

INTERIM AND YEAR-END REPORT Q4 2017

MOVING ON AFTER ANOTHER STRONG RESULT

EBITDA Q4 2017 UP
12% TO DKK 574M

ROIC INCREASED
TO 19%

10% HIGHER DIVIDEND



Q4 2017

- Revenue growth of 5%, adjusted
- North Sea freight volumes up 6%
- Passenger volumes up 1% overall
- ROIC increased to 19.0% (17.8%)

OUTLOOK 2018

- Revenue growth of around 2%
- EBITDA range of DKK 2,650-2,850m
- Investments of DKK 1.1bn
- 10% dividend increase

“We are very pleased to present another strong result ending a year of steady progress. It's a great platform for further development of our business. We are stepping up investment in our digital capabilities and increasingly assessing future opportunities offered by new business models and technologies. Going into 2018, trading looks overall robust and we foresee that Europe's growth will mitigate the inevitable uncertainty caused by the Brexit negotiations.”

Niels Smedegaard, CEO

In Q4, revenue increased 5% adjusted for non-comparable items. Reported revenue was up 4% to DKK 3.5bn.

EBITDA before special items increased 12% to DKK 574m following higher earnings in both the Shipping and Logistics divisions.

For the full-year, revenue increased 4% adjusted for non-comparable items. Reported revenue was likewise up 4% to DKK 14.3bn. EBITDA before special items increased 4% to DKK 2,702m.

Full-year profit before special items and tax increased 8% to DKK 1,727m.

9% yield to shareholders in 2017

The cash distribution to shareholders was increased 32% to DKK 1.7bn in 2017 equal to 9% in total distribution yield. Distribution comprised dividends of DKK 555m and share buybacks of DKK 1,106m.

Distribution to shareholders in 2018

The dividend is proposed to increase 10% to DKK 11.00 per share in 2018.

In addition, one new share buyback of DKK 400m will be launched today for execution over the next half year. Later in the first half of 2018, the Board of Directors will re-assess the capital structure, including further share buybacks, in view of potential investments.

Outlook 2018

The Group's revenue is expected to increase around 2% in 2018.

The outlook range for EBITDA before special items is DKK 2,650-2,850m (2017: DKK 2,702m).

Investments are expected to amount to around DKK 1.1bn.

See full section on Outlook on page 7-8.

KEY FIGURES

DKK m	Q4 2017	Q4 2016	Δ %	FY 2017	FY 2016	Δ %
Before special items						
Revenue	3,497	3,351	4.4%	14,328	13,790	3.9%
EBITDA	574	513	12.0%	2,702	2,588	4.4%
EBIT	349	271	28.9%	1,782	1,644	8.4%
Profit before tax	346	268	29.2%	1,727	1,600	7.9%

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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

	2017	2016	2017	2016
DKK m	Q4	Q4	Full year	Full year
Income statement				
Revenue	3,497	3,351	14,328	13,790
• Shipping Division	2,381	2,264	9,892	9,468
• Logistics Division	1,318	1,235	5,160	4,930
• Non-allocated items	102	81	400	340
• Eliminations	-304	-229	-1,124	-948
Operating profit before depreciation (EBITDA) and special items	574	513	2,702	2,588
• Shipping Division	531	495	2,513	2,439
• Logistics Division	77	70	263	252
• Non-allocated items	-34	-52	-74	-103
Profit/loss on disposal of non-current assets, net	1	2	7	8
Operating profit (EBIT) before special items	349	271	1,782	1,644
Special items, net	-33	-6	-41	-13
Operating profit (EBIT)	316	265	1,741	1,631
Financial items, net	-3	-3	-55	-43
Profit before tax	313	262	1,686	1,588
Profit for the period	296	273	1,618	1,548
Profit for the period excluding non-controlling interest	313	273	1,651	1,548
Capital				
Total assets	-	-	13,308	13,004
DFDS A/S' share of equity	-	-	6,599	6,636
Equity	-	-	6,614	6,685
Net interest-bearing debt	-	-	2,352	2,424
Invested capital, end of period	-	-	9,099	9,205
Invested capital, average	9,164	9,195	9,178	9,037

	2017	2016	2017	2016
DKK m	Q4	Q4	Full year	Full year
Cash flows				
Cash flows from operating activities, before financial items and after tax	682	649	2,666	2,662
Cash flows from investing activities	-222	-302	-1,564	-1,207
• Acquisition of enterprises and activities	0	-50	0	-51
• Other investments, net	-222	-251	-1,564	-1,156
Free cash flow	460	347	1,102	1,455
Key operating and return ratios				
Average number of employees	-	-	7,235	7,065
Number of ships	-	-	64	63
Revenue growth, %	4.4	0.8	3.9	2.4
EBITDA-margin, %	16.4	15.3	18.9	18.8
Operating margin, %	10.0	8.1	12.4	11.9
Revenue, invested capital average, (times)	-	-	1.6	1.5
Return on invested capital (ROIC), %	-	-	18.6	17.7
ROIC before special items, %	-	-	19.0	17.8
Return on equity, %	-	-	24.9	23.4
Key capital and per share ratios				
Equity ratio, %	-	-	49.7	51.4
Net interest bearing debt/EBITDA, (times)	-	-	0.9	0.9
Earnings per share (EPS), DKK	5.40	4.76	29.69	26.63
Dividend paid per share, DKK	0.00	0.00	10.00	6.00
Number of shares, end of period, '000	-	-	57,000	60,000
Weighted average number of circulating shares, '000	54,860	57,230	55,594	58,141
Share price, DKK	-	-	331.3	322.6
Market value	-	-	18,106	18,405

Definitions on page 27.

MARKET OVERVIEW

Europe continued to grow in Q4 2017 and the positive consensus view for 2018 has been reaffirmed by recent key indicators.

The real GDP of UK, DFDS' largest market, also continues to grow but at a lower level than the rest of Europe. Despite some weakness in domestic demand, the global and European growth is expected to support the UK economy in 2018. UK export volumes continued to grow at a high rate in Q4 2017 while import volume growth was reduced by lower car imports.

The average rate of GBP/DKK was 2% lower in the quarter compared to Q4 2016 while NOK/DKK was 6% lower.

The demand for passenger ferry services was stable in Q4 as demand in UK continued to stabilise. The Norwegian market was negatively impacted by the weaker NOK.

MAJOR EVENTS IN Q4

Belfast logistics refocused

DFDS' logistics activities based in Belfast were refocused to improve the return on invested capital. Going forward the focus will be on door-door trailer solutions for ambient cargo, mainly covering Northern Ireland and England/Scotland and contract logistics for major retailers.

