

PERFORMANCE SET TO IMPROVE FURTHER BASED ON SOLID 2014

- **Q4 revenue up by 2% and operating profit (EBITDA) up by 14% to DKK 314m**
- **Full-year revenue up by 6% to DKK 12.8bn and EBITDA up by 18% to DKK 1.43bn, in line with expectations**
- **North Sea, Channel, and acquisitions primary drivers of improved performance**
- **Increased payout to shareholders through 29% higher dividend per share and additional share buy-back programme of DKK 300m**
- **Outlook 2015: EBITDA expected to increase to DKK 1.55-1.65bn**

For the full-year 2014, DFDS grew revenue by 6% to DKK 12.8bn and EBITDA before special items was increased by 18% to DKK 1.43bn. A return of 8% was achieved on the invested capital before special items, up from 6% in 2013. The improved performance in the activities on the North Sea and the English Channel, along with a positive impact from acquisitions in the Logistics Division, were the main drivers of the progress.

In the last quarter of the year, revenue grew by 2% to DKK 3.1bn and EBITDA before special items increased by 14% to DKK 314m.

DFDS key figures	Q4			FY		
	2014	2013	Δ %	2014	2013	Δ %
Before special items, DKK m						
Revenue	3,059	2,994	2%	12,779	12,097	6%
EBITDA	314	276	14%	1,433	1,213	18%
EBIT	113	102	11%	695	503	38%
Profit before tax	75	66	13%	571	367	56%

“Based on our solid performance, we are well positioned to expand our activities through both organic growth and acquisitions, should the right opportunities materialise, in 2015. We remain committed to improving the development in customer satisfaction, efficiency and earnings,” says CEO Niels Smedegaard.

Outlook 2015

While volume growth, as anticipated, was subdued in Q4, freight and passenger markets are expected to benefit from accelerating growth in Europe in 2015. Expectations for EBITDA before special items is increased to DKK 1.55-1.65bn, while revenue is expected to grow by 3% and by 5% adjusted for route closures and acquisitions. Investments are expected to amount to DKK 650m, excluding possible ship purchases and acquisitions.

Increased payout to shareholders

The proposal of the Board of Directors is to increase the dividend per share by 29% to DKK 18 from DKK 14 in 2014. 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.

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DFDS profile

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, we provide safe overnight and short sea ferry services.

Our 6,400 employees are located on ships and in offices across 20 countries. DFDS was founded in 1866, is headquartered in Copenhagen, and is listed on NASDAQ OMX Copenhagen.

Conference call is held today at 10.30 am. CET

Phone numbers to the call:
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Disclaimer

The statements about the future in this announcement contain an element of risk and uncertainty, both in general and specific terms, and this means that actual developments may diverge considerably from the statements about the future.

DFDS Group – Key figures

<i>DKK m</i>	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Income statement				
Revenue	3,059	2,994	12,779	12,097
Shipping Division	2,039	2,037	8,733	8,530
Logistics Division	1,159	1,117	4,625	4,183
Non-allocated items	71	64	284	290
Eliminations	-210	-224	-863	-906
Operating profit before depreciation (EBITDA) and special items	314	276	1,433	1,213
Shipping Division	284	268	1,309	1,148
Logistics Division	58	46	200	149
Non-allocated items	-28	-38	-76	-84
Profit/loss on disposal of non-current assets, net	6	1	9	6
Operating profit (EBIT) before special items	113	102	695	503
Special items, net	-39	1	-70	-17
Operating profit (EBIT)	74	103	626	486
Financial items, net	-38	-36	-124	-136
Profit before tax	36	67	502	350
Profit for the period	11	78	434	327
Profit for the period excluding non-controlling interest	13	78	435	325
Capital				
Total assets	-	-	12,249	12,311
Equity attributable to equity holders of DFDS A/S	-	-	6,076	6,263
Equity	-	-	6,127	6,318
Net interest bearing debt	-	-	2,467	2,189
Invested capital, end of period	-	-	8,633	8,555
Invested capital, average	8,749	8,587	8,578	8,633
Average number of employees	-	-	6,363	5,930
Cash flow				
Cash flow from operating activities before financial items and after tax	279	256	1,398	1,501
Cash flow to/from investments	-265	-193	-1,069	-943
- Acquisition of enterprises and activities	-4	-1	-85	-99
- Other investments, net	-261	-192	-984	-844
Free cash flow (FCFF)	14	63	329	558
Operations and return				
Number of ships at balance sheet date	-	-	53	57
Revenue growth, %	2.2	5.3	5.6	3.4
EBITDA-margin, % (before special items)	10.3	9.2	11.2	10.0
Operating margin, % (before special items)	3.7	3.4	5.4	4.2
Revenue, invested capital average, (times)	-	-	1.49	1.40
Return on invested capital before special items (ROIC) p.a., %	-	-	8.0	5.8
Return on invested capital after special items (ROIC) p.a., %	-	-	7.2	5.7
Return on equity p.a., %	-	-	7.1	4.9
Capital and per share				
Equity ratio, %	-	-	50.0	51.3
Net interest bearing debt/EBITDA, (times)	-	-	1.72	1.80
Earnings per share (EPS), DKK	1.08	6.17	34.92	23.34
Dividends per share, DKK	-	-	18	14
Number of shares, '000	-	-	12,650	14,856
Weighted average number of circulating shares, '000	-	-	12,449	13,932
Share price, DKK	-	-	591	437
Market value	-	-	7,177	5,559

Definitions on page 26.

North European market overview

Overall economic growth in the EU continued to be subdued in Q4, particularly on the Continent which, among other things, led to a slowdown in Swedish exports to continental markets. The UK economy continued to expand in Q4, albeit at a lower pace than recent quarters.

In 2015, economic growth in the EU is expected to increase, fuelled by monetary easing and a lower oil price compared to 2014.

Freight customers are still price sensitive and although capacity utilisation in northern European transport markets, mainly shipping and haulage, is increasing, pricing remains competitive. Passenger volumes were stable in Q4.

Important events in Q4

Route network changes

An agreement with Syndicat Mixte de Promotion de L'Activité Transmanche (SMPAT) to extend DFDS' operation and marketing of the Newhaven-Dieppe ferry service for an additional year, 2015, was reached at the end of October.

