DFDS ANNUAL REPORT 2015

RECORD EBITDA OF DKK
2,041m
ACHIEVED IN 2015

RETURN ON INVESTED CAPITAL **INCREASED TO**
13.7%

DISTRIBUTION TO SHAREHOLDERS OF DKK M
PLANNED FOR 2016 **950**

DFDS

CONTENTS

DFDS provides shipping and transport services in Europe and has an **ANNUAL REVENUE OF MORE THAN DKK 13 BILLION.**

To **OVER 8,000 FREIGHT CUSTOMERS,** we deliver high performance and superior reliability through shipping and port terminal services, and transport and logistics solutions.

For **MORE THAN SIX MILLION PASSENGERS,** many travelling in their own cars, we provide safe overnight and short sea ferry services.

We have **6,600 EMPLOYEES** spread across offices in 20 countries. DFDS was established in 1866, is headquartered in Copenhagen and is **LISTED ON NASDAQ COPENHAGEN.**

DFDS GROUP

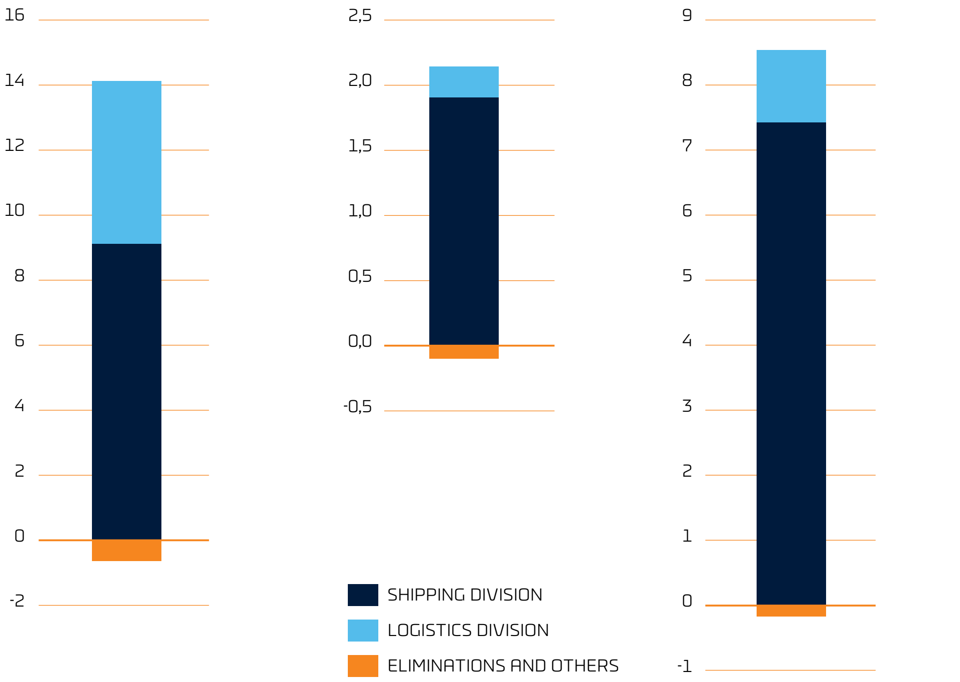
PEOPLE & SHIPS / FINANCE

SHIPPING DIVISION	LOGISTICS DIVISION
▪ Shipping services for freight and passengers ▪ Bespoke industry solutions ▪ Port terminal services	▪ Door-to-door transport solutions ▪ Contract logistics, including warehousing services

REVENUE 2015 PER DIVISION
(DKK bn)

EBITDA 2015 PER DIVISION
(DKK bn)

INVESTED CAPITAL 2015 PER DIVISION
(DKK bn)



FINANCIAL CALENDER 2016

Annual General Meeting
31 March 2016 at 14:00
Radisson SAS Falconer Hotel
and Conference Centre
Falkoner Allé 9
DK-2000 Frederiksberg, Denmark

Reporting 2016
Q1, 12 May
Q2, 18 August
Q3, 15 November

KEY FINANCIAL RESULTS OF 2015

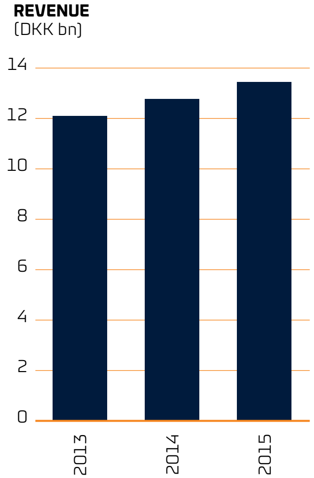
Revenue increased by **5%** to DKK 13.5bn

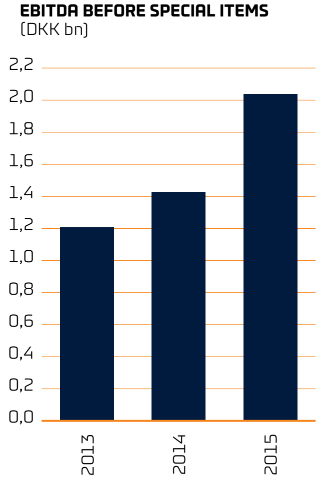
EBITDA[1] increased by **42%** to DKK 2,041m

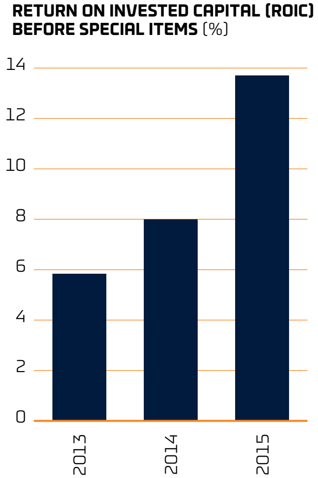
Return on invested capital[1] increased to **13.7%**

Financial leverage[2] decreased to **0.9x** at year-end

[1] Before special items. [2] Net interest-bearing debt/EBITDA.







RELIABLE SHIPPING SERVICES, FLEXIBLE TRANSPORT SOLUTIONS

Freight shipping services and solutions
DFDS' routes are ideally located for servicing the freight volumes of forwarders, hauliers and manufacturers of heavy industrial goods.

Our routes operate to fixed, frequent schedules, allowing customers to efficiently meet their transport service needs. Visibility is enhanced by access to online tracking of shipments.

We also develop and provide bespoke shipping logistics solutions in partnership with manufacturers of heavy goods such as automobiles, steel, paper and forest products, and chemicals.

Own port terminals are operated in strategic locations offering port terminal and warehousing services.

Transport and logistics solutions
We provide flexible, cost efficient and on-time, door-door transport solutions to producers of a wide variety of consumer and industrial goods.

Our solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry shipping routes.

The main activity is solutions for full- and part-loads, both ambient and temperature-controlled.

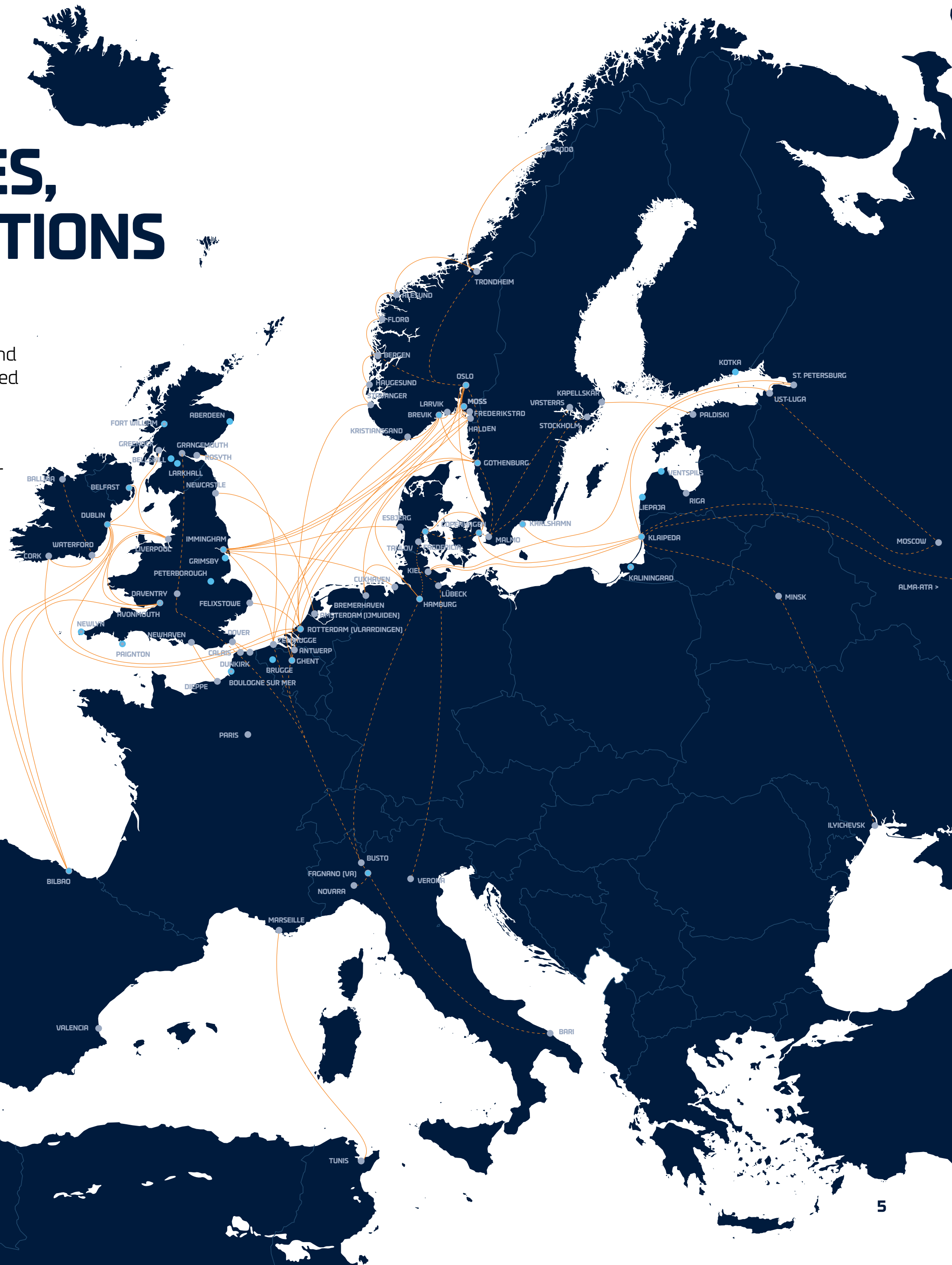
In partnership with retailers and manufacturers, we develop and provide performance enhancing and cost efficient logistics solutions, including warehousing services and just-in-time concepts.

Passenger ferry services
DFDS' route network offers both overnight and short crossings. Passenger cars are transported on all routes.

The onboard facilities are adapted to each route's particular mix of passengers and their requirements for enjoying maritime travel.

Key facts 2015
- 80% of total revenues are generated by freight customers and 20% by passengers
- 31 million lane metres of freight carried
- 6 million passengers carried
- Our largest freight ships carry 370 trailers per sailing
- Our largest passenger ships carry 2,000 passengers per sailing

● PORTS OF CALL AND SALES OFFICES
● LOGISTICS OFFICES
--- RAIL TRANSPORT



Our vision

Delivering **high performance** and superior reliability – whatever we carry.

Our people understand your needs and are **committed to your succes**

The vision reflects our commitment to continuous improvement and being a truly customer focused and customer driven company

Our strategy and financial performance goal

DFDS' strategy is based on four drivers:

1. The DFDS Way: **Customer focus and continuous improvement**
2. Network strength: **Expand network to leverage operating model**
3. Integrated shipping and logistics operations: **Working together to optimise capacity utilisation**
4. Financial strength and performance: **Reliable, flexible long-term partner**

DFDS' goal for financial performance is a return on invested capital (ROIC) of at least 10% over a business cycle.

Our priorities

- **People** - succession planning, talent programme and expanded transformation office
- **Fleet strategy** - strategy development and renewal decisions
- **Digitisation** - business model development and implementation of next initiatives
- **Market coverage** - gain synergies from expansion of route network and logistics activities through acquisitions
- **The DFDS Way** - further development of operating model
- **Financial performance** - continue from new higher level

KEY FIGURES

KEY FIGURES

DKK m	**2015 EUR m [1]**	**2015**	**2014**	**2013**	**2012**	**2011 [2]**
Income statement						
Revenue	1,805	13,473	12,779	12,097	11,700	11,625
• Shipping Division	1,216	9,071	8,733	8,530	8,015	7,798
• Logistics Division	675	5,034	4,625	4,183	4,259	4,330
• Non-allocated items and eliminations	-86	-631	-579	-616	-574	-503
Operating profit before depreciations (EBITDA) and special items	273	2,041	1,433	1,213	1,089	1,495
• Shipping Division	255	1,906	1,309	1,148	992	1,416
• Logistics Division	31	234	200	149	141	171
• Non-allocated items	-13	-99	-76	-84	-44	-92
Profit on disposal of non-current assets, net	1	5	9	6	6	26
Operating profit (EBIT) before special items	161	1,199	695	503	418	835
Special items, net	-5	-36	-70	-17	-124	91
Operating profit (EBIT)	156	1,164	626	486	295	925
Financial items, net	-16	-121	-124	-136	-149	-183
Profit before tax	140	1,043	502	350	146	742
Profit for the year	136	1,011	434	327	143	735
Profit for the year excluding non-controling interest	136	1,011	435	325	144	731
Capital						
Total assets	1,695	12,646	12,249	12,311	12,313	12,795
DFDS A/S' share of equity	868	6,480	6,076	6,263	6,882	6,906
Equity	875	6,530	6,127	6,318	6,936	6,964
Net-interest-bearing debt [3]	238	1,773	2,467	2,189	1,929	2,555
Invested capital, end of period [3]	1,121	8,363	8,633	8,555	8,896	9,564
Invested capital, average [3]	1,144	8,535	8,578	8,633	9,207	9,691
Average number of employees	-	6,616	6,363	5,930	5,239	5,096

KEY FIGURES

DKK m	**2015 EUR m [1]**	**2015**	**2014**	**2013**	**2012**	**2011 [2]**
Cash flows						
Cash flows from operating activities, before financial items and after tax	296	2,207	1,398	1,501	905	1,419
Cash flows from investing activities	-76	-571	-1,069	-943	239	219
Acquistion of enterprises and activities	-1	-7	-85	-99	-5	-8
Other investments, net	-76	-564	-984	-844	244	227
Free cash flow	219	1,637	329	558	1,144	1,638
Key operating and return ratios						
Number of ships		54	53	57	49	49
Revenue growth, %		5.4	5.6	3.4	0.6	17.8
EBITDA margin, %		15.1	11.2	10.0	9.3	12.9
Operating margin, %		8.9	5.4	4.2	3.6	7.2
Revenue/invested capital average, (times)		1.6	1.5	1.4	1.3	1.2
Return on invested capital (ROIC), %		13.3	7.2	5.7	3.4	9.0
ROIC before special items, %		13.7	8.0	5.8	4.5	7.7
Return on equity, %		16.1	7.1	4.9	2.1	11.0
Key capital and per share ratios						
Equity ratio, %		51.6	50.0	51.3	56.3	54.4
Net-interest-bearing debt/EBITDA, times		0.9	1.7	1.8	1.8	1.7
Earnings per share (EPS), DKK [4]		16.8	7.0	4.7	2.0	10.0
Dividend paid per share, DKK [4]		5.4	2.8	2.8	2.8	1.6
Number of shares, end of period , '000 [4]		61,500	63,250	74,280	74,280	74,280
Weighted average number of circulating shares, '000 [4]		60,067	62,246	69,660	72,517	73,163
Share price, DKK [4]		267.0	118.2	87.4	51.1	71.0
Market value, DKK m		15,840	7,177	5,559	3,706	5,149

1 Applied exchange rate for euro as of 31 December 2015: 7.4625
2 The key figures for 2011 have not been restated in accordance with the amendments to IAS 19 'Emloyee benefits'applied in 2013.
3 As from 2015 the fair value of cross currency derivatives on bond loans (DKK -274m) forms part of Net-interest-bearing debt as these by nature are closely related to the interest-bearing debt. In previous years they were part of non-interest-bearing items. The comparative figures have not been restated. The fair value of cross currency derivatives on bond loans in the comparative years are 2014: DKK -221m, 2013: DKK -138m, 2012: DKK 15m and 2011: DKK 0.
4 Comparative figures have been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5 made in September 2015.

MANAGEMENT REPORT

2015 was a record year for DFDS. Our aim is now to raise performance further. Improving customer satisfaction and efficiency remain strategic priorities

- EBITDA increased by 42% to DKK 2,041m
- Result boosted by reduction of Channel overcapacity
- High organic volume growth achieved
- ROIC increased to 13.7%
- Distribution of DKK 727m to shareholders

Record financial performance
Investment in customer focus and the continuous pursuit of operating efficiency enabled DFDS to benefit from growth in key markets and achieve a record profit before tax of DKK 1,043m in 2015, an increase of 108% compared to 2014.

Strong organic revenue growth of 7% was achieved in 2015 as freight shipping volumes increased by 7% and the number of passengers by 8%, all adjusted for route closures and acquisitions in 2014. The growth was underpinned by the recovery of economies in northern Europe, particularly the UK, as well as the reduction of the structural overcapacity on the Channel at the end of June.

Reported revenue for the year increased by 5% to DKK 13.5bn in line with the latest expectations.

Operating profit before depreciation (EBITDA) and special items was DKK 2,041m, an increase of 42% compared to 2014. The result was in line with the most recent expectations of an EBITDA before special items of DKK 2,000-2,100m.

The Shipping Division's EBITDA before special items increased by 46% to DKK 1,906m while the Logistics Division's EBITDA before special items increased by 17% to DKK 234m.

The Group's free cash flow was positive by DKK 1,637m after net investments of DKK 571m.

Financial leverage was reduced in 2015 as EBITDA increased and debt decreased. The ratio of net-interest-bearing debt (NIBD) to operating profit (EBITDA) before special items was 0.9 at year-end. The equity ratio was 52% at the end of 2015 compared to 50% in 2014.

The average number of employees increased by 4% to 6,616 in 2015. Most of the increase was due to the full-year impact of an acquisition and other new activities.

Important events in 2015
The most important events of the year are shown in a table on page 12, divided into three sections: business development and competition; operations and finance; and people and environment.

KEY FIGURES FOR THE DFDS GROUP

DKK m	2015	2014	2013
Revenue	13,473	12,779	12,097
EBITDA*	2,041	1,433	1,213
Profit before tax*	1,079	571	367
Free cash flow, FCFF	1,637	329	558
Invested capital, end of year	8,363	8,633	8,555
Net interest-bearing debt/EBITDA*, times	0.9	1.7	1.8
Return on invested capital*, %	13.7	8.0	5.8
Number of employees, average	6,616	6,363	5,930

* Before special items

BUSINESS DEVELOPMENT AND COMPETITION

Channel's structural overcapacity resolved
The structural overcapacity on the Dover Strait was finally resolved on 29 June 2015 when MyFerryLink, a part of the Eurotunnel Group, stopped its operation of three ferries between Dover and Calais following a decision by Eurotunnel earlier in Q2 to exit ferry operations and divest MyFerryLink. This reduced the number of ferries operated between Dover and Calais from ten to seven, two of which were operated by DFDS.

Following Eurotunnel's decision to exit ferry operations, DFDS and Eurotunnel entered into long-term bareboat charter agreements for the ferries Côte des Dunes and Côte des Flandres on 22 June 2015. The charter agreements are finance leases and the ferries will accordingly be recognised as non-current assets once agreements commence.

The first ferry was deployed on Dover-Calais on 9 February 2016 followed by the second ferry on 23 February 2016. Following the deployment of the two chartered ferries, DFDS operates a total of six ferries out of Dover to Calais and Dunkirk respectively, with three ferries on each route. The additional frequency and capacity of the operational set-up enhances DFDS' offering to both freight customers and passengers.

Major changes to route network
The closure of three routes (Esbjerg-Harwich, Gothenburg-Tilbury, Portsmouth-Le Havre) and the suspension of one route (Travemünde-Klaipeda) in 2014 increased the utilisation of the continuing route network as some volumes were transferred to existing routes.

OPERATIONS AND FINANCE

Transition to new sulphur rules
With effect from 1 January 2015, a new set of rules limited the allowed sulphur content in ship's fuel to 0.1% from the previous limit of 1.0% in SECAs (Sulphur Emission Control Areas).

These areas include the Baltic Sea, the North Sea and the English Channel, all primary market areas of DFDS.

The transition to the new rules went smoothly as there was widespread acceptance among market participants of the new, more environmentally friendly regime. In addition, the transition to the more expensive MGO fuel (marine gas oil) was mitigated by the drop in the oil price that started in 2014 and continued in 2015.

Successful scrubber strategy
By the end of 2015, DFDS had installed 17 scrubbers totalling an investment of DKK 568m. A scrubber installation removes sulphur dioxide from ships' exhaust gases and thus allows for the use of lower cost fuels with a higher sulphur content. Due to the price spread between MGO and lower cost fuels, the financial return target of the scrubber strategy was achieved in 2015.

Customer Focus Initiative (CFI)
The aim of DFDS' Customer Focus Initiative (CFI) is to increase customer satisfaction and grow revenues through improved customer retention and acquisition.

The impact of CFI is measured by an annual survey of customer satisfaction as reported in the table on this page. Progress was achieved in each of the three overall customer segments: freight shipping, transport and logistics solutions, and passenger services.
The score for freight shipping services increased despite a large drop in the score for the two routes out of Dover due to the disruption of schedules caused by industrial actions and migrant issues. This was, however, more than balanced by higher scores on most other routes.

The score for transport and logistics solutions likewise increased as service levels improved, particularly in Scotland, following the integration of an acquisition in 2014, and in Northern Ireland where operational efficiency was enhanced in 2015.

The number of freight locations that received a score of excellent (NPS of 50 or above) from customers increased to 26% from 22%, while 45% received a score of very good (NPS of 30 or above) up from 42%.

On a scale from 1 to 10 passengers awarded a score of 7.6 points on a level with 2014. 44% of the guests awarded top points 9-10 and are characterized as ambassadors. This was an increase of one percentage point compared to 2014. The proportion providing 10 points has increased from 2012 to 2015 by five percentage points.

The CFI continued in 2015 to provide valuable insights about where and how to improve customer services, making it an important part of DFDS' drive for continuous improvement.

CUSTOMER SATISFACTION SCORES

	CSAT[1]		NPS[2]		SCALE
	2015	2014	2015	2014	
Freight shipping services	8.1	8.0	39	38	Very good
Transport and logistics solutions	7.8	7.7	19	17	Good
Passenger services	7.6	7.6	23	20	Good

[1] CSAT asks customers "How would you rate the overall performance, products and services of DFDS?" and is measured on a 10-point scale (1-Not satisfied at all; 10-Fully satisfied)
[2] NPS asks customers "How likely would you be to recommend the products/services of DFDS?" on a 10-point scale (1-Not at all likely; 10-Extremely likely). The NPS is an aggregate score created by subtracting the percentage of detractors (those who gave scores from 1 to 6) from the percentage of promoters (those who gave scores of 9 and 10)

Efficiency and improvement projects
The pursuit of continuous improvement through targeted efficiency and improvement projects was focused on four main projects in 2015:

- **Carpe Diem:** Optimisation of operations on board the four passenger ferries on Copenhagen-Oslo and Amsterdam-Newcastle. Focus was on increased on board sales, performance management, staff upsell training, and stock level optimization
- **Light Capital:** The project Light Capital enabled a release of DKK 149m of cash during 2015. In total, the project has since the launch in 2013 reduced cash tied up in working capital by DKK 475m
- **ONE Finance:** Establishment of a group-wide shared finance service centre in Poland. Following the completion of migration and organisational changes in 2014, the targeted process improvements and efficiency gains were achieved by the end of 2015
- **Project 150:** In 2015, a target of achieving an additional improvement of operating profit (EBIT) by DKK 50m through procurement efficiencies was added to Project 100. The project in 2015 achieved run rate improvements of DKK 80m with full financial impact in 2016

In 2016, new goals have been set for Light Capital, ONE Finance and Project 150. In addition, several projects will be added targeting digitisation, the shipping sales organisation and structure, profit enhancement in two Logistics activities and reduction of haulage costs.

IMPORTANT EVENTS 2015

	BUSINESS DEVELOPMENT AND COMPETITION	OPERATION AND FINANCE	PEOPLE AND ENVIRONMENT
January	• Logistics extends network to Spain/Portugal with establishment of company in cooperation with the Spanish transport group Suardiaz	• New ship chartered for deployment on Dover-Calais in April following the redelivery of a chartered ship in November 2014	• Inhouse bunker department established to extract further cost savings
February	• Logistics further extends network by opening a new office in Prague, Czech Republic	• Sideport and container ship on external charter ran aground in Scotland. Ship was subsequently scrapped	
March	• Logistics takes over cross-docking activities in Arendal, Gothenburg, from Volvo Group Logistics Services • Logistics wins contract, effective from November, with Nissan to provide logistics services between Germany and England related to the production of a new car		• Marine wildlife centre opened in association with wildlife charity ORCA on King Seaways, deployed on Amsterdam-Newcastle
April		• Ro-ro freight ship Flandria Seaways sold to Mexican shipping company • Inhouse rail competence centre established to further develop rail solutions for customers • New share buy-back programme of DKK 300m	• DFDS signs up for UN Global Compact
May	• Logistics contract with Volvo Cars expanded to a third shift in Gothenburg	• Majority of Klaipeda port calls moved to new port terminal, Klaipeda Central Terminal	• Whistleblower system established to facilitate reporting by employees, customers and other stakeholders of violations • ARK Futura's crew receive medals from the Danish Defence for participating in the removal of chemical weapons from Syria
June		• Charter contracts for Eurotunnel's two Channel ferries signed • Industrial actions block the Port of Calais in parts of June • MyFerryLink stops sailing on Dover-Calais	
July		• Industrial actions block DFDS' sailings on Dover-Calais in most of July	
August		• Milestone financial goal of a ROIC of at least 10% is achieved • Stock split 1:5 announced • Semi-annual payment of dividends announced going forward • Extraordinary dividend of DKK 1.8 per share announced	• Inhouse Digital department established to accelerate the development of digital customer services and presence • Danish Community Awards hosted by DFDS on Pearl Seaways
September	• New logistics contracts entered into with Magnavale in England to provide temperature-controlled logistics services • Route between Russia and Germany converted to a slot charter agreement with Finnlines	• Extraordinary general meeting approves cancellation of 1,750,000 shares	
October		• Project Toplight launched to adapt freight shipping agency services to a digital future and standardise business processes	
November			• 22 talents selected for new talent development programme, Horizon • Bearing employee survey completed with 79% participation
December	• Two-year extension of contract to operate Newhaven-Dieppe agreed with SMPAT	• Chilled warehouse extended in Larkhall by 8,000 m^2	• Niels Smedegaard takes over as chair of ECSA (European Community Shipowners' Associations)

IT and digital

The digitisation of business processes was accelerated in 2015 with the establishment of a Group digital support function. A number of projects were launched, including a new responsive web foundation adapted to all platforms, e.g. smartphones, tablets and PCs. To make it easier for customers to access freight systems, a beta version of a mobile app was launched.

To improve passenger handling, self-service check-in kiosks were developed and implemented on the Copenhagen-Oslo route. During 2015, preparations for the implementation of the Seabook passenger system on the two major passenger routes, Copenhagen-Oslo and Amsterdam-Newcastle, continued with a view to launch at the end of 2016. This will consolidate all passenger activities on the same reservation system and replace the current system.

A new point-of-sales system was selected and implemented on all Baltic routes in 2015. The system will be implemented on the Channel routes during 2016, and on Copenhagen-Oslo and Amsterdam-Newcastle during 2017. A new CRM-system is scheduled to be implemented in 2016.

The Transport Management System, Velocity, was successfully implemented in Brugge, Belfast and Grimsby (formerly Quayside), and the development of a transport planning module was completed. Further features are being developed to prepare for a comprehensive implementation across Logistics' unaccompanied activities during 2016.

PEOPLE AND ENVIRONMENT

Employees

DFDS' HR activities aim to support people as well as business units in making the right decisions with regard to recruitment, employee and management development, talent spotting, performance management, compensation and benefits as well as organisational efficiency. More information about employees and HR management is available from DFDS' CR report, www.dfdsgroup.com/cr_report

CFI – sales training and DFDS Way of Selling

As part of CFI, a sales training programme for all sales people, direct sales and customer service, was developed and implemented from year-end 2013. At the end of 2015 more than 300 sales people had completed the programme and started an 18 months certification included in the second phase of the programme. The certification ensures implementation of essential tools and tracking of documented sales accomplishments.

New shipping emission target

After previously achieving a 10% reduction of the bunker consumption over a five year period, a new target of a 5% reduction has been set to be achieved by in 2017. Shipping emissions amount to 97% of DFDS' total direct emissions. More information on the environmental impact of DFDS' activities is available from DFDS' CR report, www.dfdsgroup.com/cr_report

RETURN ON INVESTED CAPITAL (ROIC) 2015

	AVERAGE INVESTED CAPITAL, DKK M	ROIC BEFORE SPECIAL ITEMS, %	EBIT VARIANCE VS 10% GOAL, DKK M
DFDS Group	8,535	13.7	323
Divisions & business units			
Shipping Division	7,799	14.9	388
North Sea	4,368	10.3	13
Baltic Sea	1,148	19.9	114
Channel	1,203	16.4	77
Passenger	677	31.3	155
France & Mediterranean	-36	n.a.	-
Non-allocated	447	15.4	25
Logistics Division	1,104	11.9	23
Nordic	342	12.2	8
Continent	326	9.9	-0
UK & Ireland	437	13.0	15
Non-allocated	-1	n.a.	-
Non-allocated items	-368	n.a.	-87

Significant events after 2015

On 12 February 2016, the Board of Directors proposed to the 2016 annual general meeting (AGM) a dividend of DKK 3.00 per share.

In addition, the Board of Directors plan to distribute a further dividend of DKK 2.00 per share in August 2016. The total dividend payment in 2016 is thus expected to amount to DKK 300m.

Likewise on 12 February 2016, a share buyback programme of DKK 650m was launched comprising two programmes to align DFDS' capital structure to the targeted leverage. The first programme of up to DKK 400m was structured as an auction process and completed on 24 February 2016. A total of 1,600,000 shares was acquired for DKK 250 per share equal to DKK 400m.

The second programme of DKK 250m started on 12 February 2016 and is to be completed on 17 August 2016 at the latest.

Two ferries chartered from Eurotunnel were deployed on Dover-Calais on 9 February 2016 and on 23 February 2016 respectively following their delivery.

On 25 February 2016, DFDS awarded 211,598 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes model.

FINANCIAL GOALS

Return on invested capital (ROIC)
DFDS' financial performance goal is a ROIC of at least 10% over a business cycle.

The achievement of the ROIC goal is underpinned by DFDS' ROIC Drive programme. All business activities, currently around 90, are part of the programme consisting of a simple ROIC scorecard, a high-level three-year business plan that sets out a path to achieve a ROIC of minimum 10% and internal performance benchmarking. Elevated ROIC goals apply for activities performing above 10%.

The Group's ROIC, including special items, was 13.3% in 2015 compared to 7.2% in 2014. Before special items, the return was 13.7% in 2015 compared to 8.0% in 2014. At the start of 2016, DFDS' cost of capital was calculated at 6.0%.

The ROIC before special items of the two divisions were both above the 10% goal in 2015, Shipping Division at 14.9% and Logistics Division at 11.9%.

In the Shipping Division, the ROIC of all five business units were above the 10% goal, ranging from 10% in North Sea to 31% in Passenger.

In the Logistics Division, the ROIC of the Continent business unit was 10%, while the ROIC for Nordic and UK & Ireland were both above 10%.

For a number of activities within the business units of both divisions, the ROIC was, however, below the 10% goal in 2015. The primary focus of the ROIC Drive programme is to contribute to improving the performance of such activities by encouraging and monitoring the implementation of business plans, supplemented by structural solutions if required.

Capital structure
DFDS' leverage is defined as the ratio of net-interest-bearing debt (NIBD) to operating profit before depreciation (EBITDA). The target leverage is defined by a NIBD/EBITDA multiple of between 2.0 and 3.0. Excess capital is thus distributed to shareholders if the multiple is below 2.0 while distribution is reduced if the multiple exceeds 3.0. At the end of 2015, the NIBD/EBITDA multiple was 0.9.

Distribution to shareholders
DFDS' distribution policy is to pay dividend semi-annually. For 2016, a total dividend per share of DKK 5.00 is planned. In addition, excess capital, as defined by the target capital structure, is distributed to shareholders as an extra dividend and/or buyback of shares.

Distribution of dividend and excess capital can be suspended in connection with large investments, including acquisitions, and other strategic events.

In 2015, DFDS distributed DKK 727m of cash to shareholders consisting of a dividend of DKK 218m in April and a dividend of DKK 108m in August, and a buyback of shares of DKK 401m.

DFDS' Board of Directors continually assesses the capital structure and the distribution to shareholders in relation to the development in earnings and investments, including strategic acquisitions.

BUSINESS MODEL, ASSETS AND INVESTMENTS

Business model
DFDS provides freight and passenger ferry shipping services, port terminal services as well as transport and logistics solutions. In total, around 80% of DFDS' revenue derives from freight activities and 20% derives from passenger activities.

To carry out ferry shipping and port terminal services, a range of assets are deployed, mainly owned and chartered ships, leased and owned port terminals, and cargo carrying equipment.

The shipping of un- and accompanied trailers for forwarders and hauliers is the main activity of the route network. On the North Sea trailers are mainly unaccompanied, while trailers on the Baltic Sea mainly are accompanied which requires ro-pax ships to accommodate drivers on the crossing. On a number of routes, mostly from Scandinavia to the UK and the Continent, heavy industrial cargo is carried for manufacturers. This typically requires specialised equipment as well as port terminal and warehousing services.

Combining freight and passengers is required in many ferry markets and key to the business model. The requirements of both customer types are accommodated by deploying ships with different combinations of freight and passenger capacity as well as on board facilities for passengers and drivers.

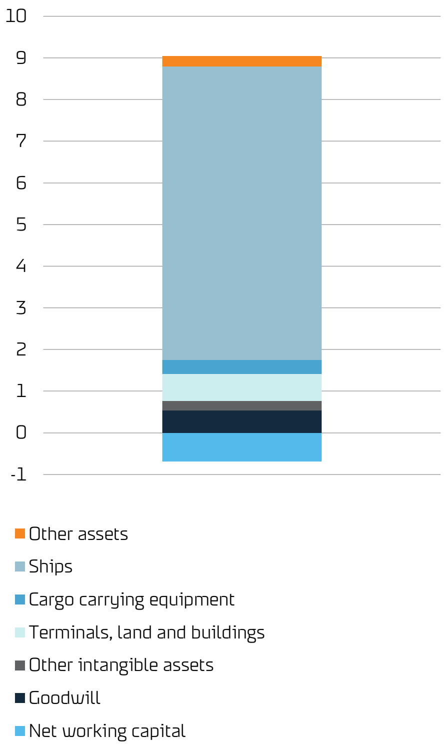
The provision of transport and logistics solutions mainly deploys owned and leased trailers as most transports are subcontracted to hauliers, rail operators, ferry operators and container shipping operators. DFDS deploys own drivers in some contract logistics and distribution activities.

Assets and invested capital
At the end of 2015, the Shipping Division operated 36 ships in the route network of which 24 were owned and 12 ships were chartered in for varying periods.

The Shipping Division's ownership share of assets is to a large extent determined by the degree of specialisation of ships required to match customer requirements.

The lifespan of ro-ro-based freight and passenger tonnage is normally 30–35 years and the duration of port-terminal leases is typically 25–30 years.

INVESTED CAPITAL 2015 (END OF YEAR)
(DKK bn)



FLEET OVERVIEW AND KEY FIGURES 2015

	TOTAL SHIPS	RO-RO SHIPS	RO-PAX SHIPS	PASSENGER SHIPS	CONTAINER AND SIDE-PORT SHIPS	OWNERSHIP SHARE, %	AVERAGE AGE OF OWNED SHIPS, YRS
DFDS Group	54	22	16	4	12	-	-
Shipping Division	36	21	11	4	-	-	-
North Sea	17	17	-	-	-	68	12
Baltic Sea[1]	7	2	5	-	-	57	14
Channel	5	-	5	-	-	57	13
Passenger	4	-	-	4	-	100	26
France & Mediterranean[1]	3	2	1	-	-	0	-
Logistics Division[1]	12	-	-	-	12	-	-
Nordic[1]	5	-	-	-	5	40	17
Continent[1]	7	-	-	-	7	0	-
Chartered out ships	5	1	4	-	-	100	21
Laid-up ships	1	-	1	-	-	0	-

[1] Includes VSAs (vessel sharing agreements) and SCAs (slot charter agreements)

Specialisation of ro-ro- and ro-pax-ships relates to capacity requirements for passengers and freight, configuration of passenger areas, loading capacity, especially for heavy freight, hanging decks for cars, sailing speed, fuel efficiency and ramps, including requirements for the speed of turnaround in ports.

At the end of 2015, total invested capital was DKK 8,363m, including a net working capital of DKK -678m defined as all non-interest bearing current assets and liabilities. 84% of the invested capital consisted of ships and 12% consisted of port terminals, land and buildings and cargo carrying equipment.

The Shipping Division's invested capital was DKK 7,389m at year-end 2015. The Logistics Division's invested capital was DKK 1,147m at year-end 2015. The invested capital of non-allocated items was negative by DKK 173m.

Corporate governance
DFDS A/S is subject to Danish law and is listed on Nasdaq Copenhagen. Corporate Governance in DFDS is based on Danish legislation and regulations, including the Danish Companies Act, the rules for listed companies on Nasdaq Copenhagen, the Danish recommendations for good corporate governance and the company's articles of association, as well as other relevant rules.

More information on DFDS' corporate governance is available from www.dfdsgroup.com

- Statutory report on corporate governance, www.dfdsgroup.com/about/governance/
- DFDS' statutes, www.dfdsgroup.com/about/governance/articles/
- Materials from DFDS' most recent AGM, www.dfdsgroup.com/ investors/annualgeneralmeeting/previousagm/
- Remuneration policy, www.dfdsgroup.com/about/governance/remunerationpolicy/

- Diversity policy, www.dfdsgroup.com/about/governance/

Corporate Responsibility (CR)
DFDS' CR activities aspire to create value for both society and our stakeholders as well as contribute to promoting DFDS as a preferred business partner. The framework and objectives for DFDS' CR activities are managed by the CR Committee, which reports to Executive Management. DFDS' CR report is available on www.dfdsgroup.com/about/crreport/.

The report outlines strategy, objectives and policies, and reports on the activities and results of our CR focus areas.

Safety and security
The safety of our passengers, crew and freight, as well as the security of our ships and port facilities, are all of paramount importance to DFDS.

Our safety and security work is regulated by international and national conventions and legislation. Moreover, by the additional objectives and requirements managed through DFDS Safety Management Systems. As per International Safety Management (ISM) guidelines, all information regarding safety measures and conditions is regularly disseminated among all ships. This includes a significant reporting scheme from the ships in order to identify weak links and establish safeguards to mitigate the risk of these.

More information about safety and security is available from DFDS' CR report, www.dfdsgroup.com/cr_report

Outlook 2016
The economic recovery of the EU is expected to continue at an overall modest pace in 2016. The economy of the UK, one of DFDS' key markets, is expected to continue to grow at a higher pace than the EU as a whole, while the growth of major continental markets, such as Germany and France, is expected to remain below the EU average. Economic growth in Sweden and the Baltic countries is expected to pick up or continue on a level with 2015.

Shipping volumes are thus expected to continue to grow on most routes in 2016, albeit at a lower pace than in 2015. In the second half of 2015, the shipment and repositioning of empty trailers by forwarders increased which contributed to a competitive pricing environment. This trend has continued into 2016 as has the focus of the manufacturing sector, the end customer of the shipping and transport sector, on cost cutting and competitive pricing. The pricing environment is therefore in general expected to remain competitive in 2016.

