



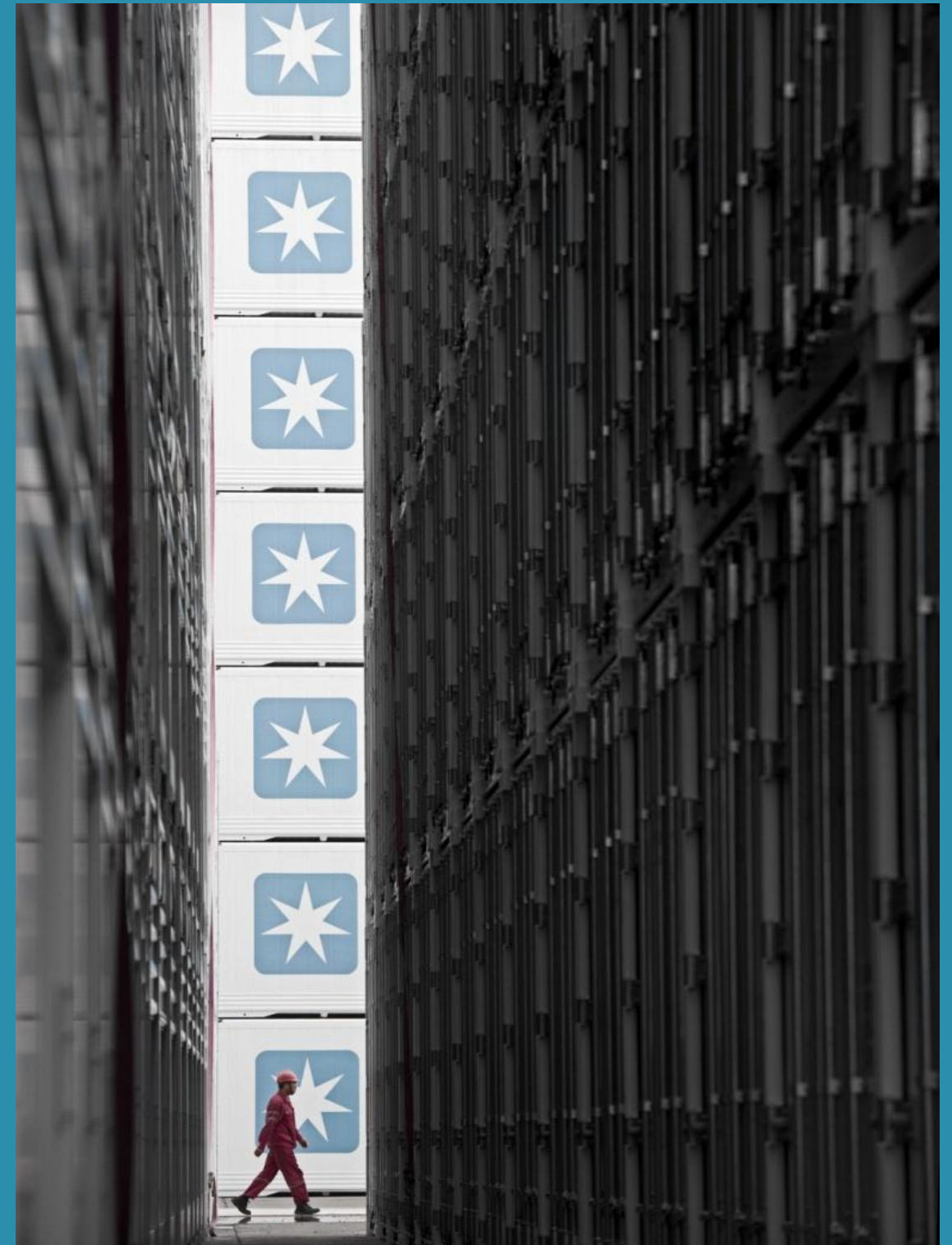
# A.P. Moller-Maersk A/S Banker's Day

14 March 2013, Millbank Tower, London



# Forward-looking Statements

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



# APMM Representatives here today

## A.P. Moller - Maersk Group

Trond Westlie, Group CFO

Niels Henrik Lindegaard, Head of Maersk Oil Trading

Bo Cerup-Simonsen, Head of Maersk Maritime Technology

Martin Fruergaard, CCO, Maersk Drilling

## Group Finance and Risk Management (GFRM)

### *Group Finance & Risk Management* Jan B. Kjærvik

#### *Funding and Financial Planning* Tine Lonborg

Louise Lon

David Olsen

Anders Svejborg

Daniel Dam Pedersen

Cherian Kurian

#### *M&A and Projects* Karl Thorngren

Mads Winther

Carsten Matzen

Lasse Bjerre

#### *Treasury* Sander Fynboe

Danni Aakeson

Kenny Nielsen

Kristian Andersen

#### *Risk Management* Lars Henneberg

Johan Nissen

Lisbeth Bach Christiansen

Marie Louise Fritz

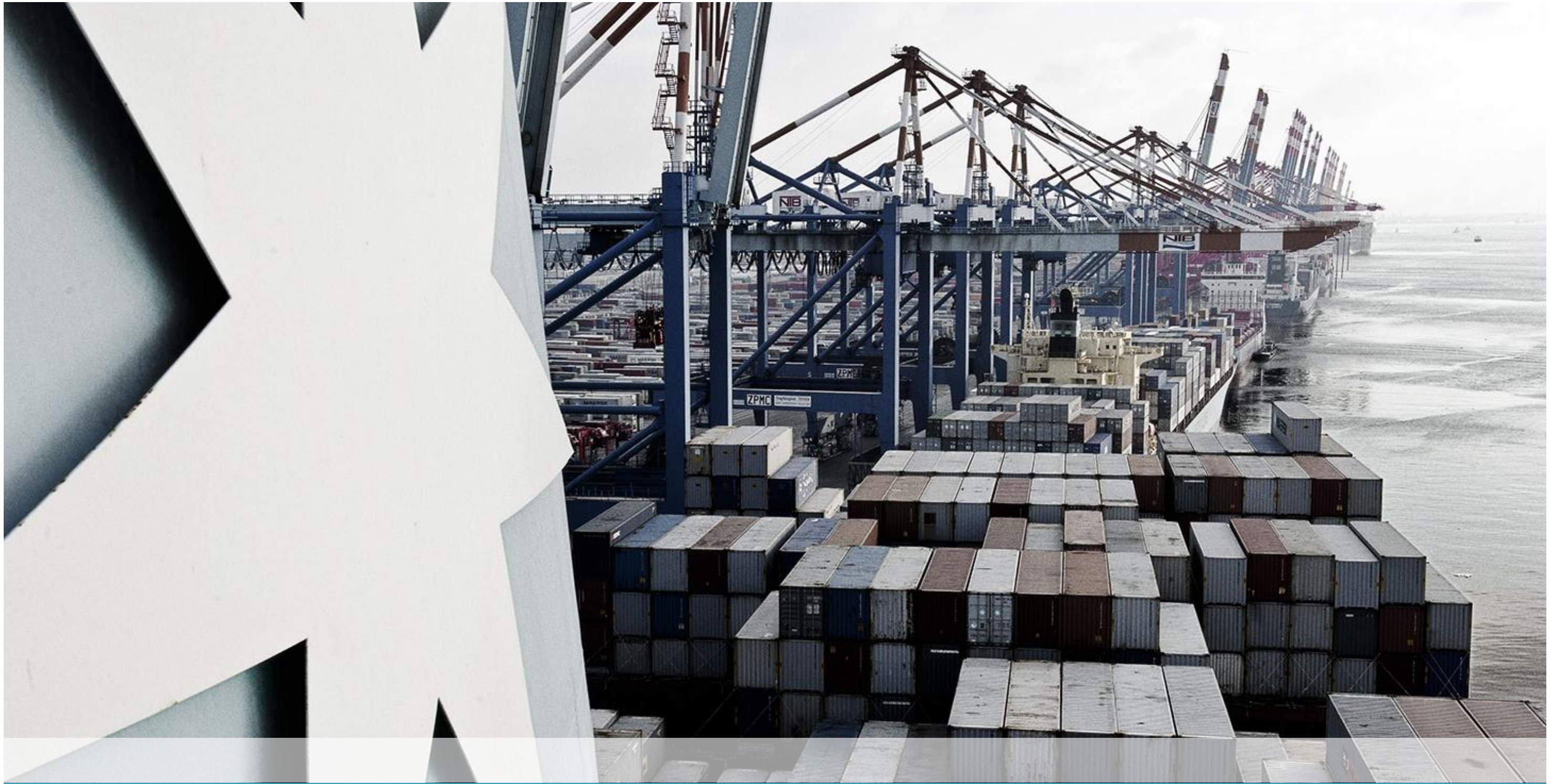


# Agenda

- 14.00 Welcome**  
- by Jan B. Kjaervik
- 
- 14.10 The A.P. Moller - Maersk Group**  
**2012 Financials & Strategic Direction**  
- by Trond Westlie
- 
- 14.55 Group Finance & Risk Management Direction 2013**  
- by Jan B. Kjaervik
- 
- 15.25 Break**
- 
- 15.45 Fuel Consumption and Energy Efficiency**  
Introduction to Maersk Oil Trading and Maersk Maritime Technology  
- by Niels Henrik Lindegaard & Bo Cerup-Simonsen
- 
- 16.45 Maersk Drilling strategy update**  
- by Martin Fruergaard
- 
- 17.15 Wrap up**  
- by Jan B. Kjaervik
- 
- 17.30 Networking @ The River Room (2<sup>nd</sup> floor)**
- 
- 18.30 Dinner @ Skyloft (28<sup>th</sup> floor)**
- 
- 22.00 Dinner ends**







# 2012 Financials & Strategic Direction

## Trond Westlie, Group CFO

A.P. Moller - Maersk A/S Banker's Day  
14 March 2013, Millbank Tower, London



# Agenda

- 1 **Group Financials**
- 2 **Business segments**
- 3 **Group strategy**



# Consolidated financial information

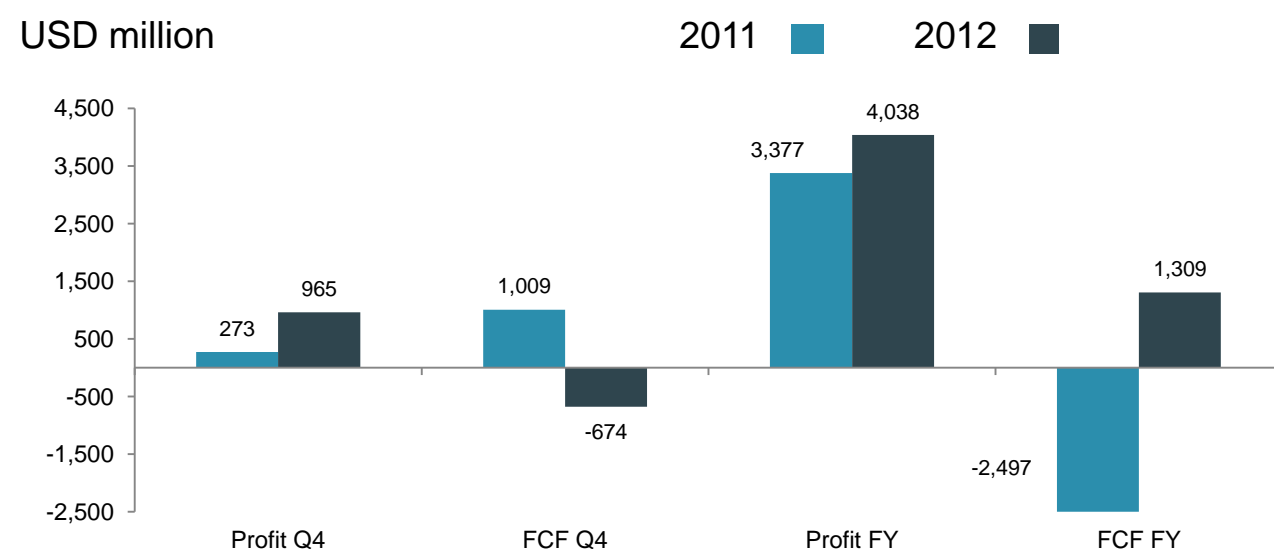
Income statement (USD million)	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenue	14,743	14,973	59,036	60,230
EBITDA	3,114	3,067	12,581	14,661
Depreciation, etc.	1,359	1,449	5,346	5,396
Gain on sale of non-current assets, etc. net	74	30	636	890
EBIT	1,884	1,669	8,093	10,277
Profit before tax	1,712	1,516	7,338	9,422
Profit for the period	965	273	4,038	3,377

Key figures (USD million)	Q4 2012	Q4 2011	2012	2011
Cash Flow from operating activities	1,992	1,098	7,629	7,262
Cash Flow used for capital expenditure	-2,666	-2,107	-6,320	-9,759
Net interest-bearing debt	15,656	15,317	15,656	15,317
Earnings per share (USD)	204	34	857	650
ROIC (%)	8.1	3.0	8.8	8.3
Dividend per share (DKK)			1,200*	1,000

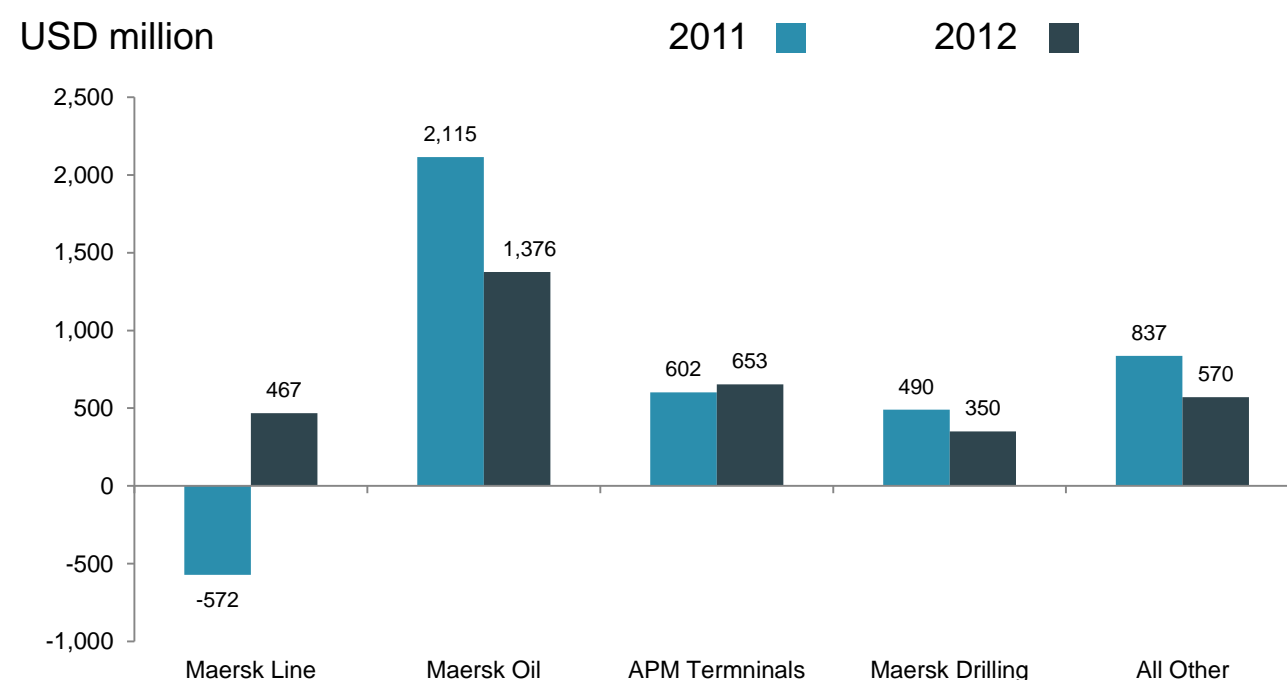
\*The Board of Directors proposes a dividend of DKK 1,200 per share

# Group financial highlights 2012

## Group financial highlights



## Profit/loss by activity\*



## Group financial highlights

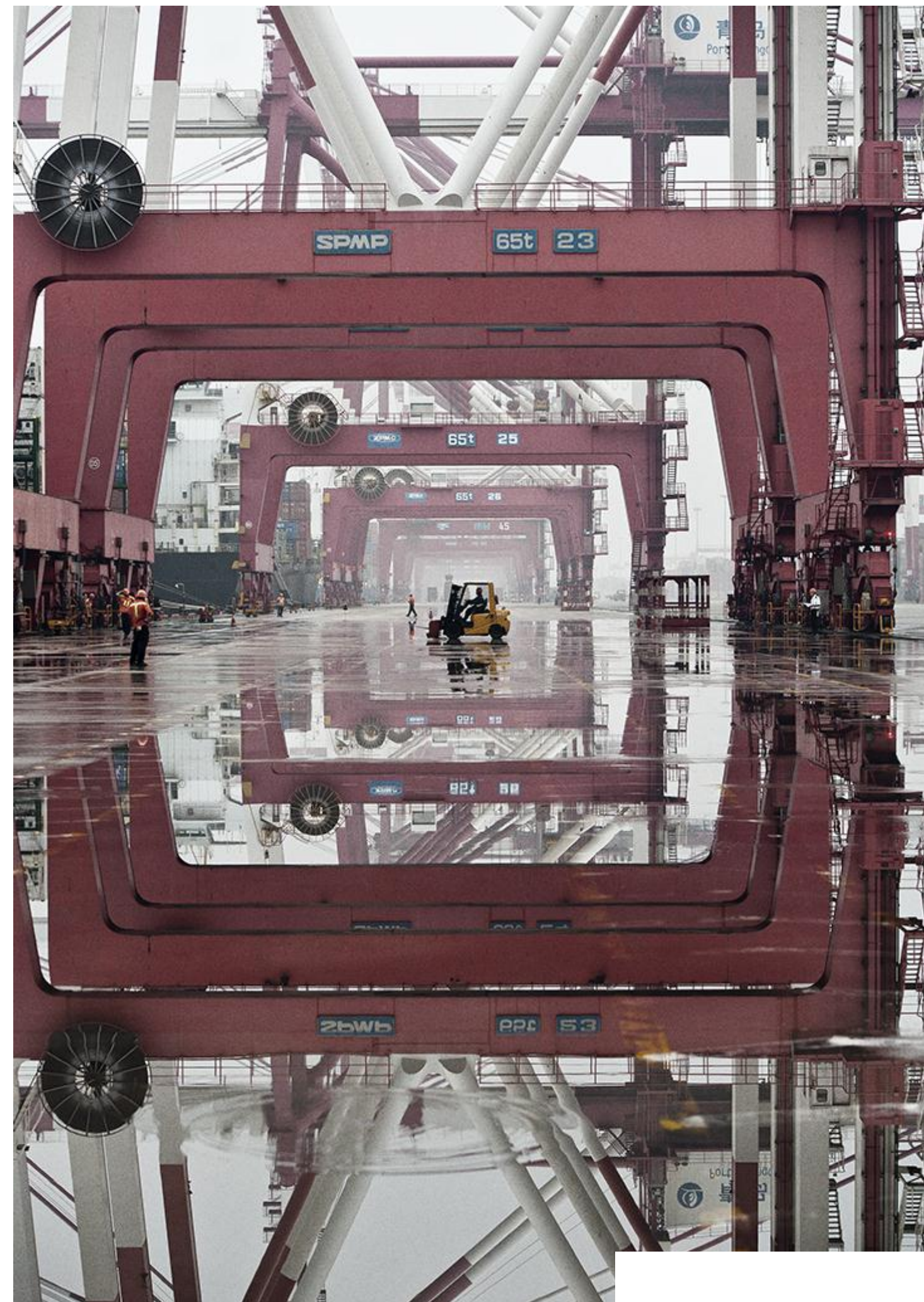
- Profit increased by 20% to USD 4.0bn (USD 3.4bn). Excluding gains, impairments and special items the profit increased by 2% to USD 2.9bn
- Reported profit improved in all major businesses except for Maersk Drilling, due to prolonged yard stays
- ROIC improved to 8.8% (8.3%), but is still negatively affected by the poor shipping markets
- Cash flow from operating activities improved to USD 7.6bn versus USD 7.3bn in 2011
- Cash flow used for capital expenditure was 35% lower at USD 6.3bn (USD 9.8bn) mainly due to divestments
- Net interest bearing debt increased to USD 15.7bn from USD 15.3bn
- Dividend of DKK 1,200 per share (DKK 1,000) proposed at the AGM

\*Excluding gains, impairments and other special items



# Agenda

- 1 Group financials
- 2 **Business segments**
- 3 Group strategy



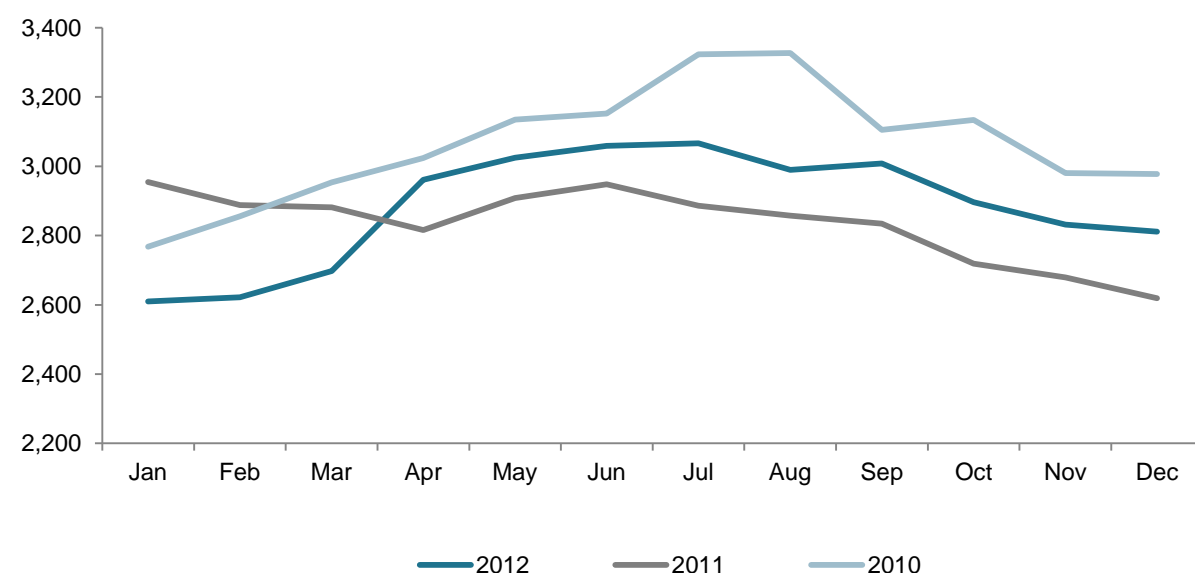


# Maersk Line

(USD million)	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenue	6,522	6,366	27,118	25,108
EBITDA	715	-181	2,179	1,009
Sales gains	10	7	23	128
Profit (NOPAT)	335	-593	461	-553
Operating cash flow	800	18	1,799	899
Volume (FFE million)	2.0	2.2	8.5	8.1
Rate (USD/FFE)	2,846	2,671	2,881	2,828
Bunker (USD/tonne)	604	658	661	620
ROIC (%)	6.5	-12.9	2.4	-3.1

## Development in rate

USD/FFE

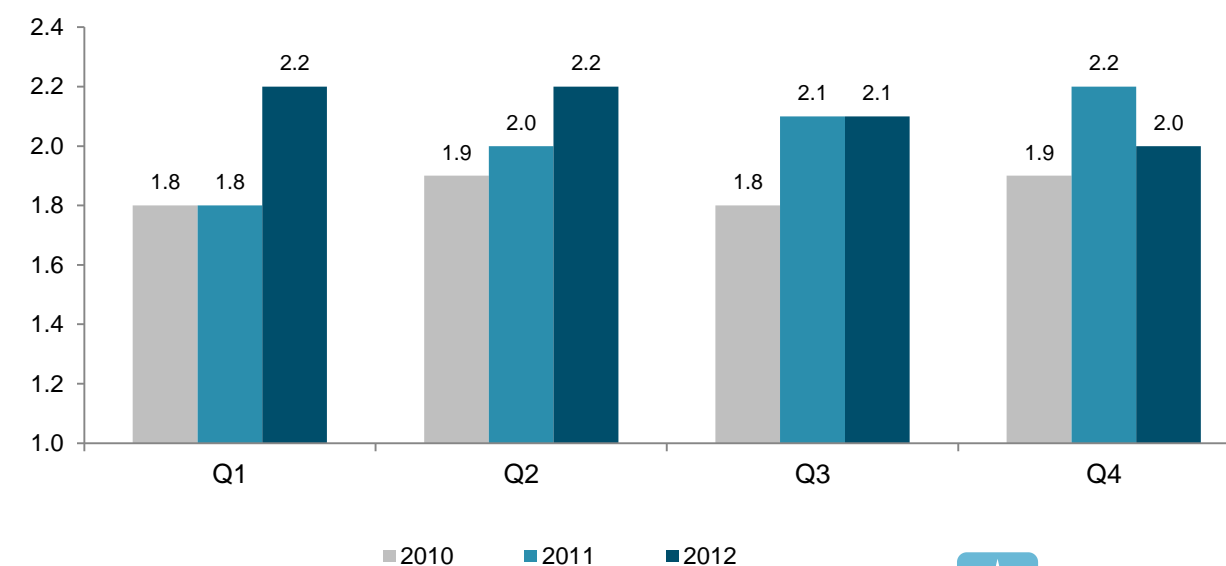


## Highlights 2012

- Maersk Line turned profit-making as unit costs were reduced and volume grew. Maersk Line restored market rates levels through general rate increases backed by capacity withdrawal
- Profit improved USD 1bn on the result from 2011 driven by cost reductions, surcharges collection and 1.9% higher average rate Y/Y and 6.6% Q4/Q4
- Volume increased by 5% Y/Y but declined by 8% Q4/Q4. Maersk Line gained market share for the full year, but saw a declining share through H2
- Unit cost decreased by 3.3% Y/Y and by 1.6% Q4/Q4, mainly driven by decreasing bunker consumption per FFE as average bunker price was 7% higher than in 2011
- EBIT of 57 USD/FFE (USD -68 USD/FFE) and 136 USD/FFE in Q4 (-263 USD/FFE)

## Development in volume

FFE million

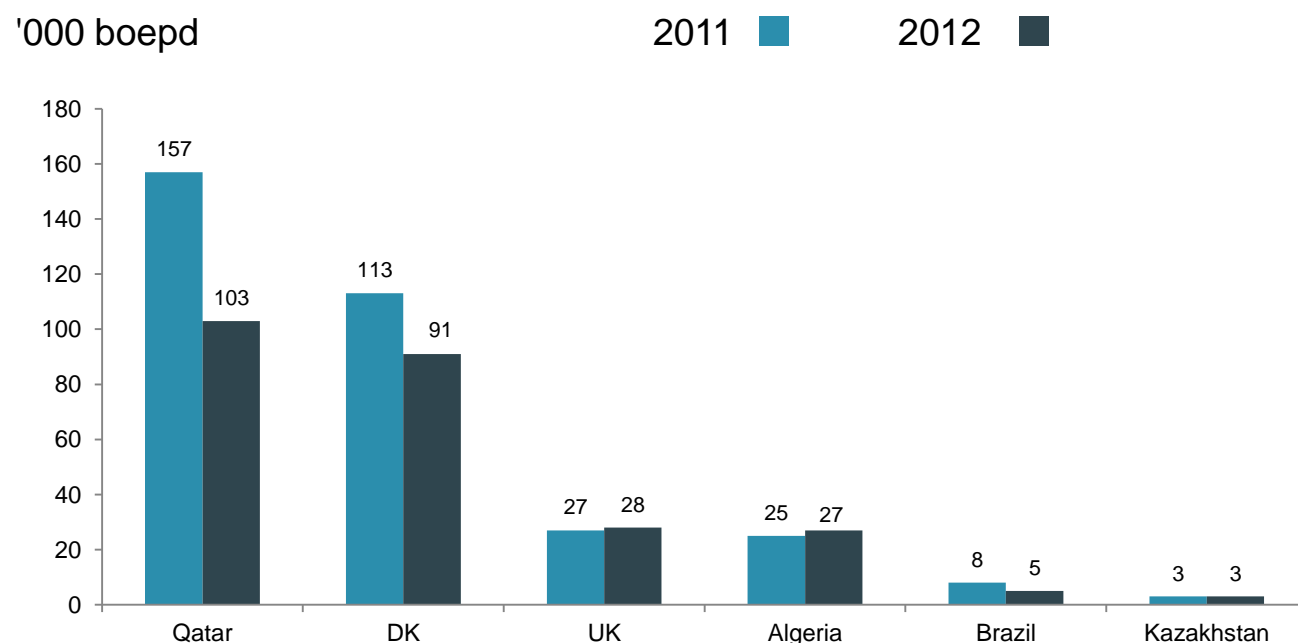




# Maersk Oil

(USD million)	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenue	2,504	3,021	10,154	12,616
Exploration costs	322	299	1,088	990
EBITDA	1,663	2,319	7,156	10,015
<b>Profit (NOPAT)</b>	<b>440</b>	<b>513</b>	<b>2,444</b>	<b>2,112</b>
Operating cash flow	331	366	3,857	4,319
Share of prod. (boepd'000)	242	319	257	333
Brent (USD per barrel)	110	109	112	111
ROIC (%)	26.2	33.9	36.6	37.2

## Maersk Oil's share of production



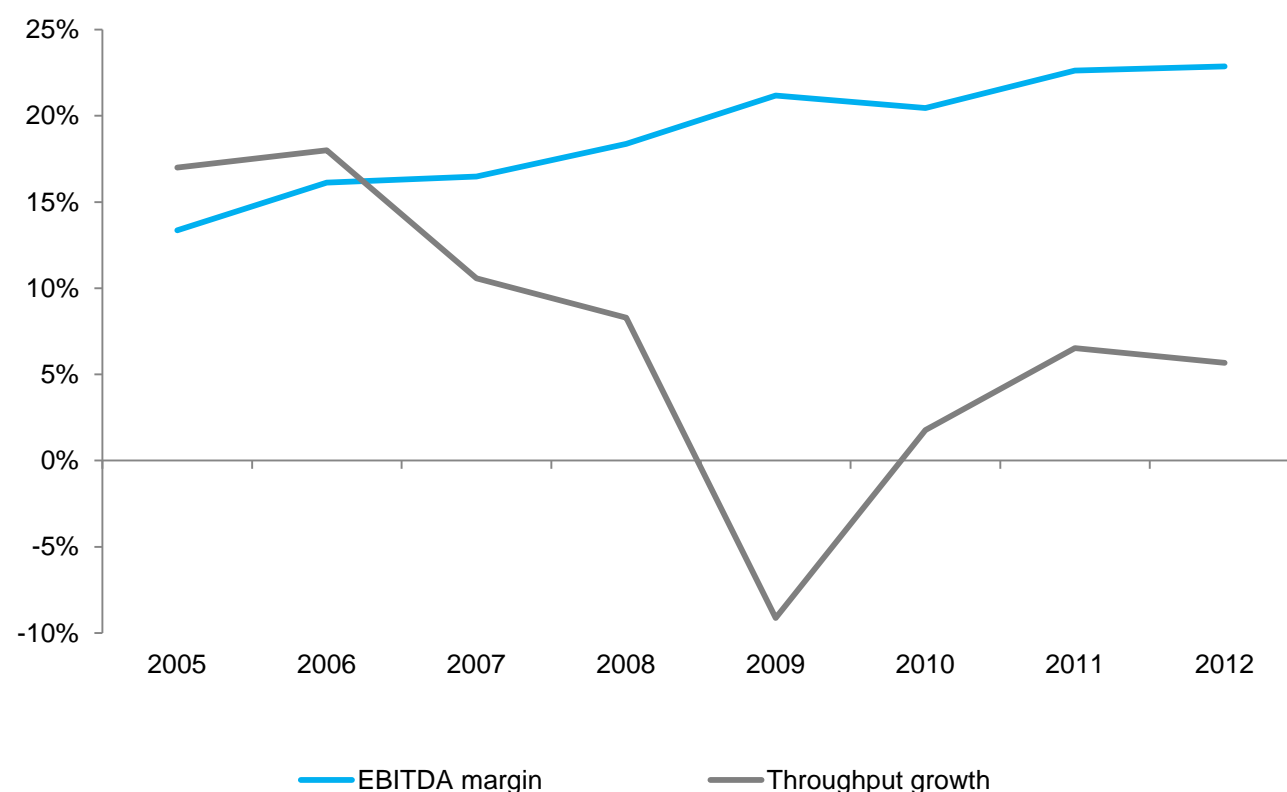
## Highlights 2012

- Profit increased by 16% to USD 2.4bn but profit excluding extraordinary tax, gains and special items was USD 1.4bn versus USD 2.1bn last year
- Share of production declined 23% Y/Y and 24% Q4/Q4 due to a lower contribution from the PSA in Qatar and a combination of the transfer of 20% ownership share to Nordsøfonden and natural production decline in DK
- Oil price was stable with 112 USD/barrel as average
- Exploration costs increased 10% to USD 1,088m (USD 990m)
- Dunga II, Kazakhstan began production
- Agreement on USD 1.5bn investments in further development of Al-Shaheen, Qatar
- Major projects Chissonga, Johan Sverdrup, Golden Eagle and Culzean were progressed
- Transparency increased and Maersk Oil will update the market on the reserve & resource base annually next time on 17 May

