



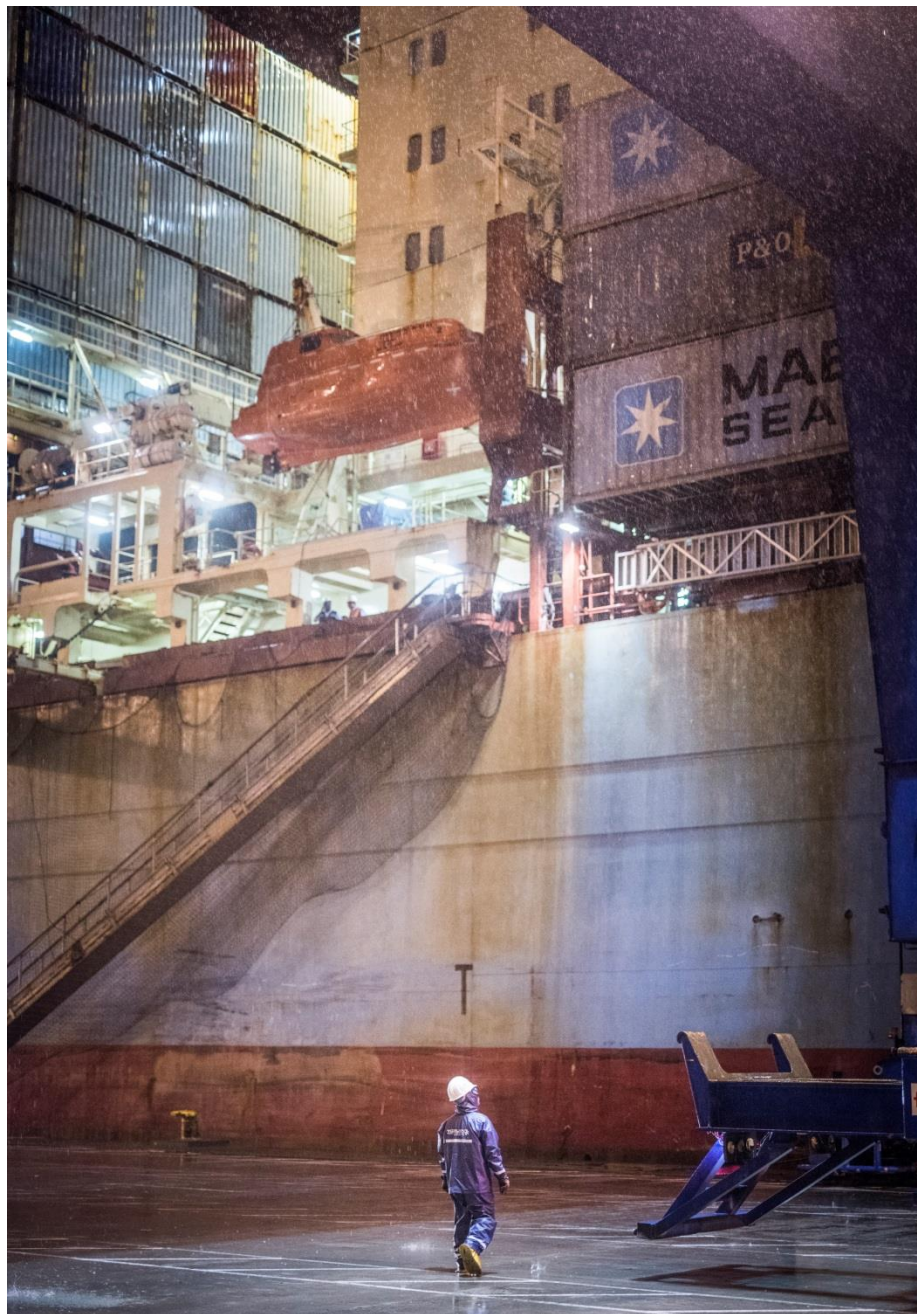
Maersk Group Annual report 2015

10 February 2016 - Conference call 9.30am CET

webcast available at www.maersk.com

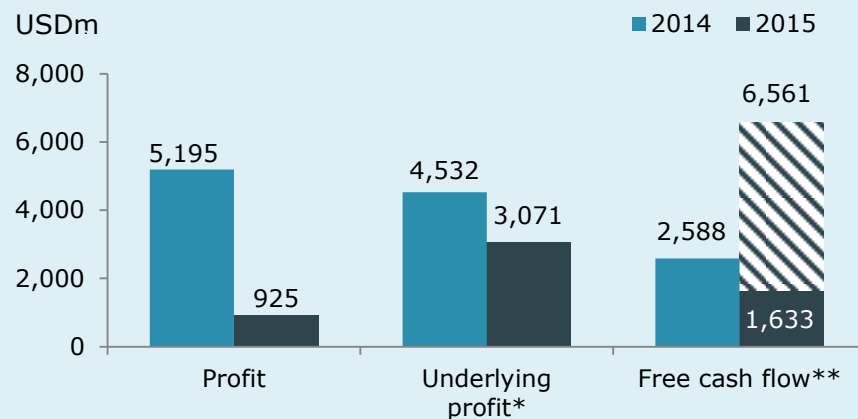
Forward-looking Statements

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

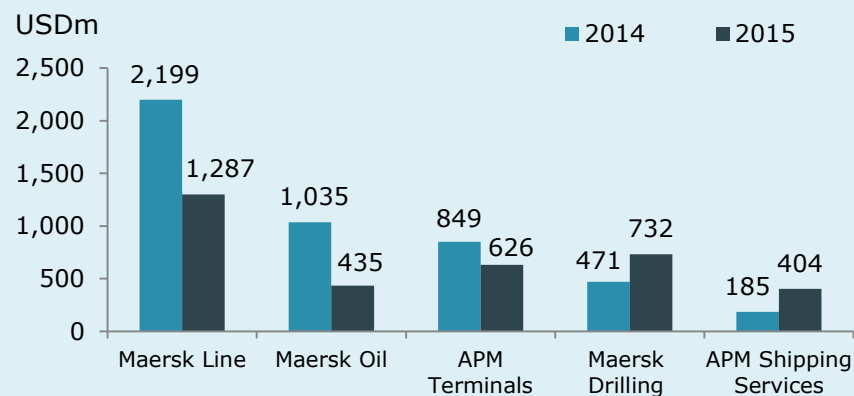


Acceptable full year result in challenging times

Group Financial Highlights



Underlying profit by activity*



*Continuing businesses excluding net impact from divestments and impairments

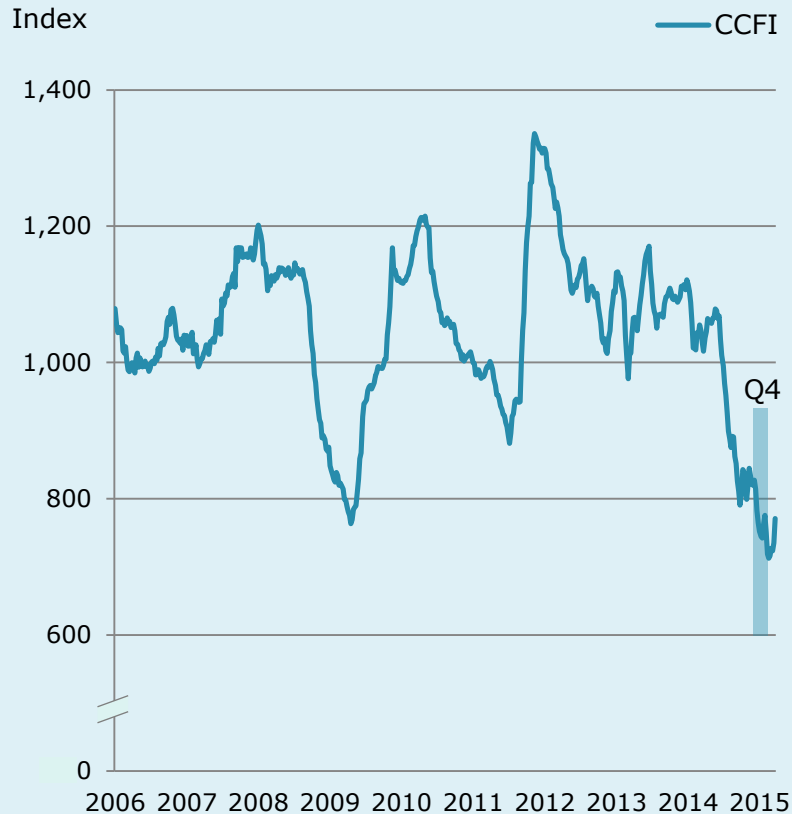
**From continuing operations

Group highlights FY 2015

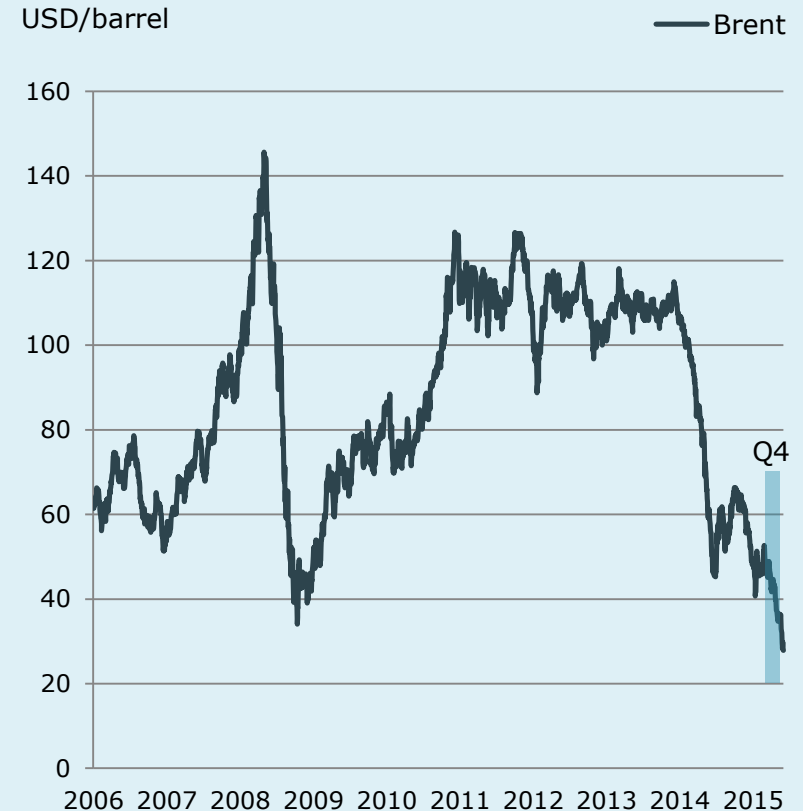
- Group profit decreased 82% to USD 925m (USD 5.2bn) negatively impacted by net impairments of USD 2.6bn on oil assets as well as lower container freight rates and lower oil price
- Group ROIC was 2.9% (11.0%)
- Underlying profit decreased to USD 3.1bn (USD 4.5bn). All business units remained profitable but with significantly lower profits in Maersk Line, Maersk Oil and APM Terminals
- Free cash flow was USD 6.6bn (USD 2.6bn). Excluding the sale of the shares in Danske Bank free cash flow was USD 1.6bn
- Net cash flow used for capital expenditure came at USD 6.3bn (USD 6.2bn), excluding the sale of shares in Danske Bank of USD 4.9bn
- Cash flow from operating activities remained at a high level of USD 8.0bn (USD 8.8bn)
- The Group maintains its strong financial position with an equity ratio of 57.3% and a liquidity reserve of USD 12.4bn
- The board of directors proposes an ordinary dividend of DKK 300 per share (DKK 300 per share).

