

The A.P. Møller - Maersk Group

# Interim Management Statement

## Highlights

Key figures for the period 1 January – 31 March (Unaudited)	DKK million			USD million		
	2010	2009	Change	2010	2009	Change
Revenue	71,019	62,970	13%	13,200	11,024	20%
Profit before depreciation, amortisation and impairment losses, etc.	17,828	11,406	56%	3,314	1,997	66%
Depreciation, amortisation and impairment losses	7,245	7,323	-1%	1,346	1,283	5%
Gain on sale of ships, rigs, etc.	513	142	261%	95	25	280%
Profit before financial items	11,200	4,433	153%	2,082	776	168%
Profit before tax	9,678	1,741	456%	1,799	305	490%
Profit/loss for the period	3,440	-2,132	n/a	639	-373	n/a
Cash flow from operating activities	11,066	10,685	4%	2,072	1,876	10%
Cash flow used for capital expenditure	-6,223	-13,550	-54%	-1,157	-2,372	-51%

Revenue for the period (in USD) increased by 20%, primarily as a result of higher oil prices and increasing freight rates and volumes in the container activities. The result for the period was a profit of USD 639 million, compared to a loss of USD 373 million in the same period of 2009.

“Markets have improved, and our efforts are paying off. We expect an improved result compared to earlier expectations of a modest profit, mainly because of the recovery in our container business, which is now expected to post a profit in 2010. Due to the development in the global economy, especially in the second half of the year, there is still uncertainty in how the volumes and the rates will develop the rest of the year. But we will continue to improve our competitiveness, and we are ready to seize opportunities that arise in the wake of the crisis,” says CEO Nils S. Andersen.

- During the first three months of 2010, the container shipping market was positively affected by higher volumes and better rates compared to the same period of 2009. The growth in activity was partly related to general restocking in the USA and Europe. Considerable rate increases and reasonable volume coverage were achieved in connection with the contract negotiations

on the Transpacific routes. The Group also achieved higher coverage of fluctuations in fuel prices by means of surcharges.

- The average oil price was USD 76 per barrel in the first quarter of 2010, compared to USD 45 per barrel in the first quarter of 2009. The Group's share of oil and gas production in the first quarter 2010 was 20% below the first quarter of 2009, mainly due to a lower share in Qatar. The result in the first quarter was positively affected by lower exploration costs than in the same period of 2009.
- Rates for Maersk Tankers' carriers in the first quarter were lower than in the same period of 2009. The markets for the Group's offshore activities saw increasing activity, but the addition of new tonnage led to continued pressure on rates. Tankers, offshore and other shipping activities were negatively affected by impairment losses of USD 75 million concerning the Group's LNG carriers.
- The Group maintains its strong focus on reducing costs, and further cost-cutting initiatives have been launched in 2010.

- On 29 April 2010, the Group entered into an agreement to sell its ownership interest (13.7%) in Sigma Enterprises Ltd., which owns an interest in Yantian International Container Terminal, to Crestway International Ltd. The agreement is subject to a number of approvals. The transaction, which is expected to be completed by 31 July 2010, will have a positive effect on the profit before tax in the order of USD 400 million in 2010.
- Cash flow from operating activities in USD was 10% above the same period of 2009, positively affected by growing activity and cost reductions. The cash flow used for investments declined by 51% compared to the first quarter 2009, as a result of a generally lower investment level, primarily in container shipping and tankers, offshore and other shipping activities.

## Outlook for the full year 2010

The Group's container shipping and related activities are now expecting a positive result for 2010 based on the improved market conditions for the container shipping activities.

The Group's share of the daily oil and gas production for 2010 is expected to be somewhat below that of 2009, primarily due to a lower share in Qatar, and slightly below the first quarter in 2010, primarily due to planned maintenance in Denmark and Great Britain. Acquired exploration rights in Brazil as well as a general increased exploration activity in the remaining part of the year, in the USA (Gulf of Mexico) and Great Britain among others, are expected to entail increased exploration costs in 2010 at a significantly higher level than 2009 and most significantly in the second half year. The lower share of the daily oil and gas production as well as the considerably higher exploration costs in the remaining part of 2010 will entail that results for the oil and gas activities for the next three quarters are expected to be below the first quarter 2010.

