

Thomas Cook Airlines Scandinavia A/S
CVR no. 13 89 69 09

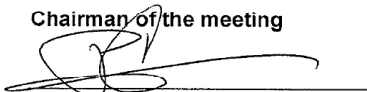
Annual report 2015/16

Financial year 1 October 2015 to 30 September 2016

27th financial year

Approved by the annual general meeting of the Company on 23/1-17

Chairman of the meeting


Per Knudsen

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Company information

Company

Thomas Cook Airlines Scandinavia A/S

CVR no.: 13 89 69 09

Municipality of registered office: Tårnby

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thomascookairlines@thomascook.dk

Board of Directors

Christoph Debus, chairman

Lars Magnus Wikner

Per Knudsen

Gitte Pia Michelsen, staff-elected

Lars Røstad, staff-elected

Executive Board

Per Knudsen, CEO

Bent Erlandsen

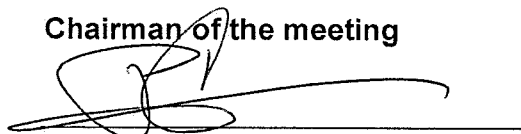
Carsten Schiøler

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Approved by the annual general meeting of the Company on 23/1-17

Chairman of the meeting



Per Knudsen

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of Thomas Cook Airlines Scandinavia A/S for the financial year 1 October 2015 to 30 September 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies selected appropriate and the accounting estimates sound.


In our opinion, the financial statements give a fair presentation of the Company's assets, liabilities and financial position as at 30 September 2016 and of the results of the Company's activities for the period 1 October 2015 to 30 September 2016.

In our opinion, the Management's review provides a fair presentation of the developments in the Company's activities and finances, the net profit or loss for the year and the Company's financial position.

We recommend the annual report for approval by the annual general meeting.

Tårnby, January 4, 2017

Executive Board



Per Knudsen
CEO



Bent Erlandsen



Carsten Schiøler

Board of Directors

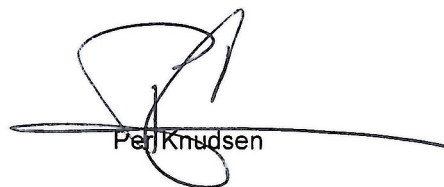
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Lars Røstad

Independent Auditor's Report

To the Shareholders of Thomas Cook Airlines Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of Thomas Cook Airlines Scandinavia A/S for the financial year 1 October 2015 – 30 September 2016, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2016 and of the results of the Company operations for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Copenhagen, 4 January 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31



Bo Schou-Jacobsen
State Authorised Public Accountant



Ulrik Ræbild
State Authorised Public Accountant

Management's review

Financial highlights

Seen over a period of five years, the Company's development can be described by these financial highlights:

All amounts in DKK '000.000	2015/16	2014/15	2013/14	2012/13	2011/12
Key Figures					
Results					
Revenue	4.113	4.147	4.386	4.460	4.288
Gross Profit	1.150	1.001	1.070	1.060	981
Operating Profit	231	173	242	99	229
Results from net financials	-39	-8	-2	0	5
Net profit before tax	192	165	240	99	234
Net profit for the year	149	123	180	70	176
Balance sheet					
Equity	262	263	299	200	155
Balance sheet total	1.596	1.803	1.502	1.637	1.711
Cash Flows					
Investments in tangible and intangible fixed assets, net	107	397	102	-141	271
Other financial ratios					
Staff (Full-time)	1.093	1.060	1.043	1.063	1.062
Aircraft	12	13	12	12	12
Passengers (1.000), one-way	2.385	2.399	2.377	2.405	2.437
Cabin factor (%)	92	93	92	93	93
Number of flying hours (Block hours)	50.418	49.867	51.730	52.656	53.753
Financial ratios %					
Gross margin	28	24	24	24	23
Profit margin	6	4	6	2	5
Solvency ratio	16	15	20	12	9
Return on equity	66	48	82	45	105

For definitions, see the paragraph 'Accounting policies'.

Management's review

Principal activity

The Company's principal activity consists of transporting charter passengers to and from popular holiday destinations and selling duty-free and non-duty-free goods on-board. The major part of the Company's revenue consists of sales to group enterprises.

