ANNUAL REPORT 2014

FREJA Transport & Logistics Holding A/S

Translated and converted extract from
annual report 1. januar - 31. december 2014

Viborgvej 52, DK-7800 Skive
CVR nr. 35839224

www.freja.com

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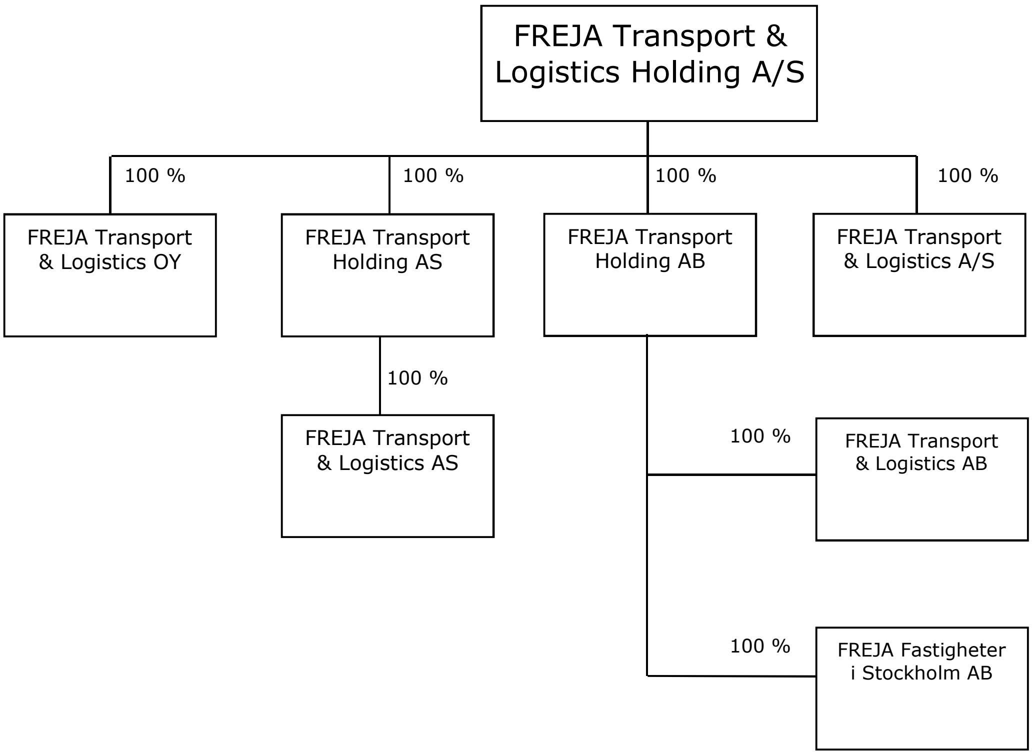
COMPANY INFORMATION

Company	FREJA Transport & Logistics Holding A/S Viborgvej 52 7800 Skive Telephone +45 9670 5000
Board of Directors	Asbjørn Berge Morten Windfeldt Christian Sonne-Schmidt Knud Borup Jensen Søren Kr. Sørensen Jørgen J. Hansen
Board of Executives	Jørgen J. Hansen
Auditor	BDO Statsautoriseret revisionsaktieselskab Asylgade 1U, 5. sal 7800 Skive
Banks	Nordea Bank Danmark A/S Danske Bank A/S
Law Firm	Advokat Knud Borup Jensen Nørregade 13 7800 Skive

GROUP STRUCTURE

	Name and registered office	Share capital in ' 000	Ownership
Subsidiaries	FREJA Transport & Logistics A/S, Denmark, Skive	7.341 DKK	100%
	FREJA Transport & Logistics OY, Finland, Turku	39 EUR	100%
	FREJA Transport Holding AS, Norway, Oslo	200 NOK	100%
	FREJA Transport Holding AB, Sweden, Helsingborg	500 SEK	100%
	FREJA Fastigheter i Stockholm AB, Sweden	300 SEK	100%
	FREJA Transport & Logistics AB, Sweden	400 SEK	100%
	FREJA Transport & Logistics AS, Norway	201 NOK	100%

GROUP STRUCTURE



STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

The Board of Directors and Board of Executives have today presented the annual report for the financial year 1 January - 31 December 2014 of FREJA Transport & Logistics Holding A/S.

The annual report is presented in accordance with International Reporting Standards as adopted by the EU.

We consider the accounting policies used to be appropriate. Accordingly, the Annual Report gives a true and fair view of the Group's and the parent company's financial position, cash flows and results of operations.

