

GUIDANCE ABOVE DKK 3BN REAFFIRMED

- New Mediterranean business on track
- Market growth in northern Europe slowed by Brexit concerns
- Q3 revenue up 12% to DKK 4.4bn
- Q3 EBITDA up 7% to DKK 1.0bn



Highlights Q3

Q3 2018

- Mediterranean business in line with expectations
- Brexit uncertainty gives headwind on freight volumes
- Strong passenger yield in holiday high season

Outlook 2018

- 10% revenue growth maintained
- EBITDA-range narrowed to DKK 3.0-3.1bn (2017: DKK 2.7bn)
- Investments lowered by DKK 300m to DKK 4.7bn

“We are pleased to reaffirm our full-year guidance for an EBITDA above three billion DKK, more than 10% up from last year. Our new Mediterranean freight routes are performing as expected when acquired. In northern Europe, however, businesses and consumers require clarity on Brexit for growth to continue.”

Niels Smedegaard, CEO

In Q3, revenue increased 12% to DKK 4.4bn mainly driven by the expansion of the route network in the Mediterranean and higher revenue from passengers in the Q3 holiday high season. Freight revenue was subdued by a slowdown related to increased uncertainty on Brexit. Moreover, a large logistics contract impacted revenue positively in the same period last year.

EBITDA before special items increased 7% to DKK 1,045m.

Freight ferry volumes were up 6% which was below expectations as activity linked to the UK slowed while trading between Europe and Turkey was impacted by a significant depreciation of TRY in August.

Passenger volumes were up 1% and the growth in the passenger yield was ahead of expectations.

Outlook 2018

The Group's revenue is still expected to increase by around 10% in 2018. The outlook range for EBITDA before special items has due to the slowdown in European growth been narrowed to DKK 3,000-3,100m (2017: DKK 2,702m) from previously DKK 3,000-3,200m.

See full section on Outlook on page 7-8.

KEY FIGURES

DKK m	2018	2017		2017-18	2016-17		2017
Before special items	Q3	Q3	Δ %	LTM	LTM	Δ %	FY
Revenue	4,383	3,922	11.7%	15,259	14,181	7.6%	14,328
EBITDA	1,045	976	7.1%	2,874	2,641	8.8%	2,702
EBIT	747	742	0.8%	1,845	1,703	8.3%	1,782
Profit before tax	622	714	-12.9%	1,666	1,649	1.0%	1,727

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Key figures

DKK m	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Income statement						
Revenue	4,383	3,922	11,762	10,830	15,259	14,328
• Shipping Division	3,280	2,835	8,310	7,512	10,691	9,892
• Logistics Division	1,272	1,261	3,998	3,841	5,316	5,160
• Non-allocated items	121	103	363	298	465	400
• Eliminations	-291	-276	-909	-820	-1,214	-1,124
Operating profit before depreciation (EBITDA) and special items	1,045	976	2,300	2,128	2,874	2,702
• Shipping Division	982	926	2,086	1,981	2,617	2,513
• Logistics Division	78	66	250	187	326	263
• Non-allocated items	-16	-16	-35	-40	-69	-74
Profit/loss on disposal of non-current assets, net	2	0	7	6	8	7
Operating profit (EBIT) before special items	747	742	1,496	1,433	1,845	1,782
Special items, net	3	-5	-86	-8	-120	-41
Operating profit (EBIT)	751	737	1,410	1,425	1,726	1,741
Financial items, net	-126	-28	-176	-51	-180	-55
Profit before tax	625	708	1,234	1,374	1,546	1,686
Profit for the period	602	687	1,166	1,322	1,462	1,618
Profit for the period excluding non-controlling interest	601	686	1,165	1,321	1,460	1,617
Capital						
Total assets	-	-	21,805	13,238	-	13,308
DFDS A/S' share of equity	-	-	8,516	6,418	-	6,565
Equity	-	-	8,583	6,466	-	6,614
Net interest-bearing debt	-	-	7,666	2,636	-	2,352
Invested capital, end of period	-	-	16,389	9,229	-	9,099
Invested capital, average	16,358	9,203	12,745	9,198	12,042	9,178

DKK m	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Cash flows						
Cash flows from operating activities, before financial items and after tax	942	861	2,158	1,985	2,840	2,666
Cash flows from investing activities	-234	-218	-4,347	-1,342	-4,569	-1,564
• Acquisition of enterprises and activities	4	0	-3,635	0	-3,635	0
• Other investments, net	-237	-218	-712	-1,342	-934	-1,564
Free cash flow	709	643	-2,188	642	-1,728	1,102
Key operating and return ratios						
Average number of employees	-	-	7,705	7,247	7,398	7,235
Number of ships	-	-	70	57	-	64
Revenue growth (reported), %	11.7	3.3	8.6	3.7	6.5	3.9
EBITDA-margin, %	23.8	24.9	19.6	19.6	18.8	18.9
Operating margin, %	17.1	18.9	12.7	13.2	12.1	12.4
Revenue, invested capital average, (times)	-	-	-	-	1.3	1.6
Return on invested capital (ROIC), %	-	-	-	-	13.8	18.6
ROIC before special items, %	-	-	-	-	14.8	19.0
Return on equity, %	-	-	-	-	19.6	24.5
Key capital and per share ratios						
Equity ratio, %	-	-	39.4	48.8	-	49.7
Net interest-bearing debt/EBITDA, (times)	-	-	-	-	2.7	0.9
Earnings per share (EPS), DKK	10.52	12.72	20.85	23.96	25.95	29.08
Dividend paid per share, DKK	0.00	7.00	4.00	10.00	4.00	10.00
Number of shares, end of period, '000	-	-	58,632	57,000	-	57,000
Weighted average number of circulating shares, '000	-	-	55,881	55,842	-	55,594
Share price, DKK	-	-	318.0	359.7	-	331.3
Market value	-	-	18,180	19,826	-	18,106

Definitions on page 28.

Management review

Market overview

European growth in Q3 2018 slowed compared to expectations as uncertainty about the future increased driven by Brexit, concerns about Italy's debt level and the significant depreciation of the Turkish Lira (TRY). Reduced global stability also added to uncertainty among businesses and consumers.

European growth is set to remain positive in Q4 in Scandinavia, the Baltic region, continental Europe and in UK, but at a lower level than previously expected.

The trading of goods between UK — a major market for DFDS — and continental Europe decreased in Q3 compared to the same period last year as UK imports decreased 4% and UK exports decreased 2%.

Turkey's real GDP is expected to decrease in the second half of 2018 after growth of 7% and 5% in Q1 and Q2 respectively. Following an interest hike in early September and easing of political tensions, TRY has stabilised and appreciated through September and October. Turkish exports to Europe are expected to continue to grow while import volumes are expected to be negatively impacted by lower domestic demand. Industrial imports are however expected to remain resilient due to the close integration of supply chains between Turkey and Europe.

The most significant change in average exchange rates in Q3 2018 vs Q3 2017 was a decrease in SEK/DKK of 7.9%. GBP/DKK increased 0.8% and NOK/DKK decreased 2.2%.

Integration of U. N. Ro-Ro on track

The integration of U.N. Ro-Ro was started immediately after the completion of the transaction on 7 June 2018. The integration plan to extract synergies and align the two organisations was developed in co-operation between the organisations. The plan includes three key focus areas with a total of 18 workstreams, including:

- Commercial: Sales and customers, development of transport solutions for joint network, branding
- Platforms: IT and digital, fleet, port terminals and marine standards
- Support: Finance, procurement and HR

The integration continues to be on track for completion by the end of the year. The integration will, in addition, establish a platform to develop and pursue business development opportunities.

Synergies are developing with respect to enhanced fleet allocation flexibility as DFDS' fleet and new building options are being utilised to accelerate Mediterranean's fleet

development. The execution of scrubber investments across the Mediterranean fleet is also supported by procurement benefits as well as extensive knowhow in DFDS' organisation with regard to both contracting and operation.

Major events in Q3

Sale of two ferries

In July 2018, the sale to Ukrferry of two combined freight and passenger ferries built in 1989 and 1987 respectively was completed. The ferries have been on time charter to Ukrferry for several years for deployment on routes in the Black Sea and this deployment is expected to continue. The sale of the ferries entailed a profit of DKK 23m that is included under Special items.

Additional freight ferry ordered

On 16 August 2018, one additional freight ferry (ro-ro) new building was ordered from the Chinese Jinling Shipyard for delivery in the first half of 2020. The new ferry is similar to the five previously ordered freight ferries and likewise designed to carry 6,700 lane metres of freight equivalent to around 450 trailers. The large capacity reduces unit costs as well as the environmental impact per transported unit.

