

# Damco International A/S

Esplanaden 50, 1263 Copenhagen K

CVR no. 31 47 66 58

## Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:



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**Statement by the Board of Directors and the Executive Board**

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Damco International A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, 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 financial position.

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

Copenhagen, 31 May 2017

Executive Board:

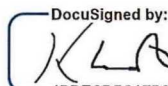
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Klaus Rud Sejling

Board of Directors:

Vincent Clerc  
Chairman

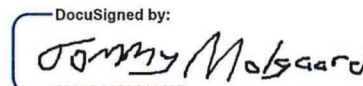
DocuSigned by:  


Klaus Rud Sejling

Pierre Yves Emmanuel  
Danet



Anne Pindborg

DocuSigned by:  


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Tommy Bro Mølgaard

## Independent auditor's report

To the shareholders of Damco International A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act

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

### Basis for opinion

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

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements


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

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

- 1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- 2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 4 Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5 Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 31 May 2017  
PRICEWATERHOUSECOOPERS  
Statsautoriseret revisionspartnerselskab  
CVR no. 33 77 12 31

  
Gert Fisker Tomczyk  
State Authorised Public Accountant

  
Rune Kjeldsen  
State Authorised Public Accountant

## Management's review

### Company details

Name	Damco International A/S
Address, Postal code, City	Esplanaden 50, 1263 Copenhagen K
CVR no.	31 47 66 58
Established	29 May 2008
Registered office	København K
Financial year	1 January - 31 December
Website	<a href="http://www.damco.com">www.damco.com</a>
Telephone	+45 33 47 66 58
Board of Directors	Vincent Clerc, Chairman Pierre Yves Emmanuel Danet Tommy Bro Mølgaard Klaus Rud Sejling Anne Pindborg
Executive Board	Klaus Rud Sejling
Accountant	PricewaterhouseCoopers Statsautoriseret revisionspartnerselskab Strandvejen 44, 2900 Hellerup

## Management's review

### Financial highlights

USD'000	2016	2015	2014*	2013*	2012*
<b>Key figures</b>					
Revenue	29,626	46,674	110,287	124,193	133,200
Gross margin	5,407	6,886	15,654	18,385	34,583
Operating profit/loss	669	238	1,096	-159	-2,859
Profit before tax	11,784	11,904	-376,042	-17,185	-11,036
Profit/loss for the year	12,381	13,730	-373,831	-12,852	-19,876
<b>Balance sheet</b>					
Fixed assets	981,455	975,794	546,890	450,558	400,189
Non-fixed assets	127,382	118,229	294,659	221,416	231,446
Total assets	1,108,837	1,094,023	841,549	671,974	631,635
Share capital	19,444	19,444	19,444	19,097	19,097
Equity	700,542	688,161	262,031	140,574	153,426
Provisions	1,005	1,397	713	17,950	33,821
Current liabilities other than provisions	307,290	304,465	478,806	313,450	203,897
<b>Financial ratios</b>					
Operating margin	2.3%	0.5%	1.0%	-0.1%	-2.1%
Current ratio	41.5%	38.8%	61.5%	70.6%	113.5%
Solvency ratio	63.2%	62.9%	31.1%	20.9%	24.3%
Return on equity	1.8%	2.9%	-185.7%	-8.7%	-12.4%
<b>Employees</b>					
Average number of employees	13	39	89	104	147

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

\*Comparative figures for 2012 - 2014 have not been adjusted to the material misstatement corrected in the opening equity 1 January 2015.

## Management's review

### Management commentary

#### Business review

The Company was founded in 2008 with the purpose of gradually taking over logistics activities within the A.P. Møller - Maersk Group and serve as the parent legal entity of the global logistics activities. The Company manages the daily operation of Damco's IT applications.

#### Financial review

In 2016, the Company's revenue came in at USD 29,626 thousand against USD 46,674 thousand last year. The income statement for 2016 shows a profit of USD 12,381 thousand against USD 13,730 thousand last year, and the balance sheet at 31 December 2016 shows equity of USD 700,542 thousand. In the annual report for 2015, Management expected a net result, adjusted for impairment adjustment, at the same level in 2016 as for 2015. Management considers the Company's financial performance in the year satisfactory.

During the year, it was established that there was a calculation error in previous years DCF models, which has been corrected in this year's annual report. The correction relates to incorrect calculation of net interest bearing debt in subsidiary entities for the purpose of calculating value in use in the DCF models used in prior years. The impact of the error is that the equity at 1 January 2015 was understated with the amount of USD 412,4m. The impact at 31 December 2015 is an overstatement of profit for the year of USD 98,8m and understatement of total assets and equity of USD 313,6m. The comparison figures and opening equity 1 January 2015 have been changed accordingly.