The Company is a wholly-owned Company in the Thomas Cook Northern Europe Group which include the tour operators Spies in Denmark, Ving in Norway and Sweden and Tjæreborg in Finland and own concept hotels, Sunwing and SunPrime. Thomas Cook Northern Europe is ultimately owned by the listed British Company Thomas Cook Group plc.

Developments in activities and finances

In the financial year, the Company transported 2,384,551 one-way passengers to and from Sweden, Norway, Denmark and Finland, which is a year-on-year decrease of 0.6 percent.

In 2015/16 the company operated an average fleet of 12,3 aircraft broken down by 14 aircraft during the winter season and 11 in the summer season. The 3 additional winter season aircraft were leased in from Thomas Cook Airlines UK, reflecting the seasonal fluctuations in the production demand in the Nordics.

At the financial year-end the Company's fleet included three Airbus A330 and eight Airbus A321 with an average age of eight years. During 2014 and 2015 the cabins of the older aircraft were fully refurbished. The customer satisfaction scores have increased accordingly and the product is very much appreciated by the passengers. This is reflected by a Net Promoter Score far above the industry average.

In January 2011 the Thomas Cook Group concluded a purchase agreement with the aircraft manufacturer Airbus, whereby the Company was the Group's contracting party. The agreement with Airbus included an order of twelve Airbus A321 aircraft as well as call options for additional aircraft of the types A320 and A321.

All aircraft under the agreement have been delivered and related prepayments and loans have been compensated and repaid whereby the Company's obligations under the agreement have been fulfilled.

As described in the section 'Financial risks', the Company uses financial hedging instruments to eliminate the risks arising from fluctuations in the major currencies and in fuel prices. The value of the financial contracts concluded on 30 September 2016 measured against the market prices on the same date is negative by DKK 22,5 million net (negative DKK 23,2 million at year-end 2014/15).

The income statement shows a pre-tax profit of DKK 191,9 million which is DKK 27 million higher than the previous year. The Board of Directors consider the results satisfactory. The lower demand

to Turkey has had a heavy impact on the Summer 16 flight program. This downturn has, however, been mitigated in tight cooperation with the TCNE tour operators by moving capacity to other popular Mediterranean holiday destinations. The post-tax results show a profit of DKK 149,0 million compared to DKK 123 million the year before. The expected development announced in the annual report for 2014/15 has been met.

Uncertainty connected with recognition and measurement

Provisions for future aircraft maintenance as at 30 September 2016 have been calculated to DKK 330.1 million. This amount covers contractual maintenance liabilities related to leased aircraft and engines, accrued on the basis of flight hours etc.

In the financial year the Company has had financial contracts on an ongoing basis in order to eliminate the currency risk of the provision, and therefore the net profit or loss of the year is not affected materially by the change for the year in the USD exchange rate.

Special risks

Operating risks

The Management does not consider Thomas Cook Airlines Scandinavia A/S to be exposed to special operating risks other than what is normal for an airline and geo-political risk in the destinations, included in the flight program for the TCNE tour operators.

Financial risks

Thomas Cook Airlines Scandinavia A/S has a large cash flow in foreign currencies. The Company hedges this net exposure by making forward contracts. Similarly the risk of fuel price fluctuations is hedged by financial commodity contracts (fuel swaps). Contracts to hedge future cash flows and fuel purchases are recognised directly in equity until the underlying transactions are realised.

Changes in fuel prices and the USD exchange rate are adjusted in the seat prices and have no significant effect on the net profit or loss of the year as USD and fuel are hedged at a price level corresponding to the conditions agreed in the seat prices. This and hedging of other currency risk are part of the hedging policy of the company to eliminate risks from fluctuations in the financial markets.

Environmental issues

The environmental management system of Thomas Cook Airlines Scandinavia A/S is audited, approved and certified according to the International ISO 14001 guidelines.

The system is based on the Company's many years of environmental work experience and continues to support a focus on improvements in fuel consumption, waste management, materials and

product selection, energy consumption in administration, as well as information and training of staff in an enterprise-related environment. The Company is industry leader in several environmental areas. E.g. the average CO2 emission per passenger km is only 68 grams in 2015/16, which is about half of the emission of the average airliner in the entire aviation industry. The Company was also the first airline business in Europe to introduce cabin waste segregation directly on board the aircraft back in 2003, and continues to be among the market leaders in this field. The environmental management system also helps the Company to supply the environmentally adjusted products, demanded by a growing number of conscious customers.

