

DELIVERING USD 500M BY 2016

Services & Other Shipping, Capital Markets Day, 24 September 2014

MAERSK

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Services & Other Shipping

Morten H. Engelstoft
Chief Executive Officer

APM SHIPPING SERVICES

This presentation will address the following 3 themes

What

APM Shipping Services is …

Why

APM Shipping Services was established …

How

APM Shipping Services will create value for the Group …!

What

APM Shipping Services provides shipping related services to customers worldwide through 4 industry leading business units

APM Shipping Services has a combined revenue of approx. USD 6bn and 20,000 employees operating all over the world

MAERSK TANKERS

One of the largest companies in the product tanker industry

MAERSK SUPPLY SERVICE

The leading high-end company in the offshore supply vessel industry

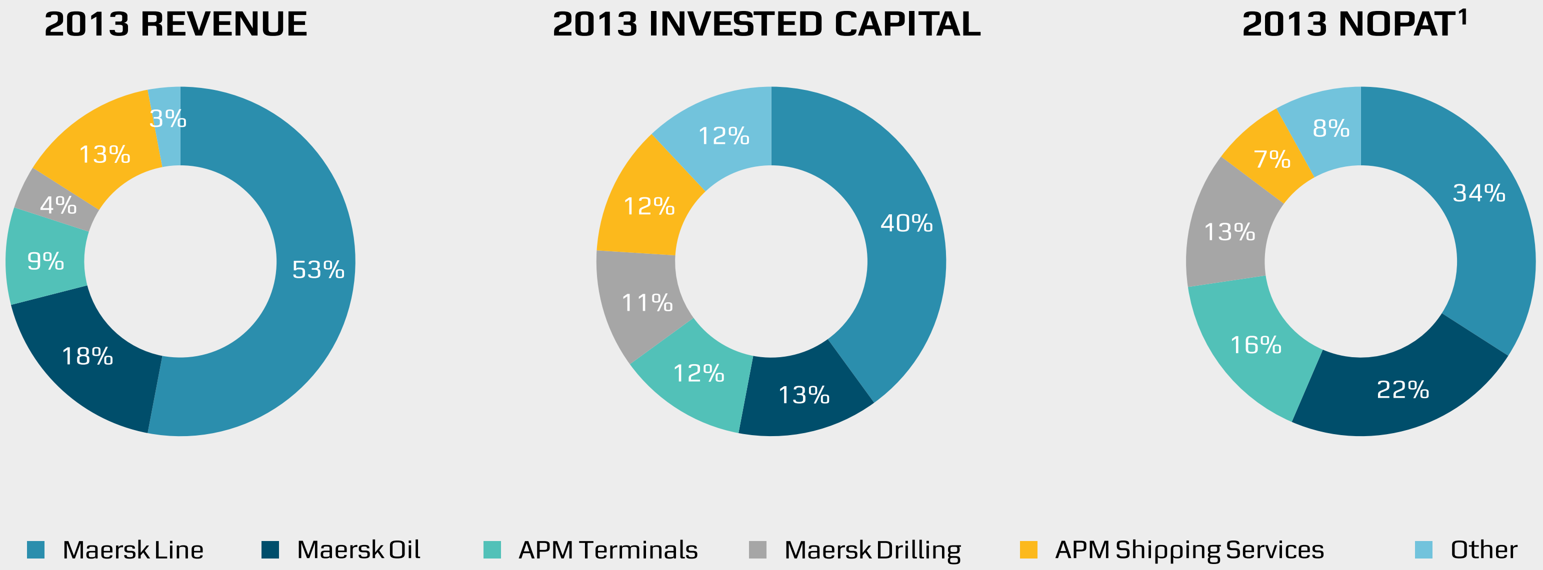
SVITZER

The leading company in the towage industry

DAMCO

One of the leading 4PL providers in the logistics industry

We are a significant part of Maersk Group – a need to improve profitability



Note 1: Excluding one-offs, unallocated, eliminations and discontinued operations

The 5 main challenges

2016 NOPAT of USD 500m

Current underlying NOPAT baseline around USD 300m

Needs to increase by ~70% in 2 years

Damco restructuring

Fundamental restructuring of Damco affecting processes, people and systems

Successful execution must take out costs and strengthen commercial competitiveness

Successfully executing MSS growth

Ambitious growth plans in Maersk Supply Service over next 5 years

Making MT a top performer

Returns to be significantly increased, making the company an industry top performer

Establish active position taking based on data and analytics

Svitzer Australia profitability

Significant part of total Svitzer investments

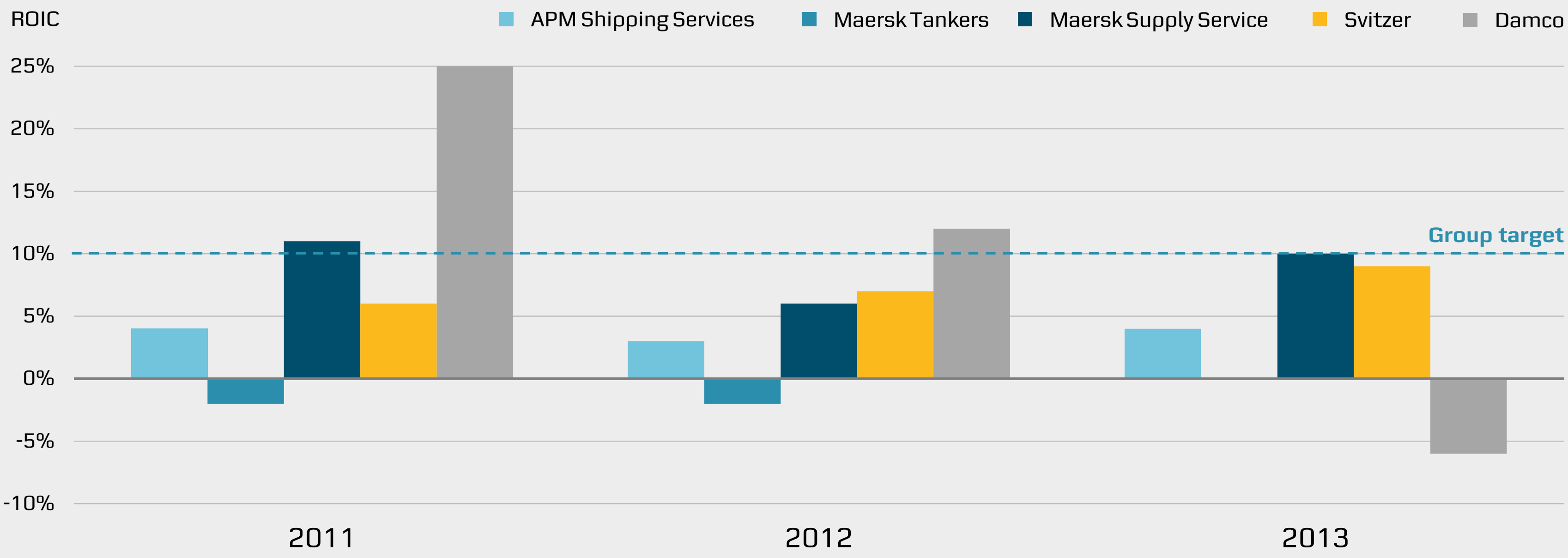
Tough competition and pressure on costs

Why

APM Shipping Services was established to increase focus on the smaller and core business units in APMM

Overall, performance has not met return target in recent years

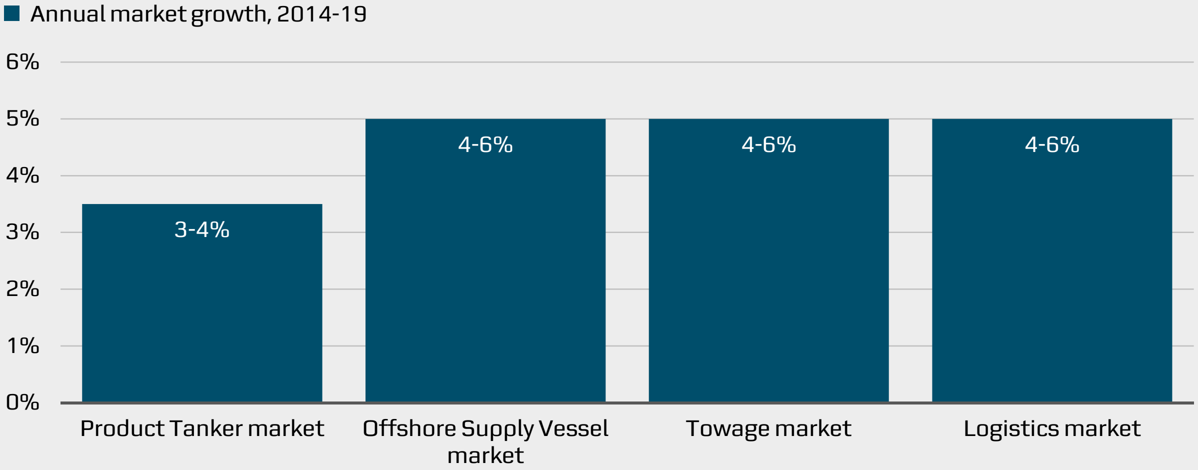
Return on invested capital, 2011-2013[1]



