



**MAERSK**

# A.P. Møller - Mærsk A/S

Teleconference - 13 March 2008

Annual Report 2007

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13 March 2008

**Speakers:** Group CEO Nils Smedegaard Andersen  
Group CFO Soren Thorup Sorensen

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

2007 Highlights

Consolidated Financial Information

Business Segments

2008 Expectation and Sensitivities

Focus Areas 2008

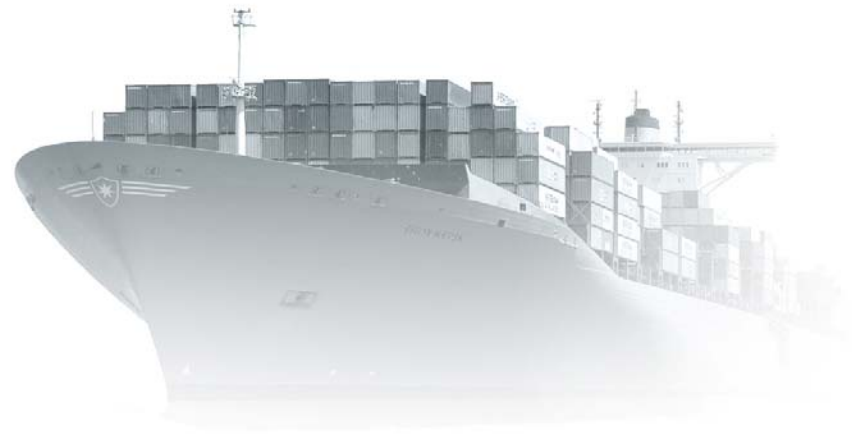
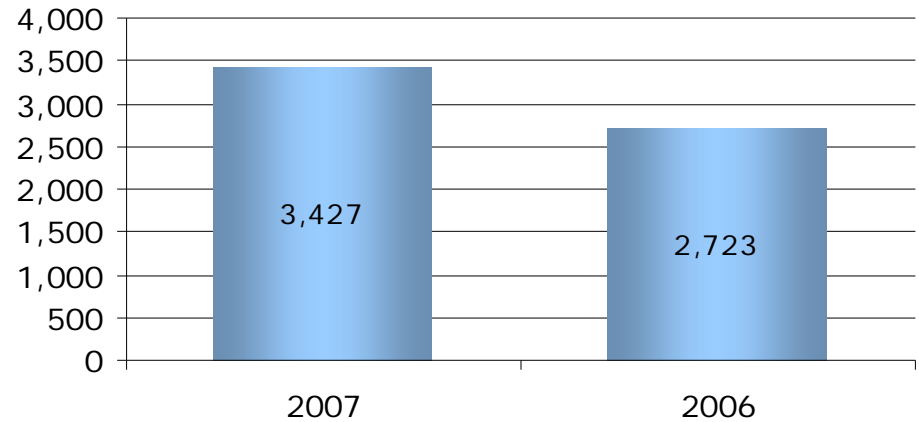
Stock Option Programmes

Q & A



- Financial result in line with expectations
- The net profit for the Container Business increased by USD 0.8 billion driven by significant improvements in Maersk Line. The result is however still not satisfactory
- Increased oil and bunker prices
- Strong markets for offshore activities
- Increased oil production but higher exploration and production costs, depreciation and tax
- Management changes

## Net Profit (USD million)





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## Consolidated Financial Information

Profit and Loss	USD million		
	Actual 2007	Actual 2006	Δ 2007/06
Revenue	51,218	43,743	17%
Profit before depreciation, amortization, etc. (EBITDA)	11,909	8,610	38%
Depreciation and Amortization	- 4,814	- 3,255	48%
Sales gains	1,113	711	57%
EBIT	8,775	6,427	37%
Financial items	- 743	- 374	99%
Profit before tax	8,032	6,053	33%
Tax	- 4,507	- 3,352	34%
<b>Net profit</b>	<b>3,427</b>	<b>2,723</b>	<b>26%</b>
APMM A/S share of net profit	3,275	2,617	25%

