
FACT Danmark A/S

Kirstinehøj 50, DK-2770 Kastrup

Annual Report for 1 January - 31 December 2016

CVR No 19 73 07 00

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
/ 2017

Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FACT Danmark A/S for the financial year 1 January - 31 December 2016.

The Annual Report is 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 2016 of the Company and of the results of the Company operations for 2016.


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

Kastrup, 12 June 2017

Executive Board

Flemming Jacobsen

Board of Directors


Andreas Trojel Kloster
Chairman


Hanne Elise Christensen


Flemming Jacobsen

Independent Auditor's Report

To the Shareholder of FACT Danmark 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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of FACT Danmark A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the 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.

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:

Independent Auditor's Report

- 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.
- 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.

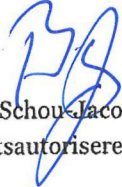
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

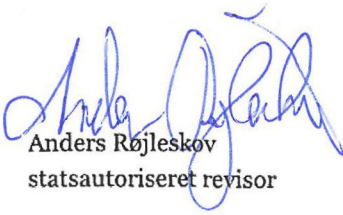
Hellerup, 12 June 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31


Bo Schou-Jacobsen
statsautoriseret revisor


Anders Røjleskov
statsautoriseret revisor

Company Information

The Company

FACT Danmark A/S
Kirstinehøj 50
DK-2770 Kastrup

CVR No: 19 73 07 00
Financial period: 1 January - 31 December
Financial year: 20th financial year
Municipality of reg. office: Tårnby

Board of Directors

Andreas Trojel Kloster, Chairman
Hanne Elise Christensen
Flemming Jacobsen

Executive Board

Flemming Jacobsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Gross profit/loss		5,177,488	5,069,826
Staff expenses	2	-4,025,379	-3,912,590
Depreciation and impairment of property, plant and equipment		<u>-58,731</u>	<u>-45,842</u>
Profit/loss before financial income and expenses		1,093,378	1,111,394
Other financial income		134	1,186
Other financial expenses		<u>-1,031</u>	<u>-426</u>
Profit/loss before tax		1,092,481	1,112,154
Tax on profit/loss for the year	3	<u>-59,050</u>	<u>-272,817</u>
Net profit/loss for the year		<u>1,033,431</u>	<u>839,337</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>1,033,431</u>	<u>839,337</u>
	<u>1,033,431</u>	<u>839,337</u>

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		84,447	143,178
Leasehold improvements		0	0
Property, plant and equipment	4	84,447	143,178
Other receivables		10,132	10,132
Fixed asset investments		10,132	10,132
Fixed assets		94,579	153,310
Trade receivables		3,453,672	3,031,173
Receivables from group enterprises		14,635,713	14,478,309
Deferred tax asset		22,517	23,295
Prepayments		12,929	11,220
Receivables		18,124,831	17,543,997
Cash at bank and in hand		2,758	2,730
Currents assets		18,127,589	17,546,727
Assets		18,222,168	17,700,037

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		500,000	500,000
Retained earnings		<u>9,807,455</u>	<u>8,774,024</u>
Equity	5	<u>10,307,455</u>	<u>9,274,024</u>
Trade payables		6,246,846	6,612,964
Payables to group enterprises		491,310	690,684
Other payables		<u>1,176,557</u>	<u>1,122,365</u>
Short-term debt		<u>7,914,713</u>	<u>8,426,013</u>
Debt		<u>7,914,713</u>	<u>8,426,013</u>
Liabilities and equity		<u>18,222,168</u>	<u>17,700,037</u>
Main activity	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties and group relation	7		
Accounting Policies	8		

Notes to the Financial Statements

1 Main activity

The Company's activity in the financial year consisted of distribution and transport services.

	2016	2015
	DKK	DKK
2 Staff expenses		
Wages and salaries	3,625,981	3,510,172
Pensions	243,781	239,140
Other social security expenses	52,501	54,483
Other staff expenses	103,116	108,795
	<u>4,025,379</u>	<u>3,912,590</u>
Average number of employees	<u>8</u>	<u>8</u>

3 Tax on profit/loss for the year

Current tax for the year	242,550	257,631
Deferred tax for the year	778	15,186
Adjustment of tax concerning previous years	-184,278	0
	<u>59,050</u>	<u>272,817</u>

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	<u>1,126,626</u>	<u>80,893</u>
Cost at 31 December	<u>1,126,626</u>	<u>80,893</u>
Impairment losses and depreciation at 1 January	983,448	80,893
Depreciation for the year	<u>58,731</u>	<u>0</u>
Impairment losses and depreciation at 31 December	<u>1,042,179</u>	<u>80,893</u>
Carrying amount at 31 December	<u>84,447</u>	<u>0</u>
Depreciated over	<u>5 years</u>	<u>3-5 years</u>

Notes to the Financial Statements

5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	8,774,024	9,274,024
Net profit/loss for the year	0	1,033,431	1,033,431
Equity at 31 December	500,000	9,807,455	10,307,455

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company is jointly taxed with other Danish companies and branches of the DPDHL Group. The Company and the other companies and branches subject to joint taxation have unlimited, joint and several liability for Danish corporation taxes.

7 Related parties and group relation

The Company's direct parent, DHL Global Forwarding (Denmark) A/S, does not prepare consolidated financial statements pursuant to section 112(1) of the Danish Financial Statements Act.

The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Deutsche Post AG, DE 53105 Bonn.

Name	Place of registered office
_____	_____

The Group Annual Report may be obtained at the following address:

Deutsche Post AG
DE 53105 Bonn
Germany

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of FACT Danmark A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are 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, impairment losses and provisions as well as reversals due to changed account estimates for 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 asset 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction.

Notes to the Financial Statements

8 Accounting Policies (continued)

Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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 receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from logistics services is recognised in the income statement when the sale is considered effected based on the following criteria:

- the services are rendered
- a binding sales agreement has been made;
- the amount of revenue and income can be reliably measured; and
- payment has been received or may with reasonable certainty be expected to be received.

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

Freight and other transportation expenses, etc

Freight and other transportation expenses, etc includes costs for carriers, and other costs used in generating the year's revenue.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

8 Accounting Policies (continued)

Depreciation and impairment losses

Depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group Enterprises. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings,	
tools and equipment	5 years
Leasehold improvements	3-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 amortisation and depreciation.

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

Fixed asset investments

Fixed asset investments consist of deposits.

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 rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.