Note 1: Excluding one-offs

Most of the business units present an attractive growth potential

Market value growth

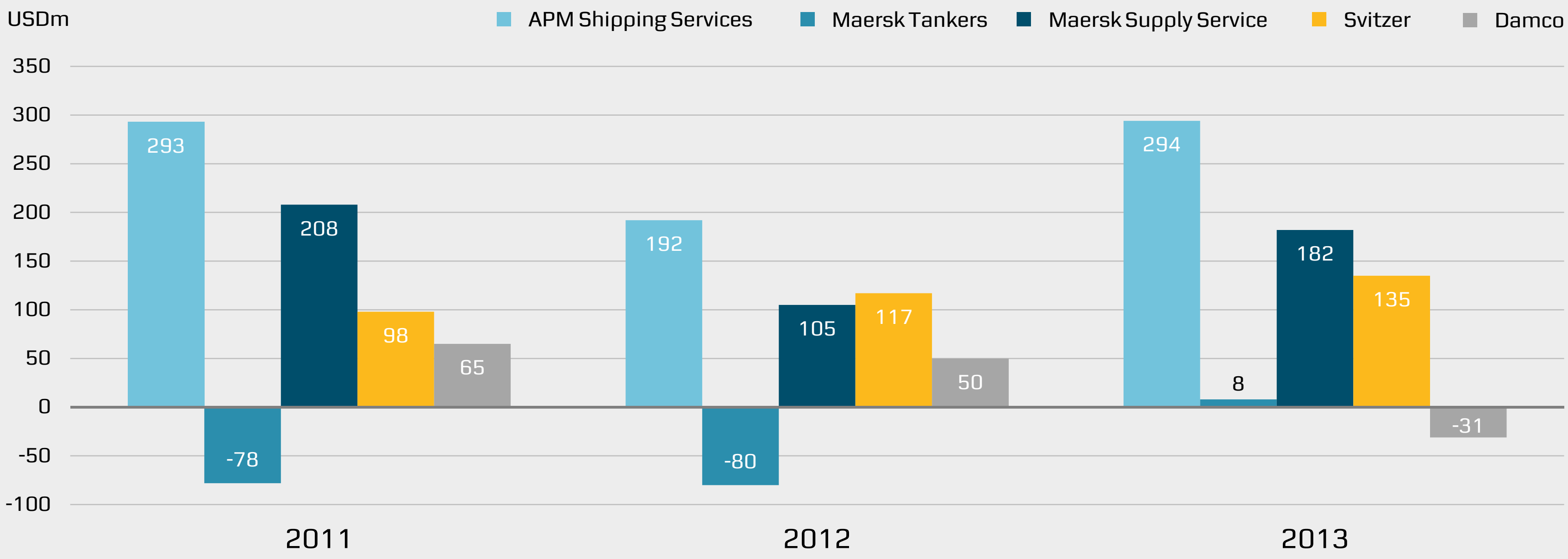


- Market growth rates attractive considering maturity of industries

Sources: External consultancies

Our NOPAT baseline is around USD 300m ...

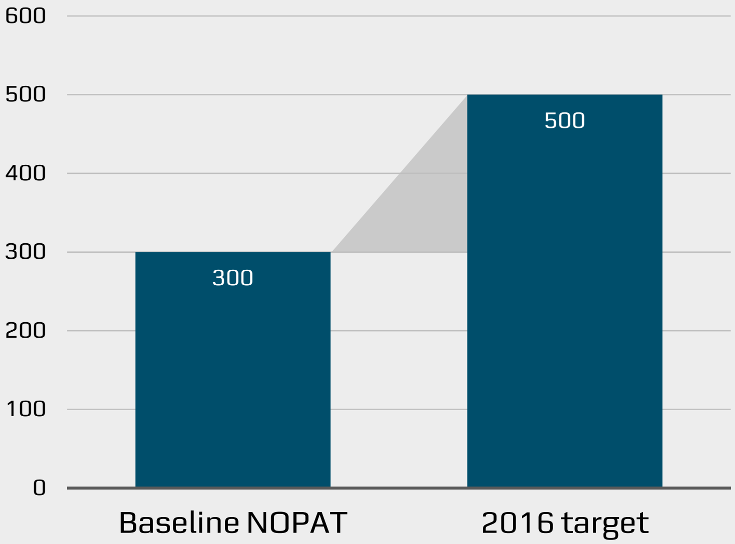
NOPAT excl. one-offs



MAERSK

... while our target is self-funded USD 500m NOPAT in 2016

NOPAT, USDm



Levers to reach target

- Strategies for value creation
- Performance management
- Close involvement

Executed through the following organisational setup

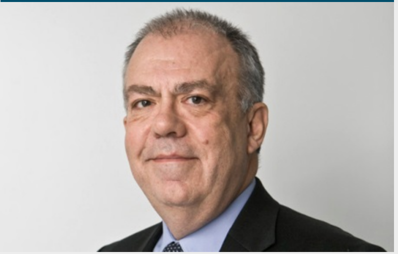
APM Shipping Services
Morten Engelstoft, CEO

Maersk Tankers

Morten Engelstoft
Chief Executive Officer

- Joined Maersk in 1986
- Region Head positions in Maersk Line
- COO, Maersk Line

Maersk Supply Service



Carsten Plougmann Andersen
Chief Executive Officer

- Joined Maersk in 1976
- Maersk Broker, Tokyo
- SVP, Maersk Supply Service

Svitzer

Robert Uggla
Chief Executive Officer

- Joined Maersk in 2004
- Country Manager, Maersk Line
- Managing Director, Broström

Damco

Hanne Sørensen
Chief Executive Officer

- Joined Maersk in 1994
- CCO, Maersk Line
- CEO, Maersk Tankers

How

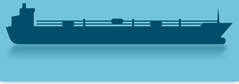
Strategies for value creation
are in place in all business units
in APM Shipping Services

"Strategies for Value Creation" are in place to reach 2016 target

MAERSK TANKERS

New strategy focused on Product tanker segments

- Cost leadership
- Active position taking
- Third party service offerings



MAERSK SUPPLY SERVICE

Strategic focus on high-end AHTS and SSV segments[1]

- Newbuilding orders of AHTS and SSVs
- Divestment of old tonnage
- Organizational restructuring

SVITZER

Strategic focus on Harbour and Terminal Towage as well as Salvage

- Ensure safe operations
- Improve profitability of existing business
- Enable profitable growth – particularly in Terminal Towage

DAMCO

Execute restructuring programme

- Reduction in overhead costs
- Reduction in number of regions
- Strengthening of forwarding capabilities
- Harvesting benefits of One Damco

Note 1: AHTS: Anchor Handling Tug Supply. SSV: Subsea Support Vessels

MAERSK TANKERS

New strategy for top quartile performance

Maersk Tankers at a glance

Established

1928

3,800

employees

Vessels (owned/operated)

80 / 174

Invested Capital 1H 2014 (USDm)

1,754

Revenue in 2013 (USDm)

1,625

Underlying Net Operating Profit After Tax in 2013 [1]

USD 8m

Underlying Return On Invested Capital in 2013 [1]

0%

Note 1: Excluding one-offs

Maersk Tankers focuses on shipping of refined products from refineries to downstream distribution

Oil & Gas value chain

	Midstream	Maersk Tankers playing field
Product examples	Crude oil, e.g. Brent Blend	Diesel, gasoline and naphtha
Key segments	VLCC, Suezmax, Aframax, Panamax	LR1, LR2, MR, Handy, Intermediate
Current order book[1] **Demand outlook[2]**	12% of world fleet 3% CAGR	18% of world fleet 5% CAGR

Note 1: Measured in capacity (DWT); Note 2: Outlook next 12 months by Fearnley Securities

We have taken the decision to focus on the Product Tanker segments

TAKING STOCK 2012	FOCUS STRATEGY 2013	DIVESTMENT OF GAS & CRUDE 2013-14	NEW PRODUCT STRATEGY 2014
• Heavy losses in tanker industry • Outlook not improving	• Decision made to focus Maersk Tankers' fleet	• Product Tanker segments presenting greatest long-term potential • Gas divested in 2013 • Crude divested in 2014	• New Product Tanker focused strategy for Maersk Tankers launched

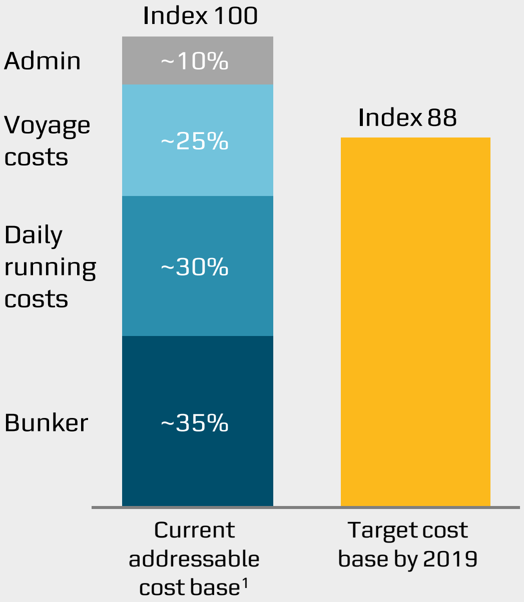
Taking Lead strategy focuses on 3 levers ...

