



MAERSK

GROUP ANNUAL MAGAZINE

2014/2015



GROUP ANNUAL MAGAZINE

TAKING THE LEAD IN A WORLD OF CHANGE

Explore the financial highlights, markets
and people of the Maersk Group



Staying on top of oil market volatility

The rapid slide in oil prices in 2014
showed how difficult it is to predict
where the market is going

P. 14

The data drive

The mountain of data generated
every day is transforming the way
Maersk Group does business

P. 18

Financial performance of the Maersk Group and the business units

including summary consolidated financial
statements 2014

P. 46

The Maersk Group Annual Magazine provides an overview of the operations and performance of the Maersk Group in 2014 in a concise and easy-to-read format and works as a supplement to the Annual Report 2014 for A.P. Møller - Mærsk A/S.

This publication is not a summary financial statement and is not made in accordance with International Financial Reporting Standards (IFRS). Furthermore, it is not intended to provide a guide as to the likely future performance of the Maersk Group. Certain statements may be forward-looking statements which are based on current expectations, beliefs and assumptions regarding present and future business

strategies and environments, in which the the Maersk Group will operate in the future. Such expectations, beliefs and assumptions may or may not prove to be correct, and are subject to a number of known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially.

This publication is not a substitute for the Annual Report 2014 and does not contain all the information needed to give as full an understanding of the Maersk Group's performance, financial position and future prospects as is provided by the Annual Report 2014, which can be downloaded from www.maersk.com



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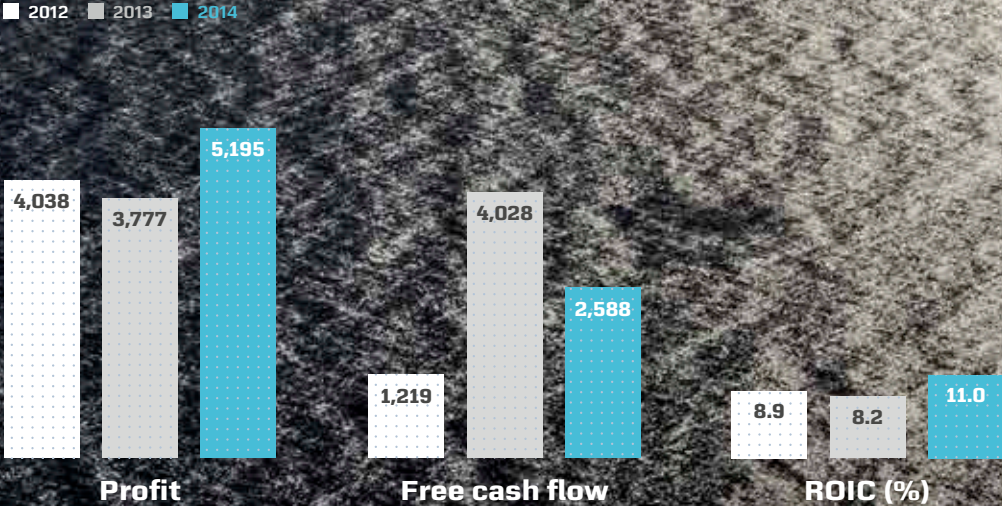
India's growth moves inland
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Maersk Group performance 2014

FINANCIAL AND PORTFOLIO HIGHLIGHTS

F The Maersk Group delivered a strong financial performance with a profit of USD 5.2bn (USD 3.8bn), positively impacted by the USD 2.8bn gain from the sale of the majority share of Dansk Supermarked Group and other divestment gains of USD 600m (USD 145m), offset in part by the net impairments of USD 3.0bn (USD 220m), including USD 1.7bn on the Brazilian oil assets. The return on invested capital (ROIC) was 11.0% (8.2%) with a free cash flow of USD 2.6bn (USD 4.0bn).

Maersk Group financial highlights (USD million)



A brilliant view of the Maersk Group oil production fields in the UK North Sea. Photo: Tom Lindboe

Financial highlights

In line with expectations, the underlying profit increased by 33% to USD 4.5bn (USD 3.4bn), driven mainly by improved results in Maersk Line, APM Terminals and Maersk Tankers.

Cash flow from operating activities continued at a high level of USD 8.8bn (USD 8.9bn), and net cash flow used for capital expenditure increased to USD 6.2bn (USD 4.9bn), mainly due to deliveries of new-buildings in Maersk Drilling and Maersk Line as well as increased oil field developments in Maersk Oil.

Revenue increased to USD 47.6bn (USD 47.4bn), primarily due to higher container volumes at lower freight rates as well as higher oil entitlement production at a lower average oil price.

Net interest-bearing debt decreased by USD 3.9bn to USD 7.7bn (USD 11.6bn on 31 December 2013), positively impacted by free cash flows of USD 2.6bn, offset in part by dividends of USD 1.3bn and share buy-back of USD653m.

Total equity was USD 42.2bn (USD 42.5bn). The decrease was related to the sale of the Dansk Supermarked Group of USD 2.1bn, the share buy-back of USD 653m, exchange rate adjustments of USD 1.2bn, cash flow hedges of USD 288m and dividend paid USD 1.3bn (USD 1.1bn). The reduction was offset in part by the profit for the year of USD 5.2bn.

With an equity ratio of 61.3% (57.1%) and a liquidity buffer of USD 11.6bn (USD 13.6bn), the Maersk Group is well prepared and determined to execute on its long term growth aspirations and seize market opportunities within its businesses. •

More info
Quarterly figures for the Maersk Group for 2010–2014 are available on investor.maersk.com/financials.cfm

Read more about the portfolio highlights ›

F Portfolio highlights
— Operating performance

The Maersk Group is divided in five business units. Beneath are examples of achievements in the operating performance for 2014.

* The underlying result is equal to the result of continuing business excluding net impact from divestments and impairments.



🔗 First oil delivered from the Golden Eagle and Jack
— Maersk Oil

Maersk Oil's average entitlement production increased 7% through 2014 to 251,000 boepd (235,000 boepd).

Two new fields came on stream. First oil was delivered from the Golden Eagle development in the UK North Sea in October. The Jack deepwater development project in the US Gulf of Mexico was on stream by the end of 2014. In Kazakhstan production ramp up from the Dunga II project began in October 2014.

Underlying result*
USD – 2014
1.0bn
1.1bn (2013)



🔗 Established as a business unit
— APM Shipping Services

The business unit is comprised of Maersk Supply Service, Maersk Tankers, Damco and Svitzer.

The most notable events in 2014 included the divestment of the Very Large Crude Carriers (VLCC) and the subsequent launch of a new product, tanker-focused strategy, in Maersk Tankers, along with investment in eleven vessels in Maersk Supply Service to a value of more than USD 1bn.

Underlying result*
USD – 2014
185m
37m (2013)

🔗 New ways of improving the network
— Maersk Line

Maersk Line pursued new ways of improving efficiency and profitability, and in July 2014 Maersk Line entered into a long term vessel sharing agreement (VSA) with Mediterranean Shipping Company (MSC) on the Asia-Europe, Transatlantic and Transpacific trades. The VSA has taken effect as of January 2015.

Maersk Line re-established the new Intra-Americas shipping company SeaLand in 2014 and operation commenced in January 2015.

In November 2014, Maersk Line announced an ambitious target in the environmental area, namely, to reduce 60% of CO₂ emissions per container by 2020 (2007 baseline). The previous target of a 40% reduction was reached in 2014.

Underlying result*
USD – 2014
2.2bn
1.5bn (2013)



🔗 Delivery of five new rigs
— Maersk Drilling

Maersk Drilling took delivery of three drillships, Maersk Viking, Maersk Valiant and Maersk Venturer and two ultra-harsh environment jack-up rigs, Maersk Intrepid and Maersk Interceptor during 2014. In September 2014, Maersk Drilling divested all drilling activities in Venezuela.

All of Maersk Drilling's 21 jack-up rigs and floaters have been on contract throughout 2014 with a strong operational performance.

Underlying result*
USD – 2014
471m
524m (2013)



🔗 Increased volumes
— APM Terminals

APM Terminals' volumes increased in 2014 by 5.3% to 38.3m TEU (36.3m TEU). APM Terminals continues to invest in new assets, most notably in growth markets. Globally, investments are made in technology and operational processes in an ongoing effort to continuously improve efficiency within the portfolio.

APM Terminals closed the sale of its 100% share of APM Terminals Virginia, Portsmouth, USA in August 2014.

The construction of Maasvlakte II, Rotterdam, The Netherlands was completed in Q4 2014 and the terminal commenced operations with volumes expected to ramp up during 2015.

Underlying result*
USD – 2014
849m
709m (2013)



🔗 The sale of the majority share in Dansk Supermarked Group
— Other businesses

The sale of the majority share in Dansk Supermarked Group with a value of DKK 20bn was completed in April 2014 as an important development in the process of optimising the portfolio. The Maersk Group retains ownership of 19% in Dansk Supermarked Group.

MESSAGE FROM THE CHAIRMAN AND THE GROUP CEO

S **2014 was a very good year for Maersk Group.** We delivered a strong financial performance with a profit of USD 5.2 billion.

Michael Pram Rasmussen
Chairman of the Board of Directors of A.P. Møller - Mærsk A/S

Other Board members include:
– Niels Jacobsen, Vice Chairman
– Ane Mærsk Mc-Kinney Uggle, Vice Chairman
– Dorothee Blessing
– Sir John Bond
– Niels B. Christiansen
– Renata Frolova
– Arne Karlsson
– Jan Leschly
– Palle Vestergaard Rasmussen
– Robert Routs
– Robert Mærsk Uggle

We made good progress on our strategy to develop the Group into a premium conglomerate, with five of our eight businesses world-class performers in their industries.

We increased the focus of the Group by divesting certain assets. Over the year USD 2.5 billion was received from divestment of APM Terminals Virginia, Maersk Drilling activities in Venezuela and Maersk Tankers VLCCs (Very Large Crude Carriers). In addition, the Group received USD 2.8 billion from divestment of Dansk Supermarked Group.

We also announced the intention to sell our shares in Danske Bank, the value of which the Board of Directors intend to propose as an extraordinary dividend, subject to approval at the Annual General Meeting on 30 March 2015.

We achieved a return on invested capital of 11%, and have shared the value creation with our shareholders, raising the dividend by 7%. In addition, our strong balance sheet led us to carry out a USD 1 billion share buyback scheme, which has been well received by the market.

Delivering on the strategy
Despite difficult market environments in the shipping and oil industries, our four large business

units successfully delivered on their strategic and financial targets.

Maersk Line increased its result by 55% with a profit of USD 2.3 billion, maintaining its leading position in the industry. This was achieved against a backdrop of continuing overcapacity in the market and declining freight rates. We expect this to be an ongoing trend, as shipping companies continue to place large orders for new vessels, despite the fact that the industry is struggling with low returns.

Our strategy is to drive down costs and to grow in line with the market. In 2014, we reduced unit costs by 5.4%, for example by increasing fuel efficiency. 11 new Triple-E vessels were integrated into the fleet without adding significant capacity to the market.

We continue to look for new ways to bring down costs. One example is our vessel-sharing agreement with MSC on the East-West trades. The agreement, which runs for 10 years, will allow us to provide greater product options to customers at substantially lower operating costs.

Bringing down fuel costs has contributed to another important target reducing our environmental footprint. Maersk Line has stepped



up its commitment to reducing CO₂ emissions by 60% per container by 2020.

APM Terminals continues to improve its result, delivering a profit of USD 900 million, an increase of 17% on 2013. Maasvlakte II was opened in Rotterdam. This fully automated terminal is one of the most technically advanced in the world, and will be a model for future terminals. We also continued our expansion into growth markets, with new terminal projects signed in Costa Rica and Angola.

Maersk Drilling took delivery of five large drilling rigs, four of which have started work on long term contracts and the final one employed on a single-well contract. Three more rigs are due for delivery in 2015 and 2016, two of which have been ordered against long-term contracts.

The expansion has entailed significant investment in hiring, training and start-up activities, securing Maersk Drilling's position as a sizeable player in the harsh environment and deepwater drilling sectors.

After some years of decline, production at Maersk Oil grew by 7% this year. Two new fields came into production, Golden Eagle (UK) and Jack (US). We were also granted

Nils S. Andersen
Maersk Group CEO

The Executive Board functions as day-to-day management of Maersk Group and consists of:

- Nils S. Andersen, Group CEO
- Trond Westlie, Group CFO
- Kim Fejfer, APM Terminals CEO
- Claus V. Hemmingsen, Maersk Drilling CEO
- Søren Skou, Maersk Line CEO
- Jakob Thomasen, Maersk Oil CEO

new licences for oil exploration in Norway and the UK.

Following disappointing appraisal drilling, the results of which were reserve estimates significantly below our original expectations, we decided to no longer pursue growth in Brazil and to write down the value of our assets.

Exploration spend was also significantly reduced. Our focus now is on developing our existing portfolio.

APM Shipping Services has had a challenging first year, particularly in Damco due to the costs of a global restructure. We have spent the year preparing for future growth, updating strategies in the four businesses to ensure that they reach their joint profit target of USD 500 million by 2016. We expect to see progress in this regard in the coming year.

A values-based company
We remain committed to our Group Core Values, which underpin the way we do business in Maersk Group. The many changes across the Group in recent years prompted an additional effort in 2014 to introduce the Values to all new employees.

Our Values unite our global workforce and guide the behaviour of employees and leaders throughout the organisation.

This is particularly important as we expand into new markets in Africa, China and Latin America, where we contribute not only to long-term economic growth, but to welfare and societal development too.

Our newly opened container terminal in the Port of Santos, Brazil is one example. Not only has it added 9,000 jobs and increased trade potential worth USD 15 billion a year to the local area, we have also benefited the environment. This is down to APM Terminals' efforts to clean up heavily polluted land around

the port, and to educate the local community through environmental programmes.

Similarly, our response to the Ebola epidemic underlines our long-term commitment to West Africa. We have committed to maintaining operations in Guinea, Liberia and Sierra Leone so as not to isolate these countries and keep trade and business flowing. The Group is also providing logistical support to UN efforts against the outbreak.

In other areas we have unfortunately fallen short. Regrettably we experienced a number of fatalities in our operations this year. We operate in dangerous industries, but loss of life while at work is totally unacceptable to us. We are urgently working towards a fatality-free operation, where safety is deeply rooted into behaviour, performance and culture. On behalf of the entire Board and management team we send our deep regrets to the families affected.

Adapting to a lower oil price
The recent steep decline in the oil price means we must adapt our business to this new reality. This will be a priority for the Group in 2015.

The profitability of our oil-related businesses will be impacted negatively in the coming year, and cost reductions are critical to securing acceptable returns. Both Maersk Oil and Maersk Drilling have embarked on initiatives to take out costs.

For our planned investments in new fields or field expansions, a lower oil price should open up for a reduction in capital expenditure that will benefit viable projects in the UK, Norway and Qatar. Projects facing higher production costs, such as Chissonga in Angola, are being



carefully assessed to ensure that they remain profitable for us.

A lower oil price also presents opportunities for cost reductions in our shipping and port operations, and should support ongoing efforts to increase our competitiveness.

Over the past few years, we have strengthened the Group's financial position and strategic direction. We have developed a strong global organisation well able to handle economic volatility and geopolitical challenges.

The significant investments made in our businesses make us well placed to continue our growth agenda, improving our services, and building our relationships with customers and partners.

Our achievements in 2014 are a testament to the dedication and hard work of our people. In closing, we would like to warmly thank all Maersk Group employees for their contribution to the very satisfactory result. We look forward with confidence to the year ahead. •

Michael Pram Rasmussen

Nils S. Andersen

Growing the business

THE MAERSK GROUP STRATEGY

S The Maersk Group is executing on the strategy to become a premium conglomerate with five of our eight businesses now world-class performers in their industries.

We strengthened the Maersk Group's portfolio and focus by divesting non-core assets, continuing to apply rigorous and disciplined capital allocation, and by improving the Maersk Group's capital efficiency and performance.

Our strategy

We will continue to build a premium conglomerate through active portfolio and performance management, disciplined capital allocation and a clear financial strategy.

We use our global network, skilled people and financial flexibility to enable customers and countries to create wealth and fulfil their economic potential.

The existing strong position in growth markets will remain a focus area going forward, as the Maersk Group is in a good position to support and capitalise on the growth.

The Maersk Group's financial ambition is to develop its business units and achieve above 10% ROIC over the cycle.

Our success factors

As a Group, our business success is built on a number of strengths: our size and global reach, our financial flexibility, our talented employees, our time-honoured values, our commitment to safety

and sustainability and our drive to innovate. Combined, these strengths form a unique platform for our continued profitable growth.

Our Values

We are proud of our heritage and our corporate Values are of the highest importance to us. Our Values are closely linked to our founding family, and have helped us earn and keep the trust and goodwill of customers, business partners and employees across the globe.

Our Values guide the way our employees behave, make decisions and interact with others – whether they work in Denmark or globally. Our Values unite our global workforce, ensuring a commitment and continuity of service and a high calibre customer experience.

Maersk Group strategy process

The Board of Directors performs an annual strategy review to ensure that the Maersk Group's strategy is regularly assessed according to market developments, including developments in the oil price.

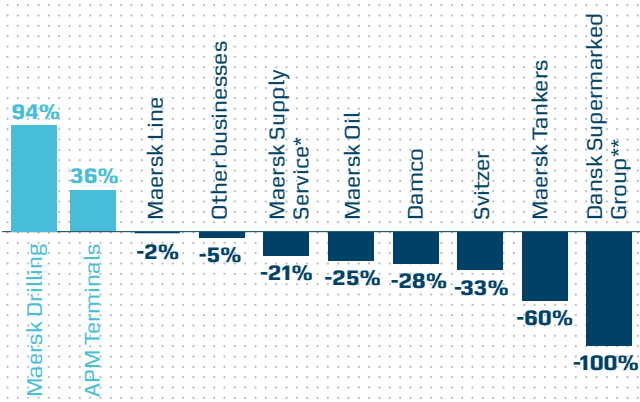
The Maersk Group's annual strategy review and the allocation of capital is a fully integrated process.

The integrated Maersk Group strategy review, portfolio actions and capital prioritisation process

starts at the beginning of the year. The Board of Directors have their annual strategy conference at which the Board discusses proposals put forward by the Executive Board and decides on the strategy.

