A.P. Møller - Mærsk A/S

Annual Report 2014

MAERSK

CONTENTS

ANNUAL REPORT 2014

The Annual Report for 2014 of A.P. Møller - Mærsk A/S (further referred to as the "Group") has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies.

The Annual Report has over time grown significantly in size due to increasing legal requirements. A significant number of pages with very detailed information have made it increasingly challenging to convey an easily understandable overview of key developments during the year.

Therefore, the Board of Directors of A.P. Møller - Mærsk A/S has decided to tailor the external financial reporting specifically towards the needs of our different stakeholders.

The Annual Report has been tailored to our stakeholders with a focus on the very detailed legally required information, whereas a new report named "Group Annual Magazine" has been tailored to the stakeholders with a focus on providing an overview of key developments during the year. Additionally, we have expanded the information on our Investor Relations website: http://investor.maersk.com/. The reports can be read individually or combined depending on our stakeholders' interests. The Board of Directors iterates that the purpose has not been to reduce the information level compared to previously, but on the contrary to improve our communication and the accessibility of same by focusing our information in the best possible way to accommodate the interests and needs of our different stakeholders.

Specification of "underlying result"

The "underlying result" has been specified in order to provide more clarity and transparency to our stakeholders. The "underlying result" is equal to result of continuing business excluding net impact from divestments and impairments. Comparative numbers for 2013 have been restated.

GROUP HIGHLIGHTS

The Group delivered a strong financial performance with a profit of USD 5.2bn (USD 3.8bn) positively impacted by the USD 2.8bn gain from the sale of the majority share of Dansk Supermarked Group and other divestment gains of USD 600m (USD 145m) partly offset by the net impairments of USD 3.0bn (USD 220m), including USD 1.7bn on the Brazilian oil assets. In line with expectations, the underlying profit increased by 33% to USD 4.5bn compared to 2013 (USD 3.4bn) and the return on invested capital (ROIC) was 11.0% (8.2%).

Maersk Line maintained its lead on the rest of the industry and delivered a higher than expected profit of USD 2.3bn (USD 1.5bn) due to stronger than expected volumes as well as lower unit costs from continued optimisation and lower bunker prices partly countered by lower freight rates. The underlying profit was also higher than expected and came at USD 2.2bn (USD 1.5bn). ROIC was 11.6% (7.4%).

Maersk Oil delivered a loss of USD 861m (profit of USD 1.0bn) but with an underlying profit of USD 1.0bn (USD 1.1bn) that was in line with expectations despite the sharp decline in oil prices during the fourth quarter. Maersk Oil's entitlement production increased by 7% over 2013 to 251,000 barrels per day as a result of improved operational performance, production from new projects as well as a higher share of production from Qatar due to the lower oil price. The result was furthermore improved by lower exploration costs. Maersk Oil reduced its valuation of Brazilian assets by USD 1.7bn due to disappointing exploration and appraisal results and rising project costs. Updated oil price assumptions lead to impairments on some of Maersk Oil's UK assets. ROIC was negative 15.2% (positive 16.2%).

APM Terminals delivered a profit of USD 900m (USD 770m), positively impacted by volume and margin growth as well as divestment gains, mainly relating to the port in Virginia, USA. The result was negatively impacted by impairments related to activities in joint ventures. The underlying profit of USD 849m (USD 709m) was a significant improvement and in line with expectations. ROIC was 14.7% (13.5%).

Maersk Drilling delivered a profit of USD 478m (USD 528m), positively impacted by high operational uptimes as well as gain relating to the divestment of the Venezuelan activities, negatively impacted by impairments of USD 85m. The high number of planned rig yard stay days and start-up costs contributed negatively to the result. The underlying profit of USD 471m (USD 524m) was in line with expectations. ROIC was 7.1% (10.8%).

Underlying result reconciliation

	Result for the year – continuing operations		Gain on sale of non-current assets, etc., net		Impairment losses, net[1]		Tax on adjustments		Underlying result	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Group	2,339	3,383	-600	-145	2,951	220	-158	-49	**4,532[2]**	**3,409**
Maersk Line	2,341	1,510	-89	-38	-72	-9	19	0	**2,199**	**1,463**
Maersk Oil	-861	1,046	-4	0	2,208	98	-308	-61	**1,035**	**1,083**
APM Terminals	900	770	-374	-70	181	1	142	8	**849**	**709**
Maersk Drilling	478	528	-82	-4	85	0	-10	0	**471**	**524**
Maersk Supply Service	201	187	-12	-5	0	0	0	0	**189**	**182**
Maersk Tankers	132	-317	4	-8	4	153	-1	0	**139**	**-172**
Damco	-293	-111	0	-2	68	6	0	0	**-225**	**-107**
Svitzer	-270	156	-5	-29	354	6	3	1	**82**	**134**

[1] Including the Group's share of impairments, net, recorded in joint ventures and associated companies.
[2] USD 4,083m excluding the underlying result from Danske Bank of USD 449m.

APM Shipping Services delivered a loss of USD 230m (loss of USD 85m) negatively impacted by a goodwill impairment of USD 357m related to the Adsteam acquisition in Australia. Svitzer's Australian operations are negatively impacted by industry overcapacity, a high industry cost structure and a general slowdown of bulk activities. Furthermore, the result was impacted by significant non-trading costs in Damco related to impairments, restructuring and other adjustments. The underlying result in APM Shipping Services came in lower than expected, however, higher than last year with an underlying profit of USD 185m (USD 37m) mainly due to Maersk Tankers being impacted by positive USD 87m (negative USD 144m) relating to provision for onerous contracts.

The Group's cash flow from operating activities continued at a high level of USD 8.8bn (USD 8.9bn) and net cash flow used for capital expenditure increased to USD 6.2bn (USD 4.9bn) mainly due to deliveries of newbuildings in Maersk Drilling and Maersk Line as well as increased oil field developments in Maersk Oil.

MAJOR PORTFOLIO DECISIONS

During 2014, the Group divested its majority shareholding in Dansk Supermarked Group resulting in a gain of USD 2.8bn. Furthermore, the Group announces its intention to offer its shares in Danske Bank to its shareholders, and once completed the sale of shares in the Dansk Supermarked Group and Danske Bank will have significantly contributed to focusing the Group's portfolio.

SHAREHOLDER RETURN

The Maersk B-share price increased by 5.1% to DKK 12,370 during 2014. The ordinary dividend pay-out proposed by the Board of Directors is DKK 300 per share of DKK 1,000 equal to a total of DKK 6,593m, representing an ordinary dividend yield of 2.4% based on the B-share closing price at year end. The total value of the ordinary dividend payment is equivalent to USD 1,077m at the exchange rate as per 31 December 2014.

The extraordinary dividend will be determined based on the Volume Weighted Average Price of Danske Bank A/S' shares traded during a pricing period of five trading days, expected to commence Friday 20 March and expire Thursday 26 March 2015. Based on the value of the shares on 31 December 2014, the value of the extraordinary dividend is estimated to DKK 33,850m equivalent to USD 5,530m using the exchange rate as per 31 December 2014 (around DKK 1,569 per share of DKK 1,000 excluding treasury shares). Due to the Group's strong financial position, the Board of Directors decided in 2014 to buy back shares of up to DKK 5.6bn to be executed during a 12-month period beginning September 2014.The Board of Directors will on an ongoing basis decide on the reoccurrence and size of buy-back programmes based on the Group's financial position and the potential of identifying attractive investment opportunities. A.P. Møller Holding A/S is participating in the buy-back with their pro rata share.

With an equity ratio of 61.3% (57.1%) and a liquidity reserve of USD 11.6bn (USD 13.6bn), the Group is well prepared and determined to execute on its long term growth aspirations and seize market opportunities within its businesses.

QUARTERLY FIGURES

Quarterly figures for the Group for 2010-2014 are available on:
http://investor.maersk.com/financials.cfm

SUSTAINABILITY AND GENDER COMPOSITION OF MANAGEMENT

An independently assured Sustainability Report for 2014 is published and provides detailed information on the Group's sustainability performance and new sustainability strategy. The report serves as the Group's Communication on Progress as required by the UN Global Compact, and ensures compliance with the requirements of the Danish Financial Statements Act on corporate social responsibility and reporting on the gender composition of management. The report is available on:
www.maersk.com

GUIDANCE FOR 2015

The Group expects an underlying result slightly below USD 4bn (USD 4.1bn) excluding Danske Bank. Gross cash flow used for capital expenditure is expected to be around USD 9bn in 2015 (USD 8.7bn), while cash flow from operating activities is expected to develop in line with the result.

Forward-looking statements

The annual 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 expectations contained in the Annual Report.

Maersk Line expects a higher underlying result than for 2014 (USD 2.2bn). Maersk Line aims to improve its competitiveness through unit cost reductions and implementation of the new 2M alliance. Global demand for seaborne container transportation is expected to increase by 3-5% and Maersk Line aims to grow with the market.

Maersk Oil expects a significantly lower underlying result for 2015 than for 2014 (USD 1.0bn) as break even is reached with oil prices in the range 55-60 USD per barrel.

Maersk Oil's entitlement production is expected to be around 265,000 boepd (251,000 boepd). Exploration expenses are expected to be around USD 0.7bn (USD 765m) for the year.

APM Terminals expects an underlying result around 2014 (USD 849m) and to grow in line with the market.

Maersk Drilling expects a higher underlying result than in 2014 (USD 471m) due to more rigs in operation, good forward contract coverage as well as the cost reduction and efficiency enhancement programme.

APM Shipping Services expects the underlying result for 2015 to be above the 2014 result (USD 185m).

SENSITIVITY GUIDANCE

The Group's guidance for 2015 is subject to considerable uncertainty, not least due to developments in the global economy, the container freight rates and the oil price.

The Group's expected underlying result depends on a number of factors. Based on the expected earnings level and all other things being equal, the sensitivities on calendar 2015 for four key value drivers are listed in the table below:

Factors	Change	Effect on the Group's underlying profit
Oil price for Maersk Oil	+/-10 USD/barrel	+/-USD 0.25bn
Bunker price	+/-100 USD/tonne	-/+USD 0.2bn
Container freight rate	+/-100 USD/FFE	+/-USD 1.0bn
Container freight volume	+/-100,000 FFE	+/-USD 0.1bn

FIVE YEAR SUMMARY

AMOUNTS IN USD MILLION

INCOME STATEMENT	2014	2013	2012	2011	2010
Revenue	47,569	47,386	49,491	49,917	45,559
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	11,919	11,372	11,797	14,104	15,201
Depreciation, amortisation and impairment losses, net	7,008	4,628	5,065	5,292	5,870
Gain on sale of non-current assets, etc., net	600	145	610	210	670
Share of profit/loss in joint ventures	-6	152	130	-	-
Share of profit/loss in associated companies	412	295	222	122	82
Profit before financial items (EBIT)	5,917	7,336	7,694	9,144	10,083
Financial items, net	-606	-716	-780	-862	-1,026
Profit before tax	5,311	6,620	6,914	8,282	9,057
Tax	2,972	3,237	3,161	5,932	4,518
Profit for the year – continuing operations	2,339	3,383	3,753	2,350	4,539
Profit for the year – discontinued operations	2,856	394	285	1,027	479
Profit for the year	5,195	3,777	4,038	3,377	5,018
A.P. Møller - Mærsk A/S' share	5,015	3,450	3,740	2,836	4,705

BALANCE SHEET	2014	2013	2012	2011	2010
Total assets	68,844	74,509	72,396	70,444	66,756
Total equity	42,225	42,513	39,324	36,190	34,376
Invested capital	49,927	54,630	53,814	51,753	47,013
Net interest-bearing debt	7,698	11,642	14,489	15,317	12,409
Investments in property, plant and equipment and intangible assets	9,368	7,087	7,826	10,901	5,626

CASH FLOW STATEMENT	2014	2013	2012	2011	2010
Cash flow from operating activities[1]	8,761	8,909	7,041	6,665	9,585
Cash flow used for capital expenditure[1]	-6,173	-4,881	-5,822	-10,285	-4,167

FINANCIAL RATIOS	2014	2013	2012	2011	2010
Return on invested capital after tax (ROIC)	11.0%	8.2%	8.9%	8.3%	12.2%
Return on equity after tax	12.3%	9.2%	10.7%	9.6%	15.4%
Equity ratio	61.3%	57.1%	54.3%	51.4%	51.5%

STOCK MARKET RATIOS	2014	2013	2012	2011	2010
Earnings per share (EPS), USD	230	158	171	130	216
Diluted earnings per share, USD	230	158	171	130	215
Cash flow from operating activities per share, USD[1]	401	408	323	305	439
Dividend per share, DKK	300	280	240	200	200
Dividend per share, USD	49	52	42	35	36
Share price (B share), end of year, DKK	12,370	11,770	8,520	7,584	10,102
Share price (B share), end of year, USD	2,021	2,175	1,506	1,320	1,800
Total market capitalisation, end of year	42,848	46,305	31,876	28,018	38,741

GROUP BUSINESS DRIVERS	2014	2013	2012	2011	2010
Maersk Line					
Transported volumes (FFE in '000)	9,442	8,839	8,493	8,111	7,277
Average freight rate (USD per FFE)	2,630	2,674	2,881	2,828	3,064
Unit cost (USD per FFE incl. VSA income)	2,584	2,731	3,054	3,108	2,898
Average fuel price (USD per tonne)	562	595	661	620	458
Maersk Line fleet, owned	274	275	270	254	245
Maersk Line fleet, chartered	336	299	326	391	325
Fleet capacity (TEU, '000)	2,946	2,631	2,625	2,521	2,166
Maersk Oil					
Average share of oil and gas production (thousand barrels of oil equivalent per day)	251	235	257	333	377
Average crude oil price (Brent) (USD per barrel)	99	109	112	111	80
APM Terminals					
Containers handled (measured in million TEU and weighted with ownership share)	38.3	36.3	35.4	33.5	31.5
Number of terminals	64	65	62	55	48
Maersk Drilling					
Operational uptime	97%	97%	92%	96%	96%
Contracted days	6,275	5,840	5,574	5,586	5,145
Revenue backlog (USD bn)	6.0	7.9	7.2	3.8	3.1

[1] From continuing operations.

THE GROUP STRATEGY

The Group is executing on the strategy to become a premium conglomerate with five of our eight businesses now world-class performers in their industries.

We strengthened the Group's portfolio and focus by divesting non-core assets, continuing to apply rigorous and disciplined capital allocation, and by improving the Group's capital efficiency and performance.

OUR STRATEGY

We will continue to build a premium conglomerate through active portfolio and performance management, disciplined capital allocation and a clear financial strategy.

We use our global network, skilled people and financial flexibility to enable customers and countries to create wealth and fulfil their economic potential.

The existing strong position in growth markets will remain a focus area going forward, as the Group is in a good position to support and capitalise on the growth.

The Group's financial ambition is to develop its business units and achieve above 10% ROIC over the cycle.

OUR SUCCESS FACTORS

As a group, our business success is built on a number of strengths: Our size and global reach, our financial flexibility, our talented employees, our time-honoured values, our commitment to safety and sustainability and our drive to innovate.

Combined, these strengths form a unique platform for our continued profitable growth.

OUR VALUES

We are proud of our heritage and our corporate values are of the highest importance to us. Our values are closely linked to our founding family, and have helped us earn and keep the trust and goodwill of customers, business partners and employees across the globe.

Our values guide the way our employees behave, make decisions and interact with others – whether they work in Denmark or globally.

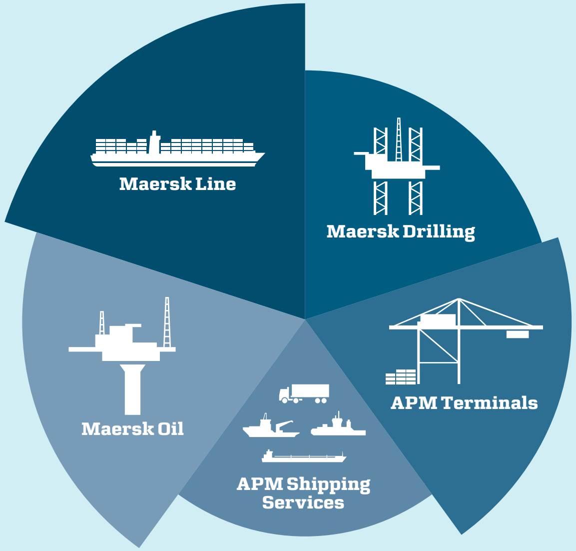
Our values unite our global workforce, ensuring a commitment and continuity of service and a high calibre customer experience.

THE MAERSK GROUP CORE VALUES

Constant Care	Take care of today, actively prepare for tomorrow.
Humbleness	Listen, learn, share, give space to others.
Uprightness	Our word is our bond.
Our Employees	The right environment for the right people.
Our Name	The sum of our values, passionately striving higher.

Business units

The financial ambitions for the Group's business units as most recently communicated in August 2014.



- **Maersk Line**
  2014 — Self-funded.
  EBIT 5%-points > peers. Grow with the market.
- **Maersk Oil**
  2020 — 400,000 boepd.
  ROIC at least 10% during rebuild.
- **APM Terminals**
  2016 — USD 1bn NOPAT. Global leader.
- **Maersk Drilling**
  2018 — USD 1bn NOPAT.
  Significant position on ultra-harsh, ultra deepwater.
- **APM Shipping Services**
  2016 — USD 0.5bn NOPAT. Self-funded.

Maersk Oil's ambitions are challenged by the lower oil price. Our responses are reduction in the exploration and operational cost base and acquisitions are considered.

THE GROUP STRATEGY PROCESS

The Board of Directors performs an annual strategy review to ensure that the Group's strategy is regularly assessed according to market developments, including developments in the oil price.

The Group's annual strategy review and the allocation of capital is a fully integrated process.

Strategies, including detailed plans and opportunities for the coming years are developed for each business unit.

The total capital requirements across businesses are prioritised with a view to optimise the portfolio of the Group and in line with financial policies. Evaluation parameters include industry attractiveness, financial return forecasts, business performance and overall strategic aspirations. The resulting plan provides the framework for each business unit. Portfolio adjustments are integrated into the plan.

The integrated Group strategy review, portfolio actions and capital prioritisation process starts at the beginning of the year. The Board of Directors have their annual strategy conference at which the Board discusses proposals put forward by the Executive Board and decides on the strategy.

The outcome of the Board of Directors' annual strategy conference will, as in previous years, be communicated in connection with the Group's interim report for the second quarter of 2015. The outcome will be available for download from:
http://investor.maersk.com/financials.cfm

THE GROUP'S PRIORITIES FOR 2015

We have set out the following Group Priorities for 2015:

Position our company for a new oil environment
The recent steep decline in the oil price means we must adapt our business to fit this new reality. Cost reductions will be critical to maintaining and improving competitiveness across the Group.

Differentiate through technology and innovation
Better use of technology and innovation is critical to maintaining our competitive edge in the digital age. This will be an important driver for reducing cost as well as enhancing our customer experience.

Define growth platforms for the future
While we must not lose focus on our core capabilities we also need to identify the areas where we see our future growth stemming from. These could be related to our current businesses or in entirely new areas.

EXECUTION ON GROUP STRATEGY 2014

The Group will create value through profitable growth and by creating winning businesses. The Group seeks to improve the return on invested capital (ROIC) by focused and disciplined capital allocation, portfolio optimisation and performance management. The Group intends to share the value creation by growing ordinary dividends in nominal terms and through initiation of our first share-buy-back programme in 2014.

PERFORMANCE MANAGEMENT

The Group is focused on performance management, both towards the specific long term goals established for each business unit, as well as on the current operational performance across a range of key performance indicators. Financial targets are set both in absolute terms, as well as relative to the industry.

Target/policy

- To develop world class businesses that achieve above 10% ROIC over the cycle.
- Be top quartile performers in their industry.

Developments in 2014

- Maersk Line, APM Terminals and Maersk Supply Service achieved a ROIC above 10%.
- Maersk Line, Maersk Oil, APM Terminals, Maersk Supply Service and Svitzer are top quartile performers in their industries.
- Below top quartile performance are Maersk Drilling, Maersk Tankers and Damco. For Maersk Drilling this is due to the high number of drilling rigs on yard stays, however, the operational performance for Maersk Drilling was top quartile.
- Performance in APM Shipping Services was diverse with two business units (Maersk Supply Service and Svitzer) delivering top quartile performance, while two performed below (Maersk Tankers and Damco), albeit with Maersk Tankers performing considerably above the industry average.

CAPITAL ALLOCATION AND GROWTH

The Group has an ambition to grow its invested capital, mainly by executing the investment pipeline.

Maersk Drilling and APM Terminals have seen the largest relative increase in their invested capital since Q2 2012, driven by acquisitions and investments in terminals and rigs.

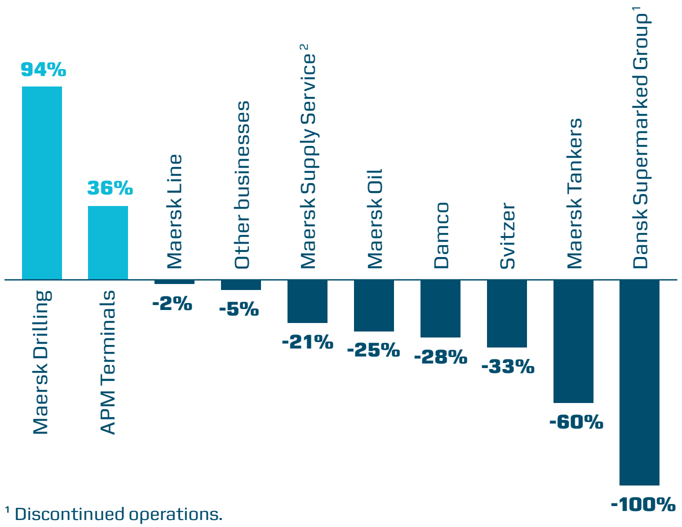
Maersk Oil has spent more than USD 1bn per year on exploration in 2012 and 2013; less in 2014. Due to the disappointing exploration results over the last couple of years Maersk Oil has decided to reduce its exploration activities, but also consider other means to grow reserves and future production for example by buying shares of existing discoveries or fields.

Following a number of years with poor market conditions for Maersk Tankers, it was decided to divest the VLCC segment, thereby significantly decreasing their invested capital.

Target/policy

- 75% of the Group's invested capital is to be invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling.
- The total invested capital is to grow towards USD 55-60bn by 2017.

Development in invested capital Q2, 2012 – Q4, 2014



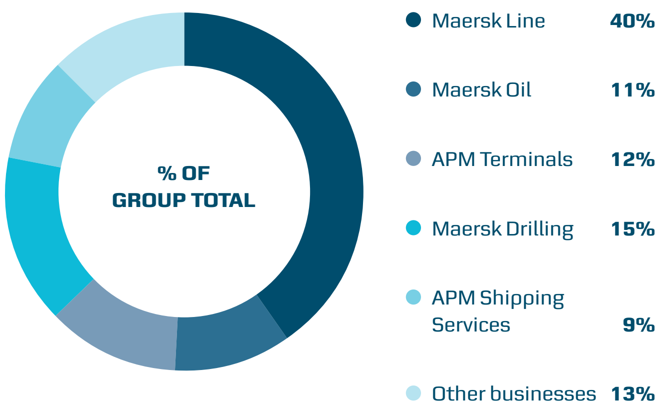
[1] Discontinued operations.
[2] Esvagt is moved from Maersk Supply Service to Other businesses.

Developments in 2014
- 78% of the Group's invested capital is invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling (68% in Q2 2012).
- The invested capital dropped by 5.3% since Q2 2012, adversely impacted by the sale of Dansk Supermarked Group and the USD 3.0bn impairments, including USD 2.2bn in Maersk Oil, of which USD 1.7bn related to the Brazilian assets recognised in 2014.
- 71% of all outstanding capital commitments are dedicated to growth in Maersk Oil, APM Terminals and Maersk Drilling.

PORTFOLIO MANAGEMENT
The Group is focused on developing the Group's strong positions in growth markets, and exit businesses that do not support the future strategy.

No acquisitions of companies or activities with significant impact to the Group were undertaken in 2014.

Invested capital end 2014



Target/policy
- To actively manage the portfolio of businesses to ensure focus on the most profitable and least volatile business areas.
- Building a balanced portfolio across several businesses.
- Execute a focused capital allocation.

Developments in 2014
- Cash flow from divestments of USD 4.4bn. Primarily:
  – The majority share in Dansk Supermarked Group.
  – APM Terminals Virginia, Portsmouth, USA.
- A revised strategy for Maersk Oil, Brazil as resource estimates was significantly reduced.
- Following the decline in oil price, we revised our strategy in Maersk Oil to focus on less expensive resources as well as cost savings. Based on our extensive experiences from shipping, the Group is well-prepared for a sharper cost focus, and both Maersk Oil and Maersk Drilling have embarked on initiatives to drive down costs.
- Exit the Very Large Crude Carriers segment.
- Divestment of drilling activities in Venezuela.

FUNDING
The Group's capital structure and liquidity reserve are managed in line with the Group's current Baa1/BBB+ credit rating.

All debt financing is arranged centrally and the Group generally intends to raise funding at the parent company level from diversified sources including bonds, which accounted for 37% of gross debt as of 31 December 2014.

Target/policy
- Secure long term commitments.
- Obtain funding from diversified sources.
- Secure an adequate liquidity reserve at all times.

Developments in 2014
- The Group raised around USD 6.6bn in new financing, including the first issuance of USD bonds (USD 1.3bn) and the refinancing of the revolving credit facility of USD 5.1bn.
- A planned decreased liquidity reserve by USD 2.0bn to USD 11.6bn.
- Loans and leases with a total principal amount of USD 2.1bn were repaid before maturity during 2014.

DIVIDEND
The Group may in periods have a stronger financial position than what is needed to fund the strategic development and retain financial flexibility over a longer period of time. In these periods, the Group will evaluate the need for capital and will consider how to manage excess capital.

Dividend is the Group's primary distribution of capital to our shareholders. The nominal dividend has increased steadily over the last decade.

Target/policy
- The Group's objective is to increase the nominal dividend per share over time; supported by underlying earnings growth.

Developments in 2014
- Increased pay-out to shareholders through a share buy-back programme of up to DKK 5.6bn within 12 months initiated in Q3 2014.
- DKK 300 dividend per share to be paid out for 2014, an increase of 7% over 2013, supported by a underlying earnings growth of 33%.
- 5.1% increase in the share price in 2014.

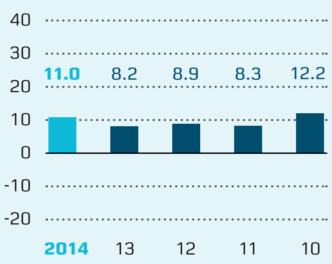
INVESTED CAPITAL AND ROIC

The Group is a conglomerate of worldwide businesses established in 1904 with core focus in the industries of shipping and energy. The Group operates in some 130 countries and is headquartered in Copenhagen, Denmark. The Group's ambition is to achieve a ROIC above 10% over the cycle.

Invested capital USD million

2014	**49,927**
2013	54,630
2012	53,814
2011	51,753
2010	47,013

ROIC %



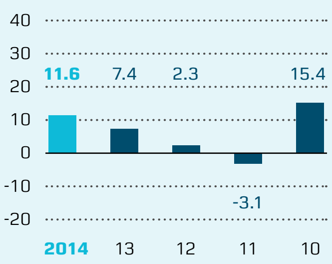
Maersk Line is the world's largest container shipping company offering reliable, flexible and eco-efficient ocean transportation in all parts of the world.

Invested capital USD million

0% 10% 50%

2014	40.3%	(20,084)
2013	39.6%	(20,046)
2012	40.3%	(20,648)
2011	37.1%	(18,502)
2010	35.7%	(16,782)

ROIC %



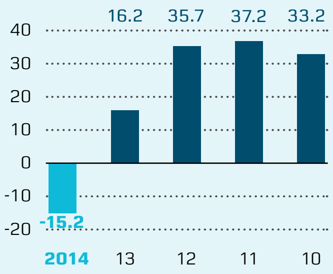
Maersk Oil is a medium sized upstream international oil and gas company with roots in the North Sea, now with operations worldwide. Maersk Oil is active from exploration to production both onshore and offshore.

Invested capital USD million

0% 10% 50%

2014	10.6%	(5,282)
2013	12.8%	(6,478)
2012	13.5%	(6,920)
2011	12.9%	(6,427)
2010	10.5%	(4,917)

ROIC %



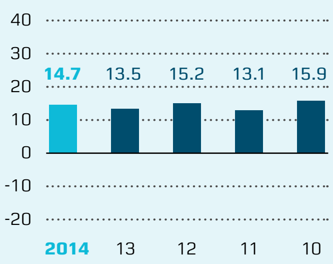
APM Terminals is one of the world's leading port developers and operators. The global network consists of 64 operating terminals and over 140 inland services.

Invested capital USD million

0% 10% 50%

2014	11.9%	(5,933)
2013	12.2%	(6,177)
2012	10.7%	(5,495)
2011	10.3%	(5,124)
2010	10.1%	(4,749)

ROIC %



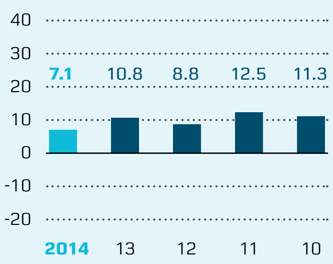
Maersk Drilling is a leading global drilling contractor with a fleet of high technology drilling rigs, providing offshore drilling services to oil and gas companies with one of the world's youngest and most advanced fleets.

Invested capital USD million

0% 10% 50%

2014	15.3%	(7,623)
2013	10.5%	(5,320)
2012	8.4%	(4,283)
2011	8.2%	(4,102)
2010	7.9%	(3,713)

ROIC %



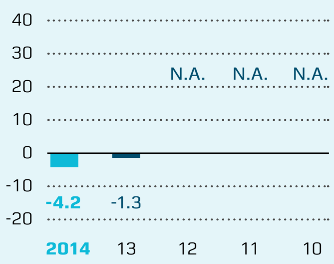
APM Shipping Services comprises four industry leading businesses; Maersk Supply Service, Maersk Tankers,Damco and Svitzer.

Invested capital USD million

0% 10% 50%

2014	9.4%	(4,677)
2013	11.5%	(5,809)
2012	N.A.	
2011	N.A.	
2010	N.A.	

ROIC %



FINANCIAL REVIEW

The Group's profit for the year was USD 5.2bn (USD 3.8bn) and the equity totalled USD 42.2bn (USD 42.5bn).

The review of the financial statement is carried out through the presentation of the Group's businesses.

INCOME STATEMENT

Revenue increased to USD 47.6bn (USD 47.4bn), primarily due to higher container volumes at lower freight rates as well as higher oil entitlement production at a lower average oil price.

Profit increased by USD 1.4bn to USD 5.2bn (USD 3.8bn) impacted by the USD 2.8bn gain from the sale of the majority share of Dansk Supermarked Group and other divestment gains of USD 600m (USD 145m) partly offset by the net impairments after tax of USD 2.2bn primarily related to the Brazilian oil assets of USD 1.7bn, UK oil assets USD 188m, and goodwill in Svitzer USD 357m. Last year was negatively impacted by net impairments of USD 220m mainly related to Maersk Tankers.

Due to improved performance in Danske Bank, the Group's 2008 impairment of USD 202m was reversed in Q4 2014.

Further comments to the profit development are provided per segment below.

MAERSK LINE PERFORMANCE

Maersk Line made a profit of USD 2.3bn (USD 1.5bn) and a ROIC of 11.6% (7.4%). The underlying profit was USD 2.2bn or 50% higher than last year (USD 1.5bn).

The EBIT margin gap to peers was estimated at around 9%, which was significantly above the 5% ambition level. The achievement came from 5.4% lower unit costs mainly due to improved network efficiencies and lower bunker price. Efficiencies were achieved through increased volumes in line with market as well as continued vessel network optimisation and active capacity management. Average freight rates decreased by 1.6% to 2,630 USD/FFE (2,674 USD/FFE) and volumes increased by 6.8% to 9,442k FFE (8,839k FFE). Bunker consumption in kg/FFE was reduced by 7.9% and bunker prices decreased by 5.7%.

Recognised freight revenue was USD 25.0bn (USD 23.7bn) and other revenue was USD 2.4bn (USD 2.5bn).

To minimise the impact of the low and volatile freight rate environment, Maersk Line continued to absorb capacity by active capacity management in the form of idling, slow steaming and blanked sailings.

Maersk Line increased the fleet capacity to 2.9m TEU (2.6m TEU) by end of 2014 mainly due to delivery of 11 Triple-E vessels. Five Triple-E vessels suited for the Asia-Europe trade are on order for delivery during first half of 2015. No newbuilding orders were placed during 2014.

Cash flow from operating activities increased by USD 387m to USD 4.1bn compared to 2013. Cash flow used for capital expenditure increased by USD 367m to a total of USD 2.0bn primarily related to the Triple-E newbuildings and containers, leaving a free cash flow of USD 2.1bn on par with 2013.

MAERSK OIL PERFORMANCE

Maersk Oil reported a loss of USD 861m (profit of USD 1.0bn) and a ROIC of negative 15.2% (positive 16.2%) with an underlying profit of USD 1.0bn (USD 1.1bn).

The result was negatively affected by net impairments after tax of USD 1.9bn of which USD 1.7bn related to Brazilian assets while the rest primarily related to the UK. The income for 2013 included insurance compensation of USD 205m primarily related to Gryphon.

The underlying result for 2014 was 4% lower than last year mainly due to 9% lower average prices of USD 99 per barrel versus USD 109 per barrel in 2013. This was partly offset by 7% higher entitlement production 251,000 boepd (235,000 boepd) and 33% lower exploration costs USD 765m (USD 1.1bn). The increased entitlement production came primarily from the UK (34%) and Algeria (31%) partly offset by a decline in Denmark (8%). Operating expenses (excluding exploration costs) increased by 14% to USD 2.8bn (USD 2.5bn) compared to 2013; however the majority of the increase was related to directly recoverable costs and hence with limited impact on the underlying result.

Both Golden Eagle in the UK and Jack in the US Gulf of Mexico came on stream in Q4 2014. Maersk Oil completed 14 exploration and appraisal wells of which 11 were dry. The successful wells were Marconi in the UK, Buckskin in the US Gulf of Mexico and one Johan Sverdrup appraisal well in Norway. Due to disappointing exploration results in the past couple of years coupled with a prolonged depressed oil price scenario, Maersk Oil decided to reduce its exploration activities.

