MAERSK

GROUP ANNUAL MAGAZINE

NAVIGATING VOLATILITY

The 2015 financial highlights, markets and people of the Maersk Group

Supply & demand
To meet the demands of the growing Colombian economy, Maersk Line has worked with the Buenaventura port to ensure its larger vessels could serve customers better.
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A virtual reality tour offshore
Maersk Oil's Culzean project could provide 5% of the UK's gas needs and equipment must be able to handle the high pressures and temperatures.
Page 30

Cutting through congestion
APM Terminals Los Angeles put in a record performance in 2015 in tough circumstances, underlining the value of mature markets to the Maersk Group.
Page 34

With one of the fastest growth rates in Latin America and a population of 48 million, Colombia has been a focus of the Maersk Group. It offers significant long-term potential despite the current global macroeconomic challenges affecting Latin America.
Photo: Tom Lindboe

Navigating volatility

Welcome to the Group Annual Magazine 2015/2016, which presents the summary financial numbers of the Maersk Group and a perspective across its business. It looks at the Maersk Group's role in the development of trade and countries' economies and shows how data, technology and innovation are changing the way in which we work. It features the people who make up our Group and the Core Values that underpin the way we do business. The financial pages toward the back of the magazine give a more in-depth look at the 2015 performance of our business units.

Further financial details are available in the Annual Report, and the Sustainability Report shows how we create long-term value for society and the business. Both of these are published simultaneously with the Group Annual Magazine.

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Maersk Group at a glance

2015 Highlights in numbers

Revenue (USD) Further information on page 48

40,308m

2014 **47,569m** 2013 **47,386m** 2012 **49,491m** 2011 **49,917m**

Result for the year (USD)

925m

2014 **5,195m** 2013 **3,777m** 2012 **4,038m** 2011 **3,377m**

Return on invested capital (ROIC)

2.9%

2014 **11.0%** 2013 **8.2%** 2012 **8.9%** 2011 **8.3%**

Underlying result (USD)** Further information on page 48

3,071m

2014 **4,532m** 2013 **3,409m**

Dividend yield Further information on page 49

3.3%

2014 **15.9%*** 2013 **2.4%** 2012 **2.8%** 2011 **2.6%**

Free cash flow (USD) Further information on page 49

6,561m

2014 **2,588m** 2013 **4,028m** 2012 **1,219m** 2011 **-3,620m**

Relative Group CO_2 improvement Target 30% by 2020 (2010 baseline)

23%

2014 **21%** 2013 **17%** 2012 **8%**

Full time employee count (average)

88,355

2014 **89,207** 2013 **88,909** 2012 **89,550** 2011 **86,334**

*Including extraordinary dividend based on the value of the Danske Bank shares.

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

Our way of doing business

Maersk Group is a conglomerate of worldwide businesses focusing on the shipping and energy industries. The Group operates in some 130 countries and is headquartered in Copenhagen, Denmark. Our ambition is to achieve a return on invested capital (ROIC) above 10% over the cycle.

Maersk Line

is the world's largest container shipping company.

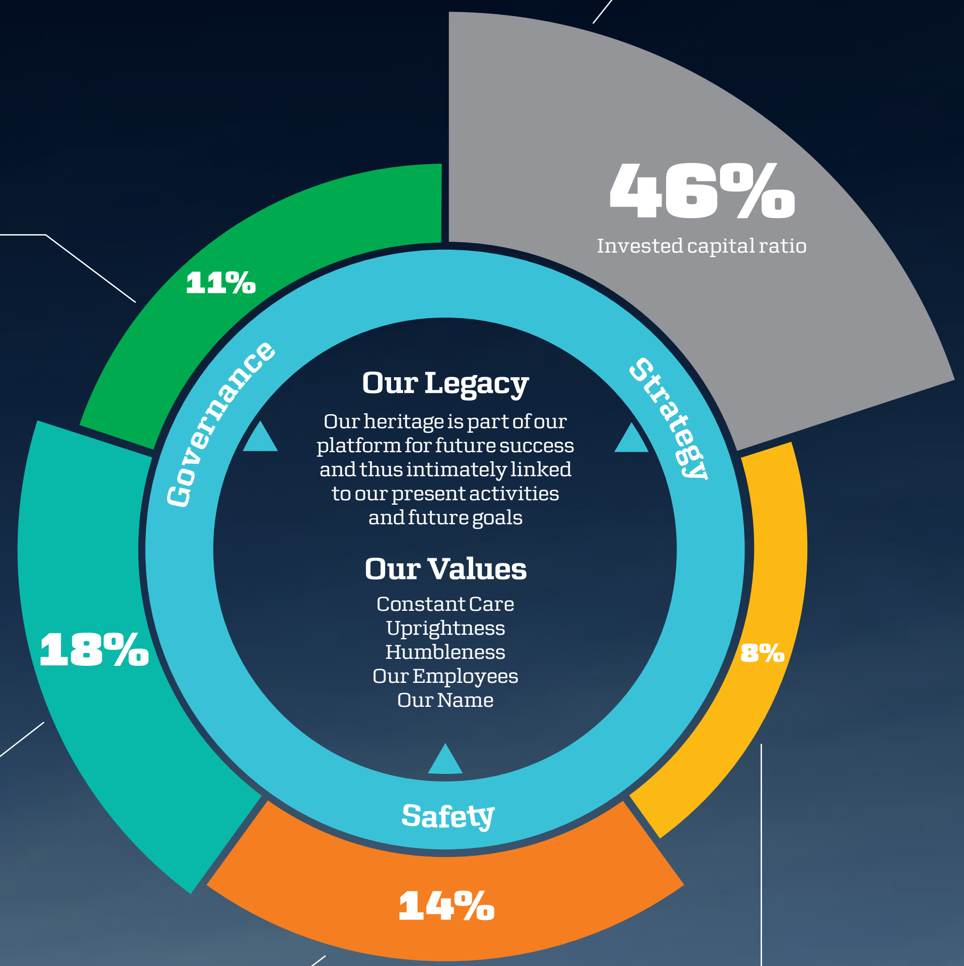
APM Shipping Services

Maersk Tankers owns and operates a large fleet of refined oil product tankers.

Maersk Supply Service is a leading provider of global offshore marine services.

Svitzer provides towage and related marine services throughout the world.

Damco is a provider of freight forwarding and supply chain management services.



Maersk Drilling

supports global oil and gas production by providing high-efficiency drilling services to oil companies around the world.

APM Terminals

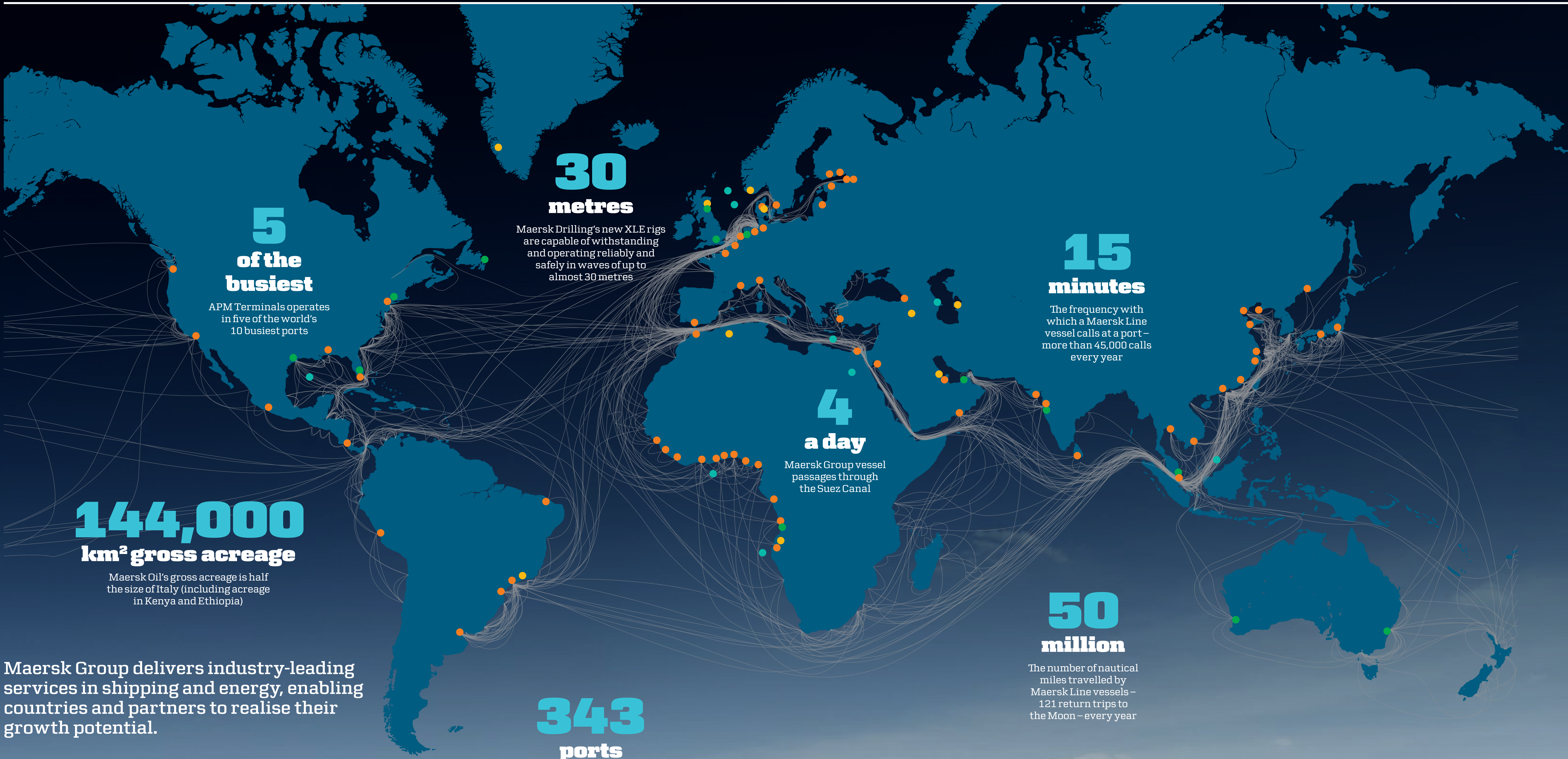
provides port and inland infrastructure to drive global commerce.

Maersk Oil

is an international oil and gas company with a track record spanning more than 40 years.

Other businesses account for around 2% of the Maersk Group's invested capital ratio. These include Maersk Training and Maersk Container Industry, amongst others.

A global business



5 of the busiest

APM Terminals operates in five of the world's 10 busiest ports

30 metres

Maersk Drilling's new XLE rigs are capable of withstanding and operating reliably and safely in waves of up to almost 30 metres

15 minutes

The frequency with which a Maersk Line vessel calls at a port – more than 45,000 calls every year

4 a day

Maersk Group vessel passages through the Suez Canal

144,000 km² gross acreage

Maersk Oil's gross acreage is half the size of Italy (including acreage in Kenya and Ethiopia)

50 million

The number of nautical miles travelled by Maersk Line vessels – 121 return trips to the Moon – every year

343 ports

The number of Maersk Line calls around the world

Maersk Group delivers industry-leading services in shipping and energy, enabling countries and partners to realise their growth potential.

The reference points on the map are a selection of the Maersk Group's business locations and assets. It is not a complete listing.

Message from the Chairman and the Group CEO

Michael Pram Rasmussen and **Nils S. Andersen**

> "The world in which the Maersk Group operates underwent fundamental changes in the fourth quarter of 2015. Container rates and oil prices fell to historical lows, posing challenges across our industries, and we are responding by raising performance."

←

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

Nils S. Andersen
Group CEO
(Right)

The Maersk Group delivers industry-leading services in shipping and energy, empowering countries to realise their growth potential. Our businesses – from the true global container shipping company across a wide range of activities in shipping, logistics and oil and gas – are further building competitiveness to ensure they are in optimum shape to deal with volatile market conditions.

We are satisfied with the good operational performance across our businesses in 2015. Despite the very challenging market conditions in our industries, all business units delivered positive underlying profits and the Maersk Group achieved an underlying result of USD 3.1 billion.

Previously announced profit and growth targets in Maersk Oil, Maersk Drilling, APM Terminals and APM Shipping Services have been replaced by plans that will help them to withstand the tough market environment.

Challenges and opportunities

As we look through 2016 and beyond, markets remain difficult and we will use our combined strength, working to stay ahead of competition and further strengthening the position in our core industries. Six of the Maersk Group's eight businesses, representing more than 93% of the invested capital, are earning top-quartile returns in their industries and all delivered positive underlying results in 2015.

We have responded with cost-savings initiatives but maintained activity level so we are in the best position to serve our customers, and still aim to build a world-class growth company based on our robust financial performance and balance sheet. We have the confidence to make investments for growth, both organically and through acquisition, by building on our key strengths and focusing on customers, market investments and innovation.

Technology and innovation can help deliver performance and outpace competition and establishing the full potential of the data we generate will be part of that, as we aim to encourage the development of ideas that can help grow our businesses.

Delivering results and savings

Because of the deterioration in the container shipping market, which was beyond our forecasts, we had to downgrade expectations for Maersk Line's and the Group's underlying result for 2015 in October. This was of course a disappointment but it was a measure of the severity of the market downturn rather than the performance of the business, which has gone through a very successful turnaround and restructuring that is continuing.

In response to the downturn, Maersk Line accelerated plans to simplify the organisation and further reduce network capacity. It decided not to exercise previously announced options for new vessels for now, and will continue to adapt orders for ships to our market forecasts.

Maersk Line retains the ambition to grow organically ahead of the market, and the reduction of tonnage investments from the previous plan and speeding up of cost savings, which have been enabled by investment in digitising business processes, remain unchanged.

The underlying result of Maersk Oil exceeded our expectation due to cost savings, higher production and reduced exploration costs. Given our expectation that the oil price will remain at a low level for a longer period, we have impaired the value of a number of Maersk Oil's assets by USD 2.6 billion.

Maersk Oil's production continued to grow, by 24%, and it invested in two large new projects in the North Sea, Culzean and Johan Sverdrup; both are expected to start production in 2019. The business has a target to reduce net operating costs excluding exploration by 20% by the end of 2016, compared to 2014.

Qatar Petroleum has initiated a tender process for future development of the Al Shaheen field after Maersk Oil's agreement expires in mid-2017. The Qatar operations are a cornerstone in Maersk Oil's business and needless to say, the organisation is focused on extending the successful relationship beyond 2017.

In a move to strengthen our resource base and underpin long-term production growth, Maersk Oil has agreed to acquire half of Africa Oil Corporation's interests in three exploration blocks in Kenya and two in Ethiopia. The fields in Kenya alone are estimated to contain resources in excess of 600 million barrels of oil equivalent, and recent exploration results confirm the potential of the area.

Lower volumes, particularly in West Africa, Russia and Brazil, contributed to a decline in APM Terminals' profit as cost initiatives only partly offset the impact of the tough market conditions. APM Terminals' Adapt to Market programme, which focuses on top line improvement and cost reductions, delivered about USD 200 million in bottom line impact in 2015.

> "We have responded with cost-saving initiatives but maintained activity level so we are in the best position to serve our customers, and still aim to build a world-class growth company based on our robust financial performance and balance sheet."

The agreed acquisition of Barcelona-based Grup Maritim TCB for USD 1.1 billion brings 11 terminals and will support our growth ambitions by adding 3.5 million 20-foot containers in estimated annual throughput. A USD 1.5 billion agreed investment in the Tema port by APM Terminals and partners will support Ghana's infrastructure and have a major role in the country's growth and development.

Considering the market conditions for Maersk Drilling, keeping assets at work is the first, essential step and it has sealed seven new contracts for its rigs and drillships in 2015. The business delivered consistent performance for its customers in 2015 with an effective operational uptime of 97%, and it is reducing its cost base with a double digit percentage saving by end-2016.

All four businesses in APM Shipping Services contributed with positive results to an overall underlying profit of USD 404 million. APM Shipping Services is carrying out a cost-cutting programme, with recent initiatives by Maersk Supply Service resulting in sustainable annual savings of about USD 30 million.

2015 has been a tough year, but the competitiveness of the businesses means we have confidence in our ability to withstand this difficult market environment and to strengthen the position in the future.

Sharing the value

The Group's return on invested capital was 2.9%. We shared value with our shareholders, executing a second share buy-back scheme of around USD 1 billion and maintaining the dividend despite the lower underlying result. The Group also paid an extraordinary dividend of around USD 5 billion, equal to the value of the Group's Danske Bank shares.

The Maersk B share price decreased by 27% from its 2014 close, to DKK 8,975 at the 2015 close. Total shareholder return was negative 11.5% in 2015.

We updated the strategy to take account of the dramatic market developments and provide flexibility.

The focusing of the Group was completed with the sale of our shares in Danske Bank. All remaining businesses are now related to shipping or energy markets and we have strong platforms for future investment, growth and innovation.

We will continue to strengthen our position in our core industries, targeting top-quartile performance in all business units, capitalising on synergies and growth through organic market share gain and acquisitions.

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 Uggla, Vice Chairman
- Dorothee Blessing
- Sir John Bond
- Niels B. Christiansen
- Renata Frolova
- Arne Karlsson
- Jan Leschly
- Palle Vestergaard Rasmussen
- Robert Routs
- Robert Mærsk Uggla

Nils S. Andersen
Group CEO

The Executive acts as the day-to-day management of Maersk Group and consists of:

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

Our Values

Regrettably, we have had to reduce staff across our businesses as part of our efforts to raise the Group's competitiveness. All staff impacts are managed in accordance with the Values and in order not to compromise our Name or in any way change our operational and safety focus and performance.

We are committed to the Group Core Values and Group Policies, which underpin the way we do business, unite our global workforce and guide the behaviour of employees and leaders throughout the organisation. Our Employee Engagement Index places the Group in a top-quartile position when benchmarked externally.

We have made progress in the very important area of safety, but there is still work to be done. Sadly this year we have had seven fatalities while working in operations under our control. We send our deep regrets to the families. Loss of life while at work is unacceptable and we are working urgently to bring this number to zero by ensuring safety is deeply rooted in our operations and culture.

The Maersk Group took part in the COP21 conference in Paris. We are ready to compete in a level-playing field carbon constrained economy and are pursuing energy efficiency with a target to improve our CO_2 efficiency across the Group by 30% by 2020, from a 2010 baseline.

We are playing a role in changing the practice of dismantling and recycling ships at facilities on beaches, where standards and practices often do not adequately protect people working there or the environment. We will invest to upgrade conditions at recycling facilities on the beaches in the Alang area, India – alone and in partnerships – and remain committed to recycling our own ships and rigs responsibly.

Strength in the Group

Global trade is still growing despite the economic difficulties that are affecting parts of the world, though it is of course much less than the rates we have become used to. In these early weeks of 2016, emerging markets in general are suffering, and the US and Europe are growing.

Possibilities can open up for those who prepare well and the Maersk Group is ready to take advantage as we navigate volatility, between challenges and opportunities. We would like to thank all Maersk Group employees for their dedication and contribution to our performance in 2015 – we are confident that we are well prepared for the future.

The Maersk Group strategy

Maersk Group is executing on the strategy to become a premium conglomerate with six of our eight businesses, representing more than 93% of the Group's invested capital, now top-quartile performers in their industries.

We have focused the Group's portfolio by divesting non-core assets, and we continue to apply a rigorous and disciplined methodology for allocating capital to our businesses.

We will continue to build a premium conglomerate through active portfolio and performance management, disciplined capital allocation and a clear financial strategy. The Group's financial ambition is to develop its businesses 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.

We use our global network, skilled people and financial flexibility to enable customers and countries to create wealth and fulfil their economic potential. Our existing strong position in growth markets will remain a focus area going forward, as the Group is in a good position to profit from growth when it returns.

