
Star Air A/S

Kompasrosevej 6, DK-2791 Dragør

Annual Report 2018

CVR No. 19 32 87 32

The Annual Report was presented and adopted at the
Annual General Meeting of the Company on
29 April 2019

Finn Neesgaard

Chairman of the General Meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Star Air A/S for the financial year 1 January – 31 December 2018.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Dragør, 29 April 2019

Executive Board

Søren Graversen

Board of Directors

Casper Munch
Chairman

Kasper Mahon Andreasen

Sean Stanley Fitzgerald

Jan Kristensen
Staff Representative

Independent Auditor's Report

To the Shareholder of Star Air A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Star Air A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ('Financial Statements').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's Responsibilities 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.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 April 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Kristian Pedersen
State Authorised Public Accountant
mne35412

Company Information

The Company	Star Air A/S Kompassrosevej 6 DK-2791 Dragør Telephone: +45 3231 4343 CVR No.: 19 32 87 32 Financial period: 1 January - 31 December Municipality of reg. office: Dragør
Board of Directors	Casper Munch, Chairman Kasper Mahon Andreasen Sean Stanley Fitzgerald Jan Kristensen
Executive Board	Søren Graversen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

(DKK '000)

Key Figures	2018	2017	2016	2015	2014
Profit / Loss					
Revenue	950,347	874,099	873,373	986,281	892,735
Operating profit/loss	26,934	178,386	215,577	89,465	109,081
Profit/loss from financial income and expenses	27,251	-56,510	20,464	50,561	2,588
Profit for the year	33,966	104,641	183,657	104,230	84,535
Balance Sheet					
Total assets	1,323,157	1,199,485	1,209,834	1,041,646	1,015,826
Equity	915,451	881,486	776,845	593,187	238,051
Provisions	83,124	47,856	22,016	11,486	589,205
Investments in property, plant and equipment	275,849	202,713	150,991	212,599	5,679
Ratios					
Return on invested capital	7%	40%	52%	27%	41%
Return on equity	4%	13%	27%	25%	43%
Solvency ratio	69%	73%	64%	57%	23%
Other Key Figures					
Average number of full-time employees	213	211	207	206	196

Financial highlights for 2014 are not restated to reflect the change in accounting policies in 2016.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts.

Explanation of Financial Ratios:

Return on invested capital	$\frac{\text{Profit before financials} \times 100}{\text{Average operational assets}}$ (Operational assets = Total assets minus receivables from Group entities and deferred tax assets)
Return on equity	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year-end} \times 100}{\text{Total assets at year-end}}$

Management's Review

Primary Activities

Star Air A/S is a wholly-owned subsidiary of A/S Maersk Aviation Holding, Dragør.

In 2018, the main activity of Star Air A/S remained the operation of 12 B767s on behalf of the global courier company United Parcel Service (UPS) under a long-term agreement. In addition to this, a number of ad hoc cargo charter flights as well as series flights were performed.

Star Air A/S operates with high reliability, safety and flexibility and could in 2018 achieve that 99.2% (99.1% in 2017) of the total number of flights of 10,260 (9,964 in 2017) departed within one minute of scheduled time of departure. Star Air A/S is responsible for the initial and recurrent training of the Company's pilots.

Development in activities and financial position

The Company's income statement for the year ending 31 December 2018 showed a profit of DKK 33,966k, and the Company's balance sheet at 31 December 2018 showed equity of DKK 915,452k.

The profit for the year is considered satisfactory and in accordance with the expectations and plans for 2018, as set out in 2017.

Uncertainty regarding recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any significant uncertainty.

Outlook

In 2019, Management expects an increase in the profit compared to 2018 in the range of DKK 75 to 100 million, due to expected decrease in depreciations.

Special risks – Operating risks and financial risks

Operating risks

The Company primarily performs air transport for UPS, and the key to our continued success remains to continue serving UPS under this contract. There are currently no significant contractual risks for the duration of our current contract running through 2021-2022. We have contracts in place with GECAS supporting continued availability of aircraft throughout the contract period.

