

INTERIM REPORT Q1 2017

# Q1 ON TRACK

**EARNINGS**  
**INCREASED** DESPITE  
LATE EASTER

**STRONG**  
**PERFORMANCE**  
IN NORTH SEA

POSITIVE OUTLOOK  
FOR 2017  
**CONFIRMED**





## Q1 2017

- 10% freight volume growth in North Sea
- Passenger volumes reduced by late Easter
- Profit before special items and tax increased 10% to DKK 173m
- ROIC (LTM) of 17.6%

## OUTLOOK 2017

- Positive outlook confirmed
- Revenue growth of 4%, adjusted
- EBITDA DKK 2.6-2.8bn

“We achieved a Q1-result ahead of last year. Combined with a continued positive outlook for growth in Europe, we are on track in 2017 to further improve on the all-time high results of last year.”

**Niels Smedegaard, CEO**

Revenue increased by 3% in Q1 adjusted for non-comparable items. Reported revenue was up by 4% to DKK 3.2bn.

EBITDA before special items increased by 2% to DKK 414m following higher earnings in the Shipping Division. The result was negatively impacted by non-comparable items vs 2016, including the late Easter in 2017. Q1 is the low season of the year for DFDS due to a low level of passenger activity.

Freight volumes in the Shipping Division's route network were up 7% and up 5% excluding the Hanko-Paldiski route acquired in October 2016.

Passenger volumes were 10% lower than last year mainly due to Easter falling in Q2 in 2017 vs Q1 in 2016.

The Logistics Division's Q1 EBITDA of DKK 48m was 11% below last year following a lower result in the Nordic business

unit. Extra costs were incurred from startup of new logistics contracts and traffic imbalances and activity levels in some markets were below last year. The performance of the Continent and UK & Ireland business units were in line with expectations.

### Distribution to shareholders

A total of DKK 826m was distributed to shareholders through share buybacks and dividend in Q1 2017. The total distribution for 2017 is currently expected to be DKK 1.3bn.

### Outlook 2017

The European growth outlook continues to be supportive of DFDS' infrastructure of ferry routes and the logistics operations.

The Group's full-year revenue growth is still expected to be around 4%, excluding revenue from bunker surcharges. EBITDA before special items is still expected to be within a range of DKK 2,600-2,800m (2016: DKK 2,588m).

### KEY FIGURES

DKK m	Q1	Q1		LTM	LTM		FY
Before special items	2017	2016	Δ %	2016-17	2015-16	Δ %	2016
Revenue	3,220	3,088	4.3%	13,922	13,636	2.1%	13,790
<b>EBITDA</b>	<b>414</b>	<b>405</b>	<b>2.3%</b>	<b>2,598</b>	<b>2,218</b>	<b>17.1%</b>	<b>2,588</b>
EBIT	189	181	4.6%	1,652	1,353	22.1%	1,644
Profit before tax	173	157	10.1%	1,616	1,249	29.4%	1,600

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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	2016-2017	2016
DKK m	Q1	Q1	LTM	Full year
<b>Income statement</b>				
Revenue	3,220	3,088	13,922	13,790
• Shipping Division	2,154	2,020	9,602	9,468
• Logistics Division	1,235	1,220	4,945	4,930
• Non-allocated items	98	86	352	340
• Eliminations	-267	-238	-977	-948
Operating profit before depreciation (EBITDA) and special items	414	405	2,598	2,588
• Shipping Division	376	367	2,447	2,439
• Logistics Division	48	54	246	252
• Non-allocated items	-9	-16	-96	-103
Profit/loss on disposal of non-current assets, net	4	1	12	8
Operating profit (EBIT) before special items	189	181	1,652	1,644
Special items, net	-6	0	-19	-13
Operating profit (EBIT)	183	181	1,633	1,631
Financial items, net	-16	-24	-36	-43
Profit before tax	167	157	1,597	1,588
Profit for the period	150	143	1,555	1,548
Profit for the period excluding non-controlling interest	150	144	1,555	1,548
<b>Capital</b>				
Total assets	12,829	13,161	-	13,004
DFDS A/S' share of equity	6,017	6,008	-	6,636
Equity	6,065	6,057	-	6,685
Net interest bearing debt	3,007	2,952	-	2,424
Invested capital, end of period	9,180	9,083	-	9,205
Invested capital, average	9,193	8,535	9,200	9,037

	2017	2016	2016-2017	2016
DKK m	Q1	Q1	LTM	Full year
<b>Cash flows</b>				
Cash flows from operating activities, before financial items and after tax	435	454	2,643	2,662
Cash flows from investing activities	-218	-349	-1,076	-1,207
• Acquisition of enterprises and activities	0	0	-51	-51
• Other investments, net	-218	-349	-1,025	-1,156
Free cash flow	217	105	1,568	1,455
<b>Key operating and return ratios</b>				
Average number of employees	7,015	6,791	6,960	7,065
Number of ships	55	56	-	57
Revenue growth, %	4.3	5.5	1.0	2.4
EBITDA-margin, %	12.9	13.1	18.7	18.8
Operating margin, %	5.9	5.9	11.9	11.9
Revenue, invested capital average, (times)	-	-	1.5	1.5
Return on invested capital (ROIC), %	-	-	17.4	17.7
ROIC before special items, %	-	-	17.6	17.8
Return on equity, %	-	-	25.9	23.4
<b>Key capital and per share ratios</b>				
Equity ratio, %	47.3	46.0	-	51.4
Net interest bearing debt/EBITDA, (times)	-	-	1.2	0.9
Earnings per share (EPS), DKK	2.65	2.43	27.05	26.63
Dividend paid per share, DKK	3.00	0.00*	9.00	6.00
Number of shares, end of period, '000	60,000	61,500	-	60,000
Weighted average number of circulating shares, '000	56,576	59,172	-	58,141
Share price, DKK	383.5	238.0	-	322.6
Market value	21,436	13,919	-	18,405

\*DKK 3.00 was paid in April 2016.

Definitions on page 25.

## MARKET OVERVIEW AND OUTLOOK

The general outlook for Europe's economy continues to be positive and moderate growth levels are expected to continue in 2017 in most of DFDS' key markets, including the UK.

The UK economy has so far continued to be resilient despite the uncertainty related to the ongoing Brexit-process.

The British pound (GBP) has appreciated since bottoming out in the autumn 2016. The average rate of GBP/DKK was 11% lower in Q1 2017 compared to Q1 2016.

Freight volumes continued to grow across northern Europe supported by economic growth. Volumes between Sweden and UK picked up during the quarter.

The demand for passenger ferry services in Q1 decreased compared to Q1 2016 due to Easter falling in Q2 in 2017 vs Q1 in 2016. Demand from UK residents continued, moreover, to be soft in Q1 and there was no material offset from an increase in Continental passengers that benefit from a lower GBP.