The management's review includes in our opinion a true and fair account of the development in the operations and financial circumstances, of the results for the year, and of the financial position of the Group and the parent company as well as a description of the most significant risks and elements of uncertainty facing the Group and the parent company.

The annual report is submitted for adoption by the General Meeting.

Skive, 29 April 2015

Board of Executives:

Jørgen J. Hansen

Board of Directors:

Asbjørn Berge Chairman	Søren Kr. Sørensen	Knud Borup Jensen
Christian Sonne-Schmidt	Morten Windfeldt	Jørgen J. Hansen

AUDITORS' REPORT

To the Shareholders of FREJA Transport & Logistics Holding A/S

The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2014, the summary income statement, summary statement of comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, is an unofficial translated and converted extract of the original audited Danish financial statements of FREJA Transport & Logistics Holding A/S for the financial year 1 January - 31 December 2014.

We expressed an unmodified audit opinion on those financial statements in our report dated April 29, 2015. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act, applied in the preparation of the audited financial statements of FREJA Transport & Logistics Holding A/S.

Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of FREJA Transport & Logistics Holding A/S.

Management's Responsibility for the Summary Financial Statements
Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Auditor's Responsibility
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

Opinion
In our opinion, the summary financial statements in all material respects are in agreement with the official Danish Annual Report of FREJA Transport & Logistics Holding A/S for the financial year 1 January - 31 December 2014 from which they have been translated and converted.

Skive, 1 June 2015

BDO Statsautoriseret revisionsaktieselskab

Ole Østergaard	Thomas Baagøe
State Authorised Public Accountant	State Authorised Public Accountant

KEY FIGURES AND FINANCIAL RATIOS OF THE GROUP

	2014 *EURO m*	2013 *EURO m*	2012 *EURO m*	2011 *EURO m*	2010 *EURO m*
Income statement					
Net revenue................................	301.14	281.57	278.70	260.40	240.54
Gross profit................................	35.00	33.91	34.06	29.79	29.71
Operating profit (EBIT)................	4.15	3.34	4.62	0.44	0.67
Income from investments in associates..................................	0.00	0.00	0.00	1.57	0.30
Financial income and expenses, net	-1.01	-0.70	-0.67	-0.86	-1.01
Profit before tax	3.14	2.63	3.95	1.16	-0.03
Profit for the year	2.36	1.94	2.90	0.83	-0.05
Comprehensive income	1.61	0.23	3.74	1.13	1.23
Balance					
Balance sheet total	75.41	74.34	76.68	76.38	78.47
Equity, total	20.18	18.38	18.16	14.27	13.55
Cash flows					
Cash flows from operating activities..................................	4.41	1.69	4.64	-0.03	2.96
Cash flows from investing activities [*1]..	-0.70	-1.73	-1.67	4.64	-2.75
Cash flows from financing activities	-1.81	-2.73	-2.73	-3.28	-1.98
Cash flows total..........................	1.90	-2.76	0.24	1.33	-1.78
[*1] Includes purchase of tangible fixed assets	0.54	1.62	0.84	0.44	1.15
Employees					
Average number of employees	536	522	538	556	566
Financial Ratios					
Profit margin.............................. (operating profit as % of net revenue)	1.4	1.2	1.7	0.2	0.3
Rate of return .... (operating profit as % of average balance sheet)	5.6	4.4	6.0	0.6	0.9
Equity ratio (solvency ratio).......... (equity incl. minority interests as % of assets, end of year)	27	25	24	19	17

MANAGEMENT REVIEW

Report for the financial year

The purpose of the parent company is to own companies in the FREJA group.

The main activities of the group, as in previous years, are transport and logistics-related activities.

Group Profit/Loss in 2014 – a Year with Less Satisfactory Results

In 2014 the activities in the FREJA group have been characterised by market fluctuations. In 2014 FREJA continued its organisation optimisation and worked intensively on the cargo market. The cargo market is divided into national and international units where many long-term strategic partnership agreements are sealed. The group has experienced a positive development in both turnover and EBIT where Sweden and Norway in particular have shown a positive trend. Finland has maintained its relatively high earnings level while Denmark has failed to live up to expectations in the second half of the year.

It is of decisive importance for FREJA to be able to maintain and further develop the high quality and service level it has offered its customers up until now. FREJA continuously supports this condition by being in close contact with customers and by offering access to a unique WEB and flow management system that gives customers full overview.

The group's turnover shows an increase of 7 % in Danish kroner compared to 2013. The total turnover in 2014 amounts to 301 mEUR.

