Sund≈Bælt

Annual Report 2012

Contents

An exciting year for our companies

2012 was a good year for Sund & Bælt. The result topped one billion for the first time, so we ended 2012 with a profit of DKK 1,074 million before value adjustments and tax. This strong performance meant that we could repay DKK 1.6 billion of Storebælt's debt, which was reduced to DKK 26 billion at year end.

The general economic situation still affected traffic levels, but they increased by 0.7 per cent overall in 2012. Traffic displayed positive trends in the first half of the year, but autumn was characterised by low growth, especially for lorry traffic. Together with low interest rates, the traffic increase delivered the strong performance but the well-organised management of operations, maintenance and investment contributed as well.

The professional operation of Sund & Bælt's facilities is the foundation of our business – and we stand on that when new opportunities arise. During the past year we have worked to put the issuing of BroBizzes into a new subsidiary, BroBizz A/S. There was the possibility of establishing the company together with Øresundsbro Konsortiet, but they chose not to participate and, starting in spring 2013, it will therefore be a purely Sund & Bælt issuer company. The goal is for BroBizz A/S to eventually become an EETS (European Electronic Toll Service) issuer in the battle for European BroBizz customers – a very exciting opportunity to develop our business in a new area.

The company's experience in operating and financing has become increasingly sought after. First, in connection with the government's congestion charging scheme, which was abandoned earlier this year, and also the Congestion Commission, where, among other things, we helped to advise the government on new traffic solutions to reduce congestion and air pollution in the metropolitan area as well as on the introduction of nationwide road pricing.

Femern A/S has had a busy year with comprehensive environmental studies and technical descriptions that will form the basis for regulatory approval of the project. The company has also started the tender process, which should be completed in 2014. In 2012, Claus F. Baunkjær stepped into his new role as CEO of Femern A/S. With his experience in the Ministry of Transport, he has a thorough knowledge of the project, which will benefit the company in the upcoming process towards the completed facility in 2021.

In the summer of 2012, Danske Færger A/S introduced two new and larger ferries on the Spodsbjerg-Tårs route; and Mols-Linien A/S invested in new high-speed ferries for the routes from Odden to Aarhus and Ebeltoft respectively. As port owner, we are keen to ensure the health of east-west traffic, so there are genuine alternatives to the Storebælt fixed link in the Danish infrastructure. As a consequence, we undertook to modify the ports, so they were ready to handle the new ferries. Figures from both routes show that there has since been a significant increase in traffic, and we welcome this development. The ambition is to continue to maintain the port facilities to the same high technical standard as Sund & Bælt's other facilities for the benefit of the overall mobility in society.

The Øresund motorway celebrated its 15th anniversary in 2012 as the backbone to the development of Amager and the indispensable link between Copenhagen and the outside world via the airport and the Øresund Bridge. The 8.6 km long motorway section on Amager has a new noise reducing asphalt top layer for the benefit of neighbours and motorists and, rejuvenated, it stands ready to receive the coming years' traffic.

In 2012, Sund & Bælt again participated in the "Clean Roads Now" campaign with Keep Denmark Clean, to influence drivers' attitudes to throwing rubbish onto the roads. A subsequent study showed that there is mileage in drawing attention to this positive message. Read more about this in the annual report, which also includes reporting to the UN Global Compact with descriptions of Sund & Bælt's CSR activities. We will continue to work to support and promote the UN Global Compact's 10 principles in 2013 by doing business in a socially and environmentally responsible manner for the benefit of the Group and the Danish society.

Henning Kruse Petersen
Chairman
Sund & Bælt Holding A/S

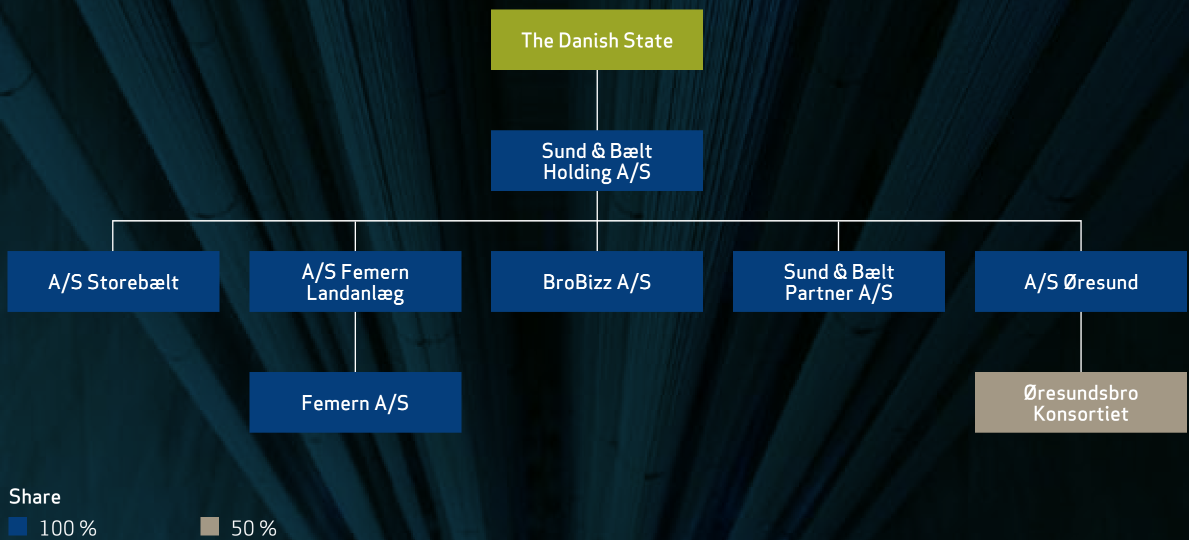
Leo Larsen
CEO
Sund & Bælt Holding A/S

Sund & Bælt Group's objectives and organisation

The Sund & Bælt Group's primary responsibility is to own and operate the fixed links across Storebælt and Øresund and, in time, the Fehmarnbelt. These responsibilities are carried out with due regard for a high level of accessibility and safety on the links. Moreover, repayment of the loans raised to finance the facilities should take place within a reasonable time frame.

The Sund & Bælt Group is tasked with:

- Operating and maintaining the road link across the Storebælt Bridge
- Collecting payment from motorists using the Storebælt Bridge
- Monitoring and maintaining Storebælt's rail section
- Operating and maintaining the Øresund motorway
- Monitoring and maintaining the Øresund rail line on Amager from the autumn of 2013
- Collecting fees from Banedanmark for the right to use the Øresund railway on Amager and the rail link across Storebælt
- Managing and ensuring repayment of A/S Storebælt's and A/S Øresund's debt portfolio
- Managing the co-ownership of Øresundsbro Konsortiet
- Being responsible for the planning, feasibility studies and preparations for the coast-coast link for the fixed link across Fehmarnbelt via Femern A/S
- Being responsible for the coordination of planning work for the fixed link across the Fehmarnbelt comprising the coast-coast link and the Danish landworks via A/S Femern Landanlæg
- Operating and maintaining the port facilities at Odden, Ebeltoft, Spodsbjerg and Tårs
- Operating and maintaining Sprogø offshore wind farm
- Providing client consultancy in relation to major and primarily international infrastructure projects on a commercial basis
- Operating as an issuer of means of payment for user-paid infrastructure via BroBizz A/S



Highlights of the year

Traffic

In 2012, traffic on Storebælt increased by 0.7 per cent on the year. Passenger car traffic rose by 0.8 per cent while lorry traffic rose by 0.6 per cent. In total 10.9 million cars crossed the bridge, which is the second best year in the bridge's history. Almost 8.8 million rail passengers crossed Storebælt in 2012, which is an increase of 4.8 per cent on the year.

6.8 million cars crossed the Øresund Bridge, corresponding to a decline of 3.2 per cent compared to 2011. Lorry traffic rose by 3.0 per cent which means that the market share for lorry traffic across Øresund now accounts for 51 per cent. Passenger car traffic fell by 3.5 per cent compared to 2011, which is due to the fact that commuter traffic fell by 9 per cent. Train traffic rose by 5.0 per cent compared to 2011 and now amounts to 10.1 million passengers.

Financial position

EBIT increased by DKK 151 million compared to 2011, which is satisfactory viewed against the background of the weak economic trends. The result was affected by additional turnover of 4,1 per cent corresponding to DKK 139 million as well as net interest expenses, which are DKK 64 million lower than in 2011. The result before fair value adjustments and tax, including the share from Øresundsbro Konsortiet, thus amounts to a profit of DKK 1,074 million, and the result after tax is a profit of DKK 124 million. The result is affected by expensed fair value adjustments of DKK 908 million corresponding to DKK 681 million after tax.

Profitability

For A/S Storebælt, the repayment period is unchanged on the year and amounts to 31 years according to the latest updated profitability calculations. On the basis of the updated traffic forecast, including an expected dividend payment to the owner companies in 2020, Øresundsbro Konsortiet expects the repayment period for the bridge to be reduced by one year and is now 33 years. For A/S Øresund, a combination of A/S Storebælt's positive performance and joint taxation between the Group's companies means that the repayment period will be shortened by two years, 47 years.

Turnover from the road link across Storebælt totals DKK 2,572 million.

Despite the economic conditions EBIT for Sund & Bælt increased by DKK 151 million on the year.

In 2012, DKK 1.6 billion was repaid on A/S Storebælt's interest-bearing net debt, which totalled DKK 26 billion at the end of the year.

The effect of value adjustments on results

	Consolidated income statement according to Annual Report	Fair value adjustment	Proforma income statement
Operating profit (EBIT)	**2,427.9**		**2,427.9**
Net financials, total	-2,301.5	761.7	-1,539.8
Profit before share of jointly managed company	**126.4**	**761.7**	**888.1**
Profit from jointly managed company	39.3	146.1	185.4
Profit before value adjustment and tax		**907.8**	**1,073.5**
Fair value adjustment		-907.8	-907.8
Profit before tax	**165.7**		**165.7**
Tax	-41.5		-41.5
Profit for the year	**124.2**		**124.2**

Traffic

Traffic on Storebælt's road link rose by 0.7 per cent on the year. During the year under review, 10.9 million vehicles crossed Storebælt, corresponding to an average of 29,766 vehicles per day. Of this, 26,469 were passenger cars, vans or motorcycles. 3,232 were lorries and 65 were coaches. This is the second best year in the history of the bridge, only exceeded by 2008 when traffic totalled 30,125 vehicles per day.

Traffic saw a declining trend over the year where traffic rose most in Q1 and showed a direct fall in Q4. This trend was reinforced by the mild winter weather in January and February whereas December 2012 was characterised by snow and strong winds.

Passenger car traffic rose by a total of 0.8 per cent, which was more than expected for the year as a whole. The year began with fair growth, which however trailed off during the year. In particular, summer holiday traffic, with a slight fall, was worse than expected, which can in part be ascribed to increased competition from the ferries. In 2012, new and larger ferries were commissioned on the Mols-Linien on Kattegat and on Danske Færger on the Spodsbjerg-Tårs service, which can better accommodate demand on busy days during the holiday periods. Lorry traffic rose by 0.6 per cent overall, which is somewhat lower than in 2011, but as predicted in the company's forecast for 2012. In 2012, lorry traffic across Storebælt adapted to the reduced capacity on the freight ferries between Aarhus and Kalundborg, which came into being in the summer of 2011 when the Mols-Linien stopped sailings on the route, which were taken over by Kattegatruten.

There continues to be a shift in lorry traffic towards larger lorries, including long heavy vehicles. Thus traffic fell for smaller lorries under 10 m by 2.2 per cent, while lorries between 10 and 20 m showed growth of 0.2 per cent. Lorries over 20 m, i.e. long heavy vehicles and abnormal loads, rose by 19.4 per cent. As a result, they accounted for 5 per cent of lorry traffic in 2012 against 4 per cent in 2011.

2013 is expected to be characterised by continuing low growth in the Danish economy and both passenger car traffic and lorry traffic are expected to remain unchanged on the year.

Annual percentage traffic growth on Storbælt

	2011-2012	2010-2011	2009-2010
Passenger cars	0.8	2.7	-3.1
Lorries	0.6	6.5	-1.5
Coaches	-6.1	-8.4	-2.2
Total	0.7	3.1	-2.9

Daily traffic on Storebælt

	2012	2011	2010
Passenger cars	26,469	26,337	25,652
Lorries	3,232	3,220	3,022
Coaches	65	69	75
Total	29,766	29,628	28,749

Quarterly traffic growth in 2012 compared to the corresponding quarter in 2011

	Q 1	Q 2	Q 3	Q 4
Passenger cars	5,1	1,8	-0,2	-2,7
Lorries	7,2	-0,1	-2,1	-1,7
Coaches	-4,5	-5,6	-9,7	-2,6
Total	5,3	1,6	-0,4	-2,6

The cycle race dilemma

As part of Sund & Bælt's CSR work, permission is given at regular intervals to run sports events on the Storebælt link. As a result, on 1 September 2012, the Århus-Copenhagen cycle race crossed the Storebælt link.

Unfortunately a long queue of traffic to cross the bridge built up while the race was running. Many travellers experienced delays, and some motorists waited up to three hours. This is unacceptable for our customers.

Sund & Bælt would like to help run sporting events because there is great public interest in experiencing the Storebælt bridge in different ways. But these events must not cause unacceptable delays for our customers.

Future sports events will be held at times when the traffic load is lower and the risk of congestion significantly reduced. Sund & Bælt has also adopted a number of measures to ensure that future sports events are run far more efficiently than the cycle race in September 2012.

DID YOU KNOW THAT...

Within the context of the weak economic trends, the year's results were satisfactory.

Financial position

Within the context of the weak economic trends, the year's results were satisfactory. The result before financial value adjustments and tax, including the share from Øresundsbro Konsortiet, amounts to profits of DKK 1,074 million against profits of DKK 811 million in 2011. The improved results can be ascribed to approximately DKK 220 million from A/S Storebælt, approximately DKK 10 million from A/S Øresund and a rise of approximately DKK 50 million from Øresundsbro Konsortiet.

Overall, consolidated turnover increased by 4.1 per cent and totals DKK 3,530 million. Turnover from Storebælt's road link showed a net increase of 5.0 per cent, corresponding to DKK 122 million, and thus totals DKK 2,572 million. The rise derives in part from the general price adjustment on 1 January and in part from traffic growth of 0.7 per cent.

Expenses total DKK 434 million and have increased by DKK 21 million, which can be attributed to a rise in the cover of losses on the Spodsbjerg-Tårs ferry operations.

Short and long-term interest rates in Europe fell to new historically low levels in 2012. The European Central Bank (ECB) reduced short-term rates a couple of times, and money market rates fell quite significantly during the year. Overall this made a positive contribution to the companies' interest expenses. Net interest expenses are thus DKK 64 million lower than in 2011 and total DKK 1,540 million.

The fair value adjustments amounted to (including adjustments in respect of Øresundsbro Konsortiet) an expense of DKK 908 million in 2012, which is DKK 1,881 million less than in 2011. The value adjustments comprise in part an expense relating to fair value adjustments of financial assets and liabilities of DKK 762 million net and in part an expense from exchange rate adjustments of DKK 146 million.

The companies' real rate exposure in 2012 caused inflation indexation on the real rate debt. The reason is that Danish inflation was kept high by, among other things, tax rises. Over the year, the companies were generally reluctant to make use of the historically low interest rates until there was more clarification of the debt problems in Europe. The duration of the portfolio thus decreased over the spring whereas it increased again in the autumn.

The fair value adjustments are an accounting item with no effect on the repayment period for the Group's debt. Net financing expenses total DKK 2,302 million, which is DKK 1,420 million less than in 2011.

The share of Øresundsbro Konsortiet's results amounts to an income of DKK 39 million, which included negative fair value adjustments of DKK 146 million. The share of the result before fair value adjustments is, therefore, positive at DKK 186 million and is almost DKK 50 million higher than in 2011. The share of the result is affected by a rise in traffic revenue of 3.7 per cent as well as lower expenses and interest expenses.

Tax on the Group's annual results amount to an expense of DKK 42 million.

The consolidated result after tax amounts to a profit of DKK 124 million.

The consolidated result after tax amounts to a profit of DKK 124 million

In the report for Q3, the outlook for the annual results before financial value adjustments was upgraded by approximately DKK 75 million compared to the budget. The realised result before fair value adjustments and tax is approximately DKK 15 million better than expected and is therefore approximately DKK 90 million more than anticipated at the start of the financial year. The improvement derives primarily from higher traffic income and lower interest expenses.

As at 31 December 2012, Group equity was negative at DKK 6,847 million. The Group expects equity to remain negative for a number of years.

Based on the estimated operating results for the subsidiaries, Group equity is expected to be re-established within a time frame of 8-10 years starting from year end 2012.

Future operating results are estimated on the basis of the Ministry of Transport's fixed fees from Banedanmark for use of the rail links and on the basis of the traffic projections for A/S Storebælt and Øresundsbro Konsortiet. The latter is included at 50 per cent corresponding to its ownership share.

It should be noted that under the terms of the Act on Sund & Bælt Holding A/S for A/S Storebælt and A/S Øresund, the Danish government has extended separate guarantees for interest and repayments and other ongoing liabilities relating to the companies' loans against payment of a guarantee commission of 0.15 per cent. Moreover, and without further notification of each individual case, the Danish State guarantees the companies' other financial liabilities. Øresundsbro Konsortiet's debts are guaranteed jointly and severally by the Danish and Swedish States.

Moreover, it should be noted that under the terms of the Planning Act for the fixed link across Fehmarnbelt with associated landworks in Denmark for A/S Femern Landanlæg and Femern A/S, the Danish State has extended separate guarantees for interest and repayments and other ongoing liabilities relating to the company's loans against payment of a guarantee commission of 0.15 per cent. Moreover, and without further notification of each individual case, the Danish State guarantees the companies' other financial liabilities.

Cash flow from the Group's operations totals DKK 2,637 million, which is DKK 38 million lower than in 2011. The change is primarily owing to changes in working capital. Cash flow for investing activities totals DKK 502 million, primarily as a result of investments in road and rail links. The free cash flow arises on the basis of operations less capital investments and expresses the company's ability to generate liquidity to finance interest and repayments on the company's liabilities.

Financing activities include borrowing, repayments and interest expenses, which amount to DKK 1,512 million.

In total, the Group's cash at bank and in hand increased by DKK 623 million. At year end 2012, therefore, cash at bank and in hand was positive at DKK 372 million.

Both short-term and long-term interest rates in Europe fell to new historically low levels in 2012

Finance

2012 was a year when the debt crisis in Europe spread to the larger countries, not least Spain. It was also the year when European politicians adopted a range of major reforms which will gradually be put in practice over the coming years. A key question was whether there is a limit to how much one can save one's way out of the crisis or whether some growth inducing initiatives are necessary.

In respect of the US, the second half year was characterised by the presidential elections in November and the major political-economic reforms which the new President and Congress had to decide on. At the same time, the US economy continued to have difficulty shifting up a gear and unemployment continues at a high level despite the massive bailout packages launched since the start of the financial crisis in 2008.

Both short-term and long-term interest rates in Europe fell to new historically low levels in 2012. The central banks on both sides of the Atlantic used virtually all known instruments and even introduced a couple of new ones to help save the ailing economies.

Debt repayments totalled DKK 1.6 billion in 2012 for A/S Storebælt while A/S Øresund's debt increased by DKK 0.4 billion.

By the end of 2012, A/S Storebælt's interest-bearing net debt stood at DKK 26.0 billion. For A/S Øresund the interest-bearing net debt stood at DKK 11.5 billion.

Financial strategy

Sund & Bælt's aim is to conduct an active and comprehensive financial management policy that minimises long-term financing expenses with due regard for financial risks, i.e. by having exposure in DKK and EUR only while optimising the loan portfolio through the use of swaps and other derivative financial instruments.

Throughout 2012, both A/S Storebælt and A/S Øresund raised direct loans through Nationalbanken only. These loans were highly attractive especially in connection with the "flight to quality" role that Scandinavian bonds played for most of 2012.

In a year with continuing problems in the financial sector, it can be noted that the Group's cautious strategy in respect of credit risk meant that, once again, the companies did not incur any losses as a result of the collapse of financial counterparties in 2012.

The companies' real rate exposure of 33 per cent gave rise to inflation indexation for both A/S Storebælt and A/S Øresund in 2012. This exceeded the budget – albeit somewhat less than in 2011. The reason is that Danish inflation was kept high by tax rises and did not fall as fast as expected despite relatively stable oil prices in 2012. Inflation is expected to fall to 2 per cent during 2013.

DID YOU KNOW THAT...

Calculated from the opening year, the repayment period means that A/S Storebælt will be debt free in 2029.

The European Central Bank (ECB) lowered short-term interest rates a couple of times in 2012 and money market rates fell rather significantly during the year. Overall this made a positive contribution to the companies' interest expenses on floating rate debt. Long-term interest rates also fell to historically low levels.

Throughout 2012, the companies were generally reluctant to take advantage of the historically low interest rate levels because of the fear of a continuation of the problems in Southern Europe, which turned out to be the case. The tactic was to await developments until there was more clarification of the debt problems in Europe.

The duration of the portfolio decreased over the spring, but was brought back above the benchmark in the autumn and is expected to be further extended in the new year. The benchmark for the duration of the nominal debt in 2013 is 3.5 years for Storebælt and 4.25 in Øresund, which is an extension for both companies.

A/S Storebælt – financial ratios 2012

	DKK million	Per cent per annum
Borrowing 2012	1,544	
- of which loans from Nationalbanken	1,544	
Total gross debt (fair value)	30,508	
Net debt (fair value)	29,419	
Interest-bearing net debt	**25,950**	
Interest expenses	-1,089	4.12
Value adjustment	-543	2.05
Total financing expenses *)	**-1,632**	**6.17**

A/S Øresund – financial ratios 2012

	DKK million	Per cent per annum
Borrowing 2012	1,525	
- of which loans from Nationalbanken	1,525	
Total gross debt (fair value)	13,234	
Net debt (fair value)	13,144	
Interest-bearing net debt	**11,508**	
Interest expenses	-381	3.45
Value adjustment	-225	2.04
Total financing expenses *)	**-606**	**5.49**

*) Note: The amount excludes the guarantee commission, which totals DKK 40.2 million for A/S Storebælt and DKK 16.7 million for A/S Øresund

A/S Storebælt profitability

A/S Storebælt's debt will be repaid from revenue from road and rail traffic.

The repayment period is unchanged on the year and totals 31 years according to the latest updated profitability calculations. Calculated from the opening year, the repayment period means that the company will be debt free in 2029.

The co-financing referred to in the political agreement on "A Green Transport Policy" following the Folketing's decision of 29 January 2009 is included in the calculation of the repayment period where the company will pay dividends to the state totalling DKK 9.0 billion (in 2008 prices) up to 2022 and is assumed to cease doing so when the agreement has been fulfilled. The profitability

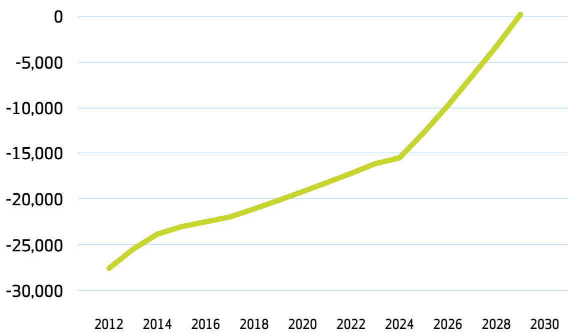
DID YOU KNOW THAT...

The repayment period for A/S Øresund is now calculated at 47 years, which is two years shorter than last year.

calculation is based on the assumption that equity will be consolidated before dividend payments begin. According to the calculations, this is expected to be in 2013.

The key uncertainties in the profitability calculations relate to the long-term traffic trends and the real rate which is estimated at 3.5 per cent. Traffic growth is expected to average 1 and 1.5 per cent for lorries and passenger cars respectively. Operating expenses are expected to rise in line with ordinary inflation. In addition, there is some uncertainty linked to the size and timing of the reinvestments in the rail facility.

A/S Storebælt – expected debt trend, DKK million



A/S Øresund profitability

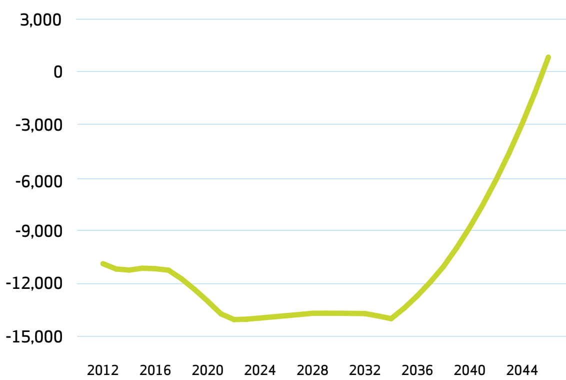
The investment in the Øresund link's landworks will be repaid partly from fees from Banedanmark for the right to use the Øresund railway and partly from dividend payments from Øresundsbro Konsortiet in which A/S Øresund has a 50 per cent share.

Moreover, as a result of joint taxation with the Group's other companies, A/S Øresund will achieve a liquidity benefit in that joint taxation with A/S Storebælt means that A/S Storebælt can directly utilise A/S Øresund's tax loss by paying the proceeds from the tax savings to A/S Øresund. A/S Øresund will thus advance the use of its tax loss over time.

The repayment period for A/S Øresund is now expected to be 47 years, which is two years shorter than last year. The improvement is primarily based on A/S Storebælt's positive earnings trend, which brings forward payment of the Group's joint taxation contribution and creates a liquidity benefit as well as lower financing expenses.

A/S Øresund is sensitive to changes in the economy of the above-mentioned companies.

A/S Øresund – expected debt trend, DKK million



Events after the balance sheet date

No events of importance to the Annual Report 2012 occurred after the balance sheet date.

Outlook for 2013

Economic and financial developments in 2013 and the company's outlook for its financial results carry some uncertainty.

It is anticipated that overall economic activity in Denmark will remain low in 2013. Based on this, traffic trends are expected to remain at the same level as in 2012. Revenues are expected to increase at the same rate as last year. Economic growth and market prospects for continued low interest rate levels and falling inflation give grounds to expect that interest expenses will be lower than in 2012.

Under the budget for 2013, which was prepared at the end of 2012, profits before financial value adjustments and tax are expected to total approximately DKK 1,360 million.