2010 started better than expected and overall expectations for the A.P. Møller - Mærsk Group are thus a profit

for 2010 – an improvement compared to the previous statement on 4 March 2010 of a modest profit.

Cash flow from operating activities is expected to be significantly above that of 2009, and cash flow used for capital expenditure is expected to be significantly below - unchanged compared to previous statement.

The outlook for 2010 is subject to considerable uncertainty, not least due to developments in the USD exchange rate, oil prices and in the global economy, especially in the second half year 2010, where national economic stimulus packages are expected to be discontinued on a number of important markets for the container shipping activities.

Specific uncertainties relate to development in the container market, including freight rates, transported volumes and the level of vessels taken out of service.

As mentioned in the annual report 2009, uncertainties also relate to the valuation of the Group's intangible assets and property, plant and equipment.

## Changed segment presentation

The presentation of segment results has been changed as from 1 January 2010. As a result, the trucking and container depot activities previously part of the container shipping and related activities are now included in the APM Terminals segment, and the container production

activities previously part of the container shipping and related activities are now included in the Shipyards, other industrial companies, etc. segment. The change has no impact on the Group's result. Comparative figures have been restated accordingly.

## Container shipping and related activities

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	30,929	26,629	5,749	4,661
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,209	-423	596	-74
Depreciation, amortisation and impairment losses	1,998	2,229	371	390
Gain on sale of ships, etc.	51	60	9	11
Profit/loss before financial items (EBIT)	1,260	-2,612	234	-457
Segment result	901	-3,312	168	-581
Transported volumes (FFE in million)			1.8	1.5
Average rate (USD per FFE)			2,863	2,424
Average fuel price (USD per tonne)			471	252

### THE CONTAINER SHIPPING MARKET

During 2010, the container shipping market has been positively affected by growing demand, primarily due to restocking in the USA and Europe and, to a lesser extent, growing consumer demand. Combined with a continued significant number of vessels taken out of service, the rising volumes led to increasing freight rates in the first quarter. At the beginning of the second quarter, rates have stabilised on most routes and vessels taken out of service are increasingly being re-introduced into service.

Global cargo volumes for 2010 are expected to rise by minimum 5%, driven mainly by the strong development in demand in the first quarter. A 6-9% addition of tonnage is expected for the global container fleet.

### CONTAINER SHIPPING ACTIVITIES

In the first quarter of 2010, the Group's container vessels transported 1.8 million FFE (Forty Foot Equivalent container units), compared to 1.5 million FFE in the same period of 2009. Growth was seen mainly on the head haul routes and Intra Asia, which increased by 18% and 70%, respectively.

Average rates in the first quarter were USD 2,863 per FFE, up by 18% compared to the same period of 2009 as a result of improved market conditions and higher bunker surcharges.

Volumes on the head haul routes between **Asia and Europe** increased by 16% in the first three months of 2010 compared to the same period of 2009, while volumes on the lower-paying back haul routes increased by 15%.

The **Transpacific routes** were negatively affected by the low rate levels on contract cargo during the first quarter of 2010. Considerable rate increases and reasonable volume coverage have been achieved for the contract season as at 1 May 2010.

The other routes have seen general improvements with rising volumes and rates.

Despite improved market conditions, there is still a need for tight management of the capacity. By the end of the first quarter of 2010, the Group had taken 17 vessels with a capacity of approximately 72,000 TEU out of service, returned three vessels under financial leases and scrapped two older, smaller container vessels in an environmentally responsible manner.

In the first quarter, the Group took delivery of two new vessels with a total capacity of 5,000 TEU, while the net addition of chartered tonnage amounted to approximately 9,000 TEU.