The loss making freight route between Gothenburg and Tilbury was closed on 30 October due to the expiry of a major customer agreement.

The Portsmouth-Le Havre route was closed at the end of December 2014 following continued losses on the route.

Cancellation of shares completed

Following completed share buy-back programmes, an extraordinary general meeting on 19 November 2014 approved a reduction of DFDS A/S' share capital by nominally DKK 65,000,000 by cancellation of part of the holding of own shares. On 19 December 2014, the Danish Business Authority registered the cancellation, and from 23 December the cancellation had effect in Nasdaq OMX Copenhagen's systems.

Participation in Polferries sales process

On 12 December 2014, DFDS confirmed its participation in the Polish State Treasury's Polferries sales process. DFDS' interest and participation is driven by the strategy of expanding the route network through value creating acquisitions.

Important events after Q4

Channel competition case

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.

Options awarded

On 17 February 2015, DFDS awarded a total of 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

Annual report

DFDS' annual report for 2014 was released today and is available from

<http://www.dfdsgroup.com/Investors/Reports/Documents/DFDS-Annual-Report-2014.pdf>

Annual general meeting

DFDS' annual general meeting will be held on 24 March 2015 at 14:00 at Radisson SAS Falconer Hotel and Conference Centre, Falkoner Allé 9, DK-2000 Frederiksberg, Denmark.

Cash distribution to shareholders

The proposal of the Board of Directors to the 2015 annual general meeting (AGM) is to increase the dividend to DKK 18 per share from DKK 14 in 2014.

An additional share buy-back programme of DKK 300m is planned to launch once the current programme of DKK 200m is completed, expectedly in April/May 2015.

Financial performance

Revenue

DKK m	Q4 2014	Q4 2013	Change	Change, %
Shipping Division	2,039	2,037	2	0.1
Logistics Division	1,159	1,117	42	3.8
Non-allocated items	71	64	7	10.9
Eliminations	-210	-224	14	6.3
DFDS Group	3,059	2,994	65	2.2

Revenue

The Group's revenue for Q4 was DKK 3,059m, an increase of 2.2% compared to 2013.

The Shipping Division's revenue of DKK 2,039m was on a level with 2013 and increased by 2.6% adjusted for closure of routes in Q4 2014. Lower revenue, following capacity reductions, on some routes offset higher revenue in other parts of

the network. Charter revenue from ships increased considerably compared to last year.

The Logistics Division's revenue increased by 3.8% to DKK 1,159m. Adjusted for acquisitions, revenue decreased by 2.3% as revenue in the business units Nordic and Continent decreased.

For the full-year, revenue increased by 6% to DKK 12,779m in 2014 following an increase of 2.4% in the Shipping Division's revenue to DKK 8,733m and an increase of 10.6% in the Logistics Division's revenue to DKK 4,625m. Adjusted for acquisitions made in 2013 and 2014, the Logistics Division's revenue increased by 3.2%.

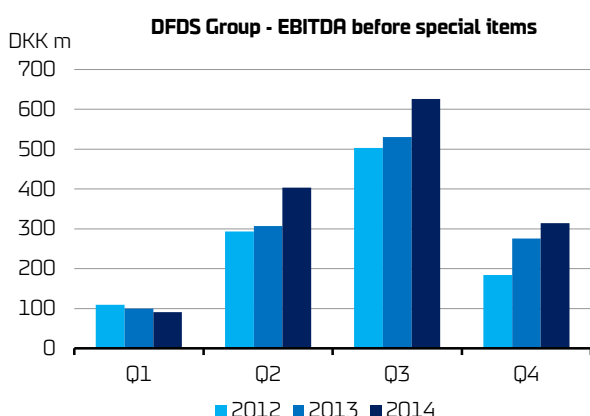
Operating profit before depreciation (EBITDA) and special items

The Group's EBITDA before special items increased by 14% in Q4 to DKK 314m following higher earnings in both divisions.

Operating profit before depreciation (EBITDA) & special items

DKK m	Q4 2014	Q4 2013	Change	Change, %
Shipping Division	284	268	16	5.9
Logistics Division	58	46	12	26.0
Non-allocated items	-28	-38	10	-27.1
DFDS Group	314	276	38	13.8
EBITDA-margin, %	10.3	9.2	1.1	11.4

The Shipping Division's EBITDA increased by 6% to DKK 284m mainly due to higher earnings in the business units North Sea, Channel and Passenger, and, in addition, higher earnings from charter of ships. This offset lower earnings in Baltic Sea and France & Mediterranean.



The Logistics Division's EBITDA improved by 28.0% to DKK 58m mainly driven by the business unit UK & Ireland, including a positive impact from acquisitions.

For the full-year, the Group's EBITDA increased by 18% to DKK 1,433m following an increase in the Shipping Division's EBITDA by 14% to DKK 1,309m and an increase in the Logistics Division's EBITDA by 34% to DKK 200m.

Operating profit (EBIT) before special items

Total depreciation rose by DKK 26m to DKK 202m mainly due to higher ship depreciations related to dockings, ship upgrades and delivery of new ships. The acquisition of two logistics companies in 2014 also increased depreciations.

The Group's EBIT before special items for Q4 was DKK 113m, an increase of 10.8% compared to 2013.

For the full-year, the Group's EBIT before special items increased by 38% to DKK 695m following an increase in the Shipping Division's EBIT by 28% to DKK 670m and an increase in the Logistics Division's EBITDA by 33% to DKK 123m.

Associated companies and joint ventures, profits on disposals and depreciation

DKK m	Q4 2014	Q4 2013	Change	Change, %
EBITDA before special items	314	276	38	13.8
Associated companies and joint ventures	-5	1	-6	n.a.
Profit on disposals	6	1	5	n.a.
Depreciation/impairment	-202	-176	-26	-14.8
EBIT before special items	113	102	11	10.8

Special items

In Q4, special items amounted to a net cost of DKK 39m mainly related to the closure of Portsmouth-Le Havre, DKK 29m, and Esbjerg-Harwich, DKK 7m.

For the full-year, special items amounted to DKK -70m.

