ANNUAL REPORT 2013

FREJA Transport & Logistics A/S
23th financial year

Translated and converted extract from
annual report 1. januar - 31. december 2013

Viborgvej 52, DK-7800 Skive
CVR nr. 15027800

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*) The English extract is an unofficial translation and converted version of the original Danish financial report, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

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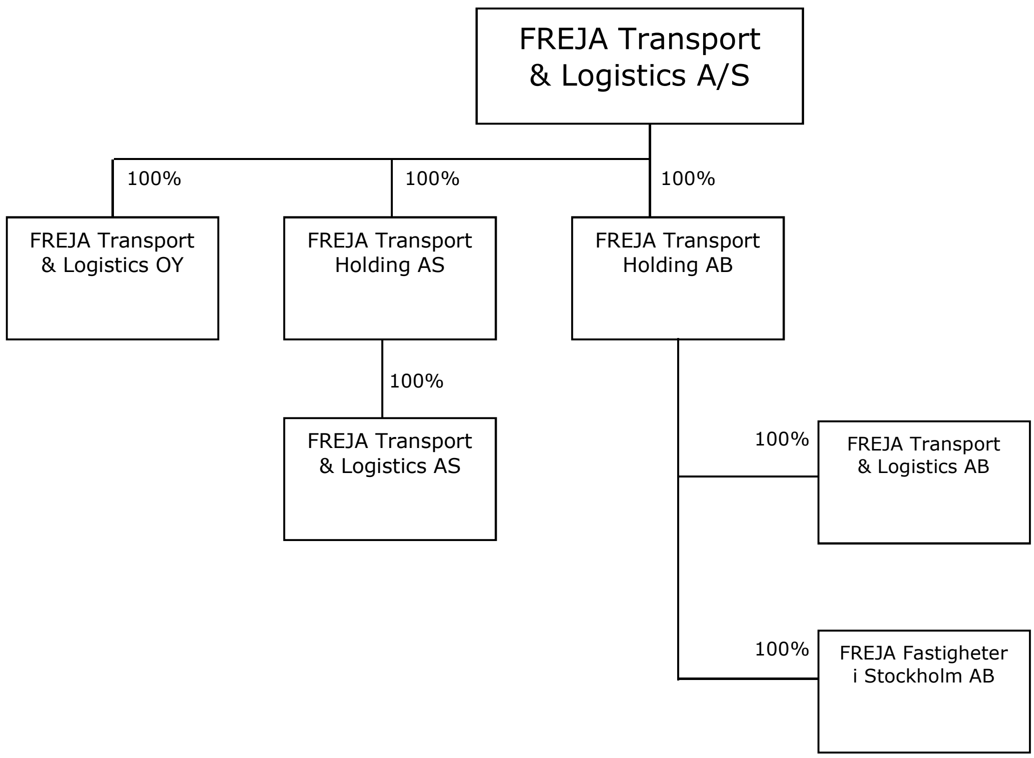
COMPANY INFORMATION

Company	FREJA Transport & Logistics 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 Ulrik E. Rasmussen
Auditor	BDO Statsautoriseret revisionsaktieselskab Slotsgade 3 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 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 2013 of FREJA Transport & Logistics 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 2014

Board of Executives:

Jørgen J. Hansen	Ulrik E. Rasmussen

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 A/S

The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2013, 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 A/S for the financial year 1 January - 31 December 2013.

We expressed an unmodified audit opinion on those financial statements in our report dated April 29, 2014. 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 A/S.

Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of FREJA Transport & Logistics 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 A/S for the financial year 1 January - 31 December 2013 from which they have been translated and converted.

