ANNUAL REPORT 2013

DSB

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February 2014

The annual report is published in both a Danish and an English language version. In the event of any discrepancies the Danish language version shall prevail.

Contents

Preface

We have come a long way, but we are not yet there

- Profit before depreciation, amortisation and write-downs of DKK 2,782 million – up DKK 426 million
- Profit before tax of DKK 386 million, against DKK 115 million for 2012
- Punctuality still at a good level, and additional improvements obtained for S-tog and Øresund
- Continued customer growth, but at a 1 percent level
- Reputation still low
- Customer satisfaction still low, but showing rising tendency.

"DSB's economy was further improved in 2013 and punctuality remained at a good level", Peter Schütze, Chairman of the Board

Strategic key figures

			Change	
	2013	2012	Abs.	Pct.
Financial				
Total income – DSB-Group (DKK million)	12,340	12,120	220	2
Profit before depreciation, amortisation and write-downs – DSB-Group (DKK million)	2,782	2,356	426	18
Profit before tax – DSB-Group (DKK million)	386	115	271	236
Productivity – (Danish activities)				
Passenger and transport contract revenue per train kilometre (DKK/km)	162	157	5	3
Costs per train kilometre (DKK/km) [1]	138	137	1	1
Number of train kilometres per employee	10,988	10,125	863	9
Number of train journeys per employee	34,720	32,187	2,533	8
Punctuality				
Punctuality – Long-distance & Regional Trains (%) (max. delay of 5.59 minutes)	92.9	94.3	-1.4	-1
Punctuality – S-tog (pct.) (max. delay of 2.29 minutes)	96.7	96.1	0.6	1
Punctuality – Øresund (pct.) (max. delay of 4.59 minutes)	90.5	90.3	0.2	0
Customers				
Total number of customers in Denmark (million customers)	185.1	182.6	2.5	1
Customer satisfaction – (Danish activities)	7.5	7.3	0.2	3
Reputation				
Users of Long-distance & Regional Trains	49.1	52.1	-3.0	-6
Users of S-tog	55.3	58.2	-2.9	-5
Non-users of Long-distance & Regional Trains	39.2	43.5	-4.3	-10

[1] Costs per train kilometre have been revised as a consequence of a changed statement of intragroup trading.

Underlying operations improved

DSB realised a profit before depreciation, amortisation and write-downs of DKK 2,782 million for 2013, against DKK 2,356 million for 2012, and the profit before tax was DKK 386 million against DKK 115 the year before, despite:

- the storms in October and December, which cost approx. DKK 25 million
- provisions of DKK 68 million for expected losses in 2014-2015 in DSB Øresund (DKK 39 million on Group level)
- a write-down of goodwill in the amount of DKK 24 million on the activities in Germany
- the EU decision regarding availability pay for public servants, which had a negative impact on the profit in the amount of DKK 21 million
- expected sale of properties in 2013 postponed to 2014.

Adjusted for items of a non-recurring nature the profit before tax is DKK 466 million against DKK 219 million in 2012.

Great focus on punctuality
While punctuality was at a good level in 2013 as well, the bomb threat on 22 December and the storms in October and December showed how vulnerable the railway is. Nevertheless, S-tog and Øresund improved punctuality to 96.7 percent and 90.5 percent, respectively, while Long-distance & Regional Trains fell from 94.3 percent to 92.9 percent as a consequence of the strike in contravention of the collective agreement in June and extensive track improvement work over the summer period.

Historically, DSB has measured train punctuality and reliability against the targets established in the transport contract. Together with Rail Net Denmark we are working on introducing customer punctuality targets in the future. The difference is that the customer punctuality target will take cancellations and passenger flows into account as well. The target will thus reflect the customers' experience of punctuality. For Long-distance & Regional Trains this means that the train punctuality of 92.9 percent for 2013 corresponds to a customer punctuality of 80.7 percent. DSB's share of the delays is 30 percent and consequently the operator punctuality was 93.7 percent in 2013. For S-tog the figures produce a train punctuality of 96.7 percent for 2013, a customer punctuality of 93.6 percent and an operator punctuality of 98.4 percent. We expect customer punctuality targets to be included in the new contracts.

Good improvement in productivity
In the past couple of years staff reductions have contributed to a significant improvement in productivity. Since 2011 the number of train kilometres per employee thus improved by 16 percent, while costs per train kilometre were reduced by 3 percent.

More customers in the public transport
The number of travellers increased by 2.5 million to more than 185 million in 2013. While Long-distance & Regional Trains did not experience further growth, both S-tog and Øresund had 2 percent more travellers. Overall, growth was 1 percent.

The Danish transport policy ambition is to double public transport by 2030. In order to fulfil this ambition we need to attract new customers; something that is unfortunately made difficult by the way we have designed the price structure. The standard prices have the effect of making it expensive to try or use public transport once in a while, even if you do it when there is available capacity. This is something that must be taken into account in the work with the fares in the coming years.

IC4 and IC2 train sets finally delivered
In October 2013 DSB received delivery of the last of the IC4 and IC2 train sets. DSB received a total of 82 IC4 train sets and 23 IC2 train sets as agreed with AnsaldoBreda in December 2012. The work with placing the trains in service is ongoing. A difficult task, and as mentioned earlier, the IC4 and IC2 trains are and will always remain an unfortunate chapter in DSB's history. That said, a lot indicates that we will need the trains until the electrification has been carried out. We will know for sure when the Rolling Stock Plan 2030 is in place.

"A healthy DSB" – we must fulfil our objectives and go beyond
Back in 2011 DSB was facing a number of huge challenges, especially the problems with DSBFirst and the activities in Sweden.

The Danish activities had for several years been on a negative trend with cost increases that exceeded the increases in revenue. Expectations were that this development would continue in the years ahead, unless a radical enhancement programme was launched.

It was decided to terminate all loss-making activities outside Denmark and initiate substantial efficiency enhancements and improvements of the core product and the productivity in Denmark.

The objectives for the Danish activities were clear:

- EBITDA of DKK 2.65 billion at year-end 2014 – an improvement of DKK 1 billion compared with the projected results in 2011
- In the magnitude of 1,000 fewer full-time employees at year-end 2014

At year-end 2013, the status is:

- DKK 2.78 billion and DKK 2.84 billion in profits before depreciation, amortisation and write-downs before and after adjustments, respectively.
- 881 fewer full-time employees in the Danish activities (7,433 compared with 8,314 at year-end 2011)

In addition, we should point out that we are trailing DKK 150 million behind insofar as the profit before depreciation, amortisation and write-downs at the onset of 2014 is concerned; i.e. as a consequence of the deteriorations mentioned earlier, including the transport contract payment and the lapse of pool funds as well as higher IT costs and the work with the “Trains for the Future”.

In other words, a huge effort is required in 2014 as well to fulfil all our objectives. Even when we have fulfilled our objectives, we must ensure that we keep moving forward. If efficiency is not increased every single year, we will in fact be “preparing” for new staff reductions.

Large investments ahead
With Togfonden (the train fund) in place, we have embarked on the task of planning the acquisition of new electric trains. It is too early to say exactly how many new trains and what types that will be acquired, but all in all we are talking about several hundred train sets. A difficult task that has also caused many of our European colleagues great distress in recent years.

A challenging decade for the railway
The next decade will also be characterised by extensive infrastructure works. The Signal Programme, new tracks and electrification and acquisition of rolling stock each represent major tasks, and together they amount to a considerable challenge.

When we get to 2025/2030 we will have a railway in Denmark of which we can all be proud and until then we will, together with Rail Net Denmark, do everything we can to make sure that the customers will be inconvenienced as little as possible by this work in everyday life.

Preparing for intensified competition
Basically, competition is healthy as long as it takes place on a well-functioning infrastructure and on equal and fair terms. If these fundamentals are not present, the risk that the advantages are lost is far too great.

A lot can be learned from the mistakes made in the freight sector and in England a couple of decades ago. Another thing to be borne in mind is the fact that competition in the railway sector is actually competition between the treasuries of two or more states.

But competition will increase and that is another reason we will continue to focus intensively on competitiveness, also when we have fulfilled the objectives of "Healthy DSB" and 2015 begins. We are not worried about competition, but about being competitive and among the best measured on all key parameters. As described in the next section we are therefore also preparing for DSB to be able to take on a slightly different role in the long term than the role fulfilled by DSB historically.

It now remains for us to recognise the efforts of all employees at DSB who made the many improvements in 2013 possible. It requires a huge effort to improve productivity and punctuality at the same time, and for this effort we are especially thankful.

Taastrup, 28 February 2014

Peter Schütze	Jesper Lok
Chairman of the Board	Chief Executive Officer

"We will never be satisfied – but we are working on ensuring that our customers will always be satisfied".
– Jesper Lok, CEO

The Greater Context

Culture and strategy

The work with culture and strategy is based on "The Greater Context", which we launched in the summer of 2012 and in which we crystallise the basic story about DSB and the basic attitudes for which we want DSB to be known.

The objective of DSB

The basic story describes what DSB is basically about and the product DSB is expected to deliver. Basically, the objective of DSB today is exactly the same as it was more than 100 years ago, to:

contribute to sustainable growth and mobility in Denmark.

We do so specifically by:

ensuring reliable train services and coherent public transport.

Our promises

The basic attitudes which everybody at DSB must convey are decisive for our being able to deliver on three promises to our customers, owners and employees:

Good journey - Safe / Punctual / Easy / Comfortable

Healthy economy - Competitive / Transparent / Responsible / Solid

Attractive place of work - Respect / Recognition / Inspiration / Possibilities

Strategic journey

With the strategic programme, "Healthy DSB", we work on restoring confidence in DSB by focusing on Denmark and improving our core product and productivity.

Concurrently with this task, we are preparing for intensified competition and huge changes in the European railway sector.

EU legislation will lead to increased liberalisation and as new standards are introduced across the EU the train producers will increasingly also offer maintenance of rolling stock, exactly as we know it from many other sectors.

What is important is that Denmark as a whole protects the economies of scale and network benefits. Therefore, we are preparing for a world where the "train system" (stations, rolling stock, timetabling, traffic information, sales channels etc.) are not necessarily connected with "train operation". Even today, Deutsche Bahn (Arriva) has operations in Central and Western Jutland and the regional transport companies in their respective areas.

The contemplations will be clearly reflected in the strategic programme launched later in 2014 when we have fulfilled all the objectives of "Healthy DSB". That will be the point of departure for the transformation of DSB – with continued focus on competitiveness in particular.

It takes more than a bottom line

One of the good challenges of running DSB is that we are measured on many other parameters than merely our ability to generate a profit or our economic ability to compete. To be a success, DSB must deliver on a number of other parameters as well:

- Productivity – deliver more for the same or less
- Punctuality – trains on time
- Customers – satisfaction and growth

Only when we do that, can we improve our reputation. Therefore, in addition to the financial figures, the Annual Report also includes concrete measuring points for these other parameters.

Productivity

At year-end 2013 the number of full-time employees was 7,807, which is 572 employees fewer than at year-end 2012. The number of employees in Sweden was reduced by 322, primarily as a consequence of the handing over of Roslagsbanan, which means 280 fewer employees in the Swedish activities.

Table 1: Number of full-time employees (year-end)

			Growth	
	2013	2012	Abs.	Pct.
Danish activities [1]	7,433	7,679	-246	-3
Swedish activities	186	508	-322	-63
Other countries	188	192	-4	-2
Number of full-time employees at year-end	7,807	8,379	-572	-7
Total average number of full-time employees	7,975	8,818	-843	-10

[1] Including Øresund.

At year-end 2013 the Danish activities were reduced by 246 employees compared with 2012. This development is a consequence of the implemented parts of "Healthy DSB". Since 2011, the total number of employees in the Danish activities has been reduced by 881.

In 2013 there was an increase in the number of train kilometres per employee of 9 percent and in the number of train journeys per employee of 8 percent, totalling 16 percent and 20 percent, respectively, since 2011, on the Danish lines. Costs per train kilometre are up by 1 percent compared with 2012, but are 3 percent below 2011 level. The increase from 2012 to 2013 is affected by the placing in service of IC4 and IC2 train sets.

Table 2: Productivity in the Danish train activities [1]

			Growth	
	2013	2012	Abs.	Pct.
Number of train km per employee	10,988	10,125	863	9
Number of train journeys per employee	34,720	32,187	2,533	8
Costs per train km (DKK)[2]	138	137	1	1

[1] Long-distance & Regional Trains, S-tog and Øresund.
[2] Costs pr. train km was adjusted as a consequence of a changed statement of intragroup trading.

In 2013 a number of measures were introduced which increased self-service. First and foremost the continued deployment of Rejsekortet (the Travel Card) played a big part in the development in the degree of self-service. In 2013 483,000 new travel cards were issued, bringing the total to 679,000 at year-end 2013.

Fig. 1: Self-Service

Percentage share

DSB now also offers self-service renewal of season tickets via the vending machines. In addition, DSB re-launched a mobile application for season tickets in 2013.

Punctuality

Table 3: Punctuality and reliability

Percent			Growth	
	2013	2012	Abs.	Pct.
Punctuality [1]				
Long-distance & Regional Trains	92.9	94.3	-1.4	-1
S-tog	96.7	96.1	0.6	1
Øresund	90.5	90.3	0.2	0
Reliability [2]				
Long-distance & Regional Trains	98.4	99.1	-0.7	-1
S-tog	97.5	97.2	0.3	0
Øresund	97.2	97.6	-0.4	0

1) Punctuality is defined as the relative number of trains that arrived at the platform in accordance with the requirements appearing from the agreement with the Ministry of Transport of a maximum delay of 5.59 minutes for Long-distance & Regional Trains, a delay of 2.29 minutes for S-tog and of 4.59 for Øresund.

2) Reliability is defined as the number of planned departures that were operated.

Punctuality for S-tog improved in 2013, up from 96.1 percent in 2012 to 96.7 percent, which is a historically high level. Long-distance & Regional Trains fell from 94.3 to 92.9 percent, which is still above the targets established in the transport contract, but lower than in 2012. Øresund improved from 90.3 to 90.5 percent, which is positive considering the many challenges in connection with the Ministry of Transport's announcement regarding driver-only operated trains mid-2013, including the strike in contravention of the collective agreement and a subsequently substantially increased sickness absence among the conductors.

In terms of traffic, 2013 was i.e. influenced by two big storms, in October (Allan) and December (Bodil), respectively. The storms led to many cancelled services on the day, but also consequential effects the following days due to fallen trees and damaged rolling stock and infrastructure. Adjusted for Force Majeure, the figures for Long-distance & Regional Trains, S-tog and Øresund would be 0.2; 0.2 and 0.8 percentage points better, respectively.

Table 4: Responsibility for delays – distribution

Percent			Growth	
	2013	2012	Abs.	Pct.
Long-distance & Regional Trains – delays	7.1	5.7	1.4	25
DSB	32.4	31.6	0.8	3
Rail Net Denmark	45.1	43.9	1.2	3
External matters, including other operators	22.5	24.5	-2.0	-8
S-tog – delays	3.3	3.9	-0.6	-15
S-tog / DSB	30.3	46.2	-15.9	-34
Rail Net Denmark	48.5	30.8	17.7	58
External matters	21.2	23.0	-1.8	-8
Øresund – delays	9.5	9.7	-0.2	-2
DSB Øresund / DSB	25.3	18.6	6.7	36
Rail Net Denmark	33.7	33.0	0.7	2
External matters, including other operators	41.0	48.4	-7.4	-15

The development in punctuality for Long-distance & Regional Trains was particularly affected by considerably more speed reductions than in 2012 and by planned extensive track improvement work on Funen during the summer.

Customers

Journeys

In 2013 customers made 185.1 million journeys with DSB in Denmark, compared with 182.6 million journeys in 2012, representing growth of a good 1 percent.

In 2013 the total number of journeys across Storebælt (train, airplane, car and bus) rose by approx. 333,000 journeys compared with 2012.

DSB's market share across Storebælt was 26.3 percent in 2013, which is a decline of 0.4 percentage points compared with 2012.

Naturally, the statement of customer numbers is subject to inaccuracies as the method is based on ad hoc counting, weighting etc. This uncertainty spreads to the related key figures and is increased when the customer figures are divided on individual lines. Unfortunately, the only way to eliminate this problem would be to make a complete recording of the individual customer's journey pattern. Rejsekortet will be able to provide more reliable statistics, but it is not the only type of ticket so the uncertainty must be expected to persist.

Table 5: Number of customers

1,000 customers			Growth	
	2013	2012 [1]	Abs.	Pct.
Long-distance & Regional Trains	50,465	50,694	-229	0
East (Zealand) [1]	23,784	24,454	-670	-3
West (Jutland and Funen)	16,772	16,285	487	3
East/West (across Storebælt)	9,001	9,027	-26	0
Other	908	928	-20	-2
Øresund (Coastal Line/ Kastrup Line)	25,501	25,059	442	2
S-tog	109,160	106,842	2,318	2
Total for Denmark	**185,126**	**182,595**	**2,531**	**1**
Total for Sweden	**5,993**	**21,093**	**-15,100**	**-72**
Total for Germany	**4,204**	**4,120**	**84**	**2**
Total number of customers	**195,323**	**207,808**	**-12,485**	**-6**

[1] As a consequence of a change in the method of calculation and of the final calculation of journeys for 2012, the number of train journeys in 2012 has been reduced by 0.8 million journeys in S-tog, increased by 0,8 million journeys in Long-distance & Regional Trains and increased by 0.6 million journeys in Øresund compared with previously published figures.

Long-distance & Regional Trains had 50.5 million customers in 2013, which is on the same level as in 2012.

Compared with 2012, the number of customers in 2013 was largely unchanged across Storebælt. For Jutland and Funen there was an increase of 3 percent, while the number of customers on Zealand fell by 670,000 journeys.

The year was also affected by several extraordinary circumstances, including track improvement works on the North West Line between Roskilde and Holbæk and the two storms. In total approx. 0.5 million fewer journeys.

In 2013 S-tog had 109.2 million customers, representing growth of 2 percent. In addition to the general traffic development, the positive development is i.a. attributable to a continued robust production with a generally high punctuality. In 2013 9 million S-train journeys were made with a bicycle, a stagnant figure compared with 2012.

The growth realised in 2013 in S-tog must be regarded in the light of a number of extraordinary circumstances, primarily bridge works on Køge Bugt, Nordhavnsvej and Klampenborg, the lockout of the municipal lower and secondary school teachers and the two storms. In total approx. 1.5 million fewer journeys.

In 2013 Øresund had 25.5 million customers, representing an increase of 442,000 journeys or 2 percent compared with 2012.
Øresund was also affected by a number of circumstances in 2013, including the two storms.

Customer satisfaction

Customer satisfactory is measured every quarter by DSB. DSB focuses on the customers' experience of the current journey as well as their more general perception of a journey with DSB. The questionnaires are distributed to the customers based on the actual distribution of the customers, i.e. more questionnaires are distributed on lines with many customers than on smaller sections.

The information provided by customers in the survey is included in DSB's ongoing work. In this connection DSB has identified five areas that are important to achieve a high customer satisfaction:

- Punctuality
- Personal comfort
- Cleaning and safety
- Products and service
- Traffic information

DSB has established an action plan for each of these individual areas. An example is traffic information, where the units in DSB and Rail Net Denmark have merged in terms of organisation as well as tasks for the benefit of customers and train services.

Table 6: Customer satisfaction				
Score (1-10)			Growth	
	2013	2012	Abs.	Pct.
Satisfaction with current journey (Long-distance & Regional Trains) 1)	7.8	7.8	0	0
Satisfaction with Long-distance & Regional Trains in general	7.1	6.9	0.2	3
Satisfaction with current journey (S-tog)	8.0	7.9	0.1	1
Satisfaction with S-tog in general	7.7	7.3	0.4	5
Customer satisfaction (Average)	7.7	7.5	0.2	3
Customer satisfaction (Øresund)	6.7	6.7	0	0

1) There was an error in the Annual Report for 2012 in the 2012 figure for "Satisfaction with current journey (Long-distance & Regional Trains)". The figure has been corrected in the above table.

Total average customer satisfaction was improved by 3 percent in 2013, which is primarily due to an increase in the general satisfaction with S-tog of 5 percent, and what counts most is:

- The number of train departures
- The possibility of getting a seat
- Connection to other means of public transport

Satisfaction with the current journey for S-tog was improved by 2 percent, primarily due to increased satisfaction with the level of information onboard the S-train and/or on the platform.

General satisfaction with Long-distance & Regional Trains increased by 3 percent in 2013 driven by:

- Information in case of delays
- Connection to other means of public transport

Customer satisfaction for DSB Øresund is unchanged from 2012 to 2013. Continuous work is being carried out to improve regularity which reached its highest level so far in 2013. Similarly, the customers are very satisfied with the possibility of getting a seat on the train.

Customer, service and travel centres

In 2013 DSB's customer and travel centres handled more than four million customer enquiries, of which 1.7 million were calls, 343,000 were written enquiries and 2.1 million were personal enquiries at the travel centres.

As part of "Healthy DSB", DSB worked on gathering the various customer centre activities at one location in 2012 and 2013.

Consequently, DSB closed the customer centre in Randers in 2013 and moved the tasks to DSB's customer centre in Taastrup. Also a number of positions were moved from Aalborg and Herning to Taastrup. When the customer centre in Kolding closes on 1 September 2014, all customer centre activities will be gathered in one customer centre in Taastrup.

DSB is very aware of the need to assist customers who require guidance in connection with the self-service channels.

Therefore, DSB decided to open service centres at selected locations in Denmark. Thus, the first of six service centres opened in June 2013 at Østerport station. In September and October 2013 DSB opened temporary service centres in Valby, Flintholm and Aalborg.

Sales trolleys

DSB no longer has sales trolleys on InterCity train sets with frequent stops and where the customers usually have a journey time of less than one hour. Until further notice the sales trolley will still be available at the high-speed line Copenhagen – Århus and on international trains where the customers' journey time is typically longer.

However, in connection with the change of the sales trolley concept, DSB will look into the possibilities of setting up e.g. vending machines at the stations.

Internet in train
In 2013 as well, DSB was aware of not-spots and coverage problems in connection with the use of mobile telephones and Internet in DSB's trains – a challenge DSB shares with the rest of the railway industry in Europe.

The wireless Internet access (WIFI) in the S-trains generally works satisfactorily, which is i.e. due to a dense network in the urban area of the S-train network.

Unlike S-tog, Long-distance & Regional Trains continued to experience problems with making and receiving calls and using the Internet in 2013. This problem existed when the customers use the wireless Internet in the train (WIFI) as well as when they try to call or transmit/receive data directly via the mobile network. DSB is working with the telecom providers to find future-proof network solutions.

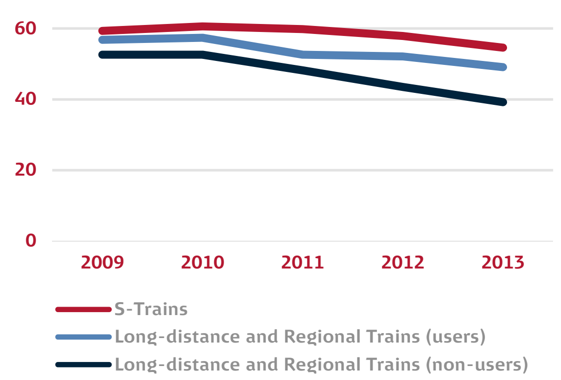
Reputation

DSB's reputation developed positively towards the end of 2013. Despite the positive development in the fourth quarter, the total reputation for 2013 was 46.8, which is 3.3 points lower than in 2012. The development must be regarded against the background of the Waterfront affair.

DSB's reputation is still weakest among non-users, though the improvement recorded in the fourth quarter of 2013 was largest in this particular group. Overall, DSB's reputation among non-users of Long-distance & Regional Trains was 39.2 in 2013, which is 9.9 points lower than DSB's reputation among users.

Fig. 2: Reputation

Percentage share



As the figure shows, the improvements in economy and punctuality are not yet reflected in DSB's reputation.

