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PRESS RELEASE:

Maersk Line announces cooperation on the East-West trades with MSC

Today, Maersk Line has announced a 10 year Vessel Sharing Agreement (VSA) with Mediterranean Shipping Company (MSC) on the Asia-Europe, Transatlantic and Transpacific trades. The VSA will be referred to as 2M. It replaces all existing VSAs and slot purchase agreements that Maersk Line has in these trades.

The VSA will include 185 vessels with an estimated capacity of 2.1 million TEU, deployed on 21 strings. The overall purpose of the cooperation is to share infrastructure (network). Maersk Line and MSC will be able to provide their customers with more stable and frequent services, cover more ports with direct services. The VSA will improve the efficiency of the Maersk Line and MSC networks through better utilisation of vessel capacity and economies of scale.

"I am very pleased with our agreement with MSC. We share the same ambition to have as efficient and effective operations as possible. We will continue to provide our customers with competitive and reliable container shipping in the East-West trades at attractive prices. To do so we have to be innovative and take out cost, while keeping a product that is best in class for our customers in terms of coverage, frequency and reliability. Our agreement with MSC is a step towards achieving all of these objectives in the East-West trades," says Søren Skou, Maersk Line CEO.

Maersk Group CEO Nils S. Andersen welcomes the agreement with MSC.

"Over the last years, Maersk Line has established itself as a leader in the industry through its customer focus and by improving its competitive cost position. With this agreement Maersk Line will be able to further enhance its customer offering while also reducing costs and CO2 emissions. I am confident that Maersk Line's leadership, also after this positive step, will continue to find new ways to strengthen its customer experience," says Nils S. Andersen.

About Maersk Line and MSC Vessel Sharing Agreement on the East-West trades

Maersk Line and MSC Mediterranean Shipping Company S.A. (MSC) have signed a long-term vessel sharing agreement (VSA) on the Asia-Europe, Transatlantic and Transpacific trades.

The 2M VSA differs from the earlier proposed P3 alliance in two important ways: first of all, the combined market share is much smaller. Secondly the cooperation is a pure VSA. There will be no jointly owned independent entity with executional powers.

- The VSA will improve the network efficiency and allow for lower slot costs through improved utilisation of vessel capacity and economies of scale.
- The VSA will provide more sailings and direct port pairs than the parties offer today individually.
- The VSA includes 185 vessels with an estimated capacity of 2.1 million TEU on 21 strings in the Asia – Europe, Transatlantic (Europe – US East Coast) and Transpacific (Asia – US East & West Coast) trades.
- The 21 strings are split as follows: Asia/North Europe: 6, Asia/Mediterranean: 4, Asia/US West Coast: 4, Asia/US East Coast: 2, North Europe/USA: 3, Mediterranean/USA: 2.
- Maersk Line will contribute with approximately 110 vessels with a nominal capacity of app. 1.2 million TEU (55% of the total capacity).
- MSC will contribute with approximately 75 vessels with a nominal capacity of app. 0.9 million TEU (45% of the total capacity).
- Vessels deployed in the VSA will continue to be owned (or chartered) and operated by the two individual lines.
- The VSA does not include joint marine operations. Each party will thus execute their own operations including stowage, voyage planning and port operations.
- The VSA does not include any commercial tasks or responsibilities. Each party will continue to have fully independent sales, pricing, marketing, and customer service functions.
- A joint coordination committee will monitor the network on a daily basis.
- The duration of the VSA is 10 years.
- The VSA is expected to start early 2015. The starting date is conditioned by filing of information to and in some cases approvals by relevant authorities.

Further information:

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