Skive, 11 June 2014

BDO Statsautoriseret revisionsaktieselskab

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

KEY FIGURES AND FINANCIAL RATIOS OF THE GROUP

	2013 *EURO m*	2012 *EURO m*	2011 *EURO m*	2010 *EURO m*	2009 *EURO m*
Income statement					
Net revenue................................	281.57	278.70	260.40	240.54	218.11
Gross profit................................	33.91	34.06	29.79	29.71	30.29
Operating profit (EBIT).................	3.34	4.62	0.44	0.67	1.43
Income from investments in associates..................................	0.00	0.00	1.57	0.30	0.26
Financial income and expenses, net	-0.70	-0.67	-0.86	-1.01	-0.93
Profit before tax	2.63	3.95	1.16	-0.03	0.76
Profit for the year	1.94	2.90	0.83	-0.05	0.58
Comprehensive income	0.23	3.74	1.13	1.23	2.27
Balance					
Balance sheet total	74.34	76.68	76.38	78.47	75.12
Equity, total	18.38	18.16	14.27	13.55	11.61
Cash flows					
Cash flows from operating activities..................................	1.69	4.64	-0.03	2.96	10.19
Cash flows from investing activities *1...	-1.73	-1.67	4.64	-2.75	-2.36
Cash flows from financing activities	-2.73	-2.73	-3.28	-1.98	3.54
Cash flows total	-2.76	0.24	1.33	-1.78	11.37
*1 Includes purchase of tangible fixed assets	1.62	0.84	0.44	1.15	0.37
Employees					
Average number of employees	522	538	556	566	575
Financial Ratios					
Profit margin.............................. (operating profit as % of net revenue)	1.2	1.7	0.2	0.3	0.7
Rate of return .... (operating profit as % of average balance sheet)	4.4	6.0	0.6	0.9	1.9
Equity ratio (solvency ratio).......... (equity incl. minority interests as % of assets, end of year)	25	24	19	17	15

MANAGEMENT REVIEW

Report for the financial year

The mother company's and the Group's main activities have consisted of transport and logistics and related activities just as in previous years.

Group result 2013 – an investment year with a less satisfactory result

The activities in the FREJA group have been influenced by state of the market fluctuations. During 2013 FREJA has invested in as well physical surroundings as organisational optimisations. Both are matters which will form the foundation for a future return. Better physical surroundings, an optimised organisation, focused sales efforts, shared Nordic ERP system and improvements of the general level of qualifications constitute the foundation of the future development of the group.

We have experienced a positive development in EBITDA in Denmark and Finland, but a slight decrease for the group in general.

It is crucial for FREJA to be able to maintain the high level of quality and service towards our customers. In spite of economic fluctuations FREJA has grown stronger year by year and at the entrance to 2014 we are prepared for profitable growth.

In the Group the turnover shows a smaller increase calculated in Danish Kroner compared to 2012. Denmark and Finland contributes to this increase.

The total EBIT amounts to 3.3 mEUR compared to 4.6 mEUR in 2013.

The result of the year before tax amounts to 2.6 mEUR compared to 3.9 mEUR in 2012.

The total income of the year has been influenced by large negative currency adjustments related to investments in foreign daughter companies and amounts to 0.2 mEUR after tax.

The Group's cash flow from operational activities amounts to 1.7 mEUR. Cash flow used for investment activities amounts to 1.7 mEUR and cash flow used for net repayments for long-term interest-bearing debts amounts to 2.7 mEUR. In total the change in liquid assets is therefore negative by 2.7 mEUR.

The financial gearing factor measured in EBITDA against the interest-bearing net debt amounts to 1.7 at the end of 2013.

The Group's balance sum has been reduced in 2013. A matter which is primarily related to the above mentioned currency adjustment of foreign daughter companies and which viewed in insolation has reduced the intangible assets by 1.8 mEUR.

The Group's equity has been strengthened in the financial year and the solvency ratio has been increased to 25%.

Denmark – not acceptable result, but with a fundamentally positive trend

The mother company FREJA Denmark has experienced a growth in turnover of approx. 6%. EBIT is practically unchanged compared to 2012 and amounts to approx. 1.9 mEUR.

During the year, investments have been made in more sales resources and in customer related solutions - costs which have influenced the result in 2013 but with an expected positive effect in the future.

The result of the year is highly a result of an on-going progress in trimming the organisation and production as well as high focus on sale as well as flexible and customer related solutions. A development which supports the customers' wishes and the needs of the market.

MANAGEMENT REVIEW

The first quarter of 2014 shows a steady progress in the activity and earnings. We expect this to continue during the entire 2014.

Norway – not acceptable result – but geared for growth

The turnover has been influenced by outsourcing of the distribution activities in Norway. If you disregard these national transports, the turnover in NOK has been increased marginally. When the national transports are included – converted to EUR– the turnover has been reduced.