The outcome of the Board of Directors' annual strategy conference will, as in previous years, be communicated in connection with the Maersk Group interim report for the second quarter of 2015. The outcome will be available for download from <http://investor.maersk.com/financials.cfm>

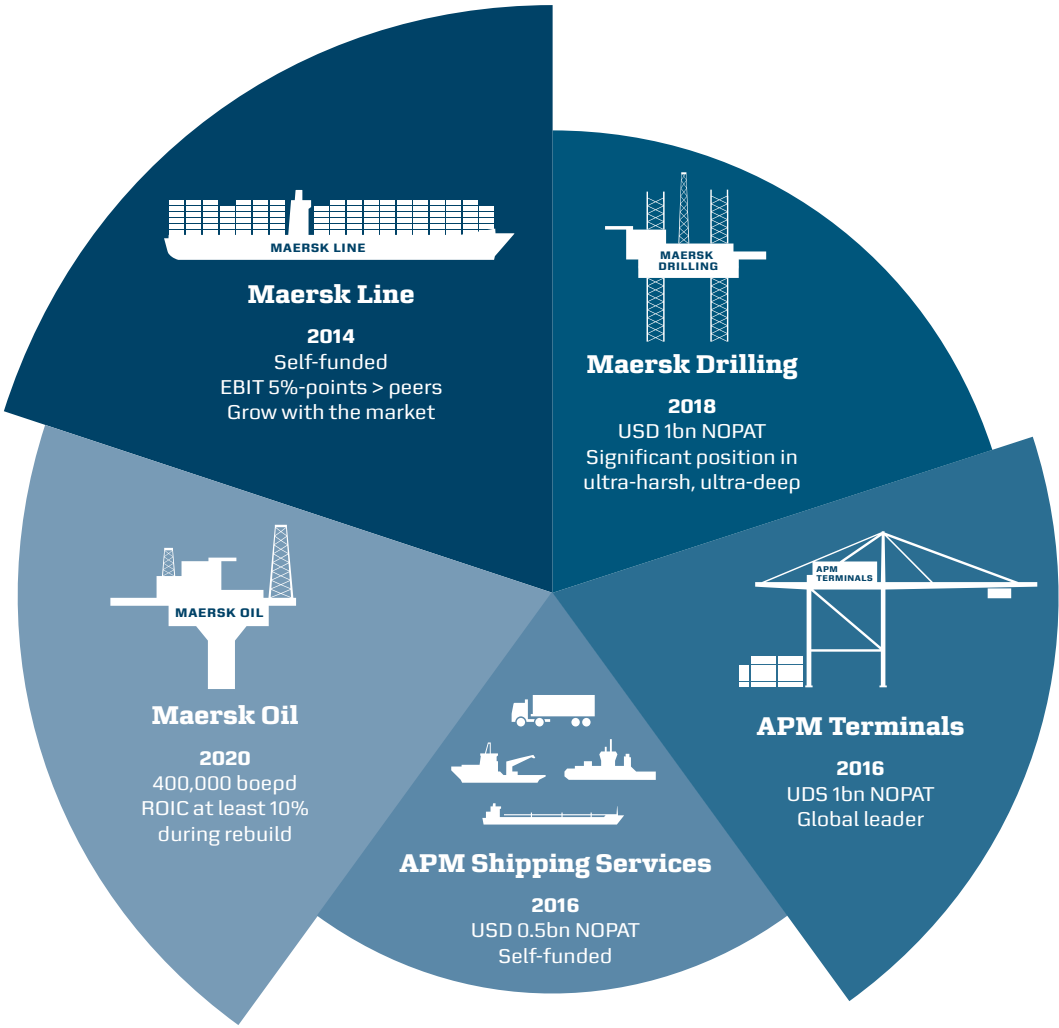
Development in invested capital Q2, 2012 – Q4, 2014



* Esvagt is moved from Maersk Supply Service to Other businesses
** Discontinued operations

Business units

The financial ambitions for the Maersk Group's business units as most recently communicated in August 2014. Maersk Oil's ambitions are challenged by the lower oil price. The Maersk Group's responses are reduction in the exploration and operational cost base and acquisitions are considered.



The Maersk Group's priorities for 2015

Position our company for a new oil environment

The recent steep decline in the oil price means we must adapt our business to fit this new reality. Cost reductions will be critical to maintaining and improving competitiveness across the Maersk Group.

Differentiate through technology and innovation

Better use of technology and innovation is critical to maintaining our competitive edge in the digital age. This will be an important driver for reducing cost as well as enhancing our customer experience.

Define growth platforms for the future

While we must not lose focus on our core capabilities we also need to identify the areas where we see our future growth stemming from. These could be related to our current businesses or in entirely new areas.

Invested capital end 2014

(% of Maersk Group total)
The ambition is to grow the USD 50bn in invested capital towards USD 55-60bn by 2017.

USD 50bn

- 40% Maersk Line
- 11% Maersk Oil
- 12% APM Terminals
- 15% Maersk Drilling
- 9% APM Shipping Services
- 13% Other businesses

Value creation

TOWARDS A PREMIUM CONGLOMERATE

S The Maersk Group will create value through profitable growth and by creating winning businesses. The Maersk Group seeks to improve the return on invested capital (ROIC) by focused and disciplined capital allocation, portfolio optimisation and performance management. The Maersk Group intends to share the value creation by growing ordinary dividends in nominal terms and initiation of our first share-buy-back program in 2014.

Performance management
The Maersk Group is focused on performance management, both towards the specific long term goals established for each business unit, as well as on the current operational performance across a range of key performance indicators. Financial targets are set both in absolute terms, as well as relative to the industry.

- Target/policy**
- To develop world class businesses that achieve above 10% ROIC over the cycle.
 - Be top quartile performers in their industry.

- Developments in 2014**
- Maersk Line, APM Terminals and Maersk Supply Service achieved a ROIC above 10%.
 - Maersk Line, Maersk Oil, APM Terminals, Maersk Supply Service and Svitzer are top quartile performers in their industries.
 - Below top quartile performance are Maersk Drilling, Maersk Tankers and Damco. For Maersk Drilling this is due to the high number of drilling rigs on yard stays. In contrast, Maersk Drilling's operational performance was top quartile.

▲
Photo:
Rene Strandbygaard

Capital allocation and growth
The Maersk Group has an ambition to grow its businesses.

Maersk Drilling and APM Terminals have seen the largest relative increase in their invested capital since Q2 2012, driven by acquisitions and investments in terminals and rigs.

Maersk Oil has spent more than USD 1bn per year on exploration in 2012 and 2013; less in 2014. Due to the disappointing exploration results over the last couple of years Maersk Oil has decided to reduce its exploration activities, but also consider other means to grow reserves and future production for example by buying shares of existing discoveries or fields.

Following a number of years with poor market conditions for Maersk Tankers, it was decided to divest the VLCC segment, thereby significantly decreasing their invested capital.

- Target/policy**
- 75% of the Maersk Group's invested capital is to be invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling.
 - The total invested capital is to grow towards USD 55-60bn by 2017.

- Developments in 2014**
- 78% of the Maersk Group's invested capital is invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling (68% in Q2 2012).
 - The invested capital has dropped by 5.3% since Q2 2012, impacted by the sale of Dansk Supermarked Group and the USD 3.0bn impairments, including USD 2.2bn in Maersk Oil, of which USD 1.7bn related to the Brazilian assets recognised in 2014.
 - 71% of all outstanding capital commitments are dedicated to growth in Maersk Oil, APM Terminals and Maersk Drilling.

Portfolio management
The Maersk Group is focused on developing the Group's strong positions in growth markets, and exit businesses that do not support the future strategy.

- Target/policy**
- Actively manage the portfolio of businesses to ensure focus on the most profitable and least volatile business areas.
 - Building a balanced portfolio across several legs.
 - Execute a focused capital allocation.

- Developments in 2014**
- Cash flow from divestments of USD 4.4bn. Primarily,
 - the majority share in Dansk Supermarked Group.
 - APM Terminals Virginia, Portsmouth, USA.
 - A revised strategy for Maersk Oil, Brazil as resource estimates was significantly reduced.
 - Following the decline in oil price, we revised our strategy in Maersk Oil to focus on less expensive resources as well as cost savings. Based on our extensive experiences from shipping, the Group is well-prepared for a sharper cost focus, and both Maersk Oil and Maersk Drilling have embarked on initiatives to drive down costs.
 - Exit the Very Large Crude Carriers segment.
 - Divestment of drilling activities in Venezuela.
 - No significant acquisitions of companies or activities were undertaken in 2014

Funding
The Maersk Group's capital structure and liquidity reserve are managed in line with the Group's current Baa1/BBB+ credit rating. All debt financing is arranged centrally and the Group generally intends to raise funding at the parent company level from diversified sources including bonds, which accounted for 37% of gross debt as of 31 December 2014.

- Target/policy**
- Secure long term commitments.
 - Obtain funding from diversified sources.
 - Secure an adequate liquidity reserve at all times.

- Developments in 2014**
- The Maersk Group raised around USD 6.6bn in new financing, including the first issuance of USD bonds (USD 1.3bn) and the refinancing of the revolving credit facility of USD 5.1bn.
 - A planned decreased liquidity reserve by USD 2.0bn to USD 11.6bn.
 - Loans and leases with a total principal amount of USD 2.1bn were repaid before maturity during 2014.

Dividend
The Maersk Group may in periods have a stronger financial position than what is needed to fund the strategic development and retain financial flexibility over a longer period of time. In these periods, the Group will evaluate the need for capital and will consider how to manage excess capital.

Dividend is the Maersk Group's primary distribution of capital to our shareholders. The nominal dividend has increased steadily over the last decade.

- Target/policy**
- The Maersk Group's objective is to increase the nominal dividend per share over time; supported by underlying earnings growth.

- Developments in 2014**
- Increased pay-out to shareholders through a share buy-back programme of up to DKK 5.6bn within 12 months initiated in Q3 2014.
 - DKK 300 dividend per share to be paid out for 2014, an increase of 7% over 2013, supported by an underlying earnings growth of 33%.
 - 5.1% increase in the share price in 2014 •

More than 100 years old

VALUES AT WORK

P **The Group Core Values** have guided the company for more than a century – and remain equally relevant today. Whether in an engine room on a vessel in Chile or from the Maersk Group’s managerial bridge in Copenhagen, the Values are inseparably linked to business.

By Peter Torstensen and Christine Drud von Haffner

The 318-metre long S-class vessel “Maersk Sebarok” is moored at the port of San Antonio, Chile. In the depths of the engine room, Chief Engineer Michael Wilson is doing his rounds. With a torch he lights up every dark corner to spot possible irregularities before the engine sets the ship into motion.

This routine signals how he defines Constant Care, one of the five Maersk Group Core Values that guide the behaviour of Group employees. Together with Humbleness, Uprightness, Our Employees and Our Name, Constant Care is one of the passwords that outlines how the Maersk Group conducts its business.

Mint condition

“We need to have the engine in mint condition at all times. A breakdown can potentially be dangerous and will for sure lead to a delay,” Michael Wilson explains.

However, Constant Care means more than simply keeping the engine running. Wilson also interprets it as a way for him to pass his

knowledge on to the several young crew members in his team who are eager to learn.

“To me, Constant Care means educating engineers for the day after tomorrow. And I try hard to train them to become even better than me,” Wilson says with a smile.

A view from the bridge

Metres above the engine room, the Captain of Maersk Sebarok, Kyaw Khaung, stands on the bridge. From here Khaung has a good overview of the cranes unloading cargo into the port of San Antonio on this late Saturday evening. The cranes work fast and efficiently to allow the vessel to leave on time.

As on every vessel, the crew members have to follow the Captain’s orders. Still, Khaung tries hard to lead in line with another of the Maersk Group Core Values: Humbleness.

“No matter if it’s the deckhand, the chef or my second officer that I deal with, I always remember that we are in this together. Perhaps the deckhand has noticed something important that I have missed, so I have to respect every crew member; listen to their concerns and take a serious note of what they say,” Khaung says.

Constant in a complex world

These employees are just two of the many in the Maersk Group who

“They were first formalised in 2003, but they have been lived out without being explicitly expressed from the very beginning. This is what makes them authentic, genuine, valid and integrated into the business.”

Ane Mærsk Mc-Kinney Uggle,
— Chairman of the A.P. Møller Foundation

Chairman of the A.P. Møller Foundation Ane Mærsk Mc-Kinney Uggle: “The Values are constant in a complex world.” Photo: Ricky John Molloy

lean on the company’s Values as a guiding light in their daily work – a light that has existed in the Maersk Group since the very beginning in 1904, where it emanated from the Møller family home. According to the Chairman of the Moller Foundation, Ane Mærsk Mc-Kinney Uggle:

“They were first formalised in 2003, but they have been lived out without being explicitly expressed from the very beginning. This is what makes them authentic, genuine, valid and integrated into the business,” says Ane Uggle.

Ane Uggle is in no doubt about the continued relevance of the now more than 100-year-old Values. On the contrary, the Values are even more necessary in a world where complexity is on the rise.

“Whether in shipping or energy, today’s markets are less and less foreseeable, which adds to the complexity. Our employees constantly need to be ready for change, which is very demanding. We expect a lot from our workforce, and in many situations, the Values represent a hand rail, something to hold onto. The Values are straightforward and easy to relate to, they are constant in a complex world,” Ane Uggle says.

A moral compass

Likewise, the Group CEO describes the Values as a moral compass and guarantee to customers, shareholders and employees that business will always be conducted according to the same principles:

“In today’s world of rapidly evolving economic and market conditions,



the Values are equally relevant and remain key to ensuring we grow for the future in a sustainable way,” Nils S. Andersen says.

“To me, one of the many aspects of Constant Care is a reminder to never lose focus on ensuring the safety of our employees. Uprightness means always dealing honestly and transparently with our customers and partners and ensuring decisions we take are ethically sound, while Humbleness is about listening and showing respect to our customers and to each other.”

Values behind every decision

Maersk Sebarok has now continued its sea voyage onwards from San Antonio and soon clears the shallow waters off the Chilean coast. As the vessel is slow steaming in order to save fuel, only a deep hum from

the engine fills the air. Ahead lies a relatively short sea voyage for the crew on board down to the next port in San Vicente, Chile.

Captain Khaung is getting ready to hand over the command of the vessel to his second officer so that he can get some rest before having to steer the vessel safely into the next port.

“We have a lot of rules, regulations and procedures on board the ship, but still not all details are described in the procedures. So to me it is important to have the Values to lean on when crucial decisions are taken. My decisions as Captain determine if we deliver the containers as promised – and at the end of the day, my decision-making is crucial when it comes to the safety of the crew,” Khaung says, as he gets ready to leave the bridge for the night. •

Examples of how the Group Core Values are embedded in the business

Activated in everyday business
To enable managers across the Maersk Group to activate the Values in everyday business, communication materials are used in induction courses, managerial learning courses and induction exercises to assist employees at all levels to relate to the Group Values in their work and identify supporting behaviours.

Extended into policies
As a natural extension of the Group Values, business principles have been formulated and are updated regularly. To increase transparency and to provide every employee with a clear view of what the Maersk Group stands for, the Group Policies put the Group Core Values into practice, and together with the Values, they govern how the Maersk Group conducts itself.

Employee engagement
For eight years in a row, all Maersk Group employees have been provided with a confidential platform to report on questions related to management, communication, career development and values – the annual Employee Engagement Survey. Whether off- or onshore, the survey gives employees the opportunity to express their views, allowing the Maersk Group to influence and reinforce effective leadership behaviours.

Adapting to changing circumstances

STAYING ON TOP OF OIL MARKET VOLATILITY

S The rapid slide in oil prices in 2014 showed how difficult it is to predict where the market is going. The Maersk Group is preparing for the future by cutting costs in its energy businesses, managing the benefits on the transport side and ensuring that it is adapting to this new reality.

➤ *By Sam Cage and John Churchill*

In July 2014, no one predicted that oil prices would drop by more than half.

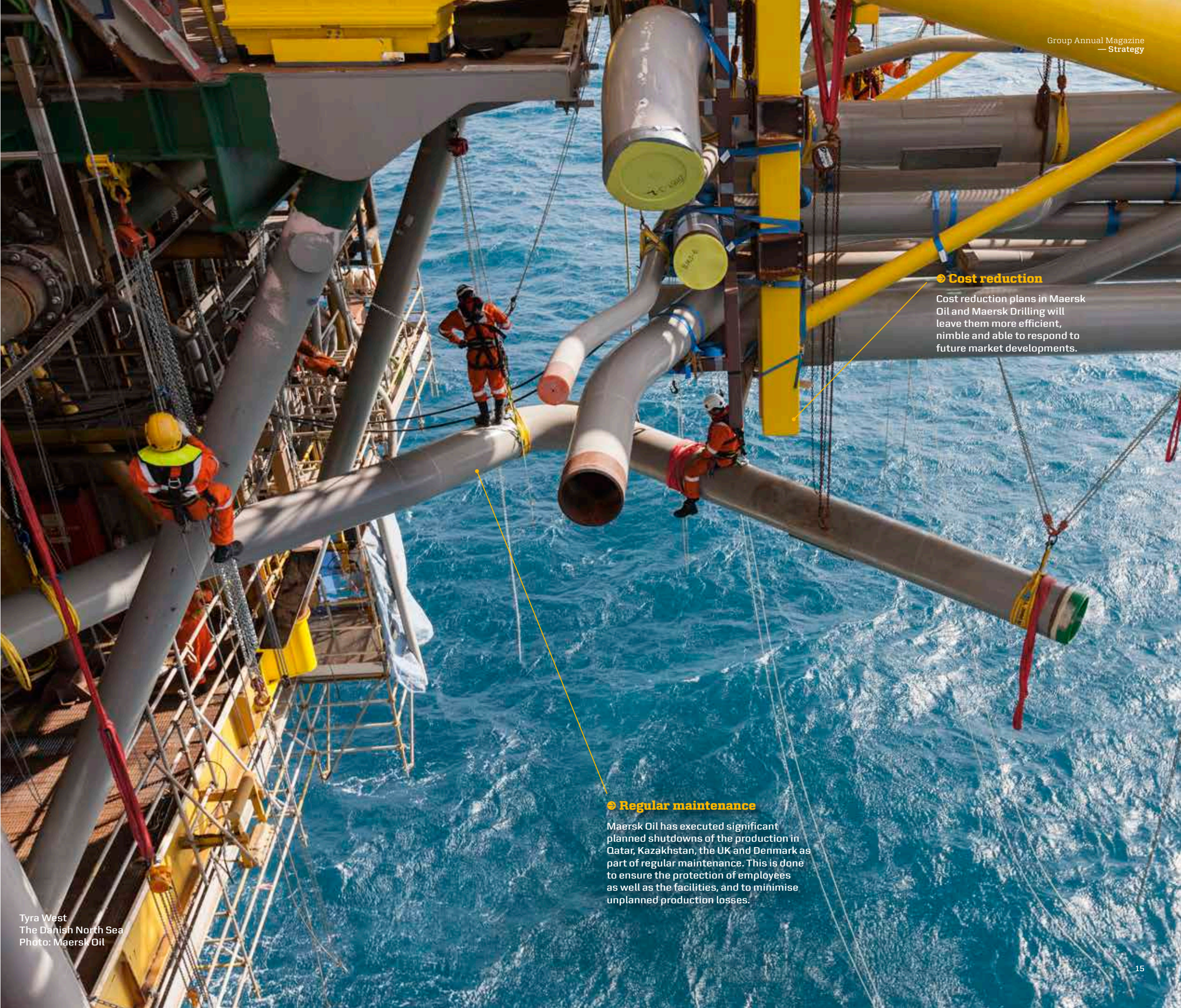
But that is exactly what happened, from USD 110 per barrel to less than USD 50 in January 2015. While no one can predict where the market is going next, the Maersk Group can be well prepared for any scenario with its strong liquidity and cash buffers, and by continuing to drive costs down and improve efficiency.

