GROUP HIGHLIGHTS

The Group delivered a strong financial performance with a profit of USD 5.2bn (USD 3.8bn) positively impacted by the USD 2.8bn gain from the sale of the majority share of Dansk Supermarked Group and other divestment gains of USD 600m (USD 145m) partly offset by the net impairments of USD 3.0bn (USD 220m), including USD 1.7bn on the Brazilian oil assets. In line with expectations, the underlying profit increased by 33% to USD 4.5bn compared to 2013 (USD 3.4bn) and the return on invested capital (ROIC) was 11.0% (8.2%).

Maersk Line maintained its lead on the rest of the industry and delivered a higher than expected profit of USD 2.3bn (USD 1.5bn) due to stronger than expected volumes as well as lower unit costs from continued optimisation and lower bunker prices partly countered by lower freight rates. The underlying profit was also higher than expected and came at USD 2.2bn (USD 1.5bn). ROIC was 11.6% (7.4%).

Maersk Oil delivered a loss of USD 861m (profit of USD 1.0bn) but with an underlying profit of USD 1.0bn (USD 1.1bn) that was in line with expectations despite the sharp decline in oil prices during the fourth quarter. Maersk Oil's entitlement production increased by 7% over 2013 to 251,000 barrels per day as a result of improved operational performance, production from new projects as well as a higher share of production from Qatar due to the lower oil price. The result was furthermore improved by lower exploration costs. Maersk Oil reduced its valuation of Brazilian assets by USD 1.7bn due to disappointing exploration and appraisal results and rising project costs. Updated oil price assumptions lead to impairments on some of Maersk Oil's UK assets. ROIC was negative 15.2% (positive 16.2%).

APM Terminals delivered a profit of USD 900m (USD 770m), positively impacted by volume and margin growth as well as divestment gains, mainly relating to the port in Virginia, USA. The result was negatively impacted by impairments related to activities in joint ventures. The underlying profit of USD 849m (USD 709m) was a significant improvement and in line with expectations. ROIC was 14.7% (13.5%).

Maersk Drilling delivered a profit of USD 478m (USD 528m), positively impacted by high operational uptimes as well as gain relating to the divestment of the Venezuelan activities, negatively impacted by impairments of USD 85m. The high number of planned rig yard stay days and start-up costs contributed negatively to the result. The underlying profit of USD 471m (USD 524m) was in line with expectations. ROIC was 7.1% (10.8%).

Underlying result reconciliation

	Result for the year – continuing operations		Gain on sale of non-current assets, etc., net		Impairment losses, net[1]		Tax on adjustments		Underlying result	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Group	2,339	3,383	-600	-145	2,951	220	-158	-49	**4,532[2]**	**3,409**
Maersk Line	2,341	1,510	-89	-38	-72	-9	19	0	**2,199**	**1,463**
Maersk Oil	-861	1,046	-4	0	2,208	98	-308	-61	**1,035**	**1,083**
APM Terminals	900	770	-374	-70	181	1	142	8	**849**	**709**
Maersk Drilling	478	528	-82	-4	85	0	-10	0	**471**	**524**
Maersk Supply Service	201	187	-12	-5	0	0	0	0	**189**	**182**
Maersk Tankers	132	-317	4	-8	4	153	-1	0	**139**	**-172**
Damco	-293	-111	0	-2	68	6	0	0	**-225**	**-107**
Svitzer	-270	156	-5	-29	354	6	3	1	**82**	**134**

[1] Including the Group's share of impairments, net, recorded in joint ventures and associated companies.
[2] USD 4,083m excluding the underlying result from Danske Bank of USD 449m.

APM Shipping Services delivered a loss of USD 230m (loss of USD 85m) negatively impacted by a goodwill impairment of USD 357m related to the Adsteam acquisition in Australia. Svitzer's Australian operations are negatively impacted by industry overcapacity, a high industry cost structure and a general slowdown of bulk activities. Furthermore, the result was impacted by significant non-trading costs in Damco related to impairments, restructuring and other adjustments. The underlying result in APM Shipping Services came in lower than expected, however, higher than last year with an underlying profit of USD 185m (USD 37m) mainly due to Maersk Tankers being impacted by positive USD 87m (negative USD 144m) relating to provision for onerous contracts.

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

MAJOR PORTFOLIO DECISIONS

During 2014, the Group divested its majority shareholding in Dansk Supermarked Group resulting in a gain of USD 2.8bn. Furthermore, the Group announces its intention to offer its shares in Danske Bank to its shareholders, and once completed the sale of shares in the Dansk Supermarked Group and Danske Bank will have significantly contributed to focusing the Group's portfolio.

SHAREHOLDER RETURN

The Maersk B-share price increased by 5.1% to DKK 12,370 during 2014. The ordinary dividend pay-out proposed by the Board of Directors is DKK 300 per share of DKK 1,000 equal to a total of DKK 6,593m, representing an ordinary dividend yield of 2.4% based on the B-share closing price at year end. The total value of the ordinary dividend payment is equivalent to USD 1,077m at the exchange rate as per 31 December 2014.

The extraordinary dividend will be determined based on the Volume Weighted Average Price of Danske Bank A/S' shares traded during a pricing period of five trading days, expected to commence Friday 20 March and expire Thursday 26 March 2015. Based on the value of the shares on 31 December 2014, the value of the extraordinary dividend is estimated to DKK 33,850m equivalent to USD 5,530m using the exchange rate as per 31 December 2014 (around DKK 1,569 per share of DKK 1,000 excluding treasury shares). Due to the Group's strong financial position, the Board of Directors decided in 2014 to buy back shares of up to DKK 5.6bn to be executed during a 12-month period beginning September 2014.The Board of Directors will on an ongoing basis decide on the reoccurrence and size of buy-back programmes based on the Group's financial position and the potential of identifying attractive investment opportunities. A.P. Møller Holding A/S is participating in the buy-back with their pro rata share.

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

QUARTERLY FIGURES

Quarterly figures for the Group for 2010-2014 are available on:
http://investor.maersk.com/financials.cfm

SUSTAINABILITY AND GENDER COMPOSITION OF MANAGEMENT

An independently assured Sustainability Report for 2014 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

GUIDANCE FOR 2015

The Group expects an underlying result slightly below USD 4bn (USD 4.1bn) excluding Danske Bank. Gross cash flow used for capital expenditure is expected to be around USD 9bn in 2015 (USD 8.7bn), while cash flow from operating activities is expected to develop in line with the result.

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.

Maersk Line expects a higher underlying result than for 2014 (USD 2.2bn). Maersk Line aims to improve its competitiveness through unit cost reductions and implementation of the new 2M alliance. Global demand for seaborne container transportation is expected to increase by 3-5% and Maersk Line aims to grow with the market.

Maersk Oil expects a significantly lower underlying result for 2015 than for 2014 (USD 1.0bn) as break even is reached with oil prices in the range 55-60 USD per barrel.

Maersk Oil's entitlement production is expected to be around 265,000 boepd (251,000 boepd). Exploration expenses are expected to be around USD 0.7bn (USD 765m) for the year.

APM Terminals expects an underlying result around 2014 (USD 849m) and to grow in line with the market.

Maersk Drilling expects a higher underlying result than in 2014 (USD 471m) due to more rigs in operation, good forward contract coverage as well as the cost reduction and efficiency enhancement programme.

APM Shipping Services expects the underlying result for 2015 to be above the 2014 result (USD 185m).

SENSITIVITY GUIDANCE

The Group's guidance for 2015 is subject to considerable uncertainty, not least due to developments in the global economy, the container freight rates and the oil price.

