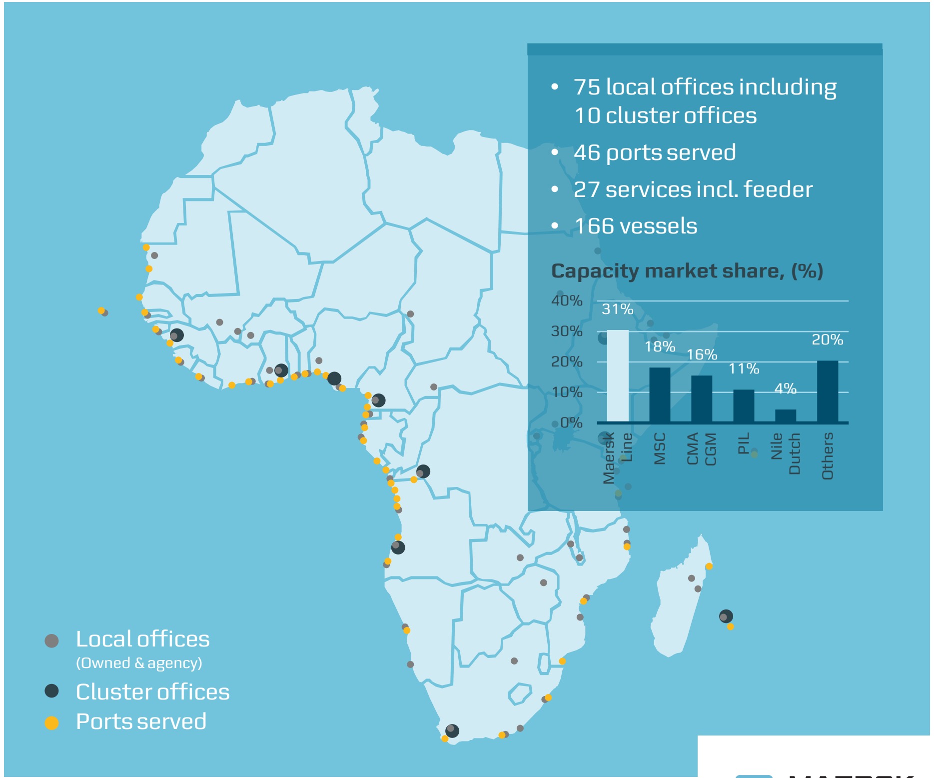
Local knowledge and contracts

- Safmarine sub-brand with stronghold in S. Africa, Middle East and India

Local reefer expertise

- Reefer experts in country offices to support commercial and technical customer needs

Note: Some agency offices not shown on the map
Source: Maersk Line, Alphaliner data as of 2013 H1 (end period)



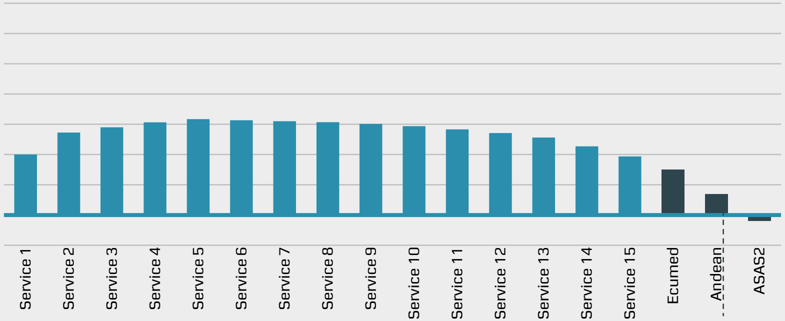
MAERSK LINE

North-South

We manage our network to focus on profitable services

Example: Service profitability in Latin America

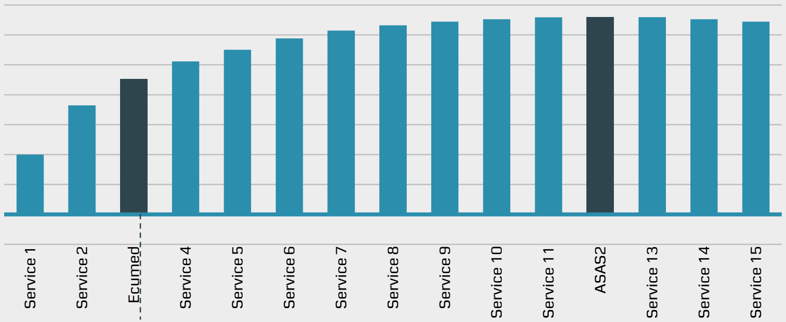
Accumulated NOPAT
H1 2012



Example: **Andean** service closed in 2012

San Antonio → Callao → Balboa → Santa Marta → Rotterdam → Tilbury → Hamburg → Antwerp

Accumulated NOPAT
H1 2013



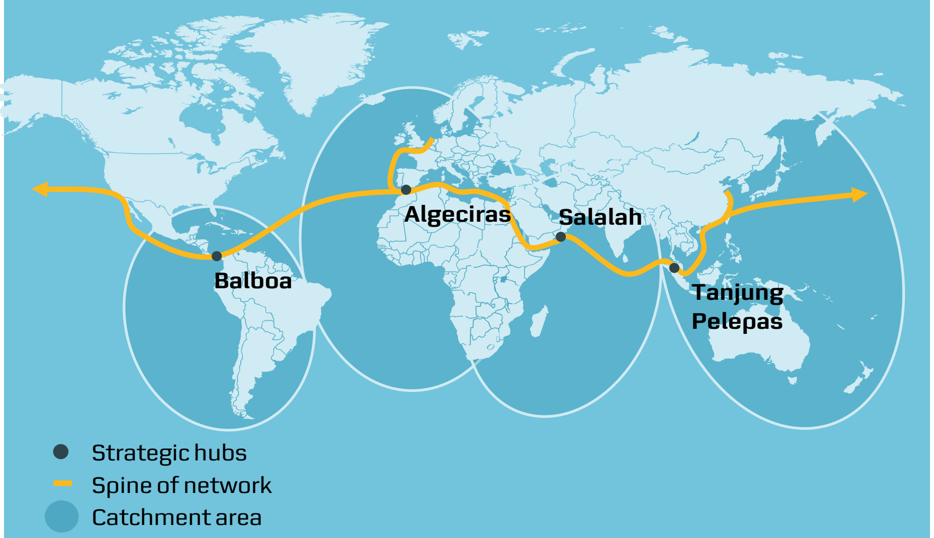
Example: **Ecumed** service opened 2011

Guayaquil → Balboa → Manzanillo → Algeciras → Marsaxlokk → Izmit → Ambarli → Yuzhny → Novo-rosijsk

Source: Maersk Line

MAERSK LINE

We have key hubs to support North-South trades



Source: Maersk Line

North-South

Our asset designs and capabilities are tailored to trade requirements

Key capabilities

- Efficient network design
- Bunker efficiency focus
- Vessel design and capabilities closely matching trade requirements (e.g. vessels with onboard cranes, vessels with wider beam, etc.)
- Best in class port to port coverage
- Mix of cargo supporting high utilisation

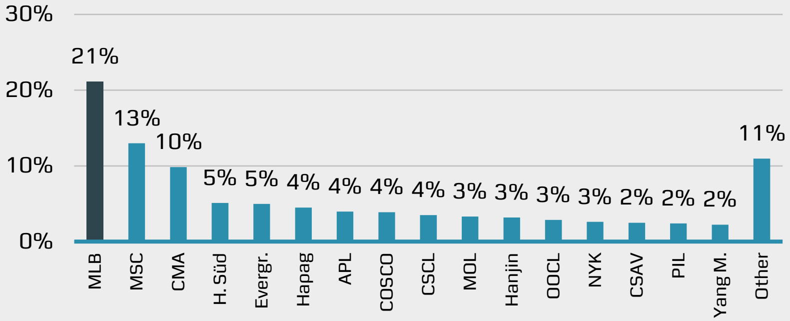
MAERSK LINE

North-South

We focus on developing a long term sustainable reefer business

Strong reefer position and capabilities

2013 global reefer plug capacity market share, (%)



- Dedicated reefer services
- Strong customer relations
- Superior container technology
- Dedicated reefer sales staff

Reefer rate restoration

WHY?

Necessary initiative to return cost of capital and create a long term sustainable reefer business

IMPACT?

Double digit volume loss, but significant rate improvement and improved cargo mix

NEXT STEP?