Cash flow from operating activities was USD 2.6bn (USD 3.2bn), negatively affected by lower oil prices and increase in operating costs, however, partly offset by higher entitlement production and lower exploration costs. Cash flow used for capital expenditure increased to USD 2.2bn (USD 1.8bn) mainly as a result of overall increased development activities.

The development project at the Al Shaheen field offshore Qatar is progressing as planned and was with 22 wells completed by the end of 2014 almost half way through the drilling programme. Preparation for the further development is being discussed with Qatar Petroleum.

In Angola, tender bids for the Chissonga project have been received. With the low oil price, the project is challenged and negotiations with authorities, partners and contractors are ongoing.

The high pressure – high temperature gas field Culzean off shore UK is progressing towards expected sanctioning mid-2015 and production start-up in 2019.

A development plan for Phase 1 of the Johan Sverdrup project off shore Norway was submitted to the authorities on 13 February 2015 and sanctioning is expected mid-2015. Maersk Oil's share of the resources is 8.12%; however, the final resource allocation is subject to approval by the Norwegian authorities. For Phase 1, Maersk Oil's share of the costs are expected to be approximately USD 1.8 bn and the production share is expected at a level of 28,000 boepd.

The yearly update of Maersk Oil's reserves and resources as per end of 2013 showed entitlement reserves and resources (2P+2C) of 1.47bn barrels of oil equivalent (1.36bn boe) including proved and probable (2P) reserves of 0.60bn barrels of oil equivalent (0.62bn boe). 2014 reserves and resources numbers will be released in connection with the interim report for the first quarter 2015.

APM TERMINALS PERFORMANCE

APM Terminals made a profit of USD 900m (USD 770m) and a ROIC of 14.7% (13.5%) with an underlying profit of USD 849m (USD 709m).

The result was positively impacted by net divestment gains after tax of USD 232m (USD 62m) and negatively affected by USD 181m (USD 0m) impairments related to European activities of which USD 154m was related to joint venture companies.

The increased underlying profit came as a result of the number of containers handled by APM Terminals (weighted with APM Terminals' ownership interest) growing in line with the market by 5.3% to 38.3m TEU (36.3m TEU) supported by terminals becoming fully operational and broad growth across the portfolio. The volumes from customers outside the Group grew by 3.5%. Total revenue increased by 2.8%, port revenue exceeded the volume growth and revenue from inland services decreased due to divestment of activities in the Americas and Asia as part of continued efforts to optimise the portfolio.

Volume growth was partially impacted by the sale of APM Terminals Virginia, Portsmouth, USA and Terminal Porte Océane, Le Havre, France. In addition, the sale of 29% voting right in APM Terminals Callao SA, Peru, was completed, as well as the sale of a 24% share of APM Terminals Zeebrugge, Belgium.

Construction of Maasvlakte II, The Netherlands has been completed and operations have commenced, with expected volume ramp up during 2015. A new terminal project was secured in Namibe, Angola through APM Terminals' interest in Sociedade Gestora de Terminais S.A. (Sogester), Angola.

Despite inflationary pressure in growth markets, the EBITDA-margin improved by 2.1% supported by commercial and operational efficiencies resulting in revenue improvements and cost savings generating more than USD 100m primarily through the retendering of several supplier contracts and continuous improvement initiatives across the portfolio.

Cash flow from operating activities of USD 925m (USD 923m) was impacted negatively by tax payments of USD 142m related to divestment gains as well as slightly deteriorating working capital. Cash flow used for capital expenditure was more than offset by cash flow generated from divestments leading to a net positive cash flow from capital expenditure of USD 2m (negative USD 841m).

APM Terminals continued a high level of investment in the development of its port interests both in the form of new projects and expansions to existing ports. Invested capital came in at USD 5.9bn (USD 6.2bn) a decrease of 4% compared to the previous year due to divestments.

MAERSK DRILLING PERFORMANCE

Maersk Drilling reported a profit of USD 478m (USD 528m) and a ROIC of 7.1% (10.8%). The underlying profit was USD 471m (USD 524m).

The result was positively impacted by a gain of USD 73m from the divestment of all activities in Venezuela and high operational uptime across the fleet, while planned maintenance of the fleet, start-up of new rigs and impairments negatively impacted the result. As a result of the weakened market for offshore rigs Maersk Drilling made an impairment of USD 85m (USD 74m after tax) of which USD 50m (USD 38m after tax) relates to the joint venture Egyptian Drilling Company in Egypt.

All of Maersk Drillings 21 jack-up and floater rigs have been on contract throughout 2014. The overall higher revenue was supported by 100% contract coverage and by a high operational performance across the rig fleet with average uptime 97% (97%) for the jack-up rigs and 96% (96%) for the floating rigs.

By the end of 2014, Maersk Drillings' forward contract coverage was 80% for 2015, 52% for 2016 and 30% for 2017. The total revenue backlog by the end of 2014 amounted to USD 6.0bn (USD 7.9bn).

Operating costs increased due to additional start-up costs for the five newbuildings with contract commencement during 2014 and the remaining three newbuildings to be delivered during 2015 and 2016. The cost level on the existing fleet excluding newbuildings was on par with cost in 2013.

Five yard stays for planned surveys and upgrades were completed in 2014. Further, two offshore class surveys and upgrade programmes were completed in 2014.

Maersk Drilling took delivery of five newbuilds, including three ultra deepwater drillships and two ultra-harsh environment jack-up rigs during 2014. Maersk Drilling has three rigs under construction with two to be delivered in first quarter of 2015 and one in 2016.

The lower cash flow from operating activities of USD 701m (USD 775m) was mainly related to the higher operating costs combined with an increase in net working capital due to the higher activity level from five more rigs operating end of 2014 compared to 2013. Cash flow used for capital expenditures of USD 2.2bn was USD 643m higher than last year mainly due to instalments paid for the newbuildings.

APM SHIPPING SERVICES PERFORMANCE

APM Shipping Services made a loss of USD 230m (loss of USD 85m) and a negative ROIC of 4.2% (negative 1.3%). The underlying profit was USD 185m (USD 37m).

Maersk Supply Service reported an improved profit of USD 201m (USD 187m) and a ROIC of 11.9% (10.7%). The underlying profit was USD 189m (USD 182m).

The 2014 result was positively impacted by a strong second half of the year after a challenging first half. In the third quarter the market improved significantly, especially for large Anchor Handling Tug Supply Vessels (AHTS), and in combination with sales gains Maersk Supply Service reached a 2014 result slightly above the previous year.

Maersk Supply Service entered the year with good contract coverage and during the year concluded a number of new long term contracts as well as extensions in key markets covering Africa, Australia, Brazil, Canada as well as the North Sea where the majority of the fleet is employed. Contract coverage going into 2015 is 50% and 29% for 2016 excluding options.

Operating costs were USD 430m (USD 423m) with the increase mainly driven by modification projects, higher repair and maintenance costs as well as increased stores cost. This was partly offset by lower commissions.

During the year Maersk Supply Service sold four vessels resulting in sales gains of USD 12m (USD 5m).

As part of the extensive investment plans Maersk Supply Service has been active ordering vessels to support the growth strategy focusing on high-end AHTS and Subsea Support Vessels (SSVs). A total of 11 newbuildings were ordered during the year (one Cable Layer, four SSVs and six AHTS). Consequently cash flow used for capital expenditure increased to USD 188m (USD 81m). Cash flow from operations remained nearly unchanged at USD 356m (USD 360m).

Maersk Tankers made a profit of USD 132m (loss of USD 317m) and a positive ROIC of 6.8% (negative 10.4%). The underlying profit was USD 139m (loss of USD 172m).

The result was positively affected by improved earnings for the LR2 and VLCC segments, cost saving initiatives and reversal of provision for onerous contracts of USD 87m (provision of USD 144m), offset by lower activity following the divestment of the Gas segment in 2013.

Time charter equivalent (TCE) earnings in the VLCC segment improved, particular in the first half of the year and kept stable throughout 2014. Average TCE earnings in the Product segments increased with 4% compared to 2013 driven by LR2. Total TCE earnings were negatively impacted by the divestment of the Gas segment in 2013 and the gradual delivery of the VLCC vessels to its new owners.

Operating cost decreased in 2014 compared with 2013 as a result of cost saving initiatives contributing positively with USD 22m, the divestment of the Gas and VLCC segments and reversal of the provision for onerous contracts.

Depreciation and amortisation decreased by USD 63m compared with 2013, driven by the divestment of the Gas and VLCC segments. Net impairments in 2014 were USD 4m (USD 153m).

Cash flow from operating activities was USD 232m (USD 223m), positively impacted by improved operating margin and reduction in net working capital, offset by the lower activity from the reduced fleet. Net cash flow from capital expenditures was positive USD 650m (positive USD 748m), primarily driven by the divestments of the VLCC segment.

Damco made a loss of USD 293m (loss of USD 111m) and a ROIC of negative 63.2% (negative 22.0%). The result was impacted by significant impairment losses of USD 68m (USD 6m), mainly related to goodwill and other acquired intangible assets as well as reduced profitability in the ocean and airfreight activities despite an improving but still unsatisfactory overhead cost level.

Revenue was USD 3.2bn (USD 3.2bn) with volumes growing by 11% for Supply Chain Management whereas the ocean freight volumes declined by 6% and airfreight volumes fell by 16%. Margins in all three segments were under pressure and declined through 2014.

The additional visibility achieved through standard system roll-outs and the strengthening of the control framework revealed further exposures in certain geographies and product categories. This resulted in several adjustments which impacted the result negatively.

The restructuring initiatives and roll-out of the new operating platform have proven more complex than originally anticipated, generating delays in getting the planned productivity improvements to materialise. Consequently, overhead cost has remained above the desired level and additional organisational rightsizing was initiated during 2014, adding more restructuring cost with benefits expected for 2015 and onwards. The restructuring initiatives are expected to strengthen commercial competitiveness and get Damco back to profitable growth in 2015.

Cash flow from operating activities was negative USD 201m (negative USD 14m) due to the result development and increased working capital following the roll-out of a new operating system.

Svitzer made a loss of USD 270m (profit of USD 156m) and a ROIC of negative 19.2% (positive 10.8%). The underlying profit was USD 82m (USD 134m).

The result development was affected by net impairment of USD 354m (USD 6m) primarily goodwill related to the 2007 Adsteam acquisition in Australia. Svitzer's Australian operations are negatively impacted by industry overcapacity, a high industrial cost structure and a general slowdown of bulk activities.

The underlying result was impacted by writedown of long outstanding salvage receivables and a provision for redundancies in the harbor towage segment.

Revenue was USD 812m (USD 831m) with growth seen in new activities in Europe countered by a negative impact from competition in Australia together with a general slowdown in Australian bulk ports and the divestment of Svitzer's spot fleet in Asia.

Terminal towage developed satisfactory, however overall profits were negatively impacted by the sale of two joint ventures in 2013.

Low levels of emergency response activity in the salvage market continued throughout 2014.

Cost increased by USD 28m primarily due to start-up of new operations and terminal towage projects, and due to a general cost increase in Australia. In 2014, Svitzer launched programmes to improve crew and onshore productivity with further savings to materialise in 2015.

Cash flow from operating activities increased to USD 203m (USD 180m) driven by improved collection of receivables partly offset by lower operating result and higher tax. Cash flow from investing activities increased to USD 235m (USD 2m) mainly due to investments in vessels for new terminal towage contracts as well as replacement vessels. Investments in 2013 were offset by the sale of joint ventures.

OTHER BUSINESSES

Other businesses made a profit of USD 408m (USD 400m). The primary contributor was the Group's share of the result in Danske Bank of USD 330m compared to USD 254m in 2013. The Group's share of underlying result in Danske Bank was USD 449m, excluding the bank's impairment of USD 321m and reversal of the Group's 2008 goodwill impairment of USD 202m. The remaining activities were primarily affected by divestment activities in 2013.

DISCONTINUED OPERATIONS

Dansk Supermarked Group contributed with a profit of USD 2.9bn (USD 394m). Excluding divestment gain, the profit was USD 81m (USD 394m).

UNALLOCATED ACTIVITIES

Unallocated activities comprise revenue and cost, etc. which is not attributed to reportable segments, including purchase of bunker and lubricating oil on behalf of companies in the Group as well as financial items. The financial items were negative by USD 606m (negative by USD 716m); the decrease in net financial expenses was primarily driven by lower net interest expenses due to lower net debt, lower interest rates and higher capitalised borrowing costs.

TAX

Companies in the Group are taxed under different tax regimes, depending on location and activity. Special tax rules apply to some of the Group's activities.

As a general rule, shipping activities are subject to a tonnage based or similar tax system, under which the computation of taxable income includes an amount calculated on the basis of the fleet's tonnage. Moreover, in certain countries freight taxes are paid mainly based on the gross freight income in those countries.

In most countries, oil and gas activities are subject to a special form of taxation, which is often considerably higher than the normal corporate tax rate.

The total tax charge for the Group in 2014 was USD 3.0bn (USD 3.2bn) of which taxes payable to Denmark were USD 0.8bn (USD 1.1bn). The amounts related to the special hydrocarbon tax were USD 0.5bn (USD 0.6bn) and USD 0.3bn (USD 0.5bn) represented corporate tax on oil activities. The decrease in the special hydrocarbon tax was largely due to the drop in oil prices. The shipping activities' tax payment to Denmark was USD 13m (USD 20 m).

COMPREHENSIVE INCOME

Comprehensive income for the year was USD 3.6bn (USD 4.3bn) and includes the profit for the year of USD 5.2bn (USD 3.8bn) and other comprehensive income which was negative by USD 1.6bn (positive by USD 0.5bn). Other comprehensive income mainly includes exchange rate adjustment on translation from functional currency to presentation currency, fair value adjustment of certain securities, value adjustment of cash flow hedges and actuarial gains and losses.

BALANCE SHEET

At 31 December 2014, total assets amounted to USD 68.8bn (USD 74.5bn).

Intangible assets decreased to USD 2.8bn (USD 4.8bn), mainly due to the impairment of USD 1.7bn on the Brazilian oil rights.

Property, plant and equipment of USD 44.7bn (USD 41.3bn) increased by USD 3.4bn with investments in the year of USD 8.9bn (USD 6.9bn). Depreciation for the year was USD 4.2bn (USD 4.3bn) and net impairment losses of USD 421m (USD 165m) were recognised. Sale of tangible assets amounted to USD 512m (USD 4.9bn) including the transfer to held for sale in 2013 of the Dansk Supermarked Group. Currency adjustments resulted in a decrease of USD 399m (decrease of USD 91m).

Shares in associated companies decreased to USD 839m (USD 6.4bn) primarily due to the reclassification of the Danske Bank shares to held for sale.

Derivatives were as of 31 December 2014 a net liability of USD 500m (net asset of USD 125m). The movement was primarily related to the USD appreciating against main hedging currencies.

Cash and cash equivalents totalled USD 3.5bn (USD 3.3bn) at 31 December 2014, including offsetting bank overdrafts of USD 102m (USD 102m).

Assets held for sale of net USD 5.3bn (USD 6.9bn) comprised assets expected to be sold during 2015 including the shares in Danske Bank.

Equity totalled USD 42.2bn (USD 42.5bn). The decrease was related to the sale of the Dansk Supermarked Group of USD 2.1bn, the share buy-back of USD 653m, exchange rate adjustments of USD 1.2bn, cash flow hedges of USD 288m and dividend paid USD 1.3bn (USD 1.1bn). The reduction was partly offset by the profit for the year of USD 5.2bn.

The actuarial net liability for pensions, etc. in relation to defined benefit plans recognised totalled USD 217m (USD 261m) at 31 December 2014. Developments in the actuarial assumptions as well as changes to the minimum funding requirements resulted in actuarial losses of USD 9m (gains of USD 50m), which are included in other comprehensive income. In 2014, the Group paid USD 81m (USD 68m) to defined benefit plans.

Deferred tax liabilities totalled USD 701m (USD 1.1bn) at 31 December 2014, and recognised deferred tax assets totalled USD 536m (USD 478m). Furthermore, deferred tax assets of USD 1.5bn (USD 812m) have not been recognised, cf. note 9 to the consolidated financial statements.

CASH FLOW

Cash flow from operating activities USD 8.8bn (USD 8.9bn) was negatively impacted by increased tax payments of USD 466m which was partly offset by improved working capital as well as less interest paid.

Cash flow used for capital expenditure was USD 6.2bn (USD 4.9bn). The increase was mainly due to higher investments in Maersk Drilling, Maersk Line and Maersk Oil. Cash flow from financing activities was negative by USD 4.7bn (negative by USD 2.6bn) impacted by larger repayments of loans following the sale of Dansk Supermarked Group.

OPERATING LEASE COMMITMENTS

The present value of the operating lease commitments totalled USD 7.7bn at 31 December 2014 (USD 8.7bn at 31 December 2013) using a discount rate of 6% (6%). The amount is divided into the following main items:

- Maersk Line and Maersk Tankers of USD 3.8bn (USD 4.6bn) primarily relating to vessels on time charter
- APM Terminals of USD 3.1bn (USD 3.2bn) primarily related to future concession fees for port facilities
- Other commitments of USD 0.8bn (USD 0.9bn).

About one-third of the time charter payments in Maersk Line and in Maersk Tankers are estimated to relate to operational costs for the assets. Please refer to note 17 in the consolidated financial statements for an overview of maturity.

CONSOLIDATION

The consolidated financial statements of the Group are included in the consolidated financial statements of A.P. Møller Holding A/S.

PARENT COMPANY FINANCIAL STATEMENTS

The activities of the parent company comprise primarily the oil and gas activities in the Danish sector of the North Sea. In addition activities include the holding of shares in subsidiaries and associated companies and the Group's Finance Department.

In the parent company financial statements, shares in subsidiaries and associated companies are recognised at cost, less impairment losses, and in the income statement, dividends from subsidiaries and associated companies are recognised as income.

Profit for the year was USD 8.0bn (USD 1.3bn), primarily impacted by gain on sale of Dansk Supermarked Group.

At 31 December 2014, total assets amounted to USD 54.2bn (USD 51.1bn) and equity totalled USD 27.2bn (USD 21.1bn).

Maersk Line activities have been transferred to a fully owned subsidiary in 2015 and are classified as held for sale and discontinued operations in the parent company in 2014. Comparative figures have been restated for the income statement and cash flow statement.

Assets held for sale primarily consist of Maersk Line activities and the investment in Danske Bank.

Cash flow from operating activities was USD 0.6bn (USD 1.1bn). Working capital items, financial expenses paid and taxes paid improved, while dividends received and financial income received decreased.

RISK MANAGEMENT

Framework In 2014 a revised Enterprise Risk Management (ERM) framework was rolled out, enabling and supporting a consistent, robust and focused approach to assessing the three main categories comprising the Group's risk universe, namely the Known Risks, Emerging Risks and Portfolio Risks. The three pillars are explored through a combination of risk reporting, internal reviews, external expert input and analysis.

The main findings are presented to the Executive Board as well as the Board of Directors, and serve as input to the annual strategic review and capital allocation processes.

The Audit Committee annually reviews the process for potential improvements and further development of the Group risk management approach. In conjunction with the further development of ERM processes and deepening integration of the framework, the Committee continues to emphasise its focus on progressing ERM within the Group.

KNOWN RISKS

Known risks are considered actual risks to business objectives within the planning period, 2015-2020. While some risks are integral in the industries we operate in and are therefore accepted as part of our operations and managed accordingly, several such risks continue to have the potential of adversely impacting our business in the short to medium term, such as:

A sharp and prolonged drop in oil prices constitutes a risk as we are increasingly targeting technologically demanding and costly industry segments. The recent substantial decline in the oil price during the end of 2014 and beginning of 2015, has led to reduced cash flows primarily from our oil and drilling operations. Depending on market developments, it may jeopardise the longer term strategy of securing commercially viable contacts for Maersk Drilling and delivering on our 2020 target of 400 thousand barrels of daily entitlement production in Maersk Oil. Ultimately this could impact our ability to meet our financial targets.

The Board of Directors perform an annual strategy review to ensure that the Group's strategy is regularly assessed according to market developments including developments in the oil price.

A major accident or oil spill remains an inherent risk in the Group's operations, particularly in the oil and gas, offshore and tanker businesses. A high severity incident would first and foremost present a risk to our employees as well as potentially the marine environment, wildlife and local community. Additionally it could result in large scale impact on assets, cash position, and reputation and put our licence to operate at risk. The Group is supporting incident free operations to mitigate this risk.

A major cyber-attack could prove crucial to our ability to operate and deliver on our commitments, as the Group is involved in complex and wide ranging global services, making it highly dependent on well-functioning IT-systems. Business disruptions could be as severe as lasting several months, impacting our fleet's and off-shore equipment's ability to safely continue operations. The Group is monitoring the cyber threat closely and proactively addresses it through enhancements of our cyber resilience and focus on business continuity.

A potential widening of the container liner business supply-demand imbalance is a perpetuated threat in an environment with increasing tonnage and moderate global demand growth. A structural gap and overcapacity, coupled with the significant exposure Maersk Line has on the Asia-Europe trade where the larger vessels are increasingly deployed, leaves the Group vulnerable to significant fluctuations in freight rates and the risk of sustaining commercial losses. The risk is mitigated by designing a competitive network, building up customer loyalty, simplifying the organisation and optimising the network through alliances and vessel sharing agreements, such as the 2M.

EMERGING RISKS

Emerging risks are potential future risks, looking over a time horison beyond that of the planning period. It is a strong underlying modus operandi, that the Group pursues a sustainable long term business and growth strategy. This means we need to proactively consider future uncertainties that may affect and potentially put such an aspiration at risk, which is done through a comprehensive process aimed at identifying emerging long term threats. Some of the emerging risks identified, were addressed through deep dive studies which were completed through 2013 and 2014.

An oil study examined the potential of global oil demand to peak between 2020 and 2030 as consumers may switch away from oil towards other sources of energy. In such an event, oil prices would buoy within a delimited oil price corridor, with costs of new incremental sources of oil supply constituting a price floor, while accelerated shifts away from oil as an energy source, and hence easing demand, would serve as a ceiling. Such an outcome may leave the profit pool for the global oil industry challenged due to lower profit margins and volumes. Similarly it would pose a downside risk to the demand for off-shore drilling rigs and other related oil service industries.

A separate deep dive investigated plausible ways of meeting a global sulphur emission cap of maximum 0.5%, which is expected to be introduced in the shipping industry in 2020 or 2025. The study found several possible compliance options to be considered. Given the uncertainty surrounding the timing of implementation, choosing the right future fuel solution at the right time is not straight forward, but it has the potential of providing relative competitive advantages, conversely acting prematurely may result in unnecessary costs. Ensuring proper enforcement post potential implementation was identified as a key uncertainty and will remain a focus, while we prepare to take a well-informed compliance decision.

An industry analysis had the objective of depicting potential scenarios for future developments in the Exploration & Production (E&P) landscape faced by Maersk Oil and its peers. The analysis revolved around the challenges and opportunities among groups of E&P companies in the different scenarios, and included an assessment of various strategies and the potential implications of such for Maersk Oil and its selected long term portfolio growth strategy.

Overall the emerging risks studies aim at increasing our understanding of the uncertainty elements facing us in the future and enable us in improving the Groups readiness for same.

Looking at trends ahead, one risk has emerged and strengthened, namely the ongoing significant increase in vessel size, solidified by the arrival of the Triple-E vessels. On this backdrop, the topic for a 2014/2015 deep dive study is the potential impact and general risk picture surrounding Large Vessel Disasters.

PORTFOLIO RISKS

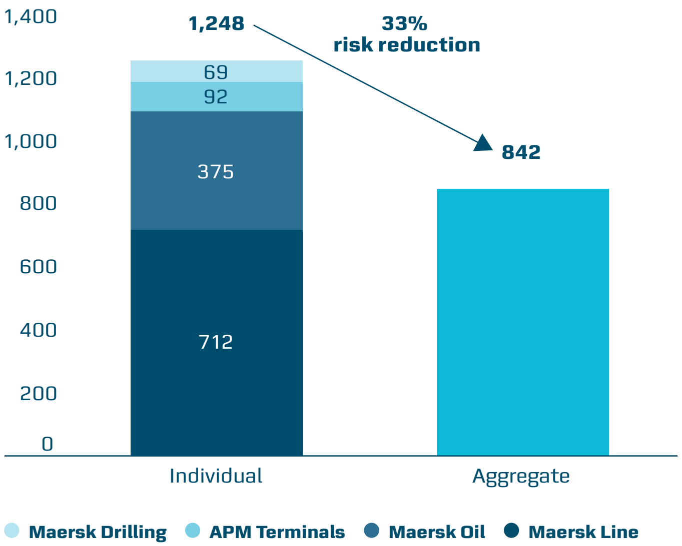
Being a global conglomerate, while spanning across multiple geographies and industries, the Group also considers risks associated with its composition of businesses and countries of operation. This means that when managing our portfolio, both dimensions need to be assessed and considered, i.e. the balance in our industry exposure and our geographic presence.

Looking at the correlation between the main businesses, see the graph "Impact of diversification", suggests that managing them as a portfolio in a conglomerate as opposed to four stand-alone businesses, reduces the associated risks. It also implies a well-diversified portfolio of businesses able to absorb shocks inflicting volatility within single businesses.

This is also evidenced when considering the Group's combined NOPAT volatility, which is 33% lower than the volatility of each of the individual businesses. From a geographic risk point of view, the portfolio on average remains in the moderate category.

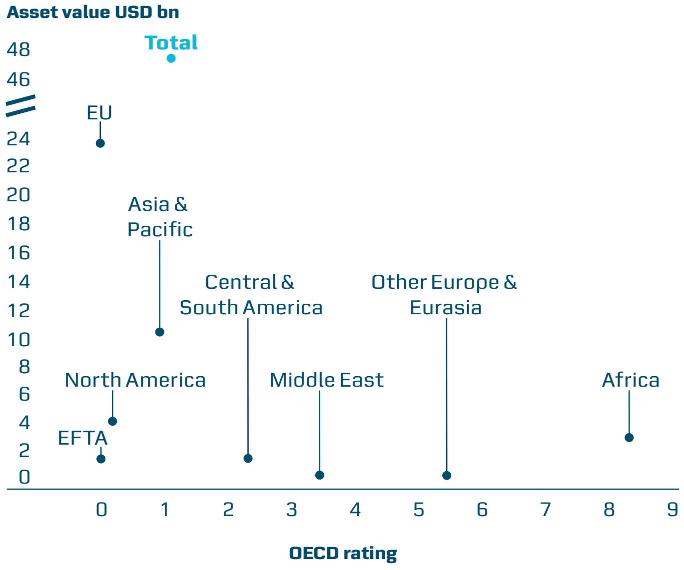
The Group's approved investments may modestly increase the average exposure for each USD invested, but will remain well-balanced by substantial investments in a number of low risk countries, see the graph "Country risk and asset value".

Impact of diversification (NOPAT volatility)



Based on data Q1 2007 through Q3 2014.
Asset value, end 2014.

Country risk and asset value



The chart depicts the Group asset values by region, against the associated OECD country risk rating, with 7 being a high risk environment. The OECD score serves as an illustrative relative benchmark. The regional aggregates are the individual country risks weighted by the corresponding asset accumulation of the Group.

CORPORATE GOVERNANCE

Corporate governance is a matter that A.P. Møller - Mærsk A/S' Board of Directors continuously considers on the basis of the Company's activities, external environment, history and needs etc.

RECOMMENDATIONS FOR CORPORATE GOVERNANCE

As a Danish listed company, A.P. Møller - Mærsk A/S must comply with or explain deviations from the "Recommendations for Corporate Governance" (Anbefalinger for god selskabsledelse) implemented by NASDAQ Copenhagen in the Rules for issuers of shares (Regler for udstedere af aktier) and Section 107b of the Danish Financial Statements Act (Årsregnskabsloven).

The Board of Directors of A.P. Møller - Mærsk A/S has prepared a statement on corporate governance for the financial year 2014. The statement can be reviewed and downloaded via:
http://investor.maersk.com/governancestatement.cfm

The statement includes a description of the Company's approach to each of the recommendations in the "Recommendations for Corporate Governance" as well as a description of the Company's management structure and the main elements of the Group's internal control and risk management systems related to the Group's financial reporting process.

MANAGEMENT STRUCTURE

A.P. Møller - Mærsk A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board (Management), as illustrated below. The Board of Directors lays down the general business and management principles for the Group and ensures the proper organisation of the Group. Furthermore, the Board of Directors decides the strategy and the risk policies and supervises the performance of the Company and its Management. The Board of Directors shall consist of 4–13 members elected by the Annual General Meeting. The Board members are selected for a two-year term. There are Board members up for election every year to ensure continuity in the work of the Board of Directors. Board members are eligible for re-election.

The Executive Board functions as the day-to-day management. The members of the Executive Board are Nils S. Andersen, Kim Fejfer, Claus V. Hemmingsen, Søren Skou, Jakob Thomasen and Trond Westlie. Further information is available in the statement on corporate governance for 2014.

Framework for corporate governance

Shareholders

Board of Directors

Chairmanship
Remuneration Committee
Audit Committee

Internal Audit

Executive Board (Management)

Organisation

SHAREHOLDER INFORMATION

The Group executed on its first ever structured share buy-back and issued bonus shares in 2014.

SHARE PRICE DEVELOPMENT

The total market value of the Group was USD 43bn at the end of 2014. The B share reached its highest price in 2014 of DKK 15,220 on 19 September 2014 and its lowest price of DKK 11,120 on 16 December 2014. The price closed at DKK 12,370 at the end of 2014, corresponding to an increase of 5.1% compared to the end of 2013. The total shareholder return for the B share was 21.0% in 2014. The Maersk B share underperformed its benchmarks MSCI Europe Transportation by 1.5% and the 40 largest Nordic companies by 3.5% in 2014.

OWNERSHIP

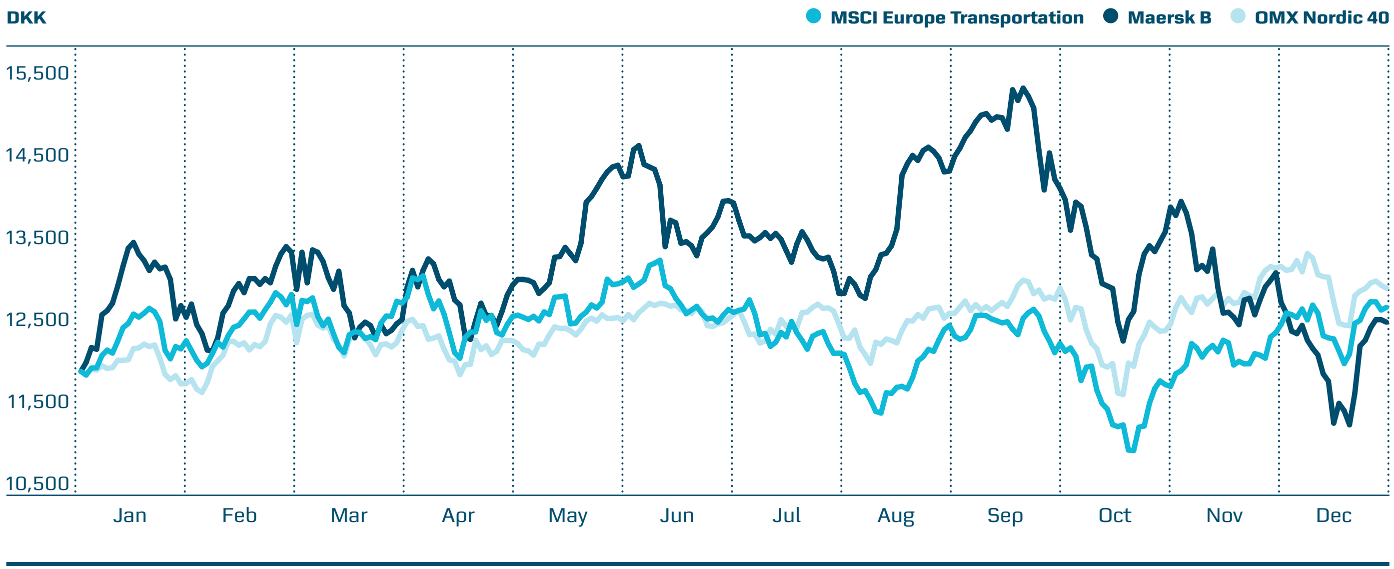
The total number of registered shareholders increased by 17,000 to around 82,000 during 2014. Shareholders with more than 5% of share capital or votes held 52.8% of the share capital. The 20 largest institutional shareholders together owned around 12% of the share capital. Total international institutional holdings were unchanged but with some changes in the distribution of country.

SHARE CAPITAL

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014 the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

The shares are listed on NASDAQ OMX Copenhagen and are divided into two classes: A shares with voting rights and B shares without voting rights. Each DKK 1,000 A share entitles the holder to two votes. The total share capital of DKK 21,978m consists of 21,978,000 shares equally split between A and B shares.

Share price development



Source Factset, numbers are rebased.

OWN SHARES

The Board of Directors decided to initiate a share buy-back programme of up to DKK 5.6bn (approximately USD 1bn) to be executed during a 12 months period beginning September 2014. The purpose of the share buy-back programme is to adjust the capital structure of the company and to meet the obligations arising from employee share option programmes. The Group's holding of own shares comprised 1.8% of the share capital end of 2014, cf. note 11 to the consolidated financial statements.

DIVIDEND

The Board of Directors proposes an ordinary dividend to the shareholders of DKK 300 per share of DKK 1,000 (DKK 280 per share of DKK 1,000). The proposed dividend payment represents an ordinary dividend yield of 2.4% (2.4%), based on the Maersk B share's closing price as of 30 December 2014. Payment is expected to take place on 7th April 2015. The Group intends to continue the historical trend of increasing dividends nominally per share supported by underlying earnings strength.

