

INTERIM AND YEAR-END REPORT Q4 2016

SOLID Q4 AND STRONG 2016

**Q4 EBITDA UP BY
23% TO DKK 513M**

**2016 EBITDA UP BY
27% TO DKK 2.6BN**

**INCREASED
DISTRIBUTION
TO SHAREHOLDERS**



Q4 2016

- Continued growth in freight volumes
- 6% revenue growth, adjusted
- Profit before special items and tax increased 50% to DKK 268m
- ROIC increased to 17.8%

OUTLOOK 2017

- Revenue growth of 4%, adjusted
- EBITDA outlook of DKK 2.6-2.8bn
- Investments of DKK 0.9bn plus expected payment of DKK 0.8bn for two Channel-ferries

“We have raised our earnings level considerably during 2016. Nonetheless, our pursuit of improvement will continue. We are especially excited about exploring digital opportunities to improve customer satisfaction and operational efficiency.”

Niels Smedegaard, CEO

Revenue increased by 6% in Q4 adjusted for currency changes and excluding revenue from bunker surcharges. Reported revenue was up by 1% to DKK 3.4bn.

EBITDA before special items increased in Q4 by 23% to DKK 513m following higher earnings in primarily the Shipping Division.

Revenue increased for the full-year by 8% adjusted for currency changes and excluding revenue from bunker surcharges. Reported revenue was up by 2% to DKK 13.8bn.

EBITDA before special items increased for the full-year by 27% to DKK 2,588m following higher earnings in primarily the Shipping Division.

The Shipping Division’s route network carried 17% higher freight volumes and 6% more passengers in Q4. The full-year growth rates were 21% and 12% respectively.

Increased distribution to shareholders

DFDS’ Board of Directors has decided to increase the distribution to shareholders in light of the higher level of earnings and alignment of the financial leverage to the policy on capital structure and distribution.

The proposed dividend is increased by 33% to DKK 8.00 per share and two share buy-backs totalling DKK 800m are launched for completion on 21 February and 15 August respectively. See page 6 and separate announcement for details.

Outlook 2017

The Group’s revenue growth is expected to be around 4%, excluding revenue from bunker surcharges.

The Group’s EBITDA before special items is expected to be within a range of DKK 2,600-2,800m (2016: DKK 2,588m).

KEY FIGURES

DKK m	Q4 2016	Q4 2015	Δ %	FY 2016	FY 2015	Δ %
Before special items						
Revenue	3,351	3,324	0.8%	13,790	13,473	2.4%
EBITDA	513	418	22.6%	2,588	2,041	26.8%
EBIT	271	201	34.8%	1,644	1,199	37.0%
Profit before tax	268	178	50.2%	1,600	1,079	48.4%

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CONFERENCE CALL

TODAY AT 11.00 AM. CET

Phone numbers to the call:
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DISCLAIMER

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

DFDS GROUP KEY FIGURES

	2016	2015	2016	2015		2016	2015	2016	2015
DKK m	Q4	Q4	Full year	Full year	DKK m	Q4	Q4	Full year	Full year
Income statement					Cash flows				
Revenue	3,351	3,324	13,790	13,473	Cash flows from operating activities, before financial items and after tax	649	635	2,662	2,207
• Shipping Division	2,264	2,184	9,468	9,071	Cash flows from investing activities	-302	-267	-1,207	-571
• Logistics Division	1,235	1,294	4,930	5,034	• Acquisition of enterprises and activities	-50	0	-51	-7
• Non-allocated items	81	79	340	312	• Other investments, net	-251	-267	-1,156	-564
• Eliminations	-229	-233	-948	-943	Free cash flow	347	369	1,455	1,637
Operating profit before depreciation (EBITDA) and special items	513	418	2,588	2,041	Key operating and return ratios				
• Shipping Division	495	385	2,439	1,906	Average number of employees	-	-	7,065	6,616
• Logistics Division	70	65	252	234	Number of ships	-	-	57	54
• Non-allocated items	-52	-31	-103	-99	Revenue growth, %	0.8	8.7	2.4	5.4
Profit/loss on disposal of non-current assets, net	2	3	8	5	EBITDA-margin, %	15.3	12.6	18.8	15.1
Operating profit (EBIT) before special items	271	201	1,644	1,199	Operating margin, %	8.1	6.0	11.9	8.9
Special items, net	-6	-21	-13	-36	Revenue, invested capital average, (times)	-	-	1.5	1.6
Operating profit (EBIT)	265	180	1,631	1,164	Return on invested capital (ROIC), %	-	-	17.7	13.3
Financial items, net	-3	-23	-43	-121	ROIC before special items, %	-	-	17.8	13.7
Profit before tax	262	157	1,588	1,043	Return on equity, %	-	-	23.4	16.1
Profit for the period	273	205	1,548	1,011	Key capital and per share ratios				
Profit for the period excluding non-controlling interest	273	206	1,548	1,011	Equity ratio, %	-	-	51.4	51.6
Capital					Net interest bearing debt/EBITDA, (times)	-	-	0.9	0.9
Total assets	-	-	13,004	12,646	Earnings per share (EPS), DKK	4.76	3.46	26.63	16.84
DFDS A/S' share of equity	-	-	6,636	6,480	Dividend paid per share, DKK	0.0	0.0	6.00	5.40
Equity	-	-	6,685	6,530	Number of shares, end of period, '000	-	-	60,000	61,500
Net interest bearing debt	-	-	2,424	1,773	Weighted average number of circulating shares, '000	-	-	58,141	60,067
Invested capital, end of period	-	-	9,205	8,363	Share price, DKK	-	-	322.6	267.0
Invested capital, average	9,195	8,458	9,037	8,535	Market value	-	-	18,405	15,840

Definitions on page 26.

MARKET OVERVIEW AND OUTLOOK

The outlook for Europe's economy improved during Q4. Europe's total economy continued to grow moderately in Q4 as did the economies of most of DFDS' key markets, including the UK.

The depreciation of the British pound (GBP) bottomed out in October and beginning of November. The average rate of GBP/DKK was 17% lower in Q4 2016 compared to Q4 2015.

There were no signs of an impact from the depreciation of GBP on freight volumes between the UK and the Continent as they continued to grow during the quarter, including growth on the Dover Strait in the Channel.

Freight volumes in the Baltic region continued to grow as did volumes between Scandinavia and the Continent while volumes between Sweden/Norway and the UK remained flat.

The demand from UK residents for ferry services on the Channel and other crossings between the UK and the Continent continued to be soft in Q4 as did on board spending.

IMPORTANT EVENTS IN Q4

26% more ferry capacity on Channel

The number of sailings increased by 26% in the Channel business unit in Q4 compared to Q4 2015 following the deployment of

two additional ferries on the Dover-Calais route in Q1 2016. DFDS now operates a total of six ferries out of Dover to Calais and Dunkirk respectively, with three ferries on each route.

Acquisition of Scottish transport company

To further develop DFDS' logistics services, DFDS acquired on 14 November 2016 100% of the share capital of Haulage Shetland Ltd., trading as Shetland Transport and headquartered in Lerwick on Shetland, Scotland.

Shetland Transport provides transport services between the islands of Shetland and Orkney and the Scottish mainland. The primary activity is temperature controlled logistics services to producers and suppliers of fresh and frozen seafood.

Shetland Transport's revenue was GBP 10m in 2015/2016 and the company has 55 employees. The company operates distribution centres in Aberdeen and Coatbridge as well as a fleet of 128 trailers and 28 tractor units.

The transaction includes potential earn-out payments in 2017 and 2018. The transaction had accounting effect from 14 November 2016.

All DFDS' employees became shareholders

In recognition of the contribution made by DFDS' employees in recent years to the company's growth and to celebrate the company's 150 year anniversary, the Board of Directors awarded on 16 December 2016

30 shares to each full-time employee that was employed on 1 December 2016.

The total number of employees eligible for the award of shares exceeded 7,000 and the total value of awarded shares equalled DKK 70m on the date of the award.

The award of shares was made as a Restricted Stock Unit Plan and is covered by DFDS A/S' holding of treasury shares and thus no new shares will be issued.