# APM Terminals

(USD million)	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenue	1,199	1,265	4,780	4,682
EBITDA	240	266	1,093	1,059
Profit (NOPAT)	168	172	723	648
Operating cash flow	252	276	975	912
Throughput (TEU m)	8.7	8.7	35.4	33.5
ROIC (%)	13.1	13.4	13.6	13.1

## Volume growth and margin development



## Highlights 2012

- Profit increased by 12% to USD 723m. Excluding gains, restructuring and impairments the profit increased by 8% to USD 653m. ROIC and EBITDA-margin improved further
- APM Terminals expanded and optimised its portfolio through;
  - acquisition of a co-controlling stake in Global Ports, Russia and a 50% stake in an inland depot in Mombasa, Kenya
  - taking over terminal operations in Gothenburg, Sweden and opening of Wilhelmshaven, Germany
  - new projects were secured in Lazaro Cardenas, Mexico and Ningbo, China
  - divestment of Maersk Equipment Service, USA and a 25% stake of the terminal in Xiamen, China with a combined gain of USD 66m after tax
- 6% volume growth Y/Y versus market growth of 4%
- APM Terminals executed on the Global Transformation Project that aims to improve productivity by 15% over five years. The crane lift per hour improved by 7% across the portfolio in 2012
- Operations were negatively affected by local political unrest, labour issues and hurricane Sandy during 2012, but were fairly smooth at year-end

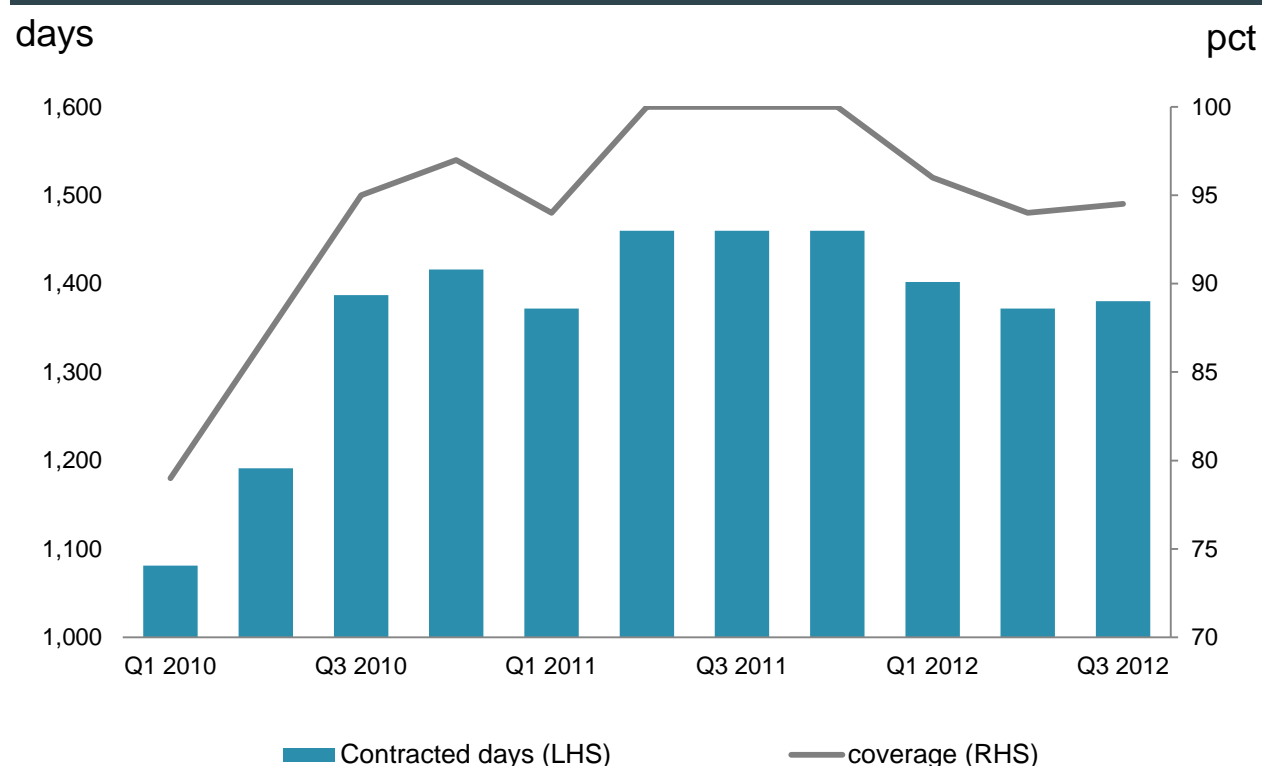


# Maersk Drilling

(USD million)	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenue	486	506	1,889	1,878
EBITDA	123	234	682	862
Profit (NOPAT)	46	128	359	488
Operating cash flow	181	270	651	825
Fleet (units)*	26	26	26	26
Contracted days*	1,427	1,460	5,548	5,752
ROIC (%)	4.2	12.3	8.3	12.5

\*Excluding stake in EDC and barges in Venezuela

## Contracted days and coverage

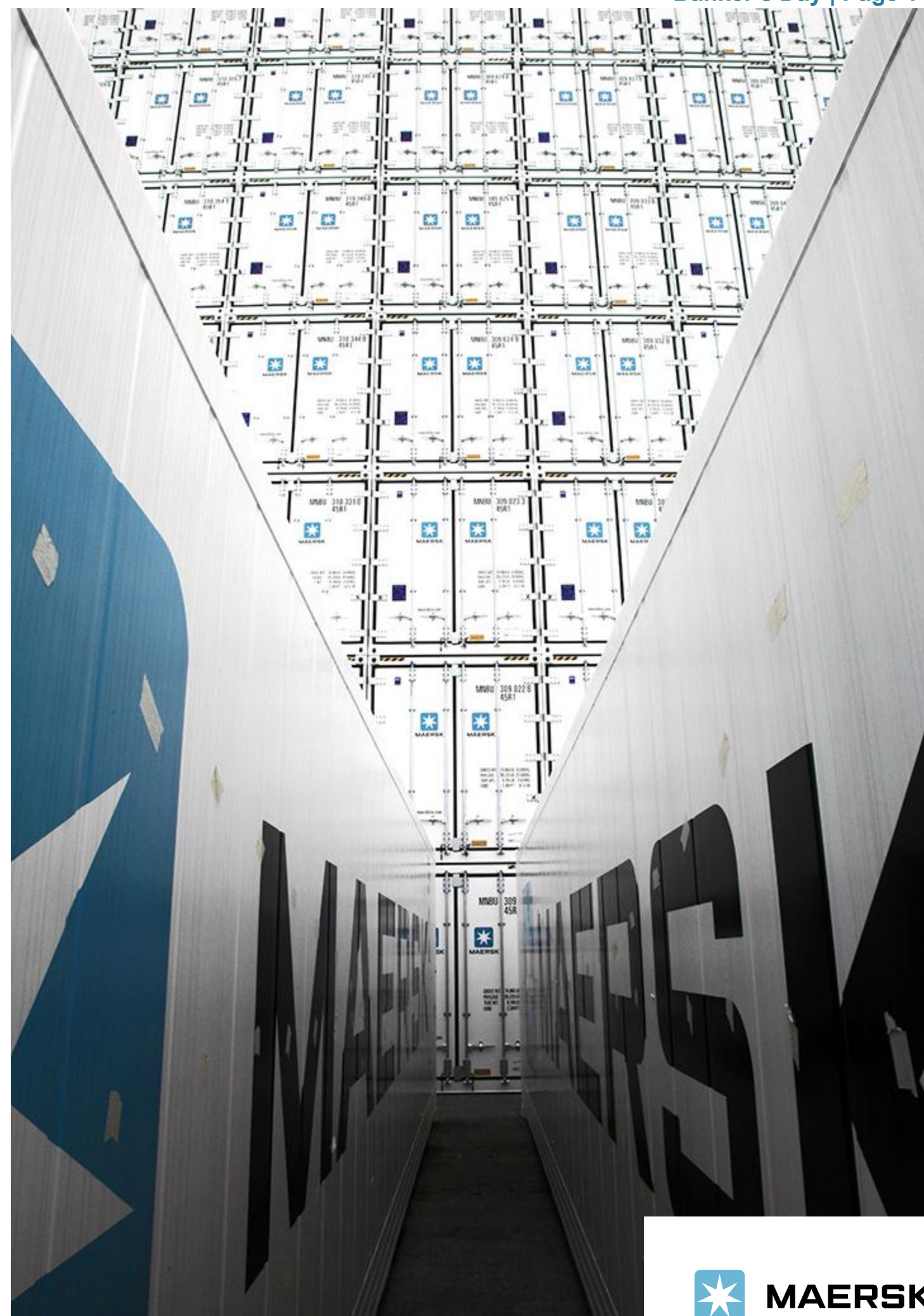


## Highlights 2012

- Profit declined significantly to USD 359m (USD 488m), negatively affected by more than USD 125m related to delayed start-up on new contracts and various other one-offs
- New contracts signed so Maersk Drilling forward coverage is 98% for 2013 and 76% for 2014
- The total revenue backlog was USD 7.0bn at end-2012 (USD 4.9bn)
- Maersk Drilling is preparing for taking delivery of seven large rigs 2013-2015
- A new highly advanced drilling simulator complex was taken into use as an important tool in the training of employees
- Maersk Drilling is in the process of hiring 3,000 new employees and growing its rig fleet
- Long term contracts are secured for five of the seven rigs at attractive day rates

# Outlook for 2013

- **The Group** expects a result for 2013 below the 2012 result (USD 4.0bn). The operational result is expected to be in line with 2012 (USD 2.9bn) excluding impairment losses, divestment gains and gain from the tax settlement in Algeria. Cash flow used for capital expenditure is expected to be somewhat higher than the USD 6.3bn in 2012, while cash flow from operating activities is expected to be stable
- **Maersk Line** expects a result above 2012 (USD 461m) based primarily on further unit cost reductions. Global demand for seaborne containers is expected to increase by 4-5% in 2013, lower on the Asia–Europe trades but supported by higher growth for imports to emerging economies
- **Maersk Oil** expects a result significantly below the result for 2012 (USD 2.4bn), which included a one-off tax income of USD 899m from the settlement of an Algerian tax dispute. The operational result is expected to be below the operational result for 2012 (USD 1.5bn) excluding one-off tax impacts, impairments and gains. Maersk Oil expects its share of production to be 240,000-250,000 boepd, lower in the first half than the second half of 2013 at an average oil price of USD 105 per barrel. The lower production share is predominantly caused by a natural decline and reduced ownership share in Denmark, countered by start-up in El Merk and Gryphon. Exploration costs are expected to be above USD 1.0bn
- **APM Terminals** expects a result above 2012 (USD 723m) and to grow ahead of the market supported by volumes from new terminals, whilst improving productivity in existing facilities
- **Maersk Drilling** has almost full contract coverage in 2013 and expects a result above the 2012 result (USD 359m)
- The total result from **all other activities** is expected to be above the 2012 result excluding divestment gains and impairment losses
- The outlook for 2013 is subject to considerable uncertainty, not least due to developments in the global economy





# Agenda

- 1 Group financials
- 2 Business segments
- 3 **Group strategy**





# 2013 Priorities

## Deliver on commitments

For **Maersk Oil** the most important target is to deliver progress as planned on key projects such as El Merk (Algeria), Chissonga (Angola) and Johan Sverdrup (Norway)

In **Maersk Drilling**, three new drilling rigs are coming into the fleet at the end of 2013 and the beginning of 2014. The aim is to get them delivered and put into operation without delays or extra cost

**Maersk Line** will keep managing its capacity effectively during the introduction of the first new Triple-E ships which will come into the fleet in 2013

**APM Terminals'** top priority is to effectively execute on the Santos (Brazil) terminal project and the Maasvlakte II (Netherlands) project

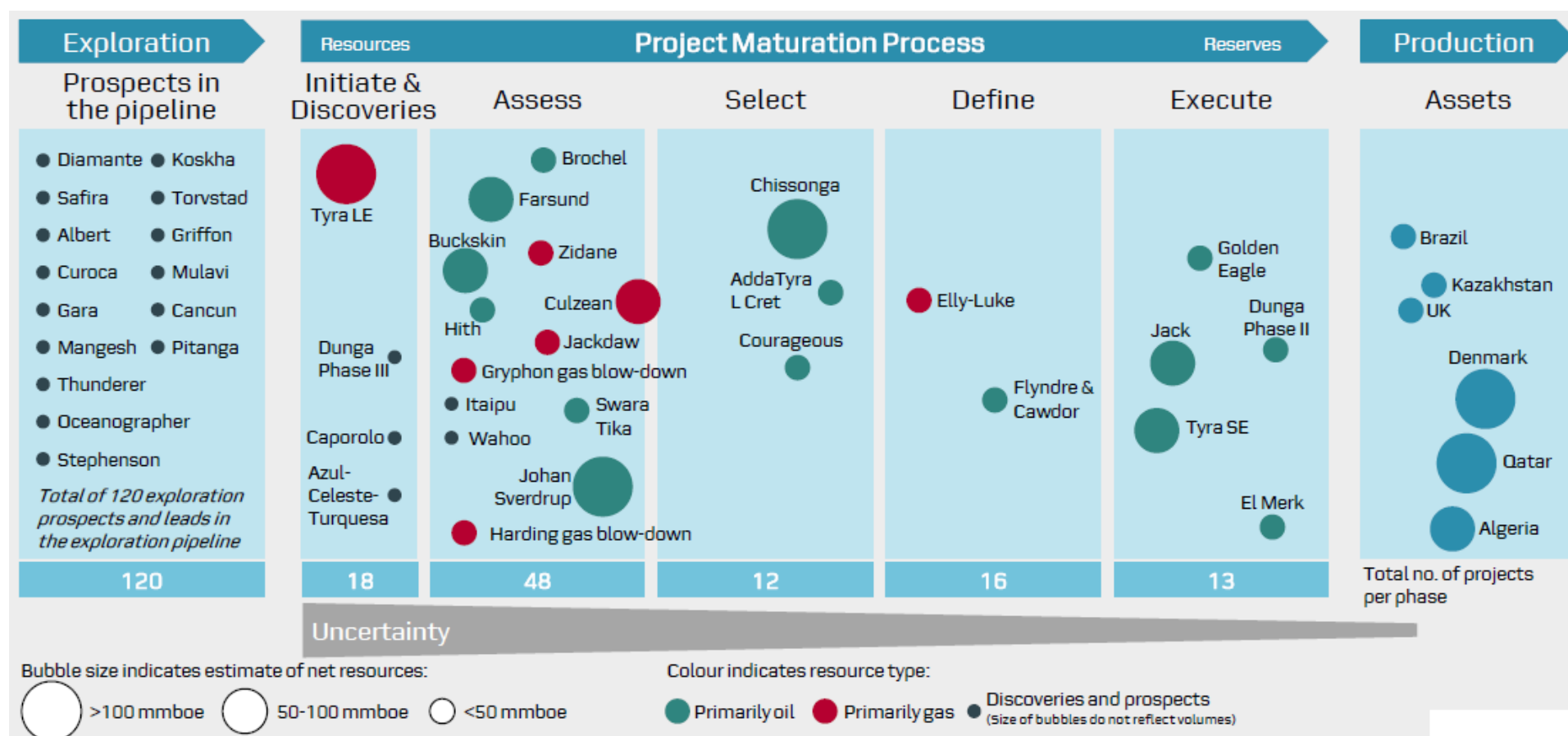
## Optimize balance sheets for future growth

In order to release capital for the most profitable investments, all Business Units will engage in an effort to clean their balance sheets of underperforming assets and terminate marginal non-core activities. Other capital effectiveness initiatives will be introduced to enable the Group's ability to pursue attractive growth opportunities

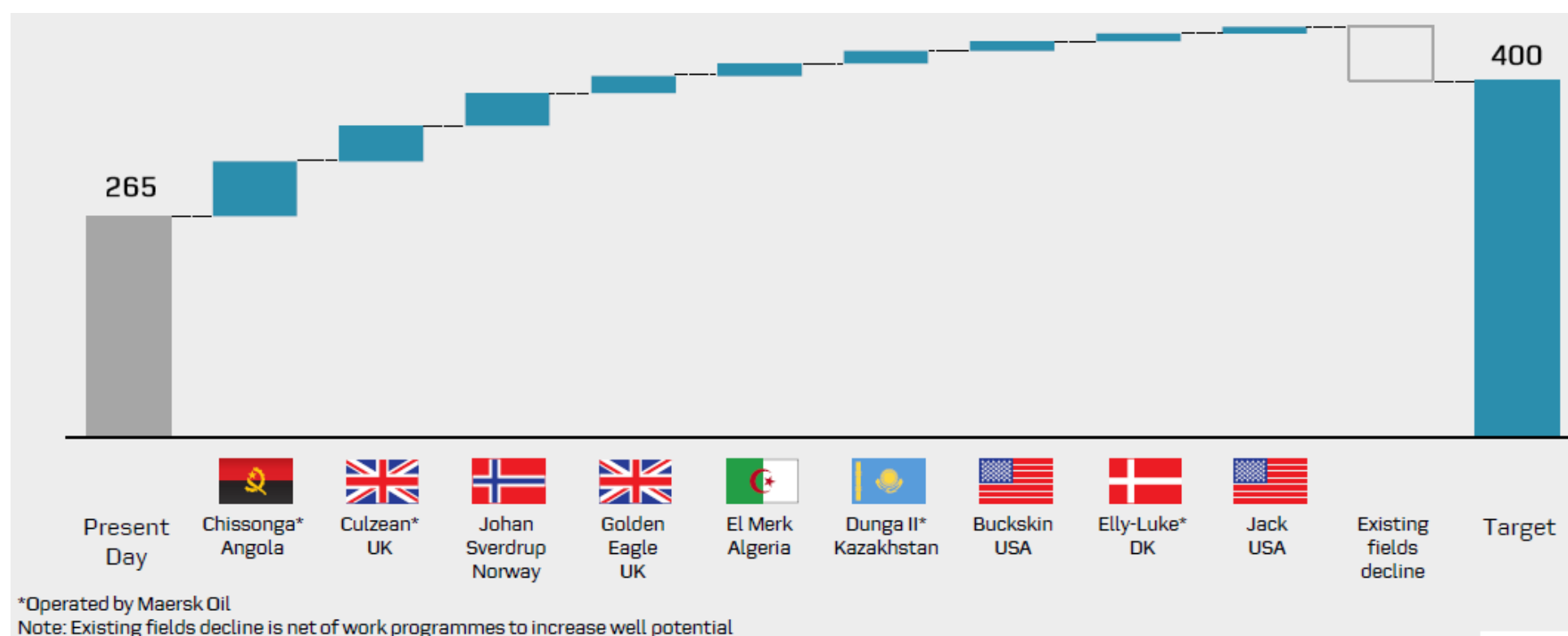




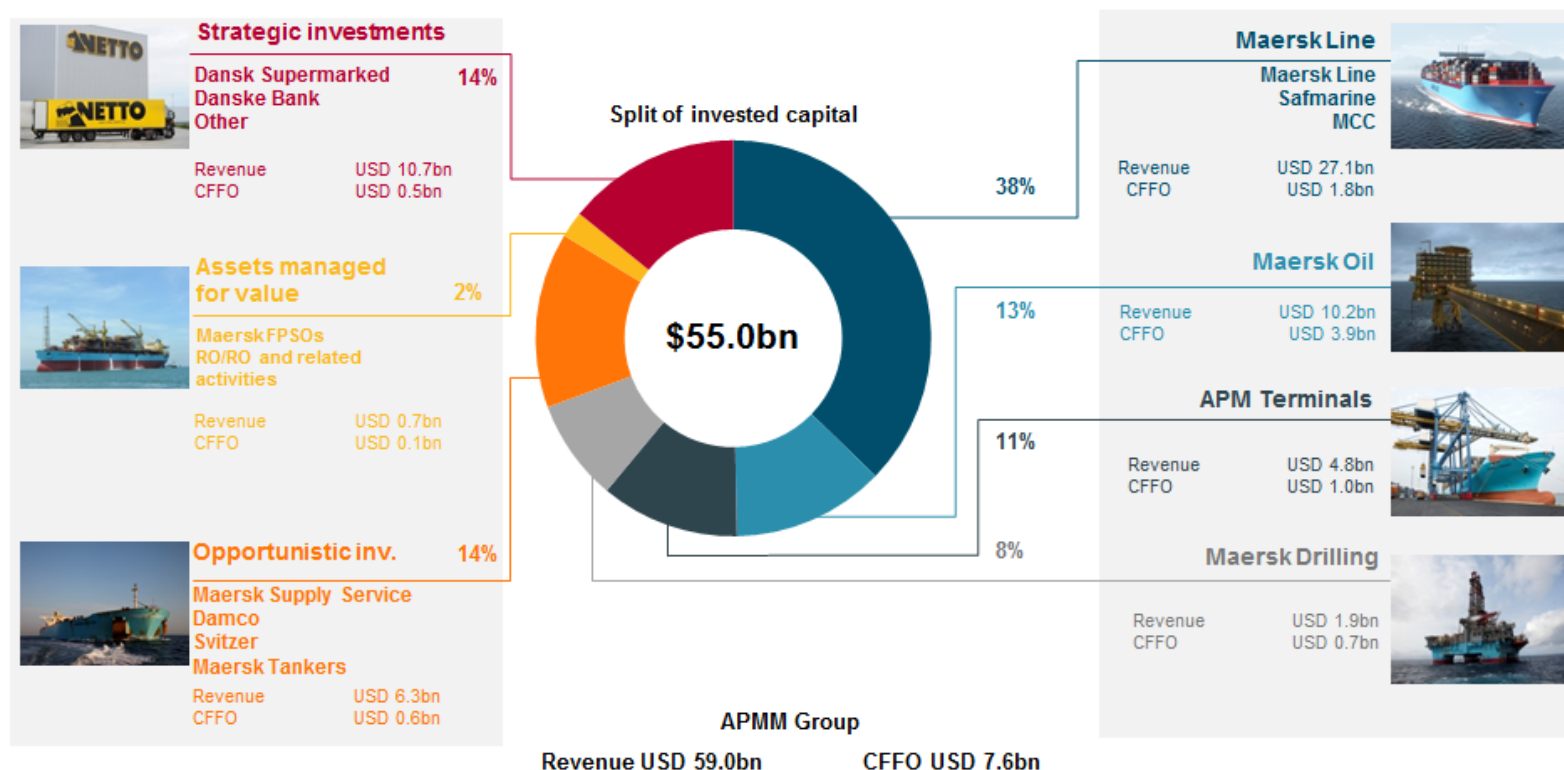
# Maersk Oil: project pipeline



## The road to 400,000 barrels per day – key projects



# Capital is focused on our strategic growth businesses



## Our portfolio strategy over the next five years

- At least 75% of the invested capital is within the four core growth businesses
- Maersk Line's share of the Group's invested capital is likely to be reduced towards a 25–30% range
- Maersk Oil, APM Terminals and Maersk Drilling's combined share of the invested capital will increase from 30% towards a 45–50% range
- Growing the business by 30–40%

## Looking five years ahead

### Five years ago

- Maersk Line dominated the Group
- Earnings followed shipping markets
- Maersk Oil as cash provider
- Portfolio broad and performance uneven
- Strongest presence in mature markets

### Today

- Business units are stand-alone businesses
- Most businesses in, or close to, top quartile performance
- Increasing share of profits from less volatile businesses
- >50% of profit in growth markets
- Strong financial position

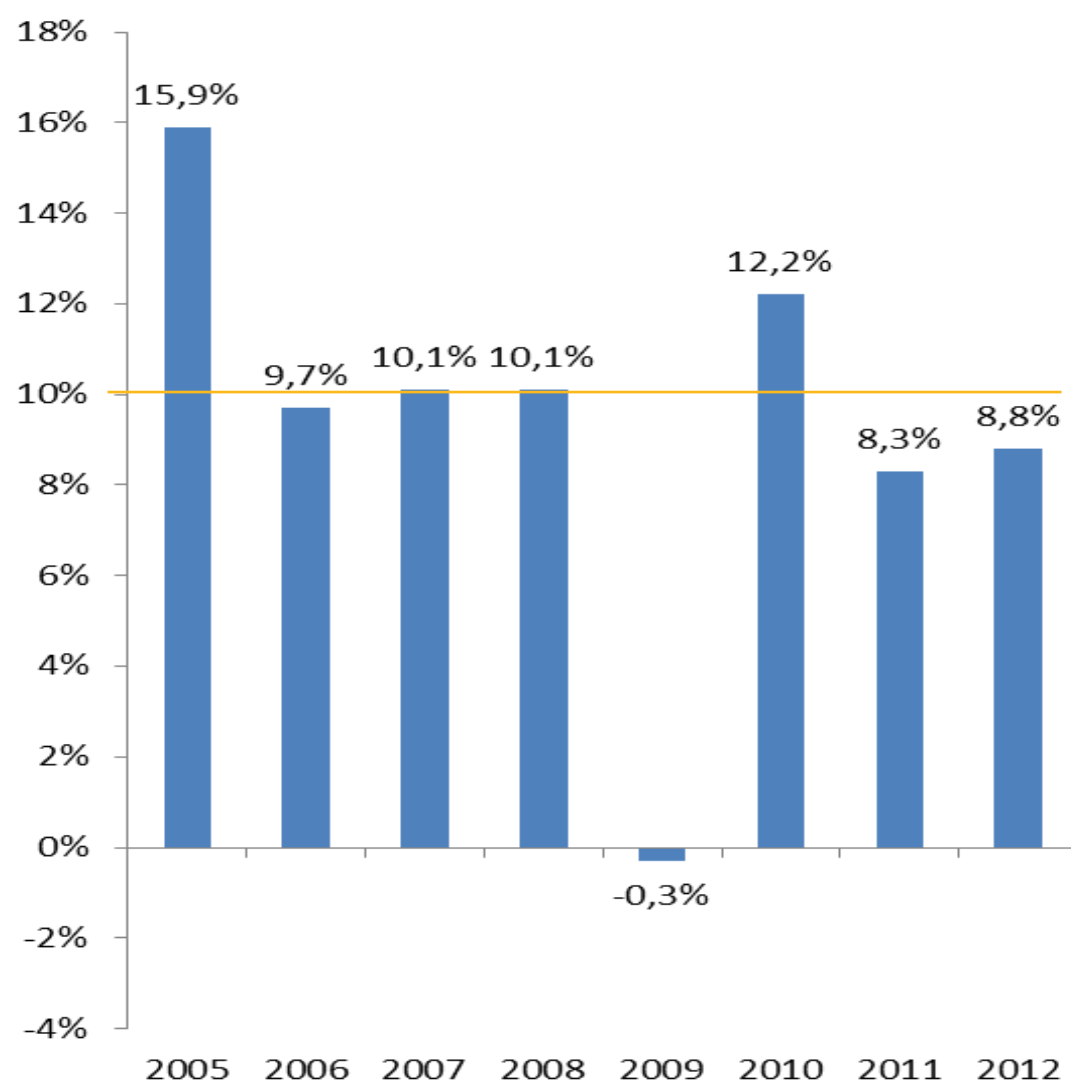
### Five years ahead

- Active portfolio management
- Operational performance excellence
- Disciplined capital allocation focused on the four strategic core businesses
- Group ROIC >10% with USD >1bn profit contribution from each of the core growth units
- Consistently delivering increasing value and dividends to shareholders



# Return on Invested Capital

Group ROIC annually 2005-2012



→ Ambition going forward is >10% ROIC

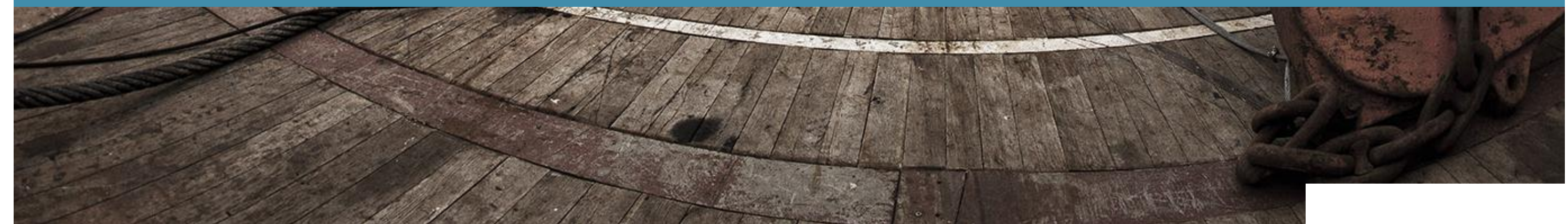
Breakdown of ROIC by business

Business	Invested capital USDm	ROIC % 2012	ROIC % 2011
A. P. Moller – Maersk Group	54,982	8.8	8.3
Maersk Line	20,649	2.4	-3.1
Maersk Oil	6,920	36.6	37.2
APM Terminals	6,284	13.6	13.1
Maersk Drilling	4,604	8.3	12.5
Maersk Supply Service	2,206	6.1	11.2
Maersk Tankers	3,729	-8.3	-4.3
Damco	499	13.5	24.4
Svitzer	1,516	0.6	6.4
Maersk FPSOs and Maersk LNG	120	33.9	0.4
Dansk Supermarked Group	2,872	8.1	37.2
Other	5,965	5.4	4.5





Q&A







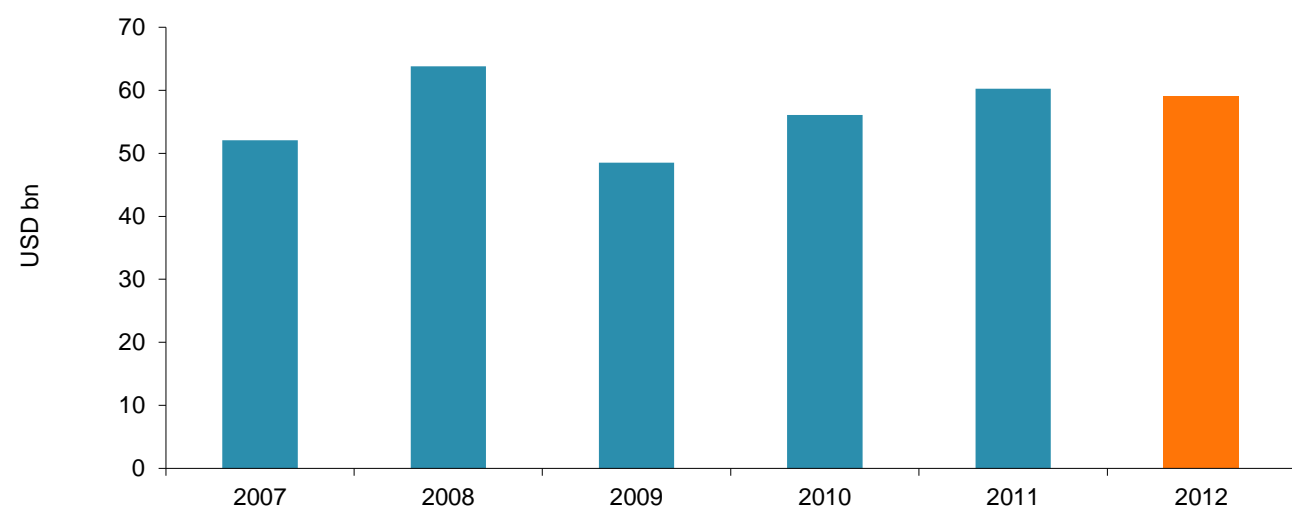
# Group Finance & Risk Management Direction 2013

## Jan B. Kjaervik, Head of Group Finance and Risk Management

A.P. Moller - Maersk A/S Banker's Day  
14 March 2013, Millbank Tower, London

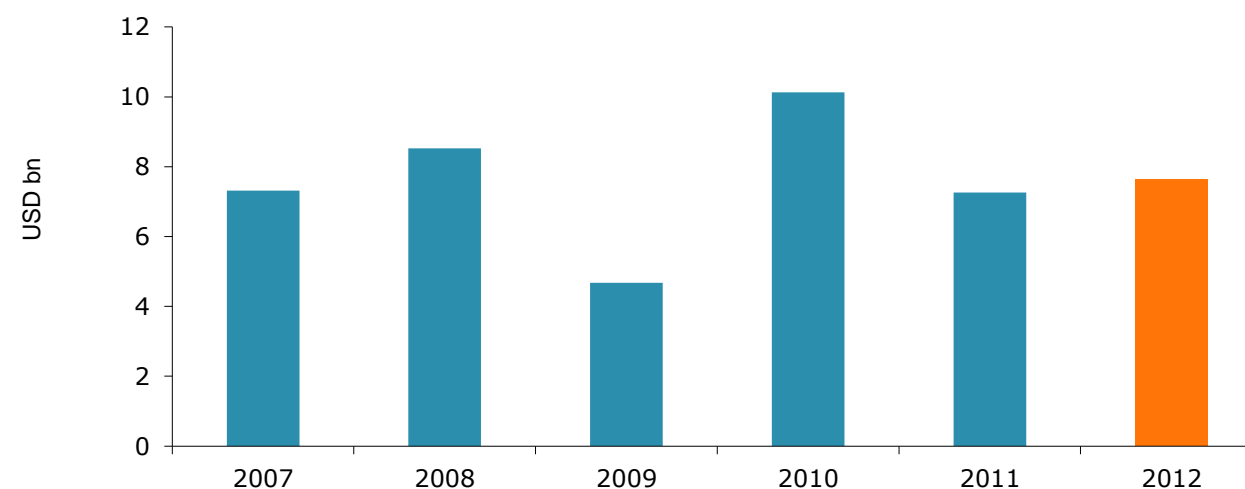
# Proven track record of strong financials through the cycle