With start of production January 1st 2013 we followed the time frame for implementing our shared IT platform. As expected this resulted in a large consumption of resources and a decline in production as well as earnings during the first half of 2013. The trend has turned during the second half year and at the entrance to 2014 we are prepared to use the large potential which comes with the new system.

During 2013 we have added qualifications and carried out training programs at different levels. We plan to add further resources in 2014. This in connection with the opening of a new office in Kristiansand will result in increased activity and earnings in 2014.

The first quarter of 2014 has shown a nice progress in the activity and earnings and this is expected to continue in all 2014.

Finland – very satisfactory result and increasing activities

Finland has experienced increase in turnover from 2012 to 2013. This has taken place through controlled growth with focus on increased earnings.

The earnings have developed concurrently with the increased activity as well as focus on profitability and amounts to a highly satisfactory level.

Especially the European road traffics have developed positively. With the signing of a strategic cooperation with the network Cargo Line with continuous implementation during the first half of 2014, it is expected that the high level of activity and earnings will continue on a stable level in 2014.

Sweden – unsatisfactory earnings, but physical- and organisational optimisations carried out

In 2013 we have lost large volumes in addition to state of the market related price reductions. This has influenced as well turnover as earnings in a negative way.

During 2013 the office in Helsingborg was moved to new premises and at the same time the terminal operation has been outsourced. Furthermore, we have opened a new office in Göteborg. FREJA is now established in all larger cities and strategic places in Sweden. Investments which have influenced the operation negatively.

Large organisational and production related changes in 2013 have also affected the result in a negative way, but will as of the beginning of 2014 have full positive affect.

More resources have been add to the sales department and substantial transport agreement have been made with full effect from second quarter of 2014.

The result in 2013 has been very unsatisfactory. We expect that the investments and improvements we have made will result in a substantially improved result for 2014.

MANAGEMENT REVIEW

RISK MANAGEMENT

Special risks
The Group's and the mother company's main operational risk is tied to the ability to be strongly positioned in the markets where the products are sold as well as to ensure continuously competitive prices, a high degree of efficiency and customer related, flexible solutions.

Price risks
The market for transport services is very sensitive to market conditions just as the price for transport services is sensitive to production capacity and volume of goods.

The group and mother company's purchase of transport services entails a certain risk due to the substantial price fluctuations in the transport market, a special risk as price increases on transport services only exceptionally – and only with a certain time difference – can be included in the company's sales prices.

The company has reduced the sensitivity to fluctuations in fuel prices by including relevant regulation clauses in all substantial customer agreements.

Currency risks
Activities abroad and purchases and sale of transport services abroad mean that result, cash flow and equity are influenced by the currency development for a number of currencies, including especially SEK, NOK and EUR.

The group and the parent company try to minimise the currency risks that are related to the continuous payment flows from the operation by planning purchases and sales so the currency flows counterbalance each other as much as possible.

In terms of financing, the mother company and the group have partly uncovered currency risks for net investments in foreign subsidiaries by taking out loans in the equivalent currency.

Interest risks
For both the parent company and the Group it applies that most of the long-term debt has fixed interest or been interest secured by entering financial contracts, whereby there is no interest risk associated with this financing.

The share of the interest-bearing net debt which is subject to a rent risk, is not a substantial amount and changes in the interest level will therefore have limited effect on the earnings.

Credit risk
The Group's and the mother company's credit risks primarily concern receivables. There is no significant risk concerning individual customers.

Larger customers and partners are credit assessed continuously and the significant part of the amounts due from sales are credit insured.

CORPORATE SOCIAL RESPONSIBILITY
Social responsibility constitutes an integrated part of the way FREJA runs its business. This means that responsibility and orderliness are key words in our business development and branding. Specifically this means that FREJA with a responsible business attitude has focus on the work place, on the society and every day tries to reduce the environmental influences.

MANAGEMENT REVIEW

Responsible business attitude

FREJA values long term and mutual customer relations. Regardless of potential, nationality and status our customers must be treated professionally and with respect for their individual needs and wishes.

