A.P. Møller - Mærsk A/S

Interim Report 2005

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Forward-looking statements
The Interim Report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond A.P. Møller - Mærsk A/S' control, may cause actual development and results to differ materially from the expectations contained in the Interim Report.

The Interim Report has been translated from Danish. The Danish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

THE A.P. MOLLER - MAERSK GROUP

HIGHLIGHTS

From 1 January 2005 the A.P. Moller - Maersk Group has prepared the accounts in accordance with International Financial Reporting Standards (IFRS). Comparative figures for 2004 have been restated.

The half year *(comparative figures for the first half year 2004 in parenthesis)*

- *Net revenue DKK 88,041 million (DKK 76,939 million) – an increase of 14%. In USD the increase was 20%.*
- *Result before tax DKK 16,542 million (DKK 14,470 million) – an increase of 14%. In USD the increase was 20%.*
- *Total result for the period DKK 10,760 million (DKK 10,197 million). In USD 1,856 million (USD 1,683 million).*

Compared to the same period in 2004 the half year is particularly affected by the following factors:

- *A USD exchange rate, which on average was 5% below that of the first half year in 2004 with negative effect on the revenue (in DKK) and the operating result for the period.*
- *Better rates and increased volumes for container services.*
- *40% higher oil prices in USD, partly neutralised by oil price hedging.*
- *Negative exchange rate adjustment under financial items approx. DKK 1,200 million as a consequence of the increase in the USD exchange rate from 1 January to 30 June 2005.*
- *Higher government share and taxes in the oil and gas activities. In the first half year 2004, a positive non-recurring effect on reduction of deferred tax as a consequence of the merger with leasing companies previously owned by the Dansk Supermarked Group.*
- *As of 1 January 2005 Danske Bank is an associated company. The share of the result in Danske Bank is DKK 1,214 million. In the first half year 2004, received dividend and value adjustment, after tax, was DKK 589 million and DKK 363 million respectively.*

Expectations for the full year

- *With freight rates, oil prices and exchange rates at the present level, the result after tax is expected to be in the order of DKK 23 billion compared to the previous announcement of about DKK 20 billion – before effect of discontinued operations and purchase of Royal P&O Nedlloyd N.V. and Kerr-McGee oil interests in the North Sea. The comparative result for 2004 according to IFRS standards is DKK 20.5 billion. After transition to IFRS no special items are estimated except for implementation costs on acquisitions.*
- *On 11 August 2005 A.P. Møller - Mærsk A/S acquired more than 95% of the shares in Royal P&O Nedlloyd N.V. As of this date, the Royal P&O Nedlloyd Group is part of the A.P. Moller - Maersk Group.*

  The result for the year is expected to be negatively affected by restructuring and integration costs in the order of DKK 1.5 billion. Before these expenses, but after depreciation on excess value of acquired assets, a minor but positive effect on the 2005 result is expected.
- *In August 2005 Mærsk Olie og Gas AS and Kerr-McGee Corporation entered into an agreement on the purchase of the majority of Kerr-McGee Corporation's oil and gas interests in the UK sector of the North Sea. The purchase is expected to have a minor but positive effect on the A.P. Moller - Maersk Group's 2005 result. The agreement is subject to approval from authorities etc., which is expected to be achieved around 1 October 2005.*
- *Discontinued operations are expected to contribute a minor but positive amount (2004: DKK 2.3 billion).*

