Lauritzen Fonden

Tranegårdsvej 20, 2900 Hellerup

(CVR no. 1545 3613)

ANNUAL REPORT 2016

Approved on 27 April 2017 at
Lauritzen Fonden's Board meeting

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Chairman of the Board

Contents:

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lauritzen Fonden for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent foundation financial statements give a true and fair view of the Group's and the foundation's financial position at 31 December 2016 and of the results of the Group's and the foundation's operations and consolidated cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the foundation's operations and financial matters and the results of the Group's and the foundation's operations and financial position.

Copenhagen, 27 April 2017

Executive Board

Bent Østergaard CEO	Inge Grønvold Director

Board of Directors

Jens Ditlev Lauritzen Chairman	Michael Fiorini Vice Chairman	Bendt Bendtsen
Kigge Hvid	Betina Ipsen	Tommy Thomsen
Niels Ryslev	Erik Bierre	Jesper Jessing

Independent auditors' report

To the Board of Directors of Lauritzen Fonden

Opinion

We have audited the consolidated financial statements and the parent foundation financial statements of Lauritzen Fonden for the financial year 1 January – 31 December 2016, which comprise an income statement, statement of financial position, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the group and the parent foundation, as well as consolidated statement of cash flows. The consolidated financial statements and the parent foundation financial statements are prepared in accordance with the Danish Financial Statements Act. In our opinion, the consolidated financial statements and the parent foundation financial statements give a true and fair view of the financial position of the Group and the parent foundation at 31 December 2016 and of the results of the Group's and parent foundation's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent foundation financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent foundation financial statements

Management is responsible for the preparation of consolidated financial statements and parent foundation financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent foundation financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements and the parent foundation financial statements, Management is responsible for assessing the Group's and the parent foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent foundation financial statements unless Management either intends to liquidate the Group or the parent foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent foundation financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent foundation financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent foundation financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent foundation financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent foundation financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent foundation financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent foundation financial statements, including the note disclosures, and whether the consolidated financial statements and the parent foundation financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review. Our opinion on the consolidated financial statements and the parent foundation financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements and the parent foundation financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent foundation financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent foundation financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 April 2017

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Torben Bender State Authorised Public Accountant	Kim Nicolajsen State Authorised Public Accountant

Foundation details

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Website:	www.lauritzenfonden.com
E-mail:	lf@lauritzenfonden.com
CVR-no.:	15 45 36 13
Founded:	1945
Domicile:	Hellerup
Financial year:	1 January - 31 December
Board of Directors:	Jens Ditlev Lauritzen, (Chairman) Michael Fiorini, Director (Vice Chairman) Bendt Bendtsen, Member of the European Parliament and former Minister Kigge Hvid, CEO Betina Ipsen, Member of the Lauritzen Fonden Grant Committee Tommy Thomsen, CEO Niels Ryslev, Commercial Head, DFDS A/S *) Erik Bierre, Senior Vice President, J. Lauritzen A/S *) Jesper Jessing, Shipmaster, DFDS A/S *) *) Staff-elected board members
Grant Committee:	Jens Ditlev Lauritzen Betina Ipsen Inge Grønvold Kathrine Geisler Madsen Linda S. Riedel
Executive Board:	Bent Østergaard, CEO Inge Grønvold, Director

Board meeting will be held on 7 April 2017 and 27 April 2017

The Group at a glance

Lauritzen Fonden is an enterprise foundation and the parent foundation of J. Lauritzen A/S (100% owned), DFDS A/S (42,8% owned, including DFDS's treasury shares) and LF Investment ApS (100% owned).

The shipping companies J. Lauritzen A/S and DFDS A/S act as independent entities. Each of the companies has an independent two-tier management structure with a Board of Directors and an Executive Board that have the primary responsibility.

J. Lauritzen A/S has served the maritime trade worldwide for more than 130 years and has been engaged in a range of different segments of the shipping industry. Today, J. Lauritzen A/S is a global provider of marine transportation of dry bulk cargoes, petrochemicals and liquefied petroleum gases.

Dry cargo freight markets fell to historic lows in early 2016 and despite some recovery during the year, average annual dry bulk vessel earnings turned out to be the weakest since 1985. Further, repercussions from the severe market decline for large gas carriers were from Q2 onwards increasingly felt in the segments for smaller gas carriers.

In order to strengthen the balance sheet and improve the cash position, an agreement was reached in early 2016 with Lauritzen Fonden to inject new equity of USD 19.4 mill. and to transfer a number of non-strategic assets and liabilities, including the shareholding in Axis Offshore Pte. Ltd and Hafnia Tankers, to LF Investment ApS. The transactions provided J. Lauritzen with additional cash of USD 125 mill. during 2016.

During 2016, Lauritzen Bulkers and Lauritzen Kosan controlled a combined average fleet of 128 vessels compared to 136 vessels in 2015. At year-end 2016, J. Lauritzen owned 10 bulk carriers and 20 gas carriers versus 15 dry bulk carriers and 22 gas carriers at year-end 2015.

DFDS A/S was established in 1866. DFDS provides ferry shipping services and transport solutions in Europe. Over 8.000 freight customers rely on the ferry and port terminal services as well as flexible transport and logistics solutions. DFDS also provides safe overnight and short sea ferry services to seven million passengers, many travelling in their own car.

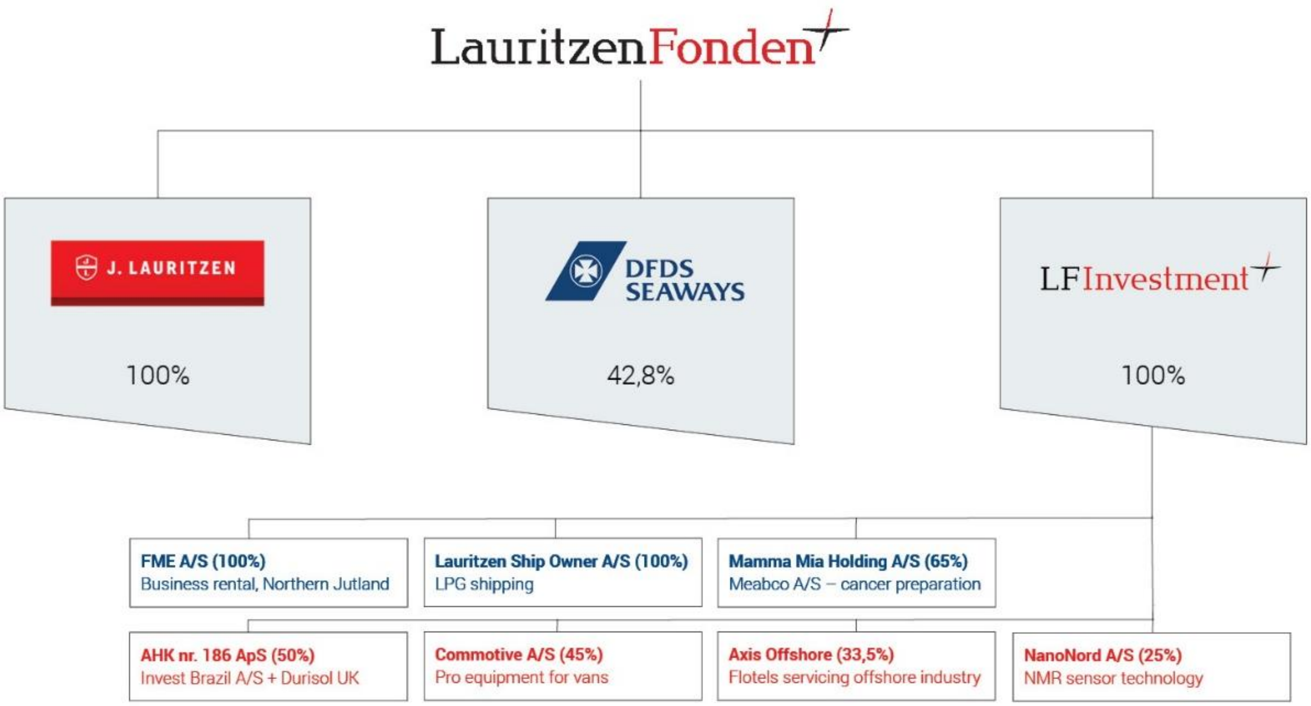
DFDS fulfilled its aim of raising performance further in 2016. Customer focus, efficiency and digital development are strategic priorities in a changing world. Increased EBITDA by 27% to DKK 2,588 mill, increased route network's earnings driven by Channel and Baltic Sea, increased share of contract logistics in Logistics Division, increased ROIC to 17,8% for the Group and increased distribution to shareholders are but a few of the main achievements by DFDS in 2016.

The route network carried 21% more freight volumes and 12% more passengers in 2016. The volume growth was boosted by a considerable expansion of ferry capacity in the Channel business unit during the year. Excluding Channel, the route network carried 6% more freight volumes and 1% more passengers in 2016.

During 2016, DFDS controlled a combined average fleet of 57 vessels compared to 54 vessels in 2015. At year-end 2016, DFDS owned 23 ro-ro ships, 18 ro-pax ships, 4 passenger ships and 12 container and side port ships versus 22 ro-ro ships, 16 ro-pax ships, 4 passenger ships and 12 container and side port ships at year-end 2015.

LF Investment ApS' main activity primarily consists of investments in minor venture companies. The portfolio consists of 3 subsidiaries and 4 associated companies. The portfolio of companies covers industries such as real estate, shipping, biotech and NMR sensor technology.

Overall group structure



Group Key Figures

(DKK million)	**2016**	**2015**	**2014**	**2013**	**2012**
Net turnover	**16.716**	**16.362**	**15.638**	**15.592**	**15.817**
Result before depreciations (EBITDA)	2.653	2.058	1.321	1.499	1.511
Profit on sale of vessels	49	128	179	-46	-552
Depreciations and write-downs	-1.376	-2.680	-1.682	-2.264	-2.254
Operating income	**1.325**	**-493**	**-182**	**-812**	**-1.295**
Share of result in joint ventures	-38	-218	-79	-69	-151
Financial items, net	-362	-352	-375	-471	-405
Result before tax	**926**	**-1.063**	**-635**	**-1.352**	**-1.851**
Income tax	-12	-37	-30	-17	-12
Result for the year	**913**	**-1.100**	**-665**	**-1.369**	**-1.863**
Non controlling interests share of result	-863	-516	-192	-170	-79
Profit/(Loss) for the year	**50**	**-1.616**	**-857**	**-1.539**	**-1.942**
Fixed assets	13.867	13.295	15.207	18.046	20.196
Total assets	18.985	19.812	20.713	23.414	26.437
Equity	5.813	5.958	7.106	7.589	9.077
Cash flow from ordinary activities	2.202	2.024	1.756	1.444	877
Investment in tangible assets	-2.182	-821	-1.214	1.233	826
Changes in cash position	-622	706	-142	-844	537
Number of employees	7.863	7.309	7.193	7.329	6.664
Profit margin, %	7,9	-3,0	-1,2	-5,2	-8,2
Rate of return, %	7,2	-2,8	-0,6	-2,4	-4,5
Return on equity, %	0,9	-24,7	-11,7	-18,5	-19,3
Solvency ratio, %	50,3	48,4	50,7	47,2	51,3

Key figures are prepared in accordance with Danish Finance Society, however, solvency ratio includes non-controlling interests.