The total EBIT amounts to 4.15 mEUR compared to 3.34 mEUR in 2013.

The profit before taxes amounts to 3.14 mEUR compared to 2.63 mEUR in 2013.

Other comprehensive income for the year is affected by major negative exchange differences relating to investments in foreign companies and amounts to -0.75 mEUR after tax.

In 2014, the group's cash flow from operating activities amounts to 4.41 mEUR in total. The cash used for investment activities amount to 0.70 mEUR and the cash used for net repayments on long-term interest-bearing debt total amount to 1.81 mEUR. Hence totally change in cash amount to 1.90 mEUR.

The financial gearing factor measured in EBITDA against the interest-bearing net debt amounts to 0.7 at the end of 2014.

The balance sheet total is on the same level as in 2013. In isolation, the exchange difference after conversion has resulted in a reduction of intangible assets amounting to 1.08 mEUR.

The group's equity during the financial year has been strengthened by 1.80 mEUR and the solvency radio has increased to 27%.

MANAGEMENT'S REVIEW

The group as a whole expects to improve its earnings in 2015. The first quarter exhibits a fine development in support of this expectation.

Denmark – unacceptable result but a positive foundation as a whole.
FREJA Denmark reports a 4% growth in turnover. EBIT is down year-on-year and amounts to approx. total amount to 1.3 mEUR.

Investments in many sales resources have been made during the year and the building works in Taastrup have begun. These costs affect the 2014 profit/loss but are expected to have a positive impact in the future.

The development observed throughout the year is to a great extent the result of the continuing work to streamline organisation and production, as well as the focus on sales and development of flexible customer-related solutions. This development supports the customer requests and the market demand.

The second half of 2014 is characterised by strong price competition leading to decreasing gross margin percentage. Despite the satisfactory first half of 2014, the strong competition in the second half of the year has resulted in a minor decrease of primary earnings compared to the whole 2013.

The first quarter of 2015 exhibits fine progress in activity and earnings. We expect this trend to continue throughout 2015.

Norway – fine result and geared for more growth
The previous years' investments, organisational optimisations and utilisation of the market in general have resulted in a very positive development.

From 2013 to 2014 the turnover has increased by approx. NOK 41.5 million which corresponds to a gain of approx. 16%.

There is a corresponding increase in EBIT from NOK 3.3 million to NOK 12.3 million.

In the course of 2014 new competences were added, training programmes on different levels were completed and a new office was opened in Kristiansand. All these measures have had a positive effect on the earnings.

The 2014 development trend continues in 2015. The first quarter of 2015 has exhibited a fine progress in operations and earnings and this is expected to continue throughout 2015.

MANAGEMENT'S REVIEW

Finland – highly satisfactory result and growing activity

Finland has experienced an increase in turnover from 2013 to 2014. As in previous years this is due to controlled growth with a focus on increased earnings. In 2014 the turnover has increased by approx. 21% and amounts to approximately 60 mEUR.

Despite the difficult market conditions, primarily due to the high unemployment rate in Finland as well as the crisis in Russia/Ukraine, FREJA in Finland has increased its activities with earnings on a lower but still satisfactory level. In 2014, EBIT amounts to 1.96 mEUR, which corresponds to a drop 0.34 mEUR. year-on-year.

The high activity level and earnings are expected to remain stable in 2015. The first quarter of 2015 supports this projection.

Sweden – unsatisfactory earnings but a very positive trend

In 2014 we implemented the organisational and production-related measures initiated in 2013.

As far as sales are concerned, more resources have been added and major transport agreements, fully effective from 2015, have been sealed.

The result in 2014 has been unsatisfactory but the trend turned out to be very satisfying. This trend has contributed to a positive EBIT result in the second half of 2014.

The positive development in 2014 continues with added strength in 2015 and the result in 2015 is expected to be much better compared to 2014.

RISK MANAGEMENT

Special risks

The group and the parent company's highest operating risk is associated with the ability to have a strong position on the markets where the products are sold, as well as to ensure competitive prices at all times, high degree of efficiency and customised flexible solutions.

Price risks

The transport services market is particularly sensitive to market conditions just as the price of the transport services is sensitive to production capacity and product volumes.

Because of the major price fluctuations on the transport market, the group's procurement of transport services presents a special risk as increases in the prices of transport services only partially – and only with a certain time lag - can be incorporated in the company's selling prices.

By means of strategic measures the group has managed to reduce its sensitivity to fuel price fluctuations.