Financial items

The total net cost of financing was DKK 2m higher in Q4. The net interest cost was DKK 3m below 2013 and there was a positive variance of DKK 8m on exchange rate adjustments in Q4. The cost of Other items was DKK 13m above 2013 due to capitalisation of interest costs related to previous periods in Q4 2013.

Financial items

DKK m	Q4 2014	Q4 2013	Change	Change, %
Interest, net	-22	-25	3	12.4
Exchange rate gains/losses, net	-3	-11	8	n.a.
Other items	-13	0	-13	n.a.
Total finance, net	-38	-36	-2	-6.2

Profit before tax

Profit before tax for Q4 was DKK 36m, a decrease of 46.7% from DKK 67m in 2013. Excluding special items, the profit before tax increased by 5.6% to DKK 70m.

For the full-year, the profit before tax was DKK 502m and DKK 571m before special items.

Earnings per share for the quarter was DKK 1.08 compared to DKK 6.17 in Q4 2013. The reduction was due to negative variances on special items and the tax on profit.

Cash flow and investments

Free cash flow (FCFF) for the quarter was positive by DKK 14m after investments of DKK 265m.

The cash flow from financing activities in Q4 was negative by DKK 392m mainly due to repayment of debt and distribution of DKK 84m to shareholders through purchase of own shares.

The net cash flow for Q4 was negative by DKK 453m and at the end of Q4 cash funds and securities amounted to a total of DKK 695m.

Capital structure

Interest-bearing debt amounted to DKK 3,199m, while net-interest-bearing debt (NIBD) was DKK 2,467m. The latter corresponds to 1.7 times EBITDA before special items for 2014.

The equity ratio was 50% at the end of 2014 compared to 51% at the end of 2013.

Equity

Equity amounted to DKK 6,127m at the end of 2014, including minority interests of DKK 51m. A total of DKK 472m was distributed to shareholders in 2014 through buy-back of shares of DKK 295m and payment of DKK 177m in dividend.

Invested capital and ROIC

Invested capital amounted to DKK 8,633m at the end of 2014. For the full-year, the return on invested capital, ROIC, before special items was 8.0% compared to 5.8% in 2013. Including special items, ROIC was 7.2% compared to 5.7% in 2013.

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 from the annual report.

DKK m	Outlook 2015	2014
Revenue	+3%	12,779
EBITDA before special items	1,550-1,650	1,433
Per division:		
Shipping Division	1,425-1,500	1,309
Logistics Division	225-250	200
Non-allocated items	-100	-75
Depreciation	+10%	-772
Special items	-12	-70
Investments	-650	-1,069

Shipping Division

The Shipping Division operates the DFDS route network in five business areas: North Sea, Baltic Sea, Channel, Passenger and France & Mediterranean.

DKK m	2014				2014 Full year	2013				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Full year
Revenue	1,875	2,280	2,539	2,039	8,733	1,872	2,171	2,450	2,037	8,530
EBITDA before special items	68	373	584	284	1,309	89	289	502	268	1,148
Share of profit of associates	7	24	-1	-4	26	-2	-1	-5	1	-7
Profit/loss on disposal of non-current assets, net	0	0	0	0	0	0	1	0	1	2
Depreciation and impairment	-153	-170	-172	-170	-665	-153	-165	-151	-152	-621
EBIT before special items	-78	227	411	110	670	-66	124	346	118	522
EBIT margin before special items, %	-4.2	10.0	16.2	5.4	7.7	-3.5	5.7	14.1	5.8	6.1
Special items, net	0	-5	0	-36	-41	0	0	-10	8	-2
EBIT	-78	222	411	74	629	-66	124	336	126	520
Invested capital, average	7,943	7,926	8,069	8,047	7,990	8,147	8,026	8,045	8,031	8,077
ROIC before special items p.a., %					8.4					6.5
Lane metres, '000	7,351	7,579	7,736	7,613	30,279	6,902	7,335	7,485	7,645	29,367
Passengers, '000	926	1,616	2,198	1,245	5,985	1,025	1,454	2,127	1,157	5,763

Q4 market, activity and result trends

North Sea: Freight volumes in Q4 were 4.6% above 2013 adjusted for route closures. Volumes in the Scandinavia-UK/Continent corridor increased by 3.9% driven by the transfer of volumes from the closed Esbjerg-Harwich route to the Esbjerg-Immingham route. Volumes between Sweden and the UK were slightly up, while a slowdown in Swedish exports to the Continent and increased competition reduced volumes between Sweden and the Continent. Volumes in the Benelux/Germany-UK corridor were up by 5.2% driven by growth in the UK economy and the Benelux routes.

EBIT increased by 7% to DKK 110m driven by higher volumes, savings on bunker costs, and income related to timing differences due to the closure of a route.

Baltic Sea: Freight volumes in Q4 were 4.2% below 2013. Volumes between Sweden and Lithuania and Estonia were up by 3.6%. Volumes between Denmark/Germany and Lithuania/Russia were lower than last year due to a reduction of the Russian route's capacity and lower Russian volumes in general. The number of passengers, excluding drivers, was up by 9.7%.

EBIT was reduced by 40% to DKK 30m as higher tonnage costs, partly due to extra dockings to install scrubbers, reduced the result. The overall underlying route result was slightly below 2013 because of lower Russian volumes.

Channel: Freight volumes in Q4 increased by 2.0% while passenger volumes increased by 11.8%. The higher freight volumes were entirely driven by the Dover-Dunkirk route as capacity on the Dover-Cal-

ais routes was reduced by 15% following the redelivery of a chartered ship at the end of November. A two-ship operation is expected to be resumed in the beginning of Q2 2015. The revenue per passenger increased in the quarter, including a positive impact from currency appreciation.

EBIT improved by DKK 6m to DKK -41m driven primarily by higher earnings on the Dover-Dunkirk route from both freight and passenger operations.

France & Mediterranean: Freight volumes in Q4 dropped by 12.0%, partly due to lower capacity, while passenger volumes were on a level with 2013.

EBIT decreased by DKK 16m to DKK -17m. Around two thirds of the decrease was due to a one-off income in 2013 related to the acquisition of LD Lines in 2012.

