

DB Schenker Rail Scandinavia A/S,

Spotorno Allé 12, DK-2630 Høje-Taastrup

Annual Report 2015

CVR-nr. 26 09 24 85

The Annual Report is presented and adopted at the general meeting the

11th 5 2016

Chairman

Frans Rosson

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Management Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DB Schenker Rail Scandinavia A/S for the financial year 1 January – 31 December 2015.

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 2015 of the Company and of the results of the Company operations and cash flows for 2015.


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.

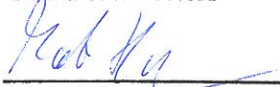
Taastrup, 11/3 2016

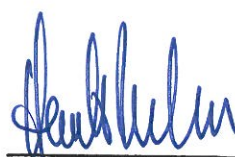
Executive Board


Gottfried Georg Eymmer
Managing Director



Oliver Gesche
Chief Financial Officer

Board of Directors

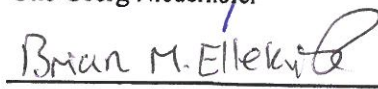

Mats Bo Knut Hanson
Chairman


Per Henrik Backman


Dr. Clemens Först


Otto Georg Niederhofer


Tom Allan Green


Brian Milner Ellekvist


Jørn Jessen

Independent Auditor's Report

To the shareholders of DB Schenker Rail Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of DB Schenker Rail Scandinavia A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies. 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.

Our 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 31 December 2015 and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

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, 11/3 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33771231



Jesper Wiinholt

State Authorised Public Accountant



Maj-Britt Nørskov Nannestad

State Authorised Public Accountant

Company Information

The company	DB Schenker Rail Scandinavia A/S Spotorno Allé 12 DK-2630 Taastrup	
	Telephone:	+45 8030 0900
	Fax:	+45 3354 1853
	Homepage:	www.dbschenker.com
	CVR-nr. :	26 09 24 85
	Financial year:	1. januar - 31. december
	Registered Office:	Høje Taastrup
Board of Directors	Mats Bo Knut Hanson Per Henrik Backman Dr. Clemens Först Otto Georg Niederhofer Jørn Jessen Brian Milner Ellekvist Tom Allan Green	Chairman Employee representation Employee representation Employee representation
Executive Board	Gottfried Georg Eymer Oliver Gesche	Chief Executive Officer Chief Financial Officer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Financial Highlights

DKK 1.000	2015	2014	2013	2012	2011
Net turnover	441.257	436.963	491.603	505.909	564.506
Operating profit/loss	-98.653	-65.233	-23.222	-31.081	-49.463
Profit/(loss) before financial items	-515	13.208	52.084	36.344	24.808
Profit/(loss) of financial items	-14.691	-15.200	-16.756	-20.207	-23.384
Profit/(loss) for the year after tax	-13.133	-1.729	32.114	12.153	1.051
Balance sheet total	711.516	782.460	815.536	819.477	845.577
Shareholders' equity	323.137	336.270	343.214	311.100	299.263
Investments	19.332	0	717	13.857	23.658
Average number of Full Time Employees (FTE)	224	203	206	229	238
Quantities:					
Million tons	6,22	5,95	6,06	6,03	7,30
Million ton km	3.064	3.163	3.368	3.361	4.077
Net profit ratio (Results before finance / turnover)	-0,1%	3,0%	10,6%	7,2%	4,4%
Return on net assets (Results bef.finance/total assets)	-0,1%	1,7%	6,4%	4,4%	2,9%
Solvency ratio (Shareholders' equity / total assets)	45,4%	43,0%	42,1%	38,0%	35,4%
Return on equity (Results after tax / EQ)	-4,0%	-0,5%	9,8%	4,0%	0,3%

See definitions of key figures in accounting policies

Review 2015

Principal activities

DB Schenker Rail Scandinavia A/S operates as of 01.01.2009 as a pure production company to ensure an efficient rail freight corridor between the European continent and the Nordic Region. Besides DB Schenker Rail Scandinavia A/S operates domestic freight trains in Denmark.

In 2015 the transit traffic accounts for 69,1% of the revenue, import/export accounts for 16,9% of the revenue and the rest is related to a domestic traffic revenue.