Sale of shares in Danish Ship Finance

DFDS accepted a purchase offer for its shares in Danish Ship Finance (Danmarks Skibskredit A/S). The sale resulted in a gain of DKK 25m included in financial income and a cash inflow of DKK 34m in Q4.

Logistics expands Sweden-Italy services

To further develop DFDS' logistics services between Sweden and Italy, DFDS acquired 100% of the share capital of the Swedish company Italcargo Sweden AB.

Italcargo provides road transport services between Sweden and Italy, including full loads, part loads and premium services. Equipment, mainly trailers, is leased and haulage is subcontracted externally.

Italcargo's revenue was SEK 65m in 2015/2016 and the company has five employees.

The transaction had accounting effect from 21 December 2016.

IMPORTANT EVENTS AFTER Q4

There were no events to report after Q4.

ANNUAL GENERAL MEETING

DFDS' annual general meeting will be held on 21 March 2017 at 14:00 at Radisson Blu Scandinavia Hotel Copenhagen, Amager Boulevard 70, 2300 Copenhagen South, Denmark.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue in Q4 was DKK 3,351m, an increase of 0.8% compared to 2015. Revenue increased by 5.7% adjusted for currency changes and excluding revenue from bunker surcharges.

The Shipping Division's Q4 revenue of DKK 2,264m increased by 3.7% and by 6.9% adjusted for currency changes and excluding revenue from bunker surcharges.

The growth was driven by 16.6% higher freight volumes and 5.7% more passengers as well as freight rate increases while the average revenue per passenger declined due to the depreciation of GBP. Adjusted for the Hanko-Paldiski route, that was acquired in October 2016, and Channel, where capacity was significantly higher than last year, volume growth was 8.0% and 2.1% for freight and passengers respectively.

The Logistics Division's Q4 revenue of DKK 1,235m decreased by 4.6% and by 5.8% adjusted for the acquisition of Shetland Transport on 14 November 2016. Revenue was up by 0.9% adjusted for currency changes. The addition of new logistics contracts in England and Germany, as well as revenue growth for a number of traffics in Nordic and Continent, was offset by reduced fuel surcharges, as well as lower temperature controlled and steel volumes in the UK.

For the full-year, the Group's revenue increased by 2.4% to DKK 13,790m in 2016. Revenue increased by 4.4% excluding revenue from bunker surcharges and by 7.8% when also adjusted for currency changes.

The Shipping Division's revenue increased by 4.4% to DKK 9,468m and by 7.7% excluding revenue from bunker surcharges and by 10.4% when also adjusted for currency changes. The Logistics Division's revenue decreased by 2.1% to DKK 4,930m and increased by 2.4% adjusted for currency changes.

Operating profit before depreciation (EBITDA) and special items

The Group's EBITDA increased by 23% to DKK 513m in Q4 primarily driven by higher earnings in the Shipping Division.

The Shipping Division's Q4 EBITDA increased by 29% to DKK 495m. The two key drivers of the increase was a considerable improvement of Channel's result driven by high volume growth that was enabled by the expansion of ferry capacity in the business

unit. Secondly, Baltic Sea's result increased driven by a mix of volume growth, higher average unit revenue and operational changes. Despite lower passenger volumes and a negative impact from the depreciation of GBP, Passenger's result increased due to savings on both bunker costs and other operating costs.

The Logistics Division's Q4 EBITDA increased by 8% to DKK 70m as improved results for the Nordic and Continent business units were partly offset by a lower result for UK & Ireland following lower temperature controlled and steel volumes as well as a negative impact from the depreciation of GBP.

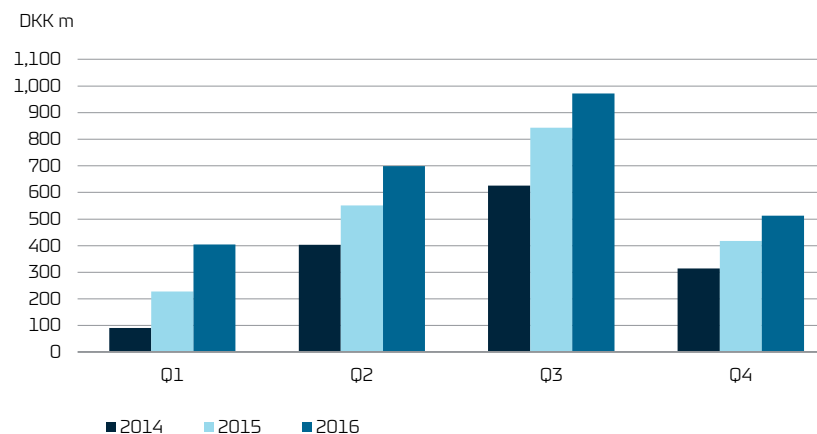
For the full-year, the Group's EBITDA increased by 27% to DKK 2,588m following an increase in the Shipping Division's EBITDA by 28% to DKK 2,439m and an increase in the Logistics Division's EBITDA by 8% to DKK 252m. Non-allocated costs increased by 4% to DKK -103m.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q4 increased by 5% to DKK 229m. The increase was primarily related to higher ship depreciations, including depreciations related to the addition of two ferries on Dover-Calais. For the full-year, depreciation increased by 12% to DKK 935m.

The Group's EBIT before special items for Q4 was DKK 271m, an increase of 35% compared to 2015. For the full-year, the Group's EBIT before special items increased by 37% to DKK 1,644m.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



REVENUE

DKK m	Q4 2016	Q4 2015	Change, %	Change
Shipping Division	2,264	2,184	3.7	80
Logistics Division	1,235	1,294	-4.6	-59
Non-allocated items	81	79	2.3	2
Eliminations	-229	-233	1.9	4
DFDS Group	3,351	3,324	0.8	27

OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) & SPECIAL ITEMS

DKK m	Q4 2016	Q4 2015	Change, %	Change
Shipping Division	495	385	28.6	110
Logistics Division	70	65	7.6	5
Non-allocated items	-52	-31	-66.0	-21
DFDS Group	513	418	22.6	95
EBITDA-margin, %	15.3	12.6	21.6	2.7

ASSOCIATES AND JOINT VENTURES, PROFITS ON DISPOSALS AND DEPRECIATION

DKK m	Q4 2016	Q4 2015	Change, %	Change
EBITDA before special items	513	418	22.6	95
Associates and joint ventures	0	0	n.a.	0
Profit on disposals	2	3	-25.3	-1
Depreciation and impairment	-244	-220	-11.0	-24
EBIT before special items	271	201	34.8	70

FINANCIAL ITEMS

DKK m	Q4 2016	Q4 2015	Change, %	Change
Interest, net	-13	-18	27.7	5
Foreign exchange gains/losses, net	-9	-4	n.a.	-5
Other items	19	0	n.a.	20
Total finance, net	-3	-23	86.4	20

Financial items

The total net cost of financing in Q4 increased by DKK 5m after adjustment for a gain of DKK 25m from the sale of shares in Danish Ship Finance.

For the full-year, the total net cost of financing decreased by DKK 52m adjusted for a gain of DKK 25m from the sale of shares in Danish Ship Finance. Both a lower net interest cost and net currency adjustments contributed to the lower cost.

Profit before and after tax

The profit before tax for Q4 increased by 67% to DKK 262m. The profit after tax was DKK 273m following a positive tax on profit of DKK 11m due to adjustments to previous years.

For the full-year, the profit before tax increased by 52% to DKK 1,588m. The profit after tax was DKK 1,548m following a tax on profit of DKK 39m.

Earnings per share

Earnings per share (EPS) for the quarter increased to DKK 4.76 from DKK 3.46 in Q4 2015, an increase of 38%.

Earnings per share (EPS) for the full-year increased to DKK 26.63 from DKK 16.84 in 2015, an increase of 58%.

Cash flow and investments

The free cash flow (FCFF) of Q4 was DKK 347m after investments of DKK 302m that included acquisitions and down payments on two new buildings.

For the full-year, the free cash flow (FCFF) was DKK 1,455m after investments of DKK 1,207m.

