A.P. Møller - Mærsk A/S

Interim Report Q2 2016

Esplanaden 50, DK-1098 Copenhagen K / Registration no. 22756214

MAERSK

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Comparative figures

Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the same period prior year.

Forward-looking statements

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

Significant accounting estimates and judgements

For a description of significant accounting estimates and judgements, reference is made to note 25 of the Annual Report for 2015.

MAERSK GROUP PERFORMANCE

For Q2 2016

In response to challenging supply-demand imbalances, the Group continues to execute on factors that are within our control by reducing cost and delivering high operational performance.

The Group delivered a profit of USD 118m (USD 1.1bn) negatively impacted by the average container freight rates and oil price. The return on invested capital (ROIC) was 2.0% (10.2%).

The underlying profit for the Group of USD 134m (USD 1.1bn) was significantly lower than for the same period last year for all businesses except Damco.

The Group's revenue decreased by USD 1.7bn or 16% compared to Q2 2015, predominantly due to 24% lower average container freight rates and 26% lower oil price. This was partly offset by 6.9% higher container volumes and 8.2% higher oil entitlement production.

Operating expenses decreased by USD 808m mainly due to lower bunker prices and cost saving initiatives as well as lower oil exploration costs.

The Group's cash flow from operating activities of USD 940m (USD 1.8bn) was materially impacted by the low profit. Net cash flow used for capital expenditure was USD 614m (USD 1.7bn in Q2 2015 excluding the sale of shares in Danske Bank of USD 4.8bn) with investments predominantly related to the acquisition of the jack-up rig Maersk Highlander as well as development of the Culzean oil field in the UK.

With an equity ratio of 54.8% (57.3% at 31 December 2015) and a liquidity reserve of USD 11.5bn (USD 12.4bn at 31 December 2015) the Group maintains a strong financial position.

Underlying result reconciliation

	Result for the period		Gain on sale of non-current assets, etc., net[1]		Impairment losses, net[1]		Tax on adjustments		Underlying result	
USD million, Q2	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	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 Service	-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.

DEVELOPMENTS IN THE QUARTER

The Board of Directors has initiated a strategic review of the Group and appointed Søren Skou as new Chief Executive Officer of A.P. Møller - Mærsk A/S, replacing Nils S. Andersen, effective 1 July, 2016. Søren Skou will remain CEO of Maersk Line in addition to his position as CEO for the Maersk Group.

The Board of Directors acknowledges Nils S. Andersen's dedicated and persistent contribution to A.P. Møller - Mærsk A/S since 2005, first as Member of the Board of Directors and subsequently as Chief Executive Officer since December 2007, where he has been a driving force in building a focused and lean global conglomerate of five core businesses within shipping, logistics and energy.

In Q2 **Maersk Line** together with 2M partner MSC redesigned the Asia to North Europe network to offer customers better flexibility and reliability. The improved network offers best-in-class products with transit times reduced up to four days from main Asian markets to Northern Europe while the East-bound service offers a reduction of five days between Rotterdam and Shanghai. The comprehensive adjustments reemphasises the stability and maturity of the 2M alliance.

As announced 14 July, Maersk Line have together with 2M partner MSC signed a MoU (Memorandum of Understanding) with the Korean container shipping line Hyundai Merchant Marine (HMM) on HMM joining the 2M vessel sharing agreement (2M VSA) when their membership of the G6 alliance expires in 2017. The inclusion of Hyundai Merchant Marine in 2M will provide an extended coverage and a stronger product in the transpacific trade.

In 2013, the EU Commission initiated a formal investigation into 14 container shipping companies including Maersk Line. On 7 July 2016, the EU Commission announced that it closed its formal investigation without finding an infringement of EU competition law.

Maersk Oil continues its strong operational and safety performance. Cost reductions are progressing ahead of plan with closure of the offices in Brazil and the US as well as headcount reductions primarily in Headquarters, Kazakhstan, Norway, US and Angola. Offshoring of back office finance activities to the shared service centre in Pune, India, continues according to plan.

On 27 June it was announced that Maersk Oil was not selected by Qatar Petroleum to participate in the joint venture operating the Al Shaheen field when the existing production sharing agreement expires in July 2017. Maersk Oil will be redeploying a number of its employees who today are based in Qatar elsewhere in its global organisation. The outcome of the tender process has no effect on the full-year guidance for 2016 and there will be no impairments as a result of the tender.

APM Terminals continued the integration process of Grup Marítim TCB acquired in March, as planned, including the identification and realisation of expected synergies and benefits. As expected, Grup Marítim TCB contributed with a minor positive result to APM Terminals in Q2.

An investigation of the Terminal de Contenedores Quetzal (TCQ) concession in Guatemala is still ongoing concerning alleged irregularities dating back to before APM Terminals acquired the terminal. APM Terminals is cooperating fully with the local authorities and expect to conclude an agreement for TCQ in the coming months.

As a consequence of the weak market conditions, APM Terminals has accelerated cost and performance initiatives introduced in 2015 which include staff reductions in the Headquarters and closing offices in Dubai and Rotterdam.

In Q2 APM Terminals signed a contract to extend the reach of ten Ship-to-Shore (STS) cranes in Pier 400 Los Angeles – the largest gateway port in the US. The STS cranes will be able to accommodate Ultra-Large Container Ships of up to 20,000 TEU capacity.

Maersk Drilling acquired a newbuild harsh environment jack-up rig from Hercules Offshore for USD 190m, significantly below original construction price. The rig will be mobilised to the North Sea to commence a five-year drilling contract with Maersk Oil and its partners, BP and JX Nippon, on the Culzean gas field offshore UK. The revenue value of the five-year drilling contract is approximately USD 420m.

The credit rating agency Standard & Poor's have put the **Maersk Group's rating** of BBB+ on CreditWatch negative versus previously a negative outlook. The rating from Moody's remains Baa1 with a stable outlook rating.

The Group issued NOK 5.2bn (USD 620m) of Norwegian kroner denominated **bonds** in June 2016.

GROUP STRATEGY UPDATE

Progress on the initiated strategic review of the Group will be communicated before end of Q3 2016.

The Group has since 2008 effectively optimised the operations of the businesses and in 2015 seven out of eight businesses, corresponding to around 97% of the Group's invested capital, delivered top quartile performance in their industries.

Operationally the Group has continuously taken steps to mitigate the challenges from supply-demand imbalances by focusing on customer services, innovation, and higher competitiveness by optimising the businesses and reducing costs.

Recognising the Group's low growth and returns the Board of Directors has during Q2 initiated a process to develop and consider the strategic and structural options for the Maersk Group to further increase agility and synergies. The purpose of this review is to ensure that the Group remains strong, profitable and financially viable as the Group develops new growth opportunities.

CURRENT STRATEGY

Until the ongoing strategic review is finalised, the Group strategy remains unchanged as previously communicated with a strategic direction of targeting profitable growth through business optimisation and value-enhancing acquisitions, cost efficiency programmes and a strong customer focus to maintain top-quartile performance in all business units.

In order to maintain and grow the businesses in a low interest environment and thereby achieve the Group's ambition of ROIC above 10% over the cycle, the Group has to accept the potential of making investments that at present do not on a standalone basis fully comply with the 10% ROIC target.

The Group continues to focus on ensuring a strong capital structure and a high operating cash flow conversion. The Group's ambition is to increase the nominal dividend per share over time, supported by underlying earnings growth.

GUIDANCE FOR 2016

The Group's expectation of an underlying result significantly below last year (USD 3.1 bn) is unchanged. Gross cash flow used for capital expenditure is now expected to be around USD 6bn in 2016 (USD 7.1 bn) from previously around USD 7bn.

Copenhagen, 12 August 2016

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Changes in guidance are versus guidance given at Q1 2016. All figures in parenthesis refer to full year 2015.

The Interim Report for Q3 is expected to be announced on 2 November 2016.

Maersk Line reiterates the expectation of an underlying result significantly below last year (USD 1.3bn). Global demand for seaborne container transportation is still expected to increase by 1-3%. Maersk Line aims to grow at least with the market to defend its market leading position.

Maersk Oil now expects a positive underlying result versus previously a break-even result. A break-even result is still to be reached with an oil price in the range of USD 40-45 per barrel.

Maersk Oil maintains an expected entitlement production of 320,000-330,000 boepd (312,000 boepd). Exploration costs are now expected to be significantly below last year (USD 423m) versus previously to be below 2015.

APM Terminals now expects an underlying result significantly below 2015 (USD 626m) versus previously below the 2015 level, due to reduced demand expectations in oil producing emerging economies and network adjustments by customers.

Maersk Drilling now expects an underlying result below last year (USD 732m) up from significantly below last year, due to the positive impact from termination fees.

APM Shipping Services reiterates the expectation of an underlying result significantly below the 2015 result (USD 404m) predominantly due to significantly lower rates and activity in Maersk Supply Service.