In its transport businesses, the Maersk Group is one of the largest fuel buyers in the world. Therefore, falling fuel prices can offset the impact of lower prices that Maersk Oil receives for its production and

lower rates Maersk Drilling receives for its rigs.

“If we look at the Maersk Group as a whole long term, we see that results can benefit from a higher price,” says Group CFO Trond Westlie. “But the effect of lower prices on the Maersk Group is not only negative. In the short term, we can benefit depending on how the different markets we are in react to the changing oil price. In addition, we have to have a long-term view on where we think the oil price will develop for decisions that will come.”

Having significantly reduced its costs over the last five years when oil prices were high, Maersk Line is benefiting from cheaper fuel, ➤



➤ **Cost reduction**

Cost reduction plans in Maersk Oil and Maersk Drilling will leave them more efficient, nimble and able to respond to future market developments.

➤ **Regular maintenance**

Maersk Oil has executed significant planned shutdowns of the production in Qatar, Kazakhstan, the UK and Denmark as part of regular maintenance. This is done to ensure the protection of employees as well as the facilities, and to minimise unplanned production losses.

Tyra West
The Danish North Sea
Photo: Maersk Oil

even though it expects continued pressure on freight rates in the long term. Cost reduction plans in Maersk Oil and Maersk Drilling will leave them more efficient, nimble and able to respond to future market developments, Westlie says.

“We are prepared to take the necessary short-term actions to be ready for a down market. We have a big liquidity reserve and a strong balance sheet, and if we face a difficult market environment we are ready,” continues Westlie. “As is the case in any market, the long term is uncertain. What we can predict and control is the cost structure in our own business.”

Cost leader

A lower price is a significant wind-fall for consumers and oil importers such as India and Europe, and the International Monetary Fund (IMF) estimates that it could boost the global economy by 0.3-0.7 percentage points in 2015. The IMF also says there are many uncertainties to the estimate and the boost from oil is more than offset by negative factors impacting the global economy.

Stronger growth would further support Maersk Line, which has made good progress despite a challenging environment of persistent vessel overcapacity and declining freight rates, and it is in a strong position to benefit from lower fuel costs because of its continuous focus on operational cost savings.

While Maersk Line expects competition to slowly narrow the more than 5% earnings margin it has built up over peers, it aims to remain the industry cost leader. Since 2008, it has reduced fuel consumption by 27% (see graph) in a cost-leadership drive that has enabled it to turn in nine consecutive quarters of profitability.

“We expect pressure on freight rates to continue in 2015, potentially

intensified by the drop in the fuel cost,” says Maersk Line CEO Søren Skou. “Our behaviour won’t change regardless of a low oil price; we will continue to reduce our unit costs.”

Maersk Line is expecting its 2015 result to be above that of 2014. It sees a short-term positive impact from the lower oil price, but the impact through the year remains uncertain and there are still possibilities to reduce costs.

“We are prepared to take the necessary short-term actions to be ready for a down market. We have a big liquidity reserve and a strong balance sheet, and if we face a difficult market environment we are ready.”

Trond Westlie,
— Group CFO

It also expects yearly container demand to grow by 3-5% in 2015 and 2016. But if fuel costs remain low, growth would probably be at the high end of that band, while recent forecasts had indicated it would be towards the lower part. Maersk Line expects the impact of lower oil prices on global demand growth will probably be modestly positive, and there will be regional differences. Maersk Line has built flexibility into its network to cope with such changes. The Middle East, West Africa and Latin America will probably have lower growth because of their large exposure to the oil price. Meanwhile, many carriers have previously announced expansion into these areas, which will further intensify competition.

Good position to profit

Movements in the oil price directly impact Maersk Oil’s results and are a factor outside the business’s control. What it can do is bring costs down by focusing on production

performance, efficiency and safety, with the view that over the long term revenues will exceed the costs of exploration and production.

Lower prices can also bring opportunities. Costs have inflated steadily in the upstream oil business for a decade, most acutely in the last five years, and there is now a chance for supply chain and service sector costs to find a level which works for both operators and their suppliers.

An exploration well on the UK continental shelf cost an average of about USD 105 million in 2013, compared with USD 30 million over the ten previous years. The complexity of the reservoirs discovered has also gone up, and the average volume in place has gone down. Production and project costs have followed the same pattern.

“With final investment decisions coming up on several major projects – including Johan Sverdrup in Norway, Culzean in the UK and Chissonga in Angola – lower prices mean that Maersk Oil has greater flexibility around the terms of investment and in prioritising the most attractive ones,” says CEO Jakob Thomasen.

“The lower oil price means we are working to reduce costs in the business, and that will certainly involve ensuring that we get the infrastructure and engineering work for these projects done at rates below the 2014 highs,” Thomasen says.

Effective cost control and tight project execution discipline have historically been good and remain priorities. The plan applies to all business activities and locations, consisting of three main areas – the portfolio, supply chain and organisational efficiency.

“The oil price is unpredictable, but wherever it goes we will be in the best position to profit if we are the right size,” Thomasen says.



Trond Westlie
Maersk Group CFO



Maersk Oil
in numbers

550,000
boepd in operated
production.

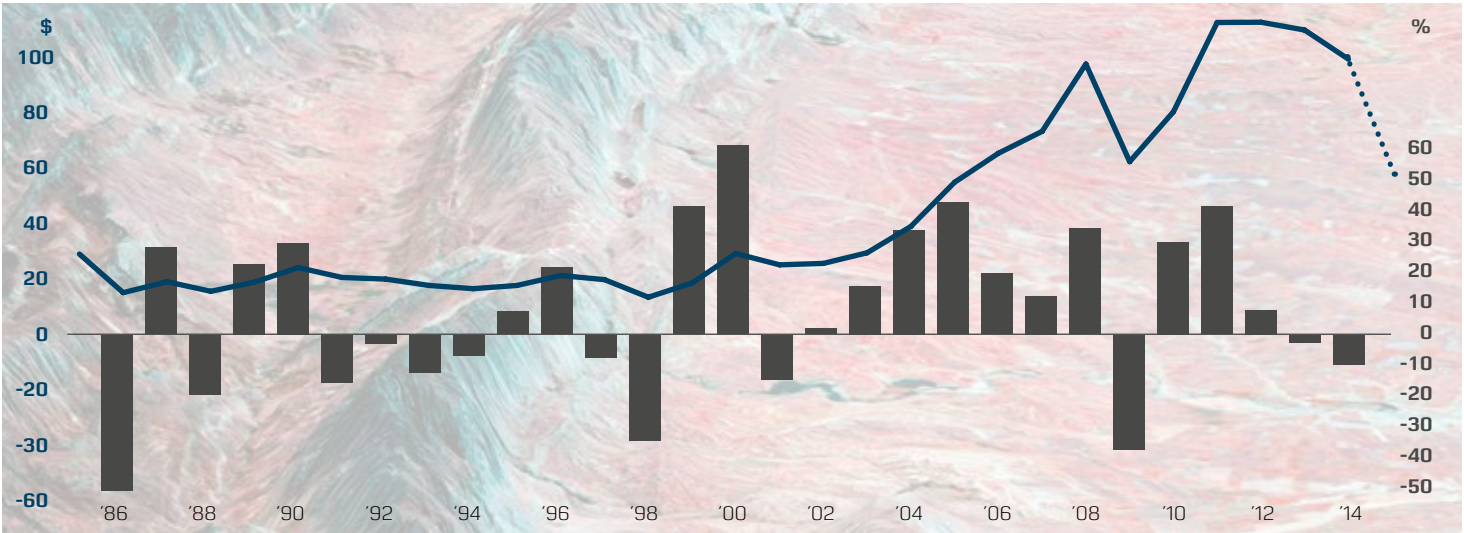
54,000
km² in acreage.

4,000
employees.

26
operated fields.

Historical oil production touchpoints

■ Year-on-year changes in annual average oil prices (in %)
— Annual average oil prices (USD/barrel)



1980s: Demand response to supply shocks pushes prices down.

1986: Saudi Arabia increases production to regain market share.

1988: Iran and Iraq increase output with end of war.

1990: Iraq invades Kuwait; Kuwaiti exports cut until 1994.

2001-2003: 9/11 and invasion of Iraq raise concerns about Middle East stability; Venezuelan oil workers strike.

Mid 2000s: Asia drives rising demand as production stagnates and Saudi spare capacity declines.

2007-2008: Global Financial Crisis.

2011: Arab Spring civil war disrupts Libyan output.

Differently and smarter

The fall in the oil price over the last six months has further intensified the capital discipline among Maersk Drilling’s customers, leading to lower demand for offshore rigs and increasing pressure on day rates. In order to remain competitive in this market, Maersk Drilling has started to look at ways to reduce cost and enhance efficiency.

Focusing on commercial and operational efficiency and a review of organisational costs, including a reduction of positions at the head office in Copenhagen. Maersk Drilling is working on strengthening all business critical projects and

thereby safeguarding the bottom line and the USD 1 billion aspiration. “As the situation is now, we need to act,” says Hemmingsen, adding that whatever actions are taken, they will not compromise operational and safety performance.

The new oil reality also gives Maersk Drilling an opportunity to rethink the collaboration between oil companies and drilling contractors, says CEO Claus Hemmingsen. This includes reducing the inefficiency in well construction or rethinking cooperation, as Maersk Drilling is already doing with BP in the 20K™ Rigs project, where a new rig design for drilling in extremely high temperatures and pressures is being developed. The project is

also assessing how to minimise and reduce the loss of value that occurs in the overall process – factors which could improve performance and benefit both Maersk Drilling and the oil companies in the future.

“The coming period will be tough on all of us in the industry, I am sure,” says Hemmingsen. “But for Maersk Drilling to win in the market and get back on track, we need all hands on deck to support our actions to strengthen our competitiveness. It’s gratifying to see how all Maersk Drilling colleagues are already actively embracing our actions to analyse and reduce our spend of money and start thinking about how we can do things differently and even smarter.” •

0.05

seconds between each motion measurement on a ship.

2,800

sensors hardwired into the Triple E vessel's main control system.

5,000

data tags on a modern vessel.

Big Data transforms business

THE DATA DRIVE

T From cutting energy costs to maintaining oil wells, the mountain of data generated every day in today's digital world is transforming the way the Maersk Group does business. And the Maersk Group is only just beginning to discover its full potential. ▶

200

sensors in a modern main engine room measuring temperature, pressure and operations.

2 GB

data stored every day from the main control system of a Triple E vessel.

7,000

channels monitored on the Triple E for situational awareness and alarms.

30 TB

data transmitted by the Maersk Line fleet over satellite link every month.

2 TB

data generated every 100 days by a modern vessel.

By Monika Canty

In a situation room in Mumbai, a small team closely monitors a giant map of the world on a screen. They are watching the progress of hundreds of red dots moving across the map, each one pinpointing the exact location of a Maersk Line vessel going about its voyage.

The room is home to the Maersk Line Global Voyage Centre, which monitors Maersk Line’s fleet 24 hours a day, seven days a week. The team is watching to ensure that the vessels keep to their optimum voyage speed. Too fast means an early arrival at the port, which costs a lot of money; too slow and the ship has to speed up to arrive on time, which means huge fuel wastage.

“Today every ship is connected to shore via GPS and satellite communications,” explains Pankaj Sharma, who leads the team. “We can monitor the speed, the fuel efficiency and even the weather conditions.”

Suddenly an alarm sounds indicating that Emma Mærsk in the North Sea is one knot over her optimum speed, and the team immediately contacts the captain to find out why. It’s actions such as this that saved Maersk Line USD 8.5 million in fuel costs in 2013. This year the Global Voyage Centre aims to have a USD 20 million impact on the bottom line.

A mountain of data

In today’s digital world, where everything is connected via the Internet and every action leaves an online trail, a mountain of data is generated every day that could be used to make critical business decisions.

Jasper Boessenkool, Head of Strategic R&D, Maersk Maritime Technology says data is the key to “sweating the assets.”

Teams across the Maersk Group are increasingly using ‘real-time’ data to make critical business decisions. Photo: Peter Elmholt

“It means squeezing the maximum out of the millions of dollars we have tied up in very costly, heavy assets. Being a big operator gives us a major advantage in terms of the data available to us,” he explains. “If you only have two ships, you only have so much data. If you operate over 500 ships, you’ve got data you can apply on a completely different scale.”

Cutting fuel costs could be just the tip of the iceberg in terms of how the data streaming from a vessel could be used to improve performance.

“We currently only use a fraction of the data available to us,” says Boessenkool. “Right now we are on a journey from analysing past data after the voyage has taken place, to daily data, and then towards ‘instant data’ – available online immediately both onshore and on the vessel.”

A seismic shift

In the ultra-high pressure, high-temperature Culzean gas field in the North Sea, new innovations in seismic data-gathering have led to a major breakthrough for the project.

The field is currently awaiting development with Maersk Oil and partners set to invest in a three-platform gas facility complex. But before the leap was taken to develop such a technically challenging project, a massive amount of seismic data had first to be accumulated.

Geophysicists employed an innovative new technology – known as ‘ocean bottom cables’ – to form a clear picture of what lies beneath the subsurface at Culzean.



A total of 4,000 sensors were placed directly on the seabed to record reflections from acoustic waves emitted by a seismic vessel sailing above. The vessel covered a 460 square-kilometre area, sending out a sound wave every ten seconds for around three months to create a vast data set that the team worked on intensively for eight months to transform into seismic images.

Maersk Oil’s senior geophysicist Line Plouman Jensen says the technology allowed for a superior image of the subsurface to be created. “The depths of the different geological formations are better understood and the data meant that we could build a convincing geological model in a complex structural setting. This information is invaluable to drillers in such a high-pressure, high-temperature environment.”

● **Mega, giga, tera**

1 megabyte (MB)
= 1,000 kilobytes.

1 gigabyte (GB)
= 1,000 megabytes.

1 terabyte (TB)
= 1,000 gigabytes or
1 million megabytes.

A 1 TB hard drive can hold 17,000 hours of music, 320,000 digital photos or 1,500 hours of video.

She adds: “There is still a wealth of information in the data set still to be extracted, analysed and understood.”

“Having a ‘real-time’ information flow could make us better placed to make decisions on when to upgrade equipment and potentially save a lot of money.”

Henrik Tirsgaard,
— Head of Corporate Technology & Innovation at Maersk Oil

Smarter maintenance

Another area offering huge potential to shave down costs using data is maintenance. “When you design a ship, an engine or a drilling rig, you usually make an assessment in terms of when to maintain or

upgrade on a fairly fixed time schedule,” explains Boessenkool. “But our ability to gather and monitor data today could pave the way for a completely new kind of maintenance management system.”

This could have major implications in the oil industry where wells must be periodically shut down for maintenance, at a huge cost.

“Having a ‘real-time’ information flow could make us better placed to make decisions on when to upgrade equipment and potentially save a lot of money,” agrees Henrik Tirsgaard, Head of Corporate Technology & Innovation at Maersk Oil.

“One idea is to measure corrosion using acoustic signals. Combined with other parameters such as the salinity of the water produced,

we could create a more accurate picture of when equipment needs changing.”

Ideas such as this one are just the beginning in terms of how data use will transform the way the Maersk Group does business in the future.

In fact, Boessenkool believes the data generated across the Maersk Group is so valuable that it should be treated as an asset in itself. “We need to look at data in the same way as we view an asset such as a ship or a drilling rig,” he says.

“I think we are just beginning to discover what data can do for us. The question in the coming years is how we experiment with it, find the potential, prove the value and use our knowledge across the Maersk Group to share that journey.” ●

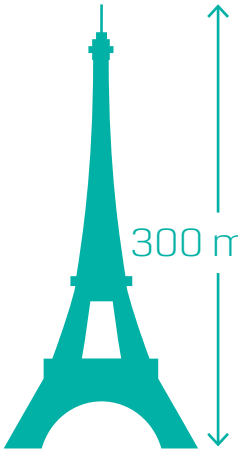
● **Big Data in Maersk Group**

4,000
sensors used to collect seismic data from the Culzean gas field.

30,000
data tags for operations and condition monitoring on a typical Maersk Drilling rig (most of the data is not stored).

● **As tall as the Eiffel Tower**

If all the data from a typical seismic survey were stored on CDs, they would stack up to a pile of 300 metres – as tall as the Eiffel Tower.



Setting new standards

ROBOTS RUNNING THINGS IN ROTTERDAM

T With its remote-controlled cranes, fully automated machines and wind-powered operations, APM Terminals' Maasvlakte II terminal in the Port of Rotterdam in the Netherlands is setting new standards for the terminal industry.

➡ No human intervention

About 300 people work at the terminal site. Of the 74 machines operating in the yard, 63 run on their own with no human intervention.

➡ Cameras mounted on the cranes

The ship-to-shore cranes are remotely controlled using a joystick and multiple viewing screens.

By John Churchill

Rudy Muller would have no place in a traditional container shipping terminal, but in Maasvlakte II nothing is traditional. And his skill set is in high demand.

The Senior Manager of IT for the terminal, Muller comes from the logistics and robotics industry, specifically IT and technical automation in the warehousing sector, where automated operations have been standard for years.

"No other terminal has this level of automation and that's exciting. Also, we're just at the beginning; there will be a lot to gain with the software over the next months in terms of operational productivity," he says.

Welcome to the future

Muller's team of 26 people is responsible for 24-hour maintenance and care of the engine of the terminal operations – the IT systems and infrastructure which include more than 60 software applications and 300 servers that support and drive the equipment.

Equipment engineers now work side by side with IT engineers from Muller's team in the terminal Control Room, where all operations are overseen. Together, they manage equipment breakdowns and other issues that can occur as a result of physical or software malfunction, or both.

"The potential from this kind of technical automation for operational efficiency and safety is enormous, and that's what we are here to achieve," says Muller. "Here it's not physical labour but technical ➤

automation and software underpinning it all. You could say that the IT department has come out of the basement and onto the main floor.”

Sifting through terabytes

A long time before the terminal opened for commercial business last year, Rik Geurtsen had a good idea of what Maasvlakte II would be capable of. As Senior Project Manager for Operations at the new terminal, he saw it all in action – and dozens of versions of it – on a computer screen.

“Computer simulations allowed us to start with the productivity target and other factors that we knew, such as vessel size and the vessel type that would call at the terminal as well as expected delays, and to build from there with different yard layouts and different equipment,” says Geurtsen.

Now that the terminal is moving into full operations, a shift is occurring.

“We have to move from what we think is the best way to work based on the computer simulations, to testing what is the best way to work based on the operational data we’re collecting and analysing,” says Patrick Brehmer, the Operations Expert on Geurtsen’s team and member of the newly formed Process Excellence department.

