

## Securities Note

FRN DFDS A/S Senior Unsecured Open Bond Issue  
2014/2019

DK0030342910



Arrangers:



17.07.2014

**Important notice**

The Securities Note has been prepared in connection with listing of the securities at Oslo Børs. The Securities Note has been reviewed and approved by the Norwegian FSA in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Securities Note. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Securities Note. New information that is significant for the Borrower or its subsidiaries may be disclosed after the Securities Note has been made public. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Borrower or its subsidiaries may not have been changed.

Only the Borrower and the Arrangers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Finanstilsynet implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Borrower and the Arrangers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Contact the Borrower to receive copies of the Securities Note.

This Securities Note should be read together with the Registration Document dated 17.07.2014. The documents together constitute a prospectus.

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## 1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. An investment in interest bearing securities is only suitable for investors who understand the risk factors associated with this type of investments and who can afford a loss of all or part of the investment. Please refer to the Registration Document dated 17.07.2014 for a listing of company specific risk factors.

There are five main risk factors that sums up the investors total risk exposure when investing in interest bearing securities: **liquidity risk, interest rate risk, settlement risk, credit risk and market risk** (both in general and issuer specific).

**Liquidity risk** is the risk that a party interested in trading bonds in the Loan cannot do it because nobody in the market wants to trade the bonds. Missing demand of the bonds may incur a loss on the bondholder.

**Interest rate risk** is the risk borne by the Loan due to variability of the CIBOR interest rate. The coupon payments, which depend on the CIBOR interest rate and the Margin, will vary in accordance with the variability of the CIBOR interest rate. The interest rate risk related to this bond issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the Bond Reference Rate (3 months CIBOR as defined below) over the 5 year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

**Settlement risk** is the risk that the settlement of bonds in the Loan does not take place as agreed. The settlement risk consists of the failure to pay or the failure to deliver the bonds.

**Credit risk** is the risk that the Borrower fails to make the required payments under the Loan (including but limited to payments of principal or interest).

**Market risk** is the risk that the value of the Loan will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of this bond issue in the market. In spite of an underlying positive development in the Issuers business activities, the price of a bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do however in general carry a lower price risk compared to loans with a longer tenor and/or with a fixed coupon rate.

No market-maker agreement is entered into in relation to this bond issue, and the liquidity of the Bonds will at all times depend on the market participants view of the credit quality of the Issuer as well as established and available credit lines.

## **2. Person responsible**

DFDS A/S confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

17.07.2014

DFDS A/S  
Sundkrogsgade 11,  
2100 Copenhagen,  
Denmark

### 3. Information concerning the securities

ISIN code:	DK0030342910
The Loan/ The Bonds/The Issue:	FRN DFDS A/S Senior Unsecured Open Bond Issue 2014/2019
Borrower/Issuer:	DFDS A/S
Security Type:	Open Bond issue with floating rate.
Maximum Amount:	DKK 750 000 000
Outstanding Amount:	DKK 500 000 000
Denomination – Each Bond:	DKK 1 000 000 (each and among themselves pari passu ranking)
Securities Form:	The Bonds are electronically registered in book-entry form with the Central Securities Depository.
Disbursement/Issue Date:	13 June 2014.
Central Securities Depository:	VP SECURITIES A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark
Interest Accrual Date:	Disbursement/Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	13 June 2019
Margin:	1.63 percentage points per annum
Current Rate:	2.0025%
Bond Reference Rate:	3 months CIBOR
Interest Due Date:	13 March, 13 June, 13 September and 13 December each year and the Maturity Date, starting 13 September 2014. Any adjustment of payment will be made according to the Business Day Convention.  The Issuer shall pay interest on the face value of the Bonds from, and including, the Issue Date at the Bond Reference Rate plus the Margin (together the "Floating Rate").
Interest Determination Day:	In relation to any interest period for which the Floating Rate is to be determined, two (2) Business Days before the first day of that interest period, which (i) in respect of the first interest period, means two (2) Business Days before the Issue Date, and (ii) in respect of the subsequent interest periods two (2) Business Days before the first day of that interest period.
CIBOR:	Means the Copenhagen interbank offer rate (per annum) which (a) is published at NASDAQ OMX Copenhagen A/S's website (or through another system or on another website replacing the said system or website

