

INTERIM REPORT Q3 2016

EARNINGS FURTHER INCREASED IN Q3

EBITDA UP BY 15%
TO DKK 972M IN Q3

FREIGHT VOLUMES
CONTINUED TO
GROW

EBITDA OUTLOOK
RAISED TO
DKK 2,525-2,625M



Q3 2016

- 7% revenue growth, adjusted
- Freight volumes boosted by 30% higher volumes in Channel
- Profit before tax and special items increased by 23% to DKK 732m
- ROIC before special items increased to 17.4%

OUTLOOK 2016

EBITDA outlook range raised to DKK 2,525-2,625m against previously DKK 2,450-2,600m

“The revenue and earnings of our route network and logistics services continued to grow satisfactorily reflecting steady economic progress in most of Europe’s economies in Q3, including the UK. We are carefully monitoring the possible longer term effects of Brexit as well as the immediate weakening of the pound.”

Niels Smedegaard, CEO

Revenue increased by 7% in Q3 adjusted for currency changes and excluding revenue from bunker surcharges. Reported revenue was flat at DKK 3.8bn.

EBITDA before special items increased by 15% to DKK 972m following higher earnings in primarily the Shipping Division. The result includes a negative EBITDA-impact of DKK 45m from currency changes compared to 2015.

The Shipping Division’s route network carried 17% higher freight volumes and 10% more passengers in Q3. The expanded ferry capacity in the Channel business unit carried 30% higher freight volumes and 15% more passengers. Freight volumes were up by 4% in all other parts of the network while passenger volumes were 1% lower.

The Logistics Division continued to improve earnings in the Nordic and Continent business units but this was offset by the effect

of lower temperature-controlled volumes and the depreciation of GBP on the UK & Ireland business unit.

Outlook 2016

The full-year outlook range for 2016 has been raised following earnings in Q3 above expectations. The Group’s EBITDA before special items is now expected to increase to a range of DKK 2,525-2,625m compared to a range of DKK 2,450-2,600m previously (2015: DKK 2,041m). The full-year negative currency impact on EBITDA is expected to be around DKK 75m of which the majority is related to the depreciation of GBP.

The Group’s revenue growth is now expected to be around 4% compared to previously around 6%, excluding revenue from bunker surcharges. The change is due to currency changes with an expected full-year negative impact on revenue of around DKK 475m, primarily related to the depreciation of GBP.

KEY FIGURES

DKK m	Q3	Q3		LTM	LTM		FY
Before special items	2016	2015	Δ %	2015-16	2014-15	Δ %	2015
Revenue	3,799	3,792	0%	13,763	13,208	4%	13,473
EBITDA	972	843	15%	2,494	1,937	29%	2,041
EBIT	738	626	18%	1,574	1,112	42%	1,199
Profit before tax	732	595	23%	1,511	976	55%	1,079

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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	Q3	Q3	Q1-Q3	Q1-Q3	2016	Full year	DKK m	Q3	Q3	Q1-Q3	Q1-Q3	2016	Full year
					LTM							LTM	
Income statement							Cash flows						
Revenue	3,799	3,792	10,439	10,150	13,763	13,473	Cash flows from operating activities, before financial items and after tax	825	756	2,014	1,572	2,649	2,207
• Shipping Division	2,744	2,677	7,204	6,887	9,388	9,071	Cash flows from investing activities	-151	-137	-906	-304	-1,172	-571
• Logistics Division	1,208	1,281	3,695	3,739	4,989	5,034	• Acquisition of enterprises and activities	0	0	0	-7	0	-7
• Non-allocated items	87	78	259	233	338	312	• Other investments, net	-151	-137	-905	-297	-1,172	-564
• Eliminations	-241	-244	-719	-710	-951	-943	Free cash flow	674	619	1,108	1,268	1,477	1,637
Operating profit before depreciation (EBITDA) and special items	972	843	2,075	1,623	2,494	2,041	Key operating and return ratios						
• Shipping Division	927	816	1,944	1,521	2,329	1,906	Average number of employees	-	-	7,017	6,583	6,942	6,616
• Logistics Division	60	59	183	169	247	234	Number of ships	-	-	55	54	-	54
• Non-allocated items	-15	-31	-52	-68	-83	-99	Revenue growth, %	0.2	6.3	2.9	4.4	2.2	5.4
Profit/loss on disposal of non-current assets, net	2	1	6	2	9	5	EBITDA-margin, %	25.6	22.2	19.9	16.0	18.1	15.1
Operating profit (EBIT) before special items	738	626	1,373	999	1,574	1,199	Operating margin, %	19.4	16.5	13.2	9.8	11.4	8.9
Special items, net	0	-1	-7	-14	-28	-36	Revenue, invested capital average, (times)	-	-	-	-	1.5	1.6
Operating profit (EBIT)	738	625	1,366	984	1,546	1,164	Return on invested capital (ROIC), %	-	-	-	-	17.1	13.3
Financial items, net	-6	-31	-40	-98	-63	-121	ROIC before special items, %	-	-	-	-	17.4	13.7
Profit before tax	732	594	1,326	886	1,483	1,043	Return on equity, %	-	-	-	-	23.0	16.1
Profit for the period	709	572	1,276	806	1,481	1,011	Key capital and per share ratios						
Profit for the period excluding non-controlling interest	708	571	1,275	806	1,481	1,011	Equity ratio, %	-	-	50.3	51.0	-	51.6
Capital							Net interest bearing debt/EBITDA, (times)	-	-	-	-	1.0	0.9
Total assets	-	-	12,995	12,623	-	12,646	Earnings per share (EPS), DKK	12.24	9.52	21.83	13.38	25.23	16.84
DFDS A/S' share of equity	-	-	6,491	6,382	-	6,480	Dividend paid per share, DKK	3.00	1.80	6.00	5.40	6.00	5.40
Equity	-	-	6,540	6,433	-	6,530	Number of shares, end of period, '000	-	-	60,000	63,250	-	61,500
Net interest bearing debt	-	-	2,554	2,032	-	1,773	Weighted average number of circulating shares, '000	-	-	58,423	60,257	-	60,067
Invested capital, end of period	-	-	9,184	8,553	-	8,363	Share price, DKK	-	-	335.0	212.5	-	267.0
Invested capital, average	9,266	8,503	8,994	8,578	8,906	8,535	Market value	-	-	19,304	12,709	-	15,840

Definitions on page 26.

MARKET OVERVIEW AND OUTLOOK

In Q3, Europe's total economy continued to grow as did the economies of most of DFDS' key markets, including the UK.

Following the UK's vote to leave the EU, the British pound (GBP) had depreciated by 14% against DKK at the end of Q3 compared to the same time last year.

The depreciation of GBP has not impacted freight volumes between the UK and the Continent as they continued to grow during the quarter, including strong growth on the Dover Strait in the Channel.