SENSITIVITY GUIDANCE

The Group's guidance for 2016 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 for the rest of 2016 for four key value drivers are listed in the table below:

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	+/-100 USD/tonne	-/+USD 0.1bn
Container freight rate	+/-100 USD/FFE	+/-USD 0.5bn
Container freight volume	+/-100,000 FFE	+/-USD 0.1bn

SUMMARY FINANCIAL INFORMATION

AMOUNTS IN USD MILLION

INCOME STATEMENT	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Revenue	8,861	10,526	17,400	21,073	40,308
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,779	2,631	3,376	5,201	9,074
Depreciation, amortisation and impairment losses, net	1,294	1,223	2,456	2,324	7,944
Gain on sale of non-current assets, etc., net	111	68	122	343	478
Share of profit/loss in joint ventures	36	39	59	100	165
Share of profit/loss in associated companies	24	24	45	42	97
Profit before financial items (EBIT)	656	1,539	1,146	3,362	1,870
Financial items, net	-154	-80	-275	-151	-423
Profit before tax	502	1,459	871	3,211	1,447
Tax	384	373	529	553	522
Profit for the period	118	1,086	342	2,658	925
A.P. Møller - Mærsk A/S' share	101	1,069	312	2,608	791
Underlying result	134	1,099	348	2,418	3,071

BALANCE SHEET	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Total assets	63,299	64,015	63,299	64,015	62,408
Total equity	34,718	38,236	34,718	38,236	35,739
Invested capital	46,424	47,303	46,424	47,303	43,509
Net interest-bearing debt	11,706	8,835	11,706	8,835	7,770
Investments in property, plant and equipment and intangible assets	4,040	1,998	4,040	3,987	7,647

CASH FLOW STATEMENT	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Cash flow from operating activities	940	1,777	1,190	3,727	7,969
Cash flow used for capital expenditure	-614	3,075	-2,477	1,432	-1,408

FINANCIAL RATIOS	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Return on invested capital after tax (ROIC), annualised	2.0%	10.2%	2.4%	12.0%	2.9%
Return on equity after tax, annualised	1.3%	11.6%	1.9%	13.2%	2.4%
Equity ratio	54.8%	59.7%	54.8%	59.7%	57.3%

STOCK MARKET RATIOS	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Earnings per share (EPS), USD	5	49	15	121	37
Diluted earnings per share, USD	5	49	15	121	37
Cash flow from operating activities per share, USD	45	83	57	174	372
Share price (B share), end of period, DKK	8,705	12,120	8,705	12,120	8,975
Share price (B share), end of period, USD	1,299	1,818	1,299	1,818	1,314
Total market capitalisation, end of period, USD m	26,438	38,403	26,438	38,403	27,587

GROUP BUSINESS DRIVERS	Q2 2016	Q2 2015	6 months 2016	6 months 2015	Full year 2015
Maersk Line					
Transported volumes (FFE in '000)	2,655	2,484	5,017	4,691	9,522
Average freight rate (USD per FFE)	1,716	2,261	1,782	2,370	2,209
Unit cost (USD per FFE incl. VSA income)	1,911	2,246	1,981	2,342	2,288
Average fuel price (USD per tonne)	194	335	186	346	315
Maersk Line fleet, owned	283	278	283	278	285
Maersk Line fleet, chartered	347	341	347	341	305
Fleet capacity (TEU in '000)	3,143	3,077	3,143	3,077	2,962
Maersk Oil					
Average share of oil and gas production (thousand barrels of oil equivalent per day)	331	306	341	305	312
Average crude oil price (Brent) (USD per barrel)	46	62	40	58	52
APM Terminals					
Containers handled (measured in million TEU and weighted with ownership share)	9.4	9.2	18.1	18.3	36.0
Number of terminals	72	65	72	65	63
Maersk Drilling					
Operational uptime	98%	97%	98%	97%	97%
Contracted days	1,686	1,671	3,369	3,471	7,086
Revenue backlog (USD bn)	4.7	5.3	4.7	5.3	5.4

The interim consolidated financial statements are prepared in accordance with IAS 34 and has been subject to review by the independent auditor, cf. page 24.

INVESTED CAPITAL AND ROIC

	Invested capital 30 June USD million		ROIC, annualised Q2		ROIC, annualised 6 months	
	2016	2015	**2016**	2015	**2016**	2015
MAERSK GROUP	**46,424**	**47,303**	**2.0%**	**10.2%**	**2.4%**	**12.0%**
MAERSK LINE	20,002	20,340	-3.0%	10.1%	-1.1%	12.2%
MAERSK OIL	4,302	5,962	12.1%	9.2%	5.0%	11.9%
APM TERMINALS	7,815	5,995	5.8%	10.9%	6.0%	11.9%
MAERSK DRILLING	8,044	8,246	8.3%	10.6%	9.8%	9.6%
APM SHIPPING SERVICES	4,836	4,679	-3.6%	11.8%	1.3%	9.9%
Maersk Tankers	1,663	1,580	6.9%	8.9%	9.2%	9.0%
Maersk Supply Service	1,727	1,699	-24.0%	15.2%	-12.1%	12.0%
Svitzer	1,233	1,114	7.8%	11.6%	8.6%	11.3%
Damco	213	286	18.5%	8.9%	10.9%	-1.5%

Businesses

MAERSK LINE

Maersk Line continued to deliver on strategic objectives in Q2, with record low unit costs and a volume growth at least in line with the market. Continued pressure on container freight rates in the quarter lead to an underlying loss of USD 139m and a negative free cash flow of USD 20m.

Maersk Line reported an unsatisfactory loss of USD 151m (profit of USD 507m) in challenging market conditions. ROIC was negative 3.0% (positive 10.1%).

Revenue of USD 5.1bn was 19% lower than Q2 2015. The development was driven by a 24% decline in average freight rates to 1,716 USD/FFE (2,261 USD/FFE) partially offset by a 6.9% increase in volumes to 2,655k FFE (2,484k FFE). With an increase of fleet capacity of 2.2%, the increase in volumes represents an improvement of network utilisation. The freight rate decline was mainly attributable to lower bunker prices and weak market conditions.

Container freight rates declined across all trades. North America and West Central Asia declined the most but African, Oceanic and European trades were also notably lower. The decline in North American average rates reflect increased competition, but is also impacted by increased backhaul volumes at lower rates in Q2 2016. West Central Asian, Oceanic and European trades were impacted by market imbalance whereas African trades were mainly impacted by weak demand. Recognised freight revenue was USD 4.5bn (USD 5.6bn) and other revenue was USD 539m (USD 617m).

				USD MILLION
		Q2		6 months
MAERSK LINE HIGHLIGHTS	**2016**	2015	**2016**	2015
Revenue	5,061	6,263	10,035	12,517
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**365**	**998**	**851**	**2,200**
Depreciation, amortisation and impairment losses, net	493	476	968	945
Gain on sale of non-current assets, etc., net	5	8	10	12
Share of profit/loss in associated companies	-	-	-	-1
Profit/loss before financial items (EBIT)	**-123**	**530**	**-107**	**1,266**
Tax	28	23	7	45
Net operating profit/loss after tax (NOPAT)	**-151**	**507**	**-114**	**1,221**
Underlying result	**-139**	**499**	**-107**	**1,209**
Cash flow from operating activities	89	873	131	1,844
Cash flow used for capital expenditure	-109	-861	-78	-1,063
Invested capital	20,002	20,340	20,002	20,340
ROIC, annualised	-3.0%	10.1%	-1.1%	12.2%
Transported volumes (FFE in '000)	2,655	2,484	5,017	4,691
Average freight rate (USD per FFE)	1,716	2,261	1,782	2,370
Unit cost (USD per FFE incl. VSA income)	1,911	2,246	1,981	2,342
Average fuel price (USD per tonne)	194	335	186	346
Maersk Line fleet, owned	283	278	283	278
Maersk Line fleet, chartered	347	341	347	341
Fleet capacity (TEU in '000)	3,143	3,077	3,143	3,077

The EBIT margin gap to peers is estimated at around 8% for Q1 2016, above our target of 5%. However, restating for the impact of a significant impairment from one competitor, the underlying EBIT margin gap to peers remained around the 5% ambition and on par with Q4 2015.

Cash flow from operating activities was USD 89m (USD 873m), impacted by the reduced earnings and increased net working capital. Cash flow used for capital expenditure was USD 109m (USD 861m), mainly as a result of lower vessel investments and divestments. Free cash flow ended at negative USD 20m (positive USD 12m).

MARKET DEVELOPMENT

Global container demand grew around 2% in Q2 compared to same quarter last year. Demand growth showed improving signs from the weak development recorded in 2015. Above all, European imports improved amongst other things reflecting a stabilisation in Russia and increased inventory restocking. Imports into North America continued to remain solid. However, container imports to Brazil and South- and West Africa continued to be weak as most of the larger emerging economies encounter challenging economic conditions.

The global container fleet grew around 6% in Q2 compared to same quarter last year. At the end of Q2 the global container fleet stood at 20.3m TEU of which about 5% were idle. Deliveries amounted to about 281k TEU (41 vessels) and 154k TEU (49 vessels) were scrapped. During the same period 81k TEU (44 vessels) of new capacity were ordered, keeping the order book at around 18% of the current fleet (Alphaliner).

The industry has continued to see steps towards consolidation through mergers and acquisition as well as formation of large scale alliances. Maersk Line welcomes consolidation as the container shipping industry is fragmented and consolidation will enable carriers to create economies of scale and optimise networks, which in the long-run will benefit customers. In the past quarter, the formation of two new major alliances was announced. The 2M alliance was implemented in the beginning of 2015 and is based on a 10-year agreement, and thus will not be affected by the creation of the new alliances, albeit with the potential inclusion of HMM following the announcement of 14 July.

MAERSK LINE FLEET AND COST DEVELOPMENT

By the end of Q2, the Maersk Line fleet consisted of 283 owned vessels (1,829k TEU) and 347 chartered vessels (1,314k TEU) with a total capacity of 3,143k TEU, an increase of 2.2% compared to Q2 2015. Idle capacity at the end of Q2 was 44k TEU (four vessels) versus 10k TEU (three vessels) at the end of Q2 2015. Maersk Line's idle capacity corresponds to around 4.7% of total idle capacity in the market.

Managing capacity in line with the container demand growth remains a focus area for Maersk Line, while still defending its market leading position on volumes.

Cost leadership remains a key strategic priority and in Q2, Maersk Line posted record low unit cost, improving by 15% to 1,911 USD/FFE (2,246 USD/FFE) mainly benefitting from decreased bunker prices, improved fleet utilisation, and cost efficiencies. Bunker cost decreased 40% compared to Q2 2015 driven by 42% lower bunker prices. Bunker efficiency improved by 2.8% to 877kg/FFE (902 kg/FFE).

The cost initiatives announced in Q4 2015 are progressing as planned, including efforts to further reduce cost from transactional work through standardisation, automation and digitalisation of processes. Maersk Line is on track to deliver the benefits by the end of 2017.

MAERSK LINE
Maersk Line serving our customers with a refrigerated goods transport at a flower market in **Hong Kong**.

MAERSK OIL

Solid operational performance, 25% cost reductions and increased oil price return Maersk Oil to profit. Continued focus on maturing Johan Sverdrup and Culzean will add production by 2019. Maersk Oil will exit Qatar in 2017.

