
A/S Storebælt

Interim report

For the period 1 January – 30 June 2015

The interim report comprises:

A/S Storebælt, CVR no. 10634970

RESUMÉ

Financial results (figures for the corresponding period in 2014 are given in parenthesis).

- Road revenue: DKK 1,395 million (DKK 1,340 million). Compared to 2014, road revenue from Storebælt increased by 4.1 per cent. The increase can primarily be explained by a 4.2 per cent growth in traffic.
- Revenue from the railway; DKK 296 million (DKK 394 million). The fall in revenue is due to the annual reduction of DKK 200 million (2014 price level) in the rail fee for Storebælt under the Danish government's growth package as adopted by the Danish parliament in 2014.
- Operating expenses: DKK 224 million (DKK 225 million).
- Depreciation: DKK 265 million (DKK 265 million).
- EBIT DKK 1,234 million (DKK 1,275 million).
- Interest expenses DKK 293 million (DKK 329 million).
- Value adjustments: income DKK 138 million (expense DKK 612 million). This includes the fair value adjustment of net financials at an income of DKK 147 million, which is an accounting item with no effect on the companies' debt reduction.
- The result before value adjustments and tax is a profit of DKK 941 million (profit DKK 946 million).
- Tax constitutes an expense of DKK 238 million (expense DKK 73 million). As regards the tax expense for the period, a tax income of DKK 16 million has been offset, which relates to a write-down of the Group's tax asset as a result of the reduction in the corporation tax rate.
- The result after tax is a profit of DKK 842 million (profit DKK 260 million).

Cash flow

- Cash flow from operating and investing activities (free cash flow) resulted in a net rise in liquidity of DKK 897 million. Cash flow from financing activities has resulted in a net fall in liquidity of DKK 1,310 million whereby A/S Storebælt's cash at bank and in hand for the period saw a net fall of DKK 413 million.

Outlook for 2015

- The outlook before financial value adjustments and tax is upgraded by DKK 110 million to approximately DKK 1,860 million.

COMPREHENSIVE INCOME STATEMENT

(DKK million)	1 January - 30 June 2015	1 January - 30 June 2014	1 April - 30 June 2015	1 April - 30 June 2014	2014
Revenue - road	1,394.6	1,339.8	767.5	740.4	2,784.9
Revenue - railway	296.2	393.5	148.1	196.7	787.0
Other income	31.7	31.9	14.5	12.9	62.5
Total income	1,722.5	1,765.2	930.1	950.0	3,634.4
Operating expenses	-223.8	-225.2	-125.0	-120.2	-459.9
Depreciation	-264.7	-265.4	-132.4	-132.8	-536.8
EBIT	1,234.0	1,274.6	672.7	697.0	2,637.7
Interest expenses	-292.8	-328.6	-255.8	-218.4	-580.7
Profit/loss before value adjustment	941.2	946.0	416.9	478.6	2,057.0
Value adjustments	138.2	-612.4	641.8	-387.9	-795.0
Profit/loss before tax	1,079.4	333.6	1,058.7	90.7	1,262.0
Tax	-237.5	-73.3	-232.9	-19.9	-326.3
Profit/loss after tax	841.9	260.3	825.8	70.8	935.7

ASSETS

(DKK million)	30 June 2015	31 December 2014	30 June 2014
Non-current assets			
<u>Fixed assets</u>			
Road link	14,298.0	14,387.1	14,464.2
Rail link	12,921.6	13,033.9	13,151.4
Port facilities	243.5	250.1	254.6
Wind turbine facilities	312.9	320.9	329.0
Road and rail links, ports and wind turbine facility, total	27,776.0	27,992.0	28,199.2
Other property, plant and equipment/intangible fixed assets	114.0	121.2	129.8
Total property, plant and equipment	27,890.0	28,113.2	28,329.0
Other non-current assets	311.6	549.1	320.1
Total non-current assets	28,201.6	28,662.3	28,649.1
Current assets			
Receivables	4,019.7	2,979.3	3,918.4
Cash at bank and in hand	0.0	1,145.8	0.0
Total current assets	4,019.7	4,125.1	3,918.4
Total assets	32,221.3	32,787.4	32,567.5

EQUITY AND LIABILITIES

Equity			
Share capital	355.0	355.0	355.0
Retained earnings at the beginning of the period	1,788.7	853.0	1,753.0
Profit/loss for the period	841.9	35.7	260.3
Proposed dividend	0.0	900.0	0.0
Dividend	-900.0	0.0	-900.0
Total equity	2,085.6	2,143.7	1,468.3
Liabilities			
Non-current liabilities	22,969.4	22,411.9	25,992.4
Current liabilities	7,166.3	8,231.8	5,106.8
Total liabilities	30,135.7	30,643.7	31,099.2
Total equity and liabilities	32,221.3	32,787.4	32,567.5

