

Annual Report 2015

Metroselskabet I/S



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The English text in this document is an unofficial translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.



In 2015 the work on the automatic platform doors at overground stations was completed. Here, the final result at Ørestad Station can be seen.

Dear reader,

In many ways, 2015 was a significant year. In total, more than 57 million passengers took the metro, which was over 1 million passengers more than in 2014.

2015 was also characterised by the adverse aspects of the implementation of major infrastructure improvement projects. We completed the installation of platform doors at the many overground metro stations. The major construction projects at Nørreport were also completed, so that passengers can now transfer easily and effectively between bus, train and metro at Denmark's largest traffic hub.

The platform doors at all metro stations ensure passengers even more stable operation, more departures during rush-hour periods, and stations that offer better shelter from the wind and adverse weather conditions.

2015 was thus a year with record-high operational reliability. 98.8 per cent of the around 13,000 departures in the course of a 24-hour day ran according to plan. In rush-hour periods, when the metro is used by most people, 98.2 per cent of the trains ran on time.

2015 was also the year that the construction of Cityringen, in particular, made significant progress, with several project milestones being reached during the year. The year began with a double station breakthrough at Copenhagen Central Station. The tunnel boring

machines Minerva and Eva broke through the wall to the new metro station, watched by the Danish Prime Minister and representatives of the company's owners. Before 2015 was over, half of Cityringen's just over 30 kilometres of tunnels had been constructed. The Mayor of Copenhagen celebrated this with a walk along the newly built metro tunnel under Østerbro. All of the metro stations have now been fully excavated, and the first nine of Cityringen's metro trains have arrived at the Control and Maintenance Centre in Sydhavn, where they will be tested before their trial runs of the capital's new metro system.

Other Metroselskabet construction projects also made good progress in 2015. In Nordhavn, preparations were made for the tunnel boring machines to be sent down under Østerbro up to the Sortedam Lake. The branch from Cityringen to Nordhavn will later be extended with a branch to Sydhavn, and in 2015 an Environmental Impact Assessment (EIA) was therefore undertaken of the metro line to Sydhavn.

This Annual Report presents a detailed account of Metroselskabet's activities in 2015.

We hope that you enjoy reading the report.

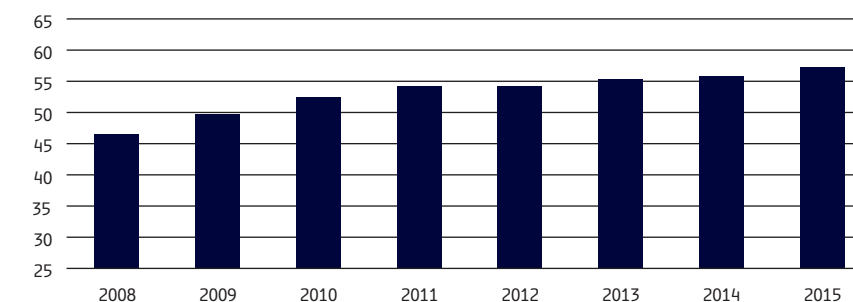
Henning Christophersen
Chairman of the Board

Henrik Plougmann Olsen
CEO

Summary of Financial Highlights

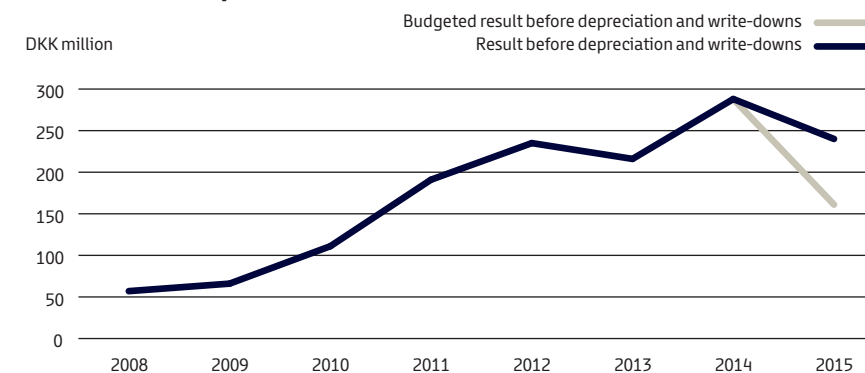
Passenger numbers

Million passengers



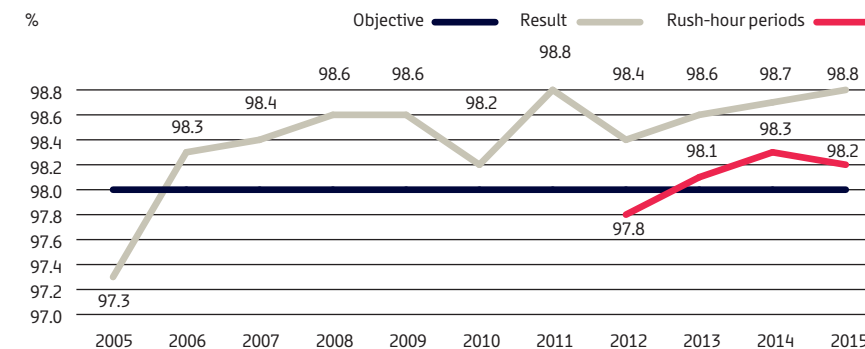
Result before depreciation and write-downs

DKK million

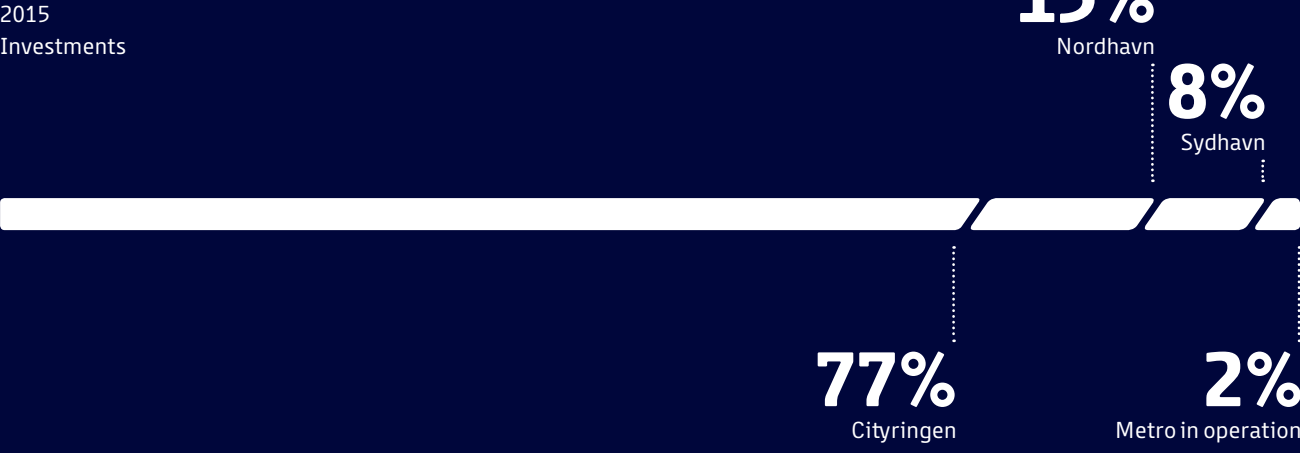
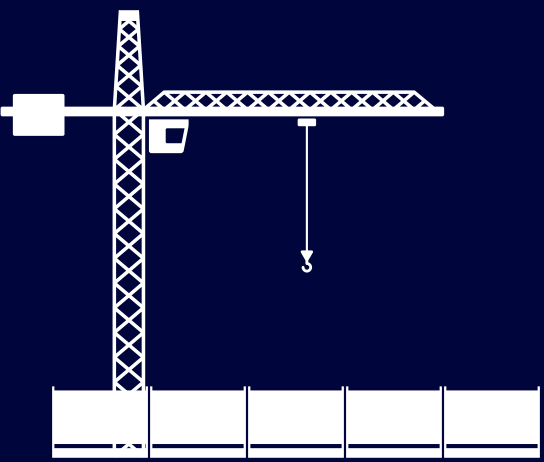
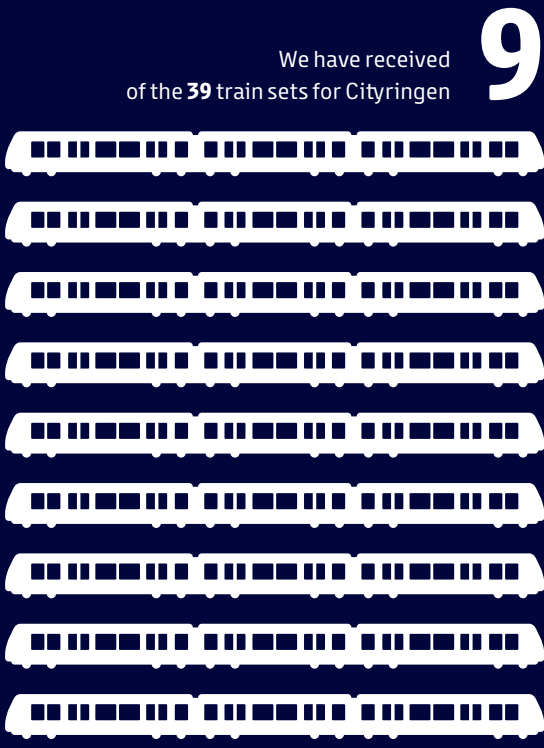
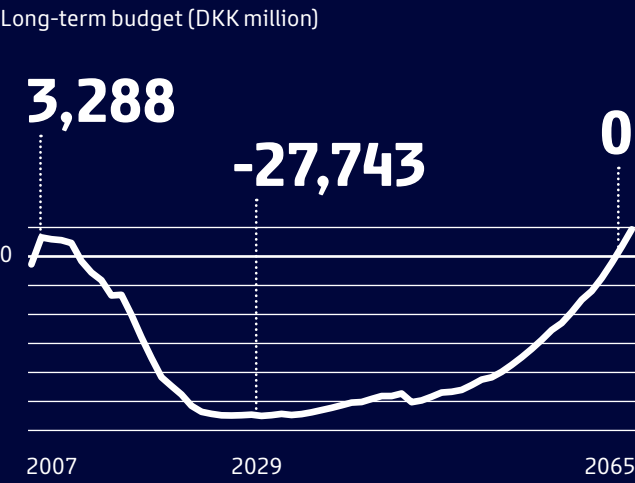
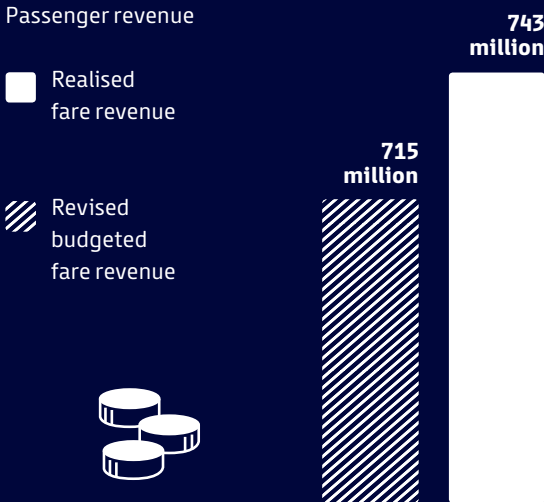
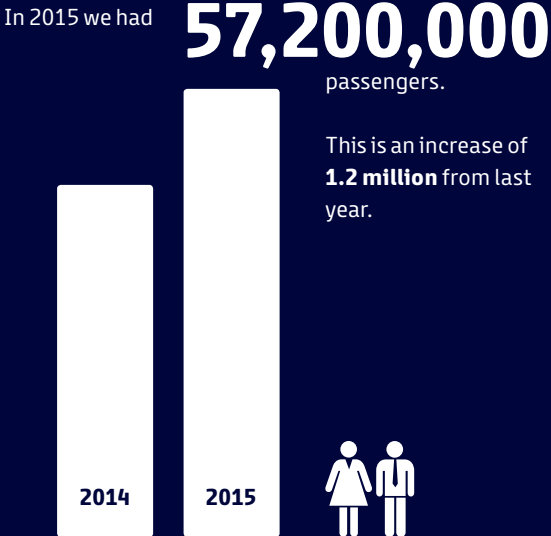


Operational stability

%



2015 in brief



In December 2015, the tunnel boring machines reached **halfway** in the excavation of Cityringen.



Operations

Current passengers



Metro trains on time in 2015*



98.2%

* 98.2% during rush-hour periods

There's always another Metro train on the way

The metro is part of the public transport system for people who live in, or visit, the capital. The metro's task is to carry passengers quickly and safely around the city. This operational stability is vital to ensuring that passengers can confidently take the metro to work, without having to worry about arriving late. Operational stability is thus vital to ensuring a good travel experience, and thereby attracting

more passengers. The metro achieved record-high operational stability in 2015, with 98.8 per cent of all departures running on time.

Stable operation is especially important during rush-hour periods, when the metro has most passengers. In 2015, operational stability of 98.2 per cent was achieved in rush-hour periods.

The Flintholm Station traffic hub is where buses, S-trains and metro trains intersect.



“
A record year for the metro, with **98.8 per cent of departures on time.**”



New platform doors are optimising operations

The installation of automatic platform doors at all overground stations was completed during 2015, with an immediate positive effect on metro operations. The new platform doors have made it possible to increase the departure frequency by adding additional train sets during rush-hour periods. Passenger capacity can be increased by around 20 per cent, with more stable operation. This has resulted in a record year, with 98.8 per cent of departures on time.

A good travel experience

In cooperation with the metro's operator, Metroselskabet works to ensure customers the best possible travel experience. Special focus areas in 2015 were the three most-used stations during rush-hour periods: Nørreport, Kongens Nytorv and Christianshavn. These stations are staffed with stewards, who serve as guides during rush-hour periods. Passenger information has been improved, and behaviour-management campaigns help to optimise passengers flows, for instance when entering and leaving the trains.

“**More than 57.2 million people took the metro in 2015, which is 1.2 million more passengers than in 2014.**”

Record-high passenger numbers

2015 was a record year for the metro's passenger numbers since it opened in 2002. More than 57.2 million people took the metro in 2015, which is 1.2 million more than in 2014. This implies that in 2015 the metro on average had 100,000 more passengers per month, compared to 2014.

In the first half of the year, passenger numbers were affected by the work of installing platform doors at the 12 overground stations, and this activity required major changes to operations. This led to fewer departures and reduced operational stability, giving lower passenger numbers than expected at the beginning of the year. In addition, Nørreport in particular was affected by major construction projects, which were all concluded in 2015.

Operations could be normalised as planned in the second half of 2015, but now with more trains and improved operational stability. As a consequence, the metro generally achieved higher passenger numbers during the rest of the year. In November, a new passenger record was set, when no less than 5.2 million passengers took the metro, with operational stability ending at a record-high 98.8 per cent.

Operational stability is a measurement of the number of trains arriving on time. Since the trains do not run according to a fixed timetable, at fixed times, but at fixed intervals, the calculation is made for all stations in both directions. At the end of each day, operational stability is calculated as follows:

$$\text{Operational stability} = \frac{\text{planned departures} - \text{missed departures}}{\text{planned departures}}$$

Three times the number of active Rejsekort

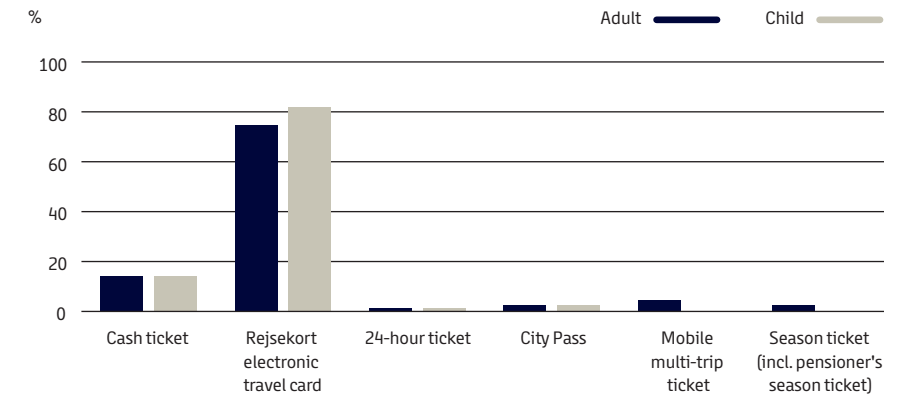
During the first half of 2015 we said farewell to a well-known element of the capital's public transport system, namely the "cardboard" multi-trip ticket. In February, the last of these were sold for use in the well-known yellow ticket-stamping machines, although these multi-trip tickets could still be used until the end of June 2015. Passengers who still have unused or partly-used multi-trip tickets can have these refunded until 2018.

Passengers could also donate unused multi-trip tickets to the Børnehjælpsdagen charity. The result of this campaign exceeded all expectations, and in January 2016, the partners in Din Offentlige Transport (Your Public Transport) – DOT (Movia, DSB and Metroselskabet) – presented a cheque for DKK 867,087 to Børnehjælpsdagen for its work with vulnerable children and adolescents.

Based on the phasing-out of the multi-trip tickets, the Danish Transport and Construction Agency (Trafik- og Byggestyrelsen) has calculated how many customers have switched from multi-trip to other types of ticket. As expected, the statistics show that most (around 75 per cent)

Metroselskabet attaches great importance to ensuring a good experience for passengers via high operational stability, in cooperation with Ansaldo STS, the operations contractor, and their sub-supplier, Metro Service A/S.

Users have switched from cardboard multi-trip tickets to the following ticket types



The statistics are provisional and based on incomplete data. Subsequent statistics may deviate considerably.

“**These improvements will continue in 2016, for which an action plan has been drawn up, to further strengthen the overall Rejsekort user experience.**”

of the passengers who previously used multi-trip tickets have now acquired the Rejsekort electronic travel card. This has trebled the number of active Rejsekort users from around 300,000 in January 2015 to around 900,000 at the end of 2015, in Greater Copenhagen alone. This means that more than half of the population aged at least 12 in Greater Copenhagen hold a Rejsekort.

Based on the demand from customers, in 2015 transport companies nationwide and our joint company, Rejsekort A/S, took a number of initiatives to improve the customer experience of using the electronic travel card.

New functions have been added to rejsekort.dk to enable passengers to serve themselves to a greater degree. For example, it is now possible to change the debit card linked to an automatic recharging agreement, if the customer has e.g. changed dankort (debit card). Passengers can now also set up recharging agreements for children at rejsekort.dk. Besides

these new functionalities, an updated and more user-friendly version of the website has also been launched. The aim of the new functions and the updated website is to improve the level of self-service and thereby also the user experience.

These improvements will continue in 2016, for which an action plan has been drawn up, to further strengthen the overall Rejsekort user experience. A "check-out app" is being developed and is expected to be ready in the first half of 2016. The app will be useful for passengers who forgot to check out at the end of their bus, train or metro journey.

The metro runs all day and all night, every day of the week. There are 2-4 minutes between each train during rush-hour periods, and 3-6 minutes outside rush-hour periods and at weekends.

On Friday and Saturday nights (after 1am), the trains run at 7-15 minute intervals, and from Sunday to Thursday at 20-minute intervals after midnight.

Rejsekort A/S

Metroselskabet owns approximately 7.16 per cent of Rejsekort A/S, which operates and maintains the electronic ticketing system. In the spring of 2015, the owners, together with the Danish Ministry of Transport and Building, completed a joint project to develop a new financing model for Rejsekort A/S. The financing model gives the owners an incentive to offer the electronic ticketing system to their customers, just as the model ensures higher budgeting accuracy for Metroselskabet. The model was implemented in 2015.

In 2015, the following reminders were used in the metro and at metro stations, to help customers to remember to check out:

- Check-out reminders at the stands.
- Automatic loudspeaker announcements in the trains, to remind people to remember to check out.
- Articles in the metro’s newsletter *Byen rundt* on use of the Rejsekort, behaviour, news, etc. which is sent to 38,000 customers.
- Joint initiatives with the other transport companies, where the message to remember to check out has been part of various Rejsekort campaigns. Small video tutorials as part of the Rejsekort communication.

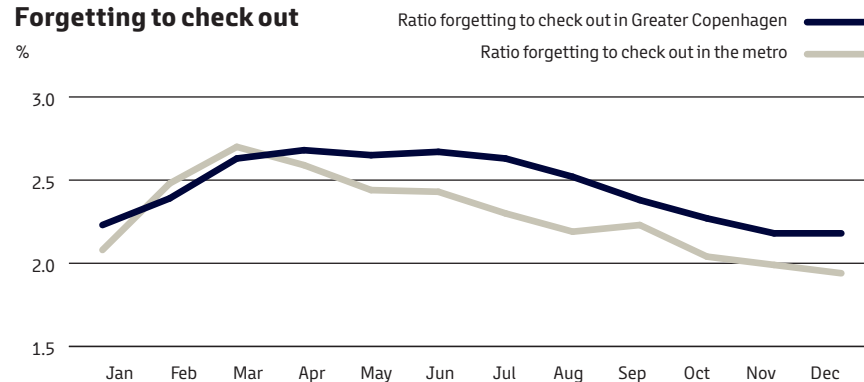
Failing to check-out

As from March 2015, the number of Rejsekort customers forgetting to check out has been decreasing. Fewer metro customers forget to check out, compared to Greater Copenhagen in general, which indicates that reminders in the metro function more effectively than in the rest of Greater Copenhagen.