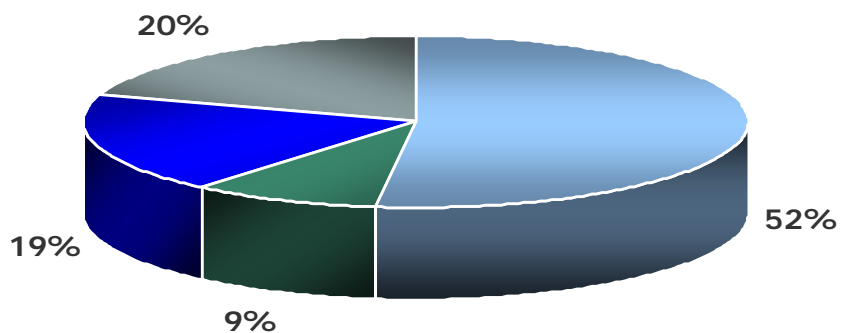


# Consolidated Financial Information

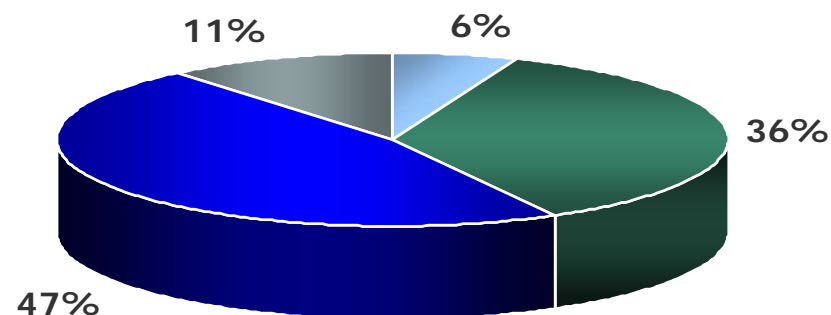
Selected financial numbers and key figures	USD million (except per share figures)		
	Actual 2007	Actual 2006	Δ 2007/06
Operational cash flow	7,313	3,987	83%
Investment cash flow	- 9,000	- 5,771	56%
Total assets	64,533	55,409	16%
Total equity	28,907	24,148	20%
<b>Key Figures</b>			
Equity ratio	44.8%	43.6%	
Earnings per share (EPS)	796	636	25%
Cash earnings per share (CEPS)	1,777	969	83%
Dividend per share	128	97	32%

# Split between business areas 2007

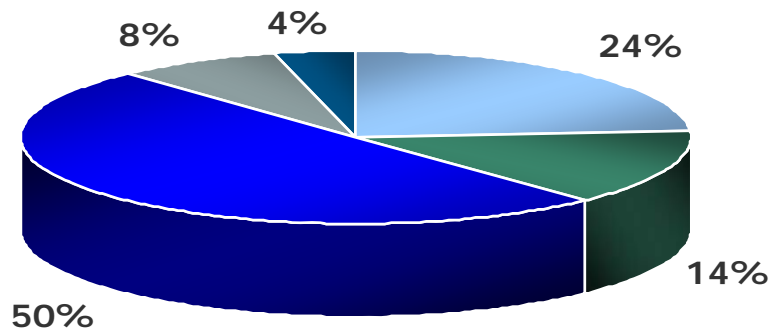
## Revenue



## Net profit



## Operational cash flow



- Container Business and related activities
- Tankers, Offshore and other shipping
- Oil and Gas activities
- Retail
- Others\*

Based on DKK

\*Includes shipyards, industrial companies, interest in Danske Bank, unallocated item, eliminations etc

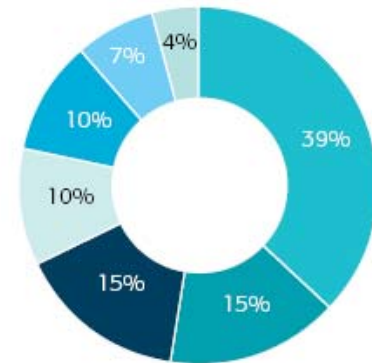


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# Container Business and related activities

USD million	Actual 2007	Actual 2006	Δ 2007/06
Revenue	26,670	25,275	6%
EBITDA	2,408	1,544	56%
Sales gains	320	308	4%
EBIT	982	125	686%
<b>Net profit</b>	<b>217</b>	<b>- 568</b>	<b>N/A</b>
Operating Cash Flow	1,778	273	551%
Investment Cash Flow	- 3,632	- 2,566	42%

### Distribution of Maersk Line volume 2007 per route



- Asia/Europe
- Africa
- Transpacific
- Oceania
- Latin America
- Intra-regional
- Transatlantic