Passenger: The number of passengers in Q4 increased by 4.3% adjusted for the closure of the Esbjerg-Harwich route at the end of Q3 2014. Volumes on the route between Holland and the UK continued to benefit from the buoyant UK economy and more travellers from the Continent, while successful campaigns raised volumes on Copenhagen-Oslo.

EBIT increased by 7% to DKK 15m primarily driven by the Amsterdam-Newcastle route.

SHIPPING DIVISION

DKK m	2014				2014 Full year	2013				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Full year
North Sea										
Revenue	854	874	840	823	3,391	807	841	815	832	3,295
EBIT before special items	83	127	72	110	392	47	67	67	103	284
Invested capital	3,980	4,215	4,274	4,358	4,161	4,449	4,217	4,178	3,979	4,270
ROIC before special items p.a., %					9.4					6.7
Lane metres freight, '000	2,651	2,707	2,674	2,625	10,657	2,517	2,682	2,648	2,666	10,513
Baltic Sea										
Revenue	306	342	343	292	1,283	318	357	368	326	1,369
EBIT before special items	16	46	64	30	156	33	54	83	50	220
Invested capital	1,224	1,192	1,053	1,193	1,191	1,260	1,184	1,150	1,291	1,232
ROIC before special items p.a., %					13.1					18.0
Lane metres freight, '000	832	879	851	841	3,403	822	876	869	879	3,446
Passengers, '000	65	86	109	77	337	64	85	108	70	327
Channel										
Revenue	296	395	534	355	1,580	292	353	470	333	1,448
EBIT before special items	-66	-13	80	-41	-40	-59	-29	35	-47	-100
Invested capital	1,245	1,233	1,365	1,207	1,277	1,260	1,297	1,375	1,335	1,310
ROIC before special items p.a., %					-3.1					-7.6
Lane metres freight, '000	3,397	3,521	3,786	3,682	14,386	3,065	3,272	3,499	3,609	13,445
Passengers, '000	581	1,032	1,473	788	3,874	638	886	1,398	706	3,628
France & Mediterranean										
Revenue	110	137	158	114	519	114	154	163	131	562
EBIT before special items	-28	-9	19	-17	-35	-10	-21	3	-1	-29
Invested capital	-64	-54	-59	-83	-71	36	22	-50	-58	-54
ROIC before special items p.a., %					49.3					n.a.
Lane metres freight, '000	339	302	263	285	1,189	359	331	309	323	1,322
Passengers, '000	49	114	168	72	403	59	117	177	72	425
Passenger										
Revenue	257	490	618	368	1,733	304	472	606	376	1,758
EBIT before special items	-104	67	172	15	150	-81	54	157	14	144
Invested capital	821	815	807	758	801	871	805	801	806	873
ROIC before special items p.a., %					18.7					16.5
Lane metres freight, '000	132	170	162	179	643	139	174	160	168	641
Passengers, '000	231	384	449	307	1,371	264	366	444	309	1,383
Non-allocated items										
Revenue	90	95	97	122	404	70	50	70	79	269
EBIT before special items	21	9	4	13	47	5	-1	1	-1	5

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

Logistics Division

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

DKK m	2014				2014 Full year	2013				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Full year
Revenue	1,126	1,169	1,171	1,159	4,625	992	1,046	1,028	1,117	4,183
EBITDA before special items	36	47	59	58	200	33	37	33	46	149
Share of profit of associates	0	0	0	-1	-1	0	0	0	1	1
Profit/loss on disposal of non-current assets, net	1	2	0	6	9	2	0	3	-1	4
Depreciation and impairment	-17	-19	-24	-25	-85	-15	-13	-15	-18	-61
EBIT before special items	20	30	35	38	123	20	24	21	28	93
EBIT margin before special items, %	1.8	2.6	3.0	3.3	2.7	2.0	2.3	2.0	2.5	2.2
Special items, net	2	0	0	0	2	0	0	0	0	0
EBIT	21	31	35	38	125	20	24	21	28	93
Invested capital, average	894	903	996	1,109	975	757	765	806	847	795
ROIC before special items p.a., %					9.5					8.7
Tons, '000	116.7	100.7	99.2	122.0	438.6	108.2	104.7	103.1	106.8	422.8
Units, '000	103.4	105.3	101.5	102.6	412.8	87.7	93.5	93.2	101.3	375.7

Q4 market, activity and result trends

Nordic: The number of transported units in Q4 was 3.7% below 2013. The decrease was driven by lower volumes between Sweden and the UK, and between Sweden and the Baltic region. Volumes between Norway and the UK and Continent continued to grow in Q4, while volumes between Denmark and the UK were just above last year.

Q4 EBIT increased 30% to DKK 11m due to improved results for the Norwegian and Swedish activities.

Continent: The number of transported units in Q4 was 6.7% above 2013. Volume growth was partly driven by major contracts gained within the automotive and steel sectors and growth in traffics between Germany and the UK. Volumes between Ireland and the Continent were reduced to improve balance.

Q4 EBIT of DKK 7m was on a level with 2013 as margins were impacted by imbalances and higher carrier costs in the Continent-UK traffics.

UK & Ireland: The number of transported units in Q4 was 7.3% below 2013, excluding Quayside volumes. Volumes were reduced partly out of Northern Ireland to improve balance, and partly by a loss of low-margin contracts in Scotland. This more than offset the net addition of volumes from the acquisition of STEF, higher activity in temperature controlled distribution and the contract logistics based in Peterborough, including addition of seasonal activities.

Q4 EBIT increased by 56% to DKK 20m following positive contributions from all activity areas and a positive impact from the acquisition of Quayside with effect from 1 July 2014.