The cash flow from financing activities was negative by DKK 363m in Q4, including a distribution to shareholders of DKK 184m through buyback of shares. The net cash flow for Q4 was negative by DKK 34m and at the end of Q4 cash amounted to DKK 696m.

Capital structure

At the end of Q4 net-interest-bearing debt (NIBD) was DKK 2,424m up from DKK 1,773m at year-end 2015. The increase was primarily due to the finance lease of two Channel ferries, the exercise of a purchase option for a ship and distribution to shareholders.

Financial leverage, as measured by the ratio of NIBD to the full-year EBITDA before special items, was a multiple of 0.9 and on par with year-end 2015. The equity ratio was 51% at the end of Q4.

Equity

Equity amounted to DKK 6,685m at the end of Q4, including minority interests of DKK 48m. This was 2% above year-end 2015 as total comprehensive income for 2016 was DKK 1,348m while transactions with owners reduced equity by DKK 1,193m, including dividends of DKK 349m, buyback of shares of DKK 914m and an income of DKK 64m from the sale of treasury shares related to the exercise of share options.

Invested capital and ROIC

Invested capital increased by 10.1% to DKK 9,205m at the end of Q4 compared to year-end 2015. The increase was mainly due to the addition of two Channel-ferries and the exercise of a purchase option for a ship. Average invested capital increased by 5.9% to DKK 9,037m.

For the full-year, the return on invested capital, ROIC, was 17.8% before special items compared to 13.7% for 2015. Including special items, ROIC was 17.7% compared to 13.3% for 2015.

INCREASED DISTRIBUTION TO SHAREHOLDERS

DFDS' Board of Directors has decided to increase the distribution to shareholders in light of the higher level of earnings and alignment of the financial leverage to the policy on capital structure and distribution.

The Board of Directors proposes to the 2017 annual general meeting (AGM) a dividend of DKK 3.00 per share. In addition, the Board of Directors plan to distribute a further dividend of DKK 5.00 per share in August 2017. The total dividend payment in 2017 is thus expected to amount to around DKK 450m, excluding dividend for treasury shares.

In addition, two share buybacks totalling DKK 800m are announced today.

The first buyback of DKK 500m with completion on 21 February 2017 is structured as an auction process offered directly to all shareholders.

The second buyback of DKK 300m will start on 8 February 2017 to be completed on 15 August 2017 at the latest.

The Board of Directors consequently plan to distribute a total of DKK 1.25bn to shareholders in 2017. In addition, DKK 86m has already been distributed in 2017 through the share buyback that was completed on 6 February 2017.

Further information on both buybacks are available in a separate announcement released today.

OUTLOOK 2017

The European growth outlook is supportive for DFDS' infrastructure of ferry routes and logistics operations.

The current moderate economic growth is expected to continue in DFDS' key market areas in northern Europe in 2017, albeit at different levels.

The highest level of growth is expected for the Baltic countries while the UK's growth is expected to slow down but remain positive in 2017.

The growth in Scandinavia and the most important continental economies for DFDS,

primarily Benelux, Germany and France, is expected to continue on level with 2016.

Freight volumes are therefore expected to grow or remain on level with 2016 on most routes in DFDS' network in 2017. Capacity has been and will be expanded on several routes to accommodate expected growth.

Passenger volumes lost momentum during 2016 as travel was reduced following terrorist attacks and the depreciation of GBP in the wake of Brexit in June 2016. Moreover, migrant issues in Calais impacted travel negatively on the Dover Strait.

Passenger volumes in DFDS' route network are in 2017 expected to be on level or slightly below 2016, although a more favorable environment for passenger travel could emerge in 2017.

Pricing is expected to remain competitive in both freight and passenger markets.

The Group's revenue is expected to increase by around 4%, excluding revenue from bunker surcharges. The revenue growth is expected to be around 5% including bunker surcharges.

The Group's EBITDA before special items is expected to be within a range of DKK 2,600-2,800m (2016: DKK 2,588m).

The Shipping Division's EBITDA before special items is expected to be within a range of DKK 2,450-2,600m (2016: DKK 2,439m).

DKK m	Outlook 2017	2016
Revenue growth	+4% ¹	13,790
EBITDA before special items	2,600-2,800	2,588
Per division:		
Shipping Division	2,450-2,600	2,439
Logistics Division	250-300	252
Non-allocated items	-100	-103
Depreciation, change	-2%	-950
Special items	-20	-13
Investments	-1,700	-1,207

¹Excluding bunker surcharges.

The Logistics Division's EBITDA before special items is expected to be within a range of DKK 250-300m (2016: DKK 252m).

Special items of DKK -20m are related to the award of shares to employees.

Investments are expected to amount to around DKK 1.7bn in 2017. This includes an expected payment of around DKK 750m for the purchase of two Channel-ferries in June 2017. The ferries were delivered in February 2016 on finance leases and were consequently capitalised at that time. The expected purchase will therefore not impact DFDS' financial leverage.

The remaining investments of DKK 950m comprise:

- Dockings and ship upgrades, DKK 350m
- Newbuildings, DKK 170m
- Port terminals, DKK 200m

- Cargo carrying equipment and warehousing, mainly related to the Logistics Division, DKK 150m
- Other investments, including development of IT-systems, DKK 80m.

A number of risks and uncertainties pertain to the outlook. The most important among these are possible major changes in the demand for ferry shipping and transport and logistics services. For DFDS, such demand is to a large extent linked to the level of economic activity in primarily Europe, especially northern Europe and in particular the UK following its decision to leave the EU, but also adjacent regions, as well as to competitor actions. The outlook can also be impacted by political changes, first and foremost within the EU, as well as changes in economic variables, especially the oil price and exchange rates. Consequently, the future financial results may differ significantly from expectations.

In November 2016 DFDS acquired Shetland Transport head-quartered in Lerwick on Shetland, Scotland.

Shetland Transport provides transport services to and from the islands of Shetland and Orkney to the Scottish mainland. The primary activity is temperature controlled logistics services to producers and suppliers of fresh and frozen seafood.



SHIPPING DIVISION

The Shipping Division operates DFDS' route network organised in five business units:

- North Sea
- Baltic Sea
- Channel
- France & Mediterranean
- Passenger

SHIPPING

DKK m	2016				2016	2015				2015
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Revenue	2,020	2,440	2,744	2,264	9,468	1,894	2,316	2,677	2,184	9,071
EBITDA before special items	367	650	927	495	2,439	189	517	816	385	1,906
Share of profit/loss of associates and joint ventures	-1	0	-2	0	-3	-3	-5	-3	0	-11
Profit/loss on disposal of non-current assets, net	0	2	2	0	4	0	0	1	0	1
Depreciation and impairment	-194	-218	-205	-211	-828	-168	-172	-187	-190	-716
EBIT before special items	173	434	722	284	1,613	18	341	626	195	1,180
EBIT margin before special items, %	8.6	17.8	26.3	12.5	17.0	1.0	14.7	23.4	8.9	13.0
Special items, net	0	-7	0	-6	-13	0	-9	0	-30	-39
EBIT	173	427	722	278	1,600	18	332	626	165	1,141
Invested capital, average	7,845	8,381	8,417	8,202	8,145	7,971	7,951	7,832	7,585	7,799
ROIC before special items, %	-	-	-	-	19.6	-	-	-	-	14.9
Lane metres, '000	8,610	9,954	9,440	9,779	37,783	7,245	7,482	8,082	8,385	31,195
Passengers, '000	1,203	1,762	2,570	1,429	6,964	967	1,544	2,339	1,344	6,194

Q4 MARKET, ACTIVITY AND RESULT TRENDS

North Sea

Freight volumes in Q4 were 7.0% above 2015. All routes contributed to the growth in volumes. Growth was highest on the Sweden-Belgium and Netherlands-UK corridors that were both supported by additional capacity. Automotive volumes were generally high in the quarter.

EBIT increased by 7% to DKK 129m driven primarily by the higher volumes.