Maersk Oil reported a profit of USD 131m (USD 137m) and a ROIC of 12.1% (9.2%) in Q2 2016. The return to profit in Q2 was mainly due to an oil price of USD 46 (USD 62) per barrel compared to USD 34 in Q1 2016 as well as improved operational performance and reduced costs.

Entitlement production of 331,000 boepd (306,000 boepd) was 8.2% higher than in Q2 2015 and exploration costs of USD 47m (USD 109m) 57% lower than the same period last year. Maersk Oil reduced operating expenses versus same quarter last year by 25% excluding exploration, to USD 475m (USD 632m). Further initiatives to address cost reductions are being executed, including further leveraging the softer supplier market and the total cost savings by the end of 2016 are now expected to be 25-30%, well above the targeted 20% reduction compared to the 2014 baseline. The initiated outsourcing of administrative functions to a shared service centre in India continues as planned. Including the latest announced reductions in the Danish Headquarters and in Angola, Denmark, the UK, US and Kazakhstan, the number of positions have been reduced by 1,500 (25%) compared to the Q3 2014 baseline.

Maersk Oil is striving to secure the lowest possible break-even oil price for its portfolio whilst maintaining safe and reliable operations and has secured a break-even level of around USD 40-45 per barrel for 2016.

Cash flow from operating activities was USD 514m (USD 611m). Cash flow used for capital expenditure was USD 330m (USD 502m) mainly related to Culzean and Johan Sverdrup developments.

MAERSK OIL HIGHLIGHTS	Q2		6 months	USD MILLION
	2016	2015	**2016**	2015
Revenue	1,278	1,583	2,310	3,016
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**755**	**849**	**1,176**	**1,439**
Depreciation, amortisation and impairment losses, net	337	440	685	751
Gain on sale of non-current assets, etc., net	1	-	1	3
Profit/loss before financial items (EBIT)	**419**	**409**	**492**	**691**
Tax	288	272	390	346
Net operating profit/loss after tax (NOPAT)	**131**	**137**	**102**	**345**
Underlying result	**130**	**217**	**101**	**424**
Cash flow from operating activities	514	611	342	716
Cash flow used for capital expenditure	-330	-502	-1,084	-996
Invested capital	4,302	5,962	4,302	5,962
ROIC, annualised	12.1%	9.2%	5.0%	11.9%
Exploration costs	47	109	104	271
Average share of oil and gas production (thousand barrels of oil equivalent per day)	331	306	341	305
Average crude oil price (Brent) (USD per barrel)	46	62	40	58

EFFECT OF THE AL SHAHEEN, QATAR TENDER OUTCOME

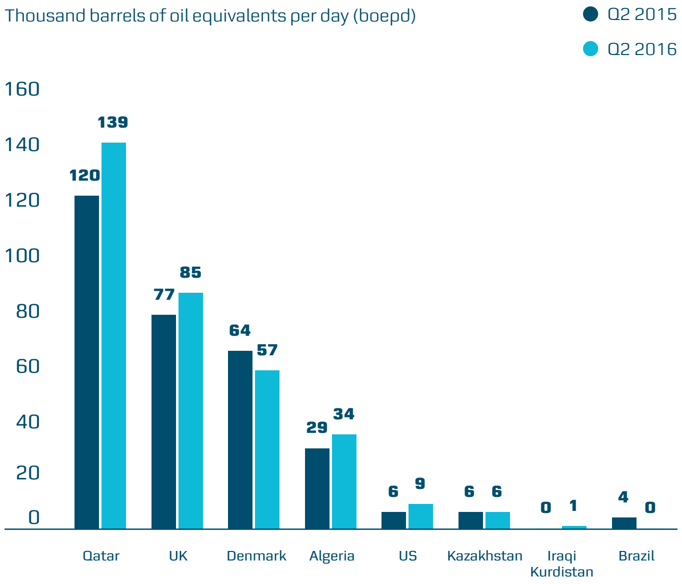
On 27 June 2016 Qatar Petroleum announced that Maersk Oil was not selected to participate in the joint venture operating the Al Shaheen field from July 2017. The financial impact of not continuing in Qatar is limited as a new contract would have been on less attractive terms compared to the existing terms. However, Maersk Oil will lose 40% of its entitlement production and revenue at the current oil price. The tender result will not lead to any impairments or reduce Maersk Oil's reserves and resource base which was disclosed in the Q1 2016 Interim Report.

ENTITLEMENT SHARE OF PRODUCTION

The increased entitlement production was primarily a result of Qatar entitlement production increase by 16% due to the decreased oil price giving more barrels for cost recovery.

Entitlement share of production

Thousand barrels of oil equivalents per day (boepd)



Increased production efficiency in the UK also contributed well to the higher production, partly offset by lower production in Denmark due to natural decline and maintenance shut downs.

In Norway, Maersk Oil participates in the development of the Johan Sverdrup oil field which is progressing according to plans and within budget towards first production in 2019.

In the UK, Maersk Oil is the operator of the Culzean gas field development which is also progressing according to plans and within budget with expected production start 2019. Further, the Maersk Oil operated Flyndre development is progressing towards production start by end 2016.

In the Danish North Sea, work is ongoing in an attempt to identify a profitable and safe scenario for production for the Tyra field after 2018. Production from the Tyra field will cease in October 2018 if an economically viable solution for continued operations is not identified during 2016.

In Angola, Maersk Oil is currently assessing joint development with neighbouring blocks as well as negotiating with authorities, partners and contractors to reduce costs in an attempt to make the Chissonga project viable. As a consequence of the changed focus Maersk Oil is closing its US office and transferring responsibilities for Chissonga and Gulf of Mexico assets to Denmark and UK.

Work in the recent acquired interests in licences in Kenya and Ethiopia continues with two exploration wells planned to start drilling by the end of the year.

As a result of the market conditions and disappointing exploration results during recent years, focus shifted from organic to inorganic growth in 2015. Exploration activities are significantly reduced whereas value-adding acquisition opportunities are being pursued in order to strengthen the portfolio.

MAERSK OIL
The **Maersk Oil** operated gas project **Culzean** is progressing as planned. In Q2 2016 the first out of three jackets was completed and installed at the location.

APM TERMINALS

Lower profits in several key markets was partly offset by cost savings across the organisation. Integration of Grup Marítim TCB is progressing as planned.

APM Terminals made a profit of USD 112m (USD 161m) on par with Q1 2016 (USD 108m) and with a ROIC of 5.8% (10.9%).

Grup Marítim TCB was added to the APM Terminals portfolio in March 2016 with eight terminals, while three terminals in Turkey and on the Canary Islands were initially carved out. Since the acquisition in March, the commercial performance across the TCB portfolio has continuously strengthened. An investigation of the Terminal de Contenedores Quetzal (TCQ) concession in Guatemala is still ongoing concerning alleged irregularities dating back to before APM Terminals acquired the terminal. APM Terminals is cooperating fully with the local authorities and expect to conclude an agreement for TCQ in the coming months.

For APM Terminals, profits remain under pressure, as terminals in oil dependent markets face declining volumes and commercially challenged terminals in Latin America, North-West Europe and Egypt have not regained business to compensate earlier lost services.

APM Terminals is responding by accelerating the ongoing cost saving initiatives in all controlled entities and Headquarters. Staff redundancies constitute a large share of the initiatives, which in total have resulted in savings of USD 46m in the first half of 2016. Terminals and inland facilities most severely impacted by lower volumes are currently subject to centrally guided structural cost reviews to identify and execute further cost reductions.

				USD MILLION
		Q2		**6 months**
APM TERMINALS HIGHLIGHTS	**2016**	2015	**2016**	2015
Revenue	1,064	1,033	2,026	2,169
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**187**	**206**	**351**	**426**
Depreciation, amortisation and impairment losses, net	108	77	193	147
Gain on sale of non-current assets, etc., net	15	2	16	10
Share of profit/loss in joint ventures	22	32	40	71
Share of profit/loss in associated companies	25	22	50	42
Profit/loss before financial items (EBIT)	**141**	**185**	**264**	**402**
Tax	29	24	44	51
Net operating profit/loss after tax (NOPAT)	**112**	**161**	**220**	**351**
Underlying result	**109**	**159**	**216**	**334**
Cash flow from operating activities	163	176	361	447
Cash flow used for capital expenditure	-173	-169	-1,133	-391
Invested capital	7,815	5,995	7,815	5,995
ROIC, annualised	5.8%	10.9%	6.0%	11.9%
Containers handled (measured in million TEU and weighted with ownership share)	9.4	9.2	18.1	18.3
Number of terminals	72	65	72	65

APM Terminals increased invested capital to USD 7.8bn (USD 6.0bn), mainly due to the Grup Marítim TCB acquisition. The enlarged APM Terminals portfolio including the projects under implementation may create opportunities for consolidation and potentially divestments. APM Terminals is open for pursuing these opportunities to generate additional value.

Globally, the port handling market grew by 2.3% versus same quarter last year (Drewry) driven mainly by growth in Asia and Middle East.

APM Terminals handled 9.4m TEU in Q2 (weighted with APM Terminals' ownership interest) or 2.6% more than in Q2 2015 (9.2m TEU). The increase was mainly due to the acquisition of Grup Marítim TCB. Excluding the TCB acquisition and terminals divested during 2015, APM Terminals handled 0.2% more volumes than in the same period last year, mainly driven by growth in South-East and North East Asia.

Operating businesses generated a profit of USD 123m (USD 169m) and a ROIC of 8.8% (12.5%) and projects under implementation along with Grup Marítim TCB from beginning of March had a combined loss of USD 11m (loss of USD 8m) and a ROIC of negative 2.1% (negative 6.3%) resulting from start-up costs.

The share of profit in joint ventures and associated companies came at USD 47m (USD 54m), with the reduction spread across a majority of entities.

Cash flow from operating activities was USD 163m (USD 176m) and cash flow used for capital expenditure was USD 173m (USD 169m). Projects under implementation accounted for USD 131m of the cash flow for capital expenditure.

APM TERMINALS

APM Terminals has signed a contract to extend the reach of ten Ship-to-Shore (STS) cranes in Pier 400 Los Angeles to meet the needs of larger vessels entering into the global fleet.

MAERSK DRILLING

High operational uptime and savings on operating costs were partly offset by more idle days.