Key value drivers deteriorated further in Q4 2015

Container freight rates in all-time lows



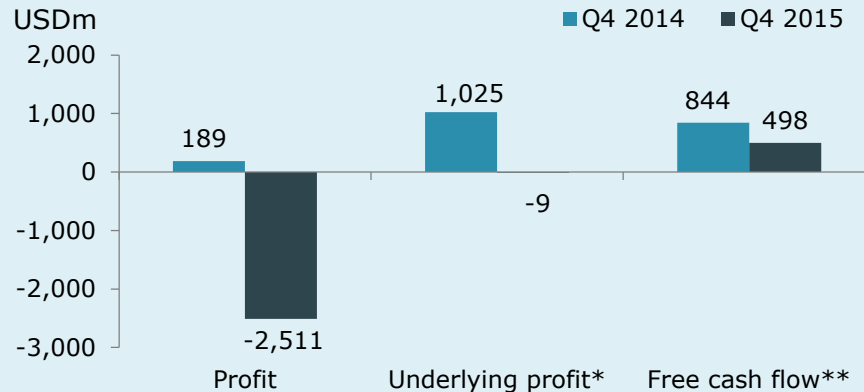
Oil price at its lowest level in a decade



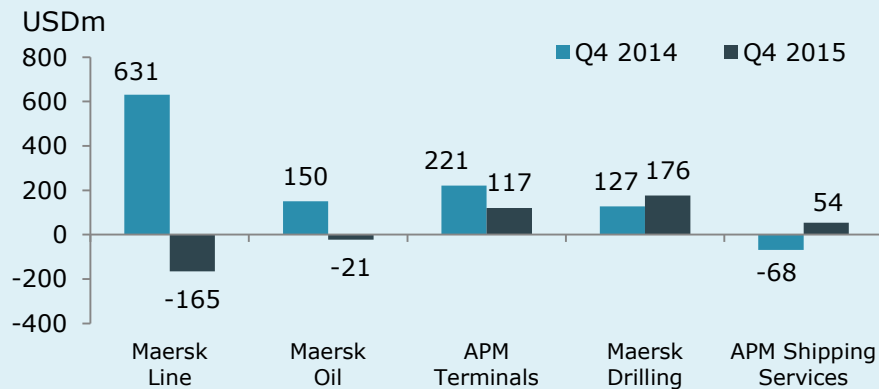
Note: CCFI (China Containerised Freight Index) composite index reflects the freight rate level of China's containerised exports, including both spot and contractual rates

Q4 2015 – a perfect storm for the Group

Group Financial Highlights



Underlying profit by activity*



*Continuing businesses excluding net impact from divestments and impairments

**From continuing operations

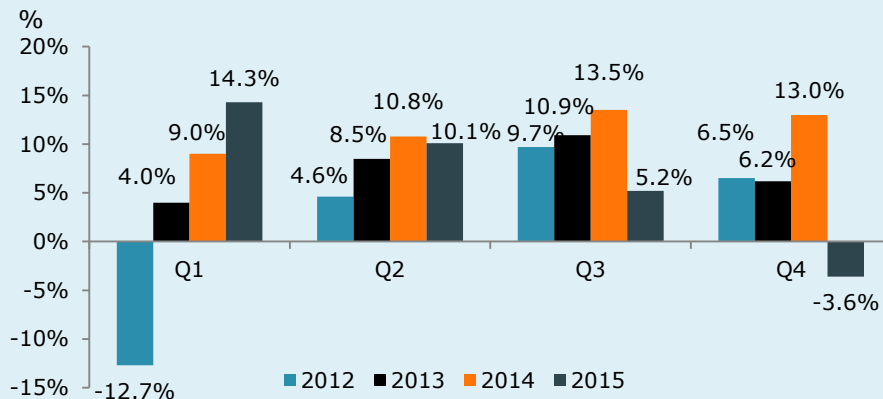
Group highlights Q4 2015

- The Group was severely impacted by the sharp decline in freight rates and oil price over the quarter
- Reported profit was negative USD 2.5bn (USD 0.2bn) impacted by net impairments of USD 2.5bn on oil assets
- ROIC was -20.8% (2.3%)
- Underlying profit declined to USD -9m (USD 1.0bn) driven primarily by lower profits in Maersk Line and Maersk Oil
- Group underlying result for FY 2015 ended in the low end of our expectations as the speed and depth of the impact on our businesses was more severe than expected
- Free cash flow generation decreased by 41% to USD 0.5bn (USD 0.8bn)
 - Net cash flow used for capital expenditure was at USD 1.6bn (USD 1.6bn)
 - Cash flow from operating activities remained high at USD 2.0bn (USD 2.4bn).

