

A.P. Møller - Mærsk A/S

Annual Report

2013



MAERSK



Maersk Line
Majestic Mærsk
Langelinie, Copenhagen

Group corporate office in front of the Majestic Mærsk. The world's largest ship visited Copenhagen 23-29 September 2013 and appreciated the visit of around 225,000 guests.



Company profile

The A.P. Moller - Maersk Group is a conglomerate of worldwide businesses with core focus on shipping and oil & gas. The Group employs approximately 89,000 people, operates in 135 countries and is headquartered in Copenhagen, Denmark.



1. Maersk Line is the Group's largest business unit in terms of revenue and the world's leading container shipping company. Maersk Line is a customer-focused leader in reliable and eco-efficient global transport.



2. Maersk Oil is an international oil and gas company with roots in the North Sea going 50 years back in time, now with operations worldwide. Maersk Oil is active in the oil and gas value chain from exploration to production both onshore and offshore.



3. APM Terminals has its core expertise in the development, construction and operation of port and cargo inland services with a Global Terminal Network including 65 operating port facilities in 40 countries and Inland Services operations in over 160 locations in 47 countries.



4. Maersk Drilling is a leading global operator of high-technology drilling rigs. Maersk Drilling provides offshore drilling services to oil and gas companies with one of the world's youngest and most advanced fleets.



5. Services & Other Shipping consists of Maersk Supply Service, Maersk Tankers, Damco and Svitzer.

Facilitating global containerised trade

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

- 1. Maersk Line** operates a global fleet of 584 vessels. Fleet capacity is ~2.6m TEU (a 20 foot long container).



Svitzer
Is a global market leader within towage, salvage and emergency response with a fleet of 376 vessels.



Maersk Supply Service
A fleet of 98 vessels providing worldwide services to the offshore and associated industries.



2 **Maersk Oil** operates 77 platforms and three FPSOs. The total entitlement production is 235,000 barrels of oil equivalent per day.



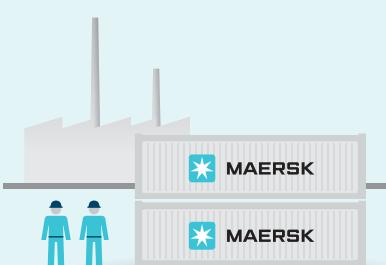
4 **Maersk Drilling** is a specialist in ultra-harsh and ultra deep-water environments and operates 16 drilling rigs and 10 drilling barges.

Maersk Tankers owns and operates a fleet of 130 tankers. Maersk Tankers' product tanker fleet is one of the largest in the world.

Supporting the global demand for energy

We support global energy needs through the exploration, extraction and transportation of oil and gas.

3 **APM Terminals** operates a global terminal network in 68 countries.



Damco is one of the world's leading providers of freight forwarding and supply chain management services. Damco operates in more than 93 countries worldwide.

Maersk Container Industry is a manufacturer of dry containers, reefer containers and refrigeration systems.

Annual Report 2013

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Change in presentation and comparative figures

The presentation of joint ventures has been changed from 1 January 2013 according to IFRS 11 Joint Arrangements. The previous segment Maersk FPSOs and Maersk LNG as well as Discontinued operations are, apart from

Dansk Supermarked Group, included in Other businesses. Comparative figures have been restated. The changes are described in note 27. Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the prior year.

Forward-looking statements

The 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 annual report.

Governing text

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

Amounts in DKK million

Financial highlights

	2013	2012	2011	2010	2009
Revenue	266,236	286,753	267,299	256,180	203,115
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	63,893	68,352	75,524	85,475	45,745
Depreciation, amortisation and impairment losses	26,007	29,346	28,336	33,007	29,652
Gain on sale of non-current assets, etc., net	814	3,532	1,125	3,770	985
Share of profit/loss in joint ventures	854	754	-	-	-
Share of profit/loss in associated companies	1,660	1,286	651	461	360
Profit before financial items (EBIT)	41,214	44,578	48,964	56,699	17,438
Financial items, net	-4,021	-4,515	-4,614	-5,772	-5,859
Profit before tax	37,193	40,063	44,350	50,927	11,579
Tax	18,186	18,315	31,764	25,406	19,578
Profit/loss for the year – continuing operations	19,007	21,748	12,586	25,521	-7,999
Profit/loss for the year – discontinued operations	2,216	1,649	5,497	2,694	2,510
Profit/loss for the year	21,223	23,397	18,083	28,215	-5,489
A.P. Møller - Mærsk A/S' share	19,382	21,673	15,189	26,455	-7,027
Total assets	403,296	409,698	404,743	374,723	345,199
Total equity	230,108	222,539	207,935	192,962	158,868
Cash flow from operating activities	50,056	40,796	35,690	53,895	20,713
Cash flow used for capital expenditure	-27,425	-33,730	-55,071	-23,430	-38,934
Investments in property, plant and equipment and intangible assets	39,815	45,344	58,376	31,636	49,586
Return on invested capital after tax (ROIC)	8.1%	9.0%	7.8%	12.7%	-0.2%
Return on equity after tax	9.4%	10.9%	9.0%	16.0%	-3.5%
Equity ratio	57.1%	54.3%	51.4%	51.5%	46.0%
Earnings per share (EPS), DKK	4,438	4,964	3,479	6,061	-1,674
Diluted earnings per share, DKK	4,437	4,962	3,478	6,058	-1,674
Cash flow from operating activities per share, DKK	11,461	9,343	8,175	12,347	4,936
Dividend per share, DKK	1,400	1,200	1,000	1,000	325
Share price (B share), end of year, DKK	58,850	42,600	37,920	50,510	36,600
Total market capitalisation, end of year	250,636	180,388	160,982	217,464	156,901

Discontinued operations comprise Dansk Supermarked Group.
The 5-year income statements and cash flow figures have been restated accordingly.

Amounts in USD million

Financial highlights

	2013	2012	2011	2010	2009
Revenue	47,386	49,491	49,917	45,559	37,902
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	11,372	11,797	14,104	15,201	8,537
Depreciation, amortisation and impairment losses	4,628	5,065	5,292	5,870	5,534
Gain on sale of non-current assets, etc., net	145	610	210	670	184
Share of profit/loss in joint ventures	152	130	-	-	-
Share of profit/loss in associated companies	295	222	122	82	67
Profit before financial items (EBIT)	7,336	7,694	9,144	10,083	3,254
Financial items, net	-716	-780	-862	-1,026	-1,094
Profit before tax	6,620	6,914	8,282	9,057	2,160
Tax	3,237	3,161	5,932	4,518	3,652
Profit/loss for the year – continuing operations	3,383	3,753	2,350	4,539	-1,492
Profit/loss for the year – discontinued operations	394	285	1,027	479	468
Profit/loss for the year	3,777	4,038	3,377	5,018	-1,024
A.P. Møller - Mærsk A/S' share	3,450	3,740	2,836	4,705	-1,311
Total assets	74,509	72,396	70,444	66,756	66,511
Total equity	42,513	39,324	36,190	34,376	30,610
Cash flow from operating activities	8,909	7,041	6,665	9,585	3,865
Cash flow used for capital expenditure	-4,881	-5,822	-10,285	-4,167	-7,266
Investments in property, plant and equipment and intangible assets	7,087	7,826	10,901	5,626	9,252
Return on invested capital after tax (ROIC)	8.2%	8.9%	8.3%	12.2%	-0.2%
Return on equity after tax	9.2%	10.7%	9.6%	15.4%	-3.4%
Equity ratio	57.1%	54.3%	51.4%	51.5%	46.0%
Earnings per share (EPS), USD	790	857	650	1,078	-312
Diluted earnings per share, USD	790	856	649	1,077	-312
Cash flow from operating activities per share, USD	2,040	1,613	1,527	2,196	921
Dividend per share, USD	259	212	174	178	63
Share price (B share), end of year, USD	10,873	7,528	6,600	8,998	7,052
Total market capitalisation, end of year	46,305	31,876	28,018	38,741	30,231
Average USD/DKK exchange rate	5.62	5.79	5.35	5.62	5.36
End of year USD/DKK exchange rate	5.41	5.66	5.75	5.61	5.19
Maersk Line					
Transported volumes (FFE in million)	8.8	8.5	8.1	7.3	6.9
Average rate (USD per FFE)	2,674	2,881	2,828	3,064	2,370
Average fuel price (USD per tonne)	595	661	620	458	342
Maersk Oil					
Average share of oil and gas production ¹	235	257	333	377	428
Average crude oil price (Brent) (USD per barrel)	109	112	111	80	62
APM Terminals					
Containers handled ²	36.3	35.4	33.5	31.5	30.9
Maersk Drilling					
Operational uptime	97%	92%	96%	96%	94%

¹ Thousand barrels of oil equivalent per day² Measured in million TEU and weighted with ownership share

Directors' report

(Figures for 2012 in parenthesis)

The Group delivered a profit of USD 3.8bn (USD 4.0bn), which was slightly higher than the latest announced outlook of around USD 3.5bn in the Q3 interim report. The return on invested capital (ROIC) was 8.2% (8.9%).

Group highlights

Profit for 2013 was positively affected by improved volumes and unit cost reductions in Maersk Line, higher volume in APM Terminals and higher operational up-time in Maersk Drilling. Profit was negatively affected by lower freight rates in Maersk Line, a decline in Maersk Oil's share of production, a decline in the average oil price as well as impairment losses primarily relating to Maersk Tankers and non-recurring business transformation costs in Damco. Divestment gains were USD 145m (USD 610m) including sale of 24 vessels in Maersk Tankers and sale of shares in companies in APM Terminals. Excluding impairment losses and divestment gains the result was USD 4.0bn (USD 2.9bn).

The result for 2013 was USD 261m lower than in 2012 where profit was positively impacted by a one-off income of USD 899m from Maersk Oil's settlement of an Algerian tax dispute.

Revenue decreased by 4% to USD 47.4bn (USD 49.5bn), primarily as a consequence of lower container freight rates and lower share of oil production which were partly offset by higher container volumes.

Cash flow from operating activities was USD 8.9bn (USD 7.0bn) while cash flow used for capital expenditure was USD 4.9bn (USD 5.8bn) after netting sales proceeds amounting to USD 1.4bn (USD 3.2bn). The Group's free cash flow was positive USD 4.0bn (USD 1.2bn).

Net interest bearing debt decreased by USD 2.9bn to USD 11.6bn (USD 14.5bn). Total equity was USD 42.5bn (USD 39.3bn); positively affected by the profit for the year of USD 3.8bn. Dividend paid was USD 1.1bn (USD 945m).

With an equity ratio of 57.1% (54.3%) and a liquidity buffer of USD 14.8bn (USD 13.1bn), the Group is well prepared and determined to execute on its long-term growth aspirations and seize market opportunities within its core businesses.

Maersk Line made a profit of USD 1.5bn (USD 461m) and a ROIC of 7.4% (2.3%). The improvement was achieved through vessel network efficiencies resulting in lower unit costs also supported by lower bunker price. Average freight rates decreased by 7.2% to 2,674 USD/FFE (2,881 USD/FFE) and volumes increased by 4.1% to 8.8m FFE (8.5m FFE). Bunker consumption was reduced by 12.1%.

Maersk Line maintained a market share in line with last year.

The fleet capacity increased by 0.2% to 2.6m TEU (2.6m TEU), mainly by delivery of four Triple-E container vessels in 2013. An additional 16 Triple-E vessels with capacity of 288,000 TEU are scheduled for delivery during 2014-2015.

Cash flow from operating activities was USD 3.7bn (USD 1.8bn) and cash flow used for capital expenditure was USD 1.6bn (USD 3.6bn).

Maersk Oil made a profit of USD 1.0bn (USD 2.4bn) negatively affected by lower average entitlement production of 235,000 boepd (257,000 boepd) and lower average oil prices of USD 109 per barrel (USD 112 per barrel). The 2012 result included one-off income of USD 1.0bn from the Algerian tax dispute and divestment gains. ROIC was 16.2% (35.7%).

A focus in 2013 was to mature the portfolio of major developments, including submission of development plan for Chissonga in Angola also covering the Cubal discovery made during the year. The reinstatement of the Gryphon FPSO, UK and the continued ramp up of El Merk, Algeria returned Maersk Oil's entitlement production to growth from late 2013.

Exploration costs continued at a high level of USD 1.1bn (USD 1.1bn) with the completion of 25 exploration and appraisal wells. The wells included two successful Cubal wells in Angola and six successful appraisal wells at Johan Sverdrup in Norway.

Cash flow from operating activities was USD 3.2bn (USD 3.9bn) and cash flow used for capital expenditure was USD 1.8bn (USD 2.0bn), less than indicated as an expected acquisition did not materialise.

APM Terminals made a profit of USD 770m (USD 701m) impacted by pre-tax divestment gains of USD 70m (USD 117m) and a tax expense of USD 56m (USD 163m). ROIC was 13.5% (15.2%).

Number of containers handled increased by 3% to 36.3m TEU (35.4m TEU) boosted by additions to the portfolio. Earnings were positively affected by the full year profit contribution of the co-controlling share of Global Ports Investments PLC, Russia acquired in November 2012. Further, the jointly owned Brasil Terminal Portuario in Santos, Brazil commenced operations.

The continued high investment level includes the development of the new terminal Maasvlakte II, The Netherlands. New terminal projects were secured in Izmir, Turkey, and Abidjan, Ivory Coast.

Cash flow from operating activities was USD 923m (USD 910m) and cash flow used for capital expenditure was USD 841m (USD 1.3bn).

Maersk Drilling made a profit of USD 528m (USD 347m), a historically high result driven by full utilisation of all rigs and impacted positively by higher operational uptime and higher day rates. ROIC was 10.8% (8.8%).

During 2013 Maersk Drilling entered into several new major contracts and has now secured contracts for six out of eight newbuildings to be delivered in 2014-2016. The revenue backlog increased to USD 7.9bn (USD 7.0bn), and the one-year forward coverage by the end of 2013 was 94% (98%). Operational uptime averaged 97% (92%).

Cash flow from operating activities was USD 775m (USD 597m) and cash flow used for capital expenditure was USD 1.5bn (USD 555m).

Maersk Supply Service made a profit of USD 235m (USD 132m) and a ROIC of 10.9% (6.1%) positively affected by higher utilisation and improved operational margins.

Contract coverage for 2014 is 56% and 32% for 2015 excluding options.

Maersk Tankers made a loss of USD 317m (loss of USD 315m) and a negative ROIC of 10.4% (negative 8.2%). The result was negatively affected by impairment losses and provisions for onerous contracts of USD 297m (USD 238m) as well as restructuring costs of USD 36m (USD 2m). Excluding one-off items, the result was positive USD 8m (loss USD 80m).

Maersk Tankers divested seven product carriers, one VLCC and 16 LPG carriers during 2013. Additionally 11 time-chartered vessels were redelivered to the owners. Maersk Tankers reached agreement in January 2014 to sell the fleet of 15 VLCCs for delivery in 2014.

Damco made a loss of USD 111m (profit USD 55m) and ROIC was negative 22.0% (positive 13.1%). The result was primarily impacted by significant business transformation costs and provisions.

Svitzer made a profit of USD 156m (USD 7m) positively impacted by sales gains, partly offset by restructuring costs. The result further included impairment losses of USD 6m (USD 109m). ROIC was 10.8% (0.5%).

Dansk Supermarked Group (DSG) made a profit of DKK 1.8bn (DKK 1.3bn) generated through profitability improvements across the Dansk Supermarked Group and strong sales growth in the Netto businesses.

An agreement was signed to sell a majority share of DSG which is classified as discontinued operations on 7 January 2014.

SHARE PRICE AND DIVIDEND

The Maersk B-share price increased by 38.1% to DKK 58,850 during 2013. The dividend pay-out proposed by the Board of Directors is DKK 1,400 per share of DKK 1,000, representing a dividend yield of 2.4% based on the B-share closing price as of 30 December 2013.

BONUS SHARES

The Board proposes to issue four new bonus shares per one A.P. Møller - Mærsk A/S share in its respective share class. This will increase the registered share capital from DKK 4,395.6m to DKK 21,978.0m. The capital increase will be done by transfer from retained earnings.

QUARTERLY FIGURES

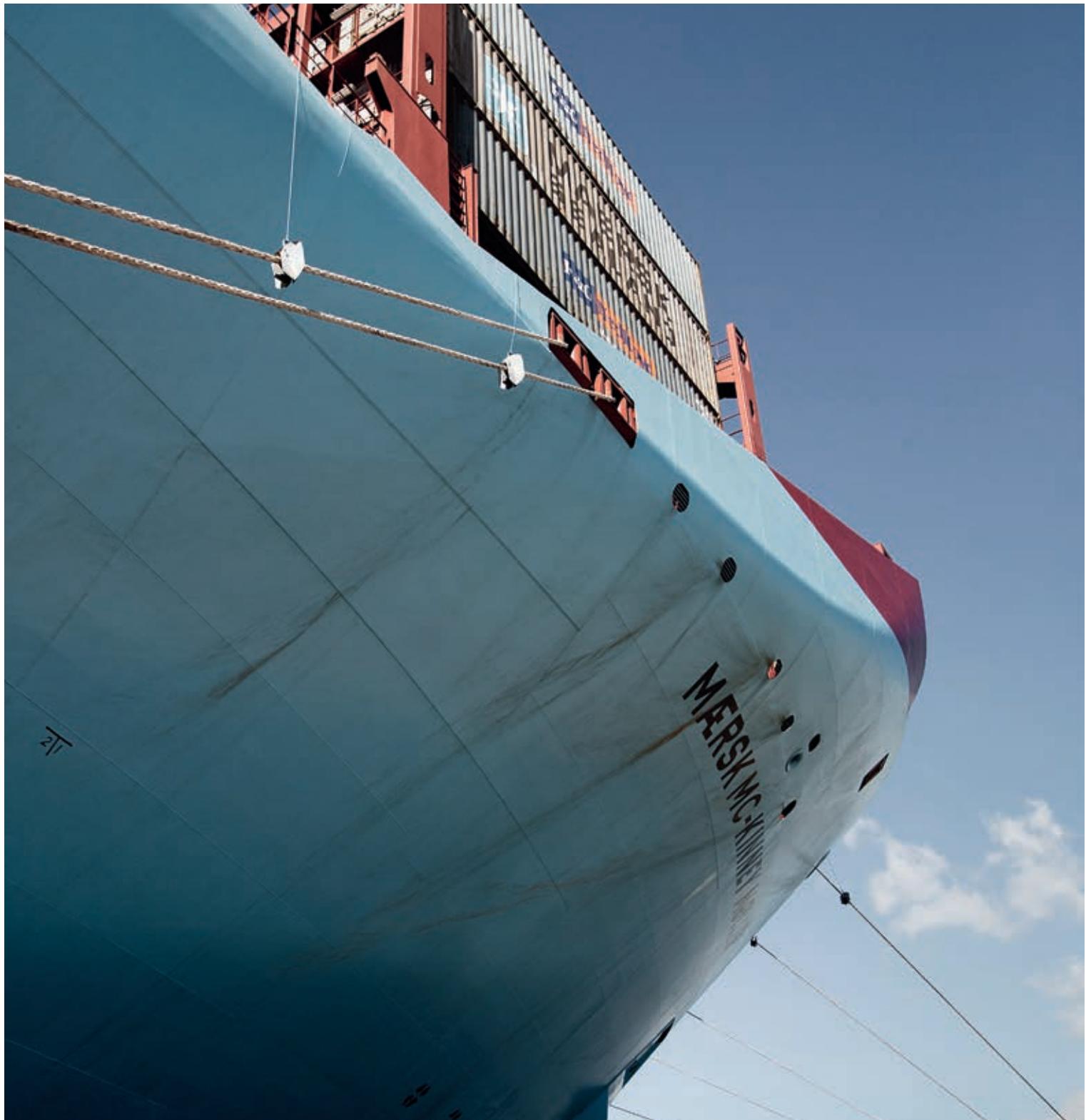
Quarterly figures for the Group for 2010-2013 are available on <http://investor.maersk.com/financials.cfm>

SUSTAINABILITY AND GENDER COMPOSITION OF MANAGEMENT

An independently assured Sustainability Report for 2013 is published and provides detailed information on the Group's sustainability performance and new sustainability strategy. The report serves as the Group's Communication on Progress as required by the UN Global Compact, and ensures compliance with the requirements of the Danish Financial Statements Act on corporate social responsibility and reporting on the gender composition of management. The report is available on: www.maersk.com/Sustainability/Documents/Maersk_Sustainability_Report_2013.pdf



From left to right: Erik Rasmussen, Arne Karlsson, Sir John Bond, Jan Leschly, vice chairman Ane Mærsk Mc-Kinney Uggla, chairman Michael Pram Rasmussen, vice chairman Niels Jacobsen, Lars Pallesen, Leise Mærsk Mc-Kinney Møller, Robert Routs, Jan Tøpholm, John Axel Poulsen.



Maersk Line
Maersk Mc-Kinney Møller
Aarhus, Denmark

The world's largest container ship, the 18,000 TEU Maersk Mc-Kinney Møller, called on a number of container terminals in the APM Terminals' global terminal network during her maiden voyage, leading to individual productivity records in Rotterdam, The Netherlands; Aarhus, Denmark; Gothenburg, Sweden and Tangier, Morocco.



Outlook for 2014

The Group expects a result significantly above the 2013 result (USD 3.8bn) impacted by the sale of Dansk Supermarked Group. The underlying result is expected to be in line with the result for 2013 (for continuing business USD 3.6bn) when excluding impairment losses and divestment gains.

Gross cash flow used for capital expenditure is expected to be around USD 10bn (USD 6.3bn), while cash flow from operating activities is expected to develop in line with the result.

Maersk Line expects a result in line with 2013 (USD 1.5bn). Maersk Line aims to improve its competitiveness although unit cost reductions will be less than in 2013. Global demand for seaborne container transportation is expected to increase by 4-5% and Maersk Line aims to grow with the market. Excess capacity is likely to depress freight rates.

Maersk Oil expects a result below 2013 (USD 1.0bn) based on an oil price of USD 104 per barrel.

Maersk Oil's entitlement production is expected to be above 240,000 boepd. Production will be higher in Q1 and Q4, whereas planned shut downs will result in lower production in Q2 and Q3. The entitlement production increase from 235,000 boepd in 2013 is mainly based on higher contributions from Algeria and UK.

Exploration costs are expected to be around USD 1.0bn.

APM Terminals expects a result above 2013 (USD 770m) and to grow more than the market supported by increased contribution from joint ventures and associates combined with productivity improvements in existing facilities.

Maersk Drilling expects a result below 2013 (USD 528m) due to planned yard stays in 2014 and high costs associated with training and start-up of operation of six new rigs.

Services & Other Shipping expect a result above 2013.

The Group's outlook for 2014 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 being 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	+/-100 USD/tonne	-/+USD 0.2bn
Container freight rate	+/-100 USD/FFE	+/-USD 0.9bn
Container freight volume	+/-100,000 FFE	+/-USD 0.2bn

Message from the Group CEO

Despite difficult market conditions in our global shipping markets,
2013 was a good year for the Group.

We increased our underlying earnings from USD 2.9bn in 2012 to USD 4.0bn, with most of our businesses improving their results thanks to a strong focus on operational effectiveness, market opportunities and customer relations.

We improved our balance sheet and strengthened the competitiveness of our operations, with six of our eight core businesses now top quartile performers in their industries.

These achievements are down to the quality and hard work of our people. I would like to thank our management teams and employees in all our businesses across the world for their dedicated efforts, and the significant progress and good results achieved.

PROGRESS ACROSS THE GROUP

Our earnings increase in 2013 was driven mainly by continued progress in Maersk Line, which strengthened its leadership in the container shipping industry in terms of profitability, stable market share and environmental performance; through enhanced customer service, cost management and optimisation of its network.

Our increased competitiveness means we are well-placed to tackle the challenges of a volatile shipping industry going forward. Our planned initiation of the P3 operational alliance in the East-West trades will be a further step to lower costs.

As expected, Maersk Oil's underlying result was below last year due to a decline in production and lower oil prices. However, production stabilised as planned during the year and we expect some growth in 2014.

We saw increased earnings in APM Terminals and Maersk Drilling, which are on track with their strategic plans. Our remaining businesses also performed well with the exception of Damco where we are reorganising the global organisation and introducing new systems.

INVESTING IN CONTINUED EXPANSION

Over USD 7bn was invested in 2013 to strengthen the Group for the future, with the majority of investment allocated to our four large core business units in line with our strategy. We continued – where appropriate – to favour investment in growth markets.

In Latin America, APM Terminals opened Santos, Brazil's largest container terminal; and greenfield and expansion projects are underway in Mexico, Costa Rica and Peru.

The Group made an important investment in Russia in 2013 with our acquisition of National Container Company through our stake in Global Ports, making Global Ports the largest container terminal operator in Eastern Europe.

In addition to port expansions, Maersk Drilling, Maersk Supply Service and Svitzer increased their efforts in West Africa; and Maersk Oil continues to explore and move towards production in Angola.

Going forward, we see opportunities for growth in several of our smaller, but in some cases world-leading businesses; and to that end have introduced a fifth core business unit to the Group – Services & Other Shipping – with a profit target of USD 500m by 2016.

At all times, and in all locations, maintaining a stringent focus on the safety of our people is paramount to us. In 2013, four people lost their lives in our operations – in Vietnam, Peru and Malaysia in APM Terminals and off-shore Cameroon at a Maersk Drilling rig.

The tragic loss of human life while at work is totally unacceptable to us and stands in sharp contrast with our values. Our focus is on creating a working environment where safety is deeply rooted into behaviour, performance and company culture, and we continue to strive for a fatality-free operation.

ENABLING FUTURE PROFITABLE GROWTH

An important element in improving returns and freeing funds for future profitable growth was commitment to our 2013 Group priority – Project FIT. During the year, USD 4.7bn was realised through sales of assets, reduction of leasing obligations and working capital improvements, enabling us to invest in six new product tankers and a drilling rig on top of our planned 2013 capital investments.

The sale of our majority stake in Dansk Supermarked Group at the start of 2014 was a further important development in our divestment of non-core assets.

BUILDING WORLD-CLASS BUSINESSES

In 2014 we continue our strong focus on servicing customers and partners, and building competitiveness in all our businesses, in addition to delivering satisfactory financial results.

Preparing for future growth will put demands on the organisation as the Group's core business units undergo significant expansion, with a large number of projects underway.

Maersk Drilling takes delivery of six new large drilling rigs, entailing major investment in hiring, training and start-up activities.

Maersk Line introduces nine Triple-E ships to its fleet, APM Terminals will launch the Maasvlakte II terminal in The Netherlands, and Maersk Oil starts production in two new fields in the UK and US.

Delivering on earnings and commitments will be our first Group priority in 2014.

Under our second priority Stay FIT, we will continue to focus on improving the balance sheet to enable future growth and make optimal use of shareholder funds.

Our third Group priority: Develop innovative customer solutions is also about preparing for the future. We will ensure that we stay alert and in close contact with our customers and partners and make use of opportunities to create win-win propositions which build on our skills, market and technical knowledge.

In a world of rapidly evolving economic and market conditions, as a Group we remain strongly focused on our company values which have governed the way we do business for over a century, and will continue to guide our future development in a sustainable way. Our commitment to "constant care" and "our employees" reminds us every day of the importance of ensuring the safety of all our employees.

Our efforts in 2013 have helped build the foundations for solid and profitable expansion in the years ahead. We have a professional organisation, good market positions and a strong balance sheet, and for the Group the journey ahead will be exciting.




Nils S. Andersen

The Group strategy

The Group has executed on the strategy to grow world class businesses while delivering good overall returns on our invested capital. Our portfolio continues to become more focused by divestments of some non-core assets and businesses together with growing all of the core businesses and improving capital efficiency throughout the Group.

Disciplined capital expenditure and divestments have resulted in a position as a well-capitalised company.

The Group has diversified its funding sources and the credit rating received in September 2013 has further enhanced our financial flexibility.

We want to maintain a strong investment grade credit over the cycle and steadily increase nominal dividends supported by underlying earnings growth. The Group will evaluate its capital structure in periods with excess capital.

OUR STRATEGY

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

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

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

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

Our success factors

As a group, our business success is built on a number of strengths: our size and global reach, our financial flexibility, our talented employees, our time-honoured values, our commitment to safety and sustainability and our drive to innovate. Combined, these strengths form a unique platform for our continued profitable growth.

Our values

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

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

Our Group values are:

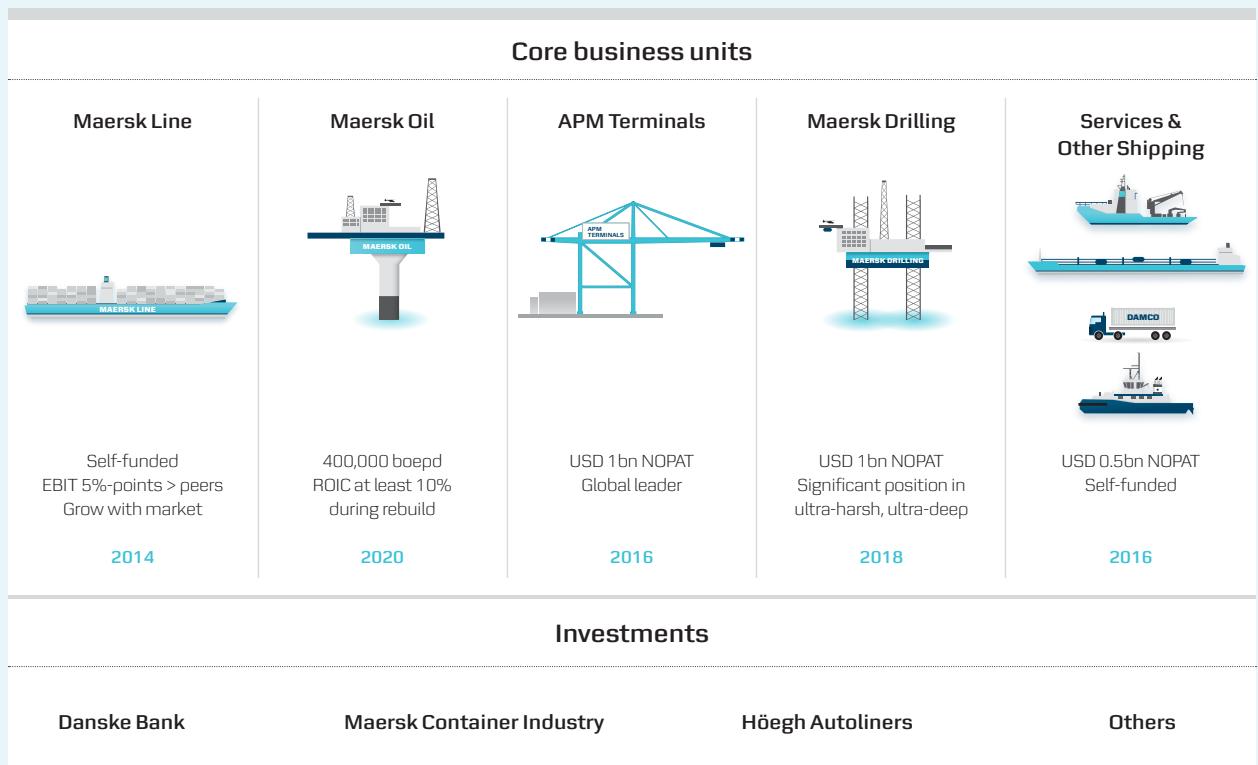
Constant Care	Take care of today, actively prepare for tomorrow.
Humbleness	Listen, learn, share, and give space to others.
Uprightness	Our word is our bond.
Our Employees	The right environment for the right people.
Our Name	The sum of our values: passionately striving higher.

THE GROUP STRATEGY PROCESS

The Group's annual strategy review and the allocation of capital is a fully integrated process. Strategies including detailed plans and opportunities for the coming years are developed with each business unit. The total capital requirements across businesses are 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 integrated Group strategy review, portfolio actions and capital prioritisation process starts at the beginning of the year. The Board of Directors have their annual strategy conference at which the Board discusses proposals put forward by the Executive Board and decides on the strategy.

The updated Group strategy approved by the Board of Directors is then communicated in the Group's interim report for the second quarter and can be downloaded from <http://investor.maersk.com/financials.cfm>



Execution on Group strategy 2013

PERFORMANCE MANAGEMENT

The Group is focused on performance management, both towards the specific long-term goals established for each business unit, as well as on the current operational performance across a range of key performance indicators. Financial targets are set both in absolute terms as well as relative to the industry. Specifically for return on assets, all business units have as a target to be top quartile performers in their industry, which most achieved during 2013.

CAPITAL ALLOCATION AND GROWTH

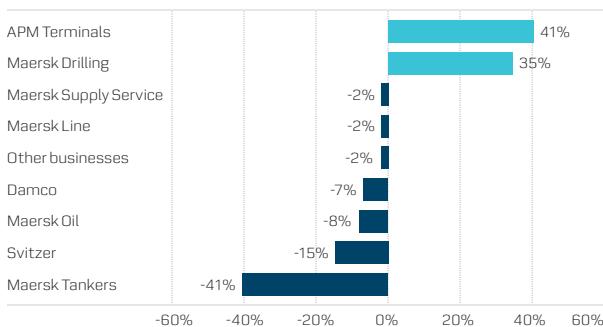
The Group has an ambition to grow its invested capital by around 30% from USD 53bn in Q2 2012 towards USD 65-70bn by 2017 adjusted for the divestment in 2014 of the Dansk Supermarked Group, mainly by execution of the investment pipeline.

Today, 76% of the Group's invested capital is allocated to Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling, ahead of the 2017 target at 75%.

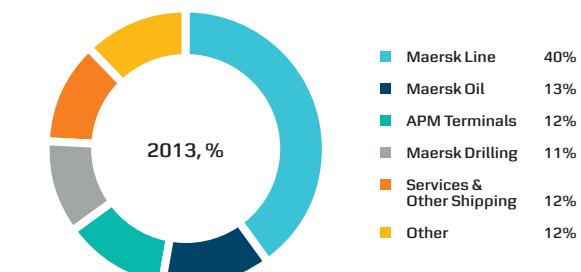
In line with the direction of investments towards more profitable and less volatile business areas, Maersk Line's share of the Group's invested capital is likely to see a decline from 40% today towards a 25-30% range, while the combined share of invested capital in Maersk Oil, APM Terminals and Maersk Drilling will see an increase from 36% towards a 45-50% range over the coming 4-5 years.

APM Terminals and Maersk Drilling have seen the largest relative increase in their invested capital since Q2 2012, driven by acquisitions and investments in terminals and rigs. Maersk Oil has spent more than USD 1bn per year on exploration, however this investment in finding and developing future sources of production is not capitalised. Maersk Tankers has made divestments significantly decreasing their invested capital.

Development in invested capital Q2, 2012 – Q4, 2013



Invested capital



PORTFOLIO MANAGEMENT

The portfolio optimisation will continue over the next years to enhance the strategic focus of the Group to the eight core businesses. In order to secure the most optimal business portfolio, the Group is assessing the composition of its assets. In connection with this optimisation, the Group participates in acquisitions and divestments of companies and individual assets considering both strategic and opportunistic possibilities. The Group's focus will remain on developing its strong position in

growth markets, and exit businesses that do not support the future strategy and where the Group does not see a reasonable outlook for acceptable returns.

No acquisitions of companies or activities with significant impact to the Group were undertaken in 2013. The focus has primarily been execution of the organic growth plans for the five main strategy pillars.

Execution on Group strategy 2013

Strategic priority	Target / policy	Progress in 2013
Performance management	<ul style="list-style-type: none"> Develop world class businesses that achieve above 10% ROIC over the cycle Top quartile performers in their industry 	<ul style="list-style-type: none"> Five out of eight core businesses achieved a ROIC above 10% Maersk Line now top performer in industry Six out of eight core businesses top quartile performers in their industries
Capital allocation and growth	<p>Portfolio strategy towards 2017 (base Q2 2012):</p> <ul style="list-style-type: none"> 75% of the Group's invested capital to be invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling (71% in Q2 2012) Total invested capital to grow by around 30% 	<ul style="list-style-type: none"> 76% of the Group's invested capital invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling (71% in Q2 2012) Invested capital grew by 3.7% since Q2 2012 78% of all outstanding capital commitments dedicated to growth in Maersk Oil, APM Terminals and Maersk Drilling
Portfolio management	<ul style="list-style-type: none"> Actively manage the portfolio of businesses to ensure focus on the most profitable and least volatile business areas Building a balanced portfolio across several legs Focused capital allocation 	<ul style="list-style-type: none"> Divestments of USD 1.4bn in released cash flow, primarily: <ul style="list-style-type: none"> Divestment of 31.3% stake in DFDS A/S Exit of Handy Gas and Very Large Gas Carriers Established Services & Other Shipping as a core unit, targeting self-funded growth to USD 500m NOPAT
Funding	<ul style="list-style-type: none"> Secure long term commitments Obtain funding from diversified sources Adequate liquidity reserve at all times 	<ul style="list-style-type: none"> Group raised almost USD 3bn in new financing in 2013 Received credit rating of BBB+/Baa1, (stable) from S&P/Moody's Increased liquidity reserve by USD 1.7bn to USD 14.8bn
Delivering increasing value and dividends to shareholders	<ul style="list-style-type: none"> The Group's objective is to increase the nominal dividend per share over time; supported by underlying earnings growth 	<ul style="list-style-type: none"> Dividend per share to be paid out for 2013 is an increase of 17% over 2012, supported by underlying earnings growth of 35% 38% increase in share price in 2013

As part of the Group's priority to optimise the balance sheet for future growth a number of assets and activities have been divested during 2013. The released cash flow totalled USD 1.4bn and was primarily related to:

- Divestment of the 31.3% stake in DFDS A/S with proceeds of USD 291m
- The exit of Handy Gas and Very Large Gas Carriers with proceeds of USD 722m.

Further, the net present value of lease commitments related to vessels on time charter was reduced by USD 1.6bn.

Cash flow from divestments, including discontinued operations, has been USD 7.9bn since 2009 resulting in pre-tax divestment gains of USD 2.5bn.

The Group has in the beginning of 2014 entered into an agreement to divest its 68% stake in Dansk Supermarked Group (DSG). The transaction encompasses two steps: 1) A.P. Møller - Maersk divests 49% in 2014 and retains ownership of 19% in DSG and 2) in 2019 the buyer has a call option and A.P. Møller - Maersk has a put option on the remaining 19% share in DSG currently valued at DKK 5bn. The value of the 49% is DKK 25bn of which DKK 8bn is already deposited with A.P. Møller - Maersk. The remaining DKK 17bn will be received at closing, which is expected during the first half of 2014.

Additionally, Maersk Tankers has as part of its strategy to focus on transport of refined oil products entered into an agreement to divest its fleet of 15 VLCCs, with delivery expected to be completed during 2014 as the carriers come off contracts. Total proceeds from this divestment are around USD 980m.

GROUP PRIORITIES FOR 2014

As the Group continues to invest in growing the businesses in 2014, improving the returns and delivering on projects remains critical to realising the Group potential.

Hence the 2013 priorities of Optimise Balance Sheet for Growth (Project FIT) and deliver on commitments will continue in 2014. The Group also introduces a third, externally-focused priority reflecting the ambition to prepare for the future by developing truly innovative customer solutions. These solutions will help to identify the next steps beyond the mid-term goals for the Group.

Deliver on commitments

The Group has significant investment plans and clear strategic goals in place for 2014. Delivering on commitments will ensure that the Group upholds the reputation as an organisation that delivers on its promises. Each business unit has defined its key commitments for 2014.

Stay FIT

As an asset heavy group, Project FIT is key in ensuring that the Group remains focused on optimising the balance sheet and in lifting returns. In 2013 the Project FIT targets were exceeded with over USD 4bn stemming from divestments and working capital improvements. The Group will continue the efforts and build on these achievements in 2014.

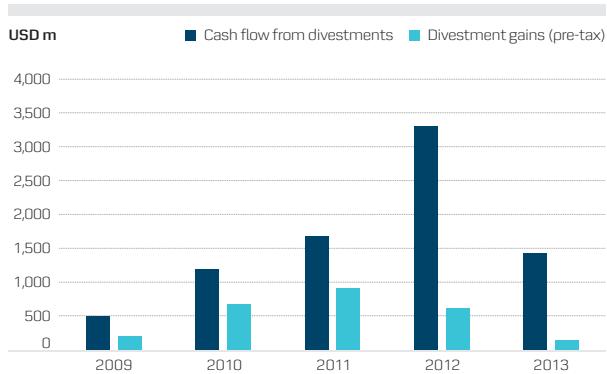
Develop innovative customer solutions

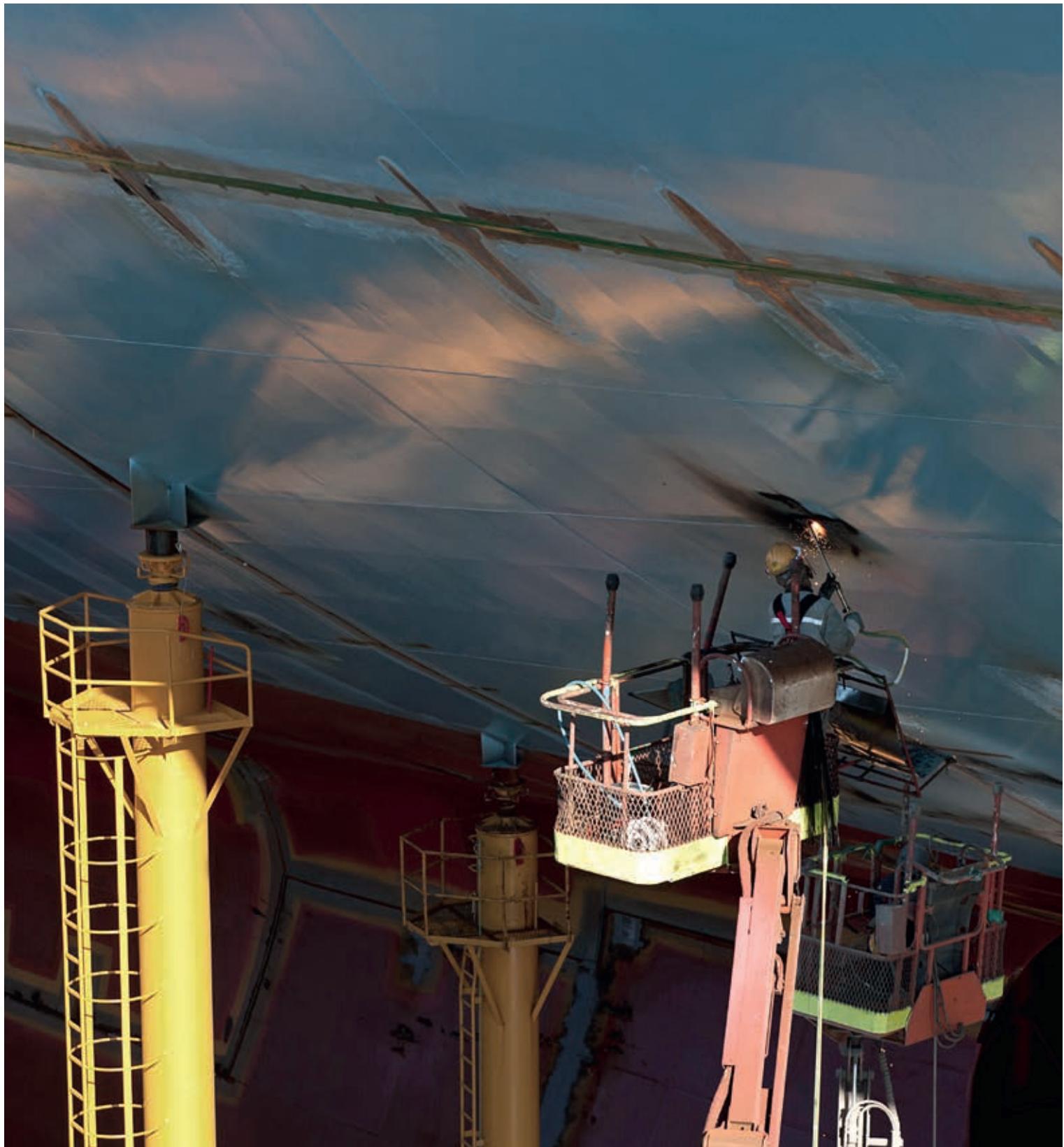
While continuing to optimise the performance, the Group must also build for the future. The third priority is about driving forward products and services that will enhance the Group's competitiveness, differentiate the Group to the customers and ultimately enable the Group to expand beyond the current strategic goals. Throughout the Group, teams are today developing innovative new solutions for the customers.

CAPITAL STRUCTURE

The Group is exposed from asset heavy industries with significant cyclical influence. The level of solidity in all financial aspects has been considered when setting the targets in the capital structure.

Cash flow and gains from divestments





Maersk Line
DSME Shipyard
Okpo, South Korea

"The cradle to cradle passport" will make it possible to recycle 95% of the main components of the vessel to an extent and quality far better than today.

Strong investment grade company

In September 2013, Moody's Investors Service and Standard & Poor's initiated their credit ratings of A.P. Møller - Mærsk A/S by assigning long term credit ratings of Baa1 and BBB+ respectively, both with "stable" outlooks.

A credit rating is a further step in the Group's funding strategy. A.P. Møller - Mærsk A/S issued its first bond in 2009 and was the largest unrated bond issuer in Europe with approximately an equivalent of USD 5bn of bonds outstanding prior to the assignment of the credit ratings. The new credit ratings provide the Group with wider access to investors, particularly in the US bond markets, and are expected to lower future funding costs.

The Group is committed to maintaining a conservative capital structure over the business cycle to ensure continued creditworthiness and has defined financial ratio guidelines in line with a strong investment grade rating:

- Equity/Total Assets \geq 40%
- Equity/Adjusted Total Assets¹ \geq 30%
- Adjusted Funds From Operations/Adjusted Net Debt¹ \geq 30%
- Adjusted Interest Coverage Ratio¹ \geq 4x

¹ Adjusted for operating lease obligations

As of 31 December 2013, the Group is well within the financial ratio guidelines.

The Group's ambition is to remain a strong investment grade company at the current rating level.

Funding

The main elements in the Group's funding strategy, to support growth and secure a sound liquidity profile, are:

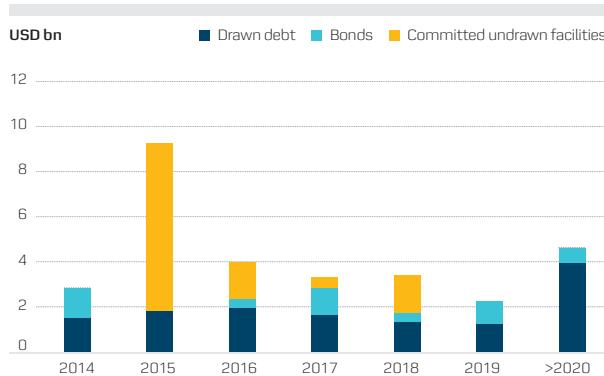
- Secure long term commitments to support business strategy
- Funding obtained from diversified sources ensuring access to funding in volatile times
- Adequate liquidity reserve at all times to support financial flexibility.