## IMPORTANT EVENTS IN Q1

### 7% more ferry capacity on Channel

The number of sailings increased by 7% in the Channel business unit in Q1 compared to Q1 2016 following the deployment of two additional ferries on the Dover-Calais

route in February 2016. DFDS operates a total of six ferries out of Dover to Calais and Dunkirk respectively, with three ferries on each route.

### Increased distribution to shareholders

On 7 February 2017, DFDS' Board of Directors 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.

A dividend of DKK 3.00 was paid on 24 March 2017 following approval by DFDS' annual general meeting on 21 March 2017. In addition, a further dividend of DKK 5.00 per share is planned for distribution in August 2017. The total dividend payment in 2017 is thus expected to amount to around DKK 450m.

In addition, two share buybacks totalling DKK 800m started on 8 February 2017. The first buyback of up to DKK 500m was structured as an auction process and completed on 21 February 2017. A total of 1,280,515 shares was acquired for DKK 373 per share equal to DKK 478m.

The second buyback of DKK 300m will be completed on 15 August 2017 at the latest. On 9 May 2017, 49% of the buyback was completed.

The Board of Directors consequently currently plan to distribute a total of DKK 1.3bn to shareholders in 2017, including DKK 86m that was already distributed

in 2017 through a share buyback completed on 6 February 2017.

### New chair of Board of Directors

Following DFDS' annual general meeting on 21 March 2017, Claus Hemmingsen was elected chair and Pernille Erenbjerg was elected deputy chair.

Claus Hemmingsen is Group Vice CEO of A.P. Møller-Mærsk A/S and CEO of the company's Energy Division. Pernille Erenbjerg is CEO and President of TDC A/S.

## IMPORTANT EVENTS AFTER Q1

### 3m shares cancelled

On 21 April 2017, the reduction of the share capital by 3.0m shares from 60.0m shares to 57.0m shares was registered by the Danish Business Authority following a statutory notice period after the approval by DFDS' annual general meeting on 21 March 2017.

## FINANCIAL PERFORMANCE

### Revenue

The Group's revenue in Q1 was DKK 3,220m, an increase of 4.3% compared to 2016. Revenue increased by 2.6% adjusted for currency changes, acquisitions and other items and excluding revenue from bunker surcharges.

The Shipping Division's Q1 revenue of DKK 2,154m increased by 6.6% and by 3.1% adjusted for currency changes, acquisitions

and other items and excluding revenue from bunker surcharges.

Revenue was increased by 5.1% higher freight volumes, adjusted for the Hango-Paldiski route, and some increase in freight rates but reduced by 10.1% fewer passengers and a lower average revenue per passenger.

The main drivers of the freight volume growth were the North Sea and Channel business units. The volume comparison for Baltic Sea between Q1 2017 and Q1 2016 is impacted by a boost in volumes in 2016 following a dispute between Poland and Russia that restricted permits to drive through Poland.

The decrease in passengers was primarily due to Channel, including a negative impact from Easter falling in Q2 in 2017 vs Q1 in 2016.

The Logistics Division's Q1 revenue of DKK 1,235m increased by 1.2% and by 1.9% adjusted for currency changes, primarily the depreciation of GBP, and the acquisitions of Shetland Transport and Italcargo in November and December 2016 respectively.

Revenue increased in a number of markets, notably Sweden and UK, driven by both higher volumes in existing activities and new logistics contracts. This increase was, however, offset by lower activity in mainly Denmark, Italy and N. Ireland.

### Operating profit before depreciation (EBITDA) and special items

The Group's EBITDA increased by 2% to DKK 414m in Q1 driven by higher earnings in the Shipping Division and a lower cost for Non-allocated items.

The Shipping Division's Q1 EBITDA increased by 2% to DKK 376m. The primary driver of the increase was a higher result in North Sea that benefited from higher freight volumes and lower costs in UK due to the depreciation of GBP. This was, however, partly offset by an increase in the bunker cost due to a lag in the BAF-coverage (bunker adjustment factor) following a sharp oil price increase in mid-December 2016.

Baltic Sea's result was lower than last year where the result was boosted by additional volumes following a dispute between Poland and Russia that restricted permits to drive through Poland.

The Channel and Passenger business units were both negatively impacted by the Easter timing difference. The impact in Passenger was however balanced by a positive variance from lower costs in Q1 2017.

The Logistics Division's Q1 EBITDA decreased by 11% to DKK 48m following a negative currency impact and a lower result in the Nordic business unit. Extra costs were incurred from startup of new logistics contracts and traffic imbalances and activity levels in some markets were below last year. The performance of the Continent and

UK & Ireland business units were in line with expectations.

The cost of Non-allocated items was reduced by DKK 7m to DKK -9m.

### Profit/loss associates and joint ventures

The share of profit from associates and joint ventures was an income of DKK 6m. This was a positive variance of DKK 7m compared to last year mainly due to Gothenburg Ro/Ro.

### Depreciation and operating profit (EBIT) before special items

Depreciation in Q1 increased by 5% to DKK 236m. The increase was primarily related to higher ship depreciations, including depreciations related to the addition of two ferries on finance leases on Dover-Calais, and increased depreciations on IT-systems.

The Group's EBIT before special items for Q1 was DKK 189m, an increase of 5% compared to last year.

### Special items

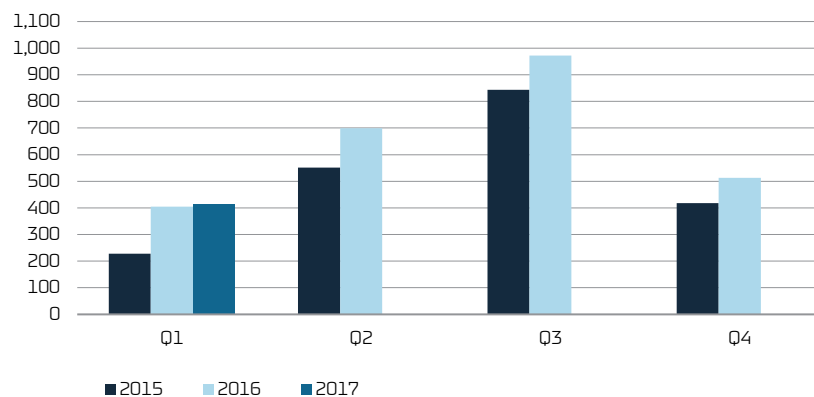
Special items includes a cost of DKK 6m related to the award of jubilee shares to employees announced in December 2016.