Abnormal loads across Storebælt

The motorway across the Storebælt link is a safe one. Even so, in October 2012 there was a serious traffic accident involving a slow-moving abnormal load. The heavy load drove at the required 10 km/h and was accompanied by an escort vehicle with lights flashing. Although there were warnings about the slow vehicle on the Storebælt bridge's electronic signs, one lorry driver ignored the warnings and drove at high speed into the escort vehicle behind the abnormal load. The result was that the escort vehicle became sandwiched between the lorry and the heavy load and its driver was seriously injured.

As a consequence of that accident in October and three similar accidents in 2007, 2009 and 2012, Sund & Bælt has introduced new rules for abnormal loads on the Storebælt link. All slow moving abnormal loads are now accompanied by a special truck with a large mounted buffer (TMA), which follows the support vehicle. The truck with the buffer is expected to provide extra protection against rear impacts on the escort vehicles.

With this initiative Sund & Bælt is endeavouring to make a safe motorway even safer.

Road

Storebælt

Customers
10.9 million cars crossed the Storebælt fixed link in 2012.

A company objective is that customers do not experience delays at the toll station. The company's strategy for the period up to 2017 is focused on continuing to increase the proportion of BroBizz customers, combined with the deployment of number plate recognition systems. Overall, this two-pronged strategy will be able to increase the number of fully automated crossings.
As part of this strategy, a BroBizz campaign, which was targeted at leisure customers, was implemented over the summer. 35,000 Danes took advantage of the offer. By the end of the year, Storebælt had 540,000 active BroBizz customers.

In 2012, there was a special effort to get customers to update their payment card information at Storebælt as banks replaced all Dankorts (the national debit card) in Denmark. 250,000 BroBizz customers received new cards during 2012 and therefore had to update their card details at Storebælt to ensure their BroBizz was still active. These efforts have included the development of new self-service solutions, email reminders to customers and letters when the BroBizz was no longer active. The proactive approach has meant that there has been far less disruption of traffic flow than expected in relation to the extensive replacement of payment cards.
A company objective is that road users should have a good experience when crossing the Storebælt fixed link. In its daily operations, therefore, it is an important area of focus to ensure high availability, accessibility and safety for customers.

This was also successful in 2012, when the record set in 2011 for the number of cars per hour was almost equalled, without customers experiencing delays at the toll station.

Road safety
Sund & Bælt is focused on road safety through its policy commitment that includes provision of a proactive effort to prevent accidents on the company's facilities; this includes the analysis and identification of all accidents to look for improvements. As part of this policy, Sund & Bælt's objective is that it should be at least as safe to drive on the motorway across the Storebælt and Øresund motorways as it is on Denmark's other motorways.

The Storebælt Bridge was closed for 5½ hours in both directions and 8½ hours in one direction during 2012. Closures were caused by ice falling from structures and minor traffic accidents respectively

In the interests of road safety, the bridge is closed in high winds, where the wind speed is above 25 m/sec.
In 2012, there was no need for closure of the bridge due to high winds.

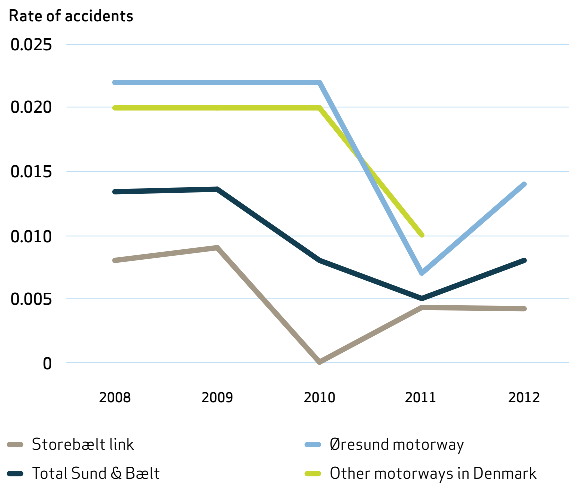
In 2012 there was only one accident on the Storebælt fixed link involving serious personal injury, which gives an accident rate of 0.004 accidents per 1 million kilometres driven.

The number of traffic accidents involving serious injury on the Øresund motorway in 2012 is provisionally estimated at 2, giving an accident rate of 0.014 per 1 million kilometres driven.

For 2012, the accident rate on all Sund & Bælt's motorway sections was 0.008 accidents involving personal injury per 1 million kilometres driven. This compares with 0.01 accidents on the Danish motorway network in 2011.

The safety objective for Sund & Bælt's motorway sections has therefore been achieved.

Traffic accidents involving serious personal injury per 1 million kilometres driven



Low-noise wearing course at Halsskov
In 2012 the westbound motorway was resurfaced at Halsskov, and resurfacing work will be implemented in the eastbound direction in the spring of 2013. The top layer has been replaced by a low-noise variety in each direction. In addition to giving motorists a quieter experience across Storebælt, this also supports the Group's noise action plan to reduce the effects of noise from motorway traffic on our nearest neighbours.

Access to re-charging for electric cars
Those customers who have bought electric cars are now offered the opportunity to charge their vehicle during their journey across Denmark. In 2012, a charging station was installed at the rest area in Knudshoved.

Clean roads – pure joy
Each week, the Storebælt road patrol collects around 130 bags of rubbish along the abutments on both sides of the link and from our two rest areas. In order to persuade drivers to adopt better waste habits, Sund & Bælt participated in the campaign: Clean Roads Now 2012.

And this worked, according to the annual survey carried out by the Keep Denmark Clean Association among Danish drivers. Where the 2010 analysis showed that as many as 59 per cent of Danish motorists admitted to having thrown litter out of their car, the 2012 figure had dropped to 51 per cent. 62 per cent of motorists mentioned having a greater awareness and the campaigns as reasons for their behaviour change.

During the campaign, focus was put on good waste habits at the Storebælt toll station and at the two rest areas by distributing pocket ashtrays and rubbish bags to motorists. In total, the campaign was seen or heard by approximately 1 million Danes.

In 2013, Sund & Bælt will again participate in the campaign.

Maintenance
The company's maintenance strategy is to minimise the total long-term maintenance and reinvestment costs, while also showing consideration for the environment, occupational health and safety in order to demonstrate social responsibility.

Operation and maintenance activities to be carried out near motorway traffic are usually scheduled for periods of low traffic density unless there are compelling reasons for urgent remedial action. These are implemented by cordoning off work areas to protect both maintenance staff and motorists as much as possible. The necessary speed reductions past the work area are carried out under approved plans for lane closure and with informative early warnings to drivers. The aim is to ensure the best possible accessibility and safety for road users while maintaining a high degree of safety for maintenance personnel.

Hydrographic surveys completed in 2012 scanned the seabed around the East Bridge's protected piers, around the anchor blocks and around the wind turbine foundations as well as the original compensatory dredgings.

Traffic on the Øresund motorway increased by 1.1 per cent compared to last year

The purpose was to check whether there has been any migration of material due to water flow in the Storebælt and therefore changes to the protective islands which will stop any errant ships from colliding with these structures. The results showed that additional sand and stone material should be added in some places.

Rutting on the East Bridge surface, caused by the many heavy goods vehicles, has been repaired in the slow lane. Against the background of the age of the facilities, the company initiated reinvestment in the back up power units, of which there are 80 on the link. Furthermore, to ensure uninterrupted power, approximately 20 UPS systems (Uninterruptible Power Supply) were purchased to maintain power until emergency generators take over, or normal power supply is established.

During 2012 upgradings were completed at the toll station and associated structures to ensure the continued safe operation and efficiency of this critical facility. The ugrading has, among other things, included the gangway across the facility, the dynamic signs, control of the exit barriers, switching to a new type of camera and an innovative solution for indicating the entrance to the toll station in foggy weather as well as other upgrades.
The renovation was completed in stages and with great consideration for the safety of road users and workmen during ongoing operation of the toll station.

In 2012 prequalification of contractors to tender for the dehumidification system for the East Bridge main cables was completed. The aim here is to ensure continued durability of these cables by using a new but proven technology. Currently, dehumidification systems can be found in the bridge's main steel girder, the anchor blocks and cable saddles, and these ensure low humidity in the structures, which prevents corrosion. The establishment of the systems in the main cables will be carried out over two years.

Øresund motorway

Traffic on the Øresund motorway increased by 1.1 per cent on the year although traffic to and from Sweden continued to decline slightly.

Reinforcement of the Kalvebod dyke completed

The reinforcement of the existing coastal dyke between Kalvebod bridge and Konglunden on West Amager was completed in the spring and officially opened in August 2012.

The raising of the dyke means that the Øresund motorway and the Øresund railway, which lie below sea level for long stretches, now have a significantly reduced risk of being flooded in the event of more storms and rising sea levels in Køge Bugt. The reinforcement of the dyke also means that the metro and extensive residential areas in Ørestaden and Tårnby as well as the nature reserve are now better protected against flooding.

West Amager Pumpedigelag is responsible for the project. As a member of the Pumpedigelag Sund & Bælt has been the driving force behind the project. The project has been carried out in close cooperation with Kalvebod Environmental Centre through a proactive and constructive approach.

The reinforcement of the existing 7 km long dyke has taken place at no cost for Vestamager Pumpedigelag. Kalvebod Environmental Centre carried out the work with the soil from the excavations for a large depot, which would otherwise have been deposited on Zealand.

The new dyke has enabled the public to gain access to the old dyke top all the way from the Kalvebod bridge to Kongelunden because the new dyke top protects against disruption to bird life on the reclaimed area. Three new bird shelters have been established in order for the public to get close to the reserve's many residents.

DID YOU KNOW THAT...

Each week, the Storebælt road patrol collects around 130 bags of rubbish along the abutments on both sides of the link and from our two rest areas.

More information on the reinforcement of the dyke can be found at www.sundogbaelt.dk/diger.

Key figures, DKK million

Road – Storebælt	**2012**	**2011**
Operating income	2,574.7	2,453.1
Operating expenses	-226.7	-226.5
Depreciation	-224.0	-223.6
Operating profit (EBIT)	2,124.0	2,003.0
Net financials	-151.9	-236.8
Profit before financial value adjustments	**1,972.1**	**1,766.2**

Road – Øresund	**2012**	**2011**
Operating income	2.0	1.9
Operating expenses	-19.4	-23.8
Depreciation	-33.2	-23.6
Operating loss (EBIT)	-50.6	-45.5
Net financials	-126.6	-136.1
Loss before financial value adjustments	**-177.2**	**-181.6**

Øresund motorway 15 years

The Øresund motorway celebrated its 15th anniversary in 2012 as the backbone to the development of Amager and the indispensable link between Copenhagen and the outside world via the airport and the Øresund Bridge.

Due to the ageing of the asphalt's noise-reducing properties, the spring saw the replacement of the road surface on the Øresund motorway. Moreover, the worn surface also increased the risk of potholes forming in the surface with resulting safety implications for motorists.

The new low-noise surface is part of the noise action plans for the Øresund motorway. The work was carried out in less than one month for the sake of the traffic. In order to increase the safety of motorists and road workers, the work was carried out in the evenings and at night when there is least traffic on the motorway.

With the renewed surface, the Øresund motorway on Amager stands ready for traffic in the years ahead and will benefit motorists and not least the motorway's neighbours.

Railway

Storebælt
Traffic on Storebælt's rail section increased 4.8 per cent and totalled almost 8.8 million passengers in 2012. The year recorded a 14 per cent fall in freight traffic.

Storebælt's rail section comprises an approximately 25 km dual track section, including stations at Nyborg and Korsør. The railway's technical systems are monitored round-the-clock to ensure that they function properly at all times and that there are no impediments to the flow of rail traffic. This helps to make the rail section one of the safest in Denmark, with good punctuality levels and speeds of 180 km per hour.

In 2012, general inspections of all tunnel structures and of the groundwater lowering system at the tunnel ramps were carried out. The tunnel and the groundwater lowering system are in generally good condition.

During the year under review, the following new tenders for maintenance of the rail installations were completed. With regard to the rail link's interlocking and catenary system, contracts were signed with Banedanmark Produktion on 1 June, which came into effect on 1 October 2012 following a mobilisation period. A contract for maintenance work on rail vehicles, working vehicles, BVKs (rail/road vehicle) and working vehicle trailers was signed with Rail-Service A/S on 1 September.

After a short break, the reinvestment project for Storebælt's supervisory control and data acquisition system (SCADA), which was designed more than 15 years ago, was resumed in 2012. The project is aimed at carrying out a technological and safety upgrade to ensure the ongoing efficient control and operation of installations in the tunnel and on the bridge. The project, which started in 2009, will last for about four years. In 2012, work mainly involved completing the function description, the testing of the screen functionality and a review of the test specifications for the forthcoming factory testing in 2013. Conversion to the new SCADA system is expected to be implemented at the end of 2013.

Re-investment in switchgears for the 25 kV catenary system was completed in 2012. The replacement was necessary because of outdated technology and the fact that the parts for the existing 48 switchgear systems are no longer available. The Technical Control Centre performs all interlocking of switchgears in the 25 kV high voltage system. The purpose is to improve the efficiency of the turning on/off of the catenary system linked to daily maintenance operations on the link.

The first phase of the upgrading of the interlocking system's computers at Korsør and Nyborg stations and at Sprogø has been implemented. The results show an improvement in punctuality which has helped to meet the link's punctuality targets. The upgrading work continues with the implementation of phase 2, which is the establishment of a new signal block on Sprogø. Phase 2 will be implemented in 2013. The upgrading will help ensure and improve train punctuality in general until the delivery of a new nationwide ERTMS signalling programme in 2020.

Healthy working environment in the Storebælt tunnel
The majority of the maintenance operations are undertaken by a large number of work teams and at night - more than 150 nights per year. Maintaining the safety of the contractors' work teams as well as train passengers on the Storebælt link is paramount. Storebælt's working vehicles use the environmentally-friendly

SINE improves safety

In connection with the tunnel emergency drill in October, the new nationwide SINE emergency radio system, which was installed on the link, was tested with satisfactory results. The joint communication system, which is used by all response units – the police, the local rescue services, hospital services, Danish Emergency Management Agency etc. – will help to ensure that safety on the link is improved and rescue work is optimised. In addition, the link has permission to use the SINE emergency radio system as a service radio system. Service radios are used for safety reasons so that the lead officer in the Technical Control Centre can be in contact with the works teams that carry out maintenance operations in the tunnel and on the bridges.

The reduction of electricity consumption for rail point heating will offer savings of up to 50 per cent per rail point

fuel, EcoPar, which is produced from natural gas and therefore sulphur-free. This improves the air quality for the work teams and helps minimise the cleaning of filters on the working vehicles.

Relatively high electricity consumption on the Storebælt link's rail line has been recorded primarily due to the heating of the rail points in winter and maintenance operations in general. As the point heaters can only be controlled at the stations, there is no possibility of adjusting the power supply in relation to the train traffic flow. The use of new, modern inductive rail point heating systems is currently being investigated, where activation of the rail point heating system takes place in conjunction with train operations. The reduction of electricity consumption for rail point heating will offer savings of up to 50 per cent per rail point.

Storebælt contingency
Sund & Bælt takes its responsibilities for the safety of travellers on the Storebælt link seriously and, in general, seeks to minimise the consequences of any accidents. A strong effort is made to ensure that rescue operations are adapted to the special risks and services on the link, particularly in the rail tunnel and on the bridges.

The holistic contingency programme involving the police, emergency services, hospital services, Danish Emergency Management Agency etc., has resulted in a close partnership on the Zealand and Funen sides of the link. In the event of an alarm being raised, rescue measures and equipment are now better deployed so as to ensure the best possible rescue effort. Sund & Bælt contributes special equipment for the contingency programme for use in the tunnel and on the bridge.

A five year plan for emergency drills ensures that these will be carried out on the entire link – on the road and railway. An annual full-scale drill is carried out as part of the plan. In 2012, the full-scale emergency drill was conducted in the tunnel where the drill scenario involved a freight train which had collided with a working vehicle. This resulted in a fire, chemical spillage and injuries. The purpose was to train the rescue services in evacuating the injured parties, who had been in contact with the chemical spillage from the freight train, and in fire fighting. In general, the emergency drill went well. An overall evaluation report is being prepared, which will be considered by the emergency services' contact group. The evaluation report will probably result in minor adjustments and improvements to procedures and interaction between the response units.

At Slagelse Fire and Rescue School, which is a well-known training centre for fire and rescue personnel, Sund & Bælt staff as well as employees of the permanent contracting companies are trained in first-aid and fire fighting. The train operators' personnel are also trained in the 80m long training tunnel which resembles the Storebælt tunnel. This is also a factor in achieving a high professional level in respect of the contingency work at Storebælt.

DID YOU KNOW THAT...

The Minister of Transport has decided that from the autumn of 2013, A/S Øresund will assume responsibility for operations and maintenance of the rail section.

Øresund rail line

A/S Øresund owns the rail section across the Øresund landworks while Banedanmark is currently responsible for operations, maintenance and reinvestments on the rail section and pays a fee for the use of the railway. The Minister of Transport has decided that from the autumn of 2013, A/S Øresund will assume responsibility for operations and maintenance of the section. Preparations for this have begun.

The rail section is subject to considerable attention because it is part of the trans-European rail network and plays an important role in the regional traffic network (TEN-T). As a result, there is an ongoing dialogue with Banedanmark to secure a high level of accessibility and safety on the rail section through efficient and proactive maintenance.

Key figures, DKK million

Railway – Storebælt	**2012**	**2011**
Operating income	782.9	762.9
Operating expenses	-130.4	-125.8
Depreciation	-330.1	-376.0
Operating profit (EBIT)	322.4	261.1
Net financials	-962.2	-943.9
Loss before financial value adjustments	**-639.8**	**-682.8**

Railway – Øresund	**2012**	**2011**
Operating income	103.4	101.8
Operating expenses	-7.6	-4.3
Depreciation	-52.6	-52.6
Operating profit (EBIT)	43.2	44.9
Net financials	-270.8	-260.0
Loss before financial value adjustments	**-227.6**	**-215.1**

Adjustment for high-speed ferries

In 2012, A/S Storebælt entered into an agreement with Mols-Linien A/S concerning the purchase of ramp facilities at Odden port and the investment in new ramps in Odden and Ebeltoft ferry ports in connection with the fact that the company has introduced new and larger high-speed ferries on their crossings.

The new high-speed ferries on the Mols-Linien have resulted in a significant rise in traffic on the crossing. At the end of the year, Mols-Linien A/S announced that another new large high-speed ferry will be introduced on the route in May 2013. In future, therefore, there will be hourly services at the Odden ferry port.

The upgrading of the ports at Spodsbjerg and Tårs was completed in the spring enabling the new ferries to begin operating on the route. During the year, reinforcement of erosion protection and of sheet piling was also carried out at Spodsbjerg.

Ports and ferry services

A/S Storebælt owns four ferry ports north and south of the Storebælt link: Odden and Ebeltoft, Spodsbjerg and Tårs.

The ports are operated on usual commercial terms under which the revenue from users finance investments, operations and maintenance. The two shipping lines Mols-Linien A/S and Danske Færger A/S are customers of A/S Storebælt.

A/S Storebælt has an interest in the ports because the Act on Ferry Services obliges A/S Storebælt to maintain sailings on these routes if they cannot operate on the usual commercial terms. The Spodsbjerg-Tårs service is currently operated by Danske Færger A/S. Following an EU tender in 2009, the parties entered into a new contract for the period 1 May 2012 to 30 April 2018. The contract means that in the summer of 2012, two new and larger ferries were introduced on the link with spaces for 120 cars compared to 50 previously. The new ferries resulted in a rise in summer traffic on the sailings of 20 per cent. Due to the new ferry agreement and price rises for bunker oil, costs in 2012 rose by 17 million compared to 2011.

Key figures, DKK million

Ports	**2012**	**2011**
Operating income	24.7	21.1
Operating expenses	-5.1	-3.3
Depreciation	-11.6	-9.1
Operating profit (EBIT)	8.0	8.7
Net financials	-12.9	-10.7
Loss before financial value adjustments	**-4.9**	**-2.0**

Ferries	**2012**	**2011**
Operating income	0.0	0.0
Operating expenses	-26.7	-10.1
Depreciation	0.0	0.0
Operating loss (EBIT)	-26.7	-10.1
Net financials	0.0	0.0
Loss before financial value adjustments	**-26.7**	**-10.1**

Wind turbines

The wind turbines north of Sprogø, which began operations on 4 December 2009, have now completed their third year of operations. The production of power from the wind turbines has varied over the year, reaching a peak in the winter months. Total production amounted to 67.1 GWh in 2012, which is in line with the forecasted 66.0 GWh. The production equates to the electricity consumption of more than 16,000 homes. As total electricity consumption for Sund & Bælt's infrastructure was 9.7 million kWh in 2012, electricity consumption is fully covered by green energy from the wind turbines. The highest monthly production was 7.9 GWh in January and the lowest – 3.2 GWh – in August. The excellent result is, in part, due to a good wind year and the wind turbines' high accessibility despite service checks, etc. In the turbines' three operating years, accessibility was 98.4 per cent in 2010, 98.3 per cent in 2011 and 99.3 per cent in 2012, which is excellent.

Notwithstanding that production was in line with the forecasts, electricity prices have, unfortunately, been somewhat lower than expected. Thus, revenue was approximately DKK 6 million lower than in 2011.

Servicing of the wind turbines is undertaken according to a five year service agreement with Vestas together with two wind turbine engineers from Sund & Bælt. During the year, a three-year inspection was carried out.

The electricity produced by the wind turbines does not discharge particles and greenhouse gases, e.g. CO_2. The power generated by the wind turbines is sold on the Nordic Electricity Exchange, Nordpool, by Nordjysk Elhandel. A contract has been signed with Nordjysk Elhandel in conjunction with Vindenergy Danmark to manage the balancing of production from the wind turbines in relation to Energinet.dk.

In 2012, office and storage facilities for the wind turbine engineers were established in the former girls' home on Sprogø together with facilities for the service boat at Sprogø harbour to replace the previous facilities at Knudshoved. The solution is more efficient and, in terms of the working environment, provides a better means for servicing the wind turbines north of Sprogø.

In 2012, SK Forsyning's transmission cable on Sprogø was upgraded by the replacement of power cable splices to ensure greater robustness and security for the further transport of wind turbine power.

Key figures, DKK million

Wind turbines	**2012**	**2011**
Operating income	33.9	40.1
Operating expenses	-11.7	-11.6
Depreciation	-16.2	-16.1
Operating profit (EBIT)	6.0	12.4
Net financials	-15.6	-16.7
Loss before financial value adjustments	**-9.6**	**-4.3**

Sund & Bælt was assigned the task of preparing the basis for a decision regarding a new fjord link at Frederikssund

Consultancy

Sund & Bælt Partner A/S provides client consultancy relating to infrastructure projects in Denmark and abroad. The company is not covered by state guarantee.

The tasks that Sund & Bælt Partner A/S was involved in during the year under review was assistance to Banedanmark in connection with the choice of solution for a new Storstrøm Bridge through which experience from planning the Fehmarnbelt project was put to use.

As part of the transport policy agreement for improved mobility from 26 November 2010, Sund & Bælt was also assigned the task of preparing the basis for a decision regarding a new fjord link at Frederikssund. With regard to the 2011 reporting to the Ministry of Transport, the task continued with follow up to questions and changed scenarios and possible financial options during 2012.

Sund & Bælt Partner A/S also advises the City of Copenhagen on the project at Nordhavnsvej between the Elsinore motorway and the Nordhavn area.

Moreover, through Øresundsbro Konsortiet's Finance Department, Sund & Bælt Partner A/S undertakes financial planning on behalf of By & Havn I/S and Metroselskabet I/S.

With its experience, Sund & Bælt Partner A/S participated as partner in 2012 to a consortium in a tender for the operation and maintenance of approximately twenty years duration in respect of a motorway project involving tunnels and a suspension bridge in Turkey. The tender did not result in a contract but the opportunities for using the experiences gained in the group are still being investigated.

Key figures, DKK million

Partner	2012	2011
Operating income	3.4	5.5
Operating expenses	-3.5	-4.7
Depreciation	0.0	0.0
Operating profit/loss (EBIT)	-0.1	0.8
Net financials	0.2	0.3
Profit before financial value adjustments	**0.1**	**1.1**

The parties supporting the fixed link across the Fehmarnbelt agreed with Femern A/S' recommendation to locate the production of standard tunnel elements at Rødbyhavn

Fehmarnbelt

The coast-to-coast link
Femern A/S is responsible for planning and designing the construction of a fixed link across the Fehmarnbelt.

The overall framework for its work follows the Treaty between Denmark and Germany on the financing, construction and operation of a fixed link across the Fehmarnbelt between Rødbyhavn and Puttgarden. The treaty was signed in September 2008 by the transport ministers of Denmark and Germany and finally ratified in December 2009 at the official exchange of instruments of ratification.

On the basis of the Planning Act, on 27 April 2009, the Minister of Transport appointed Femern A/S responsible for, among other things, design, feasibility studies and preparatory work in relation to the establishment of the coast-to-coast link.

Planning and feasibility studies
Since 2009, Femern A/S has carried out detailed investigations on both sides of the Fehmarnbelt and in the Fehmarnbelt itself. Among other things, this has included studies of the land and marine environments, soil conditions and safety of navigation. This work continued during 2011, when the last studies, with few exceptions, were completed and reported.

The results of the feasibility studies are essential for the preparation of documentation for use in the regulatory approval process, and they will feed into the preparation of tender documents.

Since 2009 the company has also examined various bridge and tunnel solutions on an equitable basis in order to assess the most suitable technical solution for the Fehmarnbelt fixed link. Based on the results of these studies, in November 2010, the company advised the Minister of Transport that an immersed tunnel was its preferred technical solution. The Minister of Transport and the political parties supporting the fixed link accepted the recommendation at a meeting on 1 February 2011. The final decision on the technical solution to be built will only be made with the adoption of a Construction Act in Denmark and through the regulatory process in Germany. Nevertheless, the choice of the immersed tunnel as the preferred option means that Femern A/S can focus its resources on that solution in connection with the detailed design of the link and in the preparation of the tender process.

In June 2011, a production site for the large tunnel elements was selected. On 1 June 2011, the parties supporting the fixed link across the Fehmarnbelt agreed with Femern A/S' recommendation to locate the production of standard tunnel elements at Rødbyhavn. Out of the possible sites, it was Femern A/S' clear assessment that Rødbyhavn is the most appropriate location for the production facilities.