FREJA continuously develops product solutions with the purpose of increasing growth in value for as well FREJA as the customer. FREJA offers web solutions, fleet management systems and PDA solutions in the distribution chain – all solutions which are fully integrated to the ERP system. This gives the customer easy access to relevant information.

In FREJA we have committed ourselves to secure sustainability, high business moral and ethics, as well as full integrity. All transports are subject to the regulations of NSAB and CMR. Spring 2014 FREJA has published "Code of Conduct for Suppliers to FREJA". The code of conduct describes what FREJA considers to be good business moral and ethics for all sub suppliers when they carry out transports for FREJA.

The workplace

In 2013 the FREJA Group employed an average of 276 employees in Denmark and in total 522 employees in the Group. To be part of an international Group means to us that we ensure development and possibilities of a diversity of people with completely different cultural backgrounds.

It is important for us to attract and retain the highest qualified employees. The attitudes of the FREJA employees, our HR strategy and relevant personalised education create the framework for the daily work for managers and employees at FREJA. Following this we continuously start initiatives that focus on our employees' wellbeing and development. Health schemes are implemented partly to prevent absence and reduce unavoidable absence in the company, partly to maintain a healthy welfare at the workplace.

Besides staff policies that regulate the employees' employment conditions FREJA also has policies that focus on the healthy work life. FREJA encourages exercise and healthy lifestyle.

Correspondingly, we follow alcohol policies that tighten up the association with alcohol and forbid consumption of other intoxicants. The policies apply to all employees and associated sub suppliers. In case of deviance the consequences are known in advance.

FREJA takes active efforts to have the organisation reflect equal treatment and an inclusive culture. Therefore, we work actively on diversity in respect to sex, age, ethnicity, handicap, sexual orientation, faith and religion.

Women in management

The board as well as the daily management strive to have the organization represent different qualifications, ages and genders and not to be discriminating in any way.

Today FREJA has no female representatives in the Board of Directors, but in case of future replacement of board members or expansion of the board we will work actively in including one female member with the right qualifications and skills before the end of year 2018.

MANAGEMENT REVIEW

Community

FREJAs divisions in the Nordic countries take active part in the local community. We wish to act positively and have a good cooperation in the local community and support relevant local purposes.

FREJA gives yearly donations to national collections and "Kræftens Bekæmpelse" (the Danish Cancer Society).

Environment/safety

FREJA Transport & Logistics in Denmark and in Sweden are certified according to DS/EN ISO 14001:2004 and 9001:2008. We work continuously to reduce our damaging environmental influences by reducing the empty driving and by optimising payload percentages on all transport units used.

FREJA requires associated sub-suppliers to provide Euro 3 norm trucks as a minimum. The environmental certification system helps increase suppliers', employees' and customers' awareness of the value of following the set plans.

The implementation of electronic IT solutions helps limit the use of paper in the company and with the customers.

FREJA has a management system that partly ensures registration and follow-up on quality- and environmental focus areas and deviations with the purpose of remedying these and partly ensures that we constantly develop in a positive direction.

FREJA is AEO certified (Authorized Economic Operator) in EU countries. This is a customs related certification with focus on economy, customs and security.

EXPECTED DEVELOPMENT 2014

The FREJA Group is built on a solid foundation which will be the cornerstone for the future, positive development of the entire Group. FREJA has a solid brand in the Nordic countries. A strengthened organisation in all countries ensures that FREJA is now ready to exploit the market related opportunities.

The continuous sales related and operational optimisations in the Group will give a positive return.

In general we expect the Nordic market to grow marginally in 2014. FREJA expects to grow organically more than the market.

On Group level we negotiate on establishing new long-lasting, strategic partner agreements with leading European transport groups, which will increase the exposure in the groupage segment significantly in all four Scandinavian home markets.

In Denmark we see that in as well 2013 as during the first quarter of 2014 we have succeeded in attracting new customers, which does that we expect earnings to clearly exceed the level for 2013.

MANAGEMENT REVIEW

In Sweden we expect that the investments and rationalisation which we have made in 2013 will have a substantially positive influence on as well turnover as earnings in 2014. We expect a strongly improved result compared to 2013.

In Norway the new IT-platform and the organisational lift of qualifications together with the opening of a new office will contribute to the expected growth in turnover and earnings.

