

Nedlloyd Container Line Limited

Directors' report and accounts

31 December 2006

Registered number 3279820

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Report of the Directors

The directors present their report and accounts for the year ended 31 December 2006

Principal activities of the company

The company acts as an intermediate holding company

On 27 March 2006 the company changed its name from P&O Nedlloyd Container Line Limited to Nedlloyd Container Line Limited

During 2006 the company sold two subsidiary undertakings, Maersk Line UK Limited and Maersk Holdings Limited to a fellow subsidiary company. Prior to this sale, the company acquired an associate company investment from Maersk Line UK Limited

Results

The income statement for the year is set out on page 4

Dividends

The directors do not propose the payment of a dividend in respect of the year ended 31 December 2006 (2005 nil)

Directors

The directors of the Company during the year were

N S Pusey	(resigned 1 June 2006)
J Tas	(resigned 20 January 2006)
K A Zimmer	(resigned 15 March 2006)
A Bagg	(resigned 14 August 2006)
E Sisco	(resigned 1 August 2006)
T J Money	(resigned 8 December 2006)
V L Moller	(resigned 14 August 2006)
B O'Brien	(appointed 1 June 2006)
J Kilby	(appointed 1 June 2006)
J Kjaedegaard	(appointed 14 August 2006)
MV Moller	(appointed 14 August 2006, resigned 24 November 2006)

Auditors

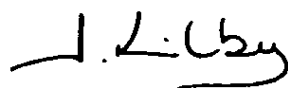
Each person who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This information is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

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

By order of the board



J Kilby
Company Secretary

Maersk House
Braham Street
London E1 8EP

8th August 2007

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 these 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, and
- * 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 that 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.

Independent auditors' report to the members of Nedlloyd Container Line Limited

We have audited the financial statements of Nedlloyd Container Line Limited for the year ended 31 December 2006 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 director's responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
2007



Income Statement

for the year ended 31 December 2006

	Note	2006 \$'000	2005 \$'000
Gain on disposal of subsidiaries		117,170	-
Profit before taxation	2	117,170	-
Income tax expense	4	(11)	(11)
Profit/(loss) for the year		<u>117,159</u>	<u>(11)</u>
Attributable to			
Equity holders of the company		<u>117,159</u>	<u>(11)</u>

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

No Statement of Recognised Income and Expense has been prepared as there are no other gains or losses apart from those recorded in the Income Statement

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 income statement and the results on an unmodified historical cost basis

The notes on pages 7 to 10 form part of these accounts

Balance sheet

as at 31 December 2006

	Note	2006 \$'000	2005 \$'000
Assets			
Investment in subsidiaries	5	411,031	973,861
Investment in associates	6	4,709	-
Total non-current assets		<u>415,740</u>	<u>973,861</u>
Current assets			
Trade and other receivables	7	1,238,831	563,540
Total current assets		<u>1,238,831</u>	<u>563,540</u>
Total assets		<u>1,654,571</u>	<u>1,537,401</u>
Equity			
Issued capital	8	1,600	1,600
Share premium	9	1,543,152	1,543,152
Retained earnings/(Accumulated losses)	10	109,797	(7,362)
Total Equity		<u>1,654,549</u>	<u>1,537,390</u>
Liabilities			
Trade and other payables	11	22	11
Total current liabilities		<u>22</u>	<u>11</u>
Total Equity and liabilities		<u>1,654,571</u>	<u>1,571,401</u>

A statement of changes in equity is shown in note 10

These accounts were approved by the Board of Directors on 31st July 2007 and were signed on its behalf by

Director



The notes on pages 7 to 10 form part of these accounts

Cash flow statement

for the year ended 31 December 2006

	2006 \$'000	2005 \$'000
Cash flow from operating activities		
Profit before taxation	117,170	-
Adjustment for Gain on disposal of subsidiary	(117,170)	-
Operating profit before changes in working capital and provisions	-	-
Increase in trade and other receivables	(675,291)	-
Net cash used in operating activities	(675,291)	-
Cash flow from investing activities		
Disposal of subsidiaries	680,000	-
Acquisition of associates	(4,709)	-
Net cash generated from investing activities	675,291	-
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 company is domiciled and incorporated in England and its principal place of business is Maersk House, Braham Street, London E1 8EP

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

The financial statements are presented in US dollars which is also the company's functional currency. At 31 December 2006 the US dollar sterling exchange rate was 1.0512 (2005: 1.0582)