## Highlights

- Global market growth of 9%
- 2% increase in FFE transported by Maersk Line and Safmarine – total 6.8 million FFE
- Volume decreased on Transpacific and increased on Asia/Europe and Africa
- 5% increase in avg. rates (4% excl. BAF)
- Unit cost decreased by 1%

## Initiatives

- Closed unprofitable inland destinations in North America
- Reduced capacity on Transpacific while upgrading the Asia to Europe network
- Improved document and invoicing quality
- **streamLINE**



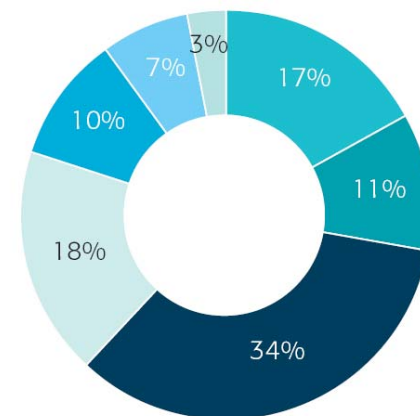


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# APM Terminals

USD million	Actual 2007	Actual 2006	Δ 2007/06
Revenue	2,519	2,065	22%
EBITDA	404	333	21%
EBIT	172	174	- 1%
<b>Net profit</b>	<b>111</b>	<b>99</b>	<b>12%</b>
Operating Cash Flow	259	226	15%
Investment Cash Flow	- 853	-1,096	- 22%

### Distribution of APMT activity, crane lift per region 2007\*



\* Weighted by ownership share

- China
- The rest of Asia
- Europe
- North America
- West- and Central Asia
- Middle- and South America
- Africa

## Highlights

- Global market growth of 11%
- 13% increase in weighted number of containers handled
- Net profit of USD 111 million on level with 2006

- EBITDA margin of 16%
- Opening of 7 new terminals including Portsmouth, Virginia, USA



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## Tankers, Offshore and Other shipping

USD million	Actual 2007	Actual 2006	Δ 2007/06
Revenue	4,440	3,731	19%
EBITDA	1,373	1,152	19%
Sales gains	702	340	106%
EBIT	1,635	1,154	42%
<b>Net profit</b>	<b>1,246</b>	<b>965</b>	<b>29%</b>
Operational Cash Flow	992	961	3%
Investment Cash Flow	- 2,040	- 1,176	73%

### Highlights

- Strong markets for drilling rigs and supply vessels
- Volatile markets for tankers and gas carriers
- Acquisition of Adsteam Marine Ltd.
- Significant sales gains
- Increased operational costs
- Newbuilding programmes



# Oil and Gas activities

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USD million	Actual 2007	Actual 2006	Δ 2007/06
Revenue	9,465	6,915	37%
Exploration costs	404	229	76%
EBITDA	8,081	5,902	37%
Depreciation and Amortisation etc.	2,436	1,131	115%
EBIT	5,673	4,783	19%
Tax	3,957	2,979	33%
<b>Net profit</b>	<b>1,628</b>	<b>1,702</b>	<b>- 4%</b>
Operational Cash Flow	3,658	2,450	49%
Investment Cash Flow	- 2,667	- 1,125	137%

## Highlights

- Increased production
- Average Brent oil price up 11%
- Increased costs of production and exploration
- Significantly increased depreciation
- Tax increased by 33% in part due to Algeria



APMM share of production, before tax (Million barrels of oil equivalent)	Actual 2007	Actual 2006	Δ 2007/06
Denmark – Oil	39	41	- 5%
Denmark – Gas	19	22	- 14%
Qatar	51	26	96%
UK	21	15	40%
Algeria	12	12	0%
Kazakhstan	0.7	0.8	- 13%
<b>Total</b>	<b>143</b>	<b>117</b>	<b>22%</b>

## Qatar Field Development

- Daily production increased to 340,000 barrels in 2007
- Planned 160 wells of which 48 are finalised
- 15 new production platforms
- Total investment above USD 6 billion, hereof USD 2.4 billion realised in 2006-07





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## Retail activity

DKK million	Actual 2007	Proforma 2006 *	Δ 2007/06
Revenue	56,382	53,755	5%
EBITDA	3,383	3,058	11%
EBIT	2,840	2,527	12%
<b>Net profit</b>	<b>2,015</b>	<b>2,027</b>	<b>- 1%</b>
APMM share of net profit	1,298	1,331	- 2%
Operational Cash Flow	3,118	3,304	- 6%
Investment Cash Flow	- 1,798	- 1,938	- 7%

