

Interim Report 2015

DSB reports satisfactory profit for the first half of 2015

- Profit before tax of DKK 386 million, down DKK 80 million on the same period last year. Adjusted for non-recurring items, the profit before tax represents a DKK 23 million improvement.
- Net interest-bearing liabilities are reduced 997 million and totalled DKK 8,317 million at 30 June 2015, against DKK 9,314 million at year-end 2014 and DKK 10,047 million at 30 June 2014.
- Banedanmark's infrastructure works have posed challenges in the first half of 2015 and are expected to impact the result for the second half as well.
- Continued satisfactory operator punctuality – but customer punctuality in the second quarter of 2015 was challenged by the extensive infrastructure works.
- Reputation are improving, but still low.

Strategic key figures				
	First half		Change	
	2015	2014	Abs.	Pct.
Financial				
Total revenue – DSB Group (DKK million)	6,090	6,258	-168	-3
Hereof passenger revenue	2,438	2,496	-58	-2
Profit before depreciation, amortisation and write-downs – DSB Group (DKK million)	1,511	1,688	-177	-10
Profit before tax – DSB Group (DKK million)	386	466	-80	-17
Productivity (Danish train activities) ¹⁾				
Passenger and transport contract revenues per train kilometre (DKK/km)	167	162	5	3
Costs per train kilometre (DKK/km)	133	128	5	4
Number of train kilometres per employee	5,890	5,904	-14	0
Number of train journeys per employee	19,657	18,972	685	4
Customer punctuality ²⁾				
Long-distance & Regional Trains (%)	81.3	85.5	-4.2	-5
S-tog (%)	95.7	93.7	2.0	2
Øresund (%)	80.1	82.7	-2.6	-3
Operator punctuality ³⁾				
Long-distance & Regional Trains (%)	95.3	96.3	-1.0	-1
S-tog (%)	99.2	99.2	0.0	0
Øresund (%)	97.9	98.6	-0.7	-1
Journeys				
Total number of journeys in Denmark (million customers)	95.1	94.5	0.6	1
Customer satisfaction – (Danish activities)	7.6	7.6	0.0	0
Reputation				
Users of Long-distance & Regional Trains	52.8	51.2	1.6	3
Users of S-tog	60.2	55.2	5.0	9
Non-users of Long-distance & Regional Trains	45.2	47.6	-2.4	-5

¹⁾ The performance indicator for 2014 has been revised as a consequence of a changed segmental statement.

²⁾ New contract. Preliminary figures. Do not include adjustment for force majeure. Customer punctuality: maximum delay of 2:59 minutes – Definition: Number of customers arriving punctually compared with the total number of customers.

³⁾ Operator punctuality: maximum delay of 2:59 minutes, but a maximum delay of 4:59 minutes for DSB Øresund, see the contract – Definition: Number of planned arrivals at stations less the number of late arrivals at stations or cancellations for which DSB is responsible compared with the number of planned arrivals at stations.

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"With the completion of the "Healthy DSB" programme, another chapter in DSB's history has been closed. If we look back on the DSB of 2011, we do, in very many ways, have a different corporation today. Today, DSB is a more efficient corporation, it generates a profit and a substantial part of its debt has been repaid. The corporation has been downsized, its organisation has become simpler and its punctuality performance has improved. DSB can, and indeed has to, increase its efficiency, productivity and punctuality in future as well."

Peter Schütze, Chairman of the Board

Profit for the first half of 2015 on the same level as for the first half of 2014

The profit for the first half of 2015 was somewhat better than expected. The efficiency enhancements carried out under the "Healthy DSB" programme showed their impact and passenger revenues developed more positively than expected. The extensive infrastructure works – especially the closing of one track on Western Funen for over 100 days – had the expected negative effect on the first half of 2015. Continued negative impact is expected for the second half, but it is still too early to make any predictions as to the overall impact on a full-year basis.

Overall, we are currently expecting a profit for full-year 2015 in the magnitude of DKK half a billion before tax and non-recurring items.

Analysis of DSB's train operating economy for the first half of 2015

Based on the new transport contract, we launched the first part of an analysis of DSB's financial situation in 2014 together with the First Quarter Report 2015 with a view to assessing the 2014 financial situation as distributed on the activity areas defined in the transport contract 2015-2024 with the Danish Ministry of Transport and Building.

We are now launching the second part; the Interim Report 2015 is supplemented with an analysis of the results generated by the individual activity areas in the first half of 2015.

In the analysis the costs relating to rolling stock are included as a separate activity. The same applies to the stations as well as systems & channels, consisting of traffic planning, operation monitoring, distribution systems and sales channels. This meets the activity areas defined in the transport contract and creating transparency of the operating profit on train services.

