CONTINUED PROGRESS IN Q3

Q3 2013 REPORT

20 November 2013
Copenhagen
CONTENTS

• Overview

• Financials

• New capital structure & distribution policy

• Trends and priorities

• Guidance

The statements about the future in this announcement contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.
CONTINUED PROGRESS IN Q3

• Revenue was up 5% and pre-tax profit was up 13%
• European growth recovery is overall still fragile
• Resumed growth in the UK economy increased volumes in North Sea markets
• Slow down of Russian demand continued in Q3
• Ruling from CAT on Eurotunnel still pending
• New policy adopted on capital structure and distribution
• Extraordinary General Meeting called to cancel 1.5m of own shares
Q3 2013 OVERVIEW

- **EBITDA** increased by 5% to DKK 530m
- Continued improvement of North Sea
- Strong high season performance on Amsterdam-Newcastle
- Low conversion ratio on Channel volume growth due to unsustainable competition
- Result for Logistics slightly ahead of last year
- **Net profit** up by DKK 36m to DKK 307m due to lower finance and special items
- **Unchanged EBITDA guidance** of DKK 1,100-1,300m for 2013
Q3 2013 Financial Overview

- 5% revenue & EBITDA increase both driven by the Shipping Division
- Negative impact from associates stems from Gothenburg terminal
- Depreciations increased by DKK 9m mainly from additional Channel ships
- Special items relate to shared service centre & purchase price adjustment from LDA transaction
- Free cash flow includes investments of DKK 252m vs DKK 53m in 2012
- ROIC ex. special items increased to 16.2% (14.8%)

<table>
<thead>
<tr>
<th>DKK m¹</th>
<th>Q3 13</th>
<th>Q3 12</th>
<th>Change vs LY</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>3,339</td>
<td>3,170</td>
<td>169</td>
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<tr>
<td>EBITDA before SI</td>
<td>530</td>
<td>503</td>
<td>26</td>
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<tr>
<td>margin, %</td>
<td>15,9</td>
<td>15,9</td>
<td>0,0</td>
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<tr>
<td>P/L associates</td>
<td>-5</td>
<td>3</td>
<td>-8</td>
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<tr>
<td>Depreciations</td>
<td>-175</td>
<td>-166</td>
<td>-9</td>
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<tr>
<td>EBIT before SI</td>
<td>352</td>
<td>340</td>
<td>11</td>
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<tr>
<td>margin, %</td>
<td>10,5</td>
<td>10,7</td>
<td>-0,2</td>
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<tr>
<td>Special Items</td>
<td>-16</td>
<td>-30</td>
<td>14</td>
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<tr>
<td>EBIT</td>
<td>336</td>
<td>310</td>
<td>26</td>
</tr>
<tr>
<td>Finance</td>
<td>-29</td>
<td>-39</td>
<td>10</td>
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<tr>
<td>PTP before SI</td>
<td>323</td>
<td>302</td>
<td>21</td>
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<tr>
<td>PTP</td>
<td>307</td>
<td>272</td>
<td>36</td>
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<tr>
<td>Employees avg., no.</td>
<td>5,888</td>
<td>5,026</td>
<td>862</td>
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<tr>
<td>ROIC ex. SI, %</td>
<td>16,2</td>
<td>14,8</td>
<td>1,4</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>334</td>
<td>443</td>
<td>-109</td>
</tr>
<tr>
<td>NIBD/EBITDA, times</td>
<td>2,0</td>
<td>1,6</td>
<td>0,4</td>
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<tr>
<td>Solvency, %</td>
<td>50,0</td>
<td>51,7</td>
<td>-1,7</td>
</tr>
</tbody>
</table>

¹: Roundings may cause variances in sums

St: Special items. PTP: Pre-tax profit. NIBD: Net interest-bearing debt.
Q3 REVENUE & EBIT

Revenue:
• Channel increase due to addition of Newhaven-Dieppe & Portsmouth-Le Havre
• France&Med driven by new route Mar-Tun
• North Sea & Baltic Sea revenue impacted by lower BAF
• Nordic decrease from reduced sideport activities

EBIT
• North Sea increase from higher volumes
• Baltic Sea impacted by lower Russian volumes
• Channel includes DKK 15m income in 2012 from LDA
• Passenger boosted by Ams-New
• Continued turnaround of Continent
STRONG OPERATING CASH FLOW IN Q3

• **Operating cash** flow 18% up to DKK 586m (DKK 496m)