"We are not worried about competition, but about being competitive on equal and fair terms".
– Jesper Lok, CEO

Review & Annual Accounts

Financial highlights

DSB Group	2009	2010	2011	2012	2013	Change
Passenger revenues	4,223	4,329	4,469	4,771	4,972	4.2%
Transport contracts	4,453	4,550	5,363	4,956	4,970	0.3%
Danish activities	3,601	3,512	3,660	3,737	3,987	6.7%
International activities, incl. Øresund [1]	852	1,038	1,703	1,219	983	-19.4%
Sales from shops etc.	767	769	816	863	853	-1.2%
Repair and maintenance of rolling stock etc.	151	137	169	275	335	21.8%
Leasing of rolling stock	174	187	231	233	226	-3.0%
Net turnover	**9,768**	**9,972**	**11,048**	**11,098**	**11,356**	**2.3%**
Work performed by the enterprise and capitalised	521	638	534	508	515	1.4%
Other operating income	790	849	503	514	469	-8.8%
Total revenue	**11,079**	**11,459**	**12,085**	**12,120**	**12,340**	**1.8%**
Cost of raw materials and consumables	1,532	1,631	1,738	1,705	1,777	4.2%
Other external expenses	3,040	3,642	3,684	3,449	3,779	9.6%
Staff expenses	4,312	4,648	4,970	4,610	4,002	-13.2%
Hereof costs for retirements	-	140	15	325	81	-75.1%
Total expenses	**8,884**	**9,921**	**10,392**	**9,764**	**9,558**	**-2.1%**
Profit before depreciation, amortisation and write-downs	**2,195**	**1,538**	**1,693**	**2,356**	**2,782**	**18.1%**
Depreciation, amortisation and write-downs	1,351	1,643	2,014	1,701	1,892	11.2%
Operating profit/loss	**844**	**-105**	**-321**	**655**	**890**	**35.9%**
Net financials	-388	-450	-541	-540	-504	-6.7%
Profit/loss before tax	**456**	**-555**	**-862**	**115**	**386**	**235.7%**
Profit/loss for the year [2]	**338**	**-577**	**-698**	**50**	**483**	**-**
Balance sheet total	25,692	25,907	24,703	24,500	23,509	-4.0%
Total equity	7,322	6,584	5,083	5,050	5,917	17.2%
Total cash flow from operating activities	1,623	2,341	1,785	1,443	2,343	62.4%
Total cash flow from investing activities	-1,248	-2,244	-1,790	-1,268	-1,606	26.7%
Total cash flow from financing activities	-821	50	-262	-173	-737	-
Investments in tangible assets	-1,240	-2,442	-2,143	-1,341	-1,608	-19.9%
Interest-bearing liabilities, net	11,873	12,029	12,214	12,029	11,354	-5.6%
Operating profit margin (EBITDA margin)*	22.5	15.4	15.3	21.2	24.5	15.6%
Profit ratio (EBIT margin)*	8.6	-1.1	-2.9	5.9	7.8	32.2%
Return on equity (ROE)*	4.6	-8.3	-12.0	1.0	8.8	-
Return on invested capital after tax (ROIC after tax)*	3.3	-1.3	-1.6	2.6	5.0	92.8%
Gearing*	5.4	7.8	7.2	5.1	4.1	-19.6%
Equity ratio*	28.5	25.4	20.6	20.6	25.2	22.3%
Interest cover*	1.8	0.0	-0.5	1.5	2.0	33.3%
Average number of full-time employees	9,308	9,449	10,040	8,818	7,975	-9.6%
Number of full-time employees at year-end	9,318	9,526	9,615	8,379	7,807	-6.8%
Number of passenger km in Denmark (million km)	5,659	5,798	6,063	6,267	6,246	-0.3%
Number of train journeys in Denmark (1,000 journeys) [3]	165,413	166,122	177,571	182,595	185,126	1.4%
Number of train journeys abroad (1,000 journeys)	25,855	30,059	43,962	25,213	10,197	-59.6%
Number of train km in Denmark (1,000 km)	56,894	57,294	58,156	57,437	58,587	2.0%
Number of train km in abroad (1,000 km)	13,119	16,846	30,216	16,493	9,754	-40.9%

1) As opposed to the Danish activities, the international activities (including Øresund) are based on gross contracts, meaning that the transport authorities receive the ticket revenues and at the same time make a contractual payment under the transport contract to the train operator.
2) Tax on the profit for the year is in 2013 affected by revenue of DKK 138 million (reduced tax liability) as a consequence of the gradual reduction of the corporation tax rate from 25 percent in 2013 to 22 percent in 2016. The reduced corporation tax has increased equity by DKK 31 million.
3) Compared with what has previously been published, the number of train journeys in 2012 has been increased by 0.6 million journeys as a consequence of the final calculation of journeys etc.
* Stated in accordance with the definitions defined under Definitions of financial ratios.

Review

DSB realised a profit before tax of DKK 386 million in 2013. The profit represents an improvement of DKK 271 million compared with a profit before tax of DKK 115 million for 2012. In addition, interest-bearing liabilities were markedly reduced compared with year-end 2012. This development means that gearing and equity ratio were improved in 2013.

The efficiency enhancement measured and initiatives carried out with "Healthy DSB" in 2012 reversed the negative development in DSB's economy. DSB continued the efficiency enhancements in 2013 and is well on its way to a more robust economy. Management still focuses intensively on adapting DSB by means of the tools introduced with "Healthy DSB" so that DSB can realise the objective of improving its economy by DKK 1 billion by the end of 2014.

Financial review

The profit before tax is affected by a number of items of a non-recurring nature in 2013.

Table 1: Profit before tax adjusted for items of a non-recurring nature [1)]

DKK million	
Profit before tax	386
Profit on sale of properties	-34
Reversal of provision for increased pensions for seconded public servants	-28
Reversal of provision regarding DSB Väst AB	-23
Retirement costs	81
Provision for loss on DSB Øresund's transport contract for the period 2014-15	39
Write-down of goodwill regarding VIAS – Downwards adjustment of expectations for the remaining contract period	24
Additional provision for availability pay for public servants	21
Adjusted profit before tax	466

1) A minus (negative) means that the adjustment had a positive impact on the profit before tax.

The profit before tax of DKK 115 million for 2012 included items of a non-recurring nature in the amount of net DKK 104 million. Consequently, the profit before tax adjusted for items of a non-recurring nature was DKK 219 million. Compared with 2013, the profit before tax adjusted for items of a non-recurring nature increased by DKK 247 million.

The positive development in the profit before tax is a result of the implemented efficiency enhancements combined with an increase in passenger revenues. Also reduced net financials i.a. as a consequence of improved results of operations in an associated company and fewer interest-bearing liabilities contributed to this development.

On the other hand, the development was negatively impacted by increased expenses as well as increased depreciation, amortisation and write-downs in connection with the deployment of Rejsekortet and the placing in service of the IC4 train sets.

AnsaldoBreda completed the delivery of 82 IC4 train sets and 23 IC2 train sets in September and October, respectively.

More IC4 and IC2 train sets placed in service resulted in an increased contract payment from the Danish Ministry of Transport. On the other hand, the placing in service of IC4 and IC2 train sets in combination with the reduced operation of the MR trains, compared with 2012, entailed additional expenses for operation of the train sets plus increased depreciation.

The final disposal of DSB Väst AB has now been completed, and at 31 December 2013 the remaining DKK 23 million of the total provisions made in 2011 of DKK 303 million were reversed (DKK 60 million of the provisions were reversed in 2012).

At 31 December 2013 there are no provisions regarding divested activities in Sweden.

Interest-bearing liabilities were reduced by DKK 675 million and totalled DKK 11,354 million (DKK 12,029 million) at 31 December 2013. The reduction is primarily a result of the positive financial results which made it possible to repay loans.

The financial ratios have improved: Gearing was 4.1 (5.1). Return on invested capital after tax was 5.0 (2.6) and the solvency ratio was 25.2 at year-end 2013 (20.6). The increase is partly due to the improved earnings and partly to the improvement of equity by unrealised value adjustments of hedging instruments (foreign currency and interest rate hedging). The adjustments only represent a timing difference between the measurement of long-term loans and the hedging instruments.

DSB's balance sheet total stood at DKK 23,509 million at 31 December 2013, down DKK 991 million against DKK 24,500 million at year-end 2012. This reduction is primarily attributable to reduced Other receivables under Investments. Liabilities were reduced through repayment of debt.

DSB invested a total of DKK 1,764 million in 2013 (DKK 1,517 million). The increase of DKK 247 million is due to the acquisition of 46 double-decker trains in 2013, investments in connection with driver-only operation and several general inspections of i.a. S-trains. These impacts are partly offset by the agreement concluded with AnsaldoBreda in December 2012 regarding the IC4 and IC2 train sets. Payments from AnsaldoBreda reduce the amount invested in the train sets.

Net turnover
Net turnover in the DSB Group totalled DKK 11,356 million for 2013 (DKK 11,098).

Passenger revenues totalled DKK 4,972 million (DKK 4,771 million), up 4 percent, made up as follows; higher average price (4 percent), subsequent adjustments regarding previous years (1 percent) and other matters (-1 percent).

Revenue from transport contracts rose by DKK 14 million and totalled DKK 4,970 million for 2013 (DKK 4,956 million). The development was negatively impacted by the handing over of the traffic operated by DSB Väst AB in May 2012 and the handing over of Roslagsbanan in Sweden at the beginning of 2013. These negative impacts are offset in part by increasing transport contract revenue as a consequence of the placing in service of more IC4 and IC2 train sets and the compensation for extra expenses for the double-decker coaches.

Sales from shops etc. fell by 1 percent compared with 2012 and totalled DKK 853 million (DKK 863 million). The decline is i.a. partly due to the phasing out of the sales trolley in Long-distance & Regional Trains.

Sales of repair and maintenance of rolling stock etc. to external customers amounted to DKK 335 million in 2013 (DKK 275 million). This increase is primarily due to an increase in general inspections for Öresundståg, which operates the Swedish part of the Øresund traffic.

Leasing of rolling stock totalled DKK 226 million (DKK 233 million). The activities cover leasing of Øresund train sets to the Danish Ministry of Transport, which in its capacity as transport authority makes them available to DSB Øresund for the operation of the Coastal Line and the Kastrup Line.

Work performed by the enterprise and recognised under assets rose by DKK 7 million and was DKK 515 million in 2013.

Other operating income amounted to DKK 469 million in 2013, down DKK 45 million. The development in other operating income is primarily due to a number of non-recurring items in 2012, including a correction of DKK 132 million in previously granted discounts from AnsaldoBreda recognised as revenue. Furthermore, other operating income is significantly affected by profits on the sale of properties of DKK 34 million (DKK 135 million in 2012).

Expenses
Expenses totalled DKK 9,558 million in 2013 (DKK 9,764 million).

Expenses for raw materials and consumables increased by DKK 72 million and totalled DKK 1,777 million in 2013 (DKK 1,705 million). The development was mainly affected by higher energy prices and a higher energy consumption, i.a. as a consequence of the placing in service of more IC4 and IC2 train sets. An increased consumption of spare parts and materials, primarily as a consequence of general inspections of S-trains and IR4 and Øresund train sets, also contributed to the increase in expenses.

Other external expenses increased by DKK 330 million to DKK 3,779 million (DKK 3,449 million). Corrected for adjustments regarding onerous contracts, other external expenses increased by DKK 231 million. The increase is i.a. due to expenses associated with relocating to the new domicile and costs for new activities, including the new rolling stock strategy and the preparations for acquisition of "Trains for the Future". Also the outsourcing of IT operations contributed extra expenses which were, however, offset by reduced staff expenses. The increase is also positively impacted by the handing over of Roslagsbanan and the traffic operated by DSB Väst.

In 2013 staff expenses fell by DKK 608 million to DKK 4,002 million (DKK 4,610 million). This development is i.a. due to less costs for retirement schemes, DKK 244 million, savings of DKK 203 million due to the handing over of Roslagsbanan and the traffic operated by DSB Väst. Also staff savings due to the ongoing efficiency enhancements and the outsourcing of IT operations contributed to the reduced staff expenses.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs increased by DKK 191 million and totalled DKK 1,892 million (DKK 1,701 million). The increase must be regarded in the light of the reversal of DKK 105 million in 2012 regarding the write-down of DKK 345 million on IC4 train sets in 2011. Adjusted for this, depreciation, amortisation and write-downs increased by DKK 86 million, partly due to more IC4 and IC2 train sets being placed in service. Also write-downs regarding VIAS as a consequence of a reduction of the expected revenue for the remaining contract period as well as value adjustment of a number of minor assets contributed to the increase.

Net financials

In 2013 net financials represented an expense of DKK 504 million (DKK 540 million). Net financials are positively impacted by reduced interest expenses as a consequence of fewer liabilities combined with lower rates of interest and improvements in associated companies. The development is negatively impacted by a decline in interest compensation from AnsaldoBreda. DSB has a state guarantee on some loans raised. For the loans raised in 2013, DSB pays any difference between the market rate and the state guaranteed rate to the state. Consequently, the state guarantee does not have any effect on the above-mentioned development in financial items.

Tax

Tax on the profit for the year is in 2013 affected by revenue of DKK 138 million (reduced tax liability) as a consequence of the gradual reduction of the corporation tax rate from 25 percent in 2013 to 22 percent in 2016. In addition, equity was increased by DKK 31 million.

Dividend to the Ministry of Transport

The Board of Directors proposes that no dividend be paid for 2013.

Claw Back

The statement of the net reduction for 2013 pursuant to Addendum 5.1 to the contract between the Ministry of Transport and DSB regarding long-distance & regional train services provided as a public service (Claw Back) did not give rise to any adjustment of the Revenue from transport contract.

Remuneration in DSB

The remuneration policy must support DSB's strategy and values and its objective is to ensure a suitable remuneration structure, which can attract and retain the best possible competencies, bearing in mind that the corporation is wholly owned by the Danish state.

The average annual remuneration paid to the Corporate Management (Management exclusive Executive Board members) totalled DKK 2.5 million, including retirement costs etc., for retired members of the Corporate Management.

No employees received more than the average annual remuneration for other management members in 2013. No specialists without management assignments received an annual salary of more than DKK 1.2 million.

The remuneration policy stipulates that in the future severance pay that deviates from the provisions of the Danish Salaried Employees Act can only be agreed with the approval of the Remuneration Committee in very special cases. With regard to present contracts for management and managers reporting to the Corporate Management which include an agreement regarding severance pay, the severance pay will correspond to between six and 12 months' salary. The CEO contract does not include any provision for severance pay, but the notice period on the part of DSB has been agreed at 24 months.

In the period 2012 to 2015 DSB will be undergoing a major transition. This transition i.a. involves substantial efficiency enhancements through the "Healthy DSB" programme. The corporation's Board of Directors finds it essential for DSB's CEO to have a clear incentive to retain his position until the transition has been completed and also a clear incentive to focus on the very substantial tasks in a period where DSB is challenged on many dimensions. For this purpose, agreement was reached in mid-2013 on a retention bonus corresponding to one year's salary, which will be paid in 2015. A condition for its payment is that DSB fulfils its economic objective in the strategic "Healthy DSB" programme by the end of 2014. In this connection the CEO has waived salary increases in 2013 and 2014, and it has been agreed that the CEO's termination notice is increased from six to 12 months.

Segments

Long-distance & Regional Trains
In 2013 Long-distance & Regional Trains were positively impacted by the financial results of the efficiency enhancements and initiatives implemented with "Healthy DSB". In addition, Long-distance & Regional Trains transported 50.5 million passengers in 2013 at a higher average price (compared with 2012).

The operating profit was DKK 260 million for 2013, up DKK 200 million. Adjusted for retirement costs, the operating profit increased by DKK 61 million.

Passenger revenues rose by DKK 125 million to DKK 3,606 million (DKK 3,481 million) and were positively impacted by the general fare increase that led to a higher average price. Revenue from the transport contract concluded with the Danish state rose by DKK 311 million, i.a. as a consequence of more IC4 and IC2 train sets being placed in service[1] and compensation for additional expenses for double-decker coaches and the higher payroll tax.

Leasing of rolling stock totalled DKK 226 million (DKK 233 million). The activities cover leasing of Øresund train sets to the Danish Ministry of Transport, which in its capacity as transport authority makes them available to DSB Øresund for the operation of the Coastal Line and the Kastrup Line.

Total expenses increased by DKK 189 million and were negatively impacted by higher energy prices, higher payroll tax, train breakdowns in December 2013, placing in service of more

[1] The delay of the IC4 train sets entailed reduced depreciation etc. compared with the assumptions on which the transport contract concluded with the Danish state was based. Consequently, the reduced depreciation etc. was offset by a reduction in the revenue from the transport contract received by DSB from the state. When an IC4 train set is placed in service, revenue from the transport contract is increased correspondingly.

IC4 and IC2 train sets, which are expensive trains to operate. Also expenses for new activities, including the new rolling stock strategy and the preparations for acquisition of "Trains for the Future" contributed to the increased expenses. On the other hand, expenses were impacted by the positive results of the implemented efficiency enhancements and reduced costs for retirement arrangements.

As a consequence of the increase in expenses, costs per train kilometre increased by 2 per cent.

The profit generated in Long-distance & Regional Trains before depreciation, amortisation and write-downs increased by DKK 413 million in 2013.

Depreciation, amortisation and write-downs were affected by a reversal of DKK 105 million in 2012 regarding the write-down of DKK 345 million in connection with IC4 train sets in 2011. Adjusted for this, depreciation and amortisation increased by DKK 108 million due to more IC4 and IC2 train sets being placed in service.

The total number of train kilometres was 38.0 million, up 1 per cent on 2012.

Table 2: Long-distance & Regional Trains

DKK million			Growth	
	2013	2012	Abs.	Pct.
Net turnover	6,776	6,362	414	7
Passenger revenues	3,606	3,481	125	4
Revenue from transport contract	2,834	2,523	311	12
Sales from shops etc.	30	39	-9	-23
Repair and maintenance of rolling stock etc.	80	86	-6	-7
Leasing of rolling stock	226	233	-7	-3
Other operating income and work performed by the enterprise and capitalised	1,019	831	188	23
Total revenue	7,795	7,193	602	8
Total expenses	6,308	6,119	189	3
Hereof retirement costs	72	211	-139	-66
Profit before depreciation, amortisation and write-downs	1,487	1,074	413	38
Depreciation, amortisation and write-downs	1,227	1,014	213	21
Operating profit/loss	260	60	200	-
Operating profit margin	22.0	16.9	5.1	30
Number of train journeys (million journeys)	50.5	50.7	-0.2	-
Passenger revenues per train km (DKK)	95	93	2	2
Revenue from transport contract per train km (DKK)	75	67	8	12
Costs per train km (DKK)	166	163	3	2
Number of train km (million km)	38.0	37.6	0.4	1

S-tog

S-tog's financial results of operations for 2013 were positively impacted by a continued increase in the number of customers. Passenger revenues per train kilometre rose again and there was also a positive development in costs per train kilometre. In addition, S-tog had the highest punctuality in five years in 2013 and also transported more passengers than ever before.

The above is i.a. a result of the efficiency enhancements and initiatives implemented with "Healthy DSB" and of the increase in the number of train kilometres travelled.

Since 2010 S-tog has participated in an international cooperation called ISBeRG, which compares 14 suburban rail operators in Europe, the USA, Asia, South America and Australia. The benchmark comparisons are made by Imperial College in London – and in the most recent benchmarking based on figures from 2012 S-tog came in third measured on punctuality and second when it comes to effectiveness and efficiency calculated as costs per train kilometre.

The operating profit was DKK 582 million (DKK 509 million) for 2013, up DKK 73 million.

Passenger revenues rose by 6 percent to DKK 1,366 million (DKK 1,290 million). The development is driven by more customers and the general fare increase. In addition, passenger revenues were positively affected by subsequent adjustments regarding previous years. On the other hand, passenger revenues were negatively impacted by the two storms at the end of 2013.

Revenue from the transport contract was impacted by the conditions regarding efficiency enhancements stipulated in the transport contract, which involve a reduction of the revenue over the term of the contract. The infrastructure charge is offset against the revenue from the transport contract in 2013. Consequently, revenue from the transport contract concluded with the Danish state was reduced by DKK 61 million to DKK 1,154 million in 2013 (DKK 1,215 million).

Total expenses fell by DKK 25 million and totalled DKK 1,417 million (DKK 1,442 million). The development is positively impacted by expenses for retirement agreements in 2012, efficiency enhancements and the fact that the infrastructure charge is offset against revenue from the transport contract in 2013. On the other hand, the development is negatively impacted by costs for replacement transport (buses) in connection with track improvement work and a higher payroll tax.

Depreciation, amortisation and write-downs fell by DKK 39 million and totalled DKK 597 million (DKK 636 million). The development is primarily due to write-downs in 2012.

Total production was 15.8 million train kilometres, up 2 percent on 2012.

Table 3: S-tog

DKK million			Growth	
	2013	2012	Abs.	Pct.
Net turnover	2,520	2,505	15	1
Passenger revenues	1,366	1,290	76	6
Revenue from transport contract	1,154	1,215	-61	-5
Other operating income and work performed by the enterprise and capitalised	76	82	-6	-7
Total revenue	2,596	2,587	9	0
Total expenses	1,417	1,442	-25	-2
Hereof retirement costs	1	10	-9	-90
Profit before depreciation, amortisation and write-downs	1,179	1,145	34	3
Depreciation, amortisation and write-downs	597	636	-39	-6
Operating profit/loss	582	509	73	14
Operating profit margin	46.8	45.7	1.1	2
Number of train journeys (million journeys)	109.2	106.8	2.4	2
Passenger revenues per train km (DKK)	86	83	3	4
Revenue from transport contract per train km (DKK)	73	78	-5	-6
Costs per train km (DKK)	89	93	-4	-4
Number of train km (million km)	15.8	15.5	0.3	2

Øresund

DSB Øresund is in charge of the Danish part of the Øresund traffic on the Coastal Line and the Kastrup Line. DSB Øresund A/S is owned by DSB (70 percent) and FirstGroup plc (30 percent) through DSB Øresund Holding ApS.

The Øresund contract is a gross contract, meaning that passenger revenues are received by the Danish Ministry of Transport.

Revenue from the transport contract rose by DKK 28 million to DKK 507 million for 2013

(DKK 479 million). The development is affected by the final settlement and bonus regarding previous periods.

The trains in the Danish as well as the Swedish part of the Øresund traffic are included in a pool. DSB Øresund A/S is, with Vedligehold as a subcontractor, in charge of the maintenance of all train sets in the pool. Sales of repair work and maintenance of rolling stock improved by DKK 40 million to DKK 313 million in 2013 (DKK 273 million).

In 2013 DSB Øresund experienced a decline in operating profit of DKK 57 million to a loss of DKK 50 million. This development is primarily due to provisions of DKK 68 million to cover a loss on DSB Øresund's transport contract for the period 2014-15. The loss is due to:

- Reduced income as a consequence of a renegotiated contract with DSB
- Increased expenses for IT and maintenance
- Increased expenses as a consequence of driver-only operation and payment of a penalty

Activation of the letters of comfort from the owners from 2011 ensure availability of the funds assessed to be necessary to ensure that operations in DSB Øresund can be carried on as planned for the remaining contract period.

Table 4: Øresund

DKK million			Growth	
	2013	2012	Abs.	Pct.
Net turnover	820	752	68	9
Revenue from transport contract	507	479	28	6
Repair and maintenance of rolling stock etc.	313	273	40	15
Other operating income and work performed by the enterprise and capitalised	26	28	-2	-7
Total revenue	846	780	66	8
Total expenses	896	773	123	16
Profit before depreciation, amortisation and write-downs	-50	7	-57	-
Depreciation, amortisation and write-downs	-	-	-	-
Operating profit/loss	-50	7	-57	-
Operating profit margin	-6.1	0.9	-7.0	-

Vedligehold

The operating profit was DKK 30 million for 2013, against a break-even in 2012.

Adjusted for retirement costs, the operating profit fell by DKK 11 million. This development is i.a. due to a decline in earnings from sales of upgrading tasks regarding IC4 train sets and general inspections. In addition, the combination of train types with completed maintenance and obsolete inventories had a negative impact on the profit. A positive impact was provided by the reduced number of employees in Vedligehold.

Table 5: Vedligehold

DKK million	2013	2012	Growth Abs.	Growth Pct.
Net turnover: Sales of repair and maintenance of rolling stock etc.	1,645	1,578	67	4
Other operating income and work performed by the enterprise and capitalised	41	26	15	58
Total revenue	1,686	1,604	82	5
Total expenses	1,609	1,561	48	3
Hereof retirement costs	27	68	-41	-60
Profit before depreciation, amortisation and write-downs	77	43	34	79
Depreciation, amortisation and write-downs	47	43	4	9
Operating profit/loss	30	0	30	0
Operating profit margin	4.7	2.7	2.0	74

Table 6: Kort & Godt

DKK million	2013	2012	Growth Abs.	Growth Pct.
Net turnover: Sales from shops etc.	976	991	-15	-2
Other operating income and work performed by the enterprise and capitalised	14	23	-9	-39
Total revenue	990	1.014	-24	-2
Total expenses	939	996	-57	-6
Hereof retirement costs	-19	36	-55	-153
Profit before depreciation, amortisation and write-downs	51	18	33	183
Depreciation, amortisation and write-downs	4	4	0	0
Operating profit/loss	47	14	33	235
Operating profit margin	5.2	1.8	3.4	189

Kort & Godt

The operating profit was DKK 47 million for 2013, up DKK 33 million. This development was affected by a reversal of provisions for retirements. Adjusted for this development, the operating profit fell by DKK 22 million.

Sales from shops etc. fell 2 percent and amounted to DKK 976 million (DKK 991 million). Other operating income etc. fell by DKK 9 million.

The shops are an area that is constantly facing new challenges, i.a. as a consequence of the new Danish Shops Act and the transition to more electronic tickets as well as Rejsekortet. The ever increasing use of self-service channels must be expected to put the shops under financial pressure in the coming years as well.