Transport contract payment allocated to activity areas, first half of 2015						
Amounts in DKK million	Train operation	Stations	Rolling stock	Systems & channels	General obligations	Public service activity
Transport contract payment	1,017	284	17	729	25	2,072

The analysis is based on passenger revenues of approx. DKK 2.4 billion financing train operations. Of a transport contract payment of approx. DKK 2.1 billion, approx. DKK 1 billion finances train operations, approx. DKK 0.3 billion finances stations and approx. DKK 0.7 billion finances systems & channels. The contract payment for rolling stock finances cost related to preparation of the buying of new rolling stock.

The operating profit on train services is stated for a number of selected lines. The figures show that there are lines that generate an operating profit for DSB – e.g. Århus-Copenhagen – meaning that services on these lines, regarded in isolation, do not require any contract payment. At the same time, a number of lines generate a loss – typically services on lines with a low number of

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passengers for substantial parts of the day/night. The profitable lines thus, to a certain extent, help finance the loss-making lines.

The analysis of the train operating economy has been prepared based on relevant and robust methods for which we can vouch. But as always, when distributing costs on activities, estimates and distribution keys are required. DSB invites a constructive debate among the specialists in this area in order to ensure future understanding and acceptance of the future segmental reporting.

Low transparency in the price structure in collective transport

Collective transport in Denmark is organised with many players, considering the fact that Denmark is a relatively small country. This does nothing to simplify and ensure transparency of the services offered to the customers in collective transport in Denmark.

This is particularly clear in connection with the price structure where it is often difficult for the customers to see through the prices and the logic behind. This situation has also been noticed by Rigsrevisionen. The many players entitled to fix fares makes it difficult to establish a simple and understandable price structure. Prices and discounts differ widely for journeys within the various areas of Denmark, and the complexity is increased on journeys across the country.

There is no need for tinkering but a new and simplified price structure for collective transport throughout Denmark. There is no easy solutions and many considerations must be taken. DSB looks forward to engage in dialogue with the authorities and the other operators based on the customers' needs for a simple, national price structure, and not on what is best for the individual operator, DSB included.

New financial model for Rejsekort

A new financial model for Rejsekortet (Travel Card) has been established. DSB has participated actively in the work with finding a sustainable solution for Rejsekort A/S. The new financial model means increased costs for DSB compared with previously.

Phasing-out of clip card

The number of issued Rejsekort passed 1.5 million in the first half of 2015. This high number of issued Rejsekort must be viewed in the light of the final phasing-out of the clip card in the Copenhagen area at the end of June.

IC4 is still a challenge for DSB

DSB still focuses on developing the IC4 and IC2 train sets in accordance with the recommendations from Swiss Prose and SBB. This work is complicated and challenging with several uncertainties. DSB takes one step at a time and we only place the train sets in service when the operational stability is acceptable.

Ultrafine particles

DSB works hard on reducing the impact on customers and employees from ultrafine particles and other air emissions.

DSB has decided to carry out a number of activities relating to two prototype ME locomotives in order to clarify technical, safety-related, environmental and financial issues as a basis for a potential future dissemination of the results to the remaining part of the train fleet. A catalytic converter will be installed with the purpose of reducing i.a. the number of particles. A spoiler diverting the exhaust from the coaches will also be installed, and the engine will be upgraded to ensure

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a lower consumption of lubricating oil, a purer combustion and a lower consumption of diesel fuel. The work with the prototypes has been launched and a conclusion is expected in spring 2016.

DSB is currently working on identifying the scope of the problem in the workshops and is considering possible actions. DSB is in close dialogue with the Danish Working Environment Authority.

Focus on the passengers

Passenger revenues fell by 2 percent compared with the first half of 2014. This decline must be regarded in the light of the extensive track improvement works. Also there have been more short journeys and low-fare journeys. Increasing passenger revenues is one of DSB's target areas for the coming years.

DSB is very focused on customer-oriented activities that may support an increase in the number of and length of journeys. In June we introduced unlimited, free and improved Internet for all passengers on board IC3, IC4 and IR4. At the same time the Internet connection was upgraded from 3G to 4G. We are collaborating with Banedanmark and the telecom companies to increase the telecom companies' coverage along the railway so as to ensure a more stable Internet connection.

In June we introduced a new price calculation system for Orange tickets, which is very similar to the price systems used by the airline industry. With the new system, customers who are flexible when it comes to departure times can have less expensive tickets. We have also just launched payment via Mobile Pay for tickets bought via our DSB app and www.dsb.dk. in order to make it easier to buy tickets from DSB.