LOGISTICS DIVISION

DKK m	2014					Full year	2013				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	Full year	
Nordic											
Revenue	386	401	376	380	1,543	305	320	314	383	1,322	
EBIT before special items	11	12	8	11	42	7	6	3	9	25	
Invested capital	356	336	351	324	339	257	246	261	329	271	
ROIC before special items p.a., %					9.3					6.7	
Units, '000	27.2	28.6	27.6	27.2	110.6	19.3	21.0	20.8	28.1	89.2	
Tons, '000	116.7	100.7	99.2	122.0	438.6	108.2	104.7	103.1	106.7	422.7	
Continent											
Revenue	510	522	492	478	2,002	482	500	490	494	1,966	
EBIT before special items	5	7	8	6	26	8	10	12	7	37	
Invested capital	335	313	348	378	340	325	335	293	324	323	
ROIC before special items p.a., %					5.7					8.5	
Units, '000	53.6	54.1	51.7	52.1	211.5	47.0	50.4	48.2	48.2	193.8	
UK & Ireland											
Revenue	261	278	344	336	1,219	233	252	264	270	1,019	
EBIT before special items	4	12	20	20	56	5	8	6	13	32	
Invested capital	242	210	423	395	294	184	190	189	199	183	
ROIC before special items p.a., %					14.0					13.1	
Units, '000	22.6	22.6	22.1	23.3	90.6	21.4	22.1	24.2	25.0	92.7	
Non-allocated items											
Revenue	16	16	15	12	59	15	17	17	10	59	
EBIT before special items	0	0	0	0	0	0	0	0	0	0	

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

Management statement

The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S report for the period 1 January – 31 December 2014.

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

In our opinion, the interim report gives a true and fair view of the DFDS Group's assets, liabilities and financial position at 31 December 2014 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 31 December 2014.

Further, in our opinion, the Management review p. 1-9 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group for the period and the financial position as a whole, and describes the significant risks and uncertainties pertaining to the Group.

Copenhagen, 25 February 2015

Executive Board

Niels Smedegaard
President & CEO

Torben Carlsen
CFO

Board of Directors

Bent Østergaard
Chair

Vagn Sørensen
Deputy Chair

Claus Hemmingsen
Deputy Chair

Pernille Erenbjerg

Jill Lauritzen Melby

Ingar Skaug

Lars Skjold Hansen

Jens Otto Knudsen

Kent Vildbæk

DFDS Group – Income Statement

DKK m	Note	2014 Q4	2013 Q4	2014 Full Year	2013 Full year
Revenue		3,058.5	2,994.3	12,779.1	12,097.1
<i>Costs</i>					
Operating costs		-1,867.7	-1,869.7	-7,837.0	-7,524.5
Charter hire		-141.3	-153.1	-574.1	-582.6
Employee costs		-600.4	-555.7	-2,317.2	-2,152.5
Costs of sales and administration		-135.2	-139.4	-617.4	-624.9
Operating profit before depreciation (EBITDA) and special items		313.9	276.4	1,433.4	1,212.6
Share of profit/loss of associates and joint ventures		-5.1	1.3	24.9	-6.2
Profit/loss on disposal of non-current assets, net		6.1	0.6	9.2	6.4
Depreciation, ships		-159.2	-137.1	-618.7	-568.7
Depreciation, other non-current assets		-42.1	-36.6	-153.2	-135.5
Impairment losses, ships and other non-current assets		-0.5	-2.5	-0.5	-5.6
Operating profit (EBIT) before special items		113.1	102.1	695.1	503.0
Special items, net	3	-39.2	1.0	-69.5	-17.1
Operating profit (EBIT)	2	73.9	103.1	625.6	485.9
Financial income	4	-0.9	4.3	37.0	19.4
Financial costs	4	-37.1	-40.0	-161.1	-155.7
Profit before tax		35.9	67.4	501.5	349.6
Tax on profit		-24.6	10.7	-68.0	-22.9
Profit for the period		11.3	78.1	433.5	326.7
<i>Attributable to:</i>					
Equity holders of DFDS A/S		13.2	78.4	434.7	325.2
Non-controlling interests		-1.9	-0.3	-1.2	1.5
		11.3	78.1	433.5	326.7
Basic earnings per share (EPS) of DKK 100 in DKK		1.08	6.17	34.92	23.34
Diluted earnings per share (EPS-D) of DKK 100 in DKK		1.07	6.13	34.60	23.30

Proposed profit appropriation

Proposed dividend, DKK 18 per share (2013: DKK 14 per share)

DFDS Group - Comprehensive income

DKK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full year
Profit for the year	11.3	78.1	433.5	326.7
Other comprehensive income				
Items that will not subsequently be reclassified to the Income statement:				
Remeasurement of defined benefit pension obligations	-43.4	-20.5	-43.4	-21.0
Tax on items that will not be reclassified to the Income statement	8.4	4.5	8.4	4.5
Items that will not subsequently be reclassified to the Income statement	-35.0	-16.0	-35.0	-16.5
Items that are or may subsequently be reclassified to the Income statement:				
Value adjustment of hedging instruments:				
Value adjustment for the year	-144.6	-50.8	-110.4	-144.4
Value adjustment transferred to operating costs	-12.2	6.2	-12.2	14.7
Value adjustment transferred to financial costs	114.3	50.5	86.2	163.5
Foreign exchange adjustments, subsidiaries	-107.2	-56.1	-110.8	-134.7
Unrealised value adjustment of securities	0.5	-0.3	-0.4	-1.3
Impairment of securities transferred to financial costs	1.2	0.0	1.2	0.0
Realised value adjustment of securities transferred to financial costs	-0.2	0.0	1.0	0.0
Items that are or may subsequently be reclassified to Income statement	-148.2	-50.5	-145.4	-102.2
Total other comprehensive income after tax	-183.2	-66.5	-180.4	-118.7
Total comprehensive income	-171.9	11.6	253.1	208.0
Total comprehensive income for the year is attributed to:				
Equity holders of DFDS A/S	254.4	206.5	254.4	206.5
Non-controlling interests	-426.3	-194.9	-1.3	1.5
Total comprehensive income	-171.9	11.6	253.1	208.0

