

Fehmarn Belt Contractors I/S

c/o Bird & Bird, Kalkbrænderiløbskaj 4, DK - 2100 Copenhagen Ø

CVR no. 37 67 20 76



Annual report 2016

for the financial year 10 May - 31 December 2016

Approved at the annual meeting on 23 June 2017

Chairman:



Building a better
working world



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Fehmarn Belt Contractors I/S for the financial year 10 May - 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 Partnership at 31 December 2016 and of the results of the Partnership's operations for the financial year 10 May - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 23 June 2017
Executive Board:

A blue ink signature of Frank Christiaan Stikkel, featuring a large, stylized 'F' and 'S'.

Frank Christiaan Stikkel

A blue ink signature of Cyrille Raimond Schroten, featuring a stylized 'C' and 'S'.

Cyrille Raimond Schroten



Independent auditor's report on the compilation of financial statements

To the general management of Fehmarn Belt Contractors I/S

We have compiled the financial statements of Fehmarn Belt Contractors I/S for the financial year 10 May - 31 December 2016 based on the Partnership's bookkeeping records and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 23 June 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lissen Fagerlin Hammer
State Authorised
Public Accountant

Management's review

Partnership details

Name	Fehmarn Belt Contractors I/S
Address, Postal code, City	c/o Bird & Bird Kalkbrænderiløbskaj 4, DK - 2100 Copenhagen Ø
CVR no.	37 67 20 76
Established	10 May 2016
Registered office	Copenhagen
Financial year	10 May - 31 December 2016
Executive Board	Frank Christiaan Stikkel Cyrille Raimond Schroten

Ownership

The following shareholders are registered in the Partnership's register of shareholders:

Name	Domicile
Van Oord DMC ApS, 50%	c/o Bird & Bird, Kalkbrænderiløbskaj 4, DK - 2100 Copenhagen Ø
Boskalis Denmark ApS, 50%	c/o Bird & Bird, Kalkbrænderiløbskaj 4, DK - 2100 Copenhagen Ø

Management commentary

Business review

The purpose of the Partnership is to carry out work in relation to the future Fehmarn Belt fixed link, which is to be constructed as an immersed tunnel across the Baltic Sea between the island of Fehmarn in Germany and the island of Lolland in Denmark.

Financial review

The income statement for 2016 shows a loss of DKK 30,000, and the balance sheet at 31 December 2016 shows a deficit on equity of DKK 30,000.

Events after the balance sheet date

No events materially affecting the Partnership's financial position have occurred subsequent to the financial year-end.



Financial statements for the financial year 10 May - 31 December 2016

Income statement

		2016
		8 months
Note	DKK	
	Other external expenses	-30,000
	Gross margin	-30,000
2	Staff costs	0
	Loss for the year	-30,000
	Recommended appropriation of loss	
	Boskalis Denmark ApS	-15,000
	Van Oord DMC ApS	-15,000
		-30,000



Financial statements for the financial year 10 May - 31 December 2016

Balance sheet

Note	DKK	2016
	ASSETS	
	Non-fixed assets	
	Receivables	
	Other receivables	232,083
	Receivables from owners	59,475,200
		<u>59,707,283</u>
	Cash	<u>4,519,899</u>
	Total non-fixed assets	<u>64,227,182</u>
	TOTAL ASSETS	<u>64,227,182</u>
	EQUITY AND LIABILITIES	
	Equity	
	Boskalis Denmark ApS	-15,000
	Van Oord DMC ApS	<u>-15,000</u>
	Total equity	<u>-30,000</u>
	Liabilities	
	Current liabilities	
3	Construction contracts	10,769,441
	Trade payables	<u>53,487,741</u>
		<u>64,257,182</u>
	Total liabilities	<u>64,257,182</u>
	TOTAL EQUITY AND LIABILITIES	<u>64,227,182</u>

- 1 Accounting policies
- 4 Collateral
- 5 Related parties



Financial statements for the financial year 10 May - 31 December 2016

Statement of changes in equity

DKK	Boskalis Denmark ApS	Van Oord DMC ApS	Total
Equity at 10 May 2016	0	0	0
Transfer through appropriation of loss	-15,000	-15,000	-30,000
Withdrawals/deposits	0	0	0
Equity at 31 December 2016	-15,000	-15,000	-30,000

Financial statements for the financial year 10 May - 31 December 2016

Notes to the financial statements

Accounting policies

1

The annual report of Fehmarn Belt Contractors I/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

This is the first annual report which is presented after the Danish Financial Statements Act.

Income statement

Revenue

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

Other external expenses

Other external expenses include the year's expenses relating to the Partnership's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Balance sheet

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.

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.

Construction contracts

Service supplies and contract work in progress for third parties are measured at cost less progress billings. The market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Financial statements for the financial year 10 May - 31 December 2016

Notes to the financial statements

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.

Other liabilities are measured at net realisable value.

2 Staff costs

The Partnership has no employees.

3 Construction contracts

DKK	2016
Selling price of work performed	54,430,247
Progress billings	<u>-65,199,688</u>
	<u>-10,769,441</u>
recognised as follows:	
Construction contracts (liabilities)	<u>-10,769,441</u>
	<u>-10,769,441</u>

4 Collateral

The Partnership's owners are jointly and severally liable for any obligations and contingencies of Fehmarn Belt Contractors I/S.

5 Related parties

Information about consolidated financial statements

Parent Company	Domicile	Requisitioning of the consolidated financial statements
Van Oord Dredging and Marine Contractors BV	Schaardijk 211 3063 NH Rotterdam, the Netherlands	Schaardijk 211 3063 NH Rotterdam, the Netherlands
Royal Boskalis Westminster N.V.	Rosmolenweg 20, 3356 LK Papendrecht, the Netherlands	www.boskalis.com