*"Finally, I want to thank all employees for taking DSB this far
and for the warm welcome I have received".
Flemming Jensen, CEO*

Taastrup, 21 August 2015

Peter Schütze
Chairman of the Board

Flemming Jensen
CEO

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

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Financial highlights

DSB Group	First half		Growth		Full year
Amounts in DKK million	2015	2014	Abs.	Pct.	2014
Passenger revenues	2,438	2,496	-58	-2	5,186
Transport contract revenues	2,470	2,438	32	1	4,894
Danish activities	2,085	2,030	55	3	4,095
International activities, incl. Øresund ¹⁾	385	408	-23	-6	799
Sales from shops etc.	403	413	-10	-2	814
Repair and maintenance of rolling stock etc.	127	136	-9	-7	270
Leasing of rolling stock	118	114	4	4	227
Net turnover	5,556	5,597	-41	-1	11,391
Work performed by the enterprise and capitalised	272	296	-24	-8	589
Other operating income	262	365	-103	-28	792
Total revenue	6,090	6,258	-168	-3	12,772
Expenses for raw materials and consumables	879	850	-29	-3	1,765
Other external expenses	1,821	1,785	-36	-2	3,818
Staff expenses	1,879	1,935	56	3	3,740
Hereof costs for retirements	-	33	33	100	26
Total expenses	4,579	4,570	-9	0	9,323
Profit before depreciation, amortisation and write-downs	1,511	1,688	-177	-10	3,449
Depreciation, amortisation and write-downs	927	983	56	6	2,247
Operating profit/loss	584	705	-121	-17	1,202
Net financials	-198	-239	41	17	-532
Profit/loss before tax	386	466	-80	-17	670
Profit/loss for the period	275	341	-66	-19	482
Balance sheet total	21,212	22,611	-1,399	-6	21,949
Total equity	6,745	6,222	523	8	6,301
Total cash flow from operating activities	1,360	1,239	121	10	2,328
Total cash flow from investing activities	-344	-249	-95	-38	-613
Hereof investments in tangible assets	-358	-396	38	10	-753
Total cash flow from financing activities	-1,007	-1,006	-1	-0	-1,714
Interest-bearing liabilities, net	8,317	10,047	-1,730	-17	9,314
Operating profit margin (EBITDA margin)*	27.2	30.2	-3.0	-10	30.3
Profit ratio (EBIT margin)*	10.5	12.6	-2.1	-17	10.6
Return on equity p.a. (ROE)*	8.4	11.2	-2.8	-25	7.9
Return on invested capital after tax (ROIC after tax) p.a.*	5.6	6.3	-0.7	-11	5.4
Gearing p.a.*	2.8	3.0	0.2	7	2.7
Equity ratio*	31.8	27.5	4.3	16	28.7
Interest cover*	3.2	3.6	-0.4	-11	3.1
Average number of full-time employees	7,457	7,673	-216	-3	7,564
Number of full-time employees at 30 June	7,536	7,621	-85	-1	7,351
Number of passenger km in Denmark (million km)	3,109	3,088	21	1	6,303
Number of train journeys in Denmark (1,000 journeys) ²⁾	95,108	94,463	645	1	190,469
Number of train journeys abroad (1,000 journeys)	4,192	4,358	-166	-4	9,301
Number of train km in Denmark (1,000 km)	28,497	29,398	-901	-3	58,757
Number of train km abroad (1,000 km)	3,695	4,089	-394	-10	7,784

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⁾ Compared with what has previously been published, the number of train journeys has been increased by 0.1 million journeys as a consequence of the final calculation of journeys etc.

* Stated in accordance with the definitions of key figures included in DSB's Annual Report 2014.

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Review

DSB realised a profit before tax of DKK 386 million for the first half of 2015, down DKK 80 million on the same period in 2014 (DKK 466 million).

Compared with the profit before tax and non-recurring items for the first half of 2014, profit before tax for the first half of 2015 is up by DKK 23 million as the profit before tax for the first half of 2014 was positively affected by substantial non-recurring items.

The profit before tax for the first half of 2015 is not affected by any non-recurring items.

Interest-bearing liabilities were reduced by DKK 997 million in the first half of 2015.

Financial review

Compared with the same period in 2014, the development in the profit before tax for the first half of 2015 is affected by the profit on sale of properties and costs for retirement arrangements in the first half of 2014 which in total had a positive net impact on the first half of 2014 of DKK 103 million.

The development in the profit before tax is affected by reduced passenger revenues as a consequence of extensive infrastructure works on Western Funen carried out by Banedanmark right now as well as increased operating expenses for i.e. replacement services. In addition increased operating expenses for Rejsekort, IT and maintenance of buildings.