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

DFDS Group Balance Sheet - Assets

DKK m	2014 Full Year	2013 Full year
Goodwill	521.6	424.7
Software	103.2	75.0
Development projects in progress	60.8	50.1
Other non-current intangible assets	30.7	14.8
<i>Non-current intangible assets</i>	<u>716.3</u>	<u>564.6</u>
Land and buildings	124.4	110.7
Terminals	541.7	569.3
Ships	7,094.5	6,705.7
Equipment, etc.	460.3	387.4
Assets under construction and prepayments	290.6	570.8
<i>Non-current tangible assets</i>	<u>8,511.5</u>	<u>8,343.9</u>
Investments in associates and joint ventures	24.5	3.8
Receivables	24.6	49.8
Securities	19.8	19.8
Deferred tax assets	98.9	82.7
<i>Other non-current assets</i>	<u>167.8</u>	<u>156.1</u>
Non-current assets	9,395.6	9,064.6
Inventories	111.7	149.8
Trade receivables	1,660.6	1,538.8
Receivables from associates and joint ventures	53.9	49.3
Other receivables	169.1	188.9
Prepayments	101.8	91.1
Securities	0.0	15.4
Cash	694.5	1,151.0
	<u>2,791.6</u>	<u>3,184.3</u>
Assets classified as held for sale	61.7	61.8
Current assets	2,853.3	3,246.1
Assets	12,248.9	12,310.7

DFDS Group Balance Sheet – Equity and Liabilities

DKK m	2014 Full Year	2013 Full Year
Share capital	1,265.0	1,485.6
Reserves	-333.9	-351.5
Retained earnings	4,916.9	4,942.9
Proposed dividend	227.7	186.2
<i>Equity attributable to equity holders of DFDS A/S</i>	<u>6,075.7</u>	<u>6,263.2</u>
Non-controlling interests	51.5	55.0
Equity	6,127.2	6,318.2
Interest bearing liabilities	2,924.4	2,297.7
Deferred tax	137.0	130.2
Pension and jubilee liabilities	322.1	277.9
Other provisions	43.6	19.9
<i>Non-current liabilities</i>	<u>3,427.1</u>	<u>2,725.7</u>
Interest bearing liabilities	275.0	1,100.1
Trade payables	1,492.9	1,444.5
Payables to associates and joint ventures	22.1	14.8
Other provisions	36.9	25.7
Corporation tax	19.3	8.5
Other payables	723.3	561.7
Deferred income	125.1	111.5
<i>Current liabilities</i>	<u>2,694.6</u>	<u>3,266.8</u>
Liabilities	6,121.7	5,992.5
Equity and liabilities	12,248.9	12,310.7

DFDS Group – Statement of changes in Equity 1 January – 31 December 2014

DKK m	Reserves							Equity attributable to equity holders of DFDS A/S	Non- controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings	Proposed dividend			
Equity at 1 January 2014	1,485.6	-114.1	-22.4	-1.5	-213.5	4,942.9	186.2	6,263.2	55.0	6,318.2
Comprehensive income for the year										
Profit for the year						434.7		434.7	-1.2	433.5
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit obligations						-43.4		-43.4		-43.4
Tax on items that will not be reclassified to the Income statement						8.4		8.4		8.4
Items that will not subsequently be reclassified to the Income statement:	0.0	0.0	0.0	0.0	0.0	-35.0	0.0	-35.0	0.0	-35.0
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			-110.4					-110.4		-110.4
Value adjustment of hedging instruments transferred to operating costs			-12.2					-12.2		-12.2
Value adjustment of hedging instruments transferred to financial costs			86.2					86.2		86.2
Foreign exchange adjustments, foreign enterprises		-110.7						-110.7	-0.1	-110.8
Unrealised value adjustment of securities				-0.4				-0.4		-0.4
Impairment of securities transferred to the Income statement				1.0				1.0		1.0
Realised value adjustment of securities				1.2				1.2		1.2
Items that are or may subsequently be reclassified to the Income statement	0.0	-110.7	-36.4	1.8	0.0	0.0	0.0	-145.3	-0.1	-145.4
Total other comprehensive income after tax	0.0	-110.7	-36.4	1.8	0.0	-35.0	0.0	-180.3	-0.1	-180.4
Total comprehensive income	0.0	-110.7	-36.4	1.8	0.0	399.7	0.0	254.4	-1.3	253.1
Transactions with owners										
Dividends paid							177.3	-177.3		-177.3
Proposed dividend						227.7	227.7	0.0		0.0
Dividends own shares						8.9	-8.9	0.0		0.0
Acquisition of non-controlling interests						1.7		1.7	-2.2	-0.5
Vested regarding share-based payment						6.5		6.5		6.5
Acquisition of treasury shares					-63.6	-231.3		-294.9		-294.9
Sale of treasury shares related to exercise of share options					5.9	17.3		23.2		23.2
Reduction of share capital by cancellation of treasury shares	-220.6				220.6			0.0		0.0
Other adjustments							-1.1	-1.1		-1.1
Total transactions with owners 2014	-220.6	0.0	0.0	0.0	162.9	-425.7	41.5	-441.9	-2.2	-444.1
Equity at 31 december 2014	1,265.0	-224.8	-58.8	0.3	-50.6	4,916.9	227.7	6,075.7	51.5	6,127.2

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

DFDS Group – Statement of changes in Equity 1 January – 31 December 2013

DKK m.	Reserves						Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
	Share capital	Translation reserve	Hedging Reserve	Revaluation of securities	Treasury shares	Retained earnings				
Equity at 1 January 2013	1,485.6	20.7	-56.2	-0.2	-35.3	5,258.9	208.0	6,881.5	54.3	6,935.8
Comprehensive income for the year										
Profit for the year						325.2		325.2	1.5	326.7
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit obligations						-21.0		-21.0		-21.0
Tax on items that will not be reclassified to the Income statement						4.5		4.5		4.5
Items that will not subsequently be reclassified to the Income statement:	0.0	0.0	0.0	0.0	0.0	-16.5	0.0	-16.5	0.0	-16.5
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the year			-144.4					-144.4		-144.4
Value adjustment of hedging instruments transferred to operating costs			14.7					14.7		14.7
Value adjustment of hedging instruments transferred to financial costs			153.5					153.5		153.5
Foreign exchange adjustments, foreign enterprises		-134.8						-134.8	0.0	-134.8
Unrealised value adjustment of securities				-1.3				-1.3		-1.3
Realised value adjustment of securities transferred to the income statement								0.0		0.0
Items that are or may subsequently be reclassified to the Income statement	0.0	-134.8	33.8	-1.3	0.0	0.0	0.0	-102.3	0.0	-102.3
Total other comprehensive income after tax	0.0	-134.8	33.8	-1.3	0.0	-16.5	0.0	-118.8	0.0	-118.8
Total comprehensive income	0.0	-134.8	33.8	-1.3	0.0	308.7	0.0	206.4	1.5	207.9
Transactions with owners										
Proposed dividends						-186.2	186.2 ¹	0.0		0.0
Dividend paid							-203.0	-203.0		-203.0
Dividend own shares						5.0	-5.0	0.0		0.0
Acquisition of non-controlling interests						0.6		0.6	-0.8	-0.2
Vested re. share-based payments						5.7		5.7		5.7
Acquisition of treasury shares						-178.2	-45.1	-628.3		-628.3
Other adjustments						0.3		0.3		0.3
Total transactions with owners 2013	0.0	0.0	0.0	0.0	-178.2	-624.7	-21.8	-824.7	-0.8	-825.5
Equity at 31 December 2013	1,485.6	-114.1	-22.4	-1.5	-213.5	4,942.9	186.2	6,263.2	55.0	6,318.2

