A.P. Møller - Mærsk A/S

Interim Report Q1 2016

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MAERSK

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DIRECTORS' REPORT

FINANCIALS

Comparative figures

Unless otherwise stated, all figures in parenthesis refer to the corresponding figures for the same period prior year.

Forward-looking statements

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

MAERSK GROUP PERFORMANCE

For Q1 2016

Freight rates and oil prices stayed subdued and volatile in Q1 2016 due to the continued significant supply-demand imbalances. Within these difficult markets, we executed on our plans to reduce cost and deliver high operational performance.

Global economic conditions remain difficult to predict and our businesses and ROIC are significantly impacted by large short-term volatility.

The Group delivered a profit of USD 224m (USD 1.6bn) negatively impacted by the low oil price and low average container freight rates. The return on invested capital (ROIC) was 2.9% (13.8%).

The underlying profit of USD 214m (USD 1.3bn) was significantly lower than same period last year due to all businesses except Maersk Drilling, Maersk Tankers and Damco being lower and Svitzer being at the same level.

The Group's revenue decreased by USD 2.0bn or 19% compared to Q1 2015, predominantly due to 37% lower oil price and 26% lower average container freight rates. This was partly offset by 7% higher container volumes and 15% higher oil entitlement production.

Operating expenses decreased by USD 1.0bn mainly due to lower bunker prices and cost saving initiatives, including lower oil exploration costs.

The Group's cash flow from operating activities of USD 250m (USD 2.0bn) was, in addition to the low profit, impacted by a one-off dispute settlement in Maersk Oil. Net cash flow used

Underlying result reconciliation

	Result for the period		Gain on sale of non-current assets, etc., net[1]		Impairment losses, net[1]		Tax on adjustments		Underlying result	
USD million, Q1	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Maersk Group	224	1,572	11	275	-	-20	-1	-2	**214**	**1,319**
Maersk Line	37	714	5	4	-	-	-	-	**32**	**710**
Maersk Oil	-29	208	-	3	-	-	-	-2	**-29**	**207**
APM Terminals	108	190	1	8	-	7	-	-	**107**	**175**
Maersk Drilling	222	168	-	-	-	-27	-1	-	**223**	**195**
APM Shipping Services	75	94	4	3	-	-	-	-	**71**	**91**
Maersk Tankers	48	36	2	2	-	-	-	-	**46**	**34**
Maersk Supply Service	-2	38	-	-2	-	-	-	-	**-2**	**40**
Svitzer	27	29	2	1	-	-	-	-	**25**	**28**
Damco	2	-9	-	2	-	-	-	-	**2**	**-11**

[1] Including the Group's share of gains on sale of non-current assets.etc, net and impairments, net, recorded in joint ventures and associated companies.

for capital expenditure was USD 1.9bn (USD 1.6bn) with investments predominantly related to the Grup Marítim TCB transaction and Africa Oil Corporation. The total enterprise value of Grup Marítim TCB of USD 1.2bn consisted of acquired net assets of USD 0.8bn and acquired net interest-bearing debt of USD 0.4bn.

Net interest-bearing debt increased to USD 10.7bn (USD 7.8bn at 31 December 2015) mainly due to the negative free cash flow of USD 1.6bn (positive USD 307m), share repurchases of USD 475m and net interest-bearing debt of USD 0.4bn acquired through the Grup Marítim TCB transaction.

Total equity was USD 35.8bn (USD 35.7bn at 31 December 2015), positively impacted by the profit of USD 224m and other comprehensive income of USD 220m offset by share repurchases of USD 475m.

With an equity ratio of 55.7% (57.3% at 31 December 2015) and a liquidity reserve of USD 11.9bn (USD 12.4bn at 31 December 2015) the Group maintains a strong financial position.

DEVELOPMENTS IN THE QUARTER

Maersk Line delivered three of its Multi-Purpose Vessels (MPV) to its new owners during Q1 2016 and the last remaining vessel was delivered beginning of Q2 with Maersk Line then having exited the MPV segment. Maersk Line further divested five container vessels on a three year sale-and-lease-back agreement during Q1 to allow increased flexibility in planning future tonnage requirements.

The opening of a new service (TP18) was announced 31 March, which will serve customers on the Asia to the U.S. Gulf trades and support growth in that region.

Maersk Oil completed the acquisition of 15-25% in three onshore exploration licences in Kenya and two in Ethiopia, following approval by both governments in Q1 2016. After nine successful exploration wells, Maersk Oil and partners are evaluating the future development options for the Lokichar field in Kenya.

Maersk Oil no longer has producing assets in Brazil following the completion of the divestment of the Polvo Field during Q1.

In the Danish North Sea, the Tyra facilities are approaching the end of their operational life due to a combination of more than 30 years of production and subsidence of the underground chalk reservoir, reducing the gap between the facilities and the sea. Consequently, production from Tyra East and Tyra West in the Danish North Sea will cease in October 2018, if an economically viable solution for continued operations is not identified during 2016.

In Angola, the Chissonga project is currently not viable with the low oil price and the project organisation has been reduced with some 100 positions. This also supported the decision to close the office in Houston, USA where a large part of the Chissonga project work has been performed.

A more beneficial tax legislation was announced by the authorities in UK in Q1 2016. This comprises a reduction of the Supplementary Tax Charge from 20% to 10% (resulting in a reduction of total income tax from 50% to 40%) and abolition of Petroleum Revenue Tax. However, the reduction has not yet been enacted, and therefore no tax effect has been taken to profit/loss in Q1.

APM Terminals completed the acquisition of Spanish Grup Marítim TCB's port and rail interests. APM Terminals has yet to receive regulatory approval related to three of 11 terminals under Grup Marítim TCB, but has decided to move ahead with the acquisition, as the remaining terminals constitute less than 5% of the enterprise value of the acquisition. The acquisition adds eight ports with a combined 2m TEU equity-weighted volume to APM Terminals, expanding the network to 72 operating ports, across 69 countries.

APM Terminals signed an agreement to develop a new transshipment terminal at the Tangier Med 2 port complex with an annual capacity of 5m TEU. It will be the first automated terminal in Africa and is set to become operational in 2019. The total investment in the new terminal is expected to be around USD 0.9bn with APM Terminals' share being 80%. APM Terminals already operates the APM Terminals Tangier facility at Tangier Med 1 port, which started operations in July 2007 and handled a total of 1.7m TEUs in 2015.

Maersk Drilling had the contract for the harsh environment jack-up Mærsk Gallant cancelled, but concurrently Maersk Drilling signed a new contract in direct continuation of the cancelled contract. The contract cancellation and new contract are financially neutral to Maersk Drilling.

Furthermore, Maersk Drilling received a notice of early contract termination for the ultra-deepwater semi-submersible Mærsk Deliverer. The contract was due to end in December 2016. As per the contract, Maersk Drilling is entitled to receive compensation for the remaining part of the contract period, and the cancellation is expected to be neutral for the 2016 full year financials.

The Group completed its **share buy-back programme** in Q1 and acquired own shares at a value of DKK 3.2bn (USD 0.5bn) as part of the DKK 6.7bn programme (approximately USD 1bn).

The credit rating agencies have maintained the **Maersk Group's rating** long-term of Baa1 (Moody's) and BBB+ (Standard & Poor's). However, the agencies changed the outlook rating from positive to stable and from stable to negative, respectively.

GUIDANCE FOR 2016

The Group's expectation of an underlying result significantly below last year (USD 3.1 bn) is unchanged. Gross cash flow used for capital expenditure is still expected to be around USD 7bn in 2016 (USD 7.1 bn).

Copenhagen, 4 May 2016

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Changes in guidance are versus guidance given in the Annual Report 2015. All figures in parenthesis refer to full year 2015.

The Interim Report for Q2 is expected to be announced on 12 August 2016.

Maersk Line reiterates the expectation of an underlying result significantly below last year (USD 1.3bn) as a consequence of the significantly lower freight rates going into 2016. Global demand for seaborne container transportation is still expected to increase by 1-3%. Maersk Line aims to grow at least with the market to defend its market leading position.

Following cost reductions, **Maersk Oil** now expects a break-even result to be reached with an oil price in the range of USD 40-45 per barrel versus previously with an oil price in the range of USD 45-55 per barrel. Previous guidance was a negative underlying result.