In addition, the profit before tax is positively impacted by the efficiency enhancements carried out, which have led to reduced staff expenses and reduced depreciation, amortisation and write-downs.

Interest-bearing liabilities were reduced by DKK 997 million in the first half of 2015 and totalled DKK 8,317 million at 30 June 2015. Compared with 30 June 2014, interest-bearing liabilities were reduced by DKK 1,730 million. The reduction is primarily due to the positive

development in cash flow from operating activities, which made it possible to repay loans.

Operating profit margin, profit ratio, return on equity and return on invested capital all declined, primarily due to the difference in non-recurring items. Gearing was 2.8 (3.0) and the equity ratio was 31.8 at 30 June 2015 (27.5).

DSB's balance sheet total stood at DKK 21,212 million at 30 June 2015, down DKK 1,399 million against DKK 22,611 million at 30 June 2014. The development is primarily attributable to a reduction of tangible assets. Liabilities were reduced through repayment of debt.

In the first half of 2015 DSB invested a total of DKK 388 million (DKK 484 million). The investments primarily comprise general inspections of long-distance and regional train sets and S-train sets as well as upgrading of IC4 and IC2 train sets.

Net turnover

Net turnover in the DSB Group totalled DKK 5,556 million for the first half of 2015 (DKK 5,597 million).

Passenger revenues totalled DKK 2,438 million (DKK 2,496 million). The development is primarily due to the impact of the infrastructure works on Western Funen that are being carried out right now. In addition, passenger revenues are affected by an increasing number of journeys in Long-distance & Regional Trains being made in the form of less expensive products and by the discontinuance of night train services in the cooperation with Deutsche Bahn.

Revenue from transport contracts rose by DKK 32 million and totalled DKK 2,470 million for the first half of 2015 (DKK 2,438 million). The development is positively impacted by more IC4 train sets being placed in service in the first quarter of 2014, as well as increased compensation regarding the leasing of double-decker coaches. On the other hand, the handing over of the traffic operated by DSB

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Småland to Veolia at 1 March 2014 contributed negatively to the development.

Sales from shops etc. fell by 2 percent compared with the first half of 2014 and totalled DKK 403 million (DKK 413 million). The development is affected by the phasing-out of the sales trolley in Long-distance & Regional Trains and the closing of Kort & Godt shops over the course of 2014.

Sales of repair and maintenance of rolling stock etc. amounted to DKK 127 million in the first half of 2015 (DKK 136 million).

Leasing of rolling stock totalled DKK 118 million (DKK 114 million). The activities cover the leasing of Øresund train sets to the Danish Ministry of Transport and Building, 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 capitalised fell by DKK 24 million and totalled DKK 272 million in the first half of 2015. The decline is i.a. due to the completion of the rebuilding of multi-purpose S-train coaches in 2014.

Other operating income amounted to DKK 262 million in the first half of 2015, corresponding to a decline of DKK 103 million, primarily due to the fact that only minor profits were realised on sale of real property compared with the same period in 2014.

Expenses

Expenses totalled DKK 4,579 million in the first half of 2015 (DKK 4,570 million).

Expenses for raw materials and consumables were DKK 879 million – up DKK 29 million compared with the first half of 2014 (DKK 850 million). The development is affected by an increased consumption of spare parts and materials and by lower energy expenses and reduced cost of sales associated with the reduced turnover in shops.

Other external expenses increased by DKK 36 million to DKK 1,821 million (DKK 1,785 million). The increase is i.a. attributable to increased expenses for replacement services, sales channels, IT and maintenance of buildings.

Staff expenses were DKK 1,879 million in the first half of 2015, down DKK 56 million compared with the same period in 2014 (DKK 1,935 million). This development is due to reduced staff expenses owing to the implemented efficiency enhancements and reduced costs for retirement schemes.

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs fell by DKK 56 million and totalled DKK 927 million (DKK 983 million). The decline is primarily due to reduced depreciation, amortisation and write-downs in connection with buildings.

Net financials

In the first half of 2015 net financials represented an expense of DKK 198 million (DKK 239 million). Net financials are positively impacted by fewer interest-bearing liabilities and improved profits in associated companies.

Outlook

The extensive track improvement works, i.a. on Western Funen, will entail reduced passenger revenues and substantial expenses for replacement services.

Conversely the development in operating expenses is positively affected by the efficiency enhancements carried out under the "Healthy DSB" programme.

DSB expects a profit before tax and non-recurring items in the magnitude of DKK half a billion.