### Financial items

The total net cost of financing in Q1 decreased by DKK 8m as the net interest cost decreased following changes to the mix of debt types and a reduction of interest-bearing debt. Lower gains on currency ad-

### DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS

DKK m



### REVENUE

DKK m	Q1 2017	Q1 2016	Change, %	Change
Shipping Division	2,154	2,020	6.6	134
Logistics Division	1,235	1,220	1.2	15
Non-allocated items	98	86	14.1	12
Eliminations	-267	-238	-12.2	-29
<b>DFDS Group</b>	<b>3,220</b>	<b>3,088</b>	<b>4.3</b>	<b>132</b>

### OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) & SPECIAL ITEMS

DKK m	Q1 2017	Q1 2016	Change, %	Change
Shipping Division	376	367	2.2	8
Logistics Division	48	54	-11.3	-6
Non-allocated items	-9	-16	43.3	7
<b>DFDS Group</b>	<b>414</b>	<b>405</b>	<b>2.3</b>	<b>9</b>
EBITDA-margin, %	12.9	13.1	-1.9	-0.2

**ASSOCIATES AND JOINT VENTURES, PROFITS ON DISPOSALS AND DEPRECIATION**

DKK m	Q1 2017	Q1 2016	Change, %	Change
EBITDA before special items	414	405	2.3	9
Associates and joint ventures	6	-1	n.a.	7
Profit on disposals	4	1	346.9	3
Depreciation and impairment	-236	-224	-5.1	-12
<b>EBIT before special items</b>	<b>189</b>	<b>181</b>	<b>4.6</b>	<b>8</b>

**FINANCIAL ITEMS**

DKK m	Q1 2017	Q1 2016	Change, %	Change
Interest, net	-12	-20	38.4	8
Foreign exchange gains/losses, net	3	9	62.9	-5
Other items	-7	-12	43.9	5
<b>Total finance, net</b>	<b>-16</b>	<b>-24</b>	<b>32.3</b>	<b>8</b>

justments were offset by a lower cost for other items.

**Profit before and after tax**

The profit before tax for Q1 increased by 6% to DKK 167m. The increase was 10% excluding special items. The profit after tax was DKK 150m following a tax on profit of DKK 17m.

**Earnings per share**

Earnings per share (EPS) for the quarter increased to DKK 2.65 from DKK 2.43 in Q1 2016, an increase of 9%.

**Cash flow and investments**

The free cash flow (FCFF) of Q1 was DKK 217m after investments of DKK 218m mainly related to dockings and ship upgrades.

The cash flow from financing activities was negative by DKK 605m in Q1, including a distribution to shareholders of DKK 826m of which DKK 659m was share buybacks and DKK 168m was dividend. The net cash flow for Q1 was negative by DKK 417m and at the end of Q1 cash amounted to DKK 279m.

**Capital structure**

At the end of Q1 net-interest-bearing debt (NIBD) was DKK 3,007m, an increase of 24% compared to year-end 2016 mainly due to increasing capital distribution and investments.

Financial leverage, as measured by the ratio of NIBD to the full-year EBITDA before special items, was a multiple of 1.2 compared to 0.9 at year-end 2016. The equity ratio was 47% at the end of Q1.

DKK m	Outlook 2017	2016
Revenue growth	+4% <sup>1</sup>	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

<sup>1</sup>Excluding bunker surcharges.

**Equity**

Equity amounted to DKK 6,065m at the end of Q1, including minority interests of DKK 48m. This was 9% below equity at year-end 2016 as total comprehensive income for Q1 was DKK 145m while transactions with owners reduced equity by DKK 764m, including dividends and share buybacks.

**Invested capital and ROIC**

Invested capital increased by 1.1% to DKK 9,180m at the end of Q1 compared to the same period last year while the average invested capital of the quarter increased by 5.4% to DKK 9,193m. The latter increase mainly reflects the addition of two Channel-ferries in February 2016.

For the last twelve months, the return on invested capital, ROIC, was 17.6% before special items compared to 17.8% for 2016.

Including special items, ROIC was 17.4% compared to 17.7% for 2016.

**MANAGEMENT SHAREHOLDINGS**

At the end of Q1 2017, Niels Smedegaard, CEO, and Torben Carlsen, CFO, owned 148,168 shares and 80,000 shares respectively.

**OUTLOOK 2017**

The European growth outlook continues to be supportive of DFDS' infrastructure of ferry routes and the logistics operations.

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

Investments are still 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.

*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.*





The North Sea business unit carries only freight on seven routes connecting Scandinavia to the UK and the Continent as well as the UK with the Continent. The primary customers are freight forwarders transporting cargo for fast delivery. Logistics services are also provided for large industrials mainly out of Scandinavia, including manufacturers of automobiles, steel and paper.



# 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	2016				2016-2017	2016
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	2,154	2,020	2,440	2,744	2,264	9,602	9,468
EBITDA before special items	376	367	650	927	495	2,447	2,439
Share of profit/loss of associates and joint ventures	6	-1	0	-2	0	5	-3
Profit/loss on disposal of non-current assets, net	0	0	2	2	0	4	4
Depreciation and impairment	-202	-194	-218	-205	-211	-836	-828
EBIT before special items	180	173	434	722	284	1,620	1,613
EBIT margin before special items, %	8.4	8.6	17.8	26.3	12.5	16.9	17.0
Special items, net	0	0	-7	0	-6	-13	-13
EBIT	180	173	427	722	278	1,607	1,600
Invested capital, average	8,264	7,845	8,381	8,417	8,202	8,320	8,145
ROIC before special items, %	-	-	-	-	-	19.3	19.6
Lane metres, '000	9,223	8,610	9,954	9,440	9,779	38,396	37,783
Passengers, '000 *)	756	841	1,329	2,150	1,009	5,244	5,329

\*) The definition of passenger volumes has been changed to exclude truck drivers so only passengers are reported going forward. Comparative figures have been restated.

## Q1 MARKET, ACTIVITY AND RESULT TRENDS

### North Sea

Freight volumes in Q1 were 9.6% above 2016. The growth was highest on the Netherlands-UK and Sweden-Belgium corridors where capacity was increased to meet higher demand from customers. The Easter timing difference vs last year boosted volumes somewhat as freight volumes decrease during holiday periods.

EBIT increased by 18% to DKK 151m driven by the higher volumes, that also benefited port terminals, and lower costs in UK due to the depreciation of GBP. This offset an increase in the bunker cost due to a lag in the

coverage following a sharp oil price increase in mid-December 2016.

### Baltic Sea

Freight volumes in Q1 were 19.2% above 2016 and flat after adjustment for the addition of a new route between Hanko, Finland, and Paldiski, Estonia, in October 2016.

The volume comparison between Q1 2017 and Q1 2016 is impacted by a boost in volumes in 2016 following a dispute between Poland and Russia that restricted permits to drive through Poland. A considerable amount of volumes were consequently transported by ferries instead of trucks. Some of the volumes were subse-

quently retained on DFDS' Baltic ferry routes. The underlying market growth was in line with expectations and satisfactory. The number of departures was increased on Paldiski-Kapellskär with one round trip per week through utilisation of the ship deployed on Paldiski-Hanko. Passenger volumes were flat as the Easter timing difference offset the addition of Paldiski-Hanko and more departures.

EBIT decreased by 5% to DKK 74m due to higher operating costs related to additional capacity, additional earnings in 2016 from the above mentioned border dispute and a negative impact from the Easter timing difference.

### Channel

Freight volumes in Q1 increased by 3.3% while passenger volumes decreased by 14.4%.