Maersk Drilling delivered a profit of USD 164m (USD 218m) and a ROIC of 8.3% (10.6%). Maersk Drilling continues to be positively impacted by a strong contract coverage secured at higher dayrates in a different market environment than the current. However, the market outlook for the offshore drilling industry remains challenging over the medium-term, which will impact Maersk Drilling's future earnings.

Oil companies continue to respond to lower oil prices by reducing future investment plans, postponing or cancelling offshore development projects and re-allocating capital to lower cost, lower risk onshore projects. The combination of lower activity levels in the oil industry and deliveries of newbuild rigs continues to drive lower utilisation levels and lower dayrates.

In response to the challenging business environment Maersk Drilling continues to identify and drive cost savings to increase profitability and cash flows. In Q2 2016, Maersk Drilling reduced costs by 8% compared to Q2 2015, adjusted for exchange rate effects and number of rigs in operation. Since the launch of the cost reduction and efficiency enhancement programme in Q4 2014, Maersk Drilling has reduced cost by more than 15%. The cost savings have been achieved primarily through a strong

MAERSK DRILLING HIGHLIGHTS	Q2 2016	Q2 2015	6 months 2016	6 months 2015
USD MILLION				
Revenue	566	624	1,220	1,254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**330**	**361**	**737**	**704**
Depreciation, amortisation and impairment losses, net	148	118	293	259
Gain on sale of non-current assets, etc., net	-	29	-	29
Share of profit/loss in joint ventures	8	-5	7	8
Profit/loss before financial items (EBIT)	**190**	**267**	**451**	**482**
Tax	26	49	65	96
Net operating profit/loss after tax (NOPAT)	**164**	**218**	**386**	**386**
Underlying result	**164**	**189**	**387**	**384**
Cash flow from operating activities	129	248	556	528
Cash flow used for capital expenditure	-220	-45	-231	-731
Invested capital	8,044	8,246	8,044	8,246
ROIC, annualised	8.3%	10.6%	9.8%	9.6%
Operational uptime	98%	97%	98%	97%
Contracted days	1,686	1,671	3,369	3,471
Revenue backlog (USD bn)	4.7	5.3	4.7	5.3

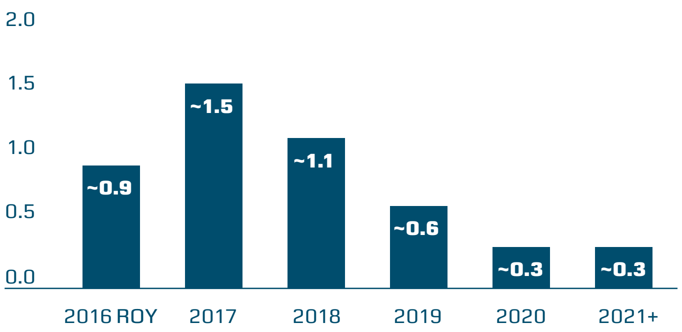
focus on operational and maintenance costs, but also by optimising yard stays, vendor re-negotiations, reduction of staff onshore, layoffs of rig crews as well as salary reductions and salary freeze and general optimisation to the operations.

In addition to the cost reduction efforts, Maersk Drilling is looking at new operating models for the way contractors and oil companies work together in order to reduce costs and to de-risk increasingly complex projects in the upstream industry. Maersk Drilling is actively engaged in dialogues with key customers exploring new business models based on larger degree of collaboration and commercial alignment between the oil company and the contractor in order to drive higher efficiency levels and joint value creation for both Maersk Drilling and the customer in the long term and a high utilisation in the short term.

Contract coverage per segment, end Q2 2016

Segment	2016 ROY	2017
Premium jack-up rigs	74%	57%
Ultra deepwater and midwater rigs	73%	53%
Total	**73%**	**56%**

Revenue backlog, end Q2 2016



The economic utilisation of the fleet for Q2 was 83% (85%) adversely impacted by five rigs being idle or partly idle. Maersk Drilling delivered a high operational performance across the rig fleet with an average operational uptime of 98% (98%) for the jack-up rigs and 99% (96%) for the floating rigs.

At the end of Q2 2016, Maersk Drillings' forward contract coverage was 73% for 2016, 56% for 2017 and 45% for 2018. The total revenue backlog by the end of Q2 amounted to USD 4.7bn (USD 5.3bn).

In July an early termination agreement for the deepwater unit Maersk Valiant was signed with effect from mid-September 2016. The original contract was scheduled to end September 2017. The compensation under the early termination agreement leaves Maersk Drilling financially neutral to the original contract.

The lower cash flow from operating activities of USD 129m (USD 248m) was due to higher net working capital. Cash flow used for capital expenditures increased to USD 220m (USD 45m) mainly due to the new jack-up, Maersk Highlander.

MAERSK DRILLING
Maersk Drilling acquired the newbuild, **Maersk Highlander**, from Hercules Offshore during Q2. The rig is on a firm five-year contract with Maersk Oil with an estimated value of USD 420m.

APM SHIPPING SERVICES

APM Shipping Services made a loss of USD 44m (profit of USD 138m) and a ROIC of negative 3.6% (positive 11.8%) due to Maersk Supply Service delivering a loss of USD 106m impacted by an impairment of USD 97m.

Maersk Tankers made a profit of USD 28m (USD 35m) and a ROIC of 6.9% (8.9%). The result was negatively affected by rate reductions partly offset by improved commercial initiatives and cost savings.

The market suffered a continuing reduction in rates across all segments during Q2. This was driven by increasing vessel supply and flat demand for oil products due to high stock levels and disruption of supply in several locations. Refinery maintenance was also high during the quarter, negatively affecting the throughput of refined products.

Average Time Charter Equivalent (TCE) earnings in the product segments decreased by 14% compared to Q2 2015.

Operating cost decreased mainly as a result of cost saving initiatives contributing positively with USD 15m and lower bunker fuel costs.

Cash flow from operating activities was USD 71m (USD 55m). Net cash flow from capital expenditure was USD 58m (USD 21m) driven by newbuilding instalments, offset by the sale of two Handy tankers. During Q2 2016, Maersk Tankers took delivery of two MR tankers newbuildings. The order book totals 14 vessels, of which four will be delivered during 2016, and the last ten in the following two years.

Maersk Supply Service made a loss of USD 106m (profit of USD 64m) and a ROIC of negative 24.0% (positive 15.2%) impacted by an impairment of USD 97m. The underlying result was a loss of USD 8m (profit of USD 33m).

Revenue for the quarter decreased to USD 102m (USD 157m) following lower rates and utilisation as well as fewer vessels available for trading due to divestments and lay-ups. Total operating costs decreased to USD 71m (USD 84m), as a result of fewer operating vessels and reduced running cost. During

APM SHIPPING SERVICES HIGHLIGHTS	Q2 2016	Q2 2015	6 months 2016	6 months 2015
USD MILLION				
Revenue	1,109	1,234	2,223	2,553
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**157**	**214**	**328**	**412**
Depreciation, amortisation and impairment losses, net	199	97	296	194
Gain on sale of non-current assets, etc., net	2	29	6	32
Share of profit/loss in joint ventures	3	8	8	14
Profit/loss before financial items (EBIT)	**-37**	**154**	**46**	**264**
Tax	7	16	15	32
Net operating profit/loss after tax (NOPAT)	**-44**	**138**	**31**	**232**
Underlying result	**51**	**109**	**122**	**200**
Cash flow from operating activities	127	193	238	353
Cash flow used for capital expenditure	-135	-82	-273	-177
Invested capital	4,836	4,679	4,836	4,679
ROIC, annualised	-3.6%	11.8%	1.3%	9.9%

the quarter, Maersk Supply Service made an impairment of USD 97m related to old vessels with limited trading opportunities.

Contract coverage for the remaining part of 2016 is 40% and 15% for 2017.

Cash flow from operating activities decreased to USD 7m (USD 69m) due to the declining operational result. Cash flow used for capital expenditure increased to USD 17m (USD 0m) relating to assets under construction.

The continued market decline in the offshore industry led to a number of vessel lay-ups globally, including Maersk Supply Service with 13 vessels laid up at the end of the quarter.

The market demand in the offshore industry remains low due to the low oil prices. In addition, there is a significant global over-supply of offshore support vessels, which sparks a competition for survival among vessel owners. The margins are below what is sustainable for the industry in the long run with no signs of improvements in the near future.

As part of the ongoing fleet renewal programme, Maersk Supply Service disposed of one vessel. The total new-build order book stands at 10 vessels, with six Anchor Handling Tug Supply vessels (AHTS) and four Subsea Support Vessels (SSV) to be delivered from January 2017 and January 2018.

Following extensive cost reductions in 2015, Maersk Supply Service continues to focus on improving the cost base during 2016 aiming at double digit percentage reductions. Among the focus areas of Q2 was to further improve daily running costs, increase fuel efficiency and reduce lay-up costs.