Main and Key Figures

	DKK million 1st half year 2005	DKK million 1st half year 2004	*USD million 1st half year 2005*	*USD million 1st half year 2004*
Continuing operations				
Net revenue	88,041	76,939	*15,205*	*12,700*
Result before depreciation and write-downs etc.	21,415	19,770	*3,699*	*3,263*
Depreciation, amortisation and write-downs etc.	5,571	6,383	*962*	*1,054*
Gain on sale of ships and rigs, etc.	706	325	*121*	*54*
Associated companies, share of result after tax	1,420	233	*245*	*38*
Result before financial items	17,970	13,945	*3,103*	*2,301*
Financial items, net	-1,428	341	*-247*	*57*
Value adjustment of financial assets	-	184	*-*	*30*
Result before tax	16,542	14,470	*2,856*	*2,388*
Tax	5,900	4,173	*1,021*	*689*
Net result for the period	10,642	10,297	*1,835*	*1,699*
Discontinued operations - net result for the period	118	-100	*21*	*-16*
Total net result for the period	10,760	10,197	*1,856*	*1,683*
Excl. minority share	10,699	10,130	*1,845*	*1,672*
Cash flow from operating activities	17,901	15,833	*3,092*	*2,613*
Cash flow used for investing activities in fixed assets	18,955	9,643	*3,274*	*1,592*
Total assets at 30/6	197,630	170,361	*32,071*	*27,860*
Total assets at 1/1	181,673	164,329	*33,227*	*27,583*
Equity at 30/6, excl. minority share	112,288	93,617	*18,221*	*15,310*
Equity at 1/1, excl. minority share	102,491	83,926	*18,745*	*14,087*
Key Figures:				
Return on equity (per annum)	19.9	22.8	*20.0*	*22.8*
Equity ratio at 30 June	57.2	55.2	*57.2*	*55.2*
Net result for the period per share (DKK/*USD*) *)	2,600	2,462	*448*	*406*

*) Calculated on the basis of the company's share capital less the Group's holding of own shares.

The accounting policies have been changed due to the transition to international financial reporting standards, reference is made to page 16. Comparative figures are restated except for figures related to financial assets and liabilities governed by IAS 39.

The consolidated accounts are presented in DKK. To further illustrate the development of the business, main and key figures for the A.P. Moller - Maersk Group and figures for the segments with USD as functional currency, are also presented in USD.

The interim report has not been audited.

Directors' Report

For the first half year 2005, the net revenue was DKK 88,041 million for the continuing operations – an increase of 14% compared to the same period 2004. In USD the revenue increased by 20% to USD 15,205 million. The revenue in DKK was, in general, positively affected by increased activity and higher freight rates for the container services and higher oil prices in USD, but negatively affected by a USD exchange rate, which on average was 5% lower than that of the first half year in 2004.

Depreciation, amortisation and write-downs of DKK 5,571 million was DKK 812 million lower than that of the same period in 2004, partly due to the lower average USD exchange rate and lower depreciation in the oil and gas activities.

Share of result in associated companies after tax DKK 1,420 million (DKK 233 million) is particularly affected by the inclusion of Danske Bank with DKK 1,214 million in the first half year.

The financial items were a net loss of DKK 1,428 million (a net gain DKK 341 million). In 2004 dividend from Danske Bank of DKK 739 million was included. Furthermore, the first half year 2005 is especially affected by a negative exchange rate adjustment of approx. DKK 1,200 million, mainly regarding liquid funds and financial current assets in DKK and EUR, which were weakened compared to USD. These funds etc. were partly related to a currency hedge of the purchase price for Royal P&O Nedlloyd.

Result before tax was DKK 16,542 million (DKK 14,470 million) – an increase of 14%. In USD the increase was 20%.

In the first half year 2005 tax was DKK 5,900 million (DKK 4,173 million). The increase is mainly due to increased taxes in the Danish oil activities and to the fact that taxes, in the first half year 2004, were positively affected by a reduction of deferred tax as a consequence of the merger with leasing companies previously owned by the Dansk Supermarked Group.

Total cash flow from operating activities of DKK 17,901 million (DKK 15,833 million) was at the level of the period's investments DKK 18,955 million (DKK 9,643 million).

After tax and result of discontinued operations the period's result was DKK 10,760 million (DKK 10,197 million). In USD the result was 1,856 million (USD 1,683 million). The parent company's share was DKK 10,699 million (DKK 10,130 million).

