

INTERIM REPORT Q2 2016

**EBITDA UP BY 27%**  
TO DKK 699M IN Q2

**CONTINUED STRONG  
GROWTH IN  
FREIGHT VOLUMES**

**NEW SHARE  
BUYBACK OF  
DKK 350M**

**DIVIDEND RAISED  
TO DKK 3.00 PER  
SHARE FROM DKK  
2.00**

# DFDS RAISES OUTLOOK AFTER STRONG Q2



## Q2 2016

- 7% revenue growth, adjusted
- Freight volumes boosted by 63% higher volumes in Channel
- Profit before tax and special items increased by 39% to DKK 443m
- ROIC before special items increased to 16.4%

## OUTLOOK 2016

- Revenue growth outlook of 6% unchanged
- EBITDA outlook further raised to DKK 2.45-2.60bn (DKK 2.30-2.50bn)
- New buyback and higher dividend increases capital distribution to DKK 1.25bn

“We are pleased to deliver strong numbers again in Q2. We continued to benefit from the moderate growth in most parts of Europe and our ongoing improvement and efficiency projects. Brexit has so far not materially impacted volumes while the depreciation of the British pound gives some headwind on results ”

**Niels Smedegaard, CEO**

Revenue increased by 7% in Q2 excluding revenue from bunker surcharges while reported revenue increased by 4% to DKK 3.6bn.

EBITDA before special items increased by 27% to DKK 699m following higher earnings in both the Shipping and Logistics divisions.

The route network carried 33% more freight volumes and 14% more passengers in Q2. The expanded ferry capacity in the Channel business unit supported 63% higher freight volumes and 23% more passengers. Freight volumes were up by 9% in all other parts of the network while passenger volumes were 3% lower to a large extent due to Easter falling in Q1 in 2016 compared to Q2 in 2015.

The Logistics Division achieved strong earnings growth through higher volumes and efficiency in both trailer operations and contract logistics.

A new share buyback of DKK 350m is launched today. In addition, the planned extraordinary dividend of DKK 2.00 per share to be paid in August has been raised by the Board of Directors to DKK 3.00 per share.

### Outlook 2016

The full-year outlook range for 2016 has been raised following Q2 earnings above expectations and continued positive market trends on many routes in the network and several logistics markets.

The Group's EBITDA before special items is now expected to increase to a range of DKK 2,450-2,600m compared to a range of DKK 2,300-2,500m previously (2015: DKK 2,041m). Full-year EBITDA currency impact is expected to be around DKK -75m.

The Group's revenue is despite some headwind on currencies still expected to increase by around 6%, excluding revenue from bunker surcharges.

### KEY FIGURES

DKK m	Q2	Q2		LTM	LTM		FY
Before special items	2016	2015	Δ %	2015-16	2014-15	Δ %	2015
Revenue	3,553	3,432	4%	13,757	12,983	6%	13,473
<b>EBITDA</b>	<b>699</b>	<b>551</b>	<b>27%</b>	<b>2,365</b>	<b>1,719</b>	<b>38%</b>	<b>2,041</b>
EBIT	454	346	31%	1,461	909	61%	1,199
Profit before tax	443	319	39%	1,373	756	82%	1,079

### DFDS A/S

Sundkrogsgade 11  
DK-2100 Copenhagen Ø  
CVR 14 19 47 11

www.dfdsgroup.com

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### CONTACT

Niels Smedegaard, CEO  
+45 33 42 34 00

Torben Carlsen, CFO  
+45 33 42 32 01

Søren Brøndholt Nielsen, IR  
+45 33 42 33 59

Gert Jakobsen, Communications  
+45 33 42 32 97

### CONFERENCE CALL

#### TODAY AT 10.30 AM. CET

Phone numbers to the call:  
DK +45 70223500  
US +1 646 722 4972  
UK +44 20 75721187

Access code: 21271958#

### DISCLAIMER

The statements about the future in this announcement contain risks and uncertainties and actual developments may therefore diverge significantly from the statements about the future.

# DFDS GROUP KEY FIGURES

	2016	2015	2016	2015	2015-	2015		2016	2015	2016	2015	2015-	2015
DKK m	Q2	Q2	H1	H1	2016	2015	DKK m	Q2	Q2	H1	H1	2016	2015
					LTM	Full year						LTM	Full year
<b>Income statement</b>							<b>Cash flows</b>						
Revenue	3,553	3,432	6,641	6,358	13,757	13,473	Cash flows from operating activities, before financial items and after tax	735	618	1,189	816	2,580	2,207
• Shipping Division	2,440	2,316	4,460	4,210	9,321	9,071	Cash flows from investing activities	-405	-62	-755	-166	-1,159	-571
• Logistics Division	1,268	1,283	2,488	2,458	5,063	5,034	• Acquisition of enterprises and activities	0	2	0	-7	0	-7
• Non-allocated items	86	79	172	156	329	312	• Other investments, net	-405	-64	-755	-160	-1,159	-564
• Eliminations	-241	-246	-479	-466	-956	-943	Free cash flow	329	556	434	649	1,421	1,637
Operating profit before depreciation (EBITDA) and special items	699	551	1,104	779	2,365	2,041	<b>Key operating and return ratios</b>						
• Shipping Division	650	517	1,017	706	2,217	1,906	Number of ships	-	-	55	53	-	54
• Logistics Division	69	58	123	110	247	234	Revenue growth, %	3.5	3.8	4.5	3.3	2.1	5.4
• Non-allocated items	-20	-24	-36	-36	-99	-99	EBITDA-margin, %	19.7	16.1	16.6	12.3	17.2	15.1
Profit/loss on disposal of non-current assets, net	3	0	4	1	8	5	Operating margin, %	12.8	10.1	9.6	5.9	10.6	8.9
Operating profit (EBIT) before special items	454	346	635	373	1,461	1,199	Revenue, invested capital average, (times)	-	-	-	-	1.6	1.6
Special items, net	-7	-11	-7	-13	-29	-36	Return on invested capital (ROIC), %	-	-	-	-	16.0	13.3
Operating profit (EBIT)	447	335	628	360	1,432	1,164	ROIC before special items, %	-	-	-	-	16.4	13.7
Financial items, net	-11	-26	-34	-67	-88	-121	Return on equity, %	-	-	-	-	21.7	16.1
Profit before tax	436	308	594	292	1,344	1,043	<b>Key capital and per share ratios</b>						
Profit for the period	424	262	567	235	1,344	1,011	Equity ratio, %	-	-	49.6	49.1	-	51.6
Profit for the period excluding non-controlling interest	423	262	567	235	1,343	1,011	Net interest bearing debt/EBITDA, (times)	-	-	-	-	1.2	0.9
<b>Capital</b>							Earnings per share (EPS), DKK	7.27	4.34	9.66	3.89	22.68	16.84
Total assets	-	-	12,772	12,544	-	12,646	Dividend paid per share, DKK	3.00	-	3.00	3.60	4.80	5.40
DFDS A/S' share of equity	-	-	6,287	6,106	-	6,480	Number of shares, end of period, '000	-	-	60,000	63,250	-	61,500
Equity	-	-	6,335	6,156	-	6,530	Weighted average number of circulating shares, '000	-	-	58,705	60,412	-	60,067
Net interest bearing debt	-	-	2,932	2,219	-	1,773	Share price, DKK	-	-	293.1	185.2	-	267.0
Invested capital, end of period	-	-	9,348	8,454	-	8,363	Market value	-	-	17,024	11,147	-	15,840
Invested capital, average	9,215	8,564	8,931	8,587	8,760	8,535	Definitions on page 25.						
Average number of employees	-	-	6,915	6,471	6,838	6,616							

## MARKET OVERVIEW AND OUTLOOK

In Q2, moderate economic growth continued in most of DFDS' European markets.

A key event in Q2 was the UK Brexit referendum. The main immediate consequence of the UK's vote to leave the EU was a depreciation of the British pound by around 10%. The UK government has announced that they plan to invoke Article 50 of the Lisbon Treaty to leave the EU in 2017. Negotiations between the EU and the UK on the terms of leaving are henceforth expected to last for around two years during which period the terms governing trade between the UK and the EU are set to remain unchanged.