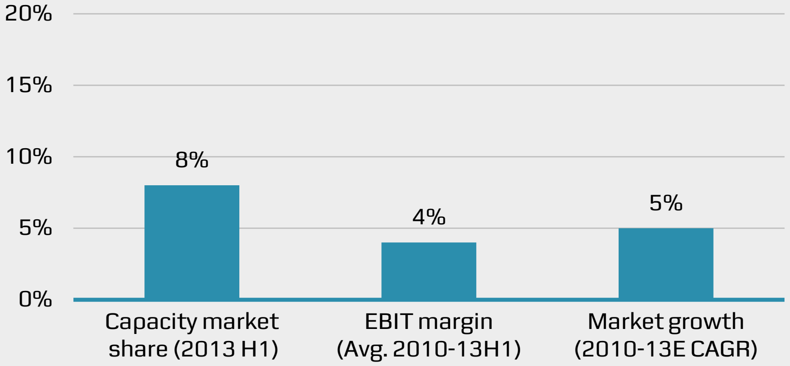
Grow with the market and continue top line focus until reefer rates support a sustainable business

Source: Maersk Line, Compair Data

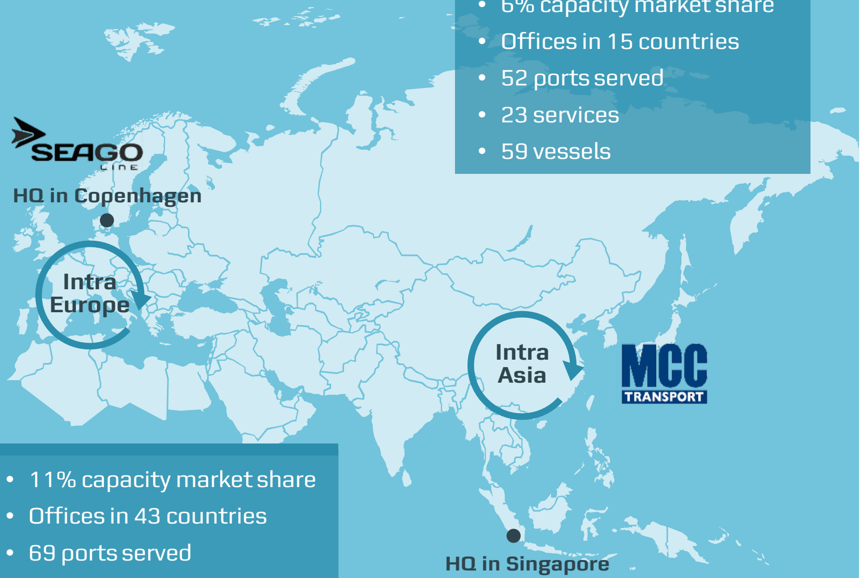
Intra

Local flexibility in intra-regional trade

Maersk Line and market characteristics



Note: Average is an arithmetic average
Source: Alphaliner, Maersk Line

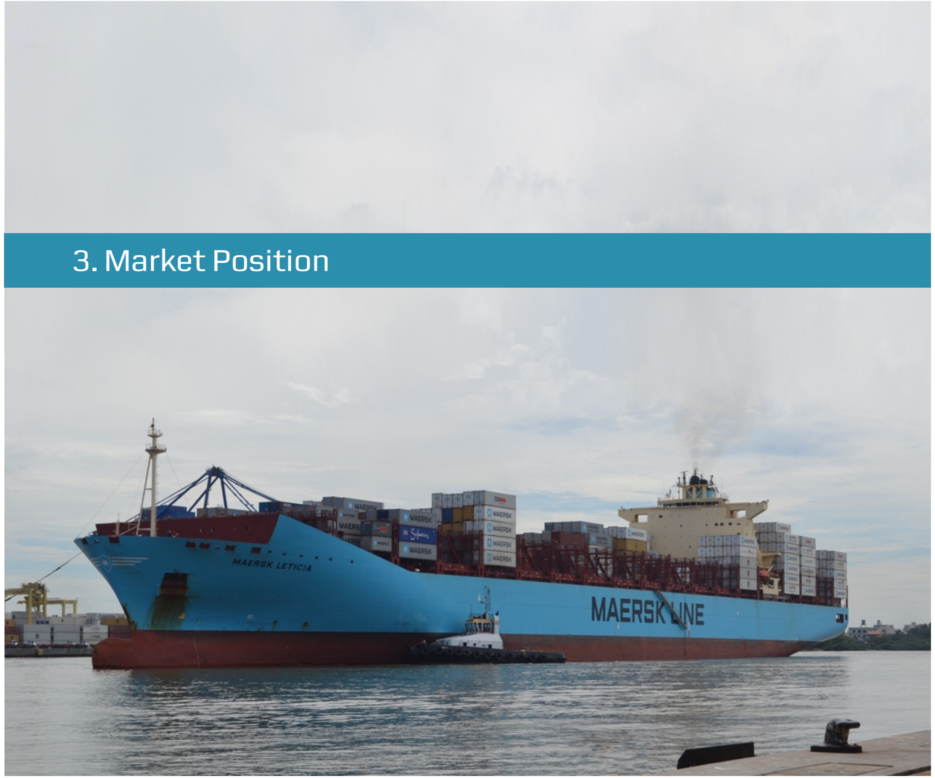


- 6% capacity market share
- Offices in 15 countries
- 52 ports served
- 23 services
- 59 vessels

- 11% capacity market share
- Offices in 43 countries
- 69 ports served
- 22 services
- 47 vessels

MAERSK LINE

3. Market Position



Well positioned for future growth

1. In challenged East-West trades, we are reducing costs
2. We build scale and expand product offering in attractive North-South trades
3. Strong sub-brands in intra-regional trades with ability to deliver required focus and agility to exploit growth and profitability potential

Cost Leadership 4

Morten Engelstoft
Chief Operating Officer

4. Cost Leadership

Aiming for lowest cost in the industry

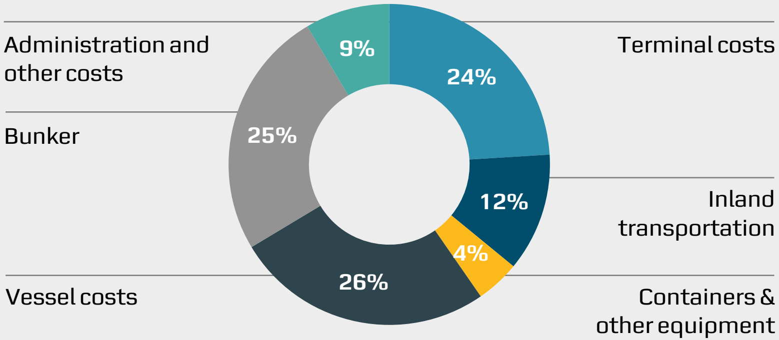
1. We have reduced our cost base significantly mainly driven by lower bunker consumption
2. We will continue to optimise the network and take out cost
3. EEEs will be deployed on Asia-Europe without increasing weekly capacity

Vessel, bunker and terminal represent the largest components of our cost base

Cost base, FY 2012

USD 26bn *FY 2012 cost base*

3,054 USD/FFE *FY 2012 unit cost*

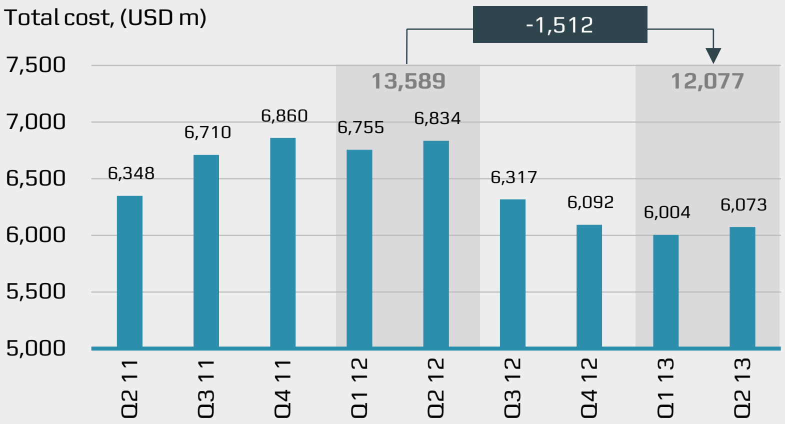


Note: Terminal costs: costs related to terminal operation such as moving the containers (mainly load/discharge of containers), container storage at terminal, stuffing (loading) and stripping (unloading) of container content, power for reefer units, etc. Inland transportation: costs related to transport of containers inland both by rail and truck. Containers and other equipment: repair and maintenance, third party lease cost and depreciation of owned containers. Vessel costs: port costs and canal fees (Suez and Panama), running costs and crewing of owned vessels, depreciation of owned vessels, time charter of leased vessels, cost of slot (capacity) purchases and vessel sharing agreements (VSA) with partners. Bunkers: costs related to fuel consumption of the vessels. Lubricants are included as part of vessel cost. Administration and other costs: own and third party agents in countries, liner operation centres, vessel owning companies, onshore crew and ship management, service centres and headquarters. Administration cost types such as staff, office, travel, training, consultancy, IT, legal and audit, etc. Other costs covering currency cash flow hedge, cargo and commercial claims and bad debt provision.
Source: Maersk Line