The Maersk share: Key figures	2014	2013	2012	2011	2010
Year-end share price (DKK, B share)	12,370	11,770	8,520	7,584	10,102
Share price range (DKK, B share)	4,100	3,778	2,564	4,334	2,984
Market capitalisation at year-end (USD billion, A and B share)	42,8	46,3	31,9	28,0	38,7
Earnings per share (USD)	230	158	171	130	216
Dividend per share (DKK, A and B share)	300	280	240	200	200
Estimated extraordinary dividend per share (DKK, A and B share)	1,569	-	-	-	-
Dividend yield (%, B share)[1]	15.1%	2.4%	2.8%	2.6%	2.0%
Total shareholder return (%, B share)[1]	21.0%	41.4%	15.5%	-22.9%	40.4%

[1] Including extraordinary dividend based on the value of the Danske Bank shares on 31 December 2014.

In addition to the ordinary dividend the Board of Directors will declare, subject to authorisation from the shareholders, an extraordinary cash dividend equal to the prevailing market value of the Group's 20.05% ownership interest in Danske Bank A/S. The extraordinary dividend will be determined based on the Volume Weighted Average Price of Danske Bank A/S' shares traded during a pricing period of five trading days, expected to commence Friday 20 March and expire Thursday 26 March 2015. No extraordinary dividend will be paid to treasury shares. Based on the value of the shares on 31 December 2014, the value of the extraordinary dividend is estimated to DKK 33,850m equivalent to USD 5,530m using the exchange rate as per 31 December 2014 (around DKK 1,569 per share of DKK 1,000 excluding treasury shares).

FINANCIAL CALENDAR 2015

30 March	Annual General Meeting
13 May	Interim Report 1st Quarter
13 August	Interim Report 2nd Quarter
24 September	Capital Markets Day
6 November	Interim Report 3rd Quarter

Shareholders with more than 5% of share capital or votes

Shareholders according to the Danish Companies Act § 55 are	Share capital	Votes
A.P. Møller Holding A/S, Copenhagen, Denmark	41.51%	51.23%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark	8.37%	12.84%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	2.94%	5.86%

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 30 March 2015 in Copenhagen, Denmark.

INVESTOR RELATIONS

The Group is covered by around 30 analysts, predominantly from international investment banks, who regularly publish research reports. A list of the analysts and other relevant information, including financial reports, investor presentations, share and bond information, is available on: http://investor.maersk.com

OUR EMPLOYEES

The Group's Human Resources department works in close cooperation with the Human Resources departments in the business units to ensure that the Group has an engaged, motivated workforce and a clear link between performance and rewards as well as to secure a sufficient number of highly qualified, well-trained and diverse employees to manage the planned growth.

In 2014, we have seen continued progress and actions towards our diversity goals. More information on diversity can be obtained from the Group's Sustainability Report.

The businesses units each have their key priorities and focus areas to support their respective strategies; below are examples from the Group's business units.

For **Maersk Line**, teamwork, focus and simplicity are consistently emphasised as behaviours that are critical driving performance and making Maersk Line a sustainable top quartile performer. The Maersk Line Operating system was introduced in 2014 to drive business goals through a standard operating model. This system will help to drive focus, teamwork and simplicity whilst allowing our employees to maximise their potential and grow the business.

The talent review process has also been simplified and standardised across Maersk Line in 2014. A standard Talent Management toolbox is now available across the company to ensure that employees are able to develop to their full potential A new leadership development programme will be introduced that will help develop and drive value creation from talent whilst keeping employees motivated and inspired by world class leaders.

Maersk Oil benefits from its good demographic profile compared to industry peers. The early career employee group was strengthened by the annual inflow from the successful MITAS programme (Maersk International Technology and Science Programme), with a 2014 batch of 19 nationalities and 36% females. The share of mid-career professionals and overall group of technical experts is high compared with the industry, and provide Maersk Oil with a strong base to address the operational performance and project execution focus in 2014.

The focus on local workforce development, strategically important in countries like Qatar, Kazakhstan and Angola, has started to pay off with local nationals emerging in the Maersk Oil talent pools and a doubling of Qataris in leadership positions within a year.

APM Terminals unfortunately suffered 10 fatal accidents in 2014. These fatalities primarily involved sub-contractors on the APM Terminals' premises. APM Terminals continuously drives towards safe operations across the business in a pursuit to eliminate unsafe behaviour.

During 2014 APM Terminals introduced several new initiatives and safety drives to further improve conditions across the portfolio. These include the campaign "Care for Contractors" increasing awareness and focus towards the safety of sub-contractors working on terminals and inland service sites and Project Stack, an initiative to improve safer container handling at the cost of productivity.

Since 2011 **Maersk Drilling** has invested USD 5.3bn in eight new rigs with delivery in 2014-16 requiring a total of 1,450 new employees of which around 550 were hired during 2014. Maersk Drilling has the aim to remain at the forefront of innovation to ensure safe operation for people and environment, and to ensure a safe and efficient operation of the new rigs all new employees have been enrolled in on-boarding and training programmes.

INNOVATION

The Group invests to ensure cutting-edge technology solutions across its businesses. Innovation is focused on:

- Delivering better services
- Protecting employees
- Minimising environmental impact
- Creating new business opportunities
- Ensuring cost-effectiveness.

Technological innovation is carried out by technology divisions within the Group's business units, in close cooperation with manufacturers, shipyards, suppliers, universities and research institutes. Here are examples from the Group's business units.

DIFFERENTIATE THROUGH TECHNOLOGY AND INNOVATION

Better use of technology and innovation is critical to maintaining the Group's competitive edge in the digital age and this will be an important driver for reducing cost as well as enhancing our customer experience.

Maersk Line

Maersk Line has begun a journey to modernise its customer interaction in line with the digital age, and the other business units will also leverage from this.

The Group must take inspiration from leading global players to reassess how we drive innovation in our own business.

Maersk Line actively works to achieve a combination of emissions reduction and cost savings through innovation to mutual benefit of the environment and the business. We do this in close collaboration with key suppliers and third parties. For instance Maersk Line is a key partner in the 'BlueINNOship' innovation platform with the goal to jointly develop technologies to improve environmental performance over the coming four years.

Maersk Line tests and evaluates technologies to prepare for upcoming regulations such as abatement technologies to reduce air emissions including the upcoming limits in sulfur emissions.

Maersk Line continues the retrofit programmes to update the existing fleet with the most energy and cost efficient technologies, examples include:

- Redesign propeller to improve efficiency at the actual sailing speeds
- Improve fuel efficiency by de-rating and tune the engine for actual sailing speeds
- Elevate the navigation bridge to increase capacity.

In addition, Maersk Line collects an increased level of operational Vessel data to improve performance and support planning of most fuel efficient voyages.

Maersk Line uses Information Technology in most of its innovation projects and strives to increase the pace in which we evaluate and employ current and future technology trends.

An objective for Maersk Line is to improve the way information is exchanged and processed in container shipping. Maersk Line is working closely with universities, governments, business partners to identify technology and concepts that can help reduce administrative barriers by standardising the exchange of shipping information between all parties: Customers, authorities, terminals/ports and carriers.

Information Technology plays a key role in the way Maersk Line interacts with customers. From CRM and to web-based e-commerce and sales support solutions. In the end of 2014, we launched a smartphone/tablet app, which gives our key customers full access to updated information and metrics about the customers' transport activities with Maersk Line; from carbon footprint to whether shipments were delivered on time. The app is unique in the industry and the high level of transparency enables a fact-based dialogue and faster resolution of issues.

Maersk Oil

Maersk Oil is seeking to establish a business advantage by being good at extracting hydrocarbons from challenging reservoirs such as tight chalk reservoirs in the North Sea. The company strives constantly to push the technology to new boundaries and has held several records in the field of horisontal drilling. Innovation is an important priority inside the company as well as when interacting with partners. A good example is the Danish Hydrocarbon Research & Technology Centre, which was launched in September 2014 based on funding of DKK 1bn from the Danish Underground Consortium where Maersk Oil holds 31.2% interest. Close to 100 researchers will be focusing on development of technical solutions which can increase the recovery of oil and gas from the Danish North Sea. In Qatar, new technology development also is in focus at the Maersk Oil Research and Technology Centre where 15 researchers investigate new methods for increasing hydrocarbon recovery from the complex carbonate reservoirs of the Maersk Oil operated, giant Al Shaheen field. One key research programme investigates how the reservoir injection of water with varying chemical and ionic compositions can liberate a larger volume of the oil adhering to the tight and irregular rock surfaces.

Maersk Oil is pursuing a strategy of protecting own developed technology by filing patent applications for new inventions. 28 new inventions were made in 2014 and are currently being evaluated in a number of countries. 8 new patents were granted in 2014. The Company currently holds 93 patents.

APM Terminals

APM Terminals has completed the construction of Maasvlakte II in Rotterdam, The Netherlands and has commenced operations with an expected volume ramp up to occur during 2015. With this, Maasvlakte II has become the world's most technologically advanced automated terminal. Many of the systems and technologies being implemented in this terminal will also be utilised at APM Terminals' new project at Lazaro Cardenas, Mexico. The terminal is expected open in mid-2015, and will be the first automated container terminal in Latin America. Lazaro Cardenas, Mexico will feature fully automated electric yard stacking cranes and shuttle carriers will be used for transport between the yard cranes and ship to shore cranes. APM Terminals continues to seek out new opportunities in growth markets where value can be added through the implementation of automated terminals that provide safe and sustainable terminal services to clients.

Maersk Drilling

BP and Maersk Drilling announced in February 2013 a joint study agreement to develop conceptual engineering designs for a new breed of advanced technology drilling rigs that will be critical to unlocking the next frontier of deepwater oil and gas resources. Called 20K™ rigs, the BP-Maersk Drilling agreement will result in developing deepwater drilling rigs that can safely and efficiently operate in high-pressure and high-temperature reservoirs up to 20,000 pounds per square inch and 350 degrees Fahrenheit. Implementing new technology in Maersk Drilling's fleet is critical in order to maintain our competitive advantage in the offshore drilling market, as customers prefer modern, safe and more efficient rigs.

Financials

(In parenthesis the corresponding figures for 2013)

Consolidated financial statements 2014

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN USD MILLION

Note		2014	2013
1	Revenue	47,569	47,386
2	Operating costs	35,633	36,261
	Other income	201	286
	Other costs	218	39
	Profit before depreciation, amortisation and impairment losses, etc.	**11,919**	**11,372**
6,7	Depreciation, amortisation and impairment losses, net	7,008	4,628
3	Gain on sale of non-current assets, etc., net	600	145
8	Share of profit/loss in joint ventures	-6	152
8	Share of profit/loss in associated companies	412	295
	Profit before financial items	**5,917**	**7,336**
4	Financial income	1,338	560
4	Financial expenses	1,944	1,276
	Profit before tax	**5,311**	**6,620**
5	Tax	2,972	3,237
	Profit for the year – continuing operations	**2,339**	**3,383**
10	Profit for the year – discontinued operations	2,856	394
	Profit for the year	**5,195**	**3,777**
	OF WHICH:		
	Non-controlling interests	180	327
	A.P. Møller - Mærsk A/S' share	**5,015**	**3,450**
11	**Earnings per share of continuing operations, USD**	**100**	**147**
11	**Diluted earnings per share of continuing operations, USD**	**100**	**147**
11	**Earnings per share, USD**	**230**	**158**
11	**Diluted earnings per share, USD**	**230**	**158**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN USD MILLION

Note		2014	2013
	Profit for the year	**5,195**	**3,777**
	ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO THE INCOME STATEMENT		
	Translation from functional currency to presentation currency:		
	Translation impact arising during the year	-1,124	318
	Reclassified to income statement, gain on sale of non-current assets, etc., net		
	– continuing operations	-3	-
	– discontinued operations	-73	-
	OTHER EQUITY INVESTMENTS:		
	Fair value adjustment for the year	-121	4
	Reclassified to income statement, gain on sale of non-current assets, etc., net	-	-4
16	**CASH FLOW HEDGES:**		
	Value adjustment of hedges for the year	-409	103
	Reclassified to income statement:		
	– revenue	-4	-13
	– operating costs	28	-26
	– financial expenses	43	73
	– discontinued operations	48	-
	Reclassified to cost of property, plant and equipment	6	-6
5	Tax on other comprehensive income	17	-32
	Share of other comprehensive income of joint ventures, net of tax	-24	12
	Share of other comprehensive income of associated companies, net of tax	9	-6
	Total items that are or may be reclassified subsequently to the income statement	**-1,607**	**423**
	ITEMS THAT WILL NOT BE RECLASSIFIED TO THE INCOME STATEMENT		
14	Actuarial gains/losses on defined benefit plans, etc.	-21	57
5	Tax on other comprehensive income	12	-7
	Total items that will not be reclassified to the income statement	**-9**	**50**
	Other comprehensive income, net of tax	**-1,616**	**473**
	Total comprehensive income for the year	**3,579**	**4,250**
	OF WHICH:		
	Non-controlling interests	134	415
	A.P. Møller - Mærsk A/S' share	**3,445**	**3,835**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

AMOUNTS IN USD MILLION

Note		31 December 2014	31 December 2013	1 January 2013
6	**Intangible assets**	**2,818**	**4,788**	**4,940**
	Ships, rigs, containers, etc.	31,851	27,857	29,783
	Production facilities and equipment, etc.	7,291	6,144	5,479
	Land and buildings	667	719	3,591
	Construction work in progress and payment on account	4,862	6,573	4,991
7	**Property, plant and equipment**	**44,671**	**41,293**	**43,844**
8	Investments in joint ventures	1,698	1,985	2,011
8	Investments in associated companies	839	6,434	6,280
	Other equity investments	943	72	75
16	Derivatives	40	252	221
14	Pensions, net assets	112	66	34
	Loans receivable	453	113	266
	Other receivables	509	700	603
	Financial non-current assets, etc.	**4,594**	**9,622**	**9,490**
9	**Deferred tax**	**536**	**478**	**582**
	Total non-current assets	**52,619**	**56,181**	**58,856**
	Inventories	**1,139**	**1,251**	**2,274**
	Trade receivables	4,077	4,629	5,349
	Tax receivables	174	212	402
16	Derivatives	144	175	110
	Loans receivable	104	150	691
	Other receivables	804	933	1,289
	Prepayments	608	484	443
	Receivables, etc.	**5,911**	**6,583**	**8,284**
	Securities	**379**	**312**	**382**
	Cash and bank balances	**3,507**	**3,259**	**2,062**
10	**Assets held for sale**	**5,289**	**6,923**	**538**
	Total current assets	**16,225**	**18,328**	**13,540**
	Total assets	**68,844**	**74,509**	**72,396**

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

AMOUNTS IN USD MILLION

Note		31 December 2014	31 December 2013	1 January 2013
11	Share capital	3,985	738	738
	Reserves	37,557	39,091	36,158
	Equity attributable to A.P. Møller - Mærsk A/S	**41,542**	**39,829**	**36,896**
	Non-controlling interests	683	2,684	2,428
	Total equity	**42,225**	**42,513**	**39,324**
13	**Borrowings, non-current**	**10,913**	**12,702**	**16,080**
14	Pensions and similar obligations	329	327	447
15	Provisions	4,642	4,189	3,408
16	Derivatives	432	127	231
9	Deferred tax	701	1,110	1,149
	Other payables	-	21	45
	Other non-current liabilities	**6,104**	**5,774**	**5,280**
	Total non-current liabilities	**17,017**	**18,476**	**21,360**
13	**Borrowings, current**	**1,412**	**3,041**	**2,116**
15	Provisions	837	735	633
	Trade payables	5,277	5,379	6,138
	Tax payables	316	522	466
16	Derivatives	252	175	96
	Other payables	1,236	1,287	1,546
	Deferred income	260	251	704
	Other current liabilities	**8,178**	**8,349**	**9,583**
10	**Liabilities associated with assets held for sale**	**12**	**2,130**	**13**
	Total current liabilities	**9,602**	**13,520**	**11,712**
	Total liabilities	**26,619**	**31,996**	**33,072**
	Total equity and liabilities	**68,844**	**74,509**	**72,396**

CONSOLIDATED CASH FLOW STATEMENT

AMOUNTS IN USD MILLION

Note		2014	2013
	Profit before financial items	5,917	7,336
6,7	Depreciation, amortisation and impairment losses, net	7,008	4,628
3	Gain on sale of non-current assets, etc., net	-589	-138
	Share of profit/loss in joint ventures	6	-152
	Share of profit/loss in associated companies	-412	-295
21	Change in working capital	260	252
	Change in provisions and pension obligations, etc.	-135	332
21	Other non-cash items	148	87
	Cash flow from operating activities before financial items and tax	12,203	12,050
	Dividends received	336	269
	Financial income received	68	79
	Financial expenses paid	-557	-666
	Taxes paid	-3,289	-2,823
	Cash flow from operating activities	**8,761**	**8,909**
21	Purchase of intangible assets and property, plant and equipment	-8,639	-6,261
	Sale of intangible assets and property, plant and equipment	1,515	1,046
22	Acquisition of subsidiaries and activities	-14	-20
22	Sale of subsidiaries and activities	971	27
21	Other financial investments	-6	327
	Cash flow used for capital expenditure	-6,173	-4,881
	Purchase/sale of securities, trading portfolio	-90	-26
	Cash flow used for investing activities	**-6,263**	**-4,907**
	Repayment of borrowings	-4,876	-2,567
	Proceeds from borrowings	1,988	982
	Purchase of own shares	-641	-
	Sale of own shares	45	14
	Dividends distributed	-1,131	-919
	Dividends distributed to non-controlling interests	-148	-134
	Other equity transactions	77	-12
	Cash flow from financing activities	**-4,686**	**-2,636**
	Net cash flow from continuing activities	**-2,188**	**1,366**
10	Net cash flow from discontinued operations	2,509	84
	Net cash flow for the year	**321**	**1,450**
	Cash and cash equivalents 1 January	3,358	1,901
	Currency translation effect on cash and cash equivalents	-273	7
	Cash and cash equivalents 31 December	3,406	3,358
	Of which classified as assets held for sale	-1	-201
	Cash and cash equivalents 31 December	**3,405**	**3,157**

Cash and cash equivalents	2014	2013
Cash and bank balances	3,507	3,259
Overdrafts	102	102
Cash and cash equivalents 31 December	**3,405**	**3,157**

Cash and bank balances include USD 1.0bn (USD 1.2bn) that relates to cash and cash equivalents in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN USD MILLION

2014		A.P. Møller - Mærsk A/S							
Note		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Equity 1 January 2014	738	1,148	15	-24	37,952	39,829	2,684	42,513
	Translation from functional currency to presentation currency	-	-1,155	-	-	-	-1,155	-45	-1,200
	Other equity investments	-	-	-121	-	-	-121	-	-121
	Cash flow hedges	-	-	-	-287	-	-287	-1	-288
	Share of other comprehensive income of joint ventures, net of tax	-	-	-	-	-24	-24	-	-24
	Share of other comprehensive income of associated companies, net of tax	-	-	-	-	9	9	-	9
	Actuarial gains/losses on defined benefit plans, etc.	-	-	-	-	-21	-21	-	-21
5	Tax on other comprehensive income	-	-	-	17	12	29	-	29
	Other comprehensive income, net of tax	**-**	**-1,155**	**-121**	**-270**	**-24**	**-1,570**	**-46**	**-1,616**
	Profit for the year	-	-	-	-	5,015	5,015	180	5,195
	Total comprehensive income for the year	**-**	**-1,155**	**-121**	**-270**	**4,991**	**3,445**	**134**	**3,579**
	Dividends to shareholders	-	-	-	-	-1,131	-1,131	-672	-1,803
12	Value of share-based payments	-	-	-	-	19	19	-	19
	Sale of non-controlling interests	-	-	-	-	-12	-12	-1,481[2]	-1,493
	Purchase of own shares	-	-	-	-	-653	-653	-	-653
	Sale of own shares	-	-	-	-	45	45	-	45
	Capital increases and decreases	3,247[1]	-	-	-	-3,247[1]	-	12	12
	Other equity movements	-	-	-	-	-	-	6	6
	Total transactions with shareholders	**3,247**	**-**	**-**	**-**	**-4,979**	**-1,732**	**-2,135**	**-3,867**
	Equity 31 December 2014	**3,985**	**-7**	**-106**	**-294**	**37,964**	**41,542**	**683**	**42,225**

[1] At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014 the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

[2] Sale of Dansk Supermarked Group in April. A 19% share is retained by the Group as available-for-sale (other equity investments).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN USD MILLION

2013		A.P. Møller - Mærsk A/S							
Note		Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
	Balance at 31 December 2012	777	-995	15	-122	37,221	36,896	2,428	39,324
	Impact of changes in accounting policies	-39	1,911	-	-	-1,872	-	-	-
	Equity 1 January 2013	738	916	15	-122	35,349	36,896	2,428	39,324
	Translation from functional currency to presentation currency	-	232	-	-	-	232	86	318
	Cash flow hedges	-	-	-	130	-	130	1	131
	Share of other comprehensive income of joint ventures, net of tax	-	-	-	-	12	12	-	12
	Share of other comprehensive income of associated companies, net of tax	-	-	-	-	-6	-6	-	-6
	Acturial gains/losses on defined benefit plans, etc.	-	-	-	-	55	55	2	57
5	Tax on other comprehensive income	-	-	-	-32	-6	-38	-1	-39
	Other comprehensive income, net of tax	**-**	**232**	**-**	**98**	**55**	**385**	**88**	**473**
	Profit for the period	-	-	-	-	3,450	3,450	327	3,777
	Total comprehensive income for the period	**-**	**232**	**-**	**98**	**3,505**	**3,835**	**415**	**4,250**
	Dividends to shareholders	-	-	-	-	-919	-919	-168	-1,087
12	Value of share-based payments	-	-	-	-	6	6	-	6
	Sale of own shares	-	-	-	-	14	14	-	14
	Capital increases and decreases	-	-	-	-	-	-	3	3
	Tax on transactions	-	-	-	-	14	14	6	20
	Other equity movements	-	-	-	-	-17	-17	-	-17
	Total transactions with shareholders	**-**	**-**	**-**	**-**	**-902**	**-902**	**-159**	**-1,061**
	Equity 31 December 2013	**738**	**1,148**	**15**	**-24**	**37,952**	**39,829**	**2,684**	**42,513**

NOTES

NOTE 1 SEGMENT INFORMATION

AMOUNTS IN USD MILLION

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Supply Service	Maersk Tankers	Damco	Svitzer	Total reportable segments
2014									
External revenue	26,921	8,737	2,740	2,092	764	1,174	3,160	781	46,369
Inter-segment revenue	430	-	1,715	10	14	1	4	31	2,205
Total revenue	**27,351**	**8,737**	**4,455**	**2,102**	**778**	**1,175**	**3,164**	**812**	**48,574**
Profit before depreciation, amortisation and impairment losses, etc.	**4,212**	**5,116**	**1,010**	**903**	**348**	**271**	**-148**	**170**	**11,882**
Depreciation and amortisation	1,870	1,441	302	313	142	132	34	93	4,327
Impairment losses	-	2,209	27	35	-	4	68	358	2,701
Reversal of impairment losses	72	1	-	-	-	-	-	3	76
Gain on sale of non-current assets, etc., net	89	4	374	82	12	-4	-	5	562
Share of profit/loss in joint ventures	-	-	-14	-36	1	-	9	23	-17
Share of profit/loss in associated companies	1	-5	93	-	-	-	-	-	89
Profit/loss before financial items (EBIT)	**2,504**	**1,466**	**1,134**	**601**	**219**	**131**	**-241**	**-250**	**5,564**
Tax	163	2,327	234	123	18	+1	52	20	2,936
Net operating profit/loss after tax (NOPAT)	**2,341**	**-861**	**900**	**478**	**201**	**132**	**-293**	**-270**	**2,628**
Cash flow from operating activities	4,119	2,594	925	701	356	232	-201	203	8,929
Cash flow used for capital expenditure	-1,974	-2,198	2	-2,160	-188	650	-45	-235	-6,148
Free cash flow	**2,145**	**396**	**927**	**-1,459**	**168**	**882**	**-246**	**-32**	**2,781**
Investments in non-current assets[1]	**2,186**	**3,010**	**912**	**2,400**	**203**	**204**	**26**	**213**	**9,154**
Intangible assets	1	1,482	1,156	35	9	2	117	15	2,817
Property, plant and equipment	21,693	7,525	2,862	7,463	1,734	1,448	87	1,008	43,820
Investments in joint ventures	-	-	1,476	118	-	1	28	65	1,688
Investments in associated companies	1	-	504	-	-	1	-	-	506
Other non-current assets	161	600	137	33	3	-	38	54	1,026
Assets held for sale	13	-	58	-	16	180	6	-	273
Other current assets	2,726	1,185	800	687	179	185	738	136	6,636
Total assets	**24,595**	**10,792**	**6,993**	**8,336**	**1,941**	**1,817**	**1,014**	**1,278**	**56,766**
Non-interest-bearing liabilities	4,511	5,510	1,060	713	237	234	693	209	13,167
Invested capital, net	**20,084**	**5,282**	**5,933**	**7,623**	**1,704**	**1,583**	**321**	**1,069**	**43,599**

[1] Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Supply Service	Maersk Tankers	Damco	Svitzer	Total reportable segments
2013									
External revenue	25,686	9,142	2,702	1,972	764	1,624	3,212	810	45,912
Inter-segment revenue	510	-	1,630	-	8	1	-	21	2,170
Total revenue	**26,196**	**9,142**	**4,332**	**1,972**	**772**	**1,625**	**3,212**	**831**	**48,082**
Profit before depreciation, amortisation and impairment losses, etc.	**3,313**	**5,760**	**892**	**863**	**349**	**21**	**-65**	**217**	**11,350**
Depreciation and amortisation	1,789	1,570	297	239	146	195	28	85	4,349
Impairment losses	10	98	-	-	-	230	6	6	350
Reversal of impairment losses	19	-	-	-	-	77	-	-	96
Gain on sale of non-current assets, etc., net	38	-	70	4	5	8	2	29	156
Share of profit/loss in joint ventures	-	-	93	19	-1	-	8	22	141
Share of profit/loss in associated companies	-	-42	68	-	-	-	-	-	26
Profit/loss before financial items (EBIT)	**1,571**	**4,050**	**826**	**647**	**207**	**-319**	**-89**	**177**	**7,070**
Tax	61	3,004	56	119	20	+2	22	21	3,301
Net operating profit/loss after tax (NOPAT)	**1,510**	**1,046**	**770**	**528**	**187**	**-317**	**-111**	**156**	**3,769**
Cash flow from operating activities	3,732	3,246	923	775	360	223	-14	180	9,425
Cash flow used for capital expenditure	-1,607	-1,800	-841	-1,517	-81	748	-23	-2	-5,123
Free cash flow	**2,125**	**1,446**	**82**	**-742**	**279**	**971**	**-37**	**178**	**4,302**
Investments in non-current assets[1]	**1,729**	**2,414**	**903**	**1,489**	**93**	**19**	**29**	**81**	**6,757**
Intangible assets	1	3,096	1,098	19	6	5	193	367	4,785
Property, plant and equipment	21,421	6,548	2,812	5,459	1,727	1,440	90	969	40,466
Investments in joint ventures	-	-	1,708	159	-	4	29	66	1,966
Investments in associated companies	2	197	492	-	-	5	-	-	696
Other non-current assets	111	603	188	66	4	-	46	43	1,061
Assets held for sale	-	-	189	-	-	980	5	-	1,174
Other current assets	2,951	1,500	845	516	192	381	798	193	7,376
Total assets	**24,486**	**11,944**	**7,332**	**6,219**	**1,929**	**2,815**	**1,161**	**1,638**	**57,524**
Non-interest-bearing liabilities	4,440	5,466	1,155	899	230	480	749	275	13,694
Invested capital, net	**20,046**	**6,478**	**6,177**	**5,320**	**1,699**	**2,335**	**412**	**1,363**	**43,830**

[1] Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

	2014	2013
REVENUE		
Reportable segments	48,574	48,082
Other businesses	1,480	1,475
Unallocated activities (Maersk Oil Trading)	236	441
Eliminations	-2,721	-2,612
Total	**47,569**	**47,386**
OF WHICH:		
Sale of goods including sale of oil and gas	9,093	9,850
Rendering of services, etc.	38,476	37,536
PROFIT FOR THE YEAR		
Reportable segments	2,628	3,769
Other businesses	408	400
Financial items, net	-606	-716
Unallocated tax	27	+87
Other unallocated items	105	144
Eliminations	41	-13
Total continuing operations	2,339	3,383
Discontinued operations, after eliminations	2,856	394
Total	**5,195**	**3,777**
ASSETS		
Reportable segments	56,766	57,524
Other businesses	6,745	7,301
Unallocated activities	6,558	5,759
Dansk Supermarked Group	-	5,674
Eliminations	-1,225	-1,749
Total	**68,844**	**74,509**
LIABILITIES		
Reportable segments	13,167	13,694
Other businesses	487	466
Unallocated activities	14,128	17,288
Dansk Supermarked Group	-	2,100
Eliminations	-1,163	-1,552
Total	**26,619**	**31,996**

APM Terminals and Maersk Line have entered into a commercial agreement whereby Maersk Line is secured dedicated capacity in certain strategically important terminals. Under the terms of the agreement, substantially all of the risks and benefits associated with ownership of these terminals are transferred to Maersk Line.

Management has chosen not to apply finance lease accounting for the internal reporting and accordingly these terminals are still reported as part of APM Terminals in the segment information. The effect for APM Terminals is an increase of USD 97m (USD 70m) in revenue and USD 66m (USD 42m) in EBIT excluding the gains or losses in connection with the de-recognition of non-current assets. Maersk Line is affected by the same amount on cost and EBIT.

The agreement has no effect on the Group as the transactions are eliminated in the consolidation.

	External revenue		Tax paid		Non-current assets[1]	
Geographical split	**2014**	2013	**2014**	2013	**2014**	2013
Denmark	2,846	3,465	887	1,118	17,342	15,920
Algeria	1,516	1,319	712	121	542	565
China and Hong Kong	2,046	2,076	17	23	3,350	3,615
Qatar	3,678	3,993	1,259	1,447	695	628
Singapore	406	458	1	15	5,422	6,850
United Kingdom	3,354	2,990	19	16	4,698	4,683
USA	5,553	5,174	161	-6	4,011	2,954
Other	28,170	27,911	233	89	11,429	10,866
Total	**47,569**	**47,386**	**3,289**	**2,823**	**47,489**	**46,081**

[1] Comprise intangible assets and property, plant and equipment.

Geographical information

Revenue for the shipping activities is based on the destination for ships operated by the Group and on customer location for ships on time charter. For non-current assets, which cannot be easily moved (e.g. drilling rigs, oil producing facilities, etc.), geographical location is where the assets are located. For all other assets, geographical location is based on the legal ownership. These assets consist mainly of ships and containers registered in China, Denmark, Singapore, United Kingdom and the USA.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

Exploration activities (Maersk Oil)	2014	2013
Income	5	16
Exploration costs	765	1,149
Depreciation, amortisation and impairment losses, net	1,825	119
Exploration expenses, net	**2,585**	**1,252**
Intangible assets[1]	998	2,512
Total assets	2,300	4,089
Total liabilities	229	646
Cash flow from operating activities	-593	-633
Cash flow used for capital expenditure	-225	-182
Free cash flow	**-818**	**-815**

[1] Comprise mainly oil rights.

The exploration activities include Maersk Oil's income, expenses, assets, liabilities and cash flows related to exploration for and evaluation of oil and gas resources. Activities in the subsequent development phases are not included. The income relates primarily to farm-out agreements. Expenses comprise exploration costs, equipment costs, amortisation and impairment losses related to exploration rights, etc. The assets, liabilities and cash flows comprise Maersk Oil's entities primarily engaged in exploration activities.

NOTE 2 OPERATING COSTS

AMOUNTS IN USD MILLION

	2014	2013
Costs of goods sold	526	550
Bunker costs	5,292	5,890
Terminal costs	4,740	4,505
Intermodal costs	3,198	3,106
Port costs	1,930	1,922
Rent and lease costs	2,993	3,196
Exploration costs	765	1,149
Staff costs	5,920	5,626
Integration and restructuring costs	89	109
Other	10,180	10,208
Total operating costs	**35,633**	**36,261**
REMUNERATION OF EMPLOYEES		
Wages and salaries	5,352	5,058
Severance payments	130	133
Pension costs, defined benefit plans	36	43
Pension costs, defined contribution plans	383	335
Other social security costs	369	361
Total remuneration	**6,270**	**5,930**
OF WHICH:		
Recognised in the cost of assets	157	87
Included in exploration costs	114	118
Included in integration and restructuring costs	79	99
Expensed as staff costs	**5,920**	**5,626**
Average number of employees[1]	89,207	88,909

[1] Reference is made to the sustainability report for the under-represented gender in leadership.

Rent and lease costs include contingent rent totalling USD 167m (USD 209m), which entirely relates to operating leases.

Customary agreements have been entered into with employees regarding compensation in connection with resignation with consideration for local legislation and collective agreements.

For information about share-based payment reference is made to note 12.

NOTE 2 OPERATING COSTS — CONTINUED

AMOUNTS IN USD MILLION

Fees and remuneration of the Executive Board	2014	2013
Fixed annual fee	16	15
Cash incentive	6	4
Performance shares	2	-
Total remuneration to the Executive Board	**24**	**19**

Fees and remuneration to the Board of Directors and the Executive Board
Contract of employment for the Executive Board contains terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither the Executive Board nor the Board of Directors will receive special remuneration. Fees and remuneration do not include pension.

The Board of Directors has received fees of USD 4m (USD 4m).

	KPMG[1] Statsautoriseret Revisionspartnerselskab		KPMG including network firms	
Fees to the statutory auditors	2014	2013	2014	2013
Statutory audit	2	4	9	12
Other assurance services	-	-	-	1
Tax and VAT advisory services	-	4	4	5
Other services	-	4	2	4
Total fees	**2**	**12**	**15**	**22**

	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab		PwC including network firms	
	2014	2013	2014	2013
Statutory audit	3	3	8	6
Other assurance services	-	-	-	-
Tax and VAT advisory services	-	-	1	1
Other services	1	2	3	6
Total fees	**4**	**5**	**12**	**13**

[1] 2013 fees were paid to the former Danish KPMG firm.

NOTE 3 GAIN ON SALE OF NON-CURRENT ASSETS, ETC., NET

AMOUNTS IN USD MILLION

	2014	2013
Gains[1]	648	255
Losses	48	110
Gain on sale of non-current assets, etc., net	**600**	**145**

[1] Gains include dividends received from other equity investments of USD 11m (USD 7m).

