

COPENHAGEN MALMÖ PORT ANNUAL REPORT 2015





Copenhagen

Øresund

- Containers
- RoRo
- Cars/PDI
- Combi
- Liquid bulk
- Dry bulk
- Passengers
- Break bulk
- Veterinarian
- Customs

Modified distance between port sections.
The actual distance between Copenhagen and
Malmö is approx. 14 nautical miles or 26 km.
Not for navigational purpose.

2015 in brief

- Sales amounted to SEK 762 (763) million.
- Operating profit was SEK 71.0 (89.5) million.
- Goods loaded and unloaded increased to 15.0 (14.5) million tonnes. The increase was greatest within RoRo, Container and Liquid bulk.
- New collaborations within rail freight, including the establishment of a new shuttle rail service between Malmö and Stockholm.
- Construction work at the new cruise ship quay in Visby started. CMP and Region Gotland are going to develop Visby as a cruise destination. The new quay will be put into operation in spring 2018.
- Cruise Insight 2015 Awards designated CMP's cruise operation Best Turnaround Port Operations.
- Strategic deliberations in advance of the container operation moving in Copenhagen. The main option at present is to move the container operation closer to the cruise terminal in Nordhavn, or alternatively to relocate the terminal to the port in Køge.
- CMP was host for GreenPort Congress – the annual environmental conference with participants from ports throughout Europe. GreenPort Congress 2015 was held in Copenhagen.

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CEO STATEMENT:

INCREASING VOLUMES OF FREIGHT

During 2015 CMP increased its freight volumes by almost 3.5%. This is gratifying considering the fact that the economic situation is still relatively weak and developments in the freight market are hesitant. CMP benefits from being a full-service port that handles all types of goods and ships, but also from our proximity to the Baltic region and a number of national markets in northern Europe. We are constantly working to optimise operations and develop the service in all our freight segments so that they contribute to CMP's long-term profitability and competitiveness.

Another explanation for the increased volumes in 2015 is the development in relation to customers and marketing. In recent years we have adapted both organisation and staffing to optimise sales. Today we have a stronger focus on canvassing customers and this is now delivering increasingly clear results. Furthermore, the fact that, despite a weak market, we have been able to maintain the volumes over a period of several years demonstrates that there is a persistence in CMP's operations. I consequently view this strong continuity as a further success factor.

During 2015, CMP's turnover amounted to SEK 762 million and operating profit to SEK 71 million. The areas that developed best include Liquid bulk, RoRo and the Container operation in Copenhagen. RoRo services comprise freight between Sweden and the continent and is an area where CMP strengthened its market share this year. The container terminal makes CMP a major port of importation that provides the markets in and around Copenhagen with consumer products etc. The terminal is used by the world's 4 – 5 largest shipping companies, which links CMP to all major international ports.

We also laid the foundations for a new collaboration within rail freight, which will be of long-term significance. The fact that more companies are choosing to make CMP the hub for their freight handling is positive, and demonstrates that we are competitive and have a strong offering. This is especially important in a situation where international competitive pressure is putting pressure on margins and profitability for all actors in our industry. In this context, I would also like to highlight the internal work that is being undertaken to improve productivity and efficiency. It is based on M/S Progress, CMP's overall development and improvement tool. This tool enables all departments to set their own objectives within a number of common areas. It produces greater consensus and improves cooperation over organisational boundaries, not least in terms of canvassing and sales. CMP's productivity also improved during 2015. This is confirmed by the fact that sales per employee continued to rise during the year.

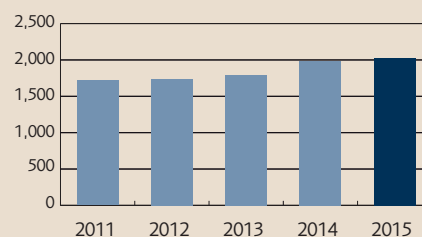
Improving the infrastructure

The work on developing the infrastructure in and around our facilities in Copenhagen and Malmö is continuing. During 2016 we will decide whether to move the container operation in Copenhagen. The background to this is development in the Danish capital which entails building offices and housing in parts of the port area. Our main option at present is to move the container operation closer to the cruise terminal in Nordhavn, or alternatively

to relocate the terminal to the port in Køge.

Work is proceeding in Malmö on improving transport capacity in and around the port area, both for road and rail traffic. The work includes construction of a new road and rail bridge between Mellersta Hamnen and Norra Hamnen. At the same time, it is proposed that existing roads in the port area are developed. This will deliver environmental benefits and make transportation more efficient. The improvements will also benefit future traffic to and from Malmö Industrial Park. The on-going establishments of companies in this industrial area are positive for CMP. They are

Net Sales per Employee 2011 – 2015
SEK thousands



providing us with new opportunities for growth in that they are attracting more businesses to the port area that need comprehensive logistics services, primarily companies within manufacturing, processing and e-commerce.

Infrastructural improvements are very important for us, particularly in view of the fact that CMP is one of some 80 Core Ports within the EU. Being a "core port" means that the facilities in Copenhagen and Malmö are of particular importance for the transport network in Europe and for the investments in transport

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"We have zero tolerance of personal injuries. Focussing on more preventive initiatives has enabled us to further reduce the frequency of injuries."

corridors that are currently being made. For our part, the status as Core Port also means that we have to be able to handle different types of freight and offer flexible logistics solutions, for example intermodal services where freight is moved between sea, rail and road.

In terms of these different modes of transport, we simultaneously feel that changes are needed in order to increase competitive neutrality. What I am referring to is the administrative work that is currently simpler for road transport than for shipping, for example, with regard to freight transportation between northern and southern Europe. Of course, all transportation should be performed under market conditions, however, in our view, marine transport should not be burdened with a far too extensive administration. We therefore want to lobby opinion for more equal treatment in these issues. It will benefit local shipping within the EU, which is one of the most cost-effective and environmentally-friendly means of transport there is.

Investments in environment and quality

We are continuing to put our energies into environmental management. During the autumn CMP was host for GreenPort Congress – the annual environmental conference with participants from ports throughout Europe. The programme interwove seminars and lec-

tures on a range of environmental themes.

The conference gave us the chance to profile our own environmental work and highlight some of the issues that are important for shipping in Denmark and Sweden.

Implementation of our new quality and environmental management system has proceeded internally in CMP during the year. It gives us access to a more modern resource in performing our everyday work. As with M/S Progress, the new quality and environmental management system enables a new working method, helping us to look beyond departmental and organisational boundaries. It is effective, as it will make us more process-oriented and more focussed on managing overall issues with a link to the environment and quality.

Talking of quality management, I would like to emphasise that we are already well placed. When compared with other ports, we have very little damage to goods. Fortunately, we also have few personal injuries and moreover, they are becoming increasingly rare. We have zero tolerance for this type of injury, and more preventive initiatives have further reduced the frequency of injuries. Preventive initiatives have also enabled CMP to reduce the proportion of machinery breakdowns. We are also investing in effective, environmentally-friendly mechanical engineering. This too is contributing to increased

productivity in the operation.

Increase volumes and productivity

The demand situation remains challenging for 2016. We continue to have a solid focus on our freight volumes and on attracting more customers to CMP. It is equally important to expand our collaboration with existing customers and maintain our productivity. By focussing our efforts on these well selected areas we will continue to grow the business and ensure that CMP's competitiveness is always ranked at the top.

Johan Röstin
CEO, Copenhagen Malmö Port



The solutions CMP offer are broad and comprehensive, creating added values for our customers and partners.

BUSINESS CONCEPT

We create port, terminal and transport solutions across northern Europe

Our business concept highlights the fact that we are good at creating and delivering – in our internal development activities as well as in our work with external parties. In this creative process we are responsive, innovative and resolute.

We stress that CMP offers solutions, rather than services. The solutions we offer are broad and comprehensive, creating added values for our customers and partners. Our solutions also include new forms of collaboration, ideally in the form of alliances and partnerships, where we challenge ingrained

ways of doing things and existing industrial structures.

We also emphasise that CMP's market comprises all of northern Europe. Countries and markets around the Baltic Sea are the focal point for our efforts to realise future growth and development goals.

VISION

Bridging – Expanding – Leading

The three key words of our vision show that CMP welcomes new partnerships, that our focus is on growth and development, that we have a readiness to change, and are innovative and future-oriented.

Bridging. Few regions have seen such a positive effect from the building of a bridge as Öresund. CMP has therefore made bridging a guiding principle in its vision. It signals

that we are looking to establish new types of collaboration and partnerships with interesting customers and business partners.

Expanding. CMP has made significant investments in new production facilities in Copenhagen and Malmö. This emphasises that the ambition to grow is one of our key goals for the future. Our aim is to grow organically and establish a presence in new

markets but also to capture market share in those markets and segments where we already operate.

Leading. In order to grow and develop, we are innovative and open to new initiatives and solutions. We are a port operator at the forefront of developments, which continually develops its organisation, services and technical solutions while securing long-term sustainable enterprise.



Our aim is to grow organically and establish a presence in new markets but also to capture market shares in those markets and segments where CMP already operates.



CMP functions as a logistics hub for the entire Baltic region with its approximately 100 million consumers.

SERVICES:

CMP – A FULL SERVICE PORT

Copenhagen Malmö Port AB (CMP) is Scandinavia's largest port operator, with terminals in Copenhagen and Malmö. The strategic location in Öresund between Sweden and Denmark gives us access to two national markets. Furthermore, our location at the gateway to the Baltic region means that we also function as a logistics hub for other countries in the Baltic region with some 100 million consumers.

Copenhagen is a large port of importation for freight to the capital area and the rest of Zealand. Malmö is more of a transit port. Freight is reloaded onto ships, trains or trucks for onward transport to final destinations throughout Sweden, the rest of Scandinavia or the Baltic region.

Bridging – a full service port

CMP is a full-service port. We receive all types of freight and have a tailor-made infrastructure for all types of ships, for example, RoRo and container services, car imports and liquid and dry bulk. Copenhagen and Malmö handle everything from consumer goods, petroleum products, chemicals and grain to scrap metal, building materials, wood pellets and input goods for industry.

We offer intermodal logistics solutions,

where freight is reloaded between sea, road and rail. Via Copenhagen – which is northern Europe's leading cruise destination – CMP has extensive cruise traffic. Ferry lines with regular passenger services from Copenhagen and Malmö also operate between destinations including Oslo and Travemünde.

The broad, well-diversified operation makes CMP less sensitive to fluctuations in the economy. It also makes us a flexible port operator, which can simply adapt technology, infrastructure and staff expertise to different customer requirements.

2015 in focus

■ Reservations continued to be made for sites in Malmö Industrial Park. The Industrial Park is intended for companies within manufacturing, e-commerce, processing and transport-related operations. It offers industrial sites and a wide range of logistics services. The strategic location makes it simple to adapt flows of goods to final destinations throughout the Baltic region. The first parcel of land was sold just after the turn of the year 2015/2016 with the construction and installation company Skanska acquiring about 35,000 square metres.

■ The investigation into a new bridge linking the port areas in Malmö was completed. The proposed bridge will free up capacity in Malmö's freight yard and shorten queueing time for trains to Norra Hamnen. CMP, the Swedish Transport Administration and Malmö City Council are behind the project. The investigation proposes that the capacity is developed in two stages, with the investment in road traffic preceding the expansion of railway capacity. The proposal is part of the new local plan on which Malmö City Council will make a decision during the first half of 2016.

Expanding – Core Port

EU has designated CMP's terminals in Copenhagen and Malmö as Core Ports. This means that they are of particularly major importance in the initiatives that are made in the future to improve the transport network in Europe. It is easier for a Core Port to obtain EU support for investments and development projects, for example, for interlinking rail and road communications or other initiatives that contribute to increasing freight capacity. CMP's development and expansion is facilitated by the fact that we have access to new

The expansion at the dry bulk operation at Prøvestenen outside Copenhagen is continuing. The new environmental permit paves the way for increased volumes at the facility.

areas of land adjacent to existing terminals in Copenhagen and Malmö.

2015 in focus

- CMP and SCA Logistics laid the foundation for a new collaboration that will make Malmö a new hub in the hygiene and forest industry company's transport network. The freight arrives at CMP by sea. Besides ship arrivals our collaboration also comprises storage and handling, with the freight being reloaded and then dispatched to customers in the region.
- Expansion in the dry bulk operation at Prøvestenen is continuing. During the spring we received the environmental permit, which paves the way for increased volumes at the facility. There has been major interest, both among existing customers and new actors wanting to establish operations in the area.
- Our collaboration with Green Cargo expanded during the year via a new intermodal, rail shuttle service between Stockholm and Malmö. The new shuttle links CMP to a logistics service, which improves coverage and customer service. One of the competitive advantages is the frequent departures which enable Green Cargo and CMP to comprehensively meet customers' transport requirements via rail.

Leading – a hub

CMP is a hub for companies that have made Malmö a transshipment point for freight with final destinations in the Baltic States, Russia and other parts of northern Europe. We are also a hub for intermediate storage of oil in the transit traffic between Russia and markets in-

cluding the USA. Copenhagen is a hub for cruise traffic in northern Europe.