Maersk Line - rates hit all time low

(USD million)	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	5,194	6,912	23,729	27,351
EBITDA	359	1,148	3,324	4,212
Underlying profit	-165	631	1,287	2,199
Reported profit	-182	655	1,303	2,341
Operating cash flow	733	1,507	3,271	4,119
Volume (FFE '000)	2,404	2,401	9,522	9,442
Rate (USD/FFE)	1,941	2,581	2,209	2,630
Bunker (USD/tonne)	244	512	315	562
ROIC (%)	-3.6	13.0	6.5	11.6

ROIC development since Q1 2012

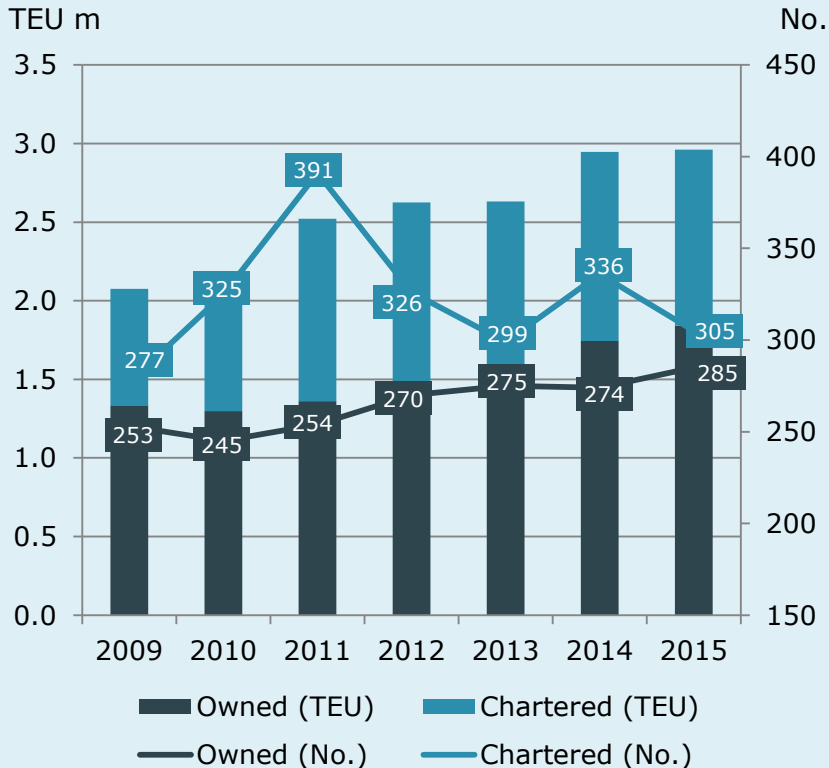


Maersk Line highlights Q4 2015

- Maersk Line's underlying profit decreased to USD -165m (USD 631m) and ROIC was -3.6% (13.0%) due to significantly lower freight rates
- The underlying result was impacted by a net restructuring provision of USD 68m
- Volume increased by 0.1% to 2.4m FFE in line with the global container demand which is estimated to have grown 0-1% in Q4 2015. The low growth is primarily due to weaker imports into Europe and slowdown in emerging markets. The global container fleet grew by close to 8%
- Rates declined 25% and reached historic low levels largely attributable to bunker price savings being passed on and deteriorating market conditions
- Rates declined across all trades, and especially Maersk Line's key European and Latin American trades were negatively impacted
- EBIT margin gap to peers was around 5% in Q3 2015. The narrowing of EBIT margin gap is a consequence of the sharp decline in bunker price and Maersk Line's relative higher exposure to the European trades
- Maersk Line delivered a free cash flow of USD 188m in spite of challenging market conditions.

Maersk Line's response is to manage capacity...

Development in owned vs chartered fleet



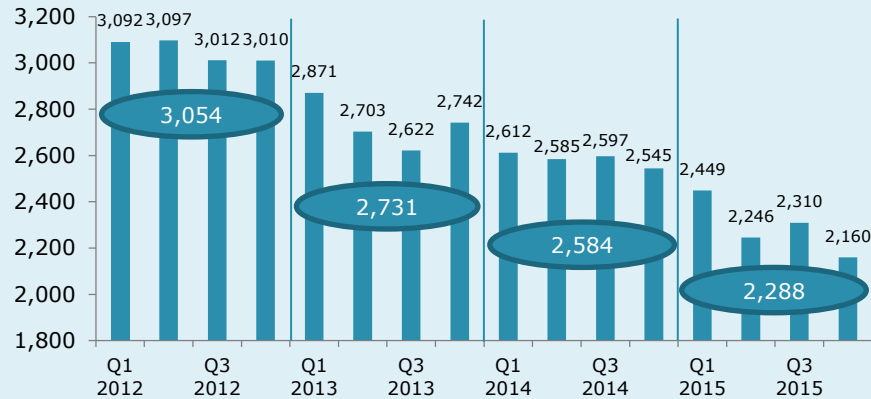
Maersk Line capacity development

- Maersk Line aims to continuously adjust capacity to match demand and optimise utilisation
- Network capacity increased by 0.5% y/y to 3.0m TEU but declined by 2.1% q/q
- Chartered capacity decreased 7.0% y/y while owned capacity increased 5.7% y/y as Maersk Line took delivery of Triple E vessels and redelivered chartered tonnage
- Utilisation was on par with Q3 2015, but was slightly lower compared to Q4 2014
- As a response to the weak demand, Maersk Line has reduced capacity to improve utilisation including;
 - Closed four services
 - Cancelled around 110 sailings in 2015 of which around 50 were cancelled in Q4 2015
 - Handed back 84,000 TEU of chartered capacity in 2015 of which 74,000 TEU was redelivered in Q4 2015
 - Idle capacity was 32,733 TEU (four vessels) at the end of 2015
- There is a time lag from a decision taken on network optimisation until fully operational implemented.