Maersk Supply Service has initiated an in depth industry study in cooperation with customers and suppliers to define

USD MILLION

Q2 HIGHLIGHTS	MAERSK TANKERS 2016	2015	MAERSK SUPPLY SERVICE 2016	2015	SVITZER 2016	2015	DAMCO 2016	2015
Revenue	226	260	102	157	162	161	619	655
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**61**	**74**	**31**	**73**	**42**	**50**	**23**	**17**
Depreciation, amortisation and impairment losses, net	35	34	135	35	22	21	7	7
Gain on sale of non-current assets, etc., net	2	-4	-1	31	1	2	-	-
Share of profit/loss in joint ventures	-	-	-	-	-	5	3	3
Profit/loss before financial items (EBIT)	**28**	**36**	**-105**	**69**	**21**	**36**	**19**	**13**
Tax	-	1	1	5	+3	4	9	6
Net operating profit/loss after tax (NOPAT)	**28**	**35**	**-106**	**64**	**24**	**32**	**10**	**7**
Underlying result	**26**	**39**	**-8**	**33**	**23**	**30**	**10**	**7**
Cash flow from operating activities	71	55	7	69	30	49	19	20
Cash flow used for capital expenditure	-58	-21	-17	-	-57	-60	-3	-1
Invested capital	1,663	1,580	1,727	1,699	1,233	1,114	213	286
ROIC, annualised	6.9%	8.9%	-24.0%	15.2%	7.8%	11.6%	18.5%	8.9%

USD MILLION

6 MONTHS HIGHLIGHTS	MAERSK TANKERS 2016	2015	MAERSK SUPPLY SERVICE 2016	2015	SVITZER 2016	2015	DAMCO 2016	2015
Revenue	471	536	212	340	325	339	1,215	1,338
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**139**	**142**	**67**	**152**	**89**	**100**	**33**	**18**
Depreciation, amortisation and impairment losses, net	68	68	172	70	42	42	14	14
Gain on sale of non-current assets, etc., net	4	-2	-1	29	3	3	-	2
Share of profit/loss in joint ventures	-	-	-	-	3	10	5	4
Profit/loss before financial items (EBIT)	**75**	**72**	**-106**	**111**	**53**	**71**	**24**	**10**
Tax	+1	1	2	9	2	10	12	12
Net operating profit/loss after tax (NOPAT)	**76**	**71**	**-108**	**102**	**51**	**61**	**12**	**-2**
Underlying result	**72**	**73**	**-10**	**73**	**48**	**58**	**12**	**-4**
Cash flow from operating activities	139	131	29	107	66	83	4	32
Cash flow used for capital expenditure	-82	-55	-74	-17	-111	-105	-6	-
Invested capital	1,663	1,580	1,727	1,699	1,233	1,114	213	286
ROIC, annualised	9.2%	9.0%	-12.1%	12.0%	8.6%	11.3%	10.9%	-1.5%

an operating model that accommodates the new oil reality. Simultaneously the company is exploring new revenue streams, investigating ways to take advantage of the distressed markets and actively preparing for new-buildings entering the fleet.

Svitzer delivered a profit of USD 24m (USD 32m) and a ROIC of 7.8% (11.6%).

Revenue was in line with same quarter last year despite salvage being excluded after activities were merged with Titan Salvage, USA on 1 May 2015 (impact of USD 4m), low utilisation of terminal towage spot fleet and a stronger USD compared to AUD and EUR.

These negative effects were offset with new terminal towage activity in Australia and Americas and higher harbour towage revenue. Despite significant overcapacity and slowdown in most shipping segments, Svitzer has increased its market share in Australia and Europe.

Underlying profitability improved through productivity and cost saving initiatives, but Svitzer also experienced a high level of integration and start-up costs in Americas resulting in an EBITDA margin of 27.3% (29.6%).

Svitzer addresses the general slowdown in harbour towage operations, which carry a large share of shipments of coal and iron ore, by continuously monitoring and adjusting tonnage and crew deployment as appropriate. Svitzer is further implementing a global initiative to provide information to customers on vessel turn-around time thereby facilitating optimisation of vessel operations in ports and terminals.

Low commodity prices lead to increased pressure on terminal towage contracts in oil and gas terminals and require close dialogue with several terminal customers to find mutually acceptable solutions. The salvage activity continues to be affected by little activity in the emergency response market.

Cash flow from operating activities decreased to USD 30m (USD 49m). Cash flow used for capital expenditure decreased by USD 3m to USD 57m.

Damco made a profit of USD 10m (USD 7m) and a ROIC of 18.5% (8.9%). The result was positively impacted by cost saving initiatives, improved processes and operational efficiencies.

Revenue was USD 619m (USD 655m), down 5.5% mainly caused by lower freight rates and rate of exchange movements. Damco air and ocean freight margins remained under pressure, while volumes in both segments improved by 5% and 10% respectively. The customer composition within supply chain management changed, leading to an overall increase in margins, however volumes declined by 2% versus Q2 2015.

Cash flow from operating activities ended at USD 19m (USD 20m).

Focus in 2016 remains on generating profitable and sustainable growth. Damco is aiming to achieve this through a number of initiatives, driving cost optimisation and customer service improvements. Sales efforts are concentrated on selected trade lanes and improving productivity, as well as on intensifying supply chain management product development.

MAERSK SUPPLY SERVICE
On 10 June 2016 **Maersk Supply Service** launched one of six new anchor handling tug supply vessels from **Kleven Verft ship yard** in Norway.

MAERSK GROUP PERFORMANCE

For the first six months of 2016

The Group delivered a profit for the first six months of USD 342m (USD 2.7bn). The profit was negatively impacted by low container freight rates and oil price. The Group's ROIC was 2.4% (12.0%). The underlying profit was USD 348m (USD 2.4bn).

Revenue decreased to USD 17.4bn (USD 21.1bn), predominantly due to lower average container freight rates and lower oil price. The operating expenses decreased by USD 1.8bn mainly due to lower bunker prices and focus on cost efficiency.

Cash flow from operating activities was USD 1.2bn (USD 3.7bn) impacted by the low profit and a higher net working capital as well as a one-off dispute settlement in Maersk Oil in Q1. Cash flow used for capital expenditure was USD 2.5bn (USD 3.5bn in Q2 2015 excluding the sale of shares in Danske Bank).

Net interest-bearing debt increased to USD 11.7bn (USD 7.8bn at 31 December 2015) mainly due to the negative free cash flow of USD 1.3bn (positive USD 230m excluding the sale of shares in Danske Bank), share buy-back of USD 475m, dividends paid of USD 998m and net interest-bearing debt of USD 0.4bn acquired through the Grup Marítim TCB transaction.

Total equity was USD 34.7bn (USD 35.7bn at 31 December 2015), negatively impacted by dividend payment of USD 998m and share buy-back of USD 475m, partly offset by the profit of USD 342m.

Maersk Line made a loss of USD 114m (profit of USD 1.2bn) and a ROIC of negative 1.1% (positive 12.2%). The financial performance was driven by lower freight rates partly offset by higher

Underlying result reconciliation

	Result for the period		Gain on sale of non-current assets, etc., net[1]		Impairment losses, net[1]		Tax on adjustments		Underlying result	
USD million, 6 months	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Maersk Group	342	2,658	124	343	-123	-100	-7	-3	**348**	**2,418**
Maersk Line	-114	1,221	10	12	-17	-	-	-	**-107**	**1,209**
Maersk Oil	102	345	1	3	-	-80	-	-2	**101**	**424**
APM Terminals	220	351	18	10	-8	7	-6	-	**216**	**334**
Maersk Drilling	386	386	-	29	-	-27	-1	-	**387**	**384**
APM Shipping Services	31	232	6	32	-97	-	-	-	**122**	**200**
Maersk Tankers	76	71	4	-2	-	-	-	-	**72**	**73**
Maersk Supply Service	-108	102	-1	29	-97	-	-	-	**-10**	**73**
Svitzer	51	61	3	3	-	-	-	-	**48**	**58**
Damco	12	-2	-	2	-	-	-	-	**12**	**-4**

[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.

volumes and lower unit cost due to higher utilisation and cost efficiencies. Volume increased by 6.9% to 5,017k FFE (4,691k FFE) and average freight rate declined by 25% to 1,782 USD/FFE (2,370 USD/FFE).

Cash flow from operating activities was USD 131m (USD 1.8bn) and cash flow used for capital expenditure was USD 78m (USD 1.1bn) leaving a free cash flow of USD 53m (USD 781m).

Maersk Oil made a profit of USD 102m (USD 345m) negatively impacted by 31% lower average oil prices but positively impacted by a higher average entitlement production of 341,000 boepd (305,000 boepd), lower costs due to the cost reduction efforts and lower exploration costs.

The increased entitlement production was the result of a higher production share in Qatar where the decreased oil price gives more barrels for cost recovery, as well as strong operational performance in particular in the UK.

Cash flow from operating activities was USD 342m, 52% lower than last year mainly due to the lower oil price. Cash flow used for capital expenditure increased to USD 1.1bn (USD 1.0bn) mainly due to the ongoing developments in the UK, Culzean and in Norway, Johan Sverdrup and the acquisition of interest in African exploration licences in Q1.

APM Terminals made a profit of USD 220m (USD 351m) and a ROIC of 6.0% (11.9%). Volumes decreased by 1.2% compared to 2015, reaching 18.1m TEU (18.3m TEU). The decrease was due to divestments of terminal facilities in Charleston, Jacksonville and Houston, USA, and Gioia Tauro, Italy, in 2015, partly offset by the acquisition of Grup Marítim TCB. Excluding these, like-for-like volumes decreased by 0.3%, whereas the overall global container market grew by 1.2% (Drewry).

Cash flow from operating activities was USD 361m (USD 447m) and cash flow used for capital expenditure was USD 1.1bn (USD 391m) impacted by the Grup Marítim TCB transaction.

Maersk Drilling made a profit of USD 386m (USD 386m) positively impacted by the contract termination of Mærsk Deliverer in Q1 by USD 40m, high operational uptime and savings on operating costs offset by five rigs being idle or partly idle. ROIC was 9.8% (9.6%).

Cash flow from operating activities was USD 556m (USD 528m) and cash flow used for capital expenditure was USD 231m (USD 731m) mainly due to fewer instalments paid for newbuild projects, partly offset by the acquisition of Maersk Highlander in Q2.

APM Shipping Services made a profit of USD 31m (USD 232m) and a ROIC of 1.3% (9.9%). The lower result was mainly due to **Maersk Supply Service** with a loss of USD 108m (profit of USD 102m) impacted by the impairment of USD 97m. **Maersk Tankers** delivered a profit of USD 76m (USD 71m) and **Damco** improved from a loss of USD 2m in 2015 to a profit of USD 12m while **Svitzer** delivered a profit of USD 51m (USD 61m).

The ordinary **dividend** of DKK 300 per A.P. Møller - Mærsk A/S share of nominally DKK 1,000 (in total equal to USD 953m) declared at the Annual General Meeting 12 April 2016 was paid on 15 April 2016.

As part of the **share buy-back programme** 146,122 A-shares and 582,398 B-shares were cancelled in Q2 in accordance with the decision at the Annual General Meeting on 12 April 2016.

The Group issued EUR 1.5bn bonds in the euro market in March and NOK 5.2bn (USD 620m) bonds in the Norwegian kroner market in June.

Other businesses made a loss of USD 26m (profit of USD 245m) of which Maersk Container Industry accounted for a loss of USD 37m (loss of USD 18m). The result for 2015 included the gain from the sale of shares in Danske Bank of USD 223m.