At 31 December 2013, the Group's gross interest-bearing debt totalled USD 15.7bn (USD 18.2bn) with net interest-bearing debt of USD 11.6bn (USD 14.5bn). The net interest-bearing debt decreased by USD 2.8bn during 2013 due to strong development in the cash flow from operating activities and divestments. The debt leverage in the Group (net debt/EBITDA) remains within the historic range (0.5 – 2.0).

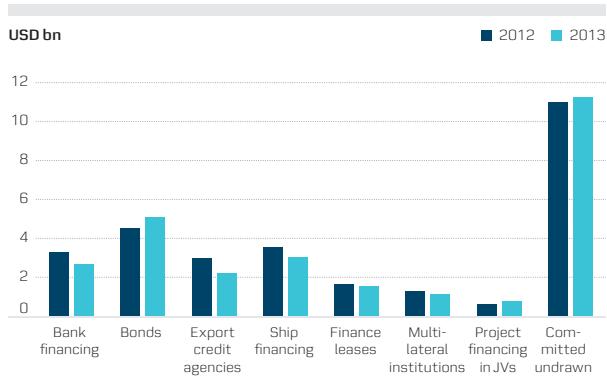
The average cost of funding was 4.0% (4.6%) and at 31 December 2013 the average maturity of loan facilities was about five years (about five years). Amortisations in the coming five years are expected to be approximately USD 2.3bn per year (USD 2.6bn).

The Group raised USD 2.9bn in new financing in 2013 (including new and refinancing of existing undrawn committed facilities) to support net investments of USD 4.9bn (USD 5.8bn), amortisation on the debt portfolio of USD 2.5bn (USD 2.6bn) and net repayment of revolving credit facilities of USD 60m (USD 2.0bn).

Re-payment schedule for loan facilities



Existing loan facilities per 31 December



The Group continues to optimise its funding position, specifically looking at opportunities to repay relatively expensive borrowings due to the Group's strong liquidity position and improved access to the debt capital markets on the back of the credit ratings.

Liquidity reserve

At 31 December 2013, the liquidity reserve, defined as cash and bank balances and securities of USD 3.6bn (USD 2.2bn) and committed undrawn revolving credit facilities of USD 11.2bn (USD 11.0bn), was USD 14.8bn (USD 13.1bn). The increased level of the Group's liquidity reserve was mainly caused by the strong operating cash flow of USD 8.9bn (USD 7.0bn) generated in 2013 partly driven by the execution of a working capital reduction programme. Dividend payment for the year was USD 1.1bn (USD 945m).

During 2013 the Group signed new committed revolving credit facilities of USD 450m and extended committed revolving credit facilities maturing in 2014 of USD 1.2bn. The Group expects in 2014 to refinance its syndicated committed revolving credit facility of USD 6.75bn maturing in September 2015.

Additionally, at 31 December 2013 the Group had financing commitments related to the newbuilding programme of USD 2.5bn and a number of overdraft facilities relating to the daily cash management operations.

The Group is committed to maintaining a conservative funding profile over the business cycle. As a consequence

of the payment schedule of the investments and potential fluctuations in the Group's cash flow, some volatility in the financial profile is expected. Based on the size of the committed loan facilities, including investment specific financing, the maturity of the loan facilities and the capital commitments, the Group's funding and liquidity position is deemed satisfactory.

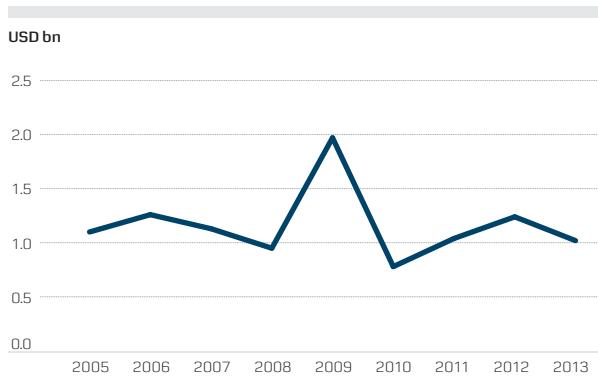
Dividend

Dividend is the Group's primary distribution of capital to our shareholders. The nominal dividend has increased steadily over the last decade. The Group will continue to increase the nominal dividend as long as this is supported by an underlying earnings growth.

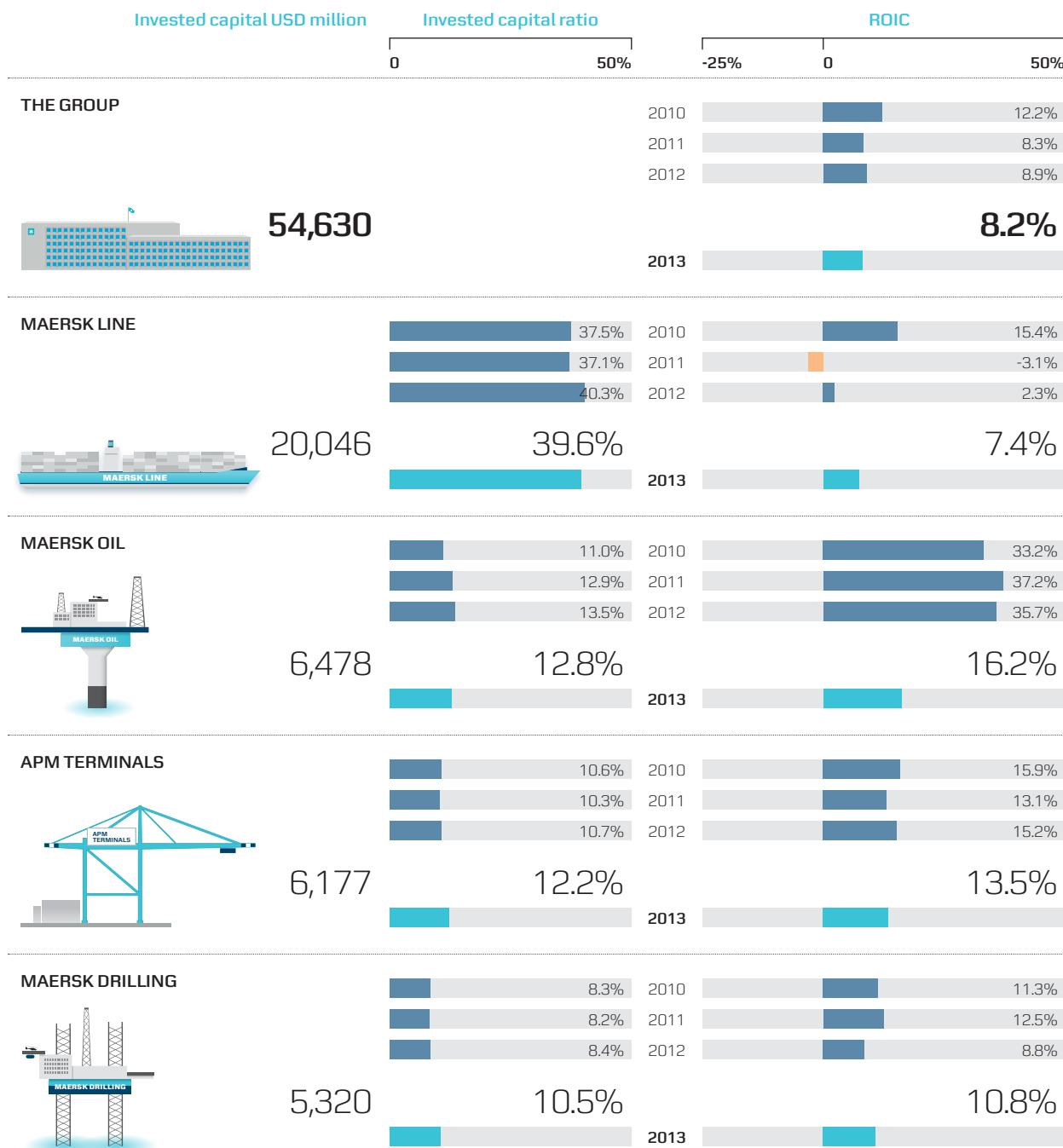
Excess capital

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

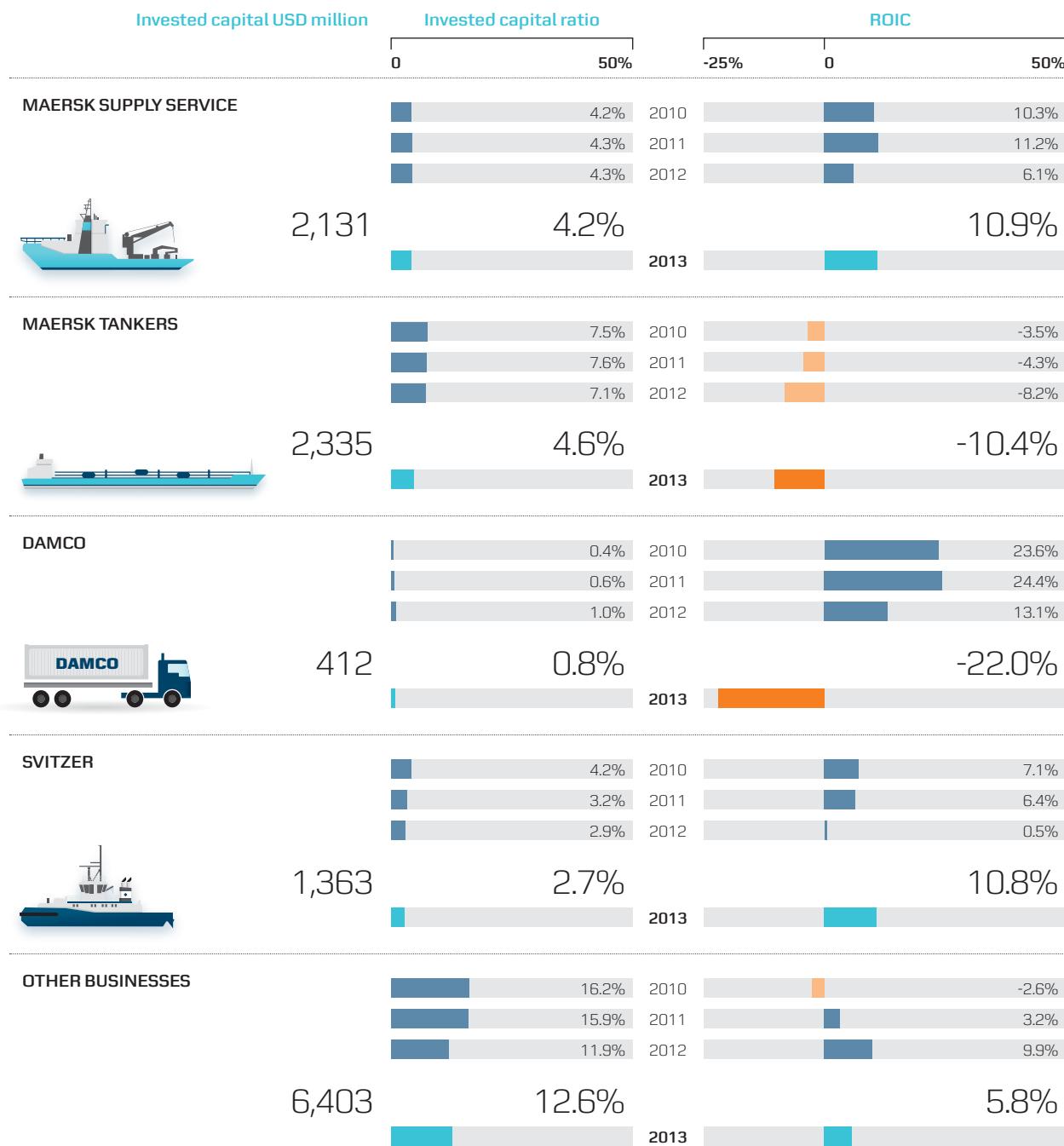
Net interest-bearing debt/EBITDA



Invested capital and ROIC



The Group's invested capital was USD 55bn at the end of 2013 and the return on invested capital after tax (ROIC) was 8.2%. The Group's ambition is to achieve a ROIC above 10% over the cycle.





APM Terminals
Tangier
Morocco

The terminal serves the West Mediterranean market, and it has high productivity and provides ideal access to regional markets.



Segment overview

	DKK million		USD million	
	2013	2012	2013	2012
Revenue				
Maersk Line	147,184	157,119	26,196	27,117
Maersk Oil	51,364	58,833	9,142	10,154
APM Terminals	24,341	24,370	4,332	4,206
Maersk Drilling	11,077	9,749	1,972	1,683
Maersk Supply Service	5,222	5,080	930	877
Maersk Tankers	9,132	11,454	1,625	1,977
Damco	18,049	18,709	3,212	3,229
Svitzer	4,671	4,754	831	820
Total reportable segments	271,040	290,068	48,240	50,063
Other businesses	7,407	13,099	1,318	2,261
Unallocated activities (Maersk Oil Trading)	2,476	4,717	441	814
Eliminations	-14,687	-21,131	-2,613	-3,647
Total	266,236	286,753	47,386	49,491
Profit/loss for the period				
Maersk Line	8,483	2,671	1,510	461
Maersk Oil	5,875	14,164	1,046	2,444
APM Terminals	4,327	4,065	770	701
Maersk Drilling	2,965	2,012	528	347
Maersk Supply Service	1,323	765	235	132
Maersk Tankers	-1,781	-1,825	-317	-315
Damco	-626	320	-111	55
Svitzer	878	43	156	7
Total reportable segments	21,444	22,215	3,817	3,832
Other businesses	1,980	3,728	352	643
Unallocated activities	-4,343	-4,204	-773	-726
Eliminations	-74	9	-13	4
Discontinued operations, after elimination	2,216	1,649	394	285
Total	21,223	23,397	3,777	4,038

Maersk Line



Corporate office	Copenhagen, Denmark
Employees	32,900
Countries	Worldwide
Vessels	584
CEO	Søren Skou

Maersk Line improved its profit in 2013 by USD 1.0bn, delivering a profit of USD 1.5bn (USD 461m), despite increasing imbalance in supply and demand growth resulting in lower freight rates. The improvement was driven by lower unit costs through the continuous focus on operational cost savings mainly from vessel network efficiencies, active capacity adjustments and improved vessel utilisation, and also supported by lower bunker price.

- Profit of USD 1.5bn (USD 461m)
- ROIC of 7.4% (2.3%)
- Average freight rate decreased by 7.2% to 2,674 USD/FFE (2,881 USD/FFE)
- Unit cost decreased by 10.6% to 2,731 USD/FFE (3,054 USD/FFE)
- Volumes increased 4.1% to 8.8m FFE (8.5m FFE)
- Cash flow from operating activities USD 3.7bn (USD 1.8bn)
- Cash flow used for capital expenditure USD 1.6bn (USD 3.6bn).

slow steaming and blanked sailings. Recognised freight revenue was USD 23.7bn (USD 24.5bn) and other revenue was USD 2.5bn (USD 2.6bn).

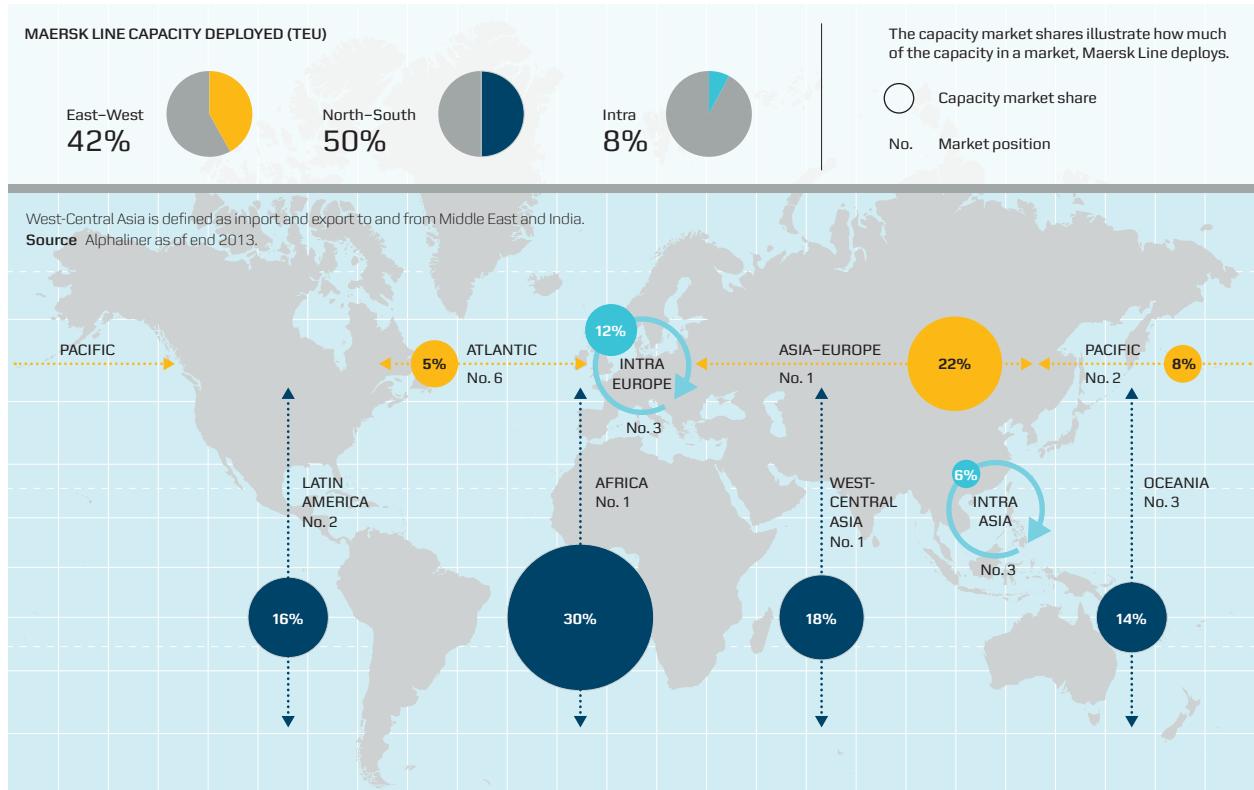
Maersk Line	USD million	
Highlights	2013	2012
Revenue	26,196	27,117
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	3,313	2,179
Depreciation, amortisation and impairment losses	1,780	1,678
Gain on sale of non-current assets, etc., net	38	23
Share of profit/loss in associated companies	-	1
Profit/loss before financial items (EBIT)	1,571	525
Tax	61	64
Net operating profit/loss after tax (NOPAT)	1,510	461
Cash flow from operating activities	3,732	1,793
Cash flow used for capital expenditure	-1,607	-3,550
Invested capital	20,046	20,648
ROIC	7.4%	2.3%
Transported volumes (FFE in million)	8.8	8.5
Average rate (USD per FFE)	2,674	2,881
Unit cost (USD per FFE incl. VSA income)	2,731	3,054
Average fuel price (USD per tonne)	595	661

FINANCIAL PERFORMANCE

Maersk Line followed its strategy to grow with the market and despite 7.2% lower average freight rates, profit improved to USD 1.5bn compared to USD 461m in 2012. The improvement was driven by operational cost savings mainly from vessel network efficiencies and improved utilisation. The result improved the return on invested capital (ROIC) from 2.3% in 2012 to 7.4% in 2013, however still below cost of capital.

Revenue decreased by 3.4% to USD 26.2bn, negatively impacted by a decrease of 7.2% in the average freight rate to 2,674 USD/FFE partly offset by a volume increase of 4.1% to 8.8m FFE. To minimize the impact of the low and volatile freight rate environment Maersk Line continued to absorb capacity by active capacity adjustments throughout the year in the form of idling,

Maersk Line capacity and capacity market shares

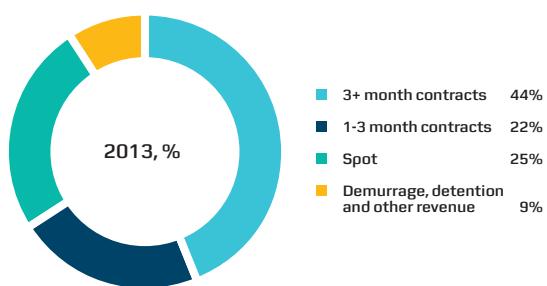


In line with strategy, Maersk Line maintained its market share for the full year with a volume increase of 4.1% compared to 2012. On the main Asia-Europe trades, the head haul volumes increased by 4% while backhaul volumes increased by 3%, to overall growth of 3% compared to 2012. Volumes increased 2% on East-West trades,

4% on North-South trades and 10% on Intra trades compared to 2012. Average freight rates decreased on all trades with 6% decrease in average freight rates for Asia-Europe trades.

Total cost per FFE decreased by 10.6% to 2,731 USD/FFE mainly driven by decreasing bunker consumption and operational cost savings. Maersk Line continued to utilise slow and equal steaming to reduce emissions and despite 4.1% volume growth Maersk line reduced bunker consumption by 12.1%. The bunker price was 9.9% lower in 2013, but total bunker costs decreased by 21.0% to USD 5.3bn compared to 2012.

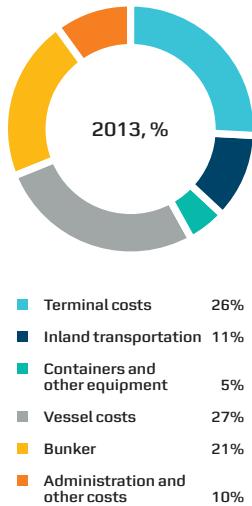
Revenue split



As a result of Maersk Line's strategy to grow with the market combined with cost leadership, Maersk Line managed to deliver a higher than expected EBIT margin gap to peers of around 7.5% point well above the ambition of 5% points EBIT margin above peer average (based on available Q3 2013 year to date data).

Cost split

Distribution of total EBIT cost adjusted for gains/losses and associated companies.



Terminal cost: Cost 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: Cost related to transport of containers inland both by rail and truck.

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

Vessel costs: Cost related to port and canal fees (Suez and Panama), running cost including lubricants 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: Cost related to fuel consumption.

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

Cash flow from operating activities of USD 3.7bn was significantly higher than 2012 driven by improvements in profitability and working capital. Cash flow used for capital expenditure of USD 1.6bn was primarily related to the Triple-E newbuildings and was significantly lower than 2012 (USD 3.6bn), mainly due to decreased container investments leaving a positive free cash flow of USD 2.1bn (negative USD 1.8bn).

Maersk Line's fleet increased by 0.2% to 2.6m TEU total capacity. The fleet consisted of 275 owned vessels (1.6m TEU) and 299 chartered vessels (1.0m TEU) by the end of 2013. The owned fleet was increased by delivery of four Triple-E container vessels, five vessels designed for growth markets in Africa and Latin America trades and purchase of an already chartered vessel. To optimise network costs Maersk Line has in Q4 2013 entered an agreement to terminate 14 finance leased vessels. Five vessels (20,000 TEU) have been redelivered to owners in Q4 2013 and nine vessels (36,000 TEU) will be redelevered in Q1 2014. The chartered fleet was reduced by 27 vessels compared to 2012 and the chartered fleet declined by 8.5% to 1.0m TEU capacity. Idle capacity at the end of 2013 was 47,000 TEU (nine vessels) and corresponds to around 6% of total idle capacity in the market. Maersk Line owns five and charters five multi-purpose vessels.

16 Triple-E vessels suited for the Asia-Europe trade with a capacity of 288,000 TEU are on order for delivery during 2014-2015. No newbuilding orders were placed during 2013.

STRATEGIC FOCUS

Global container demand growth is forecasted to remain modest at 4-5% range in 2014. The challenging demand side is coupled with a significant amount of new tonnage being delivered corresponding to a capacity increase of 9.8% or 1.7m TEU. Thus, without significant capacity adjustments, the container shipping market is most likely expected to see a continued downward pressure on freight rates in 2014.

Maersk Line will continue to grow with the market, and to improve cost leadership and commercial excellence to maintain an EBIT margin of at least 5% points above peer average with a long term objective to deliver stable returns above cost of capital.

In June, Maersk Line, MSC and CMA CGM agreed in principle to establish a long term operational alliance on East-West trades, called the P3 Network. While the P3 Network vessels will be operated independently by a joint vessel operating centre (Network Centre), the three lines will continue to have fully independent sales,

marketing and customer service functions. With the continued delivery of Triple-E vessels the implementation of the P3 Network is a strategic focus for 2014 to improve East-West profitability after initial phase-in costs.

The P3 Parties have carefully reviewed the applicable laws and are cooperating closely with competition and maritime authorities worldwide to provide the information required to obtain regulatory approval. The Network Centre and joint fleet operation intend to start operations mid-2014 pending regulatory approval. P3 represents a unique opportunity to make the P3 parties' container liner shipping more efficient in several ways: It will improve service quality for customers and provide for significantly reduced fuel consumption together with cost reductions and delivering extensive environmental benefits.

To better serve the large and growing market of intra-America, Maersk Line has decided to establish a new and dedicated carrier, SeaLand, with an aim to grow existing Maersk Line intra-Americas business. SeaLand will gain additional flexibility in operations to provide customers with a better service and get a stronger market position. SeaLand will commence operations on 1 January 2015.

INITIATIVES IN 2013

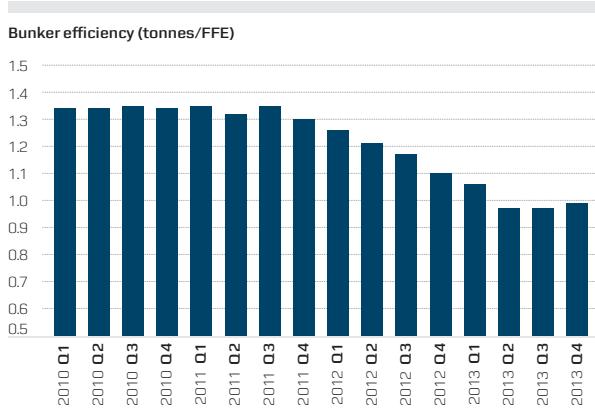
To improve the competitiveness of Maersk Line, five key focus areas were defined for 2013. Overall, Maersk Line is on track with these focus areas and they have successfully supported the improved financial performance.

The **reefer rate restructuring initiative** has been successful in getting reefer rates up, but at the expense of volume, especially on the East-West trades. Overall freight rates have been under pressure and volatile, especially on the Asia-Europe trade, and the **rates and contracting initiative** has proven important to limit the decline in freight rates. The **network cost initiative** and **total unit cost initiative** delivered significant results and total cost reductions are ahead of plan, especially due to a more cost-effective and better utilised vessel network. Through the **volume and market share initiative** Maersk Line managed to keep its market share on par with the level of 2012.

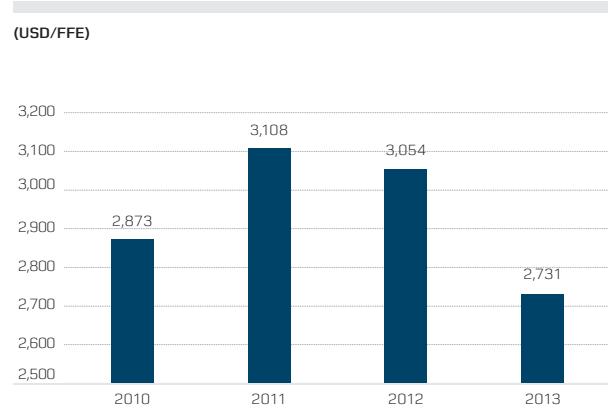
MARKET DEVELOPMENT

The global market for container demand grew around 3.5% in 2013 compared to 2012. While the global container market grew only 1-2% in Q1 2013 compared to Q1 2012, demand growth steadily improved during the rest of the year ending at around 4% growth in Q4. Above all, westbound Asia-Europe container demand improved during 2013 with volumes 7-8% higher in H2 2013 compared to the same period in 2012.

Bunker consumption



Unit costs



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

For the full year 2013, the total Asia-Europe trade increased 5%, while volumes on the transpacific trade grew 2%.

Container trade was also affected by the fact that a range of emerging countries' foreign exchange rates lost value against the US dollar in 2013, leading to more expensive imports for these countries while exports became more price-competitive.

Above all, imports to South Africa from Asia and North America struggled on that account and container demand declined slightly. Container imports to West Africa, on the other hand, increased in particular imports from Asia and Middle East were strong. In Latin America, container market activity was weaker than normal as South-bound trades from Europe and North America was affected by the weak economic growth in Argentina, Brazil and Mexico.

The nominal increase in capacity from deliveries of new container vessels was 8.4% in 2013. Even though the industry managed to reduce the effective capacity growth through slow steaming and scrappings it was not quite enough to balance it with the modest overall head-haul demand growth and deteriorations of the global supply/demand balance. Moreover, the equivalents of 1.9m TEU new container vessels were ordered during 2013 leading to an increase of the container vessel orderbook in Q3 and Q4 for the first time since Q2 2011.

Global container freight rates followed a declining trend in 2013 reflecting the challenging supply/demand development.

OUR EMPLOYEES

Teamwork, focus and simplicity were re-emphasised in January 2013 as behaviours that Maersk Line needs to amplify in order to succeed in delivering financial performance improvements and a longer-term transformation of Maersk Line into a sustainable value creating top quartile performer.

In supporting the strategy, Human Resources' focus is on embedding the above three cultural amplifiers in the business and daily work. Human Resources will act as a lever for Maersk Line's transformation by developing an engaged, capable and high-performing workforce driving the business objectives.

INNOVATION

Maersk Line continues to invest in innovation focused on safety, cost effectiveness, delivering better services and environmental improvements. The ECO Retrofit Technology Programme has assisted to improve the vessel efficiency with short pay-back periods of 1-2 years. Retrofit initiative examples include:

- Optimised hydrodynamics through changing bulbous bow optimised for the actual operational performance
- Elevation of navigation bridge to increase the carrying capacity
- Installation of economisers on auxiliary engines for utilisation of waste heat
- Installation of frequency control of large pumps and ventilators.

Additionally, Maersk Line continues to work with key suppliers to develop innovative solutions to further reduce fuel costs, increase fuel flexibility and cost effective compliance.

SUSTAINABILITY

Maersk Line facilitates global trade at continuously lower CO₂ footprint. The average CO₂ emission per container-kilometre has been cut by more than one third (34%) since 2007, and Maersk Line is well underway to achieving a 40% CO₂ reduction target by 2020. In 2013, CO₂ emissions per container-kilometre dropped by 12% compared to 2012, which is directly related to the consistent efforts to reduce fuel costs. Main initiatives driving the improved CO₂ performance were: network and speed optimisation; technical upgrading of vessels; change of behaviour and the deployment of new and more efficient vessels, such as the Triple-E vessels.

Maersk Line experienced increased attention to sustainability performance from customers. In 2013, large customers representing around 19% of transported volumes have requested tailored sustainability information as part of their business relationship with Maersk Line.

Maersk Line's air pollutants such as sulphur oxides (SO_x) and nitrous oxides (NO_x) have also been reduced mainly due to less consumed fuel. From 2015, the permitted sulphur content in fuel will be lowered to 0.10% in so-called Emission Control Areas in North Europe and North America. Maersk Line plans to comply by switching to cleaner fuels while alternative technical solutions have proven unviable.

A stable and reliable supply chain is very important to Maersk Line. In 2013, Maersk Line continued the efforts to enrol suppliers in Maersk's Responsible Procurement Programme.

Maersk Line accepts no forms of corruption in conducting business. Controlling facilitation payments are high on the agenda and remain a great challenge in many parts of the world. In 2013, Maersk Line has focused the anti-corruption efforts on training of employees as well as reporting of incidents.

SAFETY PERFORMANCE

The lost time injury frequency (LTIF) for 2013 was 0.71 (0.76) per million working hours.

Fleet overview

Fleet	TEU		Number of vessels	
	2013	2012	2013	2012
Own container vessels				
0–2,999 TEU	105,432	103,805	58	57
3,000–4,699 TEU	393,277	403,042	95	98
4,700–7,999 TEU	268,696	268,732	41	41
8,000 TEU	815,609	704,050	81	74
Total	1,583,014	1,479,629	275	270
Chartered container vessels				
0–2,999 TEU	413,755	425,852	214	220
3,000–4,699 TEU	52,392	120,525	13	29
4,700–7,999 TEU	272,959	276,998	43	46
8,000 TEU	308,726	321,673	29	31
Total	1,047,832	1,145,048	299	326
Own and chartered container vessels	2,630,846	2,624,677	574	596
Own and chartered multi purpose vessels	-	-	10	12
Newbuilding programme (own vessels)				
3,000–4,699 TEU	-	9,000	-	2
4,700–7,999 TEU	-	26,100	-	3
8,000 TEU	288,000	360,000	16	20
Container vessels total	288,000	395,100	16	25

Maersk Oil



Corporate office	Copenhagen, Denmark
Employees	4,100
Platforms / FPSOs	77 / 3
Entitlement share of production	235,000
CEO	Jakob Thomasen

Maersk Oil's key focus has been safe operations, exploration and progressing major projects towards production start, including Al Shaheen in Qatar, Chissonga in Angola, Johan Sverdrup in Norway, and Culzean in the UK. The reinstatement of the Gryphon FPSO, UK and the continued ramp up of El Merk, Algeria returned Maersk Oil's entitlement production to growth from late 2013.

- Profit of USD 1.0bn (USD 2.4bn). The 2012 profit included one-off income of USD 1bn from settlement of an Algerian tax dispute and a divestment gain in Brazil
- ROIC of 16.2% (35.7%)
- Entitlement production declined by 9% to 235,000 boepd (257,000 boepd); however production has been increasing from late 2013
- Average oil price was USD 109 per barrel (USD 112 per barrel)
- Exploration costs were USD 1.1bn (USD 1.1bn)
- Cash flow from operating activities was USD 3.2bn (USD 3.9bn)
- Cash flow used for capital expenditure was USD 1.8bn (USD 2.0bn).

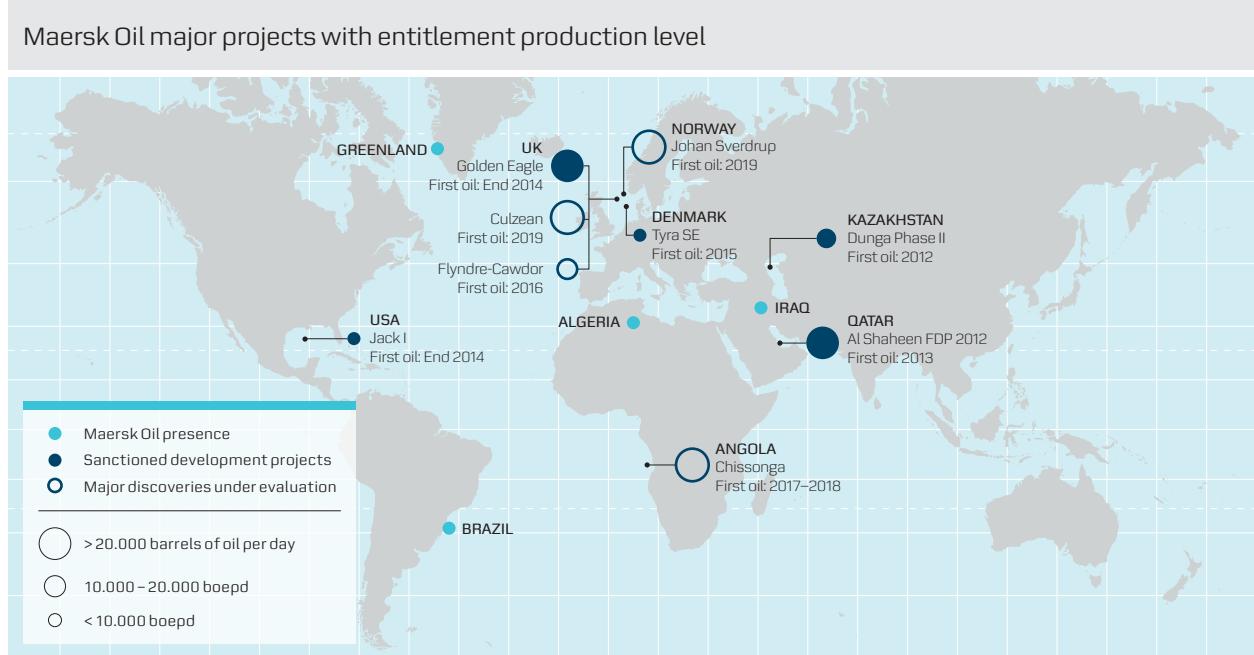
Gryphon FPSO, UK and the ramp up of production from the El Merk fields, Algeria.

Highlights	USD million	
	2013	2012
Revenue	9,142	10,154
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	5,760	7,156
Depreciation, amortisation and impairment losses	1,668	1,895
Gain on sale of non-current assets, etc., net	-	109
Share of profit/loss in associated companies	-42	-42
Profit/loss before financial items (EBIT)	4,050	5,328
Tax	3,004	2,884
Net operating profit/loss after tax (NOPAT)	1,046	2,444
Cash flow from operating activities	3,246	3,857
Cash flow used for capital expenditure	-1,800	-1,959
Invested capital	6,478	6,920
ROIC	16.2%	35.7%
Exploration costs	1,149	1,088
Average share of oil and gas production (thousand barrels of oil equivalent per day)	235	257
Average crude oil price (Brent) (USD per barrel)	109	112

FINANCIAL PERFORMANCE

Maersk Oil's profit was USD 1.0bn (USD 2.4bn) and the return on invested capital (ROIC) was 16.2% (35.7%). The result was USD 1.4bn lower than 2012 where one-off gains from tax income of USD 899m in Algeria and a USD 91m divestment gain in Brazil positively affected the result.

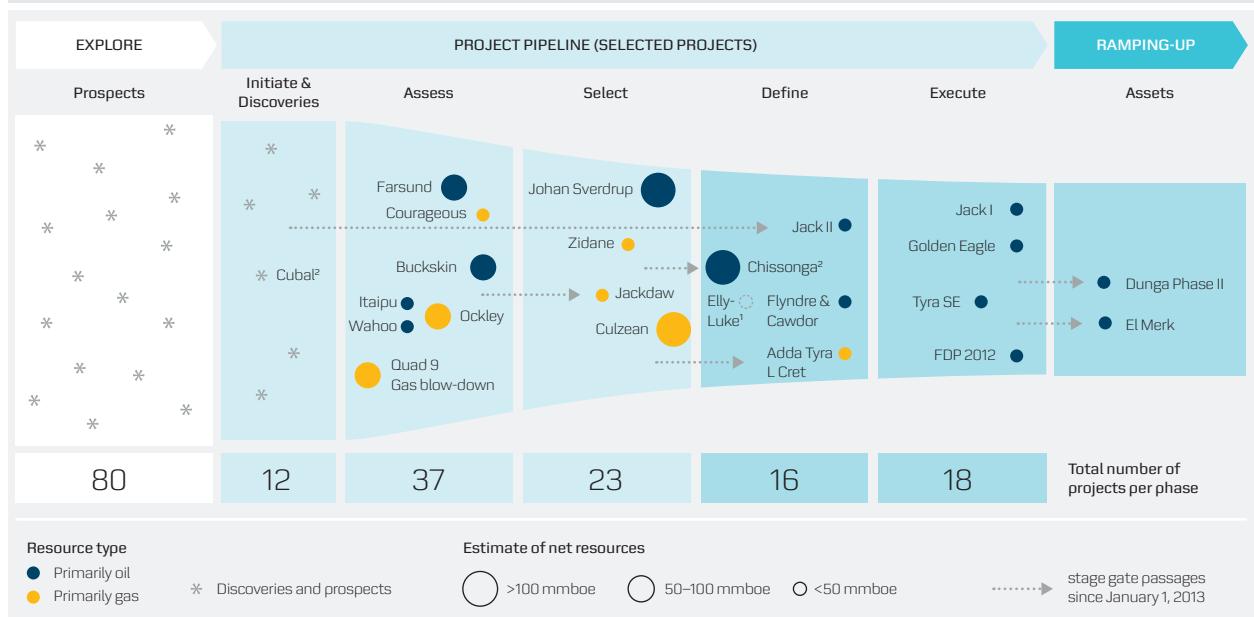
A lower average oil price of USD 109 per barrel (USD 112 per barrel) and lower entitlement production 235,000 boepd (257,000 boepd) negatively impacted the result. However, the entitlement production returned to growth from late 2013 mainly due to reinstatement of the



Exploration and production are global activities for Maersk Oil. The target is to have a diverse and promising project pipeline and opportunities are found throughout the globe. From the Arctic waters of Greenland where projects are in early exploration stages with seismic surveys to appraisal drilling in the North Sea on the Johan Sverdrup discovery and to production in the El Merk desert of Algeria.

From early evaluation of many prospects to drilled discoveries of carefully selected targets and through the evaluation and engineering phases prior to production lie thousands of man hours and a timespan easily reaching a decade.

Maersk Oil – the migration from prospect to producing asset



¹ Maersk Oil, in agreement with the partners, decided to relinquish the Elly-Luke project in 2013.

² The Cubal discovery made in the second half of 2013 has now been included in the field development plan for Chissonga.

STRATEGIC FOCUS

Maersk Oil remains focused on building and managing the portfolio in line with entitlement production growth targets and double-digit returns on investment through to the end of the decade. In the short to mid-term this will be achieved by delivering on a number of projects. Longer term, sustainable production will also be achieved through maturing exploration prospects and through discoveries to production; this process typically takes longer than five years. In general, Maersk Oil aims at investing in areas where it can add value through experience in extracting oil and gas from tight reservoirs such as chalk or with high pressure/high temperature conditions or in deep water.

In 2014, particular focus will be to continue to mature the substantial number of development projects that are being executed currently or being progressed towards approval.

With current development plans and exploration activities, Maersk Oil has planned annual development capital expenditure in the range of USD 3-5bn against USD 1-3bn in recent years, in order to build the portfolio.

INITIATIVES IN 2013

Maersk Oil has exploration and production activities in 11 countries with producing assets in six of these.

The return of the Gryphon FPSO, UK to full production and the continued ramp up of El Merk in Algeria reversed the decline in Maersk Oil's entitlement from late 2013.

Work progresses according to plan towards production start-up in late 2014 on Golden Eagle, UK and the Jack field, US Gulf of Mexico. In Qatar the first well has been drilled as part of the latest Al Shaheen Field Development Plan, FDP2012, and in Denmark, the Tyra South East development plan was approved.

Development plans for Chissonga, Angola and the combined Flyndre/Cawdor project, UK were submitted to authorities for approval. 25 exploration/appraisal wells were completed, including two successful Cubal wells in Angola and six successful appraisal wells at Johan Sverdrup in Norway. The other 17 wells were under evaluation or assessed not to be commercially viable by the end of 2013 which was a result below expectation.

Maersk Oil increased its focus in the Kurdistan region of Iraq, where a 5-well exploration work programme was ongoing by the end of 2013 in the Sarsang licence area. In addition, acquisition of two new licence areas in the **Piramagrun** and **Qala Dze** blocks was approved by the local authorities.

RESERVES AND RESOURCES

Maersk Oil's reserves and resources are estimated according to international standards (Society of Petroleum Engineers' Petroleum Resources Management System) and the reserves are independently audited. The yearly update of Maersk Oil's reserves and resources as per end of 2012 showed entitlement reserves and resources (2P+2C) of 1.36bn barrels of oil equivalent (1.38bn boe) including proved and probable (2P) reserves of 0.62bn barrels of oil equivalent (0.59bn boe). 2013 reserves and resources numbers will be released together with the financial results for Q1 2014.

PRODUCTION

Entitlement production in 2013 was 235,000 boepd (257,000 boepd). The lower production was mainly due to natural production decline in the maturing fields across the portfolio and the entry of the Danish state-owned North Sea Fund as partner with 20% interest in the Danish Underground Consortium in mid-2012. Although the 9% decline was slightly higher than expected, the reinstatement of the Gryphon FPSO, UK and the continued ramp up of El Merk, Algeria returned the entitlement production to growth from late 2013.

Daily entitlement production in **Qatar** was 99,000 boepd (103,000 boepd). The reduction was due to lower cost recovery and in line with expectations.

Entitlement production in **Denmark** was 70,000 boepd (91,000 boepd). The reduction was mainly caused by the natural decline in production from mature fields and the entry of the Danish state-owned North Sea Fund as partner. In addition, the entitlement production was impacted by a planned shut-down for reconfiguration of the Tyra asset to allow higher gas production to commence at the end of 2013.

In the **UK**, entitlement production was 30,000 boepd (28,000 boepd) positively affected by the reinstatement of the Gryphon FPSO in mid-2013.

Algeria experienced an upward trend in the entitlement oil production reaching 28,000 boepd (27,000 boepd) from ramp up of the El Merk Fields in the second half of the year, offset by the decline in production from mature assets.

In **Kazakhstan** and **Brazil** the levels of entitlement production from 2012 of 3,000 and 5,000 boepd respectively were maintained in 2013.

DEVELOPMENT

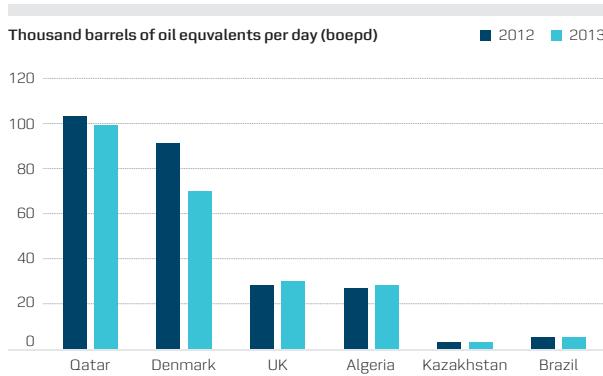
The key focus for Maersk Oil is to deliver the development projects that are being executed or being progressed towards approval. These include major projects such as Al Shaheen in Qatar, Chissonga in Angola, Johan Sverdrup in Norway, El Merk in Algeria and Culzean in the UK.

The USD 1.5bn **Al Shaheen FDP2012** development plan in Qatar was initiated and the first of 51 planned wells has been completed. The project continued according to plan and preparations for the next major development step is progressing with Qatar Petroleum.

In Angola, the **Chissonga** field development plan was submitted to the authorities in Q3 2013. The adjacent Cubal discovery in 2013 was included in the development plan to be developed as part of the overall Chissonga project.

The concept for first phase of the **Johan Sverdrup** development in Norway was selected in February 2014. First oil is expected in late 2019, initially with a capacity of 315,000 boepd and a later plateau production estimated at 550,000-650,000 boepd. Maersk Oil holds 20% interest in Licence PL501, one of the three licences encompassing the Johan Sverdrup discovery.

Entitlement share of production



El Merk, Algeria commenced production in 2013 with all four of the fields on-line by the end of the year. Maersk Oil's entitlement of the production reached 15,000 boepd by the end of 2013.