DB Schenker Rail Scandinavia A/S is 51% owned by DB Danmark Holding ApS (change per 17.02.2011 from DB Schenker Rail GmbH) and 49% by Green Cargo AB, Sweden.

DB Danmark Holding ApS is owned by DB Mobility Logistics AG (100%), which ultimately is owned by Deutsche Bahn AG (100%). Green Cargo AB is 100% owned by the Swedish State.

The company operates using its own engines and rented terminals and buildings.

Rolling stock

DB Schenker Rail Scandinavia A/S owns 13 EG engines and 17 BR185 engines, which are equipped to run on various power systems, i.e. they can be used for cross-border transports. These engines are particularly suitable for pulling very heavy freight trains.

Additionally DB Schenker Rail Scandinavia A/S owns 6 long distance engines used on Danish lines. Moreover, the company owns a number of shunting engines.

DB Schenker Rail Scandinavia A/S' engines :

Main line engines

13 EG, electrical, dual-system

17 BR185, electrical, dual-system

6 MZ, diesel

Shunting engines

11 MK, diesel

5 small diesel units

Development over the year

Organization and management

The management board consists of Gottfried Eymer (CEO) and Oliver Gesche (CFO).

Review 2015

Financial results

The result after tax amounts to DKK -13,1 million. Result before tax is DKK -15,2 million. In 2015, taxes amounted to a net income of DKK 2,1 million as deferred tax.

Turnover decreased mainly because of overall less volume in line with the economical situation in Europe and generally increasing volatility. Besides, Spring 2015 was affected negatively by the track works on West Fuenen leading to single track operations on the main corridor for more than 100days.

The first half of 2015 was moreover negatively affected by various Strikes in Germany. The summer period was negatively affected by a further closure on the main corridor on the stretch Vamdrup – Vojens for 22 days. The costs on the combi terminals have been recharged to the sister company DB Schenker Rail Danmark Service A/S, which is responsible for the customer contact and invoicing of the services sold.

Environmental impact

The most substantial environmental impact relates to energy for train operation. In 2015 DB Schenker Rail Scandinavia A/S transported more than 6.2 million tons of goods, equivalent to more than 3,063 million tonkm.

DB Schenker Rail Scandinavia A/S is proud of the company's contributions to the green transition. To achieve the same transport production using road transport the environment would have been polluted with approximately 6 times higher than by Rail, in Carbon Dioxide alone. The energy consumption would have been more than 4 times as high.

Staff

In the course of 2015 the number of staff has been increased from 214 by the end of 2014 to 229 end of 2015. By that the company has reacted to the demographical development within the company and anticipated an appropriate setup in operations, to fulfill in due time the future productional needs. Moreover, DB Schenker Rail Scandinavia A/S has launched in 2015 in close collaboration with a public school an educational program for shunters. By that the company welcomed in August 2015 10 new apprentices.

At year-end 108 out of the 229 employees were civil servants seconded from DSB.

The average number of Full Time Employees was 224 compared to 203 in 2014.

Future prospects of DB Schenker Rail Scandinavia A/S

DB Schenker Rail Scandinavia A/S is constantly focusing on higher productivity and competitiveness to ensure profitable growth.

Also 2015 has been characterized by an instable environment for rail freight operators in Denmark. We recognized once again an increased political willingness to promote rail freight activities, but still accompanied with some challenges and lack of actions. Especially, a general lack of ambition concerning the priority of rail freight within the Danish rail infrastructure manager, Banedanmark, is still perceived.

Passenger transportation is still favored compared to rail freight. Overall, there are indications of a positive development within the framework terms. Apart from that DB Schenker Rail still recognizes an unequal business environment in Denmark compared to road transportation since the earlier planned introduction of road pricing in 2015 has been cancelled. The terminal rent level for Taulov and Høje Taastrup is not adjusted and the preferred treatment of the Padborg Terminal still consists.