Gains relate to the sale of the APM Terminals Virginia, Portsmouth, USA of USD 353m, divestment of Maersk Drilling activities in Venezuela of USD 73m and a number of non-current assets.

In 2013, gains primarily related to the sale of the Brigantine Group, China of USD 29m and a number of non-current assets. Losses mainly related to the divestment of DFDS of USD 56m.

NOTE 4 FINANCIAL INCOME AND EXPENSES

AMOUNTS IN USD MILLION

	2014	2013
Interest expenses on liabilities	536	678
Of which borrowing costs capitalised on assets[1]	235	176
Interest income on loans and receivables	88	83
Interest income on securities	3	1
Fair value adjustment transferred from equity hedge reserve (loss)	49	70
Unwind of discount on provisions	77	67
Net interest expenses	**336**	**555**
Exchange rate gains on bank deposits, loans and working capital	1,046	275
Exchange rate losses on bank deposits, loans and working capital	825	592
Net foreign exchange gains/losses	**221**	**-317**
Fair value gains from derivatives[2]	200	198
Fair value losses from derivatives[2]	682	45
Fair value gains from securities	-	2
Fair value losses from securities	10	-
Net fair value gains/losses	**-492**	**155**
Dividends received from securities	1	1
Financial expenses, net	**606**	**716**
OF WHICH:		
Financial income	1,338	560
Financial expenses	1,944	1,276

[1] The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 3.9% (4.4%).

[2] Include gain on hedging instrument in fair value hedge of USD 92m (loss of USD 89m) and loss on the hedged item of USD 88m (gain of USD 65m).

For an analysis of gains and losses from derivatives reference is made to note 16.

NOTE 5 TAX

AMOUNTS IN USD MILLION

	2014	2013
TAX RECOGNISED IN THE INCOME STATEMENT		
Current tax on profits for the year	3,004	2,905
Adjustment for current tax of prior periods	94	55
Utilisation of previously unrecognised deferred tax assets	-5	-
Total current tax	**3,093**	**2,960**
Origination and reversal of temporary differences	-348	150
Adjustment for deferred tax of prior periods	-124	-70
Recognition of previous unrecognised deferred tax assets	-12	-112
Reassessment of recoverability of deferred tax assets, net	7	12
Total deferred tax	**-477**	**-20**
Total income tax	**2,616**	**2,940**
Tonnage and freight tax	98	99
Oil tax based on gross measures	258	198
Total tax expense	**2,972**	**3,237**
AVERAGE EFFECTIVE TAX RATE:		
Profit before tax	5,311	6,620
Income subject to Danish and foreign tonnage taxation, etc.	-2,171	-1,294
Share of profit/loss in joint ventures	6	-152
Share of profit/loss in associated companies	-412	-295
Profit before tax, adjusted	2,734	4,879
Tax using the Danish corporation tax rate (2014: 24.5%, 2013: 25%)	670	1,219
Effect of income taxes on oil and gas	1,938	2,498
Tax rate deviations in foreign jurisdictions	-886	-1,004
Non-taxable income	-127	-100
Non-deductible expenses	216	200
Adjustment to previous years' taxes	-30	-15
Change in recoverability of deferred tax assets	-10	-100
Deferred tax asset not recognised	753	177
Other differences, net	92	65
Total income tax	**2,616**	**2,940**

	2014	2013
TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME AND EQUITY		
Cash flow hedges	-17	32
Actuarial gains/losses on defined benefit plans, etc.	-12	7
Tax recognised in other comprehensive income, net	**-29**	**39**
Tax recognised directly in equity	-	-20
Total	**-29**	**19**
OF WHICH:		
Current tax	-8	29
Deferred tax	-21	-10

NOTE 6 INTANGIBLE ASSETS

AMOUNTS IN USD MILLION

	Goodwill	Terminal and service concession rights	Oil concession rights	Other rights	Total
COST					
1 January 2013	824	1,104	7,280	715	9,923
Addition	-	240	185	126	551
Acquired in business combinations	-	7	-	-	7
Disposal	-	26	98	3	127
Transfer, assets held for sale	-82	-	-	-243	-325
Exchange rate adjustment	-67	-35	-1	-7	-110
31 December 2013	**675**	**1,290**	**7,366**	**588**	**9,919**
Addition	-	164	251	63	478
Disposal	96	-	5	11	112
Transfer, assets held for sale	-	-	-	1	1
Exchange rate adjustment	-37	-84	-	-10	-131
31 December 2014	**542**	**1,370**	**7,612**	**631**	**10,155**
AMORTISATION AND IMPAIRMENT LOSSES					
1 January 2013	205	196	4,173	409	4,983
Amortisation	-	48	174	61	283
Impairment losses	4	-	49	1	54
Disposal	-	14	98	3	115
Transfer, assets held for sale	-5	-	-	-50	-55
Exchange rate adjustment	-7	-11	-	-1	-19
31 December 2013	**197**	**219**	**4,298**	**417**	**5,131**
Amortisation	-	54	96	49	199
Impairment losses	392	-	1,756	34	2,182
Disposal	96	-	5	9	110
Transfer, assets held for sale	-	-	-	1	1
Exchange rate adjustment	-42	-16	-	-8	-66
31 December 2014	**451**	**257**	**6,145**	**484**	**7,337**
CARRYING AMOUNT:					
31 December 2013	**478**	**1,071**[1]	**3,068**[2]	**171**[3]	**4,788**
31 December 2014	**91**	**1,113**[1]	**1,467**[2]	**147**[3]	**2,818**

[1] Of which USD 362m (USD 191m) is under development. USD 48m (USD 52m) is related to terminal rights with indefinite useful life in Poti Sea Port Corp. The impairment test is based on the estimated value in use according to business plans. An average discount rate of 13.8% (13.0%) p.a. after tax has been applied in the calculations. Furthermore, the development in volumes and rates are significant parameters. Service concession rights with a carrying amount of USD 226m (USD 222m) have restricted title.

[2] Of which USD 712m (USD 2.7bn) is related to oil concession rights where amortisation will begin when production commences. These rights will only be subject to impairment testing when trigger events occur.

[3] Of which USD 0m (USD 17m) is related to on-going development of software.

NOTE 6 INTANGIBLE ASSETS — CONTINUED

AMOUNTS IN USD MILLION

Impairment tests of intangible assets have been carried out within the following cash generating units, applying the below methods and key assumptions based on identified impairment indicators during the year, cf. note 25. In the cash generating units below the tests gave rise to impairment losses.

			Applied discount rate p.a. after tax		Impairment losses		Recoverable amount
Operating segment	**Cash generating unit**	**Methodology**	**2014**	2013	**2014**	2013	**2014**
OIL CONCESSION RIGHTS							
Maersk Oil	Brazil area	Value in use	8.5%	-	1,706	-	600
Maersk Oil	UK	Value in use	8.5%	8.5%	50	49	403
GOODWILL							
Svitzer	Adsteam Marine Limited (Australia)	Value in use	6.9%	7.8%	357	-	-
Damco	Airfreight Service	Value in use	8.5%	9.0%	35	4	75
OTHER RIGHTS							
Other		Value in use	-	-	34	1	-
Total					**2,182**	**54**	

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

AMOUNTS IN USD MILLION

	Ships, rigs, containers, etc.	Production facilities and equipment, etc.	Land and buildings	Construction work in progress and payment on account	Total
COST					
1 January 2013	47,689	23,118	5,562	5,015	81,384
Addition	524	646	93	5,608	6,871
Acquired in business combinations	-	5	23	-	28
Disposal	1,200	160	11	32	1,403
Disposal on sale of businesses	-	4	1	-	5
Transfer	1,677	2,184	77	-3,938	-
Transfer, assets held for sale	-2,130	-1,327	-4,567	-60	-8,084
Exchange rate adjustment	-164	-21	-	-7	-192
31 December 2013	**46,396**	**24,441**	**1,176**	**6,586**	**78,599**
Addition	739	664	72	7,417	8,892
Disposal	1,248	194	9	1	1,452
Disposal on sale of businesses	214	1	-	-	215
Transfer	6,130	2,795	64	-8,989	-
Transfer, assets held for sale	-209	-138	-158	5	-500
Exchange rate adjustment	-224	-235	-68	-110	-637
31 December 2014	**51,370**	**27,332**	**1,077**	**4,908**	**84,687**

	Ships, rigs, containers, etc.	Production facilities and equipment, etc.	Land and buildings	Construction work in progress and payment on account	Total
DEPRECIATION AND IMPAIRMENT LOSSES					
1 January 2013	17,906	17,639	1,971	24	37,540
Depreciation	2,446	1,714	95	-	4,255
Impairment losses	266	49	-	-	315
Reversal of impairment losses	88	49	4	9	150
Disposal	1,123	144	5	-	1,272
Disposal on sale of businesses	-	4	-	-	4
Transfer, assets held for sale	-774	-907	-1,596	-	-3,277
Exchange rate adjustment	-94	-1	-4	-2	-101
31 December 2013	**18,539**	**18,297**	**457**	**13**	**37,306**
Depreciation	2,531	1,602	49	-	4,182
Impairment losses	38	421	4	35	498
Reversal of impairment losses	76	1	-	-	77
Disposal	1,092	186	11	-	1,289
Disposal on sale of businesses	182	1	-	-	183
Transfer, assets held for sale	-154	34	-63	-	-183
Exchange rate adjustment	-85	-125	-26	-2	-238
31 December 2014	**19,519**	**20,041**	**410**	**46**	**40,016**
CARRYING AMOUNT:					
31 December 2013	**27,857**	**6,144**	**719**	**6,573**	**41,293**
31 December 2014	**31,851**	**7,291**	**667**	**4,862**	**44,671**
OF WHICH CARRYING AMOUNT OF FINANCE LEASED ASSETS:					
31 December 2013	**2,114**	**1**	**1**	**-**	**2,116**
31 December 2014	**1,894**	**-**	**1**	**-**	**1,895**

NOTE 7 PROPERTY, PLANT AND EQUIPMENT — CONTINUED

AMOUNTS IN USD MILLION

Impairment tests of property, plant and equipment have been carried out for cash generating units with indications of impairment. In the cash generating units below the tests gave rise to impairment losses and reversals.

			Applied discount rate p.a. after tax		Impairment losses		Reversal of impairment losses		Recoverable amount
Operating segment	**Cash generating unit**	**Methodology**	**2014**	2013	**2014**	2013	**2014**	2013	**2014**
Maersk Tankers	Crude tankers	Fair value	-	-	-	230	-	77	-
Maersk Line	Maersk Line[1]	Fair value	-	-	-	-	72	-	-
	Multi-purpose vessels	Value in use	-	10.0%	-	10	-	20	-
Maersk Oil	Dumbarton area	Value in use	8.5%	-	145	-	-	-	82
	Gryphon area	Value in use	8.5%	-	128	-	-	-	177
	Janice area	Value in use	8.5%	8.5%	105	49	-	-	106
	Scott area	Value in use	8.5%	-	37	-	-	-	33
	Polarled pipeline	Value in use	8.5%	-	28	-	-	-	8
	Other oil fields	Value in use	8.5%	-	11	-	-	-	-
Maersk Drilling	Endurer	Fair value	-	-	35	-	-	-	27
	Other		-	-	9	26	5	53	-
Total					**498**	**315**	**77**	**150**	

[1] Container vessels previously held for sale, now redeployed in the fleet.

Impairments

The impairments recognised in Maersk Oil are due to expected lower oil prices in the short to medium term.

Transfers

Transfer to assets held for sale primarily relate to APM Terminals Virginia, Portsmouth, USA.

In 2013, transfer to assets held for sale primarily related to Dansk Supermarked Group and 15 vessels in the VLCC segment in Maersk Tankers.

Finance leases

As part of the Group's activities, customary leasing agreements are entered into, especially with regard to the chartering of vessels and lease of containers and other equipment. In some cases, the leasing agreements comprise purchase options for the Group and options for extension of the lease term.

In the financial statements, assets held under finance leases are recognised in the same way as owned assets.

NOTE 7 PROPERTY, PLANT AND EQUIPMENT — CONTINUED

AMOUNTS IN USD MILLION

Operating leases as lessor

Property, plant and equipment include assets, mainly drillships, jack-up rigs and vessels, which are leased out as part of the Group's activities.

	Maersk Drilling 2014	Other 2014	Maersk Drilling 2013	Other 2013
Within one year	2,277	746	2,285	804
Between one and five years	3,103	810	4,952	1,063
After five years	589	385	616	848
Total	**5,969**	**1,941**	**7,853**	**2,715**

Ownership of production facilities and vessels

Ownership of production facilities, etc., relating to oil production in Qatar and Algeria with a carrying amount of USD 1.2bn (USD 1.1bn) is transferred to state-owned oil companies on an on-going basis according to agreements. The right of use is maintained during the concession period.

Pledges

Ships, buildings, etc. with a carrying amount of USD 6.4bn (USD 8.2bn) have been pledged as security for loans of USD 3.4bn (USD 5.0bn).

NOTE 8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES

AMOUNTS IN USD MILLION

Investments in joint ventures (100% numbers)	APM Terminals 2014	APM Terminals 2013	Others 2014	Others 2013
Revenue	2,878	2,396	1,001	943
Expenses, depreciation, amortisation, interest, etc.	3,060	2,084	987	806
Profit for the year	**-182**	**312**	**14**	**137**
Other comprehensive income	-76	24	-	-
Total comprehensive income	**-258**	**336**	**14**	**137**
Non-current assets	14,081	13,534	1,203	1,329
Current assets	1,230	1,191	391	419
Non-current liabilities	6,036	4,615	695	567
Current liabilities	1,514	1,874	361	533
Net assets	**7,761**	**8,236**	**538**	**648**
Cash and bank balances	496	358	102	143
Capital commitments	1,001	1,167	19	30
A.P. MØLLER - MÆRSK A/S' SHARE OF:				
Profit for the year	-14	93	8	59
Other comprehensive income	-24	12	-	-

The Group's share of commitments, which may require contribution of cash for investments, etc., amounted to USD 511m (USD 559m).

NOTE 8 INVESTMENTS IN JOINT VENTURES AND ASSOCIATED COMPANIES — CONTINUED

AMOUNTS IN USD MILLION

Investments in associated companies (100% numbers)	Danske Bank 2014	Danske Bank 2013	Other activities 2014	Other activities 2013
Revenue	-	20,905	2,774	4,220
Expenses, depreciation, amortisation, interest, etc.	-	19,639	2,525	4,074
Profit for the year	**-**	**1,266**	**249**	**146**
Other comprehensive income	-	114	3	-55
Total comprehensive income	**-**	**1,380**	**252**	**91**
Non-current assets	-	385,887	4,866	5,574
Current assets	-	210,314	970	994
Non-current liabilities	-	390,558	2,060	2,483
Current liabilities	-	178,733	772	916
Net assets	**-**	**26,910**	**3,004**	**3,169**
Cash and bank balances	-	8,077	478	421
A.P. MØLLER - MÆRSK A/S' SHARE OF:				
Profit for the year	-	254	82	41
Other comprehensive income	-	11	1	-17

In December 2014, Danske Bank was transferred to assets held for sale.

The Group's share of the result in Danske Bank was USD 330m compared to USD 254m in 2013. Apart from the development in the bank's profitability, the share of result was affected by the reversal of the Group's 2008 goodwill impairment of USD 202m.

For 2013, the fair value of Danske Bank amounted to USD 4.6bn, and the carrying amount was USD 5.4bn. Profit in Danske Bank was USD 1.3bn. The Group's share was USD 254m.

Revenue from Danske Bank included interest income, fee income and net premiums. Contingent liabilities amounted to USD 8.6bn and were related to guarantees and other contingent liabilities.

NOTE 9 DEFERRED TAX

AMOUNTS IN USD MILLION

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets 2014	Assets 2013	Liabilities 2014	Liabilities 2013	Net liabilities 2014	Net liabilities 2013
Intangible assets	19	56	92	146	73	90
Property, plant and equipment	122	133	2,173	2,015	2,051	1,882
Receivables, etc.	46	23	45	93	-1	70
Provisions, etc.	1,085	861	61	50	-1,024	-811
Oil lifting balances in joint operations	18	48	-	-	-18	-48
Tax loss carry forwards	895	546	-	-	-895	-546
Other	53	41	32	36	-21	-5
Total	**2,238**	**1,708**	**2,403**	**2,340**	**165**	**632**
Offsets	-1,702	-1,230	-1,702	-1,230	-	-
Total	**536**	**478**	**701**	**1,110**	**165**	**632**

Change in deferred tax, net during the year	2014	2013
1 January	**632**	**567**
Intangible assets	-8	-87
Property, plant and equipment	159	361
Receivables, etc.	-65	-3
Provisions, etc.	-218	-247
Oil lifting balances in joint operations	30	46
Tax loss carry forwards	-352	-42
Other	-23	-15
Recognised in the income statement[1]	**-477**	**13**
Change from acquisition/sale of businesses	13	4
Recognised in other comprehensive income and equity	-21	-10
Transfer, assets held for sale, etc	-2	33
Exchange rate adjustments	20	25
31 December	**165**	**632**

[1] Of which USD 0m (USD 33m) is recognised as an expense in discontinued operations.

NOTE 9 DEFERRED TAX — CONTINUED

AMOUNTS IN USD MILLION

Unrecognised deferred tax assets
In 2014, the impairment of oil concession rights in Brazil has led to a material increase in the unrecognised deferred tax asset, as sufficient taxable profits are not expected in the foreseeable future against which the temporary differences can be deducted.

	2014	2013
Deductible temporary differences	761	253
Tax losses carry forward	764	559
Total	**1,525**	**812**

The tax losses carried forward have no significant time limitations. No tax value is recognised as it is not considered likely that the deferred tax assets can be realised in the foreseeable future.

There are no significant unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

NOTE 10 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

AMOUNTS IN USD MILLION

Discontinued operations and assets held for sale 2014
Dansk Supermarked Group was in 2013 classified as discontinued operations and information of discontinued operations below solely relates to Dansk Supermarked Group.

After the sale of the majority share in Dansk Supermarked Group, a 19% share is retained by the Group. This investment is classified as available-for-sale (other equity investments) in unallocated activities and measured at fair value.

The vendor note is a loan receivable from the sale of Dansk Supermarked Group. The loan is maturing in 2019 and is classified under unallocated activities and is measured at amortised cost.

Assets held for sale primarily relate to the shares in Danske Bank and two VLCC vessels. The divestment of the shares in Danske Bank, denominated in DKK, is expected to take place in Q2 2015. The fair value of the listed shares at 31 December 2014 is USD 5.5bn and the translation reserve recognised in equity is a loss of USD 79m.

Discontinued operations and assets held for sale 2013
The Dansk Supermarked Group was classified as discontinued operations and information of discontinued operations below solely relates to Dansk Supermarked Group.

Intangible assets held for sale regarding Dansk Supermarked Group amounted to USD 280m and property, plant and equipment amounted to USD 3.4bn. Non-controlling interests on the equity related to Dansk Supermarked Group amounted to USD 2.1bn.

Assets held for sale related, in addition to Dansk Supermarked Group, primarily to 15 vessels in the VLCC segment in Maersk Tankers.

NOTE 10 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE — CONTINUED

AMOUNTS IN USD MILLION

	2014	2013
PROFIT FOR THE YEAR – DISCONTINUED OPERATIONS		
Revenue	2,768	10,120
Expenses	2,662	9,473
Gains/losses on sale of assets and businesses	2,775	-
Depreciation, amortisation and impairment losses, net	-	130
Profit before tax, etc.	**2,881**	**517**
Tax[1]	25	123
Profit for the year – discontinued operations	**2,856**	**394**
A.P. Møller - Mærsk A/S' share hereof	2,831	230
Earnings per share, USD	130	11
Diluted earnings per share, USD	130	11
CASH FLOWS FROM DISCONTINUED OPERATIONS FOR THE YEAR		
Cash flow from operating activities	-94	678
Cash flow used for investing activities	1,914	-465
Cash flow from financing activities	689	-129
Net cash flow from discontinued operations	**2,509**	**84**
BALANCE SHEET ITEMS COMPRISE:		
Non-current assets	5,283	4,909
Current assets	6	2,014
Assets held for sale	**5,289**	**6,923**
Provisions	1	45
Other liabilities	11	2,085
Liabilities associated with assets held for sale	**12**	**2,130**

[1] The tax relates to the profit from the ordinary activities of the discontinued operations. There is no tax related to the gain on sale of Dansk Supermarked Group.

Effect of disposal on the financial position of the Group	**2014**
CARRYING AMOUNT	
Goodwill	80
Intangible assets	207
Property, plant and equipment	3,411
Deferred tax asset	33
Current assets	2,341
Provisions	-42
Liabilities	-3,741
Net assets sold	**2,289**
Non-controlling interests	-1,558
A.P. Møller - Mærsk A/S' share	**731**
Gain/loss on sale[1]	2,702
Deemed proceeds from sale	**3,433**
Vendor note	-390
Fair value of the retained investment	-994
Cash and bank balances sold	-114
Cash flow from sale of subsidiaries and activities	**1,935**
RECONCILIATION TO PROCEEDS IN STOCK EXCHANGE ANNOUNCEMENT 11 APRIL 2014	
Cash flow from sale of subsidiaries and activities	1,935
Repayment of loans	-1,565
Dividends	2,301
Cash and bank balances sold	114
Total cash proceeds	**2,785**
Vendor note	390
Total proceeds	**3,175**

[1] Excluding accumulated exchange rate gains of USD 73m previously recognised in equity. Includes fair value gain on the retained investment of USD 761m.

NOTE 11 SHARE CAPITAL AND EARNINGS PER SHARE

AMOUNTS IN USD MILLION

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014 the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

Development in the number of shares:

	A-shares of DKK 1,000	DKK 500	B-shares of DKK 1,000	DKK 500	Nominal DKK million	USD million
1 January 2014	2,197,619	362	2,197,683	234	4,396	738
Issue of bonus shares	8,791,200	-	8,791,200	-	17,582	3,247
Conversion	15	-30	22	-44	-	-
31 December 2014	**10,988,834**	**332**	**10,988,905**	**190**	**21,978**	**3,985**

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

For adoption of resolutions regarding changes in the Company's articles or increase or write down to the share capital requires the presence of two-thirds of the class A voting rights at the Annual General Meeting and that the resolution shall be passed by two-thirds of the votes cast.

Apart from a resolution for the dissolution of the Company, other resolutions at the Annual General Meetings are passed by simple majority, as long as legislation does not require particular voting majority. Reference is made to the Company's articles of association.

In the event of an increase of the Company's share capital, the shareholders in the given share class shall have a pre-emptive right to subscribe for a proportionate share of the capital increase.

According to the authorisation of the Annual General Meeting, the Board of Directors may in the period up to and including 3 April 2016 allow the Company to acquire own shares up to a holding of 10% of the Company's share capital. The purchase price may not deviate by more than 10% from the price quoted NASDAQ OMX Copenhagen A/S at the time of purchase.

Development in the holding of own shares:

	No. of shares of DKK 1,000		Nominal value DKK		% of share capital	
Own shares	**2014**	2013	**2014**	2013	**2014**	2013
A SHARES						
1 January[1]	0	0	0	0	0.00%	0.00%
Addition	61,075	-	61	-	0.28%	0.00%
31 December	**61,075**	**0**	**61**	**0**	**0.28%**	**0.00%**
B SHARES						
1 January[1]	132,628	145,348	133	145	0.60%	0.66%
Addition	239,303	-	239	-	1.09%	0.00%
Disposal	29,865	12,720	30	12	0.13%	0.06%
31 December	**342,066**	**132,628**	**342**	**133**	**1.56%**	**0.60%**

[1] The number of shares are restated to include the issue of bonus shares.

Additions of own shares related to the buy-back programme initiated in September 2014. The purpose of the share buy-back programme is to adjust the capital structure of the Company and to meet the obligations arising from employee share option programmes or other allocations of shares to employees of the Company. At the Company's annual general meetings in 2015 and 2016, a resolution will be proposed that shares acquired, which are not used for hedging purposes of the ongoing incentives programmes, will be cancelled.

Disposals of own shares are primarily related to the share option programme.

Based on the parent company's profit of USD 7,984m (USD 1,300m), the Board of Directors proposes a dividend to the shareholders of DKK 300 per share of DKK 1,000 – a total of DKK 6,593m, equivalent to USD 1,077m at the exchange rate as per 31 December 2014 (DKK 280 per share of DKK 1,000 – a total of DKK 6,154m equivalent to USD 1,137m).

In addition to the ordinary dividend the Board of Directors will declare, subject to authorisation from the shareholders, an extraordinary cash dividend equal to the prevailing market value of the Group's 20.05% ownership interest in Danske Bank A/S. The extraordinary dividend will be determined based on the Volume Weighted Average Price of Danske Bank A/S' shares traded during a pricing period of five trading days, expected to commence Friday 20 March and expire Thursday 26 March 2015. Based on the value of the shares on 31 December 2014, the value of the extraordinary dividend is estimated to DKK 33,850m equivalent to USD 5,530m using the exchange rate as per 31 December 2014 (around DKK 1,569 per share of DKK 1,000 excluding treasury shares).

Payment of all dividends is expected to take place on 7 April 2015.

Payment of dividends to shareholders does not trigger taxes to the Group.

NOTE 11 SHARE CAPITAL AND EARNINGS PER SHARE — CONTINUED

AMOUNTS IN USD MILLION

Basis for calculating earnings per share is the following:

A.P. Møller - Mærsk A/S' share of:	2014	2013
Profit for the year of continuing operations	2,184	3,220
Profit for the year of discontinued operations	2,831	230
Profit for the year	**5,015**	**3,450**

	2014	2013
Issued shares 1 January	21,978,000	21,978,000
Average number of own shares	156,921	140,030
Average number of shares	**21,821,079**	**21,837,970**

At 31 December 2014, there is a dilution effect on earnings per share of 40,505 (12,610) issued share options while there is no dilution effect on 0 (59,260) issued share options. This corresponds to 0.18% (0.06%) and 0.0% (0.27%) of the share capital, respectively.

NOTE 12 SHARE-BASED PAYMENT

AMOUNTS IN USD MILLION

Performance shares

In 2014, the Group has established a performance shares programme for members of the Executive Board and other employees.

The fair value of performance shares (A.P. Møller - Mærsk A/S B shares) granted to 6 members of the Executive Board and to 127 employees was USD 53m. Total value of granted performance shares recognised in the income statement is USD 13m.

The actual transfer of performance shares is contingent upon the degree of certain financial goals being achieved, the employee still being permanently employed and not being under notice of termination at the time when three years have passed from the time of granting. Transfer of the performance shares to members of the Executive Board is contingent on the member still being part of the Executive Board at the time of publishing of the 2016 Annual Accounts for A.P. Møller - Mærsk A/S. The members of the Executive Board as well as other employees are not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Group's holding of own shares is reserved for transfer of performance shares.

Outstanding performance shares	Members of the Executive Board[1] No.	Employees[1] No.	Total fair value[1] USD million
Granted	3,100	18,953	53
Outstanding 31 December 2014	**3,100**	**18,953**	

[1] At the time of grant.

The fair value per performance share at the time of grant is calculated at DKK 13,130, which is equal to the average share price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report .

The average remaining contractual life for the performance shares as per 31 December 2014 is 2.3 years.

Restricted shares

The fair value of restricted shares (A.P. Møller - Mærsk A/S B shares) granted to 123 (115) employees was USD 9m (USD 8m) at the time of the grant. Total value of granted restricted shares recognised in the income statement is USD 5m (USD 2m).

The transfer of restricted shares is contingent on the employee still being permanently employed and takes place when three years have passed from the time of granting. The employee is not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Group's holding of own shares is reserved for transfer of restricted shares.

NOTE 12 SHARE-BASED PAYMENT — CONTINUED

AMOUNTS IN USD MILLION

Outstanding restricted shares[1]	Employees[2] No.	Total fair value[2] USD million
1 January 2013	-	
Granted	5,070	8
Forfeited	65	
Outstanding 31 December 2013	**5,005**	
Granted	3,830	9
Forfeited	200	
Outstanding 31 December 2014	**8,635**	

[1] The number of shares are restated to include the issue of bonus shares.
[2] At the time of grant.

The fair value per restricted share at the time of grant is calculated at DKK 13,130 (DKK 9,063), which is equal to the average share price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. 2013 figure is restated due to the effect from the issue of bonus shares by four shares to one.

The average remaining contractual life for the restricted shares as per 31 December 2014 is 1.7 years (2.3 years).

Share options

In addition to the performance shares programme and the restricted shares programme, the Company has a share option programme for former partners in Firmaet A.P. Møller and other employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S. Share options related to this programme have not been granted in 2014.

Total value of granted share options recognised in the income statement is USD 1m (USD 4m).

The share options were granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. Exercise of the share options is contingent on the option holder still being permanently employed at the time of exercise. The share options can be exercised when at least two years and no more than five years have passed from the time of granting and can only be exercised within the trading periods as stated in the internal rules for trading of A.P. Møller - Mærsk A/S' securities in force at any time. Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

The share options can only be settled in shares. A portion of the Group's holding of own shares is reserved for settlement of granted options.

Outstanding share options[1]	Partners in Firmaet A.P. Møller[2] No.	Employees[2] No.	Total No.	Average exercise price[1] DKK
1 January 2013	26,255	76,690	102,945	9,276
Exercised	1,185	11,535	12,720	6,084
Forfeited	5,600	12,755	18,355	10,696
Outstanding 31 December 2013	**19,470**	**52,400**	**71,870**	**9,479**
Exercisable 31 December 2013	**15,510**	**31,325**	**46,835**	**9,217**
Exercised	7,810	22,055	29,865	8,260
Forfeited	-	1,500	1,500	9,790
Outstanding 31 December 2014	**11,660**	**28,845**	**40,505**	**10,366**
Exercisable 31 December 2014	**11,660**	**28,845**	**40,505**	**10,366**

[1] The number of shares are restated to include the issue of bonus shares.
[2] At the time of grant.

The weighted average share price at the dates of exercise of shares was DKK 13,480 (DKK 9,996). 2013 figure is restated due to the effect from the issue of bonus shares by four shares to one.

The average remaining contractual life as per 31 December 2014 is 1.5 years (2.0 years) and the exercise price for outstanding share options is in the range of DKK 9,418 to DKK 11,590 (DKK 5,447 to DKK 11,592). 2013 figures are restated due to the effect from the issue of bonus shares by four shares to one.

NOTE 13 BORROWINGS

AMOUNTS IN USD MILLION

	2014	2013
Bank and other credit institutions	6,017	8,653
Finance lease liabilities	1,696	1,986
Issued bonds	4,612	5,104
Total	**12,325**	**15,743**
OF WHICH:		
Classified as non-current	10,913	12,702
Classified as current	1,412	3,041

Finance lease liabilities	**Minimum lease payments 2014**	**Interest 2014**	**Carrying amount 2014**	**Minimum lease payments** 2013	**Interest** 2013	**Carrying amount** 2013
Within one year	225	82	143	301	93	208
Between one and five years	909	223	686	952	311	641
After five years	1,086	219	867	1,400	263	1,137
Total	**2,220**	**524**	**1,696**	**2,653**	**667**	**1,986**

The finance lease agreements are described in note 7.

NOTE 14 PENSIONS AND SIMILAR OBLIGATIONS

AMOUNTS IN USD MILLION

As employer, the Group participates in pension plans according to normal practice in the countries in which the Group operates. As a main rule, the pension plans within the Group are defined contribution plans, where contributions are recognised in the income statement on an accrual basis. A number of entities have defined benefit plans, in which retirement benefits are based on length of service and salary level. To a limited extent, these defined benefit plans also include payment of medical expenses, etc.

Pension and medical plans which, as part of collective bargaining agreements, have been entered into with other enterprises (known as multi-employer plans) are treated as other pension plans. Such defined benefit plans are treated as defined contribution plans when sufficient information for calculating the individual enterprises' share of the obligation is not available.

In 2015, the Group expects to pay contributions totalling USD 68m to funded defined benefit plans (USD 79m in 2014).

	United Kingdom 2014	**Other 2014**	**Total 2014**	**United Kingdom** 2013	**Other** 2013	**Total** 2013
SPECIFICATION OF NET LIABILITY						
Present value of funded plans	2,096	567	2,663	2,004	527	2,531
Fair value of plan assets	-2,077	-468	-2,545	-1,945	-429	-2,374
Net liability of funded plans	19	99	118	59	98	157
Present value of unfunded plans	3	96	99	3	83	86
Impact of minimum funding requirement/asset ceiling	-	-	-	18	-	18
Net liability 31 December	**22**	**195**	**217**	**80**	**181**	**261**
OF WHICH:						
Pensions, net assets			112			66
Pensions and similar obligations			329			327

NOTE 14 PENSIONS AND SIMILAR OBLIGATIONS — CONTINUED

AMOUNTS IN USD MILLION

The majority of the Group's defined benefit liabilities are in the UK (76%) and the USA (14%). All of the plans in the UK and the majority of the plans in the USA are funded. Although all of the UK plans are now closed to new entrants, active members in the two largest plans continue to accrue new benefits. The smaller UK plans are all closed to new accruals, although a salary link remains in some of the plans.

Overall the plans have an average duration of 15 years and approximately 49% of the obligation is in respect of pensioner members.

As well as being subject to the risks of falling interest rates, which would increase the obligation, poor asset returns and pensioners living longer than anticipated, the Group is also subject to the risk of higher than expected inflation. This is because many pension benefits, particularly in the UK plans, increase in line with inflation (although some minimum and maximum limits apply).

Significant financial assumptions	United Kingdom 2014	Total 2014	United Kingdom 2013	Total 2013
Discount rate	3.5%	3.5%	4.4%	4.4%
Inflation rate	3.2%	3.0%	3.6%	3.3%
Future salary increase	3.5%	3.5%	4.5%	4.3%
Future pension increase	2.9%	2.7%	3.3%	3.1%

Rates of life expectancy reflect the most recent mortality investigations and in line with market practice an allowance is made for future improvements in life expectancy. The Group assumes that future improvements will be in line with the latest projections (1.25% in 2014 and 2013) for all UK plans.