MANAGEMENT'S REVIEW

Currency risks

Because of activities carried out abroad as well as purchase and selling of transport services abroad, the profit/loss, cash flows and equity are affected by the exchange rate fluctuations for several currencies, including to a great extent SEK, NOK and EUR. The group minimises these currency risks associated with the continuous payment flows from its operations by organising purchase and selling so that the currency flows are consistent to the greatest extent possible.

Interest rate risks

The group does not have considerable long-term debt with fixed interest rate and there is no major interest risk associated with this funding.

Credit risks

The group's credit risks are associated primarily with receivables. Major customers and partners undergo credit assessments regularly and the most important share of trade receivables are covered by credit insurance.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is an integral part of FREJA's way of doing business. In other words, responsibility and orderliness are key words in our business development and branding. This means, in particular, that FREJA with its responsible business conduct focuses on the workplace and the society and strives to reduce its environmental impact every day.

Responsible business conduct

FREJA emphasises long-term and mutual relationships with customers, suppliers and partners. Regardless of one's potential, nationality and status, everyone shall be treated in a professional manner and with respect to individual needs and requirements.

FREJA continuously develops production solutions aimed at increasing the value growth for both FREJA and the customer. FREJA offers web solutions, flow management systems and PDA solutions in the distribution chain – all solutions are fully integrated in the ERP system. This gives customers easy access to relevant information.

FREJA has undertaken to ensure sustainability, high business ethics and full integrity. All transport services are carried out in compliance with NSAB and CMR regulations. In the spring of 2014 FREJA published its "Code of Conduct for Suppliers to FREJA". This set of rules describes what FREJA regards as good business ethics for all suppliers that conduct transport services for FREJA.

MANAGEMENT'S REVIEW

The workplace
In 2014 the FREJA group had an average of 536 employees. To us, being part of an international group means that we guarantee development and opportunities to many people of very different cultural background.

It is important to us to attract and keep the highest qualified employees. FREJA's code of conduct, our HR strategy and relevant, person-oriented training constitute the basis of the day-to-day tasks of FREJA's managers and employees. In addition, we constantly initiate activities focusing on our employees' well being and development. Healthcare schemes are implemented in order to prevent absence due to illness and reduce inevitable leaves at the company, as well as in order to maintain a healthy well being environment at the workplace.

FREJA also has HR policies governing employees' employment conditions as well as healthy work life policies. FREJA encourages – and sponsors as well – exercising and healthy lifestyle activities.

FREJA gives annual donations to national subscriptions and the Danish Cancer Society.

FREJA's alcohol policy has strict rules concerning alcohol and prohibits any use of other drugs. The policy applies to all employees and related subcontractors. All consequences of failing to comply with the policies are known in advance.

FREJA actively promotes non-discrimination and inclusive culture at the work place. Therefore we actively work on diversity with regard to gender, age, ethnical background, handicap, sexual orientation, belief and religion.

Women in the management
The managers as well as the day-to-day management use as a starting point that the organisation represents different competences, ages and genders and is non-discriminating.

There are currently no women in the management. We are working on this and in the event of a future replacement of members of the management, or expanding the management, we will actively work to include 1 female member with the right qualifications and competences.

Our goal is to achieve this by the end of 2018.

The community
FREJA's units in The Nordic region play an active role in the local community. We would like to have a positive effect on and maintain good cooperation in the area, and we support relevant local projects.

The environment/safety
FREJA in Denmark and Sweden is DS/EN ISO 14001:2 004 and 9001:2 008 certified. Corresponding certification will be available in Norway from the beginning of 2015.

FREJA is AEO certified (Authorised Economic Operator) in the EU.

MANAGEMENT'S REVIEW

Efforts are continuously made to reduce the main environmental impacts by reducing idle running and optimising the payload percentage of the transport solutions used.

FREJA requires permanent subcontractors to use vehicles that meet at least EURO 3 emissions standards. The environmental certification system contributes to increasing our suppliers, employees and customers' awareness of the value of complying with the set objectives.

Implementation of electronic IT solutions helps reduce the paper consumption at the company and by customers.

FREJA has a management system that ensures registration and follow-up of quality and environmental focus areas and deviations for the purpose of rectifying these, thus guaranteeing that we always develop in positive direction.

EXPECTED DEVELOPMENT FOR 2015

The FREJA group lies on a firm foundation which will be the cornerstone of all future positive development throughout the entire group. FREJA is a strong brand in The Nordic region. Thanks to a strengthened organisation in all countries, FREJA is ready to continue to utilise market opportunities.

The ongoing sales and operational optimisations in the group have a positive return.