The depreciation of the British pound is expected to support the growth of UK exports and vice versa for UK imports. As the UK is a net-importer, this could improve the balance of goods being traded benefitting forwarders and carriers, including route operators. On the other hand, an overall fall in the volume of trading would lower revenues and the capacity utilisation of the transport industry.

Freight volumes between the UK and the Continent continued to grow during the quarter, including strong growth on the Dover Strait in the Channel. Volumes between Scandinavia and the Continent also increased somewhat during the quarter while volume growth between Sweden/Norway and the UK remained subdued.

Passenger volumes in Q2 were, compared to 2015, negatively impacted by the early

Easter in 2016. Moreover, markets were subdued by uncertainty derived from terror-related incidents.

## IMPORTANT EVENTS IN Q2

### 50% more ferry capacity on Channel

The number of sailings increased by 50% in the Channel business unit in Q2 compared to Q2 2015 following the deployment of two chartered Channel ferries on the Dover-Calais route in Q1 2016. DFDS now operates a total of six ferries out of Dover to Calais and Dunkirk respectively, with three ferries on each route.

### Route network capacity boosted by two chartered new buildings

To accommodate the increasing freight volumes of customers in DFDS' route network, DFDS entered on 18 May 2016 into an agreement with the Siem Group to bare-boat-charter two ro-ro freight new buildings for a five-year period. As part of the agreement, DFDS holds options to purchase the ships.

The two ships will be built by Flensburger Schiffbau-Gesellschaft that has previously delivered six ro-ro freight ships to DFDS. Delivery is expected in May and September 2017 respectively. The freight capacity of each ship is 4,076 lane metres, equal to around 260 trailers.

Both new buildings are planned to be deployed in DFDS' route network on the North Sea. The ships will add around 20% to ca-

## REVENUE

DKK m	Q2 2016	Q2 2015	Change, %	Change
Shipping Division	2,440	2,316	5.3	124
Logistics Division	1,268	1,283	-1.2	-16
Non-allocated items	86	79	9.5	7
Eliminations	-241	-246	2.2	5
<b>DFDS Group</b>	<b>3,553</b>	<b>3,432</b>	<b>3.5</b>	<b>121</b>

## OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) & SPECIAL ITEMS

DKK m	Q2 2016	Q2 2015	Change, %	Change
Shipping Division	650	517	25.8	133
Logistics Division	69	58	18.1	11
Non-allocated items	-20	-24	16.7	4
<b>DFDS Group</b>	<b>699</b>	<b>551</b>	<b>26.8</b>	<b>148</b>
EBITDA-margin, %	19.7	16.1	n.a.	3.6

capacity compared to the ships they are expected to replace. In addition to the extra capacity, the ships comply with the latest environmental design requirements and as such are more fuel efficient and require less handling when loading and unloading in port.

## IMPORTANT EVENTS AFTER Q2

### Distribution to shareholders: Dividends

On 31 March 2016, the annual general meeting (AGM) authorised the Board of Directors to distribute extraordinary dividends. The planned extraordinary dividend of DKK 2.00 per share has now been raised by the Board of Directors to DKK 3.00 per

share. The dividend is expected to be paid on 23 August 2016.

The total dividend payment in 2016 is now expected to amount to around DKK 350m compared to previously DKK 290m (2015: DKK 326m).

### Distribution to shareholders: New share buyback

On 18 August 2016, a new share buyback of DKK 350m was announced to align DFDS' capital structure to the targeted leverage. The new buyback will start on 18 August 2016 and is expected to be completed on 6 February 2017 at the latest. Buybacks are

now expected to total DKK 900m in 2016 (2015: DKK 401m).

Including share buybacks and dividends, the total distribution to shareholders is now expected to amount to around DKK 1.25bn in 2016.

## FINANCIAL PERFORMANCE

### Revenue

The Group's revenue in Q2 was DKK 3,553m, an increase of 3.5% compared to 2015. Revenue increased by 7.2% excluding bunker surcharges.

The Shipping Division's Q2 revenue of DKK 2,440m increased by 5.3% and by 11.3% excluding bunker surcharges. The growth was driven by 32.9% higher freight volumes and 14.3% more passengers as well as higher average unit revenues. Adjusted for Channel, where capacity was significantly increased in Q2, volume growth was 8.5% and -2.6% for freight and passengers respectively. The decrease in the number of passengers was to a large extent due to Easter falling in Q1 in 2016 compared to Q2 in 2015.

The Logistics Division's Q2 revenue of DKK 1,268m decreased by 1.2% as the addition of major new logistics contracts in Sweden, England and Germany, as well as revenue growth for a number of traffics in Nordic and Continent, was offset by reduced fuel surcharges, depreciation of the British pound as well as lower temperature controlled and steel volumes in the UK.

### Operating profit before depreciation (EBITDA) and special items

The Group's EBITDA increased by 27% to DKK 699m in Q2 primarily driven by higher earnings in the Shipping Division.

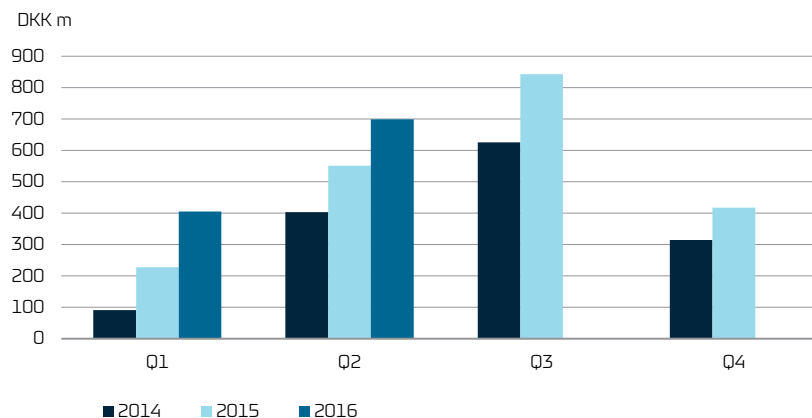
The Shipping Division's Q2 EBITDA increased by 26% to DKK 650m. The key driver of the increase was a significant improvement of Channel's result following high volume growth supported by the expansion of ferry capacity in the business unit. EBITDA also increased in Baltic Sea and North Sea driven mainly by volume growth likewise supported by expanded capacity. Passenger's result in Q2 decreased compared to 2015 on account of mainly the early Easter in Q1 2016.

The Logistics Division's Q2 EBITDA increased by 18% to DKK 69m following improved results for the Nordic and Continent business units while UK & Ireland's result was decreased by lower temperature controlled and steel volumes as well as the depreciation of the British pound.

### Depreciation and operating profit (EBIT) before special items

Depreciation in Q2 increased by DKK 47m or 23% to DKK 248m. The increase includes a one-off catch-up depreciation of DKK 18m related to a reclassification of a ship from assets held for sale. The remaining increase was primarily related to higher ship depreciations, including depreciations related to the addition of two ferries on Dover-Calais, and a full-year impact of scrubber installations completed in 2015.

### DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



### ASSOCIATES AND JOINT VENTURES, PROFITS ON DISPOSALS AND DEPRECIATION

DKK m	Q2 2016	Q2 2015	Change, %	Change
EBITDA before special items	699	551	26.8	148
Associates and joint ventures	0	-5	n.a.	5
Profit on disposals	3	0	n.a.	3
Depreciation	-248	-201	-23.2	-47
<b>EBIT before special items</b>	<b>454</b>	<b>346</b>	<b>31.3</b>	<b>108</b>

### FINANCE, NET

DKK m	Q2 2016	Q2 2015	Change, %	Change
Interest, net	-17	-21	21.9	5
Foreign exchange gains/losses, net	11	-2	n.a.	13
Other items	-5	-3	-47.8	-2
<b>Total finance, net</b>	<b>-11</b>	<b>-26</b>	<b>59.9</b>	<b>16</b>

The Group's EBIT before special items for Q2 was DKK 454m, an increase of 31% compared to 2015.

