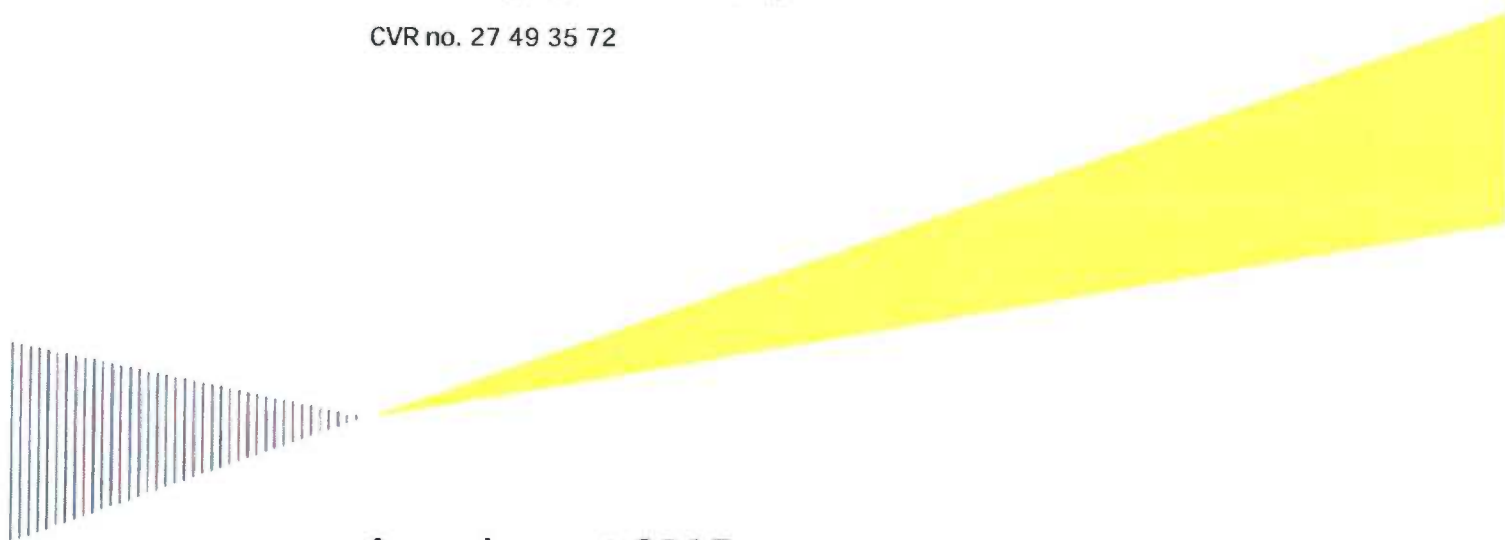


Danish Air Transport Holding A/S

Lufthavnsvej 7A, DK-6580 Vamdrup

CVR no. 27 49 35 72



Annual report 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:

Lars Dahl Hansen



**Building a better
working world**



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Danish Air Transport Holding A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

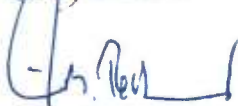
Vamdrup, 31 May 2016

Executive Board:



Jesper Rungholm

Board of Directors:



Finn Boel Pedersen
Chairman



Kirsten Rungholm



Cornelis Anthonie
Kuypers



Jørgen Flodgaard Olesen

Independent auditors' report

To the shareholders of Danish Air Transport Holding A/S

Independent auditors' report on the consolidated and parent company financial statements

We have audited the consolidated and parent company financial statements of Danish Air Transport Holding A/S for the financial year 1 January - 31 December 2015. The consolidated and parent company financial statements comprise accounting policies, income statement, balance sheet and notes and cash flow statement for the group. The consolidated and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated and parent company financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated and parent company 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 as to whether the consolidated and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated and parent company 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 consolidated and parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and Company's financial position at 31 December 2015 and of the results of their operations and the Group's cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditors' report

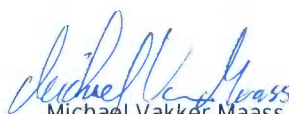
Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Kolding, 31 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28