On 17 April 2012, Femern A/S presented a realistic, but still ambitious timetable for the project to the Minister of Transport and the political monitoring group. The revised schedule means that the design phase is to be extended by about a year. A Construction Act is expected in the second half of 2014. The construction period is unchanged at 6½ years, which is why the fixed link is expected to open at the end of 2021.

In 2012, work continued on the preparation of the tender process. On 2nd October 2012, Femern A/S started the prequalification process for contractors who, in mid-2013,

DID YOU KNOW THAT...

The Fehmarnbelt project is considered a strong candidate to also receive TEN-T support in the coming period 2014-20.

will be invited to tender for the large contracts. This gave the international construction world detailed information about the project's intentions for the first time.

The four major contracts on the coast-to-coast link are:

- Dredging of the seabed and landfilling
- Construction of the northern part of the tunnel
- Construction of the southern part of the tunnel
- Construction of the portal structures, ramps and connecting facilities on land.

The company shall, pursuant to the Treaty provisions, obtain all necessary approvals and permits to construct, operate and maintain the coast-to-coast link. Since the Fehmarnbelt fixed link crosses a border, and the regulatory process thus involves the legislation of two countries, management traditions, language and cultures, regulatory approval of the project is a challenging and in many ways a unique task.

In relation to the Danish authorities, a completed draft EIA report was submitted for official assessment. The Danish EIA report is expected to be presented by the end of May 2013 for use in the public consultation.

Work on the application for approval of the link by the German authorities is an ongoing dialogue and an extensive task. In total, the application material is expected to run to around 9,000 pages at the moment, with background material of approximately 12,000 pages. Femern A/S expects to complete the work of preparing the application documents for use in the German regulatory approval process in 2013, after which the project application wlll be submitted for consultation.

As a priority project within the trans-European transport network, the project receives an EU grant. The Fehmarnbelt project receives a subsidy rate of 24 for capital costs, and full support of 50 per cent for project-related costs. The total commitment in the support period 2007-2015 is about DKK 1.4 billion.

Guidelines for the support period 2014-20 were presented by the European Commission in June 2011. The Fehmarnbelt project is considered a strong candidate to also receive TEN-T support in the coming period 2014-20.

In November 2012, the EU Commission announced a TEN-T application round, where priority projects could apply for extra funding for the period 2012-15 in the event that they do not receive maximum support. The plan is to use the opportunity to increase the rate of support for the construction costs, which cannot exceed 30.

On 23 June 2011, the Parliamentary Finance Committee signed a document which authorises Femern A/S to incur costs of up to DKK 2.8 billion (2008 prices) for the design of the fixed link, which was an extension of the project's budgetary framework of approximately DKK 0.9 billion when compared to the Planning Act and the document of 3 June 2010.

The government's Growth Plan proposes to front load operations in the Fehmarnbelt project by DKK 1,180 million, of which DKK 350 million relates to the company's operations in 2015. Upon approval of the advance by the Finance Committee, the company's borrowing limit is expected to be increased to DKK 4 billion.

The company's organisation continued to grow during 2012 and there were 89 permanent employees by the end of year.

DID YOU KNOW THAT...

A/S Femern Landanlæg has been formed to administer the ownership and financing of the Danish landworks for a fixed link across the Fehmarnbelt.

Key figures, DKK million

Femern	2012	2011
Other operating income	0.0	0.0
Operating expenses	-0.6	-0.5
Depreciation	0.0	0.0
Operating loss (EBIT)	-0.6	-0.5
Net financials	0.0	0.0
Loss before financial value adjustments	**-0.6**	**-0.5**

Femern Landanlæg (Femern Landworks)

A/S Femern Landanlæg A/S is a wholly owned subsidiary of Sund & Bælt Holding A/S. The company's capital amounts to DKK 510 million and comprises share capital of DKK 500 million and a premium of DKK 10 million. The share capital has been provided through a non-capital contribution of Sund & Bælt Holding A/S' shareholding in Femern A/S. Therefore Femern Landanlæg A/S is the parent company of Femern A/S.

The company has been formed to administer the ownership and financing of the Danish landworks for a fixed link across the Fehmarnbelt. The planning work for the rail link will be carried out by Banedanmark while planning work for the road section will be undertaken by the Danish Road Directorate.

Sund & Bælt Holding A/S is responsible for coordinating the planning work for the overall link.

Design work on the railway facilities has continued through 2012 and is expected to be completed in 2013. In addition, with Document 149 of 15 June, 2011, the Finance Committee gave the legal basis for the detailed design and tender process to go ahead prior to the Construction Act. These activities started in 2012.

Global climate challenges

As part of the environmental studies prepared for the Fehmarnbelt project, there is a requirement for comprehensive climate accounts covering the entire 120 year life expectancy of the link. The accounts include the amount of CO_2 that will be emitted during construction and the change in traffic that will occur with the opening of the link. CO_2 emissions from cars and trains will fall because around 160 km will be saved through using the Fehmarnbelt link instead of the trip via Jutland. Climate accounts are included as part of the EIA report, which will contain a full description of the project's impacts on humans and the environment.

In December 2012, a completed draft EIA report was submitted to the Danish authorities for scrutiny. The Danish EIA report is expected to be presented by the end of May 2013 for use in the public consultation.

Cement production now accounts for approximately 5 per cent of the total CO_2 emissions worldwide, and there is great potential for reducing CO_2 emissions from it. In 2011, Femern A/S decided to engage in an innovation project for the development of new production methods and new types of more CO_2-friendly cement. The vision of the project is to achieve a CO_2 reduction of 20 per cent measured in kg/CO_2 per cubic metre of cement annually by 2020.

www.femernmiljoe.dk gives more information on the environmental work related to the fixed link across the Fehmarnbelt

Environmental responsibility

Sund & Bælt is committed to environmental responsibility, not least in connection with the construction of a fixed link across the Fehmarnbelt.

The excavation of a nearly 18 km long and 50 m wide trench for the Fehmarnbelt tunnel will result in 15 million cubic metres of dredged material. Femern A/S plans to use the majority of this material to construct a new 3 square kilometre coastal area on the south coast of Lolland. The new land area will add new natural and recreational values and has been developed in collaboration with the Lolland Municipality. In addition to the new coastal area, a new recreation area wil be built on the German side of the Fehmarnbelt. This will take the form of a new peninsula with a beach area east of the ferry port at Puttgarden, which will also serve as an abutment to the tunnel. This is in the interests of making the work on the German coast as considerate as possible.

BroBizz partnerships

BroBizz partnerships

Sund & Bælt wishes to extend the use of BroBizzes to other infrastructure operators and operators of transport-related services.

This is in keeping with the EU Commission's wish to establish interoperable solutions at a European level. Under the adopted directive, the European Electronic Toll Service (EETS) became effective from October 2012 for lorries and will become effective from October 2014 for passenger cars.

Key figures, DKK million

International partnerships	2012	2011
Operating income	4.6	4.5
Operating expenses	-2.3	-2.2
Depreciation	0.0	0.0
Operating profit (EBIT)	2.3	2.3
Net financials	0.0	0.0
Profit before financial value adjustments	**2.3**	**2.3**

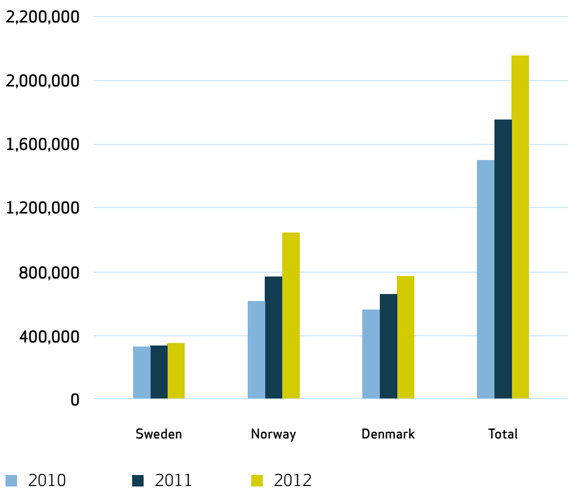
EasyGo and international partnerships

Through the EasyGo partnership, BroBizz can be used for payment across national borders in the Nordic countries. This means that BroBizzes can be used to pay tolls and parking charges as well as for ferry tickets in Denmark, Norway and Sweden and for ferries between Denmark and Germany.

Operators in other EU countries are showing substantial interest in the EasyGo partnership. An agreement has been signed with the Austrian company, ASFINAG, that enables lorries to use the BroBizz for payment on the Austrian motorway network from mid-2013. Correspondingly, the Austrian GoBox can be used in the Scandinavian countries.

.

Use of EasyGo, number of passages



As a result of the EasyGo scheme, BroBizzes from other issuers were used 506,300 times at Storebælt in 2012, with Storebælt's BroBizzes being used 1,133,500 times for payment at other toll stations. This represents annual increases of 18 and 25 per cent respectively.

DID YOU KNOW THAT...

The purpose of BroBizz A/S is to make the bridge companies' BroBizz payment system available to other operators.

BroBizz A/S

On 1 November 2008, Sund & Bælt Holding A/S formed the subsidiary, BroBizz A/S, in accordance with the Act on Sund & Bælt Holding A/S of June 2005. The purpose of BroBizz A/S is to make the bridge companies' BroBizz payment system available to other operators, including, for example, parking operators, and to monitor the development of automatic toll collection systems on roads, bridges and ferries in Denmark and abroad. BroBizz A/S is not covered by state guarantee.

Towards the end of 2008, BroBizz A/S signed an agreement with Københavns Lufthavne A/S and Lufthavnsparkeringen A/S with regard to BroBizz parking at five of the airport's parking facilities. The new parking spaces became operational from the early autumn of 2009 and were marketed to the bridge companies' customers who have welcomed the service. The number of times BroBizz is used to pay for parking increases every year and in 2012, the number increased by 10 per cent compared to 2011. In total 71,373 BroBizz transactions took place.

In 2010, the company signed an agreement with Dansk Supermarked concerning the use of BroBizz for access control for lorries at two of their goods depots. The hauliers register their BroBizzes via a website themselves and the system uses the BroBizz to check the lorries' arrivals and departures. The system has been well received by the hauliers as it relieves them of a significant administrative burden. In 2012, almost 1,300 lorries used the BroBizz for access control.

At the end of 2010, BroBizz A/S signed an agreement with EuroPark regarding BroBizz parking in multi-storey car parks in Copenhagen and at Billund Airport. The first of these car parks came on stream at the end of the year and more are expected in the years to come.

As a consequence of the introduction of the European Electronic Toll Service, the Board of Sund & Bælt Holding A/S has decided to transfer the issuer function from A/S Storebælt to BroBizz A/S. This means that the existing contractual relationships linked to the approximately 550,000 active BroBizzes will be managed by BroBizz A/S.

Øresundsbro Konsortiet

In 2012, the Øresund Bridge posted a profit before value adjustment of DKK 371 million, which, compared to the previous year, is an increase of DKK 96 million. The improvement covers a rise in turnover of DKK 52 million, higher depreciation of DKK 5 million and lower interest expenses of DKK 49 million.

Road revenue rose by DKK 39 million on the year and accounts for DKK 1,094 million.

Total car traffic fell by 3.4 per cent on the year.

Lorry traffic rose by 2.7 per cent, which was the third consecutive year with a rise, and the market share for lorry traffic across Øresund now accounts for 51 per cent.

Passenger car traffic fell by 3.7 per cent on the year. Commuter traffic continued to decline and fell by 9 per cent compared to 2011. Other passenger car traffic rose by 0.4 per cent as a result of increased leisure traffic. The number of BroPas agreements rose by 12.4 per cent on the year, and the number now totals 272,000.

Train traffic increased by 5.0 per cent compared to 2011 and now accounts for 10.1 million passengers.

EBIT amounts to a profit of DKK 1,046 million, which is an improvement of DKK 47 million on the year. After value adjustment the annual result is a profit of DKK 79 million.

As at 31 December 2012, equity was negative at DKK 4,082 million.

Equity is expected to be re-established in 2020 after which dividend can be paid to the parent companies. The repayment period has been reduced by one year to 33 years from the opening year in 2000, which is first and foremost owing to lower realised interest.

Øresundsbro Konsortiet publishes an independent report on CSR and sustainability which is available under the category "Society and Environment" at www.oresundsbron.com/page/163.

Further details on the Øresund Bridge are available from Øresundsbro Konsortiet's annual report or at www.oresundsbron.com

Through A/S Øresund, Sund & Bælt owns 50 per cent of Øresundsbro Konsortiet, which is responsible for the Øresund Bridge's operations

Key figures, DKK million

Øresundsbro Konsortiet	**2012**	**2011**
Operating income	1,596.8	1,545.2
Operating expenses	-287.5	-288,1
Depreciation	-262.9	-258.1
Operating profit (EBIT)	1,046.4	999.0
Net financials	-675.5	-724.0
Profit before financial value adjustments	370.9	275.0
Value adjustments	-292.2	-1,341.5
Profit/loss for the year	**78.7**	**-1,066.5**
Group's share of results	**39.3**	**-533.2**

Percentage traffic rise

	2012	**2011**	**2010**
Øresund Bridge	-3.4	-1.3	-0.4

Corporate Governance

Sund & Bælt Holding A/S is a state-owned public limited company in which the shareholder – the Danish State – is the company's supreme authority and exercises its ownership in accordance with the legislative guidelines set out in the publication "The state as shareholder".

The two-tier management structure consists of a Board of Directors and a Management Board, which are independent of each other. No individual is a member of both boards.

Sund & Bælt endeavours to ensure that the company is managed in accordance with the principles of sound corporate governance at all times.

NASDAQ OMX's corporate governance recommendations correspond to the recommendations from the Committee for Corporate Governance updated in August 2011. Sund & Bælt generally complies with NASDAQ OMX's corporate governance recommendations. Exceptions to the recommendations are owing to the Group's special ownership structure where the State is the sole shareholder. The exceptions to the recommendations are:

- In connection with elections to the Board of Directors, the shareholder assesses the necessary expertise that the Board should possess. There is no nomination committee.

- No formal rules exist with regard to board members' age and number of board positions a member of the board may hold. This, however, is considered by the shareholder in connection with the elections of new members.

- The shareholder determines the remuneration of the Board of Directors while the Board of Directors decides the salaries of the Management Board. Performance-related remuneration or bonuses for the Management Board and Board of Directors are not employed. No remuneration committee has, therefore, been established.

- Members of the Board of Directors elected by the Annual General Meeting stand for election every second year.

- The Board of Directors have not carried out an evaluation of the work of the Board of Directors and Management Board.

The company has set up an Audit Committee which, as a minimum, meets half-yearly. The Vice-Chairman of the Board of Directors is Chairman of the Audit Committee.

The Board of Directors held four meetings during the year and all members were considered independent in 2012.

In relation to the managerial offices held by the company's leadership in other commercial companies, please refer to the section, Board of Directors, Board of Management and Senior Executives.

The recommendations from the Committee for Corporate Governance are available at www.corporategovernance.dk

DID YOU KNOW THAT...

All key tenders include a Code of Conduct which suppliers and their sub-suppliers should adhere to.

CSR – Corporate Social Responsibility

Sund & Bælt has joined the UN Global Compact and through its membership is required to comply and work with the 10 principles of the Global Compact. A CSR policy has also been drawn up, which is divided into a triple bottom line – social, environmental and economic – and expresses Sund & Bælt's commitment to respect international human rights in all its operations. This is in order to prevent and minimise the environmental impact from its operations through a proactive effort and to use a zero-tolerance policy towards corruption. In addition to a CSR policy, Sund & Bælt has several other policies, all of which support the work with CSR, including an HR policy, an occupational health policy, environmental policy etc.

Sund & Bælt reports on CSR under the relevant business areas in this annual report.

In addition to reporting in the annual report, Sund & Bælt publishes a separate publication, The Green Accounts, which sets out the environmental activities and contains a report on resource consumption, greenhouse emissions etc. The green accounts are available at www.sundogbaelt.dk/grøntregnskab.

Further information is available at www.sundogbaelt.dk/samfundsansvar.

Supplier management

One of Sund & Bælt's focus areas is to contribute to sustainable social, environmental and economic development through our procurement. All key tenders include a Code of Conduct which suppliers and their sub-suppliers should adhere to. The Code of Conduct contains a number of requirements within human rights, the environment and anti-corruption. The Code of Conduct has been devised so that the Global Compact's ten principles are adhered to.

In 2012, a procedure for supplier management work was drawn up. The procedure sets out the internal areas of responsibility and means that, once a year, the Management Board receives a report on supplier management work. Moreover, the procedure describes what requirements there are for the different types of tender.

In 2013, Sund & Bælt will focus on how the procedure is working in practice. Do we impose the correct requirements on our suppliers and are we able to systematically follow up on the requirements?

In 2012, anti-corruption guidelines were drawn up, which were delivered to our suppliers of major tenders. Follow up on the guidelines is included in our standard supplier management.

In 2012, Sund & Bælt conducted an audit of nine suppliers of which four were asked about their CSR conditions.

In 2012, Sund & Bælt conducted an audit of nine suppliers of which four were asked about their CSR conditions

Whistle blowing and gender equality
Sund & Bælt has decided to establish a whistle blowing scheme. Together with the drawing up of a gender equality policy for the company's management levels, this will be among the focus areas of 2013.

IT equipment gets new life in Nepal
In 2012, Sund & Bælt decided to donate used computer equipment to charity. This year, the Dhulikhel hospital in Nepal received computers, printers and networking equipment for use in the treatment of impoverished Nepalese people. The hospital is approximately 40 km east of Kathmandu, the capital of Nepal.

The hospital currently has only a few computers in its administrative offices. Now, with the donation, the hospital can also offer patients access to computers and the Internet. In addition, the small medical clinics around the mountains now have the opportunity to familiarise themselves with computers.

The donation was made in collaboration with the non-profit health organisation, NepaliMed Denmark. Dhulikhel hospital's vision is to offer help to the poor, regardless of their financial resources, that is the same quality as the country's other hospitals. Sund & Bælt has even installed the IT equipment at the hospital in Nepal to ensure that this is fully functional and can be used by the recipient.

Read more about the hospital on the organisation's website: www.nepalimed.dk

Sund & Bælt will continue to donate used computer equipment to charity.

A safe working environment

Sund & Bælt reached a milestone in 2012. Contractors and Sund & Bælt's employees spent almost 600,000 working hours on the facilities, at Sprogø offshore wind farm, at workshops and in offices. Their duties were carried out without a single industrial accident. Since Sund & Bælt changed to the operating stage, the objective has been to avoid industrial accidents – and this was achieved in 2012. A significant effort will continue to be required in the working environment area to maintain this fine result, not least in light of the fact that in the rest of the labour market, in building and construction, there has been a rise in the number of accidents, with a total of 26 accidents per million working hours for blue-collar workers and office-based employees.

Over the years, focus on working environment conditions has been maintained through certification of the working environment in line with international standards. An audit was carried out by Bureau Veritas Certification A/S in 2012, with no non-compliances. The Danish Working Environment Service's Kronesmiley was maintained in 2012.

Environment and safety

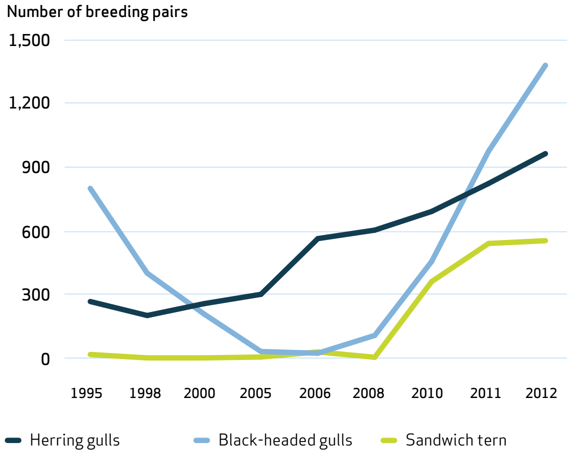
Sund & Bælt wishes to operate and maintain its road and rail facilities as efficiently as possible. Moreover, one of Sund & Bælt's fundamental values is to support sustainable development and to contribute to meeting the objectives that society has set out for the environmental area. This is achieved by ensuring that traffic on the facilities as well as operations and maintenance are conducted with the greatest possible respect for the environment and climate, i.e. through a proactive approach to preventing and minimising the environmental impact from the Group's operations. The work is based on an environmental policy, annual targets and action plans.

The Storebælt link – a Natura 2000 area

The Storebælt link and Sprogø are located within a Natura 2000 area. Such areas are characterised by special habitats or animals, which require particularly favourable conservation status. For the sea area around the Storebælt link, the reasons for the designation are porpoises and eider and on Sprogø sandwich terns. Moreover, certain buildings on Sprogø are listed and nature conservation on the island is in keeping with the conservation plans, which have been approved by Slagelse municipality.

The tidal flats and the reef area east of Fyrbakken on Sprogø are particularly attractive to black-headed gulls and sandwich terns. The presence of black-headed gulls is a prerequisite for the presence of sandwich terns. To improve conditions for black-headed gulls and sandwich terns, since 2009, and with permission from the Danish Nature Agency, an adjustment to herring gull colonies (destruction of nests) on the entire eastern and northern parts of Sprogø has been carried out. This has resulted in a significant increase in black-headed gulls and sandwich terns. In 2012, 553 pairs of sandwich terns were breeding on Sprogø. Progress has been made despite the fact that herring gulls have increased beyond the regulated areas.

Development in the number of sandwich terns, black-headed gulls and herring gulls on Sprogø



Pro-active nature conservation on Sprogø throughout the years – and not least in recent years – has resulted in an explosive increase in the number of protected green toad. As the result, the island population can be regarded as one of the largest single populations in Denmark with more than 6,000 toads.

Green accounts

On the resource side, by changing storage and treatment methods on the road and rail links in Halsskov, we succeeded in reducing the quantity of waste for landfill from almost 40 tons in 2011 to less than 2 tons in 2012. In 2012, the recovery of waste for recycling and incineration accounted for more than 98 per cent of the waste. As a result, Sund & Bælt has met the targets in the government's waste strategy whose objective is waste recovery of 94 per cent.

In 2012, Sund & Bælt succeeded in meeting all key environmental objectives. Targets have also been set for 2013, which will ensure continued focus on environmental matters.

Traffic emissions

Sund & Bælt's infrastructure facilities are used by vehicles and trains that emit CO_2. In terms of operation and maintenance of the facilities, Sund & Bælt strives to ensure that traffic flows freely because this reduces fuel consumption and, therefore, emissions.

A disconnection occurred between the rise in traffic and the rise in CO_2 emissions (greenhouse gas) from traffic. This is due to the switch to more efficient vehicles and for passenger cars to smaller cars. Passenger cars and lorries drive further per litre. Since 2008, CO_2 emissions have fallen by 5 to 10 per cent for unchanged traffic volumes on the motorway facilities.

Emissions

Facility	Energy (TJ*)	CO_2 (tons)	NO_x (tons)	SO_2 (tons)
Motorways	1,147	82,791	420	2.9
Railway across Storebælt	112	7,878	54	0.3
Total	**1,259**	**90,669**	**474**	**3.2**

*) One TJ, TeraJoule, corresponds to approximately 28,000 litres fuel.

Number of industrial accidents per 1 million working hours

*) The Confederation of Danish Employers' national statistics.

In 2013, Sund & Bælt will continue to evaluate incidents and accidents with a view to maintaining zero industrial accidents.

In 2013, it is planned to include Sund & Bælt's ports in the company's working environment certification.

Sund & Bælt's green accounts for 2012 provide detailed information on environmental initiatives during the year. The green accounts are available at www.sundogbaelt.dk/grøntregnskab

Risk management and control environment

Certain events may prevent the Group from achieving its objectives in whole or in part. The likelihood that such events will occur is an element of risk of which the Group is well aware. Some risks can be managed and/or reduced by the Group itself while others are external events over which the companies have no control. The Group has identified and prioritised a number of risks based on a holistic approach. As part of the continuing work with these issues, the Board of Directors receives an annual risk report which describes the Group's key risks and specific proposals for dealing with them.

The greatest risk to accessibility is a prolonged interruption to a traffic link caused by a ship colliding with a bridge, terrorist activity or the like. The likelihood of such incidents is remote, but the potential consequences are significant. The potential financial losses for the Group from such events, including operating losses for up to two years, are, however, covered by insurances.

Sund & Bælt's objective is to ensure that safety on the links should be high and at least as high as on similar facilities. So far, this objective has been met and the proactive safety work continues. The work is supported by regularly updated risk analyses.

In partnership with the relevant authorities, Sund & Bælt maintains a comprehensive contingency plan, including an internal crisis management programme for handling accidents etc. on the company's traffic facilities. The programme is tested regularly through drills.

Long-term traffic development is a significant factor in the repayment period for the Group's debts, c.f. notes 23 and 24, where the calculations and uncertainty factors are described. In addition to the general uncertainties that are inherent in such long-term forecasts, there is a special risk related to changes to prices introduced by the authorities, e.g. in the form of EU directives. The introduction of road taxes may also impact on the bridges' market position.

Development in long-term maintenance and reinvestment costs is subject to some uncertainty too. Sund & Bælt works proactively and systematically to reduce such factors and it is unlikely that these risks will have a major effect on the repayment period.

Work on holistic risk management has defined and systemised a number of risks linked to the company's general operations. These include the risk of computer breakdowns or a failure of other technical systems, unauthorised access to computer systems, delays to, and cost increases for, maintenance work etc. These risks are handled by day-to-day management and the line organisation.

The Sund & Bælt Group's risk management and internal controls in connection with the accounts and financial reporting are intended to minimise the risk of material error. The internal control system contains clearly defined roles and areas of responsibility, reporting requirements and procedures for attestation and approval. Internal controls are examined by the auditors and reviewed by the Board of Directors through the Audit Committee.

Employees

The Sund & Bælt Group has 213 full-time employees who perform tasks in the parent company and its 100 per cent-owned subsidiaries. The majority of operational tasks are outsourced and are carried out by approximately 200 employees from private service companies and contractors.

Employees in the operating organisation

Sund & Bælt regards it as important that the individual is professionally challenged and becomes increasingly skilled at his/her job. Greater focus on training and development helps to ensure that we are continually at the forefront of developments.

