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# PRESS RELEASE

## GROUP ANNUAL REPORT 2011

### Highlights

#### Highlights for the Group 2011

	DKK million			USD million		
	2011	2010	Change	2011	2010	Change
Revenue	322,520	315,396	2%	60,230	56,090	7%
Profit before depreciation, amortisation and impairment losses, etc.	78,506	89,218	-12%	14,661	15,867	-8%
Depreciation, amortisation and impairment losses	28,889	33,822	-15%	5,396	6,015	-10%
Gain on sale of non-current assets, etc., net	4,748	3,792	25%	887	674	32%
Profit before financial items	55,016	59,649	-8%	10,274	10,608	-3%
Profit before tax	50,452	54,386	-7%	9,422	9,672	-3%
Profit for the year	18,083	28,215	-36%	3,377	5,018	-33%
Cash flow from operating activities	38,886	56,972	-32%	7,262	10,132	-28%
Cash flow used for capital expenditure	-52,259	-26,078	100%	-9,759	-4,638	110%
Return on invested capital after tax (ROIC)	7.8%	12.7%		8.3%	12.2%	

"We deliver an acceptable result for 2011 considering how the shipping rates developed during the year. Markets are volatile, but our businesses are fundamentally strong and competitive. Our products and services are in high demand and most of our core businesses deliver good results. 2012 will be another challenging year and we will continue to focus on profitability and allocate our growth investments to terminals and oil-related business," says Group CFO Trond Westlie.

Revenue increased by 7% to USD 60.2bn (USD 56.1bn), positively affected by higher oil prices and container volumes but offset by lower container freight rates. Profit was USD 3.4bn (USD 5.0bn) and thus in accordance with the latest announced outlook of USD 3.1-3.5bn expressed on 9 November 2011. The result was negatively affected by low container freight rates on especially the Asia-Europe trades and positively affected by the divestment gain from Netto Foodstores Limited, UK of USD 0.7bn. The Group's return on invested capital (ROIC) was 8.3% (12.2%).

Maersk Liner Business made a loss of USD 0.6bn (profit of USD 2.6bn) and a negative ROIC of 3.4% (positive by 15.3%). The negative result was primarily due to the low rates on the Asia-Europe trades. The freight rates started the year at a reasonable level, but

decreased throughout the year as large amounts of new tonnage was delivered. Overall freight rates were 8% lower than in 2010 and this, combined with 35% higher bunker prices, reduced margins considerably. The number of containers carried increased by 11% to 8.1m FFE, and the Group more than regained the market share lost during 2010.

Maersk Oil made a profit of USD 2.1bn (USD 1.7bn) and a ROIC of 36.3% (32.6%), positively affected by 39% higher oil prices at an average of USD 111 per barrel (80 per barrel). The Group's share of oil and gas production declined by 12% to 333,000 barrels of oil equivalent per day (377,000 barrels of oil equivalent per day), primarily due to lower share of production in Qatar and lower production in Denmark and the UK. The high investment level continued throughout the year and the Group was successful in securing a number of new licences in Norway, the UK and the US Gulf of Mexico. The high exploration activity resulted in new discoveries, and at year end the Group was involved in execution of four major development projects in the UK, US Gulf of Mexico, Kazakhstan and Algeria.

APM Terminals made a profit of USD 649m (USD 793m). The profit excluding sales gains and impairment losses was 24% higher than in 2010. Container throughput increased by 8% on a like-for-like basis and ROIC was 13.1% (16.0%). The high investment level from previous years continued, and during 2011 APM Terminals secured further new investments and development projects primarily in emerging markets.

Maersk Drilling made a profit of USD 495m (USD 399m) and a ROIC of 12.7% (11.0%), positively affected by higher day rates and better contract coverage. Several new longterm contracts were entered into and the Group committed USD 3.9bn for investments in six new rigs.

Maersk Supply Service made a profit of USD 210m (USD 201m) and a ROIC of 11.3% (10.5%), positively affected by a higher activity level and improved spot rates.

Maersk Tankers experienced difficult market conditions due to excess capacity in most tanker segments and made a loss of USD 151m (USD 118m) and a negative ROIC of 4.2% (3.4%). To better utilise the fleet Maersk Tankers entered into a new VLCC pool partnership as joint operator.