Review 2015

The planned roll out of ETCS-on-board equipment is still marked by great uncertainty. In order to ensure and to further promote rail freight Banedanmark and the Danish Authorities need to set-out a stable base line for ETCS-implementation with longer retention of the Danish ATC and ideally aligned with Sweden. Moreover, the Danish authorities need to establish optimal funding schemes. By that ETCS-on-board equipment needs to be considered as part of the infrastructure and moreover, the Danish authorities need to implement an appropriate and non-discriminatory way of refinancing investments into ETCS, e.g. a "Bridge-Toll-Model".

It is therefore still important to sharpen the awareness in politics and the media that rail freight can actually strengthen the transport competition in Denmark and should rather be seen as a growth instrument. By that again the terminals play an essential role in the competition for usage of the infrastructure. Hence, a coherent strategy for prioritization of the public investments in the national rail infrastructure and the international connections including terminals and the associated hinterland should be formulated.

With regard to the company's punctuality it is still crucial to sharpen the infrastructure managers awareness which impact they may cause on DB Schenker Rail Scandinavia A/S punctuality with their prioritization decisions on the net and the consequences which may result out of this on the end customers seamless just in time production chains. Constructive dialogs with the infrastructure providers proved to be fruitful in the past and will be continued on the whole stretch in that regard.

In the course of the spring 2016 the DB Schenker Rail Scandinavia A/S plans a re-branding. It is therefore intended to change the company's name into DB Cargo Scandinavia A/S.

Special risks

Special risks for the company are mainly lengthy interruptions of main line traffic, due to major engineering works.

DB Schenker Rail Scandinavia A/S hires civil servants from DSB. This loan arrangement restricts the company's possibilities to vary its capacity in line with the level of activity. If DB Schenker Rail Scandinavia A/S returns more than 45 civil servants per year, the company has to pay a considerable sum in compensation to DSB.

This arrangement means that DB Schenker Rail Scandinavia A/S does not have equal negotiation rights over such important matters as hiring and releasing this class of employees. Moreover, it has the effect of limiting the company's ability to develop in line with the powerful dynamic that characterizes the transport industry.

DB Schenker Rail Scandinavia A/S is primarily financed by intra-group loans. If DB Schenker Group's ownership share of DB Schenker Rail Scandinavia A/S falls below 50.1%, the loan agreements provided might be terminated.

Since 01.01.2009, DB Schenker Rail Scandinavia A/S operates as a pure production company for Green Cargo AB, DB Schenker Rail AG and DB Schenker Rail Danmark Services A/S. DB Schenker Rail Scandinavia A/S will service only these three customers for transportation services.

As of 01.01.2009, all customer contracts have been transferred to DB Schenker Rail AG, Green Cargo AB and DB Schenker Rail Danmark Services A/S.

The present and planned level of activities for the company, do not impose any risk in particular and the liquidity situation is adequately secured.

Review 2015

Events after balance sheet date

There have been no significant events since the balance sheet date.

Corporate Social Responsibility

Deutsche Bahn AG in Germany has incorporated policies for corporate citizenship, by which standards they comply are incorporated. For further information please refer to their homepage at www.deutschebahn.com.

Accounting Policies

Basis of accounting

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (class C).

The accounting policies are unchanged from previous years.

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

Recognition and measurement

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, 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 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.

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 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 statement.

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 at the exchange rates at the dates of transaction. Gains and losses 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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Accounting Policies

Profit and loss account

Recognition of income

Traffic revenues are recognised as income at the time of transport. Discounts in connection with the sale are deducted from net revenues.

As a general rule, revenue from transports carried out by more than one railway company is recognized with the share belonging to DB Schenker Rail Scandinavia A/S.

The revenue recognition for other goods and services is the time of delivery.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

In general, environmental subsidies are recognised as income in the period to which they relate.

Gain and loss from individual major sale of assets is placed in "Other operating income".

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

The Company is jointly taxed with the Danish group companies. Foreign group companies are not included in the joint taxation.

Arriva Danmark A/S acts as the administrative company. The total Danish tax from the Danish Companies taxable income is allocated and paid by Arriva Danmark A/S.

The tax effect of the joint taxation with the Danish group companies is allocated in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Accounting Policies

Balance sheet

Tangible fixed assets

Transport equipment, machinery, tools and equipment are valued at cost price minus accumulated depreciation.