The growth and financial performance of the door-door reefer line-haul business between Ireland and Great Britain have in recent years not met expectations and was loss-making in 2017. This business was divested to Manfreight Ltd. effective from 1 November 2017, including more than 100 employees.

The total annual revenue of activities included in the divestment was DKK 250m. A divestment cost of DKK 13m is reported under Special items in Q4 2017 in the UK & Ireland business unit.

The divestment is expected to lead to an earnings improvement for the Belfast activities in 2018.

Change of provider in Esbjerg port

In line with the continuous pursuit of operational improvements and efficiencies, the own terminal operation in Esbjerg, Denmark, was closed at the end of December 2017.

As a consequence of the closure of the terminal 67 employees were made redundant and a cost of DKK 21m is reported under Special items in Q4 2017 in the North Sea business unit.

The Esbjerg port operation was part of the freight route between Esbjerg and Immingham, England. Port terminal services are henceforth instead provided by Blue Water Shipping in another part of the Esbjerg port terminal.

The facilities and location of Blue Water Shipping's terminal is expected to enhance customer service and operational efficiency.

MAJOR EVENTS AFTER Q4

Logistics company Alphasatrans acquired

To further expand and develop DFDS' European logistics services, the acquisition of 100% of the share capital of the Dutch company Alphasatrans Group BV was approved on 3 January 2018 and will be consolidated in the DFDS Group per the same date under the trading name of Special Cargo.

Alphasatrans provides transport solutions for customers with general and exceptional cargo using flatbed trailers and other specialised equipment. The fleet of 720 flatbed trailers and 125 trucks makes Alphasatrans one of the largest flatbed trailer operators serving continental Europe, UK and Ireland.

To support the customer solutions Alphasatrans has own haulage operations based in Hungary and Romania. Alphasatrans has 197 employees and annual revenues of EUR 45m.

Alphasatrans expands DFDS' activities between continental Europe and UK. It also adds Portugal to the network and provides access to haulage capacity and new customers.

DFDS has been developing traffic which specifically requires flatbed trailers, particularly between Sweden and the Baltics, and Alphasatrans brings additional knowledge to enable further development across the DFDS network. Further operational synergies, including the combination of offices, are also expected.

DISTRIBUTION TO SHAREHOLDERS – INCREASED DIVIDEND AND NEW BUYBACK

The Board of Directors has decided to further increase the dividend to shareholders by proposing to the 2018 annual general meeting (AGM) a 10% increase of the dividend to DKK 11.00 per share. The dividend will be paid in two installments: DKK 4.00 in April and DKK 7.00 in August.

The total dividend payment in 2018 is expected to amount to around DKK 580m, excluding dividend for treasury shares.

In addition, a share buyback of DKK 400m is launched today for completion on 15 August 2018 at the latest. See separate announcement for more information.

Later in the first half of 2018, the Board of Directors will reassess the capital structure, including further share buybacks, in view of potential investments.

DIGITAL JOURNEY AND CONTINUOUS IMPROVEMENT

Further investment in digital capabilities

Following the launch of a new digital and IT operating model, the time-to-market and scalability is being improved through architectural changes. Moreover, a new unified digital customer experience platform is expected to launch in Q2 2018. Teams focused on user-experience, innovation and smart data are being expanded to support the development of digital solutions.

In 2018, the further development of digital capabilities is expected to entail additional costs of around DKK 100m as well as increased investments.

New business models and technologies

Technology developments in the areas of robotics, IoT, blockchain, amongst others, are driving business model change. In addition, new energy sources and new ways of storing and using energy are developing for both shipping and logistics operations.

DFDS is assessing and experimenting with both new technologies and new business models, both independently and with partners inside and outside of our industry.

Efficiency and improvement projects

The pursuit of continuous improvement through targeted efficiency and improvement projects will in 2018 focus on several projects:

- Pricing & yield: improve revenue growth through enhanced capacity utilisation on both freight and passenger routes
- Starlight: improve on board experience and performance of the two cruise ferry routes
- Carpe Momentum: completion of project to improve on board sales and spend per passenger on Channel routes
- Italy profit improvement project, Logistics.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue in Q4 was DKK 3,497m, an increase of 4.4% compared to 2016. Revenue increased by 4.7% adjusted for currency changes, acquisitions, the divested Belfast activity and excluding revenue from bunker surcharges.

The Shipping Division's Q4 revenue of DKK 2,381m increased 5.2% and by 3.5% adjusted for currency changes and excluding revenue from bunker surcharges.

Freight revenue increased overall mainly driven by higher volumes in North Sea as well as higher revenue per lanemetre. Passenger revenue was slightly lower than last year due to a decrease in revenue per passenger, including a negative currency impact.

REVENUE

DKK m	Q4 2017	Q4 2016	Change, %	Change
Shipping Division	2,381	2,264	5.2	117
Logistics Division	1,318	1,235	6.8	83
Non-allocated items	102	81	27.1	22
Eliminations	-304	-229	-33.1	-76
DFDS Group	3,497	3,351	4.4	146

The Logistics Division's Q4 revenue of DKK 1,318m increased 6.8% and by 10.6% adjusted for currency changes, the acquisitions of Shetland Transport and Italcargo, in November and December 2016 respectively, and the divested Belfast activity.

The revenue growth was mainly driven by high volumes and additional activities, particularly in Sweden but also in the Netherlands and Belgium.

For the full-year, the Group's revenue increased by 3.9% to DKK 14,328m in 2017. Revenue increased 3.5% adjusted for currency changes, acquisitions, the divested Belfast activity and excluding revenue from bunker surcharges.

The Shipping Division's full-year revenue increased 4.5% to DKK 9,892m and by 1.9% adjusted for currency changes, primarily depreciation of GBP, acquisition of a route and excluding revenue from bunker surcharges.

The Logistics Division's full-year revenue increased 4.7% to DKK 5,160m and by 8.1% adjusted for currency changes, primarily de-

preciation of GBP, the acquisitions of Shetland Transport and Italcargo, in November and December 2016 respectively, and the divested Belfast activity.

Operating profit before depreciation(EBITDA) and special items

The Group's EBITDA increased 12% to DKK 574m in Q4.

The Shipping Division's Q4 EBITDA increased 7% to DKK 531m. The continued growth of freight volumes increased North Sea's result as did operational cost savings. The latter also benefited the other business units except for Passenger as this business unit was negatively impacted by lower revenues and higher costs, including bunker costs.

The Logistics Division's Q4 EBITDA increased 10% to DKK 77m and by 6% excluding the divested Belfast activity and acquisitions. The improved result was mainly driven by the Nordic and Continent business units following higher activity, including a higher share of contract logistics.