The Group's revenue is expected to increase by around 6%, excluding revenue from bunker surcharges. Due to the recent drop in the oil price, the revenue from bunker surcharges is expected to decrease significantly in 2016. The revenue growth is expected to be around 3% including bunker surcharges.

The Group's EBITDA before special items is expected to increase to a range of DKK 2,100-2,300m.

OUTLOOK 2016

DKK m	OUTLOOK 2016	2015
Revenue growth	6%[1]	13,473
EBITDA before special items	2,100-2,300	2,041
Per division:		
Shipping Division	1,950-2,125	1,906
Logistics Division	250-275	234
Non-allocated items	-100	-99
Depreciation	+10%	-835
Special items	0	-36
Investments	1,600	571

[1]Excluding bunker surcharges. The revenue growth is expected to be around 3% including bunker surcharges

The Shipping Division's EBITDA before special items is expected to increase to a range of DKK 1,950-2,125m.

The Logistics Division's EBITDA before special items is expected to increase to a range of DKK 250-275m.

Investments are expected to amount to around DKK 1.6bn in 2016. This includes DKK 900m related to the delivery of two Channel ferries in February 2016 on finance leases. Upon delivery the ferries will consequently be capitalised. The delivery of the ferries will therefore be a non-cash transaction until such time that Eurotunnel may decide to exercise their put option giving the right to sell the ferries to DFDS.

Of the remaining investments, dockings and ship upgrades comprise DKK 200m, the lengthening of a ship DKK 135m, scrubber installations DKK 40m, and port terminal investments DKK 60m. Cargo carrying equipment and warehousing, mainly related to the Logistics Division, amounts to DKK 150m. Other investments, including development of IT-systems, total DKK 80m.

A number of risks pertain to the outlook. The most important among these are possible major changes in the demand for ferry shipping and transport and logistics services. For DFDS, such demand is to a large extent linked to the level of economic activity in primarily Europe, particularly northern Europe, but also adjacent regions, as well as to competitor actions. The outlook can also be impacted by political changes within the EU and changes in other economic variables, particularly the oil price and exchange rates. Consequently, the realised financial results may differ significantly from expectations.

DFDS' operational and financial risks are reviewed on pages 24-26 in this report.

SHIPPING DIVISION

SHIPPING DIVISION

Head of division
Peder Gellert Pedersen

Share of DFDS Group revenue 2015
64%

Business areas
- North Sea
- Baltic Sea
- Channel
- Passenger
- France & Mediterranean

- Result boosted by reduction of Channel overcapacity
- Baltic route network further adapted to market changes
- High volume growth between UK and the Continent

SHIPPING DIVISION, DKK M	2015	2014	Δ	Δ %
Revenue	9,071	8,733	338	3.9%
EBITDA before special items	1,906	1,309	597	45.6%
Share of profit/loss of associates and joint ventures	-11	26	-37	n.a.
Profit/loss on disposal of non-current assets, net	1	0	1	n.a.
Depreciation and impairment	-716	-665	-51	7.6%
EBIT before special items	1,180	670	510	76.1%
EBIT-margin before special items, %	13.0	7.7	5.3	n.a.
Special items, net	-39	-41	2	-5.3%
EBIT	1,141	629	512	81.4%
Invested capital, average	7,799	7,990	-191	-2.4%
ROIC before special items, %	14.9	8.4	6.5	n.a.
Lane metres, '000	31,333	30,279	1,054	3.5%
Passengers, '000	6,227	5,985	242	4.1%

The Shipping Division's revenue increased by 4% to DKK 9,071m compared to 2014. The revenue growth was 8% adjusted for route closures in 2014. EBIT before special items increased by 76% to DKK 1,180m.

The return on invested capital, ROIC, before special items increased to 14.9% in 2015 from 8.4% in 2014. Average invested capital decreased by 2% to DKK 7,799m compared to 2014.

NORTH SEA

Revenue increased by 5% to DKK 3,402m adjusted for route closures in 2014 and EBIT before special items increased by 17% to DKK 458m. ROIC before special items increased to 10.3% in 2015 from 9.4% in 2014. Invested capital increased by 5% to DKK 4,368m.

Freight volumes increased by 10% when adjusted for the closure of Esbjerg-Harwich and Gothenburg-Tilbury in 2014. The overall freight rate level was on a level with 2014.

The majority of the volume growth was achieved by the routes between the UK and the Continent driven by the continued growth of the UK economy. On the two routes from Gothenburg, volumes were flat in the first half of the year before picking up in the second half of the year. Shipping capacity was realigned during the year to support the growth between the UK and the Continent. The shipment of empty trailers increased during the year due to imbalances in the trade between the UK and the Continent and Scandinavia.

Volume growth was boosted by the transfer of the majority of volumes from Esbjerg-Harwich, following its closure at the end of Q3 2014, to Esbjerg-Immingham.

BALTIC SEA

Revenue decreased by 2% to DKK 1,254m compared to 2014, while EBIT before special items increased by 48% to DKK 231m. Adjusted for the closure of a route in 2014, EBIT increased by 34%. ROIC before special items increased to 19.9% in 2015 from

ACTIVITIES AND BUSINESS MODEL

DFDS' Shipping Division operates one of the largest networks of ferry routes in Northern Europe providing both freight and passenger services.

Freight shipping services
The routes are ideally located to service the freight volumes of forwarders, hauliers and manufacturers of heavy industrial goods. All routes operate on fixed, reliable schedules with a frequency adapted to customers' requirements.

Further visibility for customers is available by access to online tracking of shipments.

Bespoke shipping logistics solutions are developed in partnership with manufacturers of heavy goods such as automobiles, metals, paper and forest products, and chemicals.

To further enhance the efficiency of customer services, own port terminals are operated in strategic locations, including warehousing services.

Passenger ferry services
The route network offers both overnight and short crossings. Passenger cars are transported on all routes. The on board facilities are adapted to each route's particular mix of passengers and their requirements for enjoying maritime travel.

13.1% in 2014. Invested capital decreased by 4% to DKK 1,148m.

Freight volumes increased by 4%, adjusted for the suspension of Travemünde-Klaipeda in August 2014. The overall freight rate level was on a level with 2014.

A high level of activity was maintained throughout the year on the routes between Sweden and Lithuania/Estonia, although east-bound volumes declined during the second half of the year. The routes between Denmark/Germany and Lithuania benefited from a partial recovery of the market following the sanctions on Russia in 2014. Capacity on the Russian route was reduced at the end of Q3 2015 due to low Russian demand caused by the weak Ruble and sanctions. The route was therefore converted to a slot charter with Finnlines.

Shipping capacity was further adapted during the year to accommodate changes in market demand.

CHANNEL

Revenue increased by 17% to DKK 1,853m compared to 2014 and EBIT before special items improved by DKK 238m to DKK 198m. ROIC before special items improved to 16.4% in 2015 from -3.1% in 2014. Invested capital decreased by 6% to DKK 1,203m.

Freight volumes increased by 4% in 2015 and passenger volumes increased by 7%. The growth was entirely achieved on Dover-Dunkirk as the number of departures on Dover-Calais was reduced by 23% following a one-ship operation in most of the first half of the year and traffic disruptions over the summer caused by industrial actions. Unit revenues increased for both freight and passengers during the year.

A competing route between Dover and Calais was closed at the end of June 2015 whereby three ferries were removed from the market. DFDS entered into long-term bare-boat charter agreements for two of these ferries. One ferry was deployed on 9 February 2016 and the second ferry was deployed on 23 February 2016.

Following the deployment of the chartered ferries, and the redelivery of one chartered ferry, DFDS operates a total of six ferries out of Dover to Calais and Dunkirk respectively, with three ferries on each route. The additional frequency and capacity of the new ferries has enhanced DFDS' offering to both freight customers and passengers.

FRANCE & MEDITERRANEAN

Revenue increased by 32% to DKK 501m compared to 2014 adjusted for the closure of a route at the end of 2014. EBIT before special items increased by DKK 28m to DKK 5m, likewise adjusted for the route closure. Invested capital was DKK -36m at year-end.

NORTH SEA, DKK M	2015	2014	Δ	Δ %
Revenue	3,402	3,391	10	0.3%
EBIT before special items	458	392	66	16.8%
Invested capital, average	4,368	4,161	207	5.0%
ROIC before special items, %	10.3	9.4	0.9	n.a.
Lane metres, '000	11,159	10,657	502	4.7%
BALTIC SEA, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,254	1,283	-30	-2.3%
EBIT before special items	231	156	75	47.9%
Invested capital, average	1,148	1,191	-43	-3.6%
ROIC before special items, %	19.9	13.1	6.8	n.a.
Lane metres, '000	3,507	3,403	104	3.1%
Passengers, '000	349	337	12	3.5%
CHANNEL, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,853	1,580	273	17.3%
EBIT before special items	198	-40	238	n.a.
Invested capital, average	1,203	1,277	-74	-5.8%
ROIC before special items, %	16.4	-3.1	19.5	n.a.
Lane metres, '000	14,923	14,386	537	3.7%
Passengers, '000	4,163	3,874	290	7.5%
FRANCE & MEDITERRANEAN, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	501	519	-18	-3.6%
EBIT before special items	5	-35	39	n.a.
Invested capital, average	-36	-71	35	-50.0%
ROIC before special items, %	n.a.	n.a.	n.a.	n.a.
Lane metres, '000	1,158	1,189	-31	-2.6%
Passengers, '000	362	403	-40	-10.0%
PASSENGER, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,742	1,733	9	0.5%
EBIT before special items	219	150	69	45.7%
Invested capital, average	677	801	-124	-15.5%
ROIC before special items, %	31.3	18.7	12.6	n.a.
Lane metres, '000	586	643	-57	-8.9%
Passengers, '000	1,353	1,371	-18	-1.3%
NON-ALLOCATED ITEMS, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	522	404	118	29.1%
EBIT before special items	69.4	47	22	47.7%

Freight volumes increased by 42% in 2015 and passenger volumes increased by 46%, both adjusted for the closure of a route at the end of 2014.

The volume growth was entirely driven by the Newhaven-Dieppe route as it benefited from deployment of an additional ferry in the high season and the traffic disruptions on the Dover Strait

Towards the end of 2015, the concession agreement of the Newhaven-Dieppe route was extended until the end of 2017.

PASSENGER
Revenue increased by 8% to DKK 1,742m compared to 2014 adjusted for the closure of a route at the end of Q3 2014. EBIT before special items increased by 46% to DKK 219m. ROIC before special items increased to 31.3% in 2015 from 18.7% in 2014. Invested capital decreased by 15% to DKK 677m.

Passenger volumes increased by 4% in 2015, adjusted for the closure of a route at the end of Q3 2014, driven by growth on both Copenhagen-Oslo and Amsterdam-Newcastle. The passenger mix, and hence unit revenues, was improved on both routes as the share of overseas passengers was increased on Copenhagen-Oslo. The customer base was further diversified on Amsterdam-Newcastle as the share of UK passengers was reduced while the share of Dutch and German passengers was increased.

NON-ALLOCATED ITEMS
Non-allocated items primarily include activities concerning chartering out of ships not deployed in the route network, including defence charter contracts. Revenue increased by 29% to DKK 522m compared to 2014 and EBIT before special items increased by 48% to DKK 69m. A higher number of charters increased the result in 2015.

SHIPPING DIVISION ACTIVITY OVERVIEW

	NORTH SEA	BALTIC SEA	CHANNEL	FRANCE & MEDITERRANEAN	PASSENGER
Head of business unit	Kell Robdrup (South) Morgan Olausson (North)	Anders Refsgaard	Carsten Jensen	Peder Gellert Pedersen	Brian Thorsted Hansen
Share of Division's revenue 2015[1]	37%	14%	20%	6%	19%
Routes	• Gothenburg-Brevik/Immingham • Gothenburg-Brevik/Ghent • Esbjerg-Immingham • Cuxhaven-Immingham • Vlaardingen-Felixstowe • Vlaardingen-Immingham • Rosyth-Zeebrugge	• Fredericia/Copenhagen-Klaipeda • Karlshamn-Klaipeda • Kiel-Klaipeda • Kiel-St. Petersburg/Ust Luga • Kapellskär-Paldiski	• Dover-Dunkirk • Dover-Calais	• Marseille-Tunis • Newhaven-Dieppe	• Copenhagen-Oslo • Amsterdam-Newcastle
Ships	• 17 ro-ro ships	• 2 ro-ro ships • 5 ro-pax ships	• 3 short sea ferries • 2 ro-pax ships	• 1 ro-ro ship • 2 ro-pax ships	• 4 passenger ships
Port terminals	• Esbjerg • Ghent • Gothenburg (joint venture) • Immingham • Vlaardingen		• Dunkirk		• Copenhagen
Main customer segments	• Forwarders & hauliers • Manufacturers of heavy industrial goods (automotive, forest and paper products, metals, chemicals) • RDF (refuse derived fuel)	• Forwarders & hauliers • Manufacturers of heavy industrial goods (automotive, forest products, metals)	• Forwarders & hauliers • Car passengers • Coach operators	• Forwarders & hauliers • Car passengers • Coach operators	• Mini Cruise passengers • Car passengers • Business conferences • Forwarders & hauliers
Main market areas	• Benelux • Denmark • Germany • Norway • Sweden • UK	• Baltic States • Denmark • Germany • Russia • Sweden	• Continental Europe • UK	• Continental Europe • Tunisia • UK	• Benelux • Denmark • Germany • Norway • Sweden • Overseas markets • UK
Main competitors	• Cobelfret • Container, road and rail transport • P&O Ferries • SOL • Stena Line	• Road and rail transport • Stena Line • Tallink Silja • Transrussia Express (Finnlines) • Transfennica	• Brittany Ferries • Eurotunnel • P&O Ferries	• Brittany Ferries • CMA-CGM • Cotunav • SNCM	• Airlines and road transport • Color Line • P&O Ferries • Stena Line

[1]As Non-allocated items are not included in the table, the revenue shares do not add up to 100%.

LOGISTICS DIVISION

LOGISTICS DIVISION

Head of division
Eddie Green

Share of DFDS Group revenue 2015
37%

Business areas
- Nordic
- Continent
- UK & Ireland

- Higher earnings in Sweden
- Margins improved in Continent
- Improved performance in temperature-controlled logistics activities

LOGISTICS DIVISION, DKK M	2015	2014	Δ	Δ %
Revenue	5,034	4,625	409	8.8%
EBITDA before special items	234	200	34	17.0%
Share of profit/loss of associates and joint ventures	0	-1	1	n.a.
Profit/loss on disposal of non-current assets, net	4	9	-5	-57.7%
Depreciation and impairment	-95	-85	-10	11.8%
EBIT before special items	143	123	20	15.9%
EBIT-margin before special items, %	2.8	2.7	0.2	n.a.
Special items, net	9	2	7	n.a.
EBIT	151	125	26	20.9%
Invested capital, average	1,104	975	129	13.2%
ROIC before special items, %	11.9	9.5	2.4	n.a.
Units, '000	403.1	438.6	-35.5	-8.1%
Tons, '000	452.9	417.4	35.5	8.5%

The Logistics Division's revenue increased by 9% to DKK 5,034m compared to 2014, and EBIT before special items increased by 16% to DKK 143m. Adjusted for the acquisition of Quayside with effect from 1 July 2014, revenue increased by 6% and EBIT increased by 11%.

The return on invested capital, ROIC, before special items increased to 11.9% in 2015 from 9.5% in 2014. Average invested capital increased by 13% to DKK 1,104m.

NORDIC

Revenue increased by 7% to DKK 1,659m compared to 2014 and EBIT before special items increased by 3% to DKK 43m. EBIT increased by 16% adjusted for a one-off income of DKK 5m in 2014 related to the sale of an office building in Gothenburg.

The Swedish activities were the main driver of the increase in earnings. Margins were raised in the door-door and contract logistics activities by improved utilization of equipment and the addition of premium customer services. A new major automotive logistics contract commenced in March incurring some start-up costs. The Norwegian full-load and container activities improved earnings in 2015 but this was offset by costs related to route changes for the side-port activities and lower earnings in port terminals. The result of the Baltic activities were overall on a level with 2014 as a major construction logistics contract offset lower activity in the Russian market.

CONTINENT

Revenue increased by 7% to DKK 1,918m compared to 2014 and EBIT before special items increased by 53% to DKK 33m.

The higher result was driven by higher volumes in the three main door-door activity areas: Netherlands, Belgium and Germany. Volume growth was strong between the UK and Netherlands/Germany and between Belgium and Sweden. The container activities between Benelux and Ireland was on a level with 2014. Towards the end of the year, the start-up of a new, major automotive logistics contract commenced as planned. The new activities in the Czech Republic performed in line with expectations.

ACTIVITIES AND BUSINESS MODEL

DFDS Logistics provides flexible, cost efficient and on-time, door-to-door transport solutions to producers of a wide variety of consumer and industrial goods.

The main activity is the transport of full- and part-loads, both ambient and temperature-controlled.

In close partnership with retailers and producers, performance enhancing and cost efficient logistics solutions are developed and provided, including warehousing services and just-in-time concepts.

All solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry routes.

In some business areas, the carrier network is supplemented with own drivers and trucks.

The business model ensures flexible solutions that fit customer requirements and allows for fast reactions to changes in market conditions.

UK & IRELAND

Revenue increased by 14% to DKK 1,593m compared to 2014 and EBIT before special items increased by 11% to DKK 66m. EBIT decreased by 1% adjusted for the acquisition of Quayside with effect from 1 July 2014.

The result of the temperature-controlled logistics activities operating out of Scotland and England improved in 2015 but was offset by reduced earnings for the activities in Belfast and Dublin as well as the rail activities from the UK to the Continent.

Scotland's chilled warehousing capacity was expanded in 2015 ahead of the peak trading season. 2015 was the first full operating year for Quayside with performance in line with expectations, although export activities were dampened by the appreciation of the British pound and the traffic disruptions on the Channel. The logistics activities operating in mid-England performed well throughout the year and a new partnership agreement covering temperature-controlled distribution services related to cold stores located in the UK was added in the final quarter.

The door-door Belfast activities was impacted by trade imbalances in the first half of 2015 but recovered in the second half of the year. The rail activities between the UK and Italy were closed at the end of 2015 due to inefficient operations, in part caused by disruptions to Eurotunnel's services. A new, multimodal solution combining transport by road, sea and rail will replace the activity in 2016.

NORDIC, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,659	1,543	115	7.5%
EBIT before special items	43	42	1	2.8%
Invested capital, average	342	350	-8	-2.4%
ROIC before special items, %	12.2	9.0	3.2	n.a.
Units, '000	113.6	110.6	3.0	2.7%
Tons, '000	403.1	438.6	-35.5	-8.1%
CONTINENT, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,918	1,792	126	7.0%
EBIT before special items	33	22	11	52.9%
Invested capital, average	326	324	2	0.6%
ROIC before special items, %	9.9	5.0	4.9	n.a.
Units, '000	212.1	198.5	13.6	6.8%
UK & IRELAND, DKK M	**2015**	**2014**	**Δ**	**Δ %**
Revenue	1,593	1,402	191	13.6%
EBIT before special items	66	60	6	10.8%
Invested capital, average	437	298	139	46.4%
ROIC before special items, %	13.0	15.0	-2.0	n.a.
Units, '000	128.1	108.3	19.8	18.3%
NON-ALLOCATED ITEMS	**2015**	**2014**	**Δ**	**Δ %**
Revenue[1]	189	59	130	221.5%
EBIT before special items	0	0	0	n.a.

[1]Revenue increase due to centralisation of equipment pool

LOGISTICS DIVISION ACTIVITY OVERVIEW

	NORDIC	CONTINENT	UK & IRELAND
Head of business unit	Niklas Andersson	Jens Antonsen	Allan Bell / Steve Macaulay
Share of Logistics Division's revenue, 2015[1]	33%	38%	32%
Main Activities:	Door-to-door full & part load transport solutions: • Sweden/Denmark/Norway-UK • Sweden/UK/Germany/Denmark/Norway-Baltic/Russia/CIS	Door-to-door full & part load transport solutions: • Holland-UK/Ireland • Germany-UK/Italy • Belgium/France-UK/Scandinavia • France-Scandinavia • Italy-Scandinavia/Benelux /UK • Czech – UK/Ireland	Door-to-door full & part load transport solutions: • Northern Ireland-UK • UK-Continent • UK
	Paper shipping logistics, incl. containers: • Norway-Bremerhaven-Hamburg-Norway • Norway-Zeebrugge-Immingham-Norway	Door-to-door container transport solutions: • Holland-UK/Ireland • Germany-UK/Norway/Italy • Italy- Benelux/UK/Ireland • Czech – UK/Ireland • Spain-UK/Ireland	Logistics solutions: • UK/Ireland domestic • UK-Continent • Northern Ireland retail distribution • Seafood distribution network • Warehousing • 4PL Contracts
	Contract Logistics (Arendal) Haulage service (JIT)		
	Door-to-door container transport solutions: • Norway-UK • Norway-Continent	Door-to-door rail transport solutions: • Italy-UK/Germany/Benelux	Door-to-door container transport solutions: • Ireland/UK-Spain
	Door-to-door rail transport solutions: • Nordic-Italy • Sweden-Baltic/Russia/CIS	Warehousing UK & Italy • 4PL contracts	
Equipment	• Joint Nordic/Continent equipment pool: • 3,240 trailers • 150 trucks • 2,920 containers • 310 swap bodies • 2 sideport vessels • 170 trailers not pooled	• Joint Nordic/Continent equipment pool: • 3,240 trailers • 150 trucks • 2,920 containers • 310 swap bodies	• 930 trailers • 200 trucks • 1 container ship
Warehouses	• Gothenburg • Moss • Karlshamn • Ventspils • Liepaja • Brevik	• Milano • Rotterdam • Ghent • Prague	• Peterborough • Immingham • Larkhall • Aberdeen • Belfast • Grimsby • Bellshill
Sales offices	• Oslo • Gothenburg • Hamina • Copenhagen • Moss • Brevik • Fredericia • Karlshamn • Liepaja	• Hamburg • Ghent • Bruges • Rotterdam • Milano • Prague • Bilbao	• Aberdeen • Peterborough • Immingham • Larkhall • Bellshill • Belfast • Grimsby • Boulogne Sur Mer • Newlyn • Dublin
Customer segments	• Manufacturers of heavy industrial goods (automotive, paper), consumer goods, chemicals and temperature controlled goods • Retailers • Third party container operators • Contract management	• Manufacturers of heavy industrial goods (automotive, paper), consumer goods, chemicals and temperature controlled goods • Retailers • Forwarders • Contract management	• Frozen, chill and ambient cargo for retailers/manufacturers • Aquaculture producers • Contract management
Primary competitors	• NTEX • DSV • Schenker • Blue Water • Lo-Lo, container & sideport carriers • Tschudi Line • Green Carrier	• Cobelfret • P&O Ferrymasters • LKW Walter • European forwarders • Samskip • Lo-Lo container carriers	• McBurney • Montgomery Transport • MacAndrews

[1]As Non-allocated items are not included in the table, the revenue shares do not add up to 100%.

RISK FACTORS

Risk management is an integral part of DFDS' management processes. Risks and opportunities are regularly reviewed and reported to the Board of Directors for appropriate responses and actions

GENERAL AND SPECIFIC OPERATIONAL RISKS

Macro-economic and market risks
Risks of major fluctuations in earnings caused by changes in market and economic conditions are highest for the Group's shipping activities and lowest for the transport and logistics activities. The difference in risk profile is due to the high share of fixed costs in shipping as opposed to the considerably lower share of fixed costs in transport and logistics entailing more flexibility in adapting activities to changes in demand.

The demand for shipping of freight and passengers is reflected in customer volumes, which in turn are impacted by the general state of the economy. Decreasing demand can lead to overcapacity, which can be remedied by deployment of a ship(s) with less capacity or by removal of a ship from a route or, ultimately, by route closure. Overcapacity tends to increase downward pressure on prices and, hence, entails a risk of lower profitability. Partly in order to counteract cyclical demand risk, part of the freight fleet consists of chartered ships. DFDS aims to charter a certain share of the fleet on contracts of shorter duration with options for extensions, which facilitates opportunities for redelivery of ships at a few months' notice.

All passenger ships in the fleet are owned by DFDS limiting the options for adapting passenger capacity in the short term. DFDS' container activities mainly deploy chartered ships through vessel sharing and slot charter agreements with other shipping companies, which provides flexibility. To a large extent, DFDS' logistics activities lease equipment and subcontract haulage. This results in a high share of variable costs and, therefore, less cyclical risk.

DFDS' geographic diversification across mostly northern Europe, including activities related to Russia and adjacent countries, reduces dependence on market trends in specific regions. In addition, the diversified route network and other activities balance commercial risks, including opportunities for reallocation of ships between routes.

The freight- and passenger-shipping markets are, moreover, impacted by industry-specific market conditions, including changes in market conditions faced by competing transport modes such as road, rail and air – the latter of which mainly impacts the passenger sector.

In addition, markets are impacted by changes in local and regional competition, such as the opening or closing of competing routes and capacity increases on existing routes. On a few routes, a significant proportion of freight volumes are derived from a few industrial customers. Risks inherent in such relationships are mitigated by multiple-year customer contracts reflecting investment requirements to service the contracts.

Risks associated with business development and investment
DFDS' growth strategy embodies business development and investment risks. This is both related to organic growth from investment in ships and growth driven by acquisition of companies and activities. The most important risk associated with organic growth is related to the expansion of capacity on a route by deployment of larger ship(s). The acquisition of companies and activities involves significant risks, which are proportionate to the size of the investment and the complexity of a subsequent integration process. Risks associated with business development ventures are managed by thorough planning and decision-making processes governed by internal policies and guidelines for investment decisions, including a required rate of return on investments.

The shipping charter market
DFDS charters mainly freight ships for varying periods. Such charters are subject to price risks (charter rates) and risks concerning availability of ships that fit operational requirements. Similar risks, including counterparty risks, are relevant when chartering out excess tonnage. In addition, there is a price risk related to the timing of acquiring or ordering ships. In connection with the ordering of ships, there is a default risk related to the shipyards constructing the ships, which can lead to additional costs, including delayed delivery.

Due to the ongoing process of replacing and renewing the DFDS fleet, the sale of ships or the cancellation of new building contracts may result in gains, losses and costs that are not anticipated in annual profit forecasts.

Operational, security and environmental risks
The main operational risks are associated with ships and port terminals. Technical problems and accidents may lead to unplanned periods in dock, interruption of sailing schedules, and loss of revenue. Replacement tonnage can usually be deployed at short notice through chartering. In order to minimise operational risks, DFDS has a systematic and comprehensive maintenance programme in place for all ships, including periods in dock at regular intervals. In addition, extreme weather conditions can cause delays and cancellations, and strikes in ports can also disrupt services.

DFDS deploys freight and passenger ships, port terminals, warehouses and cargo-carrying equipment, all of which are subject to the usual safety risks associated with equipment of this type. These risks are controlled and minimised partly through compliance with safety requirements and routines, as well as preventative work, and partly through insurance against risk.

More information on health and safety is available from www.dfdsgroup.com/cr_report

Environmental and safety measures are based on DFDS' environmental and safety policies, as well as rules and regulations and customer requirements. Changes in these factors can increase costs. The Group is insured against environmental risks as far as possible, and participates in preparatory legislative procedures through industry organisations.

More information on environmental risks is available from www.dfdsgroup.com/cr_report

POLITICAL AND LEGAL RISKS

DFDS' activities are impacted by changes in rules and regulations governing the shipping and transport sector, as well as changes in the overall conditions that impact Europe's infrastructure. In addition to political bodies, DFDS is subject to International Maritime Organization (IMO) conventions. The IMO is the UN body responsible for maritime issues, primarily safety and environment.

Changes in the above rules and regulations can have negative financial consequences, including higher costs and changes in the travel patterns of passengers and routing of freight, including the distribution between sea and land transport.

Other significant political risks concern changes to taxation arrangements for staff at sea, the referendum in June 2016 on the UK's future membership status in the EU, the abolition of duty-free sales in Norway if the country were to join the EU, cancellation of VAT exemption on tickets and on-board sales, and changes of tonnage tax schemes. DFDS actively monitors these issues, including by participating in industry organisations.

FINANCIAL RISKS

DFDS is exposed to a range of financial risks. The primary risks relate to changes in oil prices, exchange rates and interest rates. DFDS is also exposed to liquidity risks in terms of payments and counterparty risk.

Financial risk management is based on Group policies and guidelines for the respective risk areas. Financial risks are managed centrally, as per Group policy. The Executive Board regularly assesses financial risks, and the Board of Directors is likewise regularly updated on financial risk management.

It is DFDS' strategy to diversify the loan portfolio. In 2015, a number of funding activities were completed:

- 3-year DKK 500m unsecured Revolving Credit Facility
- 8-year EUR 16m secured ship loan (final loan disbursement of a facility)
- Final repayment of a DKK 110m secured ship loan (matured in April 2015)
- Conversion of floating to fixed interest rate on a 12-year DKK 600m secured ship loan

The average maturity of loans is 5.3 years which is considered to be acceptable in relation to refinancing risk. The Group's gross debt loan portfolio consisted at year-end 2015 of approximately 49% unsecured bonds, 39% secured ship finance, and 12% unsecured loans. Loans secured by a mortgage on ships equalled 9% of total assets at year-end 2015.

DFDS' targeted leverage is a multiple of net interest-bearing debt (NIBD) to EBITDA of 2.0-3.0 times. This target aims to balance the shipping activities' relatively high level of capital intensity and the somewhat cyclical demand for transport services. The targeted leverage also ensures financial flexibility and given a NIBD/EBITDA -multiple of 0.9 at year-end 2015, and the low level of encumbered assets, DFDS' refinancing risk is considered to be limited.

The table on page 26 reviews in greater detail DFDS' financial risk exposure. Please also refer to note 27 for further details regarding financial risks. For the individual areas of risk, the following can be highlighted:

Bunker: The cost of bunker constitutes a considerable share of total operating costs for the shipping activities. 87% of DFDS' bunker consumption is commercially hedged through bunker clauses (BAF) in freight customer contracts. The remaining consumption is consumed on passenger routes and financially hedged as appropriate. A price increase of 1% compared to the price level at year-end 2015 (approximately USD 306 per ton of MGO and USD 125 per ton of HFO) is estimated to have a negative impact on financial performance of around DKK 2m in 2016.

Interest: At year-end 2015, the share of net fixed-interest loans was 54%, which is consistent with the objective of a hedging level of 40–70%. When calculating interest-rate risks, long-term charter contracts are included under fixed-interest loans. An increase in interest rates of 1%-point, compared to the level at year-end 2015, is estimated to have a negative impact on financial performance of around DKK 9m in 2016.

Currency: To date, transaction risks have not been hedged. They primarily relate to SEK, NOK, GBP and USD. Risks related to EUR are monitored continuously, but not hedged. The risk related to USD is hedged through the commercial hedging of bunker, i.e. bunker surcharge clauses.

Liquidity: DFDS systematically and regularly conducts internal credit assessments of all financial counterparts. The internal credit assessment is based on ratings from international credit-rating agencies. The Board of Directors approve general limits on deposits, etc. with DFDS' counterparts on this basis. At present, the risks are considered to be limited.

OVERVIEW OF RISK FACTORS

	RISKS	POLICIES	HEDGING

Bunker	• Expected bunker consumption in 2016: 475m tons
	• Total bunker costs in 2015: DKK 1,304m
	• Increase in oil price
	• Decrease of price spread between MGO and HFO due to consumption of both bunker types
		• Oil-price risk is hedged through bunker surcharges, determined by a bunker adjustment factor (BAF) model, and financial instruments
		• Hedging of the oil price of 0-100% of the open bunker price volatility, i.e. the part not hedged through MGO BAF surcharges
			• An increase in the oil price of 1%, compared to the price level at year-end 2015 is estimated to have a negative impact on financial performance of around DKK 2m in 2016
			• Total hedging of bunker consumption: 92%.
			  • Commercial hedging: 87%
			  • Financial hedging: 5%

Interest rates	• Increase in interest rate levels • Long-term charter contracts included as fixed-interest loans in calculation of the share of fixed-interest loans of net debt	• Duration 9–36 months • Fixed-interest share of net debt: 40–70%	• Duration at the end of 2015: 17 months • Fixed-interest share: 54% (share of fixed-interest loans, including interest-rate swaps and charter contracts, compared to net debt) • An increase in interest rates of 1%-point, compared to the level at year-end 2015 is estimated to have a negative impact on financial performance of around DKK 9m in 2016

Currency	• Translation risks are related to changes in exchange rates that affect the profit-and-loss account due to changes in the value of monetary assets and liabilities in foreign currencies	• Positions are hedged by matching asset and liability currencies
		• Net positions in excess of SEK 200m, NOK 100m, USD 25m and GBP 20m are hedged using price-adjustment agreements
		• Exchange rate movements between EUR and DKK are not considered a risk
			• Primary net currency-balance positions at year-end 2015 were:
			  • SEK: -12m
			  • GBP: 3m
			  • NOK: -36m
			  • USD: -2m

	• Transaction risks relate to changes in exchange rates, which have an impact on earnings when revenues and expenses are not incurred in the same currency	• At Group level, subsidiaries' exposures are aggregated to facilitate mutual hedging
		• Risk is also reduced by adjusting prices and cost structures in local currencies
		• Financial hedging used as required
			• Approx. 89% of DFDS' revenue is invoiced in foreign currency
			• Primary net currency cash flow position exposure in 2016:
			  • SEK (income): 210m
			  • GBP (income): 15m
			  • NOK (income): 92m
			  • USD (cost): -148m
			• To date, transaction risks have not been hedged, apart from bunker costs in USD

Liquidity	• Liquidity risks relating to payments	• Sufficient liquidity is ensured by maintaining a minimum level of cash reserves and drawing rights of DKK 400m • Diversification of loan portfolio through the issue of corporate bonds or similar	• Liquidity risks are not quantifiable • The total liquidity contingency amounts to DKK 2,533m. At year-end 2015, it consisted of cash and liquid net holdings of DKK 1,423m and drawing rights of DKK 1,110m
Leverage	• Counterparty risks with financial institutions	• The limits for placing liquidity in banks are determined by the credit ratings of the banks concerned	• Counterparty risk is managed by complying with fixed limits

THE DFDS SHARE AND SHAREHOLDERS

The total return on the DFDS share was 130% in 2015

Share capital
DFDS has one class of shares. At the end of 2015, the share capital was DKK 1,230m comprising 61,500,000 shares, each with a nominal value of DKK 20.

Two changes were made to the share capital in 2015. The nominal share value was lowered from DKK 100 to DKK 20 through a stock split of 1:5 and 1,750,000 shares were cancelled. Both changes were approved by an extraordinary general meeting held on 17 September 2015.

Stock exchange trading
The DFDS share is listed on Nasdaq Copenhagen where 20.6m DFDS shares were traded in 2015 equal to an annual turnover of DKK 3.7bn. The average number of trades per day was 548 and the average daily turnover was DKK 15m. The DFDS share was included in the Large Cap index in 2015.

Share price performance
DFDS' share price rose by 126% to DKK 267 in 2015, equal to an increase in DFDS' market value of DKK 8.7bn to a total market value of DKK 15.8bn, excluding treasury shares. By comparison, the Danish stock market's all share index rose by 28% in 2015, while DFDS' peer group index rose by 35%.

DFDS' peer group index includes DSV (DK), Finnlines (FIN), Irish Continental Group (IE), Tallink Grupp (ES) and Viking Line (FIN).

The total yield on the DFDS share was 4.6% in 2015, including the yield from dividends and the buyback of shares.

Distribution policy and dividend
DFDS' distribution policy is to pay dividend semi-annually. The payment of semi-annual dividends was introduced in August 2015 to facilitate a faster return of capital to shareholders and better align dividend payments with DFDS' seasonal cash flow cycle that peaks during the third quarter, which is the high season for passenger travel.

In addition, excess capital, as determined by the leverage target, can be distributed through share buyback shares and/or dividends.

Leverage is defined by the ratio of net interest-bearing debt (NIBD) to operating profit before depreciation (EBITDA). The targeted leverage is a NIBD/EBITDA multiple of between 2.0 and 3.0. The targets can be suspended in connection with large investments, including acquisitions, and other strategic events.

The Board of Directors proposes to the 2016 annual general meeting (AGM) a dividend of DKK 3.00 per share. In addition, the Board of Directors plan to distribute a further dividend of DKK 2.00 per share in August 2016.

SHARE RELATED KEY FIGURES[1]	2015	2014	2013	2012	2011
Share price, DKK					
Price at year-end	267.0	118.2	87.4	51.1	71.0
Price high	282.0	118.2	91.1	77.2	96.0
Price low	121.0	80.8	52.4	51.6	70.6
Market value year-end, DKK m	15,840	7,177	5,559	3,706	5,149
No. of shares year-end, m	61.5	63.3	74.3	74.3	74.3
No. of circulating shares year-end, m	59.3	60.7	63.6	72.5	72.5
Distribution to shareholders, DKK m					
Dividend paid per share, DKK	5.4	2.8	2.8	2.8	1.6
Total dividend paid ex. treasury shares	326	177	203	203	117
Buyback of shares	401	295	628	0	0
Total distribution to shareholders	727	472	831	203	117
FCFE yield, %	9.7	2.6	7.5	28.3	28.1
Total distribution yield, %	4.6	6.5	14.8	5.4	2.2
Cash payout ratio, %	47.0	253.8	197.2	19.1	8.0
Shareholder return					
Share price change, %	125.9	35.2	71.0	-28.0	-15.1
Dividend return, %	4.6	3.2	5.5	3.9	1.9
Total shareholder return, %	130.5	38.4	76.5	-24.1	-13.2
Share valuation					
Equity per share, DKK	105.4	100.0	98.5	95.0	95.2
Price/book value, times	2.53	1.18	0.76	0.52	0.73

[1]Key figures for previous years are adjusted for 1:5 stock split in 2015

OWNERSHIP STRUCTURE, END OF 2015	
Lauritzen Foundation	42.5
Institutional shareholders	39.9
Other registered shareholders	8.6
Treasury shares	3.5
Non-registered shareholders	5.4
Total	100.0

With reference to §29 in the Danish Securities Trading Act, the Lauritzen Foundation domiciled in Copenhagen, Denmark, has notified DFDS A/S that it holds more than 5% of the share capital and voting rights of the company.

SHAREHOLDER DISTRIBUTION

No. of shares	NO. OF SHAREHOLDERS	% OF SHARE CAPITAL
1-50	4,650	0.3
51-500	7,460	2.3
501-5000	2,090	4.4
5001-50000	242	6.4
50001-	94	81.2
Total*	14,536	94.6

* Total of registered shareholders

Distribution to shareholders
At the AGM in March 2015, the Board of Directors received a mandate to purchase treasury shares totalling a maximum of 10% of the share capital.

In 2015, DFDS distributed a total of DKK 727m to shareholders. DKK 401m was distributed through share buybacks and DKK 326m was paid as dividends, of which DKK 218m was paid in April and DKK 108m was paid in August.

Two new share buyback programmes totalling DKK 650m were launched on 12 February 2016.

Shareholders
At the end of 2015, DFDS had 14,536 registered shareholders who owned 94.6% of the share capital. International shareholders owned 31.3% (2014: 19.7%) of the total share capital excluding non-registered shareholders that owned 5.4%.

The Lauritzen Foundation was the largest shareholder with a holding of 42.5% of the total share capital at the end of 2015.