The Group's expected underlying result depends on a number of factors. Based on the expected earnings level and all other things being equal, the sensitivities on calendar 2015 for four key value drivers are listed in the table below:

Factors	Change	Effect on the Group's underlying profit
Oil price for Maersk Oil	+/-10 USD/barrel	+/-USD 0.25bn
Bunker price	+/-100 USD/tonne	-/+USD 0.2bn
Container freight rate	+/-100 USD/FFE	+/-USD 1.0bn
Container freight volume	+/-100,000 FFE	+/-USD 0.1bn

FIVE YEAR SUMMARY

AMOUNTS IN USD MILLION

INCOME STATEMENT	**2014**	2013	2012	2011	2010
Revenue	47,569	47,386	49,491	49,917	45,559
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	11,919	11,372	11,797	14,104	15,201
Depreciation, amortisation and impairment losses, net	7,008	4,628	5,065	5,292	5,870
Gain on sale of non-current assets, etc., net	600	145	610	210	670
Share of profit/loss in joint ventures	-6	152	130	-	-
Share of profit/loss in associated companies	412	295	222	122	82
Profit before financial items (EBIT)	5,917	7,336	7,694	9,144	10,083
Financial items, net	-606	-716	-780	-862	-1,026
Profit before tax	5,311	6,620	6,914	8,282	9,057
Tax	2,972	3,237	3,161	5,932	4,518
Profit for the year – continuing operations	2,339	3,383	3,753	2,350	4,539
Profit for the year – discontinued operations	2,856	394	285	1,027	479
Profit for the year	5,195	3,777	4,038	3,377	5,018
A.P. Møller - Mærsk A/S' share	5,015	3,450	3,740	2,836	4,705

BALANCE SHEET

Total assets	68,844	74,509	72,396	70,444	66,756
Total equity	42,225	42,513	39,324	36,190	34,376
Invested capital	49,927	54,630	53,814	51,753	47,013
Net interest-bearing debt	7,698	11,642	14,489	15,317	12,409
Investments in property, plant and equipment and intangible assets	9,368	7,087	7,826	10,901	5,626

CASH FLOW STATEMENT

Cash flow from operating activities[1]	8,761	8,909	7,041	6,665	9,585
Cash flow used for capital expenditure[1]	-6,173	-4,881	-5,822	-10,285	-4,167

FINANCIAL RATIOS

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

STOCK MARKET RATIOS	**2014**	2013	2012	2011	2010
Earnings per share (EPS), USD	230	158	171	130	216
Diluted earnings per share, USD	230	158	171	130	215
Cash flow from operating activities per share, USD[1]	401	408	323	305	439
Dividend per share, DKK	300	280	240	200	200
Dividend per share, USD	49	52	42	35	36
Share price (B share), end of year, DKK	12,370	11,770	8,520	7,584	10,102
Share price (B share), end of year, USD	2,021	2,175	1,506	1,320	1,800
Total market capitalisation, end of year	42,848	46,305	31,876	28,018	38,741

GROUP BUSINESS DRIVERS

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

[1] From continuing operations.

THE GROUP STRATEGY

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

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

OUR STRATEGY

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

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

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

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

OUR SUCCESS FACTORS

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

Combined, these strengths form a unique platform for our continued profitable growth.

OUR VALUES

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

Our values guide the way our employees behave, make decisions and interact with others – whether they work in Denmark or globally.

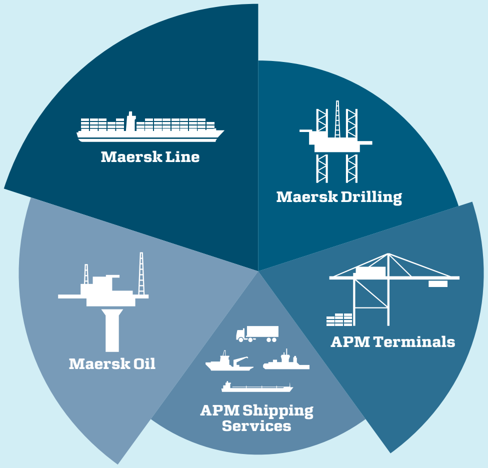
Our values unite our global workforce, ensuring a commitment and continuity of service and a high calibre customer experience.

THE MAERSK GROUP CORE VALUES

Constant Care	Take care of today, actively prepare for tomorrow.
Humbleness	Listen, learn, share, 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.

Business units

The financial ambitions for the Group's business units as most recently communicated in August 2014.



- **Maersk Line**
  2014 — Self-funded.
  EBIT 5%-points > peers. Grow with the market.
- **Maersk Oil**
  2020 — 400,000 boepd.
  ROIC at least 10% during rebuild.
- **APM Terminals**
  2016 — USD 1bn NOPAT. Global leader.
- **Maersk Drilling**
  2018 — USD 1bn NOPAT.
  Significant position on ultra-harsh, ultra deepwater.
- **APM Shipping Services**
  2016 — USD 0.5bn NOPAT. Self-funded.

Maersk Oil's ambitions are challenged by the lower oil price. Our responses are reduction in the exploration and operational cost base and acquisitions are considered.

THE GROUP STRATEGY PROCESS

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

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

THE GROUP'S PRIORITIES FOR 2015

We have set out the following Group Priorities for 2015:

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

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

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

EXECUTION ON GROUP STRATEGY 2014

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

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.

Target/policy

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

Developments in 2014

- Maersk Line, APM Terminals and Maersk Supply Service achieved a ROIC above 10%.
- Maersk Line, Maersk Oil, APM Terminals, Maersk Supply Service and Svitzer are top quartile performers in their industries.
- Below top quartile performance are Maersk Drilling, Maersk Tankers and Damco. For Maersk Drilling this is due to the high number of drilling rigs on yard stays, however, the operational performance for Maersk Drilling was top quartile.
- Performance in APM Shipping Services was diverse with two business units (Maersk Supply Service and Svitzer) delivering top quartile performance, while two performed below (Maersk Tankers and Damco), albeit with Maersk Tankers performing considerably above the industry average.

CAPITAL ALLOCATION AND GROWTH

The Group has an ambition to grow its invested capital, mainly by executing the investment pipeline.

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

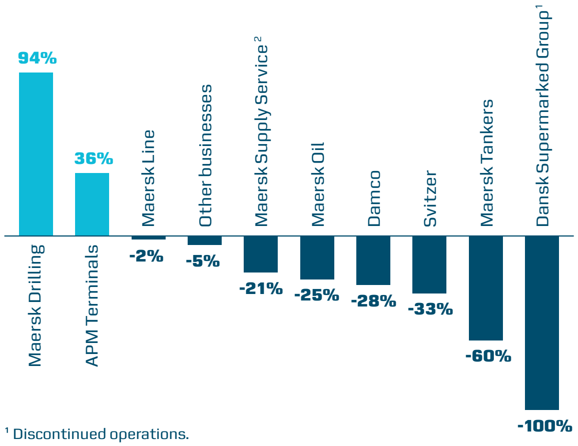
Maersk Oil has spent more than USD 1bn per year on exploration in 2012 and 2013; less in 2014. Due to the disappointing exploration results over the last couple of years Maersk Oil has decided to reduce its exploration activities, but also consider other means to grow reserves and future production for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

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

Target/policy

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

Development in invested capital Q2, 2012 – Q4, 2014



[1] Discontinued operations.
[2] Esvagt is moved from Maersk Supply Service to Other businesses.

Developments in 2014

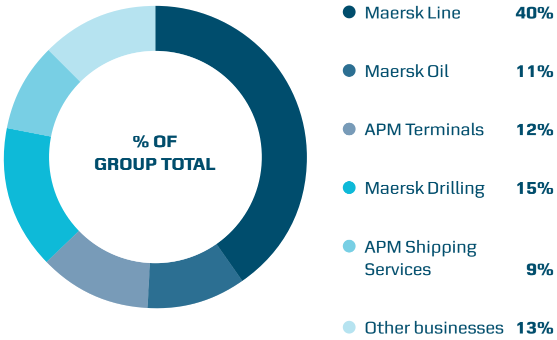
- 78% of the Group's invested capital is invested in Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling (68% in Q2 2012).
- The invested capital dropped by 5.3% since Q2 2012, adversely impacted by the sale of Dansk Supermarked Group and the USD 3.0bn impairments, including USD 2.2bn in Maersk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

PORTFOLIO MANAGEMENT

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

No acquisitions of companies or activities with significant impact to the Group were undertaken in 2014.