Cost includes the purchase price and expenses directly related to the purchase as well as expenses for the set-up of the asset.

Depreciations are linear over the expected useful lives of the assets and down to scrap value, which is between 0% and 5% of the original price. Purchases during the financial year are depreciated proportionally from the date of the initial operation.

Provided that a tangible fixed asset comprises several independent components with varying useful lives, each component is depreciated separately.

The expected useful lives are as follows:

Transport equipment:

Engines	20-25 years
	20 years

Machinery, tools and equipment:

Lifting equipment	10 years
Tools and equipment	3-15 years
Leasehold improvements	3-5 years

Payment on account for tangible fixed assets which have not yet been delivered is recognised in the balance sheet under the item "Payment on account for tangible fixed assets".

Expenses paid for replacement or renovation of major individual components are included under assets as well as expenses paid for regular maintenance works are recognised separately.

Expenses are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the original standard of performance of the existing assets, will flow to the enterprise.

All other expenditures are recognised as an expense in the period in which it is incurred.

If the net book value of tangible fixed assets exceeds the recovery value, the asset is written down to the higher of net sales price and capital value.

Investments in subsidiaries and associates

Enterprises in which the company holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates.

Investments in associates are valued at cost, as it reflects the value for DB Schenker Rail Scandinavia A/S.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning salary, rent, insurance premiums and subscriptions.

Accounting Policies

Equity

Dividend

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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.

Corporate tax

Current tax payable and receivable is recognised in the balance sheet at the computed tax on the taxable income for the year adjusted for taxes paid on account.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities and deferred tax assets are calculated based on all temporary differences between booked values and tax values of assets and liabilities.

Deferred tax is recognised in the balance sheet according to the tax rules and at the tax rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax assets and liabilities.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Other debts

Are measured at amortised cost, substantially corresponding to nominal value.

Accounting Policies

Cash flow statement

The cash flow statement of the company has been presented under the indirect method on the basis of the income for the year.

The cash flow statement shows the company's cash flows for the year classified as operating, investing and financing activities as well as the impact of these inflows on cash and cash equivalents for the year.

Cash flows from operating activities are stated as the income for the year adjusted for non-cash transactions such as depreciation and write-downs, reserves as well as changes in working capital, interest paid and received and paid taxes.

Cash flows from investing activities comprise cash flows from acquisitions and sales of intangible, tangible and financial fixed assets.

Cash flows from financing activities include cash flow from raising and repayment of long-term debt as well as dividends to shareholders.

Cash and cash equivalents comprise cash at hand, cash in bank and inter company cash deposits.

Definition of financial key figures

Net profit ratio: $\frac{\text{Profit/(loss) before financial items}}{\text{Net turnover}}$

Return on net assets: $\frac{\text{Profit/(loss) before financial items}}{\text{Total assets}}$

Solvency ratio: $\frac{\text{Shareholders' equity 31 December}}{\text{Total assets}}$

Return on equity: $\frac{\text{Profit/(loss) for the year after tax}}{\text{Average equity}}$

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Net turnover	1	441.256.847	436.962.640
Production costs		<u>-462.385.897</u>	<u>-429.558.886</u>
Gross Profit/loss		-21.129.050	7.403.756
Distribution/selling expenses		-859.556	-651.574
Administrative expenses		<u>-76.664.454</u>	<u>-71.984.902</u>
Operating profit/loss		-98.653.060	-65.232.721
Other operating income	2	<u>98.138.073</u>	<u>78.440.897</u>
Profit/(loss) before financial income/expenses		-514.987	13.208.176
Financial income	4	837.810	701.230
Financial expenses	5	<u>-15.528.964</u>	<u>-15.901.258</u>
Profit/(loss) before tax		-15.206.141	-1.991.852
Tax on profit/(loss) for the year	6	<u>2.073.275</u>	<u>262.528</u>
Profit/(loss) for the year		<u>-13.132.866</u>	<u>-1.729.324</u>
Staff expenses	3		
Distribution of profit			
Dividend		0	0
Retained profit or loss		<u>-13.132.866</u>	<u>-1.729.324</u>
		<u>-13.132.866</u>	<u>-1.729.324</u>

Profit/(loss) is proposed to be distributed to the equity and covered by the retained profit/loss account. This proposal has been recognised in the balance sheet.