Lars Tylvad Andersen
State Authorized Public Accountant



Michael Vakker Maass
State Authorized Public Accountant



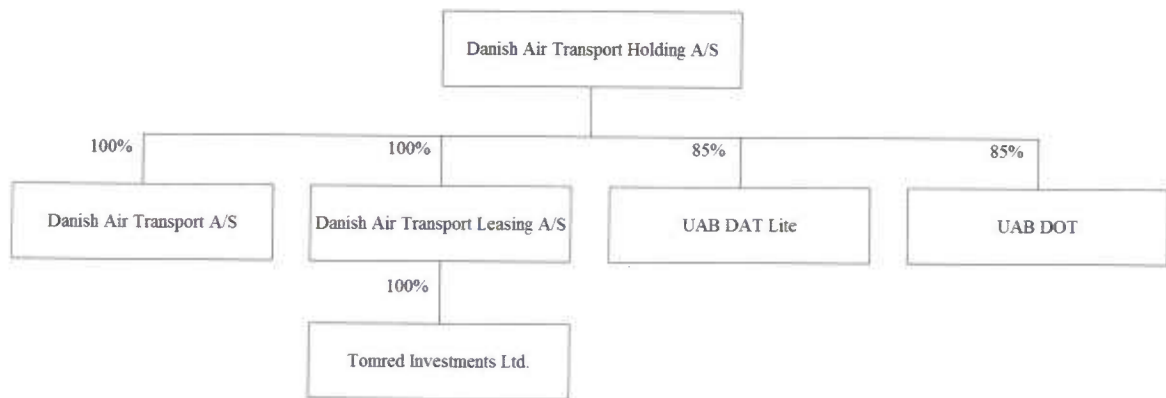
Management's review

Company details

Name	Danish Air Transport Holding A/S
Address, zip code, city	Koldingegnens Lufthavn Lufthavnsvej 7A DK-6580 Vamdrup
CVR no.	27 49 35 72
Established	2003
Registered office	Kolding
Financial year	1 January1 January - 31 December 31 December
Telephone	+45 75 58 37 77
Board of Directors	Finn Boel Pedersen (Chairman) Kirsten Rungholm Cornelis Anthonie Kuypers Jørgen Flodgaard Olesen
Executive Board	Jesper Rungholm
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. floor, DK-6000 Kolding

Management's review

Group chart



Management's review

Financial highlights for the group

DKK'000	2015	2014	2013	2012	2011
Key figures					
Revenue	644,125	503,209	500,046	510,776	500,598
Gross profit	251,358	212,669	202,761	197,044	192,362
EBITDA	80,657	63,873	61,266	59,347	61,590
Operating profit	43,741	41,981	27,729	24,121	32,213
Profit/loss from financial items	-32,235	-27,815	-3,216	-5,554	-5,719
Profit from ordinary activities before tax	11,506	14,166	24,513	18,567	26,494
Profit for the year	8,862	10,918	22,330	13,817	20,275
Parent company's share of consolidated profit	9,181	10,977	22,650	13,609	19,718
Balance sheet					
Total assets	667,429	509,337	469,252	386,493	341,692
Equity	90,303	96,395	95,460	82,947	74,221
Total equity and subordinated loan capital	136,303	132,395	122,460	109,947	101,221
Cash flows					
Cash flows from operating activities	84,080	40,420	51,796	51,464	62,628
Net cash flows from investing activities	-180,516	-78,439	-112,414	-81,998	-58,219
<i>Portion relating to investment in property, plant and equipment</i>	<i>-187,633</i>	<i>-177,956</i>	<i>-145,927</i>	<i>-83,026</i>	<i>-62,144</i>
Cash flows from financing activities	85,291	9,282	67,767	21,117	-8,534
Total cash flows	-11,145	-28,737	7,149	-9,417	-4,125
Financial ratios					
Return on equity	9.8 %	11.4 %	25.4 %	17.3 %	26.5 %
Average number of full-time employees	393	321	303	299	267

For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities

The Group's activities consist in fixed wing flights and related activities using own as well as leased aircraft.

The Company's activities comprise holding shares in subsidiaries.

Financial review

The Danish Air Transport Group reported a profit of DKK 9.2 million against DKK 11.0 million in 2014.