	DKK million 1st half year		USD million 1st half year	
Change in Equity	2005	2004	2005	2004
Equity at 1 January	114,261	92,188	20,898	15,474
Effect of changes in the accounting policies	-11,280	-7,730	-2,063	-1,298
Equity at 1 January - adjusted	102,981	84,458	18,835	14,176
Effect of Danske Bank, transition to associated company	-6,942	-	-1,270	-
Dividend distributed (excl. own shares)	-1,884	-1,235	-325	-204
Net result for the period	10,760	10,197	1,856	1,683
Value adjustment of hedging instruments after tax	-1,680	-668	-290	-110
Value adjustment of other financial assets	177	-	31	-
Exchange rate adjustment regarding translation from functional currency to presentation currency	9,562	1,359	-504	-154
Equity at 30 June	112,974	94,111	18,333	15,391
Excl. minority share	112,288	93,617	18,221	15,310

Segment Information

The main figures for the A.P. Moller - Maersk Group are allocated to the following five main segments (see pages 6-14):

Net revenue	DKK million		USD million	
	1st half year		1st half year	
	2005	2004	2005	2004
Container shipping and related activities	51,187	43,901	8,840	7,246
Tankers, Offshore and other shipping activities	8,251	7,627	1,425	1,259
Oil and Gas Activities	11,889	10,216	2,053	1,686
Retail activity	11,999	11,304	2,072	1,866
Other companies	6,454	6,348	1,114	1,048
Net eliminations	-1,739	-2,457	-299	-405
Total continuing operations	88,041	76,939	15,205	12,700
Discontinued operations, after elimination	756	2,331	131	385
Total	88,797	79,270	15,336	13,085

Net result	DKK million		USD million	
	1st half year		1st half year	
	2005	2004	2005	2004
Container shipping and related activities	5,043	3,873	871	639
Tankers, Offshore and other shipping activities	1,586	1,298	274	214
Oil and Gas Activities	4,122	3,625	713	598
Retail activity	546	837	94	138
Other companies	899	167	157	27
Net eliminations and unallocated items	-1,554	497	-274	83
Total continuing operations	10,642	10,297	1,835	1,699
Discontinued operations, after elimination	118	-100	21	-16
Total	10,760	10,197	1,856	1,683

Discontinued operations relate to Mærsk Data AS, which was sold on 1 November 2004, the DISA Group’s activities within industrial air cleaning and foundry machinery, which were sold in December 2004 and May 2005 respectively, and the route and charter activities in Maersk Air A/S, where an agreement on sale has been entered in 2005 subject to the approval of authorities.

The remaining activities in the Maersk Air Group – ownership and leasing of aircraft and the activities in Star Air A/S – are included in continuing operations.

Segment Information (continued)

Net eliminations and unallocated items comprise elimination of intra-group transactions as well as expenses and financial items, which are not allocated to business segments and include:

	DKK million 1st half year		USD million 1st half year	
	2005	2004	2005	2004
Net eliminations and unallocated items, before financial items	-394	-299	-68	-49
Financial items, net	-1,319	395	-231	65
Exchange rate adjustment of financial assets	-	184	-	31
Unallocated tax	159	217	25	36
	-1,554	497	-274	83

The financial items mainly include currency related net expenses. These expenses are not allocated to segments.

The A.P. Moller - Maersk Group owns a 20% share of Danske Bank, and from 1 January 2005 Danske Bank is an associated company. Share of result in Danske Bank after tax DKK 1,214 million is included in the segment ”Other companies – ship yards, other industrial companies, operation of aircrafts, share in Danske Bank etc.”. In the first half year 2004 dividends from Danske Bank of DKK 589 million after tax and value adjustment of shares DKK 363 million were included in ”unallocated” items.

SEGMENT INFORMATION, THE A.P. MOLLER - MAERSK GROUP

Container shipping and related activities

	DKK million 1st half year		*USD million 1st half year*	
	2005	2004	*2005*	*2004*
Net revenue	51,187	43,901	*8,840*	*7,246*
Result before depreciation and write-downs	8,462	7,427	*1,461*	*1,226*
Depreciation and write-downs	3,075	3,152	*531*	*520*
Gain on sale of ships etc.	313	151	*54*	*25*
Associated companies, share of result	31	-33	*5*	*-6*
Result before financial items	5,731	4,393	*989*	*725*
Financial items, net	-81	-316	*-13*	*-52*
Result before tax	5,650	4,077	*976*	*673*
Tax	607	204	*105*	*34*
Result for the period	5,043	3,873	*871*	*639*
Cash flow for the period from operating activities	8,050	7,294	*1,390*	*1,204*
Cash flow for the period used for investing activities	12,040	5,758	*2,079*	*950*
Total assets	103,267	83,548	*16,758*	*13,663*

The growth in world trade continued in the first half year 2005 and lead to increased volumes and freight rates compared to the same period in 2004.

