Maersk Group strategy and performance

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Maersk Group

- Founded in 1904
- Represented in over 130 countries, employing around 90,000 people
- Market capitalisation of around USD 26.4bn end Q2 2016

Facilitating global containerised trade
Maersk Line carries around 14% of all seaborne containers and, together with APM Terminals and Damco, provides infrastructure for global trade

Supporting the global demand for energy
The Group is involved with production of oil and gas and other related activities including drilling, offshore, services, towage, and transportation of oil products.

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Maersk Group overview

Revenue, NOPAT and Invested capital split[1]

	MAERSK LINE	MAERSK OIL	APM TERMINALS	MAERSK DRILLING	APM SHIPPING SERVICES
Revenue, FY2015 (%)	58%	14%	10%	6%	12%
UNDERLYING PROFIT[2], FY2015 (%)	37%	12%	18%	21%	12%
INVESTED CAPITAL, FY2015 (%)	47%	8%	15%	19%	11%

Note 1: Reportable segments
Note 2: Excluding net impact from divestments and impairments

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Ambitions

- **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 capex allocation
  - Execute portfolio optimization
  - Performance management
- **The Group's** ambition is to increase the nominal dividend per share over time, supported by underlying earnings growth.

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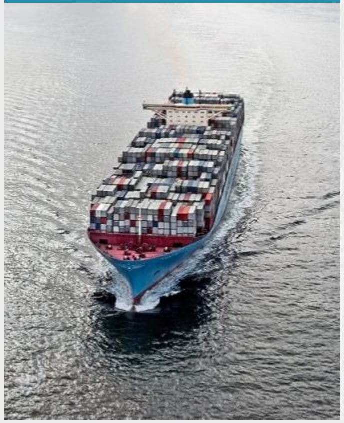
Group strategy overview

The Group's ambition is for all our businesses to deliver top quartile returns and achieve above 10% ROIC over the cycle

Maersk Line

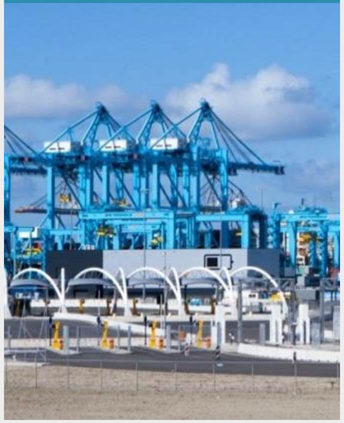


- Growing at least with the market to defend our market leading position
- EBIT margin 5%-points above peer average
- Funded by own cash flow
- Average returns of 8.5-12.0% (ROIC)

Maersk Oil

- Mature key projects
- Acquisitions and opportunistic investments
- Focus on cost management

APM Terminals



- Container and multiport (adjacent) expansion
- Active portfolio management
- Grow ahead of global transportation market

Maersk Drilling

- Capitalize on large & new fleet
- Maintain core focus on ultra-deepwater & harsh-environment market segments
- Focus on cost savings initiatives
- Optimise operational efficiency performance

APM Shipping Services

- Executing on cost programs
- Rejuvenating part of the fleet

Seven out of eight businesses deliver top quartile returns

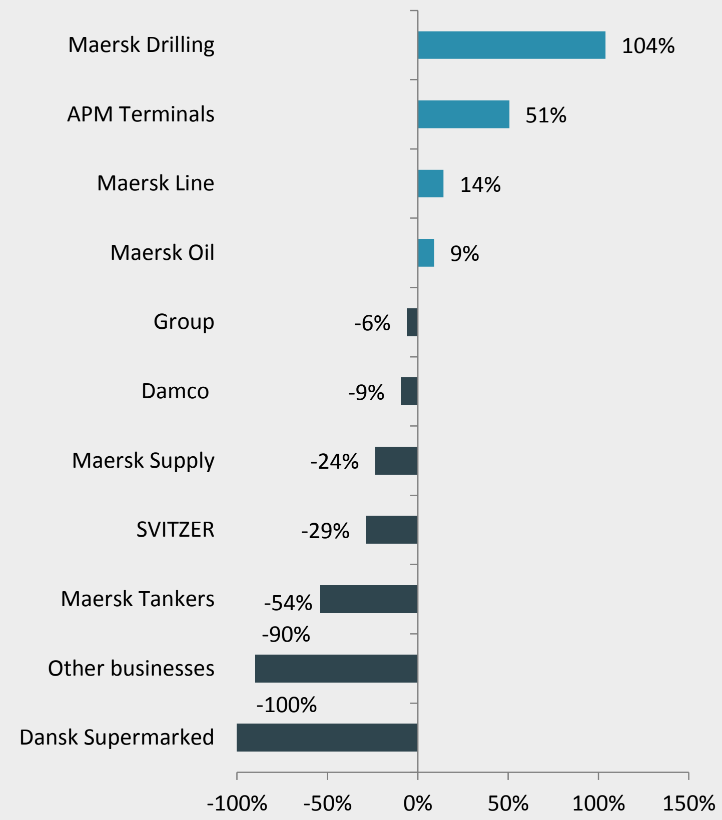
	Below **BU WACC return in 2015**	***Above*** **BU WACC return in 2015**
Top **quartile performance in 2015**	*Below WACC return and top quartile performance* MAERSK LINE MAERSK OIL Note: Adjusted for Maersk Oil impairments	*Above WACC return and top quartile performance* MAERSK DRILLING SVITZER Lifting Global Trade. APM TERMINALS MAERSK TANKERS MAERSK SUPPLY SERVICE
Not top **quartile performance in 2015**	DAMCO *Below WACC return and not top quartile performance*	*Above WACC return and not top quartile performance*

Source: Maersk Group

Invested capital and ROIC

Business	Invested capital (USDm)	ROIC % Q2 2016	ROIC % Q2 2015	ROIC % FY 2015
Group	46,424	2.0%	10.2%	2.9%
Maersk Line	20,002	-3.0%	10.1%	6.5%
Maersk Oil	4,302	12.1%	9.2%	-38.6%
APM Terminals	7,815	5.8%	10.9%	10.9%
Maersk Drilling	8,044	8.3%	10.6%	9.3%
APM Shipping Services	4,836	-3.6%	11.8%	9.5%
Maersk Tankers	1,663	6.9%	8.9%	9.9%
Maersk Supply Service	1,727	-24.0%	15.2%	8.5%
Svitzer	1,233	7.8%	11.6%	10.9%
Damco	213	18.5%	8.9%	7.1%
Other Businesses	832	-6.1%	0.9%	10.8%

Development in invested capital -5Y



Note: Development since Q2 2011

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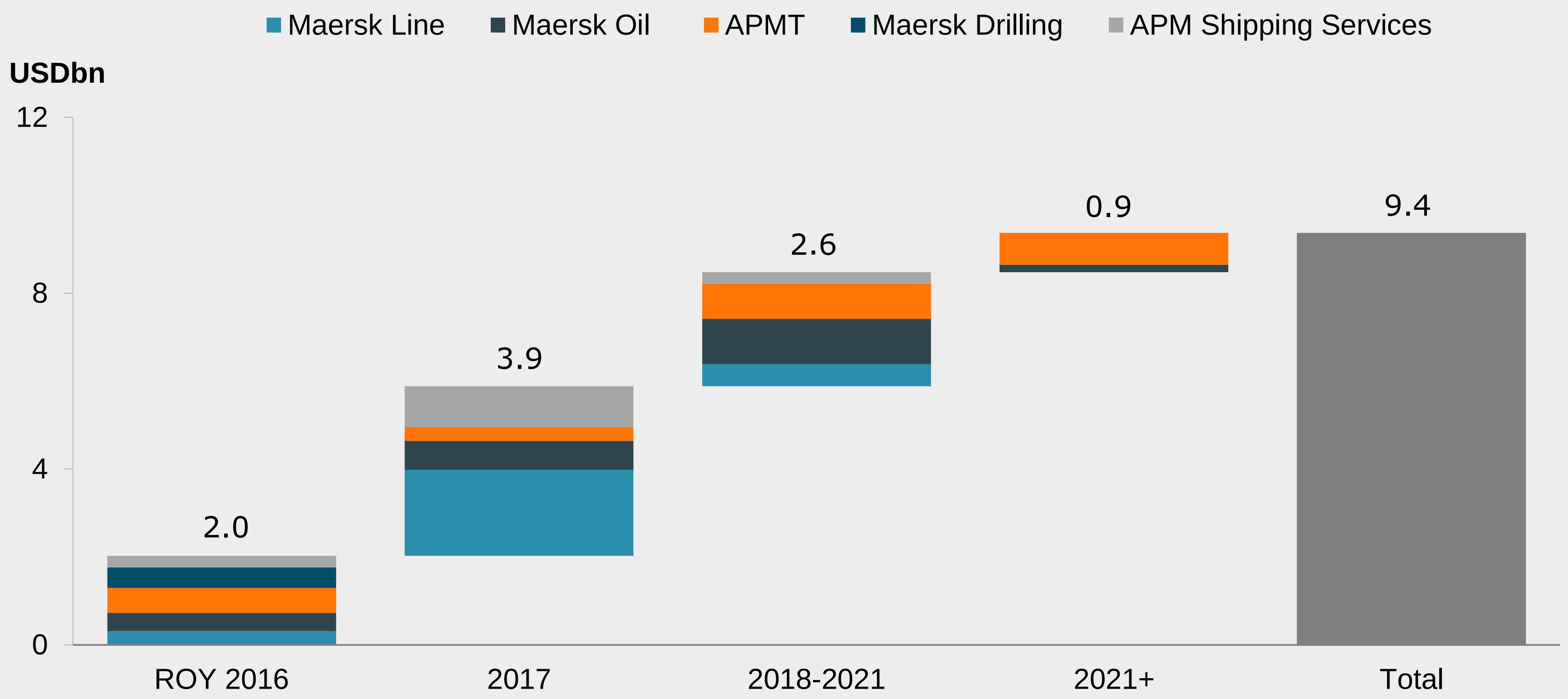
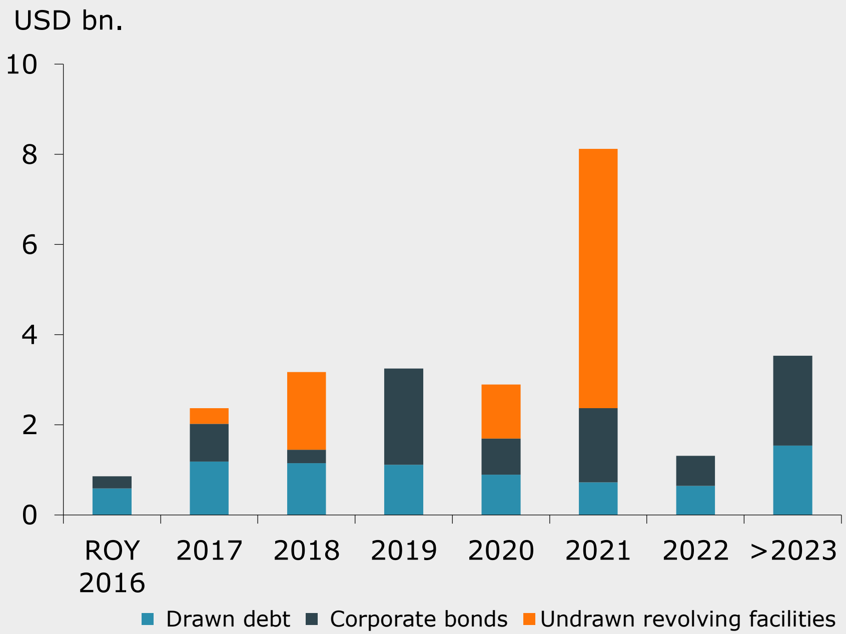
Capital commitment



Funding in place with liquidity reserve of USD 11.5bn

Loan maturity profile at the end of Q2 2016



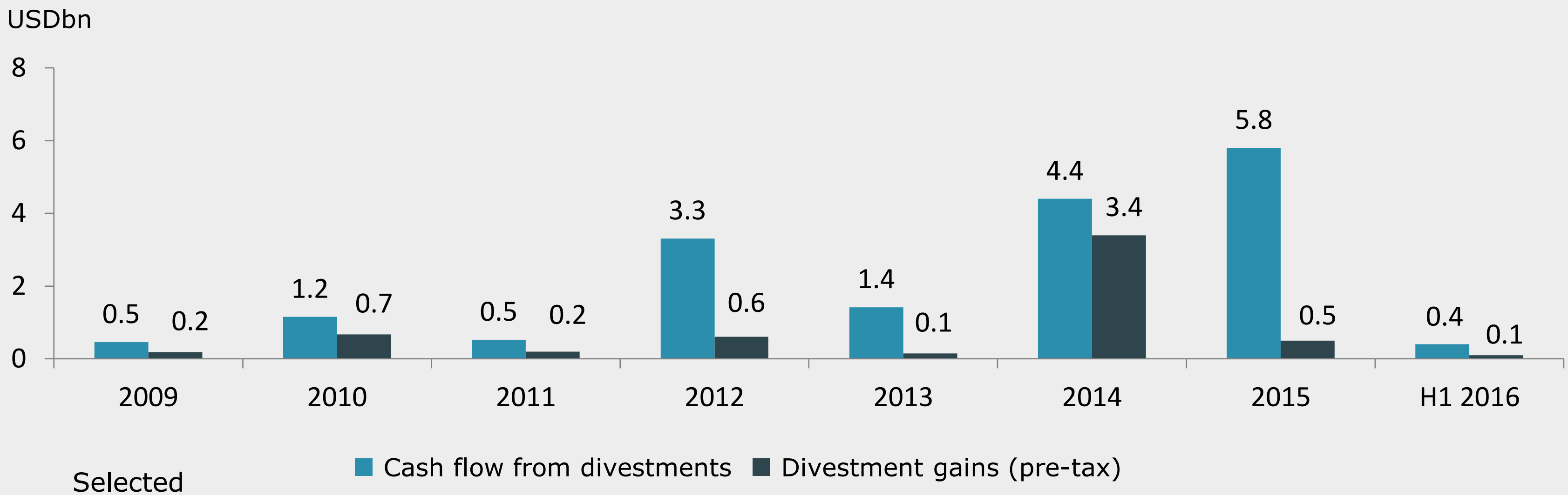
Funding

- BBB+ (credit watch negative) / Baa1 (stable) credit ratings from S&P and Moody's respectively
- Liquidity reserve of USD 11.5bn as of end Q2 2016*
- Average debt maturity about four years
- Corporate bond programme - 57% of our Gross Debt (USD 8.6bn)
- Amortisation of debt in coming 5 years is on average USD 2.1bn per year

*Defined as cash and securities and undrawn committed facilities longer than 12 months less restricted cash and securities

Active portfolio management

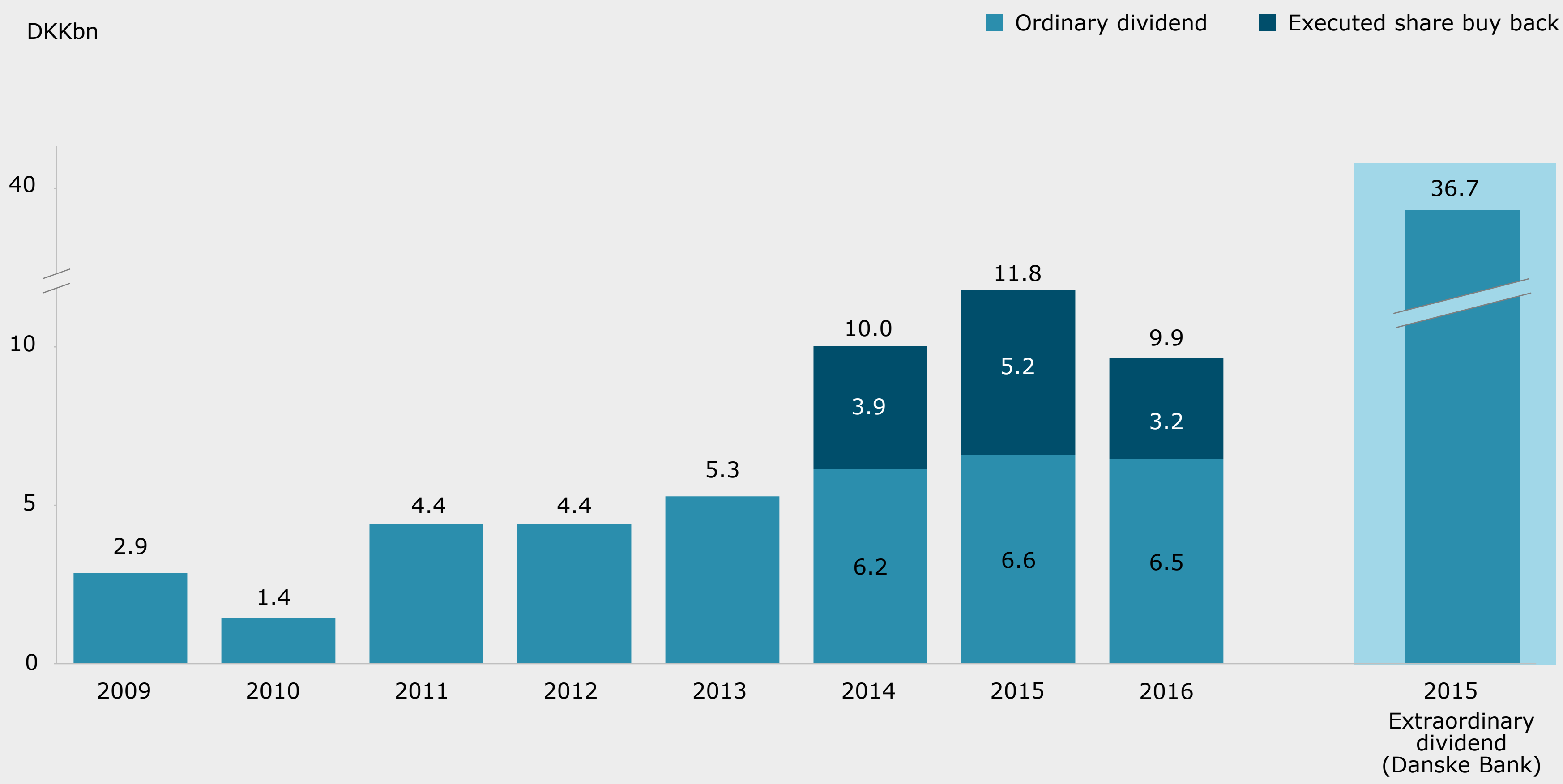
Cash flow from divestments has been USD 17.5bn with divestment gains of USD 5.8bn pre-tax since 2009