The Group has during 2015 added three Airbus 320 aircraft to the fleet. Net income was negatively affected by delayed delivery of two aircraft, and continued high start-up cost associated with the significant growth of five Airbus 320 aircraft in two years.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased from approx. DKK 64 million in 2014 to approx. DKK 81 million in 2015.

Total depreciation on aircraft amounted to DKK 39.3 million as against DKK 47.0 million in 2014. Total depreciation expensed in 2015 thereby totalled approx. 9,7 % of the carrying amount of aircraft at the beginning of the year (approx. 13% in 2014), which is considered conservative in relation to the technical financial value of the aircraft.

During the year, the Group generated negative free cash flows of DKK -11.1 million as against negative free cash flows of DKK -28.7 million in 2014. Total cash reserves thus amounted to DKK 16.1 million at 31 December 2015.

Equity and subordinate loan capital totalled DKK 136.3 million at 31 December 2015 and the solvency ratio represented 20.4% as against equity and subordinate loan capital of DKK 132.4 million and a solvency ratio of 26.0% in 2014.

Outlook

We expect a positive and improved result in 2016.

Particular risks

Currency risk

A large portion of the Company's income and expenses as well as external financing is settled in foreign currencies meaning that the profit may be affected by currency fluctuations. The Company's policy is to hedge currency risks to the widest extent possible. Hedging is made by matching payments made and received in foreign currency and by forward exchange contracts to hedge non-hedged positions. It is Company policy not to enter into speculative currency positions.

Valuation of aircraft

As stated in the accounting policies, aircraft are written down to the recoverable amount if this is lower than the carrying amount. Impairment tests are made on an annual basis for each aircraft.

The valuation of aircraft is therefore sensitive towards market trends and exchange rate fluctuations, as aircraft are normally traded in USD.

Management's review

Operating review

Corporate social responsibility

The Company strives at demonstrating ethical and moral behaviour in every respect in order to assume a high degree of social corporate responsibility. The DAT Group has not implemented specific policies for corporate social responsibility as a part of the Group's strategy and activities, and therefore no separate report is made on corporate social responsibility.

The DAT Group entirely aim at employing staff on identical terms of employment / agreement for the single personnel groups. In some special operative conditions it can however be necessary to attach personnel at short-time individual contracts.

Environmental issues

The DAT Group's primary environmental influence is through CO₂-emissions from the Group's aircrafts. DAT Group seeks to reduce fuel consumption and CO₂-emission as much as possible. Among other things this is done by continuously training pilots, adjusting aircraft sizes to the number of passengers, optimizing flight height and investing in more fuel efficient aircrafts which have lower CO₂-emissions. All pilots have been trained in fuel-efficient flight as an integrated part of their training in the Group's aircraft fleet. DAT Group bought five new aircrafts in 2014 and three new aircraft in 2015. The aircrafts were purchased in order to achieve the optimum utilization based on the group's activities, including the optimal utilization related to fuel consumption.

Policies and targets figure for gender composition of management

The DAT Group has an overall strategy on diversity in the Company, including a strategy for gradually increasing the proportion of women in management. It is the opinion of the Group that all employees must be treated equally, regardless of gender, race and religion, so that everyone is guaranteed equal opportunities for employment, education and promotion. We will promote the careers of women and men equally. In connection with hiring of employees with management responsibility the Group strives to have at least one of each gender among the final three candidates. The share of women in positions with management responsibilities has increased to 36.6% in 2015 as opposed to 36.5% in 2014.

The DAT Group's objective is that women represent at least 40% of the Group's Board of Directors by the end of 2017. At present 25% is women and 75% is men.

Consolidated and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Consolidated		Parent company	
		2015	2014	2015	2014
	Revenue	644,125	503,209	0	0
	Production costs	-330,760	-244,412	0	0
2	Other external costs	-62,007	-46,128	-74	-96
	Gross profit	251,358	212,669	-74	-96
3	Staff costs	-170,701	-148,796	0	0
7	Depreciation of property, plant and equipment	-36,916	-35,313	0	0
7	Write-downs / reversal of previous write-downs	0	13,421	0	0
	Operating profit/loss	43,741	41,981	-74	-96
9	Profit/loss from investments in group enterprises after tax	0	0	9,238	11,061
4	Financial income	6,769	5,908	0	1,098
5	Financial expenses	-39,004	-33,723	0	-1,105
	Profit from ordinary activities before tax	11,506	14,166	9,164	10,958
6	Tax on profit from ordinary activities	-2,644	-3,248	17	19
	Profit for the year	8,862	10,918	9,181	10,977
	Minority interests' share in subsidiaries' results	319	59		
	Parent company's share of consolidated profit	9,181	10,977		