Balance Sheet 31 December - Assets

	Notes	2015	2014
		DKK	DKK
Deposits		630.747	688.342
Financial fixed assets	7	630.747	688.342
Technical fittings and machinery		482.111.232	509.206.539
Leasehold improvements		1.095.519	1.276.718
Fixtures and equipment		1.536.808	2.580.356
Tangible fixed assets	8	484.743.559	513.063.613
Fixed assets		485.374.306	513.751.955
Trade debtors		7.722.591	4.486.486
Amounts owed by affiliated companies		122.077.268	36.633.636
Other debtors		18.701.228	18.081.145
Prepayments and accrued income	9	7.987.815	7.182.724
Debtors		156.488.902	66.383.991
Cash at bank and in hand		69.652.502	202.324.334
Current assets		226.141.404	268.708.325
Total assets		711.515.710	782.460.280

Balance Sheet 31 december - Liabilities & Share holders' Equity

	Notes	2015	2014
		DKK	DKK
Share capital		42.050.000	42.050.000
Share premium fund		162.877.116	162.877.116
Retained profit/(loss)		118.209.885	131.342.731
Shareholders' equity	10	323.137.001	336.269.847
Provision for deferred tax	11	27.239.414	29.312.690
Other provisions	12	15.704.250	15.617.448
Provisions		42.943.664	44.930.138
Amounts owed to affiliated companies	13	231.459.143	255.009.688
Long-term liabilities		231.459.143	255.009.688
Trade creditors		59.394.611	87.600.288
Amounts owed to affiliated companies	13	28.598.881	35.980.350
Payables to associated companies		166.325	356.051
Other payables		25.816.085	22.313.918
Current liabilities		113.975.902	146.250.607
Liabilities		345.435.045	401.260.295
Total liabilities and shareholders' equity		711.515.710	782.460.280
Other notes	14-18		

Cash Flow Statement

	Notes	2015 DKK	2014 DKK
Profit/(loss) for the year before interest		-514.987	13.208.176
Adjustments	17	43.613.956	46.897.707
Change in working capital	18	-29.277.990	13.375.587
Cash flows from operating activities before financial items		13.820.979	73.481.469
Interest received, etc.	4	837.810	701.230
Interest paid	5	-15.528.964	-15.901.258
Cash flows from ordinary operating activities		-870.175	58.281.440
Company Tax/Group joint taxation		0	0
Cash flows from operating activities		-870.175	58.281.440
Change in financial fixed assets		57.595	-25.245
Purchase of tangible fixed assets		-19.407.125	0
Sale of tangible fixed assets		4.113.210	18.204
Cash flows from investing activities		-15.236.320	-7.042
Change in intercompany balances		-116.565.339	-32.835.991
Distributed dividend		0	-5.215.000
Cash flows from financing activities		-116.565.339	-38.050.991
Change in cash and cash equivalents		-132.671.834	20.223.407
Cash and cash equivalents 1 January		202.324.336	182.099.929
Cash and cash equivalents per 31 December		69.652.502	202.324.336

Notes to the Annual Report

1 Segment information

There is no natural segmentation of the activities for the company.

The entire turnover of the company is generated by transporting freight by rail in Germany, Denmark and Sweden primary on the Maschen-Denmark-Malmø corridor with connection south/north of this corridor .