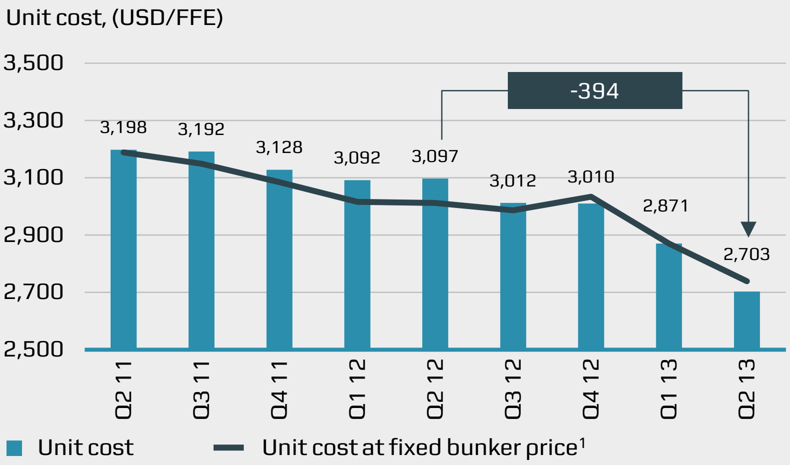
MAERSK LINE

Costs have been reduced significantly

Cost reduced USD 1.5 bn in H1 2013 y/y



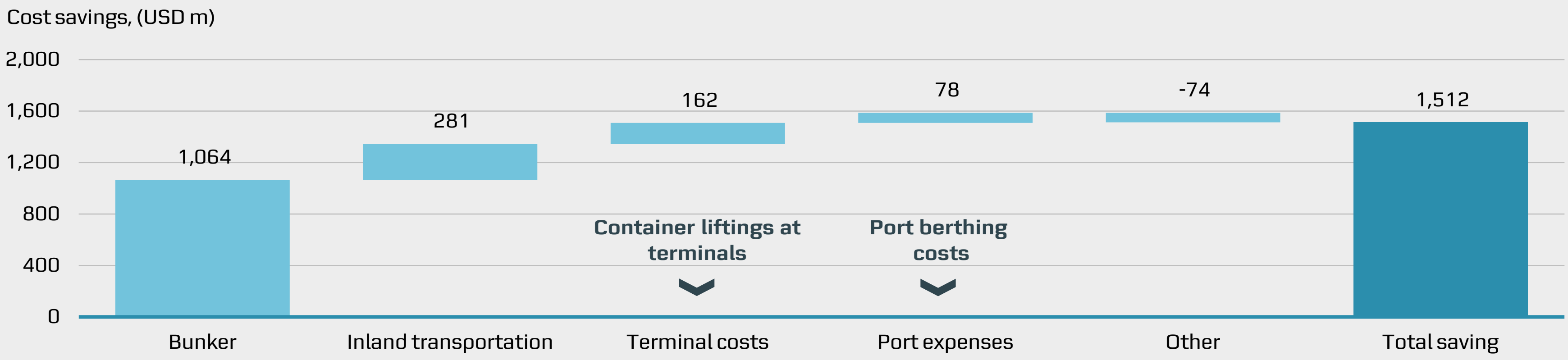
Continued unit cost improvements



Notes: Unit cost includes VSA income. 1) For unit cost at fixed bunker price, the bunker price is kept constant at USD 626 per tonne
Source: Maersk Line

Majority of cost savings are bunker related ...

Cost improvement H1 2013 vs. H1 2012

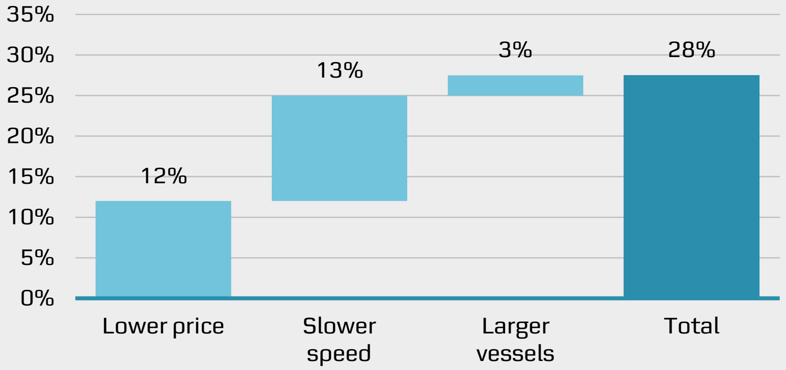


Notes: Other includes reduced time charter cost, VSA cost and income, SG&A cost, equipment and feeder cost and others (e.g. other variable cost, cash flow hedge, other fixed costs)
Source: Maersk Line

… mainly driven by price and slow steaming

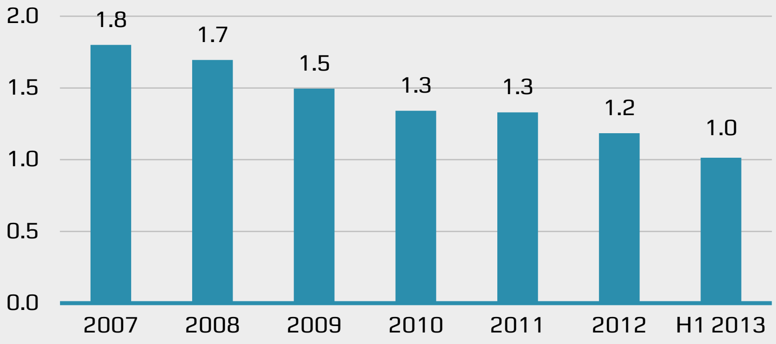
Bunker cost improvement H1 2013 vs. H1 2012

Bunker cost savings, (%)



Continuous improvements in bunker consumption

Bunker consumption per FFE, (MT/FFE)



Source: Maersk Line

MAERSK LINE

Balancing cost and reliability of product

Network cost

BUNKER CONSUMPTION

- 18% reduction in bunker consumption from H1 2012 to H1 2013

AVERAGE SPEED

- 6% lower average network speed from H1 2012 to H1 2013 (130,000 TEU slots invested in slow steaming)

BALANCE

Cost efficient and commercially attractive product

Reliability

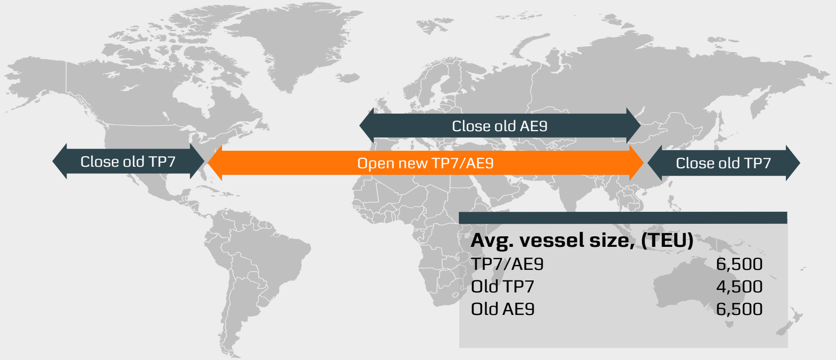
ON TIME DELIVERY

- On time delivery of Daily Maersk from 94.5% to 96.6% from H1 2012 to H1 2013
- Number 1 in Drewry schedule reliability measure 8 of last 9 quarters and 17 of last 20
- Global schedule reliability almost flat at 79% from H1 2012 to H1 2013

Source: Maersk Line, Drewry

Network optimisation at the heart of what we do

Example: US East Coast through Suez

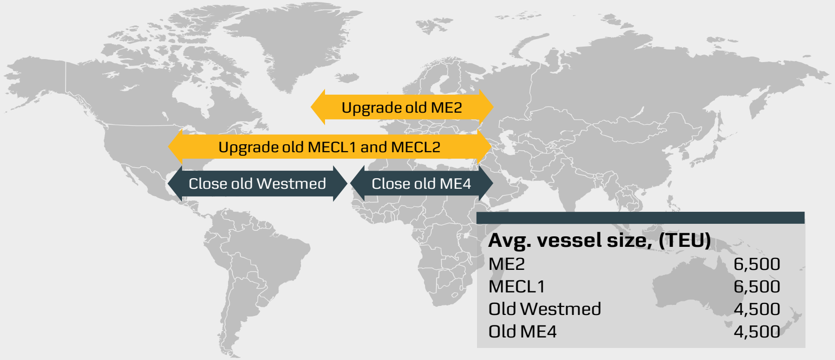


Avg. vessel size, (TEU)	
TP7/AE9	6,500
Old TP7	4,500
Old AE9	6,500

WHAT: Close old AE9 service and upgrade TP7 service to sail through Suez from Asia to the US East Coast

IMPACT: Capacity reductions, improved utilisation and improved slot cost (redelivery of chartered panamax vessels)

Example: Westmed upgrade



Avg. vessel size, (TEU)	
ME2	6,500
MECL1	6,500
Old Westmed	4,500
Old ME4	4,500

WHAT: Close old ME4 and Westmed services and upgrade MECL1 and ME2 with CV65 (6,500 TEU) vessels

IMPACT: Improve slot cost (redelivery of panamax vessels) and limit Westmed exposure, while improving utilisation

Source: Maersk Line

MAERSK LINE

Leverage data analysis to improve vessel performance

Using our vessel performance database...