Sweden

At year-end 2013 DSB Sverige consisted of the following operations: Krösatåget in Jönköpingområdet (DSB Småland) and Upptåget outside Stockholm. The traffic operated by DSB Väst AB was handed over to SJ on 1 May 2012. Operations on Roslagsbanan in Stockholm were handed over to Arriva on 7 January 2013.

The handing over of the traffic in DSB Väst in 2012 and Roslagsbanan at the beginning of 2013 affects the development in revenue from transport contracts, which fell by DKK 264 million compared with 2012. On the other hand, expenses were reduced by DKK 337 million.

The operating profit totalled DKK 21 million for 2013 (a loss of DKK 23 million), up DKK 44 million on 2012.

As of 1 March 2014 DSB will no longer be operating Krösatågstrafiken.

Table 7: Sweden				
DKK million			Growth	
	2013	2012	Abs.	Pct.
Net turnover: Revenue from transport contracts	267	531	-264	-50
Other operating income and work performed by the enterprise and capitalised	12	43	-31	-72
Total revenue	279	574	-295	-51
Total expenses	258	595	-337	-57
Profit before depreciation, amortisation and write-downs	21	-21	42	200
Depreciation, amortisation and write-downs	0	2	-2	-
Operating profit/loss	21	-23	44	191
Operating profit margin	7.9	-4.0	11.9	298

Germany

DSB Tyskland realised revenue of DKK 259 million and an operating loss of DKK 21 million for 2013.

DSB Tyskland is affected by a write-down of acquired rights (goodwill) of DKK 24 million due to expectations for higher operating expenses during the remaining contract period.

Table 8: Germany				
DKK million			Growth	
	2013	2012	Abs.	Pct.
Net turnover: Revenue from transport contracts	209	209	0	0
Other operating income and work performed by the enterprise and capitalised	50	-7	57	-
Total revenue	259	202	57	28
Total expenses	249	194	55	28
Profit before depreciation, amortisation and write-downs	10	8	2	25
Depreciation, amortisation and write-downs	31	6	25	-
Operating profit/loss	-21	2	-23	-
Operating profit margin	4.8	3.8	1.0	26

Outlook for 2014

In the beginning of 2012 DSB's "Healthy DSB" programme established an economic objective of improving DSB's economy by DKK 1 billion by the end of 2014. At year-end 2013 DSB had come a long way with "Healthy DSB", but is not quite there yet.

In 2013 a number of positive results were realised measured in terms of number of customers, punctuality and economy. Among other things the number of employees in the Danish activities have since 2011 been reduced by 881 at year-end 2013. In addition, a number of other initiatives and efficiency enhancements have been completed, including efficiency enhancements within procurement. The organisational structure has been adapted and all administration in Copenhagen was gathered in one domicile in Taastrup in 2013.

The expectations for the results of operations for 2014 are positively affected by the measures implemented in 2012 and 2013 as well as the planned efficiency enhancements and savings. Also positive is the improvement in the development in customer numbers in Denmark.

There is, however, no doubt that 2014 will be a challenging year, characterised by the requirement for constant efficiency enhancements stipulated in the transport contracts, increasing energy and operating expenses, i.a. as a consequence of more train kilometres travelled and of more IC4 and IC2 train sets being placed in service. Additional challenges will be offered by the preparations for the acquisition of "Trains for the Future" and a number of customer-oriented activities. Furthermore, DSB will still be affected by the derived consequences of the recovery plan, including costs for restructuring and retirements.

Therefore, the profit for 2014 before tax and non-recurring items is expected to be in the magnitude of DKK 350 million.

Safety

Safety is one of the basic conditions for DSB's operations. In order to ensure a continued intense focus on safety, the departments Safety, Emergency Preparedness and Environment were merged into one department, reporting to the CEO, at 1 November 2013.

Safety in 2013 was at the same high level as in 2012. With 0.1 serious accidents involving persons per million train kilometres, compared with 0.2 in 2012, the level of safety was satisfactory.

Table 9: Incidents [1)]

Number			Growth	
	2013	2012	Abs.	Pct.
Significant accident in train track (collision, derailing or fire)	1	1	-	-
Significant accident in marshalling yard (collision, derailing or fire)	0	1	-1	-
Injuries				
- Deaths	0	0	-	-
- Serious injuries	0	2	-2	-
- Minor injuries	34	67	-33	-50
Signal by-passing				
- Secured area (A-B-C)	165	169	-4	-2
- Unsecured area (D-E)	207	242	-35	-15
Hereof signal by-passing involving high potential danger	22	24	-2	-8
Broken wheel or axle	0	0	-	-

[1)] The table covers accidents and injuries and the main precursors that DSB, S-tog and Øresund control. 'Person under train' incidents as a consequence of unauthorised loitering on tracks, accidents at crossings and suicide are not covered by this survey.

No persons died or were seriously injured as a consequence of flaws in DSB's safety activities. One person was seriously injured, falling down between platform and train while the train was at a standstill, and another person was seriously injured when hit by the train while walking on the platform, too close to the edge. Deaths and serious injuries have occurred as a consequence of 'person under train' incidents at level crossings or persons being hit by trains as a consequence of unauthorised loitering on or near tracks. In other words, these deaths and serious injuries were not a consequence of a flaw in DSB's safety activities. The number of minor injuries fell compared with 2012.

DSB monitors safety during all operating hours on all days of the year. If a safety incident occurs, it is recorded and analysed, and if required corrective action is taken to prevent repetition.

During spring 2013, new procedures were introduced for handling signal by-passing. This is due to the fact that signal by-passing may lead to serious accidents. The frequency of by-passing is largely unchanged compared with 2012, but the new procedures are expected to produce results over time.

In connection with the gathering of all operating areas in the Operations unit in DSB, the work with establishing a safety management system covering all operating areas has been commenced.

DSB endeavours to simplify, enhance the efficiency of and harmonise the processes. There is also a wish to generally increase the quality of the work and the transparency of the processes. Therefore, it has been decided to establish an integrated safety and quality management system to ensure renewal of the safety certificates, which will also be certified according to ISO 9001.

The purpose of the project is to ensure that DSB's safety management system fulfils the requirements made on such a system today. The upgraded safety management system must apply to all the operating areas and be implemented so that renewal of the safety certificates can take place based on the upgraded system within the time frame agreed with the Danish Transport Agency. Now that DSB and S-tog a/s have merged, S-tog will be covered by DSB's safety certificate. DSB Øresund A/S is an independent legal entity which requires its own safety certificate. It has been agreed with the Danish Transport Agency that this certificate must be renewed together with DSB's certificate. The plan for the project is that the safety management system must be ready for the Danish Transport Agency's renewal inspection by the end of 2014. The present certificates expire on 8 June 2015. Certification according to ISO 9001 will be planned subsequently.

The work with the safety management system aims to ensure that the responsibility for and the work with safety is rooted broadly in the entire corporation. The work will require the involvement of the entire organisation and will at the same time provide a basis for discussing and focussing on the safety culture.

In 2013 it was decided to work towards a common incident registration system in DSB. Project responsibility was assigned to the safety area with a view to ensuring that the processes for recording safety incidents are robust. The purpose is to have one system for recording incidents so that every incident is recorded the first time it is ascertained and only once. This will ensure uniform recording and one single database for use when processing the incidents, which will also provide an improved basis of analysis with a possibility of integrated risk management.

Risk management

In order to be able to deliver a punctual quality product to customers and owners, DSB necessarily has to assume certain risks. Risks are uncertainties related to future expectations and may have a broad effect on DSB in terms of punctuality, economy, safety and reputation.

In 2013 DSB launched a risk management initiative which through a common methodology aims to ensure that DSB understands the risks associated with everything DSB does, that stability is achieved and that DSB keeps it promises, while constantly striving to improve its economy through balancing risk and profit.

The risk management is centrally coordinated in DSB's finance department, while the practical handling of the risks is rooted in the business through a clear distribution of ownership and responsibility for handling risks.

Risk management is a theme in all vital business processes, including approval and completion of investments, acquisition of trains for the future, the rolling stock strategy and the Signal Programme. In order to ensure transparency in connection with all risks in DSB, ongoing reporting takes place to the Audit Committee and the Board of Directors.

Rolling stock and infrastructure
The future acquisition of trains for the future also exposes DSB to risks that are naturally connected with large acquisitions of trains. These risks are handled in the project organisation and their management is strengthened through the interaction with risk management across DSB's organisation.
Risks are also associated with DSB's existing train fleet. The need for components for the IC4 trains is associated with uncertainty as the faults that will occur in the future and the scope of maintenance may not be as expected. The supply of components is limited due to a narrow range of suppliers. DSB seeks to handle this risk through a robust spare parts planning in DSB Vedligehold.

Commercial risks
DSB competes with other means of transport for the passengers' favours, but will at the same time work to ensure optimised cooperation and effective coordination of services to the customer's advantage. This means that DSB has to accept risks in order to be able to develop a competitive product. This way, DSB can experience negative as well as positive impact depending on the deployment of Rejsekortet and the development in the Kort & Godt shops.

In the long run, DSB also runs the risk of losing lines to other operators. DSB counters this risk through its work with "Healthy DSB", which aims to ensure that the advantages of one big train operator can be realised.

Political risks
In connection with the renegotiation of DSB's contract with the Danish state, in the spring of 2014, the train services of the future will be a natural part of the political debate. DSB handles this risk by remaining competitive by means of a punctual core product and a healthy economy.

Operational risks
The train is a very safe means of transport. Yet, there is nevertheless a risk of accidents happening. DSB handles this risk through a systematic managerial and operational focus on railway safety. DSB does not pursue business objectives that can only be pursued at the expense of safety.

The weather still poses a significant risk when it comes to punctual trains in Denmark. Denmark experienced two storms in 2013 with extensive consequences for train services. Among other things, DSB handles this constant risk through close cooperation with Rail Net Denmark and aiming to always be prepared.

DSB will continuously look for efficiency enhancements as a necessity in strengthening its competitive power, and in order to secure resources in the future to keep focus on strengthening the customer's positive experience. The risks associated with changing the business are constantly monitored.

Financial risks
In connection with the ongoing operations and financing, the corporation is affected by the development and pricing on the financial markets. The financial risks and accounting for such are described in detail in the annual accounts.

Generally, the financial markets have been very unpredictable and DSB makes ongoing adjustments to the changed market conditions.

Corporate governance

Recommendations for corporate governance
As an independent public corporation DSB follows the state's recommendations for corporate governance as they appear from the publication "The State as Shareholder". The publication contains guidelines for the management of state corporations, including requirements, expectations and recommendations for corporate governance. The publication "The State as Shareholder" is available on the website of the Ministry of Finance, www.fm.dk.

In addition, DSB follows the recommendations of the Committee for Corporate Governance. DSB endeavours to comply with the recommendations to the extent they are relevant to DSB and in a way that ensures that DSB is also in compliance with the state recommendations and the Danish DSB Act. The recommendations of the Committee for Corporate Governance are available on the website www.corporategovernance.dk.

As a consequence of DSB's status as an independent public corporation, some of the recommendations of the Committee for Corporate Governance are found not to be relevant to DSB. These recommendations particularly concern the relationship with investors, recommendations regarding share structure, and equity and warrant compensation plans as well as recommendations regarding election and eligibility for DSB's Board of Directors.

Openness and transparency

Communication
DSB aims to make the dialogue between the corporation and its stakeholders (owner, customers, partners and employees) as open and broad as possible, and ensure that communication is easy, factual and professional. DSB has a stakeholder management policy developed in collaboration with the owner.

The customer ambassador
DSB's customer ambassador considers customer complaints as well as takes up cases of his/her own accord. The purpose of the customer ambassador is to help ensure that DSB's customers get the service to which they are entitled as customers. The customer ambassador considers enquiries from customers who have previously had their case considered by DSB, but who do not feel that they have received a satisfactory reply to their complaint. The customer ambassador submits half-yearly situation reports to DSB's Executive Board.

Publication of important matters
DSB is under an obligation to notify the Danish Business Authority about all important matters in relation to the corporation which may be presumed to be of importance to DSB's future, owner, creditors or employees. All such notices are submitted electronically via the website www.offentlige-selskaber.dk.

Annual and interim reports
As an independent public corporation DSB's financial reporting is required to be in compliance with Section 102 of the Danish Financial Statements Act.

DSB's annual report is audited by a state-authorised public accountant and by the Auditor General. Furthermore, the Auditor General audits DSB's accounts according to the rules on audit of the state accounts etc.

DSB's Board of Directors is required to publish quarterly and interim reports pursuant to the requirements of Part 16 of the Danish Financial Statements Act. The quarterly and interim reports must be submitted to the Minister of Transport and to the Danish Business Authority.

DSB holds quarterly meetings with the Minister of Transport. At these meetings i.a. the corporation's financial situation is discussed, pursuant to Article 7.2 of the Articles of Association.

The Ministry of Transport lays down DSB's accounting regulations in pursuance of Section 7(1) of the Danish Act on the Railway. The last version came into force on 5 December 2012.

Reporting on corporate social responsibility
Pursuant to Section 99 a of the Danish Financial Statements Act DSB is as an independent public corporation required to draw up a report on how the corporation approaches its corporate social responsibility. Among other things, the report must include information about DSB's corporate social responsibility policies and how it puts its corporate social responsibility policies into practice. For 2013 the report is incorporated in the Annual Report. DSB also draws up a separate annual environmental report which is published on www.dsb.dk.

Ethics
DSB's management has, in cooperation with the unions and a number of business areas, drawn up some ethical rules that apply to all DSB's employees. The rules describe how DSB cooperates with external partners, how DSB deals with attempts at bribery, DSB's views on presents and entertainment/events, the rules governing support to charity as well as DSB's expectations with regard to all employees' integrity and impartiality.

In 2013 DSB established a whistleblower function managed by the head of the internal audit department who reports to the Audit Committee. By means of the whistleblower function DSB's employees can anonymously report suspicions of irregular conduct such as e.g. violation of DSB's ethical rules or financial fraud. In 2013 five reports were submitted. None of these are assessed to have material consequences for DSB.

Diversity
In 2013 DSB's Board of Directors established target figures for the underrepresented gender on the Board of Directors. As an independent public corporation DSB is covered by Section 11(2) of the Danish Gender Equality Act from which it appears that the Board of Directors of

the corporation should have an equal gender balance, i.e. minimum one-third of the underrepresented gender. This is in compliance with the current composition of the Board of Directors.

DSB's activities aimed at ensuring diversity at all management levels are described in the section on "Diversity" in "Corporate Social Responsibility".

Public access
DSB's Annual Meeting, which corresponds to the annual general meeting in a limited liability company, is open to the press.

The Minister of Transport, the Board of Directors, the Executive Board and DSB's auditors participate in DSB's Annual Meeting. A chairman appointed by the Minister of Transport presides over the Annual Meeting. The ordinary Annual Meeting is held every year before the end of April.

Furthermore, DSB's Articles of Association and Annual Reports are published on www.dsb.dk.

According to the Danish DSB Act, the Danish Act on Public Access to Documents on Public File, the Danish Public Administration Act and the Danish Act on the Parliamentary Ombudsmand apply to the railway activities carried out by DSB as part of its provision of negotiated traffic.

DSB regulation
At the end of 2012 the updated and amended Danish DSB Act came into force. In this connection DSB has, in cooperation with the Danish Ministry of Transport, revised and updated DSB's Articles of Association which were adopted at an Extraordinary Annual Meeting on 21 November 2013. Furthermore, the Board of Directors adopted revised and updated rules of procedure for the Board of Directors and instructions to the Executive Board in 2013.

Management committees
In 2012 DSB set up an Audit Committee and a Remuneration Committee. In 2013 DSB established a Rolling Stock Committee.

The Audit Committee has the following members:
Carsten Gerner, chairman
Lars Andersen
Andreas Hasle

The Remuneration Committee has the following members:
Annette Sadolin, chairman
Lilian Merete Mogensen
Peter Schütze

The Rolling Stock Committee has the following members:
Helge Israelsen, chairman
Peter Schütze
Preben Steenholdt Petersen

DSB's management

The Board of Directors, election and eligibility
DSB's Board of Directors consists of directors elected by the Minister of Transport at the ordinary Annual Meeting as well as by directors elected by the employees of DSB.

The directors elected by the Minister must be elected based on social, managerial and business considerations so that the Board of Directors as a whole represents knowledge about transport issues.

The directors elected by the employees are elected in accordance with the provisions regarding election of employee representatives and their alternates of the Danish Companies Act, including the rules governing group representation and eligibility.

Every year the Chairman of the Board of Directors carries out a self-evaluation of the work of the Board of Directors, of the individual members of the Board of Directors and of the overall competencies of the Board of Directors. In addition to complying with the corporate governance recommendations the purpose was to identify possible improvement possibilities for the work of the Board of Directors and consequently its value creation. The special competencies of the Board of Directors are described on www.dsb.dk.

The directors are elected for a period of two years. Re-election may take place for a period of one year or more. The Minister of Transport may at any time remove the directors elected by him at an Annual Meeting.

Composition of the Board of Directors 2013
In 2013 nine directors served on DSB's Board of Directors, of whom six had been elected by the Minister of Transport and three by the employees. A list of DSB's Board of Directors is available in the section "About DSB".

Tasks and responsibilities of the management
The Board of Directors is in charge of the general and strategic management of DSB's affairs. The Board of Directors employs and dismisses the Executive Board and specifies its terms of employment. DSB's Articles of Association include a detailed description of the tasks of the Board of Directors.

The Executive Board consists of one or more executive officers who are notified to the Danish Business Authority. The Executive Board is in charge of the day-to-day management of DSB.

Events after 31 December 2013

As of 1 March 2014 DSB will not be operating Krösatågstrafiken in Sweden anymore. The Swedish transport authorities have decided to transfer the operation of Krösatågstrafiken to Veolia due to disagreements regarding the future economy of operations. This early termination of the contract between DSB Småland AB and the Swedish transport authorities is possible according to an agreement from 2012. When the operation of Krösatåg has been transferred to Veolia, DSB has one activity left in Sweden, Upptåget (DSB Uppland), which contract expires in 2020.

Other than the above, no events have occurred after 31 December 2013 which in the opinion of the management have a significant impact on the assessment of the Annual Report for 2013.

Other matters

At the beginning of February 2014, Inger Ørum Kirk retired from the position as Executive Vice President of HR. Susanne Mørch Koch took over responsibility as Executive Vice President of HR, in addition to being Executive Vice President of Commercial.

Announcements to the Danish Business Authority

22 March 2013
Filing of announcement of the financial results 2012

2 April 2013
Filing of notice convening the Annual Meeting on 16 April 2013

14 May 2013
Filing of notice of merger of DSB S-tog a/s and DSB SOV

14 May 2013
Filing of announcement of accounts for the first quarter 2013

24 May 2013
Filing of minutes of the ordinary Annual Meeting

23 August 2013
Filing of announcement of interim report 2013

15 November 2013
Filing of notice convening extraordinary Annual Meeting

21 November 2012
Filing of announcement of accounts for the
first three quarters of 2013

Management statement and Auditors' reports

Management statement
The Board of Directors and the Executive Board have today discussed and approved the Annual Report of DSB for 2013.The Annual Report is presented in accordance with the Danish Financial Statements Act and the Danish DSB Act. We consider the accounting policies applied to be appropriate. Accordingly, the Annual Report gives a true and fair view of the Group's and the parent corporation's assets, liabilities and financial position at 31 December 2013 and of the results of the Group's and the parent corporation's operations and the consolidated cash flows for the financial year from 1 January to 31 December 2013.

It is also our view that the management's review contains a well-founded assessment of the developments in the Group's and the parent corporation's activities and financial conditions, the profit for the year and the Group's and the parent corporation's financial position in general and a description of the most important risks and uncertainty factors to which the Group and the parent corporation are subject.

The Annual Report is recommended for approval by the annual meeting.

Taastrup, 28 February 2014

Executive Board

Jesper Lok
CEO

Stig Pastwa
CFO

Board of Directors

Peter Schütze
Chairman

Annette Sadolin
Vice Chairman

Lars Andersen

Carsten Gerner

Helge Israelsen

Lilian Merete Mogensen

Andreas Hasle

Hans Christian Kirketerp-Møller

Preben Steenholdt Pedersen

To the Board of Directors

Report on the consolidated annual accounts and the annual accounts of the parent corporation

We have audited the consolidated annual accounts and the annual accounts of the independent public corporation DSB for the financial year from 1 January to 31 December 2013, comprising accounting policies, profit and loss account, balance sheet, equity statement and notes to the annual accounts for the Group as well as for the parent corporation and the consolidated cash flow statement. The consolidated annual accounts and the annual accounts of the parent corporation are presented in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act.

Management's responsibility for the consolidated annual accounts and the annual accounts of the parent corporation

Management is responsible for the preparation of consolidated annual accounts and annual accounts of the parent corporation that give a true and fair view in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act. Management is also responsible for such internal controls as management determines are necessary to enable the preparation of consolidated annual accounts and annual accounts of the parent corporation that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated annual accounts and the annual accounts of the parent corporation based on our audit. We conducted our audit in accordance with international standards on auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated annual accounts and the annual accounts of the parent corporation are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence of the amounts and disclosures in the consolidated annual accounts and the annual accounts of the parent corporation. The audit procedures selected depend on the auditor's assessment, including the assessment of the risk of material misstatement in the consolidated annual accounts and the annual accounts of the parent corporation, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the independent public corporation DSB's preparation of consolidated annual accounts and annual accounts of the parent corporation 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 independent public corporation DSB's internal controls. An audit also includes evaluating the appropriateness of the accounting policies applied and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual accounts and the annual accounts of the parent corporation.

We believe that the audit evidence 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 annual accounts and the annual accounts of the parent corporation give a true and fair view of the Group's and the independent public corporation DSB's assets, liabilities and financial position at 31 December 2013 and of the results of the Group's and the independent public corporation DSB's operations and the consolidated cash flows for the financial year from 1 January to 31 December 2013 in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act.

Statement on the management's review
In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated annual accounts and the annual accounts of the parent corporation. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated annual accounts and the annual accounts of the parent corporation.

Taastrup, 28 February 2014

Internal audit

Michael Ravbjerg Lundgaard
Group Internal Auditor

The independent auditors' report

To the Minister of Transport

Report on the consolidated annual accounts and the annual accounts of the parent corporation

We have audited the consolidated annual accounts and the annual accounts of the independent public corporation DSB for the financial year from 1 January to 31 December 2013, comprising accounting policies, profit and loss account, balance sheet, equity statement and notes to the annual accounts for the Group as well as for the parent corporation and the consolidated cash flow statement. The consolidated annual accounts and the annual accounts of the parent corporation are presented in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act.

Management's responsibility for the consolidated annual accounts and the annual accounts of the parent corporation

Management is responsible for the preparation of consolidated annual accounts and annual accounts of the parent corporation that give a true and fair view in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act. Management is also responsible for such internal controls as management determines are necessary to enable the preparation of consolidated annual accounts and annual accounts of the parent corporation that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Further, it is management's responsibility that the transactions comprised by the consolidated annual accounts and the annual accounts of the parent corporation are in accordance with the transport contracts, legislation and other regulations as well as agreements entered into and general practice.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated annual accounts and the annual accounts of the parent corporation based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit legislation as well as generally accepted public auditing standards pursuant to the Danish Auditor General's Act. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated annual accounts and the annual accounts of the parent corporation are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence of the amounts and disclosures in the consolidated annual accounts and the annual accounts of the parent corporation. The audit procedures selected depend on the auditor's assessment, including the assessment of the risk of material misstatement in the consolidated annual accounts and the annual accounts of the parent corporation, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the independent public corporation DSB's preparation of consolidated annual accounts and annual accounts of the parent corporation 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 independent public corporation DSB's internal controls. An audit also includes evaluating the appropriateness of the accounting policies applied and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated annual accounts and the annual accounts of the parent corporation.

Further, the audit comprises an assessment as to whether business procedures and internal controls have been established to ensure that the transactions comprised by the annual accounts are consistent with the transport contracts, legislation and other regulations.

We believe that the audit evidence 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 annual accounts and the annual accounts of the parent corporation give a true and fair view of the Group's and the independent public corporation DSB's assets, liabilities and financial position at 31 December 2013 and of the results of the Group's and the independent public corporation DSB's operations and the consolidated cash flows for the financial year from 1 January to 31 December 2013 in accordance with the provisions applying to reporting class D enterprises under the Danish Financial Statements Act and with the Danish DSB Act. Further, it is our opinion that business procedures and internal controls have been established to ensure that the transactions comprised by the annual accounts are consistent with the transport contract, legislation and other regulations.

Statement on the management's review
In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated annual accounts and the annual accounts of the parent corporation. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated annual accounts and the annual accounts of the parent corporation.

Taastrup, 28 February 2014

KPMG
Statsautoriseret Revisionspartnerselskab

Jesper Koefoed
State Authorised Public Accountant

Torben Bender
State Authorised Public Accountant

The National Audit Office of Denmark

Lone L. Strøm
Auditor General

Tina Mollerup Laigaard
Head of Office

Accounting policies

The Annual Report of the Independent Public Corporation DSB was prepared in accordance with the provisions of the Danish Financial Statements Act for Class D companies and the Danish DSB Act.

