

ANNUAL REPORT 2005

Forward-looking statements

This Annual Report contains forward-looking statements regarding expectations for 2006. 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 expectations contained in the Annual Report.

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

A.P. Moller - Maersk Group

Financial Highlights

Amounts in USD million

	2005	2004	2003	2002	2001
Revenue	34,843	26,490	23,970	19,308	18,014
Profit before depreciation, amortisation and impairment losses, etc	8,342	6,735	6,016	4,525	3,933
Depreciation, amortisation and impairment losses	2,937	2,118	2,556	2,150	2,031
Gains on sale of ships, rigs, etc.	280	246	99	92	167
Associated companies – share of results	507	60	61	37	9
Profit before integration costs	6,192	4,923	3,620	2,504	2,078
Integration costs on acquisitions	298	-	-	-	-
Profit before financial items	5,894	4,923	3,620	2,504	2,078
Financial income and expenses, net	- 354	123	229	- 87	- 318
Value adjustment of financial assets	-	832	696	- 9	- 146
Profit before tax	5,540	5,878	4,545	2,408	1,614
Income tax expense	2,218	1,524	1,376	1,038	830
Profit for the year – continued operations	3,322	4,354	3,169	1,370	784
Net result – discontinued operations	67	336	-	-	-
Profit for the year	3,389	4,690	3,169	1,370	784
Of which attributable to A.P. Møller - Mærsk A/S	3,370	4,672	3,151	1,357	790
Profit for the year excluding integration costs, special items, discontinued operations and in 2005 net effect of acquired business	4,055	3,523	2,473	1,379	930
Total assets	45,042	33,227	27,491	24,180	21,235
Equity, A.P. Møller - Mærsk A/S's share	19,513	18,695	13,953	11,101	9,020
Cash flow from operating activities	5,564	4,849	3,993	3,147	3,200
Cash flow used for investing activities	10,311	3,053	2,521	2,299	2,431
Investment in property, plant and equipment	4,815	3,758	2,369	2,083	2,058
Return on equity	17.6%	28.6%	25.2%	13.5%	9.5%
Equity ratio	43.3%	56.3%	50.8%	45.9%	42.5%
Earnings per share, USD	819	1,135	766	330	194
Cash flow from operating activities per share, USD	1,352	1,178	970	765	786
Share price (B-share), end year, USD	10,310	8,279	7,117	3,365	2,979
Total market capitalisation, end year	41,726	33,903	28,553	13,446	11,582
Dividend per share, USD	87	82	50	28	18

As from 1 January 2005, the accounting policies have been changed in accordance with the International Financial Reporting Standards (IFRS). Comparative figures for 2004 have been restated. Financial highlights for 2001-2003 have not been restated, except for a change in functional currency. Please see the statement of accounting policies, page 35.

A.P. Moller - Maersk Group

Financial Highlights

Amounts in DKK million

	2005	2004	2003	2002	2001
Revenue	208,702	159,544	157,884	152,281	149,925
Profit before depreciation, amortisation and impairment losses, etc.	49,971	40,567	39,627	35,690	32,731
Depreciation, amortisation and impairment losses	17,755	12,758	16,833	16,959	16,900
Gains on sale of ships, rigs, etc.	1,676	1,482	655	723	1,394
Associated companies – share of result	3,037	361	403	289	78
Profit before integration costs	36,929	29,652	23,852	19,743	17,303
Integration costs on acquisitions	1,783	-	-	-	
Profit before financial items	35,146	29,652	23,852	19,743	17,303
Financial items, net	- 2,121	745	1,507	- 688	- 2,645
Value adjustment of financial assets	-	5,013	4,581	- 72	- 1,217
Profit before tax	33,025	35,410	29,940	18,983	13,441
Income tax expense	13,223	9,180	9,065	8,189	6,909
Profit for the year – continued operations	19,802	26,230	20,875	10,794	6,532
Net result – discontinued operations	404	2,026	-	-	-
Profit for the year	20,206	28,256	20,875	10,794	6,532
Of which attributable to A.P. Møller - Mærsk A/S	20,090	28,149	20,756	10,702	6,572
Profit for the year excluding integration costs, special items, discontinued operations and in 2005 net effect of acquired business	24,293	21,217	16,294	10,886	7,749
Total assets	284,846	181,673	163,782	171,249	178,577
Equity, A.P. Møller – Mærsk A/S's share	123,406	102,216	83,125	78,619	75,857
Cash flow from operating activities	33,329	29,207	26,299	24,820	26,635
Cash flow used for investing activities	61,760	18,388	16,603	18,133	20,236
Investment in property, plant and equipment	28,841	22,635	15,605	16,425	17,124
Return on equity	17.8%	30.4%	25.7%	13.9%	9.6%
Equity ratio	43.3%	56.3%	50.8%	45.9%	42.5%
Earnings per share, DKK	4,883	6,841	5,044	2,601	1,615
Cash flow from operating activities per share, DKK	8,100	7,098	6,392	6,032	6,544
Share price (B-share), end year, DKK	65,200	45,268	42,403	23,835	25,055
Total market capitalisation, end year	263,879	185,369	170,106	95,228	97,400
Dividend per share, DKK	550	450	300	200	150

As from 1 January 2005, the accounting policies have been changed in accordance with the International Financial Reporting Standards (IFRS). Comparative figures for 2004 have been restated. Financial highlights for 2001-2003 have not been restated, except for a change in functional currency. Please see the statement of accounting policies, page 35.



A.P. Moller - Maersk Group

Financial Report

Amounts in DKK million (In parenthesis the corresponding figures for 2004)

Income Statement

The A.P. Møller - Mærsk Group's result for the year was DKK 20,206 million (DKK 28,256 million)

The income statement includes the result of discontinuing operations of DKK 404 million and negative effect of companies acquired in 2005 as well as integration costs of DKK 4,491 million. Adjusted for these items, the net result was DKK 24,293 million, compared with the expectation stated in the interim report of a result in the order of DKK 23 billion. For 2004, the result after tax, but before value adjustment of financial assets, was DKK 21.3 billion.

Acquisition of Companies

In 2005, the A.P. Moller - Maersk Group acquired the following companies (The amounts exclude liquid funds acquired):

Royal P&O Nedlloyd N.V.
- all shares DKK 14,130 million

Oil and gas interests in the UK sector of the North Sea, purchased from Kerr-McGee Corporation DKK 17,648 million

Other companies
DKK 1,353 million
Total DKK 33,131 million

The acquisition balance sheet and accounting effect of the companies acquired are disclosed in note 22.

Depreciation, Amortisation and impairment losses, etc.

Depreciation, amortisation and impairment losses amount to DKK 17,755 million – a consid-

erable increase compared with 2004 (DKK 12,758 million).

The increase relates mainly to the acquired companies, where values are depreciated or amortised from the date of acquisition in accordance with the A.P. Moller - Maersk Group's accounting policies.

For the assets acquired by the purchase of Royal P&O Nedlloyd N.V., depreciation and amortisation during the period from 11 August to 31 December 2005 amount to DKK 2,456 million – relating primarily to vessels and containers as well as the recognised value of time charter agreements.

For the assets acquired from Kerr-McGee, depreciation and amortisation for the period from 17 November to 31 December 2005 amount to DKK 282 million, relating mainly to production facilities and concession rights.

Since the acquisition and in the light of recent developments, a review of the acquired interests has shown that lower net income than expected appears probable.

The calculations performed show that a write-down of USD 500 million/DKK 3,160 million is justified. This is recognised under depreciation and write-downs for 2005.

The write-down implies a reduction of deferred tax of USD 200 million/DKK 1,260 million, and the resulting effect of the write-down in 2005 is thus USD 300 million/DKK 1,900 million.

For the Oil and Gas Activities, depreciation and amortisation are otherwise lower than in 2004, primarily as a result of a number of fields having been fully depreciated in 2004, and reevaluation of the depreciation period for other fields.

Taxes

The companies in the A.P. Moller - Maersk Group are taxable under different systems dependent on residence and activity. For some of the Group's activities, special tax rules apply. As a general rule, the shipping activities are subject to a tonnage-based or similar tax system, under which the computation of the taxable income includes an amount calculated on the basis of the fleet's tonnage. Furthermore, freight tax is paid in certain countries, calculated on the basis of the gross freight income in these countries.

In most countries, the Oil and Gas Activities are subject to a special hydrocarbon tax, which is often considerably higher than the normal corporation tax. Furthermore, the Danish Government receives 20% of the result before tax from the Danish sector of the North Sea. This is treated as tax in the financial statements. In other countries, the government receives a share of the oil production. These government shares are not included in the revenue.

In Great Britain, the Government has notified an increase in taxation of oil recovery from 40% to 50%. If this is adopted in 2006, the result will be affected by an increase in the deferred tax by

A.P. Moller - Maersk Group

Financial Report

Amounts in DKK million (In parenthesis the corresponding figures for 2004)

approximately USD 400 million. The Group has substantial not recognised tax assets ref. note 10

In 2005, the total tax charge of the A.P. Moller - Maersk Group was DKK 13,223 million (DKK 9,180 million). The total effective tax rate was approximately 40% against approximately 31% in 2004 (measured on result before special items). The increase in the tax rate is primarily due to considerably higher taxes on the oil and gas activity. In addition to that, there was a positive effect in 2004 from the deferred tax being reduced in connection with merger with leasing companies previously owned by the Dansk Supermarked Group.

Currency

The financial statements are presented in DKK (reporting currency). For most primary activities within shipping and energy, USD is the functional currency, meaning that the book value of the fixed assets, and thus the depreciation and amortisation, is maintained in USD. For other activities, including land-based container activities and terminal activities, the functional currency is usually the local currency of the activities in question. For the segments where the functional currency is mainly USD, segment figures are stated in both DKK and USD. The comments on these segments relate to the USD figures. For other segments, figures are stated in DKK alone. Based on revenues, approximately 75% of the A.P. Moller - Maersk Group's activities have USD as the functional currency.

Balance Sheet

As at 31 December 2005 total assets amount to DKK 284,846 million (DKK 181,673 million).

The items on the balance sheet are very much affected by the acquisition of P&O Nedlloyd and the oil interests in the UK sector of the North Sea in 2005.