CASH FLOW STATEMENT

(DKK million)	1 January - 30 June 2015	1 January - 30 June 2014	2014
Cash flow from operating activities			
Profit/loss before net financials	1,234.0	1,274.6	2,637.7
Adjustment for non-cash items			
Amortisation, depreciation and impairment	264.7	265.4	536.8
Adjustment for other non-cash items	0.0	0.0	-481.5
Cash flow from operations (operating activity) before change in working capital	1,498.7	1,540.0	2,693.0
Change in working capital			
Receivables, prepayments and accrued income	-76.0	-207.7	363.8
Creditors and other liabilities	-484.6	-592.2	-69.6
Total cash flow from operating activities	938.1	740.1	2,987.2
Cash flow from investing activities			
Purchase of facility	-41.5	-72.7	-128.3
Total cash flow from investing activities	-41.5	-72.7	-128.3
Free cash flow	896.6	667.4	2,858.9
Cash flow from financing activities			
Raising of loans	904.9	2,732.5	2,732.5
Reduction of liabilities, net	-1,045.8	-2,779.3	-3,392.6
Interest paid	-270.1	-351.8	-722.3
Interest received	1.3	2.5	3.0
Paid dividend to shareholder	-900.0	-900.0	-900.0
Total cash flow from financing activities	-1,309.7	-1,296.1	-2,279.4
Change for the period in cash at bank and in hand	-413.1	-628.7	579.5
Cash at bank and in hand at the beginning of the period	212.8	566.3	566.3
Cash at bank and in hand at the end of the period	-200.3	-62.4	1,145.8
Cash at bank and in hand at the end of the period is composed as follows:			
Cash at bank and in hand	-200.3	-62.4	212.8
Securities and fixed term deposit accounts	0.0	0.0	933.0
Cash at bank and in hand at the end of the period	-200.3	-62.4	1,145.8

MAIN FIGURES

(DKK million)	1st half-year 2015	1st half-year 2014	Q2 2015	Q2 2014	2014
Net turnover	1,722.5	1,765.2	930.1	950.0	3,634.4
EBIT	1,234.0	1,274.6	672.7	697.0	2,637.7
Net financials before value adjustment	941.2	946.0	416.9	478.6	-580.7
Value adjustments net	138.2	-612.4	641.8	-387.9	-795.0
Profit/loss before tax	1,079.4	333.6	1,058.7	90.7	1,262.0
Total assets	32,221.3	32,567.5	32,221.3	32,567.5	32,787.4
Equity	2,085.6	1,468.3	2,085.6	1,468.3	2,143.7

FINANCIAL RATIOS

Per cent	1st half-year 2015	1st half-year 2014	Q2 2015	Q2 2014	2014
Profit ratio (EBIT)	71.6%	72.2%	72.3%	73.4%	72.6%
Rate of return (EBIT)	7.7%	7.8%	4.2%	4.3%	8.1%
Return on facility (EBIT)	8.9%	9.0%	4.8%	4.9%	9.4%

Developments over the period

EBIT shows a profit of DKK 1,234 million, which is DKK 41 million lower than the same period in 2014.

Revenue from the road link across Storebælt totals DKK 1,395 million and increased by DKK 55 million, corresponding to 4.1 per cent, compared to the same period in 2014. The increase can primarily be attributed to a rise in traffic of 4.2 per cent. To a lesser extent, it can also be attributed to the increase in toll charges with effect from 1 January 2015. Passenger car traffic increased by 4.4 per cent, lorry traffic by 1.5 per cent and coach traffic by 48.5 per cent. The increase in coach traffic is due to more scheduled services and the use of replacement buses across Funen in connection with track work on the rail line.

Revenue from the rail link fell from DKK 394 million for the same period in 2014 to DKK 296 million, which is related to the aforementioned reduction in the rail fee.

Operating expenses and depreciation are DKK 2 million net lower compared to the same period in 2014.

Interest expenses are DKK 293 million, which is DKK 36 million less than in 2014. The lower interest expenses are primarily related to the lower inflation during the period.

The result before value adjustments and tax for the period is a profit of DKK 941 million against a profit in 2014 of DKK 946 million.

Value adjustments of net financials constitute an income of DKK 138 million. For the same period in 2014, value adjustments amounted to an expense of DKK 612 million. The value adjustments include a positive fair value adjustment of DKK 147 million, which is an accounting item with no effect on the company's repayment capacity.