			31 December	
Life expectancy	**2014**	**2034**	2013	2033
65 year old male in the UK	22.1	23.8	22.2	23.5

The liabilities are calculated using assumptions that are the Group's best estimate of future experience bearing in mind the requirements of IAS 19. The sensitivity of the liabilities and pension cost to the key assumptions are as follows:

Sensitivities for key assumptions in the UK		2014		2013	
Factors	**"Change in liability"**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate	Increase/(decrease) by 10 basis points	-33	34	-31	32
Inflation rate	Increase/(decrease) by 10 basis points	21	-21	18	-20
Life expectancy	Increase/(decrease) by 1 year	80	-77	69	-67

The Group's plans are funded in accordance with applicable local legislation. In the UK, each plan has a Trustee Board that is required to act in the best interests of plan members. Every three years, a formal valuation of the plan's liabilities is carried out using a prudent basis and if the plan is in deficit the Trustees agree with the Group on a plan for recovering that deficit.

The expected contributions to the UK plans for 2015 are USD 45m (USD 55m in 2014) of which USD 5m (USD 15m in 2014) is deficit recovery contributions. In most of the UK plans, any surplus remaining after the last member dies may be returned to the Group. However, the Merchant Navy Officer's Pension Fund contributions paid by the Group are not refundable in any circumstance and the balance sheet liability reflects an adjustment for any agreed deficit recovery contributions in excess of deficit determined using the Group's assumptions. In 2014, an adjustment of USD 0m (USD 18m) was applied in this respect.

Specification of plan assets	United Kingdom 2014	Other 2014	Total 2014	United Kingdom 2013	Other 2013	Total 2013
Shares	520	182	702	629	164	793
Government Bonds	554	116	670	750	103	853
Corporate Bonds	374	78	452	427	68	495
Real estate	121	4	125	26	3	29
Other assets	508	88	596	113	91	204
Fair value 31 December	**2,077**	**468**	**2,545**	**1,945**	**429**	**2,374**

All the plan assets held by the Group are quoted, except for an insignificant portion.

NOTE 14 PENSIONS AND SIMILAR OBLIGATIONS — CONTINUED

AMOUNTS IN USD MILLION

Change in net liability	Present value of obligations	Fair value of plan assets	Adjust-ments	Net liability	Of which: United Kingdom
1 January 2013	2,633	2,226	6	413	126
Current service costs, etc.	26	-	-	26	6
Calculated interest expense/income	103	90	-	13	5
Gains/losses on settlements, past service costs/income, etc.	1	-	-	1	-
Administration expenses, etc.	-	-3	-	3	1
Recognised in the income statement in 2013[1]	**130**	**87**	**-**	**43**	**12**
Actuarial gains/losses from change in financial assumptions	22	-	-	22	68
Actuarial gains/losses from change in demographic assumptions	24	-	-	24	13
Experience gains/losses	9	-	-	9	4
Return on plan assets, exclusive calculated interest income	-	123	-	-123	-118
Adjustment for minimum funding requirement	-	-	17	17	17
Effect of asset ceiling	-	-	-6	-6	-
Recognised in other comprehensive income in 2013	**55**	**123**	**11**	**-57**	**-16**
Contributions from the Group	-	68	-	-68	-42
Contributions from employees	2	2	-	-	-
Benefit payments	-184	-171	-	-13	-
Exchange rate adjustment	37	39	1	-1	-
Closing balance transferred to held for sale	-56	-	-	-56	-
31 December 2013	**2,617**	**2,374**	**18**	**261**	**80**
Current service costs, etc.	34	-	-	34	7
Calculated interest expense/income	113	105	-	8	2
Gains/losses on settlements, past service costs/income, etc.	-11	-	-	-11	-
Administration expenses, etc.	-	-5	-	5	3
Recognised in the income statement in 2014	**136**	**100**	**-**	**36**	**12**
Actuarial gains/losses from change in financial assumptions	273	-	-	273	210
Actuarial gains/losses from change in demographic assumptions	27	-	-	27	-4
Experience gains/losses	-9	-	-	-9	-1
Return on plan assets, exclusive calculated interest income	-	252	-	-252	-199
Adjustment for minimum funding requirement	-	-	-18	-18	-18
Recognised in other comprehensive income in 2014	**291**	**252**	**-18**	**21**	**-12**
Contributions from the Group	-	81	-	-81	-57
Contributions from employees	2	2	-	-	-
Benefit payments	-124	-116	-	-8	-
Exchange rate adjustment	-160	-148	-	-12	-1
31 December 2014	**2,762**	**2,545**	**-**	**217**	**22**

[1] Of which USD 1m was included under Discontinued operations.

Multi-employer plans

Due to collective agreements, some entities in the Group participate together with other employers in defined benefit pension and health insurance schemes for current and retired employees (multi-employer plans).The Group has joint and several liability to fund total obligations. In 2014, the Group's contributions are estimated at USD 135m (USD 121m). The Group's share of total contributions paid to the pension schemes over the past 5 years is in the range of 7% to 13%. The contributions to be paid in 2015 are expected to be USD 140m (USD 128m).

No reliable basis exists for allocation of the schemes' obligations and plan assets to individual employer participants. The Group's share might be significant and deficit in some of the schemes may necessitate increased contributions in the future. Based on the most recent available financial data from the plans' trustees, according to US GAAP, the plan assets totalled USD 8.1bn (USD 7.3bn) and the actuarial value of obligations approximately USD 9.8bn (USD 9.7bn). Net obligations in the plans with deficits totalled USD 2.2bn (USD 2.8bn). Financial data for the three major plans that constitute 70% of total obligations and 68% of total plan assets is less than 1.5 years old. In general, the contributions to the schemes are based on man hours worked or cargo tonnage handled, or a combination hereof.

NOTE 15 PROVISIONS

AMOUNTS IN USD MILLION

	Abandon-ment	Restruc-turing	Legal disputes, etc.	Other	Total
1 January 2014	2,199	93	1,551	1,081	4,924
Provision made	554	92	850	396	1,892
Amount used	50	65	206	260	581
Amount reversed	3	10	489	261	763
Disposal on sale of businesses	-	-	1	-	1
Unwind of discount	75	-	-	2	77
Transfer	-	-	179	-179	-
Transfer, assets held for sale	-	-	-	2	2
Exchange rate adjustment	-1	-7	-42	-21	-71
31 December 2014	**2,774**	**103**	**1,842**	**760**	**5,479**
OF WHICH:					
Classified as non-current	2,707	5	1,509	421	4,642
Classified as current	67	98	333	339	837
Non-current provisions expected to be realised after more than five years	2,371	-	124	13	2,508

Provisions for abandonment comprise estimated expenses for abandonment of oil and gas fields at discounted value. The present value of the obligations is expected realised as follows:

USD million	0-10 years	10-20 years	20-30 years	30-40 years	Total
Expected utilisation	1,198	773	763	40	2,774

The discount and inflation rates used are at weighted average 3.3% and 2.3% respectively (3.5% and 2.2%).

Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include tax, indirect tax and duty disputes among other things. Other includes provisions for onerous contracts, warranties and risk under certain self-insurance programmes. The provisions are subject to considerable uncertainty, cf. note 25.

Reversals of provisions primarily relate to legal disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

NOTE 16 DERIVATIVES

AMOUNTS IN USD MILLION

Hedges comprise primarily of currency derivatives and interest rate derivatives. Foreign exchange forwards and option contracts are used to hedge the currency risk related to recognised and unrecognised transactions. Interest rate swaps are used to hedge interest rate exposure on borrowings. Price hedge derivatives are entered into to hedge crude oil prices and bunker prices.

	2014	2013
Non-current receivables	40	252
Current receivables	144	175
Non-current liabilities	432	127
Current liabilities	252	175
Liabilities, net	**500**	**-125**

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

	Cash flow hedges 2014	**Fair value hedges 2014**	**Held for trading 2014**	**Cash flow hedges** 2013	**Fair value hedges** 2013	**Held for trading** 2013
Currency derivatives[1]	-207	-146	-239	55	124	-71
Interest rate derivatives[1]	-33	113	13	-8	21	4
Price hedge derivatives	-	-	-1	-	-	-
Total	**-240**	**-33**	**-227**	**47**	**145**	**-67**

[1] Majority of the hedges recognised in equity are realised within one year.

The gains/losses, including realised transactions, are recognised as follows:

	2014	2013
Hedging foreign exchange risk on revenue	4	13
Hedging foreign exchange risk on operating costs	-28	26
Hedging interest rate risk	-49	-70
Hedging foreign exchange risk on the cost of property, plant and equipment	-6	6
Hedging foreign exchange risk on discontinued operations	-48	-
Total effective hedging	**-127**	**-25**
Ineffectiveness recognised in financial expenses	6	-3
Total reclassified from equity reserve for hedges	**-121**	**-28**
DERIVATIVES ACCOUNTED FOR AS HELD FOR TRADING:		
Currency derivatives recognised directly in financial income/expenses	-484	161
Interest rate derivatives recognised directly in financial income/expenses	84	-70
Oil prices and freight rate derivatives recognised directly in other income/costs	-42	-1
Net gains/losses recognised directly in the income statement	**-442**	**90**
Total	**-563**	**62**

Currency derivatives hedge future revenue, operating costs and investments and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment respectively.

Interest rate derivatives swap floating to fixed rates on borrowings and are recognised in the income statement concurrently with the hedged interest expenses. They are also used to swap fixed rates to floating rates, of which some are fair value hedges.

Furthermore, the Group enters into derivatives to hedge economic risks that are not accounted for as hedging. These derivatives are accounted for as held for trading.

For information about currencies, maturities, etc. reference is made to note 18.

NOTE 17 FINANCIAL INSTRUMENTS BY CATEGORY

AMOUNTS IN USD MILLION

Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

	Carried at amortised cost		Carried at fair value			Total carrying amount	Non-current portion	Current portion
	Carrying amount	Fair value	Level1 Carrying amount	Level 2 Carrying amount	Level 3 Carrying amount			
2014								
Loans receivable	557	557				557	453	104
Finance lease receivables	25	25				25	23	2
Other interest-bearing receivables and deposits	168	168				168	130	38
Total interest-bearing receivables	**750**	**750**	**-**	**-**	**-**	**750**	**606**	**144**
Trade receivables	4,077					4,077	-	4,077
Other receivables (non-interest-bearing)	1,120					1,120	356	764
Cash and bank balances	3,507					3,507	-	3,507
Total loans and receivables	**9,454**		**-**	**-**	**-**	**9,454**	**962**	**8,492**
Bonds			368	-	-	368	-	368
Shares			-	-	9	9	-	9
Other securities			-	-	2	2	-	2
Total securities (held for trading)	**-**		**368**	**-**	**11**	**379**	**-**	**379**
Derivatives			17	167	-	184	40	144
Shares (available-for-sale)			-	-	943	943	943	-
Total other financial assets	**-**		**17**	**167**	**943**	**1,127**	**983**	**144**
Total financial assets	**9,454**		**385**	**167**	**954**	**10,960**	**1,945**	**9,015**
Bank and other credit institutions	6,017	6,205				6,017	4,748	1,269
Finance lease liabilities	1,696	1,898				1,696	1,553	143
Issued bonds	4,612	4,845				4,612	4,612	-
Total borrowings	**12,325**	**12,948**	**-**	**-**	**-**	**12,325**	**10,913**	**1,412**
Trade payables	5,277					5,277	-	5,277
Derivatives			26	658	-	684	432	252
Other payables	1,235		-	-	1	1,236	-	1,236
Total other financial liabilities	**6,512**		**26**	**658**	**1**	**7,197**	**432**	**6,765**
Total financial liabilities	**18,837**		**26**	**658**	**1**	**19,522**	**11,345**	**8,177**

NOTE 17 FINANCIAL INSTRUMENTS BY CATEGORY — CONTINUED

AMOUNTS IN USD MILLION

	Carried at amortised cost		Carried at fair value			Total carrying amount	Non-current portion	Current portion
	Carrying amount	Fair value	Level1 Carrying amount	Level 2 Carrying amount	Level 3 Carrying amount			
2013								
Loans receivable	263	263				263	113	150
Finance lease receivables	136	136				136	128	8
Other interest-bearing receivables and deposits	132	132				132	80	52
Total interest-bearing receivables	**531**	**531**	**-**	**-**	**-**	**531**	**321**	**210**
Trade receivables	4,629					4,629	-	4,629
Other receivables (non-interest-bearing)	1,365					1,365	492	873
Cash and bank balances	3,259					3,259	-	3,259
Total loans and receivables	**9,784**		**-**	**-**	**-**	**9,784**	**813**	**8,971**
Bonds			309	-	-	309	-	309
Shares			-	-	1	1	-	1
Other securities			-	-	2	2	-	2
Total securities (held for trading)	**-**		**309**	**-**	**3**	**312**	**-**	**312**
Derivatives			-	427	-	427	252	175
Shares (available-for-sale)			-	-	72	72	72	-
Total other financial assets	**-**		**-**	**427**	**72**	**499**	**324**	**175**
Total financial assets	**9,784**		**309**	**427**	**75**	**10,595**	**1,137**	**9,458**
Bank and other credit institutions	8,653	8,973				8,653	7,179	1,474
Finance lease liabilities	1,986	2,210				1,986	1,779	207
Issued bonds	5,104	5,340				5,104	3,744	1,360
Total borrowings	**15,743**	**16,523**	**-**	**-**	**-**	**15,743**	**12,702**	**3,041**
Trade payables	5,379					5,379	-	5,379
Derivatives			-	302	-	302	127	175
Other payables	1,278		-	-	30	1,308	21	1,287
Total other financial liabilities	**6,657**		**-**	**302**	**30**	**6,989**	**148**	**6,841**
Total financial liabilities	**22,400**		**-**	**302**	**30**	**22,732**	**12,850**	**9,882**

Fair value of the short term accounts receivable and short term accounts payable is not materially different from the carrying amount.

NOTE 17 FINANCIAL INSTRUMENTS BY CATEGORY — CONTINUED

AMOUNTS IN USD MILLION

Movement during the year in level 3	Non-listed shares: Available-for-sale	Non-listed shares: Held for trading	Other securities	Total financial assets	Other payables	Total financial liabilities
Carrying amount 1 January 2013	69	2	2	73	50	50
Disposal	1	-	1	2	-	-
Gains/losses recognised in the income statement	-	-	-	-	-18	-18
Gains/losses recognised in other comprehensive income	4	-	-	4	-	-
Transfer, assets held for sale	-	-1	-	-1	-	-
Exchange rate adjustment	-	-	1	1	-2	-2
Carrying amount 31 December 2013	**72**	**1**	**2**	**75**	**30**	**30**
Addition	995	9	-	1,004	-	-
Disposal	-	-	-	-	17	17
Gains/losses recognised in the income statement	-	-	-	-	-13	-13
Gains/losses recognised in other comprehensive income	-121	-	-	-121	-	-
Transfer, assets held for sale	-2	-	-	-2	-	-
Exchange rate adjustment	-1	-1	-	-2	1	1
Carrying amount 31 December 2014	**943**	**9**	**2**	**954**	**1**	**1**

The main part of the closing balance and the addition during 2014 comprises the 19% share in Dansk Supermarked Group. The estimated fair value in DKK in December is equal to the initial valuation of the 19%. The decrease in the carrying amount of the investment in 2014 can be attributed to the development in the DKK/USD exchange rate.

The valuation is based primarily on a discounted cash flow model with reference to selected listed peers. The model relies on a discount rate of 7.4% reflecting a weighted average of an assumed discount rate for the retail business and an assumed yield for the real estate business as well as a long term terminal growth rate of 2%. All other things being equal, a 0.25% change in the discount rate will affect other comprehensive income and equity by USD 35-50m.

NOTE 18 FINANCIAL RISKS, ETC.

AMOUNTS IN USD MILLION

The Group's activities expose it to a variety of financial risks:
- Market risks, i.e. currency risk and interest rate risk
- Credit risk
- Liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's business units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 December 2014.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2014. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rates.

Currency risk

The Group's currency risk relates to the fact that while income from shipping and oil-related activities is denominated mainly in USD, the related expenses are incurred in both USD and a wide range of other currencies such as DKK, EUR, CNY and GBP. As the net income is in USD, this is also the primary financing currency. Income and expenses from other activities, including APM Terminals, are mainly denominated in local currencies, thus reducing the Group's exposure to these currencies.

The main purpose of hedging the Group's currency risk is to hedge the USD value of the Group's net cash flow and reduce fluctuations in the Group's profit. The Group uses various financial derivatives, including forwards, option contracts and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-months horizon;
- Significant capital commitments in other currencies than USD are hedged;
- Most non-USD debt is hedged, however, depending on asset-liability match and the currency of the generated cash flow.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed, is estimated to have a negative impact on the Group's profit before tax by USD 0.1bn (USD 0.2bn) and the Group's equity, excluding tax, negatively by USD 0.3bn (USD 0.4bn). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date, cf. notes 16 and 17, and are thus not an expression of the Group's total currency risk.

NOTE 18 FINANCIAL RISKS, ETC. — CONTINUED

AMOUNTS IN USD MILLION

Interest rate risk

The Group has most of its debt denominated in USD, but part of the debt (e.g. issued bonds) is in other currencies such as EUR, NOK, GBP and SEK.

The Group strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks. The hedging of the interest rate risk is governed by a duration range and is primarily obtained through the use of interest rate swaps. The duration of the Group's debt portfolio is 2.6 years (2.0 years). A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax negatively by approximately USD 22m (USD 34m). The effect on equity, excluding tax effect, of an increase in interest rates as mentioned above is estimated to be positive by approximately USD 59m (USD 53m).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Borrowings by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing		
		0-1 year	1-5 years	5- years
2014				
0-3%	8,021	4,728	2,004	1,289
3-6%	3,045	828	639	1,578
6%-	1,259	212	156	891
Total	**12,325**	**5,768**	**2,799**	**3,758**
OF WHICH:				
Bearing fixed interest	7,111			
Bearing floating interest	5,214			
2013				
0-3%	9,589	7,030	1,982	577
3-6%	3,676	1,256	726	1,694
6%-	2,478	1,248	269	961
Total	**15,743**	**9,534**	**2,977**	**3,232**
OF WHICH:				
Bearing fixed interest	7,575			
Bearing floating interest	8,168			

Credit risk

The Group has exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties and credit limits are set for financial institutions and key commercial counterparties.

Maturity analysis of trade receivables	2014	2013
Receivables not due	3,032	3,509
Less than 90 days overdue	935	979
More than 90 days overdue	393	509
Receivables, gross	4,360	4,997
Provision for bad debt	283	368
Carrying amount	**4,077**	**4,629**

Change in provision for bad debt	2014	2013
1 January	368	327
Disposal on sale of businesses	111	1
Provision made	264	207
Amount used	110	59
Amount reversed	123	103
Exchange rate adjustment	-5	-3
31 December	**283**	**368**

NOTE 18 FINANCIAL RISKS, ETC. — CONTINUED

AMOUNTS IN USD MILLION

Liquidity risk

The equity share of total equity and liabilities was 61.3% at the end of 2014 (57.1%). The Group's long term objective is to maintain a conservative financial solvency profile. Capital is managed for the Group as a whole.

	2014	2013
Borrowings	12,325	15,743
Net interest-bearing debt	7,698	11,642
Liquidity reserve[1]	11,562	13,640

[1] Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities and cash and bank balances, excluding balances in countries with exchange control or other restrictions.

In addition to the liquidity reserve, the Group had committed loans of USD 1.1bn which are dedicated to financing of specific assets and therefore will only become available at certain times in the future. USD 0.5bn of this amount was cancelled in January 2015 due to the Group's strong liquidity position and the relatively high cost of the loans.

Based on the liquidity reserve, the size of the committed loan facilities, including loans for the financing of specific assets, the maturity of outstanding loans, and the current investment profile, the Group's financial resources are deemed satisfactory.

The average term to maturity of loan facilities in the Group was about five years (about five years at 31 December 2013).

It is of great importance for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things, by focusing on release of capital and following up on the development in working capital.

	Carrying	Cash flows including interest			
Maturities of liabilities and commitments	**amount**	**0-1 year**	**1-5 years**	**5- years**	**Total**
2014					
Bank and other credit institutions	6,017	1,407	3,728	1,483	6,618
Finance lease liabilities	1,696	225	909	1,086	2,220
Issued bonds	4,612	161	3,946	1,411	5,518
Trade payables	5,277	5,277	-	-	5,277
Other payables	1,236	1,236	-	-	1,236
Non-derivative financial liabilities	**18,838**	**8,306**	**8,583**	**3,980**	**20,869**
Derivatives	684	252	361	71	684
Total recognised in balance sheet	**19,522**	**8,558**	**8,944**	**4,051**	**21,553**
Operating lease commitments		1,988	3,919	4,716	10,623
Capital commitments		4,181	3,098	1,143	8,422
Total		**14,727**	**15,961**	**9,910**	**40,598**
2013					
Bank and other credit institutions	8,653	1,704	5,825	2,225	9,754
Finance lease liabilities	1,986	301	952	1,400	2,653
Issued bonds	5,104	1,568	2,534	1,934	6,036
Trade payables	5,379	5,379	-	-	5,379
Other payables	1,308	1,287	21	-	1,308
Non-derivative financial liabilities	**22,430**	**10,239**	**9,332**	**5,559**	**25,130**
Derivatives	302	175	96	31	302
Total recognised in balance sheet	**22,732**	**10,414**	**9,428**	**5,590**	**25,432**
Operating lease commitments		2,208	4,517	5,336	12,061
Capital commitments		6,509	4,161	1,210	11,880
Total		**19,131**	**18,106**	**12,136**	**49,373**

NOTE 19 COMMITMENTS

AMOUNTS IN USD MILLION

Operating lease commitments
As part of the Group's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc. The future charter and operating lease payments for continuing operations are:

	Maersk Line[1]	Maersk Oil	APM Terminals	Maersk Tankers[1]	Other	Total
2014						
Within one year	1,238	177	268	166	139	1,988
Between one and two years	840	152	256	117	84	1,449
Between two and three years	574	94	256	100	64	1,088
Between three and four years	361	4	236	91	50	742
Between four and five years	311	4	234	54	37	640
After five years	217	41	4,041	280	137	4,716
Total	**3,541**	**472**	**5,291**	**808**	**511**	**10,623**
Net present value[2]	3,157	422	3,065	644	422	7,710
2013						
Within one year	1,396	177	256	239	140	2,208
Between one and two years	889	154	255	203	98	1,599
Between two and three years	650	146	256	168	45	1,265
Between three and four years	432	92	258	152	33	967
Between four and five years	274	3	242	143	24	686
After five years	375	8	4,399	460	94	5,336
Total	**4,016**	**580**	**5,666**	**1,365**	**434**	**12,061**
Net present value[2]	3,560	522	3,208	1,088	366	8,744

[1] About one-third of the time charter payments in Maersk Line and in Maersk Tankers are estimated to relate to operational costs for the assets.

[2] The net present value has been calculated using a discount rate of 6% (6%).

Total operating lease costs incurred and contingent payments related to volume, etc., are stated in note 2.

Capital commitments	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Other	Total
2014						
Capital commitments relating to acquisition of non-current assets	773	1,143	1,095	1,132	1,671	5,814
Commitments towards concession grantors	-	1,088	1,519	-	1	2,608
Total capital commitments	**773**	**2,231**	**2,614**	**1,132**	**1,672**	**8,422**
2013						
Capital commitments relating to acquisition of non-current assets	2,127	1,638	1,331	2,779	441	8,316
Commitments towards concession grantors	-	1,751	1,813	-	-	3,564
Total capital commitments	**2,127**	**3,389**	**3,144**	**2,779**	**441**	**11,880**

The decrease in capital commitments is primarily related to contractual payments during 2014.

Newbuilding programme	2015	2016	2017	No. 2018-	Total
Container vessels	5	-	-	-	5
Rigs and drillships	2	1	-	-	3
Tanker vessels	2	7	1	-	10
Anchor handling vessels, tugboats and standby vessels, etc.	12	10	7	-	29
Total	**21**	**18**	**8**	**-**	**47**

NOTE 19 COMMITMENTS — CONTINUED

AMOUNTS IN USD MILLION

Capital commitments relating to the newbuilding programme	2015	2016	2017	**USD million** 2018-	**Total**
Container vessels	568	-	-	-	568
Rigs and drillships	621	426	-	-	1,047
Tanker vessels	107	165	17	-	289
Anchor handling vessels, tugboats and standby vessels, etc.	303	383	632	-	1,318
Total	**1,599**	**974**	**649**	**-**	**3,222**

USD 3.2bn of the total capital commitments is related to the newbuilding programme for ships, rigs, etc. at a total contract price of USD 4.6bn including owner-furnished equipment. The remaining capital commitments of USD 5.2bn relate to investments mainly within Terminal activities and Oil and gas activities.

The capital commitments will be financed by cash flow from operating activities as well as existing and new loan facilities.

NOTE 20 CONTINGENT LIABILITIES

AMOUNTS IN USD MILLION

Except for customary agreements within the Group's activities, no material agreements have been entered into that will take effect, change or expire upon changes of the control over the Company.

The necessary facility of USD 380m (USD 380m) has been established in order to meet the requirements for using USA waters under the American Oil Pollution Act of 1990 (Certificate of Financial Responsibility).

Maersk Line and APM Terminals have entered into certain agreements with terminals and port authorities, etc. containing volume commitments including an extra payment in case minimum volumes are not met.

When exploring or producing oil in foreign countries, each subsidiary is generally liable for contractual obligations jointly with the other consortium parties.

The Group is involved in a number of legal disputes. The Group is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Tax may crystallise if the companies leave the tonnage tax regimes and on repatriation of dividends. Through participation in joint taxation scheme with A.P. Møller Holding A/S the Danish companies are joint and several liable for taxes payable, etc. in Denmark.

NOTE 21 CASH FLOW SPECIFICATIONS

AMOUNTS IN USD MILLION

	2014	2013
CHANGE IN WORKING CAPITAL		
Inventories	101	207
Trade receivables	336	437
Other receivables and prepayments	-105	-58
Trade payables and other payables, etc.	-12	-280
Exchange rate adjustment of working capital	-60	-54
Total	**260**	**252**
PURCHASE OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT		
Addition	-9,368	-7,052
Addition, assets held for sale	-371	-
Of which finance leases, etc.	64	-
Of which borrowing costs capitalised on assets	235	176
Change in payables to suppliers regarding purchase of assets	250	165
Change in provision for abandonment	551	450
Total	**-8,639**	**-6,261**
OTHER FINANCIAL INVESTMENTS		
Capital increases and acquisition of shares in joint ventures	-11	-25
Sale of shares in joint ventures	16	47
Capital increases and acquisition of shares in associated companies	-6	-42
Sale of shares in associated companies	-	291
Purchase of non-current assets available-for-sale	-1	-
Sale of non-current assets available-for-sale	1	9
Loan repayments received	37	183
Loans granted	-42	-136
Total	**-6**	**327**

Other non-cash items related primarily to adjustment of provision for bad debt regarding trade receivables.

NOTE 22 ACQUISITION/SALE OF SUBSIDIARIES AND ACTIVITIES

AMOUNTS IN USD MILLION

Acquisitions

No acquisitions of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in 2014 or in 2013.

Contingent consideration

Fair value adjustments on contingent consideration in relation to the acquisitions of Poti Sea Port Corp., NTS International Transport Services Co. Ltd. and Pacific Network Global Logistics have during 2014 resulted in gains of USD 11m (USD 20m). The gains are recognised as other income.

Cash flow from sale	2014	2013
CARRYING AMOUNT		
Property, plant and equipment	383	2
Financial assets	128	-
Deferred tax assets	18	-
Current assets	84	71
Provisions	-1	-1
Liabilities	-92	-36
Net assets sold	**520**	**36**
Non-controlling interests	-	-1
A.P. Møller - Mærsk A/S' share	**520**	**35**
Gain/loss on sale[1]	451	45
Proceeds from sale	**971**	**80**
Change in receivable proceeds, etc.	31	-32
Non-cash items	-2	-7
Cash and bank balances sold	-29	-14
Cash flow from sale of subsidiaries and activities	**971**	**27**

[1] Excluding accumulated exchange rate gain/loss previously recognised in equity.

Sales during 2014

In continuing operations, sales during 2014 primarily comprise APM Terminals Virginia, Portsmouth, USA and Maersk Drilling activities in Venezuela. The sale of discontinued activities is disclosed in note 10.

Sales during 2013

Sales during 2013 primarily comprise Bridge Terminal Transport Inc., Brigantine International Holdings Limited and Brigantine Services Limited.

Non-current assets sold include assets that were previously classified as assets available for sale.

NOTE 23 RELATED PARTIES

AMOUNTS IN USD MILLION

	Associated companies		Joint ventures		Management[1]	
	2014	2013	**2014**	2013	**2014**	2013
INCOME STATEMENT						
Revenue	10	1	73	66	-	-
Operating costs	257	214	837	687	14[2]	14[2]
Remuneration to management	-	-	-	-	29	25
Other income	-	-	-	-	2	2
Financial income	3	53	9	6	-	-
Financial expenses	118	5	1	1	-	-
ASSETS						
Derivatives, non-current	7	21	-	-	-	-
Other receivables, non-current	4	4	121	93	-	-
Trade receivables	10	24	40	39	-	12
Derivatives, current	13	20	-	-	-	-
Other receivables, current	43	36	43	118	-	-
Cash and bank balances	195	353	-	-	-	-
LIABILITIES						
Derivatives, non-current	81	38	-	-	-	-
Bank and other credit institutions, etc. current	-	-	27	27	4	4
Trade payables	32	26	114	98	2	-
Derivatives, current	25	54	-	-	-	-
Other payables, current	1	1	-	-	-	-
Purchase of property, plant and equipment, etc.	-	-	-	-	59	-
Capital increases	6	44	11	47	-	-
Dividends	132	70	204	209	-	-

[1] The Board of Directors and the Executive Board in A.P. Møller - Mærsk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their significant influence). Trade receivables and payables include customary business related accounts in connection with shipping activities.

[2] Includes commission and commercial receivables to Maersk Broker K/S from chartering, as well as purchase and sale of ships.

A.P. Møller Holding A/S , Copenhagen, Denmark has control over the Company and prepares consolidated financial statements, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is the ultimate owner.

One (one) member of the Executive Board participates in one (one) shipping partnership with one vessel that is operated as part of the A.P. Moller - Maersk fleet. The A.P. Møller - Mærsk Group owns more than 50% (50%) of the vessel and holds the ultimate control. The vessel is operated directly in the market, and all transactions between related parties and the Group are subject to arm's length conditions.

In relation to Danske Bank's arrangement of payment transactions, sale and purchase of securities, etc., only the related costs are included in the above.

None of the Executive Board members bought any share options in 2014. During 2013, none of the Executive Board members bought any share options. Further information is provided in note 12.

Dividends distributed are not included.

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements for 2014 for the A.P. Moller – Maersk Group have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. The consolidated financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The accounting policies are consistent with those applied in the consolidated financial statements for 2013 except for the below areas:

- The Group has changed its presentation currency from DKK to USD. As a consequence, the translation reserve in equity has been changed. The effect as of 1 January 2013 is presented in the statement of changes in equity.
- Management has decided to move Esvagt from Maersk Supply Service to Other businesses in the segment presentation. Comparative figures for 2013 have been restated.
- Amendments to IAS 32 'Financial Instruments: Presentation', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRIC 21 'Levies' have been implemented with no material effect on the financial statements.

New financial reporting requirements coming into effect after 31 December 2014 are outlined in note 26.

CONSOLIDATION

The consolidated financial statements comprise the parent company A.P. Møller - Mærsk A/S, its subsidiaries and proportionate shares in joint arrangements classified as joint operations.

Subsidiaries are entities controlled by A.P. Møller - Mærsk A/S. Control is based on the power to direct the relevant activities of an entity and the exposure, or right, to variable returns arising from it. In that connection relevant activities are those that significantly affect the investee's returns. Control is usually achieved by directly or indirectly owning or in other ways controlling more than 50% of the voting rights or by other rights, such as agreements on management control.

Joint arrangements are entities in which the Group, according to contractual agreements with one or more other parties, has joint control. The arrangements are classified as joint ventures, if the contracting parties' rights are limited to net assets in the separate legal entities, and as joint operations, if the parties have direct and unlimited rights to the assets and obligations for the liabilities of the arrangement.

Entities in which the Group exercises a significant but non-controlling influence are considered to be associated companies. A significant influence is usually achieved by directly or indirectly owning or controlling 20-50% of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries, including the proportionate share of joint operations, part-owned vessels and pool arrangements, which have been prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances and gains on intra-group transactions are eliminated. Unrealised gains on transactions with associated companies and joint arrangements are eliminated in proportion to the Group's ownership share. Unrealised losses are eliminated in the same way, unless they indicate impairment.

Non-controlling interests' share of profit or loss for the year and of equity in subsidiaries which are not wholly owned is included as part of the Group's profit and equity respectively, but shown as separate items.

BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES

Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill. Any subsequent changes to contingent acquisition costs are recognised as other income or other costs in the income statement. Transaction costs are recognised as operating costs as they are incurred.

When the Group ceases to have control of a subsidiary, the value of any retained investment is re-measured at fair value and the value adjustment is recognised in the income statement as gain (or loss) on sale of non-current assets. The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in USD, the functional currency of the parent company. In the translation to the presentation currency for subsidiaries, associates or joint arrangements with functional currencies other than USD, the total comprehensive income is translated into USD at average exchange rates and the balance sheet is translated at the exchange rates as at the balance sheet date. Exchange differences arising from such translations are recognised directly in other comprehensive income and in a separate reserve of equity.

The functional currency varies from business area to business area. For the Group's principal shipping and drilling activities and oil and gas activities, the functional currency is USD. This means that, among other things, the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortisation are maintained in USD from the date of acquisition. For other activities, including container terminal activities and land-based container activities, the functional currency is generally the local currency in the country in which such activities are performed, unless circumstances suggest a different currency is appropriate.

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or expenses.

SEGMENT INFORMATION

The allocation of business activities into segments reflects the Group's character as a conglomerate and is in line with the internal management reporting. Some activities are related, but are managed individually. The reportable segments are as follows:

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Maersk Line	Global container services
Maersk Oil	Oil and gas production and exploration activities
APM Terminals	Container terminal activities, inland transportation, container depots and repair of containers, etc.
Maersk Drilling	Offshore drilling activities and operation of land-rigs through 50% ownership of Egyptian Drilling Company
Maersk Supply Service	Supply vessel activities with anchor handling and platform supply vessels, etc.
Maersk Tankers	Tanker shipping of crude oil, oil products and gas
Damco	Logistic and forwarding activities
Svitzer	Towing and salvage activities, etc.

