



**Q3 2011**

**CONTINUOUS IMPROVEMENT**

16 November 2011

## DFDS HIGHLIGHTS Q3 2011:

### Q3 PERFORMANCE IN LINE WITH EXPECTATIONS

- Q3 performance was overall in line with our expectations, Baltic volumes stronger than anticipated, North Sea somewhat weaker, Logistics performing well – with turnaround continuing on track
- Q3 was the first comparable quarter since Norfolkline acquisition – comparison of Q3 figures impacted by sale and integration of activities, and restructuring
- Adjusted revenue for Shipping Division up by 5.9%, focus on profitability drives Logistics Division's revenue down by 8.0%
- Overall Q3 pre-tax profit of DKK 332m up by 47%, and year-to-date pre-tax profit of DKK 640m up by 111%
- Profit expectation for full year 2011 maintained: EBITDA before special items of around 1.5bn and a pre-tax profit of around DKK 700m
- Our contingency planning to counter a potential low-growth scenario in Europe is in place since several months
- DFDS is strongly positioned for the future, our balance sheet is solid, and operations are improving from completed and ongoing efficiency projects

# FINANCIAL PERFORMANCE Q3

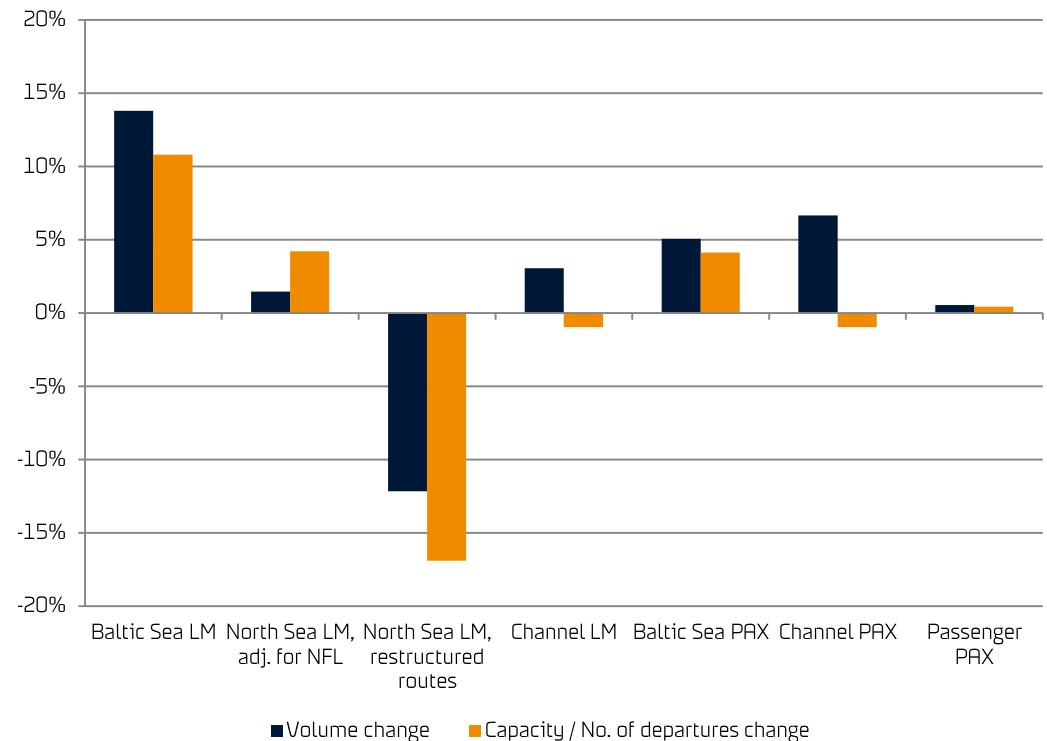
- Revenue increase of 2.2%, adjusted
  - Revenue impacted by sale and integration of activities, and restructuring
  - Shipping Division up by 5.9%, adjusted, mainly driven by Baltic Sea
  - Logistics Division down by 8.0% due to integration of activities, focus on rates vs volume, sale of chartering, and lower volumes in some markets
- EBITDA before special items of DKK 561m, up by 4.1%
  - Shipping Division EBITDA adjusted for sale of activities and new routes up by 10%, see slide 11
  - Logistics Division EBITDA up by 110%
- EBIT before special items of DKK 414m up by 24.2%
  - Depreciations reduced by DKK 49m as a result of, among others, sale of ships, exercise of purchase option on chartered out passenger ship, write-downs end of 2010
- Pre-tax profit of DKK 332m up by 47,1%
- NIBD reduced by DKK 1.2bn compared to Q3 2010
- Q3 ROIC of 15.3% up by 3.6 ppt