Environmental compliance for Mediterranean routes

On 11 September 2018, an investment of DKK 300m in 2019 was announced to install hybrid scrubbers on 12 freight ferries deployed on freight routes in the Mediterranean between Turkey, Italy, Greece and France. The investment will ensure compliance with the new global rules that from 2020 aim to reduce sulphur emissions through limiting sulphur content in marine fuel oil to 0.5% or through other means, such as scrubbers, with at least a similar environmental effect.

The investment decision is based on the scrubber strategy that was applied in 2015 for the transition to the 0.1% sulphur content limit for DFDS' ferry route network in northern Europe. This strategy has proven to be a success from both an environmental, operational and business perspective. By applying DFDS' extensive experience of procuring, installing and operating scrubber systems both operational and financial synergies are expected to be achieved.

Major events after Q3

No major events to report after Q3.

Financial performance

Revenue

The Group's revenue in Q3 was DKK 4,383m, an increase of 11.7% compared to 2017 driven by Shipping Division as

Revenue

DKK m	Q3 2018	Q3 2017	Change, %	Change
Shipping Division	3,280	2,835	15.7	446
Logistics Division	1,272	1,261	0.9	11
Non-allocated items	121	103	17.3	18
Eliminations	-291	-276	-5.2	-14
DFDS Group	4,383	3,922	11.7	461

the revenue of Logistics Division was reduced by a divestment and closure of activities.

Shipping Division's revenue increased in Q3 by 15.7% to DKK 3,280m. The growth was due to the expansion of the route network in the Mediterranean through the acquisition of U. N. Ro-Ro with effect from 7 June 2018. This increased revenue by DKK 417m. In addition, passenger revenue increased primarily in Channel and Baltic Sea driven by higher yields and volumes. Freight revenue in northern Europe was negatively impacted by lower volumes on most routes linked to UK and between Sweden and the Continent as a large logistics contract impacted volumes positively last year. On a like-for-like basis Shipping Division's revenue was flat compared to 2017.

Logistics Division's revenue in Q3 increased 0.9% to DKK 1,272m as higher revenue in Continent offset lower revenue in Nordic and UK & Ireland. The closure of activities in Italy had an impact on all business units while the divestment of a reefer activity in Belfast impacted UK & Ireland. Revenue in 2017 was in addition impacted positively by a large logistics contract. This was offset by a positive impact from the acquisition of Special Cargo and

a mix of volume growth for continuing activities. On a like-for-like basis Logistics Division's revenue was up 4.0%.

Operating profit before depreciation (EBITDA) and special items

The Group's EBITDA increased 7% to DKK 1,045m in Q3 driven by both divisions.

Shipping Division's EBITDA in Q3 increased 6% to DKK 982m driven by the expansion of the Mediterranean route network that added EBITDA of DKK 150m. Earnings were otherwise reduced by lower freight volumes impacting both routes and port terminals, higher bunker costs on passenger routes and a negative impact from non-comparable items. This was partly offset by higher earnings from passengers, especially in Channel.

Logistics Division's EBITDA in Q3 increased 18% to DKK 78m driven by improved results in all three business units with the largest contribution from UK & Ireland and the addition of Special Cargo in Continent. Earnings in both Continent and Nordic were held back by imbalances created by the cessation of a large logistics contract in Q2 and preparations for the start of a new contract at the beginning of Q4.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q3 of DKK 298m increased 28% compared to 2017 mainly due to acquisitions. There was a net offset of DKK 18m from an extension of the useful lifetime for freight ferries and a change in scrap values for all vessels.

The Group's EBIT before special items for Q3 increased 1% to DKK 747m.

Special items

In Q3 2018, Special items were a net income of DKK 3m as a gain of DKK 23m related to the sale of two ferries offset cost items.

Financial items

The total net cost of financing in Q3 was DKK 126m. This was compared to last year an increase of DKK 98m of which DKK 70m was currency losses on customer receivables related to the depreciation of TRY as prices are set in EUR while invoicing is in TRY. The remaining increase was mainly due to loan and interest costs for the acquisition financing of U. N. Ro-Ro.

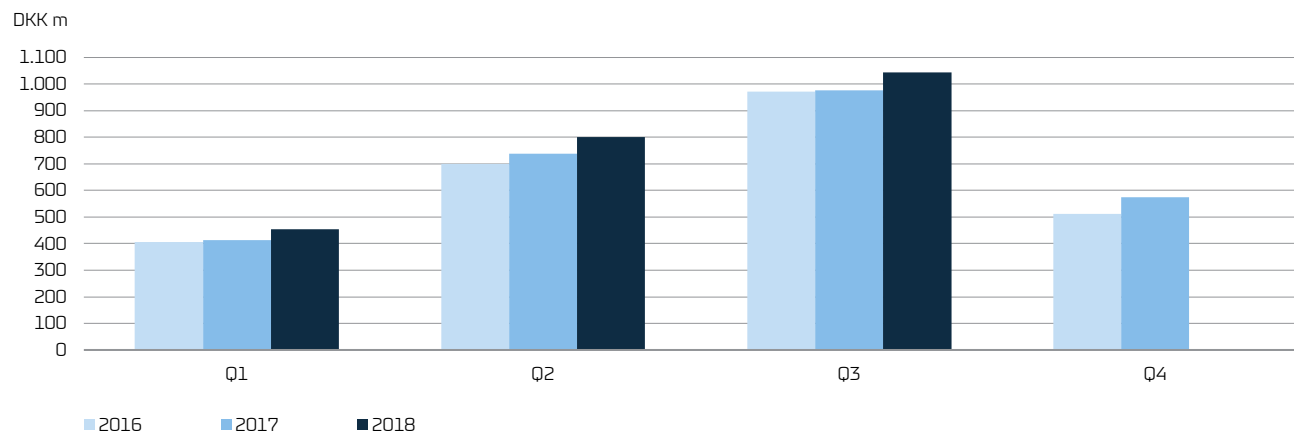
Profit before and after tax

The profit before tax for Q3 decreased 12% to DKK 625m and decreased 13% excluding special items. The profit after tax was DKK 602m following taxes of DKK 23m.

Earnings per share

Earnings per share (EPS) for the quarter decreased to DKK 10.52 from DKK 12.72 in Q3 2017, a decrease of 17%.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



Operating profit before depreciation (EBITDA) & special items

DKK m	Q3 2018	Q3 2017	Change, %	Change
Shipping Division	982	926	6.2	57
Logistics Division	78	66	18.5	12
Non-allocated items	-16	-16	1.1	0
DFDS Group	1,045	976	7.1	69
EBITDA-margin, %	23.8	24.9	n.a.	-1.0

Associates and joint ventures, profits on disposals and depreciation

DKK m	Q3 2018	Q3 2017	Change, %	Change
EBITDA before special items	1,045	976	7.1	69
Associates and joint ventures	-1	-1	-14.1	0
Profit on disposals	2	0	n.a.	1
Depreciation and impairment	-298	-233	-27.8	-65
EBIT before special items	747	742	0.8	6

Financial items

DKK m	Q3 2018	Q3 2017	Change, %	Change
Interests, net	-52	-16	n.a.	-36
Foreign exchange gains/losses, net	-70	1	n.a.	-71
Other items, net	-3	-13	72.5	9
Total finance, net	-126	-28	n.a.	-98

Cash flow and investments

The free cash flow (FCFF) of Q3 increased 10% to DKK 709m compared to last year. Investments of DKK 234m were included in the cash flow, mainly related to ferries.

In Q3, the cash flow from financing activities was negative by DKK 209m mainly following repayment of loans. The net cash flow for Q3 2018 was positive by DKK 400m and at the end of Q3 cash amounted to DKK 1,585m.

Capital structure

At the end of Q3 net-interest-bearing debt (NIBD) was DKK 7,666m, an increase of DKK 5,314m compared to year-end 2017 as the acquisition of U. N. Ro-Ro was primarily financed by loans.

Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a multiple of 2.7 compared to 0.9 at year-end 2017. On a pro forma basis, including U. N. Ro-Ro's EBITDA for the last twelve months, NIBD/EBITDA was 2.3.

The equity ratio was 39% at the end of Q3 down from 50% at year-end 2017.

