Maersk Group Q2 report 2015

13 August 2015 - Conference call 9.30am CET

webcast available at www.maersk.com

Maersk Line (Ecuador)
Around 8% of all loaded containers contain bananas

Forward-looking Statements

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

Strategy update - Group

Execution

Value creation with ROIC of 12% in H1

The Group portfolio is now optimised with the divestment of Danske Bank (18.4% stake) and Esvagt

We shared the value creation with the distribution of USD 5.2bn from the Danske Bank transaction

Second share buy back program of further USD ~1bn to be launched in September

Position the Group for a new oil environment

Execution on specific cost and efficiency programs in all business units

We reiterate our strategic direction of targeting profitable growth through business optimisation, cost reduction and a strong customer focus to maintain top-quartile performance with a ROIC above 10% over the cycle in all business units

The turbulence in the oil price has had a negative influence in the oil and offshore markets and countries dependent on oil. This has changed the outlook for Maersk Oil, Maersk Drilling, APM Terminals and APM Shipping Services, where previously announced profit and growth targets will be replaced by plans adapting to the volatile environment.

Strategy update – Business Units

Maersk Line	• Improved competitiveness through cost leadership and commercial excellence initiatives. Maintaining EBIT-margin gap of 5%-points to the industry • Growth ambition adjusted to growing at least with the market to defend its market leading position, but still funded by its own cash flow • Annual return target is now set to be at 8.5%-12%
Maersk Oil	• Reducing OPEX by 20% towards end-2016 compared to 2014 • Progress on maturation of key projects • Level of exploration expenditure has been reduced while acquisitions are being considered
APM Terminals	• Continue to deliver double-digit returns based on disciplined investments in terminals and other port infrastructure, operational efficiencies and portfolio optimisation • Aims to grow ahead of global transportation market
Maersk Drilling	• Has successfully implemented seven of eight rigs in the new build programme, but is challenged by adverse market conditions • Has decommissioned one of its oldest rigs for recycling • Executing on reducing the cost base with a double digit percentage saving by end-2016
APM Shipping Services	• Executing on cost programs • Rejuvenating part of the fleet

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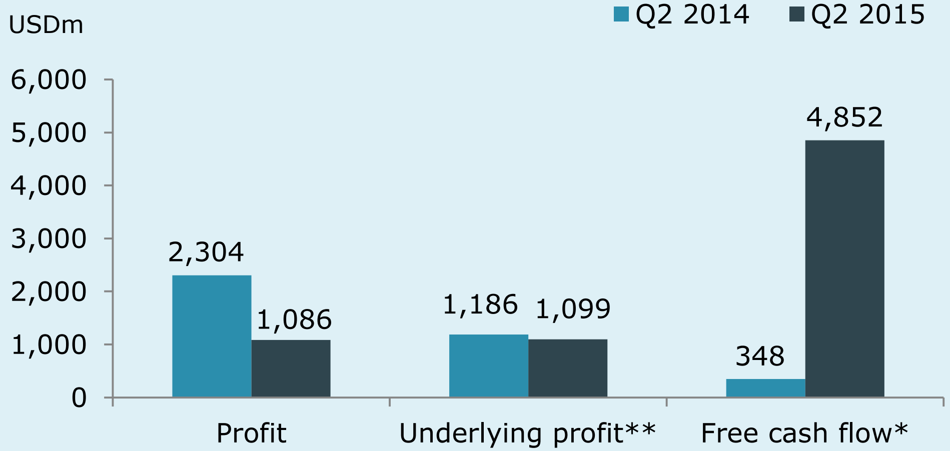
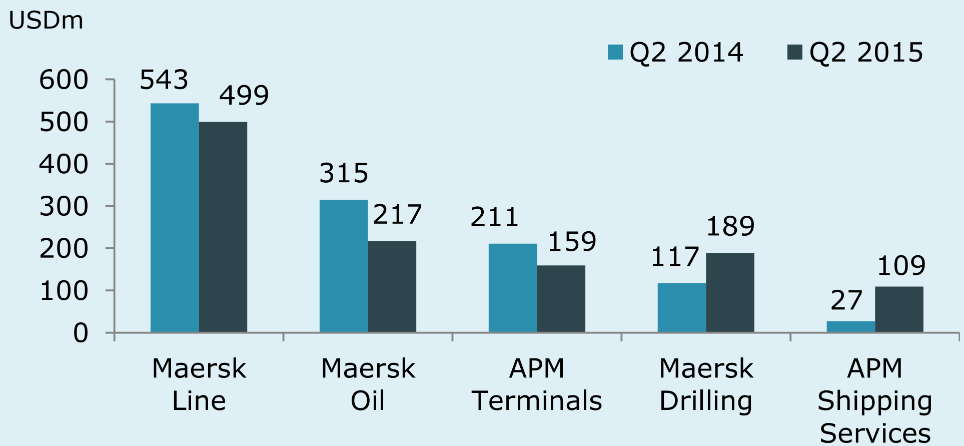
Financial Highlights Q2 2015