- Daily reporting
- Vessel performance data
- Observations
- Benchmarking
- Data analysis

Source: Maersk Line

Behaviour

Paint upgrades

Propeller optimisation

...lead to specific vessel improvements

Auto-tuning

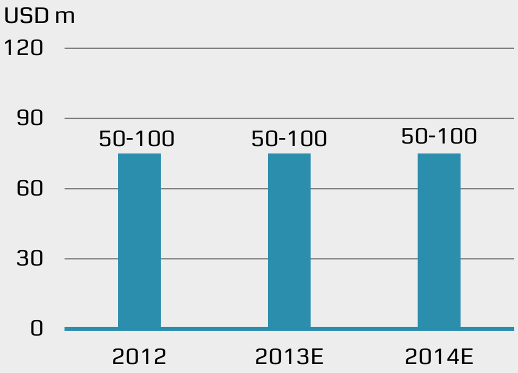
Bulbous Bow

Cut-out turbo charger

MAERSK LINE

Investments in vessel retrofits as an important tool to reduce bunker consumption

Retrofit investments



Bulbous bow modification example

- Optimised hydrodynamics through changing bulbous bow can reduce bunker consumption
- Pay-back : ~1 year

Bridge elevation example

- Elevating the navigation bridge can increase the carrying capacity
- Pay-back: ~2 years

Source: Maersk Line

We have a number of programmes that will reduce cost even more

Future cost reduction initiatives

EEE DEPLOYMENT

SPEED EQUALISATION AND SLOW STEAMING

NETWORK RATIONALISATION

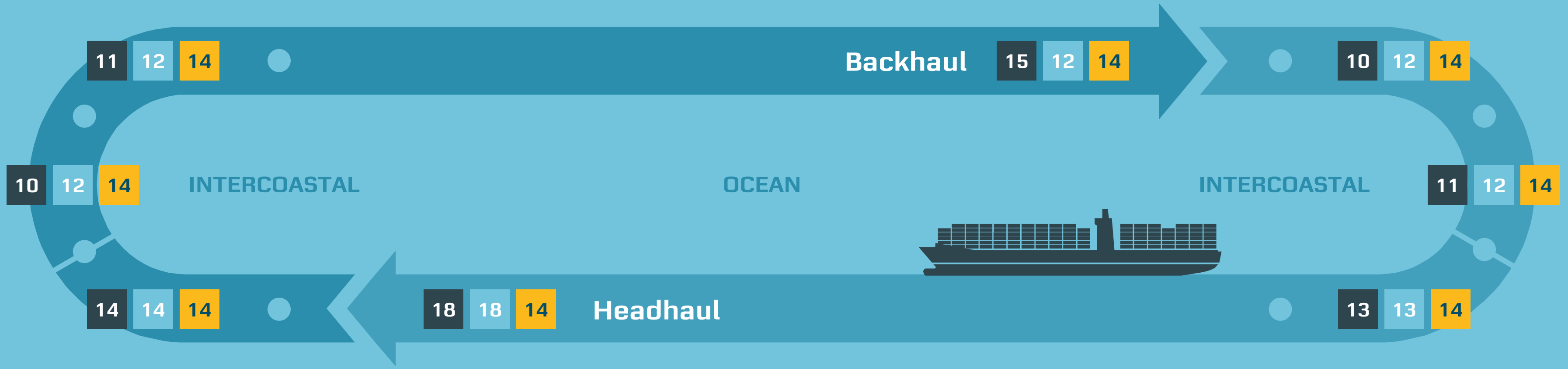
EXPIRY OF EXPENSIVE CHARTER CONTRACTS

UTILISATION IMPROVEMENTS

P3 ALLIANCE

Note: Order of future cost saving drivers is random. Each cost reduction driver has significant uncertainties attached to it
Source: Maersk Line

Example: Service speed equalisation



Speed (in knots) before speed equalisation
Speed range: 10 – 18 knots

Speed (in knots) after backhaul speed equalisation
Speed range: 12 – 18 knots

Speed (in knots) after roundtrip speed equalisation
Speed range: 14 knots

Ports

Source: Maersk Line

EEE vessels are a core part of our cost agenda and deployed without increasing capacity

The EEE vessels

- Economy of scale
- Energy efficiency
- Environmentally improved

EEE deployment

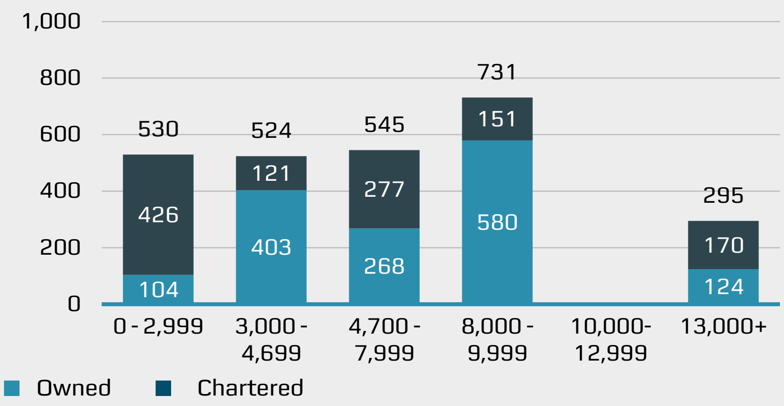
- Asia-Europe trade as part of P3 network
- We will not increase weekly capacity
- We will continue to honour our Daily Maersk promise

Source: Maersk Line

We plan our fleet for flexibility and low cost

Fleet overview

Capacity, ('000 TEU)



Source: Maersk Line

Fleet strategy

1. High ownership ratio in attractive long term vessel segments
2. Frequent dry-docking and retrofit projects in periods of low demand
3. High charter ratio in small vessel segments. Short term rather than long term charter contracts
4. Short sea deployment, idling or even scrapping of Panamax vessels. Chartered Panamax vessels redelivered at contract expiration
5. **No newbuilding orders have been planned for the coming 12 months**

4. Cost Leadership

Aiming for lowest cost in the industry

1. We have reduced our cost base significantly mainly driven by lower bunker consumption
2. We will continue to optimise the network and take out cost
3. EEEs will be deployed on Asia-Europe without increasing weekly capacity