Unallocated activities comprise activities which are not attributable to reportable segments, including financial items as well as centralised purchasing and resale of bunker and lubricating oil to companies in the Group. Financial items were negative by USD 275m (negative by USD 151m) primarily driven by higher interest expenses due to higher debt and value adjustments on securities.

STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and the Management have today discussed and approved the interim report of A.P. Møller - Mærsk A/S for the period 1 January 2016 to 30 June 2016.

The interim consolidated financial statements of the A.P. Moller - Maersk Group have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for listed companies. In our opinion the interim consolidated financial statements (pages 25-38) give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2016 and of the result of the Group's operations and cash flows for the period 1 January to 30 June 2016. Furthermore, in our opinion the Directors' report (pages 3-22) includes a fair review of the development in the Group's operations and financial conditions, the result for the period, cash flows and financial position as well as the most significant risks and uncertainty factors that the Group faces.

Copenhagen, 12 August 2016

MANAGEMENT

Søren Skou — Group CEO

Kim Fejfer

Claus V. Hemmingsen

Jakob Thomasen

Trond Westlie

BOARD OF DIRECTORS

Michael Pram Rasmussen — Chairman

Niels Jacobsen — Vice Chairman

Ane Mærsk Mc-Kinney Uggla — Vice Chairman

Dorothee Blessing

Niels B. Christiansen

Renata Frolova

Arne Karlsson

Jan Leschly

Palle Vestergaard Rasmussen

Robert Routs

Jim Hagemann Snabe

Robert Mærsk Uggla

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the interim consolidated financial statements of A.P. Møller - Mærsk A/S for the period 1 January 2016 – 30 June 2016 comprising condensed income statement, condensed statement of comprehensive income, condensed balance sheet, condensed cash flow statement and condensed statement of changes in equity as well as selected explanatory notes, including summary of significant accounting policies.

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

The Board of Directors and the Management are responsible for the preparation of interim consolidated financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies, and for such internal control as management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with ethical requirements.

A review of interim consolidated financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements for the period 1 January 2016 – 30 June 2016 are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim financial reporting of listed companies.

Copenhagen, 12 August 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Interim consolidated financial statements

(In parenthesis the corresponding figures for 2015)

CONDENSED INCOME STATEMENT

AMOUNTS IN USD MILLION

Note		Q2 **2016**	Q2 2015	6 months **2016**	6 months 2015	Full year 2015
1	Revenue	8,861	10,526	17,400	21,073	40,308
	Profit before depreciation, amortisation and impairment losses, etc.	**1,779**	**2,631**	**3,376**	**5,201**	**9,074**
	Depreciation, amortisation and impairment losses, net	1,294	1,223	2,456	2,324	7,944
	Gain on sale of non-current assets, etc., net	111	68	122	343	478
	Share of profit/loss in joint ventures	36	39	59	100	165
	Share of profit/loss in associated companies	24	24	45	42	97
	Profit before financial items	**656**	**1,539**	**1,146**	**3,362**	**1,870**
	Financial items, net	-154	-80	-275	-151	-423
	Profit before tax	**502**	**1,459**	**871**	**3,211**	**1,447**
	Tax	384	373	529	553	522
1	**Profit for the period**	**118**	**1,086**	**342**	**2,658**	**925**
	Of which:					
	Non-controlling interests	17	17	30	50	134
	A.P. Møller - Mærsk A/S' share	**101**	**1,069**	**312**	**2,608**	**791**
5	**Earnings per share, USD**	**5**	**49**	**15**	**121**	**37**
5	**Diluted earnings per share, USD**	**5**	**49**	**15**	**121**	**37**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN USD MILLION

	Q2 **2016**	Q2 2015	6 months **2016**	6 months 2015	Full year 2015
Profit for the period	**118**	**1,086**	**342**	**2,658**	**925**
Translation from functional currency to presentation currency	-160	67	-45	-188	-394
Other equity investments	30	33	66	-79	-99
Cash flow hedges	-118	202	-48	61	-34
Tax on other comprehensive income	27	-16	36	-2	7
Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	29	-2	26	67
Total items that have been or may be reclassified subsequently to the income statement	**-222**	**315**	**7**	**-182**	**-453**
Actuarial gains/losses on defined benefit plans, etc.	-	-1	-9	-	63
Tax on actuarial gains/losses on defined benefit plans, etc.	-	-	-	-	5
Total items that will not be reclassified to the income statement	**-**	**-1**	**-9**	**-**	**68**
Other comprehensive income, net of tax	**-222**	**314**	**-2**	**-182**	**-385**
Total comprehensive income for the period	**-104**	**1,400**	**340**	**2,476**	**540**
Of which:					
Non-controlling interests	1	26	24	42	115
A.P. Møller - Mærsk A/S' share	**-105**	**1,374**	**316**	**2,434**	**425**

CONDENSED BALANCE SHEET, TOTAL ASSETS

AMOUNTS IN USD MILLION

Note		2016	30 June 2015	31 December 2015
	Intangible assets	3,614	2,813	1,922
	Property, plant and equipment	43,668	45,515	43,999
	Financial non-current assets, etc.	4,497	4,553	4,578
	Deferred tax	794	526	891
	Total non-current assets	**52,573**	**53,407**	**51,390**
	Inventories	793	977	781
	Receivables, etc.	6,019	6,413	5,346
	Securities	738	891	761
	Cash and bank balances	3,158	1,780	4,008
	Assets held for sale	18	547	122
	Total current assets	**10,726**	**10,608**	**11,018**
1	**Total assets**	**63,299**	**64,015**	**62,408**

CONDENSED BALANCE SHEET, TOTAL EQUITY AND LIABILITIES

AMOUNTS IN USD MILLION

Note		2016	30 June 2015	31 December 2015
	Equity attributable to A.P. Møller - Mærsk A/S	33,984	37,605	35,087
	Non-controlling interests	734	631	652
	Total equity	**34,718**	**38,236**	**35,739**
	Borrowings, non-current	13,676	10,573	11,408
	Other non-current liabilities	5,619	6,045	5,770
	Total non-current liabilities	**19,295**	**16,618**	**17,178**
	Borrowings, current	1,853	1,083	1,335
	Other current liabilities	7,433	7,822	8,134
	Liabilities associated with assets held for sale	-	256	22
	Total current liabilities	**9,286**	**9,161**	**9,491**
1	**Total liabilities**	**28,581**	**25,779**	**26,669**
	Total equity and liabilities	**63,299**	**64,015**	**62,408**

CONDENSED CASH FLOW STATEMENT

AMOUNTS IN USD MILLION

	6 months 2016	6 months 2015	Full year 2015
Profit before financial items	1,146	3,362	1,870
Non-cash items, etc.	1,708	1,922	7,262
Change in working capital	-675	-540	382
Cash from operating activities before financial items and tax	2,179	4,744	9,514
Financial payments, net	-287	-31	-72
Taxes paid	-702	-986	-1,473
Cash flow from operating activities	**1,190**	**3,727**	**7,969**
Purchase of intangible assets and property, plant and equipment	-2,450	-3,878	-7,132
Sale of intangible assets and property, plant and equipment	389	303	514
Sale of associated companies	-	4,946	4,955
Acquisition/sale of subsidiaries and activities, etc., net	-696	24	299
Other financial investments, net	280	37	-44
Cash flow used for capital expenditure	-2,477	1,432	-1,408
Purchase/sale of securities, trading portfolio	11	-35	46
Cash flow used for investing activities	**-2,466**	**1,397**	**-1,362**
Repayment of/proceeds from loans, net	1,963	-135	1,247
Purchase of own shares	-475	-268	-780
Dividends distributed	-953	-6,141	-6,141
Dividends distributed to non-controlling interests	-45	-90	-97
Other equity transactions	1	24	35
Cash flow from financing activities	**491**	**-6,610**	**-5,736**
Net cash flow for the period	**-785**	**-1,486**	**871**
Cash and cash equivalents 1 January	3,996	3,406	3,406
Currency translation effect on cash and cash equivalents	-136	-206	-281
Cash and cash equivalents, end of period	3,075	1,714	3,996
Of which classified as assets held for sale	-	-1	-
Cash and cash equivalents, end of period	**3,075**	**1,713**	**3,996**

	6 months 2016	6 months 2015	Full year 2015
Cash and cash equivalents			
Cash and bank balances	3,158	1,780	4,008
Overdrafts	83	67	12
Cash and cash equivalents, end of period	**3,075**	**1,713**	**3,996**

Cash and bank balances include USD 1.3bn (USD 1.2bn at 31 December 2015) that relates to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

CONDENSED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN USD MILLION

	A.P. Møller - Mærsk A/S							
	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2016	3,906	-381	-205	-301	32,068	35,087	652	35,739
Other comprehensive income, net of tax	-	-23	66	-29	-10	4	-6	-2
Profit for the period	-	-	-	-	312	312	30	342
Total comprehensive income for the period	**-**	**-23**	**66**	**-29**	**302**	**316**	**24**	**340**
Dividends to shareholders	-	-	-	-	-953	-953	-45	-998
Value of share-based payment	-	-	-	-	9	9	-	9
Acquisition of non-controlling interests	-	-	-	-	-1	-1	65	64
Purchase of own shares	-	-	-	-	-475	-475	-	-475
Capital increases and decreases[1]	-132	-	-	-	132	-	38	38
Other equity movements	-	-	-	-	1	1	-	1
Total transactions with shareholders	**-132**	**-**	**-**	**-**	**-1,287**	**-1,419**	**58**	**-1,361**
Equity 30 June 2016	**3,774**	**-404**	**-139**	**-330**	**31,083**	**33,984**	**734**	**34,718**
Equity 1 January 2015	3,985	-7	-106	-294	37,964	41,542	683	42,225
Other comprehensive income, net of tax	-	-178	-79	57	26	-174	-8	-182
Profit for the period	-	-	-	-	2,608	2,608	50	2,658
Total comprehensive income for the period	**-**	**-178**	**-79**	**57**	**2,634**	**2,434**	**42**	**2,476**
Dividends to shareholders	-	-	-	-	-6,141	-6,141	-90	-6,231
Value of share-based payment	-	-	-	-	13	13	-	13
Sale of non-controlling interests	-	-	-	-	-	-	-4	-4
Purchase of own shares	-	-	-	-	-268	-268	-	-268
Sale of own shares	-	-	-	-	25	25	-	25
Capital increases and decreases[2]	-79	-	-	-	79	-	-	-
Total transactions with shareholders	**-79**	**-**	**-**	**-**	**-6,292**	**-6,371**	**-94**	**-6,465**
Equity 30 June 2015	**3,906**	**-185**	**-185**	**-237**	**34,306**	**37,605**	**631**	**38,236**

[1] At the Annual General Meeting of A.P. Møller - Mærsk A/S on 12 April 2016, cf. note 5, the shareholders decided on the cancellation of treasury shares, whereby the share capital has decreased by a transfer of reserves to retained earnings.

