

Why alliances matter and how they benefit shippers

Stephen Schueler | Chief Commercial Officer | Maersk Line

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My key points this morning

**THE INDUSTRY IS
FACING SIGNIFICANT
CHALLENGES**



**P3 WILL PROVIDE OUR
CUSTOMERS WITH AN
IMPROVED
PRODUCT**



**MAERSK LINE WILL
FOCUS ON DELIVERING
IMPROVED
SERVICE**



Global quarterly container demand growth



Source: Maersk Line

The industry is faced with significant challenges ...

\$650 mln

Collective industry*
net profit loss in 2013 H1

-0.5%

Weighted average industry**
operating profit margin in 2013 H1

\$16.3 bln

Negative accumulated industry***
free cash flow since 2005 to 2013 H1

15% p.a.

Annual bunker price growth
rate since 2005

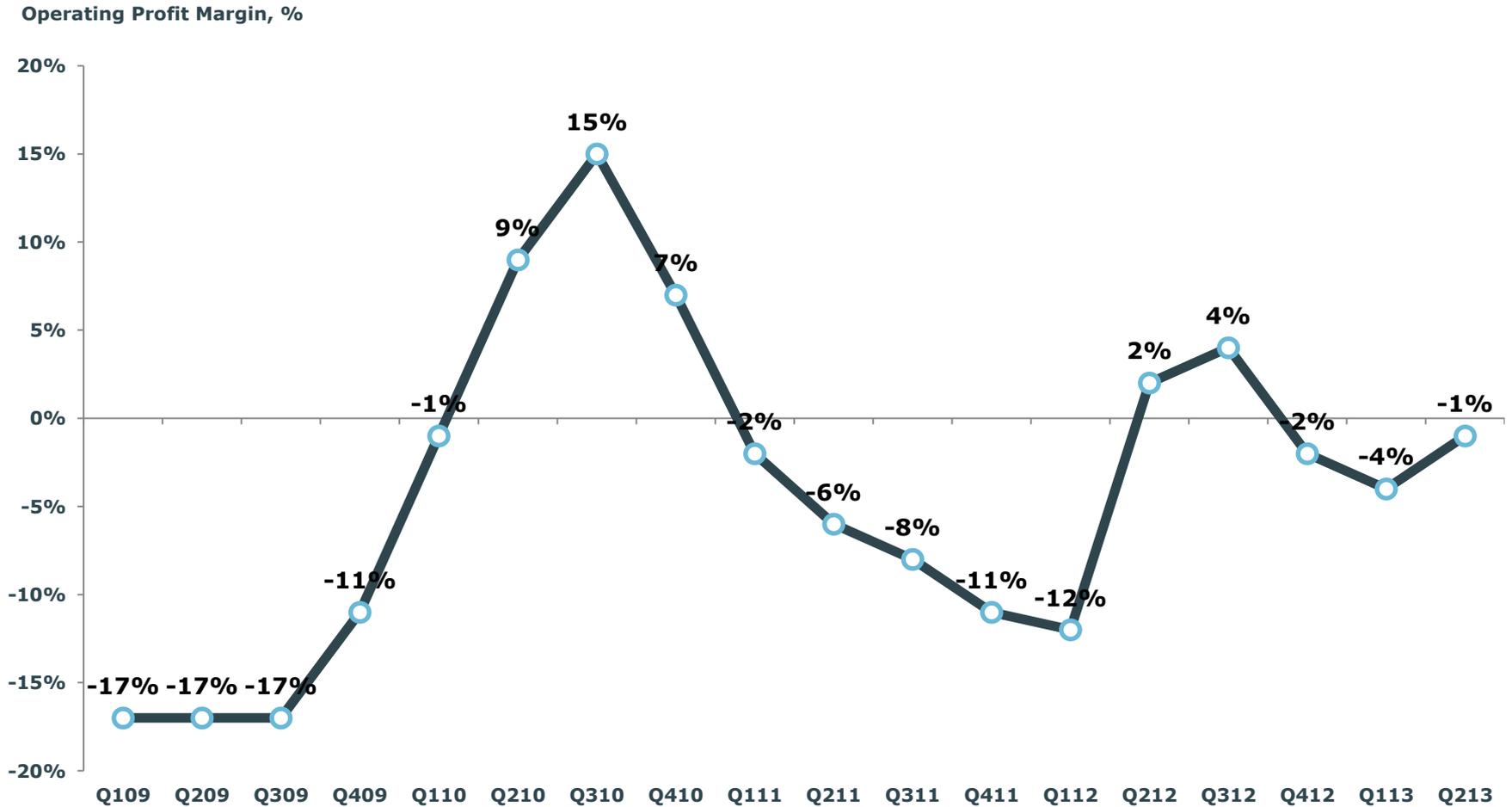
Note: * Based on reported competitor financials (liner result where available and Group result for others). Avg. of MLB, CMA CGM, APL, Hapag-Lloyd, COSCO, Hanjin, OOCL, MOL, NYK, Zim, HMM, CSCL, CSAV, K Line, Yang Ming and Wan Hai .

