
A/S Øresund

Interim report

for the period 1 January – 30 June 2015

The interim report comprises:

A/S Øresund CVR no. 15807830

RESUMÉ

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

- Revenue from the railway DKK 53 million (DKK 53 million).
- Operating expenses DKK 14 million (DKK 13 million).
- Depreciation DKK 41 million (DKK 40 million).
- EBIT DKK 0.5 million (DKK 0.6 million).
- Interest expenses DKK 144 million (DKK 121 million).
- Value adjustments: income DKK 426 million (expense DKK 480 million). This includes the fair value adjustment of net financials at an income of DKK 430 million, which is an accounting item with no effect on the companies' debt reduction.
- The share from Øresundsbro Konsortiet I/S' result is an income of DKK 245 million (expense DKK 78 million). Øresundsbro Konsortiet I/S' result is affected by a rise in road revenues of 2.5 per cent, which can primarily be explained by a growth in lorry traffic of 6.6 per cent. In addition, the result is affected by lower interest expenses as well as positive value adjustments of DKK 97 million (negative DKK 491 million), of which half is included in the Group's share of the results.
- The result before value adjustments and tax is a profit of DKK 53 million, including the share of the result in Øresundsbro Konsortiet I/S of DKK 197 million.
- Tax constitutes an expense of DKK 116 million (income DKK 149 million). As regards the tax expense for the period, a tax income of DKK 8 million has been offset, which relates to a write-down of the company's tax asset as a result of the reduction in the corporation tax rate.
- The result after tax is a profit of DKK 412 million (loss DKK 530 million).

Cash flow

- Cash flow from operating and investing activities (free cash flow) resulted in a net fall in liquidity of DKK 50 million. Cash flow from financing activities has resulted in a net rise in liquidity of DKK 442 million whereby the Group's cash at bank and in hand for the period saw a net rise of DKK 392 million.

Outlook for 2015

- The outlook before financial value adjustments and tax is upgraded by approximately DKK 40 million to approximately DKK 100 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 - railway	53.1	52.6	26.6	26.3	105.2
Other income	1.9	1.0	0.0	0.5	2.1
Total income	55.0	53.6	26.6	26.8	107.3
Operating expenses	-14.0	-12.7	-8.4	-4.6	-26.1
Depreciation	-40.5	-40.3	-20.2	-20.1	-80.7
EBIT	0.5	0.6	-2.0	2.1	0.5
Interest expenses	-144.0	-120.5	-104.7	-73.2	-224.6
Profit/loss before value adjustment	-143.5	-119.9	-106.7	-71.1	-224.1
Value adjustments	425.8	-480.2	1,019.6	-241.2	-903.8
Profit/loss before inclusion of share of result in affiliated company	282.3	-600.1	912.9	-312.3	-1,127.9
Share of results in jointly managed company	245.3	-78.2	400.3	-45.6	55.8
Profit/loss before tax	527.6	-678.3	1,313.2	-357.9	-1,072.1
Tax	-116.1	148.8	-288.9	86.4	276.7
Profit/loss after tax	411.5	-529.5	1,024.3	-271.5	-795.4

ASSETS

(DKK million)	30 June 2015	31 December 2014	30 June 2014
Non-current assets			
<u>Fixed assets</u>			
Road and rail link	5,842.8	5,883.2	5,921.9
Other property, plant and equipment	0.2	0.0	0.0
Total property, plant and equipment	5,843.0	5,883.2	5,921.9
Other non-current assets	753.4	869.4	1,149.5
Total non-current assets	6,596.4	6,752.6	7,071.4
Current assets			
Receivables	2,415.9	2,216.2	1,460.7
Cash at bank and in hand	317.4	0.0	84.8
Total current assets	2,733.3	2,216.2	1,545.5
Total assets	9,329.7	8,968.8	8,616.9