The Group strategy process

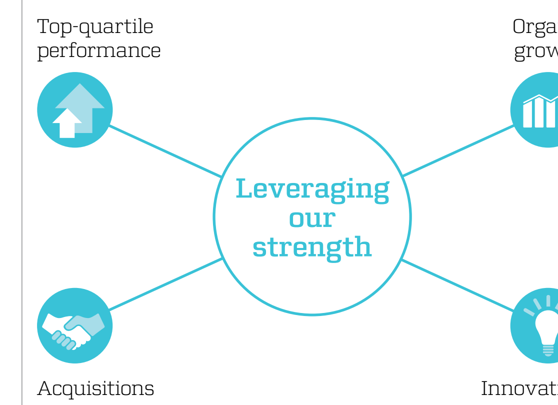
The Board of Directors performs an annual strategy review to ensure that the Group's strategy is regularly assessed according to market developments. The integrated Group strategy review, portfolio actions and capital prioritisation process starts at the beginning of the year. The Board of Directors has their annual strategy conference in June at which the Board discusses proposals put forward by the Executive Board and decides on the strategy.

Strategies, including detailed plans and opportunities for the coming years, are developed for each business. The total capital requirement across businesses is prioritised with a view to optimise the portfolio of the Group and in line with financial policies. Evaluation parameters include industry attractiveness, financial return forecasts, business performance and overall strategic aspirations. The resulting plan provides the framework for each business unit. Portfolio adjustments are integrated into the plan.

The outcome of the Board of Directors' annual strategy conference will, as in previous years, be communicated in connection with the Group's Interim Report for Q2 2016. The outcome will be available for download from: http://investor.maersk.com/financials.cfm.

Between each strategy session, Management and the Board evaluate the development compared to expectations, and these evaluations give rise to short-term tactical adjustments of our investment plans and key focus areas.

Grow through the cycle



Strategy update

The low global economic growth with resulting low container freight rates and oil price has fundamentally changed the short-term outlook of almost all of our businesses. As a consequence, we updated our business unit strategies during 2015 to provide more flexibility on the short-term financial targets as we maintain our key focus on competitiveness and our customers.

The changed market conditions unfortunately also necessitated a change to the Group's priorities for 2015, as all business units were required to accelerate on cost and efficiency programmes in order to improve profitability and remain ahead of competitors, while at the same time revising the targets for short-term organic growth.

Difficult times also present opportunities and given our strong financial position, we are making focused investments to pursue growth.

In order to maintain and grow our businesses and thereby achieve our ambition of a ROIC above 10% over the cycle, we have to accept that in a low interest environment we have to also opt for investments that at present do not on a standalone basis fully comply with our 10% ROIC target.

Net interest-bearing debt is managed in line with the Maersk Group's current Baa1/BBB+ credit rating. The Group generally intends to centralise funding at parent company level and to raise funds from diversified sources, including bonds.

Focusing the Group's portfolio

After the sale of our shares in Danske Bank, the Group's remaining businesses are all related to shipping or energy markets. In connection with the sale, an extraordinary dividend was declared for approximately the same amount.

We maintain our focus on active portfolio and performance management and we have created a strong platform for future investment, growth and innovation.

Portfolio highlights

Examples of operating performance for Maersk Group's five business units in 2015.

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

Successfully implementing its new network

Maersk Line

The vessel sharing agreement (VSA) between Maersk Line and Mediterranean Shipping Company (MSC) was completed on the East-West network with the phase-in of 193 vessels during Q1 2015. The VSA has allowed Maersk Line to offer customers an improved product with wider port coverage and more frequent sailings.

Maersk Line's Intra-Americas brand, Sealand, was successfully launched in 2015, when Maersk Line customers started booking with Sealand, and is now continuing to grow by offering a unique local service to the trades.

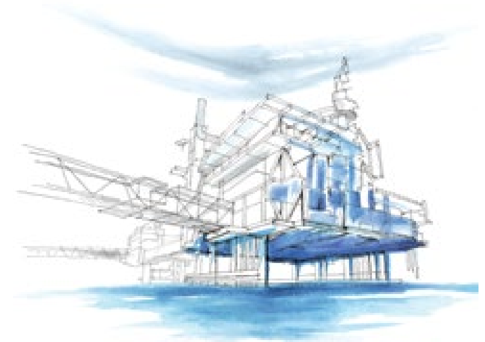
Maersk Line placed three newbuilding orders for a total of 27 vessels with a total capacity of 367,000 TEU in 2015. Given the weak market conditions, Maersk Line will continue to manage its capacity and cancelled the previously announced options for six 19,630 TEU vessels and two 3,600 TEU feeders, and will be postponing the options for eight 14,000 TEU vessels.

Underlying result USD

2015	1.3bn
2014	2.2bn
2013	1.5bn

Progressing with new key projects

Maersk Oil



Maersk Oil won approval for two large new projects in the North Sea: Culzean and Johan Sverdrup, which will help to balance its portfolio. Culzean could supply 5% of the UK's gas needs and Johan Sverdrup is one of Norway's largest ever discoveries.

Maersk Oil's average entitlement production increased by 24% during 2015 to 312,000 boepd (251,000 boepd). The Tyra South East extension in Denmark came on stream in Q1 2015, contributing to the production growth. In addition, improved operational efficiency in mature fields reduced unplanned downtime and compensated for the natural production decline from late life assets.

The organisation is responding to the new oil environment by reducing net operating costs, excluding exploration, by 20% by the end of 2016.

Underlying result USD

2015	435m
2014	1.0bn
2013	1.1bn

Expanding the portfolio

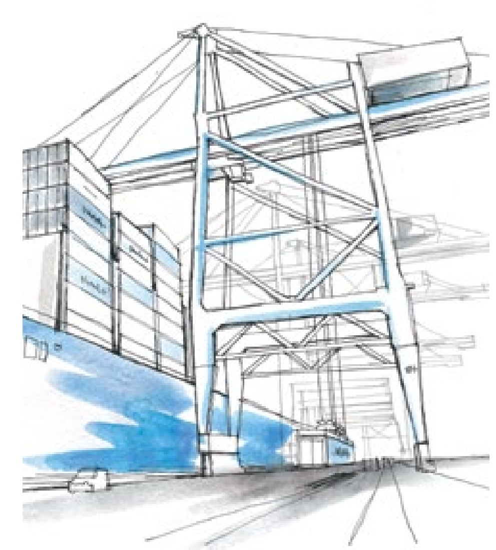
APM Terminals

APM Terminals grew its global profile significantly during a year of market volatility and in Q4 signed an agreement to acquire Grup Maritim TCB, the leading Spanish container terminal operator, with terminals located in Spain, Colombia, Brazil, Mexico, Guatemala and Turkey. With this acquisition, APM Terminals' global terminal network will grow from 63 to 74 terminals. The transaction is expected to close in Q1 2016.

APM Terminals has also invested in several impactful projects, such as securing the greenfield in Tema, Ghana, for around USD 800m and acquiring Cartagena, APM Terminals' first step into the Colombian market.

Underlying result USD

2015	626m
2014	849m
2013	709m



An operational uptime of 97%

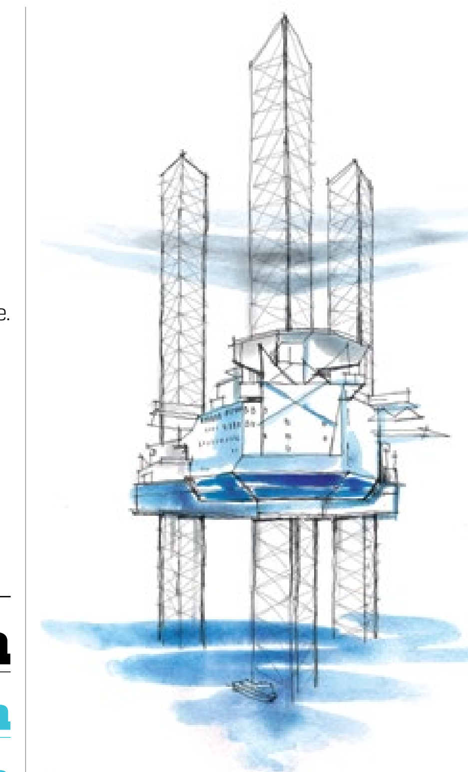
Maersk Drilling

The offshore rig market is experiencing a downturn due to cost inflation, an oversupply of rigs and a low oil price. Even though Maersk Drilling had an operational uptime of 97% in 2015 and has a contract coverage of 77% for 2016, which reduces its near-term exposure, it is evident that the market situation requires another cost level in order to compete. This is why Maersk Drilling launched a cost reduction and performance enhancement programme.

So far, the programme has delivered savings of more than 8% compared to 2014. This has been achieved by optimising yard stays, vendor re-negotiations, reduced organisation in head office, a salary freeze and changes to and optimisation of Maersk Drilling's operation.

Underlying result USD

2015	732m
2014	471m
2013	524m



Building the foundation for delivering results

APM Shipping Services

Strategic execution was carried out in all four businesses with a variety of initiatives being implemented in 2015. In all businesses, the target was to secure cost efficiency and top-quartile performance.

Maersk Tankers took delivery of two Medium Range (MR) newbuildings and placed an order for nine more vessels. Maersk Supply Service took delivery of a new Anchor Handling Tug Supply vessel (AHTS), acquired one second hand Subsea Support vessel and sold five AHTS vessels. Finally, Svitzer took delivery of 12 newbuildings and placed orders for another 20 tugs.

Damco emerged from the transformation phase, which resulted in improved profitability and cash generation. Svitzer made the entry into Brazil and merged Svitzer Salvage with Titan Salvage, USA.

Underlying result USD

2015	404m
2014	185m
2013	37m

Our stories

Global minds, local hearts

Our people

As Maersk Group rolls out more modern infrastructure around the world, the local employees who are taking on operations embody the Group's belief in the long-term potential of these markets. Meet two Maersk Group employees who have returned to Mexico, a growing economy with bright prospects.

By Anders Rosendahl →

Mexico is the second largest economy in Latin America and has become an increasingly important global trading nation.

2.8% growth

Forecast for Mexico in 2016, according to the World Bank

120 million

Mexico's population of 120 million people is forecast to expand to 156 million by 2050

Open for business

Mexico has become a manufacturing powerhouse since joining NAFTA, a free trade agreement with the US and Canada, in 1994. The country produces three million cars a year and has an ambition to increase the number to five million by 2020. Roughly 80% of its trade is with the US.

Improved and enlarged transportation infrastructure capacity is needed to accommodate the import demand of the expanding middle class, along with products destined for manufacturing centres where they are finished and subsequently re-exported to the US – and increasingly to other countries, too.

"It is definitely Mexico's moment right now. The country is benefiting tremendously from its supply of good quality labour, its proximity to the US, and its many free trade agreements. Mexico is part of the global supply chain and connectivity between Mexico and Asia is critical for that to work," says Mario Veraldo, Managing Director at Maersk Line's Middle America Cluster.

Today, Mexico has entered into more than 45 free trade agreements, most recently the Trans Pacific Agreement (TPP). Dubbed the largest trade agreement of a generation and potentially affecting 40% of the world's economy, opening a massive potential for trade across the Pacific.

"The country has changed so much in terms of its economic structure over the past 20–25 years. It's now an open economy, looking outward, rather than inward," says Eduardo Garcia, an independent economist in Mexico City and founder of Sentido Común, a Mexican financial news website.

In 2015, Maersk Line transported just shy of 250,000 containers to and from Mexico, with its largest trade lanes to Asia.

"Maersk Line enables the global supply chain by being a big conveyor belt whereby clients on both sides of the Pacific can be assured that their products will be where they need to be, when they need to be," Veraldo says.

Lázaro Cárdenas terminal will be the most technologically advanced in Latin America when it opens in 2016.

Adriana Aguilar

Age: **35**
Joined Maersk Group: **2004**
Job title: **Mexico Customer Service Manager, APM Terminals**

After 11 years, Adriana Aguilar is back where she started.

Aguilar grew up in Lázaro Cárdenas on Mexico's Pacific Coast. When the port was transforming from industrial only to commercial, she joined Maersk Line as it was starting up operations. Following stints in New York, Poland and Panama, she is now Customer Service Manager for a terminal that, when it opens in 2016, will be the most technologically advanced in Latin America.

"It was such an amazing moment, not just for me but for the whole city," she says of the day in late 2015, when the first 120-metre tall ship-to-shore cranes arrived by sea at APM Terminals' semi-automated container terminal.

"It was so visible, and we all knew that it meant development, opening a bigger gateway for trade that will benefit the city and the country. Being part of such a global event in my own home town made it one of the most important days of my life," Aguilar says, her gestures and smiles become more noticeable as she dives into the story, looking back and ahead.

> "The Group has given me so many opportunities, and I feel a responsibility to give something back to my city."

Starting small

Aguilar's story is not unique and neither is the Group's USD 900 million investment in the container terminal at Lázaro Cárdenas. The Group is currently making substantial bets in promising markets around the world, and people of the same nationality are taking leading roles.

The terminal's capacity of 1.2 million 20-foot containers annually will roughly double the total of what today is Mexico's second-largest port. From here, containers can reach Mexico City in less than two days by rail, Monterrey's automotive production hub in less than three, and there are good links to major US cities, as well.

When Aguilar joined the Group, the port only handled 1,600 20-foot containers a year, making her first experience outside Mexico an eye-opener. In New York, for training, she found herself right in the centre of one of the world's most vibrant cities, including one of the busiest container terminals.

"I saw how important a port is, both as a gateway for trade and for the development of a country. It was a tremendous learning experience. I imagined that maybe one day my own city would be just as important to my country, and that is what is happening right now," Aguilar says.

Giving back

The terminal is well positioned to support growing trade on the Pacific with its state-of-the-art hardware and in Aguilar's opinion, the right people are at the centre of it all.

"Whatever we do, receiving a vessel or putting a container onto a train, we need to be focused on the customers, helping them grow their business. Lázaro Cárdenas is not just a port. It is a source of jobs. We aim to bring in the most talented people from the community, making customer service a differentiating factor," she says.

"The Group has given me so many opportunities, and I feel a responsibility to give something back to my city. It's not just about professional skills; it is also about serving the community, serving our customers and serving our country."

Patricia Perez

Age: **32**
Joined Maersk Group: **2007**
Job title: **Middle America Cluster Customer Service Manager, Maersk Line**

I chose to stay

Another Maersk Group employee who left Mexico only to return is Patricia Perez. In her eight years with the Group, Perez has lived and worked around the world. Now, she has just returned from "leading leaders" training at headquarters in Copenhagen.

In her former role in trade management, she worked with Asian services to Japan, Korea, China and the Philippines to name just a few. Now she prefers life in Mexico City.

> "Right now Mexico is the place to be, also thinking about the future and looking to the next generation."

"I can definitely see that Mexico is the place to be right now, also thinking about the future and looking to the next generation," says Perez, who is Middle America Cluster Customer Service Manager.

"With my qualifications and my background, I am confident that I could choose to work wherever I'd like, anywhere with international business opportunities, but I chose to stay in Mexico. We have lots of opportunity here. Also, we are a proud culture and family plays a big part in our decision-making," she says.

Perez considers travelling around the world and experiencing different cultures to be one of the greatest blessings of her life, getting used to the unexpected and being challenged to adapt to new cultures and environments. Also, she has gained a greater understanding of where she comes from.

"I would like my daughter to grow up and live in a country where she does not have to think about going somewhere else to make her dreams come true," she says. "That is the Mexico that I aspire to and I believe my generation is setting the foundation for that to come true."

> "We provide you with the tools to make conscious career choices – but you are in the driver's seat."
>
> **Lucien Alziari**
> Group Head of HR

A new way of thinking career

Maersk introduced the new career framework "MyCareer" in 2015. A system that creates clarity and transparency, it enables employees to make conscious career choices.

The new framework, shared by all business units and Group functions, defines a long-term successful career as a match between what the employee is passionate about, what he or she is good at and what the business needs. The goal is to support every employee in building a successful career, while at the same time guaranteeing the talent pipeline within the Maersk Group.

"One of the advantages of being a conglomerate is that we can offer employees a career path that goes beyond their individual business units, and stretches into the wider spectrum of industries in which we operate," says Group Head of HR Lucien Alziari. "The new job catalogue will help employees see all the opportunities listed."

MyCareer introduced a shared career philosophy for all of the Group's business units, aligned their job ranking systems and created an overview of opportunities across the Group. It also facilitated a structured approach to career discussions with managers. Alziari stresses the fact that it still is up to every single employee to manage his or her career.

"It is your career, and it is your responsibility to choose where to take it," he says. "We provide you with the tools to make conscious career choices – but you are in the driver's seat."

Our stories

Smart containers

Listen & talk

By outfitting its fleet of reefer containers with "smart" technology, Maersk Line is reducing risk in customer supply chains and saving millions of dollars in costs while representing cutting edge technology and innovation in shipping.

By John Churchill →

From his desk in Maersk Line's Copenhagen headquarters, Musaddique Alatoor has a multi-billion dollar view. On his screen is the precise location and operational details of 270,000 refrigerated "reefer" containers, carrying anything from bananas to pharmaceuticals to sashimi-grade tuna.

The system enabling this is RCM, which stands for Remote Container Management. It's simple technology – a modem, GPS, wireless SIM card and satellite link – deployed on a global scale, and it is changing the concept of supply chain visibility, and the costs and opportunities associated with providing it.

Technology to save millions

"If you think about a basic supply chain, it stretches across the world. It involves trucks, terminals, depots, an ocean carrier and time. There is no end-to-end visibility and very little control, which for refrigerated cargo is very risky," says Alatoor, an RCM specialist in Maersk Line's Equipment Management and Repair.

Whether it is frozen poultry, pineapples or bananas, perishable commodities are time sensitive and require precise temperature and atmospheric conditions. If the power goes off on the reefer or a malfunction occurs and it is not discovered quickly enough in the terminal, on the truck or ship, an entire container of goods can be spoiled.

As a result, Maersk Line spends thousands of hours and about USD 200 million every year on physical inspections of its containers before customers use them and continuous monitoring of their functionality during a journey. And since people make mistakes and accidents happen, Maersk Line also pays millions in claims to customers for damaged cargo – most of which are related to the power on the reefer being off for too long.

Connected: Shipping's digital future

With RCM, all of that changes. Instead of counting on human eyes and hands to inspect and monitor reefers all over the world, the technology does it instead – removing much of these costs, along with many others including the danger associated with people walking among container stacks and handling electricity.

If the conditions inside the container change or the reefer malfunctions, an alarm instantly appears on the screens of the RCM teams on shore. In the same instant, the alarm, which describes the problem and the level of urgency, also goes to the closest local repair vendor. Automatic follow-ups are sent as needed until each alarm is resolved.

"Our reefer containers are transported about 900,000 times every year. With RCM we remove millions in operational cost and also a lot of the uncertainty that comes with the physical preparation, handling and monitoring of these containers every hour of every day for a supply chain journey that can last more than a month," says Catja Rasmussen, Head of RCM for Maersk Line.

"This technology gives us total visibility into our operations, our suppliers' performance and our customers' supply chains, in real time. That's a powerful capability, particularly for sensitive perishable cargo. And no other shipping line has it."

2,000

bunker consumption flow metres will be installed on Maersk Line vessels by the end of 2017.

Tech's next wave of hits

Technology and the data flow and capture it enables, whether it is "smart" containers or the development of a comprehensive e-platform for customers, is driving Maersk Line's next phase of operational and commercial excellence.

"Our vessels, our containers, the cargo we carry, it is all being connected with technology," says Robin Johnson, Maersk Line's Chief Information Officer. "From achieving the next level of operational efficiency with our vessels, to how our customers buy our products and services, tech is going to enable it."

Individual sensors on ships already provide valuable insight. One example is bunker consumption flow metres, approximately 2,000 of which will be installed on 270 Maersk Line vessels by the end of 2017. These metres measure fuel consumption and relay this data in real time to the vessel bridge and to shore, enabling Maersk Line to continually optimise the fleet's operational performance.

What if all these data sources on the different machinery and containers could be linked to provide an overall picture? What could real-time data collection, not just for refrigerated containers, but for vessel operations like port stays, do to improve vessel turnaround times, and ultimately entire supply chains? Hardware requirements and data transmission are challenges but Maersk Line is looking into it.