#### Statutory CSR report

The Company has not drawn up any CSR report, as the parent company has done so for the entire Group. The report is rendered in the parent company's annual report and may be downloaded from the site <http://www.maersk.com/en/the-maersk-group/sustainability>.

#### Account of the gender composition of Management

In April 2013, The board adopted objectives for the diversity of the Company's board members appointed at the general meeting with respect to the under-represented gender.

The Board believes that its members should be elected on the basis of their combined qualifications and at the same time recognises the advantages of a Board comprising a wide range of backgrounds such as global experience, style, culture and gender.

On the basis of this ambition, the board has defined an objective to increase the share of the under-represented gender in the Board to account for at least 25/33% of the Board members appointed at the general meeting within 4 years.

At the board meeting at A.P. Møller - Mærsk A/S on 21 February 2013, a group policy was adopted to increase the share of the under-represented gender in the Company's other management levels (Link to policy: <http://www.maersk.com/documents/diversity-and-inclusion-programme.pdf>). In accordance with this policy, Damco international A/S has taken steps to look into how the Company can attract qualified women to relevant management positions. In addition, this is a focus area when identifying candidates to key positions.

Due to a recent addition to the number of Board members, the target gender diversity is no longer met. The company will continue to strive towards the targeted diversity.

#### Outlook

Management expects that the net result in 2017, will come out at the same level as for 2016.



Financial statements for the period 1 January - 31 December

Income statement

Note	USD'000	2016	2015
2	Revenue	29,626	46,674
	Other external expenses	-24,219	-39,788
	Gross margin	5,407	6,886
3	Staff costs	-4,738	-6,648
	Profit before net financials	669	238
	Income from investments in group enterprises	15,267	19,051
4	Financial income	10,179	10,023
5	Financial expenses	-14,331	-17,408
	Profit before tax	11,784	11,904
6	Tax for the year	562	1,841
	Other taxes	35	-15
	Profit for the year	12,381	13,730

Financial statements for the period 1 January - 31 December

Balance sheet

Note	USD'000	2016	2015
	<b>ASSETS</b>		
	Fixed assets		
7	Investments		
	Investments in subsidiaries	981,197	975,536
	Other investments	258	258
		<u>981,455</u>	<u>975,794</u>
	<b>Total fixed assets</b>	<u>981,455</u>	<u>975,794</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	4	10
	Receivables from group enterprises	125,542	115,130
8	Deferred tax assets	150	0
	Corporation tax receivable	797	0
	Joint taxation contribution receivable	874	2,323
9	Prepayments	14	765
		<u>127,381</u>	<u>118,228</u>
	<b>Cash</b>	<u>1</u>	<u>1</u>
	<b>Total non-fixed assets</b>	<u>127,382</u>	<u>118,229</u>
	<b>TOTAL ASSETS</b>	<u>1,108,837</u>	<u>1,094,023</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	USD'000	2016	2015
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
10	Share capital	19,444	19,444
	Retained earnings	681,098	668,717
	<b>Total equity</b>	<u>700,542</u>	<u>688,161</u>
	<b>Provisions</b>		
11	Other provisions	1,005	1,397
	<b>Total provisions</b>	<u>1,005</u>	<u>1,397</u>
	<b>Liabilities</b>		
	<b>Non-current liabilities other than provisions</b>		
	Payables to group enterprises	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	<b>Current liabilities</b>		
	Trade payables	1,238	10,996
	Payables to group enterprises	305,768	292,665
	Other payables	284	804
		<u>307,290</u>	<u>304,465</u>
	<b>Total liabilities other than provisions</b>	<u>407,290</u>	<u>404,465</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,108,837</u>	<u>1,094,023</u>

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Related parties
- 14 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 January - 31 December

Statement of changes in equity

USD'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	19,444	242,587	262,031
Adjustment of equity through corrections of errors	0	412,400	412,400
Adjusted equity at 1 January 2015	19,444	654,987	674,431
15 Transfer, see "Appropriation of profit"	0	13,730	13,730
Equity at 1 January 2016	19,444	668,717	688,161
15 Transfer, see "Appropriation of profit"	0	12,381	12,381
Equity at 31 December 2016	<u>19,444</u>	<u>681,098</u>	<u>700,542</u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Damco International A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The consolidated financial statements are reflected for the higher ranking parent company A.P. Møller - Mærsk A/S, CVR-no. 22 75 62 14, Copenhagen.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Material misstatements