The **Culzean** gas project, UK, was progressed towards submission of a development plan in 2015. The **Golden Eagle** Area Development project also in the UK continued to progress on budget and on schedule for first oil by end 2014. The combined **Flyndre / Cawdor** project, UK was submitted to authorities for approval.

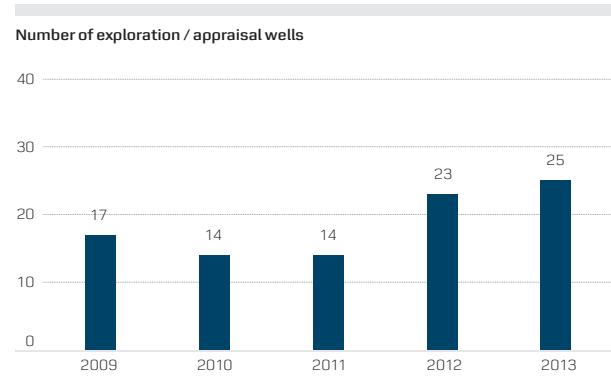
In the US Gulf of Mexico, work continued according to plan to commence production from the first development stage in the **Jack** deepwater field by the end of 2014. A second stage is planned for later production start-up.

The **Dunga** Phase II project in Kazakhstan is progressing with 72 wells out of 198 planned wells completed with gradual ramp up of production expected over the next four years.

EXPLORATION

In 2013, 25 (23) exploration/appraisal wells were completed in Angola, Brazil, Denmark, Iraq (Kurdistan), Norway, Qatar, UK and the US. The wells included two successful Cubal wells in Angola and six successful appraisal wells at Johan Sverdrup in Norway. The exploration drilling result for the year was below expectation as 15 of the other wells were assessed not to be commercially viable. Further, the **Itaipu** and **Wahoo** fields in Brazil, acquired in 2012 with significant intangible assets of USD 2.3bn, were still under evaluation by the end of 2013.

Exploration, number of wells drilled





Maersk Oil
Dunga field
Kazakhstan

More than 70 out of the 198 wells were drilled by end 2013 on the Dunga field development at Maersk Oil's onshore production in Kazakhstan. The oil field is Maersk Oil's only operated onshore acreage and is located close to the Caspian Sea on the Kazakh Steppe.

In Kurdistan, Maersk Oil has increased its activities. In the **Sarsang** licence, a 5-well exploration programme is ongoing with expected completion in 2014. Furthermore, in late 2013 Maersk Oil acquired a 40% interest in the **Piramagrun** and **Qala Dze** licences with exploration drilling ongoing at end of 2013.

In the US Gulf of Mexico, exploration drilling on the **Oceanographer** prospect and appraisal drilling on the **Buckskin** discovery were ongoing by end of 2013.

OUR EMPLOYEES

In the increasing complexity of the upstream oil industry, Maersk Oil benefits from its demographic profile with a healthy blend of juniors, mid-careers and experienced technical professionals. This constitutes a strong base to address common industry challenges such as timely delivery of major projects, development of local leaders, and talent attraction and retention.

Alumni from MITAS (Maersk International Technology and Science Programme) have reached critical mass and play an important role in delivering synergies between disciplines, functions and geographies.

The development of local leaders demands constant focus and understanding of local culture and motivation. For example Maersk Oil in Kazakhstan today has 76% Kazakhs in leadership positions. Similarly a newly launched "Qatarisation" strategy will accelerate the development of Qatari leaders. The coming year, a specific project manager development programme will further support the project delivery performance.

All the initiatives are being supported by global processes regarding talent identification, monitoring and development, and mapping against critical positions.

INNOVATION

In early 2013, Maersk Oil (on behalf of the Danish Underground Consortium) entered into an agreement with the Danish Government to establish a new research and technology centre at the Technical University of Denmark. The new centre, named the Danish Hydrocarbon Research & Technology Centre, is planned to employ close to 100 researchers, focused on developing technical solutions which can increase the recovery of oil and gas from the Danish North Sea. The agreement runs for 10 years with a total budget of DKK 1bn. The inauguration of the center will take place mid-2014.

In late 2013, Maersk Oil also entered into an agreement with the Nano-Science Center at University of Copenhagen and Højteknologi Fonden. A jointly financed project aims to develop new methods to obtain detailed information on the oil and gas reservoirs through micro-particles recovered during well-drilling. If successful, the methods will allow Maersk Oil to obtain significant cost savings during the appraisal phase of discoveries, while at the same time acquiring more and better data than currently possible.

Maersk Oil is pursuing a strategy of protecting inventions and was in 2013 granted patents for six of these. The Company now holds patents for 19 inventions in total and has applications pending for 62 more.

SUSTAINABILITY

For the past three years, Maersk Oil has carried out a culture change programme involving global training, leadership responsibility, employee engagement and safety awareness.

Maersk Oil has processes in place to prevent oil spills. Should an oil spill, however occur, an effective response plan is in place. The plans specify requirements in areas such as well control, containment, mechanical recovery, dispersant application and response personnel. In 2013, Maersk Oil experienced two onshore oil spills of substance in Kazakhstan; however, both were contained with minimal environmental impact.

Social investments are supported for example through building a health clinic in Kazakhstan, diabetes initiatives in Qatar and the drilling of water wells and sponsoring of agricultural projects in Angola.

SAFETY PERFORMANCE

Maersk Oil experienced no fatalities and had 22 lost time injuries in 2013, underlining the relevance of the constant high focus on safety performance.

The lost time incidents frequency (LTIF) for 2013 was 0.89 (0.75) per million working hours.

A continued focus on safety culture and behaviours is ongoing to embed lessons learned and address root causes from incidents across the organisation. Maersk Oil also undertook a detailed analysis of high potential incidents from the last two years and process safety integrity reviews conducted in the operated units. The learnings will be used to drive improvements in, for example, asset integrity and reliability, organisation and documentation, risk management and the identification and understanding of root causes. Action plans to address the high priority actions across Maersk Oil's business have been prepared and will be a priority focus in 2014-2015.

APM Terminals

APM TERMINALS  Lifting Global Trade.

Corporate office	The Hague, The Netherlands
Employees	20,300
Countries	68
Terminal operations	65
Inland operations	166
CEO	Kim Feijer

APM Terminals delivered an increase in profit. The expansion into high growth markets continued, exemplified by projects in Mexico, Peru, Brazil, Ivory Coast, Nigeria, Russia and China. APM Terminals continued to work on developing attractive customer propositions as well as driving continuous improvement in operational efficiency.

- Profit of USD 770m (USD 701m)
- ROIC was 13.5% (15.2%)
- Cost savings programme delivered reductions of more than USD 100m
- Number of containers handled increased by 3% to 36.3m TEU (35.4m TEU), boosted by additions to the portfolio
- New terminal projects were secured in Izmir, Turkey and Abidjan, Ivory Coast
- Global Ports Investments PLC (in which APM Terminals holds a co-controlling stake) acquired NCC Group Limited, a competing terminal operator in the Russian Baltic region
- The jointly owned Brasil Terminal Portuario in Santos, Brazil commenced operations
- Cash flow from operating activities was USD 923m (USD 910m)
- Cash flow used for capital expenditure was USD 841m (USD 1.3bn).

The number of containers handled by APM Terminals (weighted with APM Terminals' ownership interest) increased by 3% compared to 2012. Volumes from customers outside the Group grew by 7%.

APM Terminals	USD million	
Highlights	2013	2012
Revenue	4,332	4,206
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	892	871
Depreciation, amortisation and impairment losses	297	283
Gain on sale of non-current assets, etc., net	70	117
Share of profit/loss in joint ventures	93	100
Share of profit/loss in associated companies	68	59
Profit/loss before financial items (EBIT)	826	864
Tax	56	163
Net operating profit/loss after tax (NOPAT)	770	701
Cash flow from operating activities	923	910
Cash flow used for capital expenditure	-841	-1,297
Invested capital	6,177	5,495
ROIC	13.5%	15.2%
Containers handled (measured in million TEU and weighted with ownership share)	36.3	35.4

FINANCIAL PERFORMANCE

APM Terminals delivered an increased profit of USD 770m (USD 701m) and a return on invested capital of 13.5% (15.2%), reflecting improved underlying performance but also a higher asset base due to the continued high investment level.

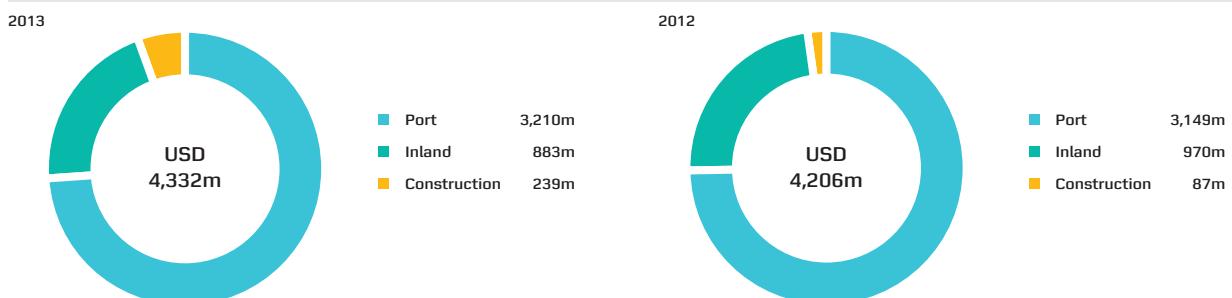
APM Terminals' operations and new projects

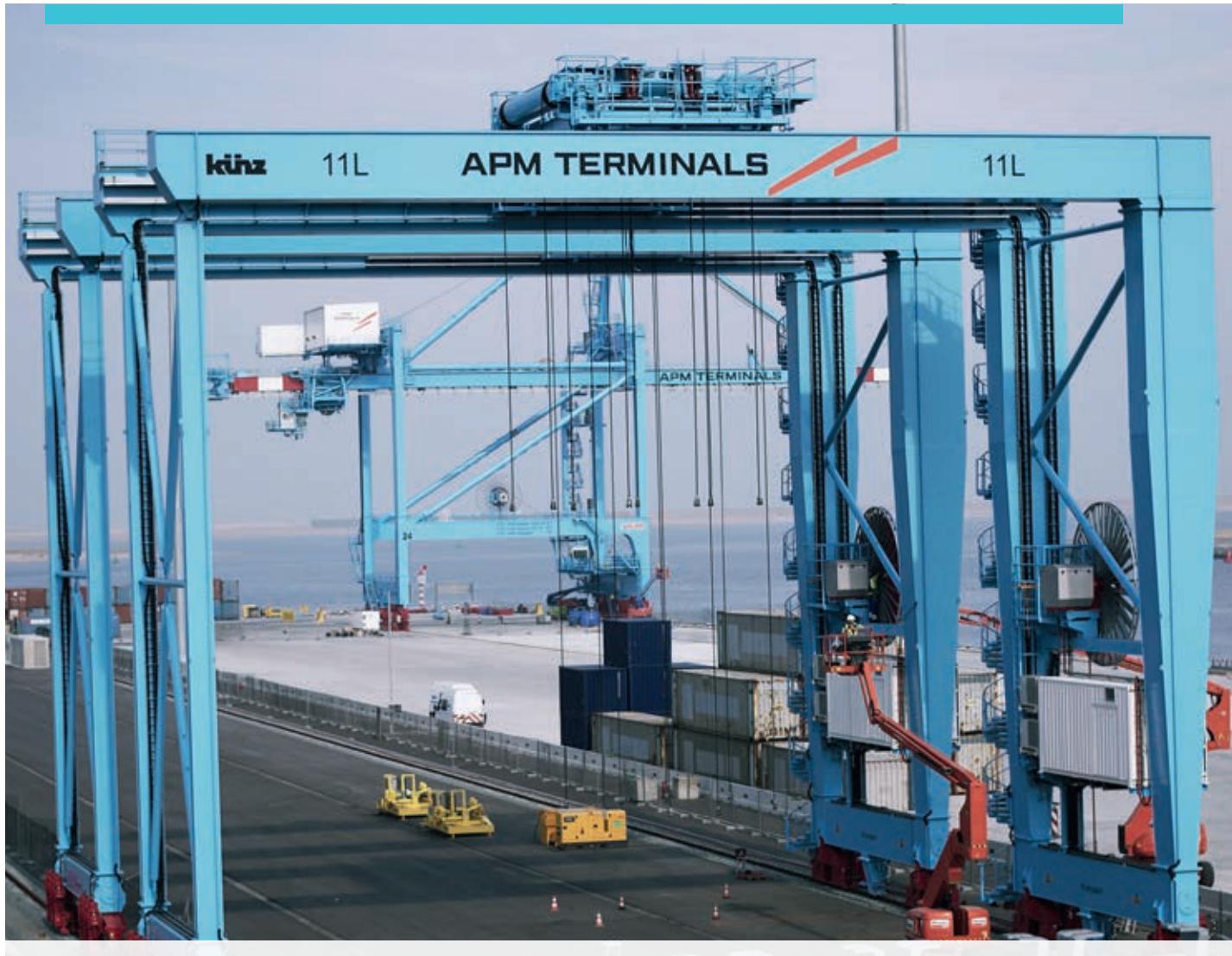


Total revenue increased by 3% due to higher volume and increased construction revenue on behalf of certain concession grantors. Excluding construction revenue, port revenue grew broadly in line with volume growth. Inland revenue was impacted by the divestments of the Maersk Equipment Service Company Inc., USA (MESC) in 2012, and Bridge Terminal Transport Inc., USA in 2013.

Operations in emerging markets faced inflationary cost pressures. However, excluding the construction revenue, the EBITDA margin improved by 0.6%. This was mainly due to a cost savings programme which delivered cost reductions of more than USD 100m primarily through operational efficiencies and retendering of several supplier contracts.

Revenue split





APM Terminals
Maasvlakte II
Rotterdam, The Netherlands

APM Terminals is building the terminal of the future in Rotterdam. Opening in 2014, the facility will be the first fully automated container terminal in the world with zero emissions from container handling equipment and capable of handling the largest ships in the world.

Pre-tax gains of USD 70m were partly achieved through the divestment of 70% of Brigantine Group in Hong Kong, China.

Tax at USD 56m was USD 107m lower than in 2012. The charge in 2012 was high due to exceptional items such as tax on divestment gains.

The invested capital increased to USD 6.2bn (USD 5.5bn) reflecting the continued high investment level in APM Terminals, including the development of new terminals

in Santos, Brazil, and Maasvlakte II, the Netherlands as well as various expansion projects. In total more than 3m TEUs of additional container handling capacity was added to the APM Terminals network in 2013 (more than 1.3m TEUs at APM Terminals' equity share).

STRATEGIC FOCUS

For APM Terminals the strategic focus is unchanged with the aim to become the leading port and inland operator in the world by 2016. APM Terminals will secure this position by serving the global shipping lines and

cargo owners in long term partnerships through safe and excellent operations and by actively managing the portfolio and developing port infrastructure and inland services in high growth markets.

APM Terminals is actively pursuing an investment strategy with focus on growth markets. 41 out of 65 container terminals operate in growth markets and in 2013 more than 80% of EBITDA was generated in these markets.

The expected market growth rate for 2014 is 4-5%. APM Terminals aims for above market volume growth rates, supported by new additions to the portfolio and various commercial drives.

INITIATIVES IN 2013

APM Terminals continued to work on developing attractive customer propositions. Volumes from 3rd party customers reached 50% of the total in 2013 (48%).

The higher productivity achieved in 2012 was maintained throughout 2013. A further improvement is targeted for 2014.

APM Terminals remains committed to driving continuous improvement in operational efficiency. A recent study on global port and terminal productivity released by the US-based Journal of Commerce Group, and based on data from the first half of 2013, has named five facilities from the APM Terminals Global Terminal Network among the world's 10 most productive container terminals.

MARKET DEVELOPMENT

The global container terminal market measured in TEU increased by 3% during 2013 (Drewry).

The shipping industry is trending towards more global alliances and larger vessels, with an associated cascading of bigger vessels down the shipping lanes. Port operators can expect to handle fewer but larger calls, placing additional demands on port infrastructure. APM Terminals is well placed to take advantage of these developments in the market.

PORTFOLIO

APM Terminals and Turkey-based Petkim entered into an agreement to build and operate **Aegean Gateway Terminal, Izmir** – one of Turkey's largest container and general cargo terminals. Operations are expected to start in summer 2015. The initial investment for the container terminal is approximately USD 400m. APM Terminals will have the right to operate the port for a period of 28 years which may be extended. The terminal will be capable of handling vessels with capacity over 10,000 TEU.

Global Ports, the leading operator of container terminals in Russia and in which APM Terminals holds a co-controlling share, completed an agreement to acquire a competing operator, NCC Group Limited. The transaction has diluted APM Terminals' ownership share to 30.75% in the combined entity. The enlarged Global Ports will operate seven container terminals, with a total marine container handling capacity of approximately 4m TEU's, located both around the Baltic Sea and the Russian Far East. Global Ports is now the largest container terminal operator in Russia.

The jointly owned **Brasil Terminal Portuario in Santos, Brazil** commenced operations during Q3 2013. This was eight months later than expected due to delays in getting the necessary permits issued. Operations are in a

Portfolio

APM Terminals	Number of terminals	Number of new terminal projects	Average remaining concession length in years	Equity weighted crane lifts in million TEU		
				2013	2012	Change
Americas	14	2	17	7.0	7.2	-3%
Europe, Russia and Baltics	19	3	30	10.8	10.2	7%
Asia	17	1	26	10.9	10.8	1%
Africa and Middle East	15	1	19	7.6	7.2	5%
Total	65	7	24	36.3	35.4	3%

ramp up phase. The facility is equipped with eight Ship-to-Shore cranes operating over 1,100 meters of quay.

APM Terminals opened the 600 metres re-constructed quay in **Monrovia, Liberia**. The re-construction was completed on time and within budget.

APM Terminals divested 70% of the **Brigantine Group in Hong Kong, China** at the end of the year.

OUR EMPLOYEES

To maintain a position as an attractive employer to the existing global workforce as well as to future employees, APM Terminals continued in 2013 to focus on diversity by enhancing the inclusive work environment, developing and leveraging female talent, and strengthening the leadership pipeline in growth markets. APM Terminals has incorporated "Diversity & Inclusion" in both the curriculum and selection processes for all of the leadership development programmes.

To stay ahead in a very dynamic business environment, APM Terminals is ensuring a constant learning environment for all employees. To further strengthen the capabilities of leaders, APM Terminals launched several leadership programmes with a focus on enhancing leadership capabilities at all levels of the organisation.

INNOVATION

When Maasvlakte II in Rotterdam, The Netherlands opens end 2014, it will be the most automated terminal in the world. However, many of the systems and technologies being implemented in this terminal will also be utilised at APM Terminals' new project at Lazaro Cardenas, Mexico. This is scheduled to open in mid-2015, and will be the first automated container terminal in Latin America.

Lazaro Cardenas will feature fully automated electric yard stacking cranes and shuttle carriers will be used for transport between the yard cranes and Ship-to-Shore cranes.

Automation of key processes in terminal operations improves safety by enabling a better segregation of people from heavy machinery. Automation also provides the foundation for consistently high productivity.

SUSTAINABILITY

APM Terminals' sustainability strategy focuses on four core areas:

- Health, Safety and Security
- Environment
- Responsible Business
- Social Responsibility.

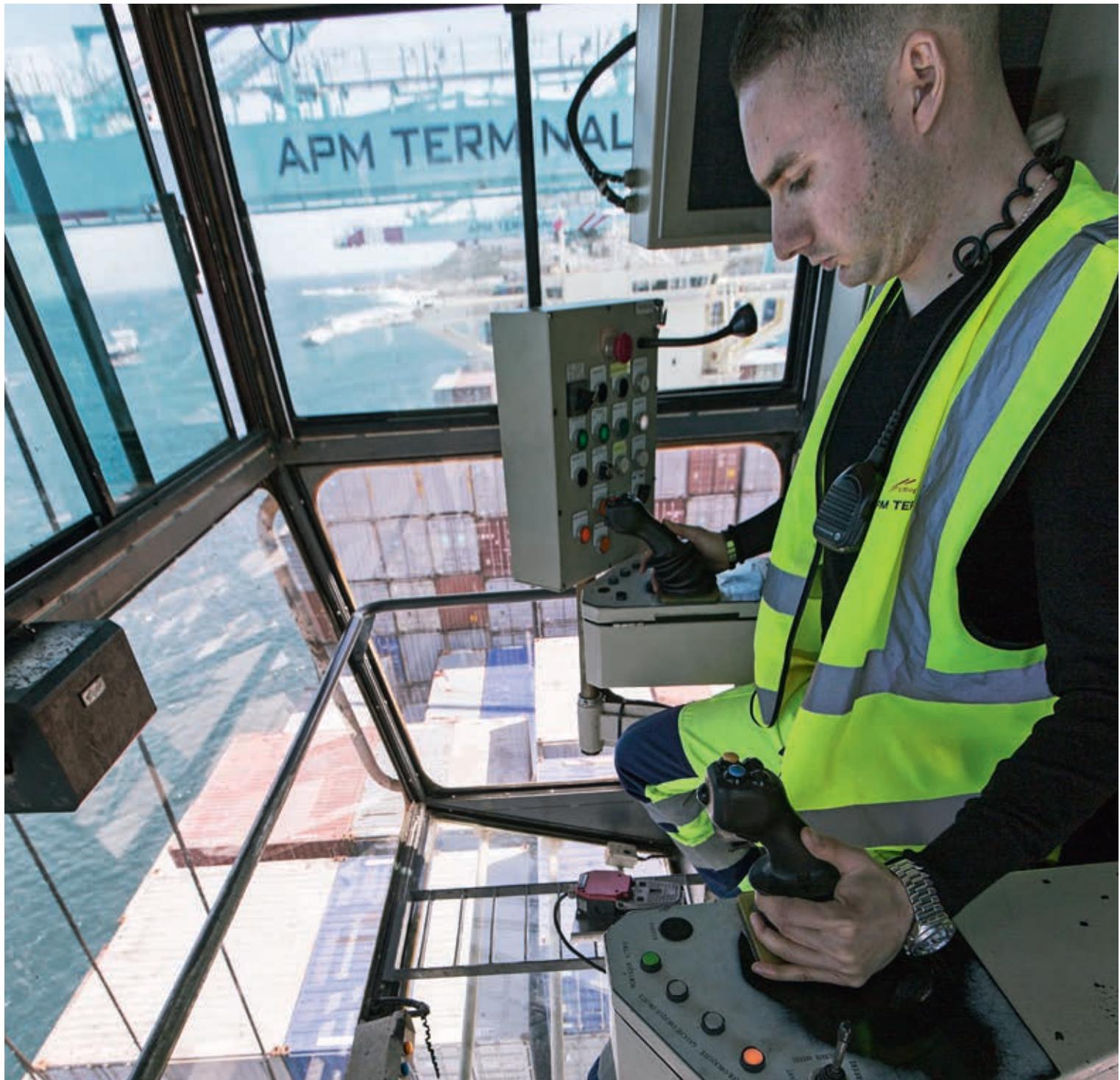
For each core area programmes have been developed to address specific topics and the needs of various stakeholders. These sustainability programmes are integrated into the business and are managed within the functional departments to which they relate.

APM Terminals saw a reduction in fatal accidents from 10 in 2011 to three in 2013 following significant investments in safety activism, systematic training of the workforce and management involvement. In a busy container terminal, the key safety risks are traffic, working at heights, objects being dropped and stored energy. These four risks – among others – are being addressed by APM Terminals' global minimum requirements. Action plans have been created to complete identified gaps, and 97% of these actions were completed on time. Action plans exist to complete the remaining 3%. APM Terminals also increased the number of terminal inspections and reviews.

Also in 2013 APM Terminals completed a global sustainability self-assessment. The aim of the self-assessment was to gather information from the local businesses to review the material sustainability issues and to improve visibility on the sustainability performance over the portfolio. This important input has contributed to the development of the global sustainability strategy and the next steps in sustainability.

SAFETY PERFORMANCE

The lost time incidents frequency (LTIF) for 2013 was 1.81 (2.53) per million working hours.



APM Terminals
Tangier
Morocco

Berth productivity requires significant planning,
coordination and execution.



Maersk Drilling



Corporate office	Copenhagen, Denmark
Employees	4,000
Offices	13
Countries	13
Rigs	26
Newbuildings	8
CEO	Claus V. Hemmingsen

Maersk Drilling reported a historically high profit of USD 528m (USD 347m) driven by increased operational uptime. With high forward contract coverage and an order book of eight large rigs with delivery in 2014-2016, Maersk Drilling is on track towards its strategic aspiration of delivering a profit of USD 1bn by 2018.

- Profit of USD 528m (USD 347m)
- ROIC was 10.8% (8.8%) and excluding assets under construction ROIC was 15.9% (10.4%).
- Forward contract coverage of 94% for 2014 and 70% for 2015
- Operational uptime averaged 97% (92%)
- Cash flow from operating activities was USD 775m (USD 597m)
- Cash flow used for capital expenditure was USD 1.5bn (USD 555m).

Further, Maersk Drilling holds a 50% investment in the joint venture Egyptian Drilling Company, which owns and operates 66 rigs, the main part being land rigs. The profit contribution amounted to USD 19m (USD 0m).

Two yard stays for planned surveys and upgrades were completed in 2013. The yard stays were completed on

FINANCIAL PERFORMANCE

Maersk Drilling delivered a profit of USD 528m (USD 347m) and a return on invested capital (ROIC) of 10.8% (8.8%). The increase in profit of USD 181m compared to 2012 was mainly due to higher operational uptime, full utilisation of all rigs and higher dayrates and effective cost management for rigs in operation.

Throughout 2013, all of Maersk Drilling's 16 jack-up rigs and floaters, the 10 drilling barges in Venezuela and the managed semi-submersible rig have been on contract. Maersk Drilling's operational uptime in 2013 averaged 97% (92%). For the floating rigs the operational uptime averaged 96% (85%), while the operational uptime for the jack-up rigs averaged 97% (95%).

Maersk Drilling owns and operates 10 drilling barges on Lake Maracaibo in Venezuela, which in 2013 generated revenue of USD 195m (USD 194m).

Maersk Drilling	USD million	
	2013	2012
Revenue	1,972	1,683
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	863	638
Depreciation, amortisation and impairment losses	239	197
Gain on sale of non-current assets, etc., net	4	-
Share of profit/loss in joint ventures	19	0
Profit/loss before financial items (EBIT)	647	441
Tax	119	94
Net operating profit/loss after tax (NOPAT)	528	347
Cash flow from operating activities	775	597
Cash flow used for capital expenditure	-1,517	-555
Invested capital	5,320	4,283
ROIC	10.8%	8.8%
Operational uptime	97%	92%



time and budget. Two yard stays planned for 2013 were postponed and will not be completed until beginning of 2014. For 2014, Maersk Drilling has an extensive yard stay programme where further six rigs will have surveys and upgrades.

By the end of 2013, Maersk Drilling's forward contract coverage was 94% for 2014, 70% for 2015 and 53% for 2016. The total revenue backlog for Maersk Drilling by the end of 2013 amounted to USD 7.9bn (USD 7.0bn).

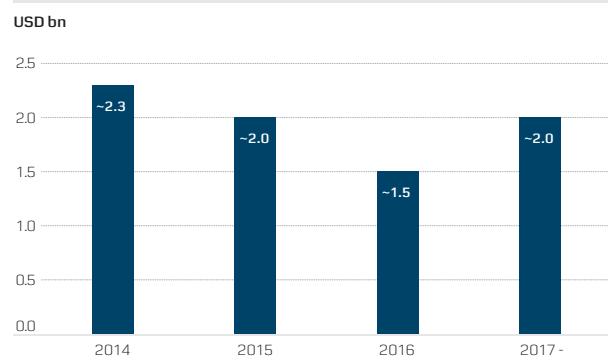
As a consequence of the significant growth and taking many new rigs into operation, Maersk Drilling expects additional costs associated with training and start-up

of operations, USD 20-30m per rig, which will negatively impact the result in 2014 and 2015.

STRATEGIC FOCUS

Maersk Drilling's overall business objective is to become a significant and stable contributor to the Group with a profit in excess of USD 1bn by 2018, while conducting incident free operations. This will be achieved by developing and growing the business within the ultra deep-water and ultra-harsh environment segments.

Revenue backlog, end 2013



Annual revenue backlog figures reflect upcoming yard stays.

Contract coverage per segment

Segment	2014	2015
Ultra-harsh environment jack-up rigs (Norway)	100%	83%
Premium jack-up rigs	97%	62%
Ultra deepwater and midwater rigs	86%	63%
Total	94%	70%



Maersk Drilling
Maersk Viking
South Korea

Maersk Viking is the first in a series of four ultra deepwater drillships to enter Maersk Drilling's rig fleet. The four drillships represent a total investment of USD 2.6bn and will be delivered from the Samsung Heavy Industries shipyard in 2014.

The focus areas for growth are Norway, where Maersk Drilling will leverage its market leading position in the ultra-harsh jack-up market, and the deepwater regions in the US Gulf of Mexico and West Africa where Maersk Drilling aims to build strong positions.

In order to provide a solid basis for its growth strategy, Maersk Drilling aims to maintain high forward contract coverage to ensure a high degree of earnings visibility.

The main risks to Maersk Drilling's performance and strategy execution relate to operational performance, cost inflation as well as execution of newbuilding projects and yard stays for existing rigs. On longer terms, Maersk Drilling will be exposed to fluctuations in oil prices.

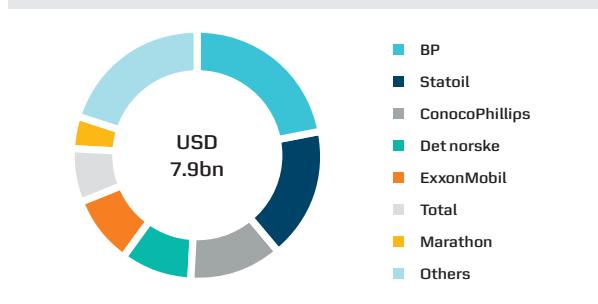
In line with the strategy, Maersk Drilling has in 2013 started to look into divesting its drilling barge activities in Venezuela.

CONTRACTS SIGNED IN 2013

Maersk Drilling signed several new contracts in 2013 of which the major are:

- A five year contract for operations in Norway for a newbuilding ultra-harsh environment jack-up rig, XL Enhanced 4, with an estimated contract value of USD 812m. The contract commences mid-2016 after delivery from the yard.
- A two-year contract extension for the newbuilding ultra-harsh environment jack-up rig, XL Enhanced 2. The estimated value of the two-year contract extension is approximately USD 280m.
- A one year fixed contract for Maersk Giant for operation in Norway. The estimated contract value is USD 137m. The contract is expected to commence in mid Q3 in 2014.

Revenue backlog by customer, end 2013



MARKET DEVELOPMENT

The oil price has averaged above USD 100 per barrel in 2013, and thus continued to provide support for the oil companies' exploration and development activities.

Norwegian jack-up market

The Norwegian jack-up market remained strong with full utilisation throughout the year and is expected to remain tight in the years ahead. Currently no jack-up rigs are available until fourth quarter 2014. Day rates are around USD 425,000 for newbuilding ultra-harsh jack-up rigs, and older jack-up rigs have secured rates just below USD 400,000.

International jack-ups

The market for international premium jack-up rigs continues to benefit from the fact that oil companies prefer newer rigs due to the safety and efficiency gains offered. Premium jack-up rigs enjoy high utilisation and day rates have stabilised in excess of USD 200,000 in the North Sea and around USD 170,000 in South East Asia. In general, demand for premium jack-up rigs looks set to remain healthy, with many long term duration projects commencing in 2014.

Ultra deepwater floaters (7500ft+)

The ultra deepwater market was characterised by full utilisation in 2013 and day rate levels peaked at around USD 600,000 with some variations across regions and countries reflecting differences in operating cost levels and taxes. In 2014, the ultra deepwater market will experience intensified competition due to a number of uncontracted rigs entering the market while several operators have postponed commencement for a large number of the longer term projects from 2014 to 2015 and beyond.

NEWBUILDING PROGRAMME

Maersk Drilling has ordered an ultra-harsh environment jack-up rig in 2013 to be delivered in 2016, backed by a long duration customer contract. Maersk Drilling has since 2011 committed total investments of USD 5.2bn.

Currently, Maersk Drilling has eight rigs under construction. The order book includes four ultra-harsh environment jack-up rigs, which will be delivered between 2014 and 2016 as well as four ultra deepwater drillships to be delivered during 2014. The newbuilding programme is on budget, however, five of the eight rigs

under construction are delayed by two to four months per rig due to interruptions in the delivery of certain equipment and services from sub suppliers.

Of the eight rigs under construction, contracts have already been secured for six of the rigs totalling a contract backlog of 24 rig years and estimated revenue backlog around USD 4.1bn.

OUR EMPLOYEES

Maersk Drilling needs 1,450 new employees to manage the eight rigs under construction. The core component of recruiting so many people is to enlarge the internal talent pool through drilling trainee programmes and apprenticeship.

Individual and team training is conducted through a structured training programme, which includes the use of the most advanced offshore drilling simulator in the world. To ensure a safe and efficient operation of the new rigs, the teams on the new units will be a combination of experienced employees and new hires enabling an effective integration of new employees.

INNOVATION

In 2013, Maersk Drilling and BP signed a partnership agreement to develop conceptual engineering designs for a new breed of advanced technology offshore drilling rigs that will be critical to unlocking the next frontier of deepwater oil and gas resources.

BP and Maersk Drilling will collaborate on concepts for deepwater drilling rigs that can operate in high pressure/high temperature reservoirs up to 20,000 pounds per square inch (PSI) and 350 degrees Fahrenheit. The agree-

ment is part of BP's Project 20K™, a multi-year initiative to develop next-generation systems and tools for deepwater exploration and production that are beyond the reach of today's technology, which has a technical limit of 15,000 psi pressure and temperatures of 250 degrees Fahrenheit.

BP estimates that application of this technology across its own global portfolio alone could potentially access an additional 10-20 billion barrels of resources.

SUSTAINABILITY

Approximately 90% of new hydrocarbon production in the next 20 years will come from developing countries. Many of these countries have introduced local content requirements into the governmental and regulatory frameworks and in formal local stakeholder expectations that govern natural resource developments. The purpose is to create jobs, promote enterprise development and acquire new skills and technologies.

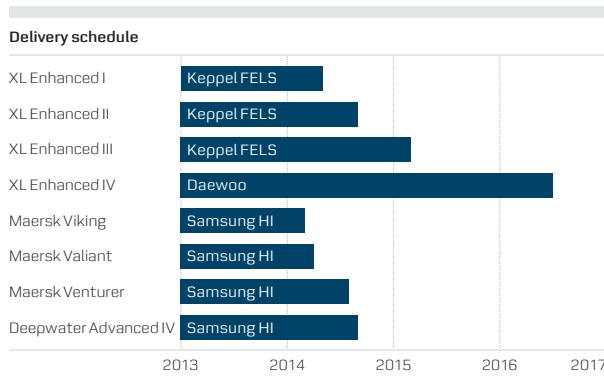
As an example of Maersk Drilling's operations in Angola, the local staffing requirement is 70%. Training is an essential part of achieving this goal. In 2013, Maersk Drilling embarked on a process of hiring local employees directly instead of using a manning agency, amongst others to ensure competencies and to build loyalty.

SAFETY PERFORMANCE

The lost time injury frequency (LTIF) for 2013 was 1.61 (1.12) per million working hours.

The increase in the LTIFs is disappointing even in spite of being in line with industry safety performance. A number of initiatives have been implemented in order to improve the safety performance.

Maersk Drilling's newbuilding programme



Fleet	2013	2012
Jack-up rigs	12	12
Semi-submersible rigs	4	4
Drilling barges	10	10
Total	26	26

Newbuilding programme

Jack-up rigs	4	3
Drillships	4	4
Total	8	7



Maersk Drilling
Maersk XL Enhanced
Singapore

Maersk Drilling is currently building the world's most advanced jack-up drilling rigs, the Maersk XL Enhanced 1, 2, 3 and 4. The rigs are purpose-built for operating in the ultra-harsh environment of the North Sea, and their technical features are state-of-the-art.



Maersk Supply Service



Corporate office	Copenhagen, Denmark
Employees	2,900
Offices	8
Vessels	98
CEO	Carsten P. Andersen

Maersk Supply Service delivered a significantly improved result of USD 235m in 2013 and has updated their strategic plans.

- Profit of USD 235m (USD 132m)
- ROIC of 10.9% (6.1%)
- Cash flow from operating activities of USD 436m (USD 305m).

The improved result for 2013 was mainly due to higher utilisation and improved operational margins.

Maersk Supply Service had good coverage going into 2013 with key strategic markets still being Africa, Brazil, Canada, Australia and the North Sea, where the majority of the fleet is employed.

The North Sea market generally improved compared to 2012 and particularly the market for large anchor handling tug supply vessels (AHTS), whereas the platform supply vessel (PSV) market was more balanced in 2013. Internationally, activity increased especially in Brazil at the end of the year with a number of new tenders being launched. A number of extensions and new contracts were concluded in other key markets.

The general newbuilding activity slowed down in 2013. Most orders were placed in the PSV segment where the order book is already significant whereas orders in the AHTS segment were few. A number of Subsea Support Vessel newbuildings were ordered.

As part of the ongoing portfolio optimisation, four older AHTS were sold in 2013. The order book, currently counts two AHTS for delivery in 2014 and 2015 built for the Canadian market and optimised for the local operating

profile with focus on environmentally friendly operations. As part of the new long term strategy "0 incidents and +10% return", Maersk Supply Service is looking at further focusing on the AHTS and Subsea Support Vessel segments.

Within the emergency response and rescue segment and the offshore wind segment, Esvagt achieved nearly full utilisation in 2013 and all time high turnover and profit. Esvagt took delivery of two vessels during 2013

Highlights	Maersk Supply Service		USD million
	2013	2012	
Revenue	930	877	
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	421	319	
Depreciation, amortisation and impairment losses	170	173	
Gain on sale of non-current assets, etc., net	5	-4	
Share of profit/loss in joint ventures	-1	-	
Profit/loss before financial items (EBIT)	255	142	
Tax	20	10	
Net operating profit/loss after tax (NOPAT)	235	132	
Cash flow from operating activities	436	305	
Cash flow used for capital expenditure	-140	-214	
Invested capital	2,131	2,206	
ROIC	10.9%	6.1%	



Maersk Supply Service
Maersk Achiever
Angola

The vessel is a subsea offshore support vessel, currently trading in Angola. The vessel has a strong safety record wherein it passed a milestone of 10 years with LTI-free performance in 2013 since its delivery in 2003.

bringing the total fleet up to 37 vessels. To strengthen the foot-hold in the offshore wind segment, Esvagt ordered two purpose built vessels in July 2013 against long term contracts.

Contract coverage for 2014 is 56% and 32% for 2015 excluding options for all segments combined.

SAFETY PERFORMANCE

The lost time incidents frequency (LTIF) for 2013 was 0.15 (0.74) per million working hours.

Fleet	2013	2012
Anchor handling vessels	45	49
Supply vessels	13	13
Emergency, response and rescue vessels	37	35
Other vessels	3	3
Total	98	100

Newbuilding programme

Anchor handling vessels	2	2
Emergency, response and rescue vessels	4	4
Total	6	6

Maersk Tankers



Corporate office	Copenhagen, Denmark
Employees	3,100
Offices	6
Countries	6
Vessels	130
CEO	Morten H. Engelstoft

Maersk Tankers completed the divestments

of the Liquefied Petroleum Gas (LPG) fleet in 2013 and reached agreement in January 2014 to divest its 15 Very Large Crude Carriers (VLCC). The divestment supports Maersk Tankers' strategy to focus on transport of refined oil products.

- Loss of USD 317m (loss of USD 315m)
- ROIC was negative by 10.4% (negative by 8.2%)
- Impairment losses and provision for onerous contracts totalling USD 297m (USD 238m)
- Invested capital reduced by USD 1.3bn
- Divestment of the VLGC and Handygas segments
- Agreement reached in 2014 to sell 15 owned VLCCs
- Cash flow from operating activities was USD 223m (USD 126m).

The result for 2013 was a loss of USD 317m (loss of USD 315m). The result includes impairments and provisions for onerous contracts of net USD 297m (USD 238m) and restructuring costs of USD 36m (USD 2m). Excluding one-off items, the result was USD 8m (loss of USD 80m). The improved results were apart from cost reductions driven by improved TCE earnings in the Gas and Product segments, offset by lower TCE earnings in the VLCC segment.

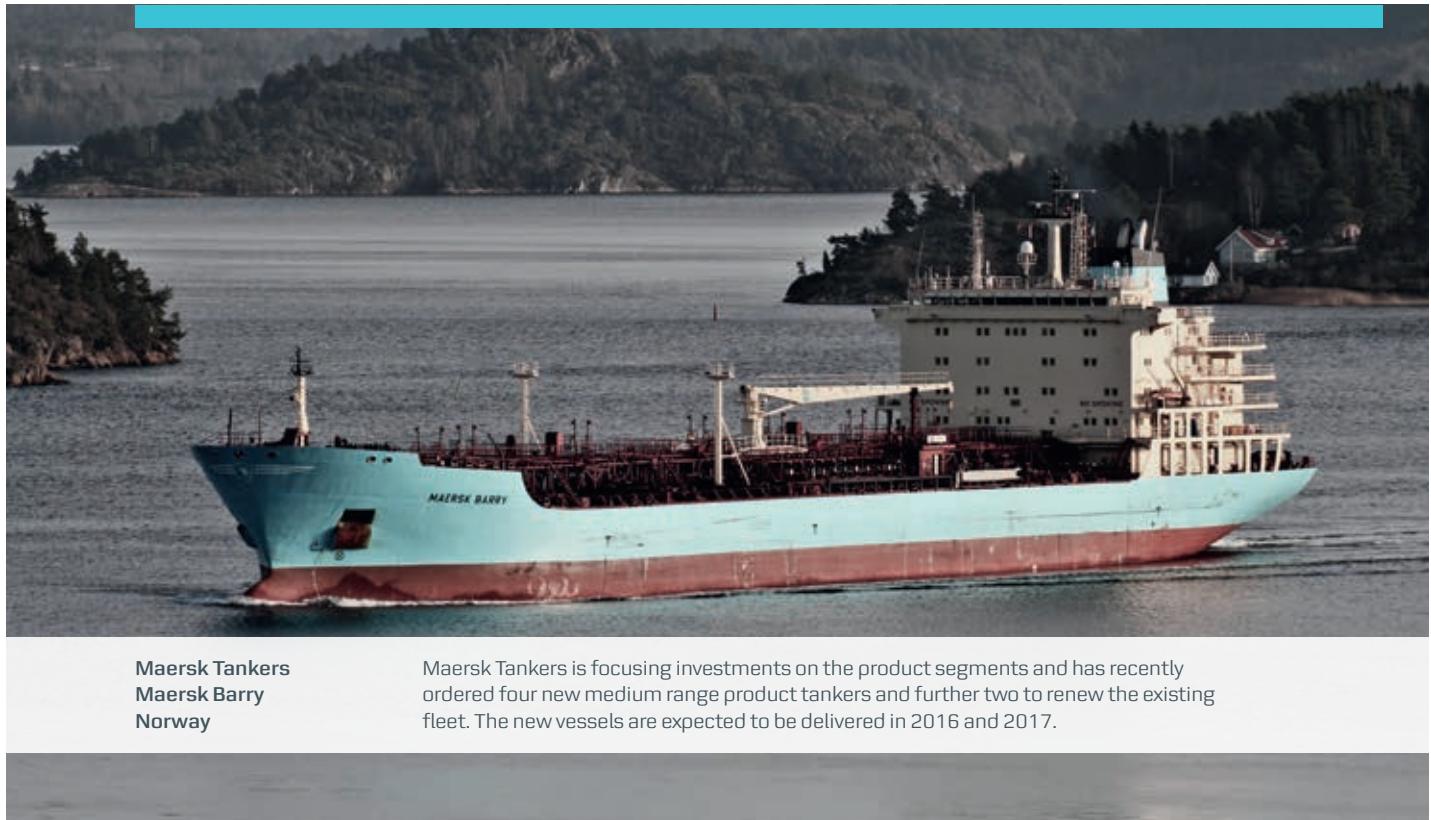
Maersk Tankers has in 2013 focused on several initiatives to improve profitability. Significant savings have been achieved, of which a reduction in bunker consumption of 3% per day compared to 2012 is the main driver.

In line with the strategy to focus on product tanker segments, Maersk Tankers divested the Very Large Gas Carriers (VLGC) fleet in 2013. The divestment involved five owned and six time chartered gas carriers, concluding the exit from liquefied petroleum gas (LPG) shipping.

Maersk Tankers reached agreement in January 2014 to sell the fleet of 15 VLCCs for delivery in 2014. With the sale, the remaining VLCC business consists of six bare-boat chartered VLCCs with average 5.9 years remaining.

The sale of the LPG and VLCC segments supports Maersk Tankers strategy to focus on transport of refined oil products. To renew the product fleet, Maersk Tankers has ordered four MR vessels for delivery in 2016 and has ordered another two in February 2014.

Highlights	Maersk Tankers		USD million
	2013	2012	
Revenue	1,625	1,977	
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	21	214	
Depreciation, amortisation and impairment losses	348	536	
Gain on sale of non-current assets, etc., net	8	8	
Share of profit/loss in joint ventures	-	1	
Profit/loss before financial items (EBIT)	-319	-313	
Tax	+2	2	
Net operating profit/loss after tax (NOPAT)	-317	-315	
Cash flow from operating activities	223	126	
Cash flow used for capital expenditure	748	-461	
Invested capital	2,335	3,633	
ROIC	-10.4%	-8.2%	



Maersk Tankers
Maersk Barry
Norway

Maersk Tankers is focusing investments on the product segments and has recently ordered four new medium range product tankers and further two to renew the existing fleet. The new vessels are expected to be delivered in 2016 and 2017.

During 2013 seven product carriers, one VLCC and 16 LPGs were sold and delivered to new owners, and 11 time chartered vessels were redelivered to the owners.

The product tanker segments experienced stronger demand growth than in 2012. However, vessel supply continued to hold back significant market improvements across all segments. The MR segment experienced improvements on the back of increasing US exports to Europe and the aftermath of Hurricane Sandy. The Handy segment experienced a flat market development mainly on the back of a weak European core market. The LR2 segment had a weak year with declining European naphtha exports to Asia combined with a strong increase in vessels competing for cargoes in the clean product market.

In general, crude shipping had a weak year. Previous years' strong Chinese storage related imports remained absent and US imports from West Africa largely disappeared as domestic production of shale oil increased. Only towards the end of the year, the market experienced a temporary, positive development driven by port delays and bad weather in Asia.

The VLGC segment experienced some improvement resulting from increasing US exports of LPG driven by the surge in shale oil and gas production.

SAFETY PERFORMANCE

The lost time incidents frequency (LTIF) for 2013 was 0.56 (0.89) per million working hours.