DKKm	Q3 11	Q3 10	Change %	Change
REVENUE	3.110	3.359	-7,4	-249
<b>EBITDA BEFORE SPECIAL ITEMS</b>	<b>561</b>	<b>539</b>	<b>4,1</b>	<b>22</b>
margin, %	18,0	16,0	n.a.	2
Depreciations	-163	-211	-23,0	49
<b>EBIT BEFORE SPECIAL ITEMS</b>	<b>414</b>	<b>333</b>	<b>24,2</b>	<b>81</b>
margin, %	13,3	9,9	n.a.	3
Special Items	-14	-63	n.a.	49
EBIT	399	270	47,7	129
Finance	-68	-45	50,8	-23
<b>PRE-TAX PROFIT BEFORE SPECIAL ITEMS</b>	<b>346</b>	<b>288</b>	<b>20,0</b>	<b>58</b>
<b>PRE-TAX PROFIT</b>	<b>332</b>	<b>225</b>	<b>47,1</b>	<b>106</b>
Tax	-2	8	n.a.	-10
NET PROFIT	329	233	41,4	96
EMPLOYEES avg., no.	5.181	4.463	16,1	718
SOLVENCY, %	52,9	43,7	21,1	9,2
<b>FREE CASH FLOW</b>	<b>118</b>	<b>-774</b>	<b>-115,2</b>	<b>892</b>
NET INTEREST-BEARING DEBT	2.655	3.833	-30,7	-1.178
<b>ROIC, %</b>	<b>15,3</b>	<b>11,7</b>	<b>30,8</b>	<b>3,6</b>

# VOLUMES, CAPACITY & PRICING

- Continued firm growth in Baltic Sea of 14% supported by more capacity on Karlshamn-Klaipeda and new route Ust Luga-Kiel. Pax also performing well
- North Sea, adjusted for NFL, growth driven by automotive volumes Sweden-Continent, Denmark/Germany-UK. Sweden-UK volumes declining, although compensated by higher rate levels & SEK
- North Sea, restructured, capacity reduced by 17% from merger of Vlaardingen/Maasvlakte-Immingham, and change from ro-pax to ro-ro on Rosyth-Zeebrugge
- Channel freight volumes up 3%, but at lower rates, capacity reduced 1%. Pax volumes up 7%, but rates under pressure
- Passenger pax volumes up 0.5%. Norwegian market impacted by attack in July. Amsterdam-Newcastle gaining pax as planned, but seafare levels are under pressure
- Logistics volume growth** curbed by focus on increasing average rate levels and termination of loss-making contracts

Shipping Q3 2011: Volumes & capacity vs LY



**Note:** North Sea adj. for NFL include routes not directly impacted by addition of Norfolkline. North Sea restructured routes include routes between Holland and UK, and between Belgium and Scotland  
Baltic Sea pax capacity calculated as no. of departures



# SHIPPING DIVISION PERFORMANCE

- **North Sea:** EBIT improved by DKK 13m. Growth slowing on UK and Continent markets. Positive contribution from merged Rotterdam route
- **Baltic Sea:** EBIT improved by DKK 8m. Capacity increase and start of new route Kiel-Ust Luga end of Q2 have reduced EBIT
- **Channel:** EBIT maintained on level with 2010 as BAF coverage has improved. Higher volumes, but pressure on rates
- **Passenger:** EBIT improved by DKK 2m adjusted for sale of DFDS Canal Tours. Volumes achieved, pressure on rates in UK