Damco continued growing and adjusting its business portfolio. With the acquisition of NTS International Transport Services in China, Damco has significantly increased its

service offerings within the airfreight market. Profit was USD 65m (USD 44m) and ROIC was 25.8% (22.2%).

Svitzer experienced mixed market conditions and slightly improved profits to USD 133m (USD 130m). ROIC was 7.0% (7.2%).

Maersk FPSOs and Maersk LNG made a profit of USD 8m (loss of USD 242m) and a ROIC of 0.3% (negative by 8.0%), negatively affected by net impairments of USD 159m. An agreement was entered into to divest Maersk LNG for USD 1.4bn. The transaction is expected to be completed in Q1 2012.

Retail activities made a profit of DKK 5.3bn (DKK 2.2bn) and a ROIC of 34.7% (15.4%), positively affected by gain of DKK 3.8bn corresponding to USD 0.7bn from the divestment of Netto Foodstores Limited, UK. The divestment was completed in April 2011.

Cash flow from operating activities was USD 7.3bn (USD 10.1bn), while cash flow used for capital expenditure was USD 9.8bn (USD 4.6bn). The Group's free cash flow was negative USD 2.5bn (positive USD 5.5bn). With an equity ratio of 51.4% (51.5%), net interest-bearing debt of USD 15.3bn (USD 12.4bn) and a liquidity buffer of USD 11.3bn (USD 14.5bn), the Group is well prepared and determined to execute on its long-term growth aspirations and seize market opportunities within its core businesses despite current turmoil in the financial markets.

#### Quarterly figures

Quarterly figures for the Group for 2011 and 2010 are available on <http://investor.maersk.com/financials.cfm>

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#### Outlook for 2012

The A.P. Moller - Maersk Group expects a positive result lower than the 2011 result. Cash flow used for capital expenditure is expected to be around the same level as in 2011 while cash flow from operating activities is expected to develop in line with the result.

Maersk Oil expects a result significantly below the result for 2011 based on expected 20% decline in the share of oil and gas production to a level of around 265,000 boepd at an average oil price of USD 105 per barrel. The production decline is predominantly caused by a reduced share of production in Qatar, and the natural maturation of the North Sea fields. The transfer of 20% ownership of DUC to the Danish North Sea Fund by mid-2012 will reduce the Group's production share in Denmark, but will have no impact on net earnings. Exploration costs are expected to be above USD 1bn.

Maersk Liner Business expects a negative result in 2012 as a consequence of excess capacity. Global demand for seaborne containers is expected to increase by 4-6% in 2012, lower on the Asia-Europe trades but supported by higher growth in the North-South trades.

APM Terminals expects a result above 2011 and to grow more than the market supported by volumes from new terminals.

Maersk Drilling has almost full contract coverage at attractive rates in 2012 and expects a result in line with the 2011 result.

Maersk Supply Service expects a result at the same level as in 2011, with one third of the available vessel days in 2012 not yet contracted.

The total result from all other activities is expected to be at the same level as in 2011 excluding divestment gains and impairments.

The outlook for 2012 is subject to considerable uncertainty, not least due to developments in the global economy. The Group's expected result depends on a number of factors. Based on the expected earnings level and all other things equal, the sensitivities for four key value drivers are listed in the table below:

Factors	Change	Effect on the Group's profit
Oil price for Maersk Oil	+/- 10 USD/barrel	+/-USD 0.2bn
Bunker price	+/- 10 USD/barrel	-/+USD 0.1bn
Container freight rate	+/- 100 USD/FFE	+/-USD 0.9bn
Container freight volume	+/- 100,000 FFE	+/-USD 0.2bn

**Forward-looking statements**

This Group annual report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond A.P. Møller - Mærsk A/S' control, may cause actual development and results to differ materially from expectations contained in the Group annual report.

**Governing text**

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

**Sustainability report**

The A.P. Møller - Maersk Group has also published a separate report on sustainability. The report constitutes the Group's Communication on Progress to the UN Global Compact, complying with the requirements of the Danish Financial Statements Act on corporate social responsibility reporting. The report is available on [www.maersk.com/sustainability](http://www.maersk.com/sustainability).

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**Interim Report is expected to be announced on 16 May 2012.**