Fleet	2013		2012	
	Own	Chartered	Own	Chartered
LR2 (Aframax)	13	5	13	5
MR	11	13	12	15
Handy	33	4	33	4
Intermediate	20	7	26	10
VLCC	15	6	16	5
Gas	-	3	16	7
Total	92	38	116	46

Newbuilding programme

MR*	4	-	-	-
VLCC	-	-	-	1
Total	4	-	-	1

*Additional two vessels have been ordered in 2014.

Damco



Corporate office	The Hague, The Netherlands
Employees	11,400
Countries	93
CEO	Hanne B. Sørensen

Significant restructuring initiatives upgrading the operations setup and IT platform have affected profitability of the year. Recovery is expected during 2014.

- Loss of USD 111m (profit of USD 55m)
- ROIC was negative by 22.0% (positive by 13.1%)
- Cash flow from operating activities was negative by USD 14m (negative by USD 102m).

A global restructuring programme was initiated with the aim at simplifying and consolidating the operational structure within Damco. This involves consolidating locations, optimising operation as well as reviewing and implementing new and improved IT systems. This adds very significant one-time transformation costs to the 2013 result, expected not to be repeated in 2014.

A thorough review to assess Damco's financials and risks revealed an exposure in certain countries. This resulted in significant non-cash accounting adjustments to the 2013 result.

The year ended with a loss of USD 111m (profit of USD 55m). Profitability levels are expected to recover in 2014, mainly due to the absence of the 2013 restructuring costs. The benefits from the restructuring are expected to gradually materialise from the second half of 2014 and onwards.

Revenue for 2013 declined by 1% versus 2012, partly as a result of a reduced activity level in government related project cargo which was also contributing to the slowdown in airfreight volumes.

During 2013 the Supply Chain Management segment grew in volume by 13% over 2012. Ocean freight volumes decreased to 1% below 2012. Airfreight volumes did not maintain the rapid expansion rate from 2012, however, still achieved 8% growth.

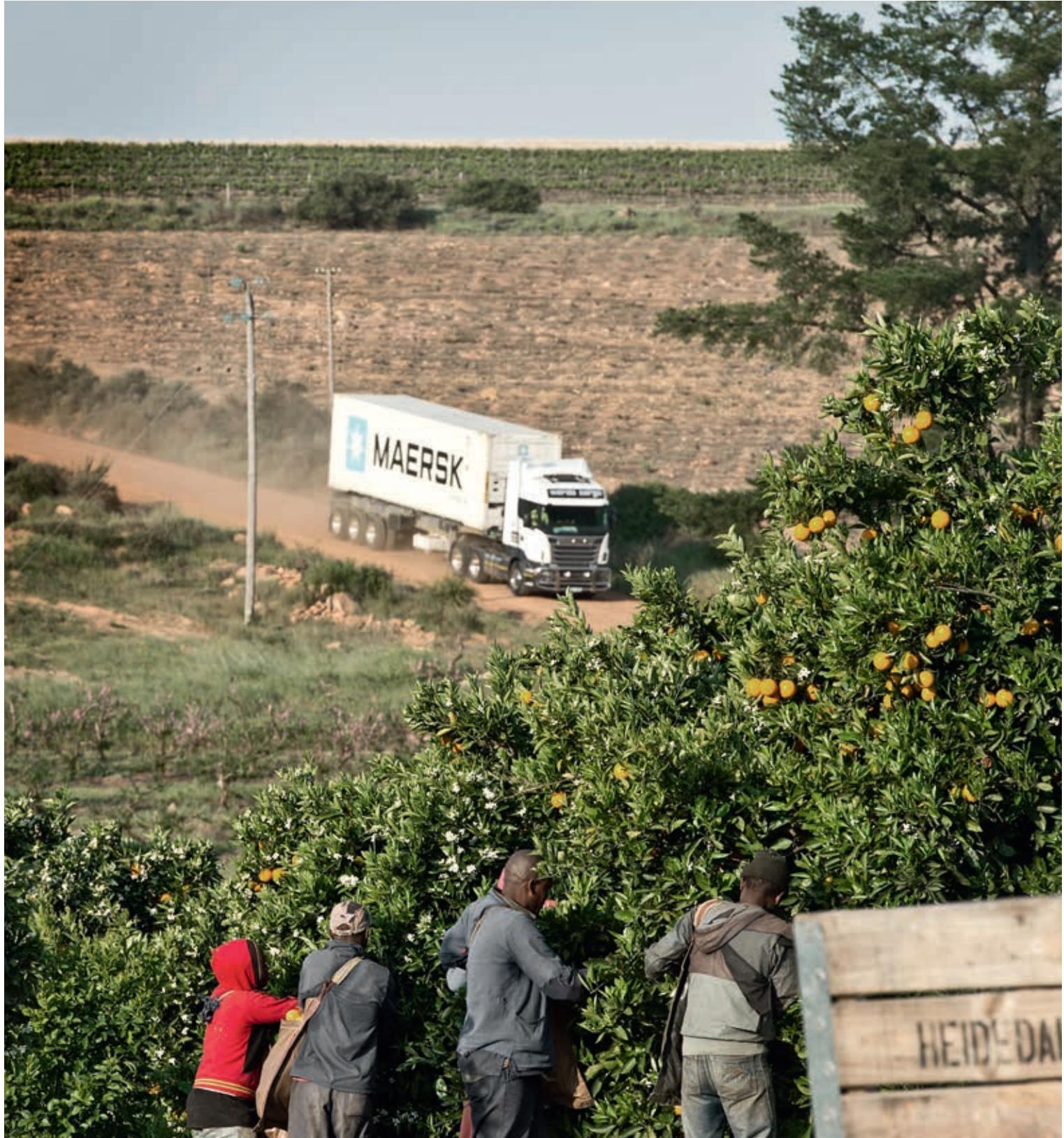
Cash flow from operating activities was negative by USD 14m, (negative by USD 102m), an improvement from 2012, mainly driven by improvements in working capital.

During the year Damco completed the corporate office move to The Hague, The Netherlands.

SAFETY PERFORMANCE

The lost time incidents frequency (LTIF) for 2013 was 0.42 (0.55) per million working hours.

Damco	USD million	
	2013	2012
Highlights		
Revenue	3,212	3,229
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	-65	91
Depreciation, amortisation and impairment losses	34	25
Gain on sale of non-current assets, etc., net	2	19
Share of profit/loss in joint ventures	8	6
Profit/loss before financial items (EBIT)	-89	91
Tax	22	36
Net operating profit/loss after tax (NOPAT)	-111	55
 Cash flow from operating activities	-14	-102
Cash flow used for capital expenditure	-23	-20
 Invested capital	412	512
 ROIC	-22.0%	13.1%



Damco
South Africa

Retail is one of Damco's key focus verticals, next to Lifestyle, Technology, Chemicals and Industrial. Globally, retailers recognise the value of direct sourcing of fresh products.

Svitzer



Corporate office	Copenhagen, Denmark
Employees	2,800
Countries	35
Port operations	+100
Vessels	376
CEO	Robert Uggla

Svitzer delivered a profit of USD 156m and a ROIC of 10.8%. The result was positively impacted by sales gains, partly offset by restructuring costs and impairments. Svitzer continued to grow its LNG terminal towage portfolio with new contracts in Australia and Qatar.

- Profit of USD 156m (USD 7m). The result includes impairment losses of USD 6m (USD 109m)
- EBITDA margin of 26% (27%)
- ROIC was 10.8% (0.5%)
- Cash flow from operating activities was USD 180m (USD 241m).

Harbour towage profit increased despite a high level of competitive pressure. Terminal towage developed as expected with increase in revenue due to better spot vessel utilisation. Svitzer closed several new contracts during the year, most notably a 20 year USD 650m contract for the Wheatstone LNG operation in Australia.

The salvage market experienced historically low levels of activity in 2013. However, Svitzer increased its market share within emergency response as well as wreck removal during the year, with a larger wreck removal project still ongoing in Iraq.

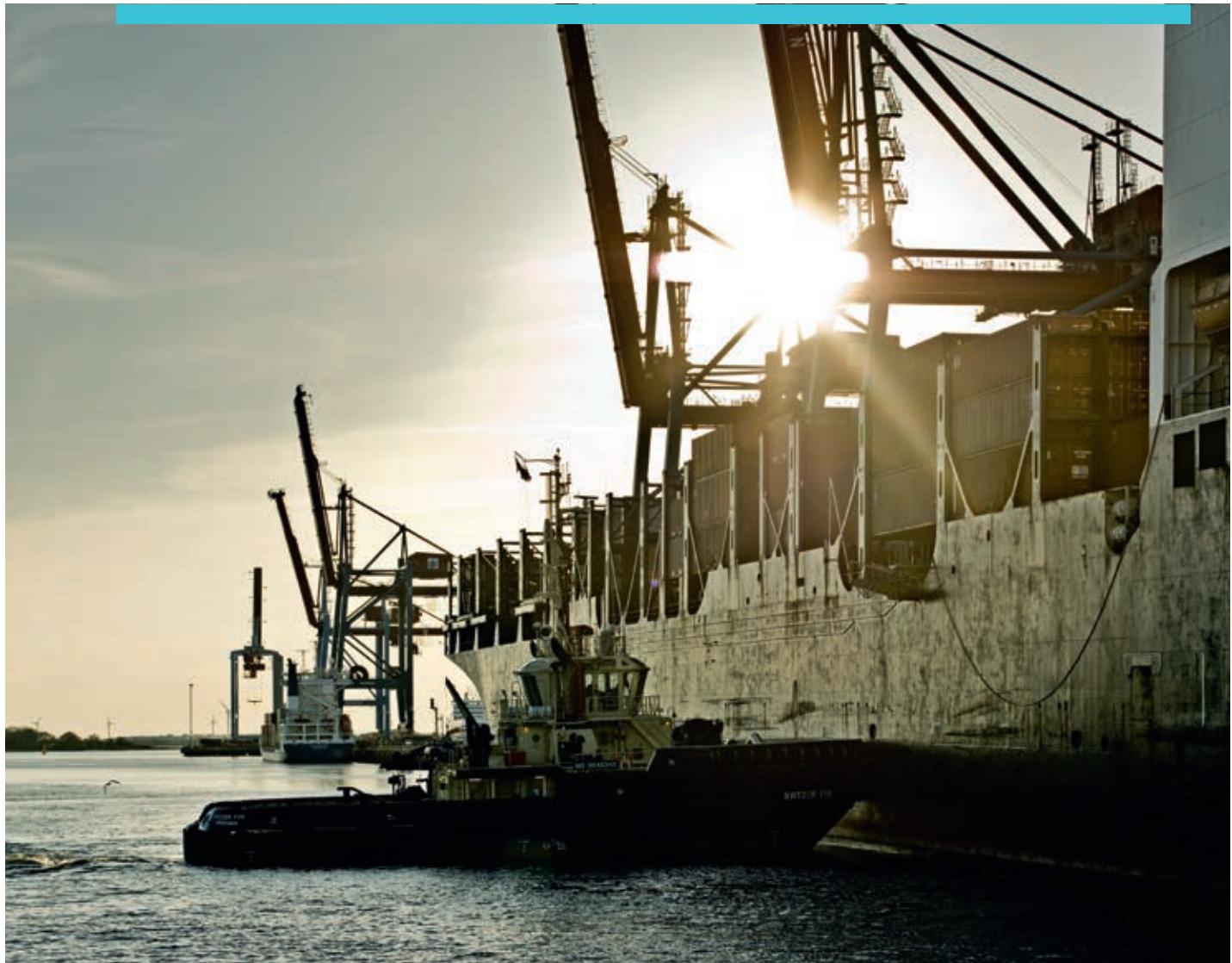
As part of the strategy to optimise the portfolio of more than 100 operations, Svitzer divested its 50% shareholding in Uniwise Towage Limited in Thailand and Pacific Towing (PNG) Ltd. in Papua New Guinea.

Svitzer has stepped up its efforts to further improve the profitability of its harbour towage activities. By the end of 2013, improvements in crew optimisation were identified in several locations. As a result, a number of

positions will be redundant in ports across Australia for which a provision of USD 12m was made.

Svitzer continued to deliver a strong cash flow from operating activities of USD 180m (USD 241m). The increase in wreck removal activities had an adverse impact on working capital.

Svitzer	USD million	
	2013	2012
Highlights		
Revenue	831	820
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	217	223
Depreciation, amortisation and impairment losses	91	201
Gain on sale of non-current assets, etc., net	29	4
Share of profit/loss in joint ventures	22	19
Profit/loss before financial items (EBIT)	177	45
Tax	21	38
Net operating profit/loss after tax (NOPAT)	156	7
Cash flow from operating activities	180	241
Cash flow used for capital expenditure	-2	-103
Invested capital	1,363	1,495
ROIC	10.8%	0.5%



Svitzer
Port of Gothenburg
Sweden

Svitzer TYR, an 80 tonnes bollard-pull tug, berthing a container vessel. The construction offers improved stability which combined with engine power, winch options, and a built-in fender system makes it an ideal vessel for demanding terminal and escort operations.



SAFETY PERFORMANCE

The lost time incidents frequency (LTIF) for 2013 was 0.51 (1.46) per million working hours.

The positive development was a result of initiatives taken to increase safety awareness in 2012 and 2013. Further improvements to align Svitzer's safety system with standards set by the Oil Companies International Marine Forum have been developed and will be implemented during 2014.

Fleet	2013		2012	
	Own	Chartered	Own	Chartered
Tugboats	255	21	269	17
Other vessels	81	19	82	11
Total	336	40	351	28

Newbuilding programme

Tugboats	4	-	4	-
Other vessels	2	-	2	-
Total	6	-	6	-

Other businesses

MAERSK FPSOs

The profit of Maersk FPSOs was USD 63m in 2013. The decrease of USD 273m compared to 2012 was due to divestments completed in 2012, including the LNG fleet and the FPSO Maersk Peregrino as well as the transfer of the Volve production module to Maersk Drilling beginning of 2013. The result for 2013 was impacted by divestment gains of USD 32m compared to total divestment gains of USD 245m recognised in 2012.

The two remaining assets in joint ventures; FPSO North Sea Producer and FGSO NKossa II, are both on profitable long term contracts.

MAERSK CONTAINER INDUSTRY

Revenue was USD 663m (USD 1.1bn) with a loss of USD 5m (profit of USD 60m). ROIC was negative by 2.1% (positive by 26.5%).

The 2013 reefer market was characterised by a moderate demand. During Q4, the market saw a slight increase in demand driven mainly by growth in reefer transported commodities.

The building of the new reefer factory in Chile is progressing well and is expected to become operational during 2014.

DANSKE BANK

The Group owns 20% of the shares in **Danske Bank**. The bank's profit was DKK 7.1bn (DKK 4.7bn), of which 20%, corresponding to DKK 1.4bn (DKK 952m), is included in the Group's profit.

RO/RO AND RELATED ACTIVITIES

Ro/Ro and related activities primarily comprise the Group's ownership in Höegh Autoliners. The result was a loss of USD 20m (profit of USD 56m) and ROIC was negative 3.2% (positive 7.9%). The result was due to a loss of USD 56m from divestment of the 31.3% ownership in DFDS A/S in Q3 2013. Taking dividends into account, the shares in DFDS A/S has generated an investment yield of 9.2% over the period of ownership.

Discontinued operations

DANSK SUPERMARKED GROUP

Dansk Supermarked Group (DSG) delivered a profit of DKK 1.8bn (DKK 1.3bn). EBIT was DKK 2.4bn (DKK 1.7bn) and ROIC was 11.0% (8.0%). Growth was generated mainly by sales and profitability improvements in the discount segment reflecting the results of extended opening hours as well as various profitability initiatives. During 2013 the market share of DSG increased in Denmark, Sweden and Poland whereas it remained stable in Germany.

On 7 January 2014, the Group entered into an agreement to divest its 68% stake in DSG. The transaction encompasses two steps: 1) A.P. Møller - Maersk divests 49% in 2014 and retains ownership of 19% in DSG and 2) in 2019 the buyer has a call option and A.P. Møller - Maersk has a put option on the remaining 19% share in DSG. The accounting gain of the Group is expected to be around DKK 14bn depending on the timing of closing of the transaction. The transaction will generate cash proceeds of around DKK 17bn.

A.P. Moller - Maersk Group

Financial report

The A.P. Moller - Maersk Group's profit for the year was DKK 21.2bn
(DKK 23.4bn) and the equity totalled DKK 230.1bn (DKK 222.5bn).

INCOME STATEMENT

Revenue decreased by 7% to DKK 266.2bn (DKK 286.8bn), primarily as a consequence of lower container freight rates and lower share of oil production which were partly offset by higher container volumes. Measured in USD, revenue decreased by 4% to USD 47.4bn (USD 49.5bn).

Operating costs decreased by DKK 17.4bn to DKK 203.7bn (DKK 221.1bn), primarily due to decreasing bunker prices and bunker consumption as well as lower container network costs.

Depreciation, amortisation and impairment losses decreased by DKK 3.3bn to DKK 26.0bn (DKK 29.3bn). The Group recognised impairment losses of net DKK 1.2bn (DKK 2.3bn), mainly related to Maersk Tankers. The 2012 impairments primarily related to Maersk Tankers and Svitzer.

Net gains on sale of non-current assets etc. decreased to DKK 814m (DKK 3.5bn). In 2013, the gains primarily related to the sale of the Brigantine Group in Hong Kong, China, and a number of other assets partly offset by the loss of DKK 317m related to the divestment of DFDS. The gains in 2012 predominantly related to the sale of the FPSO Maersk Peregrino, the LNG activities and a partial divestment of an oil activity in Brazil.

Share of the result in joint ventures increased by DKK 100m to DKK 854m (DKK 754m) primarily due to the

full year effect of the acquisition of Global Ports, Russia, on 28 November 2012.

Share of the result in associated companies increased to DKK 1.7bn (DKK 1.3bn) due to higher profit in Danske Bank.

The financial items were negative by DKK 4.0bn (negative by DKK 4.5bn); a positive development by DKK 494m primarily due to lower net interest costs because of less debt and lower interest rates, partly offset by currency adjustments. Further, financial items were impacted positively by an increase in capitalised borrowing cost primarily related to the newbuilding programmes.

TAX

Companies in the Group are taxed under different tax regimes, depending on location and activity. Special tax rules apply to some of the Group's activities.

As a general rule, shipping activities are subject to a tonnage-based or similar tax system, under which the computation of taxable income includes an amount calculated on the basis of the fleet's tonnage. Moreover, in certain countries freight taxes are paid mainly based on the gross freight income in those countries.

In most countries, oil and gas activities are subject to a special form of taxation, which is often considerably higher than the normal corporate tax rate.

In 2013, the total tax charge for the Group was DKK 18.2bn (DKK 18.3bn). In 2012 the tax charge included the settlement of an Algerian tax dispute resulting in a one-off income of DKK 5.2bn. Of the total tax charge, taxes payable to Denmark were DKK 6.2bn in 2013 (DKK 9.2bn), of which DKK 3.5bn (DKK 6.0bn) related to the special hydrocarbon tax and DKK 2.6bn (DKK 3.1bn) represented corporate tax on oil activities. The decrease in the special hydrocarbon tax is largely due to the entry of Nordsøfonden (the Danish state-owned North Sea Fund) as partner with 20% interest in DUC (Dansk Undergrunds Consortium) in 2012. The shipping activities' tax payment to Denmark was DKK 110m (DKK 60m).

COMPREHENSIVE INCOME

Comprehensive income for the year was DKK 13.5bn (DKK 21.7bn) and includes the profit for the year of DKK 21.2bn (DKK 23.4bn) and other comprehensive income which was negative by DKK 7.7bn (negative by DKK 1.7bn). Other comprehensive income mainly includes exchange rate adjustment on translation from functional currency to presentation currency, fair value adjustment of certain securities, value adjustment of cash flow hedges and actuarial gains and losses.

BALANCE SHEET

At 31 December 2013, total assets amounted to DKK 403.3bn (DKK 409.7bn).

Intangible assets decreased to DKK 25.9bn (DKK 28.0bn), mainly due to amortisation of oil rights.

Property, plant and equipment of DKK 223.5bn (DKK 248.1bn) decreased by DKK 24.6bn with investments in the year of DKK 38.8bn (DKK 43.2bn). Depreciation for the year was DKK 23.9bn (DKK 25.8bn) and net impairment losses of DKK 931m (DKK 1.9bn) were recognised. Sale of tangible assets amounted to DKK 27.8bn (DKK 9.2bn) including the transfer of Dansk Supermarked Group to assets held for sale. Currency adjustments were a decrease of DKK 10.8bn (decrease of DKK 2.6bn) due to the development in USD versus DKK.

Shares in joint ventures amounted to DKK 10.7bn (DKK 11.4bn), hereof Global Ports, Russia, DKK 4.1bn (DKK 4.7bn).

Shares in associated companies amounted to DKK 34.8bn (DKK 35.5bn), hereof Danske Bank DKK 29.2bn (DKK 27.7bn).

Derivatives were as of 31 December 2013 a net asset of DKK 681m (DKK 19m). The increased balance is primarily related to the USD depreciation against main hedging currencies.

Total cash and cash equivalents, consisting of securities held for trading as well as cash and bank balances, totalled DKK 19.3bn (DKK 13.8bn) at 31 December 2013.

Assets held for sale of net DKK 37.5bn (DKK 3.0bn) comprised assets expected to be sold during 2014 including Dansk Supermarked Group and 15 VLCCs to be delivered in 2014.

Equity totalled DKK 230.1bn (DKK 222.5bn). The increase includes comprehensive income for the year of DKK 13.5bn (DKK 21.7bn), and dividend of DKK 6.2bn (DKK 5.3bn) was deducted.

The actuarial net liability for pensions, etc. in relation to defined benefit plans recognised in the financial statements totalled DKK 1.8bn (DKK 2.5bn) at 31 December 2013. Developments in the actuarial assumptions as well as changes to the minimum funding requirements resulted in actuarial gains of DKK 322m (loss of DKK 253m), which are included in other comprehensive income. In 2013, the Group paid DKK 383m (DKK 584m) to defined benefit plans.

Deferred tax liabilities totalled DKK 6.0bn (DKK 6.5bn) at 31 December 2013, and recognised deferred tax assets totalled DKK 2.6bn (DKK 3.3bn). Furthermore, deferred tax assets of DKK 4.4bn (DKK 4.0bn) have not been recognised, cf. note 10 to the consolidated financial statements.

LEGAL DISPUTES, ETC.

The Group is involved in a number of legal disputes. Moreover, the Group is party to a number of tax disputes, some of which involve substantial amounts and are subject to considerable uncertainty.

CASH FLOW

Cash flow from operating activities DKK 50.1bn (DKK 40.8bn) was positively affected by improved working capital as well as less taxes paid. Cash flow used for capital expenditure was DKK 27.4bn (DKK 33.7bn). The decrease was mainly due to lower investments in vessels.

OPERATING LEASE COMMITMENTS

The present value of the operating lease commitments totalled DKK 47.3bn (DKK 56.4bn) at 31 December 2013 using a discount rate of 6% (6%). The amount is divided into the following main items:

- Maersk Line and Maersk Tankers of DKK 25.2bn (DKK 32.8bn) primarily relating to vessels on time charter
- APM Terminals of DKK 17.4bn (DKK 16.5bn) primarily related to future concession fees for port facilities
- Other commitments of DKK 4.8bn (DKK 7.0bn).

About one-third of the time charter payments in Maersk Line and in Maersk Tankers are estimated to relate to operational costs for the assets. Please refer to note 22 in the consolidated financial statements for an overview of maturity.

CONSOLIDATION

The consolidated financial statements of the Group are included in the consolidated financial statements of A.P. Møller Holding A/S.

PARENT COMPANY FINANCIAL STATEMENTS

The activities of the parent company comprise the global container services in Maersk Line, activities within off-shore and other shipping and the oil and gas activities in the Danish sector of the North Sea. In addition activities include the holding of shares in subsidiaries and associated companies.

In the parent company financial statements, shares in subsidiaries and associated companies are recognised at cost, cf. note 23, less impairment losses, and in the income statement, dividends from subsidiaries and associated companies are recognised as income.

Profit for the year was DKK 7.3bn (DKK 8.4bn), primarily impacted by lower dividends from subsidiaries and associated companies together with lower financial income. Tax was lower due to lower profit before tax.

At 31 December 2013, total assets amounted to DKK 276.9bn (DKK 278.5bn) and equity totalled DKK 114.0bn (DKK 116.5bn).

Cash flow from operating activities was DKK 20.2bn (DKK 17.1bn). Especially working capital items improved, but also financial expenses paid and taxes paid, while dividends received decreased.

A.P. Moller - Maersk Group

Risk management

Being a capital intensive, multinational conglomerate with long term investments requires not only a solid understanding of single known risks to the businesses, but also of potential emerging risks and risks associated with the portfolio of the businesses and countries in which the Group operates.

The Group runs an Enterprise Risk Management (ERM) process under which the largest risks to the Group are identified, assessed, reported and mitigated at different levels of the organisation. The process is coordinated by the Group and the findings of the ERM process are presented to the Executive Board and the Board of Directors. Once a year the Audit Committee undertakes a review of the ERM process and considers any meas-

ures to be implemented in order to improve the effectiveness of the risk management in the Group and the business units.

MANAGING KNOWN RISKS

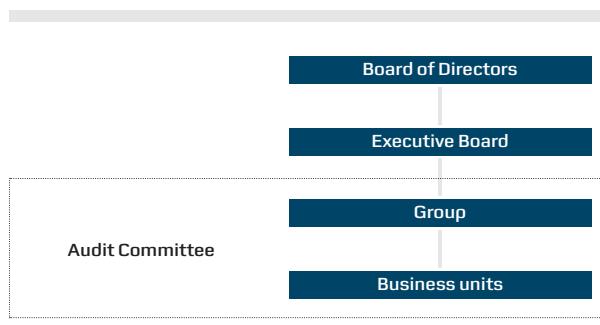
The Group has identified four major risks to achieving its objectives within the next 3-5 years:

1. Supply and demand imbalance in the container liner industry

The Group is exposed to substantial fluctuations in freight rates, particularly in the container liner business, due to significant structural imbalances between supply and demand. There is a substantial overcapacity in the larger vessel segments on Maersk Line's East-West trades. The risk is mitigated by designing a cost competitive network, building up customer loyalty, simplifying the organisation and building scalable platforms for systems, tools and processes. Further initiatives to optimise the network utilisation such as the P3 alliance are being pursued.

Overall risk trend: Stable

Enterprise Risk Management (ERM) process





Maersk Oil
Block 16
Offshore Angola

In 2013 Maersk Oil drilled several exploration and appraisal wells in Block 16, the same acreage as the 2009 Chissonga discovery, which has developed into a key project for Maersk Oil. The field development plan for Chissonga was submitted to the Angolan authorities in August 2013.



2. Drop in oil prices

A long term substantial drop in oil prices could make it difficult for Maersk Oil to generate the cash flow required to fund its investment programme. Also, the economic viability of major development projects could be challenged until the development costs have adapted to a lower oil price. Maersk Drilling could face difficulties negotiating day rates for their rig portfolio at a satisfactory level following a substantial drop in oil price. To mitigate this risk, Maersk Drilling has entered into long term contracts with oil majors with a stable need for high quality drilling rigs and Maersk Oil has a portfolio of mature fields with different oil price sensitivities and is carefully considering such sensitivities for every new project.

Overall risk trend: Increasing

3. Major oil spill

Exposure to oil spill is an inherent part of the Group's operations particularly in the oil and gas, offshore and tanker businesses. An increased focus on frontier exploration such as deep water operations and high temperature/high pressure (HT/HP) reservoirs combined with a high activity level in the industry has led to increased pressure on workforce and competencies. The Group is constantly engaged in numerous initiatives supporting incident free operations to mitigate this risk.

Overall risk trend: Stable

4. Major cyber attack

Today's technological interconnectivity provides tremendous opportunities for the Group but at the same time exposes it to a number of cyber related risks. As a Group involved in complex and wide ranging logistic operations, the Group is highly dependent on well-functioning IT systems. A successful cyber attack could cause prolonged disruption of operations for more of its core businesses. The Group is monitoring the cyber threat closely and to protect the businesses from cyber threats, actions to further enhance the cyber resilience and secure the business continuity are being progressed.

Overall risk trend: Increasing

EXPLORING EMERGING RISKS

As an asset heavy company with investments lasting well beyond its strategy horizon of 3-5 years, the Group also looks into emerging risks to adjust its strategy and capital allocation on potential future risks and opportunities. During 2013, a study on shale oil and gas in the US and a study on structural changes in the demand for containerised transportation were completed.

Business portfolio correlation matrix (NOPAT)

	Maersk Line	APM Terminals	Maersk Oil	Maersk Drilling
Maersk Line	100%	-6%	5%	-13%
APM Terminals	-6%	100%	0%	11%
Maersk Oil	5%	0%	100%	23%
Maersk Drilling	-13%	11%	23%	100%

The correlation between business unit results is shown on a scale from -1 to 1. If the correlation is 0 it means that there is no relationship between the results of the relevant business units over the period (e.g. the results of Maersk Oil developed independently of those of APM Terminals and vice versa). If the correlation is positive, there is a positive relationship between the results of the relevant business units over the period, (e.g. when Maersk Oil did well then Maersk Drilling also did well and vice versa). If the correlation is negative, the results of the business units in question have developed oppositely over the period.

UNDERSTANDING THE PORTFOLIO

With activities spread across different businesses and more than 130 countries the Group also takes a view on risks associated with the composition of the businesses and countries in which it operates.

Business portfolio

To establish the risk diversification and volatility in its business portfolio the Group looked at the results of its four core business units over 25 quarters from 2007 to 2013. By comparing the developments in the results, the following conclusions could be drawn:

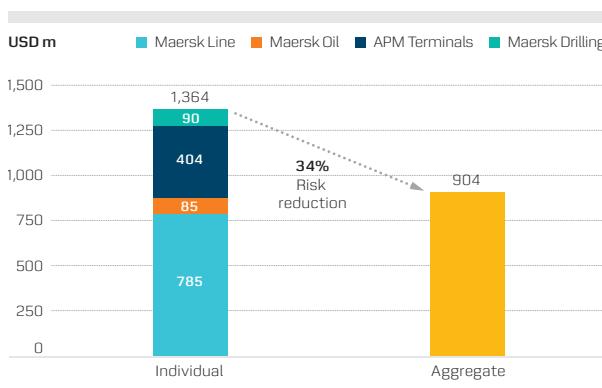
- The results of the four core business units were weakly correlated with only a slight correlation between the results of Maersk Oil and Maersk Drilling.
- By running the four core business units together as a conglomerate as opposed to four stand-alone businesses, an overall risk reduction of 34% was achieved.
- Maersk Line was the biggest contributor to volatility in the Group with a marginal risk contribution of 51% during the period in question.

Consequently, the Group's portfolio of businesses is well diversified with Maersk Line currently being the main contributor to the overall volatility in the results. This means that the portfolio is robust and well positioned to absorb shocks or volatility occurring within single businesses.

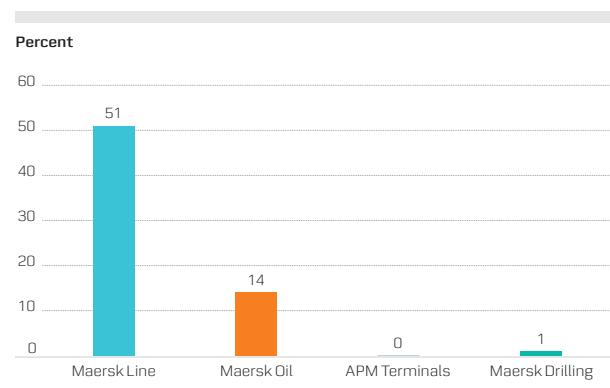
Country portfolio

The Group has a well-balanced portfolio of countries hosting its major assets. There is currently a large spread in country risk exposure ranging from negligible to high with no large concentration of assets in individual high-risk countries. With approved investments up to 2016 the average exposure for each USD invested will remain moderate with a slight upward trend towards medium. As a result of those investments some concentration of assets in single high-risk countries is anticipated. However, the investments in those countries will be balanced by substantial investments in a number of low-risk countries forming part of OECD.

Impact of diversification (NOPAT volatility)



Marginal contribution to risk¹



¹The marginal risk contribution is the contribution by a particular business unit to the overall volatility in the Group's results. During the relevant period Maersk Line contributed 51% of the overall volatility in the Group's results, i.e. were Maersk Line not part of the portfolio the volatility in the Group's results over the period would have been 51% less.

A.P. Moller - Maersk Group

Shareholders

The Group's shareholder base became more international during 2013 as European and North American investors increased holdings.

SHARE PRICE DEVELOPMENT

The total market value of the Group was DKK 251bn at the end of 2013. The B share reached its highest price in 2013 of DKK 59,000 on 30 December 2013 and its lowest price of DKK 39,960 on 17 April 2013. The price closed at DKK 58,850 at the end of 2013, corresponding to an increase of 38.1% compared to the end of 2012. The total shareholder return for the B share was 41.4% in 2013.

The Maersk B share outperformed its benchmarks MSCI Europe Transportation by 4.6% and the 40 largest Nordic companies by 18.4% during 2013. Maersk B underperformed benchmarks until the release of the Q2 report in August when especially Maersk Line's reported profit surprised the market.

OWNERSHIP

Shareholders with more than 5% of share capital or votes hold 56.5% of the share capital. The free float base of 43.5% became more international as European inves-

tors increased their holdings by 17% and North American investors by 7%. The shareholder base became more concentrated as the number of registered shareholders declined by 10,000 to around 66,000 shareholders at the end of 2013.

SHARE CAPITAL

The shares are listed on NASDAQ OMX Copenhagen and are divided into two classes: A shares with voting rights and B shares without voting rights. Each DKK 1,000 A share entitles the holder to two votes.

The total share capital of DKK 4,395.6m consists of 4,395,600 shares equally split between A and B shares.

OWN SHARES

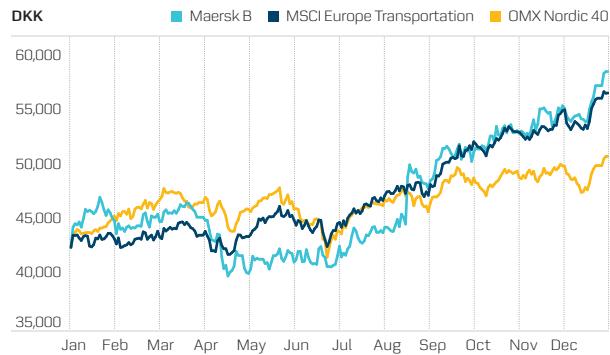
The Group's holding of own shares comprises 0.6% of the share capital and is, among other purposes, held to cover the share option programme, cf. note 13 to the consolidated financial statements. According to the

Shareholders with more than 5% of share capital or votes

Shareholders according to the Danish Companies Act § 55 are

	Share capital	Votes
A. P. Møller Holding A/S, Copenhagen, Denmark	41.51%	51.09%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark	8.37%	12.84%
The Estate of Mærsk Mc-Kinney Møller, Copenhagen, Denmark	3.69%	6.43%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	2.94%	5.86%

Share price development



Source: Factset, numbers are rebased.

The Maersk share: Key figures	2013	2012	2011	2010	2009
Year-end share price (DKK, B share)	58,850	42,600	37,920	50,510	36,600
Share price range (DKK, B share)	19,040	12,820	21,670	14,920	17,100
Market capitalisation at year-end (DKK billion, A and B share)	251	180	161	217	157
Earnings per share (DKK)	4,438	4,964	3,479	6,061	-1,674
Dividend per share (DKK, A and B share)	1,400	1,200	1,000	1,000	325
Dividend yield (% , B share)	2.4%	2.8%	2.6%	2.0%	0.9%
Total dividend (DKK million, A and B share)	6,154	5,275	4,396	4,396	1,429
Total shareholder return (% , B share)	41.4%	15.5%	-22.9%	40.7%	31.4%

authorisation of the Annual General Meeting, the Board of Directors may in the period up to and including 3 April 2016 allow the Company to acquire own shares up to a holding of 10% of the Company's share capital. The purchase price may not deviate by more than 10% from the price quoted on NASDAQ OMX Copenhagen at the time of purchase.

DIVIDEND

The Board of Directors proposes a dividend to the shareholders of DKK 1,400 per share of DKK 1,000 – a total of DKK 6,154m (DKK 1,200 per share of DKK 1,000 – a total of DKK 5,275m). The proposed dividend payment represents a dividend yield of 2.4% (2.8%), based on the Maersk B share's closing price as of 30 December 2013. Payment is expected to take place on 4 April 2014. The Group intends to continue the historical trend of increasing dividends nominally per share supported by underlying earnings strength.

FINANCIAL CALENDAR 2014

31 March	Annual General Meeting
21 May	Interim Report 1st Quarter
19 August	Interim Report 2nd Quarter
24 September	Capital Markets Day
11 November	Interim Report 3rd Quarter

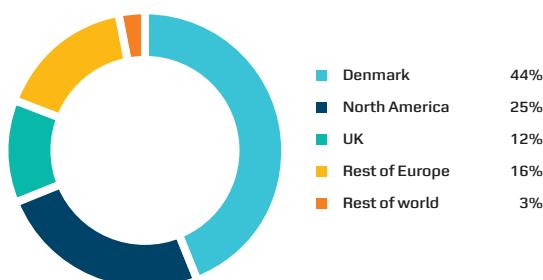
ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 31 March 2014 in Copenhagen, Denmark.

INVESTOR RELATIONS

The Group continues to develop the Company's level of information and ensures a consistent, regular and relevant flow of information on the Group's activities, business objectives, strategies and results. The Group's second Capital Markets Day was held in September 2013. To ensure a regular and open dialogue with investors and analysts, the management hosts teleconferences in connection with the presentation of the annual and interim reports and visits investors in Europe and the USA.

Geographical distribution of free float



The Group is covered by around 30 analysts, predominantly from international investment banks, who regularly publish research reports. A list of the analysts and other relevant information, including financial reports, investor presentations, share and bond information, is available on <http://investor.maersk.com>. Investors and analysts are welcome to contact the Investor Relations office for further information.



Capital Markets Day
Copenhagen
Denmark

Maersk Line and Maersk Drilling made a presentation at the Group's second Capital Markets Day in September 2013. With more than 300 analysts and investors attending, this was once again the highest attendance for a Capital Markets Day in Denmark.

A.P. Moller - Maersk Group

Corporate governance

Corporate governance is a matter that A.P. Møller - Mærsk A/S' Board of Directors continuously considers on the basis of the Company's activities, external environment, history and needs etc.

RECOMMENDATIONS FOR CORPORATE GOVERNANCE

As a Danish listed company, A.P. Møller - Mærsk A/S must comply with or explain deviations from the "Recommendations for Corporate Governance" (Anbefalinger for god selskabsledelse) implemented by NASDAQ OMX Copenhagen in the Rules for issuers of shares (Regler for udstedere af aktier) and Section 107b of the Danish Financial Statements Act (Årsregnskabsloven).

The Board of Directors of A.P. Møller - Mærsk A/S has prepared a statement on corporate governance for the financial year 2013. The statement can be reviewed and downloaded via <http://investor.maersk.com/da/governancestatement.cfm>

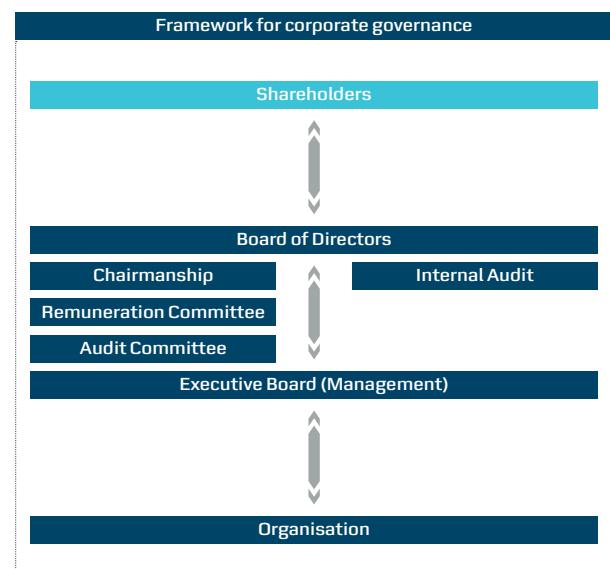
The statement includes a description of the Company's approach to each of the recommendations in the "Recommendations for Corporate Governance" as well as a description of the Company's management structure and the main elements of the Group's internal control and risk management systems related to the Group's financial reporting process.

MANAGEMENT STRUCTURE

A.P. Møller - Mærsk A/S has a two-tier management structure consisting of the Board of Directors and the Executive Board (Management), as illustrated below. The Board of Directors lays down the general business and management principles for the Group and ensures the proper organisation of the Group. Furthermore, the Board of Directors decides the strategy and the risk policies and supervises the performance of the

Company and its Management. The Executive Board functions as the day-to-day management.

Until 1 January 2013, the registered management of A.P. Møller - Mærsk A/S consisted of Firmaet A.P. Møller. On this date, Firmaet A.P. Møller stepped down as registered management and the members of the Executive Board, Nils S. Andersen, Kim Fejfer, Claus V. Hemmingsen, Søren Skou, Jakob Thomasen and Trond Westlie became registered as Management of A.P. Møller - Mærsk A/S. Further information is available in the statement on corporate governance for 2013.