As of 1 January 2015 1. The Finnish company has implemented a common IT and EPR platform. This start-up has been thoroughly planned and took place in the first quarter of 2015 as planned. The FREJA group now has a common IT and ERP platform and is ready to utilise the competitive and financial advantages it offers.

In general, in 2015 marginal growth is expected on the markets in our focus areas and FREJA expects to grow organically more than the market.

FREJA has successfully attracted new customers, which together with the strategic partnerships in the cargo market leads us to project earnings that clearly surpass the 2014 level as far as EBIT is concerned.

To support FREJA's vision of being an all-round provider of transport and logistics services, new employee competences are being added in order to expand the Global Forwarding division.

New resources have also been added to the Health Care division, including development of GDP transport and distribution systems.

FREJA will continue to use the opportunities that arise for structural adjustments in this sector in the whole Nordic region.

MANAGEMENT'S REVIEW

FORMATION AND COMPLETED RESTRUCTURING

Restructuring

A change in the structure of the parent company was made in 2014.

The restructuring took place by setting up a new parent company which became the owner of the four countries' production units.

The former parent company in the group (FREJA Transport & Logistics A/S, CVR No. 15 02 78 00) continues to be the production unit in Denmark but this company no longer has equity holdings in foreign operating units.

Neither the consolidated accounts nor the foreign subsidiaries have been affected by this restructuring.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

No major events have taken place after the end of the financial year.

STATEMENT OF INCOME AND COMPREHENSIVE INCOME FOR THE GROUP 1 JANUARY – 31 DECEMBER

	Note	2014 *EURO ('000)*	2013 *EURO ('000)*
STATEMENT OF INCOME:			
NET REVENUE		**301,140**	**281,573**
Cost of sales		-249,995	-231,184
CONTRIBUTION MARGIN		**51,145**	**50,389**
Other external expenses		-16,147	-16,480
GROSS PROFIT		**34,998**	**33,909**
Staff costs		-29,469	-28,853
Operating income before depreciation and amortisation (EBITDA)		**5,529**	**5,056**
Depreciation, amortisations and impairment charges on tangible and intangible fixed assets		-1,419	-1,719
Other operating income		43	0
OPERATING PROFIT (EBIT)		**4,153**	**3,337**
Financial income		132	597
Financial expenses		-1,145	-1,301
PROFIT BEFORE TAX		**3,140**	**2,633**
Tax on profit		-781	-692
PROFIT FOR THE YEAR		**2,359**	**1,941**

STATEMENT OF COMPREHENSIVE INCOME:

		2014	2013
Profit for the year		**2,359**	**1,941**
Foreign currency translation adjustment of investments		-800	-2,059
Investment hedges, gains/losses		5	32
Cash flow hedges, gains/losses		1	16
Tax on other comprehensive income		43	297
OTHER COMPREHENSIVE INCOME AFTER TAX		**-751**	**-1,714**
COMPREHENSIVE INCOME		**1,608**	**227**

BALANCE SHEET FOR THE GROUP 31 DECEMBER

ASSETS	Note	2014 *EURO ('000)*	2013 *EURO ('000)*
Goodwill	2	21,564	22,685
Software	3	1,272	1,233
Intangible fixed assets		**22,836**	**23,918**
Land and buildings	3	4,192	4,592
Leasehold improvements	4	973	1,109
Plant, machinery, fixtures and equipment	4	1,794	2,074
Tangible fixed assets		**6,959**	**7,775**
Other investments		3	13
Receivables from group enterprises		0	1
Receivable deposits		1,997	2,152
Deferred tax (assets)		652	535
Fixed asset investments		**2,652**	**2,701**
NON-CURRENT ASSETS		**32,447**	**34,394**
Trade receivables		32,934	32,323
Receivable corporation tax		204	81
Other receivables		2,443	2,180
Prepayments and accrued income		1,866	1,864
Cash at bank and on hand		5,516	3,494
CURRENT ASSETS		**42,963**	**39,942**
ASSETS		**75,410**	**74,336**

EQUITY AND LIABILITIES

Share capital		985	985
Reserves		19,195	17,398
EQUITY		**20,180**	**18,383**
Deferred tax		179	15
Provisions for liabilities		202	125
Debt to banks		1,868	2,523
Leasing debt		6	94
Long-term liabilities	**5**	**2,255**	**2,757**
Provisions for liabilities		27	345
Debt to banks		7,675	9,327
Leasing debt		88	203
Trade payables		35,079	34,252
Corporation tax		543	186
Other liabilities		9,563	8,883
Current liabilities		**52,975**	**53,196**
LIABILITIES		**55,230**	**55,953**
EQUITY AND LIABILITIES		**75,410**	**74,336**