Selected divestments

Rosti Loksa	Sigma Baltia	Netto, UK FPSO Ngujima-Yin	Maersk LNG FPSO Peregrino US Chassis Dania Trucking	DFDS stake US BTT ERS Railways VLGC's Handygas FPSO Curlew	Dansk Supermarked majority share 15 Owned VLCCs APM Terminals Virginia	Danske Bank stake Esvagt	

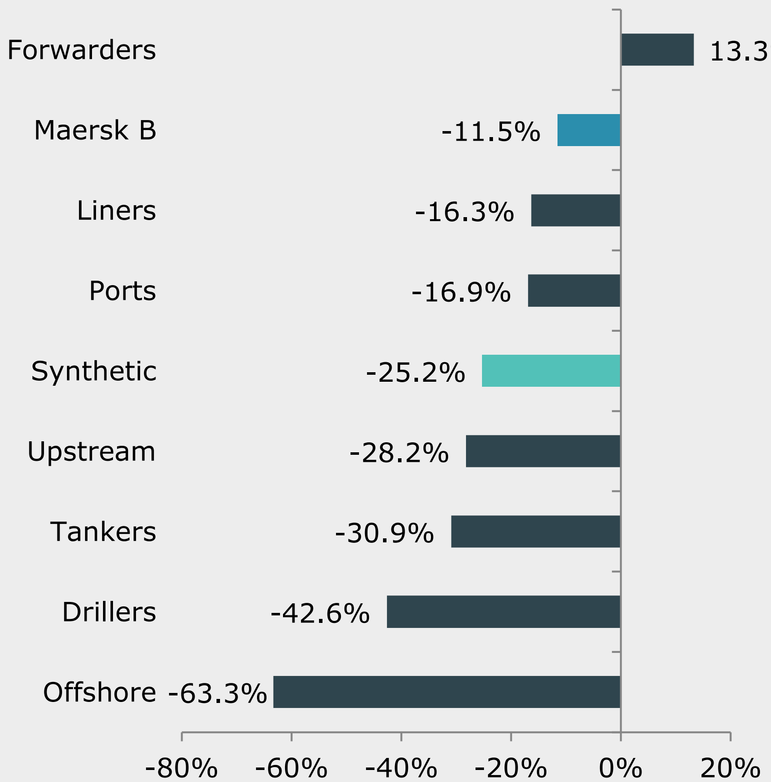
Value creation shared with investors



Note: Dividend and share buy back in the paid year. The second share buy back of USD ~1bn was completed in Q1 2016.

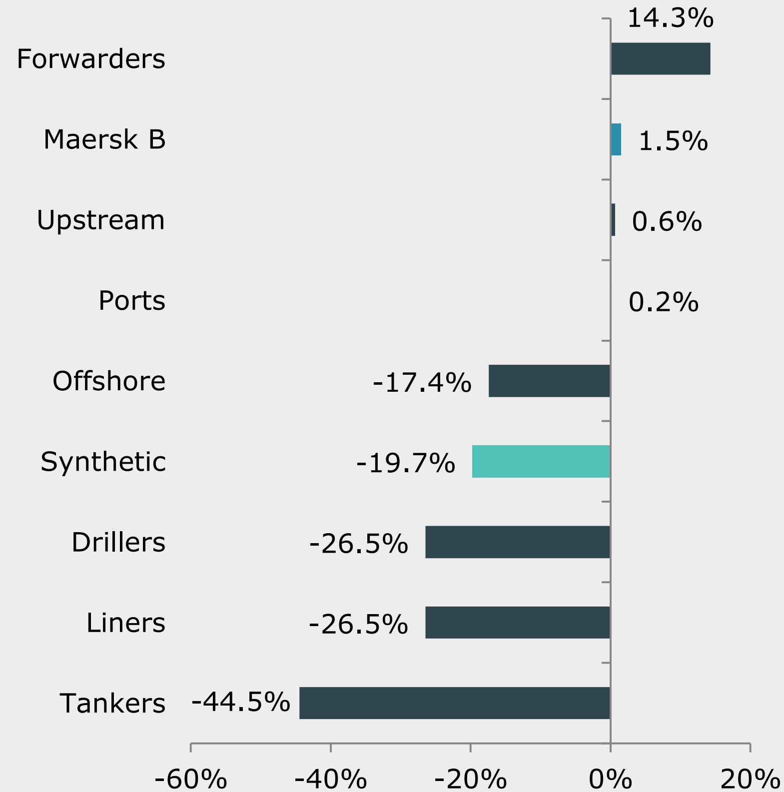
Maersk B relative performance

Outperformed its synthetic peer by 14%-points in 2015



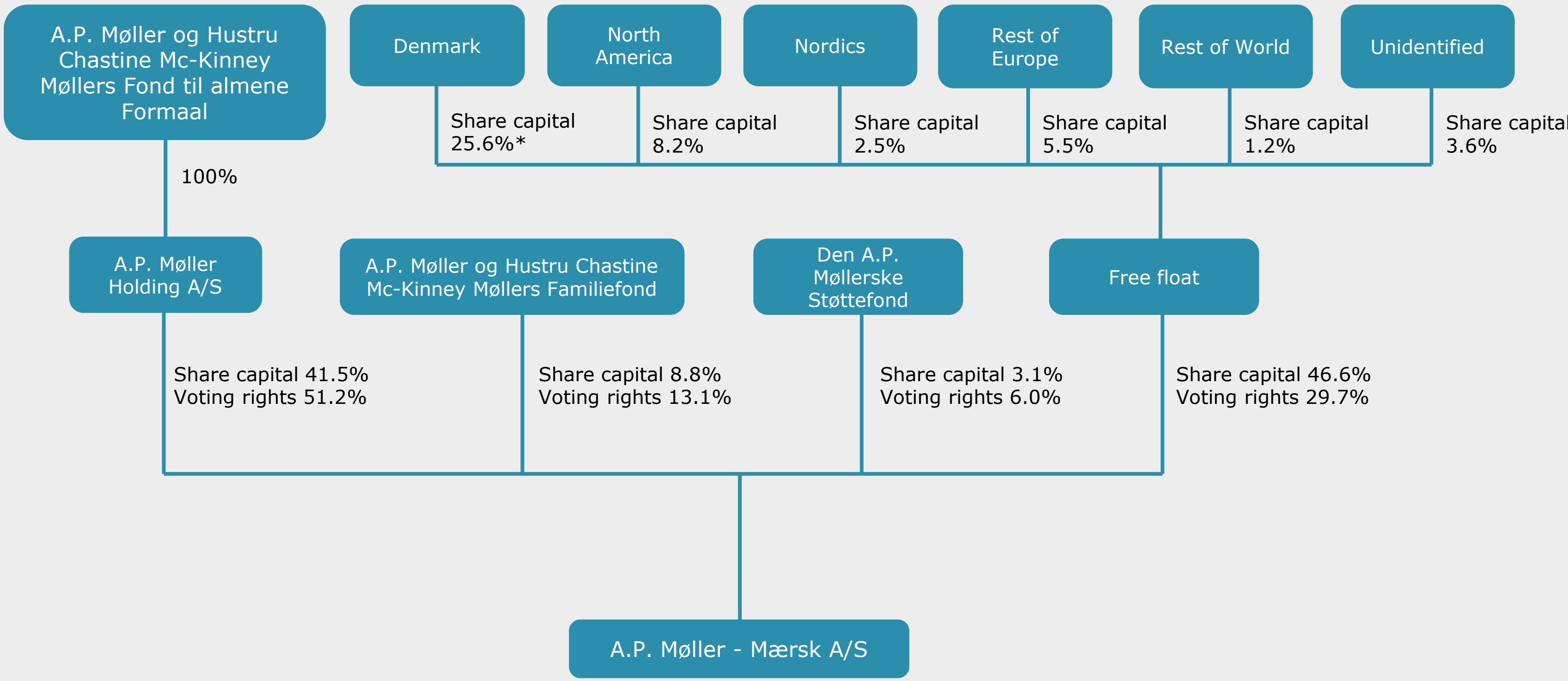
Note: Total shareholder return in local currency

Outperformed its synthetic peer by 21%-points YTD 2016



Note: Total shareholder return in local currency.
As of 2nd August 2016

Shareholder composition



Note: Free float excludes shareholders with more than 5% of share capital or votes
*Including treasury shares
Source: CMi2i. As of June 2016

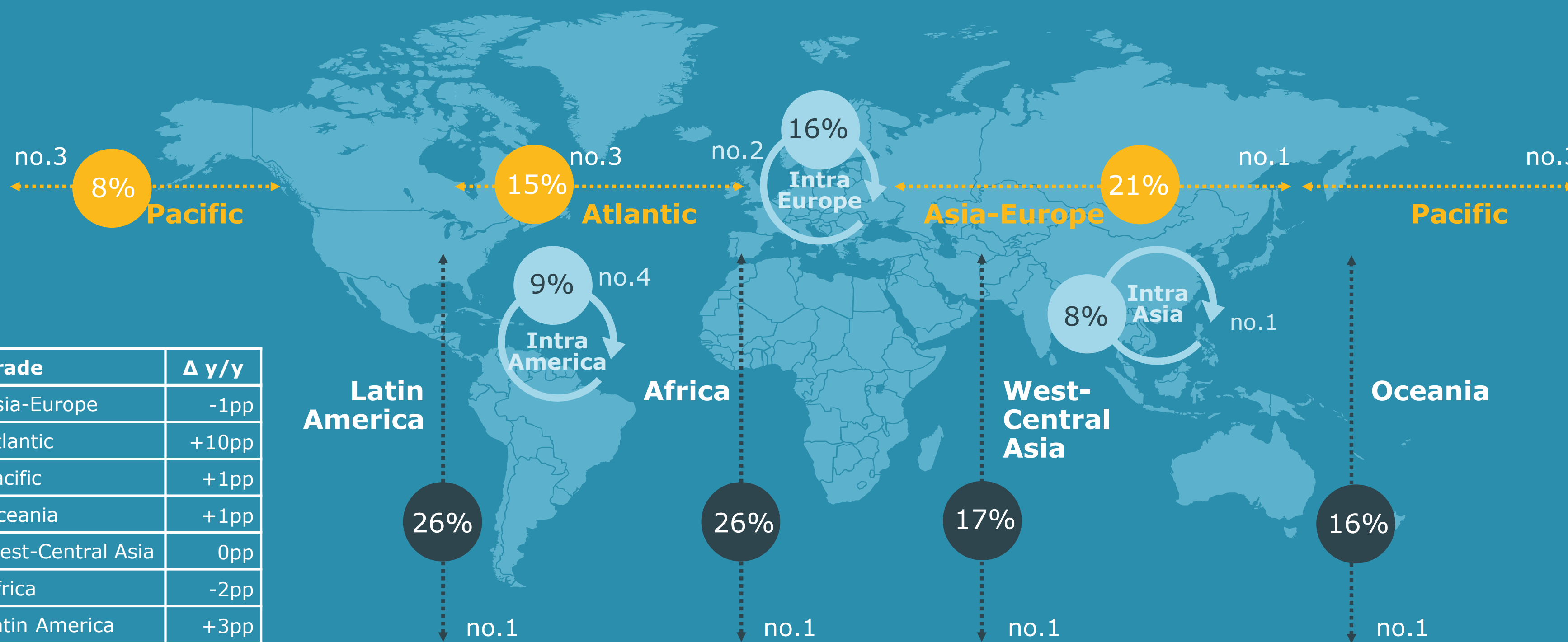
Underlying profit reconciliation

USD million, Q2	Profit for the period 2016	Profit for the period 2015	Gain on sale of non-current assets, etc., net[1] 2016	Gain on sale of non-current assets, etc., net[1] 2015	Impairment losses, net[1] 2016	Impairment losses, net[1] 2015	Tax on adjustments 2016	Tax on adjustments 2015	Underlying profit 2016	Underlying profit 2015
Maersk Group	118	1,086	113	68	-123	-80	-6	-1	134	1,099
Maersk Line	-151	507	5	8	-17	-	-	-	-139	499
Maersk Oil	131	137	1	-	-	-80	-	-	130	217
APM Terminals	112	161	17	2	-8	-	-6	-	109	159
Maersk Drilling	164	218	-	29	-	-	-	-	164	189
APM Shipping Services	-44	138	2	29	-97	-	-	-	51	109
Maersk Tankers	28	35	2	-4	-	-	-	-	26	39
Maersk Supply Services	-106	64	-1	31	-97	-	-	-	-8	33
Svitzer	24	32	1	2	-	-	-	-	23	30
Damco	10	7	-	-	-	-	-	-	10	7

[1] Including the Group's share of gains on sale of non-current assets etc., net and impairments, net, recorded in joint ventures and associated companies

Maersk Line

Capacity market share by trade



Trade	Δ y/y
Asia-Europe	-1pp
Atlantic	+10pp
Pacific	+1pp
Oceania	+1pp
West-Central Asia	0pp
Africa	-2pp
Latin America	+3pp
Intra Europe	+2pp
Intra Asia	+1pp
Intra America	+1pp

Maersk Line capacity (TEU)

East-West 40.5% North-South 48.2% Intra 11.4% ○ Capacity market share no. Market position

Note: 1)West-Central Asia is defined as import and export to and from Middle East and India. 2) Trades mapped as per ML definition. 3) ML EW market shares calculated as ML accessible capacity based on internal data on ML-MSC allocation split applied to 2M capacity market share (deployed capacity data from Alphaliner)
Source: Alphaliner as of 2015 FY (end period), Maersk Line