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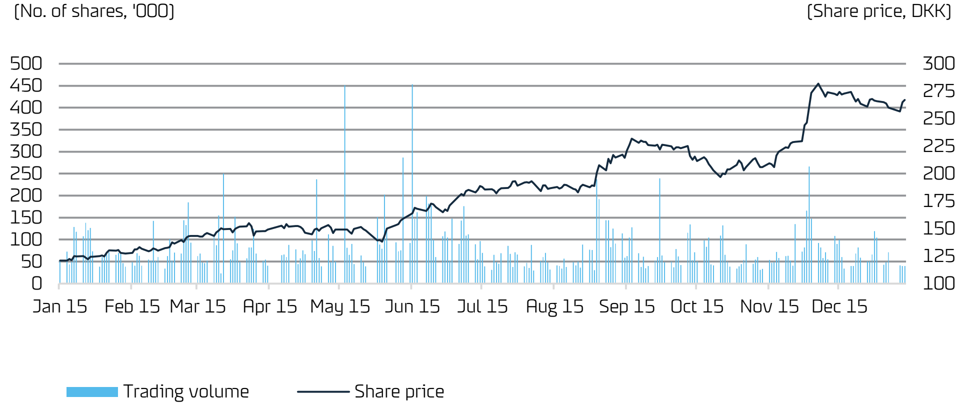
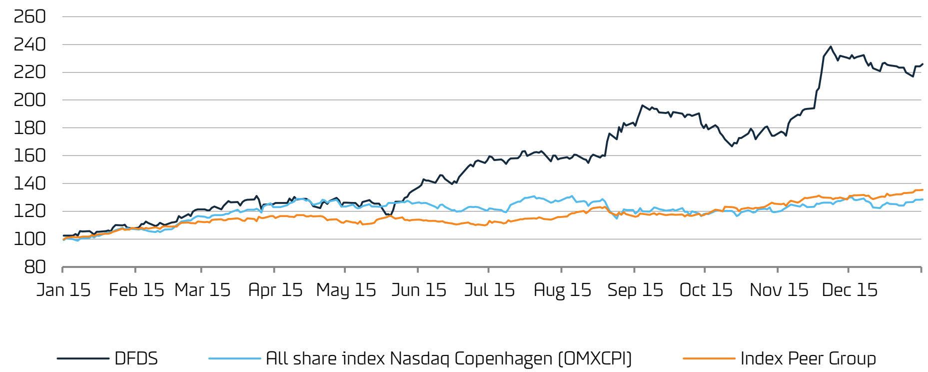
DFDS SHARE PRICE AND TRADING VOLUME, 2015



SHARE PRICE PERFORMANCE RELATIVE TO PEER GROUP AND COPENHAGEN INDEX 2015



COMPANY ANNOUNCEMENTS 2015

DFDS released 108 company announcements in 2015, of which the most important are listed below. A complete list of announcements is available at www.dfdsgroup.com/investors/announcementsuk/

Share buy-back week 51 2015 and completion of programme	18/12/2015
Newhaven-Dieppe contract extended by two years	11/12/2015
Financial calendar 2016	09/12/2015
DFDS achieves record result in q3	19/11/2015
Share capital and votes per 31 October 2015	05/11/2015
Major shareholder announcement	16/10/2015
Reduction of share capital completed	16/10/2015
New UK temperature controlled logistics contract	02/10/2015
Share capital and votes per 30 September 2015	30/09/2015
Russian freight route adapted to slot charter	24/09/2015
Summary of extraordinary general meeting	17/09/2015
Newhaven-Dieppe contract set to expire end of 2015	11/09/2015
Agreement reached between parties on Channel	31/08/2015
Stock split 1:5 to enhance liquidity of the DFDS share	20/08/2015
Semi-annual dividends and interim dividend of DKK 9 extra per share	20/08/2015
DFDS raises 2015 outlook again	20/08/2015
Major shareholder announcement	13/07/2015
DFDS' offer for channel ferries accepted by Eurotunnel	22/06/2015
DFDS and Eurotunnel agree terms and conditions concerning the ferries Berlioz and Rodin	07/06/2015
DFDS raises 2015 outlook	21/05/2015
UK competition authority seeks permission to appeal in Eurotunnel case	20/05/2015
UK court of appeal rules in favour of appeal in Eurotunnel/SeaFrance case	15/05/2015
Adjusted comparison figures 2014 for Logistics Division's business units	13/05/2015
New share buyback of DKK 300m	21/04/2015
Share buyback week 17 2015 and closing of programme	21/04/2015
New automotive logistics contract	27/03/2015
Fleet optimisation entails sale of freight ship	27/03/2015
DFDS A/S – summary of annual general meeting, 24 march 2015	24/03/2015
Performance set to improve further based on solid 2014	25/02/2015
Award of share options	17/02/2015
UK court of appeal grants SCOP permission to appeal	09/02/2015
UK competition appeal tribunal reject appeals in Eurotunnel /SeaFrance case	09/01/2015

FINANCIAL REVIEW

2015 was financially a strong year for DFDS. Revenue increased by 5% to DKK 13.5bn and EBITDA increased by 42% to DKK 2,041m helped by the high operating leverage of the shipping activities. At the same time, financial gearing was reduced by a positive free cash flow of DKK 1.6bn

DFDS' activities are organised in two divisions: the Shipping Division, which operates five business units, and the Logistics Division, which operates three business units. Non-allocated items consist of corporate costs not allocated to either division.

In order to make figures comparable, large non-recurring items are recognised as special items in the income statement.

Revenue
Reported revenue increased by 5.4% to DKK 13,473m in 2015 and by 7.1% adjusted for route closures and acquisitions in 2014.

The Shipping Division's revenue increased by 7.6% to DKK 9,071m adjusted for route closures in 2014. The growth was driven by 6.6% higher freight volumes while the number of passengers increased by 8.1%, both adjusted for route closures. On a business unit level, the main driver of the revenue growth was the growth of 17.3% in Channel where revenue increased following the exit of a competing ferry operator at the end of June 2015. Adjusted for route closures in 2014, revenue also increased in North Sea, Passenger and France & Mediterranean in 2015. Capacity adjustments contributed to a slight decrease in revenue in Baltic Sea. In addition, revenue from external charter activity increased in 2015.

The Logistics Division's revenue of DKK 5,034m increased by 6.4% adjusted for acquisitions made in 2014. The revenue growth was driven by contributions from all three business units. UK & Ireland's revenue was increased by the full-year impact of an acquisition completed on 1 July 2014. Nordic's revenue was increased by a new, major automotive logistics contract in Gothenburg that started in Q1 2015.

EBITDA before special items
Operating profit before depreciation, EBITDA, and special items increased by 42% to DKK 2,041m.

The Shipping Division's EBITDA increased by 46% to DKK 1,906m. The increase was supported by higher earnings in all business units. More than a third of the increase was achieved by Channel driven by volume growth as well as higher unit revenues. Earnings in the other business units was improved by a mix of volume growth, changes in customer mix, including higher unit revenues, and more efficient operations.
The Logistics Division's EBITDA increased by 17% to DKK 234m. Earnings improved in all three business units, although only slightly in Nordic as extra costs were incurred for the start-up of a new logistics contract. Continent's result was improved by higher volumes and more balanced traffics. UK & Ireland's result was primarily improved by the full-year impact of an acquisition completed on 1 July 2014.

The cost of non-allocated items increased to DKK -99m from DKK -76m in 2014 mainly due to higher corporate project costs.

Associates and profit on sale of assets
The share of loss in associates and joint ventures was DKK -12m, mainly related to the port terminal activity Gothenburg RoRo. Profit on the sale of non-current assets amounted to DKK 5m.

Depreciation, impairment and EBIT
Total depreciation and impairment increased by 8% to DKK 835m mainly due to higher ship depreciations, including the full-year impact of the delivery of two ro-ro newbuildings in 2014 and scrubber installations.

REVENUE

REVENUE, DKK M	**2015**	**2014**	**Δ %**	**Δ**
Shipping Division	9,071	8,733	3.9	338
Logistics Division	5,034	4,625	8.8	409
Eliminations etc.	-632	-579	9.0	-52
DFDS Group	**13,473**	**12,779**	**5.4**	**694**

EBITDA BEFORE SPECIAL ITEMS

DKK M	**2015**	**2014**	**Δ %**	**Δ**
Shipping Division	1,906	1,309	45.6	597
Logistics Division	234	200	17.0	34
Non-allocated items	-99	-76	30.0	-23
DFDS Group	**2,041**	1,433	42.4	608
EBITDA-margin, %	**15.1**	11.2	n.a.	3.9

SPECIAL ITEMS

DKK M	**2015**
Gain regarding sale of ro-ro freight ship Flandria Seaways	12
Adjustment of estimated earn-out related to Kapellskär-Paldiski route	-28
Cost related to ONE Finance project	-6
Impairment of installations on a ship	-23
Reversal of earn-out related to acquisition of Quayside Group	9
DFDS Group	**-36**

The Group's EBIT before special items increased by 73% to DKK 1,199m.

Special items
Special items in 2015 was a net cost of DKK -36m, primarily related to adjustments to an earn-out agreement for a route acquired in 2011 and the impairment of installations on a ship. The special items are listed in the table on page 30 and further information on special items is available in note 7.

Operating profit, EBIT, after special items was DKK 1,164m, an increase of 86%.

Financing
The net cost of financing was DKK 121m, a reduction of DKK 3m compared to 2014 and a reduction of DKK 31m adjusted for an income of DKK 28m from the waiver of a loan by a minority shareholder in a subsidiary in 2014. The adjusted variance was mainly due to a lower net interest cost following reductions in net interest-bearing debt and the interest rate level.

Tax and the annual result
The profit before tax for 2015 was DKK 1,043m, an improvement of DKK 542m or 108% compared to 2014.

The shipping activities of the DFDS Group are covered by tonnage tax schemes in Denmark, Norway, the Netherlands, Lithuania, Cyprus and France. The tax on the annual profit amounted to a total cost of DKK -32m. This includes DKK -24m of tax for the year and DKK -38m of deferred taxes. Adjustments to previous years' taxes amounted to an income of DKK 24m and the write-down of deferred tax assets amounted to a cost of DKK 2m, while the reversal of a write-down of deferred tax assets amounted to an income of DKK 9m. Finally, changes to the rate of corporation tax generated a cost of DKK 1m.

The net annual result was DKK 1,011m, an improvement of DKK 578m compared to 2014.

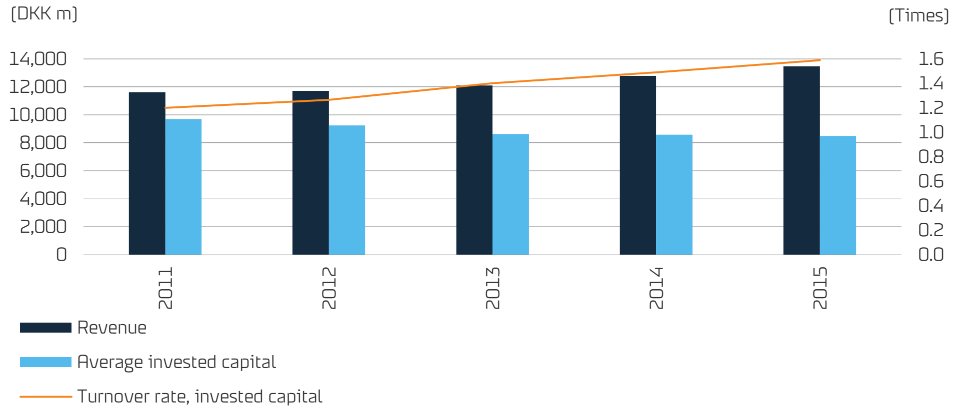
Investments
Net investments in 2015 amounted to DKK 571m, of which DKK 423m were related to ships comprising scrubber installations, dockings and upgrades. The proceeds from the sale of a freight ship amounted to DKK 108m.

The remaining net investments of DKK 256m were primarily related to cargo carrying equipment, terminals and IT system development.

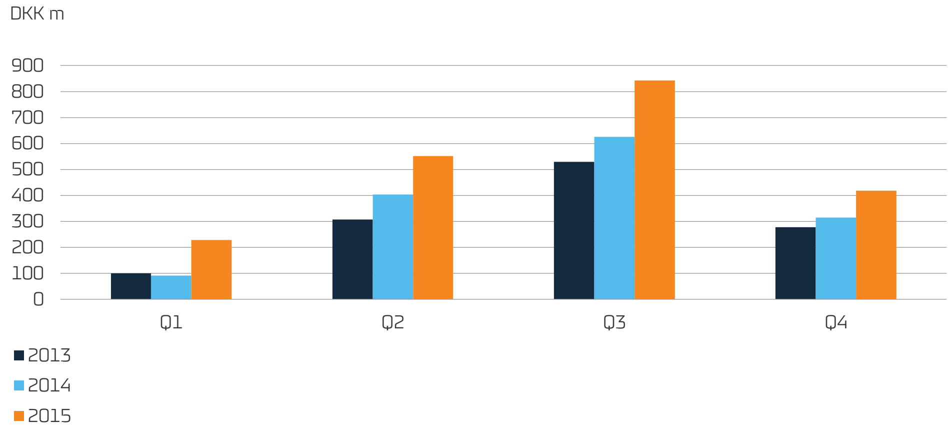
Assets, invested capital and return
Total assets amounted to DKK 12,646m at the end of the year which was an increase of 3% compared to 2014. Net working capital, defined as inventory and trade receivables minus trade payables, was reduced from DKK 279m in 2014 to DKK 131m driven by the initiatives of the Light Capital project. At year-end 2015, invested capital was DKK 8,363m, a decrease of 3% compared to 2014. Calculated as an average, invested capital was DKK 8,535m in 2015 on a level with 2014.

The return on invested capital, ROIC, was 13.3% in 2015 and 13.7% adjusted for special items.

REVENUE AND INVESTED CAPITAL



DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS PER QUARTER



Financing and capital structure
At year-end 2015, interest-bearing debt was DKK 2,952m compared to DKK 3,199m at year-end 2014. Bonds constituted 48% of interest-bearing debt and mortgaged ship loans 39%.

Net interest-bearing debt decreased by 28% to DKK 1,773m. At year-end 2015, the ratio of net interest-bearing debt to EBITDA before special items was 0.9.

Cash flow
The gross cash flow from operations increased by 57% to DKK 2,221m due to higher earnings from operations and an increase in the release of cash from working capital compared to 2014.

Following a cash flow from investment activities of DKK -571m, the free cash flow (FCFF) was DKK 1,637m.

The cash flow from financing activities was DKK -820m in 2015, of which DKK -727m was cash distributed to shareholders through share buybacks and dividend. The financing cash flow included a grant of DKK 35m from the EU related mainly to scrubber installations.

The net cash flow of 2015 was DKK 725m and cash and cash equivalents increased to DKK 1,423m.

Impairment test
Based on the impairment tests performed in 2015 of the Group's non-current intangible and tangible assets, no write-downs or reversals of prior years' write-downs are deemed necessary apart from a write-down of DKK 3m on a ro-pax ship held for sale.

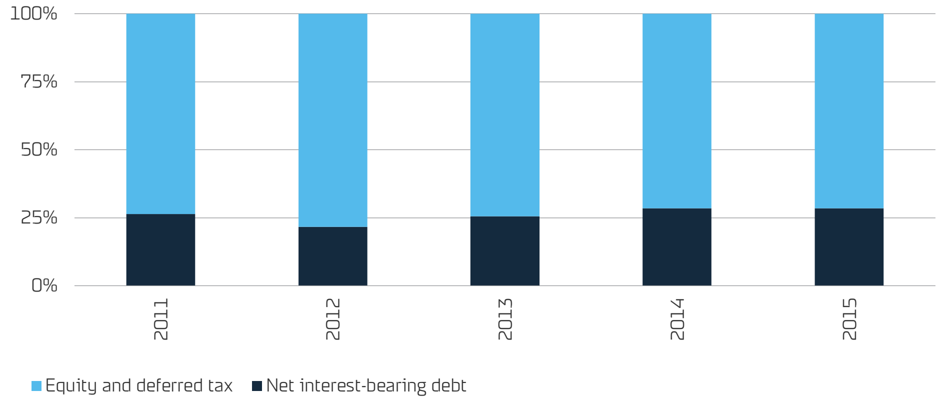
The impairment tests are described in greater detail in note 37.

Equity
Equity amounted to DKK 6,530m at year-end 2015, including non-controlling interests of DKK 50m. This was an increase of DKK 403m compared to year-end 2014. Total comprehensive income for 2015 was DKK 1,058m while transactions with owners reduced equity by DKK -656m, including dividends of DKK 326m, buyback of shares of DKK 401m and an income of DKK 63m from the sale of treasury shares related to the exercise of share options.

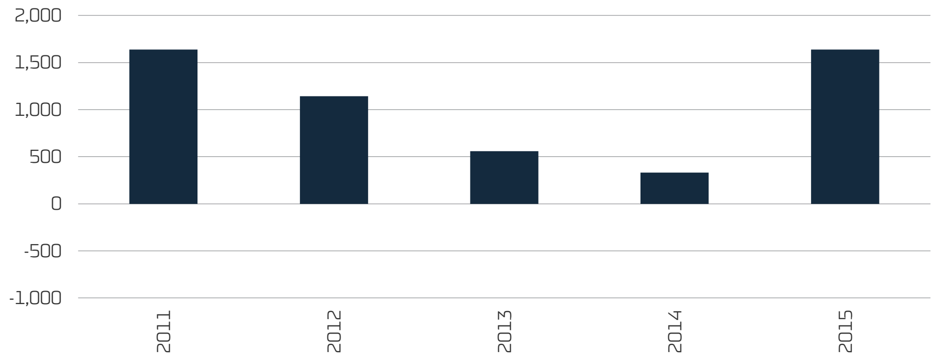
The equity ratio was 52% at year-end 2015 compared to 50% at year-end 2014.

Parent company key figures
The revenue of the parent company, DFDS A/S, was DKK 6,712m in 2015 and the profit before tax was DKK 513m. Total assets at year-end amounted to DKK 11,261m and the equity was DKK 4,322m.

CAPITAL STRUCTURE
(%-share of capital)



FREE CASH FLOW, FCFF
(DKK m)



FINANCIAL STATEMENTS

CONSOLIDATED

INCOME STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Revenue	1,2	13,473,491	12,779,085
Costs			
Operating costs	3	-7,630,857	-7,836,970
Charter hire		-625,035	-574,133
Employee costs	4	-2,487,651	-2,317,235
Cost of sales and administration	5	-688,976	-617,358
Total costs		*-11,432,519*	*-11,345,696*
Operating profit before depreciation (EBITDA) and special items		**2,040,972**	**1,433,389**
Share of profit/loss of associates and joint ventures	13	-11,685	24,940
Profit on disposal of non-current assets, net	6	4,892	9,204
Depreciation, amortisation and impairment	11,12		
Depreciation ships		-661,431	-618,719
Depreciation other non-current assets		-170,565	-153,151
Impairment losses on ships and other non-current assets	12,33	-2,782	-534
Total depreciation and impairment		*-834,779*	*-772,404*
Operating profit (EBIT) before special items		**1,199,400**	**695,129**
Special items, net	7	-35,535	-69,523
Operating profit (EBIT)		**1,163,865**	**625,606**
Financial income	8	25,729	37,037
Financial costs	8	-146,496	-161,115
Profit before tax		**1,043,099**	**501,528**
Tax on profit	9	-31,921	-68,018
Profit for the year		**1,011,178**	**433,510**

DKK '000

	Note	2015	2014
Profit for the year is attributable to:			
Equity holders of DFDS A/S		1,011,497	434,685
Non-controlling interests		-319	-1,175
Profit for the year		**1,011,178**	**433,510**
Earnings per share	10		
Basic earnings per share (EPS) of DKK 20 in DKK [1]		16.8	7.0
Diluted earnings per share (EPS-D) of DKK 20 in DKK [1]		16.5	6.9
Proposed profit appropriation			
Proposed dividend, DKK 3.0 per share (2014: DKK 3.6 per share) [1]			

[1] Comparative figures have been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5 made in September 2015.

COMPREHENSIVE INCOME (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Profit for the year		**1,011,178**	**433,510**
Other comprehensive income			
Items that will not subsequently be reclassified to the Income statement:			
Remeasurement of defined benefit pension obligations	20	-41,237	-43,401
Tax on items that will not be reclassified to the Income statement	9	8,384	8,444
Items that will not subsequently be reclassified to the Income statement		**-32,853**	**-34,957**
Items that are or may subsequently be reclassified to the Income statement:			
Value adjustment of hedging instruments:			
Value adjustment for the year		-69,956	-110,444
Value adjustment transferred to operating costs		30,452	-12,160
Value adjustment transferred to financial costs		61,307	86,228
Foreign exchange adjustments, subsidiaries		58,391	-110,805
Unrealised value adjustment of securities		-1,371	-380
Unrealised impairment of securities transferred to financial costs		1,127	1,222
Realised value adjustment of securities transferred to financial costs		0	961
Items that are or may subsequently be reclassified to the Income statement		**79,950**	**-145,378**
Total other comprehensive income after tax		**47,097**	**-180,335**
Total comprehensive income		**1,058,275**	**253,175**
Total comprehensive income for the year is attributable to:			
Equity holders of DFDS A/S		1,058,479	254,465
Non-controlling interests		-204	-1,290
Total comprehensive income		**1,058,275**	**253,175**

The majority of amounts included in Other comprehensive income relates to Group companies which are taxed under tonnage tax schemes hence, there is no tax on this.

BALANCE SHEET 31 DECEMBER (ASSETS)

DKK '000

	Note	2015	2014
Goodwill		532,289	521,562
Other non-current intangible assets		29,281	30,676
Software		148,373	103,193
Development projects in progress		55,694	60,794
Non-current intangible assets	11	**765,637**	**716,225**
Land and buildings		124,824	124,366
Terminals		521,702	541,662
Ships		6,818,849	7,094,549
Equipment, etc.		494,416	460,272
Assets under construction and prepayments		222,654	290,635
Non-current tangible assets	12	**8,182,445**	**8,511,484**
Investments in associates and joint ventures	13	33,671	24,577
Receivables	14	25,022	24,601
Securities	15	18,399	19,794
Deferred tax	18	97,152	98,870
Other non-current assets		**174,244**	**167,842**
Non-current assets		**9,122,326**	**9,395,551**
Inventories	16	110,571	111,733
Receivables	14	1,844,976	1,883,587
Prepayments		86,001	101,811
Cash		1,422,562	694,503
Current assets		**3,464,110**	**2,791,634**
Assets classified as held for sale	33	59,215	61,671
Total current assets		**3,523,325**	**2,853,305**
Assets		**12,645,652**	**12,248,856**

BALANCE SHEET 31 DECEMBER (EQUITY AND LIABILITIES)

DKK '000

	Note	2015	2014
Share capital	17	1,230,000	1,265,000
Reserves		-246,988	-333,956
Retained earnings		5,312,714	4,917,040
Proposed dividend		184,500	227,700
Equity attributable to equity holders of DFDS A/S		**6,480,226**	**6,075,784**
Non-controlling interests		49,511	51,398
Equity		**6,529,737**	**6,127,182**
Interest bearing liabilities	22	2,213,219	2,924,361
Deferred tax	18	156,864	136,973
Pension and jubilee liabilities	20	362,575	322,086
Other provisions	21	38,555	43,597
Non-current liabilities		**2,771,213**	**3,427,017**
Interest bearing liabilities	22	738,655	274,996
Trade payables		1,573,260	1,492,933
Other provisions	21	78,920	36,868
Corporation tax	25	25,309	19,331
Other payables	23	809,696	745,449
Deferred income	24	111,735	125,080
Current liabilities		**3,337,575**	**2,694,657**
Liabilities relating to assets classified as held for sale	33	7,127	0
Liabilities		**6,115,915**	**6,121,674**
Equity and liabilities		**12,645,652**	**12,248,856**

STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER)

DKK '000

		Reserves								
	Share capital	Translation reserve	Hedging reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2015	1,265,000	-224,791	-58,848	308	-50,625	4,917,040	227,700	**6,075,784**	51,398	**6,127,182**
Comprehensive income for the year										
Profit for the year						1,011,497		**1,011,497**	-319	**1,011,178**
Other comprehensive income										
Items that will not subsequently be reclassified to the Income statement:										
Remeasurement of defined benefit pension obligations						-41,237		**-41,237**		**-41,237**
Tax on items that will not be reclassified to the Income statement						8,384		**8,384**		**8,384**
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**0**	**-32,853**	**0**	**-32,853**	**0**	**-32,853**
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments for the year			-69,956					**-69,956**		**-69,956**
Value adjustment transferred to operating costs			30,452					**30,452**		**30,452**
Value adjustment transferred to financial costs			61,307					**61,307**		**61,307**
Foreign exchange adjustments, subsidiaries		58,276						**58,276**	115	**58,391**
Unrealised value adjustment of securities				-1,371				**-1,371**		**-1,371**
Unrealised impairment of securities transferred to financial costs				1,127				**1,127**		**1,127**
Items that are or may subsequently be reclassified to the Income statement	**0**	**58,276**	**21,803**	**-244**	**0**	**0**	**0**	**79,835**	**115**	**79,950**
Total other comprehensive income after tax	**0**	**58,276**	**21,803**	**-244**	**0**	**-32,853**	**0**	**46,982**	**115**	**47,097**
Total comprehensive income	**0**	**58,276**	**21,803**	**-244**	**0**	**978,644**	**0**	**1,058,479**	**-204**	**1,058,275**
Transactions with owners										
Acquisition, non-controlling interests						1,238		**1,238**	-1,683	**-445**
Proposed dividend during year						-113,850	113,850	**0**		**0**
Dividend paid							-325,793	**-325,793**		**-325,793**
Dividend on treasury shares						15,757	-15,757	**0**		**0**
Proposed dividend by year-end						-184,500	184,500	**0**		**0**
Vested regarding share-based payments						7,192		**7,192**		**7,192**
Purchase of treasury shares					-45,156	-355,799		**-400,955**		**-400,955**
Cash from sale of treasury shares related to exercise of share options					17,289	45,423		**62,712**		**62,712**
Reduction of share capital by cancellation of treasury shares	-35,000				35,000			**0**		**0**
Other adjustments						1,569		**1,569**		**1,569**
Total transactions with owners 2015	**-35,000**	**0**	**0**	**0**	**7,133**	**-582,970**	**-43,200**	**-654,037**	**-1,683**	**-655,720**
Equity at 31 December 2015	**1,230,000**	**-166,515**	**-37,045**	**64**	**-43,492**	**5,312,714**	**184,500**	**6,480,226**	**49,511**	**6,529,737**

The majority of amounts included in Other comprehensive income relates to Group companies which are taxed under tonnage tax schemes hence, there is no tax on this.
The Parent Company's share capital, which is not divided into different classes of shares, is divided into 61,500,000 shares of DKK 20 each. All shares rank equally.
There are no restrictions on voting rights. The shares are fully paid up.

STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER)

DKK '000

		Reserves								
	Share capital	Translation reserve	Hedging reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2014	1,485,608	-114,101	-22,472	-1,495	-213,544	4,943,031	186,200	**6,263,227**	54,923	**6,318,150**
Comprehensive income for the year										
Profit for the year						434,685		**434,685**	-1,175	**433,510**
Other comprehensive income										
Items that will not subsequently be reclassified to the Income statement:										
Remeasurement of defined benefit pension obligations						-43,401		**-43,401**		**-43,401**
Tax on items that will not be reclassified to the Income statement						8,444		**8,444**		**8,444**
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**0**	**-34,957**	**0**	**-34,957**	**0**	**-34,957**
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments for the year			-110,444					**-110,444**		**-110,444**
Value adjustment transferred to operating costs			-12,160					**-12,160**		**-12,160**
Value adjustment transferred to financial costs			86,228					**86,228**		**86,228**
Foreign exchange adjustments, subsidiaries		-110,690						**-110,690**	-115	**-110,805**
Unrealised value adjustment of securities				-380				**-380**		**-380**
Unrealised impairment of securities transferred to financial costs				1,222				**1,222**		**1,222**
Realised value adjustment of securities transferred to financial costs				961				**961**		**961**
Items that are or may subsequently be reclassified to the Income statement	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**0**	**0**	**-145,263**	**-115**	**-145,378**
Total other comprehensive income after tax	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**-34,957**	**0**	**-180,220**	**-115**	**-180,335**
Total comprehensive income	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**399,728**	**0**	**254,465**	**-1,290**	**253,175**
Transactions with owners										
Acquisition, non-controlling interests						1,647		**1,647**	-2,235	**-588**
Dividend paid							-177,289	**-177,289**		**-177,289**
Dividend on treasury shares						8,911	-8,911	**0**		**0**
Proposed dividend						-227,700	227,700	**0**		**0**
Vested regarding share-based payments						6,521		**6,521**		**6,521**
Cash from sale of treasury shares related to exercise of share options					5,953	17,288		**23,241**		**23,241**
Reduction of share capital by cancellation of treasury shares	-220,608				220,608			**0**		**0**
Purchase of treasury shares					-63,642	-231,238		**-294,880**		**-294,880**
Other adjustments						-1,148		**-1,148**		**-1,148**
Total transactions with owners 2014	**-220,608**	**0**	**0**	**0**	**162,919**	**-425,719**	**41,500**	**-441,908**	**-2,235**	**-444,143**
Equity at 31 December 2014	**1,265,000**	**-224,791**	**-58,848**	**308**	**-50,625**	**4,917,040**	**227,700**	**6,075,784**	**51,398**	**6,127,182**

The majority of amounts included in Other comprehensive income relates to Group companies which are taxed under tonnage tax schemes hence, there is no tax on this.

The Parent Company's share capital, which is not divided into different classes of shares, is divided into 63,250,000 shares of DKK 20 each. The number of shares has been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

CASH FLOW STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Operating profit before depreciation (EBITDA) and special items		**2,040,972**	**1,433,389**
Cash flow effect from special items related to operating activities		-16,858	-32,810
Adjustments for non-cash operating items, etc.	28	55,836	13,331
Change in working capital	29	198,690	39,476
Payment of pension liabilities and other provisions		-57,625	-42,686
Cash flow from operating activities, gross		**2,221,015**	**1,410,700**
Interest, etc. received		117,404	110,094
Interest, etc. paid		-208,722	-253,603
Tax paid		-13,812	-12,520
Cash flow from operating activities, net		**2,115,885**	**1,254,671**
Investments in ships including dockings, rebuildings and ships under construction		-422,590	-857,891
Sale of ships including net compensation for ship declared total loss		108,265	0
Investments in other non-current tangible assets		-181,683	-111,717
Sale of other non-current tangible assets		10,782	38,813
Investments in non-current intangible assets		-59,070	-53,997
Investment in other non-current assets, net		23	59
Acquisition of enterprises, associates, joint ventures and activities	31	-6,829	-84,847
Capital contribution to joint ventures		-20,732	0
Sale of activities	31	0	910
Dividend received from associates and joint ventures	13	1,292	0
Cash flow to/from investing activities, net		**-570,542**	**-1,068,670**
Proceed from loans secured by mortgage in ships		120,876	652,550
Repayment of and instalments on loans secured by mortgage in ships		-176,872	-1,506,090
Change in other non-current investments, net		12,639	89
Change in other financial loans, net	30	-95,681	319,474
Payment of financial lease liabilities		-20,774	-46,899
Change in operating credits		-30,190	-133,221
Change in loan to associates and joint ventures		-1,181	-4,592
Proceed from issuance of corporate bonds		0	498,250
Acquisition of non-controlling interests	32	-445	-588
Acquisition of treasury shares	17	-400,955	-294,880
Cash received from exercise of share options		62,712	23,241
Government grants related to purchase of assets		35,432	8,980
Dividends paid		-325,793	-177,289
Cash flow to/from financing activities, net		**-820,232**	**-660,975**
Net increase/(decrease) in cash and cash equivalents		**725,111**	**-474,974**
Cash and cash equivalents at 1 January		694,503	1,166,440
Foreign exchange and value adjustments of cash and cash equivalents		2,948	3,037
Cash and cash equivalents at 31 December[1]		**1,422,562**	**694,503**

[1] At year-end 2015 DKK 85.4m (2014: DKK 0) of the cash was deposited on restricted bank accounts as security for derivatives with negative fair values.
The cash flow statement cannot directly be derived from the income statement and the balance sheet.

NOTES

NOTES TO THE INCOME STATEMENT

NOTES TO THE BALANCE SHEET

NOTES TO THE STATEMENT OF CASH FLOW

NOTES – ADDITIONAL INFORMATION

Note 1 Segment information

The segments together with allocation of operating profit, assets and liabilities etc. are identical with the internal reporting structure of the Group. Management has defined the Groups business segments based on the reporting regularly presented to the Group Executive Management, which also forms the basis for management's decisions.

The costs of the segments are the directly registered costs including a few systematically allocated indirect costs, primarily concerning group functions.

The accounting policies regarding the preparation of the individual segment, including transactions between segments, are in accordance with the accounting policies of the Group. Non-allocated costs therefore reflects the general functions, which cannot reasonably be allocated to the segments. The costs consist primarily of costs concerning the Executive Board and Board of Directors but also parts of Group functions like IT, Treasury, Investor relation, Legal, Communication, Financial Control and depreciation on the Group's IT-systems etc. In addition the elimination of transactions between segments is included. Transactions between segments are concluded at arm's length terms.

Segment assets includes assets, which are directly related to the segment, including non-current intangible, non-current tangible and other non-current assets, inventories, receivables, prepayments, cash in hand and at bank of group enterprises and deposits at the Parent Company. Segment liabilities include current and non-current liabilities.

The Shipping Division's activities are divided into five business areas: North Sea, Baltic Sea, Channel, Passenger and France & Mediterranean.

The Shipping Division's activities are operation of ro-ro and ro-pax tonnage, but also operation of passenger ships. In addition, operation of terminals along with the Group's main routes are included. The customers for ro-ro and ro-pax tonnage are mainly transportation and shipping companies as well as manufacturers of heavy industrial goods with a high demand for sea transportation. The main customers for Passenger cover passengers with own cars, Mini Cruises, conferences and tour operators.

The Logistics Division's activities are divided into three business areas: Nordic, Continent and UK & Ireland.

The Logistics Division's activities are full- and part load transportation, and also warehousing and logistics solutions for larger customers. In addition the division operates lo-lo tonnage and also transport on railway. The customers are primarily importers/exporters and manufacturers of heavy industrial goods.

DKK '000

Note 1 Segment information (continued)

2015	**Shipping Division**	**Logistics Division**	**Non-allocated**	**Total**
External revenue	8,453,328	5,010,032	10,131	13,473,491
Intragroup revenue	617,658	23,747	301,858	943,263
Revenue	9,070,986	5,033,779	311,989	14,416,754
Operating expenses, external	-6,909,932	-4,151,135	-371,452	-11,432,519
Intragroup operating expenses	-255,266	-648,689	-39,309	-943,263
Operating profit before depreciation (EBITDA) and special items	**1,905,788**	**233,955**	**-98,771**	**2,040,972**
Share of profit/loss of associates and joint ventures	-11,478	-208	0	-11,685
Profit on disposal of non-current assets, net	1,084	3,808	0	4,892
Depreciation of ships and other non-current assets	-713,161	-94,886	-23,950	-831,996
Impairment losses on ships and other non-current assets	-2,611	-172	0	-2,782
Operating profit (EBIT) before special items	**1,179,623**	**142,498**	**-122,721**	**1,199,400**
Special items, net	-38,621	8,586	-5,500	-35,535
Operating profit (EBIT)	**1,141,002**	**151,084**	**-128,221**	**1,163,865**
Financial items, net				-120,767
Profit before tax				**1,043,099**
Tax on profit				-31,921
Profit for the year				**1,011,178**
Total assets excluding assets held for sale	8,866,580	2,037,459	1,682,398	12,586,437
Investments in associates and joint ventures	32,308	1,363	0	33,671
Capital expenditures of the year	391,338	157,254	61,552	610,144
Assets held for sale, reference is made to note 33	45,671	0	13,544	59,215
Liabilities relating to assets classified as held for sale	7,127	0	0	7,127
Liabilities excluding liabilities relating to assets classified as held for sale	2,152,962	221,001	3,734,825	6,108,788

DKK '000

Note 1 Segment information (continued)

2014	Shipping Division	Logistics Division	Non-allocated	Total
External revenue	8,171,954	4,596,171	10,960	12,779,085
Intragroup revenue	561,124	28,722	273,367	863,213
Revenue	8,733,078	4,624,893	284,327	13,642,298
Operating expenses, external	-7,181,868	-3,834,774	-329,054	-11,345,696
Intragroup operating expenses	-242,446	-590,167	-30,600	-863,213
Operating profit before depreciation (EBITDA) and special items	**1,308,764**	**199,952**	**-75,327**	**1,433,389**
Share of profit/loss of associates and joint ventures	26,105	-1,165	0	24,940
Profit on disposal of non-current assets, net	61	9,143	0	9,204
Depreciation of ships and other non-current assets	-665,194	-84,105	-22,571	-771,870
Impairment losses on ships and other non-current assets	0	-534	0	-534
Operating profit (EBIT) before special items	**669,736**	**123,291**	**-97,898**	**695,129**
Special items, net	-40,792	1,730	-30,461	-69,523
Operating profit (EBIT)	**628,944**	**125,021**	**-128,359**	**625,606**
Financial items, net				-124,078
Profit before tax				**501,528**
Tax on profit				-68,018
Profit for the year				**433,510**
Total assets excluding assets held for sale	9,350,596	1,967,665	868,924	12,187,185
Investments in associates and joint ventures	21,609	2,968	0	24,577
Capital expenditures of the year	868,986	305,020	58,784	1,232,790
Assets held for sale, reference is made to note 33	48,161	0	13,510	61,671
Liabilities	1,978,778	800,355	3,342,541	6,121,674

Geographical breakdown

The Group does not have a natural geographic split on countries, since the Group, mainly Shipping Division, is based on a connected route network in Northern Europe, where the routes support each other with sales and customer services located in one country whereas the actual revenue is created in other countries. It is consequently not possible to present a meaningful split of revenues and non-current assets by country. The split is therefore presented by the sea and geographical areas, in which DFDS operates.

The adjusted split results in seven geographical areas: North sea, Baltic sea, English Channel, Continent, Nordic, UK/Ireland and Mediterranean. As a consequence of the Group's business model the routes do not directly own the ships, but solely charters the ships from a vessel pool. The ships are frequently moved within the Group's routes. It is therefore not possible to meaningfull estimate the exact value of the non-current assets per geographical area. Instead an adjusted allocation has been used.

DKK '000

Note 1 Segment information (continued)

	North sea	Baltic sea	English Channel	Continent	Nordic	UK/ Ireland	Mediter-ranean	Total
2015								
Total revenue	4,948,471	1,211,875	1,794,571	1,865,829	1,619,876	1,524,290	508,580	13,473,491
Non-current assets	5,373,060	1,582,361	1,193,019	262,033	209,490	501,521	843	9,122,326
2014								
Total revenue	4,872,199	1,269,402	1,521,253	1,767,301	1,493,356	1,334,625	520,949	12,779,085
Non-current assets	5,683,068	1,566,512	1,217,988	172,756	279,561	474,847	819	9,395,551

Information on significant customers

The Group does not have any customers that, individually or seen as a group, represents more than 10% of the Group's net revenue.

DKK '000

Note 2 Revenue	2015	2014
Sale of goods on board ships	1,205,676	1,149,050
Sale of services	11,802,409	11,254,465
Rental income from time charter and bareboat charter of ships and operating equipment	465,406	375,570
Total revenue	**13,473,491**	**12,779,085**

DKK '000

Note 3 Consumable of bunker and goods	2015	2014
Consumable of bunker and goods included in operating costs	1,919,414	2,303,533
Change in inventory write-downs for the year	884	441
Total consumable of bunker and goods	**1,920,298**	**2,303,974**

Consumable of bunker and goods consists of bunker and cost related to sales of goods and services on board.