At the end of the first quarter of 2010, the Group's fleet consisted of 539 container vessels (2.1 million TEU), of which 250 are own vessels and 289 are chartered vessels. In addition, the Group has chartered 16 multi purpose vessels (MPV). 41 container vessels and four MPVs are on order. Delivery of one container vessel and one MPV is expected in 2010.

The average fuel price for the Group's container activities was 87% higher in the first quarter of 2010 than in the same period of 2009, while total fuel consumption decreased by 9%. To mitigate the impact of fluctuating fuel costs, container shipping activities have focused on increased implementation of bunker surcharges. This has resulted in improved coverage of fuel costs.

Total unit costs per FFE transported, including depreciation and amortisation, were reduced by 9% in the first quarter of 2010 relative to the same period of 2009. Unit costs excluding fuel costs fell by 18%. The Group continues to implement costs savings and rationalisation measures.

Earnings per transported FFE (EBIT per FFE), excluding gain on sale of ships, etc., were positive by USD 132, while negative by USD 308 in the first quarter of 2009.

The segment result in the first quarter of 2010 was positive by USD 161 million, compared to a negative result of USD 581 million in the same period of 2009. The segment result was affected by sales gains of USD 9 million, compared to USD 11 million in the first quarter of 2009.

#### DAMCO

Damco's freight volumes for ocean and airfreight grew 23% and 43%, respectively - both well above market. Supply Chain Management (SCM) grew 7% which is estimated to be in line with market.

Increasing freight rates put pressure on earnings, but cost reductions led to a segment result for the first quarter 2010 above that of the same period 2009.

## APM Terminals

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	5,945	6,176	1,106	1,081
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,176	1,054	219	184
Depreciation, amortisation and impairment losses	544	542	103	96
Profit before financial items (EBIT)	707	507	131	88
Segment result	620	339	115	60
Containers handled (measured in million TEU and weighted with ownership share)			7.6	7.1

The global container terminal market experienced a continued stabilisation of volumes in the beginning of 2010. For the first quarter the market measured in TEUs is estimated to have increased by 7% (Drewry at 1 April 2010) compared to same period in 2009, which was affected by the significant decline in global economy.

For APM Terminals the number of containers handled (measured in crane lifts weighted with APM Terminals' ownership share) in the first quarter was 8% higher than in the same period in 2009. The increase in volume was driven by all regions except Americas, which continue to be affected by the economic climate and the exit from terminal operation in Oakland as of 1 January 2010.

In first quarter, APM Terminals increased volume from other customers than Maersk Line and Safmarine by 20% compared to same period last year. Customers other than Maersk Line and Safmarine contributed 42% of APM Terminals' volume compared to 39% in first quarter 2009.

The EBITDA-margin increased to 19.8% in the first quarter from 17.0% in the same period 2009, primarily due to reduced operating and administration costs. Excluding the trucking and container depot activities, which are now included in the APM Terminals segment, the EBITDA margin increased to 25.5% compared to 19.4% in the first quarter 2009.

The segment result was USD 115 million against USD 60 million in the first quarter 2009.

During first quarter 2010, APM Terminals was nominated preferred bidder for the port concession in Monrovia, Liberia.

On 29 April 2010, the A.P. Møller - Maersk Group entered into an agreement with Crestway International Ltd., a

subsidiary of COSCO Pacific Ltd., on the sale of an ownership interest (13.7%) in Sigma Enterprises Ltd., which owns an interest in Yantian International Container Terminal. The agreement is subject to a number of approvals, including from other shareholders in Sigma Enterprises Ltd. The transaction, which is expected to be completed by 31 July 2010, will have a positive effect on the profit before tax in the order of USD 400 million in 2010.