¹ Proposed dividends for 2013 is based on the number of shares subsequent to the cancellation of 1.556.081 treasury shares which will have legal 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. There are no tax on this.

DFDS Group - Cash Flow Statement

DKK m	Note	2014 Q4	2013 Q4	2014 Full year	2013 Full year
Operating profit before depreciation (EBITDA) and special items		313.9	276.4	1,433.4	1,212.6
Cash flow effect from special items related to operating activities		-5.4	-14.0	-32.8	-22.3
Adjustments for non-cash operating items, etc.		6.6	-12.0	13.3	-17.0
Change in working capital		-22.3	28.2	39.5	381.1
Payment of pension liabilities and other provisions		-6.7	-8.9	-42.7	-34.5
Cash flow from operating activities, gross		286.1	269.7	1,410.7	1,519.9
Interest etc. received		26.1	26.8	110.1	88.7
Interest etc. paid		-100.5	-59.0	-253.6	-225.3
Taxes paid		-7.2	-13.7	-12.5	-18.5
Cash flow from operating activities, net		204.5	223.8	1,254.7	1,364.8
Investments in ships including dockings, rebuildings and ships under constructions		-243.5	-153.9	-857.8	-731.0
Investments in other non-current tangible assets		-32.5	-24.0	-111.7	-91.5
Sale of other non-current tangible assets		30.5	-5.1	38.8	15.8
Investments in non-current intangible assets		-16.0	-8.5	-54.0	-38.3
Investments in other non-current assets, net		-0.1	0.0	-0.1	
Acquisition of enterprises, associates, joint ventures and activities	5	-3.7	-1.1	-84.8	-98.5
Sale of activities		0.0	0.0	0.9	0.0
Dividend from associates and joint ventures		0.0	0.0	0.0	0.7
Cash flow to/from investing activities		-265.3	-192.6	-1,068.7	-942.8
Proceed from loans in ships		578.1	0.0	652.6	238.6
Repayment and installments of loans in ships		-984.1	-130.9	-1,506.1	-693.3
Change in other non-current investments, net		0.1	50.4	0.1	67.8
Change in other financial loans, net		365.4	-1.1	319.5	-10.4
Payment of financial lease liabilities		-28.9	-4.1	-46.9	-16.1
Change in operating credits		-280.3	33.5	-133.2	93.2
Change in loan to associates and joint ventures		13.2	0.8	-4.6	1.9
Proceeds from issuance of corporate bonds		0.0	-3.2	498.3	688.3
Acquisition of non-controlling interests		-0.1	0.0	-0.6	-0.2
Government grants related to assets		9.0	0.0	9.0	0.0
Acquisition of treasury shares		-83.7	0.0	-294.9	-628.4
Dividend paid		0.0	0.0	-177.3	-203.0
Exercise of share options		19.6	0.0	23.2	0.0
Cash flow to/from financing activities		-391.7	-54.6	-660.9	-461.6
Net increase (decrease) in cash and cash equivalents		-452.5	-23.4	-474.9	-39.6
Securities, cash and cash equivalents at beginning of period		1,150.6	1,191.8	1,166.4	1,212.8
Foreign exchange adjustments of securities, cash and cash equivalents		-3.6	-2.0	3.0	-6.8
Securities, cash and cash equivalents at end of period		694.5	1,166.4	694.5	1,166.4

As of 31 December 2014 cash and cash equivalents includes bonds listed at NASDAQ OMX Nordic of DKK 0 m (31 December 2013: DKK 15.4 m)

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

Noter

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report has been prepared using the same accounting policies as for the annual report for 2014, which has been released today. DFDS has adopted all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on 1 January 2014. These IFRSs have not had any material impact on the Group's interim report.

Note 2 Segment information

DKK m

	Shipping Division	Logistics Division	Non- allocated	Total
Full year 2014				
External revenue	8,172.0	4,596.2	11.0	12,779.2
Intragroup revenue	561.1	28.7	273.3	863.1
Total revenue	8,733.1	4,624.9	284.3	13,642.3
Operating profit (EBIT) before special items	669.7	123.3	-97.9	695.1
Operating profit after special items (EBIT)	628.9	125.0	-128.3	625.6
Full year 2013				
External revenue	7,989.5	4,093.0	14.6	12,097.1
Intragroup revenue	540.9	90.1	275.7	906.7
Total revenue	8,530.4	4,183.1	290.3	13,003.8
Operating profit (EBIT) before special items	521.9	92.5	-111.4	503.0
Operating profit after special items (EBIT)	520.3	92.5	-126.9	485.9

Note 3 Special items

DKK m

	2014	2013
	Full year	Full year
Cost related routes closures and other restructurings caused by new low sulphur rules	-32.3	0
Adjustment of estimated net present value of earn out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-4.7	16.1
Cost related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	-29.5	-23.6
Income from Hermes Credit insurance premium	0.0	22.2
Impairment of the former Norfolkline domicile in Scheveningen, NL	0.0	-11.8
Impairment of external agency activity in business areas France and Mediterranean	-3.7	0.0
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	1.8	0.0
Cost related to restructuring and improvements of processes in connection with project Customer Focus Initiative	-1.0	-2.3
Total effect from adjustment of purchase price in connection with final approval of acquisition balances etc. related to the acquisition of LD Lines' freight and passenger rates in 2012 (impairment of goodwill)	0.0	-17.7
Special items, net	-69.5	-17.1

Note 4 Financial items

2014

Financial items, net

Included in financial items, net of DKK -124.1m for the year 2014 (2013: DKK -136.3m) is income of DKK 27.9m from a waiver of a loan from a minority shareholder in a subsidiary realised in Q2 2014.

