

APMM Annual General Assembly, 30 April 2009

**Chairman's report:**

It is with somewhat mixed emotions that I, today, on behalf of the A.P. Moller – Maersk Group report on last year. Because in reality 2008 started out well and the Group's result ended reasonably. Globally, good financial conditions prevailed for a large part of the year. But very suddenly - in the last quarter – the picture changed completely. It started as a financial crisis in the USA, but has today developed to a deep global economic crisis with consequences for both the individual company and the general public.

At the beginning of 2009, we have experienced a major decrease in world trade with significantly lower export from countries such as China, Japan and South Korea.

Governments in the USA, Europe and China have launched various stimulation packages, but despite the many initiatives, there is no doubt that 2009 will be one of the most difficult and severe years. Today, no one knows what the crisis holds for the world.

The crisis has also greatly marked our business as a whole. At the end of 2008, it was clear that the development also had a course quite unlike anything most of us have experienced before. The abrupt halt and the speed with which it happened demanded a fast and immediate reaction.

Maersk Line was in the process of streamlining the business and the necessity of this was underlined by the significant decreases in volumes and rates.

The remainder of the business also had to take its precautions. Within the individual business units, organisation, costs and investments have been carefully considered and adjusted.

During this process we reduced the number of employees.

We have had to say goodbye to good, loyal employees who have been with the company for many years. And solely because we also have had to adapt to a changed world.

It has been a challenge – a challenge which naturally created uncertainty in the organisation, locally as well as globally. We have not been able to do what we usually do. New initiatives have had to be – and must – be taken. But I am convinced that decisions have been made with constant care which have contributed to minimise the uncertainty.

The company has been in difficult situations before and has come through these reasonably, and I have faith that the management of the company will ensure that we come through the crisis – and preferably also relatively stronger.

For the Group's 2009 activities there is particular focus on handling the crisis, continuing the streamlining of Maersk Line, increasing focus on performance in all parts of the organisation as well as continuing the work with the environment and the climate.

- of initiatives aimed at bringing the Group out of 2009 in a relatively stronger position in relation to our competitors, I can mention cost reductions with a target of USD 1 billion on an annual basis, but also other financial initiatives aimed at ensuring the Group's financial capacity.
- Maersk Line must regain its profitability. We want to be "best in class" and ensure our customers that we deliver first class service, at competitive prices, based on low costs and efficient business systems. We are delighted that we have come a long way. We have very high customer satisfaction, probably the highest in the market, and costs are decreasing. However, the prospects of decent earnings are unfortunately not good. Today, we are experiencing a historically poor market with a level of decreasing volumes not seen previously, and at the same time an increase in new tonnage leads to unheard pressure on rates. This imbalance is untenable, but not expected to change in the short term.

- cost effective operating has always been an important objective, however, with a number of particular initiatives we wish to increase the Group's and individuals' focus on performance – to set targets and reach them.
- And finally we wish to keep our focus on the environment and the climate to reduce the total relative effect of the Group on the environment. Particular in difficult times, it is important to stay firm as environment and climate are of fundamental importance to our world – now and in future – therefore we will also here set targets and pursue them.

In May, we will publish the report "Preparing for the future" on our website. This is the A.P. Moller – Maersk Group's report on health, safety, security and the environment 2008. The report gives information about the Group's non-financial results and initiatives. Among others, you may read that the Group in 2008 has decreased total emissions of greenhouse gasses by approx. 10% from 2007. The total CO2 emissions of the A.P. Moller - Maersk Group in 2008 were around 48 million tonnes. And we are working on finding further reductions. For today, we have printed a small folder showing the main results from the report which is available by the exits.

At the latest annual general assembly, I mentioned our consideration of letting the Group join the UN's Global Compact. In March this year, the considerations led to the Group joining. We find that this will ease the communication of our business principles and clarify our commitment and will mean that we will work more structured with Corporate Social Responsibility than previously. And this will also support our business. We will be a stronger partner for our business relations.