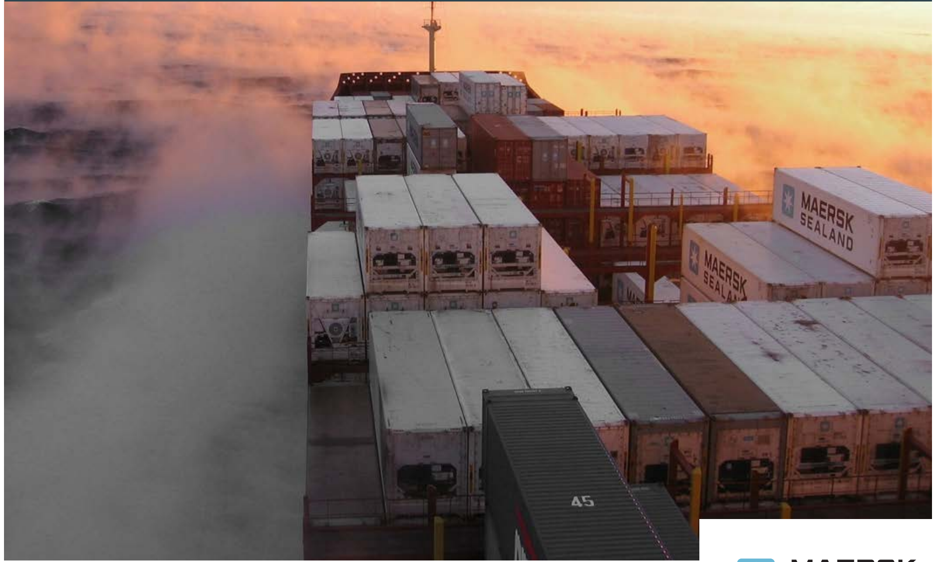
Commercial Excellence 5

Stephen Schueler
Chief Commercial Officer

Superior sales and customer service

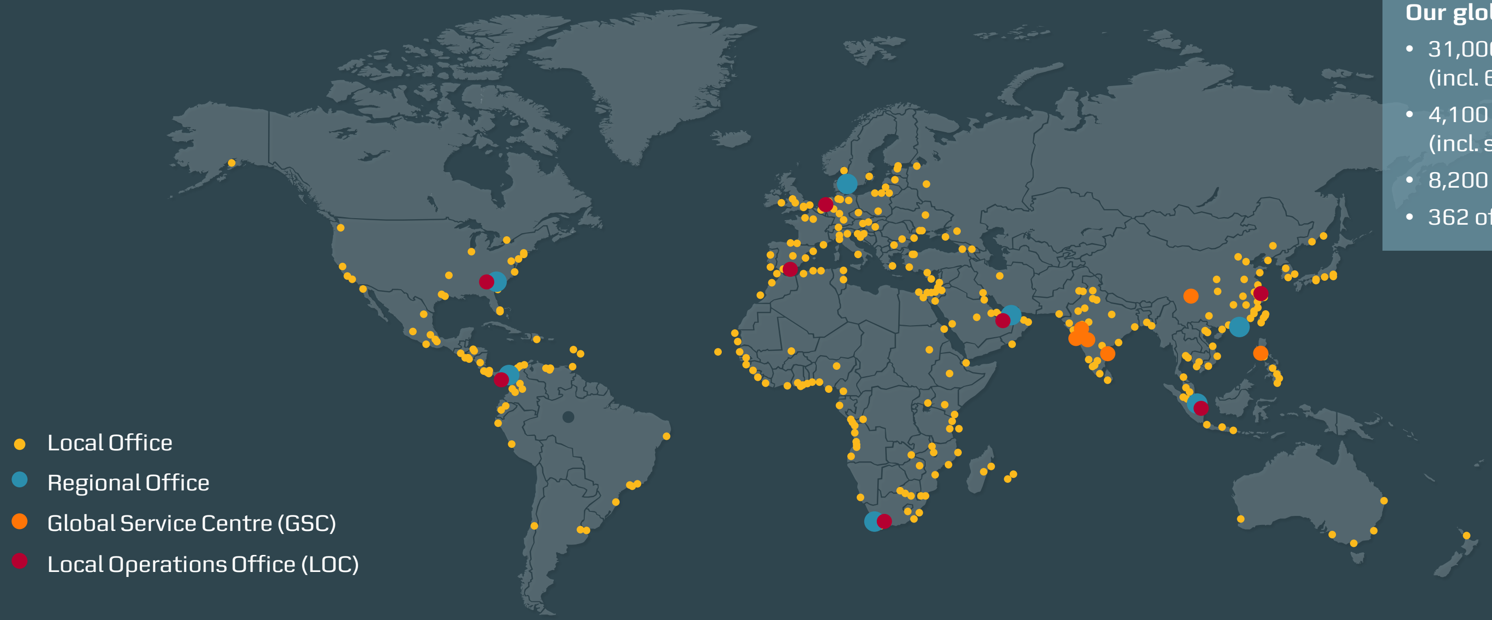
1. Solid and diversified customer base limiting exposure to rate fluctuations
2. Improved sales capabilities, strengthened customer service, technology advancement and new marketing programme
3. Competitive SG&A cost

5. Commercial Excellence



MAERSK LINE

A global organisation with 362 office locations globally



Our global organisation

- 31,000 employees (incl. 6,000 seafarers)
- 4,100 sales employees (incl. sales support)
- 8,200 in customer service
- 362 office locations

Source: Maersk Line

MAERSK LINE

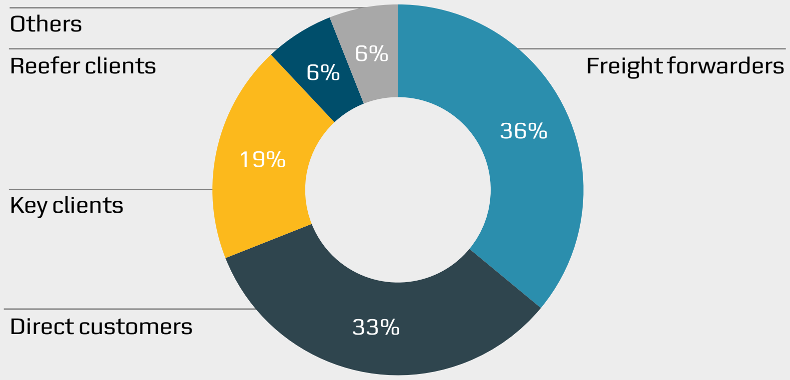
Note: Based on 2012-data.
Source: Maersk Line

Building on a solid foundation

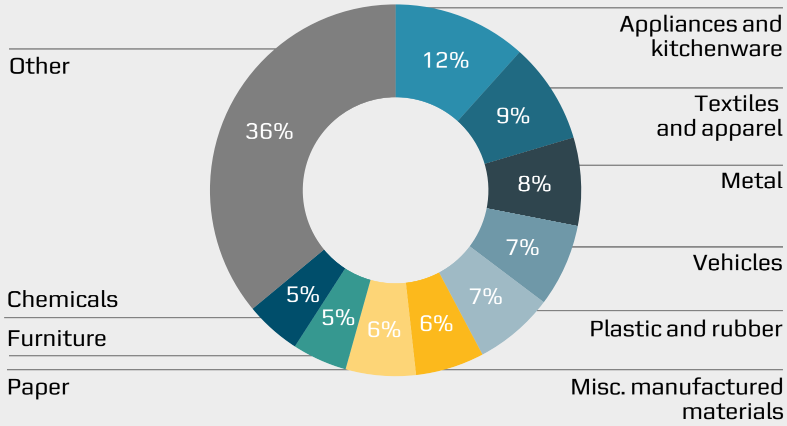
- Solid customer base and diverse cargo mix
- Diverse contract length
- Geographically diversified volume split
- Cost effective

Solid customer base with diverse cargo mix

Customer split, H1 2013



Cargo split, H1 2013

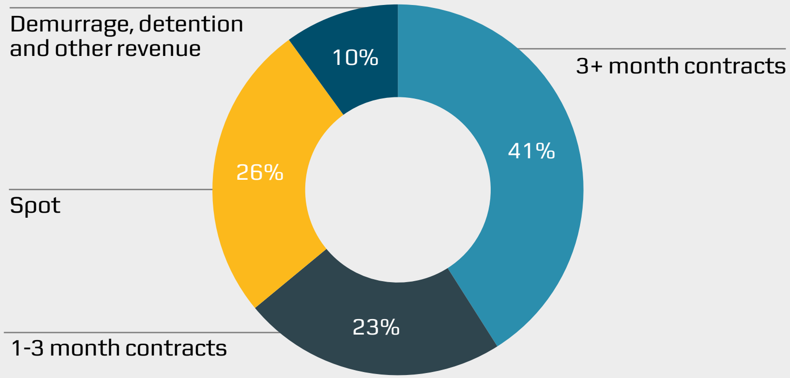


Note: Customer and cargo type split per volume transported. Key clients are large and important customers that are covered by Maersk Line's Key Client programme
Source: Maersk Line

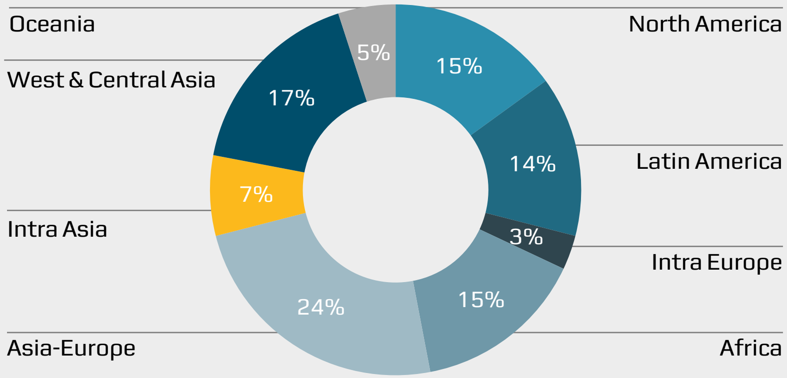
MAERSK LINE

Stability from diversity in contract duration and global footprint

Revenue split, H1 2013



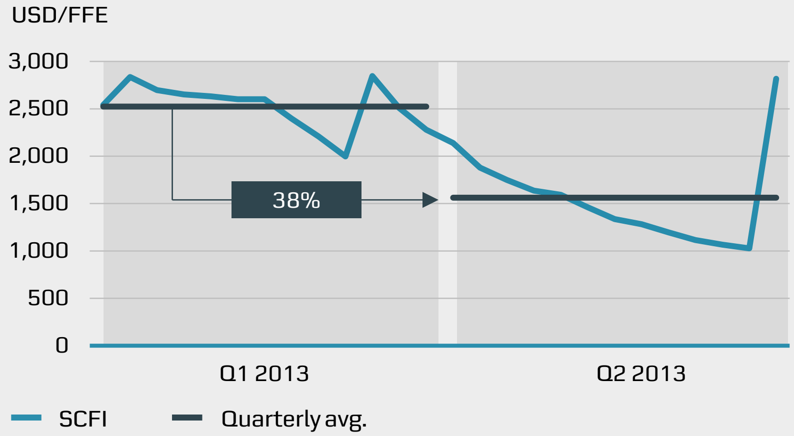
Volume split, FY 2012



Source: Maersk Line

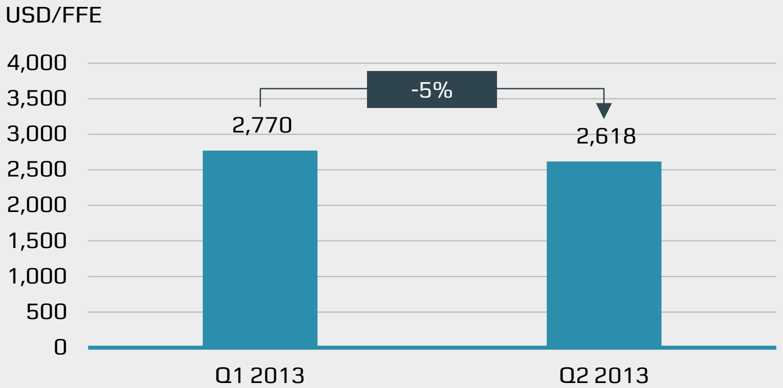
Contracting and diversification limit Maersk Line's exposure to Asia-Europe spot rates