Group Financial Highlights



Underlying profit by activity**



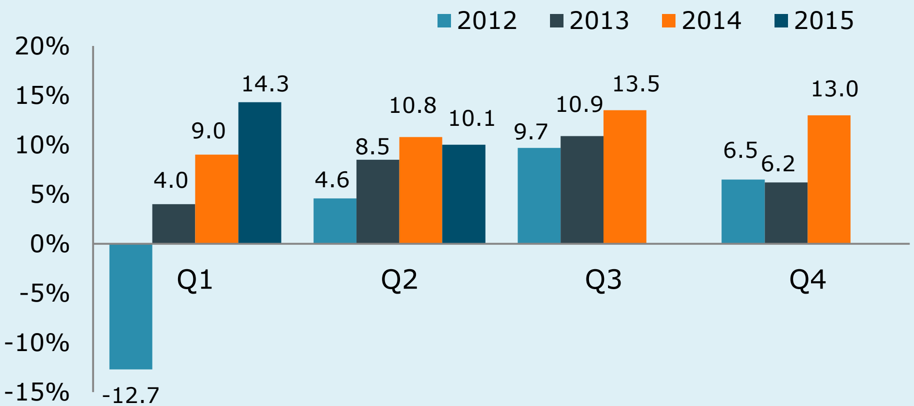
- The Group delivered a profit in Q2 of USD 1.1bn (USD 2.3bn) negatively impacted by the lower oil price and container freight rates
- Underlying profit of USD 1.1bn (USD 1.2bn) with increases for Maersk Drilling and APM Shipping Services
- ROIC was 10.2% (18.6%)
- Cash flow from operations remained at a high level of USD 1.8bn (USD 1.7bn)
- Net cash flow used for capital expenditure increased to USD 1.7bn (USD 1.4bn), excluding the sales of the shares in Danske Bank of USD 4.8bn
- Free cash flow increased to USD 4.8bn (USD 348m). Excluding the sale of shares in Danske Bank free cash flow decreased to USD 86m
- The Group still expects an underlying result around USD 4.0bn for 2015.

*Figures for 2014 relate only to continuing operations
**Continuing businesses excluding net impact from divestments and impairments. Comparative numbers for Q2 2014 has been restated

Maersk Line results

(USD million)	Q2 2015	Q2 2014	Change	FY 2014
Revenue	6,263	6,902	-9.2%	27,351
EBITDA	998	1,024	-2.5%	4,212
Underlying profit	499	543	-8.1%	2,199
Reported profit	507	547	-7.3%	2,341
Operating cash flow	873	870	0.3%	4,119
Volume (FFE '000)	2,484	2,396	3.7%	9,442
Rate (USD/FFE)	2,261	2,634	-14%	2,630
Bunker (USD/tonne)	335	579	-42%	562
ROIC (%)	10.1	10.8	-0.7pp	11.6

ROIC above 10% for five consecutive quarters



Highlights Q2 2015

- Maersk Line reported an underlying profit of USD 499m (USD 543m) and a ROIC of 10.1% (10.8%)
- Rates declined by 14% largely attributable to bunker cost savings being passed on
- Rates declined especially on the Asia–Europe trade due to capacity injections from all alliances and volume decline
- Volume increased by 3.7% to 2.5m FFE, while global container demand is estimated to have grown between 1-2% in Q2 2015
- Volume increased by 13% compared to Q1 2015
- Network capacity increased by 11% Y/Y to 3.1m TEU and by 5.0% Q/Q
- Free cash flow generation of USD 12m (USD 382m) was impacted by delivery of the last five Triple-E vessels in Q2 2015
- Maersk Line is executing on its USD 15bn investment program announced in September 2014 with new orders placed for a total of 370,000 TEU capacity.