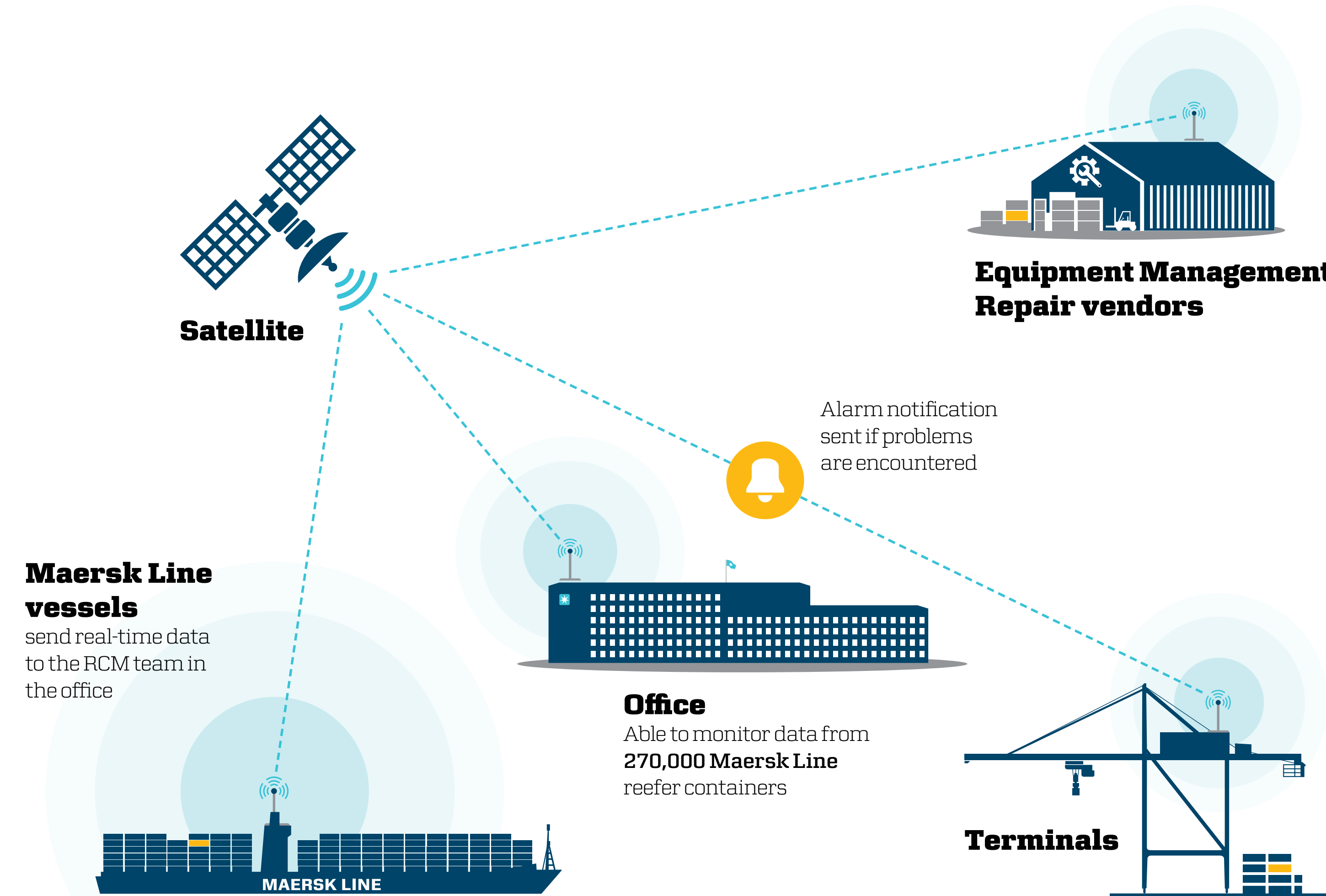
On the commercial side, the development of My.Maerskline.com into a comprehensive online shipping platform is well underway. The majority of customers say they want a predictable, self-service type process for handling their shipping needs. An online platform will also reduce the millions of phone calls and emails related to transaction support that Maersk Line handles, enabling it to increase the time it spends on developing business. The data collected will also provide a rich source of insight into customer behaviour.

Early progress with the My.Maerskline.com site indicates the potential. Today, 97% of customer bookings are received via the site; this is up from 60% just three years ago, but the end-to-end capability of this platform is still in the early stages. "A comprehensive e-platform is a very important development for our business, so we're being deliberate about its build in order to get it right," says Tom Sproat, Global Head of Customer Service.

The collection and analysis of the data the business produces across its global footprint are also increasingly important to Maersk Line. Here, a growing team of data scientists in the Advanced Analytics team are using mathematics and computer programming code to save Maersk Line millions by further optimising empty container flows, developing more accurate container supply and demand forecasts, and providing insight into customer behaviour and profitability.

How does RCM work?

It starts with the hardware mounted on all 270,000 Maersk Line reefer containers. A GPS allows global tracking and a modem and SIM card enable the reefer's atmospheric conditions and power status to be collected, stored and shared. A satellite transmitter mounted on 400 of Maersk Line's vessels picks up the data streaming from the modem and sends it real-time to a satellite that beams it back to the RCM teams located around the globe.



VSAT equipped vessels

~270 Vessels owned + **~130** Long-term charter vessels

The RCM solution consists of:

1 GPS unit

2 GSM antennae

3 Wi-Fi

Reaching 3,500 metres under the sea

New technology
The Maersk Valiant drillship in the Gulf of Mexico can operate in water depths that exceed 3,500 metres and maintain a fixed position in waves of up to 11 metres. Its advanced technology and strong performance show how Maersk Drilling is maintaining business in tough markets.

By Sam Cage →

Maersk Valiant

228 metres
in length

12,000 metres
drilling depth

The driller on the Maersk Valiant toggles the joystick and scans the bank of screens that surround his chair as data scrolls past.

Will Evans is working the fully automated drill floor on the Maersk Valiant. While this means that there are no workers on the floor during operations, his job remains as challenging as ever, as he must keep a wary eye on the information coming through to ensure the work remains on schedule throughout each 12-hour shift.

"It's mentally tough. There are lots of things to keep an eye on and you stay more alert," he says. "You need to watch the trends in the data. If you see a trend in the wrong direction, you can spot it in real time and adjust accordingly. You can't really do that on a manual rig."

He speaks with certainty about the safety and performance gains of new drillships like the Maersk Valiant, which is currently in the Gulf of Mexico on a three-year contract with Marathon Oil and ConocoPhillips.

"It's a huge difference. You feel safer and people are clearly in the correct place," says Evans, who comes from Mississippi and worked on an older rig with a manually operated drill floor until recently. His work may be less demanding physically now, but it still requires perfect attention.

Making the difference

With oil companies cutting back on spending, the top-class performance of new drillships like the Maersk Valiant is crucial to keeping the business ticking over with new contracts.

With a dual derrick setup, one side can continue drilling while the other conducts offline operations such as building stands of pipe, thereby maximising the time spent working on the well.

"Our new technology is performing admirably, and this is the differentiating factor for customers when oil prices are so low," says Maersk Drilling's Chief Commercial Officer Ana Zambelli. "We developed state of the art drillships that are operated by well-trained and competent crews, and our services are allowing us to build up a good contract backlog in such a tough market."

Top of the range

Maersk Drilling has four new ultra deepwater drillships like the Maersk Valiant in its fleet and three XLE jackup rigs, designed for ultra harsh environments, with a fourth due for delivery in 2016.

To build them, designers took the best of what they already had and scaled it up in size to match the bigger hardware, installed measures to improve efficiency and introduced a proactive hiring policy to ensure crews were up to speed from the first day of operations.

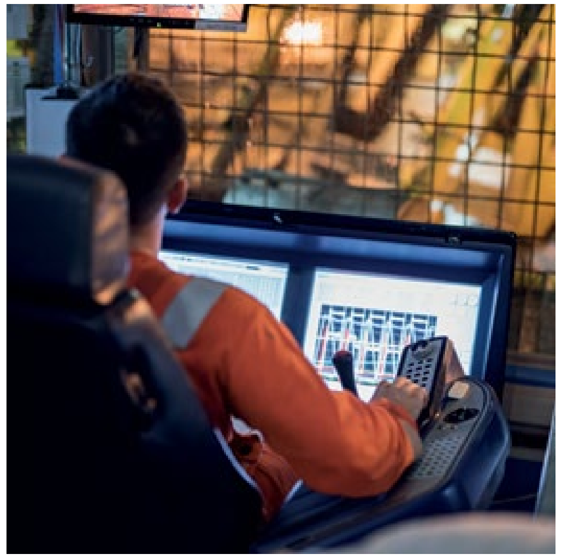
"It's actually quite a challenge because it's such a range of technology. None of us can be experts on all of it. So, you have to rely on your specialists and team leaders," says Craig Fraser, the Offshore Installation Manager.

"It's a demanding industry. Clients want performance and the oil market demands that even more," Fraser says. "Our clients are always challenging us to improve and I believe that while they always demand more, they get a high-end product."

97%
Maersk Drilling's operational uptime in 2015

7
New contracts won in 2015

The driller and assistant driller swap observations as they monitor screens showing depth, pit volumes and pump pressure.



Our stories

Staying competitive

To meet the demands of the growing Colombian economy, Maersk Line has worked with the Buenaventura port to ensure its larger vessels could serve customers better. Automobile makers are reaping the benefits.

By Anders Rosendahl →

Supply & demand

80%

of the parts for the 70,000 cars that the Bogotá facility manufactures annually are imported from Asia.

Only a few years ago, the port in Buenaventura, Colombia never received vessels such as Svendborg Mærsk. Today, the 347-metre container ship or one of its sisters calls every week, thereby doubling the previous maximum capacity.

Increasing trade, from Asia in particular, had made the deployment of larger vessels a natural next step for the Colombian economy. The problem was the width of the turning basin at the port, which left only 50 metres of slack on each side when the larger vessels made their 180-degree turn to return to the Pacific.

So Maersk Line partnered with TCBuen, the terminal operator, and the authorities, thoroughly testing the turn in simulators and then in the actual basin to ensure safe operations. When the green light was then given, the port was expanded to accommodate the larger vessels, a development that has not gone unnoticed by customers.

"So this is a new limit for the operations. It is something that was not considered possible some years ago and yet it's something that we are doing today," says Juan Camilo Vasquez, Sales Manager at Maersk Line Colombia, as he surveys the loading and unloading of Svendborg Mærsk at the port.

Automakers gain significant efficiencies from producing closer to demand, and with roughly 2,000 parts to a single vehicle and lean inventories a permanent fixture, the importance of a steady and consistent flow through the supply chain cannot be overstated.

GM Colombia is one of the customers that is benefiting. It imports about 10,000 containers through Buenaventura – the country's main port on the Pacific – for the production of 70,000 automobiles at its Bogotá factory.

"It is important to us that global suppliers, such as Maersk, continue working to improve the service in this way," says Carlos Francisco Cortes, GM Colombia's Logistics Manager.

Keen on Colombia

Latin America has been a strategic focus of the Maersk Group for some time and it has many investments in a region that has significant long-term potential, despite the current global macroeconomic challenge affecting most countries.

In the second half of 2015, APM Terminals added four terminals in Latin America to its portfolio – including Buenaventura on Colombia's west coast, featured in this story – as part of its acquisition of Barcelona-based Grup Maritim TCB.

APM Terminals has also entered into a joint-venture terminal in Cartagena, on Colombia's east coast. This gives it two terminals in one of Latin America's largest markets, with a population of 48 million and one of the faster growth rates in the region, according to the World Bank.

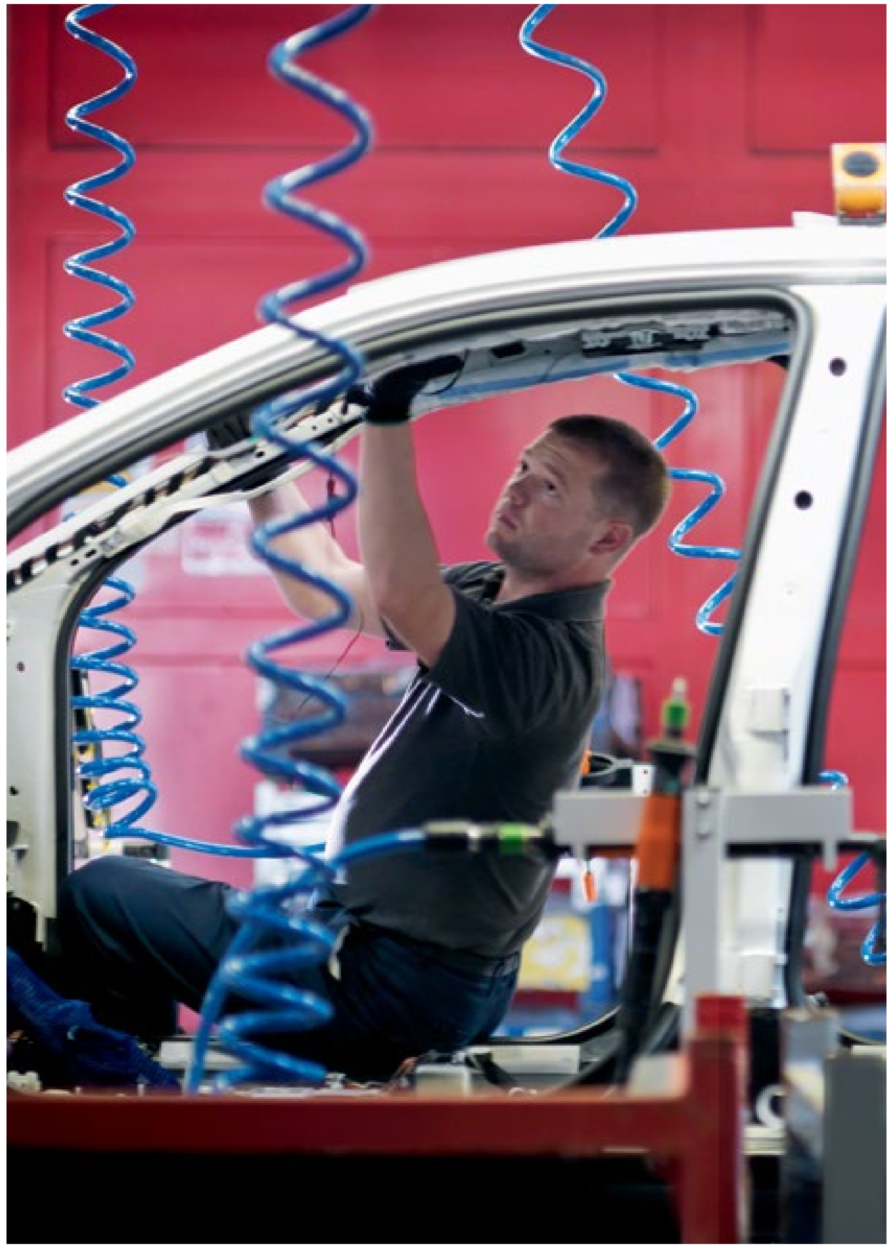
Trade opportunity

After automobile sales tumbled in recent years in growth markets, including in South America, one might wonder if the added capacity is really needed. Has the decade-long boom during the new millennium's first decade been replaced by a new normal with sales levelling out?

The World Bank estimates Colombian GDP growth in 2016 at 3%, compared with 0% for Latin America and the Caribbean as a whole, and Maersk Line Colombia's Vasquez sees plenty of potential.

While the outlook for Colombian automobile sales is sluggish for 2016, the vehicle penetration is 100 per 1,000 inhabitants and the average age of cars in the current fleet is 17 years. As a result, there is room for more in a country where Maersk Line already handles one out of every five containers.

"We have an industry that is quite diverse. Our middle class is also growing and we are demanding more products and services, so this is a land of opportunity for international trade," says Vazquez.



Maersk Line introduced the 347-metre-long Svendborg Mærsk to the terminal in Buenaventura, Colombia. It is twice as big as the largest vessels that have called there previously and means a more competitive product for customers like the automobile industry.

8,160

20-foot containers

Capacity of Svendborg Mærsk

Production closer to demand

In recent years, a lot of automobile production has moved to Asia, Eastern Europe and South America, mirroring the shift in global sales by moving closer to the demand. Roughly 40% of all automobiles are now made in emerging economies, according to forecasting and analysis company the Economist Intelligence Unit.

During nine years in his current role, GM Colombia's Cortes has seen more cars produced in Bogotá, more parts imported from Asia, and the importance of the partnership with Maersk Line increase.

"It is very important that our shipping partner is fully aligned with our priorities and works very closely with us, because any delay will impact our production line. Also, we expect our shipping partner to be competitive, enabling us to compete in the local market," Cortes says.

Maersk Line Colombia has now gone a step further at Buenaventura, introducing 367-metre-long vessels from Asia to the west coast of South America in late 2015 – i.e. 20 metres longer than Svendborg Mærsk. It set a new record in Colombia as the first carrier to bring vessels with a capacity above 10,000 20-foot containers.

Reaping greater economies of scale benefits due to the size of vessels and a direct service from Asia, the result is greater reliability, space guarantees and more competitiveness.

"Basically, Maersk is fundamental to our business," Cortes adds.

> "This is a new limit for the operations. It is something that was not considered possible some years ago and it's something that we are doing today."

Juan Camilo Vasquez
Sales Manager,
Maersk Line Colombia

Our stories

A virtual reality tour offshore

The technology behind Culzean

Maersk Oil's Culzean project could provide 5% of the UK's gas needs, and equipment must be able to handle the high pressures and temperatures. Even virtual reality kits are being used as attention to the smallest detail is required for operations to run smoothly.

By Sam Cage →

250–300m

Resources estimated at 250–300 million barrels of oil equivalent. Production is expected to start in 2019 and continue for at least 13 years with peak production in 2020/21

5%

Expected to meet 5% of total UK gas demand at peak production in 2020/21

60k–90k boepd

Plateau production of 60,000–90,000 boepd expected

Platform 1: Production

Platform 2: Processing

Platform 3: Accommodation capacity for over 100 people

Water depth

88m

Drilling depth

4,500m

Temperatures up to

175°c

The extreme conditions mean materials must have the strength to stand up to the pressure and temperature, and safety considerations are being built into the design.

Claus Vissing-Jørgensen turns to the left and starts across the bridge, leaving the processing facility for a 150-metre walk above the North Sea waves. He has already taken a tour of Culzean's well head platform and is about to take the stairs and pass a series of cabins and leisure rooms before reaching the canteen.

Vissing-Jørgensen, Facilities Manager for the Culzean gas project, is not offshore – and the platforms do not even exist yet. Instead, he is in the more comfortable surroundings of Maersk Oil's Aberdeen office, using a virtual reality tool to troubleshoot potential issues in the hardware that is expected to start producing in 2019.

"It's an intelligent way of looking at the design through different eyes," says Vissing-Jørgensen. "It means we can avoid future complications and ensure we are building safety into the design of the project, using best environmental practice and best available technology."

Extreme conditions

The long distance between three separate platforms – for drilling and production, processing and accommodation – is one of many distinctive characteristics of the Culzean project, which will harness cutting-edge technology to extract gas under temperatures of up to 175° C and pressure that is equivalent to being nine kilometres under water. Maersk Oil's share of the investment is USD 2.3 billion.

The extreme conditions on Culzean mean planning is paramount. Materials must be strong enough to stand up to the pressure and temperature, and safety considerations are therefore being built into the design. The overall idea is to take proven technology and hardware and expand or upgrade it to fit the project.

The "Walkinside" tour that Vissing-Jørgensen is taking with the help of an Xbox controller will allow designers to iron out inefficiencies and potential trouble spots that might not occur to them without being able to visualise the facilities as they will be in reality. That could include something as obvious and straightforward as spotting a valve that is two metres off the ground and lowering it in the final design.