DKK '000

Note 4 Employee costs	2015	2014
Wages, salaries and remuneration	1,955,193	1,847,389
Hereof capitalised employee costs	-26,706	-35,240
Defined contribution pension plans	95,784	103,602
Defined benefit pension plans, reference is made to note 20	-2,081	4,954
Other social security costs	237,022	204,890
Share based payment, reference is made to note 19	7,192	6,521
Other employee costs	221,247	185,119
Total employee costs	**2,487,651**	**2,317,235**
Of this remuneration to the Executive Board:		
Wages and salaries	10,217	10,234
Bonus	8,174	8,174
Defined contribution pension plans	1,022	1,022
Share based payment	3,486	3,248
Other employee cost	516	579
Total remuneration to Executive Board	**23,415**	**23,257**
Remuneration to the Board of Directors and Audit Committee		
Chairman	763	750
Deputy chairmen	900	950
Other members of the Board of Directors	1,987	2,025
Total remuneration, Board of Directors and Audit Committee	**3,650**	**3,725**
Full time equivalents (FTE), average	6,616	6,363

Remuneration to the chairperson of the Audit Committee amounts to DKK 100k (2014: DKK 100k) and remuneration to other members of the Audit Committee amounts to DKK 50k (2014: DKK 50k) each. No remuneration is paid to members of other committees.

In connection with a change of control of the Group, the members of the Executive Board can - within the first 12 months of the event - trigger termination of their employment on similar terms as if the Company has terminated the employment of the members of the Executive Board, however, with an increased redundancy payment of up to 12 months salary.

DKK '000

Note 5 Fees to Auditors appointed at the annual general meeting	2015	2014
Audit fees	5,416	4,585
Other assurance engagements	491	53
Tax and VAT advice	1,316	552
Non-audit services	1,406	829
Total fees	**8,629**	**6,019**

DKK '000

Note 6 Profit on disposal of non-current assets, net	2015	2014
Profit on disposal of property, plant and equipment		
Ships	1,811	0
Land and buildings	0	5,629
Equipment, etc.	3,844	4,258
Profit on disposal of property, plant and equipment	*5,655*	*9,887*
Loss on disposal of property, plant and equipment		
Equipment, etc.	-763	-683
Loss on disposal of property, plant and equipment	*-763*	*-683*
Total profit on disposal of non-current assets, net	**4,892**	**9,204**

DKK '000

Note 7 Special items, net	2015	2014
Gain regarding sale of the ro-ro freight ship Flandria Seaways	12,288	0
Reversal of estimated earn-out regarding the acquisition of Quayside Group	8,586	0
Adjustment of estimated earn-out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-28,370	-4,730
Impairment of installations on a ship[1]	-22,539	0
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	-5,500	-29,534
Badwill regarding the acquisition of Stef Transport Limited and Seagull Transport Limited and gain from sale of the activities located in Boulogne sur Mer to STEF	0	1,835
Costs related to route closures and other restructurings caused by new low sulphur rules	0	-32,335
Impairment of external agency acitvity in business area France and Mediterranean	0	-3,727
Costs related to restructuring and improvements of processes in connection with project Customer Focus Initiative	0	-1,032
Special items, net	**-35,535**	**-69,523**
If special items had been included in the operating profit before special items, they would have been recognised as follows:		
Employee costs	-2,860	-50,815
Cost of sales and administration	-2,640	-6,939
Operating profit before depreciation (EBITDA) and special items	**-5,500**	**-57,754**
Profit on disposal of non-current assets, net	12,288	1,835
Impairment losses on ships and other non-current assets	-22,539	-8,874
Financial income/costs	-19,784	-4,730
Special items, net	**-35,535**	**-69,523**

[1] The value of the installations is zero and accordingly the net book value is written down to zero. Based on the Accounting Policy, the impairment is included under special items.

DKK '000

Note 8 Financial items	2015	2014
Financial income		
Interest income from banks, etc.	5,884	6,252
Realised gain on securities	65	0
Other dividends	9,518	2,679
Other financial income[1]	10,262	28,106
Total financial income	*25,729*	*37,037*
Financial costs		
Interest expense to banks, credit institutions, corporate bonds, etc.	-86,716	-116,695
Foreign exchange losses, net[2]	-34,286	-21,787
Realised loss on securities (transferred from equity)	0	-961
Defined benefit pension plans, reference is made to note 20	-10,659	-11,266
Unrealised loss on loan receivable	-2,080	0
Impairment of securities (transferred from equity)	-1,127	-1,222
Other financial costs	-11,628	-16,338
Transfer to assets under construction[3]	0	7,154
Total financial costs	*-146,496*	*-161,115*
Financial items, net	**-120,767**	**-124,078**

[1] 2014 includes income of DKK 27.9m from a loan in a subsidiary waived by minority shareholder.
[2] Foreign exchange gains in 2015 amounts to DKK 175m (2014: DKK 337m) and foreign exchange losses amounts to DKK 209m (2014: DKK 359m) for the Group.
[3] 2014: Interest capitalised on two newbuildings. The interest was calculated by using a mix of a specific interest rate and a general interest rate of approximately 1.7 - 4.9% p.a.

Except for interest expenses relating to interest swap agreements of DKK 5.6m (2014: DKK 16.2m) interest income and interest expenses relate to financial instruments measured at amortised cost.

Other financial costs contains bank charges, fees, early repayment fees, commitment fees, etc.

DKK '000

Note 9 Tax	2015	2014
Current tax	-23,412	-24,202
Current joint tax contributions	-757	0
Deferred tax for the year	-29,402	-17,044
Adjustment to corporation tax in respect of prior years	19,835	-16,307
Adjustment to deferred tax in respect of prior years	4,397	983
Adjustment of corporate income tax rate	-1,183	-2,758
Write-down of deferred tax assets	-1,611	-246
Reversal of write-down of deferred tax assets	8,596	0
Tax for the year	**-23,537**	**-59,574**
Tax for the year is recognised as follows:		
Tax in the income statement (effective tax)	-31,921	-68,018
Tax in other comprehensive income	8,384	8,444
Tax for the year	**-23,537**	**-59,574**

DKK '000

Note 9 Tax (continued)	2015	2014
Tax in the income statement can be specified as follows:		
Profit before tax	1,043,099	501,528
Of this, tonnage taxed income	-804,290	-321,978
Profit before tax (corporate income tax)	**238,809**	**179,550**
23.5% tax of profit before tax (2014: 24.5%)	-56,120	-43,990
Adjustment of calculated tax in foreign subsidiaries compared to 23.5% (2014: 24.5%)	-1,676	2,338
Tax effect of:		
Non-taxable/-deductible items	-6,125	-3,729
Tax asset for the year, not recognised	-5,353	-8,469
Utilisation of non-capitalised tax asset	9,777	4,532
Tax risk accruals, net	20,809	-19,004
Other adjustments of tax in respect of prior years	9,225	3,232
Corporate income tax	-29,463	-65,090
Tonnage tax	-2,458	-2,928
Tax in the income statement	**-31,921**	**-68,018**
Effective tax rate	3.1	13.6
Effective tax rate before adjustment of prior years' tax	5.9	10.4
Tax in other comprehensive income can be specified as follows:		
Deferred tax	8,384	8,444
Total tax in other comprehensive income	**8,384**	**8,444**

DFDS A/S and its Danish subsidiaries and Danish taxed branches are within the Danish Act of compulsory joint taxation with LF Investment ApS and J. Lauritzen A/S and these two companies' Danish controlled enterprises. In accordance with the Danish rules on joint taxation, DFDS A/S' 100% owned Danish subsidiaries are jointly and severally liable for DFDS A/S' corporation tax liabilities towards the Danish tax authorities while DFDS A/S and its Danish subsidiaries only are subsidiary and pro rata liable for the corporation tax liabilities towards the Danish tax authorities for all other companies that are part of the Danish joint taxation. LF Investment ApS is the administration company in the joint taxation and settles all payments of corporation tax with the tax authorities.

The majority of the shipping activities performed in the Danish, Lithuanian, Cyprus, Norwegian, Dutch and French enterprises in the Group are included in local tonnage tax schemes where the taxable income related to transportation of passengers and freight is calculated based on the tonnage deployed during the year. Taxable income related to other activities is taxed according to the normal corporate income tax rules.

Adjustment of prior years' tax in 2015 primarily relates to the final settlement and utilisation of tax losses between the English companies in the Group, between the Danish companies in the Group, reversal of write-down of deferred tax assets, etc.

Adjustment of prior years' tax in 2014 primarily relates to the final settlement between the Danish companies in the Group following settlement of a dispute with the Danish Tax Authorities.

DKK '000

Note 10 Earnings per share	2015	2014[1]
Profit for the year	1,011,178	433,510
Attributable to non-controlling interests	319	1,175
Attributable to DFDS Group	**1,011,497**	**434,685**
Weighted average number of issued ordinary shares	62,880,822	66,703,990
Weighted average number of treasury shares	-2,813,678	-4,457,995
Weighted average number of circulating ordinary shares	60,067,144	62,245,995
Weighted average number of share options issued	1,284,311	562,635
Weighted average number of circulating ordinary shares (diluted)	**61,351,455**	**62,808,630**
Basic earnings per share (EPS) of DKK 20 in DKK	16,8	7,0
Diluted earnings per share (EPS-D) of DKK 20 in DKK	16,5	6,9

[1] The comparative figures in the table above and the text below have been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5 made in September 2015.

When calculating diluted earnings per share for 2015, no share options (2014: 43,130 share options were omitted as they were out-of-the-money) are omitted as they are all in-the-money.

DKK '000

Note 11 Non-current intangible assets	Goodwill	Other non-current intangible assets	Software	Development projects in progress	Total
Cost at 1 January 2015	644,686	39,307	282,043	60,794	1,026,830
Foreign exchange adjustments	8,665	1,742	116	0	10,522
Addition on acquisition of enterprises	760 [1]	570	0	0	1,330
Additions	0	0	22,835	36,235	59,070
Transfers	0	0	41,335	-41,335	0
Cost at 31 December 2015	**654,111**	**41,619**	**346,329**	**55,694**	**1,097,753**
Amortisation and impairment losses at 1 January 2015	123,124	8,631	178,850	0	310,605
Foreign exchange adjustments	-1,302	159	-6	0	-1,149
Amortisation charge	0	3,548	18,248	0	21,796
Transfers	0	0	864	0	864 [2]
Amortisation and impairment losses at 31 December 2015	**121,822**	**12,338**	**197,956**	**0**	**332,116**
Carrying amount at 31 December 2015	**532,289**	**29,281**	**148,373**	**55,694**	**765,637**

[1] Addition of goodwill relates to the purchase of activity in Beltrin s.r.o. (DKK 0.8m).
[2] Transferred DKK 864k from non-current tangible assets.

DKK '000

Note 11 Non-current intangible assets (continued)	Goodwill	Other non-current intangible assets	Software	Development projects in progress	Total
Cost at 1 January 2014	545,871	20,799	238,552	53,388	858,610
Foreign exchange adjustments	-9,212	-327	90	0	-9,449
Addition on acquisition of enterprises	108,027 [1]	18,835	0	0	126,862
Additions	0	0	22,709	31,288	53,997
Disposals	0	0	-775	-3,287	-4,062
Transfers	0	0	21,467	-20,595	872 [2]
Cost at 31 December 2014	**644,686**	**39,307**	**282,043**	**60,794**	**1,026,830**
Amortisation and impairment losses at 1 January 2014	121,123	6,059	163,553	3,287	294,022
Foreign exchange adjustments	-2,260	-26	-7	0	-2,293
Amortisation charge	0	2,598	15,207	0	17,805
Impairment charge	4,261	0	0	0	4,261
Disposals	0	0	-775	-3,287	-4,062
Transfers	0	0	872	0	872 [2]
Amortisation and impairment losses at 31 December 2014	**123,124**	**8,631**	**178,850**	**0**	**310,605**
Carrying amount at 31 December 2014	**521,562**	**30,676**	**103,193**	**60,794**	**716,225**

[1] Addition of goodwill relates to the purchase of Quayside Group (DKK 104.3m) and acquisition of an agency in BU France and Mediterranean (DKK 3.7m).
[2] Transferred from non-current tangible assets.

Recognised goodwill is attributable to the following cash generating units:

DKKm	2015	2014
Shipping:		
North Sea and Baltic Sea	199.5	197.8
Logistics:		
Nordic [1]	60.2	58.2
Continent	151.3	150.9
UK & Ireland	121.3	114.7
Total	**532.3**	**521.6**

[1] Relates to the cash generating unit 'Nordic - comprising forwarding- and logistics activities in the Nordic and Baltic countries'.

Regarding impairment tests and impairment losses of goodwill, reference is made to note 37.

The carrying amount of completed software and development projects in progress primarily relates to a new Passenger booking system, a new Transport Management System to the Logistics Division, a new procurement system and a new point of sale system.

DKK '000

Note 12 Non-current tangible assets

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2015	156,216	826,708	12,387,152	1,121,031	290,635	14,781,742
Foreign exchange adjustments	5,659	17,873	36,516	37,658	-350	97,356
Addition on acquisition of enterprises [1]	0	0	0	5,802	0	5,802
Additions	564	0	63,388	120,551	359,439 [2]	543,942
Disposals	-2,990	0	-170,427	-21,256	-4,057	-198,730
Transfers	13	7,378	409,211	6,411	-423,013	0
Transferred to assets classified as held for sale [3]	0	0	-104,744	0	0	-104,744
Cost at 31 December 2015	**159,462**	**851,959**	**12,621,096**	**1,270,197**	**222,654**	**15,125,368**
Depreciation and impairment losses at 1 January 2015	31,850	285,046	5,292,603	660,759	0	6,270,258
Foreign exchange adjustments	594	9,661	6,551	25,419	0	42,225
Depreciation charge	5,065	35,550	661,431	108,154	0	810,200
Impairment charge	0	0	0	172	0	172
Impairment charge, part of special items	0	0	22,539	0	0	22,539
Disposals	-2,871	0	-152,475	-17,859	0	-173,205
Transfers	0	0	0	-864	0	-864 [4]
Transferred to assets classified as held for sale [3]	0	0	-28,402	0	0	-28,402
Depreciation and impairment losses at 31 December 2015	**34,638**	**330,257**	**5,802,247**	**775,781**	**0**	**6,942,923**
Carrying amount at 31 December 2015	**124,824**	**521,702**	**6,818,849**	**494,416**	**222,654**	**8,182,445**
Hereof assets held under finance leases	0	0	0	38,324	0	38,324

[1] Addition on acqusition of entreprises relates to the purchase of minor logistics activities.
[2] Primarily relates to installation of scrubbers on several ships, rebuild of two ships Côte des Dunes and Côte des Flandres where charter agreements will commence in February 2016, and extension of warehouse in Larkhall.
[3] References is made to note 33.
[4] Transferred DKK 864k to non-current intangible assets.

DKK '000

Note 12 Non-current tangible assets

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2014	139,318	822,587	11,623,276	984,419	570,789	14,140,389
Foreign exchange adjustments	2,431	15,442	-185,978	6,100	-6,735	-168,740
Addition on acquisition of enterprises [1]	36,976	0	0	67,570	0	104,546
Additions	359	552	62,241	102,737	781,496 [2]	947,385
Disposals	-23,747	-12,949	-166,473	-37,797	0	-240,966
Transfers	879	1,076	1,054,086	-1,998	-1,054,915	-872 [3]
Cost at 31 December 2014	**156,216**	**826,708**	**12,387,152**	**1,121,031**	**290,635**	**14,781,742**
Depreciation and impairment losses at 1 January 2014	28,646	253,266	4,917,546	597,081	0	5,796,539
Foreign exchange adjustments	7	9,026	-78,342	684	0	-68,625
Depreciation charge	7,030	33,884	618,719	94,939	0	754,572
Disposals	-4,206	-11,249	-165,320	-30,581	0	-211,356
Transfers	373	119	0	-1,364	0	-872
Depreciation and impairment losses at 31 December 2014	**31,850**	**285,046**	**5,292,603**	**660,759**	**0**	**6,270,258**
Carrying amount at 31 December 2014	**124,366**	**541,662**	**7,094,549**	**460,272**	**290,635**	**8,511,484**
Hereof assets held under finance leases	0	0	0	57,204	0	57,204

[1] Addition on acqusition of entreprises relates to the purchase of Quayside Group and STEF.
[2] Primarily relates to construction of the two newbuildings ARK Dania and ARK Germania (ro-ro ships) and the completion hereof in 2014.
[3] Transferred to non-current intangible assets.

On the basis of the impairment tests performed in 2015 there has been no impairment loss on ships (2014: DKK 0m). For further information regarding the impairment tests reference is made to note 37.

In 2015 EU awarded DFDS a grant of up to DKK 67m primarily related to installation of scrubbers on six freight ships. In 2014 EU awarded DFDS a grant of up to DKK 47m primarily related to installation of scrubbers on five freight ships.

The grants are recognised as follows in the financial statements:

DKK m

	Offset against relevant assets/costs	Received in cash	Recognised as receivable
31 December 2014	-29	9	20
Movement	-57	35	22
31 December 2015	**-86**	**44**	**42**

DKK '000

Note 13 Investments in associates and joint ventures	2015	2014
Cost at 1 January	1,864	5,067
Foreign exchange adjustment	275	-188
Additions	21,195	0
Other equity movements	0	-3,015
Cost at 31 December	**23,334**	**1,864**
Value adjustments at 1 January	22,713	-1,284
Foreign exchange adjustment	601	-943
Share of result for the year	-11,685	24,940
Dividend received	-1,292	0
Value adjustments at 31 December	**10,337**	**22,713**
Carrying amount at 31 December	**33,671**	**24,577**

Addition in 2015 relates to the establishment of the joint ventures DFDS Logistics Ibérica S.L. and Moss Stevedore AS (DKK 0.5m) and capital injection in Bohus Terminal Holding AB (DKK 20.7m).

DKK '000

							The Group's share	
2015	**Domicile**	**Ownership**	**Revenue**	**Result for the year**	**Assets**	**Liabilities**	**Equity**	**Result for the year**
Joint ventures:								
Oslo Container Terminal AS	Oslo	50%	17,518	-142	1,641	41	800	-71
Moss Stevedore AS	Moss	50%	6,674	0	155	0	78	0
Bohus Terminal Holding AB	Gothenburg	65% [1]	289,051	-17,658	241,099	191,394	32,308	-11,478
DFDS Suardiaz Line Ltd.	Immingham	50% [2]	162,590	-806	22,762	72,625	-24,932	-403
DFDS Logistics Ibérica S.L.	Madrid	51% [1+2]	9,763	-97	15,873	15,224	331	-49
Associates:								
Seafront Port Services AS	Oslo	40%	32,955	-219	7,470	7,086	154	-87
							8,739	-12,088
Of which investments in associates and joint ventures with negative value							24,932	403
							33,671	**-11,685**

[1] Due to minority protection in the shareholders' agreements the DFDS Group does not have a controlling interest. The entities are classified as joint ventures.
[2] Owned by the Parent Company.

Comprehensive income for each associate and joint venture corresponds to the profit for the year.

DKK '000

Note 13 Investments in associates and joint ventures (continued)							The Group's share	
2014	**Domicile**	**Ownership**	**Revenue**	**Result for the year**	**Assets**	**Liabilities**	**Equity**	**Result for the year**
Joint ventures:								
Oslo Container Terminal AS	Oslo	50%	105,350	-1,895	17,421	12,091	2,665	-948
Bohus Terminal Holding AB	Gothenburg	65% [1]	350,263	40,164	212,197	178,855	21,609	26,106
DFDS Suardiaz Line Ltd.	Immingham	50% [2]	159,531	1,200	31,263	81,135	-24,936	600
Associates:								
Seafront Port Services AS	Oslo	40%	35,266	-545	4,939	4,182	303	-218
							-359	25,540
Of which investments in associates and joint ventures with negative value							24,936	-600
							24,577	**24,940**

[1] Due to minority protection in the shareholders' agreement the DFDS Group does not have controlling interest, despite of 65 % ownership. The entity is classified as a joint venture. The Group's share of Profit for the year is positively affected by DKK 31.5m related to compensation for early termination of volume commitment guarantee in a customer contract.
[2] Owned by the Parent Company.

Comprehensive income for each associate and joint venture corresponds to the profit for the year.

Nature of business for associates and joint ventures	
Joint ventures:	**Nature of business:**
Oslo Container Terminal AS	Operated a terminal in the port of Oslo. Operation seased during 2015.
Moss Stevedore AS	Stevedoring services in the port of Moss, Norway
Bohus Terminal Holding AB	Operates a terminal in the port of Gothenburg through its 100% owned subsidiary Gothenburg Ro/Ro Terminal AB
DFDS Suardiaz Line Ltd.	Operates a LO/LO shipping line between the continent and UK
DFDS Logistics Ibérica S.L.	Agency activities involving door to door services between Spain/Portugal and UK.
Associates:	
Seafront Port Services AS	Operates several terminals in several ports in the southern part of Norway.

DKK '000

Note 14 Receivables	2015	2014
Other non-current receivables	25,022	24,601
Total non-current receivables	**25,022**	**24,601**
Trade receivables	1,593,196	1,660,561
Receivables from associates and joint ventures	55,094	53,912
Corporation tax and joint taxation contribution, receivable, reference is made to note 25	2,679	7,850
Fair value of derivative financial instruments, forward transactions and bunker hedges	4,534	13,586
Other receivables and current assets[1]	189,473	147,678
Total current receivables	**1,844,976**	**1,883,587**
Total current and non-current receivables	**1,869,998**	**1,908,188**

[1] Hereof EU Grant of DKK 42m (2014: DKK 20m).

The carrying amount of receivables is in all material respects equal to the fair value.

None of the trade receivables with collateral are overdue at 31 December 2015 (2014: none). The collateral consists of bank guarantees with a fair value of DKK 4m (2014: DKK 4m).

Receivables that are past due, but not impaired:	2015	2014
Days past due:		
Up to 30 days	268,423	413,109
31-60 days	62,944	81,317
61-90 days	12,435	24,084
91-120 days	4,260	12,279
More than 120 days	119	33,511
Past due, but not impaired	**348,181**	**564,300**

Movements in write-downs, which are included in the above trade receivables:

Write-downs at 1 January	52,820	44,508
Foreign exchange adjustment	795	-867
Addition on acquisition of enterprises	0	4,120
Write-downs	39,744	20,839
Realised losses	-4,680	-14,997
Reversed write-downs	-21,930	-783
Write-downs at 31 December	**66,749**	**52,820**

DKK '000

Note 14 Receivables (continued)	2015	2014
Age distribution of write-downs:		
Days past due:		
Up to 30 days	2,757	5,438
31-60 days	4,789	3,964
61-90 days	3,974	265
91-120 days	1,773	2,297
More than 120 days	53,456	40,856
Write-downs at 31 December	**66,749**	**52,820**

Write-downs and realised losses are recognised in operating costs in the Income statement.
Write-downs on trade receivables are caused by customer bankruptcy or uncertainty about the customers ability and/or willingness to pay.

DKK '000

Note 15 Securities	2015	2014
Listed bonds	0	23
Listed shares	34	1,406
Other shares and equity investments	17,782	17,782
Other investments	583	583
Total non-current securities	**18,399**	**19,794**

Securities are assets classified as 'available for sale'.

Other shares and equity investments as well as other investments consist of some minor unlisted enterprises and holdings. These investments are not remeasured to fair value because the fair value cannot be measured reliably. Instead the securities are recognised at cost reduced by impairment, if any.

DKK '000

Note 16 Inventories	2015	2014
Bunker	42,858	49,956
Goods for sale	71,729	64,909
Impairment of inventories	-4,015	-3,132
Total inventories	**110,571**	**111,733**

DKK '000

Note 17 Treasury shares (number of shares)	2015	2014[1]
Treasury shares at 1 January	2,531,240	10,677,220
Acquisition of treasury shares	2,257,770	3,182,075
Disposal of treasury shares due to exercise of share options	-864,400	-297,650
Cancellation of treasury shares	-1,750,000	-11,030,405
Treasury shares at 31 December	**2,174,610**	**2,531,240**
Market value of treasury shares at 31 December	580,621	299,193

[1] The comparative figures in the table above and the text below have been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5 made in September 2015.

In accordance with the Annual General Meeting in March 2015 the Board of Directors is authorised – until the 24 March 2020 – to acquire treasury shares equal to up to 10% of DFDS A/S' share capital. The price cannot deviate by more than 10% from the listed acquisition price on NASDAQ Copenhagen at the time of acquisition.

DFDS A/S has during 2015 acquired treasury shares for a total payment of DKK 401.0m (2014: DKK 294.9m). Furthermore, DFDS A/S has during 2015 disposed treasury shares for a total consideration of DKK 62.7m (2014: DKK 23.2) in connection with employees exercise of share options.

The Parent Company's holding of treasury shares at 31 December 2015 is 2,174,610 shares of DKK 20 each (2014: 2,531,240 shares), corresponding to 3.54% (2014: 4.00%) of the Parent Company's share capital. Treasury shares have been acquired for the share buy-back programme and to cover the share option scheme for employees.

On an Extraordinary General Meeting in September 2015 it was decided to cancel 1,750,000 of the treasury shares. This resulted in a reduction of the Company's share capital by nominally DKK 35,000,000. The cancellation had legal effect from 16 October 2015, which was one month from the decision was taken. Furthermore, it was decided to change the nominal share value from DKK 100 to DKK 20 through a stock split of 1:5. This implied that each share with a nominal value of DKK 100 was split into five shares with a nominal value of DKK 20 each.

DKK '000

Note 18 Deferred tax

2015	Ships	Land and buildings, terminals and other equipment	Provisions	Tax loss carried forward	Other	Total
Deferred tax at 1 January	120,249	12,114	-58,573	-37,970	2,283	38,103
Foreign exchange adjustments	4,734	-34	-3,367	-476	159	1,016
Impact from change in corporate income tax rate	1,668	-69	-344	-72	0	1,183
Recognised in the Income statement	12,748	-655	8,103	17,408	182	37,786
Recognised in Other comprehensive income	0	0	-8,384	0	0	-8,384
Utilised of tax losses between jointly taxed companies	0	0	0	1,390	0	1,390
Adjustment regarding prior years recognised in the Income statement	-3,394	1,395	370	-1,401	-1,367	-4,397
Write-down of deferred tax assets	0	0	0	1,611	0	1,611
Reversal of write-down of deferred tax assets	0	0	0	-8,596	0	-8,596
Deferred tax at 31 December	**136,005**	**12,751**	**-62,195**	**-28,106**	**1,257**	**59,712**
2014						
Deferred tax at 1 January	115,803	8,227	-51,755	-27,889	3,088	47,474
Foreign exchange adjustments	-8,414	-710	-3,211	708	-151	-11,778
Impact from change in corporate income tax rate	0	-46	2,324	478	2	2,758
Addition on acquisition of enterprises	0	-1,822	0	-15,033	0	-16,855
Recognised in the Income statement	12,853	2,444	2,396	8,023	-228	25,488
Recognised in Other comprehensive income	0	0	-8,444	0	0	-8,444
Utilised of tax losses between jointly taxed companies	0	5	0	175	17	197
Adjustment regarding prior years recognised in the Income statement	7	4,016	117	-4,678	-445	-983
Write-down of deferred tax assets	0	0	0	246	0	246
Deferred tax at 31 December	**120,249**	**12,114**	**-58,573**	**-37,970**	**2,283**	**38,103**

	2015	2014
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	-97,152	-98,870
Deferred tax (liabilities)	156,864	136,973
Deferred tax at 31 December, net	**59,712**	**38,103**

By joining the tonnage taxation scheme, DFDS A/S is subject to the requirements of the scheme until 2021. DFDS A/S is not expected to withdraw from the scheme and consequently no deferred tax relating to assets and liabilities subject to tonnage taxation has been recognised. If DFDS A/S withdraws from the tonnage taxation scheme, deferred tax in the amount of maximum DKK 300m (2014: DKK 267m) may be recognised.

The Group has unrecognised tax losses carried forward of DKK 348m with a tax value of DKK 81m (2014: tax losses of DKK 372m, tax value of DKK 90m). Tax losses carried forward are recognised in deferred tax assets to the extent that the losses are expected to be utilised in the form of future taxable profits within a foreseeable future.

DKK '000

Note 19 Share options

The decision to grant share options is made by the Board of Directors. Share options have been granted to the Executive Board and leading employees. Each share option gives the holder of the option the right to acquire one existing share in the Parent Company of nominal DKK 20. The share option schemes equals a right to acquire 3.6% of the share capital (2014: 4.1%) if the remaining share options are exercised.

Share options are granted at an exercise price equal to the average share price of the Parent Company's shares 20 days before the grant with an addition of 5%.

Vesting is done on a straight line basis over three years from the date of grant. Special conditions apply regarding illness and death and if the capital structure of the Parent Company is changed, etc.

The share options can be exercised when a minimum of 3 years and a maximum of 5 years have elapsed since the grant dates. The options can only be exercised within a period of 4 weeks after publication of annual or interim reports.

Share options granted can only be settled with shares. A part of the treasury shares is reserved for settling the outstanding share options.

2014 figures are restated due to the stock split of 1:5 in September 2015.

2015	**Executive Board Number**	**Leading employees Number**	**Resigned employees Number**	**Total**	**Average exercise price per option DKK**	**Average fair value per option DKK**	**Total fair value DKK '000**
Outstanding at 1 January	1,311,140	1,257,260	42,685	2,611,085	70.80	44.07	115,067
Granted during the year	218,915	249,530	0	468,445	136.00	122.54	57,403
Exercised during the year	-452,860	-376,510	-35,030	-864,400	75.55	10.37	8,964
Forfeited during the year	0	85	-1,545	-1,460	49.43	209.89	306
Outstanding at 31 December	**1,077,195**	**1,130,365**	**6,110**	**2,213,670**	**83.93**	**176.92**	**391,645**
Of this exercisable at the end of the year	0	7,350	0	7,350	76.32	190.67	1,401
2014							
Outstanding at 1 January	1,180,375	1,087,070	7,915	2,275,360	66.62	20.59	46,843
Transferred between categories	0	-67,550	67,550	0	74.12	43.71	2,953
Granted during the year	309,515	339,715	0	649,230	88.60	29.17	18,939
Exercised during the year	-178,750	-101,975	-16,925	-297,650	78.08	28.67	8,532
Forfeited during the year	0	0	-15,855	-15,855	62.69	50.81	806
Outstanding at 31 December	**1,311,140**	**1,257,260**	**42,685**	**2,611,085**	**70.80**	**44.07**	**115,067**
Of this exercisable at the end of the year	100,000	43,130	0	143,130	89.79	28.47	4,075

DKK '000

Note 19 Share options (continued)

864,400 share options have been exercised during 2015 (2014: 297,650). The average weighted market price per share exercised in 2015 is DKK 165.78 (2014: DKK 106.80).

Vesting of share options is expensed in the Income statement for 2015 with DKK 7.2m (2014: DKK 6.5m).

The calculated fair values are based on the Black-Scholes formula for measuring share options.

The outstanding options at 31 December 2015 have an average weighted time to maturity of 1.9 years (2014: 2.0 years).

Assumptions concerning the calculation of fair value at time of grant:

Year of grant	**Exercise price**	**Market price at grant date**	**Expected volatility**	**Risk-free interest rate**	**Expected dividend per share (DKK) at grant date**	**Expected term**	**Fair value per option at time of granting**
2015	136.00	132.20	24.75%	-0.49%	3.60	4 years	15.98
2014	88.60	85.20	26.01%	0.83%	2.80	4 years	11.31
2013	58.80	56.40	26.20%	0.60%	2.40	4 years	6.38
2012	69.20	65.20	27.95%	0.74%	2.40	4 years	8.50
2011 (Leading employees)	93.00	87.00	35.73%	2.42%	2.40	4 years	19.92

The expected volatility for 2011 grant to the Leading employees is based on the historic volatility for the past 3 years. The expected volatility for 2012 is based on the historic volatility for the past 3 years. The expected volatility for 2013 to 2015 is based on the historic volatility for the past 4 years. The risk free interest rate is based on 4 year Danish government bonds.

Note 20 Pension and jubilee liabilities

The Group contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to independent insurance companies responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Group has no legal or constructive obligation to pay further contributions irrespective of the financial situation of these insurance companies. Pension costs from such plans are expensed in the Income statement when incurred.

In primarily the United Kingdom and the Netherlands the Group has defined benefit plans. In addition there are minor defined benefit plans in Norway, Belgium, Italy, Germany, Denmark and Sweden. The majority of the defined benefit plans are pension plans that yearly pay out a certain percentage of the employee's final salary upon retirement. The pensions are paid out as from retirement and during the remaining life of the employee. The percentage of the salary is dependent of the seniority of the employee except for the closed plans in the United Kingdom and some of the other minor plans. The defined benefit plans typically include a spouse pension and disability insurance.

Some of the pension plans in Sweden are multi-employer plans, which cover a large number of enterprises. The plans are collective and are covered through premiums paid to Alecta. The Swedish Financial Accounting Standards Council's interpretations committee (Redovisningsrådet) has defined this plan as a multi-employer defined benefit plan. Presently, it is not possible to obtain sufficient information from Alecta to assess the plans as defined benefit plans. Consequently, the pension plans are similar to prior years treated as defined contribution plans. The contributions made amounts to DKK 3.2m in 2015 (2014: DKK 2.9m). The collective funding ratio at Alecta amounts to 153% as per December 2015 (December 2014: 146%). For 2016 the contributions are expected to be DKK 3.9m. DFDS' share of the multi-employer plan is around 0.0075% and the liability follows the share of the total plan.

Based on actuarial calculations the defined benefit plans show the following liabilities:

DKK '000

	2015	2014
Present value of funded defined benefit obligations	1,344,953	1,261,137
Fair value of plan assets	-1,015,368	-972,891
Funded defined benefit obligations, net	**329,585**	**288,246**
Present value of unfunded defined benefit obligations	15,438	16,706
Recognised liabilities for defined benefit obligations	**345,023**	**304,952**
Provision for jubilee liabilities	17,552	17,134
Total actuarial liabilities, net	**362,575**	**322,086**

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2015	2014
Movements in the net present value of funded and unfunded defined benefit obligations		
Funded and unfunded obligations at 1 January	1,277,843	1,077,631
Foreign exchange adjustments	58,442	50,563
Current service costs	3,556	5,975
Interest costs	43,601	47,116
Actuarial gain(-)/loss(+) arising from changes in demographic assumptions	-19,660	-26,758
Actuarial gain(-)/loss(+) arising from changes in financial assumptions	53,411	159,408
Past service costs	0	-1,021
Benefits paid	-42,833	-35,309
Employee contributions	208	238
Settlements and curtailments	-14,177	0
Funded and unfunded obligations at 31 December	**1,360,391**	**1,277,843**
Movements in the fair value of the defined benefit plan assets		
Plan assets at 1 January	-972,891	-817,663
Foreign exchange adjustments	-41,649	-35,566
Calculated interest income	-32,942	-35,852
Return on plan assets excluding calculated interest income	5,464	-91,178
Costs of managing the assets	2,022	2,006
Administration costs paid from the plan assets	377	354
Employer contributions	-26,114	-25,187
Employee contributions	-208	-238
Benefits paid	40,820	30,433
Settlements and curtailments	9,753	0
Plan assets at 31 December	**-1,015,368**	**-972,891**
Movements in the asset ceiling		
Asset ceiling at 1 January	0	82
Foreign exchange adjustments	0	-7
Interest costs	0	2
Change in asset ceiling excluding amounts included in interest costs	0	-77
Asset ceiling at 31 December	**0**	**0**
Expenses recognised as employee costs in the Income statement:		
Current service costs	3,556	5,975
Past service costs	0	-1,021
Payments on settlements and curtailments	-1,213	0
Gain (-)/loss(+) on settlements and curtailments	-4,424	0
Total included in employee costs regarding defined benefit plans	**-2,081**	**4,954**

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2015	2014
Expenses included in administration costs:		
Administration costs paid from the plan assets	377	354
Total included in administration costs regarding defined benefit plans	**377**	**354**
Expenses recognised as financial costs in the Income statement:		
Interest costs	43,601	47,116
Interest income	-32,942	-35,852
Interest cost on asset ceiling	0	2
Total included in financial costs regarding defined benefit plans	**10,659**	**11,266**
Total expenses for defined benefit plans recognised in the Income statement	**8,955**	**16,574**
Expenses recognised in Other comprehensive income:		
Remeasurements of plan obligations	33,751	132,650
Remeasurements of plan assets	7,486	-89,172
Change in asset ceiling	0	-77
Total included in Other comprehensive income regarding defined benefit plans	**41,237**	**43,401**
Plan assets consist of the following:		
Listed shares (of this no DFDS A/S shares)	493,846	457,169
Corporate bonds	141,373	204,419
Government and mortgage bonds	96,953	30,655
Cash and cash equivalents	2,331	6,724
Real estate	31,406	28,760
Other assets (primarily insured plans)	249,459	245,164
Total plan assets	**1,015,368**	**972,891**

Actuarial calculations or roll forward calculations are performed annually for all defined benefit plans. Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country. The following significant assumptions have been used for the actuarial calculations:

Average weighted assumptions: [1]

Discount rate	3.4%	3.3%
Social security rate	0.4%	0.3%
Future salary increase	0.5%	0.6%
Future pension increase	2.6%	2.5%
Inflation	2.3%	2.2%

[1] All factors are weighted at the pro rata share of the individual actuarial obligation.

Significant actuarial assumptions for the determination of the retirement benefit obligation are discount rate, expected future remuneration increases and expected mortality. The sensitivity analysis below have been determined based on reasonably likely changes in the assumptions occurring at the end of the period.

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2015	2014
Sensitivity analysis		
Reported obligation 31 December	1,360,391	1,277,843
Discount rate -0.5% point compared to assumptions	1,504,708	1,412,634
Discount rate +0.5% point compared to assumptions	1,235,206	1,160,763
Salary increase -0.5% point compared to assumptions	1,359,060	1,274,308
Salary increase +0.5% point compared to assumptions	1,362,115	1,282,151
Mortality -1 year compared with used mortality tables	1,321,511	1,236,784
Mortality +1 year compared with used mortality tables	1,406,339	1,321,178

Weighted average duration on the liabilities end of 2015 is 19.3 years (2014: 19.3 years).

The Group expects to make a contribution of DKK 28.1m (expected for 2015: DKK 27.7m) to the defined benefit plans in 2016.

Maturity analysis of the obligations

0-1 year	30,889	31,047
1-5 years	149,620	143,874
After 5 years	1,179,882	1,102,922
Total obligations	**1,360,391**	**1,277,843**

DKK '000

Note 21 Other provisions	2015	2014
Other provisions at 1 January	80,465	45,641
Foreign exchange adjustments	3,056	1,380
Addition from acquisition of enterprises	760	1,859
Provisions made during the year	73,550	44,401
Used during the year	-29,965	-12,070
Reversal of unused provisions	-10,391	-746
Other provisions at 31 December	**117,475**	**80,465**
Other provisions are expected to be payable in:		
0-1 year	78,920	36,868
1-5 years	29,511	34,025
After 5 years	9,044	9,572
Other provisions at 31 December	**117,475**	**80,465**

Of the Group's provision of DKK 117.5m (2014: DKK 80.5m), DKK 19.6m (2014: DKK 13.2m) is estimated redelivery provision regarding leased operating equipment and DKK 18.5m (2014: DKK 0m) is relating to an onerous bare boat charter contract. DKK 49.3m (2014: DKK 46.7m) is estimated net present value of earn-out agreements regarding acquisitions and DKK 30.1m (2014: DKK 20.6m) is other provisions.

DKK '000

Note 22 Interest-bearing liabilities	2015	2014
Mortgage on ships	859,820	1,032,820
Mortgage on land and buildings	0	28,538
Issued corporate bonds	1,040,945	1,483,996
Financial lease liabilities	7,826	15,072
Bank loans	278,724	338,097
Other non-current liabilities	25,904	25,838
Total interest bearing non-current liabilities	**2,213,219**	**2,924,361**
Mortgage on ships	295,163	174,345
Mortgage on land and buildings	0	2,274
Issued corporate bonds	387,888	0
Financial lease liabilities	8,221	19,115
Bank loans	47,383	78,910
Other current liabilities	0	352
Total interest bearing current liabilities	**738,655**	**274,996**
Total interest bearing liabilities	**2,951,874**	**3,199,357**

In 2014 DFDS issued a five-year corporate bond of DKK 500m, which run for the period 13 June 2014 until 13 June 2019. The bond is listed on the Oslo Stock Exchange. The five-year bond was issued with a floating rate based on three month CIBOR + 1.63% margin in DKK.