	<p>respectively) approximately 11 a.m. (CET) on an Interest Determination Day, or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of Danish commercial banks on the interbank market in Copenhagen or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the Bond Trustee's determination is equal to what is offered by Danish commercial banks, for the applicable period in the Copenhagen interbank market. If any such rate is below zero, CIBOR will be deemed to be zero.</p>
Day Count Fraction - Coupon:	Act/360
Business Day Convention:	<p>Modified Following.</p> <p>If the due date for payment of any amount in respect of the Bonds is not a Business Day the payment shall be postponed to the following Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day. Bondholders shall not be entitled to payment of the amount due until the next succeeding Business Day and the Bondholders shall not be entitled to any further interest or other payment in respect of any such delay (Modified Following Business Day Convention).</p>
Issue Price:	100 % (par value).
Yield:	<p>Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). As the Bonds have a floating reference rate, it is the market's expectations of risk premium, i.e. margin that affects the price. If the price has increased, the yield for the purchaser in the secondary market, given that the reference rate does not change, will be lower than the interest rate of the Bonds and vice versa. At par and an assumption that the reference rate is 0.3725% from the issue date to maturity date, the yield will be 2.0025%.</p>
Business Day:	Any day on which Danish commercial banks are open for general business, and when Danish banks can settle foreign currency transactions.
Maturity:	The Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.
Change of control:	<p>Upon the occurrence of a Change of Control Event or a De-listing Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 100% of par plus accrued interest.</p> <p>The Put Option must be exercised within three months after the Issuer has given notification to the Bond Trustee of a Change of Control Event. Such notification shall be given as soon as possible after a Change of Control Event has taken place.</p> <p>The Put Option may be exercised by each Bondholder by giving written notice of the request to its Securities Account Controller. The Securities Account Controller</p>

	<p>shall notify the Paying Agent of the redemption request. The settlement date of the Put Option shall be the third Business Day after the end of the three month exercise period of the Put Option.</p> <p>On the settlement date of the Put Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, the principal amount of each such Bond and any unpaid interest accrued up to (but not including) the settlement date.</p> <p>“Change of Control Event” means any event where any person or group other than the Lauritzen Foundation (Lauritzen Fonden), company registration no. 15453613 (or any of its Subsidiaries), gains control directly or indirectly, of at least 51% of the issued share capital or the voting rights of the Issuer.</p> <p>“De-listing Event” means an event where the Issuer’s shares are de-listed from NASDAQ OMX Copenhagen A/S (the Copenhagen Stock Exchange).</p>
Redemption:	<p>Matured interest and matured principal will be credited each Bondholder directly from the Central Securities Depository. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of May 18 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.</p>
Status of the Bonds:	<p>The Bonds shall be senior debt of the Issuer. The Bonds shall rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt.</p> <p>The Bonds are unsecured.</p>
Covenants:	<p>See Bond Agreement section 13.</p>
Financial Covenants:	<p>Book Equity Ratio The Issuer shall ensure that the Group, on a consolidated basis, maintains a Book Equity Ratio (Book Equity divided by Total Assets) which constitutes more than 30 %, calculated on each Quarter Date.</p>
Events of Default:	<p>See Bond Agreement section 15.</p>
Purpose:	<p>The net proceeds of the Bonds shall be employed for general corporate purposes of the Group.</p>
Approvals:	<p>The Bonds were issued in accordance with the Borrower’s Board approval 22.05 2014.</p>
Listing:	<p>An application for listing will be sent to Oslo Børs.</p>
Bond Agreement:	<p>The Bond Agreement has been entered into between the Borrower and the Trustee. The Bond Agreement regulates the Bondholder’s rights and obligations in relations with the issue. The Trustee enters into this agreement on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Agreement.</p> <p>When bonds are subscribed / purchased, the Bondholder</p>