If we turn our attention to another area occupying us, it is the pirate problems off the coast of Somalia. Despite good Danish efforts – not least through the command and support ship Absalon – civilian shipping is still not safe.

It requires continued watchfulness from the shipping companies and the crews to get the ships safely through these pirate infested waters. We hope that Danish naval presence can be re-established in the area as soon as possible.

So far, the pirates have been able to carry out their criminal intentions without much risk, and it is therefore important that a system which ensures prosecution of the pirates be established.

As we see a further increase in pirate activities east of Africa, where the size of the waters in itself makes it difficult to ensure actual naval protection, a joint international effort is of pivotal importance.

The recent American effort is noteworthy and we appreciate that the USA is now increasing its efforts in stamping out piracy. We are grateful that the hijacking of MAERSK ALABAMA came to an end where both the captain and the crew could return safely after a relatively short hijacking. The effort from the captain and crew was admirable.

As regards the business, the individual business units and their results, I will cover these during the comments to the annual report; however the oil and gas business does require a separate comment. 2008 was marked by massive fluctuations in the oil prices which in the middle of the year rose to USD 143 per barrel to then rapidly decrease to below USD 40 per barrel towards the end of the year. Fluctuations which underline the effect that the oil price has on the operating of the Group. On average, the oil price was USD 97 per barrel – approx. 35% higher than in 2007.

2008 continued a high investment level. The large expansion of the Qatar Field at more than USD 6 billion up to 2011 is following the plan and approx. 2/3 have been completed. Also in the North Sea, the expansion of fields continued, including among others the expansion of the Danish Halfdan Field and several fields in Great Britain.

The increased exploration activities have led to a recent announcement of exploration results of oil and gas findings in Great Britain and the Mexican Gulf, which we hope may lead to commercialisation. We expect a continued high investment level in exploration activities and field expansions.

Even though the Group in recent years has grown significantly within most areas through both acquisitions as well as newbuilding programmes, the Group continues to be well capitalised with continued significant equity ratio.

We have continued focus on maintaining a satisfactory cash reserve – comprising cash balance, liquid stocks and bonds and unutilised drawing rights on long term financing agreements. The cash reserve ensures both the Group's liabilities and possible investments. And at the same time, the necessary capital is secured to meet effects on the Group's liquidity from changes to operating cash flow. This is significant, particularly seen in the light of the present decrease in world trade, decreasing oil prices and resulting decrease in cash flow.

Flexibility in the financial reserve is prioritised and regularly optimized by, among others, focusing on the development in working capital and securing necessary credit facilities going forward. Furthermore, investments not already committed have been brought to a sharp halt. In future, we will have to expect that the banks will decrease their gearing and there will be less money to borrow in traditional ways from the banks.

It is therefore positive that the Group has several unutilized possibilities for further financing that we are currently evaluating. But it must be underlined that this does not imply considerations of capital increases – something considered neither desirable nor necessary.

The board's proposal of an unchanged dividend level must be seen in light of this – the dividend concerns the accounting year 2008, which the board, as previously mentioned, considers to have been reasonable.

As regards the expectations for 2009, there is not much to add to what is stated in the annual report.

The negative development in the global economy, and recession in several of the world's economies and financial unrest, has a negative impact on most of the Group's business areas.

At the beginning of 2009, the container markets have experienced unprecedented drops in transported volumes, which combined with the addition of new tonnage, has led to significant decreases in rates to an untenable level. Seen as a whole, the prospects for the container market activities in 2009 are particularly negative.

Also the tanker and offshore markets are experiencing decreasing demand with negative effects for both spot and contract rates. For 2009, however, the Group has significant contract cover for both jack-up rigs and semisubmersible rigs, FPSOs and supply ships, which is positive in the current situation.

As regards the oil and gas activities, the oil and gas production as well as exploration activities are expected to be at a high level. However, the results will to a large extent depend on the development in oil prices, which so far in 2009 have been significantly below the level of 2008.

