DFDS ANNUAL REPORT 2014

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DFDS PROVIDES SHIPPING AND TRANSPORT SERVICES IN EUROPE, GENERATING ANNUAL **REVENUES OF EUR 1.7BN.**

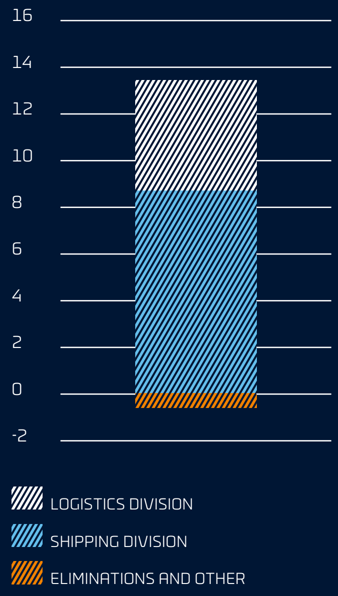
TO **OVER 8,000 FREIGHT CUSTOMERS,** WE DELIVER HIGH PERFORMANCE AND SUPERIOR RELIABILITY THROUGH SHIPPING AND PORT TERMINAL SERVICES, AND TRANSPORT AND LOGISTICS SOLUTIONS.

FOR SIX **MILLION PASSENGERS,** MANY TRAVELLING IN THEIR OWN CARS, WE PROVIDE SAFE OVERNIGHT AND SHORT SEA FERRY SERVICES.

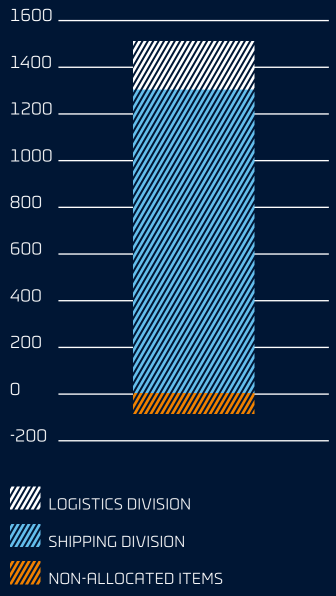
OUR **6,400 EMPLOYEES,** LOCATED IN OFFICES ACROSS 20 COUNTRIES, ARE COMMITTED TO YOUR SUCCESS.

DFDS WAS **FOUNDED IN 1866,** IS HEADQUARTERED IN COPENHAGEN, AND LISTED ON NASDAQ OMX COPENHAGEN.

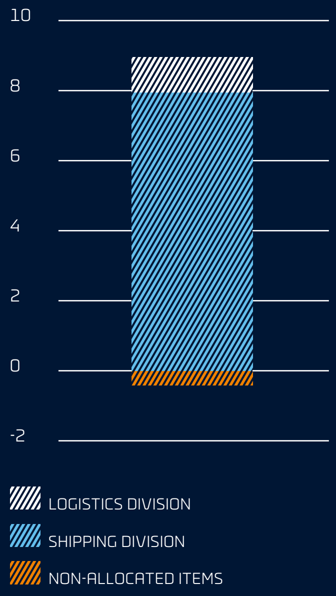
REVENUE SPLIT 2014 PER DIVISION
(DKK bn)



EBITDA SPLIT 2014 PER DIVISION
(DKK bn)



INVESTED CAPITAL SPLIT 2014 PER DIVISION
(DKK bn)



DFDS GROUP

People & Ships	Finance
SHIPPING DIVISION • Ferry services for freight and passengers • Bespoke industry solutions • Port terminals	**LOGISTICS DIVISION** • Door-to-door transport solutions • Contract logistics

FINANCIAL CALENDAR 2015

Annual General Meeting
24 March 2015 at 14:00
Radisson SAS Falconer Hotel
and Conference Centre
Falkoner Allé 9
DK-2000 Frederiksberg, Denmark

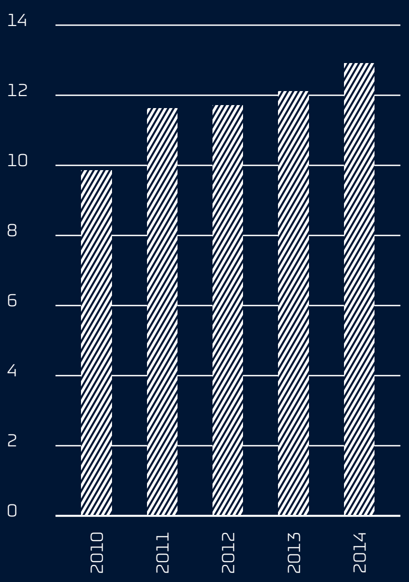
Reporting 2015
Q1, 21 May
H1, 20 August
Q3, 19 November

KEY FINANCIAL RESULTS OF 2014

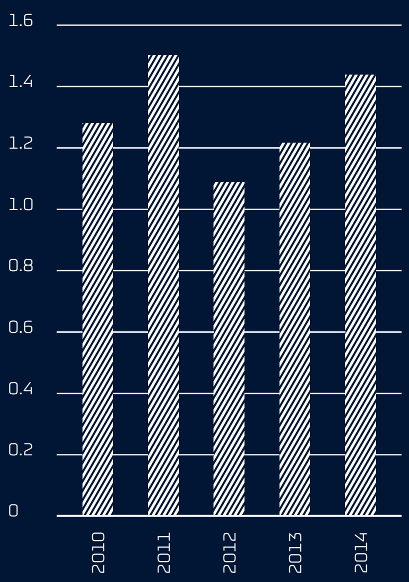
- REVENUE INCREASED BY 6% TO DKK 12.8BN
- EBITDA+ INCREASED BY 18% TO DKK 1.4BN
- THE RETURN ON INVESTED CAPITAL+ INCREASED TO 8.0%
- FINANCIAL LEVERAGE++ WAS 1.7X

+ Before special items
++ Net interest-bearing debt/EBITDA

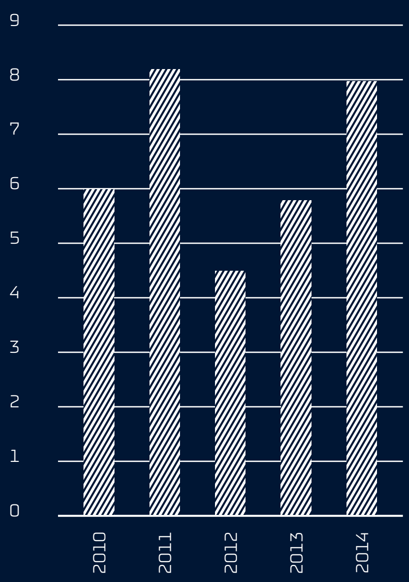
REVENUE
(DKK bn)



EBITDA BEFORE SPECIAL ITEMS
(DKK bn)



RETURN ON INVESTED CAPITAL (ROIC) BEFORE SPECIAL ITEMS
(%)



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RELIABLE SHIPPING SERVICES, FLEXIBLE TRANSPORT SOLUTIONS...

DFDS' European route network serves the requirements of both freight customers and passengers, complemented by European transport and logistics solutions.

Freight shipping services and solutions
DFDS' routes are ideally located for servicing the freight volumes of forwarding companies and manufacturers of heavy industrial goods.

Our routes operate to fixed schedules with a high level of frequency, allowing customers to precisely meet their transport service needs. Visibility is enhanced by access to online tracking of shipments.

We also develop bespoke transport solutions in partnership with manufacturers of heavy goods such as automobiles, steel, paper and forest products, and chemicals.

To enhance the efficiency of our customer services, we operate our own port terminals in strategic locations, including warehousing services.

Freight forwarding and logistics solutions
We provide flexible, cost efficient and on-time, door-to-door transport solutions to producers of a wide variety of consumer and industrial goods. Our solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry routes.

The main activity is solutions for full and part loads, both ambient and temperature controlled.

In partnership with retailers and manufacturers, we develop and provide performance enhancing and cost efficient logistics solutions, including warehousing services.

Passenger ferry services
DFDS' route network offers both overnight and short crossings. Passengers can bring their own cars on all routes.

The onboard facilities are adapted to each route's particular mix of passengers and their requirements for an enjoyable maritime experience.

Key facts
- 80% of total revenues are generated by freight customers and 20% by passengers
- We carried 30 million lane metres of freight in 2014
- We carried 6 million passengers in 2014
- Our largest freight ships carry 370 trailers per sailing
- Our largest passenger ships carry 2,000 passengers per sailing

OUR VISION, STRATEGY AND PRIORITIES

VISION

DELIVERING HIGH PERFORMANCE AND SUPERIOR RELIABILITY – WHATEVER WE CARRY.

OUR PEOPLE UNDERSTAND YOUR NEEDS AND ARE COMMITTED TO YOUR SUCCESS.

The vision reflects our commitment to continuous improvement and being a truly customer focused and customer driven company.

STRATEGY

DFDS' strategy is based on four drivers:

1. The DFDS Way: Customer focus and continuous improvement
2. Network strength: Expand network to leverage operating model
3. Integrated shipping and logistics operations: Optimise capacity utilisation
4. Financial strength and performance: Reliable, flexible partner

The DFDS Way – our behaviours and operating model – is our platform for driving continuous improvement. Top priorities are customer focus and achievement of a higher return on invested capital.

DFDS growth strategy targets both organic and acquisition led growth. The latter is the main instrument to lead the consolidation of our sector in the coming years to gain additional advantages of scale.

DFDS' route network integrates freight and passenger shipping services. To support the route network's capacity utilisation, our freight services include door-to-door transport and logistics solutions deploying own routes as part of the solution.

To be a reliable and flexible partner for all our stakeholders, we have set clear financial goals for performance and financial leverage, as stated on page 11.

PRIORITIES FOR 2015

1. Customer focus
2. MGO transition
3. Market coverage
4. Employee satisfaction/development
5. Efficiency and improvement projects

In a low growth business environment, our top priority continues to be customer focus supported by our group-wide Customer Focus Initiative. The transition to MGO fuel was mitigated by a drop in the oil price but remains a key priority. We continue to pursue value-creating opportunities to expand our market coverage in order to leverage DFDS' operating model and position DFDS for the future. Employee satisfaction and development is a priority and, we believe, a prerequisite for top line growth and efficient operations. For DFDS, continuous improvement driven by efficiency and improvement projects remains a priority.

FOLLOW-UP ON 2014 PRIORITIES

Channel situation: See p 8.

MGO transition: Our three-tier transition strategy was rolled out as planned, including installation of scrubbers on 11 ships by year-end 2014, initiation of customer dialogue events and communication, and closure of four routes to consolidate the network.

Financial performance: ROIC before special items was improved to 8.0% (5.8%), supported by efficiency and improvement projects.

Sector consolidation: Two acquisitions in the Logistics area were completed in 2014: both acquisitions, Quayside Group and STEF, consolidated our market position in the UK temperature-controlled logistics market. Investigation and preparation of opportunities ongoing of which some are expected to materialise in 2015.

KEY FIGURES DFDS GROUP

KEY FIGURES

DKK m	2014 EUR m [1]	2014	2013	2012	2011 [2]	2010 [2]
Income statement						
Revenue	1,717	12,779	12,097	11,700	11,625	9,867
• Shipping Division	1,173	8,733	8,530	8,015	7,798	6,921
• Logistics Division	621	4,625	4,183	4,259	4,330	3,353
• Non-allocated items and eliminations	-77	-579	-616	-574	-503	-407
Operating profit before depreciations (EBITDA) and special items	193	1,433	1,213	1,089	1,495	1,273
• Shipping Division	176	1,309	1,148	992	1,416	1,221
• Logistics Division	27	200	149	141	171	74
• Non-allocated items	-10	-76	-84	-44	-92	-22
Profit on disposal of non-current assets, net	1	9	6	6	26	5
Operating profit (EBIT) before special items	93	695	503	418	835	580
Special items, net	-9	-70	-17	-124	91	102
Operating profit (EBIT)	84	626	486	295	925	682
Financial items, net	-17	-124	-136	-149	-183	-135
Profit before tax	67	502	350	146	742	547
Profit for the year	58	434	327	143	735	522
Profit for the year excluding non-controling interest	58	435	325	144	731	509
Capital						
Total assets	1,646	12,249	12,311	12,313	12,795	13,849
DFDS A/S' share of equity	816	6,076	6,263	6,882	6,906	6,339
Equity	823	6,127	6,318	6,936	6,964	6,396
Net- interest-bearing debt	331	2,467	2,189	1,929	2,555	3,887
Invested capital, end of period	1,160	8,633	8,555	8,896	9,564	10,341
Invested capital, average	1,152	8,578	8,633	9,207	9,691	9,061
Average number of employees	-	6,363	5,930	5,239	5,096	4,862

KEY FIGURES

DKK m	2014 EUR m [1]	2014	2013	2012	2011 [2]	2010 [2]
Cash flows						
Cash flows from operating activities, before financial items and after tax	188	1,398	1,501	905	1,419	929
Cash flows from investing activities	-144	-1,069	-943	239	219	-1,521
Acquistion of enterprises and activities	-11	-85	-99	-5	-8	-1,417
Other investments, net	-132	-984	-844	244	227	-104
Free cash flow	44	329	558	1,144	1,638	-592
Key operating and return ratios						
Number of ships		53	57	49	49	57
Revenue growth, %		5.6	3.4	0.6	17.8	50.5 [3]
EBITDA margin, %		11.2	10.0	9.3	12,9	12.9
Operating margin, %		5.4	4.2	3.6	7.2	5.9
Revenue/invested capital average, (times)		1.49	1.40	1.27	1.20	1.09
Return on invested capital (ROIC), %		7.2	5.7	3.4	9.0	7.2
ROIC before special items, %		8.0	5.8	4.5	7.7	6.0
Return on equity, %		7.1	4.9	2.1	11.0	10.2
Key capital and per share ratios						
Equity ratio, %		50.0	51.3	56.3	54.4	46.2
Net- interest-bearing debt/EBITDA, times		1.72	1.80	1.77	1.71	3.05
Earnings per share (EPS), DKK		35	23	10	50	47
Dividend per share, DKK		18	14	14	14	8
Number of shares, end of period , '000		12,650	14,856	14,856	14,856	14,856
Weighted average number of circulating shares, '000		12,449	13,932	14,503	14,633	10,939
Share price, DKK		591	437	255.5	355	418
Market value, DKK m		7,177	5,559	3,706	5,149	6,119

[1] Applied exchange rate for euro as of 31 December 2014: 7.4436
[2] The key figures for 2010-2011 have not been restated in accordance with the amendments to IAS 19 'Emloyee benefits'applied in 2013.
[3] 37% relates to the acquisition of the Norfolkline-Group.

MANAGEMENT REPORT

- **Return on invested capital increased to 8%**
- **Smooth transition to environmentally friendly fuel due to thorough preparations and drop in oil price**
- **DKK 472m distributed to shareholders**
- **29% increase in dividend per share proposed for 2015**

Financial performance
Pre-tax profit before special items was DKK 571m, an increase of 56% compared to 2013.

The increase was mainly driven by higher earnings for the freight shipping activities in the North Sea region and a reduction of the loss for the routes on the English Channel. In addition, the earnings of the Logistics Division were boosted by the acquisition of three companies (one in 2013 and two in 2014).

Revenue for the year was DKK 12.8bn, an increase of 6% compared to 2013 mainly driven by the effect of the three acquisitions in the Logistics Division and higher revenues in the North Sea and Channel business units. The revenue growth was below the latest expectation of a 7% increase as route closures and lower revenues from bunker surcharges reduced revenues.

Operating profit before depreciation (EBITDA) and special items was DKK 1,433m, an increase of 18% compared to 2013. The Shipping Division's EBITDA before special items increased by 14% to DKK 1,309m while the Logistics Division's EBITDA before special items increased by 34% to DKK 200m. The cost of non-allocated items decreased by DKK 9m to DKK -75m.

The EBITDA before special items of DKK 1,433m was in line with the most recent expectations of an EBITDA before special items of DKK 1,400-1,450m.

The Group's free cash flow from operations was positive by DKK 329m in 2014 after net investments of DKK 1,069m.

The ratio of net- interest-bearing debt and operating profit (EBITDA) before special items was 1.7 at year-end, below the target of a minimum ratio of 2.0. The equity ratio was 50% at the end of 2014 compared to 51% in 2013.

The average number of employees increased by 7% to 6,363 in 2014. Most of the increase was due to the three acquisitions and other new activities.

Important events in 2014
The most important events of the year are shown in the table on page 10, divided into three sections: business development and competition; operations and finance; and people and the environment.

BUSINESS DEVELOPMENT AND COMPETITION

UK competition ruling on Eurotunnel/ SeaFrance merger
Since 2012, the UK competition authorities have conducted a merger inquiry into Eurotunnel's acquisition of SeaFrance following the company's bankruptcy in December 2011. Since the second half of 2012, Eurotunnel has deployed three ships between Dover and Calais under the name MyFerryLink.

Following appeals by Eurotunnel and SCOP against the UK Competition & Markets Authority's (CMA) decision to ban Eurotunnel from operating ferries out of Dover, the CMA on 27 June 2014 upheld its ban. Eurotunnel and SCOP appealed again, against this decision, and on 9 January 2015 the appeals were rejected by the UK Competition Appeal Tribunal (CAT).

Major changes to route network
As a result of poor financial performance and increased costs from the transition to using environmentally more friendly, but more expensive, fuel, three routes were closed in 2014: in September Esbjerg-Harwich, in October Gothenburg-Tilbury and in December Portsmouth-Le Havre. In addition, a new route between Travemünde and Klaipeda was opened in June, but suspended in August following additional sanctions in Russia.

KEY FIGURES FOR THE DFDS GROUP

DKK m	2014	2013	2012
Revenue	12,779	12,097	11,700
EBITDA*	1,433	1,213	1,089
Profit before tax*	571	367	270
Free cash flow, FCFF	329	558	1,144
Invested capital, end of year	8,633	8,555	8,896
Net- interest-bearing debt/EBITDA*, times	1.7	1.8	1.8
Return on invested capital*, %	8.0	5.8	4.5
Number of employees, average	6,363	5,930	5,239

* Before special items

Acquisitions
Two companies were acquired in 2014 to develop DFDS' logistics network and gain benefits from increased scale. On 31 January 2014, STEF's temperature controlled logistics activities in Scotland were acquired and integrated into DFDS' corresponding activities in Scotland. The annual revenue of the acquired company was around DKK 90m.

On 1 July 2014, the Quayside Group headquartered in Grimsby, England, was acquired. The company provides temperature controlled logistics services generating annual revenues of DKK 210m.

OPERATIONS AND FINANCE

Transition to new sulphur rules
With effect from 1 January 2015, a new set of rules limit the sulphur content in fuel to 0.1% from the previous limit of 1.0% in SECAs (Sulphur Emission Control Areas). These areas include the Baltic Sea, the North Sea and the English Channel, which are DFDS' primary market areas.

As the price of MGO (Marine Gas Oil with a content of 0.1% sulphur) is considerably more expensive than 1.0% bunker fuel, the transition to the new rules has been challenging for the entire European transport industry. The drop in the oil price in the last months of 2014 mitigated part of the challenge for both shipping companies and their customers.

DFDS' strategy to overcome the transition has included three elements:

- Installation of scrubbers on 21 ships by 2017, a total investment of DKK 750m

- Communication of consequences to customers through road-shows and meetings to prepare the market for price increase
- Consolidation of route network

Seven scrubbers were installed during 2014, bringing the total to 11 installed scrubbers at the end of 2014. Installation of another six scrubbers is planned for 2015. An MGO surcharge to all freight customers was introduced on 1 January 2015 to cover the increased fuel cost and this has been accepted by the market; this was also helped by the communication strategy. The transition contributed to the closure of three routes in 2014 that could not absorb extra fuel costs.

Based on just two months of operation under the new rules, it is our preliminary expectation that the total financial impact of the transition will not be material.

Efficiency and improvement projects
In 2014, DFDS' drive for continuous improvement resulted in a number of projects:

- **Customer Focus Initiative & Sales Training:** The aim is to increase customer satisfaction and grow revenues through improved customer retention and acquisition. Roll-out to locations was completed in 2014. Sales training and certification of sales staff is ongoing with four sessions held in 2014 and two sessions planned for 2015. An upgraded CRM system is expected to go live from May 2015
- **Light Capital:** The goal for 2014 was to release a further DKK 100m of cash following the release of DKK 360m of cash tied up in working capital in 2013 (defined in this context as inventory and trade receivables/payables). In 2014, working capital increased by DKK 35m mainly due to termination of a supply chain financing agreement following the bankruptcy of a major supplier of bunker in Q4 2014. The goal for 2015 is to release DKK 100m of cash from working capital
- **ONE Finance:** Establishment of a group-wide shared finance service centre in Poland is expected to comprise around 170 positions based on current activity levels. In 2014, migration and organisational changes were completed as planned. The focus in 2015 will be on process improvement and efficiency gains
- **Project 100:** Improvement of operating profit (EBIT) by DKK 100m through procurement efficiencies. An annual improvement run-rate of more than DKK 100m was achieved in 2014 and this is expected have full financial impact in 2015
- **Light Fuel:** Adaptation of two major passenger routes, Copenhagen-Oslo and Amsterdam-Newcastle, to the new rules on sulphur emissions. An improvement and efficiency review of major revenue and cost areas is expected to compensate for the higher cost of using MGO fuel in 2015.

Joint IT systems
Further progress was made in 2014 on the implementation of the strategy of joint IT systems across activity areas. The Seabook passenger system was implemented on the Baltic routes in Q2 2014, and roll-out to the remaining passenger routes is planned for 2015-2016. The Velocity logistics system was implemented in Larkhall and Belfast in 2014, and other locations will follow in 2015. The use of the Sertica system for ship maintenance was extended to also cover logistics and terminal workshops ashore and will come into use during 2015. A standard system for crewing, safety manning and payroll was implemented on the ships deployed on the English Channel. Full implementation on all Danish-flagged ships is expected during 2015. As part of the Customer Focus Initiative, the CRM platform is being upgraded and interfaces and configuration were completed in 2014 for a first go-live phase in April 2015.

Investment in IT system development is expected to amount to around DKK 60m in 2015

CUSTOMER SATISFACTION SCORES

DFDS customer services	CSAT[1]		NPS[2]		Scale
	2014	2013	2014	2013	
Freight shipping services	8.0	8.0	36	33	Very Good
Transport & logistics solutions	7.7	7.8	20	19	Good
Passenger services	7.8	7.8	26	27	Good

[1] CSAT asks customers "How would you rate the overall performance, products and services of DFDS?" and is measured on a 10-point scale (1-Not satisfied at all; 10-Fully satisfied)

[2] NPS asks customers "How likely would you be to recommend the products/services of DFDS?" on a 10-point scale (1-Not at all likely; 10-Extremely likely). The NPS is an aggregate score created by subtracting the percentage of detractors (those who gave scores from 1 to 6) from the percentage of promoters (those who gave scores of 9 and 10).

PEOPLE AND THE ENVIRONMENT

Employees
DFDS' HR activities aim to support people as well as the business in making the right decisions when it comes to recruitment, employee and management development, talent spotting, performance management, compensation and benefits as well as organisational efficiency. More information about employees and HR is available from DFDS' CR report, www.dfdsgroup.com/cr_report

CFI – sales training and DFDS Way of Selling
As part of CFI (Customer Focus Initiative), sales training for more than 300 sales managers had been completed at year-end 2014.

Our second year of customer satisfaction scores are reported in the table above. Scores were overall on a level with 2013 as major operational changes impacted services for some customers.

These changes included the integration of logistics activities in Scotland, extended lead times in the UK due to a general shortage hauliers, ship changes on the Kapellskär-Paldiski route, and, not least, the closure of three routes in the second half of 2014.

Around 20% of our freight locations received a score of excellent (NPS of 50 or above) from our customers, while around 40% received a score of very good (NPS of 30 or above). On our largest passenger route, Copenhagen-Oslo, the customer experience was rated 7.8 on the scale from 1-10, of which 33% rated the experience 9-10, and this share has been growing in recent years. All in all, the results are encouraging. The CFI is now established providing valuable insights about where and how to improve our services, making it an important part of DFDS' overall drive for continuous improvement.

New shipping emission target
After previously achieving a 10% reduction of the bunker consumption over a five year period, a new target of a 5% reduction has been set to be achieved in 2017, or before. Shipping emissions amount to 97% of DFDS' total direct emissions. More information on the environmental impact of DFDS' activities is available from DFDS' CR report, www.dfdsgroup.com/cr_report

RETURN ON INVESTED CAPITAL (ROIC) 2014

	Average invested capital, DKK m	ROIC before special items, %	EBIT variance vs 10% goal, DKK m
DFDS Group	8,578	8.0	-189
Shipping Division	**7,990**	**8.4**	**-128**
North Sea	4,161	9.4	-25
Baltic Sea	1,191	13.1	37
Channel	1,277	-3.1	-167
Passenger	801	18.7	67
France & Mediterranean	-71	n.a.	-28
Non-allocated	613	7.7	-14
Logistics Division	**975**	**9.5**	**-7**
Nordic	339	9.3	-3
Continent	340	5.7	-19
UK & Ireland	294	14.0	16
Non-allocated	3	3.8	0
Non-allocated items	-387	n.a.	-71

Significant events after 2014
On 9 January 2015, the UK Competition Appeal Tribunal (CAT) rejected the appeals lodged by Euro-tunnel and SCOP against the Competition and Markets Authority's (CMA) ban on Eurotunnel/SCOP operating ferries from Dover.

Subsequently, Eurotunnel announced that they would seek to sell its ferry activities, while SCOP received permission from Court of Appeal for an expedited appeal. A hearing is expected to take place no later than 13 March 2015.

On 17 February 2015, DFDS awarded 93,689 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes model.

FINANCIAL GOALS

Return on invested capital (ROIC)
DFDS' goal is a return of at least 10% on new investments and on the total invested capital.

The return on invested capital (ROIC), including special items, was 7.2% in 2014 compared to 5.7% in 2013. Before special items, the return was 8.0% in 2014, compared to 5.8% in 2013. At the start of 2015, DFDS' cost of capital was calculated at 6.0%.

The returns before special items of both divisions in 2014, Shipping Division at 8.4% and Logistics Division at 9.5%, were both above the cost of capital but below the 10% goal.

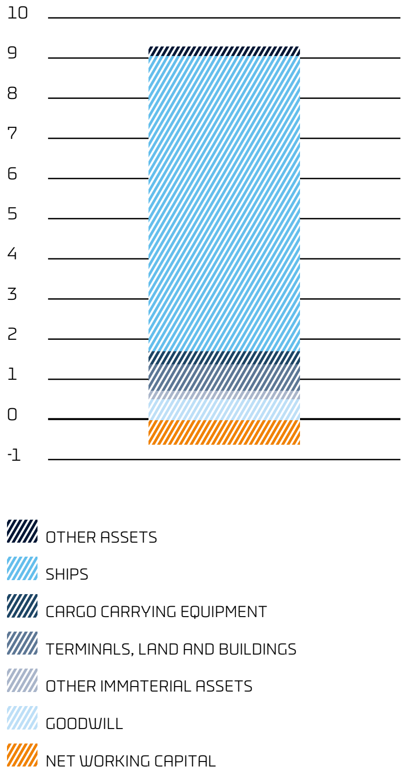
Compared to the 10% goal, the Shipping Division's return gap is mainly related to structural overcapacity on the English Channel and a low return on the activities between the Continent and UK in the North Sea business unit. The returns of Baltic Sea and Passenger both exceeded the goal in 2014.

The Logistics Division's return gap is almost entirely due to the Continent business unit. Nordic's return improved to 9.3% in 2014 and the return of UK & Ireland, including the acquisition of the Quayside Group, increased to 14.0% in 2014.

Capital structure
The capital structure is defined as the ratio of net- interest-bearing debt (NIBD) to operating profit before depreciation (EBITDA). The target capital structure is a NIBD/EBITDA multiple of minimum 2.0 and maximum 3.0. The target implies that excess capital will be distributed to shareholders if the multiple is below 2.0, and distribution will be reduced if the multiple exceeds 3.0.

At the end of 2014, the NIBD/EBITDA multiple was 1.7.

INVESTED CAPITAL 2014
(DKK bn)



IMPORTANT EVENTS 2014

	BUSINESS DEVELOPMENT AND COMPETITION	OPERATIONS AND FINANCE	PEOPLE AND THE ENVIRONMENT
January	• Acquisition of STEF Transport Ltd based in Scotland		
February		• Official opening of new finance centre in Poznan, Poland • Announcement of DKK 200m share buy-back programme	• Results of the 2013 bi-annual employee survey released
March	• UK Competition and Market Authority (CMA) provisionally confirms jurisdiction in Eurotunnel/SeaFrance case	• Upgrade completed of two passenger ships on Copenhagen-Oslo route	
April		• DFDS takes control of two freight ship new buildings from insolvent shipyard in Stralsund	
May		• First freight ship new building deployed on Esbjerg-Immingham • Adaptation of operations in Baltic Sea to market changes following Russian sanctions	• Danish “Community Award” hosted by DFDS on Pearl Seaways • Port terminal in Esbjerg records a full year with no major work-related accidents
June	• New freight route opened, Travemünde-Klaipeda • Own sales agency established in Marseille • CMA bans Eurotunnel from operating ferries out of Dover. Decision appealed by Eurotunnel/SCOP	• DFDS collects last consignment of chemicals from Syria on assignment for Danish military • New logistics IT system goes live in Belfast • New corporate bond of DKK 500m issued	
July	• Acquisition of Quayside Group headquartered in Grimsby, England • Participation in sales process of Mediterranean shipping company U.N. RoRo confirmed	• EU grant of up to DKK 47m awarded for installation of scrubbers • Helsingborg logistics office merged with Gothenburg office	
August	• Exit of sales process of Mediterranean shipping company U.N. RoRo announced • Travemünde-Klaipeda suspended	• New online tracking tool introduced in DFDS Logistics	
September	• Esbjerg-Harwich closed		• Three UK passenger sales and service departments merged into one
October	• Gothenburg-Tilbury closed	• One-year extension of contract to operate Newhaven-Dieppe announced • Further roll-out of new logistics IT system in UK locations	
November	• Volvo Group Logistics Services nominates DFDS to operate a cross dock and packaging terminal in Gothenburg starting in Q1 2015 • Agreement reached with Scottish government and Forth Ports to continue operating the Rosyth-Zeebrugge route	• Project Light Fuel initiated to mitigate extra costs of transition to MGO fuel in Passenger • Second freight ship new building deployed on Esbjerg-Immingham • Gothenburg RoRo port terminal operations adapted to lower customer volumes • Extraordinary general meeting approves cancellation of 650,000 shares	• DFDS captain and crew receives IMO’s bravery award
December	• Portsmouth-Le Havre closed • Participation in sales process of Polferries confirmed	• Chartered ro-pax ship deployed on Dover-Calais redelivered to owners	• Installation of 11 scrubbers completed as at year-end 2014, of which seven installed in 2014 • Christmas lunches held for homeless people in Copenhagen, Oslo and Amsterdam

FLEET OVERVIEW AND KEY FIGURES 2014

	Total ships	Ro-ro ships	Ro-pax ships	Passenger ships	Container and sideport ships	Ownership share, %	Average age of owned ships, yrs
DFDS Group	53	23	14	4	12	-	-
Divisions & Business Units							
Shipping Division	36	21	11	4	-	-	-
North Sea	17	17	-	-	-	76	10
Baltic Sea	7	2	5	-	-	57	12
Channel	4	-	4	-	-	100	12
Passenger	4	-	-	4	-	100	25
France & Mediterranean*	4	2	2	-	-	25	14
Logistics Division*	11	-	-	-	11	-	-
Nordic*	6	-	-	-	6	33	16
Continent*	5	-	-	-	5	0	-
Chartered out ships	5	1	3	-	1	100	20
Laid-up ships	1	1	-	-	-	100	23

* Includes VSA (vessel sharing agreements) and SCA (slot charter agreements)

Distribution to shareholders
DFDS' distribution policy is to pay a fixed annual dividend per share. In 2015, the proposal is to increase the dividend per share to DKK 18 from DKK 14 in 2014. In addition, excess capital, as defined by the target capital structure above, will be distributed to shareholders as an extra dividend and/or buy-back of shares.

Distribution of dividend and excess capital can be suspended in connection with large investments, including acquisitions, and other strategic events.

In 2014, DFDS distributed DKK 472m of cash to shareholders consisting of an ordinary dividend of DKK 177m, excluding dividend to treasury shares, and a buy-back of shares of DKK 295m.

BUSINESS MODEL, ASSETS AND INVESTMENTS

Business model
DFDS' business model combines ferry shipping and port terminal services as well as the provision of transport and logistics solutions. The ferry shipping and port terminal services deploy a range of assets, mainly owned and chartered ships, leased and owned port terminals, and cargo carrying equipment.

The provision of transport and logistics solutions mainly deploys owned and leased trailers as transport is subcontracted to hauliers, rail operators and container shipping operators. DFDS' own drivers are deployed in some contract logistics and distribution activities.

Assets and invested capital
At the end of 2014, the Shipping Division operated 42 ships of which 32 were owned and 10 ships were chartered in for varying periods.

The Shipping Division's ownership share of assets is to a large extent determined by the degree of specialisation of ships required to fit with customer needs. The lifespan of ro-ro-based freight and passenger tonnage is 25–35 years and the duration of port-terminal leases is typically 25–30 years.

Specialisation of ro-ro- and ro-pax-based tonnage relates to capacity requirements for passengers and freight, configuration of passenger areas, loading capacity, especially for heavy freight, hanging decks for cars, sailing speed, fuel efficiency; and ramps, including requirements for the speed of turnaround in ports.

At the end of 2014, total invested capital was DKK 8,633m, including a net working capital of DKK -681m (this includes all non-interest bearing current assets and liabilities). 86% of the invested capital consisted of ships and 11% consisted of port terminals, land and buildings and cargo carrying equipment. The Shipping Division's invested capital was DKK 7,924m at year-end 2014. The Logistics Division's invested capital amounted to DKK 1,095m at year-end 2014. The invested capital of non-allocated items was negative by DKK -387m.

Investment requirements
DFDS' investments in operations mainly covers purchase and/or new building of ships, dockings and ship upgrades, scrubber installations, cargo carrying equipment, construction and/or extension of warehouses and IT system development.

In 2014, total investments amounted to DKK 1,069m, including the delivery of two ro-ro freight ship new buildings (ARK), installation of seven scrubbers, and recurring investments in maintenance of ships and other operating equipment. Acquisitions in 2014 included the Quayside Group and STEF.

In 2015, total investments are expected to amount to DKK 650m, including the installation of six scrubbers. Maintenance investments are expected to decrease compared to 2014 due to, among other things, fewer dockings and ship upgrades.

Corporate governance
DFDS A/S is subject to Danish law and is listed on NASDAQ OMX Copenhagen. Corporate Governance in DFDS is based on Danish legislation and regulations, including the Danish Companies Act, the rules for listed companies on NASDAQ OMX Copenhagen, the Danish recommendations for good corporate governance and the company's articles of association, as well as other relevant rules.

More information on DFDS' corporate governance is available from www.dfdsgroup.com

- Statutory report on corporate governance, www.dfdsgroup.com/about/governance/
- DFDS' statutes, www.dfdsgroup.com/about/governance/articles/
- Materials from DFDS' most recent AGM, www.dfdsgroup.com/ investors/annualgeneralmeeting/previousagm/
- Remuneration policy, www.dfdsgroup.com/about/governance/remuneration-policy/
- Diversity policy, www.dfdsgroup.com/about/governance/

Corporate Responsibility (CR)
DFDS' CR activities aspire to create value for both society and our stakeholders, and contribute to DFDS being a preferred business partner. The framework and objectives for DFDS' CR activities are managed by the CR Committee, which reports to Executive Management. DFDS' CR report is available as on www.dfdsgroup.com/about/crreport/. The report outlines strategy, objectives and policies, and reports on the activities and results of our CR focus areas.

Safety and security
The safety of our passengers, crew and freight, as well as the security of our ships and port facilities, is of paramount importance to DFDS.

Our safety and security work is regulated by international and national conventions and legislation, and, moreover, by the additional objectives and requirements managed through DFDS Safety Management Systems. As per International Safety Management (ISM) guidelines, all information regarding safety measures and conditions is regularly disseminated among all ships. This includes a significant reporting scheme from the ships in order to identify weak links and establish safeguards to mitigate the risk of these.

More information about safety and security is available from DFDS' CR report, www.dfdsgroup.com/cr_report

Outlook 2015
Economic growth in the EU is expected to gain momentum during 2015, while Russia's economy is expected to continue to decline in 2015. Capacity utilisation in the transport sector has increased, but price pressure is expected to remain intense.

The Group's revenue is expected to increase by around 3%. Adjusted for route closures and acquisitions in 2014, revenue is expected to increase by around 5%.

The Group's EBITDA before special items is expected to increase to a range of DKK 1,550-1,650m.

The Shipping Division's EBITDA before special items is expected to increase to a range of DKK 1,425-1,500m.

The Logistics Division's EBITDA before special items is expected to increase to a range of DKK 225-250m, driven partly by the full-year impact of the acquisition of the Quayside Group with effect from 1 July 2014.

Investments are expected to amount to around DKK 650m in 2015. Dockings and ship upgrades comprise DKK 150m, scrubber installations DKK 275m, and cargo carrying equipment and warehouses, mainly related to the Logistics Division, DKK 125m. Other investments, including IT system development, total DKK 100m.

A number of risks pertain to the outlook. The most important among these are major changes in the demand for ferry shipping and transport and logistics services. Such demand is linked to the level of economic activity in, primarily, Europe, but also adjacent regions, and competitor actions. The outlook can also be impacted by changes in other factors, particularly the oil price and exchange rates. A review of operational and financial risks pertaining to DFDS are available on pages 21-23.