In 2005, intangible fixed assets of DKK 27,799 million increased by DKK 26,704 million. Of this addition, DKK 23,579 million relates to purchase of oil interests from Kerr-McGee, consisting primarily of the value of concession rights, and DKK 6,840 million relates to the acquisition of P&O Nedlloyd, primarily the value of rights according to time charter agreements and new-building contracts.

Depreciation and write-downs of DKK 4,139 million have been deducted

Tangible fixed assets of DKK 149,458 million increased by DKK 66,065 million in 2005.

Of this addition, DKK 30,272 million relates to the acquisition of P&O Nedlloyd, primarily vessels, containers, etc., and DKK 8,930 million relates to the purchase of oil interests from Kerr-McGee, primarily production facilities, FPSOs, etc. The remaining addition amounts to DKK 30,394 million. Positive exchange rate adjustments of DKK 13,754 million are included, and depreciation and write-downs of DKK 13,807 million have been deducted.

Shares in associated companies of DKK 21,779 million increased by DKK 16,333 million in 2005, and other investments have been reduced by DKK 18,579 million. These movements are due primarily to the reclassification of shares in Danske Bank, which is an associated company as from 1 January 2005.

Total liquid funds, consisting of marketable securities and liquid funds, amounted to DKK 35,106 million (DKK 39,408 million) at 31 December 2005.

Total interest-bearing debt at 31 December 2005 was DKK 91,571 million compared with DKK 41,624 million in 2004.

Deferred tax amounted to DKK 10,945 million (DKK 1,162 million) at 31 December 2005. A considerable part of the increase is due to the purchase of oil interests in the UK.

The equity was DKK 124,083 million (DKK 102,706 million). The increase includes the profit for the year of DKK 20,206 million, exchange rate adjustment of DKK 11,499 million, and is reduced by value adjustment of shares in Danske Bank in connection with the reclassification as an associated company of DKK 6,942 million and dividend of DKK 1,852 million.

Cash Flow

Cash flow from operating activities amounted to DKK 33,329 million (DKK 29,207 million). Partially due to growth, particularly in the container business, there has been an increased tie-

A.P. Moller - Maersk Group

Financial Report

Amounts in DKK million (In parenthesis the corresponding figures for 2004)

up of money in working capital (inventories and debtors).

Cash flow used for investing activities amounted to DKK 53,619 million (DKK 26,459 million). Due to the adoption of IFRS, movements in marketable securities are now included in investments. Exclusive of these movements, cash flow used for investing activities amounts to DKK 61,760 million (DKK 18,388 million).

Net borrowing amounted to DKK 24,637 million (DKK 1,687 million).

Liquid funds amounted to DKK 20,200 million (DKK 16,778 million).

Legal Disputes

In 2005 and in February 2006, respectively, a settlement was made with Hyundai Heavy Industries Co. Ltd. in two arbitration cases related to the building of accommodation and production platforms, etc. for the Al Shaheen Field in Qatar and the building of two ultra harsh environment jack-up rigs, where Hyundai Heavy Industries Co. Ltd. had raised significant claims for payment for alleged extra work. The settlements have not had any negative accounting effect for the A.P. Moller - Maersk Group.

The A.P. Moller - Maersk Group is involved in a number of legal disputes. None of these are estimated to have any appreciable effect on the accounts.

Pensions, etc.

As an employer, the A.P. Moller

- Maersk Group participates in pension plans according to the usual practice in the countries in which the A.P. Moller - Maersk Group operates.

As a main rule, pension plans in the A.P. Moller - Maersk Group are contribution based plans where contributions on an accrual basis are charged to the income statement.

In a number of countries/companies there are defined benefit plans, where retirement benefits are based on service period and salary level. In certain countries these defined benefit plans also include payment for medical expenses, etc.

The actuarial liability in relation to these defined benefit plans amounted to DKK 3,554 million at 31 December 2005. Compared with 2004 (DKK 997 million), this is a considerable increase which relates primarily to acquired companies.

Pension and medical plans which – as part of collective agreements – have been entered into together with other entities (the so-called multi-employer plans), are treated as other pension plans. Such plans of the defined benefit type are treated as contribution plans, when sufficient information for calculating the individual company's share of the obligation is not available.

The Group's contribution to such plans is significant, and underfunding in some schemes may result in increased contributions in the future – ref. note 14.

Leasing Agreements

As part of the Group's normal

activities leasing agreements are concluded, especially with regard to

- chartering of vessels
- hire of containers and other equipment
- lease of land areas for container terminals, etc.
- lease of buildings, premises and other equipment

Assets under finance leasing agreements are included in the financial statements in the same way as owned assets.

Assets under operational leasing agreements are not included in the Group's balance sheet, but are included in the income statement with the expenses that relate to the year. Such operational leasing agreements run over periods from a few months to seven years for vessels and containers and up to 30 years for land and buildings.

Information about operational leasing agreements appears in note 17.

Related Parties

The A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, Copenhagen has the controlling interest.

Related parties also include the companies in which the A.P. Moller - Maersk Group has significant influence.

Related parties also comprise the managing owner, members of the Board of Directors and close family members, as well as

A.P. Moller - Maersk Group

Financial Report

Amounts in DKK million (In parenthesis the corresponding figures for 2004)

companies significant influenced by them. Trading and inter-company balances relate to ship chartering and brokering and are conducted at arm's length.

Information on transactions with related parties appears in note 21.

Risks

The shipping activities are very sensitive to economic fluctuations. Freight rates and cargo volumes are sensitive to developments in international trade and the supply of tonnage.

Income from shipping business and oil activities is mainly denominated in USD, and the expenses are in a wide range of currencies, including USD and USD-related currencies, DKK, EUR, JPY, GBP, etc. To limit currency exposure, shipping activities are financed primarily by loans in USD, and forward purchase of the various currencies is made for partial hedging of the net cash flow for the coming 12-18 month period.

The earnings of the Oil and Gas Activities are sensitive to development in crude oil prices. However, the earnings of the shipping activities are sensitive to bunker oil price fluctuations. The price development of crude oil and bunker oil is not always parallel. The overall financial impact of an oil price increase will often be negative for the A.P. Moller - Maersk Group, taking taxes and government shares in the oil activities into consideration. The Group coordinates monitoring of the total oil price risk by com-

bining sale and purchase of oil and hedging in one organisation: Group Oil Trading. To limit the oil price risk various instruments are used such as forward purchase and sale as well as options. Reference is made to note 18 on financial instruments.

Furthermore, earnings in the Oil and Gas Activity are very sensitive to changes in taxation.

The A.P. Moller - Maersk Group has no particular concentration of customers or suppliers and is not especially dependent on specific customers or suppliers and has no particular credit risks.

Share based Incentive Schemes

The A.P. Moller - Maersk Group does not use share based incentive schemes as part of management remuneration.

Accounting Treatment of Shares in Dansk Bank

With effect from 1 January 2005, Danske Bank is an associated company.

Consequently, in 2005 the book value of the shares in Danske Bank has been written down from market value to the share of the equity value, including goodwill on acquisitions. This write-down amounts to DKK 6,942 million, which has been taken directly to equity.

The share of the result in Danske Bank is included in the income statement for the A.P. Moller - Maersk Group in 2005 with DKK 2,570 million, corresponding to 20% of the net result.

Accounts for the Parent Company

In the accounts for the parent company, assets in subsidiaries and associated companies are valued at cost price, ref. note 6, page 78.

The result for the year is DKK 19,333 million (DKK 22,886 million). In comparative figures for 2004 a positive value adjustment of shares of DKK 4,895 million – primarily in Danske Bank – is included. Before this value adjustment the comparative result for 2004 was DKK 17,991 million.

Total assets at 31 December 2005 amount to DKK 160,685 million (DKK 121,740 million), and equity to DKK 81,616 million (DKK 68,155 million).

Annual General Meeting and Dividend

The Company's Annual General Meeting will be held in Copenhagen on Thursday, 20 April 2006 at 10.30 a.m.

The Board of Directors proposes a dividend to the shareholders of DKK 550 per share of DKK 1,000 – a total of DKK 2,418 million (DKK 450 per share of DKK 1,000 – a total of DKK 1,978 million).

Interim Report

The interim report for the first half of 2006 is expected to be published on 29 August 2006. Quarterly reports are not prepared, as it is not considered meaningful for the Group to publish figures relating to such a short period.

A.P. Møller - Maersk Group

Directors' statement

The annual report for 2005 of A.P. Møller - Mærsk A/S has been prepared in accordance with the provisions of the international Financial Reporting Standards (IFRS) as endorsed by the EU and further Danish requirements for listed on the Copenhagen Stock Exchange companies and in our opinion gives a true and fair view of the Group's and the Company's assets and liabilities, financial position at 31 December 2005 and of the results of the Group's and the Company's operations and cash flow.

Copenhagen, 29 March 2006

Managing Owner:

A.P. Møller

Boards of Directors:

Michael Pram Rasmussen
Chairman

Ane Mærsk Mc-Kinney Uggla
Vice-chairman

Poul J. Svanholm
Vice-chairman

Nils Smedegaard Andersen

Lars Kann-Rasmussen

Jan Leschly

Leise Mærsk Mc-Kinney Møller

Svend-Aage Nielsen

Jess Søderberg

Jan Tøpholm

Jens Erik Skovrider-Madsen

Henrik Lorensen Solmer

A.P. Møller - Maersk Group

Auditors' report

To the share holders of A.P. Møller - Mærsk A/S

We have audited the annual report of A.P. Møller - Mærsk A/S prepared by the Board of Directors and Managing Owner for the financial year 1 January – 31 December 2005 with the aim of expressing an opinion on the annual report based on our audit. The annual report has been prepared with the provisions of the International Financial Reporting Standards (IFRS) as endorsed by the EU and further Danish requirements for companies listed on the Copenhagen Stock Exchange.

Basis of opinion

We have conducted our audit in accordance with the Danish Auditing Standards and International Standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and Managing Owner as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Company's financial position at 31 December 2005 and the results of the Group's and the Company's activities and the Group's cash flow for the financial year 1 January – 31 December 2005 in accordance with the International Financial Reporting Standards as endorsed by the EU and the special Danish requirements set out in the Danish statutory order on IFRS implementation and the Copenhagen Stock Exchange financial reporting requirements for listed companies.