The Culzean project

- Approved by the UK Oil and Gas Authority in August 2015, Culzean is located about 240 kilometres off Aberdeen and is expected to produce enough gas to meet 5% of total UK demand at peak production in 2020/21
- Maersk Oil UK (49.99%) is the operator of the high pressure, high temperature (HPHT) field. JX Nippon (34.01%) and Britoil (BP) (16%) are its partners
- It benefits from an HPHT fiscal allowance, which exempts a portion of a company's profits from the supplementary charge, or top-up tax paid by the North Sea industry

The design mantra

The design is laid out with the highest focus on safety and avoiding risk to personnel, with the accommodation placed as a safe haven some 270 metres away from the wells.

Some parts used in construction of the facilities will be made using hot isostatic pressing of metal dust to create extremely strong materials, which is known as HIP Process. Highly rated hub connectors will be applied where welding is impractical.

"Keeping it simple really is a design mantra on Culzean," says Martin Urquhart, the Project Manager. "The pressure and temperature are the complicating factors, so materials have to be much stronger to cope with both extremes. We like to use simple tried and tested methods and make decisions that build in extra safety margins wherever we can."

> "The pressure and temperature are the complicating factors, so materials have to be much stronger to cope with both extremes. We like to use simple tried and tested methods and make decisions that build in extra safety margins wherever we can."
>
> **Martin Urquhart**
> Culzean Project Manager

Penetrating the surface

Maersk Oil has commissioned a new drilling rig for Culzean, based on an established design with specific, hi-spec additions to deal with the particular conditions, says Andrew Lough, the Wells Manager for Culzean. One of the big challenges is getting a rig cantilever – the movable structure that can allow drilling of multiple wells from a single location – which can move around easily and access all the wells that need to be drilled from one position.

Designed to operate in water depths of up to 120m and drill to more than 4,500m, the drilling rig will be bigger than the present standard and in order to get as close to the platform as possible, the jacket of the wellhead platform has a twisted base such that the rig's legs sit either side. This is just one of many design considerations integrated in the "front end loading" phase of the project.

"We've taken existing elements from other rigs that worked really well and brought them into an older design that is proven and effective, and really brought it up to date," Lough says.

During the important testing of materials, in one instance the team found that standard industry tubing for the wells could not stand up to the high pressures. They had to look at new, proprietary treatment for the steel, which would give it the necessary strength while keeping the right thickness to operate and contain the pressure from the wells at great depths.

"Culzean is a huge project that needs comprehensive planning to gain the rewards," says Urquhart. "Our planning is coming down to the tiny little details – they may look unimportant now, but could end up as the crux of the matter and on the critical path."

The forecast plateau production for Culzean is

300–450 million standard cubic feet per day

giving Maersk Oil equity production of 30,000–45,000 boepd

Top five ambitions

There is still considerable potential remaining in the North Sea but it requires the right expertise and technology, such as that Maersk Oil is employing on Culzean, to extract it. The business aims to become one of the five biggest producers in the North Sea in the first half of the next decade.

It can achieve this through a combination of its existing portfolio, major capital investment in projects like Culzean and Johan Sverdrup – one of Norway's largest ever discoveries – and more efficient operations.

"In mature markets, where growth is generally much slower and where bigger and bigger vessels are calling, the need is for world-class operations. Our primary focus in those markets is efficiency and productivity for our customers."

Kim Fejfer
CEO of APM Terminals

10%
contribution to profit

In 2015, APM Terminals' five US terminals accounted for only 4% of the company's invested capital but delivered 10% of the economic profit.

300,000
containers moved a week

Mature market ports also handle the majority of world trade: in its 15 mature market ports, APM Terminals moves more than 300,000 20-foot containers per week.

Cutting through congestion

APM Terminals Los Angeles produced a record performance in 2015 under tough circumstances. The result underlines the value of mature markets to the Maersk Group.

By John Churchill →

When the biggest vessels ever to visit US ports began to arrive in early 2015, loaded with record numbers of containers, terminal operators scrambled to ensure they could handle the cargo volume.

With labour unrest enveloping the ports at the same time, it was a combination that threatened to slow the port of Los Angeles, the nation's largest and busiest port, to a crawl. By planning ahead, making detailed forecasts and not promising more than it could deliver, APM Terminals Los Angeles was able to handle the crunch and emerge with record business growth and impressive safety improvements.

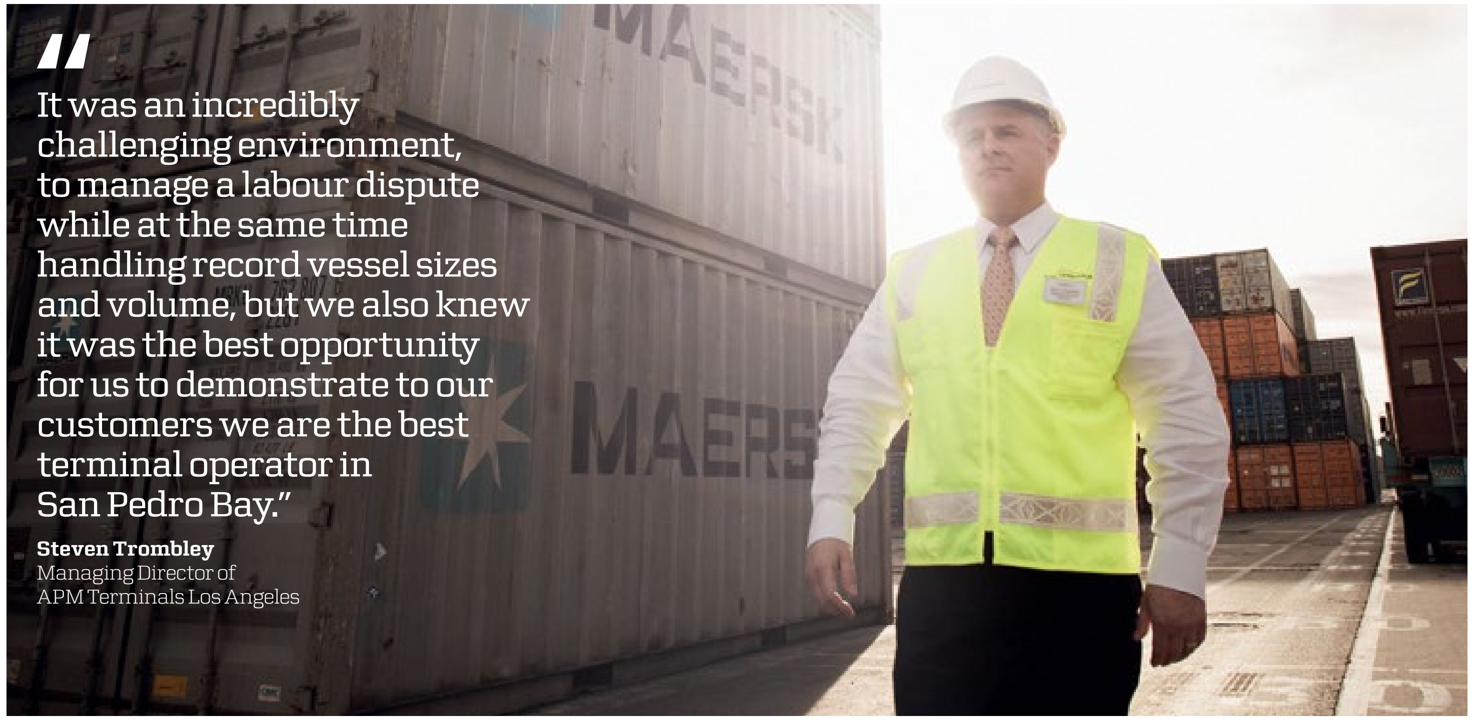
"It was an incredibly challenging environment, to manage a labour dispute while at the same time handling record vessel sizes and volume, but we also knew it was the best opportunity for us to demonstrate to our customers we are the best terminal operator in San Pedro Bay," says Steven Trombley, Managing Director of APM Terminals Los Angeles.

The anchors of shipping networks

APM Terminals operates 15 of its 63 terminals in mature markets – 10 in Europe and five in the US. These markets have been characterised by lower economic growth rates, and as such have been a steadily shrinking segment of APM Terminals' portfolio in recent years.

Yet the mature market ports remain incredibly important. Ports like Rotterdam, Algeciras, Los Angeles, New York and others are anchors for the vessel networks of global shipping line customers like Maersk Line, CMA CGM and MSC.

"In 2013 and 2014, the industry had become bored with mature markets. The developing markets took all of the attention with steep growth rates," says Wim Lagaay, Head of the USA & Europe Portfolio for APM Terminals. "While Europe didn't have the same growth as the US in 2015, it was nonetheless a reminder of the importance of continuing to invest in these markets and of maintaining a geographical balance in our portfolio."



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Steven Trombley
Managing Director of
APM Terminals Los Angeles

Mature market ports handle the majority of world trade: in its 15 mature market ports, APM Terminals moves more than 300,000 20-foot containers per week.

"In mature markets, where growth is generally much slower and where bigger and bigger vessels are calling, there is a need for world-class operations. Our primary focus in those markets is efficiency and productivity for our customers," says Kim Fejfer, CEO of APM Terminals.

"In developing markets, it is more about finding bottlenecks in the supply chain and then helping the host countries and the industry to unlock these bottlenecks by building infrastructure in these locations."

Tallest cranes

In the case of APM Terminals Los Angeles, having the tallest cranes in the harbour was one reason it has been the destination of choice for the largest ships, including the largest ever to visit a United States port – the Benjamin Franklin, CMA CGM's 18,000 20-foot container ship – in December 2015. The terminal will be raising the height of its cranes again in 2016, to enable these large vessels to bring even more containers in.

With thin margins and ever-increasing vessel sizes and container volumes, APM Terminals' focus in the mature markets is creating world-class operational capabilities. Some of the tools for this include continuous monitoring and optimisation of terminal operations, investments in equipment and technology and enhancing partnerships with customers.

"The role of the United States and Europe has naturally changed over time, but these facilities remain a critical component of trade and our customers' business and one that we will continue to invest in," says Lagaay.

Cutting out the queues

In Los Angeles, the results of their efforts were becoming clear by the end of 2015. Volumes in APM Terminals Los Angeles grew by 28% compared to 2014. This included 17 vessels that came to Trombley's terminal when they were unable to call others because of congestion.

The terminal was also able to establish a new safety record for consecutive days (86) without a lost-time injury.

"We kept our eye on the long term, while monitoring volume forecasts so that we wouldn't over commit to the carriers, ensuring a smooth transition when the contract bargaining finally concluded," says Trombley. "Practical steps like offering extended gate hours and sustaining a strict prioritisation of import and full containers meant we didn't encounter vessels waiting at anchor, like some of our competitors."

70m
(USD) Total savings for the Maersk Group

20%
Improvement in container handling capacity of Algeciras and Tangier

Optimising operations

A team of functional experts in different areas of operations is monitoring the operational performance of all 63 of APM Terminals' ports and has been instrumental in helping Los Angeles optimise its yard operations during 2015.

The team compiles best practices in vessel strategy, terminal layout, yard planning and much more. It also works with vendor partners and the terminals to roll out solutions around the world to improve performance.

The hub-partnership programme with APM Terminals' largest customer, Maersk Line, has been a success in Algeciras, Spain. As a critical transshipment hub for Maersk Line, more than 35% of the carrier's total volume passes through the port on its way to other destinations.

By sharing the same office, coordinating yard and vessel planning among other things, the terminal has improved the container handling capacity of Algeciras – and nearby Tangier – by 20% and delivered more than USD 70 million in total savings to the Group. Similar arrangements in Rotterdam and Singapore have started as well.

In Europe's largest port, Rotterdam, APM Terminals is using technology and experts in automation and industrial IT systems to push the boundaries of productivity and reach new safety levels. Maasvlakte II is the world's first fully automated container terminal, with self-guided vehicles and remotely operated cranes – and no humans in the container yard.

Maersk Line's Alberto Fernandez (left) and **APM Terminals' Emilio Checa** (right), who coordinate vessel berth planning in Algeciras, are now seated next to each other, making it easier to communicate and hence operations are more efficient.

Nimble and flexible

This year's launch of 2M, the world's largest vessel sharing agreement between Maersk Line and MSC, provided customers with an unmatched variety of sailings and port options for their cargo and also lowered the costs to Maersk Line of providing such options in these mature trade lanes.

The Asia–Europe and Asia–US trades that 2M serves are the world's largest by cargo volume, connecting Asia's producers with consumer markets in Europe and the US. But as critical as they are to global trade, they are also increasingly characterised by low profitability due to declining growth and over capacity. Efficiency gains and cost reductions have been passed on to customers in the shape of ever lower prices.

The 2M agreement runs for 10 years and is improving network efficiency and lowering the costs of vessel service through improved utilisation of vessel capacity and economies of scale. The expanded network also offers customers more stability and route options.

"To compete in these trades, we need to continue to be cost competitive. With 2M we could offer a much better product to our customers at much lower operational cost," says Klaus Sejling, Head of East/West Trades for Maersk Line. "People generally think of these trades as stable because they're mature markets, but in 2015 that wasn't the case. The labour negotiations together with cargo volumes into the US created difficulties for our customers and therefore opportunities for us to show we can be nimble and that the network could be flexible in order to respond to our customers' needs."

The congestion resulting from the labour negotiations on the West Coast created a wave of demand for East Coast services. Customers needed an alternative, quickly, so Maersk Line created an Asia to US East Coast service via the Panama Canal, providing a faster option than its existing two services via the Suez Canal. In addition, two new gateways were created for Asian cargo bound for North America, one into Prince Rupert in western Canada and another into Lázaro Cárdenas, on the west coast of Mexico. Local Maersk Line offices helped customers rework supply chains from there, for example by helping to source chassis and trucking services that were in short supply. Together, these moves ensured a continuous flow of cargo into important inland destinations.

"These may be mature markets, but they can also turn dynamic and we need to be ready for the opportunities created by that," Sejling says.

Fashion waits for no one

Connecting Myanmar with global shoppers

Myanmar's economy is expanding rapidly as it emerges from isolation and trade sanctions. Supporting its growth, the Maersk Group is helping to connect the Southeast Asian country to the rest of the world.

By Tan Yi Hui and Sam Cage →

Garment makers need reliable connections both to import textiles from China and export finished shirts, skirts and suits from Myanmar for shoppers in the US and Europe.

Just five years ago, Myanmar was a country in almost total isolation and under international embargo.

Today, the Southeast Asian country of more than 50 million inhabitants is undergoing an economic, social and political revival as it reaps the benefits of openness and a strategic location between China and India and on trade routes to Europe, capped by its 2015 election.

To support its emergence onto the world stage, its nascent industries – such as the garment business – need the links to the rest of the world to maintain their supply chains and capitalise on Myanmar's advantages.

"We are only seeing the tip of the iceberg for the potential that Myanmar holds for businesses, but a good way to pave the road forward for this emerging market is to expand its connectivity within Asia and to the rest of the world," says Søren Toft, Chief Operating Officer for Maersk Line.

Shirts, skirts and suits

After extensive work with NGOs, local companies and diplomats, Damco became one of the first companies to offer logistics services in Myanmar. With a new office and 4,000 square metre container freight station opened in 2014, it has sealed its status as the biggest logistics provider in the country.

Following Damco, Maersk Line gained its licence to operate in the country last year along with its intra-Asia regional carrier MCC. Their links are supporting the burgeoning garment industry, with more and more companies relocating factories to Myanmar and its lower costs and location.

Garment makers need reliable connections, both to import textiles from China and export finished shirts, skirts and suits to the US and Europe. MCC's Shanghai/Ningbo service to Yangon in Myanmar is one that the garment supply chain relies on.

The direct route between China and Myanmar cuts short the shipment time by almost half, to just 14 days, where previously there would have been a transshipment service using the port in Singapore or Tanjung Pelepas, Malaysia. Maersk Line then ships completed garments out of Myanmar to global retail destinations.

"The Shanghai/Ningbo – Myanmar product has proved popular with many clients, and our volumes between China and Myanmar have grown substantially compared to a year ago," says MCC CEO Tim Wickmann.

Connecting the dots for growth

While the garment industry is small compared with those in neighbouring Bangladesh, China and Thailand, it is experiencing robust and sustained growth, according to the Myanmar Garments Manufacturers Association, whose members employ about 230,000 workers. It estimates that two new garment factories are opening for business every week.

Myanmar exported USD 1.56 billion worth of garment products in 2014, representing a near doubling of production in just two years, and the figure is expected to approach USD 2 billion in 2015, according to the Manufacturers' Association.

"We definitely need a direct service, and went with MCC because they committed to what we needed," says Dorothy Tao, Global Shipping Manager for Taiwanese garment manufacturer Gen International, which makes clothing for casual fashion lines such as Kirbi, Primark and H&M. "We expect this business to grow with the opening up of Myanmar's economy."

"We are only seeing the tip of the iceberg for the potential that Myanmar holds for businesses, but a good way to pave the road forward for this emerging market is to expand its connectivity within Asia and to the rest of the world."

Søren Toft
Chief Operating Officer
of Maersk Line

Myanmar exported USD 1.56 billion worth of garment products in 2014, representing a near doubling of production in just two years.

7.8%

Myanmar's forecasted economic growth for 2016
Source: World Bank

Responsible business

After decades of political and economic isolation, human rights have been at the forefront of discussions for foreign investors. Before entering the country, the Maersk Group partnered with NGOs, local companies and diplomats to mitigate risks with suppliers and thereby help customers to do the same.

There is often little awareness of issues such as health and safety, the environment and labour rights in emerging markets. Approaches such as more customer audits and questionnaires to prove commitment and an increasing focus on compliance regarding anti-corruption and facilitation payments can help.

"An important part of the entry strategy has been to assert the importance of responsible conduct in our operations, and educate and train selected suppliers in internationally recognised responsible business practices," says Renata Frolova, Head of Responsible Procurement.

After sanctions were lifted, a business plan was developed for the Myanmar Centre for Responsible Business, which was supported by a range of governments participating at a meeting held in the United Nations in December 2012.

It was developed together with the Danish Institute for Human Rights and the Institute for Human Rights and Business so that all businesses and customers can lean on it. The centre aims to give investors the background they need and help local institutions and companies to use established best practice.

Using practical examples and a self-assessment to see which processes were already in place, a training workshop for local trucking, warehousing, terminal and service suppliers in Myanmar introduced them to why responsible business is important to the Maersk Group.

"Maersk was essential in helping us access Myanmar at a time when it was very hard for human rights organisations to get visas into the country," says John Morrison, Executive Director at the Institute for Human Rights and Business. "With Maersk, we were able to have our first roundtables in Yangon and visits to Naypyidaw, and to start a dialogue with government ministers and a range of local businesses."

"What is different is our people, 900 of them with one focus – serving this market."

Michael Hansen
CEO of Seago Line

The regional touch

As a major trading route, the short voyage across the Mediterranean from Egypt to Turkey should have been simple. Instead, a mix of global and niche shipping lines served the route infrequently and with little flexibility, meaning companies had to rely on several carriers' services and suffer unpredictable results.

This is the kind of client problem being addressed by Maersk Line's regional carriers MCC, SeaLand and Seago Line, which are winning new business by handling a dense network of trades with targeted strategies for each and a local organisation to handle the complexity.

Seago Line opened for intra-European business in 2011, targeting customers like Turkish petrochemical trading company Bayegan. As a test, Bayegan gave them a small piece of their cargo volume; less than five years later, Seago Line has 75% of Bayegan's total sea freight.

