

A.P. Møller - Mærsk A/S - Annual General Meeting on Monday, 18 April 2005, Copenhagen

Looking back at the past year, we can be pleased with achieving our highest result ever.

Shipping is experiencing a very positive phase. International trade, which is decisive for our shipping activities, continues to grow more than the average national economies, which means that there is more than enough cargo to carry. The tonnage balance, i.e. the relationship between supply and demand for vessel capacity, is favourable for the shipping companies, resulting in reasonable increases in rates. We estimate that the outlook for the shipping companies for the near future is good, as globalisation will continue to lead to increased demand for transport.

In 2004 A.P. Møller - Mærsk contracted for a quite considerable tonnage, both within the container business and tankers. This reflects our belief in a continued positive, long-term development within these areas, where not only do we wish to maintain our position, but also to enhance it.

For container terminals, 2004 has been an active year. We consider this area strategically important, partly because it underpins our container business, partly as an independent business area. The financial results from already established terminals are good, whereas the development phase for new terminals is cash-flow consuming and puts a strain on the immediate financial results. This should not, however, prevent us from continuing our growth in this area as we have made a long-term evaluation of the investments.

It is gratifying that Danish shipping is doing well. A contributory factor is that the Danish Parliament and the Danish Government have pursued an outward-looking and constructive shipping policy. With this policy A.P. Møller - Mærsk and other shipping companies will continue to grow in Denmark.

The extended shipbuilding subsidy system, which a broad majority of the Danish Parliament has just adopted, is also useful in the present situation. We agreed with the Government on opposing the proposal in the EU, as in principle we are against shipbuilding subsidies. However, we also agree that as the subsidies to shipbuilding have been extended, it is necessary to ensure uniform conditions throughout Europe.

Despite the shipbuilding subsidies, we must realise that it has become more difficult to carry on a shipbuilding yard in Denmark. Competition, especially from the Far East and China, is very keen, and the quality is good. This makes exceptionally heavy demands on Lindø to manage. With all our endeavours to ensure the survival of Lindø, it is disappointing to have experienced a number of illegal strikes over the past months.

With regard to oil and gas, activity is also high. Many new initiatives have been taken, especially world-wide, and it has been decided to increase oil exploration. There will also be a need for further considerable investments in the development of existing areas. All these activities require a large cash flow and good cash liquidity, which puts pressure on the bottom line in the short term.

For our industrial companies 2004 was a year with mixed results.

Maersk Air has experienced difficult conditions with unsatisfactory results, despite great and skilful efforts and an exciting new concept.

Our reputation is very important to us. We can be pleased with several image surveys which have shown that the general view of A. P. Moller - Maersk among the population is positive. However, we are also subject to criticism. We listen to see if there is anything we can change or improve. However, when it comes to our information policy, I should like to emphasise that we always take into account what is in the best long-term interest of our faithful shareholders. This may mean that at times we are more reserved with information than certain analysts might wish.

May I remind you that we operate in markets with keen international competition, where our competitors keep a watchful eye on what we do and say? Despite our attitude we note that our shares have developed into the most liquid shares on the Copenhagen Stock Exchange.

A subject which is frequently discussed in Denmark is Corporate Governance. We are pleased to note that there is an increasing understanding of the fact that each company has its own characteristics, and what may be good for one company does not necessarily apply to another.

Therefore, it is unfortunate that the EU does not respect the Danish debate and current national work with Corporate Governance. We wish that the extent of what at times resembles tyranny of rules by the EU could be moderated.

Simultaneous with Corporate Governance, new international accounting standards have been introduced, which do not necessarily make the accounts more transparent or prudent - or protect against aggressive accounting policies.

At company level we showed, here in the Bella Centre two years ago, a model of the planned extension to our headquarters on Esplanaden. It is now completed, and we have moved in and been given 650 extra, much required, workplaces.

I will now turn to the actual review of the accounts...