In the first half year the demand for vessel capacity was so high that it exceeded the growth in the world fleet. As a consequence rates for chartered container vessels increased from an already high level, also fuel prices rose resulting in increased operating expenses for the shipping lines. The lower USD exchange rate also contributed to increased costs.

Maersk Sealand made a number of changes in the service network to better fulfil customer demands.

The situation in 2004 with port delays, especially on the US West Coast, seems to be overcome, and schedules are improving on the US West Coast and in general.

The total result before tax for Maersk Sealand's container services was well above that of the first half year in 2004. In the first half year of 2004, taxes were positively affected by reduction of deferred tax as a consequence of the merger with leasing companies previously owned by the Dansk Supermarked Group.

In the first half year one newbuild container vessel was delivered, and a number of vessels, including newbuildings, entered the operating fleet through charter. The number of containers increased during the first six months due to a large number of newbuild dry and reefer containers, the latter from Maersk Container Industri in Denmark and China.

The purchase of 19% of the share capital in Royal P&O Nedlloyd N.V. at DKK 3.2 billion is included in the period's cash flow.

Significant new tonnage will be added in the coming years in accordance with newbuilding contracts which have already been entered into.

Container shipping and related activities (continued)

In the first half year Safmarine Container Lines increased revenue and had a result somewhat above that of the corresponding period in 2004. Safmarine took delivery of one newbuild container vessel in the first half year.

Earnings of the Maersk Sealand agencies and trucking and equipment activities were above that of the corresponding period in 2004, also due to higher rates and volumes in the first six months of the year.

The activity in Maersk Logistics grew moderately and the result was below that of the first half year 2004.

In the first half year APM Terminals has continued its expansion through new projects and purchase of container terminals and further development of existing facilities. Building of an additional terminal in Laem Chabang (Thailand) was initiated in partnership with local investors. Shares in existing terminals in Itajai (Brazil) and Abidjan (Ivory Coast) were acquired. The ownership share in the port at Pipavav (India) was increased. Further development of terminals in Tanjung Pelepas (Malaysia) and Salalah (Oman) and others was initiated. In the first half year the total result for APM Terminals was at the level of the result for the corresponding period in 2004.

SEGMENT INFORMATION, THE A.P. MOLLER - MAERSK GROUP

Tankers, Offshore and other shipping activities etc.

	DKK million 1st half year 2005	DKK million 1st half year 2004	*USD million 1st half year 2005*	*USD million 1st half year 2004*
Net revenue*)	8,251	7,627	*1,425*	*1,259*
Result before depreciation and write-downs	2,712	2,603	*468*	*430*
Depreciation and write-downs	1,211	1,255	*209*	*208*
Gain on sale of ships, rigs etc.	367	164	*63*	*27*
Associated companies, share of result*)	8	22	*1*	*4*
Result before financial items	1,876	1,534	*323*	*253*
Financial items, net	-232	-177	*-39*	*-29*
Result before tax	1,644	1,357	*284*	*224*
Tax	58	59	*10*	*10*
Result for the period	1,586	1,298	*274*	*214*
Cash flow for the period from operating activites	1,819	2,566	*314*	*424*
Cash flow for the period used for investing activities	3,881	1,420	*670*	*234*
Total assets	41,761	38,193	*6,777*	*6,246*

*) From 1 January 2005, Egyptian Drilling Co. Ltd. is recognised as a joint venture and consolidated pro rata. A net revenue of DKK 350 million is included in the first half year 2005. Previously the company was recognised as an associated company using the equity method.

In the first half year of 2005 the total result for Maersk Tankers was above the result for the corresponding period in 2004. The improved result is particularly due to higher gain on sale of ships. The rates for product and crude carriers were, in general, at the level of those in the first half year 2004, however, the rates for gas carriers were higher. The LNG (Liquefied Natural Gas) segment achieved a better result compared to that in the first half year 2004, though there are still start-up costs.