Invested capital end 2014



Target/policy

- To actively manage the portfolio of businesses to ensure focus on the most profitable and least volatile business areas.
- Building a balanced portfolio across several businesses.
- Execute a focused capital allocation.

Developments in 2014

- Cash flow from divestments of USD 4.4bn. Primarily:
  – The majority share in Dansk Supermarked Group.
  – APM Terminals Virginia, Portsmouth, USA.
- A revised strategy for Maersk Oil, Brazil as resource estimates was significantly reduced.
- Following the decline in oil price, we revised our strategy in Maersk Oil to focus on less expensive resources as well as cost savings. Based on our extensive experiences from shipping, the Group is well-prepared for a sharper cost focus, and both Maersk Oil and Maersk Drilling have embarked on initiatives to drive down costs.
- Exit the Very Large Crude Carriers segment.
- Divestment of drilling activities in Venezuela.

FUNDING

The Group's capital structure and liquidity reserve are managed in line with the Group's current Baa1/BBB+ credit rating.

All debt financing is arranged centrally and the Group generally intends to raise funding at the parent company level from diversified sources including bonds, which accounted for 37% of gross debt as of 31 December 2014.

Target/policy

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

Developments in 2014

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

DIVIDEND

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

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

Target/policy

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

Developments in 2014

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

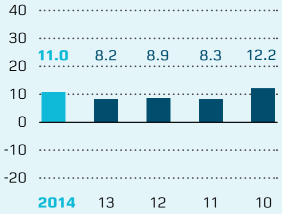
INVESTED CAPITAL AND ROIC

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

Invested capital USD million

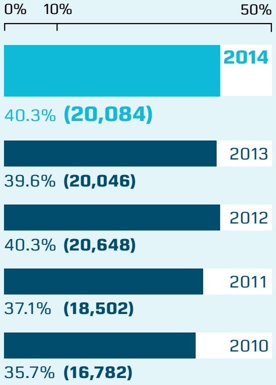
49,927	**2014**
54,630	2013
53,814	2012
51,753	2011
47,013	2010

ROIC %

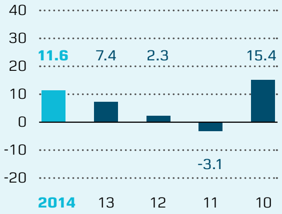


Maersk Line is the world's largest container shipping company offering reliable, flexible and eco-efficient ocean transportation in all parts of the world.

Invested capital USD million

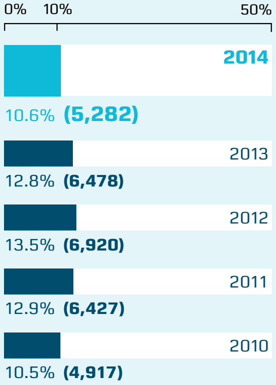


ROIC %

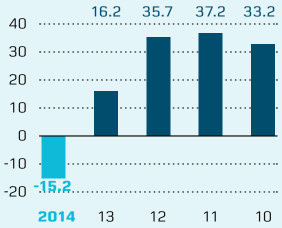


Maersk Oil is a medium sized upstream international oil and gas company with roots in the North Sea, now with operations worldwide. Maersk Oil is active from exploration to production both onshore and offshore.

Invested capital USD million

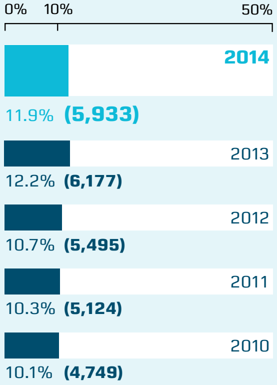


ROIC %

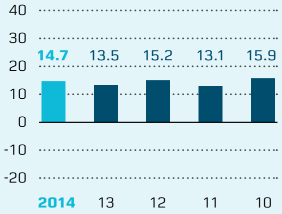


APM Terminals is one of the world's leading port developers and operators. The global network consists of 64 operating terminals and over 140 inland services.

Invested capital USD million

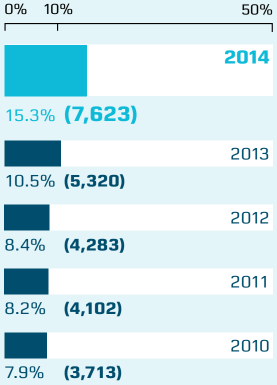


ROIC %

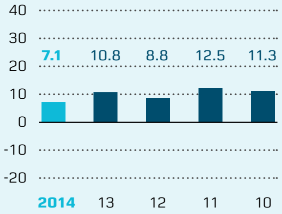


Maersk Drilling is a leading global drilling contractor with a fleet of high technology drilling rigs, providing offshore drilling services to oil and gas companies with one of the world's youngest and most advanced fleets.

Invested capital USD million

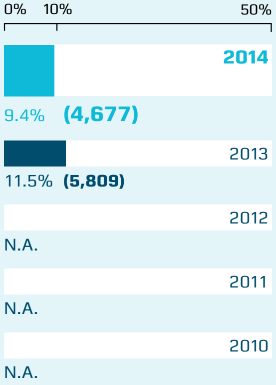


ROIC %

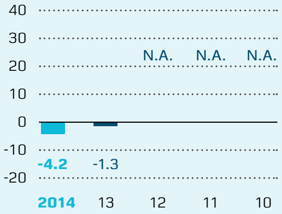


APM Shipping Services comprises four industry leading businesses; Maersk Supply Service, Maersk Tankers,Damco and Svitzer.

Invested capital USD million



ROIC %



FINANCIAL REVIEW

The Group's profit for the year was USD 5.2bn (USD 3.8bn) and the equity totalled USD 42.2bn (USD 42.5bn).

The review of the financial statement is carried out through the presentation of the Group's businesses.

INCOME STATEMENT

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

Profit increased by USD 1.4bn to USD 5.2bn (USD 3.8bn) impacted by the USD 2.8bn gain from the sale of the majority share of Dansk Supermarked Group and other divestment gains of USD 600m (USD 145m) partly offset by the net impairments after tax of USD 2.2bn primarily related to the Brazilian oil assets of USD 1.7bn, UK oil assets USD 188m, and goodwill in Svitzer USD 357m. Last year was negatively impacted by net impairments of USD 220m mainly related to Maersk Tankers.

Due to improved performance in Danske Bank, the Group's 2008 impairment of USD 202m was reversed in Q4 2014.

Further comments to the profit development are provided per segment below.

MAERSK LINE PERFORMANCE

Maersk Line made a profit of USD 2.3bn (USD 1.5bn) and a ROIC of 11.6% (7.4%). The underlying profit was USD 2.2bn or 50% higher than last year (USD 1.5bn).

The EBIT margin gap to peers was estimated at around 9%, which was significantly above the 5% ambition level. The achievement came from 5.4% lower unit costs mainly due to improved network efficiencies and lower bunker price. Efficiencies were achieved through increased volumes in line with market as well as continued vessel network optimisation and active capacity management. Average freight rates decreased by 1.6% to 2,630 USD/FFE (2,674 USD/FFE) and volumes increased by 6.8% to 9,442k FFE (8,839k FFE). Bunker consumption in kg/FFE was reduced by 7.9% and bunker prices decreased by 5.7%.

Recognised freight revenue was USD 25.0bn (USD 23.7bn) and other revenue was USD 2.4bn (USD 2.5bn).

