

First Quarter Report 2015

First quarter of 2015 completed with satisfactory results

- Profit before tax totals DKK 131 million – DKK 13 million less than in the same period last year (adjusted for items of a non-recurring nature, DKK 19 million less)
- Net interest-bearing liabilities are DKK 8,638 million compared with DKK 10,587 million for the first quarter of 2014 and DKK 9,314 million at year-end 2014
- Continued satisfactory punctuality – but a slight decline for Long-distance & Regional Trains and Øresund
- Customer satisfaction and reputation improving, but still low

Strategic key figures				
	Q1		Change	
	2015	2014	Abs.	Pct.
Financial				
Total revenue – DSB Group (DKK million)	2,974	3,021	-47	-2
Profit before depreciation, amortisation and write-downs – DSB Group (DKK million)	723	746	-23	-3
Profit before tax – DSB Group (DKK million)	131	144	-13	-9
Productivity (Danish train activities) ¹⁾				
Passenger and transport contract revenue per train kilometre (DKK/km)	160	156	4	3
Costs per train kilometre (DKK/km)	127	127	0	0
Number of train kilometres per employee	3,051	2,994	57	2
Number of train journeys per employee	9,660	9,378	282	3
Punctuality				
Punctuality – Long-distance and Regional Trains (%) (max. delay of 5.59 minutes)	95.5	96.2	-0.7	-1
Punctuality – S-tog (%) (max. delay of 2.29 minutes)	97.6	96.6	1.0	1
Punctuality – Øresund (%) (max. delay of 4.59 minutes)	92.0	93.3	-1.3	-1
Journeys				
Total number of journeys in Denmark (million customers)	46.6	46.7	-0.1	0
Customer satisfaction – (Danish activities)	7.7	7.6	0.1	1
Reputation				
Users of Long-distance and Regional Trains	52.6	51.1	1.5	3
Users of S-tog	59.3	52.9	6.4	12
Non-users of Long-distance and Regional Trains	46.6	49.3	-2.7	-5

¹⁾ The productivity KPI for 2014 has been revised as a consequence of a changed segmental statement.

Satisfactory profit for the first quarter of 2015

As expected, the profit before tax for the first quarter of 2015 is slightly lower than the profit for the same quarter in 2014.

The financial ratios have improved in a number of areas – i.a. due to fewer liabilities. The solvency ratio has increased to 29.0.

A new transport contract in place

On 7 May the Danish parliamentary Finance Committee approved the economic framework in the political agreement on passenger traffic, which was signed between the government and the supporting parties, SF and Enhedslisten, on 10 March. The transport contract establishes the services

to be provided by DSB in the next 10 years. According to the agreement DSB must prepare a transition of the corporation as the guarantor of coherent train services in Denmark in compliance with DSB's strategy proposal, also if parts of the train services are put out to tender. DSB will also be continuing the preparations for the acquisition of new electrical trains to meet the needs associated with the expected, future growth in the number of passengers.

Track improvements

Banedanmark (Rail Net Denmark) has planned extensive track improvement work for 2015, i.a. a closing of one track on Western Funen for a total of approx. 100 days over the summer. This track improvement work means that DSB will lose ticket revenue and have material expenses for replacement services. The planned track improvements have not yet impacted the profit for 2015.

A critical view of Rejsekort

Once again Rejsekort (Travel Card) has been the centre of attention; this time in the report of the National Audit Office of Copenhagen and the conclusion of the auditor of public accounts – unfortunately, Rejsekort has been delayed, become too complicated and too expensive.

It has been necessary to get a new financial model for Rejsekort in place. DSB has embarked on this task to find a sustainable solution, which should also ensure a new and improved decision-making structure for the cooperation in Rejsekort A/S.

Transparency in DSB's finances

With the political agreement for the new transport contract, DSB is given the task of preparing a division of the corporation according to the activities involving train operation on the one hand, and the management of the train system, comprising rolling stock, stations and sales channels, customer service etc., on the other hand. The objective is to ensure coherent train services, even in a future where train services are put out to tender, and to ensure increased transparency in DSB's finances.

As a contribution to ensuring increased transparency, DSB will be publishing an analysis of the financial performance of DSB's train operations based on the annual accounts for 2014. The analysis is published together with the First Quarter Report. The analysis is the first attempt to prepare the division the corporation and is presented now to create space for a dialogue about the format and the content.

IC4 improvements – but still some way to go

In December 2014 the IC2 and IC4 train sets passed the exam in the form of an independent review carried out by Swiss Prose and SBB. The report recommended that DSB continue to develop the train sets in accordance with the plan for placing in service in order thus to fulfil the functionality and reliability targets. Since then, IC4 has shown some progress, but we take one step at a time and only place the train sets in service when we feel we are on safe ground.

Ultrafine particles

In January 2015 DSB commissioned a report from the Department of Public Health at the University of Copenhagen. The report confirms that in some of DSB's trains and at certain stations there is a high concentration of ultrafine particles.



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The largest concentrations of ultrafine particles are found in the double-decker coaches hauled by ME locomotives and the 30-year old MR train sets. DSB's work to find technical or operational solutions to reduce the exposure to ultrafine particles of passengers and staff continues. DSB tests a new catalytic converter for the ME locomotives. In combination with other initiatives, this will contribute to a reduced magnitude of ultrafine particles.

Taastrup, 12 May 2015

Peter Schütze
Chairman of the Board

Flemming Jensen
CEO

The interim report is published in both a Danish and an English language version. In the event of any discrepancies the Danish language version shall prevail.