Copenhagen, 29 March 2006

Søren Thorup Sørensen
State Authorised Public Accountant

KPMG C. Jespersen
Statsautoriseret Revisionsinteressentskab

Gert Fisker Tomczyk
State Authorised Public Accountant

Grothen & Perregaard
Statsautoriseret Revisionsaktieselskab

A.P. Moller - Maersk Group

Accounting Policies

The annual report for 2005 of the A.P. Moller - Maersk Group has been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and further Danish requirements for companies listed on The Copenhagen Stock Exchange.

The annual report furthermore complies with IFRS as adopted by The International Accounting Standards Board (IASB).

The A.P. Moller - Maersk Group adopted IFRS as from 1 January 2005. The accounting policies set out below have been consistently applied for 2004 and 2005 in accordance with IFRS 1 – First-time adoption of IFRS. IAS 39 on recognition and measurement of financial instruments has in accordance with IFRS 1 only been applied effective from 1 January 2005.

Comparative figures for 2001-2003 shown in the financial highlights have not been restated for the changes to the accounting policies, except for a change in the functional currency for certain shipping and oil and gas activities.

In addition to the changes in the accounting policies which are described in note 24, certain adjustments have been made to financial statement formats. Comparative figures have been restated accordingly.

Consolidation

The consolidated financial statements comprise the entities controlled by A.P. Møller - Mærsk A/S.

Intra-group income and expenses, shareholdings, intra-group balances and dividends, and gains and losses on intra-group transactions are eliminated.

On acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they arise from a contractual right or otherwise can be separated and their fair value can be measured reliably. The excess of cost over the fair value of acquired identifiable net assets is recognised as goodwill under intangible assets. Goodwill is not amortised.

Entities jointly controlled with one or more other enterprises are recognised pro rata using the proportionate consolidation method. Elimination of intra-group transactions is done proportionally. Financial statement items related to partly owned vessels are recognised pro rata.

Associates are those entities in which the Group has significant but not a controlling influence over the financial and operating policies.

Investments in associates are recognised in the balance sheet at the Group's share of the equity value inclusive of any goodwill on acquisition.

In the income statement the Group's share of the net result in the associates is included, adjusted for the share of unrealised intra-group profit and losses.

Foreign currency translation

The presentation currency for the Group is DKK. The functional currency varies from business to business depending on its nature. For the Group's principal shipping activities and the oil and gas activities, the functional currency is USD. For the other activities, including the land-based container activities, the functional currency is generally the local currencies in the countries where the activities are performed.

Transactions in other currencies than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate at the balance sheet date.

Foreign exchange gains and losses are included in the income statement as financial income or expense.

In the translation to the presentation currency for enterprises with a different functional currency than DKK, income statement items are translated into DKK at average rates approximating the exchange rate at the dates of the transaction and balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising from that translation are recognised directly in equity.

Derivative financial instruments are measured at fair value and are included in other receivables (positive fair value) or other payables (negative fair value).

A.P. Moller - Maersk Group

Accounting Policies

For listed instruments, the quoted market price is used to determine fair value. For other instruments, fair values are determined based on available market data and accepted pricing methods.

The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised assets and liabilities is recognised in the income statement together with the changes in the value of the hedged assets or liabilities.

The effective portion of changes in the value of derivative financial instruments used to hedge forecast transactions is recognised directly in equity until the hedged transactions are realised. At that time the value changes are recognised together with the hedged transactions.

The ineffective portion of hedge transactions and changes in the fair values of derivative financial instruments not qualifying for hedge accounting are recognised in the income statement as financial income or expense.

Income statement

Revenue comprises invoiced sales. Uncompleted voyages in the shipping activities are recognised at the share related to the financial year. The earnings of vessels that are part of pool arrangements are recognised in revenue based on time charter equivalents.

Revenue regarding the oil and gas activities is calculated as the Group's share of the value of the oil and gas production in the ventures in which the Group participates.

Integration costs

Major expenses in connection with the integration of newly acquired businesses are shown separately in the income statement and comprise direct, identifiable costs such as:

- Redundancy payments to staff that is laid off.
- Costs in connection with 3rd party agents that are being terminated.
- Costs in connection with termination of lease arrangements, etc.

The costs are recognised as incurred or when a legal or constructive obligation exists.

Tax on the profit for the year comprises the amount estimated to be paid for the year, as well as the change in deferred tax. The tax amount includes the special taxes relating to extraction and production of hydrocarbons, as well as profit share to the Danish Government.

Government grants are deducted from the cost of the assets to which the grant relates.

Balance sheet

Intangible assets are measured at cost less accumulated amortisation, which is provided on a straight-line basis over the estimated useful lives of the assets, normally 5-10 years.

Goodwill and other intangible assets with indefinite economic lives are not amortised, but impairment tests are made annually.

Intangible assets (concession rights etc.) in connection with acquired oil fields are depreciated over the expected production period up to 10 years for the fields. For non-producing fields the depreciation period is up to 5 years.

Impairment write-downs are made when the carrying amount of an asset or a cash generating unit exceeds the higher of the estimated value in use and the fair value less costs of disposal.

Property, plant and equipment are valued at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the useful lives, for new assets estimated as follows:

Vessels and rigs, etc.	15-20 years
Containers, etc.	8-12 years
Aircrafts	15-20 years
Buildings	10-50 years
Terminal infrastructure – over lease or concession period	max. 20-25 years
Plant and machinery, cranes and other terminal equipment	5-15 years
Other equipment, etc.	5-7 years
Oil and gas production facilities, etc. – based on the expected production periods of the fields up	to 15 years

The depreciation periods and residual values are reassessed annually.

Impairment write-downs are made when the carrying amount of an asset exceeds the higher of its estimated value in use and fair value less costs of disposal.

A.P. Moller - Maersk Group

Accounting Policies

The cost of assets produced by the Group includes direct and indirect expenses but excludes finance costs.

Estimated costs of abandonment, dismantlement, removal and restoration are included in the cost of the assets.

Assets held under finance leases are treated as other property, plant and equipment.

Dry-docking costs are recognised under vessels and rigs, etc. when incurred and allocated over the period until the next dry-docking.

Other equity investments are recognised at cost on acquisition and are subsequently measured at the quoted market price for listed securities and at estimated fair value for other equity investments. Unrealised value adjustments are recognised directly in equity. When realised, the value adjustments are transferred to the income statement as financial income or expense.

Inventories are measured at cost according to the FIFO method. Write-down is made to any lower net realisable value. The cost of finished goods and work in progress includes direct and indirect production costs.

Receivables are recognised at nominal value. Write-down is made for anticipated losses.

Marketable securities, comprising shares and bonds held for trading, are measured at the quoted market price for listed securities and at estimated fair value for other securities. Value

adjustments are recognised in the income statement as financial income or expense.

Equity. Dividend for distribution is recognised as a separate component of equity. Treasury shares are deducted directly in equity. The reserve for exchange differences comprises differences arising on the translation of entities with functional currencies other than DKK. In the event of disposal or winding up of an enterprise, any exchange adjustment relating to that enterprise is transferred to the income statement.

Provisions are recognised when the Group has a present legal or constructive obligation and include provisions for abandonment of oil fields, restructuring costs and onerous contracts, including vessel purchase agreements, etc. Provisions are recognised based on specific estimates.

Pension obligations are recognised based on an actuarial calculation. The pension cost charged to the income statement consists of current service cost, interest cost, expected return on plan assets and past service cost. Actuarial gains and losses are recognised directly in equity. Costs regarding defined contribution plans are expensed as incurred.

Industry-wide pension plans, where the Group participate together with other enterprises – so called multi-employer plans – are treated as other pension plans. For defined benefit multi-employer plans where sufficient information is not available to use defined benefit accounting,

the plans are treated as defined contribution plans.

Deferred tax is calculated on differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not provided on goodwill not deductible for tax purposes and differences relating to investments in subsidiaries and associates to the extent that they will probably not reverse in the foreseeable future. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Financial liabilities are initially measured at the proceeds received. Any premium or discount is amortised over the term of the liabilities. Capitalised liabilities in respect of finance leases are included as liabilities in the balance sheet.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year, divided into cash flows from operating activities, cash flows for investing activities and cash flows from financing activities. Cash and cash equivalents comprise cash and bank deposits. Movements in the marketable securities are included in cash flow used for investing activities.

Segment information

The Group comprises the following business segments:

- Container shipping and related activities
- Tankers, offshore and other shipping activities

A.P. Moller - Maersk Group

Accounting Policies

- Oil and gas activities
- Retail
- Other activities - shipyards, other industrial activities, aviation, interest in Danske Bank, etc.

Segment results, assets and liabilities comprise items directly attributed or reasonably allocated to segments. For companies that are included in more than one segment, interest and interest-bearing debt are allocated according to the carrying amount of the segment assets. Unallocated items comprise expenses, adjustment of provisions, write-downs and financial income and expense that are not allocated to business segments.

In terms of geographic segments, revenue is allocated to four regions; Europe, North and South America, Asia and other regions. For the shipping activities, revenue is allocated based on destination. Assets and related capital expenditure are allocated to geographical segments based on legal ownership.

Discontinued operations and non-current assets held for sale

Discontinued operations comprise entities disposed of or classified as held for sale. Assets and liabilities held for sale are measured at the lower of fair value less costs of disposal and carrying amount. The assets held for sale are not depreciated.

The results of discontinued operations are presented separately in the income statement. Similarly, assets and related liabilities are presented as separate items

in the balance sheet and the cash flows from discontinued operations are presented separately in the cash flow statement.

Accounting estimates

The measurement of certain assets and liabilities is based on estimates of uncertain future events. Such estimates are made in connection with the computation of depreciation, amortisation and impairment, accruals, provisions and employee benefit obligations.

Key figures

Return on equity is the profit for the year divided by the average equity.

Equity ratio is the equity divided by total equity and liabilities.