Maersk Oil's entitlement production is now expected to be 320,000-330,000 boepd (312,000 boepd) compared to previously around 315,000 boepd. Exploration costs are now expected to be below last year (USD 423m) versus previously to be in line with 2015.

APM Terminals now expects an underlying result below 2015 (USD 626m) versus previously around the 2015 level, due to reduced demand expectations in oil producing emerging economies.

Maersk Drilling reiterates the expectation of an underlying result significantly below last year (USD 732m) mainly due to lower dayrates and more idle days.

APM Shipping Services maintain the expectation of an underlying result significantly below the 2015 result (USD 404m) predominantly due to significantly lower rates and activity in Maersk Supply Service.

SENSITIVITY GUIDANCE

The Group's guidance for 2016 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 for the calendar year 2016 for four key value drivers are listed in the table below:

Factors	Change	Effect on the Group's underlying profit rest of year
Oil price for Maersk Oil	+/-10 USD/barrel	+USD 0.3bn / -USD 0.5bn
Bunker price	+/-100 USD/tonne	-/+USD 0.2bn
Container freight rate	+/-100 USD/FFE	+/-USD 0.8bn
Container freight volume	+/-100,000 FFE	+/-USD 0.1bn

SUMMARY FINANCIAL INFORMATION

AMOUNTS IN USD MILLION

INCOME STATEMENT	Q1 2016	Q1 2015	Full year 2015
Revenue	8,539	10,547	40,308
Profit before depreciation, amortisation and impairment losses, etc. (EBITDA)	1,597	2,570	9,074
Depreciation, amortisation and impairment losses, net	1,162	1,101	7,944
Gain on sale of non-current assets, etc., net	11	275	478
Share of profit/loss in joint ventures	23	61	165
Share of profit/loss in associated companies	21	18	97
Profit before financial items (EBIT)	490	1,823	1,870
Financial items, net	-121	-71	-423
Profit before tax	369	1,752	1,447
Tax	145	180	522
Profit for the period	224	1,572	925
A.P. Møller - Mærsk A/S' share	211	1,539	791
Underlying result	214	1,319	3,071
BALANCE SHEET			
Total assets	64,239	69,001	62,408
Total equity	35,804	36,948	35,739
Invested capital	46,457	44,580	43,509
Net interest-bearing debt	10,653	7,630	7,770
Investments in property, plant and equipment and intangible assets	2,845	1,989	7,647
CASH FLOW STATEMENT			
Cash flow from operating activities	250	1,950	7,969
Cash flow used for capital expenditure	-1,863	-1,643	-1,408
FINANCIAL RATIOS			
Return on invested capital after tax (ROIC), annualised	2.9%	13.8%	2.9%
Return on equity after tax, annualised	2.5%	15.9%	2.4%
Equity ratio	55.7%	53.5%	57.3%

STOCK MARKET RATIOS	Q1 2016	Q1 2015	Full year 2015
Earnings per share (EPS), USD	10	72	37
Diluted earnings per share, USD	10	72	37
Cash flow from operating activities per share, USD	12	91	372
Share price (B share), end of period, DKK	8,590	14,540	8,975
Share price (B share), end of period, USD	1,312	2,094	1,314
Total market capitalisation, end of period, USD m	26,832	44,297	27,587
GROUP BUSINESS DRIVERS			
Maersk Line			
Transported volumes (FFE in '000)	2,361	2,207	9,522
Average freight rate (USD per FFE)	1,857	2,493	2,209
Unit cost (USD per FFE incl. VSA income)	2,060	2,449	2,288
Average fuel price (USD per tonne)	178	358	315
Maersk Line fleet, owned	287	273	285
Maersk Line fleet, chartered	318	335	305
Fleet capacity (TEU in '000)	2,992	2,929	2,962
Maersk Oil			
Average share of oil and gas production (thousand barrels of oil equivalent per day)	350	304	312
Average crude oil price (Brent) (USD per barrel)	34	54	52
APM Terminals			
Containers handled (measured in million TEU and weighted with ownership share)	8.7	9.1	36.0
Number of terminals	72	64	63
Maersk Drilling			
Operational uptime	97%	97%	97%
Contracted days	1,683	1,800	7,086
Revenue backlog (USD bn)	4.7	5.9	5.4

The interim consolidated financial statements on pages 22-32 have not been subject to audit or review. The interim consolidated financial statements are prepared in accordance with IAS 34.

INVESTED CAPITAL AND ROIC

	Invested capital 31 March USD million		ROIC, annualised Q1	
	2016	2015	**2016**	2015
MAERSK GROUP	**46,457**	**44,580**	**2.9%**	**13.8%**
MAERSK LINE	20,157	19,839	0.7%	14.3%
MAERSK OIL	4,334	5,956	-3.0%	14.8%
APM TERMINALS	7,731	5,821	6.2%	12.9%
MAERSK DRILLING	7,792	8,220	11.2%	8.5%
APM SHIPPING SERVICES	4,893	4,635	6.2%	8.1%
Maersk Tankers	1,647	1,582	11.5%	9.0%
Maersk Supply Service	1,820	1,691	-0.4%	8.8%
Svitzer	1,202	1,066	9.4%	11.0%
Damco	224	296	3.0%	-11.2%

Businesses

MAERSK LINE

Maersk Line made a profit of USD 37m (USD 714m) and a ROIC of 0.7% (14.3%) in Q1 2016.

Revenue of USD 5.0bn was 20% lower than Q1 2015. The development was driven by a 26% decline in average freight rates to 1,857 USD/FFE (2,493 USD/FFE) only partially offset by a 7.0% increase in volumes to 2,361k FFE (2,207k FFE). The freight rate decline was attributable to lower bunker prices and deteriorating market conditions. Container freight rates declined across all trades, especially Maersk Line's key trades to/from Europe as well as Latin America and North America were impacted. Recognised freight revenue was USD 4.5bn (USD 5.6bn) and other revenue was USD 514m (USD 627m).

The EBIT margin gap to peers is estimated at around 5% for the last quarter (Q4 2015) on par with the ambition level. The EBIT margin gap to peers narrowed as Maersk Line compared to peers benefits less from bunker price declines since Maersk Line operates a more fuel efficient network. Further, Maersk Line is negatively impacted by a relatively higher exposure to the

	USD MILLION	
	Q1	
MAERSK LINE HIGHLIGHTS	**2016**	2015
Revenue	4,974	6,254
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**486**	**1,202**
Depreciation, amortisation and impairment losses, net	475	469
Gain on sale of non-current assets, etc., net	5	4
Share of profit/loss in associated companies	-	-1
Profit/loss before financial items (EBIT)	**16**	**736**
Tax	+21	22
Net operating profit/loss after tax (NOPAT)	**37**	**714**
Underlying result	**32**	**710**
Cash flow from operating activities	42	971
Cash flow used for capital expenditure	31	-202
Invested capital	20,157	19,839
ROIC, annualised	0.7%	14.3%
Transported volumes (FFE in '000)	2,361	2,207
Average freight rate (USD per FFE)	1,857	2,493
Unit cost (USD per FFE incl. VSA income)	2,060	2,449
Average fuel price (USD per tonne)	178	358
Maersk Line fleet, owned	287	273
Maersk Line fleet, chartered	318	335
Fleet capacity (TEU in '000)	2,992	2,929

Europe trades, which were more impacted by the freight rate decline than other trades. Maersk Line's response remains an accelerated cost focus in line with the cost leadership strategy.

Global container demand grew about 1% in Q1 2016 compared to same quarter last year. The low demand growth was primarily related to a slowdown in emerging economies, due to low commodity prices and structural economic challenges. Europe also remained subdued during the quarter and a weaker Chinese import further affected global trade. Global supply grew more than 7% compared to same period last year.

At the end of Q1 2016 the global container fleet stood at 20m TEU of which about 7% were idle. Deliveries amounted to about 273k TEU (41 vessels) and 138k TEU (38 vessels) were scrapped. During the same period 122,000 TEU (12 vessels) of new capacity were ordered, keeping the order book at around 19% of the current fleet (Alphaliner).

The industry has recently seen steps towards consolidation from both mergers and acquisition. Over time this represents a potential ease of the supply situation through more disciplined capacity management.