Baltic Sea

Freight volumes in Q4 were 31.3% above 2015 and up by 11.6% adjusted for the addition of a new route between Hanko, Finland, and Paldiski, Estonia, in October 2016. All routes contributed to the growth in volumes. The volume growth was supported by the deployment of a third ship between Sweden and Lithuania that in Q4 also made calls between Denmark and Lithuania. Passenger volumes increased by 17.8% as volumes were boosted by the addition of Hanko-Paldiski.

EBIT increased by 38% to DKK 73m mainly driven by higher volumes that offset costs for additional capacity on several routes

and start-up costs related to the new route Hanko-Paldiski.

Channel

Freight volumes in Q4 increased by 20.8% while passenger volumes increased by 7.2%. The high volume growth reflects the expansion of capacity on Dover-Calais from two to three ferries compared to last year. The total number of sailings for both routes increased by 26% compared to last year.

Total freight volumes on the Dover Strait, including the tunnel, increased by 5.2% in Q4 compared to 2015 while the number of passengers decreased by 3.6% and the number of cars decreased by 0.8%.

EBIT improved by 114% to DKK 50m mainly driven by higher volumes on Dover-Calais and higher freight unit revenues.

France & Mediterranean

Freight volumes in Q4 were 3.9% above 2015 while passenger volumes were 1.0% lower. The increase in freight volumes was entirely driven by the Tunis-Marseille route.

EBIT increased by 7% to DKK -9m mainly due to lower ship and operating costs.

Passenger

The number of passengers in Q4 increased by 2.1% compared to 2015 due to higher volumes between Norway and Denmark. Volumes between the UK and the Netherlands were flat as higher demand from the continental passengers offset lower demand from the UK where demand was impacted by the depreciation of GBP.

EBIT increased by DKK 19m to DKK 19m as lower bunker and other costs offset a negative impact from the depreciation of GBP on the route between the UK and the Netherlands.

SHIPPING DIVISION

DKK m	2016				2016	2015				2015
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
NORTH SEA										
Revenue	812	861	822	870	3,365	832	883	849	838	3,402
EBIT before special items	128	142	117	129	515	87	125	125	120	458
Invested capital	4,018	4,177	4,296	4,240	4,168	4,333	4,554	4,486	4,110	4,368
ROIC before special items, %	-	-	-	-	12.1	-	-	-	-	10.3
Lane metres freight, '000	2,807	3,020	2,913	3,031	11,770	2,708	2,802	2,816	2,833	11,159
BALTIC SEA										
Revenue	299	340	371	339	1,349	289	329	346	290	1,254
EBIT before special items	78	92	119	73	363	14	71	93	53	231
Invested capital	1,056	1,387	1,326	1,265	1,203	1,290	1,170	1,106	982	1,148
ROIC before special items, %	-	-	-	-	30.0	-	-	-	-	19.9
Lane metres freight, '000	938	998	959	1,154	4,049	852	895	880	879	3,507
Passengers, '000	73	91	118	91	373	69	90	112	77	349
CHANNEL										
Revenue	428	586	766	508	2,288	317	416	652	468	1,853
EBIT before special items	8	110	226	50	394	-15	12	178	23	198
Invested capital	2,227	2,185	2,135	2,030	1,937	1,241	1,222	1,235	1,108	1,203
ROIC before special items, %	-	-	-	-	20.3	-	-	-	-	16.4
Lane metres freight, '000	4,493	5,493	5,161	5,178	20,325	3,302	3,371	3,964	4,287	14,923
Passengers, '000	852	1,220	1,863	985	4,921	628	992	1,624	920	4,163
FRANCE & MEDITERRANEAN										
Revenue	98	124	153	105	481	101	118	148	133	501
EBIT before special items	-7	5	22	-9	11	-7	7	15	-10	5
Invested capital	-71	-8	17	-17	-29	31	-11	-47	-67	-36
ROIC before special items, %	-	-	-	-	n.a.	-	-	-	-	n.a.
Lane metres freight, '000	237	272	258	237	1,003	247	262	284	228	1,022
Passengers, '000	37	92	174	50	353	36	93	183	51	362
PASSENGER										
Revenue	286	465	590	373	1,713	277	490	610	366	1,742
EBIT before special items	-60	96	198	19	253	-73	103	189	0	219
Invested capital	566	523	571	625	577	697	664	663	602	677
ROIC before special items, %	-	-	-	-	43.1	-	-	-	-	31.3
Lane metres freight, '000	135	171	149	180	634	136	154	138	158	586
Passengers, '000	241	358	416	302	1,318	234	369	420	296	1,319
NON-ALLOCATED ITEMS										
Revenue	149	111	97	131	488	122	127	127	145	522
EBIT before special items	26	-10	40	22	77	13	23	26	8	69

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

LOGISTICS DIVISION

The Logistics Division operates DFDS' logistics activities organised in three business units:

- Nordic
- Continent
- UK & Ireland

LOGISTICS

DKK m	2016				2016 Full year	2015				2015 Full year
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	1,220	1,268	1,208	1,235	4,930	1,175	1,283	1,281	1,294	5,034
EBITDA before special items	54	69	60	70	252	52	58	59	65	234
Profit/loss on disposal of non-current assets, net	1	1	1	1	4	0	0	1	2	4
Depreciation and impairment	-24	-23	-22	-25	-94	-24	-24	-23	-24	-95
EBIT before special items	30	47	39	46	161	28	35	37	43	143
EBIT margin before special items, %	2.5	3.7	3.2	3.7	3.3	2.4	2.7	2.9	3.3	2.8
Special items, net	0	0	0	0	0	0	0	0	9	9
EBIT	31	47	39	45	162	28	35	37	51	151
Invested capital, average	1,122	1,064	1,022	1,130	1,084	1,099	1,090	1,089	1,123	1,104
ROIC before special items, %	-	-	-	-	13.4	-	-	-	-	11.9
Tons, '000	114.3	98.2	96.4	118.3	427.2	109.0	97.9	86.1	110.2	403.1
Units, '000	125.7	132.5	129.9	134.2	522.3	108.9	114.2	113.2	117.6	453.9

Q4 MARKET, ACTIVITY AND RESULT TRENDS

Nordic

The number of transported units in Q4 increased by 7.2% compared to 2015 and decreased by 0.8% adjusted for a new Swedish domestic contract. Higher Norwegian trailer and container volumes and construction volumes from Baltic were offset by lower volumes related to the UK driven by the depreciation of GBP, including lower RDF-volumes (RDF: refuse derived fuel) from the UK. Activity related to automotive contract logistics in Sweden was somewhat lower than last year. Volumes are not reported for these activities.

EBIT decreased by DKK 5m to DKK 12m due to lower activity in several areas, traffic imbalances and price pressure related to the depreciation of GBP. In addition, the result

in 2015 included an income of DKK 2m related to previous years.

Continent

The number of transported units in Q4 increased by 0.5% compared to 2015. The main growth driver was the ramp up of an automotive logistics contract that commenced operations in Q4 2015.

EBIT increased by 33% to DKK 12m driven by higher activity in key activities in Germany and positive variances versus one-off costs in Italy in 2015. This offset lower margins in the door-door container traffic between the Continent and Ireland.

UK & Ireland

The number of transported units in Q4 increased by 41.4% compared to 2015 primarily driven by new contract logistics activities for cold stores in England. Since the

commencement of a contract for one cold store in Q4 2015, contracts for a further two cold stores were added during Q1 2016. Volumes were reduced by lower activity between N. Ireland and England and the Continent which was offset by a pick up in temperature controlled volumes in the UK. Volumes from Shetland Transport, acquired in November 2016, are not yet reported.

EBIT increased by 28% to DKK 21m, including a negative currency impact of DKK 3m from the depreciation of GBP which was partly offset by the acquisition of Shetland Transport. The result was otherwise improved by a new rail solution between the UK and Italy and higher earnings in Ireland.