In December 2015, 1.9 per cent of the metro’s customers forgot to check out their Rejsekort.

The reason for the increase in the ratio forgetting to check out at the beginning of the year is probably the many new Rejsekort customers who had switched from the “cardboard” multi-trip tickets and now had to get to know the Rejsekort.

Forgetting to check out



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In December 2015, Metroselskabet reached agreement with Movia and DSB on an **agreement that will significantly simplify ticket prices for public transport on Zealand.**”

Fare revenue

The metro fare revenue totalled DKK 743 million in 2015, which is DKK 28 million above the revised budget. Higher metro revenue than budgeted, despite passenger numbers equivalent to the revised budget, is due to higher than budgeted average revenue per passenger.

Various factors affect the average revenue per passenger. In 2015, the primary reason for the higher average revenue per passenger is that sales of single tickets were higher than expected, since several previous users of “cardboard” multi-trip tickets initially switched to single tickets. Another reason is a permanent effect of the arbitration case between DSB, Metroselskabet and Movia concerning the distribution of passenger revenue as from 2008. The arbitration tribunal ruled in the case in 2015, entailing that Metroselskabet and DSB were awarded 50 per cent of the claim in relation to Movia.

Uniform ticket prices on Zealand

In December 2015, Metroselskabet reached an agreement with Movia and DSB that will significantly simplify ticket prices for public transport on Zealand. One consequence of the agreement is uniform ticket prices across Zealand. Customers will experience prices that are more uniform and logical than before. In the spring of 2016, Metroselskabet will investigate when the new prices can be introduced in practice in the companies’ sales systems. The aim is for customers to benefit from the new fares during 2016. In Greater Copenhagen, this will mean unchanged prices for most passengers (97 per cent). The most significant change is the lapse of the all-zone principle. For instance, it will be more expensive to commute from North Zealand to Copenhagen, while it will generally cost a bit less to commute from Western Zealand and Southern Zealand to Copenhagen.

Ticket breakdown of journeys and revenue in Greater Copenhagen in 2015 (for Metroselskabet, Movia and DSB)

	Revenue, DKK	Number of journeys
Single tickets	659,000,000	25,100,000
Multi-trip tickets	124,000,000	6,800,000
Season tickets	1,770,000,000	192,500,000
Rejsekort electronic travel card	1,289,000,000	67,100,000
Other	141,000,000	10,000,000
Total	3,983,000,000	301,600,000

Stronger initiatives to improve the passenger experience



Analyses have shown that passengers require handles/straps in trains. In 2015 a test was performed, which concluded that handles make it easier for passengers to keep their balance while the metro is moving. **Metroselskabet will therefore install handles in all trains in 2016.**

Metroselskabet is working continuously to create a better travel experience for the metro's passengers. Passengers are far more likely to return if they are satisfied with their metro journey. Satisfaction surveys in 2010 and again in 2014 showed an increase in the number of loyal customers, called "ambassadors", from 44 per cent in 2010 to 52 per cent in 2014.

Since 2010 the ratio of metro customers who would recommend the metro to others has also been measured. A positive result, measured as NPS (Net Promoter Score), expresses that metro customers are overall more likely to recommend the metro. A negative result shows that customers are overall less likely to recommend the metro. The metro's NPS is generally high and has also increased significantly by 62 per cent, from an NPS of 21 in 2010 to an NPS of 34 in 2015.

Passenger information

In 2015, Metroselskabet took a number of initiatives to strengthen passengers' experience of the metro. A key passenger satisfaction parameter is sufficient, timely, information to passengers. Signposting at several stations was therefore improved in 2015. Information in English for travellers to and from the airport has been introduced, and it has become easier

and quicker to buy the right ticket at ticket machines for passengers from the airport to the city centre, or vice versa.

In order to improve passenger experience in the longer term, in 2015 Metroselskabet adopted an action plan for passenger information for both the metro in operation and Cityringen – "World-Class Information to Passengers". The action plan supports the passenger information strategy adopted in 2014. Over a number of years, the objective is to implement measures to strengthen the information provided at all contact points and information channels that are available to customers. Passengers can therefore expect better real-time information.

Your Public Transport – DOT

DOT stands for Din Offentlige Transport (Your Public Transport) and comprises the cooperation between DSB, Movia and Metroselskabet on creating a better and more cohesive public transport system on Zealand. The aim is to make it easy to be a public transport user throughout Zealand, as DOT combines customer service, traffic information, prices, tickets, communication and marketing under one entity. Passengers thus have one single gateway to the public transport system throughout

In Act no. 745 of 25 June 2014 the Parliament (Folketinget) amended Section 7(3) of the Act on Transport Companies and determined that the parties must establish cooperation concerning the public transport services on Zealand.

The amendment entered into force on 1 January 2015 and requires the parties to undertake the following activities on a joint basis: ticket sales, customer service, lost property administration, travel rules, traffic information, marketing and communication.

Zealand and can get information and buy tickets for bus, train and metro services.

Maintenance

To improve the passenger experience on using the metro, Metroselskabet has constant focus on maintaining and improving the metro stations.

Platform doors

In 2015, Metroselskabet installed platform doors at the 12 overground stations, so that all metro stations now have platform doors. The new platform doors replace the previous Obstacle Detection System (ODS), which was based on laser and infrared light beams. The ODS system was designed to stop the train if an object or person fell onto the track. Over time, however, Metroselskabet registered a large number of cases where the system reacted to newspapers or birds on the track. Special weather conditions also set off the alarm system. The new platform doors mean that operations are

no longer disrupted by the many "false alarms" from the old system.

Nørreport Station

In December 2015, the new stairway at Nørreport Station opened. The connecting stairway is financed by DSB and Metroselskabet and was constructed by Banedanmark. The new stairway serves as a direct link between the metro, S-trains and regional trains with the pedestrian precinct in Frederiksborggade. Metroselskabet expects that public transport users will experience the easier access to and from Nørreport Station as a quality improvement. Metroselskabet also expects the stairway to have a positive impact on overall passenger numbers.

Lifts

The metro lifts are among the most-used lifts in Denmark. For some metro customers, the availability of lifts is a vital necessity. Metroselskabet therefore has focus on the lifts' operational stability.

The effect of the ongoing renovations and day-to-day maintenance can be measured as the time that the lifts are out of operation due to technical faults. In 2015, this was less than two and a half hours per lift on average, for the full year. Metroselskabet considers this to be a satisfactory result.

In Metroselskabet's information to customers there is special emphasis on how the lifts are reserved for specific target groups. Passengers are encouraged to leave room and show respect for passengers with impaired mobility, or who have prams or bicycles.

Social responsibility in operating the metro

“
Passengers must be confident that **the metro will bring them safely from A to B.**”

Metroselskabet's mission is to ensure good public transport. In order to fulfil this important role in society, in its planning, development, operations and dialogue with customers, Metroselskabet focuses on developing and improving the metro as an attractive, environment-friendly means of transport.

Metro customers attach great importance to the metro running on time, and around the clock. This is a core task for Metroselskabet, on which it has constant focus, to ensure punctual operation and an attractive product for customers.

Metroselskabet also measures, evaluates and listens to its stakeholders and customers, in order to ensure that it offers the best transport experience possible. For example, Metroselskabet continuously measures passengers' satisfaction with the metro service offered. Surveys under Din Offentlige Transport (Your Public Transport) (DOT), as well as Passagerpulsens TÆNK's surveys and analyses, are monitored continuously to identify customers' requirements, so that new initiatives and improvements can be launched. Via its Facebook page, with more than 14,000 followers, Metroselskabet is on ongoing dialogue with its customers to follow up and use customers' insights in its efforts to provide a good transport experience.

The operation and maintenance of the metro are outsourced to Ansaldo STS, which together with ATM owns Metro Service A/S, the company which operates the metro. Metroselskabet and Ansaldo STS/Metro Service have entered into an agreement whereby Metro Service must seek to ensure that apprenticeships are offered in conjunction with the operation of the metro. In 2015, Metro Service had four apprentices. Metro Service trains the stewards who serve the metro, as well as the traffic managers in the metro control room. Metroselskabet and Ansaldo STS/Metro Service seek to ensure a good working environment for the many different employees engaged in the day-to-day metro operations. The largest group of Metro Service employees is the stewards who serve passengers in the trains and at the stations.

Safety first

Passengers must feel confident that the metro will bring them safely from A to B. The overall safety objective is for the metro to be just as safe as the safest

Passenger satisfaction

2015: 96% 2014: 94% 2013: 96%

“
To safeguard a secure environment within the metro, for both passengers and employees, the operations contractor trains metro staff in conflict management.”

new metro systems in the world. Metroselskabet will therefore maintain its high safety objectives during the development of Cityringen, as well as in the organisation of the future operation of both the existing metro and the future Cityringen.

In order to maintain and improve the metro's safety policy objective, Metroselskabet regularly evaluates possible updates to the safety procedures, in cooperation with its operations contractor. The safety of the metro is therefore very high. Metroselskabet also has a large network of personnel at metro systems abroad with whom we exchange experience concerning safety procedures.

The metro must be a safe place to be

In the metro, there is focus not only on safe everyday operation, but also on safeguarding the metro from adverse events. Metroselskabet therefore seeks to ensure well-functioning cooperation with the police and other authorities. To safeguard a secure environment within the metro, for both passengers and employees, the operations contractor trains metro staff in conflict management. All stations are subject to video surveillance, and photographs are taken in the trains, which also helps to ensure a safe and secure environment.

Via Metro Service, Metroselskabet participates in a crime prevention initiative aimed at preventing violence, vandalism and operational disruptions. In cooperation with the Copenhagen Police, and the SSP (social services/police liaison) consultants of the Cities of Copenhagen and Frederiksberg, opportunities for crime prevention initiatives and projects are

assessed at the locations where the parties have noted repeated incidents and challenges. Metroselskabet assesses that good results have been achieved from this cooperation, which will continue in 2016.

Metroselskabet works closely with the Danish Security and Intelligence Service (PET) to train personnel in handling any adverse events in the metro, and also closely follows any warnings issued by PET concerning the emergency response level. The company thus receives an “Assessment of the Terror Threat to Denmark” from PET – Centre for Terror Analysis (CTA), which is publicly available on PET's website. CTA also prepares a more specific assessment. Throughout 2015 PET maintained an increased emergency response level.

As a consequence of the events in Paris in November 2015, the Danish National Police has increased the emergency response level to “significantly increased alert”. This increased emergency response level so far applies solely to police operations. The emergency response level is not expected to be increased further, but Metroselskabet is naturally ready to increase the response level for the metro with immediate effect, should this be necessary.

Metroselskabet's climate adjustment programme

In recent years, Copenhagen has experienced more frequent and more intense torrential cloudbursts, and a greater incidence of higher sea levels in the port of Copenhagen during stormy weather conditions. As a consequence, Metroselskabet has continuously adapted its climate adjustment programme, so that it is based on the latest prognoses and events. The

importance of this task has been emphasised repeatedly by situations in which Metroselskabet has seen flooding of technical facilities during torrential downpours, leading to operational disruptions and repair costs.

As a consequence of recent years' torrential downpours and flooding in Copenhagen, Metroselskabet has further accelerated the climate adjustment activities. In 2015, Metroselskabet invested in securing the metro facilities' technical installations, with additional watertight doors and barriers at the lowest-lying shafts, technical operations areas, ventilation grids and stations. The company has also installed a reserve electricity supply to safeguard the power supply to the large pumping stations, to prevent the tunnels from being flooded. We also performed an

extensive review of the facility's cabling, power supply and other installations that are vulnerable to flooding.

In 2015, a major plan was launched to protect the Control and Maintenance Centre from torrential downpours and flooding. The plan will be completed in 2018. This safeguarding includes the establishment of a retarding basin in the area, the installation of permanent barriers, laying of drainage, etc., in order to protect this vital element of the metro facilities.

Concurrently with safeguarding the metro in operation, we have performed analyses to safeguard Cityringen and the new branches to Nordhavn and Sydhavn. This will protect the future metro sections on the basis of the latest data and experience from the metro in operation.

Passengers of every age must feel secure about using the metro stations.



Construction

Future passengers

In December 2015, the tunnel boring machines reached halfway in their excavation of Cityringen



Cityringen

“On the completion of Cityringen, 85 per cent of the residents of central areas of Copenhagen will have **less than 600 metres to a metro or train station.**”

Cityringen is the largest construction project in the capital since Christian IV established Christianshavn in the 17th century. Cityringen is being constructed according to the “more of the same” principle. This means that the principles and technical solutions from the existing metro, such as station type and train size, are being reused. The special, durable aspects of the metro in operation, such as high operational stability, security, overview and use of daylight, will also be features of the coming new stations.

17 stations to interconnect the city

With its two 15.5-kilometre subterranean tunnels, Cityringen will interconnect Copenhagen Central Station, the City Centre, Østerbro, Nørrebro, Vesterbro and Frederiksberg. The new metro line will have 17 subterranean stations, and at Frederiksberg and Kongens Nytorv stations it will be possible to transfer to the existing metro lines.

The 15.5-km trip through 17 stations under the city centre, the bridge quarters and Frederiksberg will take around 24 minutes. Since the trains will run in both directions, the longest trip on Cityringen – from Copenhagen Central Station to Skjolds Plads, for instance – will take just

12 minutes. Cityringen will make it possible to get from Frederiksberg Station to Rådhuspladsen in four minutes.

Cityringen will make it easier to get around the capital

When Cityringen is open, 85 per cent of people living in the centre of Copenhagen will have a metro or railway station within 600 metres of their home. Most people

The civil engineering contractor Copenhagen Metro Team (CMT), responsible for the construction of Cityringen, consists of three Italian parties: Salini Impregilo S.p.A., Tecnomont and SELI.

Ansaldo STS (owned by Japanese Hitachi) is to deliver the trains, operating system and control and maintenance centre, and will handle operation during the first five years, with the option of a further three years. Ansaldo STS has delivered the trains and operating system for the existing metro, and has also handled the metro in operation since it opened in 2002.

“Cityringen will make it possible to get from **Frederiksberg Station to Rådhuspladsen in four minutes.**”



will thus have less than ten minutes' walk to a station. This is likely to change the traffic patterns in central Copenhagen, so that fewer people use the bus services. In the areas with new stations, experience also shows that the metro will replace private vehicles. In 2019, the full metro in operation is expected to be used by 79 million passengers, and by 2022 this figure will have increased to 132 million passengers.

As from 2019, Cityringen will be an important part of the high-class public transport system in Greater Copenhagen, and together with the rest of the public transport system will make it easier to get around the capital.

Cityringen's finances

The construction of Cityringen is expected to cost DKK 23.6 billion in total (in 2015 prices). The construction project is financed as part of the overall financial basis for Metroselskabet: via revenue from the metro in operation, and also by raising loans which will be repaid from the operating revenue once the new metro lines open. Once Metroselskabet has repaid its debt, which is expected to be in 2065, the operation of Cityringen, together with the existing metro in operation, will have financed a significant part of the total investment. The remaining financing element comprises the cash contributions from the owners.

2015 was the year that the tunnel boring machines reached halfway in their excavation of the Cityringen alignment.

50%
COMPLETE

52



“The status in December 2015 was that **more than half of the tunnel boring work had been completed.**”

Milestones reached in 2015

The status in December 2015 was that more than half of the tunnel boring work had been completed. The progress of the four tunnel boring machines which are boring the two 15.5-kilometre tunnels for Cityringen was in accordance with the time schedule. On 31 December 2015, the tunnel boring machines had completed 51 per cent of the tunnel alignment. All of the station boxes had been established, and most of the excavation work had been completed, by the end of 2015. During 2015 the fitting out of the subterranean metro stations commenced. Interior walls and platforms were cast. The excavations at Marmorkirken, one of Cityringen's most complicated construction sites, had almost been completed at the end of 2015. The excavation logistics have been very demanding, as the station lies at some depth, and its special structure means that

Nora, Minerva, Eva and Tria are the names of the tunnel boring machines that are boring the Cityringen tunnels. The inspiration for the names comes from the four telephone exchanges which served the residents of Copenhagen and Frederiksberg for more than 40 years. Just as the telephone exchanges helped to keep people connected across the city, Cityringen will interconnect Copenhagen's bridge quarters with Frederiksberg and the city centre.

Tradition plays an important role in the naming of tunnel boring machines. Like ships, tunnel boring machines are named before setting off on their first trip. The names are given to wish for a safe and happy journey.

there are many intermediate decks. Unlike the other stations, the station's intermediate decks are being produced as the station is excavated. The establishment of the uppermost platform commenced just before the turn of the year.

In 2015, Ansaldo STS not only worked on the installations for Cityringen's Control and Maintenance Centre, but also commenced laying the track from Tømmergraven to Sønder Boulevard. The section from Tømmergraven to Enghave Plads is the first section, in which Ansaldo STS plans to perform the first trial run.

New metro trains

The trains that will serve the Cityringen passengers are the fifth version of the trains running on the metro in operation. The fifth version features many improvements in technical, material and design terms. Among other things, the trains can carry more passengers and can also run faster and more frequently than the existing metro. The materials used make the trains more robust, while the seats are more durable and easier to clean.

By the end of the year, nine in total of the new metro trains for Cityringen had been delivered. They are now located at the Control and Maintenance Centre in Vasbygade, where they will undergo various tests and minor adjustments before they are ready for use.

In December 2015, the company – with the support of the owners – established an agreement with Ansaldo STS for the purchase of an additional nine trains, of which five for the metro to Sydhavn, two for a future expansion of the metro to

Nordhavn, and two extra trains for Cityringen. The five trains for the Sydhavn metro are needed to operate the new section via Sydhavn to Ny Ellebjerg Station. In the same way, the two trains for the further expansion of the metro to Nordhavn will serve this section. The two extra trains for Cityringen have been acquired to ensure Cityringen's continued high operational reliability, since the operation of Cityringen will be more complex than originally assumed. Besides Cityringen's ring line, there will be a line serving both the Sydhavn metro and the Nordhavn metro. This line will also run on Cityringen's central section through the city, namely between the switch chambers at Øster Søgade and Havneholmen, respectively, close to the new Control and Maintenance Centre at Vasbygade.

Expectations of 2016

In 2016 most of the remaining tunneling works are expected to be completed.

Marmorkirken will be crossed by the tunnel boring machines Nora and Tria, after which they will reach the most arduous section, in tunnelling terms, below Kongens Nytorv and Magasin. Eva reached Skjolds Plads in February 2016 en route to Øster Søgade, where she is expected to arrive at the start of 2017. Minerva will cross from Skjolds Plads to Øster Søgade, where she is expected to arrive at the end of 2016.

The work of fitting out the stations is expected to get underway at the beginning of 2016. The fitting out (interiors) of the Cityringen stations includes wall surfaces, ceilings and skylights. Fitting of the mechanical and electronic installations is to commence in 2016. Half of the stations are expected to be completed in 2016.

The work of fitting out the first urban spaces above and around the metro stations is also expected to commence in 2016. This includes the urban spaces around Aksel Møllers Have, Enghave Plads, Frederiksberg and Frederiksberg Allé.

Cityringen's construction budget (2015 prices)

DKK million

Budget contract signing 2010	22,637
Construction budget increase in 2014*	998
Last updated construction budget	23,635
Price increase in per cent of the total construction budget	4 %

* Financial consequences of agreements with the contractors on a new time schedule for Cityringen, cf. appropriation document 162 of 1 October 2014.

Nordhavn



Nordhavn is a new, ecofriendly quarter of the city, close to the open harbour. The new metro line will ensure good public transport connections to the workplaces and for the many new residents.

Metroselskabet is also building a metro line to the city's new quarter, Nordhavn. The new metro line will ensure effective public transport for the many people expected to move to the new Nordhavn quarter. It will also ensure good transport connections for the many new workplaces in Nordhavn.

So far, the Nordhavn metro consists of two stations – Nordhavn Station and Orientkaj Station. Together, these two metro stations will have around 11,000 passengers per day on the almost three-kilometre line. The line will later be part of the metro line running from Nordhavn to Sydhavn – called M4.

Nordhavn metro station will be a subterranean station, connected to the Nordhavn S-train station via a pedestrian tunnel. Orientkaj metro station will be a high-level

station. They are planned to be completed by the end of 2019.