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Financial highlights

DSB Group	Q1		Growth		Full year
Amounts in DKK million	2015	2014	Abs.	Pct.	2014
Passenger revenues	1,201	1,204	-3	0	5,186
Transport contracts	1,235	1,222	13	1	4,894
Danish activities	1,042	1,006	36	4	4,095
International activities, incl. Øresund ¹⁾	193	216	-23	-11	799
Sales from shops etc.	185	193	-8	-4	814
Repair and maintenance of rolling stock etc.	57	67	-10	-15	270
Leasing of rolling stock	60	58	2	3	227
Net turnover	2,738	2,744	-6	0	11,391
Work performed by the enterprise and capitalised	143	157	-14	-9	589
Other operating income	93	120	-27	-23	792
Total revenue	2,974	3,021	-47	-2	12,772
Expenses for raw materials and consumables	431	431	0	0	1,765
Other external expenses	906	881	25	3	3,818
Staff expenses	914	963	-49	-5	3,740
Hereof redundancy costs	-	33	-33	-100	26
Total expenses	2,251	2,275	-24	-1	9,323
Profit/loss before depreciation, amortisation and write-downs	723	746	-23	-3	3,449
Depreciation, amortisation and write-downs	465	484	-19	-4	2,247
Operating profit/loss	258	262	-4	-2	1,202
Net financials	-127	-118	-9	-8	-532
Profit/loss before tax	131	144	-13	-9	670
Profit/loss for the period	91	101	-10	-10	482
Balance sheet total	21,535	22,907	-1,372	-6	21,949
Total equity	6,241	5,990	251	4	6,301
Total cash flow from operating activities	900	654	246	38	2,328
Total cash flow from investing activities	-198	-157	-41	-26	-613
Hereof investments in tangible assets	-178	-194	16	8	-753
Total cash flow from financing activities	-709	-506	-203	-40	-1,714
Interest-bearing liabilities, net	8,638	10,587	-1,949	-18	9,314
Operating profit margin (EBITDA margin)*	26.4	27.2	-0.8	-3	30.3
Profit ratio (EBIT margin)*	9.4	9.5	-0.1	-1	10.6
Return on equity p.a. (ROE)*	5.8	6.8	-1.0	-15	7.9
Return on invested capital after tax (ROIC after tax) p.a.*	4.9	4.5	0.4	9	5.4
Gearing p.a.*	3.0	3.5	-0.5	-14	2.7
Equity ratio*	29.0	26.1	2.9	11	28.7
Interest cover*	2.7	2.5	0.2	8	3.1
Average number of full-time employees	7,409	7,726	-317	-4	7,564
Number of full-time employees at 31 March	7,441	7,668	-227	-3	7,351
Number of passenger km in Denmark (million km)	1,527	1,506	21	1	6,299
Number of train journeys in Denmark (1,000 journeys) ²⁾	46,630	46,730	-100	0	190,173
Number of train journeys abroad (1,000 journeys)	2,096	2,283	-187	-8	9,301
Number of train km in Denmark (1,000 km)	14,726	14,921	-195	-1	58,757
Number of train km abroad (1,000 km)	1,848	2,242	-394	-18	7,784

¹⁾ As opposed to the Danish activities, the international activities (including Øresund) are based on gross contracts, meaning that the transport authorities receive the ticket revenues and at the same time make a contractual payment under the transport contract to the train operator.

²⁾ Compared with what has previously been published, the number of train journeys in 2014 has been increased by 0.4 million journeys as a consequence of the final calculation of journeys etc.

* Stated in accordance with the definitions of key figures included in DSB's Annual Report 2014.

Review

DSB realised a profit before tax of DKK 131 million for the first quarter of 2015, down DKK 13 million on the same period in 2014 (DKK 144 million).

Compared with the profit before tax and non-recurring items for the first quarter of 2014, profit before tax for the first quarter of 2015 is down DKK 19 million.

The profit before tax for the first quarter of 2015 is not affected by any items of a non-recurring nature.

Interest-bearing liabilities were reduced by another DKK 676 million in the first quarter of 2015.

Financial review

The development in the profit before tax for the first quarter of 2015 is affected by the profit on sale of properties of DKK 27 million and redundancy costs of DKK 33 million in the first quarter of 2014.

The development in the profit before tax is positively impacted by the efficiency enhancements carried out, which have led to reduced staff expenses and reduced depreciation, amortisation and write-downs.

On the other hand, the development is also affected by increased operating expenses, i.a. increased IT expenses and increased expenses for maintenance of buildings. Furthermore, additional financial expenses were payable in connection with early repayment of credit facilities and reduced profits in associated companies.

Interest-bearing liabilities were reduced by DKK 1,949 million and totalled DKK 8,638 million at 31 March 2015 (DKK 10,587 million). Compared with year-end 2014, interest-bearing liabilities were reduced by DKK 676 million in the first quarter of 2015. The reduc-

tion is primarily due to the positive development in cash flows, which made it possible to repay loans.

The financial ratios have improved. Gearing was 3.0 (3.5), return on invested capital after tax was 4.9 (4.5) and the solvency ratio was 29.0 at 31 March 2015 (26.1). The improvements are due to a combination of continued positive cash flows and a resulting reduction of liabilities.

DSB's balance sheet total stood at DKK 21,535 million at 31 March 2015, down DKK 1,372 million on DKK 22,907 million at 31 March 2014. This reduction is primarily attributable to a reduction of tangible assets. Liabilities were reduced through repayment of debt.

In the first quarter of 2015 DSB invested a total of DKK 196 million (DKK 219 million). The investments primarily comprise general inspections of long-distance and regional trains and S-trains as well as upgrading of IC4 and IC2 train sets.

Net turnover

Net turnover in the DSB Group totalled DKK 2,738 million for the first quarter of 2015 (DKK 2,744 million).

Passenger revenues totalled DKK 1,201 million (DKK 1,204 million). Behind this development is an increase in the number of journeys in Long-distance & Regional Trains, but the journeys were made using less expensive products. Furthermore, 2015 is affected by the discontinuance of night train services in the cooperation with Deutsche Bahn.

Revenue from transport contracts rose by DKK 13 million and totalled DKK 1,235 million in the first quarter of 2015 (DKK 1,222 million). The development is positively impacted by more IC4 train sets being placed in service in the first quarter of 2014, as well as increased compensation regarding leasing of double-decker coaches. On the other hand, the handing over of the traffic operated by DSB

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Småland to Veolia at 1 March 2014 contributed negatively to the development.