Freight volumes between Scandinavia and the Continent also increased somewhat during the quarter while volume growth between Sweden/Norway and the UK remained imbalanced. Activity levels remained robust in the Baltic Sea region.

As a result of terror-related incidents earlier in the year, migrant issues in Calais and the depreciation of GBP, the demand from UK residents for ferry services on the Channel and other crossings between the UK and the Continent softened in Q3 as did on board spending.

IMPORTANT EVENTS IN Q3

34% more ferry capacity on Channel

The number of sailings increased by 34% in the Channel business unit in Q3 compared to Q3 2015 following the deployment of two additional 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.

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 buyback started on 18 August 2016 and is expected to be completed on 6 February 2017 at the latest. 54% of the buyback was completed on 11 November 2016.

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

Baltic route network expanded

On 1 September 2016, DFDS entered into an agreement with the Estonian company Navirail OÜ to take over the company's freight and passenger route (ro-pax) between Paldiski, Estonia, and Hanko, Finland. The transaction includes a four-year time-charter agreement for one ro-pax ship and an earn-out agreement.

The transaction was approved by the Estonian competition authority on 28 September. The transaction had accounting wise effect from 1 October 2016.

The route expands DFDS' network in the northern part of the Baltic Sea and complements DFDS' existing route between Paldiski and Kapellskär that was acquired in 2011. Calling at the joint port of Paldiski entails some operational synergies, includ-

ing an overlap of customers. Further synergies are expected from access to DFDS' systems and sales organisation.

Order of two freight ships (ro-ro) to boost efficiency

An order of two freight ship (ro-ro) new buildings was finalised on 30 September 2016. The order is part of DFDS' ongoing fleet renewal to accommodate the growth of our freight customers, increase operational efficiency and reduce the environmental impact.

The two ships will be built by Jinling Shipyard in China for delivery in the beginning of 2019. DFDS has options for four additional ships. The new ships are designed to each carry 6,700 lane metres of freight equivalent to around 450 trailers. The larger size of the new ships will significantly decrease unit costs as well as the environmental impact per transported unit.

Both new buildings are planned to be deployed in DFDS' route network on the North Sea.

The ships represent a new generation of environmentally friendly ro-ro ships as they comply with the latest environmental rules of the new IMO-standard EEDI (Energy Efficiency Design Index).

The investment in the two new ships totals around DKK 1.0bn to be paid during the period from ordering to delivery in the beginning of 2019. More than half of the payment falls due on delivery.

IMPORTANT EVENTS AFTER Q3

Sale of shares in Danish Ship Finance

DFDS has accepted a purchase offer for its shares in Danish Ship Finance (Danmarks Skibskredit A/S) subject to authority approval. The sale is expected to result in a gain of around DKK 25m and a cash inflow of around DKK 34m in Q4.

Acquisition of Scottish transport company

To further develop DFDS' logistics services, DFDS acquired on 14 November 2016 100% of the share capital of Haulage Shetland Ltd. headquartered in Lerwick on Shetland, Scotland. The company trades under the name of Shetland Transport.

Since 1982, Shetland Transport has provided transport services to and from the islands of Shetland and Orkney to the UK mainland via Aberdeen. The primary activity is the transport of fresh fish under temperature-controlled conditions.

Shetland Transport's revenue was GBP 10m (DKK 84m) in 2015/2016 and the company has 55 employees. The company operates a warehouse and a workshop in Lerwick, distribution centres in Aberdeen and Coatbridge as well as a fleet of 128 trailers and 28 tractor units.

The transaction includes potential earn-out payments to the seller in 2017 and 2018. Accounting wise, the transaction takes effect from 14 November 2016.

FINANCIAL PERFORMANCE

Revenue

The Group's revenue increased by 6.5% in Q3 compared to 2015 adjusted for currency changes and excluding bunker surcharges. Reported revenue of DKK 3,799m increased by 0.2%.

The Shipping Division's Q3 revenue of DKK 2,744m increased by 2.5% and by 4.9% excluding bunker surcharges and by 9.1% when also adjusting for currency changes.

The growth was driven by 16.8% higher freight volumes and 9.9% more passengers as well as freight rate increases while the average unit revenue per passenger declined due to the depreciation of GBP. Adjusted for Channel, where capacity was significantly increased in Q3, volume growth was 3.9% and -1.4% for freight and passengers respectively.

The Logistics Division's Q3 revenue of DKK 1,208m decreased by 5.8% and was flat when adjusting for currency changes. 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 the depreciation of GBP, reduced fuel surcharges, 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 15% to DKK 972m in Q3 primarily driven by higher earnings in the Shipping Division.

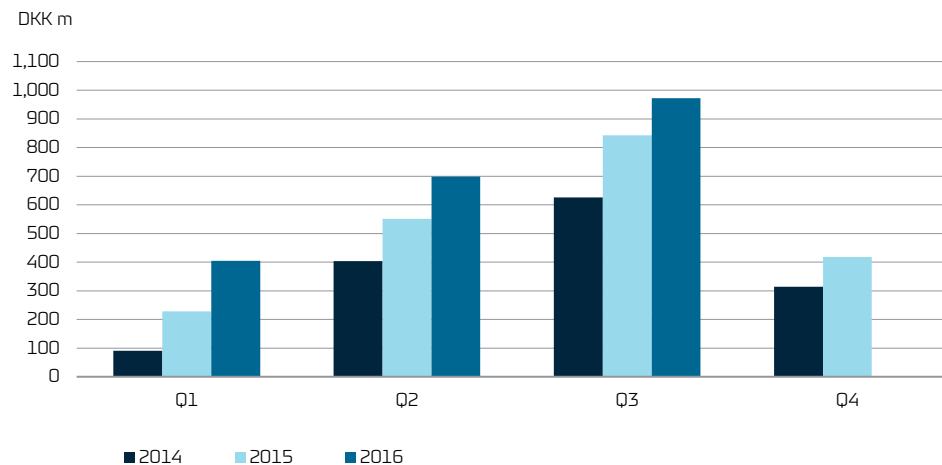
The Shipping Division's Q3 EBITDA increased by 14% to DKK 927m. The two key drivers of the increase was a considerable improvement of Channel's result following high volume growth enabled by the expansion of ferry capacity in the business unit. Secondly, Baltic Sea's result increased driven by a mix of volume growth, higher average unit revenue and operational changes. Despite lower passenger volumes and a negative impact from the depreciation of GBP, Passenger's result increased due to savings on both bunker costs and other operating costs.

The Logistics Division's Q3 EBITDA increased by 1% to DKK 60m as improved results for the Nordic and Continent business units was partly offset by a lower result for UK & Ireland following lower temperature controlled and steel volumes as well as a negative impact from the depreciation of GBP.