## Revenue



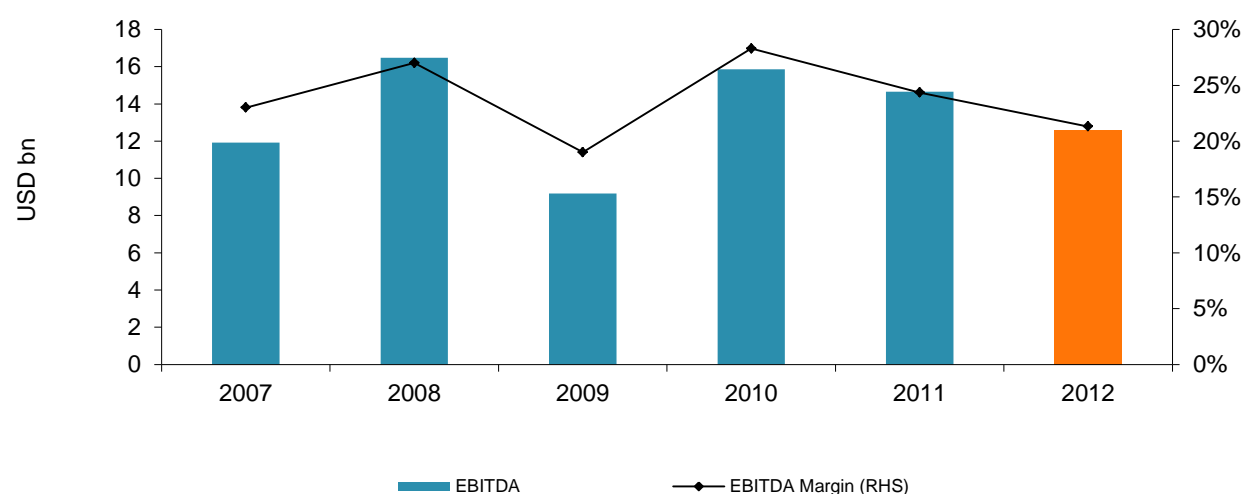
- Steady growth in revenue due to combination of organic growth and M&A activity

## Cash flow from operating activities



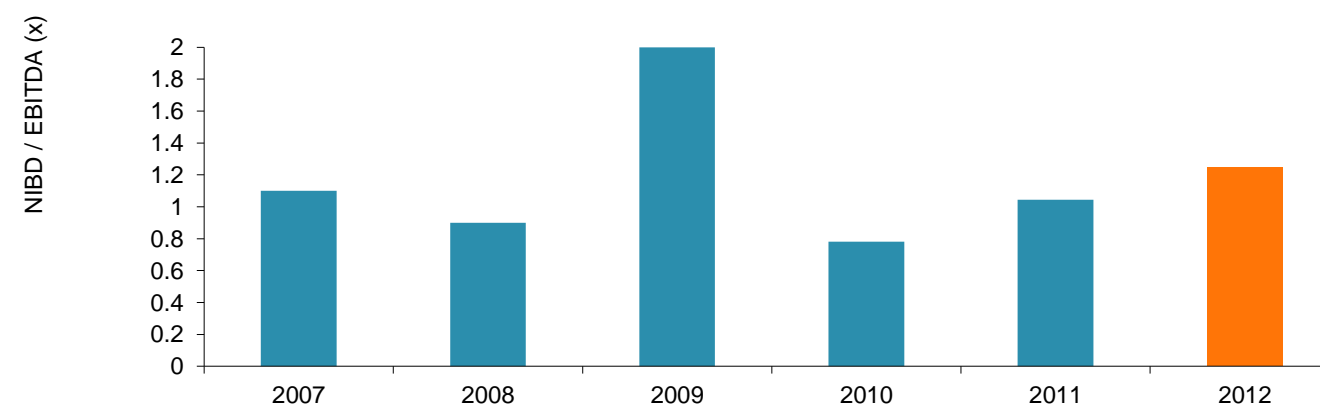
- Positive cash flow from operations throughout the cycle - strong rebound from 2009
- Balanced portfolio supports continued operational cash flow

## EBITDA and EBITDA margin



- Relatively stable EBITDA margins proving effect of diversification

## Unadjusted net debt / EBITDA

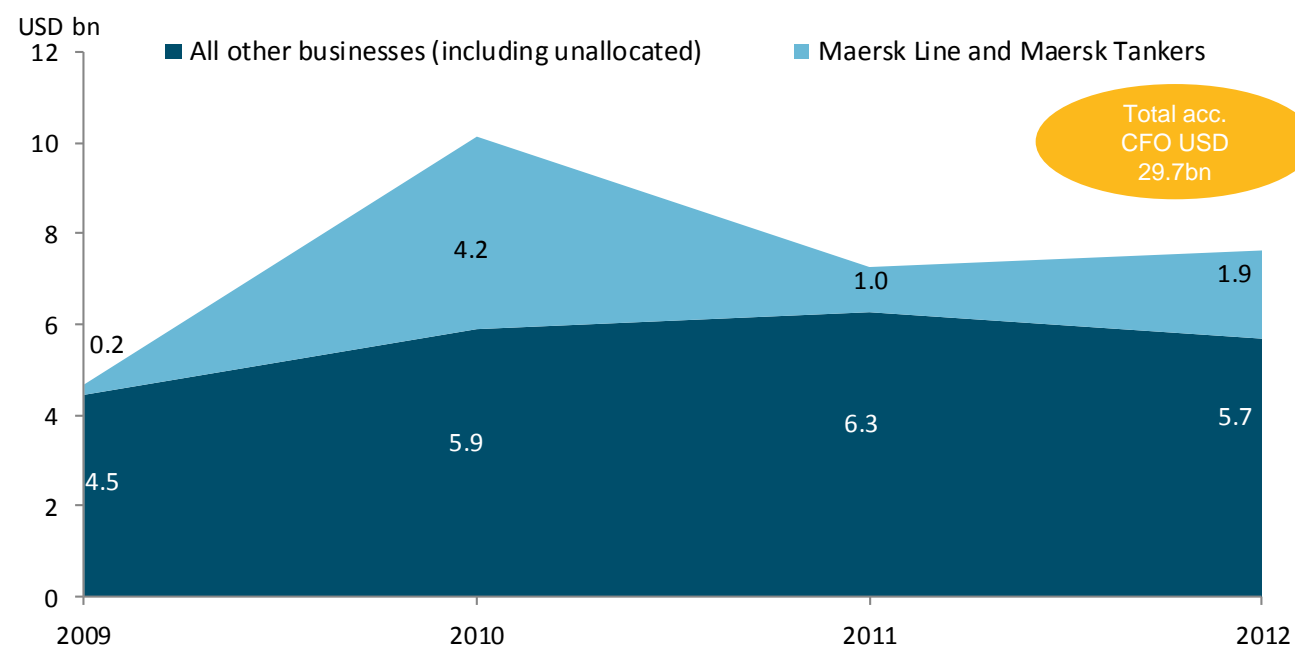


- Moderate levels of leverage illustrative of conservative capital structure
- Net debt not adjusted for operating lease obligations

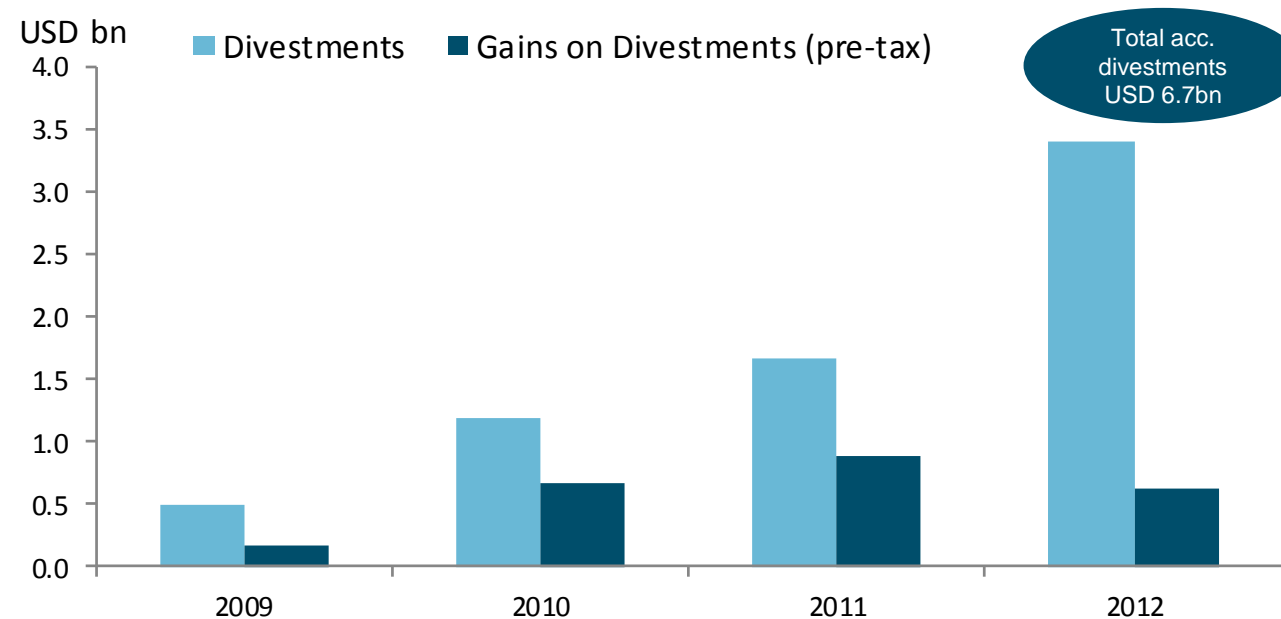


# Group's financial performance since the financial crisis

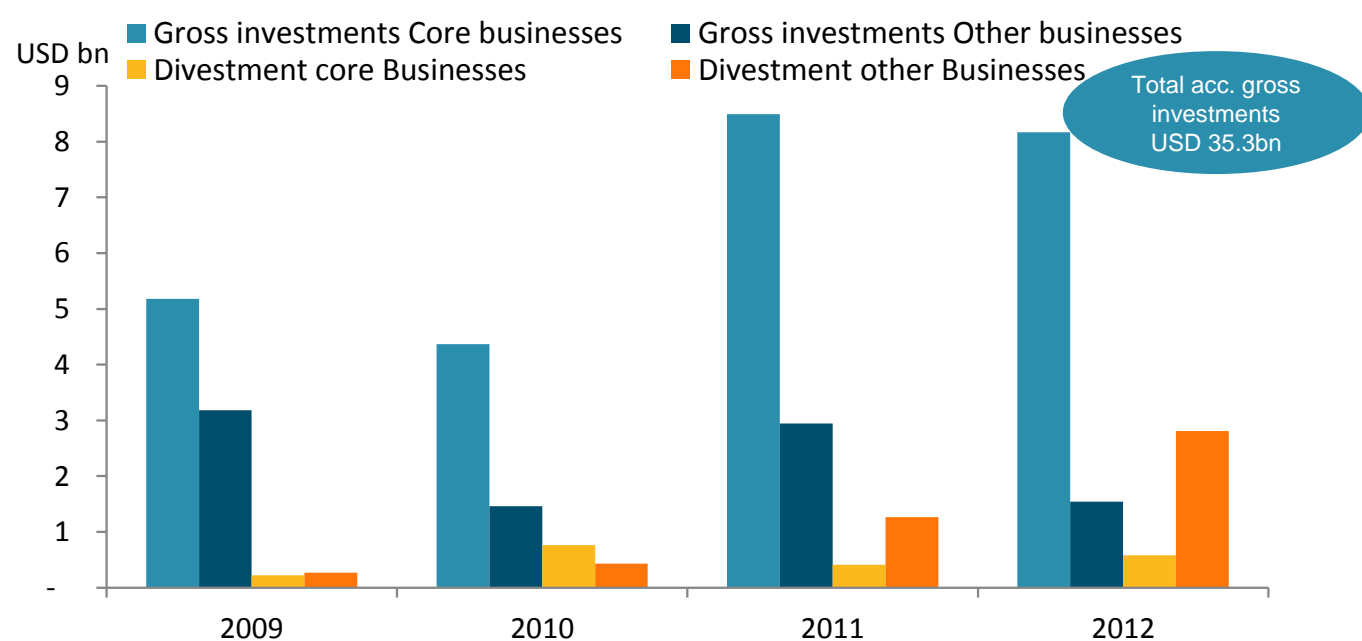
## Strong cash flow generation



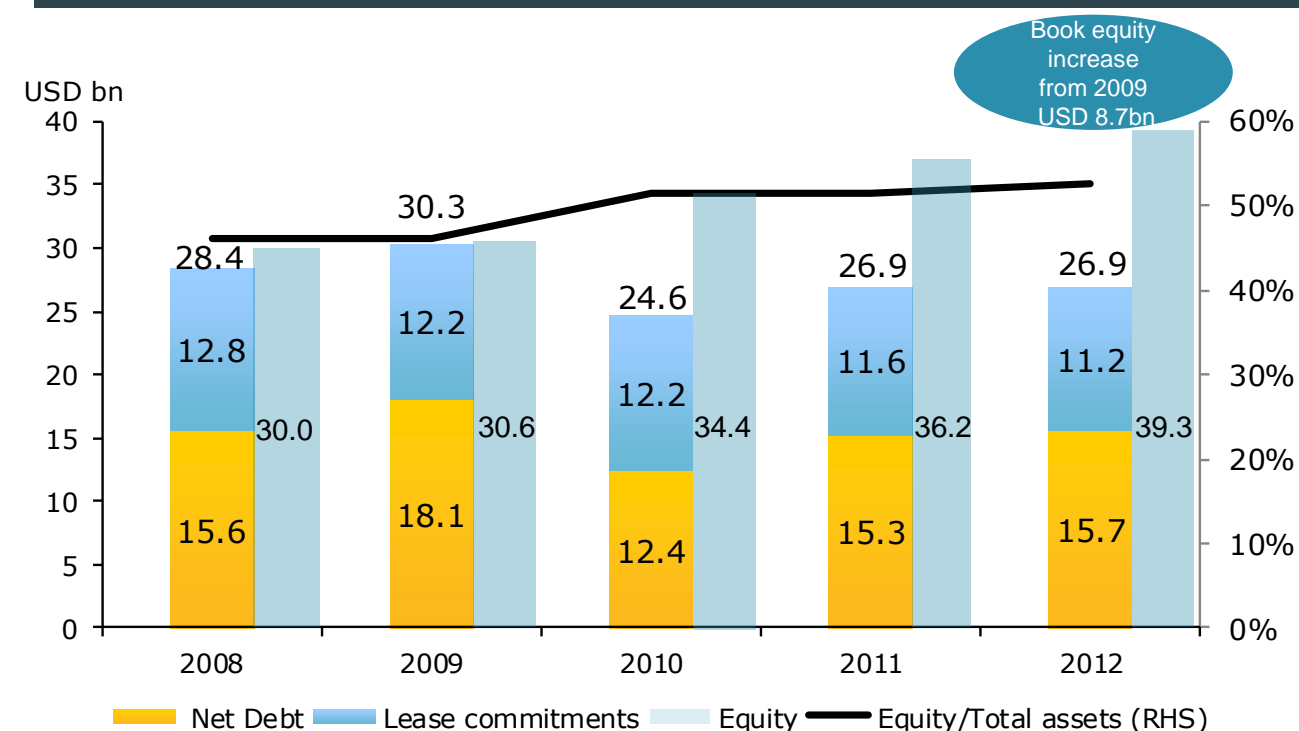
## Optimising portfolio and gains



## High investment ambition in the Group



## Sound Leverage



# 2012: Year of optimisation and execution on strategy

## 1. Optimising Debt portfolio

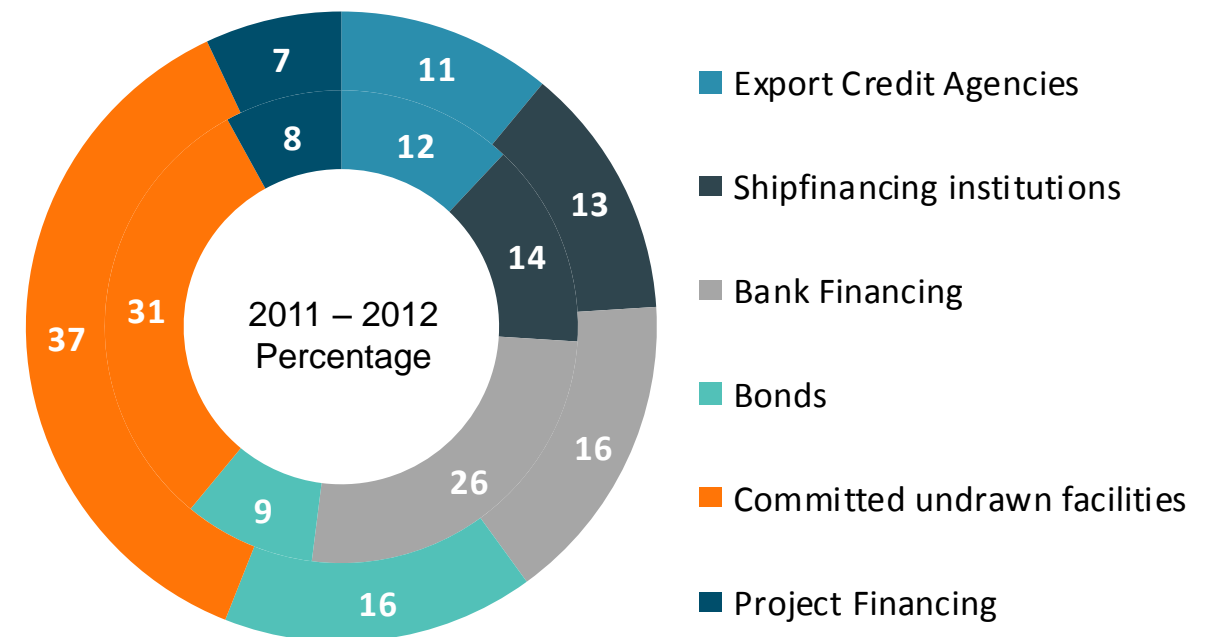
- Raised more than USD 5bn in new financing
- USD 1.9bn from the NOK, EUR and SEK bond markets
- Issued Group's first SEK 2,500m (~USD 380m) 5-year bond October 2012

## 2. Increasing financial flexibility

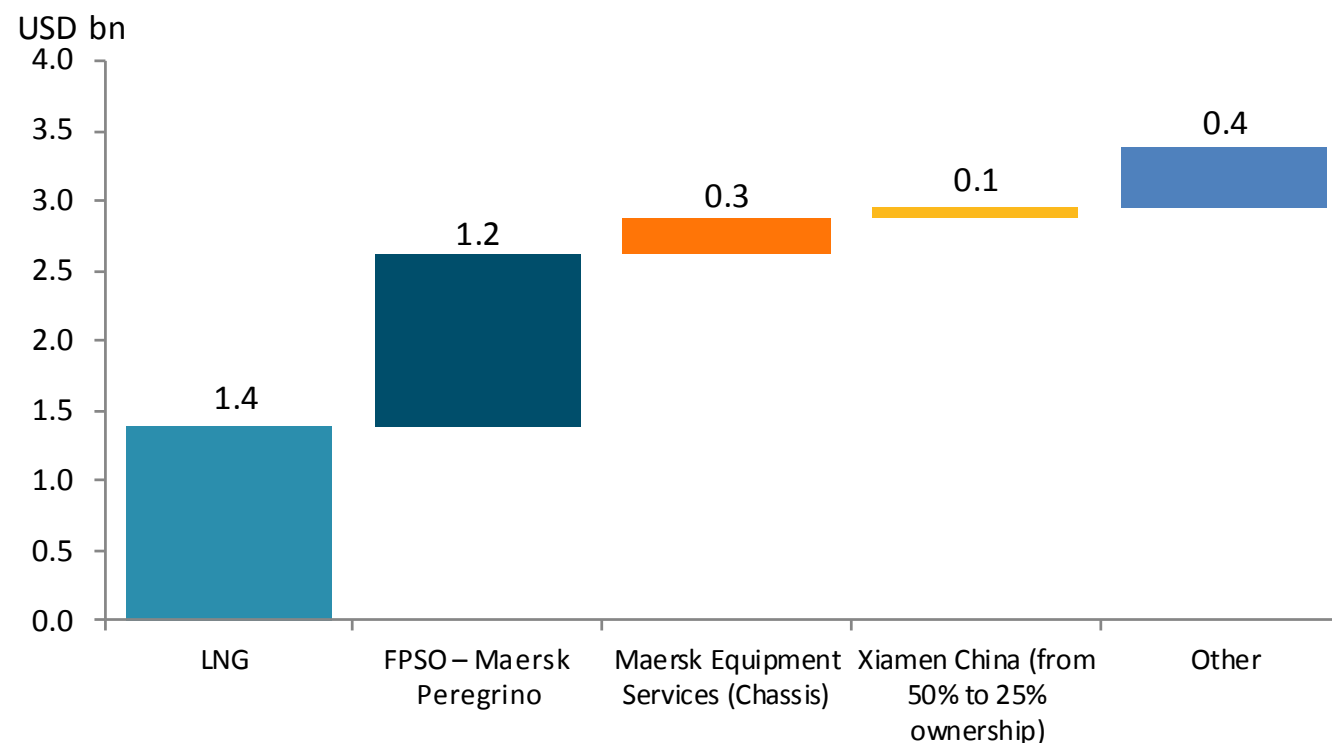
- Continued focus on diversifying funding sources
- Liquidity buffer of USD 13.6bn end 2012 up from USD 11.3bn

## 3. Strong execution on planned divestments

- Continued divestment of non core businesses (USD 3.4bn)



Inner cycle 2011 debt portfolio composition  
Total commitment 2012 USD 30bn





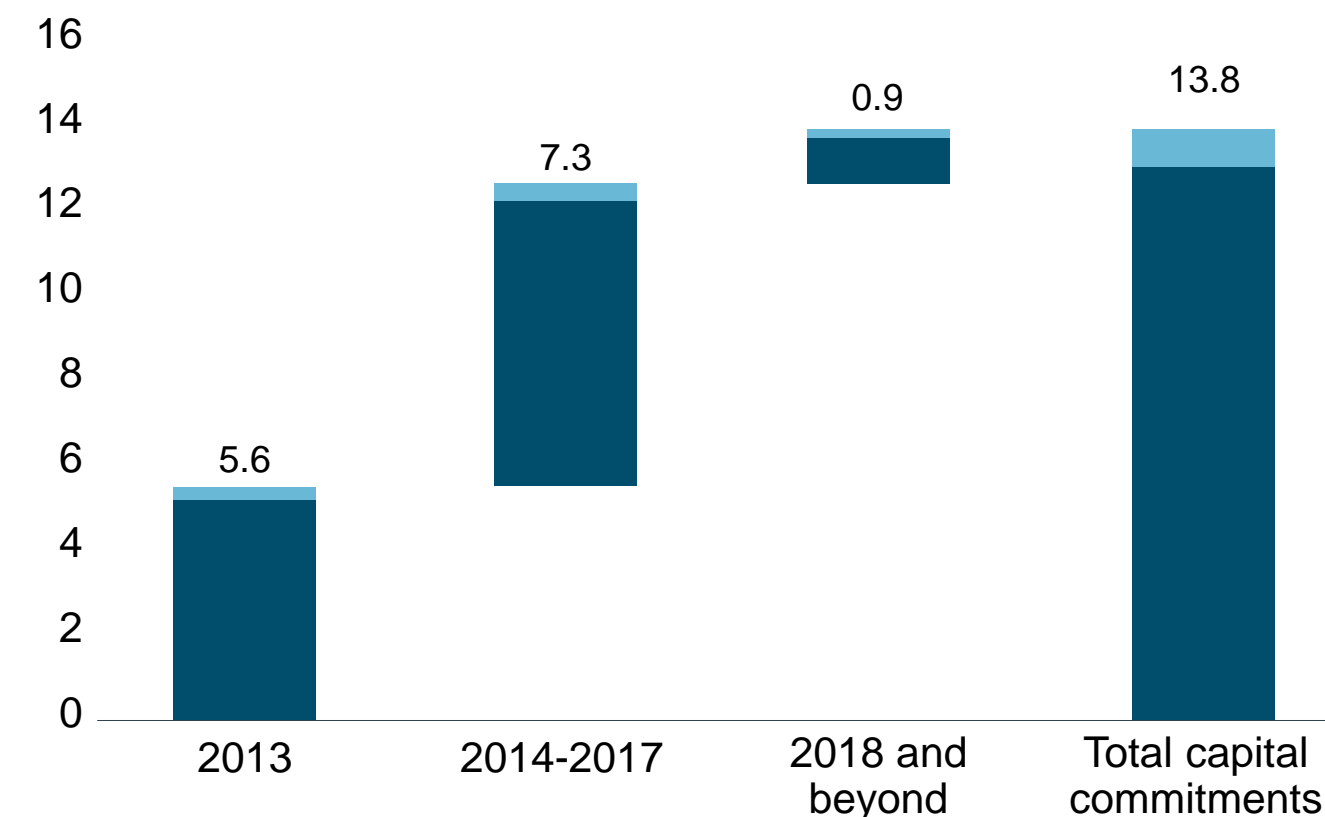
# Capital commitments for growth

- Track record for growth – the cash flow used for capital expenditure has been USD 39bn accumulated for the past five years
- The Group has capital commitments of USD 13.8bn per 31 December 2012
- 97% of capital commitments or USD 13.4bn is heading for the four core growth businesses
- Our growth ambitions will result in significant investments

## Capital commitments

■ Four core growth ■ All other

USD bn



Newbuilding deliveries	2013	2014	2015	2016>	Total
Container vessels	10	8	7		25
Tankers					
Drilling	2	4	1		7
Supply & Esvagt	2	3	1		6
FPSOs					
Svitzer	1	5			6
<b>Total</b>	<b>15</b>	<b>20</b>	<b>9</b>		<b>44</b>

Newbuilding - investment cash flow	2013	2014	2015	2016>	Total
Container vessels	1.3	1.2	0.8		3.4
Tankers					
Drilling	1.6	1.2	0.3		3.1
Supply & Esvagt	0.1	0.0	0.0		0.1
FPSOs					
Svitzer	0.0	0.0			0.1
<b>Total</b>	<b>3.1</b>	<b>2.4</b>	<b>1.1</b>		<b>6.6</b>

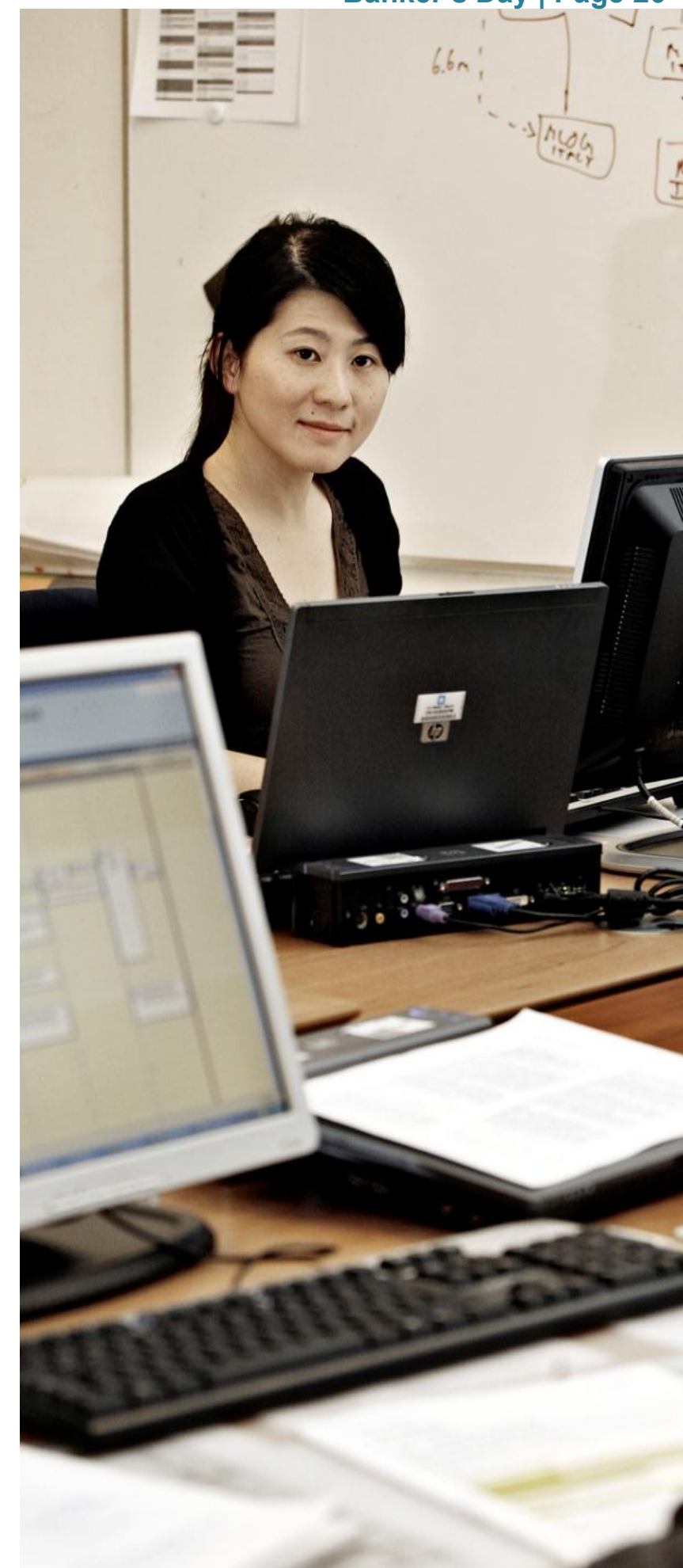
Other Capital Commitments	USD bn.
Maersk Oil	3.4
APM Terminals	3.2
Other	0.5
<b>Total Capital Commitments per 31 December 2012</b>	<b>13.8</b>

# Group Finance & Risk Management

- Optimize liquidity/debt position and risk management of the Group

## What we do

- **Cash and liquidity management for the Group**
  - Manage 4000 bank accounts and daily turnover on our accounts of 500 MUSD
  - Execute 4500 IC MM deals and fund requests per year with 170 internal counterparties
- **Hedging of currency-interest rate exposure**
  - Transact >30 FX deals per day in CPH and >20 in SIN
  - Transact FX volume of around USD 60bn per year equivalent to our annual revenue
  - Manage IR risk on 18bn portfolio and FX risk on 15bn exposure
- **Financial risk monitoring and Enterprise Risk Management (ERM)**
  - Risk management of Group exposures to interest, foreign exchange and commodity risks
  - Drives internal ERM process in pursuit of Group wide risk/reward mindset
  - Manage financial counterparty credit risk for the Group.
- **Adequate funding to support Group strategy**
  - Managing portfolio of around USD 30bn in external debt with more than 250 loan agreements
  - Managing portfolio of USD 11bn in internal loans with app. 50 counterparts
  - Deliver financial analysis on the Group's long term liquidity position
- **Financial reporting of GFRM b/s - p/l**
  - Reporting and controlling of the Group's financial items – yearly profit or loss effect of USD 0.9bn/balance sheet USD 30bn
  - Reporting, controlling and processing of insurance costs for 400 units with >40 transactions daily
- **Economic advise and support to BUs and management**
  - “Bringing the outside inside the Group” via presentations and written analyses (totaling 250 a year) on economic developments of relevance to business units, group functions, and all Seniorities
- **Execute M&A and other projects to support/contribute to the Group strategy**
  - In the last two years participated/negotiated more than 10 successful transactions with a deal value exceeding USD 6bn
- **Insurance coverage for the Group's assets**
  - Insure Group assets valued in excess of USD 60bn with more than 50 different underwriters
  - Annual premium spend around USD 300m and annual recovery costs around USD 200m
  - Runs Group Captive with an equity of USD 100m and an annual premium income of USD 60m



**MAERSK**



# Group's risk financing strategy

- Target is to continuously reduce the Group's total cost of insurable risk (TCOR).
- Through insurance procurement, loss prevention and retention management

Group's total cost of risk comprises three elements:

1. External market premium
  - Efficient programs for PD/BI and liabilities
  - P&I club strategy
2. Retained losses
  - Loss prevention launched
  - No losses to commercial market layers in 2012
    - Super storm Sandy
3. Maersk Insurance A/S result
  - Profit before tax of USD 12.1m

TCOR			
	2013 Budget	2012 Actual	2011 Actual
Gross Costs			
External Market Premium	154	177	239
BU retained losses	88	89	129
Group retained losses	43	31	-
Other Items			
MIAS Tech Underwriting Result	-16	-15	-
Opportunity Cost	4	4	-
TCOR	274	286	368
TCOR Target	266		

