

2014 EXPECTATIONS RAISED AGAIN AFTER ANOTHER SOLID QUARTER

- Revenue 7% higher, driven by both organic growth and acquisitions
- Operating profit (EBITDA) increase of 18% to DKK 626m
- Profit before tax and special items increased by 16% to DKK 375m
- Improvement of high-season passenger result
- Adjustments within Baltic Sea network mitigated impact of Russian sanctions
- Full-year EBITDA expectations raised to DKK 1.40-1.45bn (DKK 1.30-1.45bn)

In Q3, DFDS increased revenue by 7% to DKK 3,567m (DKK 3,339m) and operating profit by 18% to DKK 626m (DKK 530m) before depreciation (EBITDA) and special items. The return on invested capital (ROIC) continued to improve in the quarter. ROIC for the last twelve months (LTM) was 7.9%, up from 7.2% at the end of Q2 2014.

Higher passenger earnings in the business units Channel and Passenger as well as increasing freight volumes were the major drivers of the improved Q3 result. Shipping operations in the Baltic Sea stabilised during the quarter. Logistics' result improved by organic revenue growth and two acquisitions made this year and one acquisition made on 18 September 2013.

"In the high-season third quarter our passenger services delivered above our expectations while freight operations overall performed in line with expectations. European market growth is still subdued with the exception of the UK, our most important market. Continuous actions to streamline and adapt our activities are paying off, also in the Baltic region, whereby the impact of the conflict between Russia and Ukraine was partly mitigated," says CEO Niels Smedegaard.

DFDS' preparations and ongoing dialogue with customers to manage the transition to the new environmentally friendly emission rules from next year are progressing according to plans. Opportunities to optimise the network and improve efficiency are continuously pursued in order to remain competitive.

Following the solid third quarter, the EBITDA outlook for 2014 has been raised to DKK 1.40-1.45bn from previously DKK 1.30-1.45bn.

DFDS key figures	Q3 2014	Q3 2013	Δ %	LTM* 2013-14	LTM* 2012-13	Δ %	FY 2013
DKK m							
Revenue	3,567	3,339	7%	12,715	11,989	6%	12,097
EBITDA before special items	626	530	18%	1,396	1,120	25%	1,213
EBIT before special items	423	352	20%	684	409	67%	503
Profit before tax & special items	375	323	16%	562	277	103%	367
Special items, net	-9	-16	n.a.	-29	-45	n.a.	-17
Profit before tax	366	307	19%	533	232	130%	350

*LTM: Last twelve months

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DFDS profile

DFDS provides shipping and transport services in Europe, generating annual revenues of EUR 1.6bn.

To over 8,000 freight customers, we deliver high performance and superior reliability through shipping & port terminal services, and transport & logistics solutions.

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

Our 6,000 employees are located on ships and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ OMX Copenhagen.

Conference call is held today at 10.00 am. CET

Phone numbers to the call:
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Disclaimer

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.

DFDS Group – Key figures

<i>DKK million</i>	2014 Q3	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013-2014 LTM *	2013 Full year
Income statement						
Revenue	3,567	3,339	9,721	9,103	12,715	12,097
Shipping Division	2,539	2,450	6,694	6,493	8,731	8,530
Logistics Division	1,171	1,028	3,466	3,066	4,583	4,183
Non-allocated items	70	77	209	227	272	290
Eliminations	-213	-216	-648	-683	-871	-906
Operating profit before depreciation (EBITDA) and special items	626	530	1,120	936	1,396	1,213
Shipping Division	584	502	1,025	880	1,293	1,148
Logistics Division	59	33	142	103	188	149
Non-allocated items	-17	-5	-47	-47	-85	-84
Profit/loss on disposal of non-current assets, net	1	2	3	6	4	6
Operating profit (EBIT) before special items	423	352	582	401	684	503
Special items, net	-9	-16	-30	-18	-29	-17
Operating profit (EBIT)	415	336	552	383	655	486
Financial items, net	-49	-29	-86	-101	-122	-136
Profit before tax	366	307	466	282	533	350
Profit for the period	351	293	422	249	500	327
Profit for the period exclusive minorities	350	292	422	247	500	325
Capital						
Total assets	-	-	13,028	12,612	-	12,311
Equity attributable to equity holders of DFDS A/S	-	-	6,304	6,250	-	6,263
Equity	-	-	6,358	6,305	-	6,318
Net interest bearing debt	-	-	2,466	2,261	-	2,189
Invested capital, end of period	-	-	8,865	8,618	-	8,555
Invested capital, average	8,662	8,619	8,564	8,653	8,575	8,633
Average number of employees	-	-	6,310	5,888	6,247	5,930
Cash flow						
Cash flow from operating activities before financial items and after tax	480	586	1,119	1,245	1,375	1,501
Cash flow to/from investments	-337	-252	-803	-750	-996	-943
- Acquisition of enterprises and activities	-100	-97	-81	-97	-82	-99
- Other investments, net	-237	-155	-722	-653	-914	-844
Free cash flow (FCFF)	143	334	316	495	379	558
Operations and return						
Number of ships at balance sheet date	-	-	46	48	-	48
Revenue growth, %	6.8	5.3	6.8	3.3	5.1	3.4
EBITDA-margin, % (before special items)	17.5	15.9	11.5	10.3	11.0	10.0
Operating margin, % (before special items)	11.9	10.5	6.0	4.4	5.4	4.2
Revenue, invested capital average, (times)	-	-	-	-	1.48	1.40
Return on invested capital before special items (ROIC) p.a., %	-	-	-	-	7.9	5.8
Return on invested capital after special items (ROIC) p.a., %	-	-	-	-	7.6	5.7
Return on equity p.a., %	-	-	-	-	8.0	4.9
Capital and per share						
Equity ratio, %	-	-	48.8	50.0	-	51.3
Net interest bearing debt/EBITDA, (times)	-	-	-	-	1.77	1.80
Earnings per share (EPS), DKK	28.29	20.81	33.64	17.71	39.75	23.34
Dividends per share, DKK	-	-	-	-	-	14.0
Number of shares at the end of the period, '000	-	-	13,300	14,856	-	14,856
Share price at the end of the period, DKK	-	-	464.0	403.5	-	437.0
Market value	-	-	5,684.7	5,994	-	5,559

* Last twelve months

Definitions on page 26.

Important events in Q3

North European market overview

Overall economic growth in the EU remained subdued in Q3, except for the continued robust growth of the UK economy which supported increasing freight volumes in northern Europe, especially between the UK and the Continent.

Freight customers are still very price sensitive and although capacity utilisation in northern European carrier markets, mainly shipping and haulage, is increasing, pricing remains very competitive.

Passenger volumes in Q3 were generally higher compared to last year.

Closure planned for Le Havre-Portsmouth route

On 15 September 2014 consultations began with French unions about plans to close the Le Havre-Portsmouth route at the end of 2014 following continued losses on the route.

The route is part of DFDS' business unit France & Mediterranean. The route carried 185,000 passengers and 480,000 lanemetres of freight in 2013 generating revenues of DKK 165m. The route is serviced by a time-chartered ro-pax ship, including crew, to be redelivered to its owner at the end of 2014.