The fair value of the interest-bearing liabilities amounts to DKK 2,951m (2014: DKK 3,259m). The fair value measurement is categorised within level 3 in the fair value hierarchy except for the part that relates to the corporate bonds for which the fair value measurement is categorised within level 1.

The fair value of the financial liabilities is determined as the present value of expected future repayments and interest rates. The Group's actual borrowing rate for equivalent terms is used as the discount rate. The fair value of the issued corporate bonds has been calculated based on the quoted bond price at year end 2015 and 2014, respectively.

DKK 608m of the interest-bearing liabilities in the Group fall due after five years (2014: DKK 711m). No unusual conditions in connection with borrowing are made. The loan agreements can be settled at fair value plus a small surcharge, whereas premature settlement of the corporate bonds requires a repurchase of the bonds.

Reference is made to note 27 for financial risks, etc.

Allocation of currency, principal nominal amount	2015	2014
DKK	1,041,710	1,076,438
EUR	961,824	1,011,306
SEK	0	24,584
NOK	930,058	985,571
GBP	18,161	101,458
Other	121	0
Total interest bearing liabilities	**2,951,874**	**3,199,357**

DKK '000

Note 23 Other payables	2015	2014
Payables to associates and joint ventures	30,773	22,122
Accrued interests	9,032	7,008
Public authorities (VAT, duty, etc.)	53,555	61,703
Holiday pay obligations, etc,	293,061	275,132
Fair value of Interest swaps, forward transactions and bunker hedges	303,464	275,721
Other payables	119,811	103,763
Total other payables	**809,696**	**745,449**

DKK '000

Note 24 Deferred income	2015	2014
Prepayments from customers	111,735	125,080
Total deferred income	**111,735**	**125,080**

DKK '000

Note 25 Corporation tax liabilities	2015	2014
Corporation tax liabilities at 1 January	11,481	2,899
Foreign exchange adjustment	225	197
Opening adjustment regarding classification of due jointly taxation (transferred from other payables)	-1,198	-173
Additions on acquisition of enterprises / sale of enterprises	0	2,109
Tax for the year recognised in the Income statement	24,169	24,202
Adjustment, prior years recognised in the Income statement	1,765	-5,233
Corporation taxes paid during the year	-13,812	-12,520
Corporation tax liabilities at 31 December, net	**22,630**	**11,481**
Corporation tax is recognised in the balance sheet as follows:		
Corporation tax receivable (assets), reference is made to note 14	-2,679	-7,850
Corporation tax debt (liabilities)	25,309	19,331
Corporation tax liabilities at 31 December, net	**22,630**	**11,481**

DKK '000

Note 26 Information on financial instruments	2015	2014
Carrying amount per category of financial instruments		
Derivatives, financial assets measured at fair value	4,534	13,586
Loans, receivables and cash, assets measured at amortised cost	3,285,346	2,581,255
Financial assets available for sale	18,399	19,794
Derivatives, financial liabilities measured at fair value	-303,464	-275,721
Financial liabilities measured at amortised cost	-4,691,877	-4,824,528
Total	**-1,687,062**	**-2,485,614**

Hierarchy of financial instruments measured at fair value
The table below ranks financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices in an active market for identical type of instrument, i.e. without change in form or content (modification or repackaging).
- **Level 2:** Quoted prices in an active market for similar assets or liabilities or other valuation methods where all material input is based on observable market data.
- **Level 3:** Valuation methods where possible material input is not based on observable market data.

2015	Level 1	Level 2	Level 3
Derivatives, financial assets	0	4,534	0
Financial assets available for sale	34	0	0
Assets held for sale (non-recurring fair value measurement)	0	0	59,215
Derivatives, financial liabilities	0	-303,464	0
Total	**34**	**-298,930**	**59,215**

2014	Level 1	Level 2	Level 3
Derivatives, financial assets	0	13,586	0
Financial assets available for sale	1,429	0	0
Assets held for sale (non-recurring fair value measurement)	0	0	61,671
Derivatives, financial liabilities	0	-275,721	0
Total	**1,429**	**-262,135**	**61,671**

Derivative financial assets and liabilities are all measured at level 2. Reference is made to note 27 for description of the valuation method. Financial assets available for sale measured at level 1 comprise listed shares (2014: and bonds) and is measured at the quoted prices. Assets held for sale (non-recurring fair value measurement) comprise the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m (2014: DKK 13.5m) and the ro-pax ship Vilnius Seaways with a carrying amount of DKK 45.7m (2014: 48.2m). Reference is made to note 33 for further information on assets held for sale. The fair value of the building is based on a valuation made by an independent real estate broker and discussions with a potential buyer etc., and the fair value of the ship is based on valuations from independent ship brokers.

Financial assets available for sale also comprise other shares and equity investments as well as other investments of DKK 18.4m (2014: DKK 18.4m). These are some minor unlisted enterprises and holdings. They are measured at cost reduced by impairments, if any, and consequently, they are not included in the fair value hierarchy.

Note 27 Financial and operational risks

DFDS' risk management policy
The most important financial risk factors for DFDS are diesel and bunker prices, interest rates, currencies, investments and liquidity. It is the policy of the Group not to enter into active speculation in financial risks. The intention of the financial risk management of the Group is only to manage the financial risks attached to operational and financial activities.

The Board of Directors annually approves the financial risk management policy and strategy. In addition, DFDS has established a Bunker Committee, which monitors hedging levels and market development on a monthly basis. Please refer to the section Risk Factors in the Management review.

Financial risks
Currency risks
Financial currency risks arise from translation of net investments in foreign companies and from other investments, receivables or liabilities denominated in foreign currencies. Currency risks are monitored continuously to ensure compliance with the financial risk management policy.

DFDS aims to actively reduce currency exposure by matching the currency positions, obtaining multi-currency loans and by directing all currency balance positions towards the Parent Company DFDS A/S if possible. The Group uses forward exchange contracts, currency options and currency swaps to hedge forecasted transactions in foreign currencies.

Transaction risks
The Group's most substantial currency balance positions are in SEK, GBP, NOK, EUR and USD. A strengthening of SEK, GBP, NOK and USD, as indicated below, against the DKK at 31 December would have increased/decreased equity and profit or loss by the amounts presented below. EUR is considered as minor risk bearing due to the close band between DKK and EUR.

DKK m

Hypothetical effect of reasonable possible change against DKK	2015	2014
SEK, equity and profit/loss effect, 10% strengthening	10.9	19.3
GBP, equity and profit/loss effect, 10% strengthening	19.9	21.7
NOK, equity and profit/loss effect, 10% strengthening	-22.4	-25.9
USD, equity and profit/loss effect, 10% strengthening	18.2	24.5
USD, equity effect, 10% strengthening[1]	5.2	10.2

[1]Change in fair value of cash flow hedges, which would only have affected equity. Hedge is only done in the parent company.

The sensitivity analysis on currency risk has been prepared under the assumptions that the effect is calculated on the balance sheet items at the balance sheet date; the included hedges are 100% effective and based on the actual market situation and expectations to the development in the currencies. The analysis assumes that all other variables, in particular interest rates, remain constant.

Translation risks
Translation risks relate to translation of profit and loss and equity of foreign group enterprises into DKK. These risks are to some extent covered by loans in the respective foreign currencies. The Group's most substantial translation risks are GBP, SEK and NOK. An increase in these currencies of 10% compared to the average exchange rates for 2015 would in respect of GBP have affected the result for 2015 by DKK 5.4m (2014: DKK 1.4m), in respect of SEK by DKK 4.4m (2014: DKK 7.2m), and in respect of NOK by DKK 2.3m (2014: DKK 2.8m).

Note 27 Financial and operational risks (continued)

Interest rate risks
DFDS is primarily exposed to interest rate risks through the loan portfolio. The intention of the interest rate risk management is to limit the negative effects of interest rate fluctuations on the earnings. It is DFDS' strategy that 40-70% of the net loan portfolio must be fixed-rate loans when taking contracted interest rate swaps and long term charter agreements into consideration.

The total net interest-bearing debt (including CCY derivatives on bond loans and interest rate swaps) of the Group amounts to DKK 1,773m at year-end 2015 (2014: DKK 2,467m), of which debt with a fixed-rate amounts to DKK 1.108m at year-end 2015 (2014: DKK 588m). In addition, forward starting interest rate swaps with a notional of DKK 209m (2014: DKK 313m) have been entered into. These are weighted against the underlying loans amounting to an average notional of DKK 261m (2014: DKK 234m). Thereby the share of debt with fixed-rate is 45% at year-end 2015 (2014: 34%) including the effect of all interest rate swaps. If the long term charter agreements are included the share of debt with fixed-rate increases to 54% (2014: 45%).

An increase in the interest rate of 1%-point compared to the actual interest rates in 2015 would, other things being equal, have increased net interest payments by DKK 9m for the Group in 2015 (2014: DKK 16m). A decrease in the interest rates would have had a similar positive effect.

The Group's total interest-bearing debt except bank overdrafts had an average time to maturity of 5 years (2014: 6 years), and consists primarily of syndicated floating rate bank loans with security in the ships and unsecured issued corporate bonds. The financing is obtained at the market interest rate with addition of a marginal rate reflecting DFDS' financial strength. As part of the financial strategy interest rate swaps with a principal amount totalling DKK 807m (2014: DKK 901m) have been entered into in order to change part of the floating-rate bank loans and issued corporate bonds to fixed-rate bank loans and bonds. The duration of the Group's debt portfolio (including charter liabilities) is 1.4 years (2014: 1.1 years).

An increase in the interest rate of 1%-point compared to the actual interest rate at balance sheet date would, other things being equal, have had a hypothetical positive effect on the Group's equity reserve for hedging by DKK 17m (2014: DKK 20m). This is due to the interest rate swaps entered to hedge variable interest rate loans. A decrease in the interest rate would have had a similar negative effect. The sensitivity analysis is based on the assumption that the effectiveness of the hedges will stay unaffected by the change in the interest rate.

Bunker risks
DFDS Group uses bunker swaps to hedge the variability in bunker costs that are not commercially hedged through customer agreements.

An increase in the bunker price of 10% compared to the actual bunker price at balance sheet date would, other things being equal, have had a hypothetical positive effect on the Group's equity reserve for hedging of DKK 7m (2014: DKK 6m). This is due to the bunker contracts for future delivery entered to hedge the cost for bunkers. A decrease in the bunker price would have had a similar negative effect.

The sensitivity analysis on bunker contracts has been prepared under the assumptions that the effect is calculated all else being equal on the bunker contracts entered at the balance sheet date; the hedges are 100% effective and based on the actual market situation and expectations to the development in the bunker prices.

Liquidity risks
The Group aims to maintain a minimum cash resource of DKK 400m, which is regarded as sufficient for the current operation. The cash resources at 31 December 2015 are DKK 2,532m (2014: DKK 1,337m), of which undrawn credit facilities amounts to DKK 1,110m (2014: DKK 674m). The group treasury department manages excess liquidity and cash resources. Cash at bank and in hand are primarily placed in the short money market as well as short term bonds, and debt to banks are drawn mostly on overdraft facilities.

The following are the contractual maturities of financial instruments, including estimated interest payments and excluding the impact of netting agreements:

DKK '000

Note 27 Financial and operational risks (continued)

2015	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial assets				
Cash	1,422,562	0	0	0
Trade receivables	1,593,196	0	0	0
Receivables from associates and joint ventures	55,094	0	0	0
Other receivables and current assets	189,473	0	25,022	0
Non-derivative financial liabilities				
Mortgages on ships	-318,998	-211,077	-205,586	-563,860
Issued corporate bonds	-424,992	-588,490	-505,944	0
Bank loans	-52,339	-101,774	-98,978	-96,205
Other interest-bearing debt	0	-1,315	-25,255	0
Financial lease liabilities	-9,145	-8,691	0	0
Trade payables	-1,573,260	0	0	0
Payables to associates and joint ventures	-30,773	0	0	0
Other payables	-119,811	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	4,534	0	0	0
Derivative financial liabilities				
Interest swaps	-5,418	-3,958	-2,700	-1,097
Forward exchange contracts and currency swaps	-105,366	-169,925	0	0
Bunker contracts	-14,999	0	0	0
	609,758	**-1,085,230**	**-813,440**	**-661,162**

2014	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial assets				
Cash	694,503	0	0	0
Trade receivables	1,660,561	0	0	0
Receivables from associates and joint ventures	53,912	0	0	0
Other receivables and current assets	147,678	0	0	24,601
Non-derivative financial liabilities				
Mortgages on ships	-195,456	-393,175	-181,565	-599,760
Mortgages on land and buildings	-2,274	-2,579	-7,194	-18,765
Issued corporate bonds	-51,468	-1,081,401	-506,037	0
Bank loans	-85,545	-115,762	-102,334	-146,173
Other interest-bearing debt	-352	-1,237	0	-25,178
Financial lease liabilities	-21,303	-16,737	0	0
Trade payables	-1,492,933	0	0	0
Payables to associates and joint ventures	-22,122	0	0	0
Other payables	-103,763	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	13,397	189	0	0
Derivative financial liabilities				
Interest swaps	-9,984	-5,950	-3,345	-2,440
Forward exchange contracts and currency swaps	-1,715	-82,971	-138,024	0
Bunker contracts	-31,292	0	0	0
	551,844	**-1,699,623**	**-938,499**	**-767,715**

Note 27 Financial and operational risks (continued)

Assumptions for the maturity table:
The maturity analysis is based on undiscounted cash flows including estimated interest payments. Interest payments are estimated based on existing market conditions.

The undiscounted cash flows related to derivative financial liabilities are presented at gross amounts unless the parties according to the contract have a right or obligation to settle at net amount.

Credit risks
DFDS' primary financial assets are trade receivables, other receivables, cash and derivative financial instruments. The credit risk is primarily attributable to trade receivables and other receivables.

The amounts in the balance sheet are stated net of write-downs on receivables, which have been estimated based on a specific assessment of the present economic situation for the specific customer.

DFDS' risks regarding trade receivables are not considered unusual and no material risk is attached to a single customer or cooperative partner. According to the Group's policy of undertaking credit risks, credit ratings of all customers and other cooperative partners are performed at least once a year. A few counterparties have provided bank guarantees for payments for the benefit of DFDS. These guarantees amounts to DKK 3.9m in 2015 (2014: DKK 3.7m), The fair value of the bank guarantees is DKK 3.9m (2014: DKK 3.7m),

Internal credit ratings are also prepared on a systematical and current basis for all financial counterparties. The internal credit rating is based on ratings from international credit rating companies. On the basis of the internal credit rating the Board of Directors have approved general limits for deposits, etc. with financial counterparties.

Capital management
The Group has a defined target leverage and capital pay-out policy. DFDS targets a net interest bearing debt/EBITDA ratio of minimum 2.0x and maximum 3.0x which is believed to be an appropriate level given the current performance and financial projections. The net interest bearing debt/EBITDA ratio may at certain times deviate from the target, primarily if DFDS makes significant acquisitions and other strategic initiatives.

At year end 2015 the equity ratio for the Group was 52% (2014: 50%). DFDS targets an equity ratio of at least 40%.

DFDS' distribution policy is to pay dividend semi-annually. The payment of semi-annual dividends was introduced in August 2015 to facilitate a faster return of capital to shareholders and better align dividend payments with DFDS' seasonal cash flow cycle that peaks during the third quarter, which is the high season for passenger travel. Further information on the capital structure and distribution policy can be found under DFDS share and shareholder chapter in the Management review.

Due to the Group's sustained solid capital structure and net interest bearing debt/EBITDA level the proposed dividend for 2015 is DKK 3.00 per share to be distributed after the annual general meeting and a planned DKK 2.00 per share to be distributed in August 2016. The total planned dividend for 2016 amounts to DKK 5.00 per share equal to 30% of the profits excluding non-controlling interests (2014: DKK 3.6 per share or 52% of the profits excluding non-controlling interests.) Dividend per share has been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5. A further DKK 1.80 per share was distributed as dividend during 2015 (2014: DKK 0).

The Group's cost of capital (WACC) was calculated at 6.0% (2014: 6.0%) and the return on invested capital (ROIC) was 13.3% (2014: 7.2%). DFDS' target is a return on invested capital of minimum 10% across cycle.

DKK '000

Note 27 Financial and operational risks (continued)

2015				**Expected timing of recycling to income statement of gains/losses recognised in the equity**				
Expected future transactions	**Hedge instrument**	**Time to maturity**	**Notional principal amount**	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**	**Fair value**
Interest	Interest swaps	0-8 years	806,875	-5,418	-3,958	-2,700	-1,097	-13,173
Goods purchased	Bunker contracts (tons)	0-1 years	42,168	-14,999	0	0	0	-14,999
Bond loans	Currency swaps	0-3 years	1,200,000	1,263	-11,088	0	0	-9,825
Sales and goods purchased	Forward exchange contracts	0-1 years	51,046	979	0	0	0	979
				-18,175	**-15,046**	**-2,700**	**-1,097**	**-37,018**

DKK '000

2014				**Expected timing of recycling to income statement of gains/losses recognised in the equity**				
Expected future transactions	**Hedge instrument**	**Time to maturity**	**Notional principal amount**	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**	**Fair value**
Interest	Interest swaps	0-9 years	900,571	-9,281	-4,609	-2,299	-1,691	-17,880
Goods purchased	Bunker contracts (tons)	0-1 years	89,732	-31,292	0	0	0	-31,292
Bond loans	Currency swaps	1-4 years	1,200,000	0	-1,103	-12,158	0	-13,261
Sales and goods purchased	Forward exchange contracts	0-1 years	98,476	3,612	0	0	0	3,612
				-36,961	**-5,712**	**-14,457**	**-1,691**	**-58,821**

The fair values of interest swaps have been calculated by discounting the expected future interest payments. The discount rate for each interest payment is estimated on the basis of a swap interest curve, which is calculated based on a wide spread of market interest rates.

The fair values on forward exchange contracts are based on interest curve calculations in DFDS' Treasury system. Calculations are based on a spread of market interest rates in the various currencies. Calculation of bunker contracts are based on quoted forward curve from various financial institutions.

DKK '000

Note 27 Financial and operational risks (continued)

Operational risks
Operational risks arise from the cash flow transactions. The size of the transactions made through the financial year is affected by the change in different market rates such as interest and foreign exchange rates. Currency risks are monitored continuously to ensure compliance with the financial risk management policy.

Currency cash flow risks
Approximately 89% of DFDS' revenues are invoiced in unhedged foreign currencies (2014: 87%) with the most substantial net income currencies being EUR, SEK, GBP and NOK. USD was the most substantial net expense currency. EUR is considered as minor risk bearing due to the DKK's close band to the EUR. For other entities than the Parent Company the currencies used are primarily their functional currency. The table below shows the currency cash flow exposure.

DKK '000

Profit or loss effect of reasonable possible change against DKK	2015	2014
SEK, profit or loss effect, 10% weakening	-17.2	-19.4
NOK, profit or loss effect, 10% weakening	-7.1	-9.8
GBP, profit or loss effect, 10% weakening	-15.5	-11.7
USD, profit or loss effect, 10% strengthening	-153.7	-159.9

Bunker risks
The cost of bunkers constitutes a specific and significant operational risk partly due to large fluctuations in bunker prices and partly due to the total annual bunker costs of approximately DKK 1,304m or 10% of the Group's revenue in 2015 (2014: DKK 1,692m or 13% of the Group's revenue).

In the freight industry, bunker costs are primarily hedged by price-adjustment clauses (BAF) in freight customer contracts. In the passenger industry, fluctuations in the cost of bunkers are reflected in the ticket price to the extent possible. In addition, hedging transactions, primarily bunker swaps, are used to manage risk of the remaining bunker costs.

DKK '000

Note 28 Non-cash operating items	2015	2014
Change in provisions	48,037	500
Change in write-down of inventories for the year	884	441
Change in provision for defined benefit plans and jubilee obligations	-277	5,869
Vesting of share option plans expensed in the income statement	7,192	6,521
Non-cash operating items	**55,836**	**13,331**

DKK '000

Note 29 Change in working capital	2015	2014
Change in inventories	278	37,603
Change in receivables	77,146	-48,244
Change in current liabilities	121,266	50,117
Change in working capital	**198,690**	**39,476**

DKK '000

Note 30 Change in other financial loans, net	2015	2014
Instalments and repayments of loans	-95,681	-51,073
Raising of loans	0	370,547
Change in other financial loans, net	**-95,681**	**319,474**

Note 31 Acquisition and sale of enterprises and activities

Acquisitions 2015

1 February 2015 the DFDS Group obtained control and 100% ownership of the logistics activities from Beltrin s.r.o. in Czech Republic. The activities are included in Business Unit Continent. 2 March 2015 the DFDS Group acquired certain logistics activities, including employees, certain operating assets and lease agreements of operating equipment, from Volvo Logistics Corporation in Sweden. The activities are included in Business Unit Nordic.

Estimated total yearly revenue of the two acquired activities is around DKK 100m. Total purchase price for the two activities is DKK 7m. The impact from the acquisitions on revenue and EBIT is insignificant. Transaction costs were insignificant and have been expensed as part of administration costs. Goodwill amounts to DKK 0.8m.

Acquisitions 2014

Quayside Group Acquisition
On 1 July 2014 the acquisition of Quayside Group was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired companies. The acquired companies are consolidated in the consolidated financial statements of DFDS A/S as from this date.

The acquisition is 100% made by the subsidiary DFDS Logistics Partners Limited and the acquired companies are after the acquisition included in Business Unit UK & Ireland.

DFDS paid DKK 102.8m for the acquisition of the Group. In addition, two earn-out agreements have been entered into according to which DFDS, based on the acquired Group's financial performance for 2013/14 and 2014/15, may pay an additional cash consideration in the range of DKK 0-23.3m.

Based on the expectations to the acquired Group's earnings for 2013/14 and 2014/15 the earn-out agreements are estimated to DKK 23.3m. Consequently, the total purchase price is calculated at DKK 126.1m.

The acquisition has a negative liquidity effect of DKK 99.9m as cash at hand and in bank in the acquired companies amounts to DKK 2.9m whereas the cash consideration paid amounts to DKK 102.8m

In connection with the acquisition DFDS has measured identifiable intangible assets in the form of customer relations which are recognised in the acquisition balance sheet at their fair value. The fair value of customer relations is calculated to DKK 19.0m at acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition is measured at DKK 104.3m. Goodwill relates to Business Unit UK & Ireland. The goodwill represents the value of assets whose fair value cannot be reliably measured, including the value of the staff and know-how taken over, expected synergies from combining the acquired Group with the existing DFDS activities and network. The valuation of these assets is either subject to great uncertainty or beyond DFDS' control. Accordingly, such fair values are deemed not to be reliable for accounting purposes.

Note 31 Acquisition and sale of enterprises and activities (continued)

Trade receivables have been recognised at the acquisition date at a fair value of DKK 33.4m which is DKK 2.6m less than their gross value.

DFDS Group incurred transaction costs (including stamp duty) of DKK 1.0m, which are recognised in Cost of sales and administration in the income statement.

STEF Acquisition
On 31 January 2014 the acquisition of the two Scottish companies STEF Transport Limited and Seagull Transport Limited from STEF was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired companies. The acquired companies are consolidated in the consolidated financial statements of DFDS A/S as from 1 February 2014.

The acquisition is 100% made by the subsidiary DFDS Logistics Limited and the acquired companies are after the acquisition included in Business Unit UK & Ireland.

DFDS paid DKK 17.0m for the acquisition of the companies.

The acquisition has a positive liquidity effect of DKK 18.8m as cash at hand and in bank in the acquired companies amounts to DKK 35.8m whereas the cash consideration paid amounts to DKK 17.0m.

Following recognition of identifiable assets and liabilities at their fair value, the badwill related to the acquisition has been measured at DKK 0.9m. The acquired companies have been loss making and after the remeasurement of acquired net assets to fair value a badwill of DKK 0.9m occur, which is recognised as income under Special items in 2014.

Trade receivables have been recognised at the acquisition date at a fair value of DKK 11.3m which is DKK 1.4m less than their gross value

DFDS Group incurred transaction costs of DKK 0.6m, which are recognised in Cost of sales and administration in the income statement.

As a part of the transactions the continental distribution and handling activities of DFDS Logistics located in Boulogne sur Mer were sold to STEF as per 31 January 2014. The activities were part of the Business Unit UK and Ireland. The transferred activities included six employees, transport contracts and lease of buildings in Boulogne sur Mer. The sales price amounts to DKK 0.9m. No balance sheet items were transferred. The sale results in a gain of DKK 0.9m which is recognised as income under Special items in 2014.

DKK m	Fair value at acquisition date	
Acquisition Date	**STEF Acquisition (as from 1/2-2014)**	**Quayside Group Acquisition (as from 1/7-2014)**
Non-current intangible assets	0.0	19.0
Non-current tangible assets	9.2	95.3
Deferred tax asset	14.0	8.6
Non-current assets	**23.2**	**122.9**
Receivables	11.7	43.3
Cash at hand and in bank	35.8	2.9
Current assets	**47.5**	**46.2**
Assets	**70.7**	**169.1**

Note 31 Acquisition and sale of enterprises and activities (continued)

DKK m	Fair value at acquisition date	
Acquisition Date	**STEF Acquisition (as from 1/2-2014)**	**Quayside Group Acquisition (as from 1/7-2014)**
Interest bearing debt	44.4	62.6
Non-interest bearing debt	0.0	10.6
Non-current liabilities	**44.4**	**73.6**
Trade payables	5.4	17.7
Interest bearing debt	0.0	37.4
Other current liabilities	3.0	19.0
Current liabilities	**8.4**	**74.1**
Liabilities	**52.8**	**147.3**
Fair value of acquired net assets	**17.9**	**21.8**
Total purchase price		
Cash consideration	17.0	102.8
Deferred consideration (estimated fair value of earn-out)	0.0	23.3
Fair value of the purchase price	**17.0**	**126.1**
Goodwill / (badwill) at acquisition	**-0.9**	**104.3**

Of the Group's total revenue of DKK 12,779.1m for the period 1 January - 31 December 2014 DKK 64.7m relates to the STEF acquisition (consolidated from 1 February 2014) and DKK 112.4m relates to the Quayside Group acquisition (consolidated from 1 July 2014) . Of the Group's profit before tax of DKK 501.4m for the period 1 January - 31 December 2014 DKK 2.8m relates to the STEF acquisition and DKK 2.9m relates to the Quayside Group acquisition.

Had the acquisitions occurred at the beginning of the financial year, the Group's total revenue for the period 1 January - 31 December 2014 would estimated amount to approximately DKK 12,895.7m, and result before tax would estimated amount to approximately DKK 507.2m.

Other acquisitions in 2014
DFDS has during 2014 acquired an agency activity (no assets and liabilities were acquired) related to the route Marseille - Tunis for a cash consideration of DKK 3.7m.

DKK '000

Note 32 Acquisition of non-controlling interests	2015	2014
AB DFDS Seaways	-445	-588
Acquisition of non-controlling interests	**-445**	**-588**

Acquisition of shares in AB DFDS Seaways during 2015 amounts to DKK 0.4m (2014: DKK 0.6m), equivalent to an ownership of 0.11% (2014: 0.14%) after which the company is owned 96.8% (2014: 96.7%). Badwill of DKK 1.2m (2014: DKK 1.6m) is recognised directly in the equity.

DKK '000

Note 33 Assets held for sale	2015	2014
Non-current assets, former Norfolkline domicile in Scheveningen	13,544	13,510
Non-current assets, ro-pax ship Vilnius Seaways	45,671	48,161
Total assets held for sale	**59,215**	**61,671**

2015
DFDS countinues to search for a buyer to the former Norfolkline domicile in Scheveningen and is in discussions with a potential buyer. The domicile is expected to be sold during 2016. The global financial crisis, which has led to an increase in the selling time on the real estate market, is in DFDS' opinion one of the reasons that the building has not yet been sold. DFDS does not expect to involve the building in the company's future operation, thus the building's carrying amount is still expected to be recovered through a sale. The domicile is therefore still recognised as an asset held for sale.

DFDS countinues to search for a buyer for the ro-pax ship Vilnius Seaways, which is taken out of the route network and chartered out. The ship is expected to be sold during 2016. Consequently, the ship is still recognised as an asset held for sale, and the carrying amount at 31 December 2015 has, based on valuations from independent ship brokers, been impaired by DKK 2.6m to DKK 45.7m reflecting best estimate of fair value less costs of dispolsal. A dry docking on Vilnius Seaways was carried out in January 2016 at an estimated cost of DKK 9.7m. It is assessed that this dry docking will not increase the value of the ship and therefore the contracted dry docking is accounted for as an onerous contract. Of the DKK 9.7m in estimated costs, only DKK 7.1m are outstanding as of 31 December 2015 and are recognised as liabilities relating to assets classified as held for sale.

In Q1 2015, the ro-ro freight ship Flandria Seaways was reclassified to asset held for sale. The ship was sold in April 2015 and resulted in a gain of DKK 12.3m, which is recognised under special items, reference is made to note 7.

2014
Assets held for sale includes the former Norfolkline domicile in Scheveningen, and the ro-pax ship Vilnius Seaways.

Note 34 Guarantees, collateral and contingent liabilities

Guarantees amount to DKK 572.0m (2014: DKK 437.6m) for the Group. In addition, DFDS A/S has issued an unlimited guarantee for a subsidiary to cover any obligations under a Payment Service Agreement for creditcard payments and a guarantee to cover all payments to an English defined benefit pension scheme with an underfunding of DKK 34.3m at 31 December 2015 (2014: DKK 26.0m).

The Group is in 2015 as well as in 2014 part in various legal disputes. The outcome of these disputes is not considered likely to influence DFDS significantly, besides what is already recognised in the balance sheet.

In terms of the contaminated land in one of the Group companies discovered in 2005, there is still no obligation to clean the land. If such obligation should occur, the Group has the possibility to get the cost adjusted in the original purchase price for the company. The seller of the land has made a deposit of DKK 24.6m (2014: DKK 24.0m) on a bank account in DFDS' name to cover this.

Certain ships with a total carrying amount of DKK 1,952.2m (2014: DKK 1,444.7m) have been pledged as security for mortgage on ships with a total carrying amount of DKK 1,155.0m (2014: DKK 1,207.2m).

At year end 2015 DKK 85.4m (2014: DKK 0) of the cash was deposited on restricted bank accounts as security for derivatives with negative fair values

DKK '000

Note 35 Contractual commitments	2015	2014
Contractual commitments, term 0-1 year	163,383	184,378
Contractual commitments, term 1-5 years	200,208	72,801
Contractual commitments, term after 5 years	541,658	0
Contractual commitments	**905,249**	**257,179**

Contractual commitments in 2015 relates to the developing of a terminal as well as the future charter payments relating to the lease of the ships Côte des Dunes and Côte des Flandres. The ships were deployed on the route Dover-Calais during February 2016 at which time the lease arrangement has commenced and the ships are recognised as a financial lease.

Contractual commitments in 2014 relates to installation of scrubbers, developing of terminal and takeover of logistics service activities from Volvo in Gothenburg.

Operating lease commitments (lessee)	2015	2014
Minimum lease payments		
0-1 year	72,059	48,488
1-5 years	193,628	103,739
After 5 years	9,507	7,545
Total buildings	**275,194**	**159,772**
0-1 year	158,357	148,967
1-5 years	548,880	512,067
After 5 years	1,339,627	1,399,271
Total terminals	**2,046,864**	**2,060,305**
0-1 year	334,843	289,685
1-5 years	532,905	738,589
After 5 years	0	6,155
Total ships	**867,748**	**1,034,429**
0-1 year	86,505	89,411
1-5 years	114,316	109,663
After 5 years	1,697	2,303
Total equipment, etc.	**202,518**	**201,377**
Total minimum lease payments fall due as follows:		
0-1 year	651,764	576,551
1-5 years	1,389,729	1,464,058
After 5 years	1,350,831	1,415,274
Total minimum lease payments	**3,392,324**	**3,455,883**

The specified payments are not discounted.

Note 35 Contractual commitments (continued)

Operating lease- and rent costs recognised in the income statement amount to DKK 947.2m for 2015 (2014: DKK 855.8m) of which DKK 37.6m (2014: DKK 27.7m) are contingent lease payments. The contingent part of the lease costs relates to terminals and is based on the throughput of volumes in the terminals.

Operating lease contracts on ships are typically concluded with lease terms of up to 12 months, but where most of the lease contracts contain an option to extend the lease term.

However, 4 leases were initially entered with a 10 year lease period, of which 2-4 years remain at 31 December 2015. A further 2 leases were initially entered with a 5 year lease period, of which 3-4 years remain at 31 December 2015.

Lease contracts on other assets are normal lease contracts including a minimum lease term after which the lease term can be terminated by giving 1 to 12 months' notice.

DFDS has not entered any substantial agreements, which will be effected, changed nor expired, if the control over the Group is changed as a consequence of takeover of the Group.

DFDS has purchase options on the chartered ships Regina Seaways and Athena Seaways.

DKK '000

Operating lease commitments (lessor)	2015	2014
Minimum lease payments (income)		
Ships		
0-1 year	104,466	150,944
1-5 years	241,907	247,240
After 5 years	60,601	120,631
Total ships	**406,974**	**518,815**

The specified minimum payments are not discounted. Operational lease- and rental income recognised in the income statement amount to DKK 158.7m in 2015 (2014: DKK 143.6m). The contracts are entered into on usual conditions.

Financial lease commitments (lessee)

2015	Minimum lease payments	Hereof financing element	Carrying amount
0-1 year	9,145	-924	8,221
1-5 years	8,691	-865	7,826
Total	**17,836**	**-1,789**	**16,047**

2014	Minimum lease payments	Hereof financing element	Carrying amount
0-1 year	21,303	-2,188	19,115
1-5 years	16,737	-1,665	15,072
Total	**38,040**	**-3,853**	**34,187**

Due to the acquisition in 2014 of the Quayside Group, DFDS Group took over financial lease contracts that primarily relates to trucks and trailers. The lease contracts expires between 2016 and 2019.

Note 36 Related party transactions

Lauritzen Fonden, Copenhagen with a nominal shareholding of 42.5% exercises de facto control over DFDS A/S. Accordingly, the members of the Board of Directors and the Executive Board at Lauritzen Fonden as well as all companies owned by Lauritzen Fonden are related parties.

Furthermore, related parties comprise DFDS' Executive Board and Board of Directors, leading employees and close members of the family of those, DFDS' subsidiaries, associates and joint ventures, reference is made to note 41 and note 13.

Apart from intra-group balances and transactions (primarily charter hire, financing and commissions etc.), which are eliminated on consolidation, usual Executive Board remuneration and Board of Directors emoluments (reference is made to note 4), share options to the Executive Board and leading employees (reference is made to note 19) and the below transactions, no related-party transactions have been carried out during the year.

DKK '000

2015	Sale of services	Purchase of services	Receivables	Liabilities	Capital contributions
Associates and joint ventures	23,603	199,110	55,094	30,773	21,195
2014					
Associates and joint ventures	19,326	204,920	53,912	22,122	0

Note 37 Impairment tests

Introduction
DFDS has decided to impairment test all non-current assets at least at year-end, or more frequent if there is any indication of impairment.

Definition of cash-generating units
The breakdown into cash-generating units takes its starting-point in the internal structure of the two segments, Shipping and Logistics, and their business areas, including the strategic, operational and commercial management and control of these, both separately and across business areas, and the nature of the customer services provided.

Based on this the following fourteen cash generating units have been identified:

Shipping:
- The business areas North Sea and Baltic Sea
- The business areas North Sea and Baltic Sea – comprising one ro-pax ship not operating in a route schedule
- The business area Channel
- The Copenhagen – Oslo route, which is part of the Passenger business area
- The Amsterdam – Newcastle route, which is part of the Passenger business area
- The business area France & Mediterranean

Logistics:
- The business area Nordic – comprising two sideport ships operating in a route schedule
- The business area Nordic – comprising terminals where each terminal is a separate cash-generating unit (4 units)
- The business area Nordic – comprising forwarding- and logistics activities in the Nordic and Baltic countries
- The business area Continent – forwarding- and logistics activities at the European continent
- The business area UK & Ireland – forwarding- and logistics activities in UK and Ireland

Non-current tangible and intangible assets are attributed to the above cash-generating units, unless this cannot be done with a reasonable degree of certainty. Software and other assets which cannot with reasonable certainty be attributed to one or more of the above cash-generating units are tested for impairment as a non-allocated Group asset, i.e. on the basis of Group earnings.

In 2014 Logistics included an additional cash generating unit 'The business area Nordic – comprising one sideport ship not operating in a route schedule', which no longer exist at year end 2015. During 2015 the sideport ship in this cash generating unit was grounded at a rock and following declared a total loss of construction. Subsequent to this there were no non-current tangible and intangible assets nor activities left in this cash generating unit.

Basis for impairment testing and calculation of recoverable amount
In the impairment test for cash-generating units, the recoverable amount of the unit is compared with its carrying amount. The recoverable amount is the higher value of its value in use and its fair value less costs of disposal. If the recoverable amount is less than the carrying amount, the latter is written down to the lower value.

The value in use is calculated as the discounted value of the estimated future net cash flows per cash-generating unit. Impairment testing (value in use) is performed on the basis of management-approved budgets for the year 2016 and business plans. Key parameters are trends in revenue, EBIT margin, future investments and growth expectations. These parameters are determined specifically for each individual cash-generating unit. No growth is incorporated in the impairment test for projection periods beyond 2016 if the value in use exceeds the carrying amount of the tested assets without using growth, which is the case in the year end 2015 impairment test, except for the cash generating unit 'Continent – forwarding- and logistics activities at the European continent'. For this cash-generating unit we have applied improvement in EBIT-margin of 0.1%-point per year in 2017, 2018 and 2019 according to the Business Plan for the specific cash-generating unit, but neither growth beyond 2019 nor growth in the terminal period is applied. The projected growth is estimated based on expected impact from new customers and the effect of improvements from Group initiatives such as project 'Customer Focus' and 'Project 150'.

The recoverable amount for cash-generating units containing goodwill is determined based on value in use calculations. For a breakdown of goodwill on cash-generating units, reference is made to note 11.

Note 37 Impairment tests (continued)

The fair value of the Group's main assets, ships, is determined on the basis of the average of several independent broker valuations less estimated costs of disposal. The task of the brokers is to assess the value of the individual ships in a 'willing buyer – willing seller' situation. The market is still somewhat uncertain with only few comparable transactions. Accordingly, the valuations are subject to greater uncertainty than would be the case in a normal and stable market with more comparable transactions. As the valuations have been obtained from the same recognized brokers as last year, Management consider an average of these to be the best and most reasonable expression of the ships' fair value

Determination of discount rate
Management determines a discount rate for each cash-generating unit on the basis of a risk-free rate, plus a market risk premium and a risk premium associated with the individual cash-generating unit. The risk-free interest rate is set at a 10-year Danish risk-free rate at year-end. The market risk premium is calculated as a general equity market risk premium of 5%, multiplied by the non-leveraged beta value of each cash-generating unit. Further, risk premium may be added if special conditions and/or uncertainties indicates a need hereto. Conversely, if the risk level for the individual cash-generating unit is considered to be lower than the general risk level, then the risk premium is reduced if special conditions indicates a need hereto.

The non-leveraged beta values are calculated by obtaining the non-leveraged beta values of peer-group companies for each business area via the Bloomberg database. The validity of each peer-group company's non-leveraged beta value is assessed in order to remove those with the lowest validity. There are generally few peer-group companies as values are available only for listed companies.

The pre-tax discount rates used in the two segments are within the following ranges:

	2015	2014
Shipping	6.6% - 8.0%	6.6% - 8.0%
Logistics	7.6% - 12.1%	7.6% - 12.1%

The applied discount rates in cash-generating units for which the carrying amount of goodwill forms a significant part of the Group's total goodwill are 6.6% (2014: 6.6%) in 'North Sea and Baltic Sea', 8.6% (2014: 8.6%) in 'Continent' and 7.6% (2014: 7.6%) in 'UK & Ireland'.