The establishment of the Nordhavn metro is subject to four invitations to tender – three civil engineering contracts and one contract for track-laying, etc. In addition, a contract has been established for the delivery of a train operating system and trains. The first two civil engineering contracts were awarded to MetNord, and the fourth concerning track laying, etc., to Ansaldo STS. The contracts were signed on 5 June 2014. In 2015, MetNord also won the third and last civil engineering contract to construct the high-level section and Orientkaj Station. Ansaldo STS will deliver trains and the train operating system, as well as the coming operation, which will be an integrated element of the operation of Cityringen.

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The further expansion to Nordhavn is subject to Act no. 156 from 2015 amending the Cityringen Act, which states that **the expansion of Cityringen with the branch to Nordhavn may include additional stations to the stations already stated.**”

Financing the Nordhavn line

The estimated civil engineering budget for the Nordhavn metro is DKK 2.6 billion, including the contributed adjustment reserve (2015 prices), and DKK 2.4 billion excluding the contributed adjustment reserve (2015 prices). Of this amount, DKK 0.3 billion is financed via owner contributions, and DKK 0.9 billion via By & Havn. Passenger revenue, etc. contributes the remaining DKK 1.3 billion.

Milestones reached in 2015

The civil engineering work got underway in January 2015, with the installation of secant pile walls. All of the secant pile walls for the station box at Nordhavn Station and the “cut & cover” tunnel were completed in September 2015. Sheet pile walls for the ramp were completed in November 2015. The excavation of the station and the installation of ground anchors commenced in 2015 and continue in 2016. The preparations to cast the first base plate section of the station box have commenced.

Expectations of 2016

Boring operations from Nordhavn Station to Øster Søgade are planned for the summer of 2016. Two 1,800-metre tunnels will be bored.

An emergency shaft will be constructed at Krauseparken on Østerbro. During 2016, the construction site at Krauseparken will also be established, and the work on the shaft structure will commence.

The work on the overground section to Orientkaj Station is also expected to commence in 2016.

More stations in Nordhavn

In 2014, the Danish State and the City of Copenhagen entered into an agreement in principle for more metro in Nordhavn, on the same line as the current two stations being constructed. The additional metro stations will be financed from ticket revenue, as well as a contribution of DKK 1.5 billion from By & Havn. The stations will continue the high-level line from Orientkaj, and the stations' location is yet to be decided.

The City of Copenhagen, By & Havn and Metroselskabet are investigating possible alignments and station locations, for comparison and analysis on the basis of their passenger potential and civil engineering and operating costs. The results of this work are expected to be available at the beginning of 2016. At the same time, the City of Copenhagen is preparing an EIA Report for the road tunnel to Nordhavn (the Nordhavn tunnel).

The civil engineering contractor MetNord, which is constructing Cityringen, consists of Danish Züblin and German Hochtief.

Ansaldo STS (owned by Japanese Hitachi) is to deliver the trains, operating system and control and maintenance centre, so that the coming operation will be an integrated part of the operation of Cityringen.

Sydhavn



At the beginning of 2015, The Parliament (Folketinget) adopted an **amendment to the Cityringen Act, so that it now also includes the construction of a metro to Sydhavn.**”

In June 2014, the Danish State and the City of Copenhagen entered into an agreement for the construction of a branch from Cityringen through Sydhavn to Ny Ellebjerg. The agreement was endorsed by the City of Frederiksberg. This line will have five stations, with the provisional names of Fisketorvet, Enghave Brygge, Sluseholmen, Mozarts Plads and Ny Ellebjerg.

The line will transect new urban development areas with extensive new construction, as well as the Kongens Enghave quarter which has already been developed. The line will end at the coming Ny Ellebjerg hub, with connections to S-trains, the ring line, and regional and main-line trains. On an annual basis, the Sydhavn metro is expected to give the overall metro system 12-13 million more new passengers.

For the Sydhavn line, Metroselskabet has established two contracts with advisory consultants.

The first contract relates to design and has been established with COWI Systra Joint Venture, while the second concerns the site and rights and has been concluded with COWI LE 34.

In the 2014 agreement, a net financing contribution of DKK 3.9 billion was allocated, and this has been paid in by the owners. If the project is not achieved, the owners will be reimbursed with the share of the owners' contributions that has not yet been allocated and disbursed. The estimated civil engineering budget for the Sydhavn branch is DKK 8.6 billion, including the contributed adjustment reserve (2015 prices), and DKK 6.7 billion excluding the contributed adjustment reserve (2015 prices). The remaining element of the cost is expected to be financed via the profit on passenger operations.

Milestones reached in 2015

At the beginning of 2015, the Parliament (Folketinget) adopted an amendment to the Cityringen Act, so that it now also includes the construction of a metro to Sydhavn.

In early 2015, a proposed alignment was drawn up, as the basis for the EIA Report. The proposed EIA Report was approved by the City of Copenhagen in August 2015 and has been submitted for public consultation. At the end of 2015, the City Council of Copenhagen adopted the EIA Report for the metro to Sydhavn, as well as the 2015 Municipal Plan, which determines the framework and guidelines for the construction of a metro to Sydhavn.



The new metro line to Sydhavn will consist of five new stations from Fisketorvet to Ny Ellebjerg.

The procurement process was initiated at the end of 2015, so that the bidding contractors can achieve prequalification before the summer of 2016.

During 2015 a switch chamber at Havneholmen was developed, to allow for the construction of a branch from Cityringen to Sydhavn, while Cityringen is in operation. Excavation work has been performed, including the breakthrough to the Cityringen tunnel.

Expectations of 2016

In 2016, Metroselskabet is focusing on completing the extensive procurement documents for the construction of the Sydhavn line. These documents will be issued as the invitation to tender, so that the contracts can be established and the project finally approved in mid-2017.

Social responsibility in constructing the metro

Metroselskabet undertakes major civil engineering projects in closely populated, urban areas. This makes special requirements of the company's social responsibility, with specific focus on Metroselskabet's work. For example, there is focus on environmental protection, climate protection of the major facilities, and ensuring that the city can continue to function even if the construction work inconveniences residents, workplaces, the business community and tourists.

In 2015, Metroselskabet had special focus on the environment, working environment and pay and employment conditions for the many people working on the construction projects. There is also strong focus on ensuring reasonable day-to-day conditions for the many neighbours and other parties who are affected directly by the construction projects.

Environment

The metro is the most environmentally sustainable way of travelling around the city, disregarding cycling or walking. Yet the construction of the metro has an impact on the environment. Metroselskabet has therefore set a number of environmental requirements for the construction of the new Cityringen and metro lines. The same requirements will also apply to

the engineering design of the branch to Sydhavn. The most important requirements concern CO₂ emissions and groundwater protection.

“Green concrete”

Metroselskabet has therefore set the requirement for “green concrete” to be used for the construction of Cityringen. This entails an approximately 50 per cent reduction of CO₂ emissions for the construction of Cityringen than for the construction of the metro in operation, since concrete is the largest contributor to the civil engineering project's overall CO₂ emissions. Metroselskabet uses concrete that can be produced with lower CO₂ emissions, because replacement materials and recovered products are used to produce this concrete.

Clean groundwater

Metroselskabet also requires the contractors to ensure that the groundwater table is not lowered at any location under the construction works, neither at the construction sites nor the tunnel boring sections. To ensure that the groundwater table is not lowered, a minimum of 20 monitoring wells have been set up at each construction site. There is a well for every 50 metres of the 15.5-kilometre tunnel section. The many wells ensure that 95 per cent of the groundwater is purified to a quality equivalent to drinking water, and then led back.



In 2015, Metroselskabet has had special focus on the environment, working environment and pay and employment conditions for the many people working on the construction projects.”

This ensures the least possible impact on the local groundwater conditions.

Filters minimising air pollution

Particle filters are used on all of the machines at the metro construction sites that are designed for this technology. This concerns 80 per cent of the total machine park. The particle filters remove up to 99 per cent of the particle emissions from the machines while in operation. Measurements by the Danish Ecological Council and DTU (the Technical University of Denmark) in 2012 show that construction machines without particle filters emit more than 500,000 particles, while a machine with particle filters emits 6,000 particles.

The environmental zone in the Cities of Copenhagen and Frederiksberg entails that lorries of over 3,500 kg must, as a minimum, run with Euro IV-engines. As a consequence, the total emissions from lorry transports from all of the Cityringen construction sites throughout the civil engineering period will correspond to the airborne pollution from three days' normal traffic in the City of Copenhagen.

Working environment

The number of occupational accidents for the Cityringen project, including the branch to Nordhavn, was at a high level in 2015, with an accident frequency of 28.4. In total, there were 156 accidents leading to absence in 2015, of which 26 were serious, according to the Danish Working Environment Authority's definition. For comparison, the accident frequency for workers in the overall construction and civil engineering sector was 25.8 (DA (Confederation of Danish Employers), *Statistik-nyt 2015*), while the accident

frequency for the Cityringen and Nordhavn projects in 2014 was 20.4 in overall terms. There was considerable fluctuation from month to month, and overall this development was less satisfactory, and led to the implementation of a “2015 summer action plan”. The summer action plan included daily safety inspections attended by workforce representatives, extra training of the workforce, and an information campaign with focus on taking responsibility for one's own and colleagues' safety.

The accumulated accident frequency for the entire project was 26.0 at the end of 2015.

Most of the accidents in 2015 occurred under the civil-works contract with CMT – which is also the contract with by far the most intensive production activities at the present time. For the other contracts (ASTS, MetNord and minor contracts under Metroselskabet's “Other Contracts”) the accident frequency was at a significantly lower level.

There are variations in the health and safety work at the many different construction sites. To support the good work that is taking place, in 2015 Metroselskabet made awards for good health and safety activities at the various different construction sites. Under the Cityringen project, Skjolds Plads, Town Hall Square, Nørrebros Runddel and Vibenhushus Runddel received health and safety awards. Under the Nordhavn construction project, the contractor received a health and safety award since, as of November 2015, they had worked for 500 days from the project's start without any occupational accidents leading to absence.

In cooperation with CMT, and at Metroselskabet's initiative, PensionDanmark has established a healthcare clinic at the

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In 2015, the health-care clinic included a physiotherapist, with **free treatment offered to employees.**”

camp in Vasbygade used by CMT personnel. In 2015, the healthcare clinic included a physiotherapist, with free treatment offered to employees.

In 2015, the Danish Working Environment Authority continued to focus on the metro construction project and other major construction and civil engineering projects. In view of the unsatisfactory development in the accident frequency rates, in June 2015 Metroselskabet requested the Danish Working Environment Authority to maintain stricter inspection of the metro construction sites. Metroselskabet has received 357 mandatory orders of various different types. The contractors rectify the health and safety breaches and investigate which preventive measures the company should take, to avoid similar unacceptable situations. The two key reasons for mandatory orders are access and evacuation routes, and fall prevention measures. Metroselskabet uses the cooperation with the Danish Working Environment Authority and the concrete mandatory orders as an instrument to ensure constant focus on safety. Metroselskabet also continues

to give priority to its own resources at the sites where health and safety measures are inadequate, while also implementing new initiatives to reduce the number of occupational accidents.

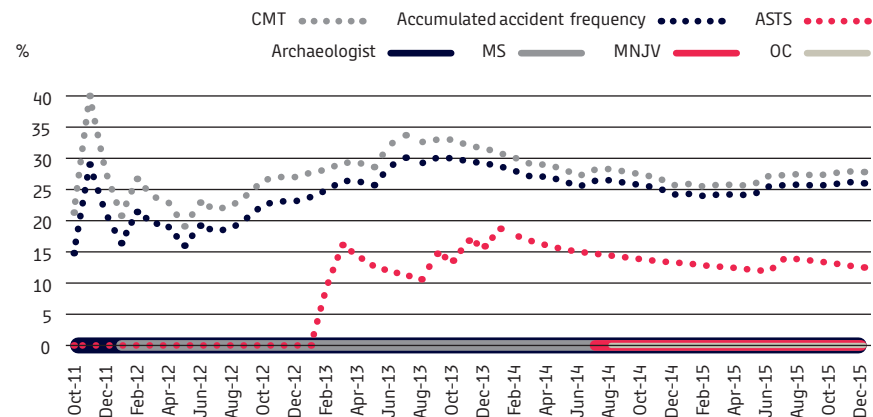
Labour market and sector initiatives

In the spring of 2015, Metroselskabet completed an independent audit survey of the pay and employment conditions offered by ten selected subcontractors. This survey showed that a number of companies make errors of a major or minor nature.

On this basis, in cooperation with the main contractors, Metroselskabet has launched a number of initiatives:

- Tightened up information to and communication with subcontractors
- Tightened up information to and communication with employees
- Ongoing control of pay and working conditions
- Submission of information to the authorities

Accumulated accident frequency per contractor for the period from October 2011 to December 2015



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Together with the Danish Working Environment Authority (Arbejdstilsynet), Metroselskabet uses the concrete **mandatory orders as a tool to ensure constant focus on safety.**”

As a consequence of the survey, at the end of 2015 CMT entered into an agreement with BJMF/3F (United Federation of Danish Workers) to ensure a clear framework for the pay conditions and working hours of a number of CMT’s major subcontractors. During 2015 the cooperation between CMT and BJMF/3F also led to the establishment of a number of agreements on the handling of various aspects of pay and working conditions. In 2015, Metroselskabet thus had strong focus on supporting the resolution of problems and challenges within the framework of the Danish labour-market model.

Strengthening of recruitment

In 2015, Metroselskabet initiated a project in cooperation with the Business House Copenhagen (Københavns Erhvervshus) and Greater Copenhagen Recruitment Service (Hovedstadens Rekrutteringsservice). This cooperation is intended to boost the sector’s interest in and recruitment of local manpower. So far, this has resulted in one municipal recruitment officer being dedicated to the metro construction project, This employee is based at the construction site at Trianglen and is in close contact with the companies involved in the project. The essence of the initiative is that the City of Copenhagen makes an active effort to find out what manpower the companies need to recruit, and then allocates the resources needed to hire these employees without delay. The scheme was established in October 2015 and in just a few months secured ordinary jobs for 14 people, and one job on subsidised pay conditions. The scheme is expected to be continued in 2016.

More apprenticeships

Metroselskabet is working actively to increase the number of apprentices employed under the metro construction projects. During 2015, in cooperation with the main contractors, the company introduced a number of initiatives to increase the number of apprentices at the construction sites. In 2015, 54 apprentices on average were employed under the company’s civil engineering activities. In 2014, 28 apprentices on average were employed under the company’s civil engineering activities. The number of apprentices increased as a consequence of various initiatives introduced by Metroselskabet in collaboration with the main contractors, vocational colleges and labour-market parties with which the company has established a partnership agreement. It has also been vital to have the option of part-time

In October 2015, Metroselskabet and Greater Copenhagen Light Rail held a “Supplier Information Day”, which was attended by more than 300 representatives from around 150 companies, embassies and other stakeholders.

The aim was to promote interest in the coming invitations to tender for the Sydhavn metro and the Greater Copenhagen Light Rail, and to make the two projects more accessible to the sector. The procurement and construction process for both the Sydhavn metro and the Greater Copenhagen Light Rail were therefore presented in detail during the Supplier Information Day. The labour-market parties were invited to present the Danish model and the elements requiring special attention from foreign companies in Denmark. The company’s expectations of a good working environment were also on the agenda.

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In 2015, the company received **around 3,600 enquiries from the general public.**”

practical training agreements, whereby apprentices spend some, but not all, of their apprenticeship on the metro project. These part-time agreements are important because the metro construction work involves a large number of repetitive work processes. This means that apprentices can learn about some very specific aspects of the metro construction work, but due to the nature of the work, the metro cannot cover every aspect of the apprentices' training.

In 2013, Metroselskabet's Board decided to introduce a contract paradigm that ensures a fixed number of traineeships and practical internships in the company's contracts, assessed on the basis of each contract's size and nature. The company's contracts therefore include social clauses stipulating apprenticeship requirements. In overall terms, the apprenticeship requirement in the contracts for the branch to Nordhavn comprises 33 apprentice FTEs.

Dialogue with the general public

Metroselskabet aims to give neighbours to the metro construction work detailed, precise and timely information when the construction work is likely to affect them. This takes place via, for instance, meetings, events at construction sites, newsletters, notices, text messages, mails, etc. and via the website m.dk. Neighbours' assessment of these information activities is monitored on an ongoing basis, and the latest survey from October 2015 showed that 80 per cent of neighbours are satisfied with the information they receive.

It must also be easy to contact Metroselskabet – both during and after ordinary working hours. The company has therefore established a 24-hour telephone service. In addition, there are teams who inspect the construction sites, both outside and inside the perimeter fences, 24 hours a day, and these teams can react quickly if required. In 2015, the company received around 3,600 enquiries from the general public concerning the construction of the metro, ranging from questions about the coming new stations and timetables, to the opportunities for compensation due to complaints about the adverse impacts of the construction work.

Metroselskabet assessed that around 1,000 of these enquiries concerned complaints about the construction work, which corresponds to one complaint per week per construction site. Most of the complaints concerned adverse noise impacts due to the evening activities at the sites. This noise lay within the applicable limits, but was experienced as adverse effects by the neighbours, who contacted Metroselskabet to file complaints. When Metroselskabet receives complaints from neighbours, inspectors are sent to the site and the activity in question is stopped if it is assessed not to lie within the applicable noise limits.

- Apprentices engaged in skilled work: **3.7 per 100**
- Cityringen's objective: **6 per 100**
- Civil engineering industry on average, the Economic Council of the Labour Movement (ECLM), 2010 figures: **3.7 per 100**

Compensation and a relief scheme for neighbours

For Cityringen, a relief scheme has been established, which enables neighbours to use office hotel facilities or a hotel room in the vicinity of the construction site in question.

In 2015, the office hotel relief scheme was used in 571 instances, while the hotel room option was used in 150 cases. Use of the schemes is assessed on a continuous basis so that any adjustments can be made.

Relief schemes will also be offered to the neighbours to the Nordhavn metro's construction site at the emergency shaft in Krauseparken, and also to the neighbours to the Sydhavn metro construction sites.

In connection with the amendment of the Act in 2014 and the Minister of Transport's issue of the "Neighbour Package Order", the households most adversely affected by noise were offered a choice of acquisition of their homes, temporary replacement accommodation, or the maximum financial compensation. Since then, a total of 551 households have been offered these options. Almost 99 per cent of these households opted for financial compensation. Just over 1 per cent chose to vacate their homes, of which six households' homes were acquired, while one household accepted the offer of temporary replacement accommodation.

Since mid-2014, a total of 4,243 households have received financial compensation for the adverse effects of being neighbours to the metro construction work.

Information level

Satisfaction with the information levels for the construction work

2015: **80%** 2014: **78%** 2013: **76%**

Public access to observe the Cityringen works

In 2015, the metro construction work was the fourth most-visited location during Night of Culture (Kulturnatten), when more than 12,000 visitors called in at Metroselskabet, and several thousand had the opportunity to descend in the shaft at the coming Rådhuspladsen metro station. Earlier in the year, several thousand visitors came to the Control and Maintenance Centre in Sydhavn to see Cityringen's first train. In total, almost 51,000 people took part in Metroselskabet's events and construction site tours, or visited the "Tracking the Metro" exhibition, in 2015. In addition, more than 345,000 visitors viewed the construction sites from the viewing platforms at Kongens Nytorv, Rådhuspladsen and Aksel Møllers Have. The press can also get regular information updates on the metro construction work, so that the general public can also stay abreast of the project's progress.

The "Metroen" Facebook page opened in November 2014, and by the end of 2015 it had around 14,000 likes. The metro page has a mix of stories, primarily from the metro construction work and the metro in operation. On average, around 25 enquiries from users are received per day, and Metroselskabet considers it important that all enquiries received a response.

About Metroselskabet

Gender distribution at
Metroselskabet

All employees

40%

Management

33%

Executive Officers

60%

Board

26%

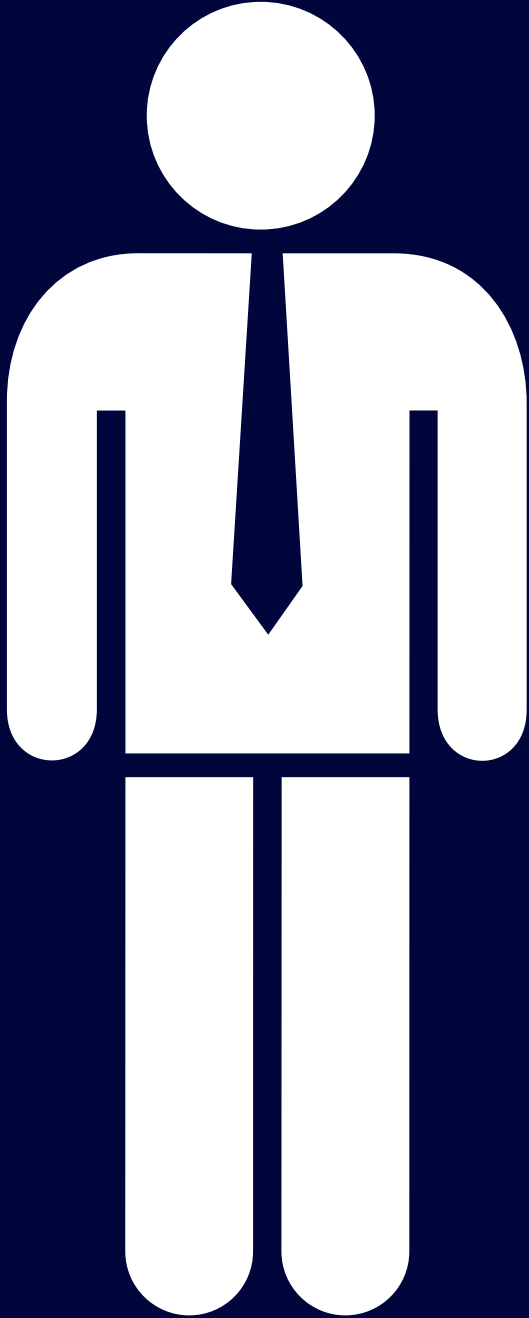


60%

67%

40%

74%



Company Management

“**Metroselskabet works systematically with risk management** and reports all relevant risks to the Board, on an ongoing basis.”