Excess cash distributed to shareholders through new share buy-back of DKK 200m

On 8 September 2014, a new share buy-back programme of DKK 200m under the Safe Harbour regulation was announced and started on 9 September 2014.

The purpose of the programme is to align DFDS' financial leverage to the policy target by distribution of cash to shareholders through buy-back. DFDS' capital structure target is a NIBD/EBITDA multiple of minimum 2.0 and maximum 3.0.

Baltic Sea freight route suspended

On 14 June 2014, a new freight route between Travemünde in Germany and Klaipeda in Lithuania was opened and on 22 August 2014 the route was suspended as the ongoing trade dispute between the EU and Russia was significantly impacting the route's freight volumes.

EU grant for environmental investments awarded

On 8 July 2014, the EU awarded DFDS a grant of up to DKK 47m for installation of scrubbers on five freight ships deployed on two routes between Sweden and England/Belgium.

The grant is part of EU's programme to support shipping companies' compliance with the

new sulphur emission rules coming into force on 1 January 2015. DFDS' scrubber programme comprising investments of around DKK 750m is expected to be completed by 2017.

Logistics network expanded in England

As part of DFDS' strategy to develop the Group's logistics network and benefit from increased scale, DFDS acquired on 1 July 2014 100% of the share capital of Quayside Group headquartered in Grimsby, England.

Quayside Group provides temperature controlled logistics services to producers and suppliers of fresh and frozen seafood. In the financial year 2012/2013, Quayside Group recorded revenues of GBP 23.5m (DKK 212m). The Group has 260 employees.

Cancellation of shares

On 19 November 2014, an extraordinary general meeting was held that approved a proposed reduction of DFDS A/S' share capital by nominally DKK 65,000,000 by cancellation of part of the holding of own shares.

Important events after Q3

Route changes

An agreement with Syndicat Mixte de Promotion de L'Activité Transmanche (SMPAT) to extend DFDS' operation and marketing of the Newhaven-Dieppe ferry service for an additional year, 2015, was reached at the end of October.

The freight route between Gothenburg and Tilbury was closed on 30 October due to the expiry of DFDS' agreement with Stora Enso to carry paper products. The route was closed as the majority of the cargo on the route was Stora Enso volumes.

Q3 financial performance

Revenue

DKK million	Q3 2014	Q3 2013	Change, %	Change
Shipping Division	2,539	2,450	3.6	89
Logistics Division	1,171	1,028	13.9	143
Non-allocated items	70	77	-9.1	-7
Eliminations	-213	-216	1.4	3
DFDS Group	3,567	3,339	6.8	228

Revenue

Group revenue for Q3 was DKK 3,567m, an increase of 6.8% compared to 2013.

Shipping Division's revenue increased by 3.6% to DKK 2,539m. Higher passenger revenue in Channel and Passenger was a main driver of the increase. Baltic Sea's freight revenues were reduced following reduction of capacity to mitigate the impact of Russian sanctions.

Logistics Division's revenue increased by 13.9% to DKK 1,171m. Adjusted for acquisitions, revenue growth was 1.9% driven by higher activity in UK and Continent markets.

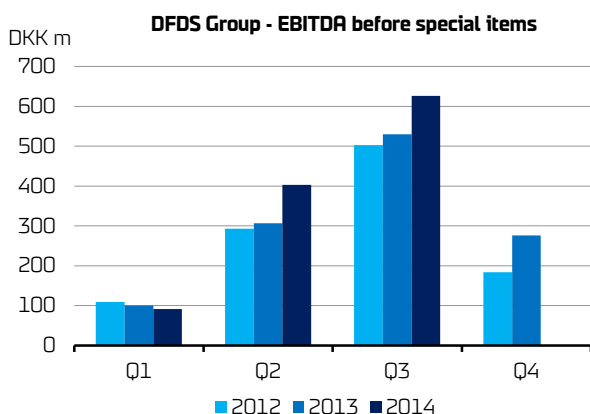
Operating profit before depreciation (EBITDA) and special items

Group EBITDA before special items increased by 18.1% in Q3 to DKK 626m following higher earnings in both divisions.

Operating profit before depreciation (EBITDA) & special items

DKK million	Q3 2014	Q3 2013	Change, %	Change
Shipping Division	584	502	16.3	82
Logistics Division	59	33	78.8	26
Non-allocated items	-17	-5	-240%	-12
DFDS Group	626	530	18.1	96
EBITDA-margin, %	17.5	15.9	10.6	1.7

Shipping Division's EBITDA increased by 16.3% to DKK 584m following improved results in four of five business units. The largest increase was achieved by Channel as a result of higher passenger volumes and higher revenue per passenger coupled with higher freight volumes. Passenger's result increase was mainly driven by the route between Holland and the UK. Baltic Sea's result was reduced by costs related to suspension of a newly started route and reduced earnings per transported lanemeter following cargo mix changes to mitigate the impact of Russian sanctions.



Logistics Division's EBITDA improved by 78.8% to DKK 59m. EBITDA increased by 27.6% adjusted for acquisitions as improved results in Nordic and UK

& Ireland more than offset a lower result in Continent.

Operating profit (EBIT) before special items

Total depreciation rose by DKK 26m to DKK 201m mainly due to higher ship depreciations related to dockings, improvements and delivery of new ships. The acquisition of two logistics companies in 2014 and one in September 2013 also increased depreciations.

The Group's EBIT before special items was DKK 423m, an increase of 20.2% from DKK 352m in 2013.

Associated companies, profits on disposals and depreciation

DKK million	Q3 2014	Q3 2013	Change, %	Change
EBITDA before special items	626	530	18.1	96
Associated companies	-2	-5	60.0	3
Profit on disposals	1	2	-50.0	-1
Depreciation/Impairment	-201	-175	-14.9	-26
EBIT before special items	423	352	20.2	71

Special items

In Q3, special items amounted to a net cost of DKK 9m mainly related to the ONE Finance project.

Financing, net

The net cost of financing was DKK 20m higher in Q3 as a result of a negative variance of DKK 25m on exchange rate adjustments following a net currency loss in 2014 and a net gain in 2013. The net interest cost was DKK 2m lower than last year.

Finance, net

DKK million	Q3 2014	Q3 2013	Change, %	Change
Interests, net	-27	-29	6.9	2
Foreign exchange gains/losses, net	-14	11	n.a.	-25
Other items	-8	-11	27.3	3
Total finance, net	-49	-29	-69.0	-20

Profit before tax

Profit before tax for Q3 was DKK 366m, an increase of 19.1% from DKK 307m in 2013.

Balance sheet and capital structure

Total assets at the end of Q3 amounted to DKK 13,028m, which was 5.8% higher than at the start of the year. The increase was mainly due to acquisitions. Interest-bearing debt amounted to DKK 3,663m, while net-interest-bearing debt (NIBD) was DKK 2,466m. The latter corresponds to 1.8 times

EBITDA before special items for the last 12-month period.