In addition, the Group comprises other businesses, which neither individually nor in aggregate constitute reportable segments. These include, inter alia, Maersk Container Industry, Maersk Aviation, Maersk Training and various service entities within the energy industry, as well as investments in the associated companies Danske Bank, Höegh Autoliners and DFDS (sold in 2013).

The reportable segments do not comprise costs in group functions. Also, oil hedging activities in Maersk Oil Trading and the results of Maersk Oil Trading's activity in the form of purchasing bunker and lubricating oil on behalf of entities in the Group are not allocated to business segments.

Revenue between segments is limited except for Terminal activities and Damco, where a large part of the services is delivered to the Group's container shipping activities. Sales of products and services between segments are based on market terms.

Segment profit or loss (NOPAT), assets and liabilities comprise items directly related to or which can be allocated to segments. Financial assets and liabilities and financial income and expenses are not attributed to business segments. With no effect on the Group's results or financial position, long term agreements between segments on reserved capacity in container terminals are treated as operating leases, where under IFRS they are classified as finance leases.

INCOME STATEMENT

Revenue from sale of goods is recognised upon the transfer of risk to the buyer.

Revenue from shipping activities is recognised as the service is provided, including a share of revenue from incomplete voyages at the balance sheet date. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. Any detention and demurrage fees are recognised at the time of customers' late return or pick-up of containers. Revenue is recognised net of discounts and rebates, some of which are estimated based on volume incentives and other factors.

Oil and gas sales are recognised as revenue upon discharge from the production site. In agreements where tax is settled in oil, this tax is recognised both as revenue and tax.

Revenue from terminal operations, logistics, forwarding activities and towing activities is recognised upon completion of the service. In container terminals operated under certain restrictive terms of pricing and service, etc., the value of tangible assets constructed on behalf of the concession grantor is also included.

For drilling activities, which are typically carried out under long term agreements with fixed day rates, revenue is recognised for the production time related to the financial year.

Lease income from operating leases is recognised over the lease term.

Exploration costs in the oil and gas activities are recognised as operating costs as they are incurred.

Share in profits of associated companies and joint ventures is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The item also comprises any impairment losses for such investments, including goodwill, and their reversal.

Tax comprises an estimate of current and deferred tax as well as adjustments to previous years of those. Income tax is tax on taxable profits and consists of corporation tax, hydrocarbon tax in Denmark and other countries, withholding tax of dividends, etc. In addition, tax comprises tonnage tax and oil tax based on gross measures. Tonnage tax is classified as tax when creditable in, or paid in lieu of, income tax. Oil tax on gross measures is a special tax on the production of hydrocarbons, and is separately disclosed within tax to provide clarity over the Group's overall tax expense.

Tax is recognised in income statement to the extent it arises from items recognised in the income statement, including tax of gains on intra-group transactions that have been eliminated in the consolidation.

STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, adjustment of other equity investments and cash flow hedges to fair value as well as actuarial gains or losses on defined benefit plans, etc. The Group's share of other comprehensive income in associated companies and joint ventures is also included.

In the event of disposal or discontinuation of an entity, the Group's share of the accumulated exchange rate adjustment relating to the relevant entity with a non-USD functional currency is reclassified to the income statement. Accumulated value adjustments of securities are transferred to the income statement in the event of sale or when there is objective evidence that the asset is impaired.

Other comprehensive income includes current and deferred tax to the extent the income and costs recognised in other comprehensive income are taxable or deductible.

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

BALANCE SHEET

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Intangible assets in connection with acquired oil resources (concession rights, etc.) are amortised from the commencement of production until the fields' expected production periods ends – a period of up to 20 years. Acquired exploration rights are amortised from the date of acquisition for a period of up to five years. IT software is amortised over a useful life of 3-5 years. Goodwill and other intangible assets with indefinite useful lives are not amortised, but impairment tests are prepared at least annually, starting in the year of acquisition. Goodwill is attributed to cash-generating units.

For container terminals operated under certain restrictive price and service conditions, etc., concessional rights to collect usage charges are included under intangible assets. The cost includes the present value of minimum payments under concession agreements and the cost of property, plant and equipment constructed on behalf of a grantor of a concession. The rights are amortised from the commencement of operations over the concession period.

Property, plant and equipment are valued at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the useful lives at an estimated residual value. For oil production facilities, including facilities under construction, where oil is received as payment for the investment (cost oil), depreciation generally takes place concurrently with the receipt of cost oil.

The useful lives of new assets are typically as follows:

Ships, rigs, etc.	20-25 years
Containers etc.	12 years
Buildings	10-50 years
Terminal infrastructure	over lease or concession period
Plant and machinery, cranes and other terminal equipment	5-20 years
Other operating equipment, fixtures, etc.	3-7 years
Oil and gas production facilities, etc. **– based on the expected production periods of the fields**	up to 20 years

Estimated useful lives and residual values are reassessed on a regular basis.

The cost of an asset is divided into separate components which are depreciated separately if the useful lives of the individual components differ. Dry-docking costs are recognised in the carrying amount of ships, rigs, etc. when incurred and depreciated over the period until the next dry-docking.

The cost of assets constructed by the Group includes direct and indirect expenses. For assets with a long construction period, borrowing costs during the construction period from specific as well as general borrowings are attributed to cost. In addition, the cost includes the net present value of estimated costs of abandonment, removal and restoration.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs to sell. Goodwill is fully impaired before other assets in a cash-generating unit.

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment. However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives as well as intangible assets that are not yet in use, except oil concession rights in scope of IFRS 6.

Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently reassessed unless there are changes to the contract conditions. Contracts which transfer all significant risks and benefits associated with the underlying asset to the lessee are classified as finance leases. Assets held under finance leases are treated as property, plant and equipment.

Investments in associated companies and joint ventures are recognised at the Group's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and joint ventures and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

Securities, including shares, bonds and similar securities, are recognised on the trading date at fair value and subsequently measured at the quoted market price for listed securities and at estimated fair value for other securities. Securities that form part of the liquidity resources (Held for trading) are classified as current assets and value adjustments are recognised in the income statement under financial items. Other equity investments are classified as non-current assets (Available-for-sale) where unrealised value adjustments are recognised in other comprehensive income.

Inventories mainly consist of bunkers, containers (manufacturing), spare parts not qualifying as property, plant and equipment and other consumables. Inventories are measured at cost, primarily according to the FIFO method. The cost of finished goods and work in progress includes direct and indirect production costs.

Loans and receivables are initially recognised at fair value, plus any direct transaction costs and subsequently measured at amortised cost using the effective interest method. Write-down is made for anticipated losses based on specific individual or group assessments.

Equity includes total comprehensive income for the year comprising the profit or loss for the year and other comprehensive income. Proceeds on the purchase and sale of own shares and dividend from such shares are recognised in equity, including proceeds on the disposal of own shares in connection with the exercise of share options.

The translation reserve comprises the Group's share of accumulated exchange rate differences arising on translation from functional currency into presentation currency. The reserve for other equity investments comprises accumulated changes in the fair value of securities in the category Available-for-sale. The reserve for hedges includes the accumulated net change in the fair value of hedging transactions qualifying for cash flow hedge accounting.

NOTE 24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Performance shares, restricted shares and share options allocated to the executive employees of the Group as part of the Group's long term incentive programme are recognised as staff costs over the vesting period at estimated fair value at the grant date and a corresponding adjustment in equity. The fair value of share options is calculated on the basis of the Black & Scholes formula.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. Any impact of the revision is recognised in the income statement with a corresponding adjustment to equity.

Provisions are recognised when the Group has a current legal or constructive obligation and include among other provisions for abandonment of oil fields, legal disputes, onerous contracts, as well as provisions for incurred, but not yet reported, incidents under certain insurance programmes, primarily in the USA. Provisions are recognised on the basis of best estimates and are discounted where the time element is significant and where the time of settlement is reasonable determinable.

Pension obligations are the net liabilities of defined benefit obligations and the dedicated assets adjusted for the effect of minimum funding and asset ceiling requirements. Plans with a funding surplus are presented as net assets on the balance sheet. The defined benefit obligations are measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance sheet date. Plan assets are measured at fair value. The pension cost charged to the income statement consists of calculated amounts for vested benefits and interest in addition to settlement gains or losses, etc. Interest on plan assets is calculated with the same rates as used for discounting the obligations. Actuarial gains and losses are recognised in other comprehensive income.

Pension plans where the Group, as part of collective bargaining agreements, participates together with other enterprises – so called multiemployer plans – are treated as other pension plans in the financial statements. For defined benefit multi-employer plans where sufficient information to apply defined benefit accounting is not available, the plans are treated as defined contribution plans.

Deferred tax is calculated on differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not provided on goodwill which is not deductible or depreciable for tax purposes, or temporary differences which have no effect on the accounting results or taxable income at the time of the transaction. In addition, deferred tax is not calculated for differences relating to investments in subsidiaries, associated companies and joint ventures to the extent that taxable dividends are unlikely in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that they can be utilised within a foreseeable future.

Financial liabilities are initially recognised at fair value less transaction costs. Subsequently the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities. Fixed interest loans under fair value hedge accounting are measured at amortised cost adding or deducting the fair value of the hedged interest component. Liabilities in respect of finance leases are recognised in the balance sheet as borrowings.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised on the trading date and measured at fair value using generally acknowledged valuation techniques based on relevant observable swap curves and exchange rates.

The effective portion of changes in the value of derivative financial instruments designated to hedge future transactions is recognised in other comprehensive income until the hedged transactions are realised. At that time, the cumulated gains/losses are transferred to the items under which the hedged transactions are recognised. The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised financial assets and liabilities is recognised in the income statement together with changes in the fair value of the hedged assets or liabilities which can be attributed to the hedging relationship. The ineffective portion of hedge transactions, including time value for oil price hedges, and changes in the fair values of derivative financial instruments, which do not qualify for hedge accounting are recognised in the income statement as financial income or expenses for interest and currency based instruments, and as other income/costs for oil price hedges and forward freight agreements.

CASH FLOW STATEMENT

Cash flow for the year is divided into cash flow from operating activities, cash flow used for investing activities and cash flow from financing activities. Cash and cash equivalents comprise cash and bank balances net of bank overdrafts where overdraft facilities form an integral part of the Group's cash management. Changes in marketable securities are included in cash flow used for investing activities.

DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations represent a separate major line of business disposed of or in preparation for sale. The results of discontinued operations are presented separately in the income statement and comparative figures are restated. Assets and related liabilities from discontinued operations are presented as separate items in the balance sheet, and the cash flows from discontinued operations are presented separately in the cash flow statement.

Individual assets or groups of assets that are to be disposed of collectively are classified as assets held for sale, when the activities to carry out such a sale have been initiated and the activities are expected to be disposed of within 12 months. Liabilities of a disposal group that are directly related to assets held for sale are presented correspondingly.

Assets and liabilities from discontinued operations and assets held for sale except financial assets, etc., are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated.

KEY FIGURES

Return on equity is calculated as the profit or loss for the year divided by the average equity.

Equity ratio is calculated as the equity divided by total assets.

Return on invested capital after tax (ROIC) is the profit or loss for the year before interest but after calculated tax, divided by the quarterly average invested capital (equity plus net interest-bearing debt).

The segments' return on invested capital after tax (ROIC) is net operating profit or loss after tax (NOPAT) divided by the quarterly average invested capital, net (segment assets less liabilities).

Earnings per share and cash flow from operating activities per share comprise A.P. Møller - Mærsk A/S' share of the profit or loss for the year respectively the cash flow from operating activities divided by the number of shares (of DKK 1,000 each), excluding the Group's holding of own shares.

Diluted earnings per share are adjusted for the dilution effect of issued share options.

Total market capitalisation is the total number of shares – excluding the Group's holding of own shares – multiplied by the end-of-year price quoted by NASDAQ OMX Copenhagen.

NOTE 25 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

AMOUNTS IN USD MILLION

The preparation of the consolidated financial statements requires management, on an on-going basis, to make judgements and estimates as well as form assumptions that affect the reported amounts. Management bases its judgements and estimates on historical experience, independent advisors and on other factors it believes to be reasonable under the circumstances. Actual results may differ from these estimates.

The most significant areas subject to estimates and judgements are mentioned below.

GENERAL

Decline in oil or gas prices

A substantial or prolonged decline in oil or gas prices can have a material adverse effect on the Group's oil and gas related businesses, particularly impacting the measurement of exploration and development assets, oil and gas production facilities, drilling rigs and abandonment provisions. Management does not have control over the risk factors impacting oil and gas prices. These factors include among others:

- Economic and political developments in resource-producing regions
- The ability of OPEC and other producing nations to influence global production and prices
- Government regulations and actions
- Global economic and political conditions or conflicts
- Changes in population growth and consumer preferences
- The price and availability of new technology
- Severe weather conditions

Rapid substantial and/or sustained reductions in oil or gas prices can have an impact on the validity of the assumptions on which strategic decisions are based and can have an impact on the economic viability of projects being planned or in development. A prolonged period of low oil or gas prices could also require earlier cessation or mothballing of production, if and when oil or gas fields become uneconomic.

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Management assesses impairment indicators across the Group's portfolio of assets. Judgement is applied in the definition of cash generating units and in the selection of methodologies and assumptions for impairment tests. Projected cash flow models are used when fair value is not obtainable or when fair value is deemed lower than value in use. External data is used to the extent possible and centralised processes, involving corporate functions, shall ensure that indexes or data sources are selected consistently observing differences in risks and other circumstances. Current market values for vessels, rigs, etc. are estimated using acknowledged brokers.

The determination of cash generating units differs for the various business areas. For integrated network businesses, such as Maersk Line and Safmarine, the container shipping activities are considered to be a single cash generating unit. For the oil and gas activities, connected oil or gas fields are considered to be cash generating units. APM Terminals considers each individual terminal as a cash generating unit. Maersk Drilling considers rigs with the similar functionality and operation environment as cash generating units due to largely interdependent cash flows. Maersk Tankers, Svitzer and Maersk Supply Service group vessels according to type, size, etc. in accordance with the structure governing the management's ongoing follow-up.

Impairment considerations

In 2014, the declining oil price has led to impairment tests for oil production facilities, including exploration and development assets, and drilling rigs. As the current oil price has not stabilised, the future cash flow projections are particularly difficult to predict. Consistent with prior years, management has chosen to apply the Brent oil price assumptions. Based on long term forward curves from end of 2014 the oil price is expected to slowly recover in the medium term to a level of USD 80 in 2020. From this time an inflation adjusted oil price is used. An adjustment of the forward oil prices on short and medium term has been the main cause for impairment of oil related assets in the UK.

Other critical factors in impairment tests of assets employed in Maersk Oil are: Future development and operating costs, reservoir evaluation, unitisation options, taxation and discount factors. The expenses are based on the scope of work agreed between parties in the joint arrangements.

An estimate of the recoverable amount of oil concession rights in Brazil is based on the latest available resource reports from June 2014. The carrying amount of the oil concession rights post impairment reflects management's expectations that there are sufficient potential resources to recover the cost from the remaining fields and that the operating partners will at a later state be able to present commercially viable development plans for these fields. First oil in Brazil is forecasted for 2018/19 and the project is therefore not impacted by short to medium term oil price fluctuation.

Maersk Drilling is impacted by the lower oil price from lower day rates and a drop in market values of rigs. Due to the contract coverage, no impairment losses were recognised as a result of the declining oil price. One rig was impaired due to age.

Maersk Line reversed impairments related to two container vessels held for sale in 2013 that were redeployed in the network. The carrying amount of container vessels and associated assets in the cash generating unit is higher than fair value, for which reason a value in use calculation has been performed. The cash flow projection is based on the latest forecast for 2015-19 including estimated effects from the Vessel Sharing Agreement with Mediterranean Shipping Company (referred to as 2M). The key sensitivities are development in freight rate, container volumes, bunker costs and cost reduction initiatives as well as the discount rate. Management has applied an assumption of growth in volumes and overall declining freight rates. The decline in the bunker price is assumed to have no significant impact in the long term since it will be reflected in the freight rates. The impairment test showed substantial headroom from value in use to the carrying amount. Management is of the opinion that the assumptions applied are sustainable and that the gap to fair value can be explained mainly by Maersk Line performing at margins above the industry.

The annual impairment tests of goodwill in Svitzer are based on value in use calculations of the cash generating units to which goodwill is allocated. For the activities in Australia management has lowered the EBITDA margins in the forecast due to industry overcapacity, a high industrial cost structure and a general slowdown of bulk activities. This adjustment has led to full impairment of goodwill related to the Australian activities.

Refer to notes 6 and 7 for information about impairment losses, recoverable amounts and discount rates.

NOTE 25 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS — CONTINUED

AMOUNTS IN USD MILLION

Amortisation, depreciation and residual values

Useful lives are estimated based on past experience and the management's estimates of the period over which the assets will provide economic benefits. Management decides from time to time to revise the estimates for individual assets or groups of assets with similar characteristics due to factors such as quality of maintenance and repair, technical development and environmental requirements. For oil production facilities the production period is based on management's judgement of when it will no longer be commercially viable to extract more oil or gas, which is highly dependent of the future oil price, production costs and the technical feasibility for extraction. Refer to note 24 for the useful lives typically used for new assets.

Residual values are difficult to estimate given the long lives of vessels and rigs, the uncertainty as to future economic conditions and the future price of steel, which is considered as the main determinant of the residual price. As a main rule the residual values of vessels and rigs are initially estimated at 10% of the purchase price exclusive dry-docking costs. The long term view is prioritised in order to disregard, to the extent possible, temporary market fluctuations which may be significant.

ABANDONMENT OBLIGATIONS

When establishing and operating oil or gas production facilities, provisions are made for the cost of removing the production facilities and re-establishment of the environment (sea bed etc.) according to the legislation which applies to the individual concession areas. The recognised obligation is based on contractual agreements and current regulatory requirements.

Provisions for abandonment are a judgemental area as they include assumptions around estimated decommissioning costs, discount rates and the economic lives of fields, which in turn will depend on factors such as oil price, operating costs and fiscal policy in the jurisdiction of operation. The variables in estimating decommissioning costs are, inter alia: Rig rates, time spent closing down facilities and costs for plugging wells. Evaluation reports from external engineer consulting firms on the scope of work and costs have formed basis for the internal estimates. The cost assumptions are based on longer term forecasts (inflated and discounted) rather than current market rates and management reassesses such assumptions on an annual basis.

PROVISIONS FOR PENSION AND OTHER EMPLOYEE BENEFITS

Management is required to make judgements as to the nature of benefits provided, contractually or by law, in order to determine the accounting policy for each scheme.

For defined benefit schemes management is required to make annual estimates and assumptions about future remuneration and pension changes, employee attrition rates, life expectancy, inflation and discount rates. In making judgements on classification of schemes and assumptions, management considers advice by the actuaries performing the valuation. The inflation and discount rates are determined centrally for the major plans on a country by country basis. All other assumptions are determined on a plan by plan basis. Refer to note 14 for information about key assumptions and the sensitivity of the liability to changes in those.

Plan assets used only to meet the obligations are set off against the gross liability. Such assets are measured at fair value by fund administrators.

PROVISIONS FOR LEGAL DISPUTES, ETC.

The management's estimate of the provisions in connection with legal disputes, including disputes on taxes and duties, is based on the knowledge available on the actual substance of the cases and a legal assessment of these. The resolution of legal disputes, either through negotiations or litigation, can take several years to complete and the outcome is subject to considerable uncertainty.

The Group is engaged in a number of disputes with tax authorities of various scope. Appropriate provision has been made where the probability of payment of additional taxes in individual cases is considered more likely than not. In addition, disputed items are evaluated on a portfolio basis by geographical area and country risk provisions are established where the aggregated risk of additional payments is more likely than not. Demands for which the probability of payment is assessed by management to be less than 50% are not provided for.

DEFERRED TAX ASSET

Judgement has been applied in the measurement of deferred tax assets with respect to the Group's ability to utilise the assets. Management considers the likelihood of utilisation based on the latest business plans and recent financial performances of the individual entities. Net deferred tax assets arisen in entities having suffered an accounting loss in either the current or preceding period amount to USD 237m (USD 184m), excluding entities participating in joint taxation schemes. These assets mainly relate to unused tax losses or deductible temporary differences generated in the development of oil and gas fields, during construction of terminals or in mobilisation of drilling rigs, where taxable profits have been generated either in the current period or is expected within a foreseeable future.

ASSESSMENT OF CONTROL, JOINT CONTROL OR SIGNIFICANT INFLUENCE

The Group's control, joint control or significant influence over an entity or activity is subject to an assessment of power and exposure to variability in returns.

The assessment of control in oil and gas activities entails analysis of the status of operators in joint arrangements. Operators are responsible for the daily management of the activities carried out within the jointly established framework. Since operators are not exposed to, and have no right to, returns beyond the participating share, and since they can be replaced by agreement, the operators are regarded as agents as defined in IFRS 10. Operators of pool arrangements in shipping are assessed similarly.

When assessing joint control, an analysis is carried out to determine which decisions require unanimity and whether these concern the activities that significantly affect the returns. Joint control is deemed to exist when business plans, work programmes and budgets are unanimously adopted. Within oil and gas activities, an assessment of joint control is carried out for each phase. These are typically exploration and development, production and decommissioning. Unanimity is often not required during the production phase. Given that the contracting parties have direct and unrestricted rights and obligations in the arrangements' assets or liabilities regardless of voting rights the arrangements are accounted for as joint operations during all phases.

For pool arrangements in shipping, unanimity is not required in decisions on relevant activities. However, the contracting parties have direct and unrestricted rights and obligations in the unit's assets or liabilities, and as the pool arrangements are not structured into separate legal entities, they are treated as joint operations.

NOTE 25 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS — CONTINUED

AMOUNTS IN USD MILLION

In 2014, management has applied judgement in the classification of Dansk Supermarked Group after the sale of the majority share. On the basis that the Group holds less than 20% ownership and the remaining shares are concentrated with one majority shareholder, the investment has been classified as available-for-sale (other equity investments). Refer to note 17 for information about the assumptions and method applied in the management's estimation of fair value at the balance sheet date.

LEASING

Judgement is applied in the classification of lease as operating or finance lease. The Group enters into a substantial amount of lease contracts, some of which are combined lease and service contracts like time-charter agreements. Management applies a formalised process for classification and estimation of present values for finance leases with use of specialised staff in corporate functions.

NOTE 26 NEW FINANCIAL REPORTING REQUIREMENTS

AMOUNTS IN USD MILLION

The following new accounting standards are relevant to the Group for the years commencing from 1 January 2017 or later. The standards are expected to be endorsed by the EU before the effective dates.

REVENUE

IFRS 15 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of interpretations (IFRIC 13, 15, 18 and SIC-31).

The new standard provides a comprehensive framework and application guidance for recognising revenue. The core principle is that revenue is recognised at the amount of consideration to which the entity expects to be entitled in exchange for goods or services. Revenue is recognised on transfer of control, either at a point in time or over time as the entity progresses towards meeting its obligations.

The Group expects to implement IFRS 15 when it becomes mandatory 1 January 2017, subject to endorsement by the EU. The Group is currently in the process of determining the impact of adopting the new standard. No significant impact has been identified at the reporting date.

FINANCIAL INSTRUMENTS

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and measurement' and IASB has set the effective date to 1 January 2018 with early adoption permitted. The new standard amends the principles for classification and measurement of financial assets, hedge accounting and impairment methodology. The principles for recognition and derecognition, as well as classification and measurement of financial liabilities were carried forward almost unchanged.

Under IFRS 9, all recognised financial assets will be measured at either amortised cost or fair value, depending on the objective for holding the assets and the instruments' characteristics. The options for classification and reclassification have been limited and fair value adjustments of equity investments recognised in other comprehensive income shall no longer be transferred to the income statement on disposal. The Group shall on an investment-by-investment basis make an irrevocable election whether to classify equity investments as fair value through other comprehensive income. Other than this limitation, the changed model has no material impact on the Group financial statements.

As for hedge accounting the new standard aligns the requirements more closely with financial risk management and establishes a more principle-based approach to hedge accounting. IFRS 9 increases the scope of items eligible for hedge accounting. For example, a group of items or a net position may be designated hedged items. The new standard does not fundamentally change the types of hedging relationships.

The existing impairment model for loans and receivables in IAS 39 (an 'incurred loss' model) is replaced by an 'expected credit loss' model in IFRS 9. The effect is an earlier recognition of impairment losses based on historical, current and forecast information of shortfalls. The Group's exposure to credit losses is limited and the changed model is not expected to materially impact the financial position or performance.

NOTE 27 JOINT OPERATIONS

AMOUNTS IN USD MILLION

The Group's joint operations are solely within Maersk Oil. Significant joint operations are listed below:

2014	Place of business	Country	Ownership interest	Voting rights
IN PRODUCTION				
Hassi Berkine	Algeria on Shore, Block 208 (El Merk) + Block 404	Algeria	11.0%	-
Campo Polvo	Offshore Brazil	Brazil	40.0%	40.0%
Dansk Undergrunds Consortium	Danish North Sea	Denmark	31.2%	31.2%
Dunga	Kazakhstan on shore	Kazakhstan	60.0%	60.0%
Gryphon	United Kingdom North Sea	United Kingdom	86.5%	86.5%
South Gryphon	United Kingdom North Sea	United Kingdom	89.9%	89.9%
Harding	United Kingdom North Sea	United Kingdom	30.0%	30.0%
Golden Eagle	United Kingdom North Sea	United Kingdom	32.0%	32.0%
Jack	Gulf of Mexico	USA	25.0%	25.0%
NOT IN PRODUCTION				
Chissonga	Block 16, offshore Angola	Angola	65.0%	65.0%
Sarsang	Iraqi Kurdistan on shore	Iraqi Kurdistan	18.0%	22.5%
Johan Sverdrup	Norway North Sea	Norway	20.0%[1]	20.0%[1]
Culzean	United Kingdom North Sea	United Kingdom	50.0%	50.0%
Buckskin	Gulf of Mexico	USA	20.0%	20.0%

[1] A development and operation plan for the first phase of Johan Sverdrup, under which Maersk Oil would hold an interest of 8.12% has in February 2015 been submitted for approval by the Ministry of Petroleum and Energy.

2013	Place of business	Country	Ownership interest	Voting rights
IN PRODUCTION				
Hassi Berkine	Algeria on Shore, Block 208 (El Merk) + Block 404	Algeria	11.0%	-
Campo Polvo	Offshore Brazil	Brazil	40.0%	40.0%
Dansk Undergrunds Consortium	Danish North Sea	Denmark	31.2%	31.2%
Dunga	Kazakhstan on shore	Kazakhstan	60.0%	60.0%
Gryphon	United Kingdom North Sea	United Kingdom	86.5%	86.5%
South Gryphon	United Kingdom North Sea	United Kingdom	89.9%	89.9%
Harding	United Kingdom North Sea	United Kingdom	30.0%	30.0%
NOT IN PRODUCTION				
Chissonga	Block 16, offshore Angola	Angola	65.0%	65.0%
Johan Sverdrup	Norway North Sea	Norway	20.0%	20.0%
Golden Eagle	United Kingdom North Sea	United Kingdom	32.0%	32.0%
Culzean	United Kingdom North Sea	United Kingdom	50.0%	50.0%
Buckskin	Gulf of Mexico	USA	20.0%	20.0%
Jack	Gulf of Mexico	USA	25.0%	25.0%

Parent company

A.P. Møller - Mærsk A/S
(In parenthesis the corresponding figures for 2013)

Financial statements 2014

INCOME STATEMENT

AMOUNTS IN USD MILLION

Note		2014	2013
	Revenue	2,355	2,881
1	Operating costs	875	838
	Other income	45	23
	Profit before depreciation, amortisation and impairment losses, etc.	**1,525**	**2,066**
5,6,9	Depreciation, amortisation and impairment losses, net	249	249
2	Gain/loss on sale of companies and non-current assets, etc., net	6,357	8
	Profit before financial items	**7,633**	**1,825**
3	Dividends	107	316
3	Financial income	1,315	736
3	Financial expenses	1,643	1,099
	Profit before tax	**7,412**	**1,778**
4	Tax	865	1,115
	Profit for the year – continuing operations	**6,547**	**663**
9	Profit for the year – discontinued operations	1,437	637
	Profit for the year	**7,984**	**1,300**
	APPROPRIATION:		
	Proposed dividend	1,077	1,137
	Retained earnings	6,907	163
		7,984	**1,300**
	Proposed dividend per share, DKK	**300**	**280**
	Proposed dividend per share, USD	**49**	**52**

STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN USD MILLION

Note		2014	2013
	Profit for the year	**7,984**	**1,300**
	OTHER EQUITY INVESTMENTS:		
	Fair value adjustment for the year	-128	3
	CASH FLOW HEDGES:		
	Value adjustment of hedges for the year	-259	68
14	Reclassified to income statement:		
	– operating costs	-5	2
	– gain/loss on sale of companies and non-current assets, etc., net	48	-
	– financial expenses	129	64
	– discontinued operations	36	-37
4	Tax on other comprehensive income	6	-25
	Total items that are or may be reclassified subsequently to the income statement	**-173**	**75**
	Other comprehensive income, net of tax	**-173**	**75**
	Total comprehensive income for the year	**7,811**	**1,375**

BALANCE SHEET AT 31 DECEMBER

AMOUNTS IN USD MILLION

Note		31 December 2014	31 December 2013	1 January 2013
5	**Intangible assets**	**0**	**0**	**3**
	Ships, rigs, containers, etc.	465	10,934	11,109
	Production facilities and equipment, etc.	1,336	1,484	1,209
	Land and buildings	-	92	99
	Construction work in progress and payment on account	265	1,208	1,266
6	**Property, plant and equipment**	**2,066**	**13,718**	**13,683**
7	Investments in subsidiaries	15,787	17,199	17,194
7	Investments in associated companies	355	3,510	3,791
	Other equity investments	935	68	66
15	Interest bearing receivables from subsidiaries, etc.	6,832	5,761	5,384
14	Derivatives	144	240	205
	Other receivables	650	413	301
	Financial non-current assets, etc.	**24,703**	**27,191**	**26,941**
8	**Deferred tax**	**157**	**84**	**119**
	Total non-current assets	**26,926**	**40,993**	**40,746**
	Inventories	**62**	**643**	**814**
15,16	Trade receivables	343	2,397	3,240
	Tax receivables	57	136	194
15	Interest bearing receivables from subsidiaries, etc.	2,505	3,356	2,817
14	Derivatives	176	171	104
	Other receivables	39	129	104
	Other receivables from subsidiaries, etc.	107	558	502
	Prepayments	35	106	141
	Receivables, etc.	**3,262**	**6,853**	**7,102**
15	**Securities**	**287**	**222**	**222**
15	**Cash and bank balances**	**2,092**	**1,531**	**321**
9	**Assets held for sale**	**21,605**	**907**	**-**
	Total current assets	**27,308**	**10,156**	**8,459**
	Total assets	**54,234**	**51,149**	**49,205**

BALANCE SHEET AT 31 DECEMBER

AMOUNTS IN USD MILLION

Note		31 December 2014	31 December 2013	1 January 2013
10	Share capital	3,985	738	738
	Reserves	23,200	20,330	19,852
	Total equity	**27,185**	**21,068**	**20,590**
12	**Borrowings, non-current**	**7,459**	**8,333**	**9,964**
12	**Interest bearing debt to subsidiaries, etc.**	**-**	**188**	**530**
13	Provisions	1,793	1,931	1,536
14	Derivatives	413	123	220
8	Deferred tax	58	127	163
	Other non-current liabilities	**2,264**	**2,181**	**1,919**
	Total non-current liabilities	**9,723**	**10,702**	**12,413**
12	**Borrowings, current**	**744**	**2,124**	**1,131**
12	**Interest bearing debt to subsidiaries, etc.**	**10,052**	**11,509**	**9,168**
13	Provisions	38	129	222
	Trade payables	219	3,127	2,865
	Tax payables	169	443	388
14	Derivatives	236	214	101
	Other payables	77	420	366
	Other payables to subsidiaries, etc.	54	1,413	1,461
	Deferred income	20	0	500
	Other current liabilities	**813**	**5,746**	**5,903**
9	**Liabilities associated with assets held for sale**	**5,717**	**-**	**-**
	Total current liabilities	**17,326**	**19,379**	**16,202**
	Total liabilities	**27,049**	**30,081**	**28,615**
	Total equity and liabilities	**54,234**	**51,149**	**49,205**

CASH FLOW STATEMENT

AMOUNTS IN USD MILLION

Note		**2014**	2013
	Profit before financial items	7,633	1,825
5,6,9	Depreciation, amortisation and impairment losses, net	249	249
2	Gain on sale of companies and non-current assets, etc., net	-6,357	-8
19	Change in working capital	39	-95
19	Other non-cash items	7	50
	Cash from operating activities before financial items and tax	1,571	2,021
	Dividends received	107	314
	Financial income received	231	377
	Financial expenses paid	-305	-492
	Taxes paid	-977	-1,140
	Cash flow from operating activities	**627**	**1,080**
19	Purchase of intangible assets and property, plant and equipment	-259	-1,026
	Sale of intangible assets and property, plant and equipment	-	1,248
	Acquisition of and capital increases in subsidiaries and activities	-566	-864
	Sale of subsidiaries and activities	4,331	42
	Purchase/sale of shares in associated companies, etc.	-	288
19	Other financial investments	2	3
	Cash flow used for capital expenditure	**3,508**	**-309**
	Purchase/sale of securities, trading portfolio	-65	-
	Cash flow used for investing activities	**3,443**	**-309**
	Repayment of borrowings	-4,674	-1,075
	Proceeds from borrowings	1,724	549
	Dividends distributed	-1,131	-919
	Movements in interest bearing loans to/from subsidiaries, etc., net	1,339	1,901
	Purchase/sale of own shares, net	-596	14
	Cash flow from financing activities	**-3,338**	**470**
	Net cash flow from continuing operations	**732**	**1,241**
9	Net cash flow from discontinued operations	-	5
	Net cash flow for the year	**732**	**1,246**
	Cash and cash equivalents 1 January	1,445	160
	Currency translation effect on cash and cash equivalents	-159	39
	Cash and cash equivalents 31 December	2,018	1,445
	Of which classified as assets held for sale	5	-
	Cash and cash equivalents 31 December	**2,013**	**1,445**

Cash and cash equivalents	**2014**	2013
Cash and bank balances	2,092	1,531
Cash management overdrafts	79	86
Cash and cash equivalents 31 December	**2,013**	**1,445**

STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN USD MILLION

Note		Share capital	Reserve for hedges	Retained earnings	Total equity
	Equity 1 January 2014	738	-4	20,334	21,068
	OTHER EQUITY INVESTMENTS:				
	Fair value adjustment for the year	-	-	-128	-128
14	**CASH FLOW HEDGES:**				
	Value adjustment of hedges for the year	-	-259	-	-259
	Reclassified to income statement:				
	– operating costs	-	-5	-	-5
	– gain/loss on sale of companies and non-current assets, etc., net	-	48	-	48
	– financial expenses	-	129	-	129
	– discontinued operations	-	36	-	36
					-
4	Tax on other comprehensive income	-	6	-	6
	Other comprehensive income, net of tax	**-**	**-45**	**-128**	**-173**
	Profit for the year	-	-	7,984	7,984
	Total comprehensive income for the year	**-**	**-45**	**7,856**	**7,811**
	Dividends to shareholders	-	-	-1,131	-1,131
11	Value of share-based payments	-	-	45	45
10	Purchase of own shares	-	-	-653	-653
10	Sale of own shares	-	-	45	45
	Capital increases and decreases[1]	3,247	-	-3,247	0
	Total transactions with shareholders	**3,247**	**-**	**-4,941**	**-1,694**
	Equity 31 December 2014	**3,985**	**-49**	**23,249**	**27,185**

[1] At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014 the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

Note		Share capital	Reserve for hedges	Retained earnings	Total equity
	Equity at 31 December 2012	777	-76	19,889	20,590
	Impact of changes in accounting policies	-39		39	0
	Equity at 1 January 2013	738	-76	19,928	20,590
	OTHER EQUITY INVESTMENTS:				
	Fair value adjustment for the year	-	-	3	3
14	**CASH FLOW HEDGES:**				
	Value adjustment of hedges for the year	-	68	-	68
	Reclassified to income statement:				
	– operating costs	-	2	-	2
	– financial expenses	-	64	-	64
	– discontinued operations	-	-37	-	-37
4	Tax on other comprehensive income	-	-25	-	-25
	Other comprehensive income, net of tax	**-**	**72**	**3**	**75**
	Profit for the year	-	-	1,300	1,300
	Total comprehensive income for the year	**-**	**72**	**1,303**	**1,375**
	Dividends to shareholders	-	-	-919	-919
11	Value of share-based payments	-	-	8	8
10	Sale of own shares	-	-	14	14
	Total transactions with shareholders	**-**	**-**	**-897**	**-897**
	Equity 31 December 2013	**738**	**-4**	**20,334**	**21,068**

NOTES

NOTE 1 OPERATING COSTS

AMOUNTS IN USD MILLION

	2014	2013
Rent and lease costs	195	203
Exploration costs	41	15
Other	639	620
Total operating costs	**875**	**838**

Three (three) members of the Executive Board are employed directly by the Company. All other employees are employed by Rederiet A.P. Møller A/S.