Earnings per share and cash flow from operating activities per share are A.P. Møller - Mærsk A/S' share of the profit for the year respectively the cash flow from operating activities divided by the number of shares (of DKK 1,000 each). Deduction is made for the Group's holding of treasury shares, see note 14 to the consolidated financial statements. There is no dilution effect as there are no convertible instruments, no share option programme and no share issue programme.

Dividend per share is the proposed dividend for the year per share of DKK 1,000 each.

Total market capitalisation is the total number of shares excluding the Groups holding of treasury shares multiplied by the quoted

end-of-year price at the Copenhagen Stock Exchange.

A.P. Moller - Maersk Group

Income Statement for 2005

All amounts in DKK million

Note	<u>2005</u>	<u>2004</u>
1 Revenue	208,702	159,544
Other operating income	1,204	1,194
2 External costs	135,898	100,103
3 Staff costs	<u>24,037</u>	<u>20,068</u>
Profit before depreciation, amortisation and impairment losses, etc.	49,971	40,567
7,8 Depreciation, amortisation and impairment losses	17,755	12,758
Gains on sale of ships, rigs, etc.	1,676	1,482
Associated companies - share of results	<u>3,037</u>	<u>361</u>
Profit before integration costs	36,929	29,652
Integration costs on acquisitions	<u>1,783</u>	<u>-</u>
Profit before financial items	35,146	29,652
4 Financial income	1,732	2,842
4 Financial expenses	3,853	2,097
Value adjustment of financial assets	<u>-</u>	<u>5,013</u>
Profit before tax	33,025	35,410
5 Income tax expense	<u>13,223</u>	<u>9,180</u>
Profit for the year – continued operations	<u>19,802</u>	<u>26,230</u>
6 Net result – discontinued operations	<u>404</u>	<u>2,026</u>
Profit for the year	<u>20,206</u>	<u>28,256</u>
Of which:		
Minority interests	<u>116</u>	<u>107</u>
A.P. Møller - Mærsk A/S's share of the profit for the year	<u>20,090</u>	<u>28,149</u>
13 Earnings per share, DKK	<u>4,883</u>	<u>6,841</u>

A.P. Moller - Maersk Group

Balance sheet at 31 December 2005

All amounts in DKK million

<i>Note</i>	<u>2005</u>	<u>2004</u>	
<i>Assets:</i>			
7	Intangible assets	27,799	1,095
	Ships, rigs, containers, aircrafts, etc.	96,229	53,283
	Production plant and equipment, etc.	22,378	12,928
	Land and buildings	9,058	6,652
	Construction work in progress and payment on account for property, plant and equipment	<u>21,793</u>	<u>10,530</u>
8	Total property, plant and equipment	149,458	83,393
9	Investment in associated companies	21,779	5,446
18	Other investments	1,310	19,889
	Long-term receivables	<u>1,673</u>	<u>1,500</u>
	Total investments	24,762	26,835
10	Deferred tax asset	1,309	927
	Total non-current assets	203,328	112,250
11	Stocks and inventories	6,152	4,126
	Trade receivables	23,551	16,613
	Tax receivable	334	515
	Other receivables	8,498	7,252
	Prepayments	<u>2,589</u>	<u>1,509</u>
	Short-term receivables	34,972	25,889
18	Securities	14,906	22,630
18	Cash and cash equivalents	20,200	16,778
6	Assets held for sale	<u>5,288</u>	<u>-</u>
	Total current assets	81,518	69,423
	TOTAL ASSETS	284,846	181,673

A.P. Møller - Maersk Group

Balance sheet at 31 December 2005

All amounts in DKK million

Note		<u>2005</u>	<u>2004</u>
	<i>Equity and liabilities:</i>		
12	Share capital	4,396	4,396
	Other reserves	116,592	95,842
	Dividend for distribution	<u>2,418</u>	<u>1,978</u>
	Equity attributable to A.P. Møller - Mærsk A/S	123,406	102,216
	Minority interests	<u>677</u>	<u>490</u>
	Total equity	<u>124,083</u>	<u>102,706</u>
14	Employee benefits	3,508	927
15	Provisions	8,360	4,416
10	Deferred tax liability	10,945	1,162
16,18	Bank and other credit institutions, etc.	<u>77,370</u>	<u>27,494</u>
	Total non-current liabilities	<u>100,183</u>	<u>33,999</u>
14	Employee benefits	46	70
15	Provisions	1,953	654
16,18	Bank and other credit institutions, etc.	14,201	14,130
	Trade payables	27,161	19,935
	Corporation tax	2,993	1,744
	Other payables	9,363	6,869
	Deferred income	2,188	1,566
6	Liabilities associated with assets held for sale	<u>2,675</u>	<u>-</u>
	Total current liabilities	<u>60,580</u>	<u>44,968</u>
	Total liabilities	<u>160,763</u>	<u>78,967</u>
	TOTAL EQUITY AND LIABILITIES	<u>284,846</u>	<u>181,673</u>
17	Other financial obligations and mortgages		
18	Financial instruments		
20	Jointly controlled companies		
21	Related parties		
24	Change to IFRS		

A.P. Moller - Maersk Group

Cash Flow Statement for 2005

All amounts in DKK million

<i>Note</i>	2005	2004
Profit before financial items	35,146	29,652
7,8 Depreciation, amortisation and impairment losses	17,755	12,758
Other non-cash adjustment	2,411	301
Gains on sale of ships, rigs, etc.	- 1,676	- 1,482
Associated companies – share of result	- 3,037	- 361
19 Change in working capital	- 3,806	- 313
Financial income	3,734	1,955
Financial expenses	- 3,086	- 2,626
Taxes paid	- 14,362	- 10,541
Discontinued operations	250	- 136
Cash flow from operating activities	<u>33,329</u>	<u>29,207</u>
Purchase of fixed assets	- 29,361	- 22,451
Disposal of fixed assets	3,327	3,243
22,23 Acquisition of subsidiaries and activities	- 33,131	- 404
23 Disposal of subsidiaries and activities	- 51	3,379
Other investments, net	- 113	- 1,095
Acquisition/disposal of investment in associated companies, etc., net	- 2,583	- 1,007
Discontinued operations	152	- 53
Cash flow used for investing activities before movements in marketable securities	- 61,760	- 18,388
Purchase of marketable securities	- 19,206	- 23,108
Sale of marketable securities	27,347	15,037
Cash flow used for investing activities	- 53,619	- 26,459
Repayment of loans	- 10,849	- 10,306
Proceeds from loans, etc.	35,486	11,993
Dividend distributed	- 1,852	- 1,235
Dividend distributed to minority interests	- 81	- 162
Other	67	38
Discontinued operations	- 521	- 623
Cash flow from financing activities	<u>22,250</u>	<u>- 295</u>
Net cash flow for the year	1,960	2,453
Cash and cash equivalents at 1 January	16,778	15,548
Exchange rate adjustment, etc.	1,948	- 1,223
Cash and cash equivalents at 31 December	20,686	16,778
Of which classified as discontinued operations	- 486	-
18 Cash and cash equivalents at 31 December	<u>20,200</u>	<u>16,778</u>

A.P. Moller - Maersk Group

Equity Statement for 2005

All amounts in DKK million

	Share capital	Translation reserves	Retained earnings	Dividend for distribution	Total	Minority interests	Total equity
Equity at 31 December 2003	4,396	-	86,473	1,319	92,188	532	92,720
Effect of changed accounting policies	-	-	- 8,547	-	- 8,547	-	- 8,547
Equity 1 January 2004	4,396	-	77,926	1,319	83,641	532	84,173
Change in fair value of hedge contracts before tax	-	-	235	-	235	-	235
Exchange rate adjustment regarding translating from functional currency to reporting currency	-	- 8,667	-	-	- 8,667	13	- 8,654
Gains/losses on defined benefit plans	-	-	- 56	-	- 56	-	- 56
Tax on items taken directly to equity	-	-	149	-	149	-	149
Net gain/loss recognised directly in equity	-	- 8,667	328	-	- 8,339	13	- 8,326
Profit for the year	-	-	26,171	1,978	28,149	107	28,256
Total recognised gains/losses	-	- 8,667	26,499	1,978	19,810	120	19,930
Dividends to shareholders	-	-	84	- 1,319	- 1,235	- 162	- 1,397
Equity at 31 December 2004	4,396	- 8,667	104,509	1,978	102,216	490	102,706
Effect of Danske Bank, changed to associated company	-	-	- 6,942	-	- 6,492	-	- 6,492
<i>Available for sale investments:</i>							
Value adjustment taken to equity	-	-	262	-	262	-	262
<i>Cash flow hedges:</i>							
Value adjustment taken to equity	-	-	- 2,188	-	- 2,188	-	- 2,188
Transferred to profit and loss for the period	-	-	- 323	-	- 323	-	- 323
Transferred to carrying amount of non-monetary items	-	-	393	-	393	-	393
Exchange rate adjustment regarding translating from functional currency to reporting currency	-	11,487	-	-	11,487	12	11,499
Gains/losses on defined benefit plans	-	-	10	-	10	-	10
Effect of change to defined benefit plans	-	-	- 116	-	- 116	-	- 116
Tax on items taken directly to equity	-	-	369	-	369	-	369
Net gain/loss recognised directly in equity	-	11,487	- 8,535	-	2,952	12	2,964
Profit for the year	-	-	17,672	2,418	20,090	116	20,206
Total recognised gains and losses	-	11,487	9,137	2,418	23,042	128	23,170
Dividends to shareholders	-	-	126	- 1,978	- 1,852	- 81	- 1,933
Capital injections	-	-	-	-	-	140	140
Equity at 31 December 2005	4,396	2,820	113,772	2,418	123,406	677	124,083