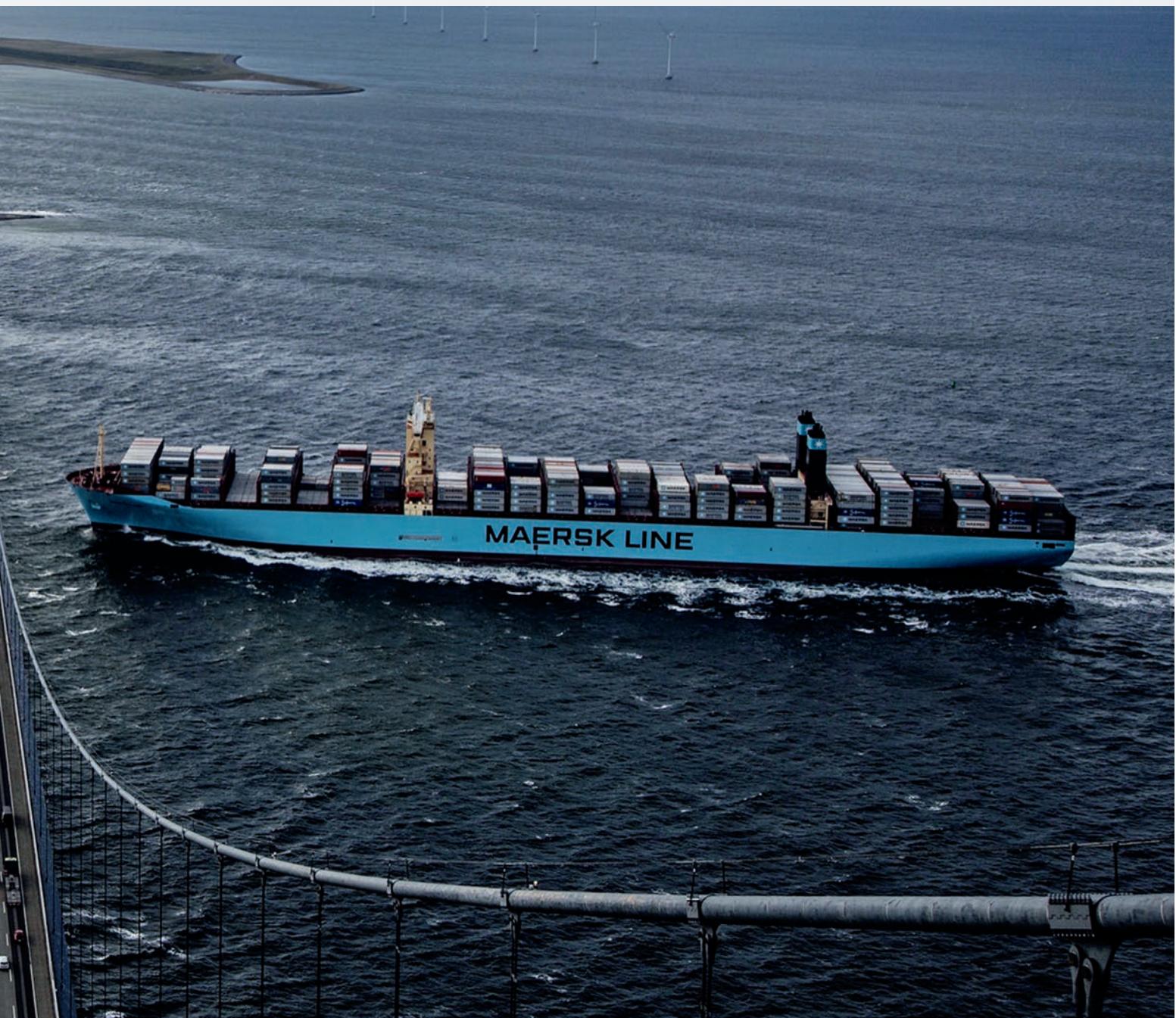


A.P. Moller - Maersk Group

Consolidated financial statements 2013

(In parenthesis the corresponding figures for 2012)





Consolidated income statement

Amounts in DKK million

Note	2013	2012
1 Revenue	266,236	286,753
2 Operating costs, etc.	203,733	221,095
Other income	1,609	2,707
Other costs	219	13
Profit before depreciation, amortisation and impairment losses, etc.	63,893	68,352
6,7 Depreciation, amortisation and impairment losses	26,007	29,346
3 Gain on sale of non-current assets, etc., net	814	3,532
8 Share of profit/loss in joint ventures	854	754
8 Share of profit/loss in associated companies	1,660	1,286
Profit before financial items	41,214	44,578
4 Financial income	3,151	3,490
4 Financial expenses	7,172	8,005
Profit before tax	37,193	40,063
5 Tax	18,186	18,315
Profit for the year – continuing operations	19,007	21,748
12 Profit for the year – discontinued operations	2,216	1,649
Profit for the year	21,223	23,397
Of which:		
Non-controlling interests	1,841	1,724
A.P. Møller - Maersk A/S' share	19,382	21,673
13 Earnings per share of continuing operations, DKK	4,142	4,755
13 Diluted earnings per share of continuing operations, DKK	4,141	4,753
13 Earnings per share, DKK	4,438	4,964
13 Diluted earnings per share, DKK	4,437	4,962

Consolidated statement of comprehensive income

Amounts in DKK million

Note	2013	2012
Profit for the year	21,223	23,397
Items that are or may be reclassified subsequently to the income statement		
Translation from functional currency to presentation currency:		
Translation impact arising during the year	-8,584	-2,347
Reclassified to income statement, gain on sale of non-current assets, etc., net	4	-280
Other equity investments:		
Fair value adjustment for the year	22	27
Reclassified to income statement, gain on sale of non-current assets, etc., net	-15	-3
19 Cash flow hedges:		
Value adjustment of hedges for the year	579	-35
Reclassified to income statement:		
– revenue	-73	-17
– operating costs	-147	331
– financial expenses	413	753
Reclassified to cost of property, plant and equipment	-32	43
5 Tax on other comprehensive income	-183	-74
Share of other comprehensive income of joint ventures, net of tax	65	6
Share of other comprehensive income of associated companies, net of tax	-36	133
Total items that are or may be reclassified subsequently to the income statement	-7,987	-1,463
Items that will not be reclassified to the income statement		
16 Actuarial gains/losses on defined benefit plans, etc.	322	-253
5 Tax on other comprehensive income	-38	-16
Total items that will not be reclassified to the income statement	284	-269
Other comprehensive income for the year, net of tax	-7,703	-1,732
Total comprehensive income for the year	13,520	21,665
Of which:		
Non-controlling interests	1,685	1,688
A.P. Møller - Maersk A/S' share	11,835	19,977

Consolidated balance sheet at 31 December

Amounts in DKK million

Note		31 December		1 January
		2013	2012	2012
6	Intangible assets	25,915	27,953	26,431
	Ships, rigs, containers, etc.	150,775	168,549	165,273
	Production facilities and equipment, etc.	33,258	31,005	33,330
	Land and buildings	3,899	20,319	22,565
	Construction work in progress and payment on account	35,575	28,247	23,204
7	Property, plant and equipment	223,507	248,120	244,372
8	Investments in joint ventures	10,744	11,381	6,908
8	Investments in associated companies	34,828	35,539	32,464
	Other equity investments	387	425	485
19	Derivatives	1,364	1,249	814
16	Pensions, net assets	358	193	87
9	Other receivables	4,401	4,920	4,198
	Financial non-current assets	52,082	53,707	44,956
10	Deferred tax	2,589	3,292	4,485
	Total non-current assets	304,093	333,072	320,244
11	Inventories	6,773	12,869	12,719
	Trade receivables	25,048	30,273	25,115
	Tax receivables	1,150	2,273	1,343
19	Derivatives	948	621	468
9	Other receivables	5,863	11,206	10,268
	Prepayments	2,620	2,509	2,295
	Receivables, etc.	35,629	46,882	39,489
	Securities	1,687	2,160	2,151
	Cash and bank balances	17,640	11,670	12,013
12	Assets held for sale	37,474	3,045	9,737
	Total current assets	99,203	76,626	76,109
	Total assets	403,296	409,698	396,353

Consolidated balance sheet at 31 December

Amounts in DKK million

Note	31 December		1 January
	2013	2012	2012
13 Share capital	4,396	4,396	4,396
Reserves	205,032	199,129	185,365
Proposed dividend for distribution	6,154	5,275	4,396
Equity attributable to A.P. Møller - Maersk A/S	215,582	208,800	194,157
Non-controlling interests	14,526	13,739	13,771
Total equity	230,108	222,539	207,928
 15 Borrowings, non-current	 68,753	 91,000	 90,929
16 Pensions and similar obligations	1,768	2,531	2,546
17 Provisions	22,673	19,288	18,384
19 Derivatives	686	1,310	2,340
10 Deferred tax	6,007	6,503	5,693
18 Other payables	117	248	340
Other non-current liabilities	31,251	29,880	29,303
Total non-current liabilities	100,004	120,880	120,232
 15 Borrowings, current	 16,461	 11,977	 11,975
17 Provisions	3,980	3,583	2,921
Trade payables	29,124	34,730	36,742
Tax payables	2,824	2,639	3,429
19 Derivatives	945	541	2,136
18 Other payables	6,966	8,750	8,853
Deferred income	1,356	3,984	701
Other current liabilities	45,195	54,227	54,782
12 Liabilities associated with assets held for sale	11,528	75	1,436
Total current liabilities	73,184	66,279	68,193
Total liabilities	173,188	187,159	188,425
Total equity and liabilities	403,296	409,698	396,353

Consolidated cash flow statement

Amounts in DKK million

Note	2013	2012
Profit before financial items	41,214	44,578
6,7 Depreciation, amortisation and impairment losses	26,007	29,346
3 Gain on sale of non-current assets, etc., net	-776	-3,500
Share of profit/loss in joint ventures	-854	-754
Share of profit/loss in associated companies	-1,660	-1,286
24 Change in working capital	1,416	-4,422
Change in provisions and pension obligations, etc.	1,863	552
24 Other non-cash items	495	538
Cash flow from operating activities before financial items and tax	67,705	65,052
Dividends received	1,514	1,201
Financial income received	437	506
Financial expenses paid	-3,741	-5,265
Taxes paid	-15,859	-20,698
Cash flow from operating activities	50,056	40,796
24 Purchase of intangible assets and property, plant and equipment	-35,178	-43,608
Sale of intangible assets and property, plant and equipment	5,877	9,715
25 Acquisition of subsidiaries and activities	-111	-1,668
25 Sale of subsidiaries and activities	152	8,879
24 Other financial investments	1,835	-7,048
Cash flow used for capital expenditure	-27,425	-33,730
Purchase/sale of securities, trading portfolio	-145	-66
Cash flow used for investing activities	-27,570	-33,796
Repayment of borrowings	-14,424	-23,689
Proceeds from borrowings	5,518	21,805
Dividends distributed	-5,241	-4,366
Dividends distributed to non-controlling interests	-755	-1,109
Acquisition of non-controlling interests	-15	-1,191
Other equity transactions	105	570
Cash flow from financing activities	-14,812	-7,980
Net cash flow from continuing activities	7,674	-980
12 Net cash flow from discontinued operations	473	-153
Net cash flow for the year	8,147	-1,133
Cash and cash equivalents 1 January	10,758	11,726
Currency translation effect on cash and cash equivalents	-729	165
Cash and cash equivalents 31 December	18,176	10,758
Of which classified as assets held for sale	-1,086	-
Cash and cash equivalents 31 December	17,090	10,758
Cash and cash equivalents		
Cash and bank balances	17,640	11,670
Overdrafts	550	912
Cash and cash equivalents 31 December	17,090	10,758

Cash and cash equivalents include DKK 6.4bn (DKK 7.0bn) that relates to cash and cash equivalents in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

Consolidated statement of changes in equity

Amounts in DKK million

	2013	A.P. Møller - Maersk A/S								
Note		Share capital	Trans-lation reserve	Reserve for other equity invest-ments	Reserve for hedges	Retained earnings	Proposed dividend for distribution	Total	Non-control-ling inter-ests	Total equity
	Equity 1 January 2013	4,396	-5,633	84	-665	205,343	5,275	208,800	13,739	222,539
	Translation from functional currency to presentation currency	-	-8,409	-4	5	-	-	-8,408	-172	-8,580
	Other equity investments	-	-	7	-	-	-	7	-	7
	Cash flow hedges	-	-	-	730	-	-	730	10	740
	Share of other comprehensive income of joint ventures, net of tax	-	-	-	-	65	-	65	-	65
	Share of other comprehensive income of associated companies, net of tax	-	-	-	-	-36	-	-36	-	-36
	Actuarial gains/losses on defined benefit plans, etc.	-	-	-	-	310	-	310	12	322
5	Tax on other comprehensive income	-	-	-	-182	-33	-	-215	-6	-221
	Other comprehensive income, net of tax	-	-8,409	3	553	306	-	-7,547	-156	-7,703
	Profit for the year	-	-	-	-	13,228	6,154	19,382	1,841	21,223
	Total comprehensive income for the year	-	-8,409	3	553	13,534	6,154	11,835	1,685	13,520
	Dividends to shareholders	-	-	-	-	34	-5,275	-5,241	-951	-6,192
14	Value of granted and sold share options	-	-	-	-	34	-	34	-	34
	Sale of own shares	-	-	-	-	78	-	78	-	78
	Capital increases and decreases	-	-	-	-	-	-	-	17	17
	Tax on transactions	-	-	-	-	76	-	76	36	112
	Total transactions with shareholders	-	-	-	-	222	-5,275	-5,053	-898	-5,951
	Equity 31 December 2013	4,396	-14,042	87	-112	219,099	6,154	215,582	14,526	230,108

Consolidated statement of changes in equity

Amounts in DKK million

2012

A.P. Møller - Mærsk A/S

	Share capital	Trans-lation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Proposed dividend for distribution	Total	Non-control-ling inter-ests	Total equity
Note									
Balance at 31 December 2011	4,396	-3,007	65	-1,713	190,020	4,396	194,157	13,778	207,935
Impact of changes in accounting policies	-	-	-	-	-	-	-	-7	-7
Restated balance at 1 January 2012	4,396	-3,007	65	-1,713	190,020	4,396	194,157	13,771	207,928
Translation from functional currency to presentation currency	-	-2,626	-2	1	-	-	-2,627	-	-2,627
Other equity investments	-	-	21	-	-	-	21	3	24
Cash flow hedges	-	-	-	1,097	-	-	1,097	-22	1,075
Share of other comprehensive income of joint ventures, net of tax	-	-	-	-	6	-	6	-	6
Share of other comprehensive income of associated companies, net of tax	-	-	-	-	133	-	133	-	133
Actuarial gains/losses on defined benefit plans, etc.	-	-	-	-	-231	-	-231	-22	-253
5 Tax on other comprehensive income	-	-	-	-50	-45	-	-95	5	-90
Other comprehensive income, net of tax	-	-2,626	19	1,048	-137	-	-1,696	-36	-1,732
Profit for the year	-	-	-	-	16,398	5,275	21,673	1,724	23,397
Total comprehensive income for the year	-	-2,626	19	1,048	16,261	5,275	19,977	1,688	21,665
Dividends to shareholders	-	-	-	-	30	-4,396	-4,366	-1,109	-5,475
14 Value of granted and sold share options	-	-	-	-	43	-	43	-	43
Acquisition of non-controlling interests ¹	-	-	-	-	-1,029	-	-1,029	-640	-1,669
Sale of own shares	-	-	-	-	18	-	18	-	18
Capital increases and decreases	-	-	-	-	-	-	-	85	85
Tax on transactions	-	-	-	-	-	-	-	-29	-29
Other equity movements	-	-	-	-	-	-	-	-27	-27
Total transactions with shareholders	-	-	-	-	-938	-4,396	-5,334	-1,720	-7,054
Equity 31 December 2012	4,396	-5,633	84	-665	205,343	5,275	208,800	13,739	222,539

¹ Acquisition of non-controlling interests primarily relates to the acquisition of additional shares in APM Terminals Apapa Ltd. and OHG Netto Supermarkt GmbH & Co. After the acquisitions, the Group's ownership percentages amount to 94% and 100%, respectively.

Notes to the consolidated financial statements

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Notes to the consolidated financial statements

Amounts in DKK million

1 Segment information

	Maersk Line	Maersk Oil
2013		
External revenue	144,320	51,362
Inter-segment revenue	2,864	2
Total revenue	147,184	51,364
Profit before depreciation, amortisation and impairment losses, etc.	18,615	32,363
Depreciation and amortisation	10,054	8,830
Impairment losses	56	549
Reversal of impairment losses	110	-
Gain on sale of non-current assets, etc., net	215	2
Share of profit/loss in joint ventures	-	-
Share of profit/loss in associated companies	-2	-234
Profit/loss before financial items (EBIT)	8,828	22,752
Tax	345	16,877
Net operating profit/loss after tax (NOPAT)	8,483	5,875
Cash flow from operating activities	20,968	18,233
Cash flow used for capital expenditure	-9,031	-10,111
Free cash flow	11,937	8,122
Investments in non-current assets¹	9,713	13,565
Intangibles assets	4	16,756
Property, plant and equipment	115,943	35,442
Investments in joint ventures	-	-
Investments in associated companies	8	1,068
Other non-current assets	603	3,267
Assets held for sale	-	-
Other current assets	15,974	8,117
Total assets	132,532	64,650
Non-interest bearing liabilities	24,027	29,588
Invested capital, net	108,505	35,062

¹ Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

Notes to the consolidated financial statements

Amounts in DKK million

APM Terminals	Maersk Drilling	Maersk Supply Service	Maersk Tankers	Damco	Svitzer	Total reportable segments
15,180	11,078	5,102	9,126	18,049	4,553	258,770
9,161	-1	120	6	-	118	12,270
24,341	11,077	5,222	9,132	18,049	4,671	271,040
5,012	4,847	2,365	120	-367	1,218	64,173
1,664	1,339	956	1,097	158	476	24,574
3	-	-	1,292	33	36	1,969
3	-	-	431	-	-	544
393	20	28	45	12	164	879
520	107	-3	-1	45	124	792
381	-	-	2	-	-	147
4,642	3,635	1,434	-1,792	-501	994	39,992
315	670	111	-11	125	116	18,548
4,327	2,965	1,323	-1,781	-626	878	21,444
5,186	4,358	2,448	1,253	-81	1,011	53,376
-4,723	-8,525	-787	4,201	-127	-12	-29,115
463	-4,167	1,661	5,454	-208	999	24,261
5,074	8,368	848	106	163	455	38,292
5,944	103	33	25	1,046	1,988	25,899
15,221	29,549	11,647	7,794	487	5,242	221,325
9,244	860	-	23	158	357	10,642
2,662	-	-	28	1	-	3,767
1,020	357	20	5	246	231	5,749
1,021	-	-	5,304	29	-	6,354
4,573	2,792	1,190	2,062	4,321	1,045	40,074
39,685	33,661	12,890	15,241	6,288	8,863	313,810
6,251	4,867	1,354	2,604	4,056	1,485	74,232
33,434	28,794	11,536	12,637	2,232	7,378	239,578

Notes to the consolidated financial statements

Amounts in DKK million

1 Segment information – continued

	Maersk Line	Maersk Oil
2012		
External revenue	153,495	58,833
Inter-segment revenue	3,624	-
Total revenue	157,119	58,833
Profit before depreciation, amortisation and impairment losses, etc.	12,627	41,463
Depreciation and amortisation	9,835	10,812
Impairment losses	467	169
Reversal of impairment losses	579	-
Gain on sale of non-current assets, etc., net	133	632
Share of profit/loss in joint ventures	-	-
Share of profit/loss in associated companies	6	-243
Profit/loss before financial items (EBIT)	3,043	30,871
Tax	372	16,707
Net operating profit/loss after tax (NOPAT)	2,671	14,164
Cash flow from operating activities	10,384	22,347
Cash flow used for capital expenditure	-20,566	-11,352
Free cash flow	-10,182	10,995
Investments in non-current assets¹	19,577	11,484
Intangibles assets	18	17,806
Property, plant and equipment	122,048	32,552
Investments in joint ventures	-	-
Investments in associated companies	17	1,114
Other non-current assets	414	2,985
Assets held for sale	-	-
Other current assets	21,437	11,645
Total assets	143,934	66,102
Non-interest bearing liabilities	27,084	26,943
Invested capital, net	116,850	39,159

¹ Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

Maersk Oil's profit for the period included a tax income of DKK 5.2bn from the settlement of a dispute regarding tax collected by the Algerian national oil company, Sonatrach S.P.A. The settlement related to Algerian tax imposed from August 2006.

Notes to the consolidated financial statements

Amounts in DKK million

APM Terminals	Maersk Drilling	Maersk Supply Service	Maersk Tankers	Damco	Svitzer	Total reportable segments
14,674	9,688	4,941	11,329	17,314	4,643	274,917
9,696	61	139	125	1,395	111	15,151
24,370	9,749	5,080	11,454	18,709	4,754	290,068
5,047	3,695	1,848	1,243	526	1,294	67,743
1,642	1,142	964	1,557	133	535	26,620
-	-	39	1,554	14	630	2,873
-	-	-	-	-	-	579
676	2	-21	46	109	22	1,599
579	2	-	6	37	111	735
344	-	-	2	-	-	109
5,004	2,557	824	-1,814	525	262	41,272
939	545	59	11	205	219	19,057
4,065	2,012	765	-1,825	320	43	22,215
5,271	3,459	1,767	726	-591	1,395	44,758
-7,514	-3,216	-1,242	-2,669	-118	-595	-47,272
-2,243	243	525	-1,943	-709	800	-2,514
5,155	3,619	1,329	2,901	572	752	45,389
5,236	2	8	41	1,173	2,417	26,701
14,612	23,533	12,372	17,182	537	5,857	228,693
9,792	902	-	7	149	429	11,279
2,705	1	-	34	1	-	3,872
966	227	19	3	232	325	5,171
321	-	21	2,644	20	31	3,037
3,577	3,014	1,389	2,522	4,533	966	49,083
37,209	27,679	13,809	22,433	6,645	10,025	327,836
6,112	3,443	1,322	1,872	3,750	1,563	72,089
31,097	24,236	12,487	20,561	2,895	8,462	255,747

Notes to the consolidated financial statements

Amounts in DKK million

1 Segment information – continued

	2013	2012
Revenue		
Reportable segments	271,040	290,068
Other businesses	7,407	13,099
Unallocated activities (Maersk Oil Trading)	2,476	4,717
Eliminations	-14,687	-21,131
Total	266,236	286,753
Of which:		
Sale of goods including sale of oil and gas	55,340	65,871
Rendering of services, etc.	210,896	220,882
Profit for the year		
Reportable segments	21,444	22,215
Other businesses ¹	1,980	3,728
Financial items, net	-4,021	-4,515
Unallocated tax	+490	+736
Other unallocated items	812	425
Eliminations	-74	9
Total continuing operations	19,007	21,748
Discontinued operations, after eliminations	2,216	1,649
Total	21,223	23,397
Assets		
Reportable segments	313,810	327,836
Other businesses	37,073	38,100
Unallocated activities	31,176	22,669
Dansk Supermarked Group	30,712	28,589
Eliminations	-9,475	-7,496
Total	403,296	409,698
Liabilities		
Reportable segments	74,232	72,089
Other businesses	2,416	3,637
Unallocated activities	93,582	107,133
Dansk Supermarked Group	11,366	10,839
Eliminations	-8,408	-6,539
Total	173,188	187,159

¹ 2012 included gain on sale of non-current assets, etc., of DKK 1,419m in Maersk FPSOs and Maersk LNG.

Notes to the consolidated financial statements

Amounts in DKK million

1 Segment information – continued

APM Terminals and Maersk Line have entered into a commercial agreement whereby Maersk Line is secured dedicated capacity in certain strategically important terminals. Under the terms of the agreement, substantially all of the risks and benefits associated with ownership of these terminals are transferred to Maersk Line. Management has chosen not to apply finance lease accounting for the internal reporting and accordingly these terminals are still reported as part of APM Terminals in the segment information.

The effect for APM Terminals is an increase of USD 70m in revenue and USD 42m in EBIT excluding any gains or losses in connection with the de-recognition of non-current assets. Maersk Line is affected by the same amount on cost and EBIT.

The agreement has no effect on the Group as the transactions are eliminated in the consolidation.

Geographical information

Revenue for the shipping activities is based on the destination for ships operated by the Group and on customer location for ships on time charter. The majority of the Group's ships, drilling rigs and containers are registered in Denmark, Singapore, United Kingdom and the USA. These types of assets are allocated to countries based on legal ownership.

Geographical split	External revenue		Tax paid		Non-current assets ¹	
	2013	2012	2013	2012	2013	2012
Denmark	19,468	25,202	6,280	8,745	86,170	104,089
Algeria	7,412	7,492	681	1,194	3,056	3,155
Brazil	7,748	8,147	188	289	14,150	15,067
China and Hong Kong	11,662	11,204	127	197	19,566	19,104
Qatar	22,435	24,827	8,129	8,629	3,400	5,161
Singapore	2,573	2,450	81	-3	37,078	51,438
United Kingdom	16,800	17,312	93	400	25,350	26,128
USA	29,071	32,480	-33	465	15,988	11,248
Other	149,067	157,639	313	782	44,664	40,683
Total	266,236	286,753	15,859	20,698	249,422	276,073

¹ Comprise intangible assets and property, plant and equipment.

Notes to the consolidated financial statements

Amounts in DKK million

1 Segment information – continued

Exploration activities (Maersk Oil)	2013	2012
Income	90	735
Exploration costs	6,454	6,302
Depreciation, amortisation and impairment losses, net	672	735
Exploration expenses, net	7,036	6,302
Intangible assets ¹	13,596	16,168
Total assets	22,133	30,642
Total liabilities	3,496	2,254
Cash flow from operating activities	-3,559	-5,074
Cash flow used for capital expenditure	-1,022	-2,768
Free cash flow	-4,581	-7,842

¹ Comprise mainly oil rights.

The exploration activities include Maersk Oil's income, expenses, assets, liabilities and cash flows related to exploration for and evaluation of oil and gas resources. Activities in the subsequent development phases are not included. The income relates primarily to farm-out agreements.

Notes to the consolidated financial statements

Amounts in DKK million

2 Operating costs

	2013	2012
Costs of goods sold	3,089	4,551
Bunker costs	33,095	39,976
Terminal costs	25,311	26,089
Intermodal costs	17,450	19,999
Port costs	10,796	10,845
Rent and lease costs	17,958	20,862
Exploration costs	6,454	6,302
Staff costs	31,608	31,690
Integration and restructuring costs	612	495
Other	57,360	60,286
Total operating costs	203,733	221,095
Remuneration of employees		
Wages and salaries	28,420	28,220
Severance payments	746	518
Pension costs, defined benefit plans	244	233
Pension costs, defined contribution plans	1,878	2,157
Other social security costs	2,028	1,908
Total remuneration	33,316	33,036
Of which:		
Recognised in the cost of assets	487	320
Included in exploration costs	664	590
Included in integration and restructuring costs	557	436
Expensed as staff costs	31,608	31,690
Average number of employees in continuing operations	88,909	89,569

Rent and lease costs include contingent rent totalling DKK 1.2bn (DKK 844m), which entirely relates to operating leases.

Customary agreements have been entered into with employees regarding compensation in connection with resignation with consideration for local legislation and collective agreements.

For information about share-based payment reference is made to note 14.

Notes to the consolidated financial statements

Amounts in DKK million

2 Operating costs – continued

Fees and remuneration to the Board of Directors and the Executive Board

Contracts of employment for the Executive Board contain terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither the Executive Board nor the Board of Directors will receive special remuneration.

The Board of Directors has received fees of DKK 20m (DKK 19m).

As at 1 January 2013, management has changed from Firmaet A.P. Møller to the Executive Board. Remuneration of the Executive Board, which does not include pension or share based payment, is expensed with DKK 106m (Firmaet A. P. Møller DKK 96m).

Fees to the statutory auditors	KPMG Statsautoriseret Revisionspartnerselskab		KPMG including network firms	
	2013	2012	2013	2012
Statutory audit	20	27	67	95
Other assurance services	2	2	3	5
Tax and VAT advisory services	23	17	32	28
Other services	20	11	24	22
Total fees	65	57	126	150

	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab		PwC including network firms	
	2013	2012	2013	2012
Statutory audit	15	8	35	15
Other assurance services	1	1	2	1
Tax and VAT advisory services	2	2	4	3
Other services	13	11	33	42
Total fees	31	22	74	61

Notes to the consolidated financial statements

Amounts in DKK million

3 Gain on sale of non-current assets, etc., net

	2013	2012
Gains ¹	1,431	3,607
Losses	617	75
Gain on sale of non-current assets, etc., net	814	3,532

¹ Gains include dividends received from other equity investments of DKK 38m (DKK 32m).

Gains relate to the sale of the Brigantine Group, China of DKK 163m and a number of non-current assets. Losses mainly relate to the divestment of DFDS with a loss of DKK 317m.

In 2012, gains primarily related to the sale of the FPSO, Maersk Peregrino, which was completed 31 July 2012 with a gain of DKK 1,252m, Maersk LNG A/S, DKK 465m, oil concession rights in Brazil, DKK 637m and Maersk Equipment Service Company, Inc., DKK 458m.

Notes to the consolidated financial statements

Amounts in DKK million

4 Financial income and expenses

	2013	2012
Interest expenses on liabilities	3,811	4,236
Of which borrowing costs capitalised on assets ¹	988	318
Interest income on loans and receivables	467	593
Interest income on securities	3	6
Fair value adjustment transferred from equity hedge reserve (loss)	393	754
Unwind of discount on provisions	377	376
Net interest expenses	3,123	4,449
Exchange rate gains on bank deposits, loans and working capital	1,556	1,129
Exchange rate losses on bank deposits, loans and working capital	3,325	2,798
Net foreign exchange gains/losses	-1,769	-1,669
Fair value gains from derivatives	1,110	1,732
Fair value losses from derivatives	253	141
Fair value gains from securities	10	22
Fair value losses from securities	-	7
Net fair value gains/losses²	867	1,606
Dividends received from securities	5	8
Impairment losses on financial non-current receivables	1	11
Financial expenses, net	4,021	4,515
Of which:		
Financial income	3,151	3,490
Financial expenses	7,172	8,005

¹ The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.4% (4.8%).

² Including loss on hedging instrument in fair value hedge of DKK 500m (gain of DKK 394m) and gain on the hedged item of DKK 362m (loss of DKK 349m).

For an analysis of gains and losses from derivatives reference is made to note 19.

Notes to the consolidated financial statements

Amounts in DKK million

5 Tax

	2013	2012
Tax recognised in the income statement	18,186	18,315
Of which regarding Danish and foreign tonnage tax, freight tax, etc.	-557	-432
Total	17,629	17,883
Of which:		
Current tax	17,741	16,579
Deferred tax	-112	1,304
Current and deferred tax arise as follows:		
Profit before tax	37,193	40,063
Income subject to Danish and foreign tonnage taxation, etc.	-7,267	-395
Share of profit/loss in joint ventures	-854	-754
Share of profit/loss in associated companies	-1,660	-1,286
Profit before tax, adjusted	27,412	37,628
Calculated 25% tax	6,853	9,407
Tax rate deviations in foreign entities, net	-960	-633
Additional tax in the oil segment in excess of 25%	10,467	12,961
Gains related to shares, dividends, etc.	97	-196
Adjustment to previous years' taxes ¹	-86	-5,343
Deferred tax assets, not previously recognised	-629	-402
Tax losses for which no deferred tax asset was recognised	1,059	737
Other permanent differences, net	828	1,352
Total	17,629	17,883
Tax recognised in other comprehensive income and equity		
Cash flow hedges	183	74
Actuarial gains/losses on defined benefit plans, etc.	38	16
Tax recognised in other comprehensive income, net	221	90
Tax recognised directly in equity	-112	29
Total	109	119
Of which:		
Current tax	162	65
Deferred tax	-53	54

¹2012 included a tax income of DKK 5.2bn from the settlement of a dispute regarding tax collected by the Algerian national oil company, Sonatrach S.P.A. The settlement is related to Algerian tax imposed from August 2006.

Notes to the consolidated financial statements

Amounts in DKK million

6 Intangible assets

	Goodwill	Terminal and service concession rights	Oil con- cession rights	Other rights	Total
Cost					
1 January 2012	4,436	4,115	40,696	3,534	52,781
Addition	-	624	1,141	546	2,311
Acquired in business combinations	235	1,619	-	184	2,038
Disposal	11	1	-	180	192
Transfer, assets held for sale	-	-134	-	-1	-135
Exchange rate adjustment	3	27	-639	-39	-648
31 December 2012	4,663	6,250	41,198	4,044	56,155
Addition	-	1,349	1,037	708	3,094
Acquired in business combinations	-	39	-	-	39
Disposal	-	147	551	17	715
Transfer, assets held for sale	-463	-	-	-1,362	-1,825
Exchange rate adjustment	-549	-509	-1,812	-187	-3,057
31 December 2013	3,651	6,982	39,872	3,186	53,691
Amortisation and impairment losses					
1 January 2012	562	904	22,700	2,184	26,350
Amortisation	-	241	1,290	339	1,870
Impairment losses	623	-	-	-	623
Disposal	11	-	-	176	187
Transfer, assets held for sale	-	-28	-	-1	-29
Exchange rate adjustment	-16	-10	-371	-28	-425
31 December 2012	1,158	1,107	23,619	2,318	28,202
Amortisation	-	268	979	348	1,595
Impairment losses	20	-	273	8	301
Disposal	-	78	551	17	646
Transfer, assets held for sale	-30	-	-	-278	-308
Exchange rate adjustment	-80	-109	-1,055	-124	-1,368
31 December 2013	1,068	1,188	23,265	2,255	27,776
Carrying amount:					
31 December 2012	3,505	5,143¹	17,579²	1,726³	27,953
31 December 2013	2,583	5,794¹	16,607²	931³	25,915

¹ Of which DKK 1.0bn (DKK 936m) is under development. DKK 278m (DKK 305m) is related to terminal rights with indefinite useful life in Poti Sea Port Corp. The impairment test is based on the estimated value in use according to a business plan. A discount rate of 13.0% (11.0%) p.a. after tax has been applied in the calculation. Furthermore, the development in volumes and rates are significant parameters.

² Of which DKK 14.7bn (DKK 15.4bn) is related to oil concession rights where amortisation will begin when production commences. These rights are primarily located offshore in Brazil, and will only be subject to impairment testing when trigger events occur.

³ Of which DKK 95m (DKK 839m) is related to on-going development of software.

Notes to the consolidated financial statements

Amounts in DKK million

6 Intangible assets – continued

Goodwill impairment test

The carrying amount of goodwill has been allocated to the following operating segments and cash generating units based on the management structure:

Operating segment	Cash generating unit	Carrying amount	
		2013	2012
Svitzer	Adsteam Marine Limited (Australia)	1,900	2,325
Damco	Airfreight service	501	515
Dansk Supermarked	OHG Netto Supermarkt GmbH & Co.	-	413
Other		182	252
Total		2,583	3,505

The impairment tests are based on the estimated value in use from five year business plans and a calculated terminal value with growth equal to the expected local economic growth.

In 2013, impairment losses of DKK 20m primarily relate to Pacific Network Global Logistics (Damco), due to weak market conditions in airfreight in Australia.

In 2012, impairment losses of DKK 623m primarily related to the Adsteam Marine Limited goodwill in the United Kingdom, which was fully impaired due to weak market conditions. Regarding the goodwill in Australia, an increase in the discount rate of 1%-point was estimated to result in an additional impairment of DKK 570m. Likewise a decline of 1%-point in terminal value growth rate was estimated to result in an impairment of DKK 445m.

Key assumptions	Terminal value growth rate		Estimated EBITDA growth p.a. in the forecast period		Applied discount rate p.a. after tax	
	2013	2012	2013	2012	2013	2012
Cash generating unit						
Adsteam Marine Limited (Australia)	2.0%	1.7%	11.0%	4.3%	7.8%	7.0%
Airfreight service	2.0%	2.0%	4.5%	7.2%	9.0%	9.1%
OHG Netto Supermarkt GmbH & Co.	-	0.0%	-	2.3%	-	7.0%

Other intangible assets

Impairment losses for 2013 of DKK 281m primarily relate to oil concession rights on the Janice field in the United Kingdom and are based on estimated value in use. A discount rate of 8.5% p.a. after tax and the forward curve for oil prices at 31 December 2013 are used in the calculation.

Amounts in DKK million

7 Property, plant and equipment

	Ships, rigs, containers, etc.	Production facilities and equipment, etc.	Land and buildings	Construc- tion work in progress and payment on account	Total
Cost					
1 January 2012	254,678	129,861	33,966	23,710	442,215
Addition	12,394	1,275	383	28,994	43,046
Acquired in business combinations	-	185	-	1	186
Disposal	2,422	7,965	244	158	10,789
Disposal on sale of businesses	40	37	15	-	92
Transfer	17,086	9,362	-2,738	-23,710	-
Transfer, assets held for sale	-7,751	-232	-529	-	-8,512
Exchange rate adjustment	-4,063	-1,631	651	-456	-5,499
31 December 2012	269,882	130,818	31,474	28,381	460,555
Addition	2,941	3,629	525	31,510	38,605
Acquired in business combinations	-	26	129	-	155
Disposal	6,750	896	61	180	7,887
Disposal on sale of businesses	-	23	6	-	29
Transfer	9,414	12,269	438	-22,121	-
Transfer, assets held for sale	-11,968	-7,454	-25,660	-337	-45,419
Exchange rate adjustment	-12,398	-6,079	-468	-1,603	-20,548
31 December 2013	251,121	132,290	6,371	35,650	425,432
Depreciation and impairment losses					
1 January 2012	89,405	96,531	11,401	506	197,843
Depreciation	14,068	11,221	526	-	25,815
Impairment losses	2,063	220	174	-	2,457
Reversal of impairment losses	565	25	-	-	590
Disposal	1,961	7,550	113	1	9,625
Disposal on sale of businesses	24	30	8	-	62
Transfer	276	923	-826	-373	-
Transfer, assets held for sale	-369	-114	-63	-	-546
Exchange rate adjustment	-1,560	-1,363	64	2	-2,857
31 December 2012	101,333	99,813	11,155	134	212,435
Depreciation	13,752	9,623	531	-	23,906
Impairment losses	1,493	282	-	-	1,775
Reversal of impairment losses	488	278	25	53	844
Disposal	6,310	810	27	-	7,147
Disposal on sale of businesses	-	21	3	-	24
Transfer, assets held for sale	-4,353	-5,094	-8,966	-	-18,413
Exchange rate adjustment	-5,081	-4,483	-193	-6	-9,763
31 December 2013	100,346	99,032	2,472	75	201,925
Carrying amount:					
31 December 2012	168,549	31,005	20,319	28,247	248,120
31 December 2013	150,775	33,258	3,899	35,575	223,507
Of which carrying amount of finance leased assets:					
31 December 2012	13,395	6	6	-	13,407
31 December 2013	11,445	3	5	-	11,453

Amounts in DKK million

7 Property, plant and equipment – continued

Impairment tests of property, plant and equipment have been carried out within the following cash generating units, applying the below methods and key assumptions based on identified impairment indicators during the year:

			Applied discount rate p.a. after tax		Impairment losses		Reversal of impairment losses		Recoverable amount
			2013	2012	2013	2012	2013	2012	2013
Operating segment	Cash generating unit	Methodology							
Maersk Tankers	Crude tankers	Fair value	-	-	1,292	1,043	431	-	5,304
	Product Handy	Value in use	10.0%	10.0%	-	406	-	-	-
Maersk Line	Maersk Line ¹	Fair value	-	-	-	220	-	566	-
	Multi purpose vessel	Value in use	10.0%	10.0%	56	214	110	-	520
Maersk Oil	Janice area	Value in use	8.5%	8.5%	276	169	-	-	-
	Other		-	-	151	405	303	24	-
Total					1,775	2,457	844	590	

¹ Container vessels previously held for sale, partly redeployed or partly laid-up.

Transfers

Transfer to assets held for sale primarily relates to Dansk Supermarked Group and 15 vessels in the VLCC segment in Maersk Tankers. In 2012, transfer to assets held for sale primarily comprised the FPSO Maersk Peregrino.

The negative transfer from land and buildings in 2012 was primarily related to pavement and other terminal infrastructure being reclassified to production facilities and equipment, etc.

Finance leases

As part of the Group's activities, customary leasing agreements are entered into, especially with regard to the chartering of vessels and lease of containers and other equipment. In some cases, the leasing agreements comprise purchase options for the Group and options for extension of the lease term.

In the financial statements, assets held under finance leases are recognised in the same way as owned assets.

Operating leases as lessor

Property, plant and equipment include assets, mainly drillships, rigs and vessels, which are leased out as part of the Group's activities. The future lease income is DKK 57.2bn (DKK 53.3bn) of which DKK 16.7bn (DKK 13.5bn) is receivable within one year, DKK 32.6bn (DKK 35.4bn) between one and five years and DKK 7.9bn (DKK 4.4bn) in more than five years.

Ownership of production facilities and vessels

Ownership of production facilities, etc., relating to oil production in Qatar and Algeria with a carrying amount of DKK 6.4bn (DKK 8.3bn) is transferred to state-owned oil companies on an on-going basis according to agreements. The right of use is maintained during the concession period.

Pledges

Ships, rigs, etc., with a carrying amount of DKK 44.5bn (DKK 54.7bn) have been pledged as security for loans of DKK 26.7bn (DKK 33.9bn).

Notes to the consolidated financial statements

Amounts in DKK million

8 Investments in joint ventures and associated companies

Investments in joint ventures (100% numbers)	APM Terminals		Other	
	2013	2012	2013	2012
Revenue	13,459	9,509	5,303	4,657
Expenses, depreciation, amortisation, interest, etc.	11,704	7,596	4,537	4,293
Profit for the year	1,755	1,913	766	364
Other comprehensive income	137	13	-	-
Total comprehensive income	1,892	1,926	766	364
Non-current assets	73,255	53,137	7,195	8,524
Current assets	6,448	4,996	2,264	2,252
Non-current liabilities	24,982	19,522	3,067	4,780
Current liabilities	10,140	4,733	2,890	2,680
Net assets	44,581	33,878	3,502	3,316
Cash and bank balances	1,939	2,670	771	712

Commitments in joint ventures, which may require the Group to contribute cash for investments, etc., amount to DKK 3.0bn (DKK 1.4bn).

Notes to the consolidated financial statements

Amounts in DKK million

8 Investments in joint ventures and associated companies – continued

Investments in associated companies (100% numbers)	Danske Bank		Other	
	2013	2012	2013	2012
Revenue	117,453	127,200	23,708	28,981
Expenses, depreciation, amortisation, interest, etc.	110,338	122,451	22,887	28,107
Profit for the year	7,115	4,749	821	874
Other comprehensive income	641	633	-310	108
Total comprehensive income	7,756	5,382	511	982
Non-current assets	2,088,691	2,251,073	30,171	33,937
Current assets	1,138,366	1,234,108	5,382	19,962
Non-current liabilities	2,113,972	2,199,854	13,438	23,924
Current liabilities	967,428	1,147,093	4,959	5,971
Net assets	145,657	138,234	17,156	24,004
Cash and bank balances	43,721	97,267	2,281	3,703

Danske Bank

The fair value of the Group's investment in Danske Bank amounts to DKK 25.2bn (DKK 19.3bn), and the carrying amount to DKK 29.2bn (DKK 27.7bn). Profit in Danske Bank was DKK 7.1bn (DKK 4.7bn). The Group's share is DKK 1.4bn (DKK 952m).

Revenue includes interest income, fee income and net premiums. Contingent liabilities in associated companies totalled DKK 46.8bn (DKK 48.6bn) proportionally and are related to guarantees and other contingent liabilities.

In October 2012, the Group participated in Danske Bank's capital increase DKK 7.2bn with an investment of DKK 1.4bn.

No dividend has been received from Danske Bank in 2013 or 2012. Danske Bank will resume dividend payments in 2014, however certain restrictions under a loan agreement with the Danish State still apply.

Notes to the consolidated financial statements

Amounts in DKK million

9 Other receivables

	2013	2012
Loans	1,425	5,421
Finance lease receivables	736	868
Other interest-bearing receivables and deposits	715	871
VAT and similar receivables	1,243	908
Receivables from settled claims and disputes, etc.	260	2,494
Other	5,885	5,564
Total	10,264	16,126
Of which:		
Classified as non-current	4,401	4,920
Classified as current	5,863	11,206

In 2012, receivables from settled claims primarily related to a tax dispute in Algeria.

The finance lease receivables are primarily related to the Portsmouth terminal in Virginia, USA.

Finance lease receivables	Gross receivable	Interest	Carrying amount	Gross receivable	Interest	Carrying amount
	2013	2013	2013	2012	2012	2012
Within one year	73	31	42	83	47	36
Between one and five years	262	101	161	352	196	156
After five years	676	143	533	1,298	622	676
Total	1,011	275	736	1,733	865	868

Notes to the consolidated financial statements

Amounts in DKK million

10 Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities	
	2013	2012	2013	2012	2013	2012
Intangible assets	305	180	792	1,516	487	1,336
Property, plant and equipment	709	1,717	10,900	10,123	10,191	8,406
Receivables, etc.	127	127	503	438	376	311
Provisions, etc.	4,661	3,688	272	312	-4,389	-3,376
Oil lifting balances in joint operations	262	528	-	-	-262	-528
Tax loss carry forwards	2,957	2,950	-	-	-2,957	-2,950
Other	224	58	196	70	-28	12
Total	9,245	9,248	12,663	12,459	3,418	3,211
Offsets	-6,656	-5,956	-6,656	-5,956	-	-
Total	2,589	3,292	6,007	6,503	3,418	3,211

Change in deferred tax, net during the year	2013	2012
1 January	3,211	1,208
Intangible assets	-492	-342
Property, plant and equipment	2,028	2,300
Receivables, etc.	-13	96
Provisions, etc.	-1,387	502
Oil lifting balances in joint operations	256	-164
Tax loss carry forwards	-236	-957
Other	-83	123
Recognised in the income statement¹	73	1,558
Intangible assets	2	461
Property, plant and equipment	23	3
Other	-	-1
Change from acquisition/sale of businesses	25	463
Recognised in other comprehensive income and equity	-53	54
Transfer, assets held for sale, etc.	180	-9
Exchange rate adjustments	-18	-63
31 December	3,418	3,211

¹ Of which DKK 185m (DKK 253m) is recognised as an expense in Discontinued operations.

Notes to the consolidated financial statements

Amounts in DKK million

10 Deferred tax – continued

Unrecognised deferred tax assets

The tax losses carried forward have no significant time limitations. No tax value is recognised as it is not considered likely that the deferred tax assets can be realised in the foreseeable future.

	2013	2012
Deductible temporary differences	1,373	1,122
Tax loss carry forwards	3,020	2,909
Total	4,393	4,031

There are no significant unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

Amounts in DKK million

11 Inventories

	2013	2012
Raw materials and consumables	1,462	2,077
Work in progress	152	127
Finished goods and goods for resale	937	4,949
	2,551	7,153
Bunker	4,222	5,716
Total	6,773	12,869

No significant write-downs or reversals have been recognised on inventories.

Notes to the consolidated financial statements

Amounts in DKK million

12 Discontinued operations and assets held for sale

Discontinued operations and assets held for sale 2013

Dansk Supermarked Group is classified as Discontinued operations and information of discontinued operations below solely relates to Dansk Supermarked Group.

Intangible assets held for sale regarding Dansk Supermarked Group amounts to DKK 1.5bn and property, plant and equipment amounts to DKK 18.3bn. Non-controlling interests within equity related to Dansk Supermarked Group amounts to DKK 11.3bn (DKK 10.6bn). Reference is made to note 30 for further information.

Assets held for sale relate, in addition to Dansk Supermarked Group, primarily to 15 vessels in the VLCC segment in Maersk Tankers.

Discontinued operations and assets held for sale 2012

Comparison figures in the income statement and cash flow statement have been restated as a consequence of the classification of Dansk Supermarked Group as discontinued operations in 2013.

In 2012, assets held for sale primarily related to Maersk Tankers' 11 vessels in the handygas segment.

Seven container vessels in Maersk Line, of which four are owned and three held as finance lease, were due to unsuccessful sales efforts ceased to be classified as held for sale and in consequence net impairment losses of DKK 550m were reversed.

Impairment losses of DKK 148m were recognised in relation to the reclassification to assets held for sale.

	2013	2012
Profit for the year – discontinued operations		
Revenue	56,857	55,610
Expenses	-53,219	-52,528
Depreciation, amortisation and impairment losses	-733	-846
Profit before tax, etc.	2,905	2,236
Tax	689	587
Profit for the year – discontinued operations	2,216	1,649
A.P. Møller - Mærsk A/S' share hereof	1,293	910
Earnings and diluted earnings per share, DKK	296	208
Cash flows from discontinued operations for the year		
Cash flow from operating activities	3,810	2,694
Cash flow used for investing activities	-2,614	-1,998
Cash flow from financing activities	-723	-849
Net cash flow from discontinued operations	473	-153
Balance sheet items comprise:		
Non-current assets	26,572	2,919
Current assets	10,902	126
Assets held for sale	37,474	3,045
Provisions	246	-
Other liabilities	11,282	75
Liabilities associated with assets held for sale	11,528	75

Notes to the consolidated financial statements

Amounts in DKK million

13 Share capital and earnings per share

The share capital on 31 December 2013 comprises:

A shares DKK 2,197.8m divided into 2,197,619 shares of DKK 1,000 and 362 shares of DKK 500

B shares DKK 2,197.8m divided into 2,197,683 shares of DKK 1,000 and 234 shares of DKK 500

All shares are fully issued and paid up.

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

For adoption of resolutions regarding changes in the Company's articles or increase or write down to the share capital requires the presence of two-thirds of the class A voting rights at the Annual General Meeting and that the resolution shall be passed by two-thirds of the votes cast.

Apart from a resolution for the dissolution of the Company, other resolutions at the Annual General Meetings are passed by simple majority, as long as legislation does not require particular voting majority. Reference is made to the Company's articles of association.

In the event of an increase of the Company's share capital, the shareholders in the given share class shall have a pre-emptive right to subscribe for a proportionate share of the capital increase.

According to the authorisation of the Annual General Meeting, the Board of Directors may in the period up to and including 3 April 2016 allow the Company to acquire own shares up to a holding of 10% of the Company's share capital. The purchase price may not deviate by more than 10% from the price quoted on NASDAQ OMX Copenhagen A/S at the time of purchase.

	No. of shares of DKK 1,000		Nominal value		% of share capital	
	2013	2012	2013	2012	2013	2012
Own shares (B shares)						
1 January	29,070	29,729	29	30	0.66%	0.68%
Disposal	2,544	659	2	1	0.06%	0.02%
31 December	26,526	29,070	27	29	0.60%	0.66%

Disposals of own shares are primarily related to the share option programme.

Based on the parent company's profit of DKK 7,313m (DKK 8,435m), the Board of Directors proposes a dividend to the shareholders of DKK 1,400 per share of DKK 1,000 – a total of DKK 6,154m (DKK 1,200 per share of DKK 1,000 – a total of DKK 5,275m). Payment is expected to take place on 4 April 2014.

Payment of dividends to shareholders does not trigger taxes for the Group.

Notes to the consolidated financial statements

Amounts in DKK million

13 Share capital and earnings per share – continued

Basis for calculating earnings per share is the following:

A.P. Møller - Mærsk A/S' share of:	2013	2012
Profit for the year of continuing operations	18,089	20,763
Profit for the year of discontinued operations	1,293	910
Profit for the year	19,382	21,673
Issued shares 1 January	4,395,600	4,395,600
Average number of own shares	28,006	29,330
Average number of shares	4,367,594	4,366,270

At 31 December 2013, there is a dilution effect on earnings per share of 2,522 (4,658) issued share options while there is no dilution effect on 11,852 (15,931) issued share options. This corresponds to 0.06% (0.11%) and 0.27% (0.36%) of the share capital, respectively.

Notes to the consolidated financial statements

Amounts in DKK million

14 Share-based payment

In 2013, the Group has established a restricted shares programme for employees, replacing the previous share option programme.

The fair value of restricted shares (A.P. Møller - Mærsk A/S B shares) granted to 115 employees was DKK 46m at the time of the grant. Total value of granted restricted shares recognised in the income statement is DKK 12m.

The transfer of restricted shares is contingent on the employee still being permanently employed and takes place when three years have passed from the time of grant. The employee is not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Group's holding of own shares is reserved for transfer of restricted shares.