From 1 January 2012, the aviation sector became subject to the EU emissions trading system, also known as EU ETS. The authorities have approved the Company's registration and reporting methods, and an independent auditor verifies the system annually. Basic data are reported for each of the current years including 2014 and 2015. The data reports serve as the basis for the free greenhouse gas emissions allowances allocated to the Company on an ongoing basis. In 2016 the European industry sectors will be subject to yet another EU Energy Efficiency Directive which aims to further reduce energy consumption and greenhouse gas emissions.

Corporate social responsibility

The status of the Company's aggregate corporate social responsibility (CSR) is reported jointly with the Group's ultimate parent, Thomas Cook Group plc, and can be found on the Group's website, <http://www.thomascookgroup.com/sustainability/sustainability-report-2015/>. It recognises the UN Guiding Principles on Business and Human Rights and is aligned with the UN Global Compact.

Underrepresented gender – Policies and target figures

It is the Company's target to increase the number of women (the underrepresented gender) in the Board of Directors from currently none to one before the end of 2018. Further a policy has been implemented in order to increase the share of the underrepresented gender among the employed managers. The policy has four strategies which have impact on talent development, recruitment, succession planning and communication. The policy has shown no significant change during the past year. The main reason for this is that the Company has undergone changes with regards to the managerial structure.

Events occurring after the financial year-end

From the balance sheet date until today, there have been no events of material significance for the assessment of the annual report.

Expected development

The holiday travel market in the Nordic countries continues to be characterised by intense competition and declining selling prices as a consequence of a more transparent travel market and the increased supply of seats from low-cost airlines. However, the Group's tour operators aim to retain at least their market shares, and the Company therefore intends to maintain its capacity in 2016/17. This despite of a decreasing demand for holiday travel to Turkey, but capacity is increased to other existing destinations and new destinations are launched. The increased competition and declining SEK and NOK currency rates mean a pressure on the Company's current average selling prices, which we expect to mitigate largely through cost reductions, productivity increases and synergies from working closely together with the other Airlines in Thomas Cook Group. Therefore, we expect results for 2016/17 at the same magnitude as realised in 2015/16.

Foreign branches

The Company has the following foreign branches:

<u>Name</u>	<u>Registered office</u>
Thomas Cook Airlines Scandinavia A/S filial Sverige	Box 5, S-190 45 Stockholm-Arlanda, Sweden
Thomas Cook Airlines Scandinavia A/S filial Norge	Flyterminalen, 2060 Gardermoen, Norway
Thomas Cook Airlines Scandinavia A/S Sucursal en España	Aeropuerto de Palma de Mallorca, Palma de Mallorca, Spain
Thomas Cook Airlines Scandinavia A/S Sucursal em Portugal	Praca Marques de Pombal 1, 1250-160 Lisbon, Portugal

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act on Reporting Class C (large) and according to the same accounting policies as the previous year.

In accordance with section 86 (4) of the Danish Financial Statement Act no cash flow statement has been prepared, whereas this is included in a cash flow statement for Thomas Cook Plc Group.

During 2016 the end of lease obligation on aircraft was recalculated from 130,7 mDKK to 90,4 mDKK. The book value on the associated asset was adjusted accordingly, resulting in zero effect on the Company's profit and loss statement.

The annual report is presented in Danish kroner (DKK) 1,000.

General information on recognition and measurement

Assets are recognised in the balance sheet if it is probable that future economic benefits will flow to the Company and the value of the relevant asset can be measured reliably.

Liabilities are recognised in the balance sheet if the Company has a legal or constructive obligation arising from a past event and it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is performed as described for each separate item below.

On recognition and measurement, allowance is made for foreseeable risks and losses arising before presentation of the annual report, which confirms or rebuts conditions existing on the balance sheet date.

In the income statement, income is recognised as earned, while costs are recognised as the expenses concerning the financial year.

Accounting policies

Leasing

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate.

Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Foreign currency translation

Transactions in foreign currencies are translated on initial recognition at the exchange rate prevailing at the transaction date. Receivables, liabilities other than provisions, provisions and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rate prevailing at the balance sheet date. Currency translation differences arising between the exchange rate prevailing at the transaction date and the exchange rate prevailing at the payment date or the exchange rate prevailing at the balance sheet date are recognised in the income statement as external expenses. The effect of forward contracts is recognised in profit or loss from ordinary activities. Fixed assets purchased in foreign currencies are translated at historical exchange rates.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments that are classified as and meet the requirements for fair value hedging of a recognised asset or a recognised liability are recognised in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are classified as and meet the requirements for hedging of future transactions are recognised directly in equity. When the hedged transactions are realised, the changes are recognised in the relevant items.