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Productivity

At 30 June 2015 DSB had 7,536 full-time employees, down 85 employees compared with 30 June 2014.

At 30 June 2015 the Danish activities were reduced by 90 employees compared with 30 June 2014. The development is a consequence of the implemented "Healthy DSB" programme.

Table 1: Number of full-time employees at 30 June

	First half		Growth	
	2015	2014	Abs.	Pct.
Danish activities ¹⁾	7,246	7,336	-90	-1
Swedish activities	96	97	-1	-1
Other countries	194	188	6	3
Number of full-time employees at 30 June 2015	7,536	7,621	-85	-1
Total average number of full-time employees	7,457	7,673	-216	-3

¹⁾ Including Øresund.

On the Danish lines the first half of 2015 brought a slightly negative development in the number of train kilometres per employee due to a reduced number of train kilometres travelled on account of the ongoing infrastructure work on Western Funen. The number of train kilometres per employee increased by 4 percent compared with the first half of 2014. Costs per train kilometre rose by DKK 5 per kilometre, corresponding to 4 percent. This is due to increased expenses for replacement services and sales channels. Also the reduced number of train kilometres contributed to the negative development.

Table 2: Productivity in the Danish train activities ¹⁾

	First half		Growth	
	2015	2014	Abs.	Pct.
Number of train kilometres per employee ²⁾	5,890	5,904	-14	-0
Number of train journeys per employee	19,657	18,972	685	4
Costs per train km (DKK)	133	128	5	4

¹⁾ Long-distance & Regional Trains, S-tog and Øresund. Comparative figures for the first half of 2014 have been restated according to the policy applied in the Annual Report 2014.

²⁾ Train kilometres is the total number of kilometres a train runs whatever number of interconnected trainsets.

A higher degree of self-service is a priority area and several measures have contributed positively to the increase, including the continued deployment of Rejsekort. In 2014 a total 356,000 Rejsekort were issued, while 465,000 Rejsekort were issued in the first half of 2015. This means that there was a total of 1.5 million Rejsekort at 30 June 2015 where approx. 1.3 million Rejsekort were active. This extensive growth is primarily attributable to the final phasing-out of clip cards in the Copenhagen metropolitan area on 30 June 2015.

Punctuality

Table 3: Customer punctuality ¹⁾

Percent	First half		Growth	
	2015	2014	Abs.	Pct.
Long-distance & Regional Trains	81.3	85.5	-4.2	-5
S-tog	95.7	93.7	2.0	2
Øresund	80.1	82.7	-2.6	-3

¹⁾ New contract. Preliminary figures. Do not include adjustment for force majeure.

Customer punctuality in Long-distance & Regional Trains fell from 85.5 to 81.3 in the first half of 2015. Customer punctuality in S-tog rose by 2.0 percentage points to 95.7. Punctuality in Øresund fell from 82.7 to 80.1 percent.

The negative development in customer punctuality in Long-distance & Regional Trains is

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primarily due to the track improvement works on Western Funen and several cable damages.

For Øresund the negative development is also primarily due to track works.

Table 4: Operator punctuality

Percent	First half		Growth	
	2015	2014	Abs.	Pct.
Long-distance & Regional Trains	95.3	96.3	-1.0	-1
S-tog	99.2	99.2	0.0	0
Øresund	97.9	98.6	-0.7	-1

The development in operator punctuality is affected by derived consequences of the same facts that affects customer punctuality.

Customers

In the first half of 2015 customers made 95.1 million journeys with DSB in Denmark, compared with 94.5 million journeys in the first half of 2014.

Long-distance & Regional Trains had 25.5 million journeys in the first half of 2015, which is 0.1 million more than in the same period of 2014. Compared with 2014, the number of journeys increased by 0.4 million on Zealand in the first half of 2015. There was a decline for Jutland and Funen and for journeys across the Great Belt. Journeys in Jutland, on Funen and across the Great Belt are affected by the extensive infrastructure works on Western Funen which are currently being carried out by Banedanmark.

S-tog had 56.3 million journeys in the first half of 2015 which is on the same level as the first half of 2014. The number of journeys is negatively affected by increased track improvement work done by Banedanmark.

In the first half of 2015, Øresund had 13.3 million journeys, up 0.6 million (5 percent) on 2014. This increase is primarily due to an increase in leisure travelling.