Thus it is not possible to show any segment information (distributed geographically or otherwise) on results before financial items, fixed assets and liabilities. A specification of traffic revenue is shown below:

	<u>2015</u>	<u>2014</u>
	DKK	DKK
Transit		
Imports/exports	304.912.865	306.572.413
Domestic	74.596.189	70.507.756
	<u>61.747.793</u>	<u>59.882.471</u>
	<u>441.256.847</u>	<u>436.962.640</u>

2 Other operating income

Gain on sale of assets	2.023.220	19.200
Recharged costs to sister company	49.771.610	50.111.564
Other Income	<u>46.343.243</u>	<u>28.310.133</u>
	<u>98.138.073</u>	<u>78.440.897</u>

3 Staff expenses

Wages and salaries	113.819.950	99.138.787
Pensions	15.575.546	15.237.177
Other social security expenses (incl.wage compensations)	5.068.312	4.781.568
	<u>134.463.808</u>	<u>119.157.532</u>
Including total remuneration to the Executive Board and the Board of Directors	<u>5.171.819</u>	<u>4.578.139</u>

Staff expenses are included as follows:

Production costs	86.259.729	47.172.630
Administrative expenses	<u>48.204.079</u>	<u>71.984.902</u>
	<u>134.463.808</u>	<u>119.157.532</u>

Average number of Full Time Employees	<u>224</u>	<u>203</u>
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4 Financial income

Exchange rate adjustments	735.116	647.021
Interest income from affiliated undertakings	91.803	54.203
Other financial income	<u>10.891</u>	<u>6</u>
	<u>837.810</u>	<u>701.230</u>

Notes to the Annual Report

5 Financial expenses	2015 DKK	2014 DKK
Exchange rate adjustments	1.716.822	969.247
Interest expenses to affiliated undertakings	13.496.475	14.848.476
Other financial expenses	315.667	83.535
	<u>15.528.964</u>	<u>15.901.258</u>
6 Tax on profit/(loss) for the year		
Current tax for the year	0	0
Deferred tax for the year	2.073.275	-262.528
Adjustment prior year	0	0
Total tax for the year	<u>2.073.275</u>	<u>-262.528</u>
which breaks down as follows		
Tax on profit/(loss) for the year	<u>2.073.275</u>	<u>262.528</u>
	<u>2.073.275</u>	<u>262.528</u>

7 Financial fixed assets	Deposits DKK	Deposits DKK
Acquisition cost 1 January	688.342	663.097
Additions for the year	0	25.245
Disposals for the year	-57.595	0
Acquisition cost 31 December	<u>630.747</u>	<u>688.342</u>
Depreciation 1 January	0	0
Depreciation for the year	0	0
Reversal of depreciation of disposals for the year	0	0
Depreciation 31 December	<u>0</u>	<u>0</u>
Net book value 31 December	<u>630.747</u>	<u>688.342</u>

Other investments are specified as follows:

Name	Share capital	Equity	Domicile	Votes and ownership	Votes and ownership
Interfrigo, annual report 2008	MEUR 18,3	MEUR 15,7	Basel, Schweiz	1,1%	0
IFC Intercontainer Interfirgo - is under likvidations since 26 November 2010				<u>Total</u>	<u>0</u>

Notes to the Annual Report

8 Tangible fixed assets

	Technical fittings and machinery	Leasehold improvements	Fixtures and equipment
	DKK	DKK	DKK
Acquisition cost 1 January	907.544.427	7.077.129	22.706.112
Additions for the year	19.332.241	0	74.884
Disposals for the year	-3.705.074	0	-820.001
Acquisition cost 31 December	923.171.594	7.077.129	21.960.995
Depreciation 1 January	-398.337.901	-5.800.411	-20.125.756
Depreciation and writedown for the year	-44.427.535	-181.199	-1.028.442
Reversal of depreciation of disposals for the year	1.705.074	0	730.011
Depreciation 31 December	-441.060.362	-5.981.610	-20.424.187
Net book value 31 December	482.111.232	1.095.519	1.536.808

Depreciations and writedown are included in the following lines

	2015	2014
	DKK	DKK
Production costs	45.637.176	46.916.907
	45.637.176	46.916.907

9 Prepayments

Prepayments primarily consist of prepaid expenses for rent, insurance premiums and subscriptions.

10 Shareholders' equity

	Share capital	Share premium fund	Proposed dividend	Retained profit/(loss)	Total
	DKK	DKK	DKK	DKK	DKK
Shareholders' equity 1 January	42.050.000	162.877.116	0	131.342.751	336.269.867
Distributed dividend	0	0	0	0	0
Profit/(loss) for the year	0	0	0	-13.132.866	-13.132.866
Shareholders' equity 31 December	42.050.000	162.877.116	0	118.209.885	323.137.001

The share capital consists of 420,500 shares of a nominal value of DKK 100. No shares carry any special rights.