The freight volume growth was below the capacity expansion in Q1 of 7% reflecting some transfer of volumes from Dunkirk to Calais benefiting all Dover-Calais services. The change follows the shutdown of the immigration camp close to the Calais port during the second half of 2016.

The decrease in passenger volumes vs 2016 was mainly due to Easter falling in Q2 in 2017 and in Q1 in 2016 but was also impacted by the shutdown of the immigration camp mentioned above. In addition, the demand for passenger ferry services from UK residents continued to be soft in Q1 due to the depreciation of GBP. There was no material offset from Continental passengers that benefit from the lower GBP.

Total freight volumes on the Dover Strait, including the tunnel, increased by 3.8% in Q1 compared to 2016 while the number of passengers decreased by 8.7%.

EBIT decreased by DKK 9m to DKK -1m which was entirely driven by the lower number of passengers as the contribution from freight activities increased compared to last year.

### France & Mediterranean

Freight volumes in Q1 were 2.8% above 2016 while passenger volumes decreased by 17.3% primarily driven by the Easter timing difference. The increase in freight volumes was driven by both routes in the Western Channel and Mediterranean respectively.

EBIT decreased by 15% to DKK -8m mainly due to the lower number of passengers.

### Passenger

The number of passengers in Q1 decreased by 0.8% compared to 2016 as slightly higher volumes between Norway and Denmark were more than offset by lower volumes between the UK and the Netherlands. 9% more departures between Norway and Denmark mitigated a negative impact from the Easter timing difference while capacity was unchanged between the UK and the Netherlands. Apart from lower volumes the Easter timing difference also reduced the average revenue per passenger.

EBIT improved by 2% to DKK -59m in Q1 as the negative Easter impact was balanced by lower ship operating costs, including fewer dockings days and lower depreciations, and a positive impact from bunker hedging.

## SHIPPING DIVISION

	2017	2016				2016-2017	2016
DKK m	Q1	Q1	Q2	Q3	Q4	LTM	Full year
<b>NORTH SEA</b>							
Revenue	926	812	861	822	870	3,479	3,365
EBIT before special items	151	128	142	117	129	538	515
Invested capital	4,263	4,018	4,177	4,296	4,240	4,199	4,168
ROIC before special items, %	-	-	-	-	-	12.6	12.1
Lane metres freight, '000	3,077	2,807	3,020	2,913	3,031	12,041	11,770
<b>BALTIC SEA</b>							
Revenue	341	299	340	371	339	1,391	1,349
EBIT before special items	74	78	92	119	73	359	363
Invested capital	1,218	1,056	1,387	1,326	1,265	1,251	1,203
ROIC before special items, %	-	-	-	-	-	28.6	30.0
Lane metres freight, '000	1,118	938	998	959	1,154	4,229	4,049
Passengers, '000 *)	34	34	52	79	44	209	209
<b>CHANNEL</b>							
Revenue	457	428	586	766	508	2,317	2,288
EBIT before special items	-1	8	110	226	50	385	394
Invested capital	2,057	2,227	2,185	2,135	2,030	2,127	1,937
ROIC before special items, %	-	-	-	-	-	18.0	20.3
Lane metres freight, '000	4,643	4,493	5,493	5,161	5,178	20,475	20,325
Passengers, '000 *)	455	531	830	1,484	615	3,383	3,460
<b>FRANCE &amp; MEDITERRANEAN</b>							
Revenue	98	98	124	153	105	481	481
EBIT before special items	-8	-7	5	22	-9	9	11
Invested capital	76	-71	-8	17	-17	-1	-29
ROIC before special items, %	-	-	-	-	-	n.a.	n.a.
Lane metres freight, '000	243	237	272	258	237	1,010	1,003
Passengers, '000	31	37	92	174	50	346	353
<b>PASSENGER</b>							
Revenue	272	286	465	590	373	1,699	1,713
EBIT before special items	-59	-60	96	198	19	255	253
Invested capital	620	566	523	571	625	581	577
ROIC before special items, %	-	-	-	-	-	42.9	43.1
Lane metres freight, '000	141	135	171	149	180	640	634
Passengers, '000 *)	237	239	356	413	300	1,305	1,307
<b>NON-ALLOCATED ITEMS</b>							
Revenue	101	149	111	97	131	441	488
EBIT before special items	23	26	-10	40	22	75	77

\*) The definition of passenger volumes has been changed to exclude truck drivers so only passengers are reported going forward. Comparative figures have been restated.

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	2017	2016				2016-2017	2016
	Q1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,235	1,220	1,268	1,208	1,235	4,945	4,930
EBITDA before special items	48	54	69	60	70	246	252
Profit/loss on disposal of non-current assets, net	3	1	1	1	1	6	4
Depreciation and impairment	-25	-24	-23	-22	-25	-95	-94
EBIT before special items	26	30	47	39	46	157	161
EBIT margin before special items, %	2.1	2.5	3.7	3.2	3.7	3.2	3.3
EBIT	26	31	47	39	45	157	162
Invested capital, average	1,123	1,122	1,064	1,022	1,130	1,080	1,084
ROIC before special items, %	-	-	-	-	-	12.7	13.4
Tons, '000	99.0	114.3	98.2	96.4	118.3	411.8	427.2
Units, '000	131.9	125.7	132.5	129.9	134.2	528.5	522.3

## Q1 MARKET, ACTIVITY AND RESULT TRENDS

### Nordic

The number of transported units in Q1 was flat compared to 2016 adjusted for the acquisition of Italcargo in December 2016. Higher volumes between Sweden and UK, increasing volumes from Swedish premium services and Norwegian shipping volumes were offset by lower volumes from Denmark to both UK and Italy as well as lower volumes from Baltic concrete projects. Activity related to automotive contract logistics in Sweden was above last year and new contracts to further utilise the Arendal terminal were added. Volumes are not reported for these activities.

EBIT decreased by 31% to DKK 9m as extra costs were incurred from startup of new logistics contracts and traffic imbalances

and activity levels in some markets were, particularly in the Baltic region, below last year.

### Continent

The number of transported units in Q1 decreased by 2.7% compared to 2016 due to a significant reduction of volumes in Italy following the loss of a key contract and reduced activity for other customers. Volumes between Benelux/Germany and UK were overall on level with last year.

EBIT decreased by 6% to DKK 9m mainly due to a lower result in Italy caused by the reduced level of activity.

### UK & Ireland

The number of transported units in Q1 increased by 18.2% compared to 2016 and by 14.8% adjusted for the acquisition of Shetland Transport in November 2016. The

volume growth was mainly driven by new contract logistics activities for cold stores in England and increasing temperature-controlled volumes in Scotland. Volumes were reduced by lower activity between N. Ireland and England and the Continent.

EBIT increased by 2% to DKK 9m, including a negative currency impact of DKK 2m from the depreciation of GBP which was partly offset by the acquisition of Shetland Transport. Higher earnings from new contracts were otherwise offset by lower earnings in N. Ireland.