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million

1 Segment information

	Container shipping and related activities		Tank, offshore and other shipping		Oil and gas activities	
	2005	2004	2005	2004	2005	2004
External revenue	128,833	95,052	18,374	15,776	27,433	20,166
Inter-segment revenue	91	98	182	47	-	-
Total revenue	128,924	95,150	18,556	15,823	27,433	20,166
Profit before depreciation, amortisation and impairment losses, etc.	20,483	16,899	5,980	5,320	23,641	17,632
Depreciation and amortisation	8,949	6,537	2,707	2,517	2,171	2,462
Impairment losses	157	63	8	55	3,160	257
Reversal of impairment losses	103	-	88	-	-	-
Gains on sale of ships, rigs, etc.	468	427	1,170	1,045	-	-
Associated companies – share of result	110	-95	9	66	-	-
Profit before integrations costs	12,058	10,631	4,532	3,859	18,310	14,913
Integration costs on acquisitions	1,783	-	-	-	-	-
Profit before financial items	10,275	10,631	4,532	3,859	18,310	14,913
Financial items, net	-1,146	-526	-535	-438	211	-353
Value adjustments of financial assets	-	-	-	-	-	-
Profit before tax	9,129	10,105	3,997	3,421	18,521	14,560
Income tax expense	1,474	996	149	199	11,533	7,761
Profit for the year – continued operations	7,655	9,109	3,848	3,222	6,988	6,799
Profit for the year – discontinued operations	-	-	-	-	-	-
Profit for the year	7,655	9,109	3,848	3,222	6,988	6,799
Segment assets	167,409	89,687	55,352	41,664	50,594	17,395
Investment in associated companies	2,001	1,869	23	255	-	-
Assets held for sale	-	-	-	-	-	-
Total assets	169,410	91,556	55,375	41,919	50,594	17,395
Segment liabilities	108,542	50,050	29,332	20,780	35,692	6,140
Liabilities associated with assets held for sale	-	-	-	-	-	-
Total liabilities	108,542	50,050	29,332	20,780	35,692	6,140
Cash flow from operation – continued operations	14,976	15,922	4,952	4,771	11,012	8,891
Cash flow from operation – discontinued operations	-	-	-	-	-	-
Cash flow from operation	14,976	15,922	4,952	4,771	11,012	8,891
Cash flow used for investing – continued operations	-34,130	-12,609	-6,856	-3,955	-19,378	-2,761
Cash flow used for investing – discontinued operations	-	-	-	-	-	-
Cash flow used for investing	-34,130	-12,609	-6,856	-3,955	-19,378	-2,761
Investment in fixed assets including additions from business combinations	56,651	8,471	9,459	8,489	32,472	2,718

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million

Retail		Shipyards, other industrial companies, interest in Danske Bank, etc.		Unallocated		Eliminations, etc.		Total	
2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
25,331	23,352	8,731	5,198	-	-	-	-	208,702	159,544
-	-	4,779	5,456	157	131	- 5,209	- 5,732	-	-
25,331	23,352	13,510	10,654	157	131	- 5,209	- 5,732	208,702	159,544
1,336	1,198	- 637	- 24	- 868	- 383	36	- 75	49,971	40,567
269	442	369	389	39	36	-	-	14,504	12,383
-	-	117	-	-	-	-	-	3,442	375
-	-	-	-	-	-	-	-	191	-
-	-	1	8	37	-	-	2	1,676	1,482
345	388	2,575	4	- 2	-	-	- 2	3,037	361
1,412	1,144	1,453	- 401	- 872	- 419	36	- 75	36,929	29,652
-	-	-	-	-	-	-	-	1,783	-
1,412	1,144	1,453	- 401	- 872	- 419	36	- 75	35,146	29,652
101	439	34	33	- 750	1,515	- 36	75	- 2,121	745
-	-	-	-	-	5,013	-	-	-	5,013
1,513	1,583	1,487	- 368	- 1,622	6,109	-	-	33,025	35,410
418	279	+ 208	+ 68	143	13	-	-	13,223	9,180
1,095	1,304	1,695	- 300	- 1,479	6,096	-	-	19,802	26,230
-	-	-	-	-	-	-	-	404	2,026
1,095	1,304	1,695	- 300	- 1,479	6,096	-	-	20,206	28,256
13,462	11,867	12,587	14,112	1,568	26,443	- 43,193	- 24,941	257,779	176,227
3,685	3,285	16,082	37	- 12	-	-	-	21,779	5,446
-	-	-	-	-	-	-	-	5,288	-
17,147	15,152	28,669	14,149	1,556	26,443	- 43,193	- 24,941	284,846	181,673
8,403	7,588	13,082	10,285	6,230	9,065	- 43,193	- 24,941	158,088	78,967
-	-	-	-	-	-	-	-	2,675	-
8,403	7,588	13,082	10,285	6,230	9,065	- 43,193	- 24,941	160,763	78,967
1,190	833	3,375	- 713	- 2,261	- 243	- 165	- 118	33,079	29,343
-	-	-	-	-	-	-	-	250	- 136
-	-	-	-	-	-	-	-	33,329	29,207
- 875	- 1,090	- 2,914	- 583	2,470	2,721	- 229	- 58	- 61,912	- 18,335
-	-	-	-	-	-	-	-	152	- 53
-	-	-	-	-	-	-	-	- 61,760	- 18,388
910	1,107	2,489	125	- 1,463	2,475	-	-	100,518	23,385

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 1 continued

Geographical segments

For the shipping activities, revenue is based on the destination split into four principal geographical regions, Europe, North and South America, Asia and other regions. The main assets of the Group are ships, drilling rigs and containers, the majority of which are registered in Denmark, the United States, the United Kingdom and Singapore. These type of assets and related capital expenditure are allocated to geographical segments based on legal ownership.

	External revenue		Segment assets		Investment in fixed assets including additions from business combinations	
	2005	2004	2005	2004	2005	2004
Europe	96,253	71,824	193,962	145,871	88,825	16,590
North and South America	49,247	38,734	22,371	10,765	4,403	3,402
Asia	22,869	17,737	27,339	10,745	5,376	1,120
Other regions	40,333	31,249	14,107	8,846	1,914	2,273
Total	208,702	159,544	257,779	176,227	100,518	23,385

The revenue for the Group comprise sale of goods including sale of oil and gas with DKK 59b (DKK 47b). Other net revenue is relates to services.

2 Eksternal costs

		2005	2004
Fees to the statutory auditors of A.P. Møller - Mærsk A/S			
G. Fisker Tomczyk:	Fee for auditing	12	11
	Fee for services other than auditing	11	16
S. Thorup Sørensen:	Fee for auditing	17	15
	Fee for services other than auditing	16	14

External costs include fees etc. to the managing owner, Firmaet A.P. Møller, and other fees to partners DKK 72m (DKK 67m).

The A.P. Moller - Maersk Group do not use share based incentive schemes.

Costs related to exploration for oil and gas is recognised in external costs with DKK 982m (DKK 728m).

3 Staff costs

	2005	2004
Directors' fees	14	11
Salaries and wages	21,035	17,475
Pension contribution	239	145
Pension contribution	1,316	1,195
Other social security costs	1,433	1,242
	24,037	20,068
Average number of employees excluding jointly controlled companies	67,498	57,578

If the acquisitions had occurred on 1 January 2005 the average number of employees excluding jointly controlled companies would have been approximately 76,000.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

4 Financial income and expenses	2005	2004
Interest income	1,153	1,172
Interest income from associated companies	79	94
Dividend income	307	901
Exchange rate adjustment	-	400
Fair value adjustment of securities	193	275
Financial income	1,732	2,842
Interest expenses	2,818	1,947
Interest expenses paid to associated companies	182	54
Exchange rate adjustment	775	-
Unwind of discount on provisions	78	96
Financial expenses	3,853	2,097
 5 Income tax expense		
Current year including hydrocarbon- and tonnage taxes	15,060	10,282
Deferred tax expense:		
Reversal of temporary differences	- 1,598	- 1,102
Effect of changed tax rate	13	-
Use of recognised tax loss	- 252	-
	- 1,837	- 1,102
Income tax expense recognised directly in income statement	13,223	9,180
Deferred tax recognised directly in equity	369	149
Reconciliation of effective tax rate:		
Profit before tax	33,025	35,410
Income subject to Danish and foreign tonnage taxation, etc.	- 6,377	- 6,869
Associated companies share of results	- 3,037	- 361
	23,611	28,180
Income tax using the corporation tax rate of 28%(30%)	6,611	8,454
Additional/less tax in foreign enterprises, net	- 335	42
Additional tax in oil segment	6,039	3,725
Freight and tonnage taxes, etc.	564	569
Effect of changed tax rate	13	-
Gains related to shares, dividends, etc.	- 135	- 1,850
Adjustment to previous years' taxes	- 85	- 53
Tax losses not capitalised	646	30
Other permanent differences	- 95	- 1,737
Income tax expenses	13,223	9,180

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

6 Discontinued operations

For discontinued operations reference is made to page 28 in the Directors' report. Assets and liabilities held for sale comprise non-current assets DKK 3,989m, current assets DKK 1,299m, non-current liabilities DKK 2,155m and current liabilities DKK 520m.

7 Intangible assets

	Goodwill	IT software*)	Oil-concession rights	Other rights	Total
Cost:					
Balance at 1 January 2004	327	415	167	300	1,209
Additions during the year	253	371	-	126	750
Disposals during the year	214	51	-	90	355
Transfer	-	-	-	- 14	- 14
Exchange rate adjustment	- 7	- 60	- 11	- 51	- 129
Balance at 31 December 2004	359	675	156	271	1,461
Additions during the year	-	184	-	244	428
Additions through business combinations	61	-	23,579	6,854	30,494
Disposals during the year	103	2	-	-	105
Transfer	-	-	-	- 509	- 509
Transfer, asset held for sale	- 18	- 8	-	- 3	- 29
Exchange rate adjustment	13	111	- 13	506	617
Balance at 31 December 2005	312	960	23,722	7,363	32,357
Amortisation and impairment losses:					
Balance at 1 January 2004	-	103	131	45	279
Amortisation for the year **)	-	80	8	38	126
Impairment losses for the year ***)	200	-	-	-	200
Disposals during the year	146	21	-	41	208
Transfer, assets held for sale	-	-	-	11	11
Exchange rate adjustment	- 2	- 23	- 11	- 6	- 42
Balance at 31 December 2004	52	139	128	47	366
Amortisation for the year	-	146	184	518	848
Impairment losses for the year **)	39	2	3,160	90	3,291
Disposals during the year	47	2	-	-	49
Transfer, asset held for sale	- 9	- 1	-	- 1	- 11
Exchange rate adjustment	- 3	- 27	- 33	- 50	- 113
Balance at 31 December 2005	38	311	3,505	704	4,558
Carrying amount at 31 December 2004	307	536	28	224	1,095
Carrying amount at 31 December 2005	274	649	20,217	6,659	27,799

*) DKK 432m (DKK 374m) of this relating to ongoing development of IT software.