Proposed profit appropriation

DK'000

Reserve for net revaluation according to the equity method	9,238	11,061
Retained earnings	-57	-10,084
Proposed dividends	0	10,000
	9,181	10,977

Consolidated and parent company financial statements 1 January - 31 December

Balance sheet

Note	DK'000	Consolidated		Parent company	
		2015	2014	2015	2014
	ASSETS				
	Non-current assets				
7	Property, plant and equipment				
	Buildings on leased land	3,264	2,404	0	0
	Aircraft	547,135	406,104	0	0
	Fixtures and fittings, tools and equipment	5,461	3,726	0	0
		555,860	412,234	0	0
	Investments				
	Deposits	3,113	3,208	0	0
8	Deferred tax asset	1,406	623	60	43
9	Investments in group enterprises	0	0	101,563	97,598
10	Subordinated loan capital	0	0	46,000	36,000
		4,519	3,831	147,623	133,641
	Total non-current assets	560,379	416,065	147,623	133,641
	Current assets				
	Inventories				
	Spare parts	44,736	35,572	0	0
	Receivables				
	Trade receivables	28,812	22,843	0	0
	Amounts owed by group enterprises	744	0	5,744	4,959
14	Corporation tax	434	493	0	0
	Other receivables	13,964	3,336	98	98
	Prepayments	2,258	3,782	0	0
		46,212	30,454	5,842	5,057
	Securities	14	13	0	0
	Cash at bank and in hand	16,088	27,233	0	0
	Total current assets	107,050	93,272	5,842	5,057
	TOTAL ASSETS	667,429	509,337	153,465	138,698

Consolidated and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Consolidated		Parent company	
		2015	2014	2015	2014
	EQUITY AND LIABILITIES				
11	Equity				
	Share capital	11,111	11,111	11,111	11,111
	Reserves tied up	86	86	86	86
	Reserve for net revaluation according to the equity method	0	0	77,347	67,918
	Retained earnings	79,106	75,198	1,759	7,280
	Proposed dividend	0	10,000	0	10,000
	Total equity	90,303	96,395	90,303	96,395
	Minority interests	271	555	0	0
	Provisions				
8	Deferred tax	38,326	36,738	0	0
	Liabilities other than provisions				
12	Long-term liabilities				
13	Subordinated loan capital	46,000	36,000	46,000	36,000
	Mortgage debt	890	931	0	0
	Bank loans	262,799	173,275	0	0
	Other long-term liabilities to credit institutions	36,738	41,791	0	0
		346,427	251,997	46,000	36,000
	Short-term liabilities				
	Short-term portion of long-term liabilities	37,521	28,180	0	0
	Bank debt	12,887	0	0	0
	Prepayments received from customers	34,665	26,393	0	0
	Trade payables	63,796	31,123	0	0
	Amounts owed to group enterprises	5,000	5,755	17,112	6,252
14	Corporation tax	7	0	0	0
	Other payables	37,596	32,201	50	51
	Deferred income	630	0	0	0
		192,102	123,652	17,162	6,303
	Total liabilities other than provisions	538,529	375,649	63,162	42,303
	TOTAL EQUITY AND LIABILITIES	667,429	509,337	153,465	138,698
15	Contractual obligations and contingencies, etc,				
16	Mortgages and collateral				
17	Related party disclosures				