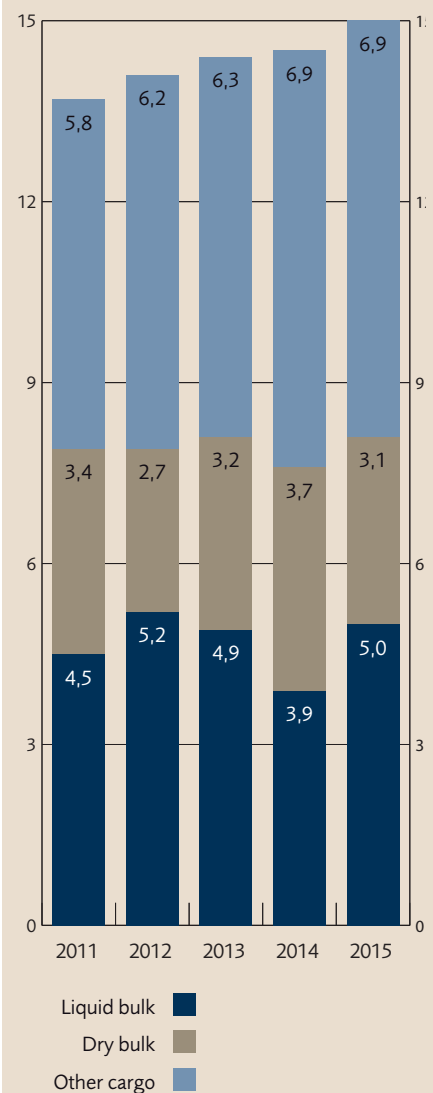
The long-term importance of the hub is being strengthened. Global companies within everything from manufacturing to e-commerce want to concentrate their distribution at regional hubs. This will open up new growth opportunities for those port companies that have a strategic location and offer a broad service.

2015 in focus

- The collaboration between CMP and Region Gotland has been further developed. The decision was taken in December to build the new cruise ship quay and work started in February 2016. This collaboration will enable CMP to offer three destinations in the cruise operation. The new quay in Visby will be inaugurated in spring 2018.
- Urban development in Copenhagen means that in the long term CMP's container terminal will be moved. The main option at present is to move the container terminal to outer Nordhavn or relocate it to Køge Port. During 2015 CMP and Køge Port signed a letter of intent with regard to the possibilities for a future collaboration.
- In October CMP was host for Green Port Congress 2015 – an annual environmental conference with participants from ports in Europe. The conference was held in Copenhagen and was the tenth in succession. Hosting gave us the opportunity to highlight environmental issues with significance for shipping in Denmark and Sweden, and also to present our own environmental work.

Cargo Volumes 2011 – 2015

Millions of tonnes





CMP's service is based partly on our own offerings, and partly in partnership with other suppliers and business partners.

COMPREHENSIVE OFFERING

CMP is a full-service port which offers efficient transport and logistics services. Our service is based partly on our own offerings, and partly in partnership with other suppliers and business partners. Through our extensive network of contacts, we can rapidly meet customer requirements and provide the services required. We tailor solutions and connect services in order to provide an efficient flow of goods.

We offer a wide range of logistics services for cruise ships, ferries, RoRo and container traffic, car import, multi-modal transport, as well as liquid and dry bulk. These services include off-loading, warehousing, loading and further distribution of e.g. consumer goods,

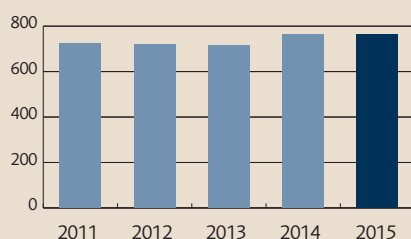
transit oil, grain, scrap metal, building materials, raw materials for industry and new cars. CMP leads the field in terms of intermodal logistics solutions, where cargo from ships, trains and trucks are handled in one place. Freight handling is therefore connected together in a way that facilitates speed and cost effectiveness and diminishes environmental impact.

Cooperation with business partners and external specialists includes; customs and pilot services, energy suppliers, safety, waste management, recycling, assistance with transportation and distribution solutions, and much more. The hubs for this range of services are our terminals in Copenhagen and

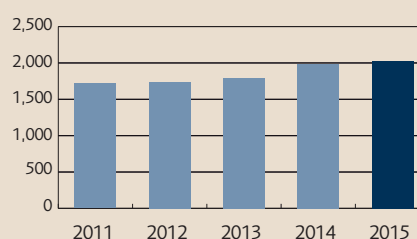
Malmö. In most cases, we provide the technical infrastructure for the services our partners offer.

- Wide range of our own transport and logistics services.
- Well developed intermodal and trimodal transport solutions.
- Large capacity at the Copenhagen and Malmö terminals.
- High quality technical infrastructure.
- Access to a broad contact network of external specialists.
- The ability to connect various services into a holistic solution which simplifies matters for customers.

Net Sales 2011 – 2015
SEK millions



Net Sales per Employee 2011 – 2015
SEK thousands



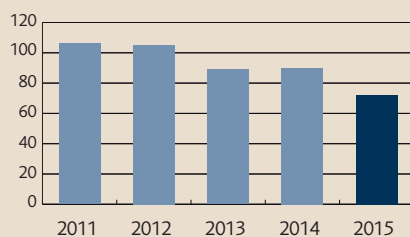


CMP leases land to the Metro project in Copenhagen, for storage of concrete panels and peripheral equipment among other things.

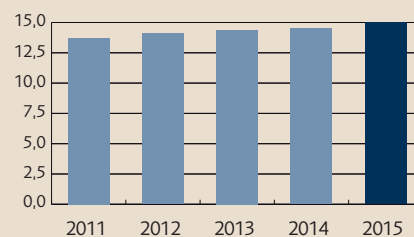
KEY FIGURES

	2011	2012	2013	2014	2015
Net sales, MSEK	724	720	715	763	762
Profit after financial items, MSEK	106	105	89	90	72
Net profit, MSEK	81	83	91	90	77
Equity (adjusted), MSEK	450	394	413	416	400
Balance sheet total, MSEK	604	532	549	632	613
Net margin, %	15	15	12	12	9
Solidity, %	75	74	76	66	65
Return on Equity (average), %	24	25	22	22	18
Net sales per employee, TSEK	1,717	1,736	1,788	1,987	2,027
Number of employees	421	415	400	384	376
Return on Operating Capital (average) ROOC, %	43	33	27	32	27

Net Profit 2011 – 2015
SEK millions



Cargo Volumes 2011 – 2015
Millions of tonnes





Forecasts show that freight volumes in the Baltic region are expected to increase by 30% up to 2030.

MARKET OVERVIEW:

THE BALTIC REGION IN THE CENTRE

Sea transport is expected to increase in importance in the Baltic region. With its 100 million consumers, this region is an integrated part of international sea transport, accounting for 15% of global shipping and making the Baltic one of the world's busiest inland seas.

Increasing freight volumes up to 2030

Forecasts show that freight volumes in the Baltic region are expected to increase by about 30% in the period up to 2030. This is equivalent to an increase of 229 million tonnes. It is primarily container and RoRo services that are expected to grow. The assessment is that freight volumes in Sweden and Denmark will increase by about 30 and 25% respectively during the period.

Baltic Transport Outlook 2030 (BTO)*, an initiative from the EU's transport ministers in the Baltic region, is behind these forecasts. BTO highlights a number of measures on which the countries in the region should focus in order to meet the development. These include:

- Concentrate port- and terminal operations.
- Develop more intermodal rail solutions, which improve connections between

ports and their hinterland.

- More investments that increase capacity in ports and at terminals.
- Increased investments in road, rail and intermodal transports which strengthen integration and competitiveness in the region.

Growth in Sweden and Denmark

The Baltic region's development is negatively affected by weaker economic activity in Russia. The country's GNP fell by 3.7% in 2015, primarily affecting the countries in the Baltic and Finland. At the same time, growth is relatively high in countries such as Germany, Poland, Sweden and Denmark. GNP rose by about 4.0% in Sweden in 2015, and in Denmark by 1.2%.

GNP for the Baltic region as a whole is estimated to have increased in 2015 by about 2%. Growth in the region – excluding Russia – is expected to be just over 2% per annum in 2016 and 2017.

Regional integration – a success factor

For future developments, the emphasis is on the importance of increased integration between the countries in the Baltic region – an integration which can pave the way for in-

creased trade exchange and stronger growth.

It is equally important to utilize our own competitive advantages to increase the integration with other growth markets in the world. The ongoing integration is also deemed to be significant in maintaining competitiveness and growth – e.g. through initiatives to strengthen the capacity for innovation and to develop transport networks and energy systems.**

Market trends

■ Environmental regulations affect CMP's competitive position

From 2015 new emissions rules were introduced for shipping in areas including the Baltic, the North Sea and the English Channel. The sulphur content in marine fuel in these areas is now set at a maximum of 0.1%. Ships must use the scrubber technology to clean flue-gases, or change to another fuel to reduce emissions. The measure is controversial for reasons including:

- the risk of emissions requirements distorting competition within the EU through disadvantaging companies that are dependent on ports in the Baltic.
- the costs for the shipping companies

The number of passengers in the global market during 2015 was estimated at about 23 million – an increase of 6% compared with the year before.

increasing as alternative fuels are more expensive than traditional marine fuel.

- increased costs for new purification technology, e.g. flue-gas cleaning.
- the risk that more freight will be moved onto the roads, which will increase traffic and the environmental load.

Thus far, the low oil price in 2015 has moderated the economic effects of the new rules. Many shipping companies have also chosen to install flue-gas cleaning technology to meet the emissions requirement.

■ Investments in rail traffic

Freight traffic via rail will increase. This means that volumes will grow in relation to intermodal traffic, where freight is loaded between sea, road and rail. Investments are being made at both national and EU level to improve intermodality, which has less environmental impact and utilizes different kinds of transport more optimally. In the EU this is done, for example, via the Connecting Europe Facility (CEF), where nine transport corridors have been established to link together social and economic centres in the Union. *Read more about the Scan-Med transport corridor on page 19 in the annual report.*

■ Focus on the transport chain as a whole

Ports are increasingly viewed as integrated parts of larger logistics chains, rather than as hubs limited to sea freight. Surrounding road and rail connections

then come more into focus and are expected to contribute to the competitiveness of a port. Requirements are therefore being set throughout the logistics chain to build out bottlenecks and "missing links" in order to increase efficiency.

■ New forms of cooperation

To ensure competitiveness and meet investment requirements, new types of cooperation are being discussed between the ports. It might involve organisational changes, new forms of collaboration or merging port operations. Daring to challenge ingrained structures and working methods will become necessary when requirements for efficiency and environmentally smart solutions become more stringent.

■ Increased cross-segmentation

The roles between terminal operators and carriers are changing. In the cross-segmentation that is taking place, carriers – primarily large container shipping companies – are choosing to run both shipping and port operations. One reason is that these operators often find it easier to manage the flows of containers. Some operators also have an international growth strategy. Via acquisitions and collaborations they are establishing themselves in ports that might be located far from their traditional domestic markets. This is creating global actors that operate terminals on several continents.

■ Cruises – a growth industry

Europe is the world's second largest cruise market. About 6.5 million Euro-

peans booked a trip with a cruise liner during 2015. This is equivalent to 30% of passengers throughout the world. Most European passengers choose to cruise in Europe, primarily in the Mediterranean and in the Baltic region. The cruise industry also contributes to economic growth and is estimated, directly and indirectly, to generate some 350,000 jobs in Europe.

There is also clear global growth within the cruise industry. Demand has increased by almost 70% in the last ten years. The largest market is the Caribbean, while Asia is the fastest growing.

The number of passengers in the global market during 2015 was estimated at about 23 million – an increase of 6% compared with the year before. During 2015 the global cruise fleet comprised 421 ships. It is estimated that a total of 31 new cruise ships will be put into operation between 2015 and 2018.

Despite this growth, cruises still only account for a small part of the global travel and tourism industry – about five per cent. This means that there is great future potential. New concepts are being developed to attract more passengers – e.g. themed cruises, all inclusive offers, entertainment concepts and much more.***

Cruise traffic in Copenhagen has been increasing for some time. The Danish capital is the second largest cruise destination in northern Europe. Cruise tourism is calculated to turn over 1.4 billion Danish kroner and contribute some 4,000 seasonal jobs.

* Baltic Transport Outlook 2030. Funded by EU.

** Baltic Sea Report. Swedbank. December 2015 och State of the Region Report 2015. Baltic Development Forum.

*** Contribution of Cruise Tourism to the Economies of Europe. Cruise Lines International Association (CLIA).



CMP welcomed 677,500 cruise passengers in Copenhagen. Of 283 arrivals, 125 were turnarounds, where the passengers started or ended their cruise in Copenhagen.

BUSINESS AREAS

Logistics/Break bulk

The volumes were in line with last year. The single largest assignment is still unloading and storage of concrete panels and other peripheral equipment for the Metro project in Copenhagen. The agreement comprises weekly arrivals. During 2015 there was a steady inflow of panels, despite a change in the tonnage being transported. The outflow to the building sites varied at times. This resulted in an expanding need for additional areas of land for storage, which CMP was able to manage flexibly. The inflow of panels will cease according to plan during the first half of 2016. Completion of the Metro extension is estimated for 2018/2019.

In Malmö, CMP is the logistics hub for storage and onward distribution of steel products. The volumes in this operation grew in 2015. CMP has also handled building components, turbines and other large project loads during the year. Within project loads – where freight that is often bulky is loaded and stored at short notice – there is a high level of flexibility. In addition, CMP has access to large areas of land, which is also an advantage in handling project loads. Several new collaborations were established during 2015, making Malmö a hub in the handling of paper

products. Utilization of space increased in the storage operation, which involves CMP renting storage space in warehouses and storehouses.

Cars

Car volumes decreased somewhat, which means that CMP handled about 339,000 vehicles in 2015. The decrease is partly due to weaker demand in the Russian market, and partly because car companies have rearranged some of their transport routes.

In Malmö, CMP operates Scandinavia's largest logistics hub for new cars. 14 makes of car are currently handled via this hub, which is ultramodern and offers trimodal transport solutions. The vehicles are unloaded, stored and in some cases undergo an inspection and fine adjustment (PDI) before they are transported onward to end consumers in Scandinavia, the Baltic States and Russia.

Heavier vehicles such as buses, lorries, trucks and construction machinery are also handled by CMP in the "High & Heavy" segment. During 2015 CMP attracted further flows of High & Heavy for unloading. The extensive car ferry traffic to and from Malmö means that customers within High & Heavy are offered a global range for their products.