DKK m	Revenue			EBIT before special items		
	Q3 2011	Q3 2010	Change	Q3 2011	Q3 2010	Change
North Sea	854	926	-72	125	112	13
Baltic Sea	374	305	69	84	76	8
Irish Sea	0	220	-220	-1	-28	27
English Channel	301	290	11	47	48	-1
Passenger	579	582	-3	146	157	-11
Total BU	2.108	2.323	-215	401	365	36
Non-allocated items	34	19	15	3	-15	18
<b>Total Shipping Division</b>	<b>2.141</b>	<b>2.332</b>	<b>-191</b>	<b>404</b>	<b>350</b>	<b>54</b>

DKK m	Invested capital			ROIC, %		
	Q3 2011	Q3 2010	Change	Q3 2011	Q3 2010	Change
North Sea	4.732	4.533	199	9,6	9,3	0,3
Baltic Sea	1.521	1.581	-60	20,3	18,2	2,1
Irish Sea	58	527	-469	-8,9	-20,1	11,2
English Channel	1.259	1.373	-114	13,5	13,2	0,3
Passenger	1.190	1.273	-84	44,9	46,6	-1,7
Total BU	8.760	9.288	-528	16,7	14,9	1,8
Non-allocated items	184	280	-97	8,5	-20,2	28,7
<b>Total Shipping Division</b>	<b>8.944</b>	<b>9.568</b>	<b>-625</b>	<b>16,8</b>	<b>14,3</b>	<b>2,5</b>

# LOGISTICS DIVISION PERFORMANCE

- **Nordic Transport:** EBIT improved by DKK 14m driven by integration, project Headlight, and focus on higher average rate levels
- **Continental Transport:** EBIT improved by DKK 8m driven by turnaround of Belgian operator, integration and project Headlight. Associated company DailyFresh performing below 2010
- **European Contract:** EBIT of DKK 14m in line with expectations. Strong operations, and improvement achieved in UK
- **Intermodal:** EBIT decreased by DKK 2m as weaker Irish/Continental market overshadows improvements in efficiency and cost structure. Rail and Norwegian container activities performing in line with expectations
- **Nordic Contract:** EBIT improved by DKK 10m driven by the sideport paper routes, and gain on sale of Chartering contracts

DKK m	Revenue			EBIT before special items		
	Q3 2011	Q3 2010	Change	Q3 2011	Q3 2010	Change
Nordic Transport	163	182	-19	6	-8	14
Continental Transport	346	413	-67	6	-2	8
European Contract	221	220	1	14	9	5
Intermodal	269	289	-20	1	3	-2
Nordic Contract	105	124	-19	14	4	10
Total BU	1.104	1.228	-124	41	6	35
Non-allocated items	23	-6	29	-13	-7	-6
Eliminations	-63	-66	3	n.a.	n.a.	n.a.
<b>Total Logistics Division</b>	<b>1.064</b>	<b>1.156</b>	<b>-92</b>	<b>28</b>	<b>-1</b>	<b>29</b>

DKK m	Invested capital			ROIC, %		
	Q3 2011	Q3 2010	Change	Q3 2011	Q3 2010	Change
Nordic Transport	70	70	0	32,1	-42,3	74,4
Continental Transport	240	380	-140	9,3	-2,2	11,5
European Contract	159	149	10	33,7	23,6	10,1
Intermodal	193	252	-59	2,1	3,8	-1,7
Nordic Contract	224	366	-143	22,9	3,9	19,0
Total BU	886	1.218	-332	17,3	1,7	15,6
Non-allocated items	-7	0	-7	n.a.	n.a.	n.a.
<b>Total Logistics Division</b>	<b>879</b>	<b>1.218</b>	<b>-339</b>	<b>10,6</b>	<b>-10,4</b>	<b>21,0</b>