The half year result for the car carriers, which are all on long-term contracts, is slightly below that of last year.

In the first half year, four new build product carriers were delivered; Maersk Phoenix, Maersk Princess, Rosa Mærsk and Roy Mærsk and in the same period two product carriers were sold. Maersk Tankers has a total of 43 ships on order for delivery at reasonable prices compared to the present market level.

In the first half year 2005, the market for offshore supply vessels was positively affected by growth in activities, especially in the Norwegian part of the North Sea and combined with relocation of tonnage to areas outside the North Sea, this resulted in better rates. In West Africa the market was also generally positive with a reasonable rate level and increasing activity. The result for the first half year 2005 was above the result for the same period in 2004, however, still at a relatively low level.

Tankers, Offshore and other shipping activities etc. (continued)

World-wide drilling activity is still increasing and consequently rates for all rig types increased. Maersk Contractors' rigs achieved full employment in the first half year of 2005, apart from a few small rigs in Venezuela. The majority of the rigs were on previously concluded contracts.

In the first half year 2005 Maersk Contractors contracted four new jack-up rigs and two semi-submersible newbuildings at Keppel FELS, Singapore for delivery in 2007-2009. Furthermore, six small second-hand barge rigs were taken over in Venezuela on 1 July 2005.

For the 50% owned Egyptian Drilling Company, the result was almost similar to that in the same period in 2004.

The total result for Maersk Contractors was, for the first half year 2005, slightly below that of the corresponding period last year, particularly due to the lower USD exchange rate.

The SvitzerWijsmuller Group continued growth within the core activities, recently in connection with the purchase of Lisbon Tugs SA in Portugal. In the first half year 2005 revenue and result were above that of the same period in 2004.

In the first half year 2005 Norfolkline B.V. achieved a result below that of the same period last year. On 29 June 2005, Norfolkline signed a letter of intent on the purchase of Norse Merchant Ferries – a leading Ro-Ro/ferry operator in the Irish Sea.

SEGMENT INFORAMTION, THE A.P. MOLLER - MAERSK GROUP

Oil and Gas Activities

	DKK million 1st half year 2005	DKK million 1st half year 2004	*USD million 1st half year 2005*	*USD million 1st half year 2004*
Net revenue	11,889	10,216	*2,053*	*1,686*
Result before depreciation and write-downs	10,129	8,942	*1,749*	*1,476*
Depreciation and write-downs	923	1,461	*159*	*242*
Result before financial items	9,206	7,481	*1,590*	*1,234*
Financial items, net	217	114	*38*	*19*
Result before tax	9,423	7,595	*1,628*	*1,253*
Tax	5,301	3,970	*915*	*655*
Result for the period	4,122	3,625	*713*	*598*
Cash flow for the period from operating activities	6,989	5,615	*1,207*	*927*
Cash flow for the period used for investing activities	690	1,569	*119*	*259*
Total assets	22,201	16,975	*3,603*	*2,776*

In the Danish part of the North Sea the A.P. Moller - Maersk Group's share of DUC's oil production was 22 million barrels in the first six months of the year, which was at the level of that in the same period 2004. The share of gas sales 1.9 billion m^3 was considerably above the 1.4 billion m^3 in the same period 2004. The increase was in particular due to sale of gas to the Dutch distribution system through the new gas pipeline from Tyra West.

On average, A.P. Møller – Mærsk, as operator for DUC, has had three drilling rigs employed in the North Sea mainly for drilling of production wells on the Halfdan, Dan and Tyra Fields. A new platform, Dan FG, was installed on the Dan Field in May 2005.

In Qatar the A.P. Moller - Maersk Group's share of production was 14 million barrels compared to 21 million barrels in the first half year 2004 and in Algeria 5.6 million barrels compared to 5.3 million barrels. In Algeria further development of producing fields and new fields is in progress. Production in Qatar and Algeria is still subject to limitations set by the authorities.

Oil production in Kazakhstan was 0.6 million barrels compared to 1.0 million barrels in the first half year 2004.

