

## **Consolidated Financial Statements**

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## Income statement

(1 January – 31 December)

DKK million	Note	2017	2016
Revenue	2.1, 2.2	14,327.8	13,790.4
Costs	2.3		
Ship operation and maintenance		-2,888.9	-2,585.6
Freight handling		-2,262.0	-2,197.2
Transport solutions		-3,128.4	-3,114.9
Employee costs	2.4	-2,660.7	-2,607.9
Cost of sales and administration		-685.4	-696.6
<i>Total costs</i>		<i>-11,625.5</i>	<i>-11,202.2</i>
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>2,702.3</b>	<b>2,588.2</b>
Share of profit/loss of associates and joint ventures		5.6	-3.0
Profit on disposal of non-current assets, net	3.1.3	7.0	8.5
Amortisation, depreciation, and impairment losses on intangible - and tangible assets	2.5	-933.2	-950.2
<b>Operating profit (EBIT) before special items</b>		<b>1,781.7</b>	<b>1,643.6</b>
Special items, net	2.6	-40.7	-12.8
<b>Operating profit (EBIT)</b>		<b>1,741.0</b>	<b>1,630.7</b>
Financial income	4.4	27.0	56.0
Financial costs	4.4	-81.7	-99.1
<b>Profit before tax</b>		<b>1,686.3</b>	<b>1,587.6</b>
Tax on profit	2.7	-68.3	-39.3
<b>Profit for the year</b>		<b>1,618.0</b>	<b>1,548.3</b>

DKK million	Note	2017	2016
<b>Profit for the year is attributable to:</b>			
Equity holders of DFDS A/S		1,616.7	1,548.1
Non-controlling interests		1.3	0.2
<b>Profit for the year</b>		<b>1,618.0</b>	<b>1,548.3</b>
<b>Earnings per share</b>	4.8		
Basic earnings per share (EPS) of DKK 20 in DKK		29.08	26.63
Diluted earnings per share (EPS-D) of DKK 20 in DKK		28.83	26.35
<b>Proposed profit appropriation</b>			
Proposed dividend, DKK 4.0 per share (2016: DKK 3.0 per share)			

## Statement of comprehensive income

[1 January – 31 December]

DKK million	Note	2017	2016
<b>Profit for the year</b>		<b>1,618.0</b>	<b>1,548.3</b>
<b>Other comprehensive income</b>			
Items that will not subsequently be reclassified to the Income statement:			
Remeasurement of defined benefit pension obligations	3.2.4	57.9	-152.6
<b>Items that will not subsequently be reclassified to the Income statement</b>		<b>57.9</b>	<b>-152.6</b>
Items that are or may subsequently be reclassified to the Income statement:			
Value adjustment of hedging instruments:			
Value adjustment for the year		-132.7	77.1
Value adjustment transferred to operating costs		-9.6	8.7
Value adjustment transferred to financial costs		29.1	-6.1
Value adjustment transferred to non-current tangible assets		6.2	-3.8
Tax on items that will be reclassified to the Income statement	2.7	1.1	-10.4
Foreign exchange adjustments, subsidiaries		-60.1	-113.3
Unrealised value adjustment of securities		0.0	25.2
Realised value adjustment of securities transferred to financial income		0.0	-25.2
<b>Items that are or may subsequently be reclassified to the Income statement</b>		<b>-166.1</b>	<b>-47.8</b>
<b>Total other comprehensive income after tax</b>		<b>-108.2</b>	<b>-200.4</b>
<b>Total comprehensive income</b>		<b>1,509.8</b>	<b>1,347.9</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Equity holders of DFDS A/S		1,508.5	1,347.9
Non-controlling interests		1.3	0.0
<b>Total comprehensive income</b>		<b>1,509.8</b>	<b>1,347.9</b>

## Balance sheet 31 december

(Assets)