Great emphasis is put on creating a good framework for the individual's working life, i.e. through an attractive family policy and by giving the individual manager and employee the opportunity to define the framework for his/her work and responsibilities.

The HR policy strives for an equal distribution of male and female, employees with different ethnic backgrounds and a balanced age range. Recruiting or restructuring particularly at management level helps to ensure that this basic value is adhered to with a view to creating a balanced gender distribution.

In addition, Sund & Bælt actively contributes to the implementation of political initiatives designed to create new jobs and promote employment, e.g. the creation of "emergency positions" and internships.

Sund & Bælt strives to ensure that the workplace and its working tools are in order. A systematic effort is made at all times to have a good physical and psychological working environment.

The health of employees is important because a healthy employee enjoys a better life and, therefore, has greater capacity. We regularly implement new initiatives and offers which in part help to enhance the individual's awareness of his/her own health and in part give the opportunity for a healthier life.

In 2012, HR work was focused on staff-related matters relating to the establishment of BroBizz A/S, on organisational adjustments, including those deriving from the impending takeover of maintenance responsibilities for the Øresund rail section from Banedanmark and on the preparation of a number of initiatives designed to further enhance the promotion of health in the new year.

The key figures for 2012 continue to show low absenteeism due to sickness. Staff turnover this year was higher than normal. This stemmed from the work to separate out parts of customer service and the accounts receivable department to BroBizz A/S. Through natural wastage and by replacing positions with temporary staff, Sund & Bælt has avoided redundancies.

Generational change will be an issue in the years to come. In order to ensure transfer of responsibility in the best possible way, the Group is committed to succession planning. In close dialogue with key individuals in the company, a plan is being drawn up which ensures that all documentation is in order and that the transfer of knowledge from key employees to those who will take over their responsibilities is in place.

Sund & Bælt	2012	2011
Number of employees	119	127
Of whom		
- Female	43 per cent	44 per cent
- Male	57 per cent	56 per cent
Of whom managers		
- Female	33 per cent	32 per cent
- Male	67 per cent	68 per cent
Educational background		
- Higher	36 per cent	34 per cent
- Intermediate	41 per cent	39 per cent
- Basic	23 per cent	27 per cent
Staff turnover	10.6 per ent	1.6 per cent
Average age	49 years	47 years
Training per employee	DKK 9,300	DKK 6,800
Absence due to sickness (incl. long-term sickness)	2.3 per cent	2.6 per cent

Employees in the BroBizz issuer organisation
BroBizz A/S is an issuer organisation under development. The first employees were taken on at the end of 2012 and in 2013, the organisation will be expanded as the company develops.

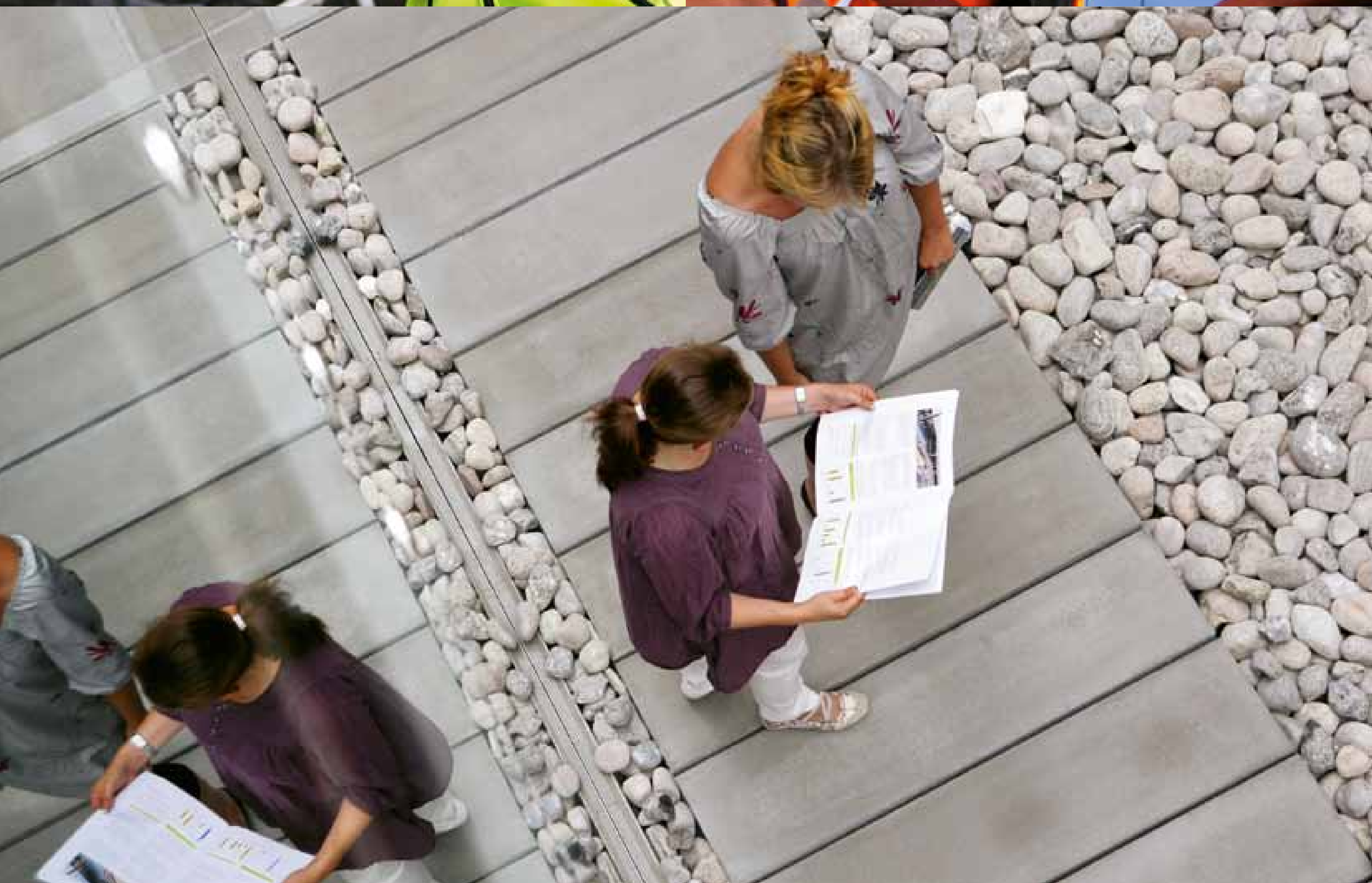
BroBizz A/S	2012
Number of employees	4
Of whom	
- Female	75 per cent
- Male	25 per cent
Of whom managers	
- Female	100 per cent
- Male	0 per cent
Educational background	
- Higher	50 per cent
- Intermediate	25 per cent
- Basic	25 per cent
Staff turnover	0.0 per cent
Average age	46 years
Training per employee	DKK 0
Absence due to sickness (incl. long-term sick)	0.0 per cent

Employees in the Fehmarn construction organisation
Femern A/S is a project organisation under continuing development. In addition to its own employees, Femern A/S employs a number of permanent consultants.

The organisation includes employees of Danish, Swedish, German and British nationalities. The management team comprises individuals with experience from the construction of the fixed links across Storebælt and Øresund as well as other international projects.

Femern A/S	2012	2011
Number of employees	89	74
Of whom		
- Female	37 per cent	38 per cent
- Male	63 per cent	62 per cent
Of whom managers		
- Female	5 per cent	6 per cent
- Male	95 per cent	94 per cent
Educational background		
- Higher	62 per cent	63 per cent
- Intermediate	24 per cent	25 per cent
- Basic	13 per cent	12 per cent
Staff turnover	4 per cent	13 per cent
Average age	46 years	47 years
Training per employee	DKK 8,613	DKK 7,851
Absence due to sickness (incl. long-term sick)	1.5 per cent	1.9 per cent


Storebælt



Accounts

Main items

Key figures and financial ratios for the Sund & Bælt Group (DKK million)

	Sund & Bælt Holding A/S	A/S Storebælt	A/S Øresund	Sund & Bælt Partner A/S	A/S Femern Landanlæg	Femern A/S	BroBizz A/S	2012 Total	2011 Total
Operating profit/loss (EBIT)	**18.2**	**2,416.4**	**-5.8**	**-0.2**	**-0.1**	**-0.6**	**0.0**	**2,427.9**	**2,277.2**
Financing expenses excl. value adjustment	-13.8	-1,128.8	-397.5	0.3	0.0	0.0	0.0	-1,539.8	-1,603.9
Profit/loss before value adjustment	**4.4**	**1,287.6**	**-403.3**	**0.1**	**-0.1**	**-0.6**	**0.0**	**888.1**	**673.3**
Value adjustments, net	6.3	-542.9	-225.1	0.0	0.0	0.0	0.0	-761.7	-2,117.8
Profit/loss before inclusion of share of jointly managed company and tax	10.7	744.8	-628.4	0.1	-0.1	-0.6	0.0	126.4	-1,444.5
Profit/loss from jointly managed company	0.0	0.0	39.3	0.0	0.0	0.0	0.0	39.3	-533.2
Profit/loss before tax	**10.7**	**744.8**	**-589.1**	**0.1**	**-0.1**	**-0.6**	**0.0**	**165.7**	**-1,977.7**
Tax	-2.7	-186.2	147.3	0.0	0.0	0.1	0.0	-41.5	495.4
Profit/loss for the year	**8.0**	**558.6**	**-441.8**	**0.1**	**-0.1**	**-0.5**	**0.0**	**124.2**	**-1,482.3**

Key Figures

Key figures and financial ratios for the Sund & Bælt Group (DKK million)

	2008	2009	2010	2011	2012
Operating income, road	2,368	2,355	2,339	2,450	2,572
Operating income, rail	808	841	851	863	877
Other income incl. ports and wind turbines	32	40	74	78	82
Operating expenses	-412	-410	-426	-413	-434
Depreciation	-694	-676	-694	-701	-668
Operating profit/loss (EBIT)	2,102	2,151	2,144	2,277	2,428
Net financials before value adjustment	-1,927	-2,064	-1,843	-1,604	-1,540
Profit before value adjustment	176	87	301	673	888
Value adjustments, net	-2,650	-554	70	-2,118	-762
Profit/loss before inclusion of share of jointly managed company and tax	-2,474	-467	371	-1,445	126
Profit/loss from jointly managed company (Øresundsbro Konsortiet) *	-505	-162	-31	-533	39
Profit/loss before tax	-2,979	-629	340	-1,978	166
Tax	759	158	-86	495	-42
Profit/loss for the year	-2,220	-471	254	-1,482	124
Capital investment for the year	161	963	792	712	686
Capital investment	36,643	36,746	36,539	36,358	36,205
Bond loans and bank loans	42,393	42,366	43,528	44,194	45,031
Net debt (fair value)	42,940	43,378	42,469	44,018	43,600
Interest-bearing net debt	40,586	40,583	40,088	39,440	38,486
Equity	-5,272	-5,743	-5,489	-6,972	-6,847
Balance sheet total	**44,485**	**42,711**	**43,799**	**45,494**	**46,863**
Financial ratios, per cent:					
Profit ratio (EBIT)	65.5	66.5	65.7	67.1	68.8
Rate of return (EBIT)	4.7	5.0	4.9	5.0	5.2
Return on facilities (EBIT)	5.7	5.9	5.9	6.3	6.7

NB: The financial ratios have been stated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2010". Please refer to definitions and concepts in note 1 Accounting Policies..

*) Øresundsbro Konsortiet's results for 2012 include an expense of DKK 146 million (DKK 671 million in 2011) relating to value adjustments. The results before value adjustments amount to profits of DKK 39 million (DKK 138 million in 2011).

Accounts

Notes

Comprehensive income statement

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2011	2012	Note	Income	2012	2011
134.0	138.2	4	Operating income	3,530.2	3,391.5
134.0	**138.2**		**Total income**	**3,530.2**	**3,391.5**
			Expenses		
-34.6	-37.1	5	Other operating expenses	-351.4	-331.3
-81.3	-82.0	6	Staff expenses	-83.0	-81.8
-0.5	-0.9	8-12	Depreciation and amortisation of intangible fixed assets and property, plant and equipment	-667.9	-701.2
-116.4	**-120.0**		**Total expenses**	**-1,102.3**	**-1,114.3**
17.6	**18.2**		**Operating profit (EBIT)**	**2,427.9**	**2,277.2**
		16	Financial income and expenses		
0.0	0.2		Financial income	46.7	59.1
-14.9	-14.0		Financial expenses	-1,586.5	-1,663.0
6.8	6.3		Value adjustment, net	-761.7	-2,117.8
-8.1	**-7.5**		**Total financial income and expenses**	**-2,301.5**	**-3,721.7**
9.5	**10.7**		**Profit/loss before inclusion of share of results in jointly managed company and tax**	**126.4**	**-1,444.5**
0.0	0.0	15	Share of results in jointly managed company	39.3	-533.2
9.5	**10.7**		**Profit/loss before tax**	**165.7**	**-1,977.7**
-2.4	-2.7	7	Tax	-41.5	495.44
7.1	**8.0**		**Profit/loss for the year**	**124.2**	**-1,482.3**
0.0	0.0		Other comprehensive income	0.0	0.0
0.0	0.0		Tax on other comprehensive income	0.0	0.0
7.1	**8.0**		**Comprehensive income**	**124.2**	**-1,482.3**
			Proposal for profits appropriation:		
7.1	**8.0**		**Retained earnings**	**124.2**	**-1,482,3**

Balance sheet 31 December 2012 - Assets

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2011	2012	Note	Assets	2012	2011
			Non-current assets		
			Intangible assets		
0.2	0.1	8	Software	30.5	19.9
0.2	**0.1**		**Intangible assets in total**	**30.5**	**19.9**
			Property, plant and equipment		
0.0	0.0	9	Road and rail links	35,580.2	35,750.8
0.0	0.0	10	Port facilities	271.1	237.8
0.0	0.0	11	Wind turbine facilities	353.1	369.3
0.0	0.0	12	Land and buildings	111.6	114.9
4.0	3.5	12	Other fixtures and fittings, plant and equipment	56.7	75.1
4.0	**3.5**		**Property, plant and equipment in total**	**36,372.7**	**36,547.9**
			Other non-current assets		
5.1	5.9	13	Deferred tax	2,515.9	2,561.7
877.0	877.0	14	Participating interests in subsidiaries	0.0	0.0
882.1	**882.9**		**Total other non-current assets**	**2,515.9**	**2,561.7**
886.3	**886.5**		**Total non-current assets**	**38,919.1**	**39,129.5**
			Current assets		
			Receivables		
0.0	0.0		Inventory	1.5	1.5
5.0	4.1	17	Receivables	945.4	892.2
0.0	0.0		Securities	1,093.5	490.8
0.0	0.0	18	Derivatives	5,381.4	4,738.0
8.7	8.5	19	Prepayments and accrued income	19.1	20.8
13.7	**12.6**		**Receivables in total**	**7,440.9**	**6,143.3**
0.0	**0.0**	20	**Cash at bank and in hand**	**503.1**	**220.9**
13.6	**12.6**		**Total current assets**	**7,944.0**	**6,364.2**
900.0	**899.1**		**Total assets**	**46,863.1**	**45,493.7**

Balance sheet 31 December 2012 – Equity and liabilities

(DKK million)

Sund & Bælt Holding A/S 2011	Sund & Bælt Holding A/S 2012	Note	Equity and liabilities	Sund & Bælt Group 2012	Sund & Bælt Group 2011
			Equity		
355.0	355.0	21	Share capital	355.0	355.0
111.2	119.2	21	Retained earnings	-7,202.4	-7,326.6
466.2	**474.2**		**Total equity**	**-6,847.4**	**-6,971.6**
			Liabilities		
			Non-current liabilities		
0.0	0.0	15	Provisions	2,041.1	2,080.4
0.0	364.1	23	Bond loans and amounts owed to credit institutions	42,693.2	40,294.3
0.0	**364.1**		**Total non-current liabilities**	**44,734.3**	**42,374.7**
			Current liabilities		
356.7	0.0	23	Current portion of non-current liabilities	2,337.7	3,899.4
46.7	31.1		Credit institutions	131.4	472.6
28.7	28.1	25	Trade and other payables	1,519.5	1,368.1
0.0	0.0	18	Derivatives	4,952.0	4,314.6
1.7	1.6	26	Accruals and deferred income	35.5	35.9
433.8	**60.8**		**Total current liabilities**	**8,976.2**	**10,090.6**
433.8	**424.9**		**Total liabilities**	**53,710.5**	**52,465.3**
900.0	**899.1**		**Total equity and liabilities**	**46,863.1**	**45,493.7**

1	Accounting policies
2	Significant accounting estimates and judgments
3	Information on operations
23	Financial risk management
24	Profitability
27	Contractual obligations, contingent liabilities and securities
28	Related parties
29	Events after the balance sheet date
30	Approval of annual report for publication

Statement of changes in equity

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group		
Share capital	Retained earnings	Total		Share capital	Retained earnings	Total
355.0	104.1	459.1	Balance at 1 January 2011	355.0	-5,844.3	-5,489.3
0,0	7.1	7.1	Profit/loss for the year and comprehensive income	0.0	-1,482.3	-1,482.3
355.0	111.2	466.2	Balance at 31 December 2011	355.0	-7,326.6	-6,971.6
355.0	111.2	466.2	Balance at 1 January 2012	355.0	-7,326.6	-6,971.6
0.0	8.0	8.0	Profit/loss for the year and comprehensive income	0.0	124.2	124.2
355.0	119.2	474.2	Balance at 31 December 2012	355.0	-7,202.4	-6,847.4

Cash flow statement

(DKK million)

Sund & Bælt Holding A/S				Sund & Bælt Group	
2011	2012	Note		2012	2011
			Cash flow from operating activities		
17.6	18.2		Profit before net financials	2,427.9	2,277.3
			Adjustments		
0.5	0.9	8-12	Amortisation, depreciation and write-downs	667.9	701.2
-4.3	-4.0		Joint tax contribution	0.0	0.0
0.5	-0.1		Adjustment for other non-cash items	0.0	3.8
14.3	**15.0**		**Cash flow from operations (operating activities) before change in working capital**	**3,095.8**	**2,982.3**
			Change in working capital		
-1.4	0.9	17, 19	Receivables, prepayments and accrued income	-795.3	-447.9
1.1	-0.6	25, 26	Trade and other payables	336.6	141.0
14.0	**15.3**		**Total cash flow from operating activities**	**2,637.1**	**2,675.4**
			Cash flow from investing activity		
-3.5	-0.3	8-12	Purchase of intangible assets, property, plant and equipment	-704.8	-726.8
0.0	0.0		Received EU subsidy	203.0	221.2
0.0	0.0	14	Capital deposit in subsidiary	0.0	0.0
-3.5	**-0.3**		**Total cash flow from investing activity**	**-501.8**	**-505.6**
10.5	**15.0**		**Free cash flow**	**2,135.3**	**2,169.8**
			Cash flow from financing activities		
0.0	365.2		Raising of loans	3,864.6	1,943.7
-2.1	-351.5		Reduction of liabilities	-3,983.7	-3,606.0
0.0	0.2		Interest received	8.1	40.4
-13.1	-13.4		Interest paid	-1,400.8	-1,364.8
-15.2	**0.5**		**Total cash flow from financing activities**	**-1,511.8**	**-2,986.7**
-4.7	**15.5**		**Change for the period in cash at bank and in hand**	**623.5**	**-816.9**
-41.9	-46.6		Cash at bank and in hand at 1 January	-251.7	565.2
-46.6	**-31.1**		**Cash at bank and in hand at 31 December**	**371.8**	**-251.7**
			Cash at bank and in hand is composed as follows:		
-46.6	-31.1		Cash at bank and in hand	221.7	-415.5
0.0	0.0		Securities and fixed term deposit accounts	150.1	163.8
-46.6	**-31.1**	20	**Cash at bank and in hand in total at 31 December**	**371.8**	**-251.7**

Note 1 Accounting policies

General

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of companies with listed debt instruments. Additional Danish disclosure requirements for annual reports are laid down in the IFRS order issued pursuant to the Danish Financial Statements Act.

The accounting policies are in accordance with those applied in the Annual Report 2011.

The companies have elected to use the so-called Fair Value Option under IAS 39. Consequently, all financial assets and liabilities (loans, deposits and derivatives) are measured at fair value and changes in the fair value are recognised in the comprehensive income statement. Loans and cash at bank and in hand are measured at fair value at first recognition in the balance sheet while derivative financial instruments are always measured at fair value, c.f. IAS 39.

The rationale for using the Fair Value Option is that the companies consistently apply a portfolio approach to financial management, which means that the intended exposure to various financial risks is managed through different financial instruments, both primary instruments and derivatives. Accordingly, in the management of financial market risks, the companies do not distinguish between, for example, loans and derivatives, but solely focus on the total exposure. The choice of financial instruments for managing the financial risks could, therefore, result in accounting symmetries if the fair value option was not used: hence the reason for using it.

It is the companies' opinion that the Fair Value Option is the only principle under IFRS that reflects this approach as the other principles lead to inappropriate asymmetries between otherwise identical exposures depending on whether the exposure is established in the form of loans or the use of derivative financial instruments or requires comprehensive documentation as in the case with "hedge accounting". As derivatives, financial assets and loans are measured at fair value, the measurement in the financial statements will produce the same result for loans with connected derivatives when the hedging is effective. Thus the company will achieve accounting symmetry. Loans without connected derivatives are also measured at fair value in contrast to the main rule in IAS 39 pursuant to which loans are measured at amortised cost. This will naturally lead to volatility in the profit/loss for the year as a result of value adjustments.

The consolidated accounts and the parent company accounts are presented in DKK, which is also the Group's functional currency. Unless otherwise stated, all amounts are disclosed in DKK million.

In order to assist users of the annual report, some of the disclosures required by IFRS are also included in the Management's Report.

New accounts adjustment

With effect from 1 January 2012, the Group has implemented IFRS 7 and IAS 12.

The following changes to existing and new standards as well as interpretations have not yet become effective and are not applicable in connection with the preparation of the Annual Report for 2012: IAS 1, 19, 27, 28 and 32, IFRS 1, 7, 9, 10, 11, 12 and 13 and IFRIC 20. The new standards and interpretations will be implemented when they come into force.

The implementation of IFRS 9 and 13 will change, among other things, the classification and measurement of financial assets and liabilities. The implementation of these standards is expected to have an impact, but the overall effect has not yet been calculated.

The implementation of the other standards and interpretations is not expected to have any financial effect on the presentation of the Sund & Bælt Group's results, assets and liabilities and equity in connection with financial reporting for 2013, 2014 and 2015 when they become effective.

Recognition and measurement in general

Assets are recognised in the balance sheet when, as a result of a previous event, it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Financial assets and liabilities are initially recognised on the trading day and recognition is discontinued at the trading day when the right to receive/settle payment from the financial asset or liability has expired, or when sold, and all risks and yields tied to the instrument have been transferred.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual accounts that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the comprehensive income statement as and when it is probable that this will add economic benefit to the company. Equally, expenses incurred to generate the year's earnings are recognised in the comprehensive income statement, including depreciation, amortisation, impairment losses and provisions.

Reversals as a result of changes in accounting estimates of amounts which were previously recognised in the comprehensive income statement are also recognised in the comprehensive income statement.

Accruals

Closing provisions have been made of all significant income and expenses.

Note 1 Accounting policies (continued)

Consolidation
The consolidated accounts cover the parent company Sund & Bælt Holding A/S and the wholly-owned subsidiaries A/S Storebælt, A/S Øresund, Sund & Bælt Partner A/S, Femern A/S, BroBizz A/S and A/S Femern Landanlæg. Øresundsbro Konsortiet I/S is recognised in the consolidated accounts according to the equity method whereafter the Group's share of the annual results and equity, corresponding to 50 per cent, are included in the consolidated accounts. Any negative equity is recognised as a provision since Øresundsbro Konsortiet I/S is structured as a partnership with joint and several liability.

The consolidated accounts have been prepared on the basis of the accounts for Sund & Bælt Holding A/S and the subsidiaries by the addition of items of a uniform nature.

The accounts on which the consolidation is based are submitted in accordance with the Group's accounting policies.

On consolidation, elimination is made of internal income and expenses and internal balances. The parent company's participating interests in the subsidiaries are offset against the corresponding equity.

Newly established companies are included in the consolidated accounts from the time of establishment.

Operating income
Income from sales of services is included as the services are supplied and if the income can be reliably calculated and is expected to be received.

Income is measured excluding VAT, taxes and discounts relating to the sale.

Other income comprises accounting items of a secondary nature in relation to the company's activities, including income from the use of fibre optic and telephone cables.

Public subsidies
Public subsidies are recognised when it is reasonably probable that the subsidy conditions have been fulfilled and that the subsidy will be received.

Subsidies to cover expenses are recognised in the comprehensive income statement proportionally over the periods in which the associated expenses are recognised in the comprehensive income statement. The subsidies are offset in the costs incurred.

Public subsidies related to the settlement of the road and rail links are deducted from the asset's cost.

Impairment of non-current assets
Property, plant and equipment, investments and intangible fixed assets are subject to an impairment test when there is an indication that the carrying amount may not be recoverable (other assets are under IAS 39). Impairment losses are determined at the excess of the carrying amount of the asset over the recoverable amount, i.e. the higher of an asset's net selling price or its value in use. The value in use is the expected future cash flows from the asset using a pre-tax discount rate that reflects the current market return. In determining impairment, assets are grouped in the smallest group of assets that generate cash flows that are independent of the cash inflows from other assets (cash-generating units). See also note 24: Profitability.

Impairment losses are recognised in the comprehensive income statement.

Tax on the year's result
The company is covered by the Danish regulations concerning compulsory group taxation of the Sund & Bælt Group's companies. The subsidiaries are included in the Group taxation from the time they are included in the consolidated accounts and until such time when they may be omitted from the consolidation.

Sund & Bælt Holding A/S is the administrating company for joint taxation and therefore settles all tax payments with the tax authorities.

Balances under corporation tax legislation's interest deduction limitation rules are distributed among the jointly taxed companies in accordance with the joint taxation agreement. Deferred tax liabilities relating to these balances are recognised in the balance sheet while deferred tax assets are recognised only if the criteria for recognition of deferred tax assets are met.