LOGISTICS DIVISION

DKK m	2016				2016	2015				2015
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Nordic										
Revenue	411	418	383	400	1,613	392	430	412	425	1,659
EBIT before special items	13	16	13	12	53	10	9	7	17	43
Invested capital	320	305	304	322	319	315	356	342	345	342
ROIC before special items, %	-	-	-	-	16.2	-	-	-	-	12.2
Units, '000 *)	30.5	30.4	28.1	30.4	119.4	28.6	28.6	28.1	28.3	113.6
Tons, '000	114.3	98.2	96.4	118.3	427.2	109.0	97.9	86.1	110.2	403.1
Continent										
Revenue	489	501	489	479	1,957	455	485	488	490	1,918
EBIT before special items	9	16	11	12	47	8	10	7	9	33
Invested capital	350	326	340	355	339	338	297	322	325	326
ROIC before special items, %	-	-	-	-	11.5	-	-	-	-	9.9
Units, '000	55.7	57.1	55.5	54.8	223.0	50.8	54.3	52.5	54.5	212.1
UK & Ireland										
Revenue	353	384	368	389	1,494	350	414	416	413	1,593
EBIT before special items	8	15	16	21	61	10	17	23	17	66
Invested capital	426	400	374	453	426	449	425	435	477	437
ROIC before special items, %	-	-	-	-	12.8	-	-	-	-	13.0
Units, '000 **)	39.5	44.9	46.3	49.1	179.8	29.5	31.4	32.6	34.7	128.2
Non-allocated items										
Revenue	54	52	49	45	201	16	73	46	54	189
EBIT before special items	0	0	0	0	0	0	0	0	0	0

*) Excluding volumes related to automotive Logistics contract.

***) Excluding volumes from Haulage Shetland Ltd from 14 November 2016.

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

MANAGEMENT STATEMENT

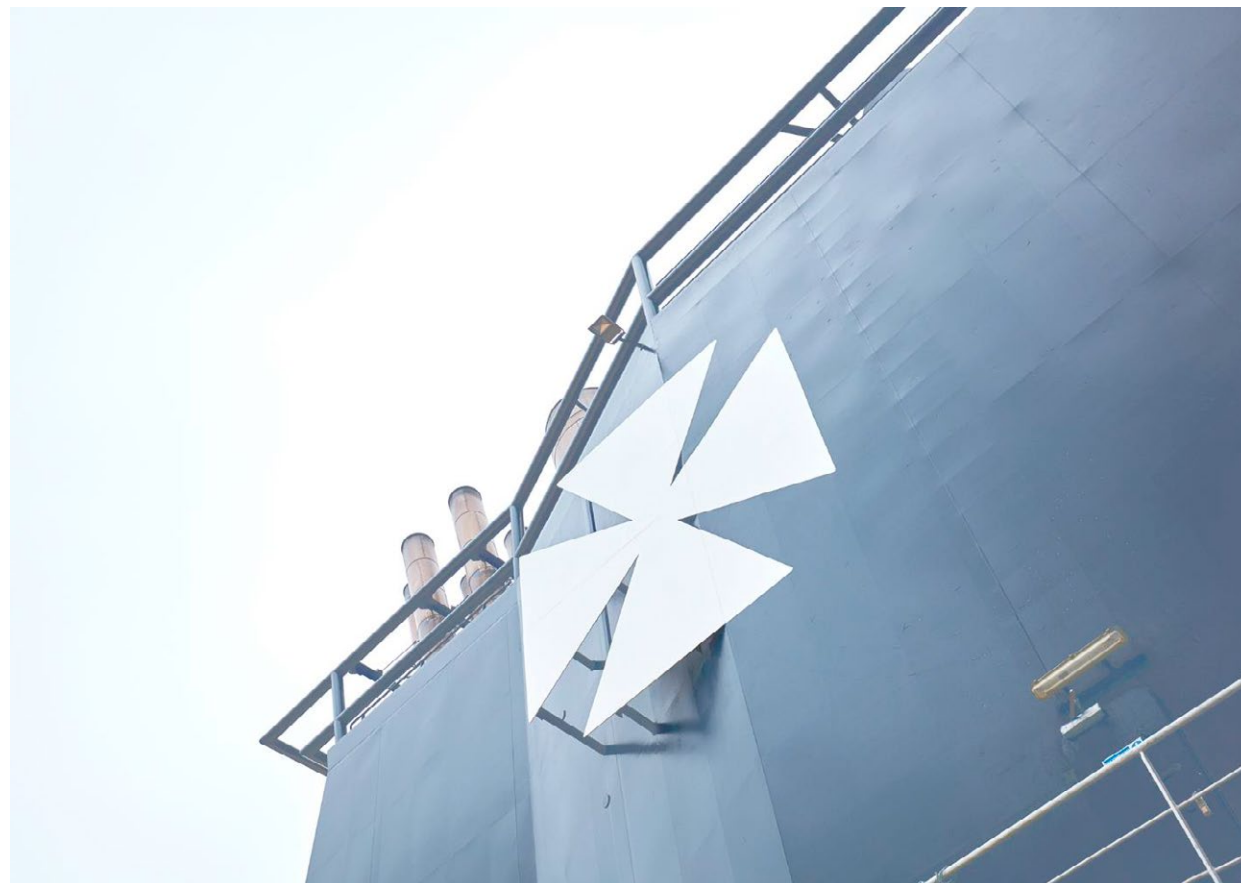
The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 31 December 2016.

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

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities and financial position at 31 December 2016 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 December 2016.

Further, in our opinion, the Management review p. 1-13 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 7 February 2017



EXECUTIVE BOARD **NIELS SMEDEGAARD** President & CEO, **TORBEN CARLSEN** CFO

BOARD OF DIRECTORS **BENT ØSTERGAARD** Chair, **CLAUS HEMMINGSEN** Deputy Chair,
PERNILLE ERENBJERG, JØRGEN JENSEN,
JENS OTTO KNUDSEN, JILL LAURITZEN MELBY,
KLAUS NYBORG, LARS SKJOLD-HANSEN, KENT VILDBÆK

DFDS GROUP - INCOME STATEMENT

DKK m	Note	2016 Q4	2015 Q4	2016 Full year	2015 Full year
Revenue		3,351.0	3,324.0	13,790.4	13,473.5
Costs					
Operating costs		-1,868.1	-1,877.9	-7,333.2	-7,630.9
Charter hire		-151.4	-190.3	-564.5	-625.0
Employee costs		-665.4	-658.1	-2,607.9	-2,487.7
Costs of sales and administration		-153.4	-179.3	-696.6	-689.0
Operating profit before depreciation (EBITDA) and special items		512.8	418.3	2,588.2	2,041.0
Share of profit/loss of associates and joint ventures		-0.1	-0.4	-3.0	-11.7
Profit/loss on disposal of non-current assets, net		2.1	2.8	8.5	4.9
Depreciation, ships		-183.9	-174.1	-760.8	-661.4
Depreciation, other non-current assets		-45.2	-43.1	-174.3	-170.6
Impairment losses, ships and other non-current assets		-15.0	-2.6	-15.1	-2.8
Operating profit (EBIT) before special items		270.6	200.8	1,643.6	1,199.4
Special items, net	3	-6.0	-21.1	-12.8	-35.5
Operating profit (EBIT)		264.6	179.7	1,630.7	1,163.9
Financial income		25.5	5.7	56.0	25.7
Financial costs		-28.5	-28.3	-99.1	-146.5
Profit before tax		261.5	157.0	1,587.6	1,043.1
Tax on profit		11.1	47.9	-39.3	-31.9
Profit for the period		272.6	204.9	1,548.3	1,011.2
Attributable to:					
Equity holders of DFDS A/S		272.7	205.6	1,548.1	1,011.5
Non-controlling interests		-0.1	-0.7	0.2	-0.3
Profit for the period		272.6	204.9	1,548.3	1,011.2
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		4.8	3.5	26.6	16.8
Diluted earnings per share (EPS-D) of DKK 20, DKK		4.7	3.4	26.4	16.5