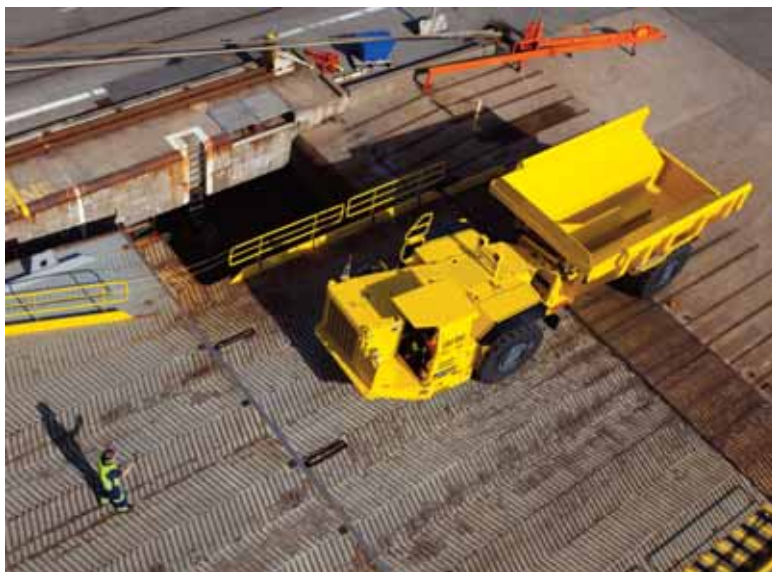
Furthermore, CMP has the technology, knowledge and space needed to handle heavier vehicles safely and efficiently.

Container

Compared with the immediately preceding year, container volumes increased by approximately 10% to comprise 164,000 TEU. The increase was linked to the container operation in Copenhagen. CMP is a large port of importation, supplying the markets in both Copenhagen and Malmö with consumer products and other goods. The terminal in Copenhagen is used by the world's four to five largest container companies. Seven feeder ships call at Copenhagen every week, connecting the container traffic to all major international ports. Container volumes were also at low levels in Malmö in 2015. The work of bringing more container customers to Norra Hamnen and connecting the terminal to new, larger, flows of goods remains a high priority.

Cruises

Copenhagen is northern Europe's leading destination. The number of cruise passengers in Copenhagen and Malmö amounted to 709,000 in 2015, which means that the de-



Heavier vehicles such as buses, lorries, trucks and construction machinery are also handled by CMP in the "High & Heavy" segment.

crease of the two preceding years has continued. However, the trend will be broken in 2016, with both the number of passengers and arrivals increasing once again. Moreover, during 2017 CMP is expected to receive the largest number of cruises passengers thus far. The downturn in recent years reflects a general trend in the Baltic region where the number of arrivals has declined. One of the reasons for this is the stiffer emissions requirement that have led some shipping companies to rearrange their routes.

The growth in cruise traffic is increasingly measured in the number of passengers and in gross tonnage. This is because the ports' earnings are linked to the size of the vessels. Today an ever greater number of cruise ships are being built of increasingly large dimensions, and this will increase the gross tonnage in the ports. It is estimated that some 30 new cruise ships will be put into operation by the end of 2018.

During the year Copenhagen welcomed 677,500 cruise passengers. Of 283 arrivals, 125 were turnarounds, where the passengers started or ended their cruise in Copenhagen. The cruise operation in Malmö comprised 17 arrivals – seven of which were turnarounds – and 32,000 passengers. This was an increase compared with 2014. CMP also received new awards for its cruise operation. The Cruise Insight 2015 Awards pre-

sented CMP with the award for Best Turn-around Port Operations.

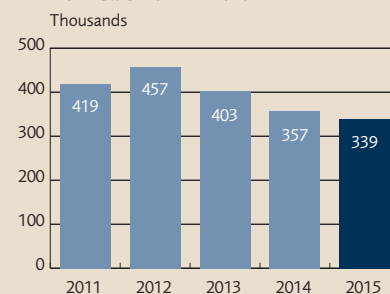
CMP has several cruise quays in Copenhagen. The most recent was opened in 2014 and is an ultramodern facility that has raised the quality of the cruise service. Since its inauguration, several infrastructural improvements have been implemented that have extended the capacity of the surrounding road and bus traffic. Environmental issues are also important. Waste water from ships is dealt with in a sustainable way at CMP's terminals. During the past year separation at source also increased for even more kinds of materials.

CMP is the first in Europe to offer an On board check-in service. This service enables cruise passengers to check in their luggage and have their boarding card printed directly on the ship.

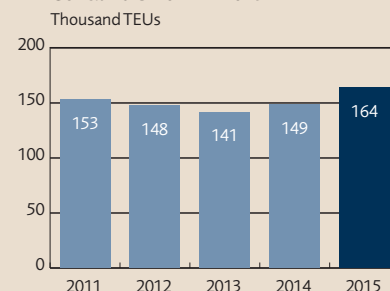
As mentioned, the 2016 cruise season marks a break in the trend. The number of arrivals and passengers is increasing again. There are currently over 300 arrivals planned in Copenhagen. Around half of these are turnarounds. The number of cruise passengers is estimated to increase to around 750,000.

Further information about the cruise market is presented in the 'Market Overview' section, page 12.

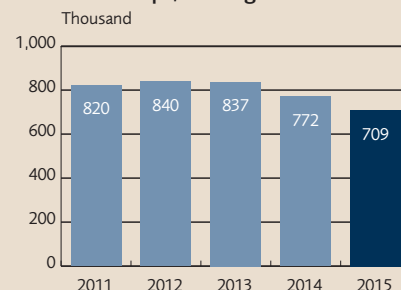
New Cars 2011 – 2015



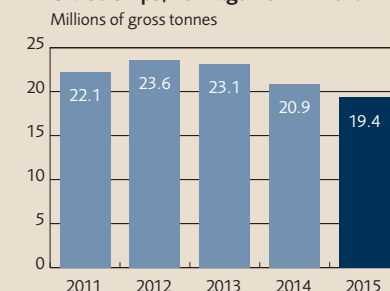
Containers 2011 – 2015



Cruise Ships, Passengers 2011 – 2015



Cruise Ships, Tonnage 2011 – 2015





Volumes within liquid bulk grew to 5.0 million tonnes. This is equivalent to an increase of 30% compared with 2014.

Dry Bulk

Volumes decreased by about 16% compared with last year, amounting to 3.1 million tonnes. The reason was primarily lower scrap volumes in Malmö. The products within dry bulk are primarily intended for the markets in Copenhagen and in Malmö. In Copenhagen the major products are stone, gravel and other filler material. Scrap is a predominant product in Malmö, and CMP is still the largest port for scrap in the Öresund region. Besides these products, the dry bulk operation also includes cement, salt, sugar, grain, coal and pellets.

Lettings at the dry bulk terminal at Prøvestenen outside Copenhagen have developed positively and several contracts have been signed. CMP also received a large number of new enquiries, which are expected to result in further contracts being signed with customers during 2016. These contracts apply for the leasing of land and warehouses in both Copenhagen and Malmö.

Handling of wood pellets continued to increase. Pellets are gradually replacing coal in district heating production in Copenhagen. This conversion means that coal volumes are decreasing while pellet volumes are simultaneously increasing. The requirement for pellets is expected to pave the way for new investments. This is because storage capacity in the local area needs to be developed, which can benefit CMP. In the long-term, district heating production may also include other

types of fuels, refuse and wood-chips for example. This handling is also expected to benefit CMP.

Liquid Bulk

The total volume within liquid bulk increased to 5.0 million tonnes. This is an increase of approximately 30% compared with 2014. It was principally the volumes within bunkering oil at Prøvestenen that increased. CMP's strategic location in Öresund has made this liquid bulk terminal a hub in the handling of bunkering oil.

The volumes within VGO oil were unchanged compared with last year. Malmö is a hub for intermediate storage of this oil in the transit traffic between Russia and countries including the USA. However, the continuing low oil price curtailed trade in 2015 as well.

CMP also handles petrol, diesel, oil and chemicals that are used in the local markets in Copenhagen and Malmö. These volumes were in line with those of last year. At the same time, there was an increase in volume of aviation fuel, which is handled via a liquid bulk terminal at Prøvestenen. The terminal supplies Kastrup international airport with fuel. Efforts to expand the liquid bulk operation in Malmö are in progress. The aim is to establish a hub for low-sulphur maritime fuel, so-called SECA fuel.

Passengers

Passenger traffic comprises daily ferry services between Denmark and Norway and also between Sweden and Germany. In 2015 this traffic increased to 850,000 passengers. DFDS is the largest ferry line between Copenhagen-Oslo, and is served by two ferries. Around 766,000 (732,000) passengers travelled between the two cities in 2015. On board the passengers are offered a wide range of food, beverages, entertainments and shopping, as well as conference facilities. Both the ferries have recently been upgraded, which has contributed to the increase in passenger numbers. The number of passengers on the Malmö-Travemünde route amounted to about 84,000 (74,000).

Railway

Railway handles intermodal flows of freight that are moved between road, rail and sea. The operation is linked to Malmö, and includes both the combi terminal in Norra Hamnen and the car handling operation in Frihamnen. The well-developed rail solutions mean that CMP functions as a hub for cars, scrap and paper products etc.

Volumes within the Railway segment decreased marginally in 2015. At the same time, the on-going marketing initiative has produced results. During the year a direct shuttle was established for trailers and containers between Malmö and Stockholm. The shuttles connects CMP and Norra Hamnen to an at-



RoRo-traffic encompasses import and export of freight between Sweden and the continent. 284,000 units were handled during 2015.

tractive new intermodal logistic service, which also includes RoRo services. This gives customers access to an overall logistics solution with CMP as hub. The shuttle offers competitive transit times and is part of a large network with numerous destinations.

Unloading and loading of new cars accounts for a relatively large proportion of the operation within Railway. Volumes decreased somewhat in 2015, comprising just under 35,500 vehicles.

RoRo

Freight volumes within RoRo increased marginally in 2015 compared with last year. CMP handled a total of 284,000 units in Malmö and Norra Hamnen. RoRo traffic encompasses import and export of freight between Sweden and the continent. The traffic decreased during a period at the start of the year. The reason was that the ferries were put into shipyards to be modified and equipped with new environmental technology. Increasing volumes during the latter part of 2015 compensated for this reduction. This year's freight volumes also mean that CMP has been able to maintain its market shares in RoRo services in the Öresund region.

The Spillepengen junction, a motorway sliproad to Malmö and Norra Hamnen, was reinstated at the end of the year. The extension has contributed substantially to improving the accessibility of CMP's terminals in Norra Hamnen. A new flyover has increased

the capacity of road traffic, providing better access to the port area.

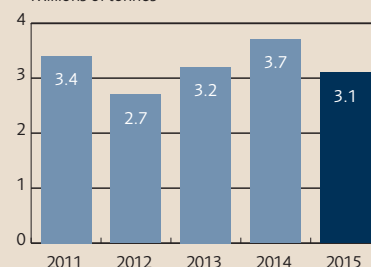
Freight is also transported in the ferry traffic between Denmark and Norway via CMP's terminals, as well as between Klaipeda, Fredericia and Copenhagen. The ferry operator deals with all handling of this freight itself.

Property

CMP's letting operation comprises office premises, stores, warehouses and areas of land. The proportion of commercial premises is greatest in Malmö, where the letting operation comprises approximately 52,000 square metres. The land available comprises about 272,500 square metres. In Copenhagen, CMP primarily lets out land. The area has increased at Prøvestenen in recent years. It currently comprises a total of 1,009,200 square metres. At the end of 2015 about 422,900 square metres were available for the liquid bulk operation and about 586,300 for the dry bulk operation. Letting in Norra Hamnen comprises about 80,000 square metres. By reorganising the areas of land it uses itself, CMP has simultaneously leased a further 15,000 square metres to the on-going Metro project in Copenhagen for storage of building materials.

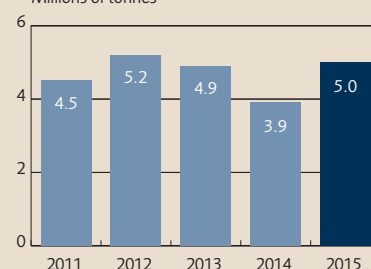
Dry Bulk 2011 – 2015

Millions of tonnes



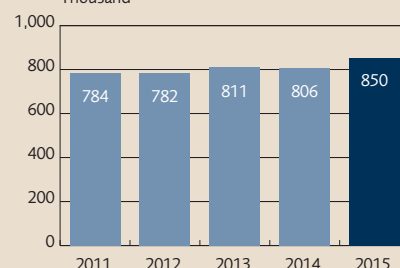
Liquid Bulk 2011 – 2015

Millions of tonnes



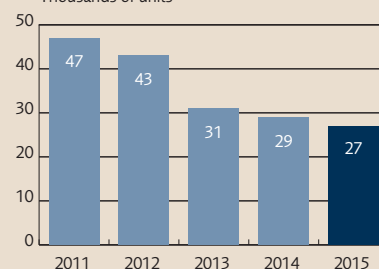
Passenger Traffic 2011 – 2015

Thousand



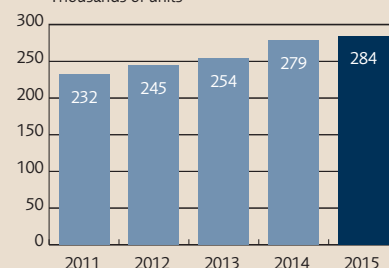
Railway 2011 – 2015

Thousands of units



RoRo 2011 – 2015

Thousands of units





The EU is investing in nine corridors in what is called the Trans-European Transport Network (TEN-T).

The Scandinavian Mediterranean Corridor (ScanMed) extends from Helsinki in the north to Palermo in the south.

MORE EFFICIENT FLOWS –

THE AIM OF THE NEW TRANSPORT CORRIDORS

They will be completed in 2030 – the EU's transport corridors which will both increase the traffic capacity and reduce the environmental load. One of these corridors passes through the Öresund region and therefore has an effect on CMP's operations.