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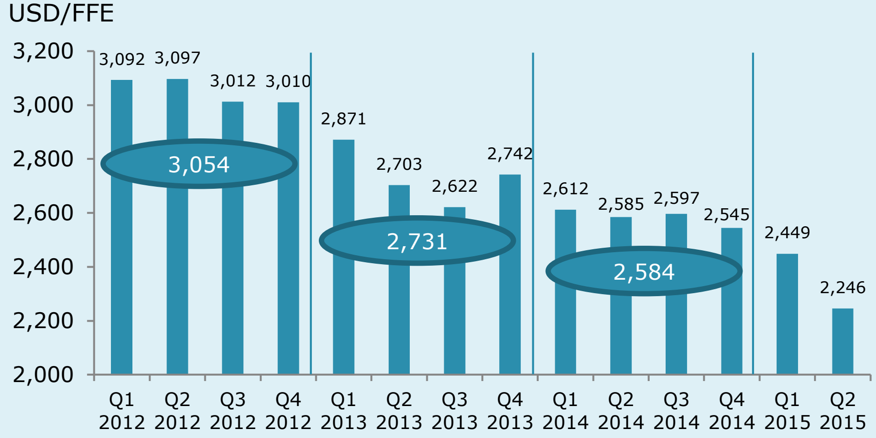
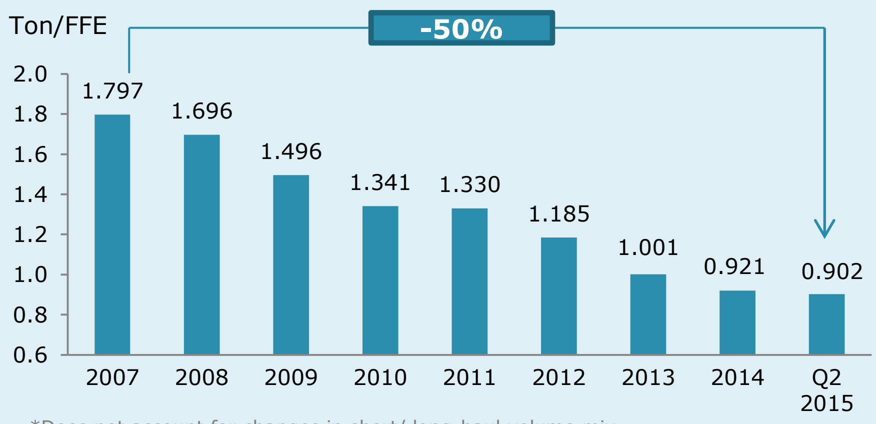
Delivering further cost reductions

Unit cost including VSA income



Definition: EBIT cost excl. gain/loss, restructuring cost and incl. VSA income.

Bunker consumption per FFE*



*Does not account for changes in short/ long-haul volume mix
**Excluding gain/loss, restructuring, share of profit/loss from associated companies and incl. VSA income

Highlights Q2 2015

- Total cost declined by 9.9% (USD 613m)** against a volume increase of 3.7%
- Unit cost decreased by 13% (338 USD/FFE) to 2,246 USD/FFE of which 220 USD/FFE was due to the lower bunker price and the majority of the rest is explained by USD appreciation
- Bunker efficiency remained essentially flat at 902 kg/FFE (903 kg/FFE) compared to the same period in 2014.

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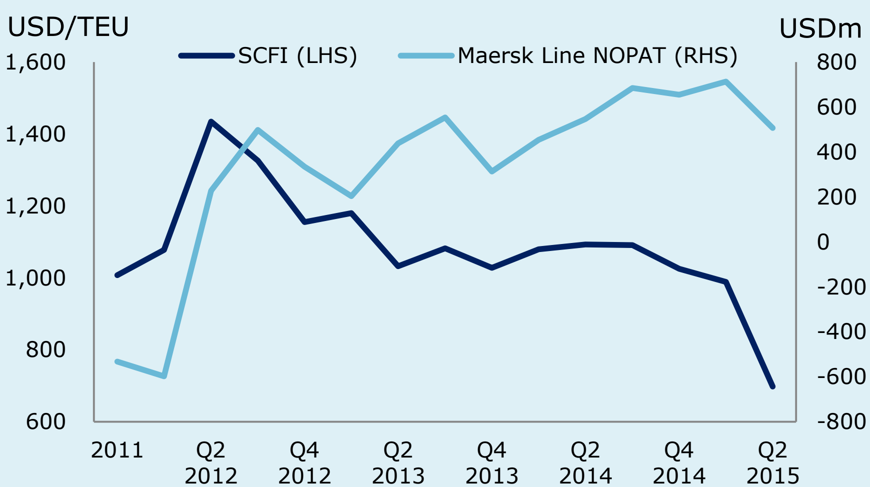
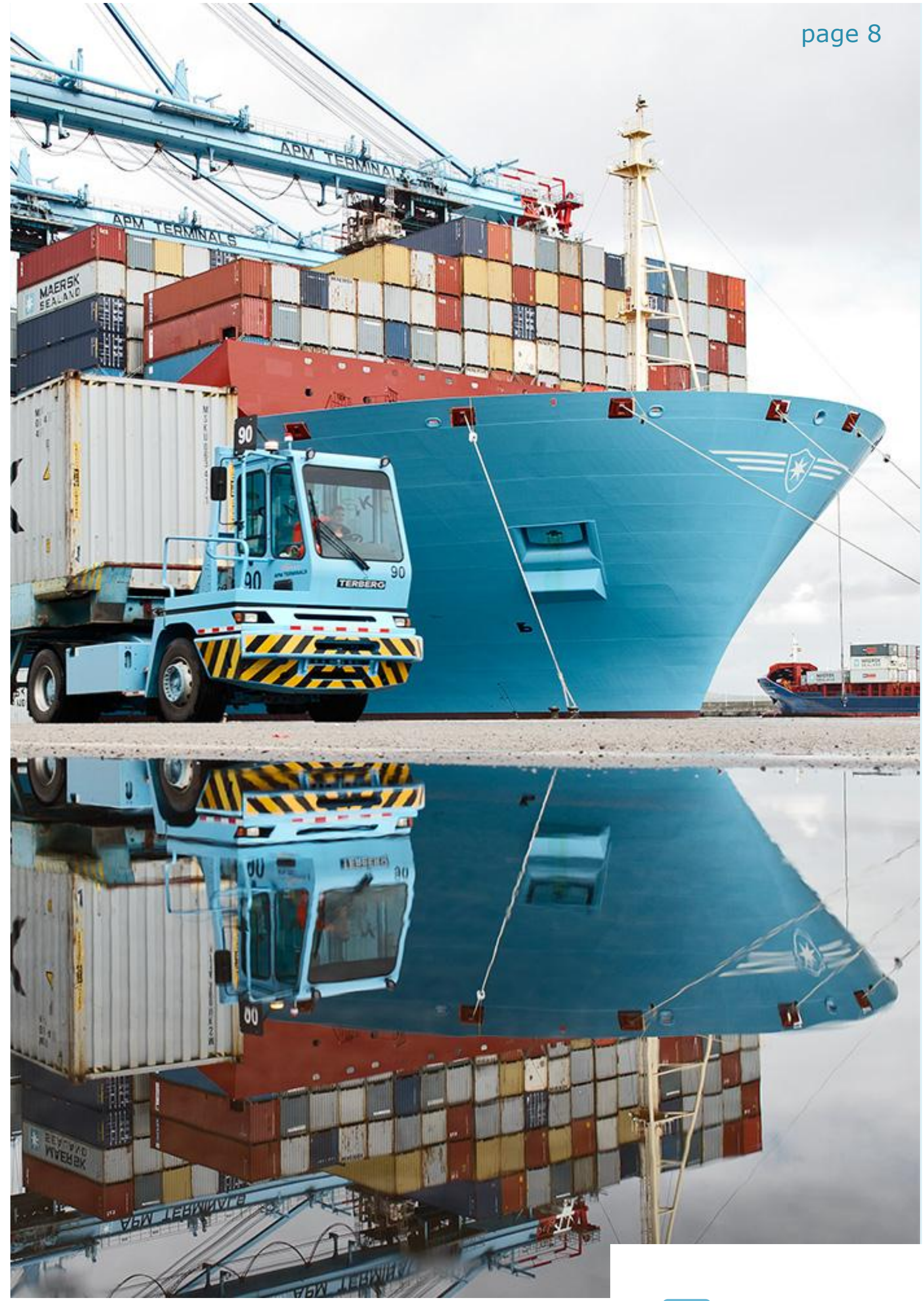
Resilient business model