Depreciation and operating profit (EBIT) before special items

Depreciation in Q3 increased by DKK 18m or 8% to DKK 234m. The increase was primarily related to higher ship depreciations, including depreciations related to the addition of two ferries on Dover-Calais.

DFDS GROUP - EBITDA BEFORE SPECIAL ITEMS



REVENUE

DKK m	Q3 2016	Q3 2015	Change, %	Change
Shipping Division	2,744	2,677	2.5	67
Logistics Division	1,208	1,281	-5.8	-74
Non-allocated items	87	78	12.4	10
Eliminations	-241	-244	1.4	4
DFDS Group	3,799	3,792	0.2	7

OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) & SPECIAL ITEMS

DKK m	Q3 2016	Q3 2015	Change, %	Change
Shipping Division	927	816	13.7	112
Logistics Division	60	59	1.4	1
Non-allocated items	-15	-31	50.9	16
DFDS Group	972	843	15.2	128
EBITDA-margin, %	25.6	22.2	15.0	3.3

ASSOCIATES AND JOINT VENTURES, PROFITS ON DISPOSALS AND DEPRECIATION

DKK m	Q3 2016	Q3 2015	Change, %	Change
EBITDA before special items	972	843	15.2	128
Associates and joint ventures	-2	-3	-36.8	1
Profit on disposals	2	1	64.1	1
Depreciation	-234	-216	-8.4	-18
EBIT before special items	738	626	18.0	112

FINANCE, NET

DKK m	Q3 2016	Q3 2015	Change, %	Change
Interest, net	-15	-20	27.9	6
Foreign exchange gains/losses, net	15	-4	n.a.	19
Other items	-6	-7	15.0	1
Total finance, net	-6	-31	81.5	25

The Group's EBIT before special items for Q3 was DKK 738m, an increase of 18% compared to 2015.

Financial items

The total net cost of financing in Q3 decreased by DKK 25m mainly due to a gain on net currency adjustments compared to a loss in Q3 2015. A lower net interest cost also contributed to the positive variance.

Profit before and after tax

The profit before tax for Q3 increased by 23% to DKK 732m. The profit after tax was DKK 709m following a tax on profit of DKK -24m. Earnings per share (EPS) for the quarter increased to DKK 12.24 from DKK 9.52 in Q3 2015, an increase of 29%.

Cash flow and investments

The free cash flow (FCFF) of Q3 was DKK 674m after investments of DKK 151m

that included the lengthening of a freight ship. For the last twelve months, the free cash flow (FCFF) was DKK 1,477m after investments of DKK 1,172m.

The cash flow from financing activities was negative by DKK 380m in Q3, including a distribution to shareholders of DKK 316m, of which DKK 174m was dividend and DKK 143m was a buyback of shares. The net cash flow for Q3 was positive by DKK 289m and at the end of Q3 cash amounted to DKK 730m.

Capital structure

At the end of Q3 net-interest-bearing debt (NIBD) was DKK 2,554m, 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 and dividends total-

OUTLOOK 2016

DKK m	2016 NEW	2016 PREVIOUS	2015
Revenue growth	4% ¹	6% ¹	13,473
EBITDA before special items	2,525-2,625	2,450-2,600	2,041
Per division:			
Shipping Division	2,375-2,450	2,300-2,425	1,906
Logistics Division	250-275	250-275	234
Non-allocated items	-100	-100	-99
Depreciation	+10%	+10%	-835
Special items	-10	-10	-36
Investments	1,000	1,000	571

¹Excluding bunker surcharges.

ling DKK 1,079m. Financial leverage, as measured by the ratio of NIBD to EBITDA before special items for the last twelve months, was a multiple of 1.0 compared to 0.9 at year-end 2015. The equity ratio was 50% at the end of Q3.

Equity

Equity amounted to DKK 6,540m at the end of Q3, including minority interests of DKK 48m. This was just above year-end 2015 as total comprehensive income for Q1-Q3 2016 was DKK 1,021m while transactions with owners reduced equity by DKK 1,009m, including dividends of DKK 349m, buyback of shares of DKK 730m 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 9.8% to DKK 9,184m at the end of Q3 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 5.4% to DKK 8,994m.

For the last twelve months, the return on invested capital, ROIC, was 17.4% before special items compared to 13.7% for 2015. Including special items, ROIC was 17.1% compared to 13.3% for 2015.

OUTLOOK 2016

The EBITDA-outlook range for 2016 has been raised following a result for Q3 above expectations. The Group's EBITDA before special items is now expected to increase to a range of DKK 2,525-2,625m compared to a range of previously DKK 2,450-2,600m. The range at the start of the year was DKK 2,100-2,300m (2015: DKK 2,041m). The full-year currency impact on EBITDA is expected to be around DKK -75m.

The Group's revenue is now expected to increase by around 4% compared to previously 6%, excluding revenue from bunker surcharges. The change is due to currency changes with an expected full-year impact on revenue of around DKK -475m, primarily related to the depreciation of GBP.

Investments are still expected to amount to around DKK 1.0bn in 2016.

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.



In the Q3 high season, 2.57m passengers along with 630k cars travelled on DFDS' routes across northern Europe, including the Baltic Sea. A wide variety of dining options is offered on board ranging from a selection of six restaurants and cafés on the overnight Copenhagen-Oslo route to three options on the short crossings on the Channel.

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-	2015
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	2,020	2,440	2,744	7,204	6,887	1,894	2,316	2,677	2,184	9,388	9,071
EBITDA before special items	367	650	927	1,944	1,521	189	517	816	385	2,329	1,906
Share of profit/loss of associates and joint ventures	-1	0	-2	-3	-11	-3	-5	-3	0	-3	-11
Profit/loss on disposal of non-current assets, net	0	2	2	4	1	0	0	1	0	4	1
Depreciation and impairment	-194	-218	-205	-617	-526	-168	-172	-187	-190	-807	-716
EBIT before special items	173	434	722	1,329	985	18	341	626	195	1,524	1,180
EBIT margin before special items, %	8.6	17.8	26.3	18.4	14.3	1.0	14.7	23.4	8.9	16.2	13.0
Special items, net	0	-7	0	-7	-9	0	-9	0	-30	-37	-39
EBIT	173	427	722	1,322	976	18	332	626	165	1,487	1,141
Invested capital, average	7,845	8,381	8,417	8,131	7,902	7,971	7,951	7,832	7,585	8,061	7,799
ROIC before special items, %	-	-	-	-	-	-	-	-	-	18.7	14.9
Lane metres, '000	8,610	9,954	9,440	28,004	22,909	7,252	7,526	8,131	8,424	36,428	31,333
Passengers, '000	1,203	1,762	2,570	5,536	4,850	967	1,544	2,339	1,344	6,880	6,194

Q3 MARKET, ACTIVITY AND RESULT TRENDS

North Sea

Freight volumes in Q3 were 3.4% above 2015. As in Q2, 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.