Sensitivity analysis
As part of the preparation of impairment tests, sensitivity analyses are prepared on the basis of relevant risk factors and scenarios that Management can determine with reasonable reliability. Sensitivity analyses are prepared by altering the estimates within the range of probable outcomes. The sensitivities have been assessed as follows, all other things being equal:

- An increase in the discount rate of 0.5%-points.
- A decrease in EBIT of 10%.
- A decrease in broker valuations of 10%.

None of these calculations have given rise to adjustments of the results of the impairment tests prepared.

Order of recognising impairments
If a need for impairment is identified, goodwill is the first to be impaired, followed by the primary non-current tangible and intangible assets in the individual cash-generating units. Impairments are allocated to the respective assets according to the carrying amount of the assets, unless this results in an impairment to a value below the fair value less costs of disposal of the asset; below the assets value in use (if determinable), or zero.

Note 37 Impairment tests (continued)

Impairment tests 2015
On the basis of the impairment tests prepared at year end 2015 it is not deemed necessary to impair any of the fourteen above mentioned cash-generating units in 2015 nor reverse any impairment losses recognised in prior years.

For one ship it has - based on a specific assessment rather than based on the impairment test calculations prepared at year end 2015 as such - been necessary to recognise an impairment loss of DKK 22.5m related to specific installations on the ship. The specific assessment that has lead to the impairment loss is a concrete evaluation of the operationality of the installations. The impairment loss is recognised under 'Special items'.

The ship Vilnius Seaways is classified as held for sale and consequently, it has been measured individually at the lower of carrying amount and fair value less costs of disposal. Based on valuations from independent ship brokers Vilnius Seaways has been impaired by DKK 2.6m. The impairment of Vilnius Seaways is recognised under 'Impairment losses of ships and other non-current assets'.

2014
On the basis of the impairment tests prepared at year end 2014 it is considered necessary to recognise the following impairments losses:

The impairment test conducted for one of the terminals in the business area 'Nordic – comprising terminals where each terminal is a separate cash-generating unit', shows that a goodwill of DKK 0.5m related to the joint venture Oslo Container Terminal AS is impaired. DFDS' operation at the terminal will cease 31 January 2015 due to the loss of a concession agreement, which has led to the impairment. Consequently, an impairment loss of DKK 0.5m is recognised, after which the carrying amount of their goodwill is DKK 0. The impairment loss is recognised under 'Impairment losses on ships and other non-current assets'. The recoverable amount of the cash generating unit corresponds to the Group's proportionate share of the joint venture's equity.

The impairment test prepared for the business area 'France & Mediterranean', shows a need to recognise an impairment loss of DKK 3.7m on goodwill related to an agency activity on the route Marseilles-Tunis acquired during 2014. After the impairment the carrying amount of this goodwill is DKK 0. The impairment loss is recognised under 'Special items'. The remaining non-current tangible, intangible and financial assets of this cash-generating unit have a carrying amount of DKK 0.8m at 31 December 2014, which are not subject to impairment.

A prolonged decline in the fair value of an investment in securities (some listed shares) below its cost showed in Q1 2014 a need for recognising an impairment loss of DKK 1.2m. The loss of DKK 1.2m is transferred from Other comprehensive income to 'Financial costs' in the Income statement.

It is not deemed necessary to reverse any impairment losses recognised in prior years.

Note 38 Events after the balance sheet date

On 12 February 2016, a share buyback programme of DKK 650m was launched comprising two programmes to align DFDS' capital structure to the targeted leverage. The first programme of up to DKK 400m was structured as an auction process and completed on 24 February 2016. A total of 1.600.000 shares was acquired for DKK 250 per share equal to DKK 400m. The second programme of 250m started on 12 February 2016 and is to be completed on 17 August 2016 at the latest.

DFDS has entered into long term charter agreements for the ferries Côte des Dunes and Côte des Flandres which are finance leases. The ferries, Côte des Dunes and Côte des Flandres will be recognized as non-current assets once agreements commence. The ferries have been deployed in February 2016.

On 25 February 2016, DFDS awarded 211.598 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes-model.

Note 39 Significant accounting estimates and assessments

In the preparation of the consolidated financial statements, Management undertakes a number of accounting estimates and assessments, and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Company. These estimates, assessments and assumptions are based on historical experience and other factors which the Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates and assessments. For a detailed description of the Group's accounting policies, reference is made to note 40.

In the opinion of Management, the following accounting estimates and assessments are significant in the preparation of the annual report.

Uncompleted deliveries (mainly in Logistics Division)
The net revenue comprise the year's completed freight deliveries and services, as well as the movements in the value of uncompleted freight deliveries. Direct costs consist of costs incurred to achieve the net revenue for the year.

At the closing of interim periods, including year-end, estimates and assessments are undertaken regarding uncompleted freight deliveries, including the accruals of revenues and direct costs. These estimates and assessments are based on historical experience, etc.

Note 39 Significant accounting estimates and assessments (continued)

Business Combinations
When enterprises are acquired, the assets, liabilities and contingent liabilities of the acquired enterprises are recognised in accordance with the acquisition method described in IFRS 3. In determining the fair value of the acquired assets, liabilities, contingent liabilities and purchase consideration Management undertakes certain estimates and assessments.

Some business combinations contain several transactions that are considered linked to each other and therefore accounted for as one linked transaction. This involves a number of estimates and assessments based on the substance of the components in the acquisition, rather than strictly looking at legal agreements.

The unallocated acquisition price is recognised in the balance sheet as goodwill and allocated to the Group's cash-generating units it relates to, which is determined based on Management's assessment.

Impairment testing of goodwill and other non-current intangible assets
Impairment testing of goodwill and other non-current intangible assets, which primarily relate to IT and customer portfolio, is undertaken at least once every year, and in case of indication of impairment. The impairment tests are based on the expected future cash flow for the cash-generating unit in question. For further description of impairment testing of goodwill and other non-current intangible assets, reference is made to note 37.

Impairment testing of ships, including the assessment of useful life and scrap value
Significant accounting estimates and assessments regarding ships include the decomposing of the ship's cost price on the basis of the expected useful life of its component elements; the ship's expected maximum useful life, its scrap value and impairment test. The expected useful life of ships and their scrap values are reviewed and estimated at least once a year. Impairment tests are also carried out when there is an indication of impairment.

For further details of estimates and assessments relating to ships, please refer to the description of accounting policies in note 40 and note 37, which provide further information on impairment testing.

Impairment of bad debts
Receivables are recognised at amortised cost price less impairment to meet expected losses. Impairments are recognised based on the customers ability and/or willingness to pay.

The need for impairments on the individual customer and the adequacy hereof, is assessed by the Management on the basis of historical data on customer payment patterns, age distributions, dubious receivables, customer concentrations, customer creditworthiness, and any collateral received.

Pensions and similar liabilities
The Group's defined benefit pension plans are calculated on the basis of a number of key actuarial assumptions, including discount rate, the anticipated returns on the plans' assets, the anticipated development in wages and pensions, anticipated mortality, etc. Even moderate alterations in these assumptions can result in significant changes in pension liabilities.

The value of the Group's defined pension benefit plans is based on calculations undertaken by external actuaries.

Note 39 Significant accounting estimates and assessments (continued)

Deferred tax assets
Deferred tax assets, including the tax value of tax losses carried forward, are recognised to the extent that Management assesses that the tax asset can be utilised through positive income in the foreseeable future. Assessment is performed annually on the basis of forecasts, business initiatives and structural changes for the coming years.

Leasing agreements
The Group has entered into leasing/charter agreements for ships, buildings and other equipment, under usual terms and conditions for such agreements. At inception of each individual agreement, Management assess and determine whether the agreement is a financial or an operational leasing agreement.

Derivatives
When entering into agreements involving derivatives, management assesses whether the derivative in question meets the requirement as to effective hedging, including whether the hedging relates to recognised assets and liabilities, projected future cash flows, or financial investments. Monthly effectiveness tests are carried out, and any inefficiency is recognised in the income statement.

Special items
The use of special items includes Management's assessments in order to distinguish certain items from other income statement items, cf. the accounting policies. In general, special items comprise significant items not directly attributable to the Group's operating activities, such as restructuring costs in connection with significant process, structural and organisational changes, as well as any disposal gains or losses in this respect. Significant non-recurring items are also classified as special items. Reference is made to note 7 for a further itemisation and description of special items.

Provisions and contingencies
Management assesses provisions and contingencies on an ongoing basis, as well as the likely outcome of pending or potential legal proceedings, etc. Such outcome depend on future events, which are inherently uncertain. In assessing the likely outcome of significant legal proceedings, tax issues, etc., Management uses external legal advisers as well as relevant case law.

Note 40 Accounting Policies

The 2015 consolidated financial statements and parent company financial statements of DFDS A/S have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

On 26 February 2016, the Board of Directors and Executive Management Board considered and approved the 2015 annual report of DFDS A/S. The annual report will be presented to the shareholders of DFDS A/S for approval at the ordinary annual general meeting on 31 March 2016.

Basis for preparation
The consolidated financial statements and the parent company financial statements are presented in Danish Kroner (DKK) which is the Parent Company's functional currency.

The consolidated financial statements and the parent company financial statements are prepared according to the historical cost convention except that derivatives and financial instruments classified as available-for-sale are measured at fair value.

Non-current assets and assets held for disposal classified as held for sale are measured at the lower of the book value before the changed classification and the fair value less costs to sell.

The accounting policies set out below have been used consistently in respect of the financial year and to comparative figures.

Roundings
In general roundings may cause variances in sums and percentages in the annual report.

New International Financial Reporting Standards and Interpretations
In 2015, the Group has adopted the following new International Financial Reporting Standard and Interpretation:

- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19

The adaptation of this has not had significant impact on recognition and measurement, but have led to further specifications in the Notes and in the consolidated statements of comprehensive income.

The other accounting policies for the 2015 consolidated financial statements and parent company financial statements are unchanged compared with last year.

New standards and interpretations not yet adopted
The IASB has issued a number of new or amended standards and interpretations with effective date post 31 December 2015. The new and amended Standards and Interpretations are not mandatory for the financial reporting for 2015. The Group expects to adopt the Standards and Interpretations when they become mandatory.

- IFRS 9: Financial instruments (Effective for annual periods on or after 1 January 2018) *
- IFRS 14: Regulatory Deferral Accounts (Effective for annual periods on or after 1 January 2016) *
- IFRS 15: Revenue from Contracts with Customers (Effective for annual periods on or after 1 January 2018) *
- IFRS 16: Leases (Effective for annual periods on or after 1 January 2019) *
- Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (Effective for annual periods on or after 1 January 2016)
- Amendment to IAS 1: Disclosure Initiative (Effective for annual periods on or after 1 January 2016)
- Amendment to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciations and Amortisation (Effective for annual periods on or after 1 January 2016)
- Amendment to IAS 16 and IAS 41: Agriculture Bearer Plant (Effective for annual periods on or after 1 January 2016)
- Amendment to IAS 27: Equity Method in Separate Financial Statement (Effective for annual periods on or after 1 January 2016)
- Amendment to IFRS 10 and IAS 28: Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods on or after 1 January 2016)
- Amendment to IFRS 10, IFRS 12 and IAS 28 Investment entities: Applying the Consolidation Exception (Effective for annual periods on or after 1 January 2016) *
- Annual improvements to IFRSs 2012-2014 Cycle

* Not approved by EU

We expect that IFRS 16: Leases will impact the financial reporting of the Group as the Group has significant operational lease commitments. However a detailed analysis of the impact has not yet been made. None of the other standards and interpretations are expected to have a significant impact on recognition and measurement, but they will lead to further specifications in the Notes.

Application of materiality and relevance
DFDS' annual report is based on the concept of materiality and relevance, to ensure that the content is material and relevant to the user. This objective is pursued by providing relevant rather than generic descriptions and information.

When assessing materiality and relevance, due consideration is given to ensure compliance with applicable accounting legislation etc. and to ensure that the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at the balance sheet date and the operations and cash flows for the financial year.

The consolidated financial statements and the parent company financial statements consist of a large number of transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the financial statements and in the notes as required by IFRS. If items are individually immaterial, they are aggregated with other items of similar nature in the statements or in the notes. The disclosure requirements throughout IFRS are substantial and DFDS provides these specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

Significant accounting policies
Management considers the accounting policies for the following areas as the most important for the Group: consolidated financial statement; business combinations; non-current intangible assets; ships; impairment of bad debt; defined benefit pension plans; deferred tax asset; operational lease versus financial lease; derivatives; special items; provisions and contingencies. The individual areas are described below, together with other applied accounting policies.

Significant estimates, assessments etc. in connection with the application of the Group's accounting policies are mentioned in Note 39.

DESCRIPTION OF ACCOUNTING POLICIES

Consolidated financial statements
The consolidated financial statements include the financial statements of DFDS A/S (the Parent Company) and the subsidiaries in which DFDS A/S controls the company's financial and operational policies. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the enterprise (i.e. subsidiary) or if it, in some other way controls the enterprise. DFDS A/S and these subsidiaries are referred to as the Group.

Enterprises, which are not subsidiaries, over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50% or by, according to agreement, jointly controlling the enterprise together with one or more other companies (joint venture).

The consolidated financial statements are based on the financial statement of the Parent Company and the subsidiaries and are prepared by combining items of a uniform nature and eliminating inter-company transactions, shareholdings, balances and unrealised inter-company gains and losses. The consolidated financial statements are based on financial statements prepared by applying the Group's accounting policies.

Investments in subsidiaries are eliminated against the proportionate share of the subsidiaries' net asset value at the acquisition date.

The Group's investments in associates and joint ventures are recognised in the consolidated financial statements at the proportionate share of the associate's / joint venture's net asset value. Unrealised inter-company gains and losses from transactions with associates and joint ventures are eliminated by the Group's interest in the respective associate/jointly controlled enterprise.

Minority interests
In the consolidated financial statements, the individual financial line items of subsidiaries are recognised in full. The minority interests' share of the results for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's results and equity, respectively, but are presented separately in the proposed profit appropriation and the statement of changes in equity. If a minority interest has a put option to sell its ownership interest to DFDS, the fair value of the put option is recognised as an interest-bearing liability, which means that the results for the year and equity attributable to minority interests are not presented separately in the proposed profit appropriation and the statement of changes in equity.

Business combinations
Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed are recognised in the consolidated financial statements until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Business combinations where control is obtained by the DFDS Group are recognised using the acquisition method. The identifiable assets, liabilities and contingent liabilities of newly-acquired enterprises are assessed at their fair value on the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The acquisition date is the date on which the DFDS Group obtains actual control over the acquired enterprise.

Positive differences (goodwill) between, on the one hand, the purchase price, the value of minority interests in the acquired enterprise and the fair value of any previously acquired shareholdings, and, on the other hand, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under non-current intangible assets. Goodwill is not amortised, but is tested annually for impairment. The first impairment test is performed within the end of the acquisition year.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Allocation of goodwill to cash-generating units is described in notes 11 and 37.

Goodwill and fair value adjustments in connection with the acquisition of a foreign enterprise with a different functional currency than the DFDS Group's presentation currency are treated as assets and liabilities of the foreign enterprise, and are translated and converted at first recognition to the functional currency of the foreign enterprise at the exchange rate on the transaction date. Negative goodwill (badwill) is recognised in the income statement at the acquisition date.

The purchase consideration of an enterprise is the fair value of the agreed payment in the form of assets acquired, liabilities assumed, and equity instruments issued. If part of the consideration is contingent on future events or fulfilment of agreed conditions, this part of the consideration is recognised at fair value at the date of acquisition. Costs attributable to business combinations are recognised directly in the income statement when incurred.

If, at acquisition date, uncertainty exist regarding the identification and measurement of acquired assets, liabilities or contingent liabilities, or determination of the purchase price, then initial recognition and measurement is done based on preliminary values. The preliminary values may be adjusted until 12 months from the date of the acquisition, provided that the initial recognition was preliminary or incorrect. All other adjustments are recognised in the income statement as special items, including changes in estimates regarding contingent considerations.

When an enterprise is acquired in more than one transaction (step acquisition), the shareholdings which the company held immediately prior to the transaction in which control is obtained are regarded as having been sold and immediately re-purchased at fair value on the acquisition date. Any difference between the "sales price" and the book value of these shareholdings is to be considered an accounting gain or loss on the shareholdings already held. Such gains or losses are recognised in the income
statement under special items.

Incremental acquisitions after control has been obtained, i.e. purchase of minority interests, are recognised directly in equity. Disposal of minority interests not resulting in loss of control is likewise recognised directly in equity.

Gains or losses on disposal of subsidiaries, associates and joint ventures are calculated as the difference between the disposal consideration and the book value of net assets at the date of disposal, including the book value of goodwill, accumulated exchange gains and losses previously recognised in the equity as well as anticipated disposal costs. Exchange rate adjustments attributable to the Group's ownership interest, and which previously were recognised directly in equity, are included in the calculation of the gain/loss. Any retained participating interests are measured at their fair value at the time at which the controlling influence was lost.

TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency
Items included in the financial statements of each of the Group's enterprises are measured using the functional currency of the primary economic environment in which the enterprise operates. The consolidated financial statements are presented in Danish Kroner (DKK).

Translation of transactions and balances
On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of transaction. Currency gains and losses resulting from the settlement of these transactions as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement as financial

Note 40 Accounting Policies (continued)

income or cost, except when deferred in equity as qualifying for cash flow hedges.

Currency gains and losses on non-monetary items recognised at fair value, such as securities 'available for sale', are recognised in the same line item as the fair value gain or loss.

Non-current assets acquired in foreign currency are translated at the exchange rate prevailing at the date of acquisition. Gains and losses on hedges relating to the acquisition of non-current assets are recognised as part of the value of the non-current asset on its initial recognition.

Translation of subsidiaries
In the consolidated financial statements, the income statement items of subsidiaries with a functional currency different from DKK are translated at the average exchange rate, while the balance sheet items are translated at the exchange rates at the end of the reporting period.

Foreign exchange differences arising on translation of such subsidiaries' equity beginning of the reporting period at the exchange rates at the end of the reporting period and on translation of the income statements from average exchange rates to the exchange rates at the end of the reporting period, are recognised in other comprehensive income and attributed to a separate translation reserve under equity. The exchange rate adjustment is allocated between the parent company's and the minority interests' shares of equity.

When disposing of 100%-owned foreign enterprises, exchange differences which have accumulated in equity via Other comprehensive income, and which are attributable to the enterprise, are transferred from Other comprehensive income to the income statement together with any gains or losses associated with the disposal.

When disposing of partially-owned foreign enterprises, the part of the foreign currency translation reserve which relates to the minority interests is not transferred to the income statement.

In the partial disposal of foreign subsidiaries without losing control, a proportionate share of the accumulated currency translation reserve recognised in Other comprehensive income is transferred from the Parent Company's equity share of equity to that of the minority shareholders.

In the partial disposal of associates and joint ventures, the proportionate share of the accumulated currency translation reserve recognised in other comprehensive income is transferred to the income statement.

Repayment of balances which accounting wise are considered part of the net investment is not considered a partial disposal of the subsidiary.

Derivative financial instruments
Derivative financial instruments are measured in the balance sheet at fair value as from the date where the derivative financial instrument is concluded. The fair values of derivative financial instruments are presented as other receivables if positive or other liabilities if negative. Netting of positive and negative derivative financial instruments is only performed if the company is entitled to and has the intention to settle more derivative financial instruments as a net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Fair value hedge
Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability based on the hedged proportion. Hedging of future cash flows according to agreements (firm commitments), except for foreign currency hedges, is treated as a fair value hedge of a recognised asset and liability.

Cash flow hedge
Changes of the fair value of derivative financial instruments designated as and qualifying for cash flow hedging and which effectively hedge changes in future cash flows, are recognised in other comprehensive income. The change in fair value that relates to the effective portion of the cash flow hedge is recognised as a separate equity reserve until the hedged cash flow impacts the income statement. At this point in time the related gains or losses previously recognised in Other comprehensive income are transferred to the income statement into the same line item as the hedged item is recognised.

For derivative financial instruments that no longer qualify for hedge accounting, the hedge is dissolved prospectively. The accumulated fair value in equity is immediately transferred to the income statement into the same line item as the hedged item is recognised.

Net investment hedge
Changes in the fair value of derivative financial instruments used to hedge net investments in foreign subsidiaries, associates and joint ventures and which effectively hedge currency fluctuations in these enterprises are in the consolidated financial statements recognised in other comprehensive income and attributed to a separate reserve in equity.

Other derivative financial instruments
For derivative financial instruments that do not fulfil the requirements of being treated as hedge instruments, the changes in fair value are recognised successively in the income statement as financial income and cost.

Government grants
Government grants to investments are offset against the cost of the asset in question, and thereby reduce the depreciation base of the asset. Government Grants are recognised when there is reasonable certainty that they will be received.

Rental and lease matters
For accounting purposes, leases are divided into finance and operating leases.

Leases are classified as finance leases if they transfer to lessee substantially all the risks and rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

The cost of assets held under finance leases is recognised at the lower of fair value of the assets and the net present value of the future minimum lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the Group's incremental borrowing rate is used as discount rate. Assets held under finance leases are depreciated and impairment tested in accordance with the Group's accounting policies applying for similar owned non-current assets or maximum over the lease term, depending on the lease conditions. The corresponding lease obligation for assets held under finance leases is recognised in the balance sheet at an amount equal to the net present value of the remaining lease obligation. The calculated interest element of the lease payment is recognised in the income statement under financial expenses.

Lease payments regarding operating leases are recognised in the income statement on a straight-line basis over the lease term unless another approach better reflects the utilisation of the asset. The remaining lease obligation for operating leases is disclosed as contingent liabilities in the Notes.

In respect of assets leased out on a finance lease, an amount equal to the net investment in the lease is recognised in the balance sheet as a receivable due from lessee. The asset leased out is derecognised, and any gain or loss arising from this is recognised in the income statement.

Lease income from assets leased out on an operating lease is recognised in the income statement on a straight-line basis over the lease term.

Sale and leaseback
Gains or losses on 'sale and leaseback' transactions resulting in a finance lease are deferred and recognised over the lease term.

Gains on a 'sale and leaseback transaction' resulting in an operating lease are recognised in the income statement immediately if the transaction is made at fair value or the selling price is below fair value. If the selling price exceeds the fair value, the difference between the selling price and the fair value is deferred and amortised proportionately to the lease payments over the lease term. Losses on a 'sale and leaseback transaction' resulting in an operating lease are recognised in the income statement at the transaction date unless the loss can be compensated by future lease payments below fair value. In this case, the loss is to be deferred and amortised proportionally to the lease payments over the lease term.

Share option plans
The Group has set up equity-settled share option plans. Part of the Company's holding of treasury shares is used for the share option plan.

The value of services received in exchange for granted share options is measured at the fair value of the share options granted.

The equity-settled share options are measured at the fair value at grant date and recognised in the income statement under staff costs over the vesting period. The counter posting is recognised directly in equity as a shareholder transaction.

At initial recognition of the share options, an estimate is made over the number of share options that the employees will vest, cf. the service conditions described in Note 19. Subsequent to initial recognition, the estimate of share options to be vested is adjusted whereby the total recognition is based on the actual number of vested share options.

Note 40 Accounting Policies (continued)

The fair value of the granted share options is calculated using the Black-Scholes option-pricing model. Terms and conditions for each grant are taken into account when calculating the fair value.

Key figures
Key figures are calculated in accordance with the Danish Finance Society' guidelines, 'Recommendations and Financial Ratios 2015'. The key figures stated in the overview with consolidated financial highlights are defined on the 'Definitions and Glossary' page.

INCOME STATEMENT

Revenue
Revenue from transport of passengers, freight and from rendering terminal and warehouse services etc, is recognised in the income statement at the time of delivery of the service to the customer, which is the time where risks and rewards transfer to the customer.

Revenue is measured at fair value, excluding value added tax and after deduction of trade discounts.

Costs
When revenue from transport of passengers, freight and from rendering terminal and warehouse services etc is recognised as income, the related costs are recognised in the income statement.

Operating costs
The operating costs comprise costs of sales related to catering; ship bunker consumption, including hedging; and maintenance and daily running costs of ships. Moreover, operating costs related to land-based activities as well as impairments and realised losses on trade receivables are included.

Charter hire
Charter hire comprise costs related to bareboat and time charter agreements.

Staff costs
Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the respective employees.

Costs of sales and administration
Comprises costs of sales, marketing and administration.

Profit/loss on disposal of non-current assets
Profit/loss on disposal of non-current intangible and tangible assets is calculated as the difference between the disposal price and the book value of net assets at the date of disposal, including disposal costs.

Profit/loss from investments in associates and joint ventures
The Group's income statement includes the proportionate share of the result in associates and joint ventures after tax and minority interests and after elimination of the proportionate share of inter-company profits/losses.

Special items
In general, special items include significant income and expenses not directly attributable to the Group's operating activities, such as material structuring of processes and significant organisational restructurings/changes, as well as gains or losses arising in this connection, and which are of significance over time. In addition, other significant non-recurring amounts are classified as special items, including impairment of goodwill and ships; transaction costs and costs to advisers and integration in connection with large business combinations; changes to estimates of contingent considerations related to business combinations; gains and losses on the disposal of activities; and significant gains and losses on the disposal of non-current assets.

These items are classified separately in the income statement, in order to provide a more accurate and transparent view of the Group's recurring operating profit.

Financial income and expenses
Financial income and costs comprise interest income and costs; realised and unrealised gains and losses on receivables, payables and transactions denominated in foreign currencies; realised gains and losses on securities; amortisation of financial assets and liabilities; interests on financial leasing agreements; bank charges and fees etc. Also included are realised and unrealised gains and losses on derivative financial instruments that are not designated as hedges.

Tax
Tax for the year comprises income tax, tonnage tax, and joint taxation contribution for the year of Danish subsidiaries as well as changes in deferred tax for the year. The tax relating to the profit/loss for the year is recognised in the income

Note 40 Accounting Policies (continued)

statement, and the tax relating to amounts recognised directly in equity is recognised directly in equity. Additionally, adjustments to prior years are included.

The current payable Danish corporation tax is allocated by the settlement of a joint taxation contribution between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from companies that have been able to utilise the tax losses to reduce their own taxable profit.

Tax computed on the taxable income and tonnage tax for the year is recognised in the balance sheet as tax payable or receivable or joint taxation contribution for Danish companies, taking into account on-account/advance payments.

Deferred tax is calculated on all temporary differences between the book value and the tax base of the assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non tax deductible goodwill that arose on acquisition date without impacting the result or taxable income.

Deferred tax relating to assets and liabilities subject to tonnage taxation is recognised to the extent that deferred tax is expected to crystallise. Deferred tax assets are recognised at the value they expectedly can be utilised at in the foreseeable future.

Deferred tax is measured on the basis of the expected use and settlement of the individual assets and liabilities, and according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

ASSETS

Current assets are defined as:

- Assets expected to be realised in, or are held for sale or utilisation in, the normal course of DFDS' operating cycle, or
- Assets held primarily for trading purposes or which are expected to be realised within twelve months post the reporting date, or
- Cash or cash equivalent that are not restricted in use.

All other assets are classified as non-current assets.

Non-current intangible and tangible assets
Generally the following applies unless otherwise stated:

- Non-current intangible and tangible assets are measured at cost less accumulated amortisation/depreciation and impairment losses.
- The cost for non-current intangible and tangible assets include costs to external suppliers, materials and components, direct wages and salaries.
- The cost includes interests paid as from the time of payment until the date when the asset is available for use. The cost price also comprises gains and losses on transactions designated as hedges of non-current tangible assets.
- The basis for amortisation/depreciation is determined as the cost less estimated residual value.
- Non-current intangible and tangible assets are amortised/depreciated on a straight-line basis over the estimated useful life to the estimated residual value.
- Estimated useful life and estimated residual values are reassessed at least once a year. In estimating the estimated useful life for ships it is taken into consideration that DFDS continuously is spending substantial funds on ongoing maintenance.
- The effect from changes in amortisation/depreciation period or the residual value is recognised prospectively as a change in the accounting estimate.

Goodwill
At initial recognition goodwill is recognised in the balance sheet at cost, as described in the section 'Business combinations'. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

An impairment test is performed at least once a year in connection with the presentation of next year's budget. The book value of goodwill is allocated to the Group's cash-generating units at the time of acquisition. Allocation of goodwill to cash-generating units is described in notes 11 and 37.

Software
IT software purchased or internally developed is measured at cost less accumulated amortisation and impairment losses.

Development projects in progress
Development projects in progress, primarily the development of IT software, are recognised as non-current intangible assets if the following criteria are met:

Note 40 Accounting Policies (continued)

- the projects are clearly defined and identifiable;
- the Group intends to use the projects once completed;
- the future earnings from the projects are expected to cover the development and administrative costs; and
- the cost can be reliably measured.

The amortisation of capitalised development projects starts after the completion of the development project, and is recognised on a straight-line basis over the expected useful life, which normally is 3-5 years, but in certain cases up to 10-15 years (where the latter goes for significant internally developed commercial and operational systems).

Other non-current intangible assets
Other non-current intangible assets comprise the value of customer relations or similar identified as a part of business combinations, and which have definite useful life. Other non-current intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the expected useful life, which normally is 3-10 years.

Ships
The rebuilding of ships is capitalised if the rebuilding can be attributed to:
- Safety measures.
- Measures to extend the useful life of the ship.
- Measures to improve earnings.
- Docking.

Maintenance and daily running costs for the ships are recognised in the income statement as incurred.

Docking costs are capitalised and depreciated on a straight-line basis until the ship's next docking. In most cases, the docking interval is 2 years for passenger ships and 2½ years for ro-pax and freight ships.

Gains or losses on the disposal of ships are calculated as the difference between sales price less sales costs and the book value at disposal date. Gains or losses on the disposal of ships are recognised when substantially all risks and rewards incident to ownership have been transferred to the buyer, and are presented in the income statement as 'Profit on disposal of non-current assets, net'. However, if the amount is significant, it is recognised in 'Special items'.

Passenger and ro-pax ships
Due to differences in the wear of the components of passenger and ro-pax ships, the cost of these ships is divided into components with low wear, such as hulls and engines, and components with high wear, such as parts of the hotel, catering and shop areas.

Freight ships
The cost of freight ships is not divided into components as there is no difference in the wear of the various components of freight ships.

Depreciation – expected useful life and residual value
Normally the depreciation period for components with low wear is 35 years for passenger ships and 30 years for ro-pax and freight ships from the year in which the ship was built. The residual value is calculated as the value of the ship's steel less estimated costs of scrapping.

Components with high wear are normally depreciated over 10-15 years down to a residual value of DKK 0.

Other non-current tangible assets
Other non-current tangible assets comprise buildings, terminals and machinery, tools and equipment and leasehold improvements.

The estimated useful lifetimes are as follows:	
Buildings	25-50 years
Terminals etc.	10-40 years
Equipment etc	4-10 years
Leasehold improvements	Max. depreciated over the term of the lease

Gains or losses arising from the disposal of other non-current tangible assets are calculated as the difference between the disposal price less disposal costs and the book value at the date of disposal. Gains or losses on the disposal of these non-current assets are recognised in the income statement as 'Profit on disposal of non-current assets, net' or 'Special items' if the gain is significant.

Note 40 Accounting Policies (continued)

Investments in associates and joint ventures
Investments in associates and joint ventures are in the consolidated financial statements measured according to the equity method, whereby the investments in the balance sheet are measured at the proportionate share of the associates/ joint ventures' equity, calculated in accordance with the accounting policies of the Group, with the addition of the book value of any goodwill, and after deduction or addition of the proportionate share of unrealised intra-group profits and losses. The financial information for associate´s and joint ventures reflects the amounts presented in the financial statements of the associate/joint venture.

Associates and joint ventures with negative equity are measured at DKK 0. If the Group has a legal or actual commitment to cover the associate's or joint venture's negative equity a corresponding provision is recognised.

Any receivables from the associates or joint ventures are written down to the extent the receivables are considered impaired.

Other assets
Other non-current assets and current assets are on initial recognition measured at cost. Subsequently these assets are measured as one of the following categories:

- Trading portfolio: the asset is measured at fair value and the change in value is recognised in the income statement.
- Available-for-sale: the asset is measured at fair value and the change in value is recognised in other comprehensive income and attributed to a separate reserve in equity.
- Receivables: the asset is measured at amortised cost and the change in value is recognised in the income statement.

Impairment
The carrying amount of non-current intangible, tangible and financial assets are continuously assessed, at least once a year, to determine whether there is an indication of impairment. When such indication exists the recoverable amount of the asset is assessed. The recoverable amount is the higher of the fair value less costs of disposal and the value in use. The value in use is calculated as the present value of the future net cash flow, which the asset is expected to generate either by itself or from the lowest cash-generating unit to which the asset is allocated.

Impairment tests (value in use) of goodwill are performed at least once a year. Management has also chosen that Impairment tests of all the Group's non-current assets are performed at least once a year, typically in December. Additional impairment tests are performed, if indications of impairment occur in the period between the annual impairment tests. Reference is made to note 37 for method description.

Securities
Securities held as part of the investment portfolio are designated as 'available-for-sale', and are measured at fair value at first recognition. The recognition is made on the trade date. The subsequent measurement is made at fair value, which for listed securities is equal to the quoted market price. Non-listed securities are recognised at cost less impairment losses when it is not considered possible with reasonable assurance to estimate fair value.

Unrealised value adjustments on securities are recognised in other comprehensive income and attributed to a separate reserve (value adjustment of securities) in equity except for impairments, which are recognised in the income statement under 'Financial items'. When securities are disposed, then the accumulated value adjustment recognised in equity is transferred to 'Financial income or cost' in the income statement.

Inventories
Inventories, which includes catering supplies, are measured at cost based on the weighted average cost method or the net realisable value where this is lower. Inventories, which include bunkers, are measured at cost based on the FIFO method or the net realisable value where this is lower. Other inventories are measured at cost based on the weighted average cost method or the net realisable value where this is lower.

Receivables
Receivables are recognised at amortised cost less impairment losses, where it is assessed that an objective indication of impairment has occurred. Impairment is performed on an individual basis.

Receivables comprise other trade receivables; calculated receivables on hedges; insurance receivables on loss or damage of ships; financial lease receivables; outstanding balances for chartered ships; interest receivable, etc.

Prepayments
The item includes costs incurred no later than at the balance sheet date, but which relates to subsequent periods, e.g. prepaid charters, rents, insurance premiums etc.

Note 40 Accounting Policies (continued)

Assets held for sale
Assets held for sale comprise assets and disposal groups that are designated as being up for sale. Disposal groups are groups of assets subject to be sold or otherwise disposed of in a single transaction. Liabilities related to assets held for sale comprise liabilities directly attached to these assets and which will follow the assets when disposed. Assets are designated as 'held for sale' when the book value is primarily recovered by sale within 12 months in accordance with a formal plan, instead of through continued usage.

Assets or disposal groups 'held for sale' are measured at the lowest value of the book value at the time of being designated as 'held for sale' or the fair value less sales costs. Assets are not amortised/depreciated from the date they are designated as 'held for sale'.

Impairment losses that occur when initially being designated as 'held for sale', as well as gains and losses from subsequent measurement at the lowest value of the book value or the fair value less sales costs, are recognised in the income statement.

Assets and associated liabilities are separated out of line items in the balance sheet, and the main items are specified in the notes. Comparative figures are not restated.

EQUITY

Dividends
Proposed dividend are recognised as liabilities at the date on which they are adopted at the annual general meeting (time of declaration). The expected dividend payment for the year is disclosed as a separate item in the equity.

Reserve for treasury shares
The reserve comprises the nominal value of treasury shares. The difference between the market price paid and the nominal value as well as dividend on treasury shares are recognised directly in equity under retained earnings.

Currency translation reserve
The reserve comprises DFDS A/S shareholders' share of currency translation adjustments arising on the translation of net investments in enterprises with a functional currency other than DKK.

Reserve for hedging
The hedging reserve comprises the fair value of hedging transactions that qualify for recognition as cash flow hedges and where the hedged transactions have not been realised.

Reserve for value adjustment of securities
The reserve for value adjustment of securities comprises accumulated changes in the fair value of the securities classified as 'available-for-sale'. The reserve is dissolved and transferred to financial items in the Income statement when the securities are sold or impaired.

LIABILITIES

Current liabilities are:

- liabilities expected to be settled within the normal course of DFDS' operating cycle, or
- liabilities due to be settled within twelve months of the balance sheet date.

All other liabilities are classified as non-current liabilities.

Pension obligations and other non-current obligations
ontributions to defined contribution pension plans are recognised in the income statement in the period in which they relate, and any payable contributions are accrued in the balance sheet as other payables.

As regards defined benefit pension plans, an actuarial valuation of the value in use of future benefits payable under the plan is made once a year. The value in use is calculated based on assumptions of future development in wage/salary levels, interest rates, inflation, mortality, etc. The value in use is only calculated for benefits to which the employees have become entitled to during their employment with the Group. The actuarial calculation of the value in use less the fair value of any assets under the plan is recognised in the balance sheet under pension obligations. Pension costs of the year are recognised in the income statement based on actuarial estimates and finance expectations at the beginning of the year.

The difference between the calculated development in pension assets and liabilities and the realised values are recognised in other comprehensive income as actuarial gains and losses.

Note 40 Accounting Policies (continued)

Changes in the benefits payable for employees' past service to the enterprise result in an adjustment of the actuarial calculation of the value in use, which is classified as past service costs. Past service costs are recognised in the income statement immediately if the employees have already earned the right to the adjusted benefit. Otherwise, the benefits will be recognised in the income statement over the period in which the employees earn the right to the adjusted benefits.

Other non-current personnel obligations include jubilee benefits, etc.

Other provisions
Provisions are recognised when, due to an event occurring on or before the reporting date, the Group has a legal or constructive obligation, and it is probable that the Group will have to give up future economic benefits to meet the obligation and that this can be reliably estimated. Provisions are recognised based on Management's best estimate of the anticipated expenditure for settling the relevant obligation and are discounted if deemed material.

Interest-bearing liabilities
Comprise amounts owed to mortgage/credit institutions and banks as well as amounts owed to owners of issued corporate bonds including liabilities arising from derivatives relating to issued corporate bonds. The amounts are initially recognised at fair value net of transaction expenses. Subsequently, the financial liability is measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement under 'financial costs' over the term of the loan.

Interest-bearing liabilities also include capitalised residual lease obligations on finance leases. Other liabilities are recognised at amortised cost, which corresponds to the net realisable value in all material respects.

Other payables
Other payables comprise amounts owed to staff, including wages, salaries and holiday pay; amounts owed to the public authorities, including payable tax, VAT, excise duties, real property taxes, etc.; amounts owed in connection with the purchase/disposal of ships, buildings and terminals; interest expenses; fair value of hedges; amounts owed in relation to defined contribution pension plans etc.

Deferred income
Includes payments received from customers no later than at the reporting date, but which relates to income in subsequent periods.

Cash flow statement
The cash flow statement has been prepared using the indirect method, and shows the consolidated cash flow from operating, investing, and financing activities for the year, and the consolidated cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisition and disposal of enterprises is shown separately in cash flows to/from investing activities.

Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flow from operating activities is calculated on the basis of the profit/loss before amortisation and depreciation (EBITDA) and special items adjusted for the cash flow effect of special items, non-cash operating items, changes in working capital, payments relating to financial items and corporation tax paid. Cash flow from investment activities includes payments in connection with the acquisition and disposal of enterprises and activities and of non-current intangible assets, tangible assets and investments. Cash flow from financing activities includes changes in the size or composition of the Group's share capital, payment of dividends to shareholders and the obtaining and repayment of mortgage loans and other long-term and short-term debt. Cash and cash equivalents comprise cash, securities and foreign exchange adjustments of securities, cash and cash equivalents.

Segment information
The segment information has been compiled in conformity with the Group's accounting policies, and is in accordance with the internal management reports.