DKK million	Note	2017	2016
Goodwill		554.5	555.8
Other non-current intangible assets		29.4	37.5
Software		235.3	195.7
Development projects in progress		14.8	37.0
<b>Non-current intangible assets</b>	3.1.1	<b>834.0</b>	<b>826.1</b>
Land and buildings		148.8	161.8
Terminals		480.4	510.6
Ships		7,505.4	7,904.0
Equipment, etc.		615.7	542.7
Assets under construction and prepayments		307.8	135.9
<b>Non-current tangible assets</b>	3.1.2	<b>9,058.0</b>	<b>9,255.0</b>
Investments in associates, joint ventures and securities		42.8	38.1
Receivables	3.2.1	135.7	24.8
Deferred tax	2.7	63.6	94.6
Derivative financial instruments	4.2	0.0	34.5
<b>Other non-current assets</b>		<b>242.1</b>	<b>192.1</b>
<b>Non-current assets</b>		<b>10,134.1</b>	<b>10,273.1</b>
Inventories	3.2.2	155.8	139.2
Receivables	3.2.1	1,890.8	1,773.6
Prepaid costs		90.7	84.2
Derivative financial instruments	4.2	3.8	25.0
Cash		1,033.2	695.6
<b>Current assets</b>		<b>3,174.3</b>	<b>2,717.6</b>
Assets classified as held for sale	3.1.5	0.0	13.5
<b>Total current assets</b>		<b>3,174.3</b>	<b>2,731.1</b>
<b>Assets</b>		<b>13,308.4</b>	<b>13,004.3</b>

## Balance sheet 31 december

(Equity and Liabilities)

DKK million	Note	2017	2016
Share capital	4.7	1,140.0	1,200.0
Reserves		-455.0	-299.7
Retained earnings		5,651.6	5,556.1
Proposed dividend		228.0	180.0
<b>Equity attributable to equity holders of DFDS A/S</b>		<b>6,564.6</b>	<b>6,636.4</b>
Non-controlling interests		49.0	48.2
<b>Equity</b>	4.6	<b>6,613.7</b>	<b>6,684.6</b>
Interest-bearing liabilities	4.5	2,931.6	2,100.9
Deferred tax	2.7	197.1	191.2
Pension and jubilee liabilities	3.2.4	378.6	460.2
Other provisions	3.2.5	42.4	54.9
Derivative financial instruments	4.2	94.8	145.6
<b>Non-current liabilities</b>		<b>3,644.5</b>	<b>2,952.8</b>
Interest-bearing liabilities	4.5	343.9	907.9
Trade payables		1,847.0	1,722.3
Other provisions	3.2.5	35.1	67.1
Corporation tax		23.8	30.2
Other payables	3.2.3	529.7	500.3
Derivative financial instruments	4.2	111.3	0.2
Prepayments from customers		159.3	138.9
<b>Current liabilities</b>		<b>3,050.2</b>	<b>3,366.9</b>
<b>Liabilities</b>		<b>6,694.7</b>	<b>6,319.7</b>
<b>Equity and liabilities</b>		<b>13,308.4</b>	<b>13,004.3</b>

## Statement of changes in equity

(1 January – 31 December)