The equity ratio was 48.8% at the end of Q3 compared to 51.3% at the end of 2013.

Cash flow and investments

Free cash flow (FCF) for the quarter was positive by DKK 143m after investments of DKK 337m of which DKK 160m was related to investment in ships and DKK 100m was related to acquisitions.

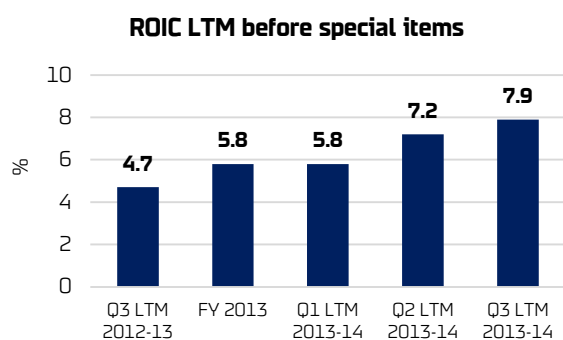
Despite the increase in EBITDA, gross cash flow from operating activities decreased by 17.9% to DKK 482m from DKK 587m in Q3 2013 following a negative variance from working capital in Q3 due to the seasonality of the passenger activities. In 2013, this seasonality was offset by a reduction of working capital due to project Light Capital.

The cash flow from financing activities in Q3 was negative by DKK 11, including distribution of DKK 98m to shareholders through purchase of treasury shares.

The net cash flow for Q3 was positive by DKK 103m and at the end of Q3 cash funds and securities amounted to a total of DKK 1,151m.

Equity

Equity amounted to DKK 6,358m at the end of Q3, including minority interests of DKK 54m. A total of DKK 393m had been distributed to shareholders at the end of Q3 2014 through buy-back of shares of DKK 215m and payment of DKK 177m in dividend.



Invested capital and ROIC

Invested capital amounted to DKK 8,865m at the end of the quarter, an increase of 2.9% compared to the same period in 2013.

The return on invested capital (ROIC) for the last twelve months (LTM) was 7.6% compared to 4.2% for LTM Q3 2013. Adjusted for special items, the return was 7.9% compared to 4.7%.

Full-year expectations

Outlook 2014

The full-year outlook for revenue growth is unchanged at 7%. The expectations range for EBITDA before special items has been upgraded to DKK 1,400-1,450m from previously DKK 1,300m-1,450m. Depreciations are expected to be lower following, amongst other things, later delivery of ships. Special items are increased due to expected costs related to the planned closure of routes.

DKK m	Outlook 2014, now	Outlook 2014, previous	2013
Revenue	+7%	+7%	12,097
EBITDA before special items	1,400-1,450	1,300-1,450	1,213
Per division:			
Shipping Division	1,275-1,325	1,200-1,325	1,148
Logistics Division	200	175-200	149
Non-allocated items	-75	-75	-84
Depreciation	+10%	+12%	-710
Finance cost, net	-135	-120	-136
Special items	-50	-35	-17
Investments	-1,200	-1,200	-943

The outlook is subject to risks and uncertainties related to primarily economic trends in Europe and to events in Russia and Ukraine, and to changes in exchange rates and oil prices.

Shipping Division

The Shipping Division operates the DFDS route network in five business areas: North Sea, Baltic Sea, Channel, Passenger and France & Mediterranean.

DKK million	2014			2014	2013	2013			2013-2014		Full year
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	
Revenue	1,875	2,280	2,539	6,694	6,493	1,872	2,171	2,450	2,037	8,731	8,530
EBITDA before special items	68	373	584	1,025	880	89	289	502	268	1,293	1,148
Share of profit of associates	7	24	-1	30	-8	-2	-1	-5	1	31	-7
Profit/loss on disposal of non-current assets, net	0	0	0	0	1	0	1	0	1	1	2
Depreciation and impairment	-153	-170	-172	-495	-469	-153	-165	-151	-152	-647	-621
EBIT before special items	-78	227	411	560	404	-66	124	346	118	678	522
EBIT margin before special items, %	-4.2	10.0	16.2	8.4	6.2	-3.5	5.7	14.1	5.8	7.8	6.1
Special items, net	0	-5	0	-5	-10	0	0	-10	8	3	-2
EBIT	-78	222	411	555	394	-66	124	336	126	681	520
Invested capital, average	7,943	7,926	8,069	8,006	8,096	8,147	8,026	8,045	8,031	8,017	8,077
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	8.5	6.5
Lane metres, '000	7,351	7,579	7,736	22,666	21,722	6,902	7,335	7,485	7,645	30,311	29,367
Passengers, '000	926	1,616	2,198	4,740	4,606	1,025	1,454	2,127	1,157	5,897	5,763

Q3 market, activity and result trends

North Sea: Freight volumes in Q3 were 1.0% above 2013. Volumes in the Scandinavia-UK corridor increased by 2.5% driven by higher volumes between Denmark and the UK while volumes out of Sweden were flat. Volumes in the Holland-UK corridor were up by 5.1% driven by growth in the UK economy while capacity and cargo mix changes lowered volumes between Germany and UK. Volumes in the Continent-Sweden corridor were lower than last year.

EBIT increased by 9.0% to DKK 73m driven by savings on vessel and bunker costs, an improved result for port terminals and the volume increase.

Baltic Sea: Freight volumes in Q3 were 2.2% below 2013 and slightly up adjusted for the closure of the Sassnitz-Klaipeda route in Q3 2013. Volumes between Sweden and Lithuania and Estonia were up by 4.0%. Volumes between Denmark/Germany and Lithuania/Russia were lower than last year due to the reduction in Russian bound reefers following Russia's ban on meat and other food imports. The number of passengers, excluding drivers, was up by 8.2% adjusted for the closure of the Sassnitz-Klaipeda route.

EBIT was reduced by 24.1% to DKK 63m including a cost for starting and suspending the Travemunde-Klaipeda route. Revenue per lanemeter decreased as reefer volumes were replaced with lower paying trailer volumes and increased competition from road carriers.

Channel: Freight volumes in Q3 rose by 8.2% while passenger volumes increased by 5.3%. The higher freight volumes were driven by the Dover-Dunkirk

route. The revenue per passenger increased considerably in the high-season quarter, including a positive impact from currency appreciation.

EBIT more than doubled to DKK 84m driven by primarily by higher earnings on passenger operations.

Passenger: The number of passengers in Q3 increased by 0.9% as volumes on the routes between Denmark/Holland and the UK increased. Volumes on Copenhagen-Oslo route declined due to a decrease of overseas passengers.

EBIT increased by 9.6% to DKK 172m primarily driven by the Amsterdam-Newcastle route. Earnings on the Copenhagen-Oslo route were negatively impacted by lower volumes and currency depreciation.

France & Mediterranean: Freight and passenger volumes in Q3 dropped by 13.9% and 5.1% respectively mainly due to a reduction of capacity following tonnage changes.

EBIT improved by DKK 9m to DKK 12m as the impact of lower volumes was offset by a decrease in vessel costs due to the tonnage changes.