### Financial items

The total net cost of financing in Q2 decreased by DKK 16m mainly due to a gain on net currency adjustments compared to a loss in Q2 2015. A lower net interest cost also contributed to the positive variance.

### Profit before and after tax

The profit before tax for Q2 increased by 42% to DKK 436m. The profit after tax was DKK 424m following a tax on profit of DKK -13m.

Earnings per share (EPS) for the quarter increased to DKK 7.30 from DKK 4.34 in Q2 2015, an increase of 68%.

### Cash flow and investments

The free cash flow (FCFF) of Q2 was DKK 329m after investments of DKK 405m, including DKK 296m related to the exercise of a purchase option for a combined freight and passenger ship (ro-pax) currently deployed in Baltic Sea.

The cash flow from financing activities was negative by DKK 799m in Q2, including a distribution to shareholders of DKK 287m, of which DKK 175m was dividend and DKK 112m was a buyback of shares, and repayment of a corporate bond of DKK 493m. The net cash flow for Q2 was negative by DKK 501m and at the end of Q2 cash amounted to DKK 441m.

For the last twelve months, the free cash flow (FCFF) was DKK 1,421m after investments of DKK 1,159m.

### Capital structure

At the end of Q2 net-interest-bearing debt (NIBD) was DKK 2,932m, an increase from DKK 1,773m at year-end 2015 primarily due to the finance lease of two Channel ferries, the exercise of a purchase option for a ship and buyback of shares of DKK 587m. Financial leverage, as measured by the ratio of NIBD to EBITDA before special items for the last twelve months, was a multiple of 1.2 compared to 0.9 at year-end 2015.

The equity ratio was 50% at the end of Q2.

### Equity

Equity amounted to DKK 6,335m at the end of Q2 2016, including minority interests of DKK 49m. This was a decrease of DKK 195m compared to year-end 2015. Total comprehensive income for H1 2016 was DKK 501m while transactions with owners reduced equity by DKK 695m, including dividends of DKK 175m, buyback of shares of DKK 587m and an income of DKK 64m from the sale of treasury shares related to the exercise of share options.

### Invested capital and ROIC

Invested capital increased by 11.8% to DKK 9,348m at the end of Q2 compared to year-end 2015 mainly due to the addition of the two Channel ferries and the exercise of a purchase option for a ship. Average invested capital increased by 4.6% to DKK 8,931m.

### OUTLOOK 2016

DKK m	2016 NEW	2016 PREVIOUS	2015
Revenue growth	6% <sup>1</sup>	6% <sup>1</sup>	13,473
EBITDA before special items	2,450-2,600	2,300-2,500	2,041
Per division:			
Shipping Division	2,300-2,425	2,150-2,325	1,906
Logistics Division	250-275	250-275	234
Non-allocated items	-100	-100	-99
Depreciation	+10%	+10%	-835
Special items	-10	0	-36
Investments	1,000	1,900	571

<sup>1</sup>Excluding bunker surcharges. The revenue growth is expected to be around 3% including bunker surcharges

For the last twelve months, the return on invested capital, ROIC, was 16.4% before special items compared to 13.7% for 2015. Including special items, ROIC was 16.0% compared to 13.3% for 2015.

### OUTLOOK 2016

The outlook range for 2016 has been raised following a result for Q2 above expectations and continued positive market trends on many routes in the network and most logistics markets.

The Group's EBITDA before special items is now expected to increase to a range of DKK 2,450-2,600m compared to a range of previously DKK 2,300-2,500m that was raised from an initial range of DKK 2,100-2,300m (2015: DKK 2,041m). Full-year EBITDA currency impact is expected to be around DKK -75m.

The Group's revenue is despite headwind on currencies still expected to increase by around 6%, excluding revenue from bunker surcharges, as revenue growth above expectations in the Shipping Division is offset by lower revenue growth in the Logistics Division due to reduced fuel surcharges and depreciation of the British pound.

Investments are now expected to amount to around DKK 1.0bn in 2016 compared to previously DKK 1.9bn.

The decrease of DKK 900m is related to the charter of two ferries from Eurotunnel. The ferries were delivered in February 2016 on finance leases with a put option giving Eurotunnel the right to sell the ferries to DFDS.

Eurotunnel has now stated in their H1 2016 report that they aim to exercise the put option in June 2017. In the previous investment outlook it was assumed that the put

option would be exercised in 2016. The ferries were capitalised on delivery as finance leases.

Upon the expected exercise of the put option in June 2017, DFDS will pay Eurotunnel the agreed price of the ferries minus charter payments made in the period from the start of the charter agreements until the exercise of the put option.

In addition, the order of two freight ship (ro-ro) new buildings is planned for the second half of 2016 as part of DFDS' fleet renewal. The ships will expand the route network's capacity to accommodate the growth of freight customers and increase the efficiency of operations, including a lower environmental impact. The ships will replace chartered ships but add capacity as the new ships will be larger than the ships to be replaced. Delivery of the new ships is planned for 2018-2019.

*A number of risks and uncertainties pertain to the outlook. The most important among these are possible major changes in the demand for ferry shipping and transport and logistics services. For DFDS, such demand is to a large extent linked to the level of economic activity in primarily Europe, especially northern Europe and in particular the UK following its decision to leave the EU, but also adjacent regions, as well as to competitor actions. The outlook can also be impacted by political changes, first and foremost within the EU, as well as changes in economic variables, especially the oil price and exchange rates. Consequently, the future financial results may differ significantly from expectations.*



The Logistics Division's contract logistics activities continued to grow in Q2. The focus of the activities is on the automotive sector and producers of food requiring temperature controlled logistics



# SHIPPING DIVISION

The Shipping Division operates DFDS' route network organised in five business units:

- North Sea
- Baltic Sea
- Channel
- France & Mediterranean
- Passenger

## SHIPPING

DKK m	2016		2016	2015	2015				2015-2016	2015
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	2,020	2,440	4,460	4,210	1,894	2,316	2,677	2,184	9,321	9,071
EBITDA before special items	367	650	1,017	706	189	517	816	385	2,217	1,906
Share of profit/loss of associates and joint ventures	-1	0	-1	-8	-3	-5	-3	0	-4	-11
Profit/loss on disposal of non-current assets, net	0	2	2	0	0	0	1	0	3	1
Depreciation and impairment	-194	-218	-412	-339	-168	-172	-187	-190	-789	-716
EBIT before special items	173	434	607	359	18	341	626	195	1,428	1,180
EBIT margin before special items, %	8.6	17.8	13.6	8.5	1.0	14.7	23.4	8.9	15.3	13.0
Special items, net	0	-7	-7	-9	0	-9	0	-30	-37	-39
EBIT	173	427	600	350	18	332	626	165	1,391	1,141
Invested capital, average	7,845	8,381	8,024	7,942	7,971	7,951	7,832	7,585	7,947	7,799
ROIC before special items, %	-	-	-	-	-	-	-	-	17.8	14.9
Lane metres, '000	8,646	10,001	18,647	14,778	7,252	7,526	8,131	8,424	35,202	31,333
Passengers, '000	1,203	1,762	2,965	2,511	967	1,544	2,339	1,344	6,648	6,194

## Q2 MARKET, ACTIVITY AND RESULT TRENDS

### North Sea

Freight volumes in Q2 were 7.9% above 2015. Volume growth was highest on the southern routes between Denmark/Germany/Benelux and the UK supported by a capacity expansion on these routes. The overall volumes out of Sweden also continued to grow in the quarter.

EBIT increased by 13% to DKK 142m driven by higher volumes on mainly the southern routes as well as higher port terminal earnings.

### Baltic Sea

Freight volumes in Q2 were 11.5% above 2015. The volume growth was supported by an expansion of capacity on the routes between Germany/Sweden and Lithuania while capacity between Denmark and Lithuania was adapted to a lower level of activity in the market. Passenger operations were on a level with last year.