Note 5 Acquisition of enterprises and sale of 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 pay 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 preliminary calculated to DKK 19.0m on the acquisition date.

Following recognition of acquired identifiable assets and liabilities at their fair value, the goodwill related to the acquisition has preliminary been measured at DKK 104.3m. 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. 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 this date.

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.

Note 5 Acquisition of enterprises and sale of activities (continued)

Following recognition of identifiable assets and liabilities at their fair value, the goodwill related to the acquisition has preliminary 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 goodwill of DKK 0.9m occur, which is recognised as income under Special items in 2014.

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	
	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 total purchase price	17.0	126.1
Goodwill/ (badwill) at acquisition	-0.9	104.3

Note 5 Acquisition of enterprises and sale of 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 Cost of sales and administration in the income statement.

Of the Group's total revenue of DKK 12,097.0 m 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 0.8 m 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 5 Acquisition of enterprises and sale of activities (continued)

DKK m	Fair value at <u>acquisition date</u> 18 September <u>2013</u>
Non-current intangible assets	15.3
Non-current tangible assets	<u>28.8</u>
Non-current assets	<u>44.1</u>
Receivables	36.5
Cash at hand and in bank	<u>9.0</u>
Current assets	<u>45.5</u>
Assets	<u>89.6</u>
Provisions	0.1
Bank debt	<u>16.7</u>
Non-current liabilities	<u>16.8</u>
Trade payables	11.5
Other current liabilities	<u>18.6</u>
Current liabilities	<u>30.1</u>
Liabilities	<u>46.9</u>
Fair value of acquired net assets	<u>42.7</u>
Total purchase price	
Cash consideration	<u>106.4</u>
Goodwill/ (badwill) at acquisition	<u>63.7</u>

Note 6 Fair value measurement of financial instruments

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

DKK m	<u>31 December 2014</u>		<u>31 December 2013</u>	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Financial assets available for sale (Level 1)	1.4	1.4	16.7	16.7
Derivatives (Level 2)	13.6	13.6	2.7	2.7
Assets held for sale (non-recurring fair value measurement) (Level 3)	61.7	61.7	61.8	61.8
Financial liabilities				
Derivatives (Level 2)	275.7	275.7	162.8	162.8

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

There were no transfers between the levels in the fair value hierarchy in 2014.

Techniques for calculating fair values

Derivatives

DFDS' usage of derivatives includes interest rate swaps, bunker swaps, forward exchange contracts and currency swaps. The fair values on interest rate swaps have been calculated by discounting the expected future interest payments. The discount rate for each interest payment is estimated on the basis of a swap interest curve, which is calculated based on a wide spread of market interest rates. The fair value on forward exchange contracts are based on interest curve calculations in DFDS' Treasury system. Calculations are based on a spread of market interest rates in the various currencies. Calculation on bunker swaps are based on quoted forward curve from various financial institutions.

Financial assets available for sale

Financial assets available for sale measured at level 1 are listed shares 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 write-downs, if any, and consequently, they are not included in the fair value hierarchy.

Assets held for sale

Assets held for sale (non-recurring fair value measurement) comprise the former Norfolkline domicile in Scheveningen with a carrying amount of DKK 13.5m (2013: DKK 13.5m) and the ro-pax ship VILNIUS SEAWAYS with a carrying amount of DKK 48.2m (2013: DKK 48.2m). 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.

Note 7 Supplementary financial information on the Parent company

As a result of DFDS A/S' issuance of corporate bonds on Oslo Stock Exchange there is a requirement to provide certain supplementary financial information on the parent company. The following financial information is prepared in accordance with the accounting policies etc. applied by DFDS for the parent company, ref. description in the financial statements for 2014.

DKK m

	2014	2013
	Full year	Full year
Income statement		
Revenue	6,583.2	6,335.3
Operating profit before depreciation (EBITDA) and special items	866.6	734.3
Operating profit (EBIT) before special items	526.6	430.7
Special items, net	-42.4	-77.4
Operating profit (EBIT)	484.2	353.3
Profit before tax	429.6	308.8
Profit for the period	424.9	313.2
Assets		
Non-current intangible assets	251.0	215.1
Non-current tangible assets	3,449.6	3,219.4
Investments in associates and joint ventures	3,876.8	3,936.8
Other non-current assets	19.9	739.3
Non-current assets	7,597.3	8,110.6
Current receivables from affiliated companies	1,970.4	1,667.9
Other current assets	1,244.6	1,489.9
Current assets *)	3,215.0	3,157.8
	10,812.3	11,268.4
*) hereof cash and securities	508.0	696.3
Equity and liabilities		
Equity	4,583.7	4,648.4
Non-current liabilities to affiliated companies	0.0	0.0
Other non-current liabilities	2,773.9	2,112.5
Non-current liabilities	2,773.9	2,112.5
Current liabilities to affiliated companies	2,226.4	2,784.9
Other current liabilities	1,228.4	1,722.6
Current liabilities	3,454.8	4,507.5
	10,812.3	11,268.4
Equity ratio, %	42.4%	41.3%
Net interest bearing debt	2,521.4	2,478.7

The parent company's revenue increased by DKK 247.9m, equivalent to 3.9%. Operating profit before depreciation and special items (EBITDA) increased from DKK 734.3m to DKK 866.6m.

Special items is a cost of DKK 42.4m related to costs in connection with project Customer Focus Initiative (DKK 1.0m) and project ONE Finance (DKK 3.0), cost related to termination of routes caused by new low sulphur rules (DKK 7.0m), impairment of investments in subsidiaries (DKK 26.7m) and adjustment of earn-out provision regarding a route acquired in 2011 (DKK 4.7m).

The parent company's net interest bearing debt increased from DKK 2,478.7m at 31 December 2013 to DKK 2,521.4m. at 31 December 2014, equivalent to DKK 42.7m.

Definitions

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