DKK million	Share capital	Reserves				Retained earnings	Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
		Translation reserve	Hedging reserve	Revaluation of securities	Treasury shares					
Equity at 1 January 2017	1,200.0	-279.6	38.8	0.1	-58.9	5,556.1	180.0	6,636.4	48.2	6,684.6
<b>Comprehensive income for the year</b>										
Profit for the year						1,616.7		1,616.7	1.3	1,618.0
<b>Other comprehensive income</b>										
Items that will not subsequently be reclassified to the Income statement: Remeasurement of defined benefit pension obligations						57.9		57.9		57.9
<b>Items that will not subsequently be reclassified to the Income statement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>57.9</b>	<b>0.0</b>	<b>57.9</b>	<b>0.0</b>	<b>57.9</b>
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments of hedging instruments for the year			-132.7					-132.7		-132.7
Value adjustment transferred to operating costs			-9.6					-9.6		-9.6
Value adjustment transferred to financial costs			29.1					29.1		29.1
Value adjustment transferred to non-current tangible assets			6.2					6.2		6.2
Tax on items that will be reclassified to the Income statement						1.1		1.1		1.1
Foreign exchange adjustments, subsidiaries		-60.2						-60.2	0.1	-60.1
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0.0</b>	<b>-60.2</b>	<b>-107.1</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>-166.1</b>	<b>0.1</b>	<b>-166.1</b>
<b>Total other comprehensive income after tax</b>	<b>0.0</b>	<b>-60.2</b>	<b>-107.1</b>	<b>0.0</b>	<b>0.0</b>	<b>59.0</b>	<b>0.0</b>	<b>-108.2</b>	<b>0.1</b>	<b>-108.2</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>-60.2</b>	<b>-107.1</b>	<b>0.0</b>	<b>0.0</b>	<b>1,675.8</b>	<b>0.0</b>	<b>1,542.5</b>	<b>1.3</b>	<b>1,509.8</b>
<b>Transactions with owners</b>										
Acquisition, non-controlling interests						0.4		0.4	-0.5	-0.2
Dividend paid							-167.9	-167.9		-167.9
Dividend on treasury shares						12.1	-12.1	0.0		0.0
Proposed extraordinary dividend						-399.0	399.0	0.0		0.0
Extraordinary dividend paid							-387.5	-387.5		-387.5
Extraordinary dividend on treasury shares						11.5	-11.5	0.0		0.0
Proposed dividend at year-end						-228.0	228.0	0.0		0.0
Vested share-based payments						25.9		25.9		25.9
Cash from sale of treasury shares related to exercise of share options					12.6	42.7		55.3		55.3
Purchase of treasury shares					-60.6	-1,045.2		-1,105.8		-1,105.8
Reduction of share capital by cancellation of treasury shares	-60.0				60.0			0.0		0.0
Other adjustments						-0.6		-0.6		-0.6
<b>Total transactions with owners 2017</b>	<b>-60.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>-1,580.2</b>	<b>48.0</b>	<b>-1,580.2</b>	<b>-0.5</b>	<b>-1,580.7</b>
<b>Equity at 31 December 2017</b>	<b>1,140.0</b>	<b>-339.7</b>	<b>-68.4</b>	<b>0.1</b>	<b>-47.0</b>	<b>5,651.6</b>	<b>228.0</b>	<b>6,564.6</b>	<b>49.0</b>	<b>6,613.7</b>

The Parent Company's share capital, which is not divided into different classes of shares, is divided into 57,000,000 shares of DKK 20 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

## Statement of changes in equity

(1 January – 31 December)

DKK million	Share capital	Reserves				Retained earnings	Proposed dividend	Equity attributable to equity holders of DFDS A/S	Non-controlling interests	Total
		Translation reserve	Hedging reserve	Revaluation of securities	Treasury shares					
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
<b>Comprehensive income for the year</b>										
Profit for the year						1,548.1		1,548.1	0.2	1,548.3
<b>Other comprehensive income</b>										
Items that will not subsequently be reclassified to the Income statement: Remeasurement of defined benefit pension obligations						-152.6		-152.6		-152.6
<b>Items that will not subsequently be reclassified to the Income statement</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-152.6</b>	<b>0.0</b>	<b>-152.6</b>	<b>0.0</b>	<b>-152.6</b>
Items that are or may subsequently be reclassified to the Income statement:										
Value adjustments of hedging instruments for the year			77.1					77.1		77.1
Value adjustment transferred to operating costs			8.7					8.7		8.7
Value adjustment transferred to financial costs			-6.1					-6.1		-6.1
Value adjustment transferred to non-current tangible assets			-3.8					-3.8		-3.8
Tax on items that will not be reclassified to the Income statement						-10.4		-10.4		-10.4
Foreign exchange adjustments, subsidiaries		-113.1						-113.1	-0.2	-113.3
Unrealised value adjustment of securities				25.2				25.2		25.2
Realised value adjustment of securities transferred to financial income				-25.2				-25.2		-25.2
<b>Items that are or may subsequently be reclassified to the Income statement</b>	<b>0.0</b>	<b>-113.1</b>	<b>75.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-10.4</b>	<b>0.0</b>	<b>-47.6</b>	<b>-0.2</b>	<b>-47.8</b>
<b>Total other comprehensive income after tax</b>	<b>0.0</b>	<b>-113.1</b>	<b>75.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-163.0</b>	<b>0.0</b>	<b>-200.3</b>	<b>-0.2</b>	<b>-200.4</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>-113.1</b>	<b>75.8</b>	<b>0.0</b>	<b>0.0</b>	<b>1,385.2</b>	<b>0.0</b>	<b>1,347.9</b>	<b>0.0</b>	<b>1,347.9</b>
<b>Transactions with owners</b>										
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
Proposed dividend at year-end						-180.0	180.0	0.0		0.0
Vested share-based payments						7.5		7.5		7.5
Cash from sale of treasury shares related to exercise of share options					21.8	42.4		64.2		64.2
Purchase of treasury shares					-67.2	-846.8		-914.1		-914.1
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
<b>Total transactions with owners 2016</b>	<b>-30.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-15.4</b>	<b>-1,141.8</b>	<b>-4.5</b>	<b>-1,191.7</b>	<b>-1.3</b>	<b>-1,193.0</b>
<b>Equity at 31 December 2016</b>	<b>1,200.0</b>	<b>-279.6</b>	<b>38.8</b>	<b>0.1</b>	<b>-58.9</b>	<b>5,556.1</b>	<b>180.0</b>	<b>6,636.4</b>	<b>48.2</b>	<b>6,684.6</b>