SHIPPING DIVISION

DKK million	2014			2014	2013	2013			2013-2014		
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
North Sea											
Revenue	854	874	840	2,568	2,463	807	841	815	832	3,400	3,295
EBIT before special items	83	128	73	284	181	47	67	67	103	387	284
Invested capital	3,980	4,215	4,274	4,112	4,346	4,449	4,217	4,178	3,979	4,125	4,270
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	9.4	6.7
Lane metres freight, '000	2,651	2,707	2,674	8,032	7,847	2,517	2,682	2,648	2,666	10,698	10,513
Baltic Sea											
Revenue	306	342	343	991	1,043	318	357	368	326	1,317	1,369
EBIT before special items	15	45	63	123	170	33	54	83	50	173	220
Invested capital	1,224	1,192	1,053	1,190	1,227	1,260	1,184	1,150	1,291	1,182	1,232
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	14.6	18.0
Lane metres freight, '000	832	879	851	2,562	2,567	822	876	869	879	3,441	3,446
Passengers, '000	65	86	109	260	257	64	85	108	70	330	327
Channel											
Revenue	296	395	534	1,225	1,115	292	353	470	333	1,558	1,448
EBIT before special items	-61	-7	84	16	-53	-59	-29	35	-47	-31	-100
Invested capital	1,245	1,233	1,365	1,283	1,297	1,260	1,297	1,375	1,335	1,311	1,310
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	-2.4	-7.6
Lane metres freight, '000	3,397	3,521	3,786	10,704	9,836	3,065	3,272	3,499	3,609	14,313	13,445
Passengers, '000	581	1,032	1,473	3,086	2,922	638	886	1,398	706	3,792	3,628
France & Mediterranean											
Revenue	110	137	158	405	431	114	154	163	131	536	562
EBIT before special items	-32	-15	12	-35	-28	-10	-21	3	-1	-36	-29
Invested capital	-64	-54	-59	-59	-2	36	22	-50	-58	-57	-54
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	n.a.	n.a.
Lane metres freight, '000	339	302	263	904	999	359	331	309	323	1,227	1,322
Passengers, '000	49	114	168	331	353	59	117	177	72	403	425
Passenger											
Revenue	257	490	618	1,365	1,382	304	472	606	376	1,741	1,758
EBIT before special items	-104	67	172	135	130	-81	54	157	14	149	144
Invested capital	821	815	807	823	890	871	805	801	806	810	873
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	18.4	16.5
Lane metres freight, '000	132	170	162	464	473	139	174	160	168	632	641
Passengers, '000	231	384	449	1,064	1,074	264	366	444	309	1,373	1,383
Non-allocated items											
Revenue	90	95	97	282	190	70	50	70	79	361	269
EBIT before special items	21	9	7	37	5	5	-1	1	-1	36	5

The invested capital in the quarter is shown as per the end of the period. Year-to-date and for the full year, the invested capital is shown as an average.

Logistics Division

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

DKK million	2014			2014	2013	2013			2013-2014		Full year
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	
Revenue	1,126	1,169	1,171	3,466	3,066	992	1,046	1,028	1,117	4,583	4,183
EBITDA before special items	36	47	59	142	103	33	37	33	46	188	149
Share of profit of associates	0	0	0	0	0	0	0	0	1	1	1
Profit/loss on disposal of non-current assets, net	1	2	0	3	5	2	0	3	-1	2	4
Depreciation and impairment	-17	-19	-24	-60	-43	-15	-13	-15	-18	-78	-61
EBIT before special items	20	30	35	85	65	20	24	21	28	113	93
EBIT margin before special items, %	1.8	2.6	3.0	2.5	2.1	2.0	2.3	2.0	2.5	2.5	2.2
Special items, net	2	0	0	2	0	0	0	0	0	2	0
EBIT	21	31	35	87	65	20	24	21	28	115	93
Invested capital, average	894	903	996	945	781	757	765	806	847	925	795
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	9.2	8.7
Tons, '000	116.7	100.7	99.2	316.6	316.0	108.2	104.7	103.1	106.8	423.4	422.8
Units, '000	103.4	105.3	101.5	310.2	275.2	87.7	93.5	93.2	101.3	411.5	375.7

Q3 market, activity and result trends

Nordic: The number of transported units in Q3 was 32.8% above 2013 and up by 1.7% adjusted for the acquisition of Karlshamn Express effective from 18 September 2013. A number of activities were closed in Norway during 2013 related to shipping activities. Further adjusted for these activity changes, volume growth was 13.7%.

The adjusted volume increase reflects increased volumes between Sweden/Denmark and the UK, including new contracts.

Q3 EBIT increased to DKK 8m from DKK 3m in 2013 as results improved for the Norwegian and Swedish activities. Around 40% of the increase in EBIT was due to the acquisition of Karlshamn Express.

Continent: The number of transported units in Q3 was 7.5% above 2013. Volume growth was mainly driven by major contracts gained within the automotive and steel sectors and growth in traffics between Germany and the UK. Volumes between Ireland and the Continent were reduced to improve balance.

Q3 EBIT decreased by DKK 4m to DKK 8m as margins were impacted by imbalances and higher carrier costs in the Continent-UK traffics.

UK & Ireland: The number of transported units in Q3 was 8.6% below 2013, excluding Quayside volumes, as a considerable reduction of volumes out of Northern Ireland offset volumes added by STEF and higher activity in fish distribution.

Q3 EBIT increased by DKK 14m to DKK 20m. Around 60% of the increase was due to the acquisition of Quayside with effect from 1 July

2014. All other areas improved earnings in the quarter.

LOGISTICS DIVISION

DKK million	2014			2014	2013	2013			2013-2014		Full year
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	
Nordic											
Revenue	386	401	376	1,163	939	305	320	314	383	1,546	1,322
EBIT before special items	11	12	8	31	16	7	6	3	9	40	25
Invested capital	356	336	351	343	256	257	246	261	329	326	271
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	9.2	6.7
Units, '000	27.2	28.6	27.6	83.4	61.1	19.3	21.0	20.8	28.1	111.5	89.2
Tons, '000	116.7	100.7	99.2	316.6	316	108.2	104.7	103.1	106.7	423.3	422.7
Continent											
Revenue	510	522	492	1,524	1,472	482	500	490	494	2,018	1,966
EBIT before special items	5	7	8	20	30	8	10	12	7	27	37
Invested capital	335	313	348	330	323	325	335	293	324	323	323
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	6.0	8.5
Units, '000	53.6	54.1	51.7	159.4	145.6	47.0	50.4	48.2	48.2	207.6	193.8
UK & Ireland											
Revenue	261	278	344	883	749	233	252	264	270	1,153	1,019
EBIT before special items	4	12	20	36	19	5	8	6	13	49	32
Invested capital	242	210	423	269	179	184	190	189	199	245	183
ROIC before special items p.a., %	-	-	-	-	-	-	-	-	-	14.6	13.1
Units, '000	22.6	22.6	22.1	67.3	67.7	21.4	22.1	24.2	25.0	92.3	92.7
Non-allocated items											
Revenue	16	16	15	47	49	15	17	17	10	57	59
EBIT before special items	0	0	0	0	0	0	0	0	0	0	0

The invested capital in the quarter is shown as per the end of the period. Year-to-date and for the full year, the invested capital is shown as an average.