The underlying route operating profit increased but due to additional ship costs related to the lengthening of a ship and

additional dockings, the EBIT for the business unit decreased by 7% to DKK 117m. More-over, third party activity in port terminals was lower than last year.

Baltic Sea

Freight volumes in Q3 were 8.9% above 2015. The high volume growth was supported by deployment of a third ship on one route and additional departures on another route between Germany/Sweden and Lithuania. Capacity between Denmark and Lithuania was reduced by deployment of a smaller ship to adapt to lower activity in

the market. Passenger volumes were 4.2% above 2015.

EBIT increased by 29% to DKK 119m driven by higher volumes, an improved fit of capacity on the routes, lower docking costs and the conversion of the route between Russia and Germany to a slot charter.

Channel

Freight volumes in Q3 increased by 30.3% while passenger volumes increased by 14.7%. The high volume growth reflects the expansion of capacity on Dover-Calais compared to last year where the majority of

departures were cancelled in July and two ferries were deployed for the remainder of the quarter. This year three ferries were deployed throughout the quarter. The total number of sailings for the two routes increased by 34% compared to last year.

Total freight volumes on the Dover Strait, including the tunnel, increased by 7.2% in Q3 compared to 2015 while the number of passengers decreased by 2.6%. The latter decrease reflects the impact of terror-related incidents earlier in the year, migrant issues in Calais and the depreciation of GBP.

EBIT improved by 27% to DKK 226m as higher volumes and freight unit revenues exceeded the extra costs related to the capacity expansion.

France & Mediterranean

Freight volumes in Q3 were 9.3% below 2015 while passenger volumes were 4.8% lower. The reduction in volumes was entirely driven by the Newhaven-Dieppe route as volumes in Q3 2015 was boosted by traffic disruptions on the Dover Strait during the quarter.

EBIT increased by 49% to DKK 22m mainly due to lower ship and operating costs.

Passenger

The number of passengers in Q3 decreased by 1.0% compared to 2015 as demand from the Norwegian and UK markets was somewhat weaker than last year, partly due to the depreciation of GBP.

EBIT increased by 5% to DKK 198m as lower bunker and other ship costs offset the lower activity level and negative impacts from currency changes.

SHIPPING DIVISION

DKK m	2016			2016	2015	2015				2015-2016	2015
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
NORTH SEA											
Revenue	812	861	822	2,495	2,564	832	883	849	838	3,333	3,402
EBIT before special items	128	142	117	386	337	87	125	125	120	507	458
Invested capital	4,018	4,177	4,296	4,150	4,433	4,333	4,554	4,486	4,110	4,218	4,368
ROIC before special items, %	-	-	-	-	-	-	-	-	-	11.8	10.3
Lane metres freight, '000	2,807	3,020	2,913	8,740	8,326	2,708	2,802	2,816	2,833	11,573	11,159
BALTIC SEA											
Revenue	299	340	371	1,010	964	289	329	346	290	1,300	1,254
EBIT before special items	78	92	119	290	178	14	71	93	53	343	231
Invested capital	1,056	1,387	1,326	1,188	1,190	1,290	1,170	1,106	982	1,172	1,148
ROIC before special items, %	-	-	-	-	-	-	-	-	-	29.1	19.9
Lane metres freight, '000	938	998	959	2,895	2,628	852	895	880	879	3,774	3,507
Passengers, '000	73	91	118	283	272	69	90	112	77	360	349
CHANNEL											
Revenue	428	586	766	1,780	1,385	317	416	652	468	2,248	1,853
EBIT before special items	8	110	226	344	175	-15	12	178	23	367	198
Invested capital	2,227	2,185	2,135	1,914	1,226	1,241	1,222	1,235	1,108	1,778	1,203
ROIC before special items, %	-	-	-	-	-	-	-	-	-	20.6	16.4
Lane metres freight, '000	4,493	5,493	5,161	15,147	10,636	3,302	3,371	3,964	4,287	19,434	14,923
Passengers, '000	852	1,220	1,863	3,935	3,244	628	992	1,624	920	4,855	4,163
FRANCE & MEDITERRANEAN											
Revenue	98	124	153	376	368	101	118	148	133	509	501
EBIT before special items	-7	5	22	20	14	-7	7	15	-10	10	5
Invested capital	-71	-8	17	-32	-28	31	-11	-47	-67	-35	-36
ROIC before special items, %	-	-	-	-	-	-	-	-	-	n.a.	n.a.
Lane metres freight, '000	237	272	258	767	892	254	305	333	266	1,033	1,158
Passengers, '000	37	92	174	302	312	36	93	183	51	353	362
PASSENGER											
Revenue	286	465	590	1,340	1,376	277	490	610	366	1,706	1,742
EBIT before special items	-60	96	198	234	219	-73	103	189	0	234	219
Invested capital	566	523	571	565	696	697	664	663	602	585	677
ROIC before special items, %	-	-	-	-	-	-	-	-	-	39.4	31.3
Lane metres freight, '000	135	171	149	455	427	136	154	138	158	613	586
Passengers, '000	241	358	416	1,015	1,023	234	369	420	296	1,311	1,319
NON-ALLOCATED ITEMS											
Revenue	149	111	97	357	377	122	127	127	145	502	522
EBIT before special items	26	-10	40	55	61	13	23	26	8	63	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-	2015
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
Revenue	1,220	1,268	1,208	3,695	3,739	1,175	1,283	1,281	1,294	4,989	5,034
EBITDA before special items	54	69	60	183	169	52	58	59	65	247	234
Profit/loss on disposal of non-current assets, net	1	1	1	2	1	0	0	1	2	5	4
Depreciation and impairment	-24	-23	-22	-69	-71	-24	-24	-23	-24	-93	-95
EBIT before special items	30	47	39	116	100	28	35	37	43	159	143
EBIT margin before special items, %	2.5	3.7	3.2	3.1	2.7	2.4	2.7	2.9	3.3	3.2	2.8
Special items, net	0	0	0	0	0	0	0	0	9	9	9
EBIT	31	47	39	116	100	28	35	37	51	168	151
Invested capital, average	1,122	1,064	1,022	1,072	1,094	1,099	1,090	1,089	1,123	1,077	1,104
ROIC before special items, %	-	-	-	-	-	-	-	-	-	13.5	11.9
Tons, '000	114.3	98.2	96.4	308.9	293.0	109.0	97.9	86.1	110.2	419.1	403.1
Units, '000	125.7	132.5	129.9	388.1	336.3	108.9	114.2	113.2	117.6	505.6	453.9

Q3 MARKET, ACTIVITY AND RESULT TRENDS

Nordic

The number of transported units in Q3 was level with 2015. The depreciation of GBP triggered volume decreases between the UK and Scandinavia, including lower RDF-volumes (RDF: refuse derived fuel) from the UK. This was offset by higher domestic volumes in Sweden. The automotive contract logistics activities in Sweden continued to grow in Q3. Volumes are not reported for these activities.