# Insurance claims update

## Gryphon FPSO

Vessel lost station on 4th February 2011 with extensive damage to subsea structure and vessel and loss of production as a result

Vessel back on station after repair at yard in Rotterdam. First oil expected in April 2013

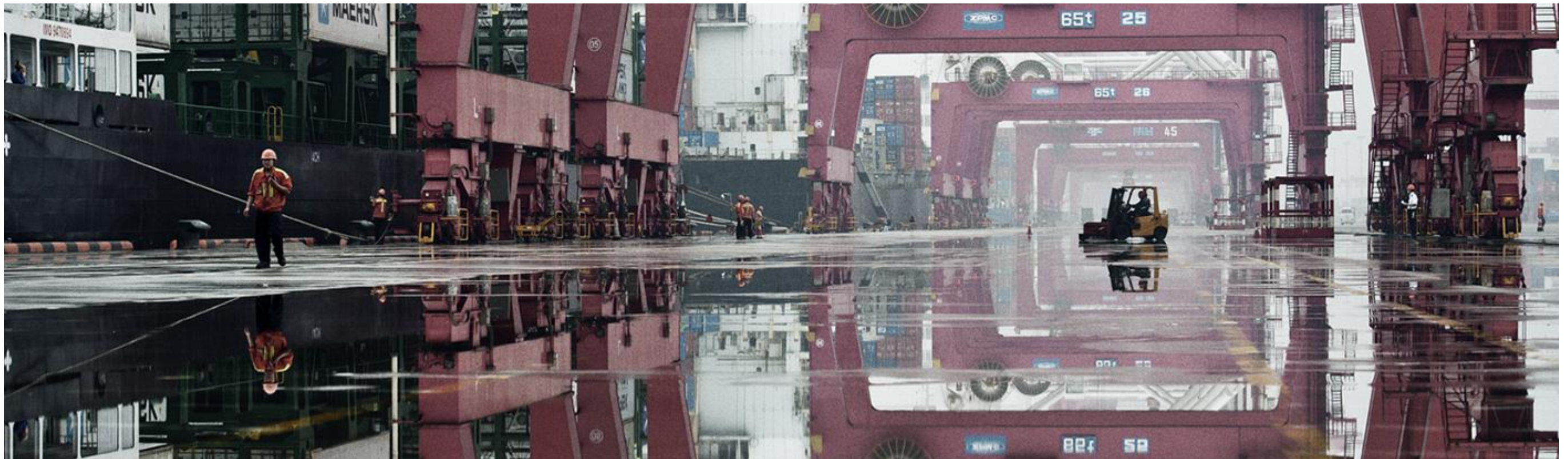
Good claims handling process. USD 673m received in 2011 and 2012 in compensation

## Emma Maersk

Suffered flooding of thruster and main engine room on 1st February 2013

Vessel was towed first to Suez Canal Container Terminal for off loading and afterwards towed to Palermo for repairs

Total reserve is set at USD 40m





# GFRM focus areas

Where can you provide service for A.P. Moller - Maersk

## Optimize liquidity/debt position and risk management of the Group

### Funding

- Continue diversification including potential new bond markets
- Continue strategy to borrow unsecured at APMM level
- Consider extension or refinancing of revolving facilities expiring in 2014 and 2015
- Support to our terminal project financing

### Treasury

- Optimise balance sheet
- Reduce restricted cash
- Optimise payments (CPS projects)
- New hedging products (FX and IR options)

### Risk Management

- Further develop Maersk Insurance A/S
- Execute loss prevention initiative
- Execute P&I club strategy
- Improve efficiency in claims handling
- Embed Enterprise Risk Management

### M&A and Projects

- Market intelligence / updates
- Show strong knowledge of APMM's BUs
- Present targeted opportunities for selected BUs

### Economic Analysis

- Support on frontier economies (Africa)
- Industry specific relevant macro and micro intelligence





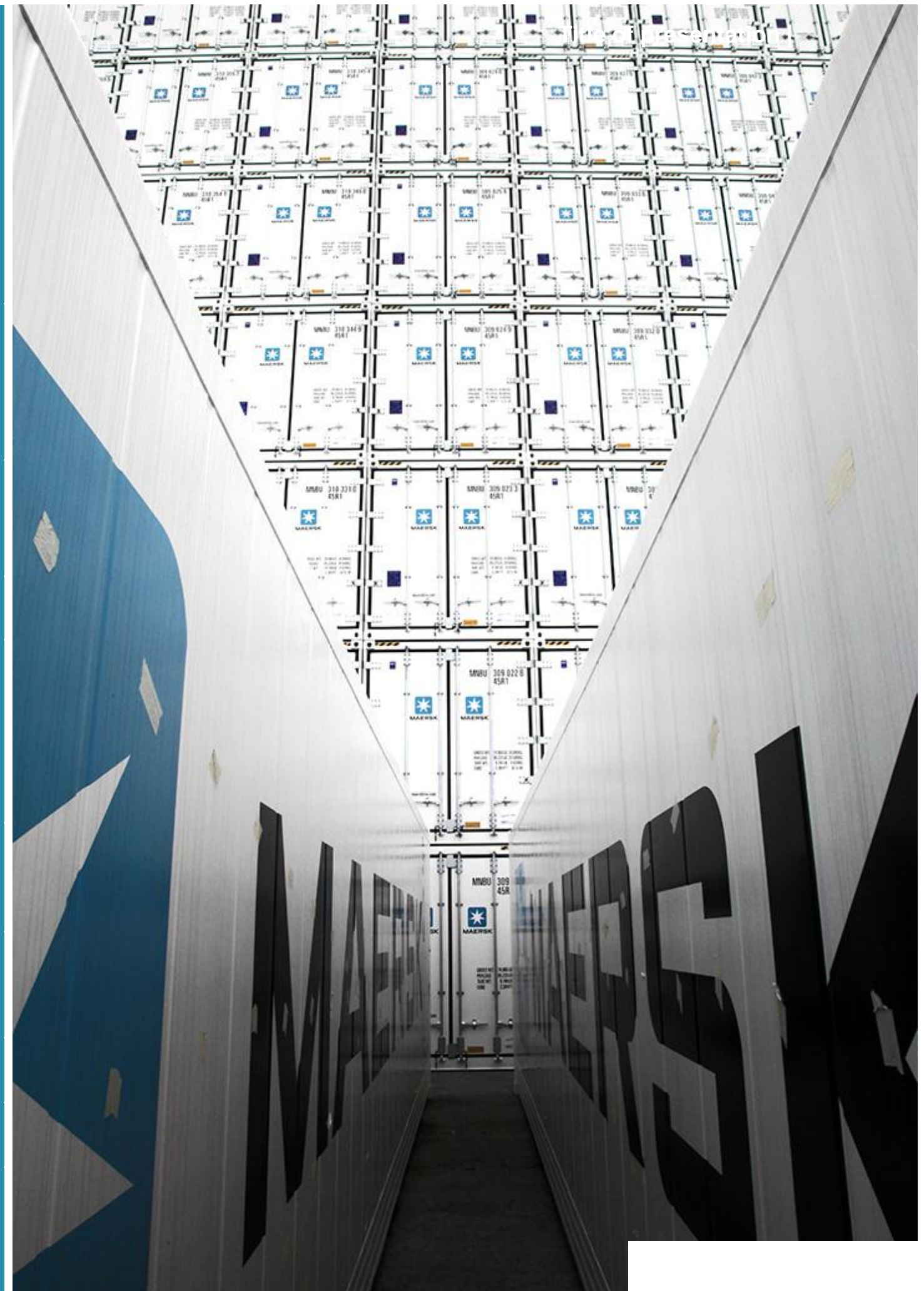
Q&A





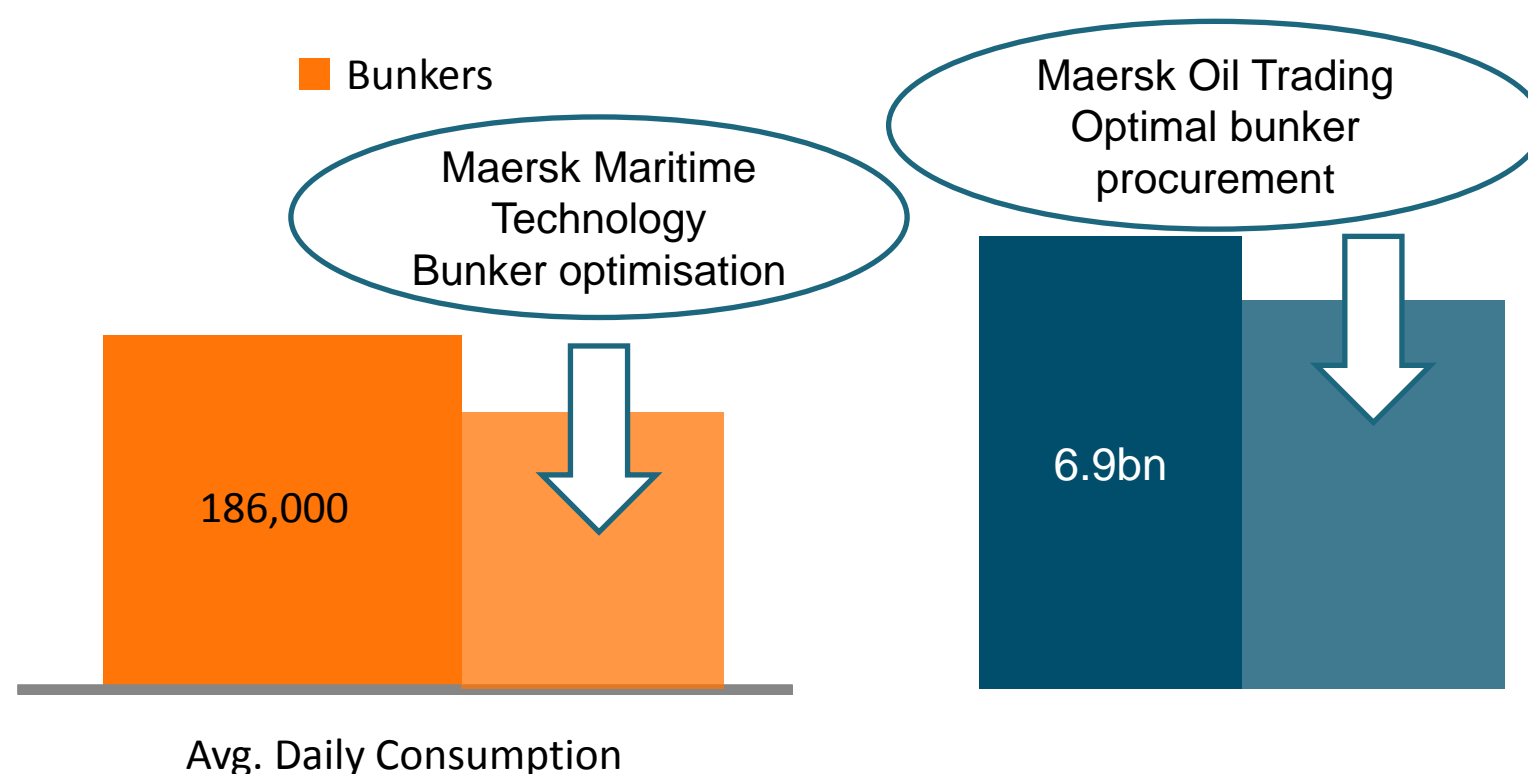
# Agenda

- 14.00**     **Welcome**  
- by Jan B. Kjaervik
- 
- 14.10**     **The A.P. Moller - Maersk Group**  
**2012 Financials & Strategic Direction**  
- by Group CFO Trond Westlie
- 
- 14.55**     **Group Finance & Risk Management Direction 2013**  
- by Jan B. Kjaervik
- 
- 15.25**     **Break**
- 
- 15.45**     **Fuel Consumption and Energy Efficiency**  
**Introduction to Maersk Oil Trading and Maersk Maritime Technology**  
- by Niels Henrik Lindegaard & Bo Cerup-Simonsen
- 
- 16.45**     **Maersk Drilling strategy update**  
- by Martin Fruergaard
- 
- 17.15**     **Wrap up**  
- by Jan B. Kjaervik
- 
- 17.30**     **Networking @ The River Room (2<sup>nd</sup> floor)**
- 
- 18.30**     **Dinner @ Skyloft (28<sup>th</sup> floor)**
- 
- 22.00**     **Dinner ends**

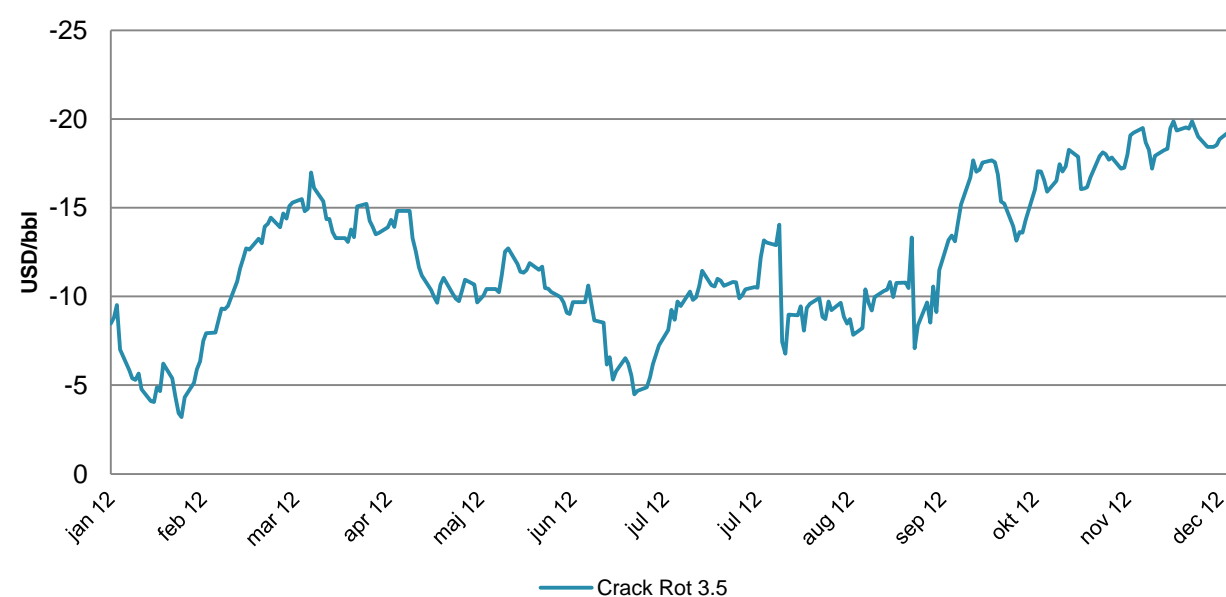


# Group's oil production and bunker consumption 2012

## APMM Bunkers Cost 2012



## Bunker crack development



Crack: Rotterdam 3.5% - Dated Brent







# How we manage one of the largest expenses in the A.P. Moller-Maersk Group Marine Fuel (Bunkers)

Niels Henrik Lindegaard, Head of Maersk Oil Trading

A.P. Moller - Maersk A/S Banker's Day

14 March 2013, Millbank Tower, London



# Maersk Oil Trading – A few key facts

## Key facts (2012)

### Fuel volume

Fuel volume 12 million tons

Value 8 billion USD

### Operations

Deliveries 17,000

Vessels served 1,150

Ports covered 325

Average delivery 700 tons

Ranging from 25 to 15,000 tons

## Main customers



**MAERSK**  
LINE



*Safmarine*



**SEAGO**  
LINE

**MCC**  
TRANSPORT



**MAERSK**  
TANKERS



*handytankers*



**BROSTRÖM**

**NOVA**  
TANKERS



**HÖEGH AUTOLINERS**



**DFDS**  
SEAWAYS



**MAERSK**



Just for easy reference.....

\$ 8 billion.....

..... Will buy you 37,000 Ferrari California





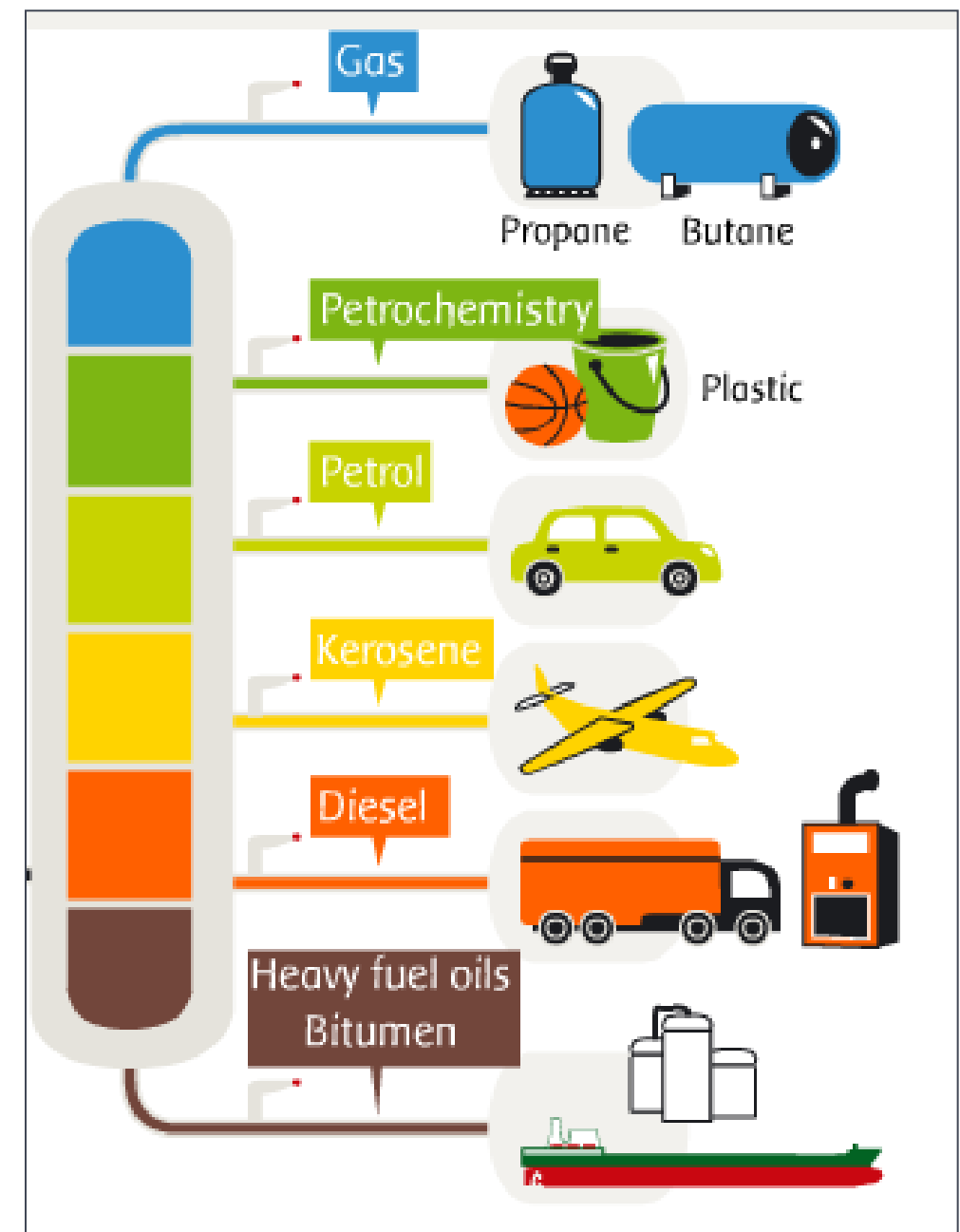
# So what is bunker?

The residual product from the refining process

Crude oil + Refining process  
Fuels



Refined products & Heavy





A “bunkering” operation is a rather heavy duty operation





# Requiring rather large equipment to ensure supply accuracy

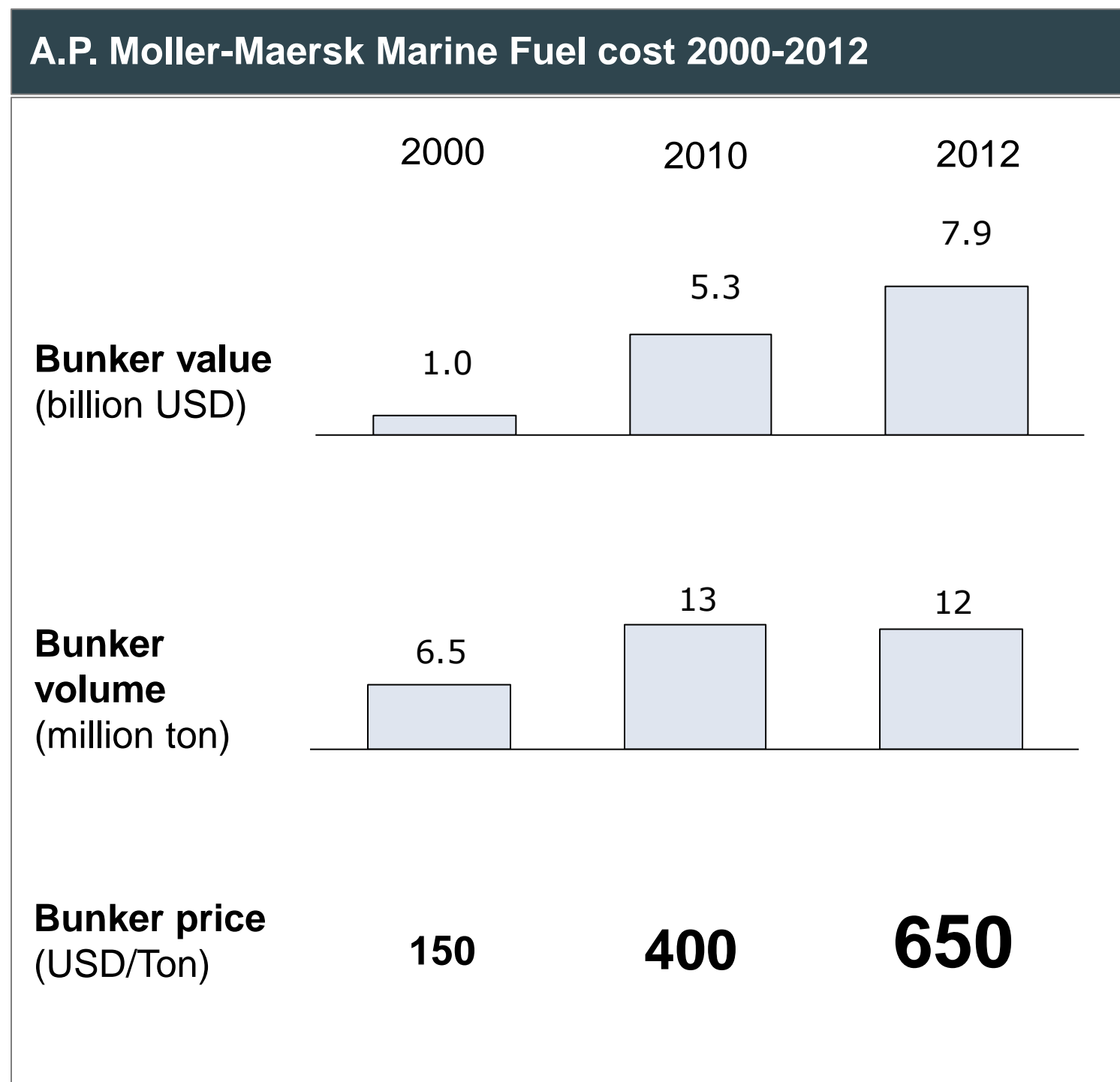


**A 1% difference on  
10,000 ton bunker  
delivery equates  
60,000 USD**

**A 1% loss on 12  
mill tons is equal  
to 80 mill USD**



# Bunker cost has increased considerably over the past decade

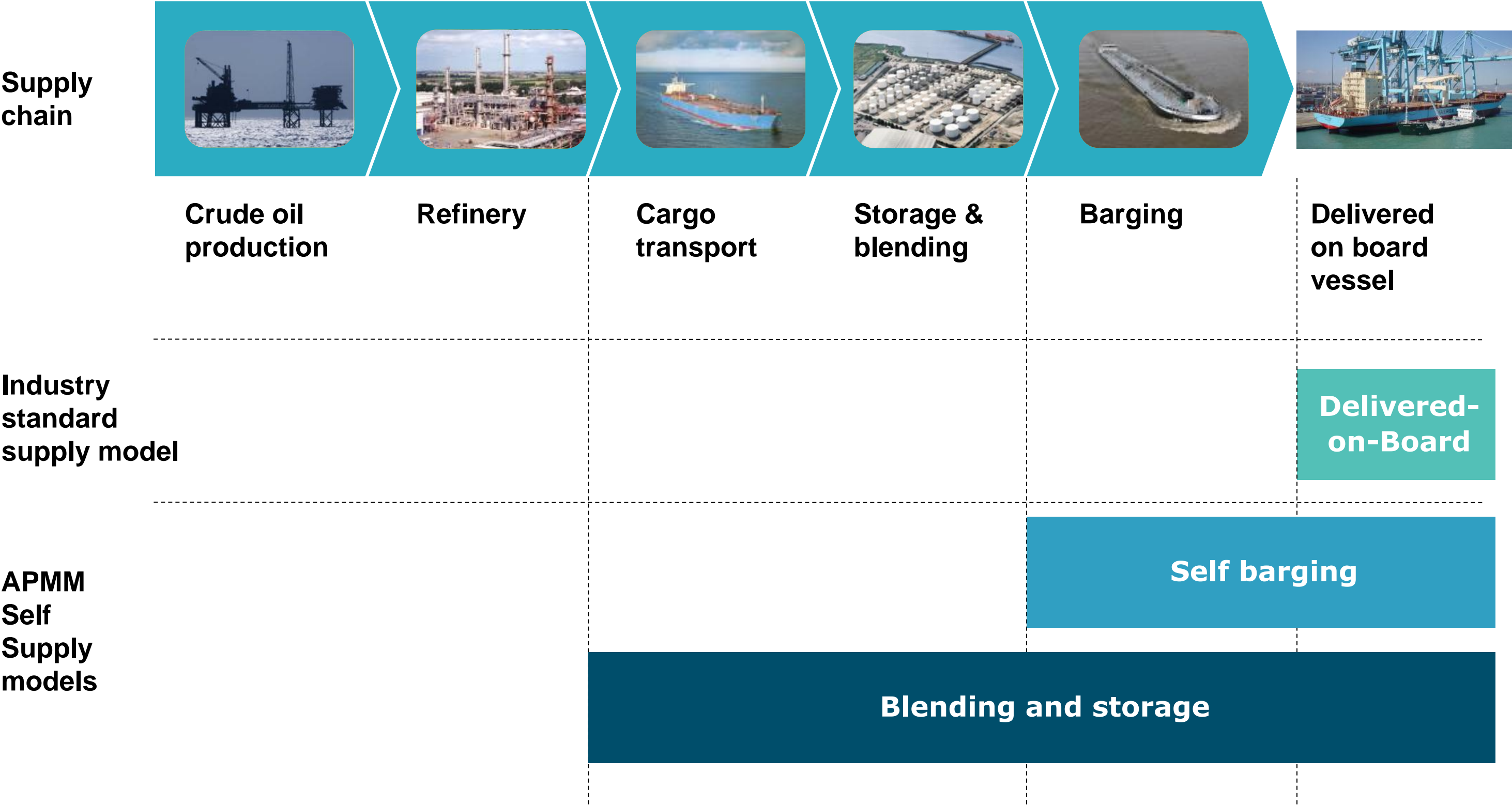


**Price increased 450%**

**Inhouse attention  
increased 10 times  
more than that!**

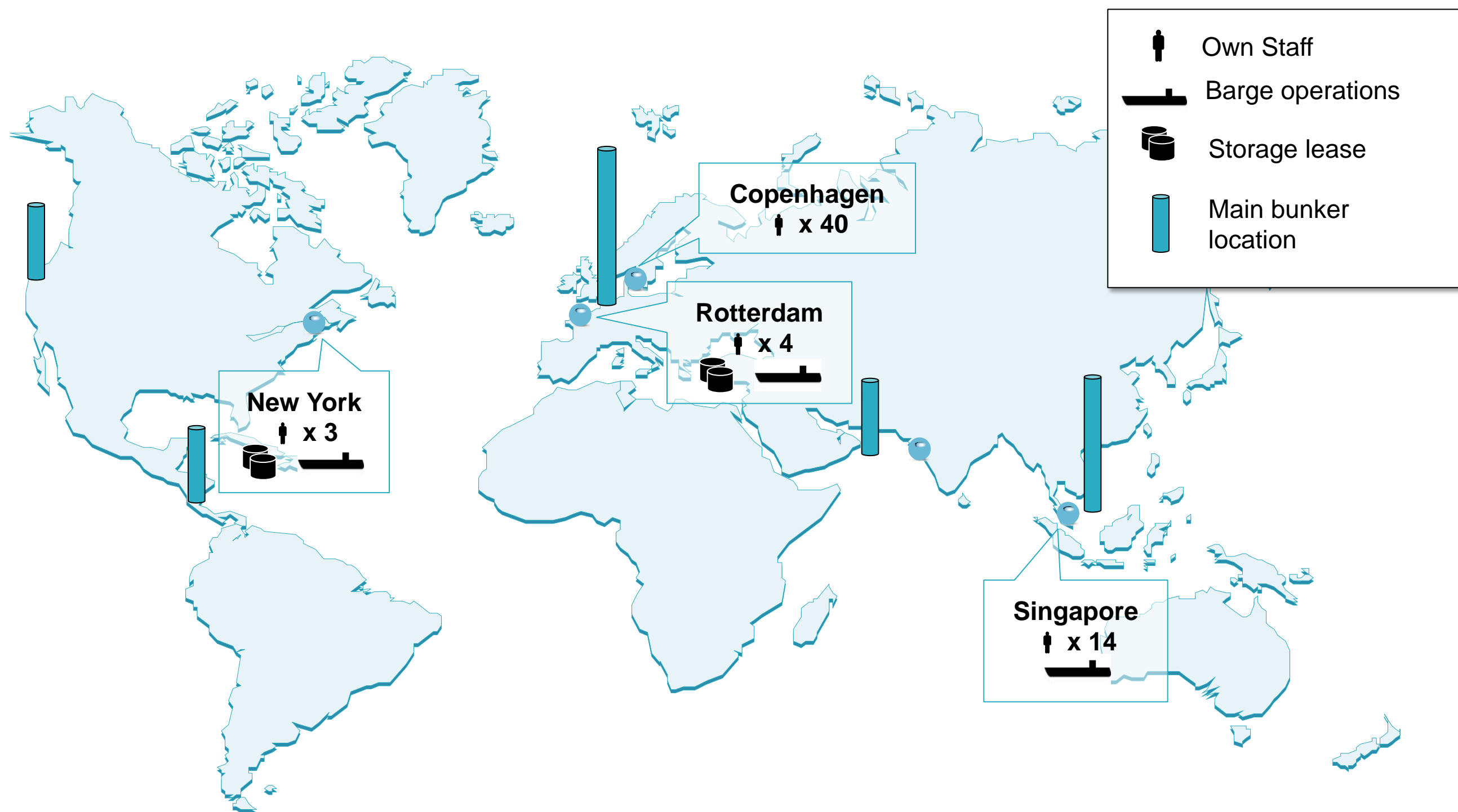
We have turned our attention to indirect costs too