Oil and Gas Activities (continued)

In the first six months of the year the average market price for the North Sea oil (Brent oil) was USD 50 per barrel compared to USD 34 per barrel in the first half year of 2004. The prices for natural gas were higher than those of the first half year 2004. The market price for Brent oil is also the marker price for the oil from Algeria. In the first six months, the market price for oil in Qatar (Dubai oil) was USD 45 per barrel compared to USD 31 per barrel in the first half year 2004. However, for the A.P. Moller - Maersk Group, the realised prices in DKK were negatively affected by the lower USD exchange rate and the effect of oil price hedging.

Net revenue increased by 16%, positively affected by higher oil prices, negatively affected by increased government share, lower USD exchange rate and oil price hedging.

Depreciation and write-downs were DKK 923 million (DKK 1,461 million). The decline was partly due to some fields being fully depreciated in 2004, reassessment of the depreciation period of other fields and the lower USD exchange rate.

The result for the period before tax was DKK 9,423 million – an increase of 24% compared to the first half year 2004. In USD the increase was 30%.

Tax was DKK 5,301 million – an increase of 34%.

Exploration activities are taking place in the North Sea (Denmark, Germany, Great Britain and Norway), North Africa (Algeria and Morocco), West Africa (Angola), Central Asia (Turkmenistan), the Middle East (Qatar and Oman) and South America (Brazil and Surinam).

SEGMENT INFORMATION, THE A.P. MOLLER - MAERSK GROUP

Retail Activity

	DKK million 1st half year 2005	2004
Net revenue	11,999	11,304
Result before depreciation and write-downs	646	583
Depreciation and write-downs	165	234
Associated companies, share of result	166	240
Result before financial items	647	589
Financial items, net	54	363
Result before tax	701	952
Tax	155	115
Result for the period	546	837
Cash flow for the period from operating activities	563	512
Cash flow for the period used for investing activities	470	534
Total assets	15,353	14,903

The figures for the Dansk Supermarked Group are included pro rata with 50% and with 18% under associated companies.

The Group consists of Dansk Supermarked A/S, Bilka Lavprisvarehus A/S, Føtex A/S, Netto A/S, Netto England, Netto Germany, Netto Poland and Netto Sweden. Associated companies comprise ownership shares in F. Salling A/S and Ejendomsaktieselskabet af 18. august 1958.

In the first half year the Dansk Supermarked Group has experienced growth in revenue and gross profit compared to the first half year 2004. The growth relates to both Danish and foreign markets and is partly due to a continued increase in the number of stores as well as maintenance of the market position through development and adjustment of the product range.

The decline in depreciation and write-downs is due to the fact that the Dansk Supermarked Group, in connection with the A.P. Moller - Maersk Group's transition to preparing the accounts in accordance with IFRS, has reassessed the depreciation periods for the Group's properties.

The decline in result in associated companies and of financial items compared to the first half year 2004 is primarily due to the gain on sale of leasing activities in 2004.

As from 1 January 2005 Bilka Lavprisvarehus A/S, Føtex A/S, Netto A/S and others will merge with Dansk Supermarked A/S as the continuing company.

SEGMENT INFORMATION, THE A.P. MOLLER - MAERSK GROUP

Other companies – ship yards, other industrial companies, operation of aircrafts, interest in Danske Bank etc.

	DKK million 1st half year 2005	2004
Net revenue	6,454	6,348
Result before depreciation and write-downs	-123	514
Depreciation and write-downs	187	262
Associated companies, share of result	1,215	4
Result before financial items	905	256
Financial items, net	-66	-47
Result before tax	839	209
Tax	+60	42
Result for the period	899	167
Cash flow for the period from operating activities	1,997	-156
Cash flow for the period used for investing activities	2,297	276
Total assets	27,515	13,555

Share of result in associated companies relates primarily to the A.P. Moller - Maersk Group's share of the result in Danske Bank. In the first half year 2004, dividend from Danske Bank DKK 589 million after tax and value adjustment DKK 363 million were included as "unallocated".

In the first half year Odense Staalskibsværft delivered a flexible command and support vessel to the Danish Navy, a 4,000 TEU container vessel to Safmarine Container Lines, a 4,000 TEU container vessel to a German owner and a 6,600 TEU container vessel to A.P. Møller - Mærsk A/S. Baltija Shipbuilding Yard delivered three tugs to SvitzerWijsmuller. Volkswerft Stralsund GmbH delivered three 2,500 TEU container vessels to German owners.