Sales from shops etc. fell by 4 percent compared with the first quarter of 2014 and totalled DKK 185 million (DKK 193 million). The development is affected by the phasing-out of the sales trolley in Long-distance & Regional Trains and the closing of Kort & Godt shops over the course of 2014.

Sales of repair and maintenance of rolling stock etc. amounted to DKK 57 million in the first quarter of 2015 (DKK 67 million).

Leasing of rolling stock totalled DKK 60 million (DKK 58 million). The activities cover leasing of Øresund train sets to the Danish Ministry of Transport, which in its capacity as transport authority makes them available to DSB Øresund for the operation of the Coastal Line and the Kastrup Line.

Work performed by the enterprise and capitalised fell by DKK 14 million and totalled DKK 143 million in the first quarter of 2015. The decline is i.a. due to fewer general inspections and the completion of the rebuilding of multi-purpose S-train coaches in 2014.

Other operating income amounted to DKK 93 million in the first quarter of 2015, corresponding to a decline of DKK 27 million, primarily due to the fact that no profits were realised on sale of real property in the first quarter of 2015.

Expenses

Expenses totalled DKK 2,251 million in the first quarter of 2015 (DKK 2,275 million).

Expenses for raw materials and consumables remain unchanged compared with the first quarter of 2014, totalling DKK 431 million. The development is affected by an increased consumption of spare parts and materials, which was offset by reduced cost of sales associated with the reduced turnover in shops.

Other external expenses increased by DKK 25 million to DKK 906 million (DKK 881 million). The increase is i.a. attributable to increased IT expenses and increased expenses in connection with maintenance of buildings.

Staff expenses fell by DKK 49 million in the first quarter of 2015 to DKK 914 million (DKK 963 million). This development is due to reduced staff expenses owing to the ongoing efficiency enhancements and reduced redundancy costs.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs fell by DKK 19 million and totalled DKK 465 million (DKK 484 million). The decline is primarily due to reduced depreciation and write-downs on buildings.

Net financials

In the first quarter of 2015 net financials represented an expense of DKK 127 million (DKK 118 million). Net financials are negatively impacted by costs in connection with early repayment of credit facilities and a reduced profit in associated companies.

Outlook

DSB is expecting to be facing substantial financial challenges in 2015 due to extensive track improvement work i.a. on Western Fünen, which will lead to loss of ticket revenue and increased expenses for replacement services. Overall, these challenges are expected to reduce DSB's profit by more than DKK 200 million compared with 2014.

In addition, Banedanmark has postponed the commencement of parts of the Signal Programme, which together with the expenses associated with the preparations for the acquisition of "Trains for the Future" will have a negative impact on earnings as well.

Against this background, DSB expects a modest profit before tax and non-recurring items.

Productivity

At 31 March 2015 DSB had 7,441 full-time employees, down 227 employees compared with 31 March 2014.

At 31 March 2015 the Danish activities were reduced by 245 employees compared with 31 March 2014. This development is a consequence of the implemented "Healthy DSB" programme.

Table 2: Number of full-time employees (31 March)

	Q1		Growth	
	2015	2014	Abs.	Pct.
Danish activities ¹⁾	7,150	7,395	-245	-3
Swedish activities	96	88	8	9
Other countries	195	185	10	5
Number of full-time employees at 31 March	7,441	7,668	-227	-3
Average number of full-time employees	7,409	7,726	-317	-4

¹⁾ Including Øresund.

On the Danish lines the first quarter of 2015 brought a positive development in the number of train kilometres per employee of 2 percent and in the number of train journeys per employee of 3 percent. At the same time, costs per train kilometre remain unchanged compared with the first quarter of 2014. The development is positively affected by the implemented efficiency enhancements of "Healthy DSB". Fewer train kilometres were travelled during the period, but using fewer resources, thus producing a positive development.

Adjusted for costs for redundancy costs in the first quarter of 2014, costs per train kilometre amount to DKK 125 in the first quarter of 2014 and DKK 127 in the first quarter of 2015. The increase is primarily due to increased IT expenses.

Several initiatives carried out in recent years have increased the degree of self-service – including the continued deployment of Rejsekort (Travel Card). In 2014 a total of 356,000 Rejsekort were issued, while 235,000

Rejsekort were already issued in the first quarter of 2015. This means that there was a total of 1.3 million Rejsekort at 31 March 2015.

Table 3: Productivity in the Danish train activities ¹⁾

	Q1		Growth	
	2015	2014	Abs.	Pct.
Number of train kilometres per employee	3,051	2,994	57	2
Number of train journeys per employee	9,660	9,378	282	3
Costs per train km (DKK)	127	127	0	0

¹⁾ Long-distance & Regional Trains, S-tog and Øresund. Comparative figures for Q1 2014 have been restated according to the policy applied in the Annual Report 2014.

Punctuality

Table 4: Punctuality and reliability

Percent	Q1		Growth	
	2015	2014	Abs.	Pct.
Punctuality ¹⁾				
Long-distance & Regional Trains	95.5	96.2	-0.7	-1
S-tog	97.6	96.6	1.0	1
Øresund	92.0	93.3	-1.3	-1
Reliability ²⁾				
Long-distance & Regional Trains	98.9	99.4	-0.5	-1
S-tog	97.9	97.4	0.5	1
Øresund	98.1	98.1	0	0

¹⁾ Punctuality is defined as the relative number of trains that arrived at the platform in accordance with the requirements appearing from the agreement with the Danish Ministry of Transport of a maximum delay of 5.59 minutes for Long-distance & Regional Trains and 2.29 minutes for S-trains and a maximum delay of 4.59 minutes for Øresund.

²⁾ Reliability is defined as the number of planned departures that were operated.