By the end of Q1, the Maersk Line fleet consisted of 287 owned vessels (1,848k TEU) and 318 chartered vessels (1,144k TEU) with a total capacity of 2,992k TEU, an increase of 2.2% compared to Q1 2015 and an increase of 1.0% compared to Q4 2015. Idle capacity at the end of Q1 was 34k TEU (four vessels) versus 15k TEU (four vessels) at the end of Q1 2015 and on par with Q4 2015. Maersk Line's idle capacity corresponds to around 2% of total idle capacity in the market.

Managing capacity in line with the low container demand growth in the industry remains a focus area, and the closure of four services in 2015 resulted in an improved fleet utilisation compared to both Q1 2015 and Q4 2015. As new opportunities emerge, Maersk Line will continue to pursue these to defend its market leading position and meet customers' demands.

Unit cost improved by 16% to 2,060 USD/FFE (2,449 USD/FEE) benefitting from decreased bunker prices, cost efficiencies and USD appreciation. Bunker cost decreased 48% compared to Q1 2015 driven by 50% lower bunker prices. Bunker efficiency improved by 1.8% to 957 kg/FFE (974 kg/FFE).

Cost leadership remains an essential pillar of the Maersk Line strategy and the cost initiatives announced in Q4 2015 progressed as planned during Q1 2016. This includes efforts to further reduce cost from transactional work through standardisation, automation and digitalisation of processes to be fully implemented by end of 2017.

Cash flow from operating activities was USD 42m, down USD 929m from Q1 2015, impacted by lower profits. The cash flow for investments was positive USD 31m or USD 233m lower than in Q1 2015, impacted by the sale and lease back agreement of five vessels and divestment of three multi-purpose vessels. In spite of challenging market conditions, Maersk Line delivered a positive free cash flow of USD 73m (USD 769m) in Q1 2016.

MAERSK LINE
Triple-E vessel, Mary Maersk departing from the port of Algeciras, Spain.

MAERSK OIL

Maersk Oil reported a loss of USD 29m (profit of USD 208m) and a ROIC of negative 3.0% (positive 14.8%). The lower result was mainly due to 37% lower average oil price of USD 34 per barrel versus USD 54 per barrel in Q1 2015 with Brent oil price reaching a low in January of USD 27 per barrel. The market has since then seen a slow but increasing upward trend. Partly offsetting the lower result was a 15% higher entitlement production of 350,000 boepd (304,000 boepd) and 65% lower exploration costs of USD 57m (USD 162m). In addition, Q1 2015 was positively impacted by a deferred tax income of USD 170m due to reduction of the UK tax rate.

Maersk Oil reduced operating expenses by 21% excluding exploration costs, to USD 570m (USD 724m) showing good progress towards the targeted 20% reduction by the end of 2016 compared to the 2014 baseline. The first 12% was reached by end 2015 and further initiatives to address cost reductions are being executed, including extensive re-contracting to take advantage of the softening market as well as strengthening of the procurement process. Furthermore, the total number of positions removed since the cost transformation process started has now exceeded 1,300 and Maersk Oil has implemented a salary freeze in 2016, reduced travel expenses and initiated the outsourcing of administrative functions to a shared service centre in India.

Maersk Oil is striving to secure the lowest possible break-even oil price, previously announced at a level around USD 45-55.

MAERSK OIL HIGHLIGHTS	USD MILLION Q1 2016	2015
Revenue	1,032	1,433
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**421**	**590**
Depreciation, amortisation and impairment losses, net	348	311
Gain on sale of non-current assets, etc., net	-	3
Profit/loss before financial items (EBIT)	**73**	**282**
Tax	102	74
Net operating profit/loss after tax (NOPAT)	**-29**	**208**
Underlying result	**-29**	**207**
Cash flow from operating activities	-172	105
Cash flow used for capital expenditure	-754	-494
Invested capital	4,334	5,956
ROIC, annualised	-3.0%	14.8%
Exploration costs	57	162
Average share of oil and gas production (thousand barrels of oil equivalent per day)	350	304
Average crude oil price (Brent) (USD per barrel)	34	54

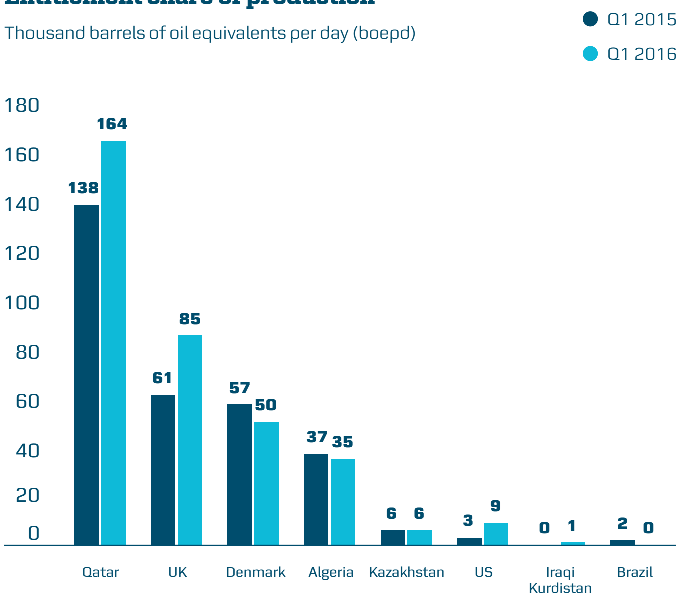
A combination of effects from exchange rates, cost reductions, exit from Polvo, Brazil as well as the very low level of exploration activities has reduced the break-even level to around USD 40-45 per barrel.

Cash flow from operating activities was negative USD 172m (positive USD 105m) where Q1 2016 was negatively impacted by a one-off dispute settlement. Cash flow used for capital expenditure was USD 754m (USD 494m).

The increased entitlement production came primarily from the UK increase of 39% where Golden Eagle continues to ramp up and production efficiency has been good. Further, Qatar increased by 19% due to the decreased oil price giving more barrels for cost recovery as well as from Jack in the US ramping up during 2015 to an entitlement production of 9,000 boepd.

Entitlement share of production

Thousand barrels of oil equivalents per day (boepd)



The increases were partly offset by the natural field decline in Denmark by 13%.

Following completion of the divestment of the Polvo Field, Maersk Oil no longer has producing assets in Brazil and has consequently closed its office. In Iraqi Kurdistan, Maersk Oil has initial entitlement production at a level of 1,000 boepd from the Sarsang licence.

In Norway, Maersk Oil participates in the development of the Johan Sverdrup oil field and in the UK, Maersk Oil as the operator is developing the Culzean gas field. Both projects are on track within budget and according to plans.

The 2012 development project at the Al Shaheen field offshore Qatar is progressing with drilling almost complete. Maersk Oil is participating in the tender for the operatorship of Al Shaheen after the current contract expires in mid-2017. It is expected that the operator will be announced in the second half of 2016.

In the Danish North Sea, the Tyra facilities, where the majority of the Danish gas is processed, are approaching the end of their operational life due to a combination of more than 30 years of production and subsidence of the underground chalk reservoir, reducing the gap between the facilities and the sea.

Maersk Oil's reserves and resources

	End 2015	End 2014
Proved reserves (1P)	408	327
Probable reserves (2P$_i$)[1]	241	183
Contingent resources (2C)	492	801
Reserves and resources (2P[2]+2C)	1,141	1,311

Reserves and resources in million boe – barrels of oil equivalent.
[1] Incremental volume.
[2] Proved and probable reserves.

Consequently, production from Tyra East and Tyra West in the Danish North Sea will cease in October 2018, if an economically viable solution for continued operations is not identified during 2016.

In Angola, the Chissonga project is not viable at the current low oil price, but joint development with neighbouring blocks is being assessed as well as negotiations with authorities, partners and contractors to reduce costs in an attempt to make the project viable. As a consequence of the changed focus, the project organisation has been reduced significantly.

As a result of the market conditions and disappointing drilling result during recent years, focus shifted from organic to inorganic growth in 2015. Exploration activities are reduced whereas acquisition opportunities are being pursued in order to strengthen the portfolio.