In Finland we have achieved high earnings during the past years. We expect to maintain last year's earnings in 2014.

All in all this means that the FREJA Group expects a total result in 2014 which is better than 2013. It implies that we also expect an improvement in all essential key figures.

In future the Group will appear a streamlined unit with a strong brand in a competitive market.

FREJA will continue to try to exploit the opportunities that arise for structure adaptations in the trade in all Nordic countries.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Group structure

Management has decided that end of April and beginning of May 2014 a change will be made in the mother company structure. Today the Danish entity is as well mother company for the foreign daughter companies and the producing unit in Denmark.

This inappropriateness will be solved by establishing a new mother company which then will be the owner of the four countries producing units. The present mother company (VAT-No. 15 02 78 00) will also be the continuous producing unit in Denmark. The foreign daughter companies will likewise be unaffected by this restructure.

In this connection there will be no allocation of profit to the ultimate owners and the future Group accounts will be unchanged with no form of step up of the values.

Sweden

In order to strengthen the development of the Swedish entity a change of management has taken place on April 1st 2014. This means that a new CEO has been appointed.

Other event

Except from the above no significant events have occurred after the end of the financial year.

INCOME STATEMENT 1 JANUARY – 31 DECEMBER

	Note	Group		Parent company	
		2013	**2012**	**2013**	**2012**
		EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
NET REVENUE		**281,573**	**278,699**	**146,600**	**137,787**
Cost of sales		-231,184	-227,180	-122,774	-113,795
CONTRIBUTION MARGIN		**50,389**	**51,519**	**23,826**	**23,992**
Other external expenses		-16,480	-17,460	-6,247	-7,062
GROSS PROFIT		**33,909**	**34,059**	**17,579**	**16,930**
Staff costs		-28,853	-27,815	-14,413	-13,865
Operating income before depreciation and amortisation (EBITDA)		**5,056**	**6,244**	**3,166**	**3,065**
Depreciation, amortisations and impairment charges on tangible and intangible fixed assets		-1,719	-1,624	-1,304	-1,138
OPERATING PROFIT (EBIT)		**3,337**	**4,620**	**1,862**	**1,927**
Dividend from investments in subsidiaries and associates		0	0	299	701
Foreign currency translation adjustment of loans to subsidiaries		0	0	-1,239	750
Gain/losses on hedging of loans to subsidiaries		0	0	32	-69
Financial income		597	322	614	564
Financial expenses		-1,301	-993	-461	-657
PROFIT BEFORE TAX		**2,633**	**3,949**	**1,107**	**3,216**
Tax on profit		-692	-1,047	-195	-651
PROFIT FOR THE YEAR		**1,941**	**2,902**	**912**	**2,565**

STATEMENT OF COMPREHENSIVE INCOME 1 JANUARY – 31 DECEMBER

		Group		Parent company	
	Note	2013 *EURO ('000)*	2012 *EURO ('000)*	2013 *EURO ('000)*	2012 *EURO ('000)*
Profit for the year....................		**1,941**	**2,902**	**912**	**2,565**
Foreign currency translation adjustment of investments		-2,059	1,064	0	0
Investment hedges, gains/losses .		32	-69	0	0
Cash flow hedges, gains/losses ...		16	15	16	15
Tax on other comprehensive income		297	-174	-4	-4
OTHER COMPREHENSIVE INCOME AFTER TAX.................		**-1,714**	**836**	**12**	**11**
COMPREHENSIVE INCOME		**227**	**3,738**	**924**	**2,576**