Using our scale to capture value in the supply chain



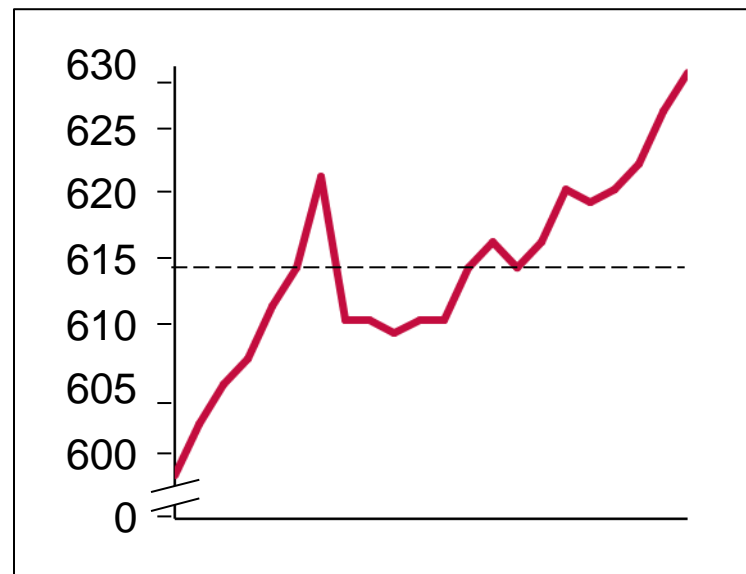


# Local presence and dedicated bunkering teams strengthened our efforts in main locations

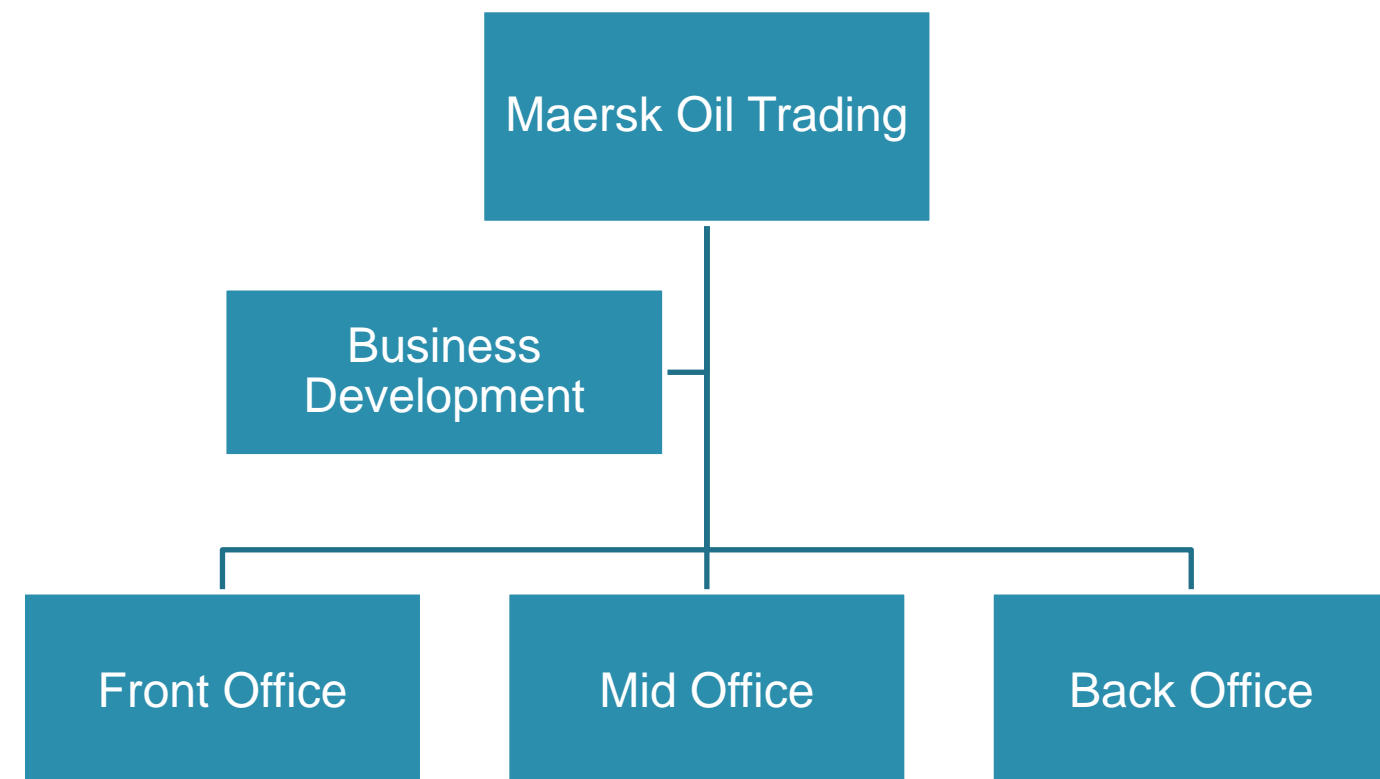
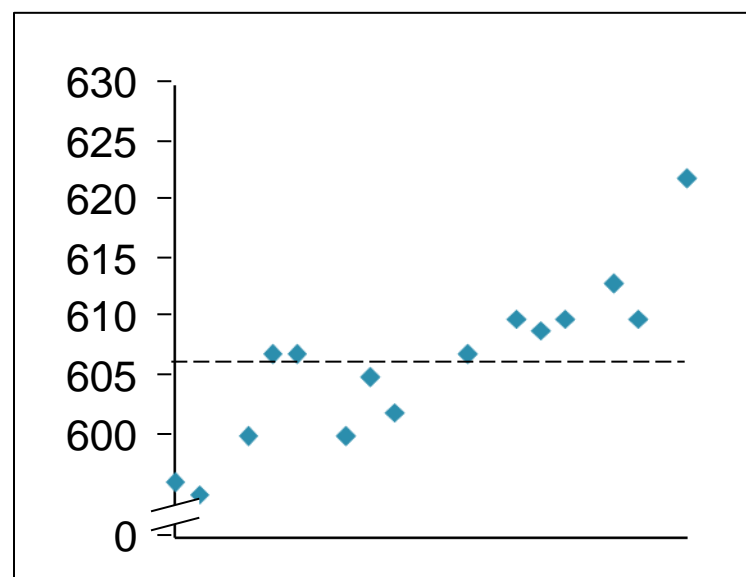


The activity is not only about heavy duty operations.  
We also focus on the “fraction of percentages”

Market prices (Platts index)



Maersk Oil Trading purchase prices



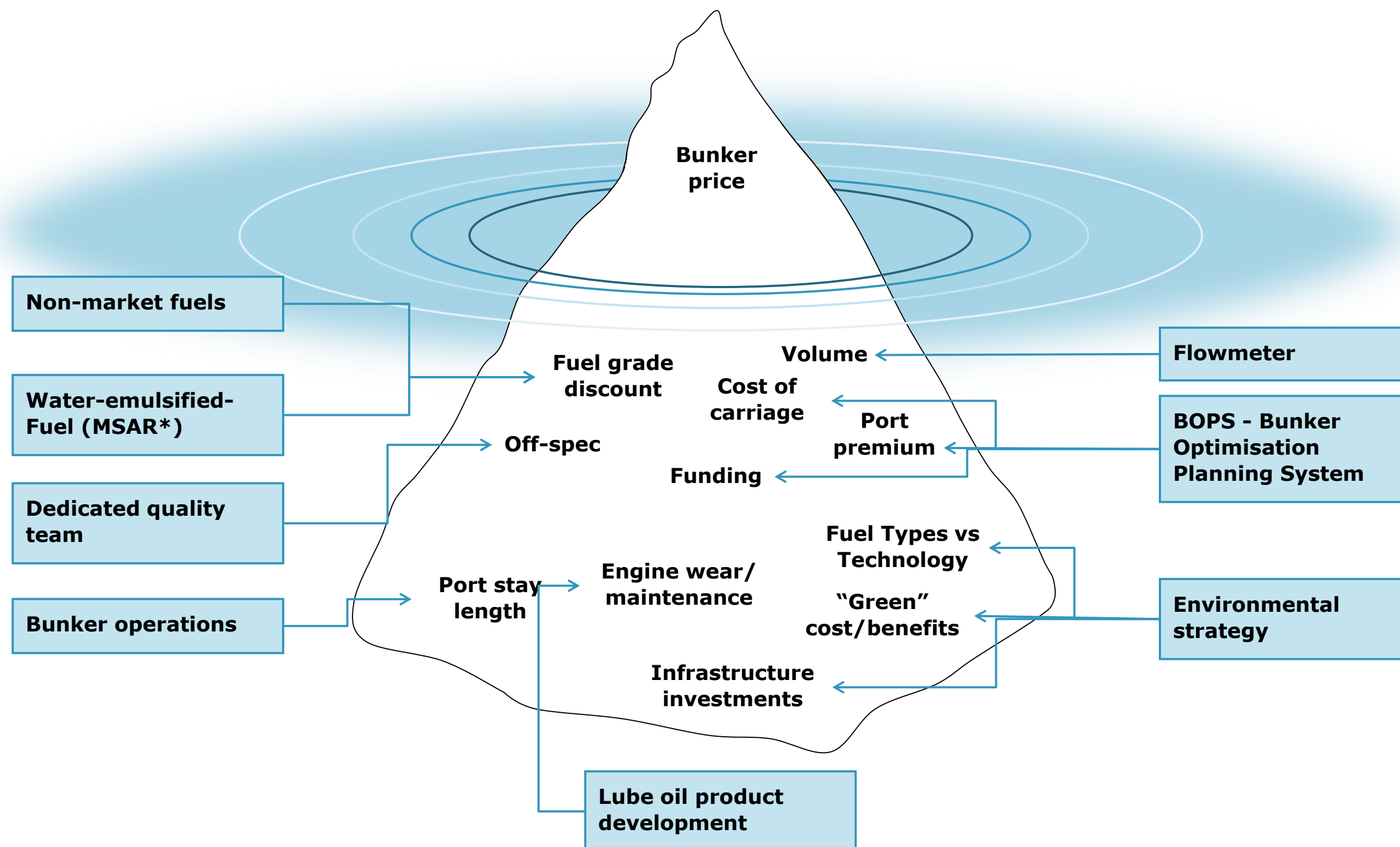
**0.1% = 8 MILL USD (2012)**



# MOT Business Development Team develop industry leading industry solutions to reduce bunker spend

 MOT/APMM initiatives

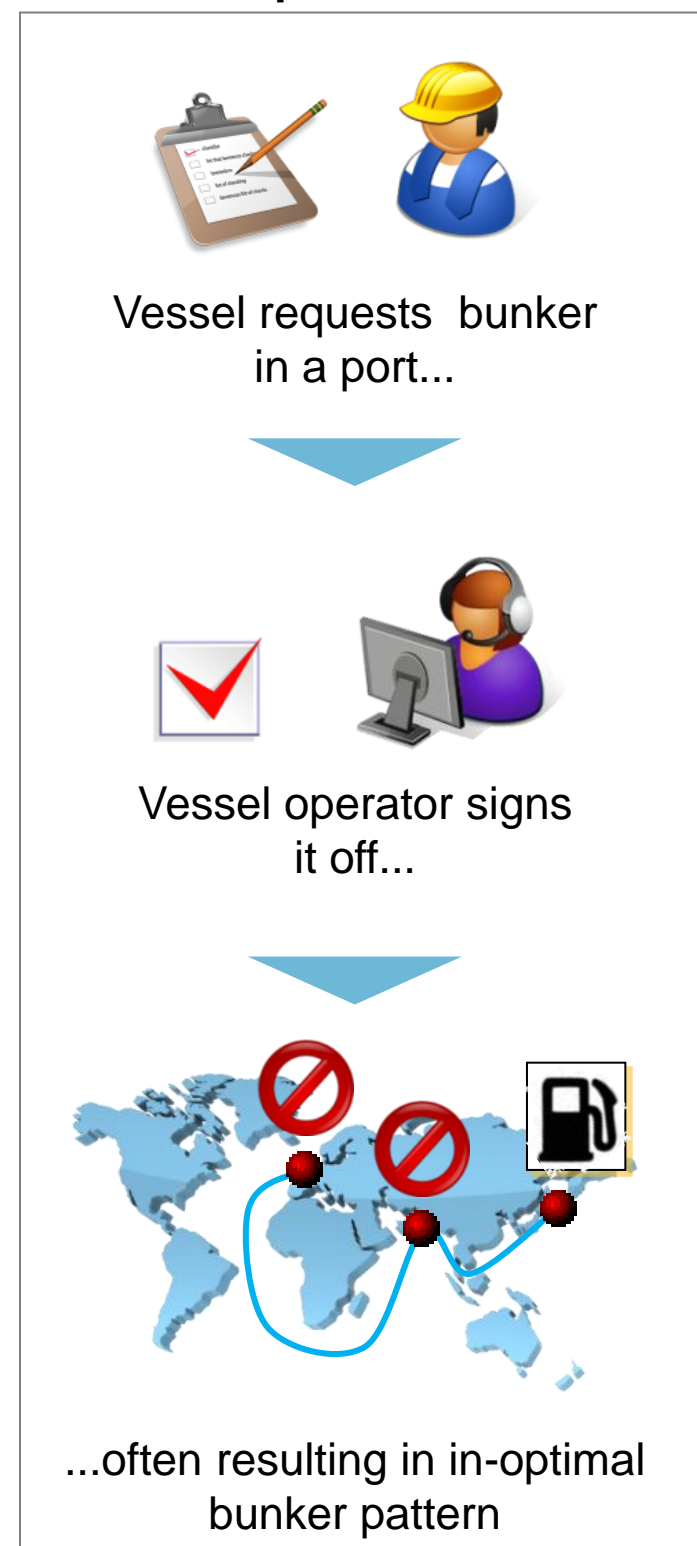
The bunker cost "iceberg"



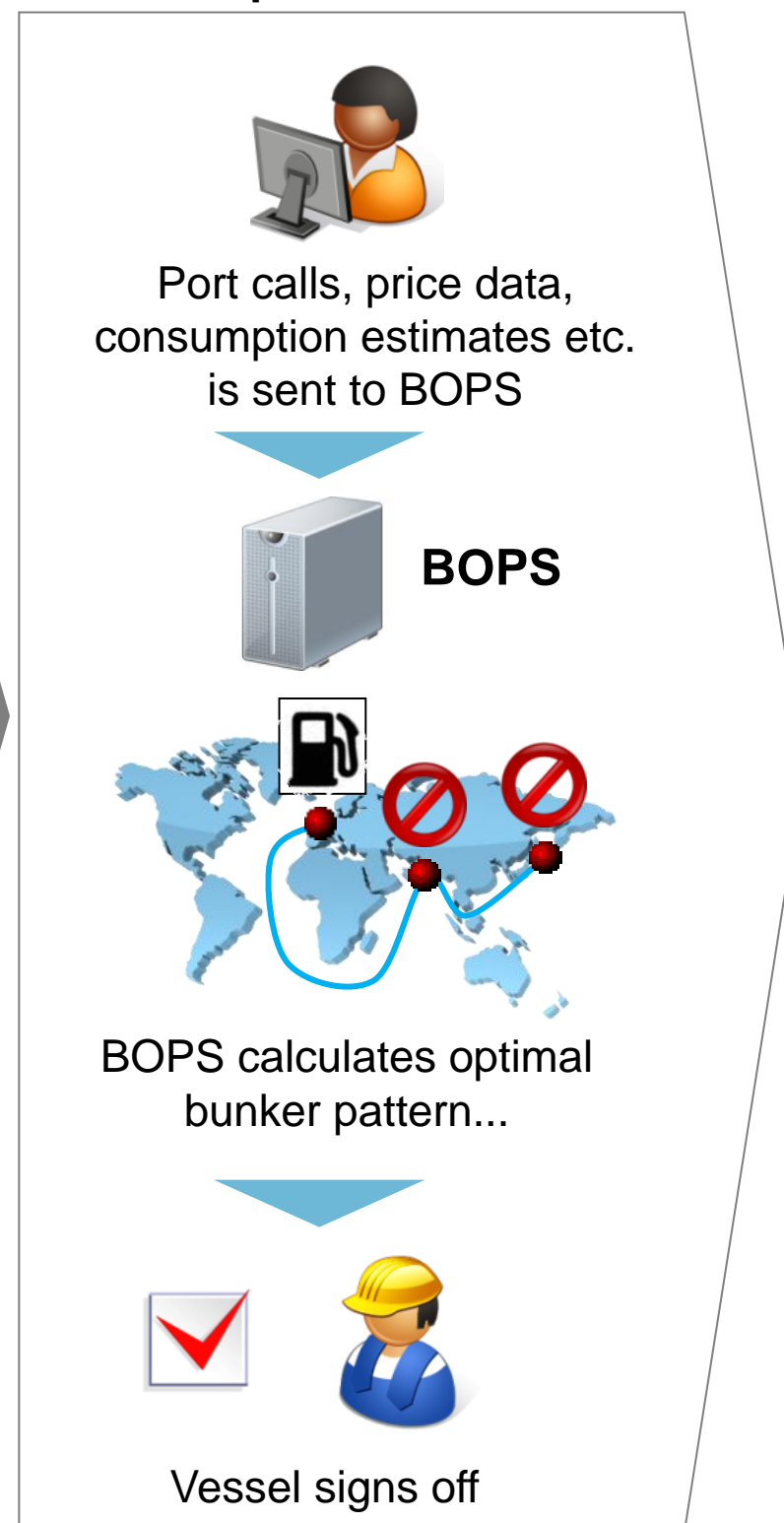
\*Multiphase Superfine Atomized Residue (MSAR®), joint development with Quadrise International

# Inhouse IT solutions (BOPS) optimise the complex bunkering process

## Traditional process



## The BOPS process



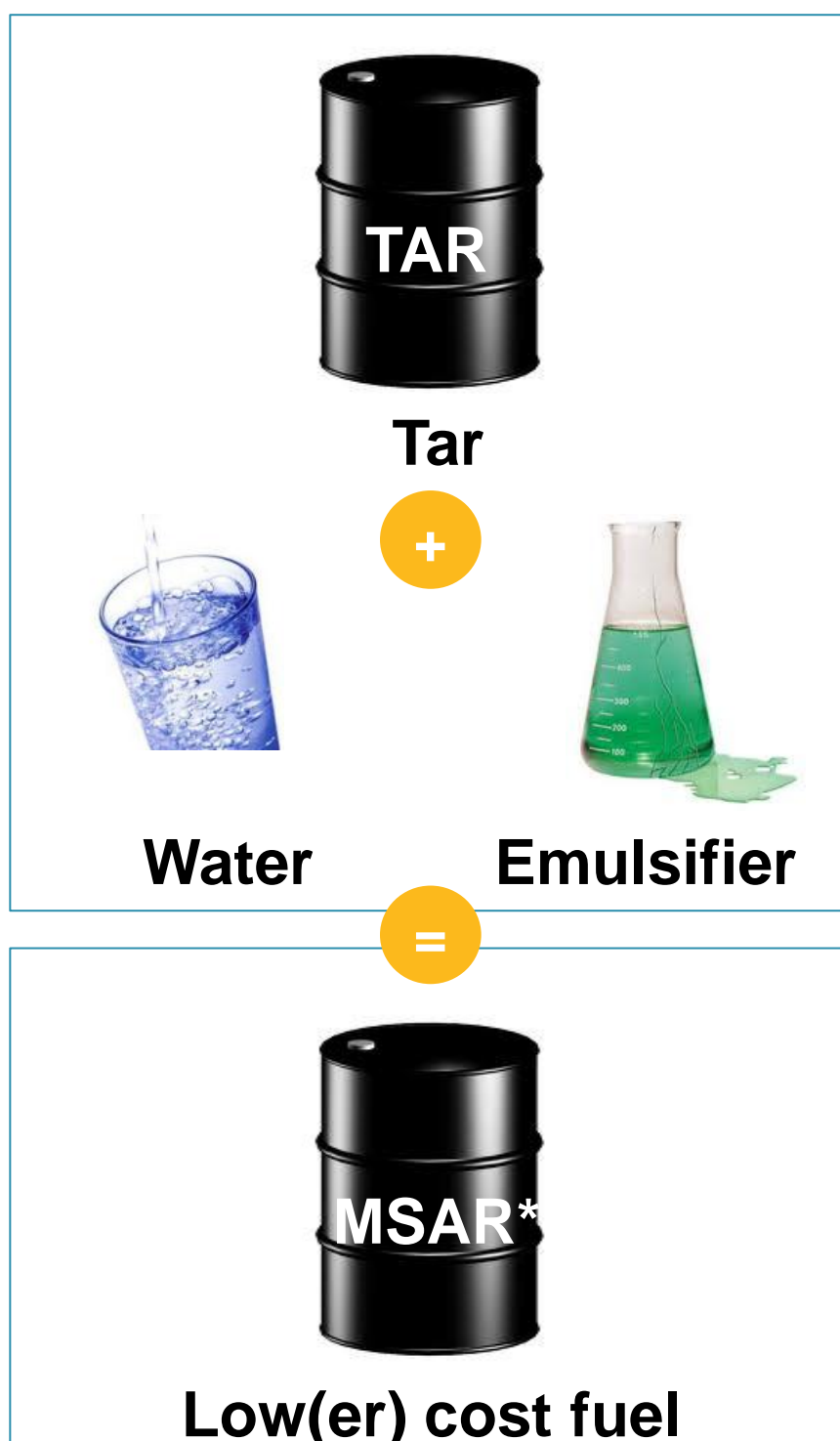
## Competitive Advantages

- **Port Arbitrage**
- **Tank Capacity Utilisation**
- **Reduced reserves**
- **Automation**

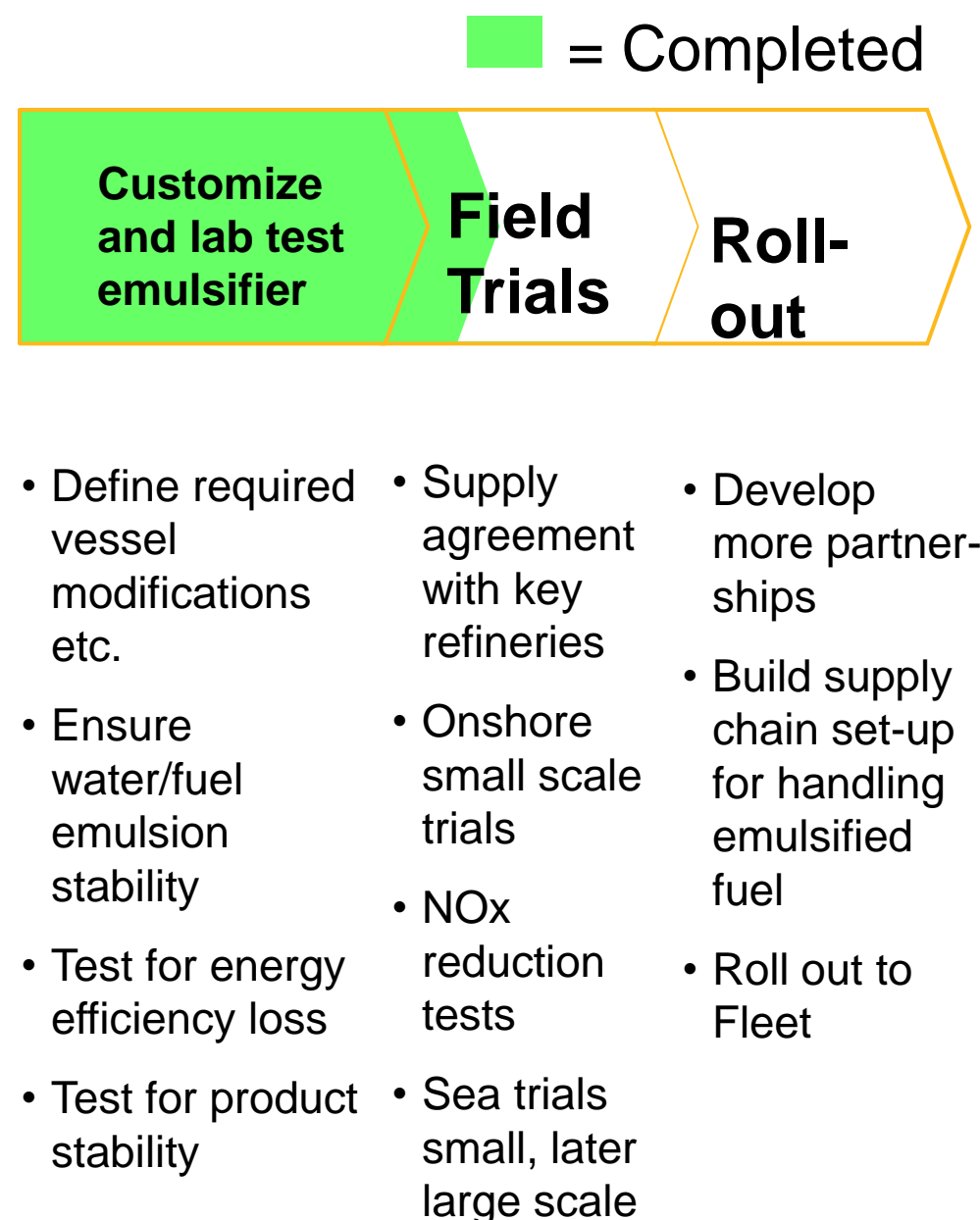


# We also co-operate with external innovative companies

MSAR\* is composed of 25% water



Project currently in trial stage



Impact potential significant

Fuel cost savings are highly dependant on

- Diesel-fuel oil spread
- Sea trial success

Reduced Cost

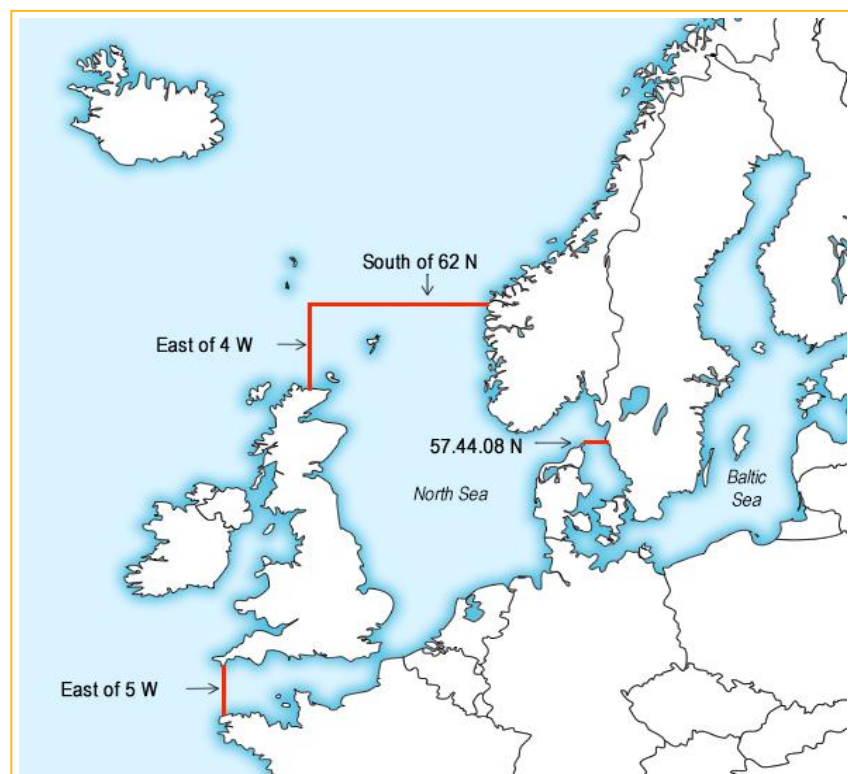
Reduced NOx

\* MSAR = Multiphase Superfine Atomised Residue

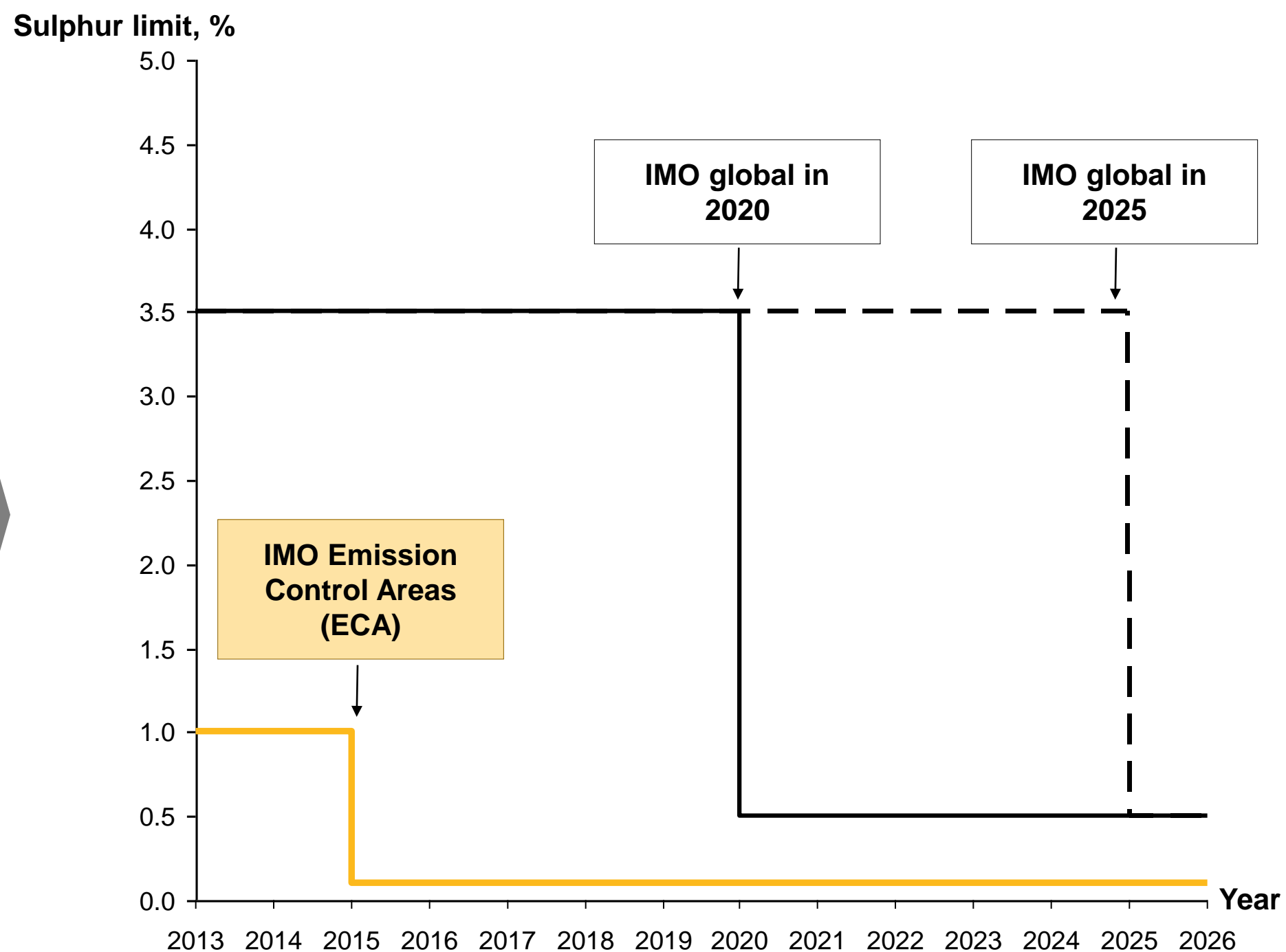
\*\* QFI = Quadrise Fuels Intl; technology owner of MSAR. Start-up venture in joint development with APMM