Seen as a whole, the uncertainties related to the result for 2009 are significant and depend on the development in volumes, rates and oil price and the US dollar exchange rate. Therefore, in total the result, excluding gains on sale of ships, rigs etc., is expected to be significantly below 2008, which was USD 2.6 billion. Given the current market situation, it is not realistic to expect significant gains on sales of ships, rigs etc.

The fact that I, today, have nothing further to add, is due to the fact that we are in the process of, and have not yet completed, an interim management statement for the first quarter, which will be published on 12 May.

The shareholders have had the opportunity to examine the actual accounts, and I will here merely highlight the main figures for the A.P. Moller – Maersk Group.

Revenue amounted to DKK 312 billion – an increase of 12% from last year's DKK 279 billion – measured in USD, the increase was 20%. The increase is particularly due to the higher average oil price in 2008 and increased oil and gas production.

Profit before depreciation, amortisation and impairment losses etc. – or the so-called EBITDA – increased significantly from DKK 65 billion to DKK 84 billion.

Depreciation, amortisation and impairment losses were at the same level as 2007.

Buying and selling of ships and rigs is a natural part of the Group's operations, and as part of the ongoing renewal of the fleet, 14 ships were sold. Gains on sales were DKK 4.7 billion against DKK 6.1 billion in 2007. Given the current market situation, it cannot be expected to achieve noteworthy gains on sale of ships, rigs etc. in 2009.

The share of the profit/loss in associated companies was negative at DKK 1.9 billion against a positive result in 2007 of DKK 3.1 billion. Out of the change of DKK 5 billion, DKK 3.9 billion was due to Danske Bank – including impairment losses of DKK 1.1 billion and 2.8 billion due to worsened profits. Furthermore, negative operating results and impairment losses on our shares in Höegh Autoliners are included.

The profit before financial items amounted to DKK 60.6 billion – an increase of 27% compared to 2007.

Financial items of DKK -7.8 billion were a.o. affected by negative regulation of the values of liabilities and exchange rate adjustments of DKK -3.8 billion.

Profit before tax amounted to DKK 52.8 billion against DKK 43.7 billion in 2007.

Tax charge was DKK 35.3 billion – an increase of more than 40% compared to 2007 – most significantly regarding the oil activities. Of the total tax charge, DKK 14.3 billion constitute taxes payable to Denmark.

The net profits, including discontinued activities, amounted to DKK 17.6 billion against DKK 18.6 billion in 2007.

It should be noted that in 2008, in the A.P. Moller - Maersk Group, remuneration and other fees to the Management Board constituted DKK 111 million of which DKK 10 million concern remuneration in connection with resignation. In 2007, remuneration to management constituted DKK 152 million, of which DKK 53 billion was in connection with resignation. Fees for the Board of Directors amount to DKK 16 million, unchanged from 2007.

Cash flow from operations amounted to DKK 43.4 billion – an increase of 9% compared to 2007. During the second half of the year, the amount of funds tied up in working capital was reduced by more than DKK 3 billion as a consequence of the lower oil price, but also through tighter control of amounts outstanding.

Investments for the year amounted to DKK 52 billion – an increase from DKK 49 billion in 2007. For 2009, the level is still expected to be high – however, somewhat below 2008.

Total assets for the Group were increased from DKK 328 billion to DKK 343 billion and the equity from DKK 147 billion to DKK 158 billion. The equity share ratio was thus 46.2% - an increase from 2007 and an expression of a solid balance sheet.



I now turn to the individual business units:

The result for container shipping and related activities amounted to DKK 146 billion or an increase of 4% compared with 2007. Measured in USD the result increased by 11%.

Volumes increased by 2%, which was lower than general market growth.

As a consequence of the economic crisis combined with the addition of tonnage to the market, the pressure on the rates increased during the year and for several routes, including the Asia-Europe routes, ended at an untenable level. The average rate increased by 8%, primarily due to increases in add-ons because of increased fuel prices, but expenses increased almost the same because of the rapidly increasing expenses for fuel.