Foreign exchange risks

The Company's primary income currencies are DKK, USD and EUR. Generally, income and expenses in currencies other than DKK balance and, thus, there are minimal currency fluctuation risks for the Company. The Company's balance sheet items denominated in currencies other than DKK primarily comprise a large USD deposit used to counter currency risks related to payment of maintenance costs, which are primarily paid in USD. Overall, the Company is thus only subject to minor risks associated with fluctuations in the USD exchange rate, as foreign currency translation adjustments of the USD deposit (net financials) in all material respects are counterbalanced by either higher or lower maintenance costs (production costs). Management regularly assesses the extent to which risks should be hedged, for example through sale of USD. Overall, currency risks are assessed as minimal.

Management's Review

Corporate social responsibility

For information about corporate social responsibility, we refer to A.P. Møller - Mærsk A/S' consolidated statement on corporate social responsibility on the website (link: <https://www.maersk.com/business/sustainability/sustainability-reports-and-publications/reports>). The Company produces no individual corporate social responsibility statement.

Environmental responsibility

Different laws and regulations impose requirements for reduced climate and environmental impact, including through restrictions on noise levels and greenhouse gas emissions. All laws and regulations concerning the environment and the climate are adhered to by Star Air.

Objectives and policies for the under-represented gender

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender. In March 2017, the Board defined a target on this basis to increase the share of the under-represented gender on the Board to account for at least 25% of the shareholder-appointed Board members within four years.

As of 31 December 2018, there are no women among the three Board members appointed at the General Meeting. Consequently, the target for diversity has not been met. The background for not meeting the target is that no female candidates for vacant seats on the Board have been found. The Company will continue to work towards achieving the target within the defined timeframe.

A.P. Møller - Mærsk A/S has adopted a Group policy for the complete Group with the aim of increasing the share of the under-represented gender on the Company's other Management levels. The consolidated Group statement on the policy, cf. Article 99b of the Danish Financial Statements Act, can be found in A.P. Møller - Mærsk A/S' sustainability report (link: <https://www.maersk.com/business/sustainability/sustainability-reports-and-publications/reports>).

Subsequent events

No events significantly affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

<i>(DKK '000)</i>	Note	2018	2017
Revenue	2	950,347	874,099
Production expenses		-332,598	-282,487
Other external expenses		-45,773	-46,201
Gross profit		571,976	545,411
Staff expenses	3	-279,909	-264,875
Depreciation and impairment		-265,133	-102,150
Profit before financial income and expenses		26,934	178,386
Financial income	4	27,341	5,646
Financial expenses	5	-90	-62,156
Profit before tax		54,185	121,876
Tax on profit/loss for the year	6	-20,219	-17,235
Profit for the year	7	33,966	104,641

Balance Sheet at 31 December

Assets

<i>(DKK '000)</i>	Note	2018	2017
Aircraft and components		175,298	146,170
Fixtures and fittings, tools and equipment		591	636
Property, plant and equipment	8	175,889	146,806
Deferred tax asset	9	18,199	7,198
Deposits		24,362	21,846
Fixed assets, investments		42,561	29,044
Fixed assets		218,450	175,850
Spare parts		44,343	74,720
Inventories		44,343	74,720
Trade receivables		58,961	62,202
Receivables from group entities	10	935,482	748,025
Other receivables		26,632	102,748
Corporation tax receivable from group entities		24,490	28,028
Prepayments	11	14,700	7,809
Receivables		1,060,265	948,812
Cash at bank and in hand		99	103
Current assets		1,104,707	1,023,635
Assets		1,323,157	1,199,485

Balance Sheet at 31 December

Liabilities and Equity

<i>(DKK '000)</i>	Note	2018	2017
Share capital	12	10,000	10,000
Retained earnings		865,452	871,486
Proposed dividend		40,000	0
Equity		915,452	881,486
Provisions for maintenance of leased aircraft and components		73,584	40,213
Other provisions		9,540	7,643
Provisions	13	83,124	47,856
Account payables		73,560	101,225
Long-term debt	14	73,560	101,225
Short-term part of account payables		33,102	31,797
Account payables		121,431	46,764
Payables to Group entities		0	7,092
Other payables		54,039	43,775
Deferred income	15	42,449	39,490
Short-term debt		251,021	168,918
Debt		324,581	270,143
Liabilities and equity		1,323,157	1,199,485
Accounting policies	1		
Contingent assets, liabilities and other financial obligations	16		
Related party disclosures	17		

Statement of Changes in Equity

<i>(DKK '000)</i>	Share capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2018	10,000	871,486	0	881,486
Transferred over the profit appropriation	0	-6,034	40,000	33,966
Equity at 31 December 2018	10,000	865,452	40,000	915,452

Notes to the Financial Statements

1. Accounting Policies

The Annual Report of Star Air A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large entities of reporting class C.