The punctuality in Long-distance & Regional Trains fell to 95.5 in the first quarter of 2015 from 96.2 last year (a historical high). The punctuality in S-tog rose by one percentage point to 97.6, compared with 96.6 in the same period of 2014. The punctuality in Øresund fell from 93.3 to 92.0 percent.

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The new transport contract includes the following punctuality targets, according to which DSB is to deliver the train service.

1. Customer punctuality
2. Operator punctuality – with a changed and more rigorous method of calculating the punctuality

The most important change in the method of calculation involves arrivals being regarded as punctual if the train arrives with a delay of less than 3 minutes, and that cancellations not communicated min. 72 hours before the planned departure are counted as a delay. The number of passengers on each departure is also taken into account in the Customer punctuality calculation.

Table 5: Responsibility for delays – distribution

Percent	Q1		Growth	
	2015	2014	Abs.	Pct.
Long-distance & Regional Trains – delays	4.5	3.8	0.7	18
DSB	33.5	30.7	2.8	9
Banedanmark	49.5	51.4	-1.9	-4
External conditions, including other operators	17.0	17.9	-0.9	-5
S-tog – delays	2.4	3.4	-1.0	-29
S-tog/DSB	26.2	22.5	3.7	16
Banedanmark	48.7	61.7	-13.0	-21
External conditions	25.1	15.8	9.3	59
Øresund – delays	8.0	6.7	1.3	19
DSB Øresund / DSB	21.3	18.7	2.6	14
Banedanmark	39.7	41.1	-1.4	-3
External conditions, including other operators	39.0	40.2	-1.2	-3

Customers

In the first quarter of 2015 customers made 46.6 million journeys with DSB in Denmark, compared with 46.7 million journeys in the first quarter of 2014.

Long-distance & Regional Trains had 12.8 million journeys in the first quarter of 2015,

which is 0.2 million more than in the same period of 2014. Compared with 2014, the number of journeys increased by 0.1 million on Zealand in the first quarter of 2015. The number also increased for Jutland and Funen and for journeys across the Great Belt.

In the first quarter of 2015 S-tog had 27.7 million journeys, corresponding to a decline of 1 percent. The decline is essentially due to the fact that Easter fell in the beginning of April in 2015, meaning fewer journeys on the last two days of March. Furthermore, the number of journeys was negatively affected by more track improvement work. Adjusted for these factors, S-tog experienced underlying growth of 1 percent.

In the first quarter of 2015 Øresund had 6.2 million journeys, representing an increase of 91,000 journeys (2 percent) compared with 2014.

Table 6: Number of journeys

1,000 journeys	Q1		Growth	
	2015	2014 ¹⁾	Abs.	Pct.
Long-distance & Regional Trains	12,823	12,634	189	1
East (Zealand)	6,095	5,995	100	2
West (Jutland and Funen)	4,407	4,362	45	1
East/West (across the Great Belt)	2,131	2,089	42	2
Other	190	188	2	1
Øresund (Coastal Line/ Kastrup Line)	6,155	6,064	91	2
S-tog	27,652	28,032	-380	-1
Total Denmark	46,630	46,730	-100	0
Total Sweden	1,024	1,221	-197	-16
Total Germany	1,072	1,062	10	1
Total number of customers	48,726	49,013	-287	-1

¹⁾ As a result of a change in the method of calculation and of the final calculation of journeys for 2014, the number of train journeys in 2014 has, compared with previously published figures, been increased by 0.2 million journeys in Long-distance & Regional Trains, by 0.1 million journeys in Øresund and by 0.1 million journeys in S-tog.

Rolling stock

Table 7: Kilometres travelled, by rolling stock class

Kilometres (1,000)	Q1		Growth	
	2015	2014	Abs.	Pct.
IC3 train sets	8,074	8,151	-77	-1
IC2 train sets	157	74	83	112
IC4 train sets	1,183	931	252	27
IR4 train sets	1,787	1,784	3	0
Double-decker coaches	4,111	5,212	-1,101	-21
MR train sets	752	898	-146	-16
Desiro train sets	772	722	50	7
Diesel locomotives – ME	971	1,198	-227	-19
S-trains	4,238	4,302	-64	-1

The above table shows a reduction in the number of kilometres travelled by the rolling stock classes double-decker coaches and ME diesel locomotives, but an increase in the number of kilometres travelled by the IC4 and IC2 train sets. The decline in the number of kilometres travelled by S-trains is primarily due to extensive track improvement work in the first quarter of 2015. The total number of kilometres travelled by the various rolling stock classes fell compared with the first quarter of 2014.

Table 8: Number of kilometres travelled between incidents¹⁾

Kilometres (1,000)	Q1		Growth	
	2015	2014	Abs.	Pct.
IC3 train sets	58.9	74.1	-15.2	-21
IC4 train sets ²⁾	8.5	7.6	0.9	12
IR4 train sets	29.8	27.9	1.9	7
Øresund train sets	21.3	40.4	-19.1	-47
MR train sets	25.1	18.0	7.1	39
Desiro train sets	48.3	18.1	30.2	167
Diesel locomotives – ME	37.3	33.3	4.0	12
S-tog	33.7	19.6	14.1	72

¹⁾ A technical incident regarding rolling stock which causes a delay of more than 5.59 minutes for Long-distance and Regional Trains, more than 2.29 minutes for S-tog and more than 4.59 minutes for Øresund.

Table 9: Number of kilometres travelled between breakdowns¹⁾

Kilometres (1,000)	Q1		Growth	
	2015	2014	Abs.	Pct.
IC3 train sets	807.4	582.2	225.2	39
IC4 train sets	84.5	103.4	-18.9	-18
IR4 train sets	357.4	178.4	179.0	100
Øresund train sets	238.1	198.5	39.6	20
MR train sets	107.4	81.6	25.8	32
Desiro train sets	192.9	144.4	48.5	34
Diesel locomotives – ME	80.8	299.6	-218.8	-73

¹⁾ A train/train set which due to a technical fault is cancelled while in operation and does consequently not carry out the planned service.