Table 5: Number of journeys

1,000 journeys	First half		Growth	
	2015	2014 ¹⁾	Abs.	Pct.
Long-distance & Regional Trains	25,517	25,390	127	1
East (Zealand)	12,248	11,893	355	3
West (Jutland and Funen)	8,611	8,689	-78	-1
East/West (across the Great Belt)	4,224	4,354	-130	-3
Other	434	454	-20	-5
Øresund (Coastal Line/ Kastrup Line)	13,271	12,680	591	5
S-tog	56,320	56,393	-73	0
Total Denmark	95,108	94,463	645	1
Total Sweden	2,048	2,235	-187	-8
Total Germany	2,144	2,123	21	1
Total number of journeys	99,300	98,821	479	0

¹⁾ As a consequence of a change in the method of calculation and of the final calculation of journeys for 2014, the number of train journeys in 2014 has, compared with previously published figures, been reduced by 0.1 million journeys in Long-distance & Regional Trains and increased by 0.3 million journeys in S-tog.

Rolling stock

Table 6: Kilometres travelled by rolling stock class ¹⁾

Kilometres (1,000)	First half		Growth	
	2015	2014	Abs.	Pct.
IC4 train sets	2,648	1,886	762	40
IC3 train sets	15,423	16,228	-805	-5
IC2 train sets	224	137	87	64
IR4 train sets	3,559	3,587	-28	-1
Double-decker coaches	8,182	9,600	-1,418	-15
MR train sets	1,446	2,019	-573	-28
Desiro train sets	1,498	1,331	167	13
Diesel locomotives - ME	1,932	2,215	-283	-13
S-train sets	8,462	8,525	-63	-1

¹⁾ Kilometres is the total number of kilometres travelled by locomotives, train sets and coaches.

The above table shows a reduction in the number of kilometres travelled by double-decker coaches and ME diesel locomotives, but an increase in the number of kilometres travelled by IC4 and IC2 train sets. The decline in the number of kilometres travelled by IC3

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and S-train sets is primarily due to more track improvement works in the first half of 2015. The total number of kilometres travelled has declined compared with the first half of 2014. In the same period, the number of train kilometres travelled in Denmark fell by 3 percent.

Table 7: Number of kilometres travelled between incidents

Kilometres (1,000)	First half		Growth	
	2015	2014	Abs.	Pct.
IC4 train sets	8.5	5.9	2.6	44
IC3 train sets	60.2	67.9	-7.7	-11
IR4 train sets	28.0	26.2	1.8	7
Øresund train sets	42.8	38.9	3.9	10
MR train sets	16.8	19.8	-3.0	-15
Desiro train sets	62.4	20.8	41.6	200
Diesel locomotives – ME	36.5	35.7	0.8	2
S-train sets	22.4	20.6	1.8	9

IC4 train sets travelled 8,500 kilometres between incidents in first half of 2015. The deployment plan has a target of 10,500 kilometres in August 2015. There is no prospect of achieving this milestone, but the fulfilment of the milestone is not crucial relative to the current operation and schedule, which are not dependent of an increased use of IC4 train sets.

Table 8: Number of kilometres travelled between breakdowns

Kilometres (1,000)	First half		Growth	
	2015	2014	Abs.	Pct.
IC4 train sets	80.2	51.0	29.2	57
IC3 train sets	734.4	559.6	174.8	31
IR4 train sets	237.2	163.0	74.2	46
Øresund train sets	282.7	220.6	62.1	28
MR train sets	85.1	106.3	-21.2	-20
Desiro train sets	299.5	221.9	77.6	35
Diesel locomotives – ME	84.0	201.4	-117.4	-58

Number of kilometres travelled between breakdowns for ME locomotives have declined compared with first half of 2014. This is due to errors on the power supply, which often result in breakdowns.

Accounting policies

The Interim 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 accounting policies are the same as applied in the Annual Report for 2014.

Events after 30 June 2015

No events have occurred after 30 June 2015 which in the opinion of the management have a significant impact on the assessment of this Interim Report.

Other matters

DSB's CEO Flemming Jensen took office on 1 May 2015.

DSB has taken on Jürgen Müller who will be fulfilling a newly established position as programme director to lead the procurement of trains. He will be reporting to Flemming Jensen, CEO. Jürgen Müller will take up this position at 1 October 2015.

Management statement

Management statement

The Board of Directors and the Executive Board have today discussed and approved the Interim Report of DSB for the period 1 January 2015 – 30 June 2015.

The Interim Report, which has neither been audited nor reviewed by the Corporation's auditors, 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 Interim Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2015 and of the results of the Group's operations and cash flows for the period 1 January 2015 – 30 June 2015.

It is also our view that the Interim Report contains a well-founded assessment of the developments in the Group's activities and financial conditions, the profit for the period and the Group's financial position in general.