EBIT increased by 30% to DKK 92m following the higher volumes, an improved allocation of capacity on the routes and benefits from the conversion of the route between Russia and Germany to a slot charter.

### Channel

Freight volumes in Q2 increased by 62.9% while passenger volumes increased by 23.0%. The high volume growth reflects the expansion of capacity on Dover-Calais from one ferry for two months and two ferries for one month of Q2 2015 to three ferries throughout Q2 2016. The total number of sailings for both routes increased by 50% compared to last year.

EBIT improved by DKK 98m to DKK 110m as higher volumes and unit revenues exceeded the extra costs related to the capacity expansion.

**France & Mediterranean**

Freight volumes in Q2 were 4.3% above 2015 while passenger volumes were 1.4% lower. The freight volume growth was entirely driven by the Newhaven-Dieppe route.

EBIT decreased by 33% to DKK 5m mainly due to higher ship and operating costs.

**Passenger**

The number of passengers in Q2 decreased by 2.7% compared to 2015 due to the early Easter in 2016 and weaker demand in Norway. In addition, passenger markets were subdued by uncertainty derived from terror-related incidents.

EBIT decreased by 7% to DKK 96m as the negative impact of the early Easter, compared to 2015, and somewhat weaker demand across markets exceeded a reduction of the bunker cost in the quarter.

**SHIPPING DIVISION**

DKK m	2016		2016	2015	2015				2015-2016	2015
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
<b>NORTH SEA</b>										
Revenue	812	861	1,673	1,715	832	883	849	838	3,360	3,402
EBIT before special items	128	142	270	212	87	125	125	120	515	458
Invested capital	4,018	4,177	4,102	4,415	4,333	4,554	4,486	4,110	4,269	4,368
ROIC before special items, %	-	-	-	-	-	-	-	-	11.9	10.3
Lane metres freight, '000	2,805	3,021	5,827	5,510	2,708	2,802	2,816	2,833	11,476	11,159
<b>BALTIC SEA</b>										
Revenue	299	340	639	618	289	329	346	290	1,274	1,254
EBIT before special items	78	92	170	85	14	71	93	53	316	231
Invested capital	1,056	1,387	1,142	1,218	1,290	1,170	1,106	982	1,140	1,148
ROIC before special items, %	-	-	-	-	-	-	-	-	27.6	19.9
Lane metres freight, '000	938	998	1,936	1,747	852	895	880	879	3,696	3,507
Passengers, '000	73	91	164	159	69	90	112	77	354	349
<b>CHANNEL</b>										
Revenue	428	586	1,014	733	317	416	652	468	2,134	1,853
EBIT before special items	8	110	118	-3	-15	12	178	23	319	198
Invested capital	2,227	2,185	1,840	1,223	1,241	1,222	1,235	1,108	1,595	1,203
ROIC before special items, %	-	-	-	-	-	-	-	-	19.9	16.4
Lane metres freight, '000	4,493	5,493	9,987	6,673	3,302	3,371	3,964	4,287	18,237	14,923
Passengers, '000	852	1,220	2,073	1,620	628	992	1,624	920	4,616	4,163
<b>FRANCE &amp; MEDITERRANEAN</b>										
Revenue	98	124	223	219	101	118	148	133	504	501
EBIT before special items	-7	5	-3	0	-7	7	15	-10	3	5
Invested capital	-71	-8	-49	-21	31	-11	-47	-67	-41	-36
ROIC before special items, %	-	-	-	-	-	-	-	-	n.a.	n.a.
Lane metres freight, '000	274	318	592	559	254	305	333	266	1,191	1,158
Passengers, '000	37	92	129	129	36	93	183	51	362	362
<b>PASSENGER</b>										
Revenue	286	465	750	767	277	490	610	366	1,726	1,742
EBIT before special items	-60	96	36	29	-73	103	189	0	225	219
Invested capital	566	523	563	706	697	664	663	602	603	677
ROIC before special items, %	-	-	-	-	-	-	-	-	36.4	31.3
Lane metres freight, '000	135	171	306	290	136	154	138	158	602	586
Passengers, '000	241	358	600	603	234	369	420	296	1,316	1,319
<b>NON-ALLOCATED ITEMS</b>										
Revenue	149	111	260	249	122	127	127	145	532	522
EBIT before special items	26	-10	15	36	13	23	26	8	49	69

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 organised in three business units:

- Nordic
- Continent
- UK & Ireland

## LOGISTICS

DKK m	2016		2016	2015	2015				2015-2016	2015
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,220	1,268	2,488	2,458	1,175	1,283	1,281	1,294	5,063	5,034
EBITDA before special items	54	69	123	110	52	58	59	65	247	234
Profit/loss on disposal of non-current assets, net	1	1	2	1	0	0	1	2	5	4
Depreciation and impairment	-24	-23	-47	-48	-24	-24	-23	-24	-94	-95
EBIT before special items	30	47	77	63	28	35	37	43	157	143
EBIT margin before special items, %	2.5	3.7	3.1	2.6	2.4	2.7	2.9	3.3	3.1	2.8
Special items, net	0	0	0	0	0	0	0	9	9	9
EBIT	31	47	77	63	28	35	37	51	166	151
Invested capital, average	1,122	1,064	1,092	1,092	1,099	1,090	1,089	1,123	1,091	1,104
ROIC before special items, %	-	-	-	-	-	-	-	-	13.8	11.9
Tons, '000	114.3	98.2	212.5	206.8	109.0	97.9	86.1	110.2	408.8	403.1
Units, '000	125.7	132.5	258.2	223.1	108.9	114.2	113.2	117.6	488.9	453.9

### Q2 MARKET, ACTIVITY AND RESULT TRENDS

#### Nordic

The number of transported units increased in Q2 by 6.6% compared to 2015. Forwarding and transport activities were up in all markets; highest in the Baltic region and lowest in Norway. Volumes for the sideport shipping activities out of Norway were lower than last year. The automotive contract logistics activities in Sweden continued to grow in Q2. Volumes are not reported for these activities.

EBIT increased by 86% to DKK 16m mainly driven by the completed ramp-up of the automotive contract logistics activities and the growth of the Baltic activities, including additional logistics activities within construction.

#### Continent

The number of transported units in Q2 increased by 5.2% compared to 2015. The key drivers of the growth were the trailer operations between Netherlands-UK, Belgium-Sweden and Germany-UK. In the latter traffic volumes were boosted by an automotive logistics contract that commenced operations in Q4 2015. Container volumes between the Continent and Ireland/UK were lower than last year.

EBIT increased by 63% to DKK 16m as almost all activity areas improved earnings driven by the higher volumes.

#### UK & Ireland

The number of transported units in Q2 increased by 43.2% compared to 2015 mainly driven by new contract logistics activities for cold stores in England. Since the commencement of the contract for one cold

store in Q4 2015 a further two cold stores were added during Q1 2016. Volumes were reduced by optimisation of traffics between N. Ireland and England and the Continent as well as lower temperature controlled and steel volumes in the UK.

EBIT decreased by 9% to DKK 15m mainly due to the impact of lower temperature controlled and steel volumes as well as the loss of a logistics contract for a food manufacturer in 2015. The result was, moreover, negatively impacted by the depreciation of the British pound.