**) Impairment losses for goodwill include DKK 161m relate to discontinued operations.

***) The A.P. Moller - Maersk Group has at 31 December made an impairment test of the goodwill. The impairment test is conducted as a net present value calculation based upon 5 years business plans and a calculated terminal value with a growth equal to the inflation expectation. The calculations are based on interest rate of 6% to 11 % p.a. pre tax. The consequence of the impairment test is a reduction of the goodwill of DKK 39m (DKK 200m). Goodwill at 31 December 2005 is mainly related to the retail segment.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 7 continued

In 2005 the A.P. Moller - Maersk Group acquired oil and gas interests in the British sector of the North Sea from Kerr-McGee Corporation.

The acquired assets of intangible concession rights were at the time of acquisition DKK 23,579m. Based on the recent development a lower net profit is most likely to be expected compared to the expectations at the time of acquisition.

Calculation has shown that an impairment loss of DKK 3,160m is justified. This impairment loss is recognised in the financial statement in 2005.

The impairment loss results in a reduction of deferred tax of DKK 1,260m and consequently a net impact on earnings in 2005 of DKK 1,900m.

The impairment loss is based on a discount rate before tax of 11% p.a.

8 Total property, plant and equipment

	Ships, rigs, containers, aircrafts, etc.	Production plant and equip- ment, etc.	Land and buildings	Construction work in progress and payment in account for property, plant and equipment	Total
Cost:					
Balance at 1 January 2004	108,385	50,083	12,299	5,358	176,125
Additions during the year	6,481	3,755	911	11,488	22,635
Disposals during the year	7,123	1,741	529	3	9,396
Transfer	3,841	1,972	- 492	- 5,469	- 148
Exchange rate adjustment	- 8,589	- 2,213	- 110	- 689	- 11,601
Balance at 31 December 2004	102,995	51,856	12,079	10,685	177,615
Additions during the year	7,275	1,881	1,314	18,371	28,841
Additions from business combinations	29,446	8,297	430	2,582	40,755
Disposals during the year	5,158	1,223	123	-	6,504
Transfer	10,322	2,420	1,274	- 12,036	1,980
Transfer, assets held for sale	- 4,312	- 1,276	- 858	23	- 6,423
Exchange rate adjustment	17,221	6,861	434	2,168	26,684
Balance at 31 December 2005	157,789	68,816	14,550	21,793	262,948

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 8 continued

	Ships, rigs, containers, aircrafts, etc.	Production plant and equip- ment, etc.	Land and buildings	Construction work in progress and payment in account for property, plant and equipment	Total
Depreciation and impairment losses:					
Balance at 1 January 2004	50,491	37,043	5,236	10	92,780
Depreciation for the year *)	8,127	3,938	643	-	12,708
Impairment losses for the year *)	547	275	45	-	867
Disposals during the year	5,655	1,357	356	-	7,368
Transfer	195	- 106	- 83	158	164
Exchange rate adjustment	- 3,993	- 865	- 58	- 13	- 4,929
Balance at 31 December 2004	49,712	38,928	5,427	155	94,222
Depreciation for the year	9,806	3,536	314	-	13,656
Impairment losses for the year	19	95	37	-	151
Reversal of impairment losses **)	186	-	5	-	191
Disposals during the year	3,263	565	61	-	3,889
Transfer	956	61	15	- 169	863
Transfer, assets held for sale	2,969	942	341	-	4,252
Exchange rate adjustment	7,485	5,325	106	14	12,930
Balance at 31 December 2005	61,560	46,438	5,492	-	113,490
Carrying amount at 31 December 2004	53,283	12,928	6,652	10,530	83,393
Hereof financial leased assets	2,557	31	24	-	2,612
Carrying amount at 31 December 2005	96,229	22,378	9,058	21,793	149,458
Hereof financial leased assets	23,069	26	5	-	23,100

*) Depreciation and impairment losses for the year include DKK 982m relating to discontinued operations.

**) Reversal of impairment losses relates primarily to ships, etc.

Government grants

In 2005 government grant was DKK 363m (DKK 322m) primarily as subsidy to the building of ships. Of this amount DKK 328m (DKK 322m) has reduce the cost price of new buildings and DKK 35m has reduced the costs.

Ownership of production facilities

Ownership of production facilities etc. relating to oil production in Qatar and Algeria at a book value of DKK 4.0b (DKK 4.9b) is being transferred to State-owned oil companies according to agreement. The right of use is maintained during the concession period.

Financial obligations and mortgages

Bank loans and other debt to credit institutes etc. are secured on ships, etc. and containers in the amount of DKK 19,243m (DKK 19,241m). The book value of the ships, etc. and container provided as security is DKK 22,204m (DKK 22,039m).

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

9 Investment in associated companies

The associated companies listed on page 94 have the following total revenue, profit, assets and liabilities (100%):

	<u>2005</u>	<u>2004</u>
Revenue	136,721	6,256
Profit	13,598	1,093
Assets	2,457,071	24,276
Liabilities	2,368,426	9,806

Market value of listed shares in associated companies amounts to DKK 28.3b (DKK 0.0b), carrying amount DKK 16.1b (DKK 0.0b).

Net revenue include for bank activities gross interest income, trading income, fees received and insurance income.

10 Deferred tax

Recognised deferred tax liabilities and assets:

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Intangible assets	25	9	8,244	- 168	8,219	- 177
Property, plant and equipment	438	346	3,781	1,375	3,343	1,029
Investments	- 20	9	20	66	40	57
Hedge instruments	6	171	- 460	373	- 466	202
Current assets	12	27	63	78	51	51
Provisions	815	53	- 143	- 351	- 958	- 404
Debt	31	135	- 504	- 256	- 535	- 391
Field losses carried forward	98	132	-	-	- 98	- 132
Other	6	45	46	45	40	-
Deferred tax	1,411	927	11,047	1,162	9,636	235
Set off tax	- 102	-	- 102	-	-	-
Net tax	<u>1,309</u>	<u>927</u>	<u>10,945</u>	<u>1,162</u>	<u>9,636</u>	<u>235</u>

Unrecognised deferred tax assets

In relation to the special hydrocarbon tax, there are at 31 December 2005 field losses carried forward and unused tax allowances of a tax value of about DKK 5.4b (DKK 5.7b) in total. No tax value is recognised in the accounts since there is significant uncertainty as to whether they can be utilised.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 10 continued

Furthermore, deferred tax assets have not been recognised in respect of the following items:

	<u>2005</u>	<u>2004</u>
Deductible temporary differences	1,190	762
Tax losses carried forward	<u>1,551</u>	<u>1,057</u>
	<u>2,741</u>	<u>1,819</u>

Tax losses have no significant time limitation. Deferred tax have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise these assets.

There are no major tax liabilities on investment in subsidiaries, associated companies and jointly controlled companies.

11 Stocks and inventories	<u>2005</u>	<u>2004</u>
Raw material and consumerables	927	1,196
Work in progress	246	200
Finished goods and goods for resale	<u>2,651</u>	<u>2,014</u>
	3,824	3,410
Bunkers	<u>2,328</u>	<u>716</u>
	<u>6,152</u>	<u>4,126</u>

Consumption of goods for the year amounts to DKK 22b (DKK 23b).

12 Share capital

Own shares (B shares):	No of shares of DKK 1,000		Nominal value		% of share capital	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
1 January	<u>280,959</u>	<u>280,959</u>	<u>281</u>	<u>281</u>	<u>6.4%</u>	<u>6.4%</u>
31 December	<u>280,959</u>	<u>280,959</u>	<u>281</u>	<u>281</u>	<u>6.4%</u>	<u>6.4%</u>

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

13 Earnings per share

The calculation of basic earnings per share at 31 December 2005 is based on the profit for the year of DKK 20,090 (DKK 28,149m) and a weighted average number of shares issued during the year ended 31 December 2005 of 4,114,641 units (4,114,641 units).

Calculated as follows:

	<u>2005</u>	<u>2004</u>
Issued shares at 1 January	4,395,600	4,395,600
Own shares	<u>280,959</u>	<u>280,959</u>
Weighted average number of shares at 31 December	<u>4,114,641</u>	<u>4,114,641</u>

Earnings per share can be calculated to DKK 4,883 (DKK 6,841). Of which earnings per share for discontinued operations amount to DKK 98 (DKK 492).

There is no dilution as there are no convertible instruments, no share option programme and no share issue programme.

14 Employee benefits

	<u>2005</u>	<u>2004</u>
Present value of unfunded obligations	674	453
Present value of funded obligations	12,897	2,991
Fair value of plan assets	<u>- 10,017</u>	<u>- 2,447</u>
Net obligations 31 December	<u>3,554</u>	<u>997</u>
Movements in fair values :		
Fair value at 1 January	2,447	2,195
New pension plans	784	-
Expected return on plan assets	309	-
Change related to acquisition/sale of companies	5,686	136
Paid pensions	- 442	- 121
Pay-in	404	278
Gains/losses for the year	572	43
Exchange rate adjustment	<u>257</u>	<u>- 84</u>
Fair value at 31 December	<u>10,017</u>	<u>2,447</u>
Distribution of assets:		
Shares	5,231	1,020
Bonds	3,898	884
Buildings	211	23
Cash and cash equivalents	397	107
Other assets	<u>280</u>	<u>413</u>
Fair value at 31 December	<u>10,017</u>	<u>2,447</u>

The plan assets do not include assets used by the Group. The actual return on assets amounts to DKK 881m (DKK 179m).