- Our business model assumes deflationary rate development and thus our focus is on cost leadership
- Maersk Line has reported EBIT-margin gap to peers of at least 5%-points since Q4 2012. Estimated EBIT-margin gap to peers was at 6.8%-points in Q1 2015
- Maersk Line has been able to achieve ROIC >10% during the last five consecutive quarters despite Chinese outbound spot rates have halved since early 2012.

Maersk Line's NOPAT versus Chinese outbound spot rate development





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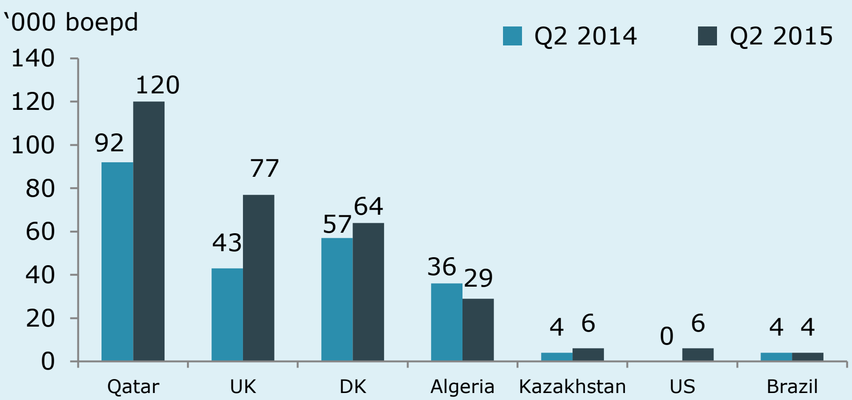
Maersk Oil results

(USD million)	Q2 2015	Q2 2014	Change	FY 2014
Revenue	1,583	2,272	-30%	8,737
Exploration costs	109	172	-37%	765
EBITDA	849	1,441	-41%	5,116
Underlying profit	217	315	-31%	1,035
Reported profit	**137**	**-1,397**	**N/A**	**-861**
Operating cash flow	611	718	-15%	2,594
Prod. (boepd '000)	306	235	30%	251
Brent (USD per barrel)	62	110	-44%	99
ROIC (%)	9.2	-96.6	N/A	-15.2

Maersk Oil's entitlement share of production



Highlights Q2 2015

- Maersk Oil's underlying profit decreased by 31% to USD 217m (USD 315m) driven by the lower oil price
- Entitlement production increased by 30% to 306,000 boepd (235,000 boepd) due to higher entitlement share to recover costs in Qatar combined with improved operational performance and production from new fields
- The outcome of the tender process for the future development of Al Shaheen, Qatar, is currently expected during H2 2016
- Maersk Oil is targeting a 10% reduction in operating costs (excluding exploration) by end-2015
- Progresses on project maturation
  - Johan Sverdrup, Norway, major procurement contracts awarded and ownership ruling received with slightly higher stake for Maersk Oil. Final sanctioning by authorities is expected in Q3
  - The 50 wells development project at Al Shaheen, Qatar is more than half way through as planned
  - Culzean, UK, reached project approval and sanction from the authorities is expected in H2 2015.