Outstanding restricted shares	Employees ¹		Total fair value ¹ DKK million
	No.	DKK million	
Granted	1,014	46	
Forfeited	13		
Outstanding 31 December 2013		1,001	

¹ At the time of grant.

The fair value per restricted share at the time of grant is calculated at DKK 45,315, which is equal to the average share price on the first five trading days following the release of A.P. Møller – Mærsk A/S' annual report.

The average remaining contractual life for the restricted shares as per 31 December 2013 is 2.3 years.

In addition to the restricted shares program, the Group has a share option programme for former partners in Firmaet A.P. Møller and other employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S. Share options related to this programme have not been granted in 2013.

In 2012, the fair value of share options granted to 123 employees was DKK 39m at the time of grant. Total value of granted share options recognised in the income statement is DKK 23m (DKK 36m). In addition to the share options granted to the employees in 2012, three partners in Firmaet A.P. Møller bought share options corresponding to a fair value of DKK 7m.

The share options was granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. Exercise of the share options is contingent on the option holder still being permanently employed at the time of exercise. The share options can be exercised when at least two years and no more than five years have passed from the time of granting and can only be exercised within the trading periods as stated in the internal rules for trading of A.P. Møller - Mærsk A/S' securities in force at any time. Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

The share options can only be settled in shares. A portion of the Group's holding of own shares is reserved for settlement of granted options.

Notes to the consolidated financial statements

Amounts in DKK million

14 Share-based payment – continued

Outstanding share options	Partners in Firmaet A.P. Møller ¹	Employees ¹	Total	Average exercise price	Total fair value ¹
	No.	No.	No.	DKK	DKK million
1 January 2012	4,459	12,113	16,572	44,716	
Granted	-	4,356	4,356	49,843	39
Sold	792	-	792	49,843	7
Exercised	-	659	659	27,237	
Forfeited	-	472	472	52,351	
Outstanding 31 December 2012	5,251	15,338	20,589	46,382	
Exercisable 31 December 2012	3,684	8,076	11,760	41,183	
Exercised	237	2,307	2,544	30,421	
Forfeited	1,120	2,551	3,671	53,479	
Outstanding 31 December 2013	3,894	10,480	14,374	47,394	
Exercisable 31 December 2013	3,102	6,265	9,367	46,085	

¹ At the time of grant.

The weighted average share price at the dates of exercise of shares was DKK 49,982 (DKK 43,124).

The average remaining contractual life as per 31 December 2013 is 2.0 years (2.3 years) and the exercise price for outstanding share options is in the range of DKK 27,237 to DKK 57,959 (DKK 27,237 to DKK 57,959).

In 2012, the fair value per option at the time of grant was calculated at DKK 8,839 based on Black & Scholes' options pricing model.

The following principal assumptions were used in 2012 in the valuation of the share options at the time of grant:

	2012
Share price, five days average, DKK	45,312
Exercise price, DKK	49,843
Expected volatility (based on four years historical volatility)	31.3%
Expected term	4.0 years
Expected dividend per share, DKK	1,000
Risk free interest rate (based on the five years swap interest curve)	1.6%

Notes to the consolidated financial statements

Amounts in DKK million

15 Borrowings

	2013	2012
Bank and other credit institutions	46,839	64,743
Finance lease liabilities	10,747	12,384
Issued bonds	27,628	25,850
Total	85,214	102,977
Of which:		
Classified as non-current	68,753	91,000
Classified as current	16,461	11,977

Finance lease liabilities	Minimum lease pay- ments	Interest	Carrying amount	Minimum lease pay- ments	Interest	Carrying amount
	2013	2013	2013	2012	2012	2012
Within one year	1,625	507	1,118	1,564	570	994
Between one and five years	5,153	1,681	3,472	6,230	1,861	4,369
After five years	7,579	1,422	6,157	8,930	1,909	7,021
Total	14,357	3,610	10,747	16,724	4,340	12,384

The finance lease agreements are described in note 7.

Notes to the consolidated financial statements

Amounts in DKK million

16 Pensions and similar obligations

As employer, the Group participates in pension plans according to normal practice in the countries in which the Group operates. As a main rule, the pension plans within the Group are defined contribution plans, where contributions are recognised in the income statement on an accrual basis. A number of entities have defined benefit plans, in which retirement benefits are based on length of service and salary level. To a limited extent, these defined benefit plans also include payment of medical expenses, etc.

Pension and medical plans which, as part of collective bargaining agreements, have been entered into with other enterprises (known as multi-employer plans) are treated as other pension plans. Such defined benefit plans are treated as defined contribution plans when sufficient information for calculating the individual enterprises' share of the obligation is not available.

In 2014, the Group expects to pay contributions totalling DKK 429m to funded defined benefit plans (DKK 445m in 2013).

	United Kingdom	Other	Total	United Kingdom	Other	Total
	2013	2013	2013	2012	2012	2012
Specification of net liability						
Present value of funded plans	10,846	2,850	13,696	10,521	3,523	14,044
Fair value of plan assets	-10,528	-2,324	-12,852	-9,827	-2,769	-12,596
Net liability of funded plans	318	526	844	694	754	1,448
Present value of unfunded plans	18	450	468	18	839	857
Impact of minimum funding requirement/asset ceiling	98	-	98	1	32	33
Net liability 31 December	434	976	1,410	713	1,625	2,338
Of which:						
Pensions, net assets			358			193
Pensions and similar obligations			1,768			2,531

The majority of the Group's defined benefit liabilities are in the UK (77%) and the USA (13%). All of the plans in the UK and the majority of the plans in the USA are funded. Although all of the UK plans are now closed to new entrants, active members in the two largest plans continue to accrue new benefits. The smaller UK plans are all closed to new accruals, although a salary link remains in some of the plans.

Overall the plans have an average duration of 16 years and approximately 49% of the obligation is in respect of pensioner members.

As well as being subject to the risks of falling interest rates which would increase the obligation, poor asset returns and retirees living longer than anticipated, the Group is also subject to the risk of higher than expected inflation. This is because many pension benefits, particularly in the UK plans increase in line with inflation (although some minimum and maximum limits apply).

Significant financial assumptions	United Kingdom	Total	United Kingdom	Total
	2013	2013	2012	2012
Discount rate	4.4%	4.4%	4.4%	4.2%
Inflation rate	3.6%	3.3%	3.1%	2.9%
Future salary increase	4.5%	4.3%	4.0%	3.9%
Future pension increase	3.3%	3.1%	2.9%	2.8%

Notes to the consolidated financial statements

Amounts in DKK million

16 Pensions and similar obligations – continued

Rates of life expectancy reflect the most recent mortality investigations and in line with market practice an allowance is made for future improvements in life expectancy. The Group assumes that future improvements will be in line with the latest projections (1.25%) for all the UK plans.

	31 December			
Life expectancy	2013	2033	2012	2032
65 year old male in the UK	22.2	23.5	21.9	22.7

The liabilities are calculated using assumptions that are the Group's best estimate of future experience. The sensitivity of the liabilities and pension cost to the key assumptions are as follows:

Sensitivities for key assumptions in the UK	Change by	Change in liability 2013	
		Increase	Decrease
Factors			
Discount rate	10 basis points	-168	173
Inflation rate	10 basis points	97	-108
Life expectancy	1 year	373	-363

The Group's plans are funded in accordance with applicable local legislation. In the UK, each plan has a Trustee Board that is required to act in the best interests of plan members. Every three years, a formal valuation of the plan's liabilities is carried out using a prudent basis and if the plan is in deficit, the Trustees agree with the Company on a plan for recovering that deficit.

The expected contributions to the UK plans for 2014 are DKK 300m (DKK 286m in 2013) of which DKK 83m (DKK 65m in 2013) is deficit recovery contributions. In most of the UK plans, any surplus remaining after the last member dies may be returned to the company. However the Merchant Navy Officer's Pension Fund contributions paid by the company are not refundable in any circumstance and the balance sheet liability reflects an adjustment for any agreed deficit recovery contributions in excess of deficit determined using the Group's assumptions. In 2013, an adjustment of DKK 98m (DKK 1m) was applied in this respect.

Specification of plan assets	United Kingdom	Other	Total	United Kingdom	Other	Total
	2013	2013	2013	2012	2012	2012
Shares	3,406	891	4,297	3,624	911	4,535
Government Bonds	4,058	557	4,615	3,326	971	4,297
Corporate Bonds	2,309	367	2,676	2,133	371	2,504
Real estate	139	19	158	107	23	130
Other assets	616	490	1,106	637	493	1,130
Fair value 31 December	10,528	2,324	12,852	9,827	2,769	12,596

All the plan assets held by the Group are quoted, except for an insignificant portion.

Notes to the consolidated financial statements

Amounts in DKK million

16 Pensions and similar obligations – continued

The net liability has changed as follows:

Change in net liability	Present value of obligations	Fair value of plan assets	Adjustments	Net liability	Of which: United Kingdom
1 January 2012	13,679	11,619	400	2,460	991
Current service costs, etc.	156	-	-	156	40
Calculated interest expense/income	629	556	-	73	39
Gains/losses on settlements, past service costs/income, etc.	2	-	-	2	-
Administration expenses, etc.	-	-9	-	9	7
Recognised in the income statement in 2012¹	787	547	-	240	86
Actuarial gains/losses from change in financial assumptions	610	-	-	610	284
Actuarial gains/losses from change in demographic assumptions	103	-	-	103	103
Experience gains/losses	119	-	-	119	113
Return on plan assets, exclusive calculated interest income	-	202	-	-202	-31
Adjustment for minimum funding requirement	-	-	-359	-359	-451
Effect of asset ceiling	-	-	-18	-18	-
Recognised in other comprehensive income in 2012	832	202	-377	253	18
Contributions from the Group	-	584	-	-584	-407
Contributions from employees	16	16	-	-	-
Benefit payments	-662	-597	-	-65	-2
New plans	6	-	-	6	-
Effect of business combinations and disposals	9	-	-	9	-
Exchange rate adjustment	234	225	10	19	27
31 December 2012	14,901	12,596	33	2,338	713
Current service costs, etc.	146	-	-	146	33
Calculated interest expense/income	583	499	-	84	27
Gains/losses on settlements, past service costs/income, etc.	5	-	-	5	-
Administration expenses, etc.	-	-14	-	14	6
Recognised in the income statement in 2013¹	734	485	-	249	66
Actuarial gains/losses from change in financial assumptions	123	-	-	123	385
Actuarial gains/losses from change in demographic assumptions	137	-	-	137	74
Experience gains/losses	47	-	-	47	23
Return on plan assets, exclusive calculated interest income	-	695	-	-695	-664
Adjustment for minimum funding requirement	-	-	96	96	96
Effect of asset ceiling	-	-	-30	-30	-
Recognised in other comprehensive income in 2013	307	695	66	-322	-86
Contributions from the Group	-	383	-	-383	-238
Contributions from employees	13	13	-	-	-
Benefit payments	-1,034	-962	-	-72	-2
Exchange rate adjustment	-454	-358	-1	-97	-19
Closing balance transferred to held for sale	-303	-	-	-303	-
31 December 2013	14,164	12,852	98	1,410	434

¹ Of which DKK 5m (DKK 7m) is included under Discontinued operations.

Notes to the consolidated financial statements

Amounts in DKK million

16 Pensions and similar obligations – continued

Multi-employer plans

Due to collective agreements, some entities in the Group participate together with other enterprises in defined benefit pension and health insurance schemes for current and retired employees (multi-employer plans). In 2013, the Group's contribution is estimated at DKK 685m (DKK 707m). The contributions to be paid in 2014 are expected to be DKK 693m (DKK 760m).

No reliable basis exists for allocation of the schemes' obligations and plan assets to individual employer participants. The Group's share might be significant. Deficit in some of the schemes may necessitate increased contributions in the future. Based on the most recent available financial data from the plans' trustees, the plan assets totalled DKK 39.4bn (DKK 38.8bn) and the actuarial value of obligations approximately DKK 52.8bn (DKK 52.8bn). Net obligations in the plans with deficits totalled DKK 15.3bn (DKK 15.5bn). In general, the contributions to the schemes are based on man hours worked or cargo tonnage handled, or a combination hereof.

Amounts in DKK million

17 Provisions

	Abandon- ment	Restruc- turing	Legal dis- putes, etc.	Other	Total
1 January 2013	9,610	373	7,762	5,126	22,871
Provision made	2,529	559	3,017	2,935	9,040
Amount used	94	317	580	644	1,635
Amount reversed	-	86	1,372	1,092	2,550
Addition from business combinations	-	-	-	1	1
Unwind of discount	376	-	-	1	377
Transfer, assets held for sale	-	-	-21	-232	-253
Exchange rate adjustment	-521	-28	-409	-240	-1,198
31 December 2013	11,900	501	8,397	5,855	26,653
Of which:					
Classified as non-current	11,900	39	6,651	4,083	22,673
Classified as current	-	462	1,746	1,772	3,980
Non-current provisions expected to be realised after more than five years	9,451	-	753	333	10,537

Provisions for abandonment comprise estimated expenses for abandonment of oil and gas fields at discounted value. Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include tax and duty disputes among other things. Other includes provisions for guarantees, onerous contracts, and risk under certain self-insurance programmes. The provisions are subject to considerable uncertainty, cf. note 28.

Reversals of provisions primarily relate to legal disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

Notes to the consolidated financial statements

Amounts in DKK million

18 Other payables

	2013	2012
Interest payable	765	935
VAT and duties payable	2,522	2,836
Accrued staff costs	2,317	3,170
Deposits received	544	579
Contingent consideration regarding business combinations	165	281
Other	770	1,197
Total	7,083	8,998
Of which:		
Classified as non-current	117	248
Classified as current	6,966	8,750

Fair value adjustments on contingent consideration in relation to the acquisitions of Poti Sea Port Corp., NTS International Transport Services Co. Ltd. and Pacific Network Global Logistics have during 2013 resulted in gains of DKK 57m (DKK 87m), DKK 41m (DKK 47m) and DKK 16m (DKK 0m), respectively. The gains are recognised as other income. The contingent considerations are dependent on the future financial and operational performance of the companies.

Notes to the consolidated financial statements

Amounts in DKK million

19 Derivatives

Foreign exchange forwards and option contracts are used to hedge the currency risk related to recognised and unrecognised transactions. Interest rate swaps are used to hedge interest rate exposure on borrowings. Price hedge derivatives are entered into to hedge crude oil prices and bunker prices.

	2013	2012
Non-current receivables	1,364	1,249
Current receivables	948	621
Non-current liabilities	686	1,310
Current liabilities	945	541
Assets, net	681	19

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

	Fair value	Recognised in income statement	Recognised in equity	Fair value	Recognised in income statement	Recognised in equity
	2013	2013	2013	2012	2012	2012
Currency derivatives ¹	583	288	295	161	-52	213
Interest rate derivatives ¹	99	137	-38	-108	578	-686
Price hedge derivatives	-1	-1	-	-34	-34	-
Total	681	424	257	19	492	-473

¹ Of which DKK 783m (DKK 857m) is related to fair value hedges.

The fair value recognised in equity relates to derivatives designated as effective hedging of future cash flows. The gains/losses are mainly expected to affect the income statement in the same periods as the cash flows are expected to occur. The expected timing of the effect on the income statement is as follows:

	Currency derivatives	Interest rate derivatives	Total	Currency derivatives	Interest rate derivatives	Total
	2013	2013	2013	2012	2012	2012
Within one year	276	-64	212	221	-294	-73
Between one and five years	3	-1	2	5	-310	-305
After five years	16	27	43	-13	-82	-95
Total	295	-38	257	213	-686	-473

Notes to the consolidated financial statements

Amounts in DKK million

19 Derivatives – continued

The gains/losses, including realised transactions, are recognised as follows:

	2013	2012
Hedging foreign exchange risk on revenue	73	17
Hedging foreign exchange risk on operating costs	147	-331
Hedging interest rate risk	-393	-754
Hedging foreign exchange risk on the cost of property, plant and equipment	32	-43
Total effective hedging	-141	-1,111
Ineffectiveness recognised in financial expenses	-20	1
Total reclassified from equity reserve for hedges	-161	-1,110
 Derivatives accounted for as held for trading:		
Currency derivatives recognised directly in financial income/expenses	904	1,355
Interest rate derivatives recognised directly in financial income/expenses	-380	580
Hedging of oil prices and freight rates recognised directly in other income/costs	-7	-12
Net gains/losses recognised directly in the income statement	517	1,923
Total	356	813

Currency derivatives hedge future revenue, operating costs and investments and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment respectively.

Interest rate derivatives swap floating to fixed rates on borrowings and are recognised in the income statement concurrently with the hedged interest expenses. They are also used to swap fixed rates to floating rates, of which some are fair value hedges.

Furthermore, the Group enters into derivatives to hedge economic risks that are not accounted for as hedging. These derivatives are accounted for as held for trading.

For information about currencies, maturities, etc. reference is made to note 21.

Notes to the consolidated financial statements

Amounts in DKK million

20 Financial instruments by category

Financial assets measured at amortised cost	Carrying amount	
	2013	2012
Loans	1,425	5,421
Finance lease receivables	736	868
Other interest-bearing receivables and deposits	715	871
Total interest-bearing receivables	2,876	7,160
Trade receivables	25,048	30,273
Other receivables (non-interest-bearing)	7,388	8,966
Cash and bank balances	17,640	11,670
Total loans and receivables	52,952	58,069

Fair value of the non-current receivables is not materially different from the carrying amount.

Financial liabilities measured at amortised cost	Carrying amount	Fair value	Carrying amount	Fair value
	2013	2013	2012	2012
Bank and other credit institutions	46,839	48,562	64,743	68,259
Finance lease liabilities	10,747	11,965	12,384	14,510
Issued bonds	27,628	28,905	25,850	26,857
Borrowings	85,214	89,432	102,977	109,626
Trade payables	29,124		34,730	
Other financial liabilities	6,918		8,717	
Total financial liabilities	121,256		146,424	

Fair value of listed issued bonds fall within level 1 of the fair value hierarchy. Fair value of the remaining borrowing items fall within level 2 of the fair value hierarchy and are calculated on the basis of discounted interests and instalments.

Notes to the consolidated financial statements

Amounts in DKK million

20 Financial instruments by category – continued

Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data.

	Carrying amount	Quoted prices	Other observable inputs	Other measurement methods	Level
2013					
Bonds	1,674	1,674	-	-	-
Shares	5	1	-	-	4
Other securities	8	-	-	-	8
Total securities (held for trading)	1,687	1,675	-	-	12
Derivatives	2,312	-	2,312	-	-
Shares (available-for-sale)	387	-	-	-	387
Total financial assets	4,386	1,675	2,312	399	
Derivatives	1,631	-	1,631	-	-
Other payables	165	-	-	-	165
Total financial liabilities	1,796	-	1,631	165	
2012					
Bonds	2,020	2,020	-	-	-
Shares	10	1	-	-	9
Other securities	130	-	120	-	10
Total securities (held for trading)	2,160	2,021	120	19	
Derivatives	1,870	10	1,860	-	-
Shares (available-for-sale)	425	37	-	-	388
Total financial assets	4,455	2,068	1,980	407	
Derivatives	1,851	44	1,807	-	-
Other payables	281	-	-	-	281
Total financial liabilities	2,132	44	1,807	281	

The majority of derivative contracts are cash flow hedges (designated as hedging instruments) equal to a net asset of DKK 257m (net liability of DKK 473m).

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly.

Notes to the consolidated financial statements

Amounts in DKK million

21 Financial risks

The Group's activities expose it to a variety of financial risks:

- Market risks, i.e. currency risk and interest rate risk
- Credit risk
- Liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's Business Units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 December 2013.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2013. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rates.

Currency risk

The Group's currency risk arises due to income from shipping and oil-related activities are denominated mainly in USD, while the related expenses are incurred in both USD and a wide range of other currencies such as DKK, EUR, CNY and GBP. As the net income is in USD, this is also the primary financing currency. Income and expenses from other activities, including APM Terminals, are mainly denominated in local currencies, thus reducing the Group's exposure to these currencies.

The main purpose of hedging the Group's currency risk is to hedge the USD value of the Group's net cash flow and reduce fluctuations in the Group's profit. The Group uses various financial derivatives, including forwards, option contracts and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-months horizon
- Significant capital commitments in other currencies than USD are hedged
- Most non-USD debt is hedged, however, depending on asset-liability match and the currency of the generated cash flow.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed, is estimated to have a negative impact on the Group's profit before tax by DKK 0.8bn (DKK 0.8bn) and the Group's equity, excluding tax, negatively by DKK 1.9bn (DKK 1.8bn). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date, cf. notes 19 and 20, and are thus not an expression of the Group's total currency risk.

Notes to the consolidated financial statements

Amounts in DKK million

21 Financial risks – continued

Currency position of net interest-bearing debt	Cash and bank balances	Other interest-bearing assets ¹	Borrowings	Net interest-bearing debt	Cash and bank balances	Other interest-bearing assets ¹	Borrowings	Net interest-bearing debt
	2013	2013	2013	2013	2012	2012	2012	2012
USD	5,532	3,142	48,146	39,472	3,958	3,634	65,952	58,360
EUR	525	548	16,496	15,423	462	565	17,048	16,021
DKK	3,319	350	743	-2,926	825	4,153	1,908	-3,070
Other currencies	8,264	518	19,829	11,047	6,425	958	18,069	10,686
Total	17,640	4,558	85,214	63,016	11,670	9,310	102,977	81,997

¹ Other interest-bearing assets consist of bonds, other securities and interest-bearing receivables cf. note 20.

Interest rate swaps entered into for the purpose of hedging interest rate risks on loans are mainly in USD. Fair values can be found in note 19.

Foreign exchange forwards and option contracts for hedging currency risks	Fair value	
	2013	2012
USD	51	46
EUR	155	-553
DKK	285	182
GBP	590	278
NOK	-498	188
SEK	41	15
Other	-41	5
Total	583	161

Interest rate risk

The Group has most of its debt denominated in USD, but part of the debt (e.g. issued bonds) is in other currencies such as DKK, EUR, GBP and NOK. Some loans are at fixed interest rates, while others are at floating interest rates.

The Group strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks. The hedging of the interest rate risk is governed by a duration range and is primarily obtained through the use of interest rate swaps. The duration of the Group's debt portfolio is 2.0 years (1.8 years). A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax negatively by DKK 0.2bn (DKK 0.4bn). The effect on equity, excluding tax effect, of an increase in interest rates as mentioned above is estimated to be positive by DKK 0.3bn (DKK 0.0bn).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to the consolidated financial statements

Amounts in DKK million

21 Financial risks – continued

Borrowings by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing		
		0-1 year	1-5 years	5+ years
2013				
0-3%	51,906	38,053	10,728	3,125
3-6%	19,898	6,797	3,934	9,167
6%-	13,410	6,757	1,454	5,199
Total	85,214	51,607	16,116	17,491
Of which:				
Bearing fixed interest	41,005			
Bearing floating interest	44,209			
2012				
0-3%	48,463	39,586	6,011	2,866
3-6%	45,257	22,649	9,256	13,352
6%-	9,257	993	1,779	6,485
Total	102,977	63,228	17,046	22,703
Of which:				
Bearing fixed interest	51,968			
Bearing floating interest	51,009			

Credit risk

The Group has substantial exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties and credit limits are set for financial institutions and key commercial counterparties.

Notes to the consolidated financial statements

Amounts in DKK million

21 Financial risks – continued

Maturity analysis of trade receivables	2013	2012
Receivables not due	18,984	23,507
Less than 90 days overdue	5,300	5,976
More than 90 days overdue	2,755	2,642
Receivables, gross	27,039	32,125
Provision for bad debt	1,991	1,852
Carrying amount	25,048	30,273

Change in provision for bad debt	2013	2012
1 January	1,852	1,502
Provision made	1,160	932
Amount used	333	251
Amount reversed	579	298
Exchange rate adjustment	-109	-33
31 December	1,991	1,852

Liquidity risk

The equity share of total equity and liabilities was 57.0% at the end of 2013 (54.3%). The Group's long term objective is to maintain a conservative financial solvency profile. Capital is managed for the Group as a whole.

	2013	2012
Borrowings	85,214	102,977
Net interest-bearing debt	63,016	81,997
Liquidity reserve ¹	80,182	75,874

¹ Liquidity reserve is defined as undrawn committed revolving facilities, securities, cash and bank balances, including balances in countries with exchange control or other restrictions.

Based on the liquidity reserve, the size of the committed loan facilities, including loans for the financing of specific assets, the maturity of outstanding loans, and the current investment profile, the Group's financial resources are deemed satisfactory. The Group's long term objective is to maintain a conservative funding profile, matching that of a strong investment grade company over the business cycle, with a strong liquidity position in order to withstand fluctuations in the economy, and have the strength to exploit new and attractive investment opportunities.

The average term to maturity of loan facilities in the Group was about five years (about five years).

Notes to the consolidated financial statements

Amounts in DKK million

21 Financial risks – continued

It is of great importance for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things, by focusing on release of capital and following up on the development in working capital.

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest			Total
		0-1 year	1-5 years	5+ years	
2013					
Bank and other credit institutions	46,839	9,221	31,528	12,042	52,791
Finance lease liabilities	10,747	1,625	5,153	7,579	14,357
Issued bonds	27,628	8,490	13,714	10,467	32,671
Trade payables	29,124	29,124	-	-	29,124
Other payables	7,083	6,966	117	-	7,083
Non-derivative financial liabilities	121,421	55,426	50,512	30,088	136,026
Derivatives	1,631	945	516	170	1,631
Total recognised in balance sheet	123,052	56,371	51,028	30,258	137,657
Operating lease commitments		11,948	24,447	28,886	65,281
Capital commitments		35,229	22,524	6,550	64,303
Total		103,548	97,999	65,694	267,241
2012					
Bank and other credit institutions	64,743	12,999	35,550	24,897	73,446
Finance lease liabilities	12,384	1,564	6,230	8,930	16,724
Issued bonds	25,850	980	20,243	9,124	30,347
Trade payables	34,730	34,730	-	-	34,730
Other payables	8,998	8,750	248	-	8,998
Non-derivative financial liabilities	146,705	59,023	62,271	42,951	164,245
Derivatives	1,851	541	1,179	131	1,851
Total recognised in balance sheet	148,556	59,564	63,450	43,082	166,096
Operating lease commitments		14,327	31,229	30,857	76,413
Capital commitments		31,142	40,500	5,058	76,700
Total		105,033	135,179	78,997	319,209

Notes to the consolidated financial statements

Amounts in DKK million

22 Commitments

Operating lease commitments

As part of the Group's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc. The future charter and operating lease payments for continuing operations are:

	Maersk Line ¹	Maersk Oil	APM Terminals	Maersk Tankers ¹	Other	Total
2013						
Within one year	7,558	960	1,386	1,293	751	11,948
Between one and two years	4,812	832	1,380	1,092	542	8,658
Between two and three years	3,516	791	1,388	911	239	6,845
Between three and four years	2,339	498	1,395	825	176	5,233
Between four and five years	1,482	16	1,310	776	127	3,711
After five years	2,029	41	23,811	2,492	513	28,886
Total	21,736	3,138	30,670	7,389	2,348	65,281
Net present value ²	19,267	2,824	17,363	5,887	1,986	47,327
2012						
Within one year	8,937	1,094	1,350	1,695	1,251	14,327
Between one and two years	6,189	919	1,199	1,416	887	10,610
Between two and three years	4,307	833	1,368	1,205	635	8,348
Between three and four years	3,333	779	1,380	1,021	302	6,815
Between four and five years	2,412	499	1,380	973	192	5,456
After five years	3,571	59	23,207	3,418	602	30,857
Total	28,749	4,183	29,884	9,728	3,869	76,413
Net present value ²	25,124	3,683	16,501	7,716	3,331	56,355

¹ About one-third of the time charter payments in Maersk Line and in Maersk Tankers are estimated to relate to operational costs for the assets.

² The net present value has been calculated using a discount rate of 6% (6%).

Total operating lease costs incurred and contingent payments related to volume, etc., are stated in note 2.

Capital commitments	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Other	Total
2013						
Capital commitments relating to acquisition of non-current assets	11,511	8,865	7,200	15,040	2,394	45,010
Commitments towards concession grantors	-	9,478	9,815	-	-	19,293
Total capital commitments	11,511	18,343	17,015	15,040	2,394	64,303
2012						
Capital commitments relating to acquisition of non-current assets	19,211	9,757	3,925	19,118	2,084	54,095
Commitments towards concession grantors	-	9,561	13,044	-	-	22,605
Total capital commitments	19,211	19,318	16,969	19,118	2,084	76,700

The decrease in capital commitments is primarily related to contractual payments during 2013.

Notes to the consolidated financial statements

Amounts in DKK million

22 Commitments – continued

					No.
Newbuilding programme	2014	2015	2016	2017-	Total
Container vessels	9	7	-	-	16
Tanker vessels	-	-	4	-	4
Rigs and drillships	6	1	1	-	8
Anchor handling vessels, tugboats and standby vessels, etc.	9	3	-	-	12
Total	24	11	5	-	40

					DKK million
Capital commitments relating to the newbuilding programme	2014	2015	2016	2017-	Total
Container vessels	7,052	4,404	-	-	11,456
Tanker vessels	74	149	521	-	744
Rigs and drillships	10,578	1,497	2,328	-	14,403
Anchor handling vessels, tugboats and standby vessels, etc.	646	326	-	-	972
Total	18,350	6,376	2,849	-	27,575

DKK 27.6bn (USD 5.1bn) of the total capital commitments is related to the newbuilding programme for ships, rigs, etc., at a total contract price of DKK 43.8bn (USD 8.1bn) including owner-furnished equipment. The remaining capital commitments of DKK 36.7bn (USD 6.8bn) relate to investments mainly in APM Terminals and Maersk Oil.

The capital commitments will be financed by cash flow from operating activities as well as existing and new loan facilities.

Notes to the consolidated financial statements

Amounts in DKK million

23 Contingent liabilities

Except for customary agreements within the Group's activities, no material agreements have been entered into that will take effect, change or expire upon changes of the control over the Company.

The necessary facility of DKK 2.1bn (DKK 2.2bn) corresponding to USD 380m (USD 380m) has been established in order to meet the requirements for trading in the USA under the American Oil Pollution Act of 1990 (Certificate of Financial Responsibility).

Maersk Line and APM Terminals have entered into certain agreements with terminals and port authorities, etc. containing volume commitments including an extra payment in case minimum volumes are not met.

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

The Group is involved in a number of legal disputes. The Group is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Tax may crystallise if the companies leave the tonnage tax regimes and on repatriation of dividends. Through participation in joint taxation scheme with A.P. Møller Holding A/S, the Group is jointly and severally liable for taxes payable.

Notes to the consolidated financial statements

Amounts in DKK million

24 Cash flow specifications

	2013	2012
Change in working capital		
Inventories	1,165	-450
Trade receivables	2,457	-2,525
Other receivables and prepayments	-327	-130
Trade payables and other payables, etc.	-1,573	-1,082
Exchange rate adjustment of working capital	-306	-235
Total	1,416	-4,422
Purchase of intangible assets and property, plant and equipment		
Addition	-39,621	-43,120
Addition, assets held for sale	-	-39
Of which finance leases, etc.	3	-
Of which borrowing costs capitalised on assets	988	318
Change in payables to suppliers regarding purchase of assets	923	-827
Change in provision for abandonment	2,529	60
Total	-35,178	-43,608
Other financial investments		
Capital increases and acquisition of shares in joint ventures	-141	-5,003
Sale of shares in joint ventures	262	445
Capital increases and acquisition of shares in associated companies	-237	-2,378
Sale of shares in associated companies	1,634	-1
Purchase of non-current assets available-for-sale	-1	-1
Sale of non-current assets available-for-sale	53	134
Loan repayments received	1,027	326
Loans granted	-762	-570
Total	1,835	-7,048

Other non-cash items related primarily to adjustment of provision for bad debt regarding trade receivables.

Notes to the consolidated financial statements

Amounts in DKK million

25 Acquisition/sale of subsidiaries and activities

Cash flow used for acquisitions	2013	2012
Fair value at time of acquisition		
Intangible assets	39	1,803
Property, plant and equipment	155	186
Financial assets	16	4
Current assets	39	366
Provisions	-1	-5
Liabilities	-74	-841
Net assets acquired	174	1,513
Non-controlling interests	-33	-
A.P. Møller - Mærsk A/S' share	141	1,513
Goodwill	-	235
Purchase price	141	1,748
Contingent consideration assumed	-	-61
Purchase price paid in prior years	-26	-
Cash and bank balances assumed	-4	-19
Cash flow used for acquisition of subsidiaries and activities	111	1,668

Acquisitions during 2013

No acquisitions of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in 2013.

Acquisitions during 2012

If acquisitions during the year had occurred on 1 January 2012, the Group's revenue and profit would not have been materially different.

Skandia Container Terminal AB

On 4 January 2012, the Group acquired 100% of the shares in Skandia Container Terminal AB, which operates the port of Gothenburg, Sweden. The acquisition will strengthen APM Terminals' position in Scandinavia.

The total purchase price was DKK 1,363m. The net assets acquired consist of terminal rights of DKK 1,627m, property, plant and equipment of DKK 182m, current assets of DKK 111m and liabilities of DKK 557m.

From the acquisition date to 31 December 2012, Skandia Container Terminal AB contributed with a revenue of DKK 540m and a profit of DKK 63m.

Notes to the consolidated financial statements

Amounts in DKK million

25 Acquisition/sale of subsidiaries and activities – continued

Cash flow from sale	2013	2012
Carrying amount		
Intangible assets	1	89
Property, plant and equipment	9	8,076
Financial assets	1	15
Deferred tax assets	1	5
Current assets	398	554
Provisions	-7	-5
Liabilities	-201	-521
Net assets sold	202	8,213
Non-controlling interests	-4	-27
A.P. Møller - Maersk A/S' share	198	8,186
Gain/loss on sale	250	984
Proceeds from sale	448	9,170
Change in receivable proceeds, etc.	-178	-
Non-cash items	-39	-68
Cash and bank balances sold	-79	-223
Cash flow from sale of subsidiaries and activities	152	8,879

Sales during 2013

Sales during 2013 primarily comprise Bridge Terminal Transport Inc., Brigantine International Holdings Limited and Brigantine Services Limited.

Sales during 2012

Sales during 2012 primarily comprised Maersk LNG A/S and Maersk Equipment Service Company, Inc.

Non-current assets sold include assets that were previously classified as assets available for sale.

Notes to the consolidated financial statements

Amounts in DKK million

26 Related parties

	Associated companies		Joint ventures		Management ¹	
	2013	2012	2013	2012	2013	2012
Revenue	7	62	370	120	-	-
Operating costs	1,201	1,141	3,860	2,210	78 ²	89 ²
Remuneration to management	-	-	-	-	143	184
Other income	-	-	-	-	11	11
Financial income	298	434	36	8	-	-
Financial expenses	29	5	4	2	-	-
Derivatives, non-current	116	87	-	-	-	-
Other receivables, non-current	22	859	502	334	-	-
Trade receivables	129	274	213	179	66 ²	-
Derivatives, current	110	83	-	-	-	-
Other receivables, current	195	59	639	96	-	-
Securities	-	83	-	-	-	-
Cash and bank balances	1,911	1,652	-	-	-	-
Derivatives, non-current	206	541	-	-	-	-
Bank and other credit institutions, etc., current	2	6	145	68	23	22
Trade payables	141	134	531	271	2	13
Derivatives, current	290	3	-	-	-	-
Other payables, current	5	40	-	-	-	-
Purchase of property, plant and equipment, etc.	-	-	-	-	-	18
Capital increases	237	1,659	257	-	-	-
Dividends	381	361	1,130	-	-	-

¹The Board of Directors and the Executive Board in A.P. Møller - Maersk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their significant influence). Trade receivables and payables include customary business related accounts in connection with shipping activities.

²Includes commission and commercial receivables to Maersk Broker K/S from chartering, purchase and sale of ships as well as time charter hire to part owners.

A.P. Møller Holding A/S, Copenhagen, Denmark has control over the Group, of which A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is the ultimate owner. Related parties also include the companies in which the Group exercises significant influence.

One (one) member of the Executive Board participates in one (one) shipping partnership with one vessel that is operated as part of the A.P. Moller - Maersk fleet. The Group owns more than 50% (50%) of the vessel and holds the ultimate control. The vessel is operated directly in the market, and all transactions between related parties and the Group are subject to arm's length conditions.

Notes to the consolidated financial statements

Amounts in DKK million

26 Related parties – continued

During the year DKK 0m (DKK 1m) has been expensed regarding office rent and shares of DKK 2m (DKK 0m) have been sold to the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal.

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

None of the Executive Board members bought any share options during 2013. During 2012 three members of the Executive Board bought 792 share options in total corresponding to a fair value of DKK 7m. Further information is provided in note 14.

Dividends distributed are not included.

Notes to the consolidated financial statements

27 Accounting policies

The consolidated financial statements for 2013 for the A.P. Møller – Maersk Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. In addition, the consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB).

Changes to accounting policies

The accounting policies are, apart from the below, consistent with those applied in the consolidated financial statements for 2012. New financial reporting requirements, which will come into effect in coming years, are outlined in note 29.

Due to reduced activity management has in the segment reporting reclassified Maersk FPSOs and Maersk LNG into Other businesses.

As of 1 January 2013, the Group has implemented IFRS 11 Joint Arrangements with consequential amendments to IAS 28 Investments in Associates and Joint Ventures. In addition, the following have been implemented: IFRS 10, IFRS 12, IFRS 13 as well as amendments to IFRS 7, IAS 1, IAS 19, IAS 27 and Annual Improvements to IFRSs 2009-2011. Furthermore, bank overdrafts are now deducted from cash and cash equivalents where overdraft facilities form an integral part of the Group's cash management, cf. the cash flow statement. Recognition and measurement changes are described below while the other changes mainly concern presentation and disclosure requirements.

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures and entails agreements on joint management to be classified as joint ventures or joint operations on the basis of the contracting parties' rights and obligations. Joint ventures are no longer recognised proportionately, but according to the equity method, similar to associated companies. Joint operations will however continue to be recognised relative to the economic interest in income, expenses, assets and liabilities. The classification principles are described below under Consolidation.

The Group's joint ventures are mainly found in APM Terminals, Maersk Drilling and Svitzer, whereas all joint arrangements in Maersk Oil are classified or treated as joint operations. The activities of vessels that are part of pool arrangements are treated as joint operations. Previously, these earnings were recognised net in revenue based on time charter equivalents.

With a few exceptions, including A.P. Møller – Maersk A/S's share of profit and equity, all items of the Group's financial statement are affected by the change, although not significantly. Comparative figures have been restated. The effect on the consolidated balance sheet is presented in note 31.

IAS 19 Employee Benefits modifies the method for calculating the financing element of the period's pension costs for defined benefit obligations. Comparative figures are not restated as the change is immaterial to the Group.

As permitted, the Group has early-adopted the amendments to IAS 36 regarding disclosures on recoverable amounts and fair values used in impairment tests.

Consolidation

The consolidated financial statements comprise the parent company A.P. Møller - Maersk A/S, its subsidiaries and proportionate shares in joint arrangements classified as joint operations.

Subsidiaries are entities controlled by A.P. Møller - Maersk A/S. Control is based on the power to direct the relevant activities of an entity and the exposure, or right, to variable returns arising from it. In that connection relevant activities are those that significantly affect the investee's returns. Control is usually achieved by directly or indirectly owning or commanding more than 50% of the voting rights or by other rights, such as agreements on management control.

Joint arrangements are entities in which the Group, according to contractual agreements with one or more other parties, has joint control. The arrangements are classified as joint ventures, if the contracting parties' rights are limited to net assets in the separate legal entities, and as joint operations, if the parties have direct and unlimited rights to the assets and obligations for the liabilities of the arrangement.

Entities in which the Group exercises a significant but non-controlling influence are considered to be associated companies.

Notes to the consolidated financial statements

27 Accounting policies – continued

A significant influence is usually achieved by directly or indirectly owning or controlling 20-50% of the voting rights. Agreements and other circumstances are considered when assessing the degree of influence.

Consolidation is performed by summarising the financial statements of the parent company and its subsidiaries, inclusive of the proportionate share of accounts related to joint operations, part-owned vessels and pool arrangements, which have been prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, dividends, intra-group balances and gains on intra-group transactions are eliminated. Unrealised gains on transactions with associated companies and joint arrangements are eliminated in proportion to the Group's ownership share. Unrealised losses are eliminated in the same way, unless they indicate impairment.

Non-controlling interests' share of profit or loss for the year and of equity in subsidiaries which are not wholly owned is included as part of the Group's profit and equity respectively, but shown as separate items.

Business combinations

Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill under intangible assets. Any subsequent changes to contingent acquisition costs are recognised as other income or other costs in the income statement. Transaction costs are recognised as operating costs as they are incurred.

In business combinations achieved in stages, value adjustments of previously recognised investments are recognised in the income statement. When surrendering control, the value of any retained investment is adjusted at fair value and the value adjustment is recognised in the income statement as gain on sale of non-current assets, etc., net. The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

Foreign currency translation

The Group uses DKK as its presentation currency. In the translation to the presentation currency for entities with a functional currency different from DKK, the statement of comprehensive income is translated into DKK at average exchange rates and the balance sheet is translated at the exchange rates as at the balance sheet date. Exchange differences arising from such translations are recognised directly in other comprehensive income.

The functional currency varies from business area to business area. For the Group's principal shipping and drilling activities and oil and gas activities, the functional currency is USD. This means that, among other things, the carrying amounts of property, plant and equipment and intangible assets and, hence, depreciation and amortisation are maintained in USD from the date of acquisition. For other activities, including container terminal activities and land-based container activities, the functional currency is generally the local currency in the country in which such activities are performed.

Transactions in other currencies than the functional currency are translated at the exchange rate prevailing at the date of the transaction. Monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rate as at the balance sheet date. Foreign exchange gains and losses are included in the income statement as financial income or expenses.

Derivative financial instruments

Derivative financial instruments are recognised on the trading date and measured at fair value using generally acknowledged valuation techniques based on relevant observable swap curves and exchange rates.

The effective portion of changes in the value of derivative financial instruments designated to hedge future transactions is recognised directly in other comprehensive income until the hedged transactions are realised. At that time, the cumulated gains/losses are transferred to the items under which the hedged transactions are recognised. The effective portion of changes in the value of derivative financial instruments used to hedge the value of recognised financial assets and liabilities is recognised in the income statement together with changes in the fair

Notes to the consolidated financial statements

27 Accounting policies – continued

value of the hedged assets or liabilities which can be attributed to the hedging relationship. The ineffective portion of hedge transactions, including time value for oil price hedges, and changes in the fair values of derivative financial instruments, which do not qualify for hedge accounting are recognised in the income statement as financial income or expenses for financial instruments, and as other income/costs for oil price hedges and forward freight agreements.

Segment information

The allocation of business activities into segments reflects the Group's character as a conglomerate and is in line with the internal management reporting. Some activities are related, but are managed as independent units. The segments are as follows:

Maersk Line	Global container services
Maersk Oil	Oil and gas production and exploration activities
APM Terminals	Container terminal activities, inland transportation, container depots and repair of containers, etc.
Maersk Drilling	Offshore drilling activities and operation of land-rigs through 50% ownership of Egyptian Drilling Company
Maersk Supply Service	Supply vessel activities with anchor handling and platform supply vessels, etc.
Maersk Tankers	Tanker shipping of crude oil, oil products and gas
Damco	Logistic and forwarding activities
Svitzer	Towing and salvage activities, etc.

In addition, the Group comprises Other businesses, which does not constitute a reportable segment. This includes, inter alia, investments in the associated companies Danske Bank, Höegh Autoliners and DFDS. Revenue from Other businesses consists mainly of income from sale of containers, air freight, and services sold to the energy industry.

The reportable segments do not comprise costs in group functions. Also, oil hedging activities in Maersk Oil Trading and the results of Maersk Oil Trading's trading activity in the form of purchasing bunker and lubricating oil on behalf of entities in the Group are not allocated to business segments.

Revenue between segments is limited except for Terminal activities and Damco, which deliver a large part of their services to the Group's container shipping activities. Sales of products and services between segments are based on market terms.

Segment profit or loss (NOPAT), assets and liabilities comprise items directly related to or which can be allocated to segments. With no effect on the Group, long-term agreements between segments on reserved capacity in container terminals are treated as operating leases, where under IFRS they are classified as finance leases (cf. IFRIC 4). Financial assets and liabilities and financial income and expenses are not attributed to business segments.

Income statement

Revenue from sale of goods is recognised upon the transfer of risk to the buyer.

Revenue from shipping activities is recognised as the service is rendered, by which incomplete voyages are recognised at the share related to the financial year.

Oil and gas sales are recognised as revenue upon discharge from the production site. In agreements where tax is settled in oil, this tax is recognised both as revenue and tax.

Revenue from terminal operations, logistics, forwarding activities and towing activities is recognised upon completion of the service. In container terminals operated under certain restrictive terms of pricing and service, etc., the value of tangible assets constructed on behalf of the concession grantor is also included. For drilling activities, which are typically carried out under long-term agreements with fixed day rates, revenue is recognised for the production time related to the financial year.

Lease income from operational leases is recognised over the lease term.

Notes to the consolidated financial statements

27 Accounting policies – continued

Exploration costs in the oil and gas activities are recognised as operating costs as they are incurred.

Share in profits of associated companies and joint ventures is recognised net of tax and corrected for the share of unrealised intra-group gains and losses. The item also comprises any impairment losses for such investments, including goodwill, and their reversal.

Tax comprises the amount estimated to be paid for the year, as well as adjustments to previous years and deferred tax. The tax amount includes the special taxes relating to extraction and production of hydrocarbons, including the profit share to the Danish State and tax on income subject to Danish and foreign tonnage taxation etc.

Statement of comprehensive income

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, adjustment of other equity investments and hedging instruments to fair value and actuarial gains or losses on defined benefit plans, etc. The Group's share of other comprehensive income in associated companies and joint ventures is also included.

In the event of disposal or discontinuation of an entity, the Group's share of the accumulated exchange rate adjustment relating to the relevant entity is reclassified to the income statement. Accumulated value adjustments of securities are transferred to the income statement in the event of sale or when an impairment loss is deemed to be unrecoverable.

Actual and deferred tax relating to other comprehensive income are included.

Balance sheet

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Intangible assets in connection with acquired oil resources (concession rights, etc.) are amortised from the commencement of production until the fields' expected production periods ends – a period of up to 15 years. Acquired exploration rights are amortised from the date of acquisition for a period of up to five years. IT software is amortised over a useful life of 3-5 years. Goodwill and other intangible assets with indefinite useful lives are not amortised, but impairment tests are prepared at least annually, starting in the year of acquisition. Goodwill is attributed to cash-generating units.

For container terminals operated under certain restrictive price and service conditions, etc., concessional rights to collect usage charges are included under intangible assets. The cost includes the present value of minimum payments under concession agreements and the cost of property, plant and equipment constructed on behalf of a grantor of a concession. The rights are amortised from the commencement of operations over the concession period.