The communication between the machines and the computers is stored in two data centres nearby, each the size of a large meeting room and consisting of eight server racks.

With each day of real operations this is a growing treasure trove of data for Process Excellence, a team comprised of experts in IT and operations that will be working continuously through every performance failure logged in the systems to find the root cause and fix it.



Fine-tuning over time

Based on the yard design and with full automation, Maasvlakte II eventually expects to be 25-50% better in terms of container moves per hour than any other terminal in Northern Europe. But it won’t happen right away – it will take time.

“When we heard about the new terminal three years ago, and that the cranes would be operated with joysticks and screens from the office, none of us believed it,” says 46-year-old Jean-Pierre Tromp. “We thought ‘No way,’ because you won’t feel or hear the crane and the boxes. But we’re doing it, and for the most part, it’s better.”

Jean-Pierre Tromp,
— Remote Operator

“We have a clear focus to deliver the perfect terminal, although the ultimate potential will not be realised on day one,” says Frank Tazelaar, Managing Director of APM Terminals Maasvlakte II.

“We have a plan to roll out more complex functionalities in software and advanced logistics concepts after achieving the stable baseline performance in real operations.

Access to rich data will drive our continuous improvement going forward.”

Of course, having all the data doesn’t mean it’s going to be easier to achieve high performance from the MVII terminal, but it does make it easier to identify the causes of poor performance.

“Improving it from there is a different challenge because we may have to fix systems, reprogramme a vehicle, interview a crane operator or all of the above,” says William Rengelink, Technical Integration Manager for the project. “But no doubt having the data gives us a huge advantage for reaching our performance targets.”

Gaming with cranes

The IT teams aren’t the only new faces in the terminal office. No one is more surprised to be inside than the ship-to-shore crane drivers, now called Remote Operators. Eight of these workers (soon to be ten) occupy a space larger than the IT department.

“When we heard about the new terminal three years ago, and that the cranes would be operated with joysticks and screens from the office, none of us believed it,” says 46-year-old Jean-Pierre Tromp.

▲ Rudy Muller, Senior Manager of IT for Maasvlakte II: “No other terminal has this level of automation and that’s exciting.”
Photo: Rene Strandbygaard

● A game-changer port

“APM Terminals Maasvlakte II is clearly a game-changer port in the shipping industry,” says Kim Fejfer, CEO of APM Terminals.

“It is significantly safer for our people and all users of the port. It runs on a zero-emissions, sustainable business model that uses renewable energy. And equally important, our clients will experience higher productivity thanks to the automation. As the new pacesetter in our portfolio, we believe it will define our industry leadership in the years ahead,” he says.

“We thought ‘No way,’ because you won’t feel or hear the crane and the boxes. But we’re doing it, and for the most part, it’s better.”

Tromp has 14 years’ experience at APM Terminals’ other non-automated terminal in Rotterdam, and was one of the first Remote Operators hired nearly two years ago. Today he spends most of his time as an instructor.

Culture shift

Being inside an office has its advantages, he says, including being able to simply stand up and stretch. But the change in the work is significant and Crane Drivers must learn to adjust to being Remote Operators.

One big change is the view. Instead of a glass floor to look directly through at the containers below, Remote Operators have six screens showing multiple camera angles with the ability to zoom in anywhere for a closer look.

“The view can actually be better, but the operator has to learn it. There’s no 3D with screens, so to measure distances with our eyes we need to use the different camera angles we have and tools like a distance metre and that takes some getting used to,” he says.

And then there’s the quiet. Crane drivers are used to being shaken as boxes are moved, hearing loud banging and feeling the whirr of the crane cabin as it moves back and forth over the ship.

“No one can start out as a Remote Operator. You have to know how it feels in your body, your hands and your senses when you lift a heavy box and put it down again,” says Tromp. “It’s a new skill, a different skill, but one that allows me to use my past experience. Like I said, none of us thought this was possible, yet here we are, it’s exciting.” ●

Innovation

PUSH A BUTTON, SAVE YOUR LIFE

T It looks ordinary, but APM Terminals expects the Auto-Truck Handling feature at its Maasvlakte II terminal to save lives by turning an inherently dangerous part of the terminal into a safe place to work.

● By John Churchill

The interaction of people and machines is when accidents happen in terminals. And while Maasvlakte II is unique and very few people will ever enter the yard, as many as 1,000 truck drivers will pass through the gates each day.

The terminal’s Auto-Truck Handling feature will ensure that truck drivers can do their jobs safely and efficiently.

“Truck drivers are required to leave their trucks at transfer areas in all container terminals,” says Rik Geurtsen, Senior Project Manager

for Operations at the new terminal. “But despite the rules there’s never been anything to physically prevent them from staying in the truck or from walking around, which is when serious accidents can happen.”

It keeps us safe

The button changes that. Drivers must exit the truck and go to an intercom-like device to swipe an ID card. To begin loading or unloading a container, they must remain at the device and hold down a button. If they let go the operation stops, ensuring that they remain out of harm’s way.

Patrick Barten is a 26-year-old trucker and fairly new to the trucking business, but he knows from experience in older terminals and stories from older truckers about the dangers of the job. “The button is easy to use, which is important. Accidents happen but we never expect it to be us they happen to, that’s just the way people are. This is good, it keeps us safe.” ●



● Random numbers

Maasvlakte II is designed and built to support high-volume data communication.

23,500

transponders in the Maasvlakte II terminal.

20 GB

data generated per day at Maasvlakte II.

150

terabytes of data storage available at Maasvlakte II.

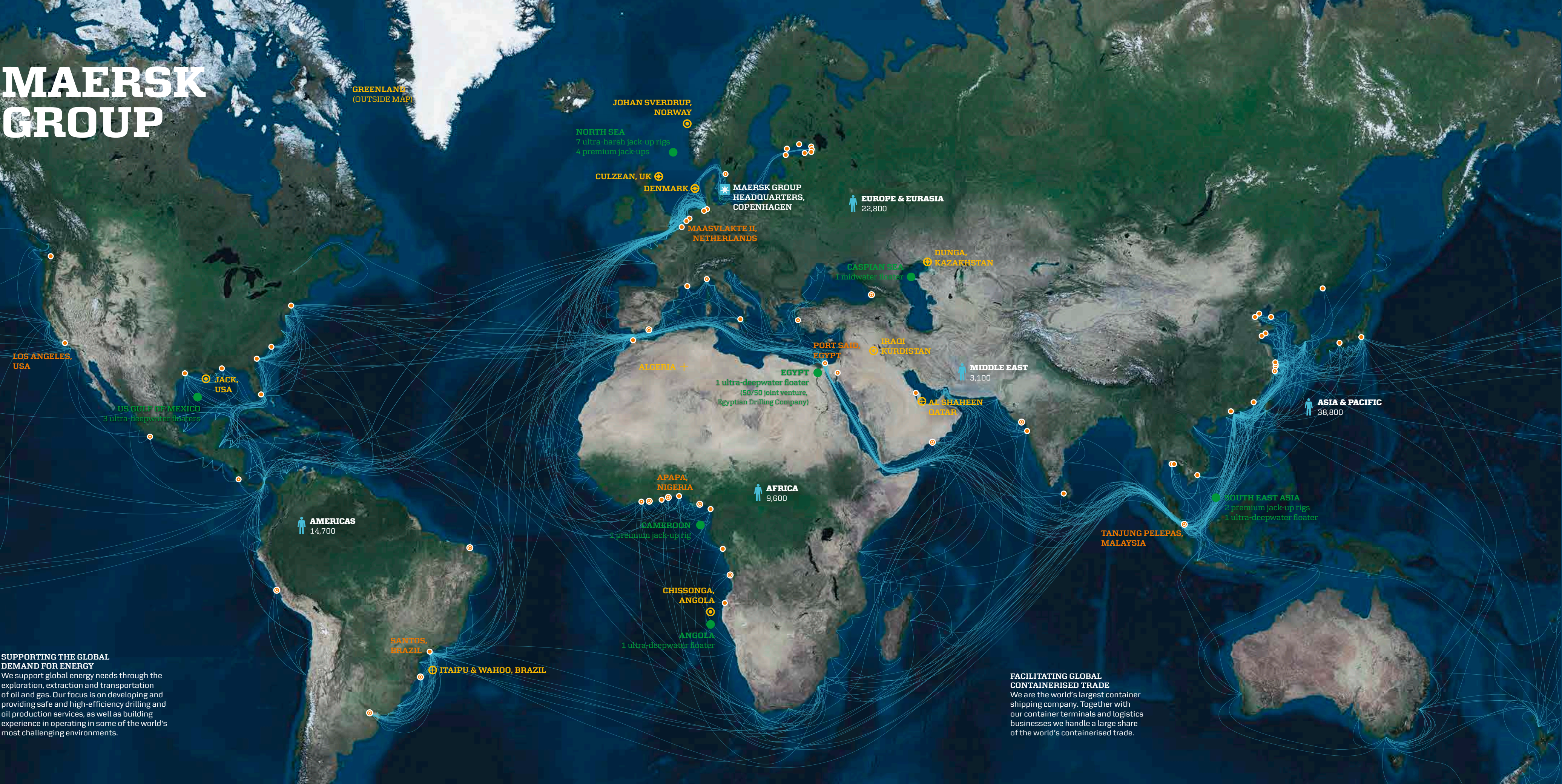
◀ Truck driver Patrick Barten pushes the button.
Photo: Rene Strandbygaard

THE MAERSK GROUP AT A GLANCE

The Maersk Group is a conglomerate of worldwide businesses with a core focus on shipping, oil and gas. The Maersk Group employs 89,000 people (FTE), operates in more than 130 countries and has its headquarters in Copenhagen, Denmark.

MAERSK GROUP

SUPPORTING THE GLOBAL DEMAND FOR ENERGY
We support global energy needs through the exploration, extraction and transportation of oil and gas. Our focus is on developing and providing safe and high-efficiency drilling and oil production services, as well as building experience in operating in some of the world's most challenging environments.



MAERSK LINE
is the Maersk Group's largest business unit and the world's leading container shipping company. With more than 600 vessels and a capacity of 2.9m TEU, Maersk Line transported 9.4m TEU in 2014. Maersk Line is enabling global growth with the total value of goods transported estimated at USD 650bn in 2013. It has 32,600 employees (incl. 7,100 sea farers), serving 75,000 customers worldwide.



MAERSK OIL
is internationally active in the oil and gas value chain, from exploration to production. It operates in 27 fields with a gross acreage of 52,000 km², and a workforce of 4,400 employees across 11 countries.



APM TERMINALS
operates 64 terminals and over 140 inland services. In 2013, its global market share of container throughput was 5.5% (weighted by equity share). A total of 20,600 employees work across 67 countries on five continents, serving 60 shipping lines and leading importers and exporters.



MAERSK DRILLING
provides offshore drilling services to oil companies around the world. It has 4,500 employees who work on 21 drilling rigs. With a further three newbuilds under construction, it is the youngest, and most advanced, of rig fleets.

APM SHIPPING SERVICES
Maersk Supply Service
serves the offshore industry with a fleet of 58 vessels (12 newbuilds under way), staffed by 2,100 crew members and supporting onshore staff worldwide.

Maersk Tankers
carries energy around the world for the product tanker segment, with a fleet of 122 operated vessels staffed by 2,400 crew members and supporting onshore staff.

Damco
facilitates and coordinates the transportation of goods at multiple stages, from production to final destination, with more than 11,000 employees in 100 countries.

Svitzer
is a global market leader in towage and emergency response, with 2,700 employees and a fleet of 359 vessels and operations all over the world.



EUROPE & EURASIA
22,800

MIDDLE EAST
3,100

ASIA & PACIFIC
38,800

AFRICA
9,600

AMERICAS
14,700

JOHAN SVERDRUP, NORWAY

NORTH SEA
7 ultra-harsh jack-up rigs
4 premium jack-ups

CULZEAN, UK

DENMARK

MAERSK GROUP HEADQUARTERS, COPENHAGEN

MAASVLAKTE II, NETHERLANDS

DUNGA, KAZAKHSTAN

CASPIAN SEA
1 midwater floater

PORT SAID, EGYPT

IRAQI KURDISTAN

AL SHAHEEN, QATAR

ALGERIA

EGYPT
1 ultra-deepwater floater
(50/50 joint venture, Egyptian Drilling Company)

APAPA, NIGERIA

CAMEROON
1 premium jack-up rig

CHISSONGA, ANGOLA

ANGOLA
1 ultra-deepwater floater

SANTOS, BRAZIL

ITAIPU & WAHOO, BRAZIL

TANJUNG PELEPAS, MALAYSIA

SOUTH EAST ASIA
2 premium jack-up rigs
1 ultra-deepwater floater

FACILITATING GLOBAL CONTAINERISED TRADE
We are the world's largest container shipping company. Together with our container terminals and logistics businesses we handle a large share of the world's containerised trade.

CHINA

New trade patterns

CHANGING WITH CHINA

Since its first vessel called at Shanghai in 1924, the Maersk Group has supported the shifting trade patterns of this changing society.

Today, Maersk Line is helping Chinese companies to go global and Chinese importers to capitalise on a growing domestic demand for food.

Shanghai World Financial Center
A general view shows the Shanghai World Financial Center and the skyline of the Lujiazui Financial District Pudong, seen from the 109th floor of the Shanghai Tower (still under construction).
Photo: Johannes Eisele, AFP, Scanpix

C With Chinese consumption on the rise, imported food is in high demand. To illustrate this trend, a northern Chinese fruit importer and a New Zealand meat and dairy exporter have seen volumes climb sharply.

By Anders Rosendahl and Yi Hui Tan

“In the beginning my wife and I did everything by ourselves. Now we manage and supervise the supply chain, from imports of bananas to distribution to markets,” says Nickey Xue, CEO at Ruihua Everfresh, a North China-based importer of fresh fruit from around the world.

Ruihua Everfresh is a success story of a family-owned business in the city of Dalian. Working alongside his wife, cousins and father and assisted by Maersk Line, Nickey Xue has built a business that imports a whopping 150 containers (FFE) of bananas a week, corresponding to a market share in North China of 30%.

The success of Ruihua Everfresh reflects a growing trend: a Chinese appetite for foreign foods. With Chinese consumption on the rise, imported food is in high demand. At Maersk Line, Frederick Chan, Head of the Import Sales Team in North China, welcomes this trend. He looks forward to increased cooperation with the Chinese importer. “We are in this with the objective of forming a long-term business partnership over the coming years. Ruihua Everfresh has the potential to grow and we want to be a part of that journey,” he says.

Rising consumption
The shift to an economy increasingly driven by consumption has gained traction in recent years. ➤

“We are in this with the objective of forming a long-term business partnership over the coming years.”

Frederick Chan,
— Head of the Import Sales Team in North China



The Maersk Group in China

First vessel call 1924
First representative office 1984
Employees 14,400
Locations 40
Offices 124
Invested capital USD 1.3 billion
Ships built in China for Maersk Group 118
Procurement in 2013 2.2 billion

Based on the statistics, Professor Shou Jianmin of Shanghai Maritime University points out that the average annual growth rate of imported food has exceeded 20% for the past five years.

“In the past few years, the increase of China’s imported food is not limited to fresh fruit and bananas. In fact, the main growth of imported food is reflected in the rising volumes of beef and lamb,” he says.

With New Zealand lamb breeders poised to plug China’s growing demand for protein from red meat, Maersk Line is prepared to link supply and demand. The company is already heavily involved in supplying lamb cuts for Chinese dinner tables.

“Since 2005, meat volumes have grown by 500%, while in the dairy segment the growth is close to 800%. China is now one of New Zealand’s biggest trading partners – second only to Australia,” says Gerard Morrison, Managing Director of Maersk Line New Zealand.

To feed the Chinese demand for frozen food, Maersk Line New Zealand has two different business partners: a ten-year agreement between Maersk Line New Zealand and New Zealand’s leading freight and logistic company, Kotahi; and an agreement between Maersk Line and the Alliance Group, a farmer-owned cooperative and one of New Zealand’s leading meat exporters.

According to Morrison, the Kotahi partnership also has growth potential in China:

“Similar to the trend that we see in the meat segment, we also expect to see an increase in higher-value dairy products such as cream, cheese and infant formula. The potential for Maersk Line to grow with this trade in the next decade is enormous,” Morrison says.

Driving the trend

Imports into China are driven by a number of factors, according to Professor Shou Jianmin of Shanghai Maritime University.

First, the demand for quality food is outstripping domestic supply.

Second, Chinese consumers are concerned with the quality and safety of food produced in China.

Third, some products made in China have lost competitiveness in terms of price.

Fourth, with a shift of policies, China has opened up to accepting greater food imports.

“This trend will continue for a while, but the local food companies in China are not standing by passively. They are trying hard to improve product quality,” Professor Shou Jianmin says.

“Since 2005, meat volumes have grown by 500%, while in the dairy segment the growth is close to 800%. China is now one of New Zealand’s biggest trading partners – second only to Australia.”

Gerard Morrison,
— Managing Director of
Maersk Line New Zealand

Pioneering Ecuador

Back in Dalian, CFO Celine Zhang of Ruihua Everfresh and wife of Nickey Xue also expects the trend to continue.

“The quality of the imported bananas is very high, and since Chinese living standards are growing a lot, people want quality bananas. Especially bananas from Ecuador that are better than the local bananas, so people prefer to buy them,” she says.

When starting to import bananas from Ecuador to China in July 2011, it was easier to find the local demand than it was to kick off something completely new.

Together with her husband, Celine Zhang did some detailed research. They made several visits to suppliers in Ecuador to ensure the right quality, and they spoke to shipping companies including Maersk Line to explore vessel availability and transit times that would ship the fruit to China in good condition.

After a month, the first shipment was completed with success. Bananas have arrived from Ecuador on a weekly basis ever since, and the company trusts Maersk Line with their safe delivery.

“We depend on trust in our partnerships. We need reliable carriers that can take full responsibility for our perishable goods during the entire chain of transportation. This is why we see Maersk Line as a strategic business partner,” CEO Nickey Xue says.

“When we have a problem, either in the morning or evening, we call the staff at Maersk Line and they solve it for us. This trust is not something that stems from a short relationship; it has been developed over many years,” Celine Zhang adds.

Meeting the demand

For Frederick Chan, opening doors for imported products to the Chinese market is becoming a common exercise.

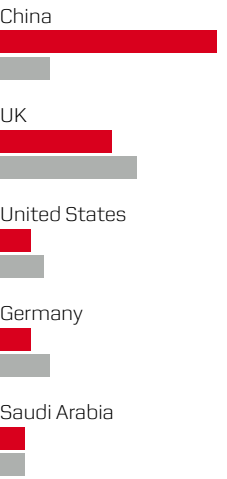
“We talk to a lot of customers about new import opportunities, and we are looking at origins all over the world, especially in Latin America and Africa. And being the biggest carrier in the world, Maersk Line has the flexibility and opportunities to grow in these markets, helping our customers meet the local demand,” he says.