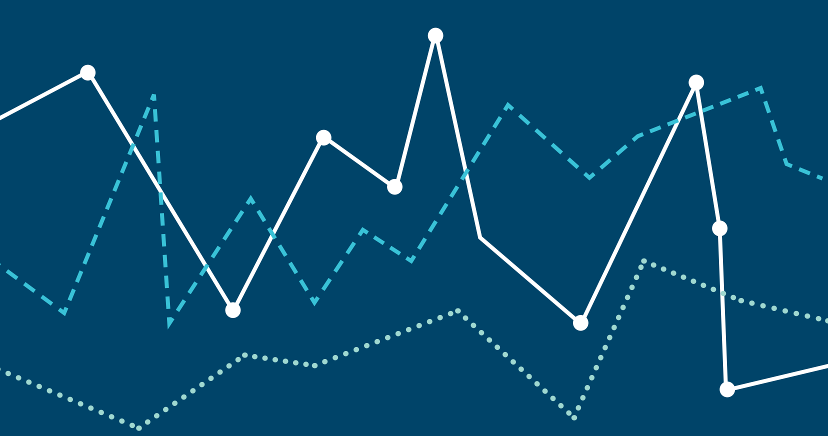
In 2015, despite the ban on EU imports to Russia and an intra-European market that grew only 1%, Seago Line grew its business by 4.5% and now has a 12.8% share of a market estimated to be seven million containers in total.

"We have competitive services and a good network, but that actually isn't vastly different than what our competitors offer. What is different is our people, 900 of them with one focus – serving this market," says Michael Hansen, CEO of Seago Line.

Seago Line's own customer survey data from 2015 found customers rank the company best on accessibility, dependability and responsiveness.

"With Seago Line, we've tapped into a major need in this intra-European market for our kind of service," Hansen says. "There's still a lot of opportunity for us to grow, and that's exciting for the business."

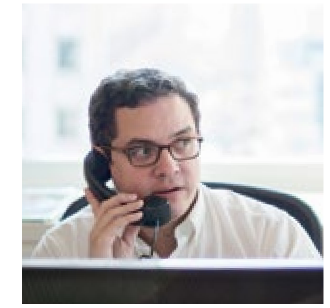
The right place at the right time



Working the data

Should the vessel be heading from the US to Japan or across the Atlantic? Maersk Tankers posted a profit in 2015 and it is working on better predicting the market, including using advanced data analysis to determine where to send its vessels for best rates.

By Sam Cage →



> "The customer was happy too and it was a perfect hit, a home run. The data is giving us the confidence to do this now."
>
> **Cesar Niño**
> Assistant General Manager and Charterer, Maersk Tankers New York

It was July when Cesar Niño noticed the product tanker market in the Gulf of Mexico did not look like recovering any time soon.

Previously, Cesar Niño – Assistant General Manager and Charterer for Maersk Tankers in New York – might have made the best of it and looked for a cargo to pick up in a nearby location. But when he turned to Maersk Tankers' new analytical setup, which builds on statistical modelling and forecast data to predict where the best opportunities will come up next, he spotted something promising on the other side of the Atlantic.

"I knew I could do better in Europe thanks to the data, so I gave a discount to the customer on this particular vessel to go there," Niño says. "In a sense, I let the market beat me – and in the past this would have been a no-no – but in the end, we beat the market and benefited in the longer term."

Taxi to Hamburg

By arranging the trip to Hamburg to cash in on higher rates, Niño was leaning on the analytical setup and forecast data that Maersk Tankers is using to position its vessels for their next cargo, a little like planning a taxi service to be where the fares and demand will be highest.

This is part of a wider drive called Active Position Taking, under Maersk Tankers' new Taking Lead strategy. It aims to beat the market by making the best decisions, using both historical data and forecasts to support and supplement experience and business acumen.

"The customer was happy too and it was a perfect hit, a home run. The data is giving us the confidence to do this now," Niño says.

"There is no one single or simple thing that can give Maersk Tankers the edge, but the data – and the tools and processes around it – can change the odds in its favour," says Nicholas Allin Hansen, Head of Market Analytics. "Maersk Tankers has always relied on data and analytics, but now the depth and scope of the analysis is providing a solid, unbiased and structured market view that can similarly be applied on an ongoing basis."

"We can do several things that improve our decision making," Hansen says. "We can quantify the effects of fundamentals such as vessel supply, transportation demand and the oil price. In addition, we also have a better understanding of the cross market effects, such as how developments in one sector affect others."

When the world is your market

Niño and the New York team previously only considered their own market, which covered the Americas. Now they think a bit more broadly as they plot how to maximise returns.

On another occasion, Niño directed a tanker to Japan because he knew from the data that the market there was healthy and stable compared to that in the Gulf of Mexico.

"In the past we were maybe more protective, and focused on the local market rather than a wider view," he says.

"At some point you doubt that this new system will work, especially the most experienced guys. But now you can see the results," Niño adds. "It doesn't matter if we're the best in the market when it's lean, when we could be mediocre in another market and make more money."

Building business on facts

For Eva Errebo, Head of Intermediate Chartering at Maersk Tankers, Active Position Taking is all about using its resources in the most efficient and intelligent way.

There can easily be a 40% difference in the earnings between staying in a local market and sending a vessel somewhere different – and for an operator of more than 100 vessels, that can make a big difference on the bottom line, Errebo says.

"Our top priority is of course to win consistently in the market," she adds. "That means we have to make money and we have to beat our competitors. To do that, we have to make sure that we engage and employ our fleet in the most optimal way."

Training beyond the textbook

The Group Core Values were the founding principle for Maersk Training, established in the 1970s to provide greater safety and security for offshore workers. Nearly 40 years later, the Values are driving business at a new training centre.

By Sam Cage

Martin Brand uses the Values every day in his work as a trainer at the Houston facility. If better safety standards had applied on the rig he worked on a decade ago, he could have avoided an injury that ended his offshore career.

When offshore workers turn a corner in Maersk Training's new Houston facility, they are reminded of what keeps them safe on their rigs – Constant Care and Humbleness.

These are two of the five Maersk Group Core Values, which guide the behaviour of employees and outline how it does business, and are detailed on the walls of this state-of-the-art facility, where advanced simulators allow oil and gas companies to test operations in a life-like but safe environment.

"It's about when you give your word. You only have to disappoint a customer once and they never believe you again," says Maersk Training CEO Claus Bihl. "Our partners all have the same opinion of what the Maersk name means, high quality, and they never question it. It's extremely important that we maintain that."

The Values are not only integral to safe and efficient operations, but also Maersk Training's quest for new business as it hosts ever more employees of other companies that trust it to give their staff the necessary skills. BP, Transocean and Seadrill are just some of the external companies that Maersk Training has signed new contracts with in 2015. And its extensive work with Maersk Drilling has helped provide the skills and experience needed to ensure a fleet of advanced new rigs and drillships is operating safely and efficiently.

"We would not want to do any business without the Values. They're part of how we do business. It's our culture," Bihl says.

Doing it the right way

Maersk Training was founded in 1978 as the result of a human error, which led to an accident on the Maersk Explorer rig in the North Sea. Having decided that no other company was offering training that was good enough to prevent such incidents in the future, the Group decided it would be better to do it the right way itself – namely, taking care of today and actively preparing for tomorrow.

Today, the spacious and high-ceilinged entrance to the Houston Centre, with its bold clean lines and images of scenes from the offshore industry, leads to a complex of simulators – a ship's bridge as it rides on undulating waves, a rig as the driller explores under the seabed for oil, a supply vessel hoisting deliveries on to an offshore installation.

The investment in such advanced simulators and trainers with experience of offshore work provides realistic training and more than textbook theory.

Combined with a focus on human factors – such as teamwork, procedural discipline, communication, decision making and situational awareness – this ensures that crews are prepared as well as possible before they engage in an actual operation. This improves safety, saves time and makes them better prepared to handle unexpected events.

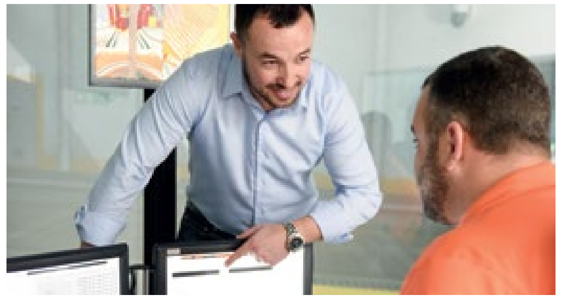
Lessons from the past

Martin Brand uses the Values every day in his work as a trainer. He knows that if better safety standards had applied on the rig he worked on a decade ago, he could have avoided an injury that ended his offshore career.

Brand's hand was crushed while he was working in the North Sea, when a combination of operator error, being in the wrong place and a lack of communication between changing personnel contributed to an accident. When he recovered, the hand remained too painful to work offshore, but it led him on a new path and he draws on that experience today when training others to work safely and efficiently.

"There are valuable lessons from what happened – procedures, following correct techniques, situational awareness. It is all about actively preparing today for what happens tomorrow, and the Values are ever present in our simulators and classrooms," Brand says.

"Uprightness is very important. Sometimes others have more experience and knowledge and as a trainer, you have to acknowledge that. You always have to remain humble and there will always be people attending who have more experience. You have to be honest and if anything, it adds to your authority."



Maersk Training

- Maersk Training is an independent business with training facilities worldwide that are open to all companies. It has invested heavily in building advanced simulators to provide realistic training
- It has more than 200 different courses, based on the conviction that training should be as close to real life as possible, and carries out training equivalent to more than 100,000 man-days per year
- Maersk Training aims to assist customers in improving safety and operational performance and has a number of specialised training areas: Oil and Gas, Maritime, Wind, Survival, Safety and Security, People Skills, and Crane Operation

Group Core Values

Constant Care

Take care of today, actively prepare for tomorrow. Forward thinking, planning and execution. Being informed, innovative and seeking out new ideas. Looking for changes in the environment.

Humbleness

Listen, learn, share, and give space to others. Showing trust and giving empowerment. Having an attitude of continuous learning. Never underestimating our competitors or other stakeholders.

Uprightness

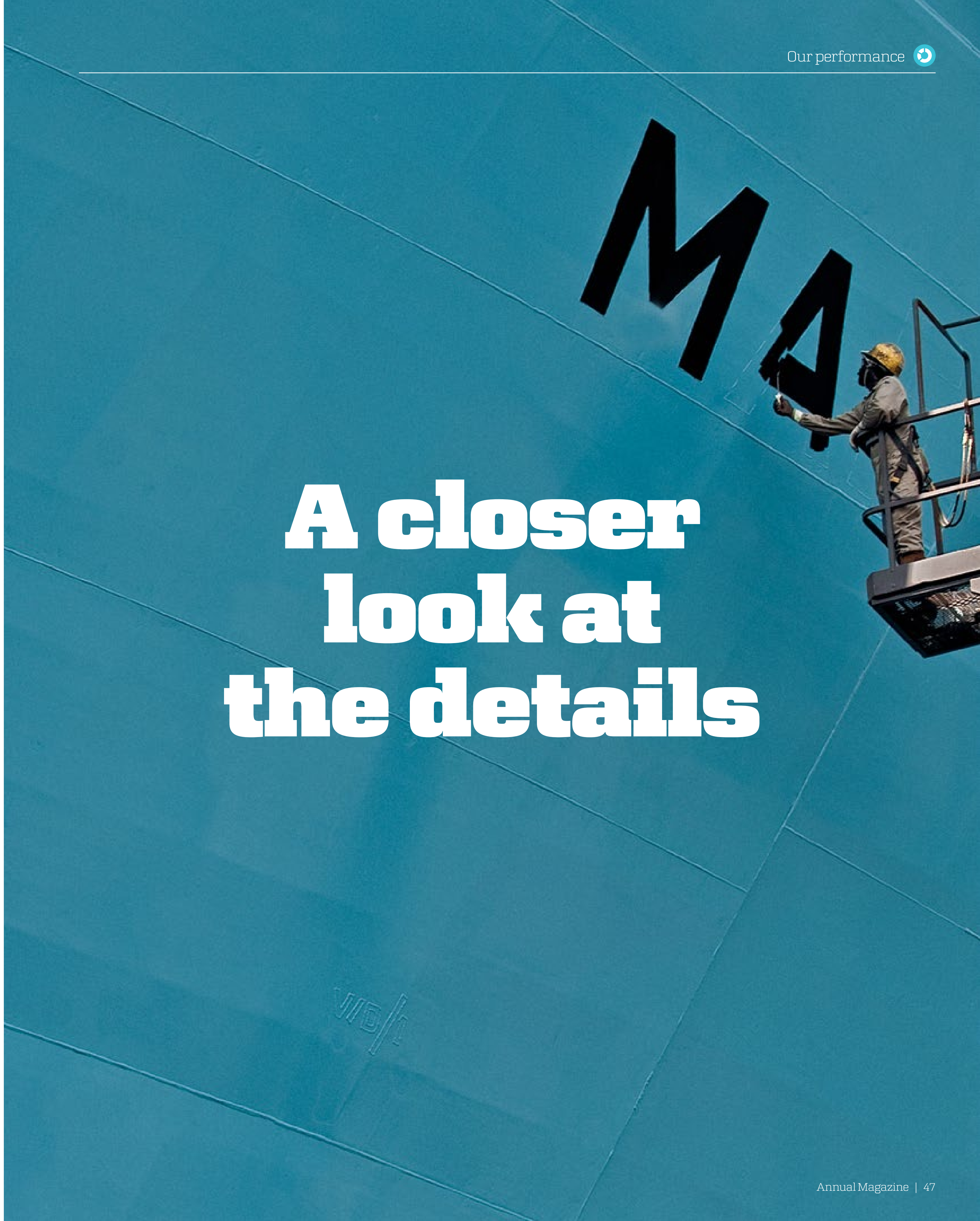
Our word is our bond. Honesty and accountability. Openness about the good and the bad. Speaking your mind in the debate, but backing the decision.

Our Employees

The right environment for the right people. Attracting and retaining the right people, building the right team. Providing opportunities for continual development. Rewarding performance, promoting for potential.

Our Name

The sum of our Values: passionately striving higher. The embodiment of our values. Passion and pride for what we do and how we do it. Our image in the eyes of our customers and the external world.



A closer look at the details

The Maersk Group
A year in numbers

"The Maersk Group delivered an underlying result of USD 3.1bn in 2015, a decline of 32% compared to the previous year. This was mainly due to container freight rates falling to a historically low level in the latter part of the year together with the low oil price throughout the year."

Trond Westlie
Group CFO

Comparative figures
Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the previous year.

Revenue impacted by lower average container freight rates and lower oil price

Revenue is challenged by a widening supply-demand gap across most of our businesses, leading to significant freight rate and oil price reductions. Container freight rates have declined significantly across all trades except North America and the increasing oil supply from especially US shale and OPEC production has had a negative influence in the oil and offshore markets and oil-dependent countries.

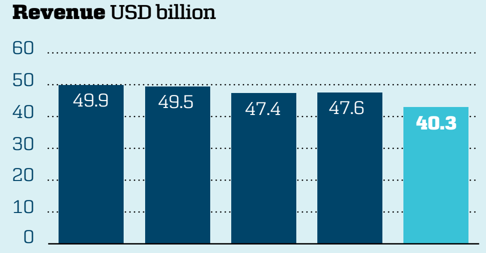
The Group has replaced previously announced profit and growth targets with plans adapted to the volatile environment. The Group is seeking to supplement organic growth with value enhancing acquisitions.

Revenue decreased by 15% or USD 7.3bn, predominantly related to Maersk Line with its revenue decreasing by USD 3.6bn. This decrease was driven by 16.0% lower average freight rates (USD 3.4bn) partly offset by a 0.8% volume increase. The declining freight rate is largely attributable to bunker price savings being passed through to customers and to deteriorating market conditions.

Maersk Oil's revenue declined by USD 3.1bn due to the lower average oil price that fell from USD 99 to USD 52 per barrel (USD 5.0bn) partly offset by a 24% higher entitlement production (USD 1.9bn). The increase came primarily from the UK by 76%, Qatar by 29% and in the US, partly offset by the natural field decline in Denmark of 7%.

See also the section on Financials in the Annual Report 2015.

Revenue USD billion



Still strong underlying profit despite challenging markets

The underlying profit was USD 3.1bn in 2015 (USD 4.5bn) with lower underlying profits in Maersk Line, Maersk Oil and APM Terminals and improved underlying profits in Maersk Drilling and APM Shipping Services.

For **Maersk Line**, the underlying profit declined to USD 1.3bn (USD 2.2bn) due to poor market conditions leading to significantly lower freight rates, in particular in the second half of the year, only partially offset by lower bunker prices, USD appreciation and cost efficiencies.

For **Maersk Oil**, the underlying profit was USD 435m (USD 1.0bn) negatively impacted by lower average oil prices but positively impacted by a higher average entitlement production and lower operating and exploration costs.

For **APM Terminals** the underlying profit came at USD 626m (USD 849m) with lower volumes particularly in West Africa, Russia and Brazil only partly offset by revenue improvement and cost saving initiatives.

Maersk Drilling showed an underlying profit of USD 732m (USD 471m) positively impacted by good contract coverage, fleet growth, cost savings and strong operational performance.

APM Shipping Services delivered an underlying profit of USD 404m (USD 185m) with increases in three out of four businesses.

For a reconciliation of the underlying result based on NOPAT for continuing operations, refer to section on Group highlights in the Annual Report 2015.

Underlying result USD billion

A continued high level of free cash flow while investing in growth

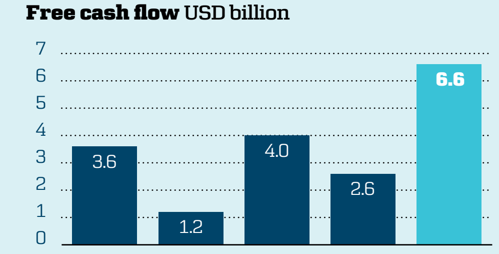
The free cash flow provides insight into how the Maersk Group is managing costs and increasing efficiency and productivity across the Group and further illustrates the Group's ability to be self-funded based on its operation, which for Maersk Line specifically is a strategic ambition.

The Group delivered a strong cash flow from operating activities of USD 8.0bn for the year (USD 8.8bn) and USD 2.0bn (USD 2.4bn) in Q4, despite a significant decline in container freight rates and oil prices. The decrease of USD 792m for the year was due mainly to lower results in Maersk Oil and Maersk Line, partly offset by decreased tax payments of USD 1.8bn, mainly related to Maersk Oil together with improved working capital as well as lower interest payments.

The cash flow used for capital expenditure of USD 6.3bn (USD 6.2bn), excluding the sale of shares in Danske Bank of USD 4.9bn, covers multiple purchases of property, plant and equipment including but not limited to Maersk Line, Triple-E payments and new containers, Maersk Oil for developments of the production facilities and Maersk Drilling for delivery instalments and newbuilding additions.

See also the "Consolidated cash flow", note 1 and 21 in the Annual Report 2015.

Free cash flow USD billion



The relatively low net interest-bearing debt illustrates the Group's financial strength

Net interest-bearing debt is the interest-bearing debt less cash and bank balances less other interest-bearing assets.

This financial measure provides insight into the Maersk Group's capital structure and investment capacity. Seen in relation to the Group's operating cash flow, net interest-bearing debt is managed in line with the Group's current Baa1/BBB+ credit rating.

Net interest-bearing debt increased by USD 72m compared to that in 2014, positively impacted by free cash flows of USD 6.6bn, including USD 4.9bn from the sale of shares in Danske Bank, offset by ordinary dividend of USD 1.0bn, extraordinary dividend of USD 5.2bn and share repurchases of USD 780m.

The Group raised USD 4.3bn in new financing, including USD 1.0bn and EUR 600m of bonds and USD 1.8bn of undrawn revolving credit facilities.

See note 18 of the Annual Report 2015 on financial risks, etc., specifically liquidity risk.

Net interest-bearing debt USD billion

Dividend on par despite lower underlying result

Dividend is the Group's primary distribution of capital to our shareholders. The nominal dividend has increased steadily over the last decade. The Group's objective is to increase the nominal dividend per share over time; supported by an underlying earnings growth.

The Group continued to distribute value to its shareholders in 2015. The Group paid an extraordinary dividend of DKK 36.7bn (DKK 1,671 per share) equal to the value of the Group's Danske Bank shares in addition to the ordinary dividend of DKK 6.6bn (USD 1.0bn). The Group's first share buy-back was completed and a new share buy-back programme of up to DKK 6.7bn (approximately USD 1bn) was initiated.