For the full-year, the Group's EBITDA increased 4% to DKK 2,702m following an increase in the Shipping Division's EBITDA of 3% to DKK 2,512m and an increase in the Logistics Division's EBITDA of 4% to DKK 263m. The Non-allocated costs decreased 29% to DKK -74m.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q4 of DKK 227m decreased DKK 17m compared to 2016. A positive variance of DKK 24m was due to a one-off write-down on ship equipment in Q4 2016 and a partial reversal of the write-down in Q4 2017. Depreciations were otherwise mainly higher on software and IT-systems. For the full-year, depreciation decreased 2% to DKK 933m.

The Group's EBIT before special items for Q4 increased 29% to DKK 349m.

For the full-year, the Group's EBIT before special items increased 8% to DKK 1,782m.

Special items

In Q4 2017, special items was a net cost of DKK 33m primarily due to costs related to the closure of own port operations in Esbjerg and the sale of the Belfast reefer activity. For the full-year 2017, special items also include costs for the award of anniversary shares to all employees,

The Group's Q4 EBIT after special items increased 19% to DKK 316m.

For the full-year, the Group's EBIT after special items increased 7% to DKK 1,741m.

Financial items

The total net cost of financing in Q4 was DKK 15m lower than Q4 2016 adjusted for a gain of DKK 25m in 2016 from the sale of shares in Danish Ship Finance and an income of DKK 10m from a settlement with a former bunker supplier's administrator in Q4 2017. The positive variance was mainly due to net currency changes.

For the full-year, the total net financing cost decreased DKK 4m likewise adjusted for the above two items. The positive variance was primarily due to lower net interest costs.

Profit before and after tax

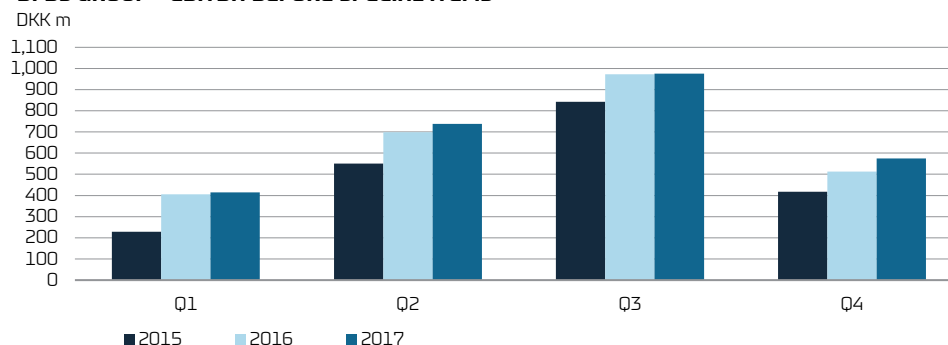
The profit before tax for Q4 increased 20% to DKK 313m. The increase was 29% excluding special items. The profit after tax was DKK 295m following taxes of DKK 17m.

For the full-year, the profit before tax increased 6% to DKK 1,686m while the increase was 8% excluding special items. The profit after tax was DKK 1,618m following a tax on profit of DKK 68m.

Earnings per share

Earnings per share (EPS) for the quarter increased to DKK 5.40 from DKK 4.76 in Q4 2016, an increase of 13%.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) & SPECIAL ITEMS

DKK m	Q4 2017	Q4 2016	Change, %	Change
Shipping Division	531	495	7.4	36
Logistics Division	77	70	10.3	7
Non-allocated items	-34	-52	34.5	18
DFDS Group	574	513	12.0	62
EBITDA-margin, %	16.4	15.3	7.3	1.1

ASSOCIATES AND JOINT VENTURES, PROFITS ON DISPOSALS AND DEPRECIATION

DKK m	Q4 2017	Q4 2016	Change, %	Change
EBITDA before special items	574	513	12.0	62
Associates and joint ventures	0	0	n.a.	0
Profit on disposals	1	2	-42.3	-1
Depreciation and impairment	-227	-244	7.0	17
EBIT before special items	349	271	28.9	78

FINANCIAL ITEMS

DKK m	Q4 2017	Q4 2016	Change, %	Change
Interest, net	-14	-13	-9.2	-1
Foreign exchange gains/losses, net	4	-9	-140.2	13
Other items	7	19	-63.1	-12
Total finance, net	-3	-3	4.7	0

Earnings per share (EPS) for the full-year increased to DKK 29.69 from DKK 26.63 in 2016, an increase of 11%.

Cash flow and investments

The free cash flow (FCFF) of Q4 was DKK 460m, including investments of DKK 222m mainly related to ships. For the full-year, the free cash flow (FCFF) was DKK 1,102m, including investments of DKK 1,564m of which DKK 1,300m was related to ships.

For the full-year, the cash flow from financing activities was negative by DKK 720m as distribution to shareholders of DKK 1,661m was offset by mainly increased loan financing.

The net cash flow for 2017 was positive by DKK 338m and at the end of the year cash amounted to DKK 1,033m.

Capital structure

At the end of the year net-interest-bearing debt (NIBD) was DKK 2,352m, a decrease of 3% compared to year-end 2016 as a high conversion of operating profit to cash offset the increase in capital distribution and investments.

Financial leverage, as measured by the ratio of NIBD to EBITDA before special items, was a multiple of 0.9 which was on level with year-end 2016. The equity ratio was 50% at the end of the year.

Equity

Equity amounted to DKK 6,613m at the end of the year, including minority interests of DKK 15m. This was 1% below equity at year-end 2016 as total comprehensive income for 2017 was DKK 1,510m while transactions with owners reduced equity by DKK 1,581m, including dividends and share buybacks.

Invested capital and ROIC

Invested capital was DKK 9,099m at the end of the year which was 1% below year-end 2016 while the average invested capital increased 2% to DKK 9,178m.

For 2017, the return on invested capital, ROIC, was 19.0% before special items compared to 17.8% for 2016.

MANAGEMENT SHAREHOLDINGS

Current shareholdings for Niels Smedegaard, CEO, and Torben Carlsen, CFO, are available at <https://www.dfds.com/group/about/management>.

OUTLOOK 2018

DFDS has over the past five years achieved a considerably higher level of earnings.

New customer agreements, continuous improvement projects and tailwind from European growth is expected to underpin and drive further earnings improvement.

OUTLOOK 2018

DKK m	OUTLOOK 2018	2017
Revenue growth	2%	14,328
EBITDA before special items	2,650-2,850	2,702
Per division:		
Shipping Division	2,475-2,625	2,513
Logistics Division	275-325	263
Non-allocated items	-100	-74
Depreciation increase	4%	-933
Special items	-20	-41
Investments	-1,100	-1,564

On top of organic growth, acquisitions are also expected to increase earnings but are not included in the outlook.