The Yard Group's result was for the first half year negative and considerably below that of the same period last year. The result was negatively affected partly by higher steel prices. Improvement in productivity is progressing slower than expected.

Mærsk Container Industri A/S with production in Denmark and China had a loss in the first half year 2005, compared to a positive result in the first half 2004. The factory for production of dry cargo containers in China is being established and production is expected to begin in the first half of 2006.

For the first six months of 2005 the result for Rosti A/S was below that of the same period in 2004. The company's earnings are still not satisfactory.

Other companies – ship yards, other industrial companies, operation of aircrafts, interest in Danske Bank etc. (continued)

The result for the rubber activities in the Roulunds Group was negative.

In the first half year 2005 the result for the continuing operations in the Maersk Air Group was positive and above that of the same period in 2004.

EXPECTATIONS, THE A.P. MOLLER - MAERSK GROUP

Expectations for the year 2005

For the container services, activity and rates are still above last year's level. The result for the year of the container activities in total is expected to be above that of 2004.

For the large crude carriers the present rates are somewhat below the average in 2004 – for the product carriers on average at the same level. For supply vessels the rates are higher than those for 2004. The employment of the drilling rigs is by and large covered for the rest of the year. Sales of tankers and gas carriers already completed are expected to affect the result positively in second half year by approximately DKK 0.7 billion.

The total oil production is expected to be slightly above that in 2004, but the Group's share will be lower than that in 2004 due to the substantially increased government share of the production. Oil prices are somewhat above the level of that of last year, which partly is neutralised by progressive oil taxes and forward sale of oil.

For the A.P. Moller - Maersk Group total revenue – including the effect of the purchase of Royal P&O Nedlloyd N.V. and excluding discontinued operations – is expected to be about 25% above that in 2004 of DKK 162 billion.

With freight rates, oil prices and exchange rates at the present level, the result after tax is expected to be in the order of DKK 23 billion compared to the previous announcement of about DKK 20 billion – before effect of discontinued operations and purchase of Royal P&O Nedlloyd N.V. and Kerr-McGee oil interests in the North Sea. The comparative result for 2004 according to IFRS standards is DKK 20.5 billion. After transition to IFRS no special items are estimated except for implementation costs on acquisitions.

Discontinued operations are expected to contribute a minor but positive amount (2004: DKK 2.3 billion).

Uncertainty about the result for 2005 is especially related to freight rates, oil prices and exchange rates.

Purchase of Royal P&O Nedlloyd N.V.
On 11 August 2005 A.P. Møller - Mærsk A/S acquired more than 95% of the shares in Royal P&O Nedlloyd N.V. As of this date, the Royal P&O Nedlloyd Group is a part of the A.P. Moller - Maersk Group.
The result for the year is expected to be negatively affected by restructuring and integration costs in the order of DKK 1.5 billion. Before these expenses, but after depreciation of excess value on acquired assets, a minor but positive effect on the 2005 result is expected.

Purchase of oil and gas interests in the North Sea
In August 2005 Mærsk Olie og Gas AS and Kerr-McGee Corporation entered into an agreement on the purchase of the majority of Kerr-McGee Corporation's oil and gas interests in the UK sector of the North Sea. The purchase is expected to have a minor, but positive effect on the A.P. Moller - Maersk Group's 2005 result. The agreement is subject to approval from authorities etc., which is expected to be achieved around 1 October 2005.

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CHANGES IN ACCOUNTING POLICIES

From 1 January 2005 the A.P. Moller - Maersk Group has prepared the accounts in accordance with International Financial Reporting Standards (IFRS). Comparative figures for the first half year 2004 have been restated. However, figures related to financial assets and liabilities governed by IAS 39 have, in accordance with IFRS, not been restated.

The transition to IFRS changes the accounting policies or financial presentation in the following areas:

Currency translation
As a consequence of the adoption of USD as the functional currency for the shipping activities and the oil and gas activities as opposed to DKK, previously used for the Danish activities, the exchange rate adjustment which previously related to bank deposits and debt in USD, will relate to items in other currencies than USD in future and therefore is expected to be reduced considerably. In future, the exchange rate adjustment, which previously was a special item in the profit and loss account, will be included as part of the financial income and expenses. Furthermore, the change means that the carrying value of fixed assets will be based on USD, which will also affect the depreciation charge.