The Board of Directors proposes an ordinary dividend to the shareholders of DKK 300 per share of DKK 1,000 (DKK 300 per share of DKK 1,000). The proposed dividend payment represents an ordinary dividend yield of 3.3% (2.4%), based on the Maersk B share's closing price as of 30 December 2015. Dividend yield is equal to the proposed dividend of the year divided by the share price. Payment is expected to take place on 15 April 2016.

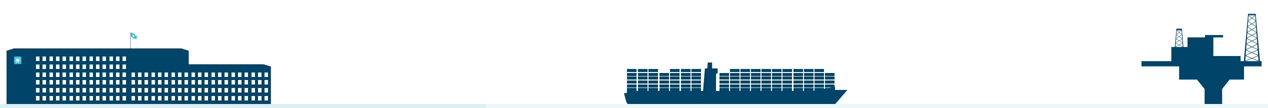
For additional information on dividend performance refer to section on Shareholder information in the Annual Report 2015.

Dividend

	2011	2012	2013	2014	**2015**
Dividend per share (DKK)	200	240	280	300	**300**
Dividend yield (%, B share)	2.6	2.8	2.4	15.9[1]	**3.3**

1 Including extraordinary dividend based on the value of the Danske Bank shares.

The Maersk Group
Disciplined capital allocation



The Maersk Group

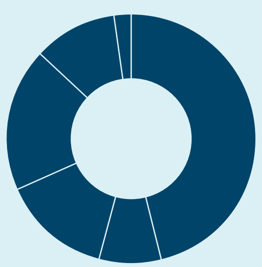
is a conglomerate of worldwide businesses and its core focus lies in the shipping and energy industries.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**40,308**	47,569	47,386	49,491	49,917
Result	**925**	5,195	3,777	4,038	3,377
Employees	**88,300**	89,000	88,900	89,500	86,300

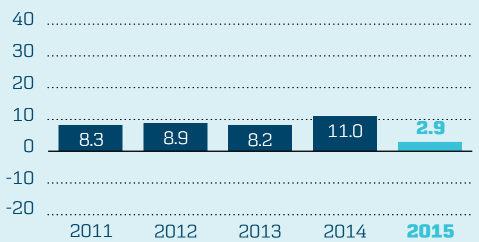
Total invested capital USD million



2015
43,509

49,927	2014
54,630	2013
53,814	2012
51,753	2011

ROIC %



The Group's financial ambition is to achieve a return on invested capital (ROIC) above 10% over the cycle.

Maersk Line

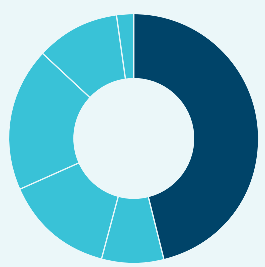
is the Group's largest business unit and the world's largest container shipping company.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**23,729**	27,351	26,196	27,117	25,108
Result	**1,303**	2,341	1,510	461	-553
Employees	**32,700**	32,600	32,800	32,500	30,700

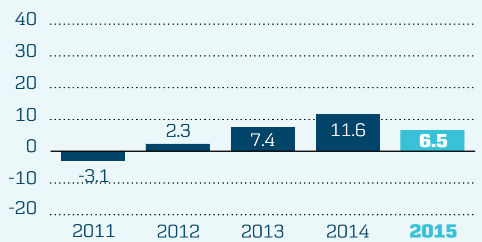
Invested capital USD million



2015
20,054
46.3%

20,084	2014
20,046	2013
20,648	2012
18,502	2011

ROIC %



Maersk Oil

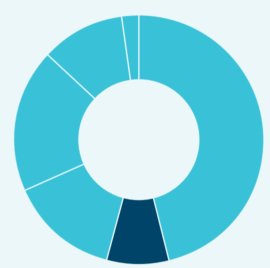
is an upstream international oil and gas company with roots in the North Sea.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**5,639**	8,737	9,142	10,154	12,616
Result	**-2,146**	-861	1,046	2,444	2,112
Employees	**4,400**	4,400	4,000	3,800	3,100

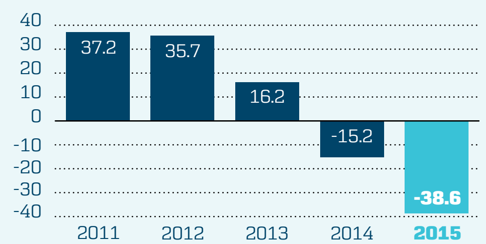
Invested capital USD million

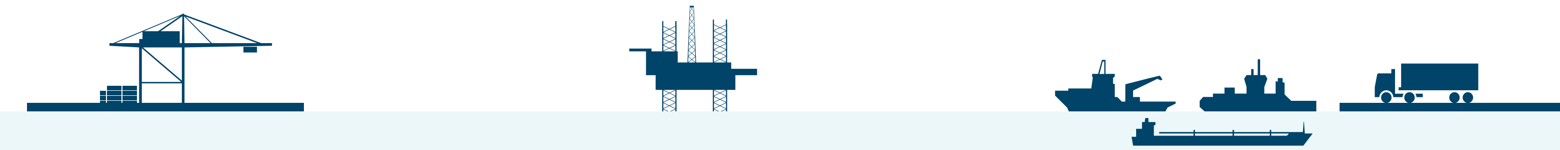


2015
3,450
8.0%

5,282	2014
6,478	2013
6,920	2012
6,427	2011

ROIC %





APM Terminals

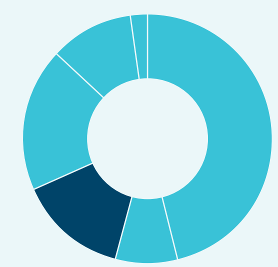
is one of the world's leading port developers and operators and provides inland infrastructure.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**4,240**	4,455	4,332	4,206	4,682
Result	**654**	900	770	701	648
Employees	**21,100**	20,600	20,200	20,600	20,100

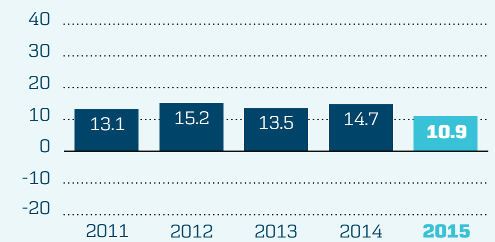
Invested capital USD million



2015
6,177
14.3%

5,933	2014
6,177	2013
5,495	2012
5,124	2011

ROIC %



Maersk Drilling

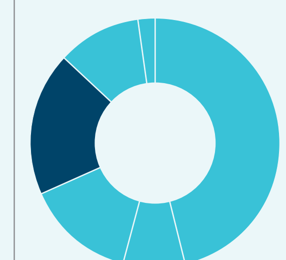
is a leading global drilling contractor that provides high efficiency drilling services to oil companies around the world.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**2,517**	2,102	1,972	1,683	1,878
Result	**751**	478	528	347	488
Employees	**3,900**	4,700	4,000	3,400	3,400

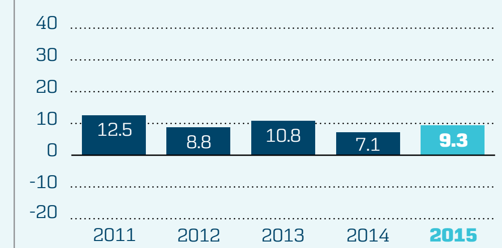
Invested capital USD million



2015
7,978
18.4%

7,623	2014
5,320	2013
4,283	2012
4,102	2011

ROIC %



APM Shipping Services

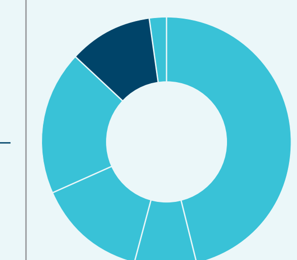
comprises four businesses: **Maersk Tankers**, **Maersk Supply Service**, **Svitzer** and **Damco**.

Overview

Revenue · Result · Employees (USD million)

	2015	2014	2013	2012	2011
Revenue	**5,080**	5,929	6,438	–	–
Result	**446**	-230	-85	–	–
Employees	**18,300**	18,600	19,400	–	–

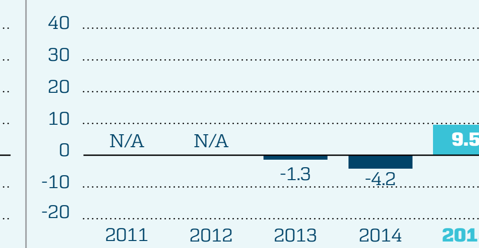
Invested capital USD million



2015
4,748
11.0%

4,677	2014
5,809	2013
N/A	2012
N/A	2011

ROIC %



The Maersk Group
Five years of performance

Income statement USD million

	2015	2014	2013	2012	2011
Revenue	**40,308**	47,569	47,386	49,491	49,917
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	**9,074**	11,919	11,372	11,797	14,104
Depreciation, amortisation and impairment losses, net	**7,944**	7,008	4,628	5,065	5,292
Gain on sale of non-current assets, etc., net	**478**	600	145	610	210
Share of profit/loss in joint ventures	**165**	-6	152	130	–
Share of profit/loss in associated companies	**97**	412	295	222	122
Profit before financial items (EBIT)	**1,870**	5,917	7,336	7,694	9,144
Financial items, net	**-423**	-606	-716	-780	-862
Profit before tax	**1,447**	5,311	6,620	6,914	8,282
Tax	**522**	2,972	3,237	3,161	5,932
Profit for the year – continuing operations	**925**	2,339	3,383	3,753	2,350
Profit for the year – discontinued operations	**–**	2,856	394	285	1,027
Profit for the year	**925**	5,195	3,777	4,038	3,377
A.P. Møller - Mærsk A/S' share	**791**	5,015	3,450	3,740	2,836

Financial ratios

	2015	2014	2013	2012	2011
Return on invested capital after tax (ROIC)	**2.9%**	11.0%	8.2%	8.9%	8.3%
Return on equity after tax	**2.4%**	12.3%	9.2%	10.7%	9.6%
Equity ratio	**57.3%**	61.3%	57.1%	54.3%	51.4%

Stock market ratios

	2015	2014	2013	2012	2011
Earnings per share (EPS), USD	**37**	230	158	171	130
Diluted earnings per share, USD	**37**	230	158	171	130
Cash flow from operating activities per share, USD[1]	**372**	401	408	323	305
Ordinary dividend per share, DKK[2]	**300**	300	280	240	200
Ordinary dividend per share, USD	**44**	49	52	42	35
Share price (B share), end of year, DKK	**8,975**	12,370	11,770	8,520	7,584
Share price (B share), end of year, USD	**1,314**	2,021	2,175	1,506	1,320
Total market capitalisation, end of year	**27,587**	42,848	46,305	31,876	28,018

Balance sheet USD million

	2015	2014	2013	2012	2011
Intangible assets	**1,922**	2,818	4,788	4,940	5,019
Property, plant and equipment	**43,999**	44,671	41,293	43,844	44,352
Other non-current assets	**5,469**	5,130	10,100	10,072	7,422
Current assets	**11,018**	16,225	18,328	13,540	13,651
Total assets	**62,408**	68,844	74,509	72,396	70,444
Total equity	**35,739**	42,225	42,513	39,324	36,190
Invested capital	**43,509**	49,927	54,630	53,814	51,753
Net interest-bearing debt	**7,770**	7,698	11,642	14,489	15,317
Investments in property, plant and equipment and intangible assets	**7,647**	9,368	7,087	7,826	10,901

Equity[3] USD million

	2015	2014	2013	2012	2011
Other comprehensive income, net of tax	**-385**	-1,616	473	–	–
Profit for the year	**925**	5,195	3,777	–	–
Total comprehensive income for the year	**540**	3,579	4,250	–	–
Dividends to shareholders	**-6,238**	-1,803	-1,087	–	–
Value of share-based payments	**11**	19	6	–	–
Sale of non-controlling interests	**-49**	-1,493	–	–	–
Purchase of own shares	**-780**	-653	–	–	–
Other transactions with shareholders	**30**	63	20	–	–
Total equity	**35,739**	**42,225**	**42,513**	**–**	**–**

1 Cash flow figures comprise continuing operations only.
2 An extraordinary cash dividend equal to DKK 1,671 per share of nominally DKK 1,000 was declared in connection with the sale of Danske Bank A/S.
3 In 2014, the Group changed the presentation currency from DKK to USD. Equity restated from 2013.

Maersk Line
Ambitions in historically weak markets

13.2%

decrease in revenue, driven by a 16.0% decline in average freight rates only partially offset by a 0.8% increase in volumes.

USD million	2015	2014
Revenue	23,729	27,351
NOPAT	1,303	2,341
ROIC (%)	6.5	11.6
Free cash flow	1,128	2,145
Transported volumes (FFE in '000)	9,522	9,442
Fleet	590	610
Fleet capacity (TEU in '000)	2,962	2,946

> "Despite a historically challenged market, we are in a strong competitive position. We plan to leverage our position to grow Maersk Line, at least in line with the market, to maintain our industry leading position."

Søren Skou
CEO of Maersk Line

Staying ahead in a challenged market

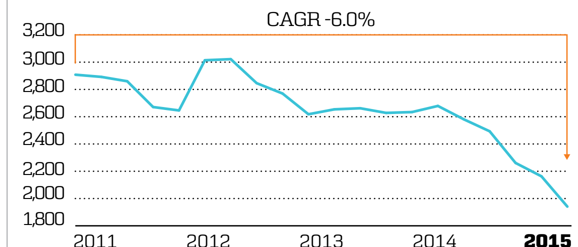
Freight rates have been under pressure and have decreased to historically low levels during 2015. Declining freight rates are not new in the shipping industry and on average they have been decreasing by 6.0% annually since 2011.

The development over the past year, however, has been more extreme with a decline of 16.0%. This was driven by a combination of bunker fuel prices declining by 44.0% and by an increased industry related supply-demand imbalance.

The industry saw a steep increase in supply growth of about 8% as the delivery of new tonnage, ordered two to four years ago, has taken place. Meanwhile, demand has disappointed with an estimated growth of about 0–1%, which was below Maersk Line's expectations, particularly in the second half of 2015. The low growth rate was primarily due to weaker imports into Europe as well as a slowdown in emerging economies. Maersk Line countered these challenges by further optimising its network, closing services and blanking sailings.

Maersk Line has transported 9,522k FFE during 2015, which is an increase of 0.8% compared to 2014 and the underlying result was USD 1.3bn, which is USD 912m lower than in 2014.

Maersk Line freight rate
USD/FFE



The average freight rate declined in 2015 to 2,209 USD/FFE (2,630 USD/FFE) largely attributable to bunker price savings being passed through to customers and to deteriorating market conditions.

Maersk Line's transformation journey and focus on cost efficiency

Maersk Line's response to the weak industry conditions is to maintain its strategy of being the industry cost leader pursued through a continuous focus on lowering unit costs. Not only by investing in larger and more fuel efficient vessels, but also, by utilising a cost-cutting toolbox including initiatives within network rationalisation, improving utilisation, inland cost optimisation and retrofits.

Throughout 2015, Maersk Line progressed with its transformation journey and has decided to accelerate its strong focus on reducing transactional work. In November 2015, Maersk Line announced that it plans to reduce the organisation by at least 4,000 FTE by 2017. This is an ongoing journey that will lead to a leaner and more focused organisation while creating a potential improvement of customer experiences.

Maersk Line has built an industry leading position in terms of profitability, both absolute and with an EBIT margin gap to peers of 5 percentage points or more for 12 consecutive quarters. The EBIT margin gap to peers is estimated to be about 6.6% for the full year (Q4 2014 to Q3 2015) and around 5% for the last quarter (Q3 2015), but has narrowed considerably compared to 2014 (9%) due to the sharp decline in bunker price and Maersk Line's relatively higher exposure to the key Europe trades.

Investing in new capacity for future growth

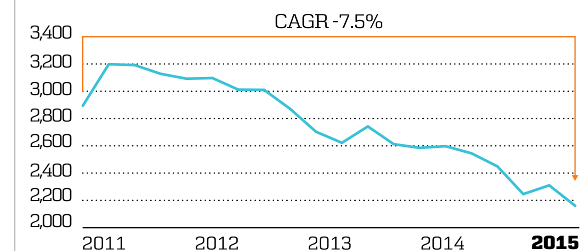
27
Vessels

367K
TEU (12% of current capacity)

8.6K
USD/TEU investment

2017
Delivery of first vessels

Unit cost
USD/FFE



Unit cost decreased in 2015 by 11.5% to 2,288 USD/FFE benefiting from decreased bunker prices and USD appreciation.

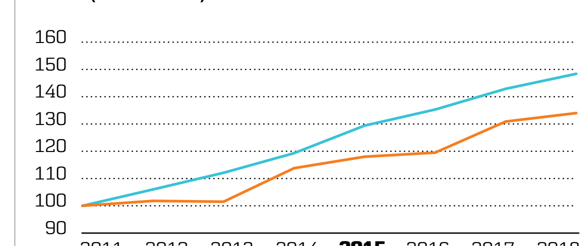
Focused for growth

Being the industry cost leader and levering the scale of its operations has allowed Maersk Line to revise its growth strategy from growing in line with the market to growing at least in line with the market to defend its market leading position in a profitable manner.

During 2015, Maersk Line has ordered a total of 27 new vessels with a total capacity of 367,000 TEU. In a market characterised by oversupply, new capacity is still needed for Maersk Line to continue to grow as well as to keep the fleet efficient as Maersk Line has not ordered new vessels since 2011.

However, Maersk Line will continue to manage its capacity closely and due to the unfavourable market conditions in the second half of 2015, Maersk Line decided not to exercise the options for six 19,630 TEU vessels and two 3,600 TEU feeders and has also decided to postpone the options for eight 14,000 TEU vessels. Since 2012, Maersk Line has increased its capacity less than the industry has as a whole, and with the current investment programme it will continue to manage its capacity in a balanced manner.

Maersk Line and industry capacity growth
Index (2011 = 100)

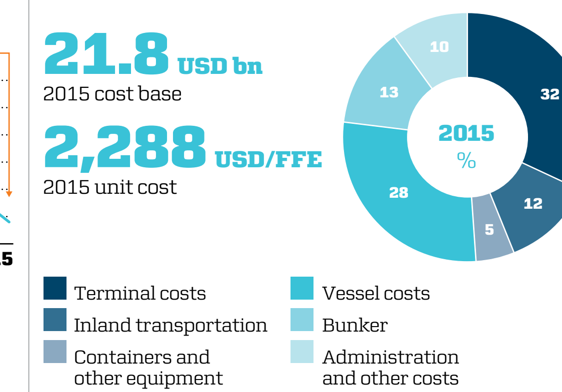


Capacity measure at the end of the year. Estimates for 2016, 2017 and 2018 are based on current industry order book.

Cost split

21.8 USD bn
2015 cost base

2,288 USD/FFE
2015 unit cost



Terminal, vessel and bunker costs represent the largest components of the cost base.

Terminal costs: costs related to terminal operation such as moving the containers (mainly load/discharge of containers), container storage at terminal, stuffing (loading) and stripping (unloading) of container content, power for reefer units, etc.

Inland transportation: costs related to the transport of containers inland both by rail and truck.

Containers and other equipment: costs related to repair and maintenance, third party lease cost and depreciation of owned containers.

Vessel costs: costs related to port and canal fees (Suez and Panama), running costs and crewing of owned vessels, depreciation of owned vessels, time charter of leased vessels, cost of slot (capacity) purchases and vessel sharing agreements (VSA) with partners.

Bunker: costs related to fuel consumption.

Administration and other costs: costs related to own and third party agents, liner operation centres, vessel owning companies, onshore crew and ship management, service centres and headquarters. Administration costs include costs such as staff, office, travel, training, consultancy, IT, legal and audit, etc. Other costs covering currency cash flow hedge, cargo and other commercial claims and bad debt provision.

Cost base: all costs excluding taxes; restructuring; results from associated companies, gain/losses and including VSA income (cost reduction).