Profit margin

$$\frac{\text{Operating income}}{\text{Net turnover}}$$

Rate of return

$$\frac{\text{Operating income + financial income}}{\text{Average of total balance}}$$

Solvency ratio

$$\frac{\text{Equity incl. non controlling interests}}{\text{Total assets}}$$

Return on equity

$$\frac{\text{Profit/(Loss) for the year}}{\text{Average share of equity excl. non controlling interests}}$$

Management's review

The total revenue of the Group amounted to DKK 16.716 mill. in 2016 compared to DKK 16.362 mill. in 2015, an increase of DKK 354 mill. Result before tax amounted to a profit of DKK 926 mill. compared to a loss of DKK 1.063 mill. in 2015.

During 2016 Lauritzen Fonden received dividend from DFDS amounting to DKK 151,8 mill. In connection with DFDS' share buy-back program, Lauritzen Fonden disposed of shares amounting to a total of DKK 359,4 mill. The owner shares DFDS buys are subsequently cancelled which leaves Lauritzen Fonden with a constant ownership percentage of 42,8%.

The net result for **J. Lauritzen A/S** for 2016 was a loss of DKK 300 mill. compared to a loss of DKK 2.120 mill. in 2015. The result for 2016 was in line with the most recent outlook included in the interim financial report for the third quarter of 2016. J. Lauritzen's result for 2016 was not satisfactory. The 2016 result included special items totaling DKK 227,5 mill. (USD 33,7 mill.) mainly related to use of provisions. Please refer to J. Lauritzen's web www.j-l.com for further information

For **DFDS A/S** profit before tax and special items amounted to DKK 1.587 mill. compared to DKK 1.079 mill. in 2015. Operating profit before depreciation (EBITDA) and special items increased by 27% to DKK 2.588 mill. The result was thus in line with the latest expectation of an EBITDA before special items of DKK 2.525 – 2.625 mill. Due to higher earnings in the Shipping Division, the EBITDA was higher than the EBITDA outlook of DKK 2.100-2.300 mill. included in the Q4 and Year-end Report for 2015 released in February 2016. Please refer to DFDS' web www.dfds.com for further information.

The net result for **LF Investment ApS** for 2016 amounted to a loss of DKK 274,4 mill. compared to a profit of DKK 49,7 mill. in 2015. The result is heavily impacted by losses and write-downs on non-strategic assets acquired from J. Lauritzen in the beginning of 2016. Significant losses were furthermore incurred when realizing the portfolio of LF Investments securities. The realizing of the portfolio was necessary in order to obtain sufficient funding for the above mentioned acquisition of non-strategic assets from J. Lauritzen. In 2016 Lauritzen Fonden injected new capital of DKK 575 mill. into LF Investment ApS.

After year-end events

The board of directors has committed to inject as new capital a total of USD 80 mill. (DKK 564 mill.) into J. Lauritzen A/S as part of a new financing agreement for the company, subject to satisfactory final documentation.

Lauritzen Fonden's mission

Ditlev Lauritzen, the founder of J. Lauritzen A/S, was an enterprising business man. Ahead of his time in the 1900s he focused on his employees' welfare and their work environment. He was also very engaged in the local community and aware of his social responsibility as a business owner.

Both the shipping company, J. Lauritzen, and Ditlev Lauritzen's sense of social commitment were passed on to his children Ivar, Knud and Anna. Together they founded Lauritzen Fonden in 1945.

Lauritzen Fonden is now the parent foundation of J. Lauritzen A/S, DFDS A/S and LF Investment ApS. As an enterprise foundation, tasks are divided into a commercial and a philanthropic focus; running the businesses and support both maritime, cultural and social initiatives. The Foundation supports the Lauritzen Group employees and their children through funding of their education and support of their cultural or social volunteer work. Lauritzen Fonden believes that by creating a strong and secure groundwork for the individual, both the Lauritzen Group companies and society will benefit. The complete Foundation charter can be found at www.lauritzenfonden.com.

Philanthropic vision

Lauritzen Fonden wants to enhance the wellbeing and security of children and young people in Denmark. We want to enable them to become a contributing and active part of society. The Foundation believes in those who believe in their cause – and those fiery souls that have a strong vision and commitment to their project. By working together with other strategic stakeholders, long-lasting and sustainable change have a better chance of prevailing.

Grant Strategy

The current grant strategy was approved in June 2016 by the Board of Directors. The reason for ratifying the grant strategy was to increase the impact of the distributed funds. By focusing the grant strategy, securing new knowledge within the social area and having a more proactive and risk-willing approach to donations impact is expected to increase. Lauritzen Fonden has a historical and special interest in Ribe/Esbjerg, Aalborg, Frederikshavn and Helsingør. These are cities where the Foundation has its roots and for several decades has been involved in industrial activities. As part of the new strategy these geographic focus areas are the starting point of our involvement with a main focus on Esbjerg to begin with. We want to work towards finding solutions on how to limit the negative consequences of growing up in poverty.

Lauritzen Fonden wants to:

- Secure and create new knowledge regarding the challenges and obstacles within the field
- Enter into new forms of collaboration and partnerships
- Anchor new methods to enhance the positive outcome and effect of initiatives

The target group are the children and youth from low-income households. We can detect that they suffer from a disadvantage when it comes to equal opportunities in life, they have a hard time finding their way through the educational system and thus lack connection to the job market in adulthood. Approximately 8% of children and youth in Denmark grow up in low-income households. Studies show that this group often:

- Doesn't thrive – both physically and mentally
- Rarely participates in leisure activities
- Feels lonely
- Does not perform well in primary school and 9th grade final school examination
- Rarely begins youth education
- Generally educates themselves less
- Has a lower income as adults
- Has a higher risk of unemployment
- Has a higher risk of receiving early retirement benefit

That these children often have a more difficult path through life not only affect the individual but also society as a whole. It can lead to more inactive adults not able to achieve the same possibilities of contributing to society. By focusing on the areas of *well-being* and *general education* we wish to support initiatives and projects that facilitate a way into education and employment for children and young people.

The grant strategy is implemented through donations and collaborations that enables a greater impact of the Foundation's funds.

Focus areas

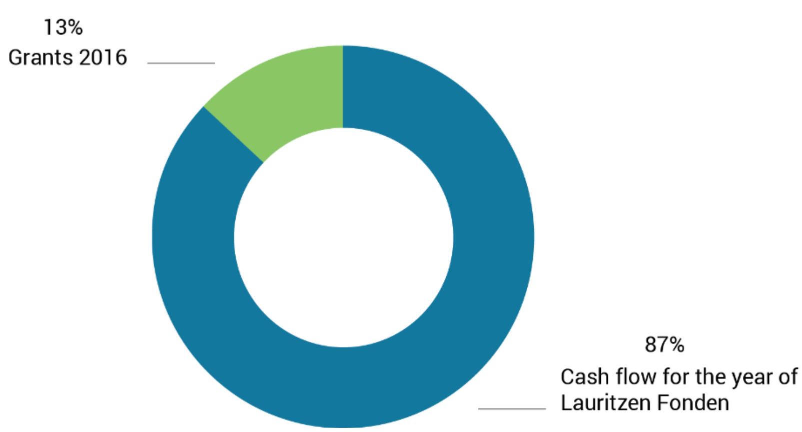
Well-being (trivsel): Express itself in children's joy for life, their curiosity and drive. Well-being is closely linked to children's ability to learn, grow and improve. In Lauritzen Fonden we want to enhance children's possibilities of well-being by supporting strategical efforts i.e. securing equal access to communities, play and movement.

General education (dannelse): Relates to the skills and attitude enabling children to become responsible and actively engage in communities. Research indicates that to achieve an active adult life you have to have social, cultural and educational capitals. Our focus on general education is visible through the initiatives we support that aims at securing life coping skills – meaning those social and cultural skills that go beyond the academic.

Allocation of funds

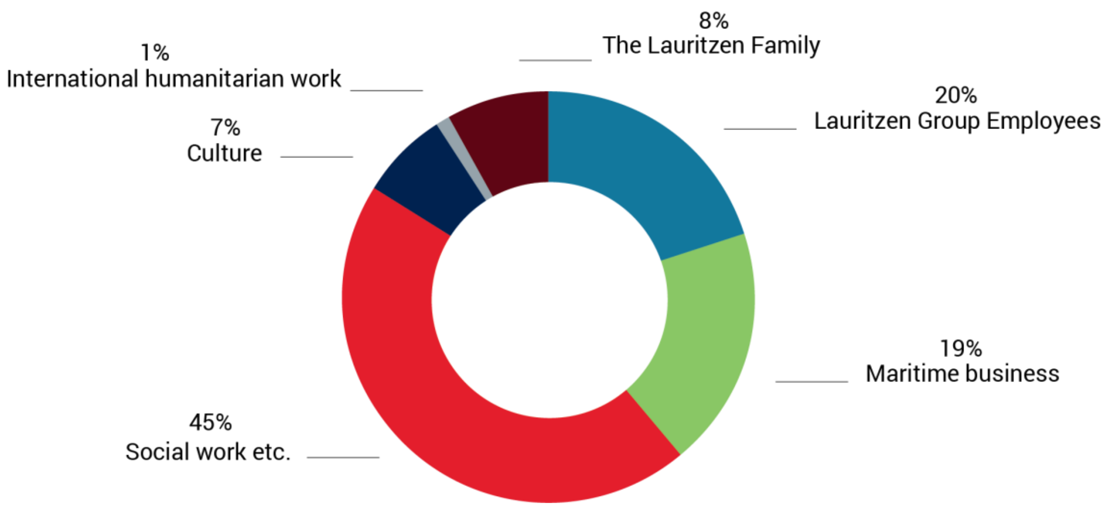
The cash flow generated in 2016 by Lauritzen Fonden amounted to DKK 155 mill. (2015: DKK 151,5 mill.). The amount consists of operating income minus depreciations plus dividend from DFDS A/S. With a grant distribution of DKK 19,6 mill. in 2016 (2015: DKK 20,4 mill.), Lauritzen Fonden has thus allocated 13% of the cash flow to meet the foundation charter.