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	has accepted the Bond Agreement and is bound by the terms of the Bond Agreement.
	Information regarding bondholders' meeting and the Bondholder's right to vote are described in the Bond Agreement clause 16.
	Information regarding the role of the Trustee, see Bond Agreement clause 17.
	The Bond Agreement is attached to this Securities Note.
Documentation:	Registration Document dated 17.07.2014, Securities Note dated 17.07.2014, Bond Agreement dated 11 June 2014.
Availability of the Documentation:	<a href="http://www.dfdsgroup.com">www.dfdsgroup.com</a>
Trustee:	Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Listing Agent:	Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Arrangers:	Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark Nordea Bank Danmark A/S, Strandgade 3, DK-1401 Copenhagen K, Denmark
Paying Agent:	Nordea Bank Danmark A/S, P.O. Box 850, 0900 Copenhagen C, Att. Issuer Services
Calculation Agent:	Nordic Trustee ASA, P.O. Box 1470 Vika, Norway.
Payment Mechanics	The Issuer shall, through the Paying Agent, arrange for that payment of all amounts due to the Bondholders under the Bonds and the Bond Agreement will be made to the Bondholders shown in the relevant records of the CSD in accordance with and subject to the rules and regulations from time to time governing the CSD. All payments under the Bonds and the Bond Agreement will be made in DKK.
Market-Making:	There is no market-making agreement entered into in connection with the Loan.
Legislation under which the Securities have been created:	Norwegian law.
Fees and Expenses:	See Bond Agreement section 14 The Issuer is responsible for withholding any withholding tax imposed by applicable law. No gross up for withholding tax.
Total expenses:	Total expenses related to the admission to trading for is approximately NOK 140 000,-.

## 4. Definitions

“**Book Equity**” means the aggregate consolidated book value of the Group’s total equity in accordance with GAAP, as set out in the most recent consolidated Financial Statements or Quarterly Financial Reports (as applicable).

“**DKK**” means the legal currency of Denmark.

“**Financial Statements**” means the audited unconsolidated and consolidated annual accounts and financial statements of the Issuer for any financial year, drawn up according to GAAP, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

“**GAAP**” means the generally accepted accounting practice and principles in the country in which the Issuer is incorporated including, if applicable, the International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

“**Group**” means the Issuer and the Subsidiaries, and a “**Group Company**” means the Issuer or any of the Subsidiaries.

“**Quarter Date**” means each 31 March, 30 June, 30 September and 31 December.

“**Quarterly Financial Reports**” means the unaudited unconsolidated and consolidated management accounts of the Issuer as of each Quarter Date, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary.

“**Securities Account Controller**” means a Bondholder’s account manager in the Securities Register.

“**Subsidiary**” means an entity over which another entity or person has a determining influence due to (i) direct and indirect ownership of shares or other ownership interests, and/or (ii) agreement, understanding or other arrangement. An entity shall always be considered to be the subsidiary of another entity or person if such entity or person has such number of shares or ownership interests so as to represent the majority of the votes in the entity, or has the right to vote in or vote out a majority of the directors in the entity.

“**Total Assets**” means the aggregate consolidated book value of the Group’s total assets in accordance with GAAP, as set out in the most recent consolidated Financial Statements or Quarterly Financial Reports (as applicable).

## 5. Additional information

The involved persons in DFDS A/S have no interest, nor conflicting interests that is material to the Issue.

DFDS A/S has mandated Danske Bank A/S and Nordea Bank Danmark A/S, as Arrangers for the issuance of the Loan. The Arrangers has acted as advisors to DFDS A/S in relation to the pricing of the Loan.

The Bonds have been registered with VP Securities which is in contrast to DFDS A/S' bonds issued in 2012 (ISIN: NO0010643281) and 2013 (ISIN: NO0010673528), both of which are registered with VPS.

The Arrangers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments or otherwise related to the DFDS A/S. The Arrangers corporate finance departments may act as arranger or co-arranger for this Borrower in private and/or public placement and/or resale not publicly available or commonly known.

Prospective investors should also read the detailed information set out in the Registration Document 17.07.2014 to reach their own views prior to making any investment decision.

### **Statement from the Listing Agent:**

Nordic Trustee ASA, acting as Listing Agent, has assisted the Issuer in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

## **6. Appendix:**

- Bond Agreement