# Environmental Regulations January 1, 2015 is a major challenge to the bunker / shipping industry

## Emission control areas



## Overview of main sulphur limit regulations



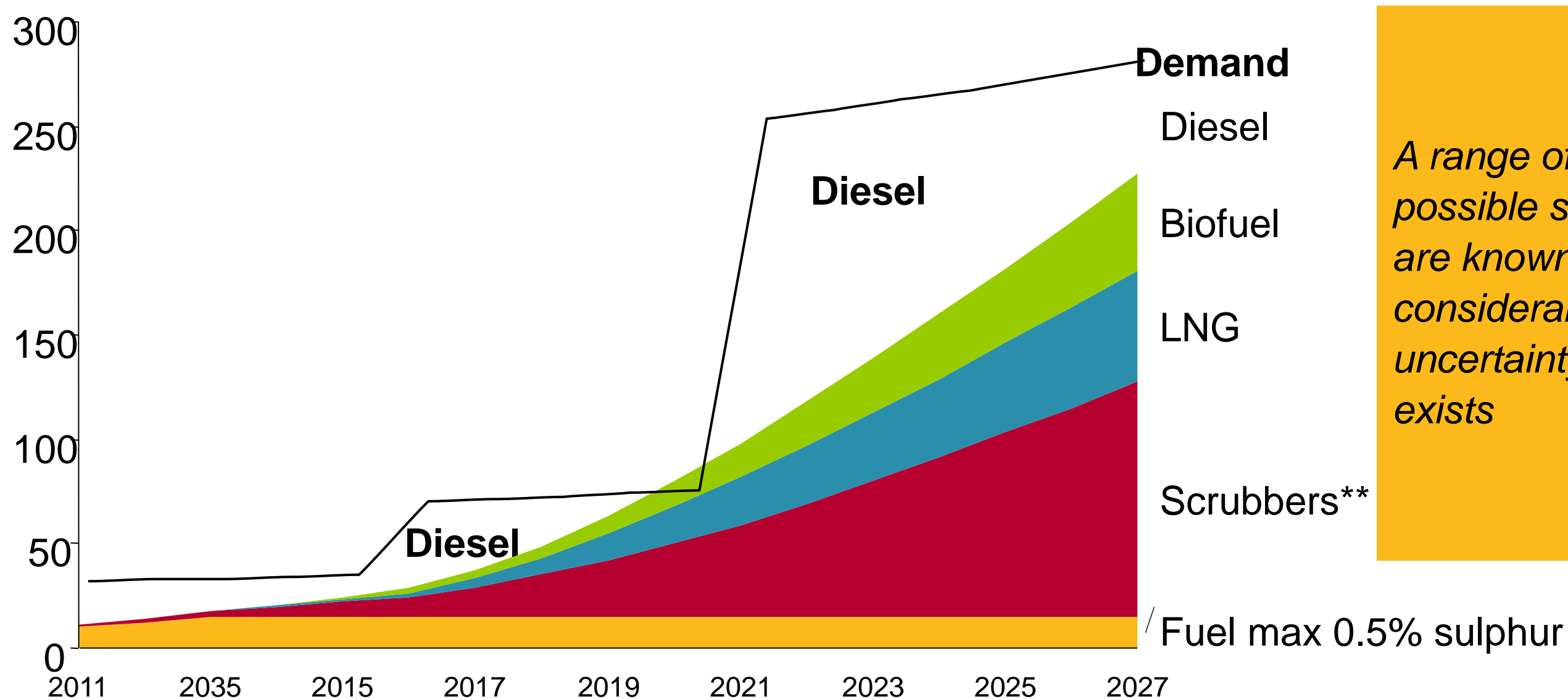


# The future fuel solution is still unknown

VERY ROUGH ESTIMATES

## Global marine supply and demand for low SOx fuel\*

Million tons of diesel equivalent

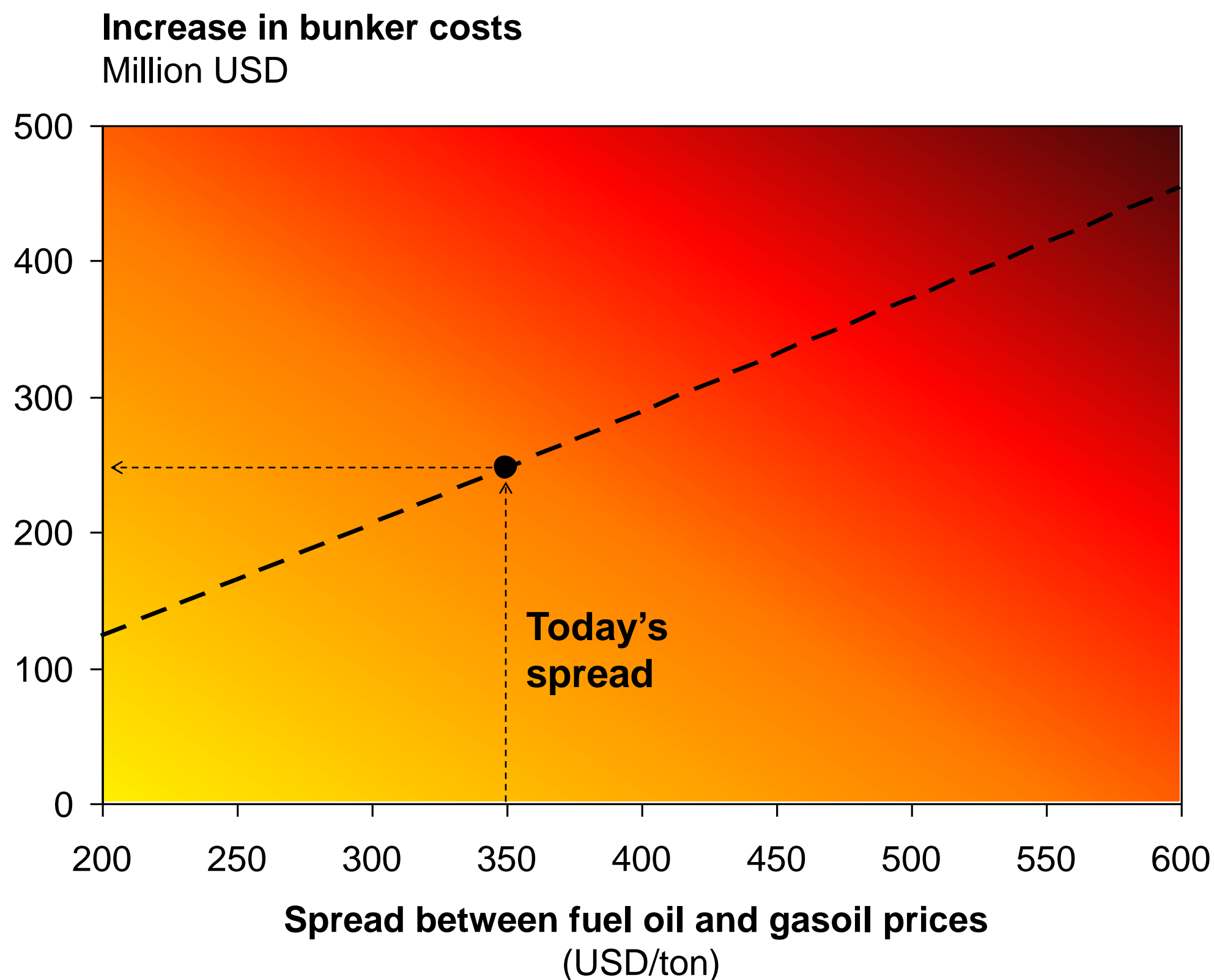


*A range of possible solutions are known but considerable uncertainty still exists*

\* Here defined as fuel with emissions corresponding to less than 0.5% sulphur content

\*\* "Scrubber" = Exhaust Gas Cleaning Equipment

If the 2015-solution becomes a fuel-to-diesel switch we may expect a considerable cost increase\*



\* Cost increase depends on future volumes consumed in the ECA zone and the price spread between heavy fuel oil and diesel





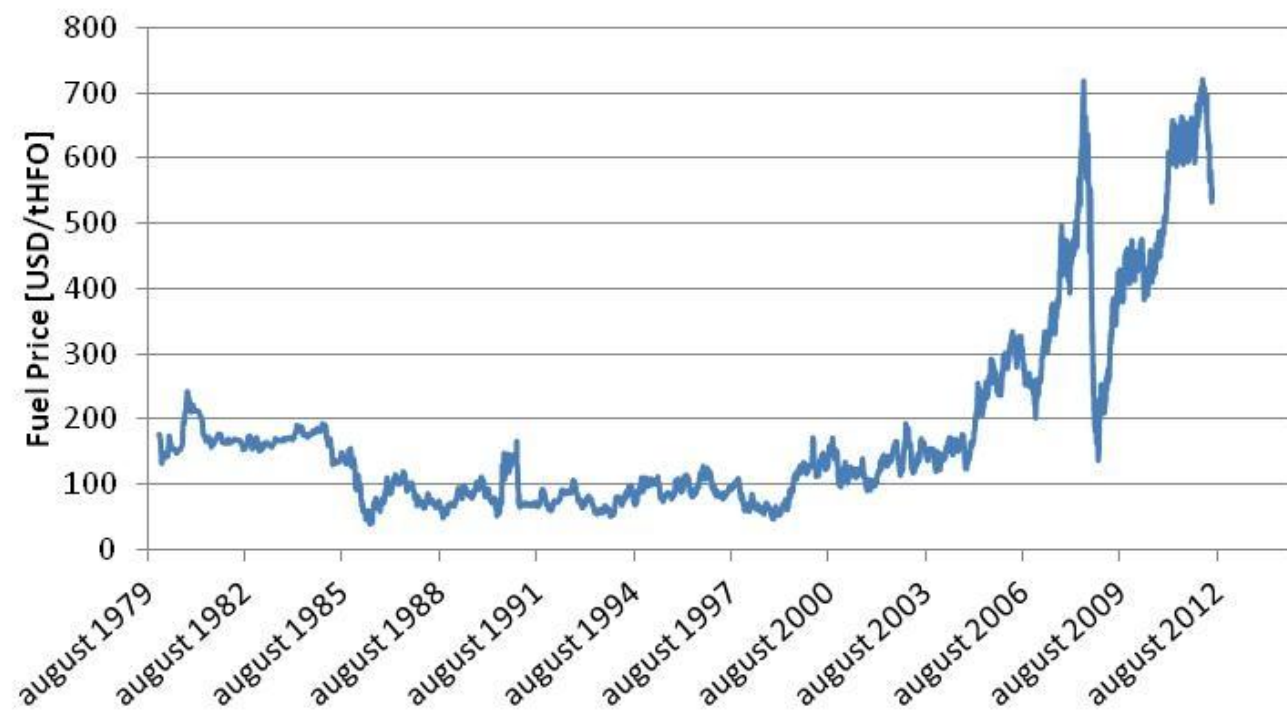
## Technology Solutions for The A.P. Moller – Maersk Group Bo Cerup-Simonsen, Head of Maersk Maritime Technology

A.P. Moller - Maersk A/S Banker's Day  
14 March 2013, Millbank Tower, London

# Even the Technical World is Changing

## Where is today's optimum: cost vs technical performance?

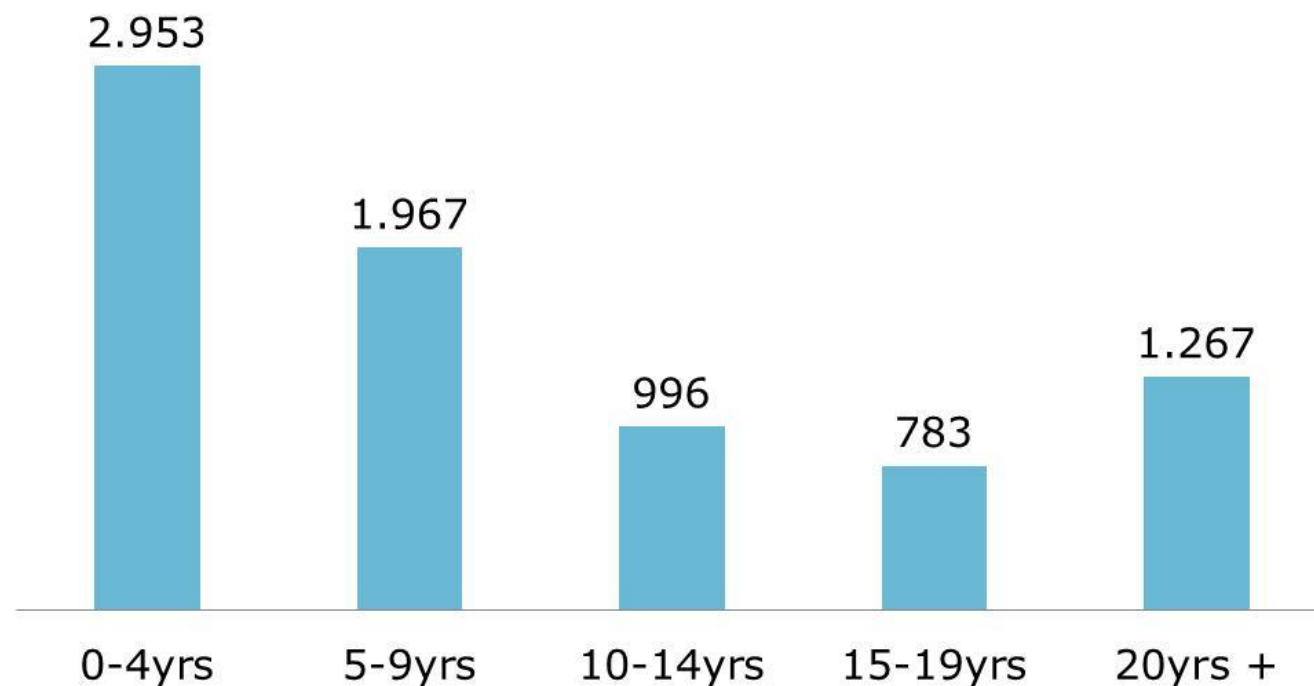
Fuel Price Development (Rotterdam)



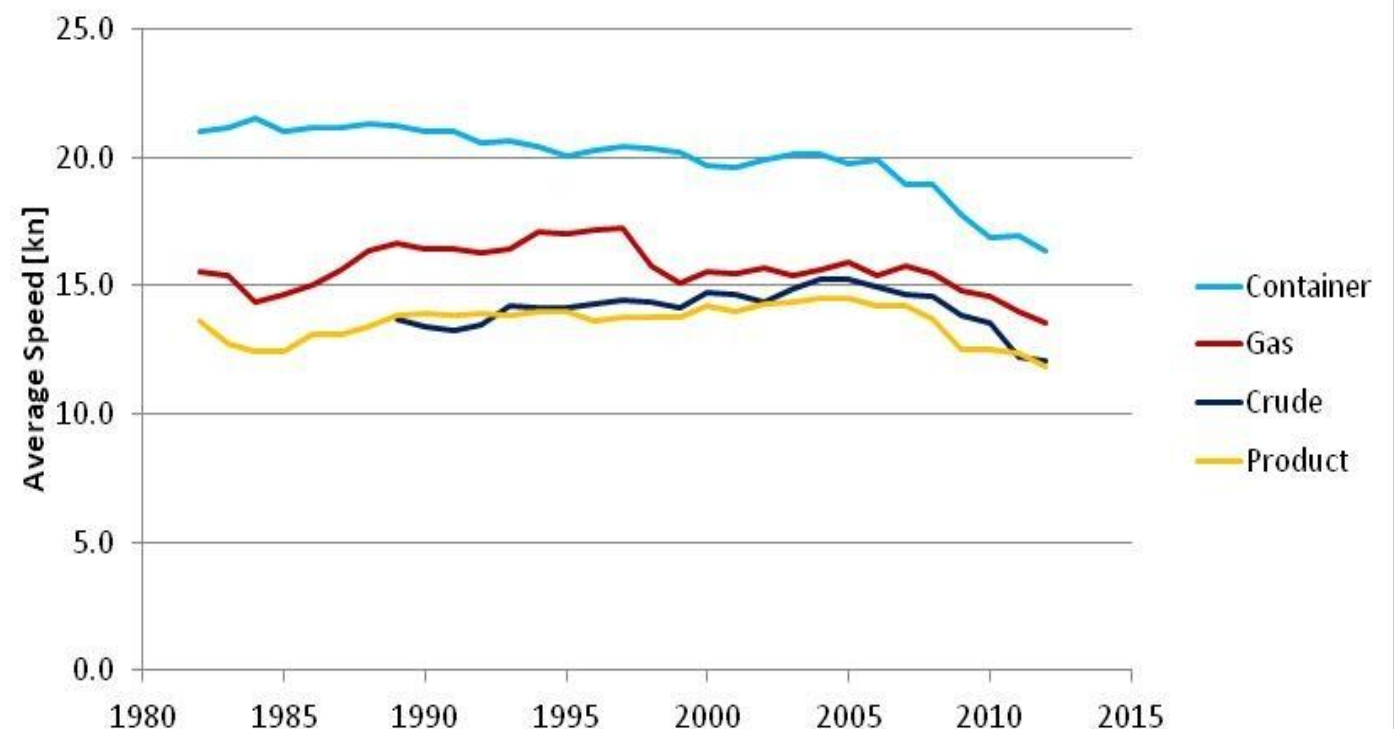
BUILDING PRICES FOR CONTAINER SHIPS 2002-2011



Example: No of Tanker Vessels by Age



Average Speed Development (Own Fleet)





# A coming decade of continued challenges - and opportunities

- Overcapacity of tonnage in most ship segments, driving strong competition
- Newbuilding yards offering ships at relatively low cost
- High energy cost, changing mix/supply/cost, and a general need for energy efficiency
- High-performance, optimized technology becoming available – but is it safe and operable?
- Complex and 'costly' technical regulations coming – we need predictability and a level playing field with effective enforcement





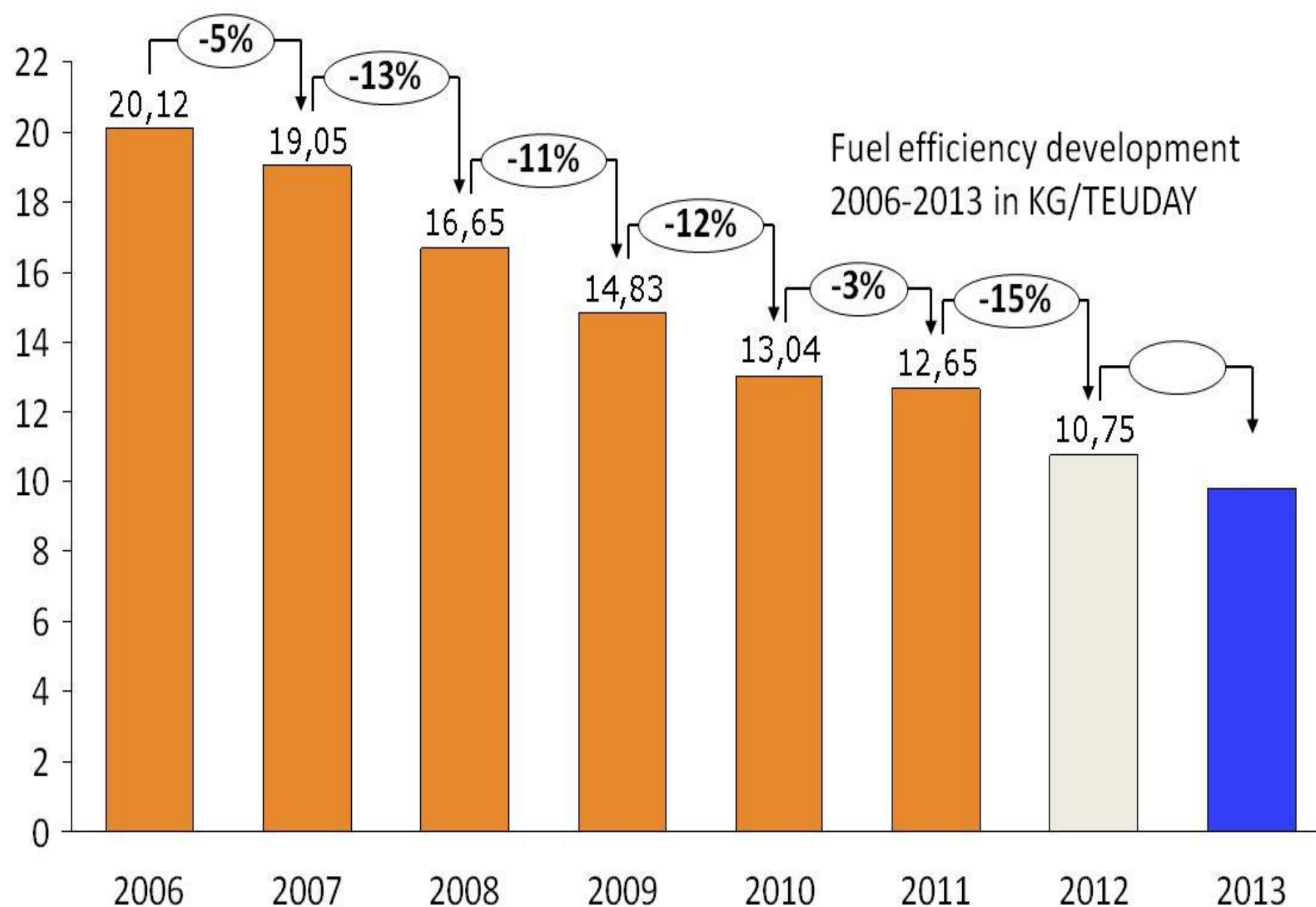
## "The Big Three" Environmental issues will be costly for industry

- **Air pollution and change to cleaner fuel:**
  - USD 10-15bn per year 2015-2020
  - USD 50-75bn per year after 2020
- **Ballast Water Management:**
  - USD 75 bn from 2013– 2020 for installation of BW equipment
- **CO2 regulations – cost unknown – depends on MBM to be implemented**
  - Proposal from World Bank is USD 25bn per year from shipping into the UNFCCC Climate Fund





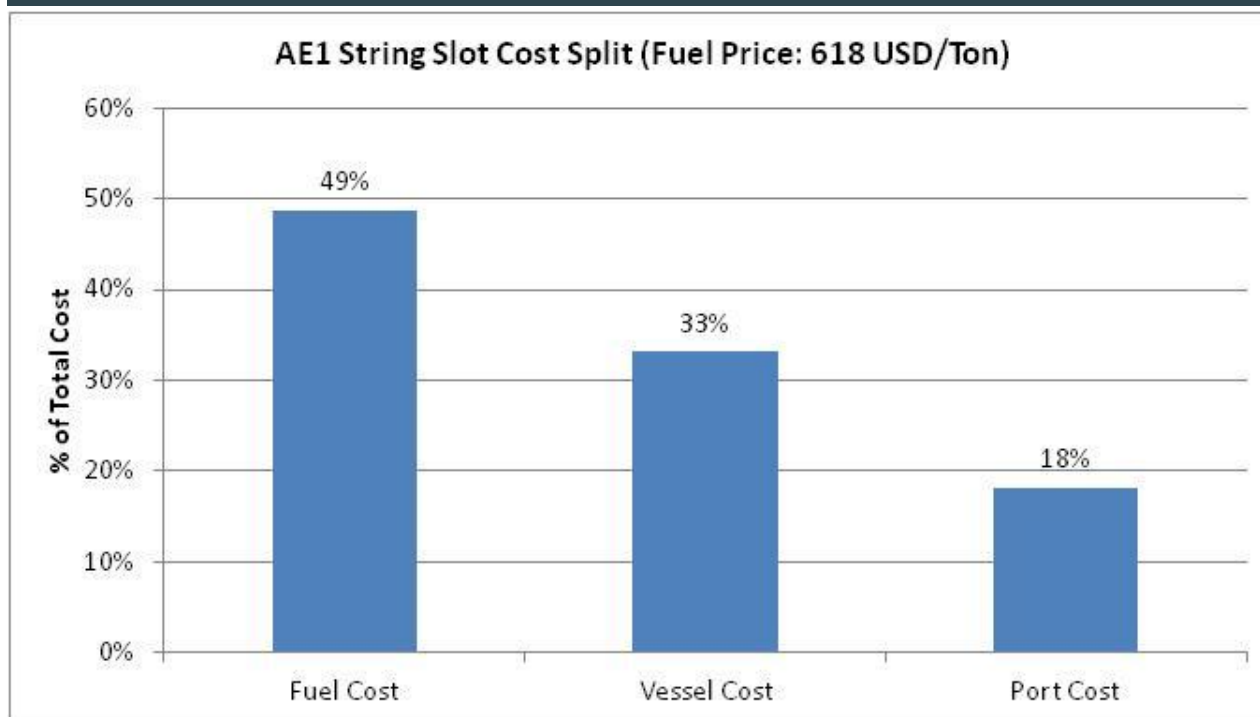
Driving improvements in technology and operation: Maersk has come a long way in fuel efficiency – and has ambitions to go much further together with suppliers



*No more easy money: In 2007 slow-steaming was introduced; in 2009, super slow-steaming. As efficiency improvements become harder to achieve, Maersk Line must continue to innovate both operationally and technically in order to reach its goals.*

# Fuel Efficiency Matters!

## Example: Maersk Line Asia-Europe



## Example: Maersk Tankers

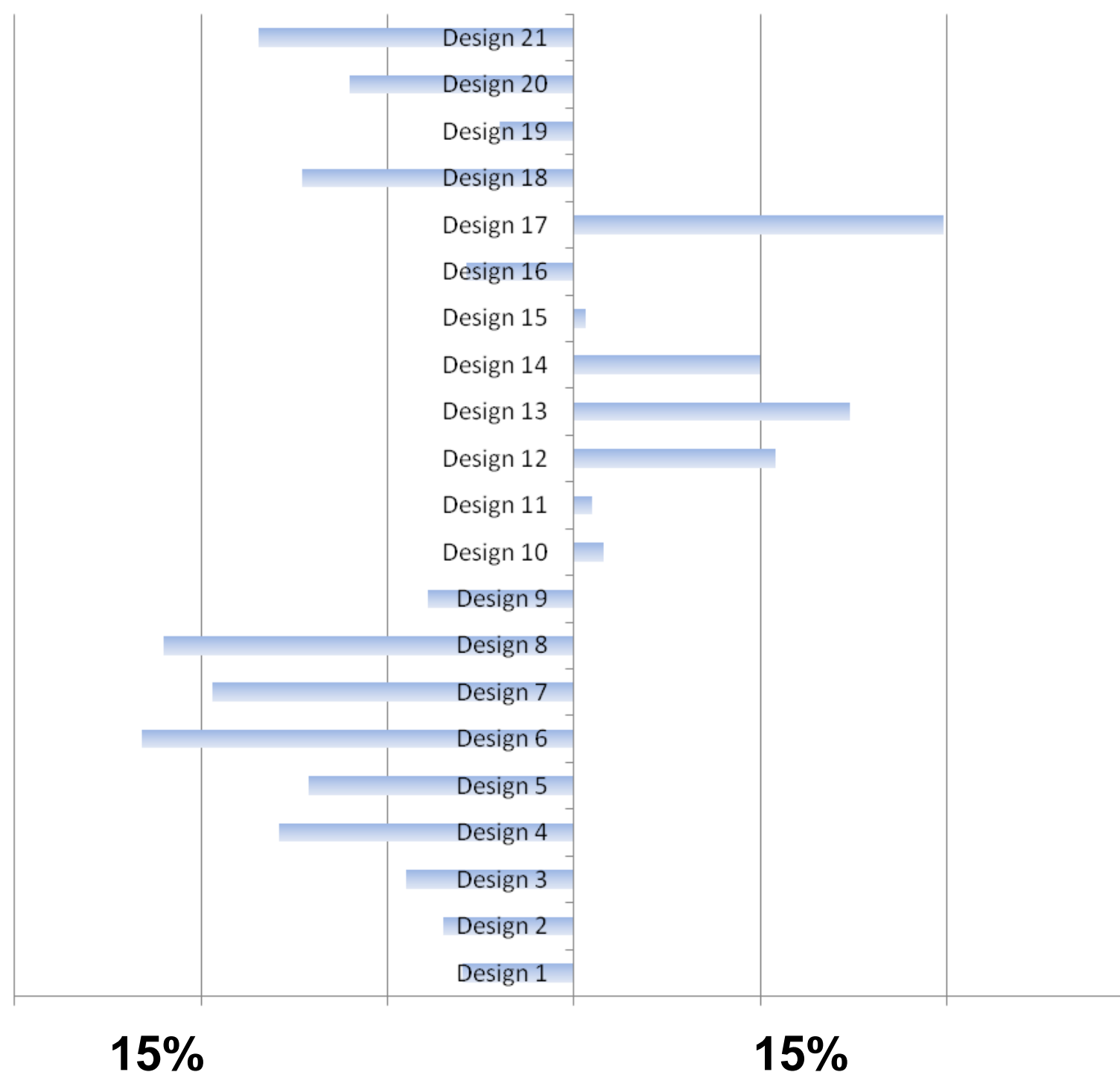
Vessels	Segment	Fuel cost/Vessel/year USD m	Purch. Cost USD m	Capex/year USD m	Fuel/Capex
14	VLCC	12.60	85	8.50	1.48
4	LR2	5.76	43	4.30	1.34
2	MR	3.70	32	3.20	1.16
9	Handy	3.00	30	3.00	1.00
10	Intermediate	1.65	20	2.00	0.83
5	Small	1.39	15	1.50	0.93
9	Handy Gas	3.30	38	3.80	0.87
6	VLGC	5.25	70	7.00	0.75

All figures are realistic but approximate, only for illustrative purposes



# Do NOT trust "catalogue values" for fuel consumption – not even for "modern" ships!

## 'Excess Power' in operation compared to newbuilding contracts for owned containerships



'Excess Power' in operation compared to newbuilding contracts for owned containerships

Example: A ship with "-15% excess power" needs 15% more than promised in the contract to reach contract speed in real operation.

Similar discrepancy expected in contracts for:

- Chartering
- 2nd hand purchase/sales

Q: So is a 4500 TEU Panamax just a 4500 TEU Panamax?



A: As much as redwine is redwine





MMT expertise is channelled through six service lines.  
Focus on Energy Efficiency.

## Newbuilding & Conversion

We ensure design, construction testign and delivery of new ships and major conversions throughout all phases of the process

## Vessel Optimisation

We develop and specify technical solutions to increase profitability of existing fleet

## Performance Management

We optimise vessel performance by monitoring and optimising operating conditions



## Ship Management Support

We stimulate best-practise and assist in running the technical vessel management in the safest, most cost and energy efficient manner.

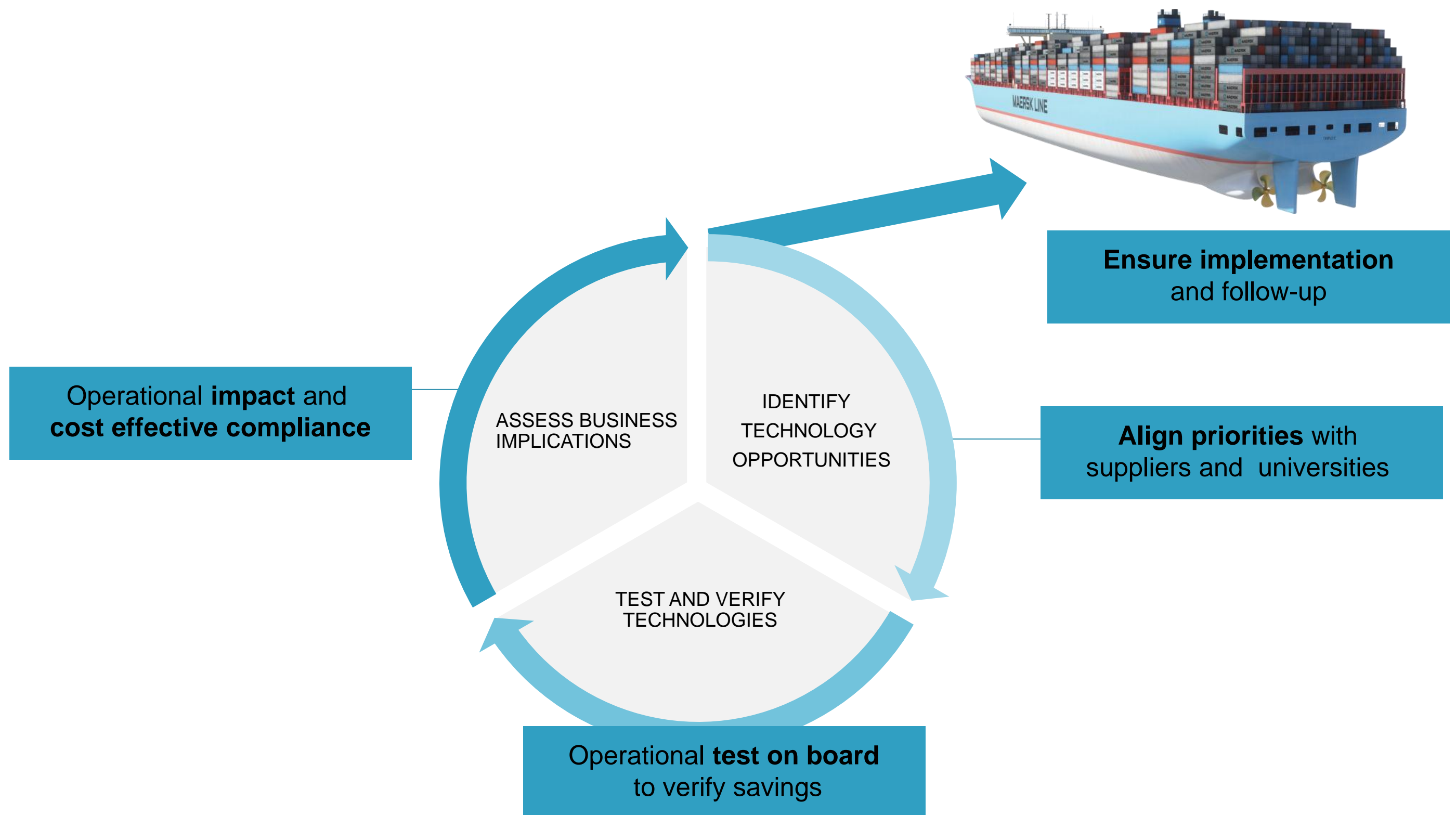
## Technical Innovation

We aim to explore, verify and mature new technological opportunities together with key clients and suppliers.