Accounting policies

Income statement

Revenue

Income from the sale of seats is recognised in the income statement on the departure date. Income from the sale of duty-free and non-duty-free goods is recognised in the income statement on the delivery date. Revenue is recognised exclusive of VAT, taxes and sales discounts and is measured at fair value of the fixed consideration.

External expenses

External expenses include direct and indirect costs incurred in achieving the revenue.

Staff costs

Staff costs include salaries, pensions and other social security costs of all employees of the Company and its branches.

Financials

Interest income and expenses comprise finance leases and realised and unrealised foreign exchange adjustments.

Taxation

Tax for the year, which includes the current group tax contribution for the year, taxes in the Portuguese branch and changes in deferred tax, is recognised in the income statement by the portion attributable to the net profit or loss for the year and directly to equity by the portion attributable to entries directly to equity.

Current tax liabilities or current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax paid on account. Group tax contributions payable are recognised in joint taxation contribution payable.

Deferred tax is recognised and measured according to the balance-sheet liability method of all temporary differences between the carrying amount of an asset or a liability and its tax base. The tax base of the assets is calculated based on the planned utilisation of the individual asset.

Deferred tax assets including the tax base of tax losses allowed for carry-forward are recognised in the balance sheet at the value at which the relevant asset is expected to be realised either by a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

The Company is taxed jointly with other Danish companies in the Group, and the income tax is allocated to the jointly taxed companies according to the full allocation method.

Balance sheet

Intangible fixed assets

Software is recognised at acquisition cost less accumulated depreciation. Depreciation is provided on a straight-line basis over four years maximum.

Tangible fixed assets

Tangible fixed assets are recognised at acquisition cost less accumulated depreciation and write-downs. Ongoing investments are not depreciated. The acquisition cost consists of the cost without interest added.

Buildings on leased sites are depreciated on a straight-line basis over the expected economic life, but not exceeding expiry of the guaranteed lease term for the site. Installations are depreciated over fifteen years, always provided that the installations will be completely depreciated at the same time as the building.

Operating equipment and fixtures are depreciated on a straight-line basis over the expected useful life, i.e. normally 4-5 years. Aircraft and spare parts including aircraft-related assets and improvements owned by the Company are depreciated on a straight-line basis over the expected useful life, i.e. normally up to fifteen years.

Leased assets are depreciated on a straight-line basis over 10 years and have a residual value at zero. Lease asset is only related to one Aircraft.

Improvements and small acquisitions below the write-off limit for tax purposes (DKK 12,600) and assets with a useful life of less than three years are charged to the income statement in the acquisition year.

Tangible fixed assets are written down to recoverable value if this is lower than the carrying amount. Profit or loss on disposal of tangible fixed assets is carried in depreciation and write-downs.

Fixed-asset investments

Deposits are recognised at acquisition cost calculated at cost.

Accounting policies

Inventories

Inventories comprise finished goods and are measured at costs based on an approximated FIFO method or at net realisable value, whichever is the lower. The net realisable value of stocks is calculated at the amount that they are expected to fetch when sold in normal operation, less selling and completion costs. The net realisable value is calculated with due consideration of negotiability, obsolescence and the development of the expected selling price.

The cost of goods for resale includes the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value, less write-downs to meet expected losses.

Short-term net deposits with group enterprises are recognised in receivables.

Prepayments and accrued income

Prepayments under assets include expenses incurred, but concerning the subsequent financial year. Prepayments are measured at amortised cost, which corresponds to nominal value.

Equity

Dividend is recognised as a liability other than provision at the time of approval by the annual general meeting. The dividend proposed for the financial year is shown as a separate item under equity.

Deferred tax

Provision for deferred tax is accounted for using the balance-sheet liability method and is calculated based on all temporary differences between the carrying amount of an asset or a liability and its tax base.

Provision for aircraft maintenance

Provisions have been made to cover the costs incurred by contractual liabilities for operationally leased aircraft. The provisions are calculated based on flight hours at the USD exchange rate on the balance sheet date.