Metroselskabet was established as of 1 January 2007 pursuant to Act no. 551 of 6 June 2007 on Metroselskabet I/S and Arealudviklingselskabet I/S. On its establishment, Metroselskabet took over the metro activities of Ørestadsselskabet I/S and Frederiksbergbaneselskabet I/S, and Ørestadsselskabet I/S and Frederiksbergbaneselskabet I/S were therefore dissolved.

Metroselskabet thereby undertakes the operation and maintenance of the metro in operation and the construction of the coming metro.

Metroselskabet's object is stated in the Act, which states that Metroselskabet is to:

- Undertake the engineering design and construction of Cityringen as a metro system
- Undertake the operation and maintenance of the overall metro system
- Hold public invitations to tender for the civil engineering works, as well as the operation and maintenance of the metro
- Operate the metro on a sound commercial basis

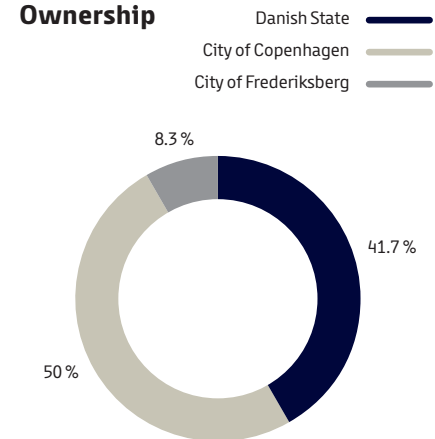
Metroselskabet is owned as a Partnership by the City of Copenhagen, the City of Frederiksberg and the Danish State, represented by the Ministry of Transport and

Building. The Board of Metroselskabet is the company's supreme authority, and is thus responsible for ensuring that Metroselskabet fulfils the objectives laid down in legislation.

The Board

The Board has nine members, who are appointed for a period of four years. The City of Copenhagen and the Danish State each appoint three members, while the City of Frederiksberg appoints one member and an alternate member. Besides the members appointed by the owners, the company's employees elect two members of the Board.

Ownership



“**In April 2014, Metroselskabet adopted a business strategy for the period from 2014 to 2018.**”



In 2015, ten meetings of the Board were held, as well as four and three meetings, respectively, of the Risk Committee and the Audit Committee.

Metroselskabet works systematically with risk management and reports all relevant risks to the Board on an ongoing basis. The Board has therefore appointed a Risk Committee under the Board. The purpose of the Risk Committee is to facilitate the Board consideration of the company's risk management, including the preparation of risk assessments and risk reporting.

Metroselskabet's Board has also appointed an Audit Committee to assist the Board in its oversight of the company's internal control systems that provide the basis for the presentation of the financial statements. The Audit Committee is furthermore

involved in the monitoring of the independent audit process and the company's compliance with the statutory requirements for the presentation of the financial statements. The Audit Committee has also worked with the company's project management and financial management. The Audit Committee focuses in particular on ensuring the credibility, integrity and transparency of the internal and external financial statements.

Business Strategy

In April 2014, Metroselskabet adopted a business strategy for the period from 2014 to 2018. The business strategy is based on Metroselskabet's vision and mission, on which all of the objectives in the business strategy are focused.

“**The business strategy is based on Metro-selskabet’s vision and mission, on which all of the objectives in the business strategy are focused.**”

Overall objectives

In order to ensure the achievement of its vision and mission, Metroselskabet has drawn up four overall strategic objectives, which are supported by 41 concrete objectives. The four overall strategic objectives are:

Passengers and operation

The company is dedicated to increasing the number of public transport users, and wishes the overall public transport system to offer modern transport of high quality that contributes to mobility and development in Greater Copenhagen,

Cityringen and the branch to Nordhavn

The construction of Cityringen and the branch to Nordhavn must be a continuation of the concept and the experience which Metroselskabet has gained from the construction process and the operation of the existing metro, based on the three parameters of technical quality, time schedule and finances.

CSR obligations

Metroselskabet undertakes an important task for society by handling the operation and construction of the metro and light rail.

The Act on Ring 3 Letbane I/S tasks Metroselskabet with administration, engineering design and procurement and contract activities concerning the Greater Copenhagen Light Rail, as well as the company’s debt and asset management. Metroselskabet makes employees, etc. available for these activities.

Metroselskabet receives remuneration for this work from the Greater Copenhagen Light Rail, in accordance with the Remuneration Order. The remuneration is based on cost prices. In accordance with the Act on Ring 3 Letbane I/S, the Executive Management of Metroselskabet is also the Executive Management of Ring 3 Letbane I/S. Greater Copenhagen Light Rail has its own the Board and ownership.

For more information about the Greater Copenhagen Light Rail, see www.dinletbane.dk/in-english, where the company’s Annual Report is also published.

Vision

Metroselskabet builds and operates modern public transport infrastructure with respect for its neighbours, the environment and the city. Metroselskabet delivers effective and reliable public transport that increases the mobility of residents, users and visitors to the metropolitan area.

Mission

Metroselskabet takes responsibility for the operation and development of the public transport system by developing, designing, constructing and operating the metro and similar light rail systems in urban areas, while taking due account of the surrounding environment.



Metroselskabet is focused on increasing the number of public transport journeys.

We must therefore investigate opportunities for CSR certification and contribute to ensuring sustainable development.

Metroselskabet’s organisation

Metroselskabet’s organisation must be able to provide expertise according to the company’s broad portfolio of tasks related to the development, engineering design and procurement, as well as the construction and operation, of the metro and light rail. We must therefore be an attractive

workplace in order to attract sufficiently qualified manpower and stay focused on continuous competence development and knowledge sharing.

In 2015, Metroselskabet focused on achieving a number of activities in each of the four areas, and on launching even more activities. These activities are presented in the preceding sections of this Annual Report, or in the following sections.

Social responsibility in corporate governance

In 2015, Metroselskabet decided to increase its focus on CSR. We are therefore working to increasingly systematise the organisation's overall CSR initiatives. This work will continue in 2016.

Compliance

As part of Metroselskabet's CSR initiatives, it has endorsed the Charter for Social Responsibility in the Property,

The tunnel boring machine Minerva is lowered down into the tunnel workplace at Nørrebroparken.



Construction and Civil Engineering Industries in Denmark. The Charter sets out the principles for social responsibility and is based on the UN Global Compact, as it is specified for construction and civil engineering projects in Denmark. Metroselskabet has thus undertaken an obligation to demonstrate impartiality and anti-corruption in practice. As part of its presentation of financial statements, Metroselskabet also undergoes a compliance test for good corporate governance and CSR.

Clear guidelines and transparency

On this basis, Metroselskabet has drawn up a number of internal administrative policies to which all employees and subcontractors' employees are subject. Guidelines have been drawn up for procurement processes and approval of collaboration partners, as well as guidelines for the management of expenses and approval of payments. The company has also drawn up a gift policy to ensure clear guidelines in this area, by setting guidelines for offering and receiving gifts. Whistleblowing guidelines have also been drawn up and implemented, among other things in order to instil respect concerning Metroselskabet's obligations to comply with laws and regulations, as well as internal guidelines and policies. This will also help to ensure employees clear opportunities to make reports, and to protect those who have filed reports. In 2015, the Audit Committee recommended that the company's whistleblower scheme be administered externally, so as to better ensure anonymity. Metroselskabet is therefore preparing the framework for whether a final agreement can be reached in this

respect. The company expects that any new system will be implemented in 2016.

The policies are also reviewed annually by the Audit Committee. Metroselskabet plans to update the gift policy in 2016, in order to integrate it with the anti-corruption policy.

Mapping of Metroselskabet's rights and obligations

In 2015, Metroselskabet commenced an extensive mapping of the rights and obligations entailed by the City of Copenhagen and the Danish State's ownership policies, as well as the corporate governance recommendations drawn up by the Danish Committee on Corporate Governance. This mapping is intended to ensure that Metroselskabet complies with the relevant requirements. Metroselskabet also performs a service check to ensure that all of the requirements are duly and lawfully complied with in accordance with the Danish Business Authority, the Danish Financial Statements Act, and internally in rules of procedure, for example.

As a natural consequence of Metroselskabet's endorsement of the Charter for Social Responsibility, in 2016 Metroselskabet will work to update and systematise the company's CSR policies, in order to map the rights and obligations in the ownership policies. The aim is for the company to endorse the UN's Global Compact, which is the world's largest voluntary CSR initiative. The Global Compact comprises ten fundamental principles which are based on international conventions within human rights and labour rights, environmental protection and anti-corruption.

“

As part of Metroselskabet's CSR initiatives, it has endorsed the **Charter for Social Responsibility in the Property, Construction and Civil Engineering Industries in Denmark.**”

Metroselskabet's employees



Metroselskabet seeks actively to attract both **men and women on an equal basis to both managerial and other positions.**

Diversity

Metroselskabet has taken inspiration from the Danish Committee on Corporate Governance (Komitéen for god Selskabsledelse) concerning diversity in the company's management, and seeks actively to attract both men and women on an equal basis to both managerial and other positions. The company has around 289 employees. The overall gender distribution is around 40 per cent women and around 60 per cent men. Approximately 10 per cent of the employees are non-Danish nationals, primarily from neighbouring European countries. Metroselskabet is working with the universities and other educational institutions to offer student internships and practical training positions. Metroselskabet also offers access to relevant projects for project and thesis students. In 2015, Metroselskabet had four trainees, of whom one qualified in 2015. The number of students employed is 26, and the company has 18 employees in practical traineeships, equivalent to one semester, or a 20-week programme.

Of the five executive directors, 40 per cent are men and 60 per cent are women. The gender distribution of the full company management is 67 per cent men and 33 per cent women. This is a change since 2014, when the distribution was around 60 per cent men and 40 per cent women. In 2016,

in accordance with the rules of the Danish Companies Act and the Danish State's ownership policy on management diversity, opportunities to increase the ratio of the under-represented gender in the company's management will be addressed.

Metroselskabet's Board comprises 74 per cent men and 26 per cent women, including the representatives elected by the employees. The Board is nominated by the company's owners.

At the end of the financial year, the company employed a staff of 289, compared to 274 in 2014. Employees handle the company's administration, operation of the metro, construction of Cityringen and the branches to Nordhavn and Sydhavn, and the engineering design of the light rail in Ring 3. There are also around 250

Employees' length of service in 2015

0-11 months	69
1-4 years and 11 months	166
5-9 years and 11 months	35
10-18 years and 11 months	11
19 years or more	8
Average length of service	4.32



Employees

Employees in 2015: **289 persons**
 Employees in 2014: **274 persons**
 Employees in 2013: **242 persons**

Other advisers **approx. 250 persons**

“**Metroselskabet’s strategic objective is to be an attractive and competent workplace** which can attract, develop and retain the best employees.”

advisers attached to – and often located in – Metroselskabet’s head office, and around 350 more loosely affiliated advisers who work from elsewhere in Denmark and from various parts of the world.

Metroselskabet’s employees have a wide range of educational backgrounds, as the company e.g. employs engineers in many different fields, land surveyors, geologists, architects and computer scientists, as well as a number of social sciences graduates. The company is a knowledge-intensive organisation which employs a large number of highly-specialised employees who are, for example, engaged in concrete works, tunnel design, tunnel work, electrical installations and safety, as well as environmental and risk management.

Age distribution of employees

Number	2015	2014	2013
20-29	42	41	27
30-39	75	72	72
40-49	78	82	75
50-59	62	47	41
60-69	26	27	24
70-99	6	5	3

Internal communication and employee development

Metroselskabet’s strategic objective is to be an attractive and competent workplace which can attract, develop and retain the best employees. In this regard, a new employee development tool has been developed and implemented to take stock of the preceding years’ tasks, performance, cooperation, well-being, competences, etc. and to support dialogue and cooperation on employees’ ongoing development.

In 2015, Metroselskabet had special focus on the company’s internal dialogue and knowledge sharing. The aim is for internal communication to engage employees, ensure a high level of knowledge sharing and encourage pride in the company and the day-to-day work. Metroselskabet’s employees are spread across many addresses in the capital, which requires special attention and solutions. Besides the company’s head office, the employees are currently spread across 23 construction sites. The company therefore wishes to continuously strengthen internal communication, to create a shared identity across these locations.



An employee makes the final preparations for Culture Night (Kulturnatten). More than 12,000 people came by Metroselskabet, which was the fourth most visited location.

Favourable terms for all employees

Metroselskabet offers favourable and attractive staff conditions to support employees at various stages of their lives, such as good maternity and parental leave terms, time off on a child’s first and second day of illness, care days for parents of children aged under 7, senior days for employees aged over 60, and flexible working hours and opportunities to work from home.

Metroselskabet focuses on respect for human rights by preventing discrimination and ensuring equal treatment,

irrespective of disability, ethnic origin, religion, sexual orientation, gender or age. This also applies to recruitment, where we hire the candidate who is best qualified for the position. Metroselskabet’s administration building is accessible for persons with physical disabilities.

The company’s employees are engaged on individual contracts, on individual salary terms and with terms for salary adjustment, maternity/paternity leave and holiday allowance equivalent to the terms for State employees. This type of contract generally matches the contract used by other public enterprises with similar tasks, and within the State.

The Board of Metroselskabet

Henning Christophersen

Chairman of the Board
Chairman of the Risk Committee

Appointed by the Danish Government
Former Minister and European Commissioner

Remuneration: DKK 425,000

Other offices held:

- Senior Partner, Kreab A/B
- Adviser to the European Commission

Jørgen Glenthøj

Vice Chairman
Member of the Risk Committee
Member of the Audit Committee

Appointed by the City of Frederiksberg
Mayor of the City of Frederiksberg

Remuneration: DKK 325,000

Other offices held:

- Board member of the Chamber of Commerce of the City of Frederiksberg
- Chairman of Frederiksberg Energi A/S
- Vice Chairman of the Local Council for Frederiksberg
- Vice Chairman of Hovedstadens Beredskab
- Member of the Board of Representatives of Movia
- Member of the district board concerning the Police activities
- Member of the Board of Directors of KOMBIT
- Member of the Committee for Recognition of Good and Attractive Buildings in the City of Frederiksberg

- Member of the Taxi Board for the Capital Region
- Member of the Capital Region's Local Authority Contact Committee
- Member of the Health Services Coordination Committee, Capital Region
- Member of the Practice Planning Committee, Capital Region
- Member of the Board of Directors of Wonderful Copenhagen
- Member of the National Association of Local Authorities' Local Authority Contact Committee for the Capital Region
- Member of the Board of Representatives of the National Association of Local Authorities

Susan Hedlund

Vice Chairman
As from 4 April 2016

Appointed by the City of Copenhagen
Member of the City Council of Copenhagen
Head of Kvarterhuset i Kgs. Enghave

Remuneration: DKK 0

Other offices held:

- Member of the Finance Committee of the City of Copenhagen
- Member of the Employment and Integration Committee of the City of Copenhagen
- Chairman of the Citizen Advisory Services Committee
- Member of the group management of the Social Democrat group in the City Council of Copenhagen
- Member of the Municipal Medical Services committee for the City of Copenhagen

Birgitte Brinch Madsen

Member of the Board
Chairman of the Audit Committee

Appointed by the Danish Government
Director

Remuneration: DKK 200,000

Other offices held:

- Board member of Danske Invest
- Board member of the North Sea Fund
- Board member of DEIF A/S
- Board member of Orbicon A/S
- Board member of EU DP (the Energy Technology Development and Demonstration Programme)
- Board member of GUDP (the Green Development and Demonstration Programme)

Harald Børsting

Member of the Board
Appointed by the Danish Government
President of LO (the Danish Confederation of Trade Unions) (until the end of October 2015)

Remuneration: DKK 125,000

Other offices held:

- Board member of Arbejdernes Landsbank (until the end of October 2015)
- Board member of the Economic Council of the Labour Movement (until the end of October 2015)
- Member of the Board and of the Business Committee of ATP (until the end of October 2015)
- Board member of Fagbevægelsens Erhvervsinvestering (until the end of October 2015)
- Chairman of Arbejderbevægelsens Kooperativ Finansieringsfond (until the end of October 2015)
- Chairman of Lønmodtagernes Dyrtidsfond (until the end of October 2015)
- Board member of Refshaleøens Holding
- Board member of Refshaleøens Ejendomsselskab

Ninna Hedeager Olsen

Member of the Board
Member of the Audit Committee

Appointed by the City of Copenhagen
Member of the City Council of Copenhagen
Associate Professor at Metropolitan University College

Remuneration: DKK 150,000

Other offices held:

- Member of the Employment and Integration Committee of the City of Copenhagen
- Board member of Thorvaldsens Museum
- Board member of R98 Fonden
- Board member of Enhedslisten (Red-Green Alliance) Nørrebro – Blågård
- Member of the group management of the Red-Green Alliance group in the City Council of Copenhagen.
- Member of the Employment Council under the Danish Ministry of Employment – the Danish Agency for Labour Market and Recruitment
- Member of the liaison committee for volunteers in social work
- Union representative for the members of DM and DJØF at the Department of Management and Administration at Metropolitan University College

Jakob Næsager

Member of the Board
As from 20 August 2015

Appointed by the City of Copenhagen
Member of the City Council of Copenhagen
Group chairman for the Conservative Party
Director

Remuneration: DKK 45,516

Other offices held:

- Member of the Technical and Environmental Committee of the City of Copenhagen
- Member of the Finance Committee of the City of Copenhagen
- Member of the Board of Representatives of Amager Ressourcecenter
- Member of the Board of Representatives of Vestforbrænding
- Board member of R98 Fonden
- Member of the Board of Central-kommunernes Transmissionsselskab (CTR) (Metropolitan Copenhagen Heating Transmission Company)

Søren Banke

Member of the Board
Elected by the employees
Work Site Manager

Remuneration: DKK 125,000

Peter Jensen

Member of the Board
Elected by the employees
Operations engineer

Remuneration: DKK 125,000

Margit Ørsted,

Appointed by the City of Frederiksberg
Alternate member

Former members in 2015:

Lars Aslan Rasmussen

Vice Chairman
Member of the Risk Committee
Until 4 April 2016

Appointed by the City of Copenhagen
Member of the City Council of Copenhagen

Remuneration: DKK 325,000

Other offices held:

- Member of the Finance Committee of the City of Copenhagen
- Member of the Employment and Integration Committee of the City of Copenhagen

Rasmus Jarlov

Member of the Board
Until 20 August 2015

Appointed by the City of Copenhagen
Member of the City Council of Copenhagen
Independent businessman
External assistant professor in financing at CBS

Remuneration: DKK 79,484

Other offices held:

- Member of the Employment and Integration Committee of the City of Copenhagen
- Member of the Finance Committee of the City of Copenhagen
- Member of the Children and Young People Committee of the City of Copenhagen
- Member of the Board of Central-kommunernes Transmissionsselskab (CTR) (Metropolitan Copenhagen Heating Transmission Company)

Executive Management of Metroselskabet

Executive Management:

Henrik Plougmann Olsen

CEO

Other offices held:

- Board member of Rejsekort A/S
- Board member of Banebranchen (the Danish Rail Trade Association)
- Board member of Københavns Madhus
- Member of the Employer Panel at IFSK (Department of Political Science and Government), University of Copenhagen

The Company's CEO is supported by an Executive Management comprising:

Anne-Grethe Foss

Deputy Director

Erik Skotting

Technical Director

Rebekka Nymark

Customer Director

Louise Høst

Planning and Labour Market Director

Results and expectations

Breakdown of the year's investments on projects



In the late summer, the tunnel boring machine Tria broke through to the Sender Boulevard construction site.