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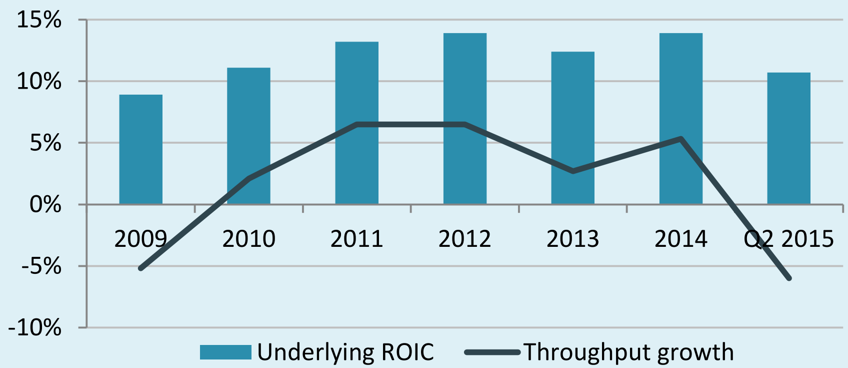
APM Terminals results

(USD million)	Q2 2015	Q2 2014	Change	FY 2014
Revenue	1,033	1,130	-8.6%	4,455
EBITDA	206	260	-21%	1,010
Share of profit:				
- Associated companies	22	25	-12%	93
- Joint ventures	32	28	14%	-14
Underlying profit	159	211	-25%	849
Reported profit	**161**	**223**	**-28%**	**900**
Operating cash flow	176	192	-8.3%	925
Throughput (TEU m)	9.2	9.8	-6%	38.3
ROIC (%)	10.9	14.2	-3.3pp	14.7

Volume growth and underlying ROIC development*



*Excluding gains on sales of non-current assets, etc. and impairment losses

Highlights Q2 2015

- APM Terminals delivered an underlying profit of USD 159m (USD 211m) and a ROIC of 10.9% (14.2%)
- Throughput declined by 6% due to divestments and less import volumes in West Africa and Russia. Like for like throughput declined by 3.5%
- EBITDA margin declined by 3.0%-points, where 1.7%-points related to the underlying operations, 0.4%-points to FX and 0.8%-points to the divestment of APM Terminals Virginia
- APM Terminals will invest USD 0.8bn in a new build container terminal and a road infrastructure upgrade next to its present facility in Tema, Ghana, with 3.5m TEU annual throughput capacity.

Maersk Drilling results

(USD million)	Q2 2015	Q2 2014	Change	FY 2014
Revenue	624	465	34%	2,102
EBITDA	361	214	69%	903
Underlying profit	189	117	62%	471
Reported profit	**218**	**117**	**86%**	**478**
Operating cash flow	248	173	43%	701
Fleet (units)	23	16	7	21
Contracted days	1,671	1,456	215	6,275
ROIC (%)	10.6	7.2	3.4pp	7.1

Revenue backlog end Q2 2015

Highlights Q2 2015

- Maersk Drilling increased the underlying profit by 62% to USD 189m (USD 117m) positively impacted by cost savings and fleet growth
- ROIC was 10.6% (7.2%)
- The initiated cost reduction program delivered savings of 5% on the operating cost level excluding positive FX impact
- The average operational uptime was 98% (97%) for the jack-up rigs and 96% (95%) for the floating rigs
- At the end of Q2 2015, Maersk Drillings' forward contract coverage was 83% for the remaining part of 2015, 61% for 2016 and 32% for 2017
- The total revenue backlog amounted to USD 5.3bn (USD 7.0bn)
- Two contract extensions signed in July 2015
  - A five-year contract extension with an estimated value of USD 523m, operating the Shah Deniz field in the Caspian Sea
  - A 16 months contract extension offshore Norway. Estimated value USD 142m.