Equity

Equity amounted to DKK 8,583m at the end of Q3, including minority interests of DKK 67m. This was an increase of 30% compared to equity at year-end 2017 as total comprehensive income for Q1-3 2018 was DKK 1,286m while transactions with owners increased equity by DKK 683m, including proceeds of DKK 1,000m from an issue of new

shares and distribution of DKK 409m through dividend and a share buyback.

Invested capital and ROIC

Invested capital was DKK 16,389m at the end of Q3, an increase of 80% compared to year-end 2017 mainly driven by the acquisition of U. N. Ro-Ro. The average invested capital for the last twelve months increased 31% to DKK 12,042m.

For the last twelve months, the return on invested capital, ROIC, was 14.8% before special items compared to 19.0% for 2017. The decrease in ROIC was likewise due to the acquisition of U. N. Ro-Ro.

Management shareholdings

Current holdings of DFDS shares for Niels Smedegaard, CEO, and Torben Carlsen, CFO, are available at <https://www.dfds.com/group/about/management>.

Outlook 2018

Acquisitions, new customer agreements, continuous improvement projects and some tailwind from European growth was expected at the beginning of the year to continue to underpin and drive earnings improvement.

Since then European growth lost momentum in Q3 following increased uncertainty linked to Brexit, Italy's debt level and the significant depreciation of TRY in August.

Continental European growth is still expected to be positive but at a lower level than previously foreseen while especially the UK economy continues to be exposed to the uncertainty of Brexit.

Revenue outlook

The Group's revenue is expected to increase by around 10% driven by higher activity for both ferry routes and logistics activities as well as the acquisition of U. N. Ro-Ro.

EBITDA outlook

The outlook range for EBITDA before special items has due to the slowdown in European growth been narrowed to DKK 3,000-3,100m (2017: DKK 2,702m) from previously DKK 3,000-3,200m.

Special items

The net cost of Special items is expected to be around DKK 100m, including items related to the acquisition of U.N. Ro-Ro, strategy development and implementation as well as the sale of two ferries.

Investments

Investments expected in 2018 are lowered DKK 300m to around DKK 4.7bn following lower investments in dockings and upgrades, cargo carrying equipment and other investments. The majority of a planned investment in a port terminal is postponed to 2019. Main investments are:

- Acquisition of U.N. Ro-Ro, equity value: DKK 3.6bn.
- Freight ferry (ro-ro) new buildings: DKK 400m (DKK 300m). A total of six freight new buildings are on order; four for delivery in 2019 and two for delivery in 2020
- Dockings and ferry upgrades, including two lengthenings: DKK 350m (previously: DKK 500m)
- Passenger and freight ferry (ro-pax) new buildings: DKK 150m (DKK 200m). Two combined passenger and freight new buildings are on order for delivery in 2021
- Cargo carrying equipment and warehouses, mainly related to Logistics Division: DKK 100m (DKK 150m)
- Other investments, including IT and digital: DKK 75m (DKK 100m)
- Port terminals: DKK 20m (DKK 200m)

OUTLOOK 2018

DKK m	New outlook 2018	Previous outlook 2018	2017
Revenue growth	10%	10%	14,328
EBITDA before special items	3,000-3,100	3,000-3,200	2,702
Per division:			
Shipping Division	2,800-2,875	2,825-2,975	2,513
Logistics Division	300-325	275-325	263
Non-allocated items	-100	-100	-74
Depreciation change	18%	18%	-933
Special items	-100	-100	-41
Investments	-4,700	-5,000	-1,564

A number of risks and uncertainties 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, especially northern Europe and in particular the UK, as well as adjacent regions, including Turkey.

Demand can also be impacted by competitor actions. The outlook can also be impacted by political changes, first and foremost within the EU and Turkey. In that regard Brexit represents a key risk.

Changes in economic variables, especially the oil price and exchange rates, can also impact earnings. Consequently, the future financial results may differ significantly from expectations.

Q3 is the high season for passenger

DFDS carried 2.2 million passengers and more than 600,000 cars in Q3.

In addition, 400,000 truck drivers accompanied their trailers on the ferries in the quarter.



Shipping Division

The division is organised in five business units:

- North Sea
- Baltic Sea
- Channel
- Mediterranean
- Passenger

Q3 market, activity and result trends

North Sea

Freight volumes in Q3 were down 4.0% on 2017 and down 1.9% adjusted for the closure of Rosyth-Zeebrugge in April. The lower volumes reflect partly a slowdown in trading between UK and continental Europe, and partly lower volumes between Sweden and Belgium linked to a large logistics contract that boosted volumes in 2017. A new contract has been entered into that will increase volumes again from the start of Q4. Trading between Sweden and UK was on level with Q3 2017.

EBIT in Q3 decreased 16% to DKK 146m mainly due to lower volumes and reduced capacity utilisation.

Shipping

DKK m	2018			2018 Q1-Q3	2017 Q1-Q3	2017				2017-18 LTM	2017 Full year
	Q1	Q2	Q3			Q1	Q2	Q3	Q4		
Revenue	2,301	2,729	3,280	8,310	7,512	2,154	2,523	2,835	2,381	10,691	9,892
EBITDA before special items	388	715	982	2,086	1,981	376	680	926	531	2,617	2,513
Share of profit/loss of associates and joint ventures	3	1	-1	3	5	6	0	-1	1	4	6
Profit/loss on disposal of non-current assets, net	1	0	0	2	1	0	0	0	0	2	1
Depreciation and impairment	-198	-228	-253	-679	-603	-202	-203	-198	-189	-868	-792
EBIT before special items	194	488	729	1,411	1,384	180	478	726	343	1,754	1,727
EBIT margin before special items, %	8.4	17.9	22.2	17.0	18.4	8.4	18.9	25.6	14.4	16.0	17.5
Special items, net	-1	-45	23	-23	9	0	9	0	-16	-39	-7
EBIT	193	444	751	1,388	1,393	180	486	726	327	1,715	1,720
Invested capital, average	8,177	11,719	15,255	11,716	8,290	8,264	8,287	8,347	8,271	11,049	8,264
ROIC before special items, %	-	-	-	-	-	-	-	-	-	15.6	20.7
Lane metres, '000	9,536	10,046	10,211	29,793	28,637	9,395	9,588	9,654	9,781	39,574	38,418
Passengers, '000	862	1,409	2,163	4,436	4,329	756	1,428	2,144	1,020	5,457	5,349

Baltic Sea

Freight volumes in Q3 were 0.3% below 2017 as continued growth on the southern routes was offset by lower volumes on the northern routes where capacity has been increased on competing routes in the region. Passenger volumes were up 10.5% with contributions from all routes.

EBIT in Q3 decreased 3% to DKK 112m as lower freight earnings were partly offset by higher earnings from passenger activities.

Channel

Freight volumes in Q3 decreased 2.5% compared to 2017 and by 2.2% excluding Newhaven-Dieppe that is included in the Channel business unit since Q2 2018. Total freight volumes in the Dover Strait market were down 1.1%. The market share of ferries was reduced in Q3 due partly to an increase in bunker surcharges, and partly due to a continued tight supply of drivers which favors the tunnel service or un-accompanied solutions in adjacent regions.

Passenger volumes were up 0.7% in Q3 while the number of cars was up 3.3% compared to an increase of 3.8% in

the total market. Both seafare and onboard spending per pax was above last year and ahead of expectations.

EBIT in Q3 decreased 2% to DKK 214m. The result includes a negative variance of DKK 13m compared to last year due to timing differences in the new contract for the operation of Newhaven-Dieppe which year-to-date is on level with last year. The result for the Dover Strait routes thus improved as higher passenger earnings offset the impact of lower freight volumes.

Mediterranean

Freight volumes in Q3 increased with the expansion of the route network by 826k lane metres. Volumes were negatively impacted in August by the extraordinary depreciation of TRY which immediately reduced trading, particularly imports. Volumes were 0.8% below last year (when DFDS did not own U. N. Ro-Ro) as volumes on the routes out of Istanbul were above last year, also helped by August being a holiday month. Volumes between southern Turkey and Italy were on the other hand significantly lower partly due to developments in adjacent countries, including Syria, and partly due to the depreciation of TRY and increased competition.

EBIT in Q3 increased to DKK 68m from DKK 1m in 2017 following the acquisition of U. N. Ro-Ro as per 7 June 2018. The result includes an extra maintenance cost of DKK 5m related to a freight ferry deployed on Marseille-Tunis.

Passenger

The number of passengers in Q3 was on level with last year as volumes increased slightly between UK and Netherlands while they remained flat in Scandinavia.