# DFDS PREPARED FOR POTENTIAL LOW-GROWTH SCENARIO

## THREATS AND CHALLENGES

- Potential decreases in volumes and rates will impact earnings
- North Sea currently most at risk
- Operating leverage higher in Shipping than in Logistics causing higher impact of a downturn in Shipping than in Logistics
- Dependency on UK market

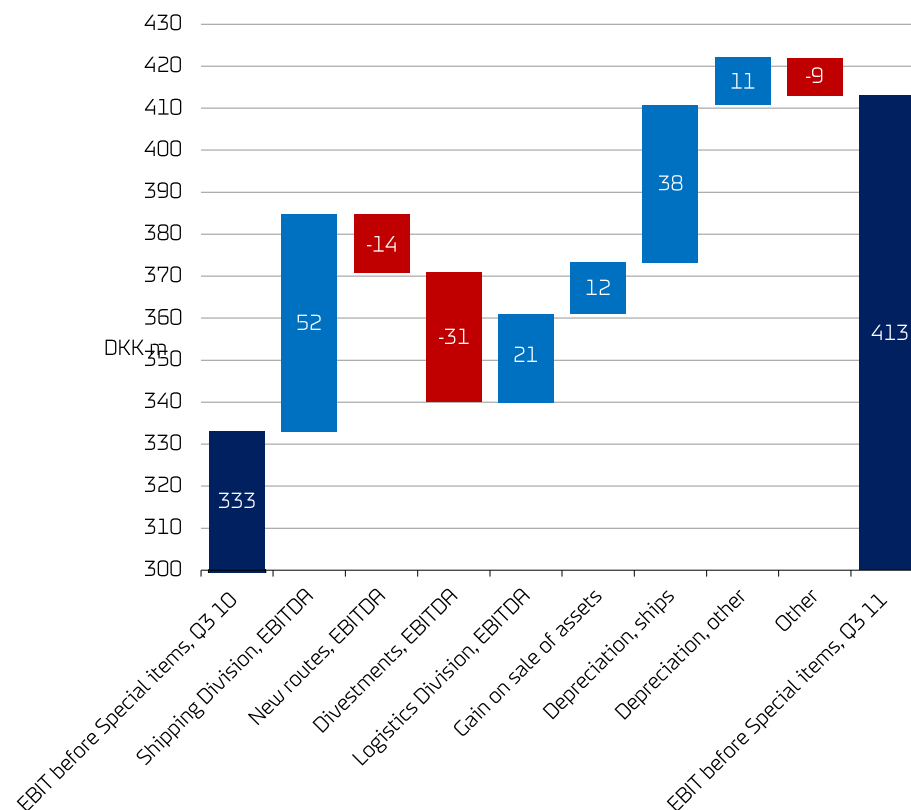
## MITIGATING FACTORS

- Capital structure & cash flow - investment commitment on ships of only DKK 200m in 2012
- Norfolkline integration to a large extent completed, risk related to outstanding projects in 2012 is limited
- Efficiency projects has delivered on goals and are ongoing
- Industry consolidation – a downturn could lead to opportunities to expand the network
- DFDS freight volumes supported by own land transport organisation – reduces risk
- Contingency planning ongoing since August

## EBITDA & EBIT VARIANCE Q3

- Adjusted for new/changed routes and divestments, Shipping Division's EBITDA improved by DKK 52m to DKK 547m, up 10.4% vs adjusted revenue growth of 5.9%
- New routes: Kiel-Ust Luga, greenfield development route in Baltic, change of Rosyth-Zeebrugge to freight route
- Divestments: DFDS Canal Tours, Maasvlakte port terminal, Irish Sea, time charter impact from exercise of purchase option on chartered out passenger ship
- Logistics Division's EBITDA improved by 110% or DKK 21m to DKK 40m
- Gain on sale of assets: DKK 9m from exercise of purchase option on passenger ship, DKK 4m from sale of Chartering contracts
- Depreciations reduced due to:
  - Sale of ships
  - Exercise of purchase option on passenger ship
  - Write-down of ships end of 2010
  - End of depreciations on customer portfolio