... with 0
incidents

Ambition to become the cost leader in the Product Tanker industry

Cost base and savings target

COST LEADERSHIP



Ambition to become cost leader

Target of 12% reduction in addressable operational expenses

Largest potential within Daily Running Costs (DRC)

Note 1: non-addressable costs include, among others, time charter and bareboat hire costs and depreciations

Leveraging data and analytics to make better position taking decisions

ACTIVE POSITION TAKING

Active position taking instruments

Instrument	Description	Key decision examples
Spot chartering	Apply data and analytics to (help) select customers and trade lanes most likely to generate the highest rates	(What) voyage (Which) cargo
Coverage (Charter-in / out)	Apply data and analytics when deciding on contract coverage	TC-in vs. TC-out Duration of coverage
FFA	Trade derivatives to utilise the inefficiencies that persist between the physical and the non-physical market	Hedging Optimisation
Asset positioning	Buying and operating vessels, optimising profits from vessel sales leveraging data and analytics	When to buy When to sell

Leveraging current commercial and future technical core capabilities to offer 3rd party services

3RD PARTY SERVICES

Third party service offering concerns:

- Generating profit through 3rd party services
- Utilising Maersk Tankers' existing commercial platform (pools)
- Leveraging future cost leadership position to offer commercial partners technical management services

FINAL REMARKS

- One of the largest Product Tanker companies in the world
- Decision taken to focus on Product Tanker segments given long term outlook and current market position
- A new and innovative strategy has been made based on 3 levers: cost leadership, active position taking and 3rd party services
- Active position taking in particular a new approach in Maersk Tankers and to some extent in the tanker industry
- Confident that new strategy will significantly increase returns in the longer term

MAERSK SUPPLY SERVICE

Executing on ambitious growth strategy

Carsten Plougmann Andersen
Chief Executive Officer

MAERSK
SUPPLY SERVICE

Maersk Supply Service at a glance

Established
1967

Offshore employees
1,900

Onshore employees
250

Present fleet (owned/operated) / Newbuilds
60 / 61 / 6

Invested Capital 1H 2014 (USDm)
1,662

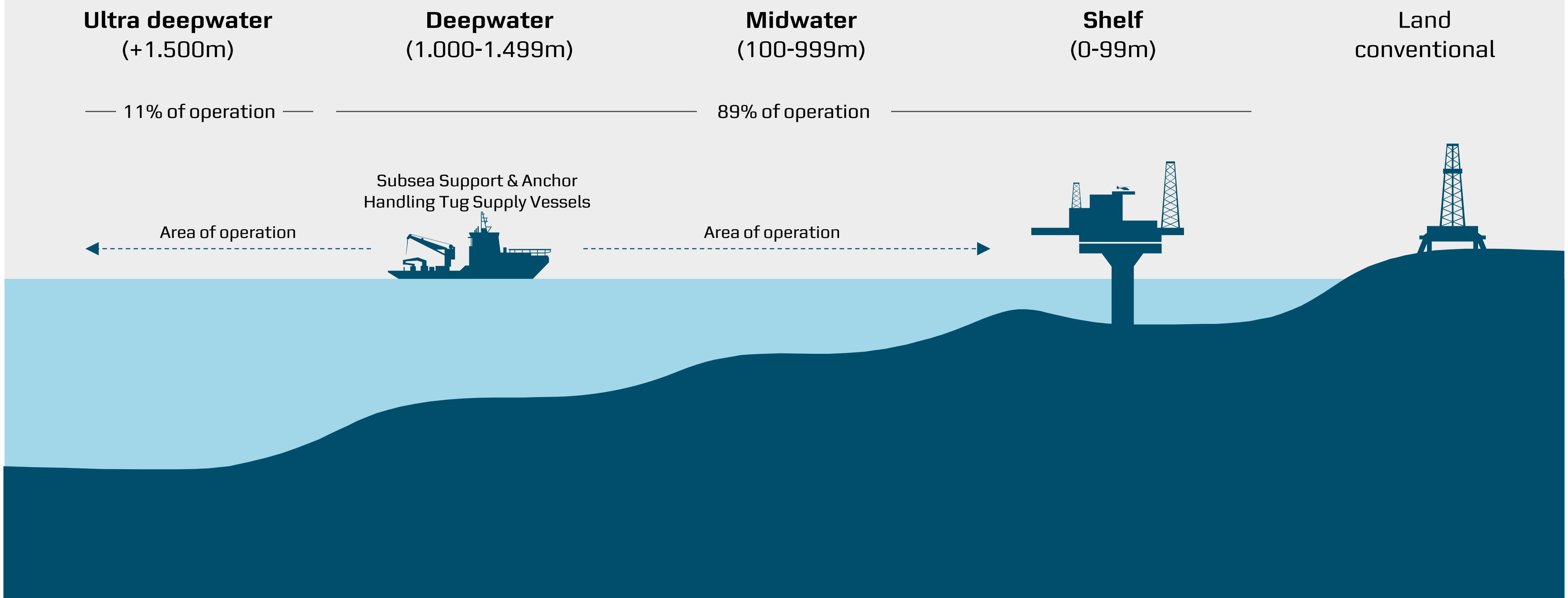
Revenue in 2013 (USDm)[1]
772

Underlying Net Operating Profit After Tax in 2013 [1,2]
USD 182m

Underlying Return On Invested Capital in 2013 [1,2]
10%

Note 1: Not incl. Esvagt. Note 2: Excluding one-offs

Main demand driver is existing/sanctioned reservoirs



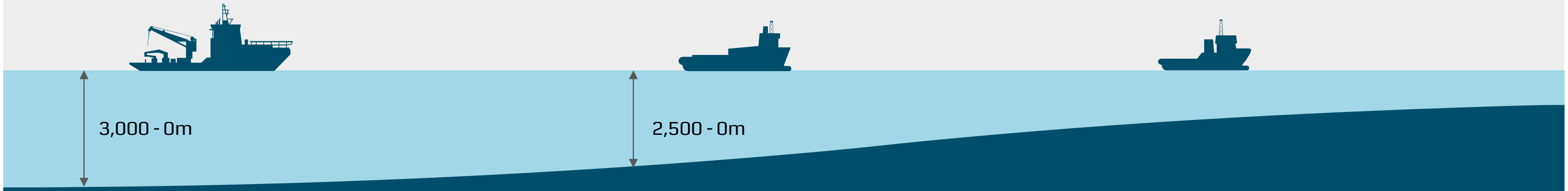
Source: Douglas Westwood, Infield Systems (forecasted data from specialist vessel report), Rystad Energy and IEA

Versatile fleet with main focus on high-end segments

6 Subsea Support Vessels

44 Anchor Handling Tug Supply Vessels

10 Platform Supply Vessels



SUBSEA SUPPORT OPERATION

- Subsea installation of producing infrastructure
- Trenching/Ploughing, Cable/pipe lay
- Accommodation services
- Diving support, Service of oil wells, Surveying
- IMR (Inspection, Maintenance & Repair)
- Remote Operated Vessel (ROV)
- FPSO installation, Riser & Flow Line
- Assisting in well stimulation

ANCHOR HANDLING TUG SUPPLY OPERATION

- Anchor handling (regular, torpedo etc.)
- FPSO installation & hook ups
- Rig moves and towing of large offshore structures
- Supply/cargo duties
- Assisting Subsea installation (ROVs)

PLATFORM SUPPLY OPERATION

- Supply/cargo duties
- Pipe transportation
- Riser transportation
- Firefighting

We are operating worldwide in a USD 10-12bn market[1]

North America
Turnover 98
Vessels 9

North Sea
Turnover 111
Vessels 12

West Africa
Turnover 200
Vessels 15

South America
Turnover 253
Vessels 16

Asia Pacific
Turnover 110
Vessels 9

Customers[2]

bp, Chevron, DEEPOCEAN, Eni Saipem, ExxonMobil, Husky, MAERSK OIL, noble energy, BR PETROBRAS, Shell, Statoil

Note 1: Only relevant markets considered; Note 2: Customers listed in alphabetic order. Turnover in USDm, 2013 figures

Our strategy "0 Incidents, +10% return"