BALANCE SHEET 31 DECEMBER

		Group		Parent company	
ASSETS	**Note**	**2013**	**2012**	**2013**	**2012**
		EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Goodwill	2	22,685	24,452	1,767	1,766
Software	3	1,233	1,524	1,218	1,467
Intangible fixed assets...........		**23,918**	**25,976**	**2,985**	**3,233**
Land and buildings	4	4,592	4,939	520	519
Leasehold improvements............	5	1,109	1,131	1,020	1,056
Plant, machinery, fixtures and equipment	6	2,074	1,667	1,327	833
Tangible fixed assets..............		**7,775**	**7,737**	**2,867**	**2,408**
Investments in subsidiaries		0	0	13,965	9,629
Other investments.....................		13	14	3	3
Receivables from group enterprises		1	46	9,117	14,477
Receivable deposits		2,152	2,122	2,152	2,112
Deferred tax (assets).................		535	340	127	307
Fixed asset investments.........		**2,701**	**2,522**	**25,364**	**26,528**
NON-CURRENT ASSETS		**34,394**	**36,235**	**31,216**	**32,169**
Trade receivables		32,323	32,293	17,384	15,519
Receivable corporation tax		81	166	0	0
Other receivables		2,180	940	628	700
Prepayments and accrued income		1,864	2,714	616	600
Cash at bank and on hand..........		3,494	4,327	1,212	1,271
CURRENT ASSETS		**39,942**	**40,440**	**19,840**	**18,090**
ASSETS		**74,336**	**76,675**	**51,056**	**50,259**

BALANCE SHEET 31 DECEMBER

		Group		Parent company	
EQUITY AND LIABILITIES	**Note**	**2013**	**2012**	**2013**	**2012**
		EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Share capital............................		985	985	985	985
Reserves		17,398	17,171	15,135	14,211
EQUITY		**18,383**	**18,156**	**16,120**	**15,196**
Deferred tax		15	18	0	0
Provisions for liabilities..............		125	285	69	180
Debt to banks	7	2,523	4,416	541	2,348
Leasing debt	7	94	131	94	0
Long-term liabilities		**2,757**	**4,850**	**704**	**2,528**
Provisions for liabilities..............		345	294	345	294
Debt to banks		9,327	8,282	7,485	7,929
Leasing debt		203	137	89	0
Debt to group enterprises		0	0	505	0
Trade payables.........................		34,252	34,992	21,395	20,518
Corporation tax		186	608	19	0
Other liabilities.........................		8,883	9,356	4,394	3,794
Current liabilities...................		**53,196**	**53,669**	**34,232**	**32,535**
LIABILITIES		**55,953**	**58,519**	**34,936**	**35,063**
EQUITY AND LIABILITIES		**74,336**	**76,675**	**51,056**	**50,259**

CONTONGENT LIABILITIES 8

STATEMENT OF CHANGES IN EQUITY 1 JANUARY - 31 DECEMBER

Group	**Share capital**	**Reserves**	**Total**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*
Equity at 1 January 2012	**985**	**13,286**	**14,271**
Comprehensive income 2012	**0**	**3,738**	**3,738**
Sales of treasury shares	0	147	147
Changes in equity 2012	**0**	**147**	**147**
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**

STATEMENT OF CHANGES IN EQUITY 1 JANUARY - 31 DECEMBER

Parent Company	**Share capital** *EURO ('000)*	**Reserves** *EURO ('000)*	**Total** *EURO ('000)*
Equity at 1 January 2012	**985**	**11,488**	**12,473**
Comprehensive income 2012	**0**	**2,576**	**2,576**
Sales of treasury shares	0	147	147
Changes in equity 2012	**0**	**147**	**147**
Equity at 31 December 2012	**985**	**14,211**	**15,196**
Comprehensive income 2013	**0**	**924**	**924**
Equity at 31 December 2013	**985**	**15,135**	**16,120**