EBIT increased by 71% to DKK 13m driven by the completed ramp-up of the automotive contract logistics activities and improvement of earnings in all key areas.

Continent

The number of transported units in Q3 increased by 5.7% compared to 2015. The main drivers of the growth were the trailer operations between Netherlands-UK and Belgium-Sweden. Traffic volumes between Germany-UK were boosted by an automotive logistics contract that commenced operations in Q4 2015.

EBIT increased by 51% to DKK 11m as almost all activity areas improved earnings driven by the higher volumes and improved margins.

UK & Ireland

The number of transported units in Q3 increased by 42.1% compared to 2015 primarily 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 lower activity between N. Ireland and England and the Continent as well as lower temperature controlled and steel volumes in the UK.

EBIT decreased by 30% to DKK 16m, including a negative currency impact of DKK 3m from the depreciation of GBP. The result was otherwise mainly reduced by the impact of lower temperature controlled and steel volumes.

LOGISTICS DIVISION

DKK m	2016			2016	2015	2015				2015-2016	2015
	Q1	Q2	Q3	Q1-Q3	Q1-Q3	Q1	Q2	Q3	Q4	LTM	Full year
Nordic											
Revenue	411	418	383	1,213	1,234	392	430	412	425	1,638	1,659
EBIT before special items	13	16	13	41	26	10	9	7	17	58	43
Invested capital	320	305	304	319	341	315	356	342	345	323	342
ROIC before special items, %	-	-	-	-	-	-	-	-	-	17.2	12.2
Units, '000 *)	30.5	30.4	28.1	89.0	85.3	28.6	28.6	28.1	28.3	117.4	113.6
Tons, '000	114.3	98.2	96.4	308.9	292.9	109.0	97.9	86.1	110.2	419.1	403.1
Continent											
Revenue	489	501	489	1,478	1,428	455	485	488	490	1,968	1,918
EBIT before special items	9	16	11	35	24	8	10	7	9	44	33
Invested capital	350	326	340	335	326	338	297	322	325	333	326
ROIC before special items, %	-	-	-	-	-	-	-	-	-	12.4	9.9
Units, '000	55.7	57.1	55.5	168.3	157.6	50.8	54.3	52.5	54.5	222.8	212.1
UK & Ireland											
Revenue	353	384	368	1,105	1,180	350	414	416	413	1,518	1,593
EBIT before special items	8	15	16	40	49	10	17	23	17	56	66
Invested capital	426	400	374	419	427	449	425	435	477	422	437
ROIC before special items, %	-	-	-	-	-	-	-	-	-	11.6	13.0
Units, '000	39.5	44.9	46.3	130.7	93.5	29.5	31.4	32.6	34.7	165.5	128.2
Non-allocated items											
Revenue	54	52	49	156	135	16	73	46	54	209	189

*) 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 September 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 September 2016 and of the results of the DFDS Group's operations and cash flow for the period 1 January – 30 September 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, 15 November 2016



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

DFDS GROUP - INCOME STATEMENT

DKK m	Note	2016 Q3	2015 Q3	2016 Q1-Q3	2015 Q1-Q3	2015-2016 LTM	2015 Full year
Revenue		3,798.5	3,791.8	10,439.4	10,149.5	13,763.3	13,473.5
Costs							
Operating costs		-1,857.3	-1,962.0	-5,465.2	-5,753.0	-7,343.1	-7,630.9
Charter hire		-118.9	-146.8	-413.0	-434.7	-603.4	-625.0
Employee costs		-653.0	-635.1	-1,942.5	-1,829.5	-2,600.7	-2,487.7
Costs of sales and administration		-197.6	-204.5	-543.2	-509.6	-722.5	-689.0
Operating profit before depreciation (EBITDA) and special items		971.8	843.4	2,075.5	1,622.7	2,493.7	2,041.0
Share of profit/loss of associates and joint ventures		-2.1	-3.4	-2.9	-11.3	-3.3	-11.7
Profit/loss on disposal of non-current assets, net		2.5	1.5	6.4	2.1	9.2	4.9
Depreciation, ships		-191.9	-173.3	-576.9	-487.3	-751.0	-661.4
Depreciation, other non-current assets		-42.0	-42.5	-129.1	-127.5	-172.2	-170.6
Impairment losses, ships and other non-current assets		-0.1	0.0	-0.1	-0.2	-2.7	-2.8
Operating profit (EBIT) before special items		738.1	625.7	1,372.9	998.6	1,573.7	1,199.4
Special items, net	3	0.0	-1.0	-6.8	-14.5	-27.9	-35.5
Operating profit (EBIT)		738.1	624.7	1,366.1	984.2	1,545.8	1,163.9
Financial income		1.5	1.1	5.5	20.1	11.2	25.7
Financial costs		-7.2	-32.1	-45.5	-118.2	-73.9	-146.5
Profit before tax		732.4	593.6	1,326.1	886.1	1,483.1	1,043.1
Tax on profit		-23.8	-22.1	-50.4	-79.8	-2.5	-31.9
Profit for the period		708.6	571.5	1,275.7	806.3	1,480.6	1,011.2
Attributable to:							
Equity holders of DFDS A/S		708.5	570.7	1,275.4	805.9	1,481.0	1,011.5
Non-controlling interests		0.1	0.8	0.3	0.4	-0.4	-0.3
Profit for the period		708.6	571.5	1,275.7	806.3	1,480.6	1,011.2
Earnings per share							
Basic earnings per share (EPS) of DKK 20, DKK		12.2	9.5	21.8	13.4	25.2	16.8
Diluted earnings per share (EPS-D) of DKK 20, DKK		12.1	9.3	21.5	13.1	24.8	16.5