Maintenance costs incurred are deducted in provisions.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Accounting policies

Accruals and deferred income

Deferred income under liabilities includes payments received, but recognised in the income statement in the subsequent financial year. Deferred income is measured at amortised cost, which usually corresponds to nominal value.

Segment information

With reference to section 96 of the Danish Financial Statements Act, segment information has been omitted since segment information is included in the consolidated financial statements for Thomas Cook Group plc.

Financial highlights

The financial ratios have been prepared in accordance with the definitions below.

Other financial ratios

Aircraft = Average number of aircraft in the fleet for the year

Cabin factor = $\frac{\text{Guests} \times 100}{\text{Seats flown}}$

Number of flying hours (Block hours) = In-flight production hours

Financial ratios (%)

Gross margin = $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$

Profit margin = $\frac{\text{Operating profit} \times 100}{\text{Revenue}}$

Solvency ratio = $\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$

Return on equity = $\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity adjusted for dividend payment}}$

Income statement 2015/16

	Note	2015/16 DKK '000	2014/15 DKK '000
Revenue		4.112.970	4.146.928
External expenses		<u>-2.963.299</u>	<u>-3.145.592</u>
Gross profit		1.149.671	1.001.336
Staff costs	1	-817.494	-773.275
Depreciation, amortisation and impairment.....	2	<u>-101.025</u>	<u>-55.394</u>
Operating profit		231.151	172.668
Financial income	3	463	690
Financial expenses	4	<u>-39.763</u>	<u>-8.372</u>
Profit before tax		191.852	164.986
Tax on profit for the year	5	<u>-42.843</u>	<u>-42.199</u>
Net profit for the period		<u>149.009</u>	<u>122.787</u>
Proposed distribution of profit			
Transferred to retained earnings		-30.991	-27.213
Dividends to the shareholder		<u>180.000</u>	<u>150.000</u>
		<u>149.009</u>	<u>122.787</u>

Balance Sheet

Assets	Note	30-09-2016 DKK '000	30-09-2015 DKK '000
Software		3.756	5.668
Intangible assets	6	3.756	5.668
Aircraft and spare parts		420.037	452.553
Buildings on leased land.....		10.067	14.032
Fixtures and fittings, tools and equipment		6.451	8.746
Assets under construction.....		6.466	0
Property, plant and equipment	7	443.021	475.332
Deposits		3.842	10.184
Financiell fixed asset	8	3.842	10.184
Fixed assets		450.620	491.184
Inventories	9	66.703	43.767
Trade receivables		9.062	18.881
Other receivables	10	55.238	553.931
Deferred tax asset		61.372	49.353
Receivables from affiliated companies		27.577	18.710
Cash, affiliated companies		280.218	245.045
Loans to affiliated companies	11	619.546	349.969
Prepayments	12	4.498	6.738
Receivables		1.057.511	1.242.626
Cash		20.757	25.371
Current assets		1.144.972	1.311.764
Assets		1.595.592	1.802.948

Balance Sheet

Equity and Liabilities	Note	30-09-2016 DKK '000	30-09-2015 DKK '000
Share capital	13	60.000	60.000
Retained earnings		22.439	53.272
Proposed dividends for the financial year		180.000	150.000
Equity		<u>262.439</u>	<u>263.272</u>
Provision for aircraft maintenance		330.074	297.464
Provisions		<u>330.074</u>	<u>297.464</u>
Joint tax contribution payable		55.342	0
Mortgage credit.....		4.458	5.557
Finance Lease Obligation		167.464	177.915
Long-term debt	14	<u>227.263</u>	<u>183.472</u>
Mortgage credit.....	14	941	939
Finance Lease Obligation	14	10.133	8.578
Trade payables		409.286	339.910
Payables to affiliated companies		100.251	84.083
Other payables	15	212.169	563.239
Joint tax contribution payable		0	17.129
Deferred income.....	16	43.036	44.862
Short-term debt		<u>775.816</u>	<u>1.058.741</u>
Liabilities other than provisions		<u>1.003.079</u>	<u>1.242.212</u>
Equity and liabilities		<u>1.595.592</u>	<u>1.802.948</u>
Contingent liabilities, securities etc.	17		
Auditors' fees	18		
Related parties	19		
Group information	20		