EBIT decreased 11% in Q3 from DKK 184m to DKK 164m mainly due to higher bunker costs and increased maintenance cost.

Non-allocated items

These items comprise primarily external charter activities.

EBIT decreased 27% to DKK 24m mainly due to extra maintenance costs for a freight ferry and lower earnings from charter activity after the sale at the beginning of Q3 2018 of two ferries that were chartered out.

Shipping division

DKK m	2018			2018	2017	2017				2017-18	2017
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
North Sea											
Revenue	967	964	897	2,827	2,750	926	928	897	949	3,776	3,699
EBIT before special items	155	188	146	489	505	151	179	174	166	654	670
Invested capital	3,967	3,947	3,754	3,933	4,189	4,263	4,136	4,115	4,064	3,969	4,164
ROIC before special items, %	-	-	-	-	-	-	-	-	-	15.9	15.8
Lane metres freight, '000	3,347	3,367	3,148	9,862	9,854	3,242	3,332	3,280	3,364	13,226	13,218
Baltic Sea											
Revenue	343	392	410	1,145	1,110	341	382	388	355	1,500	1,465
EBIT before special items	71	105	112	288	295	74	105	116	84	372	379
Invested capital	1,218	1,234	1,103	1,178	1,211	1,218	1,181	1,182	1,159	1,179	1,201
ROIC before special items, %	-	-	-	-	-	-	-	-	-	31.5	31.5
Lane metres freight, '000	1,102	1,182	1,148	3,432	3,452	1,125	1,176	1,151	1,133	4,565	4,585
Passengers, '000	36	58	83	177	164	34	55	75	41	218	205
Channel											
Revenue	573	687	895	2,156	2,063	530	659	874	620	2,776	2,683
EBIT before special items	18	73	214	305	280	-10	72	218	73	378	353
Invested capital	2,025	1,872	1,777	1,884	1,980	1,994	1,966	1,928	1,860	1,892	1,956
ROIC before special items, %	-	-	-	-	-	-	-	-	-	20.0	18.0
Lane metres freight, '000	4,896	4,995	4,906	14,797	14,735	4,828	4,872	5,035	5,061	19,858	19,796
Passengers, '000	556	992	1,659	3,207	3,133	485	1,000	1,648	670	3,877	3,803
Mediterranean											
Revenue	31	170	443	643	74	25	27	22	29	672	103
EBIT before special items	3	27	68	98	6	0	5	1	3	101	9
Invested capital	122	7,204	7,239	3,670	94	138	129	127	115	2,961	99
ROIC before special items, %	-	-	-	-	-	-	-	-	-	3.4	9.3
Lane metres freight, '000	61	351	875	1,287	167	59	60	48	62	1,349	229
Passenger											
Revenue	298	466	604	1,368	1,317	272	460	586	356	1,725	1,674
EBIT before special items	-80	57	164	142	212	-59	88	184	-29	112	183
Invested capital	562	479	650	601	670	620	711	725	712	626	678
ROIC before special items, %	-	-	-	-	-	-	-	-	-	17.5	26.6
Lane metres freight, '000	130	151	134	415	429	141	147	140	160	576	589
Passengers, '000	270	361	421	1,052	1,032	237	374	421	309	1,361	1,341
Non-allocated items											
Revenue	119	110	99	328	345	101	121	123	132	460	478
EBIT before special items	26	39	24	89	86	23	30	33	47	136	133

The invested capital in the quarter is shown as per the end of the period. For the full year, the invested capital is shown as an average.

Logistics Division

The division is organised in three business units:

- Nordic
- Continent
- UK & Ireland

Q3 market, activity and result trends

Nordic

The number of transported units in Q3 decreased 3.4% adjusted for the closure of the Italian rail activities. The volume decrease was due to a large logistics contract that began in Q2 2017 and ceased in Q2 2018. A new and similar contract with a duration of more than two years has been entered into and this activity started at the beginning of Q4 2018. Volume growth was otherwise positive in the Baltic markets, including project volumes, and in the Norwegian market.

EBIT increased 11% to DKK 15m driven by a turnaround in the cross docking terminal in Gothenburg, higher volumes in the Norwegian shipping activity and a positive impact from the closure of rail activities. Haulage costs were in general higher than last year.

Logistics

DKK m	2018			2018 Q1-Q3	2017 Q1-Q3	2017				2017-18 LTM	2017 Full year
	Q1	Q2	Q3			Q1	Q2	Q3	Q4		
Revenue	1,385	1,341	1,272	3,998	3,841	1,235	1,346	1,261	1,318	5,316	5,160
EBITDA before special items	81	91	78	250	187	48	73	66	77	326	263
Profit/loss on disposal of non-current assets, net	1	2	1	5	4	3	1	0	1	6	5
Depreciation and impairment	-34	-33	-33	-99	-74	-25	-24	-25	-28	-127	-102
EBIT before special items	48	60	47	155	116	26	49	41	50	205	166
EBIT margin before special items, %	3.5	4.5	3.7	3.9	3.0	2.1	3.6	3.4	3.8	3.9	3.2
Special items, net	-17	0	0	-17	0	0	0	0	-13	-30	-13
EBIT	31	60	47	139	116	26	49	41	37	176	153
Invested capital, average	1,147	1,223	1,192	1,189	1,133	1,123	1,127	1,139	1,129	1,181	1,128
ROIC before special items, %	-	-	-	-	-	-	-	-	-	14.5	13.1
Tons, '000	97.7	102.8	103.5	304.1	293.0	99.0	100.0	94.1	107.3	411.4	400.4
Units, '000	145.5	146.7	133.1	425.3	408.9	131.9	140.9	136.1	139.6	564.9	548.5

Continent

The number of transported units in Q3 decreased 2.5% adjusted for the acquisition of Special Cargo on 3 January 2018 (formerly Alphatrans Group) and the closure of Italy. The volume decrease was related to the Belgian activities that in Q3 2017 operated a large logistics contract in co-operation with the Nordic business unit. Volume growth was otherwise positive in the Netherlands-UK traffics for both the trailer and container solutions.

EBIT increased 3% to DKK 18m as an improved result in Netherlands, including the addition of Special Cargo, offset

a lower result in Belgium. Haulage costs were in general higher than last year.

UK & Ireland

The number of transported units in Q3 decreased 2.8% adjusted for the divested Belfast reefer activity and the closure of the Italian rail activities. The level of activity slowed in the UK trailer operation which was partly linked to lower freight ferry volumes. Seasonal fruit volumes in Scotland were also lower while cold store volumes in England were above last year.

EBIT increased 34% to DKK 14m primarily driven by a positive impact of the divestment of the Belfast reefer activity and closure of the rail activities.

Logistics division

DKK m	2018			2018	2017	2017				2017-18	2017
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
Nordic											
Revenue	517	485	413	1,415	1,377	429	486	461	522	1,937	1,898
EBIT before special items	26	26	15	67	39	9	17	13	22	89	62
Invested capital	362	306	299	335	356	332	360	411	371	350	359
ROIC before special items, %	-	-	-	-	-	-	-	-	-	23.2	16.8
Units, '000 *	37.6	34.7	29.6	101.9	99.8	31.0	35.8	32.9	35.4	137.3	135.2
Tons, '000	97.7	102.8	103.5	304.1	293.0	99.0	100.0	94.1	107.3	411.4	400.4
Continent											
Revenue	626	622	598	1,846	1,498	479	518	500	538	2,384	2,035
EBIT before special items	18	22	18	59	44	9	17	18	21	80	65
Invested capital	513	521	528	483	346	346	340	344	368	455	351
ROIC before special items, %	-	-	-	-	-	-	-	-	-	13.2	15.3
Units, '000	66.8	68.1	62.6	197.4	167.4	54.2	57.1	56.1	61.3	258.7	228.7
UK & Ireland											
Revenue	274	284	292	850	1,077	359	378	339	312	1,162	1,388
EBIT before special items	4	13	14	30	33	9	14	10	7	37	40
Invested capital	387	357	373	372	430	445	429	394	370	376	418
ROIC before special items, %	-	-	-	-	-	-	-	-	-	8.2	8.2
Units, '000	41.2	43.9	41.0	126.0	141.7	46.7	48.0	47.1	42.9	168.9	184.6
Non-allocated items											
Revenue	74	57	58	189	162	53	54	55	53	242	216
EBIT before special items	0	0	0	0	0	0	0	0	0	0	0

* Excluding volumes related to automotive Logistics contract.

The invested capital in the quarter is shown as per the end of the period. For the full year, the invested capital is shown as an average.