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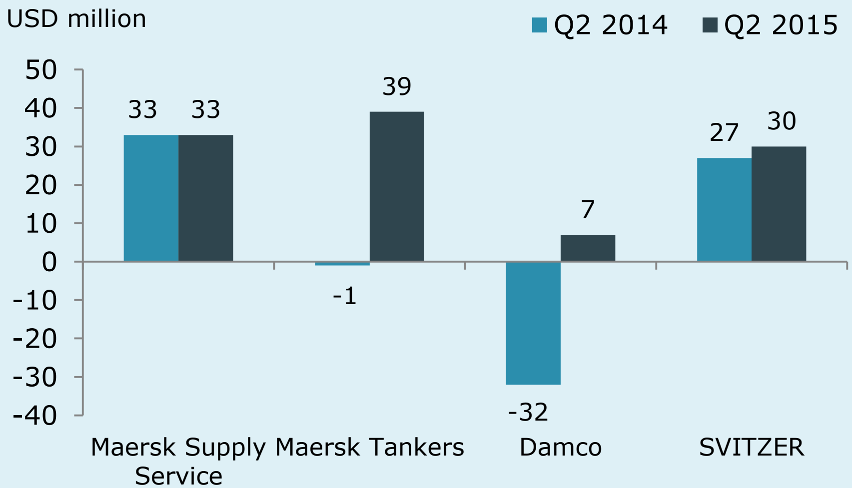
APM Shipping Services results

(USD million)	Q2 2015	Q2 2014	Change	FY 2014
Revenue	1,234	1,456	-15%	5,926
EBITDA	214	129	66%	641
Underlying profit	109	27	304%	185
Reported profit	**138**	**30**	**360%**	**-230**
Operating cash flow	193	111	74%	590
ROIC (%)	11.8	2.1	9.7pp	-4.2

Underlying profit by activity*



*Continuing businesses excluding net impact from divestments and impairments. Comparative numbers for Q2 2014 has been restated

Highlights Q2 2015

APM Shipping Services made an underlying profit of USD 109m (USD 27m) and a ROIC of 11.8% (2.1%)

Maersk Supply Service
Defended underlying profits through lower operational costs

Maersk Tankers
Result positively impacted by reduced vessel operating cost by 7%, and improved rates across all product segments

Damco
Restructuring efforts have improved productivity and reduced overhead cost. Focus will be on commercial efficiency to generate sustainable top-line growth

SVITZER
Operating margins and ROIC in harbour towage improved through pricing, productivity and cost saving initiatives despite facing industry overcapacity in Europe and Australia, and a slowdown in the bulk trades.

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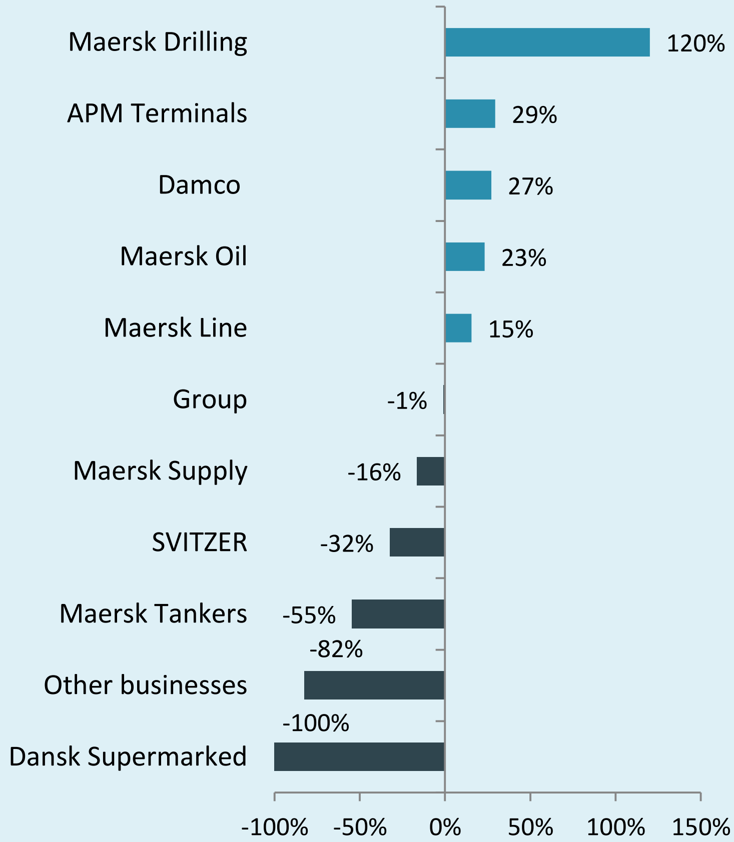
Delivering ROIC above 10% in challenging environment

Business	Invested capital (USDm)	ROIC % Q2 2015	ROIC % Q2 2014	ROIC % FY 2014
Group	47,303	10.2%	18.6%*	11.0%
Maersk Line	20,340	10.1%	10.8%	11.6%
Maersk Oil	5,962	9.2%	-96.6%**	-15.2%
APM Terminals	5,995	10.9%	14.2%	14.7%
Maersk Drilling	8,246	10.6%	7.2%	7.1%
APM Shipping Services	4,679	11.8%	2.1%	-4.2%
Maersk Supply Service	1,699	15.2%	7.8%	11.9%
Maersk Tankers	1,580	8.9%	-0.5%	6.8%
Damco	286	8.9%	-25.8%	-63.2%
SVITZER	1,114	11.6%	8.5%	-19.2%
Other Businesses	1,300	0.9%	10.3%	6.1%