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

Ships, rigs, etc.	20-25 years
Containers etc.	12 years
Buildings	10-50 years
Terminal infrastructure	over lease or concession period
Plant and machinery, cranes and other terminal equipment	5-20 years
Other operating equipment, fixtures, etc.	3-7 years
Oil and gas production facilities, etc. – based on the expected production periods of the fields	up to 15 years

Estimated useful lives and residual values are reassessed on a regular basis.

Notes to the consolidated financial statements

27 Accounting policies – continued

The cost of an asset is divided into separate components which are depreciated separately if the useful lives of the individual components differ. Dry-docking costs are recognised in the carrying amount of ships, rigs, etc. when incurred and depreciated over the period until the next drydocking. For oil production facilities, including facilities under construction, where oil is received as payment for the investment (cost oil), depreciation generally takes place concurrently with the receipt of cost oil.

The cost of assets constructed by the Group includes direct and indirect expenses. For assets with a long construction period, borrowing costs during the construction period from specific as well as general borrowings are attributed to cost. In addition, the cost includes the net present value of estimated costs of abandonment, removal and restoration.

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

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs to sell. Goodwill is fully impaired before other assets in a cash-generating unit.

Investments in associated companies and joint ventures are recognised as the Group's share of the equity value measured according to the Group's accounting policies inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and joint ventures and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is regained.

Securities, including shares, bonds and similar securities, are recognised on the trading date at fair value and subsequently measured at the quoted market price for listed securities and at estimated fair value for other securities. Securities that form part of the liquidity resources (Held for trading) are classified as current assets and value adjustments are recognised in the income statement under financial items. Other equity investments are classified as non-current assets (the category Available-for-sale) where unrealised value adjustments are recognised in other comprehensive income.

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

Receivables are generally recognised at nominal value, which in all material respects corresponds to amortised cost. Non-current receivables are recognised at present value, including finance lease receivables. Write-down is made for anticipated losses based on specific individual or group assessments.

Equity includes total comprehensive income for the year comprising the profit or loss for the year and other comprehensive income. Proposed dividend for distribution is included as a separate component of equity until the declaration date. Proceeds on the purchase and sale of own shares and dividend from such shares are recognised in equity, including proceeds on the disposal of own shares in connection with the exercise of share options.

The **translation reserve** comprises the Group's share of accumulated exchange rate differences arising on translation from functional currency into presentation currency. The reserve for other equity investments comprises accumulated changes in the fair value of securities in the category Available-for-sale. The reserve for hedges includes the accumulated net change in the fair value of hedging transactions qualifying for cash flow hedge accounting.

Share options and restricted shares allocated to the executive employees of the Group as part of the Group's long-term incentive programme are recognised as staff costs over the vesting period at estimated fair value at the grant date. The counter item is equity. The fair value of share options is calculated on the basis of the Black & Scholes formula.

Notes to the consolidated financial statements

27 Accounting policies – continued

Provisions are recognised when the Group has a current legal or constructive obligation and include provisions for abandonment of oil fields, restructuring costs, legal disputes, onerous contracts, etc. Provisions are recognised on the basis of best estimates and considering discounting when the time element is significant.

Pension obligations, which are defined benefit plans, are recognised based on actuarial valuations of the obligations and the fair value of the assets in the plans. The pension cost charged to the income statement consists of calculated amounts for vested benefits and interest in addition to settlement gains or losses, etc. Interest on plan assets is calculated with the same rates as used for discounting pension obligations. Actuarial gains and losses are recognised in other comprehensive income. Costs regarding defined contribution pension and insurance plans are recognised as incurred.

Pension plans where the Group, as part of collective bargaining agreements, participates together with other enterprises – so called multi-employer plans – are treated as other pension plans in the financial statements. For defined benefit multi-employer plans where sufficient information to apply defined benefit accounting is not available, the plans are treated as defined contribution plans.

Deferred tax is calculated on differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not provided on goodwill which is not deductible or depreciable for tax purposes, or temporary differences which have no effect on the accounting results or taxable income at the time of the transaction. In addition, deferred tax is not calculated for differences relating to investments in subsidiaries, associated companies and joint ventures to the extent that taxable dividends are unlikely in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that they can be utilised within a foreseeable future.

Financial liabilities are initially recognised at fair value less transaction costs. Subsequently the financial liabilities are measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities. Fixed interest loans which under hedge accounting are swapped to variable interest are measured at amortised cost adding or deducting the fair value of the hedged interest component. Liabilities in respect of finance leases are recognised in the balance sheet as borrowings.

Cash flow statement

Cash flow for the year is divided into cash flow from operating activities, cash flow used for investing activities and cash flow from financing activities. Cash and cash equivalents comprise cash and bank balances net of bank overdrafts where overdraft facilities form an integral part of the Group's cash management. Changes in marketable securities are included in cash flow used for investing activities.

Discontinued operations and assets held for sale

Discontinued operations represent a separate major line of business disposed of or in preparation for sale. The results of discontinued operations are presented separately in the income statement and comparative figures are restated. Similarly, assets and related liabilities from discontinued operations are presented as separate items in the balance sheet, and the cash flows from discontinued operations are presented separately in the cash flow statement.

Individual assets or groups of assets that are to be disposed of collectively are classified as assets held for sale, when the activities to carry out such a sale have been initiated and the activities are expected to be disposed of within 12 months. Liabilities that are directly related to assets held for sale are presented correspondingly.

Assets and liabilities from discontinued operations and assets held for sale except financial assets, etc., are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated.

Key figures

Return on equity is calculated as the profit or loss for the year divided by the average equity.

Equity ratio is calculated as the equity divided by total assets.

Notes to the consolidated financial statements

27 Accounting policies – continued

Return on invested capital after tax (ROIC) is the profit or loss for the year before interest but after calculated tax, divided by the quarterly average invested capital (equity plus net interest-bearing debt).

The segments' return on invested capital after tax (ROIC) is net operating profit or loss after tax (NOPAT) divided by the quarterly average invested capital, net (assets less liabilities).

Earnings per share and cash flow from operating activities per share comprise A.P. Møller - Mærsk A/S' share of the profit or loss for the year respectively the cash flow from operating activities divided by the number of shares (of DKK 1,000 each), excluding the Group's holding of own shares.

Diluted earnings per share are adjusted for the dilution effect of issued share options.

Total market capitalisation is the total number of shares – excluding the Group's holding of own shares – multiplied by the end-of-year price quoted by NASDAQ OMX Copenhagen.

28 Significant accounting estimates and judgements

When preparing the consolidated financial statements for the Group, the management undertakes a number of accounting estimates and judgements to recognise, measure and classify the Group's assets and liabilities.

The most significant areas subject to estimates and judgements are mentioned below.

Valuation of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment. However, annual impairment tests are always carried out for goodwill and other intangible assets with indefinite useful lives as well as intangible assets that are not yet in use, except oil concession rights in scope of IFRS 6. Impairment losses are recognised when the carrying amount exceeds the higher of fair value less costs to sell and estimated value in use.

Fair value is sought to be obtained for active markets for corresponding assets or determined on the basis of other observable input. As far as possible, the estimated fair value of ships, rigs and properties is obtained using acknowledged brokers. However, it is not possible to determine reliable fair value for certain types of ships in the current market with continued low trading activity.

The estimated value in use is computed on the basis of the expected free cash flow from the relevant cash-generating unit based on updated business plans for the next five years or the remaining useful lives for assets operating under contracts. The calculated value in use is based on a number of assumptions and is by nature subject to uncertainty. For oil concession rights the value will primarily depend on conclusions regarding the commercial prospects. The values in use for the tanker activities are based on future expectations, which have been adjusted downwards and consequently impairment losses are recognised. Assumptions are described in notes 6 and 7.

The determination and delimitation of cash-generating units differ for the various business areas. For integrated network businesses such as Maersk Line and Safmarine, the container shipping activities are considered to be a single cash-generating unit. For the oil and gas activities, connected oil and gas fields are considered to be cash-generating units, and for offshore drilling activities and other shipping activities, the cash-generating unit is often the individual asset. Maersk Tankers and Maersk Supply Service group vessels according to type, size, etc. in accordance with the structure governing the management's ongoing follow-up.

Notes to the consolidated financial statements

28 Significant accounting estimates and judgements – continued

Amortisation and depreciation

The useful lives and residual values of intangible assets and property, plant and equipment are reassessed regularly based on available information. In this connection, the long term view is prioritised, in order to disregard to the extent possible temporary market fluctuations, which may be significant. Changes to estimates of useful lives and residual values may affect the annual depreciation and amortisation and thereby the results for the year significantly.

Assessment of accounting control

To a certain extent, the classification of entities partly owned by enterprises outside the Group, and thereby how the entities are accounted for in the consolidated financial statements, is based on a judgement of the formal and actual conditions and clauses in shareholders' agreements, etc.

The assessment of control in oil and gas activities entails analysis of the status of operators in joint arrangements. Operators are responsible for the daily management of the activities carried out within the jointly established framework. Since operators are not exposed to, and have no right to, returns beyond the participating share, and since they can be replaced by agreement, the operators are regarded as agents as defined in IFRS 10. Operators of pool arrangements in shipping are assessed similarly.

When assessing joint control, an analysis is carried out on the decisions that require unanimity and on whether these relate to the relevant activities that significantly affect the returns. Joint control is deemed to exist when business plans, work programmes and budgets are unanimously adopted. Within oil and gas activities, an assessment of joint control is carried out for each phase. These are typically exploration and development, production and decommissioning. Unanimity is often not required during the production phase. Given that the contracting parties have direct and unrestricted rights and obligations in the arrangements' assets or liabilities regardless of voting rights, assessment of joint control does not affect recognition, measurement or presentation, and the arrangements are, therefore, handled in the same way as joint operations during all phases.

For pool arrangements in shipping, no unanimity is required in decisions on relevant activities. However, the contracting parties have direct and unrestricted rights and obligations in the unit's assets or liabilities, and as the pool arrangements are not structured into separate legal entities, they are treated in the same way as joint operations.

Business combinations

The allocation of the acquisition cost to the fair value of the acquired assets, liabilities and contingent liabilities and thus to goodwill, including the allocation to cash-generating units, may have a significant impact on future profits. Fair values are based on estimates using information available at the time control was achieved. When part of the acquisition cost for entities acquired is dependent on the development in future profits, estimates are made of the most probable value of the contingent acquisition cost based on current forecasts.

Leasing

Lease contracts are classified as operating or finance leases at the inception of the lease. Once determined, the classification is not subsequently changed unless there are changes to the contract documents.

Contracts which transfer all significant risks and benefits associated with the underlying asset to the lessee are classified as finance leases. This usually applies to long-term lease contracts or where ownership is transferred to the lessee at the expiry of the lease term. All conditions in a contract are assessed and the classification depends to a certain extent on judgement based on the actual circumstances of the agreement.

The value of assets held under finance leases recognised in the balance sheet is based on the discounted value of the contractual lease payments. No contingent lease payments are included and the value can therefore be determined reliably. Uncertainty relating to the useful lives and residual values of assets and the impairment test principles is the same for assets held under finance leases as for own assets.

Deferred tax assets

Deferred tax assets are recognised and measured to the extent they are expected to be realisable within the foreseeable future. Tax assets, which can only be utilised in the longer term, are deemed to be uncertain and are not recognised.

Notes to the consolidated financial statements

28 Significant accounting estimates and judgements – continued

Receivables

Provisions for bad debt and write-downs of receivables are carried out on the basis of an assessment of their recoverability at the balance sheet date. Trade receivables are grouped on the basis of maturity analyses for the purpose of providing for bad debt. In special circumstances trade receivables are impaired individually. Other receivables, including loans, are written-down on the basis of an assessment of the individual debtor's credit rating. An analysis of overdue trade receivables and movement in the provisions for bad debt can be found in note 21. The write-downs of non-current receivables recognised in the period can be found in note 4.

Pension liabilities

The gross liability for defined benefit plans, etc. is based on a number of actuarial assumptions such as discount rates, future inflation, the future rate of salary and pension increases, and mortality rates. External actuaries are used for measuring the gross liabilities. Even modest changes to the actuarial assumptions may result in significant changes in the pension liability.

Plan assets that are used only to meet the obligations are set off against the gross liability. Assets are measured at fair value by fund administrators and comprise cash, securities, real estate, etc. Where there is not an active market for the assets, the fair value is estimated. The less liquid the assets, the greater the uncertainty related to the measurement. The composition of the assets can be found in note 16.

Provisions for abandonment

When establishing oil and gas production facilities, provisions are made for the cost of the disposal of the facilities and re-establishment of the sea bed according to the rules which apply to the individual concession areas. The assumptions for the provisions are reassessed annually. A significant part of the liability is not realised until after 20-30 years and consequently the calculation of the liability, including the assumptions applied, is associated with significant uncertainty.

The most significant assumptions are:

- The useful economic life of the field and thereby the time of abandonment (which partly depends on the future oil price)
- Cost level at the time of abandonment
- Discount rate.

Provisions for legal disputes, etc.

The management's estimate of the provisions in connection with legal disputes, including disputes on taxes and duties, is based on the knowledge available on the actual substance of the cases and a legal assessment of these. Due to the nature of legal disputes, the outcome of these is subject to considerable uncertainty.

Other provisions

The amount comprises inter alia estimated provisions for onerous contracts, guarantee obligations and provisions for incurred, but not yet reported, incidents under certain insurance programmes, primarily in the USA.

Notes to the consolidated financial statements

29 New financial reporting requirements

The Group expects to implement the following new standards when they become mandatory:

Financial instruments

IFRS 9 is a new standard for financial instruments that is ultimately intended to replace IAS 39 in its entirety. The project consists of three phases: classification and measurement of financial assets and liabilities, hedge accounting and impairment methodology.

Under IFRS 9, all recognised financial assets will be measured at either amortised cost or fair value, depending on the objective for holding the assets and the instruments' characteristics, but the options for classification and reclassification have been limited. The principles for classification and measurement of financial liabilities were carried forward almost unchanged to IFRS 9.

In 2013 the chapter on hedging was published. The new principles align hedge accounting more closely with financial risk management and establish a more principle-based approach to hedge accounting. IFRS 9 increases the scope of items eligible for hedge accounting. For example, a group of items or a net position may be designated hedged items. The new Standard does not fundamentally change the types of hedging relationships.

The IASB has removed the mandatory effective date for IFRS 9. The date will be set once the standard is final.

The Group's current practice of classifying and recognising gains and losses in the income statement and other comprehensive income can be retained under IFRS 9, observing the changed rules on recycling of value adjustments recognised in other comprehensive income. The effect of the new hedge accounting principles is undetermined at this point in time.

Other changes

IFRIC 21 Levies, effective from 2014, is an interpretation of when levies imposed by the state or other public authorities shall be recognised as a liability. The interpretation can have an effect on the accrual of levies in certain jurisdictions. The effect on the Group is undetermined at this point in time.

Some of the above changes have not yet been endorsed by the EU. The standards endorsed by the EU with a later effective date than the corresponding effective date from the IASB are pre-implemented and thus comply with the IASB's effective date.

30 Subsequent events

7 January 2014 the Group entered into an agreement to sell 48.68% of the shares in Dansk Supermarked A/S and 18.72% of the shares in F. Salling A/S. The accounting gain of the Group is expected to be around DKK 14bn depending on the timing of closing of the transaction. The transaction will generate cash proceeds of around DKK 17bn. The Group will retain 19% ownership share after the transaction.

Notes to the consolidated financial statements

Amounts in DKK million

31 Effect of changes in accounting policy on consolidated balance sheet

	31 December	1 January
	2012	2012
Intangible assets	-6,230	-2,408
Ships, rigs, containers, etc.	-3,774	-3,911
Production facilities and equipment, etc.	-4,630	-2,482
Land and buildings	-1,487	-1,658
Construction work in progress and payment on account	-3,358	-2,405
Property, plant and equipment	-13,249	-10,456
Investments in joint ventures	11,381	6,908
Investments in associated companies	-2	-1
Other equity investments	-	-
Derivatives	-	-1
Pensions, net assets	-	-
Other receivables	-102	347
Financial non-current assets	11,277	7,253
Deferred tax	-481	-450
Total non-current assets	-8,683	-6,061
Inventories	-173	-149
Trade receivables	-494	-204
Tax receivables	-31	-27
Derivatives	-1	-1
Other receivables	-170	-170
Prepayments	-89	-80
Receivables, etc.	-785	-482
Securities	-	-1
Cash and bank balances	-1,341	-1,082
Assets held for sale	-11	-615
Total current assets	-2,310	-2,329
Total assets	-10,993	-8,390

Notes to the consolidated financial statements

Amounts in DKK million

31 Effect of changes in accounting policy on consolidated balance sheet – continued

	31 December	1 January
	2012	2012
Share capital	-	-
Reserves	-	-
Proposed dividend for distribution	-	-
Equity attributable to A.P. Møller - Mærsk A/S	-	-
Non-controlling interests	-5	-7
Total equity	-5	-7
 Borrowings, non-current	 -7,112	 -5,955
Pensions and similar obligations	-	-1
Provisions	-63	-48
Derivatives	-131	-104
Deferred tax	-1,371	-315
Other payables	-123	-117
Other non-current liabilities	-1,688	-585
Total non-current liabilities	-8,800	-6,540
 Borrowings, current	 -975	 -939
Provisions	109	52
Trade payables	-864	-490
Tax payables	-167	-68
Derivatives	-24	-46
Other payables	-242	-169
Deferred income	-9	38
Other current liabilities	-1,197	-683
Liabilities associated with assets held for sale	-16	-221
Total current liabilities	-2,188	-1,843
Total liabilities	-10,988	-8,383
Total equity and liabilities	-10,993	-8,390

Notes to the consolidated financial statements

Amounts in DKK million

32 Joint operations

The Group's joint operations are solely within Maersk Oil. Significant joint operations are listed below:

Joint operations	Place of business	Country	Ownership interest	Voting rights
In production				
Hassi Berkine	Algeria on shore, Block 208 (El Merk) + Block 404	Algeria	11.0%	-
Campo Polvo	Offshore Brazil	Brazil	40.0%	40.0%
Dansk Undergrunds Consortium	Danish North Sea	Denmark	31.2%	31.2%
Dunga	Kazakhstan on shore	Kazakhstan	60.0%	60.0%
Gryphon	United Kingdom North Sea	United Kingdom	86.5%	86.5%
South Gryphon	United Kingdom North Sea	United Kingdom	89.9%	89.9%
Harding	United Kingdom North Sea	United Kingdom	30.0%	30.0%
Not in production				
Chissonga	Block 16, offshore Angola	Angola	65.0%	65.0%
Johan Sverdrup	PL501, Norway North Sea	Norway	20.0%	20.0%
Golden Eagle	United Kingdom North Sea	United Kingdom	31.6%	31.6%
Culzean	United Kingdom North Sea	United Kingdom	50.0%	50.0%
Buckskin	Gulf of Mexico	USA	20.0%	20.0%
Jack	Gulf of Mexico	USA	25.0%	25.0%

A.P. Møller - Mærsk A/S

Statement of the Board of Directors and Management

The Board of Directors and the Management have today discussed and approved the annual report of A.P. Møller - Mærsk A/S for 2013.

The annual report for 2013 of A.P. Møller - Mærsk A/S has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies and in our opinion gives a true and fair view of the Group's and the Company's assets and liabilities, financial position at 31 December 2013 and of the results of the Group's and the Company's operations and cash flows for the financial year 2013.

In our opinion, the Directors' report includes a fair review of the development in the Group's and the Company's operations and financial conditions, the results for the year, cash flows and financial position as well as a description of the most significant risks and uncertainty factors that the Group and the Company face.

We recommend that the annual report be approved at the Annual General Meeting on 31 March 2014.

Copenhagen, 27 February 2014

Management:

Nils S. Andersen
Group CEO

Kim Fejfer

Claus V. Hemmingsen

Søren Skou

Jakob Thomasen

Trond Westlie

Board of Directors:

Michael Pram Rasmussen
Chairman

Ane Mærsk Mc-Kinney Uggla
Vice chairman

Niels Jacobsen
Vice chairman

Sir John Bond

Arne Karlsson

Jan Leschly

Leise Mærsk Mc-Kinney Møller

Lars Pallesen

John Axel Poulsen

Erik Rasmussen

Robert Routs

Jan Tøpholm

A.P. Møller - Mærsk A/S

Independent auditors' report

To the shareholders of A.P. Møller - Mærsk A/S

Report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of A.P. Møller - Mærsk A/S for the financial year 1 January to 31 December 2013, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

The Board of Directors' and the Management's responsibility for the consolidated financial statements and the parent company financial statements

The Board of Directors and the Management are responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent

company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2013 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Directors' report

Pursuant to the Danish Financial Statements Act, we have read the Directors' report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Directors' report is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 27 February 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Gert Fisker Tomczyk
State Authorised Public Accountant

KPMG
Statsautoriseret Revisionspartnerselskab

Henrik Kronborg Iversen
State Authorised Public Accountant



A.P. Møller - Mærsk A/S

Board of Directors and Executive Board

Board of Directors

**Michael Pram Rasmussen (born 1955)****Chairman**

Joined the board in 1999. Latest re-election in 2013. Term of office will end in 2015.

Former CEO, Topdanmark A/S.

Other management duties, etc.:

Coloplast A/S (chairman); Topdanmark A/S (chairman) and two subsidiaries; Semler Holding A/S (chairman) and one subsidiary; JPMorgan Chase International Council; Museumsfonden af 7. december 1966; Louisiana – Fonden.

Not considered independent.

**Niels Jacobsen (born 1957)****Vice chairman**

Joined the board in 2007. Latest re-election in 2013. Term of office will end in 2015.

CEO of William Demant Holding A/S.

Management duties in the William Demant Group:

Chairman of 51 subsidiaries; William Demant Invest A/S (CEO); Össur hf. (chairman); HIMPP A/S (chairman); HIMSA A/S (chairman); HIMSA II A/S; Sennheiser Communications A/S (chairman).

Other management duties, etc.:

LEGO A/S (chairman); KIRKBI A/S (vice chairman); Thomas B. Thriges Fond (chairman).

Considered independent.

**Ane Mærsk Mc-Kinney Uggla (born 1948)****Vice chairman**

Joined the board in 1991. Latest re-election in 2012. Term of office will end in 2014.

Other management duties, etc.:

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal (chairman); A.P. Møller Holding A/S (chairman); Maersk Broker A/S (chairman); Maersk Broker K/S (chairman); Estemco A/S (chairman).

Not considered independent.

**Sir John Bond (born 1941)**

Joined the board in 2008. Latest re-election in 2012. Term of office will end in 2014.

Former chairman of HSBC Holdings Plc.

Other management duties, etc.:

Shui On Land Limited; International Advisory Board of Mitsubishi Corporation; China Development Forum; International Business Leaders' Advisory Council to the Mayor of Shanghai; Kohlberg Kravis Roberts & Co. Asia Limited (chairman); Endowment Board of Qatar Foundation; Advisory Director, Northern Trust Corporation; International Advisory Council Tsinghua University School of Economics & Management; International Advisory Council Chinese Banking Regulatory Commission.

Considered independent.

**Arne Karlsson (born 1958)**

Joined the board in 2010. Latest re-election in 2012. Term of office will end in 2014.

Former CEO, Ratos AB.

Other management duties, etc.:

Bonnier Holding (chairman); Bonnier AB; Ratos (chairman); SNS (Center for Business and Policy Studies) (chairman); Einar Mattsson (chairman); Swedish Corporate Governance Board (chairman); Ecolean (chairman); Fortnox; Swedish Securities Council and WCPF (World's Children's Prize Foundation).

Considered independent.

**Jan Leschly (born 1940)**

Joined the board in 2000. Latest re-election in 2012. Term of office will end in 2014.

Chairman and managing partner for Care Capital LLC. Former CEO, SmithKline Pharmaceuticals.

Other management duties, etc.:

Vaxart Pharmaceuticals; Adjunct professor at Copenhagen Business School.

Not considered independent.

**Leise Mærsk Mc-Kinney Møller (born 1941)**

Joined the board in 1993. Latest re-election in 2013. Term of office will end in 2015.

Other management duties, etc.:

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal; Bramsløkke Landbrug A/S (chairman); L. Møller Shipping ApS.

Not considered independent.

**Lars Pallesen (born 1947)**

Joined the board in 2008. Latest re-election in 2012. Term of office will end in 2014.

Former president, Technical University of Denmark (DTU).

Other management duties, etc.:

Mogens Balslevs Fond (chairman); Metricorr ApS (chairman); Frederiksberg Gymnasium (chairman); Technische Universität München's Institute for Advanced Study; Korean Advanced Institute of Science and Technology President's Advisory Council.

Considered independent.

**John Axel Poulsen (born 1946)**

Joined the board in 2008. Latest re-election in 2012. Term of office will end in 2014.

Captain (employee).

No other management duties

Not considered independent.

**Erik Rasmussen (born 1955)**

Joined the board in 2010. Latest re-election in 2012. Term of office will end in 2014.

Lead mechanical engineer (employee).

Other management duties, etc.:

Member of the Trade Committee for Offshore.

Not considered independent.

**Robert Routz (born 1946)**

Joined the board in 2010. Latest re-election in 2012. Term of office will end in 2014.

Former Executive Director, Royal Dutch Shell plc.

Other management duties, etc.:

Aegon NV (chairman); KPN NV; DSM NV (chairman); ATCO Group; AECOM.

Considered independent.

**Jan Tøpholm (born 1946)**

Joined the board in 2001. Latest re-election in 2013. Term of office will end in 2015.

Chairman, Widex A/S.

Other management duties, etc.:

Five subsidiaries to Widex A/S; T & W Holding A/S and one subsidiary (chairman); Widex Holding A/S (chairman); GSA Invest ApS (chairman) and chairman/board member in another seven companies.

Not considered independent.



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

From left to right: Kim Fejfer, Jakob Thomasen, Trond Westlie, Nils S. Andersen (Group CEO), Søren Skou, Claus V. Hemmingsen.

Executive Board

Group CEO Nils S. Andersen (born 1958)

Member of Executive Board since 2007.

Other management duties, etc.:

F. Salling Holding A/S (chairman); F. Salling Invest A/S (chairman); Dansk Supermarked A/S (chairman); Industria De Diseño Textil S.A. (Inditex); Danske Banks Rådgivende Repræsentantskab; DI's Erhvervspolitiske Udvalg; European Round Table of Industrialists (vice chairman); EU-Russia Industrialists' Round Table.

Kim Fejfer (born 1965)

Member of Executive Board since 2011.

Other management duties, etc.:

Global Ports Investments PLC (vice chairman).

Claus V. Hemmingsen (born 1962)

Member of Executive Board since 2006.

Other management duties, etc.:

DFDS A/S (vice chairman); Egyptian Drilling Company; International Association of Drilling Contractors (IADC); Danmarks Rederiforening (vice chairman); Denmark-Hong Kong Trade Association (chairman); Danish Chinese Business Forum; EU-Hong Kong Business Co-operation Committee.

Søren Skou (born 1964)

Member of Executive Board since 2006.

Other management duties, etc.:

Skou Invest ApS.

Jakob Thomasen (born 1962)

Member of Executive Board since 2009.

Other management duties, etc.:

Member of the Board of Dansk Arbejdsgiverforening.

Trond Westlie (born 1961)

Member of Executive Board since 2010.

Other management duties, etc.:

Dansk Supermarked A/S (vice chairman); Danske Bank A/S; Danmarks Skibskredit A/S; Pepita AS; Shama A/S; Tønsberg Delikatesse AS.

Company overview

The A.P. Moller - Maersk Group comprises approximately 1,000 companies. Major companies of the Group are listed below. A more comprehensive list of companies is available on <http://investor.maersk.com/financials.cfm>

Subsidiaries

Company	Country of incorporation	Owned share	Company	Country of incorporation	Owned share
3PSC LLC	USA	100%	Damco A/S	Denmark	100%
A.P. Moller Finance SA	Switzerland	100%	Damco Australia Pty. Ltd.	Australia	100%
A.P. Moller Singapore Pte. Ltd.	Singapore	100%	Damco Belgium NV	Belgium	100%
Addicks & Kreye Container Service GmbH & Co. KG	Germany	51%	Damco China Ltd.	China	100%
APM Terminals – Cargo Service A/S	Denmark	60%	Damco Distribution Services Inc.	USA	100%
APM Terminals Algeciras S.A.	Spain	100%	Damco France SAS	France	100%
APM Terminals Apapa Ltd.	Nigeria	94%	Damco India Pvt. Ltd.	India	100%
APM Terminals B.V.	The Netherlands	100%	Damco International A/S	Denmark	100%
APM Terminals Bahrain B.S.C.	Bahrain	80%	Damco Italy S.r.l.	Italy	100%
APM Terminals Callao S.A.	Peru	80%	Damco Logistics Uganda Ltd.	Uganda	100%
APM Terminals China Co. Ltd.	Hong Kong	100%	Damco Sweden AB	Sweden	100%
APM Terminals Gothenburg AB	Sweden	100%	Damco UK Ltd.	Great Britain	100%
APM Terminals India Pvt. Ltd.	India	100%	Damco USA Inc.	USA	100%
APM Terminals Inland Services S.A.	Peru	100%	Danbor A/S	Denmark	100%
APM Terminals Liberia Ltd.	Liberia	100%	Dansk Supermarked A/S	Denmark	68%
APM Terminals Management B.V.	The Netherlands	100%	Esvagt A/S	Denmark	75%
APM Terminals Mobile, LLC	USA	100%	F. Salling A/S	Denmark	38%
APM Terminals North America B.V.	The Netherlands	100%	Farrell Lines Inc.	USA	100%
APM Terminals Pacific Ltd.	USA	100%	Gateway Terminals India Pvt. Ltd.	India	74%
APM Terminals Rotterdam B.V.	The Netherlands	100%	Lilypond Container Depot Nigeria Ltd.	Nigeria	91%
APM Terminals Tangier SA	Morocco	90%	Lindø Industripark A/S	Denmark	100%
APM Terminals Virginia Inc.	USA	100%	Live Oak Company Ltd.	Bermuda	100%
APM Terminals Yangshan Co. Ltd.	Hong Kong	100%	Maersk (China) Shipping Company Ltd.	China	100%
Aqaba Container Terminal Company Ltd.	Jordan	50%	Maersk A/S	Denmark	100%
Bermutine Transport Corporation Ltd.	Bermuda	100%	Maersk Agency U.S.A. Inc.	USA	100%
Coman SA	Benin	100%	Maersk Aviation Holding A/S	Denmark	100%
Container Operators S.A.	Chile	100%	Maersk B.V.	The Netherlands	100%
Damco (UAE) FZE	United Arab Emirates	100%	Maersk Bangladesh Ltd.	Bangladesh	100%
			Maersk Container Industry A/S	Denmark	100%
			Maersk Container Industry Dongguan Ltd.	China	100%

Subsidiaries

Company	Country of incorporation	Owned share	Company	Country of incorporation	Owned share
Maersk Container Industry Qingdao Ltd.	China	100%	Maersk Reacher Norge A/S	Denmark	100%
Maersk Contractors Venezuela S.A.	Venezuela	100%	Maersk Shipping Hong Kong Ltd.	Hong Kong	100%
Maersk Denizcilik A.Ş.	Turkey	100%	Maersk Spain S.L.	Spain	100%
Maersk Developer LLC	USA	100%	Maersk Supply Service A/S	Denmark	100%
Maersk Djibouti SARL	Djibouti	60%	Maersk Supply Service Canada Ltd.	Canada	100%
Maersk Drilling A/S	Denmark	100%	Maersk Supply Service Holdings UK Ltd.	Great Britain	100%
Maersk Drilling Deepwater A/S	Denmark	100%	Maersk Supply Service International A/S	Denmark	100%
Maersk Drilling Deepwater Egypt LLC	Egypt	100%	Maersk Supply Service UK Ltd.	Great Britain	100%
Maersk Drilling Holdings Singapore Pte. Ltd.	Singapore	100%	Maersk Tankers A/S	Denmark	100%
Maersk Drilling International A/S	Denmark	100%	Maersk Tankers Singapore Pte. Ltd.	Singapore	100%
Maersk Drilling Norge AS	Norway	100%	Maersk Treasury Center (Asia) Pte. Ltd.	Singapore	100%
Maersk Drilling USA Inc.	USA	100%	Maersk Trucking Holdings, Inc	USA	100%
Maersk Egypt For Maritime Transport SAE	Egypt	100%	Maersk Tunisie SA	Tunisia	100%
Maersk Energia Ltda.	Brazil	100%	Maersk Vietnam Ltd.	Vietnam	100%
Maersk Energy Marketing A/S	Denmark	100%	MCC Transport Singapore Pte. Ltd.	Singapore	100%
Maersk Energy UK Ltd.	Great Britain	100%	Mercosul Line Navegação e Logistica Ltda.	Brazil	100%
Maersk FPSOs A/S	Denmark	100%	Mærsk Gallant Norge A/S	Denmark	100%
Maersk FPSOs Australia A/S	Denmark	100%	Mærsk Giant Norge A/S	Denmark	100%
Maersk Gabon SA	Gabon	100%	Mærsk Guardian Norge A/S	Denmark	100%
Maersk Gas Carriers Pte. Ltd.	Singapore	100%	Mærsk Innovator Norge A/S	Denmark	100%
Maersk Global Service Centres (Chengdu) Ltd.	China	100%	Mærsk Inspirer Norge A/S	Denmark	100%
Maersk Global Service Centres (India) Pvt. Ltd.	India	100%	Mærsk Olie Algeriet A/S	Denmark	100%
Maersk Handy Gas Pte. Ltd.	Singapore	100%	Mærsk Olie og Gas A/S	Denmark	100%
Maersk Holding B.V.	The Netherlands	100%	Nedlloyd Container Line Ltd.	Great Britain	100%
Maersk Hong Kong Ltd.	Hong Kong	100%	New Times International Transport		
Maersk Inc.	USA	100%	Service Co. Ltd.	China	100%
Maersk Inter Holding B.V.	The Netherlands	100%	NTS International Transport Services Co. Ltd.	Hong Kong	100%
Maersk Jupiter Drilling Corporation S.A.	Panama	100%	Poti Sea Port Corporation	Georgia	100%
Maersk K.K.	Japan	100%	PT Damco Indonesia	Indonesia	100%
Maersk Line Agency Holding A/S	Denmark	100%	Rederiaktieselskabet Kuling	Denmark	100%
Maersk Line UK Ltd.	Great Britain	100%	Rederiet A.P. Møller A/S	Denmark	100%
Maersk Line, Limited	USA	100%	Safmarine (Pty) Ltd.	South Africa	100%
Maersk Logistics Warehousing			Safmarine Container Lines NV	Belgium	100%
China Company Ltd.	Hong Kong	100%	Safmarine MPV NV	Belgium	100%
Maersk Mauritanie SA	Mauritania	60%	Sati Container Services Pty. Ltd.	South Africa	75%
Maersk Oil America Inc.	USA	100%	Seago Line A/S	Denmark	100%
Maersk Oil Brasil Ltda.	Brazil	100%	Sogester – Sociedade Gestora		
Maersk Oil GB Ltd.	Great Britain	100%	de Terminais S.A.	Angola	51%
Maersk Oil Gulf of Mexico Four LLC	USA	100%	Suez Canal Container Terminal SAE	Egypt	55%
Maersk Oil North Sea UK Ltd.	Great Britain	100%	Svitzer A/S	Denmark	100%
Maersk Oil Norway AS	Norway	100%	Svitzer Australia Pty. Ltd.	Australia	100%
Maersk Oil Qatar A/S	Denmark	100%	Terminal 4 S.A.	Argentina	100%
Maersk Oil Three PL B.V.	The Netherlands	100%	Universal Maritime Service Corporation	USA	100%
Maersk Oil UK Ltd.	Great Britain	100%	West Africa Container Terminal Nigeria Ltd.	Nigeria	100%
Maersk Peregrino Pte. Ltd.	Singapore	100%			

Associated companies

Company	Country of incorporation	Owned share
Abidjan Terminal SA	Ivory Coast	40%
Brigantine International Holdings Ltd.	Hong Kong	30%
Brigantine Services Ltd.	Hong Kong	30%
Commonwealth Steamship Insurance		
Company Pty. Ltd.	Australia	7%
Congo Terminal Holding SAS	France	30%
Congo Terminal S.A.	DR Congo	23%
Cosco Ports (Nansha) Ltd.	British Virgin Islands	34%
Danske Bank A/S	Denmark	20%
Guangzhou South China Oceangate Container Terminal Co. Ltd.	China	20%
Guayanilla Towage Group Inc.	Puerto Rico	25%

Company	Country of incorporation	Owned share
Gujarat Pipavav Port Ltd.	India	43%
Höegh Autoliners Holdings AS	Norway	39%
Intra Inc.	USA	23%
Medcenter Container Terminal SpA	Italy	33%
Meridian Port Services Ltd.	Ghana	35%
New Asia Capital Resources Ltd.	Hong Kong	33%
PT Bonapelangi Devindo	Indonesia	19%
Salalah Port Services Company SAOG	Oman	30%
Shipet Maritime Sdn. Bhd.	Malaysia	44%
South Asia Gateway Pvt. Ltd.	Sri Lanka	33%
Tianjin Port Alliance International		
Container Terminal Co. Ltd.	China	20%

Joint ventures

Company	Country of incorporation	Owned share
Anchor Storage Ltd.	Bermuda	51%
Arctic Base Supply A/S	Denmark	50%
Brasil Terminal Portuario S.A.	Brazil	50%
Cai Mep International Terminal Co. Ltd.	Vietnam	49%
Caucedo Marine Services Ltd.	British Virgin Islands	50%
Dalian Port Container Terminal Co. Ltd.	China	20%
Douala International Terminal SA	Cameroon	40%
Drilling & Petroleum Services Company	Saudi Arabia	35%
Egyptian Drilling Company SAE	Egypt	50%
Europgate Container Terminal Wilhelmshaven		
Beteiligungsgesellschaft mbH	Germany	30%
Europe Terminal Brasil Participações S.A.	Brazil	50%
Global Ports Investments PLC	Cyprus	31%
Laem Chabang Container Terminal 1 Ltd.	Thailand	35%
LR2 Management K/S	Denmark	50%
Maersk Supply Service (Angola) Lda.	Angola	49%
Maersk-Rickmers U.S. Flag Project Carrier LLC	USA	50%

Company	Country of incorporation	Owned share
North Sea Production Company Ltd.	Great Britain	50%
North Sea Terminal Bremerhaven		
Verwaltungsgesellschaft mbH	Germany	50%
OOO Vostochnaya Stevedore Company	Russia	31%
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	30%
Petrolesport OAO	Russia	31%
Professional Terminal Service Holdings Ltd.	Mauritius	41%
Qingdao New Qianwan Container Terminal Co. Ltd.	China	16%
Qingdao Qianwan Container Terminal Co. Ltd.	China	20%
Riverwijs-Dampier Pty. Ltd.	Australia	50%
Shanghai East Container Terminal Co. Ltd.	China	49%
Shanghai Tie Yang Multimodal Transportation Co. Ltd.	China	49%
Smart International Logistics Company Ltd.	China	49%
South Florida Container Terminal LLC	USA	49%
Terminal Porte Océane SA	France	50%
Xiamen Songyu Container Terminal Co. Ltd.	China	25%

Definitions

Technical terms, abbreviations and definitions of key figures and financial ratios

Appraisal well – Additional wells drilled after a discovery, to confirm the size of a hydrocarbon deposit

Backhaul – The return leg of the vessel trip

Backlog – The value of future contract coverage (revenue backlog)

Barge – A drilling rig, which can operate in waters of 5-50 metres

Blanked sailings – Cancelled sailings

boepd – Barrels of oil equivalent per day

Brent – Sweet light crude oil produced in the North Sea

Bunker fuel – Type of fuel oil used in ship engines

Contract coverage – Percentage indicating the part of ship/rig days that are contracted for a specific period

Drillship – A vessel that has been fitted with drilling equipment, mainly used for deepwater drilling

DUC – Dansk Undergrunds Consortium – Operator of oil and gas fields in the Danish part of the North Sea

Equal steaming – steady vessel speed

Exposure hours – The total number of working hours in which an employee is exposed to work related hazards

FFE – Forty Foot Equivalent – Forty foot container unit

FGSO – Floating Gas Storage and Offloading vessel

Floater – A mobile offshore drilling unit that floats and is not secured to the seabed (except for anchors)

FPSO – Floating Production Storage and Offloading vessel

Free float – Share of share capital that is readily available for trading

Handy-tanker – Smaller product tanker

Head haul – The main leg of the vessel trip

Jack-up rig – A drilling rig resting on legs. The drilling rig can operate in waters of 25-150 metres

LNG – Liquefied Natural Gas

LPG – Liquefied Petroleum Gas

LTIF – Lost Time Injury Frequency – Number of lost time injuries, including fatalities, per million exposure hours

Mature field – Oil producing field that has passed its peak production

Multi-purpose – A vessel designed to carry both containerised and dry bulk cargoes

Net interest-bearing debt (NIBD) – Equals interest-bearing debt less cash and bank balances less other interest-bearing assets

P3 – A potentially long-term operational alliance between Maersk Line, MSC and CMA CGM on East-West trades

Product tanker – Vessel transporting refined oil products

Proved and probable reserves (2P) – Proved reserves: Quantity of energy sources estimated with reasonable certainty, from the analysis of geologic and engineering data, to be recoverable from well-established or known reservoirs with the existing equipment and under the existing operating conditions. Probable reserves: Unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable

Reefer – A refrigerated container

Ro/Ro – Roll On/Roll Off – A vessel that transports vehicles

ROIC – Return on invested capital

Semi-submersible rig – A drilling rig, which can operate in waters of 500-3,000 metres

Slow steaming – Reduction of vessel speed from 22-24 knots to 18 knots

Spot rate – Price quoted for immediate service

TEU – Twenty Foot Equivalent Unit – Twenty foot container

Time charter – Hire of a vessel for a specified period

Triple-E – Triple-E stands for Economy of scale, Energy efficiency and Environmentally improved

Uptime – A period of time when a unit is functioning and available for use

VSA – Vessel Sharing Agreement

VLCC – Very Large Crude Carrier

VLGC – Very Large Gas Carrier

Company announcements 2013

Date	Title
22 February	Group Annual Report 2012 for A.P. Møller - Mærsk A/S
13 March	Notice convening the Annual General Meeting 2013 of A.P. Møller - Mærsk A/S
26 March	A.P. Møller - Mærsk A/S places Sterling bonds
17 May	Interim Report 1st Quarter 2013
18 June	A.P. Møller - Mærsk A/S – Establishment of liner alliance
16 August	Interim Report 2nd Quarter 2013
25 September	A.P. Møller - Mærsk A/S to be assigned credit ratings by Moody's and Standard & Poor's
13 November	Interim Report 3rd Quarter 2013
22 November	A.P. Møller - Mærsk A/S – Formal Investigations by the European Commission
06 December	A.P. Møller - Mærsk A/S – Financial Calendar 2014
20 December	Major shareholder announcement

A.P. Møller - Mærsk A/S

(In parenthesis the corresponding figures for 2012)

Financial statements 2013



Financial highlights

Amounts in DKK million

	2013	2012	2011	2010	2009
Revenue	149,801	157,866	148,085	143,625	108,228
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	21,115	20,299	20,398	32,213	1,969
Depreciation, amortisation and impairment losses	7,635	7,828	7,889	12,409	6,783
Gain/loss on sale of companies and non-current assets, etc., net	160	1,165	1,201	1,024	-1,346
Profit/loss before financial items (EBIT)	13,640	13,636	13,710	20,828	-6,160
Financial items, net	65	4,594	8,591	3,738	4,502
Profit/loss before tax	13,705	18,230	22,301	24,566	-1,658
Tax	6,392	9,795	11,824	11,026	7,919
Profit/loss for the year	7,313	8,435	10,477	13,540	-9,577
Total assets	276,856	278,457	262,833	229,447	192,399
Total equity	114,036	116,522	113,329	105,627	87,901
Cash flow from operating activities	20,232	17,130	17,359	26,864	6,204
Cash flow used for capital expenditure	-9,527	-50,432	-17,565	-14,007	-16,468
Investments in property, plant and equipment and intangible assets	16,455	15,117	16,441	12,999	11,612
Proposed dividend per share, DKK	1,400	1,200	1,000	1,000	325

Income statement

Amounts in DKK million

Note		2013	2012
	Revenue	149,801	157,866
1	Operating costs	129,015	138,737
	Other income	329	1,170
	Profit before depreciation, amortisation and impairment losses, etc.	21,115	20,299
5,6	Depreciation, amortisation and impairment losses	7,635	7,828
2	Gain/loss on sale of companies and non-current assets, etc., net	160	1,165
	Profit before financial items	13,640	13,636
3	Dividends	2,354	5,222
3	Financial income	4,514	7,372
3	Financial expenses	6,803	8,000
	Profit before tax	13,705	18,230
4	Tax	6,392	9,795
	Profit for the year	7,313	8,435
	Appropriation:		
	Proposed dividend	6,154	5,275
	Retained earnings	1,159	3,160
	Proposed dividend per share, DKK	7,313	8,435
		1,400	1,200

Statement of comprehensive income

Amounts in DKK million

Note	2013	2012
Profit for the year	7,313	8,435
Translation from functional currency to presentation currency	-5,100	-1,922
Other equity investments:		
Fair value adjustment for the year	18	2
Reclassified to income statement, gain/loss on sale of companies and non-current assets etc., net	-2	4
16 Cash flow hedges:		
Value adjustment of hedges for the year	381	17
Reclassified to income statement:		
– operating costs	-154	326
– financial expenses	317	700
Reclassified to cost of property, plant and equipment	-	6
4,9 Tax on other comprehensive income	-139	-71
Total items that are or may be reclassified subsequently to the income statement	-4,679	-938
Other comprehensive income, net of tax	-4,679	-938
Total comprehensive income for the year	2,634	7,497

Balance sheet at 31 December

Amounts in DKK million

Note		2013	2012
5 Intangible assets		0	16
Ships, rigs, containers, etc.		59,184	62,868
Production facilities and equipment, etc.		8,033	6,844
Land and buildings		496	560
Construction work in progress and payment on account		6,537	7,166
6 Property, plant and equipment		74,250	77,438
7 Investments in subsidiaries		93,092	97,302
7 Investments in associated companies		19,000	21,453
Other equity investments		369	371
17 Interest bearing receivables from subsidiaries, etc.		31,182	30,467
16 Derivatives		1,297	1,159
8 Other receivables		2,233	1,706
Financial non-current assets		147,173	152,458
9 Deferred tax		453	671
Total non-current assets		221,876	230,583
10 Inventories		3,482	4,608
18 Trade receivables		12,975	18,334
Tax receivables		738	1,100
17 Interest bearing receivables from subsidiaries, etc.		18,165	15,942
16 Derivatives		927	587
8 Other receivables		699	591
Other receivables from subsidiaries, etc.		3,022	2,842
Prepayments		572	796
Receivables, etc.		37,098	40,192
Securities		1,200	1,255
Cash and bank balances		8,289	1,819
11 Assets held for sale		4,911	-
Total current assets		54,980	47,874
Total assets		276,856	278,457

Balance sheet at 31 December

Amounts in DKK million

Note	2013	2012
12 Share capital	4,396	4,396
Reserves	103,486	106,851
Proposed dividend for distribution	6,154	5,275
Total equity	114,036	116,522
 14 Borrowings, non-current	45,107	56,388
14 Interest bearing debt to subsidiaries, etc.	1,016	3,000
 15 Provisions	10,450	8,693
16 Derivatives	666	1,244
9 Deferred tax	685	921
Other non-current liabilities	11,801	10,858
Total non-current liabilities	57,924	70,246
 14 Borrowings, current	11,498	6,403
14 Interest bearing debt to subsidiaries, etc.	62,297	51,883
 15 Provisions	697	1,254
Trade payables	16,927	16,215
Tax payables	2,399	2,197
16 Derivatives	1,156	571
Other payables	2,272	2,070
Other payables to subsidiaries, etc.	7,648	8,266
Deferred income	2	2,830
Other current liabilities	31,101	33,403
Total current liabilities	104,896	91,689
Total liabilities	162,820	161,935
Total equity and liabilities	276,856	278,457

Cash flow statement

Amounts in DKK million

Note	2013	2012
Profit before financial items	13,640	13,636
5.6 Depreciation, amortisation and impairment losses	7,635	7,828
2 Gain on sale of companies and non-current assets, etc., net	-160	-1,165
21 Change in working capital	3,340	-1,896
21 Other non-cash items, etc.	957	1,381
Cash from operating activities before financial items and tax	25,412	19,784
Dividends received	2,341	8,396
Financial income received	2,165	2,177
Financial expenses paid	-2,834	-3,777
Taxes paid	-6,852	-9,450
Cash flow from operating activities	20,232	17,130
21 Purchase of intangible assets and property, plant and equipment	-13,739	-16,115
Sale of intangible assets and property, plant and equipment	7,178	388
Acquisition of and capital increases in subsidiaries and activities	-4,856	-34,859
Sale of subsidiaries and activities	236	1,516
Purchase/sale of shares in associated companies etc.	1,618	-1,437
21 Other financial investments	36	75
Cash flow used for capital expenditure	-9,527	-50,432
Purchase/sale of securities, trading portfolio	-	-9
Cash flow used for investing activities	-9,527	-50,441
Repayment of borrowings	-6,247	-15,999
Proceeds from borrowings	3,085	19,453
Dividends distributed	-5,241	-4,366
Movements in interest bearing loans to/from subsidiaries, etc., net	4,622	31,955
Purchase/sale of own shares, net	78	18
Cash flow from financing activities	-3,703	31,061
Net cash flow for the year	7,002	-2,250
Cash and cash equivalents 1 January	907	3,028
Currency translation effect on cash and cash equivalents	-86	129
Cash and cash equivalents 31 December	7,823	907
Cash and cash equivalents		
Cash and bank balances	8,289	1,819
Cash management overdrafts	466	912
Cash and cash equivalents 31 December	7,823	907

Cash and cash equivalents include DKK 0m (DKK 332m) that relates to cash and cash equivalents in countries with exchange control or other restrictions. These funds are not readily available for general use by the Company.