Driving the trend

- 1 The demand for quality food is outstripping domestic supply.
- 2 Chinese consumers are concerned with the quality and safety of food produced in China.
- 3 Some products made in China have lost competitiveness in terms of price.
- 4 With a shift of policies, China has opened to accept greater food imports.

Top five sheep meat markets by volume

- Year ended Dec 2013
- Year ended Dec 2003



Trade patterns in transition

CHINESE BRANDS GO GLOBAL

While China has been the world’s largest exporter for years, the contents of the containers departing from the People’s Republic are now undergoing a subtle yet significant change. From producing goods for foreign brands, Chinese manufacturers are now increasingly producing for their own and taking them global.

By Anders Rosendahl

In the city of Shunde, located at the core of southern China’s Pearl River Delta, is the headquarters of the Midea Group, one of the largest white goods companies in the world. In the last 15 years, Midea Group’s exports have ballooned from USD 100 million to USD 8 billion. The company has transformed itself and now it is ready for the next challenge: bringing the Group’s own brands onto the global scene.

“We have a lot of work to do, because in some emerging countries the

consumers’ perception is a real issue for Chinese brands. It will take some time for them to accept Chinese brands, and that is a challenge for us. Once we have gained these experiences, we can probably look to the mature markets,” says Senior Vice President Andy Gu, who is responsible for the Group’s international business.

New trade patterns

Midea Group is a typical example of current developments in Chinese trade patterns. China’s export boom of past decades has been driven by Chinese companies that have

produced for global brands and consumers at low cost. Simultaneously, Chinese companies have built their own brands in the local market, and many of these are currently transforming from local to global brands.

“We need to keep a delicate balance between producing for other brands and our own brand business, so our major focus is on the emerging markets where even the Western brands are not very strong,” Andy Gu explains.

Out of an expected USD 23 billion turnover in 2014, the Midea Group’s exports account for USD 8 billion, and while it has sold products domestically under its own brands for years, the majority of the export business has been made up of products for well-known global brands.

Midea Group exports refrigerators, washing machines and dishwashers, to name but a few. In recent

It takes the workers at Midea’s production line at the factory in Shunde an hour to put together a microwave. Millions are exported annually, and as Midea goes global, an increasing number are labelled with Midea’s own brands. Photo: Rene Strandbygaard

years, the Midea Group launched its own brands in a growing number of foreign markets, primarily in South America and Africa.

Driving exports

Zhang Ye is the president of the Shanghai Shipping Exchange, an agency under the Ministry of Transport that implements freight filing regulations and also publishes weekly container freight indices. According to him, Chinese companies going global, i.e. the emergence of Chinese brands in the global market-place, is a clear and ascending trend:

“The new trend will for sure drive exports from China,” he says.

“Companies that are going global are playing the role as a driving force in mainland China. These companies motivate other companies to go global, while at the same time pushing the products manufactured locally to cater more to the needs of the global market,” Zhang Ye adds.

As part of going global, the Midea Group opened seven factories outside China which, combined with products for own brands and global brands from its Chinese factories, have seen a more complex supply chain emerge.

“The time between shipping the components and when the finished goods reach our customers is much longer than what we were used to, so we have been trying to figure out how to integrate supply chains and provide much more efficient operations outside of China,” Andy Gu says.

He says that Maersk Line “definitely” helps the company in the process, due to its broad global coverage with offices in 120+ countries where the staff can provide helpful local insights.

“Some ports that are difficult for us to handle are much easier for them.

For instance, we ship components to Brazil where Maersk has a huge presence, and it’s much easier for them to handle the business at the port and further on to our factory in Manaus.”

“In the past our strength really was in our lower cost. That is no longer true, so we are positioning ourselves as best cost suppliers. Best cost is a combination of product, service as well as price. These are the three major areas in which we compete in growth markets.”

Andy Gu,
— Senior Vice President,
Midea Group

This translates into new demands for Michael Fu, Maersk Line’s Account Manager for the Midea Group, who helps the Group to control the entire flow from the production in China to the delivery at foreign warehouses, factories and even shops.

“A stable service enables Midea to keep leaner inventories. For Manaus, this lowers costs while keeping the factory running smoothly. Without this reliability, Midea would need to stock up on supplies or risk a production stop,” Michael Fu says.

A journey of logistics optimisation

Fuyao Glass, a Chinese customer of Maersk Line, is the second-largest automotive glass manufacturer in the world, with the ambition to become number one.

Based in Fuzhou, one of the gateway ports in East China, Fuyao has 70% of the market share in China, 35% in the United States and 23% globally. Its clients are a “who’s who” of the auto industry: GM, Daimler, BMW, Volkswagen, Bentley and Rolls-Royce.

Prior to 2011, however, Fuyao was struggling with messy logistics management during the rapid growth of their business in past years. Having transparent costs and an efficient management system became a priority for their logistics management, and Maersk Line was ready with an offer.

“The Maersk Line team in Fuzhou proposed to Fuyao that they centralise all logistics procurement to their headquarters, launch the freight tender once or twice annually and cut down the number of logistics and shipping suppliers,” says Hom Wan, Maersk Line’s Account Manager for Fuyao.

After three years of continuous optimisation, the number of suppliers has decreased from more than 100 to 10; general shipping costs have declined and the sales and production divisions are free from logistics management.

Still progressing

Experts estimate that Chinese companies have the ability to become truly global within 15 years. President of the Shanghai Shipping Exchange, Zhang Ye, nods at the assessment, summarising the current status of the trend as “entering” the global markets with the potential to progress to “staying and developing” in three years.

“And this is likely to happen,” he says, pointing to three driving factors: the Internet creates a clearer picture of global demand, China has the necessary economic capability, and continuous reform and opening of China, the concept of globalisation, will gradually work to also change wider perceptions. •



Films

Go to Maersk.com to see how Midea Group and Ruihua Everfresh are spearheading the changing trade patterns in China.

www.maersk.com/en/markets/maersk-in-asia



The trade champion

China became the world’s biggest trading nation in 2012 after growing imports and exports for decades. Source: Bloomberg



Strong incentive for trade growth

THE POTENTIAL IN LIBERIA

With Liberia’s economic growth projections, the new Monrovia port provides a strong incentive for trade growth in a country dealing with both historical problems and a more recent threat. While the port has only been operational for four years, its impact can already be seen and felt in a variety of ways, as witnessed through the eyes of Jacqueline Paye. >

People

Nearly 70% of Liberia’s four million people are under the age of 29, and 50,000 young people enter the labour market each year.

Despite uncertainties connected to the changing and alarming Ebola forecasts, Liberia’s future is also one of high economic growth projections. Photo: Thomas Sonne

By John Churchill

To a foreigner visiting West Africa, Liberia could seem to be a nation against all odds. Still recovering from the trauma of historical conflict, it also faces an immediate threat – the Ebola outbreak.

Despite the uncertainties connected to the changing and alarming Ebola forecasts, Liberia’s future is also one of high economic growth projections.

“Many of my friends don’t have a job. I have a good job with benefits at a company that has a big name in Liberia. It makes me very proud.”

Jacqueline Paye,
— *Multi-Skilled Operator,*
APM Terminals Monrovia

In support of the country’s economic reconstruction and development, APM Terminals Freeport of Monrovia has been operational for four years. Maersk Line has decided to keep trade lanes open to Ebola-hit countries that would otherwise be isolated, as sea trade is vital for a region that imports a large share of food and other everyday products.

The impact of the terminal is already seen and felt in a number of ways.

Financial security

Jacqueline Paye is a ‘multi-skilled equipment operator’, one of just a handful of the 200 APM Terminals Monrovia employees who are authorised to operate every machine in the yard. And the only female one.

“When I am sitting in my vehicle in the port, I thank God,” she says. “Many of my friends don’t have a job. I have a good job with benefits



Jacqueline Paye

Multi-Skilled Operator in APM Terminals Monrovia. The Freeport of Monrovia handles 90% of Liberia’s trade.

at a company that has a big name in Liberia. It makes me very proud.”

As a Liberian and a 35-year-old single mother living in a country where jobs – and the skills needed for them – are rare, her job offers her financial security. It is a ladder of opportunity for her and her son Joshua.

“Joshua is going to school and I want him to grow up to be a good person,” she says.

Opening the door to trade

Unfortunately, jobs in Liberia are scarce, especially those that provide

training such as Jacqueline’s. Nearly 70% of Liberia’s four million people are under the age of 29, and 50,000 young people enter the labour market each year.

Street vendors selling food, drinks, clothes and a variety of other goods line the streets all over Monrovia. “Everything you see here comes through the port. Without it, the country would grind to a halt. There would be nothing to sell,” says Johnson Liway, a reporter for the Liberian News Agency.



9,100

tonnes of shipping capacity donated.

66

shipments, carrying food, medicines and vehicles.



59

containers donated for storage spacing.

“What we need is more jobs for young people. We need more businesses to come in and set up in Liberia to give people a chance to learn and develop their careers.”

A source of employment

The terminal itself is a sizeable source of employment in Monrovia, with 200 staff working directly for APM Terminals and another 2,000 local subcontractors doing business in the port.

“Of course, we create a certain number of jobs from just operating the port,” says George Adjei, Managing

Director of APM Terminals Monrovia. “But our real value comes from building a world-class port with a professional workforce that will make it easier and more attractive for companies to invest and do business here.”

Encouraging signs

As sales manager for Maersk Line in Liberia, 32-year-old Jlué Wolo has a unique vantage point from which to view his country’s changing economy. Maersk Line has been in Liberia since 2001 and was once the only shipping line. Today, the new terminal is attracting competition.

“Before APM Terminals took over the port, the risks kept our competitors away. Theft, safety, operational inefficiency and a lack of transparency are no longer risks,” says Wolo.

“We now have two new competitor shipping lines calling in at Monrovia: MSC and PIL. That’s a credit to the port’s efficiency and processes. Competition also means a better product for our customers, even if it makes my job tougher,” he says, smiling.

New beginnings

One of those customers is Abigail Urey, Liberian co-owner of Edgail Inc. Her company is a scrap metal exporter that is investing in a new business to manufacture and export recycled waste oil, initially to customers in China.

“The port is a huge improvement. There’s a schedule, one fee and we’re treated as valued customers,” she says.

“With the new business we won’t get second chances with our

customers, so every improvement helps. We will depend on the shipping lines and the port to perform as expected, so we don’t break our promises.”

“We create a certain number of jobs from just operating the port. But our real value comes from building a world-class port with a professional workforce that will make it more attractive for companies to invest and do business here.”

George Adjei,
— *Managing Director of*
APM Terminals Monrovia

Next steps

In February 2014, APM Terminals put out a tender for another USD 32 million investment in the port. The total investment will reach USD 120 million by the end of the 25-year concession. This latest round will cover the complete paving of the terminal footprint, installation of CCTV security and the construction of a new port office away from terminal operations, to keep staff and customers away from the machines. Completion is expected in two years.

“In our first two years, we had double-digit volume growth,” says Noah Sheriff, Commercial Manager for APM Terminals Monrovia. “In 2013, we fell back a bit due to a variety of economic factors. We were cautiously optimistic about 2014 and have seen flat container volume growth but a boost in general cargo. Considering the impact of Ebola on the region, this was an acceptable result. This year we expect volumes to be 7.8% higher than 2014.” •



The Maersk Group helps fight Ebola

The Maersk Group is committed to assist Ebola-hit countries in West Africa and wants to keep trade links open to ensure supplies are able to come in to these countries and trade is affected as little as possible. The Maersk Group has allocated up to USD 1 million to help the United Nations Logistics Cluster’s efforts against the outbreak, including ocean freight and the use of assets such as containers, reefers and forklifts.

As of December 2014, nearly USD 600,000 of those funds has been spent, including the donation of containers to store sensitive equipment and the shipment of vehicles, food and medical supplies to the affected countries to support the work of the humanitarian community.

In October 2014, APM Terminals Monrovia built and handed over an Ebola treatment centre to the Liberian government. The camp consists of 50 tents for up to 100 patients, as well as ten tents to be used as offices for doctors and administrative staff. The tents were made using plastic liners donated by Maersk Line. The camp includes showers, toilets, a disposal site and a visitor centre.

Hidden footprint

MAERSK GROUP AND THE DANES

P **The presence of an international conglomerate** has a significant influence on a country of 5.6 million people. Maersk Group went on a journey around the country, talking to Danish businesses and people directly or indirectly affected by the company's presence.

By Anders Rosendahl and Sam Cage

When the world turned global, so did the Maersk Group.

From its beginnings in Svendborg, Denmark in 1904, the Maersk Group has developed its business into today's 130 countries. The impact where its roots lie is still significant, although not as obvious as its global presence.

Maersk Group has strong ties to Denmark, employing more than 6,000 people full time and with 43% of the fleet under the Danish flag. It is also one of the largest tax contributors in its home country, paying DKK 4.7 billion in Denmark in 2014, the majority related to North Sea oil and gas operations, according to Maersk Group data.

There is a visible presence in the Maersk Oil operations in the Danish part of the North Sea, the head-quarters on Copenhagen's water-front and the bustling container terminal in Aarhus. In numbers, the Maersk Group contributed 2.5% of the country's total gross domestic product in 2012, according to data compiled by the research company Last Mile and based on information from Statistics Denmark and the Maersk Group. This equates to the cost of the Fehmarn tunnel that will link Denmark to Germany under the Baltic Sea.

The impact comes in many other forms for Danes in their everyday lives. To identify these, one must take a journey around the country for a closer look. •

Read more about the Maersk Group's impact in Denmark on the following pages. >

Maersk Group in Denmark

6,000+ full-time employees in Denmark.

43% of the Maersk Group's fleet sail under the Danish flag.

4.7bn taxes paid in Denmark in 2014 (DKK)

2.5% Maersk Group's contribution to Denmark's total GDP in 2012 (DKK 46 bn).

88,000 nights, worth DKK 150 million, are spent at Danish hotels annually by Maersk Group employees.

1.1 Each Danish job at Maersk Group creates more than one additional job in Denmark.

100m The value of the economic activity that the renovation of a Maersk Drilling rig creates (DKK).

Maersk Oil
Maersk Oil's investments in the North Sea create **thousands of jobs** at subcontractors across Denmark.

Maersk Training
Every year Maersk Training prepares **2,000** Danes for jobs in the offshore industry at the center in Esbjerg alone.

Desmi Ocean Guard — Nørresundby
Bladt Industries — Aalborg

Aarhus Havn — Aarhus

GreenOil Ebeltoft

Maersk Drilling, Lindø — Kerteminde

Lodam Electronics — Sønderborg

APM Terminals
Around **50%** of all Danish container exports are shipped from the terminal in Aarhus – including the majority of Danish agricultural exports.

Maersk Oil
Maersk Oil cooperates with Danish universities to optimise oil production from the North Sea.

BioRec, DTU Force Technology — Lyngby
Copenhagen Hotels — All of Denmark

Maersk Group
Maersk Group invested **DKK 200 million** in transforming the Odense Steel Shipyard into the Lindø Industrial Park – paving the way for more than

1,200 local jobs before selling the area to the Odense Municipality.

Finding the hidden footprint

Scratch the surface at many Danish ports, universities and companies and Maersk Group's hidden footprint might just emerge.



Films

Go to Maersk.com to see 11 examples.

www.maersk.com/en/markets/maersk-in-europe





☛ **Sheep's wool on Triple-Es**
— Ebeltoft, Jutland

Many useful items can be made from sheep's wool. An oil filter is not the first that springs to mind, but GreenOil, a small engineering company based in Ebeltoft, found it worked well because it has a rougher surface than the synthetic fibre commonly used.

GreenOil is now one of a dozen Danish suppliers delivering highly specialised systems and components for Maersk Line's giant Triple-E ships. It was founded ten years ago with the aim of making a better offline filter for vessels, first removing particles and then water from the oil to make it almost as good as new.

"By collaborating with Maersk, we have developed our product range rapidly. And we are more focused, because we are collaborating with a partner that has extensive knowledge within this field, and that has testing facilities in their vessels that we might not find elsewhere," says CEO Hans Lund.

☛ **1,200 additional local jobs**
— Kerteminde, Funen

The shipyard at Lindø no longer turns out Maersk container ships, but is now a bustling industrial park that houses companies working in the offshore industry, a transformation in which the Maersk Group invested DKK 200 million and paved the way for more than 1,200 local jobs.

Five of Maersk Drilling's rigs have come into Danish yards since

2011, each with a significant local economic impact. When the Mærsk Gallant came into Lindø for a three-month stay in 2014, it created 500 additional local jobs.

"Many of the people working in the area today are old shipyard people who know each other," says Søren Rask, the industrial park's security manager. "This is a little village. We are all one big family. We help each other. Evidently we are competitors, but we can still help each other out if needed."



◀ GreenOil discovered that sheep's wool made an extremely good oil filter. Working with Maersk Line assisted in the rapid development of the product.
Photo: iStockphoto

☛ **Bright minds**
— Lyngby, Sealand

Marcel Somers, a professor in materials and surface engineering at the Technical University of Denmark (DTU), had given little thought to the oil and gas industry before the Danish Hydrocarbon Research and Technology Centre opened in 2014.

While keeping his old job, Somers now also handles recruitment for the centre, which is looking for bright minds to develop new ideas and technologies to extend the productive lifetime of oil and gas production facilities. With funding of DKK 1 billion from the Danish Underground Consortium (DUC), it is one of more than ten projects that Maersk Grup is involved in with Danish universities.

A longer lifespan for North Sea oil and gas production means more tax money for the Danish state and greater security of energy supply, while the centre should offer students opportunities in an area that they may not otherwise have considered, Somers explains.

"You do not read so much about oil and gas in the Danish press – before I came into this world, I wasn't aware of how much was going on," Somers says.

"This will give students an opportunity to think about a career in oil and gas," he adds. "These young people, who are very enthusiastic, curious and have mad ideas – some of which are really good ideas – are what makes life worth living at a university."

◀ "Today, a lot of smaller companies, developing new technology, are joining us. We are moving towards the belief that investing in renewable energy is the way forward," Security Manager Søren Rask at Lindø Industrial Park says about the transition of the industrial park.
Photo: Peter Elmholt

China is one of the fastest growing importers of Danish pork. Truck driver Bjarne Johansen takes several of the containers on his truck from the Danish Crown abattoir in Jutland to the port in Aarhus where they are loaded onto vessels and the trade route to the Far East.
Photo: Peter Elmholt



☛ **One million kilometres**
— Aarhus, Jutland

Bjarne Johansen steers his truck between containers waiting to be loaded for export from the terminal at Aarhus, one of the continent's most productive ports and located directly on the world's busiest trade route between Europe and the Far East.

Johansen's father was a truck driver, as was his grandfather before him. He has just replaced his truck, after driving the previous one around one million kilometres in five years, delivering pork from the Danish Crown abattoir to the APM Terminals facility.

"I was born in a truck, I think," Johansen says. "I drive back and forth all day. It's 700 kilometres every day, so I drive about 3,500 kilometres every week."

