
Svitzer Towage A/S

Sundkaj 9, DK-2150 Nordhavn

Annual Report for 1 January - 31 December 2015

CVR No 29 53 72 16

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/05 2016

Malin Mattson
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Svitzer Towage 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 for 2015.

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

Copenhagen, 31 May 2016

Executive Board

Karl Thorngren

Board of Directors

Knud Winkler
Chairman

Karl Thorngren

David Paul Phillips

Independent Auditor's Report on the Financial Statements

To the Shareholder of Svitzer Towage A/S

We have audited the Financial Statements of Svitzer Towage A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, 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.

Independent Auditor's Report on the Financial Statements

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 for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Hellerup, 31 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen
statsautoriseret revisor

Henrik Mikkelsen
statsautoriseret revisor

Company Information

The Company

Svitzer Towage A/S
Sundkaj 9
DK-2150 Nordhavn

CVR No: 29 53 72 16
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of directors

Knud Winkler, Chairman
Karl Thorngren
David Paul Phillips

Executive Board

Karl Thorngren

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2015 AUD('000)	2014 AUD('000)
Gross profit/loss		3.915	-10
Staff expenses	1	-163	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-743	0
Profit/loss before financial income and expenses		3.009	-10
Financial income	2	10.486	6.117
Financial expenses	3	-496	-1.843
Profit/loss before tax		12.999	4.264
Tax on profit/loss for the year	4	10.957	-4.549
Net profit/loss for the year		23.956	-285

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	52.976	0
Proposed dividend for the year	0	0
Retained earnings	-29.020	-285
	23.956	-285

Balance Sheet 31 December

Assets

	Note	2015 AUD('000)	2014 AUD('000)
Ships		72.257	0
Property, plant and equipment in progress		37.523	5.394
Property, plant and equipment	5	109.780	5.394
Fixed assets		109.780	5.394
Receivables from group enterprises		67.654	101.136
Other receivables		6.995	71
Deferred tax asset		14.022	859
Receivables		88.671	102.066
Currents assets		88.671	102.066
Assets		198.451	107.460

Balance Sheet 31 December

Liabilities and equity

	Note	2015 AUD('000)	2014 AUD('000)
Share capital		12.097	12.097
Retained earnings		169.534	90.608
Equity	6	181.631	102.705
Trade payables		16	10
Payables to group enterprises		13.635	3.587
Corporation tax		721	1.044
Other payables		2.448	114
Short-term debt		16.820	4.755
Debt		16.820	4.755
Liabilities and equity		198.451	107.460
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

Notes to the Financial Statements

1 Staff expenses

Other social security expenses	163	0
	<u>163</u>	<u>0</u>
Average number of employees	1	0

2 Financial income

Interest received from group enterprises	1.480	94
Other financial income	0	6.023
Exchange rate adjustments	9.006	0
	<u>10.486</u>	<u>6.117</u>

3 Financial expenses

Interest paid to group enterprises	12	0
Other financial expenses	475	1.843
Exchange rate adjustments	9	0
	<u>496</u>	<u>1.843</u>

4 Tax on profit/loss for the year

Current tax for the year	2.643	1.045
Deferred tax for the year	-13.600	0
Adjustment of tax concerning previous years	0	3.504
	<u>-10.957</u>	<u>4.549</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Ships AUD('000)	Property, plant and equipment in progress AUD('000)
Cost at 1 January	0	5.394
Additions for the year	73.000	32.129
Cost at 31 December	<u>73.000</u>	<u>37.523</u>
Revaluations at 1 January	<u>0</u>	<u>0</u>
Revaluations at 31 December	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 1 January	0	0
Depreciation for the year	<u>743</u>	<u>0</u>
Impairment losses and depreciation at 31 December	<u>743</u>	<u>0</u>
Carrying amount at 31 December	<u>72.257</u>	<u>37.523</u>

Notes to the Financial Statements

6 Equity

	Share capital	Retained earnings	Total
	AUD('000)	AUD('000)	AUD('000)
Equity at 1 January	12.097	90.608	102.705
Prior year adjustment	0	123	123
Cash capital increase	0	107.500	107.500
Extraordinary dividend paid	0	-52.976	-52.976
Fair value adjustment of hedging instruments, end of year	0	323	323
Net profit/loss for the year	0	23.956	23.956
Equity at 31 December	12.097	169.534	181.631

The share capital comprises two shares, one A-share in the amount of nom. DKK 53,781,750 (Common Share) and one B-share in the amount of nom. DKK 543,250 (preference share). Restrictions apply regarding rights to receive dividends between the two share classes. Each share amount of DKK 1,000 represents one vote, however certain changes to the articles of association requires consensus by both share classes. The total share capital has remained unchanged for the last five years.

The fully issued and paid in share capital, DKK 54,325,000, has been translated to AUD 12,096,955 using the registration date exchange rate of DKK 4.490 to 1 AUD (as per april 2006).

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax.

At December 2015, capital commitments relating to new vessels on order in the amount of AUD 39m. The tugs are expected to participate in the Wheatstone operation.

Notes to the Financial Statements

8 Related parties and ownership

Svitzer A/S has the controlling interest and holds 100 % of the A-shares, whereas one B-share has been issued to Maersk FPSOs A/S.

All Svitzer Group companies, A.P. Møller - Maersk Group companies and the ultimate parent company, A.P. Møller Holding A/S, are considered related parties.

The financial statements of the company are included in both the consolidated financial statements of A.P. Møller - Mærsk A/S and A.P. Møller Holding A/S, which are available at the companies' registered office address, Esplanaden 50, DK-1098 Copenhagen K. Further, the consolidated financial statements of A.P. Møller - Mærsk A/S can be downloaded from the website www.maersk.com.

Accounting Policies

Basis of Preparation

Financial Statements of Svitzer Towage A/S for 2015 have 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.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of , the Company has not prepared a cash flow statement.

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.

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.

Translation policies

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Accounting Policies

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

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.

Other operating expenses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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 Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

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:

Ships etc. 20-25 years

Accounting Policies

Receivables

Receivables and receivables from group enterprises 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.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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 within the same legal tax entity.

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

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Accounting Policies

Financial debts

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