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report for the period 1 January – 30 September 2014 for DFDS A/S.

The interim financial report, which has not been audited or reviewed by the company's auditors, has been prepared in accordance with IAS 34, "Presentation of Interim Financial Statements", as adopted by the EU, and additional Danish requirements for interim financial reports for listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2014 and of the results of the Group's operations and cash flows for the period 1 January – 30 September 2014.

Further, in our opinion, the Management's review gives a true and fair account of the development in the Group's operations and financial matters, of the result for the period and of the Group's financial position as a whole as well as a description of the most significant risks and elements of uncertainties pertaining to the Group.

Copenhagen, 21 November 2014

Executive Board

Niels Smedegaard
President & CEO

Torben Carlsen
CFO

Board of Directors

Bent Østergaard
Chairman

Vagn Sørensen
Deputy Chairman

Claus Hemmingsen
Deputy Chairman

Pernille Erenbjerg

Jill Lauritzen Melby

Ingar Skaug

Lars Skjold Hansen

Jens Otto Knudsen

Kent Vildbæk

DFDS Group – Income Statement

DKK million	Note	2014 Q3	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013-2014 LTM	2013 Full year
Revenue		3,567.2	3,338.6	9,720.6	9,102.8	12,714.9	12,097.1
<i>Costs</i>							
Operating costs		-2,024.7	-1,934.3	-5,969.3	-5,654.8	-7,839.0	-7,524.5
Charter hire		-136.5	-152.6	-432.8	-429.5	-585.9	-582.6
Staff costs		-595.3	-542.5	-1,716.8	-1,596.8	-2,272.5	-2,152.5
Costs of sales and administration		-185.2	-179.7	-482.2	-485.5	-621.6	-624.9
Operating profit before depreciation (EBITDA) and special items		625.5	529.5	1,119.5	936.2	1,395.9	1,212.6
Share of profit/loss of associates		-1.6	-4.8	30.0	-7.5	31.3	-6.2
Profit/loss on disposal of non-current assets, net		0.6	2.2	3.1	5.8	3.7	6.4
Depreciation, ships		-160.4	-139.4	-459.5	-431.6	-596.6	-568.7
Depreciation, other non-current assets		-40.8	-32.9	-111.1	-98.9	-147.7	-135.5
Impairment losses, ships and other non-current assets		0.0	-3.1	0.0	-3.1	-2.5	-5.6
Operating profit (EBIT) before special items		423.3	351.5	582.0	400.9	684.1	503.0
Special items, net	3	-8.8	-15.8	-30.3	-18.1	-29.3	-17.1
Operating profit (EBIT)	2	414.5	335.7	551.7	382.8	654.8	485.9
Financial income	4	1.9	5.9	37.9	15.1	42.2	19.4
Financial costs	4	-50.5	-34.4	-124.0	-115.7	-164.0	-155.7
Profit before tax		365.9	307.2	465.6	282.2	533.0	349.6
Tax on profit		-15.3	-13.8	-43.4	-33.6	-32.7	-22.9
Profit for the period		350.6	293.4	422.2	248.6	500.3	326.7
<i>Attributable to:</i>							
Equity holders of DFDS A/S		349.5	291.8	421.5	246.8	499.9	325.2
Non-controlling interests		1.1	1.6	0.7	1.8	0.4	1.5
		350.6	293.4	422.2	248.6	500.3	326.7
Basic earnings per share (EPS) of DKK 100 in DKK		28.29	20.81	33.64	17.71	39.75	23.34
Diluted earnings per share (EPS-D) of DKK 100 in DKK		28.05	20.74	33.39	17.71	39.43	23.30

DFDS Group - Comprehensive income

DKK million	2014 Q3	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013-2014 LTM	2013 Full year
Profit for the period	350.6	293.4	422.2	248.6	500.3	326.7
Other comprehensive income						
Items that will not be reclassified subsequently to the Income statement:						
Remeasurement of defined benefit pension obligations	0.0	-0.2	0.0	-0.5	-20.5	-21.0
Tax on items that will not be reclassified to the Income statement	0.0	0.0	0.0	0.0	4.5	4.5
Items that will not be reclassified subsequently to the Income statement	0.0	-0.2	0.0	-0.5	-16.0	-16.5
Items that are or may be reclassified subsequently to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	27.4	-38.5	34.2	-93.6	-16.6	-144.4
Value adjustment transferred to operating costs	-5.8	2.7	0.0	8.5	6.2	14.7
Value adjustment transferred to financial costs	-29.2	38.6	-28.1	113.0	22.4	163.5
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange adjustments, foreign enterprises	25.6	11.5	-3.6	-78.6	-59.7	-134.7
Unrealized value adjustment of securities	-0.3	-0.4	-0.9	-1.0	-1.2	-1.3
Impairment of securities transferred to the Income statement	0.0	0.0	1.2	0.0	1.2	0.0
Items that are or may be reclassified subsequently to Income statement	17.7	13.9	2.8	-51.7	-47.7	-102.2
Total other comprehensive income after tax	17.7	13.7	2.8	-52.2	-63.7	-118.7
Total comprehensive income	368.3	307.1	425.0	196.4	436.6	208.0
Total comprehensive income for the period is attributed to:						
Equity holders of DFDS A/S	367.3	305.5	424.4	194.6	436.3	206.5
Non-controlling interests	1.0	1.6	0.6	1.8	0.3	1.5
Total comprehensive income	368.3	307.1	425.0	196.4	436.6	208.0

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

DFDS Group Balance Sheet - Assets

DKK million	2014 Q1-Q3	2013 Q1-Q3	2013 Full year
Goodwill	527.0	424.4	424.7
Software	98.6	15.7	75.0
Development projects in progress	53.4	74.3	50.1
Other non-current intangible assets	32.3	45.4	14.8
<i>Non-current intangible assets</i>	711.3	559.8	564.6
Land and buildings	145.4	114.1	110.7
Terminals	551.4	577.3	569.3
Ships	7,015.8	6,858.7	6,705.7
Equipment, etc.	467.2	385.3	387.4
Assets under construction and prepayments	394.3	444.1	570.8
<i>Non-current tangible assets</i>	8,574.1	8,379.5	8,343.9
Investments in associates	30.5	2.5	3.8
Receivables	24.5	78.6	49.8
Securities	19.4	20.0	19.8
Deferred tax assets	99.3	86.0	82.7
<i>Other non-current assets</i>	173.7	187.1	156.1
Non-current assets	9,459.1	9,126.4	9,064.6
Inventories	160.2	162.1	149.8
Trade receivables	1,865.5	1,698.5	1,538.8
Receivables from associates	67.1	53.3	49.3
Other receivables	158.0	200.1	188.9
Prepayments	106.2	102.9	91.1
Securities	14.9	15.5	15.4
Cash	1,135.7	1,176.3	1,151.0
	3,507.6	3,408.7	3,184.3
Assets classified as held for sale	61.7	76.6	61.8
Current assets	3,569.3	3,485.3	3,246.1
Assets	13,028.4	12,611.7	12,310.7