DFDS GROUP - COMPREHENSIVE INCOME

	2016	2015	2016	2015
DKK m	Q4	Q4	Full year	Full year
Profit for the period	272.6	204.9	1,548.3	1,011.2
Other comprehensive income				
Items that will not subsequently be reclassified to the Income statement:				
Remeasurement of defined benefit pension obligations	62.1	-41.2	-152.6	-41.2
Tax on items that will not be reclassified to the Income statement	-10.4	8.4	-10.4	8.4
Items that will not be reclassified subsequently to the Income statement	51.7	-32.9	-163.0	-32.9
Items that are or may subsequently be reclassified to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	25.3	-22.5	77.1	-70.0
Value adjustment transferred to operating costs	-3.2	11.6	8.7	30.5
Value adjustment transferred to financial costs	14.5	9.5	-6.1	61.3
Value adjustment transferred to non-current tangible assets	-3.8	0.0	-3.8	0.0
Foreign exchange adjustments, subsidiaries	-4.7	34.3	-113.3	58.4
Unrealised value adjustment of securities	0.0	-1.1	25.2	-1.4
Realised value adjustment of securities transferred to financial items	-25.2	0.0	-25.2	0.0
Impairment of securities transferred to financial costs	0.0	1.1	0.0	1.1
Items that are or may subsequently be reclassified to the Income statement	2.8	32.8	-37.5	80.0
Total other comprehensive income after tax	54.5	-0.1	-200.4	47.1
Total comprehensive income	327.1	204.8	1,347.9	1,058.3
Attributable to:				
Equity holders of DFDS A/S	327.3	205.5	1,347.9	1,058.5
Non-controlling interests	-0.2	-0.7	0.0	-0.2
Total comprehensive income	327.1	204.8	1,347.9	1,058.3

BALANCE SHEET ASSETS

DKK m	Note	2016 Full year	2015 Full year
Goodwill		555.8	532.3
Other non-current intangible assets		37.5	29.3
Software		195.7	148.4
Development projects in progress		37.0	55.7
Non-current intangible assets		826.1	765.6
Land and buildings		161.8	124.8
Terminals		510.6	521.7
Ships		7,904.0	6,818.8
Equipment, etc.		542.7	494.4
Assets under construction and prepayments		135.9	222.7
Non-current tangible assets		9,255.0	8,182.4
Investments in associates and joint ventures		28.6	33.7
Receivables		24.8	25.0
Securities		9.5	18.4
Deferred tax		94.6	97.2
Derivative financial instruments		34.5	0.0
Other non-current assets		192.1	174.2
Non-current assets		10,273.1	9,122.3
Inventories		139.2	110.6
Trade receivables		1,602.2	1,593.2
Receivables from associates and joint ventures		52.2	55.1
Other receivables		119.2	192.2
Prepayments		84.2	86.0
Derivative financial instruments		25.0	4.5
Cash		695.6	1,422.6
Current assets		2,717.6	3,464.1
Assets classified as held for sale	5	13.5	59.2
Total current assets		2,731.1	3,523.3
Assets		13,004.3	12,645.7

EQUITY AND LIABILITIES

DKK m	2016 Full year	2015 Full year
Share capital	1,200.0	1,230.0
Reserves	-299.7	-247.0
Retained earnings	5,556.1	5,312.7
Proposed dividends	180.0	184.5
Equity attributable to equity holders of DFDS A/S	6,636.4	6,480.2
Non-controlling interests	48.2	49.5
Equity	6,684.6	6,529.7
Interest bearing liabilities	2,100.9	2,213.2
Deferred tax	191.2	156.9
Pension and jubilee liabilities	460.2	362.6
Other provisions	54.9	38.6
Derivative financial instruments	145.6	169.9
Non-current liabilities	2,952.8	2,941.1
Interest bearing liabilities	907.9	738.7
Trade payables	1,722.3	1,573.3
Payables to associates and joint ventures	28.4	30.8
Other provisions	67.1	78.9
Corporation tax	30.2	25.3
Other payables	472.0	475.5
Derivative financial instruments	0.2	133.5
Deferred income	138.9	111.7
Current liabilities	3,366.9	3,167.7
Liabilities relating to assets classified as held for sale	0.0	7.1
Liabilities	6,319.7	6,115.9
Equity and liabilities	13,004.3	12,645.7

DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER 2016)

DKK m	RESERVES							Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2016	1,230.0	-166.5	-37.0	0.1	-43.5	5,312.7	184.5	6,480.2	49.5	6,529.7
Comprehensive income for the period										
Profit for the period						1,548.1		1,548.1	0.2	1,548.3
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit pension obligations						-152.6		-152.6		-152.6
Tax on items that will not be reclassified to the Income statement						-10.4		-10.4		-10.4
Items that will not subsequently be reclassified to the Income statement	0.0	0.0	0.0	0.0	0.0	-163.0	0.0	-163.0	0.0	-163.0
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			77.1					77.1		77.1
Value adjustment transferred to operating costs			8.7					8.7		8.7
Value adjustment transferred to financial costs			-6.1					-6.1		-6.1
Value adjustment transferred to non-current tangible assets			-3.8					-3.8		-3.8
Foreign exchange adjustments, subsidiaries		-113.1						-113.1	-0.2	-113.3
Unrealised value adjustment of securities				25.2				25.2		25.2
Realised value adjustment of securities transferred to the income statement				-25.2				-25.2		-25.2
Items that are or may subsequently be reclassified to the Income statement	0.0	-113.1	75.8	0.0	0.0	0.0	0.0	-37.3	-0.2	-37.5
Total other comprehensive income after tax	0.0	-113.1	75.8	0.0	0.0	-163.0	0.0	-200.3	-0.2	-200.4
Total comprehensive income	0.0	-113.1	75.8	0.0	0.0	1,385.2	0.0	1,347.9	0.0	1,347.9
Transactions with owners										
Acquisition, non-controlling interests						1.0		1.0	-1.3	-0.3
Proposed dividend, extraordinary						-180.0	180.0	0.0		0.0
Dividend paid							-175.4	-175.4		-175.4
Dividend on treasury shares						9.1	-9.1	0.0		0.0
Extraordinary dividend paid							-173.6	-173.6		-173.6
Extraordinary dividend on treasury shares						6.4	-6.4	0.0		0.0
Proposed dividend by year-end						-180.0	180.0	0.0		0.0
Vested share-based payments						7.5		7.5		7.5
Purchase of treasury shares					-67.2	-846.8		-914.1		-914.1
Cash from sale of treasury shares related to exercise of share options					21.8	42.4		64.2		64.2
Reduction of share capital by cancellation of treasury shares	-30.0				30.0			0.0		0.0
Other adjustments						-1.3		-1.3		-1.3
Transactions with owners 2016	-30.0	0.0	0.0	0.0	-15.4	-1,141.8	-4.5	-1,191.7	-1.3	-1,193.0
Equity at 31 December 2016	1,200.0	-279.6	38.8	0.1	-58.9	5,556.1	180.0	6,636.4	48.2	6,684.6

DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER 2015)

DKK m	RESERVES							Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividends			
Equity at 1 January 2015	1,265.0	-224.8	-58.9	0.3	-50.6	4,917.0	227.7	6,075.8	51.4	6,127.2
Comprehensive income for the period										
Profit for the period						1,011.5		1,011.5	-0.3	1,011.2
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit pension obligations						-41.2		-41.2		-41.2
Tax on items that will not be reclassified to the Income statement						8.4		8.4		8.4
Items that will not subsequently be reclassified to the Income statement	0.0	0.0	0.0	0.0	0.0	-32.9	0.0	-32.9	0.0	-32.9
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period				-70.0				-70.0		-70.0
Value adjustment transferred to operating costs				30.5				30.5		30.5
Value adjustment transferred to financial costs				61.3				61.3		61.3
Foreign exchange adjustments, subsidiaries		58.3						58.3	0.1	58.4
Unrealised value adjustment of securities				-1.4				-1.4		-1.4
Unrealised impairment of securities transferred to financial costs				1.1				1.1		1.1
Items that are or may subsequently be reclassified to the Income statement	0.0	58.3	21.8	-0.2	0.0	0.0	0.0	79.9	0.1	80.0
Total other comprehensive income after tax	0.0	58.3	21.8	-0.2	0.0	-32.9	0.0	47.0	0.1	47.1
Total comprehensive income	0.0	58.3	21.8	-0.2	0.0	978.6	0.0	1,058.5	-0.2	1,058.3
Transactions with owners										
Acquisition, non-controlling interests						1.2		1.2	-1.7	-0.4
Proposed dividend, extraordinary						-113.9	113.9	0.0		0.0
Dividend paid							-325.8	-325.8		-325.8
Dividend on treasury shares						15.8	-15.8	0.0		0.0
Purchase of treasury shares					-45.2	-355.8		-401.0		-401.0
Proposed dividends year end						-184.5	184.5	0.0		0.0
Vested share-based payments						7.2		7.2		7.2
Cash from sale of treasury shares related to exercise of share options					17.3	45.4		62.7		62.7
Reduction of share capital by cancellation of treasury shares	-35.0				35.0			0.0		0.0
Other adjustments						1.6		1.6		1.6
Transactions with owners 2015	-35.0	0.0	0.0	0.0	7.1	-583.0	-43.2	-654.0	-1.7	-655.7
Equity at 31 December 2015	1,230.0	-166.5	-37.0	0.1	-43.5	5,312.7	184.5	6,480.2	49.5	6,529.7