During the year, it was established that there was a calculation error in previous years DCF models, which has been corrected in this year's annual report. The correction relates to incorrect calculation of net interest bearing debt in subsidiary entities for the purpose of calculating value in use in the DCF models used in prior years. The impact of the error is that the equity at 1 January 2015 was understated with the amount of USD 412,4m. The impact at 31 December 2015 is an overstatement of profit for the year of USD 98,8m and understatement of total assets and equity of USD 313,6m. The comparison figures and opening equity 1 January 2015 have been changed accordingly.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company A.P. Møller - Mærsk A/S, CVR-no. 22 75 62 14, Copenhagen.

#### Reporting currency

The income and costs of the Company and its subsidiaries are mainly in USD and based on this Management concludes that USD is the Company's functional and reporting currency. The annual report is presented in USD in accordance with section 16(2) of the Danish Financial Statements Act. At 31 December 2016, the exchange rate was 705,50 DKK/USD (2015: 683,00 DKK/USD). The average exchange rate in 2016 was 672,60 DKK/USD (2015: 671,84 DKK/USD).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the Income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income comprises of management fees from management of global IT applications and support functions.

##### Other external expenses

Other external expenses comprise costs for operations of IT systems and reseraction for bad debts.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Income from investments in group entities

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries and other investments are measured at cost or lower recoverable value (the higher of the estimated value in use and fair value less cost of disposal). For subsidiaries and other investments acquired from other entities controlled by the ultimate parent company, A.P. Møller Holding A/S, the excess between the consideration paid and the fair value is recognised directly in equity.

##### Impairment of non-current assets

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured according to the 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 and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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. Deferred tax assets 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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 lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 2 Segment information

The Company's activities and markets do not deviate. Therefore, no segment regarding the revenue is disclosed.

USD'000	2016	2015
<b>3 Staff costs</b>		
Wages/salaries	4,616	6,345
Pensions	118	291
Other social security costs	4	12
	<u>4,738</u>	<u>6,648</u>
 Average number of full-time employees	 <u>13</u>	 <u>39</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

The Company has no direct employees, as all the employees working with the Company's activities are employed by Rederiet A.P. Møller A/S or other group entities.

For comparability to other entities, it has been decided to disclose staff related costs and the number of employees working with the Company's activities.

<b>4 Financial income</b>		
Interest receivable, group entities	3,841	4,750
Other interest income	0	7
Exchange gain	6,338	5,266
	<u>10,179</u>	<u>10,023</u>
 <b>5 Financial expenses</b>		
Interest expenses, group entities	10,425	8,435
Other interest expenses	995	1,297
Exchange losses	2,874	7,676
Other financial expenses	37	0
	<u>14,331</u>	<u>17,408</u>
 <b>6 Tax for the year</b>		
Estimated tax charge for the year	-920	-1,704
Deferred tax adjustments in the year	-150	0
Tax adjustments, prior years	508	24
Change in tax rate	0	-161
	<u>-562</u>	<u>-1,841</u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 7 Investments

USD'000	Investments in subsidiaries	Other investments	Total
Cost at 1 January 2016	1,016,221	258	1,016,479
Additions	4,259	0	4,259
Disposals	-1,593	0	-1,593
Cost at 31 December 2016	1,018,887	258	1,019,145
Value adjustments at 1 January 2016	-40,685	0	-40,685
Value adjustments for the year	2,995	0	2,995
Value adjustments at 31 December 2016	-37,690	0	-37,690
Carrying amount at 31 December 2016	981,197	258	981,455

Portion of which is goodwill at 31 December 2016 DKK 56,441 (2015: 56,441).

All subsidiaries has been acquired from other entities controlled by the ultimate parent company, A.P. Møller Holding A/S.