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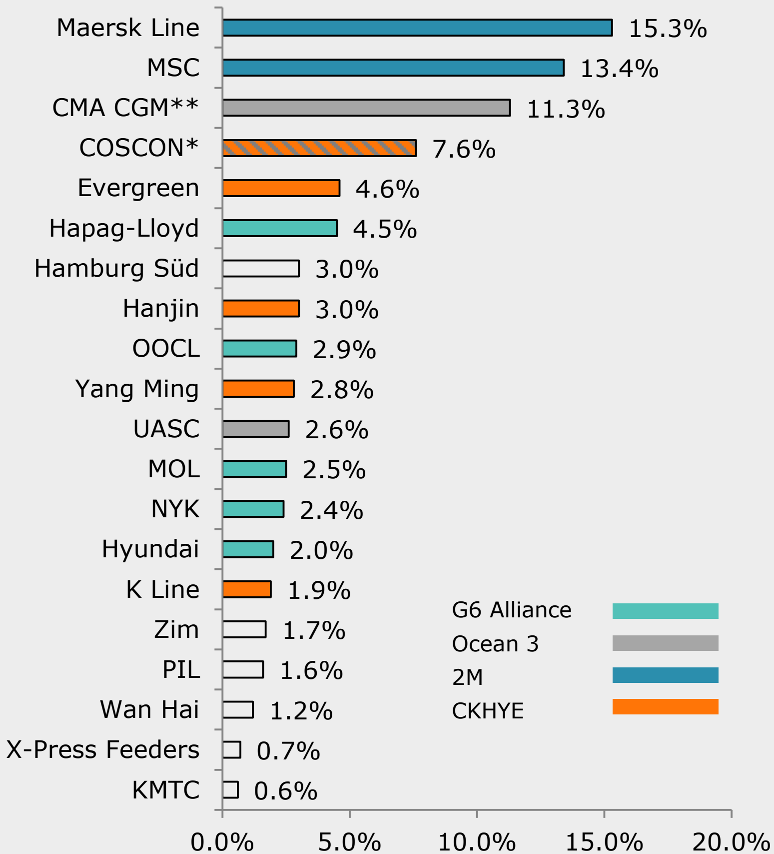
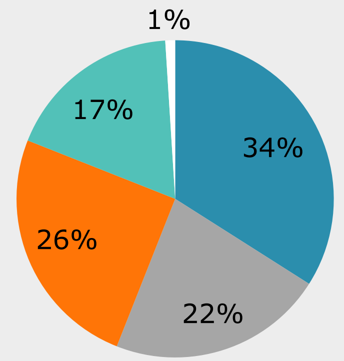
The industry is fragmented

but East-West trades now operated mainly through 4 key alliances

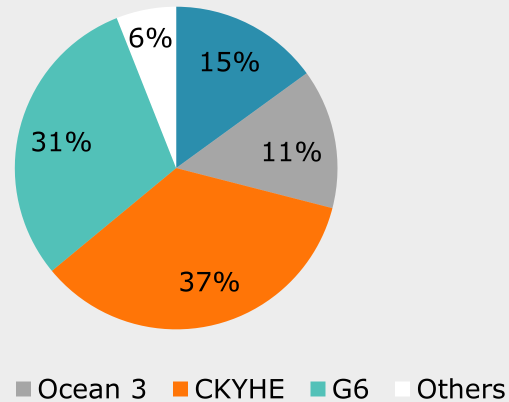
Capacity market share (%)



Far East – Europe (capacity share by Alliance)

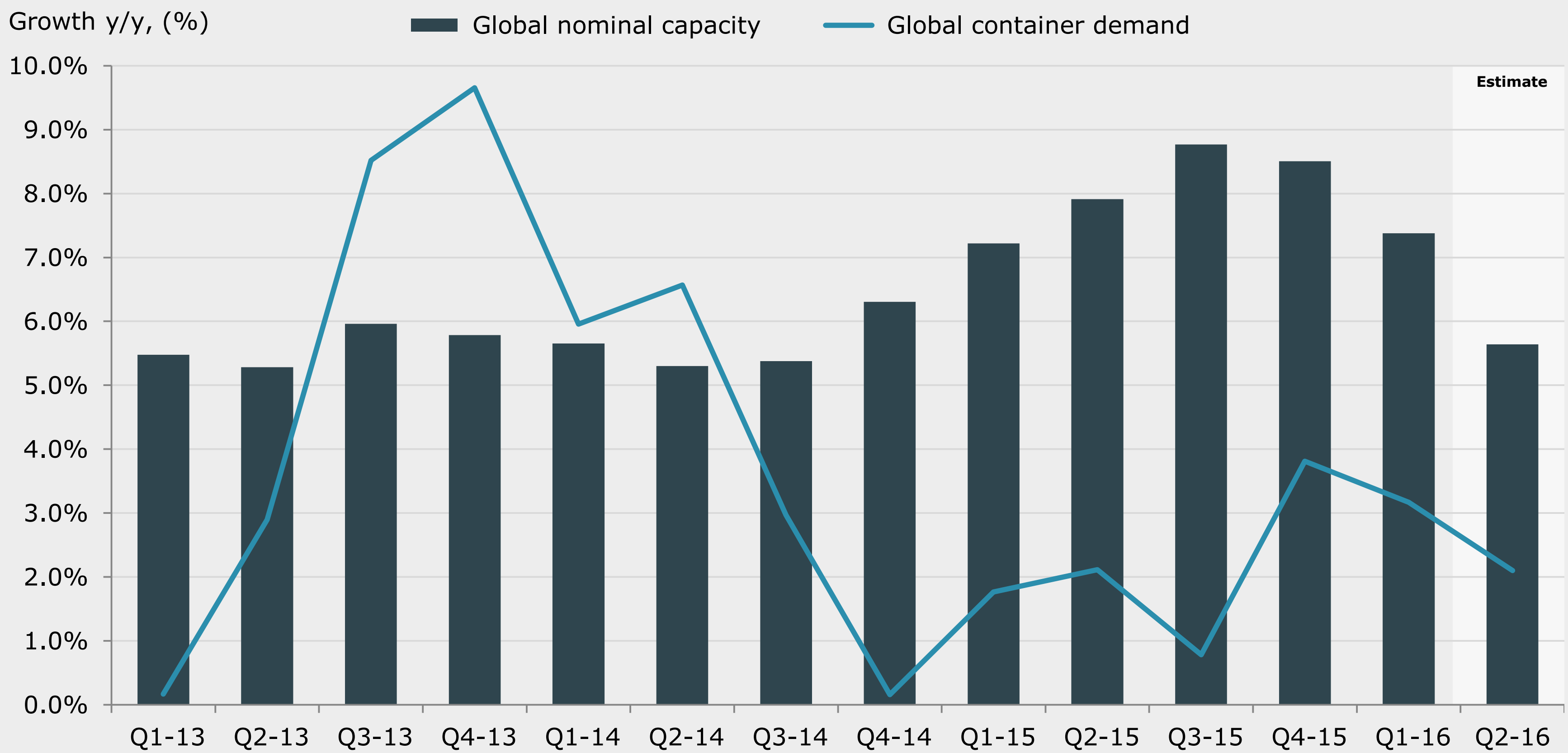


Far East – North America (capacity share by Alliance)



*The fleets of COSCO and CSCL have been consolidated since 1 March 2016 under COSCON
The fleet from COSCO is part of the CKHYE alliance and the fleet from CSCL is part of the O3 alliance until April 2017
** The fleets of CMA CGM and APL have been consolidated
Source: Alphaliner, 1 July 2016

The supply/demand gap keeps widening…



Note: Global nominal capacity is deliveries minus scrappings
Source: Alphaliner, CTS

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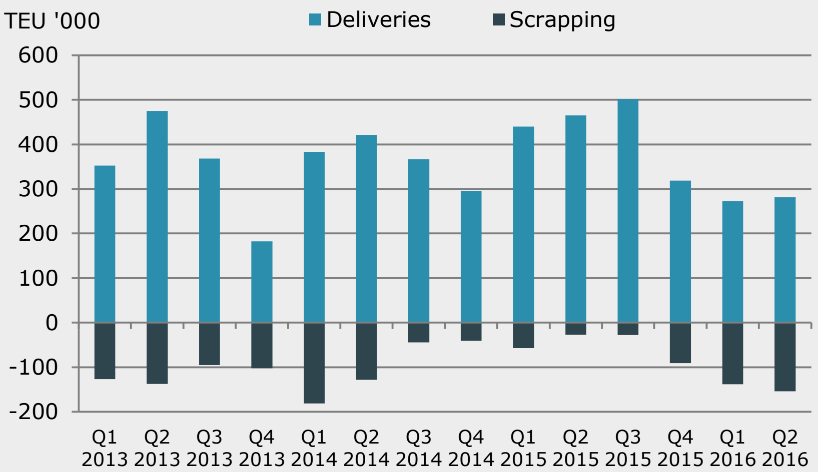
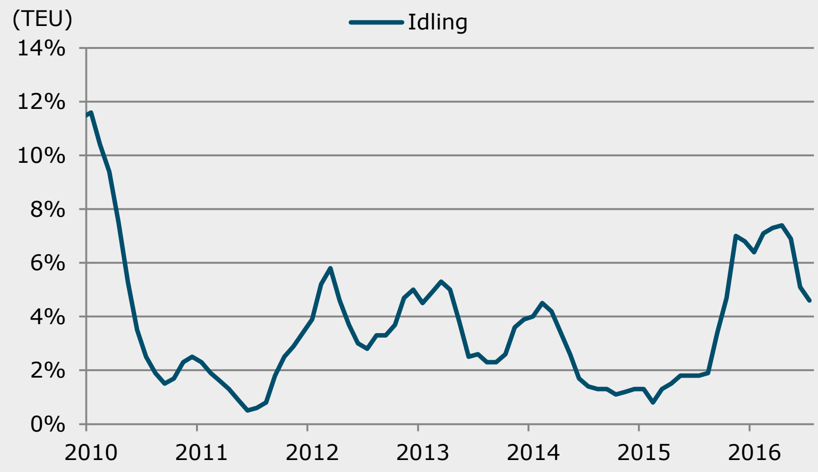
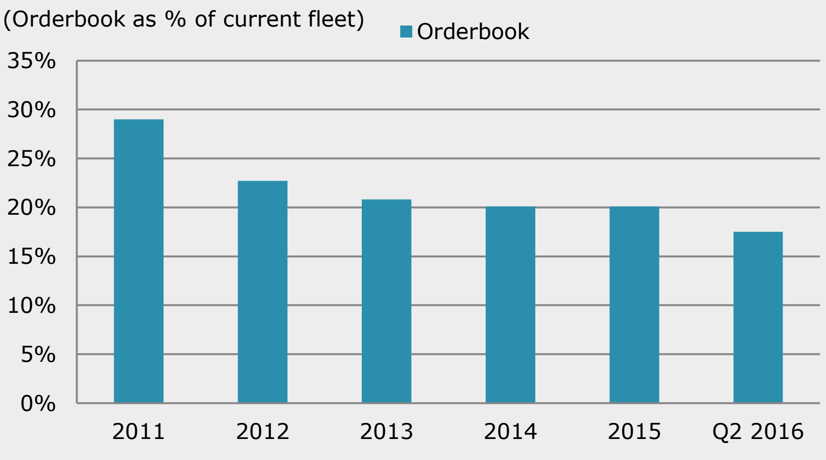
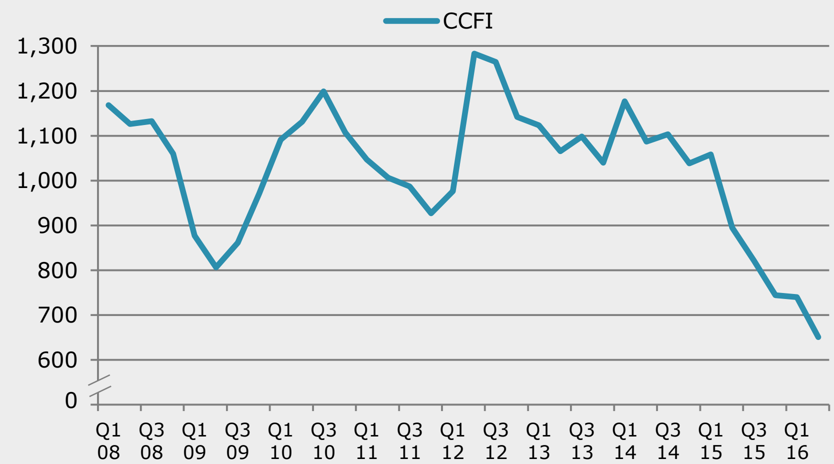
…and has led to continued pressure on freight rates





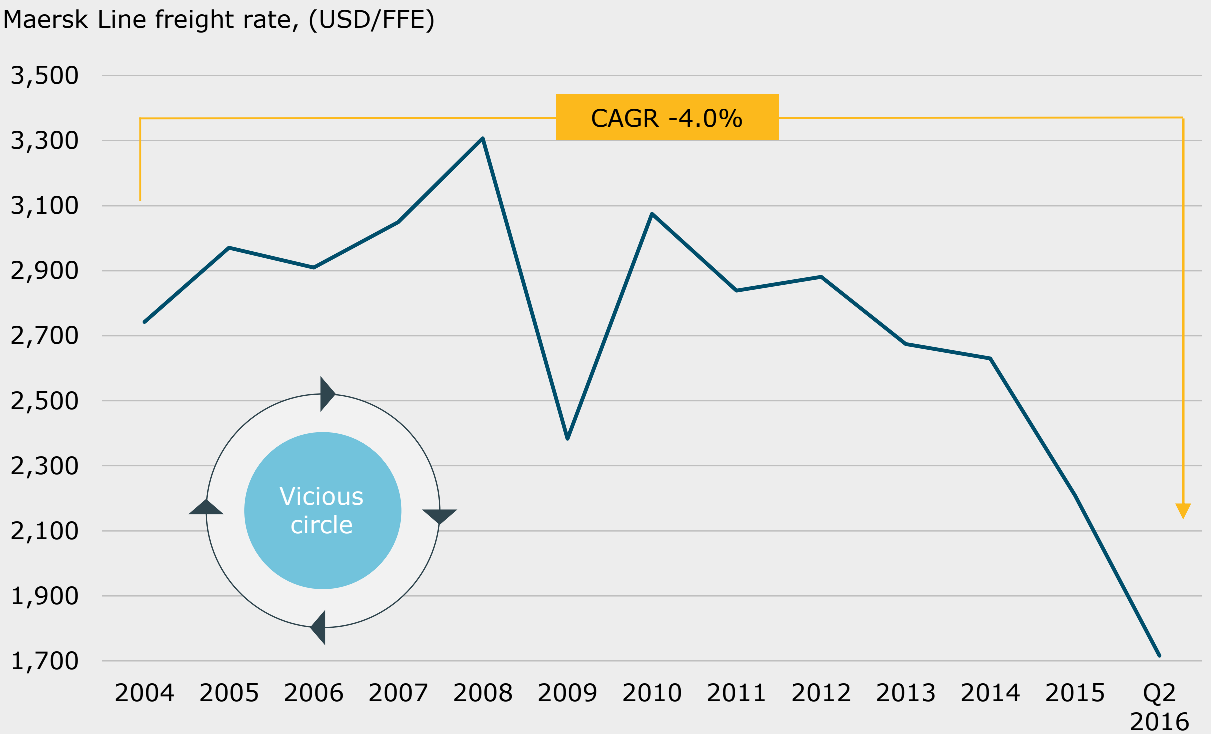




Source: Alphaliner, Clarksons

Rates will continue to be under pressure from supply/demand imbalance

Maersk Line's average freight rate has declined 4.0% p.a. since 2004

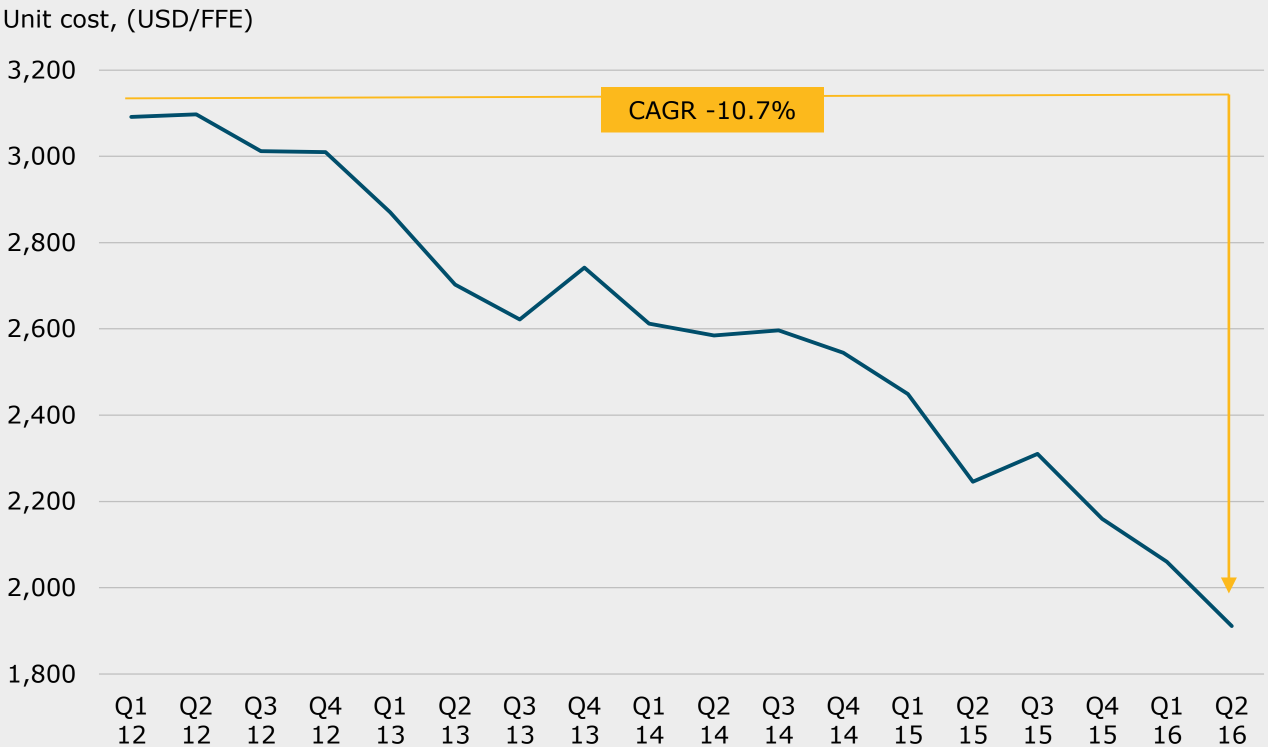


Since	CAGR (%)
2004	-4.0
2008	-8.4
2010	-10.1
2012	-13.8
2014	-24.8

Source: Maersk Line

Maersk Line's response is to focus on cost…

Maersk Line's unit cost has declined 10.7% p.a. since Q1 2012



Since	CAGR (%)
Q1 2012	-10.7
Q1 2014	-13.0
Q1 2015	-18.9

Note: Unit cost excluding gain/loss, restructuring, share of profit/loss from associated companies and including VSA income.
Source: Maersk Line