EQUITY AND LIABILITIES

Equity			
Share capital	5.0	5.0	5.0
Retained earnings at the beginning of the period	-6,896.5	-6,101.1	-6,101.1
Profit/loss for the period	411.5	-795.4	-529.5
Total equity	-6,480.0	-6,891.5	-6,625.6
Liabilities			
Non-current liabilities	12,454.8	12,482.0	13,518.2
Current liabilities	3,354.9	3,378.3	1,724.3
Total liabilities	15,809.7	15,860.3	15,242.5
Total equity and liabilities	9,329.7	8,968.8	8,616.9

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	0.5	0.6	0.5
Adjustment for non-cash items			
Amortisation, depreciation and impairment	40.5	40.3	80.7
Adjustment for other non-cash items	0.0	0.0	407.5
Cash flow from operations (operating activity) before change in working capital	41.0	40.9	488.7
Change in working capital			
Receivables, prepayments and accrued income	-56.2	464.3	-239.5
Creditors and other liabilities	-34.5	-15.3	-4.2
Total cash flow from operating activities	-49.7	489.9	245.0
Cash flow from investing activities			
Purchase of facility	-0.2	-0.8	-2.5
Total cash flow from investing activities	-0.2	-0.8	-2.5
Free cash flow	-49.9	489.1	242.5
Cash flow from financing activities			
Raising of loans	525.2	300.0	620.9
Reduction of liabilities, net	-8.3	-1,178.4	-1,188.4
Interest paid	-74.9	-68.8	-292.6
Interest received	0.0	0.1	0.1
Total cash from financing activities	442.0	-947.1	-860.0
Change for the period in cash at bank and in hand	392.1	-458.0	-617.5
Cash at bank and in hand at the beginning of the period	-74.7	542.8	542.8
Cash at bank and in hand at the end of the period	317.4	84.8	-74.7
Cash at bank and in hand at the end of the period is composed as follows:			
Cash at bank and in hand	317.4	84.8	-74.7
Cash at bank and in hand at the end of the period	317.4	84.8	-74.7

MAIN FIGURES

(DKK million)	1st half-year 2015	1st half-year 2014	Q2 2015	Q2 2014	2014
Net turnover	55.0	53.6	26.6	26.8	107.3
EBIT	0.5	0.6	-2.0	2.1	0.5
Net financials before value adjustment	-143.5	-119.9	-106.7	-71.1	-224.1
Value adjustments, net	425.8	-480.2	1,019.6	-241.2	-903.8
Profit/loss from jointly managed company (Øresundsbro Konsortiet I/S)	245.3	-78.2	400.3	-45.6	55.8
Profit/loss before tax	527.6	-678.3	1,313.2	-357.9	-1,072.1
Total assets	9,329.7	8,616.9	9,329.7	8,616.9	8,968.8
Equity	-6,480.0	-6,625.6	-6,480.0	-6,625.6	-6,891.5

FINANCIAL RATIOS

Per cent	1st half-year 2015	1st half-year 2014	Q2 2015	Q2 2014	2014
Profit ratio (EBIT)	1.0%	1.1%	-7.6%	7.8%	0.9%
Rate of return (EBIT)	0.0%	0.0%	0.0%	0.0%	0.0%
Return on facility (EBIT)	0.0%	0.0%	-0.1%	0.1%	0.0%

Developments over the period

EBIT shows a profit of DKK 0.5 million against a profit of DKK 0.6 million for the same period in 2014.

Interest expenses amount to DKK 144 million and are DKK 24 million higher than in 2014. The higher interest expenses are due to a restructuring of the inflation-indexed portion of the company's debt whereby the duration has also been extended

The result before value adjustments, the share of the results in the jointly managed company and tax is a loss of DKK 144 million against a loss in 2014 of DKK 120 million.

The value adjustments of the company's debt amount to an income of DKK 426 million. For the same period in 2014, value adjustments constituted an expense of DKK 480 million. The value adjustments include the fair value adjustments of DKK 430 million, which is an accounting item with no effect on the company's repayment ability.