SCFI China-Europe spot rate



Note: Maersk Line freight rates including bunker adjustment factor (BAF) revenue. The SCFI reflects the spot rates of Shanghai export container transport market, which includes both freight rates (indices) of 15 individual shipping routes and the comprehensive index.
Source: Maersk Line, SCFI

Maersk Line average rate

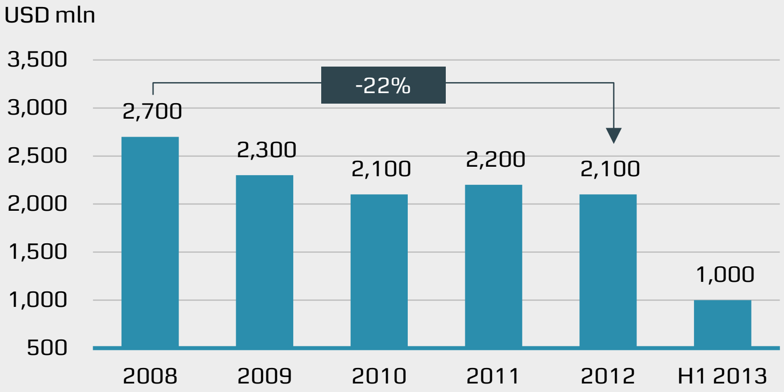


RULE OF THUMB:
All else equal, the overall Maersk Line rate has historically (Q1 2010 – Q2 2013) only been affected by ~1/10th of Asia-Europe SCFI index changes

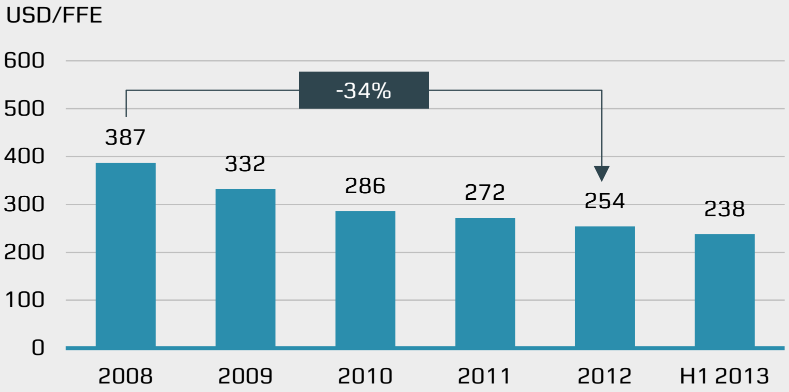
MAERSK LINE

We expect to continue to reduce SG&A cost per FFE

Total SG&A cost



SG&A cost per FFE



Notes: : Incl. IT depreciations and net of GSC recharging to other business units. Includes restructuring.
Source: Maersk Line

MAERSK LINE

Commercial success drivers

MOST EXTENSIVE GLOBAL NETWORK SERVICE

World's largest fleet with strongholds in emerging markets

SUPERIOR CUSTOMER EXPERIENCE

362 office locations with local sales and customer service

INDUSTRY RELIABILITY LEADER

Number 1 on reliability in 17 out of 20 last quarters

Source: Maersk Line, Drewry

Customer service and sales key to differentiate and maintain share

Sales and customer service capability

- Customer CARE, Customer Charter and focus on customer loyalty to drive high share of contract business and reduce dependency on spot market

Technology innovation

- New www.MaerskLine.com
- Automate, standardise and digitalise to deliver superior service at a competitive SG&A cost – low cost does not equal poor service

New customer marketing program

- New branding

Our Customer Charter introduces a promise on core shipping services

BOOKING
Customer Felt Turn Time
2013 Target: 100% WITHIN 2 HRS
89.9%

DOCUMENTATION
Amendment Turn Time
2013 Target: 1 HOUR
95.8%

INVOICING
Invoicing Accuracy
2013 Target: 92%
92.1%

SERVICE RECOVERY
Issue Resolution Turn Time
2013 Target: 12 HOURS
66.3%

DOCUMENTATION
Customer Felt Accuracy
2013 Target: 95% & 8 HOURS TURN TIME
99.4%

PRE ARRIVAL NOTIFICATION
2013 Target: 24 HOURS PRIOR ETA: 99%
96.4%

DISPUTE RESOLUTION
Invoice Dispute Turn Time
2013 Target: 7 DAYS
78.4%

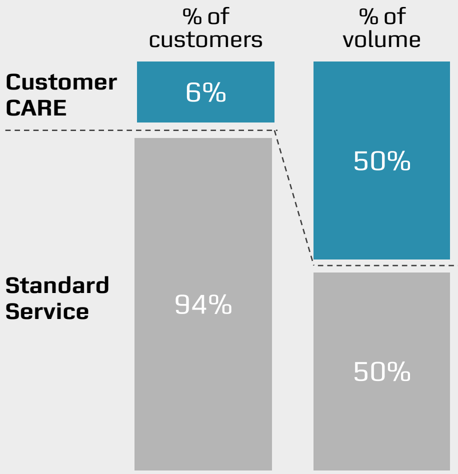
ACCESSIBILITY
Calls answered within 30 seconds
2013 Target: 30 SECONDS
N/A

Performance as of August 2013

Source: Maersk Line

Differentiated customer service offering through our customer CARE programmes

Customer CARE phase 1

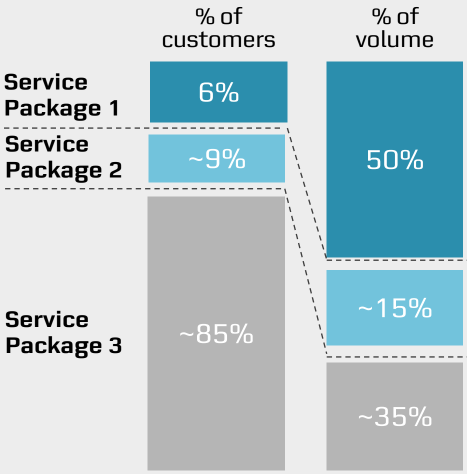


What do we offer?

- CARE business partner
- Customised service
- Proactive issue resolution

- Local phone contact
- Self-service & E-channels

Customer CARE phase 2



What do we offer?

- Single Point of contact, Service Level Agreement with Customer (CARE Promise)
- Proactive Service
- ETA notification
- Standard Service Offering

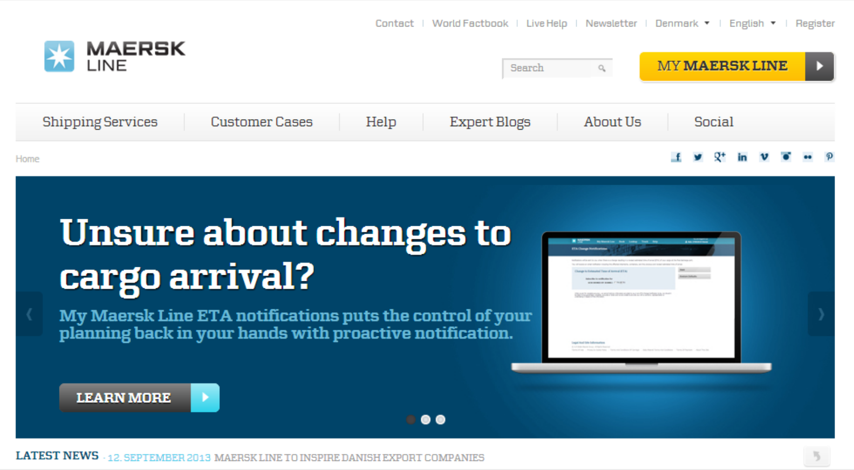
- Single point of contact
- Reactive Notifications
- Standard Service Offering

- Local phone contact, Self-service / E-Channels / Live-Help
- Standard Service Offering