Name	Domicile	Interest	Equity USD'000	Profit/loss USD'000
<b>Subsidiaries</b>				
Damco Denmark A/S	Denmark	100.00 %	3,289	225
Damco A/S	Denmark	100.00 %	4,731	7
Damco (Chile) Holding A/S	Denmark	100.00 %	3,952	-1
Damco (Brazil) Holding A/S	Denmark	100.00 %	4,172	-1
Damco (Saudi) Holding A/S	Denmark	100.00 %	60	-1
Damco (Canada) Holding A/S	Denmark	100.00 %	60	-1
Damco Spain S.L.	Spain	100.00 %	3,078	177
Damco Finland OY	Finland	100.00 %	1,895	-41
Damco France S.A.S	France	100.00 %	6,110	991
	United Kingdom			
Damco UK Ltd.	United Kingdom	100.00 %	12,477	1,275
Damco logistics Hellas SA	Greece	100.00 %	0	-557
Damco Hong Kong Ltd.	Hong Kong	100.00 %	59,948	-916
Damco Argentina S.A.	Argentina	95.00 %	202	33
Damco Australia Pty. Ltd.	Australia	39.33 %	23,754	216
Damco Logistics Bulgaria EOOD	Bulgaria	100.00 %	704	15
Damco Bahrain S.O.C	Bahrain	100.00 %	0	27
Damco Switzerland GmbH	Switzerland	100.00 %	1,880	74
Damco Colombia	Colombia	100.00 %	153	91
Damco Czech Republic S.R.O.	Czech Republic	100.00 %	6,027	283
Damco Germany GmbH	Germany	100.00 %	4,293	245
Damco D.O.O.	Croatia	100.00 %	447	21
Damco logistics Malaysia Sdn. Bhd.	Malaysia	100.00 %	3,705	337
Damco Logistics Services Sdn. Bhd.	Malaysia	49.00 %	423	44
Damco netherlands BV	Netherlands	100.00 %	12,271	372
Damco New Zealand Ltd.	New Zealand	100.00 %	1,096	25
Damco Panama S.A.	Panama	100.00 %	-577	-74
Damco Philippines, Inc.	Philippines	40.00 %	-1,010	81
Damco Pakistan (Pvt) Ltd	Pakistan	100.00 %	2,780	470
Damco Poland SP.Z.O.O	Poland	100.00 %	6,734	329
Damco Romania S.r.L.	Romania	100.00 %	-192	0
Damco Russia LCC.	Russia	99.00 %	1,800	-107
Damco Sweden AB	Sweden	100.00 %	2,229	217
Damco Hungary KFT	Hungary	100.00 %	133	-9

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Investments (continued)					
Damco Sweden AB	Sweden	100.00 %	2,229	217	
Damco Hungary KFT	Hungary	100.00 %	133	-9	
Damco Logistics Ireland Ltd	Ireland	100.00 %	3,032	31	
Damco Italy S.R.L.	Italy	100.00 %	1,388	-99	
Maersk Maroc SA	Morocco	99.50 %	0	0	
Damco Logistics Madagascar S.A.	Madagascar	100.00 %	1	-73	
Damco Logistics (Mauritius) Ltd.	Mauritius	100.00 %	6,559	57	
Damco Logistics Mexico S.A. de C.V.	Mexico	100.00 %	2,009	288	
DL Multiservicios SA de CV	Mexico	98.00 %	61	42	
Damco Logistics Singapore Pte. Ltd.	Singapore	100.00 %	1,567	442	
Damco Logistika D.O.O.	Slovenia	100.00 %	434	20	
Damco Slovakia S.R.O.	Slovakia	99.50 %	49	8	
Damco Logistics (PTY) LTD:	South Africa	100.00 %	5,526	238	
Damco Uluslararası Tasimacilik ve Lojistik A.S.	Turkey	99.00 %	199	-2,987	
Damco Taiwan Co., LTD.	Taiwan	100.00 %	1,850	245	
Damco Ukraine Ltd.	Ukraine	100.00 %	-20	4	
Damco Logistics Uganda Ltd.	Uganda	100.00 %	-1,324	-1,406	
APM Global Logistics Uruguay S.A.	Uruguay	100.00 %	27	28	
Damco Eastern Europe A/S	Denmark	100.00 %	325	-26	
Damco Logistics (Thailand) CO. Ltd.	Thailand	49.00 %	1,755	425	
Damco Transport CO., Ltd.	Thailand	48.75 %	60	1	
Damco USA Inc.	USA	100.00 %	71,554	1,361	
Damco Djibouti SA	Djibouti	77.40 %	-1,784	-148	
Damco Egypt Ltd.	Egypt	99.00 %	1,370	196	
P.T. Maersk Indonesia	Indonesia	99.00 %	3,956	0	
Damco Tanzania Limited	Tanzania	99.00 %	-109	34	
Damco Logistics Korea Limited	Korea	100.00 %	1,290	117	
Damco (UAE) FZE	United Arab Emirates	100.00 %	7,971	568	
Damco Bel	Belarus	99,01 %	372	-143	
Damco Logistics Mali S.A.	Mali	100.00 %	295	20	
Damco International B.V.	Netherlands	100.00 %	181,034	18,361	
APM Global Logistics Bangladesh Ltd.	Bangladesh	95.00 %	-3,573	-2,888	
Damco International A/S Jordan LLC	Jordan	100.00 %	-575	23	
Damco Peru S.A.	Peru	99.90 %	807	273	
Damco Latin America Sem, S.A.	Panama	100.00 %	-510	147	
Damco (Angola) Transitarios E agente De Navegação, Lda	Angola	90.00 %	-1,709	-98	
Damco Zambia Limited	Zambia	99.00 %	-589	-26	
Damco China Limited	China	100.00 %	42,774	2877	
Damco Logistics Israel Ltd.	Israel	100.00 %	217	51	
Damco Logistics Kenya Limited	Kenya	100.00 %	2,216	149	
UAB Damco Lithuania	Lithuania	100.00 %	38	-3	
SIA Damco Latvia	Latvia	100.00 %	1,568	21	
Damco Logistics Portugal, Lda.	Portugal	100.00 %	4,225	217	