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

DFDS GROUP - CASH FLOW STATEMENT

DKK m	2016 Q4	2015 Q4	2016 Full year	2015 Full year
Operating profit before depreciation (EBITDA) and special items	512.8	418.3	2,588.2	2,041.0
Cash flow effect from special items related to operating activities	-0.1	-1.1	-2.6	-16.9
Adjustments for non-cash operating items, etc.	11.8	36.9	14.3	55.8
Change in working capital	138.0	192.9	168.4	198.7
Payment of pension liabilities and other provisions	-9.3	-8.3	-85.5	-57.6
Cash flow from operating activities, gross	653.1	638.7	2,682.7	2,221.0
Interest etc. received	26.0	16.7	108.7	117.4
Interest etc. paid	-44.6	-42.1	-182.2	-208.7
Taxes paid	-4.5	-3.2	-20.4	-13.8
Cash flow from operating activities, net	630.0	610.0	2,588.8	2,115.9
Investments in ships including dockings, rebuildings and ships under construction incl. settlement of forward exchange contracts	-161.1	-128.4	-955.7	-422.6
Sale of ships including net compensation for ship declared total loss	0.0	19.6	0.0	108.3
Investments in other non-current tangible assets	-107.5	-137.8	-206.2	-181.7
Sale of other non-current tangible assets	1.2	2.3	18.1	10.8
Investments in non-current intangible assets	-18.5	-23.7	-52.4	-59.1
Acquisition of enterprises, associates, joint ventures and activities	-50.4	0.0	-50.9	-6.8
Capital contribution to joint ventures	0.0	0.0	0.0	-20.7
Sale of activities etc.	0.0	0.0	5.0	0.0
Sale of securities	34.1	0.0	34.1	0.0
Dividend from associates and joint ventures	0.8	1.3	0.8	1.3
Cash flow to/from investing activities, net	-301.5	-266.7	-1,207.2	-570.5
Proceed from loans secured by mortgage in ships	0.0	120.9	0.0	120.9
Repayment and instalments of loans secured by mortgage in ships	-28.2	-33.8	-298.7	-176.9
Repayment of corporate bonds incl. settlement of cross currency swap	0.0	0.0	-493.5	0.0
Change in other non-current investments, net	0.0	-0.2	0.0	12.6
Change in other financial loans, net	-23.9	-48.3	-47.0	-95.7
Payment of financial lease liabilities	-24.8	-4.7	-87.5	-20.8
Change in operating credits	-119.8	-1.7	-0.9	-30.2
Change in loan to associates and joint ventures	-0.7	-0.8	2.9	-1.2
Acquisition of non-controlling interests	0.0	-0.1	-0.3	-0.4
Acquisition of treasury shares	-184.2	-111.4	-914.1	-401.0
Cash received from exercise of share options	0.0	0.0	64.2	62.7
Government grants related to purchase of assets	19.0	22.7	19.7	35.4
Dividends paid	0.0	0.0	-349.0	-325.8
Cash flow to/from financing activities, net	-362.6	-57.4	-2,104.3	-820.2
Net increase (decrease) in cash and cash equivalents	-34.1	286.0	-722.7	725.1
Cash and cash equivalents at beginning of period	729.9	1,136.5	1,422.6	694.5
Foreign exchange and value adjustments of cash and cash equivalents	-0.2	0.1	-4.2	2.9
Cash and cash equivalents at end of period	695.6	1,422.6	695.6	1,422.6

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

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 2015. 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 2016. These IFRSs have not had any material impact on the Group's interim report.

The detailed accounting policies for 2016 will be available in the annual report 2016 that is to be released 23 February 2017.

NOTE 2 SEGMENT INFORMATION

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
2016				
External revenue	8,866.8	4,908.8	14.8	13,790.4
Intragroup revenue	601.3	21.2	325.2	947.8
Total revenue	9,468.1	4,930.1	340.0	14,738.2
Operating profit (EBIT) before special items	1,612.6	161.5	-130.5	1,643.6
Operating profit after special items (EBIT)	1,599.7	161.6	-130.5	1,630.7

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
2015				
External revenue	8,453.3	5,010.0	10.1	13,473.5
Intragroup revenue	617.7	23.7	301.9	943.3
Total revenue	9,071.0	5,033.8	312.0	14,416.8
Operating profit (EBIT) before special items	1,179.6	142.5	-122.7	1,199.4
Operating profit after special items (EBIT)	1,141.0	151.1	-128.2	1,163.9

NOTE 3 SPECIAL ITEMS

DKK m	2016 Full year	2015 Full year
Adjustment of estimated earn-out to the sellers regarding the acquisition of the route Kapellskär-Paldiski acquired in 2011; the acquisition of Quayside Group in 2014; and the activities of Beltrin s.r.o. in Czech Republic in 2015	-12.1	-19.8
Accrual of the total estimated costs (estimated fair value) related to the DFDS shares awarded to DFDS employees as a special one-off award in connection with DFDS' 150 years anniversary in December 2016. The costs will accrue from December 2016 to February 2020. Total fair value at date of awarding the shares is estimated at DKK 55m.	-0.7	0.0
Impairment of installation on a ship	0.0	-22.5
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	0.0	-5.5
Gain regarding sale of the ro-ro freight ship Flandria Seaways	0.0	12.3
Special items, net	-12.8	-35.5

ACCOUNTING POLICY FOR SPECIAL ITEMS

Special items include significant income and expenses not directly attributable to the Group's recurring operating activities, such as material restructuring of processes and significant organizational restructurings/changes which are of significance over time. In addition, other non-recurring amounts are classified as special items, including impairment of goodwill; significant impairments of non-current tangibles assets; significant transaction costs and integration costs in connection with large business combinations;

changes to estimates of contingent considerations related to business combinations; gains and losses on the disposal of activities; and significant gains and losses on the disposal of non-current assets.

These items are classified separately in the income statement in order to provide a more transparent view of income and expenses that are considered not to have recurring nature.

NOTE 4 ACQUISITION OF ENTERPRISES AND SALE OF ACTIVITIES

2016

ACQUISITION

On 1 September 2016 DFDS entered into an agreement with the Estonian company Navirail OÜ to acquire the company's freight and passenger route (ro-pax) between Paldiski (Estonia) and Hanko (Finland). The transaction was approved by the Estonian Competition Authorities at 28 September 2016 and the route is consolidated with effect from 1 October 2016.

The route has been acquired 100% by DFDS A/S. The route expands DFDS' network in the northern part of the Baltic Sea and complements DFDS' existing route between Paldiski and Kapellskär (Sweden).

DFDS has not paid any upfront consideration. An earn-out agreement has been entered with the seller, according to which DFDS must pay 50% of the route's accumulated EBIT for six years. Based on the expectations to the route's earnings for the earn-out period the net present value of the earn-out is estimated at DKK 32.2m. The estimated yearly revenue is DKK 97m. Goodwill amount to DKK 32.2m.