It appears from the above that the number of kilometres travelled between breakdowns for the IC4 train sets fell compared to the first quarter of 2014. If the development is regarded over an extended period from 2013 and onwards, the first quarter is an improvement compared with the average for both 2013 and 2014.

Segments

Long-distance & Regional Trains

In the first quarter of 2015 Long-distance & Regional Trains are positively affected by the efficiency enhancements and initiatives implemented via "Healthy DSB". In this connection, there are no redundancy costs in the first quarter of 2015 compared with the same period last year (DKK 33 million). Long-distance & Regional Trains transported 12.8 million passengers in the first quarter of 2015, 0.2 million more than in 2014.

The operating profit was DKK 74 million for 2015, up DKK 53 million. Adjusted for redundancy costs, the operating profit increased by DKK 20 million.

Passenger revenues fell by DKK 5 million to DKK 852 million (DKK 857 million) and are impacted by an increasing number of journeys being made by means of less expensive products. Also the discontinuance of night trains in

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the cooperation with Deutsche Bahn had a negative impact on passenger revenues.

Revenue from the transport contract concluded with the Danish state rose by DKK 33 million, primarily as a consequence of more IC4 and IC2 train sets being placed in service¹ and compensation for additional expenses for double-decker coaches.

Sales from shops etc. are DKK 0 million (DKK 3 million), due to the phasing-out of the sales trolley.

Total expenses are down by DKK 44 million to DKK 1,491 million. Adjusted for costs for redundancies, total expenses are down by DKK 11 million. The decline is primarily due to reduced energy expenses and less non-deductible VAT as 2014 included an adjustment regarding previous years. This reduction is partly offset by increased IT expenses.

The profit generated in Long-distance & Regional Trains before depreciation, amortisation and write-downs increased by DKK 57 million in the first quarter of 2015, or by DKK 24 million adjusted for costs for redundancies.

Depreciation, amortisation and write-downs increased by DKK 4 million, i.a. due to depreciation in connection with additional IC4 and IC2 train sets placed in service.

The total number of train kilometres was 9.6 million in the first quarter of 2015, 0.1 million km fewer train kilometres than in 2014.

Costs per train kilometre fell by 2 percent. Adjusted for costs for redundancies in 2014, costs per train kilometre are maintained at DKK 155.

Table 10: Long-distance & Regional Trains

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover	1,631	1,609	22	1
Passenger revenues	852	857	-5	-1
Revenue from transport contract	761	728	33	5
Sales from shops etc.	0	3	-3	-100
Repair and maintenance of rolling stock etc.	18	21	-3	-14
Other operating income and work performed by the enterprise and capitalised	193	202	-9	-4
Total revenue	1,824	1,811	13	1
Total expenses	1,491	1,535	-44	-3
Hereof redundancy costs	-	33	-33	-100
Profit/loss before depreciation, amortisation and write-downs	333	276	57	21
Depreciation, amortisation and write-downs	259	255	4	2
Operating profit/loss	74	21	53	252
Operating profit margin	20.4	17.2	3.2	19
Number of train journeys (million journeys)	12.8	12.6	0.2	2
Passenger revenues per train km (DKK)	89	89	0	0
Revenue from transport contract per train km (DKK)	79	75	4	5
Expenses per train km (DKK)	155	158	-3	-2
Number of train km (million km)	9.6	9.7	-0.1	-1

¹ The delay of the IC4 train sets entailed reduced depreciation etc. compared with the assumptions on which the transport contract concluded with the Danish state was based. Consequently, the

reduced depreciation etc. was offset by a reduction in the revenue from the transport contract received by DSB from the state. When an IC4 train set is placed in service, revenue from the transport contract is increased correspondingly.

S-tog

The operating profit rose by DKK 1 million and was DKK 166 million (DKK 165 million) in the first quarter of 2015.

Passenger revenues rose by 1 percent to DKK 349 million (DKK 347 million). The development is positively affected by the fare increase, but negatively affected by the decline in the number of travellers, i.a. due to the Easter falling in the beginning of April in 2015, meaning fewer travellers on the last two days of March.

Revenue from the transport contract was DKK 282 million in the first quarter of 2015 – up 1 percent compared with the same period in 2014 (DKK 280 million).

Total expenses increased by DKK 7 million and totalled DKK 342 million (DKK 335 million). The development is affected by increased expenses for replacement services.

Depreciation, amortisation and write-downs fell by DKK 2 million and totalled DKK 143 million (DKK 145 million).

Total production was 3.9 million train kilometres, which is 0.1 million train kilometres fewer than in the first quarter of 2014.

Table 11: S-tog

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover	631	627	4	1
Passenger revenues	349	347	2	1
Revenue from transport contract	282	280	2	1
Other operating income and work performed by the enterprise and capitalised	20	18	2	11
Total revenue	651	645	6	1
Total expenses	342	335	7	2
Profit/loss before depreciation, amortisation and write-downs	309	310	-1	0
Depreciation, amortisation and write-downs	143	145	-2	-1
Operating profit/loss	166	165	1	1
Operating profit margin	49.0	49.4	-0.4	-1
Number of train journeys (million journeys)	27.7	28.0	-0.3	-1
Passenger revenues per train km (DKK)	89	87	2	2
Revenue from transport contract per train km (DKK)	72	69	3	4
Costs per train km (DKK)	88	83	5	6
Number of train km (million km)	3.9	4.0	-0.1	-3

Øresund

DSB Øresund operates the Danish part of the Øresund traffic on the Coastal Line and the Kastrup Line. DSB Øresund A/S is owned by DSB (70 percent) and FirstGroup plc. (30 percent) through DSB Øresund Holding ApS.

The Øresund contract is a gross contract, meaning that passenger revenues are received by the Danish Ministry of Transport.

Revenue from the transport contract rose by DKK 1 million to DKK 116 million in the first quarter of 2015 (DKK 115 million).