DFDS GROUP - COMPREHENSIVE INCOME

	2016	2015	2016	2015	2015-2016	2015
DKK m	Q3	Q3	Q1-Q3	Q1-Q3	LTM	Full year
Profit for the period	708.6	571.5	1,275.7	806.3	1,480.6	1,011.2
Other comprehensive income						
Items that will not subsequently be reclassified to the Income statement:						
Remeasurement of defined benefit pension obligations	-214.7	-0.5	-214.7	0.0	-255.9	-41.2
Tax on items that will not be reclassified to the Income statement	0.0	0.0	0.0	0.0	8.4	8.4
Items that will not be reclassified subsequently to the Income statement	-214.7	-0.5	-214.7	0.0	-247.6	-32.9
Items that are or may subsequently be reclassified to the Income statement:						
Value adjustment of hedging instruments:						
Value adjustment for the period	18.0	-95.4	51.8	-47.5	29.3	-70.0
Value adjustment transferred to operating costs	-0.8	5.9	11.9	18.9	23.5	30.5
Value adjustment transferred to financial costs	8.3	79.5	-20.7	51.9	-11.2	61.3
Foreign exchange adjustments, subsidiaries	-24.5	-75.5	-108.6	24.1	-74.3	58.4
Unrealised value adjustment of securities	25.2	0.0	25.2	-0.2	24.1	-1.4
Impairment of securities transferred to financial costs	0.0	0.0	0.0	0.0	1.1	1.1
Items that are or may subsequently be reclassified to the Income statement	26.2	-85.6	-40.3	47.2	-7.5	80.0
Total other comprehensive income after tax	-188.5	-86.0	-255.0	47.2	-255.1	47.1
Total comprehensive income	520.1	485.5	1,020.7	853.5	1,225.5	1,058.3
Attributable to:						
Equity holders of DFDS A/S	519.9	484.7	1,020.5	853.0	1,226.0	1,058.5
Non-controlling interests	0.2	0.8	0.2	0.5	-0.5	-0.2
Total comprehensive income	520.1	485.5	1,020.7	853.5	1,225.5	1,058.3

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 Q1-Q3	2015 Q1-Q3	2015 Full year
Goodwill		553.3	530.3	532.3
Other non-current intangible assets		23.8	29.3	29.3
Software		190.9	136.5	148.4
Development projects in progress		29.7	48.5	55.7
Non-current intangible assets		797.7	744.7	765.6
Land and buildings		109.4	125.2	124.8
Terminals		502.2	530.3	521.7
Ships		8,082.5	7,021.6	6,818.8
Equipment, etc.		454.1	430.1	494.4
Assets under construction and prepayments		34.2	91.5	222.7
Non-current tangible assets		9,182.3	8,198.5	8,182.4
Investments in associates and joint ventures		29.4	34.5	33.7
Receivables		25.0	24.7	25.0
Securities		9.5	18.8	18.4
Deferred tax		74.6	85.4	97.2
Derivative financial instruments		17.5	0.0	0.0
Other non-current assets		156.0	163.3	174.2
Non-current assets		10,136.0	9,106.5	9,122.3
Inventories		117.0	120.6	110.6
Trade receivables		1,631.3	1,866.9	1,593.2
Receivables from associates and joint ventures		51.5	54.3	55.1
Other receivables		179.3	179.9	192.2
Prepayments		92.4	95.8	86.0
Derivative financial instruments		9.4	0.2	4.5
Securities		34.1	0.0	0.0
Cash		729.9	1,136.5	1,422.6
Current assets		2,845.0	3,454.2	3,464.1
Assets classified as held for sale	5	13.5	61.8	59.2
Total current assets		2,858.5	3,516.0	3,523.3
Assets		12,994.5	12,622.6	12,645.7

EQUITY AND LIABILITIES

DKK m	2016 Q1-Q3	2015 Q1-Q3	2015 Full year
Share capital	1,200.0	1,265.0	1,230.0
Reserves	-290.9	-305.1	-247.0
Retained earnings	5,582.2	5,422.2	5,312.7
Proposed dividends	0.0	0.0	184.5
Equity attributable to equity holders of DFDS A/S	6,491.3	6,382.1	6,480.2
Non-controlling interests	48.4	50.5	49.5
Equity	6,539.8	6,432.6	6,529.7
Interest bearing liabilities	2,145.0	2,168.4	2,213.2
Deferred tax	164.9	173.4	156.9
Pension and jubilee liabilities	522.3	322.9	362.6
Other provisions	54.7	34.1	38.6
Derivative financial instruments	127.2	168.2	169.9
Non-current liabilities	3,014.1	2,867.0	2,941.1
Interest bearing liabilities	1,067.4	757.9	738.7
Trade payables	1,616.4	1,671.5	1,573.3
Payables to associates and joint ventures	31.8	34.9	30.8
Other provisions	56.3	60.8	78.9
Corporation tax	33.9	31.1	25.3
Other payables	471.1	491.8	475.5
Derivative financial instruments	13.6	131.6	133.5
Deferred income	150.1	143.4	111.7
Current liabilities	3,440.7	3,323.0	3,167.7
Liabilities relating to assets classified as held for sale	0.0	0.0	7.1
Liabilities	6,454.8	6,190.0	6,115.9
Equity and liabilities	12,994.5	12,622.6	12,645.7

DFDS GROUP STATEMENT OF CHANGES IN EQUITY (1 JANUARY – 30 SEPTEMBER 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	6,480.2	49.5	6,529.7
Comprehensive income for the period										
Profit for the period						1,275.4		1,275.4	0.3	1,275.7
Other comprehensive income										
Items that will not subsequently be reclassified to the income statement:										
Remeasurement of defined benefit pension obligations						-214.7		-214.7		-214.7
Items that will not subsequently be reclassified to the Income statement	0.0	0.0	0.0	0.0	0.0	-214.7	0.0	-214.7	0.0	-214.7
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			51.8					51.8		51.8
Value adjustment transferred to operating costs			11.9					11.9		11.9
Value adjustment transferred to financial costs			-20.7					-20.7		-20.7
Foreign exchange adjustments, subsidiaries		-108.5						-108.5	-0.1	-108.6
Unrealised value adjustment of securities				25.2				25.2		25.2
Items that are or may subsequently be reclassified to the Income statement	0.0	-108.5	43.1	25.2	0.0	0.0	0.0	-40.2	-0.1	-40.3
Total other comprehensive income after tax	0.0	-108.5	43.1	25.2	0.0	-214.7	0.0	-254.9	-0.1	-255.0
Total comprehensive income	0.0	-108.5	43.1	25.2	0.0	1,060.7	0.0	1,020.5	0.2	1,020.7
Transactions with owners										
Acquisition, non-controlling interests						1.0		1.0	-1.3	-0.3
Dividend paid							-175.4	-175.4		-175.4
Dividend on treasury shares						9.1	-9.1	0.0		0.0
Proposed extraordinary dividend						-180.0	180.0	0.0		0.0
Extraordinary dividend paid							-173.6	-173.6		-173.6
Extraordinary dividend on treasury shares						6.4	-6.4	0.0		0.0
Vested share-based payments						5.6		5.6		5.6
Purchase of treasury shares					-55.5	-674.4		-729.9		-729.9
Cash from sale of treasury shares related to exercise of share options					21.8	42.4		64.2		64.2
Reduction of share capital by cancellation of treasury shares	-30.0				30.0			0.0		0.0
Other adjustments						-1.3		-1.3		-1.3
Transactions with owners Q1-Q3 2016	-30.0	0.0	0.0	0.0	-3.7	-791.2	-184.5	-1,009.4	-1.3	-1,010.7
Equity at 30 September 2016	1,200.0	-275.0	6.0	25.3	-47.2	5,582.2	0.0	6,491.3	48.4	6,539.8