The Parent Company's share capital, which is not divided into different classes of shares, is divided into 60,000,000 shares of DKK 20 each. All shares rank equally. There are no restrictions on voting rights. The shares are fully paid up.

## Statement of cash flows

[1 January – 31 December]

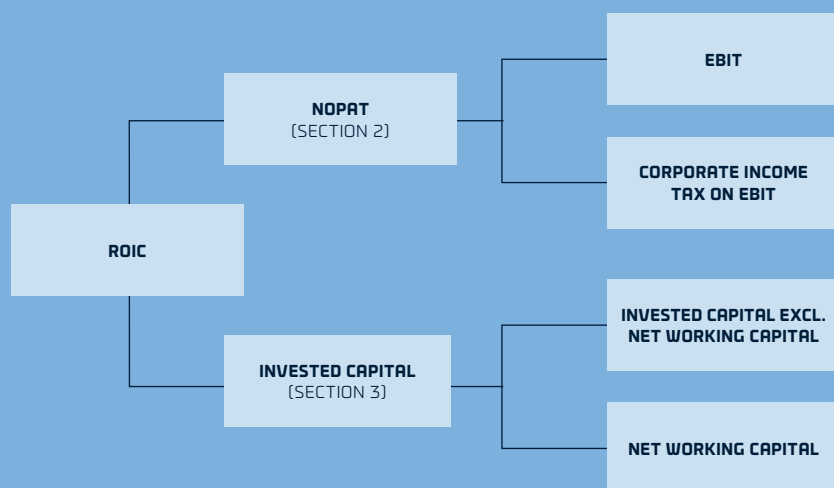
DKK million	Note	2017	2016
<b>Operating profit before depreciation (EBITDA) and special items</b>		<b>2,702.3</b>	<b>2,588.2</b>
Cash flow effect from special items related to operating activities		0.0	-2.6
Adjustments for non-cash operating items, etc.	5.4	18.8	14.3
Change in working capital	5.4	42.5	168.4
Payment of pension liabilities and other provisions		-63.7	-85.5
<b>Cash flow from operating activities, gross</b>		<b>2,699.9</b>	<b>2,682.7</b>
Interest received, etc.		118.7	108.7
Interest paid, etc.		-162.8	-182.2
Tax paid		-33.5	-20.4
<b>Cash flow from operating activities, net</b>		<b>2,622.2</b>	<b>2,588.8</b>
Investments in ships including dockings, rebuildings and ships under construction incl. settlement of forward exchange contracts related thereto		-1,299.8	-955.7
Investments in other non-current tangible assets		-214.4	-206.2
Sale of other non-current tangible assets		35.6	18.1
Investments in non-current intangible assets		-51.1	-52.4
Acquisition of enterprises, associates, joint ventures and activities	5.5	0.0	-50.9
Sale of activities etc.		0.0	5.0
Sale of securities	4.2	0.0	34.1
Other investing cash flows		-34.4	0.0
Dividend received from associates and joint ventures		0.0	0.8
<b>Cash flow to/from investing activities, net</b>		<b>-1,564.2</b>	<b>-1,207.2</b>
<b>Cash flow before financing activities</b>		<b>1,058.0</b>	<b>1,381.6</b>