RESERVES AND RESOURCES

The yearly update of Maersk Oil's reserves and resources as per end of 2015 showed entitlement reserves and resources (2P+2C) of 1,141m barrels of oil equivalent (1,311m boe) including proved and probable (2P) reserves of 649m barrels of oil equivalent (510m boe). The net (2P) reserves increase of 139m boe was due to addition of close to 300m boe from the major development projects Johan Sverdrup and Culzean, offset by the 114m boe of entitlement production (92m boe) and some downwards revisions mainly due to the lower oil price. The reserves and resources are estimated according to international standards (Society of Petroleum Engineers' Petroleum Resources Management System) and the reserves are reviewed by an independent third party.

APM TERMINALS

APM Terminals made a profit of USD 108m (USD 190m) and a ROIC of 6.2% (12.9%).

In general, weak demand, especially in Europe, slowing growth in China, and the low oil price continued to impact APM Terminals negatively. Being largely dependent on raw material exports, many economies in Latin America and West Africa where APM Terminals has significant activities, continue to see declining growth and foreign trade. Decreased volumes on the westbound Asia-Europe trade lane impacted terminals in both China and Europe. Globally, the container market grew by 1.4% in Q1 (Drewry) with some regions showing modest growth of 3-4% (North America and Middle East/South Asia), while markets declined in Northern Europe and West Africa.

These developments put pressure on APM Terminals volumes, causing revenue to decrease by 15% to USD 962m (USD 1.1bn) and the EBITDA-margin to decrease to 17% (19%). Operating businesses generated an underlying profit of USD 116m (USD 184m) and a ROIC of 8.3% (13.4%) and projects under implementation including Grup Marítim TCB with eight terminals from beginning of March had a loss of USD 9m (loss of USD 9m) and a ROIC of negative 2.4% (negative 9.3%) resulting from their start-up costs.

APM Terminals handled 8.7m TEU in Q1 2016 (weighted with APM Terminals' ownership interest) or 5% less than in Q1 2015 (9.1m TEU). The decrease was mainly due to divestments of terminal facilities in Charleston, Jacksonville and Houston, USA,

		USD MILLION
		Q1
APM TERMINALS HIGHLIGHTS	**2016**	2015
Revenue	962	1,136
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**164**	**220**
Depreciation, amortisation and impairment losses, net	85	70
Gain on sale of non-current assets, etc., net	1	8
Share of profit/loss in joint ventures	18	39
Share of profit/loss in associated companies	25	20
Profit/loss before financial items (EBIT)	**123**	**217**
Tax	15	27
Net operating profit/loss after tax (NOPAT)	**108**	**190**
Underlying result	**107**	**175**
Cash flow from operating activities	198	271
Cash flow used for capital expenditure	-960	-222
Invested capital	7,731	5,821
ROIC, annualised	6.2%	12.9%
Containers handled (measured in million TEU and weighted with ownership share)	8.7	9.1
Number of terminals	72	64

and Gioia Tauro, Italy, in 2015, which were only partially offset by the acquisition of Grup Marítim TCB. Like-for-like, APM Terminals handled 0.8% less volumes (8.5m TEU) than in the same period last year (8.6m TEU).

Volumes in APM Terminals' West African businesses declined by around 8% compared to same period last year, mainly caused by a continued economic slowdown in both Nigeria and Angola. Partly offsetting the decline, APM Terminals' North American businesses showed volume growth of 9% compared to Q1 2015, as P400 in Los Angeles was heavily impacted by labour disruptions early 2015.

APM Terminals accelerated its revenue improvement and cost savings initiatives through staff redundancies as well as overhead and general cost reductions across the portfolio. Corporate cost is being addressed by reducing and reorganising head office staff, including closing offices in Rotterdam and Dubai, resulting in savings to date of USD 14m. This is however only partially offsetting the adverse market conditions.

All businesses that are under APM Terminals' control are involved in improving the cost programme during the year.

The share of profit in joint ventures and associated companies came at USD 43m (USD 59m), with the reduction spread across a majority of entities.

Cash flow from operating activities was USD 198m (USD 271m). Cash flow used for capital expenditure was USD 960m (USD 222m), mainly caused by the acquisition of Grup Marítim TCB. The total enterprise value of Grup Marítim TCB of USD 1.2bn consisted of acquired net assets of USD 0.8bn and acquired net interest-bearing debt of USD 0.4bn.

APM TERMINALS
TCV Valencia Spain
container terminal.

MAERSK DRILLING

Maersk Drilling delivered a profit of USD 222m (USD 168m) generating a ROIC of 11.2% (8.5%). The underlying profit was USD 223m (USD 195m), positively impacted by USD 60m due to the termination of Mærsk Deliverer and cost savings partly offset by more idle days. Maersk Drilling continued to be positively impacted by the high contract coverage at higher rates compared to current markets.

The offshore drilling industry is facing significant challenges as oil companies continue to postpone or cancel exploration and development projects in order to restore profitability and cash flows in the current low oil price environment. The reduction in demand for offshore rigs has caused an all-time low capacity utilisation in the market resulting in a strong downward pressure on day rates across all market segments. The visibility regarding a recovery in demand for offshore rigs remains low and the market is likely to stay challenged for the medium term, emphasising the need for further scrapping and cold stacking of rigs to resolve the structural supply-demand imbalance. The long-term outlook remains positive, particularly for higher specification assets satisfying customer requirements for safe, reliable and efficient drilling operations.

Maersk Drilling had the contract for the harsh environment jack-up Mærsk Gallant cancelled, but concurrently Maersk Drilling signed a new contract in direct continuation of the cancelled contract. The contract cancellation and new contract are financially neutral to Maersk Drilling.

MAERSK DRILLING HIGHLIGHTS (USD MILLION)	Q1 2016	Q1 2015
Revenue	654	630
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**407**	**343**
Depreciation, amortisation and impairment losses, net	145	141
Share of profit/loss in joint ventures	-1	13
Profit/loss before financial items (EBIT)	**261**	**215**
Tax	39	47
Net operating profit/loss after tax (NOPAT)	**222**	**168**
Underlying result	**223**	**195**
Cash flow from operating activities	427	280
Cash flow used for capital expenditure	-11	-686
Invested capital	7,792	8,220
ROIC, annualised	11.2%	8.5%
Operational uptime	97%	97%
Contracted days	1,683	1,800
Revenue backlog (USD bn)	4.7	5.9

Furthermore, Maersk Drilling received a notice of early contract termination for the ultra-deepwater semi-submersible Mærsk Deliverer. The contract was due to end in December 2016. As per the contract, Maersk Drilling is entitled to receive compensation for the remaining part of the contract period, and the cancellation is expected to be neutral for the full year financials.

In response to the challenging business environment Maersk Drilling continues to identify and drive cost savings to optimise profitability and cash flows. In Q1 2016, Maersk Drilling reduced costs by 4% compared to Q1 2015, excluding exchange rate effects. Since the launch of the cost reduction and efficiency enhancement programme in Q4 2014, Maersk Drilling has reduced cost by 12%. The cost savings have been achieved by optimising yard stays, vendor re-negotiations, and reduction of staff at head office, layoffs of rig crews, salary freeze and a general optimisation of the operations.

In addition to the cost reduction efforts, Maersk Drilling acknowledges a need for new operating models for the way contractors and oil companies' work together in order to reduce costs and de-risk increasingly complex projects in the upstream industry. The current industry business model reflects outdated demarcation lines between oil companies and contractors with little alignment around value drivers and insufficient incentives for innovation in order to reduce total value chain costs. Maersk Drilling is actively engaged in dialogues with a select few of the major international oil companies exploring new business models with a larger degree of collaboration, e.g. better well planning and commercial alignment between oil companies and contractors.

The economic utilisation of the fleet was 83% (88%) adversely impacted by four rigs being idle or partly idle. Maersk Drilling delivered a high operational performance across the rig fleet with an average operational uptime of 96% (99%) for the jack-up rigs and 98% (94%) for the floating rigs.

At the end of Q1 2016, Maersk Drillings' forward contract coverage was 72% for 2016, 54% for 2017 and 43% for 2018. The total revenue backlog by the end of Q1 amounted to USD 4.7bn (USD 5.9bn).