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… and will continue to drive cost down with plenty of opportunities

Network rationalization	Speed equalization & Slow steaming	Improve utilization
SG&A	2M	Improve procurement
Inland optimization	Deployment of larger vessels	Retrofits

Source: Maersk Line

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Terminal and vessel costs represent the largest components of our cost base

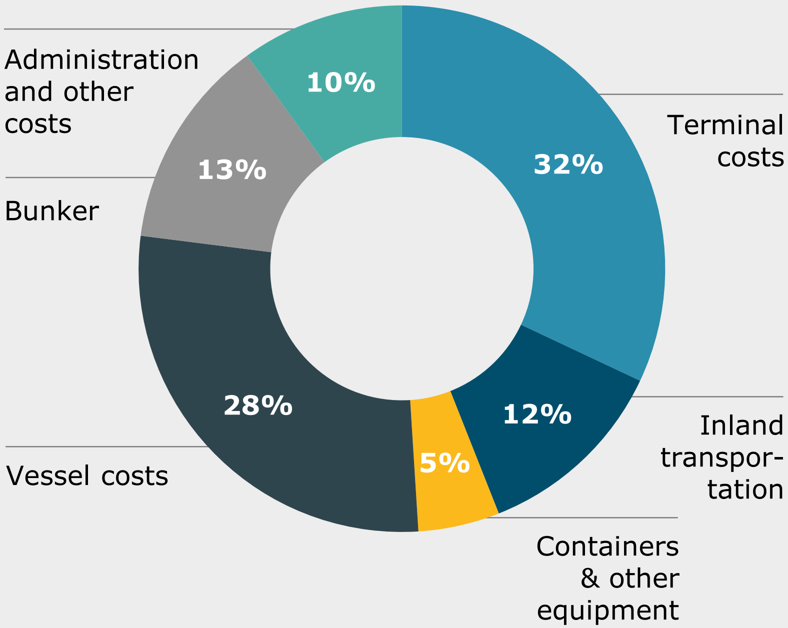
Cost base, FY 2015

USD 21.8bn

FY 2015 cost base

2,288 USD/FFE

FY 2015 unit cost

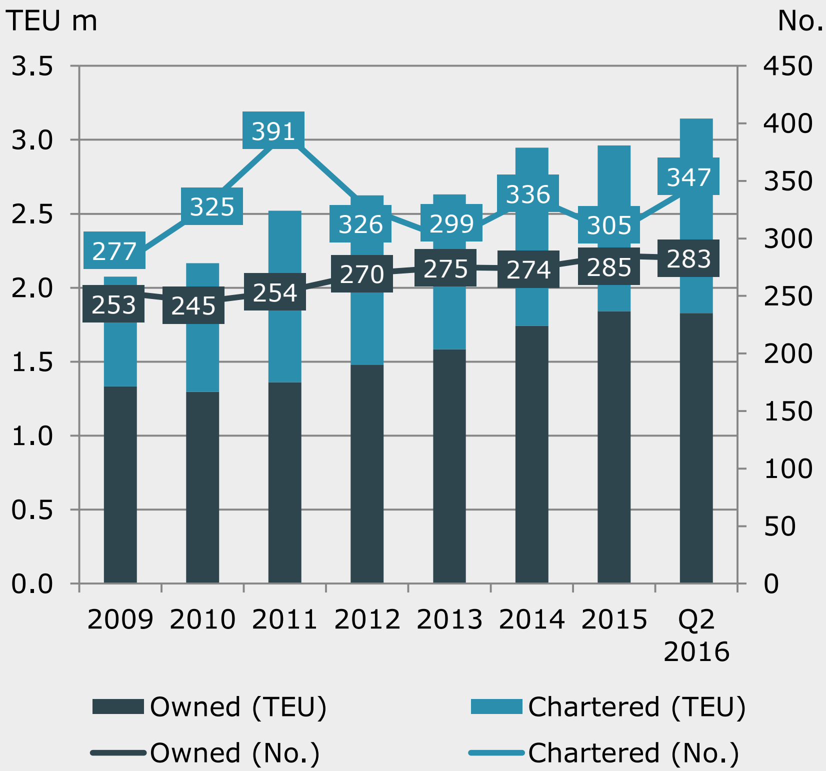


Note: Terminal costs: costs related to terminal operation such as moving the containers (mainly load/discharge of containers), container storage at terminal, stuffing (loading) and stripping (unloading) of container content, power for reefer units, etc. Inland transportation: costs related to transport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

Source: Maersk Line

We continue to optimize the network

Development in owned vs chartered fleet

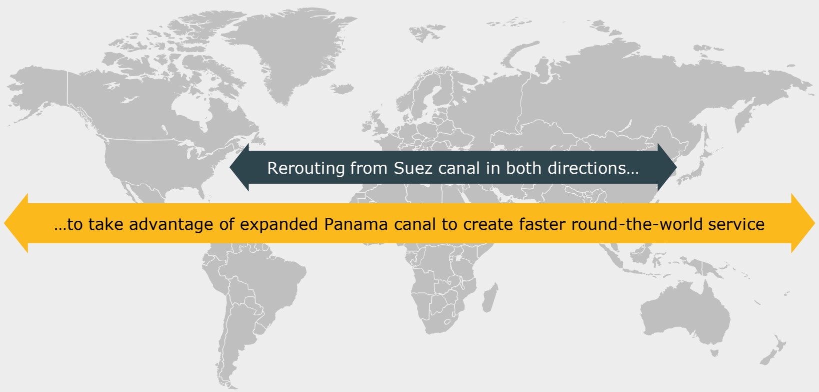


Maersk Line capacity development

- Maersk Line aims to continuously adjust capacity to match demand and optimise utilisation
- Network capacity increased by 2.2% y/y to 3.1m TEU and by 5.0% q/q
- Chartered capacity increased 5.1% y/y while owned capacity increased 0.2% y/y.

Network rationalisation and initiatives

Example of network rationalisation…



WHAT: Reroute TP12 to go via Panama into US East Coast and through Suez/South of Cape of Good Hope back to Asia making it a round-the-world string. Same time reconfiguring TP11 to become a pendulum with TP8 (in lieu of the TP8/TP12 split)

IMPACT: Significant reduction (5-10 days) in transit time from Asian to US East Coast ports. Also gives ability to take advantage of Suez discount or alternatively go via Cape of Good Hope if bunker prices go lower

…and several other announced during Q2 2016

TP9 – Asia – North West US/Canada:
Upgraded in April 2016

TP18 – Asia – US Gulf Coast:
Start in May 2016

Far East – North Europe:
Revamped July 2016

AC1 - Asia – West Coast Latin America:
Start in July 2016

FI3 - Far East – Indian Subcontinent:
Upgraded April 2016

Note: TP12 service: Asia – US East Coast. TP11 service: Asia – US East Coast. TP8: Asia – US West Coast
Source: Maersk Line

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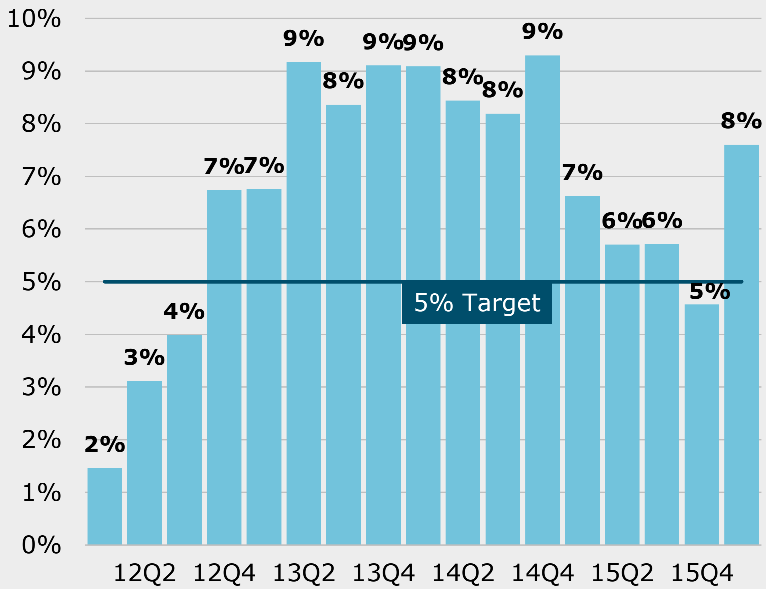
EBIT margin gap target of 5%

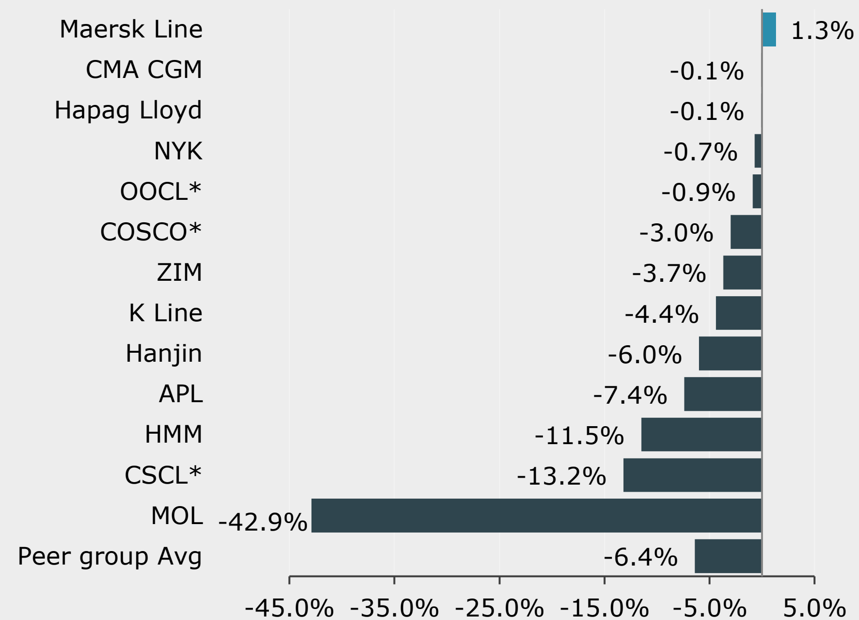
Gap to peers of around 8% in 16Q1 - adjusting for peers' impairments it was around 5%

Core EBIT margin gap, (% pts.)



Maersk Line has regained lead

Q1 2016 Core EBIT margin, (%)



Note: *Included with 15H1-H2 gap to MLB as they only report half-yearly. Peer group includes CMA CGM, APL, Hapag Lloyd, Hanjin, ZIM, Hyundai MM, K Line, NYK, MOL, COSCO, CSCL and OOCL. Peer average is TEU-weighted. EBIT margins are adjusted for gains/losses on sale of assets, restructuring charges, income/loss from associates. Maersk Line' EBIT margin is also adjusted for depreciations to match industry standards (25 years).
Source: Alphaliner, Company reports, Maersk Line

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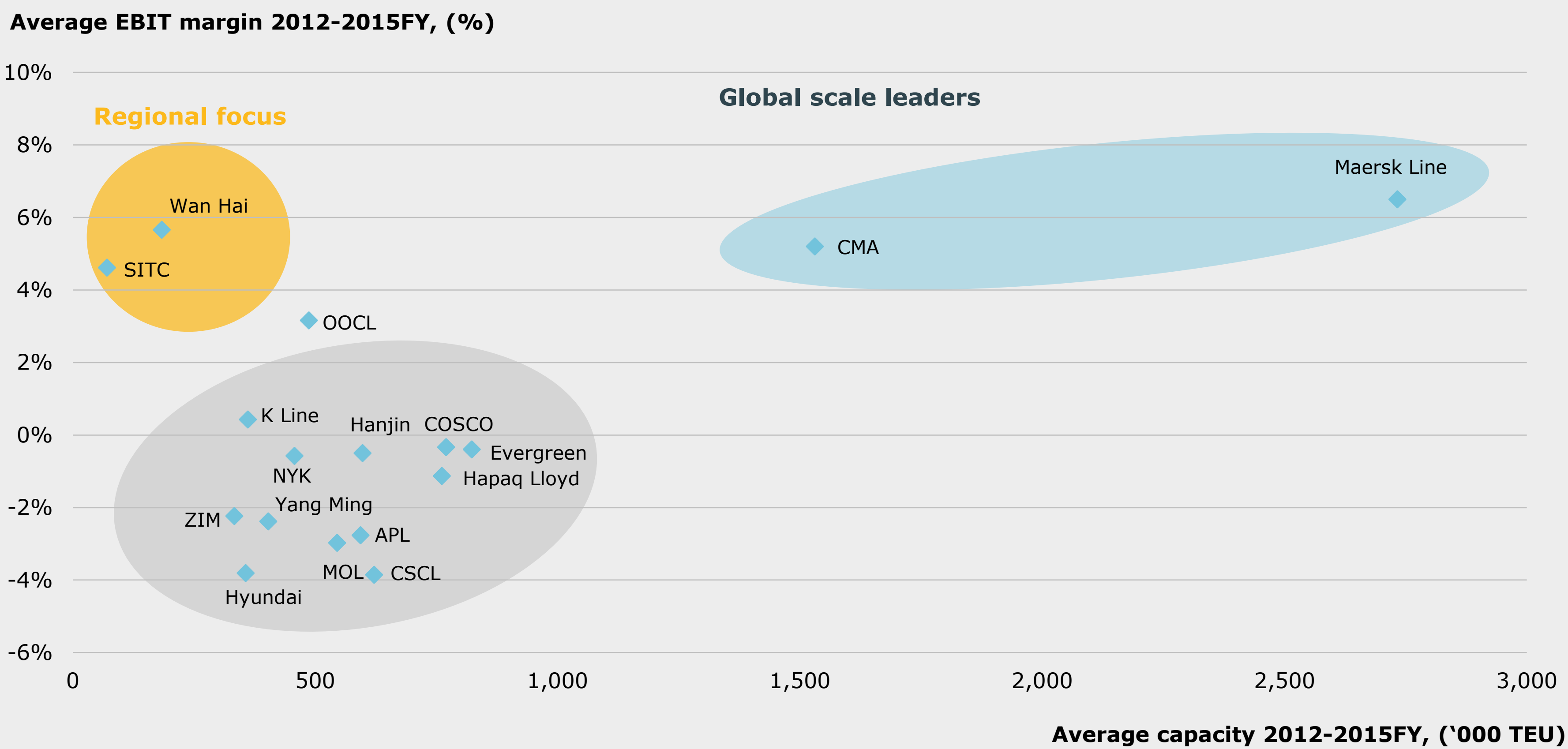
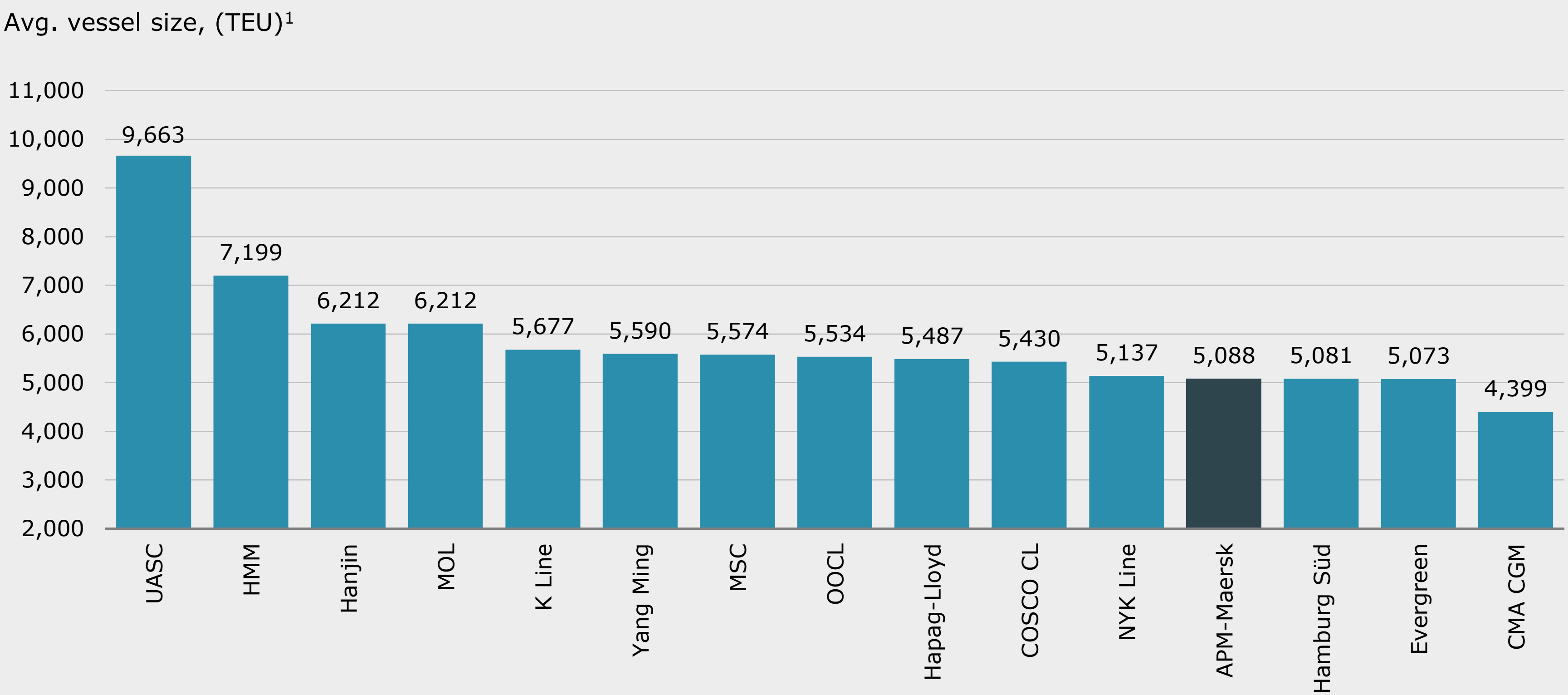
Scale is a lever of profitability