OUTLOOK 2015

DKK m	Outlook 2015	2014
Revenue	+3%	12,779
EBITDA before special items	1,550-1,650	1,433
Per division:		
Shipping Divison	1,425-1,500	1,309
Logistics Division	225-250	200
Non-allocated items	-100	-76
Depreciation	+10%	-772
Special items	-12	-70
Investments	-650	-1,069

SHIPPING DIVISION

SHIPPING DIVISION OVERVIEW

Head of division
Peder Gellert Pedersen

Share of DFDS Group revenue 2014
64%

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

SHIPPING DIVISION, DKK m	2014	2013	Δ	Δ %
Revenue	8,733	8,530	203	2.4%
EBITDA before special items	1,309	1,148	161	14.0%
Share of profit of associates	26	-7	33	n.a.
Profit/loss on disposal of non-current assets, net	0	2	-2	-97.0%
Depreciation and impairment	-665	-621	-44	7.1%
EBIT before special items	670	522	148	28.3%
EBIT margin before special items, %	7.7	6.1	1.6	25.3%
Special items, net	-41	-2	-39	n.a.
EBIT	629	520	109	21.0%
Invested capital, average	7,990	8,077	-87	-1.1%
ROIC before special items p.a., %	8.4	6.5	1.9	n.a
Lane metres, '000	30,279	29,367	912	3.1%
Passengers, '000	5,985	5,763	222	3.8%

- **Higher results in North Sea and Channel offset impact of Russian sanctions in Baltic Sea**
- **Three routes closed in 2014**
- **Increased result from external charters**

The Shipping Division's revenue increased by 2% to DKK 8,733m compared to 2013, and EBIT before special items increased by 28% to DKK 670m, including a one-off income of DKK 31m from the termination of a customer contract in an associated port terminal company. Adjusted for the closure of three routes during 2014, revenue increased by 3%.

The return on invested capital, ROIC, before special items increased to 8.4% in 2014 from 6.5% in 2013. Average invested capital decreased by 1% to DKK 7,990m compared to 2013.

Activities and business model

DFDS Seaways operates the largest network of ferry routes in Northern Europe servicing the requirements of both freight customers and passengers.

Freight shipping services

The routes are ideally located to service the freight volumes of forwarding companies and manufacturers of heavy industrial goods.

All routes operate on fixed schedules with a high level of frequency, allowing customers to efficiently execute their transport services. Further visibility is available by access to online tracking of shipments.

Bespoke shipping logistics solutions are developed in partnership with manufacturers of heavy goods such as automobiles, metals, paper and forest products, and chemicals.

To further enhance the efficiency of customer services, own port terminals are operated in strategic locations, including warehousing services.

Passenger ferry services

The route network offers both overnight and short crossings. Passengers can bring their own cars on all routes. The onboard facilities are adapted to each route's particular mix of passengers and their requirements for enjoying the maritime experience.

NORTH SEA

Revenue increased by 3% to DKK 3,391m compared to 2013, and EBIT before special items increased by 38% to DKK 392m. EBIT includes a one-off income of DKK 31m from the termination of a customer contract in an associated port terminal company. ROIC before special items increased to 9.4% in 2014 from 6.7% in 2013. Invested capital decreased by 3% to DKK 4,161m.

Freight volumes increased by 3% when adjusted for the closure of Esbjerg-Harwich and Gothenburg-Tilbury at the end of September and October respectively. The overall rate level was below 2013 due to mix changes, depreciation of the Swedish Krona and continued price pressure.

On the routes from Gothenburg, volumes increased in the first half of the year, while a slowdown in Swedish exports lowered growth in the second half of the year. For the routes between the UK and the Continent volumes picked up during the year driven by higher growth in the UK economy.

The closure of the Esbjerg-Harwich route was due to an unsustainable cost structure in view of the transition to use more expensive MGO fuel in 2015. Most of the freight volumes on the route were subsequently successfully transferred to the Esbjerg-Immingham route.

The closure of the Gothenburg-Tilbury route was due to the expiration of an agreement with the route's main customer, a Swedish paper manufacturer. Shipping capacity between Sweden and the Benelux was increased towards the end of 2014 following changes in the logistics set-up of the paper manufacturer. The increased capacity, coupled with the transition to more expensive MGO fuel in 2015, is expected to have a negative impact on the Sweden-Benelux corridor's market conditions in 2015.

BALTIC SEA

Revenue decreased by 6% to DKK 1,283m compared to 2013, while EBIT before special items decreased by 29% to DKK 156m. Adjusted for the closure of a route in 2013, revenue decreased by 4%. ROIC before special items decreased to 13.1% in 2014 from 18.0% in 2013. Invested capital decreased by 3% to DKK 1,191m.

Freight volumes increased by 1% when adjusted for the closure of Klaipeda-Sassnitz in 2013. Higher volumes between Sweden and Lithuania/Estonia offset lower volumes between Germany and Lithuania. The latter traffic was impacted by lower volumes to the Russian market following a ban on meat imports from the end of January and additional sanctions later in the year.

The overall rate level was below 2013 due to mix changes and continued price pressure.

During the year, the capacity of the route network was adapted to market changes caused by lower demand from Russia. A new route between Travemünde and Klaipeda was opened in June but suspended in August following additional Russian sanctions, incurring some one-off costs.

CHANNEL

Revenue increased by 9% to DKK 1,580m compared to 2013, and EBIT before special items improved by DKK 60m to DKK -40m. ROIC before special items improved to -3.1% in 2014 from -7.6% in 2013. Invested capital decreased by 3% to DKK 1,277m.

Freight volumes increased by 7% in 2014, and passenger volumes likewise increased by 7%. Most of the growth was achieved on Dover-Dunkirk. The overall freight rate level was on a level with 2013, while revenue per passenger increased.

At the end of November 2014, a chartered ship deployed on Dover-Calais was redelivered to its owners. A two-ship operation on the route is expected to resume from the beginning of Q2 2015.

FRANCE & MEDITERRANEAN

Revenue decreased by 8% to DKK 519m compared to 2013, and EBIT before special items decreased by DKK 6m to DKK -35m. Invested capital was DKK -71m at year-end. In 2013, EBIT included a one-off income of DKK 30m related to the acquisition of LD Lines in 2012. Adjusted for this income, EBIT improved by DKK 24m in 2014 compared to 2013.

Freight volumes decreased by 10% in 2014, and passenger volumes decreased by 5%. Volume growth was negatively impacted by reduced capacity following tonnage changes that lowered operating costs. The latter benefit exceeded the impact of lower volumes. The overall freight rate level was slightly below 2013, while revenue per passenger increased.

At the end of 2014, the Portsmouth-Le Havre route was closed due to unsustainable losses and the chartered ship deployed on the route was redelivered to its owners. During 2014 the concession agreement of the Newhaven-Dieppe route was extended until the end of 2015.

PASSENGER

Revenue decreased by 1% to DKK 1,733m compared to 2013, while EBIT before special items increased by 4% to DKK 150m. ROIC before special items increased to 18.7% in 2014 from 16.5% in 2013. Invested capital decreased by 8% to DKK 801m.

Passenger volumes decreased by 1% in 2014 due to fewer departures on the Copenhagen-Oslo route following extended dockings in Q1 2014 to upgrade the two ships deployed on the route. Passenger volumes on Amsterdam-Newcastle increased in 2014. Freight volumes were overall on a level with 2013. The route results benefited from lower bunker costs as the oil price declined compared to 2013, particularly in Q4.

The Esbjerg-Harwich route was closed at the end of September 2014 due to an unsustainable cost structure in view of the transition to use more expensive MGO fuel in 2015.

NON-ALLOCATED ITEMS

Non-allocated items primarily include activities concerning chartering of ships not deployed in DFDS' route network. Revenue increased by 50% to DKK 404m compared to 2013, while EBIT increased by DKK 42m to DKK 47m. ROIC before special items increased to 7.7% in 2014 from 0.8% in 2013. Invested capital increased by 55% to DKK 613m. A higher number of charters, and extra costs related to the upgrade of ships in 2013, increased the result significantly in 2014.

NORTH SEA, DKK m	2014	2013	Δ	Δ %
Revenue	3,391	3,295	96	2.9%
EBIT before special items	392	284	108	37.9%
Invested capital, average	4,161	4,270	-109	-2.5%
ROIC before special items p.a., %	9.4	6.7	2.7	n.a.
Lane metres freight, '000	10,657	10,513	144	1.4%

BALTIC SEA, DKK m	2014	2013	Δ	Δ %
Revenue	1,283	1,369	-86	-6.3%
EBIT before special items	156	220	-64	-29.1%
Invested capital, average	1,191	1,232	-41	-3.3%
ROIC before special items p.a., %	13.1	18.0	-4.9	n.a.
Lane metres freight, '000	3,403	3,446	-43	-1.2%
Passengers, '000	337	327	10	3.1%

CHANNEL, DKK m	2014	2013	Δ	Δ %
Revenue	1,580	1,448	132	9.1%
EBIT before special items	-40	-100	60	-60.0%
Invested capital, average	1,277	1,310	-33	-2.5%
ROIC before special items p.a., %	-3.1	-7.6	4.5	n.a.
Lane metres freight, '000	14,386	13,445	941	7.0%
Passengers, '000	3,874	3,628	246	6.8%

FRANCE & MEDITERRANEAN, DKK m	2014	2013	Δ	Δ %
Revenue	519	562	-43	-7.7%
EBIT before special items	-35	-29	-6	22.4%
Invested capital, average	-71	-54	-17	31.5%
ROIC before special items p.a., %	n.a.	n.a.	n.a.	n.a.
Lane metres freight, '000	1,189	1,322	-133	-10.0%
Passengers, '000	403	425	-22	-5.1%

PASSENGER, DKK m	2014	2013	Δ	Δ %
Revenue	1,733	1,758	-25	-1.4%
EBIT before special items	150	144	6	4.2%
Invested capital, average	801	873	-72	-8.2%
ROIC before special items p.a., %	18.7	16.5	2.2	n.a.
Lane metres freight, '000	643	641	2	0.3%
Passengers, '000	1,371	1,383	-12	-0.9%

NON-ALLOCATED ITEMS, DKK m	2014	2013	Δ	Δ %
Revenue	404	269	135	50.2%
EBIT before special items	47	5	42	921.7%
Invested capital, average	613	395	218	55.2%
ROIC before special items p.a., %	7.7	0.8	6.9	n.a.

	NORTH SEA	BALTIC SEA	CHANNEL	FRANCE & MEDITERRANEAN	PASSENGER
Head of business unit	Kell Robdrup (South) Morgan Olausson (North)	Anders Refsgaard	Carsten Jensen	Peder Gellert Pedersen	Brian Thorsted Hansen
Share of Shipping Division's revenue 2014*	38%	14%	18%	6%	19%
Routes	• Gothenburg-Brevik/Immingham • Gothenburg-Tilbury (closed end October 2014) • Gothenburg-Brevik/Ghent • Esbjerg-Immingham • Esbjerg-Harwich (closed end September 2014) • Cuxhaven-Immingham • Vlaardingen-Felixstowe • Vlaardingen-Immingham • Rosyth-Zeebrugge	• Fredericia/Copenhagen-Klaipeda • Karlshamn-Klaipeda • Kiel-Klaipeda • Kiel-St. Petersburg/Ust Luga • Kapellskär-Paldiski	• Dover-Dunkirk • Dover-Calais	• Marseille-Tunis • Portsmouth-Le Havre (closed at year-end 2014) • Newhaven-Dieppe	• Copenhagen-Oslo • Amsterdam-Newcastle • Esbjerg-Harwich (closed end September 2014)
Ships (continuing routes)	• 17 ro-ro ships	• 2 ro-ro ships • 5 ro-pax ships	• 3 short sea ferries • 1 ro-pax ship	• 2 ro-ro ships • 1 ro-pax ship	• 4 passenger ships
Port terminals	• Esbjerg • Ghent • Gothenburg (associated company) • Immingham • Vlaardingen		• Dunkirk		• Copenhagen
Main customer segments	• Forwarders & hauliers • Manufacturers of heavy industrial goods (automotive, forest and paper products, metals, chemicals)	• Forwarders & hauliers • Manufacturers of heavy industrial goods (automotive, forest products, metals)	• Forwarders & hauliers • Car passengers • Coach operators	• Forwarders & hauliers • Car passengers • Coach operators	• Mini Cruise passengers • Car passengers • Business conferences • Forwarders & hauliers
Main market areas	• Benelux • Denmark • Germany • Norway • Sweden • UK	• Baltic States • Denmark • Germany • Russia • Sweden	• Continental Europe • UK	• Continental Europe • Tunisia • UK	• Benelux • Denmark • Germany • Norway • Sweden • Overseas markets • UK
Main competitors	• Cobelfret • P&O Ferries • Road and rail transport • Stena Line	• Road and rail transport • Stena Line • Tallink Silja • Transrussia Express (Finnlines) • Transfennica	• Brittany Ferries • Eurotunnel/MyFerryLink • P&O Ferries	• Brittany Ferries • CMA-CGM • Cotunav • SNCM	• Airlines and road transport • Color Line • P&O Ferries • Stena Line

*As Non-allocated items are not included in the overview, the shares do not add up to 100%

LOGISTICS DIVISION

LOGISTICS DIVISION OVERVIEW

Head of division
Eddie Green

Share of DFDS Group revenue 2014
34%

Business areas
- Nordic
- Continent
- UK & Ireland

- **Higher earnings in Norwegian transport and shipping activities**
- **Margins reduced in UK-Continent full-load markets**
- **Strong performance in UK temperature-controlled logistics activities**

The Logistics Division's revenue increased by 11% to DKK 4,625m compared to 2013, and EBIT increased by 33% to DKK 123m. In 2014, two companies focused on temperature-controlled logistics were acquired in the UK. Adjusted for these acquisitions, and the full-year impact of the acquisition of a Swedish company in 2013, revenue increased by 3% and EBIT increased by 14%.

The return on invested capital, ROIC, before special items increased to 9.5% in 2014 from 8.7% in 2013. Average invested capital increased by 23% to DKK 975m, mainly driven by acquisitions

LOGISTICS DIVISION, DKK m	2014	2013	Δ	Δ %
Revenue	4,625	4,183	442	10.6%
EBITDA before special items	200	149	51	34.2%
Share of profit of associates	-1	1	-2	n.a.
Profit/loss on disposal of non-current assets, net	9	4	5	128.6%
Depreciation and impairment	-85	-61	-24	38.8%
EBIT before special items	123	93	30	32.6%
EBIT margin before special items, %	2.7	2.2	0.4	19.9%
Special items, net	2	0	2	n.a.
EBIT	125	93	32	34.4%
Invested capital, average	975	795	180	22.6%
ROIC before special items p.a., %	9.5	8.7	0.8	n.a.
Tons, '000	438.6	422.8	15.8	3.7%
Units, '000	412.8	375.7	37.1	9.9%

Activities and business model
DFDS Logistics provides flexible, cost efficient and on-time, door-to-door transport solutions to producers of a wide variety of consumer and industrial goods. The main activity is the transport of full and part loads, both ambient and temperature controlled.

The Division develops and provides performance enhancing and cost efficient logistics solutions, including warehousing services and just-in-time concepts, in partnership with retailers and production companies.

All solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry routes. If required, the carrier network is supplemented with our own drivers and trucks.

The business model ensures flexible solutions that fit customer requirements and allows for fast reactions to changes in market conditions.

NORDIC, DKK m	2014	2013	Δ	Δ %
Revenue	1,543	1,322	221	16.7%
EBIT before special items	42	25	17	68.0%
Invested capital	339	271	68	25.0%
ROIC before special items p.a., %	9.3	6.7	2.6	n.a.
Units, '000	110.6	89.2	21.4	24.0%
Tons, '000	438.6	422.7	15.9	3.8%

CONTINENT, DKK m	2014	2013	Δ	Δ %
Revenue	2,002	1,966	36	1,9%
EBIT before special items	26	37	-11	-30.5%
Invested capital	340	323	16,5	5.1%
ROIC before special items p.a., %	5.7	8.5	-2.8	n.a.
Units, '000	211.5	193.8	17.7	9.2%

UK & IRELAND , DKK m	2014	2013	Δ	Δ %
Revenue	1,219	1,019	200	19.6%
EBIT before special items	56	32	24	74.1%
Invested capital	294	183	110.8	60.6%
ROIC before special items p.a., %	14.0	13.1	0.9	n.a.
Units, '000	90.6	92.7	-2.1	-2.2%

NORDIC

Revenue increased by 17% to DKK 1,543m compared to 2013, and EBIT before special items increased by 68% to DKK 42m. Adjusted for the full-year impact of the acquisition of Karlshamn Express in 2013, revenue increased by 7% and EBIT by 58%.

The Norwegian activities were the primary driver of the improved result following higher door-to-door volumes and improved margins on the side-port routes. The Swedish door-to-door and rail operations were streamlined through closure of an office in Helsingborg and equipment changes. The full-year result of an automotive logistics contract in Gothenburg, started in September 2013, also contributed to the result improvement. The result of the Baltic activities (previously Karlshamn Express) was impacted by lower activity in the Russian market.

In March 2015, a new contract to operate a Swedish auto manufacturer's cross docking terminal in Gothenburg is expected to commence. The annual revenue of the contract is expected to be around DKK 100m.

CONTINENT

Revenue increased by 2% to DKK 2,002m compared to 2013, while EBIT before special items decreased by 31% to DKK 26m.

The lower result was driven by the full-load activities between Germany/Benelux and the UK, and between Sweden and Benelux. In the UK-Continent corridor, margins were reduced due to a shortage of drivers in the UK which increased costs, trade imbalances and a rise in sea freight costs. In the Sweden-Benelux corridor, margins were mainly reduced by trade imbalances caused by the slowdown in Swedish exports to the Continent during the year. The result of the door-to-door container activities between Ireland and the Continent improved in 2014, as did the result of the UK-Italy rail activities.

UK & IRELAND

Revenue increased by 20% to DKK 1,219m compared to 2013, and EBIT before special items increased by 74% to DKK 56m. Adjusted for the full-year impact of the acquisition of STEF and the Quayside Group in 2014, revenue increased by 2% and EBIT by 33%.

All activity areas of the business unit contributed to the improvement in the result. The distribution and logistics activities based in Peterborough continued to perform well in 2014. The result of activities in Northern Ireland improved during the year, albeit still not to a satisfactory level.

The integration of STEF and the Quayside Group developed in line with expectations. Further synergies are expected to be achieved in 2015 from optimisation of the Scottish depot network and continued integration of the Quayside Group.

	NORDIC	**CONTINENT**	**UK & IRELAND**
Head of business area	Eddie Green	Jens Antonsen	Steve Macaulay
Share of Logistics Division's revenue, 2014*	32%	42%	25%
Main activities	**Door-to-door full & part load transport solutions** • Sweden/Denmark/Norway-UK • Sweden-Baltic/Russia/CIS **Paper shipping logistics, including containers** • Norway-Bremerhaven-Hamburg-Norway • Norway-Zeebrugge-Immingham-Norway **Door-to-door container transport solutions** • Norway-UK • Norway-Continent **Door-to-door rail transport solutions** • UK/Nordic-Italy • Sweden-Baltic/Russia/CIS	**Door-to-door full & part load transport solutions** • Holland-UK/Ireland • Germany-UK/Italy • Belgium/France-UK/Scandinavia • France-Scandinavia • Italy-Scandinavia/UK **Door-to-door container transport solutions** • Holland-Ireland • Germany-UK • Italy-UK **Door-to-door rail transport solutions** • Italy-UK/Germany/Benelux • Warehousing UK & Italy • 4PL contracts	**Door-to-door full & part load transport solutions** • Northern Ireland-UK • UK-Continent **Logistics solutions** • UK/Ireland domestic • UK-Continent • Northern Ireland retail distribution • Seafood distribution network • Warehousing • 4PL contracts **Door-to-door container transport solutions** • Ireland/UK-Spain
Equipment	**Joint Nordic/Continent equipment pool** • 2,600 trailers • 125 trucks • 2,920 containers • 566 swap bodies • 3 sideport vessels	**Joint Nordic/Continent equipment pool** • 2,600 trailers • 125 trucks • 2,920 containers • 566 swap bodies	• 650 trailers • 150 trucks • 1 container ship
Warehouses	• Gothenburg • Moss • Karlshamn • Ventspils • Liepaja	• Vlaardingen • Immingham • Milan • Rotterdam	• Peterborough • Larkhall • Aberdeen • Belfast • Grimsby • Bellshill
Sales offices	• Oslo • Gothenburg • Hamina • Copenhagen • Moss • Brevik • Fredericia • Karlshamn • Liepaja	• Hamburg • Ghent • Bruges • Immingham • Rotterdam • Milan • Dublin	• Aberdeen • Peterborough • Larkhall • Bellshill • Belfast • Grimsby • Boulogne sur-Mer • Newlyn • Dublin
Customer segments	• Manufacturers of heavy industrial goods (automotive, paper), consumer goods, chemicals, temperature controlled goods • Retailers • Third party container operators • Contract management	• Manufacturers of heavy industrial goods (automotive, paper), high value goods, temperature controlled goods • Retailers • Forwarders • Contract management	• Frozen, chilled and ambient cargo for retailers/ manufacturers • Aquaculture producers • Contract management
Primary competitors	• NTEX • DSV • Schenker • Blue Water • Lo-Lo, container and sideport carriers • Tschudi Line • Green Carrier	• Cobelfret • P&O Ferrymasters • LKW Walter • European forwarders • Samskip • Lo-Lo carriers	• McBurney • Montgomery Transport • MacAndrews

*As Non-allocated items are not included in the overview, the shares do not add up to 100%

RISK FACTORS

RISK MANAGEMENT IS AN INTEGRAL PART OF DFDS' MANAGEMENT PROCESSES THAT REGULARLY REVIEW RISKS AND OPPORTUNITIES AND REPORT TO THE BOARD OF DIRECTORS TO ENABLE APPROPRIATE RESPONSES AND ACTIONS

GENERAL AND SPECIFIC OPERATIONAL RISKS

Macro-economic and market risks
Risks of major fluctuations in earnings caused by changes in market and economic conditions are highest for the Group's shipping activities and lowest for the transport and logistics activities. The difference in risk profile is due to a high proportion of fixed costs in shipping as opposed to a low share of fixed costs in transport and logistics which entails more flexibility in adapting activities to changes in demand.

The demand for shipping of freight and passengers is impacted by changes in customer volumes, which in turn is impacted by the general state of the economy. Decreasing demand can lead to overcapacity, which can only be remedied by deployment of a ship(s) with less capacity or by removal of a ship from a route or, ultimately, by route closure. Overcapacity tends to increase downward pressure on prices and, hence, entails a risk of lower profitability.

Partly in order to counteract cyclical demand risk, part of the freight fleet consists of chartered vessels. DFDS aims to charter a certain share of the fleet on contracts of less than a year with options for extensions, which facilitates opportunities for redelivery of ships at a few months' notice. All passenger ships in the fleet are owned by DFDS, which limits the options for adapting passenger capacity in the short term. DFDS' container activities mainly deploy chartered ships through vessel sharing agreements with other shipping companies, which provides flexibility. DFDS' logistics activities to a large extent lease equipment and subcontract haulage. This results in a high proportion of variable costs and, therefore, less cyclical risk.

DFDS' geographic diversification across Northern Europe, including activities covering Russia and the surrounding countries, reduces dependence on trends in the different regions. In addition, the diversified route network and other activities balance commercial risks, including opportunities for reallocation of ships between routes.

The freight- and passenger-shipping markets are also impacted by industry-specific market conditions, including changes in market conditions faced by competing forms of transport such as road, rail and air – the latter of which mainly impacts the passenger sector. In addition, markets are impacted by changes in local and regional competition, such as the opening of competing routes and capacity increases on existing routes.

On a few routes, a significant proportion of freight volumes are derived from a few industrial customers. Risks inherent in such relationships are mitigated by entering into multiple-year contracts reflecting investment requirements to service the contracts.

Risks associated with business development and investment
DFDS' growth strategy embodies business development and investment risks related to organic growth driven by acquisition of tonnage and growth driven by acquisition of companies and activities. The most important risk associated with organic growth is related to expansion of capacity on a route by deployment of a larger ship, or ships. The acquisition of companies and activities involves significant risks, which are proportionate to the size of the investment and the complexity of a subsequent integration process. Risks associated with business development ventures are managed by thorough planning and decision-making processes governed by internal policies and guidelines for investment decisions, including a required rate of return on investments.

The shipping charter market
DFDS mainly charters freight ships for varying periods. Such charters are subject to price risks (charter rates) and risks concerning availability of ships that fit operational requirements. Similar risks, including counterparty risks, are relevant when chartering out excess tonnage. In addition, there is a price risk related to acquiring or ordering ships at cycle peaks. In connection with the ordering of ships, there is a default risk related to the shipyard, which can lead to additional costs, including delayed delivery.

Due to the ongoing process of replacing and renewing the DFDS fleet, the sale of ships or the cancellation of contracts may result in gains, losses and costs that are not anticipated in annual profit forecasts.

Operational, security and environmental risks
The main operational risks are associated with ships and port terminals. Technical problems and accidents may lead to unplanned periods in dock, interruption of sailing schedules, and loss of revenue. Replacement tonnage can usually be deployed at short notice through chartering. In order to minimise operational risks, DFDS has a systematic and comprehensive maintenance programme in place for all ships, including periods in dock at regular intervals. In addition, extreme weather conditions can cause delays and cancellations, and strikes in ports can also disrupt services.

DFDS deploys freight and passenger ships, port terminals, warehouses and cargo-carrying equipment, all of which are subject to the usual safety risks associated with equipment of this type. These risks are controlled and minimised partly through compliance with safety requirements and routines, as well as preventative work, and partly through insurance against risk. More information on health and safety is available from www.dfdsgroup.com/cr_report

Environmental and safety measures are based on DFDS' environmental and safety policies, as well as rules and regulations and customer requirements. Changes in these factors can increase costs. The Group is insured against environmental risks as far as possible, and participates in preparatory legislative procedures through industry organisations.

More information on environmental risks is available from www.dfdsgroup.com/cr_report

Political and legal risks
DFDS' activities are impacted by changes in rules and regulations governing the shipping and transport sector, as well as changes in the overall conditions concerning Europe's infrastructure. In addition to political bodies, DFDS is subject to International Maritime Organization (IMO) conventions. The IMO is the UN body responsible for maritime issues, primarily safety and environment.

Changes in the above rules and regulations can have negative consequences, including higher costs and changes in volumes of passengers and freight, including the distribution between sea and land. Currently, the most important change with a potentially significant impact is the introduction of a new set of rules as at 1 January 2015 that limit the sulphur content in bunkers from 1.0% to 0.1% in the Baltic Sea, the North Sea and the Channel. Bunker with a sulphur content of 0.1% presently trades at a premium of around USD 220 per ton compared to bunker with a 1.0% sulphur content.

Other significant political risks concern changes to taxation arrangements for staff at sea, abolition of duty-free sales in Norway if the country were to join the EU, cancellation of VAT exemption on tickets and on-board sales, and changes of tonnage tax schemes. DFDS actively monitors these issues, including by participating in industry organisations.

Financial risks
DFDS is exposed to a range of financial risks. The primary risks relate to changes in oil prices, exchange rates and interest rates. DFDS is also exposed to liquidity risks in terms of payments and counterparty risk. Managing financial risk is based on Group policy and guidelines for the respective risk areas. Risk is managed centrally, as per Group policy. The Executive Board regularly discusses financial risks, and the Board of Directors is likewise kept up to date on risks and risk management.

It is DFDS' strategy to diversify the loan portfolio and for that purpose several larger funding transactions were carried out:

- 5-year DKK 500m unsecured bond
- 8-year EUR 50m unsecured loan
- 12-year DKK 600m secured ship loan
- Repayment of a DKK 650m facility (was to mature in April 2015)

As a result of the above, expected repayment in 2015 is DKK 244m while the average maturity of loans has increased. The gross debt portfolio consists of approximately 48% unsecured bonds, 39% secured ship finance, and 13% unsecured loans. Loans secured by mortgage/ships constitute 12% of total assets.

DFDS' shipping activities involve a relatively high level of capital intensity. At the same time, the demand for transport services is to some extent cyclical. This entails a risk of fluctuations in earnings, and financial flexibility is therefore maintained through a solid capital structure. The targeted capital structure is a net- interest-bearing debt/EBITDA ratio between a minimum of 2.0x and a maximum of 3.0x. DFDS owns several unpledged ships and, taking opportunities of issuing additional corporate bonds into consideration, refinancing risks are considered to be limited.

The table on page 23 accounts in greater detail for the financial risks faced by DFDS. Please also refer to note 27 for more detail regarding financial risks. For the individual areas of risk, the following can be highlighted:

- **Bunker:** 87% of DFDS' bunker consumption is commercially hedged by BAF contracts (bunker adjustment factor). It is estimated that a price change of 1% compared to the price level at the end of 2014 (approximately USD 509 per ton of MGO and USD 279 per ton of HFO) would have an impact on financial performance of approximately DKK 1m.

- **Interest:** At the end of December 2014, the proportion of net fixed-interest loans was 45%, consistent with the objective of a fixed interest rate level of 40-70%. When calculating interest-rate risks, long-term charter contracts are included under fixed-interest loans. It is estimated that an increase in interest rates of 1%, compared to the level at the end of December 2014, would result in a negative impact on financial performance of approximately DKK 16m.

- **Currency:** To date, transaction risks have not been hedged. Such risks primarily relate to SEK, NOK, GBP and USD. EUR risks are monitored continuously, but not hedged. USD risk is hedged in connection with hedging of bunker.

- **Liquidity:** DFDS systematically and regularly conducts internal credit assessments of all financial counterparts. The internal credit assessment is based on ratings from international credit-rating agencies. The Board of Directors approve general limits on deposits, etc. with DFDS' counterparts on this basis. At present, the risks are estimated to be limited.

	RISKS	POLICIES	HEDGING
Bunker	• Increase in oil price • Expected bunker consumption in 2015: 450,000 tons • Total bunker costs in 2014: DKK 1,692m • Spread risk between MGO and HFO due to utilisation of both bunker types and BAF only related to MGO	• Oil-price risk is hedged through price surcharges (clauses in freight contracts, bunker adjustment factor (BAF) and oil-price surcharges for passengers) and financial instruments • Hedging of 0-100% of the bunker not hedged through MGO BAF surcharges • Hedging of up to 100% of the price spread risk between MGO and HFO	• A change in oil prices of 1%, compared to the price level at the end of December 2014, would entail an estimated impact on financial performance of approximately DKK 1m • Total hedging of oil consumption: 94%. – Commercial hedging: 87% – Financial hedging: 7%
Interest rates	• Increase in interest rate levels • When calculating the fixed-interest proportion, long-term charter contracts are included as fixed-interest loans	• Duration 9–36 months • Fixed-interest proportion 40–70% • Implicitly includes fixed-interest for long-term charter contracts • The target for risk is calculated as a net position (net of cash and deposits)	• Duration at the end of 2014: 13 months • Fixed-interest proportion: 45% (proportion of fixed-interest loans, including interest-rate swaps and charter contracts, compared to net- interest-bearing debt) • An increase in interest rates of 1%, compared to the level at the end of December 2014, would entail an estimated negative impact on financial performance of approximately DKK 16m
Currency	• Translation risks are related to changes in exchange rates that affect the profit-and-loss account due to changes in the value of monetary assets and liabilities in foreign currencies	• Positions are hedged by matching the currencies for assets and liabilities • Net positions in excess of SEK 200m, NOK 100m, USD 25m and GBP 20m are hedged using foreign exchange contracts • Exchange rate movements between EUR and DKK is not considered as a risk	• Primary net currency-balance positions at the end of 2014 were: – SEK: DKK 60m – GBP: DKK 10m – NOK: DKK 35m – USD: DKK -3m
	• Transaction risks relate to changes in exchange rates, which have an impact on earnings when revenues and expenses are not incurred in the same currency	• At Group level, subsidiaries' exposures are aggregated to facilitate mutual hedging • Risk is also reduced by adjusting prices and cost structures in local currencies • Financial hedging is used as needed	• Approx. 87% of DFDS' revenue is invoiced in foreign currency • Primary net currency cash-flow positions at the end of 2014 were: – SEK (income): DKK 246m – GBP (cost): DKK -12m – NOK (income): DKK 119m – USD (cost): DKK -244m • To date, transaction risks have not been hedged, apart from bunker payments in USD
Liquidity	• Liquidity risks relating to payments	• Sufficient liquidity is guaranteed by maintaining a minimum level of cash reserves and drawing rights of DKK 400 million • DFDS is continuously working towards diversifying the portfolio by issuing corporate bonds or similar	• Liquidity risks are not quantifiable • The total liquidity contingency amounts to DKK 1,337m. At the end of 2014, it comprised cash and liquid net holdings of DKK 663m and drawing rights of DKK 674m
	• Counterparty risks with financial institutions	• The limits for placing liquidity in banks are determined by the credit ratings of the banks concerned	• Counterparty risk is managed by complying with fixed limits
Leverage	• Risks associated with high financial leverage	• A net- interest-bearing debt/EBITDA ratio of minimum 2.0x and maximum 3.0x	• Net- interest-bearing debt/EBITDA can only temporarily exceed 3.0x in connection with strategic investment

THE DFDS SHARE AND SHAREHOLDERS

THE TOTAL RETURN ON THE DFDS SHARE WAS 38% IN 2014

Share capital
DFDS has one class of shares. At the end of 2014, the share capital was DKK 1,265m comprising 12,650,000 shares, each with a nominal value of DKK 100.

On 16 January 2014, the cancellation of 1,556,081 shares was completed. The cancelled shares were treasury shares acquired as part of DFDS' purchase of 12.0% of the share capital from A.P. Møller - Mærsk in September 2013.

On 19 December 2014, the cancellation of 650,000 shares was completed. The cancelled shares were treasury shares acquired as part of DFDS' purchase shares from A.P. Møller – Mærsk, as above, and as part of DFDS' share buy-back programmes in 2014.

Stock exchange trade
The DFDS share is listed on NASDAQ OMX Copenhagen. On this exchange, 4.6m DFDS shares were traded in 2014 equal to an annual turnover of DKK 2.1bn. The average number of trades per day was 312 and the average daily turnover was DKK 8.6m.

Share price performance
DFDS' share price rose by 35% to 591 in 2014, equal to an increase in DFDS' market value of DKK 1,618m to a total market value of DKK 7,177m, excluding treasury shares. By comparison, the Danish stock market's all share index rose by 19% in 2014, while DFDS' peer group index rose by 26%.

DFDS' peer group index includes DSV (DK), Finnlines (FIN), Irish Continental Group (IE), Tallink (ES) and Viking Line (FIN).

The total yield on the DFDS share was 7% in 2014, including the yield from the dividend and the buy-back of shares.

Distribution policy and dividend
DFDS' distribution policy is to pay an annual dividend of DKK 14 per share. In addition, excess capital, as defined by the target capital structure, will be distributed to shareholders as an extra dividend and/or a buy-back of shares.

The capital structure is defined by the ratio of net interest-bearing debt (NIBD) to operating profit before depreciations (EBITDA). The target capital structure is a NIBD/EBITDA multiple of minimum 2.0 and maximum 3.0. Excess capital will thus be distributed to shareholders if the multiple is below 2.0, and distribution will be reduced if the multiple exceeds 3.0. The targets can be suspended in connection with large investments, including acquisitions, and other strategic events.

For 2014, the Board of Directors proposes to the 2015 annual general meeting (AGM) payment of a dividend of DKK 18 per share.

Buy-back of shares
At the AGM in March 2014, the Board of Directors received a mandate to purchase treasury shares totalling a maximum of 10% of the share capital.

In 2014, DFDS distributed DKK 472m of cash to shareholders through the purchase of 639,495 treasury shares and payment of a dividend of DKK 177m. An additional share buy-back programme of DKK 300m is intended to be launched once the current programme of DKK 200m is completed, expectedly in April/May 2015.

Shareholders
At the end of 2014, DFDS had 14,688 registered shareholders who owned 92.9% of the share capital. International shareholders owned 19.7% of the total share capital and 20.6% of the total circulating share capital (total share capital minus treasury shares). At the end of 2014, the Lauritzen Foundation was the largest shareholder with a holding of 42.8% of the total share capital.

SHARE RELATED KEY FIGURES

	2014	2013	2012	2011	2010
Share price, DKK					
Price at year-end	591.0	437,0	255.5	355.0	418.0
Price high	591.0	455,5	386.0	480.0	423.0
Price low	404.0	262,0	258.0	353.0	309.0
Market value year-end, DKK m	7,177	5,559	3,706	5,149	6,119
No. of shares year-end, m	12.65	13.33	14.86	14.86	14.86
No. of circulating shares year-end, m	12.14	12.75	14.51	14.51	14.64
Distribution to shareholders, DKK m					
Dividend paid per share, DKK	14	14	14	8	0
Dividend proposed per share, DKK	18	14	14	14	8
Dividend paid ex. treasury shares	177	203	203	117	0
Buy-back of shares	295	628	0	0	0
Total distribution to shareholders	472	831	203	117	0
FCFE yield, %	2.6%	7.5%	28.3%	28.1%	-11.9%
Total distribution yield, %	6.5%	14.8%	5.4%	2.2%	0.0%
Cash payout ratio, %	253.8%	197.2%	19.1%	8.0%	0.0%
Shareholder return					
Share price change, %	35.2%	71.0%	-28.0%	-15.1%	16.8%
Dividend return, %	3.2%	5.5%	3.9%	1.9%	0.0%
Total shareholder return	38.4%	76.5%	-24.1%	-13.2%	16.8%
Share valuation					
Equity per share, DKK	500	492	475	476	433
Price/book value, times	1.18	0.89	0.53	0.73	0.95

OWNERSHIP STRUCTURE, END OF 2014	% OF SHARE CAPITAL
Lauritzen Foundation	42.8
Institutional and financial investors	37.2
Other registered shareholders	8.9
Own shares	4.0
Non-registered shareholders	7.1
Total	**100.0**

With reference to §29 in the Danish Securities Trading Act two shareholders, the Lauritzen Foundation and the Danske Bank Group, both domiciled in Copenhagen, Denmark, have notified DFDS A/S that they hold more than 5% of the share capital and voting rights of the company.