The Annual Report has been prepared in accordance with the same accounting policies as the Annual Report for 2012.

Presentation
With effect from 1 January 2013 DSB S-tog a/s merged with DSB with DSB as the continueing corporation. The merger has no impact on the comparative figures for 2012 for the Group. For the parent corporation, however, the merger has impacted the comparative figures for 2012, including Total assets and Total liabilities. The comparative figures for the parent corporation have been restated according to the pooling of interests method.

The parent corporation's domicile property in Sølvgade was sold in 2013 with passing of the risk in 2014. Therefore, the presentation of the property has been reclassified from Land and buildings under Tangible assets to Current assets under the item Domicile property – sold.

Basic assumptions for the financial reporting
DSB SOV's transport contracts with the Ministry of Transport expire at year-end 2014. DSB is currently negotiating with the Ministry of Transport for the conclusion of new contracts from 1 January 2015. Management is of the opinion that a new contract can be concluded on financial terms which, considering the financial reporting for 2013, will not entail any negative impact, including the existence of an appropriate basis for the continued operation and use of the corporation's invested capital and employees. The Annual Report for 2013 is presented on this basic assumption.

General comments on recognition and measurement
The accounts are prepared on a historical cost basis.

All amounts are measured in Danish kroner (DKK). All other currencies are regarded as foreign currencies.

Consolidated annual accounts
The consolidated annual accounts comprise the parent corporation DSB and Group companies in which the DSB Group has a controlling influence. Companies that are not Group companies, but in which the DSB Group holds 20 percent or more of the voting rights and exercises significant influence on the operational and financial management of these companies are associated companies.

Companies owned and operated jointly with others and where the parties together exercise a controlling influence (joint ventures) are consolidated on a pro rata basis.

The consolidated annual accounts include the annual accounts of the parent corporation, Group companies (subsidiaries and joint ventures) and associated companies presented according to the accounting policies of the Group. Accounting items of a similar nature are combined and subsequently intragroup income and expenses, intragroup balances and dividends as well as intragroup profits and losses on transactions are eliminated.

Acquisitions of new companies are accounted for using the purchase method, according to which the identifiable assets and liabilities of the newly acquired companies 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 company in connection with the acquisition. The tax effect of the revaluation is taken into account.

Any excess of the cost of the acquisition over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised systematically in the profit and loss account based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair value of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired companies, is recognised in the balance sheet as provisions and recognised in the profit and loss account as the losses or costs are realised or transferred to Other provisions as the provisions crystallise and can be reliably stated.

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

DSB's investments in Group companies (subsidiaries and joint ventures) are offset against the Group companies' equity value at the time of acquisition (the past equity-method). The annual accounts used for consolidation are prepared in accordance with the Group's accounting policies. Subsidiaries' accounting items are fully recognised in the consolidated annual accounts. The minority interests' proportionate share of the subsidiaries' profit and equity is recognised as separate items in the profit and loss account and balance sheet. The Group's share of joint ventures' revenue and expenses, assets and liabilities is recognised line by line in the consolidated accounts. Intragroup profits and losses are eliminated on a pro rata basis.

Investments in associated companies are measured according to the equity method at the Group's proportionate share of the equity of the company. Intragroup profits and losses are eliminated on a pro rata basis. The proportionate shares of the associated companies' profits/losses after tax are included in the profit and loss account.

Newly acquired companies are included in the consolidated annual accounts with effect from the time of acquisition and companies sold or liquidated are included until the time of divestment or date of liquidation.

Comparative figures are not restated for newly acquired, sold or liquidated companies or activities.

Gains or losses related to the sale or liquidation of Group and associated companies are stated as the difference between the sales price or settlement price and the carrying amount of the net assets at the time of sale, including non-amortised goodwill and expected costs of sale or liquidation.

Foreign currency translation
Transactions denominated in foreign currencies are translated on initial recognition using the exchange rate on the transaction date. Differences between the exchange rate on the transaction date and the exchange rate on the payment date are recognised in the profit and loss account under Net financials.

Receivables, liabilities and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the rate when the account receivable or liability came into existence or was recognised in the latest annual report is recognised in the profit and loss account under Net financials.

With regard to the recognition of foreign Group companies (subsidiaries and joint ventures) and associated companies in foreign currencies, these are considered independent units. Their profit and loss accounts are translated using the average exchange rate and their balance sheet items are translated using the exchange rate at the balance sheet date. Exchange rate differences arising from the translation of foreign Group companies' equity at the beginning of the year to the exchange rate at the balance sheet date and in connection with the translation of the profit and loss accounts from average exchange rates to the exchange rate at the balance sheet date are taken directly to equity.

Derivative financial instruments
Initial recognition of derivative financial instruments is made in the balance sheet at cost and they are subsequently measured at fair value. Positive and negative changes in fair values of derivative financial instruments are included as receivables or liabilities.

Changes in the fair value of derivative financial instruments which are classified as and meet the criteria for hedging of the fair value of a recognised asset or recognised liability are recognised in the profit and loss account together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments which are classified as and meet the conditions for the hedging of future transactions are taken directly to equity. On realisation of the hedged position, income and costs relating to such hedging transactions are transferred from equity and recognised in the same accounting item as the hedged position.

In respect of derivative financial instruments which do not meet the conditions for treatment as hedging instruments, changes in the fair value are recognised in the profit and loss account on an ongoing basis.

Profit and loss account

Net turnover
Passenger revenues are recognised at the time of transport. Provision is made in respect of the value of tickets sold that have not been used/expired at the balance sheet date. Discounts in connection with the sale and payments relating to the Travel Guarantee Scheme are deducted from the net turnover.

Revenue from transport contracts is recognised over the periods to which it relates, when the revenue can be reliably measured and is expected to be received.

Revenue for services is recognised as the services are rendered.

The recognition criterion for other goods, including commissions, is when delivery has taken place and the risk has passed.

Work performed by the enterprise and capitalised
This item includes work performed by the enterprise and capitalised in connection with the carrying out of i.a. major maintenance inspections of train sets. The value is measured based on registered expenses for performance of the work paid in the form of own work etc. The item also includes directly attributable expenses and a proportionate share of indirect production costs.

Other operating income
Other operating income includes income of a secondary nature in relation to the railway business, including compensation and damages, when they can be reliably measured and are expected to be received.

Cost of raw materials and consumables
Cost of raw materials and consumables includes the year's purchases and the year's change in the inventory of raw materials and consumables as well as cost of goods sold in shops and trains etc.

Other external expenses
Other external expenses primarily include expenses of a primary nature in relation to the railway business – for instance, Infrastructure charges, Leasing of rolling stock etc., Non-deductible VAT and Administrative expenses.

DSB has the right to deduct part of the purchase VAT because the Group engages in activities that are both subject to and not subject to VAT. The non-deductible part of the input VAT is included in the profit and loss account and in the balance sheet items.

Staff expenses
Staff expenses include wages and salaries, remuneration, pension contributions and other

staff expenses relating to the corporation's employees, including the Executive Board and the Board of Directors. DSB pays pension contributions for public servants to the state, which has the pension obligation. The pension obligation for other employees is covered by defined contribution schemes.

Profit/loss in Group and associated companies
The proportionate share of the profit/loss after tax of the individual Group company (subsidiaries and joint ventures) is included in the profit and loss account of the parent corporation after elimination of the share of intragroup profits/losses and deduction of any amortisation of goodwill.

The proportionate share of the profit/loss after tax of the associated companies is included in the profit and loss account of the parent corporation and the Group after elimination of the share of intragroup profits/losses and deduction of any amortisation of goodwill.

Net financials
Net financials comprise interest income and expenses, capital and exchange gains and losses relating to securities, liabilities and transactions in foreign currencies and amortisation of financial assets and liabilities.

Tax on the profit/loss for the year
DSB is covered by the Danish rules on compulsory joint taxation of the Group's Danish Group companies. The Group companies are included in the joint taxation from the time at which they are included in the consolidation in the consolidated annual accounts and until they are excluded from the consolidation.

DSB administers the joint taxation and consequently makes all corporation tax payments to the tax authorities.

The current Danish corporation tax is distributed by settlement of the joint taxation contributions between the jointly taxed companies relative to their taxable income. In this connection, any companies with a tax loss receive joint taxation contributions from companies that were able to use their tax losses to reduce their own tax profit (full allocation).

The tax for the year which comprises current corporation tax, the year's joint taxation contribution and changes in deferred tax, including differences as a consequence of changed tax legislation or rates. The year's tax is recognised in the profit and loss account with the share attributable to the profit for the year and directly in equity insofar as the share related to items entered directly on equity is concerned.

Balance sheet

Intangible assets
Intangible assets comprise acquired rights and development projects, including software.

Acquired rights in the form of transport contracts are measured at amortised cost less accumulated amortisation and write-downs.

Development projects which are clearly defined and identified, where the technical utilisation rate, sufficient resources and a potential future market or development potential in the corporation can be proven and where it is expedient to produce, market or use the project, are recognised as intangible assets if the cost can be reliably determined and there is sufficient security that future earnings can cover production, sales and administrative expenses plus the actual development costs. Other development costs are recognised as expenses in the profit and loss account as incurred.

Acquired rights and development projects, including software, are measured at cost less accumulated amortisation or at the recoverable amount, whichever is the lower.

The cost of development projects comprises costs, including wages, salaries and amortisation, which directly and indirectly can be attributed to the corporation's development activities.

Interest and borrowing expenses on loans for financing development projects are recognised in the original cost providing they relate to the development period. All other financing expenses are recognised in the profit and loss account.

Acquired rights are amortised on a straight-line basis over the remaining contract period.

Completed development projects are amortised on a straight-line basis over their expected useful lives.

The expected useful lives are:

Acquired rights	5-10 years
Strategic development projects	5-10 years
Other development projects, including software	3-5 years

The basis of amortisation is calculated taking into account the scrap value of the asset, reduced by any write-downs. Amortisation methods and expected useful lives are reviewed annually. The scrap value is fixed at the time of acquisition.

Acquisitions during the accounting year are amortised proportionately according to the time of commencement of use.

For changes in amortisation period or scrap value, the effect is recognised in future amortisation as a change in accounting estimates.

Profits and losses in respect of disposals are calculated as the difference between the sales price less sales costs and the carrying amount at the time of sale. The gains or losses are recognised in the profit and loss account under Other operating income or Other external expenses.

Tangible assets

Land and buildings, Rolling stock, Operating equipment, fixtures and fittings are measured at cost less accumulated depreciation and write-downs.

Tangible assets in progress and prepayments are measured at cost less accumulated depreciation or at the recoverable amount, whichever is the lower.

Changes and improvements adding to the value of tangible assets are capitalised.

Cost comprises the original cost and costs directly related to the original cost until the time when the asset is ready for use. With regard to own produced assets, the cost covers direct and indirect costs for materials, components, subcontractors and wages/salaries.

Prepayments on tangible assets not yet delivered are capitalised.

Interest and borrowing expenses relating to loans raised for financing in connection with the production of tangible assets, including prepayments, are recognised in the original cost if they relate to the production period. All other financing expenses are recognised in the profit and loss account.

Tangible assets are depreciated on a straight-line basis over their expected useful lives.

The expected useful lives are:

Land	Not depreciated
Buildings	30-60 years
Installations	10-15 years
Rolling stock	2-25 years
Operating equipment, fixtures and fittings	3-40 years

The basis of depreciation is calculated taking into account the scrap value of the asset, reduced by any write-downs. Depreciation methods and expected useful lives are reviewed annually. The scrap value is fixed at the time of acquisition.

Acquisitions during the accounting year are depreciated proportionately according to the time of commencement of use.

In case the depreciation period or the scrap value changes, the impact on depreciation in the future is recognised as a change of accounting estimates.

In respect of the original acquisition of the tangible asset, account is taken of the shorter useful life of part of the asset, which is why this part, already at the time of acquisition, is accounted for as a separate asset with a shorter useful life and thus shorter period of depreciation.

Costs for heavy maintenance inspection are recognised separately and depreciated over the useful life, i.e. the period until the next inspection.

Gains or losses on the disposal or scrapping of tangible assets are determined as the difference between the sales price less dismantling, sales and re-establishment costs and the carrying amount at the date of sale or scrapping. The gains or losses are recognised in the profit and loss account under Other operating income or Other external expenses.

Investments
Investments in Group companies (subsidiaries and joint ventures) and associated companies are measured according to the equity method. This means that investments are measured at the proportionate share of the companies' equity value stated according to the accounting policies of the parent corporation less or plus unrealised intragroup profits and losses.

Net revaluation of investments in Group companies (subsidiaries and joint ventures) and associated companies is transferred to the net revaluation reserve according to the equity method under equity to the extent that the carrying amount exceeds the original cost.

Investments in Group companies (subsidiaries and joint ventures) and associated companies with a negative equity value are measured at DKK 0. Receivables and other non-current financial assets regarded as part of the total investment in the company are written down by any remaining negative equity value. Receivables are written down if there is any indication of impairment.

Provisions to cover the remaining negative equity value are only recognised if the Group has a legal or actual obligation to meet the obligations of such company.

Loans to associated companies are measured at amortised cost.

Other investments are measured at fair value. If a fair value cannot be reliably measured, the investment is measured at the original cost. All fair value adjustments are recognised in the profit and loss account.

Other receivables are measured at amortised cost.

Write-down of non-current assets
The carrying amount of non-current assets is reviewed on the balance sheet date to decide whether there are any indications of impairment other than what is expressed through amortisation and depreciation. If such impairment is ascertained, an impairment test is carried out for that asset or group of assets to determine whether the recoverable amount is lower than the carrying amount; if so, a write-down is made to that lower recoverable amount. Any write-downs are recognised in the profit and loss account.

In case of subsequent reversals of write-downs as a consequence of changes in the calculated recoverable value, the value of the asset is increased to the adjusted recoverable value, but not to more than the carrying amount the asset would have had if it had not been written down for impairment.

Inventories
Fuel for trains and spare parts are measured at cost according to the average cost method. Cost comprises the purchase price plus delivery costs and any processing and other costs directly or indirectly attributable to inventories.

Goods for sale in shops etc. are measured at cost, calculated in line with the FIFO method. Cost comprises the purchase price plus delivery costs.

Obsolete inventories are written down to the net realisable value if this is lower than the cost. The net realisable value for inventories is calculated as the sales amount less completion costs and costs incurred to effect the sale and is determined with due regard for marketability, obsolescence and developments in the expected sales price.

Receivables
Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provision for bad debts is made when there is found to be an objective indication of impairment of a receivable or a portfolio of receivables. If there is an objective indication that an individual receivable is impaired, that individual asset is written down for impairment.

Receivables on which there is no objective indication of impairment at an individual level are assessed on a portfolio level for objective indication of impairment. The objective indicators used for the portfolios are based on historical loss experience.

Write-downs are stated as the difference between the carrying amount of receivables and the expected cash flow, including the realisable value of any security received.

Prepayments
Prepayments comprise incurred costs relating to subsequent accounting years. Prepayments are measured at cost.

Equity
Reserve for net revaluation according to the equity method comprises net revaluation of investments in Group and associated companies in relation to cost.

Dividends are recognised as a liability at the time of adoption at the ordinary Annual Meeting (the time of declaration). The proposed dividend for the accounting year is shown as a separate item under Equity.

Minority interests
Minority interests include hybrid capital in the form of subordinate loans to Group companies paid by minority shareholders. Subordinate loans do not carry interest and rank after unsecured creditors. There is no obligation to repay the subordinate loans other than in connection with insolvent liquidation, winding-up or other dissolution of the company. However, loans must be repaid before distribution of dividend or any other form of distribution to the shareholders of Group companies.

Provisions
Provisions are recognised when DSB as a consequence of an event that occurred at the balance sheet date at the latest has a legal obligation or an actual obligation, and it is likely that financial advantages must be given up to meet that obligation.

Provisions are recognised and measured as the best estimate of the costs necessary to liquidate the obligations. Provisions expected to become payable more than one year after the balance sheet date are measured at discounted value where this is important to the measurement.

Corporation tax and deferred tax
Current tax due and receivable is included in the balance sheet as calculated tax on the taxable income for the year adjusted for tax on the taxable income for previous years and tax paid on account.

Payable and receivable joint taxation contributions are included in the balance sheet as balances with Group companies.

Deferred tax is measured using the balance sheet liability method on all timing differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on timing differences relating to goodwill which is not deductible for tax purposes and on office premises and other items, where timing differences, apart from business acquisitions, arise at the date of acquisition without affecting either the profit/loss for the year or the taxable income. In cases where the calculation of the tax value may be made according to different taxation rules, deferred tax is measured on the basis of management's planned use of the asset or settlement of the liability.

Deferred tax assets, including the value of deferrable tax losses and net financing expenses, are recognised as an asset at the expected value of utilisation; either through elimination of tax on future earnings or by set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured based on the tax rules and tax rates of the individual countries applicable according to the legislation in force at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Together with the Group's Danish companies the administration unit DSB assumes joint and several liability for the Group's total jointly taxed income etc.

Liabilities
Liabilities are recognised at the date of borrowing at the net proceeds received after deduction of transaction costs incurred. In subsequent periods, 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 profit and loss account over the term of the loan as a financial expense using the effective interest method.

Other financial liabilities, which comprise trade payables and debt to Group companies (subsidiaries and joint ventures) and associated companies are measured at amortised cost, which usually corresponds to the nominal value.

Leasing
In terms of accounting, lease commitments are divided into finance and operating leases.

Expenses regarding operating leases are recognised in the profit and loss account over the term of the lease.

Deferred income
Deferred income covers payments received relating to income in subsequent years. Deferred income is measured at cost.

Contingent assets, contingent liabilities and other financial commitments
Contingent assets, contingent liabilities and other financial liabilities include events or situations that exist at the balance sheet date, but whose accounting effect cannot be finally determined until the outcome of one or more uncertain future events is known.

Cash flow statement
The consolidated cash flow statement is presented according to the indirect method based on the Operating profit. The cash flow statement shows the cash flow divided into operating, investing and financing activity for the year and the Group's cash at bank and in hand at the beginning and end of the year.

The cash flow statement includes the share in cash flows of pro rata consolidated companies (joint ventures).

A separate cash flow statement has not been prepared for the parent corporation as this is contained in the consolidated cash flow statement.

Cash flow from operating activities
Cash flow from operating activities is calculated as the Operating profit adjusted for non-cash operating items, net financials paid, corporation tax paid and changes in working capital. The working capital comprises Current assets less Current liabilities exclusive of items included in Cash at bank and in hand. Changes in working capital are adjusted for changes that have no effect on liquidity.

Cash flow from investing activities
Cash flow from investing activities includes purchases and sales etc. of non-current assets.

Cash flow from financing activities
Cash flow from financing activities comprises proceeds from raising loans, repayment and instalments on liabilities, capitalised interest and dividend received and paid.

Cash at bank and in hand
Cash at bank and in hand includes cash and short-term securities with insignificant exchange risk.

Segmental reporting
DSB provides segmental disclosures for business segments corresponding to the breakdown into major geographic and business entities. The segmental disclosures are in accordance with the Group's accounting policies, risks and internal management reporting.


DSB

Accounts

Profit and loss account

Parent corporation				Group	
2012	2013	Note	Amounts in DKK million	2013	2012
			Revenue		
8,866	9,297	1	Net turnover	11,356	11,098
71	107		Work performed by the enterprise and capitalised	515	508
572	624	2	Other operating income	469	514
9,509	**10,028**		**Total revenue**	**12,340**	**12,120**
			Expenses		
650	671	3	Cost of raw materials and consumables	1,777	1,705
3,612	3,952	4,5	Other external expenses	3,779	3,449
3,029	2,739	6	Staff expenses	4,002	4,610
7,291	**7,362**		**Total expenses**	**9,558**	**9,764**
2,218	**2,666**		**Profit before depreciation, amortisation and write-downs**	**2,782**	**2,356**
1,650	1,824	7	Depreciation, amortisation and write-downs	1,892	1,701
568	**842**		**Operating profit**	**890**	**655**
			Net financials		
-115	-25	8	Profit/loss after tax in Group companies	-	-
-	-	9	Profit/loss after tax in associated companies	-71	-134
80	18	10	Financial income	20	80
479	441	11	Financial expenses	453	486
-514	**-448**		**Net financials**	**-504**	**-540**
54	**394**		**Profit before tax**	**386**	**115**
		12	**Tax**		
30	73		Tax on the profit/loss for the year	78	-20
-41	19		Adjustment of tax relating to previous years	19	-45
-11	**92**		**Total tax**	**97**	**-65**
43	**486**		**Profit for the year**	**483**	**50**
			The profit for the year is allocated as follows:		
			DSB	486	43
			Minority interests	-3	7
			Profit for the year	**483**	**50**
			The parent corporation's profit is proposed for allocation as follows:		
			Dividend to the Ministry of Transport	0	56
			Transfer to equity:		
			Retained earnings	486	-13
			Total	**486**	**43**

Balance sheet – assets

Parent corporation				Group	
2012	2013	Note	Amounts in DKK million	2013	2012
		13	**Intangible assets**		
-	-		Acquired rights	12	41
181	153		Strategic development projects	153	181
278	297		Other development projects	296	282
48	48		Intangible assets in progress	49	49
507	**498**		**Total intangible assets**	**510**	**553**
		14	**Tangible assets**		
4,725	4,373		Land and buildings	5,060	5,441
12,868	13,931		Rolling stock	13,812	12,787
1,355	1,185		Operating equipment, fixtures and fittings	1,336	1,481
1,005	99		Tangible assets in progress and prepayments	118	1,065
19,953	**19,588**		**Total tangible assets**	**20,326**	**20,774**
		15	**Investments**		
1,781	1,808		Investments in Group companies	-	-
0	0		Investments in associated companies	83	114
103	103		Subordinate loan capital in Group companies	-	-
-	-		Subordinate loan capital in associated companies	247	243
1	2		Other investments/interests	2	1
830	280		Other receivables	280	830
2,715	**2,193**		**Total investments**	**612**	**1,188**
23,175	**22,279**		**Total non-current assets**	**21,448**	**22,515**
16	**18**	16	**Inventories**	**298**	**346**
-	**154**	14	**Domicile property – sold**	**154**	-
			Receivables		
295	388		Trade receivables	531	469
278	309		Receivables from Group companies	-	-
67	18		Receivable joint taxation contribution	-	-
563	574	17	Other receivables	811	928
195	225	18	Prepayments	241	216
1,398	**1,514**		**Total receivables**	**1,583**	**1,613**
14	**13**		**Cash at bank and in hand**	**26**	**26**
1,428	**1,699**		**Total current assets**	**2,061**	**1,985**
24,603	**23,978**		**Total assets**	**23,509**	**24,500**

Balance sheet – equity and liabilities

Parent corporation				Group	
2012	2013	Note	Amounts in DKK million	2013	2012
			Equity		
4,760	4,760		Contributed capital	4,760	4,760
0	10		Net revaluation reserve according to the equity method	0	0
234	1,147		Retained earnings	1,157	234
56	0		Proposed dividend	0	56
5,050	**5,917**		**Total equity**	**5,917**	**5,050**
-	-	19	**Minority interests**	**0**	**7**
5,050	**5,917**		**Total equity and minority interests**	**5,917**	**5,057**
			Provisions		
775	730	20	Other provisions	680	776
1,290	1,321	21	Deferred tax liabilities	1,187	1,191
2,065	**2,051**		**Total provisions**	**1,867**	**1,967**
			Non-current liabilities		
8,251	7,521	22	Long-term loans	7,521	8,251
-	-	22	Subordinate loan capital	7	6
1,552	1,305		Other non-current liabilities	1,305	1,553
9,803	**8,826**		**Total non-current liabilities**	**8,833**	**9,810**
			Current liabilities		
2,047	2,458	22	Current portion of non-current liabilities	2,458	2,047
1,800	600		Short-term loans	600	1,800
403	379		Credit institutions	379	403
604	770		Trade accounts payable	1,010	799
686	961		Debt to Group companies	-	-
-	5		Corporation tax	5	-
1,021	1,084	23	Other liabilities	1,505	1,437
1,124	927	24	Deferred income	935	1,180
7,685	**7,184**		**Total current assets**	**6,892**	**7,666**
17,488	**16,010**		**Total liabilities**	**15,725**	**17,476**
24,603	**23,978**		**Total equity and liabilities**	**23,509**	**24,500**
		14	Collaterals, mortgaging and public grants		
		25	Financial risks and financial instruments		
		26	Contingent assets, contingent liabilities and other financial commitments		
		27	Related parties		
		28	Accounting for compensation from AnsaldoBreda S.p.A.		
		29	Account uncertainty regarding provisions relating to DSB Øresund		
		30	Segmental reporting – primary segment		

Equity statement

Amounts in DKK million Parent corporation	Contributed capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total equity
	4.760	0	323	0	5.083
Profit/loss for the year	-	-123	110	56	43
Foreign currency translation adjustments re. Group companies	-	-7	7	-	0
Value adjustment of hedging instruments, 1 January	-	-	731	-	731
Value adjustment of hedging instruments, 31 December	-	-	-805	-	-805
Change in equity in Group companies	-	34	-36	-	-2
Transfer from distributable reserves to cover negative balance	-	96	-96	-	0
Equity at 31 December 2012	**4,760**	**0**	**234**	**56**	**5,050**
Paid dividend	-	-	-	-56	-56
Profit/loss for the year	-	-25	511	0	486
Foreign currency translation adjustments re. Group companies	-	4	-7	-	-3
Value adjustment of hedging instruments, 1 January	-	-	805	-	805
Value adjustment of hedging instruments, 31 December	-	-	-371	-	-371
Change in equity in Group companies	-	15	-9	-	6
Transfer from distributable reserves to cover negative balance	-	6	-6	-	0
Equity at 31 December 2013	**4,760**	**0**	**1,157**	**0**	**5,917**

Group	Contributed capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total equity
Equity at 31 January 2012	**4,760**	**0**	**323**	**0**	**5,083**
Profit/loss for the year	-	0	-6	56	50
Minority interests' share of profit for the year	-	-	-7	-	-7
Foreign currency translation adjustments re. Group companies	-	-	-2	-	-2
Value adjustment of hedging instruments, 1 January	-	-	731	-	731
Value adjustment of hedging instruments, 31 December	-	-	-805	-	-805
Equity at 31 December 2012	**4,760**	**0**	**234**	**56**	**5,050**
Paid dividend	-	-	-	-56	-56
Profit/loss for the year	-	0	483	0	483
Minority interests' share of profit for the year	-	-	3	-	3
Foreign currency translation adjustments re. Group companies	-	-	3	-	3
Value adjustment of hedging instruments, 1 January	-	-	805	-	805
Value adjustment of hedging instruments, 31 December	-	-	-371	-	-371
Equity at 31 December 2013	**4,760**	**0**	**1,157**	**0**	**5,917**

Cash flow statement

	Group	
Amounts in DKK million	**2013**	**2012**
Operating profit/loss	**890**	**655**
Adjustment for non-cash operating items		
Depreciation, amortisation and write-downs	1,892	1,701
Change in other provisions, net	-96	-101
Other adjustments		
Loss and gain on sale and scrapping of intangible and tangible assets	22	-120
Net financials, paid	-455	-473
Corporation tax, paid	-10	-6
Cash flow from operating activities before changes in working capital	**2,243**	**1,656**
Change in working capital		
Change in receivables	-8	47
Change in inventories	48	-6
Change in trade payables and other liabilities etc.	60	-254
Change in total working capital	**100**	**-213**
Total cash flow from operating activities	**2,343**	**1,443**
Cash flow from investing activities		
Acquisition of intangible and tangible assets, excl. capitalised interest	-1,720	-1,378
Sale of intangible and tangible assets	158	249
Acquisitions of investments	-40	-133
Investment of subordinate loan capital in associated company	-4	-6
Total cash flow from investing activities	**-1,606**	**-1,268**
Cash flow from financing activities		
Proceeds from raising long-term loans	2,444	853
Proceeds from raising short-term loans	800	1,350
Repayment of and payment of instalments on long-term loans	-1,707	-1,662
Repayment of and payment of instalments on short-term loans	-2,189	-600
Change in credit institutions	-24	-120
Invested hybrid capital	0	7
Dividend paid to owner	-56	0
Dividend paid to minority shareholder	-5	-1
Total cash flow from financing activities	**-737**	**-173**
Change in cash in bank and at hand	**0**	**2**
Cash at bank and in hand at 1 January	26	24
Cash at bank and in hand at 31 December	**26**	**26**

The cash flow statement cannot be derived directly from the profit and loss account and the balance sheet.