DFDS Group Balance Sheet – Equity and Liabilities

DKK million	2014 Q1-Q3	2013 Q1-Q3	2013 Full year
Share capital	1,330.0	1,485.6	1,485.6
Reserves	-239.9	-301.0	-351.5
Retained earnings	5,213.8	5,064.9	4,942.9
Proposed dividends	0.0	0.0	186.2
<i>Equity attributable to equity holders of DFDS A/S</i>	<u>6,303.9</u>	<u>6,249.5</u>	<u>6,263.2</u>
Non-controlling interests	53.7	55.3	55.0
Equity	6,357.6	6,304.8	6,318.2
Interest bearing liabilities	2,224.1	2,683.4	2,297.7
Deferred tax	140.1	138.4	130.2
Pension and jubilee liabilities	283.5	264.4	277.9
Other provisions	30.4	41.9	19.9
<i>Non-current liabilities</i>	<u>2,678.1</u>	<u>3,128.1</u>	<u>2,725.7</u>
Interest bearing liabilities	1,438.5	856.7	1,100.1
Trade payables	1,771.3	1,556.4	1,444.5
Payables to associates	30.7	15.7	14.8
Other provisions	41.4	28.8	25.7
Corporation tax	32.7	35.2	8.5
Other payables	561.5	565.6	561.7
Deferred income	116.6	120.4	111.5
<i>Current liabilities</i>	<u>3,992.7</u>	<u>3,178.8</u>	<u>3,266.8</u>
Liabilities	6,670.8	6,306.9	5,992.5
Equity and liabilities	13,028.4	12,611.7	12,310.7

DFDS Group – Statement of changes in Equity 1 January – 30 September 2014

DKK million	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 2014	1,485.6	-114.1	-22.4	-1.5	-213.5	4,942.9	186.2	6,263.2	55.0	6,318.2
Comprehensive income for the period										
Profit for the period						421.5		421.5	0.7	422.2
Other comprehensive income										
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			34.2					34.2		34.2
Value adjustment of hedging instruments transferred to operating costs			0.0					0.0		0.0
Value adjustment of hedging instruments transferred to financial costs			-20.1					-20.1		-20.1
Foreign exchange adjustments, foreign enterprises		-3.5						-3.5	-0.1	-3.6
Unrealized value adjustment of securities				-0.9				-0.9		-0.9
Impairment of securities transferred to the Income statement				1.2				1.2		1.2
Items that are or may be reclassified subsequently to the Income statement	0.0	-3.5	6.1	0.3	0.0	0.0	0.0	2.9	-0.1	2.8
Total other comprehensive income after tax	0.0	-3.5	6.1	0.3	0.0	0.0	0.0	2.9	-0.1	2.8
Total comprehensive income	0.0	-3.5	6.1	0.3	0.0	421.5	0.0	424.4	0.6	425.0
Transactions with owners										
Dividends paid							-177.3	-177.3		-177.3
Dividends own shares						8.9	-8.9	0.0		0.0
Disposal of non-controlling interests						1.4		1.4	-1.9	-0.5
Vested regarding share-based payment						4.8		4.8		4.8
Acquisition of treasury shares					-47.9	-167.5		-215.4		-215.4
Sale of treasury shares related to exercise of share options					1.0	2.6		3.6		3.6
Reduction of share capital by cancellation of treasury shares	-155.6				155.6			0.0		0.0
Other adjustments							-0.8	-0.8		-0.8
Transactions with owners Q1-Q3 2014	-155.6	0.0	0.0	0.0	108.7	-150.6	-186.2	-383.7	-1.9	-385.6
Equity at 30 September 2014	1,330.0	-117.6	-16.3	-1.2	-104.8	5,213.8	0.0	6,303.9	53.7	6,357.6

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

DFDS Group – Statement of changes in Equity 1 January – 30 September 2013

DKK million	Share capital	Reserves				Retained earnings	Proposed dividends	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
		Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares					
Equity at 1 January 2013	1,485.6	20.7	-56.2	-0.2	-35.3	5,258.9	208.0	6,881.5	54.3	6,935.8
Comprehensive income for the period										
Profit for the period						246.8		246.8	1.8	248.6
Other comprehensive income										
Items that will not be reclassified subsequently to the income statement:										
Remeasurement of defined benefit obligations						-0.5		-0.5		-0.5
Tax on items that will not be reclassified to the Income statement						0.0		0.0		0.0
Items that will not be reclassified subsequently to the Income statement:	0.0	0.0	0.0	0.0	0.0	-0.5	0.0	-0.5	0.0	-0.5
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			-93.6					-93.6		-93.6
Value adjustment of hedging instruments transferred to operating costs			8.5					8.5		8.5
Value adjustment of hedging instruments transferred to financial costs			113.0					113.0		113.0
Tax on other comprehensive income			0.0					0.0		0.0
Foreign exchange adjustments, foreign enterprises		-78.6						-78.6		-78.6
Unrealized value adjustment of securities				-1.0				-1.0		-1.0
Realized value adjustment of securities transferred to the income statement				0.0				0.0		0.0
Items that are or may be reclassified subsequently to the Income statement	0.0	-78.6	27.9	-1.0	0.0	0.0	0.0	-51.7	0.0	-51.7
Total other comprehensive income after tax	0.0	-78.6	27.9	-1.0	0.0	-0.5	0.0	-52.2	0.0	-52.2
Total comprehensive income	0.0	-78.6	27.9	-1.0	0.0	246.3	0.0	194.6	1.8	196.4
Transactions with owners										
Dividends paid							-203.0	-203.0		-203.0
Dividends own shares						5.0	-5.0	0.0		0.0
Acquisition of own shares					-178.3	-450.1		-628.4		-628.4
Disposal of non-controlling interests						0.6		0.6	-0.8	-0.2
Vested regarding share-based payment						4.2		4.2		4.2
Transactions with owners Q1-Q3 2013	0.0	0.0	0.0	0.0	-178.3	-440.3	-208.0	-826.6	-0.8	-827.4
Equity at 30 September 2013	1,485.6	-57.9	-28.3	-1.2	-213.6	5,064.9	0.0	6,249.5	55.3	6,304.8