* Including USD 2.8bn divestment gain from Dansk Supermarked Group and USD 1.7bn impairment in Maersk Oil
** Including USD 1.7bn impairment of oil asset in Brazil

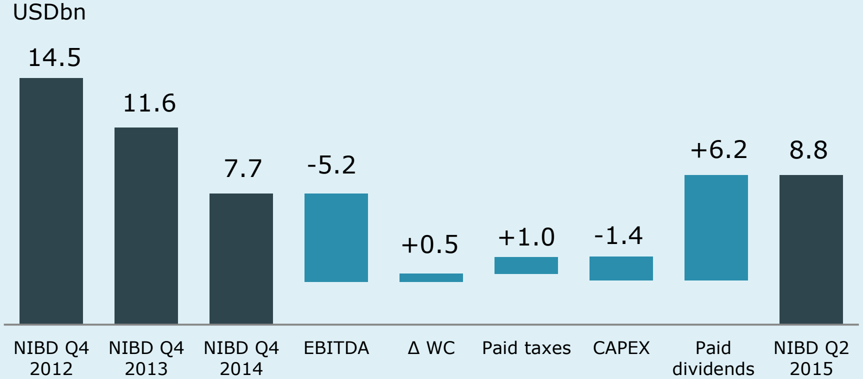
Development in invested capital -5Y



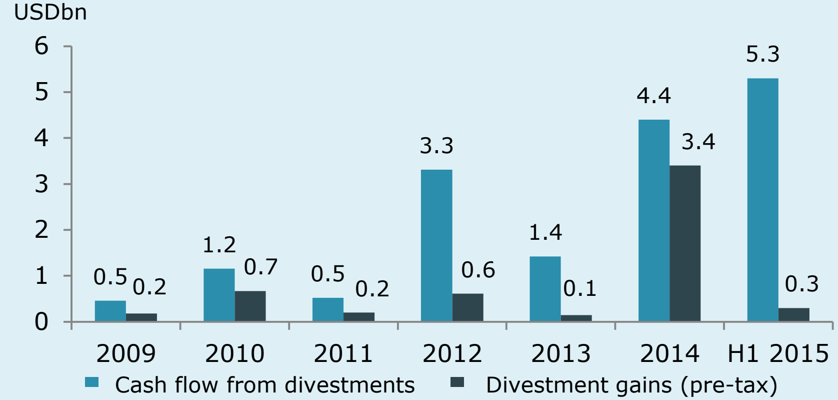
Note. Development since Q2 2010. The 2010 numbers have not been restated with the changed consolidation method for joint ventures in 2013

A strong financial framework

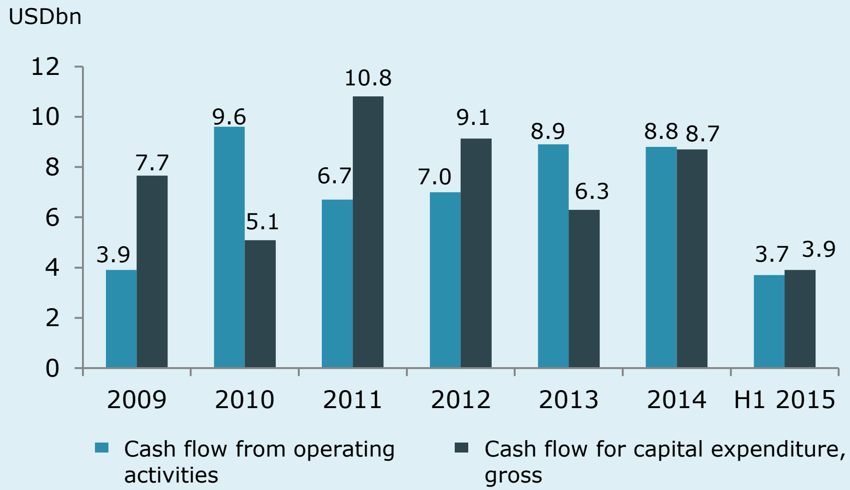
Well capitalised position
Net debt has increased USD 1.1bn since Q4 2014 and has decreased USD 5.7bn since Q4 2012



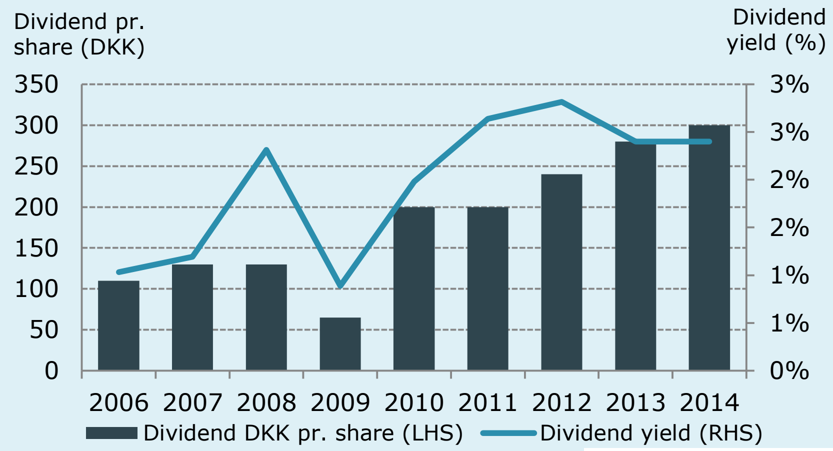
Active portfolio management
Cash flow from divestments has been USD 16.6bn with divestment gains of USD 5.5bn pre-tax 2009 to Q2 2015