DFDS Group Income statement

DKK m	Note	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Revenue	3	4,382.8	3,922.2	11,761.9	10,830.4	15,259.3	14,327.8
Costs							
Ship operation and maintenance		-999.5	-729.2	-2,586.2	-2,135.1	-3,340.1	-2,888.9
Freight handling		-650.1	-572.9	-1,864.0	-1,705.4	-2,420.6	-2,262.0
Transport solutions		-772.8	-760.4	-2,382.2	-2,351.2	-3,159.4	-3,128.4
Employee costs		-706.4	-676.0	-2,077.0	-1,985.7	-2,752.0	-2,660.7
Costs of sales and administration		-209.0	-208.1	-552.3	-525.1	-712.7	-685.4
Operating profit before depreciation (EBITDA) and special items		1,045.0	975.6	2,300.2	2,128.0	2,874.5	2,702.3
Share of profit/loss of associates and joint ventures		-0.9	-1.0	3.4	5.2	3.8	5.6
Profit/loss on disposal of non-current assets, net		1.6	0.5	6.6	5.8	7.8	7.0
Depreciation, ships		-207.1	-184.5	-594.5	-560.4	-779.4	-745.3
Depreciation, other non-current assets		-91.2	-48.9	-218.9	-145.9	-270.2	-197.3
Impairment losses, ships and other non-current assets		0.0	0.0	-0.5	0.0	8.8	9.3
Operating profit (EBIT) before special items		747.4	741.7	1,496.4	1,432.8	1,845.3	1,781.7
Special items, net	4	3.5	-5.2	-86.5	-7.6	-119.5	-40.7
Operating profit (EBIT)		750.9	736.5	1,409.9	1,425.2	1,725.7	1,741.0
Financial income		2.8	1.5	4.8	19.3	12.5	27.0
Financial costs		-128.5	-29.7	-181.1	-70.7	-192.1	-81.7
Profit before tax		625.1	708.3	1,233.6	1,373.7	1,546.2	1,686.3
Tax on profit		-23.1	-21.4	-67.7	-51.7	-84.3	-68.3
Profit for the period		602.0	686.9	1,165.9	1,322.1	1,461.9	1,618.0
Attributable to:							
Equity holders of DFDS A/S		601.4	686.4	1,164.8	1,321.2	1,460.4	1,616.8
Non-controlling interests		0.6	0.6	1.1	0.8	1.6	1.3
Profit for the period		602.0	686.9	1,165.9	1,322.1	1,461.9	1,618.0
Earnings per share							
Basic earnings per share (EPS) of DKK 20, DKK		10.52	12.72	20.85	23.96	25.95	29.08
Diluted earnings per share (EPS-D) of DKK 20, DKK		10.49	12.63	20.76	23.75	25.81	28.83

DFDS Group – statement of Comprehensive income

DKK m	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Profit for the period	602.0	686.9	1,165.9	1,322.1	1,461.9	1,618.0
Other comprehensive income						
Items that will not be reclassified subsequently to the Income statement:						
Remeasurement of defined benefit pension obligations	0.0	0.0	0.0	0.0	57.9	57.9
Tax on items that will not be reclassified to the Income statement	0.0	0.4	0.0	1.9	-1.9	0.0
Items that will not be reclassified subsequently to the Income statement	0.0	0.4	0.0	1.9	56.1	57.9
Items that are or may be reclassified subsequently to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	1.5	33.0	290.9	-65.1	223.3	-132.7
Value adjustment transferred to operating costs	-2.5	-1.9	-4.9	-8.3	-6.2	-9.6
Value adjustment transferred to financial costs	24.6	-68.1	-76.9	-25.4	-22.4	29.1
Value adjustment transferred to non-current tangible assets	-3.2	4.3	-2.6	4.1	-0.5	6.2
Tax on items that will be reclassified to the Income statement	-5.0	0.0	-45.6	0.0	-44.5	1.1
Foreign exchange adjustments, subsidiaries	25.6	11.8	-40.7	-24.0	-76.8	-60.1
Items that are or may be reclassified subsequently to the Income statement	41.1	-21.0	120.2	-118.7	72.9	-166.1
Total other comprehensive income after tax	41.1	-20.6	120.2	-116.9	128.9	-108.2
Total comprehensive income	643.1	666.4	1,286.2	1,205.2	1,590.8	1,509.8
Attributable to:						
Equity holders of DFDS A/S	642.5	665.8	1,285.0	1,204.4	1,589.1	1,508.5
Non-controlling interests	0.6	0.6	1.2	0.9	1.6	1.3
Total comprehensive income	643.1	666.4	1,286.2	1,205.2	1,590.8	1,509.8

DFDS GROUP - Balance Sheet Assets

DKK m	2018 Q1-Q3	2017 Q1-Q3	2017 Full year
Goodwill	1,743.0	553.4	554.5
Other non-current intangible assets	2,071.7	33.7	29.4
Software	240.6	229.6	235.3
Development projects in progress	8.5	12.0	14.8
Non-current intangible assets	4,063.8	828.7	834.0
Land and buildings	160.1	140.7	148.8
Terminals	722.6	489.5	480.4
Ships	10,497.5	7,707.0	7,505.4
Equipment, etc.	713.1	600.9	615.7
Assets under construction and prepayments	811.8	196.4	307.8
Non-current tangible assets	12,905.1	9,134.4	9,058.0
Investments in associates and joint ventures and securities	44.7	43.1	42.8
Receivables	137.4	135.8	135.7
Deferred tax	68.4	67.0	63.6
Derivative financial instruments	123.3	0.0	0.0
Other non-current assets	373.7	245.8	242.1
Non-current assets	17,342.7	10,208.9	10,134.1
Inventories	201.1	134.9	155.8
Trade receivables including work in progress services	2,185.7	1,785.9	1,687.5
Receivables from associates and joint ventures	74.4	62.2	74.1
Other receivables	189.5	116.7	129.2
Prepaid costs	191.0	97.0	90.7
Derivative financial instruments	34.9	2.7	3.8
Cash	1,585.3	829.5	1,033.2
Current assets	4,461.9	3,028.9	3,174.3
Assets	21,804.6	13,237.8	13,308.4

Equity and liabilities

DKK m	2018 Q1-Q3	2017 Q1-Q3	2017 Full year
Share capital	1,172.6	1,140.0	1,140.0
Reserves	-271.6	-397.2	-455.0
Retained earnings	7,615.0	5,675.1	5,651.6
Proposed dividends	0.0	0.0	228.0
Equity attributable to equity holders of DFDS A/S	8,516.1	6,417.9	6,564.6
Non-controlling interests	67.1	48.5	49.0
Equity	8,583.1	6,466.4	6,613.7
Interest-bearing liabilities	8,417.1	3,061.7	2,931.6
Deferred tax	208.5	193.4	197.1
Pension and jubilee liabilities	367.2	440.5	378.6
Other provisions	42.8	46.7	42.4
Derivative financial instruments	22.7	39.0	94.8
Non-current liabilities	9,058.1	3,781.3	3,644.5
Interest-bearing liabilities	850.0	346.1	343.9
Trade payables	2,405.0	1,793.0	1,847.0
Payables to associates and joint ventures	33.2	31.4	40.1
Other provisions	65.9	36.7	35.1
Corporation tax	82.1	42.3	23.8
Other payables	538.1	491.2	489.6
Derivative financial instruments	5.0	103.1	111.3
Prepayments from customers	184.1	146.4	159.3
Current liabilities	4,163.3	2,990.1	3,050.2
Liabilities	13,221.4	6,771.4	6,694.7
Equity and liabilities	21,804.6	13,237.8	13,308.4