** Avg. of MLB, CMA CGM, APL, Hapag-Lloyd, COSCO, Hanjin, OOCL, MOL, NYK, Zim, HMM, CSCL, CSAV, Yang Ming and Wan Hai. EBIT is adjusted for gains/losses on sale of assets, restructuring charges, income/loss from associates. In addition MLB's EBIT is also adjusted for depreciations to match with industry standards. Carriers in graph roughly represent 62% of global capacity.

*** Free cash flow is operating cash flow minus cash flow from investments. Avg. of CMA CGM, APL, Hapag-Lloyd, COSCO, Hanjin, OOCL, MOL, Zim, HMM, CSCL, CSAV, K Line, Yang Ming and Wan Hai.

Source: Company reports. Bunker Oil, 380 cst, Rdam U\$/MT

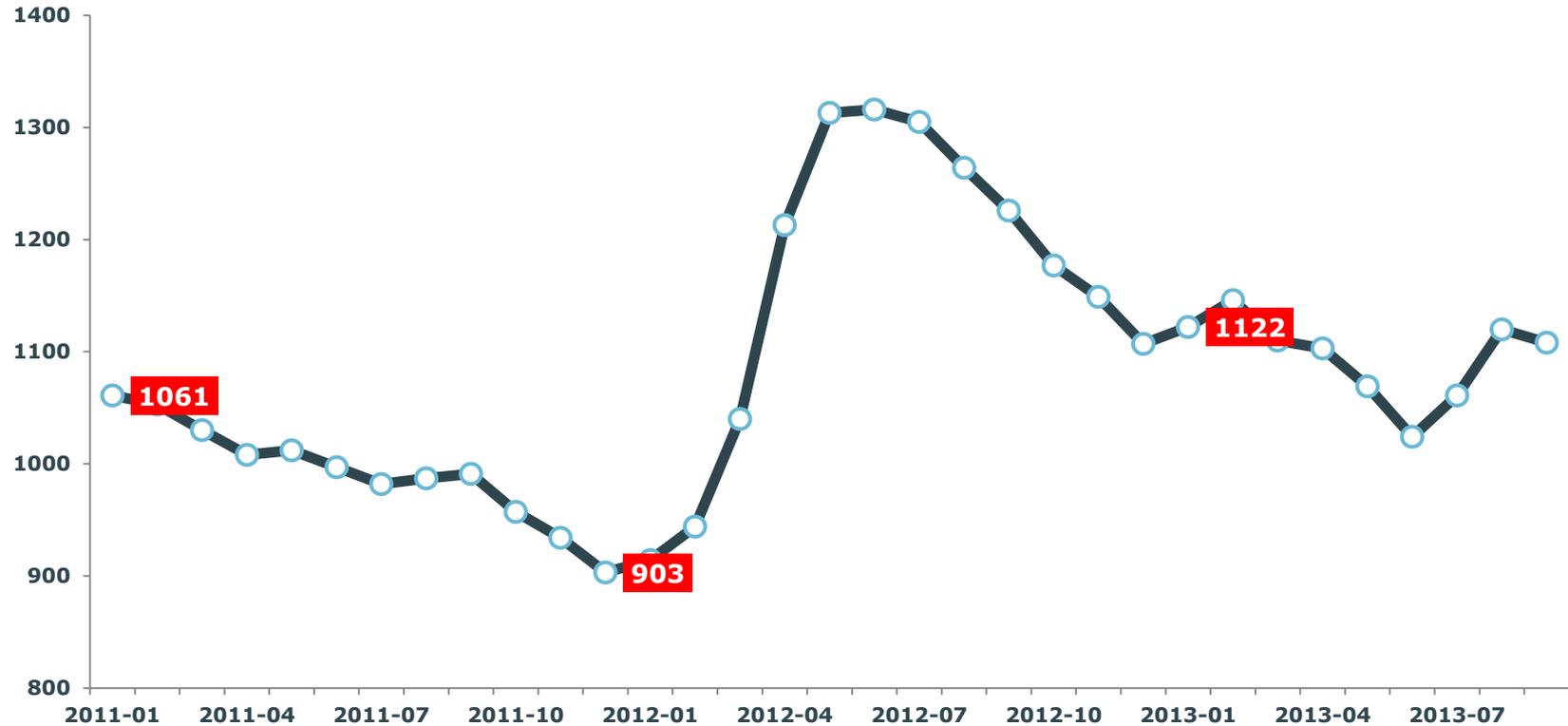
... and is still far from covering cost of capital