Allocation of cash flow within Lauritzen Fonden:



All grant distributions 2016:

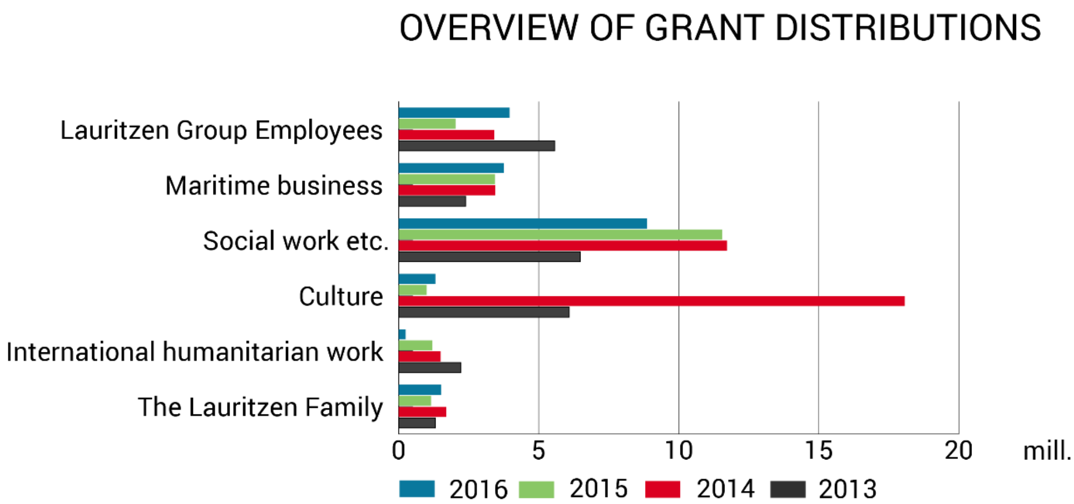
As shown in the figure below, 20% of the total grant amount in 2016 went to support the Lauritzen Groups employees, 19% to seafarers and maritime interests, 45% to social and humanitarian work in Denmark, 7% to cultural projects, 1% to international humanitarian projects and 8% to the Lauritzen Family.



Grants within the individual categories and in various sizes have been distributed to a wide range of activities carried out by organisations, associations and individuals actively contributing to better society, as volunteers. Here is a list of some of the major projects supported in 2016:

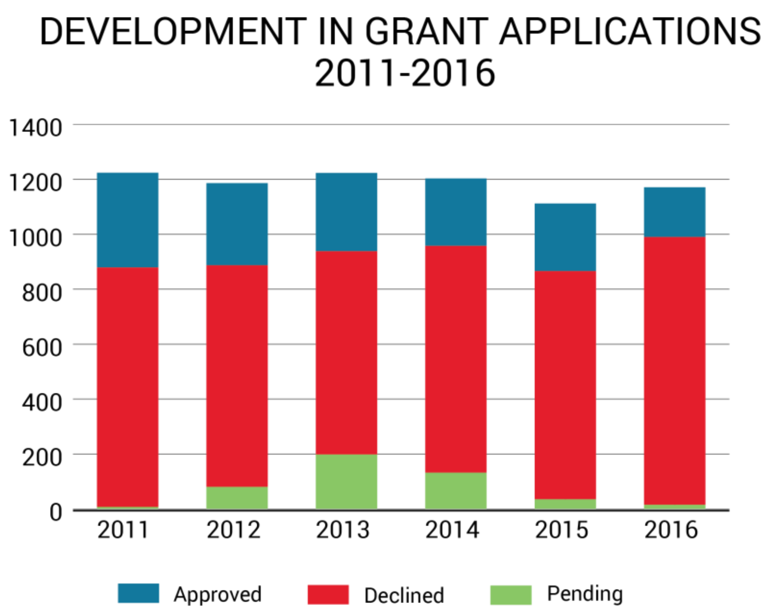
DKK 3.765.000*	Fulton-partnership	**Esbjerg:** Work-experience placement for young people and summer leisure trips for vulnerable children * The amount is to be regarded as an adjustable grant within certain limits.
DKK 1.500.000	M/S Museet for Søfart	**Helsingør:** Maritime area for movement and play for all ages
DKK 690.000	Aarhus University	Research work for Institute for public health reg. tools for health visitors.
DKK 515.000	Løkkefonden	**Esbjerg:** Teaching academy for boys (DrengeAkademiet).
DKK 513.660	DTU Mekanik	Establishing a combustion laboratory
DKK 500.000	Danish Maritime Days	International maritime conference
DKK 500.000	Dansk Folkehjælp	Financial counselling: a learning-game for young people
DKK 500.000	Den Gule Flyver	Schooling and treatment for vulnerable children and young people
DKK 500.000	Det Sociale Netværk: headspace	**Helsingør:** Counselling for children and young people

The total grant distribution in DKK is divided between these focus areas. Here is the track record for the last 4 years:



(NB: Culture 2014 deviates significantly due to project Legeskibet, 2015-2019)

Lauritzen Fonden received and processed an amount of applications on level with the last couple of years. Of the 1.171 applications (1.112 in 2015) 181 were approved for grants (246 in 2015) leading to a ”hit-rate” of 15,7%. 15 applications were still pending at year-end.



Project highlights 2016

Q3 2016 marked the first year of implementing the new strategy and thus working towards the overall strategic goal of achieving greater impact of the Foundation’s funds. The Foundation chose Esbjerg as the first geographic focus area.

Esbjerg at a glance

Esbjerg is the fifth biggest city in Denmark and the municipality (also including Ribe) has a total population of 115.000. Children and youth account for 23.000. In 2014 more than 12.700 families were categorized as low-income and approximately 9.700 of those were single providers. An analysis carried out by KORA (the Danish Institute for Local and Regional Government Research) shows that Esbjerg has a significant number of citizens with low income, lack of education and little or no affiliation with the job market, leaving Esbjerg with substantial social and economic challenges. At the same time Esbjerg has a strong business community with e.g. energy and shipping being some of the larger industries creating jobs.

Process of clarification in Esbjerg: breaking the circle of negative social heritage

Lauritzen Fonden initiated a dialogue with Esbjerg Kommune (municipality) and other important stakeholders such as the volunteers center, businesses, foundations and other parties from the public sector. The main reason for the dialogue was to establish a joint understanding of the challenges facing Esbjerg in regards to securing children and youth living in social, economic and cultural poverty. Lauritzen Fonden's vision is to work strategically towards enabling this group to become included and contributing members of society by completing an education at any level and/ or securing a job later in life thus being able to support themselves. A complex task that cannot be solved without involving more parties.

Østerbyen and the Urban P school

After a thorough dialogue with Esbjerg Kommune a specific part of Esbjerg, in which the school Urban P is located, was pinpointed as being especially challenged when it comes to breaking the negative cycle for children and young people from low-income families. Some numbers and statistics add to the picture:

- After graduating from Urban P only 64, 5% are in enrolled in youth education 15 months after they leave school. The average number for Esbjerg is 89,2% and the national number is 95%.
- More than 58% of the area's residents are unemployed.
- In Esbjerg the need for skilled labour force is eminent. 43% of business have failed in recruiting skilled labour in Esbjerg. The national number is 36%.

To sum up – a lot of children and youth in this area are at risk of growing up with no education after public school and as a consequence have little or no affiliation with the job market. That's not only a risk for Østerbyen, but a risk for Esbjerg as a community.

Testing new waters: Collective Impact

Lauritzen Fonden seeks to explore whether the framework Collective Impact (CI) could be a way of working with a complex problem towards creating sustainable change. The key elements of CI are:

- Common agenda: shared understanding of the problem and a joint approach to solving it
- Measurements: collecting data across all participants for alignment and accountability
- Mutually reinforcing activities: a plan of action that outlines and coordinates activities for all participants
- Communication: open and continuous communication is needed to build trust and create motivation
- Backbone organization: locally seated staff with skills to serve the entire initiative and coordinate various stakeholders

Whether or not we are dealing with a complex social problem is vital to the success of CI, so it's of utmost importance to clarify the problem from all sides before initiating a CI initiative. A task Lauritzen Fonden has prioritized a great amount of time and effort to carry out in 2016.

Examples of project-based initiatives in Esbjerg:
Lauritzen Fonden is already supporting strategic projects in Esbjerg. Here are a few examples of projects that received financial support for their work in Esbjerg in 2016:

Løkkefonden: an academy for boys fighting to improve their academic and social skills by attending a camp during summer focusing on both improving their grades and building their self-esteem. Lauritzen Fonden donated DKK 515.000 to help establish the camp in Esbjerg and implementing the academy's teaching methods broadly to other schools in Esbjerg.

Fulton: a 3-year-partnership between Fulton and the foundation securing both work-experience placements for youth and summer leisure trips for children from low-income households. A close dialogue with Esbjerg Kommune has been established regarding co-financing, allocation of spots and which schools or organizations to offer the option. An amount of DKK 3.765.000 has been allocated as an adjustable grant within certain limits.

Familiestøtten: a project that matches vulnerable families with well-resourced families so that clothes, games and toys can be inherited while at the same time securing a close relation between the families. That way a connection of trust and support in everyday life can be established benefitting the vulnerable families on more levels than just the materialistic. The Foundation gave a DKK 250.000 donation to set up Familiestøtten in four more cities in Denmark including Esbjerg.

National projects: update on project Legeskibet
- example of an ongoing partnership that includes maritime, cultural and social focus

Total amount granted = DKK 16.000.000 over a 5 year period. Lauritzen Fonden is sole financer of the project.

About the project
Legeskibet is a collaboration with Gerlev Sports Academy, home of the Gerlev Legepark (play park), which is a huge green area in the Southern part of Zealand where you can enjoy playing historic and new games – activities that are still very much a part of Danish cultural heritage. The mission of Legeskibet is to re-think the Danish culture of play and movement while creating new opportunities for movement in the Danish harbor areas. The project period runs until 2019 where a concluding report and conference is scheduled. In 2016, Legeskibet finished its second expedition out of four.

Current key points
2016 was a record-breaking year for Legeskibet. 24 cities visited, more than 41.000 people stopped by to play and engage in physical activities, an increase of 25% compared to the 33.000 people visiting in 2015.

Students from more than 96 schools divided over 243 school classes have received special training in the art of play. 293 teachers and childcare assistants have been inspired to use play and movement in their teaching to create a stronger feeling of community, well-being and creativity. 14 Visionssejladser (Visions sails) were carried out inviting key stakeholders from the cities to contribute to a joint vision for their cities' harbor areas and the possibilities creating more areas for movement. Legeskibet also visited Folkemødet in Allinge in June and hosted several talks and debates on the importance of play and joy of movement. Legeskibet were also present at the opening of Ofelia Beach and at the Cultural Summit on Mors.

What's next?