SHAREHOLDER DISTRIBUTION

NO. OF SHARES	NO. OF SHARE HOLDERS	% OF SHARE CAPITAL
1-10	4,545	0.2%
11-100	7,442	2.2%
101-1,000	2,406	4.8%
1,001-10,000	207	5.2%
10,001-	88	80.5%
Total [1]	**14,688**	**92.9%**

[1] Total of registered shareholders

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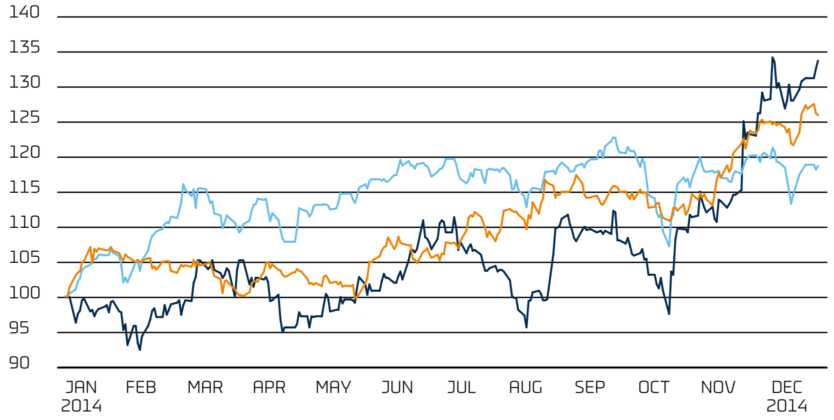
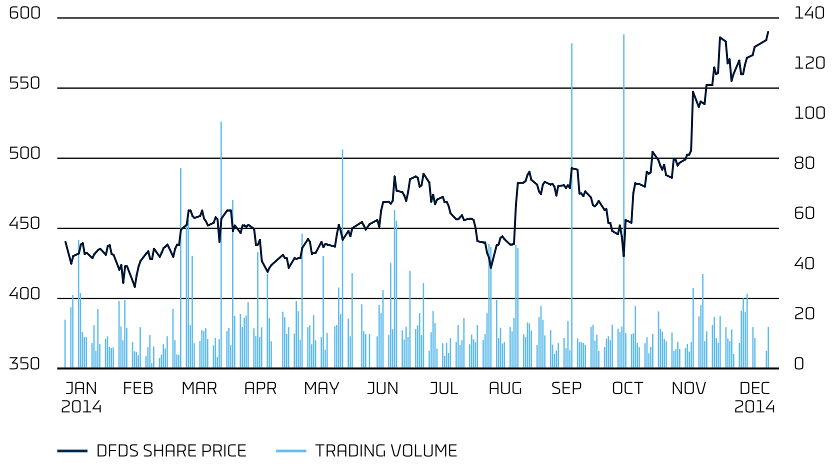
SHARE PRICE PERFORMANCE RELATIVE TO PEER GROUP AND COPENHAGEN INDEX 2014
(INDEX)



DFDS SHARE PRICE AND TRADING VOLUME, 2014
(SHARE PRICE, DKK) (NO. OF SHARES, '000)



COMPANY ANNOUNCEMENTS 2014

DFDS released 95 company announcements in 2014, of which the most important are listed below. A complete list of announcements is available at www.dfdsgroup.com/investors/announcementsuk/.

30-12-2014	Share capital and votes per 30 december 2014
23-12-2014	Reduction of share capital finalised
12-12-2014	Participation in sales process of Polferries
21-11-2014	2014 expectations raised again after another solid quarter
15-09-2014	Closure of loss-making route
08-09-2014	New share buy-back of DKK 200m
08-09-2014	Share buy-back week 36 2014 & completion of programme
22-08-2014	New market situation in Baltic Sea suspends new route
21-08-2014	Expectations upgraded after solid increase in revenue & profit
04-08-2014	DFDS exits sales process of U.N. RO-RO
08-07-2014	DFDS awarded EU funding of dkk 47.2 million for major environmental project
03-07/2014	Sales process of Mediterranean shipping company
01-07-2014	Acquisition expands logistics network in England
27-06-2014	UK competition authority bans eurotunnel ferry activities
04-06-2014	New corporate bond issue of DKK 500m completed
23-05-2014	Q1 reaffirms outlook for 2014
08-05-2014	Baltic Sea operations adapted to market changes
29-04-2014	Consolidation of Denmark-UK routes as a consequence of new sulphur emission rules
21-03-2014	UK competition commission provisional findings:competition commission confirms jurisdiction in eurotunnel case
28-02-2014	DFDS distributes extra DKK 200m through share buy-back
28-02-2014	Good profit growth and strong cash flow from operations
18-02-2014	Award of share options
31-01-2014	DFDS logistics expansion through acquisition in Scotland

FINANCIAL REVIEW

REVENUE UP BY 6% TO DKK 12.8BN, EBITDA UP BY 18% TO DKK 1.4BN

Introduction
DFDS' activities are organised in two divisions: the Shipping Division, which operates five business units, and the Logistics Division, which operates three business units. Non-allocated items consist of corporate costs not allocated to either division.

In order to make data comparable, large non-recurring items are recognised as special items in the income statement.

Revenue
Revenue increased by 6% to DKK 12,779m in 2014.

The Shipping Division's revenue increased by 2% to DKK 8,733m as higher volumes increased revenue in the Channel and North Sea business units. This increase offset lower revenue in Baltic Sea, which was impacted by lower demand from Russia, and France & Mediterranean, which was impacted by less capacity following tonnage changes. A higher number of external charters also contributed to the increase in revenue.

The Logistics Division's revenue increased by 11% to DKK 4,625m in 2014. Adjusted for acquisitions made in 2013 and 2014, revenue increased by 3%. In the Nordic business unit, the full-year impact of a major automotive logistics contract in Gothenburg, initiated in September 2013, increased revenue.

EBITDA before special items
Operating profit before depreciation, EBITDA, and special items increased by 18% to DKK 1,433m.

The Shipping Division's EBITDA increased by 14% to DKK 1,309m as earnings increased in North Sea and Channel, as well as higher earnings from external charters. This increase offset lower earnings in Baltic and France & Mediterranean.

The Logistics Division's EBITDA increased by 34% to DKK 200m. Adjusted for acquisitions in 2013 and 2014, EBITDA increased by 15%. Earnings increased in the Nordic and UK & Ireland business units, while earnings in Continent declined as margins were reduced by trade imbalances and higher carrier costs.

The cost of non-allocated items was reduced by DKK 8m to DKK -75m.

Associates and profit on sale of assets
The share of profit in associates was DKK 25m, including an income of DKK 31m from the termination of a customer contract in Gothenburg RoRo. Profit on the sale of non-current assets amounted to DKK 9m, mainly from the sale of cargo-carrying equipment and an office building in Gothenburg.

Depreciation, impairment and EBIT
Total depreciation and impairment increased by 9% to DKK 772m, mainly due to higher ship depreciations following an upgrade of two passenger ships, delivery of two ro-ro new buildings and scrubber installations.

Operating profit (EBIT) before special items was DKK 695m, an increase of 38%

Special items
Special items in 2014 was a net cost of DKK -70m, primarily related to closure of routes and the establishment of a Group finance service centre. The individual special items are listed in the table on page 26. More information on special items is available in note 7.

Operating profit (EBIT) after special items was DKK 626m, an increase of 29%.

REVENUE

DKK m	2014	2013	Δ %	Δ
Shipping Division	8,733	8,530	2.4	203
Logistics Division	4,625	4,183	10.6	442
Eliminations etc.	-579	-616	6.0	37
DFDS Group	12,779	12,097	5.6	682

EBITDA BEFORE SPECIAL ITEMS

DKK m	2014	2013	Δ %	Δ
Shipping division	1,309	1,148	14.0	161
Logistics division	200	149	34.3	51
Non-allocated items	-76	-84	9.5	8
DFDS Group	1,433	1,213	18.2	220
EBITDA-margin, %	11.2	10.0	n.a.	1,2

SPECIAL ITEMS

DKK m	2014
Customer Focus Initiative	-1
Closure of routes	-32
Earn-out related to Kapellskär-Paldiski route	-5
One Finance project	-30
Impairment of Medlines agency	-4
Badwill concerning acquisition of STEF and gain on sale of activities in Boulogne	2
DFDS Group	**-70**

Financing
The net cost of financing was DKK 124m, a reduction of DKK 12m compared to 2013. The net cost includes an income of DKK 28m from the waiver of a loan by a minority shareholder in a subsidiary. This income contributed to offset an increase in net currency losses of DKK 16m compared to 2013. The net interest cost was slightly lower than in 2013.

Tax and the annual result
Pre-tax profit was DKK 502m. The shipping activities of the DFDS Group are covered by tonnage tax schemes in Denmark, Norway, the Netherlands, Lithuania, England and France. Tax on the annual profit amounted to DKK 68m, of which DKK 24m consisted of tax for the year, while DKK 26m consisted of deferred tax. Adjustment for previous years' taxes amounted to a cost of DKK 16m and changes to the rate of corporation tax generated a cost of DKK 2m.

The net annual result was DKK 434m compared to DKK 327m in 2013.

Investments
Net investments in 2014 amounted to DKK 1,069m, of which DKK 858m were related to ships comprising scrubber installations, dockings and upgrades, and the delivery and completion of two ro-ro new buildings.

The remaining net investments were primarily related to cargo carrying equipment and IT system development, DKK 127m, and acquisitions, DKK 85m. More information on acquisitions is available in note 31.

Assets, invested capital and return
Total assets amounted to DKK 12,249m at the end of the year which was on a level with 2013 as increases in non-current assets were balanced by a reduction of current assets, mainly cash funds.

Net working capital, defined as inventory and trade receivables minus trade payables, increased by DKK 35m to DKK 279m as a supply chain financing agreement was terminated due to the bankruptcy of a bunker supplier.

At year-end 2014, invested capital was DKK 8,633m, an increase of 1% compared to the end of 2013. Calculated as an average, invested capital was DKK 8,578m in 2014, a decrease of 1% compared to 2013. The return on invested capital, ROIC, was 7.2% in 2014 and 8.0% adjusted for special items.

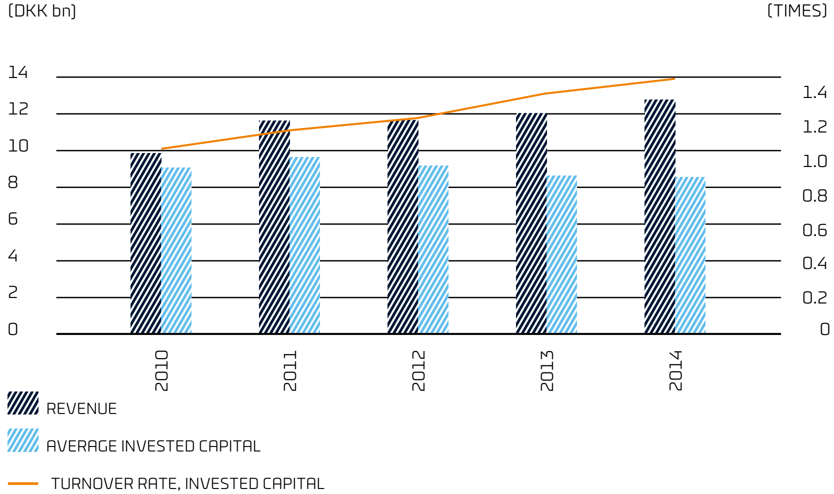
Financing and capital structure
At year-end 2014, interest-bearing debt was DKK 3,199m compared to DKK 3,398m at year-end 2013. The loan portfolio was further diversified during 2014 as a third corporate bond issue of DKK 500m was completed, increasing the share of bond loans in the portfolio to 46% from 31%. The other major component of the portfolio is mortgaged ship loans.

Net interest-bearing debt increased by 13% to DKK 2,467m. At year-end 2014, the ratio of net interest-bearing debt to EBITDA before special items was 1.7.

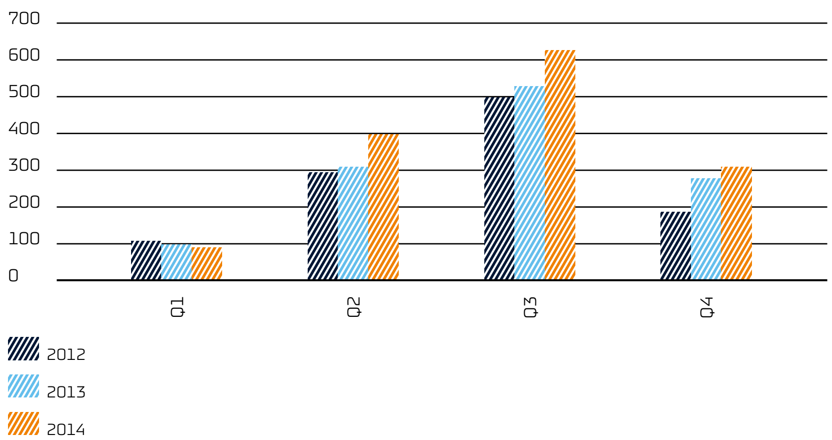
Cash flow
Gross cash flow from operations was reduced by 7% to DKK 1,411m as higher earnings from operations were offset by a significantly lower release of cash from working capital compared to 2013. Cash flow from investment activities was DKK -1,069m. The free cash flow was DKK 329m.

The cash flow from financing activities was DKK -661m in 2014, of which DKK -221m was the net change of debt and DKK -472m was cash distributed to shareholders through share buy-backs and dividend. The remaining positive cash flow of DKK 32m was mainly related to the exercise of share options.

REVENUE AND INVESTED CAPITAL
(DKK bn)



DFDS GROUP – EBITDA BEFORE SPECIAL ITEMS PER QUARTER
(DKK m)



The net cash flow of 2014 was DKK -475m reducing cash funds to DKK 695m.

Impairment test

Based on the impairment tests performed in 2014 of the Group's non-current intangible and tangible assets, no write-downs or reversals of prior years' write-downs are deemed necessary, except for the write-down of goodwill of DKK 0.5m related to an associated entity and DKK 3.7m related to the acquisition of an agency in the France & Mediterranean business unit.
The impairment tests are described in greater detail in note 37.

Equity

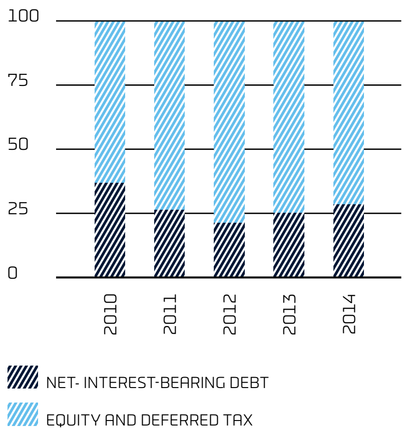
DFDS shareholders' share of equity decreased by DKK 187m to DKK 6.076m at the end of 2014. Equity was increased by the transfer of the profit for the year of DKK 434m. Equity was reduced by DKK 180m due mainly to value and currency adjustments. The equity was further reduced by a dividend payment of DKK 177m and share buy-backs of DKK 295m.

Non-controlling interests amounted to DKK 52m in 2014. The equity ratio at year-end 2014 was 50%, compared to 51% at year-end 2013.

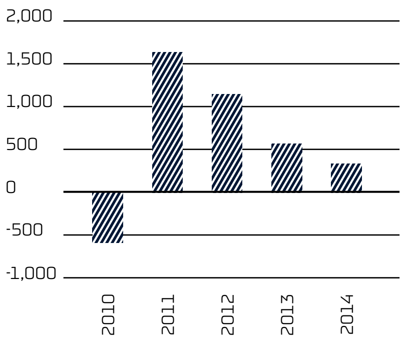
Parent company key figures

The revenue of parent company, DFDS A/S, was DKK 6,583m in 2014, and the profit for the year before tax was DKK 430m. Total assets at year-end amounted to DKK 10,812m and the equity was DKK 4,584m.

CAPITAL STRUCTURE
(%-SHARE OF CAPITAL)



FREE CASH FLOW, FCFF
(DKK m)



FINANCIAL STATEMENTS

CONSOLIDATED

INCOME STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Revenue	1,2	12,779,085	12,097,088
Costs			
Operating costs	3	-7,836,970	-7,524,472
Charter hire		-574,133	-582,577
Employee costs	4	-2,317,235	-2,152,500
Costs of sales and administration	5	-617,358	-624,939
Total costs		*-11,345,696*	*-10,884,488*
Operating profit before depreciation (EBITDA) and special items		**1,433,389**	**1,212,600**
Share of profit/loss of associates and joint ventures	13	24,940	-6,186
Profit on disposal of non-current assets, net	6	9,204	6,376
Depreciation, amortisation and impairment	11,12		
Depreciation ships		-618,719	-568,678
Depreciation other non-current assets		-153,151	-135,474
Impairment losses on ships and other non-current assets		-534	-5,625
Total depreciation and impairment		*-772,404*	*-709,777*
Operating profit (EBIT) before special items		**695,129**	**503,013**
Special items, net	7	-69,523	-17,055
Operating profit (EBIT)		**625,606**	**485,958**
Financial income	8	37,037	19,356
Financial costs	8	-161,115	-155,703
Profit before tax		**501,528**	**349,611**
Tax on profit	9	-68,018	-22,928
Profit for the year		**433,510**	**326,683**

DKK '000

	Note	2014	2013
Profit for the year is attributable to:			
Equity holders of DFDS A/S		434,685	325,226
Non-controlling interests		-1,175	1,457
Profit for the year		**433,510**	**326,683**
Earnings per share	10		
Basic earnings per share (EPS) of DKK 100 in DKK		34.92	23.34
Diluted earnings per share (EPS-D) of DKK 100 in DKK		34.60	23.30
Proposed profit appropriation			
Proposed dividend, DKK 18 per share (2013: DKK 14 per share)			

COMPREHENSIVE INCOME (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Profit for the year		**433,510**	**326,683**
Other comprehensive income			
Items that will not subsequently be reclassified to the Income statement:			
Remeasurement of defined benefit pension obligations	20	-43,401	-20,957
Tax on items that will not be reclassified to the Income statement	9	8,444	4,462
Items that will not subsequently be reclassified to the Income statement		**-34,957**	**-16,495**
Items that are or may subsequently be reclassified to the Income statement:			
Value adjustment of hedging instruments:			
Value adjustment for the year		-110,444	-144,373
Value adjustment transferred to operating costs		-12,160	14,651
Value adjustment transferred to financial costs		86,228	163,518
Foreign exchange adjustments, subsidiaries		-110,805	-134,727
Unrealised value adjustment of securities		-380	-1,275
Unrealised impairment of securities transferred to financial costs		1,222	0
Realised value adjustment of securities transferred to financial costs		961	0
Items that are or may subsequently be reclassified to the Income statement		**-145,378**	**-102,206**
Total other comprehensive income after tax		**-180,335**	**-118,701**
Total comprehensive income		**253,175**	**207,982**
Total comprehensive income for the year is attributable to:			
Equity holders of DFDS A/S		254,465	206,530
Non-controlling interests		-1,290	1,452
Total comprehensive income		**253,175**	**207,982**

BALANCE SHEET 31 DECEMBER (ASSETS)

DKK '000

	Note	2014	2013
Goodwill		521,562	424,748
Other non-current intangible assets		30,676	14,740
Software		103,193	74,999
Development projects in progress		60,794	50,101
Non-current intangible assets	11	**716,225**	**564,588**
Land and buildings		124,366	110,672
Terminals		541,662	569,321
Ships		7,094,549	6,705,730
Equipment, etc.		460,272	387,338
Assets under construction and prepayments		290,635	570,789
Non-current tangible assets	12	**8,511,484**	**8,343,850**
Investments in associates and joint ventures	13	24,577	3,783
Receivables	14	24,601	49,840
Securities	15	19,794	19,756
Deferred tax	18	98,870	82,730
Other non-current assets		**167,842**	**156,109**
Non-current assets		**9,395,551**	**9,064,547**
Inventories	16	111,733	149,777
Receivables	14	1,883,587	1,776,970
Prepayments		101,811	91,139
Securities	15	0	15,432
Cash		694,503	1,151,008
Current assets		**2,791,634**	**3,184,326**
Assets classified as held for sale	33	61,671	61,810
Total current assets		**2,853,305**	**3,246,136**
Assets		**12,248,856**	**12,310,683**

BALANCE SHEET 31 DECEMBER (EQUITY AND LIABILITIES)

DKK '000

	Note	2014	2013
Share capital	17	1,265,000	1,485,608
Reserves		-333,956	-351,612
Retained earnings		4,917,040	4,943,031
Proposed dividend		227,700	186,200
Equity attributable to equity holders of DFDS A/S		**6,075,784**	**6,263,227**
Non-controlling interests		51,398	54,923
Equity		**6,127,182**	**6,318,150**
Interest bearing liabilities	22	2,924,361	2,297,650
Deferred tax	18	136,973	130,204
Pension and jubilee liabilities	20	322,086	277,900
Other provisions	21	43,597	19,951
Non-current liabilities		**3,427,017**	**2,725,705**
Interest bearing liabilities	22	274,996	1,100,065
Trade payables		1,492,933	1,444,534
Other provisions	21	36,868	25,690
Corporation tax	25	19,331	8,501
Other payables	23	745,449	576,517
Deferred income	24	125,080	111,521
Current liabilities		**2,694,657**	**3,266,828**
Liabilities		**6,121,674**	**5,992,533**
Equity and liabilities		**12,248,856**	**12,310,683**

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

DKK '000

		Reserves								
	Share capital	Translation reserve	Hedging reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
Equity at 1 January 2014	1,485,608	-114,101	-22,472	-1,495	-213,544	4,943,031	186,200	**6,263,227**	54,923	**6,318,150**
Comprehensive income for the year										
Profit for the year						434,685		**434,685**	-1,175	**433,510**
Other comprehensive income										
Items that will not subsequently be reclassified to the Income statement:										
Remeasurement of defined benefit pension obligations						-43,401		**-43,401**		**-43,401**
Tax on items that will not be reclassified to the Income statement						8,444		**8,444**		**8,444**
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**0**	**-34,957**	**0**	**-34,957**	**0**	**-34,957**
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments for the year			-110,444					**-110,444**		**-110,444**
Value adjustment transferred to operating costs			-12,160					**-12,160**		**-12,160**
Value adjustment transferred to financial costs			86,228					**86,228**		**86,228**
Foreign exchange adjustments, subsidiaries		-110,690						**-110,690**	-115	**-110,805**
Unrealised value adjustment of securities				-380				**-380**		**-380**
Unrealised impairment of securities transferred to financial costs				1,222				**1,222**		**1,222**
Realised value adjustment of securities transferred to financial costs				961				**961**		**961**
Items that are or may subsequently be reclassified to the Income statement	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**0**	**0**	**-145,263**	**-115**	**-145,378**
Total other comprehensive income after tax	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**-34,957**	**0**	**-180,220**	**-115**	**-180,335**
Total comprehensive income	**0**	**-110,690**	**-36,376**	**1,803**	**0**	**399,728**	**0**	**254,465**	**-1,290**	**253,175**
Transactions with owners										
Acquisition, non-controlling interests						1,647		**1,647**	-2,235	**-588**
Proposed dividend						-227,700	227,700	**0**		**0**
Dividend paid							-177,289	**-177,289**		**-177,289**
Dividend on treasury shares						8,911	-8,911	**0**		**0**
Vested regarding share-based payments						6,521		**6,521**		**6,521**
Cash from sale of treasury shares related to exercise of share options					5,953	17,288		**23,241**		**23,241**
Reduction of share capital by cancellation of treasury shares	-220,608				220,608			**0**		**0**
Purchase of treasury shares					-63,642	-231,238		**-294,880**		**-294,880**
Other adjustments						-1,148		**-1,148**		**-1,148**
Total transactions with owners 2014	**-220,608**	**0**	**0**	**0**	**162,919**	**-425,719**	**41,500**	**-441,908**	**-2,235**	**-444,143**
Equity at 31 December 2014	**1,265,000**	**-224,791**	**-58,848**	**308**	**-50,625**	**4,917,040**	**227,700**	**6,075,784**	**51,398**	**6,127,182**

The majority of amounts included in Other comprehensive income relates to Group companies which are taxed under tonnage tax schemes hence, there is no tax on this.
The Parent Company's share capital, which is not divided into different classes of shares, is divided into 12,650,000 shares of DKK 100 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

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

DKK '000

		Reserves								
	Share capital	**Translation reserve**	**Hedging reserve**	**Revaluation of securities**	**Treasury shares**	**Retained earnings**	**Proposed dividend**	**Equity attributable to equity holders of DFDS A/S**	**Non-controlling interests**	**Total**
Equity at 1 January 2013	1,485,608	20,621	-56,268	-220	-35,271	5,259,049	207,985	**6,881,504**	54,306	**6,935,810**
Comprehensive income for the year										
Profit for the year						325,226		**325,226**	1,457	**326,683**
Other comprehensive income										
Items that will not subsequently be reclassified to the Income statement:										
Remeasurement of defined benefit pension obligations						-20,957		**-20,957**		**-20,957**
Tax on items that will not be reclassified to the Income statement						4,462		**4,462**		**4,462**
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**0**	**-16,495**		**-16,495**	**0**	**-16,495**
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments for the year			-144,373					**-144,373**		**-144,373**
Value adjustment transferred to operating costs			14,651					**14,651**		**14,651**
Value adjustment transferred to financial costs			163,518					**163,518**		**163,518**
Foreign exchange adjustments, subsidiaries		-134,722						**-134,722**	-5	**-134,727**
Unrealised value adjustment of securities				-1,275				**-1,275**		**-1,275**
Items that are or may subsequently be reclassified to the Income statement	**0**	**-134,722**	**33,796**	**-1,275**	**0**	**0**	**0**	**-102,201**	**-5**	**-102,206**
Total other comprehensive income after tax	**0**	**-134,722**	**33,796**	**-1,275**	**0**	**-16,495**	**0**	**-118,696**	**-5**	**-118,701**
Total comprehensive income	**0**	**-134,722**	**33,796**	**-1,275**	**0**	**308,731**	**0**	**-206,530**	**1,452**	**207,982**
Transactions with owners										
Acquisition, non-controlling interests						614		**614**	-835	**-221**
Proposed dividend						-186,200	186,200 [1]	**0**		**0**
Dividend paid							-203,047	**-203,047**		**-203,047**
Dividend treasury shares						4,938	-4,938	**0**		**0**
Vested regarding share-based payments						5,702		**5,702**		**5,702**
Purchase of treasury shares					-178,273	-450,139		**-628,412**		**-628,412**
Other adjustments						336		**336**		**336**
Total transactions with owners 2013	**0**	**0**	**0**	**0**	**-178,273**	**-624,749**	**-21,785**	**-824,807**	**-835**	**-825,642**
Equity at 31 December 2013	**1,485,608**	**-114,101**	**-22,472**	**-1,495**	**-213,544**	**4,943,031**	**186,200**	**6,263,227**	**54,923**	**6,318,150**

[1] Proposed dividends for 2013 is based on the number of shares subsequent to the the cancellation of 1,556,081 treasury shares which will have legally effect from 16 January 2014.

The majority of amounts included in Other comprehensive income relates to Group companies which are taxed under tonnage tax schemes hence, there is no tax on this.
The Parent Company's share capital, which is not divided into different classes of shares, is divided into 14,856,081 shares of DKK 100 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

CASH FLOW STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Operating profit before depreciation (EBITDA) and special items		**1,433,389**	**1,212,600**
Cash flow effect from special items related to operating activities		-32,810	-22,259
Adjustments for non-cash operating items, etc.	28	13,331	-16,962
Change in working capital	29	39,476	381,055
Payment of pension liabilities and other provisions		-42,686	-34,544
Cash flow from operating activities, gross		**1,410,700**	**1,519,890**
Interest, etc. received		110,094	88,671
Interest, etc. paid		-253,603	-225,281
Tax paid		-12,520	-18,546
Cash flow from operating activities, net		**1,254,671**	**1,364,734**
Investments in ships including dockings, rebuildings and ships under construction		-857,891	-730,989
Investments in other non-current tangible assets		-111,717	-91,455
Sale of other non-current tangible assets		38,813	15,814
Investments in non-current intangible assets		-53,997	-38,289
Investment in other non-current assets, net		59	0
Acquisition of enterprises, associates, joint ventures and activities	13, 31	-84,847	-98,544
Sale of activities	31	910	0
Dividend received from associates and joint ventures	13	0	708
Cash flow to/from investing activities		**-1,068,670**	**-942,755**
Proceed from loans secured by mortgage in ships		652,550	238,656
Repayment and instalments of loans secured by mortgage in ships		-1,506,090	-693,280
Change in other non-current investments		89	67,814
Change in other financial loans, net	30	319,474	-10,393
Payment of financial lease liabilities		-46,899	-16,096
Change in operating credits		-133,221	93,177
Change in loan to associates and joint ventures		-4,592	1,875
Proceed from issuance of corporate bonds		498,250	688,348
Acquisition of non-controlling interests	32	-588	-221
Acquisition of treasury shares		-294,880	-628,412
Cash received from exercise of share options		23,241	0
Government grants related to purchase of assets		8,980	0
Dividend paid		-177,289	-203,047
Cash flow to/from financing activities		**-660,975**	**-461,579**
Net increase/(decrease) in cash and cash equivalents		**-474,974**	**-39,600**
Cash and cash equivalents at 1 January		1,166,440	1,212,789
Foreign exchange and value adjustments of cash and cash equivalents		3,037	-6,749
Cash and cash equivalents at 31 December		**694,503**	**1,166,440**

At 31 December 2014 cash and cash equivalents includes listed bonds of DKK 0 (2013: DKK 15.4m).

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

NOTES

Note 1 Segment information

The segments together with allocation of operating profit, assets and liabilities etc. are identical with the internal reporting structure of the Group. Management has defined the Groups business segments based on the reporting regulary presented to the Group Executive Management, which also forms the basis for management's decisions.

The costs of the segments are the directly registered costs including a few systematically allocated indirect costs, primarily concerning group functions.

The accounting policies regarding the preparation of the individual segment, including transactions between segments, are in accordance with the accounting policies of the Group. Non-allocated costs therefore reflects the general functions, which cannot reasonably be allocated to the segments. The costs consist primarily of costs concerning the Executive Board and Board of Directors but also parts of Group functions like IT, Treasury, Investor relation, Legal, Communication, Financial Control and depreciation on the Group's IT-systems etc. In addition the elimination of transactions between segments is included. Transactions between segments are concluded at arm's length terms.

Segment assets includes assets, which are directly related to the segment, including non-current intangible, non-current tangible and other non-current assets, inventories, receivables, prepayments, cash in hand and at bank of group enterprises and deposits at the Parent Company. Segment liabilities include current and non-current liabilities.

The Shipping Division's activities are divided into five business areas: North Sea, Baltic Sea, Channel, Passenger and France & Mediterranean.

The Shipping Division's activities are operation of ro-ro and ro-pax tonnage, but also operation of passenger ships. In addition, operation of terminals along the Groups main routes are included. The customers for ro-ro and ro-pax tonnage are mainly transportation and shipping companies as well as manufacturers of heavy industrial goods with a high demand for sea transportation. The main customers for Passenger cover passengers with own cars, Mini Cruises, conferences and tour operators.

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

The Logistics Division's activities are full- and part load transportation, and also warehousing and logistics solutions for larger customers. In addition the division operates lo-lo tonnage and also transport on railway. The customers are primarily importers/exporters and manufacturers of heavy industrial goods.

DKK '000

Note 1 Segment information (continued)

2014	**Shipping Division**	**Logistics Division**	**Non-allocated**	**Total**
External revenue	8,171,954	4,596,171	10,960	12,779,085
Intragroup revenue	561,124	28,722	273,367	863,213
Revenue	8,733,078	4,624,893	284,327	13,642,298
Operating expenses, external	-7,181,868	-3,834,774	-329,054	-11,345,696
Intragroup operating expenses	-242,446	-590,167	-30,600	-863,213
Operating profit before depreciation (EBITDA) and special items	**1,308,764**	**199,952**	**-75,327**	**1,433,389**
Share of profit/loss of associates and joint ventures	26,105	-1,165	0	24,940
Profit on disposal of non-current assets, net	61	9,143	0	9,204
Depreciation of ships and other non-current assets	-665,194	-84,105	-22,571	-771,870
Impairment losses on ships and other non-current assets	0	-534	0	-534
Operating profit (EBIT) before special items	**669,736**	**123,291**	**-97,898**	**695,129**
Special items, net	-40,792	1,730	-30,461	-69,523
Operating profit (EBIT)	**628,944**	**125,021**	**-128,359**	**625,606**
Financial items, net				-124,078
Profit before tax				**501,528**
Tax on profit				-68,018
Profit for the year				**433,510**
Total assets excluding assets held for sale	9,350,596	1,967,665	868,924	12,187,185
Investments in associates and joint ventures	22,125	2,443	9	24,577
Capital expenditures of the year	868,986	238,464	58,784	1,166,234
Assets held for sale, reference is made to note 33	48,161	0	13,510	61,671
Liabilities	1,978,778	800,355	3,342,541	6,121,674

DKK '000

Note 1 Segment information (continued)

2013	Shipping Division	Logistics Division	Non-allocated	Total
External revenue	7,989,527	4,092,994	14,567	12,097,088
Intragroup revenue	540,899	90,064	275,761	906,724
Revenue	8,530,426	4,183,058	290,328	13,003,812
External operating expenses	-7,078,886	-3,468,799	-336,803	-10,884,488
Intragroup operating expenses	-303,155	-565,357	-38,212	-906,724
Operating profit before depreciation (EBITDA) and special items	**1,148,385**	**148,902**	**-84,687**	**1,212,600**
Share of profit/loss of associates and joint ventures	-6,825	639	0	-6,186
Profit on disposal of non-current assets, net	1,963	4,413	0	6,376
Depreciation on ships and other non-current assets	-618,628	-62,123	-23,401	-704,152
Impairment losses of ships and other non-current assets	-3,023	686	-3,288	-5,625
Operating profit (EBIT) before special items	**521,872**	**92,517**	**-111,376**	**503,013**
Special items, net	-1,609	0	-15,446	-17,055
Operating profit (EBIT)	**520,263**	**92,517**	**-126,822**	**485,958**
Financial items, net				-136,347
Profit before tax				**349,611**
Tax on profit				-22,928
Profit for the year				**326,683**
Total assets excluding assets held for sale	9,441,242	1,822,897	1,046,544	12,310,683
Investments in associates and joint ventures	0	3,783	0	3,783
Capital expenditures of the year	756,453	180,852	42,589	979,894
Assets held for sale, reference is made to note 33	48,270	0	13,540	61,810
Liabilities	2,007,114	1,081,684	2,903,735	5,992,533

Geographical breakdown

The Group does not have a natural geographic split on countries, since the Group, mainly Shipping Division, is based on a connected route network in Northern Europe, where the routes support each other with sales and customer services located in one country whereas the actual revenue is created in other countries. It is consequently not possible to present a meaningful split of revenues and non-current assets by country. The split is therefore presented by the sea and geographical areas, in which DFDS operates.

The adjusted split results in seven geographical areas: North sea, Baltic sea, English Channel, Continent, Nordic, UK/Irland and Mediterranean. As a consequence of the Group's business model the routes do not directly own the ships, but solely charters the ships from a vessel pool. The ships are frequently moved within the Group's routes. It is therefore not possible to meaning-full estimate the exact value of the non-current assets per geographical area. Instead an adjusted allocation has been used.

DKK '000

Note 1 Segment information (continued)

	North sea	Baltic sea	English Channel	Continent	Nordic	UK/ Ireland	Mediter-ranean	Total
2014								
Total revenue	4,872,199	1,269,402	1,521,253	1,767,301	1,493,356	1,334,625	520,949	12,779,085
Non-current assets	5,683,068	1,566,512	1,217,988	172,756	279,561	474,847	819	9,395,551
2013								
Total revenue	4,698,218	1,354,711	1,396,316	1,706,353	1,273,108	1,114,688	553,694	12,097,088
Non-current assets	5,532,290	1,495,916	1,309,236	138,321	346,491	240,159	2,134	9,064,547

Information on significant customers

The Group does not have any customers, that individually or seen as a group, represents more than 10% of the Group's net revenue.

DKK '000

Note 2 Revenue	2014	2013
Sale of goods on board ships	1,149,050	1,168,902
Sale of services	11,254,465	10,680,380
Rental income from time charter and bareboat charter of ships and operating equipment	375,570	247,806
Total revenue	**12,779,085**	**12,097,088**

DKK '000

Note 3 Consumable of bunker and goods	2014	2013
Consumable of bunker and goods included in operating costs	2,303,533	2,469,742
Change in inventory write-downs for the year	441	-1,237
Total consumable of bunker and goods	**2,303,974**	**2,468,505**

Consumable of bunker and goods consists of bunker and cost related to sales of goods and services on board.

DKK '000

Note 4 Employee costs	2014	2013
Wages, salaries and remuneration	1,847,389	1,715,292
Hereof capitalised employee costs	-35,240	-31,149
Defined contribution pension plans	103,602	82,524
Defined benefit pension plans, reference is made to note 20	4,954	2,553
Other social security costs	204,890	192,519
Share based payment, reference is made to note 19	6,521	5,702
Other employee costs	185,119	185,059
Total employee costs	**2,317,235**	**2,152,500**
Of this, remuneration to the Executive Board:		
Wages and salaries	10,234	10,160
Bonus	8,174	8,114
Defined contribution pension plans	1,022	1,014
Share based payment	3,248	2,716
Other staff cost	579	533
Total remuneration to Executive Board	**23,257**	**22,537**
Remuneration to the Board of Directors and Audit Committee		
Chairman	750	750
Deputy chairmen	950	950
Other members of the Board of Directors	2,025	2,325
Total remuneration, Board of Directors and Audit Committee	**3,725**	**4,025**
Full time equivalents (FTE), average	6,363	5,930

Remuneration to the chairperson of the Audit Committee amounts to DKK 100k (2013: DKK 100k) and remuneration to other members of the Audit Committee amounts to DKK 50k (2013: DKK 50k) each. No remuneration is paid to members of other committees.

In connection with a change of control of the Group, the members of the Executive Board can - within the first 12 months of the event - trigger termination of their employment on similar terms as if the Company has terminated the employment of the members of the Executive Board, however, with an increased redundancy payment of up to 12 months salary.