Current Danish corporation tax is duly apportioned through payment of the joint taxation contribution between the jointly taxed companies in relation to their taxable incomes. In conjunction with this, companies with tax losses receive tax contribution from companies that used such losses against their own taxable profits.

Tax for the year, which comprises the year's current tax, the year's joint taxation contribution and changes to deferred tax – including the change in the tax rate - is included in the comprehensive income statement with the proportion attributable to the year's results and directly in the equity with the proportion attributable to the items directly in the equity.

Current tax and deferred tax
According to the joint taxation regulations, Sund & Bælt Holding A/S, as the administrating company, assumes liability for the subsidiaries' corporation tax vis-a-vis the authorities in line with the subsidiaries' payment of the joint tax contribution.

Current tax liabilities and tax receivable are recognised in the balance sheet as computed tax on the year's taxable income, adjusted for tax on previous year's taxable income as well as for paid taxation on account.

Tax owed and joint tax contribution receivable are included in the balance sheet under outstandings with affiliated companies.

Deferred tax is measured in accordance with the balance sheet

Note 1 Accounting policies (continued)

oriented liability method of all interim differences between the carrying value and the tax value of assets and liabilities. In cases where the computation of the tax value can be carried out on the basis of the various taxation rules, the deferred tax is measured on the basis of the management's planned utilisation of the asset or the disposal of the liability.

Deferred tax assets, including the tax value of tax losses entitled to be carried forward are recognised under other non-current assets at the value at which they are expected to be used, either through the setting-off of tax on future earnings or by the offsetting of deferred tax liabilities, within the same legal tax entity and jurisdiction.

Balances under corporation tax legislation's interest deduction limitation rules are distributed among the jointly taxed companies in accordance with the joint taxation agreement. Deferred tax liabilities relating to these balances are recognised in the balance sheet while tax assets are recognised only if the criteria for deferred tax assets are met.

Adjustment of deferred tax is carried out relating to eliminations made of unrealised intra-group profits and losses.

Net financials

Net financials comprise interest income and expenses, realised inflation indexation, foreign exchange gains and losses on cash at bank and in hand, securities, payables, derivatives and transactions in foreign currencies. In addition, realised gains and losses relating to derivative financial instruments are included.

The difference in the fair value at the balance sheet date represents the net financials which, in the comprehensive income statement, are split into financial income, financial expenses and value adjustment. Financial income and expenses comprise interest income, interest expenses and realised inflation indexation from payables and derivatives. Foreign exchange gains and losses and exchange rate translation for financial assets are included in the value adjustment.

Financial expenses for financing assets in progress are recognised in the cost of the assets.

Financial assets and liabilities

Cash at bank and in hand, which includes bank deposits, are initially recognised at cost and at fair value in the subsequent measuring in the balance sheet. Differences in the fair value between balance sheet dates are included in the income statement under net financials. On initial recognition, all cash at bank and in hand items are classified as assets measured at fair value.

The fair value is stated in accordance with the hierarchy in IAS 39, i.e. present stock exchange quotations for listed securities or quotations for bank deposits or unlisted securities, based on future and known and expected cash flows discounted at the rate assessed to be available at the balance sheet date to the Group.

Holdings of treasury shares are set off against equivalent issued bond loans and are therefore not recognised in the consolidated accounts' comprehensive income statement and balance sheet.

Loans are recognised at the date of borrowing at cost less transaction costs incurred (net proceeds received) and are subsequently measured at fair value in the balance sheet via the Fair Value Option, c.f. previous description. All loans are classified as financial liabilities measured at fair value through the comprehensive income statement. Irrespective of interest rate guarantees all loans are measured at fair value with ongoing value adjustments recognised in the income statement, stated as the difference in fair value between the balance sheet dates.

The fair value of loans is stated as the present value of future and known and expected cash flows discounted at relevant rates, as there are typically no current and traded quotations listed for the companies' issued bonds and no quotations are available for unlisted bond issuers and bilateral loans. The discounting rates used are based on market rates on the balance sheet date assessed to be available for the Group as a borrower.

The fair value of loans with structural financial instruments attached are determined together and recognised and standardised valuation methods are used to determine the fair value of the option element in the interest and instalment payments where volatility on reference rates and foreign exchange are included.

Loans falling due in more than one year, according to the contract, are recognised as non-current debt.

Derivative financial instruments are recognised and measured at fair value in the balance sheet and initial recognition in the balance sheet is measured at cost. Positive and negative fair values are included in Financial Assets and Liabilities respectively, and netting of positive and negative fair values on derivatives is only made when the Group has the right and the intention to settle several financial instruments net.

Derivative financial instruments are actively used to manage the debt portfolio and are therefore included in the balance as current assets and current liabilities respectively.

Derivative financial instruments include instruments where the value depends on the underlying value of the financial parameters, primarily reference rates and currencies. All derivative financial instruments are OTC derivatives with financial counterparts and thus there are no listed quotations on such financial instruments. Derivative financial instruments typically comprise interest rate swaps and foreign currency swaps, forward exchange contracts, foreign currency options, FRAs and interest rate guarantees and swaptions. The market value is determined by discounting the known and anticipated cash flow. The discount rate is determined in the same way as loans and cash at bank and in hand, i.e. based on current market interest rates that are expected to be available to the Group as borrower.

Note 1 Accounting policies (continued)

For derivatives with an option for the cash flows, i.e. foreign currency options, interest rate guarantees and swaptions, fair value is measured on the basis of generally accepted valuation methods where the volatility of the underlying reference interest rates and currencies are included. Where derivatives are tied to several financial instruments, a total fair value is determined as the sum of the fair value on each derivative.

As a consequence of the change to IFRS 7, fair values are measured in accordance with a 3-layer hierarchy for valuation methodology. Financial assets and liabilities with quoted prices are included in the first level of the valuation methodology, followed by the second level with quoted market prices as input to generally accepted valuation methods and formulas and thirdly, the third level where the fair value is based on unobservable market data and, therefore, should be commented on separately.

The Group has based fair value pricing on quoted market data as input to generally accepted standard valuation methods and formulas for all items, thus all assets and liabilities valued at fair value are included in level 2, see valuation hierarchies in IFRS 7. There were no transfers between the levels over the year.

Foreign exchange translation
On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the comprehensive income statement under financial income and financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognised in the total comprehensive income statement under financial income and financial expenses.

Non-monetary assets and liabilities in foreign currencies, which have not been revalued to fair value, are translated at the time of transaction to the rate of exchange at the transaction date.

Translation of financial assets and liabilities recognised in value adjustments and translation of receivables, payables etc. are included in financial income and expenses.

Intangible fixed assets
On initial recognition, intangible fixed assets are measured at cost. Subsequently, the assets are measured at cost less depreciation, amortisation and impairment losses.

Intangible assets are depreciated on straight line basis over the expected useful life, not exceeding more than 5 years.

Property, plant and equipment
On initial recognition, property, plant and equipment are measured at cost. Cost comprises the purchase price and any expenses directly attributable to the acquisition until the date when the asset is available for use. Subsequently, the assets are measured at cost less depreciation and impairment losses.

During the construction period, the value of the road and rail links is determined using the following principles:

- Expenses related to the links are based on entered contracts, and contracts are capitalised directly
- Other direct or indirect expenses are capitalised as the value of own work
- Net financing expenses are capitalised as construction loan interest
- EU subsidies received are set off against the cost price

Significant future one-off replacements/maintenance work is regarded as separate elements and depreciated over the expected useful life. Ongoing maintenance work is recognised in the comprehensive income statement as incurred.

Depreciation
Depreciation of the road and rail links commenced when the construction work was finalised and the links were taken into use. The links are depreciated on a straight-line basis over the expected useful lives. For the road and rail links across Storebælt and Øresund's road link, the links are divided into components with similar useful lives:

- The main part of the links comprises structures designed with minimum expected useful lives of 100 years. The depreciation period for these parts is 100 years.
- Mechanical installations, crash barriers and road surfaces are depreciated over useful lives of 20-50 years.
- Software and electrical installations are depreciated over useful lives of 10-20 years.
- Technical rail installations are depreciated over 25 years.

A/S Øresund's rail link is depreciated over a useful life of 100 years. As Banedanmark is financially responsible for the maintenance of this link and for normal reinvestments, no differentiation of the depreciation period has been made.

Other assets are recognised at cost and depreciated on a straight-line basis over the assets' expected useful life:

Administrative IT systems and programmes	0-5 years
Leasehold improvements, the lease period, but max.	5 years
Other plant, machinery, fixtures and fittings	5-10 years
Port facilities and buildings at the ports	25 years
Buildings for operational use	25 years
Wind turbine facilities	25 years

Amortisation and depreciation are recognised as a separate item in the income statement.

The method for depreciation and the expected useful lives are reassessed annually and are changed if there has been a major change

Note 1 Accounting policies (continued)

in the conditions or expectations. If there is a change in the method for depreciation, the effect on depreciation going forward will be recognised as a change of accounting estimates and judgements.

The basis for depreciation is calculated with due regard for the asset's scrap value and is reduced by any depreciation. The scrap value is determined at the time of acquisition and is reviewed annually. If the scrap value exceeds the asset's carrying value, depreciation ceases.

Profits and losses in respect of disposal of property, plant and equipment are stated as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profits and losses are recognised in the comprehensive income statement under other operating expenses.

Other operating expenses
Other operating expenses include expenses relating to technical, traffic-related and commercial operations of the links. These comprise, inter alia, expenses for operation and maintenance of technical plant, marketing, insurance, IT, external services, office expenses and expenses for office premises.

Staff expenses
Staff expenses comprise overall expenses for employees, the Management Board and the Board of Directors. Staff expenses include direct payroll costs, pension payments, training expenses and other direct staff-related expenses.

Staff expenses as well as payroll taxes, holiday allowance and similar costs are expensed in the period in which the services are performed by the employee.

Operating leases
Operating leases are recognised in the comprehensive income statement on a straight-line basis over the leasing contract's leasing term unless another systematic method better reflects the lessee's benefit within the contract term. Leasing contracts have been entered into with a leasing period of 1-8 years. Operating leasing comprises office premises and vehicles.

Participating interests in subsidiaries
Participating interests in subsidiaries are measured at cost or lower recovery value.

Participating interests in jointly managed company
Participating interests in the jointly managed company are measured in the balance sheet according to the equity method after which the proportion of the company's carrying value is recognised. Any losses on the participating interest are recognised under provisions in the balance sheet.

Securities
Listed securities are recognised under current assets and measured at fair value at the balance sheet date. Holdings of treasury shares are set off against equivalent issued bond loans.

Inventories
Inventories are measured at cost determined by the FIFO method or net realisable value, whichever is lower.

Cost of merchandise, raw materials and consumables includes cost plus delivery costs.

Net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to effectuate the sale, and determined with regard to marketability, obsolescence and development in the estimated sales price.

Trade receivables
Trade receivables are measured at the amortised cost price. Trade receivables comprise amounts owed by customers and balances with payment card companies. Write-down is made for expected bad debt losses. Receivables also comprise accrued interest in respect of assets and costs paid concerning subsequent financial years.

Other receivables
Other receivables are measured at the current value of the amounts expected to be received.

Prepayments and accrued income
Prepayments and accrued income comprise expenses paid concerning subsequent financial years.

Cash at bank and in hand
Cash at bank and in hand comprise cash holdings and short-term bank deposits and securities which, at the time of acquisition, have a maturity of less than three months, and which can readily be converted to cash at bank and in hand and where there is only an insignificant risk of changes in value.

Other financial liabilities
Other financial liabilities are measured at amortised cost which usually corresponds to the nominal value.

Pension obligations
The Group has established defined contribution schemes and similar agreements for the majority of the employees.

Defined contribution schemes are recognised in the comprehensive income statement in the period to which they relate and any contributions outstanding are recognised in the balance sheet as other liabilities. Any pre-paid payments are included in the balance sheet under receivables.

Deferred income and accruals
Deferred income and accruals comprise accrued interest and payments received concerning income in subsequent years.

Note 1 Accounting policies (continued)

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of events in the financial year or previous years, and it is probable that the obligation will require drawing on the Group's financial resources.

Provisions are measured as the best estimate of the expenses necessary to settle the liabilities on the balance sheet date. Provisions with an expected maturity later than one year from the balance sheet date are measured at present value.

With planned restructuring of the Group's operations provision is made solely for the liabilities relating to the restructurings, which, on the balance sheet date, have been decided in accordance with a specific plan, and where the parties concerned have been informed about the overall plan.

Cash flow statement
The cash flow statement for the Group has been prepared in accordance with the indirect method based on the comprehensive income statement items. The Group's cash flow statement shows the cash flow for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities is calculated as the profit/loss for the year before net financials adjusted for non-cash operating items, computed corporation taxes and changes in working capital. The working capital comprises the operating balance sheet items under current assets and current liabilities.

Cash flow from investing activities comprises purchase and sale of intangible assets, property, plant and equipment and investments.

Cash flow from financing activities comprises the raising of loans, repayment of debt and financial income and expenses, including non-liquid adjustments of the company's financial assets and liabilities, which are recognised as a separate item in the cash flow statement.

Cash at bank and in hand comprises cash and short-term marketable securities with a term of three months or less at the acquisition date minus short-term loans. Unused credit facilities are not included in the cash flow statement.

Information on operations
The Group's activities are divided into Road, Railway, Ports and Ferry Services, Consultancy, Wind Turbines and International Partnerships, as evidenced by the Management's Report.

The activities comply with the Group's risk as well as managerial and internal financial control. Reporting-based activity disclosure is prepared in accordance with the Group's accounting policies.

Income and expenses from operations comprise those items that are directly attributable to each operation as well as items that can be allocated to each operation on a reliable basis. Allocated income and expenses primarily comprise the Group's administrative functions, tax on income, etc.

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

The financial ratios given in the key figures and financial ratios summary have been calculated as follows:

Profit ratio:	Operating profit (EBIT) less other income in percentage of turnover.
Rate of return:	Operating profit (EBIT) less other income in percentage of the total assets.
Return on facilities:	Operating profit (EBIT) less other income in percentage of investment in road and rail link.

Note 2 Significant accounting estimates and judgments

Determining the carrying amount of certain assets and liabilities requires an estimate on how future events will affect the value of these assets and liabilities at the balance sheet date. Estimates which are significant for the preparation of the financial statements are, for instance, made by making a computation of depreciation, amortisation and impairment of road and rail links and computation of the fair value of certain financial assets and liabilities.

Depreciation of road and rail links is based on an assessment of the main components and their useful lives. An ongoing estimate of the assets' useful life is undertaken. A change in these assessments will significantly affect the profit/loss for the year, but will not affect cash flows and repayment periods. For certain financial assets and liabilities, an estimate is made of the expected future rate of inflation when calculating the fair value. Calculation of repayment periods is subject to significant judgement, see note 24, Profitability.

In calculating relevant financial ratios and financial assumptions, the company has made estimates in respect of the following significant parameters underlying the calculations:

Repayment periods:
- Real rate assumptions
- Interest rate development
- Traffic growth
- Inflation
- Reinvestments
- Operating expenses

Assessment of need for impairment write-downs (impairment test):
- Discount rate
- Traffic growth
- Inflation
- Capital return requirements
- Terminal value
- Beta (asset's risk in relation to general market risk)
- Operating risks compared to general market risks
- Operating expenses

The fair value adjustment on financial instruments is based on estimates of the relevant discounting rate for the Group, volatility on reference rates and currency for financial instruments with an option for cash flows and estimates for the future inflation for real rate loans and swaps. The estimates made are as much as possible tied to tradeable market data and continuously adjusted to actual price indications, see note. 1.

Note 3 Information on operations

The Group's operations are divided into Road, Railway, Ports and Ferry Services, Consultancy, Wind Turbines and International Partnerships, as evidenced by the Management's Report.

The operations comply with the Group's risk as well as managerial and internal financial control. Reporting-based operations disclosure is prepared in accordance with the Group's accounting policies.

Operating income and expenses comprise those items that are directly attributable to each operation as well as items that can be allocated to each operation on a reliable basis. Allocated income and expenses primarily comprise the Group's administrative functions, tax on income, etc.

Note 4 Operating income

(DKK million)

Operating income comprises revenue from the road and rail links and dock charges for use of port facilities and sale of electricity generated by the wind turbines. Revenue is measured excluding VAT, charges and discounts in connection with sale.

Revenues from the road links comprise tolls collected in cash at the point of passage or by subsequent invoice as well as income from the sale of pre-paid journeys. Pre-paid journeys are recognised as they are undertaken.

Income from rail links comprises fees from Banedanmark for use of the rail facilities.

Toll charges on the Storebælt link and the rail fees are set by the Minister of Transport.

Other income comprises items secondary to the Group's activities, including income from the use of fibre optic and telephone cables.

Operating income is specified as follows:

Sund & Bælt Group Specification of income in 2012	A/S Storebælt	A/S Øresund	Other companies	Total
Income from road links	2,571.8	0.0	0.0	2,571.8
Income from rail links	773.1	103.4	0.0	876.5
Income from port facilities	24.7	0.0	0.0	24.7
Income from wind turbines	33.9	0.0	0.0	33.9
Other income	16.1	2.0	5.2	23.3
Total income	**3,419.6**	**105.4**	**5.2**	**3,530.2**

Sund & Bælt Group Specification of income in 2011	A/S Storebælt	A/S Øresund	Other companies	Total
Income from road links	2,450.3	0.0	0.0	2,450.3
Income from rail links	761.6	101.8	0.0	863.4
Income from port facilities	21.1	0.0	0.0	21.1
Income from wind turbines	40.1	0.0	0.0	40.1
Other income	7.6	1.9	7.1	16.6
Total income	**3,280.7**	**103.7**	**7.1**	**3,391.5**

Operating income in respect of Sund & Bælt Holding A/S constitutes fees received from the subsidiaries.

Note 5 Other operating expenses

(DKK million)

Other operating expenses comprise expenses related to the technical, traffic and commercial operations of the links and wind turbine operations. This includes, for instance, operation and maintenance of technical plant, marketing expenses, insurance, external services, IT, cost of office space and office supplies.

Audit fees for 2012 are specified as follows:

Sund & Bælt Group:	Statutory audit	Other assurance statements	Tax advice	Other	Total
2012					
Deloitte	1.0	0.2	1.2	1.3	3.7
Audit fees, total	**1.0**	**0.2**	**1.2**	**1.3**	**3.7**
2011					
Deloitte	1.7	0.1	0.6	0.0	2.4
Audit fees, total	**1.7**	**0.1**	**0.6**	**0.0**	**2.4**

Audit fees for 2012 are specified as follows:

Sund & Bælt Holding A/S	Statutory audit	Other assurance statements	Tax advice	Other	Total
2012					
Deloitte	0.3	0.0	0.5	0.8	1.6
Audit fees, total	**0.3**	**0.0**	**0.5**	**0.8**	**1.6**
2011					
Deloitte	0.3	0.0	0.2	0.0	0.5
Audit fees, total	**0.3**	**0.0**	**0.2**	**0.0**	**0.5**

Rented premises and vehicle leasing are recognised in the income statement and are regarded as operating leasing. The notice periods for operating leasing payments are as follows:

Sund & Bælt Holding A/S 2011	Sund & Bælt Holding A/S 2012		Sund & Bælt Group 2012	Sund & Bælt Group 2011
3.9	4.0	0-1 years	14.5	14.1
0.4	0.1	1-5 years	41.1	41.1
0.0	0.0	After 5 years	14.8	24.6
4.3	**4.1**	**Leasing payments, total**	**70.4**	**79.8**
0.2	0.3	Minimum leasing payments recognised in profit/loss for the year	0.8	0.5

Note 6 Staff expenses

(DKK million)

Staff expenses include total expenses for employees, management and the Board of Directors. Staff expenses comprise direct payroll costs, defined contribution pension schemes, training and other direct staff expenses.

Sund & Bælt Holding A/S 2011	2012		Sund & Bælt Group 2012	2011
71.1	71.3	Wages and salaries, remuneration and emoluments	132.0	124.7
7.2	7.3	Pension contributions	7.4	7.3
0.8	0.8	Social security expenses	1.2	1.3
2.2	2.6	Other staff expenses	6.0	4.8
81.3	**82.0**	**Total staff expenses**	**146.6**	**138.1**
0.0	0.0	Recognised in property, plant and equipment in progress	-63.6	-56.3
81.3	**82.0**	**Staff expenses as per income statement**	**83.0**	**81.8**
122	125	Average number of employees	195	183
127	119	Number of employees at 31 December	213	200

Fees to Management Board (DKK 1,000)

	Fixed salary	Pensions	Non monetary benefits	Total
2012				
Leo Larsen	2,224	369	3	2,596
Other members of the Management Board (4 people)	4,369	437	266	5,072
Total	**6,593**	**806**	**269**	**7,668**
2011				
Leo Larsen	2,171	362	3	2,536
Other members of the Management Board (4 people)	4,231	423	290	4,944
Total	**6,402**	**785**	**293**	**7,480**

Fees to the Board of Directors (DKK 1,000)

Fees 2012		Fees 2011	
Henning Kruse Petersen (Chairman)	250	Henning Kruse Petersen (Chairman)	250
Carsten Koch (Vice-Chairman)	188	Carsten Koch (Vice-Chairman)	188
Pernille Sams	125	Pernille Sams	125
Jørgen Elikofer	125	Jørgen Elikofer	125
Mette Boye	125	Mette Boye (joined the board on 29/7 2011)	53
Walter Christophersen	125	Walter Christophersen (joined the board on 29/7 2011)	53
Helle Dragsbæk	125	Helle Dragsbæk	125
Jesper Brink	125	Jesper Brink	125
Total	**1,188**	**Total**	**1,044**

If the company terminates the employment of the CEO, a contract has been signed for the payment of severance pay corresponding to 12 months' salary, excluding pension.

One of the members of Other Members of the Management Board is employed in the jointly managed company. As a result, half the remuneration is included in the amount.

There are no incentive payments or bonus schemes for the Management Board and Board of Directors.

Key management personnel, comprising the Board of Management and the Management Board, are remunerated as shown above

Note 7 Tax

(DKK million)

Sund & Bælt Holding A/S 2011	2012		Sund & Bælt Group 2012	2011
-4.3	-4.0	Tax paid	-0.2	0.0
1.9	1.3	Change in deferred tax	-41.8	495.4
0.0	0.0	Adjustment tax paid, previous years	8.4	0.0
0.0	0.0	Adjustment deferred tax, previous years	-7.9	0.0
-2.4	**-2.7**	**Total tax**	**-41.5**	**495.4**
		Tax on the year's results is specified as follows:		
-2.4	-2.7	Computed 25 per cent tax on annual results	-41.4	494.4
0.0	0.0	Other adjustments	-0.1	1.0
-2.4	**-2.7**	**Total**	**-41.5**	**495.4**
25.2 per cent	**25.5 per cent**	**Effective tax rate**	**25.0 per cent**	**24.9 per cent**

Note 8 Software

(DKK million)

Administrative computer systems and programmes are depreciated on a straight-line basis over the expected useful life, which is a maximum of 5 years.

Sund & Bælt Holding A/S 2011	2012		Sund & Bælt Group 2012	2011
1.0	1.0	Original cost at 1 January	55.2	46.7
0.0	0.0	Additions for the year	14.4	8.5
1.0	**1.0**	**Original cost at 31 December**	**69.6**	**55.2**
0.7	0.8	Depreciation at 1 January	35.3	31.1
0.1	0.1	Additions for the year	3.8	4.2
0.8	**0.9**	**Depreciation at 31 December**	**39.1**	**35.3**
0.2	**0.1**	**Balance at 31 December**	**30.5**	**19.9**
0.0	0.0	Depreciation is recognised in projects in progress	0.8	1.8

Note 9 Road and rail links

(DKK million)

Depreciation of the road and rail links began from the completion of the construction works and the commissioning of the links. The links are depreciated on a straight-line basis over the expected useful life. With regard to the road and rail link across Storebælt and Øresund's road link, the links have been divided into sections with identical useful lives.

- The main part of the links comprises constructions designed for a minimum useful life of 100 years. For these sections, the period of depreciation is 100 years.
- Mechanical installations, crash barriers and road surfaces are depreciated over useful lives of 20-50 years.
- The rail links' technical installations are depreciated over 25 years.
- Software and electrical installations are depreciated over useful lives of 10-20 years.

A/S Øresund's rail link is depreciated over a useful life of 100 years. As Banedanmark is financially responsible for the maintenance of this facility and for normal reinvestments, no differentiation of the depreciation period has been made.

Projects in progress comprise the road and rail link in connection with the Fehmarnbelt link.

Sund & Bælt Group	Directly capitalised expenses	Value of own work	Financing expenses (net)	Project in progress	Total 2012	Total 2011
Original cost at 1 January	31,682.7	1,562.9	10,085.1	989.1	44,319.8	43,877.2
Additions for the year	104.8	0.0	0.0	478.7	583.5	693.9
Received EU subsidy	0.0	0.0	0.0	-145.2	-145.2	-221.2
Disposals for the year	-33.0	0.0	0.0	0.0	-33.0	-30.1
Original cost at 31 December	**31,754.5**	**1,562.9**	**10,085.1**	**1,322.6**	**44,725.1**	**44,319.8**
Depreciation at 1 January	6,367.2	277.4	1,924.4	0.0	8,569.0	7,953.4
Additions for the year	457.0	19.3	132.6	0.0	608.9	643.0
Disposals for the year	-33.0	0.0	0.0	0.0	-33.0	-27.4
Depreciation at 31 December	**6,791.2**	**296.7**	**2,057.0**	**0.0**	**9,144.9**	**8,569.0**
Balance at 31 December	**24,963.3**	**1,266.2**	**8,028.1**	**1,322.6**	**35,580.2**	**35,750.8**

With regard to projects in progress, financing expenses for the year are recognised at DKK 3.2 million (2011: financing expenses DKK 4.8 million). All financing expenses in companies with projects in progress are incurred for the asset and therefore capitalised.

Femern A/S receives EU subsidies to cover expenses and this subsidy is recognised in the balance sheet. In 2012, DKK 145 million was recognised for Femern A/S (2011: DKK 182 million).

In connection with the A/S Femern Landanlæg project, Banedanmark receives EU subsidies. In 2012, EU subsidies of DKK 58 million were offset (2011: DKK 40 million). EU subsidies of DKK 141 million were offset in total.

Note 10 Port facilities

(DKK million)

Port facilities are depreciated on a straight line basis over an expected useful life of 25 years.