The EU is focussed on a total of nine corridors in what is called the Trans-European Transport Network (TEN-T). The basic idea is to create an effective transport network which links together all major social and financial centres within the EU more effectively than was previously the case. In turn this will strengthen the internal market and promote competitiveness and economic development.

One of the transport corridors is called the Scandinavian Mediterranean Corridor (ScanMed). It is the longest corridor and will extend 9,000 kilometres – from Helsinki in the north to the Italian city of Palermo in the south. It thus affects the Öresund region and CMP's operations.

"The flow of freight is of crucial importance in ensuring that transportation in the future is flexible and cost-effective. The ScanMed corridor extends through regions that generate more than 27% of the EU's gross national product", says Johan Röstin, CEO of CMP.

Removal of bottlenecks

Bottlenecks and what are called "missing links" will be removed in the ScanMed corridor to improve traffic flows and increase capacity. Another objective is to move more freight over onto other modes of transport, including rail. Of equal importance is linking together all modes of transport in the corridor so that freight and people can be easily conveyed between road, rail, sea and air traffic.

The corridors will also reduce the environmental load through increasing sea and rail transportation.

"The largest investments in ScanMed will be made in rail traffic. More than 80% of all initiatives are expected to be within this mode of transport, e.g. in the form of increased electrification, more dual tracks and in investments which enable the length of the trains to be extended", says Gert Nørgaard, CMP's Strategy & Planning Manager, who is participating in the work on TEN-T.

Thus far, the bulk of the work has concerned analyses and studies to show where there are bottlenecks and "missing links". A lot of energy has also been put into surveying the traffic flows and freight volumes for different means of transport.

"One difference compared with before is that as operators we have played a bigger role in the work on the transport corridors", Gert Nørgaard observes. "This is a positive development and means that we can put forward our wishes and requirements, and contribute solutions."

A number of EU ports have been designated so-called Core Ports (see separate facts box) as a part of TEN-T. They are ports which are of most significance in the forthcoming work of making efficiencies.

Free-up areas for freight handling

Within shipping, many of the improvements entail increased capacity and flexibility in the ports, for example, through freeing up areas for storage and freight handling.

"There are currently not many ports that can expand in this way. They do not have access to new land in connection with their

current facilities", Johan Röstin says. "On the other hand, efficiency can be increased by more ports focusing on intermodal solutions, making it simpler to reload freight between road, rail and sea traffic".

The possibilities of increasing the depth of water in ports and channels is another area of improvement that is under discussion. Increased depth of water enables larger ships to use the ports.

The on-going investigations and analysis surrounding the transport corridors will subsequently result in proposals for concrete investments and initiatives. This will provide Europe with a more effective and less environmentally damaging transport network by 2030.

Core Port – hub for shipping

As an element in the focus on effective transport corridors, the EU has designated a number of ports in the Union so-called Core Ports. These are ports which, via their geographic location and modern infrastructure, have the greatest significance in the development of the new corridors. There are 26 Core Ports in the ScanMed corridor – which runs from Helsinki to Palermo – including CMP's facilities in Copenhagen and Malmö.

"It makes it easier to receive co-financing for investments and development projects, e.g. for merging rail and road connections or other infrastructure initiatives which need to be implemented in our facilities in the future", says Gert Nørgaard, CMP's strategy & Planning Manager.



Water and air quality, land issues, noise and energy consumption are areas that characterise CMP's environmental work.

ENVIRONMENT:

CONTRIBUTES TO COMPETITIVENESS AND INCREASED SUSTAINABILITY

Sustainability work within CMP is based on a balance between economic, social and environmental aspects. Taking all these areas into consideration creates the conditions for a competitive port operation that is sustainable in the long-term.

Water and air quality, land issues, noise and energy consumption are top of the agenda in terms of the practical work. A look back shows that CMP has reduced its environmental load through various measures, which involve both technological investments and changed working methods and procedures. Over the years, our terminals have been moved further out from the central parts of Copenhagen and Malmö. This has given us better transport flows and simultaneously reduced the environmental load.

Environmental management system upgraded

Environmental responsibility is delegated to each terminal manager. To provide everyday support, CMP's environmental manager assists with knowledge and guidance. The practical work is managed via the environmental and quality management system that is in the process of being upgraded. The new, user

friendly system is expected to be implemented in 2016. It is integrated with CMP's intranet and is more process-oriented. It enables clarity in the everyday work and in allocating responsibility. The system is based on so-called process maps which make it simple to show where and when environmental issues, for example, should be addressed. It makes the work more effective.

The goals and guidelines in the environmental management system are integrated with M/S Progress, which is CMP's overall management by objectives, development and communication tool. It is used within all departments to set and follow up objectives.

New environmental objectives

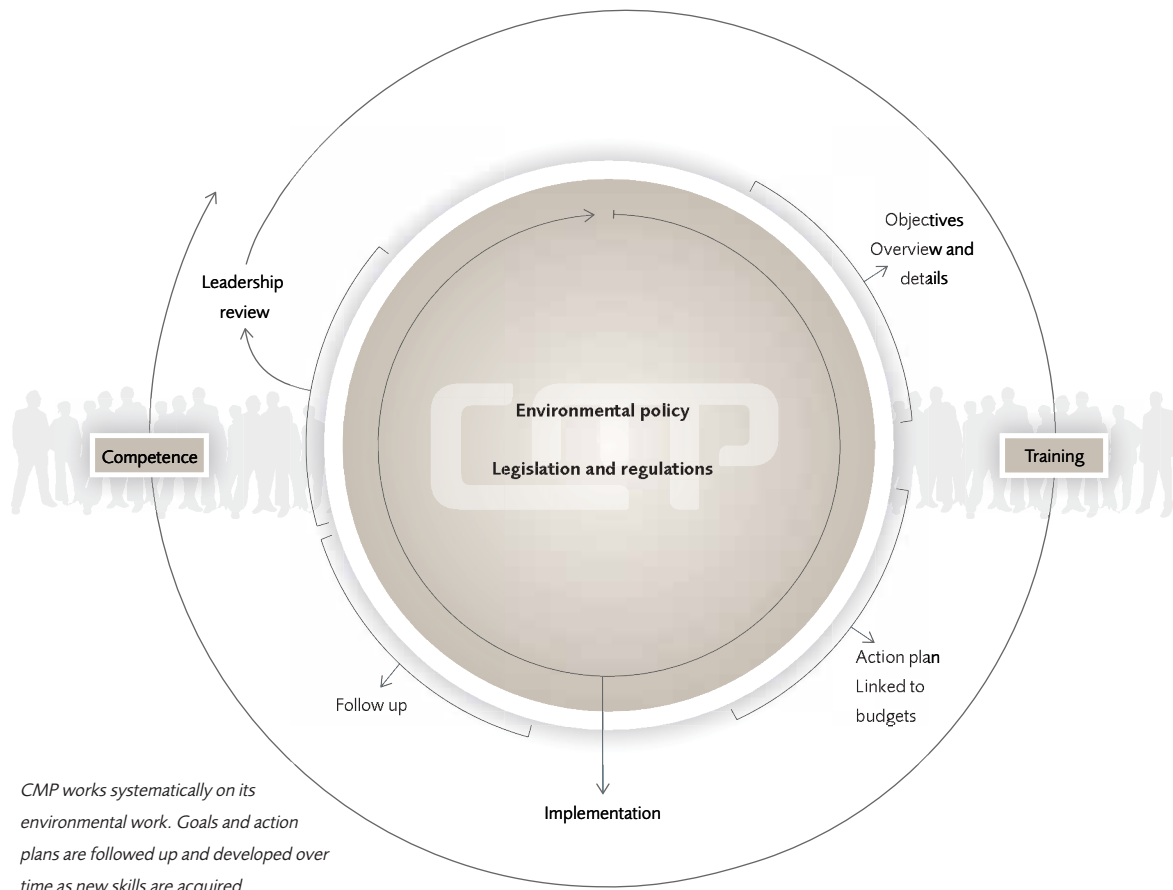
Work on CMP's environmental objectives has proceeded during 2015. The basis is the environmental study that was conducted previously, as well as the new environmental policy. The policy emphasises that environmental aspects should be included in the analysis of the entire supplier chain of which we are a part. When the environmental objectives are formulated, it is water, air and land issues, along with noise and energy consumption that are in focus. Objectives are also pro-

duced for training initiatives and skills development.

All employees have had to participate in the process as a part of the work to enlist support for the measures. This took place in connection with this year's Dialogue Meetings, which resulted in numerous suggestions for environmental objectives and practical solutions. The environmental objectives are expected to be finalised in autumn 2016.

2015 in focus

- CMP holds a permit for port activities in Malmö under the Swedish Environmental Code. The permit is based on a number of environmental conditions, which require continued environmental analyses, for example, pertaining to surface water management in Swede harbour. The dialogue with the authorities surrounding the proposal that CMP previously presented proceeded during 2015.
- CMP started to trial electric cars for its own operations. It is primarily vehicles that are used in the terminal areas that it has been of interest to evaluate, including the Cars business segment.
- CMP has a dialogue with the County Ad-



ministrative Board in Skåne concerning the handling of dredged material. Dredging is performed every year in and around the facilities to remove sediment that has been washed in by the sea so that the ships can continue to enter the port. This sediment, about 3,000-4,000 cubic metres per year, must subsequently be dealt with somehow.

- The initiative to lease work vehicles is continuing. Leasing provides flexible management. It makes it easier for us to select which machinery is most suitable for the operation in any given situation. Leasing vehicles provides access to the latest technology with a lower environmental load.
- CMP's work on industrial symbiosis is continuing, including a project that is partially funded by the innovation agency Vinnova. Companies, authorities and universities are involved. The aim is to derive benefit from each other's resources and use common services.
- Work in the oil port is proceeding on the

creation of a new liquid bulk terminal for low-sulphur maritime fuel. The project is linked to a water ruling. CMP is awaiting the decision and the resulting conditions.

- An energy survey of all facilities in Copenhagen has been conducted. The review has focused on heating systems and electricity consumption in the properties, as well as on energy used in the goods handling process. The survey will also contribute to identifying potential energy efficiency measures. A similar survey was conducted in Malmö in 2016.
- At the end of the year CMP was recertified according to ISO 9001 and ISO 14001. The new certificate applies for the next three years.
- Work is proceeding in Malmö on simplifying the handling of waste water from the cruise ships.
- CMP was host for GreenPort Congress, an annual environmental conference with participants from ports throughout Europe. Hosting gave us the opportunity to highlight environmental issues with sig-

nificance for shipping in Denmark and Sweden, and also to profile our own environmental work.

- A new permit for handling combustible freight was obtained, it applies, among other things, to chemicals and diesel tanks in Malmö. All sites have now been brought together in a single permit. It simplifies handling and makes it more structured.
- Together with the Environment Agency and various companies in the area, CMP has surveyed the occurrence of soil pollution in Malmö's oil port. The project also entails producing overall guidelines to deal with pollution in the area. The guidelines make it easier for both authorities and companies, for example, in relation to guide values and future actions.
- CMP has been certified via EcoPorts Foundation (EPF) – a non-profit making organisation set up by ports in Europe. The certification is a confirmation of how well the company is tackling environmental issues.

CMP has reduced its environmental impact, both via investments in technology and through changing its working methods.



Much of the quality management is dealt with via the overall improvement and development tool, M/S Progress.

QUALITY:

CONSTANT IMPROVEMENTS ENSURE HIGH QUALITY

CMP offers a high level of quality. This is demonstrated through the comparisons made with similar operations. At the same time, quality management is an ongoing process, with the objective of being able to continually reduce damage and damage-related costs.

All businesses have quality objectives that can cover everything from passenger service to freight handling. Objectives and follow-ups are largely managed via the overall improvement and development tool, M/S Progress. Examples of local objectives are:

- Evaluation of cruise ship arrivals – customer satisfaction
- Increased unloading and loading capacity
- Reduction in acute maintenance work on cranes and workshops
- From already low damage rates, efforts are being made to reduce damage
 - in the container operations
 - damage to cars during unloading/loading of ships and other car handling activities
 - damage costs in cargo handling in CMP's RoRo business and within the logistics department.

The local objectives that are set will simultaneously contribute to enabling the overall objective of 20% less damage and lower costs to be achieved. The trend in recent years shows that CMP has successively reduced damage and damage-related costs. The target of a 20% cut has not yet been achieved.

New quality management system

Introduction of CMP's new quality and environmental management system commenced during 2015. The implementation will be completed before summer 2016. The system is more modern and more user-friendly. It is based on a process approach which will enable new ways of working with quality and which places greater importance on a holistic view. Starting out from overall processes rather than departmental initiatives makes quality management simpler and more effective. A renewal audit in accordance with ISO 9001 was performed in late 2015. The audit approved CMP. The new ISO certificate applies for three years.

Quality management 2015

- Only 0.003% of the vehicles handled by car carriers were damaged during the year. This is a very competitive figure, corresponding to 3 cars per 100,000.
- Surveys of the quality of a range of parameters associated with cruise arrivals and the experience in Copenhagen are conducted on an ongoing basis. In international comparisons, the proportion of satisfied customers is among the highest in Europe. In 2015 the surveys gave CMP a nine on a ten point scale. Quality surveys are also conducted in relation to the passenger service in the port, as well for baggage and provisions handling. Here CMP received a grade in 2015 of 4.9 on a five point scale.



CMP wants to make freight handling more efficient in Malmö, including through investing in roads and bridges.



The new quays in Visby will increase the number of arrivals to around 150 cruise ships per year.

FUTURE DEVELOPMENT:

INVESTMENTS IN INFRASTRUCTURE – GOOD FOR GROWTH

Increased capacity in the port area

The work to ensure transport capacity at CMP's facilities in Malmö has continued in 2015. The objective is to streamline both road and rail traffic as freight volumes increase.

Freight volumes are expected to double between 2011 and 2030. Malmö City Council, CMP and the Swedish Transport Administration have consequently investigated how transport capacity in and around the port area should be ensured. The study was completed in 2015. A decision in the issue is now awaited, and Malmö City Council will adopt a new local plan for the area prior to summer 2016.