Tax for the period represents an expense of DKK 238 million. Of this, an income of DKK 16 million relates to an adjustment of the company's tax assets as a result of the reduction in the corporation tax rate.

The result after tax shows a profit of DKK 842 million against a profit of DKK 260 million for the same period in 2014. Compared to the same period in 2014, the result after tax is negatively affected by accounting adjustments of approx. DKK 570 million in the form of value adjustments of net financials.

Financing expenses excluding value adjustments total 2.37 per cent per annum against 2.59 per cent per annum for the same period last year. Including value adjustments, financing expenses total 1.78 per cent per annum against 5.15 per cent per annum for the same period in 2014.

In A/S Storebælt's Annual Report for 2014, it is proposed that dividend of DKK 900 million be paid to Sund & Bælt Holding A/S. This was subsequently adopted at the company's General Meeting on 16 April 2015.

On 28 April 2015, a majority in the Danish parliament adopted the bill for the Act concerning an amendment to the law on Sund & Bælt Holding A/S and the Corporation Tax Act.

With the Act amending the law on Sund and Bælt Holding A/S and the Corporation Tax Act, the special tax regulations, which currently affect Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg, are repealed. These special provisions deal

with loss carryforwards, depreciation rules and tax exemption on free transfer of loans between the companies. The repeal of the special rules means that all companies in the Group should follow the general tax rules from 1 January 2016. The rule change is not considered to have any particular financial impact on the Group companies.

Outlook for 2015

The outlook for the result before financial value adjustments and tax is upgraded by DKK 110 million to approximately DKK 1,860 million. This is primarily due to lower financial expenses resulting from a lower-than-expected inflation level.

Equity development

(DKK million)	1 January - 30 June 2015	1 January - 31 December 2014	1 January - 30 June 2014
Share capital	355.0	355.0	355.0
Equity at the beginning of the period	2,143.7	1,208.0	2,108.0
Profit/loss for the period	841.9	35.7	260.3
Proposed dividend	0.0	900.0	0.0
Paid dividend	-900.0	0.0	-900.0
Equity at the end of the period	2,085.6	2,143.7	1,468.3

Equity is positive at DKK 2.1 billion. Equity movements for the period relate in part to the result for the period 1 January to 30 June 2015 and in part to the dividend payment of DKK 900 million.

The repayment period for the company's debt is estimated at 31 years from the date of the opening of the Storebælt link, i.e. 2029.

At the end of June, A/S Storebælt's interest-bearing net debt was DKK 23.9 billion.

Future operating results are estimated on the basis of the fixed fee from Banedanmark for use of the rail link as determined by the Minister of Transport and on the basis of the company's road traffic forecasts.

It should be noted that under the terms of the Act on Sund & Bælt Holding A/S for the parent company, and including A/S Storebælt, the Danish government has extended separate guarantees for interest and repayments and other ongoing liabilities relating to the company's loans against payment of a guarantee commission of 0.15 per cent. Moreover, and without further notification of each individual case, the Danish State guarantees the company's other financial liabilities.

ACCOUNTING POLICIES

The interim report is presented in accordance with IAS 34 provisions. The accounting policies conform to those used in the 2014 Annual Report.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date that could affect these accounts.

OWNERSHIP: A/S STOREBÆLT

The entire share capital of A/S Storebælt is held by Sund & Bælt Holding A/S, which is owned by the Danish state.

AUDITOR'S STATEMENT

No audit or review of the interim report has been carried out.

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT BOARD

The Board of Directors and Management Board of A/S Storebælt have today discussed and approved the interim report for the period 1 January to 30 June 2015.

The interim report, which has not been audited by the companies' auditors, has been prepared in accordance with IAS 34 "Presentation of Interim Reports" as approved by the EU and additional Danish disclosure requirements for interim reports for companies with publicly traded debt instruments.

It is our view that the interim report provides a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and the results of the Group's activities and cash flow for the period 1 January – 30 June 2015.

It is our view the Management Report contains a true and fair view of developments in the Group's activities and financial position, the results for the period and the Group's financial position as a whole and a description of the key risks and uncertainties facing the Group.

Copenhagen, 27 August 2015

Management Board

Leo Larsen, CEO

Board of Directors

Henning Kruse Petersen, Chairman

Carsten Koch, Vice-Chairman

Pernille Sams

Mette Boye

Walter Christophersen

Claus Jensen

APPENDIX 1

FINANCIAL RATIOS

The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2015".

The financial ratios given in the main figures and financial ratios summary have been calculated as follows:

Profit ratio: EBIT less other income in percentage of turnover.

Rate of return: EBIT less other income in percentage of total assets.

Return on facilities: EBIT less other income in percentage of investment in road and rail links.