Sund & Bælt Group

	2012	2011
Original cost at 1 January	290.0	272.2
Additions for the year	44.9	17.8
Original cost at 31 December	**334.9**	**290.0**
Depreciation at 1 January	52.2	43.1
Additions for the year	11.6	9.1
Depreciation at 31 December	**63.8**	**52.2**
Balance at 31 December	**271.1**	**237.8**

Note 11 Wind turbine facilities

(DKK million)

Wind turbine facilities are depreciated on a straight line basis over the expected useful life of 25 years.

	Directly capitalised expenses	Financing expenses (net)	Total 2012	Total 2011
Original cost at 1 January	401.3	1.5	402.8	403.3
Additions for the year	-0.1	0.0	-0.1	-0.5
Original cost at 31 December	**401.2**	**1.5**	**402.7**	**402.8**
Depreciation at 1 January	33.4	0.1	33.5	17.3
Additions for the year	16.0	0.1	16.1	16.2
Depreciation at 31 December	**49.4**	**0.2**	**49.6**	**33.5**
Balance at 31 December	**351.8**	**1.3**	**353.1**	**369.3**

Note 12 Land, buildings and other plant

(DKK million)

Buildings are depreciated on a straight line basis over the expected useful life of 25 years. Machinery, fixtures and fittings are depreciated on a straight line basis over the expected useful life of 5-10 years. Leasehold improvements are depreciated over the lease period albeit a maximum of five years.

Sund & Bælt Group	Land and buildings	Machinery, fixture and fittings	Leasehold improvements	Total 2012
Original cost at 1 January	156.7	164.9	30.5	195.4
Additions for the year	2.9	7.9	3.3	11.2
Disposals for the year	-1.1	-1.2	0.0	-1.2
Original cost at 31 December	**158.5**	**171.6**	**33.8**	**205.4**
Depreciation at 1 January	41.8	107.0	13.3	120.3
Additions for the year	6.2	23.4	6.0	29.4
Disposals for the year	-1.1	-1.0	0.0	-1.0
Depreciation at 31 December	**46.9**	**129.4**	**19.3**	**148.7**
Balance at 31 December	**111.6**	**42.2**	**14.5**	**56.7**
Depreciation is recognised in projects in progress	0.4	1.5	5.4	6.9

Sund & Bælt Group	Land and buildings	Machinery, fixture and fittings	Leasehold improvements	Total 2011
Original cost at 1 January	154.6	156.2	23.2	179.4
Additions for the year	2.1	10.2	7.3	17.5
Disposals for the year	0.0	-1.5	0.0	-1.5
Original cost at 31 December	**156.7**	**164.9**	**30.5**	**195.4**
Depreciation at 1 January	35.7	82.0	8.9	90.9
Additions for the year	6.1	25.9	4.4	30.3
Disposals for the year	0.0	-0.9	0.0	-0.9
Depreciation at 31 December	**41.8**	**107.0**	**13.3**	**120.3**
Balance at 31 December	**114.9**	**57.9**	**17.2**	**75.1**
Depreciation is included in projects in progress	0.4	1.2	4.3	5.5

Note 12 Land, buildings and other plant (continued)

(DKK million)

Sund & Bælt Holding A/S	Machinery, fixtures and fittings	Leasehold improvements	Total 2012
Original cost at 1 January	2.2	4.8	7.0
Additions for the year	0.0	0.3	0.3
Disposals for the year	-0.1	0.0	-0.1
Original cost at 31 December	**2.1**	**5.1**	**7.2**
Depreciation at 1 January	1.7	1.3	3.0
Additions for the year	0.2	0.6	0.8
Disposals for the year	-0.1	0.0	-0.1
Depreciation at 31 December	**1.8**	**1.9**	**3.7**
Balance at 31 December	**0.3**	**3.2**	**3.5**

Sund & Bælt Holding A/S	Machinery, fixtures and fittings	Leasehold improvements	Total 2011
Original cost at 1 January	3.2	1.3	4.5
Additions for the year	0.0	3.5	3.5
Disposals for the year	-1.0	0.0	-1.0
Original cost at 31 December	**2.2**	**4.8**	**7.0**
Depreciation at 1 January	2.0	1.3	3.3
Additions for the year	0.4	0.0	0.4
Disposals for the year	-0.7	0.0	-0.7
Depreciation at 31 December	**1.7**	**1.3**	**3.0**
Balance at 31 December	**0.5**	**3.5**	**4.0**

Note 13 Deferred tax

(DKK million)

As a result of accounting capitalisation of financing expenses during the construction period in respect of A/S Storebælt and A/S Øresund, the carrying value of the facility is higher than the tax value.

Deferred tax will be offset as the underlying assets and liabilities are realised, including as the companies in the joint taxation of Sund & Bælt Holding A/S achieve positive taxable income. The group has managed the construction of the fixed link across Storebælt and Øresund and during the construction phase, the companies realised tax losses since the revenue base can only be realised when the links are ready to use. The use of the companies' losses carried forward extend over a longer period than five years, but as the main components of the companies' tangible assets have an estimated service life of 100 years, it is deemed prudent to recognise the tax value of the losses carried forward without impairment.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
3.2	5.2	Balance at 1 January	2,561.7	2,066.3
1.9	0.7	Deferred tax for the year	-47.5	495.4
0.0	0.0	Other adjustments	1.7	0.0
5.1	**5.9**	**Balance at 31 December**	**2,515.9**	**2,561.7**
		Deferred tax relates to:		
3.3	3.7	Intangible fixed assets and property, plant and equipment	-554.8	-416.1
0.0	0.0	Property, plant and equipment, Øresundsbro Konsortiet	24.9	-37.9
1.8	2.2	Reduced net financing expenses	1,185.5	777.8
0.0	0.0	Tax loss	1,860.3	2,238.0
5.1	**5.9**	**Total**	**2,515.9**	**2,561.7**

Sund & Bælt Group Difference during the year	1 Jan 2011	Recognised in annual results 2011	31 Dec 2011	Recognised in annual results 2012	31 Dec 2012
Intangible fixed assets and property, plant and equipment	-595.0	180.6	-416.2	-138.6	-554.8
Property, plant and equipment, Øresundsbro Konsortiet	-67.3	29.4	-37.9	62.8	24.9
Reduced net financing expenses	248.2	527.8	777.8	407.7	1,185.5
Tax loss	2,480.4	-242.4	2,238.0	-377.7	1,860.3
Total	**2,066.3**	**495.4**	**2,561.7**	**-45.8**	**2,515.9**

Sund & Bælt Holding A/S Difference during the year	1 Jan 2011	Recognised in annual results 2011	31 Dec 2011	Recognised in annual results 2012	31 Dec 2012
Intangible fixed assets and property, plant and equipment	3.2	1.9	5.1	0.8	5.9
Total	**3.2**	**1.9**	**5.1**	**0.8**	**5.9**

Note 14 Participating interests in subsidiaries

(DKK million)

Participating interests in subsidiaries are valued at cost.

	Sund & Bælt Holding A/S 2012	2011
Original cost at 1 January	877.0	877.0
Original cost at 31 December	**877.0**	**877.0**
Book value at 31 December	**877.0**	**877.0**

	Registered office	Ownership	Share capital	Equity 1 Jan	Capital deposit	Profit/loss	Equity 31 Dec
A/S Storebælt	Copenhagen	100 per cent	355.0	-594.4	0.0	558.6	-35.8
A/S Øresund	Copenhagen	100 per cent	5.0	-6,482.2	0.0	-441.8	-6,924.0
A/S Femern Landanlæg	Copenhagen	100 per cent	500.0	509.8	0.0	-0.1	509.7
Sund & Bælt Partner A/S	Copenhagen	100 per cent	5.0	10.9	0.0	0.1	11.0
BroBizz A/S	Copenhagen	100 per cent	1.0	1.9	0.0	0.0	1.9
Total			**866.0**	**-6,554.0**	**0.0**	**116.8**	**-6,437.2**

Note 15 Participating interest in jointly managed company

(DKK million)

	Sund & Bælt Group 2012	2011
Value of participating interest at 1 January	-2,080.4	-1,547.2
Share of profit/loss for the year	39.3	-533.2
Participating interest at 31 December	**-2,041.1**	**-2,080.4**
Carried forward to provisions at 1 January	2,080.4	1,547.2
Amount carried forward for the year	-39.3	533.2
Carried forward to provisions at 31 December	**2,041.1**	**2,080.4**
Value of participating interest at 31 December	**0.0**	**0.0**

Øresundsbro Konsortiet I/S is registered in Copenhagen/Malmø and Sund & Bælt Holding A/S' ownership is 50 per cent.
Øresundsbro Konsortiet's results for the year amount to a profit of DKK 79 million (2011: DKK -1.066 million)

Key figures from jointly managed company (DKK million)	2012	2011
Operating income	1,596.8	1,545.2
Operating expenses and depreciation	-550.4	-546.2
Financial income and expenses	-675.5	-724.0
Value adjustment	-292.2	-1,341.5
Profit/loss	78.7	-1,066.5
Current assets	2,920.1	2,375.2
Non-current assets	16,328.5	16,522.8
Equity	-4,082.1	-4,160.8
Current liabilities	6,425.4	4,327.7
Non-current liabilities	17,875.3	18,731.1
Contingent liabilities	85.5	83.2

Note 16 Net financials

(DKK million)

The Group recognises changes in the fair value of financial assets and liabilities through the income statement, c.f. accounting policies. The difference in the fair value between the balance sheet date constitutes the total financial income and expenses divided into value adjustments and net financing expenses where the latter comprises interest income and expenses.

Net financing expenses comprise accrued nominal/real coupon interest, realised inflation indexation and amortisation of premiums/discounts while premiums and expected inflation indexation are included in the value adjustments.

Value adjustments comprise realised and unrealised gains and losses on financial assets and liabilities and corresponding foreign exchange gains and losses.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
		Financial income		
0.0	0.2	Interest income, securities, banks etc.	3.3	7.2
0.0	0.0	Interest income, financial instruments	43.4	51.9
0.0	**0.2**	**Total financial income**	**46.7**	**59.1**
		Financial expenses		
-14.9	-14.0	Interest expenses, loans	-1,571.5	-1,661.8
0.0	0.0	Other net financials	-15.0	-1.2
-14.9	**-14.0**	**Total financial expenses**	**-1,586.5**	**-1,663.0**
-14.9	**-13.8**	**Net financing expenses**	**-1,539.8**	**-1,603.9**
		Value adjustments, net		
0.0	0.0	- Securities	8.7	-6.4
6.8	6.3	- Loans	-893.5	-2,223.3
0.0	0.0	- Currency and interest rate swaps	80.2	88.8
0.0	0.0	- Currency options	42.4	22.6
0.0	0.0	- Other value adjustments	0.5	0.5
6.8	**6.3**	**Value adjustments. net**	**-761.7**	**-2,117.8**
-8.1	**-7.5**	**Total financial income and expenses**	**-2,301.5**	**-3,721.7**

Commission to the Danish State of DKK 56.9 million (2011: DKK 58.0 million) is included in interest expenses.

Net financing expenses are DKK 64.1 million lower in 2012 compared to 2011, which is primarily related to the impact of a lower interest rate level.

Note 17 Receivablesr

(DKK million)

Trade receivables and services comprise amounts owed by customers and balances with payment card companies. As at 31 December, 2012, payment card companies represent approximately 20 per cent of total receivables. As at 31 December 2012 the amounts owed by customers total DKK 281 million including provision for unsecured claims of DKK 5.6 million, which constitutes the calculated risk of customer losses. The book value of receivables thus represents the expected realisable value.

Receivables also comprise accrued interest in respect of assets, receivables in respect of affiliated companies and other receivables.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
2.6	2.3	Trade receivables and services	281.1	360.3
1.7	1.8	Group enterprises	0.0	0.0
0.0	0.0	Affiliated company	1.5	1.0
0.0	0.0	Accrued interest financial instruments (see note 22)	534.1	429.7
0.7	0.0	Other receivables	128.7	101.2
5.0	**4.1**	**Total receivables**	**945.4**	**892.2**
		Accrued interest		
0.0	0.0	Deposits and securities	2.5	1.6
0.0	0.0	Payables	17.1	13.3
0.0	0.0	Interest rate swaps	233.7	166.7
0.0	0.0	Currency swaps	277.6	247.8
0.0	0.0	Forward exchange contracts	3.2	0.5
0.0	**0.0**	**Total accrued interest**	**534.1**	**429.7**

Note 18 Derivatives

(DKK million)

Sund & Bælt Group	2012 Assets	2012 Equity and liabilities	2011 Assets	2011 Equity and liabilities
Interest rate swaps	2,180.0	-4,886.4	1,902.6	-4,158.3
Currency swaps	3,195.4	-54.6	2,835.4	-126.6
Forward exchange contracts	6.0	-8.4	0.0	-3.1
Currency options	0.0	-2.6	0.0	-26.6
Total derivatives	**5,381.4**	**-4,952.0**	**4,738.0**	**-4,314.6**

The fair value adjustment of financial assets and liabilities is recognised in the comprehensive income statement.

Note 19 Prepayments and accrued income

(DKK million)

Prepayments and accrued income comprise paid expenses relating to subsequent financial years.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
0.9	0.9	Prepaid rent	3.7	3.7
7.8	7.6	Prepaid insurance premiums	7.5	7.8
0.0	0.0	Prepaid expenses	7.9	9.3
8.7	**8.5**	**Total prepayments and accrued income**	**19.1**	**20.8**

Note 20 Cash at bank and in hand

(DKK million)

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
0.0	0.0	Cash at bank and in hand	353.0	57.1
0.0	0.0	Fixed term deposit accounts	150.1	163.8
0.0	**0.0**	**Cash at bank and in hand in total**	**503.1**	**220.9**

Note 21 Equity

(DKK million)

Sund & Bælt Holding A/S' share capital comprises 3,550,000 shares at a nominal value of DKK 100.
The entire share capital is owned by the Danish State. The share capital has remained unchanged since 1992.

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
355.0	**355.0**	**Share capital**	**355.0**	**355.0**
104.1	111.2	Retained earnings at 1 January	-7,326.6	-5,844.3
7.1	8.0	Profit/loss for the year	124.2	-1,482.3
111.2	**119.2**	**Retained earnings at 31 December**	**-7,202.4**	**-7,326.6**
466.2	**474.2**	**Equity at 31 December**	**-6,847.4**	**-6,971.6**

Financial management

The Board of Directors continually evaluates the need to adjust the capital structure, including the need for cash funds, credit facilities and equity.

The Group expects negative equity for some years to come. For further details, please refer to the section headed "Financial Position" in the Management Report.

Without special notification of each individual case, the Danish State guarantees A/S Storebælt's, A/S Øresund's, A/S Femern Landanlæg's and Femern A/S' other financial liabilities. Øresundsbro Konsortiet's debt is guaranteed jointly and severally by the Danish and Swedish states.

Note 22 Net debt

(DKK million)

Sund & Bælt Group **Net debt spread across currencies**	**EUR**	**DKK**	**Other currencies**	**Net debt**
2012				
Cash at bank and in hand	66.2	254.5	182.4	503.1
Investments	833.1	260.1	0.0	1,093.2
Bond loans and amounts owed to credit institutions	-4,762.7	-27,847.4	-12,552.2	-45,162.3
Currency and Interest rate swaps	-18,949.6	6,768.9	12,615.2	434.5
Forward exchange contracts	2,006.3	-2,074.6	65.8	-2.5
Currency options	-571.0	568.4	0.0	-2.6
Accrued interest	-483.5	37.8	-1.5	-447.2
Total (notes 17, 18, 20, 23, 25)	**-21,861.2**	**-22,032.3**	**309.7**	**-43,583.8**

Other currencies comprise:	**AUD**	**GBP**	**JPY**	**NOK**	**SEK**	**USD**	**Total**
2012							
Cash at bank and in hand	0.0	3.0	0.1	0.0	179.4	-0.1	182.4
Bond loans and amounts owed to credit institutions	-52.4	-353.9	-1,775.9	-9,128.3	-808.5	-433.3	-12,552.3
Currency and interest rate swaps	52.4	359.8	1,796.6	9,164.6	808.5	433.4	12,615.3
Forward exchange contracts	0.0	0.0	65.8	0.0	0.0	0.0	65.8
Accrued interest	0.0	0.0	-0.2	-1.3	0.0	0.0	-1.5
Total	**0.0**	**8.9**	**86.4**	**35.0**	**179.4**	**0.0**	**309.7**

The items below are included in the table above. Net debt spread across currencies.

	Derivatives assets	**Derivatives liabilities**	**Total**
2012			
Interest rate swaps	2,180.0	-4,886.4	-2,706.4
Currency swaps	3,195.4	-54.6	3,140.8
Forward exchange contracts	6.0	-8.4	-2.4
Currency options	0.0	-2.6	-2.6
Total (note 18)	**5,381.4**	**-4,952.0**	**429.44**

Accrued interest	**Receivables**	**Other payables**	**Total**
2012			
Deposits and securities	2.5	-0.1	2.4
Debt	17.1	-493.4	-476.3
Interest rate swaps	233.7	-485.0	-251.3
Currency swaps	277.6	-2.7	274.9
Forward exchange contracts	3.2	-0.1	3.1
Total (note 17, 25)	**534.1**	**-981.3**	**-447.2**

Note 22 Net debt (continued)

(DKK million)

Sund & Bælt Group Net debt spread across currencies	EUR	DKK	Other currencies	Net debt
2011				
Cash at bank and in hand	181.8	37.1	2.0	220.9
Investments	481.1	9.7	0.0	490.8
Bond loans and amounts owed to credit institutions	-4,792.7	-26,391.9	-13,481.7	-44,666.3
Currency and interest rate swaps	-19,944.2	6,622.6	13,774.8	453.2
Forward exchange contracts	2,213.1	-2,216.3	0.0	-3.2
Currency options	983.7	-1,010.3	0.0	-26.6
Accrued interest	-480.6	-4.8	-1.0	-486.4
Total (note 17, 18, 20, 23, 25)	**-21,357.8**	**-22,953.9**	**294.1**	**-44,017.6**

Other currencies comprise:	AUD	GBP	JPY	NOK	SEK	USD	Total
2011							
Cash at bank and in hand	0.0	0.6	0.0	0.0	1.1	0.3	2.0
Bond loans and amounts owed to credit institutions	-60.9	-358.8	-2,250.3	-8,936.6	-792.7	-1,082.4	-13,481.7
Currency and interest rate swaps	61.0	364.0	2,417.2	9,057.4	898.9	976.3	13,774.8
Forward exchange contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued interest	0.0	0.0	-0.2	-0.8	0.0	0.0	-1.0
Total	**0.1**	**5.8**	**166.7**	**120.0**	**107.3**	**-105.8**	**294.1**

The items below are included in the table above. Net debt spread across currencies.

	Derivatives assets	Derivatives liabilities	Total
2011			
Interest rate swaps	1,902.6	-4,158.3	-2,255.7
Currency swaps	2,835.4	-126.6	2,708.8
Forward exchange contracts	0.0	-3.1	-3.1
Currency options	0.0	-26.6	-26.6
Total (note 18)	**4,738.0**	**-4,314.6**	**423.4**

Accrued interest	Receivables	Other debt	Total
2011			
Deposits and securities	1.4	-0.1	1.3
Debt	13.3	-485.2	-471.9
Interest rate swaps	166.7	-423.3	-256.6
Currency swaps	247.8	-7.5	240.3
Forward exchange contracts	0.5	0.0	0.5
Total (note 17, 25)	**429.7**	**-916.1**	**-486.4**

Note 23 Financial risk management

(DKK million)

Financing
The companies' financial management is conducted within the framework determined by the Board of Directors and guidelines from the guarantor, the Danish Ministry of Finance/Danmarks Nationalbank.

The Board of Directors determines an overall financial policy and an annual financing strategy which regulates borrowing and liquidity reserves for the coming years and sets the framework for the companies' credit, foreign exchange and interest rate exposure. Financial risk management is also supported by operational procedures.

The overall objective is to achieve the lowest possible financing expenses for the projects over their useful lives with due regard for an acceptable risk level approved by the Board of Directors. A long-term perspective has been applied in the balancing of economic performance and the risks associated with financial management.

The following describes the companies' funding in 2012 as well as the key risks.

Funding
All loans and other financial instruments employed by the companies are guaranteed by the Danish state. In general, this means that the companies can achieve capital market terms equivalent to those available to the State, even if the companies do not have an explicit rating from the international credit rating agencies.

The adopted financial strategy seeks to maximise funding flexibility in order to take advantage of developments in the capital markets. However, all loan types must meet certain criteria partly because of the demands from the guarantor and partly because of internal guidelines set out in the companies' financial policy. In general, the final exposure of the companies' loan transactions shall consist of common and standard loan constructions that, as far as possible, limit the credit risk. The loan documentation does not contain any specific terms that require disclosure with reference to IFRS7.

In certain cases, funding at favourable conditions can occur in currencies where the companies have no currency risk (see below). In such cases, the loans are translated through currency swaps into acceptable currencies. Thus, there is no direct link between the original loan currencies and the companies' currency risk.

A/S Storebælt has established a standardised MTN (Medium Term Note) loan programme in the European bond market with a maximum borrowing limit of USD 5 billion of which USD 1.7 billion has been utilised. Thus, an available credit line of USD 3.3 billion remains. In addition, the company has a Swedish MTN programme of SEK 5 billion of which almost SEK 0.6 billion has been utilised.

A/S Øresund has also established a standardised MTN (Medium Term Note) loan programme in the European bond market with a maximum borrowing limit of USD 1 billion of which almost USD 300 million has been utilised. Thus, an available credit line of USD 700 million remains.

Since 2002, the companies have had the opportunity to raise direct loans from Danmarks Nationalbank on behalf of the State to the companies based on a specific government bond, and subject to the same conditions under which the bond is traded in the market.

In 2012, funding requirements were exclusively covered by direct loans from Danmarks Nationalbank, which were a particularly attractive source of funding. A/S Storebælt raised direct loans of DKK 1.5 billion and A/S Øresund loans of DKK 1.5 billion.

The extent of A/S Storebælt's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2013, such refinancing will amount to approx. DKK 1.4 billion, and the expected net borrowing requirements will be around DKK 0.5 billion. This is beyond what is needed for the financing of any extraordinary repurchase of existing loans.

The extent of A/S Øresund's funding in any individual year is largely decided by the size of the repayments on the existing debt (refinancing) and the impact from operations. In 2013, such refinancing will amount to approx. DKK 0.8 billion and the expected net borrowing requirements will be around DKK 2.3 billion. This is irrespective of what is needed for the financing of any extraordinary repurchase of existing loans.

The companies have the flexibility to maintain a liquidity reserve of up to 6 months' liquidity consumption with the objective of reducing the risk of borrowing at times when the general loan terms in the capital markets are temporarily unattractive.

Financial risk exposure
The companies are exposed to financial risks inherent in the funding of the infrastructures and linked to financial management as well as operational decisions, including bond issuance and loans from credit institutions, the use of derivatives and deposit of liquid funds for liquidity reserve, receivables from customers and trade payables.

Risks relating to these financial risk exposures primarily comprise:

- Currency risks
- Interest rate risks
- Inflation risks
- Credit risks
- Liquidity risks

Financial risks are identified, monitored and controlled within the framework approved by the Board of Directors as set up in the companies' financial policy and strategy, operational procedures and in accordance with the guidelines from the Danish Ministry of Finance/Danmarks Nationalbank, which has issued guarantees for the companies' liabilities.

Note 23 Financial risk management (continued)

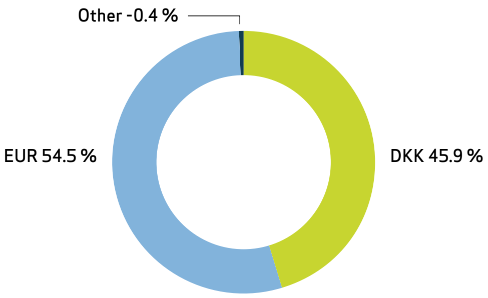
(DKK million)

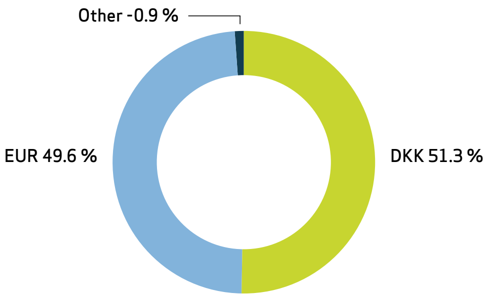
Currency risks

The companies' exposure to currency risks primarily relates to the part of the net debt denominated in currencies other than the base currency (DKK). Financial derivatives and liquid funds are recognised in the disclosure of the currency risk measured at fair value.

A/S Storebælt's currency exposure at fair value 2012 and 2011

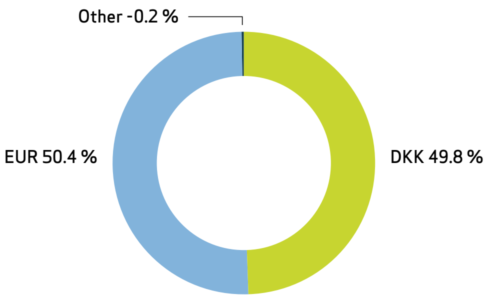
Currency exposure A/S Storebælt 2012 Currency	Fair value	Currency exposure A/S Storebælt 2011 Currency	Fair value
DKK	-13,485	DKK	-15,736
EUR	-16,055	EUR	-15,202
Other	121	Other	266
Total 2012	**-29,419**	**Total 2011**	**-30,672**





A/S Øresund's currency exposure at fair value 2012 and 2011

Currency exposure A/S Øresund 2012 Currency	Fair value	Currency exposure A/S Øresund 2011 Currency	Fair value
DKK	-7,138	DKK	-6,252
EUR	-6,012	EUR	-6,332
Other	6	Other	26
Total 2012	**-13,144**	**Total 2011**	**-12,558**



The Danish Ministry of Finance has stipulated that the companies may have currency exposures in DKK and EUR. The companies' currency risks are managed within the limits of the currency allocation and can be distributed with no constraint between DKK and EUR.

Note 23 Financial risk management (continued)

(DKK million)

The Danish Ministry of Finance has stipulated that the companies may have currency exposures in DKK and EUR. The companies' currency risks are managed within the limits of the currency allocation and can be distributed with no constraint between DKK and EUR.