Profit after tax for container shipping amounted to a positive DKK 1.1 billion against DKK 0.6 billion in 2007 – progress, but still not satisfactory.

The profit was negatively affected by non-recurring costs of project streamLINE of DKK 1.2 billion and positively by gains on sales of ships of DKK 1.8 billion more or less unchanged in relation to 2007

In 2008, APM Terminals experienced a decent growth of 8% in the number of containers handled against a general market growth of around 4%. Revenue amounted to DKK 15.9 billion – an increase of 16%. Further to the increase in volume, the increased revenue was positively affected by a.o. rate increases. EBITDA margin rose from 16.5% to 18.4%, but is still negatively affected by start up of new terminals. Profit for the year amounted to DKK 0.8 billion against DKK 0.6 billion in 2007.

For tankers, offshore and other shipping activities, the revenue amounted to DKK 27.3 billion against DKK 24.2 billion the year before, and profit for the segment amounted to DKK 4.5

billion against DKK 6.8 billion in 2007. Gains on sales of ships and rigs amounted to DKK 2.2 billion in 2008 against DKK 3.8 billion in 2007. Negative profit and impairment loss on the ownership interest in Höegh Autoliners affected the profit negatively by DKK 1.1 billion. However, it should be noted that at the same time, the segment comprises a sales gain of DKK 1.0 billion for the sale of our car carriers to Höegh Autolines in January 2008.

Maersk Tankers, on average, experienced rate levels slightly above 2007, and the offshore segment (Maersk Drilling, Maersk FPSOs and Maersk Supply Service) experienced generally good market conditions with high activity, primarily as a consequence of the, on average, higher oil price.

The oil and gas activities revenue was DKK 69 billion – an increase of 33% markedly affected by a 35% higher oil price . In recent years, we have increased our exploration activities, and costs for these at DKK 4.2 billion were almost twice as high as in 2007. Exploration activities are taking place in the Danish, British and Norwegian parts of the North Sea, Algeria, Angola, Oman, Brazil and the Mexican Gulf.

The expansion in Qatar is proceeding according to plan and more than 60% of the USD 6 billion plus project has now been completed.

If we look at the total production, the Group's share of production increased by 8% - production fell in Denmark, Great Britain and Algeria, but increased in Qatar.

After tax of DKK 33 billion – an increase of more than 50% - the net profit in the oil and gas activities amounted to DKK 12 billion – against DKK 8.9 billion in 2007.

Retail activities consisting of Dansk Supermarked and F. Salling achieved revenue of DKK 58 billion – an increase of 3% - and a profit of DKK 1.6 billion – against DKK 2.0 billion in 2007. Bilka, Føtex and F. Salling experienced lower revenue in 2008, whereas Netto experienced

growth – not just in Denmark, but also in Germany, Sweden and Poland. On the British market, Netto was affected negatively by the economic downturn.

For the segment "Shipyards, other industrial companies, interest in Danske Bank A/S", the net profit was negative at DKK 1.1 billion against at positive profit in 2007 at DKK 2.4 billion significantly affected by the previously mentioned issues concerning Danske Bank.

The Shipyard Group continues to have a negative result, however, lower than in 2007. But the situation for the Yard has intensified. The development within the shipping industry has generally resulted in largely no sales of ships globally since October last year. Currently, there are no prospects of contracts at Lindø.

I would like to conclude by presenting the Board's suggestion for dividend:

For the parent company – A.P. Møller - Mærsk A/S – the net result of the year was DKK 9,692 million against DKK 15,609 million 2007. The following appropriation for the year is suggested:

Dividend to shareholders:

- |   |   |                    |
|---|---|--------------------|
| - | DKK 650 per share of DKK 1,000 equal to | DKK 2,857 million, |
|   | and                                     |                    |
| - | retained earnings                       | DKK 6,835 million  |

I hereby hand the word to the chair.