The accounting policies used in the preparation of the Financial Statements are consistent with those of last year. Some reclassifications have been made in comparative numbers, however with no impact on profit/loss, total assets or equity.

The Financial Statements for 2018 are presented in DKK.

Omission of cash flow statement

Pursuant to Section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of the Company is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

Omission of fee to auditors appointed at the general meeting

Pursuant to Section 96(3) of the Danish Financial Statements Act, no fee to auditors appointed at the General Meeting has been presented. The fee to auditors appointed at the General Meeting is included in the Consolidated Financial Statements of A.P. Møller - Mærsk A/S.

Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Leases

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 their 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 alternative borrowing rate as the discount factor. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined in the section Impairment of fixed assets.

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

All other leases are considered operating leases. Payments made under operation 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 at the exchange rate at the dates of transaction. Exchange rate differences arising due to differences between the transaction dates rates and the rates at the dates of payment are recognised in the financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivables or the debt arose are recognised in the financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue consists of income relating to air transport and related activities performed during the financial year. Income is recognised in the income statement at the time of flight departure or the delivery date, which is the time where the risks and rewards are transferred to the customer.

Revenue is measured at the consideration received and is recognised excluding VAT and net of discounts relating to sales.

Production expenses

Production expenses comprise the costs and consumables to achieve revenue for the year.

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Other external expenses

Other external expenses comprise sales costs and costs related to advertising, administration, office premises, bad debt losses, etc.

Staff expenses

Staff expenses comprise wages and salaries.

Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

Financial items

Financial items include interest and exchange gains and losses on items denominated in foreign currencies.

Tax on profit/loss for the year

Tax on profit for the year comprises the amount that is expected to be paid for the year together with deferred tax.

The Company is jointly taxed with other Danish companies in the A.P. Møller Holding A/S. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income (full absorption with refunds).

Balance Sheet

Property, plant and equipment

Aircraft and components as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

The cost of components is divided into separate parts, which are depreciated separately if the useful life of the individual parts varies.

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Depreciation is provided on a straight-line basis over the following expected useful lives of the assets:

Components	3-10 years
Fixtures and fittings, tools and equipment	3-7 years
Maintenance work	2-10 years
Aircraft (second-hand)	2-18 years

Write-downs apart from the above are made when considered necessary, cf. below.

The useful lives and residual values are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

Spare parts

Spare parts are measured at cost. Where the net realisable value is lower than cost, spare parts are written down to this lower value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning the following year.

Notes to the Financial Statements

1. Accounting Policies (cont'd)

Equity

Dividends

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions primarily comprise provisions for future scheduled maintenance of leased aircraft and engines as well as ongoing claims. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Financial liabilities

Financial liabilities are measured at amortised cost, substantially corresponding to nominal value. Finance lease obligations comprise the capitalised residual lease obligation of finance leases.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

2. Revenue

<i>(DKK '000)</i>	2018	2017
Geographical segments		
Revenue, Denmark	52,190	54,990
Revenue, Europe	898,157	819,109
	950,347	874,099

Business segments

The Company has only one business segment, as all revenue relates to air freight.

3. Staff expenses

Wages and salaries	217,864	200,918
Pensions	19,278	18,816
Other social security expenses	23,587	26,897
Other staff expenses	18,267	18,244
	278,996	264,875
 Average number of employees	 213	 211

4. Financial income

Interest income from group entities	8,640	5,646
Exchange gains	18,701	0
	27,341	5,646

5. Financial expenses

Interest expenses to group entities	0	11
Other financial expenses	90	104
Exchange losses	0	62,041
	90	62,156

6. Tax on profit/loss for the year

Current tax for the year	24,806	43,464
Deferred tax for the year	-11,001	-16,639
Adjustment of current tax concerning previous years	6,414	-64,989
Adjustment of deferred tax concerning previous years	0	55,399
	20,219	17,235