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

Maersk Line increased the fleet capacity to 2.9m TEU (2.6m TEU) by end of 2014 mainly due to delivery of 11 Triple-E vessels. Five Triple-E vessels suited for the Asia-Europe trade are on order for delivery during first half of 2015. No newbuilding orders were placed during 2014.

Cash flow from operating activities increased by USD 387m to USD 4.1bn compared to 2013. Cash flow used for capital expenditure increased by USD 367m to a total of USD 2.0bn primarily related to the Triple-E newbuildings and containers, leaving a free cash flow of USD 2.1bn on par with 2013.

MAERSK OIL PERFORMANCE

Maersk Oil reported a loss of USD 861m (profit of USD 1.0bn) and a ROIC of negative 15.2% (positive 16.2%) with an underlying profit of USD 1.0bn (USD 1.1bn).

The result was negatively affected by net impairments after tax of USD 1.9bn of which USD 1.7bn related to Brazilian assets while the rest primarily related to the UK. The income for 2013 included insurance compensation of USD 205m primarily related to Gryphon.

The underlying result for 2014 was 4% lower than last year mainly due to 9% lower average prices of USD 99 per barrel versus USD 109 per barrel in 2013. This was partly offset by 7% higher entitlement production 251,000 boepd (235,000 boepd) and 33% lower exploration costs USD 765m (USD 1.1bn). The increased entitlement production came primarily from the UK (34%) and Algeria (31%) partly offset by a decline in Denmark (8%). Operating expenses (excluding exploration costs) increased by 14% to USD 2.8bn (USD 2.5bn) compared to 2013; however the majority of the increase was related to directly recoverable costs and hence with limited impact on the underlying result.

Both Golden Eagle in the UK and Jack in the US Gulf of Mexico came on stream in Q4 2014. Maersk Oil completed 14 exploration and appraisal wells of which 11 were dry. The successful wells were Marconi in the UK, Buckskin in the US Gulf of Mexico and one Johan Sverdrup appraisal well in Norway. Due to disappointing exploration results in the past couple of years coupled with a prolonged depressed oil price scenario, Maersk Oil decided to reduce its exploration activities.

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

The development project at the Al Shaheen field offshore Qatar is progressing as planned and was with 22 wells completed by the end of 2014 almost half way through the drilling programme. Preparation for the further development is being discussed with Qatar Petroleum.

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

The high pressure – high temperature gas field Culzean off shore UK is progressing towards expected sanctioning mid-2015 and production start-up in 2019.

A development plan for Phase 1 of the Johan Sverdrup project off shore Norway was submitted to the authorities on 13 February 2015 and sanctioning is expected mid-2015. Maersk Oil's share of the resources is 8.12%; however, the final resource allocation is subject to approval by the Norwegian authorities. For Phase 1, Maersk Oil's share of the costs are expected to be approximately USD 1.8 bn and the production share is expected at a level of 28,000 boepd.

The yearly update of Maersk Oil's reserves and resources as per end of 2013 showed entitlement reserves and resources (2P+2C) of 1.47bn barrels of oil equivalent (1.36bn boe) including proved and probable (2P) reserves of 0.60bn barrels of oil equivalent (0.62bn boe). 2014 reserves and resources numbers will be released in connection with the interim report for the first quarter 2015.

APM TERMINALS PERFORMANCE

APM Terminals made a profit of USD 900m (USD 770m) and a ROIC of 14.7% (13.5%) with an underlying profit of USD 849m (USD 709m).

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

The increased underlying profit came as a result of the number of containers handled by APM Terminals (weighted with APM Terminals' ownership interest) growing in line with the market by 5.3% to 38.3m TEU (36.3m TEU) supported by terminals becoming fully operational and broad growth across the portfolio. The volumes from customers outside the Group grew by 3.5%. Total revenue increased by 2.8%, port revenue exceeded the volume growth and revenue from inland services decreased due to divestment of activities in the Americas and Asia as part of continued efforts to optimise the portfolio.

Volume growth was partially impacted by the sale of APM Terminals Virginia, Portsmouth, USA and Terminal Porte Océane, Le Havre, France. In addition, the sale of 29% voting right in APM Terminals Callao SA, Peru, was completed, as well as the sale of a 24% share of APM Terminals Zeebrugge, Belgium.

Construction of Maasvlakte II, The Netherlands has been completed and operations have commenced, with expected volume ramp up during 2015. A new terminal project was secured in Namibe, Angola through APM Terminals' interest in Sociedade Gestora de Terminais S.A. (Sogester), Angola.

Despite inflationary pressure in growth markets, the EBITDA-margin improved by 2.1% supported by commercial and operational efficiencies resulting in revenue improvements and cost savings generating more than USD 100m primarily through the retendering of several supplier contracts and continuous improvement initiatives across the portfolio.

Cash flow from operating activities of USD 925m (USD 923m) was impacted negatively by tax payments of USD 142m related to divestment gains as well as slightly deteriorating working capital. Cash flow used for capital expenditure was more than offset by cash flow generated from divestments leading to a net positive cash flow from capital expenditure of USD 2m (negative USD 841m).

APM Terminals continued a high level of investment in the development of its port interests both in the form of new projects and expansions to existing ports. Invested capital came in at USD 5.9bn (USD 6.2bn) a decrease of 4% compared to the previous year due to divestments.

MAERSK DRILLING PERFORMANCE

Maersk Drilling reported a profit of USD 478m (USD 528m) and a ROIC of 7.1% (10.8%). The underlying profit was USD 471m (USD 524m).

The result was positively impacted by a gain of USD 73m from the divestment of all activities in Venezuela and high operational uptime across the fleet, while planned maintenance of the fleet, start-up of new rigs and impairments negatively impacted the result. As a result of the weakened market for offshore rigs Maersk Drilling made an impairment of USD 85m (USD 74m after tax) of which USD 50m (USD 38m after tax) relates to the joint venture Egyptian Drilling Company in Egypt.

All of Maersk Drillings 21 jack-up and floater rigs have been on contract throughout 2014. The overall higher revenue was supported by 100% contract coverage and by a high operational performance across the rig fleet with average uptime 97% (97%) for the jack-up rigs and 96% (96%) for the floating rigs.

By the end of 2014, Maersk Drillings' forward contract coverage was 80% for 2015, 52% for 2016 and 30% for 2017. The total revenue backlog by the end of 2014 amounted to USD 6.0bn (USD 7.9bn).

Operating costs increased due to additional start-up costs for the five newbuildings with contract commencement during 2014 and the remaining three newbuildings to be delivered during 2015 and 2016. The cost level on the existing fleet excluding newbuildings was on par with cost in 2013.

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

Maersk Drilling took delivery of five newbuilds, including three ultra deepwater drillships and two ultra-harsh environment jack-up rigs during 2014. Maersk Drilling has three rigs under construction with two to be delivered in first quarter of 2015 and one in 2016.

The lower cash flow from operating activities of USD 701m (USD 775m) was mainly related to the higher operating costs combined with an increase in net working capital due to the higher activity level from five more rigs operating end of 2014 compared to 2013. Cash flow used for capital expenditures of USD 2.2bn was USD 643m higher than last year mainly due to instalments paid for the newbuildings.

APM SHIPPING SERVICES PERFORMANCE

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

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

The 2014 result was positively impacted by a strong second half of the year after a challenging first half. In the third quarter the market improved significantly, especially for large Anchor Handling Tug Supply Vessels (AHTS), and in combination with sales gains Maersk Supply Service reached a 2014 result slightly above the previous year.

Maersk Supply Service entered the year with good contract coverage and during the year concluded a number of new long term contracts as well as extensions in key markets covering Africa, Australia, Brazil, Canada as well as the North Sea where the majority of the fleet is employed. Contract coverage going into 2015 is 50% and 29% for 2016 excluding options.

Operating costs were USD 430m (USD 423m) with the increase mainly driven by modification projects, higher repair and maintenance costs as well as increased stores cost. This was partly offset by lower commissions.