DFDS GROUP - Statement of changes in equity 1 January - 30 September 2018

DKK m	Reserves							Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2018	1,140.0	-339.7	-68.4	0.1	-47.0	5,651.6	228.0	6,564.6	49.0	6,613.7
Change in accounting policies*				-0.1		0.1		0		0
Restated equity at 1 January 2018	1,140.0	-339.7	-68.4	0.0	-47.0	5,651.7	228.0	6,564.6	49.0	6,613.7
Comprehensive income for the period										
Profit for the period						1,164.8		1,164.8	1.1	1,165.9
Other comprehensive income										
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			290.9					290.9		290.9
Value adjustment transferred to operating costs			-4.9					-4.9		-4.9
Value adjustment transferred to financial costs			-76.9					-76.9		-76.9
Value adjustment transferred to non-current tangible assets			-2.6					-2.6		-2.6
Tax on items that will be reclassified to the Income statement						-45.6		-45.6		-45.6
Foreign exchange adjustments, subsidiaries		-40.8						-40.8	0.1	-40.7
Items that are or may be reclassified subsequently to the Income statement	0.0	-40.8	206.6	0.0	0.0	-45.6	0.0	120.1	0.1	120.2
Total other comprehensive income after tax	0.0	-40.8	206.6	0.0	0.0	-45.6	0.0	120.1	0.1	120.2
Total comprehensive income	0.0	-40.8	206.6	0.0	0.0	1,119.2	0.0	1,285.0	1.2	1,286.2
Transactions with owners										
Acquisition, non-controlling interests						1.0		1.0	-1.3	-0.4
Addition related to acquisition								0.0	18.2	18.2
Dividend paid							-218.9	-218.9		-218.9
Dividend on treasury shares						9.1	-9.1	0.0		0.0
Vested share-based payments						18.5		18.5		18.5
Purchase of treasury shares					-11.0	-179.1		-190.2		-190.2
Cash from sale of treasury shares related to exercise of share options					8.8	50.5		59.2		59.2
Reduction of share capital by cancellation of treasury shares	-20.0				20.0			0.0		0.0
Increase of capital	52.6					947.4		1,000.0		1,000.0
Other adjustments						-3.2		-3.2		-3.2
Transactions with owners Q1-Q3 2018	32.6	0.0	0.0	0.0	17.7	844.1	-228.0	666.5	16.8	683.3
Equity at 30 September 2018	1,172.6	-380.5	138.2	0.0	-29.3	7,615.0	0.0	8,516.1	67.1	8,583.1

* According to the new IFRS 9 changes in Fair value of securities are recognised via the Income Statement.

Due to immaterial effects from implementing IFRS 9 and IFRS 15, the 1 January 2018 Equity has not been restated except for DKK 0.1m which has been reclassified within the Equity (see above).

DFDS GROUP - Statement of changes in equity 1 January - 30 September 2017

DKK m	Reserves						Proposed dividends	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings				
Equity at 1 January 2017	1,200.0	-279.6	38.8	0.1	-58.9	5,556.1	180.0	6,636.4	48.2	6,684.6
Comprehensive income for the period										
Profit for the period						1,321.2		1,321.2	0.8	1,322.1
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Tax on items that will not be reclassified to the Income statement						1.9		1.9		1.9
Items that will not subsequently be reclassified to the Income statement	0.0	0.0	0.0	0.0	0.0	1.9	0.0	1.9	0.0	1.9
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			-65.1					-65.1		-65.1
Value adjustment transferred to operating costs			-8.3					-8.3		-8.3
Value adjustment transferred to financial costs			-25.4					-25.4		-25.4
Value adjustment transferred to non-current tangible assets			4.1					4.1		4.1
Foreign exchange adjustments, subsidiaries		-24.0						-24.0	0.0	-24.0
Items that are or may be reclassified subsequently to the Income statement	0.0	-24.0	-94.7	0.0	0.0	0.0	0.0	-118.8	0.0	-118.7
Total other comprehensive income after tax	0.0	-24.0	-94.7	0.0	0.0	1.9	0.0	-116.9	0.0	-116.9
Total comprehensive income	0.0	-24.0	-94.7	0.0	0.0	1,323.1	0.0	1,204.4	0.9	1,205.2
Transactions with owners										
Acquisition, non-controlling interests						0.4		0.4	-0.6	-0.2
Dividend paid							-167.9	-167.9		-167.9
Dividend on treasury shares						12.1	-12.1	0.0		0.0
Proposed extraordinary dividend						-399.0	399.0	0.0		0.0
Extraordinary dividend paid							-387.8	-387.8		-387.8
Extraordinary dividend on treasury shares						11.2	-11.2	0.0		0.0
Vested share-based payments						19.5		19.5		19.5
Purchase of treasury shares					-51.3	-890.5		-941.8		-941.8
Cash from sale of treasury shares related to exercise of share options					12.6	42.7		55.3		55.3
Reduction of share capital by cancellation of treasury shares	-60.0				60.0			0.0		0.0
Other adjustments						-0.7		-0.7		-0.7
Transactions with owners Q1-Q3 2017	-60.0	0.0	0.0	0.0	21.3	-1,204.1	-180.0	-1,422.9	-0.6	-1,423.4
Equity at 30 September 2017	1,140.0	-303.6	-56.0	0.1	-37.6	5,675.1	0.0	6,417.9	48.5	6,466.4

DFDS Group – Statement of cash flows

DKK m	2018 Q3	2017 Q3	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Operating profit before depreciation (EBITDA) and special items	1,045.0	975.6	2,300.2	2,128.0	2,874.5	2,702.3
Cash flow effect from special items related to operating activities	-30.9	0.0	-70.7	0.0	-70.7	0.0
Adjustments for non-cash operating items, etc.	-2.1	2.3	0.4	9.7	9.5	18.8
Change in working capital	-44.9	-108.2	8.7	-90.5	141.7	42.5
Payment of pension liabilities and other provisions	-7.4	-5.7	-29.1	-50.7	-42.2	-63.7
Cash flow from operating activities, gross	959.8	864.0	2,209.5	1,996.6	2,912.8	2,699.9
Interest received, etc.	57.7	45.0	124.2	91.3	151.5	118.7
Interest paid, etc.	-157.0	-45.6	-311.1	-132.7	-341.3	-162.8
Taxes paid	-17.5	-3.1	-51.1	-11.9	-72.6	-33.5
Cash flow from operating activities, net	843.0	860.3	1,971.5	1,943.3	2,650.4	2,622.2
Investments in ships including dockings, rebuildings and ships under construction (incl. settlement of forward exchange contracts) related thereto	-263.0	-170.8	-682.9	-1,175.8	-806.9	-1,299.8
Sale of ships	79.7	0.0	79.7	0.0	79.7	0.0
Investments in other non-current tangible assets	-39.8	-39.1	-102.9	-153.5	-163.8	-214.4
Sale of other non-current tangible assets	1.6	2.5	13.3	30.4	18.5	35.6
Investments in non-current intangible assets	-7.7	-9.4	-20.7	-33.5	-38.4	-51.1
Acquisition of enterprises, associates, joint ventures and activities	3.6	0.0	-3,634.8	0.0	-3,634.8	0.0
Sale of activities etc.	0.0	0.0	1.9	0.0	1.9	0.0
Other investing cash flows	-8.2	-1.3	-0.4	-10.0	-24.8	-34.4
Cash flow to/from investing activities, net	-233.7	-218.1	-4,346.7	-1,342.4	-4,568.6	-1,564.2
Cash flow before financing activities, net	609.3	642.2	-2,375.3	601.0	-1,918.2	1,058.0
Proceed from bank loans and loans secured by mortgage in ships	0.0	0.1	5,608.0	1,151.0	5,159.3	702.2
Repayment and instalments of bank loans and loans secured by mortgage in ships	-207.3	-262.9	-373.9	-530.1	-9.2	-165.4
Proceed from issuance of corporate bonds	0.0	993.9	0.0	993.9	-3.4	990.5
Repayment of corporate bonds incl. settlement of cross currency swap	0.0	-504.9	-202.8	-504.9	-202.8	-504.9
Change in other non-current investments, net	0.0	0.0	0.4	0.0	0.4	0.0
Payment of loan in acquired entity	0.0	0.0	-2,756.3	0.0	-2,756.3	0.0
Payment of financial lease liabilities	-1.8	-1.2	-3.6	-34.9	-5.8	-37.1
Acquisition of treasury shares	0.0	-107.7	-190.2	-941.8	-354.2	-1,105.8
Other non-current receivable	0.0	0.0	0.0	-111.0	0.0	-111.0
Cash received from exercise of share options	0.0	0.0	59.2	55.3	59.2	55.3
Government grants received related to purchase of assets	0.0	0.0	6.0	11.9	6.0	11.9
Other financing cash flows	0.0	-0.1	-0.4	-0.2	-0.4	-0.2
Proceed from increase of share capital	0.0	0.0	1,000.0	0.0	1,000.0	0.0
Dividends paid	0.0	-387.8	-218.9	-555.7	-218.6	-555.3
Cash flow to/from financing activities, net	-209.2	-270.6	2,927.6	-466.5	2,674.3	-719.7
Net increase (decrease) in cash and cash equivalents	400.1	371.5	552.3	134.5	756.1	338.3
Cash and cash equivalents at beginning of period	1,185.0	458.0	1,033.2	695.6	829.5	695.6
Foreign exchange and value adjustments of cash and cash equivalents	0.2	-0.1	-0.2	-0.6	-0.3	-0.7
Cash and cash equivalents at end of period *	1,585.3	829.5	1,585.3	829.5	1,585.3	1,033.2

* At 30 September 2018 DKK 43.2m of the cash was deposited on restricted bank accounts.