Notes

Note 1: Net turnover

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
		Passenger revenues specified by business areas:		
3,481	3,606	Long-distance & Regional Trains	3,606	3,481
1,290	1,366	S-trains	1,366	1,290
4,771	**4,972**	**Total passenger revenues**	**4,972**	**4,771**
3,737	3,989	Revenue from transport contracts	4,970	4,956
39	30	Sales from shops etc.	853	863
86	80	Repair and maintenance of rolling stock etc.	335	275
233	226	Leasing of rolling stock	226	233
8,866	**9,297**	**Total**	**11,356**	**11,098**

Passenger revenues in the parent corporation and group include fines to passengers travelling without a valid ticket of DKK 55 million (2012: DKK 39 million).

Note 2: Other operating income

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
243	236	Renting and leasing	138	151
11	1	Profit on sale of intangible and tangible assets	35	156
165	161	Intragroup income	-	-
64	65	Compensation regarding leasing of replacement rolling stock	65	64
89	161	Other	231	143
572	**624**	**Total**	**469**	**514**

Note 3: Cost of raw materials and consumables

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
608	634	Energy costs	727	705
22	13	Sales from shops etc.	567	575
20	24	Spare parts etc.	483	425
650	**671**	**Total**	**1,777**	**1,705**

Note 4: Other external expenses

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
459	438	Infrastructure charges	668	675
512	521	Non-deductible VAT	570	541
1,050	1,148	Repair, maintenance and cleaning etc.	511	473
340	364	Administrative expenses	535	535
204	311	Consultancy fees etc.	344	230
302	311	Renting of rolling stock etc.	307	305
169	161	Replacement services etc.	139	152
-73	-	Provision for onerous contracts etc., net	39	-73
190	172	Commissions, transport operators	60	66
79	63	Sales and marketing	64	80
27	23	Loss on sale and scrapping of intangible and tangible assets	27	36
353	440	Other external expenses	515	429
3,612	**3,952**	**Total**	**3,779**	**3,449**

Note 5: Audit fees

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
		Statutory audit:		
1.8	1.6	KPMG	2.7	3.6
0.4	0.6	The National Audit Office of Denmark	0.6	0.4
		Other assurance statements:		
0.5	0.6	KPMG	0.7	1.8
		Tax and VAT consultancy:		
0.8	0.2	KPMG	0.2	1.1
		Other services:		
3.2	1.7	KPMG	1.7	3.6
6.7	**4.7**	**Total**	**5.9**	**10.5**

Fees for external auditors appointed at the Annual Meeting and the National Audit Office of Copenhagen. The amount is inclusive of the non-deductible VAT.

Note 6: Staff expenses

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
2,363	2,194	Wages and salaries	3,280	3,747
625	480	Pensions	625	773
41	65	Other social security costs	97	90
3,029	**2,739**	**Total**	**4,002**	**4,610**

Severance pay to the Executive Board and senior executives in connection with dismissal by DSB not owing to non-performance or the like on the part of the employee does not exceed 12 months' salary. The general provisions of the Danish Public Servants Act apply to the public servants.

Insofar as public servants are concerned, pension contributions paid to the state are expensed. The pension contribution is 26 percent of the pensionable salary. For other employees, pension contributions are expensed in accordance with collective and individual agreements. Reference is also made to note 26.

DSB has concluded agreements regarding performance-related salary with a number of executive employees (primarily managers). As a basis, agreements regarding performance-related salary cannot exceed 10-20 percent for managers who are not part of the Corporate Management, while they may be up to 20-25 percent for members of the Corporate Management. At year-end 2013 the number of agreements regarding performance-related salary was 327 compared with 402 at year-end 2012. DSB is planning further reductions in 2014.

5,446	**5,069**	**Average number of full-time employees**	**7,975**	**8,818**

Note 6: Staff expenses (continued)

Amounts in DKK 1,000	2013	2012
Fees for the members of the Board of Directors:		
Peter Schütze	500.0	500.0
Annette Sadolin	300.0	300.0
Carsten Gerner	150.0	102.9
Lars Andersen	150.0	150.0
Lilian Merete Mogensen	150.0	150.0
Helge Israelsen	150.0	102.9
Andreas Hasle	150.0	150.0
Hans Christian Kirketerp-Møller	150.0	150.0
Preben Steenholdt Pedersen	150.0	150.0
Total	**1,850.0**	**1,755.8**

The list includes fees paid to the members of the Board of Directors. In 2012 a total of DKK 95,000 was paid to retired members of the Board of Directors.

Fees for the members of the Remuneration Committee:		
Annette Sadolin	100.0	66.7
Lilian Merete Mogensen	50.0	33.0
Peter Schütze	50.0	33.0
Total	**200.0**	**132.7**

The list includes fees paid to the members of the Board of Directors.

Fees for the members of the Audit Committee:		
Carsten Gerner	150.0	87.5
Lars Andersen	75.0	43.8
Andreas Hasle	75.0	43.8
Total	**300.0**	**175.1**

The list includes fees paid to the members of the Board of Directors.

Remuneration for the Executive Board		
Jesper Lok (joined on 1 May 2012) *)	4,947.5	3,115.0
Stig Pastwa (Joined on 15 August 2013)	1,072.0	-
Total	**6,019.5**	**3,115.0**

*) The remuneration is reduced as a consequence of directorships.

The above represents remuneration paid to the Executive Board. The members of the Executive Board have agreements regarding performance-related salary according to which they may receive up to 25 percent of the fixed salary. The notice period is 24 months for the CEO and 12 months for the CFO.

DSB's Board of Directors finds it essential for DSB's CEO to have a clear incentive to retain his position until the transition i.a. initiated with the efficiency enhancements has been completed and also has a clear incentive to focus on the very substantial tasks in a period when DSB is challenged on many dimensions. For this purpose, a retention bonus has been agreed corresponding to one year's salary, which will be paid in 2015. A condition for its payment is that DSB fulfils its economic objective in the strategic "Healthy DSB" programme by the end of 2014. In this connection the CEO has waived salary increases in 2013 and 2014, and it has been agreed that the CEO's notice period is increased from six to 12 months.

In 2012 and 2013 remuneration paid to the former CFO was DKK 3,019,400 and DKK 3,307,700, respectively. The remuneration is affected by the fact that the CFO was acting CEO for a period as well. Remuneration paid to two former CEOs and one former CFO totalled DKK 6,567,800 in 2012.

Note 7: Depreciation, amortisation and write-downs

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
-	-	Acquired rights	29	6
47	28	Strategic development projects	28	47
92	100	Other development projects	103	94
210	200	Land and buildings	227	238
1,164	1,256	Rolling stock	1,236	1,153
242	240	Operating equipment, fixtures and fittings	269	268
-105	-	Tangible assets in progress and prepayments	-	-105
1,650	**1,824**	**Total**	**1,892**	**1,701**

In 2011 DSB made a write-down totalling DKK 345 million regarding IC4 and IC2 train sets. In 2012 DSB changed its accounting policy regarding the treatment of the discount agreed with AnsaldoBreda in 2009. As a consequence of this change, DSB reversed a total of DKK 105 million in write-downs in 2012 with regard to acquisition costs paid for IC4 and IC2 train sets.

Note 8: Profit/loss after tax in Group companies

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
-77	-37	Profit/loss before tax in Group companies	-	-
14	9	Adjustment of profit/loss regarding previous years in Group companies	-	-
-54	3	Tax in Group companies	-	-
2	0	Adjustment of tax regarding previous years in Group companies	-	-
-115	**-25**	**Profit/loss after tax in Group companies**	-	-

Note 9: Profit/loss after tax in associated companies

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
-	-	Profit/loss before tax in associated companies	-79	-134
-	-	Adjustment of profit/loss regarding previous years in associated companies	8	-
-	-	**Profit/loss after tax in associated companies**	**-71**	**-134**

Note 10: Financial income

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
9	3	Interest on outstanding with Group companies	-	-
-	-	Interest on outstanding with associated companies	4	6
67	10	Interest compensation from AnsaldoBreda S.p.A.	10	67
4	2	Interest on bank deposits, bonds etc.	2	7
0	3	Currency exchange gains etc.	4	0
80	**18**	**Total**	**20**	**80**

Note 11: Financial expenses

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
479	441	Interest on loans, debt to credit institutions etc.	453	486
479	**441**	**Total**	**453**	**486**

Note 12: Tax

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
-	-5	Calculated tax on the profit/loss for the year	-5	-
30	-71	Change in deferred tax regarding the profit/loss for the year	-75	-20
-	-	Tax regarding internal profit	20	-
-	149	Adjustment of deferred tax from 25 percent to 22 percent	138	-
30	**73**	**Tax on the profit/loss for the year**	**78**	**-20**
-41	19	Adjustment of tax relating to previous years	19	-45
-11	**92**	**Total tax**	**97**	**-65**
		Reconciliation of tax rate:		
-25%	-25%	Tax on the profit/loss for the year	-25%	-25%
81%	-2%	Tax effect of non-taxable income and non-deductible expenses	1%	7%
-	7%	Special tax rules	8%	-
-	38%	Adjustment of deferred tax from 25 percent to 22 percent	36%	-
-76%	5%	Adjustment of tax relating to previous years	5%	-39%
-20%	**23%**	**Effective tax rate for the year**	**25%**	**-57%**
1	**0**	**Tax paid during the year**	**10**	**6**

Note 13: Intangible assets

Amounts in DKK million Parent corporation	Strategic development projects	Other development projects	Intangible assets in progress	Total intangible assets
Cost at 1 January 2013	**242**	**570**	**48**	**860**
Additions		4	124	128
Transferred		115	-124	-9
Disposals		-36		-36
Cost at 31 December 2013	**242**	**653**	**48**	**943**
Amortisation and write-downs at 1 January 2013	**-61**	**-292**		**-353**
Amortisation for the year	-28	-92		-120
Write-downs for the year		-8		-8
Disposals		36		36
Amortisation and write-downs at 31 December 2013	**-89**	**-356**		**-445**
Carrying amount at 31 December 2013	**153**	**297**	**48**	**498**
Carrying amount at 31 December 2012	181	278	48	507

Note 13: Intangible assets (continued)

Amounts in DKK million Group	Acquired rights	Strategic development projects	Other development projects	Intangible assets in progress	Total intangible assets
Cost at 1 January 2013	**57**	**242**	**584**	**48**	**931**
Additions			3	124	127
Transferred			115	-124	-9
Disposals			-37		-37
Cost at 31 December 2013	**57**	**242**	**665**	**48**	**1,012**
Amortisation and write-downs at 1 January 2013	**-16**	**-61**	**-302**	**1**	**-378**
Amortisation for the year	-5	-28	-95		-128
Write-downs for the year	-24		-8		-32
Disposals			36		36
Amortisation and write-downs at 31 December 2013	**-45**	**-89**	**-369**	**1**	**-502**
Carrying amount at 31 December 2013	**12**	**153**	**296**	**49**	**510**
Carrying amount at 31 December 2012	41	181	282	49	553

Note 14: Tangible assets

Amounts in DKK million Parent corporation	Land and buildings	Rolling stock	Operating equipment, fixtures and fittings	Tangible assets in progress and prepayments	Total tangible assets
Cost at 1 January 2013	**7,270**	**23,427**	**3,168**	**1,042**	**34,907**
Adjustment to 1 January	10	3	-4		9
Reclassification to current assets	-254				-254
Additions		919	18	688	1,625
Transferred	34	1,534	60	-1,620	8
Disposals	-28	-541	-125		-694
Cost at 31 December 2013	**7,032**	**25,342**	**3,117**	**110**	**35,601**
Depreciation and write-downs at 1 January 2013	**-2,545**	**-10,559**	**-1,813**	**-37**	**-14,954**
Adjustment to 1 January	-27		1		-26
Reclassification to current assets	100	-26		26	100
Depreciation for the year	-200	-1,223	-238		-1,661
Write-downs for the year		-33	-2		-35
Disposals	13	430	120		563
Depreciation and write-downs at 31 December 2013	**-2,659**	**-11,411**	**-1,932**	**-11**	**-16,013**
Carrying amount at 31 December 2013	**4,373**	**13,931**	**1,185**	**99**	**19,588**
Carrying amount at 31 December 2012	4,725	12,868	1,355	1,005	19,953
Cost includes capitalised interest in the amount of	2	288	11	1	302

Reclassification to current assets of net DKK 154 million concerns domicile property (Sølvgade) which has been sold and vacated, but will not be transferred to the purchaser until 2014 – "Domicile property – sold".

In 2012 a grant was received from the City of Copenhagen for establishing a footbridge in Hellerup. The grant will be recognised over the life of the asset through reduction of the monthly depreciation on the asset.

In pursuance of an agreement concluded between the Ministry of Transport and the Danish Transport Authority, DSB has acquired 10 train sets for leasing to the Danish Transport Authority for the operation of the Coastal Line/the Øresund traffic. In connection with the financing of the train sets of EUR 64 million, DSB has placed the 10 train sets with a carrying amount of DKK 514 million as collataral.

Prepayments of DKK 29 million (2012: DKK 713 million) on non-delivered rolling stock from AnsaldoBreda S.p.A. are included in the carrying amount.

Note 14: Tangible assets (continued)

Amounts in DKK million Group	Land and buildings	Rolling stock	Operating equipment, fixtures and fittings	Tangible assets in progress and prepayments	Total tangible assets
Cost at 1 January 2013	**8,331**	**23,488**	**3,666**	**1,103**	**36,588**
Adjustment to 1 January	10	3	-4		9
Foreign currency translation adjustment		-4	0		-4
Reclassification to current assets	-254				-254
Additions	15	864	26	703	1,608
Transferred	40	1,534	111	-1,676	9
Disposals	-57	-541	-134		-732
Cost at 31 December 2013	**8,085**	**25,344**	**3,665**	**130**	**37,224**
Depreciation and write-downs at 1 January 2013	**-2,890**	**-10,701**	**-2,185**	**-38**	**-15,814**
Adjustment to 1 January	-29		-1		-30
Foreign currency translation adjustment		3	0		3
Reclassification to current assets	100	-26		26	100
Depreciation for the year	-227	-1,203	-267		-1,697
Write-downs for the year		-33	-2		-35
Disposals	21	428	126		575
Depreciation and write-downs at 31 December 2013	**-3,025**	**-11,532**	**-2,329**	**-12**	**-16,898**
Carrying amount at 31 December 2013	**5,060**	**13,812**	**1,336**	**118**	**20,326**
Carrying amount at 31 December 2012	5,441	12,787	1,481	1,065	20,774
Cost includes capitalised interest in the amount of	2	288	11	1	302

Reclassification to current assets of net DKK 154 million concerns domicile property (Sølvgade) which has been sold and vacated, but will not be transferred to the purchaser until 2014 – "Domicile property – sold".

In 2012 a grant was received from the City of Copenhagen for establishing a footbridge in Hellerup. The grant will be recognised over the life of the asset through reduction of the monthly depreciation on the asset.

In pursuance of an agreement concluded between the Ministry of Transport and the Danish Transport Authority, DSB has acquired 10 train sets for leasing to the Danish Transport Authority for the operation of the Coastal Line/the Øresund traffic. In connection with the financing of the train sets of EUR 64 million, DSB has placed the 10 train sets with a carrying amount of DKK 514 million as collataral.

Prepayments of DKK 29 million (2012: DKK 713 million) on non-delivered rolling stock from AnsaldoBreda S.p.A. are included in the carrying amount.

Note 15: Investments

Amounts in DKK million Parent corporation	Investments in Group companies	Subordinate loan capital in Group com-panies	Other investments	Other receivables	Total investments
Cost at 1 January 2013	**2,194**	**103**	**2**	**830**	**3,129**
Foreign currency translation adjustment	-7				-7
Additions	40			100	140
Disposals				-650	-650
Cost at 31 December 2013	**2,227**	**103**	**2**	**280**	**2,612**
Value adjustments at 1 January 2013	**-413**	**0**	**-1**	**0**	**-414**
Foreign currency translation adjustment	4		1		5
Profit/loss for the year	-34				-34
Adjustments regarding previous years	9				9
Non paid-in capital to cover deficit	9				9
Other adjustments	6				6
Value adjustments at 31 December 2013	**-419**	**0**	**0**	**0**	**-419**
Carrying amount at 31 December 2013	**1,808**	**103**	**2**	**280**	**2,193**
Carrying amount at 31 December 2012	1,781	103	1	830	2,715

Note 15: Investments (continued)

Amounts in DKK million

Investments in Group companies:

Name	Domicile	Ownership	Share capital	Share of equity Parent corporation 2013
DSB Ejendomsudvikling A/S	Denmark	100%	DKK 100 million	1,144
Kort & Godt A/S	Denmark	100%	DKK 5.5 million	50
DSB Vedligehold A/S	Denmark	100%	DKK 28.5 million	389
DSB Rejsekort A/S	Denmark	100%	DKK 38 million	91
DSB Øresund A/S [1]	Denmark	75%	DKK 0.7 million	0
DSB Øresund Holding ApS	Denmark	70%	DKK 10 million	0
- DSB Øresund A/S [1]	Denmark	25%	DKK 0.7 million	-
DSB Sverige AB	Sweden	100%	SEK 5.1 million	77
- Roslagståg AB [2]	Sweden	60%	SEK 12.5 million	-
- DSB Uppland AB	Sweden	100%	SEK 1.1 million	-
- DSB Småland AB	Sweden	100%	SEK 1.1 million	-
- DSB Väst AB [3]	Sweden	100%	SEK 1.1 million	-
DSB UK Ltd. in liquidation	England	100%	GBP 40,000	1
DSB Deutschland GmbH	Germany	100%	EUR 25,000	56
- VIAS GmbH [4]	Germany	50%	EUR 25,000	-
- VIAS Logistik GmbH [4]	Germany	50%	EUR 25,000	-
BSD ApS	Denmark	100%	DKK 125,000	0
Total				**1,808**

[1] DSB owns 75 percent and 17.5 percent inddirectly, corresponding to a total ownership interest of 92.5 percent. The direct ownership interest of 75 percent does not entitle DSB to dividend or liquidation surplus, and DSB is consequently assessed to have an ownership interest of 70 percent in terms of accounting.

[2] The company has not had any operating activities since 7 January 2013.

[3] The company has not had any operating activities since 1 May 2012.

[4] Recognised according to the principles of proportionate consolidation.

Note 15: Investments (continued)

Amounts in DKK million Group	Investments in associated companies	Subordinate loan capital in associated companies	Other investments	Other receivables	Total investments
Cost at 1 January 2013	**300**	**243**	**2**	**830**	**1,375**
Additions	40	4		100	144
Disposals				-650	-650
Cost at 31 December 2013	**340**	**247**	**2**	**280**	**869**
Value adjustments at 1 January 2013	**-186**		**-1**		**-187**
Foreign currency translation adjustment			1		1
Profit/loss for the year	-79				-79
Adjustment of profit/loss relating to previous years	8				8
Value adjustments at 31 December 2013	**-257**		**0**		**-257**
Carrying amount at 31 December 2013	**83**	**247**	**2**	**280**	**612**
Carrying amount at 31 December 2012	114	243	1	830	1,188

Investments in associated companies: Name Amounts in DKK million	Domicile	Ownership	Share capital	Parent corporation 2013	Group 2013
Rejsekort A/S *)	Denmark	46.2%	93	-	83
Rejseplanen A/S	Denmark	48.4%	1	0	0
Total				**0**	**83**

*) DSB does not have a controlling interest in Rejsekort A/S as a consequence of the composition of voting rights and board of directors in Rejsekort A/S.

Note 16: Inventories

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
13	13	Fuel for trains	13	13
1	3	Spare parts	225	260
2	2	Sales from shops etc.	60	73
16	**18**	**Total**	**298**	**346**

Note 17: Other receivables

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
5	14	Receivables relating to sale of properties	131	254
119	134	Receivables relating to passenger revenues and contract payment	134	119
186	161	Fair value of hedging instruments	157	194
253	265	Other receivables	389	361
563	**574**	**Total**	**811**	**928**

A significant portion of Receivables relating to sale of properties at 31 December 2013 was secured in escrow accounts and subsequently paid to DSB.

Note 18: Prepayments

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
63	94	Prepaid expenses etc.	110	84
17	16	Financial instruments	16	17
115	115	Prepaid salaries and pension contributions (public servants)	115	115
195	**225**	**Total**	**241**	**216**

Note 19: Minority interests

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
		Minority interests at 1 January	**7**	**-6**
-	-	Foreign currency translation adjustments	2	0
-	-	Invested hybrid capital	0	7
-	-	Share of profit/loss for the year	-3	7
-	-	Change in minority interests' ownership interest	-1	0
-	-	Dividend to minority interests	-5	-1
-	-	**Minority interests at 31 December**	**0**	**7**

Minority interests include invested hybrid capital in the amount of DKK 42 million (2012: DKK 42 million) in the form of subordinate loans to DSB Øresund Holding ApS. The subordinate loans do not carry interest and rank after unsecured creditors. There is no obligation to repay the subordinate loans other than in connection with insolvent liquidation, winding-up or other dissolution of the company. However, the loan must be repaid before distribution of dividend or any other form of distribution to the owners of DSB Øresund Holding ApS.

Note 20: Other provisions

Amounts in DKK million Parent corporation	Capital loss in Group companies	Restructuring Staff	Onerous contracts	Other obligations	Total other provisions
Other provisions at 1 January 2013	**106**	**480**		**189**	**775**
Transferred		64		-64	0
Provisions made	9	107		2	118
Utilised		-67		-36	-103
Reversed		-35		-25	-60
Other provisions at 31 December 2013	**115**	**549**		**66**	**730**

Group		Restructuring Staff	Onerous contracts	Other obligations	Total other provisions
Other provisions at 1 January 2013		**565**	**-**	**211**	**776**
Transferred		64		-64	0
Provisions made		138	39	6	183
Utilised		-145		-40	-185
Reversed		-67		-27	-94
Other provisions at 31 December 2013		**555**	**39**	**86**	**680**

Capital loss in Group companies covers the parent corporation's obligation to cover negative balances in Group companies as a consequence of guarantees. The obligation is expected to be realised over the next 5 years.

