Nedlloyd Container Line Limited

(formerly P&O Nedlloyd Container Line Limited)

Annual report and accounts
31 December 2005
Registered number 3279820

Contents

Report of the Directors

The directors present their report and accounts for the year ended 31 December 2005.

Results

The income statement for the year is set out on page 5.

Dividends

The directors do not propose the payment of a dividend in respect of the year ended 31 December 2005 (2004: nil).

Principal activities of the Group and review of the year

The company acts as a intermediate holding company.

On 11 August 2005 the company's parent company Nedlloyd Holding B.V. (formerly Royal P&O Nedlloyd N.V.) was acquired by A P Moller Maersk A/S, a company incorporated in Denmark.

On 27 March 2006 the company changed its name to Nedlloyd Container Line Limited.

Directors

The directors of the Company during the year were:

T.S. Basi	(resigned 25 January 2005)
P. Duifhuizen	(resigned 1 June 2005)
P.N. Green	(resigned 11 August 2005)
N.S. Pusey	
D.A. Robbie	(resigned 11 August 2005)
R.P.M. van Slobbe	(resigned 23 December 2005)
J. Tas	
P.A. Windfield	(resigned 30 June 2005)
K. A. Zimmer	(appointed 18 April 2005)
A. Bagg	(appointed 1 May 2005)
E. Sisco	(appointed 15 September 2005)
T. J. Money	(appointed 15 September 2005)
V. L. Moller	(appointed 15 September 2005)

On 20 January 2006 J. Tas resigned as a director. On 15 March 2006 K.A. Zimmer resigned as a director. On 1 June 2006 N.S. Pusey resigned as a director and B. O'Brien and J. Kilby were appointed as directors. On 1 August 2006 E. Sisco resigned as a director. On 14 August 2006 A. Bagg and V.L. Moller resigned as directors and J. Kjaedegaard and M.V. Moller were appointed as directors.

Directors' interests in group companies

According to the register of directors' interests kept under Section 325 of the Companies Act 1985, no director had a disclosable interest in either the shares of the Company or of any other Group Company at the end of the year.

Report of the Directors (continued)

Auditors

In accordance with section 384 of the Companies Act 1985 a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Maersk House
Braham Street
London E1 8EP
23 October 2006

Statement of directors' responsibilities in respect of the directors' report and financial statements

The directors are responsible for preparing the Directors' Report and the company's financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU .

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and the performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing those financial statements, the directors are required to:

* select suitable accounting policies and then apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* state whether they have been prepared in accordance with IFRSs as adopted by the EU;
* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the independent auditors to the members of Nedlloyd Container Line Limited (formerly P&O Nedlloyd Container Line Limited)

We have audited the financial statements of Nedlloyd Container Line Limited for the year ended 31 December 2005 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended and
- have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
23 October 2006

Income Statement
for the year ended 31 December 2005

	Note	**2005 $'000**	2004 $'000
Administrative expenses		-	(3)
Loss before taxation	2	-	(3)
Income tax expense	4	(11)	(11)
Retained loss for the financial year		(11)	(14)
Attributable to:			
Equity holders of the company		(11)	(14)

The results for the current and previous year arise from continuing operations.

A note on historical cost profits and losses has not been included as part of these accounts as there is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The notes on pages 8 to 11 form part of these accounts.

Balance sheet

as at 31 December 2005

	Note	2005 $'000	2004 $'000
Non current assets			
Investment in subsidiaries	5	973,861	973,861
Current assets			
Trade and other receivables	6	563,540	563,540
Total assets		1,537,401	1,537,401
Equity			
Issued capital	7	1,600	1,600
Share premium	8	1,543,152	1,543,152
Retained losses	9	(7,362)	(7,351)
Total Equity		1,537,390	1,537,401
Current Liabilities			
Trade and other payables	10	11	-
Total Equity and liabilites		1,537,401	1,537,401

These accounts were approved by the Board of Directors on 23 October 2006 and were signed on its behalf by:

Director

The notes on pages 8 to 11 form part of these accounts.

Cash flow statement

for the year ended 31 December 2005

	2005 $'000	2004 $'000
Cash flow from operating activities		
Loss for the year	(11)	(14)
Increase in trade and other payables	11	14
Net cash from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

Notes to the accounts

1. Accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

The company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs").

These financial statements are separate financial statements. The company is exempt from preparing consolidated financial statements as its ultimate parent undertaking, A P Moller Maersk A/S (a company incorporated in Denmark), prepares and publishes consolidated financial statements that comply with IFRSs. These accounts can be obtained from A P Moller Maersk A/S, Esplanaden 50, DK-1098, Copenhagen.

2. Loss on ordinary activities

The audit fees for the company are borne by the Maersk Nedlloyd Partnership.