## Regulatory Affairs

Develop Group Positions, influence developments externally, help identify needs for preparing internally to be compliant

# *Technology Innovation:* aligning supplier's innovation with Maersk business objectives





# Innovation in the supply chain. Know your *Next Generation*

## Examples of Maersk innovating with Technology Suppliers



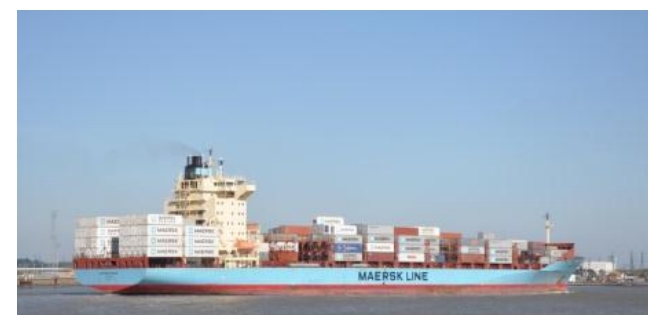
*Maersk Attender*  
Crane pendulation



*Thurø Maersk*  
BWTS testing



*Maersk Kendal*  
Ventilation optimization



*Jeppesen Maersk*  
Auto-tuning of main engine



*L203 class*  
Aux. engine waste heat



*Roy Maersk*  
CLT Propeller



*Maersk Kalmar*  
Biofuel



*Olivia Maersk*  
Air lubrication



*Alexander Maersk*  
Exhaust gas recirculation



*Gudrun Maersk*  
Main eng. cooling systems



*Clementine Maersk*  
CRS autologging and performance prediction



*Laura Maersk*  
HT Pump optimization



*Maersk Kate*  
Propeller boss cap fin



*Maersk Belfast*  
Water based hydraulics



*Arthur Maersk*  
Cylinder lube oil reduction



Triple-E: State-of-the-art in scale and technology  
But our strongest focus is currently the existing fleet

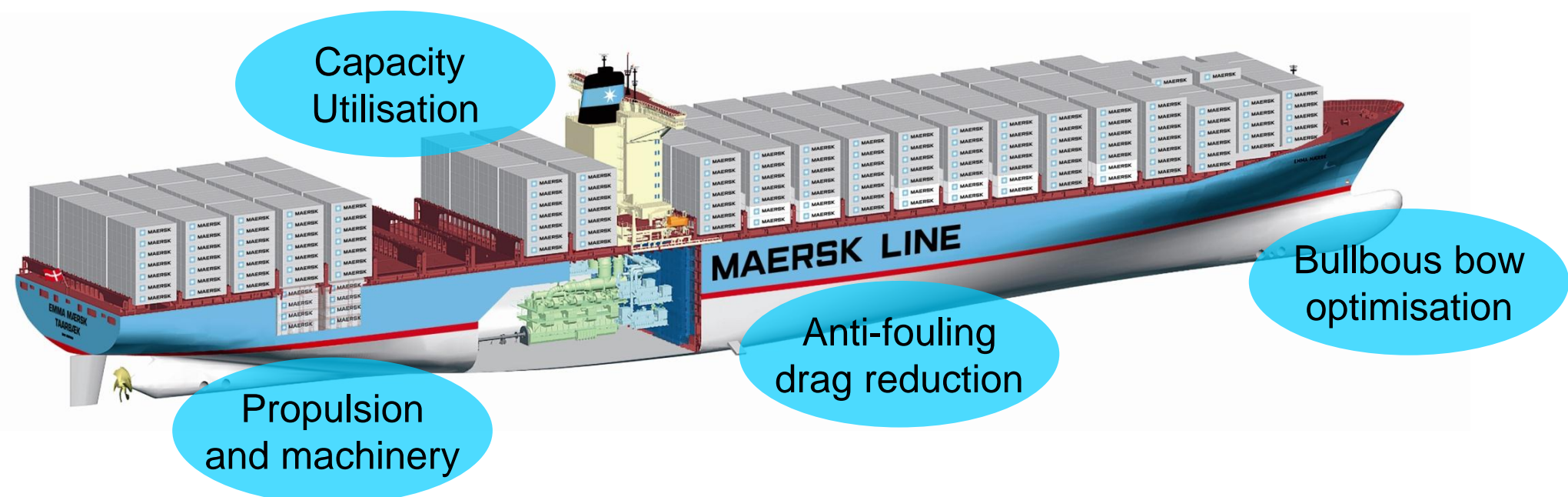




# There is a large potential in upgrading the existing fleet as a good alternative to procuring new ships

## Example: Container Ships

- The global fleet of containerships include more than 5000 vessels with several hundred BUSD tied up in assets.
- All ships are relatively "modern" but not necessarily optimised for current network speeds, new technologies and fuel cost
- Retrofitting of existing fleet is a viable alternative to newbuilding, and offer great potential for improvements by optimising to current operational conditions.



# Energy Efficiency Management: A structured approach covering our fleet (870 Ships) and all possible technologies

## PORTFOLIO AND VESSEL OPTIMIZATION

- Vessels in/out (own or charter)
- Eco Retrofit Projects:
  - Optimization of systems
  - Wheel house elevation
  - TC cut-out
  - Energy Efficiency Devices

VSL  
PORTFOLIO/  
RETROFITTING

BENCHMARKING  
MONITORING  
& FIELD TESTS

TECHNICAL  
OPERATIONAL  
MEASURES

## MONITOR, BENCHMARK

- Onboard daily data collection including distance sailed, power, consumption and weather conditions
- Hull and propeller condition assessment
- Engine condition and fuel consumption
- Energy Efficiency KPIs
- Field tests of new technologies
- Vessel benchmarking for portfolio optimization or retrofit

## OPTIMIZE CURRENT OPERATION

- Voyage planning and instructions for optimized consumption and minimized weather impact
- Voyage efficiency index: actual speed vs. constant speed
- Super Slow Steaming – Eco Speed
- Adjustment of machinery system
- Under water cleanings



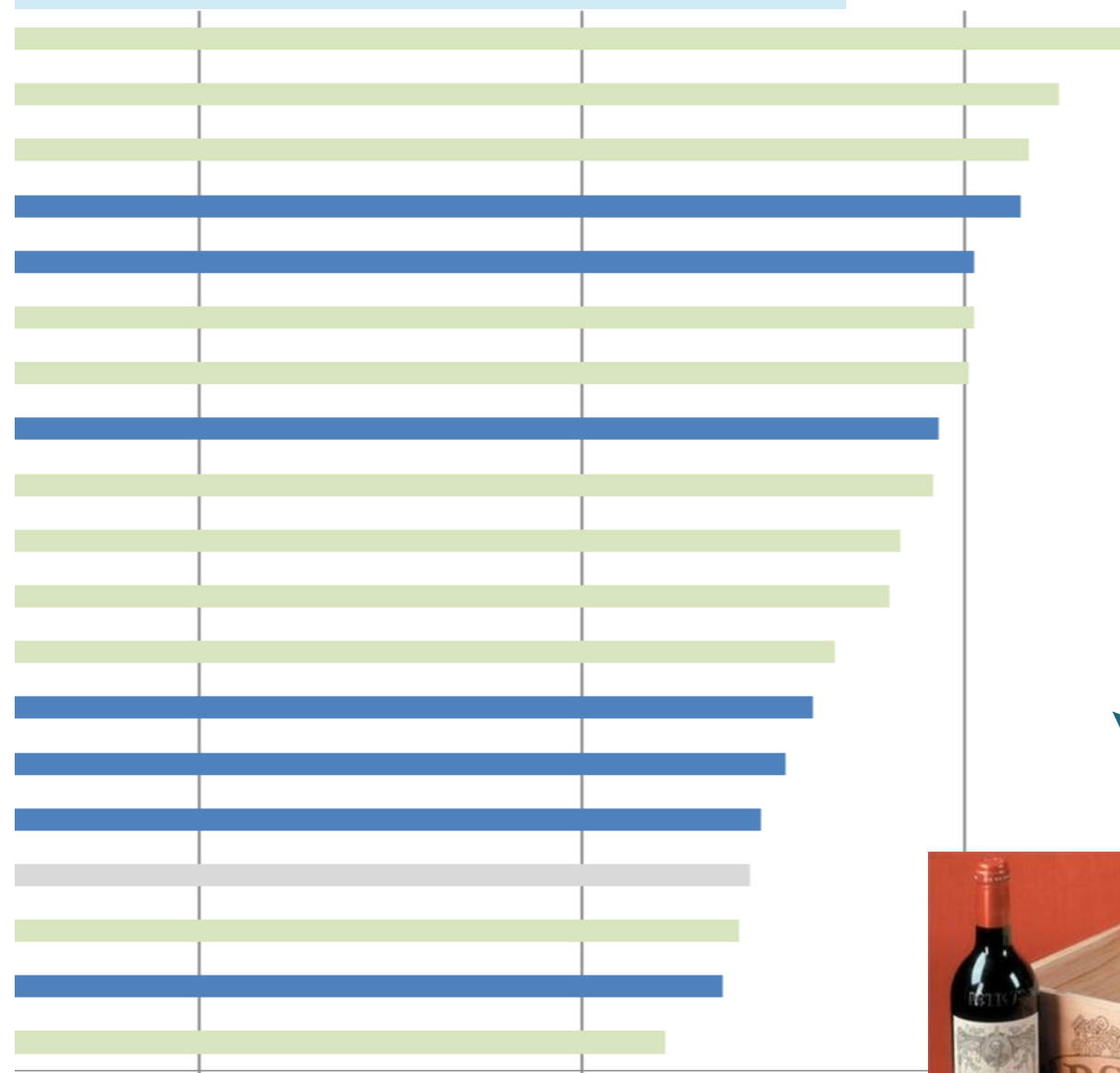


# Maersk Tankers: Challenge industry conventions!

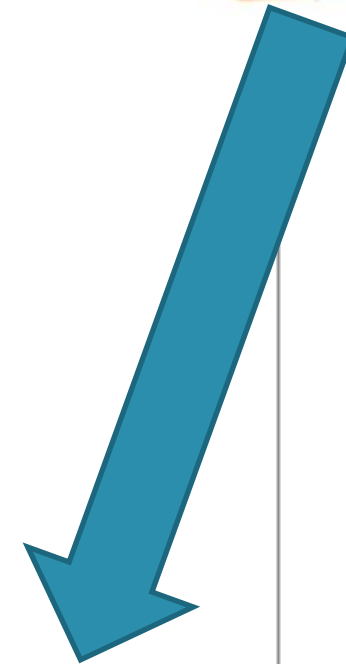
## Example: Retrofit supertankers towards top performance to save millions

- Estimated savings are around xxx kUSD per year with YYY USD investment per vessel
- The vessel to be retrofitted in April 2013
- The retrofit package includes: Mewis duct, PBCF, VTI turbo-charger optimisation, frequency control of SW coolong and engine room ventilation, LED lighting, auxilliary economizer

### Fuel Efficiency Index



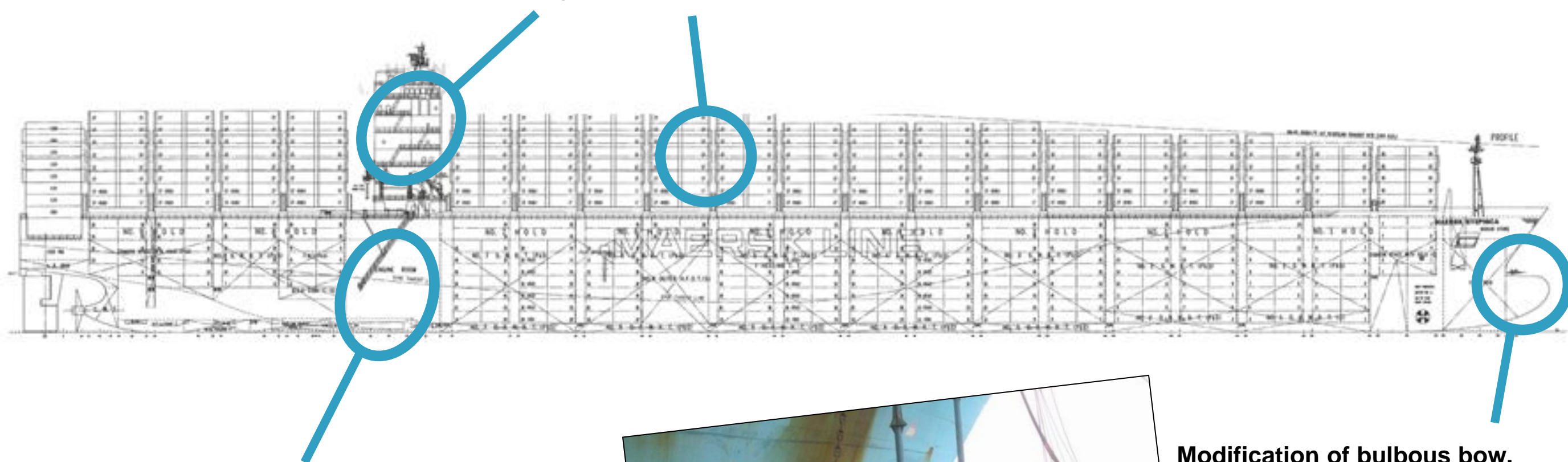
Index Fuel/NM at full load  
VLCC at 12.5 knots



# Maersk Line: Existing ships upgraded towards state-of-the-art

(Cargo capacity, hull shape, machinery, propulsion)

*Various cargo utilisation initiatives*



*Various energy saving initiatives*



**Modification of bulbous bow.**



# Summary and Conclusion

1. The performance of a vessel in the business is highly dependent on technology: ship design to balance between CAPEX and OPEX - and the way the ship is managed.
2. Existing ships can be upgraded to high energy efficiency with high certainty on the marginal return-on-investment. Retrofit is a real alternative to buying new, even if newbuilding prices are low and promises of energy efficiency are high.
3. New ships could potentially bring energy efficiency at relatively low cost in the current market. But real achievement of the nominal gains is far from trivial and requires very careful management.
4. Technical regulations play an increasingly large role. It will drive significant changes, with investments and risks for the ship owner. Careful planning by ship owners, significant innovations by suppliers and strong enforcement by authorities are necessary mitigating measures.



# Maersk Drilling strategy update

## Martin Fruergaard, CCO of Maersk Drilling

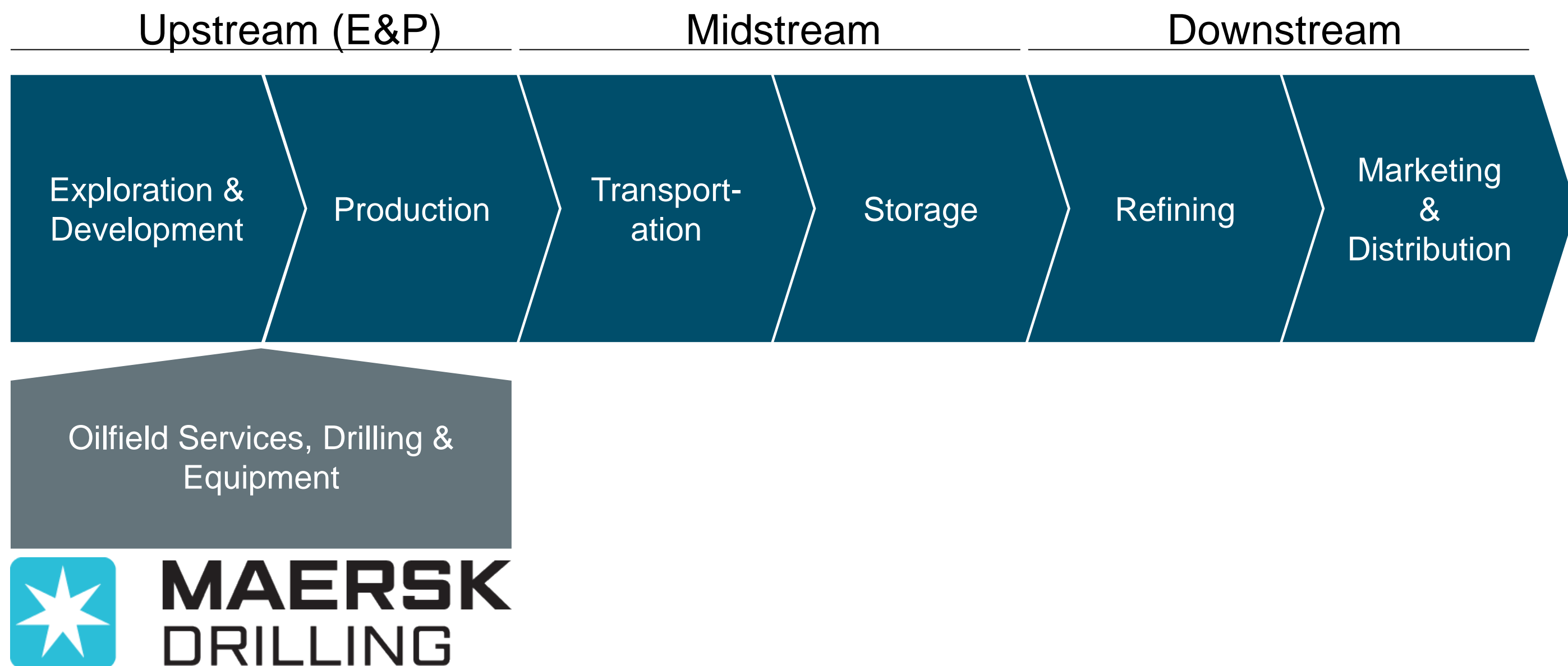
A.P. Moller - Maersk A/S Banker's Day  
14 March 2013, Millbank Tower, London



# Agenda

- Industry fundamentals and outlook
  - About Maersk Drilling
-

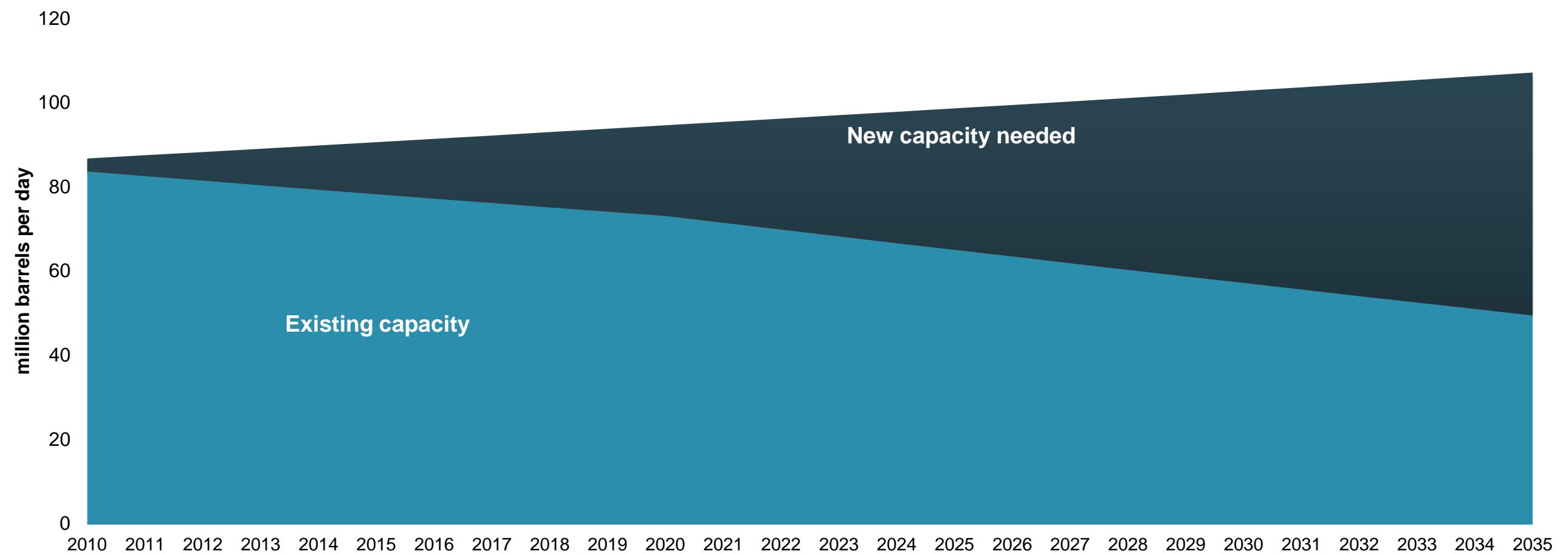
# The oil and gas industry





# Oil market outlook

## Oil demand and supply through 2035

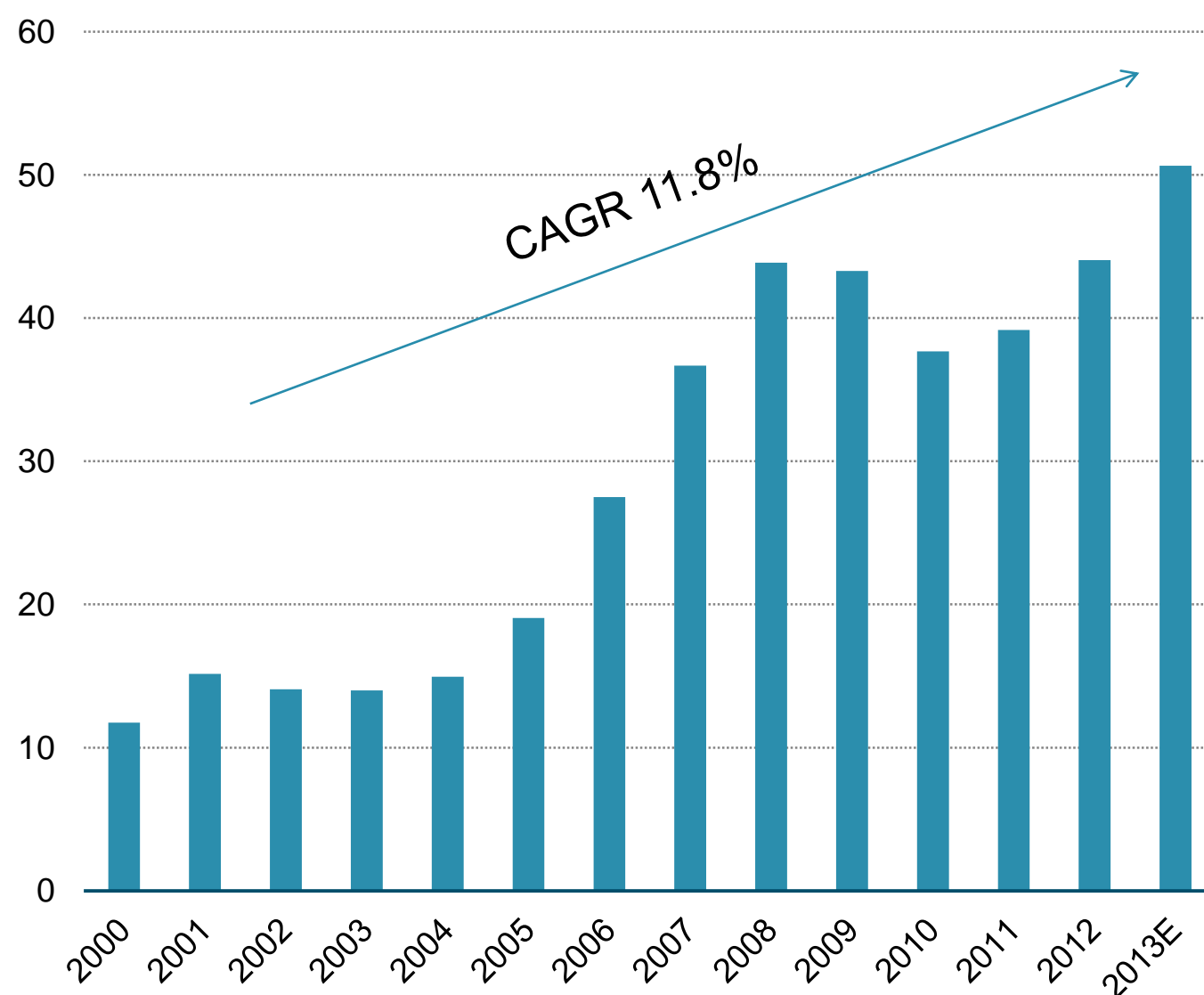


Source: IEA, Maersk Drilling

# The global offshore contract drilling industry

## Global Offshore Drilling

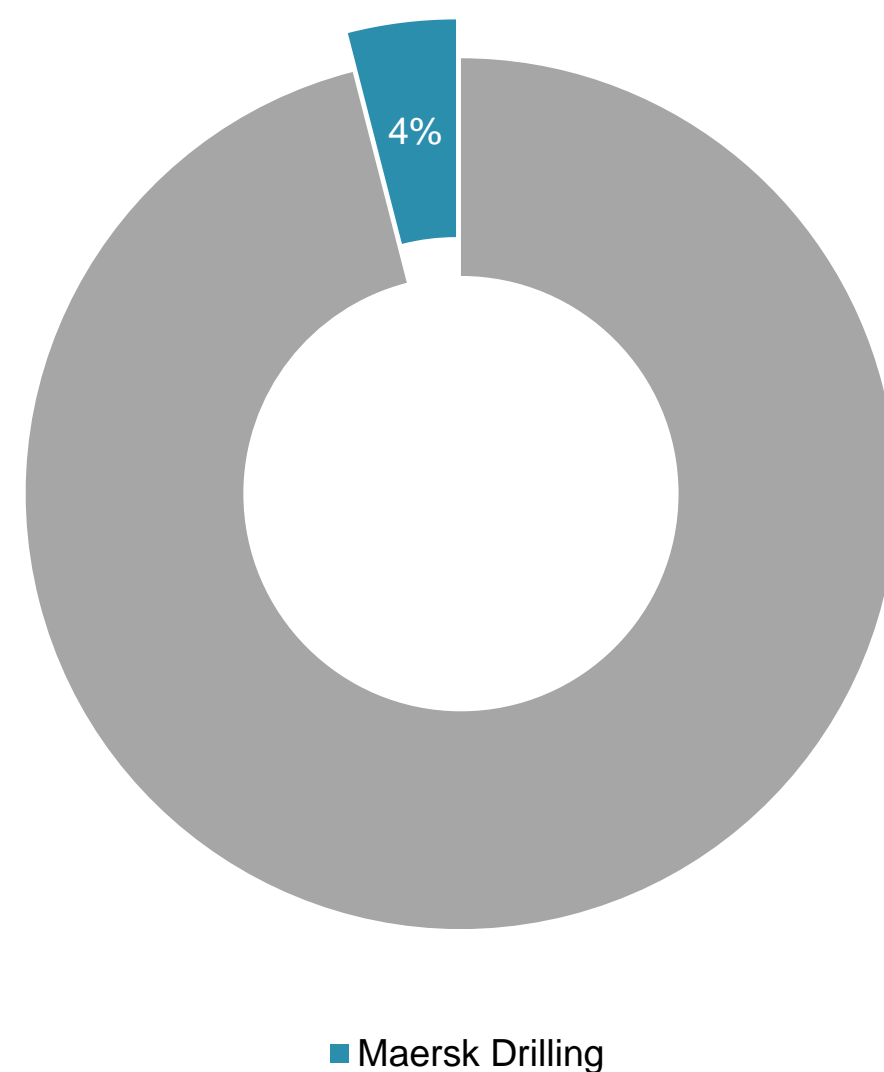
Market size, USD billion



Source: Spears & Associates, Maersk Drilling

## Maersk Drilling market share

(USD 44 billion market, 2012)



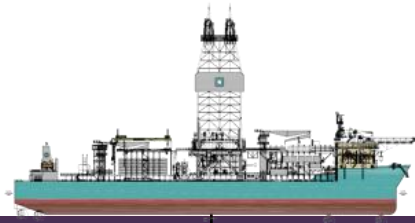
Source: Spears & Associates, Maersk Drilling



## Rig types

### DRILLSHIP

Operates at water depth of: 500-3.650 meters



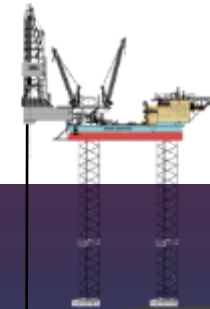
### SEMI-SUBMERSIBLE

Operates at water depth of: 500-3.000 meters



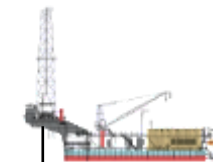
### JACK-UP RIG

Operates at water depth of: 25-150 meters



### BARGE

Operates at water depth of: 5-50 meters

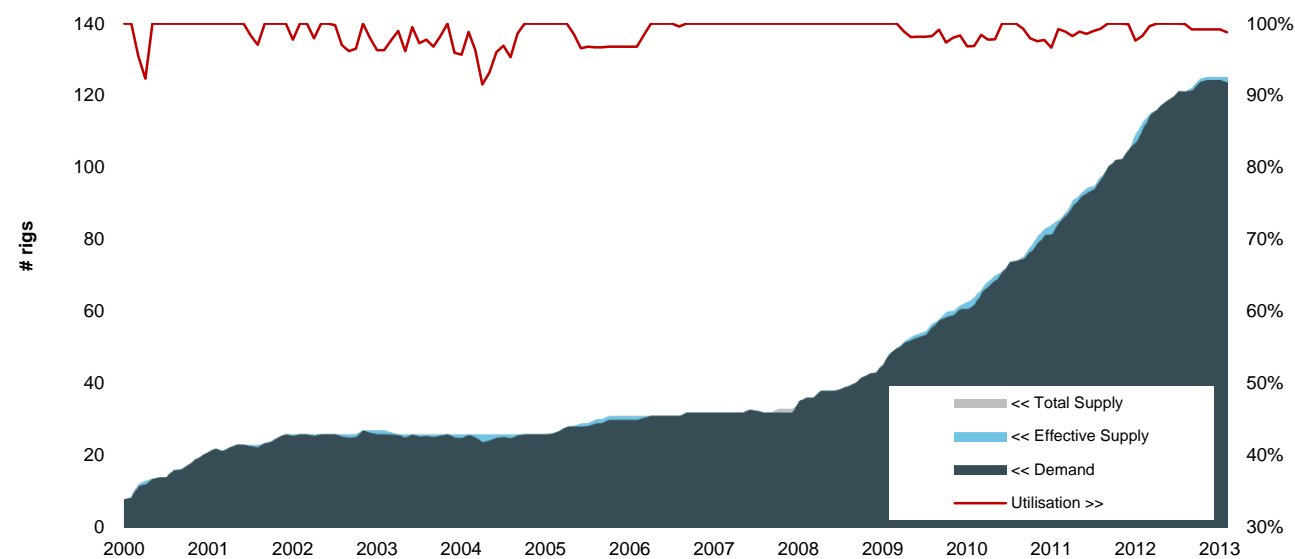


### LANDRIG

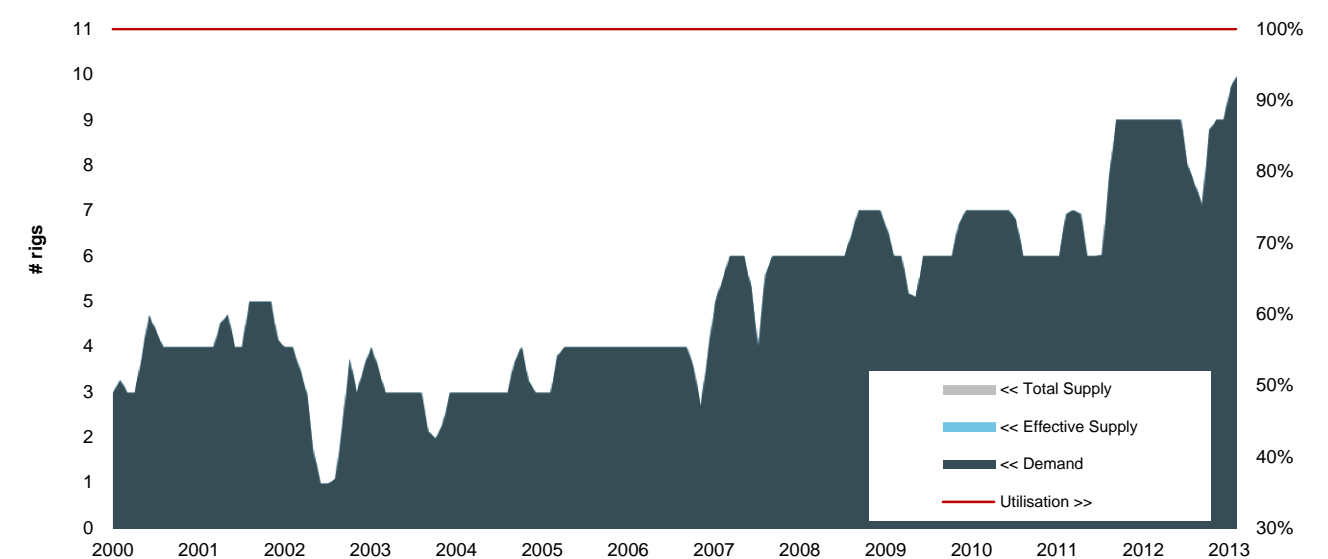


# Rig market outlook

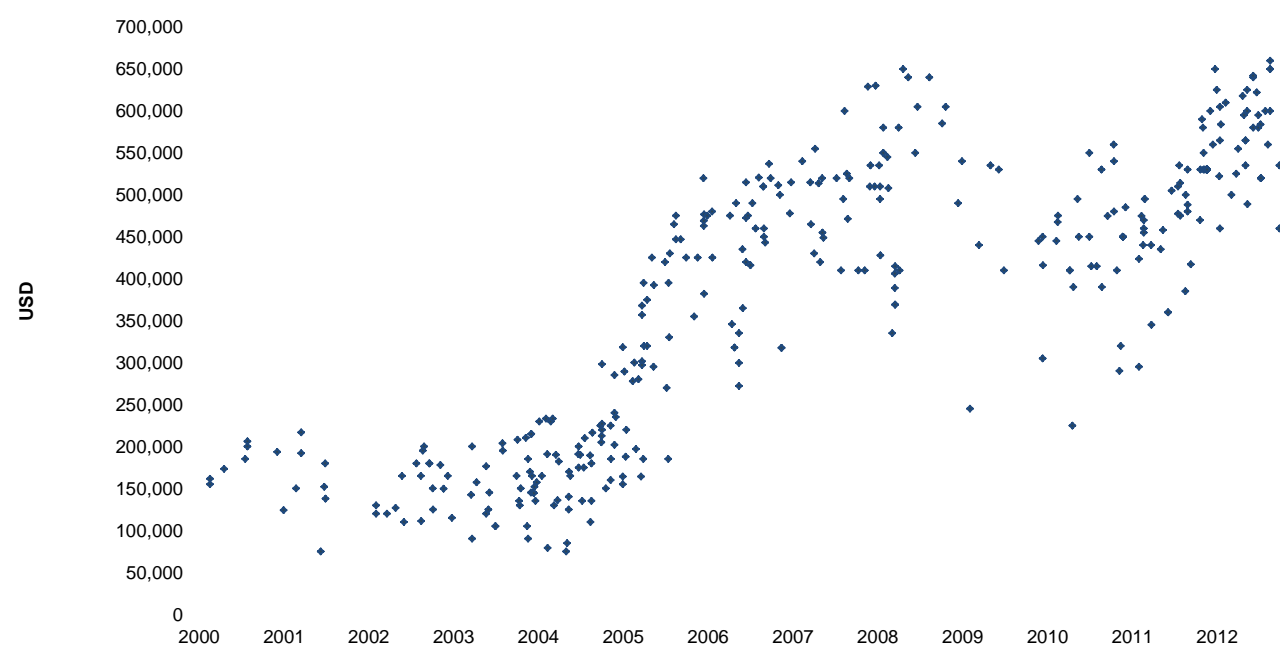
## Ultra deepwater market – Demand and Supply