Result for the year

The result for 2015 before depreciation and write-downs is a profit of DKK 240 million, which exceeds the budget expectations by DKK 79 million. The improvement is primarily due to higher passenger revenue than expected. Depreciation and write-downs totalled DKK 3,531 million in 2015, of which write-downs amounted to a total of DKK 3,358 million. Of this amount,

DKK 29 million concerns the write-down of participating interests in Rejsekort to fair value, and DKK 3,329 million relates to write-downs concerning the construction of the metro.

The write-down concerning the construction of the metro is a consequence of how the overall investment in the construction

Operating result for the metro

All figures in DKK million		
	2015	2014
Fare payments	743	772
Metro operating revenue	310	344
Other operating income	16	13
Total income	1,069	1,128
Payment for operations	-743	-772
Contract management, etc.	-47	-37
Other expenses	-7	-7
Administration costs	-33	-25
Total expenses	-829	-840
Result before depreciation	240	288
Depreciation	-202	-171
Result before financial items	38	117
Net profit ratio before depreciation	23%	25%

Fare payments are based on average passenger revenue per new passenger of DKK 13.02 in 2015, calculated on the basis of the Ministry of Transport and Building's Order on the distribution of ticket revenue in Greater Copenhagen. In 2014 the average passenger revenue per new passenger amounted to DKK 12.80.

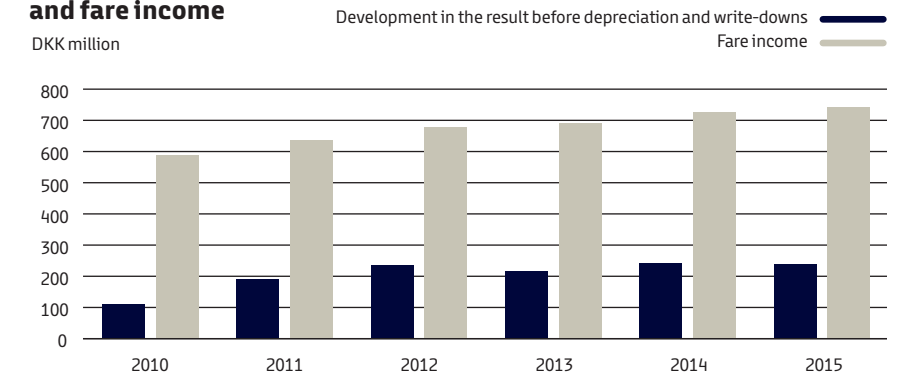
of the metro will not be fully recovered from future revenue in the form of passenger revenue, etc. The write-down is primarily due to the establishment of an agreement concerning the construction of the Sydhavn metro.

The result before financial items is hereafter a loss of DKK 3,291 million. Financial items comprise interest income of DKK 86 million and interest expenses of DKK 316 million. The result before market value adjustments is a loss of DKK 3,520 million.

The metro's operating result

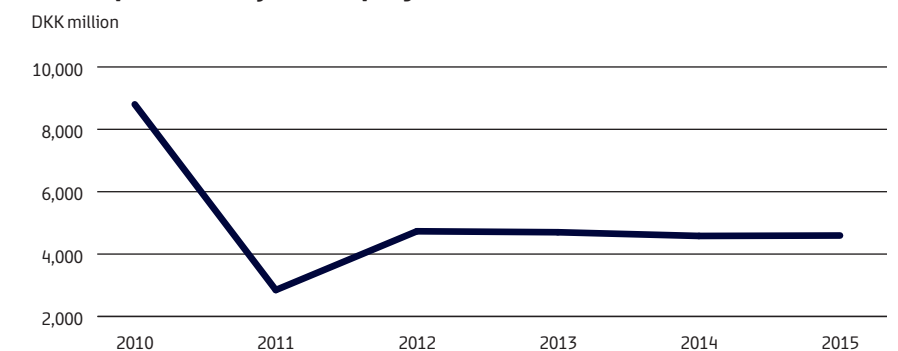
The result for the year before depreciation and write-downs is a profit of DKK 240 million, having decreased by DKK 48 million from 2014. The decrease is primarily due to non-recurring income in 2014 from the arbitration case with DSB and Metro-selskabet against Movia. Adjusted for non-recurring income, the result before depreciation and write-downs is DKK 243 million, and the result for 2015 is thus at the 2014 level.

Development in the result before depreciation and write-downs, and fare income



Note: The figures for 2014 are adjusted for non-recurring income of DKK 45 million concerning a concluded arbitration case.

Development in adjusted equity



Revenue totals DKK 1,069 million, of which DKK 743 million from the tariff system and DKK 326 million primarily from the leasing of the metro. Costs of payment for the operation of the metro, contract management, administration and similar amount to DKK 829 million for the year. Depreciation and write-downs amount to DKK 202 million. The metro's operating result before financial items is hereafter a profit of DKK 38 million.

Equity capital

The result for the year is a loss of DKK 2,695 million that has been carried to equity capital, which hereafter amounts to DKK 737 million. After adjustment for market value adjustments, the company's adjusted equity capital amounted to DKK 4,580 million at the end of 2015. The adjusted equity capital excluding market value adjustments has thus decreased by DKK 4 million from 2014. This is a consequence of how the loss after financial items of DKK 3,520 million is partly set off by the owners' contribution to the company of DKK 3,516 million in order to finance the construction of the Sydhavn metro. The market value adjustment led to book income of DKK 825 million.

The market value adjustment can be attributed primarily to the company's financial agreements on the hedging of interest rates that are concluded in order to increase the budget certainty of the company's long-term finances. The adjustment is solely an accounting registration that has no impact on liquidity, since the intention is to retain the agreements until maturity.

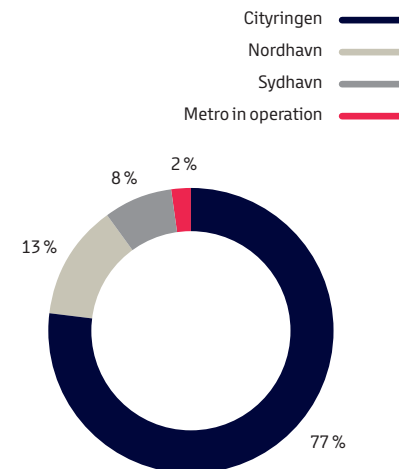
Metroselskabet is a Partnership in which the owners are 100 per cent liable for the

company. Any negative equity capital in the company does not entail any need for further contributions from the owners, as Metroselskabet can still service its debt as planned.

Investment in Cityringen, Nordhavn and Sydhavn

The total Cityringen civil engineering budget of DKK 23.6 billion (2015 prices) is based on the major civil engineering contracts concluded for the transport system and the Cityringen civil engineering works. The civil engineering budget for the branch to Nordhavn totalling DKK 2.4 billion (2015 prices) is based on the civil engineering contracts concluded for the transport system and the Nordhavn civil engineering works. The total Sydhavn civil engineering budget of DKK 6.7 billion (2015 prices) is based on an agreement in principle concerning the metro to Sydhavn.

The investments for the year by project



In 2015, the investments defrayed for Cityringen, Nordhavn and Sydhavn totalled DKK 3,753 million, so that the total investment to date is DKK 17,072 million.

Advisory services

In 2011, Metroselskabet's owners prepared and approved accounting regulations that apply to the company's activities which are subject to competition. Advisory services are subject to the accounting regulations that concern activities which are subject to competition, and the accounts for these advisory services are presented on this basis.

Income amounts to DKK 0 in 2015 (TDKK 90 in 2014) and costs total TDKK 1 in 2015 (TDKK 111 in 2014). The result before tax of advisory activities for 2015 is a loss of TDKK 1 (a loss of TDKK 21 in 2014). The result after tax is a loss of TDKK 1 (a loss of TDKK 21 in 2014).

The accumulated result of Metroselskabet's advisory services was a profit of TDKK 324 at the end of 2015.

Capital

In connection with the company's budgeting for 2016 an updated long-term budget has been drawn up, including the expected repayment term for the debt. The long-term budget presents the expectations of the long-term economic development in the metro. The description is based on a number of assumptions and is subject to the uncertainty that will always apply to assessments of future circumstances. The budget is based, among other things, on assumptions concerning the development in the number of metro passengers, as well as the development in interest rates and indexes.

The long-term budget shows that the company's net debt is expected to reach its maximum level, at approximately

Investment budget for Cityringen including Nordhavn and Sydhavn

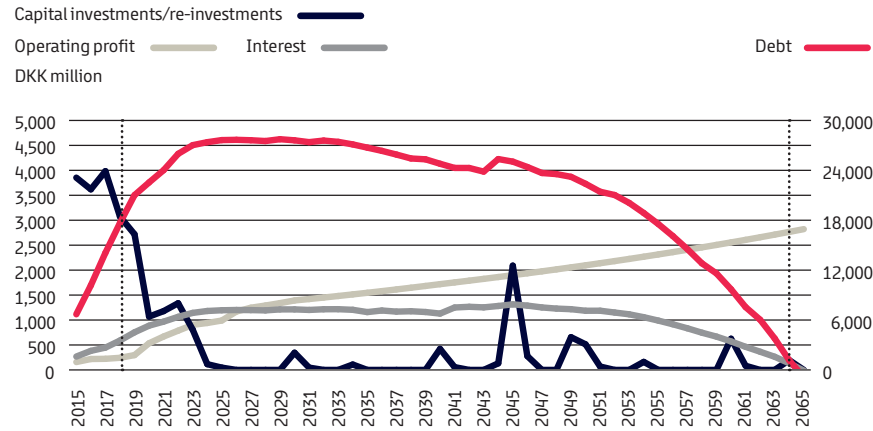
All figures in DKK million

	Investments in 2015	Investments as at 31 Dec. 2015	Overall budget	Overall budget
Cityringen	2,944	15,839	23,635	22,225 (2010 prices)
Nordhavn	483	868	2,379	2,460 (2012 prices)
Sydhavn	326	366	3,735	6,636 (2014 prices)
Total	3,753	17,073	29,749	-

The year's investment in the metro in operation amounts to DKK 89 million.

The net book value of Cityringen, Nordhavn and Sydhavn is stated in the Balance Sheet at DKK 6,320 million, since Cityringen, Nordhavn and Sydhavn are valued on the basis of the overall metro's expected capital value, with due consideration of the planned capital investments.

The company's long-term finances

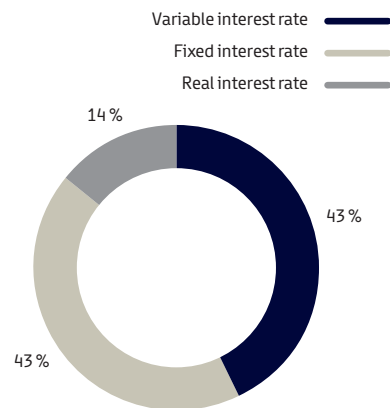


DKK 27.7 billion, in 2029 (in current prices and including interest). This is an increase by DKK 3.3 billion in relation to the long-term budget in the Annual Report for 2014. The debt is expected to be repaid by 2065, which is three years later than previous expectations. The changes are due to the incorporation of the agreement on the construction of the Sydhavn metro in

the long-term budget, cf. the description under the company's long-term budget (Appendix to the Directors' Report).

At the end of 2015, Metroselskabet had raised loans totalling DKK 11,324 million (in nominal terms DKK 10,140 million). The loans are raised as re-lending at Danmarks Nationalbank. As of the end of 2015, the company's long-term debt commitments totalled DKK 14,711 million in net terms.

Distribution of interest rates as of 31.12.2015 in relation to the expected maximum debt



The company is working to build up an appropriate interest rate exposure, so as to lock elements of the future interest costs. With the current 2016 long-term budget, the company has hedged the interest rate on a large proportion of the expected maximum debt at a fixed interest rate.

Each year a finance strategy is determined so as to ensure appropriate financial management that minimises the long-term financial costs, with due consideration of financial risks. Financial management within the stated strategy is undertaken by Sund og Bælt Partner, as laid down and described in the Memorandum of Association.

Investment in Cityringen, Nordhavn and Sydhavn

In 2015 a write-down of DKK 3,329 million was made concerning the construction of the metro. This is a consequence of how the total investment in Cityringen, Nordhavn and Sydhavn will not be recovered fully from future income such as passenger revenue, etc. The write-down is a consequence of the establishment of the agreement on the construction of the Sydhavn metro, which is thus included in the calculation of the recoverable value. The write-down is in accordance with expectations and is partly offset by the Danish State and the City of Copenhagen's financing contribution of DKK 3.5 billion to Metroselskabet.

The write-down is based on an estimate of the value of the overall metro according to the assumptions applied by the company in the current long-term budget, and the expectations of the future level of interest rates (discounting factor). In 2015, investments in Cityringen, Nordhavn and Sydhavn totalled DKK 3.8 billion. The investments are capitalised and included as part of the value of the overall metro.

Value of the overall metro

The net book value of the overall metro is reviewed annually in order to determine whether there are indications of impairment. The recoverable value is calculated on an overall basis for the metro in operation, Cityringen, Nordhavn og Sydhavn, as they will constitute one overall cash-flow generating entity.

The future cash flows included in the recoverable value are based on the company's current long-term budget and its incorporated future expectations, cf. the Appendix to the Directors' Report. The calculation of the recoverable value is based on the capital asset value method. On the calculation of the capital asset value, the estimated future cash flows are discounted back to present value. At the end of 2015 the value was negative, so that a write-down was made for 2015. Write-down of the fixed assets as at the Balance Sheet date amounts to DKK 3.3 billion, cf. Note 6 to the Annual Accounts.

The assumed level of interest rates (discounting factor) constitutes the principal uncertainty in the estimated value of the metro. The company has applied a conservative expectation of the development in interest rates to the valuation of the overall metro (the recoverable value), since a risk supplement is included to cover the uncertainty of the development in interest rates. If the company had instead applied the current lower market interest rate, the value of the fixed assets would have been significantly higher and the result for the year would have improved significantly. In the same way, the result would have been lower if an expectation of higher interest rates had been applied. Note 6 to the Annual Accounts presents the calculation of the risk exposure to the expected development in interest rates.

Stabilisation of fluctuations in equity

The present low level of interest rates is also reflected in the statement of the market value of the company's debt and the derivative financial instruments used to hedge the interest rate risk on the company's present and future debt. In this respect, the company among other things has agreements on the interest rate hedging of a large part of the expected future maximum debt via agreements on either a fixed interest rate or an inflation-pegged interest rate. The agreements have an interest rate of between 3 per cent and 3.5 per cent. The maturity is determined on the basis of the company's expectations of the debt structure and settlement of the debt.

In the same way as for the valuation of the metro, the net book market value of the debt increases when the interest rate level for the debt decreases. The fluctuations in the two accounting items must not be expected to set off each other, among other things because different interest rates are applied (e.g. long/short-term interest rate and fixed/inflation-pegged/variable interest rate) to the items. Nonetheless, the application of current interest rate levels to both the valuation of the metro and the market value adjustment of the agreements established for the interest rate hedging of significant interest rate fluctuations will, overall, serve to stabilise fluctuations in the company's equity.

As joint partners in the company, the Danish State, the City of Copenhagen and the City of Frederiksberg are directly, unconditionally, and jointly and severally liable for all of Metroselskabet's liabilities, including the loans raised by Metroselskabet. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as sovereign risk, which is AAA. This means that Metroselskabet can generally achieve terms in the capital market that are equivalent to those available to the Danish State. In addition, Metroselskabet is able to raise re-lending loans at Danmarks Nationalbank. A re-lending loan is a loan raised directly for Metroselskabet from Danmarks Nationalbank on behalf of the Danish State, based on a specific government bond, and on the same terms as those that apply when the bond is sold in the market.

Arbitration cases, etc.

In a writ of summons of 5 November 2014 to the Court of Copenhagen the companies CTR I/S, Frederiksberg Vand A/S, Frederiksberg Kloak A/S, Frederiksberg Bygas A/S and Frederiksberg Varme A/S brought a claim against Metroselskabet I/S. The case concerns payment for completed utility grid realignments and reflects the filing of the Appraisal Commission's decision of 7 May 2014, whereby the aforementioned companies were required to defray the costs of the utility grid realignment. The case concerns an amount of approximately DKK 80 million. The case is expected to be decided during 2016.

CMT claim

In December 2015, the main contractor for Cityringen, CMT, sent a letter of

notification to Metroselskabet, stating their intention to file a large claim. CMT has provisionally estimated the claim to be in the range of EUR 300 million. The claim is undocumented and the company's immediate assessment is that the company will reject the claim. On the basis of the size of the claim, the company has informed the owners accordingly.

A process has been initiated whereby the company has asked the contractor to document the basis for CMT's claim. Since this is a large claim, it is expected that it will take a relatively long time for the contractor to obtain complete material and documentation, which the company must then have the opportunity to review.

Risk Management

The risks to which the company is exposed are determined via the company's risk management activities. The objective of the company's risk management is systematic risk identification both across the organisation and locally within the organisation, enabling the company to achieve an overview of the overall risk exposure and thereby to handle risks on the most appropriate basis.

Financial highlights

$$\text{Equity ratio} = \frac{\text{Equity year-end} \times 100}{\text{Total assets}}$$

$$\text{Adjusted equity ratio} = \frac{\text{Equity excluding market value adjustments} \times 100}{\text{Total assets}}$$

Financial Highlights and Key Figures

Financial Highlights and Key Figures

All figures in DKK million

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net turnover for the year	1,261	1,301	1,125	1,100	980	864	722	672	480
Result before depreciation and write-downs	240	288	216	235	191	111	66	57	26
Depreciation and write-downs	-3,531	-2,392	-484	1,772	-5,689	-787	-596	-575	-230
Result before financial items	-3,291	-2,104	-267	2,007	-5,498	-676	-530	-518	-204
Financial items	-229	-149	-64	-123	-457	45	113	242	53
Result before market value adjustment	-3,520	-2,254	-331	1,884	-5,954	-632	-387	-290	-147
Market value adjustment	825	-3,712	2,138	-550	-2,882	358	-30	13	-4
Result for the year	-2,695	-5,966	1,807	1,335	-8,837	-274	-417	-277	-151
Balance Sheet total	17,308	15,953	12,633	10,077	8,216	9,442	9,691	9,950	10,323
Investment in the metro for the year	3,842	3,420	3,170	2,332	3,651	637	448	442	235
Long-term debt	13,287	12,900	7,345	6,600	4,403	0	56	0	0
Equity	737	-87	3,744	1,637	303	9,139	9,413	9,830	10,100
Adjusted equity*	4,580	4,581	4,700	4,731	2,847	8,801	9,433	9,820	10,104
Equity ratio	4%	-1%	30%	16%	4%	97%	97%	99%	98%
Adjusted equity ratio	26%	29%	37%	47%	35%	93%	97%	99%	98%
Million passengers	57	56	55	54	54	52	50	47	40
Number of employees	289	274	242	219	160	123	93	71	43

* Adjusted equity is adjusted for market value adjustment.

Systematic reporting

Risks are reported at several different levels. Each risk has a designated risk owner, who ensures that risks are handled and reported under the individual professional areas, thereby ensuring a high standard of reporting. The company is focused on ensuring systematisation of risk management across all of the company's activities. For the company's major projects, including Cityringen and Nordhavn, a risk management process has been built up that is especially adapted to these projects. This process involves Cityringen's contractors during the construction of the system, thereby ensuring that risks are handled on the most appropriate basis.

Executive Management and the Board are involved in risk management

An equivalent process has been implemented for the company's other projects and has been expanded to also consider earlier and subsequent phases of the projects. Risks are reported to the Executive Management, which collects proposals for changes to the current risk exposure from all of the company's activities. The Executive Management evaluates the proposals received and ensures that ongoing risks are handled and assessed on a uniform basis, with due consideration of probability and consistency across the organisation. On this basis, the Executive Management prepares a comprehensive list and a current risk list comprising the company's overall risk exposure.

On a quarterly basis, the Executive Management presents a prioritised list of

current risks to the Risk Committee, and then to the full Board. At quarterly meetings with the company's owners, the company reports on the risk exposure, based on the Board's review.

Networking and sharing experience among national and international construction projects

The company participates in national and international experience-sharing and working groups, to ensure that the company stays updated on the latest developments within risk management. This also helps to ensure that risks that have not previously been considered are included in risk management.

Procedures for the presentation of financial statements and use of IT

Metroselskabet's Board has determined the overall procedures and controls for the most important areas relating to the presentation of the financial statements.

The current accounting instructions describe the organisation of accounting activities and the planning of accounting routines, including information on the distribution of responsibility and authority. This also includes the regulations that are to be observed by the employees engaged in accounting activities.

A reporting process has been established involving quarterly financial reporting and updates to the outlook for the year. In addition to the Profit and Loss Account, Balance Sheet, Cash Flow Statement and

Notes, reporting includes a description of the current status of the operation of the metro, the construction of Cityringen, Nordhavn and Sydhavn, and the company's financial conditions.

The financing instructions define the framework for the handling of financial transactions, among other things to ensure the required risk profile. The IT security policy describes the overall use of IT, including security, back-up, etc.