Restructuring primarily concerns obligations regarding public servants made redundant. The provision is expected to be significantly utilised over the next 10 years.

Onerous contracts concern provisions for expected in the remaining contract period in DSB Øresund A/S (note 29).

Other obligations cover obligations regarding seconded public servants and liability in damages etc. and are expected to be realised within the next 15 years.

Note 21: Deferred tax liabilities

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
1,204	**1,290**	**Deferred tax liability at 1 January**	**1,191**	**1,157**
50	5	Adjustment at 1 January	-6	-7
24	-19	Adjustment regarding previous years	-19	45
-	-	Change in deferred tax regarding internal profit	-20	-
67	19	Change in deferred tax relating to joint taxation	-	-
-30	71	Change in deferred tax regarding the profit/loss for the year	75	20
-	-180	Adjustment of deferred tax from 25 percent to 22 percent	-169	-
-25	135	Change relating to hedging instruments	135	-24
1,290	**1,321**	**Deferred tax liability at 31 December**	**1,187**	**1,191**

		Deferred tax relates to:		
99	101	Intangible assets	102	86
1,947	1,969	Tangible assets	1,933	1,914
-7	24	Current assets	9	-11
-164	-170	Other provisions	-220	-210
12	-2	Current liabilities	-7	12
-	-180	Adjustment of deferred tax from 25 percent to 22 percent	-169	-
-	-	Tax regarding internal profit	-20	-
-209	-204	Tax loss	-224	-284
-388	-217	Net financing expenses to be carried forward	-217	-316
1,290	**1,321**	**Deferred tax liability at 31 December**	**1,187**	**1,191**

Note 22: Long-term loans and subordinate loan capital

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
1,896	2,351	Within 1 year	2,351	1,896
6,298	6,003	1-5 year(s)	6,010	6,304
1,652	2,039	After 5 years	2,039	1,652
9,846	**10,393**	**Principal after conversion to DKK**	**10,400**	**9,852**
10,298	9,979	Carrying amount at 31 December	9,986	10,304

All foreign currency loans have been converted into DKK via currency swaps.

In the Group DKK 4,222 million of the debt portfolio was raised without state guarantee (2012: DKK 4,027 million). In the parent corporation DKK 4,222 million of the debt portfolio was raised without state guarantee (2012: DKK 4,027 million). The remaining loans are all guaranteed by the Danish state, to which a guarantee commission is payable.

Note 23: Other liabilities

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
547	554	Wage and salary related items etc. payable	799	763
89	79	Fair value of hedging instruments	75	97
385	451	Other liabilities	631	577
1,021	**1,084**	**Total**	**1,505**	**1,437**

Note 24: Deferred income

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
274	274	Sold but unused tickets	274	274
95	94	Financial instruments	94	95
755	559	Other	567	811
1,124	**927**	**Total**	**935**	**1,180**

Deferred income items fall due as follows:

1,124	662	Within 1 year	670	1,180
0	265	After 1 year	265	0
1,124	**927**	**Carrying amount at 31 December**	**935**	**1,180**

Note 25: Financial risks and financial instruments

As a consequence of its operations, investments and financing, DSB is exposed to changes in interest rates, raw materials and foreign exchange risks. The financial management aims to control the financial risks in this relation.

The general framework for the financial risk management is laid down in the financial policy, which is approved by the Board of Directors. DSB has centralised the management of financial risks. The financial strategy comprises liquidity, financing, interest rate, raw materials price, foreign exchange and credit risks in relation to financial counterparties. The strategy also includes a description of approved financial instruments and exposure limits.

In accordance with the strategy DSB Finances supervises, identifies, plans and manages DSB's risks.
The management regularly supervises DSB's risk exposure and capital adequacy.

The purpose of financial hedging is to limit and control the impact of financial fluctuations on the financial markets on the profit.

There are no material changes in DSB's risk exposure or risk management compared with 2012.

Liquidity risks

It is DSB's strategy to always have sufficient capital reserves available. The aim is to always have a liquidity reserve that corresponds to the development in the expected net debt for the approved budget year plus DKK 200 million, but never less than DKK 1.0 billion. The liquidity reserve consists of liquid funds and the possibility of utilising bank facilities.

At 31 December 2013 DSB had concluded agreements regarding terminable bank facilities of DKK 1,750 million and non-terminable facilities of DKK 2,500 million to expire during the period 2014-2018 (2012: terminable of DKK 750 million and non-terminable of DKK 5,372 million to expire in the period 2013-2017). The undrawn value hereof is DKK 2,795 million (2012: DKK 3,416 million).

Note 25: Financial risks and financial instruments (continued)

DSB's financial liabilities fall due as follows:

Group	Carrying amount	Total contractual cash flows	Within 1 year	1-5 year(s)	After 5 years
At 31 December 2013					
Non-derivative financial instruments					
Long-term loans – excl. short-term portion	7,521	9,044	-	6,355	2,689
Subordinate loan capital	7	7	-	7	-
Short-term portion of long-term loans	2,458	2,612	2,612	-	-
Short-term loans	600	601	601	-	-
Credit institutions	379	379	379	-	-
Trade accounts payable	1,010	1,010	1,010	-	-
Total non-derivative financial instruments	**11,975**	**13,653**	**4,602**	**6,362**	**2,689**
Derivative financial instruments					
Interest rate and currency swaps	1,028	1,215	65	425	725
Other financial instruments	20	24	21	3	-
Total derivative financial instruments	**1,048**	**1,239**	**86**	**428**	**725**
Total financial instruments	**13,023**	**14,892**	**4,688**	**6,790**	**3,414**
At 31 December 2012					
Non-derivative financial instruments					
Long-term loans – excl. short-term portion	8,251	9,809	-	6,953	2,856
Subordinate loan capital	6	7	-	7	-
Short-term portion of long-term loans	2,047	2,325	2,325	-	-
Short-term loans	1,800	1,802	1,802	-	-
Credit institutions	403	403	403	-	-
Trade accounts payable	799	799	799	-	-
Total non-derivative financial instruments	**13,306**	**15,145**	**5,329**	**6,960**	**2,856**
Derivative financial instruments					
Interest rate and currency swaps	598	440	-24	14	450
Other financial instruments	22	26	12	14	0
Total derivative financial instruments	**620**	**466**	**-12**	**28**	**450**
Total financial instruments	**13,926**	**15,611**	**5,317**	**6,988**	**3,306**

Conditions for maturity analysis:
- All agreements regarding financial instruments entered into at 31 December 2013 (2012) are included in the analysis.
- All cash flows are undiscounted but include estimated interest payments based on the current market conditions.
- Cash flows from derivative financial instruments are presented gross, unless the counterparty has a right or an obligation to settle them net.
- Foreign currencies are converted into DKK using the exchange rates of Danmarks Nationalbank at 31 December 2013 (2012).

Contractual cash flows include future interest payments and are stated at nominal values.

Note 25: Financial risks and financial instruments (continued)

Market risks

Interest rate risks

As a consequence of financing activities DSB is exposed to fluctuations in the level of interest rates in Denmark as well as abroad. The primary interest rate exposure in connection with financing relates to fluctuations in CIBOR, LIBOR, NIBOR, EURIBOR and STIBOR. The strategy is to convert all loans so that DSB only has interest rate risks in CIBOR and EURIBOR. Interest rate risks are normally hedged through interest rate swaps where a floating-rate loan is converted into a fixed-interest loan.

Within a 12-month period the interest rate sensitivity may not exceed DKK 50 million (at an interest rate change of 1 percentage point), the debt portfolio must have a duration of between 2 and 7 years and minimum 50 percent of the debt portfolio is required to have a fixed interest.

In pursuance of the above, the weighted average duration of the net debt was 4.2 years (2012: 4.4 years) and 59 percent of the net financial liabilities had been converted into fixed-interest liabilities (2012: 59 percent). Floating-rate debt is adjusted regularly over the year.

Change in fair values

An increase in the level of interest rates of 1 percent p.a. compared with the interest rate level of the balance sheet date would have had a total positive hypothetical impact on the Profit before tax of DKK 0 million (2012: DKK 0 million) and on the Equity before tax of DKK 117 million (2012: DKK 201 million). A decline in the level of interest rates would have had a corresponding negative impact.

Floating-rate assets and liabilities

For floating-rate liquid funds, debt and financial instruments an increase in the level of interest rates of 1 percent p.a. compared with the interest rate level of the balance sheet date would have had a hypothetical negative impact on the Profit before tax and Equity before tax of DKK 27 million (2012: DKK 28 million). A decline in the level of interest rates would have had a corresponding positive impact.

Conditions for sensitivity analysis:

- Recognised financial assets and liabilities at 31 December 2013 (2012).
- The expected sensitivity is calculated according to a parallel shift of the level of interest rates at the balance sheet date by 1 percentage point.

Raw materials price risks

DSB uses fuel and electricity for its operations, which exposes DSB to price risks. Minimum 50 percent of the exposure must be hedged for the year. 100 percent of the energy price risk may also be hedged for 24 months ahead and 50 percent for up to 5 years. The hedging is carried out through conclusion of raw materials price swap agreements.

At 31 December 2013 the following hedging of the electricity consumption had been carried out: 65 percent for 2014, 24 percent for 2015, 3 percent for 2016 and 2 percent for 2017 (2012: 55 percent for 2013, 33 percent for 2014, 4 percent for 2015 and 2 percent for 2016). Similarly, 86 percent of the fuel consumption for 2014 has been hedged and 40 percent for 2015 (2012: 89 percent for 2013 and 45 percent for 2014).

The derivative financial instruments' impact on the Profit and loss account and Equity at likely fluctuations in the price of raw materials:

	Nominal		Sensitivity		
	Next year's expected consumption of raw materials	Raw materials contracts	Likely change in energy price	Hypothetical impact on profit/loss before tax	Hypothetical impact on equity before tax
At 31 December 2013					
Raw material - oil	60,047 tons	75,600 tons	10%	0	38
Raw material – electricity	346,773 mWh	274,357 mWh	10%	0	8
At 31 December 2012					
Raw material - oil	56,331 tons	75,600 tons	10%	0	40
Raw material – electricity	331,885 mWh	246,936 mWh	10%	0	8

Conditions for sensitivity analysis:

- Financial instruments which are recognised at 31 December 2013 (2012).
- All transport contracts concluded at 31 December 2013 (2012).

Note 25: Financial risks and financial instruments (continued)

Market risks

Foreign exchange risks

Foreign exchange risks are hedged on recognised financial assets and liabilities in such a way that minimum 75 percent of the risk is in DKK. In addition, there can only be risks in EUR and other currencies if they are part of the Group companies' financing or hedging of exposures from Group companies.

The most important foreign exchange exposures concern loans raised in GBP, EUR, USD, NOK, JPY and SEK that are hedged by means of derivative financial instruments, currency swaps. With this hedging DSB is not exposed to any significant foreign exchange risks from financing activities.

Other booked positions represent an immaterial part of DSB's currency exposure and future cash flow in foreign currencies is calculated for the coming 12 months, of which an average of 4-8 months is hedged.

Foreign exchange risks in connection with operations primarily relate to DSB's fuel consumption. Other foreign exchange risks in connection with trade with international counterparties are limited, except for SEK as explained below.

DSB has foreign exchange risks in connection with SEK as a consequence of its Swedish Group companies which operate under transport contracts in Sweden and a contract concluded regarding maintenance of the Swedish Øresund train sets.

DSB has equity investments in foreign Group companies, whose net assets are affected by exchange rate fluctuations in connection with translation into DKK in the consolidated annual accounts. This translation risk is not hedged.

Other than the above, DSB has no significant foreign exchange risks.

The hypothetical impact on the profit for the year and equity due to sensitivity in connection with changes in exchange rates is as follows:

	Nominal position in local currency (million)				Sensitivity in DKK million		
	Total liquid funds and receivables	Financial liabilities (not derivative financial instruments)	Derivative financial instruments to hedge future cash flows	Total	Change in exchange rate	Hypothetical impact on profit/loss before tax	Hypothetical impact on equity before tax
At 31 December 2013							
NOK	-1	-2,750	2,750	-1	10.0%	0	15
USD	-4	-328	323	-9	10.0%	-5	141
SEK	51	-3,677	3,450	-176	10.0%	-15	6
GBP	0	-16	16	0	10.0%	0	0
JPY	0	-23,000	23,000	0	10.0%	0	0
CHF	0	-50	50	0	10.0%	0	2
EUR	-6	-71	65	-12	0.5%	0	0
At 31 December 2012							
NOK	-1	-2,150	2,150	-1	10.0%	0	34
USD	0	-331	324	-7	10.0%	-4	151
SEK	17	-3,990	3,868	-105	10.0%	-9	1
GBP	0	-24	24	0	10.0%	0	0
JPY	0	-23,000	23,000	0	10.0%	0	0
CHF	0	-50	50	0	10.0%	0	3
EUR	-11	-66	68	-9	0.5%	0	0

Conditions for sensitivity analysis:
- Unchanged levels of prices and interest rates.
- Financial instruments which are recognised at 31 December 2013 (2012).

Note 25: Financial risks and financial instruments (continued)

Credit risks

Credit risks relate partly to receivables and liquid funds and partly to derivative financial instruments with a positive fair value recognised under Other receivables.

All major customers and other partners undergo regular credit rating. The credit line is fixed based on the creditworthiness of the customers and the counterparties.

DSB does not have significant risks relating to individual private customers or partners. Historically, DSB has had relatively small losses as a consequence of non-payment by customers or counterparties. DSB has certain outstanding balances with AnsaldoBreda as the supplier of IC4 and IC2 train sets etc. A bank guarantee or a parent company guarantee has been received to cover the expected credit risk.

Ageing of receivables				Maturity date		
	Value at 31.12.2013	Security received	Write-down	Within 1 year	1-5 year(s)	After 5 years
Trade receivables, excluding fines to passengers travelling without a valid ticket	360	-	39	360	-	-
Receivables regarding derivative financial contracts	437	241	-	136	264	37
Cash surplus	26	-	-	26	-	-
Subordinate loan capital in associated company	247	-	-	-	258	-
Other receivables	523	-	-	523	-	-
Receivables relating to sale of properties	131	68	-	131	-	-

Conditions for maturity analysis:

· All cash flows are based on the present market conditions.

There are no overdue receivables regarding derivative financial contracts at 31 December 2013.

Receivables from derivative financial instruments are distributed on seven counterparties, the largest receivable being DKK 80 million. All DSB's financial counterparties have a credit rating of "Investment Grade".

In pursuance of contracts with financial counterparties, DSB has access to offset exposure in financial contracts with the same counterparty. The table shows the gross receivables. Receivables from derivative financial instruments, cash surplus and deposits total DKK 531 million (2012: DKK 1,259 million) at 31 December 2013. If the access to offsetting exposure in financial contracts with financial counterparties is recognised, the receivables from these three items total DKK 150 million (2012: DKK 304 million) at 31 December 2013 instead.

DSB has received security regarding Trade receivables of DKK 5 million (2012: DKK 86 million).

Methods and conditions for calculating fair values

Derivative financial instruments

Raw materials, interest rate and currency swaps are measured according to the new present value method by discounted cash flow based on relevant observable market rates, prices and foreign exchange rates.

All financial instruments measured at fair value in the balance sheet are classified according to a fair value hierarchy with three levels. In this, financial instruments are classified according to the method used to calculate the fair value. This means that the fair value must be calculated based on quoted prices on active markets (level 1), observable input (level 2) and non-observable input (level 3). All DSB's financial instruments measured at fair value in the balance sheet are calculated according to observable input, corresponding to level 2 in the value hierarchy.

Other financial instruments

Financial instruments regarding sale and purchase of goods etc. with short credit are assessed to have a fair value corresponding to the carrying amount.

Note 25: Financial risks and financial instruments (continued)

Hedge accounting

DSB uses derivative financial instruments with the sole purpose of hedging financial risks from financial instruments and operating activities. The financial management is consequently only aimed at controlling and reducing the financial risks which are a direct consequence of DSB's operations, investment and financing.

Hedging of cash flows

Interest and currency swaps are used to hedge risks relating to the variability of cash flows as a consequence of fluctuations in the level of interest rates and foreign exchange rates.

To hedge the variability of cash flows caused by fluctuations in raw materials prices, DSB uses raw materials price swap agreements.

The effective part of the fair values of the raw materials price, currency and interest rate swap agreements at 31 December 2013 used for and complying with the conditions for hedge accounting for future transactions is recognised directly in equity until the hedged transactions are realised and consequently recognised in the profit and loss account.

Note 25: Financial risks and financial instruments (continued)

Hedge accounting:	Notional principal amount	Value adjustment recognised in equity	Fair value	Time to maturity
At 31 December 2013				
Foreign exchange and interest rate risks				
USD	1,375	-88	-259	0-5 year(s)
GBP	142	-4	-23	0-2 year(s)
NOK	708	6	-67	0-5 year(s)
EUR	485	-68	-66	0-27 year(s)
Total foreign exchange and interest rate risks	**2,710**	**-154**	**-415**	
Foreign exchange risks				
SEK	3,050	-80	-18	0-7 year(s)
JPY	1,183	-184	-530	0-27 year(s)
CHF	304	-3	48	0-2 year(s)
NOK	1,727	-68	-90	0-5 year(s)
Total foreign exchange risks	**6,264**	**-335**	**-590**	
Interest rate risks				
Floating rate	700	-24	-24	0-3 year(s)
Total interest rate risks	**700**	**-24**	**-24**	
Raw materials price risks				
Price of electricity	88	-15	-15	0-4 year(s)
Price of oil	69	-5	-5	0-3 year(s)
Total raw materials price risks	**157**	**-20**	**-20**	
At 31 December 2012				
Foreign exchange and interest rate risks				
USD	1,438	-168	-276	0-6 year(s)
GBP	218	-9	-33	0-3 year(s)
EUR	506	-106	-104	0-28 year(s)
Total foreign exchange and interest rate risks	**2,162**	**-283**	**-413**	
Foreign exchange risks				
SEK	3,371	-137	158	0-3 year(s)
JPY	1,512	-480	-497	0-28 year(s)
CHF	309	-7	49	0-3 year(s)
NOK	2,186	-106	142	0-4 year(s)
Total foreign exchange risks	**7,378**	**-730**	**-148**	
Interest rate risks				
Floating rate	1,200	-37	-37	0-4 year(s)
Total interest rate risks	**1,200**	**-37**	**-37**	
Raw materials price risks				
Price of electricity	97	-19	-19	0-4 year(s)
Price of oil	70	-2	-2	0-1 year(s)
Total raw materials price risks	**167**	**-21**	**-21**	

All financial instruments included in cash flow hedging are tested for effectiveness.
Ineffectiveness of cash flow hedging of interest rate and currency swaps recognised in the profit and loss account for 2013 amounts to DKK 2 million (2012: DKK 2 million).
Ineffectiveness for cash flow hedging of raw materials price swap agreements recognised in the profit and loss account for 2013 amounts to DKK 0 million (2012: DKK 0 million).

Note 26: Contingent assets, contingent liabilities and other financial commitments

Parent corporation			Group	
2012	2013	Amounts in DKK million	2013	2012
395	177	Contingent assets	188	395
682	511	Contingent liabilities	594	778
2,182	1,888	Other financial commitments	2,022	2,181

Contingent assets in 2012 concern the discount which DSB until the end of Q3 2013 could obtain on the purchase of spare parts etc. from AnsaldoBreda according to the agreement concluded in May 2009. DSB has recognised the discounts received in 2013 in the statement of tangible assets. Contingent assets in 2013 primarily concern the discount obtainable by DSB in connection with the settlement made in December 2012.

Contingent liabilities include guarantees of a total of DKK 290 million (2012: DKK 422 million) for DSB's Group companies. These guarantees are operating guarantees to the awarding authorities and guarantees to the lessor in connection with a train lease.

Other financial commitments include the leasing of rolling stock totalling DKK 419 million (2012: DKK 708 million) of which DKK 170 million falls due in 2014 and DKK 249 million in the years 2015-2017.

In 2012 DSB outsourced the majority of its IT operations covering IT services and support to end-users as well as operation of networks, telephony, data centres and DSB's systems. The total liability in this regard is DKK 405 million (2012: DKK 528 million), of which DKK 127 million falls due in 2014 and DKK 278 million falls due in 2015-2018.

In 2012 DSB concluded a lease for Telegade 2 in Taastrup. The lease is non-terminable by DSB for the period until 2021 for parts of the premises and 2026 for other parts of the premises. The total liability is DKK 331 million (2012: DKK 350 million), of which DKK 31 million falls due in 2014 and DKK 126 million falls due in 2015-2018.

As part of its normal business operations, DSB has service and maintenance obligations as well as purchase and selling obligations.

Other financial liabilities primarily consist in contracts regarding investment in tangible assets. The remaining purchase obligation regarding IC2 and IC4 train sets was calculated at a total of DKK 176 million (2012: DKK 344 million) before discounts at 31 December 2013.

Other matters:

The Group's Danish companies are jointly and severally liable for tax on the consolidated taxable income etc. The total corporation tax liability is DKK 5 million at 31 December 2013. Furthermore, the Group's Danish companies are jointly and severally liable for Danish withholding tax in the form of tax on dividend, royalty and interest. Any subsequent corrections of corporation and withholding taxes may mean that DSB's liability is increased.

DSB, Kort & Godt A/S, DSB Ejendomsudvikling A/S and DSB Vedligehold A/S are jointly registered for VAT and payroll tax purposes and are jointly and severally liable for payment of the Danish corporation's and companies' aggregate VAT and payroll tax liabilities.

In 2009 DSB undertook to invest up to DKK 1,000 million in parking facilities etc. via an additional agreement with the Ministry of Transport with a view to securing effective access to and from railway transport in order to increase the number of passengers over the period 2009 to 2020. The investments and related operations will be financed through sale of vacant sites and properties and, if relevant, through public or private co-financing. DSB has committed itself to financing DKK 720 million. At 31 December 2013 DSB had sold vacant sites with a profit of DKK 354 million (2012: DKK 323 million) and has invested and paid costs for operations in the total amount of DKK 177 million (2012: DKK 159 million).

DSB pays ongoing pension contributions for public servants and employees on terms similar to public servants to the state calculated as a percentage of the pensionable salary to cover the state's pension obligation for public servants. Upon retirement the state finally takes over the pension obligation. Contribution rates for the ongoing pension contributions are based on assumptions with regard to interest rate, expected retirement age, salary development and mortality etc. In certain circumstances deviations from these assumptions may result in a subsequent adjustment of the contributions in the form of an additional payment to or from the state at the time of retirement. The present contribution rate is 26 percent.

DSB has an obligation to pay availability pay for three years to public servants made redundant through no fault of their own, pursuant to section 32 of the Danish Public Servants Act. In addition, DSB has an obligation to the Agency for the Modernisation of Public Administration to pay pension costs for public servants until the expected pensionable age of 62.

There is an agreement between DSB and the minority shareholder in DSB Øresund Holding ApS to the effect that DSB is under an obligation to purchase the minority shareholder's shares if the minority shareholder wishes to sell its shares. Such a purchase will, however, be subject to certain commercial conditions. There is some uncertainty associated with the nature of the commitment and the value of the option in case it is exercised.

DSB is party to a small number of pending lawsuits. The outcome of these is not expected, individually or together, to have any significant impact on the corporation's financial position.

Note 27: Related parties

Related parties:	Basis
The Ministry of Transport	100 percent owner
Board of Directors and Executive Board	Management control

DSB's transactions with the Ministry of Transport and related agencies and institutions (primarily the Danish Transport Authority and Rail Net Denmark) comprise:

	Group	
Amounts in DKK million	2013	2012
Revenue		
Revenue from transport contracts	4,453	4,203
Bonus relating to transport contracts	11	13
Traffic revenues	6	7
Rental income and sale of repair work, goods and other services	210	209
Expenses etc.		
Infrastructure and capacity charges	668	684
Punctuality bonus to Rail Net Denmark	1	0
Guarantee commission to the Danish state	12	9
Deferred income:		
Contract payment	428	563

The above purchases of services are stated inclusive of the non-deductible share of input VAT.

Transactions with related parties took place at arm's length, including on a cost allocation basis. The transactions are disclosed as a consequence of their special nature.

Note 28: Accounting for compensation from AnsaldoBreda S.p.A.

Agreement concluded in May 2009:

In 2009 DSB concluded an agreement with AnsaldoBreda regarding compensation in connection with the contract to supply IC4 and IC2 train sets. The total compensation is DKK 2,250 million, of this DKK 1,750 million was received in cash during the period 2005 to 2010. The remaining DKK 500 million concern discounts on future purchases of spare parts and services from AnsaldoBreda. This option expired in 2013.