As he drives into the terminal and past containers, a Maersk Line vessel waits under the cranes to be loaded with goods. The terminal handles 50% of Denmark's container exports, including machinery, instruments, grain and other food products.

"The ship is waiting," Johansen says. "Maybe it is waiting for me, you never know. My small container doesn't take up a lot of space on that large ship." •

☛ **Constant care**

In addition to its measurable footprint in Denmark, the Maersk Group is also attributed with having an impact on Danish self-understanding.

The trademark saying, and Group Value "Constant Care", for instance, has become a common phrase in business as well as everyday life.

Moving up the corporate ladder

RETAINING THE SPARK

P **Making up 19% of the workforce,** Indian nationals easily outnumber any other nationality in the Maersk Group organisation. Young women leaders of Maersk India are not only moving up the corporate ladder; they also illustrate a wider trend in society as a whole.

By Anders Rosendahl

“It’s a big challenge to motivate extremely capable female employees to aspire to the next level. They have a lot of personal responsibilities, so it’s natural to get comfortable in a position and easy to lose the spark,” says Kinjal Pande, Head of Ocean Product for India, Bangladesh and Sri Lanka at Damco.

Kinjal Pande adds personal experience to the fact that only 5% of working females in India, according to the World Economic Forum Gender Gap, have made it to senior leadership positions, compared to the global average of 20%.

For her, it is important to create an encouraging environment where her ambitious and capable female team members have the opportunity to prosper.

“My role as a leader is to keep their ambitions alive with the right set of growth opportunities,” Kinjal Pande says.

160 different nationalities
The Maersk Group is made up of more than 160 different nationalities from all over the world. Making up 19% of the workforce, Indian nationals easily outnumber any other nationality in the organisation.

The Maersk Group employees work in the Global Service Centres, Maersk Group's shared service centres in Chennai, Pune or Mumbai; at the port in Pipavav or the terminal in Mumbai; for Svitzer in Mumbai; for Maersk Training in Chennai; for Maersk Line, Safmarine or APM Terminals Inland Service at the headquarters in Mumbai; or close to customers throughout the country.

That is if the employees have not been expatriated to a Maersk Group entity in another country, anywhere around the globe.

Recovering millions
Another Indian Maersk employee is Trishna Mishra, Head of Operations Cost Recovery at Maersk Line India. For her, leadership is more diverse,

and her responsibilities include the recovery aspect of terminal cost and inland cost, roughly USD 185 million a year. A total of 80% of operations are executed by external vendors

“I can only deliver to the customers if I receive the right level of service delivery from the vendors. So we need to manage their performance and even partner with them in order to maintain market share and deliver on profitability,” she says.

Since Trishna Mishra took the position in 2011, the margin of this part of the business has risen from 7% to 17%, corresponding to a USD 12 million increase.

Focus on Indian conglomerates
Ruchika Kuthari is Channel Head of Emerging Stars at Maersk Line India. Emerging Stars are huge Indian conglomerate businesses that have been identified to have the potential to do much more business with Maersk Line. These include the Tata Group, the Mahindra Group and the Aditya Birla Group; huge Indian



India

Rapid urbanisation, one million people entering the workforce monthly and 40 million people joining the middle class annually.

For India’s economy to keep up with its vast and swiftly changing demography, pundits agree that the annual GDP growth rate must increase to 8-9%.

companies that within the past 20 years have had a tremendous growth in the global markets.

Each conglomerate has multiple business units with completely different supply chains, decentralised procurement and widespread distribution models. Similarly, Maersk Line has different sales managers handling the account from different locations.

“We want to consolidate and simplify, deliver cost efficiencies through group procurement and trigger change to the supply chain management mindset of these customers,” she says.

Female leadership rising
According to Adit Jain, an economic analyst and chairman at IMA India, a business information company, the situation in India is developing in favour of female leadership.

“Women are not just joining the workforce, they are taking strides into senior management as well,” Adit Jain says.

He points to changing value systems, rising aspirations and higher consumption, which sees many urban families needing a dual income, driving the development.

No special treatment
Within the past two years, Maersk Line India has seen maternity leave increase from three to six months,

as well as options for flexitime and working from home.

Head of HR, Kavita Singh, explains:

“Women constitute additional talent, which is capable of forcing a different view. Hence we want to provide our talented female employees with time to take care of their personal priorities and return to work with conviction,” she says, leaving no doubt about priority.

“While giving consideration for personal priorities, women are still expected to deliver the same quality of work as the rest of the organisation. And what’s encouraging is that women here do not want to be given any special treatment. They want to be assessed on their merit.” ➤



Trishna Mishra, Kinjal Pande and Ruchika Kuthari are leaders of Maersk India. They illustrate a wider trend amongst women in Indian society: increasing female leadership. Photo: Ritam Banerjee

The new stronghold

INDIA'S GROWTH MOVES INLAND

M As India seeks to bounce back to the annual growth rates of close to 8% that the country enjoyed until recently, expectations are increasingly linked to the vast hinterland. The Maersk Group is repositioning itself to seize the opportunities that emerge in the wake of these changes.

By Anders Rosendahl

Looking for new growth in India? It may be time to look beyond the megacities to lesser-known cities such as Nashik, Nagpur and Chandigarh in the hinterland, predicted to be major contributors to India's next growth phase.

As growth moves inland, logistics facilities follow, and locations to pick up and drop off containers and manage paperwork are increasing in numbers. The market for this type of infrastructure, including roads and rail, is expected to triple to USD 15 billion by 2025.

The Maersk Group is building positions here to support this trend.

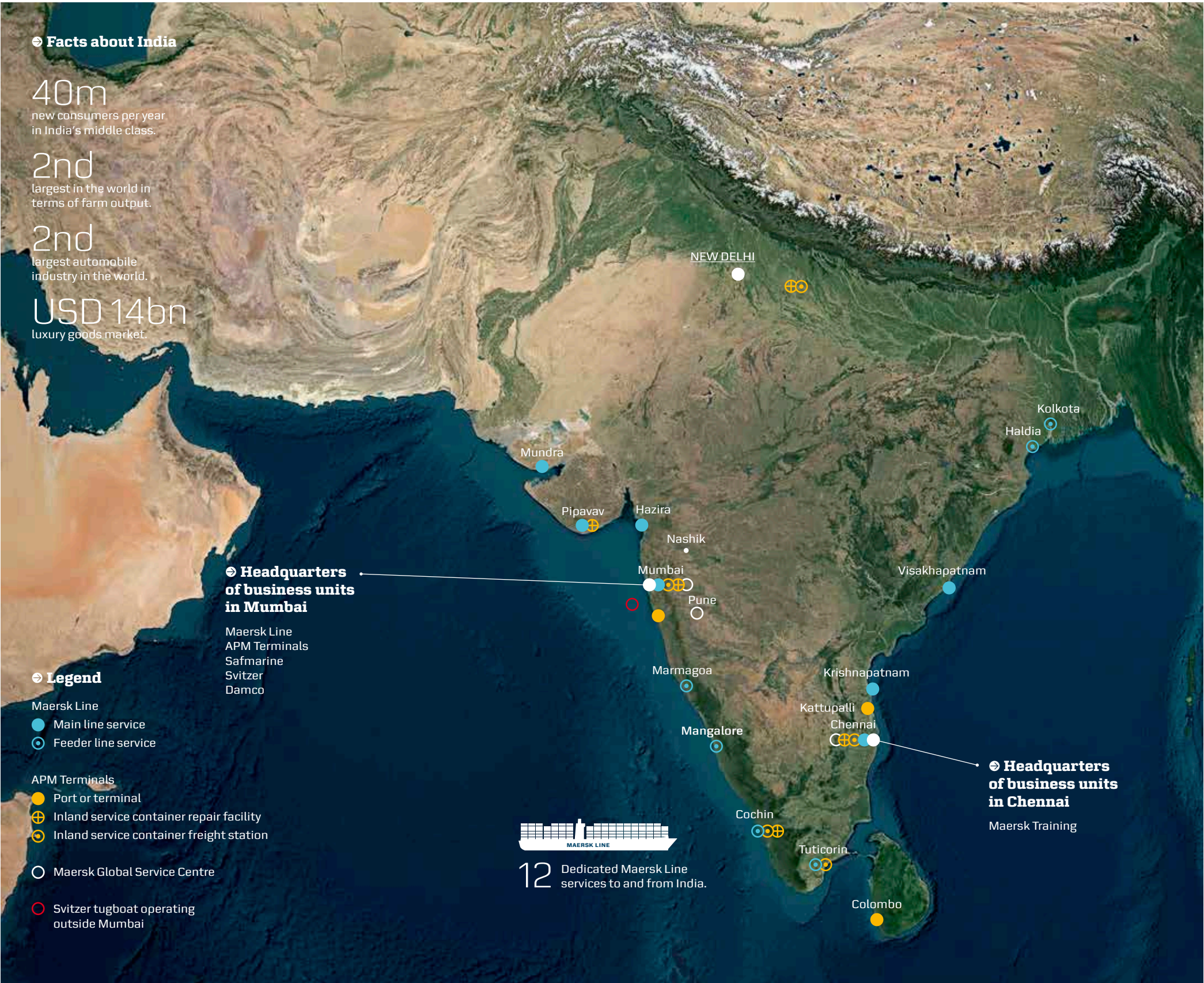
"A few years ago we decided to place sales representatives in cities with one or five million inhabitants. That

would give us a better chance of controlling the business and tapping into the growth," says Sanjay Tiwari, Head of Sales at Maersk Line India.

With people in the hinterland meeting with customers, experts in a number of industries at the main office in Mumbai, reefer expertise and good sea products, Maersk Line had a real value proposition for the customers.

"By making the hinterland a stronghold, we are well positioned for future growth and can contribute to the economy of the country," Tiwari says.

In 2014, Maersk Line's market share in most hinterland locations stood at 25-30%, up from 10-11% in 2011. With annual volumes of 800,000 containers (FFE), Maersk Line is the leading carrier in the Indian market. •



☛ The Maersk Group in India

With a comprehensive presence on the Indian subcontinent, the Maersk Group offers its customers global coverage with a local touch and local knowledge.

25
Maersk Line
Offices

46
Maersk Line
Inland
Acceptance points

12
Maersk Line
Container freight
stations

3
APM Terminals
Port or terminals

6
APM Terminals
Inland service
Container repair
facility

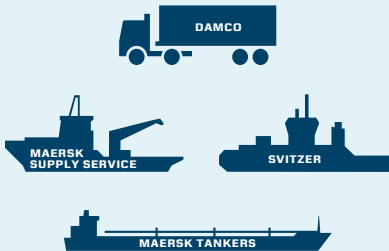
6
APM Terminals
Inland service
Freight stations

16
Damco
Offices



Financial performance of the Maersk Group and the business units

THE MAERSK GROUP AT A GLANCE



The Maersk Group

is a conglomerate of worldwide businesses established in 1904 with core focus in the industries of shipping, oil and gas. The Group operates in some 130 countries and is headquartered in Copenhagen, Denmark. The Group's ambition is to achieve a ROIC above 10% over the cycle.

Overview

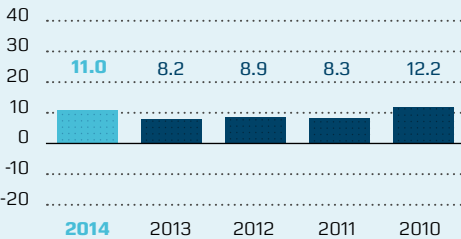
- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
47,569	47,386	49,491	49,917	45,559
5,195	3,777	4,038	3,377	5,018
89,000	88,900	89,500	86,300	81,600

Invested capital USD million



ROIC %



Maersk Line

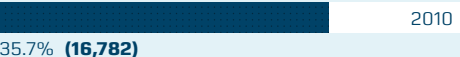
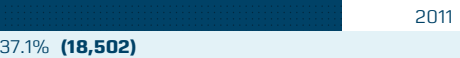
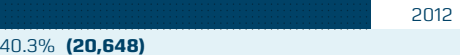
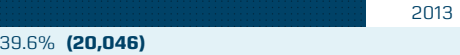
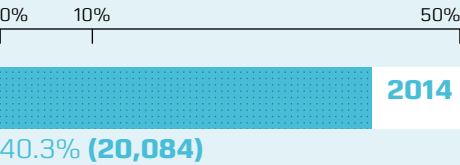
started its liner service in 1928 on the basis of the tramp shipping activities initiated when the company was established in 1904. Today, it is the world's largest container shipping company offering reliable, flexible and eco-efficient ocean transportation in all parts of the world.

Overview

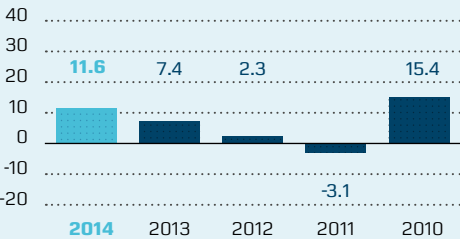
- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
27,351	26,196	27,117	25,108	24,022
2,341	1,510	461	-553	2,616
32,600	32,800	32,500	30,700	29,300

Invested capital USD million



ROIC %



Maersk Oil

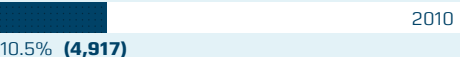
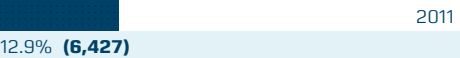
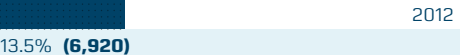
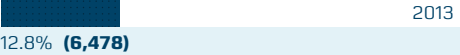
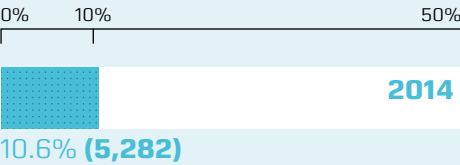
was established in 1962 and is a medium sized upstream international oil and gas company with roots in the North Sea, and now with operations worldwide. Maersk Oil is actively involved in all stages from exploration to production, both onshore and offshore.

Overview

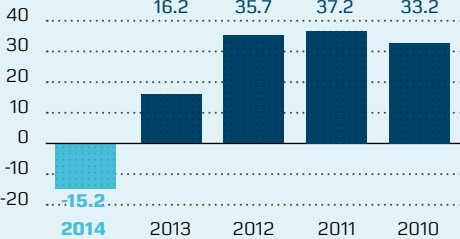
- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
8,737	9,142	10,154	12,616	10,250
-861	1,046	2,444	2,112	1,688
4,400	4,000	3,800	3,100	2,600

Invested capital USD million



ROIC %



APM Terminals

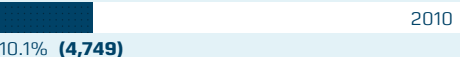
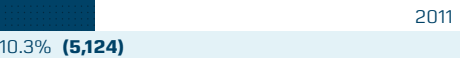
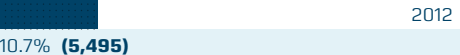
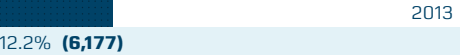
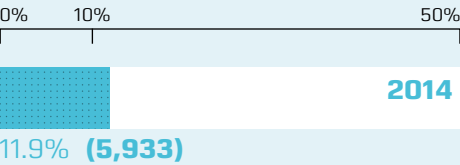
formerly a part of Maersk Line, was established as a separate business unit in 2001 and is now one of the world's leading port developers and operators. The global network consists of 64 operating terminals and over 140 inland services.

Overview

- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
4,455	4,332	4,206	4,682	4,251
900	770	701	648	791
20,600	20,200	20,600	20,100	18,600

Invested capital USD million



ROIC %



Maersk Drilling

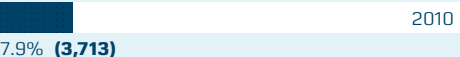
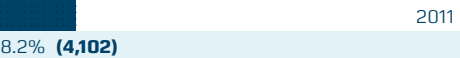
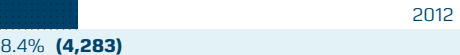
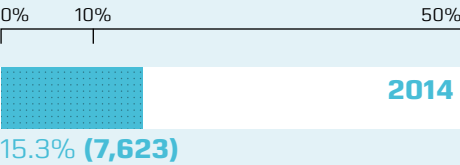
was established in 1972 and is a leading global drilling contractor with a fleet of high technology drilling rigs, providing offshore drilling services to oil and gas companies with one of the world's youngest and most advanced fleets.

Overview

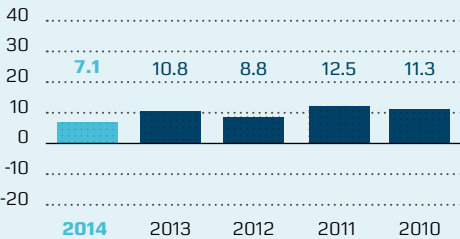
- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
2,102	1,972	1,683	1,878	1,627
478	528	347	488	408
4,500	4,000	3,400	3,400	3,100

Invested capital USD million



ROIC %



APM Shipping Services

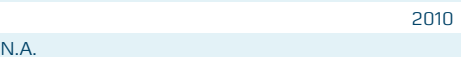
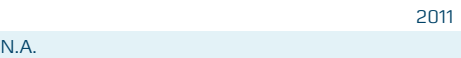
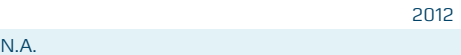
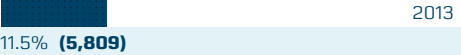
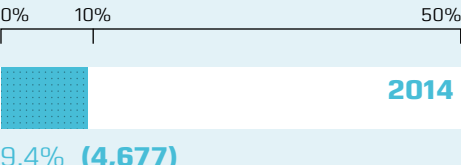
was established as a business unit in 2014 and comprises four industry leading businesses; Maersk Supply Service (est. 1967), Maersk Tankers (est. 1928), Damco (est. 1977) and Svitser (est. 1833 and acquired by the Maersk Group in 1979).