DKK '000

Note 5 Fees to Auditors appointed at the annual general meeting	2014	2013
	EY:	**KPMG:**
Audit fees	4,585	7,649
Other assurance engagements	53	238
Tax and VAT advice	552	3,511
Non-audit services	829	1,769
Total fees	**6,019**	**13,167**

DKK '000

Note 6 Profit on disposal of non-current assets, net	2014	2013
Profit on disposal of property, plant and equipment		
Land and buildings	5,629	0
Equipment, etc.	4,258	6,746
Profit on disposal of property, plant and equipment	*9,887*	*6,746*
Loss on disposal of property, plant and equipment		
Equipment, etc.	-683	-370
Loss on disposal of property, plant and equipment	*-683*	*-370*
Total profit on disposal of non-current assets, net	**9,204**	**6,376**

DKK '000

Note 7 Special items, net	2014	2013
Costs related to route closures and other restructurings caused by new low sulphur rules	-32,335	0
Adjustment of estimated net present value of earn out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-4,730	16,075
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	-29,534	-23,605
Income from Hermes Credit insurance premium	0	22,243
Impairment of the former Norfolkline Headquarter in Scheveningen, NL	0	-11,820
Impairment of external agency acitvity in business area France and Mediterranean	-3,727	0
Badwill regarding the acquisition of Stef Transport Limited and Seagull Transport Limited and gain from sale of the activities located in Boulogne sur Mer to STEF	1,835	0
Costs related to restructuring and improvements of processes in connection with project Customer Focus Initiative	-1,032	-2,264
Total impact from adjustment of purchase price in connection with final approval of acquisition balances etc. related to the acquisition of LD Lines' freight and passenger routes in 2012 (impairment of goodwill)	0	-17,684
Special items, net	**-69,523**	**-17,055**
If special items had been included in the operating profit before special items, they would have been recognised as follows:		
Employee cost	-50,815	-9,355
Cost of sales and administration	-6,939	-16,514
Operating profit before depreciation (EBITDA) and special items	**-57,754**	**-25,869**
Profit on disposal of non-current assets and activities	1,835	0
Impairment of ships and other non-current assets	-8,874	-29,504
Financial income/(costs)	-4,730	38,318
Special items, net	**-69,523**	**-17,055**

DKK '000

Note 8 Financial items	2014	2013
Financial income		
Interest income from banks, etc.[1]	34,358	15,401
Other dividends	2,679	3,955
Total financial income	*37,037*	*19,356*
Financial costs		
Interest expense to banks, credit institutions, etc.	-106,529	-120,341
Foreign exchange losses, net[2]	-21,787	-5,409
Realised loss on securities (transferred from equity)	-961	0
Defined benefit pension plans, reference is made to note 20	-11,266	-10,491
Loss on loan receivable[3]	0	-6,432
Impairment of securities (transferred from equity)	-1,222	0
Other financial costs	-26,504	-23,079
Transfer to assets under construction[4]	7,154	10,049
Total financial costs	*-161,115*	*-155,703*
Financial items, net	**-124,078**	**-136,347**

[1] 2014 includes income of DKK 27.9m from loan in subsidiary waived by minority shareholder.
[2] Foreign exchange gains 2014 amounts to DKK 337m (2013: DKK 237m) and foreign exchange losses amounts to DKK 359m (2013: DKK 242m) for the Group.
[3] 2013: Realised loss on loan granted to purchasers of the ship Queen of Scandinavia in connection with final transfer of legal ownership of the ship.
[4] Interest capitalised on two newbuildings. The interest for the year is calculated by using a mix of a specific interest rate and a general interest rate of approximately 1.7 - 4.9% p.a. (2013: 1.7 - 5.4% p.a.).

Interest income and interest expense relates to financial instruments measured at amortisised cost.

Other financial costs contains bank charges regarding conversion of the Groups loan portfolio, including amortisation of capitalised bank charges related to borrowings, administrative fees, etc.

DKK '000

Note 9 Tax	2014	2013
Current tax	-24,202	-17,898
Current joint tax contributions	0	-2,000
Deferred tax for the year	-17,044	-3,975
Adjustment to corporation tax in respect of prior years	-16,307	12,938
Adjustment to deferred tax in respect of prior years	983	-1,168
Adjustment of corporate income tax rate	-2,758	-4,814
Write-down of deferred tax assets	-246	-1,549
Tax for the year	**-59,574**	**-18,466**
Tax for the year is recognised as follows:		
Tax in the income statement (effective tax)	-68,018	-22,928
Tax in other comprehensive income	8,444	4,462
Tax for the year	**-59,574**	**-18,466**

DKK '000

Note 9 Tax (continued)	2014	2013
Tax in the income statement can be broken down as follows:		
Profit before tax	501,528	349,611
Of this, tonnage taxed income	-321,978	-314,374
Profit before tax (corporate income tax)	**179,550**	**35,237**
24.5% tax of profit before tax (2013: 25%)	-43,990	-8,809
Adjustment of calculated tax in foreign subsidiaries compared to 24.5% (2013: 25%)	2,338	-2,442
Tax effect of:		
Non-taxable items	-3,729	-16,177
Tax asset for the year, not recognised	-8,469	-8,750
Utilisation of non-capitalized tax asset	4,532	10,878
Adjustments of tax in respect of prior years	-15,772	5,407
Corporate income tax	-65,090	-19,893
Tonnage tax	-2,928	-3,035
Tax in the income statement	**-68,018**	**-22,928**
Effective tax rate	13.6	6.6
Effective tax rate before adjustment of prior years' tax	10.4	8.1
Tax in other comprehensive income can be broken down as follows:		
Deferred tax	8,444	4,462
Total tax in other comprehensive income	**8,444**	**4,462**

DFDS A/S and its Danish subsidiaries and Danish taxed branch are within the Danish Act of compulsory joint taxation with LF Investment ApS and J. Lauritzen A/S and these two companies' Danish controlled enterprises. In accordance with the Danish rules on joint taxation, DFDS A/S' 100% owned Danish subsidiaries are jointly and severally liable for DFDS A/S' corporation tax liabilities towards the Danish tax authorities while DFDS A/S and its Danish subsidiaries only are subsidiary and pro rata liable for the corporation tax liabilities towards the Danish tax authorities for all other companies that are part of the Danish joint taxation. LF Investment ApS is the administration company in the joint taxation and settles all payments of corporation tax with the tax authorities.

The majority of the shipping activities performed in the Danish, Lithuanian, Dutch, Norwegian, French and English enterprises in the Group are included in a local tonnage tax schemes where the taxable income related to transportation of passengers and freight is calculated based on the tonnage deployed during the year. Taxable income related to other activities is taxed according to the normal corporate income tax rules.

Adjustment of prior years' tax in 2014 primarily relates to the final settlement between the Danish companies in the Group following settlement of a dispute with the Danish Tax Authorities.

Adjustment of prior years' tax in 2013 primarily relates to the final settlement and utilisation of tax losses between the English companies and between the Danish companies in the Group.

DKK '000

Note 10 Earnings per share	2014	2013
Profit for the year	433,510	326,683
Attributable to non-controlling interests	1,175	-1,457
Attributable to DFDS Group	**434,685**	**325,226**
Weighted average number of issued ordinary shares	13,340,798	14,856,081
Weighted average number of treasury shares	-891,599	-924,164
Weighted average number of circulating ordinary shares	12,449,199	13,931,917
Weighted average number of share options issued	112,527	23,577
Weighted average number of circulating ordinary shares (diluted)	**12,561,726**	**13,955,494**
Basic earnings per share (EPS) of DKK 100 in DKK	34,92	23.34
Diluted earnings per share (EPS-D) of DKK 100 in DKK	34,60	23.30

When calculating diluted earnings per share for 2014, 8,626 share options (2013: 52,406) have been omitted as they are out-of-the-money, but potentially the share options might dilute earnings per share in the future.

DKK '000

Note 11 Non-current intangible assets

	Goodwill	Other non-current intangible assets	Software	Development projects in progress	Total
Cost at 1 January 2014	545,871	20,799	238,552	53,388	858,610
Foreign exchange adjustments	-9,212	-327	90	0	-9,449
Addition on acquisition of enterprises	108,027 [1]	18,835	0	0	126,862
Additions	0	0	22,709	31,288	53,997
Disposals	0	0	-775	-3,287	-4,062
Transfers	0	0	21,467	-20,595	872 [2]
Cost at 31 December 2014	**644,686**	**39,307**	**282,043**	**60,794**	**1,026,830**
Amortisation and impairment losses at 1 January 2014	121,123	6,059	163,553	3,287	294,022
Foreign exchange adjustments	-2,260	-26	-7	0	-2,293
Amortisation charge	0	2,598	15,207	0	17,805
Impairment charge	4,261	0	0	0	4,261
Disposals	0	0	-775	-3,287	-4,062
Transfers	0	0	872	0	872 [2]
Amortisation and impairment losses at 31 December 2014	**123,124**	**8,631**	**178,850**	**0**	**310,605**
Carrying amount at 31 December 2014	**521,562**	**30,676**	**103,193**	**60,794**	**716,225**

[1] Addition of goodwill relates to the purchase of Quayside Group (DKK 104.3m) and acquisition of an agency in BU France and Mediterranean (DKK 3.7m).
[2] Transferred from non-current tangible assets.

DKK '000

Note 11 Non-current intangible assets (continued)

	Goodwill	Other non-current intangible assets	Software	Development projects in progress	Total
Cost at 1 January 2013	493,027	63,668	196,510	55,823	809,028
Foreign exchange adjustments	-11,621	-528	-25	-7	-12,181
Additions	64,465 [1]	15,466	14,489	23,228	117,648
Disposals	0	-55,398	-1,273	0	-56,671
Transfers	0	-2,409	28,851	-25,656	786 [2]
Cost at 31 December 2013	**545,871**	**20,799**	**238,552**	**53,388**	**858,610**
Amortisation and impairment losses at 1 January 2013	123,165	61,265	146,789	0	331,219
Foreign exchange adjustments	-4,235	-60	1,063	0	-3,232
Amortisation charge	0	416	16,024	0	16,440
Impairment charge	2,193	0	0	3,287 [3]	5,480
Disposals	0	-55,398	-1,273	0	-56,671
Transfers	0	-164	950	0	786 [2]
Amortisation and impairment losses at 31 December 2013	**121,123**	**6,059**	**163,553**	**3,287**	**294,022**
Carrying amount at 31 December 2013	**424,748**	**14,740**	**74,999**	**50,101**	**564,588**

[1] Addition of goodwill relates to the purchase of Karlshamn Express Group (DKK 64m) and increased ownership in Oslo Container Terminal (DKK 0.5m).
[2] Transferred from non-current tangible assets.
[3] In 2013 DKK 3.3m regarding the development of a procurement system was written down as it was decided to stop the project.

Recognised goodwill is attributable to the following cash generating units:

DKKm	2014	2013
Shipping:		
North Sea and Baltic Sea	197.8	201.0
Logistics:		
Nordic (Traditional transport- and logistic activities)	58.2	64,0
Continent	150.9	151.3
UK & Ireland	114.7	8.4
Total	**521.6**	**424.7**

Regarding impairment tests and impairment losses of goodwill, references is made to note 37.

The carrying amount of completed software and development projects in progress primarily relates to software to online booking for the passenger business, a new freight- and planning system to the Logistics Division and finance- and management reporting system.

DKK '000

Note 12 Non-current tangible assets

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2014	139,318	822,587	11,623,276	984,419	570,789	14,140,389
Foreign exchange adjustments	2,431	15,442	-185,978	6,100	-6,735	-168,740
Addition on acquisition of enterprises [1]	36,976	0	0	67,570	0	104,546
Additions	359	552	62,241	102,737	781,496 [2]	947,385
Disposals	-23,747	-12,949	-166,473	-37,797	0	-240,966
Transfers	879	1,076	1,054,086	-1,998	-1,054,915	-872 [3]
Cost at 31 December 2014	**156,216**	**826,708**	**12,387,152**	**1,121,031**	**290,635**	**14,781,742**
Depreciation and impairment losses at 1 January 2014	28,646	253,266	4,917,546	597,081	0	5,796,539
Foreign exchange adjustments	7	9,026	-78,342	684	0	-68,625
Depreciation charge	7,030	33,884	618,719	94,939	0	754,572
Disposals	-4,206	-11,249	-165,320	-30,581	0	-211,356
Transfers	373	119	0	-1,364	0	-872
Depreciation and impairment losses at 31 December 2014	**31,850**	**285,046**	**5,292,603**	**660,759**	**0**	**6,270,258**
Carrying amount at 31 December 2014	**124,366**	**541,662**	**7,094,549**	**460,272**	**290,635**	**8,511,484**
Hereof assets held under finance leases	0	0	0	57,204	0	57,204

[1] Addition on acqusition of entreprises relates to the purchase of Quayside Group and STEF.
[2] Primarily relates to construction of the two newbuildings ARK Dania and ARK Germania (ro-ro ships) and the completion hereof in 2014.
[3] Transferred to non-current intangible assets.

DKK '000

Note 12 Non-current tangible assets (continued)

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2013	127,937	826,454	11,762,554	952,493	42,860	13,712,298
Foreign exchange adjustments	-3,050	-5,842	-207,544	-15,124	-2,172	-233,732
Addition on acquisition of enterprises [1]	13,505	0	0	16,191	58	29,754
Additions	844	2,057	66,254	88,525	674,812 [2]	832,492
Disposals	0	0	-52,499	-61,468	-125	-114,092
Transfers	82	-82	140,056	3,802	-144,644	-786 [3]
Cost at 31 December 2013	**139,318**	**822,587**	**11,623,276**	**984,419**	**570,789**	**14,140,389**
Depreciation and impairment losses at 1 January 2013	22,115	222,759	4,534,838	575,917	0	5,355,629
Foreign exchange adjustments	841	-2,712	-94,920	-10,304	0	-107,095
Depreciation charge	5,690	33,219	568,678	80,148	0	687,735
Disposals	0	0	-52,499	-52,155	0	-104,654
Transfers	0	0	-4,261	3,475	0	-786 [3]
Transferred to assets classified as held for sale	0	0	-34,290 [4]	0	0	-34,290
Depreciation and impairment losses at 31 December 2013	**28,646**	**253,266**	**4,917,546**	**597,081**	**0**	**5,796,539**
Carrying amount at 31 December 2013	**110,672**	**569,321**	**6,705,730**	**387,338**	**570,789**	**8,343,850**
Hereof assets held under finance leases	0	0	0	48,506	0	48,506

[1] Addition on acquisition of entreprises relates to the purchase of Karlshamn Express Group.
[2] Primarily relates to construction of two newbuildings (ro-ro ships).
[3] Transferred to non-current intangible assets.
[4] The transfer relates to the ship VILNIUS SEAWAYS, which is classified as held for sale.

On the basis of the impairment tests performed in 2014 there has been no impairment loss on ships (2013: DKK 0m). For further information regarding the impairment tests reference is made to note 37.

During 2014 EU has awarded the Group a grant of up to DKK 47.2m primarily related to installation of scrubbers on five freight ships. At 31 December 2014 DKK 29.4m of the grant has been offset against Ships, Assets under construction and prepayments. Of the grant of DKK 29.4m, DKK 9.0m has been received in cash and DKK 20.4m is recognised under other receivables. The installation will be completed during 2015, hence additional grant will be recognised during 2015 when DFDS becomes entitled to the additional grant.

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Note 13 Investments in associates and joint ventures	2014	2013
Cost at 1 January	5,067	1,247
Foreign exchange adjustment	-188	-318
Additions	0	1,189
Disposals	0	-223
Other equity movements	-3,015	3,172
Cost at 31 December	**1,864**	**5,067**
Value adjustments at 1 January	-1,284	5,600
Foreign exchange adjustment	-943	-213
Disposals	0	223
Share of profit for the year	24,940	-6,186
Dividend received	0	-708
Value adjustments at 31 December	**22,713**	**-1,284**
Carrying amount at 31 December	**24,577**	**3,783**

DKK '000

							The Group's share	
2014	**Domicile**	**Ownership**	**Revenue**	**Result for the year**	**Assets**	**Liabilities**	**Equity**	**Profit for the year**
Joint ventures:								
Oslo Container Terminal AS	Oslo	50.0%	105,350	-1,895	17,421	12,091	2,665	-948
Bohus Terminal Holding AB	Gothenburg	65,0% [1]	350,263	40,164	212,197	178,855	21,609	26,106
DFDS Suardiaz Line Ltd.	Immingham	50.0% [2]	159,531	1,200	31,263	81,135	-24,936	600
Associates:								
Seafront Port Services AS	Oslo	40.0%	35,266	-545	4,939	4,182	303	-218
							-359	25,540
Of which investments in associates and joint ventures with negative value, where DFDS is not committed to cover the negative equity							24,936	-600
							24,577	**24,940**

[1] Due to minority protection in the shareholders' agreement the DFDS Group does not have controlling interest, despite of 65 % ownership. The entity is classified as a joint venture. The Group's share of Profit for the year is positively affected by DKK 31.5m related to compensation for early termination of volume commitment guarantee in a customer contract.
[2] Owned by the Parent Company.

DKK '000

Note 13 Investments in associates and joint ventures (continued)

							The Group's share	
2013	**Domicile**	**Ownership**	**Revenue**	**Result for the year**	**Assets**	**Liabilities**	**Equity**	**Profit for the year**
Joint ventures:								
Oslo Container Terminal AS	Oslo	50.0% [1]	77,953	622	16,367	9,833	3,267	311
Bohus Terminal Holding AB	Gothenburg	65.0% [2]	385,251	-10,502	152,665	158,133	-3,554	-6,825
DFDS Suardiaz Line Ltd.	Immingham	50.0% [3]	162,340	641	26,910	77,604	-25,347	321
Associates:								
Seafront Port Services AS	Oslo	40.0%	29,766	820	5,255	3,965	516	328
							-25,118	-5,865
Of which investments in associates with negative value, where DFDS is not committed to cover the negative equity							28,901	-321
							3,783	**-6,186**

[1] Additional ownership was acquired in 2013.
[2] Due to minority protection in the shareholders' agreement the DFDS Group does not have controlling interest, despite of 65% ownership.
[3] Owned by the Parent Company.

Comprehensive income for each associate/joint venture corresponds to the profit for the year.

Nature of business for associates and joint ventures

Joint ventures:	**Nature of business:**
Oslo Container Terminal AS	Operates a terminal in the port of Oslo
Bohus Terminal Holding AB	Operates a terminal in the port of Gothenburg through its 100% owned subsidiary Gothenburg Ro/Ro Terminal AB
DFDS Suardiaz Line Ltd.	Operates a LO/LO shipping line between the continent and UK
Associates:	
Seafront Port Services AS	Operates several terminals in several ports in the southern part of Norway.

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Note 14 Receivables	**2014**	**2013**
Other non-current receivables	24,601	49,840
Total non-current receivables	**24,601**	**49,840**
Trade receivables	1,660,561	1,538,800
Receivables from associates and joint ventures	53,912	49,321
Corporation tax and joint taxation contribution, receivable, reference is made to note 25	7,850	5,602
Fair value of derivative financial instruments, forward transactions and bunker hedges	13,586	2,703
Other receivables and current assets	147,678 [1]	180,544
Total current receivables	**1,883,587**	**1,776,970**
Total current and non-current receivables	**1,908,188**	**1,826,810**

[1] Hereof Government Grant of DKK 20.4m.

The carrying amount of receivables is in all material respects equal to the fair value.

None of the trade receivables with collateral are overdue at 31 December 2014 (2013: none). The collateral is bank guarantees.

Receivables that are past due, but not impaired:	**2014**	**2013**
Days past due:		
Up to 30 days	413,109	382,680
31-60 days	81,317	30,119
61-90 days	24,084	16,468
91-120 days	12,279	12,441
More than 120 days	33,511	18,680
Past due, but not impaired	**564,300**	**460,388**

Movements in write-downs, which are included in the above trade receivables:

Write-downs af 1 January	44,508	46,673
Foreign exchange adjustment	-867	-2,127
Addition on acquisition of enterprises	4,120	6,537
Write-downs	20,839	3,573
Realised losses	-14,997	-9,587
Reversed write-downs	-783	-561
Write-downs at 31 December	**52,820**	**44,508**

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Note 14 Receivables (continued)	**2014**	**2013**
Age distribution of write-downs:		
Days past due:		
Up to 30 days	5,438	2,899
31-60 days	3,964	2,842
61-90 days	265	575
91-120 days	2,297	750
More than 120 days	40,856	37,442
Write-downs at 31 December	**52,820**	**44,508**

Write-downs and realised losses are recognised in operating costs in the Income statement.
Write-downs on trade receivables are caused by customer bankrupcy or uncertainty about the customers ability and/or willingness to pay.

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Note 15 Securities	**2014**	**2013**
Listed bonds	23	15,432
Listed shares	1,406	1,243
Other shares and equity investments	17,782	17,782
Other investments	583	731
Total securities	**19,794**	**35,188**
Classified as follows:		
Non-current securities	19,794	19,756
Current securities	0	15,432
Total securities	**19,794**	**35,188**

Securities are assets classified as 'available for sale'.

Other shares and equity investments as well as other investments consist of some minor unlisted enterprises and holdings. These investments are not remeasured to fair value because the fair value cannot be measured reliably. Instead the securities are recognised as cost reduced by impairment, if any.

DKK '000

Note 16 Inventories	**2014**	**2013**
Bunker	49,956	86,859
Goods for sale	64,909	65,609
Impairment of inventories	-3,132	-2,691
Total inventories	**111,733**	**149,777**

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Note 17 Treasury shares (number of shares)	**2014**	**2013**
Treasury shares at 1 January	2,135,444	352,714
Acquisition of treasury shares	636,415	1,782,730
Disposal of treasury shares due to exercise of share options	-59,530	0
Cancellation of treasury shares	-2,206,081	0
Treasury shares at 31 December	**506,248**	**2,135,444**
Market value of treasury shares at 31 December	299,193	933,189

In accordance with the Annual General Meeting in March 2014 the Board of Directors is authorised – until the 26 March 2019 – to acquire treasury shares equal to up to 10% of DFDS A/S' share capital. The price cannot deviate by more than 10% from the listed acquisition price on NASDAQ OMX Copenhagen A/S at the time of acquisition.

DFDS A/S has during 2014 acquired treasury shares for a total payment of DKK 294.9m (2013: DKK 628.4m). Furthermore, DFDS A/S has during 2014 disposed treasury shares for a total consideration of DKK 23.2m (2013: DKK 0) in connection with employees exercise of share options.

The Parent Company's holding of treasury shares at 31 December 2014 is 506,248 shares of DKK 100 each (2013: 2,135,444 shares), corresponding to 4.00% (2013: 14.37%) of the Parent Company's share capital. Treasury shares have originally been acquired to cover the share option scheme for employees.

On an Extraordinary General Meeting in December 2013 it was decided to cancel 1,556,081 of the treasury shares. This results in a reduction of the Company's share capital by nominally DKK 155,608,100. The cancellation had legal effect from 16 January 2014, which is one month from the decision was taken. Another Extraordinary General Meeting was held on 19 November 2014 where it was decided to cancel additional 650,000 treasury shares resulting in a reduction of the Company's share capital by nominally DKK 65,000,000. The cancellation had legal effect from 19 December 2014.

DKK '000

Note 18 Deferred tax

2014	**Ships**	**Land and buildings, terminals and other equipment**	**Provisions**	**Tax loss carried forward**	**Other**	**Total**
Deferred tax at 1 January	115,803	8,227	-51,755	-27,889	3,088	47,474
Foreign exchange adjustments	-8,414	-710	-3,211	708	-151	-11,778
Impact from change in corporate income tax rate	0	-46	2,324	478	2	2,758
Addition on acquisition of enterprises	0	-1,822	0	-15,033	0	-16,855
Recognised in the Income statement	12,853	2,444	2,396	8,023	-228	25,488
Recognised in Other comprehensive income	0	0	-8,444	0	0	-8,444
Utilised of tax losses between jointly taxed companies	0	5	0	175	17	197
Adjustment regarding prior years recognised in the Income statement	7	4,016	117	-4,678	-445	-983
Write-down of deferred tax assets	0	0	0	246	0	246
Deferred tax at 31 December	**120,249**	**12,114**	**-58,573**	**-37,970**	**2,283**	**38,103**

2013						
Deferred tax at 1 January	119,173	8,160	-56,246	-39,755	-359	30,973
Foreign exchange adjustments	-5,653	-70	1,298	1,794	122	-2,509
Impact from change in corporate income tax rate	0	296	4,101	408	9	4,814
Addition on acquisition of enterprises	0	2,372	0	0	4,131	6,503
Recognised in the Income statement	2,356	-3,220	3,439	6,677	-815	8,437
Recognised in Other comprehensive income	0	0	-4,462	0	0	-4,462
Utilised of tax losses between jointly taxed companies	0	0	0	1,001	0	1,001
Adjustment regarding prior years recognised in the Income statement	-73	689	115	437	0	1,168
Write-down of deferred tax assets	0	0	0	1,549	0	1,549
Deferred tax at 31 December	**115,803**	**8,227**	**-51,755**	**-27,889**	**3,088**	**47,474**

	2014	**2013**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	-98,870	-82,730
Deferred tax (liabilities)	136,973	130,204
Deferred tax at 31 December, net	**38,103**	**47,474**

By joining the tonnage taxation scheme, DFDS A/S is subject to the requirements of the scheme until 2021. DFDS A/S is not expected to withdraw from the scheme and consequently no deferred tax relating to assets and liabilities subject to tonnage taxation has been recognised. If DFDS A/S withdraws from the tonnage taxation scheme, deferred tax in the amount of maximum DKK 267m (2013: DKK 263m) may be recognised.

The Group has unrecognised tax losses carried forward of DKK 213m with a tax value of DKK 48m. Tax losses carried forward are recognised in deferred tax assets to the extent that the losses are expected to be utilised in the form of future taxable profits within a foreseeable future.

DKK '000

Note 19 Share options

The decision to grant share options is made by the Board of Directors. Share options have been granted to the Executive Board and some executive employees. Each share option gives the holder of the option the right to acquire one existing share in the Parent Company of nominal DKK 100. The share option schemes equals a right to acquire 4.1% of the share capital (2013: 3.1%) if the remaining share options are exercised.

Share options are granted at an exercise price equal to the average share price of the Parent Company's shares 20 days before the grant with an addition of 5%.

Vesting is done on a straight line basis over three years from the date of grant. Special conditions apply regarding illness and death and if the capital structure of the Parent Company is changed, etc.

The share options can be exercised when a minimum of 3 years and a maximum of 5 years have elapsed since the grant dates. The options can only be exercised within a period of 4 weeks after publication of annual or interim reports.

Share options granted can only be settled with shares. A part of the treasury shares is reserved for settling the outstanding share options.

2014	Executive Board Number	Executive employees Number	Resigned employees Number	Total	Average exercise price per option DKK	Average fair value per option DKK	Total fair value DKK '000
Outstanding at 1 January	236,075	217,414	1,583	455,072	333.11	102.94	46,843
Transferred between categories	0	-13,510	13,510	0	370.58	218.57	2,953
Granted during the year	61,903	67,943	0	129,846	443.00	145.86	18,939
Exercised during the year	-35,750	-20,395	-3,385	-59,530	390.41	143.33	8,532
Forfeited during the year	0	0	-3,171	-3,171	313.43	254.04	806
Outstanding at 31 December	**262,228**	**251,452**	**8,537**	**522,217**	**354.02**	**220.34**	**115,067**
Of this exercisable at the end of the year	20,000	8,626	0	28,626	448.93	142.35	4,075
2013							
Outstanding at 1 January	136,322	108,480	10,000	254,802	391.07	7.90	2,013
Transferred between categories	0	-1,583	1,583	0	381.56	77.47	123
Granted during the year	109,753	110,517	0	220,270	294.00	129.35	28,491
Forfeited during the year	-10,000	0	-10,000	-20,000	640.67	0.00	0
Outstanding at 31 December	**236,075**	**217,414**	**1,583**	**455,072**	**333.11**	**102.94**	**46,843**
Of this exercisable at the end of the year	35,750	0	0	35,750	340.80	63.72	2,278

DKK '000

Note 19 Share options (continued)

59,530 share options have been exercised during 2014 (2013: no exercises). The average weighted market price per share exercised in 2014 is 534.

Vesting of share options is expensed in the Income statement for 2014 with DKK 6.5m (2013: DKK 5.7m).

The calculated fair values are based on the Black-Scholes formula for measuring share options.

The outstanding options at 31 December 2014 have an average weighted time to maturity of 2.0 years (2013: 2.4 years).

Assumptions concerning the calculation of fair value at time of grant:

Year of grant	Exercise price	Market price at grant date	Expected volatility	Risk-free interest rate	Expected dividend per share (DKK) at grant date	Expected term	Fair value per option at time of granting
2014	443.00	426.0	26.01%	0.83%	14	4 years	56.54
2013	294.00	282.0	26.20%	0.60%	12	4 years	31.89
2012	346.00	326.0	27.95%	0.74%	12	4 years	42.51
2011 (Executive employees)	465.00	435.0	35.73%	2.42%	12	4 years	99.61
2011 (Executive Board)	442.00	445.0	30.33%	2.06%	10	4 years	99.88
2010	334.40	334.8	34.20%	2.87%	10	5 years	103.34
2009	357.28	334.4	31.28%	2.86%	10	5 years	85.60

The expected volatility for 2009-2010 is based on the historic volatility for the past 5 years while the expected volatility for 2011 to the Executive employees and the Executive Board is based on the historic volatility for the past 3 and 2 years respectively. The expected volatility for 2012 is based on the historic volatility for the past 3 years. The expected volatility for 2013 and 2014 is based on the historic volatility for the past 4 years. The risk free interest rate is based on 4 year Danish government bonds.

Note 20 Pension and jubilee liabilities

The Group contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to independent insurance companies responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Group has no legal or constructive obligation to pay further contributions irrespective of the financial situation of these insurance companies. Pension costs from such plans are expensed in the Income statement when incurred.

In primarily the United Kingdom and the Netherlands the Group has defined benefit plans. In addition there are minor defined benefit plans in Norway, Belgium, Italy, Germany, Denmark and Sweden. The majority of the defined benefit plans are pension plans that yearly pay out a certain percentage of the employee's final salary upon retirement. The pensions are paid out as from retirement and during the remaining life of the employee. The percentage of the salary is dependent of the seniority of the employee except for the closed plans in the United Kingdom and some of the other minor plans. The defined benefit plans typically include a spouse pension and disability insurance.

Some of the pension plans in Sweden are multi-employer plans, which cover a large number of enterprises. The plans are collective and are covered through premiums paid to Alecta. The Swedish Financial Accounting Standards Council's interpretations committee (Redovisningsrådet) has defined this plan as a multi-employer defined benefit plan. Presently, it is not possible to obtain sufficient information from Alecta to recognise and measure the plans as defined benefit plans. Consequently, the pension plans are similar to prior years treated as defined contribution plans. The contributions made in 2014 amounts to DKK 2.9m (2013: DKK 2.0m). The collective funding ratio at Alecta amounts to 146% as per September 2014 (December 2013: 148%). For 2015 the contributions are expected to be DKK 3.2m. DFDS' share of the multi-employer plan is around 0.0068% and the liability follows the share of the total plan.

Based on actuarial calculations the defined benefit plans show the following liabilities:

DKK '000

	2014	2013
Present value of funded defined benefit obligations	1,261,137	1,058,771
Fair value of plan assets	-972,891	-817,663
Funded defined benefit obligations, net	**288,246**	**241,108**
Present value of unfunded defined benefit obligations	16,706	18,860
Impact of asset ceiling	0	82
Recognised liabilities for defined benefit obligations	**304,952**	**260,050**
Provision for jubilee liabilities	17,134	17,850
Total actuarial liabilities, net	**322,086**	**277,900**

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2014	2013
Movements in the net present value of funded and unfunded defined benefit obligations		
Funded and unfunded obligations at 1 January	1,077,631	1,023,846
Foreign exchange adjustments	50,563	-24,365
Current service costs	5,975	4,074
Interest costs	47,116	41,592
Actuarial gain(-)/loss(+) arising from changes in demographic assumptions	-26,758	-8,395
Actuarial gain(-)/loss(+) arising from changes in financial assumptions	159,408	77,019
Past service costs	-1,021	-1,521
Benefits paid	-35,309	-34,901
Employee contributions	238	282
Funded and unfunded obligations at 31 December	**1,277,843**	**1,077,631**
Movements in the fair value of the defined benefit plan assets		
Plan assets at 1 January	-817,663	-762,895
Foreign exchange adjustments	-35,566	17,966
Interest income	-35,852	-31,129
Return on plan assets (excluding amount included in net interest costs)	-91,178	-47,468
Costs of managing the assets	2,006	1,177
Administration costs paid from the plan assets	354	1,321
Employer contributions	-25,187	-26,752
Employee contributions	-238	-282
Benefits paid	30,433	30,399
Plan assets at 31 December	**-972,891**	**-817,663**
Movements in the asset ceiling		
Asset ceiling at 1 January	82	1,525
Foreign exchange adjustments	-7	-95
Interest costs	2	28
Change in asset ceiling excluding amounts included in interest costs	-77	-1,376
Asset ceiling at 31 December	**0**	**82**
Expenses recognised as staff costs in the Income statement:		
Current service costs	5,975	4,074
Past service costs	-1,021	-1,521
Total included in staff costs regarding defined benefit plans	**4,954**	**2,553**

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2014	2013
Expenses included in administration costs:		
Administration costs paid from the plan assets	354	1,321
Total included in administration costs regarding defined benefit plans	**354**	**1,321**
Expenses recognised as financial costs in the Income statement:		
Interest costs	47,116	41,592
Interest income	-35,852	-31,129
Interest cost on asset ceiling	2	28
Total included in financial costs regarding defined benefit plans	**11,266**	**10,491**
Total expenses for defined benefit plans recognised in the Income statement	**16,574**	**14,365**
Expenses recognised in Other comprehensive income:		
Remeasurements of plan obligations	132,650	68,624
Remeasurements of plan assets	-89,172	-46,291
Change in asset ceiling	-77	-1,376
Total included in Other comprehensive income regarding defined benefit plans	**43,401**	**20,957**
Plan assets consist of the following:		
Listed shares (of this no DFDS A/S shares)	457,169	387,928
Corporate bonds	204,419	171,014
Government and mortgage bonds	30,655	24,999
Cash and cash equivalents	6,724	8,371
Real estate	28,760	26,526
Other assets (primarily insured plans)	245,164	198,825
Total plan assets	**972,891**	**817,663**

Actuarial calculations or roll forward calculations are performed annually for all defined benefit plans. Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country. The following significant assumptions have been used for the actuarial calculations:

Average weighted assumptions: [1]	2014	2013
Discount rate	3.3%	4.3%
Social security rate	0.3%	0.2%
Future salary increase	0.6%	0.7%
Future pension increase	2.5%	2.7%
Inflation	2.2%	2.6%

[1] All factors are weighted at the pro rata share of the individual actuarial obligation.

Significant actuarial assumptions for the determination of the retirement benefit obligation are discount rate, expected future remuneration increases and expected mortality. The sensitivity analysis below have been determined based on reasonably likely changes in the assumptions occurring at the end of the period.

DKK '000

Note 20 Pension and jubilee liabilities (continued)	2014	2013
Sensitivity analysis		
Reported obligation 31 December	1,277,843	1,077,631
Discount rate -0.5% point compared to assumptions	1,412,634	1,188,630
Discount rate +0.5% point compared to assumptions	1,160,763	981,076
Salary increase -0.5% point compared to assumptions	1,274,308	1,074,384
Salary increase +0.5% point compared to assumptions	1,282,151	1,081,495
Mortality -1 year compared with used mortality tables	1,236,784	1,048,405
Mortality +1 year compared with used mortality tables	1,321,178	1,108,243

Weighted average duration on the liabilities end of 2014 is 19.3 years (2013: 17.7 years).

The Group expects to make a contribution of DKK 27.7m (expected for 2014: DKK 30.5m) to the defined benefit plans in 2015.

Maturity analysis of the obligations		
0-1 year	31,047	22,791
1-5 years	143,874	95,612
After 5 years	1,102,922	959,228
Total obligations	**1,277,843**	**1,077,631**

DKK '000

Note 21 Other provisions	2014	2013
Other provisions at 1 January	45,641	90,316
Foreign exchange adjustments	1,380	-426
Addition from acquisition of enterprises	1,859	2,316
Provisions made during the year	44,401	3,786
Used during the year	-12,070	-32,591
Reversal of unused provisions	-746	-17,760
Other provisions at 31 December	**80,465**	**45,641**
Other provisions are expected to be payable in:		
0-1 year	36,868	25,690
1-5 years	34,025	19,951
After 5 years	9,572	0
Other provisions at 31 December	**80,465**	**45,641**

Of the Group's provision of DKK 80.5m (2013: DKK 45.6m), DKK 13.2m (2013: DKK 13.0m) is estimated redelivery provision regarding leased operating equipment. DKK 46.7m (2013: DKK 23.9m) is estimated net present value of earn out agreement regarding the acquisition of the route Kapellskär-Paldiski and the Quayside Group and DKK 20.6m (2013: DKK 8.7m) is other provisions.

DKK '000

Note 22 Interest-bearing liabilities	2014	2013
Mortgage on ships	1,032,820	1,189,229
Mortgage on land and buildings	28,538	7,077
Issued corporate bonds	1,483,996	1,059,039
Financial lease liabilities	15,072	12,608
Bank loans	338,097	5,041
Other non-current liabilities	25,838	24,656
Total interest bearing non-current liabilities	**2,924,361**	**2,297,650**
Mortgage on ships	174,345	873,241
Mortgage on land and buildings	2,274	293
Financial lease liabilities	19,115	24,224
Bank loans	78,910	148,593
Other current liabilities	352	53,714
Total interest bearing current liabilities	**274,996**	**1,100,065**
Total interest bearing liabilities	**3,199,357**	**3,397,715**

In 2014 DFDS has issued a five-year corporate bond of DKK 500m, which run for the period 13 June 2014 until 13 June 2019. The bond is listed on the Oslo Stock Exchange. The five-year bond has been issued with a floating rate based on three month CIBOR + 1.63% margin in DKK.

In 2013 DFDS has issued a five-year corporate bond of NOK 700m, which run for the period 21 March 2013 until 21 March 2018. The bond is listed on the Oslo Stock Exchange. The five-year bond has been issued with a floating rate based on three month NIBOR + 2.9% margin in NOK, which DFDS has swapped into a floating Danish interest rate corresponding to a three month CIBOR + 2.64% margin in DKK.

The fair value of the interest-bearing liabilities amounts to DKK 3,259m (2013: DKK 3,448m). This fair value measurement is categorised within level 3 in the fair value hierarchy except for the part that relates to the corporate bonds for which the fair value measurement is categorised within level 1.

The fair value of the financial liabilities is determined as the present value of expected future repayments and interest rates. The Group's actual borrowing rate for equivalent terms is used as the discount rate. The fair value of the issued corporate bonds has been calculated based on the quoted bond price at year end 2014 and 2013, respectively.

DKK 711m of the interest-bearing liabilities in the Group fall due after five years (2013: DKK 170m). No unusual conditions in connection with borrowing are made. The loan agreements can be settled at fair value plus a small surcharge, whereas settlement of the corporate bonds requires a repurchase of the bonds.

Reference is made to note 27 for financial risks, etc.