Investment in growth
Growth ambitions will result in significant investments funded primarily from own cash flow



Increased ordinary dividends*
Extraordinary dividend of 1,671 DKK per share distributed in 2015 equivalent to 12% yield on top of the ordinary dividend



*Adjusted for bonus shares issue

Consolidated financial information

Income statement (USD million)	Q2 2015	Q2 2014	Change	H1 2015	H1 2014	Change	FY 2014
Revenue	10,526	11,949	-12%	21,073	23,685	-11%	47,569
EBITDA	2,631	3,085	-15%	5,201	6,102	-15%	11,919
Depreciation, etc.	1,223	2,806	-56%	2,324	3,743	-38%	7,008
Gain on sale of non-current assets, etc. net	68	57	19%	343	80	329%	600
EBIT	**1,539**	**533**	**189%**	**3,362**	**2,770**	**21%**	**5,917**
Financial costs, net	-80	-185	-57%	-151	-339	-55%	-606
Profit before tax	1,459	348	319%	3,211	2,431	32%	5,311
Tax	373	823	-55%	553	1,776	-69%	2,972
Profit for the period – continuing operations	**1,086**	**-475**	**N/A**	**2,658**	**655**	**306%**	**2,339**
Profit for the period – discontinuing operations	-	2,779	N/A	-	2,856	N/A	2,856
Profit for the period	**1,086**	**2,304**	**-53%**	**2,658**	**3,511**	**-24%**	**5,195**

Key figures (USD million)	Q2 2015	Q2 2014	Change	H1 2015	H1 2014	Change	FY 2014
Cash Flow from operating activities[1]	1,777	1,749	1.6%	3,727	3,623	2.9%	8,761
Cash Flow used for capital expenditure[1]	3,075	-1,401	N/A	1,432	-3,249	N/A	-6,173
Net interest-bearing debt	8,835	9,467	-6.7%	8,835	9,467	-6.7%	7,698
Earnings per share (USD)	49	103	-52%	121	156	-22%	230
ROIC (%)	10.2	18.6	-8.4pp	12.0	14.3	-2.3pp	11.0
Dividend per share (DKK)							300
Extraordinary dividend per share (DKK)							1,671

[1]Figures for 2014 relate only to continuing operations

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Guidance for 2015

Changes in guidance are versus guidance given at Q1 2015. All figures in parenthesis refer to full year 2014.

The Group's expectation of an underlying result around USD 4.0bn **is unchanged**. Gross cash flow used for capital expenditure is **now** expected to be around USD 8bn in 2015 (USD 8.7bn) from previously around USD 9bn, while cash flow from operating activities is **still** expected to develop in line with the result.

Maersk Line reiterates the expectation of a higher underlying result than for 2014 (USD 2.2bn). Global demand for seaborne container transportation is **revised** to an expected increase by 2-4% versus previously by 3-5%.

Maersk Oil now expects a positive underlying result for 2015 significantly below 2014 (USD 1.0bn) at oil prices in the range 55-60 USD per barrel. The previous expectation was a small positive underlying result. The low oil price is somewhat offset by the effect of cost savings, strong production performance and deferred tax income in the UK.

Maersk Oil's entitlement production is **now** expected at around 285,000 boepd (251,000 boepd) from previously above 265,000 boepd. The exploration expenses are **unchanged** expected to be approximately USD 0.7bn (USD 765m) for the year.

APM Terminals revises the expectation for the underlying result to be significantly below 2014 (USD 849m), previously below 2014, due to weaker business climate in oil dependent markets.

Maersk Drilling now expects a significantly higher underlying result than in 2014 (USD 471m), from previously a higher underlying result, due to more rigs in operation, high forward contract coverage as well as impact from the initiated profit optimisation programme.

APM Shipping Services now expects the underlying result for 2015 to be significantly above the 2014 result (USD 185m), from previously above the 2014 result, due to better performance in the first half of 2015.

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 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.

Sensitivities for 2015

Factors	Change	Effect on the Group's underlying profit rest of year
Oil price for Maersk Oil	+ / - 10 USD/barrel	+ / - USD 0.16bn
Bunker price for Maersk Line	+ / - 100 USD/tonne	- / + USD 0.1bn
Container freight rate for Maersk Line	+ / - 100 USD/FFE	+ / - USD 0.5bn
Container freight volume for Maersk Line	+ / - 100,000 FFE	+ / - USD 0.1bn

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Q & A

- To ask a question please press **01**

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