Note 41 Company overview

Company	Ownership share 2015[1]	Country	City	Currency	Share Capital
Operating – and holding Companies:					
DFDS Seaways NV[2]		Belgium	Gent	EUR	62,000
DFDS Logistics NV[2]		Belgium	Gent	EUR	297,472
DFDS Logistics Services NV		Belgium	Brugge	EUR	1,996,503
Lisco Optima Shipping Ltd.	96.77	Cyprus	Limassol	EUR	1,742
DFDS Logistics s.r.o.[2]		Czech Republic	Prague	CZK	1,100,000
DFDS A/S		Denmark	Copenhagen	DKK	1,230,000,000
DFDS Stevedoring A/S[2]		Denmark	Esbjerg	DKK	502,000
DFDS Seaways Newcastle Ltd.		England	Immingham	GBP	8,050,000
DFDS Seaways Plc.[2]		England	Immingham	GBP	25,500,000
DFDS Logistics Ltd.[2]		England	Immingham	GBP	150,000
DFDS Logistics Services Ltd.[2]		England	Immingham	GBP	100
DFDS Seaways (Holdings) Ltd.[2]		England	Immingham	GBP	250,000
DFDS Logistics Contracts Ltd.		England	Immingham	GBP	2,571,495
DFDS Pension Ltd.		England	Immingham	GBP	165,210
DFDS Logistics Grimsby Ltd.		England	Immingham	GBP	76,000
DFDS Logistics Grimsby Holdings Ltd.		England	Immingham	GBP	1,166
DFDS Logistics Grimsby International Ltd.		England	Immingham	GBP	1
DFDS Logistics Property Ltd.		England	Immingham	GBP	250,000
DFDS Seaways OÜ	64.84	Estonia	Tallinn	EUR	3,800
DFDS Logistics OY		Finland	Kotka	EUR	58,866
DFDS Logistics SARL		France	Boulogne sur Mer	EUR	30,000
DFDS Seaways S.A.S.[2]		France	Dieppe	EUR	37,000
DFDS Logistics BV		the Netherlands	Vlaardingen	EUR	474,780
DFDS Seaways Terminals BV		the Netherlands	Vlaardingen	EUR	72,000
DFDS Seaways BV		the Netherlands	Vlaardingen	EUR	18,400
DFDS Holding BV		the Netherlands	Vlaardingen	EUR	40,000,000
DFDS Logistics Container Line BV[2]		the Netherlands	Vlaardingen	EUR	18,151
DFDS Seaways IJmuiden BV[2]		the Netherlands	IJmuiden	EUR	18,000
DFDS Logistics Contracts (Ireland) Ltd.		Ireland	Dublin	EUR	200
DFDS Logistics (Ireland) Ltd.[2]		Ireland	Dublin	EUR	3
DFDS Logistics S.p.A.[2]		Italy	Fagnano	EUR	140,400
DFDS Logistics Baltic SIA		Latvia	Liepaja	EUR	113,886
DFDS Seaways SIA[2]		Latvia	Riga	EUR	99,645
AB DFDS Seaways[2]	96.77	Lithuania	Klaipeda	EUR	96,438,756
UAB Laivyno Technikos Prieziuros Base	96.77	Lithuania	Klaipeda	EUR	434,430
UAB Krantas Travel	96.77	Lithuania	Klaipeda	EUR	115,848
NorthSea Terminal AS		Norway	Brevik	NOK	1,000,000
DFDS Logistics AS[2]		Norway	Lysaker	NOK	1,538,000
Moss Container Terminal AS		Norway	Moss	NOK	1,000,000
DFDS Logstics Rederi AS[2]		Norway	Oslo	NOK	49,980,000
DFDS Seaways AS[2]		Norway	Oslo	NOK	12,000,000
DFDS Polska Sp. Z.o.o.[2]		Poland	Poznan	PLN	5,000

Note 41 Company overview (continued)

Company	Ownership share 2015[1]	Country	City	Currency	Share Capital
DFDS Logistics East		Russia	Kaliningrad	RUB	48,000
DFDS Seaways Ltd.[2]	99.99	Russia	St. Petersburg	RUB	6,134,121
DFDS Seaways AB		Sweden	Gothenburg	SEK	25,000,000
DFDS Logistics AB		Sweden	Gothenburg	SEK	500,000
DFDS Logistics Contracts AB		Sweden	Gothenburg	SEK	50,000
DFDS Seaways Holding AB[2]		Sweden	Gothenburg	SEK	100,000
DFDS Logistics Services AB[2]		Sweden	Gothenburg	SEK	1,100,000
DFDS Logistics Karlshamn AB		Sweden	Karlshamn	SEK	1,800,000
Karlshamn Express AB		Sweden	Karlshamn	SEK	100,000
Karlshamn Express & Spedition AB		Sweden	Karlshamn	SEK	300,000
DFDS Seaways GmbH[2]		Germany	Cuxhaven	EUR	25,000
DFDS (Deutschland) GmbH[2]		Germany	Hamburg	EUR	102,300
DFDS Logistics GmbH[2]		Germany	Hamburg	EUR	525,000
DFDS Seaways Baltic GmbH	96.77	Germany	Kiel	EUR	25,565
21 Dormant companies					

[1] Unless otherwise indicated, the companies are 100% owned.
[2] Company is directly owned by the parent company DFDS A/S

STATEMENTS

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS
The Board of Directors and the Executive Board have today considered and approved the annual report of DFDS A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review includes a true and fair account of the development in the Group's and the parent company's operations and financial matters, of the result for the year and of the Group's and the parent company's financial position as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 26 February 2016

EXECUTIVE BOARD

Niels Smedegaard President & CEO	**Torben Carlsen** Executive Vice President & CFO

BOARD OF DIRECTORS

Bent Østergaard Chairman	**Vagn Sørensen** Deputy Chairman	**Claus Hemmingsen** Deputy Chairman	**Pernille Erenbjerg**
Jill Lauritzen Melby	**Jørgen Jensen**	**Jens Otto Knudsen**	**Kent Vildbæk**
Lars Skjold-Hansen			

INDEPENDENT AUDITORS' REPORT

To the shareholders of DFDS A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements
We have audited the consolidated financial statements and the parent company financial statements of DFDS A/S for the financial year 1 January – 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements.
On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Frederiksberg, 26 February 2016

ERNST & YOUNG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 30 70 02 28

Henrik Kronborg Iversen State Authorised Public Accountant	Claus Tanggaard Jacobsen State Authorised Public Accountant

FINANCIAL STATEMENTS

PARENT COMPANY

INCOME STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Revenue	1	6,712,403	6,583,192
Costs			
Operating costs	2	-3,375,248	-3,556,213
Charter hire		-952,676	-876,387
Employee costs	3	-745,111	-718,670
Cost of sales and administration	4	-583,650	-565,348
Total costs		*-5,656,685*	*-5,716,618*
Operating profit before depreciation (EBITDA) and special items		**1,055,718**	**866,574**
Profit on disposal of non-current assets, net	5	-2,610	347
Depreciation, amortisation and impairment	9,10		
Depreciation ships		-328,061	-295,257
Depreciation other non-current assets		-39,350	-45,059
Total depreciation and impairment		*-367,411*	*-340,316*
Operating profit (EBIT) before special items		**685,697**	**526,605**
Special items, net	6	8,186	-15,765
Operating profit (EBIT)		**693,883**	**510,840**
Financial income	7	102,296	169,661
Financial costs	7	-282,824	-250,857
Profit before tax		**513,355**	**429,644**
Tax on profit	8	-7,181	-4,697
Profit for the year		**506,174**	**424,947**
Proposed profit appropriation			
Proposed dividend, DKK 3,0 per share (2014: DKK 3.6 per share)		184,500	227,700
Retained earnings		321,674	197,247
		506,174	**424,947**

COMPREHENSIVE INCOME (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Profit for the year		**506,174**	**424,947**
Other comprehensive income			
Items that will not subsequently be reclassified to the Income statement:			
Remeasurement of defined benefit pension obligations		0	134
Items that will not subsequently be reclassified to the Income statement		**0**	**134**
Items that are or may subsequently be reclassified to the Income statement:			
Value adjustment of hedging instruments:			
Value adjustment for the year		-69,956	-110,444
Value adjustment transferred to operating costs		30,452	-12,160
Value adjustment transferred to financial costs		61,307	86,228
Foreign exchange adjustments, goodwill		1,377	-3,026
Unrealised value adjustment of securities		-1,371	-380
Unrealised impairment of securities transferred to financial costs		1,127	1,222
Realised value adjustment of securities transferred to financial costs		0	961
Items that are or may subsequently be reclassified to the Income statement		**22,936**	**-37,599**
Total other comprehensive income after tax		**22,936**	**-37,465**
Total comprehensive income		**529,110**	**387,482**

The majority of amounts included in Other comprehensive income relates to activities which are taxed under the Danish tonnage tax scheme hence, there is no tax on this.

BALANCE SHEET 31 DECEMBER (ASSETS)

DKK '000

	Note	2015	2014
Goodwill		90,470	89,092
Software		147,402	101,120
Development projects in progress		55,694	60,794
Non-current intangible assets	9	**293,566**	**251,006**
Land and buildings		3,344	3,446
Terminals		20,636	15,892
Ships		4,059,588	3,230,187
Equipment, etc.		76,532	102,527
Assets under construction and prepayments		130,582	97,549
Non-current tangible assets	10	**4,290,682**	**3,449,601**
Investments in subsidiaries	11	3,759,072	3,876,760
Investments in associates and joint ventures	12	379	0
Securities	14	18,392	19,764
Deferred tax	17	0	132
Other non-current assets		**3,777,843**	**3,896,656**
Non-current assets		**8,362,091**	**7,597,263**
Inventories	15	97,821	83,092
Receivables	13	1,463,042	2,597,298
Prepayments		37,968	26,730
Cash		1,299,950	508,005
Current assets		**2,898,781**	**3,215,125**
Assets		**11,260,872**	**10,812,388**

BALANCE SHEET 31 DECEMBER (EQUITY AND LIABILITIES)

DKK '000

	Note	2015	2014
Share capital	16	1,230,000	1,265,000
Reserves		-79,506	-108,198
Retained earnings		2,987,217	3,199,171
Proposed dividend		184,500	227,700
Equity		**4,322,211**	**4,583,673**
Interest bearing liabilities	21	2,179,489	2,749,704
Deferred tax	17	5,336	0
Pension and jubilee liabilities	19	7,490	7,464
Other provisions	20	25,383	16,693
Non-current liabilities		**2,217,698**	**2,773,861**
Interest bearing liabilities	21	3,268,745	2,367,368
Trade payables		724,702	551,351
Other provisions	20	50,809	8,310
Corporation tax	23	8,819	2,669
Other payables	22	618,918	467,765
Prepayments from customers		48,970	57,391
Current liabilities		**4,720,963**	**3,454,854**
Liabilities		**6,938,661**	**6,228,715**
Equity and liabilities		**11,260,872**	**10,812,388**

STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER)

DKK '000

		Reserves					
	Share capital	Hedging reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	1,265,000	-58,820	1,247	-50,625	3,199,171	227,700	**4,583,673**
Comprehensive income for the year							
Profit for the year					506,174		**506,174**
Other comprehensive income							
Items that will not subsequently be reclassified to the Income statement:							
Remeasurement of defined benefit pension obligations							
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Items that are or may subsequently be reclassified to the Income statement:							
Value adjustment for the year		-69,956					-69,956
Value adjustment transferred to operating costs		30,452					30,452
Value adjustment transferred to financial costs		61,307					61,307
Foreign exchange adjustments, goodwill					1,377		1,377
Unrealised value adjustment of securities			-1,371				-1,371
Unrealised impairment of securities transferred to financial costs			1,127				1,127
Items that are or may subsequently be reclassified to the Income statement	**0**	**21,803**	**-244**	**0**	**1,377**	**0**	**22,936**
Total other comprehensive income after tax	**0**	**21,803**	**-244**	**0**	**1,377**	**0**	**22,936**
Total comprehensive income	**0**	**21,803**	**-244**	**0**	**507,551**	**0**	**529,110**
Transactions with owners							
Proposed dividend during year					-113,850	113,850	0
Dividend paid						-325,793	-325,793
Dividend on treasury shares					15,757	-15,757	0
Proposed dividend by year-end					-184,500	184,500	0
Vested regarding share-based payments					7,192		7,192
Cash from sale of treasury shares related to exercise of share options				17,289	45,423		62,712
Purchase of treasury shares				-45,156	-355,799		-400,955
Reduction of share capital by cancellation of treasury shares	-35,000			35,000			0
Group internal merger [1]					-139,459		-139,459
Other adjustments					5,731		5,731
Total transactions with owners 2015	**-35,000**	**0**	**0**	**7,133**	**-719,505**	**-43,200**	**-790,572**
Equity at 31 December 2015	**1,230,000**	**-37,017**	**1,003**	**-43,492**	**2,987,217**	**184,500**	**4,322,211**

[1] The directly owned New Channel Company A/S and it's 100% owned subsidiary New Channel Company A/S are per 18 November 2015 merged into DFDS A/S and the difference between cost price of the investment in the subsidiary and the net book value of the subsidiary's equity is recognised directly in DFDS A/S' equity.

The majority of amounts included in Other comprehensive income relates to activities which are taxed under the Danish tonnage tax scheme hence, there is no tax on this.
The Company's share capital, which is not divided into different classes of shares, is divided into 61,500,000 shares of DKK 20 each. All shares rank equally.
There are no restrictions on voting rights. The shares are fully paid up.

STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER)

DKK '000

		Reserves					
	Share capital	**Hedging reserve**	**Revaluation of securities**	**Treasury shares**	**Retained earnings**	**Proposed dividend**	**Total**
Equity at 1 January 2014	1,485,608	-22,444	-556	-213,544	3,213,104	186,200	**4,648,368**
Comprehensive income for the year							
Profit for the year					424,947		**424,947**
Other comprehensive income							
Items that will not subsequently be reclassified to the Income statement:							
Remeasurement of defined benefit pension obligations					134		134
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**134**	**0**	**134**
Items that are or may subsequently be reclassified to the Income statement:							
Value adjustment for the year		-110,444					-110,444
Value adjustment transferred to operating costs		-12,160					-12,160
Value adjustment transferred to financial costs		86,228					86,228
Foreign exchange adjustments, goodwill					-3,026		-3,026
Unrealised value adjustment of securities			-380				-380
Unrealised impairment of securities transferred to financial costs			1,222				1,222
Realised value adjustment of securities transferred to financial costs			961				961
Items that are or may subsequently be reclassified to the Income statement	**0**	**-36,376**	**1,803**	**0**	**-3,026**	**0**	**-37,599**
Total other comprehensive income after tax	**0**	**-36,376**	**1,803**	**0**	**-2,892**	**0**	**-37,465**
Total comprehensive income	**0**	**-36,376**	**1,803**	**0**	**422,055**	**0**	**387,482**
Transactions with owners							
Dividend paid						-177,289	-177,289
Dividend on treasury shares					8,911	-8,911	0
Proposed dividend					-227,700	227,700	0
Vested regarding share-based payments					6,521		6,521
Cash from sale of treasury shares related to exercise of share options				5,953	17,288		23,241
Purchase of treasury shares				-63,642	-231,238		-294,880
Reduction of share capital by cancellation of treasury shares	-220,608			220,608			0
Group internal merger [1]					-8,488		-8,488
Other adjustments					-1,282		-1,282
Total transactions with owners 2014	**-220,608**	**0**	**0**	**162,919**	**-435,988**	**41,500**	**-452,177**
Equity at 31 December 2014	**1,265,000**	**-58,820**	**1,247**	**-50,625**	**3,199,171**	**227,700**	**4,583,673**

[1] The directly owned DFDS Logistics Intermodal A/S is per 1 January 2014 merged into DFDS A/S and the difference between cost price of the investment in the subsidiary and the net book value of the subsidiary's equity is recognised directly in DFDS A/S' equity.

The majority of amounts included in Other comprehensive income relates to activities which are taxed under the Danish tonnage tax scheme hence, there is no tax on this.
The Company's share capital, which is not divided into different classes of shares, is divided into 63,250,000 shares of DKK 20 each. The number of shares has been restated to reflect the change of the nominal share value from DKK 100 to DKK 20 through a share split of 1:5. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

CASH FLOW STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2015	2014
Operating profit before depreciation (EBITDA) and special items		**1,055,718**	**866,574**
Cash flow effect from special items related to operating activities		0	-5,995
Adjustments for non-cash operating items, etc.	26	34,388	6,278
Change in working capital	27	38,609	72,723
Payment of pension liabilities and other provisions		-9,683	-9,423
Cash flow from operating activities, gross		**1,119,032**	**930,157**
Interest, etc. received		124,819	148,737
Interest, etc. paid		-152,607	-204,491
Tax paid		-2,669	-1,295
Cash flow from operating activities, net		**1,088,575**	**873,108**
Investments in ships including dockings, rebuildings and ships under construction		-455,720	-552,156
Sale of ships		338,005	0
Investments in other non-current tangible assets		-24,417	-9,120
Sale of other non-current tangible assets		20,780	5,715
Investments in non-current intangible assets		-58,926	-53,338
Investments in other non-current assets, net		0	90
Capital increases, etc.	11,12	-824	-1,785
Dividends received from subsidiaries		110,927	0
Cash flow to/from investing activities, net		**-70,175**	**-610,594**
Proceed from loans secured by mortgages in ships		120,876	652,550
Repayment of and instalments on loans secured by mortgage in ships		-97,005	-1,409,033
Change in other financial loans, net		-46,319	370,547
Payment of financial lease liabilities		0	-18,118
Change in Group internal financing		445,224	-129,794
Change in loans to associates and joint ventures		-4,697	2,004
Cash received from internal mergers		4,006	23,249
Proceed from issuance of corporate bonds		0	498,250
Acquisition of treasury shares		-400,955	-294,880
Cash received from exercise of share options		62,712	23,241
Government grants related to purchase of assets		15,496	8,980
Dividends paid		-325,793	-177,289
Cash flow to/from financing activities, net		**-226,455**	**-450,293**
Net increase/(decrease) in cash and cash equivalents		**791,945**	**-187,779**
Cash and cash equivalents at 1 January		508,005	696,320
Foreign exchange and value adjustments of cash and cash equivalents		0	-536
Cash and cash equivalents at 31 December[1]		**1,299,950**	**508,005**

[1] At year-end 2015 DKK 85.4m (2014: DKK 0) of the cash was deposited on restricted bank accounts as security for derivatives with negative fair values.
The cash flow statement cannot directly be derived from the income statement and the balance sheet.

NOTES

NOTES TO THE INCOME STATEMENT

NOTES TO THE BALANCE SHEET

NOTES TO THE STATEMENT OF CASH FLOW

NOTES – ADDITIONAL INFORMATION

DKK '000

Note 1 Revenue	2015	2014
Sale of goods on board ships	887,816	843,771
Sale of services	5,070,913	5,080,692
Rental income from time charter and bareboat charter of ships and operating equipment	566,826	503,531
Other operating income	186,848	155,198
Total revenue	**6,712,403**	**6,583,192**

DKK '000

Note 2 Consumable of bunker and goods	2015	2014
Consumable of bunker and goods included in operating costs	1,325,340	1,586,886
Change in inventory write-downs for the year	884	974
Total consumable of bunker and goods	**1,326,224**	**1,587,860**

Consumable of bunker and goods consists of bunker and cost related to sale of goods and services on board.

DKK '000

Note 3 Employee costs	2015	2014
Wages, salaries and remuneration	641,116	627,903
Hereof capitalised employee costs	-26,649	-35,182
Defined contribution pension plans	43,096	43,259
Other social security costs	29,043	28,694
Share based payment, reference is made to note 18	7,192	6,521
Other employee costs	51,313	47,475
Total employee costs	**745,111**	**718,670**
Full time equivalents (FTE), average	1,719	1,721

Reference is made to note 4 of the consolidated financial statements for a description of the Parent Company's remuneration, etc. to the Executive Board and remuneration to the Board of Directors as these are the same for the Parent Company and the Group.

DKK '000

Note 4 Fees to Auditors appointed at the annual general meeting	2015	2014
Audit fees	918	965
Other assurance engagements	172	44
Tax and VAT advice	1,106	411
Non-audit services	1,063	453
Total fees	**3,259**	**1,873**

DKK '000

Note 5 Profit on disposal of non-current assets, net	2015	2014
Profit on disposal of property, plant and equipment		
Equipment, etc.	1,363	802
Profit on disposal of property, plant and equipment	**1,363**	**802**
Loss on disposal of property, plant and equipment		
Equipment, etc.	-3,973	-455
Loss on disposal of property, plant and equipment	**-3,973**	**-455**
Total profit on disposal of non-current assets, net	**-2,610**	**347**

DKK '000

Note 6 Special items, net	2015	2014
Gain regarding the sale of the ships Flandria Seaways and Sirena Seaways	36,556	0
Adjustment of estimated earn-out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-28,370	-4,730
Costs related to route closures and other restructurings caused by new low sulphur rules	0	-6,989
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	0	-3,014
Costs related to restructuring and improvements of processes in connection with project Customer Focus Initiative	0	-1,032
Special items, net	**8,186**	**-15,765**
If special items had been included in the operating profit before special items, they would have been recognised as follows:		
Employee costs	0	-7,700
Cost of sales and administration	0	-1,635
Operating profit before depreciation (EBITDA) and special items	**0**	**-9,335**
Profit on disposal of non-current assets, net	36,556	0
Impairment losses on ships and other non-current assets	0	-1,700
Financial income/costs	-28,370	-4,730
Special items, net	**8,186**	**-15,765**

DKK '000

Note 7 Financial items	2015	2014
Financial income		
Interest income from banks, etc.	4,629	4,567
Interest income from subsidiaries	44,328	72,418
Reversal of impairment of receivables from subsidiaries[1]	2,916	0
Dividends received from subsidiaries	110,927	0
Impairment of investments in subsidiaries due to dividend pay out[1]	-110,000	0
Reversal of impairment of investment in subsidiaries[1]	40,000	90,000
Other dividends	9,496	2,676
Total financial income	**102,296**	**169,661**
Financial costs		
Interest expense to banks, credit institutions, corporate bonds, etc.	-83,564	-108,740
Interest expense to subsidiaries	-811	-1,786
Foreign exchange losses, net[2]	-6,748	-11,759
Realised loss on securities (transferred from equity)	0	-961
Defined benefit pension plans	0	-28
Impairment of securities (transferred from equity)	-1,127	-1,222
Impairment of receivables from subsidiaries[1]	-123,770	-6,633
Waiver of loan to subsidiary	-11,123	0
Impairment of investments in subsidiaries[1]	-48,065	-116,641
Other financial costs	-7,616	-10,241
Transfer to assets under construction[3]	0	7,154
Total financial costs	**-282,824**	**-250,857**
Financial items, net	**-180,528**	**-81,196**

[1] Reference is made to note 32.
[2] Foreign exchange gains in 2015 amounts to DKK 142m (2014: DKK 295m) and foreign exchange losses amounts to DKK 149m (2014: DKK 307m).
[3] 2014: Interest capitalised on two newbuildings in 2014. The interest were calculated by using a mix of a specific interest rate and a general inte rest rate of approximately 1.7 - 4.9% p.a.

DFDS A/S makes forward exchange transactions, etc., on behalf of all subsidiaries, and therefore foreign exchange gains and losses in the DFDS A/S also consist of the Group's gross transactions. Transactions entered into, on behalf of subsidiaries, are transferred to the subsidiaries on back-to-back terms.

Except for interest expenses relating to interest swap agreements of DKK 5.6m (2014: DKK 16.2m) interest income and interest expenses relates to financial instruments measured at amortised cost.

Other financial costs contains bank charges, fees, early repayment fees, commitment fees, etc.

DKK '000

Note 8 Tax	2015	2014
Current joint tax contributions	-757	0
Deferred tax for the year	-5,840	-2,349
Adjustment to corporation tax in respect of prior years	-956	-1,964
Adjustment to deferred tax in respect of prior years	0	-314
Adjustment of corporate income tax rate	372	-70
Tax for the year	**-7,181**	**-4,697**
Tax for the year is recognised as follows:		
Tax in the income statement	-7,181	-4,697
Tax for the year	**-7,181**	**-4,697**
Tax in the income statement can be specified as follows:		
Profit before tax	513,355	429,644
Of this, tonnage taxed income	-651,962	-496,650
Profit before tax (corporate income tax)	**-138,607**	**-67,006**
23.5% tax of profit before tax (2014: 24.5%)	32,573	16,416
Tax effect of:		
Non-taxable/-deductible items	-37,032	-16,586
Adjustments of tax in respect of prior years	-584	-2,348
Corporate income tax	-5,043	-2,518
Tonnage tax	-2,138	-2,179
Tax in the income statement	**-7,181**	**-4,697**
Effective tax rate	1.4	1.1
Effective tax rate before adjustment of prior years' tax	1.3	0.5

DFDS A/S and its Danish subsidiaries and Danish taxed branches are within the Danish Act of compulsory joint taxation with LF Investment ApS and J. Lauritzen A/S and these two companies' Danish controlled enterprises. In accordance with the Danish rules on joint taxation, DFDS A/S' 100% owned Danish subsidiaries are jointly and severally liable for DFDS A/S' corporation tax liabilities towards the Danish tax authorities while DFDS A/S and its Danish subsidiaries only are subsidiary and pro rata liable for the corporation tax liabilities towards the Danish tax authorities for all other companies that are part of the Danish joint taxation. LF Investment ApS is the administration company in the joint taxation and settles all payments of corporation tax with the tax authorities.

The shipping activities performed are included in the Danish tonnage tax scheme where the taxable income related to transportation of passengers and freight is calculated based on the tonnage deployed during the year. Taxable income related to other activities is taxed according to the normal corporate income tax rules.

Adjustment of prior years' tax in 2015 and 2014 for the Parent Company primarily relates to the final settlement and utilisation of tax losses between the joint taxed Danish entities.

DKK '000

Note 9 Non-current intangible assets

	Goodwill	Other non-current intangible assets	Software	Devel-opment projects in progress	Total
Cost at 1 January 2015	89,092	2,384	276,203	60,794	428,473
Foreign exchange adjustments	1,378	0	0	0	1,378
Addition on merger	0	0	873	0	873
Additions	0	0	22,691	36,235	58,926
Transfers	0	0	41,335	-41,335	0
Cost at 31 December 2015	**90,470**	**2,384**	**341,102**	**55,694**	**489,650**
Amortisation and impairment losses at 1 January 2015	0	2,384	175,083	0	177,467
Addition on merger	0	0	873	0	873
Amortisation charge	0	0	17,744	0	17,744
Amortisation and impairment losses at 31 December 2015	**0**	**2,384**	**193,700**	**0**	**196,084**
Carrying amount at 31 December 2015	**90,470**	**0**	**147,402**	**55,694**	**293,566**
Cost at 1 January 2014	92,118	2,384	233,558	53,388	381,448
Foreign exchange adjustments	-3,026	0	0	0	-3,026
Additions	0	0	22,050	31,288	53,338
Disposals	0	0	0	-3,287	-3,287
Transfers	0	0	20,595	-20,595	0
Cost at 31 December 2014	**89,092**	**2,384**	**276,203**	**60,794**	**428,473**
Amortisation and impairment losses at 1 January 2014	0	2,384	160,703	3,287	166,374
Amortisation charge	0	0	14,380	0	14,380
Disposals	0	0	0	-3,287	-3,287
Amortisation and impairment losses at 31 December 2014	**0**	**2,384**	**175,083**	**0**	**177,467**
Carrying amount at 31 December 2014	**89,092**	**0**	**101,120**	**60,794**	**251,006**

The Parent Company's carrying amount of Goodwill DKK 90.5m (2014: DKK 89.1m) relates to the acquisition of one freight- and passenger route in 2011 and the acquisition of one freight route in 2005.

The carrying amount of completed software and development projects in progress primarily relates to a new Passenger booking system, a new Transport Management System to the Logistics Division, a new procurement system and a new point of sale system.

DKK '000

Note 10 Non-current tangible assets

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2015	10,949	61,876	6,135,869	360,672	97,549	6,666,915
Foreign exchange adjustments	0	0	396	0	6	402
Addition on merger	873	0	1,412,325	440	11,243	1,424,881
Additions	0	0	279,215	14,925	144,909	439,049
Disposals	0	0	-421,413	-40,194	0	-461,607
Transfers	0	7,378	115,198	549	-123,125	0
Transferred to assets clasified as held for sale [1]	0	0	-104,744	0	0	-104,744
Cost at 31 December 2015	**11,822**	**69,254**	**7,416,846**	**336,392**	**130,582**	**7,964,896**
Depreciation and impairment losses at 1 January 2015	7,503	45,984	2,905,682	258,145	0	3,217,314
Foreign exchange adjustments	1	0	101	-1	0	101
Addition on merger	290	0	348,124	232	0	348,646
Depreciation charge	684	2,634	328,061	18,288	0	349,667
Disposals	0	0	-196,308	-16,804	0	-213,112
Transferred to assets clasified as held for sale [1]	0	0	-28,402	0	0	-28,402
Depreciation and impairment losses at 31 December 2015	**8,478**	**48,618**	**3,357,258**	**259,860**	**0**	**3,674,214**
Carrying amount at 31 December 2015	**3,344**	**20,636**	**4,059,588**	**76,532**	**130,582**	**4,290,682**
Cost at 1 January 2014	10,949	74,025	5,300,299	351,819	470,563	6,207,655
Addition on merger	0	0	0	13,751	0	13,751
Additions	0	0	733	6,458	550,541 [2]	557,732
Disposals	0	-12,949	-87,889	-11,385	0	-112,223
Transfers	0	800	922,726	29	-923,555 [2]	0
Cost at 31 December 2014	**10,949**	**61,876**	**6,135,869**	**360,672**	**97,549**	**6,666,915**
Depreciation and impairment losses at 1 January 2014	6,710	55,155	2,697,161	229,243	0	2,988,269
Addition on merger	0	0	0	9,964	0	9,964
Depreciation charge	793	2,078	295,257	27,808	0	325,936
Disposals	0	-11,249	-86,736	-8,870	0	-106,855
Depreciation and impairment losses at 31 December 2014	**7,503**	**45,984**	**2,905,682**	**258,145**	**0**	**3,217,314**
Carrying amount at 31 December 2014	**3,446**	**15,892**	**3,230,187**	**102,527**	**97,549**	**3,449,601**

[1] Reference is made to the consolidated financial statements note 33

[2] Primarily relates to the construction of the two newbuildings ARK Dania and ARK Germania (ro-ro ships) and the completion hereof in 2014.

DKK '000

Note 10 Non-current tangible assets (continued)

On the basis of the impairment tests performed in 2015 there has been no impairment loss on ships (2014: DKK 0m). For further information regarding the impairment tests, reference is made to the consolidated financial statements note 37.

In 2015 EU awarded the Parent Company a grant of up to DKK 40m primarily related to installation of scrubbers on four freight ships.

In 2014 EU awarded the Parent Company a grant of up to DKK 17.4m primarily related to installation of scrubbers on two freight ships.

The grants are recognised as follows in the financial statements:

DKK m

	Offset against relevant assets/costs	Received in cash	Recognised as receivable
31 December 2014	-11	9	2
Movement	-38	15	23
31 December 2015	**-49**	**24**	**25**

DKK '000

Note 11 Investments in subsidiaries	2015	2014
Cost at 1 January	4,798,923	4,832,326
Addition on merger	43,513	2,262
Additions	445	1,785
Disposal on merger	-409,008	-37,450
Disposals	-93	0
Cost at 31 December	**4,433,780**	**4,798,923**
Accumulated impairment losses at 1 January	-922,163	-895,522
Impairment losses	-158,065	-116,641
Reversal of prior year impairment losses	40,000	90,000
Addition on merger	-43,513	0
Disposal on merger	409,008	0
Disposals	25	0
Accumulated impairment losses at 31 December	**-674,708**	**-922,163**
Carrying amount at 31 December	**3,759,072**	**3,876,760**

Reference is made to the Company overview in the consolidated financial statements note 41.

In 2015 the disposal on merger relates to the merger of New Channel Holding A/S into DFDS A/S . Where the disposal is DFDS A/S' investment in New Channel Holding A/S and the addition is the net book value of New Channel Company A/S' investment in a subsidiary that following the merger is directly owned by DFDS A/S. Additions relates to acquisition of non-controlling interests.

DKK '000

Note 11 Investments in subsidiaries (continued)

In 2014 the addition on merger and disposal on merger relates to the merger of DFDS Logistics Intermodal A/S into DFDS A/S. Where the disposal is DFDS A/S' investment in DFDS Logistics Intermodal A/S and the addition is the net book value of DFDS Logistics Intermodal A/S' investment in a subsidiary that following the merger is directly owned by DFDS A/S. Additions relates to acquisition of non-controlling interests and establishment of a subsidiary.

The carrying amount of investments in subsidiaries is tested for impairment at least at year-end. The impairment tests for 2015 has led to recognition of impairment losses of DKK 158.1m (2014: DKK 116.6m) and reversal of prior year impairment losses of DKK 40.0m (2014: DKK 90.0m). One of the impairment losses of DKK 110.0m should be seen with the dividend received from a subsidary of DKK 110.9m. Reference is made to note 7. For further information regarding the impairment tests, reference is made to note 32.

DKK '000

Note 12 Investments in associates and joint ventures	2015	2014
Cost at 1 January	0	0
Additions	379	0
Cost at 31 December	**379**	**0**
Accumulated impairment losses at 1 January and 31 December	**0**	**0**
Carrying amount at 31 December	**379**	**0**

The addition in 2015 relates to the establishment of the joint venture DFDS Logistics Ibérica S.L.

For specification of investments in associates and joint ventures reference is made to the consolidated financial statements note 13.

DKK '000

Note 13 Receivables	2015	2014
Trade receivables	600,404	538,586
Interest bearing receivables from subsidiaries[1]	715,137	1,970,383
Other non-interest bearing receivables from subsidiaries	9,625	0
Receivables from associates and joint ventures	53,803	49,106
Fair value of derivative financial instruments, forward transactions and bunker hedges	4,534	13,586
Other receivables and current assets[2]	79,539	25,637
Total current receivables	**1,463,042**	**2,597,298**

[1] The carrying amount of Interest bearing receivables from subsidiaries relates to current credit facilities that are made available to subsidiaries. Receivables from subsidiaries are impaired by DKK 266,1m at 31 December 2015 (2014: DKK 6.6m).
[2] Hereof EU Grant of DKK 25m (2014: DKK 2m).

The carrying amount of receivables is in all material respects equal to the fair value.

None of the trade receivables with collateral are overdue at 31 December 2015 (2014: none).
The collateral consists of bank guarantees with a fair value of DKK 4m (2014: DKK 4m).

DKK '000

Note 13 Receivables (continued)	2015	2014
Receivables that are past due, but not impaired:		
Days past due:		
Up to 30 days	97,661	104,597
31-60 days	21,170	21,872
61-90 days	14	3,822
91-120 days	0	3,808
More than 120 days	0	8,001
Past due, but not impaired	**118,845**	**142,100**

Movements in write-downs, which are included in the above trade receivables:

Write-downs at 1 January	9,147	6,125
Foreign exchange adjustment	5	0
Addition on merger	7,386	451
Write-downs	28,228	5,873
Realised losses	-793	-455
Reversed write-downs	-3,129	-2,847
Write-downs at 31 December	**40,844**	**9,147**

Age distribution of write-downs:

Days past due:		
Up to 30 days	1,373	920
31-60 days	3,293	1,227
61-90 days	3,506	0
91-120 days	868	253
More than 120 days	31,804	6,747
Write-downs at 31 December	**40,844**	**9,147**

Write-downs and realised losses are recognised in operating costs in the Income statement.
Write-downs on trade receivables are caused by customer bankruptcy or uncertainty about the customers ability and/or willingness to pay.

DKK '000

Note 14 Securities	2015	2014
Listed shares	34	1,406
Other shares and equity investments	17,782	17,782
Other investments	576	576
Total non-current securities	**18,392**	**19,764**

Securities are assets classified as 'available for sale'.

Other shares and equity investments as well as other investments consist of some minor unlisted enterprises and holdings. These investments are not remeasured to fair value because the fair value cannot be measured reliably. Instead the securities are recognised at cost reduced by impairment, if any.

DKK '000

Note 15 Inventories	2015	2014
Bunker	38,225	38,574
Goods for sale	63,611	47,649
Impairment of inventories	-4,015	-3,131
Total inventories	**97,821**	**83,092**

Note 16 Treasury shares (number of shares)

Information regarding the Parent Company's and the Group's holding of treasury shares is equal. Reference is made to the consolidated financial statements note 17.

DKK '000

Note 17 Deferred tax

2015	Land and buildings, terminals and other equipment	Provisions	Tax loss carried forward	Total
Deferred tax at 1 January	510	-454	-188	-132
Impact from change in corporate income tax rate	-69	-303	0	-372
Recognised in the Income statement	1,087	4,753	0	5,840
Deferred tax at 31 December, net	**1,528**	**3,996**	**-188**	**5,336**
2014				
Deferred tax at 1 January	1,136	-666	0	470
Addition on merger	-1,430	-196	-1,709	-3,335
Impact from change in corporate income tax rate	-52	73	49	70
Recognised in the Income statement	856	335	1,158	2,349
Adjustments regarding prior years recognised in the Income statement	0	0	314	314
Deferred tax at 31 December, net	**510**	**-454**	**-188**	**-132**

	2015	2014
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	0	-132
Deferred tax (liabilities)	5,336	0
Deferred tax at 31 December, net	**5,336**	**-132**

By joining the tonnage taxation scheme, DFDS A/S is subject to the requirements of the scheme until 2021. DFDS A/S is not expected to withdraw from the scheme and consequently no deferred tax relating to assets and liabilities subject to tonnage taxation has been recognised. If DFDS A/S withdraws from the tonnage taxation scheme, deferred tax in the amount of maximum DKK 300m (2014: DKK 267m) may be recognised.

Note 18 Share options

Information regarding share options for the Parent Company and the Group is equal. Reference is made to the consolidated financial statements note 19.

Note 19 Pension and jubilee liabilities

The Parent Company contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to an independent insurance company responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Parent Company has no legal or constructive obligation to pay further contributions irrespective of the funding of the insurance company. Pension costs from such plans are charged to the income statement when incurred.

The Parent Company has minor defined benefit plans. The defined benefit plans are pension plans that yearly pay out a certain percentage of the final salary the employee has when the employee retires. The pensions are paid out as from retirement and during the remaining life of the employee. The percentage of the salary is dependent of the seniority of the employees. The defined benefit plans typically include a spouse pension.

Based on actuarial calculations the defined benefit plans show the following liabilities:

DKK '000

	2015	2014
Present value of unfunded defined benefit obligations	1,364	1,579
Recognised liabilities for defined benefit obligations	**1,364**	**1,579**
Provision for jubilee liabilities	6,126	5,885
Total actuarial liabilities	**7,490**	**7,464**

DKK '000

Note 20 Other provisions	2015	2014
Other provisions at 1 January	25,003	26,605
Addition on merger	3,813	766
Provisions made during the year	56,344	6,200
Used during the year	-8,968	-7,202
Reversal of unused provisions	0	-1,366
Other provisions at 31 December	**76,192**	**25,003**
Other provisions are expected to be payable in:		
0-1 year	50,809	8,310
1-5 years	21,928	16,693
After 5 years	3,455	0
Other provisions at 31 December	**76,192**	**25,003**

Of the Parent Company's provision of DKK 76.2m (2014: DKK 25.0m), DKK 9.0m (2014: DKK 2.1m) is estimated redelivery provision regarding leased operating equipment and DKK 18.5m (2014: DKK 0m) is relating to an onerous bare boat charter contract. DKK 45.3m (2014: DKK 22.9m) is estimated net present value of earn-out agreement regarding the acquisition of the route Kapellskär-Paldiski and DKK 3.4m (2014: DKK 0m) is other provisions.