## LOGISTICS DIVISION

DKK m	2017 Q1	Q1	2016 Q2	Q3	Q4	2016-2017 LTM	2016 Full year
<b>Nordic</b>							
Revenue	429	411	418	383	400	1,631	1,613
EBIT before special items	9	13	16	13	12	49	53
Invested capital	332	320	305	304	322	317	319
ROIC before special items, %	-	-	-	-	-	15.2	16.2
Units, '000 *)	31.0	30.5	30.4	28.1	30.4	120.0	119.4
Tons, '000	99.0	114.3	98.2	96.4	118.3	411.8	427.2
<b>Continent</b>							
Revenue	479	489	501	489	479	1,947	1,957
EBIT before special items	9	9	16	11	12	47	47
Invested capital	346	350	326	340	355	344	339
ROIC before special items, %	-	-	-	-	-	10.8	11.5
Units, '000	54.2	55.7	57.1	55.5	54.8	221.5	223.0
<b>UK &amp; Ireland</b>							
Revenue	359	353	384	368	389	1,500	1,494
EBIT before special items	9	8	15	16	21	61	61
Invested capital	445	426	400	374	453	420	426
ROIC before special items, %	-	-	-	-	-	12.3	12.8
Units, '000 **)	46.7	39.5	44.9	46.3	49.1	187.0	179.8
<b>Non-allocated items</b>							
Revenue	53	54	52	49	45	199	201
EBIT before special items	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

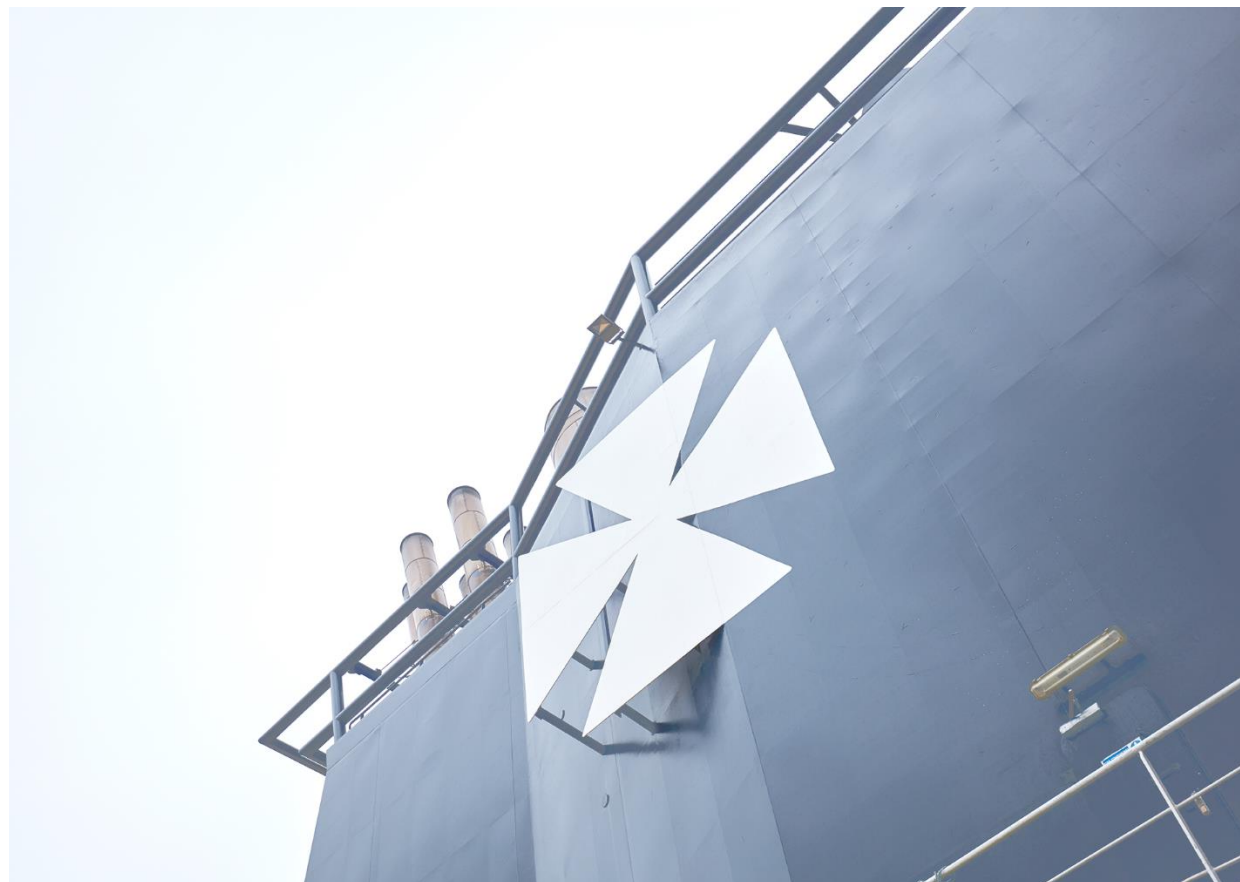
The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 31 March 2017.

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

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, 10 May 2017




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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**

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# DFDS GROUP - INCOME STATEMENT

DKK m	Note	2017 Q1	2016 Q1	2016-2017 LTM	2016 Full year
Revenue		3,220.1	3,088.0	13,922.4	13,790.4
Costs					
Operating costs		-1,870.7	-1,742.9	-7,461.1	-7,333.2
Charter hire		-144.9	-160.7	-548.6	-564.5
Employee costs		-638.7	-627.1	-2,619.6	-2,607.9
Costs of sales and administration		-151.8	-152.7	-695.7	-696.6
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>413.9</b>	<b>404.6</b>	<b>2,597.5</b>	<b>2,588.2</b>
Share of profit/loss of associates and joint ventures		6.4	-0.8	4.2	-3.0
Profit/loss on disposal of non-current assets, net		4.3	1.0	11.8	8.5
Depreciation, ships		-187.1	-180.3	-767.6	-760.8
Depreciation, other non-current assets		-48.6	-43.9	-179.0	-174.3
Impairment losses, ships and other non-current assets		0.0	0.0	-15.1	-15.1
<b>Operating profit (EBIT) before special items</b>		<b>188.9</b>	<b>180.7</b>	<b>1,651.8</b>	<b>1,643.6</b>
Special items, net	3	-5.9	0.4	-19.1	-12.8
<b>Operating profit (EBIT)</b>		<b>183.0</b>	<b>181.0</b>	<b>1,632.7</b>	<b>1,630.7</b>
Financial income		4.6	0.5	60.1	56.0
Financial costs		-20.7	-24.1	-95.6	-99.1
<b>Profit before tax</b>		<b>166.9</b>	<b>157.4</b>	<b>1,597.2</b>	<b>1,587.6</b>
Tax on profit		-16.8	-14.0	-42.1	-39.3
<b>Profit for the period</b>		<b>150.1</b>	<b>143.4</b>	<b>1,555.0</b>	<b>1,548.3</b>
Attributable to:					
Equity holders of DFDS A/S		150.3	143.6	1,554.8	1,548.1
Non-controlling interests		-0.1	-0.1	0.2	0.2
<b>Profit for the period</b>		<b>150.1</b>	<b>143.4</b>	<b>1,555.0</b>	<b>1,548.3</b>
<b>Earnings per share</b>					
Basic earnings per share (EPS) of DKK 20, DKK		2.65	2.43	27.05	26.63
Diluted earnings per share (EPS-D) of DKK 20, DKK		2.63	2.39	26.79	26.35