CONTONGENT LIABILITIES **6**

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP 1 JANUARY - 31 DECEMBER

Group	**Share capital**	**Reserves**	**Total**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*
Equity at 31 December 2012	**985**	**17,171**	**18,156**
Comprehensive income 2013	**0**	**227**	**227**
Equity at 31 December 2013	**985**	**17,398**	**18,383**
Comprehensive income 2014	**0**	**1,608**	**1,608**
Sales of treasury shares	0	189	189
Changes in equity 2014	**0**	**189**	**189**
Equity at 31 December 2014	**985**	**19,195**	**20,180**

CASH FLOW STATEMENT FOR THE GROUP 1 JANUARY – 31 DECEMBER

	Note	2014 *EURO ('000)*	2013 *EURO ('000)*
Profit for the year		2,359	1,941
Adjustments		2,034	2,109
Change in working capital		729	-1,428
Financial income		132	597
Financial costs		-1,145	-1,301
Tax on profit for the year		781	692
Corporation tax paid		-480	-920
Cash flows from operating activities		**4,410**	**1,690**
Purchase of intangible fixed assets	3	-524	-422
Purchase of tangible fixed assets	4	-542	-1,615
Sale of tangible fixed assets		201	292
Change in deposits and other financial investments		160	-30
Investments in and loans to group enterprises		1	46
Cash flows from investing activities		**-704**	**-1,729**
Proceeds from long-term borrowing		0	275
Repayments of loans	5	-1,999	-3,000
Sale of treasury shares		189	0
Cash flows from financing activities		-**1,810**	**-2,725**
Change in cash and cash equivalents		**1,896**	**-2,764**
Cash and cash equivalents 1 January		-4.043	-1,161
Exchange adjustment		517	-118
Cash and cash equivalents 31 December		**-1,630**	**-4,043**
Cash and cash equivalents at 31 December:			
Cash at bank and on hand		5,516	3,494
Bank overdraft		-7,146	-7,537
Cash and cash equivalents		**-1,630**	**-4,043**

SURVEY OF NOTES

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NOTES

ACCOUNTING POLICIES 1

The annual report of FREJA Transport & Logistics Holding A/S for 2014 has been presented in accordance with International Reporting Standards as adopted by the EU.

The annual report has been prepared in EURO ('000).

General about recognition and measurement
Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and impairment charge are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

Consolidated financial statements
The consolidated financial statements include the parent company FREJA Transport & Logistics Holding A/S and its subsidiary enterprises in which FREJA Transport & Logistics Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence.

Enterprises, in which the Group holds between 20% and 50% of the voting rights and can exercise significant, but not controlling influence, are considered associates.

NOTES

ACCOUNTING POLICIES

The consolidated financial statements are prepared on the basis of the annual report of the parent company and the individual subsidiary enterprises whose annual reports, to be used for consolidation, are prepared in accordance with the group accounting policies. Uniform items are added together. Intercompany income and expenses, shareholdings, intercompany balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or established enterprises are recognised in the consolidated financial statements from the time when the group gains control. Sold or wound up enterprises are excluded from consolidation at the date of transfer of the control in the enterprises. Comparative figures are not adjusted for newly acquired, sold or wound up enterprises, however, discontinued activities are presented separately.

Subsidiary enterprises, acquired after 1 January 2005, are measured at fair value at the time of the transaction. The cost price is distributed on identifiable assets and liabilities, including deferred tax on recognised amounts, at the time of acquisition. Positive differences between the net value of identifiable assets and liabilities and the cost price are recognised as goodwill in the balance sheet. Negative differences are recognised as gains in the income statement at the acquisition. In the event that subsequently assets, liabilities and contingent liabilities prove to have another value than anticipated, goodwill is adjusted for up to 12 months after the date of acquisition, and comparative figures are adjusted. Furthermore, goodwill changes in connection with amendments to estimates of conditional consideration and in connection with realisation of deferred tax assets which were not recognised at the date of acquisition.

Subsidiary enterprises, acquired before 1 January 2005, are recognised in accordance with the distribution of the cost price according to the accounting policies at the time of acquisition.

NOTES

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue
The net revenue from sale is recognised in the income statement in the period when the transportation was carried out.

Financial income and expenses in general
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Interest and other costs of borrowing for financing of manufacture of current assets and fixed assets are not recognised in the cost price.