... and continued focus on cost

Unit cost including VSA income

USD/FFE



Definition: EBIT cost excl. gain/loss, restructuring cost, associated companies share and incl. VSA income.

Bunker consumption per FFE*



*Does not account for changes in short/ long-haul volume mix

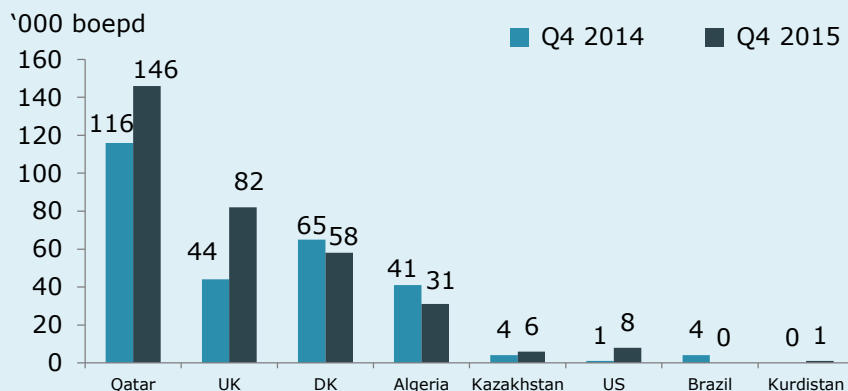
Maersk Line cost highlights Q4 2015

- Total cost decreased by 14.2% (USD 885m) against a volume increase of 0.1% compared to Q4 2014
- Unit cost improved by 15.1% y/y (385 USD/FFE) and by 6.5% q/q (150 USD/FFE) to 2,160 USD/FFE
- Total bunker cost decreased by 52%. Bunker price declined by 52% and had an impact of 244 USD/FFE on unit cost. Bunker efficiency improved by 0.2% to 909 kg/FFE (911 kg/FFE)
- Unit costs decreased slightly when excluding bunker price and FX impact as mainly intermodal and positioning cost have declined
- Slightly lower utilisation compared to Q4 2014 had a negative impact on unit cost. Utilisation is the biggest driver of unit cost.

Maersk Oil - impairments reduced invested capital

(USD million)	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	1,302	1,843	5,639	8,737
Exploration costs	70	210	423	765
EBITDA	668	898	2,748	5,116
Underlying profit	-21	150	435	1,035
Reported profit	-2,523	-32	-2,146	-861
Operating cash flow	504	416	1,768	2,594
Prod. (boepd '000)	333	275	312	251
Brent (USD per barrel)	44	76	52	99
ROIC (%)	-214	-2.5	-38.6	-15.2

Maersk Oil's entitlement share of production



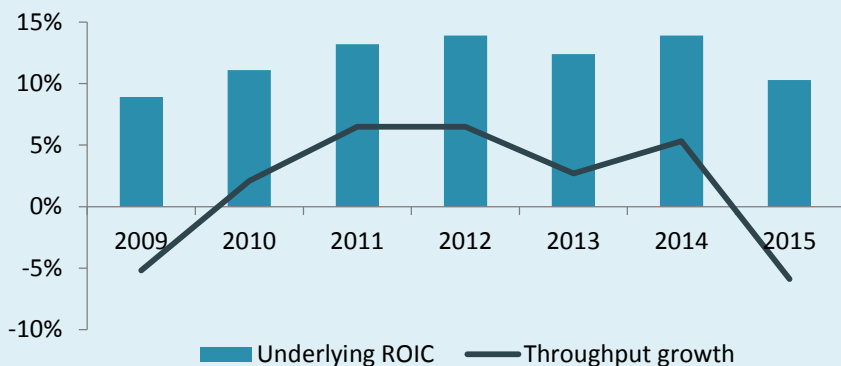
Maersk Oil highlights Q4 2015

- Underlying profit decreased to USD -21m (USD 150m) mainly driven by the 42% lower oil price, partly offset by increased production and cost saving
- The net impairments of USD 2.5bn were primarily related to production assets with short lifetime such as Kazakhstan, Kurdistan and the UK as well as full impairment of deepwater assets in Angola and Brazil
- Entitlement production increased 21% to 333,000 boepd (275,000 boepd) due to improved operational performance, production from new fields and higher entitlement share in Qatar
- Opex excluding exploration was reduced by 12% in FY 2015
- Exploration costs decreased by 67% in Q4 and by 45% in FY 2015
- Capex decreased by 13% in Q4 and by 8.2% in FY 2015 despite sanctioning Johan Sverdrup and Culzean
- Maersk Oil signed agreement to acquire 50% of Africa Oil Corporation's shares in onshore exploration licences in Kenya and Ethiopia with an upfront price of USD 365m.