\*Proforma figures reflects full consolidation in 2006 for comparison against 2007. APMM share of net profit unaffected

### Highlights

- 64 new stores opened in 2007
- Improved operational profitability
- Negative development in financial items



DKK million	Actual 2007	Actual 2006	Δ 2007/06
Revenue	8,224	10,213	- 19%
EBITDA	-759	-1,163	N/A
Associated companies	2,969	2,718	9%
<b>Net profit</b>	<b>2,449</b>	<b>1,835</b>	<b>33%</b>
Operational Cash Flow	1,607	46	3,393%
Investment Cash Flow	-613	-2,891	- 79%

## Highlights

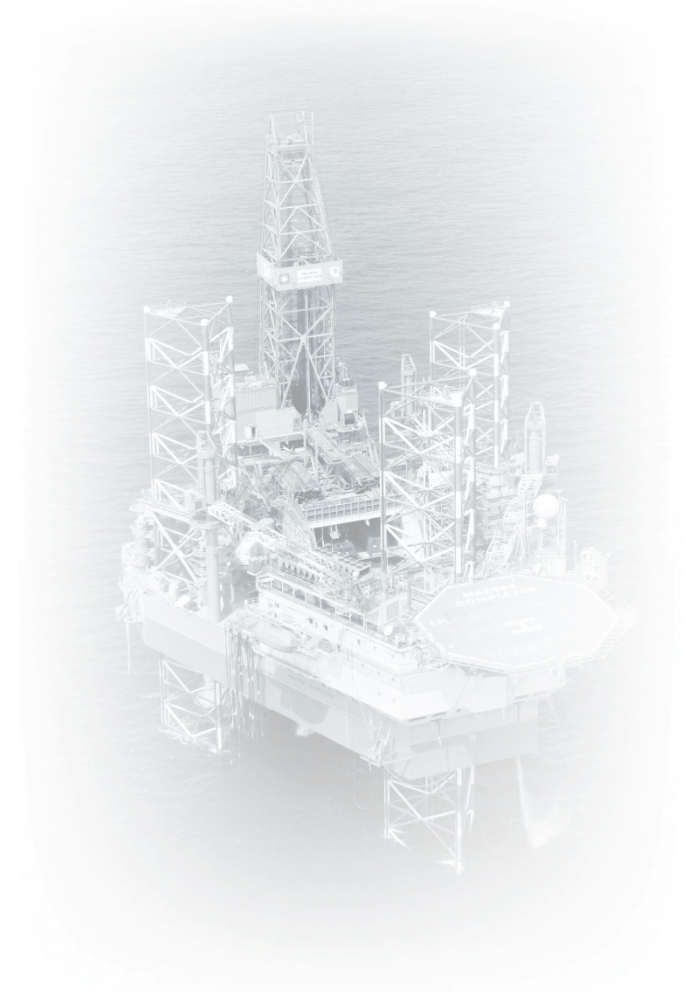
- Negative result from Odense Steel Shipyard
- Volkswerft Stralsund GmbH, Germany and Balti ES sold during 2007
- Profit of DKK 3.0 billion from 20% share in Danske Bank

## 2008 Turnover and Profit

- Based on current level of oil prices and currency exchange rates:
  - Expected revenue in the order of USD 60 billion (USD 51 billion) corresponding to about DKK 300 billion (DKK 279 billion)
  - Net profit is expected to be in the order of USD 3.6 - 4 billion (USD 3.4 billion) or DKK 18 - 20 billion (DKK 18.7 billion)
- The estimate includes among others expected:
  - One-off costs of around USD 250 million related to streamLINE
  - Total sales gains below 2007 including a USD 200 million gain related to the Höegh Autoliners transaction
- The Group is contemplating sale of non-strategic assets. If sales transaction is concluded in 2008 the sale will have a positive impact on the net profit for the Group amounting to around USD 800 million. This is not included in the above expectations of USD 3.6 - 4 billion

Based on a DKK/USD exchange rate of 5.00

- Maersk Line profitability
- Continued expansion of terminal activities
- Successful start of operation on new rigs and vessels in the offshore activities
- Field development plan in Qatar
- Safety and Environment





# To underline the common interests between management and shareholders revolving stock option programmes are introduced

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## Key executive staff ~ 110 employees