In 2018, DFDS will invest in further development of digital capabilities to enhance the customer experience and gain operational efficiencies, see also page 5. This is expected to entail additional costs of around DKK 100m as well as increased investments.

The Passenger business unit is expected to remain challenged by weaker market trends in Norway and UK as well as higher bunker and other costs.

The outlook for two key income currencies, NOK and SEK, is also not favorable compared to 2017. European real GDP growth looks set to continue at a level of around 2% in 2018. This includes growth projections for the UK economy of around 1%.

Revenue outlook

The Group's revenue is expected to increase by around 2% driven by a mix of volume and price growth. The planned increase of the route network's capacity is overall limited for both freight and passengers, except for large increases on two freight routes.

Non-comparable revenue items in 2017 and 2018, divested activities and acquisitions, are on level and no adjustments are therefore included in the above growth outlook.

Freight volumes, particularly un-accompanied units, are expected to grow on most routes. Volume growth levels on routes calling the UK are expected to decline compared to 2017 due to expectations of a slowdown in UK GDP-growth to around 1%.

Passenger volumes are expected to be on level with 2017 as UK passenger volumes were normalised during 2017 following the depreciation of GBP since the Brexit vote in 2016.

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

EBITDA outlook

The Group's EBITDA before special items is expected to be within a range of DKK 2,650-2,850m (2017: DKK 2,702m).

The Shipping Division's EBITDA before special items is expected to be within a range of DKK 2,475-2,625m (2017: DKK 2,512m).

The Logistics Division's EBITDA before special items is expected to be within a range of DKK 275-325m (2017: DKK 263m).

Special items

Special items of DKK -20m are expected related to the award of shares to employees in connection with DFDS' 150th anniversary.

Investments

Investments of around DKK 1.1bn are expected in 2018:

- Dockings and ship upgrades: DKK 350m
- Freight ship (ro-ro) new buildings: DKK 300m
- Port terminals: DKK 200m
- Cargo carrying equipment and warehouses, mainly related to the Logistics Division: DKK 150m
- Other investments, including IT and digital: DKK 100m.

A total of four freight new buildings are on order. Two for delivery in beginning of 2019 and two for delivery in beginning of 2020.

To ensure that the ferry route network at all times has sufficient capacity available to meet customer demand, opportunities to procure ships are continuously assessed. In the course of the year further ship investments than listed above may therefore occur.

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.



New apps were launched in 2017 to make life easier for our freight customers, not the least for drivers that pick up and deliver trailers to the ports in our route network.

The apps make check-in procedures easier and notifications can be received about unforeseen changes to schedules to allow for adjustments to trip planning.

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	2017				2017	2016				2016
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Revenue	2,154	2,523	2,835	2,381	9,892	2,020	2,440	2,744	2,264	9,468
EBITDA before special items	376	680	926	531	2,513	367	650	927	495	2,439
Share of profit/loss of associates and joint ventures	6	0	-1	1	6	-1	0	-2	0	-3
Profit/loss on disposal of non-current assets, net	0	0	0	0	1	0	2	2	0	4
Depreciation and impairment	-202	-203	-198	-189	-792	-194	-218	-205	-211	-828
EBIT before special items	180	478	726	343	1,727	173	434	722	284	1,613
EBIT margin before special items, %	8.4	18.9	25.6	14.4	17.5	8.6	17.8	26.3	12.5	17.0
Special items, net	0	9	0	-16	-7	0	-7	0	-6	-13
EBIT	180	486	726	327	1,720	173	427	722	278	1,600
Invested capital, average	8,264	8,287	8,347	8,271	8,264	7,845	8,381	8,417	8,202	8,145
ROIC before special items, %	-	-	-	-	20.7	-	-	-	-	19.6
Lane metres, '000	9,223	9,433	9,513	9,613	37,782	8,610	9,954	9,440	9,779	37,783
Passengers, '000	756	1,428	2,144	1,020	5,349	841	1,329	2,150	1,009	5,329

Q4 MARKET, ACTIVITY AND RESULT TRENDS

North Sea

Freight volumes in Q4 were 6.0% above 2016. Continued growth in trade between UK and the Continent supported growth in the Netherlands-UK corridor along with an increase in un-accompanied transport solutions for trailers due to some shortage of drivers in the market. Volumes for cars were lower between Germany and UK. The Sweden-Belgium corridor carried higher volumes as capacity was increased by deployment of a fourth ship in mid-August. Trading between Sweden and UK was well balanced

and continued on a positive trend in the quarter.

EBIT increased 29% to DKK 166m driven by the higher volumes that also benefitted port terminals. In addition, the result includes a positive variance of DKK 24m from a one-off write-down on ship equipment in Q4 2016 and a partial reversal of the write-down in Q4 2017.

Baltic Sea

Freight volumes in Q4 were 2.5% below 2016 reflecting slightly lower market shares in some regions where capacity has been increased on competing routes. Freight

market conditions were in general solid in the region. Passenger volumes were down 6.6% mostly due to a lower market share between Sweden and Estonia.

EBIT increased 15% to DKK 84m primarily due to a reduction of operating costs.

Channel

DFDS' freight market share stabilised further in Q4. Freight volumes decreased 5.4% mainly due to lower volumes between Dover and Dunkirk as volumes in Q4 2016 were boosted by the shutdown of the illegal migrant camp close to the Calais port.

Passenger volumes were up 0.9% in Q4 as increasing volumes between Dover and Calais offset lower volumes on the Dunkirk route.

EBIT increased 49% to DKK 75m in Q4 primarily due to lower operating costs.

France & Mediterranean

Freight volumes in Q4 were 5.2% below 2016 while passenger volumes were up 0.5%. The decrease in freight volumes was entirely due to the Western Channel market.

EBIT increased to DKK 1m from a loss of DKK 9m in 2016 mainly due to an accrual made in Q4 2016 related to redelivery of ships.

Passenger

The number of passengers in Q4 increased 2.3% compared to 2016 as volumes increased on both routes. The UK market has stabilised while on board purchasing power for Norwegian passengers weakened further during the quarter due to the depreciation of NOK. Changes in the passenger mix also contributed to lower on board spending.

EBIT decreased significantly in Q4 to DKK -29m from DKK 19m in 2016. Around half of the negative variance was due to lower route results due to a changes in the passenger mix and depreciation of NOK, lower freight contributions and higher bunker costs. In addition, costs related to sales and administration increased.

Non-allocated items

These items comprise primarily external charter activities.

EBIT increased DKK 25m to DKK 47m driven by a number of cost savings and a one-off income from a settlement with a former bunker supplier's administrator.