The options include building a new railway bridge between Mellersta Hamnen and Norra Hamnen. The bridge would free up capacity in Malmö's freight yard, the largest railway junction in southern Sweden, and increase capacity in the port area. It would benefit CMP as more trains would be able to travel directly from Norra Hamnen through Malmö freight yard.

The work has also focused on road traffic. The objective here is to develop existing roads in the port area, which would also benefit CMP. These investments would simultaneously link the neighbouring Malmö Industrial Park to the road network. The study proposes that road traffic is developed first and that the investment in the bridge and rail traffic is made at a later stage. Both projects deliver environmental benefits in that transportation in and around the port area will become more efficient. In total it involves investments of about SEK 90 million.

New cruise ship quay in Visby

The new cruise ship quay in Visby is now under construction. Work started just after the turn of the year 2015/ 2016. With the help of CMP, Gotland will become a leading cruise destination in the Baltic.

CMP and region Gotland have initiated a collaboration to develop Gotland as a cruise destination. About SEK 250 million is being invested in a new cruise quay that CMP will lease for 20 years. CMP has long experience of developing cruise ports and marketing destinations. It will make Gotland a leading destination in the Baltic.

It is estimated that the new cruise ship quay in Visby will increase the number of arrivals to around 150 cruise ships per year. It will generate annual revenues for the tourism industry of around 90 -130 million. The collaboration will enable CMP to offer the cruise lines three destinations, which is a strength. The development will also mean that Visby can receive larger cruise ships in the future.

Two 340 metre long ships will be able to dock simultaneously at the cruise ship quay, which, including abutment, will extend 530 metres out into the sea. There are also plans for an approximately 300 square metre terminal for passengers and crew. The new facility will be opened in spring 2018.



The work within human resources contributes to staff having a comprehensive picture of CMP's operations and also supports everyone in their personal and professional development.

HUMAN RESOURCES:

CONTRIBUTE IN THE INTERACTION BETWEEN COMPANIES AND STAFF

A more competitive situation increases the demands placed on CMP – on both the company and the staff. The work performed in human resources (HR) contributes to enabling these demands to be met and enables the interaction between companies and staff to function as smoothly and effectively as possible.

CMP will contribute to all staff having a wide-ranging and comprehensive picture of the company's operations. This holistic approach also characterises the work within human resources. The objective is to support the interaction between the company and its employees. It will contribute to creating the right expectations and improving the conditions for taking responsibility, having a sense of involvement and optimising and getting the best possible results from individual initiatives.

In addition, HR will:

- create understanding for external requirements and other circumstances that have an impact on CMP's operations,
- support the business areas in issues involving staffing and contracts, which pro-

vide transparent, uniform terms and conditions, as well as contribute to making CMP more flexible and competitive,

- contribute to ensuring that change processes are effected smoothly,
- actively contribute to CMP being a company with clear, common values, and
- support managers and staff in their personal and professional development.

Focus on first line managers

The work of further developing leadership is targeted at managers at all levels. In recent years CMP has endeavoured to move responsibility, expertise and decisiveness ever closer to operational activities. At the same time, it has brought first line managers more into focus. This work has continued during 2015, and resulted in the production of detailed development programmes for these managers. Developing expertise makes it easier to match responsibility and challenges with each other. This focus on expertise will also encourage independent action, which generates value for CMP and produces more stimulating jobs. Leadership in CMP is also developed via Leadership Forum, a network

for managers, leaders and supervisors. It meets four times a year to exchange experiences.

Culture and values

Strong, shared values help to bind an organisation together, improve internal collaboration and contribute to creating a sense of security and belonging. In recent years CMP has therefore put its energy into producing and enlisting support for internal values. This work has encompassed both the senior management and Leadership Forum, as well as the common Dialogue Meetings. During 2015 the work has been focussed on gaining support for the values at departmental and individual level.

Development via Dialogue Meetings and M/S Progress

The Dialogue Meetings are held two times per year. All staff come together to discuss general issues that are important for the operation. The Dialogue Meetings have also focussed on CMP's values during 2015, but above all on environmental and health and safety issues. Participants acquainted them-

The work environment is a part of the new quality and environmental management system being implemented in 2015/2016.

selves with the issues via different work stations and also made their own recordings. These recordings have contributed to linking the environmental objectives to each workplace. Strategy issues have also been addressed in the same way, enabling a large number of questions and areas to be debated via the groups.

M/S Progress is CMP's overall tool for development, communication and management by objectives. It has been in operation since 2011 and is used to set departmental targets that are measured and followed up on a regular basis. The three areas that M/S Progress focuses on were revised during 2015. The new areas are Leadership, Collaboration and Customers. The environmental objectives will also be integrated in this task during the next stage.

Health and safety

CMP has a zero vision, which means that no staff should fall ill or sustain an injury at work. Legislation and official regulations are minimum requirements for occupational health and safety activities.

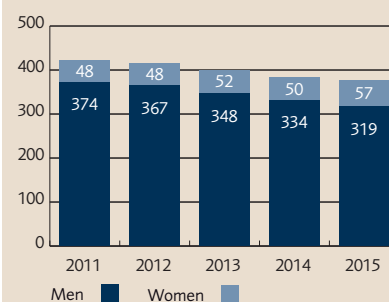
CMP's health and safety engineer functions as advisor and coordinator. Local health and safety committees are in place in Copenhagen and Malmö to coordinate health and

safety issues and evaluate the results from safety inspections and workplace meetings. The objective is for initiatives to be managed in the operational activities. Investments are consequently being made in health and safety training for first line managers. It enables a more direct dialogue with the employees, and analyses and measures to be implemented more quickly and effectively at the respective workplace.

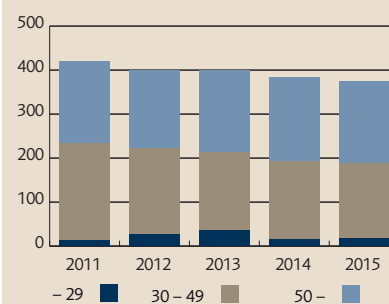
Incident reporting and risk assessments are prioritised. Increased incident reporting contributes to rectifying shortcomings rapidly and systematically. Risk assessments are performed at each workplace and when necessary followed by production of action plans and protective equipment. The importance of feedback has been emphasised during 2015. Compliance with risk assessments and provision of feedback is always important as it stimulates interest in these issues.

The work environment is a part of the new quality and environmental management system being implemented in 2015 and 2016. The user-friendly system is integrated with CMP's intranet and based on a more comprehensive process approach. It increases clarity in the everyday work as it becomes simpler to see where and when work environment issues have to be taken into account.

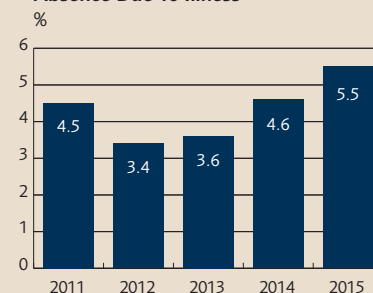
Number Of Employees



Age Structure



Absence Due To Illness





The CSR work encompasses environmental aspects, but also social considerations that develop and make life at sea safer and more secure.

CORPORATE SOCIAL RESPONSIBILITY:

FOCUS ON THE BLUE SEA

The blue sea is the guiding principle for CMP's activities in the area of corporate social responsibility (CSR). This work encompasses environmental aspects, but also social considerations that develop and make life at sea safer and more secure.

For CMP, CSR represents initiatives that are largely outside statutory and agreed requirements. These initiatives are based on the company-wide policy which includes a focus on:

- A cleaner marine environment and a cleaner environment in the ports.
- A safer life at sea, in the ports and by the shore.
- Education and training to assist those working at sea or in shipping-related activities

During 2015, CMP was host for GreenPort Congress, which is the annual environmental conference with participants from ports throughout Europe. Hosting gave CMP the opportunity to highlight environmental issues

with significance for shipping in Denmark and Sweden, and also to profile our own environmental work.

CMP is also participating in a project surrounding Industrial Symbiosis. The objective is to cooperate with companies and other organisations to derive benefit from each other's resources and develop common services. The project enables a wider exchange with universities and colleges. In addition, CMP co-finances a new programme at the Swedish University of Agriculture Sciences in Alnarp.

Four focus areas

The policy encompasses CMP's employees as well as customers, owners, collaborative partners and the surrounding society. It focuses on four different areas:

- The environment.
- Safety.
- Education and Training/Research/Expertise.
- Social responsibility.

The practical work is coordinated by an internal project group. CSR issues are also addressed at departmental meetings as well as via M/S Progress, CMP's overall tool for development and change. Two Dialogue Meetings are also held each year, with the participation of all staff. The CSR work is also addressed at these meetings. Staff contribute ideas and suggestions for suitable activities.

CMP already supports a handful of organisations in Sweden and Denmark. They all have operations which in one way or another have links to the blue sea, e.g. the World Maritime University, the Merchant Marine's Welfare Board in Denmark and the Swedish Seamen's Church (Swedish Church Abroad). CMP also makes financial contributions to a number of environmental projects and offers services, including free Wi-Fi for crews on ships that dock at CMP's different terminals.

CMP supports education and research to assist those working at sea or in shipping-related activities.

MANAGEMENT



Johan Röstin
CEO



Barbara Scheel Agersnap
Deputy CEO



Johan Ullenby
COO Port & Terminal Operations



Brian Kristensen
COO Liquid, Dry Bulk & Property



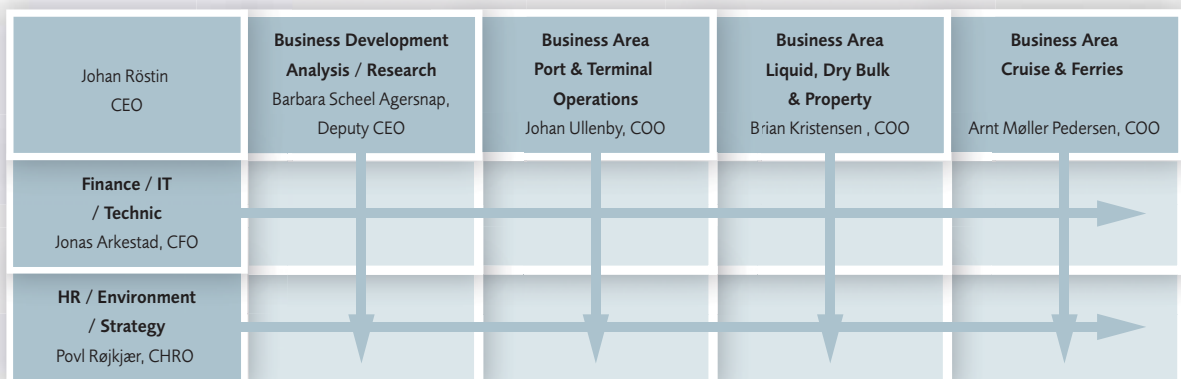
Arnt Møller Pedersen
COO Cruise & Ferries



Jonas Arkestad
CFO



Povl Røjkjær
CHRO



CMP has created a flexible and dynamic cross-border organization – a business-oriented organization focusing on customers and quality.

BOARD



Ilmar Reepalu
Chairman of the Board.
Board member since 2013.



Mads Lebech
Deputy Chairman of the Board.
Managing Director, Industriens Fond.
Board member CPH City & Port Development.
Board member since 2012.



Olof Andersson
Managing Director, Fastighets AB Trianon.
Board member since 2013.



Anja Sonesson
Member of Malmö City Council.
Board member since 2015.



Carsten Koch
Chairman of the Københavns Havns Pensionskasse, Arealudviklingsselskabet Fredericia C P/S, Forca A/S, Vækstfonden (Business Development Finance) and Professionshøjskolen UCC. Deputy Chairman of Sund & Bælt Holding A/S, and Femern A/S. Member of the board of directors for Øresundsbrosortiet I/S, Dades A/S, Investeringsforeningen Maj Invest, Nordgroup A/S, Chairman of the Employment Council. Board member since 2013



Åke Svensson
Director.
Board member since 2001.



Michael Soetman

Development Director, CPH City & Port Development.
Board member since 2008.



Lars Weiss

Member of the Copenhagen City council.
Board member CPH City & Port Development.
Board member since 2011.



Roger Persson

Coordinating Manager IT-Department.
Board member since 2015.
Employee representative.



Søren A. Nyegaard

Docker.
Board member since 2001.
Employee representative.



Jacob Fogh

Terminal Manager.
Board member since 2013.
Employee representative.



Curt Hansson

Docker. Board member since 2012.
Employee representative.

CORPORATE GOVERNANCE REPORT

CMP is a private Swedish limited company with a Danish subsidiary. Its corporate governance is primarily based on the Swedish Companies Act and the Annual Accounts Act, but also on other relevant laws and regulations. CMP is not formally covered by the Swedish code for corporate governance. However, the ambition is to apply the code as far as possible and also where this is deemed to create value. The aim of this corporate governance report is to highlight to shareholders, customers and other stakeholders how the business is administered. CMP's conviction is that, among other things, good corporate governance creates conditions for clear allocation of responsibility between the different corporate bodies, which increases efficiency and reduces risks.

Annual General Meeting

The AGM is CMP's highest decision-making body and the forum where shareholders can have an influence over the company. Each shareholder is entitled to take part in and exercise the right to vote at the annual meeting of shareholders. A shareholder who is not able to personally attend the meeting can exercise his or her right through a representative. The duties of the AGM are regulated in the Companies Act. Among other things, voting at the AGM determines the composition of the Board of Directors, changes in the articles of association and other matters. Each share represents one vote. Decisions taken at the AGM are made in accordance with the provisions of the Companies Act regarding the size of the majority. The directors and the auditors – along with representatives for the executive management – are normally present to answer questions and provide information.