Allocation of currency, principal nominal amount	2014	2013
DKK	1,076,438	1,196,487
EUR	1,011,306	861,847
SEK	24,584	136,717
NOK	985,571	1,124,021
GBP	101,458	78,643
Total interest bearing liabilities	**3,199,357**	**3,397,715**

DKK '000

Note 23 Other payables	2014	2013
Payables to associates and joint ventures	22,122	14.781
Accrued interests	7,008	15,479
Public authorities (VAT, duty, etc.)	61,703	57,230
Holiday pay obligations, etc,	275,132	245,604
Fair value of Interest swaps, forward transactions and bunker hedges	275,721	162,848
Other payables	103,763	80,575
Total other payables	**745,449**	**576,517**

DKK '000

Note 24 Deferred income	2014	2013
Prepayments from customers	125,080	111,014
Other deferred income	0	507
Total deferred income	**125,080**	**111,521**

DKK '000

Note 25 Corporation tax liabilities	2014	2013
Corporation tax liabilities at 1 January	2,899	16,606
Foreign exchange adjustment	197	21
Opening adjustment regarding classification of due jointly taxation (transferred from other payables)	-173	-1,001
Additions on acquisition of enterprises / sale of enterprises	2,109	-544
Tax for the year recognised in the Income statement	24,202	19,898
Adjustment, prior years recognised in the Income statement	-5,233	-12,938
Adjustment, prior years recognised in the equity	0	-597
Corporation taxes paid during the year	-12,520	-18,546
Corporation tax liabilities at 31 December, net	**11,481**	**2,899**
Corporation tax is recognised in the balance sheet as follows:		
Corporation tax receivable (assets), reference is made to note 14	-7,850	-5,602
Corporation tax debt (liabilities)	19,331	8,501
Corporation tax liabilities at 31 December, net	**11,481**	**2,899**

DKK '000

Note 26 Information on financial instruments	2014	2013
Carrying amount per category of financial instruments		
Derivatives (measured at fair value), financial assets	13,586	2,703
Loans, receivables and cash (assets)	2,581,255	2,975,115
Financial assets available for sale	19,794	35,188
Derivatives (measured at fair value), financial liabilities	-275,721	-162,848
Financial liabilities measured at amortised cost	-4,824,528	-4,953,084
Total	**-2,485,614**	**-2,102,926**

Hierarchy of financial instruments measured at fair value

The table below ranks financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices in an active market for identical type of instrument, i.e. without change in form or content (modification or repackaging).
- **Level 2:** Quoted prices in an active market for similar assets or liabilities or other valuation methods where all material input is based on observable market data.
- **Level 3:** Valuation methods where possible material input is not based on observable market data.

2014	Level 1	Level 2	Level 3
Derivatives, financial assets	0	13,586	0
Financial assets available for sale	1,429	0	0
Assets held for sale (non-recurring fair value measurement)	0	0	61,671
Derivatives, financial liabilities	0	-275,721	0
Total	**1,429**	**-262,135**	**61,671**

2013	Level 1	Level 2	Level 3
Derivatives, financial assets	0	2,703	0
Financial assets available for sale	16,675	0	0
Assets held for sale (non-recurring fair value measurement)	0	0	61,810
Derivatives, financial liabilities	0	-162,848	0
Total	**16,675**	**-160,145**	**61,810**

Derivative financial assets and liabilities are all measured at level 2. Reference is made to note 27 for description of the valuation method. Financial assets available for sale measured at level 1 comprise listed shares (2013: and bonds) and is measured at the quoted prices. Assets held for sale (non-recurring fair value measurement) comprise the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m and the ro-pax ship VILNIUS SEAWAYS with a carrying amount of DKK 48.2m, reference is made to note 33 for further information on assets held for sale. The fair value of the building is based on a valuation made by an independent real estate broker etc., and the fair value of the ship is based on valuations from independent ship brokers etc.

Financial assets available for sale also comprise other shares and equity investments as well as other investments. These are some minor unlisted enterprises and holdings. They are measured at cost reduced by impairments, if any, and consequently, they are not included in the fair value hierarchy.

Note 27 Financial and operational risks

DFDS' risk management policy

The most important financial risk factors for DFDS are diesel and bunker prices, interest rates, currencies, investments and liquidity. It is the policy of the Group not to enter into active speculation in financial risks. The intention of the financial risk management of the Group is only to manage the financial risks attached to operational and financial activities.

The Board of Directors annually approves the financial risk management policy and strategy. In addition, DFDS has established a Bunker Committee which monitors hedging levels and market development on a monthly basis. Please refer to the section Risk Factors in the Management review.

Financial risks

Currency risks

Financial currency risks arise from translation of net investments in foreign companies and from other investments, receivables or liabilities denominated in foreign currencies. Currency risks are monitored continuously to ensure compliance with the financial risk management policy.

DFDS aims to actively reduce currency exposure by matching the currency positions, obtaining multi-currency loans and by directing all currency balance positions towards the Parent Company DFDS A/S (the transaction risk) if possible. The Group uses forward exchange contracts, currency options and currency swaps to hedge forecasted transactions in foreign currencies.

Transaction risks

The Group's most substantial currency balance positions are in SEK, GBP, NOK and USD. A strengthening of SEK, GBP, NOK and USD, as indicated below, against the DKK at 31 December would have increased/decreased equity and profit or loss by the amounts presented below. The Parent Company is furthermore exposed against fluctuations in EUR vs. DKK.

DKK m

Hypothetical effect of reasonable possible change against DKK	2014	2013
SEK, equity and profit or loss effect, 10% strengthening [1]	19.3	11.7
GBP, equity and profit or loss effect, 10% strengthening [1]	21.7	13.3
NOK, equity and profit or loss effect, 10% strengthening [1]	-25.9	-20.4
USD, equity effect, 10% strengthening [1]	34.7	31.1

[1] As all subsidiaries in all material aspects are operating in their own functional currency no effect will occur on the equity. Hedge is only done in the Parent Company.

The sensitivity analysis on currency risk has been prepared under the assumptions that the effect is calculated on the balance sheet items at the balance sheet date; the included hedges are 100% effective and based on the actual market situation and expectations to the development in the currencies. The analysis assumes that all other variables, in particular interest rates, remain constant.

Translation risks

Translation risks relate to translation of profit and loss and equity of foreign group enterprises into DKK. These risks are to some extent covered by loans in the respective foreign currencies. Derivatives are to some extent used to hedge translation risks. The Group's most substantial translation risks are GBP, SEK and NOK. An increase in these currencies of 10% compared to the average exchange rates for 2014 would in respect of GBP have affected the result for 2014 by DKK 1.4m (2013: DKK -0.1m), in respect of SEK by DKK 7.2m (2013: DKK 3.2m), and in respect of NOK by DKK 2.8m (2013: DKK 2.1m).

Note 27 Financial and operational risks (continued)

Interest rate risks
DFDS is primarily exposed to interest rate risks through the loan portfolio. The intention of the interest rate risk management is to limit the negative effects of interest rate fluctuations on the earnings. It is DFDS' strategy that 40-70% of the net loan portfolio must be fixed-rate loans when taking contracted interest rate swaps and long term charter agreements into consideration.

The total net interest-bearing debt (excluding interest rate swaps, etc.) of the Group amounts to DKK 2,451m at year-end 2014 (2013: DKK 2,239m), of which debt with a fixed-rate amounts to DKK 588m at year-end 2014 (2013: DKK 917m) including the effects of current interest rate swaps. In addition, forward starting interest rate swaps with a notional of DKK 313m have been entered into. These are weighted against the underlying loans amounting to an average notional of DKK 234m. Thereby the share of debt with fixed-rate is 34% at year-end 2014 (2013: 41%) including the effect of all interest rate swaps. If the long term charter agreements are included the share of debt with fixed-rate increases to 45% (2013: 60%).

An increase in the interest rate of 1%-point compared to the actual interest rates in 2014 would, other things being equal, have increased net interest payments by DKK 16m for the Group in 2014 (2013: DKK 13m). A decrease in the interest rates would have had a similar positive effect.

The Group's total interest-bearing debt except bank overdrafts had an average time to maturity of 6 years (2013: 2.8 years), and consists primarily of syndicated floating rate bank loans with security in the ships and unsecured issued corporate bonds. The financing is obtained at the market interest rate with addition of a marginal rate reflecting DFDS' financial strength. As part of the financial strategy interest rate swaps with a principal amount totalling DKK 901m (2013: DKK 902m) have been entered into in order to change part of the floating-rate bank loans and issued corporate bonds to fixed-rate bank loans and bonds. The duration of the Group's debt portfolio (including charter liabilities) is 1.1 years (2013: 1.1 years).

An increase in the interest rate of 1%-point compared to the actual interest rate at balance sheet date would, other things being equal, have had a hypothetical positive effect on the Group's equity reserve for hedging by DKK 20m (2013: DKK 14m). This is due to the interest rate swaps entered to hedge variable interest rate loans. A decrease in the interest rate would have had a similar negative effect. The sensitivity analysis is based on the assumption that the effectiveness of the hedges will stay unaffected by the change in the interest rate.

Bunker risks
DFDS Group uses bunker swaps to hedge the variability in bunker costs due to fluctuations in bunker price.

An increase in the bunker price of 10% compared to the actual bunker price at balance sheet date would, other things being equal, have had a hypothetical positive effect on the Group's equity reserve for hedging of DKK 6m (2013: DKK 17m). This is due to the bunker contracts for future delivery entered to hedge the cost for bunkers. A decrease in the bunker price would have had a similar negative effect.

The sensitivity analysis on bunker contracts has been prepared under the assumptions that the effect is calculated on the bunker contracts entered at the balance sheet date; the hedges are 100% effective and based on the actual market situation and expectations to the development in the bunker prices.

Liquidity risks
The Group aims to maintain a minimum cash resource of DKK 400m, which is regarded as sufficient for the current operation. The cash resources at 31 December 2014 are DKK 1,337m (2013: DKK 1,484m), of which undrawn credit facilities amounts to DKK 674m (2013: DKK 480m). The central treasury department manages excess liquidity and cash resources. Cash at bank and in hand are primarily placed in the short money market as well as short term bonds, and debt to banks are drawn mostly on overdraft facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

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Note 27 Financial and operational risks (continued)

2014	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial assets				
Cash	694,503	0	0	0
Trade receivables	1,660,561	0	0	0
Non-derivative financial liabilities				
Mortgages on ships	-195,456	-393,175	-181,565	-599,760
Mortgages on land and buildings	-2,274	-2,579	-7,194	-18,765
Issued corporate bonds	-51,468	-1,081,401	-506,037	0
Bank loans	-85,545	-115,762	-102,334	-146,173
Other interest-bearing debt	-352	-1,237	0	-25,178
Financial lease liabilities	-19,115	-15,072	0	0
Trade payables	-1,492,933	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	13,397	189	0	0
Derivative financial liabilities				
Interest swaps	-9,984	-5,950	-3,345	-2,440
Forward exchange contracts	-222,710	0	0	0
Bunker contracts	-31,292	0	0	0
	257,332	**-1,614,987**	**-800,475**	**-792,316**

2013	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Non-derivative financial assets				
Cash	1,151,008	0	0	0
Bonds	15,432	0	0	0
Trade receivables	1,538,800	0	0	0
Non-derivative financial liabilities				
Mortgages on ships	-926,690	-1,040,741	-51,232	-161,777
Mortgages on land and buildings	-420	-961	-1,021	-5,903
Issued corporate bonds	-51,386	-544,431	-667,119	0
Bank loans	-148,718	-2,953	-1,988	-435
Other interest-bearing debt	-54,435	0	0	-25,272
Financial lease liabilities	-24,840	-12,670	0	0
Trade payables	-1,444,534	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	75	0	0	0
Bunker contracts	2,628	0	0	0
Derivative financial liabilities				
Interest swaps	-17,631	-5,899	0	0
Forward exchange contracts	-145,132	0	0	0
	-105,843	**-1,607,655**	**-721,360**	**-193,387**

Note 27 Financial and operational risks (continued)

Assumptions for the maturity table:
The maturity analysis is based on undiscounted cash flows including estimated interest payments. Interest payments are estimated based on existing market conditions.

The undiscounted cash flows related to derivative financial liabilities are presented at gross amounts unless the parties according to the contract have a right or obligation to settle at net amount.

Credit risks
DFDS' primary financial assets are trade receivables, other receivables, cash and derivative financial instruments. The credit risk is primarily attributable to trade receivables and other receivables.

The amounts in the balance sheet are stated net of write-downs on receivables, which have been estimated based on a specific assessment of the present economic situation for the specific customer.

DFDS' risks regarding trade receivables are not considered unusual and no material risk is attached to a single customer or cooperative partner. According to the Group's policy of undertaking credit risks, credit ratings of all customers and other cooperative partners are performed at least once a year. A few counterparties have provided guarantees for payments and delivery of ships for the benefit of DFDS. These guarantees amounts to DKK 3.7m in 2014 (2013: DKK 1.9m).

Internal credit ratings are also prepared on a systematical and current basis for all financial counterparties. The internal credit rating is based on ratings from international credit rating companies. On the basis of the internal credit rating the Board of Directors have approved general limits for deposits, etc. with financial counterparties.

Capital management
The Group has a defined capital structure target and capital pay-out policy. DFDS targets a net interest bearing debt/EBITDA ratio of minimum 2.0x and maximum 3.0x which is believed to be an appropriate level given the current performance and financial projections. The net interest bearing debt/EBITDA ratio may at certain times deviate from the target, primarily if DFDS makes significant acquisitions and other strategic initiatives.

At year end 2014 the equity ratio for the Group was 50% (2013: 51%). DFDS targets an equity ratio of at least 40%.

The capital pay-out policy of DFDS is to annually pay out a minimum of DKK 14 per share with a nominal value of DKK 100, unless the net interest bearing debt/EBITDA ratio exceeds 3.0 or unless a couple of other circumstances are not met. Further information on the capital structure and pay-out policy can be found under DFDS share and shareholder chapter in the Management report.

Due to the Group's sustained solid capital structure and net interest bearing debt/EBITDA level the proposed dividend for 2014 is DKK 18 per share equal to 52% of the profits excluding non-controlling interests (2013: DKK 14 per share or 57% of the profits excluding non-controlling interests).

The Group's cost of capital (WACC) was calculated at 6.0% (2013: 6.0%) and the return on invested capital (ROIC) was 7.2% (2013: 5.7%). DFDS' target is a return on invested capital of approximately 10%.

DKK '000

Note 27 Financial and operational risks (continued)

2014				Expected timing of recycling to income statement of gains/losses recognised in the equity				
Expected future transactions	**Hedge instrument**	**Time to maturity**	**Notional principal amount**	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**	**Fair value**
Interest	Interest swaps	0-9 years	900,571	-9,984	-5,950	-3,345	-2,440	-21,719
Goods purchased	Bunker contracts (tons)	0-1 years	33,000	-31,292	0	0	0	-31,292
Sales and goods purchased	Forward exchange contracts	0-1 years	98,476	3,611	0	0	0	3,611
				-37,665	**-5,950**	**-3,345**	**-2,440**	**-49,400**

DKK '000

2013				Expected timing of recycling to income statement of gains/losses recognised in the equity				
Expected future transactions	**Hedge instrument**	**Time to maturity**	**Notional principal amount**	**0-1 year**	**1-3 years**	**3-5 years**	**After 5 years**	**Fair value**
Interest	Interest swaps	0-3 years	901,685	-13,524	-4,191	0	0	-17,715
Goods purchased	Bunker contracts (tons)	0-1 years	49,500	2,628	0	0	0	2,628
Sales and goods purchased	Forward exchange contracts	0-1 years	318,682	-7,359	0	0	0	-7,359
				-18,255	**-4,191**	**0**	**0**	**-22,446**

The fair values of interest 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 values 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 of bunker contracts are based on quoted forward curve from various financial institutions.

Note 27 Financial and operational risks (continued)

Operational risks
Operational risks arise from the cash flow transactions. The size of the transactions made through the financial year is affected by the change in different market rates such as interest and foreign exchange rates. Currency risks are monitored continuously to ensure compliance with the financial risk management policy.

Currency cash flow risks
Approximately 87% of DFDS' revenues are invoiced in unhedged foreign currencies (2013: 85%) with the most substantial net income currencies being SEK, GBP and NOK. USD was the most substantial net expense currency. EUR is considered as minor risk bearing due to the DKK's close band to the EUR. For other entities than the Parent Company the currencies used are primarily their functional currency. The table below shows the currency cash flow exposure.

DKK '000

Profit or loss effect of reasonable possible change against DKK	2014	2013
SEK, profit or loss effect, 10% weakening	-19.4	-2.3
NOK, profit or loss effect, 10% weakening	-9.8	-11.2
GBP, profit or loss effect, 10% weakening	11.7	8.9
USD, profit or loss effect, 10% strengthening	-159.9	-177.0

Bunker risks
The cost of bunkers constitutes a specific and significant operational risk partly due to large fluctuations in bunker prices and partly due to the total annual bunker costs of approximately DKK 1,692m or 13% of the Group's revenue in 2014 (2013: DKK 1,869m or 15% of the Group's revenue).

In the freight industry, bunker costs are primarily hedged by price-adjustment clauses (BAF) in freight customer contracts. In the passenger industry, fluctuations in the cost of bunkers are reflected in the ticket price to the extent possible. In addition, hedging transactions, primarily bunker swaps, are used to manage risk of the remaining bunker costs.

DKK '000

Note 28 Non-cash operating items	2014	2013
Change in provisions	500	-28,294
Change in write-down of inventories for the year	441	-1,237
Change in provision for defined benefit plans and jubilee obligations	5,869	6,867
Vesting of share option plans expensed in the income statement	6,521	5,702
Non-cash operating items	**13,331**	**-16,962**

DKK '000

Note 29 Change in working capital	2014	2013
Change in inventories	37,603	5,221
Change in receivables	-48,244	-30,984
Change in current liabilities	50,117	406,818
Change in working capital	**39,476**	**381,055**

DKK '000

Note 30 Change in other financial loans, net	2014	2013
Instalments and repayments of loans	-51,073	-10,393
Raising of loans	370,547	0
Change in other financial loans, net	**319,474**	**-10,393**

Note 31 Acquisition and sale of enterprises and activities

Acquisitions 2014

Quayside Group Acquisition
On 1 July 2014 the acquisition of Quayside Group was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired companies. The acquired companies are consolidated in the consolidated financial statements of DFDS A/S as from this date.

The acquisition is 100% made by the subsidiary DFDS Logistics Partners Limited and the acquired companies are after the acquisition included in Business Unit UK & Ireland.

DFDS paid DKK 102.8m for the acquisition of the Group. In addition, two earn-out agreements have been entered into according to which DFDS, based on the acquired Group's financial performance for 2013/14 and 2014/15, may pay an additional cash consideration in the range of DKK 0-23.3m.

Based on the expectations to the acquired Group's earnings for 2013/14 and 2014/15 the earn-out agreements are estimated to DKK 23.3m. Consequently, the total purchase price is calculated at DKK 126.1m.

The acquisition has a negative liquidity effect of DKK 99.9m as cash at hand and in bank in the acquired companies amounts to DKK 2.9m whereas the cash consideration paid amounts to DKK 102.8m

In connection with the acquisition DFDS has measured identifiable intangible assets in the form of customer relations which are recognised in the acquisition balance sheet at their fair value. The fair value of customer relations is calculated to DKK 19.0m at acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition is measured at DKK 104.3m. Goodwill relates to Business Unit UK & Ireland. The goodwill represents the value of assets whose fair value cannot be reliably measured, including the value of the staff and know-how taken over, expected synergies from combining the acquired Group with the existing DFDS activities and network. The valuation of these assets is either subject to great uncertainty or beyond DFDS' control. Accordingly, such fair values are deemed not to be reliable for accounting purposes.

Trade receivables have been recognised at the acquisition date at a fair value of DKK 33.4m which is DKK 2.6m less than their gross value.

DFDS Group incurred transaction costs (including stamp duty) of DKK 1.0m, which are recognised in Cost of sales and administration in the income statement.

STEF Acquisition
On 31 January 2014 the acquisition of the two Scottish companies STEF Transport Limited and Seagull Transport Limited from STEF was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired companies. The acquired companies are consolidated in the consolidated financial statements of DFDS A/S as from 1 February 2014.

The acquisition is 100% made by the subsidiary DFDS Logistics Limited and the acquired companies are after the acquisition included in Business Unit UK & Ireland.

DFDS paid DKK 17.0m for the acquisition of the companies.

The acquisition has a positive liquidity effect of DKK 18.8m as cash at hand and in bank in the acquired companies amounts to DKK 35.8m whereas the cash consideration paid amounts to DKK 17.0m.

Following recognition of identifiable assets and liabilities at their fair value, the badwill related to the acquisition has been measured at DKK 0.9m. The acquired companies have been loss making and after the remeasurement of acquired net assets to fair value a badwill of DKK 0.9m occur, which is recognised as income under Special items in 2014.

Note 31 Acquisition and sale of enterprises and activities (continued)

Trade receivables have been recognised at the acquisition date at a fair value of DKK 11.3m which is DKK 1.4m less than their gross value

DFDS Group incurred transaction costs of DKK 0.6m, which are recognised in Cost of sales and administration in the income statement.

As a part of the transactions the continental distribution and handling activities of DFDS Logistics located in Boulogne sur Mer were sold to STEF as per 31 January 2014. The activities were part of the Business Unit UK and Ireland. The transferred activities included six employees, transport contracts and lease of buildings in Boulogne sur Mer. The sales price amounts to DKK 0.9m. No balance sheet items were transferred. The sale results in a gain of DKK 0.9m which is recognised as income under Special items in 2014.

DKK m	Preliminary fair value at acquisition date	
Acquisition Date	**STEF Acquisition (as from 1/2-2014)**	**Quayside Group Acquisition (as from 1/7-2014)**
Non-current intangible assets	0.0	19.0
Non-current tangible assets	9.2	95.3
Deferred tax asset	14.0	8.6
Non-current assets	**23.2**	**122.9**
Receivables	11.7	43.3
Cash at hand and in bank	35.8	2.9
Current assets	**47.5**	**46.2**
Assets	**70.7**	**169.1**
Interest bearing debt	44.4	62.6
Non-interest bearing debt	0.0	10.6
Non-current liabilities	**44.4**	**73.2**
Trade payables	5.4	17.7
Interest bearing debt	0.0	37.4
Other current liabilities	3.0	19.0
Current liabilities	**8.4**	**74.1**
Liabilities	**52.8**	**147.3**
Fair value of acquired net assets	**17.9**	**21.8**
Total purchase price		
Cash consideration	17.0	102.8
Deferred consideration (estimated fair value of Earn-out)	0.0	23.3
Fair value of the purchase price	**17.0**	**126.1**
Goodwill / (badwill) at acquisition	**-0.9**	**104.3**

Note 31 Acquisition and sale of enterprises and activities (continued)

Of the Group's total revenue of DKK 12,779.1m for the period 1 January - 31 December 2014 DKK 64.7m relates to the STEF acquisition (consolidated from 1 February 2014) and DKK 112.4m relates to the Quayside Group acquisition (consolidated from 1 July 2014) . Of the Group's profit before tax of DKK 501.4m for the period 1 January - 31 December 2014 DKK 2.8m relates to the STEF acquisition and DKK 2.9m relates to the Quayside Group acquisition.

Had the acquisitions occurred at the beginning of the financial year, the Group's total revenue for the period 1 January - 31 December 2014 would estimated amount to approximately DKK 12,895.7m, and result before tax would estimated amount to approximately DKK 507.2m.

Other acquisitions in 2014
DFDS has during 2014 acquired an agency activity (no assets and liabilities were acquired) related to the route Marseille - Tunis for a cash consideration of DKK 3.7m.

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

After the acquisition the DFDS Group has 100 % ownership of the acquired companies. The acquired companies are consolidated in the consolidated financial statements of DFDS A/S as from this date.

The acquisition is 100% made by the subsidiary DFDS Seaways Holding AB and the acquired companies are after the acquisition included in Business Unit Nordic.

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

In connection with the acquisition DFDS has measured identifiable intangible assets in the form of customer relations which are recognised in the acquisition balance sheet at their estimated fair value. The estimated fair value of customer relations is preliminary calculated to DKK 15.3m on the acquisition date.

Following recognition of identifiable assets and liabilities at their fair value, the goodwill related to the acquisition has preliminary been measured at DKK 63.7m at acquisition date. The goodwill represents the value of assets whose fair value cannot be reliably measured, including the value of the staff and know-how taken over, expected synergies from combining the acquired group with the existing DFDS activities, and the value of gaining access to new markets. The valuation of these assets is either subject to great uncertainty or beyond DFDS' control. Accordingly, these fair values are deemed not to be reliable.

Goodwill relates to Business Unit Nordic.

Trade receivables have been recognised at the acquisition date at a fair value of DKK 20.1m which is DKK 0.5m lower than their gross value.

DFDS Group incurred transaction costs of DKK 2.6m which are recognised in the income statement.

Of the Group's total revenue of DKK 12,097m for the period 1 January - 31 December 2013 DKK 56.4m relates to the acquired Group. Of the Group's result before tax of DKK 349.6m for the period 1 January - 31 December 2013 DKK 0.8m relates to the acquired Group.

Had the acquisition occurred at the beginning of the financial year, the Group's total revenue for the period 1 January - 31 December 2013 would estimated amount to DKK 12,243m, and result before tax would estimated amount to DKK 355.4m.

Note 31 Acquisition and sale of enterprises and activities (continued)

DKK m	Fair value at acquisition date
Acquisition Date	**18 September 2013**
Intangible assets	15.3
Tangible assets	28.8
Non-current assets	**44.1**
Receivables	36.5
Cash	9.0
Current assets	**45.5**
Total assets	**89.6**
Provisions	0.1
Bank debt	16.7
Non-current liabilities	**16.8**
Trade payables	11.5
Other current liabilities	18.6
Current liabilities	**30.1**
Total liabilities	**46.9**
Fair value of acquired net assets	**42.7**
Total purchase price	
Cash consideration	106.4
Goodwill at acquisition	**63.7**

DKK '000

Note 32 Acquisition of non-controlling interests	**2014**	**2013**
AB DFDS Seaways	-588	-221
Acquisition of non-controlling interests	**-588**	**-221**

Acquisition of shares in AB DFDS Seaways during 2014 amounts to DKK 0.6m (2013: DKK 0.2m), equivalent to an ownership of 0.14% (2013: 0.05%) after which the company is owned 96.7% (2013: 96.5%). Negative goodwill of DKK 1.6m (2013: DKK 0.6m) is recognised directly in the equity.

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Note 33 Assets held for sale	2014	2013
Non-current assets, former Norfolkline domicile in Scheveningen	13,510	13,540
Non-current assets, ro-pax ship VILNIUS SEAWAYS	48,161	48,270
Total assets held for sale	**61,671**	**61,810**

2014
DFDS countinues to search for a buyer to the former Norfolkline domicile in Scheveningen, and the domicile is expected to be sold during 2015. The global financial crisis, which has led to an increase in the selling time on the real estate market, is in DFDS' opinion one of the reasons that the building has not yet been sold. DFDS does not expect to involve the building in the company's future operation, why the building's carrying amount is still expected to be recovered through a sale. The domicile is therefore still recognised as an asset held for sale. DFDS has experienced more interests in the building during second half of 2014.

DFDS countinues to search for a buyer for the ro-pax ship VILNIUS SEAWAYS, which is taken out of the route network and chartered out. The ship is expected to be sold during 2015. Consequently, the ship is still recognised as an asset held for sale, and the carrying amount at 31 December 2014 is based on valuations from independent ship brokers etc.

2013
Assets held for sale includes the former Norfolkline domicile in Scheveningen, and the ro-pax ship VILNIUS SEAWAYS.

Note 34 Guarantees, collateral and contingent liabilities

Guarantees amount to DKK 437.6m (2013: DKK 370.1m) for the Group. In addition, DFDS A/S has issued an unlimited guarantee for a subsidiary to cover any obligations under a Payment Service Agreement for creditcard payments and a guarantee to cover all payments to an English defined benefit pension scheme with an underfunding of DKK 26.0m at 31 December 2014 (2013: DKK 17.2m).

The Group is in 2014 as well as in 2013 part in various legal disputes. The outcome of these disputes is not considered likely to influence DFDS significantly, besides what is already recognised in the balance sheet.

In terms of the contaminated land in one of the Group companies discovered in 2005, there is still no obligation to clean the land. If such obligation should occur, the Group has the possibility to get the cost adjusted in the original purchase price for the company. The seller of the land has made a deposit of DKK 24.0m (2013: DKK 24.0m) on a bank account in DFDS' name to cover this.

Certain ships and ships under construction with a total carrying amount of DKK 1,444.7m (2013: DKK 4,720.4m) have been pledged as security for mortgage on ships with a total carrying amount of DKK 1,229.2m (2013: DKK 2,062.5m). Furthermore, land and buildings with a total carrying amount of DKK 7.8m (2013: DKK 8.7m) has been pledged as security for mortgage on land and buildings with a total carrying amount of DKK 6.7m (2013: DKK 7.4m).

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Note 35 Contractual commitments	2014	2013
Contractual commitments, term 0-1 year	184,378	393,580
Contractual commitments, term 1-5 years	72,801	0
Contractual commitments	**257,179**	**393,580**

Contractual commitments in 2014 relates to installation of scrubbers, developing of terminal and takeover of logistics service activities from Volvo in Gothenburg.

In 2013 contractual commitments related to purchase of two new ro-ro ships for delivery in 2014, installation of scrubbers and contracted refurbishment of a passenger ship.

Operating lease commitments (lessee)	2014	2013
Minimum lease payments		
0-1 year	48,488	41,996
1-5 years	103,739	96,742
After 5 years	7,545	28,157
Total buildings	**159,772**	**166,895**
0-1 year	125,923	117,527
1-5 years	419,857	402,865
After 5 years	1,136,066	1,079,133
Total terminals	**1,681,846**	**1,599,525**
0-1 year	289,685	367,146
1-5 years	738,589	762,748
After 5 years	6,155	72,205
Total ships	**1,034,429**	**1,202,099**
0-1 year	89,411	88,250
1-5 years	109,663	112,824
After 5 years	2,303	6,886
Total equipment, etc.	**201,377**	**207,960**
Total minimum lease payments fall due as follows:		
0-1 year	553,507	614,919
1-5 years	1,371,848	1,375,179
After 5 years	1,152,069	1,186,381
Total minimum lease payments	**3,077,424**	**3,176,479**

The specified payments are not discounted.

Note 35 Contractual commitments (continued)

Operating lease- and rent costs recognised in the income statement amount to DKK 855.8m for 2014 (2013: DKK 823.5m) of which DKK 27.7m (2013: DKK 28.1m) are contingent lease payments. The contingent part of the lease costs relates to terminals and is based on the throughput of volumes in the terminals.

Operating lease contracts on ships are typically concluded with lease terms of up to 12 months, but where most of the lease contracts contain an option to extend the lease term. However, 4 leases were initially entered with a 10 year lease period, of which 5 years are left at 31 December 2014. Lease contracts on other assets are normal lease contracts including a minimum lease term after which the lease term can be terminated by giving 1 to 12 months notice.

DFDS has not entered any substantial agreements, which will be effected, changed nor expired, if the control over the Group is changed as a consequence of takeover of the Group.

DFDS has purchase options on the chartered ships REGINA SEAWAYS and ATHENA SEAWAYS.

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Operating lease commitments (lessor)	2014	2013
Minimum lease payments (income)		
Ships		
0-1 year	150,944	154,687
1-5 years	247,240	325,221
After 5 years	120,631	181,518
Total ships	**518,815**	**661,426**

The specified minimum payments are not discounted. Operational lease- and rental income recognised in the income statement amount to DKK 143.6m in 2014 (2013: DKK 163.3m). The contracts are entered on usual conditions.

Financial lease commitments (lessee)

2014	Minimum lease payments	Hereof financing element	Carrying amount
0-1 year	21,303	-2,188	19,115
1-5 years	16,737	-1,665	15,072
Total	**38,040**	**-3,853**	**34,187**

2013	Minimum lease payments	Hereof financing element	Carrying amount
0-1 year	24,840	-616	24,224
1-5 years	12,670	-62	12,608
Total	**37,510**	**-678**	**36,832**

Due to the acquisition of Quayside Group, DFDS Group took over financial lease contracts which relates to primarily trucks and trailers. The lease contracts are entered into between 2010 and until date of acquisition and expires between 2015 and 2019.

The finance lease contracts included in balance sheet in 2013 are all paid out during 2014.

Note 36 Related party transactions

Lauritzen Fonden, Copenhagen with a nominel shareholding of 42.8% exercises defacto control over DFDS A/S. Accordingly, the members of the Board of Directors and the Executive Board at Lauritzen Fonden are also related parties.

Furthermore, related parties comprise all companies owned by Lauritzen Fonden, DFDS' subsidiaries, associates and joint ventures, reference is made to note 41 and note 13, and these companies' Executive Board and Board of Directors, executive employees and close members of the family of those.

Apart from intra-group balances and transactions (primary charter hire, financing and commissions etc.), which are eliminated on consolidation, usual Executive Board remuneration and Board of Directors emoluments (reference is made to note 4), share options to the Executive Board and executive employees (reference is made to note 19) and the below transactions, no related-party transactions have been carried out during the year.

DKK '000

2014	Sale of services	Purchase of services	Receivables	Liabilities
Associates and joint ventures	19,326	204,920	53,912	22,122
2013				
Associates and joint ventures	35,314	215,847	49,321	14,781

Note 37 Impairment tests

Introduction
DFDS has decided to impairment test all non-current assets at least at year-end, or more frequent if there is any indication of impairment.

Definition of cash-generating units
The breakdown into cash-generating units takes its starting-point in the internal structure of the two segments, Shipping and Logistics, and their business areas, including the strategic, operational and commercial management and control of these, both separately and across business areas, and the nature of the customer services provided.

Based on this the following fifteen cash generating units have been identified:

Shipping:
- The business areas North Sea and Baltic Sea
- The business areas North Sea and Baltic Sea – comprising one ro-pax ship not operating in a route schedule
- The business area Channel
- The Copenhagen – Oslo route, which is part of the Passenger business area
- The Amsterdam – Newcastle route, which is part of the Passenger business area
- The business area France & Mediterranean

Logistics:
- The business area Nordic – comprising two sideport ships operating in a route schedule
- The business area Nordic – comprising one sideport ship not operating in a route schedule
- The business area Nordic – comprising terminals where each terminal is a separately cash-generating unit (4 units)
- The business area Nordic – comprising traditional transport- and logistics activities in The Nordic and Baltic countries
- The business area Continent – traditional transport- and logistics activities at the European continent
- The business area UK & Ireland – traditional logistics activities in UK and Ireland

Non-current tangible and intangible assets are attributed to the above cash-generating units, unless this cannot be done with a reasonable degree of certainty. Software and other assets which cannot with reasonable certainty be attributed to one or more of the above cash-generating units are tested for impairment as a non-allocated Group asset, i.e. on the basis of Group earnings.

Basis for impairment testing and calculation of recoverable amount
In the impairment test for cash-generating units, the recoverable amount of the unit is compared with its carrying amount. The recoverable amount is the higher value of its value in use and its fair value less costs of disposal. If the recoverable amount is less than the carrying amount, the latter is written down to the lower value.

The value in use is calculated as the discounted value of the estimated future net cash flows per cash-generating unit. Impairment testing (value in use) is performed on the basis of management-approved budgets for the year 2015 and business plans. Key parameters are trends in revenue, EBIT margin, future investments and growth expectations. These parameters are determined specifically for each individual cash-generating unit. No growth is incorporated in the impairment test for projection periods beyond 2015 if the value in use exceeds the carrying amount of the tested assets without using growth, which is the case in the year end 2014 impairment test, except for the cash generating unit " Continent – traditional transport- and logistics activities at the European continent". For this cash-generating unit we have applied growth in 2016, 2017 and 2018 according to the Business Plan for the specific cash-generating unit, but neither growth beyond 2018 nor growth in the terminal period.

The recoverable amount for cash-generating units containing goodwill is determined based on value in use calculations. For a breakdown of goodwill on cash-generating units, reference is made to note 11.

Note 37 Impairment tests (continued)

The fair value of the Group's main assets, ships, is determined on the basis of the average of several independent broker valuations less estimated costs of disposal. The task of the brokers is to assess the value of the individual ships in a "willing buyer – willing seller" situation. Due to the world economic and financial situation, the assessments obtained at year end 2014 were still undertaken in a volatile and uncertain market with few comparable transactions, for which reason these valuations are subject to greater uncertainty than would be the case in a normal and stable market, but the uncertainty is reduced compared to last year. As assessments have been obtained from various recognised brokers, the Management considers an average of these to be the best and most reasonable expression of the ships' fair value.

Determination of discount rate
Management determines a discount rate for each cash-generating unit on the basis of a risk-free rate, plus a market risk premium and a risk premium associated with the individual cash-generating unit. The risk-free interest rate is set at a 10-year Danish risk-free rate at year-end. The market risk premium is calculated as a general equity market risk premium of 5%, multiplied by the non-leveraged beta value of each cash-generating unit. Further, risk premium may be added if special conditions and/or uncertainties indicates a need hereto. Conversely, if the risk level for the individual cash-generating unit is considered to be lower than the general risk level, then the risk premium is reduced if special conditions indicates a need hereto.

The non-leveraged beta values are calculated by obtaining the non-leveraged beta values of peer-group companies for each business area via the Bloomberg database. The validity of each peer-group company's non-leveraged beta value is assessed in order to remove those with the lowest validity. There are generally few peer-group companies as values are available only for listed companies.

The pre-tax discount rates used in the two segments are within the following ranges:

	2014	2013
Shipping	6.6% - 8.0%	6.6% - 8.0%
Logistics	7.6% - 12.1%	7.6% - 12.1%

The applied discount rates in cash-generating units for which the carrying amount of goodwill forms a significant part of the Group's total goodwill are 6.6% (2013: 6.6%) in 'North Sea and Baltic Sea', 8.6% (2013: 8.6%) in 'Continent' and 7.6% (2013: 7.6%) in 'UK & Ireland'.

Sensitivity analysis
As part of the preparation of impairment tests, sensitivity analyses are prepared on the basis of relevant risk factors and scenarios that Management can determine with reasonable reliability. Sensitivity analyses are prepared by altering the estimates within the range of probable outcomes. The sensitivities have been assessed as follows, all other things being equal:

- An increase in the discount rate of 0.5%-points.
- A decrease in EBIT of 10%.
- A decrease in broker valuations of 10%.