During the winter period, Legeskibet gathers reports for all the host cities with statistics, best-practice and key points from the maritime playbuildings. The sailing route for 2017 is fully booked and this season the ship will visit Esbjerg for the first time in august. The University of Southern Denmark is following the project closely. A log book is being kept during the entire project period in order to gather empirical evidence for a potential research project at the Center for Idræt, Sundhed og Civilsamfund. Lauritzen Fonden remains an active part of Legeskibets steering committee throughout the period. Legeskibet's focus on culture, movement and education supports the foundation's vision of securing the best preconditions for including all children and youth in meaningful communities.

Project dialogue, meetings and new knowledge

Prioritizing meetings and continued dialogue with our projects is important. An increasing number of our projects run over a longer time-period - often several years. It creates a more extensive relationship and a better understanding of the process to meet the projects on a regular basis. Thus approximately 2-3 in-house and project meetings a month has been held throughout the year. In addition, several trips to Esbjerg to attend meetings, network and project visits have been prioritized and the same for meetings with delegations from Esbjerg to Hellerup.

Network meetings with other foundations are very important for the continued growth and progress of Lauritzen Fonden. By collaborating on identifying societal challenges and problems together with think tanks, government organizations and NGO's, the foundations in Denmark have the ability to create long-term solutions to the complex issues society is facing. By collaborating and sharing knowledge, Lauritzen Fonden seeks to be an active part of that effort.

In September the secretariat of the Foundation participated in a 5-day Collective Impact Summit in Toronto, Canada. Focus was learning from practitioners and experts about the opportunities and pitfalls when implementing Collective Impact as a framework for social change. Securing intern capacity development is a cornerstone in the strategy and a prerequisite for working towards the vision of securing more impact for the foundation's donations.

Kathrine Geisler   Kamilla Søgaard   Inge Grønvold

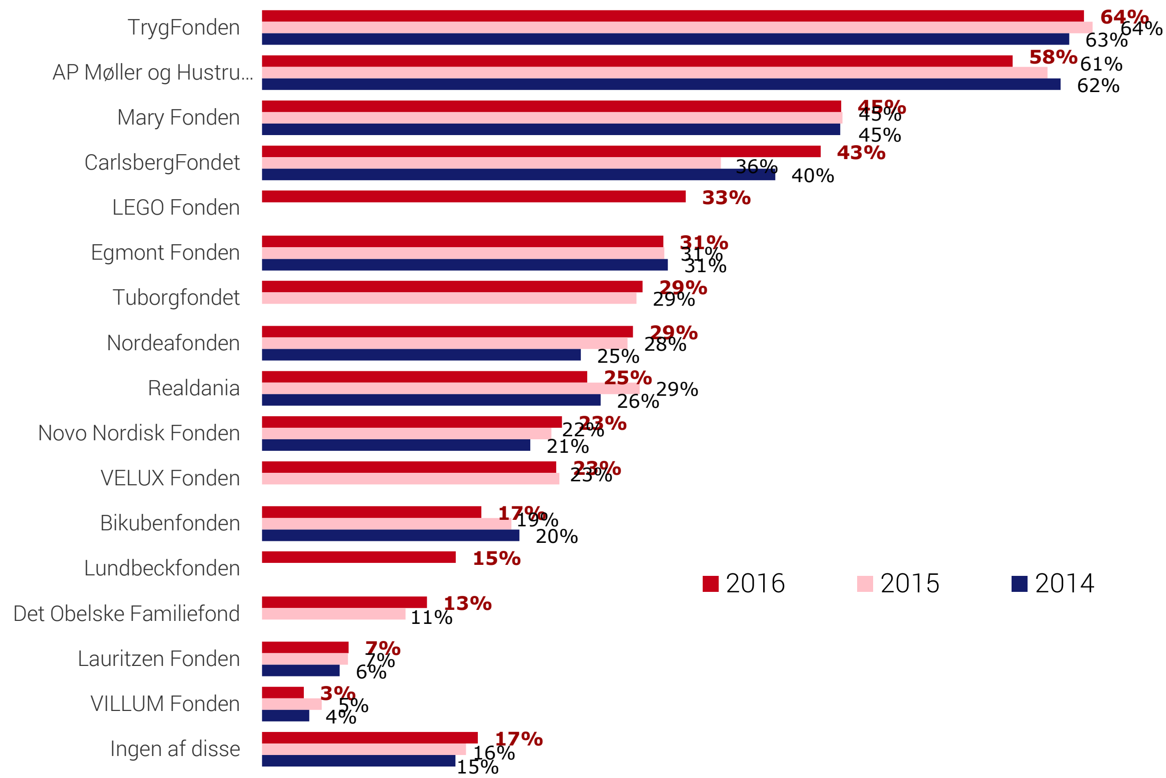
Communication

The focus on communication in 2016 has been aimed at finding a tone of voice that fit the strategy. The website is the main platform for external communication and is being maintained and updated by the Communications Officer with support from an external webmaster. While 2016 was a transition year, communication efforts were selected based on the project's compatibility to culture (incl. maritime culture), education and social work and their content possibilities. If they were based in one of the strategically chosen areas, i.e. Helsingør or Esbjerg, they were communicated more actively.

The Foundation's Facebook-page is still a solid platform for external communication. With more than 2.200 followers and an increase in post shares and organic reach it has proven to become a valuable tool for reaching stakeholders with news regarding the Foundation's work and projects with no additional marketing costs.

In June 2016, Lauritzen Fonden once again participated in an analysis focusing on the public knowledge of the Foundation and our focus areas. Eleven other foundations participated the survey this year. The survey was once again carried out by TNS Gallup. The results were slightly more positive this time, with a rise of 1%-point for Lauritzen Fonden, but with plenty of room for improvement. Lauritzen Fonden will continue to participate in the survey even though our focus will be to strengthen the local PR and communication efforts. But we participate to keep track of the development and our brand recognition in the general public as we expect a long term strategic focus will improve the numbers eventually.

Public knowledge about major foundations in Denmark:



Note – question asked: *"Which of these foundations do you know or have you heard about? Please state your knowledge about the foundation and not the company that may have name similarity with the foundation"*

The Lauritzen Award

Each year Lauritzen Fonden distributes awards as a recognition of an exceptional performance by a Danish artist in the theatrical profession either on stage, in TV or on film. In 2016 the award went to Solbjørg Højfeldt and Jesper Christensen each receiving DKK 250.000.

- The Honour Award DKK 100.000 went to Preben Harris
- The Vision Award DKK 100.000 went to Teatergrad
- The Backstage Award DKK 50.000 went to (post mortem) Peter Asmussen
- The Wauw Award DKK 30.000 went to Frederik Cilius
- 2 x Believe-in-you Awards each DKK 20.000 went to Esben Smed and Natalie Madueno

Jesper Christensen, Natalie Madueno, Solbjørg Højfeldt and Esben Smed

The award show changed venue in 2016 and had 600 people attending at Folketeatret in Nørregade. The showcasing of three social and humanitarian projects is now a regular element in the show. After the show, guests were given the chance to meet and greet the projects in the foyer, which once again was a great success and an excellent way of establishing new connections.

The three projects were Legeskibet, Familiestøtten and Forælderfonden. As an extra recognition of the projects tireless work each of them was given 10.000 DKK to do something special and fun for their volunteers. The picture show volunteers from Familiestøtten and the founder Sanna Rasmussen in the middle.

Real estate

Herlevgårdsvej

26 out of the 30 student apartments are renovated after agreed standard. By the end of 2016, 24 of the 30 apartments were rented out to children, relatives and the staff of the Lauritzen Group. The property is operational with an occupancy of 100%. The idea behind the student apartments is to supplement the existing employee benefits in the Lauritzen Group.

Klithuset

In 2016 the occupancy rate at Klithuset in Dronningmølle has declined. Occupancy rates during weekdays, meetings and conferences were at 40%. Weekends in 2016 were at 72% versus 83% in 2015. Due to rental decline restrictions for renting Klithuset have been made less limiting for employees. Operating Klithuset is done with eye for details and an object to keep the house desirable for parties, social activities and conferences without striving for high-end luxury.

Other
All three summer houses and the two building sites were sold in 2016. The Foundation owns a villa on Onsgårdsvej in Hellerup.

Foundation Governance
Lauritzen Fonden wish to demonstrate best practice and an overall transparency in its work. The aim is to be known for supporting social and innovative projects contributing to build a better society for all.

Our current statutory report on Foundation Governance is available at http://www.lauritzenfonden.com/da/csr.asp Here you are also able to find the previous year's reports.

Gender diversity
The Foundation's charter elected board consists of two women and four men. Please see the section regarding the Board of Directors in this report for information regarding their qualifications and competences.

The Board consists of nine persons; six elected in accordance with Lauritzen Fonden's charter (two women and four men) and three employee elected.

Executive management consists of two persons; one woman and one man.

Gender equality in both executive management and board of directors is in accordance with the Danish Business Authority regulations and the Foundation is thus in compliance.

CSR
At Lauritzen Fonden, our charter is the cornerstone in everything we do. It builds on the fundamental idea of creating a better world, not only for shipping and the Lauritzen Group employees, but also for the local community and society as a whole.

For us, social responsibility is when we support the Group's employees and their families in terms of grants to e.g. education, their voluntary work, special support in connection with illness. Supporting the Group employees is also a way for us to support the local community and civil society.

An important part of our charter commitment is to support social and humanitarian work. We have a thorough process selecting suitable projects, and we assess the potential impact of the projects we support linking them to larger issues in society. For example, by ensuring education to all, access to culture and leisure activities and being part of healthy communities. Lauritzen Fonden has no distinct policies on CSR.

Being an enterprise foundation, our largest CSR footprint is placed with our two large subsidiaries J. Lauritzen A/S and DFDS A/S. Both companies have signed up for the UN's Global Compact, and are thus committed to integrate the UN's ten principles on responsible business conduct into their business strategy and operations. As the Global Compact builds on universal accepted and declared conventions on human and labour rights, protection of the environment and anti-corruption, we see their commitments as a sustainable way to ensure global compliance. As a foundation, we also see grants and support to our companies social and humanitarian projects, as a way of supporting their CSR ambitions and community engagement.

Isolated, Lauritzen Fonden does not have a distinct climate or environmental policy.

For more information on J. Lauritzen A/S' and DFDS A/S' CSR-strategies, policies, programs and reporting, please refer to http://www.j-l.com/about/corporate-responsibility and http://www.dfdsgroup.com/about/responsibility/ for more details.

Visit www.lauritzenfonden.com/da/csr for more information on our CSR approach.

Distribution fund
It has been decided to allocate DKK 35 mill. for the coming 12 months' fund distributions.

Risks
Risks imposed on the Foundation are solely risk deriving from subsidiaries. Please refer to the Annual Accounts for a detailed description of the risks. Please refer to www.j-l.com and www.dfdsgroup.com for more details on the companies' risk management.