The Board of Directors

The Board of Directors has ultimate responsibility for how the business is run and must administer the company's affairs in the inter-

ests of the company and all shareholders. The Board of Directors' duties include appointing and dismissing the CEO, producing guidelines for the CEO's work and making decisions in all questions that are deemed to be of material importance for the company's operations. The Board of Directors continually evaluates the company's financial position and also ensures that access to capital meets the business's requirements over time. In accordance with the articles of association, CMP's board consists of twelve ordinary members, eight of which are appointed at the AGM. The trade-union organisations in Malmö are entitled to appoint another two ordinary members and two deputy members. The employees in Copenhagen also have this right. The Chairman and Deputy Chairman of the Board of Directors are appointed by the two largest owners – By & Havn I/S and Malmö City Council. This is performed by these owners as long as they each own more than 20% of the total number of shares. The chairmanship alternates between By & Havn I/S and Malmö City Council. The Chairman is elected for a period of two years. The company's CEO, deputy CEO and CFO normally participate in board meetings. If necessary other leading company officials also participate. The main task of the Board of Directors is to be responsible for the company's organisation and the administration of its affairs. The work is governed by the Companies Act and by the rules of procedure for CMP's Board of Directors. The work of the Board of Directors follows a set agenda, with the aim of meeting the Board's requirement for information. The agenda is drawn up in accordance with the rules of procedure set by the Board of Directors. This is done every year at the first board meeting held after the AGM. Among other things, the rules of procedure set out how often the Board of Directors should meet and the allocation of work and responsibility between the Board, the Chairman, Deputy Chairman and CEO. The Board

of Directors monitors the business through the work it undertakes, via monthly reporting and through regular contacts between board meetings. This follow-up enables decisions to be taken on overall, long-term strategies and goals. The follow-up also ensures adoption of annual accounts and budgets, and decisions surrounding major investments and other business-related matters. CMP's Board of Directors perform an annual evaluation of their work.

Remuneration issues

The Chairman and Deputy Chairman present the annual remuneration principles for the Board of Directors. The Chairman and Deputy Chairman are also responsible for preparation of issues concerning remuneration principles, remuneration and other terms of employment for the CEO and – if there is one – the Deputy CEO, as well as for submission of proposals to the AGM.

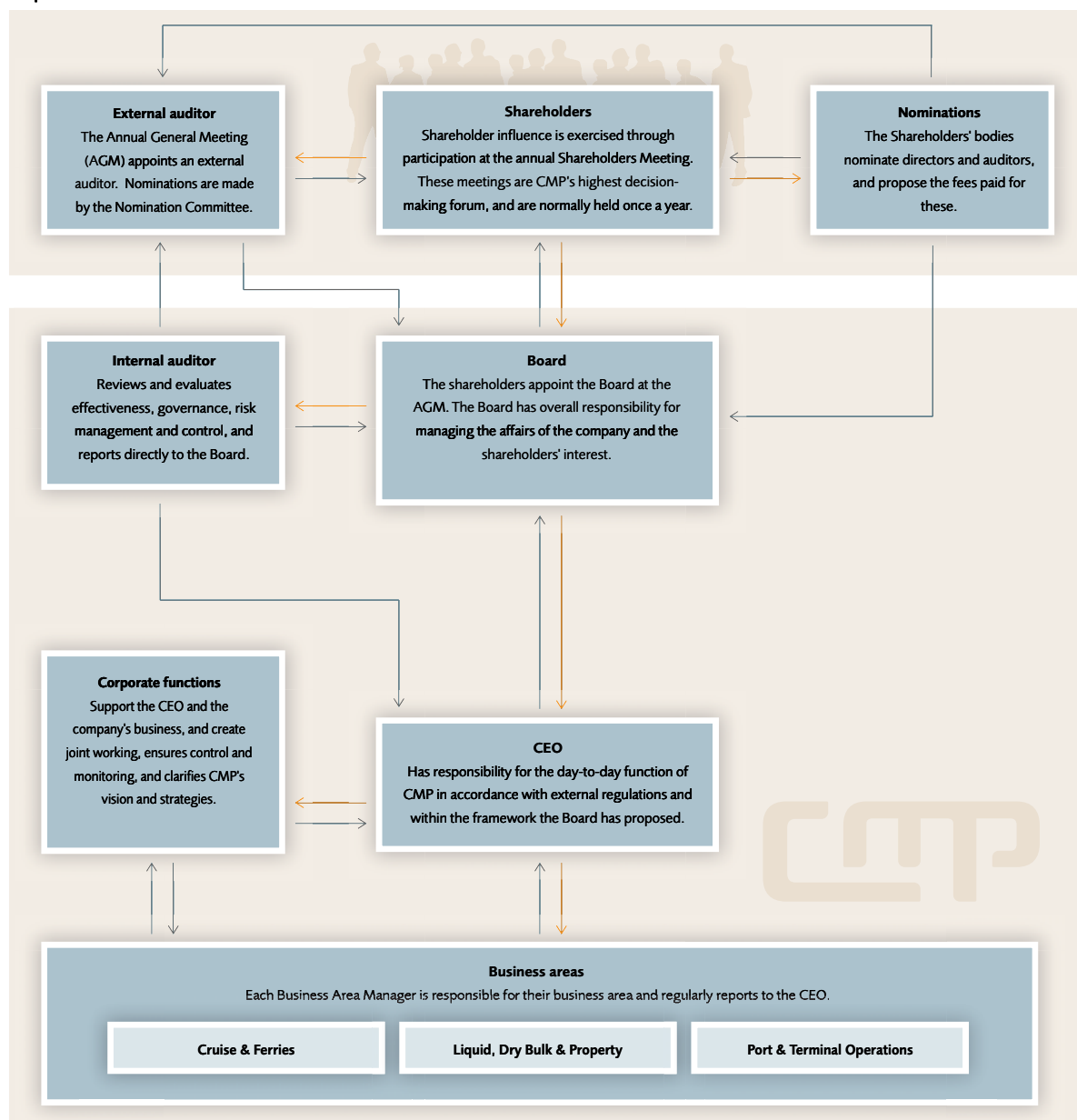
Auditing issues

CMP's board as a whole participates and makes decisions concerning the company's audit. The company's auditors give an account of observations and conclusions from the annual audit.

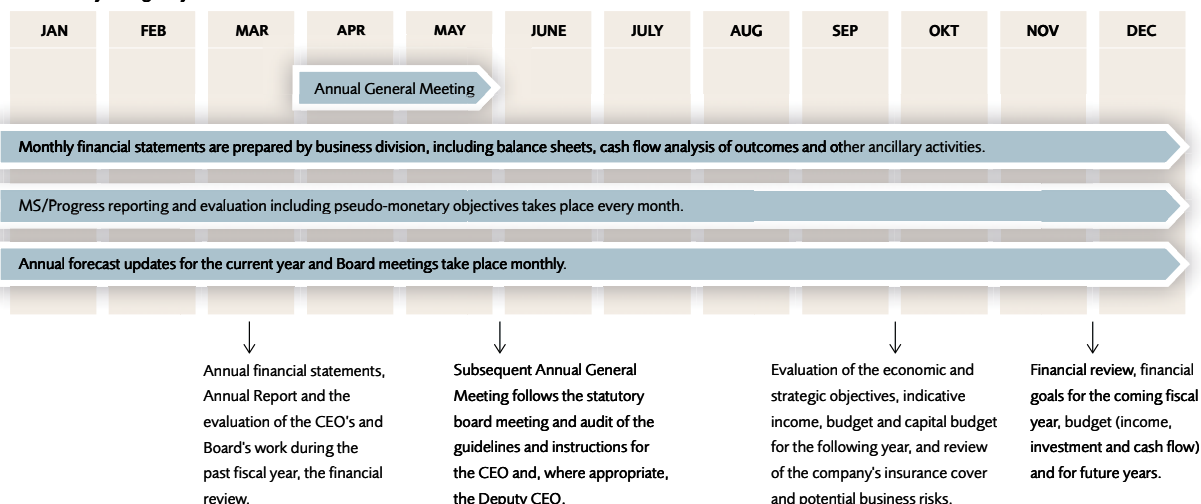
CEO, executive management

CMP's CEO leads the business in accordance with the instructions that the Board of Directors has adopted, as well as according to relevant laws and statutes. The CEO is responsible that the Board of Directors receives information and necessary data on which to base decisions and that the Board of Directors' decisions are implemented. The CEO has principal responsibility for the operational management of the company. The company's operations are divided into three business areas. The company has a management team consisting of seven ordinary members including the CEO and the Deputy CEO. Besides the CEO and Deputy CEO, the man-

Corporate Governance



Board activity during the year



agement team consists of the head of each business area and the technical service and administration, HR and strategic development functions.

External audit

According to CMP's articles of association, an authorised public accountant and a deputy must be selected. The nomination of auditors and selection of remuneration principles take place at each ordinary AGM. The responsible auditor in CMP reviews the company's annual report and accounts, as well as the Board of Directors' and CEO's administration. The auditor participates in the Board of Directors' annual accounts meeting and reports on the audit. The chairman or auditor presents the auditor's report at the AGM and describes the audit work and observations made.

Internal control

According to the Swedish Companies Act, CMP's board is responsible for the internal controls. The company's financial reporting complies with the laws and rules that apply for companies of this type and local rules in the respective country where operations are conducted. A satisfactory internal control in respect of financial reporting has the aim, among other things, of providing reasonable certainty in the reporting, among which the annual report has major importance.

The control environment

CMP's board has overall responsibility for establishing an effective system for internal control, both with regard to the financial reporting and for the business in general. The operational responsibility for maintaining effective internal control is delegated to the CEO, who in turn delegates function-specific responsibility to managers at different levels in the company. Controlling documents – for example, the Board of Directors' rules of procedure and instruction for the CEO – ensure a clear allocation of responsibility. Within

CMP there is an overall set of rules and regulations in relation to authorization and powers. These authorization instructions regulate responsibility and powers for transactions between Board of Directors, CEO and other persons in the company.

CMP's internal business system – M/S Progress, along with the quality and environmental management systems – contain process descriptions, job instructions etc.

Risk assessment

The work in respect of material risks in the financial reporting comprises both identification of risks, as well as surveying and assessing them.

Control activities

The aim of the risk management is to quantify and reduce, or alternatively eliminate, risks that have been identified in the financial reporting. The risk management is built into the company's processes. Different control activities are used to evaluate and limit risks, and also to ensure that the risks to which CMP is exposed are dealt with according to set guidelines and instructions. CMP has a reporting system based on monthly, quarterly and annual reporting. Analyses of the reporting are conducted at overall level, with profitability, capital tied up and key ratios in focus. Follow-up is performed in relation to the budget, the most recent forecast and selected key ratios. Monthly reports are always submitted to the Board of Directors. The regulations in respect of authorization and powers ensures a distinct decision-making process for more extensive decisions, for example, major investments and contracts etc.

Information and communication

CMP has internal information and communication routes with the aim of promoting correct financial reporting. Internal guidelines and manuals that affect the financial reporting are evaluated on a continuous basis. The

Board of Directors receives monthly reports concerning the operation's financial development with analyses and comments on the development compared with budget, forecast and the previous year. The external auditor reports back to the Board of Directors every year after the year-end audit. The CEO and CFO keep the Board of Directors regularly informed concerning the company's financial position, development and any potential risk areas. Press releases, financial information etc. are published on CMP's website. The external financial reporting is based on external and internal controlling documents.

Follow-up

Follow-up to ensure the effectiveness of the internal controls with respect to the financial reporting is dealt with by the Board of Directors, CEO, the management as well as by the company's various units. The follow-up includes analyses of monthly and quarterly reports, which are compared with budgets and forecasts. CMP does not have a specific function for internal auditing. The Board of Directors' assessment is that there are no special circumstances in the business or other conditions that justify establishing such a function.

DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Copenhagen Malmö Port AB (CMP) hereby submit their annual report for the financial year January – December 2015.

Ownership structure, nature and focus of business operations

CMP's shares and voting rights are distributed between a total of 21 shareholders. Udviklingsselskabet By & Havn I/S, Malmö City Council and Förvaltnings AB Norra Vallgatan together represent just under 92% of the total number of shares and votes.

Largest shareholders 31 December 2015

Shareholder	No. of shares	% share
Udviklingsselskabet By & Havn I/S (Danish reg.no. 30 82 37 02)	1,800,000	50.0%
Malmö City Offices, City of Malmö (reg.no. 212000-1124)	989,100	27.5%
Förvaltnings AB Norra Vallgatan (reg.no. 556669-0383)	517,500	14.4%
Other shareholders	293,400	8.1%
Total	3,600,000	100.0%

Note. The equity and voting shares are identical.

CMP's operations are conducted in a Swedish limited company (Corp ID no. 556027-4077) with associated branch in Denmark (Corp ID no. SE 25 99 60 11). Operations are conducted geographically in Copenhagen and Malmö ports. Operations are divided into three business areas – Cruise & Ferries, Liquid Bulk, Dry Bulk and Property, and Port & Terminal Operations. All business areas are active in both Malmö and Copenhagen.

CMP pays annual fees to lease permanent facilities in the form of quays, shipping lanes and buildings from Malmö City Council and Udviklingsselskabet By & Havn I/S respectively. These fees are based in part on older facilities, in part – on completion – on investments made in new facilities. The current lease contracts with the port owners run until the end of 2035. These contracts can be extended during 2016 to 2040 if all parties are in agreement. The contracts also regulate the conditions for moving specified terminals to new geographic areas during the contract period. The respective port owners guarantee CMP a minimum of the book value for investments if they cannot be moved in connection with extending the lease contracts. The guarantee applies provided that the port owner continues to approve the permanent investments that CMP makes.

Business concept

CMP's business concept is to sell port, terminal and transport solutions

and it reads: "We create port, terminal and transport solutions across northern Europe". The business concept emphasises that CMP is good at creation, development and renewal – in both its internal work and in its contacts with external actors. In terms of this creation, CMP is characterised by sensitivity, the capacity to innovate and to make rapid decisions. In addition, it is emphasised that CMP offers solutions, rather than services. These solutions must be wide-ranging and create clear added value for customers and business partners.