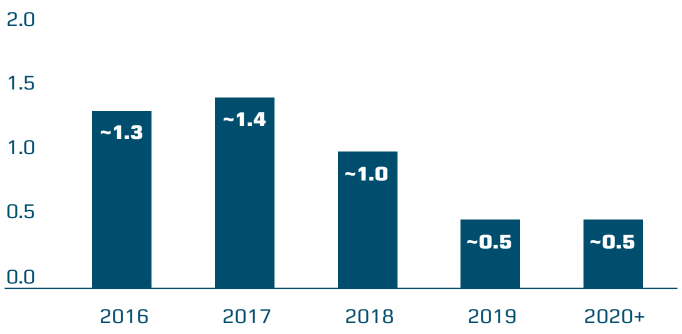
The increased cash flow from operating activities of USD 427m (USD 280m) was mainly related to higher operating result and termination fee received in Q1 2016. Cash flow used for capital expenditures declined to USD 11m (USD 686m) mainly due to fewer instalments paid for the newbuild projects with only one ultra harsh environment jack-up still to be delivered.

Contract coverage per segment

Segment	2016 ROY	2017
Premium jack-up rigs	73%	55%
Ultra deepwater and midwater rigs	68%	53%
Total	**72%**	**54%**

Revenue backlog, end Q1 2016

USD bn



MAERSK DRILLING
Maersk Drilling had the contract for **Mærsk Gallant** cancelled in Q1 2016, but concurrently signed a new contract in direct continuation of the cancelled contract.

APM SHIPPING SERVICES

APM Shipping Services made a profit of USD 75m (USD 94m) and a ROIC of 6.2% (8.1%).

APM SHIPPING SERVICES HIGHLIGHTS (USD MILLION)	Q1 2016	Q1 2015
Revenue	1,114	1,319
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**171**	**198**
Depreciation, amortisation and impairment losses, net	97	97
Gain on sale of non-current assets, etc., net	4	3
Share of profit/loss in joint ventures	5	6
Profit/loss before financial items (EBIT)	**83**	**110**
Tax	8	16
Net operating profit/loss after tax (NOPAT)	**75**	**94**
Underlying result	**71**	**91**
Cash flow from operating activities	111	160
Cash flow used for capital expenditure	-138	-95
Invested capital	4,893	4,635
ROIC, annualised	6.2%	8.1%

Q1 HIGHLIGHTS (USD MILLION)	MAERSK TANKERS 2016	MAERSK TANKERS 2015	MAERSK SUPPLY SERVICE 2016	MAERSK SUPPLY SERVICE 2015	SVITZER 2016	SVITZER 2015	DAMCO 2016	DAMCO 2015
Revenue	245	276	110	183	163	178	596	683
Profit/loss before depreciation, amortisation and impairment losses, etc. (EBITDA)	**78**	**68**	**36**	**79**	**47**	**50**	**10**	**1**
Depreciation, amortisation and impairment losses, net	33	34	37	35	20	21	7	7
Gain on sale of non-current assets, etc., net	2	2	-	-2	2	1	-	2
Share of profit/loss in joint ventures	-	-	-	-	3	5	2	1
Profit/loss before financial items (EBIT)	**47**	**36**	**-1**	**42**	**32**	**35**	**5**	**-3**
Tax	+1	-	1	4	5	6	3	6
Net operating profit/loss after tax (NOPAT)	**48**	**36**	**-2**	**38**	**27**	**29**	**2**	**-9**
Underlying result	**46**	**34**	**-2**	**40**	**25**	**28**	**2**	**-11**
Cash flow from operating activities	68	76	22	38	36	34	-15	12
Cash flow used for capital expenditure	-24	-34	-57	-17	-54	-45	-3	1
Invested capital	1,647	1,582	1,820	1,691	1,202	1,066	224	296
ROIC, annualised	11.5%	9.0%	-0.4%	8.8%	9.4%	11.0%	3.0%	-11.2%

Maersk Tankers made a profit of USD 48m (USD 36m) and a ROIC of 11.5% (9.0%). The result was positively affected by improved commercial performance and cost savings.

The market started relatively strong but rates declined over the quarter driven by increased vessel supply and reduced demand due to high stock levels and US refinery maintenance. Falling refinery margins also pressured rates.

Average Time Charter Equivalent (TCE) earnings in the product segments decreased by 1% compared to Q1 2015, driven by lower market rates partly offset by improved commercial initiatives.

Operating costs decreased mainly as a result of cost saving initiatives contributing positively with USD 10m, re-delivery of long-term chartered tonnage and lower bunker fuel costs.

Cash flow from operating activities was USD 68m (USD 76m). Net cash flow used for capital expenditure was USD 24m (USD 34m) driven by newbuilding instalments, offset by the sale of two product tankers. Maersk Tankers took delivery of one MR newbuild, and the order book totals 16 vessels, of which six will be delivered during 2016, and the last ten in the following two years.

Maersk Supply Service made a loss of USD 2m (profit of USD 38m) and a ROIC of negative 0.4% (positive 8.8%).

The market situation in the offshore industry continued to be challenging with significantly reduced demand for offshore services. Oil companies cut back activities leading to oversupply and vessels being laid up across the industry. By the end of the quarter Maersk Supply Service had a total of twelve vessels in lay-up.

Maersk Supply Service initiated an in depth industry study in cooperation with customers and suppliers to define an operating model that accommodates the current market situation. Simultaneously, the company is exploring new revenue streams for existing vessels, investigating ways to take advantage of the distressed markets and proactively preparing for newbuildings entering in 2017 and 2018.

Revenue decreased to USD 110m (USD 183m) due to lower rates and utilisation as well as fewer vessels available for trading due to divestments and lay-ups. The decreased revenue was partly mitigated by significant cost reductions with total operating costs at USD 74m (USD 104m).

Following extensive cost reductions in 2015, Maersk Supply Service continues to focus on improving the cost base during 2016 aiming at double digit percentage reductions. Further improvements of daily running costs, increased fuel efficiency and reduced lay-up costs were among the focus areas in Q1.

Contract coverage for the rest of 2016 was 39% and 19% for 2017.

Cash flow from operating activities decreased to USD 22m (USD 38m) primarily caused by a lower operational result. Cash flow used for capital expenditure increased to USD 57m (USD 17m) due to delivery payment of a newbuild cable layer with a seven year contract and instalments for newbuilds. Total order book stands at ten vessels.

Svitzer delivered a profit of USD 27m (USD 29m) and a ROIC of 9.4% (11.0%).

Revenue decreased by USD 15m mainly due to salvage being excluded after activities were merged with Titan Salvage, USA (USD 20m) but also due to the stronger USD compared to AUD and EUR.

Despite significant overcapacity and slowdown in most shipping segments, not least bulk trades, Svitzer increased its market share in Australia and Europe. General slowdown in harbour towage operations, which carry large share of shipments of coal and iron ore, is addressed by Svitzer continuously monitoring and adjusting tonnage and crew deployment as appropriate. Increased pressure on terminal towage contracts in oil and gas terminals requires close dialogue with several terminal customers to find mutually acceptable solutions.

Underlying profitability improved through productivity and cost saving initiatives, but Svitzer also experienced a high level of start-up costs resulting in an EBITDA margin of 28.8% (28.1%).

Cash flow from operating activities increased to USD 36m (USD 34m) and cash flow used for capital expenditure increased by USD 9m to USD 54m.

Damco made a profit of USD 2m (loss of USD 9m) and a ROIC of 3.0% (negative 11.2%). The result was mainly driven by cost saving initiatives and growth in supply chain management activities.

Revenue was USD 596m (USD 683m), down 13% year-on-year, caused by lower freight rates and rate of exchange movements. Volumes grew by 1% in supply chain management and 8% in airfreight, while ocean controlled volumes declined by 3%, partly due to optimisation of the customer portfolio. Margins in supply chain management and ocean freight improved, while airfreight margins declined slightly.

Damco continued its focus on driving customer service improvements, delivering on cost optimisation plans and increasing productivity.

Cash flow from operating activities was negative USD 15m (positive USD 12m).

OTHER BUSINESSES

Other businesses made a loss of USD 13m (profit of USD 237m) of which Maersk Container Industry accounted for a loss of USD 16m (loss of USD 7m). The result for 2015 included the gain from the sale of shares in Danske Bank of USD 223m.

UNALLOCATED ACTIVITIES

Unallocated activities comprise activities which are not attributable to reportable segments, including financial items as well as centralised purchasing and resale of bunker and lubricating oil to companies in the Group. Financial items were negative by USD 121m (negative by USD 71m); the negative development was primarily driven by higher interest expenses due to higher debt and currency adjustments.