- **Conditions:** The individual must be employed at the grant date 1 April to receive that year's options
- **Scale:** Number of options granted will be based on the individuals remuneration excluding bonus equivalent to 1-2 month salary. Based on current share price a total of 2,700 options are expected to be granted in 2008
- **Exercise price:** 110% of average share price (for APMM B – shares) based on the first five days after the publication of the Groups annual report
- **Exercise period:** After two years and before five years
- **2008 Costs:** Estimated to be around DKK 30 million in 2008

## Board of Management

- Members of the Board of Management are obliged to acquire stock options at market value. The number of options is based on a percentage of remuneration. In 2008 a total of 1,100 options are expected to be sold to members of Board of Management

# Q & A





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# Consolidated Financial Information

Profit and Loss	DKK million		
	Actual 2007	Actual 2006	Δ 2007/06
Revenue	278,872	260,134	7%
Result before depreciation, amortisation, etc. (EBITDA)	64,842	51,192	27%
Depreciation and Amortization	- 26,213	- 19,357	35%
Sales gains	6,062	4,227	43%
EBIT	47,775	38,209	25%
Financial items	- 4,047	- 2,219	82%
Profit before tax	43,728	35,990	22%
Tax	- 24,537	- 19,935	23%
<b>Net profit</b>	<b>18,658</b>	<b>16,186</b>	<b>15%</b>
APMM A/S share of net profit	17,829	15,557	15%



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## Consolidated Financial Information

Selected financial numbers and key figures	DKK million (except per share figures)		
	Actual 2007	Actual 2006	Δ 2007/06
Operational cash flow	39,817	23,697	68%
Investment cash flow	- 49,003	- 34,321	43%
Total assets	327,519	313,695	4%
Total equity	146,715	136,711	7%
<b>Key Figures</b>			
Equity ratio	44.8%	43.6%	
Earnings per share (EPS)	4,333	3,781	15%
Cash earnings per share (CEPS)	9,677	5,759	68%
Dividend per share	650	550	18%

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## Tankers, Offshore and Other shipping

Maersk Contractors USD million	Actual 2007	Actual 2006
Revenue	988	864
EBITDA	327	328
Sales gains	387	15
EBIT	630	281
<b>Net profit</b>	<b>499</b>	<b>215</b>
Operational Cash Flow	166	307
Investment Cash Flow	- 688	- 658

Maersk Tankers USD million	Actual 2007	Actual 2006
Revenue	712	743
EBITDA	322	355
Sales gains	254	244
EBIT	484	515
<b>Net profit</b>	<b>408</b>	<b>476</b>
Operational Cash Flow	226	282
Investment Cash Flow	- 527	- 127

Maersk Supply Service USD million	Actual 2007	Actual 2006
Revenue	633	478
EBITDA	351	217
Sales gains	85	21
EBIT	361	170
<b>Net profit</b>	<b>284</b>	<b>147</b>
Operational Cash Flow	314	157
Investment Cash Flow	16	- 102

Svitzer USD million	Actual 2007	Actual 2006
Revenue	765	434
EBITDA	198	124
Sales gains	24	8
EBIT	110	79
<b>Net profit</b>	<b>51</b>	<b>52</b>
Operational Cash Flow	126	81
Investment Cash Flow	- 739	- 137