None of these calculations have given rise to adjustments of the results of the impairment tests prepared.

Order of recognising impairments
If a need for impairment is identified, goodwill is the first to be impaired, followed by the primary non-current tangible and intangible assets in the individual cash-generating units. Impairments are allocated to the respective assets according to the book value of the assets, unless this results in an impairment to a value below the net realisable value of the asset; below the assets value in use (if determinable), or zero.

Note 37 Impairment tests (continued)

Impairment tests 2014

On the basis of the impairment tests prepared at year end 2014 it is considered necessary to recognise the following impairments losses:

The impairment test conducted for one of the terminals in the business area 'Nordic – comprising terminals where each terminal is a separate cash-generating unit', shows that a goodwill of DKK 0.5m related to the joint venture Oslo Container Terminal AS is impaired. DFDS' operation at the terminal will cease 31 January 2015 due to the loss of a concession agreement, which has led to the impairment. Consequently, an impairment loss of DKK 0.5m is recognised, after which the carrying amount of their goodwill is DKK 0. The impairment loss is recognised under 'Impairment losses on ships and other non-current assets'. The recoverable amount of the cash generating unit corresponds to the Group's proportionate share of the joint venture's equity.

The impairment test prepared for the business area 'France & Mediterranean', shows a need to recognise an impairment loss of DKK 3.7m on goodwill related to an agency activity on the route Marseilles-Tunis acquired during 2014. After the impairment the carrying amount of this goodwill is DKK 0. The impairment loss is recognised under 'Special items'. The remaining non-current tangible, intangible and financial assets of this cash-generating unit have a carrying amount of DKK 0.8m at 31 December 2014, which are not subject to impairment.

A prolonged decline in the fair value of an investment in securities (some listed shares) below its cost showed in Q1 2014 a need for recognising an impairment loss of DKK 1.2m. The loss of DKK 1.2m is transferred from Other comprehensive income to 'Financial costs' in the Income statement.

It is not deemed necessary to reverse any impairment losses recognised in prior years.

2013

On the basis of the impairment tests prepared at year end 2013 it is not deemed necessary to impair any cash-generating units in 2013 nor reverse any impairment losses recognised in prior years.

The ship VILNIUS SEAWAYS and the former Norfolkline domicile in Scheveningen are classified as held for sale and consequently, they have been measured individually at the lower of carrying amount and fair value less costs to sell. Based on valuations from independent ship brokers VILNIUS SEAWAYS has been impaired by DKK 3.0m, and based on a valuation from a real estate broker the former Norfolkline domicile has been impaired by DKK 11.8m. The impairment of VILNIUS SEAWAYS is recognised under 'Impairment losses of ships and other non-current assets', whereas the impairment of the former Norfolkline domicile is recognised under 'Special items'.

Note 38 Events after the balance sheet date

2014:

On 9 January 2015, the UK Competition Appeal Tribunal (CAT) rejected the appeals lodged by Eurotunnel and SCOP against the Competition & Markets Authority's (CMA) ban on Eurotunnel/SCOP operating ferries from Dover. Subsequently, Eurotunnel announced that they would seek to sell its ferry activities, while SCOP received permission from Court of Appeal for an expedited appeal. A hearing is expected to take place no later than 13 March 2015.

On 17 February 2015 DFDS awarded 93,689 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes model.

Note 39 Significant accounting estimates and assessments

In the preparation of the consolidated financial statements, Management undertakes a number of accounting estimates and assessments, and makes assumptions which provide the basis for recognition and measurement of the assets, liabilities, revenues and expenses of the Group and the Parent Company. These estimates, assessments and assumptions are based on historical experience and other factors which the Management considers reasonable under the circumstances, but which by their nature are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, for which reason the actual results may deviate from the applied estimates and assessments. For a detailed description of the Group's accounting policies, reference is made to note 40.

In the opinion of Management, the following accounting estimates and assessments are significant in the preparation of the annual report.

Uncompleted deliveries (mainly in Logistics Division)

The net revenue comprise the year's completed freight deliveries and services, as well as the movements in the value of uncompleted freight deliveries. Direct costs consist of costs incurred to achieve the net revenue for the year.

At the closing of interim periods, including year-end, estimates and assessments are undertaken regarding uncompleted freight deliveries, including the accruals of revenues and direct costs. These estimates and assessments are based on historical experience, etc.

Note 39 Significant accounting estimates and assessments (continued)

Business Combinations
When enterprises are acquired, the assets, liabilities and contingent liabilities of the acquired enterprises are recognised in accordance with the acquisition method described in IFRS 3. In determining the fair value of the acquired assets, liabilities, contingent liabilities and purchase consideration Management undertakes certain estimates and assessments.

Some business combinations contain several transactions that are considered linked to each other and therefore accounted for as one linked transaction. This involves a number of estimates and assessments based on the substance of the components in the acquisition, rather than strictly looking at legal agreements.

The unallocated acquisition price is recognised in the balance sheet as goodwill and allocated to the Group's cash-generating units it relates to, which is determined based on Management's assessment.

Impairment testing of goodwill and other non-current intangible assets
Impairment testing of goodwill and other non-current intangible assets, which primarily relate to IT and customer portfolio, is undertaken at least once every year, and in case of indication of impairment. The impairment tests are based on the expected future cash flow for the cash-generating unit in question. For further description of impairment testing of goodwill and other non-current intangible assets, reference is made to note 37.

Impairment testing of ships, including the assessment of useful life and scrap value
Significant accounting estimates and assessments regarding ships include the decomposing of the ship's cost price on the basis of the expected useful life of its component elements; the ship's expected maximum useful life, its scrap value and impairment test. The expected useful life of ships and their scrap values are reviewed and estimated at least once a year. Impairment tests are also carried out when there is any indication of impairment.

For further details of estimates and assessments relating to ships, please refer to the description of accounting policies in note 40 and note 37, which provide further information on impairment testing.

Impairment of bad debts
Receivables are recognised at amortised cost price less impairment to meet expected losses. Impairments are recognised based on the customers ability and/or willingness to pay.

The need for impairments on the individual customer and the adequacy hereof, is assessed by the Management on the basis of historical data on customer payment patterns, age distributions, dubious receivables, customer concentrations, customer creditworthiness, and any collateral received.

Pensions and similar liabilities
The Group's defined benefit pension plans are calculated on the basis of a number of key actuarial assumptions, including discount rate, the anticipated returns on the plans' assets, the anticipated development in wages and pensions, anticipated mortality, etc. Even moderate alterations in these assumptions can result in significant changes in pension liabilities.

The value of the Group's defined pension benefit plans is based on calculations undertaken by external actuaries.

Note 39 Significant accounting estimates and assessments (continued)

Deferred tax assets
Deferred tax assets, including the tax value of tax losses carried forward, are recognised to the extent that Management assesses that the tax asset can be utilised through positive income in the foreseeable future. Assessment is performed annually on the basis of forecasts, business initiatives and structural changes for the coming years.

Leasing agreements
The Group has entered into leasing/charter agreements for ships, buildings and other equipment, under usual terms and conditions for such agreements. At inception of each individual agreement, Management assess and determine whether the agreement is a financial or an operational leasing agreement.

Derivatives
When entering into agreements involving derivatives, management assesses whether the derivative in question meets the requirement as to effective hedging, including whether the hedging relates to recognised assets and liabilities, projected future cash flows, or financial investments. Monthly effectiveness tests are carried out, and any inefficiency is recognised in the income statement.

Special items
The use of special items includes Management's assessments in order to distinguish certain items from other income statement items, cf. the accounting policies. In general, special items comprise significant items not directly attributable to the Group's operating activities, such as restructuring costs in connection with significant process, structural and organisational changes, as well as any disposal gains or losses in this respect. Significant non-recurring items are also classified as special items. Reference is made to note 7 for a further itemisation and description of special items.

Provisions and contingencies
Management assesses provisions and contingencies on an ongoing basis, as well as the likely outcome of pending or potential legal proceedings, etc. Such outcome depend on future events, which are inherently uncertain. In assessing the likely outcome of significant legal proceedings, tax issues, etc., Management uses external legal advisers as well as relevant case law.

The 2014 consolidated financial statements and parent company financial statements of DFDS A/S have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

On 25 February 2015, the Board of Directors and Executive Management Board considered and approved the 2014 annual report of DFDS A/S. The annual report will be presented to the shareholders of DFDS A/S for approval at the ordinary annual general meeting on 24 March 2015.

Basis for preparation
The consolidated financial statements and the parent company financial statements are presented in Danish Kroner (DKK) which is the Parent Company's functional currency.

The consolidated financial statements and the parent company financial statements are prepared according to the historical cost convention except that derivatives and financial instruments classified as available-for-sale are measured at fair value.

Non-current assets and assets held for disposal classified as held for sale are measured at the lower of the book value before the changed classification and the fair value less costs to sell.

The accounting policies set out below have been used consistently in respect of the financial year and to comparative figures.

New International Financial Reporting Standards and Interpretations
In 2014, the Group has adopted the following new International Financial Reporting Standards and Interpretations:

- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies
- Annual Improvements to IFRSs (2010-2011)
- Annual Improvements to IFRSs (2011-2013)

None of these have had a significant impact on recognition and measurement, but they have led to further specifications in the Notes and in the consolidated statements of comprehensive income.

The other accounting policies for the 2014 consolidated financial statements and parent company financial statements are unchanged compared with last year.

New standards and interpretations not yet adopted
The IASB has issued a number of new or amended standards and interpretations with effective date post 31 December 2014. None of these are expected to have a significant impact on recognition and measurement, but they will lead to further specifications in the Notes.

Application of materiality and relevance
DFDS' annual report is based on the concept of materiality and relevance, to ensure that the content is material and relevant to the user. This objective is pursued by providing relevant rather than generic descriptions and information.

When assessing materiality and relevance, due consideration is given to ensure compliance with applicable accounting legislation etc. and to ensure that the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's financial position at the balance sheet date and the operations and cash flows for the financial year.

The consolidated financial statements and the parent company financial statements consist of a large number of transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the financial statements and in the notes as required by IFRS. If items are individually immaterial, they are aggregated with other items of similar nature in the statements or in the notes. The disclosure requirements throughout IFRS are substantial and DFDS provides these specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

Significant accounting policies
Management considers the accounting policies for the following areas as the most important for the Group: consolidated financial statement; business combinations; non-current intangible assets; ships; defined benefit pension plans; operational lease versus financial lease; and derivatives. The individual areas are described below, together with other applied accounting policies.

Significant estimates, assessments etc. in connection with the application of the Group's accounting policies are mentioned in Note 39.

DESCRIPTION OF ACCOUNTING POLICIES

Consolidated financial statements
The consolidated financial statements include the financial statements of DFDS A/S (the Parent Company) and the subsidiaries in which DFDS A/S controls the company's financial and operational policies. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the enterprise (i.e. subsidiary) or if it, in some other way controls the enterprise. DFDS A/S and these subsidiaries are referred to as the Group.

Enterprises, which are not subsidiaries, over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50% or by, according to agreement, jointly controlling the enterprise together with one or more other companies (joint venture).

The consolidated financial statements are based on the financial statement of the Parent Company and the subsidiaries and are prepared by combining items of a uniform nature and eliminating inter-company transactions, shareholdings, balances and unrealised inter-company gains and losses. The consolidated financial statements are based on financial statements prepared by applying the Group's accounting policies.

Investments in subsidiaries are eliminated against the proportionate share of the subsidiaries' net asset value at the acquisition date.

The Group's investments in associates and joint ventures are recognised in the consolidated financial statements at the proportionate share of the associate's / joint venture's net asset value. Unrealised inter-company gains and losses from transactions with associates and joint ventures are eliminated by the Group's interest in the respective associate/jointly controlled enterprise.

Minority interests
In the consolidated financial statements, the individual financial line items of subsidiaries are recognised in full. The minority interests' share of the results for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's results and equity, respectively, but are presented separately in the proposed profit appropriation and the statement of changes in equity. If a minority interest has a put option to sell its ownership interest to DFDS, the fair value of the put option is recognised as an interest-bearing liability, which means that the results for the year and equity attributable to minority interests are not presented separately in the proposed profit appropriation and the statement of changes in equity.

Business combinations
Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed are recognised in the consolidated financial statements until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Business combinations where control is obtained by the DFDS Group are recognised using the acquisition method. The identifiable assets, liabilities and contingent liabilities of newly-acquired enterprises are assessed at their fair value on the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The acquisition date is the date on which the DFDS Group obtains actual control over the acquired enterprise.

Positive differences (goodwill) between, on the one hand, the purchase price, the value of minority interests in the acquired enterprise and the fair value of any previously acquired shareholdings, and, on the other hand, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under non-current intangible assets. Goodwill is not amortised, but is tested annually for impairment. The first impairment test is performed within the end of the acquisition year.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Allocation of goodwill to cash-generating units is described in notes 11 and 37.

Goodwill and fair value adjustments in connection with the acquisition of a foreign enterprise with a different functional currency than the DFDS Group's presentation currency are treated as assets and liabilities of the foreign enterprise, and are translated and converted at first recognition to the functional currency of the foreign enterprise at the exchange rate on the transaction date. Negative goodwill is recognised in the income statement at the acquisition date.

The purchase consideration of an enterprise is the fair value of the agreed payment in the form of assets acquired, liabilities assumed, and equity instruments issued. If part of the consideration is contingent on future events or fulfilment of agreed conditions, this part of the consideration is recognised at fair value at the date of acquisition. Costs attributable to business combinations are recognised directly in the income statement when incurred.

If, at acquisition date, uncertainty exist regarding the identification and measurement of acquired assets, liabilities or contingent liabilities, or determination of the purchase price, then initial recognition and measurement is done based on preliminary values. The preliminary values may be adjusted until 12 months from the date of the acquisition, provided that the initial recognition was preliminary or incorrect. All other adjustments are recognised in the income statement as special items, including changes in estimates regarding contingent considerations.

When an enterprise is acquired in more than one transaction (step acquisition), the shareholdings which the company held immediately prior to the transaction in which control is obtained are regarded as having been sold and immediately re-purchased at fair value on the acquisition date. Any difference between the "sales price" and the book value of these shareholdings is to be considered an accounting gain or loss on the shareholdings already held. Such gains or losses are recognised in the income statement under special items.

Incremental acquisitions after control has been obtained, i.e. purchase of minority interests, are recognised directly in equity. Disposal of minority interests not resulting in loss of control is likewise recognised directly in equity.

Gains or losses on disposal of subsidiaries, associates and joint ventures are calculated as the difference between the disposal consideration and the book value of net assets at the date of disposal, including the book value of goodwill, accumulated exchange gains and losses previously recognised in the equity as well as anticipated disposal costs. Exchange rate adjustments attributable to the Group's ownership interest, and which previously were recognised directly in equity, are included in the calculation of the gain/loss. Any retained participating interests are measured at their fair value at the time at which the controlling influence was lost.

TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency
Items included in the financial statements of each of the Group's enterprises are measured using the functional currency of the primary economic environment in which the enterprise operates. The consolidated financial statements are presented in Danish Kroner (DKK), which is the functional and presentation currency of the Group.

Translation of transactions and balances
On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of transaction. Currency gains and losses resulting from the settlement of these transactions as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement as financial income or cost, except when deferred in equity as qualifying for cash flow hedges.

Currency gains and losses on non-monetary items recognised at fair value, such as securities 'available for sale', are recognised in the same line item as the fair value gain or loss.

Non-current assets acquired in foreign currency are translated at the exchange rate prevailing at the date of acquisition. Gains and losses on hedges relating to the acquisition of non-current assets are recognised as part of the value of the non-current asset on its initial recognition.

Translation of subsidiaries
In the consolidated financial statements, the income statement items of subsidiaries with a functional currency different from DKK are translated at the average exchange rate, while the balance sheet items are translated at the exchange rates at the end of the reporting period.

Foreign exchange differences arising on translation of such subsidiaries' equity beginning of the reporting period at the exchange rates at the end of the reporting period and on translation of the income statements from average exchange rates to the exchange rates at the end of the reporting period, are recognised in other comprehensive income and attributed to a separate translation reserve under equity. The exchange rate adjustment is allocated between the parent company's and the minority interests' shares of equity.

When disposing of 100%-owned foreign enterprises, exchange differences which have accumulated in equity via Other comprehensive income, and which are attributable to the enterprise, are transferred from Other comprehensive income to the income statement together with any gains or losses associated with the disposal.

Note 40 Accounting Policies (continued)

When disposing of partially-owned foreign enterprises, the part of the foreign currency translation reserve which relates to the minority interests is not transferred to the income statement.

In the partial disposal of foreign subsidiaries without losing control, a proportionate share of the accumulated currency translation reserve recognised in Other comprehensive income is transferred from the Parent Company's equity share of equity to that of the minority shareholders.

In the partial disposal of associates and joint ventures, the proportionate share of the accumulated currency translation reserve recognised in other comprehensive income is transferred to the income statement.

Repayment of balances which accounting wise are considered part of the net investment is not considered a partial disposal of the subsidiary.

Derivative financial instruments
Derivative financial instruments are measured in the balance sheet at fair value as from the date where the derivative financial instrument is concluded. The fair values of derivative financial instruments are presented as other receivables if positive or other liabilities if negative. Netting of positive and negative derivative financial instruments is only performed if the company is entitled to and has the intention to settle more derivative financial instruments as a net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Fair value hedge
Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability based on the hedged proportion. Hedging of future cash flows according to agreements (firm commitments), except for foreign currency hedges, is treated as a fair value hedge of a recognised asset and liability.

Cash flow hedge
Changes of the fair value of derivative financial instruments designated as and qualifying for cash flow hedging and which effectively hedge changes in future cash flows, are recognised in other comprehensive income. The change in fair value that relates to the effective portion of the cash flow hedge is recognised as a separate equity reserve until the hedged cash flow impacts the income statement. At this point in time the related gains or losses previously recognised in Other comprehensive income are transferred to the income statement into the same line item as the hedged item is recognised.

For derivative financial instruments that no longer qualify for hedge accounting, the hedge is dissolved prospectively. The accumulated fair value in equity is immediately transferred to the income statement into the same line item as the hedged item is recognised.

Net investment hedge
Changes in the fair value of derivative financial instruments used to hedge net investments in foreign subsidiaries, associates and joint ventures and which effectively hedge currency fluctuations in these enterprises are in the consolidated financial statements recognised in other comprehensive income and attributed to a separate reserve in equity.

Other derivative financial instruments
For derivative financial instruments that do not fulfil the requirements of being treated as hedge instruments, the changes in fair value are recognised successively in the income statement as financial income and cost.

Government grants
Government grants to investments are offset against the cost of the asset in question, and thereby reduce the depreciation base of the asset. Government Grants are recognised when there is reasonable certainty that they will be received.

Rental and lease matters
For accounting purposes, leases are divided into finance and operating leases.

Leases are classified as finance leases if they transfer to lessee substantially all the risks and rewards incidental to ownership of the leased asset. All other leases are classified as operating leases.

The cost of assets held under finance leases is recognised at the lower of fair value of the assets and the net present value of the future minimum lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the Group's incremental borrowing rate is used as discount rate. Assets held under finance leases are depreciated and impairment tested in accordance with the Group's accounting policies applying for similar owned non-current assets or maximum over the lease term, depending on the lease conditions. The corresponding lease obligation for assets held under finance leases is recognised in the balance sheet at an amount equal to the net present value of the remaining lease obligation. The calculated interest element of the lease payment is recognised in the income statement under financial expenses.

Lease payments regarding operating leases are recognised in the income statement on a straight-line basis over the lease term unless another approach better reflects the utilisation of the asset. The remaining lease obligation for operating leases is disclosed as contingent liabilities in the Notes.

In respect of assets leased out on a finance lease, an amount equal to the net investment in the lease is recognised in the balance sheet as a receivable due from lessee. The asset leased out is derecognised, and any gain or loss arising from this is recognised in the income statement.

Lease income from assets leased out on an operating lease is recognised in the income statement on a straight-line basis over the lease term.

Sale and leaseback

Gains or losses on 'sale and leaseback' transactions resulting in a finance lease are deferred and recognised over the lease term.

Gains on a 'sale and leaseback transaction' resulting in an operating lease are recognised in the income statement immediately if the transaction is made at fair value or the selling price is below fair value. If the selling price exceeds the fair value, the difference between the selling price and the fair value is deferred and amortised proportionately to the lease payments over the lease term. Losses on a 'sale and leaseback transaction' resulting in an operating lease are recognised in the income statement at the transaction date unless the loss can be compensated by future lease payments below fair value. In this case, the loss is to be deferred and amortised proportionally to the lease payments over the lease term.

Share option plans

The Group has set up equity-settled share option plans. Part of the Company's holding of treasury shares is used for the share option plan.

The value of services received in exchange for granted share options is measured at the fair value of the share options granted.

The equity-settled share options are measured at the fair value at grant date and recognised in the income statement under staff costs over the vesting period. The counter posting is recognised directly in equity as a shareholder transaction.

At initial recognition of the share options, an estimate is made over the number of share options that the employees will vest, cf. the service conditions described in Note 19. Subsequent to initial recognition, the estimate of share options to be vested is adjusted whereby the total recognition is based on the actual number of vested share options.

The fair value of the granted share options is calculated using the Black-Scholes option-pricing model. Terms and conditions for each grant are taken into account when calculating the fair value.

Key figures

Key figures are calculated in accordance with the Danish Society of Financial Analysts' guidelines, 'Recommendations and Financial Ratios 2010'. The key figures stated in the overview with consolidated financial highlights are defined on the 'Definitions and Glossary' page.

INCOME STATEMENT

Revenue

Revenue from transport of passengers, freight and from rendering terminal and warehouse services etc, is recognised in the income statement at the time of delivery of the service to the customer, which is the time where risks and rewards transfer to the customer.

Revenue is measured at fair value, excluding value added tax and after deduction of trade discounts.

Costs

When revenue from transport of passengers, freight and from rendering terminal and warehouse services etc is recognised as income, the related costs are recognised in the income statement.

Operating costs

The operating costs comprise costs of sales related to catering; ship bunker consumption, including hedging; and maintenance and daily running costs of ships. Moreover, operating costs related to land-based activities as well as impairments and realised losses on trade receivables are included.

Charter hire

Charter hire comprise costs related to bareboat and time charter agreements.

Note 40 Accounting Policies (continued)

Staff costs

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the respective employees.

Costs of sales and administration

Comprises costs of sales, marketing and administration.

Profit/loss on disposal of non-current assets

Profit/loss on disposal of non-current intangible and tangible assets is calculated as the difference between the disposal price and the book value of net assets at the date of disposal, including disposal costs.

Profit/loss from investments in associates and joint ventures

The Group's income statement includes the proportionate share of the result in associates and joint ventures after tax and minority interests and after elimination of the proportionate share of inter-company profits/losses.

Special items

In general, special items include significant income and expenses not directly attributable to the Group's operating activities, such as material structuring of processes and significant organisational restructurings/changes, as well as gains or losses arising in this connection, and which are of significance over time. In addition, other significant non-recurring amounts are classified as special items, including impairment of goodwill and ships; transaction costs and costs to advisers and integration 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 accurate and transparent view of the Group's recurring operating profit.

Financial income and costs

Financial income and costs comprise interest income and costs; realised and unrealised gains and losses on receivables, payables and transactions denominated in foreign currencies; realised gains and losses on securities; amortisation of financial assets and liabilities; interests on financial leasing agreements; bank charges and fees etc. Also included are realised and unrealised gains and losses on derivative financial instruments that are not designated as hedges.

Tax

Tax for the year comprises income tax, tonnage tax, and joint taxation contribution for the year of Danish subsidiaries as well as changes in deferred tax for the year. The tax relating to the profit/loss for the year is recognised in the income statement, and the tax relating to amounts recognised directly in equity is recognised directly in equity. Additionally, adjustments to prior years are included.

The current payable Danish corporation tax is allocated by the settlement of a joint taxation contribution between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from companies that have been able to utilise the tax losses to reduce their own taxable profit.

Tax computed on the taxable income and tonnage tax for the year is recognised in the balance sheet as tax payable or receivable or joint taxation contribution for Danish companies, taking into account on-account/advance payments.

Deferred tax is calculated on all temporary differences between the book value and the tax base of the assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non tax deductible goodwill that arose on acquisition date without impacting the result or taxable income.

Deferred tax relating to assets and liabilities subject to tonnage taxation is recognised to the extent that deferred tax is expected to crystallise. Deferred tax assets are recognised at the value they expectedly can be utilised at in the foreseeable future.

Deferred tax is measured on the basis of the expected use and settlement of the individual assets and liabilities, and according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

ASSETS

Current assets are defined as:

- Assets expected to be realised in, or are held for sale or utilisation in, the normal course of DFDS' operating cycle, or
- Assets held primarily for trading purposes or which are expected to be realised within twelve months post the reporting date, or

- Cash or cash equivalent that are not restricted in use.

All other assets are classified as non-current assets.

Non-current intangible and tangible assets
Generally the following applies unless otherwise stated:

- Non-current intangible and tangible assets are measured at cost less accumulated amortisation/depreciation and impairment losses.
- The cost for non-current intangible and tangible assets include costs to external suppliers, materials and components, direct wages and salaries.
- The cost includes interests paid as from the time of payment until the date when the asset is available for use. The cost price also comprises gains and losses on transactions designated as hedges of non-current tangible assets.
- The basis for amortisation/depreciation is determined as the cost less estimated residual value.
- Non-current intangible and tangible assets are amortised/depreciated on a straight-line basis over the estimated useful life to the estimated residual value.
- Estimated useful life and estimated residual values are reassessed at least once a year. In estimating the estimated useful life for ships it is taken into consideration that DFDS continuously is spending substantial funds on ongoing maintenance.
- The effect from changes in amortisation/depreciation period or the residual value is recognised prospectively as a change in the accounting estimate.

Goodwill
At initial recognition goodwill is recognised in the balance sheet at cost, as described in the section 'Business combinations'. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

An impairment test is performed at least once a year in connection with the presentation of next year's budget. The book value of goodwill is allocated to the Group's cash-generating units at the time of acquisition. Allocation of goodwill to cash-generating units is described in notes 11 and 37.

Software
IT software purchased or internally developed is measured at cost less accumulated amortisation and impairment losses.

Development projects in progress
Development projects in progress, primarily the development of IT software, are recognised as non-current intangible assets if the following criteria are met:

- the projects are clearly defined and identifiable;
- the Group intends to use the projects once completed;
- the future earnings from the projects are expected to cover the development and administrative costs; and
- the cost can be reliably measured.

The amortisation of capitalised development projects starts after the completion of the development project, and is recognised on a straight-line basis over the expected useful life, which normally is 3-5 years, but in certain cases up to 10-15 years (where the latter goes for significant internally developed commercial and operational systems).

Other non-current intangible assets
Other non-current intangible assets comprise the value of customer relations or similar identified as a part of business combinations, and which have definite useful life. Other non-current intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the expected useful life, which normally is 3-10 years.

Ships
The rebuilding of ships is capitalised if the rebuilding can be attributed to:

- Safety measures.
- Measures to extend the useful life of the ship.
- Measures to improve earnings.
- Docking.

Maintenance and daily running costs for the ships are recognised in the income statement as incurred.

Docking costs are capitalised and depreciated on a straight-line basis until the ship's next docking. In most cases, the docking interval is 2 years for passenger ships and 2½ years for ro-pax and freight ships.

Gains or losses on the disposal of ships are calculated as the difference between sales price less sales costs and the book value at disposal date. Gains or losses on the disposal of ships are recognised when substantially all risks and rewards incident to ownership have been transferred to the buyer, and

are presented in the income statement as 'Gains on disposal of ships, buildings and terminals'. However, if the amount is significant, it is recognised in 'Special items'.

Passenger and ro-pax ships
Due to differences in the wear of the components of passenger and ro-pax ships, the cost of these ships is divided into components with low wear, such as hulls and engines, and components with high wear, such as parts of the hotel, catering and shop areas.

Freight ships
The cost of freight ships is not divided into components as there is no difference in the wear of the various components of freight ships.

Depreciation - estimated useful life and residual value
The average depreciation period for components with low wear is 35 years for passenger ships and 30 years for ro-pax and freight ships from the year in which the ship was built. The residual value is calculated as the value of the ship's steel less estimated costs of scrapping.

Components with high wear are depreciated over 10-15 years down to a residual value of DKK 0.

Other non-current tangible assets
Other non-current tangible assets comprise buildings, terminals and machinery, tools and equipment and leasehold improvements.

The estimated useful lifetimes are as follows:

Buildings	25-50 years
Terminals etc.	10-40 years
Equipment etc	4-10 years
Leasehold improvements	max. depreciated over the term of the lease

Gains or losses arising from the disposal of other non-current tangible assets are calculated as the difference between the disposal price less disposal costs and the book value at the date of disposal. Gains or losses on the disposal of these non-current assets are recognised in the income statement as 'Profit on disposal of non-current assets' or 'Special items' if the gain is significant.

Investments in associates and joint ventures
Investments in associates and joint ventures are in the consolidated financial statements measured according to the equity method, whereby the investments in the balance sheet are measured at the proportionate share of the associates/joint ventures' equity, calculated in accordance with the accounting policies of the Group, with the addition of the book value of any goodwill, and after deduction or addition of the proportionate share of unrealised intra-group profits and losses. The financial information for associate s and joint ventures reflects the amounts presented in the financial statements of the associate/joint venture.

Associates and joint ventures with negative equity are measured at DKK 0. If the Group has a legal or actual commitment to cover the associate's or joint venture's negative equity a corresponding provision is recognised.

Any receivables from the associates or joint ventures are written down to the extent the receivables are considered impaired.

Other assets
Other non-current assets and current assets are on initial recognition measured at cost. Subsequently these assets are measured as one of the following categories:

- Trading portfolio: the asset is measured at fair value and the change in value is recognised in the income statement.
- Available-for-sale: the asset is measured at fair value and the change in value is recognised in other comprehensive income and attributed to a separate reserve in equity.
- Receivables: the asset is measured at amortised cost and the change in value is recognised in the income statement.

Impairment
The carrying amount of non-current intangible, tangible and financial assets are continuously assessed, at least once a year, to determine whether there is an indication of impairment. When such indication exists the recoverable amount of the asset is assessed. The recoverable amount is the higher of the fair value less costs of disposal and the value in use. The value in use is calculated as the present value of the future net cash flow, which the asset is expected to generate either by itself or from the lowest cash-generating unit to which the asset is allocated.

Impairment tests (value in use) of goodwill are performed at least once a year. Management has also chosen that Impairment tests of all the Group's non-current assets are performed at least once a year, typically in December. Additional impairment tests are performed, if indications of impairment occur in the period between the annual impairment tests. Reference is made to note 37 for method description.

Securities
Securities held as part of the investment portfolio are designated as 'available-for-sale', and are measured at fair value at first recognition. The recognition is made on the trade date. The subsequent measurement is made at fair value, which for listed securities is equal to the quoted market price. Non-listed securities are recognised at cost less impairment losses when it is not considered possible with reasonable assurance to estimate fair value.

Unrealised value adjustments on securities are recognised in other comprehensive income and attributed to a separate reserve (value adjustment of securities) in equity except for impairments, which are recognised in the income statement under 'Financial items'. When securities are disposed, then the accumulated value adjustment recognised in equity is transferred to 'Financial income or cost' in the income statement.

Inventories
Inventories, which includes catering supplies, are measured at cost based on the weighted average cost method or the net realisable value where this is lower. Inventories, which include bunkers, are measured at cost based on the FIFO method or the net realisable value where this is lower. Other inventories are measured at cost based on the weighted average cost method or the net realisable value where this is lower.

Receivables
Receivables are recognised at amortised cost less impairment losses, where it is assessed that an objective indication of impairment has occurred. Impairment is performed on an individual basis.

Receivables comprise other trade receivables; calculated receivables on hedges; insurance receivables on loss or damage of ships; financial lease receivables; outstanding balances for chartered ships; interest receivable, etc.

Prepayments
The item includes costs incurred no later than at the balance sheet date, but which relates to subsequent periods, e.g. prepaid charters, rents, insurance premiums etc.

Assets held for sale
Assets held for sale comprise assets and disposal groups that are designated as being up for sale. Disposal groups are groups of assets subject to be sold or otherwise disposed of in a single transaction. Liabilities related to assets held for sale comprise liabilities directly attached to these assets and which will follow the assets when disposed. Assets are designated as 'held for sale' when the book value is primarily recovered by sale within 12 months in accordance with a formal plan, instead of through continued usage.

Assets or disposal groups 'held for sale' are measured at the lowest value of the book value at the time of being designated as 'held for sale' or the fair value less sales costs. Assets are not amortised/depreciated from the date they are designated as 'held for sale'.

Impairment losses that occur when initially being designated as 'held for sale', as well as gains and losses from subsequent measurement at the lowest value of the book value or the fair value less sales costs, are recognised in the income statement.

Assets and associated liabilities are separated out of line items in the balance sheet, and the main items are specified in the notes. Comparative figures are not restated.

EQUITY

Dividend
Proposed dividend are recognised as liabilities at the date on which they are adopted at the annual general meeting (time of declaration). The expected dividend payment for the year is disclosed as a separate item in the equity.

Reserve for treasury shares
The reserve comprises the nominal value of treasury shares. The difference between the market price paid and the nominal value as well as dividend on treasury shares are recognised directly in equity under retained earnings.

Note 40 Accounting Policies (continued)

Currency translation reserve
The reserve comprises DFDS A/S shareholders' share of currency translation adjustments arising on the translation of net investments in enterprises with a functional currency other than DKK.

Reserve for hedging
The hedging reserve comprises the fair value of hedging transactions that qualify for recognition as cash flow hedges and where the hedged transactions have not been realised.

Reserve for value adjustment of securities
The reserve for value adjustment of securities comprises accumulated changes in the fair value of the securities classified as 'available-for-sale'. The reserve is dissolved and transferred to financial items in the Income statement when the securities are sold or impaired.

LIABILITIES

Current liabilities are:

- liabilities expected to be settled within the normal course of DFDS' operating cycle, or
- liabilities due to be settled within twelve months of the balance sheet date.

All other liabilities are classified as non-current liabilities.

Pension obligations and other non-current obligations
Contributions to defined contribution pension plans are recognised in the income statement in the period in which they relate, and any payable contributions are accrued in the balance sheet as other payables.

As regards defined benefit pension plans, an actuarial valuation of the value in use of future benefits payable under the plan is made once a year. The value in use is calculated based on assumptions of future development in wage/salary levels, interest rates, inflation, mortality, etc. The value in use is only calculated for benefits to which the employees have become entitled to during their employment with the Group. The actuarial calculation of the value in use less the fair value of any assets under the plan is recognised in the balance sheet under pension obligations. Pension costs of the year are recognised in the income statement based on actuarial estimates and finance expectations at the beginning of the year.

The difference between the calculated development in pension assets and liabilities and the realised values are recognised in other comprehensive income as actuarial gains and losses.

Changes in the benefits payable for employees' past service to the enterprise result in an adjustment of the actuarial calculation of the value in use, which is classified as past service costs. Past service costs are recognised in the income statement immediately if the employees have already earned the right to the adjusted benefit. Otherwise, the benefits will be recognised in the income statement over the period in which the employees earn the right to the adjusted benefits.

Other non-current personnel obligations include jubilee benefits, etc.

Other provisions
Provisions are recognised when, due to an event occurring on or before the reporting date, the Group has a legal or constructive obligation, and it is probable that the Group will have to give up future economic benefits to meet the obligation and that this can be reliably estimated. Provisions are recognised based on Management's best estimate of the anticipated expenditure for settling the relevant obligation and are discounted if deemed material.

Interest-bearing liabilities
Comprise amounts owed to mortgage/credit institutions and banks as well as amounts owed to owners of issued corporate bonds. The amounts are initially recognised at fair value net of transaction expenses. Subsequently, the financial liability is measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement under 'financial costs' over the term of the loan.

Interest-bearing liabilities also include capitalised residual lease obligations on finance leases. Other liabilities are recognised at amortised cost, which corresponds to the net realisable value in all material respects.

Other payables
Other payables comprise amounts owed to staff, including wages, salaries and holiday pay; amounts owed to the public authorities, including payable tax, VAT, excise duties, real

property taxes, etc.; amounts owed in connection with the purchase/disposal of ships, buildings and terminals; interest expenses; fair value of hedges; amounts owed in relation to defined contribution pension plans etc.

Deferred income

Includes payments received from customers no later than at the reporting date, but which relates to income in subsequent periods.

Cash flow statement

The cash flow statement has been prepared using the indirect method, and shows the consolidated cash flow from operating, investing, and financing activities for the year, and the consolidated cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisition and disposal of enterprises is shown separately in cash flows to/from investing activities.

Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flow from operating activities is calculated on the basis of the profit/loss before amortisation and depreciation (EBITDA) and special items adjusted for the cash flow effect of special items, non-cash operating items, changes in working capital, payments relating to financial items and corporation tax paid. Cash flow from investment activities includes payments in connection with the acquisition and disposal of enterprises and activities and of non-current intangible assets, tangible assets and investments. Cash flow from financing activities includes changes in the size or composition of the Group's share capital, payment of dividends to shareholders and the obtaining and repayment of mortgage loans and other long-term and short-term debt. Cash and cash equivalents comprise cash, securities and foreign exchange adjustments of securities, cash and cash equivalents.

Segment information

The segment information has been compiled in conformity with the Group's accounting policies, and is in accordance with the internal management reports.