MAERSK SUPPLY SERVICE
Maersk Connector is the next generation power cable installation vessel handed over to Maersk Supply Service in February 2016.

STATEMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and the Management have today discussed and approved the interim report of A.P. Møller - Mærsk A/S for the period 1 January 2016 to 31 March 2016.

The interim consolidated financial statements of the A.P. Moller - Maersk Group have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for listed companies. In our opinion the interim consolidated financial statements (pages 22-32) give a true and fair view of the Group's assets, liabilities and financial position at 31 March 2016 and of the result of the Group's operations and cash flows for the period 1 January to 31 March 2016. Furthermore, in our opinion the Directors' report (pages 3-19) includes a fair review of the development in the Group's operations and financial conditions, the result for the period, cash flows and financial position as well as the most significant risks and uncertainty factors that the Group faces.

Copenhagen, 4 May 2016

MANAGEMENT

Nils S. Andersen — Group CEO

Kim Fejfer

Claus V. Hemmingsen

Søren Skou

Jakob Thomasen

Trond Westlie

BOARD OF DIRECTORS

Michael Pram Rasmussen — Chairman

Niels Jacobsen — Vice Chairman

Ane Mærsk Mc-Kinney Uggla — Vice Chairman

Dorothee Blessing

Niels B. Christiansen

Renata Frolova

Arne Karlsson

Jan Leschly

Palle Vestergaard Rasmussen

Robert Routs

Jim Hagemann Snabe

Robert Mærsk Uggla

Financials

(In parenthesis the corresponding figures for 2015)

Interim consolidated financial statements Q1 2016

CONDENSED INCOME STATEMENT

AMOUNTS IN USD MILLION

Note		Q1 2016	Q1 2015	Full year 2015
1	Revenue	8,539	10,547	40,308
	Profit before depreciation, amortisation and impairment losses, etc.	**1,597**	**2,570**	**9,074**
	Depreciation, amortisation and impairment losses, net	1,162	1,101	7,944
	Gain on sale of non-current assets, etc., net	11	275	478
	Share of profit/loss in joint ventures	23	61	165
	Share of profit/loss in associated companies	21	18	97
	Profit before financial items	**490**	**1,823**	**1,870**
	Financial items, net	-121	-71	-423
	Profit before tax	**369**	**1,752**	**1,447**
	Tax	145	180	522
1	**Profit for the period**	**224**	**1,572**	**925**
	Of which:			
	Non-controlling interests	13	33	134
	A.P. Møller - Mærsk A/S' share	**211**	**1,539**	**791**
5	**Earnings per share, USD**	**10**	**72**	**37**
5	**Diluted earnings per share, USD**	**10**	**72**	**37**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN USD MILLION

	Q1 2016	Q1 2015	Full year 2015
Profit for the period	**224**	**1,572**	**925**
Translation from functional currency to presentation currency	115	-255	-394
Other equity investments	36	-112	-99
Cash flow hedges	70	-141	-34
Tax on other comprehensive income	9	14	7
Share of other comprehensive income of joint ventures and associated companies, net of tax	-1	-3	67
Total items that have been or may be reclassified subsequently to the income statement	**229**	**-497**	**-453**
Actuarial gains/losses on defined benefit plans, etc.	-9	1	63
Tax on actuarial gains/losses on defined benefit plans, etc.	-	-	5
Total items that will not be reclassified to the income statement	**-9**	**1**	**68**
Other comprehensive income, net of tax	**220**	**-496**	**-385**
Total comprehensive income for the period	**444**	**1,076**	**540**
Of which:			
Non-controlling interests	23	16	115
A.P. Møller - Mærsk A/S' share	**421**	**1,060**	**425**

CONDENSED BALANCE SHEET, TOTAL ASSETS

AMOUNTS IN USD MILLION

Note		2016	31 March 2015	31 December 2015
	Intangible assets	3,508	2,852	1,922
	Property, plant and equipment	44,089	45,109	43,999
	Financial non-current assets, etc.	4,571	4,414	4,578
	Deferred tax	802	523	891
	Total non-current assets	**52,970**	**52,898**	**51,390**
	Inventories	707	1,034	781
	Receivables, etc.	6,117	11,036	5,346
	Securities	771	795	761
	Cash and bank balances	3,627	3,078	4,008
	Assets held for sale	47	160	122
	Total current assets	**11,269**	**16,103**	**11,018**
1	**Total assets**	**64,239**	**69,001**	**62,408**

CONDENSED BALANCE SHEET, TOTAL EQUITY AND LIABILITIES

AMOUNTS IN USD MILLION

Note		2016	31 March 2015	31 December 2015
	Equity attributable to A.P. Møller - Mærsk A/S	35,037	36,249	35,087
	Non-controlling interests	767	699	652
	Total equity	**35,804**	**36,948**	**35,739**
	Borrowings, non-current	13,387	10,369	11,408
	Other non-current liabilities	5,438	6,057	5,770
	Total non-current liabilities	**18,825**	**16,426**	**17,178**
	Borrowings, current	1,921	1,336	1,335
	Other current liabilities	7,689	14,284	8,134
	Liabilities associated with assets held for sale	-	7	22
	Total current liabilities	**9,610**	**15,627**	**9,491**
1	**Total liabilities**	**28,435**	**32,053**	**26,669**
	Total equity and liabilities	**64,239**	**69,001**	**62,408**

CONDENSED CASH FLOW STATEMENT

AMOUNTS IN USD MILLION

	Q1 2016	Q1 2015	Full year 2015
Profit before financial items	490	1,823	1,870
Non-cash items, etc.	579	804	7,262
Change in working capital	-310	-318	382
Cash from operating activities before financial items and tax	759	2,309	9,514
Financial payments, net	-143	85	-72
Taxes paid	-366	-444	-1,473
Cash flow from operating activities	**250**	**1,950**	**7,969**
Purchase of intangible assets and property, plant and equipment	-1,352	-1,985	-7,132
Sale of intangible assets and property, plant and equipment	266	138	514
Sale of associated companies	-	162	4,955
Acquisition/sale of subsidiaries and activities, etc., net	-777	42	255
Cash flow used for capital expenditure	-1,863	-1,643	-1,408
Purchase/sale of securities, trading portfolio	10	6	46
Cash flow used for investing activities	**-1,853**	**-1,637**	**-1,362**
Repayment of/proceeds from loans, net	1,647	-207	1,247
Purchase of own shares	-475	-268	-780
Dividends distributed	-	-	-6,141
Dividends distributed to non-controlling interests	-1	-	-97
Other equity transactions	39	21	35
Cash flow from financing activities	**1,210**	**-454**	**-5,736**
Net cash flow for the period	**-393**	**-141**	**871**
Cash and cash equivalents 1 January	3,996	3,406	3,406
Currency translation effect on cash and cash equivalents	-9	-261	-281
Cash and cash equivalents, end of period	3,594	3,004	3,996
Of which classified as assets held for sale	-	-1	-
Cash and cash equivalents, end of period	**3,594**	**3,003**	**3,996**

	Q1 2016	Q1 2015	Full year 2015
Cash and cash equivalents			
Cash and bank balances	3,627	3,078	4,008
Overdrafts	33	75	12
Cash and cash equivalents, end of period	**3,594**	**3,003**	**3,996**

Cash and bank balances include USD 1.4bn (USD 1.2bn at 31 December 2015) that relates to cash and bank balances in countries with exchange control or other restrictions. These funds are not readily available for general use by the parent company or other subsidiaries.