Investments in associates and subsidiaries are carried at cost less impairment, if any

Trade and other receivables are stated at cost less allowance for doubtful debts

2. Profit / (loss) on ordinary activities

The audit fees for the company are borne by the Maersk Nedlloyd Partnership. The fee is estimated at £1,000 (2005: £1,000)

3. Remuneration of Directors

	2006 \$'000	2005 \$'000
Directors' emoluments		17,764
	Number	Number
Retirement benefits are accruing to the following number of executive directors under -		
Defined benefit schemes	-	3
Defined contribution schemes	-	8

Total contributions paid under a defined contribution pension scheme were \$ nil (2005: \$340,712)

The highest paid director was paid \$nil (2005: \$4,806,708). Contributions paid under a defined contribution pension scheme in 2006 for the highest paid director were \$nil (2005: \$36,670). 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 \$nil (2005: \$15,381,688)

The 2005 directors' remuneration for the company was borne by a subsidiary undertaking. The company had no employees other than the directors.

4. Income tax expense

	2006 \$'000	2005 \$'000
Recognised in the Income Statement		
Current tax expense		
United Kingdom corporation tax	(11)	(11)
	<hr/>	<hr/>
Total current tax	(11)	(11)
	<hr/>	<hr/>

4. Income tax expense (continued)

Reconciliation of effective tax expense

	2006 \$'000	2005 \$'000
Profit before tax	117,170	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30 per cent (2005 30 per cent)	35,151	-
Effects of -		
Gain on sale of subsidiaries exempt from UK tax	(35,151)	-
Tonnage tax charge	11	11
Current tax charge for the year	11	11

Management does not anticipate incurring any tax liability arising from the disposal of the subsidiary companies to a fellow group company

5. Investments in Subsidiaries

(a) Summary

	2006 \$'000	2005 \$'000
Cost at 1 January 2006	973,861	973,861
Disposals	(562,830)	-
Cost at 31 December 2006	411,031	973,861

Two subsidiaries were sold during the year to a fellow group company for a total sale price of \$680 million. This amount remained outstanding at the year end as part of trade receivables (see note 7)

(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
Container Ship Operators		
Maersk B V (formerly Nedlloyd B V)	1,2	99
Farrell Lines Incorporated	3	100
Freight Forwarders		
P&O Nedlloyd Logistics LLC	3	100
Damco International B V	2	100

5. Investments in Subsidiaries (continued)

III. Notes

- 1) The remaining shares in Maersk B V 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 company's profits made by way of dividends, or a surplus arising on a winding up, directly from Maersk B V
- 2) Company incorporated in the Netherlands
- 3) Company incorporated in the United States of America

6. Investments in associates

	2006 \$'000	2005 \$'000
Balance at 1 January 2006	-	-
Transfer from group companies	4,709	-
Balance at 31 December 2006	<u>4,709</u>	<u>-</u>

Name	Country of registration and operation	Principal activity	Class of shares	% of shares held directly	
Antwerp Gateway N V	Belgium	Port operator	Ordinary	20%	
<i>Summary financial information on associates</i>					
	<u>Assets</u> <u>\$'000</u>	<u>Liabilities</u> <u>\$'000</u>	<u>Equity</u> <u>\$'000</u>	<u>Revenues</u> <u>\$'000</u>	<u>Profit/(loss)</u> <u>\$'000</u>
2006					
Antwerp Gateway N V	195,799	192,819	2,980	42,412	(8,740)

7. Trade and other receivables

	2006 \$'000	2005 \$'000
Other debtors	153	153
Amounts owed by group undertakings	1,238,678	563,387
	<u>1,238,831</u>	<u>563,540</u>

Included in amounts owed by group undertakings is an amount of \$680,000,000 in relation to the proceeds arising from the disposal of investment in subsidiaries (see note 5)

8. Called up share capital

	2006 \$'000	2005 \$'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	-	-
	<u>1,600</u>	<u>1,600</u>

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

9. Share premium

	2006 \$'000	2005 \$'000
Balance at 31 December	<u>1,543,152</u>	<u>1,543,152</u>

10. Reconciliation of movement in equity

	2006 \$'000	2005 \$'000
Balance at 1 January	1,537,390	1,537,401
Profit/(loss) for the year	117,159	(11)
Balance at 31 December	<u>1,654,549</u>	<u>1,537,390</u>

11. Trade and other payables

	2006 \$'000	2005 \$'000
Corporate tax payable	22	11
	<u>22</u>	<u>11</u>