



DB Schenker Rail
Danmark Services A/S,
Spotorno Alle 12, DK-2630 Høje Taastrup

Annual Report
2015

CVR-nr. 31 48 31 58

The Annual Report is presented and adopted at the general meeting

17 / 3 2016

Board of directors

Frans Rossm

Chairman of the general meeting

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Management Statement

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

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

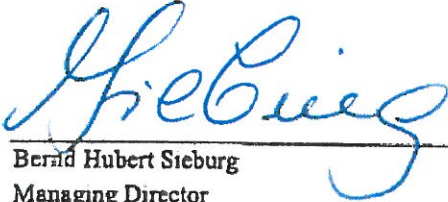
In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review

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

Mainz, 17 March 2016

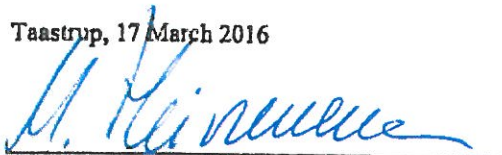
Executive Board



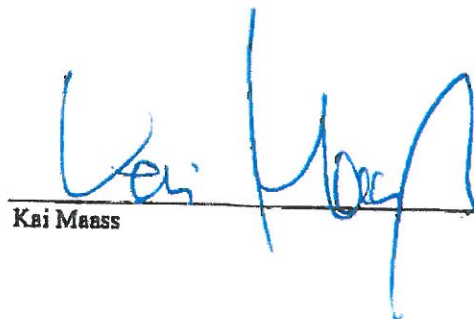
Bernd Hubert Sieburg
Managing Director

Board of Directors

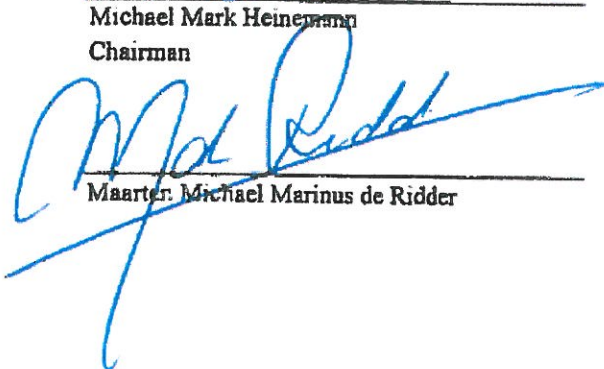
Taastrup, 17 March 2016



Michael Mark Heinemann
Chairman



Kai Maass



Maarten Michael Marinus de Ridder

Independent Auditor's Report

To the shareholders of DB Schenker Rail Danmark Services A/S

Report on the Financial Statements

We have audited the Financial Statements of DB Schenker Rail Danmark Services 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.

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.

Statement on Management's Review


We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements

Copenhagen, 17 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 72 31


Jesper Winnholt
State Authorised Public Accountant


Maj-Britt Nørskov Nannestad
State Authorised Public Accountant

Company Information

The company	DB Schenker Rail Danmark Services A/S Spotorno Alle 12 DK-2630 Taastrup	
	Telephone:	+45 8030 0900
	Facsimile:	+45 3354 1853
	Homepage:	www.rail.dbschenker.dk
	CVR-nr. :	31 48 31 58
	Financial year:	1. januar - 31. december
	Registered Office:	Høje Taastrup
Board of Directors	Michael Mark Heinemann	Chairman
	Kai Maass	
	Maarten Michael Marinus de Ridder	
Executive Board	Bernd Hubert Sieburg	Managing Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Review

The Company's main activity is to carry out sales activities within transport of goods by rail within Denmark and with adjacent countries.

The main activities are split between Intermodal Transports, Wagon Load Services and Combi Terminals Activities. The company provides a wagon load network within Denmark to serve various locations in Denmark.

Development during the year

Once again 2015 has been characterized by an instable environment for rail freight forwarders in Denmark. 2015 was affected negatively by the track works on West Fuenen leading to single track operations on the main corridor for more than 100 days and thereby affecting the company's activities. However, apart from that we recognized increased terminal activities. Overall, there has been an increased political willingness to promote rail freight activities, but still accompanied with some challenges and lack of actions. Especially, a general lack of ambition concerning the priority of rail freight within the Danish rail infrastructure manager, Banedanmark, is still perceived. Passenger transportation is still favored compared to rail freight. Overall, there are indications of a positive development within the framework terms. Apart from that DB Schenker Rail still recognizes an unequal business environment in Denmark compared to road transportation since the earlier planned introduction of road pricing in 2015 has been cancelled. The terminal rent level for Taulov and Høje Taastrup is not adjusted and the preferred treatment of the Padborg Terminal still consists.