Maersk Oil

Strong operational performance and large impairments

"The value of our assets has declined significantly due to the lower expectations to the oil price and this is reflected in unusually high impairments of USD 2.6bn. Nevertheless, Maersk Oil has increased production, sanctioned two mega projects and maintained safety performance whilst reducing operating costs."

Jakob Thomasen
CEO of Maersk Oil

2.6bn

USD impairment with an increase in the entitlement production by 24% at a 47% lower average oil price.

USD million	2015	2014
Revenue	5,639	8,737
NOPAT	-2,146	-861
ROIC (%)	-38.6	-15.2
Average share of oil and gas production*	312	251
Average crude oil price (Brent) (USD per barrel)	52	99

*Thousand barrels of oil equivalent per day.

Adjusting to the new oil price reality

After four years with stable oil prices around USD 100 per barrel, the oil price declined significantly in the second half of 2014 and has been in the region of USD 50 per barrel throughout 2015. This new oil price environment provides a challenge, which Maersk Oil is addressing through active portfolio management, improved operational excellence in mature fields and cost discipline, including significant contract re-negotiations and workforce reductions.

Active portfolio management has resulted in the divestment of the Polvo asset in Brazil and a decision of early cessation of production from the Janice oil field in the UK.

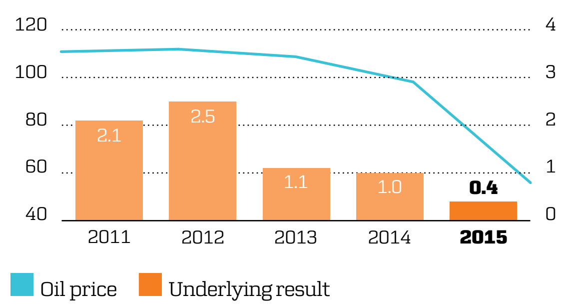
The improved operational efficiency and cost discipline have reduced the operating cost per barrel by 30% since 2014 and these efforts will continue.

The impact of the lower oil price resulted in a decline in revenue of 35% compared to 2014, despite a positive effect from increase in entitlement production.

In a challenging market, Maersk Oil delivered an underlying profit of USD 435m compared to USD 1.0bn in 2014, impacted by the lower oil price and partly offset by the effects of the higher entitlement production, lower taxes, cost reductions and lower exploration costs.

Furthermore, the value of Maersk Oil's assets has decreased throughout 2015 as a result of the expectations to the low oil price, leading to an impairment of USD 2.6bn after tax for the year. This has led to a loss of USD 2.1bn in 2015.

Oil price/profit relation



The underlying result is the financial result excluding net impact from divestments and impairments.

Strong entitlement production growth

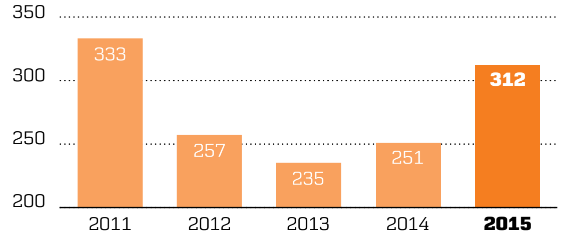
Maersk Oil returned to production growth from mid-2013, a trend which continued through 2014 and 2015 due to production in new fields, improved operational performance in the portfolio, and increased production entitlement from Qatar.

Golden Eagle in the UK and Jack in the US Gulf of Mexico came on stream in Q4 2014, and the Tyra South East extension in Denmark came on stream in Q1 2015, all of which contributed to the production growth. In addition, improved operational efficiency in mature fields reduced unplanned downtime and compensated for the natural production decline from late life assets.

Production from the unmanned Tyra South East platform commenced in March 2015. By the end of 2015, it was producing at a level of 3,000 boepd.

Finally, the lower oil price led to a higher entitlement share to recover costs for the Al Shaheen Field in Qatar. Altogether, an entitlement production of 312,000 boepd showed an increase of 24% compared to 2014, primarily driven by the increases in the UK of 76% and 29% in Qatar.

Entitlement share of production



Investing for mid-term growth in new development projects

Maersk Oil has a sound project portfolio to replenish its production through to the end of the decade. This includes the two major capital projects in the North Sea, the Maersk Oil operated Culzean gas field offshore the UK and the Johan Sverdrup project offshore Norway.

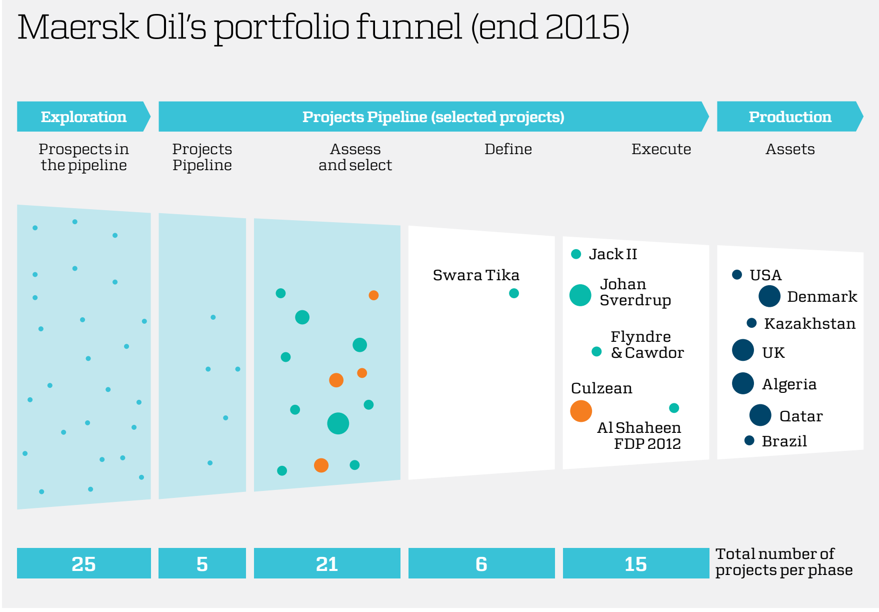
The significant investment decisions for these two projects at a level of USD 2.3bn and USD 1.8bn, Maersk Oil's share respectively, underline Maersk Oil's commitment to developing new oil and gas resources. The authorities sanctioned both projects in August 2015 and the first production of both is planned for 2019.

The Al Shaheen field in Qatar is progressing as planned with a total capital investment commitment of USD 1.5bn. With more than 80% of the wells completed by the end of 2015, the drilling programme is on schedule and on budget. Maersk Oil is preparing for the tender initiated by Qatar Petroleum to continue operating the Al Shaheen field beyond mid-2017 when the current contract expires.

In Angola, the Chissonga project is under re-evaluation due to the low oil price. Negotiations with authorities, partners and contractors are ongoing.

In the Kurdistan Region of Iraq, the authorities approved the development plan for the Sarsang project in Q4 2015. Total production from the field is expected to reach 15–20,000 barrels per day during 2016.

Maersk Oil's portfolio funnel (end 2015)



Maersk Oil's portfolio funnel consists of a large number of projects and those that are successfully matured into commercially viable activities end up being part of the producing assets in a Maersk Oil business unit.

Bubble size indicates estimate of net resources:
>100 mmboe · 50-100 mmboe · <50 mmboe

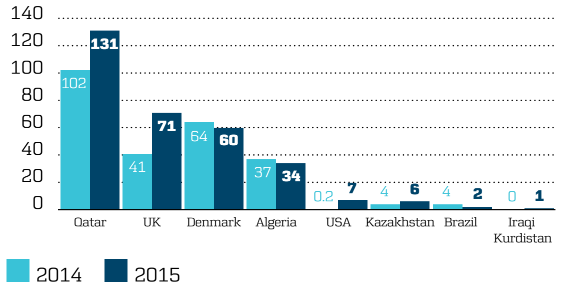
Colour indicates resource type:
Primarily oil · Primarily gas
Discoveries and prospects
(size of bubbles does not reflect volumes)

Shift from organic to inorganic profitable growth

Maersk Oil completed nine exploration and appraisal wells in 2015. The East Swara Tika-1 well in Iraqi Kurdistan found hydrocarbons in commercial volumes whereas four wells encountered hydrocarbons in sub-commercial volumes and four wells were dry.

As a result of the current market conditions, the focus shifted from organic to inorganic growth in 2015. This approach led to the acquisition of interests in exploration discoveries in Kenya and Ethiopia, adding an extra 100,000 square kilometres of exploration acreage. The transactions are still subject to government approval in Ethiopia.

Entitlement share of production per country



APM Terminals

Strong position in an attractive industry

+4 projects

secured in 2015 thus growing the portfolio in volatile markets.

USD million	2015	2014
Revenue	4,240	4,455
NOPAT	654	900
ROIC (%)	10.9	14.7
Throughput*	36.0	38.3

*Measured in million TEU and weighted by ownership share.

> "APM Terminals is in an attractive industry where opportunities exist even when times are tough. This is a long-term business and we are in it for the long haul."

Kim Fejfer
CEO of APM Terminals

Market shake-up

2015 has seen a series of challenges shake up the global container industry. The drop in oil price has resulted in reduced imports to oil-exporting countries and regions such as Russia, West Africa and Brazil. Developing markets are experiencing lower-than-expected growth, and as forecasted by the International Monetary Fund (IMF) the growth in global income for 2015 has dropped to 3.1%, the lowest rate since the global financial crisis.

In addition, the creation of even larger alliances between the major container carriers on the East-West trade lines, the arrival of mega-vessels and the cascading of large vessels to smaller trade lanes are putting substantial pressure on the port operators.

The impact on the current market has resulted in a decline in the underlying profit of USD 223m compared to 2014, driven by throughput decreasing by 6.0%, while like-for-like volumes decreased by 1.1%, only partly offset by revenue improvement and cost saving initiatives. Amid these challenging market conditions, APM Terminals continues to deliver double digit ROIC at 10.9% and has maintained a strong position in what remains a fundamentally attractive industry.

Optimising the portfolio

In light of the new market reality, driving cost and value optimisation initiatives remain a key focus for APM Terminals. A programme was introduced, focusing on revenue improvement and cost saving initiatives with a view to securing additional results. All terminals have implemented operational efficiency improvements and improved sourcing processes. While this programme has contributed approximately USD 200m to the full year results, the impact of the challenged market conditions was only partially mitigated by these actions.

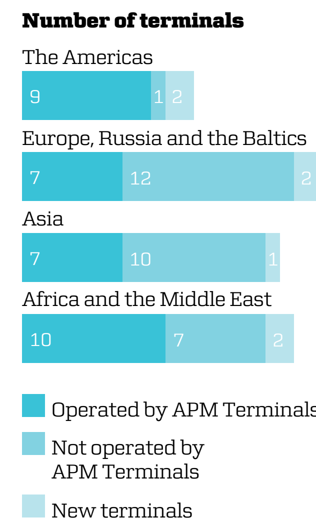
Along with performance driving initiatives, APM Terminals continued its efforts to optimise its portfolio, in which divestments also play an important role in situations where a different owner may be better suited for a particular facility. In 2015, APM Terminals divested its share in Medcenter Container Terminal in Gioia Tauro, Italy, ceased its operations in APM Terminals Houston and APM Terminals Jacksonville, USA, and sold its stake in APM Terminals Charleston, USA.

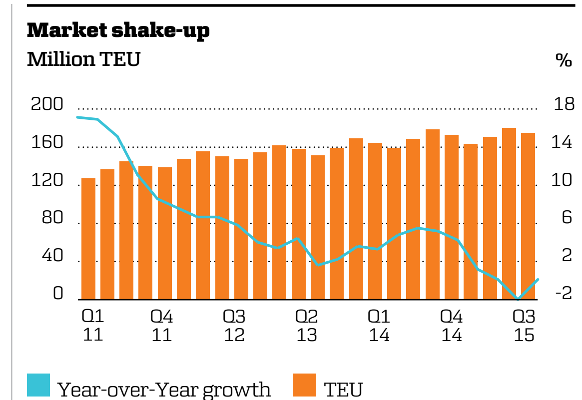
Fit for growth

APM Terminals has successfully expanded its global portfolio through disciplined investments, securing a total of four projects in 2015.

In addition, APM Terminals has signed an agreement to acquire Grup Maritim TCB, the leading Spanish container terminal operator, with terminals located in Spain, Colombia, Brazil, Mexico, Guatemala and Turkey. The 11 acquired TCB terminals add an additional 4.3m TEU in capacity and 3.5m TEU in estimated annual container volumes to the APM Terminals portfolio. The acquisition has an implied enterprise value of USD 1.1bn and with capex investments of USD 400m over the next five years. Subject to regulatory approvals, the transaction is expected to be completed in Q1 2016.

The acquisition of the TCB portfolio will have a negative impact on ROIC of just over one percentage point due to the increased asset base and the amortisation of terminal rights.





The Greenfield investment of USD 1.5bn (APM Terminals share is around USD 800m) in a new deep-water port and logistics hub in Tema, Ghana, realised in partnership with Bolloré Africa Logistics and the Ghana Ports and Harbour Authority, highlights APM Terminals' strong commitment to West Africa. The annual throughput capacity will be 3.5m TEU.

Furthermore, APM Terminals completed the signing of a joint venture agreement with Compas S.A. to manage and operate the Colombian company's existing terminal in Cartagena, South America's second busiest container port and the company's first step into Colombia.

APM Terminals will also be entering China's fast growing grain import market as part of a joint venture with Qingdao Port International. Finally, APM Terminals acquired 100% of Reefer Terminal S.p.A., Vado, Italy – the largest refrigerated container terminal in the Mediterranean.

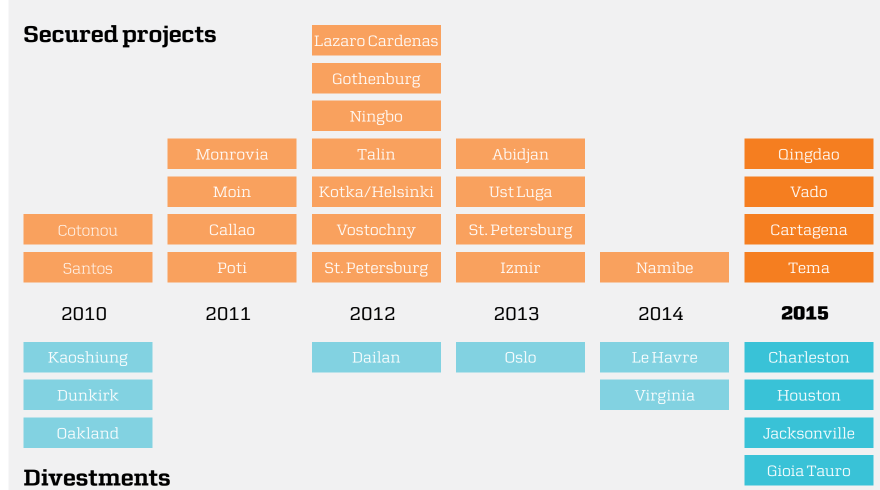
Expanding on capabilities

The celebration of the opening of the Maasvlakte II terminal, Rotterdam, in the Netherlands in April 2015 ushered the arrival of a new era in port operations. As the world's first fully-automated, zero emission container terminal, Maasvlakte II demonstrates that safety, efficiency, sustainability, and world economic trade can go hand-in-hand.

Automation will take on an increasing role in future terminal design, with APM Terminals already leveraging its knowledge in the design of its Lázaro Cárdenas facility in Mexico. This semi-automated terminal is set to open in 2016.

During 2016, APM Terminals is also expecting its Izmir, Turkey facility to commence its ramp-up phase. The terminal took final delivery of Ship to Shore cranes and Rubber Tyred Gantry container cranes in December 2015.

Active portfolio management continues to create value



Equity weighted throughput
Million TEU

	2015	2014
The Americas	6.7	7.4
Europe, Russia and the Baltics	10.6	11.5
Asia	12.1	11.5
Africa and the Middle East	6.6	7.9
	36.0	38.3

Average remaining concession length
Years

	2015	2014
The Americas	11	13
Europe, Russia and the Baltics	28	31
Asia	23	25
Africa and the Middle East	16	18
	21	22

Maersk Drilling

Good performance against the headwinds

> Maersk Drilling delivered a satisfactory result given the adverse market conditions. We continue to focus on operational performance and a competitive cost level, both of which are key factors in securing contracts for our rigs in this market."

Claus V. Hemmingsen
CEO of Maersk Drilling

+57%

in profit as a result of fleet growth, good operational performance and cost savings.

USD million	2015	2014
Revenue	2,517	2,102
NOPAT	751	478
ROIC (%)	9.3	7.1
Operational uptime (%)	97	97
Contracted days	7,086	6,275

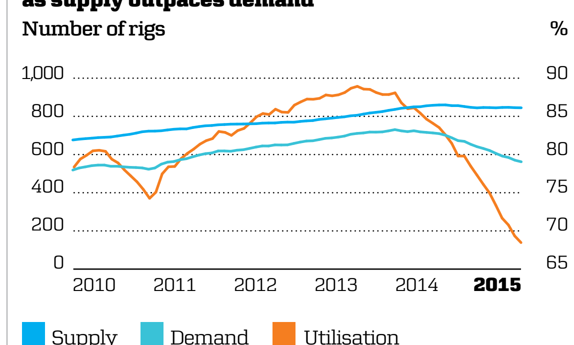
A new oil price reality

The new oil price reality was dominant all through 2015 with an average oil price in the region of USD 50 per barrel.

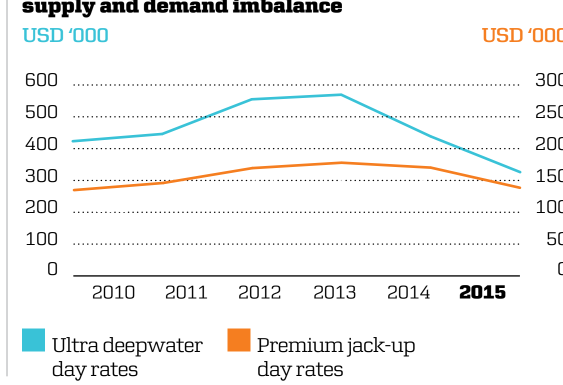
Maersk Drilling's contract backlog remains solid with many long-term contracts reducing the near-term exposure to the new market situation. However, it is evident that oil companies are restricted by capital constraints due to the low oil price. The market continues to deteriorate with further announced cutbacks in oil company exploration and production capital expenditures, headcount reductions, and postponements or outright cancellations of existing offshore field developments. The current market conditions provide very little visibility to drilling contractors, and with the imbalance between demand and supply the pressure on day rates has been constant over the past year.

Globally, offshore drilling contractors are expected to continue to face significant headwinds over the medium term. Day rates are not expected to recover before the supply-demand imbalance for offshore rigs is resolved.

Global rig utilisation is decreasing as supply outpaces demand

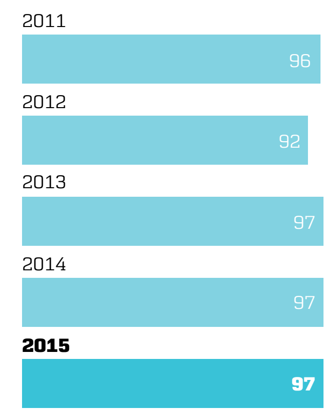


Day rates decline as a reaction to the supply and demand imbalance

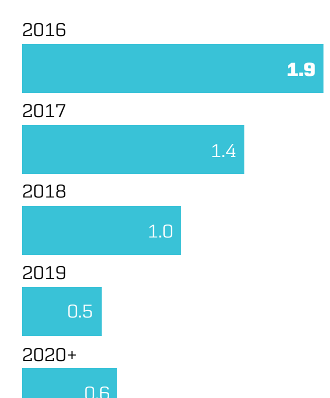


Maersk Voyager secured a long-term contract of 3.5 years working offshore Ghana in 2015

Operational uptime
%



Revenue backlog
USD billion
End of 2015 at USD 5.4bn (6.0bn)



Strong operational performance and cost recalibration secure the financials

Since 2011, Maersk Drilling has committed total investments of USD 5.3bn in eight new, modern and advanced drilling rigs. Seven of those are now part of the fleet and all are in operation.