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 14 continued

Movements in the liability recognised in the balance sheet:

	<u>2005</u>	<u>2004</u>
Net liability at 1 January	997	979
Expenses recognised in the income statement	239	145
Contributions received	- 421	- 272
Change in actuarial assumptions	- 18	61
Change related to acquisitions/sale of companies	2,312	-
Other movements	324	-
Exchange rate adjustments	121	84
Net liability at 31 December	<u>3,554</u>	<u>997</u>

Expenses recognised in the income statement:

Current service costs	204	133
Interest on obligation	350	173
Expected return on plan assets	- 309	- 139
Employee contributions	- 28	- 15
Other expenses	2	- 7
Loss at reduction and redemption	20	-
	<u>239</u>	<u>145</u>

Accumulated actuarial gains/losses:

Losses at 1 January	275	285
Losses previously recognised in income	-	- 66
Actuarial losses/gains for the year	- 18	61
Exchange rate adjustment	8	- 5
Accumulated losses at 31 December	<u>265</u>	<u>275</u>

In 2006 the Group expects to pay DKK 460m to defined benefit plans.

Actuarial assumptions

Principal actuarial assumptions at the balance sheet date expressed as weighted averages:

	<u>2005</u>	<u>2004</u>
Discount rate	4.8%	5.2%
Rate of inflation	2.5%	2.3%
Expected return on plan assets	5.9%	6.0%
Future salary increase	3.8%	3.4%
Medical cost trend rate	5.0%	5.0%
Future pension increases	1.9%	1.3%

A general description of the pension plans is on page 31 in the Financial Report.

Multi-employer plans

Due to collective agreements, some companies in the A.P. Moller - Maersk Group participate together with other enterprises in defined benefit pension and health insurance schemes for current and retired employees (multi-employer plans). In 2005, the Group's contribution is estimated to approximately DKK 497m (DKK 383m).

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 14 continued

No reliable basis exists for apportioning to individual employer participants the benefit obligations and plan assets. However, the Group's portion of such amounts could be significant. Underfunding in some of the schemes can necessitate increased contributions in the future. Based on the most recent audited financial data available from the plans' trustees, plan assets approximate DKK 50b (DKK 42b) and the actuarial calculated obligations approximate DKK 56b (DKK 46B). In general, the plan contributions are based on man hours worked or cargo tonnage, or some combination.

15 Provisions	<u>Abandonment</u>	<u>Restructuring</u>	<u>Other</u>	<u>Total</u>
Balance at 1 January 2005	2,214	45	2,811	5,070
Provisions made during the year	96	1,256	1,319	2,671
Provisions used during the year	-	25	233	258
Provisions reversed during the year	-	- 4	- 245	- 249
Additions from business combinations	1,277	89	1,516	2,882
Transfer	10	5	- 8	7
Transfer, liabilities held for sale	-	- 13	- 623	- 636
Exchange rate adjustment	422	68	336	826
Balance at 31 December 2005	<u>4,019</u>	<u>1,421</u>	<u>4,873</u>	<u>10,313</u>
Current	22	1,359	572	1,953
Non-current	<u>3,997</u>	<u>62</u>	<u>4,301</u>	<u>8,360</u>
	<u>4,019</u>	<u>1,421</u>	<u>4,873</u>	<u>10,313</u>

Provisions for abandonment comprise the net present value of estimated costs for abandonment of oil fields. Restructuring includes provisions for decided and public restructuring. This includes integration costs relating to acquired companies. Other includes provision for guaranties, risks related to insurance agreements, legal disputes, etc.

The provisions are encumbered with considerably uncertainty.

16 Bank and other credit institutions, etc.	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	2005	2004	2005	2004
Non-current:				
Bank and other credit institutions, etc.	57,620	58,171	24,550	25,040
Finance lease	19,750	19,755	2,944	2,958
	<u>77,370</u>	<u>77,926</u>	<u>27,494</u>	<u>27,998</u>
Current:				
Bank and other credit institutions, etc.	11,613	11,685	13,133	13,283
Finance lease	2,588	2,589	997	1,027
	<u>14,201</u>	<u>14,274</u>	<u>14,130</u>	<u>14,310</u>
Due as follows:				
Within one year	14,201		14,130	
Between one and five years	29,393		15,112	
After five years	47,977		12,382	
	<u>91,571</u>		<u>41,624</u>	

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 16 continued

Finance lease liabilities:	Payments	Interest	Principal	Payments	Interest	Principal
	2005	2005	2005	2004	2004	2004
Within one year	3,368	780	2,588	1,122	125	997
Between one and five years	10,973	3,033	7,940	2,162	540	1,622
After five years	15,115	3,305	11,810	1,677	355	1,322
	29,456	7,118	22,338	4,961	1,020	3,941

For further information about the Group's exposure to interest rate and foreign currency risk, see note 18.

For a general description of lease agreements see the Financial Report page 31.

17 Other financial obligations and mortgages

Operational leasing

As part of the Group's activities, customary agreements are concluded regarding charter and operating lease of ships, containers, port facilities, etc.

The future charter and operational lease payments are:	2005	2004
Within one year	17,444	11,489
Between one and five years	37,556	25,447
After five years	28,911	31,227
	83,911	68,163
Lease paid during the year	15,432	10,838

At the end of 2005, the A.P. Moller - Maersk Group has capital commitments relating to ships, rigs, containers, terminals, etc. on order amounting to DKK 50.2b (DKK 30.8b).

Guarantees amounts to DKK 153m (DKK 216m).

The necessary facility of USD 239m (USD 239m) has been established in order to meet the requirements for trading on the USA under the American Oil Pollution Act of 1990 (Certificate of Financial Responsibility).

When exploring or producing oil in foreign countries, each subsidiary is generally liable for contractual obligations jointly with the other consortium associates.

Tax may crystallise if the company leaves the tonnage tax regimes.

18 Financial instruments

Bonds	Carrying amount		Effective interest rate		Average duration – years	
	2005	2004	2005	2004	2005	2004
DKK	7,249	13,359	3.8%	3.3%	1.9	1.7
EUR	3,422	6,243	2.5%	2.4%	1.1	1.3
USD	515	420	4.9%	3.0%	0.0	0.0
Other currencies	274	316	4.3%	4.5%	0.0	0.0
	11,460	20,338				

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 18 continued

Shares	2005	2004
Listed shares	3,029	21,415
Non listed shares	1,727	766
	<u>4,756</u>	<u>22,181</u>

Cash		
USD	8,654	6,890
EUR	3,820	4,410
DKK	1,594	1,591
Other currencies	6,132	3,887
	<u>20,200</u>	<u>16,778</u>

Bank and other credit institutions, etc.

	2005				2004			
	Interest spread				Interest spread			
	0-3%	3-6%	6%-	Total	0-3%	3-6%	6%-	Total
USD	368	54,514	12,912	67,794	13,984	8,562	6,180	28,726
EUR	200	626	20	846	1,455	408	40	1,903
DKK	2,808	6,350	255	9,413	4,587	3,596	374	8,557
Other currencies	904	9,413	3,201	13,518	1,246	972	220	2,438
	<u>4,280</u>	<u>70,903</u>	<u>16,388</u>	<u>91,571</u>	<u>21,272</u>	<u>13,538</u>	<u>6,814</u>	<u>41,624</u>
Of which bearing fixed interest, including interest swaps				<u>52,192</u>				<u>28,121</u>
Of which bearing floating interest, including interest swaps				<u>39,379</u>				<u>13,503</u>

Hedging

To hedge risks relating to interest, currencies, as well as crude oil and bunker prices various derivative financial instruments are used. Further information see the Financial Report page 31.

Exchange rate adjustment

The result for the year includes exchange rate adjustment of bank deposits, loans and working capital at a total of DKK - 212m (DKK 612m).

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 18 continued

Interest rate swaps

Interest rate swaps are used to hedging interest exposure on loans.

	Market value	
	2005	2004
USD	- 26	- 437
EUR	-	- 38
DKK	28	- 34
Other currencies	- 64	- 9
	- 62	- 518
Of which additions at acquisitions	- 156	-
Of which recognised	207	- 9
For future recognition	- 113	- 509

The market value which will be recognised in future periods relates to the conversion of floating interest to fixed interest on loans and is expected to be recognised within 10 years.

Forward exchange contracts and option contracts

Forward exchange and option contracts are used to hedge the currency risk recognised on assets and liabilities, firm commitments and forecast transactions. The principal amount and market value of forward exchange and option contracts can be specified as follows:

	Principal		Market value	
	Bought/sold(-), net		2005	2004
DKK	8,076	4,114	- 667	923
USD	- 178	- 3,244	274	814
EUR	2,135	- 1,379	- 535	123
Other currencies	10,812	1,772	188	100
			- 740	1,960
Of which additions at acquisitions			265	-
Of which recognised			- 326	23
For future recognition			- 679	1,937

The market value to be recognised in future periods relates to hedging of expected revenue and expenses within the next 12-18 months.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

Note 18 continued

Other hedges

Freight and oil price hedges are used to hedge the exposure to fluctuations in commodity prices on firm commitments and forecast transactions. The principal amount and market value of freight and oil price hedges can be specified as follows:

	Principal		Market value	
	Bought/sold(-), net Principal			
	2005	2004	2005	2004
Oil price hedges	- 19,823	- 2,278	- 789	- 609
Freight hedges	- 46	- 120	11	- 14
Raw material hedges	75	129	30	20
Total			- 748	- 603
Additions from business combinations			- 650	-
Of which recognised			228	- 92
For future recognition			- 326	- 695

The market value to be recognised in future periods relates to hedging of cash flow for 2006-2010.

Time of recognition

Financial assets and liabilities are recognised at the trading day.

Credit risks

The A.P. Moller - Maersk Group has no concentration of credit risks.