[2] At the Annual General Meeting of A.P. Møller - Mærsk A/S on 30 March 2015, cf. note 5, the shareholders decided on the cancellation of treasury shares, whereby the share capital has decreased by a transfer of reserves to retained earnings.

NOTES

NOTE 1 SEGMENT INFORMATION

AMOUNTS IN USD MILLION

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
Q2 2016									
External revenue	4,996	1,278	730	554	226	101	154	619	8,658
Inter-segment revenue	65	-	334	12	-	1	8	-	420
Total revenue	**5,061**	**1,278**	**1,064**	**566**	**226**	**102**	**162**	**619**	**9,078**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**365**	**755**	**187**	**330**	**61**	**31**	**42**	**23**	**1,794**
Depreciation and amortisation	476	337	100	148	35	38	22	7	1,163
Impairment losses	17	-	8	-	-	97	-	-	122
Gain/loss on sale of non-current assets, etc., net	5	1	15	-	2	-1	1	-	23
Share of profit/loss in joint ventures	-	-	22	8	-	-	-	3	33
Share of profit/loss in associated companies	-	-	25	-	-	-	-	-	25
Profit/loss before financial items (EBIT)	**-123**	**419**	**141**	**190**	**28**	**-105**	**21**	**19**	**590**
Tax	28	288	29	26	-	1	+3	9	378
Net operating profit/loss after tax (NOPAT)	**-151**	**131**	**112**	**164**	**28**	**-106**	**24**	**10**	**212**
Underlying result[1]	**-139**	**130**	**109**	**164**	**26**	**-8**	**23**	**10**	**315**
Cash flow from operating activities	89	514	163	129	71	7	30	19	1,022
Cash flow used for capital expenditure	-109	-330	-173	-220	-58	-17	-57	-3	-967
Free cash flow	**-20**	**184**	**-10**	**-91**	**13**	**-10**	**-27**	**16**	**55**
Investments in non-current assets[2]	**178**	**393**	**231**	**207**	**81**	**18**	**60**	**3**	**1,171**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.

[2] 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 Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
6 MONTHS 2016									
External revenue	9,895	2,310	1,393	1,196	470	209	308	1,215	16,996
Inter-segment revenue	140	-	633	24	1	3	17	-	818
Total revenue	**10,035**	**2,310**	**2,026**	**1,220**	**471**	**212**	**325**	**1,215**	**17,814**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**851**	**1,176**	**351**	**737**	**139**	**67**	**89**	**33**	**3,443**
Depreciation and amortisation	951	685	185	293	68	75	42	14	2,313
Impairment losses	17	-	8	-	-	97	-	-	122
Gain/loss on sale of non-current assets, etc., net	10	1	16	-	4	-1	3	-	33
Share of profit/loss in joint ventures	-	-	40	7	-	-	3	5	55
Share of profit/loss in associated companies	-	-	50	-	-	-	-	-	50
Profit/loss before financial items (EBIT)	**-107**	**492**	**264**	**451**	**75**	**-106**	**53**	**24**	**1,146**
Tax	7	390	44	65	+1	2	2	12	521
Net operating profit/loss after tax (NOPAT)	**-114**	**102**	**220**	**386**	**76**	**-108**	**51**	**12**	**625**
Underlying result[1]	**-107**	**101**	**216**	**387**	**72**	**-10**	**48**	**12**	**719**
Cash flow from operating activities	131	342	361	556	139	29	66	4	1,628
Cash flow used for capital expenditure	-78	-1,084	-1,133	-231	-82	-74	-111	-6	-2,799
Free cash flow	**53**	**-742**	**-772**	**325**	**57**	**-45**	**-45**	**-2**	**-1,171**
Investments in non-current assets[2]	**504**	**1,053**	**1,935**	**209**	**121**	**73**	**88**	**6**	**3,989**
Intangible assets	1	794	2,589	95	3	19	17	96	3,614
Property, plant and equipment	21,219	6,275	3,448	7,659	1,699	1,718	1,046	75	43,139
Investments in joint ventures	-	-	1,486	143	1	-	79	29	1,738
Investments in associated companies	1	-	588	-	-	-	14	-	603
Other non-current assets	251	849	180	20	-	6	56	31	1,393
Assets held for sale	2	1	16	-	-	-	-	-	19
Other current assets	3,100	1,061	850	784	141	136	152	510	6,734
Total assets	**24,574**	**8,980**	**9,157**	**8,701**	**1,844**	**1,879**	**1,364**	**741**	**57,240**
Non-interest bearing liabilities	4,572	4,678	1,342	657	181	152	131	528	12,241
Invested capital, net	**20,002**	**4,302**	**7,815**	**8,044**	**1,663**	**1,727**	**1,233**	**213**	**44,999**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.
[2] 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 Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
Q2 2015									
External revenue	6,186	1,583	665	620	260	154	155	655	10,278
Inter-segment revenue	77	-	368	4	-	3	6	-	458
Total revenue	**6,263**	**1,583**	**1,033**	**624**	**260**	**157**	**161**	**655**	**10,736**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**998**	**849**	**206**	**361**	**74**	**73**	**50**	**17**	**2,628**
Depreciation and amortisation	476	360	77	118	34	35	21	7	1,128
Impairment losses	-	80	-	-	-	-	-	-	80
Gain/loss on sale of non-current assets, etc., net	8	-	2	29	-4	31	2	-	68
Share of profit/loss in joint ventures	-	-	32	-5	-	-	5	3	35
Share of profit/loss in associated companies	-	-	22	-	-	-	-	-	22
Profit/loss before financial items (EBIT)	**530**	**409**	**185**	**267**	**36**	**69**	**36**	**13**	**1,545**
Tax	23	272	24	49	1	5	4	6	384
Net operating profit/loss after tax (NOPAT)	**507**	**137**	**161**	**218**	**35**	**64**	**32**	**7**	**1,161**
Underlying result[1]	**499**	**217**	**159**	**189**	**39**	**33**	**30**	**7**	**1,173**
Cash flow from operating activities	873	611	176	248	55	69	49	20	2,101
Cash flow used for capital expenditure	-861	-502	-169	-45	-21	-	-60	-1	-1,659
Free cash flow	**12**	**109**	**7**	**203**	**34**	**69**	**-11**	**19**	**442**
Investments in non-current assets[2]	**889**	**568**	**196**	**76**	**113**	**32**	**70**	**2**	**1,946**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.
[2] 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 Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
6 MONTHS 2015									
External revenue	12,343	3,016	1,413	1,246	535	335	326	1,335	20,549
Inter-segment revenue	174	-	756	8	1	5	13	3	960
Total revenue	**12,517**	**3,016**	**2,169**	**1,254**	**536**	**340**	**339**	**1,338**	**21,509**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**2,200**	**1,439**	**426**	**704**	**142**	**152**	**100**	**18**	**5,181**
Depreciation and amortisation	945	671	154	232	68	70	42	14	2,196
Impairment losses	-	80	-	27	-	-	-	-	107
Reversal of impairment losses	-	-	7	-	-	-	-	-	7
Gain/loss on sale of non-current assets, etc., net	12	3	10	29	-2	29	3	2	86
Share of profit/loss in joint ventures	-	-	71	8	-	-	10	4	93
Share of profit/loss in associated companies	-1	-	42	-	-	-	-	-	41
Profit/loss before financial items (EBIT)	**1,266**	**691**	**402**	**482**	**72**	**111**	**71**	**10**	**3,105**
Tax	45	346	51	96	1	9	10	12	570
Net operating profit/loss after tax (NOPAT)	**1,221**	**345**	**351**	**386**	**71**	**102**	**61**	**-2**	**2,535**
Underlying result[1]	**1,209**	**424**	**334**	**384**	**73**	**73**	**58**	**-4**	**2,551**
Cash flow from operating activities	1,844	716	447	528	131	107	83	32	3,888
Cash flow used for capital expenditure	-1,063	-996	-391	-731	-55	-17	-105	-	-3,358
Free cash flow	**781**	**-280**	**56**	**-203**	**76**	**90**	**-22**	**32**	**530**
Investments in non-current assets[2]	**1,130**	**1,034**	**448**	**756**	**252**	**66**	**118**	**5**	**3,809**
Intangible assets	1	1,363	1,265	39	-	9	25	110	2,812
Property, plant and equipment	21,843	7,927	2,865	7,956	1,615	1,711	1,029	79	45,025
Investments in joint ventures	-	-	1,489	126	1	-	77	25	1,718
Investments in associated companies	1	-	523	-	-	-	-	-	524
Other non-current assets	179	613	131	30	-	6	47	35	1,041
Assets held for sale	11	-	51	-	-	-	-	6	68
Other current assets	3,238	1,361	768	741	177	180	114	613	7,192
Total assets	**25,273**	**11,264**	**7,092**	**8,892**	**1,793**	**1,906**	**1,292**	**868**	**58,380**
Non-interest bearing liabilities	4,933	5,302	1,097	646	213	207	178	582	13,158
Invested capital, net	**20,340**	**5,962**	**5,995**	**8,246**	**1,580**	**1,699**	**1,114**	**286**	**45,222**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.
[2] Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

	Q2 2016	Q2 2015	6 months 2016	6 months 2015
REVENUE				
Reportable segments	9,078	10,736	17,814	21,509
Other businesses	207	326	406	691
Unallocated activities (Maersk Oil Trading)	63	61	110	119
Eliminations	-487	-597	-930	-1,246
Total	**8,861**	**10,526**	**17,400**	**21,073**
PROFIT FOR THE PERIOD				
Reportable segments	212	1,161	625	2,535
Other businesses	-13	8	-26	245
Financial items, net	-154	-80	-275	-151
Unallocated tax	12	+8	15	+16
Other unallocated items	+65	5	+10	+7
Eliminations	20	-6	23	6
Total	**118**	**1,086**	**342**	**2,658**

	30 June 2016	30 June 2015
ASSETS		
Reportable segments	57,240	58,380
Other businesses	1,211	1,734
Unallocated activities	6,652	5,779
Eliminations	-1,804	-1,878
Total	**63,299**	**64,015**
LIABILITIES		
Reportable segments	12,241	13,158
Other businesses	379	434
Unallocated activities	17,744	14,010
Eliminations	-1,783	-1,823
Total	**28,581**	**25,779**

NOTE 2 FINANCIAL RISKS, ETC.