During the year Maersk Supply Service sold four vessels resulting in sales gains of USD 12m (USD 5m).

As part of the extensive investment plans Maersk Supply Service has been active ordering vessels to support the growth strategy focusing on high-end AHTS and Subsea Support Vessels (SSVs). A total of 11 newbuildings were ordered during the year (one Cable Layer, four SSVs and six AHTS). Consequently cash flow used for capital expenditure increased to USD 188m (USD 81m). Cash flow from operations remained nearly unchanged at USD 356m (USD 360m).

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

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

Time charter equivalent (TCE) earnings in the VLCC segment improved, particular in the first half of the year and kept stable throughout 2014. Average TCE earnings in the Product segments increased with 4% compared to 2013 driven by LR2. Total TCE earnings were negatively impacted by the divestment of the Gas segment in 2013 and the gradual delivery of the VLCC vessels to its new owners.

Operating cost decreased in 2014 compared with 2013 as a result of cost saving initiatives contributing positively with USD 22m, the divestment of the Gas and VLCC segments and reversal of the provision for onerous contracts.

Depreciation and amortisation decreased by USD 63m compared with 2013, driven by the divestment of the Gas and VLCC segments. Net impairments in 2014 were USD 4m (USD 153m).

Cash flow from operating activities was USD 232m (USD 223m), positively impacted by improved operating margin and reduction in net working capital, offset by the lower activity from the reduced fleet. Net cash flow from capital expenditures was positive USD 650m (positive USD 748m), primarily driven by the divestments of the VLCC segment.

Damco made a loss of USD 293m (loss of USD 111m) and a ROIC of negative 63.2% (negative 22.0%). The result was impacted by significant impairment losses of USD 68m (USD 6m), mainly related to goodwill and other acquired intangible assets as well as reduced profitability in the ocean and airfreight activities despite an improving but still unsatisfactory overhead cost level.

Revenue was USD 3.2bn (USD 3.2bn) with volumes growing by 11% for Supply Chain Management whereas the ocean freight volumes declined by 6% and airfreight volumes fell by 16%. Margins in all three segments were under pressure and declined through 2014.

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

The restructuring initiatives and roll-out of the new operating platform have proven more complex than originally anticipated, generating delays in getting the planned productivity improvements to materialise. Consequently, overhead cost has remained above the desired level and additional organisational rightsizing was initiated during 2014, adding more restructuring cost with benefits expected for 2015 and onwards. The restructuring initiatives are expected to strengthen commercial competitiveness and get Damco back to profitable growth in 2015.

Cash flow from operating activities was negative USD 201m (negative USD 14m) due to the result development and increased working capital following the roll-out of a new operating system.

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

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

The underlying result was impacted by writedown of long outstanding salvage receivables and a provision for redundancies in the harbor towage segment.

Revenue was USD 812m (USD 831m) with growth seen in new activities in Europe countered by a negative impact from competition in Australia together with a general slowdown in Australian bulk ports and the divestment of Svitzer's spot fleet in Asia.

Terminal towage developed satisfactory, however overall profits were negatively impacted by the sale of two joint ventures in 2013.

Low levels of emergency response activity in the salvage market continued throughout 2014.

Cost increased by USD 28m primarily due to start-up of new operations and terminal towage projects, and due to a general cost increase in Australia. In 2014, Svitzer launched programmes to improve crew and onshore productivity with further savings to materialise in 2015.

Cash flow from operating activities increased to USD 203m (USD 180m) driven by improved collection of receivables partly offset by lower operating result and higher tax. Cash flow from investing activities increased to USD 235m (USD 2m) mainly due to investments in vessels for new terminal towage contracts as well as replacement vessels. Investments in 2013 were offset by the sale of joint ventures.

OTHER BUSINESSES

Other businesses made a profit of USD 408m (USD 400m). The primary contributor was the Group's share of the result in Danske Bank of USD 330m compared to USD 254m in 2013. The Group's share of underlying result in Danske Bank was USD 449m, excluding the bank's impairment of USD 321m and reversal of the Group's 2008 goodwill impairment of USD 202m. The remaining activities were primarily affected by divestment activities in 2013.

DISCONTINUED OPERATIONS

Dansk Supermarked Group contributed with a profit of USD 2.9bn (USD 394m). Excluding divestment gain, the profit was USD 81m (USD 394m).

UNALLOCATED ACTIVITIES

Unallocated activities comprise revenue and cost, etc. which is not attributed to reportable segments, including purchase of bunker and lubricating oil on behalf of companies in the Group as well as financial items. The financial items were negative by USD 606m (negative by USD 716m); the decrease in net financial expenses was primarily driven by lower net interest expenses due to lower net debt, lower interest rates and higher capitalised borrowing costs.

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.

The total tax charge for the Group in 2014 was USD 3.0bn (USD 3.2bn) of which taxes payable to Denmark were USD 0.8bn (USD 1.1bn). The amounts related to the special hydrocarbon tax were USD 0.5bn (USD 0.6bn) and USD 0.3bn (USD 0.5bn) represented corporate tax on oil activities. The decrease in the special hydrocarbon tax was largely due to the drop in oil prices. The shipping activities' tax payment to Denmark was USD 13m (USD 20 m).

COMPREHENSIVE INCOME

Comprehensive income for the year was USD 3.6bn (USD 4.3bn) and includes the profit for the year of USD 5.2bn (USD 3.8bn) and other comprehensive income which was negative by USD 1.6bn (positive by USD 0.5bn). 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 2014, total assets amounted to USD 68.8bn (USD 74.5bn).

Intangible assets decreased to USD 2.8bn (USD 4.8bn), mainly due to the impairment of USD 1.7bn on the Brazilian oil rights.

Property, plant and equipment of USD 44.7bn (USD 41.3bn) increased by USD 3.4bn with investments in the year of USD 8.9bn (USD 6.9bn). Depreciation for the year was USD 4.2bn (USD 4.3bn) and net impairment losses of USD 421m (USD 165m) were recognised. Sale of tangible assets amounted to USD 512m (USD 4.9bn) including the transfer to held for sale in 2013 of the Dansk Supermarked Group. Currency adjustments resulted in a decrease of USD 399m (decrease of USD 91m).

Shares in associated companies decreased to USD 839m (USD 6.4bn) primarily due to the reclassification of the Danske Bank shares to held for sale.

Derivatives were as of 31 December 2014 a net liability of USD 500m (net asset of USD 125m). The movement was primarily related to the USD appreciating against main hedging currencies.

Cash and cash equivalents totalled USD 3.5bn (USD 3.3bn) at 31 December 2014, including offsetting bank overdrafts of USD 102m (USD 102m).

Assets held for sale of net USD 5.3bn (USD 6.9bn) comprised assets expected to be sold during 2015 including the shares in Danske Bank.

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

The actuarial net liability for pensions, etc. in relation to defined benefit plans recognised totalled USD 217m (USD 261m) at 31 December 2014. Developments in the actuarial assumptions as well as changes to the minimum funding requirements resulted in actuarial losses of USD 9m (gains of USD 50m), which are included in other comprehensive income. In 2014, the Group paid USD 81m (USD 68m) to defined benefit plans.

Deferred tax liabilities totalled USD 701m (USD 1.1bn) at 31 December 2014, and recognised deferred tax assets totalled USD 536m (USD 478m). Furthermore, deferred tax assets of USD 1.5bn (USD 812m) have not been recognised, cf. note 9 to the consolidated financial statements.

CASH FLOW

Cash flow from operating activities USD 8.8bn (USD 8.9bn) was negatively impacted by increased tax payments of USD 466m which was partly offset by improved working capital as well as less interest paid.

Cash flow used for capital expenditure was USD 6.2bn (USD 4.9bn). The increase was mainly due to higher investments in Maersk Drilling, Maersk Line and Maersk Oil. Cash flow from financing activities was negative by USD 4.7bn (negative by USD 2.6bn) impacted by larger repayments of loans following the sale of Dansk Supermarked Group.