Outlook for 2017
The European growth outlook is supportive for DFDS' infrastructure of ferry routes and logistics operations. The current moderate economic growth is expected to continue in DFDS' key market areas in northern Europe in 2017, albeit at different levels. The expected EBITDA for DFDS before special items for 2017 amounts to DKK 2.600–2.800 mill.

For J Lauritzen the outlook for economic growth in key economic regions is forecast by leading international economic organisations to improve in 2017 and beyond. However, recent developments in global politics indicate that a less benevolent climate for international trade might evolve in the coming years. In essence, growth in seaborne trade is anticipated to be negatively affected in the short to medium term by growing anti-globalisation and protectionist measures. For J. Lauritzen, an EBITDA of DKK -270–0 mill. is expected for 2017.

For the Group as a whole, the result for 2017 is subject to a high degree of uncertainty related mainly to the development in the dry bulk segment and hence to the global economy in general.

Directorships of the Board of Directors and Executive Board as of 27 April 2017

Board of Directors:

Jens Ditlev Lauritzen
Chairman

Date of birth: June 13, 1956
Date of board entry: March 3 1997, elected chairman April 20, 2009.

Chairman of the Board of:
Rederklubben
Klampenborg Galopselskab A/S

Member of the Board of:
Dansk Galop
FødevareBanken

Qualifications:
Management skills within shipping and strategy. Management in general and board members' management. Experience within social and humanitarian work, and work within various associations.

Dependent/ independent:
Jens Ditlev Lauritzen has been a member of the board for more than 12 years and cannot be considered independent.

Annual fee: DKK 600.000

Michael Fiorini
Vice Chairman
Director B2 Invest ApS
Date of birth: January 11, 1948
Date of board entry: April 9, 2003.

Chairman of the Board of:
Investering & Tryghed A/S

Easypark Holding AS, Norway

Member of the Board of:
Danmark-Amerika Fondet

Qualifications:
Senior general management experience in business areas such as shipping, logistics and finance and competences in strategy development, financial management and control, asset management, investments, in financing and growing small businesses, and in corporate governance at the Board level.

Dependent/ independent: Michael Fiorini has been a member of the board for more than 12 years and cannot be considered independent.
Annual fee: DKK 400.000

Bendt Bendtsen
Member of the European Parliament and former Minister of Economic and Business Affairs

Date of birth: March 25, 1954
Date of board entry: January 1, 2009

President for SME Europe

Qualifications:
Management skills within national and international politics, strategy development and extensive knowledge of shipping and small and medium sized companies. Experience within social and humanitarian challenges.

Dependent/ independent: Independent

Annual fee: DKK 250.000

Kigge Hvid
CEO INDEX: Design to Improve Life

Date of birth: July 30, 1961
Date of board entry: December 1, 2010

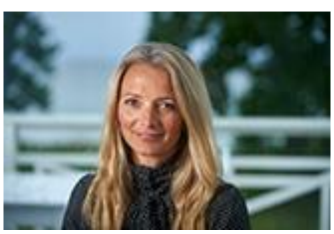
Chairman of the International Advisory Board of:
Hong Kong Jockey Club, Design Institute for Social Innovation, Hong Kong

Member of the Board of:
Beyond Risør
Det Sociale Netværk

Qualifications:
International board, management and consultancy experience also in particular with public limited companies. Special competencies within social issues and global challenges, culture, humanitarian work, education, innovation, new businesses models and communication.

Dependent/ independent: INDEX has only received one grant distribution during the last five years (in 2012) thus Kigge Hvid is regarded as independent.

Annual fee: DKK 250.000



Betina Ipsen
Member of the Committee of Scouts
Member of the Lauritzen Fonden Grant Committee
Member of the steering committee of DBU's development fund

Date of birth: November 22, 1965
Date of board entry: March 22, 2012

Qualifications:
Special skills within social- and humanitarian management, sparring and foundation administration.

Dependent/ independent: Since Betina Ipsen is the grandchild of one of Lauritzen Fonden's founders, she cannot be considered independent.

Annual fee: DKK 250.000

Tommy Thomsen
CEO, IFU (Investment fund for developing countries)

Date of birth: September 27, 1957
Date of board entry: April 10, 2016

Chairman of the Board of:
The Danish Maritime Fund

Member of the board of:
PSA International Pte Ltd. Singapore
Advisory Board in Canal de Panama
Falck Medical Services Africa
Chemical Transportation Group
Danish Shipowner's Club

Qualifications:
Management skills within shipping, infrastructure and logistics, strategy development, economic and financial control, asset management, investment and construction of international businesses. Experience with investment and collaboration with companies and financial institutions in developing countries.

Dependent/ independent:
Independent.

Annual fee: DKK 250.000

Niels Ryslev*
Position: Commercial Head, DFDS A/S

Date of birth: March 23, 1959
Date of board entry: April 1, 2014
Expiration of election period: March 31, 2018

Qualifications:
Management and retail, tourism, passenger freight.

Annual fee: DKK 250.000

Erik Bierre*
Position: Senior Vice President J. Lauritzen A/S

Date of birth: June 3, 1962
Date of board entry: May 4, 2010
Expiration of election period: March 31, 2018

Qualifications:
Broad management and industry knowledge from larger companies operating worldwide. Strategic, managerial and hands-on competencies from all aspects of finance, accounting, tax and IT.

Annual fee: DKK 250.000

Jesper Jessing*
Position: Shipmaster, DFDS A/S

Date of birth: January 13, 1963
Date of board entry: April 1, 2014
Expiration of election period: March 31, 2018

Qualifications: Managerial nautical experience with passenger and freight ships in national and international waters. Chief accountant and budget responsible for operations and maintenance.

Annual fee: DKK 250.000

(* Staff elected)

Executive Board:

Bent Østergaard
CEO

Date of birth: October 5, 1944

Chairman of the Board of:
DFDS A/S
Frederikshavn Maritime Erhvervspark A/S
NanoNord A/S
Cantion A/S
Meabco Holding A/S and Meabco A/S
Lauritzen Ship Owner A/S

Member of the Board of:
Mama Mia Holding A/S
With Fonden

Durisol UK
Desmi A/S
Commotive A/S

Qualifications:
International management experience, board experience from international and public limited companies. Expertise within shipping and financing.

Salary, bonus and benefits	DKK	8.681.404
Director's fees	DKK	891.666


Inge Grønvold
Director

Date of birth: August 13, 1955

Member of the Board of Commotive A/S
Deputy chairman of the board of Lauritzen Ship Owner A/S

Qualifications:
Philanthropy work within the social and humanitarian area, education and culture. Management and HR in international businesses, foundations and real estate administrations.

Salary, pension and benefits:	DKK	1.377.600

Income Statement 1 January – 31 December 2016

DKK '000

Parent 2015	Parent 2016	Note		Group 2016	Group 2015
			Revenue		
		2	Net turnover	16.715.887	16.361.583
2.468	2.415		Other income	76.825	179.784
2.468	**2.415**		**Total**	**16.792.712**	**16.541.367**
			Costs		
			Vessels running costs	-8.367.739	-8.807.019
-8.255	-7.844	3	Other external costs	-2.770.447	-2.749.651
-6.308	-6.857	4	Staff costs	-3.001.733	-2.926.317
-14.565	**-14.702**		**Total**	**-14.139.920**	**-14.482.988**
-12.095	-12.286		RESULT BEFORE DEPRECIATIONS	2.652.792	2.058.380
	4.670		Profit on sale of tangible fixed assets	49.063	128.121
-1.362	-1.347	5	Depreciations and write-downs	-1.376.392	-2.679.931
-13.458	-8.964		OPERATING INCOME	1.325.463	-493.431
-1.622.245	48.608	6	Share of result in subsidiaries		
-	-	7	Share of result in associates and joint ventures	-38.004	-217.773
			Financial items		
19.559	16.627	8	Financial income	110.858	139.751
0	-5.935	9	Financial expenses	-472.464	-491.681
19.559	**10.692**		**Total**	**-361.606**	**-351.929**
-1.616.144	50.336		RESULT BEFORE TAX	925.853	-1.063.133
-	-	10	Income tax	-12.498	-36.540
-1.616.144	50.336		RESULT FOR THE YEAR	913.355	-1.099.673
		11	Non controling interests share of result	-863.019	-516.471
-1.616.144	**50.336**	12	**PROFIT/(LOSS) FOR THE YEAR**	**50.336**	**-1.616.144**
			Proposed allocation of the result for the year:		
20.361	19.649		Approved grants		
15.361	24.649		Distribution fund		
-1.651.866	6.038		Retained earnings		
-1.616.144	50.336				

Statement of financial position 31 December 2016

DKK '000

Parent 2015	Parent 2016	Note		Group 2016	Group 2015
			ASSETS		
		13	FIXED ASSETS		
			Intangible assets		
			Goodwill	366.475	375.093
			Other intangible assets	270.247	233.348
			Total	**636.722**	**608.441**
			Tangible assets		
36.825	33.186		Land, building, terminals and yard facilities	870.517	806.168
			Vessels	10.985.161	10.130.818
644	622		Machinery, tools and equipment	533.568	478.973
			Financial leased machinery, tools and equipment	26.814	38.324
			Assets under construction and prepayments	136.679	322.591
37.469	**33.808**		**Total**	**12.552.738**	**11.776.874**
			Financial fixed assets		
5.385.314	5.450.634	6+13	Investment in subsidiaries		
-		7+13	Investments in associates and joint ventures	581.001	651.702
-	-	13	Other securities	10.548	18.546
-	-	13	Other receivables	86.225	239.700
5.385.314	**5.450.634**		**Total**	**677.774**	**909.948**
5.422.783	5.484.442		TOTAL FIXED ASSETS	13.867.234	13.295.262
			NON-FIXED ASSETS		
			Stocks		
		14	Bunkers and goods for sale	232.240	161.485
			Total	**232.240**	**161.485**
			Receivables		
			Trade receivables	1.676.902	1.668.531
-	-		Receivables from joint ventures	52.210	55.094
6.812	5.323		Other receivables	392.002	623.820
		10	Deferred tax asset	120.743	127.161
-	-		Prepayments	128.381	140.685
6.812	**5.323**		**Total**	**2.370.238**	**2.615.291**
357.069	**214.795**	17	**Securities**	**542.009**	**1.145.077**
205.114	**139.084**	17	**Cash**	**1.972.842**	**2.595.033**
568.995	359.202		TOTAL CURRENT ASSETS	5.117.330	6.516.886
5.991.779	**5.843.644**		**TOTAL ASSETS**	**18.984.564**	**19.812.148**