Source: Alphaliner Weekly Newsletter Volume 2013, Issue 26

Customer felt impact has been significant – with huge rate swings and service disruptions as the result

CCFI composite index



Incentive to invest in new and larger vessels leads to long term trend of declining rates

Incentive to invest in new assets ...

-25%

Slot cost reduction when doubling vessel size

and declining and volatile rates

1-2% reduction

Nominal rates 2000-2012 (CAGR)



leads to increased vessel ordering

5%

Vessel capacity ordered in H1 2013 (% of fleet)

which leads to overcapacity ...

6% vs. 2-3%

Nominal capacity growth vs. demand growth (2013E)

Note: Nominal capacity growth is deliveries less scrappings
Source: Alphaliner, Maersk Line

How will Maersk Line navigate in this environment?



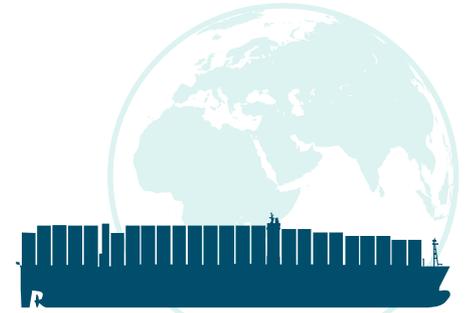
REDUCE COSTS

- ▲ **Slow steaming**
- ▲ **Off shoring**
- ▲ **Procurement**
- ▲ **P3**



REMUNERATIVE PRICES

- ▲ **Reefer Rate Restructure**
- ▲ **Price for value**



ADJUST CAPACITY TO MEET DEMAND

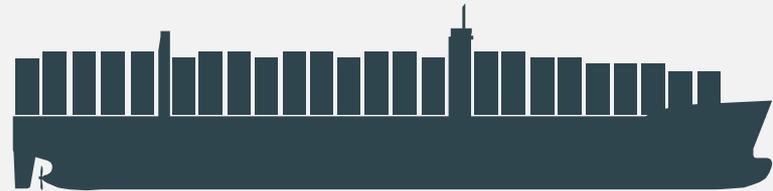
- ▲ **Seasonal deployment**
- ▲ **Idle**

The P3 Alliance – subject to regulatory approval – will provide customers with more flexible, stable and direct products ...