The trains in the Danish as well as the Swedish part of the Øresund traffic are included in a pool. DSB Øresund A/S, with Vedligehold as a subcontractor, carry out the maintenance of

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all train sets in the pool. Sales of repair and maintenance of rolling stock fell by DKK 1 million to DKK 59 million in the first quarter of 2015 (DKK 60 million).

In the first quarter of 2015 DSB Øresund realised an operating loss of DKK 1 million.

Table 12: Øresund

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover	175	175	0	0
Revenue from transport contract	116	115	1	1
Repair and maintenance of rolling stock etc.	59	60	-1	-2
Other operating income and work performed by the enterprise and capitalised	8	7	1	14
Total revenue	183	182	1	1
Total expenses	184	182	2	1
Profit/loss before depreciation, amortisation and write-downs	-1	0	-1	-
Depreciation, amortisation and write-downs	-	-	-	-
Operating profit/loss	-1	0	-1	-
Operating profit margin	-0.6	0.0	-0.6	-

Vedligehold

The operating loss was DKK 2 million for the first quarter of 2015, compared with a profit of DKK 30 million in the same period of 2014.

The development is primarily due to fewer general inspections and the completion of tasks in connection with the rebuilding of multi-purpose areas in S-trains in 2014. Furthermore, expenses for repair and maintenance of i.a. IC3 trains, and to a lesser extent S-trains as well, contributed to the negative development.

Table 13: Vedligehold

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover: Sales of repair and maintenance of rolling stock etc.	485	494	-9	-2
Other operating income and work performed by the enterprise and capitalised	6	6	0	0
Total revenue	491	500	-9	-2
Total expenses	482	458	24	5
Profit/loss before depreciation, amortisation and write-downs	9	42	-33	-79
Depreciation, amortisation and write-downs	11	12	-1	-8
Operating profit/loss	-2	30	-32	-107
Operating profit margin	1.9	8.5	-6.6	-78

Kort & Godt

The operating profit fell by DKK 1 million to DKK 7 million in the first quarter of 2015.

Sales from shops etc. fell by 5 percent and amounted to DKK 214 million (DKK 225 million). The development is affected by the closing of shops and declining ticket sales due to increased use of self-service solutions.

The shops are an area that is constantly facing new challenges, i.a. as a consequence of the Danish Shops Act. The continued increasing use of self-service channels and the phasing-out of the clip card in the Greater Copenhagen area put the shop area under additional financial pressure.

Table 14: Kort & Godt

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover: Sales from shops etc.	214	225	-11	-5
Other operating income and work performed by the enterprise and capitalised	1	1	0	0
Total revenue	215	226	-11	-5
Total expenses	208	217	-9	-4
Profit/loss before depreciation, amortisation and write-downs	7	9	-2	-22
Depreciation, amortisation and write-downs	0	1	-1	-100
Operating profit/loss	7	8	-1	-13
Operating profit margin	3.3	4.0	-0.7	-18

Sweden

At 31 March 2015 DSB Sverige consisted only of Upptåget outside Stockholm. Krösatåget in the Jönköping area (DSB Småland) was handed over to Veolia on 1 March 2014.

The handing over of the traffic operated by DSB Småland has affected the development in revenue from transport contracts, which fell by DKK 23 million compared with the first quarter of 2014. Total expenses were also reduced by DKK 23 million.

The operating profit was DKK 2 million compared with DKK 4 million in the first quarter of 2014.

Table 15: Sweden

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover: Revenue from transport contracts	25	48	-23	-48
Other operating income and work performed by the enterprise and capitalised	1	4	-3	-75
Total revenue	26	52	-26	-50
Total expenses	24	47	-23	-49
Profit/loss before depreciation, amortisation and write-downs	2	5	-3	-60
Depreciation, amortisation and write-downs	0	1	-1	-100
Operating profit/loss	2	4	-2	-50
Operating profit margin	8.0	10.4	-2.4	-23

Germany

In the first quarter of 2015 DSB Tyskland realised a turnover of DKK 65 million and an operating profit of DKK 1 million.

Table 16: Germany

DKK million	Q1		Growth	
	2015	2014	Abs.	Pct.
Net turnover: Revenue from transport contracts	52	53	-1	-2
Other operating income and work performed by the enterprise and capitalised	13	12	1	8
Total revenue	65	65	0	0
Total expenses	64	63	1	2
Profit/loss before depreciation, amortisation and write-downs	1	2	-1	-50
Depreciation, amortisation and write-downs	0	1	-1	-100
Operating profit/loss	1	1	0	0
Operating profit margin	1.9	3.8	-1.9	-50

Accounting policies

The quarterly report of the Independent Public Corporation DSB was prepared in accordance with the provisions of the Danish Financial Statements Act for Class D companies and the Danish DSB Act.

The accounting policies are the same as applied in the Annual Report 2014.

Events after 31 March 2015

On 7 May the Danish parliamentary Finance Committee approved the economic framework in the political agreement on passenger traffic, which was signed between the government and the supporting parties, SF and Enhedslisten, on 10 March. The transport contract establishes the services to be provided by DSB in the next 10 years.

Further events have not occurred after 31 March 2015 which in the opinion of the management have a significant impact on the assessment of this quarterly report.

Other matters

As mentioned in DSB's Annual Report 2014, Stig Pastwa, acting CEO, left DSB at his own request at 1 May 2015. Flemming Jensen took up the position as CEO at 1 May 2015.

Management statement

Management statement

The Board of Directors and the Executive Board have today discussed and approved the First Quarter Report of DSB for the period 1 January 2015 – 31 March 2015.

The quarterly report, which has neither been audited nor reviewed by the Corporation's auditors, is presented in accordance with the Danish Financial Statements Act and the Danish DSB Act. We consider the accounting policies applied to be appropriate. Accordingly, the quarterly report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2015 and of the results of the Group's operations and cash flows for the period 1 January 2015 – 31 March 2015.

It is also our view that the quarterly report contains a well-founded assessment of the developments in the Group's activities and financial conditions, the profit for the period and the Group's financial position in general.