At year-end 2013 additional expenses for leasing of replacement rolling stock were accrued with a total of DKK 18 million (2012: DKK 84 million). The overall positive impact on operations in the form of interest and compensation regarding leasing of replacement rolling stock in 2013 totals DKK 66 million (2012: DKK 76 million).

Agreement concluded in December 2012:

In December 2012 DSB concluded an agreement with AnsaldoBreda regarding additional compensation in connection with the contract to supply IC4 and IC2 train sets. The agreement entails a waiver on DSB's part of the possibility of claiming the "Liquidated Damages Compensation" stipulated in the agreement from 2009. In return DSB obtains compensation in the form of discounts from AnsaldoBreda on future payments for services agreed in December 2012. In addition, DSB has received all the train sets ordered except for one IC4 train set in connection with which DSB has received a repayment of the prepaid amount as well as compensation according to the agreement.

The discount obtained in 2013 has reduced the acquisition price for IC4 and IC2 train sets except for a share corresponding to the financing costs paid, recognised as income under Interest income with a total of DKK 10 million (2012: DKK 67 million).

Note 29: Accounting uncertainty regarding provisions relating to DSB Øresund

A provision was made of DKK 68 million in DSB Øresund A/S, which is owned by DSB SOV (70 percent) and FirstGroup plc (30 percent) through DSB Øresund Holding ApS. The provision concerns to an onerous contract in the Group company DSB Øresund A/S, which is expected to be realised in 2014 and 2015. The provision is subject to uncertainty and has been calculated based on in-dept analyses of DSB Øresund's economy and business plans.

The total earnings impact in the consolidated annual accounts, after eliminations, has been calculated at DKK 39 million.

Management believes that the provision made represents an adequate measure and additional negative impacts are not expected in this regard.

Note 30: Segmental reporting – primary segment

Segmental disclosures are provided for business segments corresponding to the breakdown into major geographic and business entities. The segmental disclosures are in accordance with DSB's accounting policies, risks and internal management reporting.

In the DSB Group, intragroup transactions have been eliminated.

Amounts in DKK million	Long-distance & Regional Trains	S-tog	Øresund	Vedligehold	Kort & Godt	Other incl. eliminations	Other countries [1)]	DSB Group
2013								
Passenger revenues	3,606	1,366	-	-	-	-	-	4,972
Revenue from transport contracts	2,834	1,154	507	-	-	-1	476	4,970
Sales from shops etc.	30	-	-	-	976	-153	-	853
Sales of repair and maintenance of rolling stock etc.	80	-	313	1,645	-	-1,703	-	335
Leasing of rolling stock	226	-	-	-	-	-	-	226
Net turnover	6,776	2,520	820	1,645	976	-1,857	476	11,356
Other operating income and work performed by the enterprise	1,019	76	26	41	14	-254	62	984
Total revenue	7,795	2,596	846	1,686	990	-2,111	538	12,340
Total expenses	6,308	1,417	896	1,609	939	-2,118	507	9,558
Profit before depreciation, amortisation and write-downs	1,487	1,179	-50	77	51	7	31	2,782
Depreciation, amortisation and write-downs	1,227	597	-	47	4	-14	31	1,892
Operating profit/loss	260	582	-50	30	47	21	0	890
Net financials	-300	-123	1	-1	-6	-76	1	-504
Profit/loss before tax	**-40**	**459**	**-49**	**29**	**41**	**-55**	**1**	**386**
2012								
Passenger revenues	3,481	1,290	-	-	-	-	-	4,771
Revenue from transport contracts	2,523	1,215	479	-	-	-1	740	4,956
Sales from shops etc.	39	-	-	-	991	-167	-	863
Sales of repair and maintenance of rolling stock etc.	86	-	273	1,578	-	-1,662	-	275
Leasing of rolling stock	233	-	-	-	-	-	-	233
Net turnover	6,362	2,505	752	1,578	991	-1,830	740	11,098
Other operating income and work performed by the enterprise	831	82	28	26	23	-4	36	1,022
Total revenue	7,193	2,587	780	1,604	1,014	-1,834	776	12,120
Total expenses	6,119	1,442	773	1,561	996	-1,916	789	9,764
Profit before depreciation, amortisation and write-downs	1,074	1,145	7	43	18	82	-13	2,356
Depreciation, amortisation and write-downs	1,014	636	-	43	4	-4	8	1,701
Operating profit/loss	60	509	7	0	14	86	-21	655
Net financials	-319	-146	-2	-4	-6	-64	1	-540
Profit/loss before tax	**-259**	**363**	**5**	**-4**	**8**	**22**	**-20**	**115**

[1)] Includes activities in Sweden and Germany.

Profit and loss account by quarter

	2013				2012			
Amounts in DKK million	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Passenger revenues	1,183	1,316	1,188	1,285	1,105	1,211	1,190	1,265
Revenue from transport contracts	1,224	1,248	1,219	1,279	1,239	1,237	1,207	1,273
Sales from shops etc.	197	228	216	212	201	227	220	215
Sales of repair and maintenance of rolling stock etc.	69	79	75	112	76	81	73	45
Leasing of rolling stock	55	57	58	56	58	57	58	60
Net turnover	2,728	2,928	2,756	2,944	2,679	2,813	2,748	2,858
Work performed by the enterprise and capitalised	125	107	134	149	156	132	97	123
Other operating income	105	101	107	156	121	170	111	112
Total revenue	2,958	3,136	2,997	3,249	2,956	3,115	2,956	3,093
Total expenses	2,364	2,314	2,362	2,518	2,486	2,523	2,293	2,462
Profit before depreciation, amortisation and write-downs	594	822	635	731	470	592	663	631
Depreciation, amortisation and write-downs	455	458	457	522	412	478	444	367
Operating profit/loss	139	364	178	209	58	114	219	264
Net financials	-135	-128	-114	-127	-160	-150	-144	-86
Profit/loss before tax	**4**	**236**	**64**	**82**	**-102**	**-36**	**75**	**178**
Profit/loss for the period	**-7**	**191**	**156**	**143**	**-94**	**-26**	**55**	**115**
Total equity	**5,188**	**5,521**	**5,677**	**5,917**	**5,075**	**4,899**	**5,015**	**5,050**
Operating profit margin (EBITDA margin)	21.8	28.1	23.0	24.8	17.5	21.0	24.1	22.1
Return on equity (ROE) p.a.	-0.5	14.3	11.1	9.9	-7.4	-2.1	4.5	9.1
Return on invested capital after tax (ROIC after tax) p.a.	2.2	6.8	5.8	5.6	0.6	2.0	3.8	4.2

Other key figures

Number of journeys (thousand)	2009	2010	2011	2012	2013
East	24,469	23,891	24,197	24,454	23,784
West	13,941	14,425	15,207	16,285	16,772
East – West	8,175	8,370	8,652	9,027	9,001
Other [1]	917	1,155	1,112	928	908
Long-distance and regional train traffic	**47,502**	**47,841**	**49,168**	**50,694**	**50,465**
S-tog	92,035	92,995	103,771	106,842	109,160
DSB Øresund (excl. eliminations)	25,876	25,285	24,632	25,059	25,501
Total Danish activities	**165,413**	**166,122**	**177,571**	**182,595**	**185,126**
DSBFirst Sverige [2]	25,895	28,145	24,864	-	-
Eliminations	-11,112	-10,429	-10,267	-	-
Roslagsbanan [3]	11,072	10,038	9,859	11,000	-
Krösatåg [4]	-	70	828	1,094	1,193
Västtrafik [4]	-	635	12,403	4,199	-
Upptåget [5]	-	-	2,275	4,800	4,800
VIAS [6]	-	1,600	4,000	4,120	4,204
Total foreign activities (incl. eliminations)	**25,855**	**30,059**	**43,962**	**25,213**	**10,197**
Total train journeys	**191,268**	**196,181**	**221,533**	**207,808**	**195,323**
Passenger kilometres (million)	**2009**	**2010**	**2011**	**2012**	**2013**
East	1,088	1,051	1,125	1,160	1,121
West	827	923	938	986	996
East – West	1,944	2,039	2,122	2,197	2,182
Other [1]	172	171	144	152	151
Long-distance and regional train traffic	**4,031**	**4,184**	**4,329**	**4,495**	**4,450**
S-tog	1,097	1,108	1,241	1,270	1,286
DSB Øresund	531	506	493	502	510
Total Danish activities	**5,659**	**5,798**	**6,063**	**6,267**	**6,246**
DSBFirst Sverige [2]	1,393	1,329	1,174	-	-
Roslagsbanan [3]	132	127	125	129	-
Krösatåg [4]	-	3	90	94	94
Västtrafik [4]	-	19	2.347	794	-
Upptåget [5]	-	-	148	312	201
VIAS [6]	-	34	124	124	124
Total foreign activities	**1,525**	**1,512**	**4,008**	**1,453**	**419**
Total passenger kilometres	**7,184**	**7,310**	**10,071**	**7,720**	**6,665**

1) Other includes IC Bornholm and International.
2) Veolia is the new operator at 11 December 2011.
3) Arriva is the new operator at 7 January 2013.
4) Operations were taken over on 12 December 2010. SJ is the new operator of Västtrafiken at 1 May 2012.
5) Operations were taken over at 12 June 2011.
6) From 1 April 2010.

Other key figures

Total number of train kilometres (1,000 km)	2009	2010	2011	2012	2013
East	7,685	8,132	8,029	7,889	7,752
West	9,058	9,214	8,909	9,222	8,947
Long-distance traffic [1]	18,857	19,251	19,931	19,102	19,910
International trains [2]	1,316	1,328	1,325	1,369	1,373
Long-distance and regional train traffic	**36,916**	**37,925**	**38,194**	**37,582**	**37,982**
S-tog	15,471	14,661	15,180	15,521	15,833
DSB Øresund	4,507	4,708	4,782	4,334	4,772
Total Danish activities	**56,894**	**57,294**	**58,156**	**57,437**	**58,587**
DSBFirst Sverige [3]	10,719	11,608	10,483	-	-
Roslagsbanan [4]	2,400	2,824	3,034	3,100	-
Krösatåg [5]	-	120	2,200	2,460	2,364
Västtrafik [5]	-	524	8,800	3,667	-
Upptåget [6]	-	-	1,423	2,866	2,990
VIAS [7]	-	1,770	4,276	4,400	4,400
Total foreign activities	**13,119**	**16,846**	**30,216**	**16,493**	**9,754**
Total train kilometres	**70,013**	**74,140**	**88,372**	**73,930**	**68,341**

[1] Long-distance traffic in Denmark includes IC Bornholm in Denmark.
[2] International trains in Denmark, IC Bornholm in Sweden and charter trains abroad.
[3] Veolia is the new operator at 11 December 2011.
[4] Arriva is the new operator at 7 January 2013.
[5] Operations were taken over on 12 December 2010. SJ is the new operator of Västtrafiken at 1 May 2012.
[6] Operations were taken over at 12 June 2011.
[7] From 1 April 2010.

Other key figures

Rolling stock in operation [1,2,3]	2009	2010	2011	2012	2013
IC3 train sets	96	96	96	96	96
IC4 train sets [2]	16	33	55	70	82
IC2 train sets [2]	-	-	-	9	23
IR4 train sets	24	24	24	24	24
Øresund train sets [3]	1	1	1	1	1
MR train sets	65	65	65	65	53
Leased Desiro train sets	12	12	12	12	12
Desiro train sets	-	-	8	8	4
Desiro train sets from the Ministry of Transport	-	-	-	-	4
Leased ICE-TD	13	13	13	13	13
DSB Øresund – Øresund train sets [4]	84	91	97	111	111
DSB Øresund, IR4 train sets	20	20	20	20	20
Diesel locomotives – ME	35	36	36	36	33
Electric locomotives (EA)	6	6	6	6	6
S-trains (eight coach train sets)	104	104	104	104	104
S-trains (four coach train sets)	31	31	31	31	31
Roslagståg – Electric train sets	33	33	30	30	-
Krösatåg – Diesel train sets	-	15	16	13	13
Krösatåg – Electric train sets	-	-	-	4	4
Västtrafik – Electric train sets	-	60	63	-	-
Upptåget – Electric train sets	-	-	11	11	11
VIAS – Electric train sets	-	43	43	45	45
Shunting locomotives/tractors	14	16	16	16	14
Leased double-decker trains	112	112	112	112	67
Double-decker coaches	-	-	-	-	46
Passenger coaches	60	-	-	-	-

[1] Rolling stock included in the DSB Group's ongoing operations at year-end.
[2] Number of train sets delivered from AnsaldoBreda.
[3] IC Bornholm.
[4] The 111 train sets consist of 34 train sets used in Denmark and 77 train sets in a joint pool shared by Veolia and DSB. Operations are divided at the national border.

Other key figures

Number of kilometres travelled between incidents [1] (1,000 km)	2009	2010	2011	2012	2013
IC3 train sets	19.4	32.8	34.5	57.4	52.9
IC4 train sets	2.2	1.8	1.8	3,6	4.5
IR4 train sets (ER DSB)	19.7	13.2	19.2	21.8	22.8
Øresund train sets	15.3	23.0	31.1	34.0	32.0
MR train sets	19.2	18.1	18.7	20.1	20.3
Desiro train sets	16.1	12.2	16.0	12.4	15.3
Diesel locomotives – ME	6.3	6.8	12.7	26.2	32.7
Electric locomotives (EA)	4.5	3.7	11.2	15.3	21.6
S-trains	10.5	10.6	14.8	16.0	20.5

1) A technical incident regarding rolling stock which causes a delay of more than 5.59 minutes for Long-distance & Regional Trains, more than 2.29 minutes for S-tog and 4.59 minutes for Øresund.

Number of kilometres travelled between Breakdowns [1] (1,000 km)	2009	2010	2011	2012	2013
IC3 train sets	385.5	385.5	385.5	385.5	385.5
IC4 train sets	15.9	17.1	15.2	53.2	57.1
IR4 train sets (ER DSB)	114.6	81.6	127.2	129.0	140.8
Øresund train sets	51.2	86.3	118.8	162.1	169.3
MR train sets	201.2	187.0	112.3	232.8	185.2
Desiro train sets	96.7	89.1	117.4	96.3	92.0
Diesel locomotives – ME	22.7	23.0	41.0	95.5	116.9
Electric locomotives (EA)	36.5	17.0	257.4	114.5	79.3

1) An incident regarding rolling stock which causes that a scheduled train departure is not carried out or postponed at a station/Line because of a technical failure on the rolling stock.

Other key figures

Average number of full-time employees	2009	2010	2011	2012	2013
DSB inc. Ejendomsudvikling	5,974	5,881	4,750	4,443	4,214
- of this social commitment [1]	129	117	131	151	173
S-tog	1,367	1,339	1,105	1,003	862
- of this social commitment [1]	19	15	13	13	10
Kort & Godt A/S	839	738	770	736	698
- of this social commitment [1]	32	16	12	10	12
DSB Vedligehold A/S	-	-	1,372	1,448	1,423
- of this social commitment [1]	-	-	26	34	38
DSB Øresund A/S	467	514	404	355	368
Total Danish activities	**8,647**	**8,472**	**8,401**	**7,985**	**7,565**
DSBFirst Sverige AB [3]	411	522	516	-	-
DSB Sverige AB	9	49	69	15	7
Roslagståg AB [2]	241	261	278	288	5
- of this social commitment [1]	3	3	1	1	1
Krösatåg [4]	-	4	94	101	100
Västtrafik [4]	-	14	379	174	26
Upptåget [5]	-	-	40	76	85
VIAS [6]	-	61	178	179	189
Other	-	66	85	-	-
Total foreign activities	**661**	**977**	**1,639**	**833**	**412**
Total for the DSB Group	**9,308**	**9,449**	**10,040**	**8,818**	**7,977**

1) The social commitment includes schemes such as flex jobs, light jobs, rehabilitation, semi-retirement and voluntary early retirement which were introduced in 1996 to promote employment in the state labour market for persons with reduced ability to work in Denmark.
2) Arriva is the new operator at 7 January 2013.
3) The Swedish part of the Øresund traffic was taken over by Veolia at 11 December 2011. The Danish part of the Øresund traffic is subsequently operated by DSB Øresund.
4) Operations were taken over at 12 December 2010. SJ is the new operator of Västtrafiken at 1 May 2012. Until 1 September 2013 DSB operated DSB försäljningsservice Väst.
5) Operations were taken over at 12 June 2011.
6) From 1 April 2010.

Organisation entitled to negotiate (number of employees at year-end)	2009	2010	2011	2012	2013
AC	515	502	490	421	442
Individual	208	216	217	206	196
DJ	4,387	4,293	4,231	4,032	3,904
FO DSB	997	1,073	1,163	1,130	1,095
HK	2,809	2,603	2,523	2,294	2,252
Other	223	226	154	97	55
Total	**9,139**	**8,913**	**8,778**	**8,180**	**7,944**

Employee group – employment status (number of employees at year-end)	2009	2010	2011	2012	2013
Employed on a contract basis	208	216	217	206	196
Employed under a collective agreement	5,306	5,173	5,263	4,912	4,775
Hourly workers	437	510	403	431	498
Public servants	3,188	3,014	2,895	2,631	2,475
Total	**9,139**	**8,913**	**8,778**	**8,180**	**7,944**

Other key figures

Number of railway stations operated	2009	2010	2011	2012	2013
Long-distance stations, incl. joint stations	155	155	155	155	158
Long-distance stations in Denmark with seasonal stops	-	-	-	-	-
Stations outside Denmark with seasonal stops	-	-	-	-	-
S-train incl. joint stations	85	85	85	85	85
S-train joint stations with Long-distance & Regional trains	-9	-9	-9	-9	-9
S-train excl. joint stations	76	76	76	76	76
Stations in Sweden operated by Roslagsbanan	38	38	38	38	-
Stations in Sweden operated by DSBFirst	41	42	-	-	-
Stations in Sweden operated by Krösatåg	-	48	48	50	50
Stations in Sweden operated by Västtrafik	-	98	98	-	-
Stations in Sweden operated by Upptåget	-	-	16	19	19
Stations in Germany operated by VIAS	-	63	63	63	63
Total number of railway stations operated	**310**	**520**	**494**	**401**	**366**
Km line operated by DSB in Denmark	**1,668**	**1,668**	**1,668**	**1,668**	**1,668**
Km line operated by DSB in Sweden	**792**	**2,301**	**1,787**	**750**	**685**
Km line operated by DSB in Germany	**-**	**979**	**979**	**979**	**979**

Definitions of financial ratios

The financial ratios and definitions have been prepared in accordance with the 'Recommendations & Financial Ratios 2010' from the Danish Society of Financial Analysts.

Operating profit margin (EBITDA margin) = profit before depreciation, amortisation and write-downs x 100 / net turnover

Profit ratio (EBIT margin) = operating profit x 100 / net turnover

Return on equity (ROE) = profit for the year x 100 / average equity

Return on invested capital after tax (ROIC after tax) = operating profit after tax (NOPLAT) x 100 / (average total equity + average interest-bearing liabilities)

Gearing = interest-bearing liabilities / profit before depreciation, amortisation and write-downs

Solvency ratio = equity x 100 / balance sheet total

Interest cover = (operating profit + financial income) / financial expenses

”Corporate social responsibility is an integrted part of the work with creating a ”Healthy DSB””,
Jesper Lok, CEO

Corporate Social Responsibility

"Our objective is to create connections. Connection between A and B. Between work and home. Between Granny and Victor. But also connection between expenses and revenue, promise and delivery, the past and the future. Between conventional and green accounting, partners and different modes of transport. Safely, efficiently and easily."

This is DSB's basic story about DSB's objective. DSB's CSR initiatives support DSB's objective by contributing to creating connections and interrelationships and ensuring that DSB is an environmentally friendly and trustworthy corporation. With this focus, DSB reviewed its CSR activities during the course of 2013.

Framework

At DSB we have incorporated CSR in the way we work – in policies, processes and practice and in procurement, environmental considerations and in economy. DSB has en ethical policy which commits DSB to comply with the 10 universal principles of the UN Global Compact with focus on human rights and employee rights. As an integrated part of the environmental policy, DSB works actively to reduce the corporation's impact on the climate.

Memberships and partnerships

DSB joined the UN Global Compact in 2009 and contributes to the work both financially and by annually reporting on its progress.

In 2013 DSB accepted an invitation from the Minister for Employment to join the board of the Danish Business Forum for Corporate Social Responsibility which advises the Minister for Employment and has the purpose of inspiring and motivating more companies to take social responsibility. DSB has also signed the Copenhagen Diversity Charter to support the work with diversity at workplaces in Denmark.

DSB also takes CSR initiatives through a number of partnerships with associations that have public interest objectives. DSB has selected these associations based on whether they contribute to public interest objectives that are closely related with DSB's core purpose – train operation.

Livslinjen (Lifeline), an organisation working with suicide prevention, is one of DSB's selected partnerships. For three weeks in October DSB displayed posters supporting Livslinjen's anti-suicide campaign at the stations. The DSB-supported campaign resulted in a tripling of the number of people who contacted Livslinjen.

DSB also cooperates with Natteravnene ("Night Owls"), a national voluntary organisation consisting of 7,000 adults. The volunteers walk around at night in the towns and cities with the purpose of being good role models, contributing to the sense of safety and security and helping children and young people, providing joy of life and promoting integration. DSB and Natteravnene have been partners since 2008 and besides receiving financial support from DSB, the organisation's volunteers can ride all DSB trains free of charge while doing volunteer work. DSB is a member of the board of the association Socialt Ansvar, which is behind Natteravnene.

DSB also cooperates with the humanitarian associations in Denmark. Every year DSB thus permits a number of humanitarian organisations to collect money for their charitable causes and distribute material to DSB's customers at the stations. The organisations include Danmarks Indsamlingen (Denmark's 12 largest humanitarian organisations), DanChurchAid, the Danish Cancer Society, ActionAidDenmark, Save the Children Denmark, Danish Red Cross, the Danish Refugee Council and the World's Best News.

At election time in Denmark, DSB supports the democratic process by permitting the political parties and their candidates to distribute material at the stations in the period leading up to the election. This was also the case in connection with the local elections on 19 November 2013.

DSB's CSR activities are not only realised through the way we work at DSB, but also through the requirements we make on our suppliers.

DSB's ethical rules require that our suppliers comply with national and international rules regarding child labour, health and safety at work, discrimination, use of forced or involuntary labour, corruption and bribery as well as the environment.

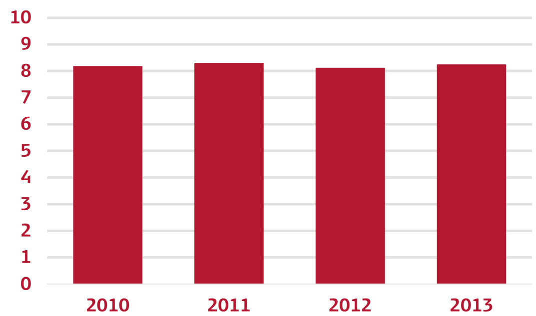
In connection with procurement procedures DSB ensures that strategic suppliers are prequalified and informed about our ethical rules. We expect the suppliers to comply with and act in accordance with these basic principles.

At the onset of 2013 unresolved issues existed in relation to three suppliers on account of a previously conducted analysis of the suppliers' ethical conduct. These issues have now been settled.

Safety and security

Fig. 1: Satisfaction with feeling safe and secure on the train

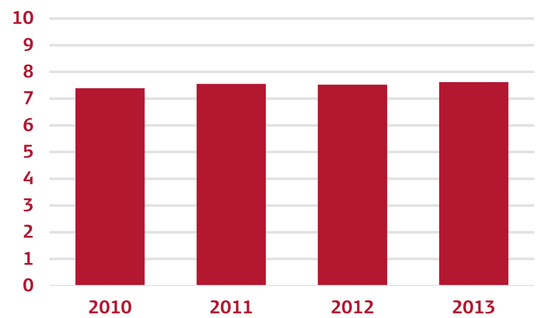
Scale 0-10



DSB has installed approx. 1,700 cameras at the stations and 3,824 in the S-trains, which contribute to creating a feeling of safety and security for DSB's customers and employees. The cameras are i.a. used to summon the police and extra staff if necessary and to help the police solve cases concerning vandalism, violence, pick-pocketing etc. In 2013 DSB's surveillance centre contributed to police investigations in 742 cases and entered into a nationwide cooperation agreement with the Danish National Police regarding the use of video etc. in connection with police investigations of 'person under train' incidents and other investigations.

Fig. 2 Satisfaction with feeling safe and secure on the station

Scale 0-10

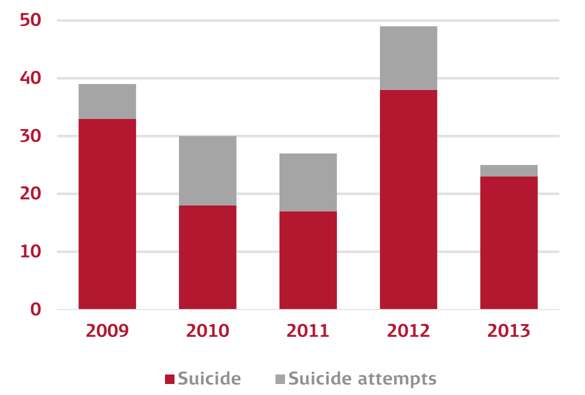


Every year DSB spends large amounts of money on removing graffiti, i.a. to create a nice and clean environment and improve the customers' sense of safety and security. To help us in the fight against graffiti, we have teamed up with a supplier of graffiti removal. The experience from this cooperation will i.a. form the basis for a tender for graffiti cleaning at approx. 85 stations in the Greater Copenhagen area.