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 SEPTEMBER 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	6,075.8	51.4	6,127.2
Comprehensive income for the period										
Profit for the period						805.9		805.9	0.4	806.3
Other comprehensive income										
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustment of hedging instruments for the period			-47.5					-47.5		-47.5
Value adjustment transferred to operating costs			18.9					18.9		18.9
Value adjustment transferred to financial costs			51.9					51.9		51.9
Foreign exchange adjustments, subsidiaries		24.0						24.0	0.1	24.1
Unrealised value adjustment of securities				-0.2				-0.2		-0.2
Items that are or may subsequently be reclassified to the Income statement	0.0	24.0	23.3	-0.2	0.0	0.0	0.0	47.1	0.1	47.2
Total other comprehensive income after tax	0.0	24.0	23.3	-0.2	0.0	0.0	0.0	47.1	0.1	47.2
Total comprehensive income	0.0	24.0	23.3	-0.2	0.0	805.9	0.0	853.0	0.5	853.5
Transactions with owners										
Acquisition, non-controlling interests						1.0		1.0	-1.3	-0.4
Proposed dividends						-113.9	113.9	0.0		0.0
Dividend paid							-325.8	-325.8		-325.8
Dividend on treasury shares						15.8	-15.8	0.0		0.0
Purchase of treasury shares					-35.5	-254.1		-289.6		-289.6
Vested share-based payments						5.4		5.4		5.4
Cash from sale of treasury shares related to exercise of share options					17.3	45.4		62.7		62.7
Other adjustments						-0.4		-0.4		-0.4
Transactions with owners Q1-Q3 2015	0.0	0.0	0.0	0.0	-18.2	-300.8	-227.7	-546.7	-1.3	-548.1
Equity at 30 September 2015	1,265.0	-200.8	-35.6	0.1	-68.8	5,422.2	0.0	6,382.1	50.5	6,432.6

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

	2016	2015	2016	2015	2015-2016	2015
DKK m	Q3	Q3	Q1-Q3	Q1-Q3	LTM	Full year
Operating profit before depreciation (EBITDA) and special items	971.8	843.4	2,075.5	1,622.7	2,493.7	2,041.0
Cash flow effect from special items related to operating activities	0.1	-1.5	-2.5	-15.7	-3.6	-16.9
Adjustments for non-cash operating items, etc.	4.2	17.2	2.5	18.9	39.4	55.8
Change in working capital	-141.9	-87.6	30.4	5.8	223.3	198.7
Payment of pension liabilities and other provisions	-6.4	-11.3	-76.2	-49.4	-84.5	-57.6
Cash flow from operating activities, gross	827.9	760.1	2,029.7	1,582.3	2,668.3	2,221.0
Interest etc. received	32.2	21.2	82.7	100.7	99.4	117.4
Interest etc. paid	-37.0	-40.4	-137.6	-166.6	-179.8	-208.7
Taxes paid	-2.9	-4.1	-15.9	-10.6	-19.1	-13.8
Cash flow from operating activities, net	820.2	736.9	1,958.8	1,505.8	2,568.8	2,115.9
Investments in ships including dockings, rebuildings and ships under construction	-129.9	-79.9	-794.6	-294.2	-922.9	-422.6
Sale of ships including net compensation for ship declared total loss	0.0	0.0	0.0	88.7	19.6	108.3
Investments in other non-current tangible assets	-21.9	-20.5	-98.7	-43.8	-236.6	-181.7
Sale of other non-current tangible assets	0.0	1.7	16.8	8.5	19.1	10.8
Investments in non-current intangible assets	-3.8	-18.0	-33.8	-35.4	-57.5	-59.1
Acquisition of enterprises, associates, joint ventures and activities	-0.5	0.0	-0.5	-6.8	-0.5	-6.8
Capital contribution to joint ventures	0.0	-20.7	0.0	-20.7	0.0	-20.7
Sale of activities etc.	5.0	0.0	5.0	0.0	5.0	0.0
Dividend from associates and joint ventures	0.0	0.0	0.0	0.0	1.3	1.3
Cash flow to/from investing activities, net	-151.0	-137.4	-905.7	-303.8	-1,172.4	-570.5
Proceed from loans secured by mortgage in ships	0.0	0.0	0.0	0.0	120.9	120.9
Repayment and instalments of loans secured by mortgage in ships	-15.6	-23.9	-270.5	-143.1	-304.2	-176.9
Repayment of corporate bonds incl. settlement of cross currency swap	0.0	0.0	-493.5	0.0	-493.5	0.0
Change in other non-current investments, net	0.0	-0.1	0.0	12.8	-0.2	12.6
Change in other financial loans, net	0.0	-22.4	-23.1	-47.4	-71.4	-95.7
Payment of financial lease liabilities	-18.9	-5.3	-62.7	-16.1	-67.4	-20.8
Change in operating credits	-29.0	-4.1	118.9	-28.5	117.2	-30.2
Change in loan to associates and joint ventures	0.1	-2.3	3.6	-0.4	2.8	-1.2
Acquisition of non-controlling interests	0.0	-0.1	-0.3	-0.4	-0.4	-0.4
Acquisition of treasury shares	-142.7	-118.4	-729.9	-289.6	-841.3	-401.0
Cash received from exercise of share options	0.0	14.6	64.2	62.7	64.2	62.7
Government grants related to purchase of assets	0.0	0.0	0.7	12.8	23.3	35.4
Dividends paid	-173.6	-107.7	-349.0	-325.8	-349.0	-325.8
Cash flow to/from financing activities, net	-379.8	-269.7	-1,741.7	-762.9	-1,799.1	-820.2
Net increase (decrease) in cash and cash equivalents	289.4	329.8	-688.6	439.1	-402.6	725.1
Cash and cash equivalents at beginning of period	441.3	810.8	1,422.6	694.5	1,136.5	694.5
Foreign exchange and value adjustments of cash and cash equivalents	-0.7	-4.1	-4.0	2.8	-3.9	2.9
Cash and cash equivalents at end of period	729.9	1,136.5	729.9	1,136.5	729.9	1,422.6

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
Q1-Q3 2016				
External revenue	6,753.7	3,679.5	6.1	10,439.4
Intragroup revenue	450.2	15.6	253.4	719.2
Total revenue	7,203.9	3,695.2	259.5	11,158.6
Operating profit (EBIT) before special items	1,328.7	115.9	-71.6	1,372.9
Operating profit after special items (EBIT)	1,321.5	116.2	-71.6	1,366.1