Specification of transactions on Share capital:

	2015	2014	2013	2012	2011
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Share capital 1 January	42.050	42.050	42.050	42.050	42.050
Increase of capital	0	0	0	0	0
Decrease of capital	0	0	0	0	0
Share capital 31 December	42.050	42.050	42.050	42.050	42.050

Notes to the Annual Report

	2015	2014
	DKK	DKK
11 Deferred tax		
Technical fittings and machinery	44.675.853	52.832.686
Leasehold improvements	213.919	240.235
Fixtures and equipment	-306.298	-274.372
Trade debtors	-332.822	-512.211
Other provisions	-3.454.935	-3.670.100
Tax losses	-13.556.303	-19.303.548
	<u>27.239.414</u>	<u>29.312.690</u>

Deferred tax is provided with 22%, corresponding to the estimated average utilization tax rate.

12 Other provisions

Other provisions consist of provisions for damages caused on locomotives, waggons and fixtures of others, for which the size of the liability and the time of payment is uncertain.

Provision for damages 1 January	15.617.448	15.223.317
Applied for the year	-12.805.310	-6.086.175
Provision for the year	12.892.112	6.480.306
Provision for damages 31 December	<u>15.704.250</u>	<u>15.617.448</u>

Time of payment is expected to be:

Within a year	11.281.048	6.588.909
From one to five years	4.423.202	9.028.539
	<u>15.704.250</u>	<u>15.617.448</u>

13 Amounts owed to affiliated companies

After 5 years	0	0
Between 1 and 5 years	231.459.143	255.009.688
Long-term part	231.459.143	255.009.688
within 1 year	28.598.881	35.980.350
	<u>260.058.024</u>	<u>290.990.038</u>

14 Contractual liabilities and other contractual obligations

Contractual obligations

The company has entered		
Payments due after 5 years	0	0
Payments due between 1 and 5 years	24.437.250	22.864.900
Long-term part	24.437.250	22.864.900
Payments due within 1 year	6.257.857	15.817.080
	<u>30.695.107</u>	<u>38.681.980</u>

Contractual liabilities

The Danish enterprises of the Group are jointly and severally liable for withholding tax. No such tax has been withheld.

Notes to the Annual Report

15 Related parties and ownership

	Basis
DB Danmark Holding ApS, Helseholmen 31-39, DK-2650 Hvidovre, Denmark	Principal shareholder
The Deutsche Bahn AG, Germany	Group company
Green Cargo AB, Svetsarågen 10, 171 11 Solna, Sweden	Shareholder

Transactions

DB Schenker Rail Scandinavia A/S is a part of the Deutsche Bahn AG Group. During the year there have been intercompany transactions with related companies in the Deutsche Bahn AG Group. The transactions have been effected at arm's length principle.

Ownership

The following shareholders are recorded in the company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

DB Danmark Holding ApS, Helseholmen 31-39, DK-2650 Hvidovre, Denmark

Green Cargo AB, Svetsarvågen 10, 171 11 Solna, Sweden

16 Group matters

The company's ultimate parent company, which prepares consolidated financial statements in which the company is included as a subsidiary, is Deutsche Bahn AG, Berlin, Germany.

The consolidated financial statements for the foreign parent can be obtained at the following address:

Deutsche Bahn AG, Potsdamer Platz 2, 10785 Berlin, Germany.

17 Adjustments (cash flow statement)

	2015	2014
	DKK	DKK
Amortisation and depreciation of tangible fixed assets for the year including profit and loss on sale of fixed assets	43.613.956	46.897.707
	43.613.956	46.897.707

18 Change in working capital (cash flow statement)

Change in debtors	-3.856.189	10.861.270
Change in accruals and provisions	-805.091	-3.188.587
Change in other provisions	86.800	394.131
Change in current liabilities	-24.703.510	5.308.773
	-29.277.990	13.375.587