Statement of changes in equity

All amounts in DKK '000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 October 2015	60.000	53.272	150.000	263.272
Dividends paid	-	-	-150.000	-150.000
Pre-tax adjustment of derivative financial instruments	-	648	-	648
Tax on adjustment of derivative financial instruments	-	-490	-	-490
Profit and loss	-	-30.991	180.000	149.009
Equity at 30 September 2016	60.000	22.439	180.000	262.439

Notes

	2015/16	2014/15
	DKK '000	DKK '000
<u>Note 1 - Staff Costs</u>		
The total staff costs can be specified as follows :		
Wages, salaries	705.353	666.908
Pension contributions	59.229	56.209
Other social security costs	52.913	50.157
	<u>817.494</u>	<u>773.275</u>
 Remuneration to Executive Board	 6.836	 5.829
Average number of employees (full-time)	<u>1.093</u>	<u>1.060</u>
 No remuneration to the Supervisory Board.		
 Incentive programs		
The Executive Board is included in the Thomas Cook Group incentive programs.		
 <u>Note 2 - Depreciation and amortisation</u>		
Intangible assets, see note 6	2.562	4.481
Property, plant and equipment, see note 7	98.464	50.913
	<u>101.025</u>	<u>55.394</u>
 <u>Note 3 - Financial income</u>		
Interest income, affiliated companies	89	119
Other interest income	374	571
	<u>463</u>	<u>690</u>
 <u>Note 4 - Financial expenses</u>		
Income tax surcharge.....	45	73
Other interest expenses	39.717	8.299
	<u>39.763</u>	<u>8.372</u>

Notes

	2015/16	2014/15
	DKK '000	DKK '000
<u>Note 5 - Tax on profit for the year</u>		
Tax on profit for the year	55.352	-4.739
Changes in deferred tax asset at the end of the year	-9.102	43.601
Changes in tax rates from 25 % to 22%.....	-3.407	3.338
	<u>42.843</u>	<u>42.199</u>
		30-09-2016
		DKK '000
<u>Note 6 - Intangible assets</u>		
Aquisition price at 1 October 2015		16.260
Additions during the financial year		<u>651</u>
Aquisition price at 30 September 2016		<u>16.911</u>
Amortisation at 1 October 2015		10.593
Amortisation for the financial year		<u>2.562</u>
Amortisation at 30 September 2016		<u>13.154</u>
Carrying amount at 30 September 2016		<u><u>3.756</u></u>
Carrying amount at 30 September 2015		<u><u>5.668</u></u>

Notes

Note 7 - Property, plant and equipment

	Aircraft and Spare Parts	Buildings	Fixtures, etc	Asset u/con- struction
	DKK '000	DKK '000	DKK '000	DKK '000
Aquisition price at 1 October 2015	623.140	79.138	20.182	0
Additions during the financial year	99.662	0	364	6.466
Disposals during the financial year	-45.437	0	-274	0
Aquisition price at 30 September 2016	<u>677.364</u>	<u>79.138</u>	<u>20.273</u>	<u>6.466</u>
Depreciation at 1 October 2015	170.587	65.105	11.436	0
Depr. and impairment for the financial year	91.838	3.966	2.659	0
Reversed depr. During the financial year	-5.098	0	-274	0
Depreciation at 30 September 2016	<u>257.327</u>	<u>69.071</u>	<u>13.821</u>	<u>0</u>
Carrying amount at 30 September 2016	<u>420.037</u>	<u>10.067</u>	<u>6.451</u>	<u>6.466</u>
Carrying amount at 30 September 2015	<u>452.553</u>	<u>14.032</u>	<u>8.746</u>	<u>0</u>

Building on leased land is used as guarantee for Mortgage Loan

Aircraft and spare parts comprise aircraft-related assets owned by the Company.

The carrying amount of leased assets amounted to 260,5 mDKK as at 30 september 2016.

Note 8 - Financial assets

	Deposits
	DKK '000
Aquisition price at 1 October 2015	10.184
Additions during the financial year	930
Disposals during the financial year	<u>-7.272</u>
Aquisition price at 30 September 2016	<u>3.842</u>
Carrying amount at 30 September 2015	<u>10.184</u>