Source: Maersk Line, Company Reports, Alphaliner

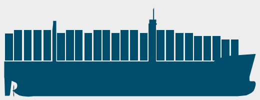
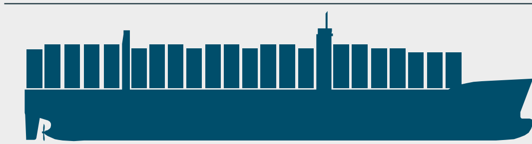
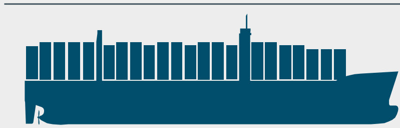
Outperformance not caused by average vessel size



[1] As of end-June 2016
Source: Alphaliner, Maersk Line

Maersk Line’s order book

Maersk Line’s total order book corresponds to 12% of current fleet[1], compared to industry order book of around 17%[2]

	Vessel size	Number of vessels	Total TEU	Delivery year
	3,600 TEU	7	25,200 TEU	2017
	19,630 TEU	11	215,930 TEU	2017-2018
	14,000 TEU	9	126,000 TEU	2017

[1] Including two 10,000 TEU time chartered vessels to be delivered in 2016.
[2] Industry orderbook of top 100 excluding Maersk Line
Note: Orderbook as of ultimo June 2016
Source: Maersk Line

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Maersk Oil’s portfolio

The value chain

Exploration → Appraisal → Development → Primary production → Mature field → EOR[1)] → Abandonment

Active in 13 countries

- Exploration in 9
- Development projects in 9
- Operated production in 4
- Non-operated in 3

1) Enhanced Oil Recovery

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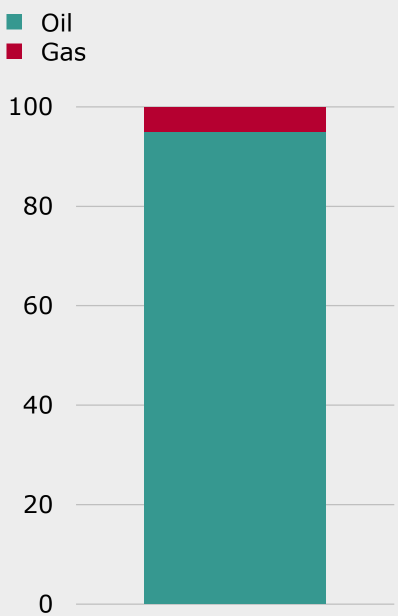
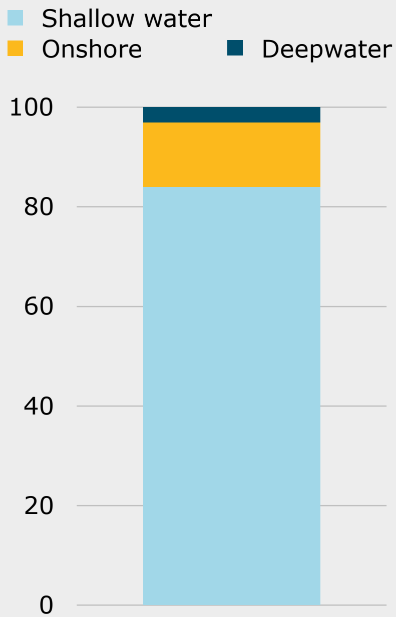
Maersk Oil Entitlement Production, 2015

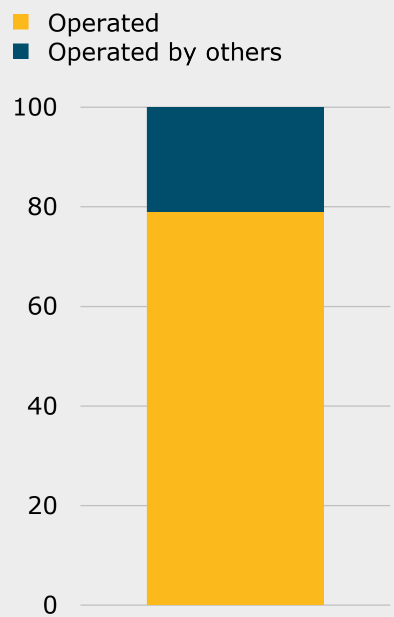
Hydrocarbon type (%)



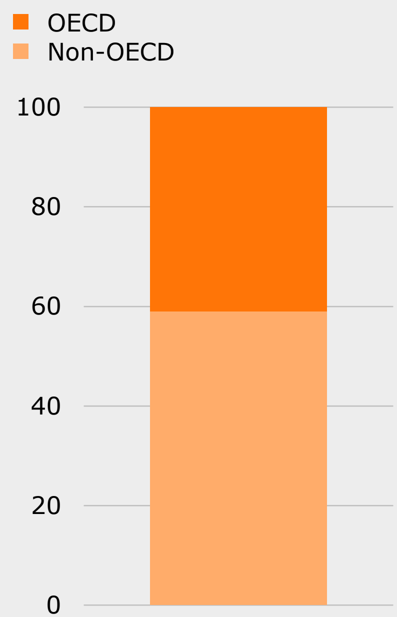
Location (%)



Operatorship (%)



OECD/non-OECD (%)



Reducing our costs

- Focus on building a sustainable cost base
- Expected 25-30% Opex savings by end-2016
- Global workforce reduced by more than 1,500 positions (25%) compared to end 2014
- Active portfolio management
- Focus on shift from organic to inorganic growth

Portfolio Management

Organisational and Process Efficiency

Procurement and Supply Chain

Cost Focus and Performance Management

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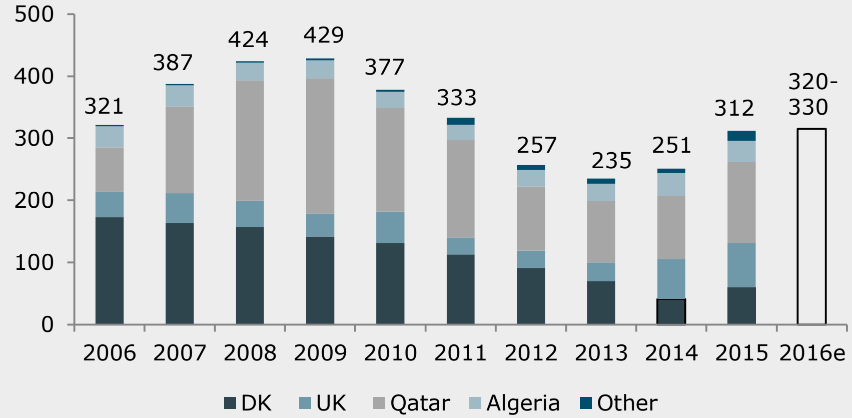
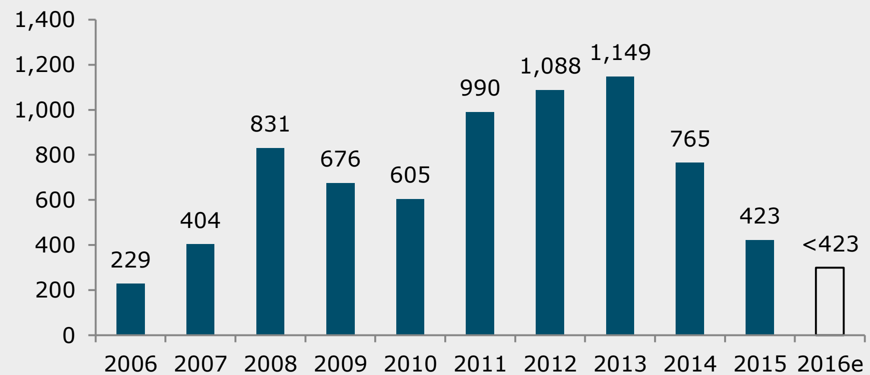
Maersk Oil's share of Production and Exploration Costs

Maersk Oil's share of production ('000 boepd)



Maersk Oil's exploration costs* (USDm)



*All exploration costs are expensed directly unless the project has been declared commercial

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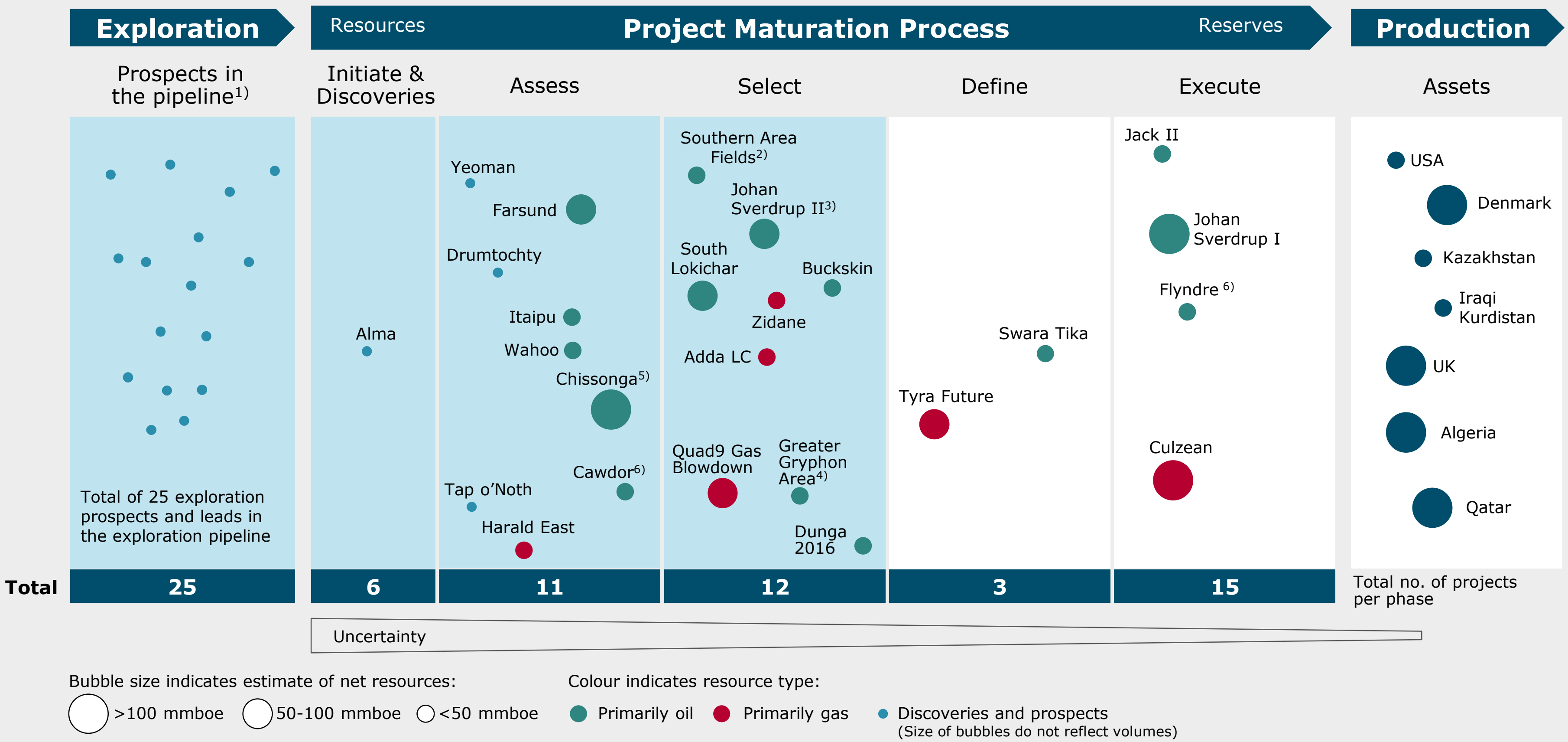
Maersk Oil's portfolio (Q2 2016)



1) Includes Kenya and Ethiopia prospects, and total prospect numbers are adjusted for recent acreage relinquishments
2) Southern Area Fields cover Dan Area Redevelopment and Greater Halfdan FDP projects (Denmark)
3) Phase 2 of the Johan Sverdrup development (Norway) is expected to commence production in 2022
4) Greater Gryphon Area project has been reduced to a number of small well projects to be matured on an individual basis with different timing
5) Reevaluating options in light of the low oil price
6) The Cawdor project, originally co-developed with Flyndre, is currently deemed sub-economic and has been recycled into the Assess stage

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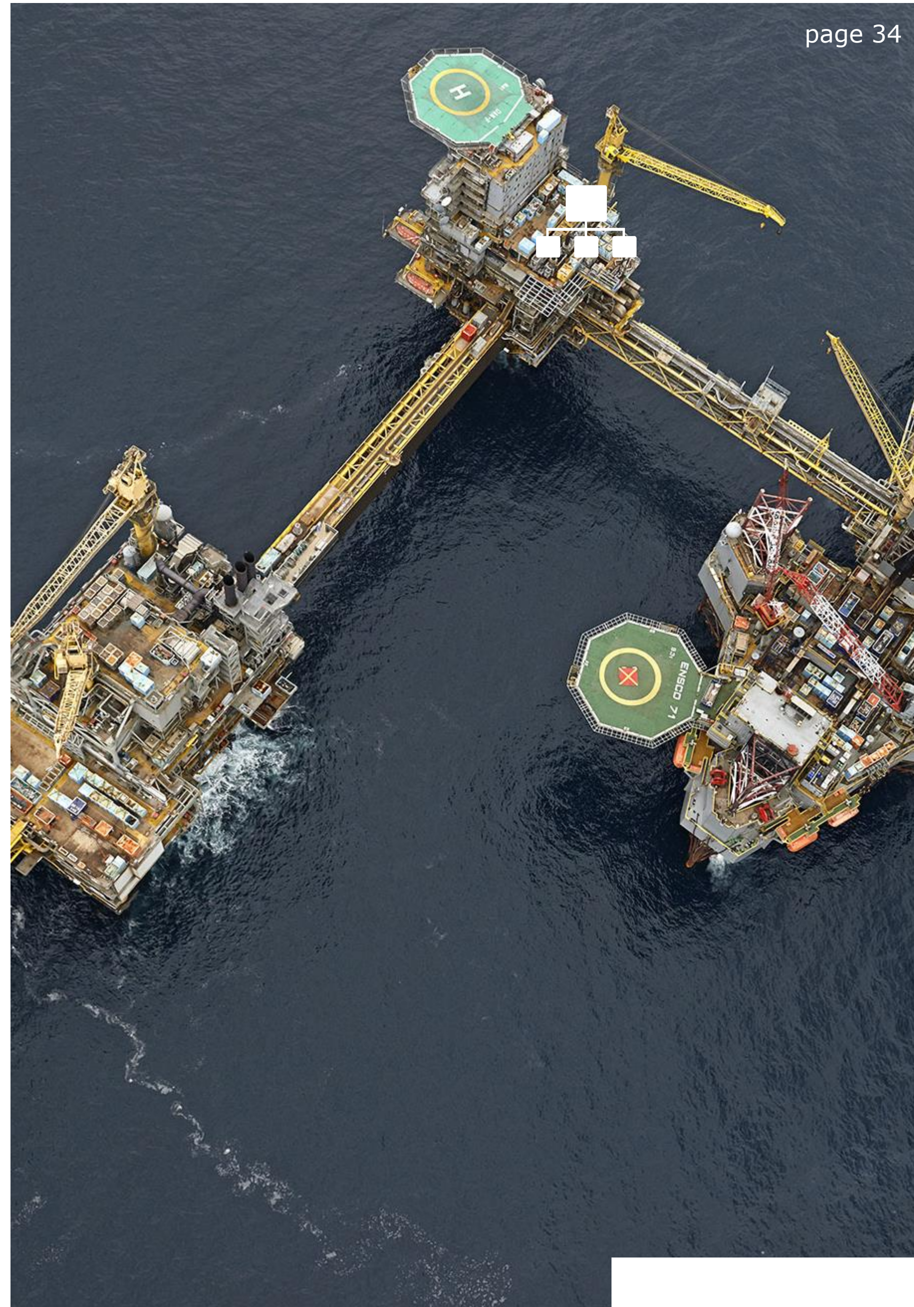
Reserves and resources

(million boe)	End 2015	End 2014
Proved reserves (1P)	408	327
Probable reserves ($2P_{increment}$)	241	183
Proved and Probable reserves (2P)	649	510
Contingent resources (2C)	492	801
Reserves & resources (2P + 2C)	**1,141**	**1,311**

2015 Highlights

- 1P Reserves Replacement Ratio (RRR) increased to 171% with 114m boe entitlement production in 2015 (RRR 2014: 30%)
- Significant 2P reserves additions, mainly from Johan Sverdrup and Culzean, of close to 300m boe
- 2P + 2C reserves and resources decreased 13% due to production and revision of projects mainly caused by lower oil price
- No Qatar reserves or resources included post 2017.