## Tankers, offshore and other shipping activities

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	7,512	7,347	1,395	1,286
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	2,142	1,920	399	336
Depreciation, amortisation and impairment losses	1,452	1,272	268	223
Gain on sale of ships, rigs, etc.	287	45	53	8
Associated companies – share of profit/loss for the period	-99	-77	-20	-13
Profit before financial items (EBIT)	878	616	164	108
Segment result	614	476	115	84

### MAERSK TANKERS

Due to the cold winter, the rates for crude and smaller product tankers increased in early 2010. On average, rates for the first quarter were lower than in the same period of 2009, however.

The net addition of new tonnage in the first quarter was lower than expected due to delays and postponements of new deliveries and increased scrapping of single-hull tankers. For very large crude carriers (VLCC), the net addition amounted to less than 1% of the global fleet in the first three months of 2010 and was thus lower than the growth in demand. This had a positive effect on rates.

In the gas carrier market, rates remained at a historically low level due to continued weak demand.

In the first quarter of 2010, Maersk Tankers took delivery of a medium-sized product tanker (handysize). A VLCC and a large product tanker (LR2) were sold during the same period. For the rest of 2010, Maersk Tankers expects to take delivery of five own vessels, while another 12 are on order for delivery in 2011-2012.

The segment result, excluding sales gains, impairment losses, provisions and integration costs, was negative

by USD 1 million in the first quarter of 2010, compared to a positive result of USD 45 million in the same period of 2009. The result for the first quarter of 2010 was positively affected by gain of USD 28 million on sale of ships, compared to USD 0 million in 2009, while the result in 2009 was negatively affected by impairment losses, provisions and integration costs of total USD 89 million.

### MAERSK DRILLING, MAERSK FPSOs AND MAERSK LNG

Demand for drilling rigs grew throughout the first quarter. Despite rising demand, the market for jack-up rigs remained negatively affected by the addition of new rigs, while the market for deepwater semi-submersibles was good.

Three of the Group's drilling rigs were unemployed in the first quarter of 2010. Maersk Drilling has entered into contracts or received letters of intent for all three rigs, starting in the second and third quarters, respectively, and therefore expects the whole fleet to be employed during most of 2010.

Maersk Drilling took delivery of a semi-submersible rig in April. Its employment remains the subject of negotiations with several parties.

The market for floating production, storage and offloading units (FPSO) continued to improve in the first quarter with new contracts being signed in the market, while the LNG market activity was low.

All the Group's four FPSOs are on long-term contracts, of which the first will expire in 2011. Another FPSO is expected to be delivered in the second half of 2010 and placed under contract for employment in the offshore Percegrino Field in Brazil from December 2010. Maersk LNG took delivery of an LNG vessel in the first quarter of 2010. Three of the Group's eight LNG vessels are unemployed in 2010.

The total segment result for the first quarter of 2010 was USD 6 million, compared to USD 68 million in the same period of 2009. The result for the first quarter was negatively affected by impairment losses of USD 75 million concerning the Group's LNG vessels.

#### MAERSK SUPPLY SERVICE

The market for anchor handling and supply vessels stabilised during the first quarter with slightly increasing activity and rates. The addition of new vessels led to continued pressure on rates, however.

Maersk Supply Service has considerable contract coverage in 2010, although a number of vessels are employed in the spot market.

In the first quarter, Maersk Supply Service took delivery of an anchor handling vessel, while another three vessels are expected to be delivered in 2010.

The segment result was USD 60 million in the first quarter of 2010, compared to USD 68 million in the same period of 2009.

In the first quarter of 2010, **Svitzer** remained negatively affected by low activity in the port towage market, while Svitzer's other markets saw slightly increasing demand.

**Norfolkline** achieved a positive segment result of USD 19 million in the first quarter 2010, compared to a negative result of USD 9 million in the same period of 2009. The 2010 result was positively affected by a reversal of impairment losses of USD 25 million. As planned, the sale of Norfolk Holdings B.V. against payment in liquid funds and an approximately 31% share holding interest in DFDS A/S is awaiting approval by the competition authorities. It is still expected to be carried out in the second quarter of 2010, making DFDS A/S an associated company of A.P. Møller - Mærsk A/S.