The Company's share of fees and remuneration to the Executive Board	**2014**	2013
Fixed annual fee	10	10
Cash incentive	4	2
Performance shares	1	-
Total remuneration to the Executive Board	**15**	**12**

Contract of employment for the Executive Board contains terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither management nor the Board of Directors will receive special remuneration. Fees and remuneration do not include pension.

The Board of Directors has received fees of USD 4m (USD 4m).

Fees to the statutory auditors of A.P. Møller - Mærsk A/S	**2014**	2013
KPMG STATSAUTORISERET REVISIONSPARTNERSELSKAB[1]		
Statutory audit	1	1
Other assurance services	0	0
Tax and VAT advisory services	-	0
Other services	-	1
Total fees	**1**	**2**
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB		
Statutory audit	1	1
Other assurance services	-	0
Tax and VAT advisory services	-	0
Other services	1	2
Total fees	**2**	**3**

[1] 2013 fees were paid to the former Danish KPMG firm.

NOTE 2 GAIN ON SALE OF COMPANIES AND NON-CURRENT ASSETS, ETC., NET

AMOUNTS IN USD MILLION

	2014	2013
Gains[1]	6,360	9
Losses	3	1
Gain on sale of companies and non-current assets, etc., net	**6,357**	**8**

[1] Sale of shares in Dansk Supermarked A/S and F. Salling A/S with a gain of USD 5.2bn. Also internal sale of The Maersk Company Limited resulted in a gain for the Company.

NOTE 3 FINANCIAL INCOME AND EXPENSES

AMOUNTS IN USD MILLION

	2014	2013
Interest expenses on liabilities	345	461
Of which borrowing costs capitalised on assets[1]	45	0
Interest income on loans and receivables	371	314
Interest income on securities	2	1
Fair value adjustment transferred from equity hedge reserve (loss)	42	68
Unwind of discount on provisions	38	34
Net interest expenses	**7**	**248**
Exchange rate gains on bank deposits, loans and working capital	743	52
Exchange rate losses on bank deposits, loans and working capital	250	207
Net foreign exchange gains/losses	**493**	**-155**
Fair value gains from derivatives	40	171
Fair value losses from derivatives	623	17
Net fair value gains/losses[2]	**-583**	**154**
Dividends received from subsidiaries and associated companies	96	309
Dividends received from other securities	11	7
Total dividends income	**107**	**316**
Reversal of impairment losses, investments in and loans to subsidiaries and associated companies[3]	159	198
Impairment losses, investments in and loans to subsidiaries and associated companies[4]	390	312
Financial expenses, net	**221**	**47**
OF WHICH:		
Dividends	107	316
Financial income	1,315	736
Financial expenses	1,643	1,099

[1] The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 3.9% p.a. (4.4% p.a.).

[2] Including gain on hedging instrument in fair value hedge of USD 92m (loss of USD 89m) and loss on the hedged item of USD 88m (gain of USD 65m).

[3] Reversal of impairment losses is mainly for A.P. Moller Finance S.A. (Maersk FPSOs A/S and Odense Staalskibsværft A/S).

[4] Impairment losses to lower value in use primarily relate to investment in Damco International A/S (Maersk Tankers A/S and Damco International A/S).

For an analysis of gains and losses from derivatives reference is made to note 14.

NOTE 4 TAX

AMOUNTS IN USD MILLION

	2014	2013
TAX RECOGNISED IN THE INCOME STATEMENT		
Current tax on profit for the year	653	434
Adjustment for current tax of prior periods	348	681
Withholding taxes	6	2
Total current tax	**1,007**	**1,117**
Origination and reversal of temporary differences	-31	-2
Adjustment for deferred tax of prior periods	-103	-
Recognition of previous unrecognised deferred tax asset	-8	-
Total deferred tax	**-142**	**-2**
Total tax expense	**865**	**1,115**
AVERAGE EFFECTIVE TAX RATE:		
Profit before tax	7,412	1,778
Income subject to Danish and foreign tonnage taxation, etc.	-52	83
Share of profit/loss in subsidiaries	-5	0
Profit before tax, adjusted	**7,355**	**1,861**
Tax using the Danish corporation tax rate (2014: 24.5%, 2013: 25%)	1,802	465
Effect of income taxes on oil and gas	433	657
Tax rate deviations in foreign jurisdictions	-4	-
Non-taxable income	-	-7
Non-deductible expenses	70	24
Gains related to shares, dividends, etc.	-1,520	-41
Adjustment to previous years' taxes	91	29
Effect of changed tax rate	-	-3
Deferred tax asset not recognised	-8	-5
Other differences, net	1	-4
Total income tax	**865**	**1,115**

	2014	2013
TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME AND EQUITY		
Cash flow hedges	6	-25
Tax recognised in other comprehensive income, net	**6**	**-25**
OF WHICH:		
Current tax	6	-25

NOTE 5 INTANGIBLE ASSETS

AMOUNTS IN USD MILLION

	IT software	Total
COST		
1 January 2013	218	218
31 December 2013	**218**	**218**
Disposal	1	1
Transfer, assets held for sale	-217	-217
31 December 2014	**0**	**0**
AMORTISATION AND IMPAIRMENT LOSSES		
1 January 2013	215	215
Amortisation	3	3
31 December 2013	**218**	**218**
Disposal	1	1
Transfer, assets held for sale	-217	-217
31 December 2014	**0**	**0**
CARRYING AMOUNT:		
31 December 2013	**0**	**0**
31 December 2014	**0**	**0**

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

AMOUNTS IN USD MILLION

	Ships, rigs, containers, etc.	Production facilities and equipment etc.	Land and buildings	Construction work in progress and payment on account	Total
COST					
1 January 2013	19,501	5,720	171	1,266	26,658
Addition	370	437	-	2,122	2,929
Disposal	712	27	-	1,264	2,003
Transfer	835	81	-	-916	0
31 December 2013	**19,994**	**6,211**	**171**	**1,208**	**27,584**
Addition	489	148	-	1,871	2,508
Disposal	309	5	171	-	485
Transfer	2,272	140	-	-2,412	-
Transfer, assets held for sale	-21,513	-270	-	-402	-22,185
31 December 2014	**933**	**6,224**	**0**	**265**	**7,422**
DEPRECIATION AND IMPAIRMENT LOSSES					
1 January 2013	8,392	4,510	72	-	12,974
Depreciation	1,105	243	7	-	1,355
Disposal	437	26	-	-	463
31 December 2013	**9,060**	**4,727**	**79**	**-**	**13,866**
Depreciation	1,151	239	7	-	1,397
Disposal	261	4	86	-	351
Transfer, assets held for sale	-9,482	-74	-	-	-9,556
31 December 2014	**468**	**4,888**	**0**	**-**	**5,356**
CARRYING AMOUNT:					
31 December 2013	**10,934**	**1,484**	**92**	**1,208**	**13,718**
31 December 2014	**465**	**1,336**	**0**	**265**	**2,066**
OF WHICH CARRYING AMOUNT OF FINANCE LEASED ASSETS:					
31 December 2013	**355**	**210**	**-**	**-**	**565**
31 December 2014	**-**	**-**	**-**	**-**	**-**

Transfer, assets held for sale is related to Maersk Line vessels and equipment, etc. being transferred to a subsidiary in 2015.

NOTE 6 PROPERTY, PLANT AND EQUIPMENT — CONTINUED

AMOUNTS IN USD MILLION

Finance leases

As part of the Company's activities, customary leasing agreements are entered into, especially with regard to the chartering of vessels, lease of containers, other equipment and dedicated capacity in certain strategically important container terminals. In some cases, the leasing agreements comprise purchase options for the Company and options for extension of the lease term.

In the financial statements, assets held under finance leases are recognised in the same way as owned assets. As the finance leases are all related to Maersk Line, balances are transferred to assets held for sale.

Operating leases as lessor

Property, plant and equipment include assets which are leased out as part of the Company's activities. The future lease income is USD 403m (USD 471m) of which USD 229m (USD 202m) is receivable within one year, and USD 174m (USD 269m) between one and five years.

Pledges

Ships, containers, etc. transferred to assets held for sale in 2014 with a carrying amount of USD 1.8bn (USD 2.3bn) have together with ships, containers, etc., owned by subsidiaries with a carrying amount of USD 848m (USD 828m) been pledged as security for loans of USD 1.4bn (USD 1.9bn).

NOTE 7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

AMOUNTS IN USD MILLION

	Investments in subsidiaries	Investments in associated companies
COST		
1 January 2013	19,509	4,267
Addition	1,087	1
Disposal	40	284
Transfer, assets held for sale	907	-
Transfer	-2	2
31 December 2013	**19,647**	**3,986**
Addition	1,660	-
Disposal	1	3
Transfer, assets held for sale	2,845	3,184
31 December 2014	**18,461**	**799**
IMPAIRMENT LOSSES		
1 January 2013	2,315	476
Impairment losses[1]	311	-
Reversal of impairment losses	178	-
31 December 2013	**2,448**	**476**
Impairment losses[1]	390	-
Reversal of impairment losses	159	-
Transfer, assets held for sale	5	32
31 December 2014	**2,674**	**444**
CARRYING AMOUNT:		
31 December 2013	**17,199**	**3,510**
31 December 2014	**15,787**	**355**

[1] Impairments are recognised when carrying amount exceeds value in use as described in note 21 and 22.

Transfer, assets held for sale relates to investment in Danske Bank A/S and companies with Maersk Line activities. 2013 related to Dansk Supermarked A/S, F. Salling A/S and The Maersk Company Limited.

Reference is made to pages 105-107 for a list of significant subsidiaries and associated companies.

NOTE 8 DEFERRED TAX

AMOUNTS IN USD MILLION

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net assets	
	2014	2013	**2014**	2013	**2014**	2013
Intangible assets	-	9	-	-	-	9
Property, plant and equipment	17	-	105	182	-88	-182
Inventories	-	-	32	21	-32	-21
Receivables, etc.	-	-	1	5	-1	-5
Provisions, etc.	141	92	-	-	141	92
Liabilities, etc.	-	-	42	46	-42	-46
Tax loss carry forwards	123	112	-	-	123	112
Other	-	-	2	2	-2	-2
Total	**281**	**213**	**182**	**256**	**99**	**-43**
Offsets	-124	-129	-124	-129	-	-
Total	**157**	**84**	**58**	**127**	**99**	**-43**

Change in deferred tax, net during the year	2014	2013
1 January	**-43**	**-44**
Recognised in the income statement	142	2
Transfer	-	-1
31 December	**99**	**-43**

Unrecognised deferred tax assets
Deferred tax assets of USD 190m (USD 182m) relating to mainly provisions have not been recognised.

No tax value is recognised as it is not considered likely that the deferred tax assets can be realised in the foreseeable future.

There are no significant unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

NOTE 9 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

AMOUNTS IN USD MILLION

Discontinued operations and assets held for sale 2014
Maersk Line activities have been transferred to a subsidiary in 2015 and are classified as discontinued operations. The information regarding discontinued operations below relates to Maersk Line activities.

Assets held for sale comprise Maersk Line activities USD 18.4bn and the investment in Danske Bank A/S at a cost price of USD 3.2bn. The divestment of the shares in Danske Bank A/S, denominated in DKK, is expected to take place in the second quarter of 2015. The fair value of the listed shares at 31 December 2014 is USD 5.5bn.

Discontinued operations and assets held for sale 2013
As a consequence of classifying Maersk Line activities as discontinued operations, income statement and cash flow figures for 2013 have been restated. In 2013, assets held for sale included the Company's investment in The Maersk Company Limited together with investment in Dansk Supermarked A/S and F. Salling A/S.

The assets held for sale have all been disposed of in 2014.

	2014	2013
PROFIT FOR THE YEAR – DISCONTINUED OPERATIONS		
Revenue	25,000	23,817
Expenses	22,359	22,129
Depreciation, amortisation and impairment losses, net	1,148	1,106
Gain/losses on sale of assets and businesses	17	20
Financial items, net	7	58
Profit before tax, etc.	**1,517**	**660**
Tax	80	23
Profit for the year – discontinued operations	**1,437**	**637**
CASH FLOWS FROM DISCONTINUED OPERATIONS FOR THE YEAR		
Cash flow from operating activities	2,693	2,520
Cash flow used for investing activities	-1,982	-1,386
Cash flow from financing activities	-711	-1,129
Net cash flow from discontinued operations	**0**	**5**
BALANCE SHEET ITEMS COMPRISE:		
Non-current assets	18,620	907
Current assets	2,985	-
Assets held for sale	**21,605**	**907**
Provisions	456	-
Other liabilities	5,261	-
Liabilities associated with assets held for sale	**5,717**	**-**

NOTE 10 SHARE CAPITAL

AMOUNTS IN USD MILLION

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014, the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

Development in the number of shares:

	A-shares of DKK 1,000	A-shares of DKK 500	B-shares of DKK 1,000	B-shares of DKK 500	DKK	Nominal USD
1 January 2014	2,197,619	362	2,197,683	234	4,396	738
Issue of bonus shares	8,791,200	-	8,791,200	-	17,582	3,247
Conversion	15	-30	22	-44	-	-
31 December 2014	**10,988,834**	**332**	**10,988,905**	**190**	**21,978**	**3,985**

The share capital on 31 December 2014 comprises:
A shares DKK 10,989m divided into 10,988,834 shares of DKK 1,000 and 332 shares of DKK 500
B shares DKK 10,989m divided into 10,988,905 shares of DKK 1,000 and 190 shares of DKK 500

All shares are fully issued and paid up.

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

Shareholder disclosure subject to section 104 in the Danish Financial Statements Act:

	Share capital	Votes
A.P. Møller Holding A/S, Copenhagen, Denmark	41.51%	51.23%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark	8.37%	12.84%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	2.94%	5.86%

Note 11 in the consolidated financial statements include rules for changing the share capital, and information regarding the authorisation of the Board of Directors to acquire own shares as well as the total number of own shares held by the Group.

Development in the holding of own shares:

Own shares	No. of shares of DKK 1,000 2014	No. of shares of DKK 1,000 2013	Nominal value DKK million 2014	Nominal value DKK million 2013	% of share capital 2014	% of share capital 2013
A SHARES						
1 January [1]	-	-	-	-	0.00%	0.00%
Addition	61,075	-	61	0	0.28%	0.00%
31 December	**61,075**	**-**	**61**	**-**	**0.28%**	**0.00%**
B SHARES						
1 January [1]	132,628	145,348	133	145	0.60%	0.66%
Addition	239,303	-	239	0	1.09%	0.00%
Disposal	29,865	12,720	30	12	0.13%	0.06%
31 December	**342,066**	**132,628**	**342**	**133**	**1.56%**	**0.60%**

[1] The number of shares are restated to include the issue of bonus shares.

Additions of own shares related to the buy-back programme initiated in September 2014.
Disposal of own shares are primarily related to the share option programme.

NOTE 11 SHARE-BASED PAYMENT

AMOUNTS IN USD MILLION

Performance shares

In 2014, the Group has established a performance shares programme for members of the Executive Board and other employees.

The fair value of performance shares (A.P. Møller - Mærsk A/S B shares) granted to 6 members of the Executive Board and to 127 employees was USD 53m. Total value of granted performance shares recognised in the income statement is USD 5m.

The actual transfer of performance shares is contingent upon the degree of certain financial goals being achieved, the employee still being permanently employed and not being under notice of termination at that time when three years have passed from the time of granting. Transfer of the performance shares to members of the Executive Board is contingent on the member still being part of the Executive Board at the time of publishing of the 2016 Annual Accounts for A.P. Møller - Mærsk A/S. The members of the Executive Board as well as other employees are not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Company's holding of own shares is reserved for transfer of performance shares.

Outstanding performance shares	Members of the Executive Board[1] No.	Employees[1] No.	Total fair value[1] USD million
Granted	3,100	18,953	53
Outstanding 31 December 2014	**3,100**	**18,953**	

[1] At the time of grant.

The fair value per performance share at the time of grant is calculated at DKK 13,130, which is equal to the average share price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report .

The average remaining contractual life for the performance shares as per 31 December 2014 is 2.3 years.

Restricted shares

The fair value of restricted shares (A.P. Møller - Mærsk A/S B shares) granted to 123 (115) employees was USD 9m (USD 8m) at the time of the grant. Total value of granted restricted shares recognised in the income statement is USD 2m (USD 1m).

The transfer of restricted shares is contingent on the employee still being permanently employed and takes place when three years have passed from the time of granting. The employee is not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Company's holding of own shares is reserved for transfer of restricted shares.

Outstanding restricted shares[1]	Employees[2] No.	Total fair value[2] USD million
Granted	5,070	8
Forfeited	65	
Outstanding 31 December 2013	**5,005**	
Granted	3,830	9
Forfeited	200	
Outstanding 31 December 2014	**8,635**	

[1] The number of shares are restated to include the issue of bonus shares.
[2] At the time of grant.

The fair value per restricted share at the time of grant is calculated at DKK 13,130 (DKK 9,063), which is equal to the average share price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. 2013 figure is restated due to the effect from the issue of bonus shares by four shares to one.

The average remaining contractual life for the restricted shares as per 31 December 2014 is 1.7 years (2.3 years).

NOTE 11 SHARE-BASED PAYMENT — CONTINUED

AMOUNTS IN USD MILLION

Share options

In addition to the performance shares programme and the restricted shares programme, the Group has a share option programme for former partners in Firmaet A.P. Møller and other employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S. Share options related to this programme have not been granted in 2014.

Total value of granted share options recognised in the income statement is USD 0m (USD 2m).

The share options were granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. Exercise of the share options is contingent on the option holder still being permanently employed at the time of exercise. The share options can be exercised when at least two years and no more than five years have passed from the time of granting and can only be exercised within the trading periods as stated in the internal rules for trading of A.P. Møller - Mærsk A/S' securities in force at any time. Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

The share options can only be settled in shares. A portion of the Company's holding of own shares is reserved for settlement of granted options.

Outstanding share options[1]	Partners in Firmaet A.P. Møller[2] No.	Employees[2] No.	Total No.	Average exercise price[1] DKK
1 January 2013	26,255	76,690	102,945	9,276
Exercised	1,185	11,535	12,720	6,084
Forfeited	5,600	12,755	18,355	10,696
Outstanding 31 December 2013	**19,470**	**52,400**	**71,870**	**9,479**
Exercisable 31 December 2013	**15,510**	**31,325**	**46,835**	**9,217**
Exercised	7,810	22,055	29,865	8,260
Forfeited	-	1,500	1,500	9,790
Outstanding 31 December 2014	**11,660**	**28,845**	**40,505**	**10,366**
Exercisable 31 December 2014	**11,660**	**28,845**	**40,505**	**10,366**

[1] The number of shares are restated to include the issue of bonus shares.
[2] At the time of grant.

The weighted average share price at the dates of exercise of shares was DKK 13,480 (DKK 9,996). 2013 figure is restated due to the effect from the issue of bonus shares by four shares to one.

The average remaining contractual life as per 31 December 2014 is 1.5 years (2.0 years) and the exercise price for outstanding share options is in the range of DKK 9,418 to DKK 11,590 (DKK 5,447 to DKK 11,590). 2013 figures are restated due to the effect from the issue of bonus shares by four shares to one.

NOTE 12 BORROWINGS

AMOUNTS IN USD MILLION

	2014	2013
Bank and other credit institutions	3,591	4,931
Finance lease liabilities	-	422
Issued bonds	4,612	5,104
Subsidiaries, etc., including finance leasing liabilities	10,052	11,697
Total	**18,255**	**22,154**
OF WHICH:		
Classified as non-current	7,459	8,521
Classified as current	10,796	13,633

Finance lease liabilities	**Minimum lease payments 2014**	**Interest 2014**	**Carrying amount 2014**	**Minimum lease payments** 2013	**Interest** 2013	**Carrying amount** 2013
Within one year	-	-	-	61	4	57
Between one and five years	-	-	-	228	22	206
After five years	-	-	-	164	5	159
Total	**-**	**-**	**-**	**453**	**31**	**422**

The finance lease agreements are described in note 6 and have been transferred to a subsidiary in 2015.

Finance lease liabilities included in borrowings from subsidiaries	**Minimum lease payments 2014**	**Interest 2014**	**Carrying amount 2014**	**Minimum lease payments** 2013	**Interest** 2013	**Carrying amount** 2013
Within one year	-	-	-	45	15	30
Between one and five years	-	-	-	136	40	96
After five years	-	-	-	118	26	92
Total	**-**	**-**	**-**	**299**	**81**	**218**

NOTE 13 PROVISIONS

AMOUNTS IN USD MILLION

	Abandonment	**Restructuring**	**Legal disputes, etc.**	**Other**	**Total**
1 January 2014	1,055	4	382	619	2,060
Provision made	133	31	293	390	847
Amount used	11	-	42	131	184
Amount reversed	-	3	245	192	440
Unwind of discount	38	-	-	-	38
Exchange rate adjustment	-	-	-	-34	-34
Transfer, liabilities associated with assets held for sale	-	-32	-28	-396	-456
31 December 2014	**1,215**	**0**	**360**	**256**	**1,831**
OF WHICH:					
Classified as non-current	1,182	-	355	256	1,793
Classified as current	33	-	5	-	38

Non-current provisions for abandonment of USD 1.1bn (USD 1.1bn) is expected realised after more than five years.

Provisions for abandonment comprise estimated expenses for abandonment of oil and gas fields at discounted value. Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include tax and duty disputes among other things. Other includes provisions for guarantees, onerous contracts, and risk under certain self-insurance programmes. The provisions are subject to considerable uncertainty, cf. note 22.

Reversals of provisions primarily relate to legal disputes, tax and duty disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

NOTE 14 DERIVATIVES

AMOUNTS IN USD MILLION

Foreign exchange forwards and option contracts are used to hedge the currency risk related to recognised and unrecognised transactions. Interest rate swaps are used to hedge interest rate exposure on borrowings.

Fair values 31 December	**2014**	2013
Non-current receivables	144	240
Current receivables	176	171
Non-current liabilities	413	123
Current liabilities	236	214
Liabilities, net	**329**	**-74**

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

	Cash flow hedges 2014	**Fair value hedges 2014**	**Held for trading 2014**	**Cash flow hedges** 2013	**Fair value hedges** 2013	**Held for trading** 2013
Currency derivatives[1]	1	-146	-274	28	124	-89
Interest rate derivatives[1]	-22	113	-1	1	21	-11
Total	**-21**	**-33**	**-275**	**29**	**145**	**-100**

[1] Majority of the hedges recognised in equity are realised within one year.

The gains/losses, including realised transactions, are recognised as follows:

	2014	2013
Hedging foreign exchange risk on operating costs	5	-2
Hedging foreign exchange risk on gain on sale of non-current assets, etc.	-48	-
Hedging interest rate risk	-42	-68
Hedging interest and foreign exchange risk on discontinued operations	-36	37
Total effective hedging	**-121**	**-33**
Ineffectiveness recognised in financial expenses	-87	4
Total reclassified from equity reserve for hedges	**-208**	**-29**
DERIVATIVES ACCOUNTED FOR AS HELD FOR TRADING:		
Currency derivatives recognised directly in financial income/expenses	-500	166
Interest rate derivatives recognised directly in financial income/expenses	92	-81
Net gains/losses recognised directly in the income statement	**-408**	**85**
Total	**-616**	**56**

Currency derivatives hedge future revenue, operating costs and investments and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment respectively.

Interest rate derivatives primarily swap floating to fixed rates on borrowings and are recognised in the income statement concurrently with the hedged interest expenses. They are also used to swap fixed rates to floating rates of which some are fair value hedges.

Furthermore, the Company enters into derivatives to hedge economic risks that are not accounted for as hedging. These derivatives are accounted for as held for trading.

For information about currencies, maturities, etc. reference is made to note 16.

NOTE 15 FINANCIAL INSTRUMENTS BY CATEGORY

AMOUNTS IN USD MILLION

Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

	Carried at amortised cost		Carried at fair value			Total carrying amount	Non-current portion	Current portion
	Carrying amount	Fair value	Level1 Carrying amount	Level 2 Carrying amount	Level 3 Carrying amount			
2014								
Interests bearing receivables from subsidiaries, etc.	9,337	9,337				9,337	6,832	2,505
Finance lease receivables	11	11				11	11	-
Other interest-bearing receivables and deposits	1	1				1	1	-
Total interest-bearing receivables	**9,349**	**9,349**	**-**	**-**	**-**	**9,349**	**6,844**	**2,505**
Trade receivables	343					343	-	343
Other receivables (non-interest-bearing)	677					677	638	39
Other receivables from subsidiaries, etc.	107					107	-	107
Cash and bank balances	2,092					2,092	-	2,092
Total loans and receivables	**12,568**		**-**	**-**	**-**	**12,568**	**7,482**	**5,086**
Bonds			286	-	-	286	-	286
Shares			-	-	1	1	-	1
Total securities (held for trading)	**-**		**286**	**-**	**1**	**287**	**-**	**287**
Derivatives			-	320	-	320	144	176
Shares (available-for-sale)			-	-	935	935	935	-
Other financial assets	**-**		**-**	**320**	**935**	**1,255**	**1,079**	**176**
Total financial assets	**12,568**		**286**	**320**	**936**	**14,110**	**8,561**	**5,549**
Bank and other credit institutions	3,591	3,707				3,591	2,847	744
Issued bonds	4,612	4,845				4,612	4,612	-
Interests bearing loans from subsidiaries, including lease liabilities	10,052	10,052				10,052	-	10,052
Total borrowings	**18,255**	**18,604**	**-**	**-**	**-**	**18,255**	**7,459**	**10,796**
Trade payables	219		-	-	-	219	-	219
Derivatives	-		-	649	-	649	413	236
Other payables	77		-	-	-	77	-	77
Other payables to subsidiaries and associated companies, etc.	54		-	-	-	54	-	54
Other financial liabilities	**350**		**-**	**649**	**-**	**999**	**413**	**586**
Total financial liabilities	**18,605**		**-**	**649**	**-**	**19,254**	**7,872**	**11,382**

NOTE 15 FINANCIAL INSTRUMENTS BY CATEGORY — CONTINUED

AMOUNTS IN USD MILLION

	Carried at amortised cost		Carried at fair value			Total carrying amount	Non-current portion	Current portion
	Carrying amount	Fair value	Level1 Carrying amount	Level 2 Carrying amount	Level 3 Carrying amount			
2013								
Interest-bearing receivables from subsidiaries, etc.	9,117	9,117				9,117	5,761	3,356
Finance lease receivables	12	12				12	12	-
Total interest-bearing receivables	**9,129**	**9,129**	**-**	**-**	**-**	**9,129**	**5,773**	**3,356**
Trade receivables	2,397					2,397	-	2,397
Other receivables (non-interest-bearing)	530					530	401	129
Other receivables from subsidiaries, etc.	558					558	-	558
Cash and bank balances	1,531					1,531	-	1,531
Total loans and receivables	**14,145**		**-**	**-**	**-**	**14,145**	**6,174**	**7,971**
Bonds			221	-	-	221	-	221
Shares			-	-	1	1	-	1
Total securities (held for trading)	**-**		**221**	**-**	**1**	**222**	**-**	**222**
Derivatives			-	411	-	411	240	171
Shares (available-for-sale)			-	-	68	68	68	-
Other financial assets	**-**		**-**	**411**	**68**	**479**	**308**	**171**
Total financial assets	**14,145**		**221**	**411**	**69**	**14,846**	**6,482**	**8,364**
Bank and other credit institutions	4,931	5,108				4,931	4,224	707
Finance lease liabilities	422	423				422	365	57
Issued bonds	5,104	5,340				5,104	3,744	1,360
Interests bearing loans from subsidiaries, including lease liabilities	11,697	11,697				11,697	188	11,509
Total borrowings	**22,154**	**22,568**	**-**	**-**	**-**	**22,154**	**8,521**	**13,633**
Trade payables	3,127		-	-	-	3,127	-	3,127
Derivatives	-		-	337	-	337	123	214
Other payables	420		-	-	-	420	-	420
Other payables to subsidiaries and associated companies, etc.	1,413		-	-	-	1,413	-	1,413
Other financial liabilities	**4,960**		**-**	**337**	**-**	**5,297**	**123**	**5,174**
Total financial liabilities	**27,114**		**-**	**337**	**-**	**27,451**	**8,644**	**18,807**

Fair value of the short term accounts receivable and short term accounts payable is not materially different from carrying amount.

NOTE 15 FINANCIAL INSTRUMENTS BY CATEGORY — CONTINUED

AMOUNTS IN USD MILLION

Movement during the year in level 3	Non-listed shares		Total financial assets
	Available-for-sale	Held for trading	
Carrying amount 1 January 2013	66	1	67
Disposal	1	-	1
Gains/losses recognised in other comprehensive income	3	-	3
Carrying amount 31 December 2013	**68**	**1**	**69**
Addition	995	-	995
Gains/losses recognised in other comprehensive income	-128	-	-128
Carrying amount 31 December 2014	**935**	**1**	**936**

The main part of the closing balance and the addition during 2014 comprises the 19% share in Dansk Supermarked Group. The estimated fair value in DKK in December is equal to the initial valuation of the 19%. The decrease in the carrying amount of the investment in 2014 can be attributed to the development in the DKK/USD exchange rate.

The valuation is based primarily on a discounted cash flow model with reference to selected listed peers. The model relies on a discount rate of 7.4% reflecting a weighted average of an assumed discount rate for the retail business and an assumed yield for the real estate business as well as a long term terminal growth rate of 2%. All other things being equal, a 0.25% change in the discount rate will affect other comprehensive income and equity by USD 35-50m.

NOTE 16 FINANCIAL RISKS, ETC.

AMOUNTS IN USD MILLION

The Company's activities expose it to a variety of financial risks: Market risks, i.e. currency risk and interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's Business Units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 December 2014.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2014. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rate.

Currency risk

The Company's currency risk arises due to income from shipping and oil-related activities are denominated mainly in USD, while the related expenses are incurred in both USD and a wide range of other currencies such as DKK, EUR, CNY and GBP. Overall the Company has net income in USD and net expenses in most other currencies. As the net income is in USD, this is also the primary financing currency. The majority of the Company's borrowings are thus in USD.

The main purpose of hedging the Company's currency risk is to hedge the USD value of the Company's net cash flow and reduce fluctuations in the Company's profit. The Company uses various financial derivatives, including forwards, option contracts and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-months horison;
- Significant capital commitments in other currencies than USD are hedged;
- Most non-USD debt is hedged, however, depending on asset-liability match and the currency of the generated cash flow.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Company is exposed, is estimated to have a positive impact on the Company's profit before tax by USD 0.3bn (negatively by USD 0.1bn) and the Company's equity, excluding tax, positively by USD 0.1bn (negatively by USD 0.3bn). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date, cf. notes 14 and 15, and are thus not an expression of the Company's total currency risk.

NOTE 16 FINANCIAL RISKS, ETC. — CONTINUED

AMOUNTS IN USD MILLION

Interest rate risk

The Company has most of its debt denominated in USD, but part of the debt (e.g. issued bonds) is in other currencies such as DKK, EUR and NOK. Some loans are at fixed interest rates, while others are at floating interest rates.