Subsea Support Vessels

GROWTH OPPORTUNITIES

Anchor Handling Tug Supply Vessels

MAINTAIN MARKET LEADERSHIP

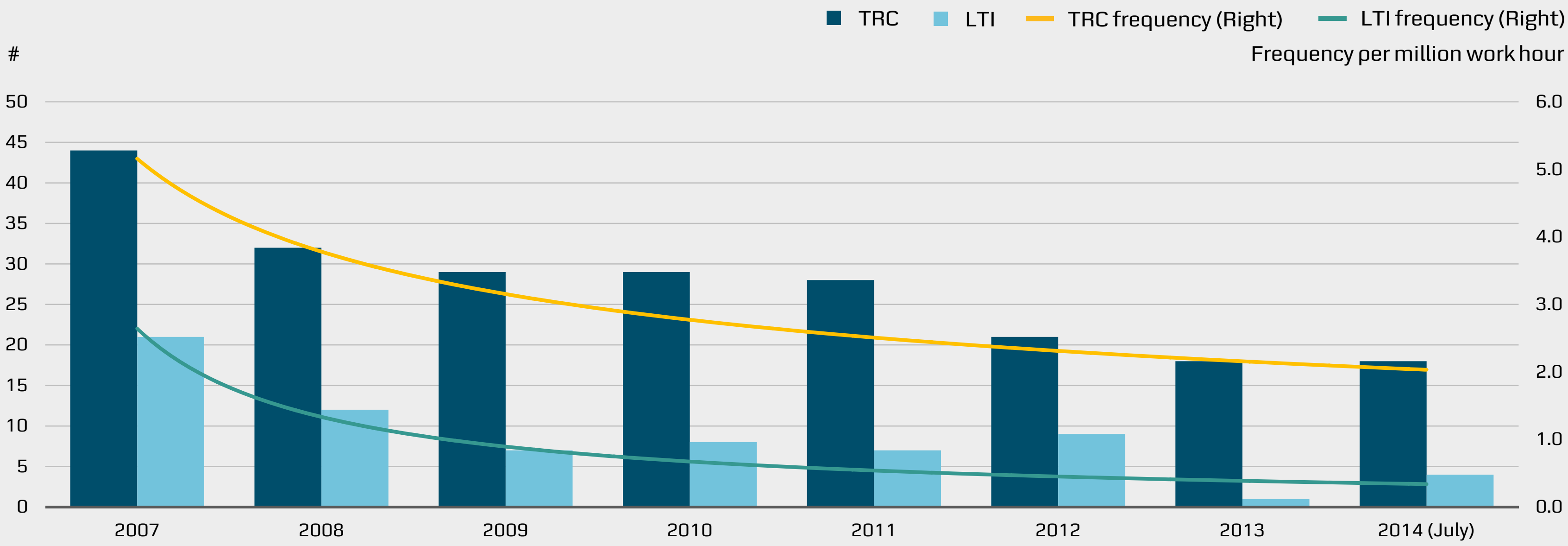
Platform Supply Vessels

OPPORTUNISTIC SUPPORT TO KEY PROFIT POOLS

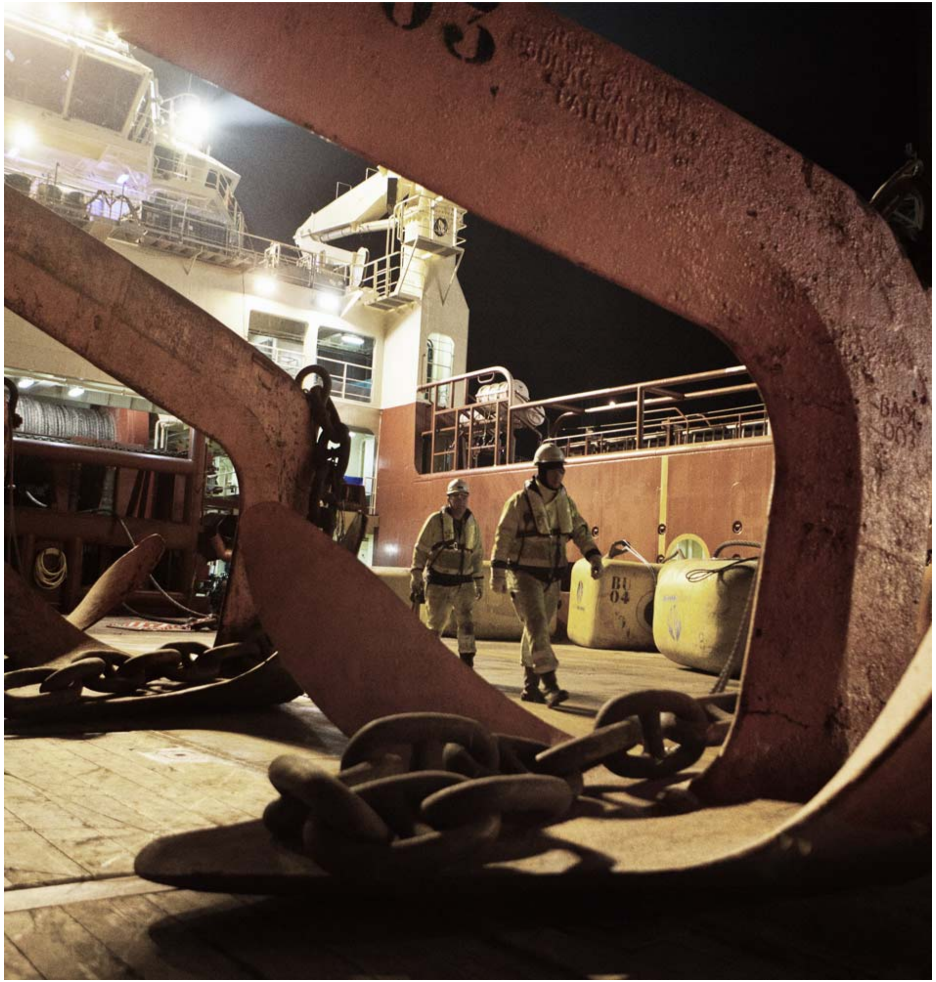
- Our ambition is to outperform competitors on safety and profitability and be the industry leading company in the SSV and AHTS high-end segments

Safety is the top priority for us and our customers

LTI and TRC



LTI: An injury which requires 24 hours or more away from all duties, directly caused by a work-related task
TRC: Total Recordable Cases - also known as Recordable Injuries



Crew capabilities are key to our own and customers success

- Our crews are recognised amongst the best in the industry
- Long term commitment to develop and retain capable crews
- State of the art training facility with world class vessel simulators
- Continuously develop our on- and offshore organisation for future requirements

Strong new-building pipeline supporting our strategy

4 Subsea Support Vessels

1 Cable laying vessel

1 AHTS +15.000 BHP

- We are building a fleet fit for the future
  – with focus on SSV's, high end AHTS and specialised PSV's

We support our growth strategy with a number of key initiatives...

Customer Centricity

- Value selling
- Exceed customer expectations
- Local content

Vessel Empowerment

- Placing decisions and responsibilities with our officers on board
- Achieve executive mentality on board the vessels

ERP

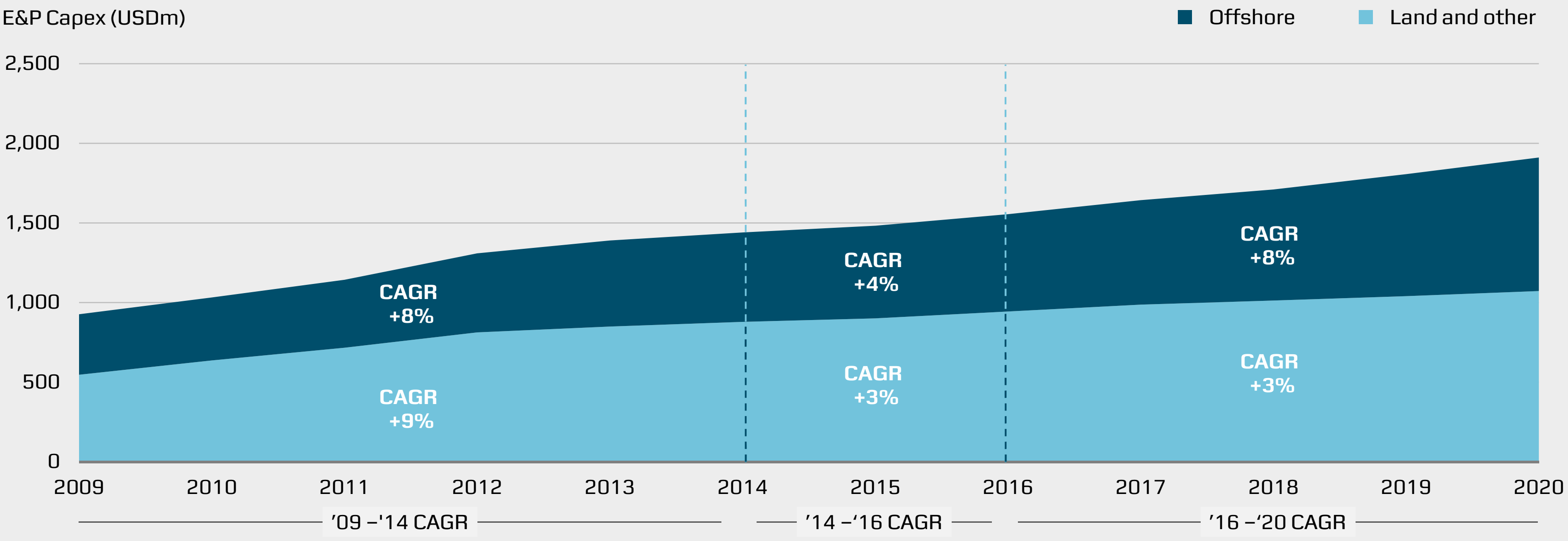
- Streamlined processes and transparency
- Simplified administration
- Optimized maintenance planning and supply chain

Asset Management

- Active portfolio management
- Value maximization
- Long-term market development