Shares which are fixed assets, but not associated companies or subsidiaries continue to be recognised at fair value. Changes in fair value – previously included in the profit and loss account – are included directly under equity.

Financial Contracts
Certain financial contracts that hedge future cash flow do not comply with the documentation requirements in IAS 39. Changes in the fair value of these contracts are recognised in the profit and loss account – previously recognised temporarily under equity.

Abandonment expenses in the Oil and Gas Activities are recognised as part of the cost price for the asset and amortised over the fields' expected lives. Previously such expenses were recognised in the profit and loss account over the fields' expected lives.

Exploration expenses in the Oil and Gas Activities are charged in the year where they are incurred. Previously these expenses were mainly included as an asset and amortised – usually in the year in which the expense was incurred.

Goodwill on acquisition continues to be recognised as an asset. Periodic impairment tests are made. Previously goodwill was amortised systematically over the expected life.

The result of discontinued operations consisting of operating results and gains or losses on disposals, is presented separately in the profit and loss account.

Minority interests
According to IFRS the minority's share of the result is treated as a part of the Group's result and the minority's share of the equity as a part of Group equity. Previously minority shares were not included in the Group's result and equity.

Cash and cash equivalents in the cash flow statement
According to IFRS, bonds and other marketable securities are not included as part of cash and cash equivalents in the cash flow statement. This means that cash flow from purchase and sale of bonds etc. must be recognised as part of cash flow used for investing activities.

CHANGES IN THE ACCOUNTING POLICIES

Effect of the changed policies
The effect on assets, liabilities and equity at 1 January 2004, 1 January 2005 and 30 June 2004 and result for the period 1 January 2004 to 30 June 2004 is:

	1 January 2005			1 January 2004		
DKK million	Assets	Liabilities	Equity	Assets	Liabilites	Equity
Previous accounting policies	193,936	79,185	114,261	173,034	80,314	92,188
Change of accounting policies regarding:						
Changed functional currency	-12,673	-439	-12,234	-9,252	-189	-9,063
Provisions for abandonment	265	-	265	301	-	301
Acquisition	0	-	0	222	-	222
Tax effect of adjustments	145	-54	199	24	-254	278
Minority interests	-	-	490	-	-	532
Total adjustments	-12,263	-493	-11,280	-8,705	-443	-7,730
According to IFRS	181,673	78,692	102,981	164,329	79,871	84,458

	1st half year 2004			
DKK million	Result	Assets	Liabilities	Equity
Previous accounting policies	9,937	177,689	76,578	100,617
Change of accounting polices regarding:				
Changed functional currency	390	-7,809	-342	-7,467
Provisions for abandonment	-18	285	-	285
Acquisition	-111	111	-	111
Tax effect of adjustments	-80	85	14	71
Minority interests	79	-	-	494
Total adjustmetns	260	-7,328	-328	-6,506
According to IFRS	10,197	170,361	76,250	94,111

DIRECTORS' STATEMENT

The interim report for the period 1 January to 30 June 2005 of the A.P. Moller - Maersk Group has been prepared in accordance with the legislation, including the provisions for recognition and valuation in the International Financial Reporting Standards (IFRS), and the requirements of the Copenhagen Stock Exchange. In our opinion it gives a true and fair view of the Group's total assets and liabilities at 30 June 2005 and of the result of the Group's activities and cash flow.

Copenhagen, 25 August 2005

Managing Owner:

A.P. Møller

Board of Directors:

Michael Pram Rasmussen
Chairman

Ane Mærsk Mc-Kinney Uggla
Vice-chairman

Poul J. Svanholm
Vice-chairman

Nils Smedegaard Andersen

Lars Kann-Rasmussen

Jan Leschly

Leise Mærsk Mc-Kinney Møller

Svend-Aage Nielsen

Jess Søderberg

Jan Tøpholm

Jens Erik Skovrider-Madsen

Henrik Lorensen Solmer