Based on the stable Danish fixed exchange rate policy and the relatively narrow fluctuation band vis-a-vis EUR +/ - 2.25 per cent in the ERM2 agreement, exposure in EUR is not considered to represent any substantial risk. The currency distribution between EUR and DKK will, over the coming years, depend on the exchange rate and interest rate relationship between the two currencies. At year end, the companies' debt portfolio was more or less evenly split between EUR and DKK, and the foreign exchange risk was considered to be minimal.

Other currencies comprise GBP, JPY and NOK and are attributed to the hedging of bond issuance in these currencies where premium/ discounts in the currency swap result in an exposure based on market-to-market values although the cash flows are completely hedged.

Sensitivity to foreign exchange movements for A/S Storebælt amounted to DKK 797 million in 2012 (DKK 747 million in 2011) with a fluctuation of +/- 5.0 per cent in currencies different from the base currency. The fluctuation is only a measure of the sensitivity and does not express the expected volatility of the currencies in which the company has exposure.

Sensitivity to foreign exchange movements for A/S Øresund amounted to DKK 300 million in 2012 (DKK 315 million in 2011) with a fluctuation of +/- 5.0 per cent in currencies different from the base currency. The fluctuation is only a measure of the sensitivity and does not express the expected volatility of the currencies in which the company has exposure.

Interest rate and inflation risks

The companies' financing expenses are exposed to interest rate risks because of the ongoing funding for the refinancing of debts maturing, refixing of interest rates on floating rate debt and deposit of liquidity from operations and investments. The uncertainty arises as a consequence of fluctuations in future and hitherto unknown market interest rates.

The companies' interest rate risk is managed within several lines and limits, and the combination of these limits the interest rate risk on the net debt.

For A/S Storebælt, the following framework is applied in the interest rate risk management:

- Interest rate refixing risk may not exceed 40 per cent of the net debt
- Duration target on the net debt is 3.5 years (variation limit: 3.50-4.25 years)
- Limits for the interest rate exposure with fluctuation bands.

For A/S Øresund, the following framework is applied in the interest rate risk management:

- Interest rate refixing risk may not exceed 45 per cent of the net debt
- Duration target on net debt is 4.25 years (variation limit: 3.50-5.00 years)
- Limits for interest rate exposure with fluctuation bands.

The companies' interest rate risk is actively managed through the use of interest rate and currency swaps and other derivatives.

Floating rate debt or debt with a short remaining maturity imply that the debt will have the interest rate reset at market interest rates within a given time frame, which typically involves higher risks than fixed rate debts with long maturity when fluctuations in the current interest expenses form the basis of the risk management; designated interest refixing risk.

By contrast, financing expenses are usually a rising function of the maturity, and the choice of debt allocation is thus a question of balancing financing expenses and risk profile against fluctuations for the same.

The debt allocation between fixed and floating rate nominal debt and real rate debt in conjunction with the maturity profile (maturity on the fixed rate debt) and the currency distribution comprise the uncertainty on the financing expenses.

Besides being an isolated balancing of financing expenses and interest refixing risk on the net debt, the companies' risk profile is also affected by the correlation between revenue from operations and financing expenses. This means that a debt composition with some degree of positive correlation between revenue and financing expenses may have a lower risk when revenue and uncertainty from the company's assets and liabilities are assessed in combination.

Typically, floating rate debt and the inflation indexation on the real rate debt have a positive correlation with general economic growth because monetary policy will often seek to balance the economic cycle by hiking interest rates when economic growth and inflation are high – and vice versa.

The economic relationship between operating revenue and financing expenses justifies a certain allocation to floating rate debt. Developments in revenue from road traffic, which is the primary source of income, are particularly dependent on economic conditions and lower economic growth typically entails low traffic growth, and thus a less favourable development in revenue. This revenue risk can, to a certain extent, be offset by floating rate debt in that adverse economic trends normally lead to lower interest rates, notably at the short end of the maturity spectrum.

Fixed rate debt may, on the other hand, serve as a hedge of stagflation, with low growth and high inflation, which cannot be passed on to the tolls for crossing the bridge.

Note 23 Financial risk management (continued)

(DKK million)

In addition to the above considerations concerning the link to socio-economic developments, there is also an isolated balancing of financing expenses and interest rate refixing risk on the nominal debt.

Furthermore, the companies have a strategic interest in real rate debt where the financing expenses comprise a fixed real rate plus indexation dependent upon general inflation. The reason is that operating income, by and large, can be expected to follow inflation developments as both road tolls and rail revenue are normally indexed. Real rate debt, therefore, represents a very low risk and works as a hedging of operating revenue and the companies' long-term project risk.

Based on the overall financial management objective, which aims at attaining the lowest possible financing expenses within a risk level approved by the Board of Directors, the companies have established a strategic benchmark imposing restrictions on the debt portfolio's interest rate allocation and the nominal duration.

This benchmark serves as an overall guideline and a financial framework for the debt management and implies that the companies target a real rate debt allocation of 25-45 per cent and a duration of 3.5 years for A/S Storebælt and 4.25 years for A/S Øresund on the nominal debt.

Maximum variation limits for the interest rate allocation and duration target are established.

The basis for determining the strategic benchmark in the debt management is economic model simulations that estimate the outcome and expected earnings development of the companies' assets and liabilities on a large number of relevant portfolio combinations with different interest rate allocations and maturity profiles, and consists of a balancing of financing expenses and revenue risk.

Besides the above-mentioned strategic elements, the interest rate risk is also managed on the basis of the expectations for short-term interest rate developments.

The target for the duration in 2012 was 3.0 years on the nominal debt for both companies. The duration for the strategic benchmark was subsequently extended, applicable for 2013 and beyond, while the target for the real rate debt ratio remained unchanged.

For A/S Storebælt the actual duration was in the interval of 3.2-3.7 years, and the duration was actively extended in mid-2012 and towards the end of the year, primarily by refinancing debt at fixed rates. The real rate debt ratio remained unchanged.

For A/S Øresund the actual duration was in the interval of 2.7-3.9 years, and the duration was actively extended in mid-2012 and towards the end of the year, primarily by refinancing debt at fixed rates and only to a limited extent by converting from floating to fixed yield exposure with interest rate swaps. The real rate debt ratio remained unchanged.

The sovereign debt crisis in Europe, the uncertainty regarding the "fiscal cliff" in the US and the new monetary easing prompted a further decline in interest rates in 2012. Overall, interest rates fell by around 1 percentage point, albeit slightly less in Denmark and declining for longer maturities. At the same time, expectations for forward inflation eased up, which is why the decline in real rates, in relative terms, has been more moderate. The development in interest rates and inflation has resulted in unrealised negative value adjustments in both companies.

For A/S Storebælt the resulting unrealised negative fair value adjustments are DKK 529 million.

For A/S Øresund the resulting unrealised negative fair value adjustments are DKK 222 million.

The management of the interest rate risk aims at attaining the lowest possible longer-term interest expenses with no specific regard for the annual fluctuations in the fair value adjustment. The fair value adjustment has, however, no impact on the companies' economy, including the repayment period.

The calculation of the yield exposure on the net debt is based on the nominal value (the notional) split in time buckets at the earliest of the time to maturity or the time to the next interest rate refixing. Thus, the floating rate debt is included in the next financial year and shows the cash flow exposure to the interest refixing risk.

The companies use derivatives to adjust the allocation between floating and fixed rate nominal debt and real rate debt, including, primarily, interest rate and currency swaps, FRAs, swaptions and interest rate guarantees.

Note 23 Financial risk management (continued)

(DKK million)

Yield exposure disclosed on nominal notional amounts, A/S Storebælt

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Cash at bank and in hand	1,082	0	0	0	0	0	1,082	1,089
Bond loans and other loans	-1,979	-1,743	-4,244	-1,299	-6,713	-10,954	-26,932	-30,729
Interest rate swaps	-3,988	-722	4,244	410	3,049	-2,521	472	328
Currency swaps	-3	0	0	0	0	0	-3	-4
Other derivatives	0	0	0	0	0	0	0	-2
Credit institutions	-100	0	0	0	0	0	-100	-100
Net debt	**-4,988**	**-2,465**	**0**	**-889**	**-3,664**	**-13,475**	**-25,481**	**-29,419**
Of this, real rate instruments								
Real rate loans	0	-635	0	0	0	-3,509	-4,144	-5,153
Real rate swaps	-29	635	0	-143	0	-5,284	-4,821	-6,112
Real rate instruments, total	**-29**	**0**	**0**	**-143**	**0**	**-8,793**	**-8,965**	**-11,265**

Fixed interest period > 5 years is allocated as follows:

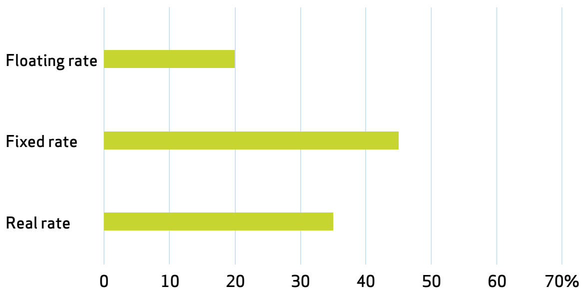
Yield buckets	5-10 years	10-15 years	10-20 years	> 20 years
Net debt	-10,751	-2,172	-552	0
Of which real rate instruments	-6,123	-2,333	-337	0

The fixed rate nominal debt is more or less equally weighted between 5-10 year interest rate buckets while the real rate debt predominantly has maturities of around 10 years, with 15 years for the remaining portion.

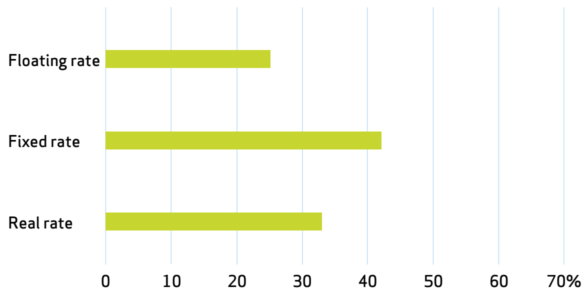
Interest rate allocation, A/S Storebælt

2012	Interest rate allocation in per cent	2011
19.6	Floating rate	24.9
45.2	Fixed rate	42.2
35.2	Real rate	32.9
100.0	**Total**	**100.0**

Interest rate risk incl. hedging, 2012



Interest rate risk incl. hedging, 2011



The yield exposure is distributed with an allocation of 87.1 per cent to interest rates in DKK and 12.9 per cent in EUR. As regards real rate debt, this is exposed to the Danish Consumer Price Index (CPI).

Note 23 Financial risk management (continued)

(DKK million)

The financing expenses' sensitivity to an interest or inflation rate change of 1 percentage point can be estimated at DKK 31 million and DKK 90 million respectively and the impact will be symmetrical since there is no hedging of the floating interest rate exposure, and since the inflation sensitivity is symmetrical.

Yield exposure disclosed on nominal notional amounts, A/S Øresund

Yield buckets	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Nominal value	Fair value
Bond loans and other loans	-1,274	-1,271	-1,500	-1,766	-2,500	-3,012	-11,323	-13,368
Interest rate swaps	-3,187	1,793	1,355	414	2,163	-2,485	53	130
Currency swaps	6	0	0	0	0	0	6	4
Credit institutions	90	0	0	0	0	0	90	90
Net debt	**-4,365**	**522**	**-145**	**-1,352**	**-337**	**-5,497**	**-11,174**	**-13,144**
Of this, real rate instruments								
Real rate swaps	0	0	-145	-103	0	-3,295	-3,543	-4,486
Real rate instrument, total	**0**	**0**	**-145**	**-103**	**0**	**-3,295**	**-3,543**	**-4,486**

Fixed interest period > 5 years is allocated as follows:

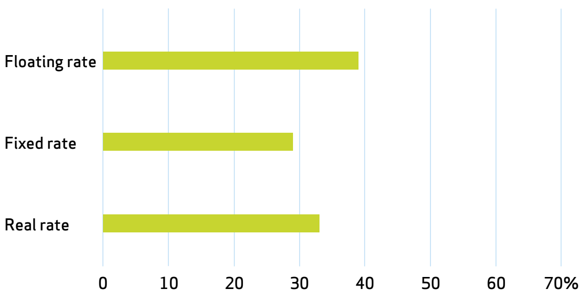
Yield buckets	5-10 years	10-15 years	10-20 years	> 20 years
Net debt	-1,345	-2,067	-1,885	-200
Of which real rate instruments	0	-1,418	-1,877	0

The fixed rate nominal debt is more or less equally weighted between 5-10 year interest rate buckets while the real rate debt predominantly has maturities of around 10 and 20 years' maturity.

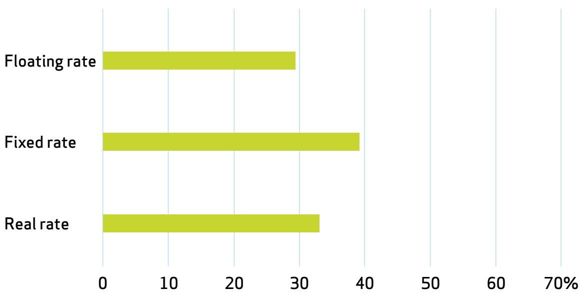
Interest rate allocation, A/S Øresund

2012	Interest rate allocation in per cent	2011
39.1	Floating rate	28.5
29.2	Fixed rate	38.8
31.7	Real rate	32.7
100.0	**Total**	**100.0**

Interest rate risk incl. hedging, 2012



Interest rate risk incl. hedging, 2011



The yield exposure is distributed with an allocation of 80.1 per cent to interest rates in DKK and 19.9 per cent in EUR. As regards real rate debt, this is exposed to the Danish Consumer Price Index (CPI)..

Note 23 Financial risk management (continued)

(DKK million)

The financing expenses' sensitivity to an interest or inflation rate change of 1 percentage point can be estimated at DKK 32 million and DKK 35 million respectively and the impact will be symmetrical since there is no hedging of the floating interest rate exposure, and with current inflation, the sold "floor" on inflation (principal EUR 190 million) will not be effective.

When interest rates change, this affects the market value (fair value) of the net debt and, in this respect, the impact and risk are greater on fixed rate debt with long maturities. This is owing to the discounting effect and corresponds to alternative cost or gain relating to fixed rate debt obligations in comparison to financing at current market interest rates.

The duration denotes the average remaining maturity on the net debt. A long duration implies a low interest rate refixing risk since a relatively small proportion of the net debt needs to be reset to the current interest rate.

The duration also expresses the interest rate sensitivity on the net debt stated at market value.

Duration, A/S Storebælt

2012				2011		
Duration (years)	BPV*)	Fair value		Duration (years)	BPV	Fair value
3.6	6.6	-18,154	Nominal debt	3.5	6.9	-19,773
7.5	8.4	-11,265	Real rate debt	8.0	8.7	-10,899
5.1	**15.0**	**-29,419**	**Net debt**	**5.1**	**15.5**	**-30,672**

*) Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp.

A/S Storebælt's duration totalled 5.1 years as at the end of 2012, of which 3.6 years relate to the nominal debt and 7.5 years to the real rate debt. The interest rate sensitivity can be calculated at DKK 15.0 million, when the yield curve is shifted in parallel by 1bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1bp, and vice versa.

Duration, A/S Øresund

2012				2011		
Duration (years)	BPV*)	Fair value		Duration (years)	BPV	Fair value
3.8	3.2	-8,658	Nominal debt	2.6	2.1	-8,190
12.4	5.5	-4,486	Real rate debt	12.2	5.3	-4,368
6.7	**8.7**	**-13,144**	**Net debt**	**5.9**	**7.4**	**-12,558**

*) Basis point value (BPV) expresses the rate sensitivity to a parallel shift in the yield curve of 1 bp.

A/S Øresund's duration totalled 6.7 years as at the end of 2012, of which 3.8 years relate to the nominal debt and 12.4 years to the real rate debt. The interest rate sensitivity can be calculated at DKK 8.7 million, when the yield curve is shifted in parallel by 1bp. This will imply a positive fair value adjustment in the income statement and balance sheet when interest rates rise by 1bp, and vice versa.

The sensitivity calculations have been made on the basis of the net debt on the balance sheet date, and the impact is identical in result and balance sheet as a consequence of the accounting policies where financial assets and liabilities are recognised at fair value.

Note 23 Financial risk management (continued)

(DKK million)

Credit risks

Credit risks are defined as the risk of losses arising as a result of a counterparty not meeting its payment obligations. Credit risks arise in connection with the deposit of excess liquidity and derivative transactions with a positive market value and trade receivables.

Credit limits for deposit of excess liquidity have continuously been tightened with increased requirements for rating, credit limits and maximum duration to ensure diversification and limiting the credit exposure with individual counterparties. The size of the liquidity reserve is a balance between credit risk and attaining financing on favourable terms.

Excess liquidity has been placed as bank deposits with financial counterparties with a high credit rating and there have been no incidents involving overdue payments or a decline in value as a result of credit events.

The companies' derivative transactions are regulated by an ISDA master agreement for each individual counterparty. It is explicitly set out that netting of positive and negative balances will apply.

The credit risk on financial counterparties is managed and monitored on a daily basis through a specific line and limit system which has been approved by the Board of Directors in respect of the companies' financial policy and determines the principles for calculating these risks and limits for acceptable risks. The allocation of limits for acceptable credit exposures is determined on the basis of the counterparty's long-term rating by either Standard and Poor's (S&P), Moody's Investor Service (Moody's) or Fitch Ratings.

The credit risk is limited to the greatest possible extent by diversifying the counterparty exposure and reducing the risk exposure on individual counterparties. The financial counterparties must adhere to high standards for credit quality and agreements are only entered into with counterparties that have a long-term rating above A3/A- unless rigorous collateral requirements are met and the country of the counterparty complies with the rating requirements of at least Aa2/AA, after which a rating of a minimum of Baa2/BBB is acceptable for the counterparty.

The companies have entered into collateral agreements (CSA agreements) with the majority of the financial counterparties and since 2005 have only entered into derivative contracts that are regulated by such agreements. The CSA agreements are two-way and imply that both the company and the counterparty must pledge collateral in the form of government bonds or mortgage bonds with high credit quality when the balance is in favour of one of the parties. Thus the credit exposure is effectively limited through a rating dependent threshold for unhedged exposures which imply higher demands for collateral from counterparties with lower credit quality.

The threshold value is EUR 10 million for counterparties with an AA rating and zero for an A rating, while the companies by virtue of their high credit rating have a threshold value of EUR 65 million. Bonds, provided as collateral, must have a minimum rating of Aa3/AA-.

The majority of the companies' financial counterparties are located at the low end of the rating scale as a consequence of the increasingly protracted financial and economic crisis. Moody's undertook a comprehensive review of a number of European and global banks in mid-2012, which led to the downgrading of up to 2-3 credit grades for a number of counterparties. Solvency among the companies' financial counterparties is deemed to be intact.

IFRS stipulates that the credit risk is calculated gross excluding netting (offsetting of positive and negative balances with the individual counterparty), unless there is an intent and a legal right of set off. The net exposure is disclosed as additional information and constitutes a better measure of the companies' actual credit risk.

Note 23 Financial risk management (continued)

(DKK million)

Credit risks on financial assets recognised at fair value distributed on credit quality 2012, A/S Storebælt
Total counterparty exposure (market value)

Rating	Deposits and bond assets	Derivates without netting	Derivates with netting	Collateral	Number of counterparties
AAA	1,089	0	0	0	2
AA	0	1,463	1,092	1,043	6
A	0	2,542	1,201	982	9
Total	**1,089**	**4,005**	**2,293**	**2,025**	**17**

Credit risks on financial assets recognised at fair value distributed on credit quality 2011, A/S Storebælt
Total counterparty exposure (market value)

Rating	Deposits and bond assets	Derivates without netting	Derivates with netting	Collateral	Number of counterparties
AAA	482	0	0	0	2
AA	0	1,300	964	757	6
A	0	2,292	917	698	11
Total	**482**	**3,592**	**1,881**	**1,455**	**19**

A/S Storebælt has 17 financial counterparties, including Germany as bond issuer, while the business volume with the remaining 16 counterparties is related to derivative transactions of which 12 counterparties are covered by collateral agreements.

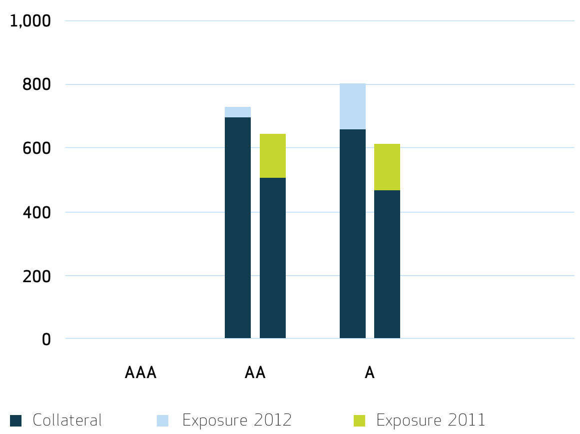
The credit exposure is fairly evenly divided between the AA and A rating category, and is largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 1,931 million and collateral amounts to DKK 2,025 million. Counterparty exposure without collateral agreements totals DKK 362 million of which DKK 50 million is spread across the AA rating category and DKK 312 million on the A rating category.

The company has pledged collateral for DKK 945 million to safeguard an outstanding exposure from derivative transactions in favour of one counterparty. Otherwise, the company has not pledged any collateral because of the relatively high threshold as a consequence of the company's high credit rating.

The amounts related to credit risks and collateral are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2012 and 2011, A/S Storebælt



Note 23 Financial risk management (continued)

(DKK million)

Credit risks on financial assets recognised at fair value distributed on credit quality 2012, A/S Øresund
Total counterparty exposure (market value)

Rating	Derivates without netting	Derivates with netting	Collateral	Number of counterparties
AAA	0	0	0	2
AA	474	446	241	5
A	1,361	1,115	1,204	7
Total	**1,835**	**1,561**	**1,445**	**14**

Credit risks on financial assets recognised at fair value distributed on credit quality 2011, A/S Øresund
Total counterparty exposure (market value)

Rating	Derivates without netting	Derivates with netting	Collateral	Number of counterparties
AAA	109	109	0	3
AA	276	244	163	4
A	1,180	911	976	8
Total	**1,565**	**1,263**	**1,139**	**15**

A/S Øresund has 14 financial counterparties and the business volume is primarily related to derivative transactions of which 11 counterparties are covered by collateral agreements.

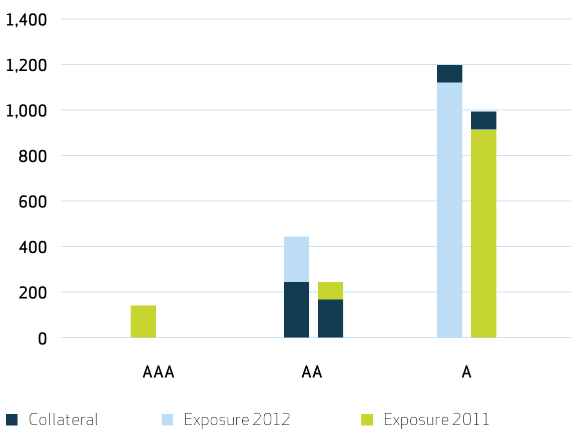
The credit exposure is primarily concentrated on the A rating category and is largely covered by collateral agreements.

Counterparty exposure to counterparties with collateral agreements totals DKK 1,404 million and collateral amounts to DKK 1,445 million. Counterparty exposure without collateral agreements totals DKK 157 million spread across the AA rating category.

A/S Øresund has not pledged any collateral since the credit exposures in the counterparties' favour do not require this due to the company's high credit rating.

The amounts related to credit risks and collateral are stated at market value at the balance sheet date.

Distribution of counterparty exposure on rating categories 2012 and 2011, A/S Øresund



Note 23 Financial risk management (continued)

(DKK million)

Liquidity risk

Liquidity risk is the risk of losses arising if the companies encounter difficulties in meeting their financial obligations, both in terms of debt and derivatives.

The guarantee provided by the Danish state, and the flexibility to maintain a liquidity reserve of up to 6 months' liquidity consumption imply a limited liquidity risk for the companies. In order to avoid significant fluctuations in the refinancing for individual years, the objective is for the principal payments to be evenly dispersed.

Maturity on debt as well as liabilities and receivables from financial derivatives, A/S Storebælt

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-1,536	-1,754	-4,308	-1,311	-6,725	-11,291	-26,925
Derivative liabilities	-3,013	-1,127	-5,200	-1,412	-620	-11,060	-22,432
Derivative receivables	3,122	1,262	5,416	1,419	647	11,028	22,894
Assets	1,082	0	0	0	0	0	1,082
Total	**-345**	**-1,619**	**-4,092**	**-1,304**	**-6,698**	**-11,323**	**-25,381**
Interest payments							
Debt	-1,019	-954	-884	-705	-674	-1,272	-5,508
Derivative liabilities	-870	-573	-520	-489	-451	-2,395	-5,298
Derivative receivables	1,010	848	781	609	565	1,442	5,255
Assets	8	0	0	0	0	0	8
Total	**-871**	**-679**	**-623**	**-585**	**-560**	**-2,225**	**-5,543**

Maturity on debt as well as liabilities and receivables on financial derivatives, A/S Øresund

Maturity	0-1 years	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Principal amount							
Debt	-812	-1,370	-1,514	-1,780	-2,514	-3,335	-11,325
Derivative liabilities	-1,511	-1,847	-1,301	-850	-24	-2,903	-8,436
Derivative receivables	1,546	2,013	1,268	840	24	2,806	8,497
Total	**-777**	**-1,204**	**-1,547**	**-1,790**	**-2,514**	**-3,432**	**-11,264**
Interest payments							
Debt	-438	-409	-356	-296	-268	-1,363	-3,130
Derivative liabilities	-260	-162	-176	-167	-143	-1,693	-2,601
Derivative receivables	345	325	244	193	168	1,359	2,634
Total	**-353**	**-246**	**-288**	**-270**	**-243**	**-1,697**	**-3,097**

Debt, derivative liabilities and receivables, as well as financial assets, are recognised in the liquidity projection and repayments and principal amounts are entered at the earliest due date. Interest payments are recognised at agreed terms and implicit forward interest rates and inflation form the basis for the variable interest payments and inflation indexation. Repayments, principal amounts and interest payments are disclosed for the net debt and neither refinancing nor cash flows from operating activities are included, c.f. IFRS 7.