#### Höegh Autoliners

The market for transport of cars and trucks was negatively affected by low, although increasing, activity in the first quarter of 2010. 45 out of 619 vessels in the global fleet had been taken out of service by the end of the first quarter.

## Oil and gas activities

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	13,438	10,937	2,498	1,915
Profit before exploration costs	11,845	9,464	2,201	1,657
Exploration costs	771	975	143	171
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	11,074	8,489	2,058	1,486
Depreciation, amortisation and impairment losses	2,971	3,072	552	537
Profit before financial items (EBIT)	8,103	5,425	1,506	950
Tax	5,646	3,920	1,049	687
Segment result	2,420	1,467	450	256
Share of oil and gas production (million barrels of oil equivalents)			35	43
Average crude oil price (Brent) (USD per barrel)			76	45

Revenue from the Group's oil and gas activities in the first quarter of 2010 amounted to USD 2,498 million, compared

to USD 1,915 million in the same period of 2009. The main reason for the increase was that at USD 76 per barrel

the oil price was approximately 70% higher on average than in the first quarter of 2009. The segment result was USD 450 million, compared to USD 256 million in the first quarter of 2009. Lower exploration activity and high take of gas during the winter season had a significant positive effect on the result for the first quarter.

## PRODUCTION

The Group's share of oil and gas production was 35 million barrels of oil equivalents in the first three months of the year, compared to 43 million barrels in the same period of 2009. The 20% decline was mainly due to a lower share of production in Qatar.

In **Qatar**, the expansion of the Al Shaheen Field, including new platforms, is largely complete. Production is still affected by the authorities' production restrictions, and total oil production in the first quarter was slightly lower than in the same period of 2009, while the Group's share of production, at 15 million barrels, was 37% lower. The decline in the Group's share is primarily attributable to a lower share to cover investments and costs as well as higher average oil prices. The future production level is being discussed with Qatar Petroleum in view of the current production results and the authorities' production restrictions, etc.

In the **Danish part of the North Sea**, development activities at the Halfdan Field are more than 80% completed. At 7 million barrels in the first quarter, the Group's share of the total oil production was 15% lower than in the same period of 2009, primarily due to distribution of oil liftings across periods. Gas production was approximately 20% higher than in the same period of 2009, reflecting higher customer take.

In **Great Britain**, development activities are still in progress at the Dumbarton and Gryphon Fields, among others. The Group's share of production was 5 million barrels in the first quarter or 43% more than in the same period of 2009, mainly due to higher production at the Dumbarton, Gryphon and Janice Fields.

In **Algeria**, production is still subject to the authorities' production restrictions, and at 2 million barrels the Group's share of production in the first quarter was 25% lower than in the same period of 2009, mainly due to distribution of oil liftings across periods. Development of the El Merk Fields will continue in 2010.

In **Kazakhstan**, the share of oil production amounted to 0.3 million barrels in the first quarter of 2010, somewhat more than in the same period of 2009, primarily due to further expansion of the Dunga Field.

## EXPLORATION AND NEW BUSINESS AREAS

In the first quarter of 2010, drilling of four exploration and appraisal wells in which the Group has a share was completed. During the period the Group concluded agreements for 63 new exploration licences in the USA (Gulf of Mexico), subject to authority approval and bought a 25% stake in the Jack development project. Furthermore, an agreement was concluded, subject to approval by the authorities, for the acquisition of a 20% stake in a Brazilian licence including drilling of four planned exploration wells in 2010-2011.

The Group announced a number of discoveries in 2009 and 2010, most recently a gas discovery (Luke) in the Danish sector of the North Sea. The commercial potential is being assessed.

In Great Britain, further appraisal drillings have been conducted regarding the Hobby discovery, and the work of establishing a combined development plan for the Golden Eagle, Hobby and Pink discoveries is expected to be completed around the end of the year. Appraisal drilling of the Culzean gas discovery is expected to be launched in mid-2010.