Consolidated and parent company financial statements 1 January - 31 December

Cash flow statement

DKK'000	Consolidated	
	2015	2014
Cash generated from operations (operating activities)	43,741	41,981
Reversed depreciation and impairment as well as gains and losses on the sale of property, plant and equipment etc,	36,916	21,892
Cash generated from operations (operating activities) before changes in working capital	80,657	63,873
Changes in working capital	14,358	-15,678
Cash generated from operations (operating activities)	95,015	48,195
Net financial items	-32,235	-27,815
Unrealised exchange rate adjustments hereof	21,367	20,945
Cash generated from operations (ordinary activities)	84,147	41,325
Corporation tax paid	-67	-905
Cash flows from operating activities	84,080	40,420
Acquisition of property, plant and equipment	-187,633	-177,956
Disposal of property, plant and equipment	7,117	99,523
Acquisition of securities	0	-6
Cash flows from investing activities	-180,516	-78,439
External financing:		
Repayment of aircraft loans, other bank loans etc.	-33,183	-75,553
Raised aircraft loans, other bank loans and subordinated loans	128,474	94,835
Financing from own resources:		
Paid dividend	-10,000	-10,000
Cash flows from financing activities	85,291	9,282
Net cash flows from operating, investing and financing activities	-11,145	-28,737
Cash and cash equivalents at 1 January	27,233	55,970
Cash and cash equivalents at 31 December	16,088	27,233

Consolidated and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Danish Air Transport Holding A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies are consistent with those of last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Danish Air Transport Holding A/S, and subsidiaries in which Danish Air Transport Holding A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-deducted goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise. The tax effect of the restatement of assets and liabilities is taken into account.

Consolidated and parent company financial statements 1 January – 31 December

Notes to the financial statements

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised directly in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item is recognised in the income statement.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement.

Income statement

Revenue

Revenue from the rendering of services is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end. Revenue is measured ex. VAT, taxes and discounts granted.

Consolidated and parent company financial statements 1 January - 31 December

Notes to the financial statements

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the enterprises.

Other external charges

Other external charges comprise costs incurred during the year that are primary in relation to the Company's principal activities.

Staff costs

Staff costs comprise wages and salaries, remuneration, pensions and other staff costs in relation to the employees of the Company, including the Supervisory and Executive Boards.

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results before tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results before tax of the associates is recognised in both the parent company and the consolidated income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Extraordinary income and expense and similar items

Extraordinary income and expense and similar items comprise income and expense from events or transactions that are clearly distinct from the ordinary activities, are not within the control of the Company, and which are not expected to recur frequently or regularly.

Tax on profit/loss from ordinary activities

The Company is covered by the Danish rules on compulsory joint taxation of the Runway Holding ApS Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date when they are included in the consolidation of the consolidated financial statements and up to the date when they exit the consolidation.

The Company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Consolidated and parent company financial statements 1 January - 31 December

Notes to the financial statements

Balance sheet

Property, plant and equipment

Aircraft, fixtures, fittings etc. are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The depreciation basis is cost less anticipated residual value after the expiry of the useful life.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Aircraft	10-20 years
Buildings on owned land	30 years
Buildings on leased land	10 years
Fixtures and fittings, tools and equipment	5 years

The portion of the aircraft cost which is subject to periodical inspections and/or replacements is depreciated from production intensity.

Property, plant and equipment are written down to their recoverable amount if this is lower than their carrying amount. Impairment tests are performed annually for each asset and for groups of assets, respectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as depreciation.

Lease contracts

Leases for fixed assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the present value, the discount factor is the interest rate implicit in the lease or an approximation of this. Finance leases are subsequently treated as the Company's other fixed assets.

The capitalised residual obligation on the lease is recognised in the balance sheet as a liability and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other lease agreements are recognised in the income statement over the term of the lease. The Company's total liability relating to operating leases and other lease agreements is disclosed as contingent liabilities etc.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured according to the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost.

Consolidated and parent company financial statements 1 January - 31 December

Notes to the financial statements

On acquisition of subsidiaries, the purchase method is applied, cf. consolidated financial statements above.

Inventories

The spare parts inventories comprise spare parts for own and leased aircraft that are not attributable to the cost of the individual aircraft.

The spare parts inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Cost comprises the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and investments

Securities and investments comprising listed securities and bonds are measured at fair value at the balance sheet date. Unlisted securities are measured at fair value based on a calculated value in use.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Joint taxation contributions payable and receivable are recognised in the balance sheet as amounts owed by/to group enterprises.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

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Liabilities

Amounts owed to mortgage credit institutions and banks are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Deferred statement

Deferred income comprises payments received concerning income in subsequent years.

Cash flow statement

The cash flow statement shows the group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash with the addition of overdraft facilities.