The solutions also include new forms of collaboration, ideally in the form of alliances and partnerships, where CMP challenges ingrained ways of doing things and traditional industrial structures. The business concept also clarifies that CMP's market comprises all of northern Europe. Countries and markets around the Baltic Sea are the focal point for efforts to realise future growth and development goals.

Sales and profits

For the full year 2015, CMP's turnover amounted to SEK 762.1 (762.7) million, which was in line with last year. This includes the fact that the New Cars business segment accrued one-off revenues of SEK 15 million in 2014. This occurred in connection with a customer withdrawing from parts of its lease contract. Excluding exchange rate effects of SEK -8.2 million – and the one-off revenue in 2014 of SEK 15 million – the increase in turnover was SEK 22.6 million, which is equivalent to 3.0%.

The increase in sales – excluding exchange rate effects and the one-off revenue in 2014 – is explained by the fact that the Cruise, RoRo and Oil business segments had rising volumes. The effect of these increases is partially reduced through declining sales within New Cars. The increase within Cruise was due to rising sales and within RoRo due to higher freight volumes. The change within Oil was primarily linked to increased sales of bunkering oil. The decrease in volume within New Cars was primarily due to a partial change in the route by which cars are transported to Russia.

The operating profit for 2015 was SEK 71.0 (89.5) million. This produced an operating margin of 9.3% (11.7) and a decrease in profits of SEK 18.5 million compared with last year. The outcome for the immediately preceding year included, as stated, a one-off effect of SEK 15.0 million. Excluding the one-off revenue and exchange rate effects – which amounted to -SEK 1.3 million in 2015 – the operating profit was SEK 2.2 million lower than the year before. The bulk of this decrease is due to increased lease fees for land and facilities. To some extent, it has been possible to reduce the effect of the higher fees through making efficiencies and increasing volumes. The lease fees increased by SEK 5.4 million compared with 2014. The increase was primarily due to the fact that the new cruise terminal, which was inaugurated in 2014, encumbered CMP with lease fees throughout

2015. In 2014 the business was only partially charged these higher fees.

Net interest income/expense was SEK 0.8 (0.7) million. As CMP has very minor interest-bearing liabilities and cash in hand – simultaneously with a very low or negative lending rate – financial income/expense was low. Profit after financial items amounted to SEK 71.9 (90.3) million. These figures indicate a decrease of SEK 18.4 million compared with the previous year. Appropriations and tax on profit for 2015 were almost the same. Appropriations made resulted in a maximum dissolution of the untaxed reserves. Tax on profit for the year amounted to SEK -29.5 (-38.5) million. Profit for the year after tax amounted to SEK 77.4 (90.3) million.

Cash flow and Liquidity

CMP's cash flow from operating activities amounted to SEK 92.6 (144.5) million. The primary reasons that cash flow decreased by SEK 51.9 million compared with 2014 was that profit after financial items fell by SEK 18.4 million, that tax paid fell by SEK 15.5 million, that working capital increased by SEK 17.9 million through dissolution of a prepaid tenancy and increases and decreases in some minor items. The fact that provisions increased by SEK 25.1 million has no real effect on the total cash flow. However, cash flow from operating activities is affected as this is an environmental reserve paid by a previous tenant.

Investing activities produced an outflow of cash of SEK -36.0 (-42.4) million. A dividend of SEK 66.1 (62.5) million was paid, after which the cash flow for the year amounted to SEK -9.5 (39.7) million. Cash flow for the year produced cash and cash equivalents at the end of the year of SEK 155.8 (165.3) million.

Significant events after the year-end accounts

No events of a significant character have occurred after the end of the financial year. The annual report will be adopted at the AGM on June 10 2016.

Outlook

The company views the future positively, despite stiff competition and an economic situation that remains hesitant. This positive outlook is based on CMP's geographic location, the company's purpose-built facilities and the established commercial networks. These success factors have given CMP a strong position in a number of business segments and markets, establishing the conditions for a favourable development in coming years.

The lease contract for the bulk of the land where CMP conducts its operations was extended during 2016. The extension presupposes that the respective port owners do not choose to terminate the

contract before the end of December. Provided there is no termination, the contract will be extended by a further five years – from 2035 to 2040. CMP will decide during 2016 whether to move the container operation in Copenhagen. Currently, the main option is to move the operation closer to the cruise terminal in Nordhavn, alternatively to relocate the container terminal to the port in Køge.

Management of significant risks and uncertainties

All business operations are associated with risks. Risks managed correctly can open up fresh opportunities and increase value creation, while risks that are badly managed can result in damage and losses. The ability to identify, evaluate and manage risks is an important part of the governance and control of CMP's operations. The ambition is to achieve the business's goals through properly assessed risk-taking, where specific risks can be reduced or entirely avoided.

CMP's risks are managed and followed up systematically, including via a monthly follow-up of the economic monthly outcomes at business segment and departmental level. The ongoing management also entails CMP analysing, expanding and improving the systems, methods and processes used in order to reduce risks. Examples of this are the annual strategy seminars with the Board of Directors, as well as forecasts, budget processes and continuous audits of internal processes and procedures.

The business is exposed to a number of strategic and operational risks. The strategic risks are linked to CMP focussing its operations on areas that might not be in demand in the future, or CMP investing incorrectly and jeopardising future competitiveness. CMP tries to reduce this risk through broadly-based, ongoing business analyses, through continually developing the organisation and the employees, as well as through strategy discussions with the Board of Directors and other actors who provide perspective and creative dialogue.

The management of strategic risks is focused on doing the right things. The operational risk management, on the other hand, is more about performing a particular task correctly. Operational risks are therefore focussed more on processes, assets and people.

Market risks

CMP's operation is exposed to market risks, including cyclical fluctuations and changes in demand patterns which can affect demand for CMP's services, and the fact that CMP's operations are wide-ranging and directed at many different sectors and customers. This reduces the risk of a deterioration in demand affecting significant parts of the business. The breadth of the operation also means that the effects and risks of major seasonal variations – which for example characterise the cruise industry – are diminished within CMP.

Price risk

The price risk means that the market price of CMP's services could fall, and have a negative effect on the business. Ways in which this risk is managed include through the fact that CMP's services are substantially linked to contracts that extend at least one year forward in time. For long-term contractual relationships in respect of leasing quays and warehouses etc., the contracts are index-linked. The leasing service's proportion of CMP's total income is about 20%.

Price risks for products and services that CMP purchases primarily pertain to market risks, currency risks and interest rate risks. To a limited extent CMP is indirectly exposed to interest rate risks in its lease contracts via the annual indexation. Otherwise, the lease contracts run with fixed interest which in some cases is recalculated every three years with a limited interest rate risk. During 2015 the leases accounted for an annual cost of SEK 165 (159) million.

The leases for the properties and sites that CMP uses are regulated. This minimises the risk of property and site owners deciding to use areas of land and properties for other purposes. The contracts are extended every five years by a further five years. This means that they are always valid for 20 to 25 years ahead. Fixed assets that are owned by CMP – and which have a longer economic service life than 20 to 25 years – are normally guaranteed by the land owner at book value at the end of the contract term.

IT risks

Disruptions or faults in critical systems can affect CMP's services and financial follow-up. The risk management in this area is based on CMP trying to reduce the number of systems, using standardised systems with no adaptations and purchasing services from companies with effective systems and a high level of expertise.

Personal injuries and damage to assets

CMP's business is exposed to personal injuries and damage to assets. An example of damage to assets is if a ship was to collide with a quay or other equipment, leading to a halt in operations and injuries to persons and damage to property. CMP follows up these risks on a continuous basis, develops its procedures and improves technical equipment and expertise in order to prevent accidents.

Environmental risk

CMP has an environmental permit. This permit presupposes that CMP and the company's tenants and customers perform their undertakings. CMP continuously evaluates its operations and analyses relevant risks in order to comply with the requirements and conditions in the environmental permit.

CMP has some exposure to substances that are harmful to the en-

vironment, for example, oil and chemicals. Through its own environmental policy, extensive safety procedures and continuous monitoring of its facilities, this risk is deemed to be limited. The same goes for the risk of terror attacks or similar events, where according to international regulations CMP must comply with ISPS (The International Ship and Port Facility Security Code).

Financial risks

CMP does not currently have any interest-bearing loans, but is exposed in an equivalent way to interest rates, currency and liquidity, primarily through long lease contracts with port owners in the respective ports. CMP tries to limit this exposure through signing long lease contracts with its customers. These customer contracts thus counterbalance CMP's own exposure as far as possible.

The currency risks are primarily linked to the risk that the Danish krona will develop negatively relative to the Swedish krona. About half of CMP's turnover is in Danish kroner. The risk is limited to the profit margin as the bulk of the costs for what is invoiced in Danish kroner are in the same currency. Other significant risks are the risk of bad debt losses due to insolvency. CMP performs credit checks of customers on a continuous basis, and tries to limit outstanding accounts receivable through adapting the terms of payment. CMP often requires bank guarantees or equivalent from customers for the long lease contracts, which further limits the risks of bad debt losses. Moreover, the risks inherent in long lease contracts are limited by the fact that quays and buildings can often be used in other ways than detailed in the actual contract.

The insurance risk means that the insurance policies that CMP has taken out do not provide protection against different types of damage. CMP has a single insurance policy, with the objective of covering as large a proportion of potential risks as possible at a reasonable cost. Risks of downtime. CMP always tries to have alternative technology and equipment available. This limits the effects of a breakdown or other incidents that can result in a long period of downtime.

Environment and quality

CMP engages with environmental issues on a continuous basis, in part through the company's environmental policy and in part via its own environmental management system. The ISO 14001:2004 international standard has been used for a number of years to ensure systematic environmental management. At the end of 2015 a recertification was undertaken to extend CMP's certificate for a further three years. Port operations in Sweden are obliged to have a permit according to environmental legislation. CMP received its environmental permit for the port operation in Malmö in 2008. Some of the facilities and areas of land where CMP currently conducts its operations

suffer from the environmental effects of previous activities. The environmental conditions that apply to the period before 2001, when CMP's operations started, are the responsibility of the respective port owners. CMP also has a certified management system for quality in accordance with ISO 9001:2008. Here too a recertification was undertaken to extend CMP's certificate for a further three years.

Investments

Investments in buildings, machinery and equipment during the year were SEK 36.0 (42.4) million. The investments primarily related to buildings and land. Besides investments on its own account, investments are also made by the respective land owner, which pays via a lease fee. During 2015 investments by land owners amounted to SEK 20 (75) million.

Employees

The average number of employees in 2015 was 376 (384), which is a decrease of 1.3% compared with the year before. Out of the total number of employees, 15% were women (13.1). Short-term sick leave was 2.8% (2.6 %) and long-term sick leave 2.6% (1.8 %).

Proposed dividend

The following profits are at the disposal of the Annual General Meeting:

Retained profits, SEK '000s	198 440
Profit for the year, SEK '000s	77 384
Total, SEK '000s	275 824

The Board of Directors and CEO propose the following:

Dividend of SEK 19.15 per share, SEK '000s	68 940
To be carried forward, SEK '000s	206 884
Total, SEK '000s	275 824

No transfer to restricted equity is proposed.

The proposed dividend follows the company's previous dividend policy to distribute 25% of the unrestricted equity. The Board of Directors and CEO consider this level of dividend to be justifiable. This is in view of the equity requirements arising from the nature, scope and risks of the activities and the consolidation needs, liquidity and position of the company.

For more information about the company's results and financial position for 2015 and 2014, see the following income statement and balance sheet and additional disclosures.

INCOME STATEMENT

(SEK 1,000)	Note	2015	2014
Net turnover	1	762,122	762,690
Expenditure for goods sold		-615,868	-570,343
Gross profit		146,254	192,347
Sales costs		-25,876	-20,861
Administrative costs		-39,606	-82,816
Other operating income		38,987	28,907
Other operating expenses		-48,744	-28,060
Operating income	2, 3	71,015	89,517
Interest and other similar income		1,123	780
Interest expenses and similar items		-280	-34
Profit after financial deductions		71,858	90,263
Reserves	8	35,000	38,549
Tax on profits for the year	4	-29,474	-38,466
Profit for the year		77,384	90,346

BALANCE SHEET

ASSETS

December 31 (SEK 1,000)	Note	2015	2014
FIXED ASSETS			
Tangible fixed assets	5		
Buildings and land		92,977	67,732
Plant and other technical equipment		143,723	159,386
Inventory, tools, fixtures and fittings		82,763	81,725
New and in progress construction and advances		9,779	22,261
		329,242	331,104
TOTAL FIXED ASSETS		329,242	331,104
CURRENT ASSETS			
Current receivables			
Accounts receivables		53,115	59,348
Other receivables	6	12,673	18,019
Tax assets		366	5,618
Prepayments and accrued income	6	62,123	52,368
		128,277	135,353
Short-term investments			
Other investments		0	1
Liquid assets	12	155,783	165,308
TOTAL CURRENT ASSETS		284,060	300,662
TOTAL ASSETS		613,302	631,766

EQUITY AND LIABILITIES

December 31 (SEK 1,000)	Note	2015	2014
EQUITY	11		
Restricted equity			
Share capital		100,000	100,000
Share premium account		20,000	20,000
Statutory reserve		388	388
		120,388	120,388
Non restricted equity			
Retained earnings		198,440	174,226
Profit for the year		77,384	90,346
		275,824	264,572
TOTAL EQUITY		396,212	384,960
UNTAXED RESERVES	8	4,912	39,912
APPROPRIATIONS	9	25,059	0
CURRENT LIABILITIES			
Trade payables		37,547	37,769
Other liabilities		17,288	8,326
Accrued expenses and deferred income	10	132,284	160,799
		187,119	206,894
TOTAL EQUITY AND LIABILITIES		613,302	631,766
Memorandum items			
Assets pledged		None	None
Contingent liabilities		None	None

CASH FLOW STATEMENT

(SEK 1,000)	2015	2014
Operating activities		
Profit after financial items	71,858	90,263
Adjustment for non-cash items:		
Depreciation and impairment of property, plant and equipment	38,742	41,835
Provisions	25,059	0
Capital gain on property, plant and equipment	-884	-2,896
	134,775	129,202
Income tax paid	-24,222	-39,678
Cash flow from operating activities before changes in working capital	110,553	89,524
Change in receivables	1,824	-38,138
Change in current liabilities	-19,770	93,156
Cash flow from operating activities	92,607	144,542
Investing activities		
Acquisition of property, plant and equipment	-41,635	-46,130
Sale of equipment	5,635	3,752
Cash flow from investing activities	-36,000	-42,378
Financing activities		
Dividend	-66,132	-62,496
Cash flow from financing activities	-66,132	-62,496
Cash flow for the year	-9,525	39,668
Cash and cash equivalents at beginning of year	165,308	125,640
Cash and cash equivalents at end of year	155,783	165,308

ADDITIONAL DISCLOSURES

Accounting policies

The company applies the Swedish Annual Accounts Act (1995:1554) and the general advice of the Swedish Annual Accounting Standards Board BFNAR 2012:1 Annual Accounts ("K3").