In Angola, drilling of the second well (Chissonga-2) was completed at the end of April. The drilling showed positive results, and assessments are being carried out to clarify its commercial potential.

Appraisal drilling is expected to commence in the USA (the Buckskin discovery in the Gulf of Mexico) in the second quarter of 2010.

Overall, Maersk Oil is involved in drilling of 12 exploration or appraisal wells that are either in progress or planned for 2010 in Angola, Brazil, Norway, Oman, Great Britain and the USA. In addition, drilling of an as yet unspecified number of wells is expected to be launched in 2010.

Total exploration costs in the first quarter of 2010 amounted to USD 143 million compared to USD 171 million in the same period of 2009.

More information about exploration licences and permits is available at [www.maerskoil.com](http://www.maerskoil.com).

## Retail activity

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	14,059	13,071	2,613	2,288
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	706	568	131	99
Depreciation, amortisation and impairment losses	236	181	44	31
Profit before financial items (EBIT)	487	386	90	68
Segment result	352	275	65	48
Number of stores			1,352	1,278

Total revenue measured in DKK for the first three months of the year increased by 7.6%. Measured in local currencies, revenue increased by 5.9%.

The segment result was DKK 352 million for the first quarter of 2010, compared to DKK 275 million in the same

period of 2009 - up by 28%. The improved result was achieved through increased revenue and adjustment of the product mix to changes in the pattern of consumption as a consequence of the economic slowdown as well as sustained tight cost control.

## Shipyards, other industrial companies, interest in Danske Bank A/S, etc.

The period 1 January – 31 March	DKK million		USD million	
	2010	2009	2010	2009
Revenue	1,580	2,557	293	449
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	-172	15	-32	3
Depreciation, amortisation and impairment losses	53	74	10	13
Gain on sale of non-current assets	107	27	20	5
Associated companies – share of profit for the period	154	314	29	55
Profit before financial items (EBIT)	36	282	7	50
Segment result	97	290	18	51

The segment result for the **Odense Steel Shipyard Group** was negative by DKK 172 million in the first quarter of 2010, compared to the negative result of DKK 58 million in the same period of 2009.

The Group's share of the result of **Danske Bank A/S** was DKK 154 million in the first quarter of 2010, compared to DKK 314 million in the same period of 2009.



---

## Unallocated activities

Unallocated activities comprise net revenue and costs, etc. as well as financial items that are not attributed to reportable segments including particularly interest and exchange rate adjustment. Furthermore, activity in the form of purchase of bunker and lubricating oil on behalf of companies in the A.P. Møller - Maersk Group, as well as oil hedging activities that are not allocated to segments, are included on a net basis in unallocated activities. The result before tax includes mainly unrealised losses on value adjustment of oil hedging contracts of USD 6 million.

Unallocated financial items for the first three months of 2010 were negative by USD 263 million before tax and by USD 233 million after tax, compared to a negative result of USD 364 million before tax and of USD 346 million after tax in the same period of 2009. The lower financial net expenses are primarily attributable to lower interest rates in the first quarter of 2010 compared to the same period of 2009.

---

## Accounting policies

The accounting policies are changed as of 1 January 2010 for Business Combinations and divestments in accordance with the revised IFRS 3 among others. Reference is made to note 30 in the 2009 annual financial statements for the Group. The change has no impact on the interim management statement.

Copenhagen 12 May 2010  
A.P. Møller - Mærsk A/S

Contacts: Group CEO Nils S. Andersen – telephone +45 3363 1911  
Group CFO Trond Westlie – telephone +45 3363 3106

The Interim Report is expected to be announced on 18 August 2010.

---

## Forward-looking statements

The Interim Management Statement 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 actual results to differ materially from expectations contained in the Interim Management Statement.

---

## Governing text

The Interim Management Statement has been translated from Danish. The Danish text shall govern for all purposes and prevail in case of any discrepancy with the English version.