Notes

	30-09-2016	30-09-2015
	DKK '000	DKK '000
<u>Note 9 - Inventories</u>		
Finished goods	<u>66.703</u>	<u>43.767</u>
<u>Note 10 - Other receivables</u>		
Unrealised gains on currency contracts.....	36.128	228.970
Receivables, purchase agreement aircraft	0	305.184
Other receivables	<u>19.110</u>	<u>19.777</u>
	<u>55.238</u>	<u>553.931</u>
<u>Note 11 - Loans to affiliated companies</u>		
Loans to affiliated companies	<u>619.546</u>	<u>349.969</u>
	<u>619.546</u>	<u>349.969</u>
Loans to and from affiliated companies are entitled to be set off according to Note 17		
<u>Note 12 - Prepayments</u>		
Prepaid aircraft lease	0	3.919
Prepaid insurance	1.615	1.051
Other prepayments	<u>2.884</u>	<u>1.768</u>
	<u>4.498</u>	<u>6.738</u>

Note 13 - Equity

There were no changes in share capital in the period 2011/12-2015/16.

The share capital is divided into shares of DKK 1,000 or multiple hereof.

No special rights are attached to any of the shares

Notes

	30-09-2016	30-09-2015
	DKK '000	DKK '000
Note 14 - Long Term debt		
The mortgage debt is falling due as follows:		
Within 1 year	941	939
Between 1 and 5 years	4.458	5.557
	<u>5.399</u>	<u>6.496</u>
The Finance Lease obligation is falling due as follows:		
Within 1 year	10.133	8.578
Between 1 and 5 years	76.150	61.004
After 5 years	91.314	116.911
	<u>177.597</u>	<u>186.493</u>
Note 15 - Other payables		
Holiday pay obligation	79.595	76.903
Withholding tax payable and other staff-related costs	63.054	61.681
Passenger fees payable	5.498	3.749
VAT and duties payable	4.845	7.085
Unrealised loss on fuel and currency contracts.....	58.658	252.148
Other Payables	520	161.673
	<u>212.169</u>	<u>563.239</u>
Note 16 - Deferred Income		
Aircraft maintenance contribution received	27.477	30.141
Prepayments from customers	4.088	881
Marketing contribution received	11.410	13.106
Other prepayments received	60	734
	<u>43.036</u>	<u>44.862</u>

Notes

	30-09-2016	30-09-2015
	DKK '000	DKK '000
<u>Note 17 - Contingent liabilities, securities etc</u>		
Total lease commitments (operating lease) due for payment		
after the balance sheet date	<u>2.976.865</u>	<u>2.670.541</u>
Of this, due within 5 years	<u>1.389.989</u>	<u>1.275.502</u>
Of this, due within 1 year	<u>438.385</u>	<u>326.101</u>
 The total lease commitments can be specified as follows:		
Lease of aircraft and spare parts from/through affiliated companies.....	543.155	343.124
Lease of aircraft and spare parts from other companies	2.420.053	2.316.955
Lease of buildings, hangar area, etc.	8.388	7.819
Other significant leases	<u>5.269</u>	<u>2.644</u>
	<u>2.976.865</u>	<u>2.670.541</u>
 Bank guarantees	<u>20.954</u>	<u>37.925</u>

The lease commitments regarding aircraft and spare parts have been translated from USD using the exchange rate at balance sheet date.

The Company is included in a cash pool agreement with other Nordic group companies through the Group's primary banker in Denmark, Norway and Sweden. The deposit in this cash pool agreement representing tdkk 280.218 (2014/15: 245.045) is actually an intragroup receivable from Thomas Cook Northern Europe AB (TCNE), and it is emphasised that the Company is liable to the top account holder, TCNE, for this amount.

The Company has received a guarantee from TCNE covering all amounts in cash pools and internal deposits with TCNE.

The Company is included in a common VAT registration with other Danish group companies. Furthermore, the Company is included in a joint taxation with other Danish group companies. Thereby, the Company is jointly and severally liable for VAT and income tax with the other Danish Group Companies.

Securities: None

Notes

Note 18 - Audit fees

Referring to the Danish Statements Act § 96, sub section 3, information on fees to Auditors elected on a general meeting, has been omitted.

We refer to the financial statement of Thomas Cook Group plc.

Note 19 - Related parties

Principal shareholder

Thomas Cook Northern Europe A/S
Kay Fiskers Plads 9
2300 København S
Danmark

Transactions with related parties have been performed within the arm's length principle

Note 20 - Group information

Thomas Cook Airlines Scandinavia A/S is included in the consolidated financial statements of the ultimate parent company Thomas Cook Group plc, England. The company is not included in other consolidated financial statements. See also www.thomascookgroup.com to download statements.