The statement of cash flows cannot directly be derived from the Income Statement and the Balance Sheet.

Note 1 Accounting policies

Basis of reporting

This section provides an overview of our principal accounting policies and new and amended IFRS standards and interpretations.

Accounting policies

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the same accounting policies, judgements and estimates as for the annual report for 2017 except as described below.

Implementation of new or changed accounting standards and interpretations

DFDS has adopted IFRS 9 – "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities" and IFRS 15 – "Revenue from Contracts with Customers" and all other new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2018. Comparative figures are not restated due to either no impact or insignificant impact on the financial statements.

IFRS 9 Financial Instruments

IFRS 9 introduces a new impairment loss model for financial assets by replacing IAS 39's "incurred loss model" approach with a more forward-looking "expected credit loss model". Under the new model it is no longer necessary that a credit event has occurred before a credit loss is recognised. For DFDS the new credit loss model primarily apply to trade receivables. In recent years DFDS' realised losses on trade receivables have been insignificant, and the implementation of the new credit loss model has not had any significant impact on DFDS' credit loss provisions and accordingly, no restatement of equity is made as of 1 January 2018.

Under IFRS 9, investments in equity instruments are measured at "Fair value through profit loss" (FVTPL), or alternatively at "Fair value through Other comprehensive income without recycling to profit loss" provided that the equity instrument is not held for trading. DFDS'

present holding of securities, comprising a minor holding of equity instruments in unlisted enterprises and other investments, was under the replaced IAS 39 classified as "Available for sale" implying that unrealised value adjustments were recognised in Other comprehensive income and attributed to a separate reserve in equity. Following the adoption of IFRS 9 DFDS will from 1 January 2018 recognise its present holding of securities at FVTPL, which implies that the "Revaluation of securities" reserve under equity will be transferred to "Retained earnings".

IFRS 15 Revenue from contracts with customers

On 1 January 2018, the IFRS 15, "Revenue from Contract with Customers", which replaces IAS 11, IAS 18 and associated interpretations, was implemented.

The most important changes resulting from IFRS 15 are:

- the model for recognition of revenue is changed from having been based on the transfer of the risks and rewards of ownership of a product or service to being based on the transfer of control of the product or services transferred to the customer
- more detailed guidelines for how elements in a contract of sale are identified, and how the individual components will be recognised and measured
- more detailed guidance for recognition of revenue over time.

The change in the recognition of revenue from transfer of the risks and rewards to the transfer of control, and the additional guidelines for how elements in the contracts are identified and how the individual components will be recognised and measured has only had an insignificant effect.

The Group has concluded that the impact is insignificant and it is assessed that the current accounting policy for variable considerations, such as volume rebates, is consistent with IFRS 15.

In conclusion the adoption of IFRS 9, IFRS 15 and all other new, amended or revised accounting standards and interpretations (IFRSs) have either had no impact or insignificant impact on the Group's Financial Statements and accordingly, the equity as of 1 January 2018 has not been restated, except for the holding of securities, which has been transferred from "Revaluation of securities" under equity to "Retained earnings". However, the new standards have led to additional disclosures in the interim report.

Alignment of expected useful life of the Group's freight vessels

Following the acquisition of U. N. Ro-Ro on 7 June 2018, the Group has reassessed the useful life of its freight vessels as U. N. Ro-Ro applied 35 years whilst DFDS applied 30 years for most of its freight vessels and 35 years for some.

Based on our general high level of maintenance of the fleet; our historical experience with the fundamental components of the vessels (hull and machinery), the realized accounting gains when selling vessels etc., we have concluded to align the useful life of all the Group's freight vessels to 35 years – unless specific circumstances require a shorter useful life. Further, we have aligned U. N. Ro-Ro's methodology for calculating the vessels' scrap values to the methodology applied by the DFDS Group, where the scrap values are reassessed at least on a yearly basis to reflect the development in steel prices from ship yards etc.

The extension of the useful life of the Group's freight vessels results in a decrease of the yearly depreciations while the alignment and update of the methodology for calculating the vessels' scrap values resulted in an increase of the yearly depreciations.

The above alignments were implemented with accounting effect as from 1 July 2018. The impact in Q3/2018 is a net decrease of the Group's depreciations by DKK 18m.

Note 2 Segment Information

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
Q1-Q3 2018				
External revenue	7,768.2	3,976.1	17.6	11,761.9
Intragroup revenue	542.3	22.1	345.1	909.5
Total revenue	8,310.5	3,998.2	362.7	12,671.4
Operating profit (EBIT) before special items	1,410.9	155.4	-69.8	1,496.4
Operating profit after special items (EBIT)	1,388.0	138.7	-116.7	1,409.9

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
Q1-Q3 2017				
External revenue	6,988.0	3,826.1	16.4	10,830.4
Intragroup revenue	523.5	15.4	281.4	820.2
Total revenue	7,511.5	3,841.4	297.8	11,650.7
Operating profit (EBIT) before special items	1,384.0	116.2	-67.4	1,432.8
Operating profit after special items (EBIT)	1,392.6	116.2	-83.6	1,425.2

Note 3 Revenue

DKK m	Q1-Q3 2018			
	Shipping Division	Logistics Division	Non-allocated	Total
Geographical markets				
North Sea	3,919.3	-	0.0	3,919.3
Baltic Sea	1,084.0	-	0.0	1,084.0
English Channel	1,881.4	-	0.0	1,881.4
Mediterranean	883.6	-	0.0	883.6
Continent	-	1,767.5	0.0	1,767.5
Nordic	-	1,417.4	0.0	1,417.4
UK/Ireland	-	791.2	0.0	791.2
Other	0.0	0.0	17.6	17.6
Total	7,768.2	3,976.1	17.6	11,761.9

Product and services				
Seafreight and shipping logistics solutions	4,713.7	72.2	0.0	4,785.9
Transport solutions	9.1	3,859.3	0.0	3,868.3
Passenger seafare and on board sales	2,207.3	0.0	0.0	2,207.3
Terminal services	349.3	25.4	0.0	374.7
Charters	293.9	0.0	0.0	293.9
Agency and other revenue	194.9	19.2	17.6	231.7
Total	7,768.2	3,976.1	17.6	11,761.9

All material revenue is recognised when each separate obligation in the customer contract is fulfilled following the “over-time principle”. Most transports carried out by the Shipping Division are characterised by short delivery time (most sailings are less than 30 hours while sailings to/from Turkey are up to 60 hours). Transports carried out by Logistics Division can take delivery over a longer period, but the impact is insignificant.

On board sales (7.5% of total revenue) is recognised at “a point in time”.

Revenue from leasing activities (2.7% of total revenue) is not within the scope of IFRS 15, however, the leasing revenue is insignificant and is therefore not excluded in the above table.

Note 4 Special items

DKK m	2018 Q1-Q3	2017 Q1-Q3
Adjustment of estimated earn-out to the sellers regarding the acquisition of the route Hanko-Paldiski acquired in 2016 and Kapellskär-Paldiski acquired in 2011 (earn-out settled in 2018).	2.9	8.6
Accrual of the total estimated costs (estimated fair value) related to the DFDS shares awarded to DFDS employees as a special one-off award in connection with DFDS' 150 years anniversary in December 2016. The costs accrue from December 2016 to February 2020.	-14.7	-16.2
Gain on sale of two combined freight and passenger ferries, Kaunas Seaways and Vilnius Seaways	23.1	0.0
Costs related to restructuring of Italian rail business.	-15.0	0.0
Costs related to restructuring of headquarter functions.	-7.6	0.0
Consultancy costs in connection with strategy work and implementation	-25.3	0.0
Costs related to the acquisition and subsequent integration of U.N. Ro-Ro	-49.8	0.0
Special items, net	-86.5	-7.6

Note 5 Acquisition of enterprises and sale of activities

2018

Acquisition of U.N. Ro-Ro

On 7 June 2018 the acquisition of the Turkish company U. N. Ro-Ro headquartered in Istanbul was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 98.8% ownership of the acquired company and the acquired company is consolidated as from this date.

The acquisition is 100% made by the newly established subsidiary DFDS Turkey Denizcilik ve Tasi Yati AS and the acquired company is after the acquisition included in the Mediterranean Business Unit.