SHIPPING DIVISION

	2017				2017	2016				2016
DKK m	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
NORTH SEA										
Revenue	926	928	897	949	3,699	812	861	822	870	3,365
EBIT before special items	151	179	174	166	670	128	142	117	129	515
Invested capital	4,263	4,136	4,115	4,064	4,164	4,018	4,177	4,296	4,240	4,168
ROIC before special items, %	-	-	-	-	15.8	-	-	-	-	12.1
Lane metres freight, '000	3,077	3,185	3,145	3,204	12,611	2,807	3,020	2,913	3,031	11,770
BALTIC SEA										
Revenue	341	382	388	355	1,465	299	340	371	339	1,349
EBIT before special items	74	105	116	84	379	78	92	119	73	363
Invested capital	1,218	1,181	1,182	1,159	1,201	1,056	1,387	1,326	1,265	1,203
ROIC before special items, %	-	-	-	-	31.5	-	-	-	-	30.0
Lane metres freight, '000	1,118	1,169	1,146	1,126	4,559	938	998	959	1,154	4,049
Passengers, '000	34	55	76	41	205	34	52	79	44	209
CHANNEL										
Revenue	457	563	746	540	2,306	428	586	766	508	2,288
EBIT before special items *	-1	75	202	75	350	23	97	226	50	396
Invested capital	2,057	2,055	2,022	1,933	2,019	2,227	2,185	2,135	2,030	1,937
ROIC before special items, %	-	-	-	-	17.2	-	-	-	-	20.4
Lane metres freight, '000	4,643	4,684	4,848	4,898	19,073	4,493	5,493	5,161	5,178	20,325
Passengers, '000	455	908	1,482	620	3,465	531	830	1,484	615	3,460
FRANCE & MEDITERRANEAN										
Revenue	98	123	150	110	480	98	124	153	105	481
EBIT before special items	-8	2	18	1	13	-7	5	22	-9	11
Invested capital	76	40	33	43	35	-71	-8	17	-17	-29
ROIC before special items, %	-	-	-	-	35.8	-	-	-	-	n.a.
Lane metres freight, '000	243	248	234	225	950	237	272	258	237	1,003
Passengers, '000	31	92	166	51	339	37	92	174	50	353
PASSENGER										
Revenue	272	460	586	356	1,674	286	465	590	373	1,713
EBIT before special items	-59	88	184	-29	183	-60	96	198	19	253
Invested capital	620	711	725	712	678	566	523	571	625	577
ROIC before special items, %	-	-	-	-	26.6	-	-	-	-	43.1
Lane metres freight, '000	141	147	140	160	589	135	171	149	180	634
Passengers, '000	237	374	421	309	1,341	239	356	413	300	1,307
NON-ALLOCATED ITEMS										
Revenue	101	121	123	132	478	149	111	97	131	488
EBIT before special items *	23	30	33	47	133	11	2	40	22	74

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. * EBIT has been restated in Q1 and Q2 2016 as costs for the redelivery of a laid-up chartered ship was not consistently reported between business units and all costs have therefore been moved to Non-allocated items.

LOGISTICS DIVISION

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

- Nordic
- Continent
- UK & Ireland

LOGISTICS

DKK m	2017				2017	2016				2016
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Revenue	1,235	1,346	1,261	1,318	5,160	1,220	1,268	1,208	1,235	4,930
EBITDA before special items	48	73	66	77	263	54	69	60	70	252
Profit/loss on disposal of non-current assets, net	3	1	0	1	5	1	1	1	1	4
Depreciation and impairment	-25	-24	-25	-28	-102	-24	-23	-22	-25	-94
EBIT before special items	26	49	42	50	166	30	47	39	46	161
EBIT margin before special items, %	2.1	3.6	3.3	3.8	3.2	2.5	3.7	3.2	3.7	3.3
Special items, net	0	0	0	-13	-13	0	0	0	0	0
EBIT	26	49	42	37	153	31	47	39	45	162
Invested capital, average	1,123	1,127	1,139	1,129	1,128	1,122	1,064	1,022	1,130	1,084
ROIC before special items, %	-	-	-	-	13.1	-	-	-	-	13.4
Tons, '000	99.0	100.0	94.1	107.3	400.4	114.3	98.2	96.4	118.3	427.2
Units, '000	131.9	140.9	136.1	139.6	548.5	125.7	132.5	129.9	134.2	522.3

Q4 MARKET, ACTIVITY AND RESULT TRENDS

Nordic

The number of transported units in Q4 increased 27.9% compared to 2016 and by 25.7% adjusted for the acquisition of Ital-cargo in December 2016. New contract logistics activities in Sweden and the Baltic region accounted for around half of the increase. Volumes for door-door trailer solutions continued to grow in the Sweden-UK corridor and in the Baltic region while door-door volumes out of Norway were on level with last year. Norwegian sideport volumes continued to be below last year.

EBIT increased 81% to DKK 22m driven by higher earnings for the Swedish activities while the result for the Norwegian and Baltic activities were below 2016.

Continent

The number of transported units in Q4 were up 5.9% as volume growth for the Netherlands-UK traffics as well as Belgium-Sweden traffics continued at a high level. This was offset by lower automotive volumes between Germany and UK.

EBIT increased 74% to DKK 21m driven by the Benelux activities, including a growing share of high-margin solutions and additional contract logistics activities.

UK & Ireland

The number of transported units in Q4 decreased 0.6% compared to 2016 and increased 3.7% adjusted for the acquisition of Shetland Transport in November 2016 and the divested Belfast activity. The volume growth was mainly driven by higher activity in cold stores in England while volumes continued to be lower between UK and Italy.

EBIT decreased significantly by 67% to DKK 7m. Around a third of the decrease was due to the divested Belfast activity and another third was due to extra costs related to start up of a new cold store contract. In addition, aquaculture and rail volumes were lower than last year.