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

	Note	Group		Parent company	
		2013	**2012**	**2013**	**2012**
		EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Profit for the year		1,941	2,902	912	2,565
Adjustments		2,109	2,502	1,956	-106
Change in working capital..........		-1,428	-1,130	-273	1,089
Financial income......................		597	322	614	564
Financial costs.........................		-1,301	-993	-461	-609
Tax on profit for the year..........		692	1,047	195	651
Corporation tax paid		-920	-8	0	1
Cash flows from operating activities..............................		**1,690**	**4,642**	**2,943**	**4,155**
Purchase of intangible fixed assets		-422	-969	-421	-955
Purchase of tangible fixed assets.		-1,615	-842	-1,293	-678
Sale of tangible fixed assets.......		292	186	201	198
Change in deposits and other financial investments		-30	-44	-41	-42
Investments in and loans to group enterprises		46	-1	-215	-287
Dividends from subsidiaries		0	0	299	701
Cash flows from investing activities..............................		**-1,729**	**-1,670**	**-1,470**	**-1,063**
Proceeds from long-term borrowing		275	0	275	0
Repayments of loans................		-3,000	-2,878	-2,872	-2.750
Change in debt to group enterprises		0	0	505	0
Sale of treasury shares		0	147	0	147
Cash flows from financing activities..............................		**-2,725**	**-2,731**	**-2,092**	**-2,603**
Change in cash and cash equivalents		**-2,764**	**241**	**-619**	**489**
Cash and cash equivalents 1 January		-1,161	-1,460	-3,865	-4,369
Exchange adjustment		-118	58	1	15
Cash and cash equivalents 31 December		**-4,043**	**-1,161**	**-4,483**	**-3,865**
Cash and cash equivalents at 31 December:					
Cash at bank and on hand		3,494	4,327	1,212	1,271
Bank overdraft		-7,537	-5,488	-5,695	-5,136
Cash and cash equivalents.....		**-4,043**	**-1,161**	**-4,483**	**-3,865**

SURVEY OF NOTES

NOTES

ACCOUNTING POLICIES 1

The annual report of FREJA Transport & Logistics A/S for 2013 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 A/S and its subsidiary enterprises in which FREJA Transport & Logistics 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.

Minority interests

The accounting items of the subsidiary enterprises are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results of the subsidiary enterprises is presented in the distribution of profit. The minority shareholders' equity interest in the group is presented as a separate line item in the equity.

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.

Investments in subsidiary enterprises and associates
The income statement of the parent company recognises the proportional share of the results before tax of each subsidiary and associate enterprise after elimination of internal gains/loss and deduction of amortisation of goodwill.

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	
	2013 *EURO ('000)*	**2012** *EURO ('000)*	**2013** *EURO ('000)*	**2012** *EURO ('000)*
Cost 1 January	24,452	23,534	1,766	1,773
Exchange differences...................	-1,767	918	1	-7
Cost 31 December	**22,685**	**24,452**	**1,767**	**1,766**
Impairment charge 1 January and 31 December.......................	**0**	**0**	**0**	**0**
Book value	**22,685**	**24,452**	**1,767**	**1,766**

An impairment test of the carrying amount of goodwill was performed on 31 December 2013. Goodwill has been distributed on these 4 cash flow generating entities:

	Denmark	**Norway**	**Finland**	**Sweden**
Carrying amount af goodwill	1,767	9,559	3,161	8,198

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 2014 – 2021, and the terminal value for the period after 2021. The present value has been calculated on the basis of a discount factor of 13% (before tax).

NOTES

Note

Software
3

	Group		Parent company	
	2013	**2012**	**2013**	**2012**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Cost 1 January	3,906	2,944	3,817	2,873
Addition	422	969	421	955
Disposal	-90	0	-90	0
Exchange differences	-12	-7	0	-11
Cost 31 December	**4,226**	**3,906**	**4,148**	**3,817**
Depreciation and impairment charge 1 January	2,382	1,673	2,350	1,655
Depreciation	707	716	670	702
Depreciation, assets sold	-90	0	-90	0
Exchange differences	-6	-7	0	-7
Depreciation and impairment charge 31 December	**2,993**	**2,382**	**2,930**	**2,350**
Book value	**1,233**	**1,524**	**1,218**	**1,467**

Land and buildings
4

	Group		Parent company	
	2013	**2012**	**2013**	**2012**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Cost 1 January	6,068	5,852	519	522
Addition	34	7	0	0
Disposal	0	-7	0	0
Exchange differences	-229	216	1	-3
Cost 31 December	**5,873**	**6,068**	**520**	**519**
Depreciation and impairment charge 1 January	1,129	892	0	0
Depreciation	202	202	0	0
Exchange differences	-50	35	0	0
Depreciation and impairment charge 31 December	**1,281**	**1,129**	**0**	**0**
Book value	**4,592**	**4,939**	**520**	**519**