The Company strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks. The hedging of the interest rate risk is governed by a duration range and is primarily obtained through the use of interest rate swaps.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax negatively by approximately USD 22m (negatively by USD 55m). The effect on equity, excluding tax effect, of an increase in interest rates as mentioned above is estimated to be positive by approximately USD 56m (positive by USD 28m).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Borrowings and interest-bearing debt to subsidiaries by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing 0-1 year	1-5 years	5- years
2014				
0-3%	16,033	12,957	1,921	1,155
3-6%	2,190	515	438	1,237
6%-	32	19	13	-
Total	**18,255**	**13,491**	**2,372**	**2,392**
OF WHICH:				
Bearing fixed interest	5,092			
Bearing floating interest	13,163			
2013				
0-3%	18,684	16,341	1,775	568
3-6%	2,171	414	603	1,154
6%-	1,299	1,073	17	209
Total	**22,154**	**17,828**	**2,395**	**1,931**
OF WHICH:				
Bearing fixed interest	5,584			
Bearing floating interest	16,570			

Credit risk

The Company has exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties and credit limits are set for financial institutions and key commercial counterparties.

Maturity analysis of trade receivables	2014	2013
Receivables not due	342	1,801
Less than 90 days overdue	5	518
More than 90 days overdue	2	203
Receivables, gross	**349**	**2,522**
Provision for bad debt	6	125
Carrying amount	**343**	**2,397**

Change in provision for bad debt	2014	2013
1 January	125	111
Provisions made	110	41
Amount used	82	27
Amount reversed	28	-
Transfer, assets held for sale	119	-
31 December	**6**	**125**

NOTE 16 FINANCIAL RISKS, ETC. — CONTINUED

AMOUNTS IN USD MILLION

Liquidity risk

It is of great importance for the Company to maintain a financial reserve to cover the Company's obligations and investment opportunities and to provide the capital necessary to offset changes in the Company's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things, by focusing on release of capital and following up on the development in working capital.

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest 0-1 year	1-5 years	5- years	Total
2014					
Bank and other credit institutions	3,591	826	2,194	920	3,940
Issued bonds	4,612	161	3,946	1,411	5,518
Interest bearing loans from subsidiaries, etc.	10,052	10,065	-	-	10,065
Trade payables	219	219	-	-	219
Other payables	77	77	-	-	77
Other payables to subsidiaries, etc.	54	54	-	-	54
Non-derivative financial liabilities	**18,605**	**11,402**	**6,140**	**2,331**	**19,873**
Derivatives	649	236	343	70	649
Total recognised in balance sheet	**19,254**	**11,638**	**6,483**	**2,401**	**20,522**
Operating lease commitments		136	321	288	745
Capital commitments		189	-	-	189
Total		**11,963**	**6,804**	**2,689**	**21,456**
2013					
Bank and other credit institutions	4,931	836	3,609	1,199	5,644
Finance lease liabilities	422	61	228	164	453
Issued bonds	5,104	1,568	2,534	1,934	6,036
Interest bearing loans from subsidiaries, etc.	11,697	11,581	136	118	11,835
Trade payables	3,127	3,127	-	-	3,127
Other payables	420	420	-	-	420
Other payables to subsidiaries, etc.	1,413	1,413	-	-	1,413
Non-derivative financial liabilities	**27,114**	**19,006**	**6,507**	**3,415**	**28,928**
Derivatives	337	214	91	32	337
Total recognised in balance sheet	**27,451**	**19,220**	**6,598**	**3,447**	**29,265**
Operating lease commitments		221	609	466	1,296
Capital commitments		323	105	-	428
Total		**19,764**	**7,312**	**3,913**	**30,989**

NOTE 17 COMMITMENTS

AMOUNTS IN USD MILLION

Operating lease commitments

As part of the Company's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc. The future charter and operating lease payments for continuing operations are:

	2014	2013
Within one year	136	221
Between one and two years	94	188
Between two and three years	90	144
Between three and four years	83	142
Between four and five years	54	135
After five years	288	466
Total	**745**	**1,296**
Net present value[1]	567	1,024

[1] The net present value has been calculated using a discount rate of 6% p.a. (6% p.a.).

Lease commitments for Maersk Line activities are USD 6.4bn (USD 7.2bn). Lease commitments for continued operations for 2013 have been restated.

About one-third of the time charter payments within shipping activities are estimated to relate to operating costs for the assets.

Total operating lease costs incurred are stated in note 1.

Capital commitments

At the end of 2014, capital commitments relating to ships, rigs, etc. on order amount to USD 189m (USD 428m). Capital commitments related to Maersk Line activities are USD 773m (USD 2.1bn).

As part of finance lease agreements entered into with subsidiaries, etc., capital commitments relating to dedicated capacity in certain strategically important container terminals at the end of 2014 amount to USD 516m (USD 793m). The concerned assets relate to Maersk Line activities and are transferred to assets held for sale.

NOTE 18 CONTINGENT LIABILITIES

AMOUNTS IN USD MILLION

Guarantees amount to USD 1.6bn (USD 2.7bn). Of this, USD 1.6bn (USD 2.5bn) is related to subsidiaries. The guarantees are not expected to be realised, but they can mature within one year.

Except for customary agreements within the Company's activities, no material agreements have been entered into that will take effect, change or expire upon changes of the control over the Company.

The necessary facility of USD 380m (USD 380m) has been established in order to meet the requirements for trading in the USA under the American Oil Pollution Act of 1990 (Certificate of Financial Responsibility).

The container trades have entered into certain agreements with terminals, port authorities, etc., containing volume commitments including an extra payment in case minimum volumes are not met. Maersk Line actitivies have been transferred to a subsidiary in 2015.

The Company is involved in a number of legal disputes. The Company is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Tax may crystallise if the Company leaves the tonnage tax regime and on repatriation of dividends. Through participation in joint taxation scheme with A.P. Møller Holding A/S, the Company is jointly and severally liable for taxes payable, etc. in Denmark.

NOTE 19 CASH FLOW SPECIFICATIONS

AMOUNTS IN USD MILLION

	2014	2013
CHANGE IN WORKING CAPITAL		
Inventories	-17	-7
Trade receivables	186	49
Other receivables and prepayments	7	-4
Other receivables from subsidiaries, etc.	-9	-54
Trade payables and other payables, etc.	-188	-7
Other debt to subsidiaries, etc.	7	-48
Exchange rate adjustment of working capital	53	-24
Total	**39**	**-95**
PURCHASE OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT		
Addition	-440	-1,462
Of which borrowing costs capitalised on assets	45	-18
Change in payables to suppliers regarding purchase of assets	3	257
Change in provision for abandonment	133	197
Total	**-259**	**-1,026**
OTHER FINANCIAL INVESTMENTS		
Sale of non-current assets available-for-sale	-	1
Loan repayments received	2	2
Total	**2**	**3**

Other non-cash items are primarily related to adjustment of provision for bad debt regarding trade receivables.

NOTE 20 RELATED PARTIES

AMOUNTS IN USD MILLION

	Subsidiaries		Associated companies		Joint ventures		Management[1]	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
CONTINUING OPERATIONS								
Revenue	1,161	680	1	-	8	3	-	-
Operating costs	540	601	-	2	6	-	10[2]	11[2]
Remuneration to management	-	-	-	-	-	-	19	16
Other income	5	17	-	-	-	6	-	2
Dividends	1	285	75	11	20	13	-	-
Financial income	353	331	3	53	-	-	-	-
Financial expenses	240	181	107	-	-	-	-	-
Interest bearing receivables, non-current	6,832	5,761	-	-	-	-	-	-
Derivatives, non-current	111	33	5	21	-	-	-	-
Trade receivables	288	616	-	3	8	18	-	8[2]
Tax receivables	43	136	-	-	-	-	-	-
Interest bearing receivables, current	2,505	3,356	-	-	-	-	-	-
Derivatives, current	108	34	12	20	-	-	-	-
Other receivables, current	105	547	2	4	-	7	-	-
Prepayments	-	28	-	-	-	-	-	-
Cash and bank balances	-	-	122	207	-	-	-	-
Interest bearing debt, non-current	-	188	-	-	-	-	-	-
Derivatives, non-current	31	-	79	36	-	-	-	-
Interest bearing debt, current	10,052	11,509	-	-	-	-	4	4
Trade payables	58	1,186	-	25	-	75	1[2]	-
Tax payable	39	102	-	-	-	-	-	-
Derivatives. current	45	52	25	52	-	-	-	-
Other liabilities, current	53	1,412	1	1	-	-	-	-
Investment in activities, property, plant and equipment	-	568	-	-	-	-	-	-
Sale of companies, property, plant and equipment	1,551	-	3	-	-	-	-	-
Capital increases and purchase of shares	1,660	1,087	-	1	-	-	-	-
DISCONTINUED OPERATIONS								
Income statement – income	769	891	-	-	25	22	-	-
Income statement – expenses	8,868	9,155	254	216	753	563	-	-
Assets held for sale	851	-	8	-	4	-	-	-
Liabilities associated with assets held for sale	2,389	-	31	-	98	-	-	-
Investment in activities, property, plant and equipment	468	-	-	-	-	-	-	-

[1] The Board of Directors and the Executive Board in A.P. Møller - Mærsk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their significant influence). Trade receivables and payables include customary business related accounts in connection with shipping activities.

[2] Includes commission and commercial receivables to Maersk Broker K/S from chartering as well as purchase and sale of ships.

NOTE 20 RELATED PARTIES — CONTINUED

AMOUNTS IN USD MILLION

A.P. Møller Holding A/S , Copenhagen, Denmark has control over the Company and prepares consolidated financial statements. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is the ultimate owner.

One (one) member of the Executive Board participates in one (one) shipping partnership with one vessel that is operated as part of the A.P. Moller - Maersk fleet. The Group owns more than 50% (50%) of the vessel and holds the ultimate control. The vessel is operated directly in the market and all transactions between related parties and the Company are subject to arm's length conditions.

In relation to Danske Bank's arrangement of payment transactions, sale and purchase of securities, etc., only the related costs are included in the above.

None of the Executive Board members bought any share options in 2014. During 2013, none of the Executive Board members bought any share options. Further information is provided in note 11.

Dividends distributed are not included.

NOTE 21 ACCOUNTING POLICIES

AMOUNTS IN USD MILLION

The financial statements for 2014 for A.P. Møller - Mærsk A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. In addition, the financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB).

The accounting policies are consistent with those applied in the financial statements 2013 except for the below areas:

- The Company has changed its presentation currency from DKK to USD. The effect as of 1 January 2013 is presented in the statement of changes in equity.

- Amendments to IAS 32 'Financial Instruments: Presentation', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRIC 21 'Levies' have been implemented with no material effect on the financial statements.

The accounting policies of the Company are consistent with the accounting policies for the A.P. Moller - Maersk Group (note 24 in the consolidated financial statement) with the following exceptions:

- Shares in subsidiaries and associated companies are measured at cost or a lower value in use;

- Dividends from subsidiaries and associated companies are recognised as income at the time of declaration;

- No segment information is disclosed;

- Value of granted share options, restricted shares and performance shares to employees in subsidiaries is expensed directly in the relevant subsidiary. At the time of the grant, the subsidiary settles the amount with A.P. Møller - Mærsk A/S and the counter posting made in equity. At the time of exercising, the proceeds are included in the Company's equity.

NOTE 22 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

AMOUNTS IN USD MILLION

When preparing the financial statements of the Company, management undertakes a number of accounting estimates and judgements to recognise, measure and classify the Company's assets and liabilities.

Estimates that are material to the Company's financial reporting are made on the basis of, inter alia, determination of the useful life and residual value of property, plant and equipment, determination of impairment of property, plant and equipment and financial non-current assets including subsidiaries, recognition of deferred tax assets and recognition and measurements of provisions. Reference is made to notes 7, 9 and 15.

The accounting estimates and judgements are described in further detail in note 25 of the consolidated financial statements.

NOTE 23 NEW FINANCIAL REPORTING REQUIREMENTS

AMOUNTS IN USD MILLION

Changes in standards and interpretations and amendments in coming years are stated in note 26 of the consolidated financial statements. The mentioned changes to accounting policy of the Group do not or only to a limited extent impact the accounting policy of the Company. However, the effect of certain standards is undetermined at this point of time.

STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and the Management have today discussed and approved the annual report of A.P. Møller - Mærsk A/S for 2014.

The annual report for 2014 of A.P. Møller - Mærsk A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies and in our opinion gives a true and fair view of the Group's and the Company's assets and liabilities, financial position at 31 December 2014 and of the results of the Group's and the Company's operations and cash flows for the financial year 2014.

In our opinion, the Directors' report includes a fair review of the development in the Group's and the Company's operations and financial conditions, the results for the year, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the Group and the Company face.

We recommend that the annual report be approved at the Annual General Meeting on 30 March 2015.

Copenhagen, 25 February 2015

MANAGEMENT

Nils S. Andersen — Group CEO

Kim Fejfer

Claus V. Hemmingsen

Søren Skou

Jakob Thomasen

Trond Westlie

BOARD OF DIRECTORS

Michael Pram Rasmussen — Chairman

Niels Jacobsen — Vice chairman

Ane Mærsk Mc-Kinney Uggla — Vice chairman

Dorothee Blessing

Sir John Bond

Niels B. Christiansen

Renata Frolova

Arne Karlsson

Jan Leschly

Palle Vestergaard Rasmussen

Robert Routs

Robert Mærsk Uggla

INDEPENDENT AUDITORS' REPORT

To the shareholders of A.P. Møller - Mærsk A/S

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2014, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The Board of Directors' and the Management's responsibility for the consolidated financial statements and the parent company financial statements

The Board of Directors and the Management are responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2014 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2014 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

STATEMENT ON THE DIRECTORS' REPORT

Pursuant to the Danish Financial Statements Act, we have read the Directors' report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Directors' report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 25 February 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
State Authorised Public Accountant

KPMG
Statsautoriseret Revisionspartnerselskab

Henrik O. Larsen
State Authorised Public Accountant

Additional information

Board of Directors / Executive Board / Company overview / Definition of terms / Company announcements

BOARD OF DIRECTORS

Michael Pram Rasmussen (born 1955)
Chairman

Joined the board in 1999.
Latest re-election in 2013.
Term of office will end in 2015.

Former CEO, Topdanmark A/S.

Other management duties, etc.:
Coloplast A/S (chairman); Topdanmark A/S (chairman) and one subsidiary; Semler Holding A/S (chairman) and one subsidiary; Arp-Hansen Hotel Group; JPMorgan Chase International Council; Danske Bank Advisory Board (Rådgivende Repræsentantskab); Museumsfonden af 7. december 1966; Louisiana – Fonden; Louisiana Museum of Modern Art.

Not considered independent.

Niels Jacobsen (born 1957)
Vice chairman

Joined the board in 2007.
Latest re-election in 2013.
Term of office will end in 2015.

CEO of William Demant Holding A/S.

Management duties in the William Demant Group:
Chairman of 62 subsidiaries; William Demant Invest A/S (Managing Director); Jeudan A/S (deputy chairman); Össur hf. (chairman); HIMPP A/S (chairman); HIMSA A/S (chairman); HIMSA II A/S; Sennheiser Communications A/S.

Other management duties, etc.:
LEGO A/S (chairman); KIRKBI A/S (vice chairman); Thomas B. Thriges Fond (chairman).

Considered independent.

Ane Mærsk Mc-Kinney Uggla (born 1948)
Vice chairman

Joined the board in 1991.
Latest re-election in 2014.
Term of office will end in 2016.

Other management duties, etc.:
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (chairman); A.P. Møller Holding A/S (Chairman); Maersk Broker A/S (chairman); Maersk Broker K/S (chairman); Estemco A/S (chairman).

Not considered independent.

Dorothee Blessing (born 1967)

Joined the board in 2014.
Term of office will end in 2015.

Vice chairman, Investment Banking EMEA, JPMorgan.

No other management duties, etc.

Considered independent.

Sir John Bond (born 1941)

Joined the board in 2008.
Latest re-election in 2014.
Term of office will end in 2016.

Former chairman of HSBC Holdings Plc.

Other management duties, etc.:
Shui On Land Limited; International Advisory Board of Mitsubishi Corporation; China Development Forum; International Business Leaders' Advisory Council to the Mayor of Shanghai; Kohlberg Kravis Roberts & Co. Asia Limited (chairman); Advisory Director, Northern Trust Corporation; International Advisory Council Tsinghua University School of Economics & Management.

Considered independent.

Niels B. Christiansen (born 1966)

Joined the board in 2014.
Term of office will end in 2015.

CEO of Danfoss A/S.

Management duties in the Danfoss Group:
Chairman of two subsidiaries to Danfoss A/S and board member of two subsidiaries.

Other management duties, etc.:
Axcel (chairman); William Demant Holding, DI (vice chairman); Fremstillingsindustrien (The Manufacturing Industry).

Considered independent.

BOARD OF DIRECTORS — CONTINUED

Renata Frolova (born 1977) Joined the board in 2014. Term of office will end in 2016. Head of Responsible Procurement (employee).	**No other management duties, etc.**	Not considered independent.
Arne Karlsson (born 1958) Joined the board in 2010. Latest re-election in 2014. Term of office will end in 2015. Former CEO, Ratos AB.	**Other management duties, etc.:** Ratos (chairman); Bonnier Holding (chairman); Bonnier AB; SNS (Center for Business and Policy Studies) (chairman); Einar Mattsson (chairman); Swedish Corporate Governance Board (chairman); Ecolean (chairman); Fortnox; Swedish Securities Council and WCPF (World's Children's Prize Foundation) (chairman).	Considered independent.
Jan Leschly (born 1940) Joined the board in 2000. Latest re-election in 2014. Term of office will end in 2016. Chairman and managing partner of Care Capital LLC. Former CEO, SmithKlineBeecham.	**Other management duties, etc.:** Vaxart Pharmaceuticals; Adjunct professor at Copenhagen Business School.	Not considered independent.
Palle Vestergaard Rasmussen (born 1958) Joined the board in 2014. Term of office will end in 2016. Captain (employee).	**No other management duties, etc.**	Not considered independent.
Robert Routs (born 1946) Joined the board in 2010. Latest re-election in 2014. Term of office will end in 2016. Former Executive Director, Royal Dutch Shell plc.	**Other management duties, etc.:** Aegon NV (chairman); DSM NV (chairman); ATCO Group; AECOM.	Considered independent.
Robert Mærsk Uggla (born 1978) Joined the board in 2014. Term of office will end in 2016. CEO of Svitzer A/S	**Other management duties, etc.:** Foundation Board of IMD.	Not considered independent.

EXECUTIVE BOARD

Nils S. Andersen (born 1958)
Group CEO

Member of Executive Board since 2007.

Other management duties, etc.:
F. Salling Holding A/S (chairman); F. Salling Invest A/S (chairman); Dansk Supermarked A/S (chairman); Industria De Diseño Textil S.A. (Inditex); Danske Bank Advisory Board (Rådgivende Repræsentantskab); DI's Erhvervspolitiske Udvalg; European Round Table of Industrialists (vice chairman).

Kim Fejfer (born 1965)

Member of Executive Board since 2011.

Other management duties, etc.:
Global Ports Investments PLC; EU-Russia Industrialists' Round Table; Global 50 and the Advisory Council to the Mayor of Chongqing .

Claus V. Hemmingsen (born 1962)

Member of Executive Board since 2007.

Other management duties, etc.:
DFDS A/S (vice chairman); Danmarks Rederiforening (chairman); Egyptian Drilling Company; Danish Chinese Business Forum (vice chairman); EU-Hong Kong Business Co-operation Committee.

Søren Skou (born 1964)

Member of Executive Board since 2007.

Other management duties, etc.:
Skou Invest ApS.

Jakob Thomasen (born 1962)

Member of Executive Board since 2009.

Other management duties, etc.:
Member of the Board of Dansk Arbejdsgiverforening.

Trond Westlie (born 1961)

Member of Executive Board since 2010.

Other management duties, etc.:
Danske Bank A/S (vice chairman); Danmarks Skibskredit A/S; VimpelCom Ltd; Shama A/S.

COMPANY OVERVIEW

The A.P. Moller - Maersk Group comprises approximately 900 companies. Major companies of the Group are listed below.

A more comprehensive list of companies is available on:
http://investor.maersk.com/financials.cfm

SUBSIDIARIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
3PSC LLC	USA	100%
A.P. Moller Finance SA	Switzerland	100%
A.P. Moller Singapore Pte. Ltd.	Singapore	100%
Addicks & Kreye Container Service GmbH & Co. KG	Germany	51%
APM Terminals - Cargo Service A/S	Denmark	60%
APM Terminals Algeciras S.A.	Spain	100%
APM Terminals Apapa Ltd.	Nigeria	94%
APM Terminals B.V.	The Netherlands	100%
APM Terminals Bahrain B.S.C.	Bahrain	80%
APM Terminals Callao S.A.	Peru	80%
APM Terminals China Co. Ltd.	Hong Kong	100%
APM Terminals Gothenburg AB	Sweden	100%
APM Terminals India Pvt. Ltd.	India	100%
APM Terminals Inland Services S.A.	Peru	100%
APM Terminals Liberia Ltd.	Liberia	100%
APM Terminals Management B.V.	The Netherlands	100%
APM Terminals Mobile, LLC	USA	100%
APM Terminals Maasvlakte II B.V.	The Netherlands	100%
APM Terminals North America B.V.	The Netherlands	100%
APM Terminals Pacific Ltd.	USA	100%
APM Terminals Rotterdam B.V.	The Netherlands	100%
APM Terminals Tangier SA	Morocco	90%
Aqaba Container Terminal Company Ltd.	Jordan	50%
Bermutine Transport Corporation Ltd.	Bermuda	100%
Coman SA	Benin	100%
Container Operators S.A.	Chile	100%
Damco (UAE) FZE	United Arab Emirates	100%
Damco A/S	Denmark	100%
Damco Australia Pty. Ltd.	Australia	100%
Damco Belgium NV	Belgium	100%
Damco China Ltd.	China	100%
Damco Distribution Services Inc.	USA	100%
Damco France SAS	France	100%

SUBSIDIARIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Damco India Pvt. Ltd.	India	100%
Damco International A/S	Denmark	100%
Damco Italy S.r.l.	Italy	100%
Damco Logistics Uganda Ltd.	Uganda	100%
Damco Sweden AB	Sweden	100%
Damco UK Ltd.	Great Britain	100%
Damco USA Inc.	USA	100%
Esvagt A/S	Denmark	75%
Farrell Lines Inc.	USA	100%
Gateway Terminals India Pvt. Ltd.	India	74%
Lilypond Container Depot Nigeria Ltd.	Nigeria	91%
Maersk (China) Shipping Company Ltd.	China	100%
Maersk A/S	Denmark	100%
Maersk Agency U.S.A. Inc.	USA	100%
Maersk Aviation Holding A/S	Denmark	100%
Maersk B.V.	The Netherlands	100%
Maersk Bangladesh Ltd.	Bangladesh	100%
Maersk Container Industry A/S	Denmark	100%
Maersk Container Industry Dongguan Ltd.	China	100%
Maersk Container Industry Qingdao Ltd.	China	100%
Maersk Denizcilik A.Ş.	Turkey	100%
Maersk Developer LLC	USA	100%
Maersk Djibouti SARL	Djibouti	60%
Maersk Drilling A/S	Denmark	100%
Maersk Drilling Deepwater A/S	Denmark	100%
Maersk Drilling Deepwater Egypt LLC	Egypt	100%
Maersk Drilling Holdings Singapore Pte. Ltd.	Singapore	100%
Maersk Drilling International A/S	Denmark	100%
Maersk Drilling Norge AS	Norway	100%
Maersk Drilling USA Inc.	USA	100%
Maersk Drillship III Singapore Pte. Ltd.	Singapore	100%
Maersk Egypt For Maritime Transport SAE	Egypt	100%
Maersk Energia Ltda.	Brazil	100%

SUBSIDIARIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Maersk Energy Marketing A/S	Denmark	100%
Maersk Energy UK Ltd.	Great Britain	100%
Maersk FPSOs A/S	Denmark	100%
Maersk Gabon SA	Gabon	100%
Maersk Gas Carriers Pte. Ltd.	Singapore	100%
Maersk Global Service Centres (Chengdu) Ltd.	China	100%
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%
Maersk Holding B.V.	The Netherlands	100%
Maersk Hong Kong Ltd.	Hong Kong	100%
Maersk Inc.	USA	100%
Maersk Inter Holding B.V.	The Netherlands	100%
Maersk Line Agency Holding A/S	Denmark	100%
Maersk Line UK Ltd.	Great Britain	100%
Maersk Line, Limited Inc.	USA	100%
Maersk Logistics Warehousing China Company Ltd.	Hong Kong	100%
Maersk Mauritanie SA	Mauritania	60%
Maersk Oil America Inc.	USA	100%
Maersk Oil Brasil Ltda.	Brazil	100%
Maersk Oil GB Ltd.	Great Britain	100%
Maersk Oil Gulf of Mexico Four LLC	USA	100%
Maersk Oil Kazakhstan GmbH	Germany	100%
Maersk Oil North Sea UK Ltd.	Great Britain	100%
Maersk Oil Norway AS	Norway	100%
Maersk Oil Qatar A/S	Denmark	100%
Maersk Oil Three PL B.V.	The Netherlands	100%
Maersk Oil Trading Inc.	USA	100%
Maersk Oil UK Ltd.	Great Britain	100%
Maersk Reacher Norge A/S	Denmark	100%
Maersk Shipping Hong Kong Ltd.	Hong Kong	100%
Maersk Spain S.L.	Spain	100%
Maersk Supply Service A/S	Denmark	100%
Maersk Supply Service Canada Ltd.	Canada	100%
Maersk Supply Service Holdings UK Ltd.	Great Britain	100%

SUBSIDIARIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Maersk Supply Service International A/S	Denmark	100%
Maersk Supply Service UK Ltd.	Great Britain	100%
Maersk Tankers A/S	Denmark	100%
Maersk Tankers Singapore Pte. Ltd.	Singapore	100%
Maersk Treasury Center (Asia) Pte. Ltd.	Singapore	100%
Maersk Tunisie SA	Tunisia	100%
Maersk Vietnam Ltd.	Vietnam	100%
Maersk Viking LLC	USA	100%
MCC Transport Singapore Pte. Ltd.	Singapore	100%
Mercosul Line Navegacao E Logistica Ltda.	Brazil	100%
Mærsk Gallant Norge A/S	Denmark	100%
Mærsk Giant Norge A/S	Denmark	100%
Mærsk Guardian Norge A/S	Denmark	100%
Mærsk Innovator Norge A/S	Denmark	100%
Mærsk Inspirer Norge A/S	Denmark	100%
Mærsk Olie Algeriet A/S	Denmark	100%
Mærsk Olie og Gas A/S	Denmark	100%
Nedlloyd Container Line Ltd.	Great Britain	100%
New Times International Transport Service Co. Ltd.	China	100%
NTS International Transport Services Co. Ltd.	Hong Kong	100%
Poti Sea Port Corporation	Georgia	100%
PT Damco Indonesia	Indonesia	100%
Rederiaktieselskabet Kuling	Denmark	100%
Rederiet A.P. Møller A/S	Denmark	100%
Safmarine (Pty) Ltd.	South Africa	100%
Safmarine Container Lines NV	Belgium	100%
Safmarine MPV NV	Belgium	100%
SATI Container Services Pty. Ltd.	South Africa	75%
Seago Line A/S	Denmark	100%
Sogester - Sociedade Gestora De Terminais S.A.	Angola	51%
Suez Canal Container Terminal SAE	Egypt	55%
Svitzer A/S	Denmark	100%
Svitzer Australia Pty. Ltd.	Australia	100%

SUBSIDIARIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Svitzer Marine Ltd.	Great Britain	100%
Terminal 4 S.A.	Argentina	100%
Universal Maritime Service Corporation	USA	100%
West Africa Container Terminal Nigeria Ltd.	Nigeria	100%

ASSOCIATED COMPANIES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Abidjan Terminal SA	Ivory Coast	40%
Brigantine International Holdings Ltd.	Hong Kong	30%
Brigantine Services Ltd.	Hong Kong	30%
Commonwealth Steamship Insurance Company Pty. Ltd.	Australia	7%
Congo Terminal Holding SAS	France	30%
Congo Terminal SA	DR Congo	23%
Cosco Ports (Nansha) Ltd.	British Virgin Islands	34%
Danske Bank A/S	Denmark	20%
Guangzhou South China Oceangate Container Terminal Co. Ltd.	China	20%
Gujarat Pipavav Port Ltd.	India	43%
Höegh Autoliners Holdings AS	Norway	39%
Inttra Inc.	USA	23%
Medcenter Container Terminal S.p.a.	Italy	33%
Meridian Port Services Ltd.	Ghana	35%
Salalah Port Services Company SAOG	Oman	30%
Shanghai Tie Yang Multimodal Transportation Co. Ltd.	China	29%
Shipet Maritime Sdn. Bhd.	Malaysia	44%
South Asia Gateway Pvt. Ltd.	Sri Lanka	33%
Tianjin Port Alliance International Container Terminal Co. Ltd.	China	20%

JOINT VENTURES

COMPANY	COUNTRY OF INCORPORATION	OWNED SHARE
Anchor Storage Ltd.	Bermuda	51%
Brasil Terminal Portuario S.A.	Brazil	50%
Cai Mep International Terminal Co. Ltd.	Vietnam	49%
Caucedo Marine Services Ltd.	British Virgin Islands	50%
Dalian Port Container Terminal Co. Ltd.	China	20%
Douala International Terminal SA	Cameroon	40%
Drilling & Petroleum Services Company	Saudi Arabia	35%
Egyptian Drilling Company SAE	Egypt	50%
Eurogate Container Terminal Wilhelmhaven Beteiligungsgesellschaft GmbH	Germany	30%
Europe Terminal Brasil Participações S.A.	Brazil	50%
Global Ports Investments PLC	Cyprus	31%
Laem Chabang Container Terminal 1 Ltd.	Thailand	35%
LR2 Management K/S	Denmark	50%
Maersk Supply Service (Angola) Lda.	Angola	49%
North Sea Production Company Ltd.	Great Britain	50%
North Sea Terminal Bremerhaven Verwaltungsgesellschaft GmbH	Germany	50%
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	30%
Petrolesport OAO	Russia	31%
Qingdao New Qianwan Container Terminal Co. Ltd.	China	16%
Qingdao Qianwan Container Terminal Co. Ltd.	China	20%
Riverwijs Browse Pty. Ltd.	Australia	50%
Shanghai East Container Terminal Co. Ltd.	China	49%
Smart International Logistics Company Ltd.	China	49%
South Florida Container Terminal LLC	USA	49%
Vostochnaya Stevedore Company OOO	Russia	31%
Xiamen Songyu Container Terminal Co. Ltd.	China	25%

DEFINITION OF TERMS

Technical terms, abbreviations and definitions of key figures and financial ratios.

2M
Maersk Line has entered into a long term vessel sharing agreement (VSA) with Mediterranean Shipping Company (MSC) on the Asia-Europe, Transatlantic and Transpacific trades. The VSA has taken effect as of January 2015.

Appraisal well
Additional wells drilled after a discovery, to confirm the size of a hydrocarbon deposit.

Backlog
The value of future contract coverage (revenue backlog).

Blanked sailings
Cancelled sailings.

boepd
Barrels of oil equivalent per day.

Brent
Sweet light crude oil produced in the North Sea.

Bunker
Type of oil used in ship engines.

Contingent resources (2C)
Contingent resources are less certain than reserves. These are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed.

Contract coverage
Percentage indicating the part of ship/rig days that are contracted for a specific period.

Dividend yield
The dividend yield is equal to the proposed dividends of the year divided by the shares price.

Drillship
A vessel that has been fitted with drilling equipment, mainly used for deepwater drilling.

EBIT margin gap to peers
Peer group includes CMA CGM, APL, Hapag Lloyd, Hanjin, ZIM, Hyundai MM, K Line, CSAV, OOCL, NYK, MOL, COSCO, CSCL. 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).

Equal steaming
Steady vessel speed.

FFE
Forty Foot Equivalent Forty foot container unit.

FPSO
Floating Production Storage and Offloading vessel.

Jack-up rig
A drilling rig resting on legs. The drilling rig can operate in waters of 25–150 metres.

Multi-purpose
A vessel designed to carry both containerised and dry bulk cargoes.

Net interest-bearing debt (NIBD)
Equals interest-bearing debt less cash and bank balances less other interest-bearing assets.

Product tanker
Vessel transporting refined oil products.

Proved and probable reserves (2P)
Proved reserves: Quantity of energy sources estimated with reasonable certainty, from the analysis of geologic and engineering data, to be recoverable from well-established or known reservoirs with the existing equipment and under the existing operating conditions. Probable reserves: Unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable.

ROIC
Return on invested capital.

Slow steaming
Reduction of vessel speed from 22–24 knots to 18 knots.

TEU
Twenty Foot Equivalent Unit Twenty foot container.

Time charter
Hire of a vessel for a specified period.

Total shareholders return
Total shareholders return is equal to the price appreciation rate (price variance from the beginning to the end of the year) and the dividend yield.

Triple-E
Triple-E stands for Economy of scale, Energy efficiency and Environmentally improved.

Underlying result
The underlying result is equal to result of continuing business excluding net impact from divestments and impairments.

Uptime
A period of time when a unit is functioning and available for use.

VSA
Vessel Sharing Agreement.

VLCC
Very Large Crude Carrier.

COMPANY ANNOUNCE-MENTS 2014

7 FEBRUARY
Sale of shares in Dansk Supermarked A/S and F. Salling A/S

27 FEBRUARY
Annual Report 2013 for A.P. Møller - Mærsk A/S

4 MARCH
Notice convening the Annual General Meeting 2014 of A.P. Møller - Mærsk A/S

21 MAY
Interim Report 1st Quarter 2014

17 JUNE
The planned P3 Network abandoned

8 JULY
Impairment of Brazilian oil assets

10 JULY
Long term vessel sharing agreement with MSC

19 AUGUST
Interim Report 2nd Quarter 2014

19 AUGUST
Share buy-back programme of up to DKK 5.6 billion (approx. USD 1 billion)

15 SEPTEMBER
A.P. Møller - Mærsk A/S places USD bonds

9 OCTOBER
Long term vessel sharing agreement with MSC

11 NOVEMBER
Interim Report 3rd Quarter 2014

11 NOVEMBER
A.P. Møller - Mærsk A/S – Financial Calendar 2015

COLOPHON

AUDITORS
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

KPMG
Statsautoriseret Revisionspartnerselskab

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