LOGISTICS DIVISION

DKK m	2017				2017	2016				2016
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Nordic										
Revenue	429	486	461	522	1,898	411	418	383	400	1,613
EBIT before special items	9	17	13	22	62	13	16	13	12	53
Invested capital	332	360	411	371	359	320	305	304	322	319
ROIC before special items, %	-	-	-	-	16.8	-	-	-	-	16.2
Units, '000 *	31.0	35.8	32.9	35.4	135.2	30.5	30.4	28.1	30.4	119.4
Tons, '000	99.0	100.0	94.1	107.3	400.4	114.3	98.2	96.4	118.3	427.2
Continent										
Revenue	479	518	500	538	2,035	489	501	489	479	1,957
EBIT before special items	9	17	18	21	65	9	16	11	12	47
Invested capital	346	340	344	368	351	350	326	340	355	339
ROIC before special items, %	-	-	-	-	15.3	-	-	-	-	11.5
Units, '000	54.2	57.1	56.1	61.3	228.7	55.7	57.1	55.5	54.8	223.0
UK & Ireland										
Revenue	359	378	339	312	1,388	353	384	368	389	1,494
EBIT before special items	9	14	10	7	40	8	15	16	21	61
Invested capital	445	429	394	370	418	426	400	374	453	426
ROIC before special items, %	-	-	-	-	8.2	-	-	-	-	12.8
Units, '000 **	46.7	48.0	47.1	42.9	184.6	39.5	44.9	46.3	49.1	179.8
Non-allocated items										
Revenue	53	54	55	53	216	54	52	49	45	201
EBIT before special items	0	0	0	0	0	0	0	0	0	0

* Excluding volumes related to automotive Logistics contract.

** Volumes from Haulage Shetland Ltd. not included in Q4 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 2017.

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 2017 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 December 2017.

Further, in our opinion, the Management review p. 1-14 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, 8 February 2018



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

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

DFDS GROUP - INCOME STATEMENT

DKK m	Note	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Revenue		3,497.4	3,351.0	14,327.8	13,790.4
Costs					
Ship operation and maintenance		-753.9	-736.6	-2,888.9	-2,585.6
Freight handling		-556.6	-515.2	-2,262.0	-2,197.2
Transport solutions		-777.2	-767.6	-3,128.4	-3,114.9
Employee costs		-675.0	-665.4	-2,660.7	-2,607.9
Costs of sales and administration		-160.3	-153.4	-685.4	-696.6
Operating profit before depreciation (EBITDA) and special items		574.3	512.8	2,702.3	2,588.2
Share of profit/loss of associates and joint ventures		0.4	-0.1	5.6	-3.0
Profit/loss on disposal of non-current assets, net		1.2	2.1	7.0	8.5
Depreciation, ships		-184.9	-183.9	-745.3	-760.8
Depreciation, other non-current assets		-51.4	-45.2	-197.3	-174.3
Impairment losses, ships and other non-current assets		9.3	-15.0	9.3	-15.1
Operating profit (EBIT) before special items		348.9	270.6	1,781.7	1,643.6
Special items, net	3	-33.1	-6.0	-40.7	-12.8
Operating profit (EBIT)		315.8	264.6	1,741.0	1,630.7
Financial income		7.8	25.5	27.0	56.0
Financial costs		-11.0	-28.5	-81.7	-99.1
Profit before tax		312.6	261.5	1,686.3	1,587.6
Tax on profit		-16.6	11.1	-68.3	-39.3
Profit for the period		296.0	272.6	1,618.0	1,548.3
Attributable to:					
Equity holders of DFDS A/S		312.7	272.7	1,650.7	1,548.1
Non-controlling interests		-16.7	-0.1	-32.7	0.2
Profit for the period		296.0	272.6	1,618.0	1,548.3
Earnings per share					
Basic earnings per share (EPS) of DKK 20, DKK		5.40	4.76	29.69	26.63
Diluted earnings per share (EPS-D) of DKK 20, DKK		5.36	4.71	29.44	26.35

DFDS GROUP - COMPREHENSIVE INCOME

	2017	2016	2017	2016
DKK m	Q4	Q4	Full year	Full year
Profit for the period	296.0	272.6	1,618.0	1,548.3
Other comprehensive income				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	57.9	62.1	57.9	-152.6
Tax on items that will not be reclassified to the Income statement	-0.7	-10.4	1.1	-10.4
Items that will not be reclassified subsequently to the Income statement	57.2	51.7	59.0	-163.0
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	-67.6	25.3	-132.7	77.1
Value adjustment transferred to operating costs	-1.3	-3.2	-9.6	8.7
Value adjustment transferred to financial costs	54.5	14.5	29.1	-6.1
Value adjustment transferred to non-current tangible assets	2.1	-3.8	6.2	-3.8
Foreign exchange adjustments, subsidiaries	-36.1	-4.7	-60.2	-113.3
Unrealised value adjustment of securities	0.0	0.0	0.0	25.2
Realised value adjustment of securities transferred to financial items	0.0	-25.2	0.0	-25.2
Items that are or may be reclassified subsequently to the Income statement	-48.5	2.8	-167.3	-37.5
Total other comprehensive income after tax	8.7	54.5	-108.2	-200.4
Total comprehensive income	304.6	327.1	1,509.8	1,347.9
Attributable to:				
Equity holders of DFDS A/S	321.3	327.2	1,542.5	1,347.9
Non-controlling interests	-16.7	-0.2	-32.7	0.0
Total comprehensive income	304.6	327.1	1,509.8	1,347.9

BALANCE SHEET ASSETS

	2017	2016
DKK m	Full year	Full year
Goodwill	554.5	555.8
Other non-current intangible assets	29.4	37.5
Software	235.3	195.7
Development projects in progress	14.8	37.0
Non-current intangible assets	834.0	826.1
Land and buildings	148.8	161.8
Terminals	480.4	510.6
Ships	7,505.4	7,904.0
Equipment, etc.	615.7	542.7
Assets under construction and prepayments	307.8	135.9
Non-current tangible assets	9,058.0	9,255.0
Investments in associates and joint ventures and securities	42.8	38.1
Receivables	135.7	24.8
Deferred tax	63.6	94.6
Derivative financial instruments	0.0	34.5
Other non-current assets	242.1	192.1
Non-current assets	10,134.1	10,273.1
Inventories	155.8	139.2
Trade receivables	1,687.5	1,602.2
Receivables from associates and joint ventures	74.1	52.2
Other receivables	129.2	119.2
Prepaid costs	90.7	84.2
Derivative financial instruments	3.8	25.0
Cash	1,033.2	695.6
Current assets	3,174.3	2,717.6
Assets classified as held for sale	0.0	13.5
Total current assets	3,174.3	2,731.1
Assets	13,308.4	13,004.3

EQUITY AND LIABILITIES

	2017	2016
DKK m	Full year	Full year
Share capital	1,140.0	1,200.0
Reserves	-455.0	-299.7
Retained earnings	5,685.7	5,556.1
Proposed dividends	228.0	180.0
Equity attributable to equity holders of DFDS A/S	6,598.7	6,636.4
Non-controlling interests	15.0	48.2
Equity	6,613.7	6,684.6
Interest-bearing liabilities	2,931.6	2,100.9
Deferred tax	197.1	191.2
Pension and jubilee liabilities	378.6	460.2
Other provisions	42.4	54.9
Derivative financial instruments	94.8	145.6
Non-current liabilities	3,644.5	2,952.8
Interest-bearing liabilities	343.9	907.9
Trade payables	1,847.0	1,722.3
Payables to associates and joint ventures	40.1	28.4
Other provisions	35.1	67.1
Corporation tax	23.8	30.2
Other payables	489.6	472.0
Derivative financial instruments	111.3	0.2
Prepayments from customers	159.3	138.9
Current liabilities	3,050.2	3,366.9
Liabilities	6,694.7	6,319.7
Equity and liabilities	13,308.4	13,004.3

DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 DECEMBER 2017)

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 2017	1,200.0	-279.6	38.8	0.1	-58.9	5,556.1	180.0	6,636.4	48.2	6,684.6
Comprehensive income for the period										
Profit for the period						1,650.7		1,650.7	-32.7	1,618.0
Other comprehensive income										
Items that will not be reclassified subsequently to the Income statement:										
Remeasurement of defined benefit pension obligations						57.9		57.9		57.9
Tax on items that will not be reclassified to the Income statement						1.1		1.1		1.1
Items that will not be reclassified subsequently to the Income statement	0.0	0.0	0.0	0.0	0.0	59.0	0.0	59.0	0.0	59.0
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			-132.7					-132.7		-132.7
Value adjustment transferred to operating costs			-9.6					-9.6		-9.6
Value adjustment transferred to financial costs			29.1					29.1		29.1
Value adjustment transferred to non-current tangible assets			6.2					6.2		6.2
Foreign exchange adjustments, subsidiaries		-60.2						-60.2	0.0	-60.1
Items that are or may be reclassified subsequently to the Income statement	0.0	-60.2	-107.1	0.0	0.0	0.0	0.0	-167.3	0.0	-167.2
Total other comprehensive income after tax	0.0	-60.2	-107.1	0.0	0.0	59.0	0.0	-108.2	0.0	-108.2
Total comprehensive income	0.0	-60.2	-107.1	0.0	0.0	1,709.8	0.0	1,542.5	-32.7	1,509.9
Transactions with owners										
Acquisition, non-controlling interests						0.4		0.4	-0.5	-0.2
Dividend paid							-167.9	-167.9		-167.9
Dividend on treasury shares						12.1	-12.1	0.0		0.0
Proposed extraordinary dividend						-399.0	399.0	0.0		0.0
Extraordinary dividend paid							-387.5	-387.5		-387.5
Extraordinary dividend on treasury shares						11.5	-11.5	0.0		0.0
Proposed dividend at year-end						-228.0	228.0	0.0		0.0
Vested share-based payments						25.9		25.9		25.9
Cash from sale of treasury shares related to exercise of share options					12.6	42.7		55.3		55.3
Purchase of treasury shares					-60.6	-1,045.2		-1,105.8		-1,105.8
Reduction of share capital by cancellation of treasury shares	-60.0				60.0			0.0		0.0
Other adjustments						-0.6		-0.6		-0.6
Transactions with owners 2017	-60.0	0.0	0.0	0.0	12.0	-1,580.2	48.0	-1,580.2	-0.5	-1,580.7
Equity at 31 December 2017	1,140.0	-339.7	-68.4	0.1	-47.0	5,685.7	228.0	6,598.7	15.0	6,613.7

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 be reclassified subsequently 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 be reclassified subsequently 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
Dividend paid							-175.4	-175.4		-175.4
Dividend on treasury shares						9.1	-9.1	0.0		0.0
Proposed extraordinary dividend						-180.0	180.0	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 at 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 - CASH FLOW STATEMENT

DKK m	2017 Q4	2016 Q4	2017 Full year	2016 Full year
Operating profit before depreciation (EBITDA) and special items	574.3	512.8	2,702.3	2,588.2
Cash flow effect from special items related to operating activities	0.0	-0.1	0.0	-2.6
Adjustments for non-cash operating items, etc.	9.1	11.8	18.8	14.3
Change in working capital	132.9	138.0	42.5	168.4
Payment of pension liabilities and other provisions	-13.0	-9.3	-63.7	-85.5
Cash flow from operating activities, gross	703.3	653.1	2,699.9	2,682.7
Interest etc. received	27.3	26.0	118.7	108.7
Interest etc. paid	-30.1	-44.6	-162.8	-182.2
Taxes paid	-21.5	-4.5	-33.5	-20.4
Cash flow from operating activities, net	678.9	630.0	2,622.2	2,588.8
Investments in ships including dockings, rebuildings and ships under construction (incl. settlement of forward exchange contracts) related thereto	-124.0	-161.1	-1,299.8	-955.7
Investments in other non-current tangible assets	-61.0	-107.5	-214.4	-206.2
Sale of other non-current tangible assets	5.2	1.2	35.6	18.1
Investments in non-current intangible assets	-17.6	-18.5	-51.1	-52.4
Acquisition of enterprises, associates, joint ventures and activities	0.0	-50.4	0.0	-50.9
Sale of activities etc.	0.0	0.0	0.0	5.0
Sale of securities	0.0	34.1	0.0	34.1
Other investing cash flows	-24.4	0.0	-34.4	0.0
Dividend from associates and joint ventures	0.0	0.8	0.0	0.8
Cash flow to/from investing activities, net	-221.8	-301.5	-1,564.2	-1,207.2
Cash flow before financing activities, net	457.1	328.5	1,058.0	1,381.6
Proceed from loans secured by mortgage in ships	0.0	0.0	671.6	0.0
Repayment and instalments of loans secured by mortgage in ships	-55.0	-28.2	-111.2	-298.7
Proceed from issuance of corporate bonds	-3.4	0.0	990.5	0.0
Repayment of corporate bonds incl. settlement of cross currency swap	0.0	0.0	-504.9	-493.5
Change in other financial loans, net	-29.1	-23.9	-23.6	-47.0
Payment of financial lease liabilities	-2.2	-24.8	-37.1	-87.5
Change in operating credits	0.0	-119.8	0.0	-0.9
Acquisition of treasury shares	-164.0	-184.2	-1,105.8	-914.1
Other non-current receivable	0.0	0.0	-111.0	0.0
Cash received from exercise of share options	0.0	0.0	55.3	64.2
Government grants received related to purchase of assets	0.0	19.0	11.9	19.7
Other financing cash flows	0.0	-0.7	-0.2	2.6
Dividends paid	0.3	0.0	-555.3	-349.0
Cash flow to/from financing activities, net	-253.3	-362.6	-719.7	-2,104.3
Net increase (decrease) in cash and cash equivalents	203.8	-34.1	338.3	-722.7
Cash and cash equivalents at beginning of period	829.5	729.9	695.6	1,422.6
Foreign exchange and value adjustments of cash and cash equivalents	-0.1	-0.2	-0.7	-4.2
Cash and cash equivalents at end of period	1,033.2	695.6	1,033.2	695.6

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 2016. 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 2017. The new standards and interpretations have not had any material impact on the Group's interim report.