• Net working capital reduced to DKK 304m from DKK 606m at beginning of 2013

• Investments of DKK 252m include dockings, scrubbers & Karlshamn Express

• Financing cash flow includes share buyback of DKK 628m

• FCF yield of 17.9% for LTM and 8.6% adjusted for special items, including cash returned for ARK vessels in Q4 2012
**CAPITAL STRUCTURE & SHARE BUYBACK**

- **NIBD/EBITDA** was 2.0 end of Q3 2013
- Increase from 1.8 at end of Q2 2013 driven by share buyback of DKK 628m
- **APMM exit & share buyback:**
  - 12.0% of share capital purchased from APMM at 352.5 per share
  - Leverage adjusted at attractive level
  - Free float increased & average daily turnover more than doubled
  - Total treasury share holding of 14.4%
  - 10.5% of share capital to be cancelled at extraordinary general meeting scheduled for 16 December 2013
CLEAR POLICY ON CAPITAL STRUCTURE & DISTRIBUTION ADOPTED

• New policy backed by financial strength & positive outlook

• **Capital structure target:** NIBD/EBITDA multiple of minimum 2.0 and maximum 3.0

• Excess capital to be returned to shareholders if multiple is below 2.0

• Distribution to be reduced if multiple exceeds 3.0

• Targets can temporarily be suspended in connection with large investments, including acquisitions, and other strategic events

• **Distribution policy:** Annual dividend of DKK 14 per share

• Excess capital to be distributed as extra dividend and/or buyback of shares
MARKET TRENDS

• Underlying growth & demand trends:

  • Baltic countries remain positive, but Russian demand is slowing down

  • North Sea regions seem to be heading out of recession, although slowly & at an uneven pace

  • Continued tough trading conditions as widespread price pressure persists

  • Demand in UK/Continent passenger markets more positive, soft demand from Norwegian market, increase in overseas passengers
**CHANNEL UPDATE**

- Freight market continues to grow – up by 4.7% y-t-d end October
- Q3 growth was 6.6%
- Cars [pax] are up by 3.1% y-t-d end October
- Q3 growth was 6.6%
- Current pricing environment continues to be unsustainable
- Competition Commission ruled in June that Eurotunnel must stop ferry operations from Port of Dover
- Eurotunnel has appealed ruling to Competition Appeal Tribunal – planned hearing in September completed – ruling still pending
STRATEGIC PRIORITIES

• Turnaround of Channel

TOP LINE
• Customer Focus Initiative – CFI
  • Last wave of pilots kicked off in September
  • Realizing positive effects in customer scores & contract gains

EFFICIENCY
• Working capital reduction: Light Capital
  • Y-t-d impact of DKK 300m – full-year target achieved
  • Further improvement expected during Q4 2013
  • Challenging business climate

• Project 100
  • Target is an EBIT improvement of DKK 100m by lowering procurement costs
  • Project initiated and ownership anchored in operating units
  • Smaller savings to be achieved in 2013
  • Full impact expected in 2015
GUIDANCE 2013

• Unchanged guidance on revenue & EBITDA

• Depreciations increased by DKK 40m vs. 2012 due to addition of ships & extra docking costs

• Finance cost reduced by DKK 10m

• Special items increased to DKK -30m due to purchase price adjustment, previously expected cost was DKK 15-20m

• Net investments reduced by DKK 150m to DKK 900m as delivery of first ARK newbuilding delayed

<table>
<thead>
<tr>
<th>DKK m</th>
<th>Expectations 2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>+5%</td>
<td>11,700</td>
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<tr>
<td>EBITDA before special items</td>
<td>1,100-1,300</td>
<td>1,089</td>
</tr>
<tr>
<td></td>
<td>Shipping Division:</td>
<td>Shipping Division:</td>
</tr>
<tr>
<td></td>
<td>1,050-1,250</td>
<td>992</td>
</tr>
<tr>
<td></td>
<td>Logistics Division:</td>
<td>141</td>
</tr>
<tr>
<td></td>
<td>150</td>
<td>Non-allocated:</td>
</tr>
<tr>
<td></td>
<td>Non-allocated: -100</td>
<td>-44</td>
</tr>
<tr>
<td>Depreciation</td>
<td>DKK 40m above 2012</td>
<td>-679</td>
</tr>
<tr>
<td>Finance cost, net</td>
<td>DKK 10m below 2012</td>
<td>-149</td>
</tr>
<tr>
<td>Special items</td>
<td>-30</td>
<td>-124</td>
</tr>
<tr>
<td>Investments</td>
<td>-900</td>
<td>+239</td>
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