Unfortunately, 'person under train' incidents in connection with suicide and suicide attempts are a recurring event for DSB. In addition to being a tragic event for the person and his/her family, it also affects DSB's customers and employees by way of train cancellations, delays and crisis counselling for engine drivers as well as other employees and customers who witnessed the incident.

Fig. 3: Suicide- and suicide attempts

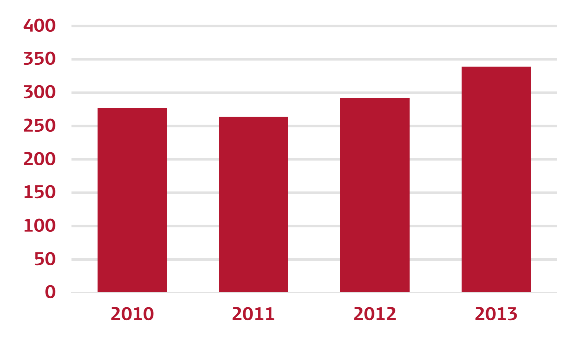
Number



DSB experienced a marked decline in the number of suicide and suicide attempts in 2013.

Fig. 4: Violence and threats of violence against DSB staff

Number



When many people are gathered at stations and in the trains as well as in connection with ticket inspections, disagreements may arise, which may escalate to threats and violence against fellow passengers and DSB staff.

DSB makes every effort to continue to become better at preventing and handling these situations, e.g. DSB's employees are trained in conflict handling, DSB cooperates with the police, maintains a dialogue with the customers and ensures the availability of special trains for special events.

In case of big events such as festivals and football matches where many customers, often in a festive mood and rather noisy, are travelling to the same destination, DSB enters into a dialogue with organisers and customers with a view to arranging for a special train for the individual event. The purpose is to ensure that both the participants and DSB's other customers can have as pleasant a journey as possible and with as few conflicts as possible. DSB operated 39 special football trains in 2013, which were used by approx. 19,000 football fans travelling to a match. Today DSB has 32 conductors who are trained as football guides. This is one of the reasons that no industrial injuries in connection with the special football trains have been recorded for the past two years.

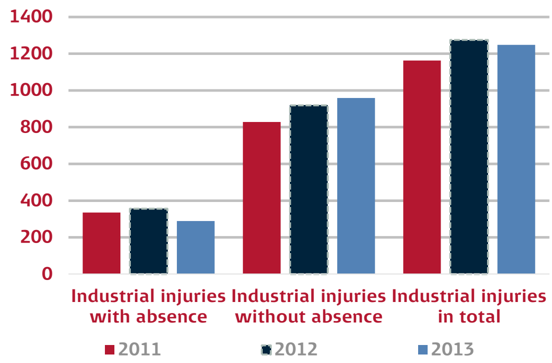
DSB also makes a special effort for children who are part of a family living in separate parts of the country. DSB has 65 trained children's guides who take care of the children from departure station to destination station. A special coach is reserved for these children, and only the children who have seat reservations for this coach are allowed there. DSB's children's guides meet the children at the station, are there for the children if they need help during the journey and make sure that the children get off at the right stations. The special trains with children's guides are available Fridays and Sundays as well as on other days in connection with national holidays. In 2013 there was a total of 15,600 seat reservations for the special children's coaches.

Health and safety at work

DSB is certified according to the internationally recognised standard for health and safety at work, OHSAS 18001. To meet the standard, DSB must ensure a safe and healthy working environment through ongoing development and improvements. In 2013 an extensive audit was carried out; a total of 70 spot checks were carried in the Group across the country. A total of 15 deviations were observed, which have all been addressed in separate action plans containing preventive and corrective actions.

Fig. 5: Reported industrial injuries

Number of days (average)



DSB's health and safety objective is to reduce the number of industrial injuries and the number of days the employees are absent from work. While the number of industrial injuries with absence fell by 19 percent in 2013, there was a 4 percent increase in the number of injuries without absence. Overall, the decline was 2 percent.

Accessibility

DSB's objective is to create connections for all our customers, also the customers with reduced mobility. Therefore, DSB continuously endeavours to make our trains and stations accessible and to assist disabled customers with their transport.

In 2013 DSB provided assistance to disabled customers 18,000 times and sold 42,000 companion tickets, compared with 19,000 and 47,000, respectively, in 2012.

DSB also wishes to provide easy access to buying a ticket for the journey and is therefore, in addition to Rejsekortet, developing ticket services for mobile phones and computers. These services are often new, and not everybody is familiar or comfortable with them yet. Therefore, DSB provides information about the services by means of leaflets and advertisements, on websites and at our customer service. We also offer courses where DSB employees come and tell our customers about how the various ticket buying options work in practice. These courses are typically held at libraries, in senior citizens' associations and local chapters of the DaneAge Association. In 2013 DSB held 107 courses in the use of the ticket systems.

Diversity

DSB believes that diversity makes the corporation stronger and increases its competitiveness. Among other things, this is about the diversity in the corporation in the form of gender and ethnicity and about the diversity developed by DSB among its staff through education and experience.

25 percent of DSB's employees are seniors (aged 55+). 256 employees (3.2 percent) are employed on special terms such as acute jobs, flexijobs, light jobs, partially ill and Section 56 illness[2]. Of DSB's staff 7 percent of the employees and 5 percent of the managers have another ethnic origin than Danish.

Equal representation at management levels is part of DSB's HR policy and focus on diversity. On DSB's Board of Directors 33 percent are women (not including employee representatives), while the figure is 13 percent for the Corporate Management. 28 percent of all managers at DSB are women. DSB's objective for 2016 is that 33 percent of all managers will be women, distributed on 25 percent among directors, 20 percent among managers of a function, 30 among managers of managers and 35 among managers of employees. DSB will fulfil this objective i.a. by requiring recruitment consultants to provide both female and male candidates and by considering the underrepresented gender in connection with successor planning.

In 2013 as well DSB marked the corporation's support of diversity by participating in Copenhagen Pride for the third year in succession. 129 employees wearing stilettos, uniforms,

[2] Employees with Section 56 illness were not included in the annual report 2012.

glitter and a parade was DSB's contribution to the celebration of diversity and tolerance.

DSB also wants to assume responsibility for helping young people get a job. DSB does so by making available training places and offering special activities for young people with special challenges. DSB has 40 trainee positions (0.5 percent). In addition, a special project carried out by DSB in cooperation with the Municipality of Høje-Taastrup in 2013 gave 20 young people with no job and education/training in 14 weeks the possibility of getting a sniff at what kind of jobs and education/training a corporation like DSB can offer.

Environment and climate

Train operations are responsible for approx. 85 percent of DSB's total energy consumption and trains are an energy-friendly mode of transport.

Fig. 6: CO_2 emissions (Aalborg - Copenhagen)

Kg per person

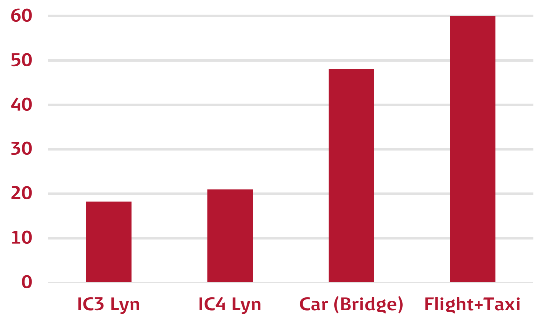
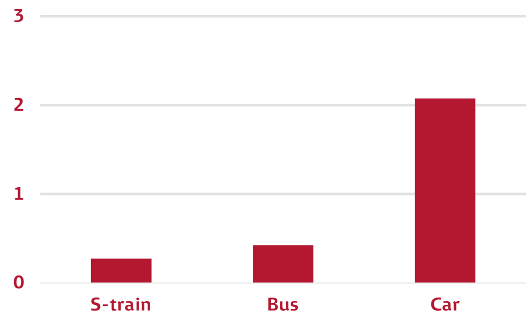


Fig. 7: CO_2 emissions from a 12-km trip in the Copenhagen area

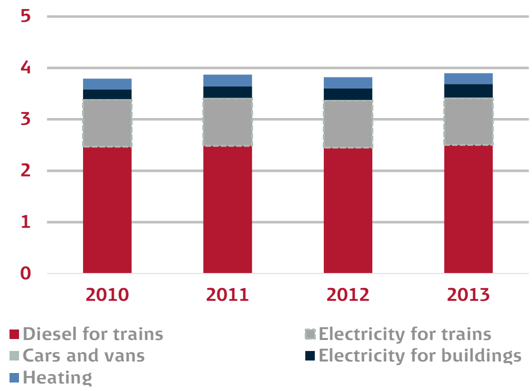
Kg per person



Nevertheless, DSB wishes to increase efficiency through a reduction of its energy consumption per passenger kilometre. In the long term, the adopted electrification of the main network in Denmark will make it increasingly possible to operate on renewable energy.

Fig. 8: Direct and indirect energy consumption

GJ (million)



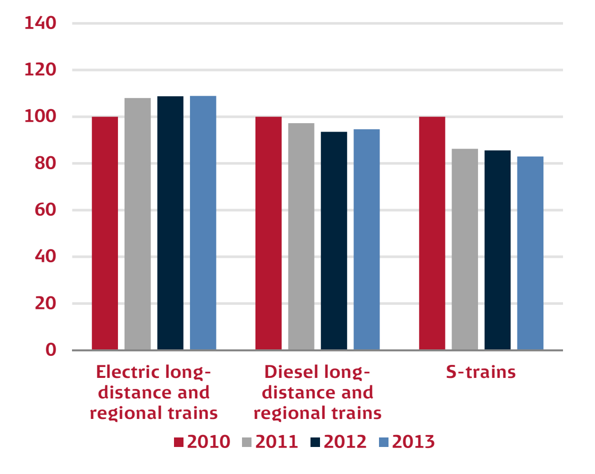
DSB's total energy consumption for trains rose by 2 percent in 2013 compared with 2012. DSB's diesel operations are responsible for the increase, while electric operations produced minor reductions. The energy consumption for the corporation in the form of electricity for buildings and employee transport to and from work increased.

DSB's total CO_2 emissions rose by approx. 25 percent in 2013 compared with 2012, primarily due to the fact that DSB in 2013 chose no longer to purchase RECS certificates for its electricity consumption for train operations. This means that CO_2 emissions are stated for the electricity consumption again from 2013.

For S-trains the energy consumption per passenger kilometre fell by 3 percent. This fall was obtained through growth in the number of passenger kilometres of 1.3 percent and a fall in the overall energy consumption of 1.7 percent. The falling energy consumption was realised through increased use of the short S-train sets compared with the long S-train sets plus a minor decline in the number of degree days and consequently a reduced energy consumption for heating.

Fig. 9: Development in electricity and diesel consumption per passenger kilometre

Index



Tabel 1: Energy consumption and CO_2 emission

Development	Energy consumption per seat kilometre	Energy consumption per passenger kilometre	CO_2 emission per passenger kilometre
Long-distance & Regional trains			
- Diesel trains	-1%	1%	1%
- Electric trains	2%	0%	
S-train	-1%	-3%	

DSB makes a targeted effort to reduce the energy consumption in its buildings and fixed installations. The following measures are among those taken in 2013:

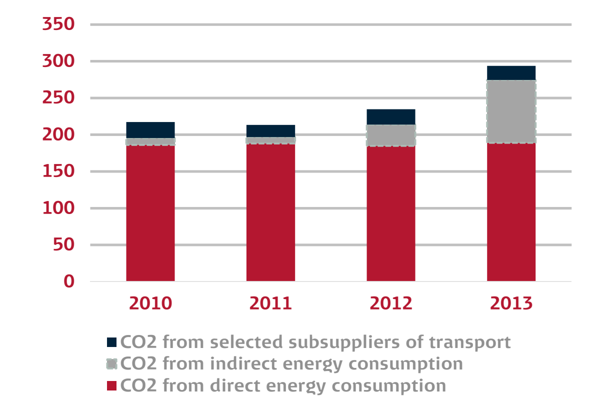
- Gathering of DSB's administrative staff in new domicile in Taastrup.
- Energy review of DSB's fixed installations.
- Replacement of lighting by LED at a number of addresses; expected annual savings of 800 mWh.
- Gathering of workshops and insulation of buildings.

CO_2 emissions from selected suppliers of transport fell by 9 percent compared with 2012. The reason is that replacement bus services in connection with track improvement work were reduced by 36 percent. At the same time CO_2 emissions from school trips fell by 5 percent compared with 2012.

CO_2 emissions from transport relating to the corporation increased by 14 percent, primarily because of changed employee commuting patterns due to the relocation of DSB's domicile to Taastrup.

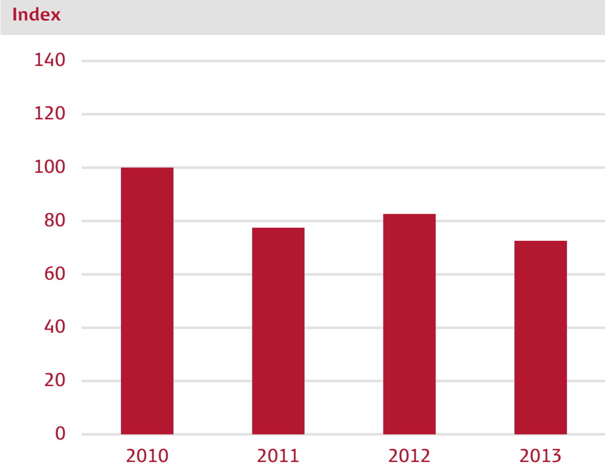
Fig. 10: CO_2 emission distributed on source

Tonne (1,000)



Diesel rolling stock emits particles and also impacts the air quality in other ways as well.

Fig. 11: Particle emission



Total emission of particles from diesel trains fell by 12 percent compared with 2012. The reason is a marked change in the use of rolling stock; from MR train sets to the more environmentally friendly IC4 train sets. In addition, the fitting of the emission kit on the ME locomotives also contributed to the reduction.

In 2013 DSB completed the fitting of emission kits in all 33 ME locomotives. The emission kit lowers the locomotives' emission of nitrogen and carbon. The emission kit reduces emissions of NO_x by 34 percent, while particle emissions fall by 37 percent. DSB has also fitted catalytic converters on an ME locomotive with the purpose of testing the technical and environmental advantages and disadvantages.

In 2013 special focus was on the number of ultrafine particles in the double-decker coaches pulled/pushed by the ME locomotives. The measurements show a high level of ultrafine particles when the locomotive pulls the coaches. Measurements in DSB's other types of diesel rolling stock show a markedly lower level of ultrafine particles.

The number of noise and smoke complaints submitted by neighbours and customers rose from 40 in 2012 to 66 in 2013.

51 of the complaints concern noise, primarily from idling trains in connection with reversing and preparation and from running on flat wheels (worn wheels).

There were seven cases involving municipalities as authorities.

The decision to establish a railway to Aalborg Airport and consequently the decision not to move the preparation facilities at Lindholm station meant a re-opening of complaints from neighbours and from the City of Aalborg claiming that DSB is violating a current order from the City of Aalborg.

About DSB

Board of Directors

The Board of Directors' directorships in Danish and foreign commercial enterprises. The special competencies of the Board of Directors are described on www.dsb.dk

Peter Schütze, Formand
Joined DSB's Board of Directors on 1 June 2011 at an extraordinary Annual Meeting
Re-elected Chairman on 16 April 2013 (ordinary Annual Meeting)

Chairman of the Board of Directors of Copenhagen Business School
Chairman of the investmentcommittee - The Danish Climate Investment Fund
Vice Chairman of the Board of Directors of SimCorp A/S
Vice Chairman of the Board of Directors of Nordea-Fonden
Member of the Industrial Board of Axcel
Member of the Board of Directors of Generalkonsul Gösta Enboms Fond and Queen Margrethe II's Archaeological Fond
Member of The Systemic Risk Council

Annette Sadolin, Vice Chairman
Joined DSB's Board of Directors on 28 April 2009
Re-elected - elected Vice Chairman - on 27 April 2011 (ordinary Annual Meeting)
Re-elected - elected Vice Chairman - on 16 April 2013 (ordinary Annual Meeting)

Chairman of the Board of Directors of Østre Gasværk Teater
Vice Chairman of the Board of Directors of Dansk Standard
Member of the Board of Directors of DSV A/S
Member of the Board of Directors of Topdanmark Forsikring A/S
Member of the Board of Directors of Skodsborg Kurhotel og Spa A/S
Member of the Board of Directors of Ratos AB, Sweden
Member of the Board of Directors of Blue Square Re. N.V.
Member of the Board of Directors of Ny Carlsberg Glyptotek

Lars Andersen
Joined DSB's Board of Directors on 25 June 1999
Re-elected on 28 May 2001 (ordinary Annual Meeting)
Re-elected on 27 May 2003 (ordinary Annual Meeting)
Re-elected on 27 April 2005 (ordinary Annual Meeting)
Re-elected on 25 April 2007 (ordinary Annual Meeting)
Re-elected on 24 April 2008 (ordinary Annual Meeting)
Re-elected on 28 April 2009 (ordinary Annual Meeting)
Re-elected on 27 April 2011 (ordinary Annual Meeting)
Re-elected on 16 April 2013 (ordinary Annual Meeting)

Director of the Economic Council of the Labour Movement
Member of the Board of Directors of IndustriPension Holding A/S
Member of the Board of Directors of Industriens Pensionsforsikring A/S
Member of the Board of Directors of Arbejdernes Landsbank A/S

Lilian Merete Mogensen
Joined DSB's Board of Directors on 28 April 2009
Re-elected on 27 April 2011 (ordinary Annual Meeting)
Re-elected on 16 April 2013 (ordinary Annual Meeting)

ATP Group Director (Administrationsforeningen)
Director (Udbetaling Danmark)
Member of the Board of Directors of Summit Consulting

Helge Israelsen
Joined DSB's Board of Directors on 24 April 2012 (ordinary Annual Meeting)

Carsten Gerner
Joined DSB's Board of Directors on 24 April 2012 (ordinary Annual Meeting)

CEO of CGE ApS
Member of the Board of Directors of Hempel Fonden
Member of the Board of Directors of Hempel Holding A/S
Member of the Board of Directors of Ib Andresen Industri A/S
Member of the Board of Directors of Andresen Towers A/S
Member of the Board of Directors of Kresko A/S

Andreas Hasle
Joined DSB's Board of Directors on 25 June 1999
Re-elected on 8 May 2003 (elected by employees)
Re-elected on 29 March 2007 (elected by employees)
Re-elected on 18 March 2011 (elected by employees)

Traffic inspector
Chairman of HK Trafik & Jernbane
Chairman of the Board of Directors of TS Asia Holding Ltd.
Member of the Board of Directors of Energi og Sol A/S
Member of the Board of Directors of Dan Ejendomsservice A/S
Member of the Board of Directors of Danske Virksomheder A/S

Hans Christian Kirketerp-Møller
Joined DSB's Board of Directors on 27 April 2011 (elected by employees)

Senior consultant
Chairman of the Board of Directors of Akademikernes A-Kasse
Vice Chairman of the Board of Directors of AOF Gladsaxe
Executive member of the merged boards of directors of Akademikernes og Ingeniørernes A-kasse
Member of the Board of Directors of BAR-FOKA
Member of the Board of Directors of LBR Gladsaxe

Preben Steenholdt Pedersen
Joined DSB's Board of Directors on 27 April 2011 (elected by employees)

Head driver
Vice Chairman of Dansk Jernbaneforbund
Member of the Board of Directors of Dan Ejendomsservice A/S
Member of the Board of Directors of Forsikringsagenturforeningen afd. 1

Execuitive Board

The Executive Board's and the Corporate Management's directorships in Danish and foreign commercial enterprises

Jesper Lok, CEO
Member of the Board of Directors of Danish Crown A/S
Alternate for the boards of directors of Bata-fondene
Alternate for the Board of Directors of DSB Rejsekort A/S

Stig Pastwa, CFO
Chairman of the Board of Directors of DSB Ejendomsudvikling A/S
Chairman of the Board of Directors of DSB Vedligehold A/S
Chairman of the Board of Directors of DSB Øresund Holding ApS
Chairman of the Board of Directors of Christian Olesen & Co. A/S
Member of the Board of Directors of Hededanmark A/S
Member of the Board of Directors of Rejsekort A/S

Corporate Management

Susanne Mørch Koch, Executive Vice President, Commercial and HR
Chairman of the Board of Directors of Kort & Godt A/S
Vice Chairman of the Board of Directors of Rejsekort A/S
Executive officer of DSB Rejsekort A/S

Anders Egehus, Executive Vice President, Operations
Chairman of the Board of Directors of DSB Småland AB
Chairman of the Board of Directors of DSB Sverige AB
Chairman of the Board of Directors of DSB Øresund A/S
Member of the Board of Directors of DSB Uppland AB
Member of the Board of Directors of DSB Vedligehold A/S
Member of the Board of Directors of DSB Øresund Holding ApS

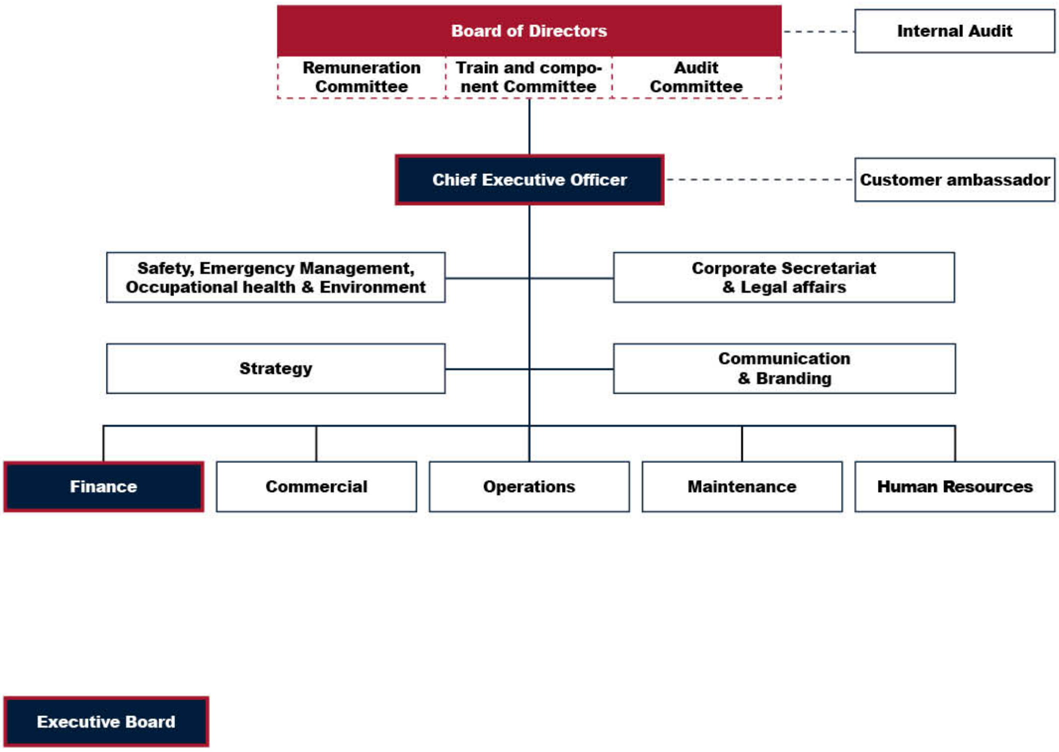
Steen Schougaard Christensen, CEO of DSB Vedligehold A/S
Member of the Board of Directors of DanPilot

Lars Nordahl Lemvig, Vice President of Safety, Emergency Management, Occupational health & Environment

Lars Kaspersen, Director of Communications and Branding
Chairman of the Board of Directors of the Danish Railway Museum

Thomas Thellersen Børner, Director of Corporate Secretariat and Legal Affairs
Chairman of the Board of Directors of DSB Rejsekort A/S

Organisation



Financial calendar 2014

Expected publication of interim reports:

1st quarter 2014	13 May 2014
Interim report 2014	20 August 2014
3rd quarter report 2014	5 November 2014

Publications

The Annual Report for 2013 is available on www.dsb.dk.

The Environmental Report for 2013 is available on www.dsb.dk.

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Taastrup

Ownership
DSB is an independent public corporation owned by the Danish Ministry of Transport

Auditors
KPMG
Statsautoriseret Revisionspartnerselskab

The National Audit Office of Denmark

Bank
Nordea Bank Danmark A/S

Publisher
DSB
Telegade 2
DK-2630 Taastrup

Editors
Lars Kaspersen
Marianne Holmbjerg
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Graphic design
Communication & Branding

Photography
DSB's photo archive

DSB