NOTE 2 SEGMENT INFORMATION

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
2017				
External revenue	9,163.5	5,139.7	24.6	14,327.8
Intragroup revenue	728.9	19.9	375.5	1,124.4
Total revenue	9,892.4	5,159.7	400.1	15,452.2
Operating profit (EBIT) before special items	1,727.1	166.3	-111.7	1,781.7
Operating profit after special items (EBIT)	1,719.9	153.2	-132.1	1,741.0

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

NOTE 3 SPECIAL ITEMS

DKK m	2017 Full year	2016 Full year
Adjustment of estimated earn-out to the sellers regarding the acquisition of the route Hanko-Paldiski acquired in 2016 and Kapellskär-Paldiski acquired in 2011; the acquisition of Quayside Group in 2014 (earn-out settled in 2016) and the activities of Beltrin s.r.o. in Czech Republic in 2015 (earn-out settled in 2016)	13.7	-12.1
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 accrue from December 2016 to February 2020.	-20.4	-0.7
Cost and impairments related to closure of the freight terminal in Esbjerg.	-20.9	0.0
Accounting loss and costs related to the divestment of DFDS Logistics' loss making reefer activities in Belfast	-13.1	0.0
Special items, net	-40.7	-12.8

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

2017

ACQUISITION

On 3 January 2018 the acquisition of the Dutch company Alphatrans Group BV headquartered in Rotterdam 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 Holding B.V. and the acquired company is after the acquisition included in the Continent Business Unit.

Even though the acquisition of Alphatrans is not consolidated in the consolidated financial statements for 2017, it is still required to disclose the acquisition in the notes.

DFDS paid EUR 15.5m cash for the acquired company. In addition an earn-out agreement was entered into according to which seller is entitled to additional payment based on the Alphatrans Group's financial performance combined for 2017 and 2018. It is estimated that the earn-out will be EUR 2.7m.

The detailed work on preparing the purchase price allocation, including review of the opening balances of the Alphatrans Group's entities, will commence in February 2018.

Based on the preliminary high-level financial information received from Alphatrans Group the estimated purchase price exceed the preliminary net book value of the acquired net assets by EUR 4.1m, which is before review of the opening balances as well as before any purchase price allocations.

Alphatrans Group's estimated revenue for 2018 is EUR 47m. Transaction costs incurred were insignificant and have been expensed in 2017 as part of Administration costs.

DISPOSAL

DFDS' Logistics loss making reefer activities in Belfast have been divested to Manfreight Ltd. for GBP 1. The divestment is effective as from 1 November 2017. The total annual revenue of activities included in the divestment is around DKK 250m and comprise more than 100 employees. The divestment result in an accounting loss in 2017 of around DKK 13m recognised under special items.

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.

On 14 November 2016 the acquisition of the Scottish company Haulage Shetland Ltd. was completed.

On 21 December 2016 the acquisition of the Swedish company Italcargo AB Sweden was completed.

For further details of these acquisitions, refer to the annual report for 2016.

NOTE 5 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 2017.

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.

ASSETS HELD FOR SALE

During Q1 2017 the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m was sold, which has resulted in an accounting gain of approx. DKK 1.1m.

DKK m	31 DECEMBER 2017		31 DECEMBER 2016	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Derivatives (Level 2)	3.8	3.8	59.6	59.6
Assets held for sale (non-recurring fair value measurement) (Level 3)	0.0	0.0	13.5	13.5
Financial liabilities				
Derivatives (Level 2)	206.0	206.0	145.8	145.8

NOTE 6 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 2016. 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 2017. These IFRSs have not had any material impact on the DFDS A/S' interim report.

The Parent Company's revenue increased by DKK 478.8m, equivalent to 5.3%. Operating profit before depreciation and special items (EBITDA) decreased from DKK 1,839.6m to DKK 1,816.6m, equivalent to a decrease of 1.3%.

Special items is a net gain of DKK 94.1m related to an adjustment of earn out to seller of the Kapellskär-Paldiski and the Hanko-Paldiski route (DKK 13.7m), a gain regarding a group internal sale of two ships (DKK 107.0m), cost and impairments related to closure of freight terminal in Esbjerg (DKK -20.9m) and an accrual for DFDS 150 years anniversary shares awarded to employees (DKK -5.7m).

Included in Financial items, net for 2017 is an income of DKK 150.0m from reversal of previous impairments of investments in subsidiaries that are no longer needed. In

2017 an income of DKK 169.5m is recognised resulting from reversal of previous written down receivables from subsidiaries which are no longer needed. Further, a cost of DKK 94.9m is recognised due to impairment of investments in subsidiaries.

Profit before tax increased from DKK 1,531.1m in 2016 to DKK 1,879.7m in 2017.

The Parent Company's net interest-bearing debt decreased from DKK 4,466.1m at 31 December 2016 to DKK 3,321.8m at 31 December 2017.

DKK m	2017 Full year	2016 Full year
Income statement		
Revenue	9,515.9	9,037.1
Operating profit before depreciation (EBITDA) and special items	1,816.6	1,839.6
Operating profit (EBIT) before special items	1,329.9	1,310.1
Special items, net	94.1	-12.9
Operating profit (EBIT)	1,424.0	1,297.2
Financial items, net	455.7	233.9
Profit before tax	1,879.7	1,531.1
Profit for the period	1,878.2	1,541.6
Assets		
Non-current intangible assets	367.1	351.3
Non-current tangible assets	4,292.9	5,270.4
Investments in affiliated companies, associates and joint ventures	3,951.3	3,892.5
Other non-current assets	120.7	44.0
Non-current assets	8,732.0	9,558.2
Current receivables from affiliated companies	963.5	615.0
Receivables from associates and joint ventures	53.4	49.8
Cash	937.6	603.1
Other current assets	939.1	873.2
Current assets	2,893.6	2,141.1
Assets	11,625.5	11,699.3
Equity and liabilities		
Equity	4,961.5	4,750.3
Non-current liabilities	2,438.8	2,264.8
Current liabilities to affiliated companies	2,507.8	2,555.8
Other current liabilities	1,717.3	2,128.4
Current liabilities	4,225.2	4,684.2
Equity and liabilities	11,625.5	11,699.3
Equity ratio, %	42.7%	40.6%
Net interest-bearing debt	3,321.8	4,466.1

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)	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
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
No. of ships	Owned and chartered ships, including slot charter and vessel sharing agreements

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