DFDS paid DKK 3,761m for the acquired company. Cash in the acquired company amounted to DKK 209m. U. N. Ro-Ro's estimated revenue for 2018 is DKK 1,879m. Transaction and acquisition costs amounts to DKK 50m which are included under Special items.

The preliminary high-level purchase price allocation show the following:

DKK m	Preliminary fair value at acquisition date
Non-current assets	5,867.3
Current assets	655.0
Total assets	6,522.3
Non-current liabilities	3,192.2
Current liabilities	721.6
Total liabilities	3,913.8
Non-controlling interests' share of acquired net assets	18.2
Fair value of acquired net assets	2,590.4
Total purchase price	
Cash consideration	3,760.9
Fair value of the purchase price	3,760.9
Preliminary goodwill at acquisition	1,170.6

The above purchase price allocation is preliminary and high level. Accordingly, changes may occur.

Acquisition of Alpatrans Group

On 3 January 2018 the acquisition of the Dutch company Alpatrans Group BV headquartered in Rotterdam was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired company and the acquired company is consolidated as from this date.

The acquisition is 100% made by the subsidiary DFDS Holding B.V. and the acquired company is after the acquisition included in the Continent business unit.

DFDS paid DKK 116m for the acquired company of which DKK 14m was a deferred payment at the acquisition date. Cash in the acquired company amounted to DKK 32m. In addition an earn-out agreement was entered into according to which seller is entitled to additional payment based on the Alpatrans Group's financial performance combined for 2017 and 2018.

Alphatrans Group's estimated revenue for 2018 is DKK 350m. Transaction costs incurred were insignificant and were expensed in 2017 as part of Administration costs.

The preliminary purchase price allocation show the following.

DKK m	Preliminary fair value at acquisition date
Non-current assets	116,4
Current assets	113,4
Total assets	229,8
Non-current liabilities	41,3
Current liabilities	79,5
Total liabilities	120,7
Fair value of acquired net assets	109,1
Total purchase price	
Cash consideration	101,9
Deferred consideration	13,6
Estimated value of earn-out	20,4
Fair value of the purchase price	136,0
Preliminary goodwill at acquisition	26,9

2017

Disposals

On 1 November 2017 the divestment of the Logistics Division's lossmaking reefer activities in Belfast to Manfreight Ltd. was completed. For further details of this disposal, refer to the annual report for 2017.

Note 6 Fair value measurement of financial instruments

The table discloses fair value and carrying amount of financial instruments measured at fair value in the balance sheet. Furthermore, categorisation of the valuation method according to the fair value hierarchy is stated.

Transfers between levels of the fair value hierarchy are considered to have occurred at the date of the event or change in circumstances that caused the transfer.

There were no transfers between the levels in the fair value hierarchy in 2018.

Techniques for calculating fair values

Derivatives

DFDS' usage of derivatives includes interest rate swaps, bunker swaps, forward exchange contracts and currency swaps. The fair values on interest rate 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 value 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 on bunker swaps are based on quoted forward curve from various financial institutions.

DKK m	Q1-Q3 2018		Q1-Q3 2017	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	158.1	158.1	2.7	2.7
Securities (Level 3)*	9.5	9.5	0.0	0.0
Financial liabilities				
Derivatives (Level 2)	27.7	27.7	142.1	142.1

* In 2017 securities were measured at cost reduced by write-downs, if any, and consequently, they were not included in the fair value hierarchy. Following the implementation of IFRS 9 the securities must be measured at fair value.

Note 7 Supplementary financial information on the Parent company

As a result of DFDS A/S' issuance of corporate bonds on Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the Parent Company. The following financial information has been prepared using the same accounting policies as for the Annual Report for 2017. However, DFDS has adopted all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2018. For further description reference is made to note 1 Accounting policies.

The Parent Company's revenue increased by DKK 320.8m, equivalent to 4.4%. Operating profit before depreciation and special items (EBITDA) decreased from DKK 1,507.6m to DKK 1,362.2m, equivalent to a decrease of 9.6%.

Profit before tax decreased from DKK 1,232.5m in Q3 2017 to DKK 962.7m in Q3 2018.

The Parent Company's net interest-bearing debt decreased from DKK 3,321.8m at 31 December 2017 to DKK 3,043.8m at 30 September 2018.

DKK m	2018 Q1-Q3	2017 Q1-Q3	2017-18 LTM	2017 Full year
Income statement				
Revenue	7,548.7	7,227.9	9,836.7	9,515.9
Operating profit before depreciation (EBITDA) and special items	1,362.2	1,507.6	1,671.1	1,816.6
Operating profit (EBIT) before special items	1,004.3	1,130.6	1,203.6	1,329.9
Special items, net	-33.9	111.4	-51.2	94.1
Operating profit (EBIT)	970.4	1,242.0	1,152.4	1,424.0
Financial items, net	-7.7	-9.5	457.5	455.7
Profit before tax	962.7	1,232.5	1,609.8	1,879.7
Profit for the period	960.7	1,229.6	1,609.3	1,878.2
Assets				
Non-current intangible assets	354.3	361.4		367.1
Non-current tangible assets	4,543.8	4,279.9		4,292.9
Investments in affiliated companies, associates and joint ventures	5,130.2	3,873.6		3,951.3
Other non-current assets	244.1	120.6		120.7
Non-current assets	10,272.4	8,635.5		8,732.0
Current receivables from affiliated companies	1,038.0	980.3		963.5
Receivables from associates and joint ventures	58.0	55.2		53.4
Cash	1,266.3	743.6		937.6
Other current assets	1,140.3	956.3		939.1
Current assets	3,502.6	2,735.4		2,893.6
Assets	13,774.9	11,370.9		11,625.5
Equity and liabilities				
Equity	6,740.1	4,465.3		4,961.5
Non-current liabilities	1,829.9	2,492.7		2,438.8
Current liabilities to affiliated companies	2,920.7	2,788.0		2,507.8
Other current liabilities	2,284.2	1,624.9		1,717.3
Current liabilities	5,204.9	4,412.9		4,225.2
Equity and liabilities	13,774.9	11,370.9		11,625.5
Equity ratio, %	48.9%	39.3%		42.7%
Net interest-bearing debt	3,043.8	3,895.5		3,321.8

Definitions

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 intangible and tangible assets
Operating profit margin	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
Invested capital	Net working capital (non-interest bearing current assets minus non-interest bearing current liabilities) plus non-current intangible and tangible assets minus pension and jubilee liabilities and other provisions
Net Interest-bearing debt	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
LTM	Last twelve months
Return on invested capital (ROIC)	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
Free cash flow (FCFF)	Cash flow from operating activities excluding net interest received and paid minus cash flow from net investments
Return on equity	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
P/E ratio	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
Market value	Number of shares, ex. treasury shares, end of period times share price end of period
No. of ships	Owned and chartered ships, including slot charter and vessel sharing agreements

Roundings may in general cause variances in sums and percentages in this report.

Management statement

The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 30 September 2018.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the DFDS Group's as-sets, liabilities and financial position at 30 September 2018 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 September 2018.

Further, in our opinion, the Management review p. 1-24 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 13 November 2018



Executive Board Niels Smedegaard, President & CEO, Torben Carlsen, CFO

Board of directors Claus Hemmingsen, Chair, Klaus Nørgaard, Deputy Chair
Anders Göttsche, Jørgen Jensen, Jens Otto Knudsen, Jill Lauritzen Melby,
Jesper Hartvig Nielsen, Lars Skjold-Hansen, Marianne Dahl Steensen

DFDS A/S

Sundkrogsgade 11, DK-2100 Copenhagen Ø
CVR 14 19 47 11
www.dfds.com

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Contact

Niels Smedegaard, CEO: +45 33 42 34 00
Torben Carlsen, CFO: +45 33 42 32 01
Søren Brøndholt Nielsen, IR: +45 33 42 33 59
Gert Jakobsen, Communications: +45 33 42 32 97

Disclaimer

The statements about the future in this announcement contain risks and uncertainties and actual developments may therefore diverge significantly from the statements about the future.

About DFDS

DFDS provides ferry and transport services in Europe and Turkey, generating annual revenues of EUR 2.2bn.

To over 10,000 freight customers, we deliver high performance and superior reliability through ferry & port terminal services, and transport & logistics solutions.

For more than five million passengers, we provide safe overnight and short sea ferry services.

Our 8,000 employees are located on ferries and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ Copenhagen.