APM Terminals - portfolio expansion

(USD million)	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	1,025	1,124	4,240	4,455
EBITDA	199	229	845	1,010
Share of profit:				
- Associated companies	19	23	85	93
- Joint ventures	3	-30	114	-14
Underlying profit	117	221	626	849
Reported profit	128	117	654	900
Operating cash flow	203	110	874	925
Throughput (TEU m)	8.8	9.4	36.0	38.3
ROIC (%)	8.3	7.9	10.9	14.7

Volume growth and underlying ROIC development*



*Excluding net impact from divestments and impairments

APM Terminals highlights Q4 2015

- APM Terminals delivered an underlying profit of USD 117m (USD 221m) and a ROIC of 8.3% (7.9%)
- Throughput declined by 5.9% mainly due to divestments and less import volumes into West Africa, Russia and Brazil. Like for like throughput declined by 0.5%
- EBITDA margin declined by 1.0%-point, impacted by:
 - Divestments: +1.2%-points (exit loss making entities)
 - FX movements: -0.9%-points
 - Underlying business: -0.8%-point
 - IFRIC12 construction: -0.4%-point
- Revenue improvements and cost savings initiatives delivered approximately USD 50m to the bottom line in Q4, totalling close to USD 200m for 2015
- Building up for future growth in 2015 through successfully securing new projects in:
 - Qingdao, China
 - Vado, Italy
 - Cartagena, Colombia
 - Tema, Ghana
 - Group TCB acquisition subject to regulatory approval in Q1 2016.

Maersk Drilling - solid operational performance

(USD million)	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	617	635	2,517	2,102
EBITDA	323	286	1,396	903
Underlying profit	176	127	732	471
Reported profit	181	53	751	478
Operating cash flow	373	322	1,283	701
Fleet (units)	22	21	22	21
Contracted days	1,781	1,776	7,086	6,275
ROIC (%)	9.1	2.7	9.3	7.1

Maersk Drilling highlights Q4 2015

- Maersk Drilling's underlying profit increased 39% to USD 176m (USD 127m) positively impacted by fleet growth, cost savings and solid operational performance
- ROIC was 9.1% (2.7%)
- The initiated cost reduction program delivered savings of more than 8% FY 2015 compared to FY 2014
- The average operational uptime was 97% (97%) for the jack-up rigs and 90% (95%) for the floating rigs
- Free cash flow improved significantly mainly due to more rigs in operation, cost savings, and fewer instalment payments for newbuildings
- Forward contract coverage is 77% for 2016, 52% for 2017 and 43% for 2018
- Maersk Drilling secured three new contracts with estimated revenue of USD 190m in Q4 2015
- Although at significantly lower day rates, Maersk Drilling secured in total twelve contracts and added USD 2.0bn to the revenue backlog in 2015. The total revenue backlog amounted to USD 5.4bn (USD 6.0bn)
- Three rigs were available end of 2015, of which two will go on contracts later in 2016. Eight rigs will come off contracts during 2016.

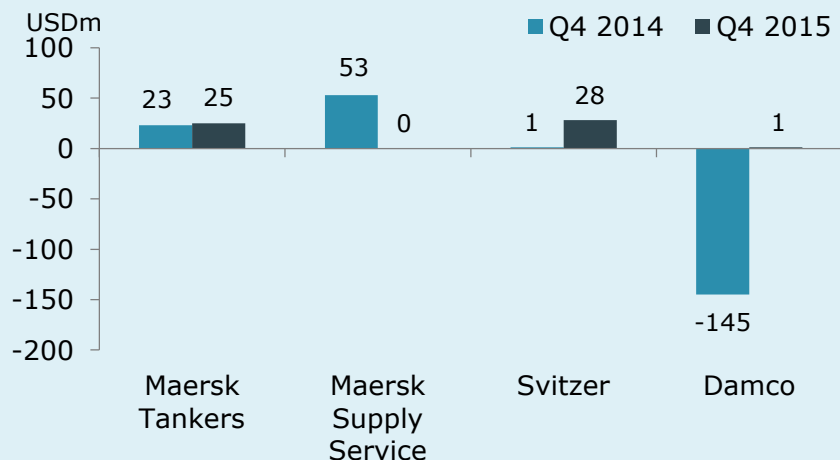
Revenue backlog end Q4 2015



APM Shipping Services - improved underlying profit

(USD million)	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	1,220	1,455	5,080	5,926
EBITDA	146	73	809	641
Underlying profit	54	-68	404	185
Reported profit	60	-454	446	-230
Operating cash flow	198	283	806	590
ROIC (%)	5.1	-35.8	9.5	-4.2

Underlying profit by activity*



*Continuing businesses excluding net impact from divestments and impairments

APM Shipping Services highlights Q4

APM Shipping Services reported an underlying profit of USD 54m (USD -68m) and a ROIC of 5.1% (-35.8%)

Maersk Tankers

Result positively impacted by improved rates across all the product segments and decreased operating costs. Full year cost savings of USD 29m

Maersk Supply Service

Result impacted by lower rates and lower utilisation which was only partly mitigated by cost reductions. Lay-up of 9 vessels

Svitzer

Underlying profitability improved through pricing, productivity and cost savings initiatives