DKK '000

Note 21 Interest-bearing liabilities	2015	2014
Mortgage on ships	859,820	941,353
Issued corporate bonds	1,040,945	1,483,996
Bank loans	278,724	324,355
Total interest bearing non-current liabilities	**2,179,489**	**2,749,704**
Mortgage on ships	203,464	94,639
Issued corporate bonds	387,888	0
Bank loans	46,454	46,336
Payables to subsidiaries[1]	2,630,939	2,226,393
Total interest bearing current liabilities	**3,268,745**	**2,367,368**
Total interest bearing liabilities	**5,448,234**	**5,117,072**

[1] The carrying amount of Interest bearing payables to subsidiaries relates to deposit facilities that are made available to subsidiaries.

Regarding the Parent Company's issue of corporate bonds reference is made to the consolidated financial statements note 22.

The fair value of the interest-bearing liabilities amounts to DKK 5,448m (2014: DKK 5,177m). The fair value measurement is categorised within level 3 in the fair value hierarchy except for the part that relates to the corporate bonds for which the fair value measurement is categorised within level 1.

The fair value of the financial liabilities is determined as the present value of expected future repayments and interest rates. The Parent Company's actual borrowing rate for equivalent terms is used as the discount rate. The fair value of the issued corporate bonds has been calculated based on the quoted bond price at year end 2015 and 2014 respectively.

Note 21 Interest-bearing liabilities (continued)

DKK 608m of the interest bearing liabilities in the Parent Company fall due after five years (2014: DKK 668m). No unusual conditions in connection with borrowing are made. The loan agreements can be settled at fair value plus a small surcharge, whereas settlement of the corporate bonds requires a repurchase of the bonds.

Reference is made to note 25 for financial risks, etc.

DKK '000

Allocation of currency, principal nominal amount	2015	2014
DKK	1,047,114	1,086,409
EUR	2,592,285	2,449,071
SEK	200,533	156,690
NOK	1,007,844	1,031,051
GBP	600,458	388,486
USD	0	5,304
LTL	0	61
Total interest bearing liabilities	**5,448,234**	**5,117,072**

DKK '000

Note 22 Other payables	2015	2014
Payables to subsidiaries	87,975	12,178
Accrued interests	8,333	6,453
Public authorities (VAT, duty, etc.)	8,056	1,852
Holiday pay obligations, etc.	148,619	141,103
Fair value of Interest swaps, forward transactions and bunker hedges	303,464	271,915
Other payables	62,471	34,264
Total other payables	**618,918**	**467,765**

DKK '000

Note 23 Corporation tax liabilities	2015	2014
Corporation tax liabilities at 1 January	2,669	2,000
Addition on merger	7,106	0
Tax for the year recognised in the Income statement	757	0
Adjustment, prior years recognised in the Income statement	956	1,964
Corporation taxes paid during the year	-2,669	-1,295
Corporation tax liabilities at 31 December, net	**8,819**	**2,669**
Corporation tax is recognised in the balance sheet as follows:		
Corporation tax receivable (assets)	0	0
Corporation tax debt (liabilities)	8,819	2,669
Corporation tax liabilities at 31 December, net	**8,819**	**2,669**

DKK '000

Note 24 Information on financial instruments	2015	2014
Carrying amount per category of financial instruments		
Derivatives, financial assets measured at fair value	4,534	13,586
Loans, receivables and cash, assets measured at amortised cost	2,758,458	3,091,717
Financial assets available for sale	18,392	19,764
Derivatives, financial liabilities measured at fair value	-303,464	-271,915
Financial liabilities measured at amortised cost	-6,331,715	-5,721,318
Total	**-3,853,795**	**-2,868,166**

Hierarchy of financial instruments measured at fair value

The table below ranks financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices in an active market for identical type of instrument, i.e. without change in form or content (modification or repackaging).
- **Level 2:** Quoted prices in an active market for similar assets or liabilities or other valuation methods where all material input is based on observable market data.
- **Level 3:** Valuation methods where possible material input is not based on observable market data.

DKK '000

2015	Level 1	Level 2	Level 3
Derivatives, financial assets	0	4,534	0
Financial assets available for sale	34	0	0
Derivatives, financial liabilities	0	-303,464	0
Total	**34**	**-298,930**	**0**

2014	Level 1	Level 2	Level 3
Derivatives, financial assets	0	13,586	0
Financial assets available for sale	1,406	0	0
Derivatives, financial liabilities	0	-271,915	0
Total	**1,406**	**-258,329**	**0**

Derivative financial assets and liabilities are all measured at level 2. Reference is made to note 27 in the consolidated financial statements for description of the valuation method. Financial assets available for sale measured at level 1 comprise listed shares (2014: and bonds) and is measured at the quoted prices.

Financial assets available for sale also comprise other shares and equity investments as well as other investments of DKK 18.4m (2014: DKK 18.4m). These are some minor unlisted enterprises and holdings. They are measured at cost reduced by impairments, if any, and consequently, they are not included in the fair value hierarchy.

Note 25 Financial and operational risks

DFDS' risk management policy

The description of DFDS' risk management policy, financial risks and capital management is equal for the Group and the Parent Company. Reference is made to the consolidated financial statements note 27.

The following specifications for the Parent Company are different to the similar specifications for the Group.

Financial risks

Interest rate risks

An increase in the interest rate of 1%-point compared to the actual interest rates in 2015 would, other things being equal, have increased net interest payments by DKK 9m for the Parent Company in 2015 (2014: DKK 15m). A decrease in the interest rates would have had a similar positive effect.

Liquidity risks

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

DKK '000

2015	0-1 year	1-3 years	3-5 years	After 5 years
Non-derivative financial assets				
Cash	1,299,950	0	0	0
Trade receivables	600,404	0	0	0
Receivables from subsidiaries	724,762	0	0	0
Receivables from associates and joint ventures	53,803	0	0	0
Other receivables and current assets	79,539	0	0	0
Non-derivative financial liabilities				
Mortgages on ships	-227,164	-211,077	-205,586	-563,860
Issued corporate bonds	-424,992	-588,490	-505,944	0
Bank loans	-52,339	-101,774	-98,978	-96,205
Trade payables	-724,702	0	0	0
Other payables	-62,471	0	0	0
Payables to subsidiaries	-2,718,914	0	0	0
Financial guarantees	-91,697	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	4,534	0	0	0
Derivative financial liabilities				
Interest swaps	-5,418	-3,958	-2,700	-1,097
Forward exchange contracts and currency swaps	-105,366	-169,925	0	0
Bunker contracts	-14,999	0	0	0
	-1,665,070	**-1,075,224**	**-813,208**	**-661,162**

DKK '000

Note 25 Financial and operational risks (continued)				
2014	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial assets				
Cash	508,005	0	0	0
Trade receivables	538,586	0	0	0
Receivables from subsidiaries	1,970,383	0	0	0
Receivables from associates and joint ventures	49,106	0	0	0
Other receivables and current assets	25,637	0	0	0
Non-derivative financial liabilities				
Mortgages on ships	-114,279	-301,406	-181,565	-599,760
Issued corporate bonds	-51,468	-1,081,401	-506,037	0
Bank loans	-52,971	-103,263	-101,348	-145,916
Trade payables	-551,351	0	0	0
Other payables	-34,264	0	0	0
Payables to subsidiaries	-2,238,571	0	0	0
Financial guarantees	-108,095	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	13,397	189	0	0
Derivative financial liabilities				
Interest swaps	-9,105	-4,194	-2,174	-2,440
Forward exchange contracts and currency swaps	-1,715	-82,971	-138,024	0
Bunker contracts	-31,292	0	0	0
	-87,997	**-1,573,046**	**-929,148**	**-748,116**

Assumptions for the maturity table:
The maturity analysis is based on undiscounted cash flows including estimated interest payments. Interest payments are estimated based on existing market conditions.

The undiscounted cash flows related to derivative financial liabilities are presented at gross amounts unless the parties according to the contract have a right or obligation to settle at net amount.

DKK '000

Note 26 Non-cash operating items	**2015**	**2014**
Change in provisions	25,973	-1,832
Change in write-down of inventories for the year	884	974
Change in provision for defined benefit plans and jubilee obligations	339	615
Vesting of share option plans expensed in the income statement	7,192	6,521
Non-cash operating items	**34,388**	**6,278**

DKK '000

Note 27 Change in working capital	**2015**	**2014**
Change in inventories	6,813	20,083
Change in receivables	85,282	19,875
Change in current liabilities	-53,486	32,765
Change in working capital	**38,609**	**72,723**

Note 28 Acquisition and sale of enterprises and activities

Acquisition

DFDS A/S did not acquire enterprises and activities during 2015 or 2014.

Note 29 Guarantees, collateral and contingent liabilities

Guarantees amount to DKK 663.7m (2014: DKK 537.5m) for DFDS A/S. In addition, DFDS A/S has issued an unlimited guarantee for a subsidiary to cover any obligations under a Payment Service Agreement for credit card payments and a guarantee to cover all payments to an English defined benefit pension scheme with an underfunding of DKK 34.3m at 31 December 2015 (2014: DKK 26.0m).

The Parent Company has issued letter of support for certain Group companies with negative equity.

The Parent Company is in 2015 as well as in 2014 part in various legal disputes. The outcome of these disputes is not considered likely to influence the Parent Company significantly, besides what is already recognised in the balance sheet.

Certain ships with a total carrying amount of DKK 1,737.6m (2014: DKK 1,302.7m) have been pledged as security for mortgage on ships with a total carrying amount of DKK 1,063.3m (2014: DKK 1,036.0m).

At year end 2015 DKK 85.4m (2014: DKK 0) of the cash was deposited on restricted bank accounts as security for derivatives with negative fair values

DKK '000

Note 30 Contractual commitments	2015	2014
Contractual commitments, term 0-1 year	163,383	133,789
Contractual commitments, term 1-5 years	200,208	0
Contractual commitments, term after 5 years	541,658	0
Total contractual commitments	**905,249**	**133,789**

Contractual commitments in 2015 relates to the developing of a terminal as well as the future charter payments relating to the lease of the ships Côte des Dunes and Côte des Flandres. The ships were deployed on the route Dover-Calais during February 2016 at which time the lease arrangement has commenced and the ships are recognised as a financial lease.

Contractual commitments in 2014 relates to installation of scrubbers for delivery in 2015.

Operating lease commitments (lessee)	2015	2014
Minimum lease payments		
0-1 year	19,861	18,432
1-5 years	58,173	74,713
After 5 years	0	0
Total buildings	**78,034**	**93,145**
0-1 year	10,449	10,675
1-5 years	44,137	44,434
After 5 years	40,541	48,330
Total terminals	**95,127**	**103,439**
0-1 year	780,721	335,200
1-5 years	680,595	524,023
After 5 years	0	6,255
Total ships	**1,461,316**	**865,478**
0-1 year	26,236	24,920
1-5 years	50,178	40,906
After 5 years	1,584	0
Total equipment, etc.	**77,998**	**65,826**
Total minimum lease payments fall due as follows:		
0-1 year	837,267	389,227
1-5 years	833,083	684,076
After 5 years	42,125	54,585
Total minimum lease payments	**1,712,475**	**1,127,888**

The specified payments are not discounted.

Note 30 Contractual commitments (continued)

Operating lease- and rent costs recognised in the income statement amount to DKK 953.3m for 2015 (2014: DKK 910.1m) of which DKK 0.0m (2014: DKK 0.1m) is contingent lease payments. The contingent part of the lease costs relates to terminals and is based on the throughput of volumes in the terminals.

Operating lease contracts on ships are typically concluded with lease terms of up to 12 months, but where most of the lease contracts contain an option to extend the lease term. However, 4 leases were initially entered with a 10 year lease period, of which 2-4 years remain at 31 December 2015. Lease contracts on other assets are normal lease contracts including a minimum lease term after which the lease term can be terminated by giving 1 to 12 months notice.

The Parent Company has not entered any substantial agreements, which will be effected, changed nor expired, if the control over the Group is changed as a consequence of takeover of the Group.

DKK '000

Operating lease commitments (lesser)	2015	2014
Minimum lease payments (income)		
Ships and equipment		
0-1 year	131,983	187,444
1-5 years	284,806	269,795
After 5 years	62,185	120,631
Total ships and equipment	**478,974**	**577,870**

The specified minimum payments are not discounted. Operational lease- and rental income recognised in the income statement amount to DKK 295.0m in 2015 (2014: DKK 282.2m). The contracts are entered into on usual conditions.

DKK '000

Note 31 Related party transactions

Description of the Parent Company's related parties is equal to the description for the Group.
Reference is made to the consolidated financial statements note 36.

2015	Sale of services	Purchase of services	Sale of assets	Purchase of assets	Receivables	Impairment of receivables	Liabilities	Capital con-tributions
Associates and joint ventures	15,311	187,888	0	0	53,803	0	0	379
Subsidiaries	776,333	1,361,531	232,149	278,438	724,762	266,109	2,718,914	0
2014								
Associates and joint ventures	16,541	194,298	0	0	49,106	0	0	0
Subsidiaries	772,651	1,331,651	0	3,787	1,970,383	6,633	2,238,571	0

Receivables from three subsidiares are impaired. Impairment losses recognised in the income statement in 2015 amount to DKK 123.8m (2014: DKK 6.6m) and reversals of impairment losses amount to DKK 2.9m (2014: DKK 0m). Furthermore, DFDS A/S has in 2015 waived a loan of DKK 11.1m towards a subsidiary.
Receivables are unsecured and are related to trade receivables and cash pools.
Reference is made to note 29 for a description of guarantees issued by the parent company on behalf of subsidiaries.

Note 32 Impairment tests

Introduction
As a minimum goodwill is tested for impairment at year end. Other non-current tangible, intangible and financial assets are tested if there is any indication of impairment.

For a description of the definition of cash-generating units, basis for impairment testing and calculation of recoverable amount reference is made to the consolidated financial statements note 37.

Impairment tests of investments in subsidiaries, associates and joint ventures
Impairment tests are carried out for each subsidiary, associates and joint ventures in the Parent Company if there is indication of impairment. The individual companies are regarded as the lowest cash-generating units.

The estimated value in use is based on cash flows according to management approved budget for the coming financial year. Expectations towards the cash flows are adjusted for uncertainty on the basis of historical results, and take into account expectations towards possible future fluctuations in cash flows.

The Parent Company uses a discount rate determined for each subsidiary, associate or joint venture, according to the business area to which it belongs. The applied discount rates for 2015 and 2014 are shown in the table in the consolidated financial statements note 37.

In 2015 investments in subsidiaries have been impaired by DKK 158.1m in total. DFDS Logistics Rederi AS has been impaired by DKK 110.0m due to dividend payout, DFDS Seaways AS has been impaired by DKK 25.0m, DFDS Logistics AS has been impaired by DKK 10.0m, DFDS Logistics (Ireland) Ltd.Ltd has been impaired by DKK 10.0m, DFDS Logistics S.p.A has been impaired by DKK 2.3m and DFDS Seaways Ltd. has been impaired by DKK 0.8m as the calculated value in use of the individual investment were lower than the book value. Furthermore, in 2015 previous impairments have been reversed by DKK 40.0m regarding DFDS Logistics Container Line BV. The total impairment of net DKK 118.1m in 2015 is recognised under Financial items reference is made to note 7.

The Parent Company has issued letter of of support to some subsidaries and associates with negative equity. Consequently, the investment in these subsidaries and associates are written down to zero, and any receivables due from the subsidaries and associates are written down by amounts equal to the respective negative equities. Total write down in 2015 amounts to DKK 123.8m. Further, write downs in previous years have been reversed by DKK 2.9m. The write downs and reversals are recognised under Financial items.

2014
In 2014 investments in subsidiaries have been impaired by DKK 116.6m in total. DFDS Logistics NV has been impaired by DKK 60.0m, DFDS Seaways Plc. has been impaired by DKK 53.0m, DFDS Polska Sp. Z.o.o has been impaired by DKK 2.7m and New Channel Holding A/S has been impaired by DKK 0.9m as the calculated value in use of the individual investment were lower than the book value. Furthermore, in 2014 previous impairments have been reversed by DKK 90.0m regarding DFDS Logistics Container Line BV. The total impairment of net DKK 26.6m in 2014 is recognised under Financial items reference is made to note 7.

Note 33 Events after the balance sheet date

On 12 February 2016, a share buyback programme of DKK 650m was launched comprising two programmes to align DFDS' capital structure to the targeted leverage. The first programme of up to DKK 400m was structured as an auction process and completed on 24 February 2016. A total of 1.600.000 shares was acquired for DKK 250 per share equal to DKK 400m. The second programme of 250m started on 12 February 2016 and is to be completed on 17 August 2016 at the latest.

DFDS has entered into long term charter agreements for the ferries Côte des Dunes and Côte des Flandres which are finance leases. The ferries, Côte des Dunes and Côte des Flandres will be recognized as non-current assets once agreements commence. The ferries have been deployed in February 2016.

On 25 February 2016, DFDS awarded 211.598 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes-model.

Note 34 Accounting Policies

The Parent Company financial statements are prepared pursuant to the requirements of the Danish Financial Statements Act concerning preparation of separate parent company financial statements for companies reporting under IFRS.

The 2015 financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The 2015 financial statements contains minor reclassifications between the lines of the comparatives for 2014 due to different presentation of impairments of investments in subsidaries now being presented in Financial items.

Change in accounting policies
Reference is made to the consolidated financial statements note 40.

Internal merger
With effect from 18 November 2015 the 100% owned subsidiaries New Channel Holding A/S and New Channel Company A/S,have been merged into DFDS A/S.

Critical accounting estimates and assessments
In the process of preparing the Parent Company financial statements, a number of accounting estimates and judgements have been made that affect assets and liabilities at the balance sheet date and income and expenses for the reporting period. Management regularly reassesses these estimates and judgements, partly on the basis of historical experience and a number of other factors in the given circumstances.

Impairment testing of investments in subsidiaries
Impairment testing of investments in subsidiaries is carried out if there is indication of impairment. The impairment tests are based on the expected future cash flows for the tested subsidiaries. For further details of estimates and assessments relating to investments in subsidiaries reference is made to note 32, which mention impairment testing.

Management is of the opinion that, except for impairment testing of investments in subsidiaries, no accounting estimates or judgements are made in connection with the presentation of the Parent Company financial statements applying the Parent Company accounting policies that are material to the financial reporting, other than those disclosed in note 39 to the consolidated financial statements.

DESCRIPTION OF ACCOUNTING POLICIES
The Parent Company accounting policies are consistent with the accounting policies described in the consolidated financial statements note 40, with the following exceptions:

Business combinations
In the Parent Company common control acquisitions (and disposals) of enterprises and activities are measured and recognised in accordance with the 'book value method' by which differences, if any, between purchase price and book value of the acquired enterprise/activity are recognised directly in equity.

Note 34 Accounting Policies (continued)

Translation of foreign currencies
Foreign exchange adjustments of balances accounted for as part of the total net investment in enterprises that have a functional currency other than DKK are recognised in profit for the year as finance income and costs in the parent company financial statements. Likewise, foreign exchange gains and losses on the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises are recognised directly in the profit for the year as finance income and costs.

Dividends from investments in subsidiaries, associates and joint ventures
Dividends from investments in subsidiaries, associates and joint ventures are recognised in the Parent Company's Income statement for the year in which the dividends are declared. If distributions exceed the subsidiary's, the associate's or the joint venture's comprehensive income for the period, an impairment test is carried out.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are measured at cost in the Parent Company's balance sheet. Impairment testing is carried out if there is any indication of impairment. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognised as finance cost in profit for the year unless it qualifies as a special item. If the Parent Company has a legal or constructive obligation to cover a deficit in subsidiaries, associates and joint ventures, a provision for this is recognised.

FLEET LIST (PER 31.12.2015)

FREIGHT SHIPS (RO-RO)

	Year built	Gross tons	Lanemeter	TEU [4]	Deployment
Ficaria Seaways	2006/09/11	37.939	4.731		Gothenburg-Brevik-Immingham
Freesia Seaways	2005/09/14	37.939	4.731		Gothenburg-Brevik-Gent
Begonia Seaways	2004/09/14	37.939	4.731		Gothenburg-Brevik-Immingham
Ark Dania [8]	2014	33.313	3.000	342	Esbjerg-Immingham
Ark Germania [8]	2014	33.313	3.000	342	Esbjerg-Immingham
Magnolia Seaways	2003/13	32.523	3.831		Gothenburg-Brevik-Gent
Petunia Seaways	2004/13	32.523	3.831		Gothenburg-Brevik-Immingham
Primula Seaways	2004/14	32.523	3.831		Gothenburg-Brevik-Immingham
Selandia Seaways	1998/13	24.803	2.772		Vlaardingen-Felixstowe
Suecia Seaways	1999/11/14	24.613	2.772	180	Vlaardingen-Felixstowe
Britannia Seaways	2000/11/14	24.613	2.772	180	On charter
Ark Futura	1996/00	18.725	2.308	246	Vlaardingen-Immingham
Anglia Seaways	2000	13.073	1.680		Vlaardingen-Felixstowe
Botnia Seaways	2000	11.530	1.899	300	Fredericia-Copenhagen-Klaipeda
Finlandia Seaways	2000	11.530	1.899	300	Zeebrugge-Rosyth
Corona Seaways [2]	2008	25.609	3.322		Vlaardingen-Immingham
Hafnia Seaways [2]	2008	25.609	3.322		Cuxhaven-Immingham
Fionia Seaways [2]	2009	25.609	3.322		Vlaardingen-Immingham
Jutlandia Seaways [2]	2010	25.609	3.322		Cuxhaven-Immingham
Superfast Baleares [2,8]	2010	30.998	3.530		Marseille-Tunis
Finnsun, Finnmill, Finnpulp [7]	2012/2002/ 2002	25.654	3,245/ 2,681		Russia-Germany
Mont Ventoux [6]	1996	18.469	2.025		Marseille-Tunis

RO-PAX SHIPS [3]

	Year built	Gross tons	Lanemeter	Passengers	TEU [4]	Deployment
Victoria Seaways	2009/14	25.675	2.500	600		Kiel-Klaipeda
Regina Seaways [1]	2010/15	25.666	2.500	600		Karlshamn-Klaipeda
Athena Seaways [1]	2007/15	26.141	2.593	462		Karlshamn-Klaipeda
Optima Seaways	1999	25.263	2.300	336		Kiel-Klaipeda
Baie de Seine (ex Sirena Seaways)	2002/03	22.382	2.056	623		On charter
Liverpool Seaways	1997	21.856	2.150	320		Paldiski-Kappelskär
Patria Seaways	1991	18.332	1.800	213		On charter
Kaunas Seaways	1989/94	25.606	1.539	235		On charter
Vilnius Seaways	1987/93	22.341	1.539	120		On charter
Dunkerque Seaways [5]	2005	35.293	2.900	780		Dover-Dunkirk
Delft Seaways [5]	2006	35.293	2.900	780		Dover-Dunkirk
Dover Seaways [5]	2006	35.293	2.900	780		Dover-Dunkirk
Calais Seaways [5]	1991/92/99	28.833	1.800	1.850		Dover-Calais
Malo Seaways [1]	2000	24.206	1.948	405		Dover-Calais
Côte d'Albâtre [1]	2006	18.425	1.270	600		Newhaven-Dieppe
Seven Sisters [1]	2006	18.940	1.270	600		Laid-up

PASSENGER SHIPS

	Year built	Gross tons	Lanemeter	Passengers	Deployment
Pearl Seaways	1989/01/05/14	40.231	1.482	2.168	Copenhagen-Oslo
Crown Seaways	1994/05/14	35.498	1.370	2.044	Copenhagen-Oslo
King Seaways	1987/93/06	31.788	1.410	1.534	Amsterdam-Newcastle
Princess Seaways	1986/93/06	31.356	1.410	1.364	Amsterdam-Newcastle

SIDEPORT SHIPS

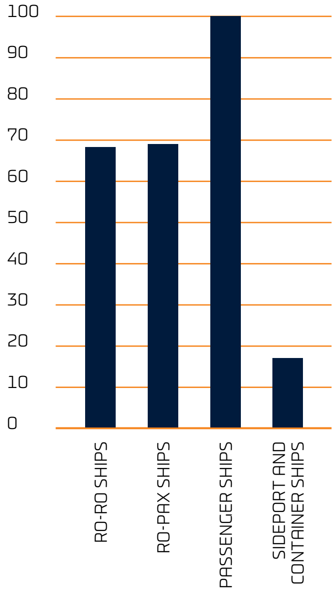
	Year built	Gross tons	TEU[4]	Deployment
Lysvik Seaways	1998/04	7.409	160	Oslo Fjord-Continent/UK
Lysbris Seaways	1999/04	7.409	160	Oslo Fjord-Continent/UK

CONTAINER SHIPS

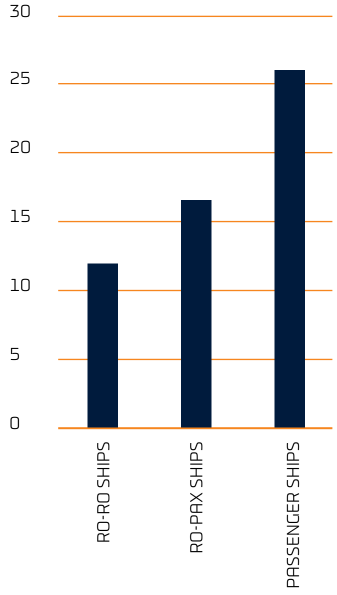
	Year built	Gross tons	TEU[4]	Deployment
Endeavor[2]	2005	7.642	750	UK-Ireland-Spain
Encounter[6]	2004	7.642	750	UK-Ireland-Spain
Philipp[6]	2008	8.971	917	UK-Ireland-Spain
Flintercape[6]	2008	7.702	809	UK-Ireland-Spain
Ensemble[6]	2005	7.642	750	UK-Ireland-Spain
Spica J[7]	2007	8.246	962	Oslo Fjord-Rotterdam
Energizer[7]	2004	7.642	750	Oslo Fjord-Rotterdam
Wes Amelie[7]	2011	10.585	1.036	Oslo Fjord-Rotterdam
Samskip Endeavour[7]	2011	7.852	812	Rotterdam-Ireland
Samskip Express[7]	2006	7.852	803	Rotterdam-Ireland

1 Chartered (bareboat charter)
2 Chartered (time charter)
3 Ro-pax: Combined ro-ro and passenger ship
4 TEU: 20 foot container unit
5 Short-sea day ferry
6 VSA: Vessel sharing agreement with owner/charterer
7 SCA: Slot charter agreement with owner/charterer
8 SCA: Slot charter agreement with DFDS

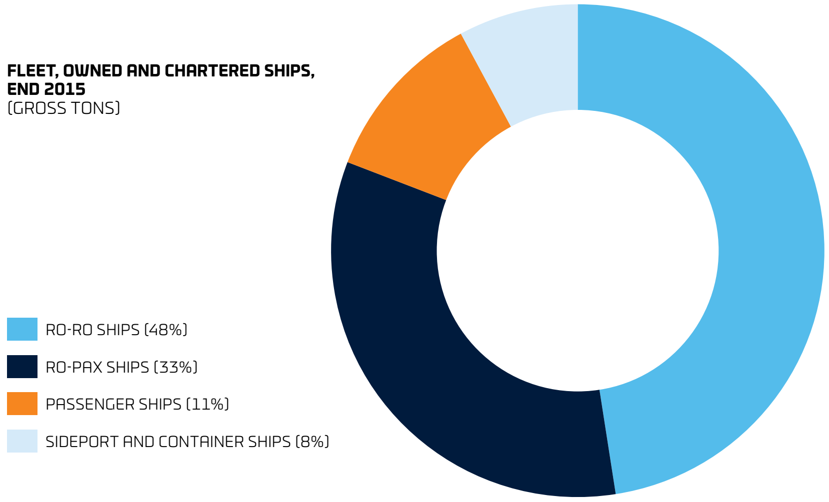
OWNERSHIP SHARES OF FLEET, END 2015
(%)



OWNED SHIPS, AVERAGE AGE END 2015
(%)



FLEET, OWNED AND CHARTERED SHIPS, END 2015
(GROSS TONS)



COMMERCIAL DUTIES

Commercial duties of the Board of Directors and Executive Board as of 26 February 2016

BOARD OF DIRECTORS

Bent Østergaard, Chair, 14,165 shares

- Date of birth: 5 October 1944
- Joined the Board: 1 April 2009
- Re-elected: 2010-2015
- Period of office ends: 31 March 2016
- Chair of the Nomination and Remuneration Committee
- Position: CEO, Lauritzen Fonden, & LF Investment ApS
- Chair: J. Lauritzen A/S, Frederikshavn Maritime Erhvervspark A/S, NanoNord A/S, Cantion A/S
- Board member: Mama Mia Holding A/S, Meabco Holding A/S, Meabco A/S, With Fonden, Durisol UK,
- Desmi A/S, Comenxa A/S

The Board of Directors is of the opinion that Bent Østergaard possesses the following special competences: International management experience, board experience from international and listed companies, and expertise in shipping and finance.

As a result of his executive functions for the company's principal shareholder, Lauritzen Fonden, Bent Østergaard cannot be considered independent according to the recommendations on corporate governance.

Claus V. Hemmingsen, Deputy Chair, 710 shares

- Date of birth: 15 September 1962
- Joined the Board: 29 March 2012
- Re-elected: 2013-2015
- Period of office ends: 31 March 2016
- Member of the Nomination and Remuneration Committee
- Position: CEO, Maersk Drilling and member of the Executive Board for A.P. Møller-Mærsk A/S
- Chair: Danish Shipowners' Association
- Deputy Chair: Danish Chinese Business Forum
- Board member: Egyptian Drilling Company, Well Control Institute (WCI)

The Board of Directors is of the opinion that Claus V. Hemmingsen possesses the following special competences: International management experience and expertise in offshore activities and shipping.

Vagn Sørensen, Deputy Chair 6,665 shares

- Date of birth: 12 December 1959
- Joined the Board: 20 April 2006
- Re-elected: 2007-2015
- Period of office ends: 31 March 2016
- Member of the Nomination and Remuneration Committee
- Position: Director, GFKJUS 611 ApS
- Chair: E-Force A/S, FLSmidth A/S, FLSmidth & Co. A/S, Scandic Hotels AB, SSP Group Plc., TDC A/S, Automic Software GmbH, Bureau Van Dijk B.V., TIA Technologies A/S, Zebra A/S
- Board member: Air Canada Inc., Braganza A/S, CP Dyvig & Co. A/S, Lufthansa Cargo AG, Royal Caribbean Cruises Ltd., Nordic Aviation Capital A/S, JP/Politikens Hus

The Board of Directors is of the opinion that Vagn Sørensen possesses the following special competences: International management experience, board experience from international and listed companies, and expertise in aviation and service companies.

Jill Lauritzen Melby, Board member, 4,735 shares
- Date of birth: 6 December 1958
- Joined the Board: 18 April 2001
- Re-elected: 2002-2015
- Period of office ends: 31 March 2016
- Member of the Audit Committee
- Position: Team Leader Finance, BASF A/S

The Board of Directors is of the opinion that Jill Lauritzen Melby possesses the following special competences: Expertise in financial control.

Due to family relations to the company's principal shareholder, Lauritzen Fonden, Jill Lauritzen Melby cannot be considered independent according to the recommendations on corporate governance.

Pernille Erenbjerg, Board member, 0 shares
- Date of birth: 21 August 1967
- Joined the Board: 26 March 2014
- Re-elected: 2015
- Period of office ends: 31 March 2016
- Chair of the Audit Committee
- Position: CEO, TDC A/S
- Board member: Genmab A/S, GET AS
- Member of DI's Committee on Fiscal Policy
- Member of DI's Committee on Business Policy

The Board of Directors is of the opinion that Pernille Erenbjerg possesses the following special competences: International management experience and expertise in finance and accounts.

Jørgen Jensen, Board member, 0 shares
- Date of birth: 21 March 1968
- Joined the Board: 24 March 2015
- Period of office ends: 31 March 2016
- Member of the Audit Committee
- Position: CEO, Widex A/S; Managing director, JFJ Invest ApS
- Board member: Nordic Waterproofing Group AB

The Board of Directors is of the opinion that Jørgen Jensen possesses the following special competences: International management experience and expertise in strategy, global supply chain, production processes and M&A.

Jens Otto Knudsen, staff representative, 0 shares
- Date of birth: 8 August 1958
- Joined the Board: 13 April 2011
- Re-elected: 2014
- Period of office ends: 24 March 2018
- Position: Captain

Jens Knudsen has no managerial or executive positions in other companies.

Kent Vildbæk, staff representative, 0 shares
- Date of birth: 15 February 1964
- Joined the Board: 13 April 2011
- Re-elected: 2014
- Period of office ends: 24 March 2018
- Position: Commercial Head

Kent Vildbæk has no managerial or executive positions in other companies.

Lars Skjold-Hansen, staff representative, 0 shares
- Date of birth: 23 August 1965
- Joined the Board: 22 March 2013
- Re-elected: 2014
- Period of office ends: 24 March 2018
- Position: Captain

Lars Skjold-hansen has no managerial or executive positions in other companies.

EXECUTIVE BOARD

Niels Smedegaard, President & CEO, 227,303 shares
- Date of birth: 22 June 1962
- Appointed: 1 January 2007
- Chair: ECSA (European Community Shipowners' Association), Interferry Europe
- Deputy Chair: The Danish Shipowners' Association, The Bikuben Foundation
- Board member: The Denmark-America Foundation, Danske Bank Advisory Board, TT Club Mutual Insurance, Vestergaard A/S

Torben Carlsen, EVP & CFO, 198,310 shares
- Date of birth: 5 March 1965
- Appointed: 1 June 2009
- Chair: Crendo Fastighetsförvaltning AB, SEM Invest A/S, SEM Stålindustri A/S
- Board member: Investering & Tryghed A/S

BOARD OF DIRECTORS

Bent Østergaard
Chair

Claus Hemmingsen
Deputy Chair

Vagn Sørensen
Deputy Chair

Jill Lauritzen Melby
Board Member

Pernille Erenbjerg
Board Member

Jørgen Jensen
Board Member

Jens Otto Knudsen
Staff Representative

Kent Vildbæk
Staff Representative

Lars Skjold-Hansen
Staff Representative

From left to right:
Lars Skjold-Hansen, Jens Otto Knudsen, Jill Lauritzen Melby, Claus Hemmingsen, Bent Østergaard, Niels Smedegaard, Pernille Erenbjerg, Torben Carlsen, Jørgen Jensen og Kent Vildbæk. (Vagn Sørensen was not present at the photo session).

EXECUTIVE MANAGEMENT

Niels Smedegaard (1962)
- President & CEO
- MSC (Finance)
- Employed by DFDS since 2007

Torben Carlsen (1965)
- Executive Vice President & CFO
- MSC (Finance)
- Employed by DFDS since 2009

Peder Gellert Pedersen (1958)
- Executive Vice President, Shipping Division
- Ship broker, HD (O)
- Employed by DFDS since 1994

Eddie Green (1958)
- Executive Vice President, Logistics Division
- BA (Hons) Economics
- Employed by DFDS since 2010

Henrik Holck (1961)
- Executive Vice President, People & Ships
- MSC Psych
- Employed by DFDS since 2007

From left to right:
Eddie Green, Henrik Holck, Niels Smedegaard, Torben Carlsen, Peder Gellert Pedersen.

GLOSSARY & DEFINITIONS

BAF: Bunker adjustment factor, surcharge for price changes in bunker/MGO

Bareboat charter: Lease of a ship without crew for an agreed period.

Bunker: Oil-based fuel used in shipping.

Door-to-door transport: Transportation of goods from origin to final destination by a single freight forwarder. The freight forwarder typically uses third-party suppliers, such as a haulage contractor, to make the transport.

Chartering: Lease of a ship.

Non-allocated items: Central costs which are not distributed to divisions.

Intermodal: Transport using several different types of transport (road, rail and sea).

Lane metre: An area on a ship deck one lane wide and one metre long. Used to measure freight volumes.

Logistics: Sea and land-based freight transport, storage and distribution, and associated information processing.

Lo-lo: Lift on-lift off: Type of ship for which cargo is lifted on and off.

MGO: Marine gas oil, also known as marine diesel

Northern Europe: The Nordic countries, Benelux, the United Kingdom, Ireland, Germany, Poland, the Baltic nations, Russia and other SNG countries.

Production partnership (Vessel Sharing Agreement): Agreement between two or more parties on the distribution and use of a ship's freight-carrying capacity.

Ro-pax: Combined ro-ro freight and passenger vessel.

Ro-ro: Roll on-roll off: Type of ship for which freight is driven on and off.

Short sea: Shipping between destinations within a defined geographic area. The converse is deep-sea shipping, i.e. sailing between continents.

Sideport vessels: Ship with loading/unloading takes place via ports in the ship's side.

Space charter: Third-party lease of space on a ship deck.

Stevedoring: Activities related to loading and unloading of ships in a port terminal.

Time charter: Lease of a ship with crew for an agreed period.

Tonnage tax: Taxation levied on ships according to ship tonnage.

Trailer: An unpowered vehicle for transport of goods pulled by a powered vehicle.

Chartering-out: Leasing out of a ship.

Operating profit before depreciation (EBITDA)	Profit before depreciation and impairment on non-current assets
Operating profit (EBIT)	Profit after depreciation and impairment on non-current assets
Operating profit margin	Operating profit (EBIT) before special items x 100 / Revenue
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus tax on EBIT
Invested capital	Non-current intangible and tangible assets plus investment in associates and net current assets (non-interest bearing current assets minus non-interest bearing current liabilities) minus pension and jubilee liabilities and other provisions
Return on invested capital (ROIC)	Net operating profit after taxes (NOPAT) x 100 / Average invested capital
Weighted average cost of capital (WACC)	Average capital cost for net interest-bearing liabilities and equity, weighted according to the capital structure
Free cash flow, FCFF	Cash flow from operating activities, net, excluding interest etc. received and paid minus cash flow from investing activities
Return on equity p.a.	Profit for the year excluding non-controlling interests x 100 / Average equity excluding non-controlling interests
Equity ratio	Equity x 100 / Total assets
Net- interest-bearing debt	Interest-bearing non-current and current liabilities minus interest-bearing non-current and current assets
Earnings per share (EPS)	Dividend for the year / Profit for the year excluding non-controlling interests
P/E ratio	Share price at year-end / Earnings per share (EPS)
FCFE yield	FCFF including interest etc. received and paid x 100 / Market value at year-end plus non-controlling interests
Total distribution yield	Total distribution to shareholders x 100 / Market value at year-end plus non-controlling interests
Cash payout ratio	Total distribution to shareholders x 100 / FCFE
Dividend return	Paid dividend per share / Share price at beginning of year
Equity per share	Equity excluding non-controlling interests at year-end / Number of circulating shares at year-end
Price/book value	Share price at year-end / Equity per share at year-end

THE HISTORY OF DFDS

DFDS was founded in 1866 as a result of an initiative by C.F. Tietgen to merge the three largest Danish steamship companies of the day.

In the beginning, DFDS was active in domestic as well as international shipping, carrying both freight and passengers. The international services covered the North Sea and the Baltic, later expanding to the Mediterranean. Towards the end of the 19th century, routes were established to the USA and South America. The passenger routes to the USA were closed in 1935.

As land-based transport volumes increased, forwarding and logistics became integral parts of DFDS' strategy. From the mid-60s, considerable forwarding and logistics activities were developed in extension to the route network.

In 1982, a passenger route was opened between New York and Miami. However, the route failed to live up to expectations and was discontinued at great cost in 1983. Subsequently, the DFDS Group was restructured, including divestment of activities in the Mediterranean and routes to the USA and South America.

Forwarding and logistics activities were developed organically and by acquisitions. Following the acquisition of Dan Transport in 1998, the business became one of the largest forwarding and logistics companies in Northern Europe.

To focus the Group's resources, a new strategy was adopted with emphasis on shipping and the forwarding and logistics activities, DFDS Dan Transport, were divested in 2000.

DFDS' route network for passengers and freight has continuously been developed via organic capacity growth and acquisitions. Following a number of smaller acquisitions, a transformational acquisition was made in 2010 when Norfolkline was acquired making DFDS the largest company combining short sea shipping and logistics in Northern Europe.

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and offices are available from www.dfds.com