Financial risks

Metroselskabet manages a number of financial risks. Metroselskabet's borrowing and use of financial instruments (interest rate hedging, swaps, etc.) are governed by a tripartite agreement between The Central Bank of Denmark, the Ministry of Transport and Building, and Metroselskabet.

Currency risks

The tripartite agreement sets out guidelines for the types of financial instruments and loan agreements that may be included in the loan portfolio. According to these guidelines, the company's loan portfolio may only be exposed in DKK and EUR.

Interest rate risks

Interest rate risks are managed by both borrowing and investing money at variable and fixed interest rates. The profit for the year is affected by fluctuations in the market value adjustment, which is determined overall by the development in the general level of interest rates. If the interest rate falls, for example, the market value of a fixed-interest bond rises, and vice versa. BPV (Basis Point Value) indicates the price exposure. BPV at end-2015 is DKK 34 million, which means that a decrease in the level of interest rates by 1 per cent will entail an increase in market value by DKK 3.4 billion, and vice versa.

Counterparty risks

The company only places liquidity with the most creditworthy Danish and foreign institutions, so that the counterparty risk is limited as far as possible. This risk is managed and monitored continuously via a special line and limit system, which determines the principles for the specification of these risks, as well as a maximum limit to the risks that may be accepted concerning an individual counterparty. The latter is measured in relation to the counterparty's ratings from the international rating agencies. The company also seeks to reduce risk by using appropriate agreement documentation. In this connection, special agreements concerning the provision of security – CSA agreements – are concluded with counterparties.

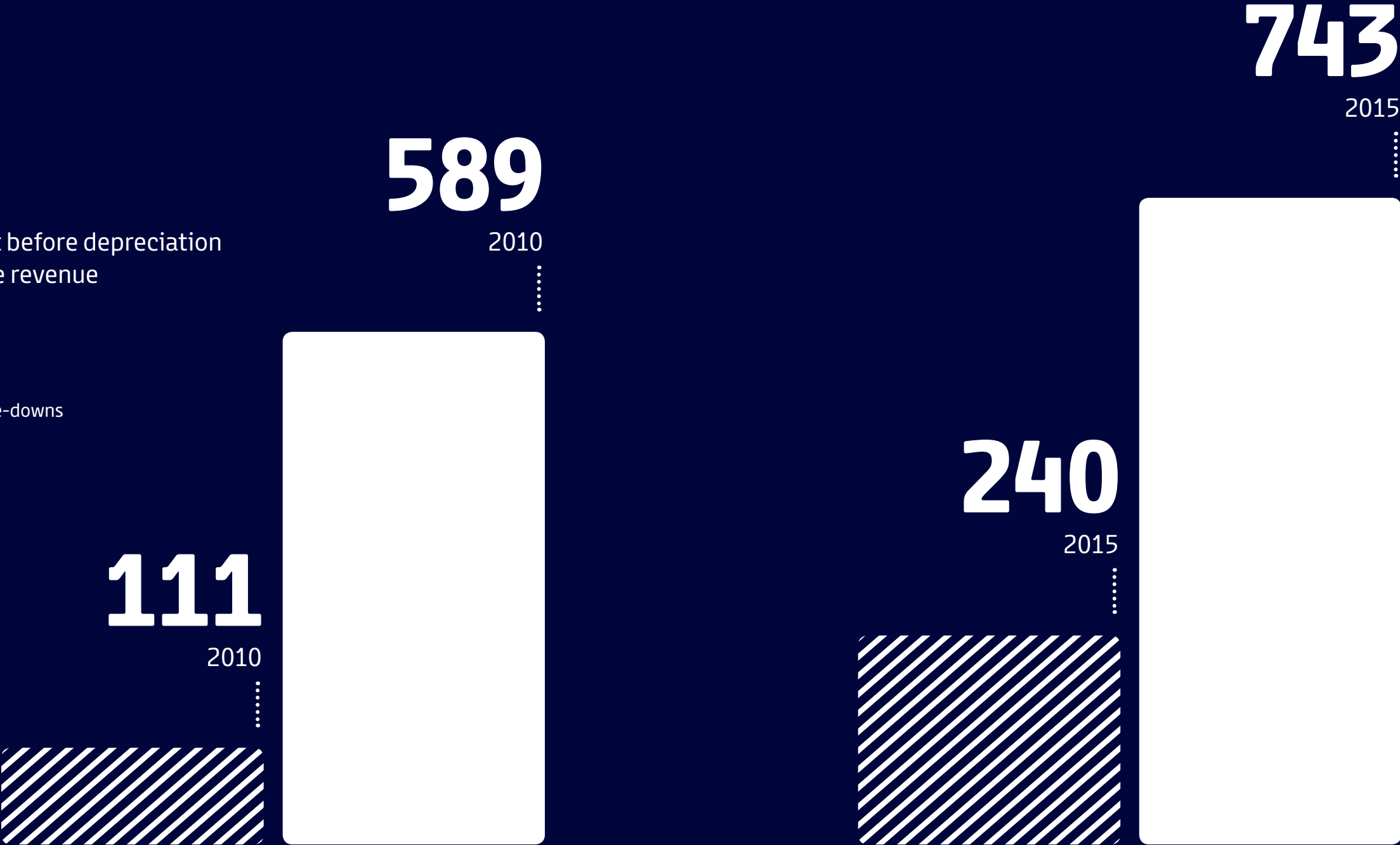
Rating

International credit-rating agencies allocate companies a rating as an expression of their credit standing. The ratings are part of a scale in which AAA is the top rating, AA the next rating, and so on. Due to the joint and several liability of the Danish State, Metroselskabet is indirectly subject to the same credit rating as sovereign risk, which is AAA.

Annual Accounts

Development in the result before depreciation and write-downs, and fare revenue

- Fare revenue
- ▨ Development in the result before depreciation and write-downs



Accounting Policies

Basis of accounting

The Annual Report for Metroselskabet I/S has been prepared in accordance with the stipulations of the Danish Financial Statements Act for class D enterprises. The format of the Profit and Loss Account has been adjusted in order to better show how the results have been generated.

The accounting period is 1 January – 31 December 2015. The Annual Report is presented in DKK (thousands). The accounting policies applied are unchanged from the previous year.

The classification of financial items concerning derivative financial instruments has been adjusted from the previous presentation of gross figures, as both financial income and financial expenses, to the current net figures. The comparative figures for 2014 have been adjusted accordingly. This has led to the reclassification of both financial income and financial expenses for 2014 by TDKK 300,345.

The Danish Financial Statements Act has been amended with effect for financial years commencing on 1 January 2016. The company has implemented the adjustments to the Annual Accounts as from the 2015 financial year. The principle adjustments concern the requirements with regard to the notes.

General information on recognition and measurement

Assets are recorded in the Balance Sheet when it is probable that future economic benefits will accrue to the partnership, and the assets' value can be measured reliably.

Liabilities are recorded in the Balance Sheet when it is probable that future economic benefits will be deducted from the partnership, and the liabilities' value can be measured reliably.

When first recorded, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each item.

When implementing recognition and measurement, predictable losses and risks arising prior to the presentation of the Annual Report, and which confirm or invalidate conditions that exist on the Balance Sheet date, are taken into account.

The Profit and Loss Account includes income as it is earned, while costs are recorded as the amounts relating to the financial year.

Value adjustment of financial assets and liabilities measured at fair value is also recorded in the Profit and Loss Account.

Foreign currency translation

When first recorded, transactions involving foreign currency are translated at the exchange rate as of the transaction date. Accounts receivable, debt and other monetary items in foreign currency that have not been settled on the Balance Sheet date are translated at the exchange rate as of the Balance Sheet date. Exchange rate differences arising between the exchange rate as of the transaction date and the rate on the payment date or Balance Sheet date, respectively, are recorded as financial items in the Profit and Loss Account. Fixed assets purchased in foreign currency are recorded at historical exchange rates.

Derivative financial instruments

Derivative financial instruments are measured at cost when first recorded in the Balance Sheet, and subsequently at fair value. Derivative financial instruments are recorded under other accounts receivable and other liabilities, respectively.

Any changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for the hedging of the fair value of a recorded asset or liability are recorded in the Profit and Loss Account together with changes in the value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments that are classified as and fulfil the conditions for the hedging of future transactions are carried directly to equity. When the hedged transactions are realised, the accumulated changes are reported as part of the cost of the accounting items in question.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, the changes in

fair value are reported in the Profit and Loss Account on an ongoing basis as financial items.

Profit and Loss Account

Income

The metro's fare revenue, which includes payments from the joint fare system in Greater Copenhagen, is recorded as the service is supplied, i.e. based on the number of passengers.

The metro's operating income, which includes income from leasing out the metro, as well as advertising revenue, etc. relating to the metro, is recorded as the services are supplied.

The value of own work includes the staff costs and other costs for the year, which may be attributed to construction of the metro on the basis of an estimate. The amount has been included in the cost of construction of the metro.

Other operating income includes revenue from the administration and handling of the Client organisation for the Greater Copenhagen Light Rail, sale of advisory services, lease of work sites, and minor revenue from e.g. leases.

Metro operating expenses

The metro's operating expenses include expenses for the operations contractor, the partnership's costs of contract management, etc., and other costs for maintaining the operation of the metro.

Staff costs

Staff costs include fees, wages and salaries and other staff costs for the Board, management, administrative and technical staff.

Other external costs

Other external costs include administration costs, including office supplies, etc.

Financial items

Financial items include interest and realised and non-realised exchange rate adjustments, as well as value adjustments of the Partnership's loans, investments and derivative financial instruments, measured at fair value.

Corporate tax

The Partnership is not liable to pay corporate tax.

Balance Sheet

Tangible fixed assets

Construction of the metro

Construction of the metro is measured as costs incurred for preliminary studies, project design and construction, as well as the value of own work, until the date that the asset is ready for use. The metro is not subject to depreciation during construction, but write-downs are made in relation to the recoverable value, cf. the section on the valuation of fixed assets.

Metro in operation

The metro in operation is measured at cost less actual depreciation and write-downs. The cost price is equivalent to the current value as of 1 January 2007 (opening balance), with the addition of subsequent investments. The current value has been calculated as the future cash flows (recoverable value).

The basis for depreciation, which is calculated at cost, is distributed linearly on the assets' expected service life. The metro in operation has been divided into component parts with uniform service lives, constituting:

Tunnel and shell of underground stations	100 years
Other fixed facilities	50 years
Rolling stock, mechanical and electrical installations	25 years
Other technical installations	10 years

The scrap value has been set at zero, taking the expected service lives into account. Depreciation methods and service lives are reassessed annually and amended in the event of any significant change.

Substantial future investments are regarded as separate component parts and are depreciated over the expected service life.

Buildings, operating equipment and fixtures and fittings

Buildings, operating equipment and fixtures and fittings are measured at cost less actual depreciation and write-downs. Cost includes the acquisition sum and costs directly associated with the acquisition. The basis for depreciation, which is calculated at cost less the scrap value, is distributed linearly on the assets' expected service lives, as follows:

IT equipment	3 years
Fixtures and fittings and operating equipment in general	5 years
Temporary office buildings	10 years

Assets with an acquisition sum of less than DKK 100,000 are recognised as costs in the Profit and Loss Account in the year of acquisition.

Gains and losses on the sale of tangible fixed assets are calculated as the difference between the sales price less selling costs and the book value at the time of the sale. Gains or losses are recorded in the Profit and Loss Account together with depreciation and write-downs, or under other operating income, to the extent that the sales price exceeds the original cost.

Valuation of fixed assets

The book value of fixed assets is reviewed annually in order to determine whether there is any indication of impairment over and above that expressed by depreciation. If so, an impairment test is made to determine whether the recoverable amount is lower than the book value, and write-down to this lower recoverable value is implemented.

The recoverable value is either the net sales price less sales costs or the capital value, whichever is higher. For calculating the capital value, estimated future cash flows are discounted at current value, while observing the conditions in the long-term budget, cf. the Appendix to the Directors' Report, for example that the owners are obliged to pay for the large reinvestments in trains, tunnels and stations, as the need arises.

The recoverable value is measured on an overall basis for related assets comprising both plant in the course of construction and plant in operation, as this plant will constitute one overall cash-flow

generating unit. Any impairment requirement is distributed on the assets that are included in the cash-flow generating unit in question. However, any negative recoverable value of the asset is only set off to the extent that a positive recoverable value for the other asset exceeds the book value of the asset. If there is any remaining undistributed impairment requirement, a provision is recorded if the company has an obligation to defray additional costs.

The write-down is normally recorded in the Profit and Loss Account. In instances where the write-down can be attributed to a provision already recorded, and is thereby already recorded in the Profit and Loss Account, the write-down is set off against the provisions, as an expression of the use thereof.

Financial fixed assets

Participating interests

Participating interests recorded under financial fixed assets – which do not include listed shares – are measured at fair value based on the calculated capital value. Participating interests are written down to recoverable value if this is lower than book value. In instances where an approximate fair value cannot be calculated, the participating interests are measured at cost.

Accounts receivable

Accounts receivable under financial fixed assets are measured at amortised cost, which is usually equivalent to nominal value less write-downs to meet expected losses.

Current assets

Properties

Properties are in principle measured at cost or replacement value, where this differs significantly from cost.

Accounts receivable

Accounts receivable are recorded in the Balance Sheet at amortised cost, which is basically equivalent to face value. Write-down is undertaken to meet expected losses.

Securities

Securities recorded under current assets comprise listed bonds, which are measured at fair value on the Balance Sheet date.

Liquid resources

Liquid resources include cash and deposits, short-term bank deposits and securities, with a remaining life at the time of acquisition of less than 3 months and which can readily be converted into cash equivalents, and for which there is only a slight risk of changes in value. Securities and investments are measured at fair value on the Balance Sheet date.

Long-term debt

Long-term debt is measured at cost at the time of raising the loans at cost, equivalent to the proceeds received less transaction costs defrayed. The debt is subsequently measured at amortised cost, unless the fair value of the debt is hedged.

Debt that is hedged for changes in fair value, and for which the effect of this hedging can be documented, are subsequently measured at fair value. Changes in fair value are recorded in the Profit and

Loss Account together with changes in the fair value of the hedging instruments.

The short-term element of the long-term debt is recorded under repayment of long-term debt commitments.

Other financial liabilities

Other financial liabilities, which include bank loans, trade creditors and other debt, are measured at amortised cost, which is usually equivalent to nominal value.

Provisions

Provisions are recorded when the partnership has a legal or actual liability as a result of an event during the financial year or previous years, and it is probable that discharge of the liability will entail a withdrawal from the partnership's resources.

Provisions are measured as the best estimate of the costs necessary to settle the liabilities on the Balance Sheet date. Provisions are measured at current value.

The principles described under the section on the valuation of fixed assets state that the value of the metro is depreciated with due account of the calculated recoverable value of the metro. If write-down cannot take place within the book value of the asset in question, however, an accounting provision is made to cover the outstanding obligation.

Cash Flow Statement

The Cash Flow Statement for the partnership is presented according to the indirect method and shows cash flows relating to operations, investments and financing, as well as the partnership's available funds at the beginning and end of the year.

Cash flows relating to operating activities are stated as the operating result adjusted for non-cash operating items and the change in receivables and debt relating to the operating activity.

Cash flows relating to investment activities include payments in connection with construction of the metro and investments in securities.

Cash flows relating to financing activities include changes in receivables and debt concerning financing activities, as well as net financing expenses.

Available funds include liquid resources and short-term securities.

Segment reporting

Information is provided on business segments (primary segment). The partnership solely conducts commercial activities in Denmark. The segment reporting adheres to the partnership's internal financial management, cf. Note 20.

Profit and Loss Account

Profit and Loss Account for the period 1 January – 31 December 2015

All figures in DKK thousands

	Note	2015	2014
Income			
Metro fare revenue	1	742,686	771,529
Metro operating revenue	1	310,272	343,528
Value of own work		174,499	156,210
Other operating income	2	33,727	29,766
Total income		1,261,184	1,301,033
Expenses			
Metro operating expenses	1	-796,028	-815,074
Staff costs	3	-193,419	-171,166
Other external costs		-31,677	-27,285
Total expenses		-1,021,124	-1,013,525
Result before depreciation and write-downs		240,060	287,508
Depreciation and write-downs			
Depreciation	4	-173,504	-168,519
Write-downs	4	-3,357,523	-2,223,299
Total depreciation and write-downs		-3,531,027	-2,391,819
Result before financial items		-3,290,967	-2,104,311
Financial items			
Financial income	5	86,284	72,418
Financial expenses	5	-315,620	-221,716
Total financial items		-229,336	-149,298
Result before market value adjustment		-3,520,303	-2,253,609
Market value adjustment	5	825,269	-3,712,078
Result for the year		-2,695,034	-5,965,687

Balance Sheet

Assets as at 31 December 2015

All figures in DKK thousands

	Note	2015	2014
Fixed assets			
Tangible fixed assets			
Construction of the metro	6	6,485,355	6,025,193
Metro in operation	7	4,723,969	4,838,503
Buildings	8	74,597	53,678
Operating equipment and fixtures and fittings	8	458	863
Total tangible fixed assets		11,284,379	10,918,238
Financial fixed assets			
Other participating interests	9	21,595	50,218
Accounts receivable	10	743,275	804,875
Financial instruments	11	1,246,365	1,398,244
Total financial fixed assets		2,011,235	2,253,337
Total fixed assets		13,295,614	13,171,575
Current assets			
Properties	12	28,755	27,600
Accounts receivable	13	593,070	425,416
Owner contributions	14	68,878	329,000
Accrued items		25,583	126,942
Securities	15	3,295,861	1,606,460
Liquid resources	15	0	265,525
Total current assets		4,012,146	2,780,944
Total assets		17,307,760	15,952,518

Liabilities as at 31 December 2015

All figures in DKK thousands

	Note	2015	2014
Equity			
Start of the year		-83,889	3,744,217
Additions for the year		820,966	-3,828,107
Total equity		737,077	-83,889
Long-term debt			
Long-term debt	16	13,286,835	12,899,988
Total long-term debt		13,286,835	12,899,988
Short-term debt			
Short-term element of long-term debt		2,670,778	827,548
Bank loans		71,796	0
Trade creditors	17	259,803	369,697
Prepaid owner contributions	18	0	1,798,000
Prepaid customers		34,274	14,258
Other debt	19	247,198	126,916
Total short-term debt		3,283,848	3,136,419
Total debt		16,570,683	16,036,407
Total liabilities		17,307,760	15,952,518
Segment information	20		
Proposed distribution of profit	21		
Events occurring after the Balance Sheet date	22		
Contractual commitments and contingent liabilities	23		
Auditors' and consulting fees	24		
Related parties	25		
Currency, interest rate and credit risks	26		
Specification of loans and financial instruments	27		

Statement of Changes in Equity

All figures in DKK thousands						
	Contributions existing Metro	Owner contribution	Retained earnings before MVA	Equity excl. MVA	Market value adjustment (MVA)	Total
Beginning of the year 2014	660,857	9,890,000	-5,850,710	4,700,147	-955,928	3,744,217
Capital contributions	0	2,137,580	0	2,137,580	0	2,137,580
Retained earnings	0	0	-2,253,609	-2,253,609	-3,712,078	-5,965,687
Beginning of the year 2015	660,857	12,027,580	-8,104,319	4,584,118	-4,668,006	-83,888
Capital contributions	0	3,516,000	0	3,516,000	0	3,516,000
Retained earnings	0	0	-3,520,303	-3,520,303	825,269	-2,695,034
End of the year	660,857	15,543,580	-11,624,622	4,579,815	-3,842,737	737,077

Cash Flow Statement

All figures in DKK thousands			
	Note	2015	2014
Cash flows from operating activities			
Metro fare revenue		742,686	771,529
Metro operating income		310,272	343,528
Other operating income		33,727	29,766
Metro operating expenses		-796,028	-815,074
Staff costs		-193,419	-171,166
Other external costs		-31,677	-27,285
Accounts receivable		107,150	-109,022
Trade creditors		-89,878	-37,023
Total cash flows from operating activities		82,833	-14,748
Cash flows from investment activities			
Investment in the construction of the metro	28	-3,668,171	-3,271,123
Investment in buildings, operating equipment and fixtures and fittings		-27,031	-811
Investment in securities (excluding market value adjustment)		-1,677,726	-710,538
Total cash flows from investment activities		-5,372,928	-3,982,472
Cash flows from financing activities			
Loans raised, net (excluding market value adjustment)		3,195,550	1,850,000
Contributions from owners		1,978,122	2,693,500
Accounts receivable		-111,844	-6,486
Other debt		120,282	-7,106
Net financing expenses (excluding market value adjustment)		-229,336	-191,975
Total cash flows from financing activities		4,952,774	4,337,933
Change in available funds		-337,321	340,713
Available funds at beginning of the year		265,525	-75,187
Available funds at end of the year		-71,796	265,525

The Cash Flow Statement cannot be derived directly from the other elements of the Annual Accounts.