Statement of changes in equity

Amounts in DKK million

	Note	Share capital	Reserve for hedges	Retained earnings	Proposed dividend for distribution	Total equity
Equity 1 January 2013		4,396	-428	107,279	5,275	116,522
Translation from functional currency to presentation currency		-	4	-5,104	-	-5,100
Other equity investments:						
Fair value adjustment for the year		-	-	18	-	18
Reclassified to income statement, gain/loss on sale of non-current assets		-	-	-2	-	-2
Cash flow hedges:						
Value adjustment of hedges for the year		-	381	-	-	381
Reclassified to income statement, operating costs		-	-154	-	-	-154
Reclassified to income statement, financial expenses		-	317	-	-	317
4 Tax on other comprehensive income		-	-139	-	-	-139
Other comprehensive income, net of tax		-	409	-5,088	-	-4,679
Profit for the year		-	-	1,159	6,154	7,313
Total comprehensive income for the year		-	409	-3,929	6,154	2,634
Dividends to shareholders		-	-	34	-5,275	-5,241
13 Value of granted share options and restricted shares		-	-	43	-	43
12 Sale of own shares		-	-	78	-	78
Total transactions with shareholders		-	-	155	-5,275	-5,120
Equity 31 December 2013		4,396	-19	103,505	6,154	114,036

Statement of changes in equity

Amounts in DKK million

	Share capital	Reserve for hedges	Retained earnings	Proposed dividend for distribution	Total equity
Note					
Equity 1 January 2012	4,396	-1,427	105,964	4,396	113,329
Translation from functional currency to presentation currency	-	21	-1,943	-	-1,922
Other equity investments:					
Fair value adjustment for the year	-	-	2	-	2
Reclassified to income statement, gain/loss on sale of non-current assets	-	-	4	-	4
Cash flow hedges:					
Value adjustment of hedges for the year	-	17	-	-	17
Reclassified to income statement, operating costs	-	326	-	-	326
Reclassified to income statement, financial expenses	-	700	-	-	700
Reclassified to cost of property, plant and equipment	-	6	-	-	6
4 Tax on other comprehensive income	-	-71	-	-	-71
Other comprehensive income, net of tax	-	999	-1,937	-	-938
Profit for the year	-	-	3,160	5,275	8,435
Total comprehensive income for the year	-	999	1,223	5,275	7,497
Dividends to shareholders	-	-	30	-4,396	-4,366
13 Value of granted and sold share options	-	-	44	-	44
12 Sale of own shares	-	-	18	-	18
Total transactions with shareholders	-	-	92	-4,396	-4,304
Equity 31 December 2012	4,396	-428	107,279	5,275	116,522

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Notes to the financial statements

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Notes to the financial statements

Amounts in DKK million

1 Operating costs

	2013	2012
Bunker costs	26,404	33,472
Terminal costs	22,627	22,259
Intermodal costs	12,760	14,064
Port costs	8,842	9,196
Rent and lease costs	21,814	22,646
Exploration costs	85	114
Integration and restructuring costs	26	159
Other	36,457	36,827
Total operating costs	129,015	138,737

Three (no) members of the Executive Board are employed directly by the Company. All others engaged are employed by Rederiet A.P. Møller A/S.

Fees and remuneration to the Board of Directors and the Executive Board

Contract of employment for the Executive Board contains terms customary in Danish listed companies, including termination notice and competition clauses. In connection with a possible takeover offer, neither management nor the Board of Directors will receive special remuneration. Fees and remuneration do not include pension or share-based payments.

The Board of Directors has received fees of DKK 20m (DKK 19m).

As at 1 January 2013, management has changed from Firmaet A.P. Møller to the Executive Board. The Company's share of remuneration of the entire Executive Board is expensed with DKK 69m (Firmaet A.P. Møller DKK 77m).

Fees to the statutory auditors of A.P. Møller - Mærsk A/S	2013	2012
KPMG Statsautoriseret Revisionspartnerselskab		
Statutory audit	5	8
Other assurance services	1	0
Tax and VAT advisory services	1	1
Other services	4	2
Total fees	11	11
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab		
Statutory audit	6	4
Other assurance services	0	0
Tax and VAT advisory services	1	1
Other services	9	4
Total fees	16	9

Amounts in DKK million

2 Gain on sale of companies and non-current assets, etc., net

	2013	2012
Gains	187	1,839
Losses	27	674
Gain on sale of companies and non-current assets, etc., net	160	1,165

Sale of other equity investments results in a gain of DKK 2m (DKK 4m).

Notes to the financial statements

Amounts in DKK million

3 Financial income and expenses

	2013	2012
Interest expenses on liabilities	2,694	2,885
Of which borrowing costs capitalised on assets ¹	107	208
Interest income on loans and receivables	1,811	2,207
Interest income on securities	3	6
Fair value adjustment transferred from equity hedge reserve (loss)	338	696
Unwind of discount on provisions	188	194
Net interest expenses	1,299	1,354
Exchange rate gains on bank deposits, loans and working capital	267	126
Exchange rate losses on bank deposits, loans and working capital	1,478	1,422
Net foreign exchange gains/losses	-1,211	-1,296
Fair value gains from derivatives	960	1,336
Fair value losses from derivatives	98	-
Fair value gains from securities	-	20
Net fair value gains/losses ²	862	1,356
Dividends received from subsidiaries and associated companies	2,316	5,191
Dividends received from other securities	38	31
Total dividends income	2,354	5,222
Reversal of impairment losses, investments in and loans to subsidiaries and associated companies ³	1,111	3,328
Impairment losses, investments in and loans to subsidiaries and associated companies ⁴	1,752	2,662
Financial income, net	65	4,594
Of which:		
Dividends	2,354	5,222
Financial income	4,514	7,372
Financial expenses	6,803	8,000

¹ The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 4.4% p.a. (4.8% p.a.).

² Including loss on hedging instrument in fair value hedge of DKK 500m (gain of DKK 394m) and gain on the hedged item DKK 362m (loss of DKK 349m).

³ Reversal of impairment losses is mainly for Maersk FPSOs A/S and Odense Steelshipyard A/S (A.P. Møller Finance S.A. and Maersk FPSOs A/S).

⁴ Impairment losses to lower value in use primarily relate to investment in Maersk Tankers A/S and Damco International A/S (Maersk Tankers A/S).

For an analysis of gains and losses from derivatives reference is made to note 16.

Notes to the financial statements

Amounts in DKK million

4 Tax

	2013	2012
Tax recognised in the income statement	6,392	9,795
Of which regarding Danish and foreign tonnage tax, freight tax, etc.	-404	-324
Total	5,988	9,471
Of which:		
Current tax	6,003	8,659
Deferred tax	-15	812
Current and deferred tax arise as follows:		
Profit before tax	13,705	18,230
Income subject to Danish and foreign tonnage taxation, etc.	-2,687	3,034
Profit before tax, adjusted	11,018	21,264
Calculated 25% tax	2,755	5,316
Additional tax in the oil segment in excess of 25%	3,691	6,156
Effect of changed tax rate	-19	-
Gains related to shares, dividends, etc.	-379	-1,684
Adjustment to previous years' taxes	23	-866
Deferred tax assets, not previously recognised	-30	-61
Other permanent differences, net	-53	610
Total	5,988	9,471
Tax recognised in other comprehensive income and equity		
Cash flow hedges	139	71
Tax recognised in other comprehensive income, net	139	71
Of which:		
Current tax	139	71

Notes to the financial statements

Amounts in DKK million

5 Intangible assets

	IT software	Other rights	Total
Cost			
1 January 2012	1,301	162	1,463
Disposal	47	163	210
Exchange rate adjustment	-20	1	-19
31 December 2012	1,234	-	1,234
Exchange rate adjustment	-55	-	-55
31 December 2013	1,179	-	1,179
Amortisation and impairment losses			
1 January 2012	1,185	162	1,347
Amortisation	69	-	69
Disposal	17	163	180
Exchange rate adjustment	-19	1	-18
31 December 2012	1,218	-	1,218
Amortisation	17	-	17
Exchange rate adjustment	-56	-	-56
31 December 2013	1,179	-	1,179
Carrying amount:			
31 December 2012	16	-	16
31 December 2013	0	-	0

Notes to the financial statements

Amounts in DKK million

6 Property, plant and equipment

	Ships, rigs, containers, etc.	Production facilities and equipment etc.	Land and buildings	Construc- tion work in progress and payment on account	Total
Cost					
1 January 2012	107,872	39,021	954	4,443	152,290
Addition	10,138	3	34	4,942	15,117
Disposal	9,305	6,955	4	163	16,427
Transfer	1,242	681	-	-1,923	-
Transfer, assets held for sale	2,138	-	-	-	2,138
Exchange rate adjustment	-1,724	-378	-15	-133	-2,250
31 December 2012	110,361	32,372	969	7,166	150,868
Addition	2,079	2,454	-	11,922	16,455
Disposal	4,002	146	0	7,101	11,249
Transfer	4,694	458	-	-5,152	-
Exchange rate adjustment	-4,908	-1,520	-43	-298	-6,769
31 December 2013	108,224	33,618	926	6,537	149,305
Depreciation and impairment losses					
1 January 2012	43,911	31,059	377	-	75,347
Depreciation	6,465	1,598	42	-	8,105
Impairment losses	220	-	-	-	220
Reversal of impairment losses	566	-	-	-	566
Disposal	2,228	6,847	4	-	9,079
Transfer, assets held for sale	473	-	-	-	473
Exchange rate adjustment	-782	-282	-6	-	-1,070
31 December 2012	47,493	25,528	409	-	73,430
Depreciation	6,211	1,366	41	-	7,618
Disposal	2,458	145	-	-	2,603
Exchange rate adjustment	-2,206	-1,164	-20	-	-3,390
31 December 2013	49,040	25,585	430	-	75,055
Carrying amount:					
31 December 2012	62,868	6,844	560	7,166	77,438
31 December 2013	59,184	8,033	496	6,537	74,250
Of which carrying amount of finance leased assets:					
31 December 2012	1,477	-	-	-	1,477
31 December 2013	1,925	1,136	-	-	3,061

Disposal for the year is mainly related to transfer to subsidiaries.

Impairment losses for 2012 of DKK 220m related to two container vessels written down to estimated fair value.

Notes to the financial statements

Amounts in DKK million

6 Property, plant and equipment – continued

Finance leases

As part of the Company's activities, customary leasing agreements are entered into, especially with regard to the chartering of vessels, lease of containers, other equipment and dedicated capacity in certain strategically important container terminals. In some cases, the leasing agreements comprise purchase options for the Company and options for extension of the lease term.

In the financial statements, assets held under finance leases are recognised in the same way as owned assets.

Operating leases as lessor

Property, plant and equipment include assets which are leased out as part of the Company's activities. The future lease income is DKK 2.6bn (DKK 4.2bn) where of DKK 1.1bn (DKK 0.9bn) is receivable within one year, DKK 1.5bn (DKK 2.8bn) between one and five years and DKK 0.0bn (DKK 0.5bn) in more than five years.

Pledges

Ships, containers, etc. with a carrying amount of DKK 12.3bn (DKK 15.9bn) have together with ships, containers, etc., owned by subsidiaries with a carrying amount of DKK 4.5bn (DKK 5.0bn) been pledged as security for loans of DKK 10.4bn (DKK 12.8bn).

Notes to the financial statements

Amounts in DKK million

7 Investments in subsidiaries and associated companies

	Investments in subsidiaries	Investments in associated companies
Cost		
1 January 2012	73,969	23,098
Addition	42,223	1,431
Disposal	3,785	-
Transfer	4	-4
Exchange rate adjustment	-2,009	-381
31 December 2012	110,402	24,144
Addition	6,111	5
Disposal	224	1,592
Transfer, assets held for sale	4,911	-
Transfer	-10	10
Exchange rate adjustment	-5,023	-993
31 December 2013	106,345	21,574
Impairment losses		
1 January 2012	14,025	2,731
Impairment losses ¹	2,662	-
Reversal of impairment losses	3,328	-
Disposal	65	-
Exchange rate adjustment	-194	-40
31 December 2012	13,100	2,691
Impairment losses ¹	1,752	-
Reversal of impairment losses	999	-
Exchange rate adjustment	-600	-117
31 December 2013	13,253	2,574
Carrying amount:		
31 December 2012	97,302	21,453
31 December 2013	93,092	19,000

¹ Impairment losses are based on calculated value in use applying a discount rate of 10% p.a. (8-10% p.a.) after tax.

Transfer to Assets held for sale relates to investments in Dansk Supermarked A/S and F. Salling A/S expected to be partly disposed of in 2014. Further information can be found in note 26.

Furthermore, expected group internal transfer of The Maersk Company Limited is included.

Reference is made to pages 150-152 for a list of all significant subsidiaries and associated companies.

Notes to the financial statements

Amounts in DKK million

8 Other receivables

Other receivables comprise outlays and deposits, VAT receivables and other items to be reimbursed.

The Company does not have any particular credit risks regarding other receivables. Reference is made to note 18 for a description of currency and interest rate risks.

Amounts in DKK million

9 Deferred tax

Recognised deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net liabilities	
	2013	2012	2013	2012	2013	2012
Intangible assets	49	-	-	-	-49	-
Property, plant and equipment	-	-	980	918	980	918
Inventories	-	-	114	122	114	122
Receivables, etc.	-	-	28	-	28	-
Provisions, etc.	497	136	-	-	-497	-136
Liabilities, etc.	-	-	249	176	249	176
Tax loss carry forwards	606	844	-	-	-606	-844
Other	-	-	13	14	13	14
Total	1,152	980	1,384	1,230	232	250
Offsets	-699	-309	-699	-309	-	-
Total	453	671	685	921	232	250

Change in deferred tax, net during the year	2013	2012
1 January	250	-508
Recognised in the income statement	-15	812
Transfer	8	-45
Exchange rate adjustments	-11	-9
31 December	232	250

Unrecognised deferred tax assets

Deferred tax assets of DKK 1.0bn (DKK 1.0bn) relating to mainly provisions have not been recognised. No tax value is recognised as it is not considered likely that the deferred tax assets can be realised in the foreseeable future.

There are no significant unrecognised tax liabilities on investments in subsidiaries, associated companies and joint ventures.

Notes to the financial statements

Amounts in DKK million

10 Inventories

	2013	2012
Raw materials and consumables	260	401
Bunker	3,222	4,207
Total	3,482	4,608

No significant write-downs or reversals have been recognised on inventories.

Amounts in DKK million

11 Assets held for sale

Assets held for sale

Assets held for sale relates to investments in Dansk Supermarked A/S and F. Salling A/S expected to be partly disposed of in 2014. Reference is made to note 26.

Furthermore, expected group internal transfer of The Maersk Company Limited is included.

Notes to the financial statements

Amounts in DKK million

12 Share capital

The share capital on 31 December 2013 comprises:

A shares DKK 2,197.8m divided into 2,197,619 shares of DKK 1,000 and 362 shares of DKK 500

B shares DKK 2,197.8m divided into 2,197,683 shares of DKK 1,000 and 234 shares of DKK 500

All shares are fully issued and paid up.

One A share of DKK 1,000 holds two votes. B shares have no voting rights.

Shareholder disclosure subject to section 104 in the Danish Financial Statements Act:

	Share capital	Votes
A.P. Møller Holding A/S, Copenhagen, Denmark	41.51%	51.09%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen; Denmark	8.37%	12.84%
The estate after Mærsk Mc-Kinney Møller, Copenhagen; Denmark	3.69%	6.43%
Den A.P. Møllerske Støttefond, Copenhagen; Denmark	2.94%	5.86%

Note 13 in the consolidated financial statements include rules for changing the share capital, and information regarding the authorization of the Board of Directors to acquire own shares as well as the total number of own shares held by the Group.

	No. of shares of DKK 1,000		Nominal value		% of share capital	
	2013	2012	2013	2012	2013	2012
Own shares (B shares)						
1 January	29,070	29,729	29	30	0.66%	0.68%
Disposal	2,544	659	2	1	0.06%	0.02%
31 December	26,526	29,070	27	29	0.60%	0.66%

Disposal of own shares are primarily related to the share option programme.

Notes to the financial statements

Amounts in DKK million

13 Share-based payment

In 2013, the Company has established a restricted shares programme for employees, replacing the previous share option programme.

The fair value of restricted shares (A.P. Møller – Mærsk A/S B shares) granted to 115 employees was DKK 46m at the time of the grant. Total value of granted restricted shares recognised in the income statement is DKK 5m.

The transfer of restricted shares is contingent on the employee still being permanently employed and takes place when three years have passed from the time of granting. The employee is not entitled to any dividend during the vesting period.

Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

A portion of the Company's holding of own shares is reserved for transfer of restricted shares.

Outstanding restricted shares	Employees¹	Total fair value¹
	No.	DKK million
Granted	1,014	46
Forfeited	13	
Outstanding 31 December 2013	1,001	

¹ At the time of grant.

The fair value per restricted share at the time of grant is calculated at DKK 45,315, which is equal to the average share price on the first five trading days following the release of A.P. Møller – Mærsk A/S' annual report.

The average remaining contractual life for the restricted shares as per 31 December 2013 is 2.3 years.

In addition to the restricted shares program, the Company has a share option programme for former partners in Firmaet A.P. Møller and other employees. Each share option granted is a call option to buy an existing B share of nominal DKK 1,000 in A.P. Møller - Mærsk A/S. Share options related to this programme have not been granted in 2013.

In 2012, the fair value of share options granted to 123 employees was DKK 39m at the time of such grant. Total value of granted share options recognised in the income statement is DKK 11m (DKK 17m). In addition to the share options granted to the employees in 2012, three partners in Firmaet A.P. Møller bought share options corresponding to a fair value of DKK 7m.

The share options was granted at an exercise price corresponding to 110% of the average of the market price on the first five trading days following the release of A.P. Møller - Mærsk A/S' annual report. Exercise of the share options is contingent on the option holder still being permanently employed at the time of exercise. The share options can be exercised when at least two years and no more than five years have passed from the time of granting and can only be exercised within the trading periods as stated in the internal rules for trading of A.P. Møller - Mærsk A/S' securities in force at any time. Special conditions apply regarding illness, death and resignation as well as changes in the Company's capital structure, etc.

The share options can only be settled in shares. A portion of the Company's holding of own shares is reserved for settlement of granted options.

Notes to the financial statements

Amounts in DKK million

13 Share-based payment – continued

Outstanding share options	Partners in Firmaet A.P. Møller ¹	Employees ¹	Total	Average exercise price	Total fair value ¹		
				No.	No.	DKK	DKK million
1 January 2012	4,459	12,113	16,572	44,716			
Granted	-	4,356	4,356	49,843		39	
Sold	792	-	792	49,843		7	
Exercised	-	659	659	27,237			
Forfeited	-	472	472	52,351			
Outstanding 31 December 2012	5,251	15,338	20,589	46,382			
Exercisable 31 December 2012	3,684	8,076	11,760	41,183			
Exercised	237	2,307	2,544	30,421			
Forfeited	1,120	2,551	3,671	53,479			
Outstanding 31 December 2013	3,894	10,480	14,374	47,394			
Exercisable 31 December 2013	3,102	6,265	9,637	46,085			

¹ At the time of grant

The weighted average share price at the dates of exercise of shares was DKK 49,982 (DKK 43,124).

The average remaining contractual life as per 31 December 2013 is 2.0 years (2.3 years) and the exercise price for outstanding share options is in the range of DKK 27,237 to DKK 57,959 (DKK 27,237 to DKK 57,959).

In 2012, the fair value per option at the time of grant was calculated at DKK 8,839 based on Black & Scholes' options pricing model.

The following principal assumptions were used in 2012 in the valuation of the share options at the time of grant:

	2012
Share price, five days average, DKK	45,312
Exercise price, DKK	49,843
Expected volatility (based on four years historical volatility)	31.3%
Expected term	4.0 years
Expected dividend per share, DKK	1,000
Risk free interest rate (based on the five years swap interest curve)	1.6%

Notes to the financial statements

Amounts in DKK million

14 Borrowings

	2013	2012
Bank and other credit institutions	26,690	34,342
Finance lease liabilities	2,287	2,599
Issued bonds	27,628	25,850
Subsidiaries, etc., including finance lease liabilities	63,313	54,883
Total	119,918	117,674
Of which:		
Classified as non-current	46,123	59,388
Classified as current	73,795	58,286

Finance lease liabilities	Minimum lease payments	Interest	Carrying amount	Minimum lease payments	Interest	Carrying amount
	2013	2013	2013	2012	2012	2012
Within one year	332	21	311	234	32	202
Between one and five years	1,234	117	1,117	1,539	97	1,442
After five years	886	27	859	988	33	955
Total	2,452	165	2,287	2,761	162	2,599

The finance lease agreements are described in note 6.

Finance lease liabilities included in borrowings from subsidiaries	Minimum lease payments	Interest	Carrying amount	Minimum lease payments	Interest	Carrying amount
	2013	2013	2013	2012	2012	2012
Within one year	243	81	162	-	-	-
Between one and five years	737	219	518	-	-	-
After five years	639	141	498	-	-	-
Total	1,619	441	1,178	-	-	-

Notes to the financial statements

Amounts in DKK million

15 Provisions

	Aban-donment	Restruc-turing	Legal disputes, etc.	Other	Total
1 January 2013	4,739	87	2,493	2,628	9,947
Provision made	1,106	10	371	2,076	3,563
Amount used	66	74	-	407	547
Amount reversed	-	-	702	800	1,502
Unwind of discount	188	-	-	-	188
Exchange rate adjustment	-252	-2	-96	-152	-502
31 December 2013	5,715	21	2,066	3,345	11,147
Of which:					
Classified as non-current	5,715	12	1,947	2,776	10,450
Classified as current	-	9	119	569	697

Non-current provisions for abandonment of DKK 5.7bn (DKK 4.6bn) is expected realised after more than five years.

Provisions for abandonment comprise estimated expenses for abandonment of oil and gas fields at discounted value. Restructuring includes provisions for decided and publicly announced restructurings. Legal disputes, etc. include tax and duty disputes among other things. Other includes provisions for guarantees, onerous contracts, and risk under certain self-insurance programmes. The provisions are subject to considerable uncertainty, cf. note 24.

Reversals of provisions primarily relate to legal disputes, tax and duty disputes and contractual disagreements, which are recognised in the income statement under operating costs and tax.

Notes to the financial statements

Amounts in DKK million

16 Derivatives

Foreign exchange forwards and option contracts are used to hedge the currency risk related to recognised and unrecognised transactions. Interest rate swaps are used to hedge interest rate exposure on borrowings. Derivatives are entered into to hedge crude oil prices and bunker prices.

	2013	2012
Non-current receivables	1,297	1,159
Current receivables	927	587
Non-current liabilities	666	1,244
Current liabilities	1,156	571
Assets, net	402	-69

The fair value of derivatives held at the balance sheet date can be allocated by type as follows:

	Fair value	Recognised in income statement	Recognised in equity	Fair value	Recognised in income statement	Recognised in equity
	2013	2013	2013	2012	2012	2012
Currency derivatives ¹	343	191	152	-112	-284	172
Interest rate derivatives ¹	59	52	7	43	596	-553
Total	402	243	159	-69	312	-381

¹ Of which DKK 783m (DKK 857m) is related to fair value hedges.

The fair value recognised in equity relates to derivatives designated as effective hedging of future cash flows. The gains/losses are mainly expected to affect the income statement in the same periods as the cash flows are expected to occur. The expected timing of the effect on the income statement is as follows:

	Currency derivatives	Interest rate derivatives	Total	Currency derivatives	Interest rate derivatives	Total
	2013	2013	2013	2012	2012	2012
Within one year	152	-54	98	172	-261	-89
Between one and five years	-	24	24	-	-247	-247
After five years	-	37	37	-	-45	-45
Total	152	7	159	172	-553	-381

Notes to the financial statements

Amounts in DKK million

16 Derivatives – continued

The gains/losses, including realised transactions, are recognised as follows:

	2013	2012
Hedging foreign exchange risk on operating costs	154	-326
Hedging interest rate risk	-338	-696
Hedging foreign exchange risk on the cost of property, plant and equipment	-	-6
Total effective hedging	-184	-1,028
Ineffectiveness recognised in financial expenses	21	-4
Total reclassified from equity reserve for hedges	-163	-1,032
 Derivatives accounted for as held for trading:		
Currency derivatives recognised directly in financial income/expenses	933	1,161
Interest rate derivatives recognised directly in financial income/expenses	-454	528
Net gains/losses recognised directly in the income statement	479	1,689
Total	316	657

Currency derivatives hedge future revenue, operating costs and investments and are recognised on an ongoing basis in the income statement and the cost of property, plant and equipment respectively.

Interest rate derivatives primarily swap floating to fixed rates on borrowings and are recognised in the income statement concurrently with the hedged interest expenses. They are also used to swap fixed rates to floating rates of which some are fair value hedges.

Furthermore, the Company enters into derivatives to hedge economic risks that are not accounted for as hedging. These derivatives are accounted for as held for trading.

For information about currencies, maturities, etc. reference is made to note 18.

Notes to the financial statements

Amounts in DKK million

17 Financial instruments by category

Financial assets measured at amortised cost	Carrying amount	
	2013	2012
Interest bearing receivables from subsidiaries, etc.	49,347	46,409
Finance lease receivables	63	77
Other interest-bearing receivables and deposits	1	20
Total interest-bearing receivables	49,411	46,506
Trade receivables	12,975	18,334
Other receivables (non-interest-bearing)	2,868	2,200
Other receivables from subsidiaries, etc.	3,022	2,842
Cash and bank balances	8,289	1,819
Total loans and receivables	76,565	71,701

Fair value of the non-current receivables is not materially different from the carrying amount.

Financial liabilities measured at amortised cost	Carrying amount	Fair value	Carrying amount	Fair value
	2013	2013	2012	2012
Bank and other credit institutions	26,690	27,646	34,342	35,887
Finance lease liabilities	2,287	2,287	2,599	2,594
Issued bonds	27,628	28,905	25,850	26,857
Interest bearing loans from subsidiaries, including lease liabilities	63,313	63,313	54,883	54,883
Total borrowings	119,918	122,151	117,674	120,221
Trade payables	16,927		16,215	
Other financial liabilities	2,272		2,070	
Other payables to subsidiaries and associated companies, etc.	7,648		8,266	
Total financial liabilities	146,765		144,225	

Fair value of listed issued bonds falls within level 1 of the fair value hierarchy. Fair value of remaining borrowing items fall within level 2 of the fair value hierarchy and are calculated on the basis of discounted interest and instalments.

Notes to the financial statements

Amounts in DKK million

17 Financial instruments by category – continued

Financial instruments measured at fair value

Financial instruments measured at fair value can be divided into three levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the asset or liability that are not based on observable market data

	Carrying amount	Quoted prices	Other observable inputs	Other measurement methods	Level
2013					
Shares	369	-	-	-	369
Total other equity investments (available for sale)	369	-	-	-	369
Bonds	1,197	1,197	-	-	-
Shares	3	-	-	-	3
Total securities (held for trading)	1,200	1,197	-	-	3
Derivatives	2,224	-	2,224	-	-
Total financial assets	3,793	1,197	2,224	-	372
Derivatives	1,822	-	1,822	-	-
Total financial liabilities	1,822	-	1,822	-	-
2012					
Shares	371	-	-	-	371
Total other equity investments (available for sale)	371	-	-	-	371
Bonds	1,251	1,251	-	-	-
Shares	4	-	-	-	4
Total securities (held for trading)	1,255	1,251	-	-	4
Derivatives	1,746	-	1,746	-	-
Total financial assets	3,372	1,251	1,746	-	375
Derivatives	1,815	-	1,815	-	-
Total financial liabilities	1,815	-	1,815	-	-

Derivatives designated as cash flow hedges (hedging instruments) are equal to a net asset of DKK 159m (net liability of DKK 381m).

Fair value of level 3 assets and liabilities are primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Company's profit or equity significantly.

Notes to the financial statements

Amounts in DKK million

18 Financial risks

The Company's activities expose it to a variety of financial risks: market risks, i.e. currency risk and interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's Business Units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's profit or the value of its holdings of financial instruments. Below sensitivity analyses relate to the position of financial instruments at 31 December 2013.

The sensitivity analyses for currency risk and interest rate risk have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies remain unchanged from hedge designations in place at 31 December 2013. Furthermore, it is assumed that the exchange rate and interest rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The sensitivity analyses show the effect on profit or loss and equity of a reasonably possible change in exchange rates and interest rate.

Currency risk

The Company's currency risk arises due to income from shipping and oil-related activities are denominated mainly in USD, while the related expenses are incurred in both USD and a wide range of other currencies such as DKK, EUR, CNY and GBP. Overall the Company has net income in USD and net expenses in most other currencies. As the net income is in USD, this is also the primary financing currency. The majority of the Company's borrowings are thus in USD.

The main purpose of hedging the Company's currency risk is to hedge the USD value of the Company's net cash flow and reduce fluctuations in the Company's profit. The Company uses various financial derivatives, including forwards, option contracts and cross-currency swaps, to hedge these risks. The key aspects of the currency hedging policy are as follows:

- Net cash flows in other significant currencies than USD are hedged using a layered model with a 12-months horizon;
- Significant capital commitments in other currencies than USD are hedged;
- Most non-USD debt is hedged, however, depending on asset-liability match and the currency of the generated cash flow.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Company is exposed, is estimated to have a negative impact on the Company's profit before tax by DKK 0.6bn (DKK 0.3bn) and the Company's equity, excluding tax, negatively by DKK 1.4bn (DKK 1.1b). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date, cf. notes 16 and 17, and are thus not an expression of the Company's total currency risk.

Notes to the financial statements

Amounts in DKK million

18 Financial risks – continued

Currency position of net interest-bearing debt	Cash and bank balances	Other interest-bearing assets ¹	Borrowings	Net interest-bearing debt	Cash and bank balances	Other interest-bearing assets ¹	Borrowings	Net-interest bearing debt
	2013	2013	2013	2013	2012	2012	2012	2012
USD	2,005	44,439	78,287	31,843	1,493	42,979	77,695	33,223
EUR	292	2,223	16,896	14,381	47	1,096	17,591	16,448
DKK	3,133	374	9,200	5,693	-	143	7,970	7,827
Other currencies	2,859	3,572	15,535	9,104	279	3,539	14,418	10,600
Total	8,289	50,608	119,918	61,021	1,819	47,757	117,674	68,098

¹ Other interest-bearing assets consist of bonds and interest-bearing receivables cf. note 17.

Interest rate swaps entered into for the purpose of hedging interest rate risks on loans are mainly in USD. Fair values can be found in note 16.

Foreign exchange forwards and option contracts for hedging currency risks	Fair value	
	2013	2012
EUR	157	-538
DKK	266	169
CNY	0	1
GBP	291	-1
NOK	-386	236
Other currencies	15	21
Total	343	-112

Interest rate risk

The Company has most of its debt denominated in USD, but part of the debt (e.g. issued bonds) is in other currencies such as DKK, EUR and NOK. Some loans are at fixed interest rates, while others are at floating interest rates.

The Company strives to maintain a combination of fixed and floating interest rates on its net debt, reflecting expectations and risks. The hedging of the interest rate risk is governed by a duration range and is primarily obtained through the use of interest rate swaps.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to affect profit before tax negatively by DKK 0.3bn (negatively by DKK 0.4bn). The effect on equity, excluding tax effect, of an increase in interest rates as mentioned above is estimated to be positively by DKK 0.1bn (negatively by DKK 0.0bn).

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Notes to the financial statements

Amounts in DKK million

18 Financial risks – continued

Borrowings by interest rate levels inclusive of interest rate swaps	Carrying amount	Next interest rate fixing		
		0-1 years	1-5 years	5+ years
2013				
0-3%	101,134	88,455	9,607	3,072
3-6%	11,752	2,240	3,263	6,249
6%-	7,032	5,806	93	1,133
Total	119,918	96,501	12,963	10,454
Of which:				
Bearing fixed interest	30,224			
Bearing floating interest	89,694			
2012				
0-3%	84,239	77,048	4,366	2,825
3-6%	32,720	16,685	8,887	7,148
6%-	715	571	144	-
Total	117,674	94,304	13,397	9,973
Of which:				
Bearing fixed interest	36,193			
Bearing floating interest	81,481			

Credit risk

The Company has substantial exposure to financial and commercial counterparties but has no particular concentration of customers or suppliers. To minimise the credit risk, financial vetting is undertaken for all major customers and financial institutions, adequate security is required for commercial counterparties and credit limits are set for financial institutions and key commercial counterparties.

Maturity analysis of trade receivables	2013	2012
Receivables not due	9,748	14,600
Less than 90 days overdue	2,806	3,044
More than 90 days overdue	1,099	1,315
Receivables, gross	13,653	18,959
Provision for bad debt	678	625
Carrying amount	12,975	18,334
Change in provision for bad debt		
1 January	625	531
Provisions made	228	292
Amount used	145	135
Amount reversed	-	52
Exchange rate adjustment	-30	-11
31 December	678	625

Notes to the financial statements

Amounts in DKK million

18 Financial risks – continued

Liquidity risk

It is of great importance for the Company to maintain a financial reserve to cover the Company's obligations and investment opportunities and to provide the capital necessary to offset changes in the Company's liquidity due to changes in the cash flow from operating activities.

The flexibility of the financial reserve is subject to ongoing prioritisation and optimisation, among other things, by focusing on release of capital and following up on the development in working capital.

Maturities of liabilities and commitments	Carrying amount	Cash flows including interest				Total
		0-1 year	1-5 years	5+ years		
2013						
Bank and other credit institutions	26,690	4,523	19,535	6,488	30,546	
Finance lease liabilities	2,287	332	1,234	886	2,452	
Issued bonds	27,628	8,490	13,714	10,467	32,671	
Interest bearing loans from subsidiaries, etc.	63,313	62,686	737	639	64,062	
Trade payables	16,927	16,927	-	-	16,927	
Other payables	2,272	2,272	-	-	2,272	
Other payables to subsidiaries, etc.	7,648	7,648	-	-	7,648	
Non-derivative financial liabilities	146,765	102,878	35,220	18,480	156,578	
Derivatives	1,822	1,156	495	171	1,822	
Total recognised in balance sheet	148,587	104,034	35,715	18,651	158,400	
Operating lease commitments		15,294	25,324	5,577	46,195	
Capital commitments		8,329	5,098	-	13,427	
Total		127,657	66,137	24,228	218,022	
2012						
Bank and other credit institutions	34,342	6,257	20,783	10,925	37,965	
Finance lease liabilities	2,599	234	1,539	988	2,761	
Issued bonds	25,850	980	20,243	9,124	30,347	
Interest bearing loans from subsidiaries, etc.	54,883	52,146	1,042	2,115	55,303	
Trade payables	16,215	16,215	-	-	16,215	
Other payables	2,070	2,070	-	-	2,070	
Other payables to subsidiaries, etc.	8,266	8,266	-	-	8,266	
Non-derivative financial liabilities	144,225	86,168	43,607	23,152	152,927	
Derivatives	1,815	571	1,115	129	1,815	
Total recognised in balance sheet	146,040	86,739	44,722	23,281	154,742	
Operating lease commitments		18,792	38,124	5,455	62,371	
Capital commitments		13,355	16,880	-	30,235	
Total		118,886	99,726	28,736	247,348	

Notes to the financial statements

Amounts in DKK million

19 Commitments

Operating lease commitments

As part of the Company's activities, customary agreements are entered into regarding charter and operating leases of ships, containers, port facilities, etc. The future charter and operating lease payments for continuing operations are:

	2013	2012
Within one year	15,294	18,792
Between one and two years	10,810	15,800
Between two and three years	6,882	11,208
Between three and four years	4,538	7,028
Between four and five years	3,094	4,088
After five years	5,577	5,455
Total	46,195	62,371
Net present value ¹	40,557	53,504

¹ The net present value has been calculated using a discount rate of 6% p.a. (6% p.a.).

About one-third of the time charter payments within shipping activities are estimated to relate to operating costs for the assets.

Total operating lease costs incurred are stated in note 1.

Capital commitments

At the end of 2013, capital commitments relating to ships, rigs, etc., on order amount to DKK 13.4bn (DKK 30.2bn).

The decrease in capital commitments is related to contractual payments during the year, combined with no new significant commitments in 2013. Furthermore, four drillship contracts were transferred to a subsidiary in 2013.

As part of finance lease agreements entered into with subsidiaries, etc., capital commitments relating to dedicated capacity in certain strategically important container terminals at the end of 2013 amount to DKK 4.3bn (DKK 0.0bn).

Notes to the financial statements

Amounts in DKK million

20 Contingent liabilities

Guarantees amount to DKK 14.5bn (DKK 16.7bn). DKK 13.5bn (DKK 15.8bn) related to subsidiaries. The guarantees are not expected to be realised, but they can mature within one year.

Except for customary agreements within the Company's activities, no material agreements have been entered into that will take effect, change or expire upon changes of the control over the Company.

The necessary facility of DKK 2.1bn (DKK 2.2bn) corresponding to USD 380m (USD 380m) has been established in order to meet the requirements for trading in the USA under the American Oil Pollution Act of 1990 (Certificate of Financial Responsibility).

The container trades have entered into certain agreements with terminals, port authorities, etc., containing volume commitments including an extra payment in case minimum volumes are not met.

The Company is involved in a number of legal disputes. The Company is also involved in tax disputes in certain countries. Some of these involve significant amounts and are subject to considerable uncertainty.

Tax may crystallise if the Company leaves the tonnage tax regime and on repatriation of dividends. Through participation in joint taxation scheme with A.P. Møller Holding A/S, the Company is jointly and severally liable for taxes payable.

Amounts in DKK million

21 Cash flow specifications

	2013	2012
Change in working capital		
Inventories	792	409
Trade receivables	4,276	229
Other receivables and prepayments	-193	149
Other receivables from subsidiaries, etc.	-303	4
Trade payables and other payables, etc.	-767	-2,506
Other debt to subsidiaries, etc.	-268	-42
Exchange rate adjustment of working capital	-197	-139
Total	3,340	-1,896
Purchase of intangible assets and property, plant and equipment		
Addition	-16,455	-15,117
Of which finance leases, etc.	1,462	-
Of which borrowing costs capitalized on assets	107	208
Change in payables to suppliers regarding purchase of assets	41	-1,098
Change in provision for abandonment	1,106	-108
Total	-13,739	-16,115
Other financial investments		
Sale of non-current assets available-for-sale	4	6
Loan repayments received	32	69
Total	36	75

Other non-cash items related primarily to adjustment of provision for bad debt regarding trade receivables.

Notes to the financial statements

Amounts in DKK million

22 Related parties

	Subsidiaries		Associated companies		Joint ventures		Management ¹	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	8,006	15,072	-	-	140	146	-	-
Operating costs	54,554	62,345	1,201	1,089	3,161	3,195	64 ²	70 ²
Remuneration to management	-	-	-	-	-	-	89	96
Other income	292	1,096	-	1	36	51	11	11
Dividends ³	2,179	5,055	63	68	74	68	-	-
Financial income	1,906	2,176	298	424	-	-	-	-
Financial expenses	1,276	648	-	5	-	-	-	-
Interest bearing receivables, non-current	31,182	30,467	-	-	-	-	-	-
Derivatives, non-current	176	175	116	87	-	-	-	-
Trade receivables	3,336	4,976	14	-	95	173	46 ²	-
Tax receivables	738	523	-	-	-	-	-	-
Interest bearing receivables, current	18,165	15,942	-	-	-	-	-	-
Derivatives, current	184	110	109	83	-	-	-	-
Other receivables, current	2,959	2,751	24	49	39	42	-	-
Prepayments	150	-	-	-	-	-	-	-
Cash and bank balances	-	-	1,121	816	-	-	-	-
Interest bearing debt, non-current	1,016	3,000	-	-	-	-	-	-
Derivatives, non-current	-	-	195	521	-	-	-	-
Interest bearing debt, current	62,296	51,883	-	-	1	-	23	22
Trade payables	6,420	5,622	138	94	408	331	-	12
Tax payable	550	616	-	-	-	-	-	-
Derivatives, current	284	145	283	-	-	-	-	-
Other liabilities, current	7,645	8,227	3	39	-	-	-	-
Investment in activities, property, plant and equipment	3,247	3,645	-	-	-	-	-	18
Capital increases and purchase of shares	6,111	42,333	5	1,431	-	-	-	-

¹ The Board of Directors and the Executive Board in A.P. Møller - Mærsk A/S, A.P. Møller Holding A/S, A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal and their close relatives (including undertakings under their significant influence). Trade receivables and payables include customary business related accounts in connection with shipping activities.

² Includes commission and commercial receivables to Maersk Broker K/S from chartering, purchase and sale of ships as well as time charter hire to part owners.

³ Excluding dividend from own shares.

Notes to the financial statements

Amounts in DKK million

22 Related parties – continued

A.P. Møller Holding A/S, Copenhagen, Denmark has control over the Company and prepares consolidated financial statements. A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal is the ultimate owner. Related parties also include the companies in which the Company exercises significant influence.

One (one) member of the Executive Board participates in one (one) shipping partnership with one vessel that is operated as part of the A.P. Moller - Maersk fleet. The A.P. Møller - Mærsk Group owns more than 50% (50%) of the vessel and holds the ultimate control. The vessel is operated directly in the market and all transactions between related parties and the Company are subject to arm's length conditions.

During the year DKK 0m (DKK 1m) has been expensed regarding office rent and shares of DKK 2m (DKK 0m) have been sold to the A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal.

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

None of the Executive Board members bought any share options in 2013. During 2012 three members of the Executive Board bought 792 share options in total corresponding to a fair value of DKK 7m. Further information is provided in note 13.

Dividends distributed are not included.

Amounts in DKK million

23 Accounting policies

The financial statements for 2013 for A.P. Møller - Mærsk A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies. In addition, the financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB).

The Company uses DKK as a presentation currency, while functional currency is USD.

The accounting policies of the Company are consistent with the accounting policies for the A.P. Moller - Maersk Group (note 27 in the consolidated financial statements) with the following exceptions:

- Shares in subsidiaries and associated companies are measured at cost or a lower value in use;
- Dividends from subsidiaries and associated companies are recognised as income at the time of declaration;
- No segment information is disclosed;
- Value of granted share options and restricted shares to employees in subsidiaries is expensed directly in the relevant subsidiary. At the time of the grant, the subsidiary settles the amount with A.P. Møller - Mærsk A/S and the counter posting made in equity. At the time of exercising, the proceeds are included in the Company's equity.

Notes to the financial statements

Amounts in DKK million

24 Significant accounting estimates and judgements

When preparing the annual report of the Company, management undertakes a number of accounting estimates and judgements to recognize, measure and classify the Company's assets and liabilities.

Estimates that are material to the Company's financial reporting are made on the basis of, inter alia, determination of the useful life and residual value of property, plant and equipment, determination of impairment of property, plant and equipment and financial non-current assets, recognition of deferred tax assets and recognition of provisions.

The accounting estimates and judgements are described in further detail in note 28 in the consolidated financial statements.

Amounts in DKK million

25 New financial reporting requirements

Changes in accounting policies

Changes in accounting policies are described in note 29 of the consolidated financial statements. The accounting policies and changes to standards (IAS and IFRS) and interpretations (IFRIC) are consistent with those applied by the Group. None of these changes have had an effect on the accounting policies for the Company.

Changes in coming years

Changes in standards and interpretations and amendments in coming years are stated in note 29 of the consolidated financial statements. The mentioned changes to accounting policy of the Group, do not or only to a limited extend impact the accounting policy of the Company. However the effect of certain standards is undertermined at this point of time.

Amounts in DKK million

26 Subsequent events

7 January 2014 the Group entered into an agreement to sell 48.68% of the shares in Dansk Supermarked A/S and 18.72% of the shares in F. Salling A/S. Further information can be found in note 30 of the consolidated financial statements.

Colophon

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Sir John Bond
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Robert Routz
Jan Tøpholm

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Jan Tøpholm
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