**LOGISTICS DIVISION**

DKK m	2016		2016	2015	2015				2015-2016	2015
	Q1	Q2	H1	H1	Q1	Q2	Q3	Q4	LTM	Full year
<b>Nordic</b>										
Revenue	411	418	829	822	392	430	412	425	1,666	1,659
EBIT before special items	13	16	28	19	10	9	7	17	53	43
Invested capital	320	305	323	341	315	356	342	345	334	342
ROIC before special items, %	-	-	-	-	-	-	-	-	15.4	12.2
Units, '000 *)	30.5	30.4	60.9	57.2	28.6	28.6	28.1	28.3	117.4	113.6
Tons, '000	114.3	98.2	212.5	206.8	109.0	97.9	86.1	110.2	408.7	403.1
<b>Continent</b>										
Revenue	489	501	989	940	455	485	488	490	1,967	1,918
EBIT before special items	9	16	25	17	8	10	7	9	41	33
Invested capital	350	326	334	327	338	297	322	325	324	326
ROIC before special items, %	-	-	-	-	-	-	-	-	12.2	9.9
Units, '000	55.7	57.1	112.8	105.1	50.8	54.3	52.5	54.5	219.8	212.1
<b>UK &amp; Ireland</b>										
Revenue	353	384	737	764	350	414	416	413	1,567	1,593
EBIT before special items	8	15	24	27	10	17	23	17	63	66
Invested capital	426	400	435	424	449	425	435	477	433	437
ROIC before special items, %	-	-	-	-	-	-	-	-	12.7	13.0
Units, '000	39.5	44.9	84.4	60.9	29.5	31.4	32.6	34.7	151.8	128.2
<b>Non-allocated items</b>										
Revenue	54	52	107	89	16	73	46	54	207	189
EBIT before special items	0	0	0	0	0	0	0	0	0	0

\*) Excluding volumes related to automotive Logistics contract.

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

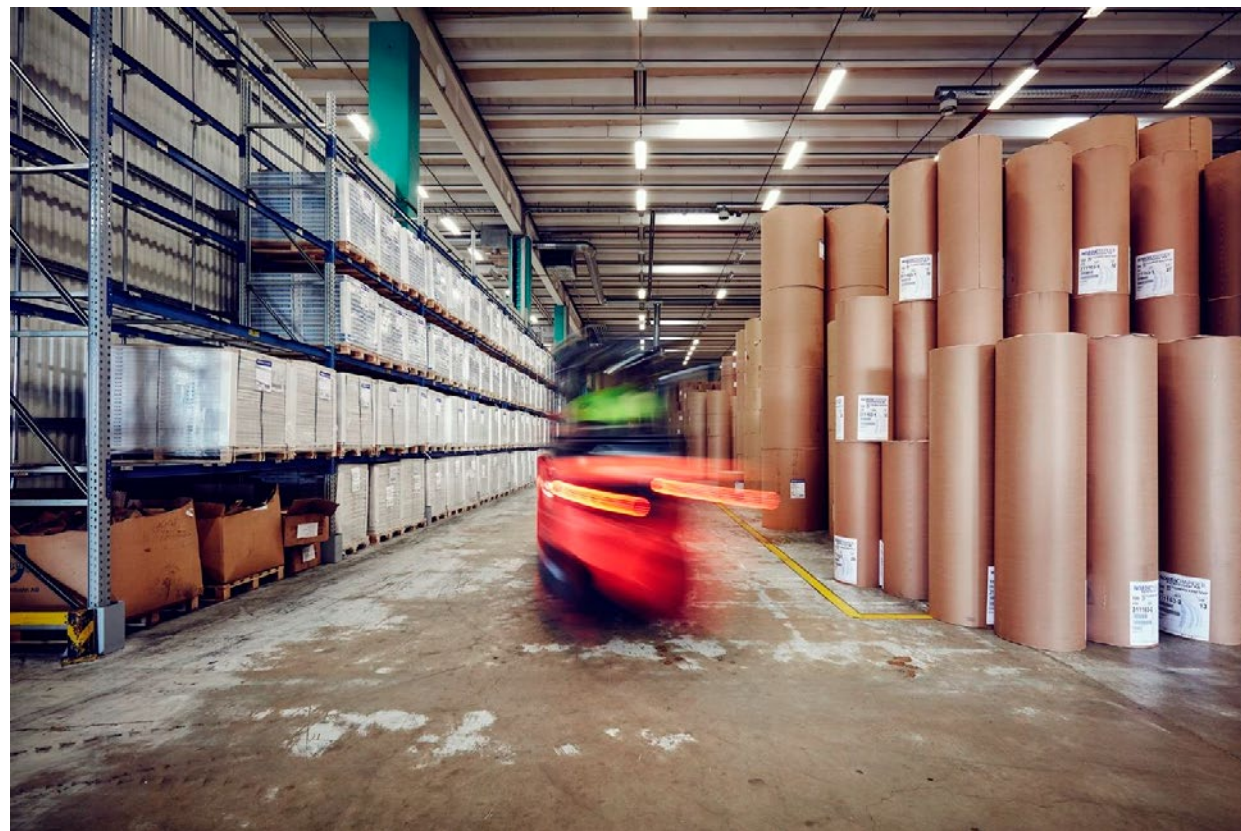
The Board of Directors and the Executive Board have reviewed and approved the interim report of DFDS A/S for the period 1 January – 30 June 2016.

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 30 June 2016 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 June 2016.

Further, in our opinion, the Management review p. 1-13 gives a true and fair review of the development in the Group's operations and financial matters, the result of the DFDS Group's operations for the period and the financial position as a whole.

Copenhagen, 18 August 2016



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EXECUTIVE BOARD **NIELS SMEDEGAARD** President & CEO, **TORBEN CARLSEN** CFO

BOARD OF DIRECTORS **BENT ØSTERGAARD** Chair, **CLAUS HEMMINGSEN** Deputy Chair,  
**PERNILLE ERENBJERG, JØRGEN JENSEN,**  
**JENS OTTO KNUDSEN, JILL LAURITZEN MELBY,**  
**KLAUS NYBORG, LARS SKJOLD-HANSEN, KENT VILDBÆK**

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# DFDS GROUP - INCOME STATEMENT

DKK m	Note	2016 Q2	2015 Q2	2016 H1	2015 H1	2015-2016 LTM	2015 Full year
Revenue		3,552.8	3,431.9	6,640.8	6,357.7	13,756.6	13,473.5
Costs							
Operating costs		-1,865.0	-1,952.3	-3,607.9	-3,790.9	-7,447.8	-7,630.9
Charter hire		-133.4	-146.2	-294.1	-288.0	-631.2	-625.0
Employee costs		-662.5	-616.2	-1,289.6	-1,194.4	-2,582.8	-2,487.7
Costs of sales and administration		-192.9	-165.9	-345.6	-305.1	-729.5	-689.0
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>699.0</b>	<b>551.3</b>	<b>1,103.6</b>	<b>779.3</b>	<b>2,365.3</b>	<b>2,041.0</b>
Share of profit/loss of associates and joint ventures		0.0	-4.7	-0.7	-7.9	-4.5	-11.7
Profit/loss on disposal of non-current assets, net		3.0	0.4	3.9	0.6	8.2	4.9
Depreciation, ships		-204.7	-158.3	-384.9	-314.0	-732.4	-661.4
Depreciation, other non-current assets		-43.2	-42.9	-87.1	-84.9	-172.7	-170.6
Impairment losses, ships and other non-current assets		0	0	0	-0.1	-2.6	-2.8
<b>Operating profit (EBIT) before special items</b>		<b>454.1</b>	<b>345.8</b>	<b>634.8</b>	<b>373.0</b>	<b>1,461.2</b>	<b>1,199.4</b>
Special items, net	3	-7.2	-11.1	-6.8	-13.5	-28.9	-35.5
<b>Operating profit (EBIT)</b>		<b>446.9</b>	<b>334.7</b>	<b>628.0</b>	<b>359.5</b>	<b>1,432.3</b>	<b>1,163.9</b>
Financial income		3.6	4.1	4.1	19.0	10.8	25.7
Financial costs		-14.2	-30.5	-38.3	-86.0	-98.8	-146.5
<b>Profit before tax</b>		<b>436.3</b>	<b>308.2</b>	<b>593.7</b>	<b>292.5</b>	<b>1,344.3</b>	<b>1,043.1</b>
Tax on profit		-12.6	-46.1	-26.6	-57.7	-0.8	-31.9
<b>Profit for the period</b>		<b>423.7</b>	<b>262.2</b>	<b>567.2</b>	<b>234.8</b>	<b>1,343.5</b>	<b>1,011.2</b>
Attributable to:							
Equity holders of DFDS A/S		423.4	262.1	567.0	235.2	1,343.2	1,011.5
Non-controlling interests		0.3	0.1	0.2	-0.4	0.3	-0.3
<b>Profit for the period</b>		<b>423.7</b>	<b>262.2</b>	<b>567.2</b>	<b>234.8</b>	<b>1,343.5</b>	<b>1,011.2</b>
<b>Earnings per share</b>							
Basic earnings per share (EPS) of DKK 20, DKK		7.3	4.3	9.7	3.9	22.7	16.8
Diluted earnings per share (EPS-D) of DKK 20, DKK		7.2	4.3	9.5	3.8	22.3	16.5