On 14 November 2016 the acquisition of the Scottish company Haulage Shetland Ltd. was completed and the DFDS Group obtained control as from this date.

After the acquisition the DFDS Group has 100% ownership of the acquired company and the acquired company is consolidated as from this date. The acquisition is 100% made by the subsidiary DFDS Logistics Ltd. and the acquired company is after the acquisition included in the UK & Ireland Business Unit.

DFDS paid DKK 55.4m for the acquired company and cash in the acquired company amounted to DKK 18.4m and accordingly the liquidity effect was DKK 37.0m. In addition, two earn-out agreements have been entered into according to which DFDS, based on the acquired company's financial performance for 2016/17 and 2017/18, may pay an additional cash consideration in the range of DKK 0-9.5m. in total.

Based on the acquired company's estimated earnings the earn-out agreements are estimated to DKK 9.5m. Consequently, the total purchase price is calculated at DKK 64.9m. The estimated yearly revenue is to DKK 84m.

Transaction costs were insignificant and have been expensed as part of administration costs. Goodwill amount to DKK 5.8m.

NOTE 4 - CONTINUED

2016 – CONTINUED

On 21 December 2016 the acquisition of the Swedish company Italcargo AB Sweden was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired company and the acquired company is consolidated as from this date. The acquisition is 100% made by the subsidiary DFDS Seaways Holding AB and the acquired company is after the acquisition included in the Nordic Business Unit.

DFDS paid DKK 19.3m (of which a payment of DKK 0.8m is deferred) for the acquired company and cash in the acquired company amounted to DKK 5.1m and accordingly, the liquidity effect in 2016 was DKK 13.4m. The estimated yearly revenue is DKK 50m.

Transaction costs were insignificant and have been expensed as part of administration costs. Goodwill amount to DKK 7.4m in the preliminary purchase price allocation.

2015

ACQUISITION

1 February 2015 the DFDS Group obtained control and 100% ownership of the logistics activities from Beltrin S.R.O. in Czech Republic. 2 March 2015 the DFDS Group acquired certain logistics activities, including employees, certain operating assets and lease agreements of operating equipment, from Volvo AB in Sweden. For further details of these acquisitions, refer to the annual report for 2015.

NOTE 5 ASSETS HELD FOR SALE

2016

During Q2 2016 the ro-pax ship Vilnius Seaways ceased to be classified as held for sale as management assessed that the criteria for being classified as held for sale was no longer met. Accordingly, the ship was moved back to Non-current tangible assets at the carrying amount the ship had before it was classified as held for sale, adjusted for depreciations etc, that would have been recognised had the ship not been classified as held for sale.

In Q2 2016 the variance between this adjusted carrying amount and the carrying amount recognised under held for sale at the time the ship ceased to be classified as held for sale has been expensed under Depreciation, ships by an amount of DKK 18.2m.

At 31 December 2016 Assets held for sale (non-recurring fair value measurement) only comprise the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m. DFDS is in advanced discussions with a potential buyer.

2015

At 31 December 2015 Assets held for sale (non-recurring fair value measurement) comprise of the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m and the ro-pax ship Vilnius Seaways with a carrying amount of DKK 45.7m.

NOTE 6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

There were no transfers between the levels in the fair value hierarchy in 2016.

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

During the year financial assets available for sale measured at level 3 has included non-listed shares in Danish Ship Finance [Danmarks Skibskredit A/S]. In prior years these shares have been measured at cost. However, in September 2016 the majority of the share capital was traded and consequently, DFDS' holding of these non-listed shares were measured at fair value based on the published price per share according to the transaction in September 2016 as this price was also offered to the remaining shareholders. In November 2016 DFDS sold its shareholding in Danish Ship Finance, resulting in a gain of DKK 25.2m.

Financial assets available for sale also comprise other shares and equity investments as well as other investments of DKK 9.5m (2015: DKK 18.4m). 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 (2015: DKK 13.5m). DFDS is in advanced discussions with a potential buyer.

The ro-pax ship Vilnius Seaways has been reclassified to non-current tangible assets. Reference is made to note 5.

DKK m	31 DECEMBER 2016		31 DECEMBER 2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	59.6	59.6	4.5	4.5
Assets held for sale (non-recurring fair value measurement) (Level 3)	13.5	13.5	59.2	59.2
Financial liabilities				
Derivatives (Level 2)	145.8	145.8	303.5	303.5

Reconciliation for recurring fair value measurement categorised within level 3

DKK m	2016	2015
Financial assets available for sale:		
Balance at 1 January	0.0	0.0
Transfer to level 3	8.8	0.0
Sale	-34.1	0.0
Realised gain recognised in the income statement under Financial income	25.2	0.0
Balance at 31 December	0.0	0.0

NOTE 7 SUPPLEMENTARY FINANCIAL INFORMATION ON THE PARENT COMPANY

As a result of DFDS A/S' issuance of corporate bonds on Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the parent company. The following financial information has been prepared using the same accounting policies as for the annual report for 2015. However, DFDS has adopted all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2016. These IFRSs have not had any material impact on the DFDS A/S' interim report.

As of 18 November 2015 New Channel Holding A/S (formerly a 100% subsidiary of DFDS A/S) and its 100% owned subsidiary New Channel Company A/S were both merged into DFDS A/S. 2016 comprise full-year impact of the said mergers, which explains most of the developments from 2015 to 2016.

The parent company's revenue increased by DKK 2,324.7m, equivalent to 34.6%. Operating profit before depreciation and special items (EBITDA) increased from DKK 1,055.7m to DKK 1,839.6m, equivalent to an increase of 74.2%. Both increases are primarily due to the above mergers and general improvement on most of the company's shipping routes.

Included in Financial items, net is dividend received from subsidiaries of DKK 198.2m and reversal of impairments of investments

in subsidiaries of DKK 126.6m made in previous years, but where value in use has increased and thus require the impairments to be reversed in full or partially. Furthermore, included in Financial items, net is impairments of investments in subsidiaries of DKK 6.7m and write down of receivables from subsidiaries by DKK 84.8m.

Result before tax increased from DKK 513.4m in 2015 to DKK 1,531.1m in 2016, equivalent to an increase of 198.2%.

The parent company's net interest bearing debt increased from DKK 3,703.2m at 31 December 2015 to DKK 4,466.1m at 31 December 2016 primarily following the finance lease of two Channel ferries.

DKK m	2016 Full year	2015 Full year
Income statement		
Revenue	9,037.1	6,712.4
Operating profit before depreciation (EBITDA) and special items	1,839.6	1,055.7
Operating profit (EBIT) before special items	1,310.1	685.7
Special items, net	-12.9	8.2
Operating profit (EBIT)	1,297.2	693.9
Financial items, net	233.9	-180.5
Profit before tax	1,531.1	513.4
Profit for the period	1,541.7	506.2
Assets		
Non-current intangible assets	351.3	293.6
Non-current tangible assets	5,270.4	4,290.7
Investments in affiliated companies, associates and joint ventures	3,892.5	3,759.5
Other non-current assets	44.0	18.3
Non-current assets	9,558.2	8,362.1
Current receivables from affiliated companies	615.0	724.8
Receivables from associates and joint ventures	49.8	53.8
Other current assets	1,476.3	2,120.2
Current assets *)	2,141.1	2,898.8
Assets	11,699.3	11,260.9
*) hereof cash and securities	612.6	1,299.9
Equity and liabilities		
Equity	4,750.3	4,322.2
Non-current liabilities	2,303.0	2,217.7
Current liabilities to affiliated companies	2,555.8	2,718.9
Other current liabilities	2,090.2	2,002.1
Current liabilities	4,646.0	4,721.0
Equity and liabilities	11,699.3	11,260.9
Equity ratio, %	40.6%	38.4%
Net interest bearing debt	4,466.1	3,703.2

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 operating activities excluding net interest received and paid minus cash flow from net investments
Return on equity	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
Equity ratio	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
Earnings per share (EPS)	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
P/E ratio	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
Dividend per share	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
Market value	Number of shares, ex. treasury shares, end of period times share price end of period

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