CONDENSED STATEMENT OF CHANGES IN EQUITY

AMOUNTS IN USD MILLION

	A.P. Møller - Mærsk A/S							
	Share capital	Translation reserve	Reserve for other equity investments	Reserve for hedges	Retained earnings	Total	Non-controlling interests	Total equity
Equity 1 January 2016	3,906	-381	-205	-301	32,068	35,087	652	35,739
Other comprehensive income, net of tax	-	124	36	61	-11	210	10	220
Profit for the period	-	-	-	-	211	211	13	224
Total comprehensive income for the period	**-**	**124**	**36**	**61**	**200**	**421**	**23**	**444**
Dividends to shareholders	-	-	-	-	-	-	-2	-2
Value of share-based payment	-	-	-	-	5	5	-	5
Acquisition of non-controlling interests	-	-	-	-	-1	-1	56	55
Purchase of own shares	-	-	-	-	-475	-475	-	-475
Capital increases and decreases	-	-	-	-	-	-	37	37
Other equity movements	-	-	-	-	-	-	1	1
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-471**	**-471**	**92**	**-379**
Equity 31 March 2016	**3,906**	**-257**	**-169**	**-240**	**31,797**	**35,037**	**767**	**35,804**
Equity 1 January 2015	3,985	-7	-106	-294	37,964	41,542	683	42,225
Other comprehensive income, net of tax	-	-237	-112	-128	-2	-479	-17	-496
Profit for the period	-	-	-	-	1,539	1,539	33	1,572
Total comprehensive income for the period	**-**	**-237**	**-112**	**-128**	**1,537**	**1,060**	**16**	**1,076**
Dividends to shareholders	-	-	-	-	-6,141	-6,141	-	-6,141
Value of share-based payment	-	-	-	-	6	6	-	6
Purchase of own shares	-	-	-	-	-268	-268	-	-268
Sale of own shares	-	-	-	-	24	24	-	24
Other equity movements	-	-	-	-	26	26	-	26
Total transactions with shareholders	**-**	**-**	**-**	**-**	**-6,353**	**-6,353**	**-**	**-6,353**
Equity 31 March 2015	**3,985**	**-244**	**-218**	**-422**	**33,148**	**36,249**	**699**	**36,948**

NOTES

NOTE 1 SEGMENT INFORMATION

AMOUNTS IN USD MILLION

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
Q1 2016									
External revenue	4,899	1,032	663	642	244	108	154	596	8,338
Inter-segment revenue	75	-	299	12	1	2	9	-	398
Total revenue	**4,974**	**1,032**	**962**	**654**	**245**	**110**	**163**	**596**	**8,736**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**486**	**421**	**164**	**407**	**78**	**36**	**47**	**10**	**1,649**
Depreciation and amortisation	475	348	85	145	33	37	20	7	1,150
Gain/loss on sale of non-current assets, etc., net	5	-	1	-	2	-	2	-	10
Share of profit/loss in joint ventures	-	-	18	-1	-	-	3	2	22
Share of profit/loss in associated companies	-	-	25	-	-	-	-	-	25
Profit/loss before financial items (EBIT)	**16**	**73**	**123**	**261**	**47**	**-1**	**32**	**5**	**556**
Tax	+21	102	15	39	+1	1	5	3	143
Net operating profit/loss after tax (NOPAT)	**37**	**-29**	**108**	**222**	**48**	**-2**	**27**	**2**	**413**
Underlying result[1]	**32**	**-29**	**107**	**223**	**46**	**-2**	**25**	**2**	**404**
Cash flow from operating activities	42	-172	198	427	68	22	36	-15	606
Cash flow used for capital expenditure	31	-754	-960	-11	-24	-57	-54	-3	-1,832
Free cash flow	**73**	**-926**	**-762**	**416**	**44**	**-35**	**-18**	**-18**	**-1,226**
Investments in non-current assets[2]	**326**	**660**	**1,704**	**2**	**40**	**55**	**28**	**3**	**2,818**
Intangible assets	1	815	2,516	38	3	19	16	99	3,507
Property, plant and equipment	21,583	6,196	3,497	7,656	1,652	1,837	1,041	76	43,538
Investments in joint ventures	-	-	1,504	135	1	-	85	28	1,753
Investments in associated companies	1	-	584	-	-	-	15	-	600
Other non-current assets	251	836	198	44	-	5	58	32	1,424
Assets held for sale	14	1	12	-	21	-	-	-	48
Other current assets	2,859	1,073	809	736	155	125	139	536	6,432
Total assets	**24,709**	**8,921**	**9,120**	**8,609**	**1,832**	**1,986**	**1,354**	**771**	**57,302**
Non-interest bearing liabilities	4,552	4,587	1,389	817	185	166	152	547	12,395
Invested capital, net	**20,157**	**4,334**	**7,731**	**7,792**	**1,647**	**1,820**	**1,202**	**224**	**44,907**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.

[2] Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

	Maersk Line	Maersk Oil	APM Terminals	Maersk Drilling	Maersk Tankers	Maersk Supply Service	Svitzer	Damco	Total reportable segments
Q1 2015									
External revenue	6,157	1,433	748	626	275	181	171	680	10,271
Inter-segment revenue	97	-	388	4	1	2	7	3	502
Total revenue	**6,254**	**1,433**	**1,136**	**630**	**276**	**183**	**178**	**683**	**10,773**
Profit/loss before depreciation, amortisation and impairment losses, etc.	**1,202**	**590**	**220**	**343**	**68**	**79**	**50**	**1**	**2,553**
Depreciation and amortisation	469	311	77	114	34	35	21	7	1,068
Impairment losses	-	-	-	27	-	-	-	-	27
Reversal of impairment losses	-	-	7	-	-	-	-	-	7
Gain/loss on sale of non-current assets, etc., net	4	3	8	-	2	-2	1	2	18
Share of profit/loss in joint ventures	-	-	39	13	-	-	5	1	58
Share of profit/loss in associated companies	-1	-	20	-	-	-	-	-	19
Profit/loss before financial items (EBIT)	**736**	**282**	**217**	**215**	**36**	**42**	**35**	**-3**	**1,560**
Tax	22	74	27	47	-	4	6	6	186
Net operating profit/loss after tax (NOPAT)	**714**	**208**	**190**	**168**	**36**	**38**	**29**	**-9**	**1,374**
Underlying result[1]	**710**	**207**	**175**	**195**	**34**	**40**	**28**	**-11**	**1,378**
Cash flow from operating activities	971	105	271	280	76	38	34	12	1,787
Cash flow used for capital expenditure	-202	-494	-222	-686	-34	-17	-45	1	-1,699
Free cash flow	**769**	**-389**	**49**	**-406**	**42**	**21**	**-11**	**13**	**88**
Investments in non-current assets[2]	**241**	**466**	**252**	**680**	**139**	**34**	**48**	**3**	**1,863**
Intangible assets	1	1,456	1,218	39	1	9	15	113	2,852
Property, plant and equipment	21,442	7,705	2,754	7,999	1,554	1,704	985	78	44,221
Investments in joint ventures	-	-	1,487	131	1	-	66	29	1,714
Investments in associated companies	1	-	499	-	-	-	-	-	500
Other non-current assets	169	604	129	28	-	6	48	36	1,020
Assets held for sale	11	-	46	-	80	13	-	9	159
Other current assets	3,051	1,493	790	689	180	182	148	664	7,197
Total assets	**24,675**	**11,258**	**6,923**	**8,886**	**1,816**	**1,914**	**1,262**	**929**	**57,663**
Non-interest bearing liabilities	4,836	5,302	1,102	666	234	223	196	633	13,192
Invested capital, net	**19,839**	**5,956**	**5,821**	**8,220**	**1,582**	**1,691**	**1,066**	**296**	**44,471**

[1] The underlying result is equal to the profit or loss excluding net impact from divestments and impairments.

[2] Comprise additions of intangible assets and property, plant and equipment, including additions from business combinations.

NOTE 1 SEGMENT INFORMATION — CONTINUED

AMOUNTS IN USD MILLION

	Q1 **2016**	Q1 2015
REVENUE		
Reportable segments	8,736	10,773
Other businesses	199	365
Unallocated activities (Maersk Oil Trading)	47	58
Eliminations	-443	-649
Total	**8,539**	**10,547**
PROFIT FOR THE PERIOD		
Reportable segments	413	1,374
Other businesses	-13	237
Financial items, net	-121	-71
Unallocated tax	3	+8
Other unallocated items	55	-12
Eliminations	3	12
Total	**224**	**1,572**

	2016	31 March 2015
ASSETS		
Reportable segments	57,302	57,663
Other businesses	1,258	6,442
Unallocated activities	7,412	6,733
Eliminations	-1,733	-1,837
Total	**64,239**	**69,001**
LIABILITIES		
Reportable segments	12,395	13,192
Other businesses	320	459
Unallocated activities	17,413	20,193
Eliminations	-1,693	-1,791
Total	**28,435**	**32,053**

NOTE 2 FINANCIAL RISKS, ETC.