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Investments (continued)

Sub-subsidiaries

Network Cargo International

Pty. Ltd.	Australia	100.00 %	6,258	-3
Damco Burkina Faso S.A.	Burkina Faso	75.00 %	234	1
APM Global Logistics Benin S.A.	Benin	75.00 %	0	36
Maersk Logistics Algeria S.p.A.	Algeria	75.76 %	-169	597
Damco Ecuador S.A.	Ecuador	100.00 %	311	387
Damco Logistics Mali S.A.	Mali	100.00 %	295	20
Damco Niger S.A.	Niger	74.80 %	158	-120
Damco Togo S.A.	Togo	100.00 %	561	-70
Maersk Logistics Warehousing				
China Company Ltd	China	100.00 %	60,483	-1,269
P.T. Damco Indonesia	Indonesia	99.50 %	4,891	-1,318
PT Damco warehousing				
Indonesia	Indonesia	99.99 %	2,151	-254
PT Damco Trucking Indonesia	Indonesia	10.00 %	180	-33
Damco Logistics L. L. C.	UAE	49.00 %	1,135	504
Damco Belgium N.V.	Belgium	100.00 %	15,842	306
Damco Logistics Ghana Limited	Ghana	100.00 %	1,302	-50
Damco India Private Limited	India	100.00 %	11,130	-3,052
Damco Distribution Services Inc.	USA	100.00 %	34,585	6,723
Damco Customs Services Inc.	USA	100.00 %	6,139	-1,454

USD'000

8 Deferred tax

	2016	2015
Deferred tax at 1 January	0	0
Adjustment for the year	-150	0
Deferred tax at 31 December	-150	0

Deferred tax relates to:

Provisions	-150	0
	-150	0

Analyses of the deferred tax

Deferred tax assets	-150	0
	-150	0

The company expects to utilize the tax asset within the next few years.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 9 Prepayments

Prepayments include insurance costs paid in advance as well as IT yearly license fees paid in advance.

USD'000	<u>2016</u>	<u>2015</u>
<b>10 Share capital</b>		
Analysis of the share capital:		
103,000 shares of DKK 1,000.00 nominal value each	103,000	103,000
	<u>103,000</u>	<u>103,000</u>
<b>11 Other provisions</b>		
Opening balance at 1 January	1,397	713
Provisions in the year	0	684
Provisions utilised in the year	-392	0
Other provisions at 31 December	<u>1,005</u>	<u>1,397</u>
The provisions are expected to be payable in:		
0-1 year	<u>1,005</u>	<u>1,397</u>
	<u>1,005</u>	<u>1,397</u>

Other provisions comprise provisions for claims.

#### 12 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

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

##### Other financial obligations

Other rent and lease liabilities:

USD'000	<u>2016</u>	<u>2015</u>
Rent and lease liabilities	<u>0</u>	<u>1,073</u>

The company has closed offices in Copenhagen and all leases have been cancelled.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 13 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
A.P. Møller Holding A/S	Esplanaden 50, 1263 København K	www.maersk.com
A.P. Møller - Mærsk A/S	Esplanaden 50, 1263 København K	www.maersk.com

##### Related party transactions

All transactions with related parties are carried through on normal market terms.

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
A.P. Møller - Mærsk A/S	Esplanaden 50, 1263 København K

#### 14 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for A.P. Møller Holding A/S.

USD'000	2016	2015
15 Appropriation of profit/loss		
Recommended appropriation of profit		
Retained earnings	12,381	13,730
	12,381	13,730