# DFDS GROUP - COMPREHENSIVE INCOME

	2016	2015	2016	2015	2015-2016	2015
DKK m	Q2	Q2	H1	H1	LTM	Full year
Profit for the period	423.7	262.2	567.2	234.8	1,343.5	1,011.2
<b>Other comprehensive income</b>						
Items that will not subsequently be reclassified to the Income statement:						
Remeasurement of defined benefit pension obligations	0	0.3	0	0.5	-41.7	-41.2
Tax on items that will not be reclassified to the Income statement	0	-0.1	0	0	8.4	8.4
<b>Items that will not be reclassified subsequently to the Income statement</b>	<b>0</b>	<b>0.2</b>	<b>0</b>	<b>0.5</b>	<b>-33.3</b>	<b>-32.9</b>
Items that are or may subsequently be reclassified to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	22.3	2.4	33.8	48.0	-84.1	-70.0
Value adjustment transferred to operating costs	3.3	3.5	12.7	13.0	30.1	30.5
Value adjustment transferred to financial costs	-11.4	12.7	-28.9	-27.6	60.0	61.3
Foreign exchange adjustments, subsidiaries	-50.8	8.2	-84.1	99.7	-125.3	58.4
Unrealised value adjustment of securities	0	0	0	-0.2	-1.1	-1.4
Impairment of securities transferred to financial costs	0	0	0	0	1.1	1.1
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>-36.6</b>	<b>26.8</b>	<b>-66.5</b>	<b>132.7</b>	<b>-119.3</b>	<b>80.0</b>
<b>Total other comprehensive income after tax</b>	<b>-36.6</b>	<b>27.0</b>	<b>-66.5</b>	<b>133.2</b>	<b>-152.6</b>	<b>47.1</b>
<b>Total comprehensive income</b>	<b>387.1</b>	<b>289.1</b>	<b>500.7</b>	<b>368.0</b>	<b>1,191.0</b>	<b>1,058.3</b>
<b>Attributable to:</b>						
Equity holders of DFDS A/S	386.9	289.1	500.6	368.3	1,190.8	1,058.5
Non-controlling interests	0.3	0.1	0	-0.3	0.2	-0.2
<b>Total comprehensive income</b>	<b>387.1</b>	<b>289.1</b>	<b>500.7</b>	<b>368.0</b>	<b>1,191.0</b>	<b>1,058.3</b>

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



# BALANCE SHEET ASSETS

DKK m	Note	2016 H1	2015 H1	2015 Full year
Goodwill		516.7	537.9	532.3
Other non-current intangible assets		25.4	31.1	29.3
Software		186.8	134.7	148.4
Development projects in progress		36.0	36.9	55.7
<b>Non-current intangible assets</b>		<b>764.8</b>	<b>740.7</b>	<b>765.6</b>
Land and buildings		112.8	131.9	124.8
Terminals		512.4	542.4	521.7
Ships		8,088.1	7,085.3	6,818.8
Equipment, etc.		469.0	456.1	494.4
Assets under construction and prepayments		93.1	160.1	222.7
<b>Non-current tangible assets</b>		<b>9,275.4</b>	<b>8,375.8</b>	<b>8,182.4</b>
Investments in associates and joint ventures		32.1	17.8	33.7
Receivables		24.9	24.6	25.0
Securities		18.4	18.9	18.4
Deferred tax		81.9	94.1	97.2
<b>Other non-current assets</b>		<b>157.2</b>	<b>155.3</b>	<b>174.2</b>
<b>Non-current assets</b>		<b>10,197.4</b>	<b>9,271.9</b>	<b>9,122.3</b>
Inventories		117.5	127.4	110.6
Trade receivables		1,673.4	1,931.5	1,593.2
Receivables from associates and joint ventures		51.6	52.0	55.1
Other receivables		183.7	144.6	192.2
Prepayments		80.4	136.7	86.0
Derivative financial instruments		13.4	6.7	4.5
Cash		441.3	810.8	1,422.6
<b>Current assets</b>		<b>2,561.2</b>	<b>3,209.8</b>	<b>3,464.1</b>
Assets classified as held for sale	5	13.5	61.8	59.2
<b>Total current assets</b>		<b>2,574.7</b>	<b>3,271.6</b>	<b>3,523.3</b>
<b>Assets</b>		<b>12,772.2</b>	<b>12,543.5</b>	<b>12,645.7</b>

# EQUITY AND LIABILITIES

DKK m	2016 H1	2015 H1	2015 Full year
Share capital	1,200.0	1,265.0	1,230.0
Reserves	-308.2	-211.9	-247.0
Retained earnings	5,214.8	4,939.2	5,312.7
Proposed dividends	180.0	113.9	184.5
<b>Equity attributable to equity holders of DFDS A/S</b>	<b>6,286.6</b>	<b>6,106.1</b>	<b>6,480.2</b>
Non-controlling interests	48.5	50.0	49.5
<b>Equity</b>	<b>6,335.2</b>	<b>6,156.1</b>	<b>6,529.7</b>
Interest bearing liabilities	2,154.9	2,262.6	2,213.2
Deferred tax	162.1	173.0	156.9
Pension and jubilee liabilities	320.6	337.6	362.6
Other provisions	17.0	34.5	38.6
<b>Non-current liabilities</b>	<b>2,654.7</b>	<b>2,807.7</b>	<b>2,771.2</b>
Interest bearing liabilities	1,096.8	797.8	738.7
Trade payables	1,638.6	1,685.5	1,573.3
Payables to associates and joint ventures	37.4	34.0	30.8
Other provisions	52.3	50.1	78.9
Corporation tax	25.3	23.7	25.3
Other payables	443.9	472.6	475.5
Derivative financial instruments	165.9	214.1	303.5
Deferred income	322.3	301.9	111.7
<b>Current liabilities</b>	<b>3,782.3</b>	<b>3,579.7</b>	<b>3,337.6</b>
Liabilities relating to assets classified as held for sale	0	0	7.1
<b>Liabilities</b>	<b>6,437.0</b>	<b>6,387.4</b>	<b>6,115.9</b>
<b>Equity and liabilities</b>	<b>12,772.2</b>	<b>12,543.5</b>	<b>12,645.7</b>

# DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 30 JUNE 2016)

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 dividends			
Equity at 1 January 2016	1,230.0	-166.5	-37.0	0.1	-43.5	5,312.7	184.5	<b>6,480.2</b>	49.5	<b>6,529.7</b>
<b>Comprehensive income for the period</b>										
Profit for the period						567.0		<b>567.0</b>	0.2	<b>567.2</b>
<b>Other comprehensive income</b>										
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			33.8					<b>33.8</b>		<b>33.8</b>
Value adjustment transferred to operating costs			12.7					<b>12.7</b>		<b>12.7</b>
Value adjustment transferred to financial costs			-28.9					<b>-28.9</b>		<b>-28.9</b>
Foreign exchange adjustments, subsidiaries		-83.9						<b>-83.9</b>	-0.2	<b>-84.1</b>
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>-83.9</b>	<b>17.6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-66.3</b>	<b>-0.2</b>	<b>-66.5</b>
<b>Total other comprehensive income after tax</b>	<b>0</b>	<b>-83.9</b>	<b>17.6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-66.3</b>	<b>-0.2</b>	<b>-66.5</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>-83.9</b>	<b>17.6</b>	<b>0</b>	<b>0</b>	<b>567.0</b>	<b>0</b>	<b>500.6</b>	<b>0.0</b>	<b>500.7</b>
<b>Transactions with owners</b>										
Acquisition, non-controlling interests						0.7		<b>0.7</b>	-1.0	<b>-0.3</b>
Dividend paid							-175.4	<b>-175.4</b>		<b>-175.4</b>
Dividend on treasury shares						9.1	-9.1	<b>0</b>		<b>0</b>
Proposed extraordinary dividend						-180.0	180.0	<b>0</b>		<b>0</b>
Vested share-based payments						3.8		<b>3.8</b>		<b>3.8</b>
Purchase of treasury shares					-46.6	-540.6		<b>-587.2</b>		<b>-587.2</b>
Cash from sale of treasury shares related to exercise of share options					21.8	42.4		<b>64.2</b>		<b>64.2</b>
Reduction of share capital by cancellation of treasury shares	-30.0				30.0			<b>0</b>		<b>0</b>
Other adjustments						-0.4		<b>-0.4</b>		<b>-0.4</b>
<b>Transactions with owners H1 2016</b>	<b>-30.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.2</b>	<b>-664.9</b>	<b>-4.5</b>	<b>-694.2</b>	<b>-1.0</b>	<b>-695.3</b>
<b>Equity at 30 June 2016</b>	<b>1,200.0</b>	<b>-250.4</b>	<b>-19.5</b>	<b>0.1</b>	<b>-38.3</b>	<b>5,214.8</b>	<b>180.0</b>	<b>6,286.6</b>	<b>48.5</b>	<b>6,335.2</b>

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

# DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 30 JUNE 2015)

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 dividends			
Equity at 1 January 2015	1,265.0	-224.8	-58.8	0.3	-50.6	4,917.0	227.7	<b>6,075.8</b>	51.4	<b>6,127.2</b>
<b>Comprehensive income for the period</b>										
Profit for the period						235.2		<b>235.2</b>	-0.4	<b>234.8</b>
<b>Other comprehensive income</b>										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit pension obligations						0.5		<b>0.5</b>		<b>0.5</b>
Tax on items that will not be reclassified to the Income statement						0.0		<b>0.0</b>		<b>0.0</b>
<b>Items that will not subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.5</b>	<b>0</b>	<b>0.5</b>	<b>0</b>	<b>0.5</b>
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			48.0					<b>48.0</b>		<b>48.0</b>
Value adjustment transferred to operating costs			13.0					<b>13.0</b>		<b>13.0</b>
Value adjustment transferred to financial costs			-27.6					<b>-27.6</b>		<b>-27.6</b>
Foreign exchange adjustments, subsidiaries		99.6						<b>99.6</b>	0.1	<b>99.7</b>
Unrealised value adjustment of securities				-0.2				<b>-0.2</b>		<b>-0.2</b>
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0</b>	<b>99.6</b>	<b>33.3</b>	<b>-0.2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132.6</b>	<b>0.1</b>	<b>132.7</b>
<b>Total other comprehensive income after tax</b>	<b>0</b>	<b>99.6</b>	<b>33.3</b>	<b>-0.2</b>	<b>0</b>	<b>0.5</b>	<b>0</b>	<b>133.1</b>	<b>0.1</b>	<b>133.2</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>99.6</b>	<b>33.3</b>	<b>-0.2</b>	<b>0</b>	<b>235.7</b>	<b>0</b>	<b>368.3</b>	<b>-0.3</b>	<b>368.0</b>
<b>Transactions with owners</b>										
Acquisition, non-controlling interests						0.8		<b>0.8</b>	-1.0	<b>-0.3</b>
Proposed dividends						-113.9	113.9	<b>0</b>		<b>0</b>
Dividend paid							-218.1	<b>-218.1</b>		<b>-218.1</b>
Dividend on treasury shares						9.6	-9.6	<b>0</b>		<b>0</b>
Purchase of treasury shares					-23.7	-147.6		<b>-171.2</b>		<b>-171.2</b>
Vested share-based payments						3.5		<b>3.5</b>		<b>3.5</b>
Cash from sale of treasury shares related to exercise of share options					13.1	35.0		<b>48.1</b>		<b>48.1</b>
Other adjustments						-1.1		<b>-1.1</b>		<b>-1.1</b>
<b>Transactions with owners H1 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10.6</b>	<b>-213.6</b>	<b>-113.9</b>	<b>-338.0</b>	<b>-1.0</b>	<b>-339.1</b>
<b>Equity at 30 June 2015</b>	<b>1,265.0</b>	<b>-125.2</b>	<b>-25.5</b>	<b>0.1</b>	<b>-61.2</b>	<b>4,939.2</b>	<b>113.9</b>	<b>6,106.1</b>	<b>50.0</b>	<b>6,156.1</b>

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

# DFDS GROUP - CASH FLOW STATEMENT

DKK m	Note	2016 Q2	2015 Q2	2016 H1	2015 H1	2015-2016 LTM	2015 Full year
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>699.0</b>	<b>551.3</b>	<b>1,103.6</b>	<b>779.3</b>	<b>2,365.3</b>	<b>2,041.0</b>
Cash flow effect from special items related to operating activities		-0.5	-4.5	-2.5	-14.2	-5.2	-16.9
Adjustments for non-cash operating items, etc.		0.2	-6.0	-1.7	1.7	52.4	55.8
Change in working capital		88.0	94.5	172.3	93.4	277.5	198.7
Payment of pension liabilities and other provisions		-42.0	-13.2	-69.8	-38.0	-89.4	-57.6
<b>Cash flow from operating activities, gross</b>		<b>744.6</b>	<b>622.0</b>	<b>1,201.8</b>	<b>822.2</b>	<b>2,600.6</b>	<b>2,221.0</b>
Interest etc. received		22.7	21.2	50.6	79.6	88.4	117.4
Interest etc. paid		-53.9	-49.5	-100.7	-126.3	-183.1	-208.7
Taxes paid		-9.7	-3.5	-13.0	-6.5	-20.3	-13.8
<b>Cash flow from operating activities, net</b>		<b>703.6</b>	<b>590.2</b>	<b>1,138.6</b>	<b>769.0</b>	<b>2,485.5</b>	<b>2,115.9</b>
Investments in ships including dockings, rebuildings and ships under construction		-381.2	-132.9	-664.7	-214.4	-873.0	-422.6
Sale of ships including net compensation for ship declared total loss		0	88.7	0	88.7	19.6	108.3
Investments in other non-current tangible assets		-18.1	-5.8	-76.8	-23.3	-235.2	-181.7
Sale of other non-current tangible assets		7.4	-3.7	16.8	6.8	20.8	10.8
Investments in non-current intangible assets		-13.4	-10.5	-30.0	-17.4	-71.6	-59.1
Acquisition of enterprises, associates, joint ventures and activities	4	0	2.2	0	-6.8	0	-6.8
Capital contribution to joint ventures		0	0	0	0	-20.7	-20.7
Dividend from associates and joint ventures		0	0	0	0	1.3	1.3
<b>Cash flow to/from investing activities, net</b>		<b>-405.4</b>	<b>-62.0</b>	<b>-754.7</b>	<b>-166.4</b>	<b>-1,158.8</b>	<b>-570.5</b>
Proceed from loans secured by mortgage in ships		0	0	0	0	120.9	120.9
Repayment and instalments of loans secured by mortgage in ships		-122.7	-33.3	-254.8	-119.2	-312.5	-176.9
Repayment of corporate bonds incl. settlement of cross currency swap		-493.5	0	-493.5	0	-493.5	0
Change in other non-current investments, net		0	0.1	0	12.9	-0.3	12.6
Change in other financial loans, net		-22.7	-24.3	-23.2	-25.0	-93.8	-95.7
Payment of financial lease liabilities		-23.2	-5.3	-43.8	-10.7	-53.9	-20.8
Change in operating credits		145.8	-10.4	147.9	-24.4	142.2	-30.2
Change in loan to associates and joint ventures		2.8	0.7	3.5	1.9	0.4	-1.2
Acquisition of non-controlling interests		-0.1	-0.2	-0.3	-0.3	-0.4	-0.4
Acquisition of treasury shares		-111.6	-81.3	-587.2	-171.2	-816.9	-401.0
Cash received from exercise of share options		1.1	10.0	64.2	48.1	78.8	62.7
Government grants related to purchase of assets		0.7	0	0.7	12.8	23.3	35.4
Dividends paid		-175.4	0	-175.4	-218.1	-283.1	-325.8
<b>Cash flow to/from financing activities, net</b>		<b>-799.0</b>	<b>-143.9</b>	<b>-1,361.9</b>	<b>-493.2</b>	<b>-1,688.9</b>	<b>-820.2</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>-500.7</b>	<b>384.3</b>	<b>-977.9</b>	<b>109.4</b>	<b>-362.2</b>	<b>725.1</b>
Cash and cash equivalents at beginning of period		943.3	425.6	1,422.6	694.5	810.8	694.5
Foreign exchange and value adjustments of cash and cash equivalents		-1.3	1.0	-3.4	7.0	-7.4	2.9
<b>Cash and cash equivalents at end of period</b>		<b>441.3</b>	<b>810.8</b>	<b>441.3</b>	<b>810.8</b>	<b>441.3</b>	<b>1,422.6</b>