Taastrup, 12 May 2015

Flemming Jensen
CEO

Thomas Thellersen Børner
CFO

Board of Directors

Peter Schütze
Chairman

Annette Sadolin
Vice Chairman

Lars Andersen

Carsten Gerner

Helge Israelsen

Christina Grumstrup Sørensen

Andreas Hasle

Hans Christian Kirketerp-Møller

Preben Steenholdt Pedersen



Accounts

Profit and loss account			
Group	Q1		Full year
Amounts in DKK million	2015	2014	2014
Revenue			
Net turnover	2,738	2,744	11,391
Work performed by the enterprise and capitalised	143	157	589
Other operating income	93	120	792
Total revenue	2,974	3,021	12,772
Expenses			
Expenses for raw materials and consumables	431	431	1,765
Other external expenses	906	881	3,818
Staff expenses	914	963	3,740
Total expenses	2,251	2,275	9,323
Profit before depreciation, amortisation and write-downs	723	746	3,449
Depreciation, amortisation and write-downs	465	484	2,247
Operating profit	258	262	1,202
Net financials			
Profit/loss after tax in associated companies	-33	-16	-156
Financial income	2	4	18
Financial expenses	96	106	394
Net financials	-127	-118	-532
Profit before tax	131	144	670
Tax			
Tax on the profit for the period	-40	-43	-186
Adjustment of tax relating to previous years	-	-	-2
Total tax	-40	-43	-188
Profit for the period	91	101	482
The profit for the period is allocated as follows:			
DSB	91	102	502
Minority interests	0	-1	-20
Profit for the period	91	101	482

Balance sheet – assets

Group	Q1		Full year
Amounts in DKK million	2015	2014	2014
Intangible assets			
Acquired rights	2	11	2
Strategic development projects	0	146	0
Other development projects	307	382	335
Intangible assets in progress	80	64	81
Total intangible assets	389	603	418
Tangible assets			
Land and buildings	4,792	4,961	4,827
Rolling stock	12,712	13,572	12,911
Operating equipment, fixtures and fittings and other equipment	1,019	1,193	1,063
Tangible assets in progress and prepayments	273	208	231
Total tangible assets	18,796	19,934	19,032
Investments			
Investments in associated companies	0	67	0
Subordinate loan capital in associated companies	253	248	252
Other investments/interests	2	2	2
Other receivables	231	303	115
Total investments	486	620	369
Total non-current assets	19,671	21,157	19,819
Inventories	437	319	427
Domicile property – sold	-	154	-
Receivables			
Trade receivables	613	423	559
Other receivables	563	609	895
Prepayments	231	228	222
Total receivables	1,407	1,260	1,676
Cash at bank and in hand	20	17	27
Total current assets	1,864	1,750	2,130
Total assets	21,535	22,907	21,949

Balance sheet – equity and liabilities			
Group	Q1		Full year
Amounts in DKK million	2015	2014	2014
Equity			
Contributed capital	4,760	4,760	4,760
Net revaluation reserve according to the equity method	0	0	0
Retained earnings	1,481	1,230	1,541
Proposed dividend	-	-	-
Total equity	6,241	5,990	6,301
Minority interests	0	-1	0
Total equity and minority interests	6,241	5,989	6,301
Provisions			
Other provisions	136	182	147
Deferred tax liabilities	1,286	1,221	1,287
Total provisions	1,422	1,403	1,434
Non-current liabilities			
Long-term loans	6,718	7,541	6,867
Subordinate loan capital	7	7	7
Other non-current liabilities	1,333	1,283	1,349
Other liabilities	367	393	380
Total non-current liabilities	8,425	9,224	8,603
Current liabilities			
Current portion of non-current liabilities	1,448	1,414	1,440
Short-term loans	250	1,250	450
Credit institutions	293	311	249
Trade accounts payable	962	760	991
Corporation tax	32	5	33
Other liabilities	1,559	1,558	1,624
Prepayments	903	993	824
Total current assets	5,447	6,291	5,611
Total liabilities	13,872	15,515	14,214
Total equity and liabilities	21,535	22,907	21,949

Equity statement

Amounts in DKK million	Contributed capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total equity
Group					
Equity at 1 January 2014	4,760	0	1,157	0	5,917
Profit/loss for the period	-	0	101	-	101
Minority interests' share of profit for the year	-	-	1	-	1
Foreign currency translation adjustments re. Group companies	-	-	1	-	1
Value adjustment of hedging instruments, 1 January	-	-	371	-	371
Value adjustment of hedging instruments, 31 March	-	-	-401	-	-401
Equity at 31 March 2014	4,760	0	1,230	0	5,990
Profit/loss for the period	-	0	381	-	381
Minority interests' share of profit for the year	-	-	19	-	19
Foreign currency translation adjustments re. Group companies	-	-	-6	-	-6
Value adjustment of hedging instruments, 1 April	-	-	401	-	401
Value adjustment of hedging instruments, 31 December	-	-	-525	-	-525
Other changes in equity, tax	-	-	41	-	41
Equity at 31 December 2014	4,760	0	1,541	0	6,301
Profit/loss for the period	-	0	91	-	91
Minority interests' share of profit for the year	-	-	0	-	0
Foreign currency translation adjustments re. Group companies	-	-	3	-	3
Value adjustment of hedging instruments, 1 January	-	-	525	-	525
Value adjustment of hedging instruments, 31 March	-	-	-679	-	-679
Equity at 31 March 2015	4,760	0	1,481	0	6,241