Expect slow growth next 12-18 months in E&P spend

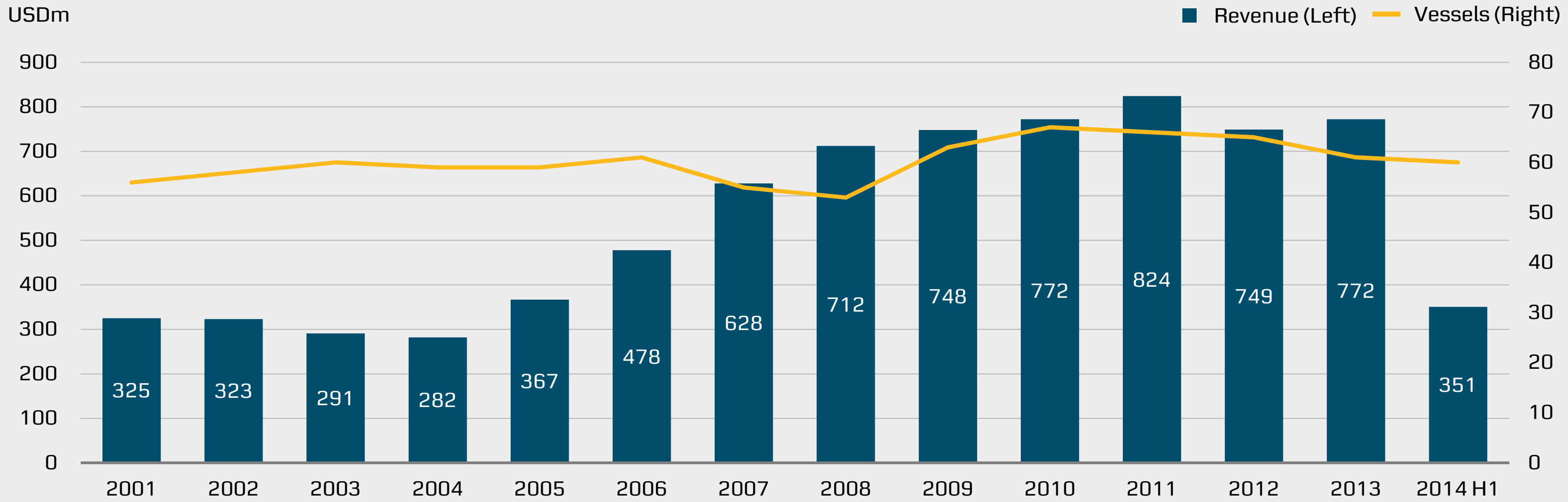
Exploration and Production expenditure



Source: Rystad Energy and Maersk Supply Service

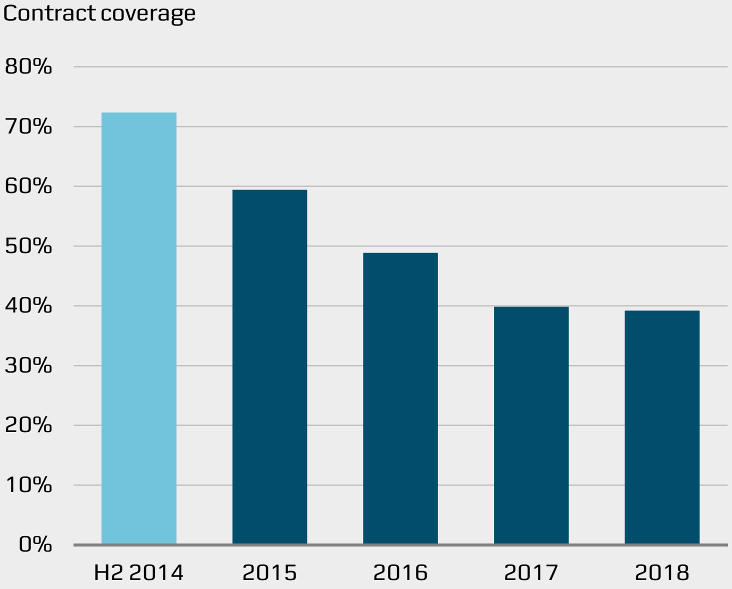
A decade of profitable growth

Revenue and vessels



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 H1
ROIC (%)	17.7	17.3	5.5	1.7	8.0	12.5	34.2	27.3	17.2	10.2	11.2	5.2	10.7	6.8

High revenue visibility with quality customers



As per end July 2014, including options

MAERSK SUPPLY SERVICE

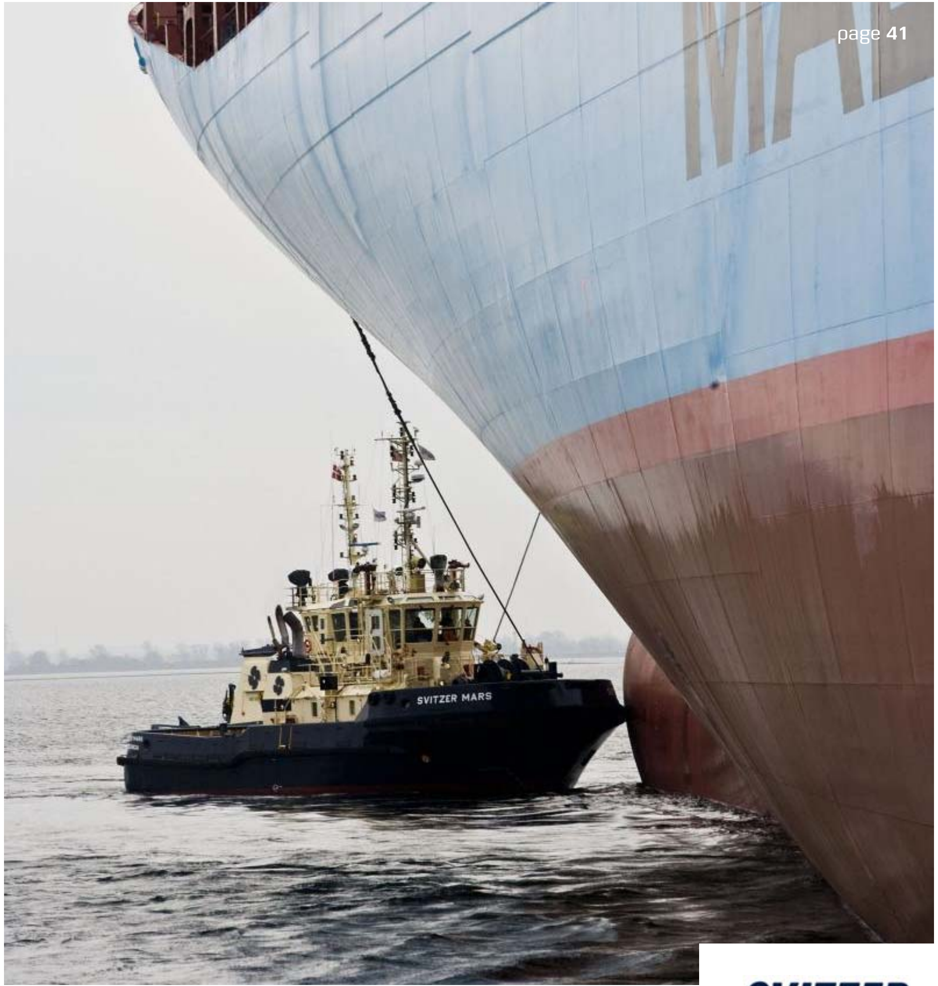
Concluding

- We will continue to grow and deliver +10% ROIC over the cycle
- We have an industry leading safety record with zero incident target
- We are in a strong position with our newbuildings being delivered in 2015 - 2017
- We have a cost competitive organisation fit for the future
- We are ready for the many challenges in a market with increasing focus on local content

MAERSK SUPPLY SERVICE

SVITZER

Focus on safe operations, sustainable returns and accelerating growth of long term contracts



Svitzer at a glance

Established

1833

3,500

employees

Vessels (owned/operated)

397 / 418

Invested Capital 1H 2014 (USDm)

1,510

Revenue in 2013 (USDm)

831

Underlying Net Operating Profit After Tax in 2013 [1]

USD 135m

Underlying Return On Invested Capital in 2013 [1]

9%

Note 1: Excluding one-offs

Svitzer is an industry leading towage operator with 130 operations

HARBOR TOWAGE (68%*)

Towage of large vessels in regular ports with competition port-by-port (each port is a market)

Contracts with vessel operators – priced by the individual job

Number of operations: 96

TERMINAL TOWAGE (31%*)

Towage at LNG, Oil & Mining terminals under long-term contracts (typically 15-25 years) with competition via tendering

Customer is the terminal and priced on day-rates

Number of operations: 34

SALVAGE (1%*)

Vessel emergency prevention and response and (vessel) wreck removal

- Fewer vessel emergencies, but increasing number of wreck removals
- Svitzer increased strategic focus on wreck removals

* Share of 2013 EBITDA

SVITZER

Continued industry leadership is a function of three strategic objectives

SAFE OPERATIONS

Setting the industry standard to serve higher customer requirements

BUSINESS OPTIMISATION

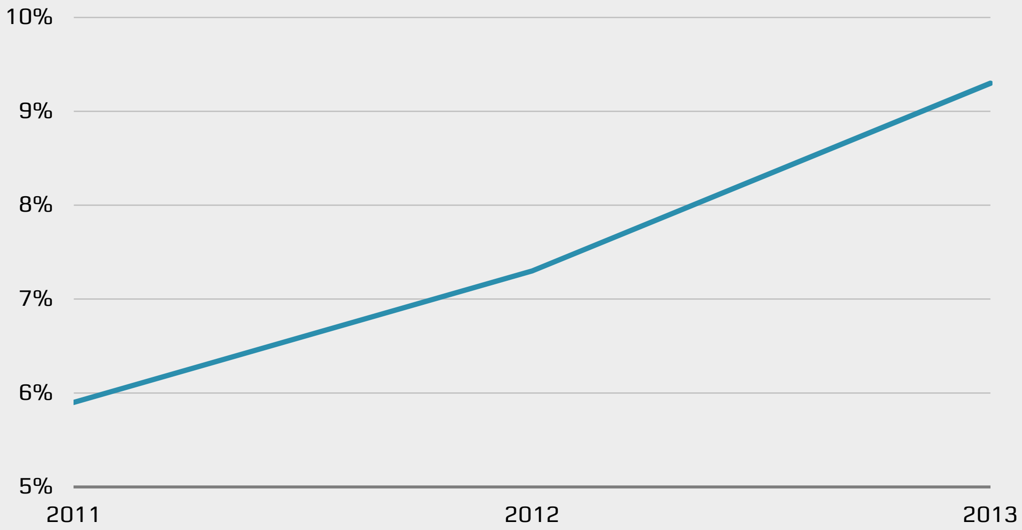
Changing the industry fundamentals in Harbour Towage and improving the existing business

PROFITABLE GROWTH

Using global scale to establish new operations offering long term contracts

Returns have improved, but business improvement effort is undermined by increased competition and legacy crew cost

ROIC, excl. one-offs

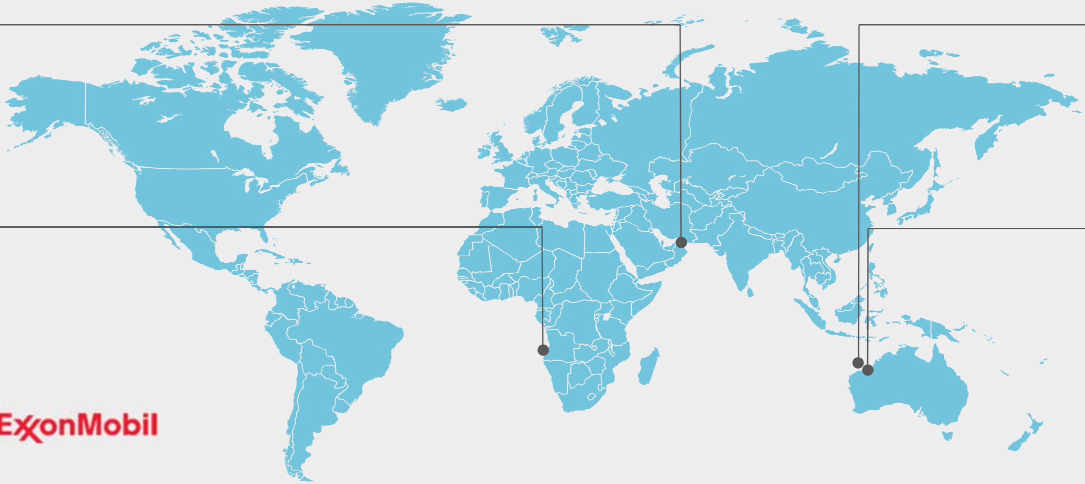


- Overcapacity, especially in mature markets, leading to highly competitive market situations
- Higher productivity is heavily relying on Svitzer and unions closely collaborating to identify more flexible working arrangements
- Value to customers from Svitzer's superior coverage and reliability – can increasingly be translated into multi port and performance related contracts