OPERATING LEASE COMMITMENTS

The present value of the operating lease commitments totalled USD 7.7bn at 31 December 2014 (USD 8.7bn 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 USD 3.8bn (USD 4.6bn) primarily relating to vessels on time charter
- APM Terminals of USD 3.1bn (USD 3.2bn) primarily related to future concession fees for port facilities
- Other commitments of USD 0.8bn (USD 0.9bn).

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 17 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 primarily 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 and the Group's Finance Department.

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

Profit for the year was USD 8.0bn (USD 1.3bn), primarily impacted by gain on sale of Dansk Supermarked Group.

At 31 December 2014, total assets amounted to USD 54.2bn (USD 51.1bn) and equity totalled USD 27.2bn (USD 21.1bn).

Maersk Line activities have been transferred to a fully owned subsidiary in 2015 and are classified as held for sale and discontinued operations in the parent company in 2014. Comparative figures have been restated for the income statement and cash flow statement.

Assets held for sale primarily consist of Maersk Line activities and the investment in Danske Bank.

Cash flow from operating activities was USD 0.6bn (USD 1.1bn). Working capital items, financial expenses paid and taxes paid improved, while dividends received and financial income received decreased.

RISK MANAGEMENT

Framework In 2014 a revised Enterprise Risk Management (ERM) framework was rolled out, enabling and supporting a consistent, robust and focused approach to assessing the three main categories comprising the Group's risk universe, namely the Known Risks, Emerging Risks and Portfolio Risks. The three pillars are explored through a combination of risk reporting, internal reviews, external expert input and analysis.

The main findings are presented to the Executive Board as well as the Board of Directors, and serve as input to the annual strategic review and capital allocation processes.

The Audit Committee annually reviews the process for potential improvements and further development of the Group risk management approach. In conjunction with the further development of ERM processes and deepening integration of the framework, the Committee continues to emphasise its focus on progressing ERM within the Group.

KNOWN RISKS

Known risks are considered actual risks to business objectives within the planning period, 2015-2020. While some risks are integral in the industries we operate in and are therefore accepted as part of our operations and managed accordingly, several such risks continue to have the potential of adversely impacting our business in the short to medium term, such as:

A sharp and prolonged drop in oil prices constitutes a risk as we are increasingly targeting technologically demanding and costly industry segments. The recent substantial decline in the oil price during the end of 2014 and beginning of 2015, has led to reduced cash flows primarily from our oil and drilling operations. Depending on market developments, it may jeopardise the longer term strategy of securing commercially viable contacts for Maersk Drilling and delivering on our 2020 target of 400 thousand barrels of daily entitlement production in Maersk Oil. Ultimately this could impact our ability to meet our financial targets.

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

A major accident or oil spill remains an inherent risk in the Group's operations, particularly in the oil and gas, offshore and tanker businesses. A high severity incident would first and foremost present a risk to our employees as well as potentially the marine environment, wildlife and local community. Additionally it could result in large scale impact on assets, cash position, and reputation and put our licence to operate at risk. The Group is supporting incident free operations to mitigate this risk.

A major cyber-attack could prove crucial to our ability to operate and deliver on our commitments, as the Group is involved in complex and wide ranging global services, making it highly dependent on well-functioning IT-systems. Business disruptions could be as severe as lasting several months, impacting our fleet's and off-shore equipment's ability to safely continue operations. The Group is monitoring the cyber threat closely and proactively addresses it through enhancements of our cyber resilience and focus on business continuity.

A potential widening of the container liner business supply-demand imbalance is a perpetuated threat in an environment with increasing tonnage and moderate global demand growth. A structural gap and overcapacity, coupled with the significant exposure Maersk Line has on the Asia-Europe trade where the larger vessels are increasingly deployed, leaves the Group vulnerable to significant fluctuations in freight rates and the risk of sustaining commercial losses. The risk is mitigated by designing a competitive network, building up customer loyalty, simplifying the organisation and optimising the network through alliances and vessel sharing agreements, such as the 2M.

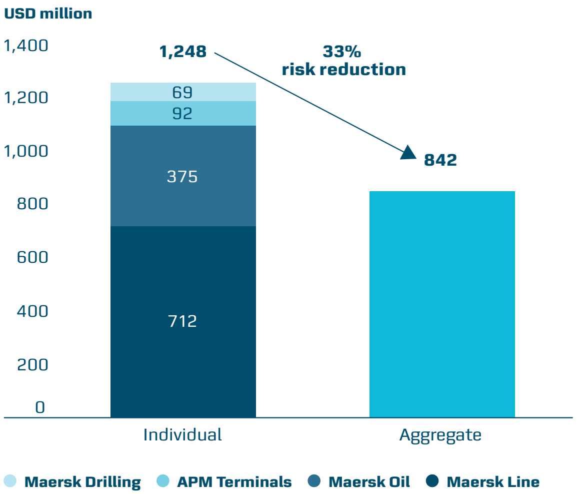
EMERGING RISKS

Emerging risks are potential future risks, looking over a time horison beyond that of the planning period. It is a strong underlying modus operandi, that the Group pursues a sustainable long term business and growth strategy. This means we need to proactively consider future uncertainties that may affect and potentially put such an aspiration at risk, which is done through a comprehensive process aimed at identifying emerging long term threats. Some of the emerging risks identified, were addressed through deep dive studies which were completed through 2013 and 2014.

An oil study examined the potential of global oil demand to peak between 2020 and 2030 as consumers may switch away from oil towards other sources of energy. In such an event, oil prices would buoy within a delimited oil price corridor, with costs of new incremental sources of oil supply constituting a price floor, while accelerated shifts away from oil as an energy source, and hence easing demand, would serve as a ceiling. Such an outcome may leave the profit pool for the global oil industry challenged due to lower profit margins and volumes. Similarly it would pose a downside risk to the demand for offshore drilling rigs and other related oil service industries.

A separate deep dive investigated plausible ways of meeting a global sulphur emission cap of maximum 0.5%, which is expected to be introduced in the shipping industry in 2020 or 2025. The study found several possible compliance options to be considered. Given the uncertainty surrounding the timing of implementation, choosing the right future fuel solution at the right time is not straight forward, but it has the potential of providing relative competitive advantages, conversely acting prematurely may result in unnecessary costs. Ensuring proper enforcement post potential implementation was identified as a key uncertainty and will remain a focus, while we prepare to take a well-informed compliance decision.

Impact of diversification (NOPAT volatility)



Based on data Q1 2007 through Q3 2014.
Asset value, end 2014.

An industry analysis had the objective of depicting potential scenarios for future developments in the Exploration & Production (E&P) landscape faced by Maersk Oil and its peers. The analysis revolved around the challenges and opportunities among groups of E&P companies in the different scenarios, and included an assessment of various strategies and the potential implications of such for Maersk Oil and its selected long term portfolio growth strategy.

Overall the emerging risks studies aim at increasing our understanding of the uncertainty elements facing us in the future and enable us in improving the Groups readiness for same.

Looking at trends ahead, one risk has emerged and strengthened, namely the ongoing significant increase in vessel size, solidified by the arrival of the Triple-E vessels. On this backdrop, the topic for a 2014/2015 deep dive study is the potential impact and general risk picture surrounding Large Vessel Disasters.