Notes

Note 1 Operating result for the metro

All figures in DKK thousands	2015	2014
Metro fare revenue	742,686	771,529
Metro operating income		
Leasing out the Metro	310,112	343,323
Other income	160	205
Total metro operating income	310,272	343,528
Other operating income	15,904	12,683
Total income	1,068,862	1,127,740
Metro operating expenses		
Payment for operations	-742,686	-771,529
Contract management, etc.	-46,732	-36,845
Other expenses	-6,609	-6,701
Total metro operating expenses	-796,028	-815,074
Administration costs	-32,774	-25,137
Total expenses	-828,802	-840,211
Result before depreciation	240,061	287,529
Depreciation	-173,504	-168,519
Write-downs (Rejsekort)	-28,623	-2,323
Result before financial items	37,934	116,686

The Partnership has outsourced the operation of the metro. The lease payment depends on the overall operating result for the metro. In 2015, the metro had 57 million passengers (56 million in 2014). The fare revenue for 2015 is based on average passenger revenue of DKK 13.02 (DKK 12.80 in 2014). Fare revenue for 2014 includes DKK 45 million concerning previous years, as a consequence of the ruling in the arbitration case with Movia, which was concluded in January 2015.

Note 2 Other operating income

Other operating income comprises income from the administration and handling of the client organisation for the Greater Copenhagen Light Rail of DKK 17.8 million (DKK 17.0 million in 2014), sale of advisory services, lease of workplaces and minor income from e.g. leases.

Note 3 Staff costs

All figures in DKK thousands	2015	2014
Wages, salaries and emoluments	154,629	136,687
Pension commitments	25,071	21,882
Social security contributions	7,637	7,020
Other staff costs	6,083	5,578
Total staff costs	193,419	171,166
Of which:		
Salaries for the Executive Management	2,169	2,169
Other payments to the Executive Management	169	207
Pensions for the Executive Management	326	318
Emoluments for the Board	1,925	1,925
Average number of employees (full-time equivalents)	268	242
Employees at year-end	289	274

Other payments include bonus payments for executives, which amount to up to 10 per cent of the ordinary salary. Bonus payments in 2015 concern the achievement of target results for 2014. The remuneration of the Board includes the remuneration of the Audit Committee and the Risk Committee.

Note 4 Depreciation and write-downs

All figures in DKK thousands	2015	2014
Depreciation, metro in operation	166,987	162,499
Depreciation, buildings, operating equipment and fixtures and fittings	6,517	6,020
Write-downs, construction of the metro	3,328,900	2,220,976
Write-down of participating interests	28,623	2,323
Total depreciation and write-downs	3,531,027	2,391,819

Note 5 Financial items and market value adjustment

All figures in DKK thousands	2015	2014
Financial income		
Interest income from financial fixed assets	-559	2,050
Interest income from accounts receivable	7,832	4,304
Interest income from liquid resources, securities and financial instruments, etc.	66,272	65,256
Exchange rate adjustment	12,739	808
Total financial income	86,284	72,418
Financial expenses		
Interest expenses	-313,043	-219,166
Exchange rate adjustment	-2,577	-2,550
Total financial expenses	-315,620	-221,716
Total financial items	-229,336	-149,298
Total market value adjustment	825,269	-3,712,078

The market value adjustment can be attributed primarily to the company's financial agreements on the hedging of interest rates that were concluded in order to increase the budgeting certainty of the company's long-term finances. The market value adjustment depends on the development in interest rates and is solely an item registered in the accounts without any impact on liquidity. Reference is made to the description in the Directors' Report on page 67.

The accounting exposure concerning the market value adjustment can be expressed as a basis point value (BPV). With the company's current financial portfolio (swap), BPV is DKK 34 million, which means that a decrease in the level of interest rates by 1 per cent would entail an increase in the market value adjustment, and thereby a decrease in the result, by DKK 3.4 billion. In the same way, an increase in the level of interest rates by 1 per cent would increase the result by DKK 3.4 billion.

The change in the market value adjustment from 2014 to 2015 is mainly due to the increase in the level of interest rates in that period.

Note 6 Construction of the metro

All figures in DKK thousands	The metro in operation	Current investments	Total
Acquisition sum			
Beginning of the year	128,987	13,319,055	13,448,042
Additions for the year	88,815	3,752,700	3,841,515
Transferred to the metro in operation	-52,453	0	-52,453
End of the year	165,349	17,071,755	17,237,104
Write-downs and revaluation			
Beginning of the year	0	-7,422,849	-7,422,849
Revaluations for the year	0	0	0
Write-downs for the year	0	-3,328,900	-3,328,900
End of the year	0	-10,751,749	-10,751,749
Book value at the beginning of the year	128,987	5,896,206	6,025,193
Book value at the end of the year	165,349	6,320,006	6,485,355
Recoverable value 31.12.2015			11,209,324
Book value 31.12.2015, cf. Note 7			4,723,969
Acquisition sum 31.12.2015			17,237,104
Write-downs 01.01.2015			-7,422,849
Book value before write-down			9,814,255
Write-down 31.12.2015			-3,328,900

The calculation of the recoverable value is measured overall for the metro in operation and Cityringen, Nordhavn and Sydhavn, as they will constitute one overall cash-generating unit once Cityringen, Nordhavn and Sydhavn are in operation.

Note 6 – continued

The metro in operation is measured at cost less actual depreciation and write-downs, cf. Accounting Policies, and has not previously been written down in Metroselskabet's accounts. The surplus recoverable value of the metro in operation is therefore not written up for this asset, but set off to the statement of the value of Cityringen, Nordhavn and Sydhavn. The recoverable value of Cityringen, Nordhavn and Sydhavn after set-off is still lower than the book value, so that a write-down has been made to the lower recoverable value. The write-downs for the year are recorded in the Profit and Loss Account. Reference is made to the description in the Directors' Report on page 67.

The value of the construction of the metro is based on a stated recoverable value of the overall metro. The recoverable value is calculated on the basis of the future expectations incorporated in the company's long-term budget, which is included as an Appendix to the Directors' Report. This includes the application of an average real interest rate of 2.4 per cent in the first 20 years, increasing to 4 per cent in the longer term.

The rate of interest applied to the calculation exceeds the current level of interest rates in the market, as an interest supplement is included. The use of a lower current market interest rate would increase the stated recoverable value and thereby improve the result for the year. For illustration, the use of a 1-per-cent lower interest rate in the first 20 years would mean that the recoverable value, and thereby the result for the year, would have been DKK 4.2 billion higher. On the other hand, the use of a 1-per-cent higher interest rate in this period would have led to a result that was DKK 3.5 billion lower.

Note 7 Metro in operation

All figures in DKK thousands

	<i>Tunnel and shell of underground stations</i>	<i>Other fixed facilities</i>	<i>Rolling stock, etc.</i>	<i>Other technical installations</i>	Total
Acquisition sum					
Beginning of the year	2,698,535	1,558,854	1,500,799	511,251	6,269,439
Additions for the year	3,565	1,723	2,083	45,082	52,453
Disposals for the year	0	0	0	-38,045	-38,045
End of the year	2,702,100	1,560,577	1,502,882	518,287	6,283,847
Depreciation and write-downs					
Beginning of the year	-224,594	-267,970	-566,581	-371,791	-1,430,936
Depreciation for the year	-28,472	-34,104	-72,137	-32,274	-166,987
Disposals, depreciation for the year	0	0	0	38,045	38,045
Write-downs for the year	0	0	0	0	0
End of the year	-253,066	-302,074	-638,718	-366,019	-1,559,877
Book value at the beginning of the year	2,473,941	1,290,884	934,218	139,460	4,838,503
Book value at the end of the year	2,449,034	1,258,502	864,164	152,268	4,723,969

Note 8 Buildings, operating equipment and fixtures and fittings

All figures in DKK thousands

	<i>Operating equipment and fixtures and fittings</i>	<i>Temporary office construction</i>	Total
Acquisition sum			
Beginning of the year	2,200	85,494	87,694
Additions for the year	0	27,031	27,031
Disposals for the year	0	0	0
End of the year	2,200	112,525	114,725
Depreciation			
Beginning of the year	-1,337	-31,816	-33,152
Depreciation for the year	-405	-6,112	-6,517
Depreciation, disposal	0	0	0
End of the year	-1,742	-37,927	-39,669
Book value at the beginning of the year	863	53,678	54,542
Book value at the end of the year	458	74,597	75,055

Note 9 Other participating interests

All figures in DKK thousands

	<i>Rejsekort A/S</i>	<i>Rejseplanen A/S</i>	Total
Acquisition sum			
Beginning of the year	67,137	328	67,465
Additions for the year	0	0	0
Disposals for the year	0	0	0
End of the year	67,137	328	67,465
Depreciation and write-downs			
Beginning of the year	-17,246	0	-17,246
Write-downs for the year	-28,623	0	-28,623
End of the year	-45,869	0	-45,869
Book value at the beginning of the year	49,890	328	50,218
Book value at the end of the year	21,267	328	21,595
Name	Domicile	Ownership	Share Capital
Rejseplan A/S	Copenhagen	3.2%	1,032,800
Rejsekort A/S	Gladsaxe	7.16%	114,217,900

The write-down of DKK 29 million in Rejsekort A/S is due to the fact that on the establishment of a new financing model in 2015, a lower closing price for the shares in 2028 is expected. The valuation of Rejsekort A/S is based on the conditions for Rejsekort A/S that were known at the time of the presentation of the Annual Report.

The partnership's participating interests in Rejsekort A/S are stated at fair value, based on the calculated capital value. The capital value is determined as the present value of the expected closing price for the shares in 2028. The discounting rates for the calculation of the present value are determined on the basis of the current market interest rate. Participating interests in Rejseplanen A/S are stated at cost. The shareholding constitutes less than 10 per cent of the total share capital in Rejsekort A/S and Rejseplanen A/S, respectively.

Note 10 Accounts receivable, financial fixed assets

All figures in DKK thousands

	<i>City of Frederiksberg</i>	<i>Other receivables</i>	In total
Acquisition sum			
Beginning of the year	764,916	39,959	804,875
Additions for the year (accrued interest)	-559	650	91
Disposals for the year (repayment of principal)	-61,692	0	-61,692
End of the year	702,665	40,609	743,274
Depreciation and write-downs			
Beginning of the year	0	0	0
Depreciation for the year	0	0	0
Write-downs for the year	0	0	0
End of the year	0	0	0
Book value at the beginning of the year	764,916	39,959	804,875
Book value at the end of the year	702,665	40,609	743,275

Other accounts receivable are the company's subordinate loan capital in Rejsekort A/S. Receivables from the City of Frederiksberg are reduced by an annual payment from the City of Frederiksberg of approximately DKK 62 million to cover repayment of principal and interest.

Note 11 Financial instruments

All figures in DKK thousands	Total
Acquisition sum	
Beginning of the year	0
Additions for the year	0
Disposals for the year	0
End of the year	0
Value adjustments	
Beginning of the year	1,398,244
Value adjustment for the year	-151,879
End of the year	1,246,365
Book value at the beginning of the year	1,398,244
Book value at year-end	1,246,365

Note 12 Properties

In connection with the construction of Cityringen, the company has taken over flats by expropriation. The flats are valued at acquisition value. As at 31 December 2015, the company has taken over 19 flats. The flats are rented out on market terms. Any loss or profit on the sale of the flats will be included in the cost of the construction of Cityringen.

On the establishment of Metroselskabet, the company took over sites at Forum and Fasanvej Stations. If a profit is achieved on the sale of the sites, the City of Frederiksberg is entitled to a share of the profit, cf. separate agreement. The sites are valued at DKK 0.

Note 13 Accounts receivable, current assets

Receivables include VAT receivable of DKK 206 million and accrued interest at DKK 363 million.

Note 14 Owner contributions receivable, current assets

Receivable owner contributions as at 31 December 2015 comprise receivables from the City of Frederiksberg. The amount concerns the contributions by the City of Frederiksberg in accordance with appropriation document 8 of 8 October 2014 concerning the revised time schedule for Cityringen. The amount falls due after one year, and within five years.

Note 15 Securities and liquid resources

All figures in DKK thousands	2015	2014
Securities over 3 months	3,295,861	1,606,460
Total securities	3,295,861	1,606,460
Cash and bank deposits	0	265,525
Fixed-term deposits	0	0
Securities under 3 months	0	0
Total liquid resources	0	265,525

Securities concern the purchase of bonds as collateral for the market values of the company's financial instruments. As at 31 December 2015, DKK 2.3 billion has been pledged as collateral.

Note 16 Long-term debt and financial instruments

All figures in DKK thousands	2015	2014
Loans	-11,323,724	-8,204,756
Financial instruments (negative value)	-4,633,889	-5,522,780
Financial instruments (positive value)	1,245,843	1,398,244
Foreign exchange forward contracts	522	0
Total long-term debt	-14,711,248	-12,329,292

In 2015, the company raised loans for DKK 4.1 billion (DKK 3.9 billion in nominal terms). The value of the company's financial instruments is recognised in the total value of the debt as at 31 December 2015. The market value adjustment of financial instruments is recognised in the Profit and Loss Account.

The company's loans, financial instruments, etc., are in accordance with the "list of acceptable loan types" in the tripartite agreement between The Central Bank of Denmark, the Ministry of Transport and Building and Metroselskabet.

Of the company's long-term debt, DKK 2.6 billion (DKK 2.4 million in nominal terms) falls due after 1 year and within 5 years.

Note 17 Trade creditors

Supplier debt as at 31 December 2015 includes a paid-in adjustment reserve of DKK 21 million. The amount was paid in by the Danish State concerning the construction of the metro to Sydhavn.

Note 18 Prepaid owner contributions

Prepaid owner contributions as at 31 December 2014 concerned the City of Copenhagen. The amount was paid in by the City of Copenhagen in 2014 concerning the construction of the metro to Sydhavn. The Act on a metro to Sydhavn was adopted in February 2015 and the amount is therefore transferred to capital contribution in 2015.

Note 19 Other debt

All figures in DKK thousands	2015	2014
Outstanding ATP payments, etc.	207	203
Outstanding holiday pay	26,926	23,079
Accrued interest	220,064	103,633
Total other debt	247,198	126,916

Note 20 Segment reporting

All figures in DKK thousands	Advisory services 2015	Administra- tion tasks 2015	Metro in operation 2015	Current investments	Total 2015
Income	0	17,822	1,068,862	174,499	1,261,184
Expenses	-1	-17,822	-828,802	-174,499	-1,021,124
Result before depreciation and write-downs	-1	0	240,061	0	240,060
Depreciation and write-downs	0	0	-202,127	-3,328,900	-3,531,027
Result before financial items	-1	0	37,934	-3,328,900	-3,290,967

Fixed assets

Construction of the metro	0	0	165,349	6,320,006	6,485,355
Metro in operation	0	0	4,723,969	0	4,723,969

All figures in DKK thousands	Advisory services 2014	Administra- tion tasks 2014	Metro in operation 2014	Current investments	Total 2014
Income	90	16,993	1,127,740	156,210	1,301,033
Expenses	-111	-16,993	-840,211	-156,210	-1,013,525
Result before depreciation and write-downs	-21	0	287,529	0	287,508
Depreciation and write-downs	0	0	-170,843	-2,220,976	-2,391,819
Result before financial items	-21	0	116,686	-2,220,976	-2,104,311

Fixed assets

Construction of the metro	0	0	128,987	5,896,206	6,025,193
Metro in operation	0	0	4,838,503	0	4,838,503

Advisory services comprise income and expenses related to activities that are exposed to competition. The result of advisory services after financial items and calculated tax is a loss of TDKK 1 (a loss of TDKK 21 in 2014). The accumulated result of Metroselskabet's advisory services was a profit of TDKK 324 at the end of 2015.

Administration tasks comprise revenue and costs for the administration and handling of the client organisation for the Greater Copenhagen Light Rail.

Note 21 Proposed distribution of profit

All figures in DKK thousands	2015	2014
Carried forward to next year	-2,695,034	-5,965,687

Note 22 Events occurring after the Balance Sheet date

After the close of the financial year no events of significance to the Annual Report for 2015 have occurred.

Note 23 Contractual commitments and contingent liabilities**Contractual commitments**

The current ongoing contracts with contractors concerning the construction of the metro have a total residual value of DKK 7,413 million.

For the purpose of operation of the metro until December 2018, a contract has furthermore been concluded for a total residual value of DKK 1,001 million. In addition to the contractual payments, there will be the opportunity for incentive payments.

Concerning the operation of Cityringen, a contract has been concluded for a total value of DKK 1,960 million during a five-year period as from the commencement of Cityringen's operation.

Contingent liabilities

In a writ of summons of 5 November 2014 to the Court of Copenhagen the companies CTR I/S, Frederiksberg Vand A/S, Frederiksberg Kloak A/S, Frederiksberg Bygas A/S and Frederiksberg Varme A/S brought a claim against Metroselskabet I/S. The case concerns payment for completed utility grid realignment and reflects the filing of the Appraisal Commission's decision of 7 May 2014, whereby the aforementioned companies were required to defray the costs of the utility grid realignment. The case amounts to approximately DKK 80 million. The case is expected to be decided during 2016.

In December 2015, the main contractor for Cityringen, CMT, sent a letter of notification to Metroselskabet, stating their intention to file a large claim. CMT has provisionally estimated the claim to be in the range of EUR 300 million. The claim is undocumented and the company's immediate assessment is that the company will reject the claim. On the basis of the size of the claim, the company has informed the owners accordingly. A process has now been initiated whereby the company has asked the contractor to document the basis for CMT's claim. Since this is a large claim, it is expected that it will take a relatively long time for the contractor to obtain complete material and documentation, which the company must then have the opportunity to review.

Metroselskabet is part of the tariff cooperation in Greater Copenhagen. As of the Balance Sheet date, under the tariff cooperation tickets have been sold that have not yet been used, so that as of the Balance Sheet date Metroselskabet has an equivalent obligation to provide transport.

The construction of the metro entails expropriation, compensation and similar for which the partnership pays the owners/residents affected. The size of the future compensation has not yet been determined.

Note 24 Auditor's and consulting fees

All figures in DKK thousands	2015	2014
Office of the Auditor General	349	349
Deloitte	531	523
EY	521	514
Statutory audit, total	1,401	1,386
Deloitte	10	50
Other declarations, total	10	50
Deloitte, VAT and tax advisory services	297	205
Deloitte, other advisory services	1,430	364
EY digital reporting	10	0
Advisory, total	1,737	569

Note 25 Related parties

Metroselskabet's related parties are the company's owners, the Board, the Executive Management and the Greater Copenhagen Light Rail.

Transactions with related parties take place on market terms.

In 2015 Metroselskabet received income concerning the administration and management of the client organisation in conjunction with the establishment of a light rail in Ring 3, cf. the order on settlement between Ring 3 Letbane I/S and Metroselskabet I/S. Metroselskabet I/S makes the necessary employees and other resources available to undertake the Greater Copenhagen Light Rail's activities.

Note 26 Currency, interest rate and credit risk

All figures in DKK thousands

Net financial liabilities	<i>Nominal value 2015</i>	<i>Book value 2015</i>	<i>Market value 2014</i>
Securities and fixed-term deposits	3,283,500	3,295,861	1,606,460
Accrued interest, securities and fixed-term deposits	0	1	124
Securities and fixed-term deposits in total	3,283,500	3,295,862	1,606,584
Loans	-10,140,000	-11,323,724	-8,204,756
Accrued interest, loans	0	-35,192	-28,625
Loans in total	-10,140,000	-11,358,916	-8,233,381
Financial instruments	0	-3,387,524	-4,124,536
Accrued interest, financial instruments	0	177,657	110,909
Financial instruments in total	0	-3,209,867	-4,013,627
Net liabilities in total	-6,856,500	-11,272,921	-10,640,424

Accrued interest is stated in the Balance Sheet under assets, receivables of DKK 363 million, and liabilities, other debt of DKK 220 million, respectively.

Currency risk

Currency distribution (DKK million), accounting value	<i>Securities and fixed-term deposits</i>	<i>Loans</i>	<i>Financial instruments</i>	<i>Net position</i>
DKK < 1 year	0	-2,679	801	-1,878
DKK > 1 year	0	-8,680	-2,930	-11,610
EUR < 1 year	2,022	0	-750	1,272
EUR > 1 year	1,274	0	-331	943
Total	3,296	-11,359	-3,210	-11,273

Note 26 – continued**Interest rate risk**

Interest rate fixing as at 31 December 2015 (DKK million), accounting value	<i>DKK</i>	<i>EUR</i>	Total
<i>Period</i>			
0–1 year	-1,879	1,272	-607
1–5 years	-2,416	1,274	-1,142
5–10 years	-4,367	0	-4,367
10–20 years	-658	-331	-989
> 20 years	-4,168	0	-4,168
Total	-13,488	2,215	-11,273

Credit risk

Liquidity investments and the use of financial instruments involve a credit risk on the counterparty. This risk is managed and monitored continuously via a special line and limit system which establishes the principles for the specification of these risks, as well as a maximum for the risks that are acceptable for an individual counterparty. The latter are measured by the international rating agencies (Moody's, Standard & Poor's and Fitch/IBCA). The company also seeks to reduce credit risks by using appropriate agreement documentation.