Statement of financial position 31 December 2016

DKK '000

Parent 2015	Parent 2016	Note		Group 2016	Group 2015
			EQUITY AND LIABILITIES		
			EQUITY		
250.000	250.000		Contributed capital	250.000	250.000
5.708.114	5.563.190		Other reserves	5.563.190	5.708.114
5.958.114	**5.813.190**		**Equity**	**5.813.190**	**5.958.114**
		11	Non controlling interest	3.740.810	3.625.532
			PROVISIONS		
-	-	10	Deferred tax	192.865	158.104
-	-	15	Other provisions	525.123	865.975
-	-		TOTAL PROVISIONS	717.988	1.024.079
			Liabilities other than provisions		
		16	**Non-current liabilities other than provisions**		
			Mortgage debt, real properties	47.179	30.351
			Mortgage debt, vessels	2.294.304	2.510.026
			Debt, financial leasing	2.074	124.660
			Other debt	1.566.380	1.704.155
-	-		**Total**	**3.909.937**	**4.369.192**
			Current liabilities, other than pensions		
-	-	16	Short-term portion of long-term debt	1.507.512	1.412.808
-	-		Credit institutions	0	2.090
			Trade payables	1.818.389	1.625.024
-	-		Debt to subsidiaries		
-	-		Corporate tax	15.853	31.980
617	754		Other payables	1.292.310	1.612.181
-	-		Prepayments	138.874	118.100
33.047	29.701		Approved not yet paid grants	29.701	33.047
33.664	**30.455**		**Total**	**4.802.639**	**4.835.230**
33.664	30.455		TOTAL DEBT	9.430.564	10.228.502
5.991.779	**5.843.644**		**EQUITY AND TOTAL LIABILITIES**	**18.984.564**	**19.812.148**

Accounting policies
13 Booked value of mortgages assets
18 Other mortgages and deposists
19 Contingent liabilities
20 Contractual commitments
25 Related parties
26 Events after the balance sheet day

Statement of changes in Equity

Group

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2016	250.000	5.678.114	30.000	5.958.114
Currency adjustment of equity and result in foreign currencies		42.839		42.839
Share of other equity movements		-94.596		-94.596
Value adjustment of hedging instruments		-108.859		-108.859
Change in non controlling interests		-14.995		-14.995
As per proposed allocation of the result for the year		50.336		50.336
Approved grants			-19.649	-19.649
Transferred as per proposed allocation		-24.649	24.649	0
Balance at 31/12 2016	250.000	5.528.190	35.000	5.813.190

Parent

	Contributed capital	Other reserves	Distribution fund	Total
Balance at 1/1 2016	250.000	5.678.114	30.000	5.958.114
Currency adjustment of equity and result in foreign currencies				
Share of other equity movements		-175.611		-175.611
As per proposed allocation of the result for the year		50.336		50.336
Approved grants			-19.649	-19.649
Transferred as per proposed allocation		-24.649	24.649	0
Balance at 31/12 2016	250.000	5.528.190	35.000	5.813.190

Cash Flow statement

DKK '000	Note		2016	2015
		Operating income	1.325.463	-493.431
		Depreciations and write-downs carried back	1.376.392	2.679.931
	21	Adjustments	233.200	-100.281
	22	Change in working capital	-278.705	287.855
		Cash flow from operations before financial items	2.656.351	2.374.074
		Ingoing financial payments	136.230	104.817
		Outgoing financial payments	-561.382	-401.646
		Cash flow from operating operations	2.231.198	2.077.245
		Paid corporate tax	-5.741	-23.040
		Paid grants	-22.995	-30.190
		Cash flow from ordinary activities	**2.202.463**	**2.024.015**
		Investment in intangible fixed assets	-52.358	-59.070
		Investment in tangible fixed assets	-2.181.873	-821.473
		Investment in financial fixed assets	-41.894	-230.505
	23	Investments in subsidiaries/activities	-97.315	-7.132
		Investment in securities	-603.069	-224.671
		Dividend received from joint ventures	14.049	75.396
		Sale of tangible fixed assets	1.472.941	895.891
		Sale of financial fixed assets	709.380	1.717
		Cash flow from investment activities	**-780.139**	**-369.846**
		Installment on long-term debt	-2.089.584	-2.269.589
		Proceeds from long-term debt	779.363	1.635.738
		Paid dividend to non-controlling interest in DFDS	-197.198	-181.795
		Acquisition of treasury shares in DFDS	-554.706	-166.698
		Goverment grants related to purchase of assets	19.700	35.432
		Change in operating credits	-2.090	-1.358
		Cash flow from financing activities	**-2.044.515**	**-948.270**
		Changes for the year in cash position	-622.191	705.899
		Cash begining of year	2.595.033	1.889.134
	17	**Cash end of year**	**1.972.842**	**2.595.033**

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements

Notes

1 Accounting policies

The annual report of Lauritzen Fonden for 2016 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Effective 1 January 2016, the Foundation has adopted act. No. 738 of 1 June 2015, which has not had an impact on the income statement or the statement of financial position for 2016 or the comparative figures.

Apart from changes to presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent foundation, Lauritzen Fonden, and subsidiaries in which the Group directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls, including J. Lauritzen A/S and DFDS A/S.
Enterprises, which are not subsidiaries, over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50% or by, according to agreement, jointly controlling the enterprise together with one or more other companies (joint venture).

The consolidated financial statements are prepared as a consolidation of the audited financial statements of the Parent Foundation and the individual subsidiaries prepared in accordance with the Danish Financial Statements Act.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' net asset value at the acquisition date.

Newly acquired or newly established companies are recognized in the consolidated financial statements from the acquisition date, whereas divested or discontinued companies are included until the date of disposal; but see description below regarding consolidation of divested business areas. Comparative figures are not restated for companies acquired by purchase or merger or for divested companies.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquired enterprises are measured at fair value at the acquisition date. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise.

Goodwill from acquired enterprises may be adjusted until the end of the year following the acquisition year if recognition and measurement of the acquired enterprises' net assets change.

Gains or losses on disposal or liquidation of subsidiaries and associates/joint ventures are stated as the difference between the sales amount or liquidating price and the carrying amount of net assets at the date of disposal plus non-amortized goodwill and anticipated disposal or liquidation costs.

Non-controlling interests

In the consolidated financial statements, the subsidiaries' financial statement items are recognized in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognized separately in the income statement and balance sheet.

In connection with the purchase and sale of non-controlling interests, the difference between the purchase and selling price, respectively, and the total carrying amount attributable to the purchased or sold non-controlling interests, respectively, are calculated. This amount is transferred from the share of equity attributable to non-controlling interests and the share of equity attributable to Lauritzen Fonden.

Foreign currency translation
Transactions denominated in foreign currencies are translated on an ongoing basis at the exchange rates at the transaction date.

Receivables and payables denominated in foreign currencies are translated at the exchange rates at the transaction date.

Gains and losses arising between the exchange rates at the transaction date and the settlement date are recognized in the income statement under financial income or expenses.

On recognition of foreign subsidiaries and associates/joint ventures and Danish companies that are separate entities reporting in currencies other than DKK, the income statement is translated at the exchange rate at the transaction date (average rate), and the balance sheet is translated at the exchange rates at the balance sheet date. Exchange rate differences arisen when translating foreign subsidiaries' equity at the beginning of the year using the exchange rate at the balance sheet date and when translating income statements from the exchange rate at the transaction date (average exchange rate) to the exchange rate at the balance sheet date are recognized directly in equity.

Exchange rate adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary are recognized directly in equity. Exchange rate adjustments on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognized directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent write-down of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are recognized at the historical exchange rates applying to the non-monetary item.

Long-term foreign currency loans are recognized at the exchange rate at the balance sheet date. For loans in foreign currencies taken out ensure the Group's future foreign exchange earnings, the exchange rate adjustment which derives from long-term foreign currency loans by changing historical rates into closing rates, is recognized directly in equity. The item is reduced and is included in the income statement as installments are paid.

Income statement

Revenue
Revenue from passenger services and regular services is recognized in the income statement at the date of delivery to the customer, which is also the date of the transfer of risk.
For shipping in general, a proportionate share of the expected income of ship in progress at year end is included, and a proportionate share of the projected costs is included in costs.

The profit/loss for vessels operating in partnerships where underemployment risk and profit are shared is recognized in revenue on a net dividend basis.

Revenue is measured exclusive of VAT, excise duties and discounts offered in connection with the sale.

Costs
At the date when passenger services and regular services are recognized as revenue, attributable costs are expensed.

Vessels running costs
Vessels running costs include fuel consumption, maintenance and repairs, crew staff costs, insurance of hulls and machinery, consumption of lubricants and supplies, etc.
Furthermore, cost of sales related to catering and services on bareboat and time charter agreements relating to operations as well as port costs, agent expenses and other travel-related costs are also included.

Staff costs
Staff costs include salaries and wages, pension and social security costs relating to the Group's employees. It also includes costs related to employees who have retired from the Group.

Other external costs
Other external costs include sales costs and administrative expenses include land-based activities, including leases, rent and maintenance of equipment. Furthermore, sales costs, marketing costs and administrative expenses are included.

Financial income and expenses
Financial income and expenses include interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, calculated interest expenses in respect of lease liabilities and amortization of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

Profit/loss in subsidiaries and joint ventures
The Parent foundation's income statement includes the proportionate share of the individual subsidiaries' profit/loss after tax after elimination of intra-group profits/losses and amortization of goodwill.

In both the Parent foundation's and the consolidated income statement, the proportionate share of joint ventures' profit/loss after tax after elimination of the proportionate share of profits/losses and amortization of goodwill is included.

Tax on profit/loss
Tax for the year comprises income tax, tonnage tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to income and expenses recognized in equity is recognized directly in equity. The Group is subject to the Danish rules on compulsory joint taxation. LF Investment ApS is the administrative foundation of Danish subsidiaries with a ownership interest exceeding 50%. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements until the date at which they are excluded from consolidation.

Balance sheet
Intangible assets

Goodwill

Goodwill is amortized over the estimated useful life, not exceeding 20 years, and the longest period is when the investment is of strategic importance due to long-term earnings potential of the investment.

The net asset value of goodwill is assessed regularly and is written down to the recoverable amount over the income statement if the carrying amount exceeds the expected future net income from the business or activity to which the goodwill relates.

Development projects
Development projects are recognized as intangible assets when the following conditions are met:

- The projects are clearly defined and identifiable
- The projects are expected to be used within the Group
- Future earnings are expected to cover development costs and administrative expenses
- The cost can be reliably determined.

Development projects that do not meet the above criteria are recognized as expenses in the income statement.

Capitalized development costs are recognized at the lower of cost less accumulated amortization or recoverable amount. Cost includes costs for sub-suppliers, materials, direct payroll costs and indirect production costs.

Capitalized development costs are amortized from the date of completion of the development project over the period in which they are expected to generate economic benefits for the Group. The amortization period is usually 3-5 years but may in certain cases be up to 10 years.

Other intangible assets comprise the value of customer relations or similar identified as a part of business combinations, and which have definite useful life. Other non-current intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight- line basis over the expected useful life, which normally is 3-10 years.