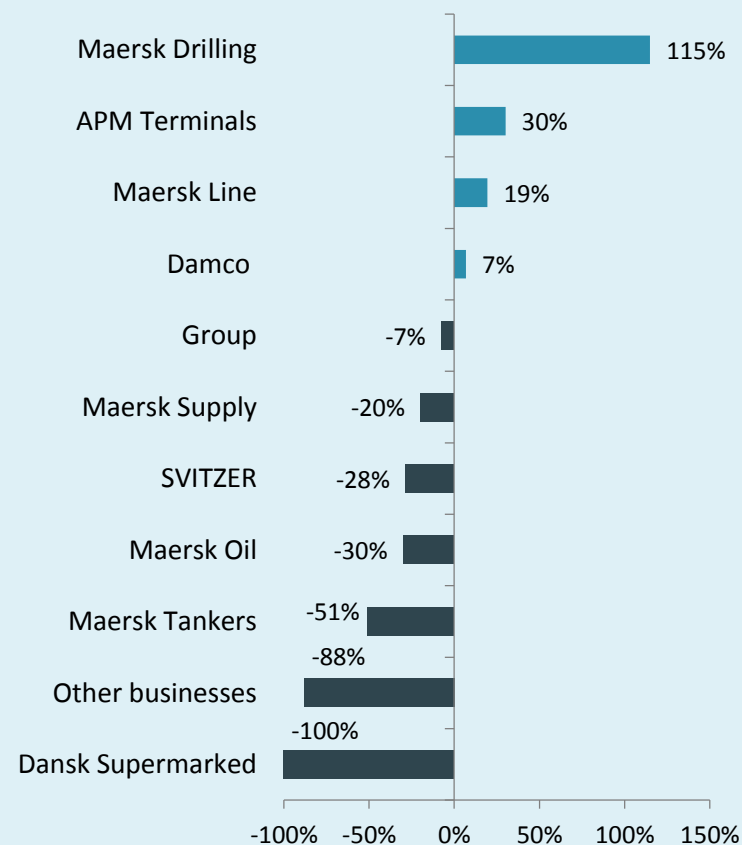
Damco

Productivity improvements, overhead cost reductions and growth in supply chain management activities were the primary drivers behind the improved result.

Invested capital and ROIC

Business	Invested capital (USDm)	ROIC % Q4 2015	ROIC % Q4 2014	ROIC % FY 2015
Group	43,509	-20.8%	2.3%	2.9%
Maersk Line	20,054	-3.6%	13.0%	6.5%
Maersk Oil	3,450	-214%	-2.5%	-38.6%
APM Terminals	6,177	8.3%	7.9%	10.9%
Maersk Drilling	7,978	9.0%	2.7%	9.3%
APM Shipping Services	4,748	5.1%	-35.8%	9.5%
Maersk Tankers	1,644	7.3%	5.2%	9.9%
Maersk Supply Service	1,769	0.0%	15.2%	8.5%
Svitzer	1,132	10.4%	-114%	10.9%
Damco	203	2.6%	-177%	7.1%
Other Businesses	861	-6.8%	-2.2%	10.8%

Development in invested capital -5Y

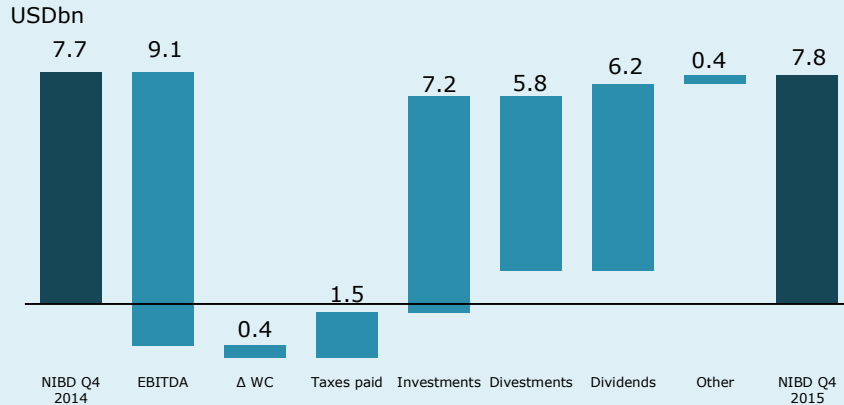


Note. Development since Q4 2010. The 2010 numbers have not been restated with the changed consolidation method for joint ventures in 2013

A strong financial framework

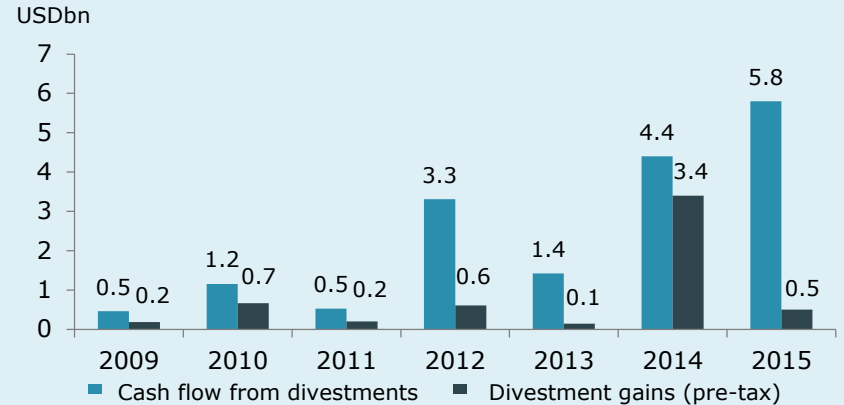
Well capitalised position

Net debt has increased USD 0.1bn since Q4 2014

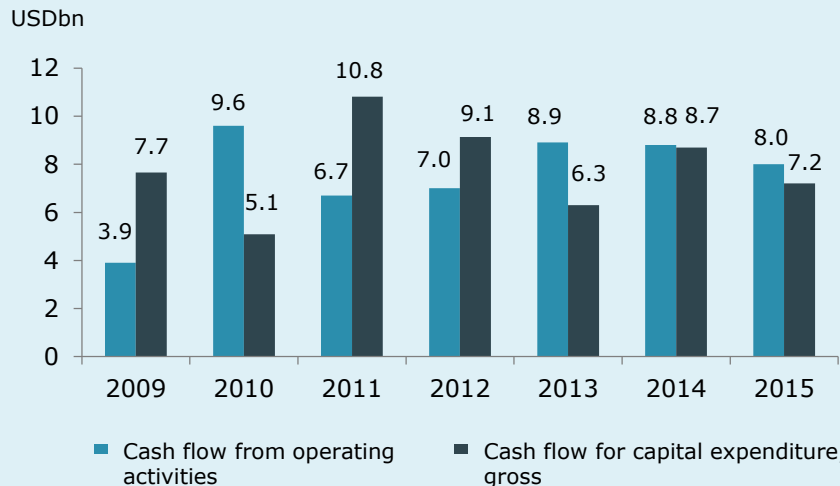


Active portfolio management

Cash flow from divestments has been USD 17bn with divestment gains of USD 5.7bn pre-tax 2009 to 2015