Note 41 Company overview

Company	Ownership share 2014*	Country	City	Currency	Share Capital
Operating – and holding Companies:					
DFDS Seaways NV		Belgium	Gent	EUR	62,000
DFDS Logistics NV		Belgium	Gent	EUR	297,472
DFDS Logistics Services NV		Belgium	Brugge	EUR	1,996,503
Lisco Optima Shipping Ltd.	96.66	Cyprus	Limassol	EUR	1,709
Lisco Maxima Shipping Ltd.	96.66	Cyprus	Limassol	EUR	1,000
DFDS A/S		Denmark	Copenhagen	DKK	1,265,000,000
New Channel Holding A/S		Denmark	Copenhagen	DKK	500,000
New Channel Company A/S		Denmark	Copenhagen	DKK	500,000
DFDS Stevedoring A/S		Denmark	Esbjerg	DKK	502,000
DFDS Seaways Newcastle Ltd.		England	Immingham	GBP	8,050,000
DFDS Seaways Plc.		England	Immingham	GBP	25,500,000
DFDS Logistics Partners Ltd.		England	Immingham	GBP	150,000
DFDS Logistics Services Ltd.		England	Immingham	GBP	100
DFDS Seaways Holding Ltd.		England	Immingham	GBP	250,000
DFDS Logistics Contracts Ltd.		England	Immingham	GBP	2,571,495
DFDS Logistics Ltd.		England	Immingham	GBP	165,210
DFDS Logistics Grimsby Ltd.		England	Immingham	GBP	76,000
DFDS Logistics Grimsby Holdings Ltd.		England	Immingham	GBP	1,166
DFDS Logistics Grimsby International Ltd.		England	Immingham	GBP	1
DFDS Logistics Property Ltd.		England	Immingham	GBP	250,000
DFDS Logistics Scotland Ltd.		England	Larkhall	GBP	120,700
DFDS Seaways OÜ	64.76	Estonia	Tallinn	EUR	3,800
DFDS Logistics OY		Finland	Hamina	EUR	58,866
DFDS Logistics SARL		France	Boulogne sur Mer	EUR	30,000
DFDS Seaways S.A.S.		France	Dieppe	EUR	37,000
New Channel Company S.A.S.		France	Le Havre	EUR	1,000
DFDS Logistics BV		the Netherlands	Vlaardingen	EUR	474,780
DFDS Seaways Terminals BV		the Netherlands	Vlaardingen	EUR	72,000
DFDS Shipping BV		the Netherlands	Vlaardingen	EUR	18,400
DFDS Holding BV		the Netherlands	Vlaardingen	EUR	40,000,000
DFDS Logistics Container Line BV		the Netherlands	Vlaardingen	EUR	18,151
DFDS DailyFresh BV		the Netherlands	Vlaardingen	EUR	15,882
DFDS Seaways IJmuiden BV		the Netherlands	IJmuiden	EUR	18,000
DFDS Logistics Contracts (Ireland) Ltd.		Ireland	Dublin	EUR	200
DFDS Logistics (Ireland) Ltd.		Ireland	Dublin	EUR	3
DFDS Logistics S.p.A.		Italy	Fagnano	EUR	140,400
DFDS Logistics Baltic SIA		Latvia	Liepaja	EUR	113,886
DFDS Seaways SIA		Latvia	Riga	EUR	99,645
AB DFDS Seaways	96.66	Lithuania	Klaipeda	LTL	332,547,434
UAB Laivyno Technikos Prieziuros Base	96.66	Lithuania	Klaipeda	LTL	1,500,000
UAB Krantas Travel	96.66	Lithuania	Klaipeda	LTL	400,000
NorthSea Terminal AS		Norway	Brevik	NOK	1,000,000

Note 41 Company overview (continued)

Company	Ownership share 2014*	Country	City	Currency	Share Capital
DFDS Logistics AS		Norway	Lysaker	NOK	1,538,000
Moss Container Terminal AS		Norway	Moss	NOK	1,000,000
DFDS Logstics Rederi AS		Norway	Oslo	NOK	49,980,000
DFDS Seaways AS		Norway	Oslo	NOK	12,000,000
DFDS Polska Sp. Z.o.o.		Poland	Poznan	PLN	5,000
DFDS Logistics East		Russia	Kaliningrad	RUB	48,000
DFDS Seaways Ltd.	99.99	Russia	St. Petersburg	RUB	6,134,121
DFDS Seaways AB		Sweden	Gothenburg	SEK	25,000,000
DFDS Logistics AB		Sweden	Gothenburg	SEK	500,000
DFDS Seaways Holding AB		Sweden	Gothenburg	SEK	100,000
Gösta Nerös Åkeri AB		Sweden	Karlshamn	SEK	225,000
DFDS Logistics Karlshamn AB		Sweden	Karlshamn	SEK	1,800,000
Karlshamn Express AB		Sweden	Karlshamn	SEK	100,000
Karlshamn Express & Spedition AB		Sweden	Karlshamn	SEK	300,000
DFDS Seaways GmbH		Germany	Cuxhaven	EUR	25,000
DFDS (Deutschland) GmbH		Germany	Hamburg	EUR	102,300
DFDS Logistics GmbH		Germany	Hamburg	EUR	525,000
DFDS Seaways Baltic GmbH	96.66	Germany	Kiel	EUR	25,565
24 Dormant companies					

* Unless otherwise indicated, the companies are 100% owned.

STATEMENTS

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS
The Board of Directors and the Executive Board have today considered and approved the annual report of DFDS A/S for the financial year 1 January - 31 December 2014.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and danish disclosure requirements for listed companies.

In our opinion the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2014 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2014.

Further, in our opinion, the Management's review includes a true and fair account of the development in the Group's and the parent company's operations and financial matters, of the result for the year and of the Group's and the parent company's financial position as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25 February 2015

EXECUTIVE BOARD

Niels Smedegaard President & CEO	**Torben Carlsen** Executive Vice President & CFO

BOARD OF DIRECTORS

Bent Østergaard Chairman	**Vagn Sørensen** Deputy Chairman	**Claus Hemmingsen** Deputy Chairman	**Pernille Erenbjerg**
Jens Otto Knudsen	**Jill Lauritzen Melby**	**Lars Skjold Hansen**	**Kent Vildbæk**
Ingar Skaug			

INDEPENDENT AUDITORS' REPORT

To the shareholders of DFDS A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements
We have audited the consolidated financial statements and the parent company financial statements of DFDS A/S for the financial year 1 January – 31 December 2014, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2014 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Frederiksberg, 25 February 2015

ERNST & YOUNG
Statsautoriseret Revisionspartnerselskab

Henrik Kronborg Iversen State Authorised Public Accountant	Claus Tanggaard Jacobsen State Authorised Public Accountant

FINANCIAL STATEMENTS

PARENT COMPANY

INCOME STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Revenue	1	6,583,192	6,335,286
Costs			
Operating costs	2	-3,556,213	-3,444,665
Charter hire		-876,387	-881,515
Employee costs	3	-718,670	-704,831
Costs of sales and administration	4	-565,348	-569,946
Total costs		*-5,716,618*	*-5,600,957*
Operating profit before depreciation (EBITDA) and special items		**866,574**	**734,329**
Profit on disposal of non-current assets, net	5	347	1,294
Depreciation, amortisation and impairment	9,10		
Depreciation ships		-295,257	-253,455
Depreciation other non-current assets		-45,059	-48,157
Impairment losses on ships and other non-current assets		0	-3,287
Total depreciation and impairment		*-340,316*	*-304,899*
Operating profit (EBIT) before special items		**526,605**	**430,724**
Special items, net	6	-42,406	-77,389
Operating profit (EBIT)		**484,199**	**353,335**
Financial income	7	79,661	86,424
Financial costs	7	-134,216	-130,986
Profit before tax		**429,644**	**308,773**
Tax on profit	8	-4,697	4,405
Profit for the year		**424,947**	**313,178**
Proposed profit appropriation			
Proposed dividend, DKK 18 per share (2013: DKK 14 per share)		227,700	186,200
Retained earnings		197,247	126,978
		424,947	313,178

COMPREHENSIVE INCOME (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Profit for the year		**424,947**	**313,178**
Other comprehensive income			
Items that will not subsequently be reclassified to the Income statement:			
Remeasurement of defined benefit pension obligations	19	134	-20
Items that will not subsequently be reclassified to the Income statement		**134**	**-20**
Items that are or may subsequently be reclassified to the Income statement:			
Value adjustment of hedging instruments:			
Value adjustment for the year		-110,444	-144,373
Value adjustment transferred to operating costs		-12,160	14,651
Value adjustment transferred to financial costs		86,228	163,518
Foreign exchange adjustments, goodwill		-3,026	-2,522
Unrealised value adjustment of securities		-380	-1,276
Unrealised impairment of securities transferred to financial costs		1,222	0
Realised value adjustment of securities transferred to financial costs		961	0
Items that are or may subsequently be reclassified to the Income statement		**-37,599**	**29,998**
Total other comprehensive income after tax		**-37,465**	**29,978**
Total comprehensive income		**387,482**	**343,156**

BALANCE SHEET 31 DECEMBER (ASSETS)

DKK '000

	Note	2014	2013
Goodwill		89,092	92,118
Other non-current intangible assets		0	0
Software		101,120	72,855
Development projects in progress		60,794	50,101
Non-current intangible assets	9	**251,006**	**215,074**
Land and buildings		3,446	4,239
Terminals		15,892	18,870
Ships		3,230,187	2,603,138
Equipment, etc.		102,527	122,576
Assets under construction and prepayments		97,549	470,563
Non-current tangible assets	10	**3,449,601**	**3,219,386**
Investments in subsidiaries	11	3,876,760	3,936,804
Investments in associates and joint ventures	12	0	0
Receivables	13	0	719,575
Securities	14	19,764	19,756
Deferred tax	17	132	0
Other non-current assets		**3,896,656**	**4,676,135**
Non-current assets		**7,597,263**	**8,110,595**
Inventories	15	83,092	103,615
Receivables	13	2,597,298	2,318,772
Prepayments		26,730	39,096
Securities	14	0	15,432
Cash		508,005	680,888
Current assets		**3,215,125**	**3,157,803**
Assets		**10,812,388**	**11,268,398**

BALANCE SHEET 31 DECEMBER (EQUITY AND LIABILITIES)

DKK '000

	Note	2014	2013
Share capital	16	1,265,000	1,485,608
Reserves		-108,198	-236,544
Retained earnings		3,199,171	3,213,104
Proposed dividend		227,700	186,200
Equity		**4,583,673**	**4,648,368**
Interest bearing liabilities	21	2,749,704	2,089,319
Deferred tax	17	0	470
Pension and jubilee liabilities	19	7,464	9,158
Other provisions	20	16,693	13,555
Non-current liabilities		**2,773,861**	**2,112,502**
Interest bearing liabilities	21	2,367,368	3,566,971
Trade payables		551,351	538,614
Other provisions	20	8,310	13,050
Corporation tax	23	2,669	2,000
Other payables	22	467,765	347,994
Prepayments from customers		57,391	38,899
Current liabilities		**3,454,854**	**4,507,528**
Liabilities		**6,228,715**	**6,620,030**
Equity and liabilities		**10,812,388**	**11,268,398**

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

DKK '000

		Reserves					
	Share capital	Hedging reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend	Total
Equity at 1 January 2014	1,485,608	-22,444	-556	-213,544	3,213,104	186,200	**4,648,368**
Comprehensive income for the year							
Profit for the year					424,947		**424,947**
Other comprehensive income							
Items that will not subsequently be reclassified to the Income statement:							
Remeasurement of defined benefit pension obligations					134		134
Items that will not subsequently be reclassified to the Income statement					**134**		**134**
Items that are or may subsequently be reclassified to the Income statement:							
Value adjustment for the year		-110,444					-110,444
Value adjustment transferred to operating costs		-12,160					-12,160
Value adjustment transferred to financial costs		86,228					86,228
Foreign exchange adjustments, goodwill					-3,026		-3,026
Unrealised value adjustment of securities			-380				-380
Unrealised impairment of securities transferred to financial costs			1,222				1,222
Realised value adjustment of securities transferred to financial costs			961				961
Items that are or may subsequently be reclassified to the Income statement		**-36,376**	**1,803**		**-3,026**	**0**	**-37,599**
Total other comprehensive income after tax		**-36,376**	**1,803**		**-2,892**	**0**	**-37,465**
Total comprehensive income		**-36,376**	**1,803**		**422,055**	**0**	**387,482**
Transactions with owners							
Proposed dividend					-227,700	227,700	0
Dividend paid						-177,289	-177,289
Dividend on treasury shares					8,911	-8,911	0
Vested regarding share-based payments					6,521		6,521
Cash from sale of treasury shares related to exercise of share options				5,953	17,288		23,241
Purchase of treasury shares				-63,642	-231,238		-294,880
Reduction of share capital by cancellation of treasury shares	-220,608			220,608			0
Group internal merger					-8,488 [1]		-8,488
Other adjustments					-1,282		-1,282
Total transactions with owners 2014	**-220,608**	**0**	**0**	**162,919**	**-435,988**	**41,500**	**-452,177**
Equity at 31 December 2014	**1,265,000**	**-58,820**	**1,247**	**-50,625**	**3,199,171**	**227,700**	**4,583,673**

[1] The directly owned DFDS Logistics Intermodal A/S is per 1 January 2014 merged into DFDS A/S and the difference between cost price of the investment in the subsidiary and the net book value of the subsidiary's equity is recognised directly in DFDS A/S' equity.

The majority of amounts included in Other comprehensive income relates to activities which are taxed under the Danish tonnage tax scheme hence, there is no tax on this.
The Company's share capital, which is not divided into different classes of shares, is divided into 12,650,000 shares of DKK 100 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

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

DKK '000

		Reserves					
	Share capital	**Hedging reserve**	**Revaluation of securities**	**Treasury shares**	**Retained earnings**	**Proposed dividend**	**Total**
Equity at 1 January 2013	1,485,608	-56,240	720	-35,271	3,526,983	207,985	**5,129,785**
Comprehensive income for the year							
Profit for the year					313,178		**313,178**
Other comprehensive income							
Items that will not subsequently be reclassified to the Income statement:							
Remeasurement of defined benefit pension obligations					-20		-20
Items that will not subsequently be reclassified to the Income statement	**0**	**0**	**0**	**0**	**-20**	**0**	**-20**
Items that are or may subsequently be reclassified to the Income statement:							
Value adjustment for the year		-144,373					-144,374
Value adjustment transferred to operating costs		14,651					14,651
Value adjustment transferred to financial costs		163,518					163,518
Foreign exchange adjustments, goodwill					-2,522		-2,522
Unrealised value adjustment of securities			-1,276				-1,275
Items that are or may subsequently be reclassified to the Income statement	**0**	**33,796**	**-1,276**	**0**	**-2,522**	**0**	**29,998**
Total other comprehensive income after tax	**0**	**33,796**	**-1,276**	**0**	**-2,542**	**0**	**29,978**
Total comprehensive income	**0**	**33,796**	**-1,276**	**0**	**310,636**	**0**	**343,156**
Transactions with owners							
Proposed dividend					-186,200	186,200 [1]	0
Dividend paid						-203,047	-203,047
Dividend on treasury shares					4,938	-4,938	0
Vested regarding share-based payments					5,702		5,702
Purchase of treasury shares				-178,273	-450,139		-628,412
Other adjustments					1,184		1,184
Total transactions with owners 2013	**0**	**0**	**0**	**-178,273**	**-624,515**	**-207,985**	**-824,573**
Equity at 31 December 2013	**1,485,608**	**-22,444**	**-556**	**-213,544**	**3,213,104**	**186,200**	**4,648,368**

[1] Proposed dividend for 2013 is based on the number of shares subsequent to the cancellation of 1,556,081 treasury shares which will have legally effect from 16 January 2014.

The majority of amounts included in Other comprehensive income relates to activities which are taxed under the Danish tonnage tax scheme hence, there is no tax on this.
The Company's share capital, which is not divided into different classes of shares, is divided into 14,856,081 shares of DKK 100 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

CASH FLOW STATEMENT (1 JANUARY – 31 DECEMBER)

DKK '000

	Note	2014	2013
Operating profit before depreciation (EBITDA) and special items		**866,574**	**734,329**
Cash flow effect from special items related to operating activities		-5,995	-7,707
Adjustments for non-cash operating items, etc.	26	6,278	7,048
Change in working capital	27	72,723	342,826
Payment of pension liabilities and other provisions		-9,423	-2,183
Cash flow from operating activities, gross		**930,157**	**1,074,313**
Interest, etc. received		148,737	116,003
Interest, etc. paid		-204,491	-168,385
Tax paid		-1,295	-7,501
Cash flow from operating activities, net		**873,108**	**1,014,430**
Investments in ships including dockings, rebuildings and ships under construction		-552,156	-548,864
Investments in other non-current tangible assets		-9,120	-13,131
Sale of other non-current tangible assets		5,715	2,024
Investments in non-current intangible assets		-53,338	-37,326
Investments in other non-current assets, net		90	0
Capital increases, etc.	11	-1,785	-12,499
Cash flow to/from investing activities		**-610,594**	**-609,796**
Proceed from loans secured by mortgages in ships		652,550	238,656
Repayment and instalments of loans secured by mortgage in ships		-1,409,033	-628,837
Change in other non-current investments		0	67,794
Change in other financial loans, net		370,547	-1,989
Payment of financial lease liabilities		-18,118	-5,372
Change in Group internal financing		-129,794	-69,533
Change in loans to associates and joint ventures		2,004	3,229
Cash received from merger with DFDS Logistics Intermodal A/S		23,249	0
Proceed from issuance of corporate bonds		498,250	688,348
Acquisition of treasury shares		-294,880	-628,412
Cash received from exercise of share options		23,241	0
Government grants related to purchase of assets		8,980	0
Dividend paid		-177,289	-203,047
Cash flow to/from financing activities		**-450,293**	**-539,163**
Net increase/(decrease) in cash and cash equivalents		**-187,779**	**-134,529**
Cash and cash equivalents at 1 January		696,320	836,754
Foreign exchange and value adjustments of cash and cash equivalents		-536	-5,905
Cash and cash equivalents at 31 December		**508,005**	**696,320**

At 31 December 2014 cash and cash equivalents includes listed bonds of DKK 0m (2013: DKK 15.4m).

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

NOTES

NOTES TO THE INCOME STATEMENT

NOTES TO THE BALANCE SHEET

NOTES TO THE STATEMENT OF CASH FLOW

NOTES – ADDITIONAL INFORMATION

DKK '000

Note 1 Revenue	**2014**	**2013**
Sale of goods on board ships	843,771	864,466
Sale of services	5,080,692	4,963,818
Rental income from time charter and bareboat charter of ships and operating equipment	503,531	375,215
Other operating income	155,198	131,787
Total revenue	**6,583,192**	**6,335,286**

DKK '000

Note 2 Consumable of bunker and goods	**2014**	**2013**
Consumable of bunker and goods included in operating costs	1,586,886	1,715,706
Change in inventory write-downs for the year	974	-1,771
Total consumable of bunker and goods	**1,587,860**	**1,713,935**

Consumable of bunker and goods consists of bunker and cost related to sale of goods and services on board.

DKK '000

Note 3 Employee costs	**2014**	**2013**
Wages, salaries and remuneration	627,903	607,364
Hereof capitalised employee costs	-35,182	-30,866
Defined contribution pension plans	43,259	43,066
Other social security costs	28,694	27,384
Share based payment, reference is made to note 18	6,521	5,702
Other employee costs	47,475	52,181
Total employee costs	**718,670**	**704,831**
Full time equivalents (FTE), average	1,721	1,697

Reference is made to note 4 of the consolidated financial statements for a description of the Parent Company's remuneration, etc. to the Executive Board and remuneration to the Board of Directors as these are the same for the Parent Company and the Group.

DKK '000

Note 4 Fees to Auditors appointed at the annual general meeting	**2014**	**2013**
	EY:	**KPMG:**
Audit fees	965	1,445
Other assurance engagements	44	61
Tax and VAT advice	411	2,680
Non-audit services	453	1,661
Total fees	**1,873**	**5,847**

DKK '000

Note 5 Profit on disposal of non-current assets, net	**2014**	**2013**
Profit on disposal of property, plant and equipment		
Equipment, etc.	802	1,381
Profit on disposal of property, plant and equipment	*802*	*1,381*
Loss on disposal of property, plant and equipment		
Equipment, etc.	-455	-87
Loss on disposal of property, plant and equipment	*-455*	*-87*
Total profit on disposal of non-current assets, net	**347**	**1,294**

DKK '000

Note 6 Special items, net	**2014**	**2013**
Costs related to route closures and other restructurings caused by new low sulphur rules	-6,989	0
Adjustment of estimated net present value of earn out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-4,730	16,075
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	-3,014	-5,443
Income from Hermes Credit insurance premium	0	22,243
Costs related to restructuring and improvements of processes in connection with project Customer Focus Initiative	-1,032	-2,264
Impairment (net) of investments in subsidiaries, reference is made to note 32	-26,641	-108,000
Special items, net	**-42,406**	**-77,389**
If special items had been included in the operating profit before special items, they would have been recognised as follows:		
Employee costs	-7,700	-556
Costs of sales and administration	-1,635	-7,151
Operating profit before depreciation (EBITDA) and special items	**-9,335**	**-7,707**
Impairment of ships and other non-current assets	-28,341	-108,000
Financial income/(costs)	-4,730	38,318
Special items, net	**-42,406**	**-77,389**

DKK '000

Note 7 Financial items	**2014**	**2013**
Financial income		
Interest income from banks, etc.	4,567	11,967
Interest income from subsidiaries	72,418	70,505
Other dividends	2,676	3,952
Total financial income	*79,661*	*86,424*
Financial costs		
Interest expense to banks, credit institutions, etc.	-96,864	-109,131
Interest expense to subsidiaries	-1,786	-2,933
Foreign exchange losses, net[1]	-11,759	-3,364
Realised loss on securities (transferred from equity)	-961	0
Defined benefit pension plans, reference is made to note 19	-28	-32
Loss on loan receivable[2]	0	-6,432
Impairment of securities (transferred from equity)	-1,222	0
Impairment of receivables from subsidiaries[3]	-6,633	0
Other financial costs	-22,117	-19,143
Transfer to assets under construction[4]	7,154	10,049
Total financial costs	*-134,216*	*-130,986*
Financial items, net	**-54,555**	**-44,562**

[1] Foreign exchange gains 2014 amounts to DKK 295m (2013: DKK 190m) and foreign exchange losses amounts to DKK 307m (2013: DKK 193m).
[2] 2013: Realised loss on loan granted to purchasers of the ship Queen of Scandinavia in connection with final transfer of legal ownership of the ship.
[3] A receivable from one subsidiary is impaired. Reference is made to note 32.
[4] Interest capitalised on two newbuildings. The interest for the year is calculated by using a mix of a specific interest rate and a general interest rate of approximately 1.7 - 4.9% p.a. (2013: 1.7 - 5.4% p.a.).

DFDS A/S makes forward exchange transactions, etc., on behalf of all subsidiaries, and therefore foreign exchange gains and losses in the DFDS A/S also consist of the Group's gross transactions. Transactions entered into, on behalf of subsidiaries, are transferred to the subsidiaries on back-to-back terms.

Interest income and interest expense relates to financial instruments measured at amortised cost.

Other financial costs contains bank charges regarding conversion of the loan portfolio, including amortisation of capitalised bank charges related to borrowings, administrative fees, etc.

DKK '000

Note 8 Tax	**2014**	**2013**
Current joint tax contributions	0	-2,000
Deferred tax for the year	-2,349	-958
Adjustment to corporation tax in respect of prior years	-1,964	7,363
Adjustment to deferred tax in respect of prior years	-314	0
Adjustment of corporate income tax rate	-70	0
Tax for the year	**-4,697**	**4,405**
Tax for the year is recognised as follows:		
Tax in the income statement	-4,697	4,405
Tax for the year	**-4,697**	**4,405**
Tax in the income statement can be broken down as follows:		
Profit before tax	429,644	308,773
Of this, tonnage taxed income	-496,650	-450,818
Profit before tax (corporate income tax)	**-67,006**	**-142,045**
24.5% tax of profit before tax (2013: 25%)	16,416	35,511
Tax effect of:		
Non-taxable items	-16,586	-36,418
Adjustments of tax in respect of prior years	-2,348	7,363
Corporate income tax	-2,518	6,456
Tonnage tax	-2,179	-2,051
Tax in the income statement	**-4,697**	**4,405**
Effective tax rate	1.1	-1.4
Effective tax rate before adjustment of prior years' tax	0.5	1.0

DFDS A/S and its Danish subsidiaries and Danish taxed branches are within the Danish Act of compulsory joint taxation with LF Investment ApS and J. Lauritzen A/S and these two companies' Danish controlled enterprises. In accordance with the Danish rules on joint taxation, DFDS A/S' 100% owned Danish subsidiaries are jointly and severally liable for DFDS A/S' corporation tax liabilities towards the Danish tax authorities while DFDS A/S and its Danish subsidiaries only are subsidiary and pro rata liable for the corporation tax liabilities towards the Danish tax authorities for all other companies that are part of the Danish joint taxation. LF Investment ApS is the administration company in the joint taxation and settles all payments of corporation tax with the tax authorities.

The shipping activities performed are included in the Danish tonnage tax scheme where the taxable income related to transportation of passengers and freight is calculated based on the tonnage deployed during the year. Taxable income related to other activities is taxed according to the normal corporate income tax rules.

Adjustment of prior years' tax in 2014 and 2013 for the Parent Company primarily relates to the final settlement and utilisation of tax losses between the joint taxed Danish entities.

DKK '000

Note 9 Non-current intangible assets

	Goodwill	Other non-current intangible assets	Software	Development projects in progress	Total
Cost at 1 January 2014	92,118	2,384	233,558	53,388	381,448
Foreign exchange adjustments	-3,026	0	0	0	-3,026
Additions	0	0	22,050	31,288	53,338
Disposals	0	0	0	-3,287	-3,287
Transfers	0	0	20,595	-20,595	0
Cost at 31 December 2014	**89,092**	**2,384**	**276,203**	**60,794**	**428,473**
Amortisation and impairment losses at 1 January 2014	0	2,384	160,703	3,287	166,374
Amortisation charge	0	0	14,380	0	14,380
Disposals	0	0	0	-3,287	-3,287
Amortisation and impairment losses at 31 December 2014	**0**	**2,384**	**175,083**	**0**	**177,467**
Carrying amount at 31 December 2014	**89,092**	**0**	**101,120**	**60,794**	**251,006**
Cost at 1 January 2013	94,640	56,440	195,253	55,640	401,973
Foreign exchange adjustments	-2,522	0	0	0	-2,522
Additions	0	0	14,095	23,231	37,326
Disposals	0	-54,056	-1,273	0	-55,329
Transfers	0	0	25,483	-25,483	0
Cost at 31 December 2013	**92,118**	**2,384**	**233,558**	**53,388**	**381,448**
Amortisation and impairment losses at 1 January 2013	0	55,645	146,743	0	202,388
Amortisation charge	0	795	15,233	0	16,028
Impairment charge	0	0	0	3,287 [1]	3,287
Disposals	0	-54,056	-1,273	0	-55,329
Amortisation and impairment losses at 31 December 2013	**0**	**2,384**	**160,703**	**3,287**	**166,374**
Carrying amount at 31 December 2013	**92,118**	**0**	**72,855**	**50,101**	**215,074**

[1] In 2013 DKK 3.3m regarding the development of a procurement system was written down as it was decided to stop the project.

The Parent Company's carrying amount of Goodwill DKK 89.1m (2013: DKK 92.1m) relates to the acquisition of one freight- and passenger route in 2011 and the acquisition of one freight route in 2005.

The carrying amount of completed software and development projects in progress relates primarily to software to Passenger Shipping's on-line booking, a new freight- and planning system to Logistics Division and finance and management reporting systems.

DKK '000

Note 10 Non-current tangible assets

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2014	10,949	74,025	5,300,299	351,819	470,563	6,207,655
Addition on merger	0	0	0	13,751	0	13,751
Additions	0	0	733	6,458	550,541 [1]	557,732
Disposals	0	-12,949	-87,889	-11,385	0	-112,223
Transfers	0	800	922,726	29	-923,555 [1]	0
Cost at 31 December 2014	**10,949**	**61,876**	**6,135,869**	**360,672**	**97,549**	**6,666,915**
Depreciation and impairment losses at 1 January 2014	6,710	55,155	2,697,161	229,243	0	2,988,269
Addition on merger	0	0	0	9,964	0	9,964
Depreciation charge	793	2,078	295,257	27,808	0	325,936
Disposals	0	-11,249	-86,736	-8,870	0	-106,855
Depreciation and impairment losses at 31 December 2014	**7,503**	**45,984**	**2,905,682**	**258,145**	**0**	**3,217,314**
Carrying amount at 31 December 2014	**3,446**	**15,892**	**3,230,187**	**102,527**	**97,549**	**3,449,601**
Hereof assets held under finance leases	0	0	0	0	0	0

[1] Primarily relates to construction of the two newbuildings ARK Dania and ARK Germania (ro-ro ships) and the completion hereof in 2014.

	Land and buildings	Terminals	Ships	Equipment etc.	Assets under construction and pre-payments	Total
Cost at 1 January 2013	10,949	73,847	5,202,988	342,362	36,877	5,667,023
Additions	0	178	0	12,924	558,942 [1]	572,044
Disposals	0	0	-26,918	-4,369	-125	-31,412
Transfers	0	0	124,229	902	-125,131	0
Cost at 31 December 2013	**10,949**	**74,025**	**5,300,299**	**351,819**	**470,563**	**6,207,655**
Depreciation and impairment losses at 1 January 2013	5,917	53,108	2,470,624	203,718	0	2,733,367
Depreciation charge	793	2,047	253,455	29,289	0	285,584
Disposals	0	0	-26,918	-3,764	0	-30,682
Depreciation and impairment losses at 31 December 2013	**6,710**	**55,155**	**2,697,161**	**229,243**	**0**	**2,988,269**
Carrying amount at 31 December 2013	**4,239**	**18,870**	**2,603,138**	**122,576**	**470,563**	**3,219,386**
Hereof assets held under finance leases	0	0	0	18,799	0	18,799

[1] Primarily relates to construction of two newbuildings (ro-ro ships).

On the basis of the impairment tests performed in 2014 there has been no impairment loss on ships (2013: DKK 0m). For further information regarding the impairment tests, reference is made to the consolidated financial statements note 37.

During 2014 EU has awarded the Parent Company a grant of up to DKK 17.4m primarily related to installation of scrubbers on two freight ships. At 31 December 2014 DKK 10.7m of the grant has been offset against Ships and Assets under construction and prepayments. Of the grant of DKK 10.7m, DKK 9.0m has been received in cash and DKK 1.7m is recognised under other receivables. The installation will be completed during 2015, hence additional grant will be recognised during 2015 when the Parent Company becomes entitled to the additional grant.

DKK '000

Note 11 Investments in subsidiaries	2014	2013
Cost at 1 January	4,832,326	4,841,101
Addition on merger	2,262	0
Additions	1,785	12,499
Disposal on merger	-37,450	0
Disposals	0	-21,274
Cost at 31 December	**4,798,923**	**4,832,326**
Accumulated impairment losses at 1 January	-895,522	-808,376
Impairment losses	-116,641	-108,000
Reversal of prior years impairment losses	90,000	0
Disposals	0	20,854
Accumulated impairment losses at 31 December	**-922,163**	**-895,522**
Carrying amount at 31 December	**3,876,760**	**3,936,804**

Reference is made to the Company overview in the consolidated financial statements note 41.

In 2014 the addition on merger and disposal on merger relates to the merger of DFDS Logistics Intermodal A/S into DFDS A/S. Where the disposal is DFDS A/S' investment in DFDS Logistics Intermodal A/S and the addition is the net book value of DFDS Logistics Intermodal A/S' investment in a subsidiary that following the merger is directly owned by DFDS A/S. Additions relates to acquisition of non-controlling interests and establishment of a subsidiary.

In 2013 the additions primarily relates to establishment of a company and disposals relates to liquidation of two companies.

The carrying amount of investments in subsidiaries is tested for impairment at least at year-end. The impairment tests for 2014 has led to recognition of impairment losses of DKK 116.6m (2013: DKK 108.0m) and reversal of prior year impairment losses by DKK 90.0m (2013: None). For further information regarding the impairment tests, reference is made to note 32.

DKK '000

Note 12 Investments in associates and joint ventures	2014	2013
Cost at 1 January and 31 December	**0**	**0**
Value adjustments at 1 January and 31 December	**0**	**0**
Carrying amount at 31 December	**0**	**0**

For specification of investments in associates and joint ventures reference is made to the consolidated financial statements note 13.

DKK '000

Note 13 Receivables	2014	2013
Receivables from subsidiaries	0	719,575
Total non-current receivables	**0**	**719,575**
Trade receivables	538,586	539,380
Interest bearing receivables from subsidiaries[1]	1,970,383	1,667,900
Receivables from associates and joint ventures	49,106	51,110
Fair value of derivative financial instruments, forward transactions and bunker hedges	13,586	2,703
Other receivables and current assets	25,637	57,679
Total current receivables	**2,597,298**	**2,318,772**
Total current and non-current receivables	**2,597,298**	**3,038,347**

[1] The carrying amount of Interest bearing receivables from subsidiaries relates to current credit facilities that are made available to subsidiaries. A receivable from one subsidiary is impaired by DKK 6.6m at 31 December 2014 (2013: DKK 0m). Reference is made to note 32.

The carrying amount of receivables is in all material respects equal to the fair value.

None of the trade receivables with collateral are overdue at 31 December 2014 (2013: none). The collateral is bank guarantees.

Receivables that are past due, but not impaired:	2014	2013
Days past due:		
Up to 30 days	104,597	115,797
31-60 days	21,872	23,284
61-90 days	3,822	4,671
91-120 days	3,808	1,222
More than 120 days	8,001	7,292
Past due, but not impaired	**142,100**	**152,266**

DKK '000

Note 13 Receivables (continued)	2014	2013
Movements in write-downs, which are included in the above trade receivables:		
Write-downs at 1 January	6,125	4,854
Addition on merger	451	0
Write-downs	5,873	4,144
Realised losses	-455	-2,835
Reversed write-downs	-2,847	-38
Write-downs at 31 December	**9,147**	**6,125**

Age distribution of write-downs:		
Days past due:		
Up to 30 days	920	1,718
31-60 days	1,227	0
61-90 days	0	54
91-120 days	253	37
More than 120 days	6,747	4,316
Write-downs at 31 December	**9,147**	**6,125**

Write-downs and realised losses are recognised in operating costs in the Income statement.
Write-downs on trade receivables are caused by customer bankruptcy or uncertainty about the customers ability and/or willingness to pay.

DKK '000

Note 14 Securities	2014	2013
Listed bonds	0	15,432
Listed shares	1,406	1,243
Other shares and equity investments	17,782	17,782
Other investments	576	731
Total securities	**19,764**	**35,188**
Classified as follows:		
Non-current securities	19,764	19,756
Current securities	0	15,432
Total securities	**19,764**	**35,188**

Securities are assets classified as 'available for sale'.

Other shares and equity investments as well as other investments consist of some minor unlisted enterprises and holdings. These investments are not remeasured to fair value because the fair value cannot be measured reliably. Instead the securities are recognised at cost reduced by impairment, if any.

DKK '000

Note 15 Inventories	2014	2013
Bunker	38,574	59,369
Goods for sale	47,649	46,403
Impairment of inventories	-3,131	-2,157
Total inventories	**83,092**	**103,615**

Note 16 Treasury shares (number of shares)

Information regarding the Parent Company's and the Group's holding of treasury shares is equal. Reference is made to the consolidated financial statements note 17.

DKK '000

Note 17 Deferred tax

2014	Land and buildings, terminals and other equipment	Provisions	Tax loss carried forward	Total
Deferred tax at 1 January	1,136	-666	0	470
Addition on merger	-1,430	-196	-1,709	-3,335
Impact from change in corporate income tax rate	-52	73	49	70
Recognised in the Income statement	856	335	1,158	2,349
Adjustments regarding prior years recognised in the Income statement	0	0	314	314
Deferred tax at 31 December, net	**510**	**-454**	**-188**	**-132**
2013				
Deferred tax at 1 January	668	-1,156	0	-488
Recognised in the Income statement	468	490	0	958
Deferred tax at 31 December, net	**1,136**	**-666**	**0**	**470**

	2014	2013
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (assets)	-132	0
Deferred tax (liabilities)	0	470
Deferred tax at 31 December, net	**-132**	**470**

By joining the tonnage taxation scheme, DFDS A/S is subject to the requirements of the scheme until 2021. DFDS A/S is not expected to withdraw from the scheme and consequently no deferred tax relating to assets and liabilities subject to tonnage taxation has been recognised. If DFDS A/S withdraws from the tonnage taxation scheme, deferred tax in the amount of maximum DKK 267m (2013: DKK 263m) may be recognised.

Note 18 Share options

Information regarding share options for the Parent Company and the Group is equal. Reference is made to the consolidated financial statements note 19.

Note 19 Pension and jubilee liabilities

The Parent Company contributes to defined contribution plans as well as defined benefit plans. The majority of the pension plans are funded through payments of annual premiums to an independent insurance company responsible for the pension obligation towards the employees (defined contribution plans). In these plans the Parent Company has no legal or constructive obligation to pay further contributions irrespective of the funding of the insurance company. Pension costs from such plans are charged to the income statement when incurred.

The Parent Company has minor defined benefit plans. The defined benefit plans are pension plans that yearly pay out a certain percentage of the final salary the employee has when the employee retires. The pensions are paid out as from retirement and during the remaining life of the employee. The percentage of the salary is dependent of the seniority of the employees. The defined benefit plans typically include a spouse pension.

Based on actuarial calculations the defined benefit plans show the following liabilities:

DKK '000

	2014	2013
Present value of unfunded defined benefit obligations	1,579	3,186
Recognised liabilities for defined benefit obligations	**1,579**	**3,186**
Provision for jubilee liabilities	5,885	5,972
Total actuarial liabilities	**7,464**	**9,158**

DKK '000

Note 20 Other provisions	2014	2013
Other provisions at 1 January	26,605	42,776
Addition on merger	766	0
Provisions made during the year	6,200	2,614
Used during the year	-7,202	-1,025
Reversal of unused provisions	-1,366	-17,760
Other provisions at 31 December	**25,003**	**26,605**
Other provisions are expected to be payable in:		
0-1 year	8,310	13,050
1-5 years	16,693	13,555
Other provisions at 31 December	**25,003**	**26,605**

Of the Parent Company's provision of DKK 25.0m (2013: DKK 26.6m), DKK 2.1m (2013: DKK 2.7m) is estimated redelivery provision regarding leased operating equipment and DKK 22.9m (2013: DKK 23.9m) is estimated net present value of earn out agreement regarding the acquisition of the route Kapellskär-Paldiski.

DKK '000

Note 21 Interest-bearing liabilities	2014	2013
Mortgage on ships	895,016	1,017,672
Issued corporate bonds	1,854,688	1,059,039
Financial lease liabilities	0	12,608
Total interest bearing non-current liabilities	**2,749,704**	**2,089,319**
Mortgage on ships	140,975	776,554
Financial lease liabilities	0	5,558
Payables to subsidiaries[1]	2,226,393	2,784,859
Total interest bearing current liabilities	**2,367,368**	**3,566,971**
Total interest bearing liabilities	**5,117,072**	**5,656,290**

[1] The carrying amount of Interest bearing payables to subsidiaries relates to deposit facilities that are made available to subsidiaries.