Tax on profit for the year
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Goodwill
Acquired goodwill from acquisition of activities or enterprises is measured at cost less impairment charges. Goodwill is not amortised.

The carrying amount of goodwill is assessed currently. Each amount of goodwill is attached to an activity (cash flow generating entity) which as a minimum is tested annually for impairment. The value is reduced to recoverable value if the carrying amount exceeds the present value of the expected future net income from the activity related to the goodwill. Impairment charges is recognised as a separate cost item in the income statement and cannot be carried back in subsequent periods if the impairment falls away.

NOTES

ACCOUNTING POLICIES

Software

Software is measured at cost less accumulated amortisation.

Software is amortised on a straight-line basis over the expected useful life which is estimated to 3-5 years.

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs. The cost includes also estimated cost of dismantling and disposal of the asset and reestablishment in so far as these costs are recognised as a liability.

The cost of an asset is divided into separate components which are depreciated individually if the useful lives are not identical.

Subsequent costs of replacement of components are recognised as a tangible fixed asset when it is likely that they will lead to future economic benefits. The carrying amount of the replaced components are recognised in the income statement. All other costs of repair and maintenance are recognised in the income statement when incurred.

The depreciation base is cost less estimated residual value after end of useful life. The residual value is reassessed annually.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	**Residual value**	
Buildings	20-40 years	15-20%	of cost
Leasehold improvements	5-15 years	0%	of cost
Plant, Machinery, Fixtures and Equipment...........................	3-5 years	0-10%	of cost

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised as depreciation in the income statement.

NOTES

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Impairment

The accounting value of the current assets of the parent company or the subsidiaries are assessed annually to determine any indication of impairment. In the event of such an impairment, the recovery value of the asset is calculated. The recovery value is the highest net selling price or VIU of an asset. If the accounting value exceeds the recovery value, the loss is recognised at impairment in the income statement.

Fixed asset investments

Investments in subsidiary enterprises and associates are measured at cost in the parent company balance sheet. If distributed dividend exceeds the accumulated earnings after the acquisition date, the cost price is written down similarly.

In the consolidated financial statements, investments in associates are measured in the balance sheet at the proportional interest in the enterprises' equity, calculated in accordance with the group accounting policies, with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of goodwill calculated in accordance with the acquisition method. The share of the results for the year of associates is recognised separately in the income statement as financial income or expenses. Share of equity adjustments is recognised in group equity.

Securities, deposits and investments, recognised as fixed assets, are recognised at the lower of cost and net realisable value.

Other securities and investments

Securities recognised as current assets (public quoted bonds) are measured at fair value corresponding to stock market price.

NOTES

ACCOUNTING POLICIES

Accounts receivable
Accounts receivable are measured at amortised cost which usually corresponds to nominal value. Write-down is provided to meet expected losses.

Accruals
Income and expenses relating to transportations that are not completed in the present financial year are recognised in the balance sheet as a separate receivable or liability.

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Dividend
Dividend is provided for in the financial statements when the General Meeting has declared the dividend and the company has assumed a liability. Management's proposal for dividend for the present financial year is thus part of the equity and is disclosed in the equity note.

Provision for liabilities
Provisions for liabilities include the expected loss on contracts and expected renovation costs on return of leased trailers. Provisions for these liabilities are recognised on the basis of a specific estimate.

Foreign subsidiaries have undertaken a few uncovered obligations on retirement pensions. These obligations on retirement pensions are included in the vesting period and are recognized in the balance under provision for liabilities.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax.

NOTES

ACCOUNTING POLICIES

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Mortgage debt is measured at amortised cost which for cash loans is equal to the debt outstanding and for bond loans is equal to the debt outstanding, calculated on the basis of the underlying cash value of the loan at the time of borrowing.

Other liabilities which include debt to suppliers, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.

Accruals recognised as liabilities include payments received regarding income in subsequent years.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as part of gross profit.

The income statements of foreign subsidiary enterprises and associates are translated at an average exchange rate and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of the foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity if the amounts are significant.

Cash flow statement
The cash flow statement shows the company’s cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital, corporation tax paid, and payment of dividend to shareholders.

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

NOTES

ACCOUNTING POLICIES

Cash flow statement
The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital, corporation tax paid, and payment of dividend to shareholders.

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt.

Cash and cash equivalents include bank overdraft.