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
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Total subordinated capital

Equity plus subordinated loan capital

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Notes to the financial statements

2 Fees to the auditors appointed at the general meeting

DKK'000	2015	2014
Total fees	535	499
Statutory audit	281	278
Tax consulting	42	25
Other assurance reports	8	7
Other services	204	189
	<u>535</u>	<u>499</u>

	Consolidated		Parent company	
DKK'000	2015	2014	2015	2014
3 Staff costs				
Wages and salaries	154,675	135,104	0	0
Pensions	14,188	11,978	0	0
Other social security costs	1,838	1,714	0	0
	<u>170,701</u>	<u>148,796</u>	<u>0</u>	<u>0</u>
Remuneration for the Executive Board	964	5,549	0	0
Remuneration for the Board of Directors	198	198	0	0
Average number of full-time employees	393	321	0	0

The only employees in the parent company are the Executive Board members, who have not received any remuneration.

	Consolidated		Parent company	
DKK'000	2015	2014	2015	2014
4 Financial income				
Exchange rate adjustments	6,379	5,437	0	0
Credit institutions	0	33	0	0
Group enterprises	0	0	0	1,098
Other financial income	390	438	0	0
	<u>6,769</u>	<u>5,908</u>	<u>0</u>	<u>1,098</u>
5 Financial expenses				
Exchange rate adjustments	26,624	24,308	0	7
Credit institutions	12,151	8,284	0	0
Group enterprises	0	1,098	0	1,098
Other financial expenses	229	33	0	0
	<u>39,004</u>	<u>33,723</u>	<u>0</u>	<u>1,105</u>

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Notes to the financial statements

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
6 Tax for the year				
Tax on taxable income	189	128	0	0
Other taxes	107	0	0	0
Adjustment for the year of deferred tax	2,348	3,120	-17	-19
	<u>2,644</u>	<u>3,248</u>	<u>-17</u>	<u>-19</u>

7 Property, plant and equipment

DKK'000	Buildings on leased land	Aircraft	Fixtures, fittings, etc.	Total
Cost at 1 January 2015	9,498	722,800	14,645	746,943
Exchange rate adjustment in foreign enterprises	3	30	0	33
Additions during the year	1,210	183,187	3,236	187,633
Disposals during the year	0	-8,855	-433	-9,288
Cost at 31 December 2015	<u>10,711</u>	<u>897,162</u>	<u>17,448</u>	<u>925,321</u>
Depreciation and impairment at 1 January 2015	7,094	316,696	10,919	334,709
Exchange rate adjustment in foreign enterprises	1	7	0	8
Impairment for the year	0	0	0	0
Depreciation for the year	354	37,547	1,500	39,401
Disposals for the year	0	-4,223	-433	-4,656
Depreciation and impairment at 31 December 2015	<u>7,449</u>	<u>350,027</u>	<u>11,986</u>	<u>369,462</u>
Carrying amount at 31 December 2015	<u>3,262</u>	<u>547,135</u>	<u>5,462</u>	<u>555,859</u>

DKK'000	Consolidated	
	2015	2014
Depreciation is specified as follows:		
Depreciation for the year	39,401	48,861
Gains/loss on sale of fixed assets	-2,485	-13,548
	<u>36,916</u>	<u>35,313</u>

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
8 Deferred tax				
Deferred tax at 1 January	-36,115	-33,143	43	24
Exchange rate adjustment	2	0	0	0
Adjustments for the year, see note 6	-2,348	-3,120	17	19
Deferred tax adjustment regarding hedging adjustments recognized directly in equity	1,541	0	0	0
Adjustment concerning utilisation of loss in joint taxation concerning previous years	0	148	0	0
Deferred tax at 31 December	<u>-38,326</u>	<u>-36,115</u>	<u>60</u>	<u>43</u>

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DKK'000	Parent company	
	2015	2014
9 Investments in group enterprises		
Cost at 1 January	29,680	29,689
Additions during the year	0	0
Disposals during the year	0	-9
Cost at 31 December	29,680	20,680
Adjustments 1 January	67,918	58,901
Exchange rate adjustments	191	-44
Profit/loss for the year	9,238	11,061
Received dividend	0	-2,000
Adjustments regarding hedging in subsidiaries	-5,464	0
Value adjustments at 31 December	71,883	67,918
Carrying amount at 31 December	101,563	97,598

Name	Registered office	Owner-ship	Company capital
			DKK'000
Danish Air Transport A/S	Vamdrup	100 %	10,000
Danish Air Transport Leasing A/S	Vamdrup	100 %	600
UAB DOT	Litauen	85 %	865
UAB DAT Lite	Litauen	85 %	865

10 Subordinated loan capital

The subordinate loans were provided to the subsidiary, Danish Air Transport A/S. It has been agreed that Danish Air Transport A/S is not to pay regular instalments on the loans. The loans fall due for repayment on 30 June 2019 and are irredeemable on the part of the creditor during the intervening period.