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

DFDS Group - Cash Flow Statement

DKK million	Note	2014 Q3	2013 Q3	2014 Q1-Q3	2013 Q1-Q3	2013-2014 LTM	2013 Full year
Operating profit before depreciation (EBITDA) and special items		625.5	529.5	1,119.5	936.2	1,395.9	1,212.6
Cash flow effect from special items related to operating activities		-8.8	-6.0	-27.4	-8.3	-41.4	-22.3
Adjustments for non-cash operating items, etc.		-1.2	19.7	6.7	-5.0	-5.3	-17.0
Change in working capital		-122.6	50.5	61.8	352.9	90.0	381.1
Payment of pension liabilities and other provisions		-10.6	-6.3	-36.0	-25.6	-44.9	-34.5
Cash flow from operating activities, gross		482.3	587.4	1,124.6	1,250.2	1,394.3	1,519.9
Interest etc. received		23.2	21.8	84.0	61.9	110.8	88.7
Interest etc. paid		-52.1	-47.7	-153.1	-166.3	-212.1	-225.3
Taxes paid		-2.2	-1.8	-5.3	-4.8	-19.0	-18.5
Cash flow from operating activities, net		451.2	559.7	1,050.2	1,141.0	1,274.0	1,364.8
Investments in ships including dockings, rebuildings and ships under constructions		-159.6	-112.3	-614.3	-577.1	-768.2	-731.0
Investments in other non-current tangible assets		-68.1	-37.2	-79.2	-67.5	-103.2	-91.5
Sale of other non-current tangible assets		2.2	4.8	8.3	20.9	3.2	15.8
Investments in non-current intangible assets		-11.8	-10.5	-38.0	-29.8	-46.5	-38.3
Acquisition of enterprises/associates and activities	5	-99.9	-97.4	-81.1	-97.4	-82.2	-98.5
Sale of activities		0.0	0.0	0.9	0.0	0.9	0.0
Dividend from associates		0.0	0.7	0.0	0.7	0.0	0.7
Cash flow to/from investing activities		-337.2	-251.9	-803.4	-750.2	-996.0	-942.8
Proceed from loans in ships		0.0	238.6	74.5	238.6	74.5	238.6
Repayment and installments of loans in ships		-37.3	-173.2	-522.0	-562.4	-652.9	-693.3
Change in other non-current investments, net		0.0	4.0	0.0	17.4	50.4	67.8
Change in other financial loans, net		-1.5	-0.1	-45.9	-9.3	-47.0	-10.4
Payment of financial lease liabilities		-9.6	-4.1	-18.0	-12.0	-22.1	-16.1
Change in operating credits		145.6	54.0	147.1	59.7	180.6	93.2
Change in loan to associated companies		-10.5	0.5	-17.8	1.1	-17.0	1.9
Proceeds from issuance of corporate bonds		0.0	0.0	498.3	691.5	495.1	688.3
Acquisition of non-controlling interests		-0.1	0.0	-0.5	-0.2	-0.5	-0.2
Acquisition of treasury shares		-97.6	-628.4	-211.2	-628.4	-211.2	-628.4
Dividends paid		0.0	0.1	-177.3	-203.0	-177.3	-203.0
Exercise of share options		0.0	0.0	3.6	0.0	3.6	0.0
Cash flow to/from financing activities		-11.0	-508.6	-269.2	-407.0	-323.8	-461.6
Net increase (decrease) in cash and cash equivalents		103.0	-200.8	-22.4	-16.2	-45.8	-39.6
Securities, cash and cash equivalents at beginning of period		1,044.4	1,392.0	1,166.4	1,212.8	1,191.8	1,212.8
Foreign exchange adjustments of securities, cash and cash equivalents		3.2	0.6	6.6	-4.8	4.6	-6.8
Securities, cash and cash equivalents at end of period		1,150.6	1,191.8	1,150.6	1,191.8	1,150.6	1,166.4

As of 30 September 2014 cash and cash equivalents includes bonds listed at NASDAQ OMX Nordic of DKK 14,9 million (30 September 2013: DKK 15.5 million)

The above cannot be derived directly from the income statement and the balance sheet.

Noter

Note 1 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 as for the annual report for 2013. 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 2014. These IFRSs have not had any material impact on the Group's interim report. Due to the high seasonality in DFDS' business, financial information for the twelve months up to the end of the interim period (i.e. LTM, last twelve months) and full year 2013 is included in the interim report as comparative information.

Note 2 Segment information

DKK million

	Shipping Division	Logistics Division	Non- allocated	Total
Q1-Q3 2014				
External revenue	6,267.5	3,441.7	11.4	9,720.6
Intragroup revenue	426.8	24.0	197.5	648.3
Total revenue	6,694.3	3,465.7	208.9	10,368.9
Operating profit (EBIT) before special items	560.1	85.3	-63.4	582.0
Operating profit after special items (EBIT)	555.4	87.2	-90.9	551.7
Q1-Q3 2013				
External revenue	6,087.7	3,002.4	12.7	9,102.8
Intragroup revenue	405.1	63.8	214.0	682.9
Total revenue	6,492.8	3,066.2	226.7	9,785.7
Operating profit (EBIT) before special items	404.3	64.6	-68.0	400.9
Operating profit after special items (EBIT)	394.4	64.6	-76.2	382.8

Note 3 Special items

DKK million

	2014	2013
	Q1-Q3	Q1-Q3
Cost relating to ONE Finance project	-27.4	-6.5
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	1.8	0.0
Cost relating to Customer Focus Initiative project	0.0	-1.7
Total effect regarding adjustment of purchase price in connection with final approval of acquisition balances etc. related to the acquisition of LD	0.0	-9.9
Adjustment of estimated net present value of earn out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-4.7	0.0
Special items, net	-30.3	-18.1

Note 4 Financial items

Q1-Q3 2014

Financial items, net

Included in financial items, net of DKK -86.1m for Q1-Q3 2014 (2013: DKK -100.6m) is income of DKK 27.9m from a waiver of a loan from a minority shareholder in a subsidiary realised in Q2 2014.

Note 5 Acquisition of enterprises and sale of activities

Q1-Q3 2014

Quayside Group Acquisition - as from 1 July 2014

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 pay 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 preliminary calculated to DKK 19.0m on the acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition has preliminary been measured at DKK 103.0m. 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. The valuation of these assets is either subject to great uncertainty or beyond DFDS' control. Accordingly, these fair values are deemed not to be reliable.

Goodwill relates to Business Unit UK & Ireland.

Trade receivables have been recognised at the acquisition date at a fair value of DKK 35.1m which is DKK 0.9m lower 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 - as from 1 February 2014

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 this date.

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 pay DKK 17.0m for the acquisition of the companies.

Note 5 Acquisition of enterprises and sale of activities (continued)

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 preliminary 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 Q1-Q3 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 Q1-Q3 2014.

DKK million	Preliminary fair value at 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	8.3
Non-current assets	23.2	122.6
Receivables	11.7	44.9
Cash at hand and in bank	35.8	2.9
Current assets	47.5	47.8
Assets	70.7	170.4
Interest bearing debt	44.4	62.6
Non-interest bearing debt	0.0	10.6
Non-current liabilities	44.4	73.2
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	23.1
Total purchase price		
Cash consideration	17.0	102.8
Deferred consideration (estimated fair value of Earn-Out)	0.0	23.3
Fair value of total purchase price	17.0	126.1
Goodwill/ (badwill) at acquisition	-0.9	103.0

Note 5 Acquisition of enterprises and sale of activities (continued)

Of the Group's total revenue of DKK 9,720.6m for the period 1 January - 30 September 2014 DKK 43.6m relates to the STEF acquisition (consolidated from 1 February 2014) and DKK 59.5m relates to the Quayside Group acquisition (consolidated from 1 July 2014). Of the Group's profit before tax of DKK 465.6m for the period 1 January - 30 September 2014 DKK 1.8m relates to the STEF acquisition and DKK 4.1m 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 - 30 September 2014 would estimated amount to approximately DKK 9,837.2m, and result before tax would estimated amount to approximately DKK 471.4m.