# DFDS GROUP - COMPREHENSIVE INCOME

	2017	2016	2016-2017	2016
DKK m	Q1	Q1	LTM	Full year
Profit for the period	150.1	143.4	1,555.0	1,548.3
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to the Income statement:				
Remeasurement of defined benefit pension obligations	0.0	0.0	-152.6	-152.6
Tax on items that will not be reclassified to the Income statement	0.8	0.0	-9.6	-10.4
<b>Items that will not be reclassified subsequently to the Income statement</b>	<b>0.8</b>	<b>0.0</b>	<b>-162.2</b>	<b>-163.0</b>
Items that are or may be reclassified subsequently to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the period	-17.9	11.5	47.7	77.1
Value adjustment transferred to operating costs	-3.7	9.4	-4.4	8.7
Value adjustment transferred to financial costs	11.9	-17.5	23.3	-6.1
Value adjustment transferred to non-current tangible assets	0.0	0.0	-3.8	-3.8
Foreign exchange adjustments, subsidiaries	3.8	-33.2	-76.2	-113.3
Unrealised value adjustment of securities	0.0	0.0	25.2	25.2
Realised value adjustment of securities transferred to financial items	0.0	0.0	-25.2	-25.2
<b>Items that are or may be reclassified subsequently to the Income statement</b>	<b>-5.9</b>	<b>-29.9</b>	<b>-13.5</b>	<b>-37.5</b>
<b>Total other comprehensive income after tax</b>	<b>-5.2</b>	<b>-29.9</b>	<b>-175.8</b>	<b>-200.4</b>
<b>Total comprehensive income</b>	<b>145.0</b>	<b>113.6</b>	<b>1,379.3</b>	<b>1,347.9</b>
<b>Attributable to:</b>				
Equity holders of DFDS A/S	145.1	113.8	1,379.2	1,347.9
Non-controlling interests	-0.1	-0.2	0.1	0.0
<b>Total comprehensive income</b>	<b>145.0</b>	<b>113.6</b>	<b>1,379.3</b>	<b>1,347.9</b>

# BALANCE SHEET

## ASSETS

	2017	2016	2016
DKK m	Q1	Q1	Full year
Goodwill	557.4	523.7	555.8
Other non-current intangible assets	36.6	27.1	37.5
Software	227.8	172.1	195.7
Development projects in progress	8.6	43.0	37.0
<b>Non-current intangible assets</b>	<b>830.3</b>	<b>766.0</b>	<b>826.1</b>
Land and buildings	153.3	117.5	161.8
Terminals	504.8	522.2	510.6
Ships	7,911.2	7,864.9	7,904.0
Equipment, etc.	547.0	493.9	542.7
Assets under construction and prepayments	137.9	122.5	135.9
<b>Non-current tangible assets</b>	<b>9,254.2</b>	<b>9,121.0</b>	<b>9,255.0</b>
Investments in associates and joint ventures	35.0	32.7	28.6
Receivables	24.8	25.0	24.8
Securities	9.5	18.4	9.5
Deferred tax	85.2	85.7	94.6
Derivative financial instruments	26.9	0.0	34.5
<b>Other non-current assets</b>	<b>181.5</b>	<b>161.8</b>	<b>192.1</b>
<b>Non-current assets</b>	<b>10,266.0</b>	<b>10,048.7</b>	<b>10,273.1</b>
Inventories	128.3	106.3	139.2
Trade receivables	1,804.5	1,709.3	1,602.2
Receivables from associates and joint ventures	53.8	54.4	52.2
Other receivables	147.2	160.0	119.2
Prepayments	132.4	78.3	84.2
Derivative financial instruments	17.9	1.6	25.0
Cash	279.0	943.3	695.6
<b>Current assets</b>	<b>2,563.2</b>	<b>3,053.1</b>	<b>2,717.6</b>
Assets classified as held for sale	0.0	59.1	13.5
<b>Total current assets</b>	<b>2,563.2</b>	<b>3,112.2</b>	<b>2,731.1</b>
<b>Assets</b>	<b>12,829.2</b>	<b>13,160.9</b>	<b>13,004.3</b>

# EQUITY AND LIABILITIES

	2017	2016	2016
DKK m	Q1	Q1	Full year
Share capital	1,200.0	1,230.0	1,200.0
Reserves	-328.8	-293.6	-299.7
Retained earnings	5,146.1	5,071.6	5,556.1
Proposed dividends	0.0	0.0	180.0
<b>Equity attributable to equity holders of DFDS A/S</b>	<b>6,017.3</b>	<b>6,008.0</b>	<b>6,636.4</b>
Non-controlling interests	48.1	48.8	48.2
<b>Equity</b>	<b>6,065.4</b>	<b>6,056.8</b>	<b>6,684.6</b>
Interest bearing liabilities	1,516.2	2,944.2	2,100.9
Deferred tax	193.3	160.2	191.2
Pension and jubilee liabilities	458.3	335.5	460.2
Other provisions	54.0	39.0	54.9
Derivative financial instruments	9.6	172.7	145.6
<b>Non-current liabilities</b>	<b>2,231.3</b>	<b>3,651.6</b>	<b>2,952.8</b>
Interest bearing liabilities	1,655.3	722.4	907.9
Trade payables	1,822.9	1,612.9	1,722.3
Payables to associates and joint ventures	32.3	22.0	28.4
Other provisions	67.8	62.2	67.1
Corporation tax	34.1	26.2	30.2
Other payables	507.0	630.3	472.0
Derivative financial instruments	141.2	109.9	0.2
Deferred income	271.8	266.7	138.9
<b>Current liabilities</b>	<b>4,532.5</b>	<b>3,452.5</b>	<b>3,366.9</b>
<b>Liabilities</b>	<b>6,763.8</b>	<b>7,104.1</b>	<b>6,319.7</b>
<b>Equity and liabilities</b>	<b>12,829.2</b>	<b>13,160.9</b>	<b>13,004.3</b>



# DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 MARCH 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
<b>Comprehensive income for the period</b>										
Profit for the period						150.3		150.3	-0.1	150.1
<b>Other comprehensive income</b>										
Items that will not be reclassified subsequently to the Income statement:										
Tax on items that will not be reclassified to the Income statement						0.8		0.8		0.8
<b>Items that will not be reclassified subsequently to the Income statement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>0.8</b>
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			-17.9					-17.9		-17.9
Value adjustment transferred to operating costs			-3.7					-3.7		-3.7
Value adjustment transferred to financial costs			11.9					11.9		11.9
Foreign exchange adjustments, subsidiaries		3.8						3.8	0.0	3.8
<b>Items that are or may be reclassified subsequently to the Income statement</b>	<b>0.0</b>	<b>3.8</b>	<b>-9.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.9</b>	<b>0.0</b>	<b>-5.9</b>
<b>Total other comprehensive income after tax</b>	<b>0.0</b>	<b>3.8</b>	<b>-9.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>0.0</b>	<b>-5.2</b>	<b>0.0</b>	<b>-5.2</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>3.8</b>	<b>-9.7</b>	<b>0.0</b>	<b>0.0</b>	<b>151.0</b>	<b>0.0</b>	<b>145.1</b>	<b>-0.1</b>	<b>145.0</b>
<b>Transactions with owners</b>										
Dividend paid							-167.9	-167.9		-167.9
Dividend on treasury shares						12.1	-12.1	0.0		0.0
Vested share-based payments						6.9		6.9		6.9
Cash from sale of treasury shares related to exercise of share options					12.6	42.7		55.3		55.3
Purchase of treasury shares					-35.7	-622.8		-658.5		-658.5
Other adjustments						-0.1		-0.1		-0.1
<b>Transactions with owners Q1 2017</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-23.2</b>	<b>-561.1</b>	<b>-180.0</b>	<b>-764.2</b>	<b>0.0</b>	<b>-764.2</b>
<b>Equity at 31 March 2017</b>	<b>1,200.0</b>	<b>-275.8</b>	<b>29.0</b>	<b>0.1</b>	<b>-82.1</b>	<b>5,146.1</b>	<b>0.0</b>	<b>6,017.3</b>	<b>48.1</b>	<b>6,065.4</b>

# DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 31 MARCH 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
<b>Comprehensive income for the period</b>										
Profit for the period						143.6		143.6	-0.1	143.4
<b>Other comprehensive income</b>										
Items that are or may be reclassified subsequently to the Income statement:										
Value adjustment of hedging instruments for the period			11.5					11.5		11.5
Value adjustment transferred to operating costs			9.4					9.4		9.4
Value adjustment transferred to financial costs			-17.5					-17.5		-17.5
Foreign exchange adjustments, subsidiaries		-33.1						-33.1	-0.1	-33.2
<b>Items that are or may be reclassified subsequently to the Income statement</b>	<b>0.0</b>	<b>-33.1</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-29.8</b>	<b>-0.1</b>	<b>-29.9</b>
<b>Total other comprehensive income after tax</b>	<b>0.0</b>	<b>-33.1</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-29.8</b>	<b>-0.1</b>	<b>-29.9</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>-33.1</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>143.6</b>	<b>0.0</b>	<b>113.8</b>	<b>-0.2</b>	<b>113.6</b>
<b>Transactions with owners</b>										
Acquisition, non-controlling interests						0.3		0.3	-0.5	-0.1
Declared dividends transferred to liabilities							-175.4	-175.4		-175.4
Declared dividends, treasury shares						9.1	-9.1	0.0		0.0
Vested share-based payments						2.0		2.0		2.0
Cash from sale of treasury shares related to exercise of share options					21.4	41.7		63.1		63.1
Purchase of treasury shares					-38.3	-437.3		-475.6		-475.6
Other adjustments						-0.4		-0.4		-0.4
<b>Transactions with owners Q1 2016</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-16.9</b>	<b>-384.6</b>	<b>-184.5</b>	<b>-586.0</b>	<b>-0.5</b>	<b>-586.5</b>
<b>Equity at 31 March 2016</b>	<b>1,230.0</b>	<b>-199.7</b>	<b>-33.7</b>	<b>0.1</b>	<b>-60.4</b>	<b>5,071.6</b>	<b>0.0</b>	<b>6,008.0</b>	<b>48.8</b>	<b>6,056.8</b>

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

	2017 Q1	2016 Q1	2016-2017 LTM	2016 Full year
<b>DKK m</b>				
<b>Operating profit before depreciation (EBITDA) and special items</b>	<b>413.9</b>	<b>404.6</b>	<b>2,597.5</b>	<b>2,588.2</b>
Cash flow effect from special items related to operating activities	0.0	-2.0	-0.6	-2.6
Adjustments for non-cash operating items, etc.	3.1	-1.9	19.3	14.3
Change in working capital	30.3	84.3	114.4	168.4
Payment of pension liabilities and other provisions	-7.6	-27.8	-65.3	-85.5
<b>Cash flow from operating activities, gross</b>	<b>439.8</b>	<b>457.2</b>	<b>2,665.4</b>	<b>2,682.7</b>
Interest etc. received	17.2	27.8	98.1	108.7
Interest etc. paid	-46.3	-46.7	-181.8	-182.2
Taxes paid	-4.7	-3.3	-21.9	-20.4
<b>Cash flow from operating activities, net</b>	<b>406.0</b>	<b>435.0</b>	<b>2,559.8</b>	<b>2,588.8</b>
Investments in ships including dockings, rebuildings and ships under construction (incl. settlement of forward exchange contracts)	-190.1	-283.5	-862.3	-955.7
Investments in other non-current tangible assets	-41.3	-58.7	-188.7	-206.2
Sale of other non-current tangible assets	26.4	9.5	34.9	18.1
Investments in non-current intangible assets	-11.3	-16.6	-47.1	-52.4
Acquisition of enterprises, associates, joint ventures and activities	0.0	0.0	-50.9	-50.9
Sale of activities etc.	0.0	0.0	5.0	5.0
Sale of securities	0.0	0.0	34.1	34.1
Other investing cash flows	-1.6	0.0	-1.6	0.0
Dividend from associates and joint ventures	0.0	0.0	0.8	0.8
<b>Cash flow to/from investing activities, net</b>	<b>-217.9</b>	<b>-349.3</b>	<b>-1,075.9</b>	<b>-1,207.2</b>
Repayment and instalments of loans secured by mortgage in ships	-12.5	-132.1	-179.1	-298.7
Repayment of corporate bonds incl. settlement of cross currency swap	0.0	0.0	-493.5	-493.5
Change in other financial loans, net	199.7	-0.5	153.2	-47.0
Payment of financial lease liabilities	-21.0	-20.6	-88.0	-87.5
Change in operating credits	0.0	2.2	-3.1	-0.9
Acquisition of non-controlling interests	0.0	-0.1	-0.2	-0.3
Acquisition of treasury shares	-658.5	-475.6	-1,097.0	-914.1
Cash received from exercise of share options	55.3	63.1	56.4	64.2
Government grants related to purchase of assets	0.0	0.0	19.7	19.7
Other financing cash flows	0.0	0.7	2.1	2.9
Dividends paid	-167.9	0.0	-516.9	-349.0
<b>Cash flow to/from financing activities, net</b>	<b>-604.9</b>	<b>-562.9</b>	<b>-2,146.3</b>	<b>-2,104.3</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-416.9</b>	<b>-477.2</b>	<b>-662.4</b>	<b>-722.7</b>
Cash and cash equivalents at beginning of period	695.6	1,422.6	943.3	1,422.6
Foreign exchange and value adjustments of cash and cash equivalents	0.3	-2.0	-1.9	-4.2
<b>Cash and cash equivalents at end of period</b>	<b>279.0</b>	<b>943.3</b>	<b>279.0</b>	<b>695.6</b>