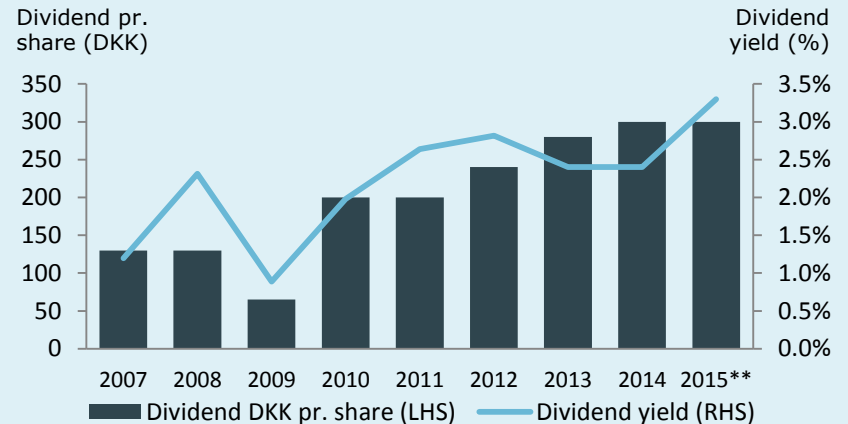


Investment in growth



Increased ordinary dividends*

Ambition to increase dividend per share supported by underlying earnings growth



*Adjusted for bonus shares issue
 **To be approved at the AGM

Consolidated financial information

Income statement (USD million)	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Revenue	9,125	11,715	-22%	40,348	47,569	-15%
EBITDA	1,628	2,618	-38%	9,074	11,919	-24%
Depreciation, etc.	4,382	2,157	103%	7,944	7,008	13%
Gain on sale of non-current assets, etc. net	17	66	-74%	478	600	-20%
EBIT	-2,696	459	N/A	1,870	5,917	-68%
Financial costs, net	-145	-79	84%	-423	-606	-30%
Profit before tax	-2,841	380	N/A	1,447	5,311	-73%
Tax	-330	191	N/A	522	2,972	-82%
Profit for the period – continuing operations	-2,511	189	N/A	925	2,339	-60%
Profit for the period – discontinuing operations	-	-	N/A	-	2,856	N/A
Profit for the period	-2,511	189	N/A	925	5,195	-82%
Underlying profit	-9	1,025	N/A	3,071	4,532	-32%
Key figures (USD million)	Q4 2015	Q4 2014	Change	FY 2015	FY 2014	Change
Cash Flow from operating activities ¹	2,048	2,416	-15%	7,969	8,761	-9.0%
Cash Flow used for capital expenditure ¹	-1,550	-1,572	1.4%	-1,408	-6,173	-77%
Net interest-bearing debt	7,770	7,698	0.9%	7,770	7,698	0.9%
Earnings per share (USD)	-120	7	N/A	37	230	-84%
ROIC (%)	-20.8	2.3	-23.1pp	2.9	11.0	-8.1pp
Dividend per share (DKK)				300 ²	300	0%

¹ From continuing operations

² To be approved at AGM

Guidance for 2016

All figures in parenthesis refer to full year 2015.

The Maersk Group expects an underlying result significantly below last year (USD 3.1bn). Gross cash flow used for capital expenditure is expected to be around USD 7bn in 2016 (USD 7.1bn).

Maersk Line expects an underlying result significantly below last year (USD 1.3bn) as a consequence of the significantly lower freight rates going into 2016 and the continued low growth with expected global demand for seaborne container transportation to increase by 1-3%.

Maersk Oil expects a negative underlying result (profit of USD 435m). Breakeven is reached with oil prices in the range USD 45-55 per barrel.

Maersk Oil's entitlement production is expected to be around 315,000 boepd (312,000 boepd). Exploration costs are expected to be in line with 2015 (USD 423m).

APM Terminals expects an underlying result around the 2015 level (USD 626m).

Maersk Drilling expects an underlying result significantly below last year (USD 732m) mainly due to lower dayrates and more idle days.

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

SENSITIVITY GUIDANCE

The Group's guidance for 2016 is subject to considerable uncertainty, not least due to developments in the global economy, the container freight rates and the oil price.

The Group's expected underlying result depends on a number of factors. Based on the expected earnings level and all other things being equal, the sensitivities for the calendar year 2016 for four key value drivers are listed in the table below.

Sensitivities for 2016

Factors	Change	Effect on the Group's underlying profit
Oil price for Maersk Oil	+ / - 10 USD/barrel	+ / - USD 0.35bn
Bunker price	+ / - 100 USD/tonne	- / + USD 0.3bn
Container freight rate	+ / - 100 USD/FFE	+ / - USD 1.0bn
Container freight volume	+ / - 100,000 FFE	+ / - USD 0.1bn

Q&A

To ask a question please press **01**