Property, plant and equipment
Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses.

Cost includes costs for sub-suppliers, materials, components, direct payroll costs and indirect costs.

Incurred interest expenses on loans to finance the production of non-current asset relating to the production period are included in cost.

Non-current assets acquired in foreign currencies are translated at the exchange rate at the date of acquisition. Gains or losses on hedges relating to the acquisition of non-current assets are recognized as part of the value of the non-current asset.

- Land is not depreciated.
- Buildings are depreciated on a straight line basis. Expected useful life of buildings is 50 years.
- Machinery, tools and equipment are depreciated on a straight line basis. Expected useful life of machinery, tools and equipment is 5-10 years.

Vessels
Vessels are recognized at cost less accumulated depreciation and impairment losses. Cost includes costs directly attributable to the acquisition until the date when the vessel is ready for use, including costs for sub-suppliers, advisory services, materials, components, direct payroll costs related to supervision, etc., and indirect costs.

As a result of differences in the wear on the components of passenger ships, the cost of these ships is split into components with little wear and excessive wear, respectively.

Conversion of vessels is capitalized if the conversion is attributable to measures for prolonging the life of the vessels or improving earnings. Conversions are treated as additions to cost and are depreciated over the same residual period as the original asset.

For offshore service vessels with accommodation facilities (ASV), the vessel's cost is divided into components with minor wear, such as hull and engine, and components with high wear, such as accommodation and catering areas.

Costs for docking and other improvements of the vessels are capitalized when incurred and depreciated over the period between two dockings. In most cases, the docking interval is 2 years for passenger ships and 2,5 years for other vessels.

Depreciation is made on a straight-line basis over the vessels' expected useful lives.

The expected useful lives of vessels are 25-30 years.

For vessels written down to 0 or older than 25 years, an individual assessment of the vessels' remaining lives is made annually.

For passenger ships, cost is divided into components with minor wear, such as hull and engines, and components with high wear, such as accommodation and catering areas. Components with high wear are depreciated over 10-15 years, while components with minor wear are depreciated over the remaining lives of the ships determined based on an assessment of the individual ships. Components with minor wear are depreciated over 30 years from the year when the ship was built.

Estimated useful lives and residual values are assessed at least once a year. When assessing the expected economic life of vessels, the substantial funds used for ongoing maintenance are taken into account.

An impairment test of the vessels is carried out annually. Vessels are written down to the lower of the recoverable amount and carrying amount. The recoverable amount is the higher of the present value of the net income the vessel is expected to generate (value in use) and the net selling price of the vessel. For vessels which are expected to be sold, the recoverable amount equals the net selling price of the vessel.

Gains and losses on the disposal of vessels are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses on the disposal of vessels are recognized as a separate line item in the income statement.

Investments in subsidiaries and associates/ joint ventures
Investments in subsidiaries and associates/joint ventures are measured under the equity method.
Investments in subsidiaries and associates/joint ventures are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries and associates/joint ventures with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent foundation has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Lauritzen Fonden are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

Receivables
Receivables are measured at amortised cost.
Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Provisions

Provisions comprise anticipated costs related to warranties, onerous contracts, restructurings, etc. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities 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.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

2 Net turnover

2016	Net turnover	Result before financial items	Fixed assets	Liabilities
J Lauritzen	2.908.574	-321.663	2.947.630	2.760.589
DFDS	13.790.373	1.622.165	9.966.509	6.319.651
Other	16.940	-13.043	953.095	350.325
	16.715.887	1.287.459	13.867.234	9.430.564

2015	Net turnover	Result before financial items	Fixed assets	Liabilities
J Lauritzen	2.874.625	-1.916.076	4.113.419	4.012.886
DFDS	13.473.491	1.131.285	8.908.175	6.115.915
Other	13.467	73.587	273.668	99.701
	16.361.583	-711.204	13.295.262	10.228.502

Both J. Lauritzen and DFDS are operating within transportation services and geographical segmentation is consequently not considered relevant.

3 Other external costs

Fee to auditors elected by the Board and directors:	Group 2016	Group 2015	Parent 2016	Parent 2015
Audit	8.927	7.862	260	230
Other assurance engagements	444	492		
Tax and VAT advisory services	1.538	1.450		
Other services	1.829	1.789		
Total	12.737	11.593	260	230

4 Staff costs

	Group 2016	Group 2015	Parent 2016	Parent 2015
Salaries incl. remuneration to Board of Directors	2.430.413	2.359.860	6.367	5.921
Pensions	123.820	107.754	490	387
Social security	447.501	458.703	0	0
Total	3.001.733	2.926.317	6.857	6.308
Average number of employees	7.863	7.309	5	4
Number of employees as at 31 December	7.948	7.397	5	5
Remuneration:				
Board of Directors			2.682	2.500
Executive management	8.797	7.523	2.154	2.154

5 Depreciations and write-downs

	Group 2016	Group 2015
Goodwill	38.168	44.197
Other ingangible assets	26.917	21.796
Buildings, terminals and yard facilities	45.300	53.166
Vessels	1.153.267	2.445.919
Machinery, tools and equipment	103.763	99.388
Financial leased machinery, tools and equipment	8.978	15.465
	1.376.392	2.679.931

	Parent 2016	Parent 2015
Buildings	1.325	1.367
Tools and equipment	22	-5
	1.347	1.362

6 Investments in subsidiaries – (parent)

		2016		2015	
	Ownership	Result	Equity	Result	Equity
J. Lauritzen A/S, Copenhagen	100%	-299.535	1.571.627	-2.120.083	1.846.932
DFDS A/S, Copenhagen	43,5%	664.591	2.804.426	407.905	2.776.917
LF Investment ApS, Copenhagen	100%	-274.408	1.074.581	48.182	761.465
		90.648	5.450.634	-1.663.995	5.385.314
Internal profit/(loss)		-42.040	0	41.750	0
		48.608	5.450.634	-1.622.245	5.385.314

DFDS is considered a subsidiary based on de-facto control and the ownership percentage is 43,5%.

7 Investments in Associates and Joint Ventures – (group)

	2016		2015	
	Result	Equity	Result	Equity
In total	-38.004	581.001	-217.773	651.702
	-38.004	581.001	-217.773	651.702

8 Financial income

	2016		2015	
	Group	Parent	Group	Parent
Interest income	68.629	16.627	84.939	10.319
Exchange gains and losses on securities	1.466	0	54.812	9.240
Currency exchange gains	40.763		0	
	110.858	16.627	139.752	19.559

9 Financial costs

	2016		2015	
	Group	Parent	Group	Parent
Interest expenses	398.962	0	364.058	0
Other financial expenses	73.502		74.320	
Currency exchange gains and losses	0		53.303	
Exchange losses on securities	0	5.935		
	472.464	5.935	491.681	0

10 Tax

	2016	2015
Deferred tax	-29.988	-45.349
Current tax	17.490	8.809
Income tax	-12.498	-36.540
Deferred tax 1/1	30.943	4.769
Addition from investment in subsidiaries	0	0
Tax on equity	-39.900	-8.384
Currency exchange adjustment of deferred tax in foreign subsidiaries	5.898	-7.130
Adjustment to previous year	33.600	-3.661
Tax on profit	29.988	45.349
Deferred tax 31/12	60.529	30.943
Deferred tax concerns:		
Tangible assets	-183.156	-149.338
Liabilities	46.600	62.195
Taxable losses carried forward	65.895	58.115
Other	-1.425	-1.915
	-72.085	-30.943
Deferred tax is shown as:		
Deferred tax asset	120.743	127.161
Deferred tax liability	-192.865	-158.104
	-72.121	-30.943
Parent:		
Current tax	0	0
	0	0

11 Non controlling interests

	Result		Balance sheet	
	2016	2015	2016	2015
Non controlling interests in DFDS A/S	-863.057	-517.781	3.689.251	3.576.606
Other non controlling interests	38	1.310	51.559	48.926
	-863.019	-516.471	3.740.810	3.625.532

12 Recommended appropriation of profit/loss for the year

	2016	2015
Approved grants	19.649	20.361
Applied from grant distribution fund	24.649	15.361
Retained earnings	6.038	-1.651.866
	50.336	-1.616.144

13 Fixed assets

Group

	Goodwill	Other intangible assets	Land, buildings and terminals	Vessels	Machinery, tools and equipment
Cost at 1/1 2016	845.247	480.761	1.224.248	20.934.517	1.329.555
Exchange rate adjustments	-21.612	-4.364	-60.134	194.159	-43.990
Transfer to/from other items	0	0	56.339	0	7.147
Additions from investment in subsidiaries	45.807	15.131	5.727	0	30.650
Additions	0	52.358	62.497	2.037.367	156.178
Disposals	-14.783	-2.200	-10.593	-1.253.782	-130.969
Cost at 31/12 2016	854.659	541.686	1.278.085	21.912.261	1.348.571
Depreciation and write-down at 1/1 2016	470.154	247.413	418.081	10.803.699	850.582
Exchange rate adjustments	-5.005	-930	-26.643	27.506	-25.922
Transfer to/from other items	0	0	-24.716	0	12.073
Depreciation	38.168	26.918	45.234	2.955	104.216
Reversed depreciation on disposals	-350		-822	0	-125.975
Impairment losses			82	60.760	30
Disposals	-14.783	-1.962	-3.647	32.181	0
Depreciation and write-down at 31/12 2016	488.184	271.439	407.569	10.927.100	815.003
Booked value at 31/12 2016	366.475	270.247	870.517	10.985.161	533.568
Booked value of mortgage assets				3.975.016	
Booked value at 31/12 2015	375.093	233.348	806.168	10.130.818	478.973

	Financial leased machinery, tools and equipment	Assets under construction and prepayments	Investments in associates and joint ventures	Other securities	Other receivables
Cost at 1/1 2016	116.355	432.137	1.342.262	18.546	239.700
Exchange rate adjustments	-7.814	6.833	30.459	0	
Transfer to/from other items	15.835	0	276.732	0	
Additions	0	266.276	41.894	0	
Disposals	-2.591	-340.445	-709.602	-184	-153.475
Cost at 31/12 2016	121.785	364.801	981.744	18.362	86.225
Depreciation and write-down at 1/1 2016	78.031	109.546	690.560	0	0
Exchange rate adjustments	-2.697	3.572	15.792	-25.249	
Transfer to/from other items	12.621	0	63.408	-1.003	
Depreciation	8.978	0	-401.291	0	
Write-downs	0	115.003	-10.690	0	
Reversed write-downs	-1.493	0	29.138	34.066	
Reversed write-downs on disposals	-469	0	-223	0	
Depreciation and write-down at 13/12 2016	94.971	228.122	400.744	7.814	0
Booked value at 31/12 2016	26.814	136.679	581.001	10.548	86.225
Booked value at 31/12 2015	38.324	322.591	651.702	18.546	239.700