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

## 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 2015. 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 2016. 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
<b>H1 2016</b>				
External revenue	4,157.4	2,477.2	6.1	6,640.8
Intragroup revenue	302.4	10.3	166.0	478.7
Total revenue	4,459.8	2,487.5	172.2	7,119.5
<b>Operating profit (EBIT) before special items</b>	<b>606.7</b>	<b>77.1</b>	<b>-49.1</b>	<b>634.8</b>
<b>Operating profit after special items (EBIT)</b>	<b>599.6</b>	<b>77.5</b>	<b>-49.1</b>	<b>628.0</b>

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
<b>H1 2015</b>				
External revenue	3,904.2	2,447.1	6.4	6,357.7
Intragroup revenue	306.1	10.9	149.2	466.3
Total revenue	4,210.3	2,458.1	155.6	6,824.0
<b>Operating profit (EBIT) before special items</b>	<b>358.6</b>	<b>62.9</b>	<b>-48.6</b>	<b>373.0</b>
<b>Operating profit after special items (EBIT)</b>	<b>349.7</b>	<b>62.9</b>	<b>-53.1</b>	<b>359.5</b>

## NOTE 3 SPECIAL ITEMS

DKK m	2016 H1	2015 H1
Adjustment of estimated Earn-out to seller regarding the route Kapellskär-Pal-diski acquired in 2011	-7.1	-21.3
Adjustment when finalising Earn-out regarding the acquisition of Quayside Group	0.4	0
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	0	-4.5
Gain regarding sale of the ro-ro freight ship Flandria Seaways	0	12.3
<b>Special items, net</b>	<b>-6.8</b>	<b>-13.5</b>

## NOTE 4 ACQUISITION OF ENTERPRISES AND SALE OF ACTIVITIES

### 2016

#### ACQUISITION

There are no significant acquisitions or disposals in 2016.

### 2015

#### ACQUISITION

1 February 2015 the DFDS Group obtained control and 100% ownership of the logistics activities from Beltrin S.R.O. in Czech Republic. 2 March 2015 the DFDS Group acquired certain logistics activities, including employees, certain operating assets and lease agreements of operating equipment, from Volvo AB in Sweden. For further details of these acquisitions, refer to the annual report for 2015.

## NOTE 5 ASSETS HELD FOR SALE

### 2016

During Q2 2016 the ro-pax ship Vilnius Seaways has ceased to be classified as held for sale as management assess that the criteria for being classified as held for sale no longer are met. Accordingly, the ship is moved back to Non-current tangible assets at the carrying amount the ship had before it was classified as held for sale, adjusted for depreciations etc, that would have been recognised had the ship not been classified as held for sale.

The variance between this adjusted carrying amount and the carrying amount recognised under held for sale at the time the ship ceased to be classified as held for sale has been expensed under Depreciation, ships by an amount of DKK 18.2m.

## NOTE 6 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The table 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 fair value hierarchy is stated.

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 H1 2016.

### 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 is measured at the quoted prices.

Financial assets available for sale also comprise other shares and equity investments as well as other investments of DKK 18.4m (2015: DKK 18.4m). 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 of the former Norfolkline domicile in Scheveningen with a carrying amount of DKK13.5m (2015: DKK 13.5m). The fair value of the building is based on a valuation made by an independent real estate broker etc.

The ro-pax ship Vilnius Seaways has been reclassified to non-current tangible assets. Reference is made to note 5.

DKK m	H1 2016		H1 2015	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>				
Financial assets available for sale (Level 1)	0	0	0.5	0.5
Derivatives (Level 2)	13.4	13.4	6.7	6.7
Assets held for sale (non-recurring fair value measurement) (Level 3)	13.5	13.5	61.8	61.8
<b>Financial liabilities</b>				
Derivatives (Level 2)	165.9	165.9	214.1	214.1

# 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 has been prepared using the same accounting policies as for the annual report for 2015. However, 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 2016. These IFRSs have not had any material impact on the DFDS A/S' interim report.

As of 18 November 2015 New Channel Holding A/S (formerly a 100% subsidiary of DFDS A/S) and its 100% owned subsidiary New Channel Company A/S were both merged into DFDS A/S.

The parent company's revenue increased by DKK 985.6m, equivalent to 30.6%. Operating profit before depreciation and special items (EBITDA) increased from DKK 452.2m to DKK 750.2m. Both increases are primarily due to the above mergers.

Included in Financial items, net are dividend received from subsidiaries of DKK 121.1m and reversal of impairments of investments in subsidiaries of DKK 66.3m made in previous years, but where value in use has increased and thus require the impairments reversed in full or partially.

The parent company's net interest bearing debt increased from DKK 3,703.2m at 31

December 2015 to DKK 4,334.0m at 30 June 2016 primarily following the finance lease of two Channel ferries.

	2016	2015	2015-2016	2015
DKK m	H1	H1	LTM	Full year
<b>Income statement</b>				
Revenue	4,208.5	3,222.9	7,698.0	6,712.4
Operating profit before depreciation (EBITDA) and special items	750.2	452.2	1,353.7	1,055.7
Operating profit (EBIT) before special items	493.3	267.8	911.2	685.7
Special items, net	-7.1	14.3	-13.2	8.2
Operating profit (EBIT)	486.2	282.1	898.0	693.9
Financial items, net	173.6	-11.7	4.8	-180.5
Profit before tax	659.7	270.4	902.7	513.4
Profit for the period	659.8	267.3	898.7	506.2
<b>Assets</b>				
Non-current intangible assets	311.8	260.5		293.6
Non-current tangible assets	5,240.2	3,275.8		4,290.7
Investments in affiliated companies, associates and joint ventures	3,829.8	3,877.4		3,759.5
Other non-current assets	18.4	18.8		18.3
Non-current assets	9,400.2	7,432.5		8,362.1
Current receivables from affiliated companies	754.6	2,330.6		724.8
Receivables from associates and joint ventures	50.2	50.9		53.8
Other current assets	1,277.1	1,483.5		2,120.2
Current assets *)	2,081.9	3,865.0		2,898.8
<b>Assets</b>	<b>11,482.0</b>	<b>11,297.5</b>		<b>11,260.9</b>
*) hereof cash and securities	360.9	630.0		1,299.9
<b>Equity and liabilities</b>				
Equity	4,302.5	4,553.6		4,322.2
Non-current liabilities	2,142.4	2,208.3		2,217.7
Current liabilities to affiliated companies	2,693.4	2,849.3		2,718.9
Other current liabilities	2,343.8	1,686.3		2,002.1
Current liabilities	5,037.2	4,535.6		4,721.0
<b>Equity and liabilities</b>	<b>11,482.0</b>	<b>11,297.5</b>		<b>11,260.9</b>
Equity ratio, %	37.5%	40.3%		38.4%
Net interest bearing debt	4,334.0	2,497.8		3,703.2



## DEFINITIONS

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

Roundings may in general cause variances in sums and percentages in this report.