NOTES

Note

Goodwill **2**

	Group		Parent company	
	2014 *EURO ('000)*	**2013** *EURO ('000)*	**2013** *EURO ('000)*	**2012** *EURO ('000)*
Cost 1 January	22,685	24,452	1,766	1,773
Exchange differences....................	-1.121	-1,767	1	-7
Cost 31 December	**21,564**	**22,685**	**1,767**	**1,766**
Impairment charge 1 January and 31 December........................	**0**	**0**	**0**	**0**
Book value	**21,564**	**22,685**	**1,767**	**1,766**

An impairment test of the carrying amount of goodwill was performed on 31 December 2014. Goodwill has been distributed on these 4 cash flow generating entities:

	Denmark	**Norway**	**Finland**	**Sweden**
Carrying amount af goodwill	1,771	8,907	3,161	7,725

The recoverable value of the cash flow generating entities has been calculated on the basis of the net present value, which has been calculated by using the expected net cash flows for each entity during the period 2015 – 2022, and the terminal value for the period after 2022. The present value has been calculated on the basis of a discount factor of 13% (before tax).

NOTES

Note

Fixed assets **3**

	Software		Land and buildings	
	2014 *EURO ('000)*	**2013** *EURO ('000)*	**2014** *EURO ('000)*	**2013** *EURO ('000)*
Cost 1 January	4,226	3,906	5,873	6,068
Addition..................................	524	422	0	34
Disposal	0	-90	0	0
Exchange differences	4	-12	-308	-229
Cost 31 December	**4,754**	**4,226**	**5,565**	**5,873**
Depreciation and impairment charge 1 January......................	2,993	2,382	1,281	1,129
Depreciation	487	707	171	202
Depreciation, assets sold	0	-90	0	0
Exchange differences	2	-6	-79	-50
Depreciation and impairment charge 31 December	**3,482**	**2,993**	**1,373**	**1,281**
Book value............................	**1,272**	**1,233**	**4,192**	**4,592**

NOTES

Note

Leasehold improvements **4**

	Leasehold improvements		Plant, machinery, fixtures and equipment	
	2014 *EURO ('000)*	**2013** *EURO ('000)*	**2014** *EURO ('000)*	**2013** *EURO ('000)*
Cost 1 January	2,343	2,256	5,155	4,727
Addition.......................................	14	110	528	1,471
Disposal	-413	0	-392	-834
Exchange differences	-6	-23	-107	-209
Cost 31 December.....................	**1,938**	**2,343**	**5,184**	**5,155**
Depreciation and impairment charge 1 January	1,234	1,125	3,081	3,060
Depreciation.................................	122	120	639	686
Depreciation, assets sold	-387	0	-261	-539
Exchange differences	-4	-11	-69	-126
Depreciation and impairment charge 31 December..................	**965**	**1,234**	**3,390**	**3,081**
Book value.................................	**973**	**1,109**	**1,794**	**2,074**
Amount of finance lease assets ..			**404**	**564**

NOTES

Note

Long-term liabilities **5**

The parent company and the group have raised the following long-term loan and leasing liabilities:

Dept to banks

Loan	Expiry	Fixed/ variable	Effective interest 2014 %	Effective interest 2013 %	Carrying amount 2014	Carrying amount 2013	Fair value 2014	Fair value 2013
DKK	2015	Variable	3,3	3,0	272	541	272	541
SEK	2014	Fixed	5,2	5,2	0	400	0	406
EUR	2015	Fixed	4,5	4,5	258	1,189	260	1,222
EUR	2014	Variable	4,5	4,5	0	200	0	200
SEK		Variable	5,7	5,7	760	806	760	806
SEK		Variable	5,7	5,7	760	806	760	806
SEK		Variable	5,7	5,7	348	371	348	371
Total					**2,398**	**4,427**	**2,400**	**4,426**
Weighted average effective interest			5,3	4,9				

Dept to bank and leasing

	1/1 2014 Debt	31/12 2014 Debt	Repayments < 1 year	31/12 2014 Long-term liabilities	Repayments 1-5 years	Repayments after 5 years
Parent company:						
Debt to banks.............	4,312	2,398	530	1,868	0	1,868
Leasing debt	298	94	88	6	6	0
Total	**4,610**	**2,492**	**618**	**1,874**	**6**	**1,868**

Debt 1 January...........	4,610
Proceeds from long-term borrowing	0
Repayment of loans	-1,999
Exchange differences ...	-119
Debt 31 December	**2,492**

NOTES

Contingent liabilities 6

	2014 *EURO ('000)*	2013 *EURO ('000)*
Liabilities regarding lease of real property/premises		
Interminable period on the part of lessee	38,993	43,432
Other lease liabilities (operating leases)		
Total residual lease payment	17,129	19,348
Total service cost linked to operating leases	6,432	7,329