AMOUNTS IN USD MILLION

Except of the below, the financial risks, etc. are not significantly different from those described in note 18 of the consolidated financial statements for 2015, to which reference is made.

Liquidity risk

	2016	30 June 2015	31 December 2015
Borrowings	15,529	11,656	12,743
Net interest-bearing debt	11,706	8,835	7,770
Liquidity reserve[1]	11,509	9,357	12,397

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

In addition to the liquidity reserve, the Group had committed loans of USD 1.2bn, which are dedicated to financing of specific assets and therefore will only become available at certain times in the future.

Based on the liquidity reserve, 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. In March 2016, the Group issued EUR 1.5bn in three-year and five-year bonds in the euro market. In June 2016, the Group issued NOK 5.2bn in five-year, seven-year and ten-year bonds in the Norwegian kroner market.

The average term to maturity of loan facilities in the Group was about four years (about four years at 31 December 2015).

NOTE 3 COMMITMENTS

AMOUNTS IN USD MILLION

Operating lease commitments

At 30 June 2016, the net present value of operating lease commitments totalled USD 7.0bn using a discount rate of 6%, in line with USD 7.0bn at 31 December 2015.

The operating lease commitments at 30 June 2016 are divided into the following main business units:

- APM Terminals of USD 3.2bn
- Maersk Line of USD 2.8bn
- Other of USD 1.0bn

About one third of the time charter payments in Maersk Line are estimated to relate to operating costs for the assets.

Capital commitments	Maersk Line	Maersk Oil	APM Terminals	Maersk Supply Service	Maersk Drilling	Other	Total
30 JUNE 2016							
Capital commitments relating to acquisition of non-current assets	2,768	2,204	661	991	466	472	7,562
Commitments towards concession grantors	-	76	1,732	-	-	-	1,808
Total	**2,768**	**2,280**	**2,393**	**991**	**466**	**472**	**9,370**
31 DECEMBER 2015							
Capital commitments relating to acquisition of non-current assets	2,886	2,275	712	1,057	474	578	7,982
Commitments towards concession grantors	-	92	1,307	-	-	-	1,399
Total	**2,886**	**2,367**	**2,019**	**1,057**	**474**	**578**	**9,381**

Newbuilding programme at 30 June 2016	2016	2017	2018 (No.)	Total
Container vessels	-	22	5	27
Rigs and drillships	1	-	-	1
Tanker vessels	3	4	6	13
Anchor handling vessels and tugboats, etc.	10	18	1	29
Total	**14**	**44**	**12**	**70**

Capital commitments relating to the newbuilding programme at 30 June 2016	2016	2017	2018 (USD million)	Total
Container vessels	196	1,856	480	2,532
Rigs and drillships	433	-	-	433
Tanker vessels	77	129	160	366
Anchor handling vessels and tugboats, etc.	177	800	104	1,081
Total	**883**	**2,785**	**744**	**4,412**

USD 4.4bn of the total capital commitments is related to the newbuilding programme for ships, rigs, etc. at a total contract price of USD 5.4bn including owner-furnished equipment. The remaining capital commitments of USD 5.0bn relate to investments mainly within APM Terminals and Maersk Oil.

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

NOTE 4 ACQUISITION / SALE OF SUBSIDIARIES AND ACTIVITIES

AMOUNTS IN USD MILLION

Acquisitions during the first six months 2016

Grup Maritim TCB S.L.

On 8 March 2016, the Group acquired 100% of the shares in Grup Maritim TCB, which owns eight terminals in the Mediterranean and Latin America. The acquisition of two additional operating facilities in the Canary Islands and one in Izmir, Turkey (representing less than 5% of the total transaction by value) did not receive regulatory approval up to 8 March 2016, thus excluded from the current business combination.

Taking control of Grup Maritim TCB have expanded the Group's position in Spain and will accelerate its growth in Latin America.

The total enterprise value of USD 1.2bn consisted of total purchase price of USD 0.8bn and acquired net interest-bearing debt of USD 0.4bn. The carrying amount of acquired net assets consisted of intangible assets of USD 1.0bn, property, plant and equipment of USD 0.4bn, current assets of USD 0.3bn and liabilities of USD 0.9bn.

From the acquisition date to 30 June 2016, Grup Maritim TCB S.L. contributed with a revenue of USD 0.1bn. If the acquisition had occurred on 1 January 2016, the impact on Group's revenue would have been USD 0.2bn. The profit contributed to the Group is minor.

The accounting for the business combination is considered provisional at 30 June 2016 as some analyses are still ongoing.

Acquisitions during the first six months 2015

No acquisitions of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in the first six months of 2015.

Sales during the first six months 2016

No sales of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in the first six months of 2016.

Sales during the first six months 2015

No sales of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in the first six months of 2015.

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

NOTE 5 SHARE CAPITAL AND EARNINGS PER SHARE

AMOUNTS IN USD MILLION

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 2016	10,902,341	318	10,642,790	184	21,545	3,906
Cancellation	146,122	-	582,398	-	728	132
30 June 2016	**10,756,219**	**318**	**10,060,392**	**184**	**20,817**	**3,774**

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 12 April 2016 the shareholders decided on a decrease of the share capital by the cancellation of 728,520 treasury shares. On 21 June 2016, the Company's share capital was reduced from nominally DKK 21,545,382,000 with nominally DKK 728,520,000 in total, divided between 146,122 A shares of DKK 1,000 and 582,398 B shares of DKK 1,000 to nominally DKK 20,816,862,000.

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 30 March 2015 the shareholders decided on the cancellation of 432,618 treasury shares, whereby the share capital has decreased. The cancellation of the treasury shares took place in Q2 2015.

Development in the holding of own shares:

	No. of shares of DKK 1,000		Nominal value DKK million		% of share capital	
Own shares	**2016**	2015	**2016**	2015	**2016**	2015
A SHARES						
1 January	69,585	61,075	70	61	0.32%	0.28%
Addition	76,537	25,425	76	25	0.36%	0.11%
Cancellation	146,122	86,500	146	86	0.68%	0.39%
30 June	**-**	**-**	**-**	**-**	**0.00%**	**0.00%**
B SHARES						
1 January	361,409	342,066	361	342	1.68%	1.56%
Addition	306,278	106,815	307	107	1.42%	0.49%
Cancellation	582,398	346,118	582	346	2.70%	1.57%
Disposal	5,767	16,956	6	17	0.02%	0.09%
30 June	**79,522**	**85,807**	**80**	**86**	**0.38%**	**0.39%**

Additions of own shares are related to the buy-back programmes initiated in September 2014 and 2015.
Disposals of own shares are primarily related to the restricted shares plan.

NOTE 5 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:	2016	2015
Profit for the period	**312**	**2,608**
Issued shares 1 January	21,545,382	21,978,000
Average number of own shares	695,075	455,514
Average number of cancelled shares	36,225	48,069
Average number of shares	**20,814,082**	**21,474,417**

At 30 June 2016, there is a dilution effect on earnings per share of 13,355 (23,470) issued share options corresponding to 0.06% (0.11%) of the share capital. There are no share options without dilution effect.

NOTE 6 ACCOUNTING POLICIES, JUDGEMENTS AND SIGNIFICANT ESTIMATES

The interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and Danish disclosure requirements for listed companies.

The accounting policies, judgements and significant estimates are consistent with those applied in the consolidated financial statements for 2015 on pages 60-66 of the Annual Report, to which reference is made.

A number of changes to accounting standards are effective from 1 January 2016. Those of relevance to the Group are:

- Accounting for acquisitions of interests in joint operations (amendments to IFRS 11)
- Disclosure initiative (amendments to IAS 1)
- Annual improvements 2014

The amendments encompass various guidance and clarifications, which has had no material effect on the financial statements in the period.

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.

Backlog
The value of future contract coverage (revenue backlog).

boepd
Barrels of oil equivalents per day.

Break-even oil price
The break-even oil price is defined as the average price for a barrel of Brent oil at which Maersk Oil would be generating neither an underlying profit nor a loss in a given period, all other things equal.

Bunker
Fuel used in ship engines.

Contract coverage
Percentage indicating the part of ship/rig days that are contracted for a specific period.

Economic utilisation
The number of days on rate with a client in percentage of total days in calendar. "Days on rate" – is either contractual day rate or lump sum covering mobilisation period, yard stay period or any other specific period and "Total days in calendar" is 365 days for current fleet and from the day of official delivery from yard for new-buildings less one month for post-delivery completion work. Start-up periods and mobilisation without mobilisation fees are hence not adjusted for in calendar days.

EBIT margin gap to peers
Peer group includes CMA CGM, APL, Hapag Lloyd, Hanjin, ZIM, Hyundai MM, K Line, CSAV, OOCL, NYK, MOL, COSCO and 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).

FFE
Forty Foot Equivalent. Forty foot container unit.

Jack-up rig
A drilling rig resting on legs. The drilling rig can operate in waters of 25–150 metres.

Net interest-bearing debt (NIBD)
Equals interest-bearing debt less cash and bank balances less other interest-bearing assets.

ROIC
Return on invested capital.

TEU
Twenty Foot Equivalent Unit. Twenty foot container.

Time charter
Hire of a vessel for a specified period.

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.

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