Credit risk distributed by rating category, as at 31 December 2015	<i>Securities and fixed-term deposits</i>	<i>Loans Bonds</i>	<i>Financial instruments</i>	Total
<i>Total counterparty exposure (accounting value, DKK million)</i>				
AAA	3,296	-11,359	0	-8,063
AA	0	0	-476	-476
A	0	0	-2,733	-2,733
Total	3,296	-11,359	-3,210	-11,273

Note 27 Specification of loans and financial instruments

All figures in DKK million	Fixed (principal)	CIBOR 3M	CIBOR 6M	EURIBOR 6M	Accounting value 31.12.15
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Duration < 1 year

Loans	-2,600	-	-	-	-2,679
Interest rate swap (fixed to variable)	850	-	-850	-	27
Interest rate and currency swap (fixed to variable)	750	-	-	-750	23

Net exposure	-1,000	-	-850	-750	-2,629
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Duration 1-5 years

Loans	-2,350	-	-	-	-2,618
Interest rate swap (fixed to variable)	1,600	-	-1,600	-	202

Net exposure	-750	-	-1,600	-	-2,416
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Duration 6-10 years

Loans	-4,350	-	-	-	-4,830
Interest rate swap (fixed to variable)	2,650	-2,650	-	-	262
Interest rate swap (fixed to variable)	1,700	-	-1,700	-	201

Net exposure	0	-2,650	-1,700	-	-4,367
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Duration 21-30 years

Loans	-840	-	-	-	-1,232
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Net exposure	-840	-	-	-	-1,232
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All figures in DKK million	CPI + Fixed	Fixed	CIBOR 3M	CIBOR 6M	EURIBOR 6M	Accounting value 31.12.15
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Duration 11-20 years

Interest rate swap (variable to fixed)	-	-2,493	-	2,493	-	-658
Interest rate swap (variable to real)	-1,004	-	-	-	1,004	-331

Net exposure	-1,004	-2,493	-	2,493	1,004	-989
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Note 27 – continued

All figures in DKK million	CPI + Fixed	Fixed	CIBOR 3M	CIBOR 6M	EURIBOR 6M	Accounting value 31.12.15
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Duration 21-30 years

Interest rate swap (variable to fixed)	-	-7,778	-	7,778	-	-2,644
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Net exposure	-	-7,778	-	7,778	-	-2,644
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Duration 31-40 years

Interest rate swap (variable to fixed)	-	-3,000	-	3,000	-	-1,172
Interest rate swap (fixed to real)	-2,991	2,991	-	-	-	880

Net exposure	-2,991	-9	-	3,000	-	-293
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All figures in DKK million	DKK	EUR stated in DKK	Accounting value 31.12.15
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Forward contacts	-	-1,637	1,637	1
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Total loans				-11,359
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Total financial agreements				-3,210
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The market value of loans with related financial instruments, and the financial instruments, is determined as the listed value on discounting future known and expected payment flows at the relevant discount rates. The discount rates are determined on the basis of the current market interest rates.

Note 28 Investment in the construction of the metro

All figures in DKK thousands	2015	2014
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Investment in the construction of the metro, cf. Notes 6 and 7	3,841,515	3,419,864
Properties	1,155	7,470
Value of own work	-174,499	-156,210

Total investment in the construction of the metro	3,668,171	3,271,123
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Management Endorsement

The Board and the Executive Management have today examined and approved the Annual Report for 2015 for Metro-selskabet I/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (accounting class D) and the provisions of the partnership agreement on the presentation of financial statements. It is our opinion that the

accounting policies applied are appropriate, and that the annual financial statements give a true and fair view of the company's assets, liabilities, financial position, profit and cash flows. It is also our opinion that the Directors' Report provides a true and fair account of the circumstances covered by the report.

We recommend that the Annual Report be adopted by the partners.

Copenhagen, 13 April 2016

Executive Management

Henrik Plougmann Olsen

Board

Henning Christophersen (Chairman)

Ninna Hedeager Olsen

Jørgen Glenthøj (Vice Chairman)

Jakob Næsager

Susan Hedlund (Vice Chairman)

Søren Banke

Birgitte Brinch Madsen

Peter Jensen

Harald Børsting

The Independent Auditors' Report

To the partners
of Metroselskabet I/S

Report on the financial statements

We have audited the financial statements of Metroselskabet I/S for the financial year 1 January 2015 to 31 December 2015, see the annual report section "Annual Accounts", which comprise the accounting policies, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes as well as reports. The financial statements are prepared in accordance with the provisions of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg as well as the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg as well as the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is responsible for selecting and applying the most appropriate

accounting policies and performing accounting estimates deemed fair in view of the circumstances.

Management is also responsible for the transactions included in the financial statements being in compliance with acts and other regulations as well as with agreements entered into and accounting policies.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation as well as generally accepted public auditing standards, see the Act on the Audit of State Accounts etc. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments,

the auditor considers internal control relevant to Metroselskabet I/S' preparation of financial statements that give a true and fair view 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 Metroselskabet I/S' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

An audit also involves an assessment of whether the procedures and internal controls established support the transactions included in the financial statements and are in accordance with acts and other regulations as well as with agreements entered into and accounting policies.

Copenhagen 13 April 2016

Deloitte

CVR number: 33 96 35 56

Lynge Skovgaard
State Authorised Public Accountant

Ulrik Benedict Vassing
State Authorised Public Accountant

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of Metroselskabet I/S' financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January 2015 to 31 December 2015 in accordance with the provisions of the partnership agreement between the Danish Government, the City of Copenhagen and the City of Frederiksberg as well as the Danish Financial Statements Act. We are also of the opinion that the procedures and internal controls established support the transactions included in the financial

Ernst & Young

CVR number: 30 70 02 28

Torben Kristensen
State Authorised Public Accountant

Michael N.C. Nielsen
State Authorised Public Accountant

statements and are in accordance with acts and other regulations as well as with agreements entered into and accounting policies.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary, see the annual report section "2015 in Brief", "Operations – current passengers", "Construction – future passengers", "About Metroselskabet", "Results and expectations" and "Appendix to the Directors' Report". We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Rigsrevisionen (Office of the Auditor General)

CVR number: 77 80 61 13

Lone Strøm
Auditor General

Morten Brædstrup-Holm
Director

Appendix to the Directors' Report

The following 2016 long-term budget was adopted in December 2015. Compared to the 2015 long-term budget from December 2014, the decision on the construction of the Sydhavn metro is included.

Long-term budget assumptions

The long-term budget is stated in current prices:

Passenger numbers and fares

1. The passenger numbers are determined according to the passenger forecast based on the most recently updated traffic model. For Cityringen including Nordhavn, the number of passengers budgeted for in 2019 is 16 million, increasing to 77 million passengers in 2024. For the metro in operation, the number of passengers budgeted for in 2016 is 60 million, increasing to 63 million passengers in 2019.

2. The passenger influx due to the inclusion of Sydhavn is based on the agreement in principle from June 2014. The number of passengers budgeted for in 2023 is 8 million, increasing to 14 million passengers in 2035.

3. For Cityringen including Nordhavn and the metro in operation, the basis for the fare assumptions is the price per new

passenger, based on the Order on the distribution of ticket revenue in Greater Copenhagen. These fare assumptions have been adjusted to 2015 prices, based on the realised development in fares during the period, and furthermore adjusted in accordance with the actual passenger breakdown in 2013. The fare per new passenger has been budgeted at DKK 13.08 in 2016. A real increase in fares by 13 per cent in the period 2009-2018, and by 15 per cent in the period 2018-2030, is assumed – equivalent to the assumptions in the government's 2010 convergence programme concerning the economic development. These assumptions are applied to the calculation assumptions in the updated passenger forecast.

4. The basis for the fare assumptions is, for Sydhavn, the agreement in principle. An actual fare increase of 14 per cent in the period 2009-2025, and of 28.5 per cent in the period 2009-2040, is assumed. The average fare for the passenger influx due to the Sydhavn metro in 2023 is budgeted at DKK 15.15 per passenger.

Operating and construction costs

5. The operating costs for the metro in operation are estimated on the basis of the company's costs in accordance with the contract for the operation and maintenance activities. For Cityringen, the basis is the transport system contract.

For Nordhavn the basis is the investigation, and for Sydhavn the basis is the agreement in principle. As the assumed real increase in fares is from experience assessed to have a partial impact on the index linking of the metro operating costs, a real increase in the operating costs equivalent to approximately 60 per cent of the assumed real increase in fares is budgeted. In the period 2013-2019, the budgeted commissioning expenses for Cityringen total DKK 409 million in 2016 prices. In 2018-2019, the budgeted expenses for the Trial Run of Cityringen total DKK 140 million in 2016 prices.

6. The construction costs for Cityringen have been determined on the basis of the tenders received for the transport system contract and the civil works contract. The total construction costs are estimated at DKK 22.2 billion in 2010 prices (DKK 23.6 billion in 2016 prices). The conversion of the remaining budget from 2010 prices to the current price level is based on the contract index and the construction index of the Ministry of Finance. The costs in the individual years are based on the current payment plans.

7. The construction costs for Nordhavn are determined on the basis of the agreement in principle. The total construction costs are estimated at DKK 2.5 billion in 2012 prices, including the contributed adjustment reserve (DKK 2.6 billion in 2016 prices). The conversion of the remaining budget from 2012 prices to the current price level is based on the construction index of the Ministry of Finance. The investment budget excluding adjustment reserves, equivalent to DKK 2.2 billion in 2012 prices (DKK 2.4 billion in 2016 prices), is included in the long-term budget, since the adjustment reserves

may only be used with the approval of the owners.

8. The construction costs for Sydhavn are determined on the basis of the agreement in principle. The total construction costs are estimated at DKK 8.6 billion including adjustment reserves in 2014 prices (DKK 8.9 billion in 2016 prices). The investment budget excluding adjustment reserves, equivalent to DKK 6.6 billion in 2012 prices (DKK 6.9 billion in 2016 prices), is included in the long-term budget, since the adjustment reserves may only be used with the approval of the owners.

9. Reinvestments in connection with Cityringen are based on the assumptions in the agreement in principle and for every 10th year amount to DKK 267 million, for every 25th year to DKK 1,200 million, and after an additional 50 years to DKK 533 million in 2016 prices. The conversion from 2010 prices to the current price level is based on an average inflation expectation of 2 per cent p.a.

10. Reinvestments in connection with Nordhavn are based on the assumptions in the report and for every 10th year amount to DKK 35 million, for every 25th year to DKK 156 million, and after an additional 50 years to DKK 69 million in 2016 prices. The conversion from 2012 prices to the current price level is based on an average inflation expectation of 2 per cent p.a.

11. Reinvestments in connection with Sydhavn are based on the assumptions in the agreement in principle and for every 10th year amount to DKK 77 million, for every 25th year to DKK 348 million, and after an additional 50 years to DKK 155 million in 2016 prices.

12. Reinvestments in connection with the metro in operation of DKK 311 million every 10th year in 2015 prices are assumed. In accordance with the partnership agreement, reinvestment in trains, tunnels and stations has not been included.

Other factors

13. The metro is registered for VAT purposes, so that VAT is deducted from the company's income from the operation of the metro, while the VAT costs of the construction of the metro are set off.

14. It is assumed that "other debt", which does not accrue interest, will increase to approximately DKK 600 million when the construction works peak, after which it will fall back to approximately DKK 100 million.

15. It is assumed that surplus liquidity accrues interest at a real interest rate of 2 per cent p.a. On the accrual of interest on the debt, account is taken of the agreements on the hedging of interest rates concluded by the company. Debt in addition to the interest rate hedging accrues interest at a real interest rate of 3.5 per cent p.a. In the short term, the company's actual interest rate expectations are also taken into account.

16. It is assumed that as from 2015 all prices will increase by 2 per cent p.a.

Long-term budget 2016 for Metroselskabet I/S (current prices)

DKK million

Inflation 2%

Interest rate assumptions

For interest rate hedging agreements the actual interest rate is applied.

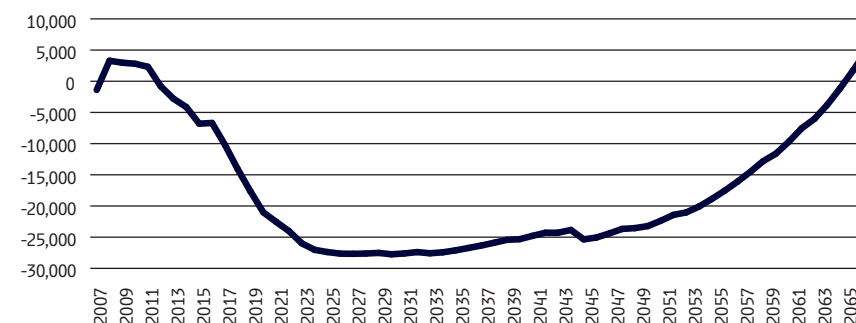
Debt in addition to the interest rate hedging accrues interest at a real interest rate of 3.5 per cent, equivalent to a nominal interest rate of 5.5 per cent.

Cityringen construction costs (2010 price level) 22,225

Nordhavn construction costs excluding adjustment reserves (2012 price level) 2,250

Sydhavn construction costs excluding adjustment reserves (2014 price level) 6,636

DKK million



Long-term budget 2015 for Metroselskabet I/S (current prices) – continued

DKK million	Year	Receivables	Other debt, etc.	The metro in operation			Construction of the metro Cityringen incl. Nordhavn and Sydhavn			Operating profit				Liquidity effect	Interest	Movement	Cash start of the year	Cash end of the year
				Investments	Reinvestments	Index linking	Investments	Reinvestments	Index linking	The metro in operation	Cityringen incl. Nordhavn and Sydhavn	Income	Expenses					
	01.01.2007	1,268	105				-4											-1,402
	2007	4,842	75	-172	0		-62	0			380	-354	0	0	4,708	-17	4,691	-1,402
	2008	58	-142	-53	0		-390	0			501	-444	0	0	-469	152	-317	3,288
	2009		102	-44	0		-404	0			530	-464	0	0	-280	114	-166	2,971
	2010		40	-39	-4		-594	0			595	-484	0	0	-486	-4	-490	2,805
	2011		-141	-46	-16		-3,008	0	-102		635	-443	0	0	-3,122	-15	-3,137	2,315
	2012	310	-64	-15	-47		-2,159	0	-98		678	-443	0	-14	-1,851	-143	-1,994	-822
	2013	1,886	-51	-74	-61		-2,987	0	-128		691	-475	0	-3	-1,203	-134	-1,336	-2,816
	2014	931	-207	-122	-29		-3,236	0	-126		772	-484	0	-4	-2,505	-149	-2,655	-4,152
	2015	3,779	300	-168	-48		-3,430	0	-203		715	-557	0	-5	383	-268	115	-6,806
	2016		300	-60	-46		-3,281	0	-194		756	-538	0	-37	-3,100	-382	-3,482	-6,691
	2017		300	-51	-29		-3,638	0	-217		784	-561	0	-49	-3,461	-447	-3,908	-10,174
	2018		-170	-52	-18		-2,682	0	-150		819	-576	0	-172	-3,001	-589	-3,590	-14,082
	2019		-170	-53	-2		-2,111	0	-239		864	-581	198	-500	-2,593	-754	-3,346	-17,671
	2020	66	-170	0	0		-1,021	0	-48		901	-585	750	-532	-639	-887	-1,526	-21,018
	2021			0	0		-1,125	0	-53		933	-601	912	-574	-509	-968	-1,477	-22,543
	2022			0	-350		-1,277	0	-60		966	-619	1,052	-613	-900	-1,064	-1,964	-24,020
	2023			0	0		-770	0	-36		996	-636	1,313	-770	97	-1,143	-1,046	-25,984
	2024			0	0		-15	0	-1		1,026	-650	1,418	-953	825	-1,181	-356	-27,030
	2025			0	0		0	0	0		1,058	-631	1,483	-967	944	-1,196	-252	-27,386
	2026			0	0		0	0	0		1,090	-648	1,548	-821	1,169	-1,201	-32	-27,638
	2027			0	0		0	0	0		1,123	-665	1,605	-816	1,247	-1,199	48	-27,670
	2028			0	0		0	0	0		1,159	-684	1,654	-839	1,291	-1,193	98	-27,621
	2029			0	0		0	-345	0		1,192	-702	1,711	-863	994	-1,213	-219	-27,524
	2030			0	0		0	-46	0		1,228	-721	1,774	-889	1,346	-1,213	133	-27,743
	2031			0	0		0	0	0		1,253	-735	1,812	-910	1,420	-1,202	218	-27,610
	2032			0	-427		0	0	0		1,278	-750	1,851	-929	1,024	-1,216	-192	-27,391
	2033			0	0		0	-108	0		1,304	-765	1,892	-949	1,373	-1,217	156	-27,583
	2034			0	0		0	0	0		1,330	-780	1,933	-969	1,513	-1,205	309	-27,427
	2035			0	0		0	0	0		1,356	-796	1,975	-989	1,546	-1,159	387	-27,118
	2036			0	0		0	0	0		1,383	-812	2,018	-1,010	1,579	-1,191	388	-26,343
	2037			0	0		0	0	0		1,411	-828	2,062	-1,032	1,613	-1,169	444	-26,343
	2038			0	0		0	0	0		1,439	-844	2,106	-1,054	1,647	-1,176	471	-25,899
	2039			0	0		0	-421	0		1,468	-861	2,152	-1,076	1,622	-1,161	101	-25,428
	2040			0	0		0	-56	0		1,497	-879	2,199	-1,099	1,663	-1,129	534	-25,326
	2041			0	0		0	0	0		1,527	-896	2,244	-1,121	1,754	-1,251	503	-24,792
	2042			0	-520		0	0	0		1,558	-914	2,289	-1,144	1,269	-1,265	4	-24,286
	2043			0	0		0	-132	0		1,589	-932	2,335	-1,167	1,693	-1,254	439	-24,286
	2044			0	0		0	-2,090	0		1,621	-951	2,382	-1,190	-228	-1,281	-1,510	-23,847
	2045			0	0		0	-277	0		1,653	-970	2,430	-1,214	1,622	-1,314	308	-25,356
	2046			0	0		0	0	0		1,686	-989	2,478	-1,238	1,937	-1,289	648	-25,049
	2047			0	0		0	0	0		1,720	-1,009	2,528	-1,263	1,975	-1,252	723	-24,401
	2048			0	0		0	-656	0		1,755	-1,029	2,578	-1,288	1,359	-1,229	129	-23,678
	2049			0	0		0	-513	0		1,790	-1,050	2,630	-1,314	1,543	-1,217	326	-23,548
	2050			0	0		0	-68	0		1,825	-1,071	2,682	-1,340	2,028	-1,186	842	-23,223
	2051			0	0		0	0	0		1,862	-1,092	2,736	-1,367	2,138	-1,187	952	-22,380
	2052			0	-634		0	0	0		1,899	-1,114	2,791	-1,395	1,547	-1,150	397	-21,429
	2053			0	0		0	-161	0		1,937	-1,137	2,847	-1,422	2,064	-1,114	949	-21,032
	2054			0	0		0	0	0		1,976	-1,159	2,903	-1,451	2,269	-1,057	1,212	-20,083
	2055			0	0		0	0	0		2,015	-1,182	2,962	-1,480	2,315	-989	1,326	-18,870
	2056			0	0		0	0	0		2,056	-1,206	3,021	-1,510	2,361	-915	1,446	-17,544
	2057			0	0		0	0	0		2,097	-1,230	3,081	-1,540	2,408	-834	1,574	-16,098
	2058			0	0		0	0	0		2,139	-1,255	3,143	-1,571	2,456	-746	1,710	-14,524
	2059			0	0		0	-625	0		2,182	-1,280	3,206	-1,602	1,880	-667	1,213	-12,814
	2060			0	0		0	-83	0		2,225	-1,306	3,270	-1,634	2,473	-571	1,902	-11,601
	2061			0	0		0	0	0		2,270	-1,332	3,335	-1,667	2,607	-463	2,144	-9,699
	2062			0	-773		0	0	0		2,315	-1,358	3,402	-1,700	1,886	-364	1,521	-7,555
	2063			0	0		0	-196	0		2,361	-1,385	3,470	-1,734	2,516	-264	2,252	-6,034
	2064			0	0		0	0	0		2,409	-1,413	3,539	-1,769	2,766	-133	2,633	-3,782
	2065			0	0		0	0	0		2,457	-1,441	3,610	-1,804	2,821	13	2,835	-1,149
	2066			0	0		0	0	0		2,506	-1,470	3,682	-1,840	2,878	124	3,002	1,686

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