NOTES

Note

Leasehold improvements 5

	Group		Parent company	
	2013	**2012**	**2013**	**2012**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Cost 1 January	2,256	2,231	2,113	2,121
Addition	110	25	58	0
Exchange differences	-23	0	1	-8
Cost 31 December	**2,343**	**2,256**	**2,172**	**2,113**
Depreciation and impairment charge 1 January	1,125	987	1,057	953
Depreciation	120	138	94	109
Exchange differences	-11	0	1	-5
Depreciation and impairment charge 31 December	**1,234**	**1,125**	**1,152**	**1,057**
Book value	**1,109**	**1,131**	**1,020**	**1,056**

Plant, machinery, fixtures and equipment 6

	Group		Parent company	
	2013	**2012**	**2013**	**2012**
	EURO ('000)	*EURO ('000)*	*EURO ('000)*	*EURO ('000)*
Cost 1 January	4,727	4,141	2,491	2.070
Addition	1,471	810	1,234	678
Disposal	-834	-283	-591	-249
Exchange differences	-209	59	0	-8
Cost 31 December	**5,155**	**4,727**	**3,134**	**2,491**
Depreciation and impairment charge 1 January	3,060	2,519	1,658	1,387
Depreciation	686	573	527	316
Depreciation, assets sold	-539	-82	-378	-40
Exchange differences	-126	50	0	-5
Depreciation and impairment charge 31 December	**3,081**	**3,060**	**1,807**	**1,658**
Book value	**2,074**	**1,667**	**1,327**	**833**
Amount of finance lease assets	**564**	**485**	**188**	**0**

NOTES

Note

Long-term liabilities **7**

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

Parent company

Loan	Expiry	Fixed/ variable	Effective interest 2013	Effective interest 2012	Carrying amount 2013	Carrying amount 2012	Fair value 2013	Fair value 2012
			%	%				
DKK	2015	Variable	3,0	3,3	541	811	541	811
SEK	2014	Fixed	5,2	5,2	400	1,251	406	1,285
EUR	2015	Fixed	4,5	4,5	1,189	2,080	1,222	2,174
EUR	2014	Variable	4,5	4,5	200	1,000	200	1,000
Parent Company............					**2,330**	**5,142**	**2,369**	**5,270**
Weighted average effective interest			4,3	4,5				

Subsidiaries

Loan	Expiry	Fixed/ variable	Effective interest 2013	Effective interest 2012	Carrying amount 2013	Carrying amount 2012	Fair value 2013	Fair value 2012
			%	%				
SEK		Variable	5,7	5,7	806	841	806	841
SEK		Variable	5,7	5,7	806	841	806	841
SEK		Variable	5,7	5,7	371	386	371	386
NOK	2014	Variable	4,6	4,6	114	268	114	268
Subsidiaries					**2,097**	**2,336**	**2,097**	**2,336**
Group...........................					**4,427**	**7,478**	**4,426**	**7,606**
Weighted average effective interest			4,9	4,8				

NOTES

Note

Long-term liabilities (continue) **7**

	1/1 2013 Debt	31/12 2013 Debt	Repayments < 1 year	31/12 2013 Long-term liabilities	Repayments 1-5 years	Repayments after 5 years
Parent company:						
Debt to banks.............	5,142	2,330	1,790	541	541	0
Leasing debt	0	184	89	94	94	
Parent company........	**5,142**	**2,514**	**1,879**	**635**	**635**	**0**
Subsidiaries:						
Debt to banks.............	2,068	1,982	0	1,982	0	1,982
Leasing debt	268	114	114	0	0	0
Subsidiaries.............	**2,336**	**2,096**	**114**	**1,982**	**0**	**1,982**
Group.......................	**7,478**	**4,610**	**1,993**	**2,617**	**635**	**1,982**
Debt 1 January...........		7,478				
Proceeds from long-term borrowing		275				
Repayment of loans		-3,000				
Exchange differences ...		-143				
Debt 31 December....		**4,610**				

Contingent liabilities **8**

	Group		**Parent company**	
	2013 *EURO ('000)*	**2012** *EURO ('000)*	**2013** *EURO ('000)*	**2012** *EURO ('000)*
Liabilities regarding lease of real property/premises				
Interminable period on the part of lessee	43,432	45,359	28,510	28,406
Other lease liabilities (operating leases)				
Total residual lease payment	19,348	15,086	11,852	8,570
Total service cost linked to operating leases...........................	7,329	5,627	4,528	3,405