50 per cent of Øresundsbro Konsortiet I/S' result, equating to an income of DKK 245 million, is included in the income statement. Øresundsbro Konsortiet I/S' result amounts to a profit of DKK 491 million against a loss for the equivalent period in 2014 of DKK 156 million. The value adjustment of net financials amounts to an income of DKK 97 million against an expense of DKK 491 million for the same period in 2014.

Road traffic on the Øresund Bridge saw an overall increase of 0.3 per cent compared to the same period in 2014. The number of passenger cars increased by 0.1 per cent, the number of lorries increased by 6.6 per cent whilst the number of coaches declined by 25.7 per cent. The figure is obscured, however, by the train strike in June 2014, which affected the year's traffic figures. If the traffic figures are adjusted for the effects of the train strike, coach traffic increased by 10 per cent, passenger cars by 3.2 per cent and BroPas customers by 6.0 per cent. Lorry traffic was not affected by the train strike.

Tax represents a net expense of DKK 116 million, where DKK 8 million relating to an adjustment of the company's tax assets as a result of the reduction in the corporation tax rate has been offset.

A/S Øresund's result after tax shows a profit of DKK 412 million. The result for the same period in 2014 was a loss of DKK 530 million. Compared to the same period in 2014, the result after tax is negatively affected by accounting adjustments of approx. DKK 910 million in the form of value adjustments of net financials (including value adjustments for Øresundsbro Konsortiet).

Financing expenses, excluding value adjustments, total 2.73 per cent per annum for A/S Øresund against 2.15 per cent per annum for the same period last year and 2.23 per cent per annum for Øresundsbro Konsortiet I/S against 2.54 per cent per annum for the same period in 2014. Including value adjustments, financing expenses amount to -1.52 per cent per annum for A/S Øresund (6.68 per cent in 2014) and 1.58 per cent per annum (5.56 per cent in 2014) for Øresundsbro Konsortiet I/S.

On 28 April 2015, a majority in the Danish parliament adopted the bill for the Act amending the law on Sund and 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.

As reported in the Annual Report for 2014, Scandlines Øresund et al. have brought the European Commission's decision concerning Danish state aid for Øresundsbro Konsortiet I/S before the EU Court of First Instance. The case also covers the taxation rules to which the Sund & Bælt Group is subject.

On 12 May, a majority in the Danish parliament adopted the bill for the Railway Act whereby responsibility for maintenance and reinvestments on the Øresund line is expected to be transferred from Banedanmark to A/S Øresund with effect from 1 September 2015.

Outlook for 2015

The result before financial value adjustments and tax is upgraded by approximately DKK 40 million to approximately DKK 100 million. This is primarily due to lower financing 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	5.0	5.0	5.0
Equity at the beginning of the period	-6,891.5	-6,096.1	-6,096.1
Profit/loss for the period	411.5	-795.4	-529.5
Equity at the end of the period	-6,480.0	-6,891.5	-6,625.6

At the end of June, equity was negative at DKK 6.5 billion. Equity movements for the period solely comprise the results for the period 1 January to 30 June 2015.

As stated in the Annual Report for 2014, it is expected that equity will be re-established within a time frame of 21-23 years calculated from the end of 2014.

The repayment periods for Øresundsbro Konsortiet I/S' and A/S Øresund's debts are expected to be 33 and 45 years from the opening, i.e. 2033 and 2043.

At the end of June, A/S Øresund's interest-bearing net debt was DKK 10.8 billion.

Future operating results are estimated on the basis of the fixed fee from Banedanmark for use of the rail links as determined by the Minister of Transport and the road traffic forecasts for Øresundsbro Konsortiet I/S.

It should be noted that under the terms of the Act on Sund & Bælt Holding A/S for the parent company and the subsidiaries A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg, the Danish state has extended separate guarantees for interest and repayments and other ongoing liabilities relating to the companies' 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. Øresundsbro Konsortiet I/S's debts are guaranteed jointly and severally by the Danish and Swedish States.

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 ØRESUND

The entire share capital of A/S Øresund 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 Øresund 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 that 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.