DKK m	Shipping Division	Logistics Division	Non-allocated	Total
Q1-Q3 2015				
External revenue	6,418.9	3,721.3	9.4	10,149.5
Intragroup revenue	468.3	18.2	223.9	710.3
Total revenue	6,887.1	3,739.5	233.3	10,859.8
Operating profit (EBIT) before special items	984.6	99.8	-85.8	998.6
Operating profit after special items (EBIT)	975.7	99.8	-91.3	984.2

NOTE 3 SPECIAL ITEMS

DKK m	2016 Q1-Q3	2015 Q1-Q3
Adjustment of estimated Earn-out to seller regarding the route Kapellskär-Paldiski acquired in 2011	-7.1	-21.3
Adjustment when finalising Earn-out regarding the acquisition of Quayside Group	0.3	0.0
Costs related to designing and implementing one group wide finance service centre, including advisor costs, redundancies etc.	0.0	-5.5
Gain regarding sale of the ro-ro freight ship Flandria Seaways	0.0	12.3
Special items, net	-6.8	-14.5

NOTE 4 ACQUISITION OF ENTERPRISES AND SALE OF ACTIVITIES

2016

ACQUISITION

On 1 September 2016 DFDS entered into an agreement with the Estonian company Navirail OÜ to acquire the company's freight and passenger route (ro-pax) between Paldiski (Estonia) and Hanko (Finland). The transaction was approved by the Estonian Competition Authorities at 28 September 2016 and the route is consolidated with effect from 1 October 2016.

The route has been acquired 100% by DFDS A/S. The route expands DFDS' network in the northern part of the Baltic Sea and complements DFDS' existing route between Paldiski and Kapellskär (Sweden).

DFDS has not paid any upfront consideration. An earn-out agreement has been entered with the seller, according to which DFDS must pay 50% of the route's accumulated EBIT for six years. Based on the expectations to the route's earnings for the earn-out period the net present value of the earn-out is estimated at DKK 41.8m at 1 October 2016. The estimated yearly revenue is DKK 97m and estimated revenue for Q4 2016 is to DKK 22m. Based on the preliminary assessment of acquired assets and liabilities goodwill is estimated at DKK 42m.

On 14 November 2016 the acquisition of the Scottish company Haulage Shetland Ltd. was completed and the DFDS Group obtained control as from this date. After the acquisition the DFDS Group has 100% ownership of the acquired company and the acquired company is consolidated in the consolidated financial statements for the DFDS Group as from this date. The acquisition is 100% made by the subsidiary DFDS Logistics Ltd. and the acquired company is after the acquisition included in the UK & Ireland Business Unit.

DFDS paid DKK 53.5m for the acquired company. In addition, two earn-out agreements have been entered into according to which DFDS, based on the acquired company's financial performance for 2016/17 and 2017/18, may pay an additional cash consideration in the range of DKK 0-9.2m.

Based on the acquired company's expected earnings the earn-out agreements are estimated to DKK 9.2m. Consequently, the total purchase price is calculated at DKK 62.7m. The estimated yearly revenue amounts to DKK 84M and the estimated revenue for the rest of the year is estimated to DKK 11M.

Due to timing of the acquisition it has not yet been possible to measure the fair values of the acquired assets and liabilities.

NOTE 4 (CONTINUED)

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.

In Q2 2016 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 Q1-Q3 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 measured at level 3 (DKK 34.1m) are non-listed shares in a company which had the majority of its share capital traded in September 2016. DFDS' holding of these non-listed shares are measured based on the published price per share according to the transaction in September 2016 as this price is also offered to the remaining shareholders. DFDS has in Q4 sold its shareholding, resulting in a gain of around DKK 25m.

Financial assets available for sale also comprise other shares and equity investments as well as other investments of DKK 9.5m (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 DKK 13.5m (2015: DKK 13.5m). The fair value of the building is based on a valuation made by an independent real estate broker etc.

DKK m	Q1-Q3 2016		Q1-Q3 2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets				
Financial assets available for sale (Level 1)	0.0	0.0	0.4	0.4
Derivatives (Level 2)	26.9	26.9	0.2	0.2
Financial assets available for sale (Level 3)	34.1	34.1	0.0	0.0
Assets held for sale (non-recurring fair value measurement) (Level 3)	13.5	13.5	61.8	61.8
Financial liabilities				
Derivatives (Level 2)	140.9	140.9	299.7	299.7

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

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 1,774.4m, equivalent to 35.2%. Operating profit before depreciation and special items (EBITDA) increased from DKK 867.2m to DKK 1,486.6m. Both increases are primarily due to the above mergers and general improvement on most of the company's shipping routes.

Included in Financial items, net is 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 to be 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 3,987.1m at 30 September 2016 primarily following the finance lease of two Channel ferries.

	2016	2015	2015-2016	2015
DKK m	Q1-Q3	Q1-Q3	LTM	Full year
Income statement				
Revenue	6,809.3	5,034.9	8,486.8	6,712.4
Operating profit before depreciation (EBITDA) and special items	1,486.6	867.2	1,675.1	1,055.7
Operating profit (EBIT) before special items	1,101.4	593.3	1,193.8	685.7
Special items, net	-7.1	15.3	-14.2	8.2
Operating profit (EBIT)	1,094.3	608.6	1,179.6	693.9
Financial items, net	254.2	74.3	-0.6	-180.5
Profit before tax	1,348.5	682.9	1,179.0	513.4
Profit for the period	1,343.6	680.2	1,169.6	506.2
Assets				
Non-current intangible assets	307.8	273.5		293.6
Non-current tangible assets	5,241.8	3,220.6		4,290.7
Investments in affiliated companies, associates and joint ventures	3,838.8	3,877.5		3,759.5
Other non-current assets	9.5	18.7		18.3
Non-current assets	9,397.9	7,390.3		8,362.1
Current receivables from affiliated companies	591.6	2,046.3		724.8
Receivables from associates and joint ventures	51.0	52.9		53.8
Other current assets	1,663.7	1,767.8		2,120.2
Current assets *)	2,306.2	3,867.0		2,898.8
Assets	11,704.1	11,257.3		11,260.9
*) hereof cash and securities	661.9	1,037.5		1,299.9
Equity and liabilities				
Equity	4,720.4	4,746.3		4,322.2
Non-current liabilities	2,134.6	2,137.6		2,217.7
Current liabilities to affiliated companies	2,532.4	2,624.9		2,718.9
Other current liabilities	2,316.8	1,748.5		2,002.1
Current liabilities	4,849.2	4,373.4		4,721.0
Equity and liabilities	11,704.2	11,257.3		11,260.9
Equity ratio, %	40.3%	42.2%		38.4%
Net interest bearing debt	3,987.1	2,414.0		3,703.2

DEFINITIONS

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