Overview

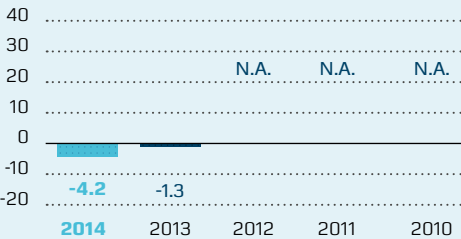
- Revenue (USD million)
- NOPAT (USD million)
- Employees

2014	2013	2012	2011	2010
5,926	6,438	-	-	-
-230	-85	-	-	-
18,600	19,400	-	-	-

Invested capital USD million



ROIC %



FIVE YEAR SUMMARY

USD MILLION					
INCOME STATEMENT	2014	2013	2012	2011	2010
Revenue	47,569	47,386	49,491	49,917	45,559
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	11,919	11,372	11,797	14,104	15,201
Depreciation, amortisation and impairment losses, net	7,008	4,628	5,065	5,292	5,870
Gain on sale of non-current assets, etc., net	600	145	610	210	670
Share of profit/loss in joint ventures	-6	152	130	-	-
Share of profit/loss in associated companies	412	295	222	122	82
Profit before financial items (EBIT)	5,917	7,336	7,694	9,144	10,083
Financial items, net	-606	-716	-780	-862	-1,026
Profit before tax	5,311	6,620	6,914	8,282	9,057
Tax	2,972	3,237	3,161	5,932	4,518
Profit for the year – continuing operations	2,339	3,383	3,753	2,350	4,539
Profit for the year – discontinued operations	2,856	394	285	1,027	479
Profit for the year	5,195	3,777	4,038	3,377	5,018
A.P. Møller - Mærsk A/S' share	5,015	3,450	3,740	2,836	4,705
BALANCE SHEET					
Total assets	68,844	74,509	72,396	70,444	66,756
Total equity	42,225	42,513	39,324	36,190	34,376
Invested capital	49,927	54,630	53,814	51,753	47,013
Net interest-bearing debt	7,698	11,642	14,489	15,317	12,409
Investments in property, plant and equipment and intangible assets	9,368	7,087	7,826	10,901	5,626
CASH FLOW STATEMENT					
Cash flow from operating activities ¹	8,761	8,909	7,041	6,665	9,585
Cash flow used for capital expenditure ¹	-6,173	-4,881	-5,822	-10,285	-4,167

FINANCIAL RATIOS	2014	2013	2012	2011	2010
Return on invested capital after tax (ROIC)	11.0%	8.2%	8.9%	8.3%	12.2%
Return on equity after tax	12.3%	9.2%	10.7%	9.6%	15.4%
Equity ratio	61.3%	57.1%	54.3%	51.4%	51.5%

STOCK MARKET RATIOS					
Earnings per share (EPS), USD	230	158	171	130	216
Diluted earnings per share, USD	230	158	171	130	215
Cash flow from operating activities per share, USD ¹	401	408	323	305	439
Dividend per share, DKK	300	280	240	200	200
Dividend per share, USD	49	52	42	35	36
Share price (B share), end of year, DKK	12,370	11,770	8,520	7,584	10,102
Share price (B share), end of year, USD	2,021	2,175	1,506	1,320	1,800
Total market capitalisation, end of year	42,848	46,305	31,876	28,018	38,741

GROUP BUSINESS DRIVERS					
Maersk Line					
Transported volumes (FFE in '000)	9,442	8,839	8,493	8,111	7,277
Average container freight rate (USD per FFE)	2,630	2,674	2,881	2,828	3,064
Unit cost (USD per FFE incl. VSA income)	2,584	2,731	3,054	3,108	2,898
Average fuel price (USD per tonne)	562	595	661	620	458
Maersk Line fleet, owned	274	275	270	254	245
Maersk Line fleet, chartered	336	299	326	391	325
Fleet capacity (TEU in '000)	2,946	2,631	2,625	2,521	2,166
Maersk Oil					
Average share of oil and gas production (thousand barrels of oil equivalent per day)	251	235	257	333	377
Average crude oil price (Brent) (USD per barrel)	99	109	112	111	80
APM Terminals					
Containers handled (measured in million TEU and weighted with ownership share)	38.3	36.3	35.4	33.5	31.5
Number of terminals	64	65	62	55	48
Maersk Drilling					
Operational uptime	97%	97%	92%	96%	96%
Contracted days	6,275	5,840	5,574	5,586	5,145
Revenue backlog (USD bn)	6.0	7.9	7.2	3.8	3.1

¹ From continuing operations.

Financial highlights 2014

MAERSK LINE
PERFORMANCE

F **Maersk Line continuously** improved its earnings and profitability throughout 2014, delivering a profit of USD 2.3bn, an increase of USD 831m despite operating in a lower freight rate environment. Optimising the cost structure to build a track record of stable returns and free cash flow has been a key focus area in 2014, in order to position Maersk Line for the future.

The improvement in earnings was mainly driven by lower unit costs through continuous focus on operational cost savings mainly from vessel network efficiencies, active capacity management and improved vessel utilisation, but also supported by lower bunker price especially evident in the last quarter of 2014.

The market

Global container industry demand increased by about 4% in 2014. Demand grew by 5.5% in the first half of 2014, while the second half showed a more moderate growth of about 3%. European imports were surprisingly strong in 2014, with volumes nearly 6% up on 2013, mainly reflecting an inventory build-up. US imports grew by about 4.5% following the strong economic development. However, container imports into emerging economies like Argentina, Brazil, Russia and South Africa weakened.

Deliveries of new container vessels amounted to about 1.5m TEU in 2014 in nominal terms, corresponding to 8.5% of the existing fleet. Although the amount of scrapped vessels was large in 2014 (2.3%), idling was reduced to only 1.3% of the fleet at year-end. Consequently, the significant supply/demand imbalance persisted in 2014. The equivalent of 1.1m TEU new container vessels were ordered during 2014, leading to a steady decline of the container vessel orderbook to around 18% of the fleet in Q4 2014.

Global freight rates declined during 2014 reflecting the challenging supply/demand gap.

The financials

Revenue increased by 4.4% to USD 27.4bn positively impacted by a volume increase of 6.8% to 9.442k FFE, yet offset by a decrease of 1.6% in the average freight rate to 2,630 USD/FFE. Recognised freight revenue was USD 25.0bn (USD 23.7bn) and other revenue was USD 2.4bn (USD 2.5bn).

The result improved the return on invested capital (ROIC) from 7.4% in 2013 to 11.6% in 2014, achieving the ROIC target for the first time since 2010. The underlying profit was USD 2.2bn or 50% higher than that in 2013 (USD 1.5bn).

To minimise the impact of the low and volatile freight rate environment, Maersk Line continued to absorb capacity by active management in the form of idling, slow steaming and blanked sailings.

Unit cost decreased by 5.4% to 2,584 USD/FFE driven by a combination of lower bunker consumption per FFE and a decrease in the average bunker price, but also other operational and network efficiencies. The bunker price decreased 5.7% and total bunker costs at USD 4.9bn were 7.2% lower than 2013. Bunker consumption per FFE was reduced by 7.9% from 1,001 kg/FFE in 2013 to 921 kg/FFE in 2014. Maersk Line continued to utilise slow and equal steaming to reduce both emissions and cost and in 2014 it also managed to reduce overall bunker consumption by 1.7% despite volumes growing by 6.8%.

Maersk Line delivered a higher than expected estimated EBIT margin gap to peers of 9%, well above the ambition of 5%-points EBIT-margin above peer average, largely



Maersk Line
in numbers

Corporate office
Copenhagen, Denmark

Employees
32,600

Countries
World Wide

Vessels
619



CEO
Søren Skou

USD MILLION MAERSK LINE HIGHLIGHTS	2014	2013
Revenue	27,351	26,196
Profit/loss before depreciation, amortisation and impairment losses, etc, (EBITDA)	4,212	3,313
Depreciation, amortisation and impairment losses, net	1,798	1,780
Gain/loss on sale of non-current assets, etc., net	89	38
Share of profit/loss in associated companies	1	-
Profit/loss before financial items (EBIT)	2,504	1,571
Tax	163	61
Net operating profit/loss after tax (NOPAT)	2,341	1,510
Cash flow from operating activities	4,119	3,732
Cash flow used for capital expenditure	-1,974	-1,607
Invested capital	20,084	20,046
ROIC	11.6%	7.4%
Transported volumes (FFE in '000)	9,442	8,839
Average freight rate (USD per FFE)	2,630	2,674
Unit cost (USD per FFE incl. VSA income)	2,584	2,731
Average fuel price (USD per tonne)	562	595

due to cost leadership and growth in line with the market.

Cash flow on operating activities of USD 4.1bn is up USD 387m from 2013. Investment cash flow increased USD 367m to a total capital expenditure of USD 2.0bn, primarily related to the Triple-E newbuildings and container investments, leaving a free cash flow of USD 2.1bn on par with 2013.

Initiatives in 2014

Maersk Line entered into a long term vessel sharing agreement (VSA) with the Mediterranean Shipping Company (MSC) on the Asia-Europe, Trans-Atlantic and Trans-Pacific trades in July 2014. The VSA will come into effect in early 2015, and will benefit customers through increased port coverage and service frequency, while providing cost savings through lower East-West network cost, better utilisation and additional bunker efficiencies.

Maersk Line re-established the SeaLand brand serving the Intra-Americas market in Q4 2014, leveraging the experience gained from existing intra-regional brands MCC and Seago Line. With an independent commercial setup and an already historical brand in the region, SeaLand will specialize in servicing short haul

customers. SeaLand accepted its first bookings in Q4 2014 and will commence operation in Q1 2015.

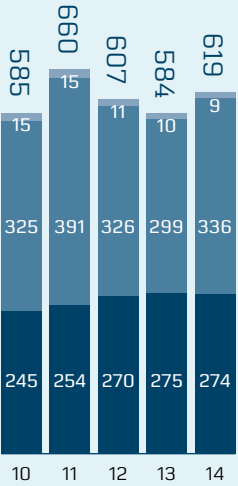
The fleet

Maersk Line increased its fleet capacity to 2.9m TEU total capacity by the end of 2014, at which point it consisted of 274 owned vessels (1.7m TEU) and 336 chartered vessels (1.2m TEU). The owned fleet was increased by the delivery of 11 Triple-E vessels, but reduced by the sale of two intra trade suited vessels and redelivery of one 5,500 TEU vessel in Q4 2014. Furthermore, to optimise network costs, Maersk Line decided to terminate 14 mid-size chartered vessels (3,500 TEU; 5,500 TEU and Panamax vessels) in Q4 2013. Five vessels were redelivered in 2013 and the remaining nine vessels (36,000 TEU) were redelivered in Q1 2014 for scrapping. Maersk line owns five, and charters four, multi-purpose vessels.

Five Triple-E vessels suited for the Asia-Europe trade with a capacity of 90,000 TEU are on order for delivery during the first half of 2015. No newbuilding orders were placed during 2014. •

Fleet overview

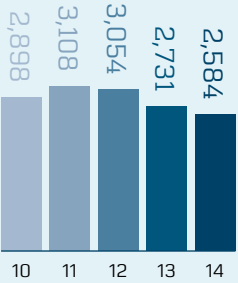
- Own container vessels
- Chartered container vessels
- Own and chartered multi purpose vessels



Unit costs

EBIT unit cost adjusted for gains/losses, associated companies, restructuring cost and including VSA income.

(USD/FFE)



Financial highlights 2014

MAERSK OIL
PERFORMANCE

F Maersk Oil saw large impairments and a declining oil price to report a loss of USD 861m (profit of USD 1.0bn). Net impairments after tax on assets in Brazil, the UK and Norway came to USD 1.9bn, while the entitlement production showed a 7% growth to 251,000 boepd (235,000 boepd) at a 9% lower average oil price of USD 99 per barrel.

Production from the two new fields, Golden Eagle in the UK and Jack in the US Gulf of Mexico, commenced in late 2014. Four major projects progressed well towards possible sanction, including Al Shaheen in Qatar, Chissonga in Angola, Johan Sverdrup in Norway, and Culzean in the UK.

Oil price
Maersk Oil continuously works with trends and forecasts, and portfolio and projects are tested against a range of oil price scenarios. Falling oil prices may present new opportunities for investments, however they also require focus on cost competitiveness. The production portfolio contains good opportunities for cost reductions, and new initiatives for improvement of the operational performance are carried out, delivering encouraging results for relatively small additional investments. While Maersk Oil also has a number of development projects in the pipeline, it has always ensured that all of these have been optimised prior to their approval so that they can deliver the required minimum return on the invested capital.

The financials
The revenue of USD 8.7bn declined by 4% from 2013, due mainly to the effect of the 9% lower average oil price of USD 99 per barrel, but positively affected by the increase in entitlement production of 16,000 boepd, primarily in the UK (34%) and Algeria (31%), offset in part by a decline in Denmark (8%).

The result reduced the return on the invested capital (ROIC) from a positive 16.2% in 2013 to a negative 15.2% in 2014, while the underlying profit, without the impairment of USD 1.9bn, of which USD 1.7bn related to Brazil and the rest to the UK and Norway, came to USD 1.0bn (USD 1.1bn).

The higher average entitlement production of 251,000 boepd and the lower exploration costs of USD 765m (USD 1.1bn) offset in part by lower average oil prices, had a positive impact on the result for 2014. The result for 2013 included insurance compensation of USD 205m, primarily related to Gryphon.

Cash flow from operating activities was USD 2.6bn (USD 3.2bn), negatively affected by lower oil prices and an increase in operating costs, yet, offset in part by higher entitlement production and lower exploration costs. Cash flow used for capital expenditure increased to USD 2.2bn (USD 1.8bn), mainly as a result of an overall increase in development activities.

Reserves and resources
The yearly update of Maersk Oil's reserves and resources as per end of 2013 showed entitlement reserves and resources (2P+2C) of 1.47bn barrels of oil equivalent (1.36bn boe), including proved and probable (2P) reserves of 0.60bn barrels of oil equivalent (0.62bn boe). 2014 reserves and resources numbers will be released together with the financial results for Q1 2015.

Production
Both Golden Eagle in the UK and Jack in the US Gulf of Mexico came on stream in Q4 2014. In addition, the improved reliability of the existing fields more than compensated for the natural production decline in the mature part of the portfolio.

Development
The development project at the Al Shaheen field offshore Qatar is progressing as planned. With 22 wells



Maersk Oil in numbers
Corporate office
Copenhagen, Denmark

Employees
4,400
Platforms /FPSO
83/3

Entitlement production boepd
251,000



CEO
Jakob Thomasen

USD MILLION MAERSK OIL HIGHLIGHTS	2014	2013
Revenue	8,737	9,142
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	5,116	5,760
Depreciation, amortisation and impairment losses, net	3,649	1,668
Gain/loss on sale of non-current assets, etc., net	4	-
Share of profit/loss in associated companies	-5	-42
Profit/loss before financial items (EBIT)	1,466	4,050
Tax	2,327	3,004
Net operating profit/loss after tax (NOPAT)	-861	1,046
Cash flow from operating activities	2,594	3,246
Cash flow used for capital expenditure	-2,198	-1,800
Invested capital	5,282	6,478
ROIC	-15.2%	16.2%
Exploration costs	765	1,149
Average share of oil and gas production (thousand barrels of oil equivalent per day)	251	235
Average crude oil price (Brent) (USD per barrel)	99	109

completed by the end of 2014, it is almost half way through the drilling programme. Preparations for the project's further development is being discussed with Qatar Petroleum.

In Angola, tender bids for the Chissonga project have been received. With the low oil price, the project is challenged and negotiations with authorities, partners and contractors are ongoing.

The high-pressure, high-temperature Culzean gas field offshore the UK is progressing towards expected sanction mid-2015 and production start-up in 2019.

A development plan at a cost level of USD 1.8bn (Maersk Oil's preliminary 8.12% share) for Phase 1 of the Johan Sverdrup project offshore Norway was submitted to the authorities in February 2015. Project sanction is expected mid-2015.

Exploration
In 2014, 14 (25) exploration/appraisal wells were completed in Denmark, Iraq (Kurdistan), Norway, the UK and US. The wells included the successful wells: Marconi in the UK, Buckskin in the US Gulf of Mexico and one Johan Sverdrup appraisal well in Norway. The remaining 11 wells were assessed not to be commercially viable. In

Kurdistan, Maersk Oil has interests in the Sarsang licence, where the operator has declared the Swara Tika discovery commercially viable. Maersk Oil added licences in Norway, the UK, US and Denmark to its portfolio in 2014.

Due to disappointing exploration results over the past couple of years, coupled with a prolonged depressed oil price scenario, Maersk Oil has decided to reduce its exploration activities.

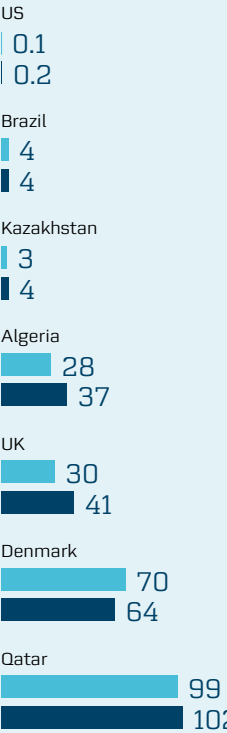
Innovation
Maersk Oil is seeking to establish a business advantage by being good at extracting hydrocarbons from challenging reservoirs such as tight chalk reservoirs in the North Sea. The company strives constantly to push the technology to new boundaries and has held several records in the field of horizontal drilling.

Innovation is an important priority within the company, as well as when interacting with partners. The Danish Hydrocarbon Research & Technology Centre is a good example, launched in May 2014 based on funding of DKK 1bn from the Danish Underground Consortium, in which Maersk Oil holds a 31.2% interest. Close to 100 researchers will be focusing on the development of technical solutions that can increase the recovery of oil and gas from the Danish North Sea. •

Entitlement share of production

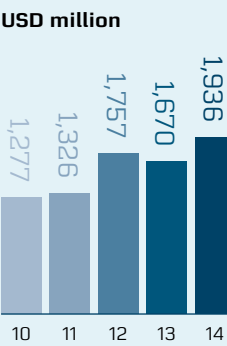
Thousand barrels of oil equivalents per day (boepd)

● 2013
● 2014



Invested capital for developments

Expresses how much has been invested in development projects, excluding acquisition and exploration.



Financial highlights 2014

APM TERMINALS PERFORMANCE

F **APM Terminals reported a profit** of USD 900m (USD 770m) supported by higher volumes throughout the portfolio, tariff improvements in growth markets and divestment gains. APM Terminals continues to aim for the USD 1bn target set for 2016.

The new, fully automated, flagship terminal at Maasvlakte II, Rotterdam, The Netherlands, commenced operations, and significant progress was made on the many other new terminal projects and expansions in high growth markets.

The market

The global market for container terminal handling developed positively in 2014, with an overall growth of 5% (Drewry).

APM Terminals is a leading global developer and operator of container terminal infrastructure, serving the growing need for port infrastructure to cater for the expanding global trade and the larger vessels being deployed by the container shipping lines on all major trade lanes.

The larger vessels place increased demands on port infrastructure, both on the quayside, where larger cranes may be needed, and on the landside, where the yard, the gate complex, the connecting road and rail infrastructure need to be able to handle the larger concentration of volume carried by the larger ships. In 2014, these developments triggered congestion in several ports.

The financials

The number of containers handled by APM Terminals (weighted with the APM Terminals' ownership interest) increased by 5% compared to 2013. Total revenue increased by 3%. Where port revenue exceeded the volume growth, inland services revenue decreased as a result of the divestment of activities in the Americas and Asia to optimise the portfolio.

The result generated a return on invested capital (ROIC) of 14.7% (13.5%). The underlying profit was USD 849m (USD 709m), resulting in an underlying ROIC of 13.9% (12.4%). The increased profit was supported by higher volumes throughout the portfolio, combined with tariff improvements in growth markets.

The result was positively impacted by net divestment gains after tax of USD 232m (USD 62m) and negatively affected by USD 181m (USD 0m) impairments related to European activities of which USD 154m was related to joint venture companies.