Notes to the Financial Statements

7. Proposed profit appropriation

(DKK '000)	2018	2017
Retained earnings	-6,034	104,641
Proposed dividend	40,000	0
	33,966	104,641

8. Property, plant and equipment

(DKK '000)	Aircraft and components	Fixtures and fit- tings, tools and equipment	Maintenance work leased aircrafts	Total
Cost at 1 January 2018	221,442	5,419	997,744	1,224,605
Additions for the year	43,770	243	231,836	275,849
Disposals for the year	-4,479	-149	-3,014	-7,642
Transfers for the year	30,139	0	-55,638	-25,499
Cost at 31 December 2018	290,872	5,513	1,170,928	1,467,313
Depreciation and impairment losses at 1 January 2018	-75,272	4,783	-997,744	--1,077,799
Regulation 1 January 2018	-9,107	0	55,638	46,531
Impairment losses for the year	0	0	-226,013	-226,013
Depreciation for the year	-33,078	-222	-5,823	-39,123
Reversed depreciation and im- pairment losses on assets sold	1,883	83	3,014	4,980
Depreciation and impairment losses at 31 December 2018	-115,574	4,922	-1,170,928	-1,291,424
Carrying amount at 31 December 2018	175,298	591	0	175,889

9. Deferred tax

	2018	2017
Deferred tax at 1 January	7,198	45,958
Deferred tax adjustment for the year in the income statement	11,001	16,639
Adjustment of deferred tax concerning previous years	0	-55,399
	18,199	7,198

The deferred tax asset relates to timing differences between accounting values and tax values.

10. Receivables from group entities

Receivables from group entities consists primarily of cash at bank in a cash pool arrangement with group entities.

11. Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions.

12. Equity

The share capital consists of shares with a nominal value of DKK 10,000 each or multiples thereof. There have been no changes in the share capital during the last five years.

Notes to the Financial Statements

13. Provisions

<i>(DKK '000)</i>	Maintenance of leased air- craft and com- ponents	Other
Provision at 1 January	40,213	7,643
Exchange rate adjustment	3,175	0
Provision used during the year	-6,685	0
Provided during the year	36,881	1,897
	<u>73,584</u>	<u>9,540</u>
The provisions are expected to mature as follows:	<u>2018</u>	<u>2017</u>
Within 1 year	20,449	6,500
Between 1 and 5 years	62,675	41,356
After 5 years	0	0
	<u>83,124</u>	<u>47,856</u>

14. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt. The debt falls due for payment as specified below:

Trade payables

After 5 years	0	0
Between 1 and 5 years	73,560	101,225
Long-term part	73,560	101,225
Other short-term trade payables	33,102	31,797
	<u>106,662</u>	<u>133,022</u>

15. Deferred income

Deferred income, DKK 42,449k (2017: DKK 39,490k), consists of advance invoicing to customers that may not be recognised until the subsequent financial year.

16. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	157,450	147,993
Between 1 and 5 years	475,729	537,922
After 5 years	162,380	219,717
	<u>795,559</u>	<u>905,632</u>

The Company's rent liability amounts to DKK 2,380k at 31 December 2018, with a remaining term of 3-12 months.

Guarantee obligations

The Company's other guarantees amount to DKK 3,857k at 31 December 2018.

Other contingent liabilities

The Company is jointly taxed with all other Danish companies in the A.P. Møller Holding Group. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

Notes to the Financial Statements

17. Related party disclosures

Star Air A/S' related parties comprise the following:

Companies in the A.P. Møller Holding Group, Esplanaden 50, Copenhagen Denmark.

A/S Maersk Aviation Holding exercises direct control over the Company.

Related party transactions

<i>(DKK '000)</i>	2018	2017
Purchase of services	16,796	17,543
Sale of services	51,968	54,607
Receivables from A.P. Møller – Maersk Group	906,708	752,166
Receivables from A/S Maersk Aviation Holding	34,506	0
Debt to A/S Maersk Aviation Holding	0	7,092

Consolidated financial statements

The Company is included in the Consolidated Financial Statements of A.P. Møller – Mærsk A/S (parent company).

The Company is included in the Consolidated Financial Statements of A.P. Møller Holding A/S (ultimate parent).