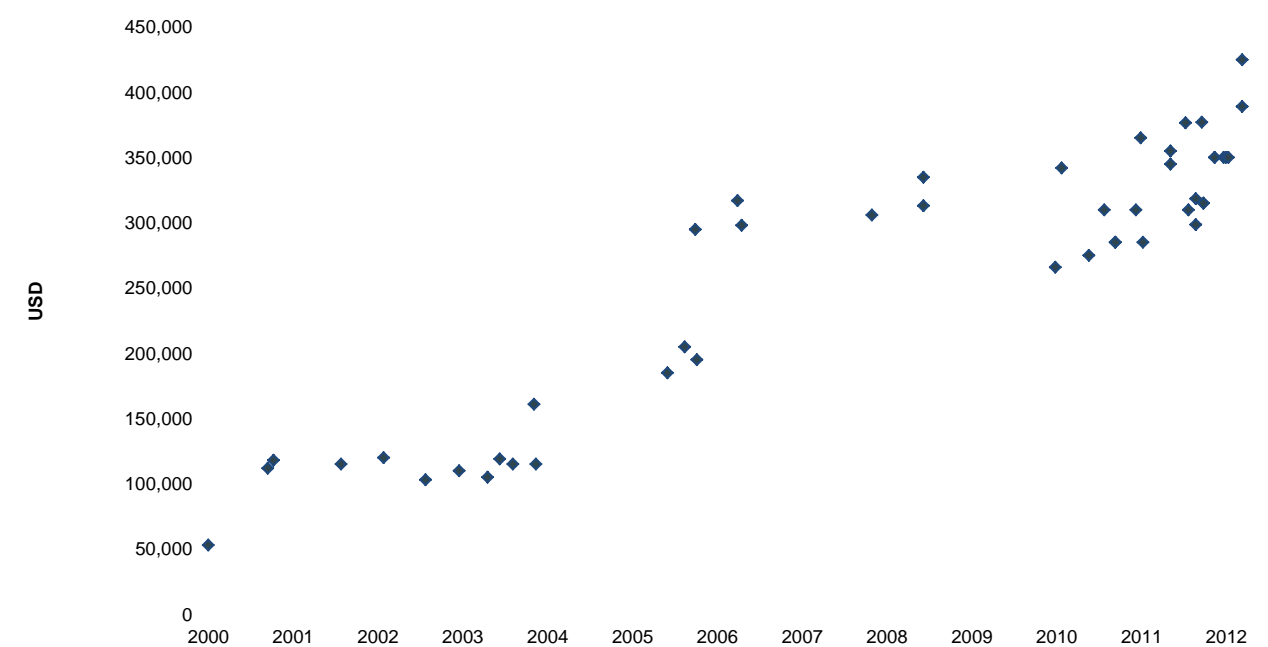
## Norway jack-up market – Demand and Supply



## Ultra deepwater market – Dayrate development



## Norway jack-up market – Dayrate development



Source: IHS-Petrodata, Maersk Drilling



# Agenda

- Industry fundamentals and outlook
- About Maersk Drilling



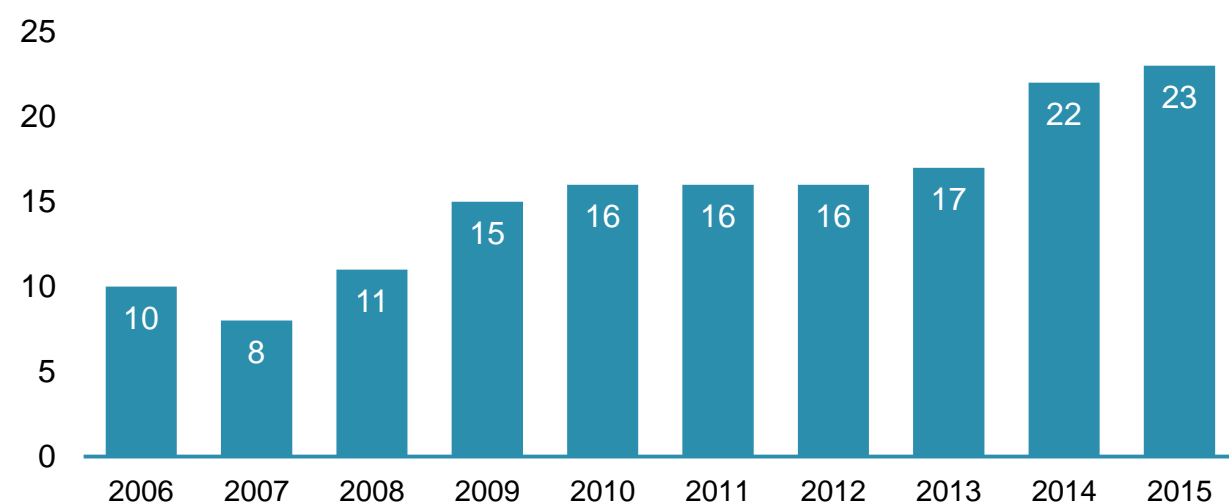
# Strategy

- Financial ambition is to deliver a profit of USD 1 billion to the A.P. Moller - Maersk Group by 2018
- Incident free operation
- Become a sizable player in the market with 30 units
- Growing the business within the ultra deepwater and ultra harsh environment segments
- The focus areas for growth are Norway and the deepwater regions in the US Gulf of Mexico and West Africa



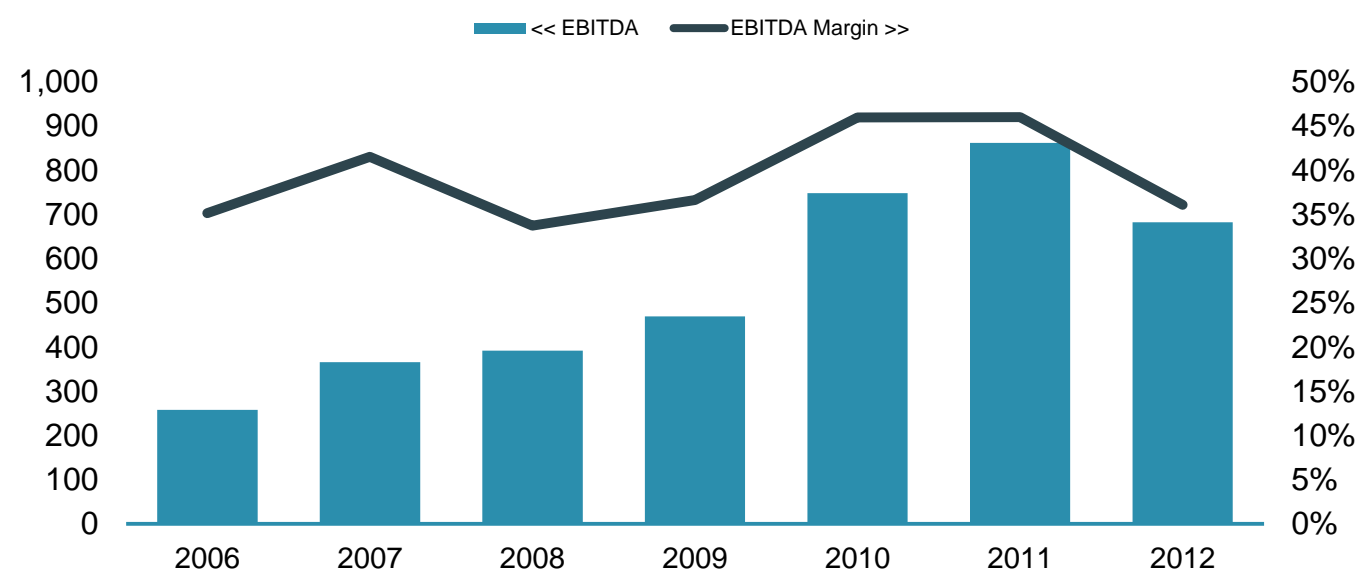
# Maersk Drilling growth story

## Fleet growth

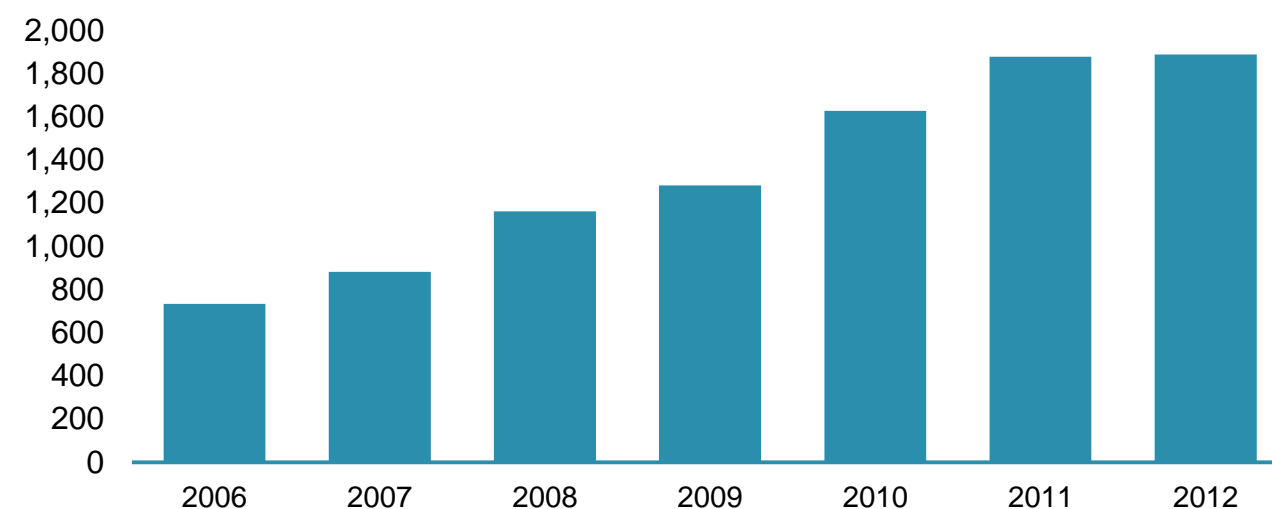


\*Excluding stake in EDC and barges in Venezuela

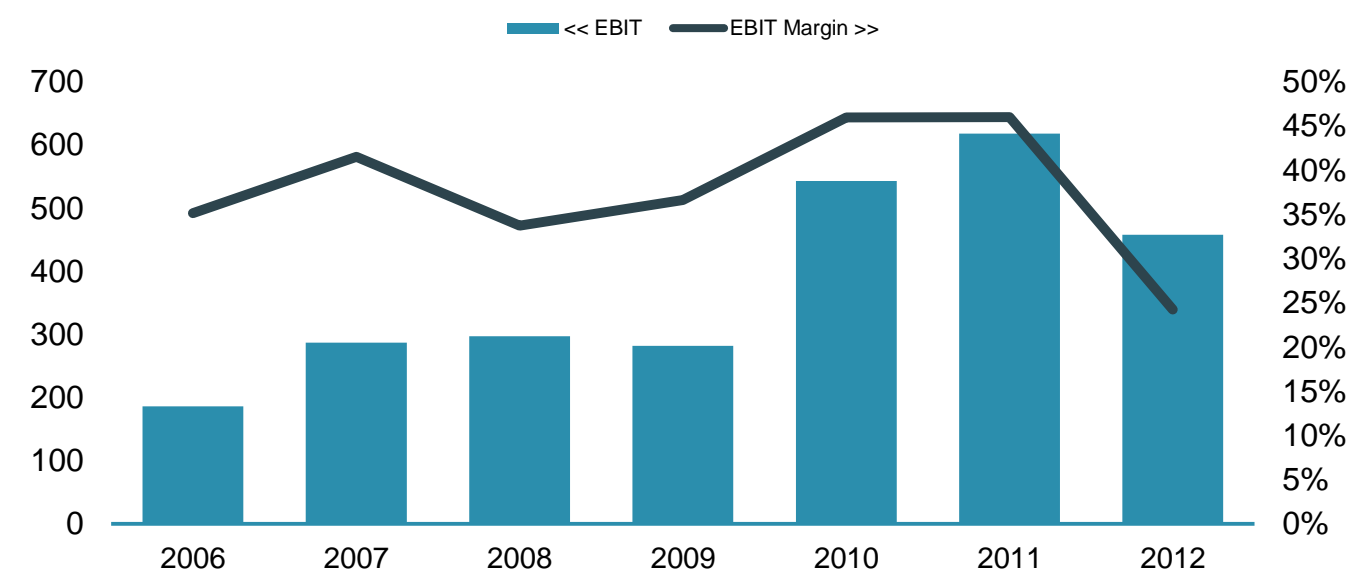
## EBITDA growth



## Revenue growth



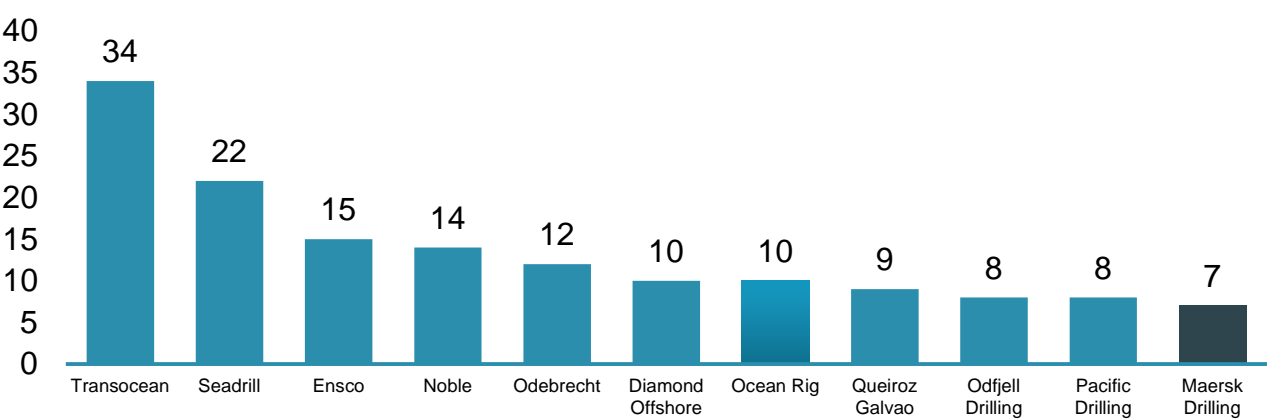
## EBIT growth



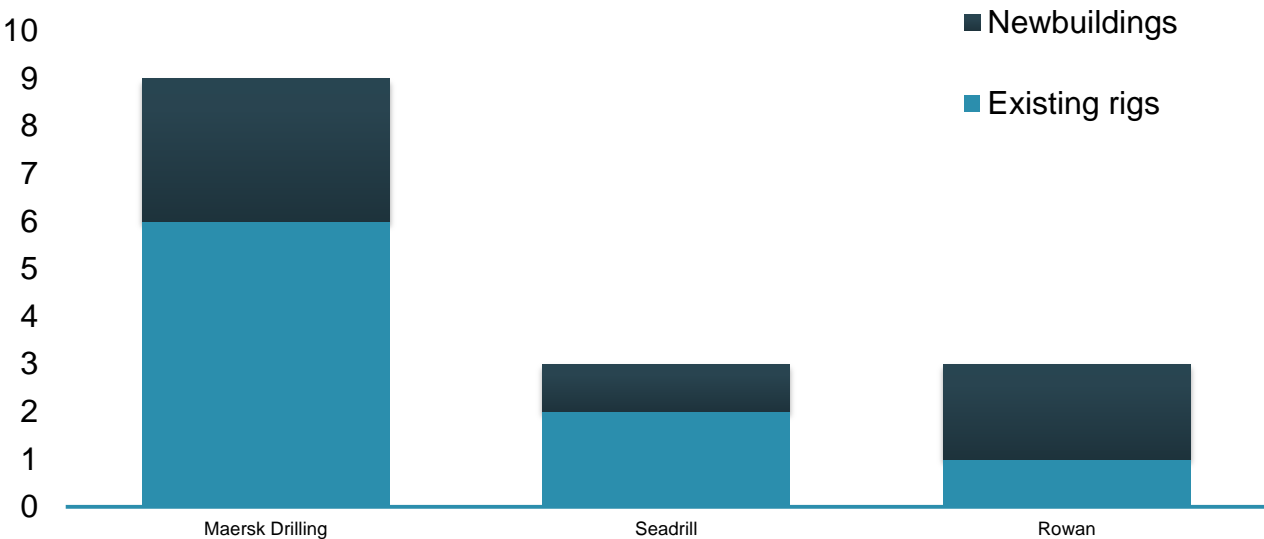
Source: Maersk Drilling

# Focus markets

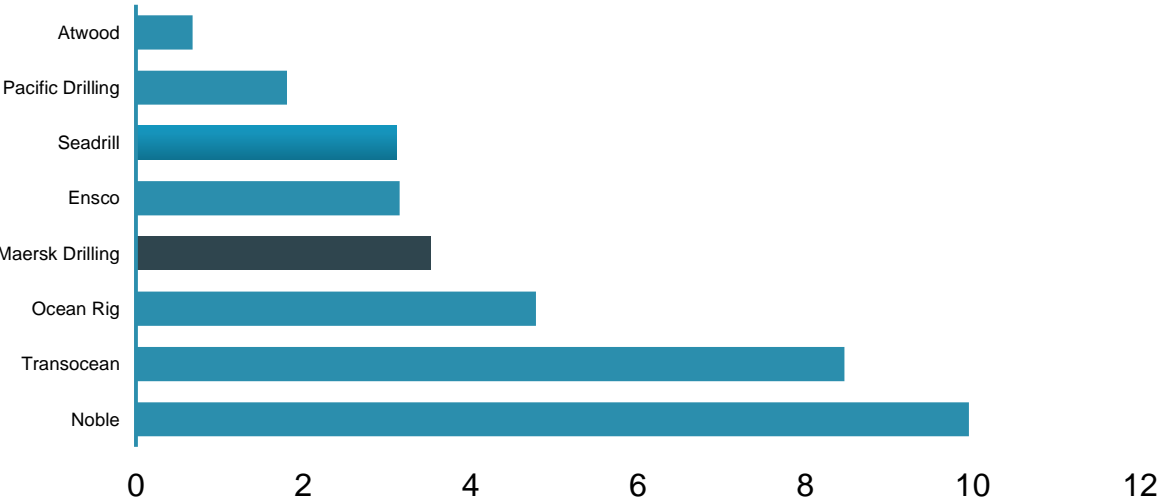
## Ultra deepwater fleet (7500ft+)



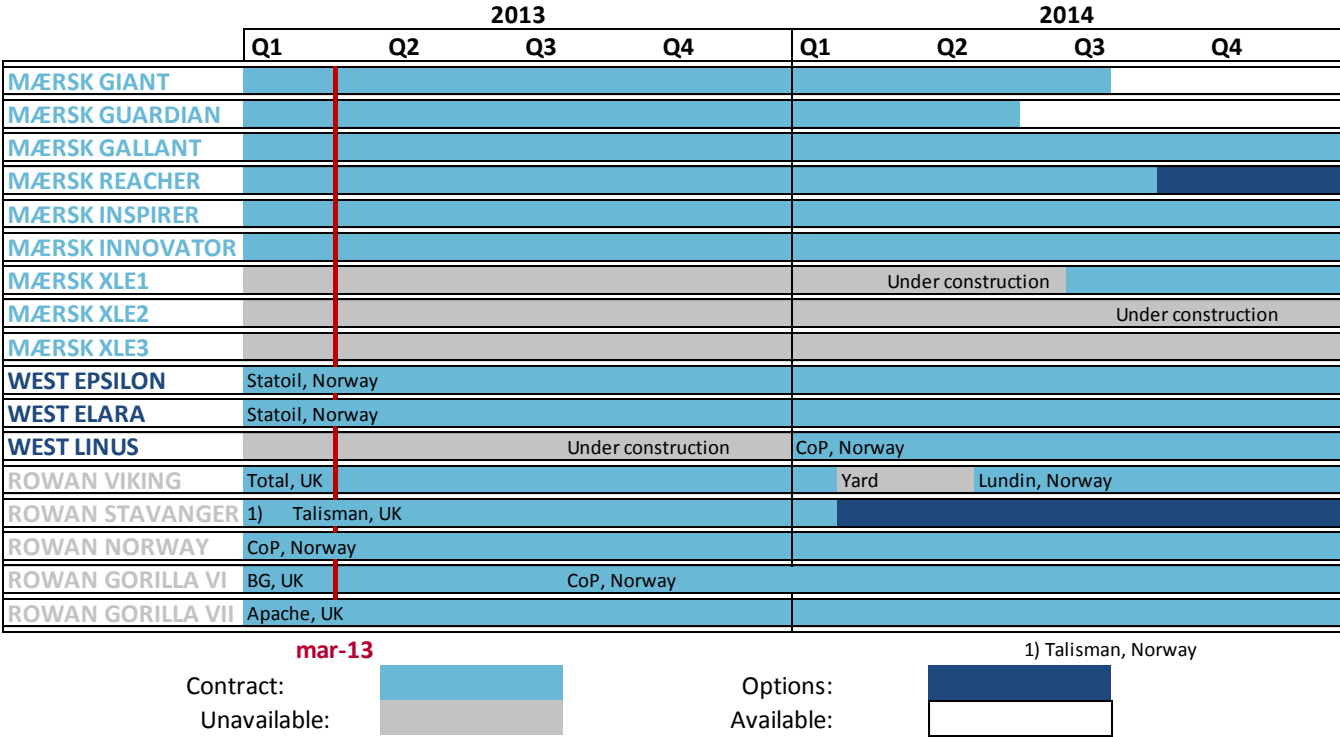
## Ultra harsh jack-up fleet (Norway)



## Average age – ultra deepwater fleet



## Ultra Harsh jack-up availability



Source: IHS-Petrodata, Maersk Drilling



# Orderbook

## Deepwater Advanced I-IV



- Four ultra deepwater drillships
- Delivery in 2013-14
- Being constructed at Samsung Heavy Industries, South Korea
- Total investment approximately USD 2.6 billion

## XL Enhanced I, II & III



- Three high-specification, ultra harsh jack-ups
- Delivery in 2014-2015
- Being constructed at at Keppel FELS, Singapore
- Total investment approximately USD 1.9 billion

# Newbuild contract status

## Deepwater Advanced I-IV



Drillship 1



Drillship 2

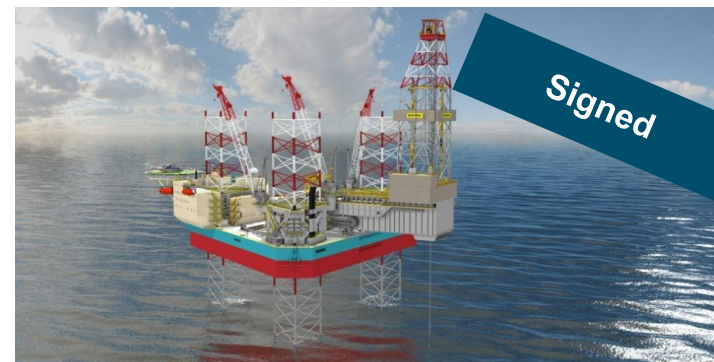


Drillship 3

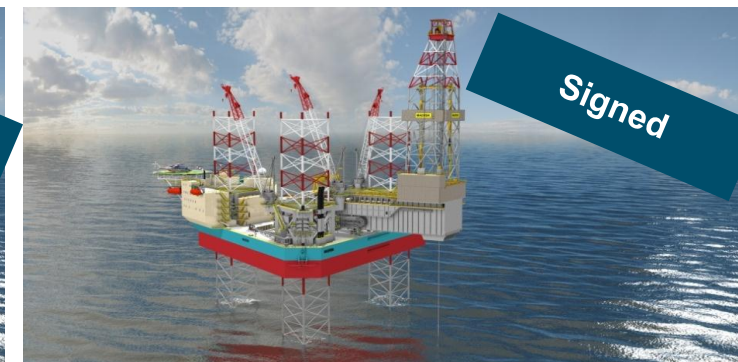


Drillship 4

## XL Enhanced I, II & III



XLE 1



XLE 2



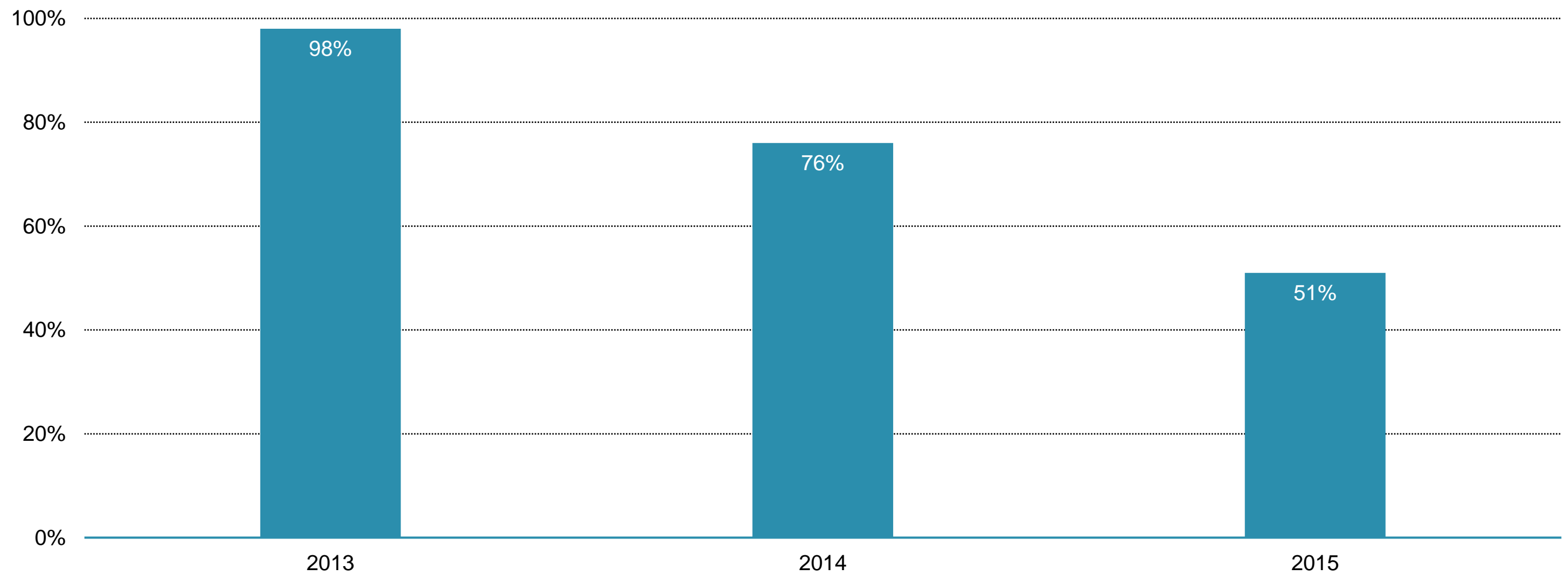
XLE 3



# Contract backlog

Total revenue backlog of USD 7,0 billion

Forward coverage



Source: Maersk Drilling

# Availability list

Available at [www.maerskdrilling.com](http://www.maerskdrilling.com)

Jack-Ups	2013				2014				2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MÆRSK INNOVATOR	ConocoPhillips, Norway																			
MÆRSK INSPIRER	Statoil, Norway																			
MÆRSK GALLANT	ConocoPhillips, Norway				Statoil, Norway															
MÆRSK GIANT	Dong, Norway 1) 2) 3)				Centrica, Norway 4)															
MAERSK GUARDIAN	5) 6) Lundin, Norway																			
MAERSK REACHER	BP, Norway																			
MAERSK RESOLUTE	Hess, Denmark																			
MAERSK RESOLVE	7) EON, UK 8)				DONG, Denmark															
MAERSK RESILIENT	ConocoPhillips, UK																			
MAERSK ENDURER	Addax, Cameroon																			
MAERSK COMPLETER	BSP, Brunei																			
MAERSK CONVINCER	Petronas, Malaysia																			
Jack-Ups Under Construction																				
XL ENHANCED I					Total, Norway															
XL ENHANCED II									Det norske, Norway											
XL ENHANCED III									Statoil, Norway											
Floaters																				
MÆRSK DEVELOPER	Statoil, US GoM																			
MÆRSK DELIVERER	Chevron, Angola																			
MAERSK DISCOVERER	BP, Egypt																			
HEYDAR ALIYEV	BP, Azerbaijan																			
Nanhai VI	9) BHP, Australia				Santos, Australia															
Floaters Under Construction																				
DEEPWATER ADVANCED I					ExxonMobil, US GoM															
DEEPWATER ADVANCED II					CoP/Marathon, US GoM															
DEEPWATER ADVANCED III																				
DEEPWATER ADVANCED IIII																				

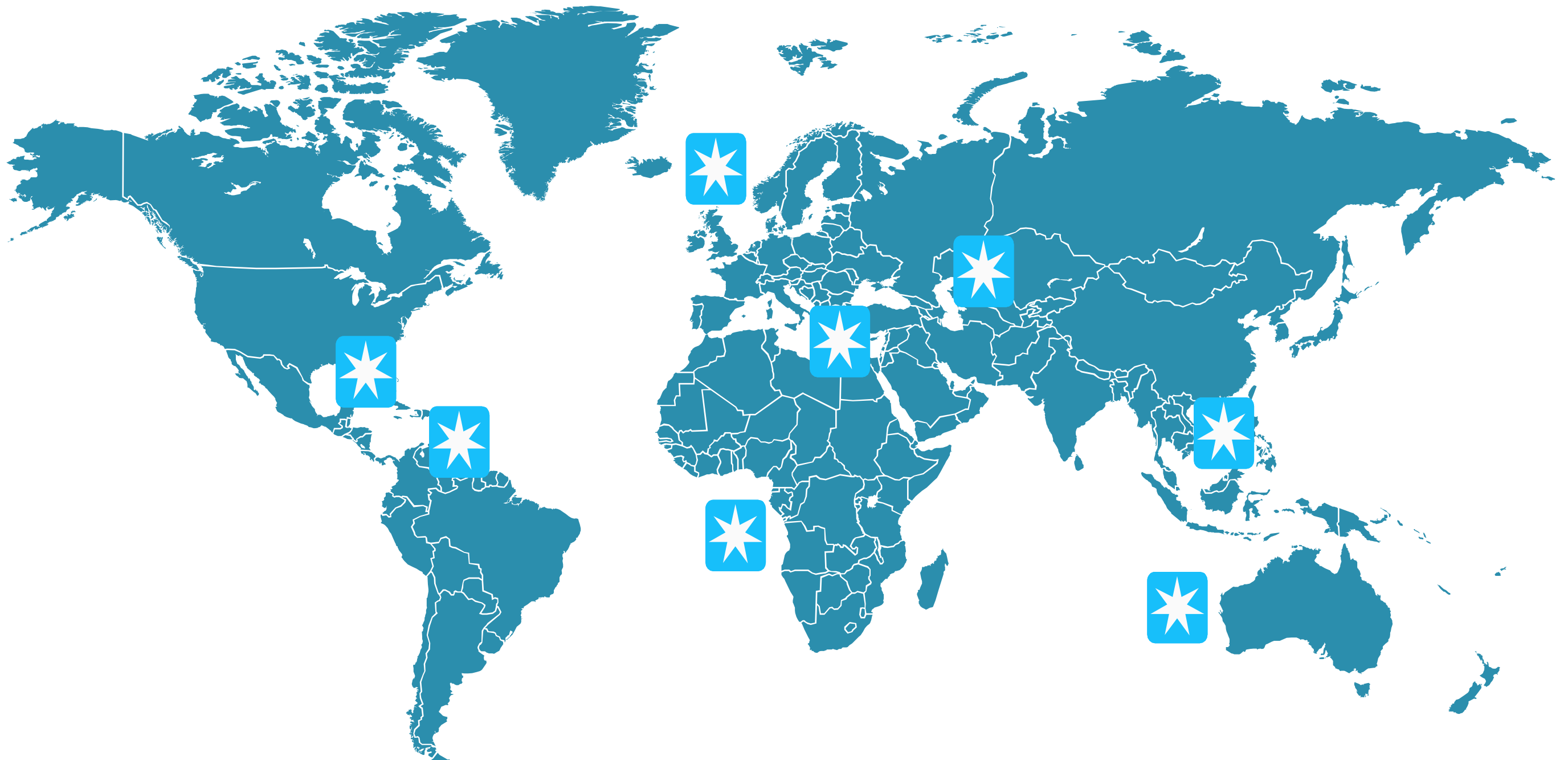
Contract: Options: LOI / LOA: Unavailable: Available:

- 1) Talisman, Norway  
2) Det Norske, Norway  
3) Repsol, Norway
- 4) Det Norske, Norway  
5) Lotos, Norway  
6) Lundin, Norway
- 7) ConocoPhillips, UK  
8) TBA, Denmark  
9) Santos, Australia

Note: As per March 1, 2013



# Maersk Drilling geographic positioning



# Maersk Drilling focus customers



**ExxonMobil**



**ConocoPhillips**