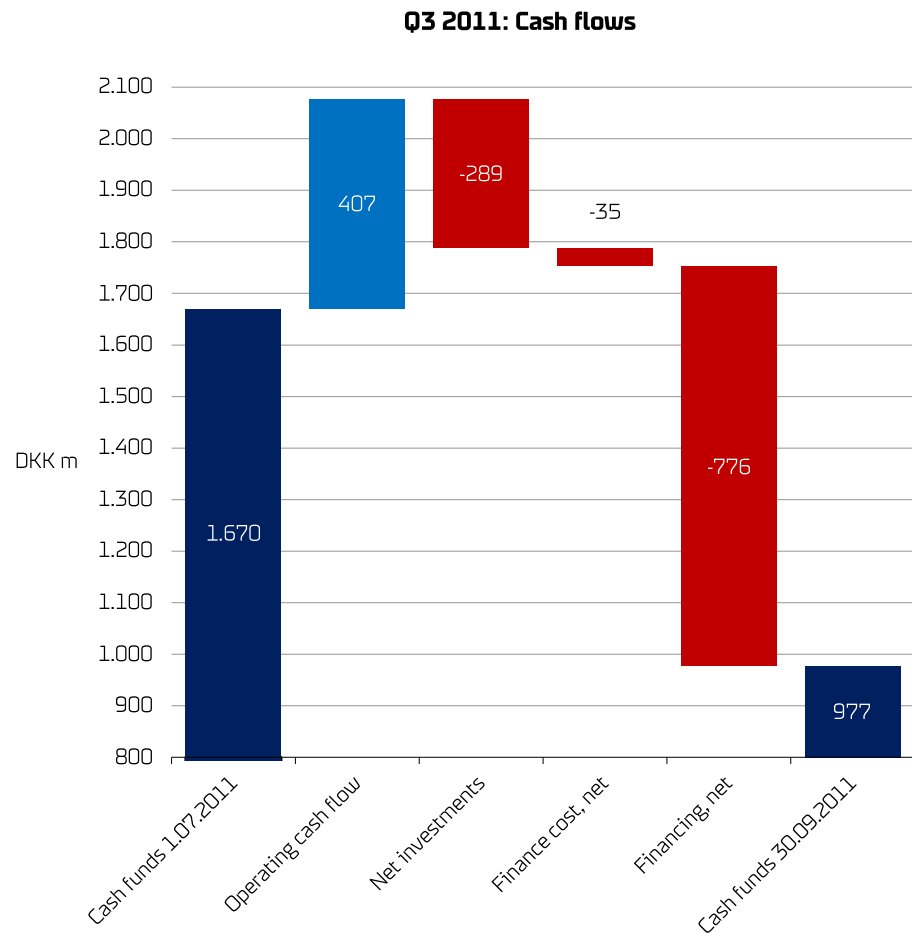
**DFDS Group. EBIT before special items variance, Q3 2011 vs LY**





# CASH FUNDS DEPLOYED TO REDUCE DEBT

- Cash position of DKK 977m at end of Q3 2011
- Operating cash flow of DKK 407m
- Net investments of DKK 289m in Q3 of which DKK 236m related to ships
- Early repayment of debt maturing in Q1 2012 of DKK 800m using cash funds
- NIBD/EBITDA multiple of 1.7 expected at year-end 2011



## PROFIT EXPECTATION 2011

- **Revenue** growth of 19% equal to revenues of approx. DKK 11.7bn, previously DKK 11.8bn, some reduction from sale of assets
- EBITDA before special items of DKK 1.5bn (DKK 1.3bn) and **EBIT before special items** of DKK 825m
- **Pre-tax profit before special items** of DKK 625m
- Totally, **pre-tax profit** of DKK 700m (DKK 547m)
- **Investments** of DKK 400m, previously DKK 325m, insurance compensation for total loss of ship of DKK 525m not included

Disclaimer: The forward-looking statements in this presentation are subject to risk and uncertainty that may cause the actual development to differ materially from the forward-looking statements

**Q3 2011**

**WE HAVE COME FAR ...  
... AND WE ARE MOVING ON**

**16 November 2011**