Proven track record in delivering terminal projects – more in the pipeline

Ras Laffan
Contract 14 years
4 tugs + 3 support vessels
Start year: 2014

Wheatstone LNG
Contract 20 years
4 tugs + 1 pilot boat
Start year: 2016



Angola LNG
Contract 20 years
5 tugs + 8 support vessels
Start year: 2011

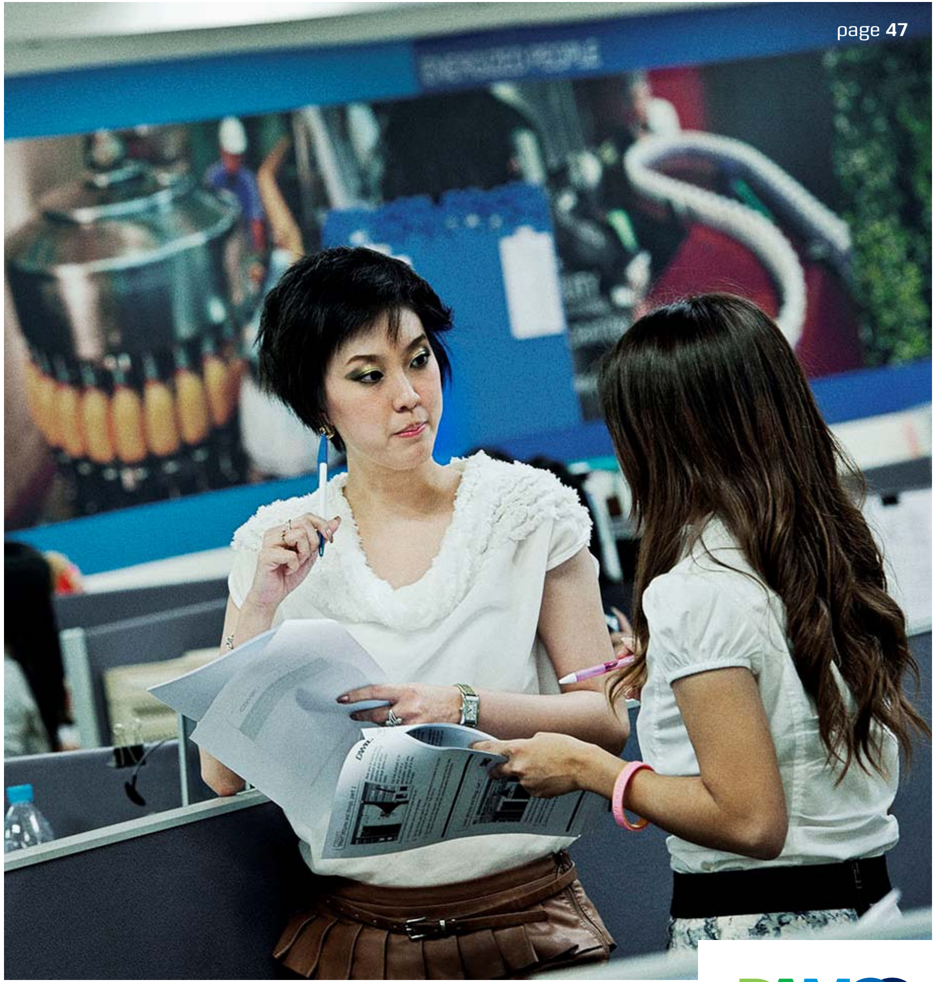
Gorgon LNG
Contract 20 years
4 tugs + 1 pilot boat
Start year: 2015

Statoil QATARGAS ExxonMobil

- Focus on securing new long-term contracts – mainly in oil and LNG terminals
- +25 newbuild tugs delivered for LNG terminals alone since 2009 and another 8 under construction
- Projects with total value of more than USD 1bn secured since 1 January 2013. Implementation period of these green field operations typically 2-3 years
- Current pipeline includes more than 30 large terminal projects

DAMCO

Focus on completing restructuring process



Damco at a glance

Established (carved out from Maersk Line)

2000

+11,000

employees

AIR/OCE volume ('000s) in 2013

227tons/792teu

Invested Capital 1H 2014 (USDm)

514

Revenue in 2013 (USDm)

3,212

Underlying Net Operating Profit After Tax in 2013 [1]

USD -31m

Underlying Return On Invested Capital in 2013 [1]

-6%

Note 1: Excluding one-offs

Damco facilitates and coordinates transportation of goods in most steps from production to final destination

The logistics value chain

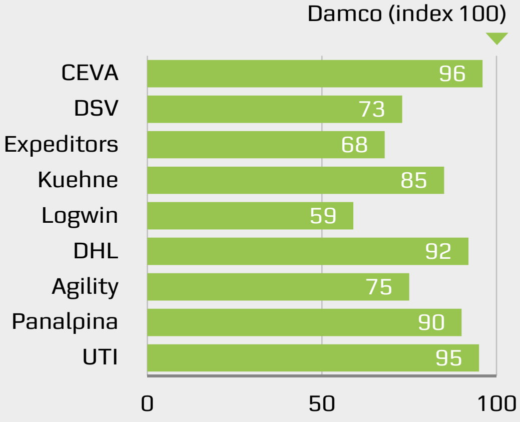
Typical span of Damco activities (3PL and 4PL) | Domestic 2PL

- Damco provides multiple logistics services, which are integrated, or bundled together
- Services generally divided into freight forwarding (3PL) or supply chain management (4PL)
- In 4PL, Damco manages most or all parts of the customer's supply chain
- Damco industry leader within 4PL solutions for large customers

Damco currently has 3 main challenges

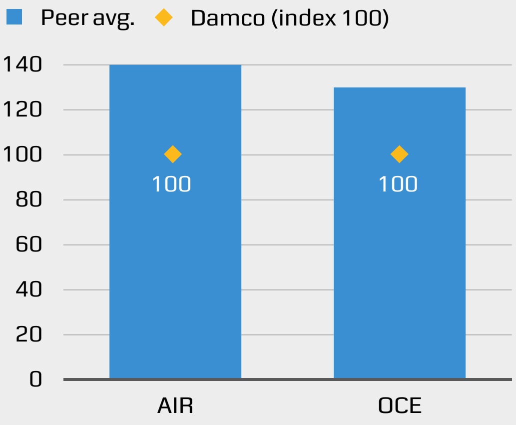
Too low productivity / too high overhead costs

Overheads/gross margin ratio – Q1 2014



Too low gross margins in freight forwarding

Air & ocean freight margins (indexed) – 2013



Insufficient global standards and cross regional cooperation

Insufficient global alignment hinders optimal reduction in overhead costs

One Damco restructuring programme is transforming the company

COLLABORATION	UNITY	DIFFERENTIATION & GROWTH	EFFICIENCY	LEADERSHIP	SIMPLIFICATION
From 8 to 4 regions Increased focus on collaboration	Single global freight forwarding operating platform	Expanding geographic footprint Upgrade of forwarding capabilities	Lean Management techniques Offshoring transactional finance	Leadership training for top 100 Lean leadership	Consolidating 315 OPS offices to 50

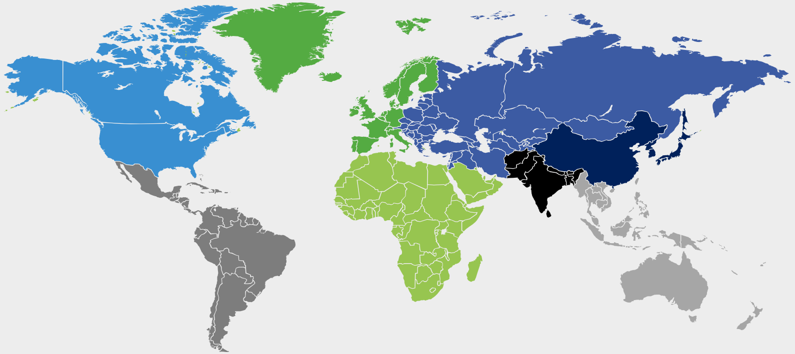
New regional structure has been implemented promoting greater global alignment and enabling cost savings