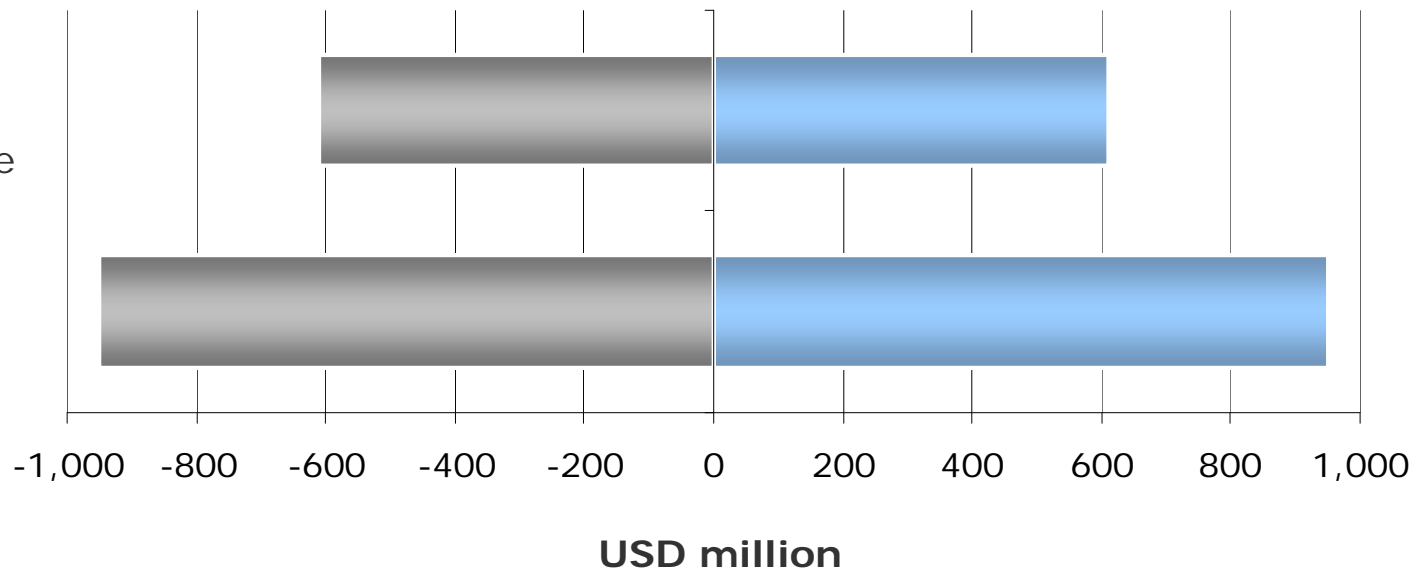


# The expectations for 2008 is sensitive to a number of factors including volumes, freight rates, exchange rate and oil price

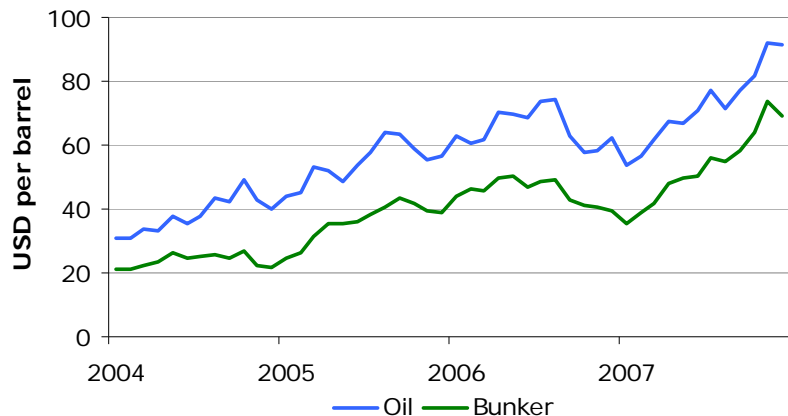
## Selected Sensitivities

5% change in average Maersk Line and Safmarine volumes

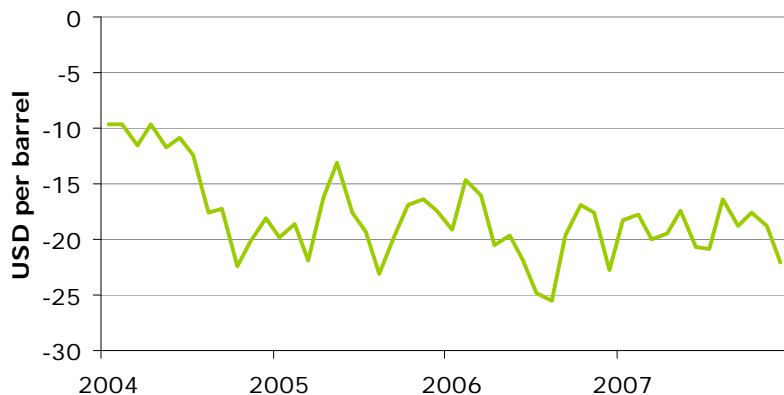
5% change in average container freight rates



## Oil and Bunker prices



## Crack



## Sensitivity

Based on the current oil price level, an increase of USD 10 per barrel in oil and bunkers prices after tax and BAF but before hedging and “all other things being equal” is estimated to have a:

- USD 380 million positive impact on the oil and gas activities
- USD 420 million negative impact on the container activities

A change of USD 1 per barrel in the crack is estimated to have an impact of USD 40 million to the Group

Further details available in the annual report