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Maersk Oil's Key Projects

Sanctioned development projects

Project	First Production	Working Interest	Net Capex (USD Billion)	Plateau Production (Entitlement, boepd)	Operator
Swara Tika (Iraqi Kurdistan)	2015	18%	0.1	6,000	HKN Energy
Flyndre[1)] (UK/Norway)	2017	73.7%	~0.5	8,000	Maersk Oil
Johan Sverdrup Phase 1 (Norway)	Late 2019	8.44%	1.8	29,000	Statoil
Culzean (UK)	2019	49.99%	2.3	30-45,000	Maersk Oil

Major discoveries under evaluation (Pre-Sanctioned Projects[2])

Project	First Production Estimate	Working Interest	Net Capex Estimate (USD Billion)	Plateau Production Estimate (Entitlement, boepd)
South Lokichar (Kenya)	2021	25%	TBD	TBD
Chissonga (Angola)	TBD	65%	TBD	TBD
Buckskin[3] (USA)	TBD	20%	TBD	TBD

1) The Cawdor project, originally co-developed with Flyndre, is currently deemed sub-economic and has been recycled into the Assess stage
2) Significant uncertainties about time frames, net capex estimates and production forecast
3) Buckskin being re-evaluated following operator Chevrons decision to exit

APM Terminals
Portfolio overview

9.4m TEUs
(equity)

19.4m TEUs
(gross)

60 shipping lines serviced

72 operating ports
9 new port projects
16 expansion projects
140 inland locations

21,000 employees
in 69 countries

Note: Volume figures per Q2 2016

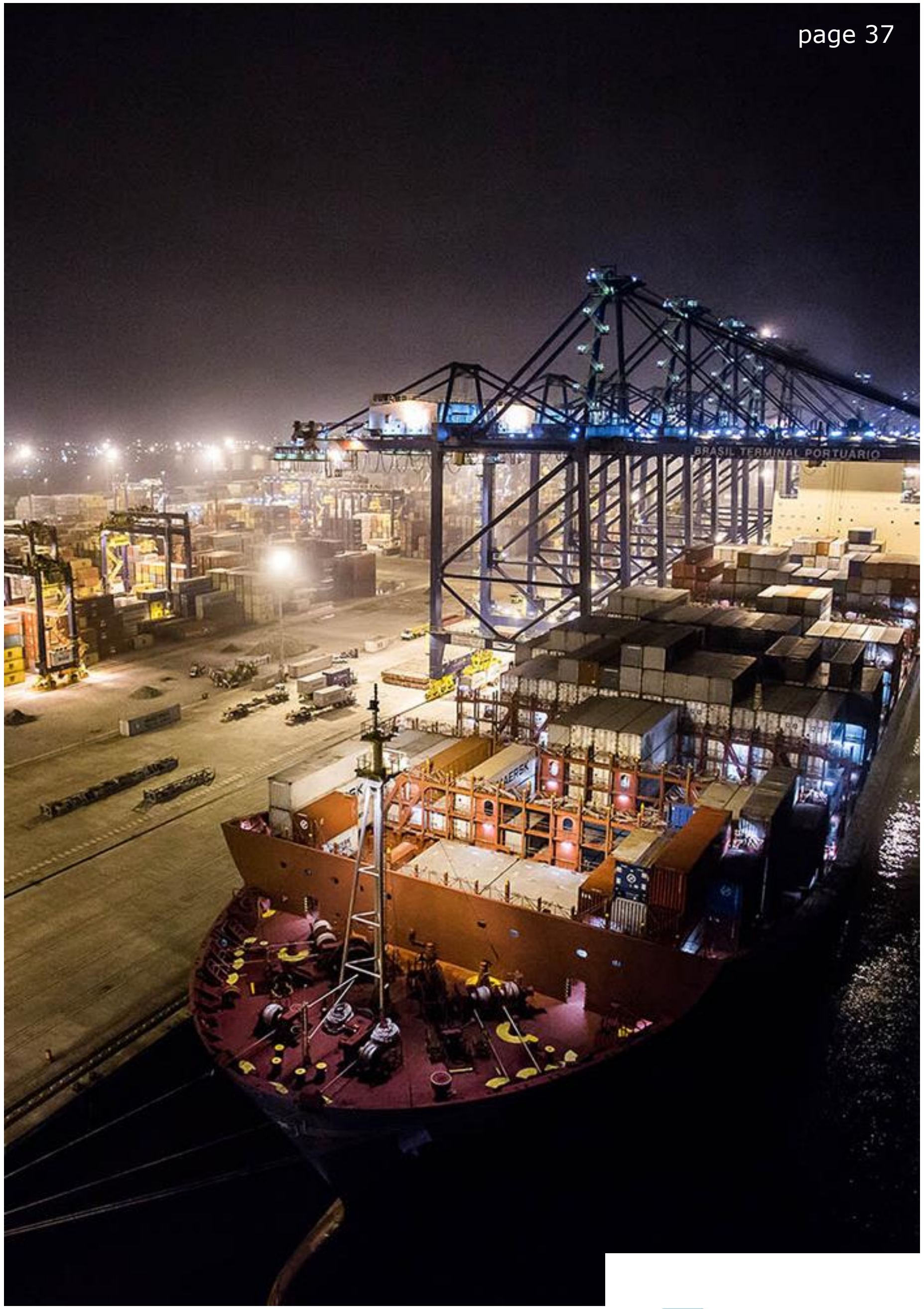
The ports business will remain attractive

World population to increase from currently 7.2bn to 9.6bn by 2050; with 54% of the growth in Africa

Spending by global middle class households will double in real terms by 2030

+USD 600bn of investment required in port infrastructure 2015-30

Containerized trade will be continue to grow long term at 2-3% p.a. and drive port capacity demand



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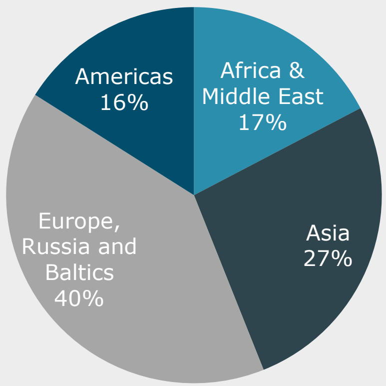
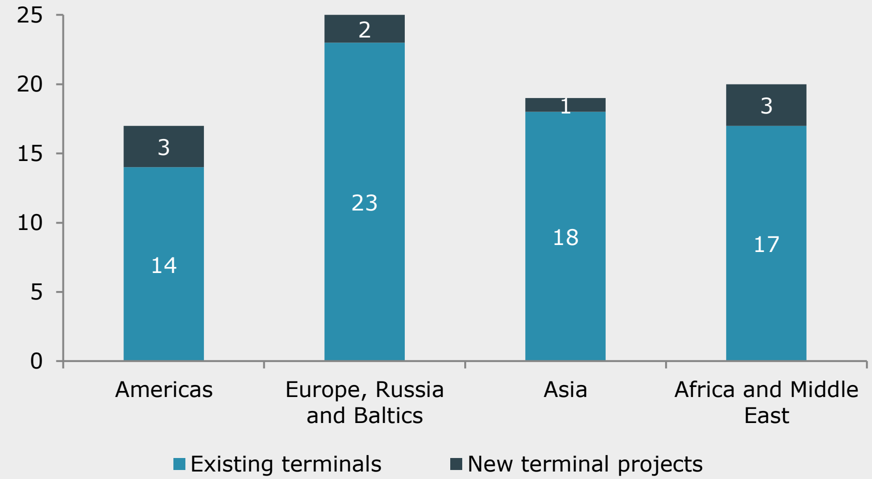
Diversified Global Portfolio

Container throughput by geographical region (equity weighted crane lifts, %)

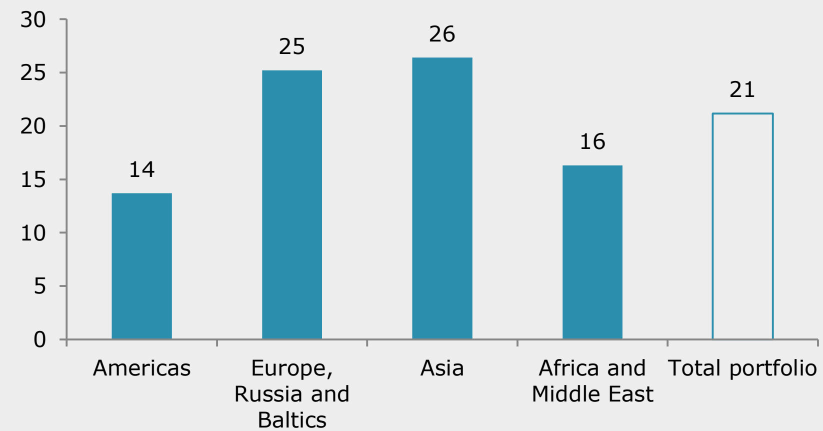
Total throughput of 9.4m TEU in Q2 2016



Geographical split of terminals (number of terminals)

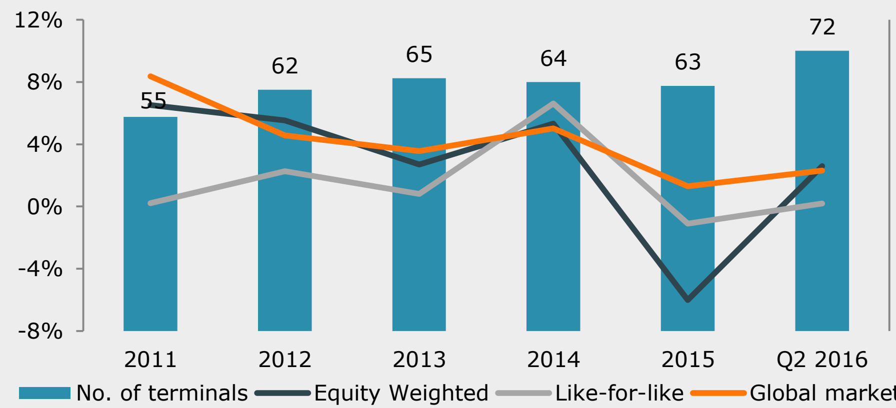


Average remaining concession length in years



Note: Average concession lengths as of Q2 2016, arithmetic mean

Port Volume growth development (%)



Note: Like for like volumes exclude divestments and acquisitions

APM Terminals – New terminal developments

Project	Opening	Details	Investment
Lázaro Cárdenas, Mexico (TEC2)	2016	• Signed 32-year concession for design, construction and operation of new deepwater terminal • Will add 1.2 million TEUs of annual throughput capacity and projected to become fully operational in H2 2016	USD 0.9bn
Ningbo, China (Meishan Container Terminal Berths 3, 4, and 5)	2016	• Major gateway port in Eastern China and Zhejiang Province • 67%/33% (Ningbo Port Group/APM Terminals) share to jointly invest and operate	USD 0.7bn
Izmir, Turkey (Aegean Gateway Terminal)	2016	• Agreement with Petkim to operate a new 1.5 million TEU deepwater container and general cargo terminal	USD 0.4bn
Moin, Costa Rica (Moin Container Terminal)	2018	• 33-year concession for the design, construction and operation of new deepwater terminal • The terminal will have an area of 80 hectares, serving as a shipping hub for the Caribbean and Central America	USD 1.0bn
Savona-Vado, Italy (Vado-Ligure)	2017	• 50-year concession for the design, construction, operation and maintenance of a new deep-sea gateway terminal	USD 0.4bn
Abidjan, Ivory Coast	2018	• Terminal will be the second in one of the busiest container ports in West Africa • New facility will be able to accommodate vessels of up to 8,000 TEU in size (existing facility 0.75 million TEU)	USD 0.6bn
Tema, Ghana	TBD	• Joint venture with existing partner Bolloré (35%) and the Ghana Ports & Harbours Authority (30%) • Will add 3.5 million TEUs of annual throughput capacity • Greenfield project located outside the present facility that includes an upgrade to the adjacent road network	USD 0.8bn
TM2, Tangier	2019	• Tanger-Med is the second-busiest container port on the African continent after Port Said, Egypt. The new terminal will have an annual capacity of 5 million TEUs • Concession signing for a 30-year concession took place on 30 March 2016 and opening is targeted for October 2019	USD 0.9bn

Note: TEU and investment numbers are 100% of the projects

Active portfolio management continues to create value

Acquisitions and secured Projects

2010	2011	2012	2013	2014	2015	2016
						Grup TCB
						Quetzal
		Lazaro Cardenas				Yucatan
		Gothenburg				Buenaventura
		Ningbo				Parangua
	Monrovia	Talin	Abidjan		Qingdao	Valencia
	Moin	Kotka/Helsinki	Ust Luga		Vado reefer	Gijon
Cotonou	Callao	Vostochny	St. Petersburg 2		Cartagena	Castellon
Santos	Poti	St. Petersburg	Izmir	Namibe	Tema	Barcelona

Divestments

2010	2011	2012	2013	2014	2015	2016
Kaoshiung		Dailan	Oslo	Le Havre	Charleston	
Dunkirk				Virginia	Houston	
Oakland					Jacksonville	
					Gioia Tauro	

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Portfolio heavily impacted by challenging markets