DKK million	Note	2017	2016
Proceed from loans secured by mortgage in ships	4.3	671.6	0.0
Repayment and instalments on loans secured by mortgage in ships	4.3	-111.2	-298.7
Proceed from issuance of corporate bonds	4.3	990.5	0.0
Repayment of corporate bonds incl. settlement of cross currency swap	4.3	-504.9	-493.5
Change in other financial loans, net	4.3, 5.4	-23.6	-47.0
Payment of financial lease liabilities	4.3	-37.1	-87.5
Change in operating credits		0.0	-0.9
Acquisition of treasury shares	4.7	-1,105.8	-914.1
Other non-current receivables		-111.0	0.0
Cash received from exercise of share options		55.3	64.2
Government grants received related to purchase of assets		11.9	19.7
Other financing cash flows		-0.2	2.6
Dividends paid		-555.3	-349.0
<b>Cash flow to/from financing activities, net</b>		<b>-719.7</b>	<b>-2,104.3</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>338.3</b>	<b>-722.7</b>
Cash and cash equivalents at 1 January		695.6	1,422.6
Foreign exchange and value adjustments of cash and cash equivalents		-0.7	-4.2
<b>Cash and cash equivalents at 31 December <sup>1</sup></b>		<b>1,033.2</b>	<b>695.6</b>

<sup>1</sup> At year-end 2017 DKK 0.6m (2016: DKK 0.0m) of the cash was deposited on restricted bank accounts.

The statement of cash flows cannot directly be derived from the Income statement and the balance sheet.

# Notes



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## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the Annual Report of DFDS A/S for the financial year 1 January - 31 December 2017.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review includes a true and fair account of the development in the Group's and the Parent Company's operations and financial matters, of the result for the year and of the Group's and the Parent Company's financial position as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 23 February 2018

### EXECUTIVE BOARD

<b>Niels Smedegaard</b> President & CEO	<b>Torben Carlsen</b> Executive Vice President & CFO
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### BOARD OF DIRECTORS

<b>Claus Hemmingsen</b> Chair	<b>Pernille Erenbjerg</b> Deputy Chair	<b>Jørgen Jensen</b>	<b>Jens Otto Knudsen</b>
<b>Jill Lauritzen Melby</b>	<b>Klaus Nyborg</b>	<b>Lars Skjold-Hansen</b>	<b>Marianne Dahl Steensen</b>
<b>Kent Vildbæk</b>			

## Independent Auditors' Report

### Statements to the shareholders of DFDS A/S

#### Opinion

We have audited the Consolidated Financial Statements and the Parent company Financial Statements (the "Financial Statements") of DFDS A/S for the financial year 1 January – 31 December 2017, pp. 59-130, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flow and notes, accounting policies, for the Group as well as for the Parent company. The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Group and the Parent company at 31 December 2017 and of the results of the Group's and the Parent company's operations and cash flows for the financial year 1 January – 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditors' responsibilities for the audit of the Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

#### Appointment of auditor

We were initially appointed as auditors of DFDS A/S before 1995 and accordingly, we have to resign as auditor of the Company at the annual general meeting in 2021 at the latest. We have been re-appointed annually by resolution of the annual general meeting for a total consecutive period of more than 23 years up to and including the financial year 2017.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year 2017. These matters were addressed during our audit of the Financial Statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

**Sidevahendid**

Liik	Sisu
E-posti aadress	Peeter.Ojasaar@dfds.com