PORTFOLIO RISKS

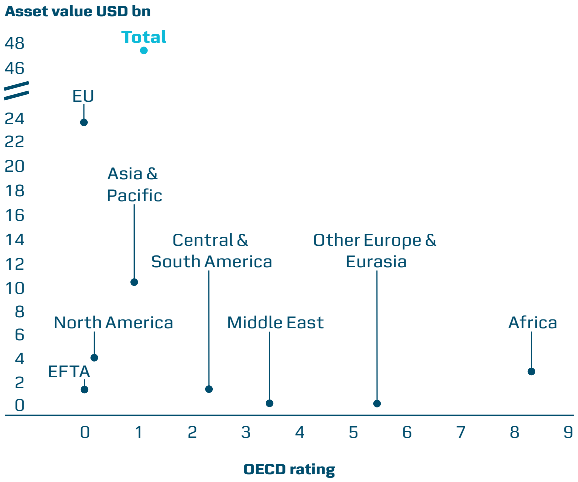
Being a global conglomerate, while spanning across multiple geographies and industries, the Group also considers risks associated with its composition of businesses and countries of operation. This means that when managing our portfolio, both dimensions need to be assessed and considered, i.e. the balance in our industry exposure and our geographic presence.

Looking at the correlation between the main businesses, see the graph "Impact of diversification", suggests that managing them as a portfolio in a conglomerate as opposed to four standalone businesses, reduces the associated risks. It also implies a well-diversified portfolio of businesses able to absorb shocks inflicting volatility within single businesses.

This is also evidenced when considering the Group's combined NOPAT volatility, which is 33% lower than the volatility of each of the individual businesses. From a geographic risk point of view, the portfolio on average remains in the moderate category.

The Group's approved investments may modestly increase the average exposure for each USD invested, but will remain well-balanced by substantial investments in a number of low risk countries, see the graph "Country risk and asset value".

Country risk and asset value



The chart depicts the Group asset values by region, against the associated OECD country risk rating, with 7 being a high risk environment. The OECD score serves as an illustrative relative benchmark. The regional aggregates are the individual country risks weighted by the corresponding asset accumulation of the 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 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 2014. The statement can be reviewed and downloaded via: http://investor.maersk.com/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 Board of Directors shall consist of 4–13 members elected by the Annual General Meeting. The Board members are selected for a two-year term. There are Board members up for election every year to ensure continuity in the work of the Board of Directors. Board members are eligible for re-election.

The Executive Board functions as the day-to-day management. The members of the Executive Board are Nils S. Andersen, Kim Fejfer, Claus V. Hemmingsen, Søren Skou, Jakob Thomasen and Trond Westlie. Further information is available in the statement on corporate governance for 2014.

SHAREHOLDER INFORMATION

The Group executed on its first ever structured share buy-back and issued bonus shares in 2014.

SHARE PRICE DEVELOPMENT

The total market value of the Group was USD 43bn at the end of 2014. The B share reached its highest price in 2014 of DKK 15,220 on 19 September 2014 and its lowest price of DKK 11,120 on 16 December 2014. The price closed at DKK 12,370 at the end of 2014, corresponding to an increase of 5.1% compared to the end of 2013. The total shareholder return for the B share was 21.0% in 2014. The Maersk B share underperformed its benchmarks MSCI Europe Transportation by 1.5% and the 40 largest Nordic companies by 3.5% in 2014.

OWNERSHIP

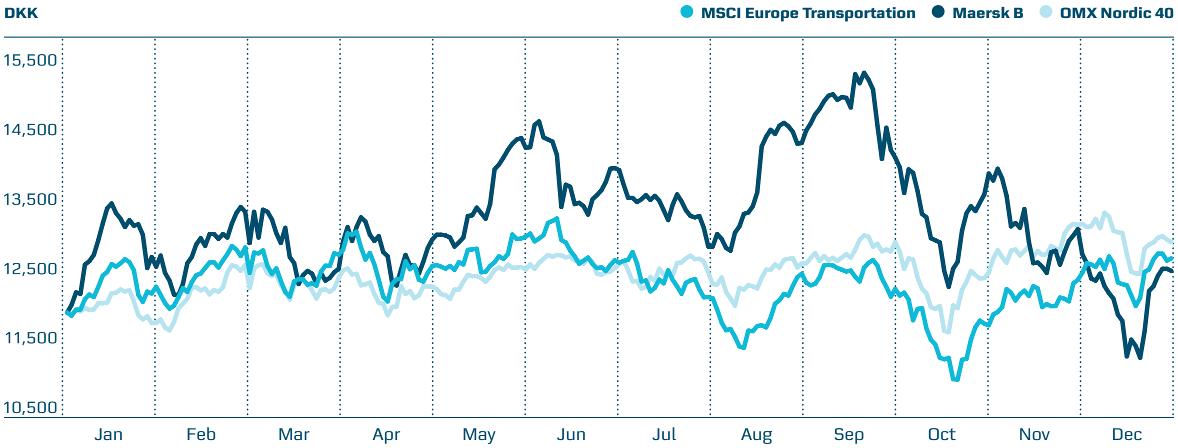
The total number of registered shareholders increased by 17,000 to around 82,000 during 2014. Shareholders with more than 5% of share capital or votes held 52.8% of the share capital. The 20 largest institutional shareholders together owned around 12% of the share capital. Total international institutional holdings were unchanged but with some changes in the distribution of country.

SHARE CAPITAL

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 31 March 2014 the shareholders decided on the issue of bonus shares by four shares to one, whereby the share capital has increased by a transfer of reserves from retained earnings.

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 21,978m consists of 21,978,000 shares equally split between A and B shares.

Share price development



Source Factset, numbers are rebased.

OWN SHARES

The Board of Directors decided to initiate a share buy-back programme of up to DKK 5.6bn (approximately USD 1bn) to be executed during a 12 months period beginning September 2014. The purpose of the share buy-back programme is to adjust the capital structure of the company and to meet the obligations arising from employee share option programmes. The Group's holding of own shares comprised 1.8% of the share capital end of 2014, cf. note 11 to the consolidated financial statements.

DIVIDEND

The Board of Directors proposes an ordinary dividend to the shareholders of DKK 300 per share of DKK 1,000 (DKK 280 per share of DKK 1,000). The proposed dividend payment represents an ordinary dividend yield of 2.4% (2.4%), based on the Maersk B share's closing price as of 30 December 2014. Payment is expected to take place on 7th April 2015. The Group intends to continue the historical trend of increasing dividends nominally per share supported by underlying earnings strength.

In addition to the ordinary dividend the Board of Directors will declare, subject to authorisation from the shareholders, an extraordinary cash dividend equal to the prevailing market value of the Group's 20.05% ownership interest in Danske Bank A/S. The extraordinary dividend will be determined based on the Volume Weighted Average Price of Danske Bank A/S' shares traded during a pricing period of five trading days, expected to commence Friday 20 March and expire Thursday 26 March 2015. No extraordinary dividend will be paid to treasury shares. Based on the value of the shares on 31 December 2014, the value of the extraordinary dividend is estimated to DKK 33,850m equivalent to USD 5,530m using the exchange rate as per 31 December 2014 (around DKK 1,569 per share of DKK 1,000 excluding treasury shares).

The Maersk share: Key figures	2014	2013	2012	2011	2010
Year-end share price (DKK, B share)	12,370	11,770	8,520	7,584	10,102
Share price range (DKK, B share)	4,100	3,778	2,564	4,334	2,984
Market capitalisation at year-end (DKK billion, A and B share)	42,8	46,3	31,9	28,0	38,7
Earnings per share (USD)	230	158	171	130	216
Dividend per share (DKK, A and B share)	300	280	240	200	200
Estimated extraordinary dividend per share (DKK, A and B share)	1,569	-	-	-	-
Dividend yield (%, B share)[1]	15.1%	2.4%	2.8%	2.6%	2.0%
Total shareholder return (%, B share)[1]	21.0%	41.4%	15.5%	-22.9%	40.4%

[1] Including extraordinary dividend based on the value of the Danske Bank shares on 31 December 2014.