Note 24 Profitability

(DKK million)

A/S Storebælt
A/S Storebælt's debt will be repaid from the revenue from road and rail traffic.

The repayment period is unchanged on the year and, based on the most recently updated profits calculation, is calculated at 31 years.

Calculated from the opening year, the aforementioned repayment period means that the company will be debt free in 2029.

Co-financing of the political agreement for "A green transport policy", as a result of the decision of the Danish parliament on 29 January 2009, is included in the calculation of the repayment period where the company pays dividend to the state of DKK 9.0 billion (in 2008 prices) until 2022 and assumes to cease doing so after the agreement has been fulfilled. The profitability calculations assume that equity is consolidated before dividend payments begin, which according to the calculations, is expected to occur in 2013.

The main uncertainties in the profitability calculations relate to the long-term traffic development and the real rate which is estimated at 3.5 per cent. Traffic growth is expected to average 1 and 1.5 per cent for lorries and passenger cars respectively. Operating expenses are expected to rise in line with inflation. Moreover, there is some uncertainty in relation to the size and timing of reinvestments in the rail link.

A/S Øresund
Investments in the Øresund fixed link's landworks will be repaid partly through fees from Banedanmark for use of the Øresund rail link and partly through dividend payments from Øresundsbro Konsortiet of which A/S Øresund owns 50 per cent.

Moreover as a consequence of the joint taxation with the Group's other companies, A/S Øresund obtains a liquidity benefit. This benefit is achieved because the joint taxation with A/S Storebælt means that A/S Storebælt can utilise the tax loss in A/S Øresund in return for paying the proceeds of the tax savings to A/S Øresund. Thus A/S Øresund can advance the use of its tax loss in time.

The repayment period for A/S Øresund is now calculated to be 47 years, which is a reduction of two years compared to last year. The improvement is primarily due to the positive performance of A/S Storebælt, which advances the payment of the Group's joint taxation contribution, which results in a liquidity benefit. In addition, there are lower financing expenses. The time of receipt of the first dividend payment from Øresundsbro Konsortiet has been deferred one year as a result of equity developments and slightly lower road traffic income for Øresunsbro Konsortiet.

A/S Øresund is sensitive to the changes in the financial position of the two aforementioned companies.

Note 25 Trade and other payables

(DKK million)

Sund & Bælt Holding A/S			Sund & Bælt Group	
2011	2012		2012	2011
2.0	1.8	Trade payables	127.9	129.5
4.2	7.2	Debt group enterprises – group companies	0.0	0.0
4.1	1.7	Affiliated companies	5.0	6.2
0.0	0.0	Guarantee commission payable	56.4	58.4
0.0	0.0	Accrued interest, financial instruments (see note 22)	981.3	916.1
18.4	17.4	Other payables	348.9	257.9
28.7	**28.1**	**Total**	**1,519.5**	**1,368.1**
		Accrued interest		
0.0	0.0	Deposits and securities	0.1	0.1
0.0	0.0	Loans	493.4	485.2
0.0	0.0	Interest rate swaps	485.0	423.3
0.0	0.0	Currency swaps	2.7	7.5
0.0	0.0	Forward exchange contracts	0.1	0.0
0.0	**0.0**	**Accrued interest, total**	**981.3**	**916.1**

Note 26 Accruals and deferred income

(DKK million)

Accruals and deferred income comprise payments received relating to income in subsequent years.

Sund & Bælt Holding A/S 2011	2012		Sund & Bælt Group 2012	2011
0.0	0.0	Prepaid income	33.9	34.3
1.7	1.6	Other accruals	1.6	1.6
1.7	**1.6**	**Total accruals and deferred income**	**35.5**	**35.9**

Note 27 Contractual obligations, contingent liabilities and securities

(DKK million)

The Group's contractual obligations comprise construction, operating and maintenance contracts with expiry dates up to 2018 at an overall balance of DKK 339 million (DKK 437 million in 2011). Work under contracts amounted to DKK 311 million (DKK 273 million in 2011).

Operating leasing comprises contracts with a maturity of between 1-7 years. The leasing obligation totals DKK 70.5 million (DKK 79.9 million in 2011) of which DKK 14.5 million falls due in 2013.

In accordance with the Act on Ferry Operations, the company is required to maintain to a defined extent car ferry operations between Zealand and Jutland across Kattegat and between Spodsbjerg and Tårs. For the Spodsbjerg and Tårs service, this means that the company has signed a contract with Sydfynske A/S concerning the operation of the service until 30 April 2012. In 2018, the costs are expected to total DKK 29 million.

In 2009, a contractor who participated in the construction of the Storebælt Bridge lodged a claim relating to the termination of AMBI in 1992. In 2011, the contractor submitted the case to the court of arbitration with a claim for reimbursement by AMBI plus interest compensation. In 2012, the parties submitted a reply and a rejoinder to the arbitration board, which has scheduled the matter for consideration in June 2013. Based on legislation and practice, the company's legal advisors deem that A/S Storebælt has paid the contractor correctly. The management believes that the contractor is not entitled to compensation. Against this background, no sum to cover this has been set aside in the accounts.

In connection with the authorities' approval of Sprogø Offshore Wind Farm, A/S Storebælt is obliged to dismantle the wind turbines 25 years from the date of establishment. At the present time, it is not possible to estimate the financial implications.

It has been agreed that A/S Øresund assumes responsibility for the technical operation and maintenance of the Øresund railway and associated reinvestments from Banedanmark during 2013. Based on the current operation and maintenance expenses and investments in respect of the Øresund railway, it is estimated that the repayment period for A/S Øresund will be extended by 3-5 years. As the bridge companies have a target of maximum repayment periods of 50 years, a capital injection in A/S Øresund could be a possibility.

A/S Storebælt and A/S Øresund have entered into two-way collateral agreements (CSA agreements) with a number of financial counterparties and may, as a result, be obliged to provide a collateral guarantee by way of depositing bonds for outstandings on derivative contracts in the counterparty's favour. A/S Storebælt has currently provided a collateral guarantee for an outstanding with an individual financial counterparty in its favour for DKK 945 million. A/S Øresund has not provided collateral guarantees for outstandings with financial counterparties.

Sund & Bælt Holding A/S is the management company in a Danish joint taxation. According to the Corporation Tax Act, the company is liable, from and including 1 July 2012, for any obligations for withholding tax on interest, royalties and dividend for the jointly taxed companies.

The Group's companies have not provided any securities.

Note 28 Related parties

(DKK million)

Related parties comprise the Danish State, companies and institutions owned by it. Transactions concerning the Group's senior executives are shown in note 6.

Related party	Registered office	Affiliation	Transactions	Pricing
The Danish State	Copenhagen	100 per cent ownership of Sund & Bælt Holding A/S	Guarantee for company's debt. Guarantee commission.	Stipulated by law. Accounts for 0.15 per cent of the nominal debt
Ministry of Transport	Copenhagen	100 per cent ownership of Sund & Bælt Holding A/S	Purchase of consultancy .	Market price
Danish Road Directorate	Copenhagen	Part of the Ministry of Transport	Purchase of consultancy	Market price
A/S Storebælt	Copenhagen	100 per cent owned subsidiary. Partly shared board members. Shared management board	Management of subsidiary's operational tasks. Joint tax contribution	Market price
A/S Øresund	Copenhagen	100 per cent owned subsidiary. Partly shared board members. Shared management board	Management of subsidiary's operational tasks. Joint tax contribution	Market price
Femern A/S	Copenhagen	100 per cent owned subsidiary via A/S Femern Landanlæg	Purchase of consultancy Joint tax contribution	Market price
A/S Femern Landanlæg	Copenhagen	100 per cent owned subsidiary. Partly shared board members. Shared management board	Management of subsidiary's operational tasks. Joint tax contribution	Market price
Sund & Bælt Partner A/S	Copenhagen	100 per cent owned subsidiary	Management of subsidiary's operational tasks. Joint tax contribution	Market price
BroBizz A/S	Copenhagen	100 per cent owned subsidiary	Management of subsidiary's operational tasks. Joint tax contribution	Market price
Øresundsbro Konsortiet	Copenhagen/Malmø	50 per cent ownership via A/S Øresund. Partly shared board members. Shared CFO	Purchase of treasury management	Market price
Banedanmark	Copenhagen	Owned by the Danish State	Payments for use of rail links in subsidiaries	Determined by the Minister of Transport

Note 28 Related parties (continued)

(DKK million)

Related party	Description	Amount 2012	Amount 2011	Balance at 31 December 2012	Balance at 31 December 2011
The Danish State	Guarantee commission	-56.5	-58.6	-56.5	-58.6
Ministry of Transport	Purchase of consultancy	-2.0	-0.5	0.0	0.0
Danish Road Directorate	Purchase of consultancy	0.0	-3.5	0.0	-1.0
A/S Storebælt	Management of subsidiary's operational tasks	130.7	125.4	-2.6	1.1
A/S Øresund	Management of subsidiary's operational tasks	6.7	6.9	0.1	0.0
	Joint tax contribution	3.7	0.0	3.7	0.0
Sund og Bælt Partner A/S	Management of subsidiary's operational tasks	0.1	0.4	0.0	0.0
	Joint tax contribution	0.0	0.3	0.0	0.3
Femern A/S	Management of operational tasks	2.3	2.1	0.4	0.4
	Joint tax contribution	0.0	-1.2	0.0	-1.2
A/S Femern Landanlæg	Management of subsidiary's operational tasks	0.4	0.4	0.0	0.0
	Joint tax contribution	0.2	-0.3	0.2	-0.3
BroBizz A/S	Management of subsidiary's operational tasks	0.1	0.3	0.0	0.0
Øresundsbro Konsortiet	Purchase of treasury management	-3.3	-2.7	-2.0	-0.5
	Debt	0.0	0.0	0.0	0.0
Banedanmark	Payments for use of rail links in subsidiaries	794.1	856.8	12.7	62.4

Note 29 Events after the balance sheet date

No events of importance to the Annual Report for 2012 occurred after the balance sheet date.

Note 30 Approval of Annual Report for publication

At the meeting of the Board of Directors on 19 March 2013, the board approved the Annual Report for publication.

The Annual Report will be presented to the shareholders of Sund & Bælt Holding A/S for approval at the Annual General Meeting on 25 April 2013.

Statement by the Board of Directors and Management Board

The Board of Directors and Management Board have today considered and approved the annual report for the financial year 1 January – 31 December 2012 for Sund & Bælt Holding A/S.

The consolidated and parent company accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of issuers of listed bonds.

It is our view that the consolidated and parent company accounts give a true and fair view of the Group and parent company's assets and financial position at 31 December 2012, as well as the results of the Group and parent company's activities and cash flow for the financial year 1 January - 31 December 2012.

It is also our view that the Management's Report gives a true and fair view of developments in the Group and parent company's activities and financial conditions, the annual results and the Group and parent company's overall financial position and a description of the significant risks and uncertainty factors to which the Group and the parent company are exposed.

It is recommended that the annual report be approved at the Annual General Meeting.

Copenhagen 19 March 2013

Management Board

Leo Larsen
CEO

Board of Directors

Henning Kruse Petersen
Chairman

Carsten Koch
Vice-Chairman

Pernille Sams

Jørgen Elikofer

Mette Boye

Walter Christophersen

Helle Dragsbæk

Jesper Brink

The independent auditor's statement

To the owner of Sund & Bælt Holding A/S

Statement on the consolidated and parent company accounts

We have audited the consolidated and parent company accounts for Sund & Bælt Holding A/S for the financial year 1 January – 31 December 2012, which comprise the comprehensive income, the balance sheet, statement of changes in equity, cash flow and notes, including the accounting policies for the Group and company. The consolidated and parent company accounts are presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for issuers of listed bonds.

The Board of Directors' and Management Board's responsibility for the consolidated and parent company accounts

The Board of Directors and the Management Board are responsible for preparing the consolidated and parent company accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for issuers of listed bonds. The Board of Directors and Management Board also have responsibility for the internal control that the management regards as necessary for preparing consolidated accounts and parent company accounts free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated and parent company accounts on the basis of our audit. We have conducted our audit in accordance with international auditing standards and additional requirements under Danish auditing legislation. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated and parent company accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence for the amounts and disclosures in the consolidated and parent company accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the consolidated and parent company accounts whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation of consolidated and parent company accounts that give a true and fair view. The purpose herewith is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Management Board, as well as evaluating the overall presentation of the consolidated and parent company accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated and parent company accounts give a true and fair view of the Group and parent company's assets, liabilities and financial position at 31 December 2012 and of the results of the Group and parent company's operations and cash flows for the financial year 1 January – 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for issuers of listed bonds.

Emphasis of matter relating to the Annual Accounts

Without this having influenced our opinion, we refer to note 21 (with reference to the section "Financial Position" in the Management Report) in which it is stated that the Group's equity is negative. This is expected to be reestablished within a time frame of 8-10 years. Reference should also be made to note 21 whereby it is stated that A/S Storebælt's, A/S Øresund's, A/S Femern Landanlæg's and Femern A/S' operations are secured by the Danish State's guarantee for the companies' obligations and, in respect of Øresundsbro Konsortiet I/S, also by the Swedish State.

Statement concerning the Management Report

In accordance with the Financial Statements Act, we have read the Management Report. We have not performed any procedures in addition to the audit of the consolidated and parent company accounts.

On this basis, we are of the opinion that the information in the Management Report is in accordance with the consolidated and parent company accounts.

Copenhagen, 19 March 2013

Deloitte
Statsautoriseret Revisionspartnerselskab

Anders O. Gjelstrup
State Authorised
Public Accountant

Lynge Skovgaard
State Authorised
Public Accountant

Board of Directors

Henning Kruse Petersen, Chairman (dob 1947)
Director
Chairman since 2009
Joined the Board of Directors: 2004
Election period expires 2012

Areas of expertise: Many years of leadership experience in the private sector, including CEO of a major group of companies. Also possesses extensive experience from board positions, including as Chairman of a number of companies. Possesses particular skills within strategy, management, economics and financing.

Board member of
- Den Danske Forskningsfond (Chairman)
- Soclé du Monde ApS (Chairman)
- Erhvervsinvest Management A/S (Chairman)
- Scandinavian Private Equity Partners A/S (Chairman)
- A/S Det Østasiatiske Kompagni (Chairman)
- C.W. Obel A/S (Chairman)
- Sund & Bælt Holding A/S (Chairman)
- A/S Storebælt (Chairman)
- A/S Øresund (Chairman)
- Femern A/S (Chairman)
- A/S Femern Landanlæg (Chairman)
- Øresundsbro Konsortiet (Vice-Chairman)
- Asgard Ltd. (Vice-Chairman)
- Skandinavisk Holding A/S (Vice-Chairman)
- Fritz Hansen A/S (Vice-Chairman)
- Skandinavisk Holding II A/S
- Scandinavian Tobacco Group A/S
- Scandinavian Private Equity A/S
- William H. Michaelsens Legat
- ØK's Almennyttige Fond
- Tesch Allé ApS
- Midgard Group Inc.

Carsten Koch, Vice-Chairman (dob 1945)
Director
Vice-Chairman since 2009
Joined the Board of Directors in 2004
Election period expires 2012

Areas of expertise: Many years of leadership experience in the public and private sector. Many years of experience with board positions, including as Chairman of public sector companies. Has particular competence within strategy, management, economics and financing.

Board member of
- Udviklingsselskabet By og Havn I/S (Chairman)
- Københavns Havns Pensionskasse (Chairman)
- Forca A/S (Chairman)
- FredericiaC P/S (Chairman)
- Vækstfonden (Chairman)
- Sund & Bælt Holding A/S (Vice-Chairman)
- A/S Storebælt (Vice-Chairman)
- A/S Øresund (Vice-Chairman)
- Femern A/S (Vice-Chairman)
- A/S Femern Landanlæg (Vice-Chairman)
- Øresundsbro Konsortiet
- Dades A/S
- Investeringsforeningen Maj Invest
- Kærkommen Holding ApS
- GES Investment Services Denmark A/S
- Pluss Leadership A/S
- Nordgroup A/S

Chairman of the Employment Council and Chairman of the Panel of Experts on Employment Policy under the Ministry of Employment

Pernille Sams (dob 1959)
Director, Statsaut. Ejendomsmægler, LLM.
Joined the Board of Directors in 2003
Election period expires 2012

Areas of expertise: Many years of experience of board positions as well as legal, business and political experience. Special competence within communication, analysis and strategy as well as social and nature-related matters.

Board member of
- Danske Selvstændige Ejendomsmæglere (Chairman)
- Pernille Sams Ejendomsmæglerfirma ApS
- Øresundsbro Konsortiet
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg

Jørgen Elikofer (dob 1944)
Managing Director, Elikofer&Co
Joined the Board of Directors in 2009
Election period expires 2012

Areas of expertise: Many years of experience from politically led organisations and board positions. Special competence within management, industrial policy, Research & Development and technology development.

Board member of
- Øresundsbro Konsortiet
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg

Mette Boye (dob 1974)
Head of Department, Consumer Council
Joined the Board of Directors in 2011
Election period expires 2012

Areas of expertise: Many years' experience of political organisations and board positions. Has particular competence within environmental and consumer policies, management, CSR and social and environmental matters.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg

Chairman of the Danish Initiative for Ethical Trade
Member of the Government's Council for Social Responsibility

Walter Christoffersen (dob 1951)
Independent businessman
Joined the Board of Directors in 2011
Election period expires in 2012

Areas of expertise: Many years' experience from the private sector and with political work. Has particular competence within business, traffic and societal issues.

Board member of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- Femern A/S
- A/S Femern Landanlæg

Helle Dragsbæk (dob 1963)
Accounts Assistant (elected by employees)
Joined the Board of Directors in 2005
Election period expires in 2013

Jesper Brink (dob 1964)
Maintenance Manager, electrical power engineer (elected by employees)
Joined the Board of Directors in 2009
Election period expires in 2013

Management Board

Leo Larsen
CEO

CEO of
- Sund & Bælt Holding A/S
- A/S Storebælt
- A/S Øresund
- A/S Femern Landanlæg

Member of the Board of Directors of
- HOFOR Vand Holding A/S (Chairman)
- HOFOR Holding A/S (Chairman)
- HOFOR A/S (Chairman)
- HOFOR Spildevand Holding A/S (Chairman)
- HOFOR Forsyning Holding P/S (Chairman)
- HOFOR Forsyning Komplementar A/S (Chairman)
- Sund & Bælt Partner A/S (Chairman)
- BroBizz A/S (Chairman)
- Fonden Tropebyen Slagelse

Chairman of the Congestion Commission.
Chairman of the Panel of Experts for labour requirements for major infrastructure investments.

Senior Executives

Technical Department
Technical Director Leif J. Vincentsen

Member of the Board of Directors of
- Sund & Bælt Partner A/S

Finance Department
CFO Mogens Hansen

Member of the Board of Directors ofi
- Sund & Bælt Partner A/S
- BroBizz A/S

Commercial Department
Commercial Director Tine Kirk Pedersen

Member of the Board of Directors of
- BroBizz A/S

Treasury Department
Treasury Director Kaj V. Holm
Vice-CEO and Treasury Director Øresundsbro Konsortiet

BroBizz A/S
CEO Helle Bech

Sund & Bælt Partner A/S
CEO Peter Lundhus

Key figures and financial ratios

NB: The financial ratios have been stated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2010". Please refer to definitions and concepts in note 1 Accounting Policies.

Sund & Bælt Holding A/S

Key figures, DKK million	2012	2011
Operating income	138	134
Operating expenses	-118	-116
Depreciation	-1	-1
EBIT	19	17
Net financials before value adjustment	-14	-15
Profit before value adjustment	4	2
Value adjustments, net	6	7
Profit before tax	11	9
Tax	-3	-2
Profit for the year	8	7
Capital investment	877	877
Equity	474	466
Balance sheet total	898	900

A/S Storebælt

Key figures, DKK million	2012	2011
Operating income	3,420	3,281
Operating expenses	-422	-398
Depreciation	-581	-624
EBIT	2,417	2,259
Net financials before value adjustment	-1,129	-1,193
Profit before value adjustment	1,288	1,066
Value adjustments, net	-543	-1,384
Profit/loss before tax	745	-318
Tax	-186	80
Profit/loss for the year	559	-238
Capital investment	28,844	29,376
Bond loans and bank loans	30,363	30,815
Net debt (fair value)	29,433	30,672
Interest-bearing net debt	25,963	27,564
Equity	-36	-596
Balance sheet total	34,950	34,333

Financial ratios, per cent:		
Profit ratio (EBIT)	70.7	68.9
Rate of return (EBIT)	6.9	6.7
Return on facilities (EBIT)	8.4	7.7

A/S Øresund

Key figures, DKK million	2012	2011
Operating income	105	103
Operating expenses	-25	-27
Depreciation	-86	-76
EBIT	-6	0
Net financials before value adjustment	-397	-396
Loss before value adjustment	-403	-396
Value adjustments, net	-225	-741
Loss from jointly managed company	39	-533
Loss before tax	-589	-1,670
Tax	147	417
Loss for the year	-442	-1,252
Capital investment	6,038	6,083
Bond loans and bank loans	13,261	12,393
Net debt (fair value)	13,144	12,558
Interest-bearing net debt	11,508	11,104
Equity	-6,924	-6,482
Balance sheet total	10,245	9,777

Financial ratios, per cent:		
Profit ratio (EBIT)	-5.7	0.4
Rate of return (EBIT)	-0.1	0.0
Return on facilities (EBIT)	-0.1	0.0

Sund & Bælt Partner A/S

Key figures, DKK 1,000	2012	2011
Operating income	3,400	5,520
Operating expenses	-3,520	-4,772
Depreciation	-39	-11
EBIT	-159	737
Net financials	226	629
Tax	-17	-341
Profit for the year	50	1,025
Capital investment	0	0
Equity	11,046	10,996
Balance sheet total	11,944	12,260

Key figures, per cent:		
Profit ratio (EBIT)	-4.7	13.4
Rate of return (EBIT)	-1.3	6.0

A/S Femern Landanlæg

Key figures, DKK 1,000	2012	2011
Income	0	0
Operating expenses	-101	-155
EBIT	-101	-155
Net financials	0	0
Tax	25	39
Loss for the year	-76	-116
Capital investment	147,065	89,178
Equity	509,735	509,811
Balance sheet total	749,877	650,264

Key figures, per cent:		
Profit ratio (EBIT)	0.0	0.0
Rate of return (EBIT)	0.0	0.0

Femern A/S

Key figures, DKK 1,000	2012	2011
Income	0	0
Operating expenses	-638	-542
EBIT	-638	-542
Net financials	0	0
Tax	163	163
Loss for the year	-475	-379
Capital investment	1,175,549	899,993
Equity	502,567	503,042
Balance sheet total	1,648,676	1,211,490

Key figures, per cent:		
Profit ratio (EBIT)	0.0	0.0
Rate of return (EBIT)	0.0	-0.1

BroBizz A/S

Key figures, DKK 1,000	2012	2011
Operating income	488	470
Operating expenses	-369	-480
Depreciation	-68	-68
EBIT	51	-78
Net financials	2	13
Tax	-13	16
Profit/loss for the year	40	-49
Capital investment	108	176
Equity	1,916	1,876
Balance sheet total	2,408	1,950

Key figures, per cent:		
Profit ratio (EBIT)	10.5	-16.6
Rate of return (EBIT)	2.1	-4.0

Financial glossary

Swaps
The exchange of payments between two counterparties – typically a company and a bank. A company may, for example, raise a fixed interest loan and subsequently enter a swap with the bank by which the company receives fixed interest corresponding to the interest on the loan and pays variable interest +/- a premium. The company's net obligation will be the payment of the variable interest +/- the premium. Such transactions are called swaps. In a currency swap, payments in two different currencies are exchanged. Interest rate and currency swaps may also be combined.

Denominated
... denominated in ... A bond can be issued (denominated) in EUR, but carry interest related to an amount in DKK.

Cap/floor structure
A cap is an agreement that allows a borrower to choose the maximum interest rate payable over a set period. A floor is the opposite of a cap. A floor restricts the interest rates from falling below a certain level. Accordingly, if a cap/floor has been entered into, the maximum and minimum interest to be paid has been fixed (interest can only fluctuate within a certain interval).

Collar structure
Another term for a cap/floor structure. A zero-cost collar, for example, is purchase of a cap financed by the sale of a floor. If the market rates increase, a cap has been set for the amount of interest to be paid. If, on the other hand, interest rates fall below the floor, this cannot be taken advantage of.

Cap hedge
Hedging of significant interest rate increases on the variable rate debt against payment of a premium. Is used as an alternative to entering a fixed rate for the entire loan period.

Interest-bearing net debt
The interest-bearing net debt is comprised of financial assets and liabilities measured at amortised cost, excluding interest due and receivable under accruals and deferred income.

Fair value
Fair value is the accounting term for market value and expresses current purchase and selling rates on financial assets and liabilities. Changes in the fair value can be primarily attributed to developments in the level of interest rate, exchange rates and inflation.

Fair value adjustment
An accounting principle in financial reporting requiring the value of assets/liabilities to be determined at their market value (fair value) - i.e. the value at which an asset could be sold or a liability settled in the market. In the period between the raising and repayment of loans the fair value will change as interest rates change.

AAA or AA rating
International credit rating agencies rate companies according to their creditworthiness. Companies are usually rated with a short and a long rating that expresses the company's ability to settle its liabilities in the short-term and the long-term respectively. The rating follows a scale, with AAA being the best rating, AA the second best rating etc. The Danish State, which guarantees the liabilities of the Storebælt and the Øresund fixed links, has the highest credit rating: AAA. The largest credit rating agencies are Moody's and Standard & Poor's.

Real rate
The nominal interest rate minus inflation.

Design: Bysted A/S

Photo: Evan Hemmingsen, Miklos Szabo, Andreas
Bastiansen, Scanpix et al.

Print: PrinfoHolbæk

ISSN 1604-3200

Sund & Bælt Holding A/S
Vester Søgade 10
DK-1601 Copenhagen V
Tel. +45 33 93 52 00
Fax +45 33 93 10 25
www.sundogbaelt.dk/uk
CVR-no. 15694688