AMOUNTS IN USD MILLION

Except of the below, the financial risks, etc. are not significantly different from those described in note 18 of the consolidated financial statements for 2015, to which reference is made.

Liquidity risk

	2016	31 March 2015	31 December 2015
Borrowings	15,308	11,705	12,743
Net interest-bearing debt	10,653	7,630	7,770
Liquidity reserve[1]	11,898	10,611	12,397

[1] Liquidity reserve is defined as undrawn committed revolving facilities with more than one year to expiry, securities and cash and bank balances, excluding securities and balances in countries with exchange control or other restrictions.

In addition to the liquidity reserve, the Group had committed loans of USD 848m, which are dedicated to financing of specific assets and therefore will only become available at certain times in the future.

Based on the liquidity reserve, 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 in line with a strong investment grade rating level. In March 2016, the Group issued EUR 1.5bn in three-year and five-year bonds in the euro market.

The average term to maturity of loan facilities in the Group was about four years (about four years at 31 December 2015).

NOTE 3 COMMITMENTS

AMOUNTS IN USD MILLION

Operating lease commitments
At 31 March 2016, the net present value of operating lease commitments totalled USD 7.2bn using a discount rate of 6%, an increase from USD 7.0bn at 31 December 2015, primarily due to future lease obligations for concession agreements and Grup Maritim TCB acquisition in APM Terminals.

Operating lease commitments at 31 March 2016 are divided into the following main business units:

- Maersk Line of USD 3.2bn
- APM Terminals of USD 2.9bn
- Other of USD 1.1bn

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

Capital commitments	Maersk Line	Maersk Oil	APM Terminals	Maersk Supply Service	Maersk Drilling	Other	Total
31 MARCH 2016							
Capital commitments relating to acquisition of non-current assets	2,790	2,186	689	1,006	492	568	7,731
Commitments towards concession grantors	-	87	1,763	-	-	-	1,850
Total	**2,790**	**2,273**	**2,452**	**1,006**	**492**	**568**	**9,581**
31 DECEMBER 2015							
Capital commitments relating to acquisition of non-current assets	2,886	2,275	712	1,057	474	578	7,982
Commitments towards concession grantors	-	92	1,307	-	-	-	1,399
Total	**2,886**	**2,367**	**2,019**	**1,057**	**474**	**578**	**9,381**

Newbuilding programme at 31 March 2016	2016	2017	**No.** 2018	**Total**
Container vessels	-	22	5	27
Rigs and drillships	1	-	-	1
Tanker vessels	6	4	6	16
Anchor handling vessels, tugboats and standby vessels, etc.	16	18	1	35
Total	**23**	**44**	**12**	**79**

Capital commitments relating to the newbuilding programme at 31 March 2016	2016	2017	**USD million** 2018	**Total**
Container vessels	244	1,856	480	2,580
Rigs and drillships	435	-	-	435
Tanker vessels	143	129	159	431
Anchor handling vessels, tugboats and standby vessels, etc.	223	812	104	1,139
Total	**1,045**	**2,797**	**743**	**4,585**

USD 4.6bn of the total capital commitments is related to the newbuilding programme for ships, rigs, etc. at a total contract price of USD 5.6bn including owner-furnished equipment. The remaining capital commitments of USD 4.8bn relate to investments mainly within 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.

NOTE 4 ACQUISITION / SALE OF SUBSIDIARIES AND ACTIVITIES

AMOUNTS IN USD MILLION

Acquisitions during the first three months 2016

Grup Maritim TCB S.L.

On 8 March 2016, the Group acquired 100% of the shares in Grup Maritim TCB, which owns eight terminals in Mediterranean and Latin America. The acquisition of two additional operating facilities in the Canary Islands and one in Izmir, Turkey (representing less than 5% of the total transaction by value) are still awaiting regulatory approvals, thus excluded from the current business combination.

Taking control of Grup Maritim TCB will expand the Group's position in Spain and will accelerate its growth in Latin America.

The total enterprise value of USD 1.2bn consisted of total purchase price of USD 0.8bn and acquired net interest-bearing debt of USD 0.4bn. The carrying amount of acquired net assets consisted of intangible assets of USD 1.0bn, property, plant and equipment of USD 0.4bn, current assets of USD 0.3bn and liabilities of USD 0.9bn.

As the acquisition date is close to the period end, the revenue and the profit contributed to the Group is insignificant.

Due to the timing of the acquisition, the purchase price allocation as of 31 March 2016 is provisionally determined.

Acquisitions during the first three months 2015

No acquisitions of subsidiaries or activities were undertaken in the first three months of 2015.

Sales during the first three months 2016

No sales of subsidiaries or activities were undertaken in the first three months of 2016.

Sales during the first three months 2015

No sales of subsidiaries or activities, to an extent of any significance to the Group, were undertaken in the first three months of 2015.

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

NOTE 5 SHARE CAPITAL AND EARNINGS PER SHARE

AMOUNTS IN USD MILLION

Development in the number of shares:

	A-shares of DKK 1,000	DKK 500	B-shares of DKK 1,000	DKK 500	Nominal DKK million	USD million
1 January 2016	10,902,341	318	10,642,790	184	21,545	3,906
31 March 2016	**10,902,341**	**318**	**10,642,790**	**184**	**21,545**	**3,906**

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 12 April 2016 the shareholders decided on a decrease of the share capital by the cancellation of 728,520 treasury shares. The Company's share capital will be reduced from nominally DKK 21,545,382,000 with nominally DKK 728,520,000 in total, divided between 146,122 A shares of DKK 1,000 and 582,398 B shares of DKK 1,000 to nominally DKK 20,816,862,000. The reduction is expected to be final during the second quarter of 2016.

At the Annual General Meeting of A.P. Møller - Mærsk A/S on 30 March 2015 the shareholders decided on the cancellation of 432,618 treasury shares, whereby the share capital has decreased. The Company's share capital reduced from nominally DKK 21,978,000,000 with nominally DKK 432,618,000 in total, divided between 86,500 A shares of DKK 1,000 and 346,118 B shares of DKK 1,000 to nominally DKK 21,545,382,000.The cancellation of the treasury shares took place in Q2 2015.

Development in the holding of own shares:

	No. of shares of DKK 1,000		Nominal value DKK		% of share capital	
Own shares	**2016**	2015	**2016**	2015	**2016**	2015
A SHARES						
1 January	69,585	61,075	70	61	0.32%	0.28%
Addition	76,537	25,425	76	25	0.36%	0.11%
31 March	**146,122**	**86,500**	**146**	**86**	**0.68%**	**0.39%**
B SHARES						
1 January	361,409	342,066	361	342	1.68%	1.56%
Addition	306,241	106,815	307	107	1.42%	0.49%
Disposal	-	16,080	-	16	0.00%	0.08%
31 March	**667,650**	**432,801**	**668**	**433**	**3.10%**	**1.97%**

Additions of own shares are related to the buy-back programmes initiated in September 2014 and 2015. Disposals of own shares are primarily related to the share option programme.

NOTE 5 SHARE CAPITAL AND EARNINGS PER SHARE — CONTINUED

AMOUNTS IN USD MILLION

Basis for calculating earnings per share is the following:

A.P. Møller - Mærsk A/S' share of:	2016	2015
Profit for the period	**211**	**1,539**
Issued shares 1 January	21,545,382	21,978,000
Average number of own shares	653,164	488,112
Average number of shares	**20,892,218**	**21,489,888**

At 31 March 2016, there is a dilution effect on earnings per share of 0 (24,425) issued share options while there is no dilution effect on 13,355 (0) issued share options. This corresponds to 0.00% (0.11%) and 0.06% (0.00%) of the share capital, respectively.

NOTE 6 ACCOUNTING POLICIES, JUDGEMENTS AND SIGNIFICANT ESTIMATES

The interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and as adopted by the EU and Danish disclosure requirements for listed companies.

The accounting policies, judgements and significant estimates are consistent with those applied in the consolidated financial statements for 2015 on pages 60-66 of the Annual Report, to which reference is made.

A number of changes to accounting standards are effective from 1 January 2016. Those of relevance to the Group are:

- Accounting for acquisitions of interests in joint operations (amendments to IFRS 11)
- Disclosure initiative (amendments to IAS 1)
- Annual improvements 2014

The amendments encompass various guidance and clarifications, which has had no material effect on the financial statements in the period.

COLOPHON

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