11 Equity

DKK'000	Consolidated					
	Share capital	Reserves tied up	Net re-valuation acc. to the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	11,111	86	0	75,198	10,000	96,395
Exchange rate adjustment in foreign enterprises	0	0	0	191	0	191
Dividends distributed during the year	0	0	0	0	-10,000	-10,000
Value adjustment of hedging instruments	0	0	0	-5,464	0	-5,464
Transferred, see profit appropriation	0	0	0	9,181	0	9,181
Equity at 31 December 2015	11,111	86	0	79,106	0	90,303

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11 Equity

DKK'000	Parent company					Total
	Share capital	Reserves tied up	Net re-valuation acc. to the equity method	Retained earnings	Proposed dividend	
Equity at 1 January 2015	11,111	86	67,918	7,280	10,000	96,395
Exchange rate adjustment in foreign enterprises	0	0	191	0	0	191
Value adjustment of hedging instruments		0	0	-5,464	0	-5,464
Dividends distributed during the year	0	0	0	0	-10,000	-10,000
Transferred, see profit appropriation	0	0	9,238	-57	0	9,181
Equity at 31 December 2015	11,111	86	77,343	1,759	0	90,303

The share capital comprises shares at DKK 1 or multiple hereof.

There has not been any change in share capital the past 5 years.

12 Long-term liabilities

DKK 149,598 thousand of the long-term liabilities (2014: DKK 100,579 thousand) falls due for payment later than 31 December 2020.

13 Subordinated loan capital

The subordinate loan was provided by the parent company, Runway Holding A/S. It has been agreed that Danish Air Transport Holding A/S is not to pay regular instalments on the loans. The loans fall due for repayment on 30 June 2019 and are irredeemable on the part of the creditor during the intervening period.

DKK'000	Consolidated		Parent company	
	2015	2014	2015	2014
14 Corporation tax receivable and payable				
Corporation tax receivable at 1 January	493	-289	0	0
Exchange rate adjustment	1	5	0	0
Adjustment at the beginning of the year	0	0	0	0
Tax on taxable income for the year	-189	-128	0	0
Thereof joint tax contribution	0	0	0	0
Corporation tax paid during the year	122	905	0	0
Refunded corporation tax	0	0	0	0
Corporation tax payable at 31 December	427	493	0	0
Specified as follows:				
Corporation tax receivable	434	493	0	0
Corporation tax payable	-7	0	0	0
	427	493	0	0

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Notes to the financial statements

15 Contractual obligations and contingencies, etc.

The Company has entered into agreements regarding aircraft leases. The lease costs amount to DKK 6,249 thousand in 2016. The lease agreements run for the period up to 31 March 2020.

16 Mortgages and collateral

The Group has provided the following security regarding the Group's aircraft loans and other loans and overdrafts amounting to DKK 350,835 thousand at 31 December 2015 plus bank guarantees of DKK 78 thousand:

- Owner's mortgage and letters of indemnity of DKK 582,618 thousand secured upon aircraft at a carrying amount of DKK 526,839 thousand.
- Owner's mortgages of DKK 1,100 thousand secured upon buildings at a carrying amount of DKK 1,435 thousand.

17 Related party disclosures

Danish Air Transport Holding A/S' related parties comprise:

Runway Holding ApS
Danish Air Transport A/S
Danish Air Transport Leasing A/S
UAB DOT LT
UAB DAT Lite
Tomred Investments Ltd.

Transactions with related parties

The transactions with related parties are carried out on an arm's length basis and in accordance with agreements applicable.

Ownership

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

Runway Holding ApS
Lufthavnsvej 7 A
DK-6580 Vamdrup