Better product offering

- 8 NEUR strings (5 today)
- 5 MED strings (4 today)
- 6 USWC strings (5 today)
- 4 USEC strings (2 today)
- 2 MED-US strings (t/s product today)



Better Triple E deployment

- Improved utilization

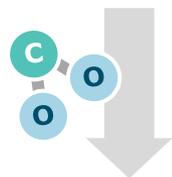
... and further drive CO₂ savings do to fuel efficiency



Last year our customers saved

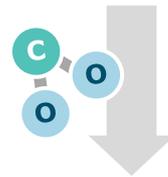
2.1 million tons of CO₂

Since 2007, Maersk Line has reduced CO₂ by



25% per container ...

... and on average, Maersk Line is currently

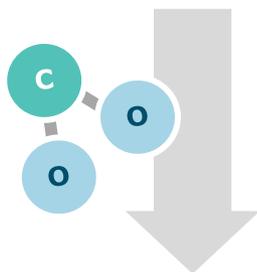


10% better than the industry



In 2012 Maersk Line saved

\$1.6 billion in fuel cost

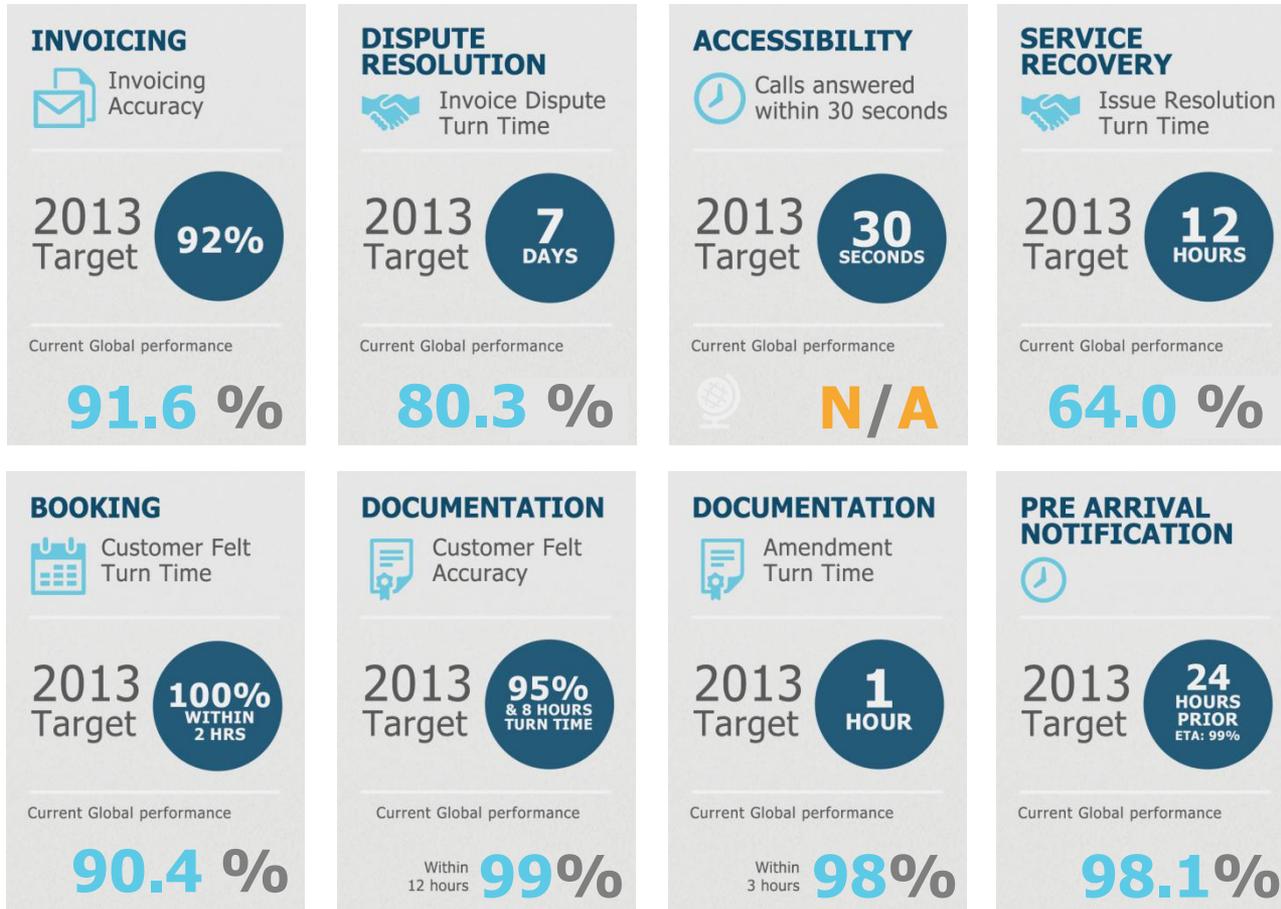


We aspire to reach

40% CO₂ reduction per TEU before 2020 (2007 baseline)



Each Customer Charter metrics have enabled our frontline to engage in a productivity discussion with their customer ...



... we are now taking the transparency to the next level ...

The screenshot shows the Maersk Line website interface. At the top, there is a navigation bar with the Maersk Line logo and links for 'My Maersk Line', 'Book', 'Lookup', 'Track', and 'Help'. A user status indicator shows 'You are not logged in'. Below the navigation bar is a 'My Maersk Line' header. The main content area features a horizontal menu with categories: 'Invoicing', 'Booking Confirmation', 'Accessibility', 'Documentation Amendments', 'Issue Resolution', 'Pre-arrival Notification', 'Dispute Resolution', and 'Documentation Accuracy'. The 'Invoicing' section is highlighted and contains the following content:

INVOICING

Aspiration for 92% invoicing quality

Current global business performance