The impact of seven new rigs, all performing very well together with the rest of the fleet, is the main reason for Maersk Drillings' strong 2015 financial performance. Another reason is Maersk Drilling's effort to recalibrate to a new cost level in response to the downturn in the drilling industry by continuously working on its cost efficiency and performance enhancement programme with the ambition of delivering double-digit percentage savings by 2016. In 2015, the programme has delivered a saving of 8% compared to 2014.

Revenue increased by 20% and profit increased by 57% to USD 751m. However, the financial result was negatively impacted by increased idle time throughout the year, and the economic utilisation for 2015 was 85% (90%).

While sustaining a stellar operational performance, Maersk Drilling has also been able to improve its safety performance throughout 2015 in line with the ambition of zero incidents. The LTI frequency for 2015 was 0.31 (0.57).

Contract coverage
%

	2015	2016	2017
Total	92	77	52
Jack-up rigs	94	74	53
Ultra deepwater and midwater rigs	88	80	52

Strong forward coverage with backlog providing revenue visibility.

A new, modern and advanced fleet

Maersk Drilling is the market leader in the ultra-harsh jack-up segment in Norway and is well positioned in the ultra-deepwater market, especially in the US Gulf of Mexico and West Africa.

Maersk Drilling took delivery of a drillship and an ultra-harsh environment jack-up rig during 2015. Another ultra-harsh jack-up rig is under construction for delivery in 2016. When all the newbuilds are delivered, Maersk Drilling will have grown its fleet to 23 rigs. All newbuild rigs are on contract totalling a contract backlog of 22 rig-years.

Due to the adverse market conditions, Maersk Drilling decided to decommission and recycle its oldest rig in the fleet, Maersk Endurer.

Maersk Drilling holds a 50% investment in the joint venture Egyptian Drilling Company (EDC), which owns and operates 62 land rigs and six jack-up rigs. The profit contribution from EDC amounted to USD 18m (USD 36m).

Navigating in low visibility by securing a strong backlog

With the second youngest fleet in the industry, strong operational and safety performance as well as a solid backlog with oil majors that have reduced our near-term exposure to the market, Maersk Drilling has a good foundation, to compete from in the current environment.

During 2015, seven new contracts were signed, adding 4,500 rig days and around USD 900m to Maersk Drilling's backlog. However, the contracts have been signed at significantly lower day rate levels compared to those in previous contracts. The lower day rates stress the need for a different cost level in the offshore drilling industry.

Well positioned to tackle the market challenges

Maersk Drilling is maintaining the ambition of a top-quartile performance and delivering a ROIC above 10% over the business cycle based on its modern fleet, industry-leading performance, effective progression on its cost savings programme, strong customer relations and a solid revenue backlog providing earnings visibility and reducing its near-term exposure to the current oil environment.

APM Shipping Services

Delivering significant profit growth

+118%

in underlying profit resulting in improvements in three out of four businesses.

USD million	2015	2014
Revenue	5,080	5,929
NOPAT	446	-230
ROIC (%)	9.5	-4.2

"The key focus of the four businesses in APM Shipping Services is to build a strong foundation for result delivery, which in the long term will create a solid base for growth. We are on the right path. 2015 has been a very satisfactory year for us as a result of the solid performance of all the businesses and this in very challenging markets."

Morten H. Engelstoft
CEO of APM Shipping Services

APM Shipping Services consists of four businesses; Maersk Tankers in the product tanker industry, Maersk Supply Services in the offshore supply vessel industry, Svitzer in the towage industry and Damco in the logistics industry.

Maersk Tankers
USD million

	2015	2014
Revenue	1,058	1,175
NOPAT	160	132
ROIC (%)	9.9	6.8
Fleet (operated vessels year-end)	106	114

Transportation rates of refined oil products increased by 29% driving an increase in NOPAT by 22%.

Transportation of refined oil products experienced strong demand growth in 2015, stimulated by a low oil price and high margins for the refineries, which positively affected the rates by 29% and had a positive impact on Maersk Tankers, delivering an underlying profit of USD 156m.

The implementation of a new strategy, focused on cost leadership, better use of market analytics and pool services, benefited the result with USD 21m.

As part of a programme to renew the fleet with modern and more efficient vessels, Maersk Tankers took delivery of two MR (Medium Range) newbuildings and placed an order for nine more MR vessels in 2015. The order book totals 17 MR vessels, seven of which will be delivered during 2016, and the remaining 10 over the following two years. In 2015, Maersk Tankers further acquired nine second hand vessels and divested 10 older vessels.

In 2015, Maersk Tankers' innovative efforts were focused on fuel efficiency and fuel/technologies for compliance with coming SOx (Sulphur oxides) regulations. Maersk Tankers started the development of a new platform for the optimisation of operational fuel efficiency, which will provide more possibilities for analysis and "real time" optimisation as well as enhanced user-friendliness.

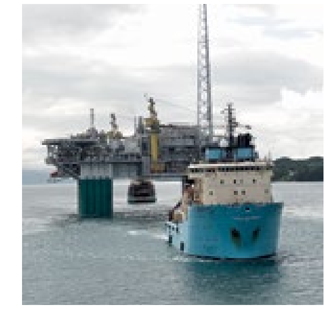
The use of wind as an aid for propulsion has also been studied, and a possible application is under investigation. The tailoring and application of exhaust gas cleaning technologies have been heavily investigated for both retrofit applications as well as newbuildings.

Maersk Supply Service
USD million

	2015	2014
Revenue	613	778
NOPAT	147	201
ROIC (%)	8.5	11.9
Fleet	56	56

Revenue declined by 22% and significant cost reductions only partly mitigated the effect on NOPAT.

The continued market decline in the offshore industry led to a number of vessel lay-ups globally, including nine of Maersk Supply Service's vessels. As a consequence, Maersk Supply Service announced during the year the need to adjust its crew pool by more than 300 offshore positions and a 15% reduction in headquarter positions.



APM Shipping Services consists of four businesses.

Svitzer focused on improving its business in mature markets by increasing the underlying profitability through increased volumes, improved surcharge collection, asset optimisation and crew efficiencies.

Revenue decreased by 21% following lower rates and lower utilisation as well as fewer vessel days available due to divestments and lay-ups. While significant cost reductions mitigated the effect on revenue in part, profit still came in 27% down on 2014.

Going into 2016, contract coverage was 42% (50% for 2015), and 16% for 2017 (29% for 2016).

During 2015, Maersk Supply Service took delivery of a new Anchor Handling Tug Supply vessel (AHTS), acquired one second hand Subsea Support Vessel and sold five AHTS. The total order book stands at 11 vessels.

The innovation priority is supported by several projects whereby, for example, the automatic greasing of crane wires and development of a flexible chain wheel are all being investigated. Maersk Supply Service is also working on a project aimed at the online monitoring of lubricating and hydraulic oil condition for critical machinery.

Svitzer
USD million

	2015	2014
Revenue	669	812
NOPAT	120	-270
ROIC (%)	10.9	-19.2
Tug boats	291	297

Revenue was down 18% but NOPAT was up as 2014 was negatively impacted by goodwill impairments.

In 2015, Svitzer improved its underlying profitability through increased volumes, market share, asset optimisation and cost efficiencies. This resulted in an improved EBITDA margin of 28.4% (20.9%). Svitzer increased its market share in harbour towage in competitive ports in both Australia and Europe. Meanwhile, several ports in Svitzer's portfolio have been negatively impacted by weak demand in the commodity markets and industry overcapacity.

Profit also improved in relation to the previous year as the 2014 result was impacted by the goodwill impairment of USD 357m related to the 2007 Adsteam acquisition in Australia.

Activity in harbour towage and entry into Brazil have increased the revenue, however, this is more than offset by a substantially stronger USD compared to AUD and EUR, along with the exclusion of salvage revenue following the merger of Svitzer Salvage and Titan Salvage, USA, in 2015.

Svitzer has successfully developed purpose built vessels with battery driven hybrid technology on behalf of Chevron for 20 year-long contracts at Gorgon, one of the world's biggest LNG terminals outside of Western Australia. At the moment, Svitzer is also developing tugs driven by compressed natural gas (CNG), in collaboration with Damen, as a more viable alternative to LNG tugs.

Damco
USD million

	2015	2014
Revenue	2,740	3,164
NOPAT	19	-293
ROIC (%)	7.1	-63.2

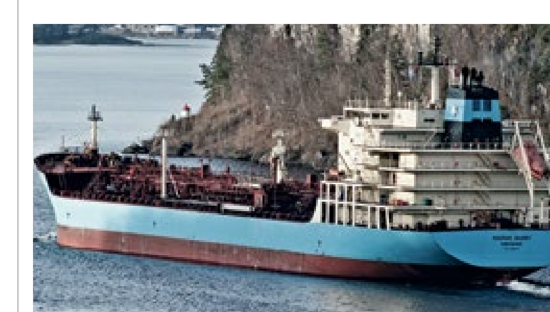
The transformation of Damco has brought back a positive result for 2015.

Although Damco has more work ahead before it becomes a top-quartile logistic provider, Damco has been through a transformation process and is now starting to realise the planned benefits. Costs have been reduced and productivity has increased giving an improved profitability and cash generation, bringing Damco back to a profitable result for 2015.

Damco's turnaround in 2015 resulted in an underlying profit of USD 15m (loss of USD 225m).

Going forward, its focus is on strengthening its products and improving customer service to generate profitable and sustainable growth, while still paying close attention to both cost development and productivity.

Damco continues to build on its strong position in the supply chain and global key account management, while its sales efforts in ocean – and airfreight will be concentrated on selected trade lanes, to drive scale and thereby profitability. Parallel to this, Damco will be developing its IT capabilities and operational platform for enhanced supply chain management offerings.



Transportation of refined oil products experienced a strong growth in demand in 2015, stimulated by a low oil price and high margins from the refineries.

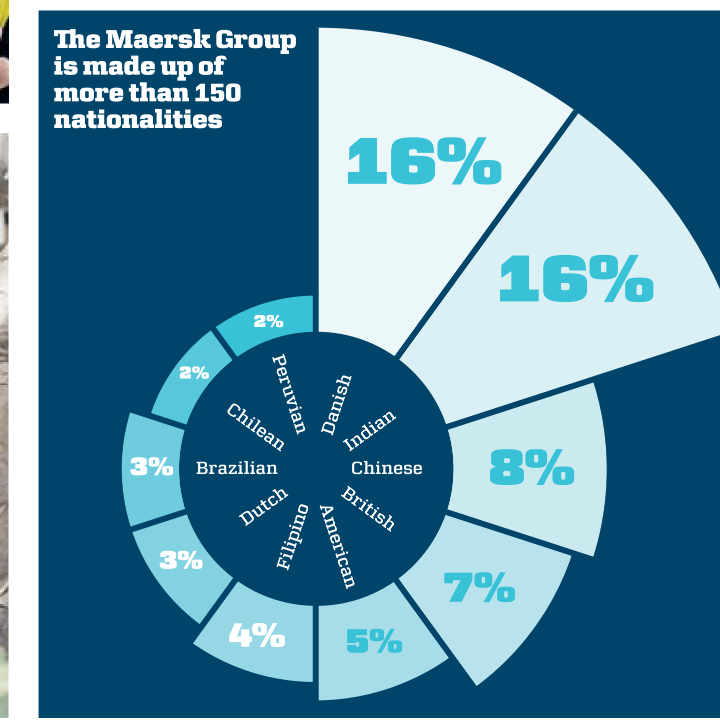
Our people in action

The yearly employee engagement survey sets out to measure pride, retention, satisfaction and advocacy, allowing the Maersk Group to focus on the key issues that need improvement to drive employee commitment and performance in the organisation. With a three percentage point increase in 2015, the Employee Engagement Index in the Maersk Group hit 76%. That brings the Group to a top-quartile position when benchmarked externally.

Dan Iversen
Shift Leader,
APM Terminals,
Aarhus, Denmark

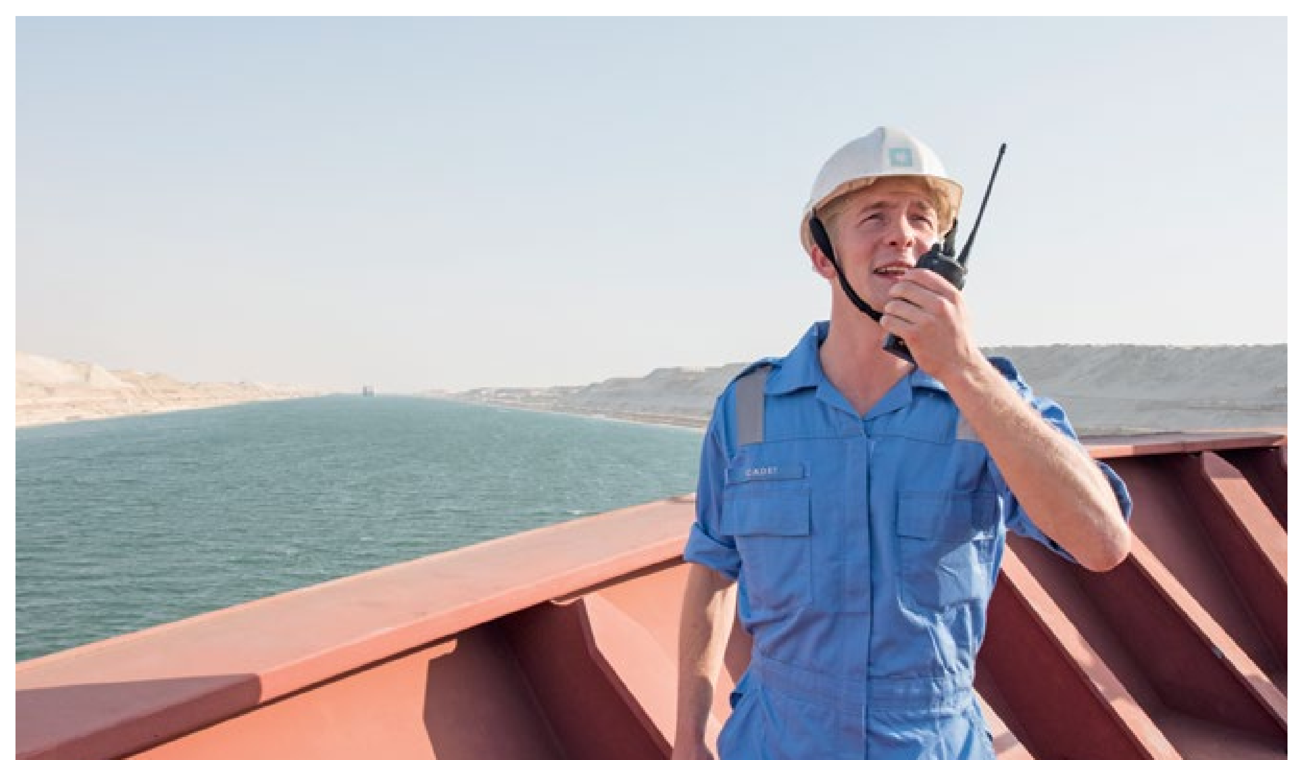
Katarina Aroca Flores
Production Operator,
Maersk Container Industry,
Chile

Michael Wilson
Chief Engineer,
Maersk Sebarok,
Maersk Line

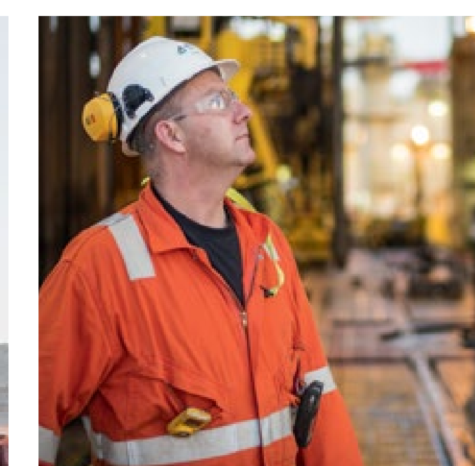


Dario Timoteo (Left)
Chimuimso Muxito Machanda (Right)
Cadets, Maersk Supply Service,
Mærsk Winner,
Angola

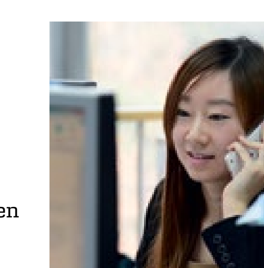
Yenia Abadia
Cluster Manager,
Sealand Colombia



Peter Krogh Jensen
Dual Cadet,
Maersk Line,
New Suez Canal



Craig Fraser
OIM, Maersk Valiant,
Maersk Drilling,
Gulf of Mexico



Millie Min Li
Pricing Analyst,
Maersk Line,
China

Stay up-to-date

Financial calendar

2016

Publication of Interim Reports

4 May
Q1

12 August
Q2

2 November
Q3

8 February
Annual Report 2016

Annual General Meeting

12 April
10.30 in Bella Center, Copenhagen, Denmark

Dividend

13 April
Excluding dividend

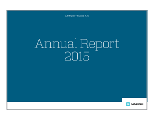
14 April
Record date

15 April
Payment A and B shares

2017

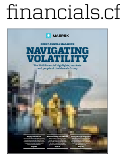
Reporting

Maersk Group has tailored the external financial reporting towards the needs of our different stakeholders with two annual publications.



The **Annual Report** focuses on the detailed legally required information, whereas the Group Annual Magazine focuses on providing an overview of key developments during the year. The publications can be read individually or combined depending on our stakeholders' interests.

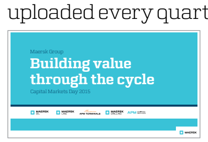
The Annual Report is available electronically in English at http://investor.maersk.com/financials.cfm.



The **Group Annual Magazine** provides an overview of the operations and performance of the Maersk Group in a concise and easy-to-read format. The publication is not a substitute for the Annual Report 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 provided in the Annual Report. The Group Annual Magazine is available in hard copy and electronically in English and Danish at http://investor.maersk.com/financials.cfm.

Maersk Group also produces **Interim Reports** for each of the first three quarters of the year.

Presentations tailor made for investors and the financial markets are also uploaded every quarter.

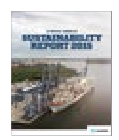


Maersk Group also hosts a **Capital Markets Day** on a regular basis, which can be followed through a live webcast where the speakers' presentation slides can be accessed via links.

The Interim Reports, presentations and webcasts can be found on our Investor Relations website: http://investor.maersk.com/

The Board of Directors of A.P. Møller - Mærsk A/S continues to consider the "Recommendations for Good Corporate Governance" put forward by NASDAQ OMX Copenhagen.

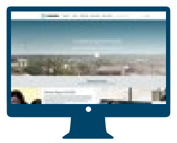
Further annual good corporate governance information is available in the statutory annual corporate governance statement; cf. section 107, item b, of the Danish Financial Statements Act covering the financial period 1 January to 31 December.



An independently assured **Sustainability Report** is published by the Maersk Group and covers all of the Maersk Group's material sustainability issues. The Sustainability website: http://www.maersk.com/sustainability provides additional information on the UN Global Compact requirements and describes how the Maersk Group fulfils these (Maersk COP), as well as the Maersk Group's accounting principles regarding sustainability. The majority of the Maersk Group's businesses also publish annual accounts of their progress within their material sustainability issues.

The Annual Report and the Group Annual Magazine contain forward looking statements on expectations regarding the achievements and performance of the Maersk Group. Such statements are subject to risks and uncertainties, as various factors, many of which are beyond the control of the Maersk Group, may cause actual results and development to differ materially from the expectations contained therein.

News



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Photos

Curt Goodwin	p34–36
Gustavo Graf	p18–19
Max Cruz	p20–22
Paul Dixon	p14–15
Rene Strandbygaard	p26, 32, 37, 47
Rubén Páramo Bucio	p16–17
Thorbjørn Hansen	p8, 11
Tom Lindboe	Cover, p1, 12-13, 24-25, 28, 38-39, 43, 44–46

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