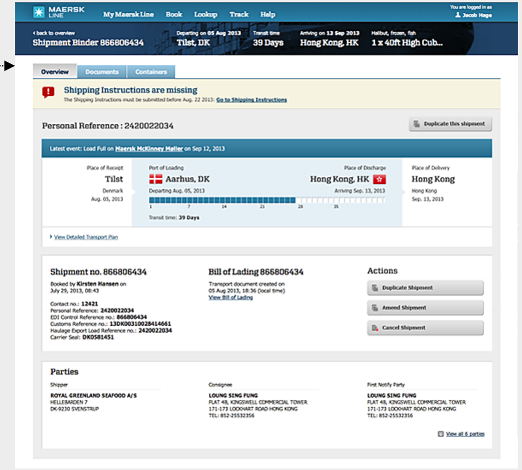
Source: Maersk Line

Technology enabling performance

A re-launch of www.MaerskLine.com



New My Maersk Line



New features

- Easy booking
- Proactive information
- One stop shop

Source: Maersk Line

Direction is set for sales effectiveness

Several new sales initiatives

" Recognition program	" Salesforce.com
" Sales competencies	" Sales management

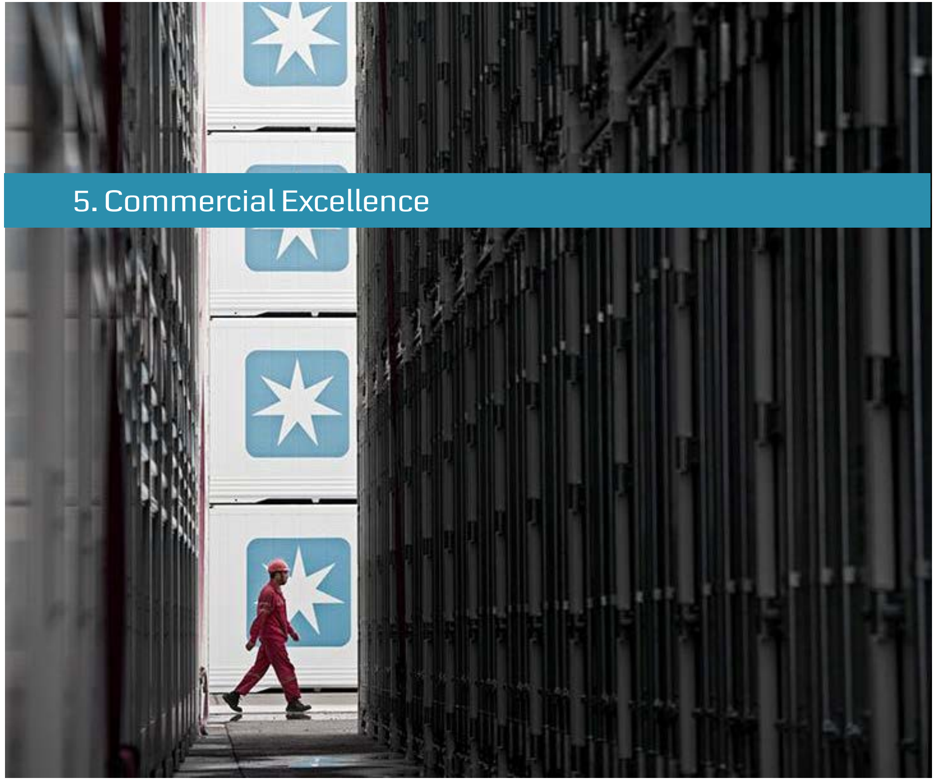
Source: Maersk Line

MAERSK LINE

Your promise. Delivered.

Your promise. Delivered.

Source: Maersk Line



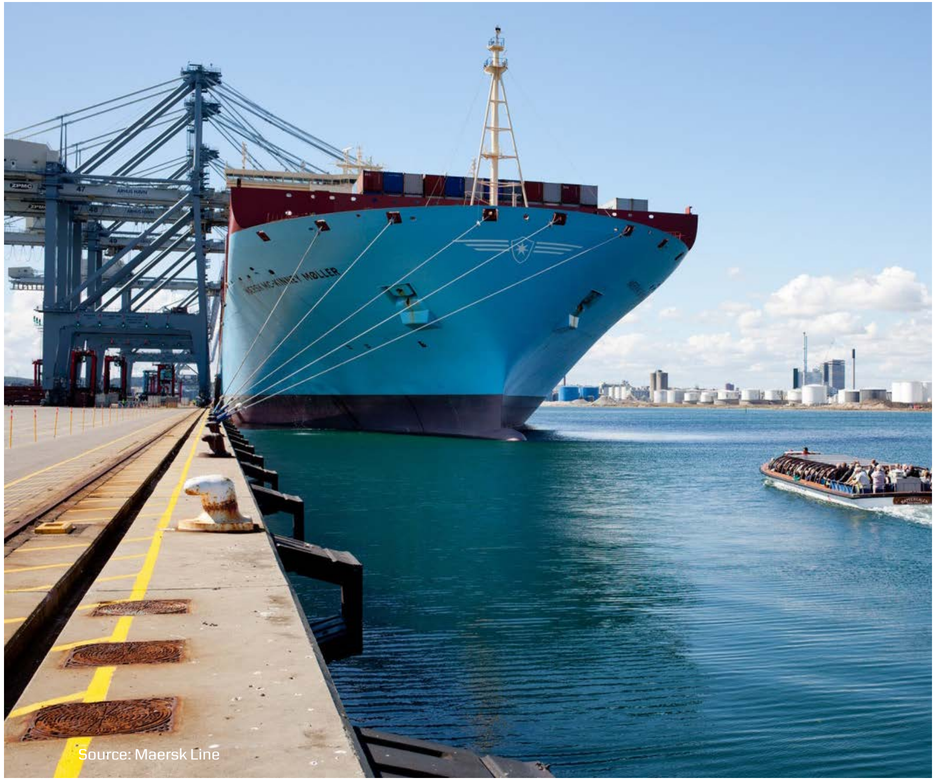
Superior sales and customer service

1. Solid and diversified customer base limiting exposure to rate fluctuations
2. Improved sales capabilities, strengthened customer service, technology advancement and new marketing programme
3. Competitive SG&A cost

MAERSK LINE

Future Success 6

Søren Skou
Chief Executive Officer



Maersk Line is building a track record

- Seven out of eight past quarters with q/q unit cost reductions
- Five consecutive quarters of y/y NOPAT improvements
- 8% points EBIT margin gap to peer average in H1 2013
- ROIC of 6.2% in H1 2013

MAERSK LINE

Improvements are driven by cost reductions and disciplined approach to capacity deployment

CAPACITY INITIATIVES

- From aggressive growth to grow with the market focus
- Reduced capacity offered
- Closed unprofitable services

COST INITIATIVES

- Network cost reduced through slow steaming and network optimisation
- Network variable cost reduced through behaviour and procurement
- Reduced SG&A/FFE

Source: Maersk Line

We are addressing the strategic East-West challenge

Daily Maersk

- Best frequency
- Best on-time delivery
- Reduced cost for customers

Capacity management

- Slow steaming
- Network changes
- Idling & blanked sailings

Efficient deploy-ment of EEEs

- Reduced slot cost
- Less CO_2 emissions
- Grow with the market

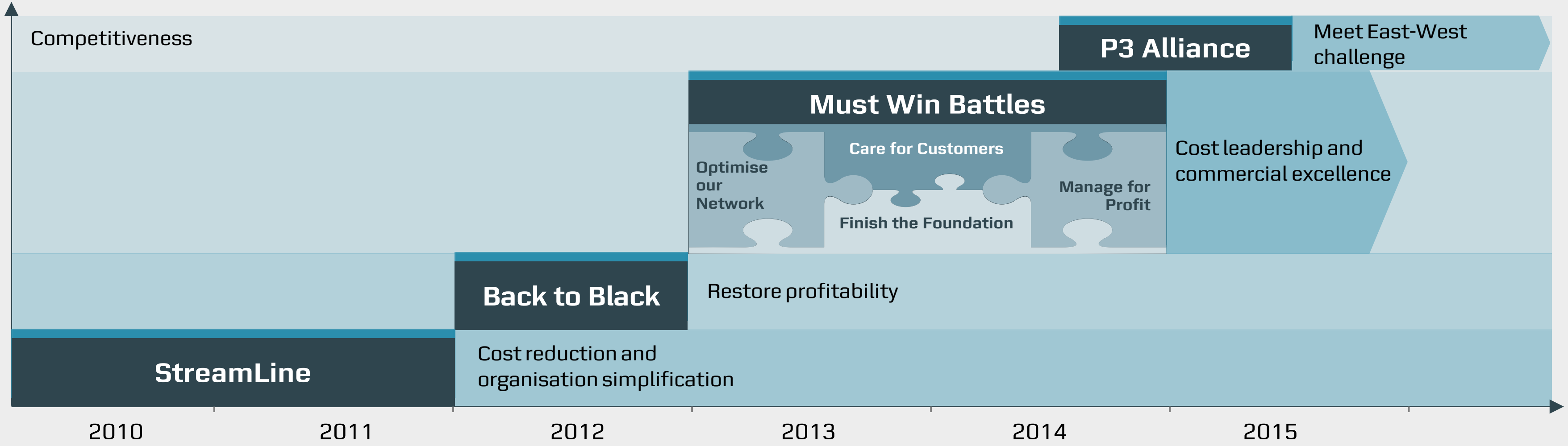
P3 Alliance

- Reduced slot cost
- Improved product
- Reduced CO_2 emissions

Source: Maersk Line

Solid plan to further take out cost, improve customer service and become more competitive