FINANCIAL CALENDAR 2015

30 March	Annual General Meeting
13 May	Interim Report 1st Quarter
13 August	Interim Report 2nd Quarter
24 September	Capital Markets Day
6 November	Interim Report 3rd Quarter

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%	51.23%
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, Copenhagen, Denmark	8.37%	12.84%
Den A.P. Møllerske Støttefond, Copenhagen, Denmark	2.94%	5.86%

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 30 March 2015 in Copenhagen, Denmark.

INVESTOR RELATIONS

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

OUR EMPLOYEES

The Group's Human Resources department works in close cooperation with the Human Resources departments in the business units to ensure that the Group has an engaged, motivated workforce and a clear link between performance and rewards as well as to secure a sufficient number of highly qualified, well-trained and diverse employees to manage the planned growth.

In 2014, we have seen continued progress and actions towards our diversity goals. More information on diversity can be obtained from the Group's Sustainability Report.

The businesses units each have their key priorities and focus areas to support their respective strategies; below are examples from the Group's business units.

For **Maersk Line**, teamwork, focus and simplicity are consistently emphasised as behaviours that are critical driving performance and making Maersk Line a sustainable top quartile performer. The Maersk Line Operating system was introduced in 2014 to drive business goals through a standard operating model. This system will help to drive focus, teamwork and simplicity whilst allowing our employees to maximise their potential and grow the business.

The talent review process has also been simplified and standardised across Maersk Line in 2014. A standard Talent Management toolbox is now available across the company to ensure that employees are able to develop to their full potential A new leadership development programme will be introduced that will help develop and drive value creation from talent whilst keeping employees motivated and inspired by world class leaders.

Maersk Oil benefits from its good demographic profile compared to industry peers. The early career employee group was strengthened by the annual inflow from the successful MITAS programme (Maersk International Technology and Science Programme), with a 2014 batch of 19 nationalities and 36% females. The share of mid-career professionals and overall group of technical experts is high compared with the industry, and provide Maersk Oil with a strong base to address the operational performance and project execution focus in 2014.

The focus on local workforce development, strategically important in countries like Qatar, Kazakhstan and Angola, has started to pay off with local nationals emerging in the Maersk Oil talent pools and a doubling of Qataris in leadership positions within a year.

APM Terminals unfortunately suffered 10 fatal accidents in 2014. These fatalities primarily involved sub-contractors on the APM Terminals' premises. APM Terminals continuously drives towards safe operations across the business in a pursuit to eliminate unsafe behaviour.

During 2014 APM Terminals introduced several new initiatives and safety drives to further improve conditions across the portfolio. These include the campaign "Care for Contractors" increasing awareness and focus towards the safety of sub-contractors working on terminals and inland service sites and Project Stack, an initiative to improve safer container handling at the cost of productivity.

Since 2011 **Maersk Drilling** has invested USD 5.3bn in eight new rigs with delivery in 2014-16 requiring a total of 1,450 new employees of which around 550 were hired during 2014. Maersk Drilling has the aim to remain at the forefront of innovation to ensure safe operation for people and environment, and to ensure a safe and efficient operation of the new rigs all new employees have been enrolled in on-boarding and training programmes.

INNOVATION

The Group invests to ensure cutting-edge technology solutions across its businesses. Innovation is focused on:

- Delivering better services
- Protecting employees
- Minimising environmental impact
- Creating new business opportunities
- Ensuring cost-effectiveness.

Technological innovation is carried out by technology divisions within the Group's business units, in close cooperation with manufacturers, shipyards, suppliers, universities and research institutes. Here are examples from the Group's business units.

DIFFERENTIATE THROUGH TECHNOLOGY AND INNOVATION

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

Maersk Line

Maersk Line has begun a journey to modernise its customer interaction in line with the digital age, and the other business units will also leverage from this.

The Group must take inspiration from leading global players to reassess how we drive innovation in our own business.

Maersk Line actively works to achieve a combination of emissions reduction and cost savings through innovation to mutual benefit of the environment and the business. We do this in close collaboration with key suppliers and third parties. For instance Maersk Line is a key partner in the 'BlueINNOship' innovation platform with the goal to jointly develop technologies to improve environmental performance over the coming four years.

Maersk Line tests and evaluates technologies to prepare for upcoming regulations such as abatement technologies to reduce air emissions including the upcoming limits in sulfur emissions.

Maersk Line continues the retrofit programmes to update the existing fleet with the most energy and cost efficient technologies, examples include:

- Redesign propeller to improve efficiency at the actual sailing speeds
- Improve fuel efficiency by de-rating and tune the engine for actual sailing speeds
- Elevate the navigation bridge to increase capacity.

In addition, Maersk Line collects an increased level of operational Vessel data to improve performance and support planning of most fuel efficient voyages.

Maersk Line uses Information Technology in most of its innovation projects and strives to increase the pace in which we evaluate and employ current and future technology trends.

An objective for Maersk Line is to improve the way information is exchanged and processed in container shipping. Maersk Line is working closely with universities, governments, business partners to identify technology and concepts that can help reduce administrative barriers by standardising the exchange of shipping information between all parties: Customers, authorities, terminals/ports and carriers.

Information Technology plays a key role in the way Maersk Line interacts with customers. From CRM and to web-based e-commerce and sales support solutions. In the end of 2014, we launched a smartphone/tablet app, which gives our key customers full access to updated information and metrics about the customers' transport activities with Maersk Line; from carbon footprint to whether shipments were delivered on time. The app is unique in the industry and the high level of transparency enables a fact-based dialogue and faster resolution of issues.

Maersk Oil

Maersk Oil is seeking to establish a business advantage by being good at extracting hydrocarbons from challenging reservoirs such as tight chalk reservoirs in the North Sea. The company strives constantly to push the technology to new boundaries and has held several records in the field of horizontal drilling. Innovation is an important priority inside the company as well as when interacting with partners. A good example is the Danish Hydrocarbon Research & Technology Centre, which was launched in September 2014 based on funding of DKK 1bn from the Danish Underground Consortium where Maersk Oil holds 31.2% interest. Close to 100 researchers will be focusing on development of technical solutions which can increase the recovery of oil and gas from the Danish North Sea. In Qatar, new technology development also is in focus at the Maersk Oil Research and Technology Centre where 15 researchers investigate new methods for increasing hydrocarbon recovery from the complex carbonate reservoirs of the Maersk Oil operated, giant Al Shaheen field. One key research programme investigates how the reservoir injection of water with varying chemical and ionic compositions can liberate a larger volume of the oil adhering to the tight and irregular rock surfaces.

Maersk Oil is pursuing a strategy of protecting own developed technology by filing patent applications for new inventions. 28 new inventions were made in 2014 and are currently being evaluated in a number of countries. 8 new patents were granted in 2014. The Company currently holds 93 patents.

APM Terminals

APM Terminals has completed the construction of Maasvlakte II in Rotterdam, The Netherlands and has commenced operations with an expected volume ramp up to occur during 2015. With this, Maasvlakte II has become the world’s most technologically advanced automated terminal. Many of the systems and technologies being implemented in this terminal will also be utilised at APM Terminals’ new project at Lazaro Cardenas, Mexico. The terminal is expected open in mid-2015, and will be the first automated container terminal in Latin America. Lazaro Cardenas, Mexico 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. APM Terminals continues to seek out new opportunities in growth markets where value can be added through the implementation of automated terminals that provide safe and sustainable terminal services to clients.

Maersk Drilling

BP and Maersk Drilling announced in February 2013 a joint study agreement to develop conceptual engineering designs for a new breed of advanced technology drilling rigs that will be critical to unlocking the next frontier of deepwater oil and gas resources. Called 20K™ rigs, the BP-Maersk Drilling agreement will result in developing deepwater drilling rigs that can safely and efficiently operate in high-pressure and high-temperature reservoirs up to 20,000 pounds per square inch and 350 degrees Fahrenheit. Implementing new technology in Maersk Drilling’s fleet is critical in order to maintain our competitive advantage in the offshore drilling market, as customers prefer modern, safe and more efficient rigs.