3. Remuneration of Directors

	2005	2004
	$'000	$'000
Directors' emoluments	**17,764**	6,846
	Number	Number
Retirement benefits are accruing to the following number of executive directors under:-		
Defined benefit schemes	**3**	4
Defined contribution schemes	**8**	5

Total contributions paid under a defined contribution pension scheme were $ 340,712 (2004: $252,228).

The highest paid director was paid $4,806,708 (2004: $2,831,049). Contributions paid under a defined contribution pension scheme in 2005 for the highest paid director were $36,670 (2004: $46,703). The highest paid director did not exercise any share options, nor did he receive any shares under any long-term incentive plan.

The aggregate amount paid to former directors as compensation for loss of office was $15,381,688 (2004: $465,126).

The directors' remuneration for the company were borne by a subsidiary undertaking. The company had no employees other than the directors.

4. Tax on loss on ordinary activities

	2005	2004
	$'000	$'000
(a) Analysis of charge for the year		
Current tax comprises:		
United Kingdom corporation tax	(11)	(11)
Tax on profit on ordinary activities	(11)	(11)

4. Tax on loss on ordinary activities *(continued)*

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:-

	2005 $'000	2004 $'000
Loss on ordinary activities before tax	-	3
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30 per cent (2004: 30 per cent)	-	1
Effects of:-		
Tonnage tax charge	(11)	(12)
Current tax charge for the year	(11)	(11)

5. Investments in Subsidiaries

(a) Summary

	$'000
Cost at 1 January and 31 December 2005	973,861

(b) Particulars of subsidiary undertakings

The directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length. The following information relates to those companies that, in the opinion of the directors, principally affect the results or assets of the company. Except where indicated the holdings are of ordinary shares and the country of incorporation is Great Britain.

	Notes	Percentage of share capital held
I. Subsidiaries		
Container Ship Operators		
Maersk Line UK Limited (formerly P&O Nedlloyd Limited)	3	100
Nedlloyd BV (formerly P&O Nedlloyd BV)	1,2,3	99
Arafura Shipping Limited (formerly P&O Swire Containers Limited)		100
Farrell Lines Incorporated	4	100
Freight Forwarders		
P&O Nedlloyd Logistics LLC	4	100
Damco International BV	2	100
Transport and Depot Operators		
Roadways Container Logistics Limited		100
II. Joint Ventures and Associates		
Port Newark Container Terminal LLC	4	50
Inttra Inc	4	27

5. Investments in Subsidiaries *(continued)*

III. Notes

1.) The shares in Nedlloyd BV which are not held by the company ("the access shares") are owned by the company's shareholder. The access shares enable the shareholder to receive its share of distributions of the group's profits made by way of dividends, or a surplus arising on a winding up, directly from Nedlloyd BV. Under the Companies Act 1985 and United Kingdom accounting standards, the results and net assets attributable to such shares fall to be disclosed as a minority interest in the consolidated profit and loss account and balance sheet. However, in the opinion of the directors such a treatment would not show a true and fair view of the results and state of affairs of the company since part of the shareholder's economic interest would be shown as a minority interest. Accordingly the interest attributable to such shares has been included within shareholder's funds and no minority interest has been shown in the profit and loss account. It is not possible to quantify the effect since the value of the shares is such that no fixed or determinable amount can be attributed to them.

2.) Company incorporated in the Netherlands.

3.) Throughout 2005 Maersk Line UK Limited and Nedlloyd BV operated their container shipping activities through a UK partnership under the name "Maersk Nedlloyd". In the first half of 2006 this activity was transferred to A P Moller Maersk A/S. Under Statutory Instrument 1820 the partnership is exempted from the requirement to file partnership accounts at Companies House. The partnership's registered office is Maersk House, Braham Street, London E1 8EP.

4.) Company incorporated in the United States of America.

6. Trade and other receivables

	2005 **$'000**	2004 $'000
Other debtors	153	153
Amounts owed by group undertakings	563,387	563,387
	563,540	563,540

7. Called up share capital

	2005 **$'000**	2004 $'000
Authorised, allotted, called up and fully paid:		
1,599,999 ordinary shares of $1 each	1,600	1,600
1 equity share of $1	-	-
1 Deferred share of £1	-	-
	1,600	1,600

The equity share is a non voting share which carries no rights to participate in any distribution of profits other than upon liquidation or other return of capital when the equity share only participates in a distribution once a minimum payment of $30,000,000 has been made to the ordinary shareholders.

The deferred share is a non-voting share which carries no rights to participate in any distribution of profits and upon liquidation or other return of capital would receive an amount not exceeding its par value.

8. Share Premium

	$'000
Balance at 1 January and 31 December 2005	1,543,152

9. Profit and loss account

	$'000
Balance at 1 January 2005	(7,351)
Retained loss for the year	(11)
Balance at 31 December 2005	(7,362)

10. Trade and other payables

	2005 $'000	2004 $'000
Corporate tax	11	-
	11	-