Regarding the Parent Company's issue of corporate bonds reference is made to the consolidated financial statements note 22.

The fair value of the interest-bearing liabilities amounts to DKK 5,177m (2013: DKK 5,707m). This fair value measurement is categorised within level 3 in the fair value hierarchy except for the part that relates to the corporate bonds for which the fair value measurement is categorised within level 1.

The fair value of the financial liabilities is determined as the present value of expected future repayments and interest rates. The Parent Company's actual borrowing rate for equivalent terms is used as the discount rate. The fair value of the issued corporate bonds has been calculated based on the quoted bond price at year end 2014 and 2013 respectively.

Note 21 Interest-bearing liabilities (continued)

DKK 668m of the interest bearing liabilities in the Parent Company fall due after five years (2013: DKK 139m). No unusual conditions in connection with borrowing are made. The loan agreements can be settled at fair value plus a small surcharge, whereas settlement of the corporate bonds requires a repurchase of the bonds.

Reference is made to note 25 for financial risks, etc.

DKK '000

Allocation of currency, principal nominal amount	2014	2013
DKK	1,086,409	1,559,645
EUR	2,449,071	2,435,478
SEK	156,690	171,969
NOK	1,031,051	1,365,323
GBP	388,486	123,836
USD	5,304	0
LTL	61	39
Total interest bearing liabilities	**5,117,072**	**5,656,290**

DKK '000

Note 22 Other payables	2014	2013
Payables to subsidiaries	12,178	10,667
Accrued interests	6,453	14,595
Public authorities (VAT, duty, etc.)	1,852	1,616
Holiday pay obligations, etc.	141,103	134,013
Fair value of Interest swaps, forward transactions and bunker hedges	271,915	162,848
Other payables	34,264	24,255
Total other payables	**467,765**	**347,994**

DKK '000

Note 23 Corporation tax liabilities	2014	2013
Corporation tax liabilities at 1 January	2,000	15,461
Tax for the year recognised in the Income statement	0	2,000
Adjustment, prior years recognised in the Income statement	1,964	-7,363
Adjustment, prior years recognised in the equity	0	-597
Corporation taxes paid during the year	-1,295	-7,501
Corporation tax liabilities at 31 December, net	**2,669**	**2,000**
Corporation tax is recognised in the balance sheet as follows:		
Corporation tax receivable (assets)	0	0
Corporation tax debt (liabilities)	2,669	2,000
Corporation tax liabilities at 31 December, net	**2,669**	**2,000**

DKK '000

Note 24 Information on financial instruments	2014	2013
Carrying amount per category of financial instruments		
Derivatives (measured at fair value), financial assets	13,586	2,703
Loans, receivables and cash (assets)	3,091,717	3,716,532
Financial assets available for sale	19,764	35,188
Derivatives (measured at fair value), financial liabilities	-271,915	-162,848
Financial liabilities measured at amortised cost	-5,721,318	-6,244,421
Total	**-2,868,166**	**-2,652,846**

Hierarchy of financial instruments measured at fair value
The table below ranks financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices in an active market for identical type of instrument, i.e. without change in form or content (modification or repackaging).
- **Level 2:** Quoted prices in an active market for similar assets or liabilities or other valuation methods where all material input is based on observable market data.
- **Level 3:** Valuation methods where possible material input is not based on observable market data.

DKK '000

2014	Level 1	Level 2	Level 3
Derivatives, financial assets	0	13,586	0
Financial assets available for sale	1,406	0	0
Derivatives, financial liabilities	0	-271,915	0
Total	**1,406**	**-258,329**	**0**

2013	Level 1	Level 2	Level 3
Derivatives, financial assets	0	2,703	0
Financial assets available for sale	16,675	0	0
Derivatives, financial liabilities	0	-162,848	0
Total	**16,675**	**-160,145**	**0**

Derivative financial assets and liabilities are all measured at level 2. Reference is made to note 27 in the consolidated financial statements for description of the valuation method. Financial assets available for sale measured at level 1 comprise listed shares (2013: and bonds) and is measured at the quoted prices.

Financial assets available for sale also comprise other shares and equity investments as well as other investments. These are some minor unlisted enterprises and holdings. They are measured at cost reduced by impairments, if any, and consequently, they are not included in the fair value hierarchy.

Note 25 Financial and operational risks

DFDS' risk management policy
The description of DFDS' risk management policy, financial risks and capital management is equal for the Group and the Parent Company. Reference is made to the consolidated financial statements note 27.

The following specifications and sensitivity analyses for the Parent Company are different to the similar for the Group:

Financial risks
Interest rate risks
An increase in the interest rate of 1%-point compared to the actual interest rates in 2014 would, other things being equal, have increased net interest payments by DKK 15m for the Parent Company in 2014 (2013: DKK 13m). A decrease in the interest rates would have had a similar positive effect.

Liquidity risks
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

DKK '000

2014	0-1 year	1-3 years	3-5 years	After 5 years
Non-derivative financial assets				
Cash	508,005	0	0	0
Trade receivables	538,586	0	0	0
Receivables from subsidiaries	1,988,423	0	0	0
Non-derivative financial liabilities				
Mortgages on ships	-114,279	-301,406	-181,565	-599,760
Issued corporate bonds	-51,468	-1,081,401	-506,037	0
Bank loans	-52,971	-103,263	-101,348	-145,916
Trade payables	-551,351	0	0	0
Debt to subsidiaries	-2,238,571	0	0	0
Financial guarantees	-108,095	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	13,397	189	0	0
Derivative financial liabilities				
Interest swaps	-9,105	-4,194	-2,174	-2,440
Forward exchange contracts	-222,710	0	0	0
Bunker contracts	-31,292	0	0	0
	-331,431	**-1,490,075**	**-791,124**	**-748,116**

DKK '000

Note 25 Financial and operational risks (continued)

2013	0-1 year	1-3 years	3-5 years	After 5 years
Non-derivative financial assets				
Cash	680,888	0	0	0
Bonds	15,432	0	0	0
Trade receivables	539,380	0	0	0
Receivables from subsidiaries	1,719,501	734,047	0	0
Non-derivative financial liabilities				
Mortgages on ships	-826,519	-866,807	-51,232	-161,777
Issued corporate bonds	-51,386	-544,431	-667,119	0
Financial lease liabilities	-6,071	-12,670	0	0
Trade payables	-538,614	0	0	0
Debt to subsidiaries	-2,795,526	0	0	0
Financial guarantees	-182,837	0	0	0
Derivative financial assets				
Forward exchange contracts and currency swaps	75	0	0	0
Bunker contracts	2,628	0	0	0
Derivative financial liabilities				
Interest swaps	-17,631	-5,899	0	0
Forward exchange contracts	-145,132	0	0	0
	-1,605,812	**-695,760**	**-718,351**	**-161,777**

Assumptions for the maturity table:
The maturity analysis is based on undiscounted cash flows including estimated interest payments. Interest payments are estimated based on existing market conditions.

The undiscounted cash flows related to derivative financial liabilities are presented at gross amounts unless the parties according to the contract have a right or obligation to settle at net amount.

DKK '000

Note 26 Non-cash operating items	**2014**	**2013**
Change in provisions	-1,832	929
Change in write-down of inventories for the year	974	-1,771
Change in provision for defined benefit plans and jubilee obligations	615	2,188
Vesting of share option plans expensed in the income statement	6,521	5,702
Non-cash operating items	**6,278**	**7,048**

DKK '000

Note 27 Change in working capital	**2014**	**2013**
Change in inventories	20,083	5,156
Change in receivables	19,875	17,861
Change in current liabilities	32,765	319,809
Change in working capital	**72,723**	**342,826**

Note 28 Acquisition and sale of enterprises and activities

Acquisition
DFDS A/S has not acquired enterprises and activities during 2014 (2013: none).

Note 29 Guarantees, collateral and contingent liabilities

Guarantees amounts to DKK 537.5m (2013: DKK 518.4m) for DFDS A/S. In addition, DFDS A/S has issued an unlimited guarantee for a subsidiary to cover any obligations under a Payment Service Agreement for credit card payments and a guarantee to cover all payments to an English defined benefit pension scheme with an underfunding of DKK 26.0m at 31 December 2014 (2013: DKK 17.2m).

The Parent Company has issued letter of support for certain Group companies with negative equity.

The Parent Company is in 2014 as well as in 2013 part in various legal disputes. The outcome of these disputes is not considered likely to influence the Parent Company significantly, besides what is already recognised in the balance sheet.

Certain ships and ships under construction with a total carrying amount of DKK 1,302.7m (2013: DKK 2,923.4m) have been pledged as security for mortgage on ships with a total carrying amount of DKK 458.0m (2013: DKK 973.0m).

DKK '000

Note 30 Contractual commitments	2014	2013
Contractual commitments, term 0-1 year	133,789	393,580
Total contractual commitments	**133,789**	**393,580**

Contractual commitments in 2014 relates to installation of scrubbers for delivery in 2015.

In 2013 contractual commitments related to purchase of two new ro-ro ships for delivery in 2014, installation of scrubbers and contracted refurbishment of a passenger ship.

Operating lease commitments (lessee)	2014	2013
Minimum lease payments		
0-1 year	18,432	18,226
1-5 years	74,713	73,940
After 5 years	0	18,985
Total buildings	**93,145**	**111,151**
0-1 year	10,675	13,673
1-5 years	44,434	57,359
After 5 years	48,330	77,009
Total terminals	**103,439**	**148,041**
0-1 year	335,200	759,520
1-5 years	524,023	787,486
After 5 years	6,255	72,271
Total ships	**865,478**	**1,619,277**
0-1 year	24,920	25,907
1-5 years	40,906	27,047
After 5 years	0	0
Total equipment, etc.	**65,826**	**52,954**
Total minimum lease payments fall due as follows:		
0-1 year	389,227	817,325
1-5 years	684,076	945,832
After 5 years	54,585	168,265
Total minimum lease payments	**1,127,888**	**1,931,423**

The specified payments are not discounted.

Note 30 Contractual commitments (continued)

Operating lease- and rent costs recognised in the income statement amount to DKK 910.1m for 2014 (2013: DKK 909.7m) of which DKK 0.1m (2013: DKK 2.2m) is contingent lease payments. The contingent part of the lease costs relates to terminals and is based on the throughput of volumes in the terminals.

Operating lease contracts on ships are typically concluded with lease terms of up to 12 months, but where most of the lease contracts contain an option to extend the lease term. However, 4 leases were initially entered with a 10 year lease period, of which 5 years are left at 31 December 2014. Lease contracts on other assets are normal lease contracts including a minimum lease term after which the lease term can be terminated by giving 1 to 12 months notice.

The Parent Company has not entered any substantial agreements, which will be effected, changed nor expired, if the control over the Group is changed as a consequence of takeover of the Group.

DKK '000

Operating lease commitments (lessor)	2014	2013
Minimum lease payments (income)		
Ships and equipment		
0-1 year	187,444	284,654
1-5 years	269,795	349,980
After 5 years	120,631	181,518
Total ships and equipment	**577,870**	**816,152**

The specified minimum payments are not discounted. Reduction of future minimum lease payments is primarily caused by one year shorter remaining lifetime of the contracts compared with end of 2013. Operational lease- and rental income recognised in the income statement amounts to DKK 262.7m in 2014 (2013: DKK 375.2m). The contracts are entered on usual conditions.

DKK '000

Note 30 Contractual commitments (continued)

Financial lease commitments (lessee)

2013	Minimum lease payments	Hereof financing element	Carrying amount
0-1 year	6,071	-513	5,558
1 to 5 years	12,670	-62	12,608
Total	**18,741**	**-575**	**18,166**

The financial lease contracts all expired during 2014. For 2013 the finance lease contracts included in the balance sheet all related to cargo carrying equipment. The lease contracts are entered during 2010 and expires in 2014.

DKK '000

Note 31 Related party transactions

Description of the Parent Company's related parties is equal to the description for the Group. Reference is made to the consolidated financial statements note 36.

2014	Sale of services	Purchase of services	Receivables	Liabilities
Associates and joint ventures	16,541	194,298	49,106	0
Subsidiaries	772,651	1,331,651	1,970,383	2,238,571
2013				
Associates and joint ventures	18,385	200,888	51,110	0
Subsidiaries	714,833	1,297,997	2,387,475	2,795,526

Note 32 Impairment tests

Introduction

As a minimum goodwill is tested for impairment at year end. Other non-current tangible, intangible and financial assets are tested if there is any indication of impairment.

For a description of the definition of cash-generating units, basis for impairment testing and calculation of recoverable amount reference is made to the consolidated financial statements note 37.

Impairment tests of investments in subsidiaries, associates and joint ventures

Impairment tests are carried out for each subsidiary, associates and joint ventures in the Parent Company if there is indication of impairment. The individual companies are regarded as the lowest cash-generating units.

The estimated value in use is based on cash flows according to management approved budget for the coming financial year. Expectations towards the cash flows are adjusted for uncertainty on the basis of historical results, and take into account expectations towards possible future fluctuations in cash flows.

The Parent Company uses a discount rate determined for each subsidiary, associate or joint venture, according to the business area to which it belongs. The applied discount rates for 2014 and 2013 are shown in the table in the consolidated financial statements note 37.

In 2014 investments in subsidiaries have been impaired by DKK 116.6m in total. DFDS Logistics N.V. has been impaired by DKK 60.0m, DFDS Seaways Plc. has been impaired by DKK 53.0m, DFDS Polska Sp. z o.o. has been impaired by DKK 2.7m and New Channel Holding A/S has been impaired by DKK 0.9m as the calculated value in use of the individual investment were lower than the book value. Furthermore, in 2014 previous impairments have been reversed by DKK 90.0m regarding DFDS Logistics Container Line B.V. The total impairment of net DKK 26.6m in 2014 is recognised under 'Special items'.

2013

In 2013 investments in subsidiaries have been impaired down by DKK 108.0m in total. DFDS Seaways Plc. has been impaired by DKK 100.0m and DFDS Polska Sp. z o.o. has been impaired by DKK 8.0m, as the calculated value in use of the individual investment were lower than the book value. The total impairment of DKK 108.m in 2013 is recognised under 'Special items'.

Note 33 Events after the balance sheet date

2014:

On 9 January 2015, the UK Competition Appeal Tribunal (CAT) rejected the appeals lodged by Eurotunnel and SCOP against the Competition & Markets Authority's (CMA) ban on Eurotunnel/SCOP operating ferries from Dover. Subsequently, Eurotunnel announced that they would seek to sell its ferry activities, while SCOP received permission from Court of Appeal for an expedited appeal. A hearing is expected to take place no later than 13 March 2015.

On 17 February 2015 DFDS awarded 93,689 share options to the Executive Board and a number of key employees. The theoretical value of the share options is DKK 7.5m calculated according to the Black-Scholes model.

Note 34 Accounting Policies

The Parent Company financial statements are prepared pursuant to the requirements of the Danish Financial Statements Act concerning preparation of separate parent company financial statements for companies reporting under IFRS.

The 2014 financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Change in accounting policies
Reference is made to the consolidated financial statements note 40.

Internal merger
DFDS A/S has with effect from 1 January 2014 merged with its 100% owned subsidiary DFDS Logistics Intermodal A/S, and the company has been consolidated as from 1 January 2014. Revenue amount to DKK 196m and profit before tax amount to DKK -5m.

As the activity of DFDS Logistics Intermodal A/S is immaterial compared with DFDS A/S, it has been decided not to restate the financial information for 2013. Had the restatement been made revenue for 2013 would have been DKK 201m higher and profit before tax would have been DKK 2m lower.

Critical accounting estimates and assessments
In the process of preparing the Parent Company financial statements, a number of accounting estimates and judgements have been made that affect assets and liabilities at the balance sheet date and income and expenses for the reporting period. Management regularly reassesses these estimates and judgements, partly on the basis of historical experience and a number of other factors in the given circumstances.

Impairment testing of investments in subsidiaries
Impairment testing of investments in subsidiaries is carried out if there is indication of impairment. The impairment tests are based on the expected future cash flows for the tested subsidiaries. For further details of estimates and assessments relating to investments in subsidiaries reference is made to note 32, which mention impairment testing.

Management is of the opinion that, except for impairment testing of investments in subsidiaries, no accounting estimates or judgements are made in connection with the presentation of the Parent Company financial statements applying the Parent Company accounting policies that are material to the financial reporting, other than those disclosed in note 39 to the consolidated financial statements.

DESCRIPTION OF ACCOUNTING POLICIES
The Parent Company accounting policies are consistent with the accounting policies described in the consolidated financial statements note 40, with the following exceptions:

Business combinations
In the Parent Company common control acquisitions (and disposals) of enterprises and activities are measured and recognised in accordance with the 'book value method' by which differences, if any, between purchase price and book value of the acquired enterprise/activity are recognised directly in equity.

Translation of foreign currencies
Foreign exchange adjustments of balances accounted for as part of the total net investment in enterprises that have a functional currency other than DKK are recognised in profit for the year as finance income and costs in the parent company financial statements. Likewise, foreign exchange gains and losses on the portion of loans and derivative financial instruments that has been entered into to hedge the net investment in these enterprises are recognised directly in the profit for the year as finance income and costs.

Dividends from investments in subsidiaries, associates and joint ventures
Dividends from investments in subsidiaries, associates and joint ventures are recognised in the Parent Company's Income statement for the year in which the dividends are declared. If distributions exceed the subsidiary's, the associate's or the joint venture's comprehensive income for the period, an impairment test is carried out.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are measured at cost in the Parent Company's balance sheet. Impairment testing is carried out if there is any indication of impairment. The carrying amount is written down to the recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognised as finance cost in profit for the year unless it qualifies as a special item. If the Parent Company has a legal or constructive obligation to cover a deficit in subsidiaries, associates and joint ventures, a provision for this is recognised.

FLEET LIST (PER 31.12.2014)

FREIGHT SHIPS (RO-RO)

	Year built	Gross tons	Lanemeter	TEU [4]	Deployment
Ficaria Seaways	2006/09	37.939	4.650		Gothenburg-Brevik-Immingham
Freesia Seaways	2005/09	37.939	4.650		Gothenburg-Brevik-Gent
Begonia Seaways	2004/09	37.939	4.650		Gothenburg-Brevik-Immingham
Ark Dania	2014	33.313	3.000	342	Esbjerg-Immingham
Ark Germania	2014	33.313	3.000	342	Esbjerg-Immingham
Magnolia Seaways	2003	32.289	3.831		Gothenburg-Brevik-Gent
Petunia Seaways	2004	32.289	3.831		Gothenburg-Brevik-Immingham
Primula Seaways	2004	32.289	3.831		Gothenburg-Brevik-Gent
Selandia Seaways	1998	24.196	2.772		Vlaardingen-Felixstowe
Suecia Seaways	1999/11	24.196	2.772	180	Vlaardingen-Felixstowe
Britannia Seaways	2000/11	24.196	2.772	180	Marseille-Tunis
Ark Futura	1996/00	18.725	2.308	246	On charter
Flandria Seaways	2000	13.073	1.692		Vlaardingen-Felixstowe
Anglia Seaways	2000	13.073	1.692		Vlaardingen-Immingham
Botnia Seaways	2000	11.530	1.899		Kiel-Klaipeda-Ust-Luga-St. Petersborg
Finlandia Seaways	2000	11.530	1.899	300	Zeebrugge-Rosyth
Corona Seaways[2]	2008	25.609	3.322		Fredericia-Copenhagen-Klaipeda
Hafnia Seaways[2]	2008	25.609	3.322		Cuxhaven-Immingham
Fionia Seaways[2]	2009	25.609	3.322		Vlaardingen-Immingham
Jutlandia Seaways[2]	2010	25.609	3.322		Vlaardingen-Immingham
Mont Ventoux[6]	1996	18.469	2.025		Marseille-Tunis
Clipper Point[2]	2008	14.759	1.830		Cuxhaven-Immingham

RO-PAX SHIPS [3]

	Year built	Gross tons	Lanemeter	Passengers	TEU [4]	Deployment
Victoria Seaways	2009	25.675	2.490	550		Kiel-Klaipeda
Regina Seaways[1]	2010	25.518	2.500	1.000		Karlshamn-Klaipeda
Athena Seaways[1]	2007	25.993	2.500	500		Karlshamn-Klaipeda
Optima Seaways	1999	25.206	2.300	328		Kiel-Klaipeda
Sirena Seaways	2002/03	22.382	2.056	623		Paldiski-Kapellskär
Liverpool Seaways	1997	21.856	2.200	340	357	On charter
Patria Seaways	1991	18.332	1.710	222		Laid up
Kaunas Seaways	1989/94	25.606	1.539	262		On charter
Vilnius Seaways	1987/93	22.341	1.700	132		On charter
Dunkerque Seaways[5]	2005	35.293	2.000	1.000		Dover-Dunkirk
Delft Seaways[5]	2006	35.293	2.000	1.000		Dover-Dunkirk
Dover Seaways[5]	2006	35.293	2.000	1.000		Dover-Dunkirk
Calais Seaways[5]	1991/92/99	28.833	1.784	1.100		Dover-Calais
Cote d'Albatre[1]	2004	18.425	1.440	650	52	Newhaven-Dieppe
Seven Sisters[1]	2006	18.940	1.440	650	52	Portsmouth-Le Havre

PASSENGER SHIPS

	Year built	Gross tons	Lanemeter	Passengers	Deployment
Pearl Seaways	1989/01/05	40.039	1.482	2.168	Copenhagen-Oslo
Crown Seaways	1994/05	35.498	1.370	2.044	Copenhagen-Oslo
King Seaways	1987/93/06	31.788	1.410	1.534	Amsterdam-Newcastle
Princess Seaways	1986/93/06	31.356	1.410	1.332	Amsterdam-Newcastle

SIDEPORT SHIPS

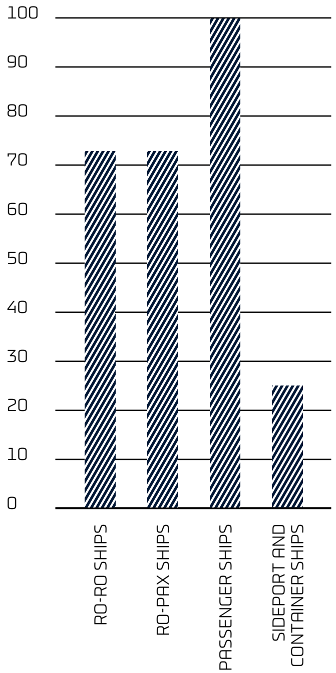
	Year built	Gross tons	TEU[4]	Deployment
Lysvik Seaways	1998/04	7.409	160	Oslo Fjord-Continent/UK
Lysbris Seaways	1999/04	7.409	160	Oslo Fjord-Continent/UK
Lysblink Seaways	2000/03	7.409	160	On charter

CONTAINER SHIPS

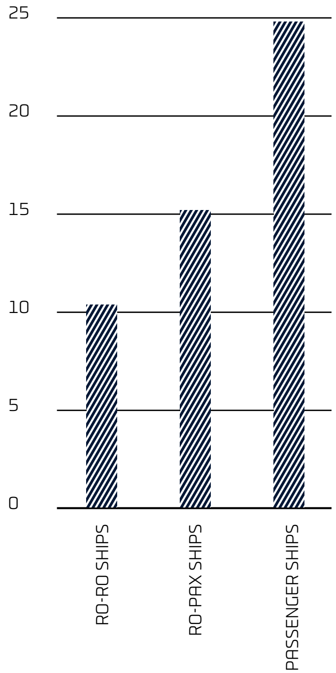
	Year built	Gross tons	TEU[4]	Deployment
Endeavor[2]	2005	7.642	750	UK-Ireland-Spain
Encounter[6]	2004	7.642	750	UK-Ireland-Spain
Philipp[6]	2008	8.971	917	UK-Ireland-Spain
Spica J[7]	2007	8.246	962	Oslo Fjord-Rotterdam
Kristin Schepers[7]	2008	7.852	812	Oslo Fjord-Rotterdam
Hanse Vision[7]	2005	7.713	809	Oslo Fjord-Rotterdam
E.R. Tallinn[7]	2011	12.514	962	Oslo Fjord-Rotterdam
Samskip Endeavour[7]	2011	7.852	812	Rotterdam-Ireland
Samskip Express[7]	2006	7.852	803	Rotterdam-Ireland

[1] Chartered tonnage (bareboat charter)
[2] Chartered tonnage (time charter)
[3] Ro-pax: Combined ro-ro and passenger ship
[4] TEU: 20 foot container unit
[5] Short-sea ferries
[6] VSA: Vessel sharing agreement with owner/charterer
[7] SCA: Slot charter agreement with owner/charterer

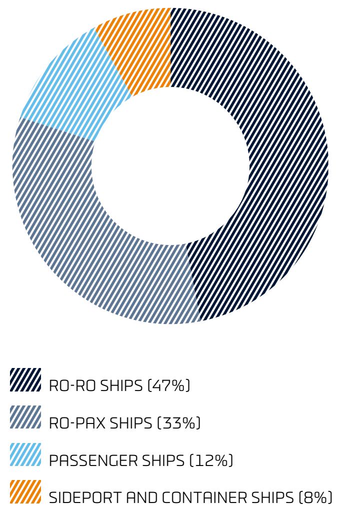
OWNERSHIP SHARES OF FLEET, END 2014
(%)



OWNED SHIPS, AVERAGE AGE END 2014
(%)



FLEET, OWNED AND CHARTERED SHIPS, END 2014
(GROSS TONS)



COMMERCIAL DUTIES

COMMERCIAL DUTIES OF THE BOARD OF DIRECTORS AND EXECUTIVE BOARD AS AT 25 FEBRUARY 2015

BOARD OF DIRECTORS

Bent Østergaard, Chair, 2,833 shares

- Date of birth: 5 October 1944
- Joined the Board: 1 April 2009
- Re-elected: 2010-2014
- Period of office ends: 24 March 2015
- Chair of the Nomination Committee and the Remuneration Committee and member of the Audit Committee
- Position: CEO, Lauritzen Foundation & LF Investment ApS
- Chair: J. Lauritzen A/S, Frederikshavn Maritime Erhvervspark A/S, NanoNord A/S, Cantion A/S
- Board member: Mama Mia Holding A/S, Meabco Holding A/S, Meabco A/S, With Fonden, Durisol UK, Desmi A/S, Comenxa A/S

The Board of Directors is of the opinion that Bent Østergaard possesses the following special competences: international management experience, board experience from international and listed companies, and expertise in shipping and finance.

As a result of his executive functions for the company's principal shareholder, Lauritzen Fonden, Bent Østergaard cannot be considered independent according to the recommendations on corporate governance.

Vagn Sørensen, Deputy Chair, 1,333 shares

- Date of birth: 12 December 1959
- Joined the Board: 20 April 2006
- Re-elected: 2007-2014
- Period of office ends: 24 March 2015
- Member of the Nomination and Remuneration Committee
- Position: Director, GFKJUS 611 ApS
- Chair: E-Force A/S, FLSmidth A/S, FLSmidth & Co. A/S, Scandic Hotels AB, Select Service Partner Ltd., TDC A/S, Automic Software GmbH, Bureau Van Dijk B.V., TIA Technologies A/S
- Board member: Air Canada Inc., Braganza A/S, CP Dyvig & Co. A/S, Lufthansa Cargo AG, Royal Caribbean Cruises Ltd., Nordic Aviation Capital A/S

The Board of Directors is of the opinion that Vagn Sørensen possesses the following special competences: international management experience, board experience from international and listed companies, and expertise in aviation and service companies.

Claus Hemmingsen, Deputy Chair, 142 shares

- Date of birth: 15 September 1962
- Joined the Board: 29 March 2012
- Re-elected: 2013-2014
- Period of office ends: 24 March 2015
- Member of the Nomination and Remuneration Committee
- Position: CEO, Maersk Drilling and member of the Executive Board, A.P. Møller-Mærsk A/S
- Chair: Danish Shipowners' Association, Denmark Hong Kong Trade Association
- Board member: Egyptian Drilling Company, International Association of Drilling Contractors (IADC), Danish Chinese Business Forum, EU Hong Kong Business Co-operation Committee

The Board of Directors is of the opinion that Claus Hemmingsen possesses the following special competences: international management experience and expertise in offshore activities and shipping.

Ingar Skaug, Board member, 0 shares

- Date of birth: 28 September 1946
- Joined the Board: 16 April 1998
- Re-elected: 1999-2014
- Period of office ends: 24 March 2015
- Chair: Center for Creative Leadership, Ragni Invest AS, Environor AS, Performance Leadership AS, Vectura AS
- Deputy Chair: J. Lauritzen A/S
- Board member: PGS, Berg-Hansen AS, Miros AS, Bery Maritime AS, AGM/ANB (Adjaristqali Georgia LLC/ Adjaristqali Netherlands B.V.)

The Board of Directors is of the opinion that Ingar Skaug possesses the following special competences: international management experience, board experience from international and listed companies, and expertise in shipping, logistics, aviation and service companies.

Due to the fact that Ingar Skaug has been a member of the DFDS A/S Board for more than 12 years,
Ingar Skaug cannot be considered independent according to the recommendations on corporate governance.

Jill Lauritzen Melby, Board member, 947 shares

- Date of birth: 6 December 1958
- Joined the Board: 18 April 2001
- Re-elected: 2002-2014
- Period of office ends: 24 March 2015
- Member of the Audit Committee
- Position: Team Leader Finance, BASF A/S

The Board of Directors is of the opinion that Jill Lauritzen Melby possesses the following special competences: Expertise in financial control.

Due to family relations to the company's principal shareholder, Lauritzen Fonden, Jill Lauritzen Melby cannot be considered independent according to the recommendations on corporate governance.

Pernille Erenbjerg, Board member, 0 shares

- Date of birth: 21 August 1967
- Joined the Board: 26 March 2014
- Period of office ends: 24 March 2015
- Chair of the Audit Committee
- Position: Deputy CEO and Group CFO, TDC A/S
- Board member: Det Kongelige Teater, GET

Member of the Fiscal Policy Committee of the Confederation of Danish Industry

The Board of Directors is of the opinion that Pernille Erenbjerg possesses the following special competences: International management experience and expertise in finance and accounting.

Jens Otto Knudsen, staff representative, 0 shares

- Date of birth: 8 August 1958
- Joined the Board: 13 April 2011
- Re-elected: 2014
- Period of office ends: 24 March 2015
- Position: Captain

Jens Knudsen has no managerial or executive positions in other companies.

Kent Vildbæk, staff representative, 0 shares

- Date of birth: 15 February 1964
- Joined the Board: 13 April 2011
- Re-elected: 2014
- Period of office ends: 24 March 2015
- Position: Commercial Head

Kent Vildbæk has no managerial or executive positions in other companies.

Lars Skjold-Hansen, staff representative, 0 shares

- Date of birth: 23 August 1965
- Joined the Board: 22 March 2013
- Re-elected: 2014
- Period of office ends: 24 March 2015
- Position: Captain

Lars Skjold-Hansen has no managerial or executive positions in other companies.

EXECUTIVE BOARD

Niels Smedegaard, President & CEO, 6,506 shares

- Date of birth: 22 June 1962
- Appointed: 1 January 2007
- Chair: Interferry Europe
- Deputy chair: ECSA (European Community Shipowners' Association), The Danish Shipowners' Association, The Bikuben Foundation
- Board member: The Denmark-America Foundation, Danske Bank Advisory Board, TT Club Mutual Insurance, Vestergaard Company Holding A/S

Torben Carlsen, EVP & CFO, 5,030 shares

- Date of birth: 5 March 1965
- Appointed: 1 June 2009
- Chair: Crendo Fastighetsförvaltning AB, SEM Invest A/S, SEM Stålindustri A/S
- Board member: Investering & Tryghed A/S

From left to right: Pernille Erenbjerg, Jens Otto Knudsen, Ingar Skaug, Torben Carlsen, Kent Vildbæk, Jill Lauritzen Melby, Claus Hemmingsen, Lars Skjold-Hansen, Niels Smedegaard, Bent Østergaard. (Vagn Sørensen was not present at the photo session).

BOARD OF DIRECTORS

BENT ØSTERGAARD
CHAIR

VAGN SØRENSEN
DEPUTY CHAIR

CLAUS HEMMINGSEN
DEPUTY CHAIR

INGAR SKAUG
BOARD MEMBER

JILL LAURITZEN MELBY
BOARD MEMBER

PERNILLE ERENBJERG
BOARD MEMBER

JENS OTTO KNUDSEN
STAFF REPRESENTATIVE

KENT VILDBÆK
STAFF REPRESENTATIVE

LARS SKJOLD-HANSEN
STAFF REPRESENTATIVE

From left to right: Eddie Green, Henrik Holck, Niels Smedegaard, Peder Gellert Pedersen, Torben Carlsen.

EXECUTIVE MANAGEMENT

NIELS SMEDEGAARD (1962)
- President & CEO
- MSc (Finance)
- Employed by DFDS since 2007

TORBEN CARLSEN (1965)
- Executive Vice President & CFO
- MSc (Finance)
- Employed by DFDS since 2009

PEDER GELLERT PEDERSEN (1958)
- Executive Vice President, Shipping Division
- Ship broker, HD (O)
- Employed by DFDS since 1994

EDDIE GREEN (1958)
- Executive Vice President, Logistics Division
- BA (Hons) Economics
- Employed by DFDS since 2010

HENRIK HOLCK (1961)
- Executive Vice President, People & Ships
- MSc Psych
- Employed by DFDS since 2007

DEFINITIONS & GLOSSARY

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 assets
Operating profit margin	Operating profit (EBIT) before special items x 100 Revenue
Net operating profit after taxes (NOPAT)	Operating profit (EBIT) minus tax on EBIT
Invested capital	Non-current intangible and tangible assets plus investment in associates and net current assets (non-interest bearing current assets minus non-interest bearing current liabilities) minus pension and jubilee liabilities and other provisions
Return on invested capital (ROIC)	Net operating profit after taxes (NOPAT) x 100 Average invested capital
Weighted average cost of capital (WACC)	Average capital cost for net interest-bearing liabilities and equity, weighted according to the capital structure
Free cash flow, FCFF	Cash flow from operating activities, net, excluding interest etc. received and paid minus cash flow from investing activities
Return on equity p.a.	Profit for the year excluding non-controlling interests x 100 Average equity excluding non-controlling interests
Equity ratio	Equity x 100 Total assets
Net- interest-bearing debt	Interest-bearing non-current and current liabilities minus interest-bearing non-current and current assets
Earnings per share (EPS)	Dividend for the year Profit for the year excluding non-controlling interests
P/E ratio	Share price at year-end Earnings per share (EPS)
FCFE yield	FCFF including interest etc. received and paid x 100 Market value at year-end plus non-controlling interests
Total distribution yield	Total distribution to shareholders x 100 Market value at year-end plus non-controlling interests
Cash payout ratio	Total distribution to shareholders x 100 FCFE
Dividend return	Paid dividend per share Share price at beginning of year
Equity per share	Equity excluding non-controlling interests at year-end Number of circulating shares at year-end
Price/book value	Share price at year-end Equity per share at year-end

BAF: Bunker adjustment factor, surcharge for price changes in bunker/MGO

Bareboat charter: Lease of a ship without crew for an agreed period.

Bunker: Oil-based fuel used in shipping.

Door-to-door transport: Transportation of goods from origin to final destination by a single freight forwarder. The freight forwarder typically uses third-party suppliers, such as a haulage contractor, to make the transport.

Chartering: Lease of a ship.

Non-allocated items: Central costs which are not distributed to divisions.

Intermodal: Transport using several different types of transport (road, rail and sea).

Lane metre: An area on a ship deck one lane wide and one metre long. Used to measure freight volumes.

Logistics: Sea and land-based freight transport, storage and distribution, and associated information processing.

Lo-lo: Lift on-lift off: Type of ship for which cargo is lifted on and off.

MGO: Marine gas oil, also known as marine diesel

Northern Europe: The Nordic countries, Benelux, the United Kingdom, Ireland, Germany, Poland, the Baltic nations, Russia and other SNG countries.

Production partnership (Vessel Sharing Agreement): Agreement between two or more parties on the distribution and use of a ship's freight-carrying capacity.

Ro-pax: Combined ro-ro freight and passenger vessel.

Ro-ro: Roll on-roll off: Type of ship for which freight is driven on and off.

Short sea: Shipping between destinations within a defined geographic area. The converse is deep-sea shipping, i.e. sailing between continents.

Sideport vessels: Ship with loading/unloading takes place via ports in the ship's side.

Space charter: Third-party lease of space on a ship deck.

Stevedoring: Activities related to loading and unloading of ships in a port terminal.

Time charter: Lease of a ship with crew for an agreed period.

Tonnage tax: Taxation levied on ships according to ship tonnage.

Trailer: An unpowered vehicle for transport of goods pulled by a powered vehicle.

Chartering-out: Leasing out of a ship.

THE HISTORY OF DFDS

DFDS was founded in 1866 as a result of an initiative by C.F. Tietgen to merge the three largest Danish steamship companies of the day.

In the beginning, DFDS was active in domestic as well as international shipping, carrying both freight and passengers. The international services covered the North Sea and the Baltic, later expanding to the Mediterranean. Towards the end of the 19th century, routes were established to the USA and South America. The passenger routes to the USA were closed in 1935.

As land-based transport volumes increased, forwarding and logistics became integral parts of DFDS' strategy. From the mid-60s, considerable forwarding and logistics activities were developed in extension to the route network.

In 1982, a passenger route was opened between New York and Miami. However, the route failed to live up to expectations and was discontinued at great cost in 1983. Subsequently, the DFDS Group was restructured, including divestment of activities in the Mediterranean and routes to the USA and South America.

Forwarding and logistics activities were developed organically and by acquisitions. Following the acquisition of Dan Transport in 1998, the business became one of the largest forwarding and logistics companies in Northern Europe. To focus the Group's resources, a new strategy was adopted with emphasis on shipping and the forwarding and logistics activities, DFDS Dan Transport, were divested in 2000.

DFDS' route network for passengers and freight has continuously been developed via organic capacity growth and acquisitions. Following a number of smaller acquisitions, a transformational acquisition was made in 2010 when Norfolkline was acquired making DFDS the largest company combining short sea shipping and logistics in Northern Europe.

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Addresses of DFDS' subsidiaries, locations and offices are available from www.dfds.com

EDITING DFDS A/S **DESIGN & LAYOUT** KONTRAPUNKT A/S **PHOTO** TUALA HJARNØ