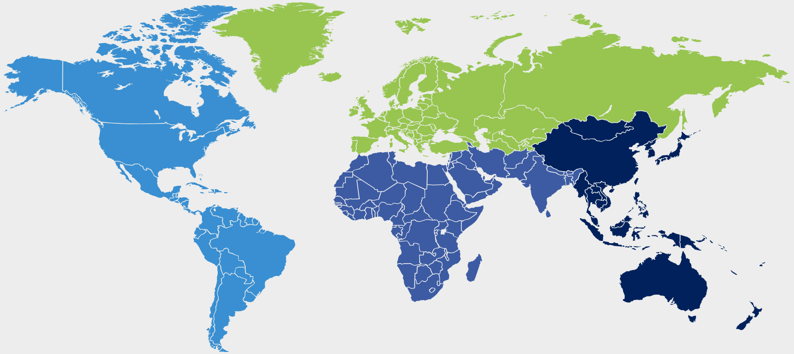
Old regional setup

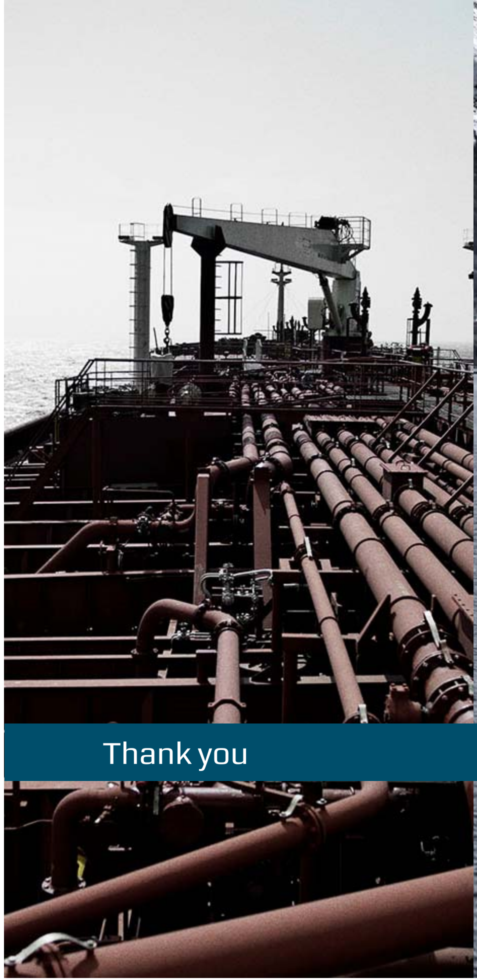
- Large differences in size between the 8 regions
- Difficult to promote cross-regional collaboration
- Difficult to ensure consistency in communication and services offered to global customers

New regional setup

- All 4 regions are of similar size
- Cross-regional work groups established
- Cost savings estimated to USD +35m annually








Thank you

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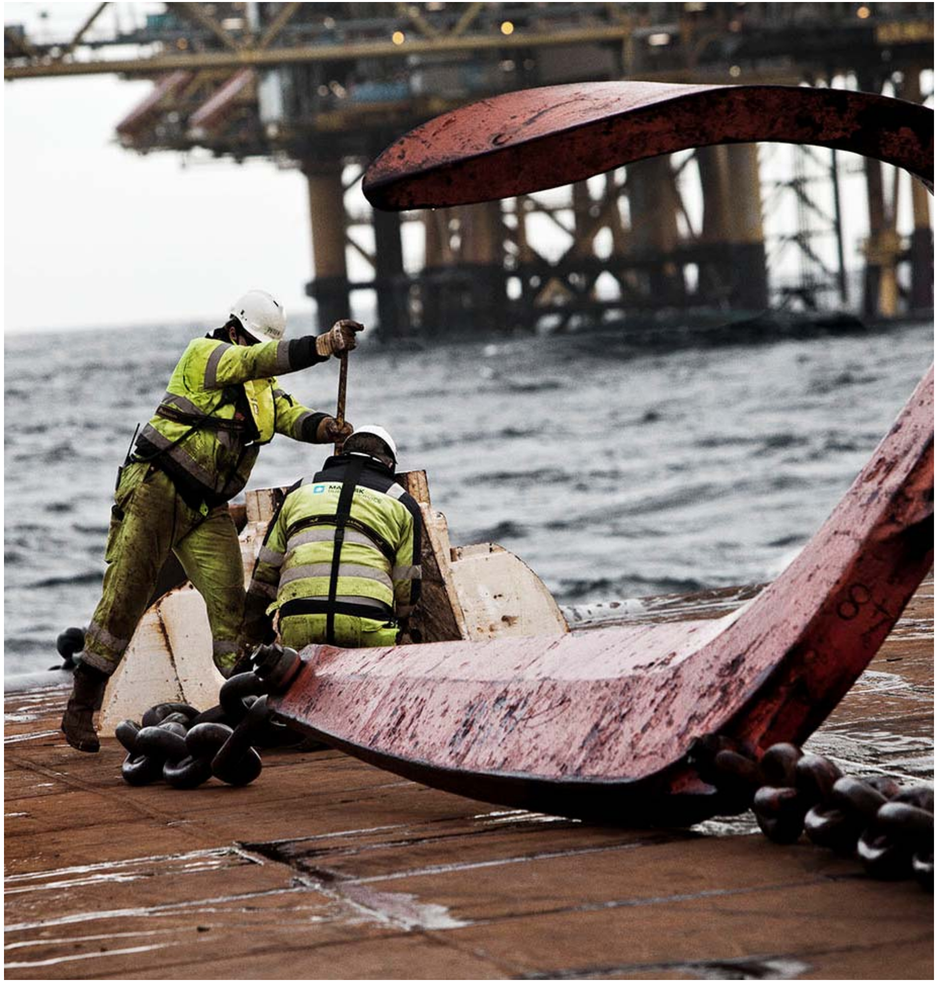


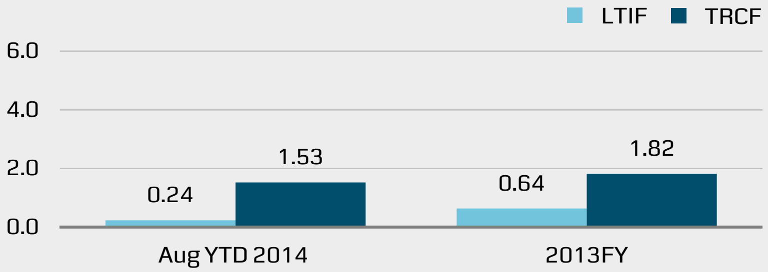
APM SHIPPING SERVICES

- APM Shipping Services is made up of 4 business units with strong market positions in their respective industries
- Charter of APM Shipping Services is to increase focus on smaller, core business units to drive growth and earnings potential
- Close follow-up and performance management are important in this respect
- Our target is to deliver NOPAT of USD 500m in 2016
- We have identified and are executing on 'strategies for value creation' in all 4 business units

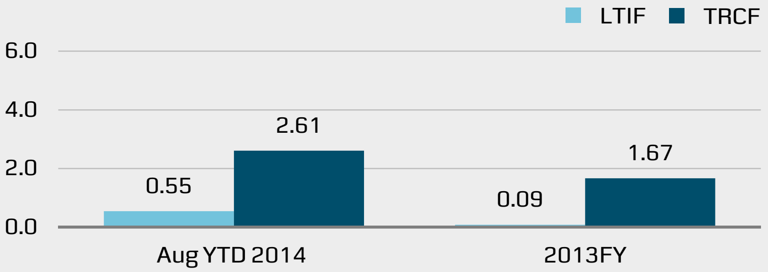
Appendix

Safety first – APM Shipping Services safety performance YTD

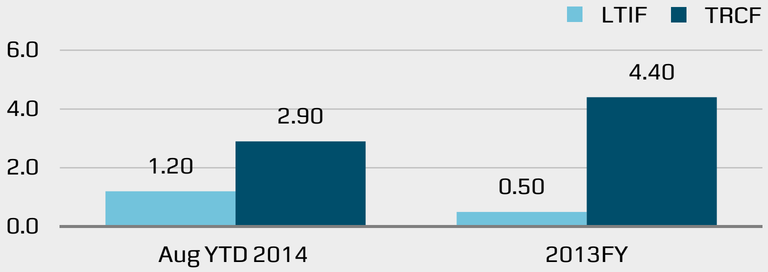
MAERSK TANKERS



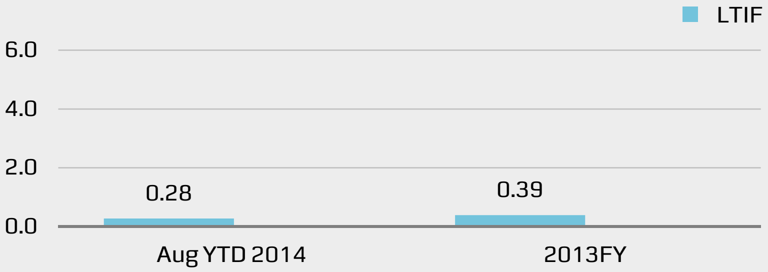
MAERSK SUPPLY SERVICE



SVITZER



DAMCO



Note: LTIF: Lost Time Injury Frequency – number of lost time injuries per million man-hours worked. TRCF: Total Recordable Cases Frequency – total number of work related injuries per million man-hours worked

Strong client relationships in Damco

Sample of clients

- Damco serves some of the world's largest, multinational companies
- Many of these relationships go several years back

Walmart — Customer since 1996

PUMA — Customer since 1991

H&M — Customer since 1994

NIKE — Customer since 2000

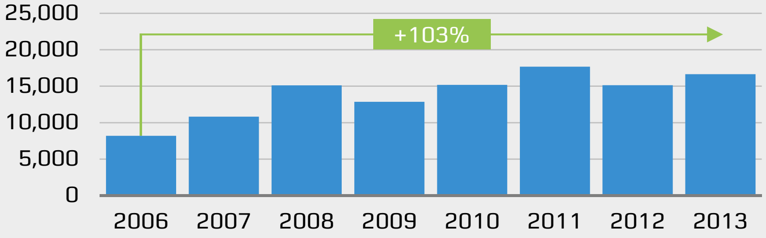
TARGET — Customer since 1997

Starbucks Coffee — Customer since 2002

Client relationships

- Good track record of relationships with large, multinational companies developing into "partnerships"
- Over last year, volume with top 5 clients increased by 12%[1]
- Puma, a client since 1991, has doubled its volume with Damco between 2006 and 2013:

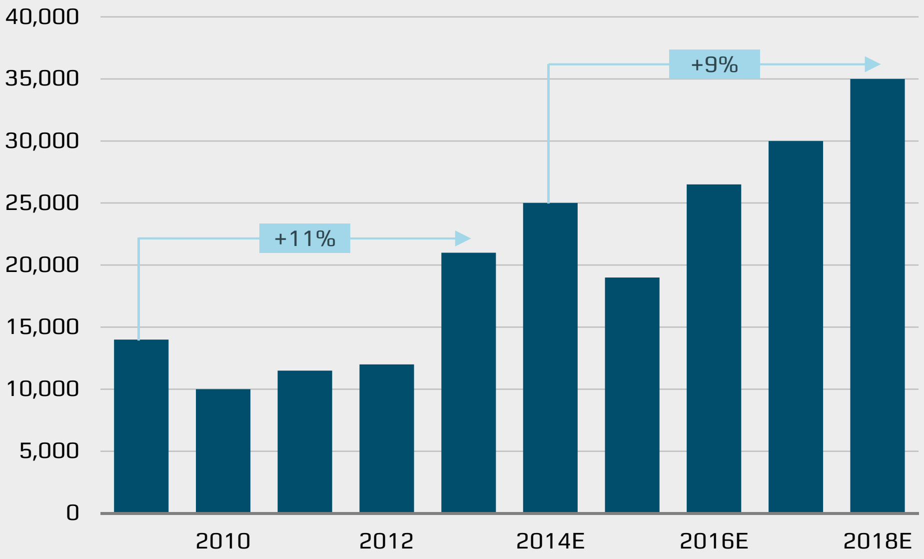
Puma volume development (TEU)



Note 1: SCM volume growth

Positive outlook for subsea installations world wide

Subsea equipment Capex (USDm)



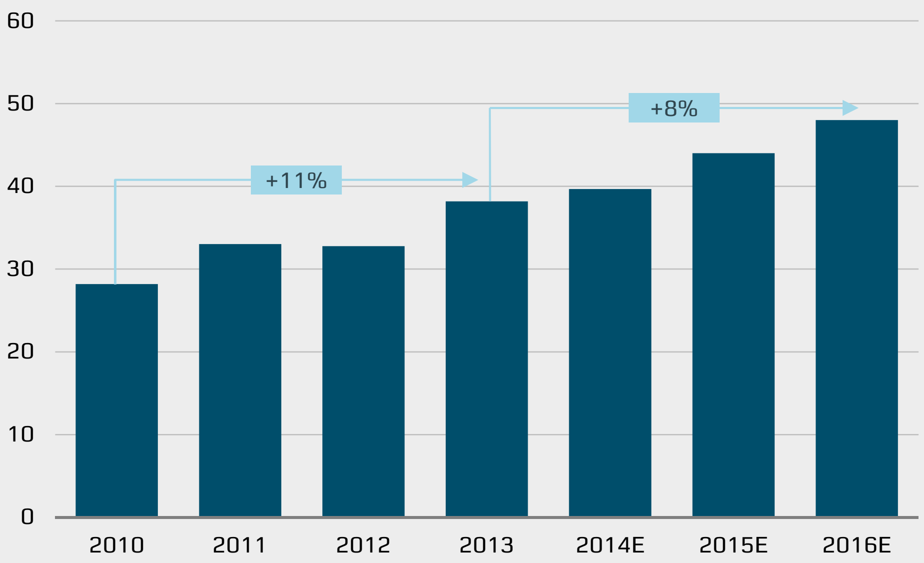
Source: Infield Systems

Comments

- Subsea market is viewed as one of the most attractive growing offshore market
- We are expanding our position with our recent order of 4-6 Craned Subsea Suppprt Vessels in China
- These vessel will be added to our fleet from late 2016 to mid 2017

Rig activity expected to slow down next 12-18 months

Rigs in North Sea, in service (Units)



Source: Rigs in North Sea in service: Pareto Securities

Comments

- Capital discipline from oil majors put pressure on traditional offshore segment
- Up to 40% of our AHTS fleet has performed alternative work scope from 2011-2013
- Long-term fundamentals still strong as rig demand directly linked to E&P spending and utilization expected to rise from 2016

Weaker spot market influenced first half 2014

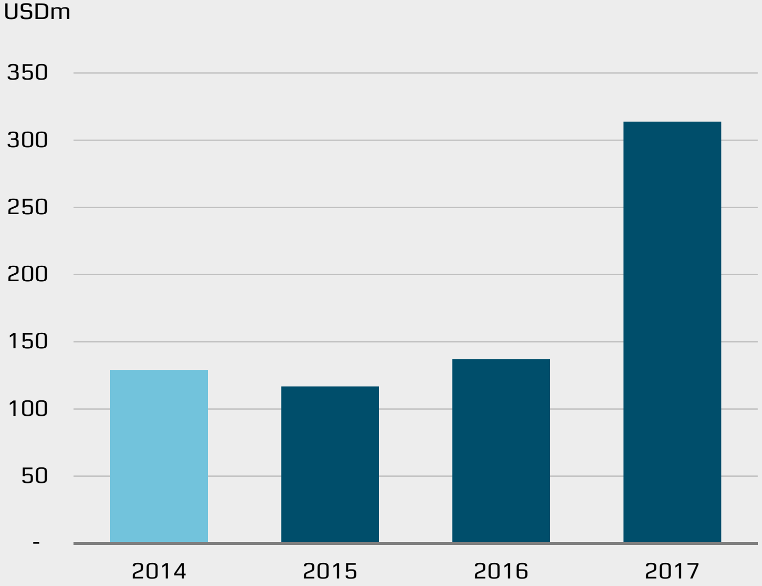
Income statement

USDm	H1-2014	H1-2013
Revenue	351	382
EBITDA	131	169
EBIT	63	103
Segment profit	57	88

Balance sheet & cash flow

USDm	H1-2014	H1-2013
Invested capital	1,676	1,786
Cash flow from operations	149	180
Cash flow from investments	-51	-31

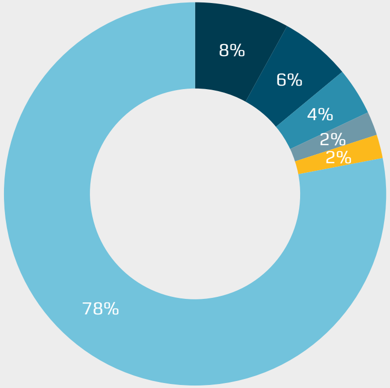
Committed Capex related to Newbuildings



As per end July 2014

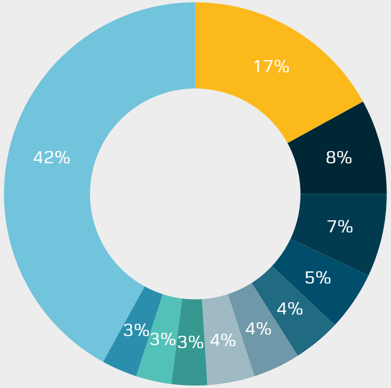
Maersk Supply Service position in the market - Market size USD 11-12bn

OSV fleet



■ Tidewater ■ Bourbon ■ Edison Chouest ■ Swire
■ Maersk Supply Service ■ Others (332)

Anchor Handler Tug Supply +15K BHP

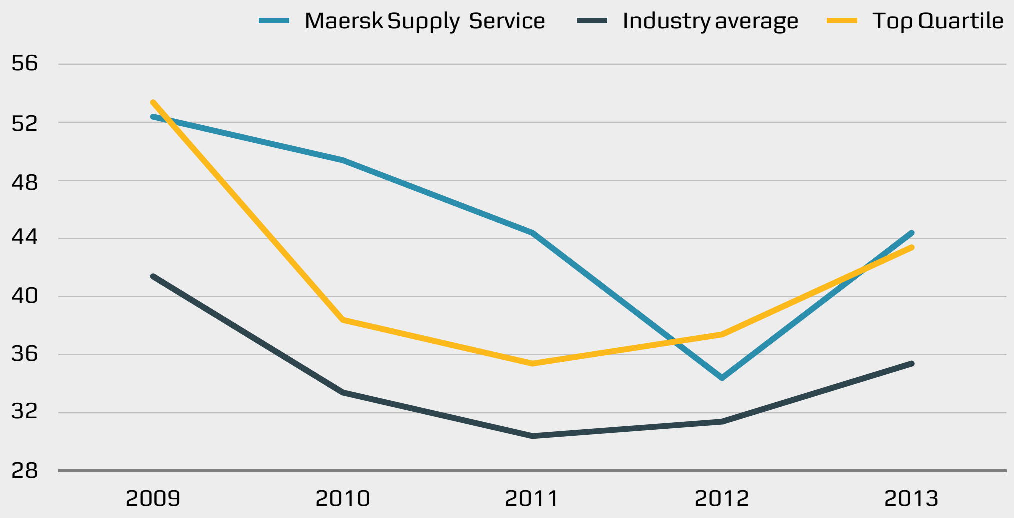


■ Maersk Supply Service ■ DOF ■ Farstad ■ Solstad
■ Edison Chouest ■ Siem ■ Hartmann ■ Swire Pacific
■ Viking Supply ■ Bourbon ■ Others (39)

Source: IHS Petrodata (Aug-13)

Consistently top quartile performance

EBITDA-margin



Industry: Farstad, Solstad, SIEM, Havila. DOF, Deep Sea Supply, Hornbeck, Seacor, Tidewater, Bourbon & Gulfmark – excl. Maersk Supply Service.
Top quartile is incl. Maersk Supply Service.

Comments

- Consistently beating the industry profitability average
- Our average EBITDA-margin (2009-2013) has been 46% vs industry EBITDA-margin of 35%
- The ambition is over the cycle to be in the top quartile of the industry

MAERSK SUPPLY SERVICE