Taastrup, 21 August 2015

Flemming Jensen
CEO

Thomas Thellersen Børner
CFO

Board of Directors

Peter Schütze
Chairman

Annette Sadolin
Vice Chairman

Lars Andersen

Carsten Gerner

Helge Israelsen

Christina Grumstrup Sørensen

Andreas Hasle

Hans Christian Kirketerp-Møller

Preben Steenholdt Pedersen



Accounts

Profit and loss account			
Group	First half		Full year
Amounts in DKK million	2015	2014	2014
Revenue			
Net turnover	5,556	5,597	11,391
Work performed by the enterprise and capitalised	272	296	589
Other operating income	262	365	792
Total revenue	6,090	6,258	12,772
Expenses			
Expenses for raw materials and consumables	879	850	1,765
Other external expenses	1,821	1,785	3,818
Staff expenses	1,879	1,935	3,740
Total expenses	4,579	4,570	9,323
Profit before depreciation, amortisation and write-downs	1,511	1,688	3,449
Depreciation, amortisation and write-downs	927	983	2,247
Operating profit	584	705	1,202
Net financials			
Profit/loss after tax in associated companies	-21	-47	-156
Financial income	8	9	18
Financial expenses	185	201	394
Net financials	-198	-239	-532
Profit before tax	386	466	670
Tax			
Tax on the profit for the period	-97	-125	-186
Adjustment of tax relating to previous years	-14	-	-2
Total tax	-111	-125	-188
Profit for the period	275	341	482
The profit for the period is allocated as follows:			
DSB	275	341	502
Minority interests	0	0	-20
Profit for the period	275	341	482

Balance sheet – assets

Group	First half		Full year
Amounts in DKK million	2015	2014	2014
Intangible assets			
Acquired rights	2	10	2
Strategic development projects	0	139	0
Other development projects	298	369	335
Intangible assets in progress	57	63	81
Total intangible assets	357	581	418
Tangible assets			
Land and buildings	4,734	4,885	4,827
Rolling stock	12,558	13,293	12,911
Operating equipment, fixtures and fittings and other equipment	1,026	1,136	1,063
Tangible assets in progress and prepayments	218	328	231
Total tangible assets	18,536	19,642	19,032
Investments			
Investments in associated companies	0	72	0
Subordinate loan capital in associated companies	254	249	252
Other investments/interests	2	2	2
Other receivables	159	286	115
Total investments	415	609	369
Total non-current assets	19,308	20,832	19,819
Inventories	447	368	427
Properties sold – not yet transferred	-	40	-
Receivables			
Trade receivables	476	552	559
Other receivables	716	556	895
Prepayments	229	253	222
Total receivables	1,421	1,361	1,676
Cash at bank and in hand	36	10	27
Total current assets	1,904	1,779	2,130
Total assets	21,212	22,611	21,949

Balance sheet – equity and liabilities

Group	First half		Full year
Amounts in DKK million	2015	2014	2014
Equity			
Contributed capital	4,760	4,760	4,760
Net revaluation reserve according to the equity method	0	0	0
Retained earnings	1,985	1,462	1,541
Proposed dividend	0	0	0
Total equity	6,745	6,222	6,301
Minority interests	-1	4	0
Total equity and minority interests	6,744	6,226	6,301
Provisions			
Other provisions	107	127	147
Deferred tax liabilities	1,455	1,303	1,287
Total provisions	1,562	1,430	1,434
Non-current liabilities			
Long-term loans	6,194	7,933	6,867
Subordinate loan capital	7	7	7
Other non-current liabilities	943	1,349	1,349
Other liabilities	344	427	380
Total non-current liabilities	7,488	9,716	8,603
Current liabilities			
Current portion of non-current liabilities	1,781	1,084	1,440
Short-term loans	0	500	450
Credit institutions	354	411	249
Trade accounts payable	923	679	991
Corporation tax	32	5	33
Other liabilities	1,483	1,660	1,624
Deferred income	845	900	824
Total current assets	5,418	5,239	5,611
Total liabilities	12,906	14,955	14,214
Total equity and liabilities	21,212	22,611	21,949