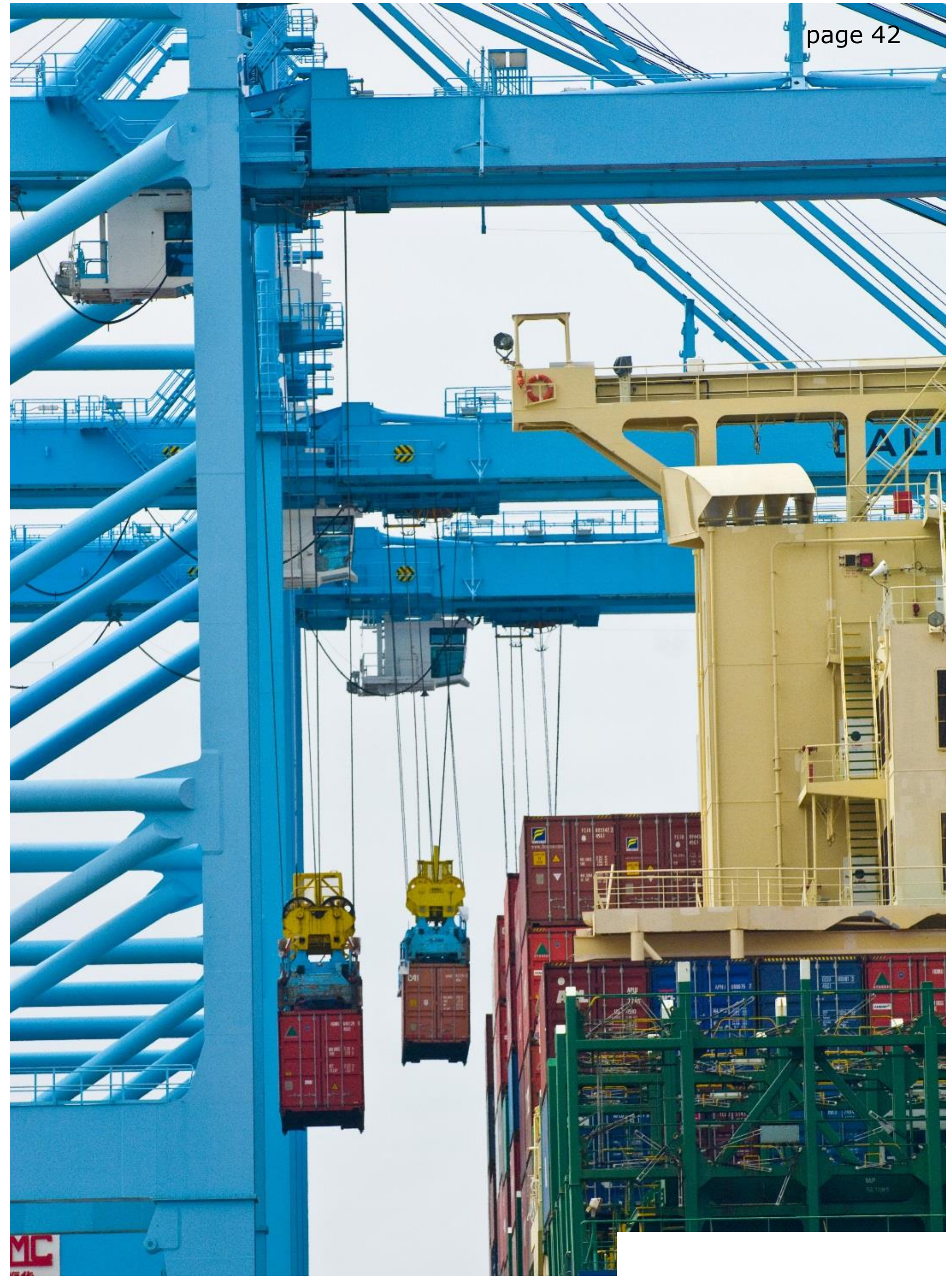
Q2 2016 USDm	Consolidated businesses	JV & Associates	Operating businesses	Implementations incl TCB	Total
Throughput, EqW (TEUm)	4.9	3.8	8.7	0.7	9.4
Revenue	904	-	904	160	1,064
EBITDA	178	-	178	9	187
EBITDA margin	**19.7%**	**-**	**19.7%**	**5.3%**	**17.5%**
Reported profit	76	47	123	(11)	112
Reported profit, underlying	**73**	**47**	**120**	**(11)**	**109**
ROIC	8.3%	9.6%	8.8%	-2.1%	5.8%
ROIC, underlying	**8.0%**	**9.6%**	**8.6%**	**-2.1%**	**5.6%**
Average Invested capital	3,650	1,977	5,627	2,146	7,773

Note: Implementations include terminals currently under construction (Vado, Italy; Moin, Costa Rica; Izmir, Turkey; Lazaro Cardenas, Mexico) and all TCB terminals

Consolidated businesses

USDm	Q2 2016	Q2 2015	Q2 '16 /Q2 '15
Throughput, EqW (TEUm)	4.9	5.3	-7.5%
Revenue	904	1,025	-12%
EBITDA	178	214	-17%
EBITDA margin	**19.7%**	**20.9%**	**-1.2pp**
Reported profit	76	115	-34%
Reported profit, underlying	**73**	**114**	**-36%**
ROIC	8.3%	13.2%	-4.9pp
ROIC, underlying	**8.0%**	**13.0%**	**-5.0pp**
Average Invested capital	3,650	3,501	4.3%

Note: Consolidated businesses includes terminals and inland services that are financially consolidated. 2015 figures include the divested US terminals Jacksonville, Houston and Charleston.



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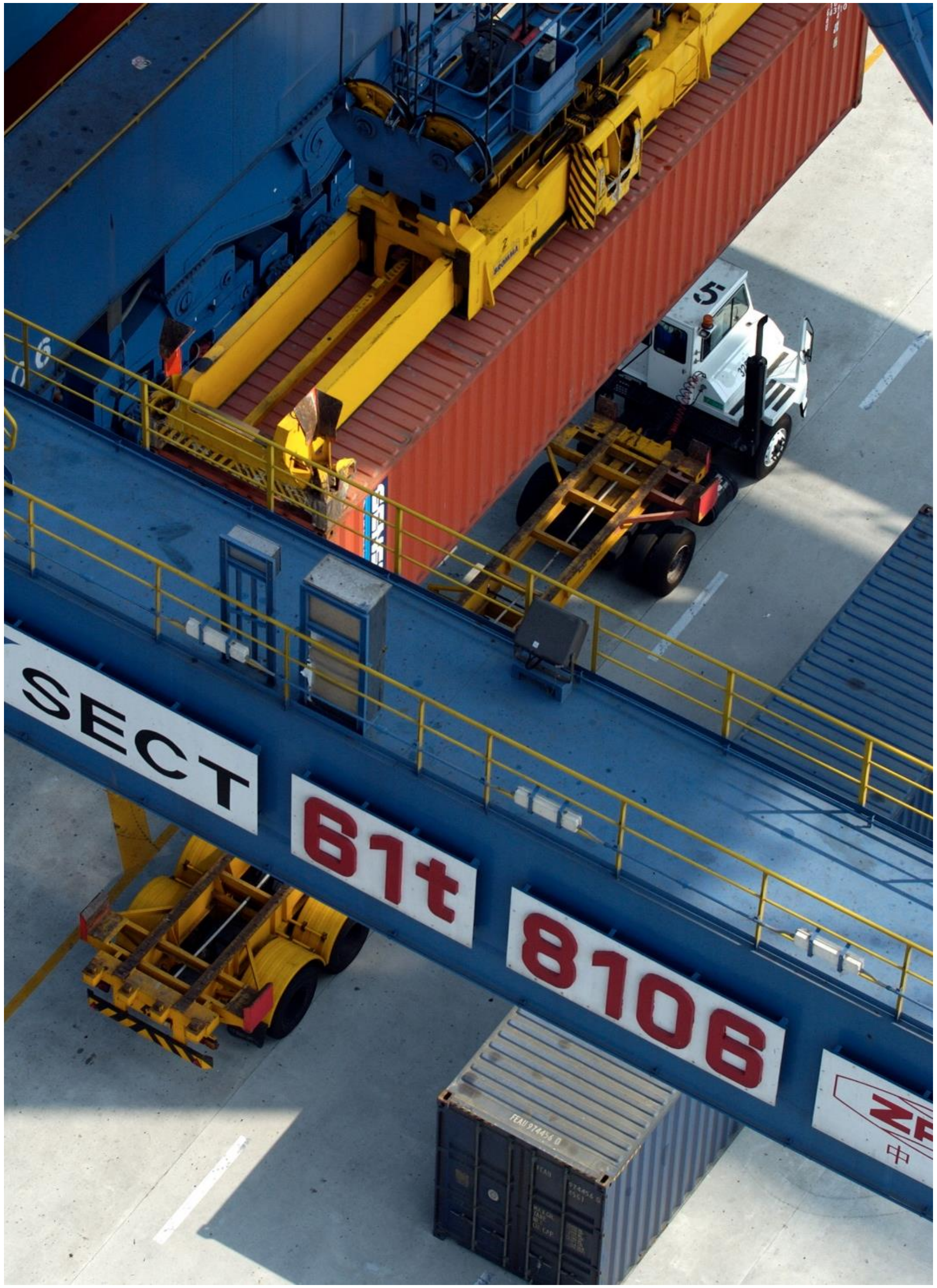

JV and Associates

USDm	Q2 2016	Q2 2015	Q2 '16 /Q2 '15
Throughput, EqW (TEUm)	3.8	3.8	0.0%
Revenue	-	-	n.a.
EBITDA	-	-	n.a.
EBITDA margin	**-**	**-**	**n.a.**
Reported profit	47	54	-12%
Reported profit, underlying	**47**	**54**	**-12%**
ROIC	9.6%	11.2%	-1.6pp
ROIC, underlying	**9.6%**	**11.2%**	**-1.6pp**
Average Invested capital	1,977	1,922	2.9%

Note: Includes joint venture and associate companies in the portfolio. 2015 figures include the divested Gioia Tauro terminal.

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Implementations and TCB

USDm	Q2 2016	Q2 2015	Q2 '16 /Q2 '15
Throughput, EqW (TEUm)	0.7	-	n.a.
Revenue	160	8	2031%
EBITDA	9	(8)	-202%
EBITDA margin	**5.3%**	**-111.1%**	**116pp**
Reported profit	(11)	(8)	44%
Reported profit, underlying	**(11)**	**(8)**	**44%**
ROIC	-2.1%	-6.3%	4.2pp
ROIC, underlying	**-2.1%**	**-6.3%**	**4.2pp**
Average Invested capital	2,146	485	342%

Note: Implementations include terminals that are under construction and all TCB entities; TCB result added since March 2016

Maersk Drilling

Rig fleet overview

North West Europe

10 ultra harsh jack-up rigs*
2 premium jack-up rigs

Caspian Sea

1 midwater floater

US Gulf of Mexico

2 ultra-deepwater floaters

South East Asia

1 premium jack-up rig

Ghana

1 ultra-deepwater floater

Egypt

1 ultra-deepwater floater
Egyptian Drilling Company
50/50 Joint Venture

Under construction

1 ultra harsh jack-up rig

Available

3 ultra-deepwater floaters
2 premium jack-up rigs

Note: As per end Q2 2016
* Maersk Guardian converted to accommodation rig. Rig will go on contract with Maersk Oil in Denmark in Sep 2016

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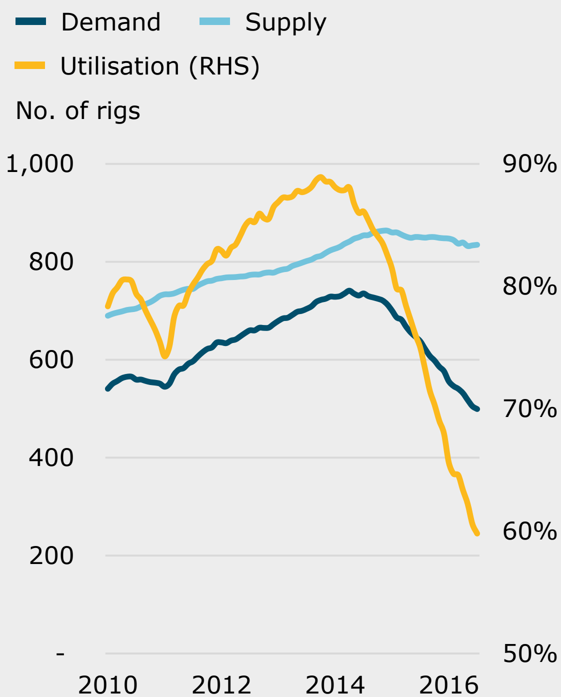
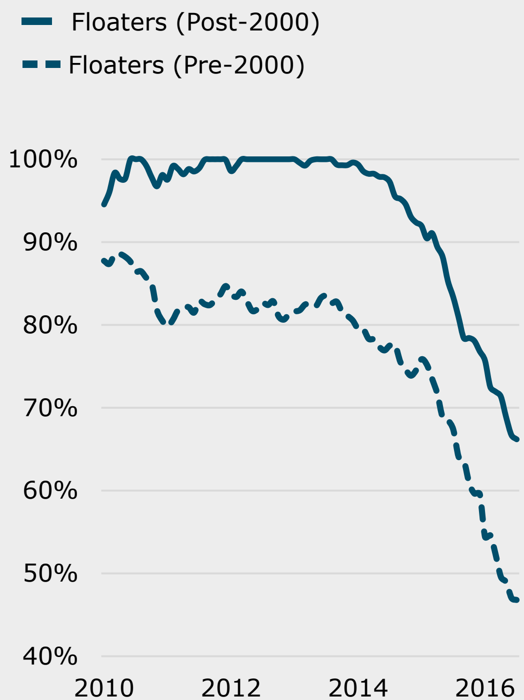
Drop in oil price has led to…

Reduced rig demand, lower utilisation levels while modern rigs retain competitive advantage, and decreasing dayrates

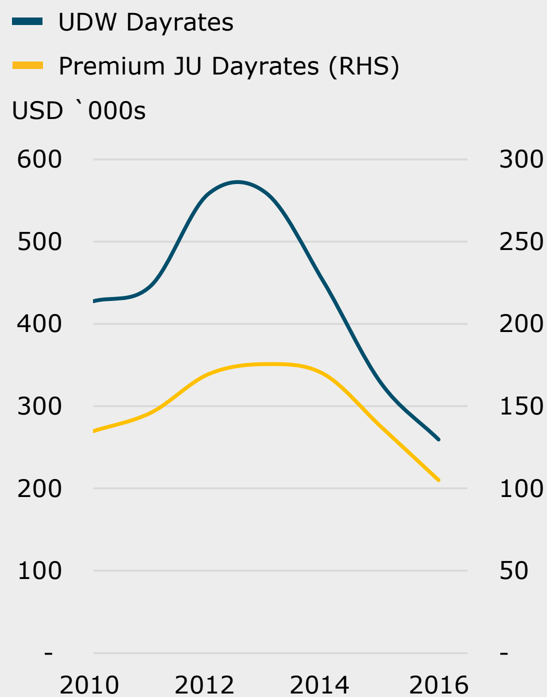
Global rig utilisation decreasing as supply outpaces demand



Continued bifurcation in utilisation for rigs delivered before and after 2000



Dayrates decline as a reaction to the rig supply-demand imbalance



Note: 2016YTD
Source: IHS Petrodata, Maersk Drilling

Maersk Drilling's response

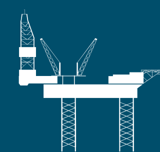
A modern state-of-the-art rig fleet offers true competitive advantage during adverse market conditions

FLOATERS

Maersk Voyager (2015)
Maersk Valiant (2014)
Maersk Venturer (2014)
Maersk Viking (2014)
Mærsk Deliverer (2010)
Maersk Discoverer (2009)
Mærsk Developer (2009)
Heydar Aliyev (2003)

Average Age **5** Years

JACK-UPS



Maersk XL Enhanced 4 (2016)
Maersk Highlander (2016)
Maersk Integrator (2015)
Maersk Interceptor (2014)
Maersk Intrepid (2014)
Maersk Reacher (2009)
Maersk Resolve (2009)
Maersk Resilient (2008)
Maersk Resolute (2008)
Maersk Convincer (2008)
Maersk Completer (2007)
Mærsk Inspirer (2004)
Mærsk Innovator (2003)
Mærsk Gallant (1993)
Mærsk Giant (1986)
Maersk Guardian (1986)[1]

Average Age **10** Years

FINANCIAL INVESTMENT

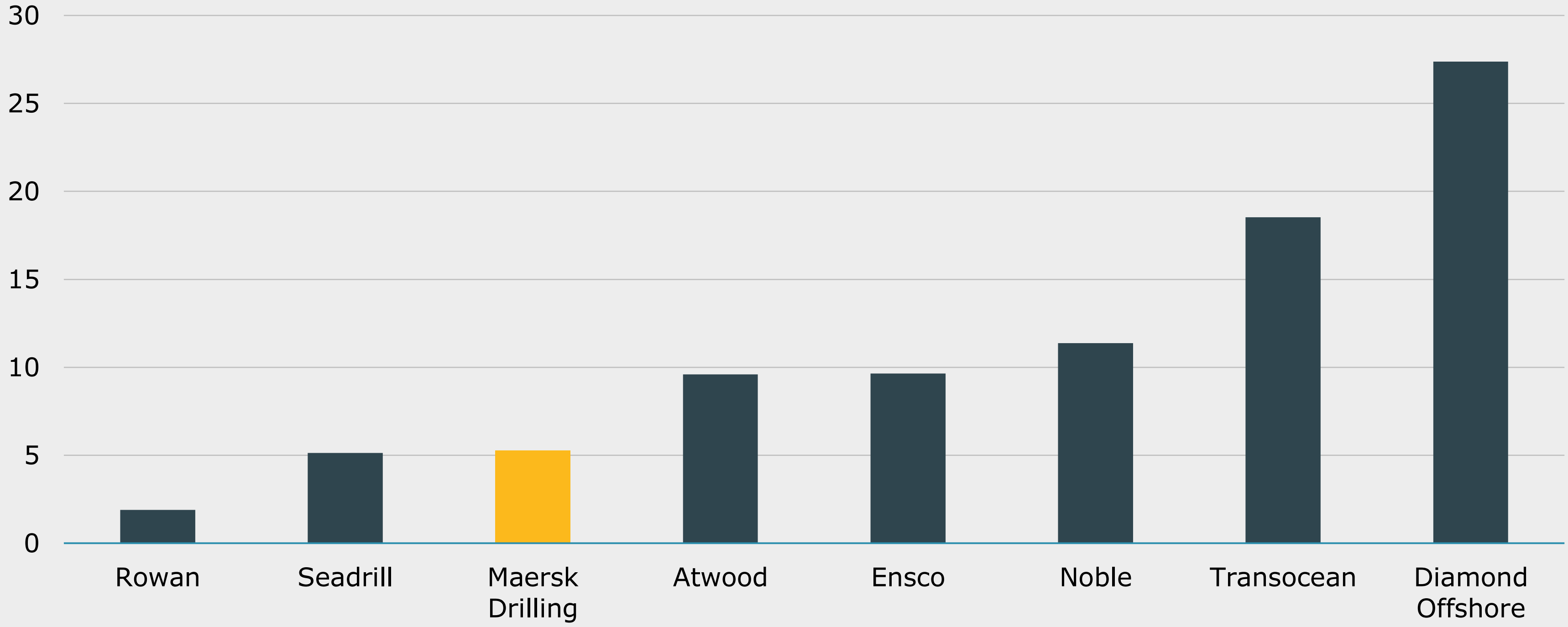
Egyptian Drilling Company (EDC)
(50/50 Joint Venture)