Parent

	Land, buildings and terminals	Tools and equipment	Investments in subsidiaries
Costs at 1/1 2016	50.739	2.479	11.368.680
Disposals	-3.085	0	-359.394
Costs at 31/12 2016	47.654	2.479	11.009.286
Depreciation and write-down at 1/1 2016	13.914	1.836	5.983.365
Received dividend			151.803
Depreciation	1.325	22	-576.516
Disposals	-771		0
Depreciation and write-down at 31/12 2016	14.468	1.858	5.558.652
Booked value at 31/12 2016	33.186	622	5.450.634
Booked value at 31/12 2015	36.825	644	5.385.314

Specification of movements in investments in subsidiaries:

Balance at 1/1 2016	5.385.314
Disposal of DFDS shares	-359.394
Capital increase in subsidiaries	703.520
Share of other equity movements	-175.611
Share of result, cf. Note 6	48.608
Received dividende	-151.803
	5.450.634

14 Stocks

Group

	2016	2015
Bunkers	158.478	91.706
Goods for sale	73.762	69.779
	232.240	161.485

15 Other provisions

	2016	2015
Pension obligations	442.200	345.023
Other obligations	82.923	520.952
	525.123	865.975

Other provisions are expected to be payable in:	0 - 1 year	0
	After 1 year	525.123

16 Long-term debt

Group

	2016		2015	
	Expires after more than 5 years	Short-term portion	Expires after more than 5 years	Short-term portion
Mortgage debt, real properties	14.784	4.007	30.350	3.110
Mortgage debt, vessels	576.770	317.457	1.074.218	871.726
Debt, financial leasing	0	772.300	70.103	102.709
Credit institutions	47.000	46.300	96.205	47.374
Corporate Bonds	0	363.436	0	387.888
Other debt	0	4.012	1.000	0
	638.554	1.507.512	1.271.876	1.412.808

17 Free cash and securities

Group

	2016	2015
Securities	542.009	1.145.077
Hereof shares	-440.651	-901.657
Cash	1.972.842	2.595.033
	2.074.200	2.838.453

18 Other mortgages and deposits

Bankdebt, other long-term debt, prepayment from customers and guarantees and contractual commitments has been secured by assets at following booked values:

	2016	2015
Cash included in Other receivables	0	21.393

19 Contingent liabilities

Group

	2016	2015
Guarantees and surety commitments	827.280	1.266.830
Max. obligation for participation in projects	145.329	681.154
	972.609	1.947.984

If DFDS leaves the Danish tonnagetax regime there could be a deferred tax liability of up to a maximum of DKKM 390 (2015: DKKM 300)

If JL leaves the Danish tonnagetax regime there could be a deferred tax liability of up to a maximum of DKKM 56 (2015: DKKM 41)

Certain claims has been raised against the group companies. The judgment of the management is that the outcome of these claims will not have any material impact on the groups financial position

In connection with disposals of activitiy and assets, certain guarantees, inclusive for tax and environment items, are issued.

Parent

On behalf of Dan Swift (Singapore) Pte. Ltd Lauritzen fonden has issued a guarantee of payment in favour of KfW IPEX GmbH and BNP Paribas S.A. The guarantee covers repayment of loan granted to Dan Swift (Singapore) Pte. Ltd by of KfW IPEX GmbH and BNP Paribas S.A and is limited up to a maximum amount of 20% of the total outstanding loan amount. Total loan amount as per 31.12.2016 is USD 56,4 mill.

It is, however, highly unlikely that the guarantee will come into force.

20 Contractual commitments

At year-end the JL Group has no newbuilding contracts. At the end of 2015 the Group had newbuilding contracts with a remaining contractual commitment of DKK 637,4 mio. covering construction of 4 bulk carriers for delivery in 2016-2018. During 2016 these contracts have been cancelled or sold.

	2016	2015
Lease and rent obligations, off-balance items	Minimun obligation	Minimun obligation
Land and buildings, remaining life 1 - 100 year	189.300	275.194
Port terminal , remaining life 1 - 42 year	1.725.700	2.046.864
Vessels, remaning life 1 - 14 year	4.429.649	5.567.471
Machinery, tools and equipment, remaining life 1 - 4 year	152.100	202.518
	6.496.749	8.092.047
Longterm charterparties of vessels concerns:	Number	Number
Bulk-carriers, remaining life 1 - 10 year	32	28
Cargo vessels, remaining life 1 - 6 year	10	10
Gas-carriers, remaining life 1 - 2 year	5	5

21 Adjustments

	2016	2015
Currency exchange	270.263	20.041
Profit/Loss on sale of fixed assests	-49.063	-128.121
Other	12.000	7.799
	233.200	-100.281

22 Change in working capital

	2016	2015
Change in stocks	-70.755	12.131
Change in receivables	238.635	-101.554
Change in provisions	-340.852	92.120
Change in tradepayables inclusive other short-term debt	-105.732	285.157
	-278.705	287.854

23 Investment in subsidiaries/activities

	2016	2015
Intangible fixed assets	-60.938	-1.330
Other fixed assets	-36.377	-5.802
	-97.315	-7.132

24 Change in pledged securities and cash

	2016	2015
Pledged cash as at 1/1	35.803	14.410
Pledged cash as at 31/12	35.803	35.803
	0	21.393

25 Related parties

Related parties with a significant influence of the activities in the Lauritzen Fonden is Lauritzen Fonden's Board of Directors and the Executive Management. Other related parties comprise all companies in the Lauritzen Fonden Group and their Board of Directors and Executive management

Related part	Basis for relation	Nature of transaction	Amount in DKK '000
DFDS A/S	Subsidiary	Dividend	151.803
J. Lauritzen A/S	Subsidiary	Capital injection	128.520
LF Investment ApS	Subsidiary	Capital injection	575.000
LF Investment ApS	Subsidiary	Administration fee from Lauritzen Fonden	391
AHK nr. 184 ApS	Associated company	Working capital	79
NanoNord A/S	Associated company	Working capital	6.857

In 2016 LF Investment ApS has written down DKK 5 mill. On inter company loan granted to NanoNord
In 2016 LF Investment ApS has converted debt in AHK nr 187 ApS for DKK 15,35 mill.
The Foundation has paid remuneration to the executive board. Please refer to note 4.

26 Events after the balance sheet day

Parent

The board of directors has committed to inject as new capital a total of USD 80 mill. (DKK 564 mill.) into J. Lauritzen A/S as part of a new financing agreement for the company, subject to satisfactory final documentation and furthermore to provide a guarantee to the secured lenders at an amount corresponding to the repayment relief to be provided by the secured lenders, whereby the scheduled amortisations during 2017 to Q2 2021 will be reduced on average by 50%.

List of Group Companies

Name	**Country**	**Ownership share %**
Lauritzen Fonden	Denmark	
J. Lauritzen A/S	Denmark	100
J. Lauritzen Shanghai Co. Ltd.	China	100
De Forenede Sejlskibe I/S*	Denmark	43
KRK 4 ApS**	Denmark	100
K/S Danred V*	Denmark	50
Lauritzen Reefers A/S**	Denmark	100
Admiral Glory Shipping Corporation*	Panama	50
Admiral Logistics Corporation*	Panama	50
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd.*	Singapore	50
Milau Pte. Ltd.*	Singapore	50
Gasnaval S.A.	Spain	100
J. Lauritzen S.A.	Switzerland	100
J. Lauritzen (USA) Inc.	USA	100

* Joint Venture
** Dormant

Name	**Country**	**Ownership share %**
DFDS A/S*	Denmark	44
DFDS Seaways NV	Belgium	100
DFDS Logistics NV	Belgium	100
DFDS Logistics Services NV	Belgium	100
DFDS Logistics s.r.o	Czech Republic	100
DFDS A/S	Denmark	100
DFDS Germany ApS	Denmark	100
DFDS Stevedoring A/S	Denmark	100
DFDS Seaways Newcastle Ltd	England	100
DFDS Seaways Plc.	England	100
DFDS Logistics Ltd	England	100
DFDS Logistics Services Ltd	England	100
DFDS Seaways (Holding) Ltd	England	100
DFDS Logistic Contracts Ltd	England	100
DFDS Pension Ltd	England	100
DFDS Logistics Grimsby Holdings Ltd	England	100
DFDS Logistics Grimsby International Ltd	England	100
DFDS Logistics Property Ltd	England	100
Haulage Shetland Ltd.	England	100
DFDS Seaways OÜ	Estonia	97

Name	**Country**	**Ownership share %**
DFDS Logistics OY	Finland	100
DFDS Logistics SARL	France	100
DFDS Seaways S.A.S	France	100
DFDS Germany ApS & Co. KG	Germany	100
DFDS Logistics BV	The Netherlands	100
DFDS Seaways Terminals BV	The Netherlands	100
DFDS Seaways BV	The Netherlands	100
DFDS Holding BV	The Netherlands	100
DFDS Logistics Container Line BV	The Netherlands	100
DFDS Seaways IJmuiden BV	The Netherlands	100
DFDS Logistics Contracts (Ireland) Ltd	Ireland	100
DFDS Logistics (Ireland) Ltd	Ireland	100
DFDS Logistics S.p.A	Italy	100
DFDS Logistics Baltic SIA	Latvia	100
DFDS Seaways SIA	Latvia	100
AB DFDS Seaways	Lithuania	97
UAB Krantas Travel	Lithuania	97
North Sea Terminal AS	Norway	100
DFDS Logistics AS	Norway	100
Moss Container Terminal AS	Norway	100
DFDS Logistics Rederi AS	Norway	100
DFDS Seaways AS	Norway	100
DFDS Polska Sp. Z.o.o.	Poland	100
DFDS Logistic East	Russia	100
DFDS Seaways Ltd	Russia	100
DFDS Seaways AB	Sweden	100
DFDS Logistics AB	Sweden	100
DFDS Logistics Contracts AB	Sweden	100
DFDS Seaways Holding AB	Sweden	100
DFDS Logistics Services AB	Sweden	100
Italcargo Sweden AB	Sweden	100
DFDS Logistics Karlshamn AB	Sweden	100
Karlshamn Express AB	Sweden	100
Karlshamn Express & Spedition AB	Sweden	100

* Recognized as subsidiary as Lauritzen Fonden has de-facto control.
DFDS has 21 dormant companies

Name	Country	Ownership share %
LF Investment ApS	Denmark	100
Frederikshavn Maritime Erhvervspark A/S	Denmark	100
Østre Havn P/S	Denmark	50
Østre Havn Aalborg ApS	Denmark	50
Lauritzen Ship Owner A/S	Denmark	100
NanoNord A/S	Denmark	25
MamaMia Holding A/S	Denmark	65
AHK NR. 186 ApS	Denmark	50
Commotive A/S	Denmark	45
Axis Offshore Pte. Ltd	Singapore	34

Company domiciles

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