Cash flow statement			
Group	Q1		Full year
Amounts in DKK million	2015	2014	2014
Operating profit/loss	258	262	1,202
Adjustment for non-cash operating items			
Depreciation, amortisation and write-downs	465	484	2,247
Change in other provisions, net	-11	29	-8
Other adjustments			
Gain and loss on sale and scrapping of intangible and tangible assets	-1	-26	-320
Net financials, paid	-41	-39	-379
Corporation tax, paid	-1	0	-19
Cash flow from operating activities before changes in working capital	669	710	2,723
Change in working capital			
Change in receivables	370	291	-141
Change in domicile property – sold	-	-	154
Change in inventories	-10	-21	-129
Change in trade payables and other liabilities etc.	-129	-326	-279
Change in total working capital	231	-56	-395
Total cash flow from operating activities	900	654	2,328
Cash flow from investing activities			
Acquisition of intangible and tangible assets, excl. capitalised interest	-196	-219	-948
Sale of intangible and tangible assets	-2	62	408
Contribution to associated company	-	-	-73
Total cash flow from investing activities	-198	-157	-613
Cash flow from financing activities			
Proceeds from raising long-term loans	-	-	897
Proceeds from raising short-term loans	-	950	1,450
Repayment of and payment of instalments on long-term loans	-8	-1,088	-2,351
Repayment of and payment of instalments on short-term loans	-745	-300	-1,600
Change in credit institutions	44	-68	-130
Invested hybrid capital from minority interests	-	-	22
Dividend paid to minority shareholder	-	-	-2
Total cash flow from financing activities	-709	-506	-1,714
Change in cash in bank and at hand	-7	-9	1
Cash at bank and in hand at 1 January	27	26	26
Cash at bank and in hand end of period	20	17	27

The cash flow statement cannot be derived directly from the profit and loss account and the balance sheet.

Segmental reporting – primary segment

Segmental disclosures are provided for business segments corresponding to the breakdown into major geographic and business entities. The segmental disclosures are in accordance with DSB's accounting policies, risks and internal management reporting.

In the DSB Group intercompany transactions have been eliminated.

Amounts in DKK million	Long-distance & Regional trains ¹⁾	S-tog	Øresund	Vedligehold ²⁾	Kort & Godt	Other incl. eliminations	Other countries ³⁾	DSB
Q1 2015								
Passenger revenues	852	349	-	-	-	-	-	1,201
Revenue from transport contracts	761	282	116	-	-	-1	77	1,235
Sales from shops etc.	0	-	-	-	214	-29	-	185
Sales of repair and maintenance of rolling stock etc.	18	-	59	485	-	-505	-	57
Leasing of rolling stock	-	-	-	-	-	60	-	60
Net turnover	1,631	631	175	485	214	-475	77	2,738
Other operating income and work performed by the enterprise	193	20	8	6	1	-6	14	236
Total revenue	1,824	651	183	491	215	-481	91	2,974
Total expenses	1,491	342	184	482	208	-544	88	2,251
Profit/loss before depreciation, amortisation and write-downs	333	309	-1	9	7	63	3	723
Depreciation, amortisation and write-downs	259	143	0	11	0	52	0	465
Operating profit/loss	74	166	-1	-2	7	11	3	258
Net financials	-70	-23	1	-1	-2	-32	0	-127
Profit/loss before tax	4	143	0	-3	5	-21	3	131
Q1 2014								
Passenger revenues	857	347	-	-	-	-	-	1,204
Revenue from transport contracts	728	280	115	-	-	-2	101	1,222
Sales from shops etc.	3	-	-	-	225	-35	-	193
Sales of repair and maintenance of rolling stock etc.	21	-	60	494	-	-508	-	67
Leasing of rolling stock	-	-	-	-	-	58	-	58
Net turnover	1,609	627	175	494	225	-487	101	2,744
Other operating income and work performed by the enterprise	202	18	7	6	1	27	16	277
Total revenue	1,811	645	182	500	226	-460	117	3,021
Total expenses	1,535	335	182	458	217	-562	110	2,275
Profit/loss before depreciation, amortisation and write-downs	276	310	0	42	9	102	7	746
Depreciation, amortisation and write-downs	255	145	0	12	1	69	2	484
Operating profit/loss	21	165	0	30	8	33	5	262
Net financials	-88	-29	0	0	-1	0	0	-118
Profit/loss before tax	-67	136	0	30	7	33	5	144

¹⁾ "Long-distance & Regional Trains" was changed to ensure a more correct reflection of the business area. The change which i.a. meant that leasing of rolling stock was moved to "Other, incl. eliminations", is affected by estimates.

²⁾ DSB has transferred the preparation activities to Vedligehold. As a consequence, the comparative figures have been restated.

³⁾ Includes activities in Sweden and Germany.

Profit per quarter					
Group	2014				2015
Amounts in DKK million	Q1	Q2	Q3	Q4	Q1
Passenger revenues	1,204	1,292	1,225	1,465	1,201
Revenue from transport contracts	1,222	1,216	1,217	1,239	1,235
Sales from shops etc.	193	220	202	199	185
Sales of repair and maintenance of rolling stock etc.	67	69	69	65	57
Leasing of rolling stock	58	56	56	57	60
Net turnover	2,744	2,853	2,769	3,025	2,738
Work performed by the enterprise and capitalised	157	139	122	171	143
Other operating income	120	237	247	188	93
Total revenue	3,021	3,229	3,138	3,384	2,974
Total expenses	2,275	2,287	2,337	2,424	2,251
Profit before depreciation, amortisation and write-downs	746	942	801	960	723
Depreciation, amortisation and write-downs	484	499	482	782	465
Operating profit/loss	262	443	319	178	258
Net financials	-118	-121	-129	-164	-127
Profit before tax	144	322	190	14	131
Profit for the period	101	240	135	6	91
Total equity	5,990	6,222	6,337	6,301	6,241
Operating profit margin (EBITDA margin)	27.2	33.0	28.9	31.7	26.4
Return on equity (ROE) p.a.	6.8	15.7	8.6	0.4	5.8
Return on invested capital after tax (ROIC after tax) p.a.	4.5	8.1	5.8	3.3	4.9

Financial calendar 2015

Expected publication of quarterly and interim reports:

Interim report 2015	21 August 2015
Third quarter 2015	3 November 2015

Publications

The First Quarter Report 2015 is available on www.dsb.dk

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Municipality of domicile

Høje-Taastrup

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