APM Terminals achieved a 2.1%-points improvement in the EBITDA-margin supported by commercial and operational efficiency drives, generating more than USD 100m in cost savings. Several supplier contracts were retendered during the year and upgrades to the terminal operating system enabled further process efficiencies to be pursued in several of the largest terminals.

Cash flow from operating activities of USD 925m (USD 923m) was not improving in line with operational results due to increased tax payments and slightly deteriorating working capital.

Cash flow used for capital expenditure was more than offset by cash flow generated by divestments in 2014. Notably, the divestment of APM Terminal Virginia, USA, leading to a positive cash flow of USD 2m (negative USD 841m).

APM Terminals continued a high level of investment in the development of its port interests, both in the form of



APM Terminals in numbers

Corporate office
The Hague,
The Netherlands

Employees
20,600

Countries
67

Terminals
64

Inland operations
> 140



CEO
Kim Fejfer

USD MILLION	2014	2013
APM TERMINALS HIGHLIGHTS		
Revenue	4,455	4,332
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,010	892
Depreciation, amortisation and impairment losses, net	329	297
Gain/loss on sale of non-current assets, etc., net	374	70
Share of profit/loss in joint ventures	-14	93
Share of profit/loss in associated companies	93	68
Profit/loss before financial items (EBIT)	1,134	826
Tax	234	56
Net operating profit/loss after tax (NOPAT)	900	770
Cash flow from operating activities	925	923
Cash flow used for capital expenditure	2	-841
Invested capital	5,933	6,177
ROIC	14.7%	13.5%
Containers handled (measured in million TEU and weighted with ownership share)	38.3	36.3

new projects and expansions to existing ports. Invested capital came in at USD 5.9bn (USD 6.2bn), a decrease of 4% compared to the previous year.

Portfolio

The USD 750m expansion project in Callao, Peru is on track and the first new container berth is scheduled to open in Q3 2015, which will provide the terminal with the capacity to receive container vessels as large as 18,000 TEUs. On several other locations, expansions and upgrades are ongoing to equip terminals to handle the largest container vessels in operation. In this respect, Tanjung Pelepas, Malaysia, inaugurated berth 13 and 14 during Q1 and at Pier 400, Los Angeles, USA cranes were heightened.

In August, APM Terminals closed the sale of APM Terminals Virginia, Portsmouth, USA.

The construction of Maasvlakte II, Rotterdam, The Netherlands, was completed in Q4 2014 and operations commenced with volumes expected to ramp up during 2015. Maasvlakte II sets new standards within the industry, in terms of automation, safety and environmental impact.

Final permits were received to start construction of a new greenfield container terminal in Moin, Costa Rica.

APM Terminals' interest in Sociedade Gestora de Terminais S.A. (Sogester), Angola, signed a 20 year concession to operate, maintain and develop the Port of Namibe, Angola, serving both container and and general cargo.

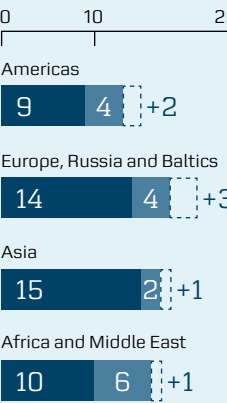
APM Terminals is continuously assessing the business impact of political developments on trade in and around Russia, and more specifically on the co-controlling ownership share in Global Ports Investments PLC, Russia.

In Monrovia, Liberia, APM Terminals continues to serve its customers during the Ebola outbreak that has gripped the region. The terminal is engaging in strict health screening and is also offering aid to the neighbouring areas in order to help the region battle this disease.

APM Terminals is engaged in a number of port operations where cargo types other than containers are handled. During 2014, APM Terminals announced its intention to further expand its activities into adjacent ports. •

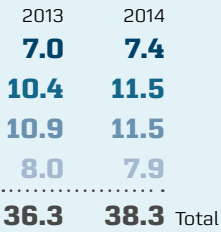
Portfolio

- Number of terminals
- Operating terminals
 - Terminals under expansion
 - New terminal projects

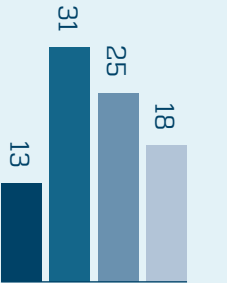


Equity weighted crane lifts in million TEU

- Americas
- Europe, Russia and Baltics
- Asia
- Africa and Middle East



Average remaining concession length (years)



Financial highlights 2014

MAERSK DRILLING PERFORMANCE

F **Maersk Drilling delivered a satisfactory result** in a challenging year with a profit of USD 478m (USD 528m). The result was positively impacted by a gain of USD 73m from the divestment of all drilling activities in Venezuela and strong operational performance across the fleet, while planned maintenance of the fleet, start-up of new rigs and impairments negatively impacted the result.

During 2014, the market for offshore rigs weakened and utilisation and day rates for offshore rigs decreased across all segments. Maersk Drilling had a solid contract revenue backlog of USD 6.0bn (USD 7.9bn) with some of the largest companies in the oil and gas sector by the end of 2014.

More than 550 new employees joined Maersk Drilling during 2014 as part of the recruitment plan to attract and hire 1,450 new people for fleet expansion of eight new rigs by 2016.

Maersk Drilling maintains its long term financial aspiration of delivering a profit of USD 1bn by 2018, but the required additional units to reach the target will only be added against solid, long term contracts.

The market

The oil price averaged USD 99 per barrel in 2014. The exploration and development budgets of the oil companies were curbed in order to improve their free cash flows, which have been under pressure as a result of escalating costs and declining oil prices. Consequently, the tendering activity for offshore rigs was reduced and day rates decreased across all segments.

Maersk Drilling remains positive in relation to the long term market outlook.

The financials

Revenue increased mainly due to the five newbuild rigs going on contract during 2014, partly offset by lower revenue from divestment of the Venezuela activities in

September 2014 and high number of days used for yard stay.

All of Maersk Drillings 21 jack-up rigs and floaters have been on contract throughout 2014. The overall higher revenue was supported by 100% contract coverage and by a strong operational performance with uptimes which averaged 97% (97%) for the jack-up rigs and 96% (96%) for the floating rigs.

The result was positively impacted by a gain of USD 73m from the divestment of all activities in Venezuela and high operational uptime across the fleet, while planned maintenance of the fleet, start-up of new rigs, and impairments negatively impacted the result. As a result of the weakened market for offshore rigs, Maersk Drilling made an impairment of USD 85m (USD 73m after tax) of which USD 50m (USD 38m after tax) relates to the joint venture Egyptian Drilling Company in Egypt.

Return on the invested capital (ROIC) came in at 7.1% (10.8%) and the underlying profit was USD 471m (USD 524m).

By the end of 2014, Maersk Drilling's forward contract coverage was 80% for 2015, 52% for 2016 and 30% for 2017.

Maersk Drilling has committed total investments of USD 5.3bn in eight new rigs since 2011. Additional operating costs were incurred during 2014 related to start-up costs and operational expenses for the five newbuildings with contract commencement during 2014, along with start-up costs of the remaining three newbuildings to



Maersk Drilling in numbers

Corporate office
Copenhagen, Denmark

Employees
4,500

Offices
13

Countries
12

Rigs
21

Newbuildings
3



CEO
Claus V. Hemmingsen

USD MILLION MAERSK DRILLING HIGHLIGHTS	2014	2013
Revenue	2,102	1,972
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	903	863
Depreciation, amortisation and impairment losses, net	348	239
Gain/loss on sale of non-current assets, etc., net	82	4
Share of profit/loss in joint ventures	-36	19
Profit/loss before financial items (EBIT)	601	647
Tax	123	119
Net operating profit/loss after tax (NOPAT)	478	528
Cash flow from operating activities	701	775
Cash flow used for capital expenditure	-2,160	-1,517
Invested capital	7,623	5,320
ROIC	7.1%	10.8%
Operational uptime	97%	97%
Contracted days	6,275	5,840

be delivered during 2015 and 2016. The cost level of the existing fleet, excluding newbuildings, was on level with that in 2013.

Five yard stays for planned surveys and upgrades were completed in 2014. A further, two offshore class surveys and upgrade programmes were completed in 2014.

Maersk Drilling holds a 50% investment in the joint venture Egyptian Drilling Company (EDC), Egypt, which owns and operates 63 land rigs and four jack-up rigs. The result in EDC is negatively impacted by an impairment of USD 50m (USD 38m after tax).

The lower cash flow from operating activities of USD 701m (USD 775m) was mainly related to an increase in net working capital due to five more rigs operating end of 2014 compared to end of 2013. Cash flow used for capital expenditure of USD 2.2bn was USD 643m up on last year, mainly due to instalments paid for the newbuildings.

Contracts signed in 2014

Maersk Drilling secured several contracts in 2014. The jack-up rig, Maersk Completer, secured a four year contract with an estimated contract value of USD 249m for work offshore Brunei. The contract has options for

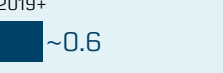
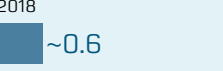
extension up to a total of three years. The ultra deep-water semi-submersible rig, Mærsk Deliverer, secured a two year contract extension with an estimated value of USD 387m for work offshore Angola. The third newbuild drillship, Maersk Venturer, secured a short term contract offshore Malaysia for a one well programme for a duration of 70 days and with a contract value of USD 27m.

Innovation

In February 2013, BP and Maersk Drilling announced a joint study agreement, with a view to developing conceptual engineering designs for a new breed of advanced technology drilling rigs that will be critical to unlocking the next frontier of deepwater oil and gas resources. Called 20K™ Rigs, the BP-Maersk Drilling agreement will result in developing deepwater drilling rigs that can safely and efficiently operate in high-pressure, high-temperature reservoirs up to 20,000 pounds per square inch and 176 degrees Celsius. •

Revenue backlog (USD bn)

End 2014 at USD 6.0bn (USD 7.9bn)



Contract coverage per segment

- Ultra-harsh environment jack-up rigs (Norway)
- Premium jack-up rigs
- Ultra deepwater and midwater rigs

2015	2016
93%	71%
68%	35%
74%	44%
80%	52%

Financial highlights 2014

APM SHIPPING SERVICES PERFORMANCE

F The Group established the **business** unit to provide shipping related services to customers worldwide through four industry leading businesses: Maersk Supply Service, Maersk Tankers, Damco and Svitzer.

APM Shipping Services made a loss of USD 230m (loss of USD 85m) and a negative ROIC of 4.2% (negative 1.3%). The underlying profit was USD 185m (USD 37m).

Maersk Supply Service reported an improved profit of USD 201m (USD 187m) and a ROIC of 11.9% (10.7%). The underlying profit was USD 189m (USD 182m).

As part of the extensive investment plans Maersk Supply Service has been actively ordering vessels to support the growth strategy focusing on high-end AHTS and Subsea Support Vessels (SSVs). A total of 11 newbuildings were ordered during the year (one Cable Layer, four SSVs and six AHTS).

Maersk Tankers made a profit of USD 132m (loss of USD 317m) and a positive ROIC of 6.8% (negative 10.4%). The underlying profit was USD 139m (loss of USD 172m).

The result was positively affected by improved earnings for the LR2 and VLCC segments, cost saving initiatives and reversal of provision for onerous contracts of USD 87m (provision of USD 144m), offset by lower activity following the divestment of the Gas segment in 2013.

Damco made a loss of USD 293m (loss of USD 111m) and a ROIC of negative 63.2% (negative 22.0%). The result was impacted by significant impairments of USD 68m (USD 6m), mainly related to goodwill and other acquired intangible assets, as well as reduced profitability in the

ocean and airfreight activities despite an improving but still unsatisfactory overhead cost level.

The additional visibility achieved through standard system roll-outs and the strengthening of the control framework, revealed further exposures in certain geographies and product categories. This resulted in several adjustments, which impacted the result negatively.

The restructuring initiatives and roll-out of the new operating platform have proven more complex than originally anticipated, but are expected to strengthen the commercial competitiveness and get Damco back to profitable growth in 2015.

Svitzer made a loss of USD 270m (profit of USD 156m) and a ROIC of negative 19.2% (positive 10.8%). The underlying profit was USD 82m (USD 134m).

The result development was affected by a net impairment of USD 354m (USD 6m) primarily due to goodwill related to the 2007 Adsteam acquisition in Australia. Svitzer's Australian operations are negatively impacted by industry overcapacity, a high industrial cost structure and a general slowdown of bulk activities. •

📍 **APM Shipping Services in numbers**

Corporate office
Copenhagen, Denmark

Employees
18,600

Vessels
500+

Countries
~ 100



CEO
Morten H. Engelstoft

USD MILLION

APM SHIPPING SERVICES HIGHLIGHTS

	2014	2013
Revenue	5,926	6,438
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	641	522
Depreciation, amortisation and impairment losses, net	828	619
Gain/loss on sale of non-current assets, etc., net	13	44
Share of profit/loss in joint ventures	33	29
Profit/loss before financial items (EBIT)	-141	-24
Tax	89	61
Net operating profit/loss after tax (NOPAT)	-230	-85
Cash flow from operating activities	590	749
Cash flow used for capital expenditure	182	642
Invested capital	4,677	5,809
ROIC	-4.2%	-1.3%

USD MILLION

APM SHIPPING SERVICES HIGHLIGHTS

	Maersk Supply Service 2014	2013	Maersk Tankers 2014	2013	Damco 2014	2013	Svitzer 2014	2013
Revenue	778	772	1,175	1,625	3,164	3,212	812	831
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	348	349	271	21	-148	-65	170	217
Depreciation, amortisation and impairment losses, net	142	146	136	348	102	34	448	91
Gain/loss on sale of non-current assets, etc., net	12	5	-4	8	-	2	5	29
Share of profit/loss in joint ventures	1	-1	-	-	9	8	23	22
Profit/loss before financial items (EBIT)	219	207	131	-319	-241	-89	-250	177
Tax	18	20	+1	+2	52	22	20	21
Net operating profit/loss after tax (NOPAT)	201	187	132	-317	-293	-111	-270	156
Cash flow from operating activities	356	360	232	223	-201	-14	203	180
Cash flow used for capital expenditure	-188	-81	650	748	-45	-23	-235	-2
Invested capital	1,704	1,699	1,583	2,335	321	412	1,069	1,363
ROIC	11.9%	10.7%	6.8%	-10.4%	-63.2%	-22.0%	-19.2%	10.8%

CONSOLIDATED INCOME STATEMENT

USD MILLION	2014	2013
Revenue	47,569	47,386
Operating costs	35,633	36,261
Other income	201	286
Other costs	218	39
Profit before depreciation, amortisation and impairment losses, etc.	11,919	11,372
Depreciation, amortisation and impairment losses, net	7,008	4,628
Gain on sale of non-current assets, etc., net	600	145
Share of profit/loss in joint ventures	-6	152
Share of profit/loss in associated companies	412	295
Profit before financial items	5,917	7,336
Financial income	1,338	560
Financial expenses	1,944	1,276
Profit before tax	5,311	6,620
Tax	2,972	3,237
Profit for the year - continuing operations	2,339	3,383
Profit for the year - discontinued operations	2,856	394
Profit for the year	5,195	3,777
Of which:		
Non-controlling interests	180	327
A.P. Møller - Mærsk A/S' share	5,015	3,450
Earnings per share of continuing operations, USD	100	147
Diluted earnings per share of continuing operations, USD	100	147
Earnings per share, USD	230	158
Diluted earnings per share, USD	230	158

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

USD MILLION	2014	2013
Profit before financial items	5,917	7,336
Non-cash items, etc.	6,026	4,462
Change in working capital	260	252
Cash flow from operating activities before financial items and tax	12,203	12,050
Financial payments, net	-153	-318
Taxes paid	-3,289	-2,823
Cash flow from operating activities	8,761	8,909
Purchase of intangible assets and property, plant and equipment	-8,639	-6,261
Sale of intangible assets and property, plant and equipment	1,515	1,046
Acquisition/sale of subsidiaries and activities, etc., net	951	334
Cash flow used for capital expenditure	-6,173	-4,881
Purchase/sale of securities, trading portfolio	-90	-26
Cash flow used for investing activities	-6,263	-4,907
Repayment of/proceeds from loans, net	-2,888	-1,585
Purchase of own shares	-641	-
Dividends distributed	-1,131	-919
Dividends distributed to non-controlling interests	-148	-134
Other equity transactions	122	2
Cash flow from financing activities	-4,686	-2,636
Net cash flow from continuing operations	-2,188	1,366
Net cash flow from discontinued operations	2,509	84
Net cash flow for the period	321	1,450
Cash and cash equivalents at 1 January	3,358	1,901
Currency translation effect on cash and bank balances	-273	7
Cash and cash equivalents, end of period	3,406	3,358
- of which classified as assets held for sale	-1	-201
Cash and cash equivalents, end of period	3,405	3,157
Cash and cash equivalents		
Cash and bank balances	3,507	3,259
Overdrafts	102	102
Cash and cash equivalents, end of period	3,405	3,157

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER

USD MILLION	2014	2013
Intangible assets	2,818	4,788
Ships, rigs, containers, etc.	31,851	27,857
Production facilities and equipment, etc.	7,291	6,144
Land and buildings	667	719
Construction work in progress and payment on account	4,862	6,573
Property, plant and equipment	44,671	41,293
Investments in joint venture companies	1,698	1,985
Investments in associated companies	839	6,434
Other equity investments	943	72
Derivatives	40	252
Pensions, net assets	112	66
Loans receivable	453	113
Other receivables	509	700
Financial non-current assets, etc.	4,594	9,622
Deferred tax	536	478
Total non-current assets	52,619	56,181
Inventories	1,139	1,251
Trade receivables	4,077	4,629
Tax receivables	174	212
Derivatives	144	175
Loans receivable	104	150
Other receivables	804	933
Prepayments	608	484
Receivables, etc.	5,911	6,583
Securities	379	312
Cash and bank balances	3,507	3,259
Assets held for sale	5,289	6,923
Total current assets	16,225	18,328
Total assets	68,844	74,509

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER (CONTINUED)

USD MILLION	2014	2013
Share capital	3,985	738
Reserves	37,557	39,091
Equity attributable to A.P. Møller - Mærsk A/S	41,542	39,829
Non-controlling interests	683	2,684
Total equity	42,225	42,513
Borrowings, non-current	10,913	12,702
Pensions and similar obligations	329	327
Provisions	4,642	4,189
Derivatives	432	127
Deferred tax	701	1,110
Other payables	-	21
Other non-current liabilities	6,104	5,774
Total non-current liabilities	17,017	18,476
Borrowings, current	1,412	3,041
Provisions	837	735
Trade payables	5,277	5,379
Tax payables	316	522
Derivatives	252	175
Other payables	1,236	1,287
Deferred income	260	251
Other current liabilities	8,178	8,349
Liabilities associated with assets held for sale	12	2,130
Total current liabilities	9,602	13,520
Total liabilities	26,619	31,996
Total equity and liabilities	68,844	74,509

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