19 Change in working capital	2005	2004
Stocks and inventories	- 1,243	- 44
Trade receivables	- 1,701	- 181
Other receivables and prepayments	- 621	- 174
Trade payables and other payables, etc.	- 241	86
	- 3,806	- 313

20 Interests in joint ventures

The jointly controlled companies listed on page 94 are included pro rata in the consolidated financial statement for the Group with the following amounts:

	2005	2004
Revenue	29,440	24,590
Expenses, depreciations, amortisation and interest, etc.	28,261	23,555
Net result	1,179	1,035
Non-current assets	7,160	4,124
Current assets	10,972	8,795
Non-current liabilities	1,815	290
Current liabilities	9,261	7,792
Net assets	7,056	4,837

The Group has not assumed any particular contingent liabilities or investment obligations in respect of joint ventures. The Group's share of the contingent liabilities of joint ventures amounts to DKK 128m (DKK 64m) at 31 December.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

21 Related parties	Party with controlling influence 1)		Associates		Jointly controlled companies		Key management personel 2)	
	2005	2004	2005	2004	2005	2004	2005	2005
Revenue	-	-	2	83	142	79	5	6
Other operating income	-	-	-	-	-	-	1	3
External costs, etc 3)	-	-	1,307	674	446	244 3)	181 3)	196
Investment in companies and non-current assets	-	-	-	727	-	3,616	-	-
Gains on sale of companies and non-current assets	26	-	-	-	-	-	-	-
Financial income	-	-	297	1	5	9	-	-
Financial expenses	-	-	268	54	-	2	-	-
Receivables, loans	-	-	362	217	26	53	-	-
Trade receivables	-	-	28	22	58	30	1	2
Other receivables	-	-	88	-	18	-	-	-
Non-current bank and other credit institutions, etc.	-	-	1,751	-	-	-	-	-
Current bank and other credit institutions, etc.	-	-	3,506	2,422	-	-	-	-
Securities	-	-	618	-	-	-	-	-
Cash and cash equivalents	-	-	5,703	-	-	-	-	-
Trade payables	-	-	1	-	1	-	5	15
Other payables	-	-	514	-	-	-	-	-

1) A. P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal has the controlling influence.

2) The board of directors and the management board in A.P. Møller - Mærsk A/S as well as in A. P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives. (Including undertakings under their significant influence).

3) Includes commission to Maersk Broker from chartering, sale and purchase of ships as well as time charter hire to part owners.

In relation to Danske Bank A/S' arrangement of payment transactions, sale and purchase of securities, etc. only the related costs are included in the above.

For jointly controlled companies only the non-eliminated part is included.

Fees to management ref note 2 and 3.

Dividend for distribution is not recognised.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

22 Acquisitions

In 2005 the following companies and activities have been acquired:

	Royal P&O Nedlloyd N.V.		Oil interests in Great Britain acquired from Kerr-McGee Corp.		Others		Total	
	Carrying value	Re- cognised value	Carrying value	Re- cognised value	Carrying value	Re- cognised value	Carrying value	Re- cognised value
Intangible assets	2,534	6,840	-	23,579	-	14	2,534	30,433
Tangible assets	13,686	30,272	9,126	8,930	1,052	1,553	23,864	40,755
Financial assets	293	413	-	-	-	21	293	434
Current assets	9,356	10,686	4,256	4,209	490	566	14,102	15,461
Provisions	1,509	3,756	931	1,621	22	50	2,462	5,427
Non-current liabilities	8,272	18,969	2,293	11,603	59	54	10,624	30,626
Current liabilities	6,696	8,523	1,754	2,502	177	184	8,627	11,209
Net assets	9,392	16,963	8,404	20,992	1,284	1,866	19,080	39,821
Goodwill		-		-		- 118		- 118
Acquisition price in cash		16,963		20,992		1,748		39,703
Cash and liquid funds received		- 2,833		- 3,344		- 395		- 6,572
Net investment		14,130		17,648		1,353		33,131

If the acquisitions had occurred on 1 January 2005, Group revenue would have been DKK 240m. It is not possible to estimate a result for this period.

Royal P&O Nedlloyd N.V.

On the 11 August 2005 A.P. Møller - Mærsk A/S completed the acquisition of 95.6% of the shares of Royal P&O Nedlloyd N.V. for the cash amount of DKK 16,963m including costs DKK 132m directly attributable to the acquisition. The remaining shares have been acquired in the following period.

The activities of Royal P&O Nedlloyd N.V. comprise Container services, share of a number of container terminals, logistic activities and a 50% share in the airline, Martinair.

In connection with obtaining clearance from the European Commission the combining businesses have divested trades between Europe and South Africa.

In the period 11 August - 31 December 2005, Royal P&O Nedlloyd N.V. contributed with a net loss of DKK 2,262m to the consolidated net profit for the year after integration costs, depreciations, amortisation and impairment losses.

Oil interests acquired from Kerr-McGee Corporation

17 November 2005 the Group completed the acquisition of all the shares of Maersk Oil GB Ltd. (formerly Kerr-McGee GB Plc) for DKK 20,992m in cash including costs DKK 25m direct attributable to the acquisition. The activities in Kerr-McGee covered interests in ten producing fields, a number of smaller oil and gas discoveries as well as an exploration portfolio. In the period 17 November - 31 December 2005, Maersk Oil GB Ltd. Contributed, before the impairment loss mentioned in note 7, a net loss of DKK 162m to the consolidated net profit for the year.

Other acquisitions

Other acquisitions comprise primarily Norse Merchant. In relation to this acquisition an income of DKK 151m is recognised under other income as negative goodwill at acquisition.

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

23 Acquisitions and disposals of subsidiaries

Total acquisitions and disposals of entities have had the following effect on the Group's assets and liabilities:

	2005		2004	
	Acquisitions	Disposals	Acquisitions	Disposals
Non-current assets	71,622	421	357	476
Receivables	15,461	1,724	168	1,755
Minority interests	-	-	16	- 22
Provisions	5,427	173	21	35
Non-current liabilities	30,626	47	214	215
Current liabilities	11,209	1,299	119	545
Acquired net assets	39,821	626	187	1,414
Goodwill	- 118	0	267	0
Gains/losses at acquisitions	-	- 42	-	2,608
Purchase/sales price including expenses	39,703	584	454	4,022
Cash in acquired/sold enterprises	- 6,572	- 635	- 50	- 643
Cash flow from acquisition and of companies and activities	33,131	- 51	404	3,379

25 Conversion to IFRS

As a result of the implementation of IFRS, the accounting policies of the Group have been changed in a number of areas. In accordance with IFRS 1, the opening balance sheet at 1 January 2004 and comparative figures for 2004 have been prepared in accordance with IFRS' effective at 31 December 2005. In accordance with IFRS 1, the provisions of IAS 39 on the recognition and measurement of financial instruments have been applied effective from 1 January 2005 with no restatement of comparative figures.

The effect on the consolidated financial statements of the implementation of IFRS can be specified as follows:

	Ref.	1 January 2004			Annual report 2004			
		Assets	Liabilities	Equity	Income	Assets	Liabilities	Equity
Previous accounting policies		173,034	80,314	92,188	24,352	193,936	79,185	114,261
<i>Change of policy regarding:</i>								
Changed functional currency	a	- 9,252	- 189	- 9,063	3,874	- 12,673	- 439	- 12,234
Business combinations	b	222	-	222	- 219	-	-	3
Abandonnement obligation	c	301	-	301	- 39	265	-	265
Employee benefit obligation	d	-	285	- 285	66	-	275	- 275
Non-current investments "available-for-sale"	e	-	-	-	-	-	-	-
Minority interests	f	-	-	532	107	-	-	490
Tax effect of adjustments		24	- 254	278	115	145	- 54	199
Total adjustments		- 8,705	- 158	- 8,015	3,904	- 12,263	- 218	- 11,555
IFRS accounting policies		164,329	80,156	84,173	28,256	181,673	78,967	102,706

A.P. Moller - Maersk Group

Notes to the annual accounts 2005

All amounts in DKK million (In parenthesis the corresponding figures for 2004)

- a. For A.P. Møller - Mærsk A/S and a number of other entities with their primary activities in shipping and oil and gas exploration and production, the functional currency has been changed to USD. Previously exchange rate adjustment was included as a special item in the income statement. After adoption of IFRS such adjustments are included under financial income and expenses.
- b. For business combinations the Group has applied IFRS 3 effective from 1 January 2004. Accordingly, as from that date, goodwill is no longer amortised but is tested annually for impairment. The Group has in accordance with IFRS 1 not applied IFRS 3 retrospectively. Accordingly, the carrying amount under previous accounting policies of assets acquired, including goodwill, and liabilities assumed are their deemed cost under IFRS.
- c. According to IAS 16, expected restoration costs should be included in the cost of an asset. Previously, expected restoration costs were recognized in the income statement over the life of the asset. In accordance with IFRIC 1, an asset has been recognised at 1 January 2004 based on the initial timing of the recognition of the restoration obligation less calculated accumulated depreciation.
- d. In certain countries the Group has defined benefit pension plans. Under previous accounting policies the Group used the accounting principle known as the corridor approach in the recognition of actuarial gains and losses and certain transition gains and losses. Since 1 January 2004 the amendments of 19 December 2004 to IAS 19 have been adopted, meaning that all actuarial gains and losses as well as transitional gains and losses are included in equity net of taxes.
- e. Non-current investments "available-for-sale" are measured at fair value. As from 1 January 2005 unrealised value adjustments are recognised directly in equity. Prior to 1 January 2005 such value were taken to the income statement. Comparative figures have not been restated.
- f. The minority interests' proportionate share of the results and equity of subsidiaries is presented as separate items in the income statement and in equity. Previously, the minority interests' proportionate share of the results were presented before the parent company's share of the consolidated profit, while the minority interests' proportionate share of equity was presented as a separate item between equity and liabilities.

Other transition impacts

In addition to the above changes impacting the recognition and measurement principles implementation of IFRS has impacted the classification and presentation of certain items in the consolidated financial statements as set out below:

- The results, assets and liabilities and cash flow from discontinued operations are presented separately in the financial statements. IFRS 5 is applied prospectively from 1 January 2005 to assets held for sale and discontinued operations.
- The cash flow statement is primarily impacted by securities (bonds) being excluded from cash and cash equivalents. Movements in such securities are in accordance with IAS 7 included in cash flow used for investments.
- In accordance with IFRS 1, the Group has reset cumulative translation differences related to foreign subsidiaries, joint ventures and associates in the IFRS opening balance sheet as at 1 January 2004. Translation differences arisen since 1 January 2004 are presented as a separate component of equity.
- In accordance with IAS 1 certain balance sheet items have been reclassified in order to align to the changed definitions of current and non-current assets and certain liabilities.