Strategy journey



Source: Maersk Line

Opportunities to improve customer service and reduce cost as well

We have a great brand, a strong product and best in class reliability, but we can improve…

- Customer CARE and Customer Charter
- New www.MaerskLine.com
- Targeting consistent high contract coverage
- New marketing program
- Automation, standardisation and digitalisation

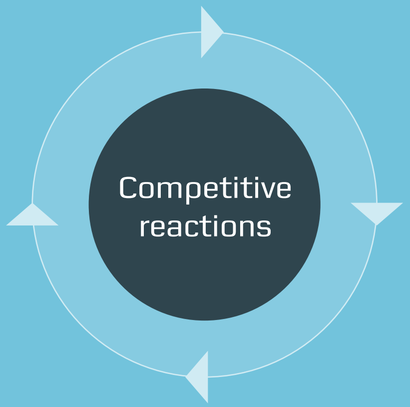
MAERSK LINE

Rate outlook is uncertain

Many factors driving rates

Supply

- Orderbook and new deliveries
- Scrappings
- Idling
- Slow steaming
- Cancellations (“blankings”)



Demand

- Global economic growth
- Global inventories
- Outsourcing / offshoring
- Containerisation

Source: Maersk Line

Note: Order of risk is random. These are not the only risks Maersk Line face
Source: Maersk Line

Market risks mitigated by being a low cost provider

Key market risks going forward

- Continued ordering leading to excess capacity
- Potential for rate wars
- Lower than expected demand
- Competitive response to P3 Alliance unclear

MAERSK LINE

Committed to deliver on our medium term objectives

Medium term objectives

- Top quartile performer
- EBIT margin 5% points above peer average
- Growing with the market
- Funded by own cash flow
- Delivering stable returns above cost of capital

Source: Maersk Line

MAERSK LINE

Thank you

Appendix 7

Source: Maersk Line

Profit and loss

Maersk Line profit and loss, (USD m)	2012	2011	Notes	Cost type
Total revenue	**27,118**	**25,108**		-
Terminal cost, (% of total cost)	24%	24%	Varies with number of container liftings performed by terminal	Variable
Inland transportation, (% of total cost)	12%	12%	Driven by volume with an inland transportation leg	Variable
Containers and other equip., (% of total cost)	4%	4%	Driven by volume (variable) and by number of containers	Fixed
Vessel cost, (% of total cost)	26%	26%	Charter costs, port berthing costs, vessel crew and maintenance costs and feeder costs	Semi-variable
Bunker, (% of total cost)	26%	25%	Driven by distance sailed and speed (consumption) plus bunker price	Semi-variable
Administration and other, (% of total cost)	8%	9%	Mainly salaries, IT and office costs	Fixed
EBITDA	**2,179**	**1,009**		-
Depr., amor. and impairment	-1,678	-1,617	Mainly vessel and container depreciations	Fixed
Other	24	126	Gain/loss from asset sales and share of result in associated companies	Fixed
EBIT	**525**	**-482**		-
Tax	-64	-71	The major tax expense is revenue based local tax. Other main income taxes are based on the tonnage of the operated vessels and stable taxable profit in local subsidiaries	Fixed
NOPAT	**461**	**-553**		-
Invested Capital	20,649	18,502	Non-current assets, net working capital and other assets/liabilities (mainly provisions)	-
ROIC, (%)	**2.4%**	**-3.1%**		-
				-
Volume, (m FFE)	8.5	8.1		-
Average freight rates, (USD per FFE)	2,881	2,828		-

Notes: Variable is here directly variable with transported volume; Semi-variable is variable with vessel routes (e.g. port berth fees that occurs when a vessel berths);
Fixed is all costs that do not vary directly with volume or vessel routes (e.g. number of containers, SG&A cost)
Source: Maersk Line

MAERSK LINE

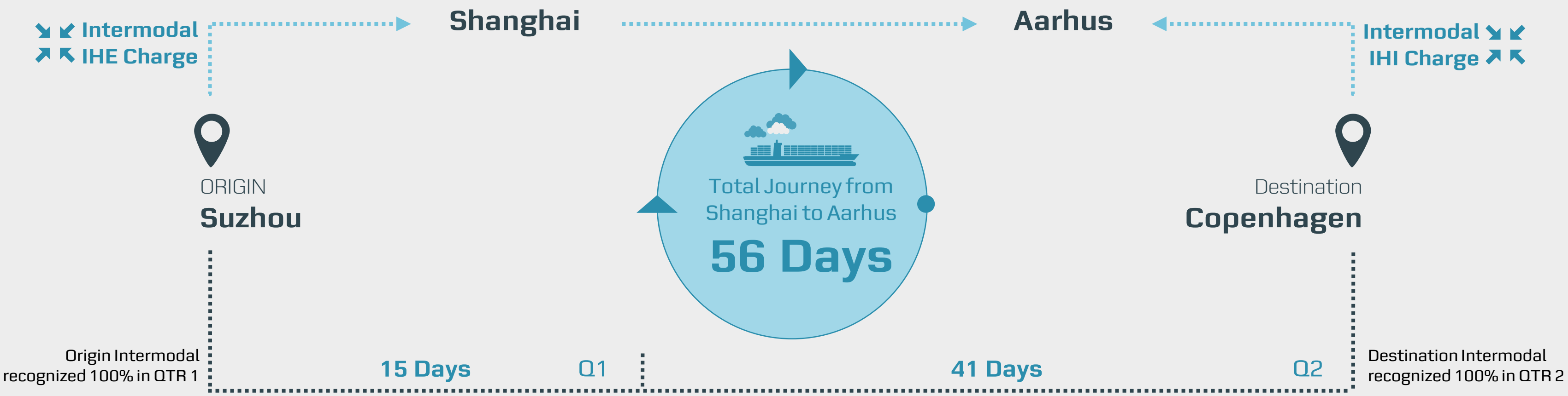
Finance topics

Topic	Answer
Depreciation	
Why does Maersk Line depreciate its vessels over 20 years, when peers do it over 25-27?	The 20 year depreciation period is based on a prudent estimate of the useful life. Maersk Line has very few vessels above 20 years age.
Leases	
How are leases booked on the balance sheet (e.g. charted vessels)? How much is off balance sheet?	Maersk Line had, as per June 2013, 42 finance leased vessels (on balance sheet) and 309 operational leased vessels (off balance sheet).
What is the impact on invested capital?	The finance leased vessels carried a USD 1.9bn invested capital out of the total USD 20.5bn (June 2013). In addition, finance leased containers represented USD 0.2bn invested capital. The total off balance sheet value of the committed operational leases constituted USD 4.7bn (undiscounted value). Owned vessels carried a USD 12.4bn invested capital and owned containers carried USD 5.7bn invested capital.
Installments	
How are installment payments booked on the balance sheet and hence in invested capital?	Installment payments are booked as "Assets under Construction" and forms part of invested capital.
What are the installment terms for the Triple-Es?	The installment terms (stage payments) of the EEEs are 10%/10%/10%/10%/60% with following timing: contract signing/"agreed date"/steel cutting/keel laying/delivery.
Divestments	
What divestments have been made in Maersk Line in recent years?	Maersk Line has only had minor divestments like ERS Railways B.V. (railway company operating in Europe) in 2013, shareholding in Ocean Africa Container Line (OACL, river transport company) in 2012 and Rederei Blue Star (engaged in ship management) in 2009. Various non-core shareholdings and various buildings have also been divested.
What activities have been separated from Maersk Line and placed in other business units within APMM?	The APMM Business Unit "Maersk Line" (formerly reported as a broader segment "Container Shipping and related activities) has been streamlined to include a more focused scope on liner business with APM Terminals reporting in its own segment from 2008, Container Inland Services (trucking and container depot activities) reporting as part of APM Terminals from 2010, Maersk Container Industry (container production) reporting as part of Other Businesses from 2010, Damco with separated figures from 2010 and own business unit reporting from 2012.

Source: Maersk Line

How do we recognise revenue (1/2)?

Revenue is recognised based on the voyage days – Example of a container from Suzhou to Copenhagen



Q1 Revenue Recognised = 15 days/56 days * Ocean Freight Revenue
Q2 Revenue Recognised = 41 days/56 days * Ocean Freight Revenue

Source: Maersk Line

How do we recognise revenue (2/2)?

Base Rate	1,500
Inland Haulage Export (IHE)	200
Inland Haulage Import (IHI)	270
Total	1,970

Freight rate (Freight revenue per FFE) shown in interim statements	Q 1	Q 2	Total
Base Rate	1,500	0	1,500
Inland Haulage Export (IHE)	200	0	200
Inland Haulage Import (IHI)	270	0	270
Total	1,970	0	1,970

Revenue recognized based on voyage days	Q 1	Q 2	Total
Base Rate	402	1,098	1,500
Inland Haulage Export (IHE)	200	0	200
Inland Haulage Import (IHI)	0	270	270
Total	602	1,368	1,970

Source: Maersk Line