The accounting policies applied comply with the Swedish Annual Accounts Act and the recommendations. Transition to K3 and to a new accounting plan was implemented during 2014. This has required a certain amount of adaptation, which among other things is visible in a somewhat distorted distribution in the operating profit lines between this financial year and the previous financial year

Property, plant and equipment

Fixed assets are reported at acquisition value after deduction for accumulated depreciation and any write-downs.

The acquisition value consists of the purchase price, expenditure that is directly attributable to bringing the acquisition on site and in a condition in which it can be used, and estimated expenditure for dismantling and removal of the asset and restoration of the site where it is located. Additional expenses are only included in the asset or reported as a separate asset when it is likely that future economic advantages that are associated with the item will accrue to the company and that the acquisition value for it can be measured reliably. All other costs for repairs and maintenance, as well as additional expenditure are reported in the income statement in the period when they arise.

When there is deemed to be a material difference in use of a tangible asset's significant components, the asset is divided into these components.

Depreciation of tangible fixed assets is booked in such a way that the asset's acquisition value, potentially reduced by the estimated residual value at the end of its economic life, is written off lineally over its assessed economic life. If an asset has been divided up into different components, the respective component is written off separately over its economic life. Depreciation commences when the tangible fixed asset can be put into use. The economic life of tangible fixed assets is set at:

Buildings	
Framework	100 years
Structural additions/dry wall	50 years
Plumbing and electricity	40 years
Ventilation	20 years
Facade and roof	40 years
Transportation (lifts)	25 years
Cranes	25-30 years
Building equipment and installations	10-20 years

Work machines	7-10 years
Vehicles and other equipment	5 years
Computers	3-5 years

Capital allowances other than depreciation according to plan are regarded as accelerated depreciation arrangements which constitute an untaxed reserve.

Assessed economic life and depreciation methods are reviewed if there are indications that expected use has changed substantially compared with the estimate on the previous balance sheet date. When the company changes its assessment of economic life, it also reviews the asset's residual value, if any. The effect of these changes is reported prospectively.

Buildings have no assessed value.

Removal from the balance sheet

The reported value for a tangible fixed asset is removed from the balance sheet in connection with disposal or sale, or when no future economic benefits are expected from use or disposal/sale of the asset or the component. The profit or loss that arises when a tangible fixed asset or a component is removed from the balance sheet is the difference between that which is potentially received after deduction for direct sales expenses, and the asset's reported value. The capital gain or capital loss that arises when a tangible fixed asset or a component is removed from the balance sheet is reported in the income statement as other operating income and other operating expense.

Tangible fixed assets

Tangible fixed assets that are of minor value or that can be assumed to have a useful economic life of a maximum of three years are reported as a cost upon initial recognition provided that the company can make an equivalent deduction according to the Income Tax Act.

Estimated expenditure for dismantling, removal or restoration of the site are not included in the acquisition value for a tangible fixed asset. These are reported as a provision when the criteria for this are met.

Remuneration to employees

Remuneration to employees in the form of salaries, bonuses, paid holiday, paid sick leave etc., as well as pensions, are reported as accrued. With regard to pensions and other post-employment remuneration, they are classified as defined contribution or defined benefit pension plans. The company only has defined contribution pension plans.

Provisions

Provisions are reported when the company has an existing obligation (legal or informal) as a result of an incident that has occurred, if it is

likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision is reviewed each balance sheet date and adjusted so that it reflects the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the reported value corresponds to the current value of these payments.

Receivables and liabilities

Receivables are reported at the amounts at which they are expected to be received.

Receivables and liabilities in foreign currencies have been converted into Swedish kronor at closing-date exchange rates.

The difference between the cost and the value at the closing date has been recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents are constituted solely by bank balances.

Foreign branch

The branch's income statement and balance sheet have been converted in accordance with the monetary/non-monetary method. Monetary items in foreign currency are converted at the rate on the balance sheet date. Non-monetary items are reported at the rate on the date of the business transaction (date of acquisition).

Cash flow statement

The cash flow statement shows changes in the company's liquid funds during the financial year. The cash flow statement has been prepared according to the indirect method. The cash flow reported solely comprises transactions that entailed payments received or made.

IMPORTANT ESTIMATES AND ASSESSMENTS

Reserve for doubtful debts

The company makes an individual assessment of accounts receivable in connection with each annual accounts to make a provision in cases where the assessment is that full payment will not be received.

NOTES

Note 1 Net sales

(SEK 1,000)	2015	2014
Terminal income	571,437	556,753
Rental income	155,539	148,583
Other income	35,146	57,354
Total	762,122	762,690

Note 2 Fee to auditors

(SEK 1,000)	2015	2014
Audit engagement	550	550
Audit services in addition to audit engagement	23	82
Tax consultancy	208	96
Other services	0	237
Total	781	965

Audit assignments include reviewing the annual report and accounting, as well as administration by the Board of Directors and the CEO.

Auditing services in addition to audit assignments refers to other tasks that it is incumbent on the company's auditor to perform, as well as consultancy or other assistance as a result of observations in connection with such inspection. Tax consultancy is reported separately. Everything else is included in other services.

Note 3 Number of employees, salaries and remuneration for employees and directors

Average number of employees

	2015	2014
Malmö		
Men	157	168
Women	28	25
	185	193
Copenhagen		
Men	162	166
Women	29	25
	191	191
Total	376	384

Note 3, cont

Staff costs

(SEK 1,000)	2015	2014
The Board, CEO and Deputy CEO		
Salaries and other remuneration,	6,303	5,040
of which bonuses	0	492
Social-security contributions,	2,811	2,638
of which pension costs and obligations	1,522	1,195

Other employees

Salaries and other remuneration,	208,388	205,524
of which bonuses	0	549
Social-security contributions,	47,314	48,092
of which pension costs and obligations	19,731	19,647

Agreement regarding severance pay amounting to two annual salaries has been concluded with the CEO and one annual salary for the deputy CEO.

Female representation on the Board and in management

	Board	CEO and other senior executives
Proportion of men in group	92%	86%

Note 4 Tax

(SEK 1,000)	2015	2014
Tax on profit for the year	-29,474	-38,466
Reconciliation tax expense for the year:		
Reported profit before tax	71,858	90,263
Tax calculated with tax rate of 22%	-15,809	-19,858
Tax effect of non-deductible expenses	-277	-411
Tax effect of non-taxable income	11	5
Adjustment from reported to fiscal depreciation on buildings	-218	-122
Effect of foreign tax	-7,311	-7,791
Difference in exchange rate on foreign tax	754	-1,736
Tax effect of untaxed reserves	-7,700	-8,481
Other adjustments	-21	-72
Total	-30,572	-38,466
Adjustments reported this years in relation to last year's taxes payable	1,098	0
Reported tax expense for the year	-29,474	-38,466

Note 5 Tangible fixed assets

(SEK 1,000)	31.12.2015	31.12.2014
Buildings and land		
Cost at beginning of year	90,364	88,495
Reclassifications	28,973	1,869
Cost at end of year	119,337	90,364
Depreciation at beginning of year	-22,632	-19,344
Depreciation charge for the year	-3,728	-3,288
Depreciation at end of year	-26,360	-22,632
Planned residual value at end of year	92,977	67,732
Machinery and other technical plant		
Cost at beginning of year	364,678	406,197
Reclassifications	7,945	5,041
Sales/disposals	-23,777	-46,560
Cost at end of year	348,846	364,678
Impairment at beginning of year	-11,170	-11,170
Impairment charge for the year	0	0
Impairment at end of year	-11,170	-11,170
Depreciation at beginning of year	-194,122	-213,737
Sales/disposals	20,655	45,700
Depreciation charge for the year	-20,486	-26,085
Depreciation at end of year	-193,953	-194,122
Planned residual value at the end of year	143,723	159,386
Equipment, tools and installations		
Cost at beginning of year	166,089	136,164
Reclassifications	17,199	34,277
Sales/disposals	-4,623	-4,352
Cost at end of year	178,665	166,089
Depreciation at beginning of year	-84,364	-75,925
Sales/disposals	2,991	4,025
Depreciation charge for the year	-14,529	-12,464
Depreciation at end of year	-95,902	-84,364
Planned residual value at end of year	82,763	81,725

Note 5, cont

(SEK 1,000)	31.12.2015	31.12.2014
Work in progress and advances		
Opening balance	22,261	16,984
Expenditure for the year	41,635	46,464
Reclassifications during the year	-54,117	-41,187
Foreign exchange adjustment	–	–
Closing balance	9,779	22,261

Lease payments (SEK 1,000)

The company has lease expenses for cars, machinery and equipment. Total lease payments in 2015 were 7,931.

Future known lease payments are as follows: 2016: 7,033, 2017: 5,690, 2018: 5,023, 2019: 3,421, 2020: 1,629.

Basic rent and finance rent for the year based on lease contract amounts to SEK 164,857 thousand.

Future known basic rent and finance rent based on lease contract amounts to: 2016: 174,700, 2017: 186,800, 2018: 198,800, 2019: 209,700, 2020: 219,300

Note 6 Other receivables

(SEK 1,000)	31.12.2015	31.12.2014
Insurance compensation	10,327	15,125
Other	2,346	2,894
	12,673	18,019

Note 7 Prepaid expenses and accrued income

(SEK 1,000)	31.12.2015	31.12.2014
Accrued terminal income, etc.	14,334	17,595
Repayments Lease fees	7,500	0
Prepaid expenses	40,289	34,773
	62,123	52,368

Note 8 Appropriations and untaxed reserves

(SEK 1,000)	31.12.2015	31.12.2014
Balance-sheet allocations		
Difference between scheduled depreciation and permissible depreciation for tax purposes	-35,000	-38,549
Total appropriations	-35,000	-38,549

Untaxed reserves

Accumulated additional depreciation	4,912	39,912
Total untaxed reserves	4,912	39,912

Note 9 Appropriations

(SEK 1,000)	31.12.2015	31.12.2014
Appropriations for the year	25,059	0
Total appropriations	25,059	0

Appropriations correspond to the compensation the company received from a previous customer related to future environmental requirements for restoration of land in connection with the customer re-locating. The obligations are based on thorough studies of the environmental requirements for restoration of land. The customer has made a one off payment to CMP corresponding to the obligation. The compensation and appropriation has had no impact on the operating profit during the financial year.

Note 10 Accrued expenses and deferred income

(SEK 1,000)	31.12.2015	31.12.2014
Accrued salaries, holiday pay and social-security contributions	52,930	58,227
Estimated payroll tax	2,144	2,144
Accrued discounts	15,476	21,292
Pre-paid basic rent reduction		
2016-2019	50,3220	68,343
Other	11,414	10,794
Total accrued expenses and deferred income	132,284	160,799

Note 11 Equity

(SEK 1,000)

	Share capital	Share premium account	Statutory reserve	Non-restricted equity	Total
Opening balance	100,000	20,000	388	264,572	384,960
Dividend to shareholders				-66,132	-66,132
Profit for the year				77,384	77,384
Closing balance	100,000	20,000	388	275,824	396,212

The company's share capital comprises 3,600,000 shares with a nominal value of SEK 27.78 per share.

Note 12 Credit on current account

The company has an overdraft facility of SEK 30,000,000 thousand with SEB Bank. The overdraft facility was undrawn at the closing date.

Copenhagen, March 15, 2016

Ilmar Reepalu Chairman	Mads Lebech Deputy Chairman	Olof Andersson
Carsten Koch	Michael Soetmann	Anja Sonesson
Åke Svensson	Lars Weiss	Jacob Fogh Employee representative
Curt Hansson Employee representative	Søren Nyegaard Employee representative	Roger Persson Employee representative
	Johan Röstin Chief Executive Officer	

My auditor's report was presented on March 15, 2016

Torbjörn Svensson
Authorized Public Accountant

AUDITOR'S REPORT

Referring to pages 33-45

To the annual meeting of the shareholders of Copenhagen Malmö Port AB

Corporate identity number 556027-4077

Report on the annual accounts

I have audited the annual accounts of Copenhagen Malmö Port AB for the financial year 2015-01-01- 2015-12-31.

Responsibilities of the Board of Directors and the Managing Director/or the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these annual accounts based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Copenhagen Malmö Port AB as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts. I therefore recommend that the annual meeting of shareholders adopt the income statement and balance.

Report on other legal and regulatory requirements

In addition to my audit of the annual accounts, I have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Copenhagen Malmö Port AB for the financial year 2015-01-01-2015-12-31.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

My responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on my audit. I conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss, I examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for my opinion concerning discharge from liability, in addition to my audit of the annual accounts, I examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. I also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions

I recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Malmö, March 15, 2016

Torbjörn Svensson
Authorised Public Accountant



CMP is a full-service port that handles all types of freight and has a tailored infrastructure for all types of ships.



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