Q1-Q3 2013

On 18 September 2013 the acquisition of the entire share capital of the Swedish company Karlshamn Express AB and its subsidiaries and associated companies, was finally completed.

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 Seaways Holding AB and the acquired companies are after the acquisition included in Business Unit Nordic.

DFDS pay DKK 106.6 million for the acquisition of the Company.

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 estimated fair value. The estimated fair value of customer relations is preliminary calculated to DKK 15.3 million on the acquisition date.

Following recognition of identifiable assets and liabilities at their fair value, the goodwill related to the acquisition has preliminary been measured at DKK 63.7 million at acquisition date. 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 the value of gaining access to new markets. The valuation of these assets is either subject to great uncertainty or beyond DFDS' control. Accordingly, these fair values are deemed not to be reliable.

Goodwill relates to Business Unit Nordic.

Trade receivables have been recognised at the acquisition date at a fair value of DKK 20.1 million which is DKK 0.5 million

DFDS Group incurred transaction costs of DKK 2.6 million which are recognised in Cost of sales and administration in the income statement.

Note 5 Acquisition of enterprises and sale of activities (continued)

Of the Group's total revenue of DKK 9,102.8 million for the period 1 January - 30 September 2013 DKK 3.1 million relates to the acquired Group. Of the Group's result before tax of DKK 282.2 million for the period 1 January - 30 September 2013 DKK 0.3 million relates to the acquired Group.

Had the acquisition occurred at the beginning of the financial year, the Group's total revenue for the period 1 January - 30 September 2013 would estimated amount to DKK 9,248.6 million, and result before tax would estimated amount to DKK 288.0 million.

DKK million	Fair value at <u>acquisition date</u> 18 September <u>2013</u>
Non-current intangible assets	15.3
Non-current tangible assets	<u>28.8</u>
Non-current assets	<u>44.1</u>
Receivables	36.5
Cash at hand and in bank	<u>9.0</u>
Current assets	<u>45.5</u>
Assets	<u>89.6</u>
Provisions	0.1
Bank debt	<u>16.7</u>
Non-current liabilities	<u>16.8</u>
Trade payables	11.5
Other current liabilities	<u>18.6</u>
Current liabilities	<u>30.1</u>
Liabilities	<u>46.9</u>
Fair value of acquired net assets	<u>42.7</u>
Total purchase price	
Cash consideration	<u>106.4</u>
Goodwill/ (badwill) at acquisition	<u>63.7</u>

Note 6 Fair value measurement of financial instruments

The table below 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 the fair value hierarchy is stated.

DKK million	<u>30 September 2014</u>		<u>30 September 2013</u>	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Financial assets available for sale (Level 1)	15.8	15.8	18.0	18.0
Derivatives (Level 2)	17.6	17.6	0.5	0.5
Assets held for sale (non-recurring fair value measurement) (Level 3)	61.7	61.7	76.6	76.6
Financial liabilities				
Derivatives (Level 2)	120.3	120.3	124.2	124.2

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 Q1-Q3 2014.

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.

Financial assets available for sale

Financial assets available for sale measured at level 1 are listed shares 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. These are some minor unlisted enterprises and holdings. They are measured at cost reduced by write-downs, if any, and consequently, they are not included in the fair value hierarchy.

Assets held for sale

Assets held for sale (non-recurring fair value measurement) comprise the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m (2013: DKK 25.4m) and the ro-pax ship VILNIUS SEAWAYS with a carrying amount of DKK 48.2m (2013: DKK 51.2m). The fair value of the building is based on a valuation made by an independent real estate broker, and the fair value of the ship is based on valuations from independent ship brokers.

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 is prepared in accordance with the accounting policies etc. applied by DFDS for the parent company, ref. description in the financial statements for 2013.

DKK million

	2014	2013	2013-2014	2013
	Q1-Q3	Q1-Q3	LTM	FY
Income statement				
Revenue	4,858.2	4,813.3	6,394.2	6,335.3
Operating profit before depreciation (EBITDA) and special items	640.4	574.2	814.6	734.3
Operating profit (EBIT) before special items	395.0	347.8	492.0	430.7
Special items, net	-8.3	-8.1	-77.6	-77.4
Operating profit (EBIT)	386.7	339.7	414.4	353.3
Profit before tax	356.4	311.0	368.3	308.8
Profit for the period	353.6	308.6	372.3	313.2
Assets				
Non-current intangible assets	240.3	211.2	-	215.1
Non-current tangible assets	3,388.1	3,234.2	-	3,219.4
Investments in affiliated companies	3,937.3	4,034.1	-	3,936.8
Other non-current assets	658.6	833.5	-	739.3
Non-current assets	8,224.3	8,313.0	-	8,110.6
Current receivables from affiliated companies	1,495.4	1,440.0	-	1,667.9
Other current assets	1,913.9	1,652.1	-	1,489.9
Current assets *)	3,409.3	3,092.1	-	3,157.8
Assets	11,633.6	11,405.0	-	11,268.4
*) hereof cash and securities	975.7	772.3	-	696.3
Equity and liabilities				
Equity	4,621.7	4,637.8	-	4,648.4
Non-current liabilities to affiliated companies	0.0	10.2	-	0.0
Other non-current liabilities	2,007.1	2,499.3	-	2,112.5
Non-current liabilities	2,007.1	2,509.5	-	2,112.5
Current liabilities to affiliated companies	2,666.3	2,751.2	-	2,784.9
Other current liabilities	2,338.5	1,506.5	-	1,722.6
Current liabilities	5,004.8	4,257.7	-	4,507.5
Equity and liabilities	11,633.6	11,405.0	-	11,268.4
Equity ratio, %	39.7%	40.7%	-	41.3%
Net interest bearing debt	2,578.5	2,628.3	-	2,478.7

The parent company's revenue increased by DKK 44.9m, equivalent to 1%. Operating profit before depreciation and special items (EBITDA) increased from DKK 574.2m to DKK 640.4m.

Special items is a cost of DKK 8.3m related to costs in connection with project ONE Finance (DKK 3.6m) and adjustment of earn-out provision regarding a route acquired in 2011 (DKK 4.7m).

The parent company's net interest bearing debt increased from DKK 2,478.7m at 31 December 2013 to DKK 2,578.5m at 30 September 2014, equivalent to DKK 99.8m.

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)	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
Weighted average cost of capital (WACC)	The average cost of capital in percent for equity and debt weighted in relation to the capital structure
Free cash flow (FCFF)	Cash flow from operations, net excluding interest, net minus cash flow from 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)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}}$
P/E ratio	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}}$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}}$