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
<b>Q1 2017</b>				
External revenue	1,985.7	1,230.2	4.2	3,220.1
Intragroup revenue	168.3	4.7	93.9	266.9
Total revenue	2,153.9	1,234.9	98.1	3,486.9
<b>Operating profit (EBIT) before special items</b>	<b>179.9</b>	<b>26.0</b>	<b>-17.0</b>	<b>188.9</b>
<b>Operating profit after special items (EBIT)</b>	<b>179.9</b>	<b>26.0</b>	<b>-22.9</b>	<b>183.0</b>

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
<b>Q1 2016</b>				
External revenue	1,869.8	1,214.8	3.4	3,088.0
Intragroup revenue	150.3	4.8	82.6	237.8
Total revenue	2,020.2	1,219.7	86.0	3,325.8
<b>Operating profit (EBIT) before special items</b>	<b>172.8</b>	<b>30.4</b>	<b>-22.5</b>	<b>180.7</b>
<b>Operating profit after special items (EBIT)</b>	<b>172.8</b>	<b>30.8</b>	<b>-22.5</b>	<b>181.0</b>

## NOTE 3 SPECIAL ITEMS

DKK m	2017 Q1	2016 Q1
Adjustment when finalising Earn-out regarding the acquisition of Quayside Group	0.0	0.4
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.	-5.9	0.0
<b>Special items, net</b>	<b>-5.9</b>	<b>0.4</b>

### 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 structuring 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 tangible 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

There have been no acquisitions or disposals in 2017.

### 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.

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 Q1 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.

#### FINANCIAL ASSETS AVAILABLE FOR SALE

Financial assets available for sale comprise other shares and equity investments as well as other investments of DKK 9.5m (2016: DKK 9.5m). 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

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	Q1 2017		Q1 2016	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>				
Derivatives (Level 2)	44.8	44.8	1.6	1.6
Assets held for sale (non-recurring fair value measurement) (Level 3)	0.0	0.0	59.1	59.1
<b>Financial liabilities</b>				
Derivatives (Level 2)	150.8	150.8	282.6	282.6

# 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 164.5m, equivalent to 8.7%. Operating profit before depreciation and special items (EBITDA) increased from DKK 252.7m to DKK 260.0m, equivalent to an increase of 2.9%. Both increases are primarily due to general improvement on most of the company's shipping routes.

Result before tax increased from DKK 117.1m in 2016 to DKK 124.6m in 2017.

The parent company's net interest bearing debt increased from DKK 4,466.1m at 31 December 2016 to DKK 5,109.3m at 31 March 2017, which primarily is due to the significant payments to the shareholders of DKK 826m in Q1 2017 through sharebuy backs and normal dividends.

	2017	2016	2016-2017	2016
DKK m	Q1	Q1	LTM	Full year
<b>Income statement</b>				
Revenue	2,064.1	1,899.6	9,201.6	9,037.1
Operating profit before depreciation (EBITDA) and special items	260.0	252.7	1,846.9	1,839.6
Operating profit (EBIT) before special items	128.8	129.0	1,310.0	1,310.1
Special items, net	-1.5	0.0	-14.4	-12.9
Operating profit (EBIT)	127.3	129.0	1,295.5	1,297.2
Financial items, net	-2.7	-11.9	243.1	233.9
Profit before tax	124.6	117.1	1,538.6	1,531.1
Profit for the period	122.4	117.5	1,546.6	1,541.7
<b>Assets</b>				
Non-current intangible assets	356.3	304.7		351.3
Non-current tangible assets	5,256.3	5,284.1		5,270.4
Investments in affiliated companies, associates and joint ventures	3,896.1	3,759.5		3,892.5
Other non-current assets	36.4	18.4		44.0
Non-current assets	9,545.1	9,366.7		9,558.2
Current receivables from affiliated companies	611.9	684.8		615.0
Receivables from associates and joint ventures	50.8	53.1		49.8
Cash and securities	203.3	853.8		612.6
Other current assets	1,008.6	874.9		863.7
Current assets	1,874.6	2,466.6		2,141.1
<b>Assets</b>	<b>11,419.8</b>	<b>11,833.3</b>		<b>11,699.3</b>
<b>Equity and liabilities</b>				
Equity	4,103.1	3,861.8		4,750.3
Non-current liabilities	1,544.7	2,951.7		2,303.0
Current liabilities to affiliated companies	2,545.4	2,922.2		2,555.8
Other current liabilities	3,226.7	2,097.6		2,090.2
Current liabilities	5,772.1	5,019.8		4,646.0
<b>Equity and liabilities</b>	<b>11,419.8</b>	<b>11,833.3</b>		<b>11,699.3</b>
Equity ratio, %	35.9%	32.6%		40.6%
Net interest bearing debt	5,109.3	4,426.7		4,466.1



# DEFINITIONS

<b>Operating profit before depreciation (EBITDA)</b>	Profit before depreciation and impairment on non-current assets
<b>Operating profit (EBIT)</b>	Profit after depreciation and impairment on non-current intangible and tangible assets
<b>Operating profit margin</b>	$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$
<b>Net operating profit after taxes (NOPAT)</b>	Operating profit (EBIT) minus payable tax for the period adjusted for the tax effect of net finance cost
<b>Invested capital</b>	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
<b>Net interest-bearing debt</b>	Interest-bearing liabilities (excluding provision for pensions) minus interest-bearing assets minus cash and securities
<b>LTM</b>	Last twelve months
<b>Return on invested capital (ROIC)</b>	$\frac{\text{Net operating profit after taxes (NOPAT)}}{\text{Average invested capital}} \times 100$
<b>Free cash flow (FCFF)</b>	Cash flow from operating activities excluding net interest received and paid minus cash flow from net investments
<b>Return on equity</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Average equity excluding non-controlling interests}} \times 100$
<b>Equity ratio</b>	$\frac{\text{Equity at end of period}}{\text{Total assets}} \times 100$
<b>Earnings per share (EPS)</b>	$\frac{\text{Profit for the period excluding non-controlling interests}}{\text{Weighted average number of ordinary shares in circulation}} \times 100$
<b>P/E ratio</b>	$\frac{\text{Share price at the end of the period}}{\text{Earnings per share (EPS)}} \times 100$
<b>Dividend per share</b>	$\frac{\text{Dividend for the year}}{\text{Number of shares at the end of the period}} \times 100$
<b>Market value</b>	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.