

DFDS AWARDED EU FUNDING OF DKK 47.2 MILLION FOR MAJOR ENVIRONMENTAL PROJECT

The EU is supporting investment in scrubbers to help shipping companies to comply with the new environmental regulations and thus counteract the migration of freight transport from sea to land.

The EU has today awarded DFDS funding of DKK 47.2 million towards the installation of scrubbers on five of the shipping company's freighters that sail from Gothenburg to Ghent in Belgium and Immingham in England.

DFDS is one of the shipping companies that is furthest ahead in the world in investing in the new environmental technology that can remove sulphur from ships' engines. Since 2009 DFDS has been investing in tests of a newly-developed scrubber on one of our freighters, and DFDS will be investing up to DKK 750 million in scrubbers for 21 ships.

A scrubber is an installation weighing around 70 tons which is installed in the ship's funnel system where it can remove sulphur and particles from the exhaust. The total investment varies from ship to ship but is on average around DKK 40 million per ship.

With a scrubber the ships will be able to meet the requirements in the new environmental legislation that comes into force on the Baltic, the North Sea and the English Channel on 1 January 2015. The legislation requires the sulphur content in oil to be reduced from a maximum of 1% today to a maximum of 0.1%, which will increase the costs of fuel significantly. However, the law also allows for the use of other technologies such as scrubbers that have the same effect as oil with a low sulphur content.

Helping in the transition to the new legislation

"The new environmental legislation is a challenge for the shipping companies who are working hard to avoid sea transport becoming so expensive that large proportions of freight traffic will move to the roads. This will have a negative impact on transport by sea and on accessibility on the roads. It is therefore particularly gratifying that the EU has today decided to allocate this funding which can help the shipping companies in the transition to the new legislation, so that freight traffic can be kept at sea to a higher extent and help to reduce the pressure on the road network" says CEO Niels Smedegaard, DFDS.

"Scrubbers are a good solution for some of our ships and they will also provide a further environmental benefit as they also remove damaging particles from the exhaust. I am therefore proud that DFDS is playing its part in ensuring a cleaner environment, and I am very pleased that our major efforts in this area have been recognised with the investment support," says Niels Smedegaard.

For further information, please contact: Gert Jakobsen, +45 24 40 00 43.

DFDS A/S, Sundkrogsgade 11
DK-2100 Copenhagen Ø
CVR 14 19 47 11
www.dfdsgroup.com

Company announcement no.
48/2014

08.07.2014

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Contact persons

Torben Carlsen, CFO
+45 33 42 32 01

Søren Brøndholt Nielsen, IR
+45 33 42 33 59

DFDS profile

DFDS provides shipping and transport services in Europe, generating annual revenues of EUR 1.6bn.

To over 8,000 freight customers, we deliver high performance and superior reliability through shipping & port terminal services, and transport & logistics solutions.

For more than five million passengers, we provide safe overnight and short sea ferry services.

Our 6,000 employees are located on ships and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and listed on NASDAQ OMX Copenhagen.