Equity statement

Amounts in DKK million	Contributed capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total equity
Group					
Equity at 1 January 2014	4,760	0	1,157	0	5,917
Profit for the period	-	0	341	-	341
Minority interests' share of profit for the period	-	-	0	-	0
Foreign currency translation adjustments re. Group companies	-	-	-3	-	-3
Value adjustment of hedging instruments, 1 January	-	-	371	-	371
Value adjustment of hedging instruments, 30 June	-	-	-404	-	-404
Equity at 30 June 2014	4,760	0	1,462	0	6,222
Profit for the period	-	0	141	0	141
Minority interests' share of profit for the period	-	-	20	-	20
Foreign currency translation adjustments re. Group companies	-	-	-2	-	-2
Value adjustment of hedging instruments, 1 July	-	-	404	-	404
Value adjustment of hedging instruments, 31 December	-	-	-525	-	-525
Other changes in equity, tax	-	-	41	-	41
Equity at 31 December 2014	4,760	0	1,541	0	6,301
Profit for the period	-	0	275	-	275
Minority interests' share of profit for the period	-	-	0	-	0
Foreign currency translation adjustments re. Group companies	-	-	4	-	4
Value adjustment of hedging instruments, 1 January	-	-	525	-	525
Value adjustment of hedging instruments, 30 June	-	-	-360	-	-360
Equity at 30 June 2015	4,760	0	1,985	0	6,745

Cash flow statement			
Group	First half		Full year
Amounts in DKK million	2015	2014	2014
Operating profit	584	705	1,202
Adjustment for non-cash operating items			
Depreciation, amortisation and write-downs	927	983	2,247
Change in Other provisions, net	-40	-26	-8
Other adjustments			
Gain and loss on sale and scrapping of intangible and tangible assets	-26	-153	-320
Net financials, paid	-137	-135	-379
Corporation tax, paid	-1	0	-19
Cash flow from operating activities before change in working capital	1,307	1,374	2,723
Change in working capital			
Change in Receivables	355	156	-141
Change in Properties sold – not yet transferred	-	114	154
Change in Inventories	-20	-70	-129
Change in Trade payables and Other liabilities etc.	-282	-335	-279
Change in total working capital	53	-135	-395
Total cash flow from operating activities	1,360	1,239	2,328
Cash flow from investing activities			
Acquisition of intangible and tangible assets, excl. capitalised interest	-388	-448	-948
Sale of intangible and tangible assets	44	235	408
Acquisition and sale of investments	-	-36	-
Contribution to associated company	-	-	-73
Total cash flow from investing activities	-344	-249	-613
Cash flow from financing activities			
Proceeds from raising long-term loans	-	495	897
Proceeds from raising short-term loans	-	1,200	1,450
Repayment of and payment of instalments on long-term loans	-116	-1,431	-2,351
Repayment of and payment of instalments on short-term loans	-995	-1,300	-1,600
Change in Credit institutions	105	32	-130
Invested hybrid capital from minority interests	-	-	22
Dividend paid to minority shareholder	-1	-2	-2
Total cash flow from financing activities	-1,007	-1,006	-1,714
Change in cash at bank and in hand	9	-16	1
Cash at bank and in hand at 1 January	27	26	26
Cash at bank and in hand, 30 June	36	10	27

The cash flow statement cannot be derived directly from the income statement and the balance sheet.

Profit per quarter

Group	2014				2015	
Amounts in DKK million	Q1	Q2	Q3	Q4	Q1	Q2
Passenger revenues	1,204	1,292	1,225	1,465	1,201	1,237
Revenue from transport contracts	1,222	1,216	1,217	1,239	1,235	1,235
Sales from shops etc.	193	220	202	199	185	218
Sales of repair and maintenance of rolling stock etc.	67	69	69	65	57	70
Leasing of rolling stock	58	56	56	57	60	58
Net turnover	2,744	2,853	2,769	3,025	2,738	2,818
Work performed by the enterprise and capitalised	157	139	122	171	143	129
Other operating income	124	241	250	177	93	169
Total revenue	3,025	3,233	3,141	3,373	2,974	3,116
Expenses for raw materials and consumables	431	419	478	437	431	448
Other external expenses	885	900	942	1,091	906	915
Staff expenses	963	972	920	885	914	965
Total expenses	2,279	2,291	2,340	2,413	2,251	2,328
Profit before depreciation, amortisation and write-downs	746	942	801	960	723	788
Depreciation, amortisation and write-downs	484	499	482	782	465	462
Operating profit	262	443	319	178	258	326
Net financials	-118	-121	-129	-164	-127	-71
Profit before tax	144	322	190	14	131	255
Profit for the period	101	240	135	6	91	184
Total equity	5,990	6,222	6,337	6,301	6,241	6,745
Operating profit margin (EBITDA margin)	27.2	33.0	28.9	31.7	26.4	28.0
Return on equity (ROE) p.a.	6.8	15.7	8.6	0.4	5.8	11.3
Return on invested capital after tax (ROIC after tax) p.a.	4.5	8.1	5.8	3.3	4.9	6.4

Financial calendar 2015

Expected publication of interim reports:

Third quarter 2015 3 November 2015

Publications

The Interim Report 2015 is available on
www.dsb.dk.

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Høje-Taastrup

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