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

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

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

Events after balance sheet date

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

Accounting Policies

Basis of accounting

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

The accounting policies applied remain unchanged from previous years.

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

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

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

Profit and loss account

Recognition of income

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

- delivery has been made before year end;
- a binding sales agreement has been made,
- the sales price has been determined;
- and payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Cost of sales

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

Other operating income and expenses

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

Other external expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

Accounting Policies

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

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

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

Balance sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Financial debts

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

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

Income Statement 1 January - 31 December

	Notes	2015 DKK	2014 DKK
Net turnover		114.518.763	104.112.728
Production costs		-107.775.613	-97.527.640
Other external costs		-2.289.132	-3.089.196
Profit/loss before financial income/expenses		4.454.018	3.495.892
Financial income	1	40.297	28.896
Financial expenses	2	-36.497	-22.510
Profit/(loss) before tax		4.457.818	3.502.278
Tax on profit/(loss) for the year	3	-1.069.081	-836.561
Profit/(loss) for the year		3.388.737	2.665.717
Staff expenses	4		
Distribution of profit			
Proposed distribution of profit			
Retained earnings		3.388.737	2.665.717

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

Balance Sheet 31 December - Assets

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
		DKK	DKK
Trade debtors		11.733.448	10.127.700
Amounts owed by affiliated companies		3.244.464	6.047.998
Other debtors		636.509	739.877
Debtors		<u>15.614.421</u>	<u>16.915.575</u>
Cash at bank and in hand		<u>3.692.426</u>	<u>7.003.902</u>
Current assets		<u>19.306.847</u>	<u>23.919.477</u>
Total assets		<u>19.306.847</u>	<u>23.919.477</u>

Balance Sheet 31 December - Liabilities & Shareholders' Equity

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
		DKK	DKK
Share capital		500.007	500.007
Retained profit/(loss)		6.449.125	3.060.388
Shareholders' equity	5	6.949.132	3.560.395
Trade creditors		4.253.121	5.196.588
Amounts owed to affiliated companies		6.474.342	14.586.086
Corporate taxes payable		1.047.583	576.408
Others liabilities		582.669	0
Current liabilities		12.357.715	20.359.082
Liabilities		12.357.715	20.359.082
Total liabilities and shareholders' equity		19.306.847	23.919.477
Other notes	6-8		

Notes to the Annual Report

	2015 DKK	2014 DKK
1 Financial income		
Exchange rate adjustments	27.759	0
Other financial income	12.538	28.896
	<u>40.297</u>	<u>28.896</u>
2 Financial expenses		
Exchange rate adjustments	36.378	0
Other financial expenses	119	22.510
	<u>36.497</u>	<u>22.510</u>
3 Tax on profit/loss for the year		
Current tax for the year	1.047.583	576.408
Deferred tax for the year	0	260.153
Tax, adjustment to prior years	21.498	0
Total tax for the year	<u>1.069.081</u>	<u>836.561</u>

4 Staff expenses

Formally, DB Schenker Rail Danmark Services A/S has no employees. All employees are contracted from the fellow subsidiary DB Schenker Rail Scandinavia A/S and are therefore included in the item production costs.

5 Shareholders' equity

	Share capital DKK	Retained profit/(loss) DKK	Total DKK
Shareholders' equity 1 January	500.007	3.060.388	3.560.395
Profit/(loss) for the year	0	3.388.737	3.388.737
Shareholders' equity 31 December	<u>500.007</u>	<u>6.449.125</u>	<u>6.949.132</u>

The share capital consists of 500,007 shares of a nominal value of DKK 1. No shares carry any special

6 Contractual liabilities and other contractual obligations

Contractual liabilities

The company does not have any contractual obligations, guarantees or other commitments, since all material contracts etc. have been entered into by the sister company DB Schenker Rail Scandinavia A/S.

The Danish Group are jointly and severally liable for tax on the Group's jointly taxed income etc. The total amount is shown in the Annual Report for Arriva Danmark A/S, which is the management company of the joint taxation group.

Notes to the Annual Report

7 Related parties and ownership	<u>Basis</u>
DB Danmark Holding ApS, Helseholmen 31-39, DK-2650 Hvidovre, Denmark.	Principal shareholder Board member
DB Schenker Rail Scandinavia A/S, Spotorno Allé 12, 2630 Taastrup, Denmark.	Group company
The Deutsche Bahn AG, Germany.	Group company

Transactions

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

Ownership

The following shareholders are recorded in the company's register of shareholders

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

8 Group matters

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

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

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