Onshore rigs: 61
Offshore rigs: 5/3[2]

Note 1: Maersk Guardian converted to accommodation rig. Excluded from jack-up average age calculation
Note 2: EDC owns and operates 61 onshore rigs and 5 offshore rigs, and leases and manages 3 offshore rigs
Source: Maersk Drilling

Maersk Drilling has one of the most modern fleets of floaters in the competitive landscape

Floater fleet average age, years

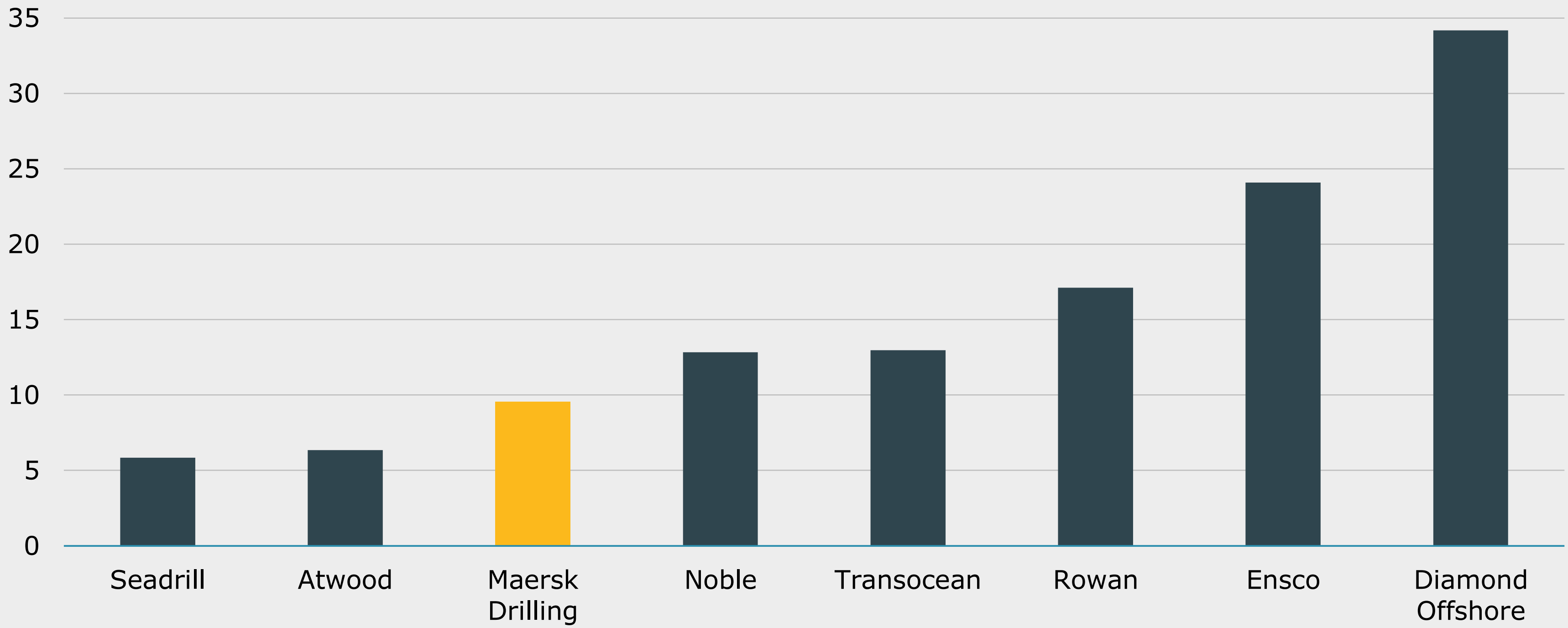


Industry average (floaters) = 17 years

Source: IHS Petrodata, Maersk Drilling

Maersk Drilling rigs also compete well in the jack-up segment

Jack-up fleet average age, years



Industry average (jack-ups) = 22 years

Note: Maersk Guardian (accommodation rig) not included jack-up average age calculation
Source: IHS Petrodata, Maersk Drilling

Cost savings program

Our commitment to enhancing resiliency has enabled 15% cost reduction since the launch of the program in Q4 2014

OPERATIONAL EXPENDITURES

Leaner maintenance & project management, procurement savings, travel expense reductions, general efficiency programmes

YARD STAYS

Optimisation of yardstays, rolling maintenance evaluation, predictive maintenance & real-time monitoring

ADMINISTRATIVE & OVERHEAD, LOCATION COSTS

Refitting the head office, expat position localisation, consultants, travel & benefits efficiencies realised

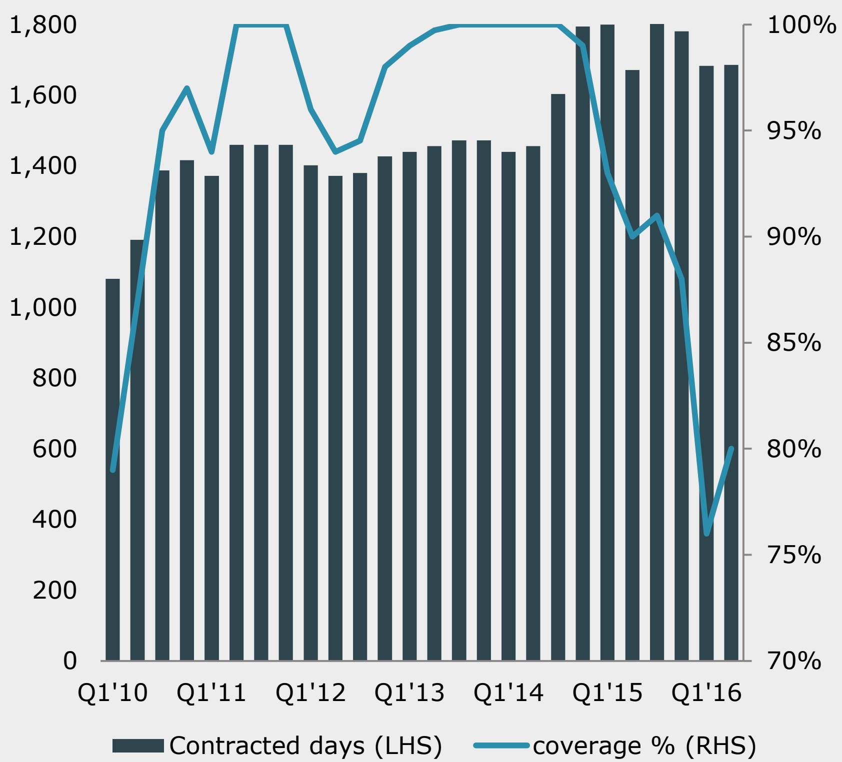
STRATEGIC APPROACH TO STACKING

Evaluate on a case-by-case basis, aggressively pursue new contracts & extensions, rigorously re-evaluate stacking cost levels

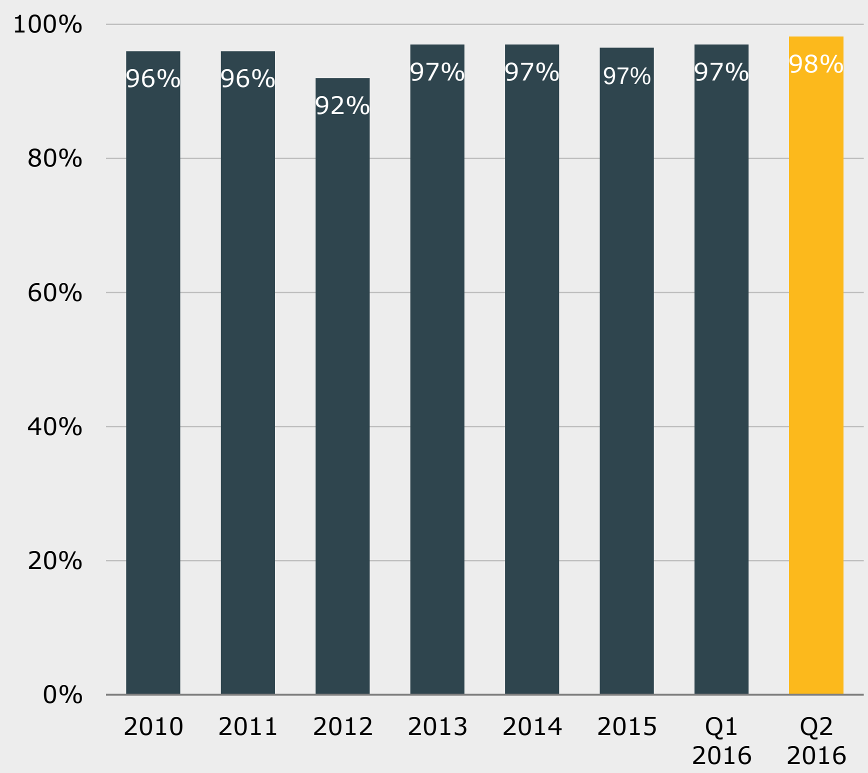
Note: cost reduction excluding FX

Utilisation adversely impacted by idle rigs but continued strong operational uptime

Contracted days (left) and coverage % (right)



Operational uptime*

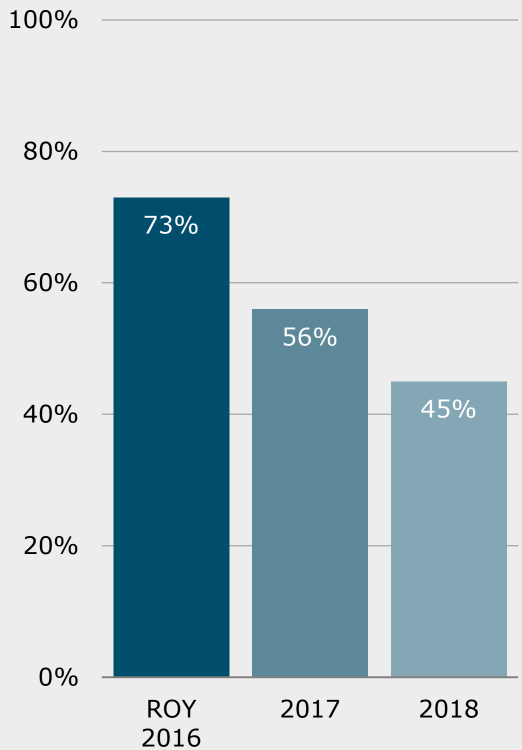


Source: Maersk Drilling

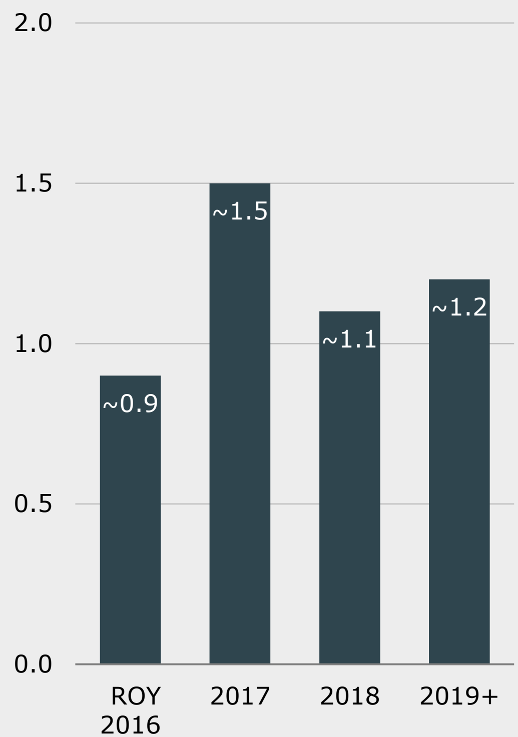
*Operational availability of the rig

Strong forward coverage with backlog providing revenue visibility

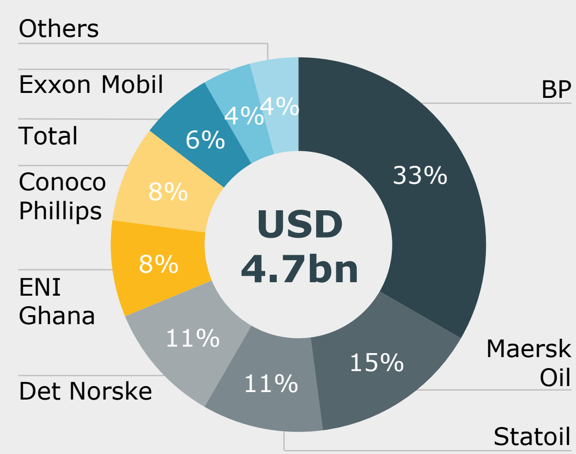
Contract coverage



Revenue backlog, USDbn



Revenue backlog by customer



Source: Maersk Drilling

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Fleet status – jack-ups

Jack-ups	Delivery year	Customer	Contract start	Contract end	Country	Comments
Mærsk Innovator	2003	ConocoPhillips	Feb 2010	Jun 2018	Norway	1 x 1 year option
Mærsk Inspirer	2004	Statoil (Volve)	May 2007	Dec 2016	Norway	
Maersk Intrepid	2014	Total	Aug 2014	Sep 2018	Norway	4 x 1 year option
Maersk Interceptor	2014	Det norske	Dec 2014	Dec 2019	Norway	Up to 2 years option
Maersk Integrator	2015	Statoil	Jun 2015	Jun 2019	Norway	2 x 1 year option
Maersk Highlander	2016	Maersk Oil	Sep 2016	Sep 2021	UK	2 x 1 year options
Mærsk Gallant	1993	Total	Feb 2016	Aug 2016	Norway	
Mærsk Giant	1986	DONG	Nov 2015	Sept 2016	Denmark	
Maersk Guardian	1986	Maersk Oil	Sep 2016	Sep 2021	Denmark	Accommodation contract
Maersk Reacher	2009	BP	Sep 2011	Sep 2016	Norway	
Maersk Resolute	2008					Available
Maersk Resolve	2009	DONG	Jun 2014	Jan 2017	Denmark	
Maersk Resilient	2008	Maersk Oil	Oct 2015	Oct 2018	Denmark	
Maersk Completer	2007	BSP	Nov 2014	Oct 2018	Brunei	3 x 1 year option
Maersk Convincer	2008					Available
XL Enhanced 4	2016	BP	Apr 2017	Apr 2022	Norway	5 x 1 year option

Note: As of 1 August 2016

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Fleet status – floaters

Semisubmersibles	Delivery year	Customer	Contract start	Contract end	Country	Comments
Mærsk Developer	2009					Available
Mærsk Deliverer	2010					Available
Maersk Discoverer	2009	BP	Jul 2012	Aug 2019	Egypt	
Heyday Aliyev	2003	BP	Sep 2012	May 2021	Azerbaijan	
Drillships						
Maersk Viking	2014	ExxonMobil	May 2014	Jun 2017	USA	
Maersk Valiant	2014	ConocoPhillips/ Marathon	Jun 2014	Sep 2016	USA	Early contract termination by customer
Maersk Venturer	2014					Available
Maersk Voyager	2015	Eni	Jul 2015	Dec 2018	Ghana	1 x 1 year option

Note: As of 1 August 2016

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APM Shipping Services

Combined revenue of approx. USD 5bn and 18,000 employees operating all over the world in 2015

MAERSK TANKERS	MAERSK SUPPLY SERVICE	SVITZER	DAMCO
One of the largest companies in the product tanker industry	The leading high-end company in the offshore supply vessel industry	The leading company in the towage industry	One of the leading 4PL providers in the logistics industry

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