91.6%

LAST 6 MONTHS: 89.1% (J, F, M, A, M, J)
CURRENT STATUS: 91.6% (indicated by a green upward arrow)

2013 TARGET
92%

Cash flow is king
Donec ullamcorper nulla non metus auctor fringilla. Donec id elit non mi porta gravida at eget metus. Donec sed odio dui. Maecenas faucibus mollis interdum. Donec ullamcorper nulla non metus auctor fringilla. Vivamus sagittis lacus vel augue laoreet rutrum faucibus dolor auctor. Duis mollis, est non commodo luctus, nisi erat porttitor ligula, eget lacinia odio sem nec elit. Donec ullamcorper nulla non metus auctor fringilla vitae elit libero pharetra augue. Cras justo odio, dapibus ac facilisis.

Actions not words
Donec ullamcorper nulla non metus auctor fringilla. Donec id elit non mi porta gravida at eget metus. Donec sed odio dui. Maecenas faucibus mollis interdum. Donec ullamcorper nulla non metus auctor fringilla. Vivamus sagittis lacus vel augue laoreet rutrum faucibus dolor auctor. Donec ullamcorper nulla non metus auctor fringilla. Donec id elit non mi porta gravida at eget metus. Donec sed odio dui. Maecenas faucibus mollis interdum. Donec ullamcorper nulla non metus auctor fringilla. Vivamus sagittis lacus vel augue laoreet rutrum faucibus dolor auctor. Donec ullamcorper nulla non metus auctor fringilla vitae elit libero pharetra augue. Cras justo odio, dapibus ac facilisis.

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... and making web interaction much easier!

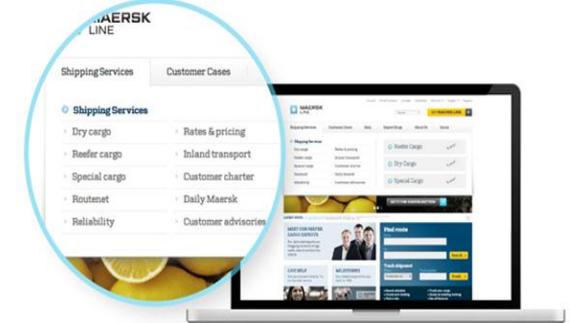
Welcome to the new
MaerskLine.com



INFORMATION AT
FINGERTIPS



SPEAKING THE LOCAL
LANGUAGE



A BETTER USER
EXPERIENCE

**Your promise.
Delivered.**





**Your promise.
Delivered.**